

PRESS RELEASE

Milan, September 10, 2020

STABLE FIRST HALF YEAR RESULTS, DESPITE THE EXPECTED DECREASE IN 2Q, MAINLY DUE TO COVID-19
NET CONSOLIDATED REVENUES IN THE FIRST HALF OF THE YEAR IN LINE WITH THE PREVIOUS YEAR AND STABILITY IN ALL THE OPERATING INDICATORS

- Consolidated revenues equal to €89.1 million, compared to €88.5 million in 1H 2019 (+0.7%)
- Total revenues of the Group equal to €93.5 million, substantially stable compared to €94.2 million in 1H 2019 (-0.8%)
- Consolidated gross profit equal to €38.2 million (42.9% of revenues), compared to €37.8 million (42.7% of revenues) in 1H 2019
- Consolidated operating income equal to €11.1 million (compared to €13.4 million in 1H 2019), including Covid-19-related extraordinary costs equal to about €0.7 million
- Consolidated EBITDA equal to €16.5 million (18.5% of revenues), compared to €18 million (20.3% of revenues) in 1H 2019
- Consolidated net income equal to €0.4 million (compared to €9.1 million in 1H 2019), penalized by the reduction in the fair value of the securities portfolio
- Consolidated net financial position positive and equal to €95.6 million as at June 30, 2020

The Board of Directors of SAES Getters S.p.A., gathered today in Lainate (MI), approved the consolidated results of the first half of 2020 (January 1 - June 30).

“The second quarter of 2020 ended with a marked slowdown in the medical sector as expected, as well as an unexpected negative effect on the mobile phone market, also caused by international tensions. This negative trend was partially offset by the excellent results in some other Metallurgy sectors” – **Eng. Massimo della Porta, President of SAES Getters S.p.A.** said – “We expect a gradual recovery in the medical sector towards the end of the year and a slower recovery in the SMA Industrial sector. For the remainder of the year, we expect two quarters similar to each other and in line with the second quarter of 2020, with an average euro-dollar exchange rate equivalent to that of the first half. We are very confident in the company's ability to continue growing, also thanks to the investments in the packaging business”.

The **2020 half-year results** confirmed the solidity of the SAES® Group, even in a situation of general instability caused by the Covid-19 emergency.

Consolidated net revenues amounted to €89.1 million in the first half of 2020, up by 0.7% compared to €88.5 million in the first half of 2019, highlighting a strong stability compared to the first six months of the previous year. By excluding the positive **exchange rate effect** (+1.7%), the **organic variation** was slightly negative and equal to -1%. The sectors that reported the highest growth in the first half of 2020 were those of **security and defense** (higher sales of getters for infrared sensors and night vision systems for defense applications) and of **advanced getters for the consumer electronics market** (Functional Dispensable Products Business). These growths offset the decrease in other businesses that were more affected by the Covid-19 crisis (**Nitinol medical devices** and **Industrial SMAs** for automotive and consumer applications).

Thousands of euro (except %)

Business	1H 2020	1H 2019	Total difference (%)	Organic change (%)	Exchange rate effect (%)
Security & Defense	9,524	6,365	49.6%	47.7%	1.9%
Electronic Devices	7,702	7,507	2.6%	1.6%	1.0%
Healthcare Diagnostics	2,752	2,450	12.3%	11.1%	1.2%
Lamps	1,946	2,274	-14.4%	-15.6%	1.2%
Thermal Insulated Devices	1,674	1,833	-8.7%	-11.1%	2.4%
Sintered Components for Electronic Devices & Lasers	3,733	4,542	-17.8%	-19.8%	2.0%
SMA Industrial	6,208	8,246	-24.7%	-25.7%	1.0%
Metallurgy Division	33,539	33,217	1.0%	-0.4%	1.4%
Solutions for Vacuum Systems	5,359	5,522	-3.0%	-4.3%	1.3%
Vacuum Technology Division	5,359	5,522	-3.0%	-4.3%	1.3%
Nitinol for Medical Devices	40,145	41,272	-2.7%	-5.1%	2.4%
Medical Division	40,145	41,272	-2.7%	-5.1%	2.4%
Functional Dispensable Products	5,024	3,461	45.2%	44.7%	0.5%
Specialty Chemicals Division	5,024	3,461	45.2%	44.7%	0.5%
Advanced Coatings	5,032	5,015	0.3%	0.3%	0.0%
Advanced Packaging Division	5,032	5,015	0.3%	0.3%	0.0%
Total Net Sales	89,099	88,487	0.7%	-1.0%	1.7%

The comparison between the revenues of the first two quarters of the current year showed a negative organic change equal to -19.3%, against an irrelevant exchange rate effect (+0.1%): after a first quarter of 2020 with revenues showing a double-digit growth, partly favored by inventory movements also following the emergency phase, the second quarter saw the gradual reabsorption of these inventory movements, in addition to the slowdown in some sectors, in particular the medical one, due to the postponement of elective surgeries, mainly in the USA.

Thousands of euro (except %)

Business	2Q 2020	1Q 2020	Total difference (%)	Organic change (%)	Exchange rate effect (%)
Security & Defense	4,916	4,608	6.7%	6.8%	-0.1%
Electronic Devices	3,534	4,168	-15.2%	-15.1%	-0.1%
Healthcare Diagnostics	1,087	1,665	-34.7%	-34.8%	0.1%
Lamps	893	1,053	-15.2%	-15.3%	0.1%
Thermal Insulated Devices	712	962	-26.0%	-26.3%	0.3%
Sintered Components for Electronic Devices & Lasers	1,660	2,073	-19.9%	-20.0%	0.1%
SMA Industrial	2,333	3,875	-39.8%	-39.8%	0.0%
Metallurgy Division	15,135	18,404	-17.8%	-17.8%	0.0%
Solutions for Vacuum Systems	2,917	2,442	19.5%	19.3%	0.2%
Vacuum Technology Division	2,917	2,442	19.5%	19.3%	0.2%
Nitinol for Medical Devices	18,566	21,579	-14.0%	-14.1%	0.1%
Medical Division	18,566	21,579	-14.0%	-14.1%	0.1%
Functional Dispensable Products	749	4,275	-82.5%	-82.5%	0.0%
Specialty Chemicals Division	749	4,275	-82.5%	-82.5%	0.0%
Advanced Coatings	2,447	2,585	-5.3%	-5.3%	0.0%
Advanced Packaging Division	2,447	2,585	-5.3%	-5.3%	0.0%
Total Net Sales	39,814	49,285	-19.2%	-19.3%	0.1%

The organic decrease was widespread in almost all business areas, with the exception of the **security and defense sector**, that recorded a second quarter of further consolidation, and of the **vacuum systems business**, supported by higher revenues in the sector of accelerators for research applications. The organic decrease was concentrated in the following sectors:

- **Industrial SMAs** (-39.8%), which recorded advance supplies due to precautions required by Covid-19 in the consumer electronics sector in the first quarter and a second quarter more penalized by the pandemic;
- **Electronic Devices** (-15.1%) and **Healthcare Diagnostics** (-34.8%), where the increase in the first quarter, also favored by the Covid-19 crisis, slowed down in the second quarter;
- **Nitinol for Medical Devices** (-14.1%), for the aforementioned postponement of elective surgeries due to Covid-19;
- **Functional Dispensable Products** (-82.5%), which, after a first quarter characterized by advance orders to face the Covid-19 crisis, saw a strong organic decrease in the second quarter, also due to a temporary interruption of production for some scheduled extraordinary maintenance operations.

By including also the revenues of the joint ventures¹, the **total revenues of the Group** were equal to €93.5 million in the first half of 2020, substantially stable (-0.8%) compared to €94.2 million in the first half of 2019, mainly thanks to the substantial stability of consolidated revenues (+0.7%) and to the increased revenues of the joint venture SAES RIAL Vacuum S.r.l. (+50.2%).

