

SOL GROUP

PRESS RELEASE

FIRST HALF 2020 RESULTS

The Board of Directors has approved the First Half 2020 results.

Consolidated Sales € 471.8 ml (+5.8% vs 1H 2019, € 445.8 ml)
EBITDA € 120.3 ml being 25.5% on sales (€ 101.8 ml at 1H 2019)
EBIT € 62.3 ml being 13.2% on sales (€ 45.2 ml at 1H 2019)
Net Profit € 38.3 ml (25.2 ml at 1H 2019)

These are the highlights disclosed in the First Half 2020 results approved earlier today by the Board of Directors of SOL S.p.A., a listed company on the Italian Stock Exchange that acts as holding company to an Italian multinational group, with more than 4,300 employees, involved in the area of technical gases and home-care assistance, operating in Europe, Turkey, Morocco, India and Brazil.

The first half of 2020 was characterized by the worldwide spread of the Coronavirus pandemic (COVID-19) which, started in China, subsequently spread to Europe and other continents.

The pandemic has caused enormous public health problems and has caused a vertical drop in industrial production and GDP in virtually every country in the world. The expected decline in GDP is 4% worldwide and well over 8% in the Euro area. The greatest impact occurred in the second quarter, when the most restrictive measures to contain the epidemic were adopted in various countries. It is believed that a recovery in GDP is expected in the second half of 2020, although the return to pre-crisis levels may take a long time and the scenario remains very uncertain, as the scale, duration and geographical extent of the crisis they change every day.

Due to the pandemic, the SOL Group has been subjected for several months to an enormous effort in organizational and logistical terms to guarantee continuity of supply to all its customers and, in particular, to cope with the increase in requests for supply of medical oxygen to hospitals and the administration of home services to patients. All Group companies have taken the necessary measures to safely manage production, distribution and service activities, with particular regard to safeguarding the health of their employees, customers, patients and external collaborators.

The negative effect of the COVID-19 pandemic occurred in most industrial sectors, with particularly significant consequences in the transport, petrochemical, metallurgical and automotive sectors, significantly impacting sales of technical gases, which recorded a reduction especially during the second quarter. In the healthcare sector, on the other hand, in which the SOL Group achieves approximately 65% of its sales, it was necessary, in the most critical period of the pandemic, to cope with significant peaks in demand, both in terms of medical gases and plants and services, in hospitals and at patients' homes. In the home care sector, together with the demand for more services in the respiratory area, during the months of the health crisis there was a slowdown in the growth of new prescriptions and therefore of new patients, due to the effects of lock-downs in various countries in which the Group operates.

In the context highlighted, the Sol Group achieved an increase in sales of 5.8% (4.5% on a constant basis) compared to the first half of 2019. Sales in the second quarter are slightly higher than in the first (+0.3 %), and up by 3.5% compared to the corresponding period last year. The half-year result is positive both in Italy, where sales grew by 3.5%, and abroad, where there was an increase of 7.7%. With reference to the two business areas of the Group, the Technical Gas Division reported a 1.3% reduction in

turnover, while for the Home Care Division, where the Group operates through Vivisol, sales increased by 12.1%, partly thanks to the acquisitions finalized in 2019.

The increase in profit margins compared to the first half of 2019 is mainly linked to the strong containment of operating expenses, also due to the lower activities in the area and the postponement of maintenance, promotional and management activities following the limitations on movement imposed by the health emergency.

Consolidated Net Profit was € 38.3 million, equal to 8.1% of turnover, up compared to € 25.2 million at 30 June 2019. Consolidated operating cash flow was € 95.0 million, equal to 20.1% of turnover.

From a financial point of view, the net financial debt, equal to € 294.5 million, of which € 47.3 for rents, remained substantially unchanged compared to the end of 2019, against investments made in the half year for € 54.9 million and dividend payments of € 18.2 million. The "Net debt / Equity" ratio is 0.49 (0.59 at 30 June 2019).

There are no relevant events occurred after June 30, 2020.

All the countries in which the SOL Group operates are still affected by government measures put in place following the emergency resulting from the spread of the COVID-19 virus.

"We consider in a positive way the results achieved in the first semester of 2020," affirmed Marco Annoni, Vice-President of SOL S.p.A. "which confirm the SOL Group's solidity and ability to react despite an extremely difficult economic situation, which we hope will be resolved in the coming months".

