



## SAES GETTERS S.p.A.

Capital Stock Euro 12,220,000 fully paid-in  
 Address of Principal Executive Offices:  
 Viale Italia, 77 – 20020 Lainate (Milan), Italy  
 Registered with the Milan Court Companies Register no. 00774910152

### Additional periodic financial information as at September 30, 2017

In the third quarter of 2017 the SAES<sup>®</sup> Group achieved **consolidated net revenues** equal to €52.5 million, up by 26.6% compared to the corresponding period of 2016 (€41.5 million), despite the negative **exchange rate effect** (equal to -5.3% and almost exclusively due to the devaluation of the US dollar). The **organic growth** of the period was equal to +25.1%, mainly driven by the gas purification sector and by the new productions in the Electronic Devices Business. The **change in the scope of consolidation**, related to the acquisition of Metalvuoto S.p.A., was equal to +6.8%.

**Total revenues of the Group**<sup>1</sup>, including also the share of the revenues of the joint ventures, were equal to €56.3 million, up by 27.9% compared to €44million in the third quarter of 2016, thanks both to the increase in consolidated revenues (+26.6%) and to the increase in the sales of the joint venture Actuator Solutions (+47.8%).

**Consolidated gross profit**<sup>2</sup> was equal to €23 million in the third quarter of 2017, up by 18.9% compared to €19.3 million in the corresponding period of 2016. The growth was mainly due to the increase in revenues, while the **gross margin**<sup>3</sup> (from 46.5% in the third quarter of 2016 to 43.7% in the current period) decreased mainly because of the dilution subsequent to the consolidation of the newly acquired Metalvuoto S.p.A., still currently characterized by a different structure of production variable costs compared to that of the traditional perimeter of the Group (a higher incidence of costs of raw materials).

**Consolidated operating income** amounted to €7.8 million in the quarter, up by 255% compared to €6.2 million in the corresponding period of the previous year, thanks to the increase in revenues which more than offset the increase in the G&A expenses (increased costs for variable compensation, linked to the improved results). The operating margin was stable (from 15% to 14.9%), thanks to the lower incidence of the operating expenses on revenues.

**Consolidated EBITDA**<sup>4</sup> was equal to €9.8 million in the third quarter of 2017 (18.7% of consolidated revenues), up by 16% compared to €8.5 million (20.5% of consolidated revenues) in the corresponding quarter of 2016, mainly driven by the higher revenues in the Industrial Applications

<sup>1</sup> Total revenues of the Group are achieved by incorporating with the proportional method, instead of the equity method, the joint ventures of the Group, namely Actuator Solutions (50%), SAES RIAL Vacuum S.r.l. (49%) and Flexterra (33.79%).

<sup>2</sup> Calculated as the difference between net sales and industrial costs directly and indirectly attributable to the products sold.

<sup>3</sup> Calculated as the ratio between gross profit and consolidated revenues.

<sup>4</sup> EBITDA is not deemed as an accounting measure under International Financial Reporting Standards (IFRSs); however, we believe that EBITDA is an important parameter for measuring the Group's performance and therefore it is presented as an alternative indicator. Since its calculation is not regulated by applicable accounting standards, the method applied by the Group may not be homogeneous with the ones adopted by other Groups. EBITDA is calculated as "Earnings before interests, taxes, write-off, depreciation and amortization".

Business Unit. Instead, the decrease in percentage terms was due to the already mentioned dilution effect related to Metalvuoto S.p.A., as well as to the increase in G&A expenses.

**Consolidated net income** amounted to €5.9 million (11.1% of consolidated revenues) in the third quarter of 2017, compared to a consolidated net income of €3.6 million (8.7% of consolidated revenues) in the third quarter of 2016.

The **consolidated net financial position** as at September 30, 2017 was negative for an amount of -€26.3 million, significantly improved when compared to a negative net financial position of -€33.6 million as at June 30, 2017, thanks to the operating cash-flow generation.

**The results of the quarter are in line with the expectations and show the improvement of all the economic and financial indicators, despite a slight decrease in revenues compared to the previous quarters, that will be widely recovered in the last quarter of the year. 2017 is a year of strong satisfactions and we look at 2018 with the same confidence, despite the recent trend of the euro-dollar exchange rate could affect the results.**

**CONSOLIDATED FINANCIAL STATEMENTS****Consolidated statement of profit or loss**

Thousands of euro

	3 <sup>rd</sup> quarter 2017	3 <sup>rd</sup> quarter 2016
<b>Total net sales</b>	<b>52,540</b>	<b>41,489</b>
Cost of sales	(29,576)	(22,177)
<b>Gross profit</b>	<b>22,964</b>	<b>19,312</b>
R&D expenses	(3,505)	(3,493)
Selling expenses	(3,848)	(3,542)
G&A expenses	(7,710)	(6,110)
Total operating expenses	(15,063)	(13,145)
Other income (expenses), net	(97)	51
<b>Operating income (loss)</b>	<b>7,804</b>	<b>6,218</b>
Interest and other financial income, net	(201)	(282)
Income (loss) from equity method evaluated companies	(180)	(795)
Foreign exchange gains (losses), net	(102)	37
<b>Income (loss) before taxes</b>	<b>7,321</b>	<b>5,178</b>
Income taxes	(1,468)	(1,564)
<b>Net income (loss) from continued operations</b>	<b>5,853</b>	<b>3,614</b>
Income (loss) from assets held for sale and discontinued operations	0	0
<b>Net income (loss) before minority interest</b>	<b>5,853</b>	<b>3,614</b>
Net income (loss) pertaining to minority interest	0	0
<b>Net income (loss) pertaining to the Group</b>	<b>5,853</b>	<b>3,614</b>

**Consolidated statement of other comprehensive income**

Thousands of euro

	3 <sup>rd</sup> quarter 2017	3 <sup>rd</sup> quarter 2016
<b>Net income (loss) for the period</b>	<b>5,853</b>	<b>3,614</b>
Exchange differences on translation of foreign operations	(3,498)	(497)
Exchange differences on equity method evaluated companies	(224)	(61)
Total exchange differences	(3,722)	(558)
Equity transaction costs related to equity method evaluated companies	1	0
<b>Total components that will be reclassified to the profit (loss) in the future</b>	<b>(3,722)</b>	<b>(558)</b>
<b>Total other comprehensive income (loss), net of taxes</b>	<b>(3,722)</b>	<b>(558)</b>
<b>Total comprehensive income (loss), net of taxes</b>	<b>2,131</b>	<b>3,056</b>
<i>attributable to:</i>		
- Equity holders of the Parent Company	2,131	3,056
- Minority interests	0	0

**Consolidated statement of profit or loss by Business Unit**

Thousands of euro

	Industrial Applications		Shape Memory Alloys		Solutions for Advanced Packaging		Business Development & Corporate Costs		TOTAL	
	3 <sup>rd</sup> quarter 2017	3 <sup>rd</sup> quarter 2016	3 <sup>rd</sup> quarter 2017	3 <sup>rd</sup> quarter 2016	3 <sup>rd</sup> quarter 2017	3 <sup>rd</sup> quarter 2016	3 <sup>rd</sup> quarter 2017	3 <sup>rd</sup> quarter 2016	3 <sup>rd</sup> quarter 2017	3 <sup>rd</sup> quarter 2016
<b>Total net sales</b>	<b>31,205</b>	<b>23,368</b>	<b>18,134</b>	<b>17,862</b>	<b>2,813</b>	<b>0</b>	<b>388</b>	<b>259</b>	<b>52,540</b>	<b>41,489</b>
Cost of sales	(15,674)	(11,513)	(11,020)	(10,436)	(2,506)	0	(376)	(228)	(29,576)	(22,177)
<b>Gross profit (loss)</b>	<b>15,531</b>	<b>11,855</b>	<b>7,114</b>	<b>7,426</b>	<b>307</b>	<b>0</b>	<b>12</b>	<b>31</b>	<b>22,964</b>	<b>19,312</b>
Operating expenses and other income (expenses)	(5,553)	(5,679)	(2,631)	(2,579)	(570)	0	(6,406)	(4,836)	(15,160)	(13,094)
<b>Operating income (loss)</b>	<b>9,978</b>	<b>6,176</b>	<b>4,483</b>	<b>4,847</b>	<b>(263)</b>	<b>0</b>	<b>(6,394)</b>	<b>(4,805)</b>	<b>7,804</b>	<b>6,218</b>