Total revenues of the Group

Thousands of euro

	1H 2020	1H 2019	Difference
Consolidated sales	89,099	88,487	612
50% sales of the joint venture Actuator Solutions	3,940	5,488	(1,548)
49% sales of the joint venture SAES RIAL Vacuum S.r.l.	868	578	290
46.73% sales of the joint venture Flexterra	23	6	17
Intercompany eliminations	(418)	(280)	(138)
Other adjustments	10	(34)	44
Total revenues of the Group	93,522	94,245	(723)

The steadiness of consolidated revenues made it possible to maintain the **stability of all the operational indicators**.

Consolidated gross profit² was equal to €38.2 million in the first half of 2020, compared to €37.8 million in the corresponding period of 2019. The slight increase (+€0.4 million in absolute value, equal to +1.1% in percentage terms) was mainly attributable to the exchange rate effect (+€0.7 million, equal to +1.9%) net of which the gross profit would have been substantially in line with that of the corresponding semester of 2019. Also the **gross margin**³ was stable, showing a slight increase (from 42.7% to 42.9%) despite a different contribution by the various Divisions.

Consolidated operating income amounted to €11.1 million (12.5% of consolidated revenues) in the first half of 2020, compared to an operating income of €13.4 million in the first half of the previous year (15.2% of consolidated revenues): by excluding the positive exchange rate effect (+€0.5 million, equal to +3.9%) the decrease (-€2.8 million, equal to -20.8%) was entirely attributable to non-recurring items recorded in the item “Other income (expenses), net”, respectively as income in the first half of 2019 (a capital gain from a related party equal to €2.3 million for the sale of the patents in the OLET area owned by E.T.C. S.r.l. in liquidation to the joint venture Flexterra, Inc.) and as expenses in the current half year (donations to research institutions and hospitals related to the Covid-19 crisis, equal to about €0.7 million).

Consolidated EBITDA⁴ was equal to €16.5 million (18.5% of consolidated revenues) in the first half of 2020, compared to €18 million (20.3% of consolidated revenues) in the corresponding semester of 2019: the decrease was mainly attributable to the above mentioned non-recurring items respectively as income in the first half of 2019 (a capital gain from a related party equal to €2.3 million for the sale of the patents in the OLET area owned by E.T.C. S.r.l. in liquidation to the joint venture Flexterra, Inc.) and as expenses in the current half year (donations to research institutions and hospitals related to the Covid-19 crisis, equal to about €0.7 million). Net of these non-recurring items, EBITDA would have been equal to €17.2 million, up by 9.4%, mainly driven by the Vacuum Technology and the Specialty Chemicals Divisions.

EBITDA

Thousands of euro

	1H 2020	1H 2019
Operating income (loss)	11,143	13,412
Depreciation & amortization	5,196	4,564
Write-down of assets	115	1
Bad debt provision accrual (release)	19	(25)
EBITDA	16,473	17,952
% on sales	18.5%	20.3%

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 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”.

Consolidated net income was equal to 0.4 million (0.5% of consolidated revenues) in the first half of 2020, compared with a net income of €9.1 million in the first half of 2019 (10.3 % of consolidated revenues): the reduction, in addition to the already mentioned extraordinary items⁵, was mainly attributable to the decrease in the fair value of the securities portfolio (cost of €6.5 million in the half-year of 2020, compared with an income of €2.3 million in the first half of 2019). Please note that the negative effect on the valuation of the securities (that was the main cause of the negative net income of the first quarter of 2020) was partially reabsorbed in the second quarter and this allowed to end the semester with a slight profit.

Consolidated net financial position was positive and equal to €95.6 million as at June 30, 2020. The worsening compared to the end of March 2020 (net financial position of €102.8 million), despite the partial recovery of the fair value of the securities (+€3.8 million), was mainly a consequence of the payment of dividends at the end of April (-€9.2 million).

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

Relevant events occurred in the first half of 2020

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 Appointment 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.

On March 6, 2020 SAES Getters S.p.A. 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%, and only one financial covenant (positive consolidated net financial position) subject to half-yearly verification.

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 Covid-19, as well as to the Italian Civil Protection**. In this way, SAES offered its contribution to overcome the emergency that the whole country is facing. The donation was 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. In addition, please note, in the second quarter of 2020, the **donation of two ventilators** to treat respiratory failure **and a video laryngoscope to the reanimation department of the Avezzano hospital**, high quality equipment, with sophisticated lung monitoring systems and aimed at improving the safety level of both patients and healthcare professionals. The total value of the equipment was approximately €0.1 million.

On April 30, 2020 SAES Getters S.p.A. signed with Intesa Sanpaolo S.p.A. a **new line of cash credit on a revolving basis**, for a maximum amount of €30 million, intended to support business operations or financial needs related to investments and acquisitions. The duration of the credit line is thirty-six months. SAES may request its use in tranches of not less than €1 million and subsequent multiples of €0.5 million each. The contract provides for the payment of interest indexed at the one/three-month Euribor rate, increased by a spread of 1.10% and only one financial covenant (positive consolidated net financial position) subject to half-yearly verification.

During the month of June, the **Colussi** food group, for its **Misura** brand, launched a **marketing campaign** related to the use of an innovative **fully compostable packaging** solution, created for Colussi by the collaboration among Novamont, TicinoPlast, SAES Group, Sacchital and IMA. The new packaging, biodegradable and of renewable origin, can be composted together with food waste and has a barrier effect against oxygen and moisture based on the coating technology developed by SAES. This news underline the innovative power of the advanced solutions for compostable food packaging offered by SAES Coated Films S.p.A.

On June 23, 2020, SAES signed an agreement with the **EUREKA! Venture SGR S.p.A.** based on which SAES will invest in the **EUREKA! Fund I - Technology Transfer** (a alternative closed-end mutual investment fund, qualified as a 'EuVECA fund, pursuant to EU Regulation 345/2013), established and managed by the SGR and participated by *Cassa Depositi e Prestiti (CDP)* and *Fondo Europeo per gli Investimenti (FEI)* - European Investment Fund. The investment in the Fund, completed through the parent company SAES Getters S.p.A., will amount to a total of €3 million and will have a duration of ten years (coinciding with the duration of the Fund). The financial outlay for SAES will not be immediate,

⁵ Costs for Covid-19 donations of about €0.7 million in the first half of 2020 and capital gain from a related party of €2.3 million in the corresponding period of 2019.

but diluted over time, based on the investment opportunities that may arise and the related capital calls by the SGR (through the so-called draw-down operations).

The Fund managed by EUREKA! Venture SGR will be specialized and focused exclusively on “deeptech” investments, in startups and spinoffs of Research Centers and Universities, in applications and technologies related to materials science, sensors, advanced electronics, photonics, *IoT* - Internet of Things and Lab-on-a-chip applications, with a focus on sustainability principles and ESG (Environment, Governance, Society) criteria. In fact, the Fund's regulation provides for clear investment policies inspired by ESG principles. Similarly, also for the SGR, procedures and processes will be focused on the compliance with these investment policies.

Based on the specifically signed agreement, SAES becomes an investor and a strategic partner of EUREKA! in the advanced materials sector. SAES will have access to the Fund's deal flow in sectors and business areas of interest to the Group, with a co-investment priority right. Finally, on the basis of the exit strategies from the target companies, SAES can make a priority purchase proposal, to be submitted to the assessments of the SGR (right of first offer).

No draw-down was completed in the period between June 23 and June 30, 2020.

