

PRESS RELEASE

Milan, March 12, 2020

STRONG GROWTH IN REVENUES AND SIGNIFICANT IMPROVEMENT IN ALL THE ECONOMIC AND FINANCIAL INDICATORS

- Consolidated revenues equal to €182.4 million compared to €160.3 million in FY 2018; net of the exchange rate effect (+4.3%), organic growth equal to 9.5%
- Total revenues of the Group equal to €194 million, up by 12.7% compared to €172.2 million in FY 2018
- Consolidated gross profit equal to €78.4 million (43% of revenues), up by 11.6% compared to €70.3 million (43.8% of revenues) in FY 2018
- Consolidated operating income equal to €26.8 million, strongly increased (+77.7%) compared to €15.1 million in FY 2018
- Consolidated EBITDA equal to €36.5 million (20% of revenues), significantly increased (+38.9%) compared to €26.3 million (16.4% of revenues) in FY 2018
- Financial management penalized by write-downs totaling €1.6 million (non-recurring write-downs equal to €13.4 million in FY 2018)
- Consolidated net income from continued operations equal to €19.7 million (-€7.7 million in FY 2018)
- Net financial position positive and equal to €115.3 million, improved when compared to €111.8 million at September 30, 2019
- Proposed a dividend of €0.78 per ordinary share and of €0.80 per savings share
- Consolidated revenues equal to €32.4 million in the first two months of 2020, up by 17.3% compared to 2019
- The BoD resolved to donate €0.5 million to research institutes involved in the front line against coronavirus, as well as to the Italian Civil Protection
- All Italian manufacturing plants are in operation, applying the health procedures currently in force

The Board of Directors of SAES Getters S.p.A., gathered today in Lainate (MI), approved the Consolidated Financial Statements and the Draft of the Financial Statements of the Parent Company SAES Getters S.p.A., that will be examined by the **Ordinary Shareholders' Meeting** convened on April 21, 2020, at 10.30 a.m., in a single call, except for any postponement following emergency measures.

The full version of the call of the Ordinary Meeting will be available in the 1Info system managed by Computershare S.p.A. (www.1info.it) and published in the website of the Company (www.saesgetters.com/investor-relations/area-investors/shareholders-meeting) within March 20, 2020 and, on the same date, an extract of the same call will be published in a national financial newspaper.

“The satisfaction for the excellent results of 2019, that once again confirm the soundness of the strategic choices made, is unfortunately thwarted by the recent evolution of the well-known coronavirus epidemic” - said **Mr. Massimo della**

Porta, President of SAES Getters S.p.A. - “Today our attention is mainly focused on the implementation of procedures that ensure the protection of our employees and the business continuity. The sectors in which the Group operates, primarily that of medical devices, are historically less exposed to cyclicity and this makes us remain optimistic”.

In 2019 the SAES® Group achieved **consolidated net revenues** equal to €182.4million, a double-digit growth (+13.8%) compared to the figure of 2018 (€160.3 million). The **exchange rate effect** was positive and equal to +4.3%, mainly related to the appreciation of the US dollar against the euro. By excluding the exchange rate effect, the **organic growth** was equal to +9.5%, mainly driven by the business of medical devices in Nitinol (higher volumes, distributed on various product lines and on different application markets) and by the sectors of SMAs for industrial applications (sales of educated wires for consumer electronics applications and components for luxury applications), as well as of electronic devices (higher sales both of getter components for thermal sensors for surveillance and industrial applications, and of advanced getters for the consumer electronics market). Finally, also the Sintered Components for Electronic Devices & Lasers business recorded an organic growth, driven by applications related to the defense and avionics sectors.

By including also the revenues of the joint ventures¹, the **total revenues of the Group** were equal to €194 million in 2019, up by 12.7% compared to €172.2 million in 2018, mainly thanks to the increased consolidated revenues and to the growth of sales of the joint venture SAES RIAL Vacuum S.r.l. In the joint venture Actuator Solutions sales were down by 7.5%, penalized by the slow-down in the automotive sector, only partially offset by the revenues deriving from developments in the telecom sector.

The growth of consolidated revenues has allowed the improvement of the **economic indicators**.

Consolidated gross profit² amounted to €78.4 million in 2019, compared to €70.3 million in 2018. The growth (equal to €8.1 million in absolute terms or +11.6%), also favored by the exchange rate effect, equal to +€3.4 million, was totally driven by the increase in sales, mainly in the business of medical devices in Nitinol (Medical Business Unit), as well as in the electronic devices business and in that of the SMAs for industrial applications (Industrial Business Unit). **Gross margin**³ recorded a slight decrease (from 43.8% in 2018 to 43% in 2019), attributable to the Medical operating segment, where some temporary manufacturing inefficiencies occurred in Memry Corporation.

Consolidated operating income amounted to €26.8 million (14.7% of consolidated revenues) in 2019, strongly increased (+77.7%) compared to €15.1 million in the corresponding period of the previous year (9.4% of consolidated revenues): excluding the positive exchange rate effect (+€2.7 million), the organic growth (+59.5%) was attributable to the increase in the gross profit, in turn favored by higher sales, in addition to non-recurring economic items, explained here below, with a positive sign in the current year (+€0.4 million) and with a negative sign in 2018 (-€4.6 million).

In particular, in 2019, the item “Other net income (expenses)” included the consolidated capital gain of €1.2 million⁴ for the sale of the OLET patents owned by E.T.C. S.r.l. in liquidation to the joint venture Flexterra, Inc. and a compensation of €0.6 million for the non-compliance of some products recognized as not attributable to SAES. These positive figures were only partially offset by the write-downs equal to €0.9 million⁵ and by extraordinary operating costs for severance of €0.5 million, related both to the conclusion of the reduction process of the staff of the Parent Company, which began in 2018 after the sale of the purification business, and to the phase-out of metalized products in the packaging sector.

Instead in 2018 the operating expenses were penalized by severance costs related to the Parent Company equal to €2.7 million, as well as by the write-off of €3.1 million related to the impairment test on the Advanced Packaging operating sector. On the other hand, an income equal to €1.2 million referring to the non-repayable grant provided by the State of Connecticut to Memry Corporation had been recorded under the item “Other net income (expenses)”.

Consolidated EBITDA⁶ was equal to €36.5 million (20% of consolidated revenues) in 2019, compared to €26.3 million (16.4% of revenues) in 2018. Net of the positive effect related to the first application of the **IFRS 16**, consolidated EBITDA would have been equal to €34.9 million (19.1% of revenues), still significantly growing (+32.7%) compared to 2018, in line with the operating indicators.

¹ Actuator Solutions (50%), SAES RIAL Vacuum S.r.l. (49%) and Flexterra (46.73%).

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

³ Calculated as the ratio between gross profit and consolidated revenues.

⁴ Capital gain recognized only to the minority interest in the joint venture, in accordance with IAS 28.

⁵ Scrapping of non-compliant products equal to €0.6 million in the electronic devices business and write-down of €0.3 million related to the costs included in the income statement for a project to extend the Lainate plant, subsequently suspended because it was decided to make the productive investment in Roncello.

⁶ 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, depreciation and amortization”.

Even by excluding all the non-recurring income and expenses (net income equal to +€0.7 million⁷ in 2019 and net expenses equal to -€1.5 million⁸ in the previous year), EBITDA would have been equal to €35.8 million (19.6% of revenues) in 2019, strongly increased compared to €27.8 million (17.3% of revenues) in 2018, mainly driven by the electronic devices sector, the SMAs for industrial applications sector and that of Nitinol for medical applications.

Please note that the adoption of the new accounting rules for operating leases starting from January 1, 2019 (**IFRS 16**) did not have any significant effect on either the consolidated gross profit or on the consolidated operating income.

Net income from operating activities was equal to €19.7 million (10.8% of consolidated revenues) in 2019, showing a very strong increase compared to a loss amounting to -€7.7 million in 2018 (-4.8% of consolidated revenues).

The **net income deriving from discontinued operations** amounted to €0.2 million, mainly consisting of the positive adjustment on the sale price of the purification business, resulting from the definition of the actual value of the tax credit of the companies sold SAES Getters USA, Inc. and SAES Pure Gas, Inc. resulting from the income tax return for the period January 1 - June 24, 2018, presented in April 2019.

In 2018, the net income from discontinued operations amounted to €240 million, mainly composed of the gross capital gain (€262.4 million) generated by the sale of the gas purification business, from which the costs related to the transaction were deducted, equal to -€35.2 million (mainly legal expenses, consultancy fees and incentives for both the personnel included in the sale and the corporate employees involved in the definition of this extraordinary corporate transaction, as well as interests, exchange rate differences and taxes). Finally, this item included the net income recorded by the purification business from January 1 to June 24, 2018 (the effective date of the sale) equal to €12.8 million.

Consolidated net income was equal to €19.8 million (10.9% of consolidated revenues) in 2019, compared to a net income of €232.3 million (145% of consolidated revenues) in the previous year.

Consolidated net financial position as at December 31, 2019 was positive and amounting to €115.3 million and this figure was negatively affected by the effects deriving from the adoption of the new accounting standard **IFRS 16**, which entailed the recording of notional financial debts representative of the current value of future commitments related to the use of assets owned by third parties, for a total amount of €4.6 million.

The improvement compared to September 30, 2019 (€111.8 million) was mainly attributable to the positive operating cash flows and to the securities portfolio, only partially reduced by the quarterly capex (€6.4 million).

For further details, please refer to the following sections of this press release.

Relevant events occurred in the year 2019

On March 18, 2019, the Ordinary Shareholders' Meeting of SAES Getters S.p.A., following the proposal made by the Board of Directors on February 14, 2019, authorized a **voluntary Partial Tender Offer (PTO)** on a maximum of no. 3,900,000 ordinary shares of SAES Getters (corresponding to 17.7% of the total shares and to 26.6% of the ordinary shares), at a price of €23 per share (*ex* 2018 dividend), for a maximum total counter value of €89.7 million.

The Offer Document relating to the PTO was approved by Consob on April 30, 2019 and published on May 2, 2019. The acceptance period for the PTO began on May 6, 2019 and ended on May 24, 2019. At the closing date, no. 6,475,263 ordinary shares were brought into acceptance of the tender offer, equal to approximately 166% of the shares involved in the tender offer, corresponding to 44.1% of the ordinary shares and to 29.4% of the share capital of SAES Getters S.p.A., for a total value of €148.9 million before the application of the allotment coefficient. An allotment coefficient of 60.2% was applied to the shares tendered and the total payment, equal to €89.7 million, was made on May 31, 2019.

Following the completion of the tender offer, SAES Getters holds no. 3,900,000 ordinary shares, equal to about 26.6% of the total ordinary shares and about 17.7% of the Company's share capital.

These ordinary treasury shares represent a medium to long term investment in the Company, which might also be used to guarantee loans in case of any extraordinary operation and/or to develop alliances consistent with the Group's strategic direction. Until these opportunities to use these resources arise, the Company intends to keep these treasury shares in its portfolio.