**Consolidated Statement of Financial Position**

Thousands of euro

	<b>September 30, 2017</b>	<b>December 31, 2016</b>
Property, plant and equipment, net	50,690	53,402
Intangible assets	52,998	58,984
Other non current assets	34,435	30,650
Current assets	108,027	102,112
<b>Total Assets</b>	<b>246,150</b>	<b>245,148</b>
Shareholders' equity	127,165	134,831
Minority interest in consolidated subsidiaries	0	0
<b>Total Shareholders' Equity</b>	<b>127,165</b>	<b>134,831</b>
Non current liabilities	52,504	55,569
Current liabilities	66,481	54,748
<b>Total Liabilities and Shareholders' Equity</b>	<b>246,150</b>	<b>245,148</b>

**Consolidated Net Financial Position**

Thousands of euro

	<b>September 30, 2017</b>	<b>June 30, 2017</b>	<b>March 31, 2017</b>	<b>December 31, 2016</b>
Cash on hands	12	18	20	19
Cash equivalents	22,981	21,317	21,214	14,321
<b>Cash and cash equivalents</b>	<b>22,993</b>	<b>21,335</b>	<b>21,234</b>	<b>14,340</b>
Related parties financial assets	865	797	665	565
Other current financial assets	108	81	1	1
<b>Current financial assets</b>	<b>973</b>	<b>878</b>	<b>666</b>	<b>566</b>
Bank overdraft	(15,224)	(18,905)	(9,388)	(6,847)
Current portion of long term debt	(9,557)	(9,572)	(8,542)	(8,239)
Other current financial liabilities	(1,682)	(1,327)	(1,220)	(1,100)
<b>Current financial liabilities</b>	<b>(26,463)</b>	<b>(29,804)</b>	<b>(19,150)</b>	<b>(16,186)</b>
<b>Current net financial position</b>	<b>(2,497)</b>	<b>(7,591)</b>	<b>2,750</b>	<b>(1,280)</b>
<b>Related parties non current financial assets</b>	<b>8,549</b>	<b>8,549</b>	<b>8,149</b>	<b>5,249</b>
Long term debt, net of current portion	(31,364)	(33,592)	(34,302)	(35,916)
Other non current financial liabilities	(976)	(1,009)	(1,812)	(1,829)
<b>Non current liabilities</b>	<b>(32,340)</b>	<b>(34,601)</b>	<b>(36,114)</b>	<b>(37,745)</b>
<b>Non current net financial position</b>	<b>(23,791)</b>	<b>(26,052)</b>	<b>(27,965)</b>	<b>(32,496)</b>
<b>Net financial position</b>	<b>(26,288)</b>	<b>(33,643)</b>	<b>(25,215)</b>	<b>(33,776)</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### **Accounting Principles, Methods and Structure of the Group**

This document has been prepared applying the international accounting standards (IFRS) and in accordance with article 2.2.3, paragraph 3, of the Regulation of the Markets organized and managed by Borsa Italiana S.p.A. Concerning the content, please make reference to the pre-existing article 154-ter, paragraph 5, of “Financial Consolidation Act”, also in the light of what clarified by ESMA in the Q&A on the Directive 2004/109/CE.

The additional periodic information is consistent with the accounting principles that govern the preparation of the annual and consolidated financial statements, insofar as they are applicable. Evaluation procedures adopted in the additional periodic financial information are substantially similar to those usually applied to prepare the annual and consolidated financial statements.

With reference to the changes occurred in the consolidation area during the third quarter of 2017, please note that the transfer of all the manufacturing and sales activities of Memry GmbH into other companies of the Group was completed. The liquidation process of the German subsidiary began on October 1, 2017 and will be completed by the end of 2018. Finally, please note that on July 17, 2017, the new German branch of the US subsidiary Memry Corporation was established, named *Memry Corporation Zweigniederlassung Deutschland* and based in Freiburg, in charge of managing all the representation and commercial activities of Memry Corporation in Europe.

### **Further relevant events occurred in the third quarter of 2017**

On July 14, 2017, the Parent Company signed a new royalty agreement for the integration of the SAES thin film getter technology named PageWafer® in MEMS devices (micro-electromechanical systems) used in thermal infrared sensors. In addition to an initial lump-sum received against the transfer of the technology (of which €0.4 million already accounted for in the third quarter of 2017), the contract provides for the payment of royalties according to a percentage proportional to the volumes of silicon wafers produced using the SAES getter technology.

Following the loss recorded by Metalvuoto S.p.A. as at June 30, 2017 (-€91 thousand), the share capital of the company was down to more than a third and below the minimum amount of capital established by the law. According to article 2447 of the Civil Code, on July 27, 2017 the Board of Directors of Metalvuoto S.p.A. resolved to propose to the Company’s shareholders SAES Getters S.p.A. and Mirante S.r.l. a payment of a total of €100 thousand in favor of Metalvuoto S.p.A. to fulfill the minimum legal capital requirement and to constitute a share capital reserve (equal to €59 thousand) to be used for covering possible future losses. Such payment was made by each shareholder in proportion to its own equity share (namely, 70% SAES Getters S.p.A. and 30% Mirante S.r.l.).

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It should be noted that the additional periodic financial information on 3<sup>rd</sup> quarter 2017 is unaudited.

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In order to manage the economic impact generated by the fluctuations in the exchange rates, primarily EUR/USD and EUR/JPY, the Group enters into forward contracts on current and future receivables related to the sales transactions denominated in currencies other than the euro of the main Group Italian companies.

Particularly, as at September 30, 2017 the Group holds forward contracts on the Japanese yen which have a total notional value equal to JPY 87 million. The average forward exchange rate for these

contracts is JPY 125.47 against the euro and all these contracts will extend throughout the remaining part of the fiscal year 2017. Furthermore, the Group holds forward contracts on the US dollar which have a total notional value of USD 1.65 million. Their average forward exchange rate is USD 1.1288 against the euro and also all these contracts will extend throughout the remaining part of the fiscal year 2017.

Subsequent to September 30, 2017 no further forward contracts have been entered into.

### **Changes in the Business structure organization**

Following the acquisition of the control on Metalvuoto S.p.A., a significant player in the advanced packaging field, occurred at the end of 2016, a third Business Unit named “Solutions for Advanced Packaging” was established, in order to ensure a better information transparency.

Finally, please note the new segmentation of the Industrial Applications Business Unit and the re-naming of some already existing operating segments, to better comply with the organizational structure of the Group.

<b>Industrial Applications Business Unit</b>	
Security & Defense	Getters and metal dispensers for electronic vacuum devices
Electronic Devices	Getters for microelectronic, micromechanical systems (MEMS) and sensors
Healthcare Diagnostics	Getters for X-ray tubes used in image diagnostic systems
Thermal Insulation	Products for thermal insulation
Getters & Dispensers for Lamps	Getters and metal dispensers used in discharge lamps and fluorescent lamps
Systems for UH Vacuum	Pumps for vacuum systems
Sintered Components for Electronic Devices and Lasers	Cathodes and materials for thermal dissipation in electronic tubes and lasers
Systems for Gas Purification and Handling	Gas purifier systems for semiconductor industry and other industries
<b>Shape Memory Alloys (SMA) Business Unit</b>	
Nitinol for Medical Devices	Nitinol raw material and components for the biomedical sector
SMAs for Thermal and Electro Mechanical Devices	Shape Memory Alloys actuator devices for the industrial sector (domotics, white goods industry, consumer electronics and automotive sector)
<b>Solutions for Advanced Packaging</b>	
Solutions for Advanced Packaging	Advanced plastic films for the food packaging sector
<b>Business Development Unit</b>	
Organic Electronics	Materials and components for organic electronics applications

The figures related to 2016 were reclassified on the basis of the new organizational structure, to allow a homogeneous comparison with the current year.

