

SOL GROUP

PRESS RELEASE

2020 FULL YEAR CONSOLIDATED RESULTS

Sales: € 973.8 ml (+7.7%)
EBITDA: € 255.4 ml (+20.9%) equal to 26.2% on sales

EBIT: € 140.0 ml (+57.9%) equal to 14.4% on sales
Net Profit: € 103.0 ml (€ 49.3 ml in 2019)

Proposed dividend of € 0.220 per share (€ 0.175 in 2019)

The Board of Directors of SOL S.p.A. approved the 2020 consolidated results.

Consolidated Sales € 973.8 ml (+7.7% vs € 904.3 ml in 2019), EBITDA € 255.4 ml (26.2% on sales), EBIT € 140.0 ml (14.4% on sales), Consolidated Net Profit of € 103.0 ml (10.6% 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 4,600 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 14, 2021, the company's Board of Directors will propose distribution of a dividend of € 0.220 per ordinary share (€ 0.175 in 2019), to be paid starting from May 19, 2021.

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

The pandemic has caused enormous public health problems and, following the closure and reduction of many productive and commercial activities, has had a heavy negative impact on the GDP of all countries, with a decrease of around 4% worldwide and beyond 7% in the Euro area. The greatest negative impact occurred in the second quarter of the year, when the most restrictive measures to contain the pandemic were adopted in various countries.

During the second half of 2020 there was a recovery of the economy.

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 significant reduction especially during the second quarter of the year, to then regain force in the second half.

In the healthcare sector, in which the SOL Group makes about 68% 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, in which the Group operates with the Vivisol companies, the effects of the pandemic have led on the one hand to a greater demand for services in the respiratory area, while on the other - due to the reduction of usual activities in hospitals and in the laboratories - there was a slowdown in the new prescriptions in all other areas of activity.

In the context highlighted, the SOL Group achieved net sales of € 973.8 million, with a significant increase compared to 2019, equal to € 69.5 million and 7.7%. The growth of the EBITDA (+ 20.9%) and that of the EBIT (+ 57.9%) were also significant.

Compared to the previous year, sales increased by 6.2% in Italy and 8.8% abroad. The latter, at the end of 2020, accounted for 56.9% of total sales.

The Technical Gas Division grew by 6.2% and the Home Health Care Division, where the Group operates through Vivisol, by 8.9%.

The increase in profit margins is due to the efficient management of activities and the containment of operating expenses, due to fewer business trips and the postponement of promotional activities following the movement restrictions imposed by the health emergency.

The Consolidated Net Profit was € 103.0 ml (10.6% on sales) shows an increase of 53.7 million euros (+ 108.9%) compared to that of the previous year.

There is a positive effect of 11.7 million euros on net profit due to the allocation of deferred tax assets relating to the monetary revaluation carried out by some Italian companies of the Group.

The tangible and intangible capital expenditures of the Group were € 112.9 ml (CAPEX 11.6%) and the Operating Consolidated Cash Flow amounted to € 219.2 ml (€ 157.9 ml in 2019).

The Net Debt / Equity ratio, equal to 37.8%, confirms the financial soundness of the Group, which presents a net financial debt of € 250.3 million (€ 198.4 million net of leases), an improvement of over € 40 million compared to 2019.

The Holding Company SOL S.p.A. registered a turnover of € 248.5 ml (+4.0% v/s 2019) and a Net Profit of € 25.4 ml (€ 18.6 ml in 2019).

The significant events of the first months of 2021 to be reported are the following:

- the acquisition of the company Air Liquide Hellas, one of the leaders in the Greek market for technical and medical gases, which in turn controls 100% of the company Vitalaire Healthcare Hellas, an operator in the home care market;
- the increase from 60.82% to 86.85% of the investment in the Indian company SICGILSOL, an operation that allows the SOL Group to strengthen its presence in the Indian market.

Regarding the performance of the SOL Group in 2021, we believe that, if mass vaccinations lead to the end of the COVID-19 pandemic, the economies will resume their growth and also the normal activities of the Group will be able to realize the constant development that they have characterized over the years.

