

## SOL GROUP

### PRESS RELEASE

#### 2019 FULL YEAR CONSOLIDATED RESULTS

**Sales: € 904.3 ml (+8.5%)**  
**EBITDA: € 211.3 ml (+13.0%) equal to 23.4% on sales**  
**EBIT before Non Recurring Expenses € 98.8 ml (+9.0%) equal to 10.9% on sales**  
**EBIT: € 88.7 ml (-1.1%) equal to 9.8% on sales**  
**Net Profit: € 49.3 ml (€ 51.9 ml in 2018)**

**Proposed dividend of € 0.175 per share (€ 0.175 in 2018)**

The Board of Directors of SOL S.p.A. approved the 2019 consolidated results.

Consolidated Sales € 904.3 ml (+8.5% vs € 833.5 ml in 2018), EBITDA € 211.3 ml (23.4% on sales), EBIT € 88.7 ml (9.8% on sales), Consolidated Net Profit of € 49.3 ml (5.5% 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 4,400 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 15, 2020 in Monza, the company's Board of Directors will propose distribution of a dividend of € 0.175 per ordinary share (as in 2018), to be paid starting from May 20, 2020.

In a context characterized by an economic scenario of low growth and with a trend of further slowdown in the second half of the year, Sol Group achieved a good growth of € 70.8 ml (+8.5%) in sales volume compared to the prior year, as well as a growth in the EBITDA (+13.0%), even without taking into account the application of the new accounting standard IFRS 16.

The development of the Group was supported by the increase in sales both in Italy, where they grew by 3.7% compared to the previous year, and abroad. Here they grew by 12.5% and at the end of 2019 represented 56.3% of the total.

The Technical Gas Division grew by 2.3% and the Home Health Care Division, where the Group operates through Vivisol, by 14.3%.

The EBITDA margin showed interesting growth, despite the high increase in energy and freight transport costs both in Italy and in the other main European countries, growth due to the economies of scale deriving from the development of service activities in the home care and increase in volumes sold.

The reduction in the Net Operating Margin is due to the recording of non-recurring expenses for an amount of 10.1 million Euros, relating to the definition of a proceeding initiated in 2015 by the Competition and Market Authority which also involved two Italian Group companies. After the Lazio TAR had completely canceled the sanction imposed on one company and reduced that of the other, the Council of State subsequently canceled the sentences of the TAR confirming almost totally what was claimed by the Guarantor Authority. Both companies are preparing the related appeals at the appropriate venues.

The adoption of the new accounting standard IFRS 16 entailed the registration of lower rental costs for € 14.5 ml, higher depreciation cost for € 13.9 ml, higher financial charges for € 0.9 ml., as well as a higher net debt of 49.0 million Euros.

The Consolidated Net Profit was € 49.3 ml (5.5% on sales), showing a slight decrease compared with 2018.

The tangible and intangible capital expenditures of the Group were € 103.3 ml (CAPEX 11.4%) and the Operating Consolidated Cash Flow amounted to € 157.9 ml (€ 142.6 ml in 2018).

The Net Debt / Equity ratio, equal to 50.3%, confirms the financial soundness of the Group, which presents a net financial debt of € 291.9 million (€ 242.9 million net of leases).

The Holding Company SOL S.p.A. registered a turnover of € 239.0 ml (+2.7% v/s 2018) and a Net Profit of € 18.6 ml (€ 17.4 ml in 2018).

The noteworthy event of 2020 is the spread of the Coronavirus (COVID-19) epidemic in Italy and in various countries where the SOL Group is active.

The Group companies operating in the countries concerned have taken all the measures necessary for the continuity of production, distribution and service activities, as well as for the protection of the health of their employees.

As regards the impact of the pandemic on sales and profitability of the SOL Group, it should be mentioned that around 65% of its sales are aimed at the healthcare sector, which is characterized by relative anti-cyclicality. The impact of the foreseeable decline in industrial production will therefore concern the Group's activities aimed at the industrial sector.

As regards profitability, it should be noted that the SOL Group produces and distributes the drug Oxygen and must always and in any case satisfy requests for the supply of essential, life-saving and non-interruptible services, such as those to hospitals or home patients. Due to the COVID-19 pandemic, the SOL Group is undergoing a tremendous effort in organizational and logistical terms to which all its collaborators are contributing with a great spirit of self-sacrifice. This situation, managed in an emergency context, could affect the cost dynamics and therefore the Group's profitability.

It is not possible, however, at the moment to make credible quantitative estimates about the impact of COVID-19 on the Group, as it is not foreseeable how long the emergency will last and what its diffusion will be in the various European and world countries.

“We consider in a positive way the results achieved in 2019” affirmed Marco Annoni, Vice-President of SOL S.p.A. “which confirm the SOL Group's ability to grow even in a slowing economic environment”.

“The SOL Group - concluded Aldo Fumagalli Romario, President of SOL S.p.A. - will continue to pursue the objective of development through production and distribution investments, acquisitions and the constant pursuit of innovative and diversification projects.

Even in the presence of a very difficult economic situation, for the current year we will try to achieve growth in turnover while maintaining profitability on good levels. This will depend a lot, however, on the duration of the ongoing pandemic and on its impact on the economies of the various countries in which the Group operates, these elements currently not realistically foreseeable in quantitative terms”.

