

SOL GROUP

PRESS RELEASE

FIRST HALF 2017 RESULTS

The Board of Directors has approved the First Half 2017 results.

Consolidated Sales € 370.4 ml, (+6.3% vs 1H 2016, € 348.3 ml), EBITDA € 79.6 ml being 21.5% on sales (€ 81.9 ml at 1H 2016), EBIT € 34.6 ml being 9.3% on sales (€ 38.5 ml at 1H 2016), Net Profit € 16.9 ml (19.4 ml at 1H 2016).

These are the highlights disclosed in the First Half 2017 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 3,300 employees, involved in the area of technical gases and home-care assistance, operating in Europe, Turkey, Morocco, India and Brazil.

In a climate of moderate economic recovery, in the first half of 2017 Sol Group achieved a growth of 6.3 % in sales volume compared with the 1H 2016. The positive result is due to the growth of sales abroad with an increase of 9.6%, but also to an improvement in Italy, where the growth was of 2.8%.

With reference to the two businesses of the Group, the Technical Gases Division registered an increase of sales of 4.8% in respect to the first semester of 2016, whereas the Home Care Division, in which the Group operates through VIVISOL, marked a growth of 7.8%.

The slight decrease of EBITDA is due to the reduction of the production of the hydro electric energy due to the high drought in the period and to higher direct and indirect costs due to not expected stops of some gas production plants.

The Consolidated Net Profit was € 16.9 ml, showing a slight reduction of € 2.4 ml compared with the first half of 2016 (€ 19.4 ml).

In financial terms, Operating Cash Flow was € 59.6 ml (€ 60.2 ml in the same period of 2016); the Total Net Debt was € 255.5 ml, slightly increased by € 2.1 ml vs June 2016 and € 24.0 ml vs 12/31/16, due to the investments and acquisitions made in the first semester for € 53.4 ml and the payment of dividends for € 15.0 ml.

The Net Debt/Equity ratio was 0.52 (0.55 at the end of June 2016).

There are no relevant events occurred after June 30, 2017.

“We consider in a substantially positive way the results achieved in the first semester of 2017, considering some unexpected events which penalized our productions” affirmed Marco Annoni, Vice-President of SOL S.p.A.. *“The results confirm the capacity of SOL Group to operate in a complex economic situation”*.

“In the year 2017”, concluded SOL Chairman Aldo Fumagalli Romario, *“our target is to pursue the trend of growth of sales and to maintain the profitability of the Group at a good level, continuing the investment program to support the development, the internationalization, the diversification and the innovation”*.

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 14th, 2017

SOL Group - Consolidated income statement

(Thousands Euro)

	30/06/2017	%	30/06/2016	%
Net sales	370,395	100.0%	348,343	100.0%
Other revenues and proceeds	3,301	0.9%	1,971	0.6%
Internal works and collections	5,362	1.4%	5,841	1.7%
Revenues	379,058	102.3%	356,156	102.2%
Purchase of materials	92,186	24.9%	82,330	23.6%
Services rendered	113,256	30.6%	105,497	30.3%
Change in inventories	(3,612)	-1.0%	(1,934)	-0.6%
Other expenses	15,735	4.2%	14,022	4.0%
Total costs	217,565	58.7%	199,914	57.4%
Added value	161,493	43.6%	156,242	44.9%
Payroll and related costs	81,849	22.1%	74,373	21.4%
EBITDA	79,644	21.5%	81,869	23.5%
Depreciation & amortization	41,814	11.3%	40,157	11.5%
Other provisions	2,802	0.8%	3,169	0.9%
Non recurring (Income) / Charges	439	0.1%	0	0.0%
EBIT	34,589	9.3%	38,543	11.1%
Financial income	1,391	0.4%	889	0.3%
Financial expense	(5,676)	-1.5%	(7,617)	-2.2%
Result of investments	(625)	-0.2%	(151)	0.0%
Net financial Income / (Charges)	(4,910)	-1.3%	(6,879)	-2.0%
PBT	29,679	8.0%	31,665	9.1%
Tax on profit	11,865	3.2%	11,607	3.3%
Net profit from ongoing operations	17,814	4.8%	20,058	5.8%
Net profit from discontinuous operations	0	0.0%	0	0.0%
Minorities	(882)	-0.2%	(671)	-0.2%
Net profit	16,932	4.6%	19,386	5.6%
EPS	0.187	0.0%	0.214	0.0%

SOL Group - Statement of financial position

(Thousands Euro)

	30/06/2017	31/12/2016
Tangible assets	458,176	451,214
Goodwill and consolidation differences	65,593	60,233
Other intangible assets	13,516	13,347
Equity investments	12,115	10,808
Other financial assets	15,488	19,558
Tax advances	8,041	7,714
NON CURRENT ASSETS	572,929	562,874
Non current assets held for sale	0	0
Inventories	44,718	40,924
Trade receivables	250,579	247,934
Other current assets	46,454	36,477
Current financial assets	5,868	7,847
Cash and banks	119,150	119,674
CURRENT ASSETS	466,770	452,855
TOTAL ASSETS	1,039,698	1,015,730
Share capital	47,164	47,164
Share premium reserve	63,335	63,335
Legal reserve	10,459	10,459
Other reserves	329,657	304,988
Retained earnings	1,902	1,974
Net profit	16,932	44,125
Shareholders' equity - Group	469,450	472,045
Minorities	17,093	15,791
Net income attributable to minority shareholders	882	1,599
Shareholders' equity - minority interests	17,975	17,390
SHAREHOLDERS' EQUITY	487,424	489,435
Employee benefits	14,127	15,417
Provision for deferred tax liabilities	4,374	5,387
Provision for risks and charges	795	828
Payables and other financial liabilities	350,470	334,354
NON CURRENT LIABILITIES	369,766	355,986
Non current liabilities held for sale	0	0
Due to banks	2,120	1,985
Trade accounts	98,384	91,428
Current financial liabilities	38,907	37,600
Taxes payables	10,953	10,001
Other current liabilities	32,145	29,294
CURRENT LIABILITIES	182,508	170,308
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	1,039,698	1,015,730