"For 2020 - concluded Aldo Fumagalli Romario, President of SOL S.p.A. - compatibly with the evolution of the pandemic from COVID-19 and the related restrictions imposed, the SOL Group will continue in its investment programs aimed at supporting development, internationalization, diversification and innovation, with the aim of achieving a sales growth and to keep profitability at good levels".

Pursuant to paragraph 2 of Article 154-bis of the Unified Finance Act of February 24, 1998, the manager responsible for preparing the financial reports Marco Filippi declares that the accounting information contained in this press release corresponds to the results documented in the books, accounting and other records.

Monza, September 10th, 2020

SOL Group - Consolidated income statement

(Thousands Euro)

	30/06/2020	%	30/06/2019	%
Net sales	471,803	100.0%	445,785	100.0%
Other revenues and proceeds	4,373	0.9%	3,551	0.8%
Internal works and collections	6,491	1.4%	6,202	1.4%
Revenues	482,667	102.3%	455,539	102.2%
Purchase of materials	123,783	26.2%	109,398	24.5%
Services rendered	133,714	28.3%	132,691	29.8%
Change in inventories	(13,877)	-2.9%	(1,331)	-0.3%
Other expenses	11,958	2.5%	11,564	2.6%
Total costs	255,578	54.2%	252,321	56.6%
Added value	227,090	48.1%	203,217	45.6%
Payroll and related costs	106,810	22.6%	101,444	22.8%
EBITDA	120,280	25.5%	101,773	22.8%
Depreciation & amortization	54,636	11.6%	51,904	11.6%
Other provisions	3,348	0.7%	4,675	1.0%
Non recurring (Income) / Charges	0	0.0%	0	0.0%
EBIT	62,296	13.2%	45,194	10.1%
Financial income	1,116	0.2%	1,296	0.3%
Financial expense	(5,960)	-1.3%	(5,601)	-1.3%
Result of investments	(97)	0.0%	9	0.0%
Net financial Income / (Charges)	(4,941)	-1.0%	(4,295)	-1.0%
PBT	57,355	12.2%	40,899	9.2%
Tax on profit	17,029	3.6%	14,554	3.3%
Net profit from ongoing operations	40,326	8.5%	26,345	5.9%
Net profit from discontinuous operations	0	0.0%	0	0.0%
Minorities	(2,052)	-0.4%	(1,105)	-0.2%
Net profit	38,274	8.1%	25,240	5.7%
EPS	0.422	0.0%	0.278	0.0%

SOL Group - Statement of financial position

(Thousands Euro)

	30/06/2020	31/12/2019
Tangible assets	535,949	534,124
Goodwill and consolidation differences	134,777	134,838
Other intangible assets	17,692	17,072
Equity investments	16,784	17,535
Other financial assets	8,759	8,321
Tax advances	7,077	6,909
NON CURRENT ASSETS	721,037	718,800
Non current assets held for sale	0	0
Inventories	62,843	49,476
Trade receivables	283,191	280,145
Other current assets	36,283	28,664
Current financial assets	7,985	8,009
Cash and banks	162,910	169,326
CURRENT ASSETS	553,212	535,620
TOTAL ASSETS	1,274,249	1,254,419
Share capital	47,164	47,164
Share premium reserve	63,335	63,335
Legal reserve	10,459	10,459
Reserve for treasury shares in portfolio	0	0
Other reserves	415,173	388,072
Retained earnings	2,854	2,195
Net profit	38,274	49,338
Shareholders' equity - Group	577,259	560,563
Minorities	17,109	16,277
Net income attributable to minority shareholders	2,052	3,079
Shareholders' equity - minority interests	19,161	19,356
SHAREHOLDERS' EQUITY	596,420	579,919
Employee benefits	17,024	17,308
Provision for deferred tax liabilities	3,592	3,477
Provision for risks and charges	991	1,118
Payables and other financial liabilities	390,150	400,805
NON CURRENT LIABILITIES	411,756	422,709
Non current liabilities held for sale	0	0
Due to banks	1,490	1,345
Trade accounts	113,413	108,494
Current financial liabilities	76,731	69,458
Taxes payables	16,862	15,737
Other current liabilities	57,575	56,757
CURRENT LIABILITIES	266,072	251,791
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	1,274,249	1,254,419