## Net Sales by Business and by Geographic Location of Customers

### Consolidated Net Sales by Business

Thousands of euro (except %)

Business	3 <sup>rd</sup> quarter 2017	3 <sup>rd</sup> quarter 2016	Total difference (%)	Organic change (%)	Exchange rate effect (%)	Perimeter difference effect (%)
Security & Defense	1,916	2,242	-14.5%	-11.8%	-2.7%	0.0%
Electronic Devices	6,570	2,342	180.5%	186.5%	-6.0%	0.0%
Healthcare Diagnostics	936	983	-4.8%	-1.9%	-2.9%	0.0%
Getters & Dispensers for Lamps	1,205	1,786	-32.5%	-29.0%	-3.5%	0.0%
Thermal Insulation	1,060	1,500	-29.3%	-24.1%	-5.2%	0.0%
Systems for UH Vacuum	1,604	1,689	-5.0%	-2.2%	-2.8%	0.0%
Sintered Components for Electronic Devices & Lasers	1,727	1,776	-2.8%	2.3%	-5.1%	0.0%
Systems for Gas Purification & Handling	16,187	11,050	46.5%	54.1%	-7.6%	0.0%
<b>Industrial Applications</b>	<b>31,205</b>	<b>23,368</b>	<b>33.5%</b>	<b>39.2%</b>	<b>-5.7%</b>	<b>0.0%</b>
Nitinol for Medical Devices	15,443	15,800	-2.3%	2.7%	-5.0%	0.0%
SMA's for Thermal & Electro Mechanical Devices	2,691	2,062	30.5%	32.4%	-1.9%	0.0%
<b>Shape Memory Alloys</b>	<b>18,134</b>	<b>17,862</b>	<b>1.5%</b>	<b>6.2%</b>	<b>-4.7%</b>	<b>0.0%</b>
<b>Solutions for Advanced Packaging</b>	<b>2,813</b>	<b>0</b>	<b>100.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>100.0%</b>
<b>Business Development</b>	<b>388</b>	<b>259</b>	<b>49.8%</b>	<b>57.7%</b>	<b>-7.9%</b>	<b>0.0%</b>
<b>Total Net Sales</b>	<b>52,540</b>	<b>41,489</b>	<b>26.6%</b>	<b>25.1%</b>	<b>-5.3%</b>	<b>6.8%</b>

### Consolidated Net Sales by Geographic Location of Customer

Thousands of euro

Geographic Area	3 <sup>rd</sup> quarter 2017	3 <sup>rd</sup> quarter 2016
Italy	959	401
European countries	9,374	6,764
North America	22,153	20,840
Japan	1,287	1,595
South Korea	3,626	2,422
China	10,364	2,854
Rest of Asia	4,530	6,260
Rest of the World	247	353
<b>Total Net Sales</b>	<b>52,540</b>	<b>41,489</b>

In the third quarter of 2017 the SAES® Group achieved **consolidated net revenues** equal to €52.5 million, up by 26.6% compared to the corresponding period of 2016 (€41.5 million), despite the negative **exchange rate effect** (equal to -5.3% and almost exclusively due to the devaluation of the US dollar). The **organic growth** of the period was equal to +25.1%, mainly driven by the gas purification sector and by the new productions in the Electronic Devices Business. The **change in the scope of consolidation**, related to the acquisition of Metalvuoto S.p.A., was equal to +6.8%.

**Total revenues of the Group**, including also the share of the revenues of the joint ventures, were equal to €56.3 million, up by 27.9% compared to €44million in the third quarter of 2016, thanks both to the increase in consolidated revenues (+26.6%) and to the increase in the sales of the joint venture Actuator Solutions (+47.8%).

**Total revenues of the Group**

Thousands of euro

	3rd quarter 2017	3rd quarter 2016	Difference
<b>Consolidated sales</b>	<b>52,540</b>	<b>41,489</b>	<b>11,051</b>
50% sales of the joint venture Actuator Solutions	3,647	2,468	1,179
49% sales of the joint venture SAES RIAL Vacuum S.r.l.	346	264	82
33.79% sales of the joint venture Flexterra	0	0	0
Intercopany eliminations	(230)	(259)	29
Other adjustments	(8)	44	(52)
<b>Total revenues of the Group</b>	<b>56,295</b>	<b>44,006</b>	<b>12,289</b>

**Industrial Applications Business Unit**

**Consolidated revenues** of the Industrial Applications Business Unit amounted to €31.2 million in the third quarter of 2017, strongly increased (+33.5%) compared to the corresponding quarter of 2016 (€23.4 million). The trend of the euro against the major foreign currencies led to a negative exchange rate effect equal to -5.7%, net of which revenues organically increased by 39.2%.

The growth was mainly concentrated in the *Systems for Gas Purification & Handling Business* (organic increase of +54.1%), thanks to the investments in new semiconductors and displays fabs in Asia. The *Electronic Devices Business* also recorded a strong increase (organic growth equal to +186.5%), thanks to the new advanced productions for the electronic consumer market in the manufacturing unit of Avezzano, as well as, to a lesser extent, to the recording of part of the lump-sum related to the already mentioned new licensing agreement signed in July, 2017. These increases were partially offset by the decrease in the *Security & Defense Business* (organic decrease equal to -11.8%), which reflects the current technological transition from the traditional getter to the miniaturized one. Also the *Light Sources Business* showed a decrease (organic decrease equal to -29%, now being considered structural), penalized by the technological competition of LEDs towards fluorescent lamps, as well as the *Thermal Insulation Business* (organic decrease equal to -24.1%), suffering from the weakness in the sales of getters for insulation panels for the refrigeration market and of getters for vacuum bottles in the consumer market.

The table below shows the revenues in the third quarter of 2017 related to the various business areas, with evidence of the exchange rate effect and of the organic change compared to the corresponding period of 2016.

Thousands of euro (except %)

Business	3 <sup>rd</sup> quarter 2017	3 <sup>rd</sup> quarter 2016	Total difference (%)	Organic change (%)	Exchange rate effect (%)
Security & Defense	1,916	2,242	-14.5%	-11.8%	-2.7%
Electronic Devices	6,570	2,342	180.5%	186.5%	-6.0%
Healthcare Diagnostics	936	983	-4.8%	-1.9%	-2.9%
Getters & Dispensers for Lamps	1,205	1,786	-32.5%	-29.0%	-3.5%
Thermal Insulation	1,060	1,500	-29.3%	-24.1%	-5.2%
Systems for UH Vacuum	1,604	1,689	-5.0%	-2.2%	-2.8%
Sintered Components for Electronic Devices & Lasers	1,727	1,776	-2.8%	2.3%	-5.1%
Systems for Gas Purification & Handling	16,187	11,050	46.5%	54.1%	-7.6%
<b>Industrial Applications</b>	<b>31,205</b>	<b>23,368</b>	<b>33.5%</b>	<b>39.2%</b>	<b>-5.7%</b>



**Gross profit** of the Industrial Applications Business Unit was equal to €15.5 million in the third quarter of 2017, up by 31% compared to €11.9 million in the corresponding quarter of 2016, thanks to the increase in the sales mainly in the gas purification sector and in that of electronic devices. The **gross margin** was substantially stable compared to the third quarter of 2016 (from 50.7% to 49.8%).

**Operating income** of the Industrial Applications Business Unit, equal to €10 million, increased by 61.6% compared to €6.2 million in the third quarter of 2016, while the **operating margin** increased from 26.4% to 32%, thanks to the increase in revenues and gross profit, with equal operating expenses.

