

The SAES[®] Group

First Half 2018 Consolidated Results



making **innovation happen**, together

1H 2018 Highlights

All figures in M€, unless otherwise stated

- INCREASE IN REVENUES DESPITE THE NEGATIVE EXCHANGE RATE EFFECT (-8.3%) AND SIGNIFICANT IMPROVEMENT OF THE OPERATING INDICATORS
- STRONG INCREASE IN THE NET INCOME AND POSITIVE NET FINANCIAL POSITION (€249M), THANKS TO THE EXTRAORDINARY OPERATION FOR THE SALE OF THE GAS PURIFICATION BUSINESS

P&L figures	1H 2018	1H 2017	Total difference	Difference %
CONSOLIDATED SALES	75.7	73.8	1.9	2.5%
TOTAL REVENUES OF THE GROUP	81.7	80.6	1.1	1.4%
CONSOLIDATED GROSS PROFIT	32.5	31.3	1.2	3.9%
<i>% on sales</i>	42.9%	42.3%		
CONSOLIDATED OPERATING INCOME	7.9	5.1	2.8	56.0%
<i>% on sales</i>	10.4%	6.8%		
CONSOLIDATED EBITDA	11.7	9.5	2.2	23.2%
<i>% on sales</i>	15.5%	12.9%		
NET INCOME (LOSS) FROM CONTINUED OPERATIONS	2.7	(2.0)	4.7	-236.4%
<i>% on sales</i>	3.6%	-2.7%		
NET INCOME (LOSS) FROM ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS	239.9	13.0	226.9	1,748.7%
<i>% on sales</i>	316.8%	17.6%		
CONSOLIDATED NET INCOME (LOSS)	242.6	11.0	231.6	2,106.8%
<i>% on sales</i>	320.4%	14.9%		
Other information	Jun 30, 2018	Dec 31, 2017	Total difference	Difference %
CONSOLIDATED NET FINANCIAL POSITION	249.0	(16.5)	265.5	-1,607.5%

Total revenues of the Group

(achieved by incorporating the JVs with the proportional method instead of the equity method)

All figures in M€, unless otherwise stated

	1H 2018	1H 2017	Total difference	Difference %
Consolidated sales	75.7	73.8	1.9	2.5%
50% Actuator Solutions sales	5.9	6.9	(1.0)	-14.5%
49% SAES RIAL Vacuum S.r.l. sales	0.5	0.3	0.2	79.6%
33.79% Flexterra sales	0.0	0.0	0.0	0.0%
Eliminations & other adjs	(0.4)	(0.4)	0.0	-0.5%
Total revenues of the Group	81.7	80.6	1.1	1.4%

	1Q 2017	2Q 2017	3Q 2017	4Q 2017	1Q 2018	2Q 2018
Consolidated sales	36.6	37.3	36.4	36.8	37.6	38.1
50% Actuator Solutions sales	3.5	3.4	3.6	3.0	2.8	3.1
49% SAES RIAL Vacuum S.r.l. sales	0.1	0.1	0.3	0.6	0.3	0.2
33.79% Flexterra sales	0.0	0.0	0.0	0.0	0.0	0.0
Eliminations & other adjs	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.3)
Total revenues of the Group	40.0	40.6	40.2	40.2	40.5	41.1

- ✓ **Total revenues of the Group** up by 1.4%, thanks both to the increased **consolidated revenues** (+2.5%) and to the growth of **sales of the joint venture SAES RIAL Vacuum S.r.l.**
- ✓ In the **joint venture Actuator Solutions**, the growth of the automotive sector absorbed by the decrease in revenues in the segment of autofocus (AF) for action cameras of the Taiwan-based company



Industrial Applications BU Sales



Industrial Applications
38.9%

	1H 2018	1H 2017	Total difference %	Organic change %	Exchange rate effect %
Security & Defense	6.1	4.2	46.3%	55.9%	-9.6%
Electronic Devices	7.3	6.8	8.0%	13.5%	-5.5%
Healthcare Diagnostics	2.2	2.0	8.0%	13.3%	-5.3%
Getters & Dispensers for Lamps	2.6	3.2	-18.2%	-14.2%	-4.0%
Thermal Insulation	1.8	2.0	-12.5%	-3.9%	-8.6%
Solutions for Vacuum Systems	5.4	4.1	32.3%	39.5%	-7.2%
Sintered Components for Electronic Devices & Lasers	3.6	3.6	-1.7%	9.9%	-11.6%
Systems for Gas Purification & Handling (*)	0.4	0.2	159.1%	159.1%	0.0%
Industrial Applications	29.4	26.1	12.7%	20.0%	-7.3%

All figures in M€, unless otherwise stated

(*) After the sale of the gas purification business to Entegris on June 25, 2018, the Systems for Gas Purification & Handling Business includes the sales of raw materials and getter components made by the Parent Company for the purifiers mainly addressed to the semiconductor industry.