Metallurgy Division

Consolidated revenues of the Metallurgy Division were equal to €33.5 million in the first half of 2020, up by 1% compared to €33.2 million in the corresponding semester of 2019. The trend of the euro against the main foreign currencies resulted in a positive exchange rate effect equal to +1.4%, net of which sales were stable (-0.4%).

The following sectors showed an organic growth:

- the security and defense sector (Security & Defense Business, +47.7%), thanks to higher sales of getter components for infrared sensors and night vision systems for defense applications, in addition to the positive trend of sales linked to some orders for avionics and satellite telecommunication devices;
- the electronic devices sector (Electronic Devices Business, +1.6%), mainly driven by infrared applications in thermal sensors used in temperature measurements and thermography, also favored by the recent Covid-19 crisis;
- the sector of healthcare diagnostic (Healthcare Diagnostics Business, +11.1%) thanks to stock advances and to the increase in demand in the image diagnostics sector by some large customers, related to the Covid-19 crisis.

On the other end, all the other sectors recorded a decrease, in particular:

- the shape memory alloys sector for industrial applications (SMA Industrial Business, -25.7%), due to the Covid-19 effect on the consumer electronics and automotive segments;
- the Sintered Components for Electronic Devices & Lasers Business (organic decrease equal to -19.8%), due to lower sales of devices for the thermal dissipation of semiconductor lasers, that were higher than the average in the first half of 2019, due to some stock adjustments;
- the thermal insulation sector (Thermal Insulated Devices Business, -11.1%) and the Lamps Business (-15.6%).

In the former, the decrease was mainly due to the slowdown in the demand for vacuum bottles and insulated tubes for oil applications due to Covid-19; in the latter, to the structural crisis in the market for fluorescent and discharge intensity lamps.

The table below shows the revenues in the first half of 2020 in the various businesses, with evidence of the exchange rate effect and of the organic change compared to the corresponding period of 2019.

Thousands of euro (except %)

Business	1H 2020	1H 2019	Total difference (%)	Organic change (%)	Exchange rate effect (%)
Security & Defense	9,524	6,365	49.6%	47.7%	1.9%
Electronic Devices	7,702	7,507	2.6%	1.6%	1.0%
Healthcare Diagnostics	2,752	2,450	12.3%	11.1%	1.2%
Lamps	1,946	2,274	-14.4%	-15.6%	1.2%
Thermal Insulated Devices	1,674	1,833	-8.7%	-11.1%	2.4%
Sintered Components for Electronic Devices & Lasers	3,733	4,542	-17.8%	-19.8%	2.0%
SMA Industrial	6,208	8,246	-24.7%	-25.7%	1.0%
Metallurgy Division	33,539	33,217	1.0%	-0.4%	1.4%

Gross profit of the Metallurgy Division was equal to €17.1 million in the first half of 2020, compared to €17.2 million in the first semester of 2019. The **gross margin** slightly decreased from 51.8% to 50.9%: the difference was mainly attributable to the electronic devices business, characterized by a different product mix, and to that of industrial SMAs, penalized by the Covid-19 effect on the sales in the consumer electronics and automotive sectors and by the consequent lower economies of scale.

Operating income of the Metallurgy Division was equal to €11.2 million, substantially stable (-3.9%) compared to €11.7 million in the first half of 2019; the **operating margin** went from 35.1% to 33.5%.

Vacuum Technology Division

Consolidated revenues of the Vacuum Technology Division were equal to €5.4 million in the first half of 2020, down by 3% compared to €5.5 million in the corresponding period of 2019. The exchange rate effect was positive and equal to +1.3%, net of which the organic decrease was equal to -4.3%: the decrease was attributable to lower sales to research institutes and universities, due to Covid-19, partially offset by higher sales of pumps in the sectors of analytical instrumentation and of particle accelerators, less affected by the crisis.

The table below shows the revenues in the first half of 2020, with evidence of the exchange rate effect and of the organic change compared to the corresponding period of 2019.

Thousands of euro (except %)

Business	1H 2020	1H 2019	Total difference (%)	Organic change (%)	Exchange rate effect (%)
Solutions for Vacuum Systems	5,359	5,522	-3.0%	-4.3%	1.3%
Vacuum Technology Division	5,359	5,522	-3.0%	-4.3%	1.3%

Gross profit of the Vacuum Technology Division was equal to €3.3 million in the first half of 2020, strongly increased (+15.1%) compared to €2.9 million in the corresponding period of 2019. In particular, the growth was attributable to the difference in the **gross margin** (from 51.7% to 61.3%), in turn due to a different product mix, with increased sales in the particle accelerator sector, characterized by higher margins.

Operating income of the Vacuum Technology Division amounted to €1.4 million, strongly increased (+47.9%) compared to €1 million in the first half of 2019. The **operating margin** increased from 17.3% to 26.4%.

Medical Division

Consolidated revenues of the Medical Division were equal to €40.1 million in the first half of 2020, down by 2.7% when compared to €41.3 million in the corresponding period of 2019. The exchange rate effect was positive and equal to +2.4%, net of which the organic change was equal to -5.1%, mainly as a result of the sharp reduction regarding an important US customer due to the stock levels of the latter, already high prior to the pandemic. Please note, starting from the second half of the period, the slowdown in the demand for medical devices following the suspension of the deferrable surgical operations by hospitals, in order to concentrate all the resources on the Covid-19 cases.

The table below shows the revenues in the first half of 2020, with evidence of the exchange rate effect and of the organic change compared to the corresponding period of 2019.

Thousands of euro (except %)

Business	1H 2020	1H 2019	Total difference (%)	Organic change (%)	Exchange rate effect (%)
Nitinol for Medical Devices	40,145	41,272	-2.7%	-5.1%	2.4%
Medical Division	40,145	41,272	-2.7%	-5.1%	2.4%

Gross profit of the Medical Division was equal to €15.9 million in the first half of 2020, slightly down compared to €16.5 million in the corresponding period of 2019, mainly due to the contraction in sales, against a substantially stable **gross margin** (from 40.1% to 39.5%), despite the manufacturing costs subsequent to the project, still underway, for the construction of a new tube department in Bethel and the related increase in indirect production costs.

The first half of 2020 ended with an **operating income** equal to €11.6 million substantially in line with an operating income equal to €12 million in the previous year. Also the **operating margin** (28.8%) in the semester was in line with that of the correspondent period of 2019 (29%).

Specialty Chemicals Division

Consolidated revenues of the Specialty Chemicals Division were equal to €5 million in the first half of 2020, strongly increased (+45.2%) compared to €3.5 million in the corresponding period of 2019. The exchange rate

effect was positive and equal to +0.5%, net of which the organic growth was equal to +44.7%, driven by higher sales of advanced components for the consumer electronics market (in turn favored by the higher penetration of the SAES product, that more than offset the contraction in the telecom market caused by the pandemic) and, with lower absolute figures, by higher sales of dispensable dryers for passive matrix OLED applications, to cover mass production in China and Taiwan.

The table below shows the revenues in the first half of 2020, with evidence of the exchange rate effect and of the organic change compared to the corresponding period of 2019.

Thousands of euro (except %)

Business	1H 2020	1H 2019	Total difference (%)	Organic change (%)	Exchange rate effect (%)
Functional Dispensable Products	5,024	3,461	45.2%	44.7%	0.5%
Specialty Chemicals Division	5,024	3,461	45.2%	44.7%	0.5%

Gross profit of the Specialty Chemicals Division was equal to €1.4 million in the first half of 2020, almost doubled (+83.9%) compared to €0.8 million in the corresponding period of 2019, thanks both to higher sales of advanced getters for the mobile phone market and the consequent saturation of the related production line, and to the different mix in the sales of dispensable organic getters.

Operating income of the Specialty Chemicals Division amounted to €0.6 million compared to €2.4 million in the first semester of 2019, the latter figure inclusive of the aforementioned non-recurring capital gain from a related party equal to €2.3 million.

