

## **SOL GROUP**

PRESS RELEASE

### **FIRST HALF 2021 RESULTS**

The Board of Directors has approved the First Half 2021 results.

**Consolidated Sales € 541.0 ml (+14.7% vs 1H 2020, € 471.8 ml)**  
**EBITDA € 139.0 ml being 25.7% on sales (€ 120.3 ml at 1H 2020)**  
**EBIT € 78.8 ml being 14.6% on sales (€ 62.3 ml at 1H 2020)**  
**Net Profit € 50.4 ml (38.3 ml at 1H 2020)**

These are the highlights disclosed in the First Half 2021 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 4,800 employees, involved in the area of technical gases and home-care assistance, operating in Europe, Turkey, Morocco, India and Brazil.

The first half of 2021 was characterized, especially in the first months of the year, by the significant persistence of the spread of the COVID-19 pandemic, which subsequently recorded, starting from the month of May, a strong slowdown in almost all countries, also thanks to the progressive increase in the vaccination rate of the populations.

In this difficult context, however, there has been a vigorous recovery of many industrial activities which, on the contrary, especially in the second quarter of 2020, had suffered a sharp slowdown due to the lock-down decided following the first wave of pandemic spread.

The economic recovery scenario, also favoured by the stimulus measures adopted by the fiscal policies of advanced countries, was accompanied by significant increases in the prices of raw materials, both energy and metallurgical and chemical, with consequent increases in production costs and, in the last months of semester, including inflation.

In the context highlighted, the Sol Group achieved a vigorous increase in sales of 14.7% (11.4% on a constant basis) compared to the first half of 2020. The half-year result is positive both in Italy, where sales grew by 11.2%, and abroad, where there was an increase of 17.3%.

In particular, the Technical Gas Division achieved sales of € 268.2 million, up by 30.3% compared to the first half of 2020. The growth benefited from the recovery of industrial activities, as well as from the good performance of the hydroelectric and biotechnology sectors. Also relevant, especially in the first four months, is the contribution of the demand for medicinal oxygen and services for hospitals.

The Home Care Division, in which the Group operates through Vivisol, achieved sales of € 272.8 million, with an increase of 2.6% compared to the first half of 2020. The development of sales was conditioned, for almost the entire first half of the year, due to the persistent reduced activity of hospitals and laboratories, due to the pandemic: hospitals and laboratories are, in fact, the normal basin that feeds the growth in the number of new patients who must be treated at their respective homes.

Compared to the first half of 2020, the Gross Operating Margin grew by 15.5% in absolute value, while the Operating Result increased by 26.4% in absolute value, significantly improving the percentage incidence on sales.

Consolidated Net Profit was € 50.4 million, equal to 9.3% of turnover, up compared to € 38.3 million at 30 June 2020. Consolidated Operating Cash Flow was € 110.9 million, equal to 20.5% of turnover.

From a financial point of view, the net financial debt, equal to € 306.2 million (of which € 49.9 million for rents), increased by € 55.9 million compared to the end of 2020, due to investments and acquisitions made in the half year for about € 125.0 million and dividend payments of € 22.8 million. The "Net debt / Equity" ratio is 0.44 (0.49 at 30 June 2020).

With reference to the period after 30 June 2021, the following is noted.

In July 2021, the subsidiary Airsol Srl acquired the remaining 30% of the shares of the Polish companies Pallmed sp zoo and Medseven sp zoo from the other third parties, bringing its shareholding in the two companies to 100%.

In August 2021, the subsidiary Airsol Srl finalized the purchase of equity investments equal to 70% in Shanghai Shenwei Medical Gas co. LTD, 70% in Shanghai Mu Kang Medical Device Distribution Service co. LTD and 30% in Shanghai Jiawei Medical Gas co. LTD active in the Chinese market in the medical gases and healthcare services sector. With these acquisitions, the SOL Group enters the dynamic Chinese technical gas market, the second in the world.

*"We consider in a very positive way the results achieved in the first semester of 2021,"* affirmed Marco Annoni, Vice-President of SOL S.p.A. *"which confirm the SOL Group's characteristic of knowing how to grow even in an extremely volatile economic context that differs from country to country, seizing the opportunities generated by the recovery of industrial activities".*

*"For 2021 - concluded Aldo Fumagalli Romario, President of SOL S.p.A. - we expect that mass vaccinations will lead to a gradual return to normality as regards both the demand for gas and medical services and the functioning of hospitals and laboratories, as well as the consolidation of the positive trend of industrial activities.*

*The SOL Group will continue with its investment programs and, where possible, acquisitions, with the aim of achieving good sales growth and maintaining profitability at appreciable levels, despite the very high ongoing increase in electricity costs, transport, and raw materials".*