	1Q 2017	2Q 2017	3Q 2017	4Q 2017	1Q 2018	2Q 2018
Security & Defense	2.2	2.0	1.9	2.4	3.0	3.2
Electronic Devices	2.6	4.2	6.6	6.1	3.1	4.2
Healthcare Diagnostics	1.0	1.0	0.9	0.9	1.0	1.1
Getters & Dispensers for Lamps	1.8	1.4	1.2	1.2	1.4	1.2
Thermal Insulation	1.3	0.8	1.1	1.2	0.9	0.9
Solutions for Vacuum Systems	2.1	2.0	1.6	2.6	3.2	2.2
Sintered Components for Electronic Devices & Lasers	1.7	1.9	1.7	1.5	1.8	1.8
Systems for Gas Purification & Handling	0.1	0.1	0.1	0.1	0.2	0.2
Industrial Applications	12.8	13.3	15.1	16.0	14.6	14.8

- ✓ Organic growth mainly driven by the **Security & Defense Business**, thanks to the recovery of military investments in the US and in Europe
- ✓ Strong increase in the **Solutions for Vacuum Systems Business** (higher sales to the manufacturers of analytic devices and new orders in the field of particle accelerators)
- ✓ Increase in the **Electronic Devices Business** (positive trend of the sales of infrared surveillance and industrial applications) and in the **Healthcare Diagnostics Business** (positive trend of the market of X-ray tubes for image diagnostics and surveillance applications)
- ✓ The **Sintered Components for Electronic Devices & Lasers Business** penalized by the exchange rate effect, but with an organic growth driven by the sales of thermal dissipation devices and of products for laser applications, mainly in the defense sector
- ✓ Decrease in the **Thermal Insulation Business** (weak sales of insulating panels for the refrigeration market and delay of some projects in China for thermodynamic solar power plants) and in the **Getters & Dispensers for Lamps Business** (persistent technological competition of LEDs towards fluorescent and discharge intensity lamps)

Shape Memory Alloys BU Sales

All figures in M€, unless otherwise stated

Shape Memory
Alloys (SMA)

52.5%



	1H 2018	1H 2017	Total difference %	Organic change %	Exchange rate effect %
Nitinol for Medical Devices	34.2	35.4	-3.4%	7.8%	-11.2%
SMAs for Thermal & Electro Mechanical Devices	5.5	4.6	19.8%	23.3%	-3.5%
Shape Memory Alloys	39.8	40.0	-0.7%	9.6%	-10.3%

	1Q 2017	2Q 2017	3Q 2017	4Q 2017	1Q 2018	2Q 2018
Nitinol for Medical Devices	17.9	17.5	15.4	15.4	16.3	17.9
SMAs for Thermal & Electro Mechanical Devices	2.1	2.5	2.7	2.3	2.8	2.7
Shape Memory Alloys	20.0	20.0	18.1	17.7	19.2	20.6

- ✓ **Nitinol for Medical Devices Business:** organic growth trend (+7.8%) in line with the trend of the reference markets
- ✓ **SMAs for Thermal and Electro Mechanical Devices Business:** strong organic growth (+23.3%), driven by the continuing expansion in the field of luxury goods and by higher sales in the automotive sector

Solutions for Advanced Packaging BU Sales

All figures in M€, unless otherwise stated

Solutions for Advanced Packaging



	1H 2018	1H 2017	Total difference %	Organic change %	Exchange rate effect %
Solutions for Advanced Packaging	6.0	7.0	-14.5%	-14.5%	0.0%

	1Q 2017	2Q 2017	3Q 2017	4Q 2017	1Q 2018	2Q 2018
Solutions for Advanced Packaging	3.4	3.6	2.8	2.7	3.5	2.5

- ✓ Decrease partly due to the postponing of some deliveries after June 30, 2018 and partly to the still ongoing rationalization of the product portfolio, aimed at reducing the incidence of metalized products compared to lacquered ones (the latter having greater margins)

Business Development Unit Sales

All figures in M€, unless otherwise stated

Business Development Unit



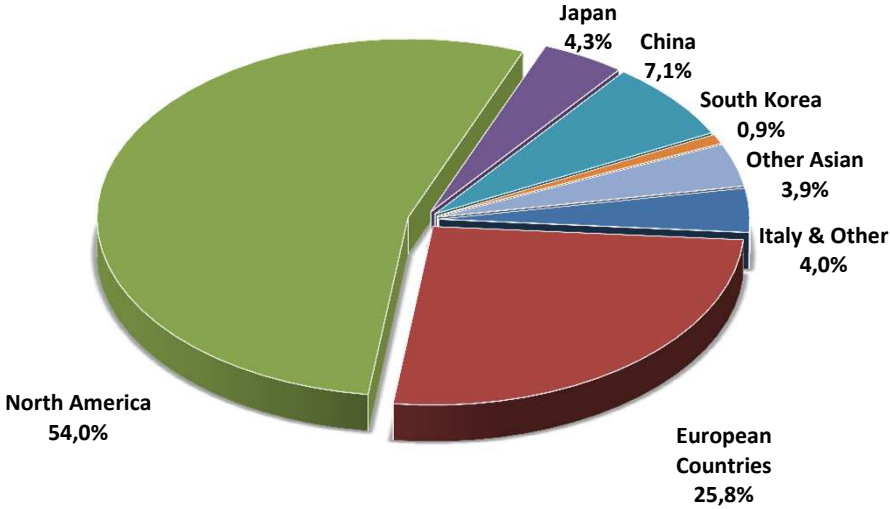
	1H 2018	1H 2017	Total difference %	Organic change %	Exchange rate effect %
Business Development	0.6	0.7	-22.5%	-14.1%	-8.4%