Advanced Packaging Division

Consolidated revenues of the Advanced Packaging Division were equal to €5 million in the first half of 2020, stable compared to the first half of 2019. Sales were exclusively denominated in euro. Although revenues of the semester were in line (+0.3%) with the corresponding period of the previous year, the mix of the product portfolio was different and it showed a prevalence of lacquered products intended for sustainable and compostable applications, compared to metalized ones, thus confirming the strategy of repositioning the offering on products with higher added value.

The table below shows the revenues in the first half of 2020, with evidence of the exchange rate effect and of the organic change compared to the corresponding period of 2019.

Thousands of euro (except %)

Business	1H 2020	1H 2019	Total difference (%)	Organic change (%)	Exchange rate effect (%)
Advanced Coatings	5,032	5,015	0.3%	0.3%	0.0%
Advanced Packaging Division	5,032	5,015	0.3%	0.3%	0.0%

Gross profit of the Advanced Packaging Division was equal to €0.6 million (12.1% of revenues) compared to €0.5 million recorded in the corresponding period of 2019 (9.2% of revenues): the increase both in absolute terms and as a percentage of revenues was the effect of the aforementioned consolidation of the sales of lacquered products compared to metalized ones, characterized by higher added value.

The first half of 2020 ended with an **operating loss** equal to -€1.1 million, lower than -€1.3 million recorded in the previous year.

Not Allocated Costs

It includes the costs related to basic research projects, aimed at diversification in innovative businesses, as well as corporate costs (costs that cannot be directly attributed or reasonably allocated to any business sector, but that refer to the Group as a whole).

Operating costs were equal to €11.7 million in the first half of 2020, compared to €12.1 million in the same period of the previous year. Excluding the extraordinary expenses⁶ that the Group had to incur to face with the Covid-19

⁶ In particular, costs of disinfection and adaptation of accesses and spaces in order to guarantee the safety of workers, as well as health costs for prevention and consultancy and training costs always related to the pandemic.

pandemic, equal to approximately €0.3 million, operating costs decreased by €0.7 million following the general savings on the various types of cost as a consequence of the lockdown and since the first half of 2019 was penalized by severance costs of €0.3 million.

Please note that the non-recurring costs for Covid-19 donations, equal to about € 0.7 million, were not allocated to any operating sector, but they were included in the “Not Allocated” column.

Consolidated operating expenses were equal to €26.3 million (29.5% of revenues), compared to €26.8 million (30.2% of revenues) in the corresponding semester of 2019. Excluding the exchange rate effect (+€0.2 million), the operating expenses decreased by -€0.6 million: the decrease was mainly concentrated in the **selling expenses** (-10.2%, due to lower travel expenses and lower marketing costs as a result of the Covid-19 pandemic, as well as a reduction in commissions to third parties due to lower sales of SMA educated wire). There was also a slight organic decrease (-5%) in **research and development expenses**, due to lower consultancy and lower patent management costs. On the other hand, **general and administrative expenses** slightly increased (organic increase of +2.1%), due to extraordinary costs, equal to approximately €0.3 million, incurred for the management of the Covid-19 emergency (in particular, costs of disinfection and adaptation of accesses and spaces in order to guarantee the safety of workers, as well as health costs for prevention and consultancy and training costs). Excluding the latter, the general and administrative expenses would have been in line with those in the corresponding semester of 2019 (the higher consultancy costs, both for special projects and for the development of information systems, were offset by lower *severance*⁷ costs and by the reduction of travel expenses and savings related to the reduced physical presence of staff, thanks to the use of the smart working).

The net balance of the **other income (expenses)** was negative and equal to -€0.8 million, compared to a positive balance equal to €2.3 million in the first semester of 2019. The decrease (-€3.1 million) was attributable to the cost, equal to about €0.7 million, for the Covid-19 donations, and to the extraordinary income recorded in the first half of 2019 (income from a related party equal to €2.3 million for the sale of the patents in the OLET area owned by E.T.C. S.r.l. in liquidation to the Flexterra, Inc. joint venture, as well as to other extraordinary revenues, equal to around €0.2 million, for insurance reimbursements and favorable closure of legal disputes).

The net balance of **financial income and expenses** was negative and equal to -€6.5 million, compared to a positive balance of +€2.9 million in the corresponding period of 2019. The negative variation (-€9.3 million) was mainly attributable to the reduction in the fair value of the securities portfolio due to the Covid-19 financial crisis (in the first half of 2019 the value of the securities had increased by €2.3 million, while the fair value decreased by €6.5 million in the current semester).

In addition, please note the higher interest on short and long term loans⁸ and higher bank commissions (in total +€0.7 million), only partially offset by a higher coupon income (+€0.3 million).

The loss deriving from the **evaluation with the equity method** of the joint ventures was equal to -€0.9 million, almost exclusively attributable to the joint venture Flexterra, compared with a cost equal to -€1 million in the corresponding period of the previous year, still attributable to the latter. Please note that, despite the joint venture Actuator Solutions ended the first semester of 2020 with a slightly positive result, the share pertaining to SAES in such net result was not recognized by the Group as the consolidated shareholders' equity of the joint venture was still negative, against a stake of SAES already fully reduced to zero.

The sum of the **exchange rate differences** recorded a balance substantially equal to zero in the first six months of 2020 (-€29 thousand), in line with the first half of 2019 (-€31 thousand). Both balances, of non-material amounts, were mainly attributable to the effect of the fluctuations of the dollar against the euro on commercial transactions, including intra-group transactions.

Consolidated net income before taxes was equal to €3.8 million in the first half of 2020, compared to €15.2 million in the first half of 2019: the decrease is attributable to the already mentioned non-recurring items that caused the decrease in the operating income, as well as to the aforementioned reduction of the value of the securities portfolio.

Income taxes amounted to €3.3 million in the semester, compared to €6.2 million in the corresponding period of the previous year and were primarily made up of US corporate taxes; the decrease compared to the previous year was mainly attributable to the reduction in US taxes following a lower taxable income and to the lower taxes of the subsidiary SAES Investments S.A., which closed the semester with a tax loss due to the losses on securities caused by the Covid-19 crisis.

⁷ €0.3 million in the first half of 2019, related to the conclusion of the process of reducing the staff of the Parent Company that started at the end of 2018 following the sale of the purification business, against zero costs in the first half of 2020.

⁸ Higher interest expense related to the loan signed in April 2019 to cover the disbursement for the purchase of treasury shares.

The Group's **tax rate** was equal to 88.4%, compared to 41% in the first half of 2019: the tax rate was so high due to the fact that the Parent Company, SAES Coated Films S.p.A. and SAES Investments S.A. ended the semester with a negative taxable income, not valued as a deferred tax asset.

Net income from operating activities amounted to €0.4 million (0.5% of consolidated revenues) compared to €9 million (10.1% of consolidated revenues) in the correspondent semester of 2019.

Income from discontinued operations was equal to zero in the first half of 2020. In the first half of 2019 the result from discontinued operations was equal to +€0.2 million, mainly consisting of the positive adjustment on the sale price of the gas purification business, following 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.

Consolidated net income amounted €0.4 million (0.5% of consolidated revenues) in the first half of 2020 and it compares with a consolidated net income amounting to €9.1 million (10.3% of consolidated revenues) in the first semester of 2019: the reduction, in addition to the already mentioned extraordinary items⁹, was mainly attributable to the decrease in the fair value of the securities in the portfolio.

In the first half of 2020 the **net income per savings share** amounted to €0.05936 while the **net income per ordinary share** was null. In the first semester of 2019 the **net income per ordinary share and per savings share** were equal respectively to €0.42137 and €0.43800.

