

SOL GROUP

PRESS RELEASE

2016 FULL YEAR CONSOLIDATED RESULTS

Sales: € 703.4 ml (+4.3%)
EBITDA: € 167.6 ml (+12.9%)
EBIT: € 80.9 ml (+23.3%)
Net Profit: € 44.1 ml (+36.0%)

Proposed dividend of € 0.15 per share (€ 0.12 in 2015)

The Board of Directors of SOL S.p.A. approved the 2016 consolidated results.

Consolidated Sales € 703.4 ml (+4.3% vs € 674.2 ml in 2015), EBITDA € 148.4 ml (23.8% on sales), EBIT € 65.6 ml (11.5% on sales), Consolidated Net Profit of € 44.1 ml (€ 32.4 ml in 2015).

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 3,100 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, 2017 in Monza, the company's Board of Directors will propose distribution of a dividend of € 0.15 per ordinary share (€ 0.12 in 2015), to be paid starting from May 24, 2017.

In a climate of moderate economic recovery, market volatility and uncertainty about the prices of raw materials, Sol Group achieved a growth of 4.3 % in sales volume compared to the prior year with a good improvement of the profitability ratios.

In comparison with 2015, the sales increased either abroad (+6.5%), which represent 52.9% of the total sales, and also in Italy, where they marked a growth of 2.0%.

With reference to the sales volumes of the two business of the Group, the Technical Gases Division showed an increase of 2.7%, whereas the Home Care Division, where the Group operates through VIVISOL, achieved a growth of 5.9%.

EBITDA and EBIT improved and marked a good growth of 12.9% and 23.3% respectively, compared with 2015.

The Consolidated Net Profit stood at € 44.1 ml, with an increase of 36.0% compared to the prior year.

The capital expenditures of the Group were € 98.4 ml (CAPEX 14.0%) and the Operating Consolidated Cash Flow amounted to € 127.5 ml.

The total Net Debt was € 231.4 ml, at the same level of 12/31/2015, and the Net Debt / Equity ratio was equal to 47.3%.

The Holding Company SOL S.p.A. registered a turnover of € 208.7 ml (-0.6% v/s 2015) and a Net Profit of € 20.2 ml (€ 15.2 ml in 2015).

“We consider positive the results achieved in 2016” affirmed Marco Annoni, Vice-President of SOL S.p.A. “The results confirm the capacity of development of SOL Group in a complex and uncertain economic environment”.

“In the year 2017” concluded Aldo Fumagalli Romario, President of SOL S.p.A “we’ll continue the investments and acquisitions program sustaining 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 29, 2017

SOL Group – Profit and loss account

(Thousands Euro)

	31/12/2016	%	31/12/2015	%
Net sales	703,369	100.0%	674,216	100.0%
Other revenues and proceeds	6,189	0.9%	4,942	0.7%
Internal works and collections	11,339	1.6%	14,397	2.1%
Revenues	720,897	102.5%	693,555	102.9%
Purchase of materials	162,417	23.1%	167,211	24.8%
Services rendered	214,959	30.6%	208,540	30.9%
Change in inventories	(1,994)	-0.3%	(3,559)	-0.5%
Other expenses	28,569	4.1%	30,824	4.6%
Total costs	403,951	57.4%	403,016	59.8%
Added value	316,946	45.1%	290,539	43.1%
Payroll and related costs	149,354	21.2%	142,130	21.1%
EBITDA	167,592	23.8%	148,409	22.0%
Depreciation & amortization	81,758	11.6%	78,470	11.6%
Other provisions	4,920	0.7%	4,345	0.6%
Non recurring (Income) / Charges	44	0.0%	0	0.0%
EBIT	80,871	11.5%	65,594	9.7%
Financial income	2,789	0.4%	4,308	0.6%
Financial expense	(13,691)	-1.9%	(13,234)	-2.0%
Result of investments	(169)	0.0%	(610)	-0.1%
Net financial Income / (Charges)	(11,072)	-1.6%	(9,536)	-1.4%
PBT	69,799	9.9%	56,057	8.3%
Tax on profit	24,075	3.4%	21,648	3.2%
Net profit from ongoing operations	45,724	6.5%	34,409	5.1%
Net profit from discontinuous operations	0	0.0%	0	0.0%
Minorities	(1,599)	-0.2%	(1,968)	-0.3%
Net profit	44,125	6.3%	32,441	4.8%
EPS	0.486		0.358	

SOL Group - Statement of financial position

(Thousands Euro)

	31/12/2016	31/12/2015
Tangible assets	451,214	433,651
Goodwill and consolidation differences	60,233	56,342
Other intangible assets	13,347	11,635
Equity investments	10,808	10,552
Other financial assets	19,558	19,436
Tax advances	7,714	6,107
NON CURRENT ASSETS	562,874	537,722
Non current assets held for sale	0	0
Inventories	40,924	39,024
Trade receivables	247,934	242,822
Other current assets	36,477	33,530
Current financial assets	7,847	5,402
Cash and banks	119,674	101,989
CURRENT ASSETS	452,855	422,766
TOTAL ASSETS	1,015,730	960,488
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	304,988	287,106
Retained earnings	1,974	2,473
Net profit	44,125	32,441
Shareholders' equity - Group	472,045	442,979
Minorities	15,791	13,186
Net income attributable to minority shareholders	1,599	1,968
Shareholders' equity - minority interests	17,390	15,154
SHAREHOLDERS' EQUITY	489,435	458,132
Employee benefits	15,417	14,250
Provision for deferred tax liabilities	5,387	2,709
Provision for risks and charges	828	956
Payables and other financial liabilities	334,354	301,691
NON CURRENT LIABILITIES	355,986	319,606
Non current liabilities held for sale	0	0
Due to banks	1,985	2,975
Trade accounts	91,428	88,960
Current financial liabilities	37,600	48,573
Taxes payables	10,001	11,523
Other current liabilities	29,294	30,720
CURRENT LIABILITIES	170,308	182,750
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	1,015,730	960,488