

SOL GROUP

PRESS RELEASE

2017 FULL YEAR CONSOLIDATED RESULTS

Sales: € 756.8 ml (+7.6%)
EBITDA: € 167.2 ml (-0.2%) equal to 22.1% on sales
EBIT: € 76.2 ml (-5.8%) equal to 10.1% on sales
Net Profit: € 40.2 ml (-8.8%) equal to 5.3% on sales

Proposed dividend of € 0.15 per share (€ 0.15 in 2016)

The Board of Directors of SOL S.p.A. approved the 2017 consolidated results.

Consolidated Sales € 756.8 ml (+7.6% vs € 703.4 ml in 2016), EBITDA € 167.2 ml (22.1% on sales), EBIT € 76.2 ml (10.1% on sales), Consolidated Net Profit of € 40.2 ml (5.3% on sales).

These are highlights of the consolidated figures approved today by the Board of Directors of SOL S.p.A., a company listed on the Italian Stock Exchange that acts as holding company of a multinational group, with more than 3,500 employees, primarily involved in the business of technical gases and home-care assistance, operating in Europe, Turkey, Morocco, Brazil and India.

At the upcoming Shareholders' meeting, called for May 11, 2018 in Monza, the company's Board of Directors will propose distribution of a dividend of € 0.15 per ordinary share (€ 0.15 in 2016), to be paid starting from May 23, 2018.

In a climate of moderate economic recovery, Sol Group achieved an excellent growth of € 53.4 ml (+7.6%) in sales volume compared to the prior year, maintaining the EBITDA at the same level of 2016.

In comparison with 2016, the sales increased either abroad (+9.8%), which represent 54.0% of the total sales, and in Italy, where they marked a growth of 5.1%.

With reference to the sales volumes of the two business of the Group, the Technical Gases Division showed an increase of 7.3%, whereas the Home Care Division, where the Group operates through VIVISOL, achieved a growth of 7.9%.

EBITDA was at the same considerable level of 2016 despite the reduction of the production of the hydro electric energy due to the high drought in the year and higher direct and indirect costs due to unexpected stops of some gas production plants.

EBIT (€ 76.2 ml, equal to 10.1% on sales) and the Consolidated Net Profit (€ 40.2 ml, equal to 5.3 on sales) showed a slight decrease, considering higher depreciation costs of € 3.3 ml compared with 2016.

The capital expenditures of the Group were € 93.7 ml (CAPEX 12.4%) and the Operating Consolidated Cash Flow amounted to € 127.3 ml.

The total Net Debt was € 254.6 ml (€ 231.4 at the end of 2016) and the Net Debt / Equity ratio was equal to 50.4%.

The Holding Company SOL S.p.A. registered a turnover of € 220.9 ml (+5.8% v/s 2016) and a Net Profit of € 17.6 ml (€ 20.2 ml in 2016).

"We consider in a substantially positive way the results achieved in 2017" affirmed Marco Annoni, Vice-President of SOL S.p.A. "which confirm the capacity of development of SOL Group in a rapidly changing economic context".



“In the year 2018 “concluded Aldo Fumagalli Romario, President of SOL S.p.A “we’ll continue the investments and acquisitions program to sustain the development, the diversification and the innovation to pursue the growth of the sales, maintaining the profitability of the Group at a good level”.

Pursuant to paragraph 2 of Article 154-bis of the Unified Financial 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.

Enclosure: Consolidated Income Statement and Statement of Financial Position.

Monza, March 29th, 2018

SOL Group – Profit and loss account

(Thousands Euro)

	31/12/2017	%	31/12/2016	%
Net sales	756,807	100.0%	703,369	100.0%
Other revenues and proceeds	8,190	1.1%	6,189	0.9%
Internal works and collections	11,427	1.5%	11,339	1.6%
Revenues	776,424	102.6%	720,897	102.5%
Purchase of materials	186,945	24.7%	162,417	23.1%
Services rendered	230,043	30.4%	214,959	30.6%
Change in inventories	(4,920)	-0.7%	(1,994)	-0.3%
Other expenses	30,892	4.1%	28,569	4.1%
Total costs	442,961	58.5%	403,951	57.4%
Added value	333,463	44.1%	316,946	45.1%
Payroll and related costs	166,230	22.0%	149,354	21.2%
EBITDA	167,232	22.1%	167,592	23.8%
Depreciation & amortization	85,107	11.2%	81,758	11.6%
Other provisions	5,971	0.8%	4,920	0.7%
Non recurring (Income) / Charges	-	0.0%	44	0.0%
EBIT	76,154	10.1%	80,871	11.5%
Financial income	2,887	0.4%	2,789	0.4%
Financial expense	(11,548)	-1.5%	(13,691)	-1.9%
Result of investments	(632)	-0.1%	(169)	0.0%
Net financial Income / (Charges)	(9,292)	-1.2%	(11,072)	-1.6%
PBT	66,862	8.8%	69,799	9.9%
Tax on profit	24,641	3.3%	24,075	3.4%
Net profit from ongoing operations	42,221	5.6%	45,724	6.5%
Net profit from discontinuous operations	-	0.0%	-	0.0%
Minorities	(1,982)	-0.3%	(1,599)	-0.2%
Net profit	40,239	5.3%	44,125	6.3%
EPS	0.444		0.486	

SOL Group - Statement of financial position

(Thousands Euro)

	31/12/2017	31/12/2016
Tangible assets	462,903	451,214
Goodwill and consolidation differences	84,377	60,233
Other intangible assets	15,892	13,347
Equity investments	13,102	10,808
Other financial assets	12,653	19,558
Tax advances	8,333	7,714
NON CURRENT ASSETS	597,261	562,874
Non current assets held for sale	-	-
Inventories	46,450	40,924
Trade receivables	260,108	247,934
Other current assets	34,864	36,477
Current financial assets	4,126	7,847
Cash and banks	117,175	119,674
CURRENT ASSETS	462,723	452,855
TOTAL ASSETS	1,059,985	1,015,730
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	-	-
Other reserves	327,221	304,988
Retained earnings	1,895	1,974
Net profit	40,239	44,125
Shareholders' equity - Group	490,314	472,045
Minorities	13,588	15,791
Net income attributable to minority shareholders	1,982	1,599
Shareholders' equity - minority interests	15,570	17,390
SHAREHOLDERS' EQUITY	505,884	489,435
Employee benefits	15,351	15,417
Provision for deferred tax liabilities	3,314	5,387
Provision for risks and charges	861	828
Payables and other financial liabilities	334,137	334,354
NON CURRENT LIABILITIES	353,664	355,986
Non current liabilities held for sale	-	-
Due to banks	2,035	1,985
Trade accounts	105,494	91,428
Current financial liabilities	43,647	37,600
Taxes payables	10,963	10,001
Other current liabilities	38,298	29,294
CURRENT LIABILITIES	200,437	170,308
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	1,059,985	1,015,730