On April 17, 2019, for the purposes of issuing the guarantee for the fulfillment of the obligations of the Offer and of covering the outlay for the purchase of ordinary shares, as well as part of the fees and expenses related to the tender offer, the Parent Company signed a **medium-long term loan** for an amount of €92.7 million with Mediobanca - Banca di Credito Finanziario S.p.A. The loan has a maximum duration of five years and provides for the quarterly payment of

⁷ +€1.2 million, equal to the consolidated capital gain realized on the sale of the IP to the joint venture Flexterra; -€0.5 million of severance costs; -€12 thousand in costs for the disposal of non-compliant stock, already net of the compensation received.

⁸ +€1.2 million for the non-refundable contribution to Memry Corporation and -€2.7 million for severance costs.

interests at a fixed annual rate of 1.2%. The payback is possible in a single solution at the final date or it is allowed at any time through partial voluntary repayments for a minimum amount of €5 million and multiples of €1 million. In the event of early repayments, the Parent Company must also pay Mediobanca, in addition to the amount subject to repayment, any mark-to-market value - if negative - of the IRS derivative underwritten by the lender to cover the risk of interest rate fluctuations; in the case of a positive mark-to-market value, the latter will be paid by Mediobanca to SAES. There is a single financial covenant (a positive consolidated net financial position) subject to a six-monthly review. The loan is secured by pledges on the Group's financial assets.

In the first quarter of 2019, a sum of €100 million in cash, in addition to the €100 million already allocated as at December 31, 2018, have been invested in the construction of a **portfolio with a conservative investment profile** and mainly **with high flexibility and liquidity**, in order to be able to promptly face any future need of the Group.

On May 1, 2019, following the successful completion of the due diligence and of the environmental assessment, Memry Corporation finalized the **purchase of the property located in Bethel (CT)** for a value of \$5.8 million. Please note that Memry Corporation had already paid an advance payment of \$0.3 million at the end of 2018.

In May 2019, E.T.C. S.r.l. in liquidation finalized the **sale of its own OLET patents to the joint venture Flexterra, Inc.** Since this intellectual property was not valued in the assets of E.T.C. S.r.l., the transaction gave rise to an extraordinary revenue from a related party of €1.2 million⁹.

On July 1, 2019, the subsidiary Memry Corporation signed a **rental agreement for an additional production site** of more than 63,000 sq.ft. (equal to around 5,900 square meters) located in Bethel (CT). The lease contract has a five-year and six month term and an annual cost of \$7.25 per sq.ft.

On August 7, 2019, **S.G.G. Holding S.p.A.** obtained the **increase of the voting right** for further no. 1,465,731 ordinary shares of SAES Getters S.p.A. At the end of this operation, the ordinary shares owned by S.G.G. Holding on which the voting right increase is effective are equal to no. 2,819,773 and the latter holds a percentage of **voting rights equal to 44.81%** as at December 31, 2019 (including also the treasury shares held by SAES Getters S.p.A. in this calculation). On September 4, 2019, S.G.G. Holding registered the remaining ordinary shares still with a single vote in its possession (equal to no. 2,198,713) in the List for the attribution of the increased vote. These shares will accrue the increase of the voting right after twenty-four months from the date of the registration, only in the case of uninterrupted ownership by S.G.G. Holding in this period.

The **Parent Company SAES Getters S.p.A.** ended the year 2019 with revenues equal to €62.1 million (€57.2 million in 2018) and a net income equal to €14.4 million (€258.2 million in 2018).

The **total dividend proposed to the Shareholders' Meeting** will be €0.78 per ordinary share (compared to €0.70 in the previous year) and €0.796626¹⁰ per savings share (compared to €0.855175¹¹ in the previous year), through the distribution of the net income.

The dividend will be paid on April 29, 2020; the share will trade ex-dividend starting from April 27, 2020 following the detachment of the coupon no. 36, while the record date related to the dividend payment is April 28, 2020.

The Ordinary Shareholders' Meeting, convened on April 21, 2020, except for any postponement following emergency measures, will be called to resolve pursuant to article 123-ter, paragraphs 3-bis and 3-ter, of the Legislative Decree n. 58/1998, in favor or against it, on the **first section of the Remuneration report**, with a binding vote; pursuant to article 123-ter, paragraphs 4 and 6, in favor or against it, on the **second section of the Remuneration report**, with a non-binding vote. The aforementioned report will be made available to the public in the Company website (www.saesgetters.com/investor-relations/area-investors/shareholders-meeting), in the Info storage system (www.info.it) and at the Company's headquarters on March 30, 2020.

⁹ Capital gain recognized only to the minority interest in the joint venture, in accordance with IAS 28.

¹⁰ This amount includes the increase of €0.016626 and €0.138549 as full recognition of the privileged dividend for the year 2019.

¹¹ Including both the full recognition of the privileged dividend for the year 2017, and the increase of € 0.016626 and € 0.138549 as full recognition of the privileged dividend for the year 2018.

The Ordinary Shareholders' Meeting will also be called to approve the **adjustment of the fees of Deloitte & Touche S.p.A. for the year 2019** in relation both to the independent auditing of the accounts and to the assignment concerning the limited examination of the Consolidated non-financial statement of SAES Getters S.p.A. and its subsidiaries, as requested by the same company respectively on August 2, 2019 and December 20, 2019.

The related report of the Directors will be available in the Company's website (www.saesgetters.com/investor-relations/area-investors/shareholders-meeting), in the IInfo system managed by Computershare S.p.A. (www.linfo.it) and at the Company's headquarters on March 20, 2020.

On the same date (April 21, 2020, except for any postponement following emergency measures), the **Shareholders' Meeting** will also meet in an extraordinary session to approve the **adaptation of article 11 of the Corporate By-Laws** to Consob regulation (Communication no. 0214548 of April 18, 2019). The related report of the Board of Directors will be made available in the Company's website (www.saesgetters.com/en/investor-relations/shareholders-meeting), in the IInfo system managed by Computershare S.p.A. (www.linfo.it) and at the Company's headquarters on March 30, 2020.

On April 21, 2020, except for any postponement following emergency measures, at 12.00 a.m. (and in any case at the end of the Ordinary Shareholders' Meeting and of the Extraordinary Shareholders' Meeting), the **Special Savings Shareholders' Meeting** will meet to decide upon the **appointment of the Common Representative of the Savings Shareholders for the three-year period 2020-2022**, as well as on the **determination of his annual remuneration**, given the expiry of the mandate of the current representative, the lawyer Massimiliano Perletti, in office for the period 2017-2019.

The full version of the notice of the Special Savings Shareholders' Meeting will be available in the IInfo system managed by Computershare S.p.A. (www.linfo.it) and it will be published in the website of the Company (www.saesgetters.com/investor-relations/area-investors/shareholders-meeting), on March 20, 2020 and in the same day an abstract of the same notice will be published in a national financial newspaper.

The report of the Directors on the only item in the agenda, pursuant to article 125-ter of the TUF, will be published in the Company's website (www.saesgetters.com/investor-relations/area-investors/shareholders-meeting), as well as in the IInfo system managed by Computershare S.p.A. (www.linfo.it) on March 20, 2020.

Finally, today the Board of Directors approved the **Report on corporate governance and ownership structure** and the **Consolidated statement on non-financial information**, related to the year 2019.

The Report on corporate governance and ownership structure and the Report containing non-financial information, including the certification of the independent auditors, will be made available in the Company's website (www.saesgetters.com/en/investor-relations/financial-reports), in the IInfo system managed by Computershare S.p.A. (www.linfo.it) and at the Company's headquarters on March 30, 2020, together with the draft financial statements of SAES Getters S.p.A. and the consolidated financial statements, accompanied by the management reports of the Board of Directors, the Board of Statutory Auditors and the Independent Auditors.

The Board had already carried out, in the meeting of February 13, 2020, in compliance with the principle of 3.P.2 and of the application criterion 3.C.4 of the Corporate Governance Code, the **assessment of the independence requirements of the Directors** based on the requirements of the Corporate Governance Code and articles 147-ter, paragraph 4, and 148, paragraph 3 of the TUF, confirming the status of "independent" of the Directors Avv. Gaudiana Giusti, Dr Stefano Proverbio and Dr.ssa Luciana Rovelli and, based solely on the independence requirements set out in articles 147-ter, paragraph 4, and 148, paragraph 3, of the TUF, the "independent" qualification of Prof. Adriano De Maio.

At the meeting of February 13, 2020 the Board also verified the **persistence of the requirements of professionalism and integrity** that the **Statutory Auditors** must possess pursuant to the Decree of the Ministry of Justice of March 30, 2000, no. 162, as well as of independence pursuant to article 148, paragraph 3 of the TUF and of the application criterion 8.C.1. of the Corporate Governance Code.

Industrial Business Unit

Consolidated revenues of the Industrial Business Unit amounted to €87.4 million, up by 12.2% compared to €77.8 million in the previous year. The foreign currency trend led to a positive exchange rate effect equal to 3.2%, net of which revenues organically increased by 9%.

The organic growth was mainly driven by the business of shape memory alloys for industrial applications (**SMA Industrial Business**, +43.5%), thanks to the sales of educated wire for consumer electronics applications and those of SMA components for luxury applications. A two-digit organic growth (+19.7%) was also recorded by the electronic devices sector (**Electronic Devices Business**) thanks to the higher sales of getter components for thermal sensors for surveillance and industrial applications, as well as advanced getters for the consumer electronics market. Finally, the **Sintered Components for Electronic Devices & Lasers Business** also grew organically (+9%)

thanks to the higher sales of heat dissipation devices used in semiconductor lasers in defense-related applications. Also, the electron emitter business recorded a slight growth, especially in the avionics and power tube sectors. On the other end, the following businesses showed a slight organic decrease:

- The Solutions for Vacuum Systems Business (-7.8%), penalized by some delays in the implementation of some large projects in the particle accelerator sector; the decrease in this sector was only partially offset by higher sales of pumps for analytical instrumentation and for research laboratories.
- The Security & Defense Business, whose slight organic decrease (-2.1%) was mainly attributable to the postponement of some deliveries related to night vision applications. However, the market trend is confirmed to be growing.
- The Healthcare Diagnostic Business (-5.7%) which, after a start of the year characterized by a high demand, faced a slowdown mainly due to customers' over-stock. The outlook for 2020 remains stable.
- The Functional Chemicals Systems Business (-7.3%), whose decrease was due to weak sales of new generation dispensable products for OLED displays in the first part of the year which qualified only in the second half of the year. In addition, in the last part of 2019, also the sales of functional chemicals for semi-hermetic electronic devices in photonics and automotive applications contributed positively.
- In line with the full year 2018, the thermal insulation (Thermal Insulated Devices Business) and lamps (Lamps Business) segments recorded an organic decrease. In the former, the contraction was mainly due to the decrease in the demand in the vacuum bottles sector; in the latter, to the technological competition of LEDs on fluorescent and discharge intensity lamps.

The table below shows the revenues in 2019 related to the various business areas, with evidence of the exchange rate effect and of the organic change, compared to 2018.