	1Q 2017	2Q 2017	3Q 2017	4Q 2017	1Q 2018	2Q 2018
Business Development	0.4	0.4	0.4	0.5	0.3	0.2

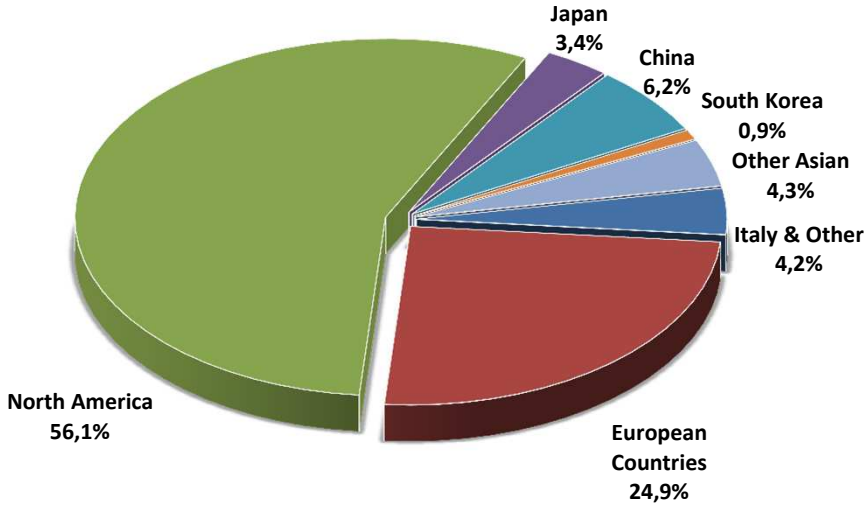
- ✓ Organic decrease mainly attributable to the price effect related to increased competition in the OLED sector, as well as to the time necessary for the introduction of the new SAES encapsulating products, currently in an advanced development phase

