

SAES GETTERS

Sector: Industrials

OUTPERFORM

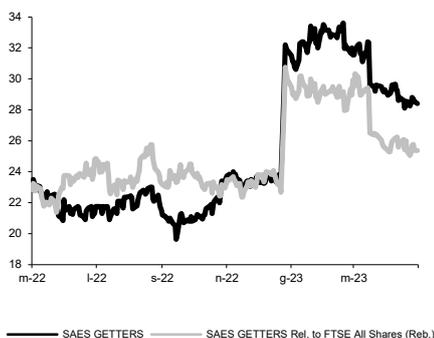
Price: Eu28.55 - Target: Eu39.00

Some softness in 1Q23. Focus on saving shares conversion

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

SAES GETTERS - 12M Performance



Stock Data			
Reuters code:	SAEI.MI		
Bloomberg code:	SG IM		
Performance	1M	3M	12M
Absolute	-2.4%	-10.8%	25.2%
Relative	-1.3%	-10.8%	10.5%
12M (H/L)	33.60/19.64		
3M Average Volume (th):	18.51		

Shareholder Data	
No. of Ord shares (mn):	15
Total no. of shares (mn):	15
Mkt Cap Ord (Eu mn):	419
Total Mkt Cap (Eu mn):	626
Mkt Float - Ord (Eu mn):	163
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:	2.3
Net Financial Position (Eu mn):	82
Enterprise Value (Eu mn):	544

■ **1Q23 results in line, with some softness at industrial (ex Nitinol) businesses.** SAES 1Q23 results showed some softness at industrial businesses ex Nitinol (in particular Chemicals, Packaging), partly anticipated by the weak sales trend of Jan-Feb already disclosed (+4.4% YoY and +0.7% ex ForEx). In 1Q23, sales were Eu60mn vs. Eu61mn expected, rising +1.7% YoY or -3.8% ex ForEx. Gross profit was Eu27mn with the margin up 30bps YoY to 44.3%. EBITDA was Eu11mn (18.1% margin) vs. Eu12mn expected and includes Eu2mn in one-offs related to the announced transaction with Resonetics at the Medical business; on a clean basis, the EBITDA margin was stable YoY at 23%. Net profit of Eu5mn (Eu4mn expected) vs. Eu2mn in 1Q22 includes Eu2mn of non-cash income from mark to market of financial investments. The net cash position was stable vs. FY22 at Eu64mn after a Eu7mn increase in working capital, mainly at the Medical business. The company provided the following pro-forma figures for SAES's 1Q23 perimeter ex Nitinol: sales Eu28mn (-10% YoY), EBITDA at breakeven, EBIT loss Eu3mn, net loss Eu2mn.

■ **Confidence on improving trends.** In 1Q23, sales at SAES Medical were up 14% (+9% organic) to Eu32mn, while the industrial perimeter ex Nitinol (SAES Industrial, SAES High Vacuum, SAES Chemicals, SAES Packaging) reported a 10% YoY decline in sales to Eu28mn. This was driven by Chemicals (-44% YoY to Eu2mn) and Packaging (-56% YoY to Eu2mn), while SAES Industrial was up 4% to Eu19mn (strong industrial SMAs), and sales of SAES High Vacuum were stable at Eu7mn (consolidation of SAES Rial compensated lower sales vs. a particularly strong 1Q22). Management expressed confidence on improving operating trends in coming months. We note exposure to defensive businesses and growing industrial SMAs at SAES industrial, the positive outlook (and exposure to fusion energy) of High Vacuum (ca. Eu40mn sales in FY24e from ca. Eu30mn in FY22), the expected improvement at Chemicals, and the slow take-up at Packaging. We think SAES's industrial perimeter has significant growth potential.

■ **Estimates unchanged.** Our estimates point to FY23 sales of Eu266mn (+6% YoY with SAES ex Nitinol growing ca. +4%), EBITDA of Eu64mn (before costs associated with the transaction with Resonetics) vs. Eu57mn in FY22, adj. net profit of Eu33mn.

■ **Focus on saving shares conversion.** Management said it was working hard to complete the extraordinary transaction on saving shares (voluntary partial tender offer on 18.5% of savings at Eu29.31 per share and 1:1 mandatory conversion into ordinary shares), with an EGM and a special meeting of savings shareholders to be held on 31 May. We think the transaction is a valuation catalyst for the stock (rationalize the capital structure, standardize the right of all shareholders, increase the free-float, EPS accretive). No additional info on the transaction with Resonetics on the Nitinol business, expected to close by year-end.

Key Figures & Ratios	2020A	2021A	2022A	2023E	2024E
Sales (Eu mn)	169	190	250	266	289
EBITDA Adj (Eu mn)	27	36	57	64	71
Net Profit Adj (Eu mn)	5	13	29	33	38
EPS New Adj (Eu)	0.217	0.593	1.299	1.499	1.720
EPS Old Adj (Eu)	0.217	0.593	1.299	1.499	1.720
DPS (Eu)	0.400	0.470	0.550	0.550	0.550
EV/EBITDA Adj	13.6	10.8	6.6	8.6	4.5
EV/EBIT Adj	22.8	17.3	9.2	11.0	5.6
P/E Adj	nm	48.1	22.0	19.0	16.6
Div. Yield	1.4%	1.6%	1.9%	1.9%	1.9%
Net Debt/EBITDA Adj	-3.6	-2.1	-1.1	-1.3	-1.4