Thousands of euro (except %)

Business	2019	2018	Total difference (%)	Organic change (%)	Exchange rate effect (%)
Security & Defense	12,778	12,595	1.5%	-2.1%	3.6%
Electronic Devices	25,636	21,106	21.5%	19.7%	1.8%
Healthcare Diagnostics	4,438	4,578	-3.1%	-5.7%	2.6%
Lamps	4,073	4,901	-16.9%	-19.6%	2.7%
Thermal Insulated Devices	3,377	3,566	-5.3%	-10.3%	5.0%
Solutions for Vacuum Systems	10,592	11,183	-5.3%	-7.8%	2.5%
Sintered Components for Electronic Devices & Lasers	8,452	7,350	15.0%	9.0%	6.0%
SMA Industrial	16,969	11,482	47.8%	43.5%	4.3%
Functional Chemical Systems	1,051	1,075	-2.2%	-7.3%	5.1%
Industrial	87,366	77,836	12.2%	9.0%	3.2%

Gross profit of the Industrial Business Unit was equal to €42.2 million in 2019, compared to €38.3 million in 2018. The growth (+10.2%) was mainly related to the excellent performance of the sales in the electronic devices sector and in that of SMAs for industrial applications. The gross margin slightly decreased from 49.2% to 48.3%, penalized by the disposal of non-compliant products¹² (€0.6 million) in the electronic devices sector. Even excluding this cost, the reduction in gross margin¹³ was mainly attributable to lower sales and the less favorable product mix in the defense and vacuum pumps sectors, only partially offset by the increase in the margins of SMAs for industrial applications, the latter characterized from a strong increase in revenues instead.

Operating income of the Industrial Business Unit was equal to €26.1 million in 2019, compared to €20.6 million in 2018: the increase in revenues enabled the strong growth of the operating indicators, both in absolute terms (+26.9%) and as a percentage of revenues (from 26.4% to 29.9%). The decrease in operating expenses (-€0.7 million) was related to severance costs equal to €0.7 million in 2018. In the current year, the aforementioned extraordinary costs for the scrapping of non-compliant stocks (€0.6 million) were offset by the related compensation received of approximately the same value (€0.6 million) recognized under the item "Other net income (expenses)".

Medical Business Unit

¹² Please note that for this disposal of non-compliant products for reasons not attributable to SAES (total cost of €0.6 million) the Group received a compensation of almost the same amount recognized in the item "Other net income (expenses)".

¹³ Excluding the cost for the disposal of non-compliant products, the 2019 gross margin would have been equal to 48.9%.

Consolidated revenues of the Medical Business Unit were equal to €85 million, significantly increased (+19.7%) when compared to €71 million in the previous year. The exchange rate effect was positive and equal to +6.1%, net of which the organic growth was double-digit and equal to +13.6%, spread over different product lines, customers and market segments.

The table below shows the consolidated revenues in 2019, with evidence of the exchange rate effect and of the organic change compared to 2018.

Thousands of euro (except %)

Business	2019	2018	Total difference (%)	Organic change (%)	Exchange rate effect (%)
Nitinol for Medical Devices	84,979	70,968	19.7%	13.6%	6.1%
Medical	84,979	70,968	19.7%	13.6%	6.1%

Gross profit of the Medical Business Unit was equal to €35.6 million in 2019, compared to €31.1 million in 2018 (+14.6%); the increase in revenues more than offset the decrease in margins (from 43.8% to 41.9%) penalized by the aforementioned temporary production inefficiencies in Memry Corporation.

Operating income of the Medical Business Unit amounted to €26.2 million (30.8% of consolidated revenues), up by +10.6% compared to the figure of the previous year, equal to €23.7 million (33.3% of consolidated revenues). The increase was due to the strong growth of the gross profit, which more than absorbed the increase in operating expenses (in particular, G&A expenses for consultancy), also penalized by the negative effect of exchange rates. Finally, please note the non-refundable contribution granted in 2018 by the State of Connecticut to the subsidiary Memry Corporation (€1.2 million), recognized under the item “Other net income (expenses)”.

Packaging Business Unit

Consolidated revenues of the Packaging Business Unit were equal to €10 million in 2019, compared to €11.5 million in 2018. Sales are exclusively denominated in euro. The decrease (-12.8%) was affected by the rationalization of the product portfolio started in the second half of 2018 and still ongoing, aimed at reducing the incidence of metalized products compared to lacquered ones (the latter having higher margins), while sales of the new lacquered products with higher added value started only in the last months of 2019, as a result of commercial policies aimed at promoting the most innovative products.

The table below shows the consolidated revenues in 2019, with evidence of the exchange rate effect and of the organic change compared to 2018.

Thousands of euro (except %)

Business	2019	2018	Total difference (%)	Organic change (%)	Exchange rate effect (%)
Solutions for Advanced Packaging	10,007	11,480	-12.8%	-12.8%	0.0%
Packaging	10,007	11,480	-12.8%	-12.8%	0.0%

Gross profit of the Packaging Business Unit was equal to €0.6 million (6% of revenues) compared to €1.2 million (10.3% of revenues) in 2018: this decrease, both in absolute terms and as percentage on revenues, was mainly due to the already mentioned decrease in sales. The phase-out process of non-strategic products with lower margins has not yet fully shown its effects due to the presence of still low volumes, with fixed costs substantially unchanged.

Please note that the gross profit in 2019 was also penalized by a non-recurring write-down of €0.3 million (costs recorded in the income statement for a project to extend the Lainate plant, subsequently suspended because it was decided to make the productive investment in Roncello). Net of this extraordinary cost, the gross margin would have been equal to 9%.

Operating income of the Packaging Business Unit was equal to -€3.2 million, compared to -€5.9 million in the previous year. Excluding the extraordinary expenses (in 2019, €0.3 million for the aforementioned suspension of the expansion project of the Lainate plant and €0.2 million for a staff reduction; in 2018, €3.1 million for the write-down of tangible and intangible assets deriving from an impairment test) the operating result was stable (-€2.8 million both in 2018 and in the current year): the decrease in gross profit was offset by lower G&A expenses (in particular, lower consultancy costs).

Not allocated Costs

Not allocated costs were equal to €22.2 million in 2019, compared to €23.3 million in 2018 and include both costs that cannot be directly attributed or reasonably allocated to any business sector, but which refer to the Group as a whole, and costs related to basic research projects or aimed at diversification in innovative businesses. Excluding extraordinary items (in 2019, a capital gain from the sale of IP to the joint venture Flexterra equal to €1.2 million and severance costs of €0.3 million; in 2018, personnel reduction costs of €1.9 million), unallocated costs increased by €1.8 million (from €21.3 million in 2018 to €23.1 million in 2019): the major increase was recorded in consultancy expenses for strategic projects, as well as higher costs for Executive Directors fees.

Consolidated operating expenses were equal to €53.4 million (29.3% of revenues), compared to €56.1 million (35% of revenues) in the previous year. Excluding the exchange rate effect (+€0.8 million) and the non-recurring costs (€0.5 million in 2019¹⁴ and €5.8 million¹⁵ in 2018) the difference in the operating expenses was equal to +€1.7 million: the main increases were recorded in the **selling expenses** (commissions paid on sales of SMA educated wire for consumer electronics applications) and in the **general and administrative expenses** (consultancy expenses for strategic projects and higher costs for the fees to Executive Directors). **Research and development expenses** did not show any significant change instead.

The net balance of the **other income (expenses)** was positive and equal to €1.8 million, compared to a positive balance equal to €0.9 thousand in 2018. The difference was attributable to the consolidated income recorded from related parties, equal to €1.2 million¹⁶, for the sale of the OLET patents owned by ETC S.r.l. in liquidation to the joint venture Flexterra, Inc. In the current year, the other income also included other extraordinary revenues of approximately €0.2 million, for insurance reimbursements and the favorable settlement of legal disputes, as well as the compensation received by the Parent Company (€0.6 million) against the disposal of non-compliant finished products for reasons not attributable to SAES but to a sub-supplier. Instead in 2018 the item included an income of €1.2 million, accounted for by the American subsidiary Memry Corporation following the transformation of 50% of the loan granted by the State of Connecticut (CT) at the end of 2014 in a non-repayable grant.

The net balance of **financial income and expenses** was positive for €6.6 million, compared to a negative balance of -€0.2 million in 2018. The positive change was mainly attributable to the financial income on the securities purchased at the end of 2018 and at the beginning of 2019 as investment of the liquidity deriving from the extraordinary sale of the purification business (total income of €7 million in the current year, of which €5 million for the valuation of securities at fair value and €2 million from coupons and for securities disposal, net of management fees, compared to a negative value of -€0.2 million at December 31, 2018 related to a fair value measurement only).

The item also included interest expenses on long-term loans granted to the Parent Company, to SAES Coated Films S.p.A. and to the American subsidiary Memry Corporation, in addition to the bank commissions on the credit lines of the Italian companies of the Group. With regard to interests on long-term bank loans, the cost increased from €0.5 million in 2018 to €0.8 million in 2019, mainly following the signing by the Parent Company of the new loan to cover the disbursement for the purchase of treasury shares. Please note that the first application of the new **IFRS 16** in 2019 resulted in the recognition of interest expenses of a non-material amount (€55 thousand).

Write-downs of **financial receivables and other financial assets** amounted to -€0.4 million in 2019, compared to -€9.3 million in the previous year and, in both years, they mainly referred to the write-down of the financial credit of the Group towards Actuator Solutions GmbH against the interest-bearing loans granted by SAES Nitinol S.r.l. to the joint venture in the previous years (from 2014 to 2018). In particular, as at December 31, 2018 the principal amount of the loan and the interest credit accrued in the 2016-2018 period had been written down (overall write-down equal to -€9.1 million); then in 2019, the credit related to the accrued interest in 2019 was written down (€0.5 million).

The loss deriving from the **valuation with the equity method** of the joint ventures amounted to a total of -€1.8 million, of which -€2 million¹⁷ attributable to the joint venture Flexterra and +€0.2 million to SAES RIAL Vacuum S.r.l. This figure compares with a cost equal to -€1.5 million in the previous year, almost entirely attributable to the joint venture Flexterra.

¹⁴ Severance costs.

¹⁵ €3.1 million for write-downs of tangible and intangible assets from impairment tests and €2.7 million for severance costs.

¹⁶ Capital gain recognized only to the minority interest in the joint venture, in accordance with IAS 28.

¹⁷ Obtained by adding to the SAES share in the 2019 result of the joint venture (-€2 million) the deletion of the amortization on the portion of the capital gain of the IP sold by E.T.C. S.r.l. to Flexterra, Inc. (+ €76 thousand) cancelled at a consolidated level, in application of IAS 28.

The **write-downs of companies valued with the equity method** amounted to -€1.2 million as at December 31, 2019 and included the write-down, equal to -€0.6 million, resulting from the impairment test carried out on the investment in Flexterra, as well as a risk provision for the investment in Actuator Solutions, equal to -€0.6 million. In the previous year the impairment test write-downs amounted to -€4.3 million, entirely attributable to the joint venture Flexterra.