Consolidated net financial position as at June 30, 2020 was positive and equal to €95.6 million, compared to a positive net financial position equal to €115.3 million as at December 31, 2019.

Compared to December 31 2019, the decrease in the net financial position (-€19.7 million) was attributable to the aforementioned write-down of securities in the portfolio (-€6.5 million), to the investments in tangible and intangible assets (-€6.9 million), as well as the payment of dividends paid at the end of April 2020 (-€9.2 million).

The self-financing of the semester was mostly absorbed by the increase in the net working capital. In particular, please note the **stock increase** mainly in the Nitinol sector, as a result of both inventories related to the finalization of the new Memry Corporation tube department in the Bethel (CT) plant, and of advances in the purchase of raw materials and semi-finished products to avoid possible delays in their supply due to Covid-19. Similar fluctuations also occurred in the supplies of the security and defense sector, with increased stocks of palladium. Finally, please note the increase in inventory also in the Specialty Chemicals Division, in anticipation of orders expected in the second half of the year. With regard to net working capital, in addition to the increase in inventory, please also note the **reduction in trade payables** of the Parent Company and of Memry Corporation, that at December 31, 2019 included payables for investments in new production lines (lacquering systems and other equipment for the packaging business, as well as SMA wire drawing machines).

Finally, please note monetary income from securities (+€1.3 million) in the investment activities, net of management fees paid in the semester (-€0.1 million) and, among the financing activities, financial debts for new leases agreements signed in the half period (including interest accrued in the semester) totaling -€0.4 million.

Impact of the Covid-19 epidemic on the results as at June 30, 2020

After a first quarter affected by the Covid-19 crisis only to a limited extent and even favored by inventory movements related to the emergency phase, the second quarter saw the gradual reabsorption of these inventory movements, in addition to the slowdown of some sectors, in particular that of **medical devices in Nitinol** and that of **Industrial SMAs**: the former penalized by the suspension by hospitals of deferrable surgical operations (elective surgery), in order to concentrate the resources on Covid-19 cases; the latter affected by the negative effect of the pandemic on the demand of high-end smart phones and in the automotive sector. Other sectors whose sales were negatively affected by Covid-19 were that of **vacuum pumps** (lower sales to research institutes and universities, that slowed down their operations during the lockdown period) and that of **thermal insulation** (in particular, slowdown in the demand of vacuum bottles and insulated pipes for oil applications).

On the other hand, Covid-19 favored the growth in revenues in the sectors of **electronic devices** (sales driven by the demand of thermo-scanners) and of **medical diagnostics** (increased demand in the diagnostic imaging sector).

As a precautionary containment of the Covid-19 pandemic, **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**, also in order to prepare the necessary risk containment measures and draw up the Covid-19 operating protocol.

⁹ Costs for Covid-19 donations of about €0.7 million in the first half of 2020 and capital gains from a related party of €2.3 million in the corresponding period of 2019.

Afterwards the two plants got back to work while all the other production plants of the Group, in Italy and abroad, have always worked, observing all the regulatory provisions in force to guarantee the safety of the working environments and favoring, where possible, the use of remote smart working procedures.

Please also note that on March 26, 2020 the Group reached an agreement with the Trade Unions' representatives related to the use of social security measures provided by the *D.p.c.m. "Cura Italia"* of March 17, 2020 (**ordinary redundancy fund – CIGO Cassa Integrazione Guadagni Ordinaria**) for a period of nine weeks starting from March 30, 2020, for some employees of the Lainate plant, with a wage supplement supported by the Company equal to 40%.

Finally, please note that on May 14, 2020 an agreement with the Trade Unions was reached for the **gradual return of all the employees** of the Lainate operating unit (150 daily attendances in Lainate in the months of June and July, with presence rotation alternated with smart working). On the other hand, starting from the beginning of August, all employees are expected to return, without prejudice to further emergency regulatory measures and depending on the epidemiological situation. From that date, also an **experimental smart working project** will be launched on a voluntary basis, lasting 12 months, with a maximum of three days a week of smart working for each employee who joins the experiment.

Against the pandemic, the Group had to incur **extraordinary expenses** of €0.3 million: in particular, costs of disinfection and adaptation of accesses and spaces in order to guarantee the safety of workers, as well as health costs for prevention and consultancy and training costs. On the other hand, the **savings** resulting from the use of the **CIGO** in the Lainate plant amounted to €0.1 million, while in the US subsidiaries the **support measures implemented by the US Government** for businesses and families, partially reimbursing working days not carried out due to Covid-19, allowed a **reduction in labor costs** equal to a total of €0.2 million.

Thousands of euro

Covid-19 one-offs	1H 2020					
	Direct labor	Manufacturing overhead	R&D expenses	Selling expenses	G&A expenses	Total
Personnel cost	(101)	(53)	(44)	(11)	47	(162) (*)
Maintenance and repairs					30	30
Material and office material					103	103
Transport, insurance, freight-direct					3	3
Consultant fees					73	73
Canteen, cleaning, vigilance					38	38
Training					3	3
Total cost of sales and extraordinary operating expenses Covid-19	(101)	(53)	(44)	(11)	297	88

(*) The amount is composed by:

- CIGO savings in Lainate plant, for -55 thousands of euro;
- saving for USA governmental measures to support companies and families, for -167 thousands of euro;
- additional personnel costs, for 60 thousands of euro.

Finally, please note that in the first half of the year SAES Group made **donations** worth a total of about €0.7 million to research institutes and hospitals engaged in the front line in the fight against Covid-19, as well as to the Italian Civil Protection (the related costs were classified under the item "Other expenses").

Thousands of euro

Covid-19 one-offs	1H 2020
Other income	0
Other expenses	(689)
Total other extraordinary income (expenses) Covid-19	(689)

The impact of Covid-19 on the financial markets caused the sharp reduction in the **fair value of the securities** held by the Group for the investment of liquidity. The negative effect that occurred in the first quarter was partially reabsorbed in the second quarter, bringing the valuation of the securities as at June 30, 2020 back to a level corresponding to the initial investment (that means approximately €200 million).

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., both in liquidation since the end of 2019, is focused on the development, production and commercialization of actuators using shape memory alloys in place of the engine. It is expected that, for both Asian subsidiaries, the liquidation process will be completed by the end of 2020.

Actuator Solutions recorded net revenues equal to €7.9 million in the first half of 2020, down by 28.2% compared to €11 million in the first half of 2019: the slowdown in the automotive market, that already began in 2019, worsened in the first half of 2020 due to the Covid-19 crisis that negatively affected the sales in the end market and caused uncertainty in the supply chain, especially in China.

However, please note how the Covid-19 crisis also represented an opportunity for Actuator Solutions in the medical sector: thanks to a contract for the development, assembly and sale of devices for Covid-19 rapid diagnostic tests, revenues for a total value of approximately €1 million were recorded in the first half of 2020.

The net result of the semester was positive and equal to +€0.7 million, compared to a loss of -€0.7 million in the first half of 2019: despite the decrease in sales, the operating margin significantly improved, thanks to the proceeds from third party engineering contracts, characterized by higher margins, and the reduction in operating expenses due to the liquidation of the two Asian subsidiaries. Finally, please note that the loss at June 30, 2019 included extraordinary charges of approximately €0.4 million, related to a computer fraud suffered in the first part of the year by the German parent company.

