Milan, 15 March 2023

Italian Equity Research – FY22 Results

SAES GETTERS

OUTPERFORM

Sector: Industrials

Price: Eu32.00 - **Target: Eu39.00**

Solid FY22 Results in Line with Estimates

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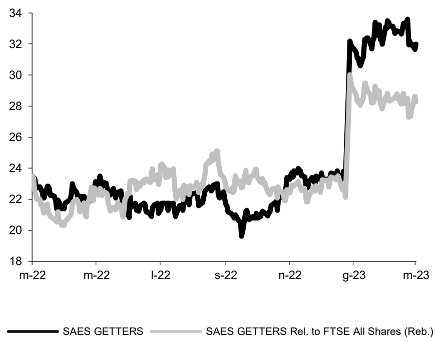
Stock Rating			
Rating:			Unchanged
Target Price (Eu):			Unchanged
	2023E	**2024E**	**2025E**
Chg in Adj EPS	0.0%	0.0%	

SAES GETTERS - 12M Performance



Stock Data			
Reuters code:			SAEI.MI
Bloomberg code:			SG IM
Performance	**1M**	**3M**	**12M**
Absolute	-3.0%	35.0%	36.2%
Relative	-0.4%	26.3%	23.1%
12M (H/L)			33.60/19.64
3M Average Volume (th):			32.46

Shareholder Data	
No. of Ord shares (mn):	15
Total no. of shares (mn):	15
Mkt Cap Ord (Eu mn):	469
Total Mkt Cap (Eu mn):	669
Mkt Float - Ord (Eu mn):	183
Mkt Float (in %):	39.0%
Main Shareholder:	
S.G.G. Holding	34.4%

Balance Sheet Data	
Book Value (Eu mn):	279
BVPS (Eu):	12.66
P/BV:	2.5
Net Financial Position (Eu mn):	82
Enterprise Value (Eu mn):	587

- **FY22 results in line with estimates.** SAES reported solid 4Q22 results, which were broadly in line with estimates. In FY22, sales were up 32% YoY (organic +18%, scope +4%, ForEx +10%) to Eu250mn, with SAES Medical growing 41% YoY (+26% organic), SAES High Vacuum growing 64% YoY (+35% scope), and SAES Packaging sales more or less doubling vs. FY21 to Eu11mn. Gross profit grew 37% YoY to Eu111mn (44.2% margin vs. 42.6% in FY21), EBITDA grew 60% YoY to Eu57mn (22.7% margin vs. 18.7% in FY21) including Eu5mn in one-off costs, net profit was broadly stable YoY at Eu12mn after a Eu16mn impact from the non-cash MtM of securities in the portfolio. The net cash position as at end-December was Eu64mn, up Eu11mn vs. 9M22. Proposed dividend to be paid on 10 May (ex-div. date 8 May) is Eu0.55 per ordinary share and Eu0.761464 per savings share, vs. Eu0.47 for both share classes in FY21. In the first two months of 2023, sales were up 4.4% (we expect +6.9% in FY23 including Medical).
- **Closing of medical business disposal likely in April.** On 9 January SAES revealed it had entered into a binding agreement with US company Resonetics (owned by PE funds Carlyle and GTCR) for the sale of its Nitinol/Medical business. The agreed price of US$900mn (Eu857mn), 17x EV/EBITDA, will be paid in cash at closing. The net cash-in for the company will be Eu720mn after Eu135mn in costs and no taxes. The transaction is subject to US Antitrust clearance. Our understanding is that the overlap with Resonetics in medical SMAs is negligible, and closing is likely to happen in early April (the US Antitrust has until the end of March to respond). With the divestiture of the medical/Nitinol business, SAES will become a company with c.Eu800mn in net cash (Eu720mn from the SAES Medical disposal plus existing cash) and a residual industrial scope with sales of c.Eu130mn, EBITDA of c.Eu10mn (heavy corporate structure), and slightly positive EBIT (pro-forma FY22 EBIT negative for Eu3mn after Eu5mn one-offs). Once the transaction is closed, management will update the market about the capital allocation strategy, involving cash being returned to shareholders and cash to be held within SAES for the M&A needed to open a new industrial cycle. Targeted sectors are vacuum technology, advanced packaging, chemicals. We think SAES can rely on its 80+ years of expertise in getters, vacuum technology, and advanced materials, and it is in its DNA to find new applications for its technology, with M&A used to enter new markets.
- **Estimates and TP Eu39.0 unchanged.** Ahead of closing of the medical business disposal, we confirm our estimates, valuation, and TP of Eu39.0.

Key Figures & Ratios	2019A	2020A	2021A	2022A	2023E
Sales (Eu mn)	182	169	190	250	266
EBITDA Adj (Eu mn)	37	27	36	57	64
Net Profit Adj (Eu mn)	20	5	13	29	33
EPS New Adj (Eu)	0.893	0.217	0.593	1.299	1.499
EPS Old Adj (Eu)	0.893	0.217	0.593	1.322	1.500
DPS (Eu)	0.500	0.400	0.470	0.550	0.550
EV/EBITDA Adj	9.3	13.6	10.8	6.6	9.2
EV/EBIT Adj	12.7	22.8	17.3	9.2	11.9
P/E Adj	35.8	nm	54.0	24.6	21.3
Div. Yield	1.6%	1.3%	1.5%	1.7%	1.7%
Net Debt/EBITDA Adj	-3.2	-3.6	-2.1	-1.1	-1.3