### **Shape Memory Alloys (SMA) Business Unit**

**Consolidated revenues** of the Shape Memory Alloys Business Unit were equal to €18.1 million in the third quarter of 2017, showing an organic growth equal to +6.2% compared to €17.9 million in the corresponding period of 2016. The exchange rate effect was negative and equal to -4.7%.

In particular, the increase in revenues was concentrated in the industrial SMAs segment (*SMAs for Thermal and Electro Mechanical Devices Business*) with an organic growth of +32.4%, thanks to the recovery in the sales of the luxury goods segment, as well as to the good performance of the automotive sales.

The Nitinol for medical applications segment (*Nitinol for Medical Devices Business*) was penalized by the exchange rate effect (-5%), net of which the organic growth was equal to +2.7%, spread over different product lines and end-user applications.

The table below shows the revenues in the third quarter of 2017 related to the various business areas, with evidence of the exchange rate effect and of the organic change compared to the corresponding period of 2016.

Thousands of euro (except %)

Business	3 <sup>rd</sup> quarter 2017	3 <sup>rd</sup> quarter 2016	Total difference (%)	Organic change (%)	Exchange rate effect (%)
Nitinol for Medical Devices	15,443	15,800	-2.3%	2.7%	-5.0%
SMAs for Thermal & Electro Mechanical Devices	2,691	2,062	30.5%	32.4%	-1.9%
<b>Shape Memory Alloys</b>	<b>18,134</b>	<b>17,862</b>	<b>1.5%</b>	<b>6.2%</b>	<b>-4.7%</b>

The **gross profit** of the Shape Memory Alloys Business Unit was equal to €7.1 million (39.2% of consolidated revenues) in the third quarter of 2017, compared to €7.4 million (41.6% of consolidated revenues) in the corresponding period of 2016. The decrease was related to temporary inefficiencies caused by the already mentioned inter-company transfer of the German production lines.

**Operating income** of the Shape Memory Alloys Business Unit amounted to €4.5 million (24.7% of consolidated revenues), compared to €4.8 million in the third quarter of 2016 (27.1% of consolidated revenues), due to the above mentioned decrease in the gross margin.

### **Solutions for Advanced Packaging Business Unit**

The Solutions for Advanced Packaging Business Unit, which mainly comprises the figures of the newly acquired Metalvuoto S.p.A., recorded **consolidated revenues** equal to € 2.8 million in the third quarter of 2017, affected by the typical decrease in the summer season.

**Gross profit** of the Solutions for Advanced Packaging Business Unit was equal to €0.3 million in the third quarter of 2017 (10.9% of consolidated revenues) and it mainly comprises the contribution of the newly acquired Metalvuoto S.p.A., whose industrial activity is currently characterized by a different structure of variable production costs compared to that of the traditional perimeter of the Group and that suffered the effect of an extraordinary inventory write-down in the third quarter of 2017.

The third quarter of 2017 ended with an **operating loss** equal to -€0.3 million, related to the already mentioned rationalization of the inventory and to a slowdown in revenues typical of the summer season.

### **Business Development Unit & Corporate Costs**

The Business Development Unit & Corporate Costs includes projects of basic research or in a developing phase, aimed at diversifying into innovative businesses, in addition to corporate costs (costs that cannot be directly attributed or reasonably allocated to any business sector, but that refer to the Group as a whole).

In the third quarter of 2017 **consolidated revenues** amounted to €0.4 million, up by 49.8% compared to €0.3 million in the corresponding period of 2016. The exchange rate effect was negative and equal to -7.9%, while the organic growth was equal to +57.7%, mainly driven by the increasing demand of functional polymers for OLEDs by the Taiwanese manufacturers and by new Chinese customers.

**Gross profit** was equal to €12 thousand (3.1% of revenues) in the third quarter of 2017, compared to €31 thousand (12% of consolidated revenues) in the third quarter of 2016.

**Operating result** was negative and equal to -€6.4 million, compared to a negative figure equal to -€4.8 million in the third quarter of 2016: the worsening was due to higher costs for variable remuneration to the personnel, as well as to the higher accrual for the variable remuneration of the Executive Directors, in line with the positive trend of the results of the current year.

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**Consolidated gross profit** amounted to €23 million in the third quarter of 2017, up by 18.9% compared to €19.3 million in the corresponding period of 2016. The growth was mainly attributable to the increase in revenues, while the **gross margin** recorded a decrease (from 46.5% in the third quarter of 2016 to 43.7% in the current quarter), mainly due to the dilution subsequent to the consolidation of the newly acquired Metalvuoto S.p.A., currently still characterized by a structure of variable production costs different from that of the traditional perimeter of the Group (namely, higher incidence of costs for raw materials).

In addition, please note the slight decrease in the gross margin of the SMA Business Unit, due to temporary inefficiencies related to the mentioned inter-company transfer of the German production lines.

**Consolidated operating income** amounted to €7.8 million in the quarter, up by 25.5% compared to €6.2 million in the corresponding period of the previous year, thanks to the increase in revenues which more than offset the increase in G&A expenses (higher accruals for variable remuneration, linked to the improved results). The **operating margin** was stable (from 15% to 14.9%), thanks to the lower incidence of operating expenses on revenues.

**Consolidated operating expenses** were equal to €15.1 million (28.7% of revenues) in the third quarter of 2017, compared to €13.1 million in the corresponding quarter of 2016 (31.7% of revenues). The increase in operating expenses mainly regarded the general and administrative expenses (from €6.1 to €7.7 million), as well as to the change in the scope of consolidation subsequent to the acquisition of Metalvuoto S.p.A.

**Consolidated EBITDA** was equal to €9.8 million in the third quarter of 2017 (18.7% of consolidated revenues), up by 16% compared to €8.5 million in the corresponding quarter of 2016 (20.5% of consolidated revenues), mainly driven by the increased revenues in the Industrial Applications Business Unit. The decrease in percentage terms was instead mainly due to the dilution effect of Metalvuoto S.p.A. as well as to the increase in the general and administrative expenses.

#### EBITDA

Thousands of euro

	3 <sup>rd</sup> quarter 2017	3 <sup>rd</sup> quarter 2016
<b>Operating income (loss)</b>	<b>7,804</b>	<b>6,218</b>
Depreciation & amortization	(2,066)	(2,103)
Write-down	51	0
Bad debt provision (accrual)/release	(20)	(164)
<b>EBITDA</b>	<b>9,839</b>	<b>8,485</b>
<b>% on sales</b>	<b>18.7%</b>	<b>20.5%</b>

The net balance of **financial income and expenses** was negative for -€0.2 million in the third quarter of 2017 (-€0.3 million in the third quarter of 2016) and the sum of the **exchange rate differences** were negative and equal to -€0.1 million (+€ 37 thousand in the corresponding period of 2016).

The loss deriving from the **evaluation with the equity method** of the joint ventures totally amounted to -€0.2 million, exclusively attributable to the joint venture Flexterra. This figure compares to a cost equal to -€0.8 million in the corresponding period of 2016, mainly related to the joint venture Actuator Solutions. Please note that, being the investment of SAES in Actuator Solutions already fully reduced to zero as at September 30, 2017 and since today there is no legal or implied obligation of its recapitalization by the Group, in accordance with IAS 28, the share pertaining to SAES in the net loss of Actuator Solutions in the third quarter of 2017 (-€0.1 million) was not recognized by the Group.

**Consolidated income before taxes** amounted to €7.3 million, strongly increased (+414%) compared to an income before taxes of €5.2 million in the third quarter of 2016.

**Income taxes** amounted to €1.5 million in the quarter, compared to €1.6 million in the corresponding quarter of the previous year. The Group's *tax rate* decreased compared to the first half of 2017, thanks to the positive taxable result the Parent Company, consequence of the improvement of its operating results and of the intercompany dividends received during the quarter. Instead, in the first half of the year SAES Getters S.p.A reported a fiscal loss, on which deferred tax assets were not prudentially recognized.

The decrease in the tax rate was furthermore attributable to the different geographic localization of the profit generated by the companies within the Group.