Thousands of euro		
Actuator Solutions	1H 2020	1H 2019
	100%	100%
Total net sales	7,880	10,976
Cost of sales	(5,725)	(8,944)
Gross profit	2,155	2,032
<i>% on sales</i>	<i>27.3%</i>	<i>18.5%</i>
Total operating expenses	(1,290)	(2,094)
Other income (expenses), net	164	(342)
Operating income (loss)	1,029	(404)
<i>% on sales</i>	<i>13.1%</i>	<i>-3.7%</i>
Interests and other financial income, net	(304)	(294)
Foreign exchange gains (losses), net	(23)	(50)
Income taxes	15	(2)
Net income (loss)	717	(750)

The share of the SAES Group in the result of this joint venture in the first half of 2020 amounted to +€0.4 million (-€0.4 million in the first half of 2019) but it was not recognized by the Group as the equity of the joint venture was still negative for almost €2.6 million¹⁰, against a stake of SAES in Actuator Solutions already fully reduced to zero. Please also note that as at December 31, 2019 a provision for risks of €0.6 million had been accrued, equal to the pro-quota financial resources necessary to Actuator Solutions in the following twenty-four months to continue its operating activities, following the update of the five-year plan of February 18, 2020.

During the first half of 2020 the financial credit related to the interest accrued during the period on the interest-bearing loans granted by SAES Nitinol S.r.l. to the joint venture in previous years, equal to €0.2 million, was written down because it was 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.r.l. (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 applications and innovation, with the experience of Rodofil in the design, assembling and fine mechanical productions, with the aim of offering absolutely excellent quality products and of successfully competing in the international markets.

SAES RIAL Vacuum S.r.l. ended the first half of 2020 with sales equal to €1.8 million, up by 50.3% compared to €1.2 million in the corresponding period of 2019: after a first quarter heavily penalized by the delay of some large research projects, also due to the Covid-19 pandemic, in recent months the turnover has increased, returning to the progressive levels initially planned. Thanks to this increase in revenues, the semester recorded both a gross margin and an operating margin in line with the previous year and ended with a slight net income of +€48 thousand, compared to +€29 thousand as at June 30, 2019.

¹⁰ Pro-quota consolidated amount at 50%.

Thousands of euro

SAES RIAL Vacuum S.r.l.	1H 2020	1H 2019
	100%	100%
Total net sales	1,772	1,179
Cost of sales	(1,459)	(972)
Gross profit	313	207
<i>% on sales</i>	<i>17.7%</i>	<i>17.6%</i>
Total operating expenses	(260)	(193)
Other income (expenses), net	23	38
Operating income (loss)	76	52
<i>% on sales</i>	<i>4.3%</i>	<i>4.4%</i>
Interests and other financial income, net	(14)	(14)
Foreign exchange gains (losses), net	0	0
Income taxes	(14)	(9)
Net income (loss)	48	29

The share pertaining to the SAES Group in the first half of 2020 result of this joint venture was equal to +€23 thousand (+€15 thousand in the first half of 2019).

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.

SAES currently holds 46.73% of the share capital of the joint venture Flexterra, Inc.

Already during the year 2019, the Flexterra project had 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 OTFTs (Organic Thin Film Transistors). The industrialization of the OTFTs is at an advanced stage and, although with a longer time than that initially estimated, also due to the Covid-19 crisis, it should be completed after the summer 2020, while the actual production and sale activities by Flexterra are expected to start at the end of the year.

Flexterra, qualified as a joint venture, ended the first half of 2020 with a net loss equal to -€2 million, compared to -€2.3 million in the corresponding period of 2019 (mainly, costs for personnel employed in research activities and in general and administrative activities, consultancy fees, costs related to the management of patents and amortization of intangible assets, including intellectual property).

Thousands of euro

Flexterra	1H 2020	1H 2019
	100%	100%
Total net sales	50	12
Cost of sales	(27)	(3)
Gross profit	23	9
<i>% on sales</i>	<i>46.0%</i>	<i>75.0%</i>
Total operating expenses	(2,132)	(2,257)
Other income (expenses), net	1	(1)
Operating income (loss)	(2,108)	(2,249)
<i>% on sales</i>	<i>n.a.</i>	<i>n.a.</i>
Interests and other financial income, net	(9)	2
Foreign exchange gains (losses), net	74	(42)
Income taxes	21	23
Net income (loss)	(2,022)	(2,266)

The share of the SAES Group in the result of this joint venture in the first half of 2020 amounted to -€0.9 million (-€1.1 million as at June 30, 2019).

Reclassifications of the figures as at June 30, 2019

Starting from January 1, 2020, the Group is organized into 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 in the previous year, in addition to the Functional Chemical Systems sector and the Flexterra business, the latter previously not allocated);
- Advanced Packaging Division (unchanged).

The economic values relating to the first half of 2019 have been reclassified according to the new operating structure, to allow a homogeneous comparison with 2020.

Relevant events occurred after the end of the first half of 2020

On June 22, 2020, a seven-year **rental agreement** was signed by the Parent Company, with effect from July 1, 2020, renewable for other seven years under the same conditions, to rent a **real estate for office use in Milan**, in Piazza Castello 13, intended for the Corporate and Management activities. The annual rent when fully operational is set at €0.3 million, reduced in the first two years of the rental, to facilitate the initial phase.

On July 12, 2020, the **revocation of the liquidation status of the company E.T.C. S.r.l.**, approved by the Shareholders' Meeting of April 15, 2020, took effect. On that date, moreover, the company name of E.T.C. S.r.l. has been changed into **SAES Innovative Packaging S.r.l.** and the **corporate purpose** of the company **has been modified**, allowing the direct or indirect assumption of interests or shareholdings in the field of packaging and the scouting of new technologies in the same sector.

With reference to the **investment** completed on June 23, 2020 **in the EUREKA! venture capital fund**, on July 14, 2020, an amount equal to €0.1 million was paid as subscription fees, set-up costs and management fees for the period July 1 - September 30, 2020. The first investment, with the relative call-up of funds for approximately €164 million by SAES, is scheduled for the second half of September 2020.

On July 16, 2020 SAES Getters International Luxembourg S.A. signed a **\$3 million convertible loan in favor of the Flexterra, Inc. joint venture**, to be repaid in cash at the end of a predetermined period of one year (maturity date) or before that date, upon the occurrence of certain relevant events, including the liquidation of Flexterra and the change of control. The loan will accrue an annual interest of 8%. The repayment, in addition to cash, may take place in the form of equity should Flexterra make use of a qualified capital increase of at least \$6 million before the maturity date. In such case, SAES Getters International Luxembourg S.A. will obtain a number of new shares equal to the quotient obtained by dividing the balance of the loan at the conversion date for a value equal to 80% of the price per share paid by the other shareholders at the time of the qualified capital increase.

Please note that the **fair value of the Group's securities portfolio**, consisting mainly of buy&hold assets, as of today increased by approximately 0.7% compared to the value at 30 June 2020.

Business outlook

In the coming months, a gradual recovery of the medical market is expected towards the end of the year, as well as a slower recovery in the SMA Industrial sector, with particular attention to the trend of the euro-dollar exchange rate. For the remainder of the year, two quarters similar to each other and in line with the second quarter of 2020 are expected, at average exchange rates equivalent to those of the first half.

The figures are drawn from the Interim consolidated financial statements as at June 30, 2020 (including the interim condensed consolidated financial statements, the interim management report and the certification required by article 154-bis, paragraph 5 of TUF) that was approved by the Board of Directors of SAES Getters S.p.A. today and already transmitted to the auditing firm to perform the related legal requirements.

This document, together with the results of the audit check, will be available to the public both on the Company's website (www.saesgetters.com/investor-relations/financial-reports) and on the centralized storage mechanism IInfo (www.Iinfo.it) on September 11, 2020.