The sum of the **exchange rate differences** recorded a negative balance equal to -€0.1 million in 2019, compared to a positive balance equal to -€0.5 million in the previous year. The change was mainly related to the fact that the figure in 2018 included the release into the income statement of part of the conversion reserve generated by the consolidation of SAES Getters/U.S.A., Inc., following the partial reduction of the share capital of the US subsidiary in October 2018 (+€0.4 million). Please note that, in 2018, exchange gains had been offset by the losses realized on hedging derivatives; in the current year, no forward contract was entered into to hedge the exchange risk instead.

Consolidated income before taxes amounted to €29.9 million in 2019 (16.4% of consolidated revenues) compared to an income before taxes of €0.3 million in the previous year (0.2% of consolidated revenues).

Excluding both severance costs related to the finalization of the reduction process of staff at the Parent Company and to the phase-out of metalized products in the packaging sector (-€0.5 million), as well as the write-downs (a total of -€1.9 million¹⁸), which penalized the year 2019, in addition to the extraordinary costs related to the previous year (severance costs equal to €2.7 million and write-offs equal to -€16.5 million¹⁹), consolidated income before taxes would have amounted to €32.4 million (17.7% of consolidated revenues), strongly increased compared to €19.5 million (12.2% of consolidated revenues) in the previous year, driven both by the growth of gross profit and by the income (realized and unrealized) on securities.

The adoption of the new accounting rules for operating leases starting from January 1, 2019 (**IFRS 16**) did not have a significant effect on the consolidated income before taxes (without the application of IFRS 16, in 2019 the income before taxes would still have amounted to €29.9 million).

Income taxes amounted to €10.2 million in 2019, increased if compared to €8 million in the previous year as a consequence of the improvement in the operating results.

The Group's **tax rate** was equal to 34.2% in 2019, still significant, since both the Parent Company and SAES Coated Films S.p.A. ended the year 2019 with a negative taxable income that was not valued as a deferred tax asset.

Consolidated net income from operating activities was equal to €19.7 million (10.8% of consolidated revenues) in 2019, showing a very strong increase compared to a loss of -€7.7 million in 2018 (-4.8% of consolidated revenues).

Including the result from discontinued operations related to the sale of the purification business in both years, the **consolidated net income** was equal to €19.8 million in 2019 (10.9% of consolidated revenues) compared to a consolidated net income of €232.3 million (145% of consolidated revenues) in the previous year.

The **net income per ordinary share and per savings share** amounted respectively to €0.99693 and €1.01356. These figures compare respectively with a net income equal to €10.53109 and €10.54772 in 2018.

If the purchase²⁰ of treasury shares completed by the Parent Company at the end of May 2019 had taken place at the beginning of the year and, therefore, the average number of ordinary shares outstanding in the current year corresponded to those actually outstanding on December 31, 2019, the net income per ordinary and per savings share would have been equal to €1.08619 and €1.10282 respectively.

Consolidated net financial position as at December 31, 2019 was positive and equal to €115.3 million, compared with a net positive balance as at December 31, 2018 of +€223.3 million.

The value as at 31 December 2019 was negatively affected by the effects deriving from the adoption of the new accounting standard **IFRS 16**, which entailed the recognition of notional financial payables and representative of the present value of future commitments related to the use of assets owned by third parties, for a total amount of €4.6 million.

Compared to December 31, 2018, the decrease in the net financial position (-€108 million) was mainly attributable, in addition to the aforementioned notional effect of the application of IFRS 16, to the extraordinary purchase of treasury shares (total outlay equal to -€93.4 million, including the ancillary charges related to the Public Tender Offer). Please

¹⁸ Costs, equal to -€0.3 million, recorded in the income statement for a project to extend the Lainate plant, subsequently suspended; write-down for impairment test on the investment in Flexterra of -€0.6 million; risk provision on the equity investment in Actuator Solutions equal to -€0.6 million and write-down of the financial receivable from Actuator Solutions equal to -€0.5 million.

¹⁹ Write-down for impairment test on the Solutions for Advanced Packaging Cash Generating Unit equal to -€3.1 million; write-down of the financial receivable from Actuator Solutions GmbH equal to -€9.1 million and write-down for impairment test of the investment in Flexterra equal to -€4.3 million.

²⁰ Purchase following the voluntary partial Public Tender Offer completed by SAES Getter S.p.A. at the end of May 2019.

also note the dividends paid at the beginning of May 2019 (-€16.6 million) and investments in tangible and intangible fixed assets (-€24.2 million).

These cash outflows were partially offset by the cash flows generated by the operating activities and by the sale of patents of E.T.C. S.r.l. to the joint venture Flexterra, Inc. (+€2.3 million), as well as by the revaluation of the securities in the portfolio (+€5.1 million), in addition to the coupons collected on the latter (+€1.8, net of securities portfolio management fees).

The exchange rate effect was positive for €0.4 million, mainly attributable to the effect of the revaluation of both the US dollar and of the renminbi on the cash and cash equivalents in these currencies as at 31 December 2019, compared to the end of 2018.

The **operating cash flow** was positive and amounted to +€24.4 million mainly driven by the electronic devices, the shape memory alloys for industrial applications and the Nitinol for medical applications sectors, against a substantially stable net working capital.

Net consolidated revenues 4Q 2019 vs. 3Q 2019

In the fourth quarter of 2019 the SAES Group achieved consolidated net revenues of €44.9 million, compared to €49 million in the third quarter of the year.

Thousands of euro (except %)

Business	4Q 2019	3Q 2019	Total difference (%)	Organic change (%)	Exchange rate effect (%)
Security & Defense	2,908	3,505	-17.0%	-17.3%	0.3%
Electronic Devices	6,834	8,270	-17.4%	-17.5%	0.1%
Healthcare Diagnostics	965	1,023	-5.7%	-5.9%	0.2%
Lamps	804	995	-19.2%	-19.1%	-0.1%
Thermal Insulated Devices	847	697	21.5%	21.5%	0.0%
Solutions for Vacuum Systems	3,046	2,024	50.5%	50.1%	0.4%
Sintered Components for Electronic Devices & Lasers	2,091	1,819	15.0%	14.5%	0.5%
SMA Industrial	3,537	5,186	-31.8%	-32.0%	0.2%
Functional Chemical Systems	275	340	-19.1%	-19.2%	0.1%
Industrial	21,307	23,859	-10.7%	-10.9%	0.2%
Nitinol for Medical Devices	20,871	22,836	-8.6%	-9.0%	0.4%
Medical	20,871	22,836	-8.6%	-9.0%	0.4%
Solutions for Advanced Packaging	2,723	2,269	20.0%	20.0%	0.0%
Packaging	2,723	2,269	20.0%	20.0%	0.0%
Totale	44,901	48,964	-8.3%	-8.6%	0.3%

The organic decrease totally amounted to -8.6%, concentrated in the following sectors:

- Electronic Devices Business (organic decrease equal to -17.5%) due to the postponement of some deliveries of advanced components for the consumer electronics market to the first months of 2020;
- SMA Industrial Business (-32%) due to economic effects in the timing of procurement of SMA products for consumer electronics and automotive applications;
- Nitinol for Medical Devices Business (-9%) which, after a particularly positive third quarter, favored by the postponement of previous deliveries, in the last quarter saw a slowdown on a primary customer due to over-stock problems.

On the other end, some segments showed a turnaround towards a positive sign:

- Solutions for Vacuum Systems Business (organic growth equal to +50.1%) favored by the recovery in sales of pumps for particle accelerators;
- Solutions for Advanced Packaging Business (+20%) thanks to the first sales of new generation lacquered films, in line with the commercial policy aimed at promoting the most innovative products.

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 (Schenzen) Co.,

Ltd., is focused on the development, production and commercialization of actuators using shape memory alloys in place of the engine.

Please note that during 2019, the restructuring operation aimed at a greater focus of the German joint venture on its core business continued (in particular, production activities in the automotive business and product developments in the telecom sector). This operation, which also involved the start of the liquidation process of the Chinese subsidiary Actuator Solutions (Shenzhen) Co., Ltd. in March 2019 and, at the beginning of October, the liquidation of the Taiwanese subsidiary Actuator Solutions Taiwan Co., Ltd., generated extraordinary costs of €2.1 million²¹, including the write-down of €1.6 million in deferred tax assets on past tax losses of the German parent company, valued as difficult to recover in the medium term, based on the updated version of the five-year plan²² presented by the management of Actuator Solutions to the Shareholders, during the Extraordinary Shareholders' Meeting of February 18, 2020.

Instead the loss as at December 31, 2018 included extraordinary expenses equal to €0.8 million, mainly related to the reorganization carried out at the Chinese subsidiary the previous year and aimed at the outsourcing of all its production activities, in anticipation of the start of the aforementioned liquidation process.

Actuator Solutions achieved net revenues of €21.2 million in 2019, down by 7.5% from €22.9 million in 2018, due to the slowdown in the automotive sector, only partially offset by revenues generated by product developments in the telecom sector.

The net result in 2019 was negative and amounted to -€2.8 million compared with a loss of -€1.1 million in 2018. Excluding both the extraordinary charges related to the aforementioned restructuring process and the extraordinary cost of €0.4 million related to a computer fraud suffered by the German parent company in the first half of 2019, the current year would have ended with a net loss of -€0.4 million, compared to a negative figure equal to -€0.3 million at the end of the previous year: the decrease was mainly attributable to the decrease in sales in the automotive sector, against a gross margin substantially unchanged.

Thousands of euro

Actuator Solutions (100%)	2019	2018
Total net sales	21,202	22,922
Cost of sales	(17,390)	(18,865)
Gross profit	3,812	4,057
Total operating expenses	(3,878)	(4,500)
Other income (expenses), net	(375)	384
Operating income (loss)	(441)	(59)
Interests and other financial income, net	(684)	(616)
Foreign exchange gains (losses), net	(55)	12
Income taxes	(1,636)	(411)
Net income (loss)	(2,816)	(1,074)

The share of the SAES Group in the result of this joint venture in 2019 amounted to -€1.4 million (-€0.5 million in 2018), but, similar to the previous year, being the investment of SAES in Actuator Solutions already fully reduced to zero at December 31, 2019, this pro-quota net loss was not recognized by the Group as a liability. However, given the difficult equity and financial position faced by the joint venture as at December 31, 2019 following the aforementioned restructuring operation, a risk provision of €0.6 million was recorded, equal to the pro-quota financial resources necessary to Actuator Solutions to continue its operating activities in the next twenty-four months, based on the update of the five-year plan of February 18, 2020.

This provision is added to the write-down, equal to -€0.5 million, of the financial credit related to the interest accrued in 2019 on the interest-bearing loans granted by SAES Nitinol S.r.l. to the joint venture in previous years: in order to ensure the operational continuity of Actuator Solutions, SAES has deemed it appropriate to confirm also for the year 2019 the subordination of the interest accrued on the aforementioned loans, writing down the related financial credit as deemed difficult to recover.