The third quarter of 2017 ended with a **consolidated net income** equal to €5.9 million (11.1% of consolidated revenues), significantly increased (+62%) compared to a consolidated net income of €3.6 million (8.7% of consolidated revenues) in the corresponding period of the previous year.

The **consolidated net financial position** was negative for an amount of -€26.3 million as at September 30, 2017, significantly improved compared to -€33.6 million as at June 30, 2017, thanks to the strong generation of operating cash flows. With regards to the working capital, the most relevant effects occurred in the gas purification sector and brought to an increase in inventories, in anticipation of future deliveries, offset by a decrease in trade receivables.

Capex was equal to €2.1 million and the exchange rate effect amounted to -€0.3 million in the quarter.

### **January – September 2017**

**Consolidated revenues** amounted to €169.8 million in the first nine months of 2017, up by 29.3% compared to €131.3 million in the corresponding period of 2016. The **exchange rate effect** was almost equal to zero (+0.1%). The acquisition of Metalvuoto S.p.A., occurred at the end of the previous year, generated sales equal to €9.8 million in the first nine months of 2017 (+7.4% was the increase in sales due to the **change in the scope of consolidation**). At both parity exchange rates and consolidation perimeter, the **organic growth** was equal to +21.8%, mainly driven by the gas purification sector (*Systems for Gas Purification & Handling Business*), by the electronic devices sector (*Electronic Devices Business*) and by the Nitinol for medical applications segment (*Nitinol for Medical Devices Business*).

Revenues of the Industrial Applications Business Unit were equal to €100.8 million, up by 30.4% compared to €77.3 million in the first nine months of 2016. The exchange rate effect was equal to zero, therefore the growth must be wholly considered as organic growth, driven by the gas purification sector (*Systems for Gas Purification & Handling Business*), as well as by the new advanced productions in the factory of Avezzano (*Electronic Devices Business*).

The Shape Memory Alloys Business Unit ended the first nine months of 2017 with consolidated revenues equal to €58.2 million, up by 9.2% compared to €53.3 million in the first nine months of 2016 (with a slightly positive exchange rate effect equal to +0.2% and an organic growth of 9%). Both segments, the Nitinol for medical applications segment (*Nitinol for Medical Devices Business*) and that of SMA actuators for the industrial segment (*SMA for Thermal and Electro Mechanical Devices Business*) recorded an organic growth, equal to +9.7% in the medical segment and to +4.6% in the industrial one.

**Total revenues of the Group** were equal to €180.3 million in the first nine months of 2017, compared to €138.2 million in the first nine months of 2016 (with an increase of 30.4%).

**Consolidated gross profit** amounted to €74.6 million in the first nine months of 2017, compared to €59.3 million in the corresponding period of 2016: the 25.8% increase was the result of the increase in revenues.

The **gross margin** slightly decreased (from 45.1% to 43.9%) because of the dilutive effect of the newly acquired Metalvuoto S.p.A., still currently characterized by a different structure of production costs compared to that of the traditional perimeter of the Group.

**Consolidated operating income** amounted to €28.3 million (16.6% of consolidated revenues) in the first nine months of 2017, significantly increased (+55.8%) compared to €18.1 million in the corresponding period of the previous year (13.8% of consolidated revenues). The improvement in the operating indicators was made possible by the increase in revenues and by the lower incidence of the operating expenses compared to the previous year (namely, 27.2% in the current period and 30.7% in the first nine months of 2016).

**Consolidated operating expenses** were equal to €46.1 million in the first nine months of 2017, compared to €40.4 million in the corresponding period of 2016. Excluding the increase related to the consolidation of the newly acquired Metalvuoto S.p.A. (+€1.4 million), the increase in the operating expenses mainly regarded the general and administrative expenses (please note, in particular, the increased costs for fixed and variable compensation to the personnel, as well as the higher accrual for

the variable remuneration of the Executive Directors, in addition to the extraordinary costs - €0.3 million - related to the liquidation of the German subsidiary Memry GmbH).

**Consolidated EBITDA** amounted to €34.9 million in the first nine months of 2017 (**20.6% of revenues**) compared to €24.6 million in the corresponding period of 2016 (equal to 18.7% of revenues).

#### EBITDA

Thousands of euro

	September 2017	September 2016
<b>Operating income (loss)</b>	<b>28,270</b>	<b>18,144</b>
Depreciation & amortization	(6,473)	(6,253)
Write-down	(243)	(37)
Bad debt provision (accrual)/release	56	(164)
<b>EBITDA</b>	<b>34,930</b>	<b>24,598</b>
<b>% on sales</b>	<b>20.6%</b>	<b>18.7%</b>

The balance of the **other net income (expenses)** was negative and equal to -€0.2 million, compared to -€0.8 million in the first nine months of 2016. The change was mainly due to the fact that, in 2016, this figure included the cost related to the settlement of an environmental dispute on the purification of the Onondaga Lake (€0.4 million) and the cost related to the purchase of a license, from Polyera Corporation, on 50% of the OLET technology jointly developed by the Group with Polyera itself (€0.2 million).

The net balance of **financial income and expenses** was negative and equal to -€1 million, in line with the corresponding period of 2016. Please note that the figure of the first nine months of 2017 included the extraordinary costs for the early repayment of both tranches of the loan signed in June 2015 with EIB (European Investment Bank), to support advanced R&D projects, equal to around €0.2 million.

The loss deriving from the **evaluation with the equity method** of the joint ventures totally amounted to -€1 million exclusively attributable to the joint venture Flexterra. The figure compares to a loss of -€2 million in the corresponding period of the previous year, mainly attributable to the joint venture Actuator Solutions. Please note that, being the investment of SAES in Actuator Solutions already fully reduced to zero as at September 30, 2017 and since today there is no legal or implied obligation of its recapitalization by the Group, in accordance with IAS 28, the share pertaining to SAES in the net loss of Actuator Solutions in the first nine months of 2017 (-€1.8 million) was not recognized by the Group.

The sum of the **exchange rate differences** recorded a negative balance of -€0.8 million in the first nine months of 2017, compared to a negative balance of -€0.2 million in the first nine months of 2016. The negative difference was mainly due to foreign exchange losses on commercial transactions, generated by the devaluation of the dollar compared to the euro.

**Income before taxes** amounted to €25.4 million in the first nine months of 2017, up by 69.4% compared to €15 million in the first nine months of 2016.

**Income taxes** amounted to €8.2 million in the first nine months of 2017, compared to €5.9 million in the corresponding period of the previous year. The Group's tax rate was equal to 32.4%, decreased when compared to the first nine months of 2016 (39.3%), mainly as a result of lower tax losses realized by the Parent Company, subsequent both to the improvement of its operating result and to the

higher intercompany dividends received. Please note that the Group prudentially continued not to recognize deferred tax assets on these tax losses.

**Consolidated net income** amounted to €17.1 million (10.1% of consolidated revenues) in the first nine months of 2017, strongly increased compared to a net income of €9.1 million in the first nine months of 2016 (6.9% of consolidated revenues).

In the first nine months of 2017 the net income per ordinary share amounted to €0.7716 while that per savings share was equal to €0.7882; in the first nine months of the previous year the net income amounted to €0.4064 per ordinary share and €0.4230 per savings share.