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 is available in the website www.saesgetters.com.*

Contacts:

Emanuela Foglia

Investor Relations Manager

Tel. +39 02 93178 273

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

Legenda:

Metallurgy Division	
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
Sintered Components for Electronic Devices and Lasers	Cathodes and materials for thermal dissipation in electronic tubes, lasers and solid-state devices
SMA Industrial	Shape memory alloys actuator devices for the industrial sector (domotics, white goods industry, consumer electronics, automotive and luxury sector)
Vacuum Technology Division	
Solutions for Vacuum Systems	Getter pumps for vacuum systems that find application in the industrial sector, in research and in particle accelerators
Medical Division	
Nitinol for Medical Devices	Nitinol raw material and components for the biomedical sector
Specialty Chemicals Division	
Functional Dispensable Products	Getter materials integrated in polymeric matrices for organic and hybrid electronics, photonics and implantable medical devices
Advanced Packaging Division	
Advanced Coatings	Lacquers and advanced plastic films for the sustainable packaging sector

Consolidated Net Sales by Geographic Location of Customer

Thousands of euro

Geographic Area	1H 2020	1H 2019
Italy	2,008	1,683
European countries	17,324	17,448
North America	48,382	51,859
Japan	3,923	2,645
South Korea	876	601
China	12,851	11,285
Rest of Asia	2,887	2,082
Rest of the World	848	884
Total Net Sales	89,099	88,487

Consolidated statement of profit or loss

Thousands of euro

	1H 2020	1H 2019
Total net sales	89,099	88,487
Cost of sales	(50,876)	(50,667)
Gross profit	38,223	37,820
R&D expenses	(5,283)	(5,524)
Selling expenses	(5,656)	(6,277)
G&A expenses	(15,368)	(14,976)
Write-down of trade receivables	(19)	25
Total operating expenses	(26,326)	(26,752)
Other income (expenses), net	(754)	2,344
Operating income (loss)	11,143	13,412
Interest and other financial income, net	(6,273)	3,016
Write-down of financial receivables and other financial assets	(187)	(158)
Income (loss) from equity method evaluated companies	(884)	(1,043)
Foreign exchange gains (losses), net	(29)	(31)
Income (loss) before taxes	3,770	15,196
Income taxes	(3,332)	(6,232)
Net income (loss) from continued operations	438	8,964
Income (loss) from discontinued operations	0	176
Net income (loss) before minority interest	438	9,140
Net income (loss) pertaining to minority interest	0	0
Net income (loss) pertaining to the Group	438	9,140

Consolidated statement of other comprehensive income

Thousands of euro

	1H 2020	1H 2019
Net income (loss) for the period	438	9,140
Exchange differences on translation of foreign operations	205	520
Exchange differences on equity method evaluated companies	13	79
Total exchange differences	218	599
Total components that will be reclassified to the profit (loss) in the future	218	599
Other comprehensive income (loss), net of taxes - continued operations	218	599
Net income (loss) for the period from discontinued operations	0	176
Total comprehensive income (loss), net of taxes	656	9,739
<i>attributable to:</i>		
- Equity holders of the Parent Company	656	9,739
- Minority interests	0	0

Consolidated statement of profit or loss by Business Unit

Thousands of euro

	Metallurgy Division		Vacuum Technology Division		Medical Division		Specialty Chemicals Division		Advanced Packaging Division		Not Allocated		TOTAL	
	1H 2020	1H 2019	1H 2020	1H 2019	1H 2020	1H 2019	1H 2020	1H 2019	1H 2020	1H 2019	1H 2020	1H 2019	1H 2020	1H 2019
Total net sales	33,539	33,217	5,359	5,522	40,145	41,272	5,024	3,461	5,032	5,015	0	0	89,099	88,487
Cost of sales	(16,454)	(16,011)	(2,074)	(2,669)	(24,294)	(24,730)	(3,628)	(2,702)	(4,423)	(4,555)	(3)	0	(50,876)	(50,667)
Gross profit (loss)	17,085	17,206	3,285	2,853	15,851	16,542	1,396	759	609	460	(3)	0	38,223	37,820
Operating expenses and other income (expenses)	(5,864)	(5,534)	(1,868)	(1,895)	(4,293)	(4,556)	(841)	1,600	(1,734)	(1,739)	(12,480)	(12,284)	(27,080)	(24,408)
Operating income (loss)	11,221	11,672	1,417	958	11,558	11,986	555	2,359	(1,125)	(1,279)	(12,483)	(12,284)	11,143	13,412

Consolidated income (loss) per share

Euro

	1H 2020	1H 2019
Net income (loss) per ordinary share	0.00000	0.42137
Net income (loss) per savings share	0.05936	0.43800

Consolidated Statement of Financial Position

Thousands of euro

	June 30, 2020	December 31, 2019
Property, plant and equipment, net	74,141	70,893
Intangible assets	44,814	45,216
Right of use	3,880	4,617
Securities	130,236	134,673
Other non current assets	14,483	15,775
Current assets	160,485	171,393
Total Assets	428,039	442,567
Shareholders' equity	243,988	252,530
Minority interest in consolidated subsidiaries	0	0
Total Shareholders' Equity	243,988	252,530
Non current liabilities	120,374	122,621
Current liabilities	63,677	67,416
Total Liabilities and Shareholders' Equity	428,039	442,567

Consolidated Net Financial Position

Thousands of euro

	June 30, 2020	March 31, 2020	December 31, 2019
Cash on hands	11	10	11
Cash equivalents	31,212	45,941	48,623
Cash and cash equivalents	31,223	45,951	48,634
Related parties financial assets, current	1	0	1
Securities - short term	70,125	67,767	70,779
Current financial assets	70,126	67,767	70,780
Bank overdraft	(27,066)	(27,282)	(27,195)
Current portion of long term debt	(5,237)	(5,629)	(5,365)
Derivative financial instruments	(40)	(47)	(50)
Other current financial liabilities	(1,679)	(1,889)	(900)
Current financial liabilities for leases	(1,771)	(1,882)	(1,876)
Current financial liabilities	(35,793)	(36,729)	(35,386)
Current net financial position	65,556	76,989	84,028
Related parties financial assets, non current	49	49	49
Securities - long term	130,236	128,129	134,673
Non current financial assets	130,285	128,178	134,722
Long term debt, net of current portion	(98,125)	(99,933)	(100,724)
Non current financial liabilities for leases	(2,072)	(2,436)	(2,710)
Non current financial liabilities	(100,197)	(102,369)	(103,434)
Non current net financial position	30,088	25,809	31,288
Net financial position	95,644	102,798	115,316

Consolidated Cash Flows Statement

Thousands of euro

	1H 2020	1H 2019
Net income (loss) from continued operations	438	8,964
Net income (loss) from discontinued operations	0	176
Current income taxes	2,921	4,626
Change in deferred income taxes	411	1,550
Depreciation, amortization and write down of non current assets	5,311	4,565
Net loss (gain) on disposal of assets	0	(2,272)
Net gain on purification business disposal	0	(176)
Interests and other financial income, net	7,344	(1,815)
Other non-monetary costs	(773)	(519)
	15,652	15,099
Change in operating assets and liabilities	(11,028)	(6,975)
Payments of termination indemnities and similar obligations	(335)	(248)
Financial income received, net of payment of interests	(415)	(60)
Payment of income taxes	(1,094)	(5,535)
Net cash provided by (used by) operating activities	2,780	2,281
Purchase of tangible and intangible assets, net of proceeds from sales	(6,933)	(8,662)
Adjustment on consideration for the purification business disposal	0	(383)
Purchase of securities, net of disinvestments	(1,431)	(100,466)
Income from securities, net of management fees	1,170	877
Advances paid for the purchase of investments	0	(1,100)
Cash flows provided by (used by) investing activities	(7,194)	(109,734)
Proceeds from debts, net of repayments	(1,981)	89,533
Interests on financing receivables from related parties	1	1
Dividends paid	(9,198)	(16,580)
Interests and other expenses paid on loans	(654)	(115)
Repayment of financial liabilities for leased assets (interests included)	(1,130)	(700)
Purchase of treasury shares and related accessory costs	0	(93,382)
Other financial liabilities/assets	21	17
Cash flows provided by (used by) financing activities	(12,941)	(21,226)
Effect of exchange rate differences	23	150
Increase (decrease) in cash and cash equivalents	(17,332)	(128,529)
Cash and cash equivalents at the beginning of the period	48,521	170,395
Cash and cash equivalents at the end of the period	31,189	41,866