Consolidated Sales by Geographic Area

1H 2018 – Total 75,709

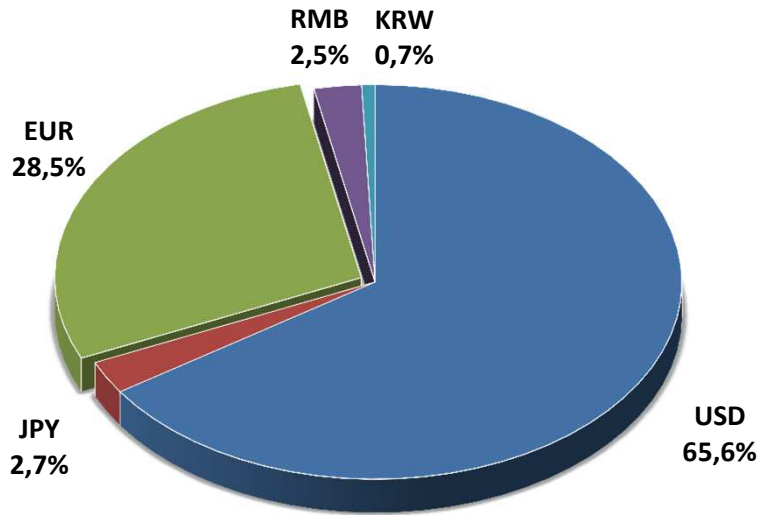


1H 2017 – Total 73,840

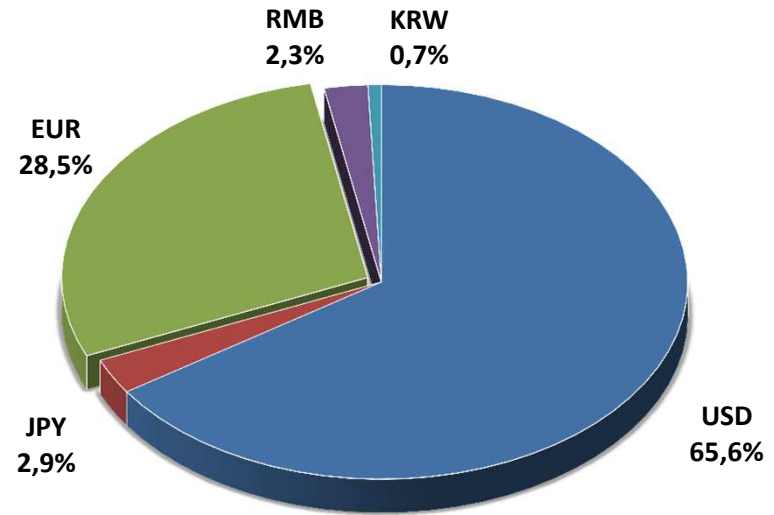


Consolidated Sales by Invoicing Currency

1H 2018 - Total 75,709

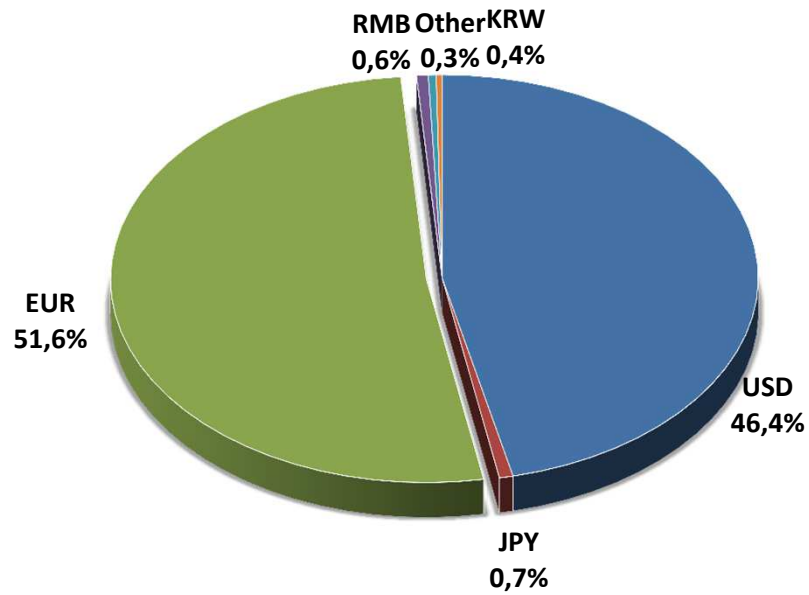


1H 2017 - Total 73,840

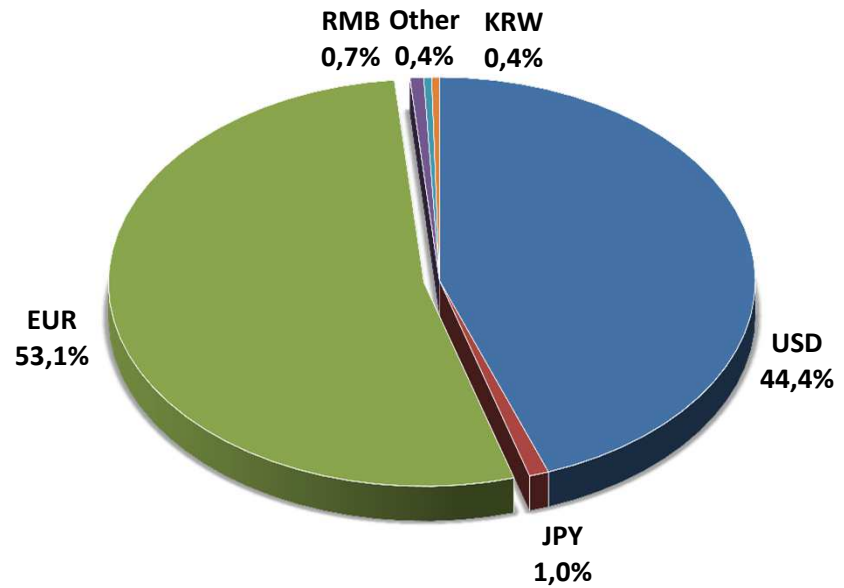


Consolidated Costs by Currency

1H 2018 – Total 69,221



1H 2017 – Total 68,987



Industrial Applications Margins

All figures in M€, unless otherwise stated

	1H 2018	1H 2017	Total difference
NET SALES	29.4	26.1	3.3
GROSS PROFIT	15.2	13.1	2.1
<i>Gross Margin</i>	<i>51.6%</i>	<i>50.0%</i>	
OPERATING INCOME	8.0	6.1	1.9
<i>Operating Margin</i>	<i>27.3%</i>	<i>23.4%</i>	

	3Q 2017	4Q 2017	1Q 2018	2Q 2018
NET SALES	15.1	16.0	14.6	14.8
GROSS PROFIT	7.2	8.1	7.7	7.5
<i>Gross Margin</i>	<i>47.6%</i>	<i>50.8%</i>	<i>52.9%</i>	<i>50.5%</i>
OPERATING INCOME	4.0	4.9	4.1	3.9
<i>Operating Margin</i>	<i>26.3%</i>	<i>30.6%</i>	<i>28.4%</i>	<i>26.3%</i>

- ✓ **Gross profit** up by 16.4%, mainly thanks to the significant performance of the sales in the security and defense sector, in the vacuum systems one, as well as in that of electronic devices
- ✓ **Gross margin** slightly increased (from 50% to 51.6%): the increase in sales of the sectors characterized by a higher profitability more than offset the decrease of the gross margin in the more traditional or structurally decreasing businesses (mainly lamps and the thermal insulation sectors)
- ✓ **Operating income** up by 31.8% and **operating margin** increased from 23.4% to 27.3%

Shape Memory Alloys Margins

All figures in M€, unless otherwise stated

	1H 2018	1H 2017	Total difference
NET SALES	39.8	40.0	-0.3
GROSS PROFIT	16.6	17.0	-0.4
<i>Gross Margin</i>	<i>41.8%</i>	<i>42.5%</i>	
OPERATING INCOME	12.3	10.3	2.0
<i>Operating Margin</i>	<i>30.9%</i>	<i>25.7%</i>	