The Board of Statutory Auditors of Sol S.p.A. carried out its self-assessment with reference to the 2019 financial year, drawing up the appropriate Report in accordance with the provisions of the new behavioral principles of listed companies, and sending it to the Board of Directors.

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 27th, 2020

## SOL Group – Profit and loss account

(Thousands Euro)

	31/12/2019	%	31/12/2018	%
<b>Net sales</b>	<b>904,313</b>	<b>100.0%</b>	<b>833,513</b>	<b>100.0%</b>
Other revenues and proceeds	8,883	1.0%	7,729	0.9%
Internal works and collections	13,662	1.5%	11,630	1.4%
<b>Revenues</b>	<b>926,858</b>	<b>102.5%</b>	<b>852,873</b>	<b>102.3%</b>
Purchase of materials	212,870	23.5%	206,202	24.7%
Services rendered	272,233	30.1%	247,851	29.7%
Change in inventories	1,752	0.2%	(5,240)	-0.6%
Other expenses	23,580	2.6%	34,258	4.1%
<b>Total costs</b>	<b>510,436</b>	<b>56.4%</b>	<b>483,070</b>	<b>58.0%</b>
<b>Added value</b>	<b>416,422</b>	<b>46.0%</b>	<b>369,802</b>	<b>44.4%</b>
Payroll and related costs	205,115	22.7%	182,870	21.9%
<b>EBITDA</b>	<b>211,307</b>	<b>23.4%</b>	<b>186,933</b>	<b>22.4%</b>
Depreciation & amortization	105,472	11.7%	88,606	10.6%
Other provisions	7,066	0.8%	7,733	0.9%
Non recurring (Income) / Charges	10,109	1.1%	940	0.1%
<b>EBIT</b>	<b>88,660</b>	<b>9.8%</b>	<b>89,654</b>	<b>10.8%</b>
Financial income	2,610	0.3%	2,974	0.4%
Financial expense	(11,331)	-1.3%	(11,240)	-1.3%
Result of investments	262	0.0%	(219)	0.0%
<b>Net financial Income / (Charges)</b>	<b>(8,459)</b>	<b>-0.9%</b>	<b>(8,485)</b>	<b>-1.0%</b>
<b>PBT</b>	<b>80,201</b>	<b>8.9%</b>	<b>81,169</b>	<b>9.7%</b>
Tax on profit	27,784	3.1%	27,203	3.3%
<b>Net profit from ongoing operations</b>	<b>52,417</b>	<b>5.8%</b>	<b>53,966</b>	<b>6.5%</b>
Net profit from discontinuous operations	0	0.0%	0	0.0%
Minorities	(3,079)	-0.3%	(2,086)	-0.3%
<b>Net profit</b>	<b>49,338</b>	<b>5.5%</b>	<b>51,880</b>	<b>6.2%</b>
<b>EPS</b>	<b>0.544</b>	<b>0.0%</b>	<b>0.572</b>	<b>0.0%</b>

## SOL Group - Statement of financial position

(Thousands Euro)

	31/12/2019	31/12/2018
Tangible assets	534,124	475,382
Goodwill and consolidation differences	134,838	97,695
Other intangible assets	17,072	16,229
Equity investments	17,535	14,314
Other financial assets	8,321	7,623
Tax advances	6,909	7,084
<b>NON CURRENT ASSETS</b>	<b>718,800</b>	<b>618,327</b>
<b>Non current assets held for sale</b>	<b>0</b>	<b>0</b>
Inventories	49,476	50,699
Trade receivables	280,145	280,014
Other current assets	28,664	28,005
Current financial assets	8,009	5,756
Cash and banks	169,326	129,350
<b>CURRENT ASSETS</b>	<b>535,620</b>	<b>493,824</b>
<b>TOTAL ASSETS</b>	<b>1,254,419</b>	<b>1,112,151</b>
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	388,072	353,197
Retained earnings	2,195	1,907
Net profit	49,338	51,880
<b>Shareholders' equity - Group</b>	<b>560,563</b>	<b>527,942</b>
Minorities	16,277	15,976
Net income attributable to minority shareholders	3,079	2,086
<b>Shareholders' equity - minority interests</b>	<b>19,356</b>	<b>18,061</b>
<b>SHAREHOLDERS' EQUITY</b>	<b>579,919</b>	<b>546,004</b>
Employee benefits	17,308	15,640
Provision for deferred tax liabilities	3,477	3,498
Provision for risks and charges	1,118	1,466
Payables and other financial liabilities	400,805	331,345
<b>NON CURRENT LIABILITIES</b>	<b>422,709</b>	<b>351,950</b>
<b>Non current liabilities held for sale</b>	<b>0</b>	<b>0</b>
Due to banks	1,345	2,137
Trade accounts	108,494	107,342
Current financial liabilities	69,458	52,364
Taxes payables	15,737	12,466
Other current liabilities	56,757	39,889
<b>CURRENT LIABILITIES</b>	<b>251,791</b>	<b>214,198</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>1,254,419</b>	<b>1,112,151</b>