Actuator Solutions - SAES Group interest (50%)

Thousands of euro

Actuator Solutions	June 30, 2020	December 31, 2019
Statement of financial position	50%	50%
Non current assets	3,246	3,488
Current assets	1,698	1,343
Total Assets	4,944	4,831
Non current liabilities	4,444	4,625
Current liabilities	3,110	3,176
Total Liabilities	7,554	7,801
Capital Stock, Reserves and Retained Earnings	(2,970)	(1,553)
Net income (loss) for the period	358	(1,408)
Other comprehensive income (loss) for the period (*)	2	(9)
Total Equity	(2,610)	(2,970)

(*) Currency translation differences arising from the conversion in euro of the financial statements of Actuator Solutions Taiwan Co., Ltd. in liquidation and Actuator Solutions (Shenzhen) Co., Ltd. in liquidation.

Actuator Solutions	1H 2020	1H 2019
Statement of profit or loss	50%	50%
Total net sales	3,940	5,488
Cost of sales	(2,863)	(4,472)
Gross profit	1,077	1,016
Total operating expenses	(645)	(1,047)
Other income (expenses), net	82	(171)
Operating income (loss)	514	(202)
Interests and other financial income, net	(152)	(147)
Foreign exchange gains (losses), net	(12)	(25)
Income taxes	8	(1)
Net income (loss)	358	(375)
Exchange differences	2	10
Total comprehensive income (loss) for the period	360	(365)

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

Thousands of euro

SAES RIAL Vacuum S.r.l.	June 30, 2020	December 31, 2019
Statement of financial position	49%	49%
Non current assets	323	325
Current assets	1,488	983
Total Assets	1,811	1,308
Non current liabilities	190	192
Current liabilities	1,147	665
Total Liabilities	1,337	857
Capital Stock, Reserves and Retained Earnings	451	249
Net income (loss) for the period	23	198
Other comprehensive income (loss) for the period (*)	0	4
Total Equity	474	451

(*) Actuarial differences on the employee severance indemnities (TFR), according to the IAS 19.

SAES RIAL Vacuum S.r.l.	1H 2020	1H 2019
Statement of profit or loss	49%	49%
Total net sales	868	578
Cost of sales	(715)	(476)
Gross profit	153	102
Total operating expenses	(127)	(95)
Other income (expenses), net	11	19
Operating income (loss)	37	26
Interests and other financial income, net	(7)	(7)
Foreign exchange gains (losses), net	0	0
Income taxes	(7)	(4)
Net income (loss)	23	15
Actuarial gain (loss) on defined benefit plans, net of taxes	0	0
Totale comprehensive income (loss) for the period	23	15

Flexterra - SAES Group interest (46.73%)

Thousands of euro

Flexterra	June 30, 2020	December 31, 2019
Statement of financial position	46.73%	46.73%
Non current assets	6,503	6,837
Current assets	563	1,261
Total Assets	7,066	8,098
Non current liabilities	66	92
Current liabilities	179	255
Total Liabilities	245	347
Capital Stock, Reserves and Retained Earnings	7,595	9,465
Reserve for stock options plan	158	156
Net income (loss) for the period	(945)	(2,031)
Other comprehensive income (loss) for the period (*)	13	161
Total Equity	6,821	7,751

(*) Currency translation differences arising from the conversion in euro of the financial statements of Flexterra, Inc. and of Flexterra Taiwan Co., Ltd.

Flexterra	1H 2020	1H 2019
Statement of profit or loss	46.73%	46.73%
Total net sales	23	6
Cost of sales	(13)	(1)
Gross profit	10	5
Total operating expenses	(996)	(1,055)
Other income (expenses), net	0	0
Operating income (loss)	(986)	(1,050)
Interests and other financial income, net	(4)	1
Foreign exchange gains (losses), net	35	(20)
Income taxes	10	11
Net income (loss)	(945)	(1,058)
Exchange differences	13	79
Total comprehensive income (loss) for the period	(932)	(979)

Total statement of profit or loss of the Group

Thousands of euro

	1H 2020							
	Consolidated profit or loss	50% Actuator Solutions	Intercory eliminations & other adjustments	49% SAES RIAL Vacuum S.r.l.	Intercory eliminations & other adjustments	46.73% Flexterra	Intercory eliminations & other adjustments	Total profit or loss of the Group
Total net sales	89,099	3,940	(144)	868	(264)	23		93,522
Cost of sales	(50,876)	(2,863)	144	(715)	264	(13)		(54,059)
Gross profit	38,223	1,077	0	153	0	10	0	39,463
% on sales	42.9%							42.2%
Total operating expenses	(26,326)	(645)		(127)		(996)	38	(28,056)
Other income (expenses), net	(754)	82		11		0		(661)
Operating income (loss)	11,143	514	0	37	0	(986)	38	10,746
% on sales	12.5%							11.5%
Interest and other financial income, net	(6,460)	(152)	120	(7)		(4)		(6,504)
Income (loss) from equity method evaluated companies	(884)		0		(23)		907	0
Foreign exchange gains (losses), net	(29)	(12)		0		35		(6)
Income (loss) before taxes	3,770	350	120	30	(23)	(955)	945	4,237
Income taxes	(3,332)	8		(7)		10		(3,321)
Net income (loss) from continued operations	438	358	120	23	(23)	(945)	945	916
Income (loss) from assets held for sale and discontinued operations	0							0
Net income (loss) before minority interest	438	358	120	23	(23)	(945)	945	916
Net income (loss) pertaining to minority interest	0							0
Net income (loss) pertaining to the Group	438	358	120	23	(23)	(945)	945	916

Reclassification of the income statement figures of the first half of 2019

Thousands of euro

	Metallurgy Division			Vacuum Technology Division			Medical Division			Specialty Chemicals Division			Advanced Packaging Division			Not Allocated			TOTAL		
	1H 2019	Reclass.	1H 2019 reclassified	1H 2019	Reclass.	1H 2019 reclassified	1H 2019	Reclass.	1H 2019 reclassified	1H 2019	Reclass.	1H 2019 reclassified	1H 2019	Reclass.	1H 2019 reclassified	1H 2019	Reclass.	1H 2019 reclassified	1H 2019	Reclass.	1H 2019 reclassified
Total net sales	42,200	(8,983)	33,217	0	5,522	5,522	41,272	0	41,272	0	3,461	3,461	5,015	0	5,015	0	0	0	88,487	0	88,487
Cost of sales	(21,382)	5,371	(16,011)	0	(2,669)	(2,669)	(24,730)	0	(24,730)	0	(2,702)	(2,702)	(4,555)	0	(4,555)	0	0	0	(50,667)	0	(50,667)
Gross profit (loss)	20,818	(3,612)	17,206	0	2,853	2,853	16,542	0	16,542	0	759	759	460	0	460	0	0	0	37,820	0	37,820
Operating expenses and other income (expenses)	(8,104)	2,570	(5,534)	0	(1,895)	(1,895)	(4,556)	0	(4,556)	0	1,600	1,600	(1,739)	0	(1,739)	(10,009)	(2,375)	(12,284)	(24,408)	0	(24,408)
Operating income (loss)	12,714	(1,042)	11,672	0	958	958	11,986	0	11,986	0	2,359	2,359	(1,279)	0	(1,279)	(10,009)	(2,275)	(12,284)	13,412	0	13,412