

SAES GETTERS

Sector: Industrials

OUTPERFORM

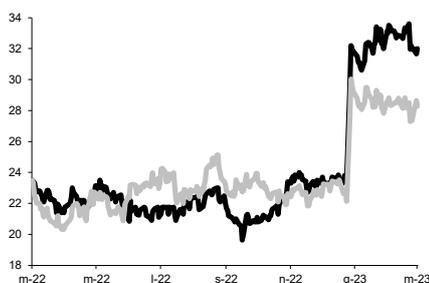
Price: Eu32.00 - Target: Eu39.00

SAES Saving Share Conversion: a Market-Friendly Deal

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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	-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

■ **Voluntary partial tender offer on 18.5% of savings shares and 1:1 mandatory conversion into ordinary shares.** The BoD has approved the guidelines of a single transaction that envisages:

1. a voluntary partial tender offer promoted by the company on 1,364,721 savings shares (18.5% of savings) at Eu29.31 per share, implying a 17% premium vs. the last closing price and a 25% premium vs. the 6-month average, and in line with the ordinary share price on the same date (25 April). The offer price is ex-dividend of Eu0.76 per share, to be paid on 10 May. Price cum dividend is Eu30.07.
2. the mandatory conversion of saving shares not purchased through the voluntary tender offer into ordinary shares of the company based on a 1:1 conversion ratio. Taking into account the 1,364,721 saving shares subject to VTO that will be cancelled, the mandatory conversion will be implemented through the use of 3.9mn ordinary treasury shares owned by the company and, for the remainder, through the issue of 2,113,898 ordinary shares. Total shares outstanding will therefore decrease by 23.8% (5.26mn) from the current 22.05mn to 16.79mn post-transaction.

The VTO and the mandatory conversion are components of a single transaction that will be performed contemporaneously. In particular, the purchase (and cancellation) of savings shares proposed for the approval of the ordinary shareholders' meeting is subject to the approval of the 1:1 conversion by the extraordinary shareholders' meeting, and this resolution is subject to the approval of the special meeting of savings shareholders (withdrawal right at Eu21.46 per share). The ordinary and extraordinary shareholders' meeting, as well as the special meeting of the savings shareholders, will be held on 31 May.

■ **Rationale.** The transaction is aimed at improving and simplifying the structure of the company's share capital, increasing the liquidity and free float of ordinary shares, and standardising the rights of all shareholders, which should benefit the stock. As 3.9mn ordinary treasury shares (17.7% of current shares outstanding) will be used in the conversion, the transaction is EPS/DPS accretive.

■ **A market-friendly deal.** The proposed transaction is market-friendly and value-enhancing, in our view. The purchase of saving shares is financially the best option to use the cash available (SAES has c.Eu70mn in net cash before the disposal of the medical business, expected by year-end), and the transaction is 30% EPS-accretive, as it will reduce the number of shares outstanding by 5.26mn. The deal is also value-enhancing from an ESG perspective, as it simplifies the capital structure. For the time being, we are leaving our TP for ordinary shares unchanged at Eu39, while moving the TP on savers to Eu37.2 (Eu39 TP of ord. with 18.5% of the position tendered at Eu29.31) from Eu31 previously (20% discount to ord.).

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