#### Consolidated statement of profit or loss

Thousands of euro

	September 2017	September 2016
<b>Total net sales</b>	<b>169,823</b>	<b>131,321</b>
Cost of sales	(95,270)	(72,049)
<b>Gross profit</b>	<b>74,553</b>	<b>59,272</b>
R&D expenses	(10,989)	(10,795)
Selling expenses	(12,035)	(10,727)
G&A expenses	(23,099)	(18,838)
Total operating expenses	(46,123)	(40,360)
Other income (expenses), net	(160)	(768)
<b>Operating income (loss)</b>	<b>28,270</b>	<b>18,144</b>
Interest and other financial income, net	(1,042)	(1,019)
Income (loss) from equity method evaluated companies	(1,045)	(1,973)
Foreign exchange gains (losses), net	(828)	(187)
<b>Income (loss) before taxes</b>	<b>25,355</b>	<b>14,965</b>
Income taxes	(8,219)	(5,881)
<b>Net income (loss) from continued operations</b>	<b>17,136</b>	<b>9,084</b>
Income (loss) from assets held for sale and discontinued operations	0	0
<b>Net income (loss) before minority interest</b>	<b>17,136</b>	<b>9,084</b>
Net income (loss) pertaining to minority interest	0	0
<b>Net income (loss) pertaining to the Group</b>	<b>17,136</b>	<b>9,084</b>

#### Consolidated statement of other comprehensive income

Thousands of euro

	September 2017	September 2016
<b>Net income (loss) for the period</b>	<b>17,136</b>	<b>9,084</b>
Exchange differences on translation of foreign operations	(11,748)	(2,524)
Exchange differences on equity method evaluated companies	(797)	(72)
Total exchange differences	(12,545)	(2,596)
Equity transaction costs related to equity method evaluated companies	(7)	0
<b>Total components that will be reclassified to the profit (loss) in the future</b>	<b>(12,552)</b>	<b>(2,596)</b>
<b>Total other comprehensive income (loss), net of taxes</b>	<b>(12,552)</b>	<b>(2,596)</b>
<b>Total comprehensive income (loss), net of taxes</b>	<b>4,584</b>	<b>6,488</b>
<i>attributable to:</i>		
- Equity holders of the Parent Company	4,584	6,488
- Minority interests	0	0

**Consolidated income (loss) per share**

Euro

	<b>September 2017</b>	<b>September 2016</b>
Net income (loss) per ordinary share	0.7716	0.4064
Net income (loss) per savings share	0.7882	0.4230

**Consolidated Net Sales by Business**

Thousands of euro (except %)

<b>Business</b>	<b>September 2017</b>	<b>September 2016</b>	<b>Total difference (%)</b>	<b>Organic change (%)</b>	<b>Exchange rate effect (%)</b>	<b>Perimeter difference effect (%)</b>
Security & Defense	6,118	7,809	-21.7%	-21.8%	0.1%	0.0%
Electronic Devices	13,349	6,136	117.6%	118.4%	-0.8%	0.0%
Healthcare Diagnostics	2,938	2,881	2.0%	2.1%	-0.1%	0.0%
Getters & Dispensers for Lamps	4,410	5,753	-23.3%	-22.6%	-0.7%	0.0%
Thermal Insulation	3,108	3,942	-21.2%	-20.3%	-0.9%	0.0%
Systems for UH Vacuum	5,701	5,150	10.7%	11.0%	-0.3%	0.0%
Sintered Components for Electronic Devices & Lasers	5,342	5,178	3.2%	3.0%	0.2%	0.0%
Systems for Gas Purification & Handling	59,789	40,404	48.0%	47.7%	0.3%	0.0%
<b>Industrial Applications</b>	<b>100,755</b>	<b>77,253</b>	<b>30.4%</b>	<b>30.4%</b>	<b>0.0%</b>	<b>0.0%</b>
Nitinol for Medical Devices	50,845	46,281	9.9%	9.7%	0.2%	0.0%
SMA's for Thermal & Electro Mechanical Devices	7,321	6,994	4.7%	4.6%	0.1%	0.0%
<b>Shape Memory Alloys</b>	<b>58,166</b>	<b>53,275</b>	<b>9.2%</b>	<b>9.0%</b>	<b>0.2%</b>	<b>0.0%</b>
<b>Solutions for Advanced Packaging</b>	<b>9,773</b>	<b>0</b>	<b>100.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>100.0%</b>
<b>Business Development</b>	<b>1,129</b>	<b>793</b>	<b>42.4%</b>	<b>42.0%</b>	<b>0.4%</b>	<b>0.0%</b>
<b>Total Net Sales</b>	<b>169,823</b>	<b>131,321</b>	<b>29.3%</b>	<b>21.8%</b>	<b>0.1%</b>	<b>7.4%</b>

**Consolidated Net Sales by Geographic Location of Customer**

Thousands of euro

<b>Geographic Area</b>	<b>September 2017</b>	<b>September 2016</b>
Italy	4,141	1,153
European countries	29,512	22,243
North America	73,869	63,040
Japan	3,979	4,297
South Korea	10,005	6,187
China	31,956	13,672
Rest of Asia	15,304	19,589
Rest of the World	1,057	1,140
<b>Total Net Sales</b>	<b>169,823</b>	<b>131,321</b>

**Total revenues of the Group**

Thousands of euro

	<b>September 2017</b>	<b>September 2016</b>	<b>Difference</b>
<b>Consolidated sales</b>	<b>169,823</b>	<b>131,321</b>	<b>38,502</b>
50% sales of the joint venture Actuator Solutions	10,511	6,962	3,549
49% sales of the joint venture SAES RIAL Vacuum S.r.l.	625	537	88
33.79% sales of the joint venture Flexterra	6	0	6
Intercompany eliminations	(546)	(591)	45
Other adjustments	(126)	20	(146)
<b>Total revenues of the Group</b>	<b>180,293</b>	<b>138,249</b>	<b>42,044</b>

**Consolidated statement of profit or loss by Business Unit**

Thousands of euro

	Industrial Applications		Shape Memory Alloys		Solutions for Advanced Packaging		Business Development & Corporate Costs		TOTAL	
	September 2017	September 2016	September 2017	September 2016	September 2017	September 2016	September 2017	September 2016	September 2017	September 2016
<b>Total net sales</b>	<b>100,755</b>	<b>77,253</b>	<b>58,166</b>	<b>53,275</b>	<b>9,773</b>	<b>0</b>	<b>1,129</b>	<b>793</b>	<b>169,823</b>	<b>131,321</b>
Cost of sales	(51,842)	(39,684)	(34,030)	(31,683)	(8,407)	0	(991)	(682)	(95,270)	(72,049)
<b>Gross profit (loss)</b>	<b>48,913</b>	<b>37,569</b>	<b>24,136</b>	<b>21,592</b>	<b>1,366</b>	<b>0</b>	<b>138</b>	<b>111</b>	<b>74,553</b>	<b>59,272</b>
Operating expenses and other income (expenses)	(17,379)	(17,364)	(9,373)	(7,992)	(1,701)	0	(17,830)	(15,772)	(46,283)	(41,128)
<b>Operating income (loss)</b>	<b>31,534</b>	<b>20,205</b>	<b>14,763</b>	<b>13,600</b>	<b>(335)</b>	<b>0</b>	<b>(17,692)</b>	<b>(15,661)</b>	<b>28,270</b>	<b>18,144</b>



## **Actuator Solutions**

Actuator Solutions GmbH is based in Gunzenhausen (Germany) and is 50% jointly owned by SAES and Alfmeier Präzision, a German group operating in the fields of electronics and advanced plastic materials. This joint venture, which consolidates its wholly owned subsidiaries Actuator Solutions Taiwan Co., Ltd. and Actuator Solutions (Shenzhen) Co., Ltd., is focused on the development, production and commercialization of actuators using shape memory alloys in place of the engine.

Actuator Solutions recorded net revenues equal to €21 million in the first nine months of 2017, up by 51% compared to €13.9 million in the corresponding period of 2016. This increase was attributable both to the increase of sales in the traditional seat comfort business (valves exploiting the SMA technology and used in lumbar control systems of the seats of cars) and to the contribution of the new segment of autofocus (AF) systems for high-end action cameras (which recorded revenues equal to €3.6 million in the first nine months of 2017).

The net result was negative and equal to -€3.6 million, in line with that of the first nine months of 2016.