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 manufacturing of vacuum chambers for accelerators, synchrotrons and colliders and combines at the highest level the competences of SAES in the field of materials, vacuum

²¹ Of which -€54 thousand related to the liquidation of Actuator Solutions (Shenzhen) Co., Ltd. and -€0.3 million related to the liquidation of Actuator Solutions Taiwan Co., Ltd.

²² The original five-year plan had been drawn up between October and November 2019 and was approved by the Supervisory Board on November 25, 2019.

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 year 2019 with sales equal to €3.4 million, up by 30% compared to €2.6 million in 2018, thanks to the recognized competitiveness, also at an international level, of its offer in the field of vacuum chambers. The increase in sales allowed a sharp recovery in gross margins (from 19.4% to 27.9%) and the consequent significant increase in the net income equal to €0.4 million (€51 thousand in the previous year).

Thousands of euro

SAES RIAL Vacuum S.r.l. (100%)	2019	2018
Total net sales	3,428	2,637
Cost of sales	(2,470)	(2,126)
Gross profit	958	511
Total operating expenses	(493)	(348)
Other income (expenses), net	126	(46)
Operating income (loss)	591	117
Interests and other financial income, net	(27)	(22)
Foreign exchange gains (losses), net	0	0
Income taxes	(161)	(44)
Net income (loss)	403	51

The share pertaining to the SAES Group in the 2019 result of the joint venture was equal to +€0.2 million (compared to +€25 thousand in the previous year).

Flexterra

Flexterra, Inc., based in Skokie (close to Chicago, Illinois, USA), was established at the end of 2016 as a development start-up with the objective of designing, manufacturing and commercializing materials and components for truly flexible displays.

Flexterra, Inc. fully controls Flexterra Taiwan Co., Ltd.

As at December 31, 2019 SAES held 46.73% of the share capital of the joint venture Flexterra, Inc.

During 2019 the Flexterra project made further progress, albeit with some delay compared to the original forecasts. In particular, the joint venture continued the development activities on its organic materials and received the qualification of its formulations by an important Taiwanese manufacturer of OTFT (Organic Thin Film Transistor). In November, a completely flexible electrophoretic display, that uses the technology and materials developed by Flexterra, was presented at Touch Taiwan, a prestigious sector trade fair, and in December the joint venture received the first order for its formulations. The industrialization of the OTFTs is at an advanced stage and, although with a longer time than that initially estimated, it should be completed by the summer 2020, while the start of the actual production and sale activities by Flexterra are expected in the second part of the year.

Flexterra, which qualifies as a joint venture, ended the year 2019 with a net loss of -€4.3 million, compared to -€4.2 million in the previous year (mainly, costs for the employees employed in research activities and in general and administrative activities, consultancy, costs related to the management of patents and depreciation of intangible assets, including intellectual property). The major loss was mainly attributable to the depreciation on the intellectual property sold²³ during the first half of 2019 to the joint venture by E.T.C. S.r.l. in liquidation. Please also note higher costs related to the management of patents.

Thousands of euro

Flexterra (100%)	2019	2018
Total net sales	16	35
Cost of sales	(1)	(7)
Gross profit	15	28
Total operating expenses	(4,474)	(4,161)
Other income (expenses), net	1	0
Operating income (loss)	(4,458)	(4,133)
Interests and other financial income, net	(1)	(8)
Foreign exchange gains (losses), net	77	(62)
Income taxes	36	50
Net income (loss)	(4,346)	(4,153)

²³ Sale price equal to \$ 2.6 million.

The share pertaining to the SAES Group in the joint venture's result for the year 2019 was equal to -€2 million (compared to -€1.5 million²⁴ in the previous year).

Finally, please note that the impairment analysis at December 31, 2019 revealed a write-down of the equity investment of SAES in Flexterra equal to -€0.6 million, that was added to the valuation using the equity method, for the purpose of calculating the final value of the equity investment. As at December 31, 2018, the impairment test-based write-down amounted to -€4.3 million.

First application of the standard IFRS 16 - Leases

Starting from January 1, 2019, the SAES Group has adopted the new standard **IFRS 16**, on the basis of which the accounting on a straight-line basis of the costs for operating leases is replaced by the amortization of the right of use and by the financial charges on the liabilities recorded against the latter. The Group has chosen to apply the new standard using the modified retrospective method (i.e. without restating the data of the comparative period).

The main effects at December 31, 2019 deriving from the application of the new standard were the following:

- lower rental costs for €1,632 thousand;
- increase in amortization for €1,539 thousand;
- increase in financial charges for €55 thousand;
- recording among the non-current assets of a Right of use of €4,617 thousand;
- recording of financial debts amounting to €4,586 thousand.

With reference to the main levels of operating profitability, in 2019 the introduction of the new leasing transaction methodology brought:

- a not material positive effect of €93 thousand in the **consolidated operating income**;
- a positive effect of €1,632 thousand in the **consolidated EBITDA**;
- a negligible positive effect of €38 thousand in the **consolidated pre-tax income**.

The effect of IFRS 16 on the **net financial position** at December 31, 2019 was detrimental for €4,586 thousand.

The following table shows the main indicators as at December 31, 2019, compared both with what would have been their value without applying the IFRS 16 and with the corresponding period of 2018.

Thousands of euro

	2019	2019 without IFRS 16 adoption	2018
EBITDA	36,502	34,870	26,279
<i>% on sales</i>	<i>20.0%</i>	<i>19.1%</i>	<i>16.4%</i>
Operating income (loss)	26,772	26,679	15,066
<i>% on sales</i>	<i>14.7%</i>	<i>14.6%</i>	<i>9.4%</i>
Income (loss) before taxes	29,927	29,889	287
<i>% on sales</i>	<i>16.4%</i>	<i>16.4%</i>	<i>0.2%</i>
	December 31, 2019	December 31, 2019 without IFRS 16 adoption	December 31, 2018
Net financial position	115,316	119,902	223,310

Reclassifications on 2018 figures

To better reflect the SAES Management organizational structure, starting from January 1, 2019, the revenues and costs of the shape memory alloys for industrial applications segment (formerly SMAs for Thermal & Electro Mechanical Devices), together with those of the Functional Chemical Systems sector (formerly Organic Electronics), have been classified within the Industrial Business Unit. The residual revenues of the gas purification business (formerly Systems for Gas Purification & Handling), by now negligible following the sale of the purification business in the middle of last year, were combined with those of the Electronic Devices Business, the latter included in the Industrial Business Unit as well.

Finally, please note the new name of all the operating sectors, for a better information clarity.

The 2018 economic figures have been reclassified to allow a homogeneous comparison with 2019.

Significant events occurred after the end of the year

²⁴ The pro-quota result for 2018 was calculated taking into account the progressive increases in the participation of SAES in the share capital of Flexterra during 2018.

On January 23, 2020 the Board of Directors of SAES Getters S.p.A. resolved to revoke the dissolution of E.T.C. S.r.l. and its liquidation and to modify its corporate purpose to allow the company to directly or indirectly acquire interests or shareholdings in the field of packaging and the scouting of new technologies in the same sector. If it is not possible to proceed with the revocation of the liquidation process, the Board finally approved the establishment of a new company, entirely controlled by SAES Getters S.p.A., with the same corporate purpose.

As part of the incentive plan based on phantom shares called “2018 Phantom Shares Plan” and approved by the Shareholders’ Meeting of October 1, 2018, on February 13, 2020, the Board of Directors of SAES Getters S.p.A., upon proposal of the Remuneration and Appointments Committee, assigned no. 195,618 phantom shares, among those still assignable pursuant to article 5 of the aforementioned plan, to Dr Paolo Vacca, appointed Manager with Strategic Responsibility with effect from January 1, 2020. The assignment value was fixed at €21.14.

Please note that, by accepting the regulations and recommendations issued by the Lombardy Region, as a precautionary containment of the coronavirus epidemic, the headquarter of the Parent Company in Lainate and the Roncello plant of SAES Coated Films S.p.A. were closed from the afternoon of February 24, 2020 to February 28, 2020. Where possible, remote smart working procedures were used. The second production plant of the Parent Company, located in Avezzano, in the province of L’Aquila, worked at full capacity instead.

In the following days, given the persistence and the worsening of this emergency situation, with the aim of preventing the spread of the infection, the Company Management has agreed with the trade union representatives to employ up to 70 employees “commanded” in the Lainate plant, in order to guarantee the business continuity, adopting the appropriate measures to guarantee health protection. All the other employees, in accordance with the emergency measures issued by the Council of Ministers, work from home using the smart working approach.

Currently all Italian plants are in operation, obviously applying the procedures recommended by the experts for the protection of health and what is imposed by the Italian authorities until March 12, 2020.

The regular resumption of company activities in the Lainate site will depend on further regulatory emergency measures that will be gradually issued, based on the evolution of the current situation.

On March 12, 2020, the SAES Group decided to donate €0.5 million to the research institutes involved in the front line to deal with coronavirus, as well as to the Italian Civil Protection. SAES thus offers its contribution to overcome the emergency that the whole country is currently facing. The donation will be specifically made to the specialized research institutes Fondazione IRCCS Ca’ Granda Ospedale Maggiore Policlinico and Fondazione IRCCS Policlinico San Matteo di Pavia, as well as to the Italian Civil Protection.

On March 6, 2020 SAES Getters S.p.A. has signed with Unicredit S.p.A. a new credit line for a maximum amount of €30 million, for revolving uses and intended for general corporate operations, capex and acquisitions. The duration of the credit line is thirty-six months. SAES may request its use in tranches of not less than €0.5 million and with a duration from one to three months. The contract provides for the payment of interest indexed at the one/three month Euribor rate, increased by a spread of 1.2%. The contract provides for only one financial covenant (positive consolidated net financial position) subject to half-yearly verification.

The reorganizational process of the internal management and divisional structure of the Group continued. In particular, starting from January 1, 2020, the Group is organized in the following technological areas of competence (or “Divisions”):

- Metallurgy Division (that coincides with the previous Industrial operating sector, excluding the Solutions for Vacuum Systems Business, the Functional Chemical Systems Business and the advanced getters for the electronic consumers market, the latter previously classified within the Electronic Devices Business);
- Vacuum Technology Division (coinciding with the Solutions for Vacuum Systems Business operating unit, included in the Industrial operating sector);
- Medical Division (unchanged);
- Specialty Chemicals Division (that means advanced getters for the electronic consumers market, classified within the Electronic Devices Business as at 31 December 2019, in addition to the Functional Chemical Systems sector and the Flexterra business);
- Advanced Packaging Division (unchanged).

The following table shows the consolidated revenues for the year 2019 shown according to the new divisional structure.