"We evaluate the results achieved in 2020 very positively - said Marco Annoni, Vice-President of SOL S.p.A. - which confirm the SOL Group's ability to identify new growth opportunities even in an extremely difficult economic context".

"Compatibly with the evolution of the COVID-19 pandemic - concluded Aldo Fumagalli Romario, President of SOL S.p.A. - the SOL Group will continue to pursue the goal of development through production and distribution investments, possible acquisition opportunities and the constant pursuit of innovative and diversification projects with the aim of achieving sales growth and maintaining profitability on good levels".



The Board of Statutory Auditors of Sol S.p.A. carried out its self-assessment with reference to the 2020 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 30th, 2021

SOL Group – Profit and loss account

(Thousands Euro)

	31/12/2020	%	31/12/2019	%
Net sales	973,833	100.0%	904,313	100.0%
Other revenues and proceeds	9,875	1.0%	8,883	1.0%
Internal works and collections	12,488	1.3%	13,662	1.5%
Revenues	996,196	102.3%	926,858	102.5%
Purchase of materials	240,540	24.7%	212,870	23.5%
Services rendered	277,282	28.5%	272,233	30.1%
Change in inventories	(14,459)	-1.5%	1,752	0.2%
Other expenses	24,432	2.5%	23,580	2.6%
Total costs	527,794	54.2%	510,436	56.4%
Added value	468,401	48.1%	416,422	46.0%
Payroll and related costs	213,009	21.9%	205,115	22.7%
EBITDA	255,392	26.2%	211,307	23.4%
Depreciation & amortization	110,986	11.4%	105,472	11.7%
Other provisions	4,419	0.5%	7,066	0.8%
Non recurring (Income) / Charges	0	0.0%	10,109	1.1%
EBIT	139,987	14.4%	88,660	9.8%
Financial income	2,168	0.2%	2,610	0.3%
Financial expense	(11,998)	-1.2%	(11,331)	-1.3%
Result of investments	20	0.0%	262	0.0%
Net financial Income / (Charges)	(9,810)	-1.0%	(8,459)	-0.9%
PBT	130,177	13.4%	80,201	8.9%
Tax on profit	21,943	2.3%	27,784	3.1%
Net profit from ongoing operations	108,234	11.1%	52,417	5.8%
Net profit from discontinuous operations	0	0.0%	0	0.0%
Minorities	(5,187)	-0.5%	(3,079)	-0.3%
Net profit	103,047	10.6%	49,338	5.5%
EPS	1.136		0.544	

SOL Group - Statement of financial position

(Thousands Euro)

	31/12/2020	31/12/2019
Tangible assets	554,573	534,124
Goodwill and consolidation differences	139,868	134,838
Other intangible assets	18,606	17,072
Equity investments	9,433	17,535
Other financial assets	6,736	8,321
Tax advances	21,695	6,909
NON CURRENT ASSETS	750,912	718,800
Non current assets held for sale	0	0
Inventories	63,301	49,476
Trade receivables	297,949	280,145
Other current assets	25,485	28,664
Current financial assets	7,449	8,009
Cash and banks	269,181	169,326
CURRENT ASSETS	663,365	535,620
TOTAL ASSETS	1,414,277	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	408,351	388,072
Retained earnings	3,317	2,195
Net profit	103,047	49,338
Shareholders' equity - Group	635,674	560,563
Minorities	21,987	16,277
Net income attributable to minority shareholders	5,187	3,079
Shareholders' equity - minority interests	27,174	19,356
SHAREHOLDERS' EQUITY	662,848	579,919
Employee benefits	18,536	17,308
Provision for deferred tax liabilities	4,261	3,477
Provision for risks and charges	1,076	1,118
Payables and other financial liabilities	446,551	400,805
NON CURRENT LIABILITIES	470,425	422,709
Non current liabilities held for sale	0	0
Due to banks	2,216	1,345
Trade accounts	122,222	108,494
Current financial liabilities	78,368	69,458
Taxes payables	22,124	15,737
Other current liabilities	56,075	56,757
CURRENT LIABILITIES	281,004	251,791
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	1,414,277	1,254,419