This loss included non-recurring costs equal to around -€1.4 million and related to the re-organization process started in Germany at the end of 2016 and recently continued also in the Taiwanese subsidiary, with the shutdown of the factory in Zhubei, the outsourcing of the production activities and the progressive focusing on research & development activities. Net of restructuring costs, please note that Actuator Solutions ended the third quarter of 2017 substantially at break-even (-€0.2 million in the Taiwanese subsidiary, offset by a profit, equal to €0.3 million, generated by the German company).

Thousands of euro

<b>Actuator Solutions</b> (100%)	<b>September 30, 2017</b>	<b>September 30, 2016</b>
Total net sales	21,022	13,924
Cost of sales	(19,236)	(15,026)
<b>Gross profit</b>	<b>1,786</b>	<b>(1,102)</b>
Total operating expenses	(4,154)	(3,804)
Other income (expenses), net	(96)	272
<b>Operating income (loss)</b>	<b>(2,464)</b>	<b>(4,634)</b>
Interests and other financial income, net	(532)	(190)
Foreign exchange gains (losses), net	(530)	174
Income taxes	(76)	1,034
<b>Net income (loss)</b>	<b>(3,602)</b>	<b>(3,616)</b>

The share of the SAES Group in the result of this joint venture in the first nine months of 2017 amounted to -€1.8 million (in line with that of first nine months of 2016). However, being the investment of SAES in Actuator Solutions already fully reduced to zero and since there is today no legal or implied obligation of its recapitalization by the Group, in accordance with IAS 28, the share pertaining to SAES in the net loss of Actuator Solution as at September 30, 2017 was not recognized by the Group as a liability.

**Actuator Solutions - SAES Group interest (50%)**

Thousands of euro

<b>Statement of profit or loss</b>	<b>3<sup>rd</sup> quarter 2017</b>	<b>3<sup>rd</sup> quarter 2016</b>
Total net sales	3,647	2,468
Cost of sales	(3,147)	(2,683)
<b>Gross profit</b>	<b>500</b>	<b>(215)</b>
Total operating expenses	(759)	(761)
Other income (expenses), net	456	69
<b>Operating income (loss)</b>	<b>197</b>	<b>(907)</b>
Interests and other financial income, net	(97)	(48)
Foreign exchange gains (losses), net	(147)	69
Income taxes	(57)	170
<b>Net income (loss)</b>	<b>(104)</b>	<b>(716)</b>
Exchange differences	137	(61)
<b>Total comprehensive income (loss) for the period</b>	<b>33</b>	<b>(777)</b>

  

<b>Statement of profit or loss</b>	<b>September 30, 2017</b>	<b>September 30, 2016</b>
Total net sales	10,511	6,962
Cost of sales	(9,618)	(7,513)
<b>Gross profit</b>	<b>893</b>	<b>(551)</b>
Total operating expenses	(2,077)	(1,902)
Other income (expenses), net	(48)	136
<b>Operating income (loss)</b>	<b>(1,232)</b>	<b>(2,317)</b>
Interests and other financial income, net	(266)	(95)
Foreign exchange gains (losses), net	(265)	87
Income taxes	(38)	517
<b>Net income (loss)</b>	<b>(1,801)</b>	<b>(1,808)</b>
Exchange differences	278	(72)
<b>Total comprehensive income (loss) for the period</b>	<b>(1,523)</b>	<b>(1,880)</b>

  

<b>Statement of financial position</b>	<b>September 30, 2017</b>	<b>December 31, 2016</b>
Non current assets	5,541	5,143
Current assets	2,092	1,931
<b>Total Assets</b>	<b>7,633</b>	<b>7,074</b>
Non current liabilities	5,951	4,248
Current liabilities	3,390	3,011
<b>Total Liabilities</b>	<b>9,341</b>	<b>7,259</b>
Capital Stock, Reserves and Retained Earnings	(185)	3,376
Net income (loss) for the period	(1,801)	(3,373)
Other comprehensive income (loss) for the period	278	(188)
<b>Total Equity</b>	<b>(1,708)</b>	<b>(185)</b>

**SAES RIAL Vacuum S.r.l.**

SAES RIAL Vacuum S.r.l., established at the end of 2015, is jointly controlled by SAES Getters S.p.A (49%) and Rodofil s.n.c. (51%). The company is specialized in the design and manufacture of vacuum chambers for accelerators, synchrotrons and colliders and combines at the highest level the competences of SAES in the field of materials, vacuum applications and innovation, with the experience of Rodofil in the design, assembling and fine mechanical productions, with the aim of offering absolutely excellent quality products and of successfully competing in the international markets.

SAES RIAL Vacuum S.r.l. ended the first nine months of 2017 with sales equal to €1.3 million and reached its break even as at September 30, 2017 (net income equal to +€26 thousand).

Thousands of euro

<b>SAES RIAL Vacuum S.r.l. (100%)</b>	<b>September 30, 2017</b>	<b>September 30, 2016</b>
Total net sales	1,275	1,074
Cost of sales	(1,140)	(1,164)
<b>Gross profit</b>	<b>135</b>	<b>(90)</b>
Total operating expenses	(201)	(176)
Other income (expenses), net	107	(52)
<b>Operating income (loss)</b>	<b>41</b>	<b>(318)</b>
Interests and other financial income, net	(15)	0
Foreign exchange gains (losses), net	0	(12)
Income taxes	0	0
<b>Net income (loss)</b>	<b>26</b>	<b>(330)</b>

The share of the SAES Group in the result of this joint venture amounted to €13 thousand in the first nine months of 2017.

**SAES RIAL Vacuum S.r.l. - SAES Group interest (49%)**

Thousands of euro

<b>Statement of profit or loss</b>	<b>3<sup>rd</sup> quarter 2017</b>	<b>3<sup>rd</sup> quarter 2016</b>
Total net sales	346	264
Cost of sales	(203)	(279)
<b>Gross profit</b>	<b>143</b>	<b>(15)</b>
Total operating expenses	(36)	(33)
Other income (expenses), net	0	(26)
<b>Operating income (loss)</b>	<b>107</b>	<b>(74)</b>
Interests and other financial income, net	(3)	1
Foreign exchange gains (losses), net	0	(6)
Income taxes	0	0
<b>Net income (loss)</b>	<b>104</b>	<b>(79)</b>
Actuarial gain (loss) on defined benefit plans, net of taxes	0	0
<b>Total comprehensive income (loss) for the period</b>	<b>104</b>	<b>(79)</b>

  

<b>Statement of profit or loss</b>	<b>September 30, 2017</b>	<b>September 30, 2016</b>
Total net sales	625	537
Cost of sales	(559)	(582)
<b>Gross profit</b>	<b>66</b>	<b>(45)</b>
Total operating expenses	(98)	(88)
Other income (expenses), net	52	(26)
<b>Operating income (loss)</b>	<b>20</b>	<b>(159)</b>
Interests and other financial income, net	(7)	0
Foreign exchange gains (losses), net	0	(6)
Income taxes	0	0
<b>Net income (loss)</b>	<b>13</b>	<b>(165)</b>
Actuarial gain (loss) on defined benefit plans, net of taxes	0	0
<b>Total comprehensive income (loss) for the period</b>	<b>13</b>	<b>(165)</b>

  

<b>Statement of financial position</b>	<b>September 30, 2017</b>	<b>December 31, 2016</b>
Non current assets	130	150
Current assets	632	518
<b>Total Assets</b>	<b>762</b>	<b>668</b>
Non current liabilities	143	148
Current liabilities	524	438
<b>Total Liabilities</b>	<b>667</b>	<b>586</b>
Capital Stock, Reserves and Retained Earnings	82	221
Net income (loss) for the period	13	(137)
Other comprehensive income (loss) for the period	0	(2)
<b>Total Equity</b>	<b>95</b>	<b>82</b>

**Flexterra**

Flexterra was born from a technological partnership activated, in the previous years, by SAES and Polyera in the field of flexible thin film transistors for new generation displays. In particular, Flexterra, based in Skokie (close to Chicago, Illinois, USA) is a newco established at the end of 2016 by SAES (through its subsidiary SAES Getters international Luxembourg S.A.) and by some former shareholders and investors in Polyera. The objective of the newco is the design, manufacturing and commercialization of materials and components for the manufacturing of truly flexible displays, with an enormous application potential in different market sectors. Starting from January 10, 2017, Flexterra, Inc. fully controls the newly established company Flexterra Taiwan Co., Ltd.