Thousands of euro (except %)

Business	December 31, 2019	Reclassifications	January 1, 2020
Security & Defense	12,778	0	12,778
Electronic Devices	25,636	(11,283)	14,353
Healthcare Diagnostic	4,438	0	4,438
Lamps	4,073	0	4,073
Thermal Insulated Devices	3,377	0	3,377
Solutions for Vacuum Systems	10,592	(10,592)	0
Sintered Components for Electronic Devices & Lasers	8,452	0	8,452
Functional Chemical Systems	1,051	(1,051)	0
SMA Industrial	16,969	0	16,969
Metallurgy Division	87,366	(22,926)	64,440
Solutions for Vacuum Systems	0	10,592	10,592
Vacuum Technology Division	0	10,592	10,592
Nitinol for Medical Devices	84,979	0	84,979
Medical Division	84,979	0	84,979
Functional Dispensable Products	0	12,334	12,334
Specialty Chemicals Division	0	12,334	12,334
Advanced Coatings	10,007	0	10,007
Advanced Packaging Division	10,007	0	10,007
Total Net Sales	182,352	0	182,352

Business outlook

In the **first two months of 2020**, consolidated net revenues were equal €32.4 million, compared to €27.6 million in the corresponding period of 2019. Sales in the two months grew by 17.3%. Excluding the positive exchange rate effect (+2.8%), the organic growth was equal to +14.5% (equal to €4 million in absolute terms).

Thousands of euro (except %)

Business	February 2020	February 2019	Total difference (%)	Organic change (%)	Exchange rate effect (%)
Security & Defense	3,510	2,556	37.3%	34.9%	2.4%
Electronic Devices	2,461	2,075	18.6%	16.6%	2.0%
Healthcare Diagnostic	1,059	735	44.1%	41.8%	2.3%
Lamps	595	737	-19.3%	-20.6%	1.3%
Thermal Insulated Devices	579	614	-5.7%	-8.6%	2.9%
Sintered Components for Electronic Devices & Lasers	1,472	1,587	-7.2%	-10.3%	3.1%
SMA Industrial	2,356	2,470	-4.6%	-6.1%	1.5%
Metallurgy Division	12,032	10,774	11.7%	9.5%	2.2%
Solutions for Vacuum Systems	1,495	1,874	-20.2%	-21.5%	1.3%
Vacuum Technology Division	1,495	1,874	-20.2%	-21.5%	1.3%
Nitinol for Medical Devices	15,299	12,826	19.3%	15.4%	3.9%
Medical Division	15,299	12,826	19.3%	15.4%	3.9%
Functional Dispensable Products	1,868	383	387.7%	386.7%	1.0%
Specialty Chemicals Division	1,868	383	387.7%	386.7%	1.0%
Advanced Coatings	1,723	1,783	-3.4%	-3.4%	0.0%
Advanced Packaging Division	1,723	1,783	-3.4%	-3.4%	0.0%
Total	32,417	27,640	17.3%	14.5%	2.8%

Consolidated revenues of the **Metallurgy Division** were equal to €12 million, compared to €10.8 million in the corresponding period of 2018. The organic growth (+ 9.5%) was mainly driven by the defense application sector (Security & Defense Business), by the electronic devices (Electronic Devices Business) and by the sales of components for the medical diagnostics sector (Healthcare Diagnostics Business).

In the first two months of 2020, the **Vacuum Technology Division** recorded revenues equal to €1.5 million, compared to €1.9 million in the corresponding period of 2019. The exchange rate effect was positive and equal to +1.3% while the organic decrease was equal to -21.5%.

The **Medical Division** ended the two-month period with revenues amounting to €15.3 million (€12.8 million in the first two months of 2019). Excluding the positive exchange rate effect (+3.9%), the organic growth was equal to +15.4%.

The **Specialty Chemicals Division** recorded revenues equal to €1.9 million in the first two months of 2020, compared to €0.4 million in the corresponding period of 2019. The exchange rate effect was positive and equal to 1% while the significant organic growth (+386.7%) was mainly driven by the sales of advanced getters for the consumer electronics market.

The **Advanced Packaging Division** recorded revenues of €1.7 million in the first two months of 2020, compared to €1.8 million in the corresponding period of the previous year.

By including within the Group's revenues also the share of the revenues of the joint ventures²⁵, the **total revenues of the Group** in the **first two months of 2020**, were equal to €33.9, up by 14.6% compared to €29.6 million in the corresponding period of 2019; the growth was entirely attributable to the increase in consolidated revenues (+17.3%, as already previously commented).

As known, starting from January 2020, the national and international scenario has been characterized by the spread of the coronavirus and by the consequent restrictive measures for its containment implemented by the public authorities of the countries concerned. These circumstances, extraordinary in nature and extent, will have direct and indirect consequences on the business, due to the current situation of general uncertainty, whose evolution and related effects are not foreseeable. The potential effects of this phenomenon on the financial statements cannot be determined to date and will be subject to constant monitoring in the next months. However, the growth strategy of the Group is unchanged. Please also note that the global presence of the Group, both from a manufacturing and a commercial point of view, and its activities in typically counter-cyclical businesses, first of all that of medical devices, reduce the risk.

Please note that the figures refer to the Consolidated financial statements and the Draft of the financial statements of the Parent Company SAES Getters S.p.A. for the year ended December 31, 2019, being currently under verification by the Board of Statutory Auditors and by the Independent Auditors.

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
Giulio Canale

SAES Group

A pioneer in the development of getter technology, the SAES® Group is the world leader in a variety of scientific and industrial applications where stringent vacuum conditions are required. In 80 years of activity, the Group's getter solutions have been supporting technological innovation in the information display and lamp industries, in sophisticated high vacuum systems and in vacuum thermal insulation, in technologies spanning from large vacuum power tubes to miniaturized silicon-based microelectronic and micromechanical devices (MEMS).

Starting in 2004, by leveraging the core competencies in special metallurgy and in the materials science, the SAES Group has expanded its business into the advanced material markets, in particular the market of shape memory alloys, a family of materials characterized by super elasticity and by the property of assuming predefined forms when subjected to heat treatment. These special alloys, which today are mainly applied in the biomedical sector, are also perfectly suited to the realization of actuator devices for the industrial sector (domotics, white goods industry, consumer electronics, automotive and luxury sector).

More recently, SAES has expanded its business by developing a technological platform that integrates getter materials in a polymeric matrix. These products, initially developed for OLED displays, are currently used in new application sectors, among which implantable medical devices and solid-state diagnostics imaging. Among the new applications, the advanced food packaging is a significantly strategic one, in which SAES is offering a range of new products for sustainable packaging and aims to compete with fully recyclable and compostable solutions.

A total production capacity distributed in ten facilities, a worldwide-based sale & service network and over 1,000 employees allow the Group to form a truly global enterprise.

SAES Group is headquartered in the Milan area (Italy).

*SAES Getters S.p.A. is listed on the Italian Stock Exchange Market, STAR segment, since 1986.
More information on the SAES Group are available in the website www.saesgetters.com.*

Contacts:

Emanuela Foglia
Investor Relations Manager
Tel. +39 02 93178 273

²⁵ Actuator Solutions (50%), SAES RIAL Vacuum S.r.l. (49%) and Flexterra (46.73%).

E-mail: investor_relations@saes-group.com

Corporate Media Relations

Close to Media

Tel. +39 02 70006237

Nicola Guglielmi

E-mail: nicola.guglielmi@closetomedia.it

Sofia Crosta

E-mail: sofia.crosta@closetomedia.it

Legend:

Industrial Business Unit	
Security & Defence	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 Insulated Devices	Products for thermal insulation
Lamps	Getters and metal dispensers used in discharge lamps and fluorescent lamps
Solutions for Vacuum Systems	Getter pumps for vacuum systems that find application in the industrial sector, in research and in particle accelerators
Sintered Components for Electronic Devices and Lasers	Cathodes and materials for thermal dissipation in electronic tubes, lasers and solid-state devices
Functional Chemical Systems	Getter materials integrated in polymeric matrices for organic and hybrid electronics, photonics and implantable medical devices
SMA Industrial	Shape memory alloys actuator devices for the industrial sector (domotics, white goods industry, consumer electronics, automotive and luxury sector)
Medical Business Unit	
Nitinol for Medical Devices	Nitinol raw material and components for the biomedical sector
Packaging Business Unit	
Solutions for Advanced Packaging	Advanced plastic films for the sustainable packaging sector

Consolidated Net Sales by Business

Thousands of euro (except %)

Business	2019	2018	Total difference (%)	Organic change (%)	Exchange rate effect (%)
Security & Defense	12,778	12,595	1.5%	-2.1%	3.6%
Electronic Devices	25,636	21,106	21.5%	19.7%	1.8%
Healthcare Diagnostics	4,438	4,578	-3.1%	-5.7%	2.6%
Lamps	4,073	4,901	-16.9%	-19.6%	2.7%
Thermal Insulated Devices	3,377	3,566	-5.3%	-10.3%	5.0%
Solutions for Vacuum Systems	10,592	11,183	-5.3%	-7.8%	2.5%
Sintered Components for Electronic Devices & Lasers	8,452	7,350	15.0%	9.0%	6.0%
SMA Industrial	16,969	11,482	47.8%	43.5%	4.3%
Functional Chemical Systems	1,051	1,075	-2.2%	-7.3%	5.1%
Industrial	87,366	77,836	12.2%	9.0%	3.2%
Nitinol for Medical Devices	84,979	70,968	19.7%	13.6%	6.1%
Medical	84,979	70,968	19.7%	13.6%	6.1%
Solutions for Advanced Packaging	10,007	11,480	-12.8%	-12.8%	0.0%
Packaging	10,007	11,480	-12.8%	-12.8%	0.0%
Total Net Sales	182,352	160,284	13.8%	9.5%	4.3%

Consolidated Net Sales by Geographic Location of Customer

Thousands of euro

Geographic Area	2019	2018
Italy	3,624	4,260
European countries	33,054	38,889
North America	101,943	86,363
Japan	5,528	5,783
South Korea	1,509	1,170
China	30,323	16,591
Rest of Asia	4,879	5,687
Rest of the World	1,492	1,541
Total Net Sales	182,352	160,284

Total revenues of the Group

Thousands of euro

	2019	2018	Difference
Consolidated sales	182,352	160,284	22,068
50% sales of the joint venture Actuator Solutions	10,601	11,461	(860)
49% sales of the joint venture SAES RIAL Vacuum S.r.l.	1,680	1,292	388
Pro-quota sales of the <i>joint venture</i> Flexterra	7	13	(6)
Intercompany eliminations	(567)	(830)	263
Other adjustments	(33)	(7)	(26)
Total revenues of the Group	194,040	172,213	21,827

Consolidated statement of profit or loss

Thousands of euro

	2019	2018
Total net sales	182,352	160,284
Cost of sales	(103,979)	(90,032)
Gross profit	78,373	70,252
R&D expenses	(11,052)	(10,988)
Selling expenses	(13,033)	(12,451)
G&A expenses	(29,306)	(32,471)
Write-down of trade receivables	26	(208)
Total operating expenses	(53,365)	(56,118)
Other income (expenses), net	1,764	932
Operating income (loss)	26,772	15,066
Interest and other financial income, net	6,585	(246)
Write-down of financial receivables and other financial assets	(414)	(9,283)
Income (loss) from equity method evaluated companies	(1,757)	(1,473)
Write-down of investments in equity method evaluated companies	(1,155)	(4,300)
Foreign exchange gains (losses), net	(104)	523
Income (loss) before taxes	29,927	287
Income taxes	(10,242)	(7,967)
Net income (loss) from continued operations	19,685	(7,680)
Income (loss) from discontinued operations	152	240,013
Net income (loss) before minority interest	19,837	232,333
Net income (loss) pertaining to minority interest	0	0
Net income (loss) pertaining to the Group	19,837	232,333

