

SOL GROUP

PRESS RELEASE

FIRST HALF 2019 RESULTS

The Board of Directors has approved the First Half 2019 results.

Consolidated Sales € 445.8 ml, (+8.3% vs 1H 2018, € 411.6 ml), EBITDA € 101.8 ml being 22.8% on sales (€ 94.0 ml at 1H 2018), EBIT € 45.2 ml being 10.1% on sales (€ 47.1 ml at 1H 2018), Net Profit € 25.2 ml (27.8 ml at 1H 2018).

These are the highlights disclosed in the First Half 2019 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 4,200 employees, involved in the area of technical gases and home-care assistance, operating in Europe, Turkey, Morocco, India and Brazil.

In a context characterized by a slowing economic situation in Italy and Europe, in the first half of 2019 Sol Group achieved a very significant growth of 8.3 % in sales volume compared with the 1H 2018 (5.4% at the same perimeter). The positive result is due to the growth of sales either in Italy with an increase of 3.1% and abroad where the growth was of 12.8%.

With reference to the two businesses of the Group, the Technical Gases Division registered an increase of sales of 1.5% in respect to the first semester of 2018, whereas the Home Care Division, in which the Group operates through VIVISOL, marked a growth of 15.1%.

The critical economic situation had a slight impact on the EBITDA and the EBIT, which were affected, compared to the previous year - as well as by the lower energy production of hydroelectric power plants due to the low rainfall in the first months of 2019, and lower income related to benefits (white certificates) for energy efficiency investments - the sudden increase in transport and electricity costs, together with higher provisions.

The Consolidated Net Profit was € 25.2 ml, showing a slight decrease of € 2.6 ml compared with the first half of 2018 (€ 27.8 ml).

The Operating Cash Flow was € 78.2 ml (17.6% on sales)

The effect of the application of the IFRS 16 - "Leases" accounting principle is substantially irrelevant to the Consolidated Net Profit and EBIT, while it has a positive impact of € 6.9 million on the EBITDA.

In financial terms, the Total Net Debt was € 324.4 ml, increased by € 75.8 ml vs 12/31/2018, of which € 47.6 million relating to the application of IFRS 16 - "Leases" accounting principle, in the face of the investments and acquisitions made in the first semester for € 86.0 ml and the payment of dividends for € 17.2 ml.

The Net Debt/Equity ratio was 0.59 (0.52 at the end of June 2018).

There are no relevant events occurred after June 30, 2019.

"We consider in a positive way the results achieved in the first semester of 2019," affirmed Marco Annoni, Vice-President of SOL S.p.A. "which confirm the capacity of SOL Group and its vocation for growth, even in a slowing economic situation".

"In the year 2019", concluded SOL Chairman Aldo Fumagalli Romario, "our target is to pursue the 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 12th, 2019

SOL Group - Consolidated income statement

(Thousands Euro)

	30/06/2019	%	30/06/2018	%
Net sales	445,785	100.0%	411,624	100.0%
Other revenues and proceeds	3,551	0.8%	3,157	0.8%
Internal works and collections	6,202	1.4%	5,925	1.4%
Revenues	455,539	102.2%	420,706	102.2%
Purchase of materials	109,398	24.5%	103,191	25.1%
Services rendered	132,691	29.8%	120,193	29.2%
Change in inventories	(1,331)	-0.3%	(2,783)	-0.7%
Other expenses	11,564	2.6%	16,119	3.9%
Total costs	252,321	56.6%	236,719	57.5%
Added value	203,217	45.6%	183,987	44.7%
Payroll and related costs	101,444	22.8%	89,950	21.9%
EBITDA	101,773	22.8%	94,037	22.8%
Depreciation & amortization	51,904	11.6%	43,420	10.5%
Other provisions	4,675	1.0%	2,539	0.6%
Non recurring (Income) / Charges	0	0.0%	940	0.2%
EBIT	45,194	10.1%	47,138	11.5%
Financial income	1,296	0.3%	1,170	0.3%
Financial expense	(5,601)	-1.3%	(5,382)	-1.3%
Result of investments	9	0.0%	(273)	-0.1%
Net financial Income / (Charges)	(4,295)	-1.0%	(4,485)	-1.1%
PBT	40,899	9.2%	42,653	10.4%
Tax on profit	14,554	3.3%	13,947	3.4%
Net profit from ongoing operations	26,345	5.9%	28,706	7.0%
Net profit from discontinuous operations	0	0.0%	0	0.0%
Minorities	(1,105)	-0.2%	(869)	-0.2%
Net profit	25,240	5.7%	27,837	6.8%
EPS	0.278	0.0%	0.307	0.0%

SOL Group - Statement of financial position

(Thousands Euro)

	30/06/2019	31/12/2018
Tangible assets	525,304	475,382
Goodwill and consolidation differences	129,853	97,695
Other intangible assets	16,565	16,229
Equity investments	14,436	14,314
Other financial assets	7,753	7,623
Tax advances	6,881	7,084
NON CURRENT ASSETS	700,792	618,327
Non current assets held for sale	0	0
Inventories	52,780	50,699
Trade receivables	285,050	280,014
Other current assets	37,542	28,005
Current financial assets	7,520	5,756
Cash and banks	117,862	129,350
CURRENT ASSETS	500,754	493,824
TOTAL ASSETS	1,201,546	1,112,151
Share capital	47,164	47,164
Share premium reserve	63,335	63,335
Legal reserve	10,459	10,459
Other reserves	385,441	353,197
Retained earnings	2,197	1,907
Net profit	25,240	51,880
Shareholders' equity - Group	533,836	527,942
Minorities	16,374	15,976
Net income attributable to minority shareholders	1,105	2,086
Shareholders' equity - minority interests	17,479	18,061
SHAREHOLDERS' EQUITY	551,315	546,004
Employee benefits	16,792	15,640
Provision for deferred tax liabilities	3,460	3,498
Provision for risks and charges	812	1,466
Payables and other financial liabilities	384,384	331,345
NON CURRENT LIABILITIES	405,448	351,950
Non current liabilities held for sale	0	0
Due to banks	2,153	2,137
Trade accounts	114,544	107,342
Current financial liabilities	67,753	52,364
Taxes payables	17,554	12,466
Other current liabilities	42,779	39,889
CURRENT LIABILITIES	244,783	214,198
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	1,201,546	1,112,151