	3Q 2017	4Q 2017	1Q 2018	2Q 2018
NET SALES	18.1	17.7	19.2	20.6
GROSS PROFIT	7.1	7.8	7.8	8.8
<i>Gross Margin</i>	<i>39.3%</i>	<i>43.9%</i>	<i>40.8%</i>	<i>42.7%</i>
OPERATING INCOME	4.5	5.3	6.1	6.1
<i>Operating Margin</i>	<i>24.7%</i>	<i>29.7%</i>	<i>32.0%</i>	<i>29.8%</i>

- ✓ Slight decrease in **gross profit** exclusively due to the currency effect (mainly the dollar devaluation) on the revenues, while the **gross margin** was substantially stable (from 42.5% to 41.8%)
- ✓ **Operating income** up by 19.5% and **operating margin** increased from 25.7% to 30.9%: both increases favored by a grant provided by the CT State to the subsidiary Memry Corporation (around €1.1 million)

Solutions for Advanced Packaging Margins

All figures in M€, unless otherwise stated

	1H 2018	1H 2017	Total difference
NET SALES	6.0	7.0	-1.0
GROSS PROFIT	0.6	1.1	-0.4
<i>Gross Margin</i>	10.5%	15.2%	
OPERATING INCOME	-1.3	-0.2	-1.1
<i>Operating Margin</i>	-22.5%	-3.1%	

	3Q 2017	4Q 2017	1Q 2018	2Q 2018
NET SALES	2.8	2.7	3.5	2.5
GROSS PROFIT	0.3	0.3	0.4	0.2
<i>Gross Margin</i>	10.9%	10.5%	12.8%	7.2%
OPERATING INCOME	(0.3)	(0.4)	(0.5)	(0.8)
<i>Operating Margin</i>	-12.0%	-13.3%	-14.6%	-33.6%

- ✓ **Gross profit** equal to €0.6 million (10.5% of revenues), compared to €1.1 million (15.2% of revenues) in 1H 2017
- ✓ Decrease mainly due to lower sales and to increased price of raw material that negatively affected the gross margin
- ✓ **Operating loss** equal to -€1.3 million, compared to a loss of -€0.2 million in 1H2017

Business Development & Corporate Costs Margins

All figures in M€, unless otherwise stated

	1H 2018	1H 2017	Total difference
NET SALES	0.6	0.7	-0.2
GROSS PROFIT	0.1	0.1	-0.1
<i>Gross Margin</i>	<i>11.1%</i>	<i>17.0%</i>	
Total operating expenses	(11.0)	(11.0)	(0.0)
Other income (expenses), net	(0.1)	(0.2)	0.1
OPERATING INCOME	(11.1)	(11.1)	(0.0)
<i>Operating Margin</i>	<i>n.s.</i>	<i>n.s.</i>	

	3Q 2017	4Q 2017	1Q 2018	2Q 2018
NET SALES	0.4	0.5	0.3	0.2
GROSS PROFIT	0.0	0.1	0.1	(0.0)
<i>Gross Margin</i>	<i>3.1%</i>	<i>30.3%</i>	<i>26.9%</i>	<i>-11.4%</i>
Total operating expenses	(6.3)	(7.6)	(5.6)	(5.4)
Other income (expenses), net	(0.1)	(0.1)	(0.1)	(0.1)
OPERATING INCOME	(6.4)	(7.5)	(5.6)	(5.5)
<i>Operating Margin</i>	<i>n.s.</i>	<i>n.s.</i>	<i>n.s.</i>	<i>n.s.</i>

- ✓ **Gross profit** in line with the 1H 2017
- ✓ **Operating result** also unchanged compared to 1H 2017

Consolidated Income Statement

All figures in M€, unless otherwise stated

	1H 2018	1H 2017	Total difference
NET SALES	75.7	73.8	1.9
GROSS PROFIT	32.5	31.3	1.2
<i>Gross Margin</i>	42.9%	42.3%	
R&D expenses	(5.5)	(6.0)	0.5
Selling expenses	(6.1)	(5.9)	(0.1)
G&A expenses	(14.1)	(14.2)	0.1
Total operating expenses	(25.7)	(26.1)	0.5
Other income (expenses), net	1.1	(0.1)	1.1
OPERATING INCOME	7.9	5.1	2.8
<i>Operating Margin</i>	10.4%	6.8%	
Interest and other financial income (expenses), net	(0.3)	(0.8)	0.5
Income (loss) from equity method evaluated companies	(0.7)	(1.1)	0.3
Foreign exchange gains (losses), net	0.0	(0.7)	0.7
INCOME BEFORE TAXES	6.9	2.5	4.3
Income Taxes	(4.2)	(4.5)	0.3
NET INCOME from continued operations	2.7	(2.0)	4.7
<i>Net Margin</i>	3.6%	-2.7%	
Net income (loss) from assets held for sales and discontinued operations	239.9	13.0	226.9
NET INCOME before minority interests	242.6	11.0	231.6
<i>Net Margin</i>	320.4%	14.9%	
Minority interests	0.0	0.0	0.0
GROUP NET INCOME	242.6	11.0	231.6
<i>Net Margin</i>	320.4%	14.9%	

Actuator Solutions - Income Statement (50%)

(figures based on the % of ownership held by SAES Group)

