

SOL GROUP

PRESS RELEASE

2018 FULL YEAR CONSOLIDATED RESULTS

Sales: € 833.5 ml (+10.1%)
EBITDA: € 186.9 ml (+11.8%) equal to 22.4% on sales
EBIT: € 89.7 ml (+17.7%) equal to 10.8% on sales
Net Profit: € 51.9ml (+28.9%) equal to 6.2% on sales

Proposed dividend of € 0.175 per share (€ 0.15 in 2017)

The Board of Directors of SOL S.p.A. approved the 2018 consolidated results.

Consolidated Sales € 833.5 ml (+10.1% vs € 756.8 ml in 2017), EBITDA € 186.9 ml (22.4% on sales), EBIT € 89.7 ml (10.8% on sales), Consolidated Net Profit of € 51.9 ml (6.2% 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 3,900 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 10, 2019 in Monza, the company's Board of Directors will propose distribution of a dividend of € 0.175 per ordinary share (€ 0.15 in 2017), to be paid starting from May 22, 2019.

In a context characterized, especially in the first half of 2018, by a favorable economic recovery, Sol Group achieved a very good growth of € 76.7 ml (+10.1%) in sales volume compared to the prior year, as well as an even more marked growth in the EBITDA (+11.8%) and the EBIT (+17.7%).

The development of the Group was supported by the increase in sales both in Italy, where they grew by 9.4% compared to the previous year, and abroad. Here they grew by 10.8% and at the end of 2018 represented 54.3% of the total.

The Technical Gas Division grew by 9.2% and the Home Health Care Division, where the Group operates through Vivisol, by 11.0%.

The growth in profitability in terms of EBITDA and EBIT is due to the balanced development of service activities, the increase in volumes sold, the smooth and efficient operation of the main plants and also the greater energy production of hydroelectric power plants compared to 2017. In the second half of the year the effects of the general increase in energy costs in Italy and in the other main European countries where the Group operates were highlighted.

The Consolidated Net Profit was € 51.9 ml, showing an increase of 28.9% compared with 2017 (€ 40.2 ml).

The tangible and intangible capital expenditures of the Group were € 99.8 ml (CAPEX 12.0%) and the Operating Consolidated Cash Flow amounted to € 142.6 ml (€ 127.3 ml in 2017).

The Net Debt / Equity ratio, equal to 45.5%, confirms the financial soundness of the Group, which presents a net financial debt of € 248.5 million (€ 254.6 million at the end of 2017).

The Holding Company SOL S.p.A. registered a turnover of € 232.6 ml (+5.3% v/s 2017) and a Net Profit of € 17.4 ml (€ 17.6 ml in 2017).

“We consider in a positive way the results achieved in 2018” affirmed Marco Annoni, Vice-President of SOL S.p.A. “which confirm the SOL Group’s ability to improve in a challenging economic context and subject to ever more rapid changes”.

“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 slowing economic situation, for the current year we set ourselves the objective of further development of sales while maintaining profitability on good levels”.

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, 2019

SOL Group – Profit and loss account

(Thousands Euro)

	31/12/2018	%	31/12/2017	%
Net sales	833,513	100.0%	756,807	100.0%
Other revenues and proceeds	7,729	0.9%	8,190	1.1%
Internal works and collections	11,630	1.4%	11,427	1.5%
Revenues	852,873	102.3%	776,424	102.6%
Purchase of materials	206,202	24.7%	186,945	24.7%
Services rendered	247,851	29.7%	230,043	30.4%
Change in inventories	(5,240)	-0.6%	(4,920)	-0.7%
Other expenses	34,258	4.1%	30,892	4.1%
Total costs	483,070	58.0%	442,961	58.5%
Added value	369,802	44.4%	333,463	44.1%
Payroll and related costs	182,870	21.9%	166,230	22.0%
EBITDA	186,933	22.4%	167,232	22.1%
Depreciation & amortization	88,606	10.6%	85,107	11.2%
Provisions & devaluation	7,733	0.9%	5,971	0.8%
Non recurring (Income) / Charges	940	0.1%	0	0.0%
EBIT	89,654	10.8%	76,154	10.1%
Financial income	2,974	0.4%	2,887	0.4%
Financial expense	(11,240)	-1.3%	(11,548)	-1.5%
Result of investments	(219)	0.0%	(632)	-0.1%
Net financial Income / (Charges)	(8,485)	-1.0%	(9,292)	-1.2%
PBT	81,169	9.7%	66,862	8.8%
Tax on profit	27,203	3.3%	24,641	3.3%
Net profit from ongoing operations	53,966	6.5%	42,221	5.6%
Net profit from discontinuous operations	0	0.0%	0	0.0%
Minorities	(2,086)	-0.3%	(1,982)	-0.3%
Net profit	51,880	6.2%	40,239	5.3%
EPS	0.572	0.0%	0.444	0.0%

SOL Group - Statement of financial position

(Thousands Euro)

	31/12/2018	31/12/2017
Tangible assets	475,382	462,903
Goodwill and consolidation differences	97,695	84,377
Other intangible assets	16,229	15,892
Equity investments	14,314	13,102
Other financial assets	7,623	12,653
Tax advances	7,084	8,333
NON CURRENT ASSETS	618,327	597,261
Non current assets held for sale	-	-
Inventories	50,699	46,450
Trade receivables	280,014	260,108
Other current assets	28,005	34,864
Current financial assets	5,756	4,126
Cash and banks	129,350	117,175
CURRENT ASSETS	493,824	462,723
TOTAL ASSETS	1,112,151	1,059,985
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	353,197	327,221
Retained earnings	1,907	1,895
Net profit	51,880	40,239
Shareholders' equity - Group	527,942	490,314
Minorities	15,976	13,588
Net income attributable to minority shareholders	2,086	1,982
Shareholders' equity - minority interests	18,061	15,570
SHAREHOLDERS' EQUITY	546,004	505,884
Employee benefits	15,640	15,351
Provision for deferred tax liabilities	3,498	3,314
Provision for risks and charges	1,466	861
Payables and other financial liabilities	331,345	334,137
NON CURRENT LIABILITIES	351,950	353,664
Non current liabilities held for sale	-	-
Due to banks	2,137	2,035
Trade accounts	107,342	105,494
Current financial liabilities	52,364	43,647
Taxes payables	12,466	10,963
Other current liabilities	39,889	38,298
CURRENT LIABILITIES	214,198	200,437
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	1,112,151	1,059,985