As at December 31, 2016 SAES owned a share in the share capital of Flexterra, Inc. equal to 34.66%; such share, as at September 30, 2017, decreased to 33.79%, as a result of the cash contribution made, in the first part of the current year, by other shareholders, former investors in Polyera.

The newco, that qualifies as a joint venture, is a development start-up, that generated costs slightly above €3 million in the first nine months of 2017.

Thousands of euro	
<b>Flexterra (100%)</b>	<b>September 30, 2017</b>
Total net sales	19
Cost of sales	(1)
<b>Gross profit</b>	<b>18</b>
Total operating expenses	(3,062)
Other income (expenses), net	(148)
<b>Operating income (loss)</b>	<b>(3,192)</b>
Interests and other financial income, net	4
Foreign exchange gains (losses), net	61
Income taxes	0
<b>Net income (loss)</b>	<b>(3,127)</b>

The share of the SAES Group in the result of this joint venture amounted to -€1.1 million in the first nine months of 2017.

**Flexterra - SAES Group interest (33.79% )**

Thousands of euro

<b>Statement of profit or loss</b>	<b>3<sup>rd</sup> quarter 2017</b>
Total net sales	0
Cost of sales	0
<b>Gross profit</b>	<b>0</b>
Total operating expenses	(287)
Other income (expenses), net	3
<b>Operating income (loss)</b>	<b>(284)</b>
Interests and other financial income, net	(1)
Foreign exchange gains (losses), net	1
Income taxes	0
<b>Net income (loss)</b>	<b>(284)</b>
Exchange differences & equity transaction costs	(223)
<b>Total comprehensive income (loss) for the period</b>	<b>(507)</b>

<b>Statement of profit or loss</b>	<b>September 30, 2017</b>
Total net sales	6
Cost of sales	0
<b>Gross profit</b>	<b>6</b>
Total operating expenses	(1,036)
Other income (expenses), net	(50)
<b>Operating income (loss)</b>	<b>(1,080)</b>
Interests and other financial income, net	1
Foreign exchange gains (losses), net	21
Income taxes	0
<b>Net income (loss)</b>	<b>(1,058)</b>
Exchange differences & equity transaction costs	(804)
<b>Total comprehensive income (loss) for the period</b>	<b>(1,862)</b>

<b>Statement of financial position</b>	<b>September 30, 2017</b>	<b>December 31, 2016</b>
Non current assets	5,007	5,755
Current assets	1,418	2,309
<b>Total Assets</b>	<b>6,425</b>	<b>8,064</b>
Non current liabilities	0	0
Current liabilities	124	0
<b>Total Liabilities</b>	<b>124</b>	<b>0</b>
Capital Stock, Reserves and Retained Earnings	8,064	8,064
Reserve for stock option plans	98	0
Net income (loss) for the period	(1,058)	0
Other comprehensive income (loss) for the period	(804)	0
<b>Total Equity</b>	<b>6,300</b>	<b>8,064</b>

The following tables show the **Total Group's statement of profit or loss**, achieved by incorporating with the proportional method, instead of the equity method the joint ventures of the Group (Actuator Solutions (50%), SAES RIAL Vacuum S.r.l. (49%) and Flexterra (33.79%)).

**Total statement of profit or loss of the Group**

Thousands of euro

Total statement of profit or loss of the Group Thousands of euro		3 <sup>rd</sup> quarter 2017						
		Consolidated profit or loss	50% Actuator Solutions	Intercoy eliminations & other adjustments	49% SAES RIAL Vacuum S.r.l.	Intercoy eliminations & other adjustments	33.79% Flexterra	Intercoy eliminations & other adjustments
Total net sales	52,540	3,647	(225)	346	(13)	0		56,295
Cost of sales	(29,576)	(3,147)	225	(203)	13	0		(32,688)
Gross profit	22,964	500	0	143	0	0	0	23,607
Total operating expenses	(15,063)	(759)		(36)	0	(287)		(16,145)
Other income (expenses), net	(97)	456		0		3		362
Operating income (loss)	7,804	197	0	107	0	(284)	0	7,824
Interest and other financial income, net	(201)	(97)		(3)		(1)		(302)
Income (loss) from equity method evaluated companies	(180)		0		(104)		284	0
Foreign exchange gains (losses), net	(102)	(147)				1		(248)
Income (loss) before taxes	7,321	(47)	0	104	(104)	(284)	284	7,274
Income taxes	(1,468)	(57)						(1,525)
Net income (loss) from continued operations	5,853	(104)	0	104	(104)	(284)	284	5,749
Income (loss) from assets held for sale and discontinued operations	0							0
Net income (loss) before minority interest	5,853	(104)	0	104	(104)	(284)	284	5,749
Net income (loss) pertaining to minority interest	0							0
Net income (loss) pertaining to the Group	5,853	(104)	0	104	(104)	(284)	284	5,749

**Total statement of profit or loss of the Group**

Thousands of euro

Total statement of profit or loss of the Group								
Thousands of euro								
	September 30, 2017							
	Consolidated profit or loss	50% Actuator Solutions	Intercoy eliminations & other adjustments	49% SAES RIAL Vacuum S.r.l.	Intercoy eliminations & other adjustments	33.79% Flexterra	Intercoy eliminations & other adjustments	Total profit or loss of the Group
Total net sales	169,823	10,511	(649)	625	(23)	6		180,293
Cost of sales	(95,270)	(9,618)	649	(559)	23	0		(104,775)
Gross profit	74,553	893	0	66	0	6	0	75,518
Total operating expenses	(46,123)	(2,077)		(98)	0	(1,036)		(49,334)
Other income (expenses), net	(160)	(48)		52		(50)		(206)
Operating income (loss)	28,270	(1,232)	0	20	0	(1,080)	0	25,978
Interest and other financial income, net	(1,042)	(266)		(7)		1		(1,314)
Income (loss) from equity method evaluated companies	(1,045)		0		(13)		1,058	0
Foreign exchange gains (losses), net	(828)	(265)				21		(1,072)
Income (loss) before taxes	25,355	(1,763)	0	13	(13)	(1,058)	1,058	23,592
Income taxes	(8,219)	(38)						(8,257)
Net income (loss) from continued operations	17,136	(1,801)	0	13	(13)	(1,058)	1,058	15,335
Income (loss) from assets held for sale and discontinued operations	0							0
Net income (loss) before minority interest	17,136	(1,801)	0	13	(13)	(1,058)	1,058	15,335
Net income (loss) pertaining to minority interest	0							0
Net income (loss) pertaining to the Group	17,136	(1,801)	0	13	(13)	(1,058)	1,058	15,335

### **Significant events occurred after the end of the quarter**

The Board of Directors of E.T.C. S.r.l. has called for the Shareholders' Meeting to convene on the day of November 16, 2017, in order to deliberate the voluntary closure and subsequent liquidation of the company.

### **Business outlook**

We expect a growing fourth quarter 2017, with a recovery compared to the quarter which just ended and we confirm the positive forecast for the full year.

### **Consob regulatory simplification process**

Please note that, on November 13, 2012, the Board of Directors has approved, pursuant to article no. 3 of Consob resolution no.18079/2012, to adhere to the opt-out provisions as envisaged by article no.70, paragraph 8, and no. 71, paragraph 1-*bis*, of the Consob Regulation related to Issuer Companies, and it therefore avails itself of the right of making exceptions to the obligations to publish information documents required in connection with significant mergers, spin-offs and capital increases by contributions in kind, acquisitions and disposals.

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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*

Lainate, Milan - Italy, November 14, 2017

On behalf of the Board of Directors  
Dr Ing. Massimo della Porta  
President