All figures in M€, unless otherwise stated

	1H 2018	1H 2017	Total difference	1Q 2017	2Q 2017	3Q 2017	4Q 2017	1Q 2018	2Q 2018
NET SALES	5.9	6.9	(1.0)	3.5	3.4	3.6	3.0	2.8	3.1
Cost of goods sold	(4.7)	(6.5)	1.7	(3.6)	(2.9)	(3.1)	(2.6)	(2.2)	(2.5)
GROSS PROFIT	1.1	0.4	0.7	(0.1)	0.5	0.5	0.4	0.6	0.5
<i>Gross Margin</i>	19.5%	5.7%		-2.1%	13.8%	13.7%	13.6%	21.6%	17.5%
Operating expenses	(1.1)	(1.3)	0.2	(0.6)	(0.7)	(0.8)	(0.6)	(0.6)	(0.6)
Other income (expenses), net	(0.1)	(0.5)	0.4	(0.1)	(0.4)	0.5	0.0	0.1	(0.2)
OPERATING INCOME	(0.1)	(1.4)	1.4	(0.8)	(0.7)	0.2	(0.2)	0.2	(0.2)
<i>Operating Margin</i>	-1.0%	-20.8%		-21.9%	-19.7%	5.4%	-5.3%	5.9%	-7.3%
Interest and other financial income (expenses), net	(0.1)	(0.2)	0.0	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)
Foreign exchange gains (losses), net	(0.0)	(0.1)	0.1	0.2	(0.3)	(0.1)	0.0	(0.0)	0.0
INCOME BEFORE TAXES	(0.2)	(1.7)	1.5	(0.6)	(1.1)	(0.0)	(0.2)	0.1	(0.3)
Income Taxes	(0.1)	0.0	(0.2)	0.0	(0.0)	(0.1)	(0.0)	(0.1)	(0.1)
NET INCOME (LOSS)	(0.4)	(1.7)	1.3	(0.6)	(1.1)	(0.1)	(0.2)	(0.0)	(0.3)

- ✓ 1H 2018 **net sales** almost entirely attributable to the German business of seat comfort, which continued to record a progressive growth, facing a decrease in sales of the AF for action cameras of the Taiwanese subsidiary
- ✓ Improvement in **net result** mainly due to the recovery of the margin in the German business (also favored by the economies of scale related to the increased sales), as well as to the reduction of the costs of the Taiwanese subsidiary (subsequent to the reorganization carried out in the previous year and aimed at the closure of the Zhubei factory, at the outsourcing of the production activities and the focus of Actuator Solutions Taiwan Co., Ltd. in R&D activities)
- ✓ Excluding the extraordinary charges (€0.7 million) related to the continuation of the process of the production outsourcing also at the Chinese subsidiary, **net result** substantially at break-even

SAES RIAL Vacuum - Income Statement (49%)

(figures based on the % of ownership held by SAES Group)

All figures in M€, unless otherwise stated

	1H 2018	1H 2017	Total difference	1Q 2017	2Q 2017	3Q 2017	4Q 2017	1Q 2018	2Q 2018
NET SALES	0.5	0.3	0.2	0.1	0.1	0.3	0.6	0.3	0.2
Cost of goods sold	(0.4)	(0.4)	(0.0)	(0.2)	(0.2)	(0.2)	(0.3)	(0.2)	(0.2)
GROSS PROFIT	0.1	(0.1)	0.2	(0.0)	(0.0)	0.1	0.2	0.1	0.0
<i>Gross Margin</i>	25.0%	-27.6%		-23.9%	-31.4%	41.3%	39.0%	31.1%	17.2%
Operating expenses	(0.1)	(0.1)	(0.0)	(0.0)	(0.0)	(0.0)	(0.1)	(0.0)	(0.1)
Other income (expenses), net	(0.0)	0.1	(0.1)	0.1	(0.0)	0.0	(0.0)	(0.0)	(0.0)
OPERATING INCOME	0.0	(0.1)	0.1	(0.0)	(0.1)	0.1	0.1	0.0	(0.0)
<i>Operating Margin</i>	2.8%	-31.2%		-11.3%	-51.8%	30.9%	26.3%	17.1%	-15.4%
Interest and other financial income (expenses), net	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
Foreign exchange gains (losses), net	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
INCOME BEFORE TAXES	0.0	(0.1)	0.1	(0.0)	(0.1)	0.1	0.1	0.0	(0.0)
Income Taxes	(0.0)	0.0	(0.0)	0.0	0.0	0.0	(0.0)	(0.0)	0.0
NET INCOME (LOSS)	(0.0)	(0.1)	0.1	(0.0)	(0.1)	0.1	0.1	0.0	(0.0)

- ✓ The increase in sales and the related economies of scale, together with the overtaking of the initial production inefficiencies, allowed the strong **improvement in the gross margin** and the subsequent achievement of the **break-even**

Flexterra - Income Statement (33.79%)

(figures based on the % of ownership held by SAES Group)

