

SOL GROUP

PRESS RELEASE

FIRST HALF 2023 RESULTS

The Board of Directors has approved the First Half 2023 results.

Consolidated Sales € 735.7 ml (+11.8% vs 1H 2022, € 658.2 ml)
EBITDA € 193.6 ml (€ 157.8 ml at 1H 2022)
EBIT € 118.9 (€ 92.8 ml at 1H 2022)
Net Profit € 79.6 ml (64.7 ml at 1H 2022)

These are the highlights disclosed in the First Half 2023 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 6,000 employees, involved in the area of technical gases and home-care assistance, operating in Europe, Turkey, Morocco, India, Brazil, Ecuador, Peru and China.

In an economic context characterized by strong tensions on the economy deriving from the war between Russia and Ukraine, by the persistence of inflation that is maintaining high values despite the presence of a level of interest rates that has not been seen for years, the Sol Group achieved good growth in sales, which amounted to 735.7 million euros, up 11.8% compared to the first semester of 2022 (+7.8% on a constant basis).

The half-year result is positive both in Italy, where sales grew by 5.4%, and abroad, where there was an increase of 16.6%.

Specifically, the Technical Gas Division achieved sales of € 397.5 million, up 9.1% compared to the first semester of 2022.

The Home Care Division, in which the Group operates through Vivisol, has seen a resumption in the growth of new patients prescriptions. Sales of this division were 338.3 million euros, with a growth of 15.1%.

During the first half of 2023, the subsidiary Airsol Srl has acquired the majority stake in the Ecuadorian company Swissgas and the Peruvian company ICP - Industrias Criogenica del Peru, active in the technical gas sector.

Compared to the first half of 2022, the Gross Operating Margin grew by 22.7% in absolute value, with an incidence on sales equal to 26.3% (24.0% as at 30/6/2022) while the Operating Result increased by 28.1%, equal to 16.2% on sales (14.1% as at 30/6/2022).

Consolidated Net Profit was € 79.6 million, equal to 10.8% of turnover, up by 23.1% compared to € 64.7 million on 30 June 2022. Consolidated Operating Cash Flow has grown to € 152.9 million, equal to 20.8% of turnover, compared to € 128.7 on 30 June 2022.

From a financial point of view, the net financial debt, equal to € 420.5 million (of which € 70.1 million for rents), increased by € 30.8 million compared to the end of 2022, due to investments and acquisitions made in the half year for € 108.7 million and dividend payments of € 25.5 million. The "Net debt / Equity" ratio is 0.46 (0.44 on 30 June 2022), while the "Net Debt / Gross Operating Margin" ratio is equal to 1.16 (1.23 on 30 June 2022), calculated on the rolling year.

With reference to the period after 30 June 2023, there are no events to report.

“We consider in a very positive way the results achieved in the first semester of 2023,” affirmed Marco Annoni, Vice-President of SOL S.p.A. “which confirm the SOL Group’s ability to grow in an economic context of great complexity and high volatility, and to react quickly to changing scenarios in the economies in which the Group operates”.

“Compatibly with the evolution of the war between Russia and Ukraine, with the trend of energy costs and inflation and with the ongoing economic slowdown in several countries in which the Group operates - concluded Aldo Fumagalli Romario, President of SOL S.p.A. - the SOL Group will continue, also during the second half of 2023, on its growth path, through the realization of new production and distribution investments, the realization of any acquisition opportunities, and the constant development of innovative and diversification projects. We confirm the goal of consolidating the good sales performance of the first half of the year during the year and of maintaining profitability at appreciable 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.

Enclosure: Consolidated Income Statement and Statement of Financial Position.

Monza, September 7th, 2023

SOL Group - Consolidated income statement

	30/06/2023	%	30/06/2022	%
Net sales	735,733	100.0%	658,244	100.0%
Other revenues and proceeds	24,235	3.3%	26,441	4.0%
Internal works and collections	14,495	2.0%	11,158	1.7%
Revenues	774,463	105.3%	695,842	105.7%
Purchase of materials	231,338	31.4%	234,520	35.6%
Services rendered	197,188	26.8%	176,021	26.7%
Change in inventories	(10,570)	-1.4%	(10,663)	-1.6%
Other expenses	16,482	2.2%	13,458	2.0%
Total costs	434,438	59.0%	413,336	62.8%
Added value	340,025	46.2%	282,506	42.9%
Payroll and related costs	146,416	19.9%	124,753	19.0%
EBITDA	193,609	26.3%	157,753	24.0%
Depreciation & amortization	69,568	9.5%	61,997	9.4%
Other provisions	5,126	0.7%	2,957	0.4%
Non recurring (Income) / Charges	0	0.0%	0	0.0%
EBIT	118,914	16.2%	92,799	14.1%
Financial income	2,515	0.3%	927	0.1%
Financial expense	(9,148)	-1.2%	(5,530)	-0.8%
Result of investments	437	0.1%	207	0.0%
Net financial Income / (Charges)	(6,196)	-0.8%	(4,396)	-0.7%
PBT	112,718	15.3%	88,403	13.4%
Tax on profit	29,365	4.0%	21,725	3.3%
Net profit from ongoing operations	83,353	11.3%	66,678	10.1%
Net profit from discontinuous operations	0	0.0%	0	0.0%
Minorities	(3,737)	-0.5%	(1,997)	-0.3%
Net profit	79,616	10.8%	64,681	9.8%
EPS	0.878	0.0%	0.713	0.0%

SOL Group - Statement of financial position

	30/06/2023	31/12/2022
Tangible assets	739,513	694,164
Goodwill and consolidation differences	224,194	216,811
Other intangible assets	34,628	26,550
Equity investments	21,371	13,082
Other financial assets	25,154	22,015
Tax advances	18,127	18,557
NON CURRENT ASSETS	1,062,986	991,179
Non current assets held for sale		
Inventories	94,159	84,144
Trade receivables	436,093	431,054
Other current assets	67,388	64,377
Current financial assets	11,943	13,187
Cash and banks	124,818	134,642
CURRENT ASSETS	734,401	727,403
TOTAL ASSETS	1,797,387	1,718,583
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	666,871	565,261
Retained earnings	1,321	704
Net profit	79,617	133,692
Shareholders' equity - Group	868,767	820,615
Minorities	42,572	38,134
Net income attributable to minority shareholders	3,737	3,882
Shareholders' equity - minority interests	46,309	42,015
SHAREHOLDERS' EQUITY	915,076	862,630
Employee benefits	15,430	15,143
Provision for deferred tax liabilities	12,898	12,163
Provision for risks and charges	4,944	3,309
Payables and other financial liabilities	458,516	454,496
NON CURRENT LIABILITIES	491,788	485,111
Non current liabilities held for sale		
Due to banks	15,370	6,860
Trade accounts	169,348	175,114
Current financial liabilities	90,697	84,814
Taxes payables	32,873	32,552
Other current liabilities	82,235	71,502
CURRENT LIABILITIES	390,524	370,842
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	1,797,387	1,718,583