Consolidated statement of other comprehensive income

Thousands of euro

	2019	2018
Net income (loss) for the period from continued operations	19,685	(7,680)
Exchange differences on translation of foreign operations	1,638	4,130
Exchange differences on equity method evaluated companies	161	340
Total exchange differences	1,799	4,470
Equity transaction costs related to equity method evaluated companies	0	(15)
Total components that will be reclassified to the profit (loss) in the future	1,799	4,455
Actuarial gain (loss) on defined benefit plans	(479)	11
Income taxes	115	(4)
Actuarial gain (loss) on defined benefit plans, net of taxes	(364)	7
Total components that will not be reclassified to the profit (loss) in the future	(364)	7
Reversal of currency conversion reserve after the capital reduction of the subsidiaries	0	(360)
Total components that have been reclassified to the profit (loss)	0	(360)
Other comprehensive income (loss), net of taxes - continued operations	1,435	4,102
Total comprehensive income (loss), net of taxes - continued operations	21,120	(3,578)
Net income (loss) for the period from discontinued operations	152	240,013
Exchange differences on translation of foreign operations	0	421
Reversal of currency conversion reserve after the disposal of the subsidiaries	0	(2,342)
Total exchange differences	0	(1,921)
Total components that have been reclassified to the profit (loss)	0	(1,921)
Other comprehensive income (loss), net of taxes - discontinued operations	0	(1,921)
Total comprehensive income (loss), net of taxes - discontinued operations	152	238,092
Total comprehensive income (loss), net of taxes	21,272	234,514
<i>attributable to:</i>		
- Equity holders of the Parent Company	21,272	234,514
- Minority interests	0	0

Consolidated statement of profit or loss by Business Unit
Thousands of euro

	Industrial		Medical		Packaging		Not Allocated Costs		TOTAL	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Total net sales	87,366	77,836	84,979	70,968	10,007	11,480	0	0	182,352	160,284
Cost of sales	(45,192)	(39,559)	(49,378)	(39,894)	(9,409)	(10,299)	0	(280)	(103,979)	(90,032)
Gross profit (loss)	42,174	38,277	35,601	31,074	598	1,181	0	(280)	78,373	70,252
Operating expenses and other income (expenses)	(16,088)	(17,716)	(9,440)	(7,422)	(3,836)	(7,053)	(22,237)	(22,995)	(51,601)	(55,186)
Operating income (loss)	26,086	20,561	26,161	23,652	(3,238)	(5,872)	(22,237)	(23,275)	26,772	15,066

EBITDA

Thousands of euro

	2019	2018
Operating income (loss)	26,772	15,066
Property, plant and equipment depreciation & intangible assets amortization	(7,907)	(7,588)
Right of use depreciation	(1,539)	0
Write-down of assets	(310)	(3,417)
Bad debt provision accrual (release)	26	(208)
EBITDA	36,502	26,279
% on sales	20.0%	16.4%

Consolidated income (loss) per share

Euro

	2019	2018
Net income (loss) per ordinary share	0.99693	10.53109
Net income (loss) per savings share	1.01356	10.54772

Consolidated Statement of Financial Position

Thousands of euro

	December 31, 2019	December 31, 2018
Property, plant and equipment, net	70,893	53,832
Intangible assets	45,216	45,290
Right of use	4,617	0
Securities	134,673	99,843
Other non current assets	15,775	17,401
Current assets	171,393	218,394
Total Assets	442,567	434,760
Shareholders' equity	252,530	341,220
Minority interest in consolidated subsidiaries	0	0
Total Shareholders' Equity	252,530	341,220
Non current liabilities	122,621	28,187
Current liabilities	67,416	65,353
Total Liabilities and Shareholders' Equity	442,567	434,760

Consolidated Net Financial Position

Thousands of euro

	December 31, 2019	June 30, 2019	December 31, 2018
Cash on hands	11	9	9
Cash equivalents	48,623	41,792	170,592
Cash and cash equivalents	48,634	41,801	170,601
Related parties financial assets	1	1	1
Securities - short term	70,779	71,312	0
Other current financial assets	0	32	0
Current financial assets	70,780	71,345	1
Bank overdraft	(27,195)	(27,002)	(27,353)
Current portion of long term debt	(5,365)	(5,544)	(5,438)
Other current financial liabilities	(950)	(117)	(1,049)
Current financial liabilities for leases	(1,876)	(1,618)	0
Current financial liabilities	(35,386)	(34,281)	(33,840)
Current net financial position	84,028	78,865	136,762
Related parties non current financial assets	49	49	49
Securities - long term	134,673	131,263	99,843
Non current financial assets	134,722	131,312	99,892
Long term debt, net of current portion	(100,724)	(103,355)	(13,344)
Non current financial liabilities for leases	(2,710)	(1,814)	0
Non current liabilities	(103,434)	(105,169)	(13,344)
Non current net financial position	31,288	26,143	86,548
Net financial position	115,316	105,008	223,310

Consolidated Cash Flows Statement

Thousands of euro

	2019	2018
Net income (loss) from continued operations	19,685	(7,680)
Net income (loss) from discontinued operations	152	240,013
Current income taxes	8,317	13,134
Change in deferred income taxes	1,861	(4,499)
Depreciation, amortization and write down of non current assets	9,756	11,401
Net loss (gain) on disposal of assets	(1,231)	(141)
Net gain on purification business disposal	(152)	(227,219)
Interests and other financial income, net	(3,885)	15,460
Other non-monetary costs	2,911	(1,399)
	37,414	39,070
Change in operating assets and liabilities	(2,346)	(4,746)
Payments of termination indemnities and similar obligations	(550)	(446)
Financial income received, net of payment of interests	25	(35)
Payment of income taxes	(10,119)	(13,239)
Net cash provided by (used by) operating activities	24,424	20,604
Purchase of tangible and intangible assets, net of proceeds from sales	(24,138)	(14,761)
Consideration for the acquisition of minority interests in subsidiaries	0	(75)
Sale of intellectual property to related parties	2,291	0
Purchase of securities, net of disinvestments	(100,376)	0
Income from securities, net of management fees	1,822	0
Advances paid for the purchase of investments	(1,100)	0
Price paid for the acquisition of businesses	0	(142)
Consideration for the purification business disposal, net of the disposed cash	0	301,059
Ancillary monetary charges for the purification business disposal	0	(37,562)
Adjustment on the consideration for the purification business disposal	(377)	0
Cash flows provided by (used by) investing activities	(121,878)	242,318
Proceeds from debts, net of repayments	87,678	(4,901)
Financing receivables from related parties	0	(225)
Interests on financing receivables from related parties	1	1
Dividends paid	(16,580)	(15,435)
Interests and other expenses paid on loans	(880)	(560)
Repayment of financial liabilities for leased assets (interests included)	(1,625)	0
Purchase of treasury shares and related accessory costs	(93,382)	0
Other financial liabilities/assets	1	4
Securities portfolio	0	(100,000)
Cash flows provided by (used by) financing activities	(24,787)	(121,116)
Effect of exchange rate differences	367	1,277
Increase (decrease) in cash and cash equivalents	(121,874)	143,083
Cash and cash equivalents at the beginning of the period	170,395	27,312
Cash and cash equivalents at the end of the period	48,521	170,395

Actuator Solutions - SAES Group interest (50%)

Thousands of euro

Statement of financial position	December 31, 2019	December 31, 2018
Non current assets	3,488	3,510
Current assets	1,343	1,297
Total Assets	4,831	4,807
Non current liabilities	4,625	4,000
Current liabilities	3,176	2,360
Total Liabilities	7,801	6,360
Capital Stock, Reserves and Retained Earnings	(1,553)	(992)
Net income (loss) for the period	(1,408)	(537)
Other comprehensive income (loss) for the period	(9)	(24)
Total Equity	(2,970)	(1,553)

Statement of profit or loss	2019	2018
Total net sales	10,601	11,461
Cost of sales	(8,695)	(9,433)
Gross profit	1,906	2,028
Total operating expenses	(1,939)	(2,250)
Other income (expenses), net	(188)	192
Operating income (loss)	(221)	(30)
Interests and other financial income, net	(342)	(308)
Foreign exchange gains (losses), net	(27)	6
Income taxes	(818)	(205)
Net income (loss)	(1,408)	(537)
Exchange differences	(9)	(24)
Total comprehensive income (loss) for the period	(1,417)	(561)

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

Thousands of euro

Statement of financial position	December 31, 2019	December 31, 2018
Non current assets	325	161
Current assets	983	813
Total Assets	1,308	974
Non current liabilities	192	151
Current liabilities	665	574
Total Liabilities	857	725
Capital Stock, Reserves and Retained Earnings	249	232
Net income (loss) for the period	198	25
Other comprehensive income (loss) for the period	4	(8)
Total Equity	451	249

Statement of profit or loss	2019	2018
Total net sales	1,680	1,292
Cost of sales	(1,210)	(1,042)
Gross profit	470	250
Total operating expenses	(242)	(171)
Other income (expenses), net	62	(22)
Operating income (loss)	290	57
Interests and other financial income, net	(13)	(11)
Foreign exchange gains (losses), net	0	0
Income taxes	(79)	(21)
Net income (loss)	198	25
Actuarial gain (loss) on defined benefit plans, net of taxes	4	(8)
Totale comprehensive income (loss) for the period	202	17

Flexterra - SAES Group interest

Thousands of euro

Statement of financial position	December 31, 2019 (46.73%)	December 31, 2018 (46.73%)
Non current assets	6,837	6,140
Current assets	1,261	3,732
Total Assets	8,098	9,872
Non current liabilities	92	47
Current liabilities	255	227
Total Liabilities	347	274
Capital Stock, Reserves and Retained Earnings	9,465	10,628
Reserve for stock options plan	156	143
Net income (loss) for the period	(2,031)	(1,498)
Other comprehensive income (loss) for the period	161	325
Total Equity	7,751	9,598

Statement of profit or loss	2019 (46.73%)	2018 (*)
Total net sales	7	13
Cost of sales	0	(2)
Gross profit	7	11
Total operating expenses	(2,091)	(1,504)
Other income (expenses), net	0	(1)
Operating income (loss)	(2,084)	(1,494)
Interests and other financial income, net	0	(2)
Foreign exchange gains (losses), net	36	(20)
Income taxes	17	18
Net income (loss)	(2,031)	(1,498)
Exchange differences & equity transaction costs	161	325
Total comprehensive income (loss) for the period	(1,870)	(1,173)

(*) At December 31, 2017, SAES held 33,79% of the share capital that progressively increased to 46,73% at December 31, 2018, following the capital increases subscribed by SAES Getters International Luxembourg S.A on October 5 and on December 12, 2018, to which the other shareholders did not participate, or only partially contributed to them.