All figures in M€, unless otherwise stated

	1H 2018	1H 2017	Total difference
NET SALES	0.0	0.0	0.0
Cost of goods sold	(0.0)	0.0	(0.0)
GROSS PROFIT	0.0	0.0	(0.0)
<i>Gross Margin</i>	<i>n.s.</i>	<i>n.s.</i>	
Operating expenses	(0.7)	(0.9)	0.2
Other income (expenses), net	(0.0)	(0.1)	0.1
OPERATING INCOME	(0.7)	(1.0)	0.3
<i>Operating Margin</i>	<i>n.s.</i>	<i>n.s.</i>	
Interest and other financial income (expenses), net	(0.0)	0.0	(0.0)
Foreign exchange gains (losses), net	(0.0)	0.0	(0.0)
INCOME BEFORE TAXES	(0.7)	(1.0)	0.2
Income Taxes	0.0	0.0	0.0
NET INCOME (LOSS)	(0.7)	(1.0)	0.2

- ✓ The **development start-up** ended the 1H 2018 with a **net loss** equal to -€2.2 million (mainly, costs for personnel employed in research activities and in general and administrative activities, consultancy, costs related to the management of patents and amortization of intangible assets conferred by some third-party shareholders upon establishment of the company)
- ✓ **Containment of the loss** mainly attributable to lower personnel costs, as a result of the progressively more efficient use of the resources, together with the reduction in consultancy
- ✓ The **first fully flexible electrophoretic display**, which uses technology and materials developed by Flexterra, presented at **SID in Los Angeles** at the end of May 2018

Total Income Statement of the Group

(achieved by incorporating the JVs with the proportional method instead of the equity method)

All figures in M€, unless otherwise stated

	1H 2018	Actuator Solutions		SAES RIAL Vacuum S.r.l.		Flexterra		1H 2018 Total IS of the Group
		50% Actuator Solutions	Eliminations & other adjs	49% SAES RIAL Vacuum S.r.l.	Eliminations & other adjs	33.79% Flexterra	Eliminations & other adjs	
NET SALES	75.7	5.9	-0.4	0.5	-0.1	0.0		81.7
GROSS PROFIT	32.5	1.1	0.0	0.1	0.0	0.0	0.0	33.8
<i>Gross Margin</i>	42.9%	19.5%		25.0%		n.s.		41.3%
Total operating expenses	-25.7	-1.1		-0.1		-0.7		-27.6
Other income (expenses), net	1.1	-0.1		0.0		0.0		1.0
OPERATING INCOME	7.9	-0.1	0.0	0.0	0.0	-0.7	0.0	7.1
<i>Operating Margin</i>	10.4%	-1.0%		2.8%		n.s.		8.7%
Interest and other financial income (expenses), net	-0.3	-0.1		0.0		0.0		-0.4
Income (loss) from equity method evaluated companies	-0.7		0.0		0.0		0.7	0.0
Foreign exchange gains (losses), net	0.0	0.0		0.0		0.0		0.0
INCOME BEFORE TAXES	6.9	-0.2	0.0	0.0	0.0	-0.7	0.7	6.6
Income Taxes	-4.2	-0.1		0.0		0.0		-4.3
NET INCOME from continued operations	2.7	-0.4	0.0	0.0	0.0	-0.7	0.7	2.3
<i>Net Margin</i>	3.6%	-6.1%		-0.2%		n.s.		2.9%
Net income (loss) from discontinued operations	239.9							239.9
NET INCOME before minority interests	242.6	-0.4	0.0	0.0	0.0	-0.7	0.7	242.2
<i>Net Margin</i>	320.4%	-6.1%		-0.2%		n.s.		296.6%
Minority interests	0.0							0.0
GROUP NET INCOME	242.6	-0.4	0.0	0.0	0.0	-0.7	0.7	242.2
<i>Net Margin</i>	320.4%	-6.1%		-0.2%		n.s.		296.6%

Result from discontinued operations - detail

All figures in M€, unless otherwise stated

	Consolidated statement of profit or loss - gas purification business	Capital gain on purification business disposal, net of the related costs	1H 2018	Consolidated statement of profit or loss - gas purification business	Capital gain on purification business disposal, net of the related costs	1H 2017
Total net sales	44.6	0.0	44.6	43.4		43.4
Cost of sales	(25.9)	(1.3)	(27.2)	(23.1)		(23.1)
Gross profit	18.7	(1.3)	17.4	20.3	0	20.3
R&D expenses	(1.9)	(0.9)	(2.7)	(1.7)		(1.7)
Selling expenses	(2.5)	(1.0)	(3.5)	(2.3)		(2.3)
G&A expenses	(0.9)	(25.1)	(26.0)	(1.0)	(0.2)	(1.2)
Total operating expenses	(5.3)	(26.9)	(32.2)	(4.9)	(0.2)	(5.1)
Other income	0.0	261.4	261.5	0.1		0.1
Other expenses	(0.0)	(0.1)	(0.1)	(0.1)		(0.1)
Operating income (loss)	13.4	233.1	246.6	15.5	(0.2)	15.3
Financial income	0.0	0.0	0.0	0		0.0
Financial expenses	(0.0)	(0.2)	(0.3)	(0.1)		(0.1)
Foreign exchange gains (losses), net	0.0	(3.7)	(3.7)	(0.0)		(0.0)
Income (loss) before taxes	13.4	229.2	242.6	15.4	(0.2)	15.2
Income taxes	(1.0)	(1.7)	(2.7)	(2.2)		(2.2)
Income (loss) from assets held for sale and discontinued operations	12.4	227.5	239.9	13.2	(0.2)	13.0

Capital gain on gas purification business disposal

All figures in M€, unless otherwise stated

Consideration	304.1
Price adjustments	(1.8)
Total consideration	302.3
Book value of the sold net assets	(40.9)
Gross capital gain	261.4
Legal & consultant expenses	(5.9)
Bonus & severance	(7.9)
Asset Plan remuneration	(14.4)
Other costs	(0.1)
Interests	(0.2)
Realized exchange losses on hedging contracts	(4.3)
Exchange losses on the USD collection	(1.3)
Release of the conversion reserve generated by the US companies sold	1.8
Taxes	(1.7)
Total costs	(34.0)
Net capital gain	227.5

Cash Flows from discontinued operations

All figures in M€, unless otherwise stated

	Cash Flows 1H 2018	From discontinued operations			From continued operations
		gas purification business	business disposal	total	
Net income (loss) from continued operations	2.7			0.0	2.7
Net income (loss) from discontinued operations	239.9	12.4	227.5	239.9	0.0
Current income taxes	10.4	0.9		0.9	9.5
Change in deferred income taxes	(5.3)	0.1		0.1	(5.4)
Depreciation, amortization and write down of non current assets	4.2	0.4		0.4	3.8
Net capital gain on purification business disposal	(227.5)		(227.5)	(227.5)	0.0
Interests and other financial income, net	1.0			0.0	1.0
Other non-monetary costs	(2.6)	(0.4)		(0.4)	(2.2)
	22.9	13.4	0.0	13.4	9.5
Change in operating assets and liabilities	(6.5)	(0.8)		(0.8)	(5.7)
Payments of termination indemnities and similar obligations	(0.1)			0.0	(0.1)
Financial income received, net of payment of interests	(0.2)			0.0	(0.2)
Payment of income taxes	(9.4)	(1.0)		(1.0)	(8.4)
Net cash flows from operating activities	6.7	11.6	0.0	11.6	(4.9)
Purchase of tangible and intangible assets, net of proceeds from sales	(7.3)	(0.2)		(0.2)	(7.1)
Consideration for the acquisition of minority interests in subsidiaries	(0.1)			0.0	(0.1)
Price paid for the acquisition of businesses	(0.1)	(0.1)		(0.1)	0.0
Consideration for the purification business disposal, net of the disposed cash	300.8		300.8	300.8	0.0
Ancillary monetary charges for the purification business disposal	(19.6)		(19.6)	(19.6)	0.0
Net cash flows from investing activities	273.7	(0.3)	281.1	280.8	(7.1)
Proceeds from debts, net of repayments	9.7			0.0	9.7
Dividends payment	(15.4)			0.0	(15.4)
Interests and other expenses paid on loans	(0.3)			0.0	(0.3)
Financing receivables from related parties	(0.2)			0.0	(0.2)
Other financial liabilities	0.0			0.0	0.0
Net cash flows from financing activities	(6.3)	0.0	0.0	0.0	(6.3)
Effect of exchange rate differences	0.6	(0.9)		(0.9)	1.6
TOTAL CASH FLOWS	274.7	10.3	281.1	291.5	(16.8)

Net Financial Position

All figures in M€, unless otherwise stated

	Jun 30, 2018	Mar 31, 2018	Dec 31, 2017
Cash and cash equivalents	302.6	24.1	27.6
Current financial assets	0.9	0.9	0.9
Current financial liabilities	(40.6)	(23.7)	(24.5)
Current net financial position	262.9	1.2	4.0
Non current financial assets	8.0	8.0	7.5
Non current financial liabilities	(22.0)	(24.8)	(28.1)
Non current financial position	(13.9)	(16.8)	(20.5)
NET FINANCIAL POSITION	249.0	(15.5)	(16.5)

- ✓ Increase in the NFP as result of the **extraordinary sale transaction of the purification business** (+€280 million)
- ✓ **Disbursements for dividends** paid at the beginning of May (-€15.4 million) and **net investments in tangible and intangible assets** (-€7.3 million) partially offset by the cash flows generated by the **operating activities**
- ✓ **Exchange rate effect** positive for €1.5 million, mainly attributable to the effect of the revaluation of the US dollar on cash in dollars

- Strong growth expected in the second part of the year, mainly driven by the continued success of the products for the medical sector in the market

Disclaimer and Attestation

This presentation contains forward-looking statements which are based upon current expectations and involve a number of risks and uncertainties. There are a number of important factors that could cause actual results to differ materially from those expressed in any forward-looking statements made by the Company. These factors include the Company's ability to introduce new products at planned costs and on planned schedules, the Company's ability to maintain key client relationships and the environments of the various economies in the countries the Company conducts business. The Company cautions that the foregoing list of important factors is not exclusive. The Company undertakes no obligation to publicly release the result of any revision to these forward-looking statements which may be made to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.

The Officer Responsible for the preparation of corporate financial reports of SAES Getters S.p.A. certifies that, in accordance with the second subsection of article 154-*bis*, part IV, title III, second paragraph, section V-*bis*, of Legislative Decree February 24, 1998, no. 58, the financial information included in the present document corresponds to book of account and book-keeping entries.

The Officer Responsible for the preparation of corporate financial reports
Michele Di Marco

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