Total statement of profit or loss of the Group
 Thousands of euro

Thousands of euro	2019							
	Consolidated profit or loss	50% Actuator Solutions	Intercroy eliminations & other adjustments	49% SAES RIAL Vacuum S.r.l.	Intercroy eliminations & other adjustments	46.73% Flexterra	Intercroy eliminations & other adjustments	Total profit or loss of the Group
Total net sales	182,352	10,601	(481)	1,680	(119)	7	0	194,040
Cost of sales	(103,979)	(8,695)	481	(1,210)	119	0	0	(113,284)
Gross profit	78,373	1,906	0	470	0	7	0	80,756
Total operating expenses	(53,365)	(1,939)	0	(242)	0	(2,091)	(479)	(58,116)
Royalties	0	0	0	0	0	0	0	0
Other income (expenses), net	1,764	(188)	0	62	0	0	0	1,638
Operating income (loss)	26,772	(221)	0	290	0	(2,084)	(479)	24,278
Interest and other financial income, net	6,171	(342)	240	(13)	0	0	0	6,056
Income (loss) from equity method evaluated companies	(1,757)	0	0	0	(198)	0	1,955	0
Write-down of investments in equity method evaluated companies	(1,155)		600				555	
Foreign exchange gains (losses), net	(104)	(27)	0	0	0	36	0	(95)
Income (loss) before taxes	29,927	(590)	840	277	(198)	(2,048)	2,031	30,239
Income taxes	(10,242)	(818)	0	(79)	0	17	0	(11,122)
Net income (loss) from continued operations	19,685	(1,408)	840	198	(198)	(2,031)	2,031	19,117
Income (loss) from assets held for sale and discontinued operations	152	0	0	0	0	0	0	152
Net income (loss) before minority interest	19,837	(1,408)	840	198	(198)	(2,031)	2,031	19,269
Net income (loss) pertaining to minority interest	0	0	0	0	0	0	0	0
Net income (loss) pertaining to the Group	19,837	(1,408)	840	198	(198)	(2,031)	2,031	19,269

SAES Group – Press Release

Consolidated statement of profit or loss

Thousands of euro

Consolidated statement of profit or loss	Industrial			Medical			Packaging			Not Allocated Costs			Totale		
	2018	Reclassifications	2018 reclassified	2018	Reclassifications "SMAs for Thermal & Electro Mechanical Devices"	2018 reclassified	2018	Reclassifications	2018 reclassified	2018	Reclassifications "Organic Electronics"	2018 reclassified	2018	Reclassifications	2018 reclassified
Total net sales	65,279	12,557	77,836	82,450	(11,482)	70,968	11,480		11,480	1,075	(1,075)	0	160,284	0	160,284
Cost of sales	(31,727)	(7,832)	(39,559)	(46,964)	7,070	(39,894)	(10,299)		(10,299)	(1,042)	762	(280)	(90,032)	0	(90,032)
Gross profit	33,552	4,725	38,277	35,486	(4,412)	31,074	1,181	0	1,181	33	(313)	(280)	70,252	0	70,252
% on net sales	51.4%		49.2%	43.0%		43.8%	10.3%		10.3%	3.1%		n.a.	43.8%		
Total operating expenses	(14,283)	(3,334)	(17,617)	(11,157)	2,515	(8,642)	(7,007)		(7,007)	(23,671)	819	(22,852)	(56,118)	0	(56,118)
Other income (expenses), net	4	(103)	(99)	1,114	106	1,220	(46)		(46)	(140)	(3)	(143)	932	0	932
Operating income (loss)	19,273	1,288	20,561	25,443	(1,791)	23,652	(5,872)	0	(5,872)	(23,778)	503	(23,275)	15,066	0	15,066
% on net sales	29.5%		26.4%	30.9%		33.3%	-51.1%		-51.1%	-2211.9%			9.4%		9.4%
Interest and other financial income, net													(9,529)	0	(9,529)
Income (loss) from equity method evaluated companies													(1,473)	0	(1,473)
Write-down of investments in equity method evaluated companies													(4,300)	0	(4,300)
Foreign exchange gains (losses), net													523	0	523
Income (loss) before taxes													287	0	287
Income taxes													(7,967)	0	(7,967)
Net income (loss) from continued operations													(7,680)	0	(7,680)
Income (loss) from discontinued operations													240,013	0	240,013
Net income (loss) before minority interest													232,333	0	232,333

Consolidated statement of profit or loss

Thousands of euro

Consolidated statement of profit or loss	Metallurgy Division			Vacuum Technology Division			Medical Division			Specialty Chemicals Division			Advanced Packaging Division			Not Allocated Costs			Total		
	Dec. 31, 2019	Reclassifications	Jan. 1, 2020	Dec. 31, 2019	Reclassifications	Jan. 1, 2020	Dec. 31, 2019	Reclassifications	Jan. 1, 2020	Dec. 31, 2019	Reclassifications	Jan. 1, 2020	Dec. 31, 2019	Reclassifications	Jan. 1, 2020	Dec. 31, 2019	Reclassifications	Jan. 1, 2020	Dec. 31, 2019	Reclassifications	Jan. 1, 2020
Total net sales	87,366	(22,926)	64,440	0	10,592	10,592	84,979	0	84,979	0	12,334	12,334	10,007	0	10,007	0	0	0	182,352	0	182,352
Cost of sales	(45,192)	14,460	(30,732)	0	(4,929)	(4,929)	(49,378)	0	(49,378)	0	(9,531)	(9,531)	(9,409)	0	(9,409)	0	0	0	(103,979)	0	(103,979)
Gross profit	42,174	(8,466)	33,708	0	5,663	5,663	35,601	0	35,601	0	2,803	2,803	598	0	598	0	0	0	78,373	0	78,373
% on net sales	48.3%		52.3%	n.a.		53.5%	41.9%		41.9%	n.a.		22.7%	6.0%		6.0%	n.a.		n.a.	43.0%		
Total operating expenses	(16,949)	5,664	(11,285)	0	(4,005)	(4,005)	(9,439)	0	(9,439)	0	(1,646)	(1,646)	(3,805)	0	(3,805)	(23,172)	(13)	(23,185)	(53,365)	0	(53,365)
Other income (expenses), net	861	(678)	183	0	100	100	(1)	0	(1)	0	1,782	1,782	(31)	0	(31)	935	(1,204)	(269)	1,764	0	1,764
Operating income (loss)	26,086	(3,480)	22,606	0	1,758	1,758	26,161	0	26,161	0	2,939	2,939	(3,238)	0	(3,238)	(22,237)	(1,217)	(23,454)	26,772	0	26,772
% on net sales	29.9%		35.1%	n.a.		16.6%	30.8%		30.8%	n.a.		23.8%	-32.4%		-32.4%	n.a.		n.a.	14.7%		
Interest and other financial income, net																			6,171	0	6,171
Income (loss) from equity method evaluated companies																			(2,912)	0	(2,912)
Foreign exchange gains (losses), net																			(104)	0	(104)
Income (loss) before taxes																			29,927	0	29,927
Income taxes																			(10,242)	0	(10,242)
Net income (loss) from continued operations																			19,685	0	19,685
Income (loss) from discontinued operations																			152	0	152
Net income (loss) before minority interest																			19,837	0	19,837
Net income (loss) pertaining to minority interest																			0	0	0
Net income (loss) pertaining to the Group																			19,837	0	19,837

Statement of profit or loss - SAES Getters S.p.A.

Thousands of euro

	2019	2018
Total net sales	62,066	57,205
Cost of sales	(34,602)	(31,797)
Gross profit	27,464	25,408
R&D expenses	(7,751)	(7,610)
Selling expenses	(7,351)	(6,987)
G&A expenses	(20,660)	(21,696)
Write-down of trade receivables	0	(160)
Total operating expenses	(35,762)	(36,453)
Other income (expenses), net	3,631	4,996
Operating income (loss)	(4,667)	(6,049)
Interest and other financial income, net	18,563	11,470
Foreign exchange gains (losses), net	(55)	371
Income (loss) before taxes	13,841	5,791
Income taxes	178	(1,404)
Net income (loss) from continued operations	14,019	4,387
Income (loss) from discontinued operations	396	253,847
Net income (loss)	14,415	258,234

Statement of other comprehensive income - SAES Getters S.p.A.

Thousands of euro

	2019	2018
Profit for the period	14,415	258,234
Actuarial gain (loss) on defined benefit plans	(350)	46
Income taxes	84	(11)
Actuarial gain (loss) on defined benefit plans, net of taxes	(266)	35
Total components that will not be reclassified to the profit (loss) in subsequent periods	(266)	35
Other comprehensive income (loss), net of taxes	(266)	35
Total comprehensive income (loss), net of taxes	14,149	258,268

Statement of Financial Position - SAES Getters S.p.A.

Thousands of euro

	December 31, 2018	December 31, 2017
Property, plant and equipment, net	34,439	34,180
Intangible assets	408	598
Right of use	948	0
Other non current assets	151,947	125,490
Current assets	184,182	224,047
Total Assets	371,924	384,315
Shareholders' Equity	207,231	303,043
Non current liabilities	108,600	18,808
Current liabilities	56,093	62,464
Total Liabilities and Shareholders' Equity	371,924	384,315

Statement of Cash Flows - SAES Getters S.p.A.

Thousands of euro

	2019	2018
Net income from continuing operations	14,019	4,387
Net income from discontinuing operations	396	253,847
Current income taxes	309	692
Change in deferred income taxes	(488)	713
Depreciation, amortization and write down of non current assets	4,758	4,610
Net gain on purification business disposal	(396)	(253,896)
Net loss (gain) on disposal of property, plant and equipment	(2)	(137)
Income (expenses) from investments	(17,966)	(11,206)
Interest and other financial income, net	(597)	(230)
Other non-monetary costs	2,074	(254)
	2,107	(1,475)
Change in operating assets and liabilities	(2,725)	(429)
Payments of termination indemnities and similar obligations	(492)	(446)
Financial income received, net of interests paid	74	981
(Payment) receipt of income taxes	(443)	(33)
Net cash provided by (used by) operating activities	(1,479)	(1,403)
Purchase of property, plant and equipment, net of proceeds from sales	(4,260)	(8,943)
Purchase of intangible assets	(49)	(389)
Dividends received, net of withholding taxes	18,697	21,045
Consideration for the purification business disposal	(125)	255,729
Other	(25,196)	(64,395)
Cash flows provided by (used by) investing activities	(10,933)	203,047
Proceeds from debts, net of repayments	99,689	(152,376)
Purchase of own shares	(93,382)	0
Interests paid	(831)	(325)
Dividends paid	(16,580)	(15,435)
Cash flows provided by (used by) financing activities	(11,104)	(168,136)
Change in cash and cash equivalents - merger effect	(0)	(1,356)
Increase (decrease) in cash and cash equivalents	(23,516)	32,152
Cash and cash equivalents at the beginning of the period	40,529	8,377
Cash and cash equivalents at the end of the period	17,014	40,529