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 9th, 2021

## SOL Group - Consolidated income statement

(Thousands Euro)

	30/06/2021	%	30/06/2020	%
<b>Net sales</b>	<b>541,022</b>	<b>100.0%</b>	<b>471,803</b>	<b>100.0%</b>
Other revenues and proceeds	4,774	0.9%	4,373	0.9%
Internal works and collections	6,458	1.2%	6,491	1.4%
<b>Revenues</b>	<b>552,254</b>	<b>102.1%</b>	<b>482,667</b>	<b>102.3%</b>
Purchase of materials	135,578	25.1%	123,783	26.2%
Services rendered	153,871	28.4%	133,714	28.3%
Change in inventories	(2,953)	-0.5%	(13,877)	-2.9%
Other expenses	11,255	2.1%	11,958	2.5%
<b>Total costs</b>	<b>297,752</b>	<b>55.0%</b>	<b>255,578</b>	<b>54.2%</b>
<b>Added value</b>	<b>254,503</b>	<b>47.0%</b>	<b>227,090</b>	<b>48.1%</b>
Payroll and related costs	115,552	21.4%	106,810	22.6%
<b>EBITDA</b>	<b>138,951</b>	<b>25.7%</b>	<b>120,280</b>	<b>25.5%</b>
Depreciation & amortization	57,628	10.7%	54,636	11.6%
Other provisions	2,559	0.5%	3,348	0.7%
Non recurring (Income) / Charges	0	0.0%	0	0.0%
<b>EBIT</b>	<b>78,763</b>	<b>14.6%</b>	<b>62,296</b>	<b>13.2%</b>
Financial income	950	0.2%	1,116	0.2%
Financial expense	(5,560)	-1.0%	(5,960)	-1.3%
Result of investments	(914)	-0.2%	(97)	0.0%
<b>Net financial Income / (Charges)</b>	<b>(5,524)</b>	<b>-1.0%</b>	<b>(4,941)</b>	<b>-1.0%</b>
<b>PBT</b>	<b>73,239</b>	<b>13.5%</b>	<b>57,355</b>	<b>12.2%</b>
Tax on profit	19,997	3.7%	17,029	3.6%
<b>Net profit from ongoing operations</b>	<b>53,242</b>	<b>9.8%</b>	<b>40,326</b>	<b>8.5%</b>
Net profit from discontinuous operations	0	0.0%	0	0.0%
Minorities	(2,841)	-0.5%	(2,052)	-0.4%
<b>Net profit</b>	<b>50,401</b>	<b>9.3%</b>	<b>38,274</b>	<b>8.1%</b>
<b>EPS</b>	<b>0.556</b>	<b>0.0%</b>	<b>0.422</b>	<b>0.0%</b>

## SOL Group - Statement of financial position

(Thousands Euro)

	30/06/2021	31/12/2020
Tangible assets	583,625	554,573
Goodwill and consolidation differences	165,010	139,868
Other intangible assets	21,844	18,606
Equity investments	8,867	9,433
Other financial assets	7,184	6,736
Tax advances	22,417	21,695
<b>NON CURRENT ASSETS</b>	<b>808,947</b>	<b>750,912</b>
<b>Non current assets held for sale</b>	<b>0</b>	<b>0</b>
Inventories	68,080	63,301
Trade receivables	325,833	297,949
Other current assets	40,151	25,485
Current financial assets	6,994	7,449
Cash and banks	170,104	269,181
<b>CURRENT ASSETS</b>	<b>611,161</b>	<b>663,365</b>
<b>TOTAL ASSETS</b>	<b>1,420,108</b>	<b>1,414,277</b>
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	491,729	408,351
Retained earnings	3,682	3,317
Net profit	50,401	103,047
<b>Shareholders' equity - Group</b>	<b>666,770</b>	<b>635,674</b>
Minorities	21,419	21,987
Net income attributable to minority shareholders	2,841	5,187
<b>Shareholders' equity - minority interests</b>	<b>24,260</b>	<b>27,174</b>
<b>SHAREHOLDERS' EQUITY</b>	<b>691,030</b>	<b>662,848</b>
Employee benefits	18,458	18,536
Provision for deferred tax liabilities	5,378	4,261
Provision for risks and charges	2,342	1,076
Payables and other financial liabilities	404,691	446,551
<b>NON CURRENT LIABILITIES</b>	<b>430,869</b>	<b>470,425</b>
<b>Non current liabilities held for sale</b>	<b>0</b>	<b>0</b>
Due to banks	1,321	2,216
Trade accounts	134,553	122,222
Current financial liabilities	79,732	78,368
Taxes payables	26,182	22,124
Other current liabilities	56,420	56,075
<b>CURRENT LIABILITIES</b>	<b>298,210</b>	<b>281,004</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>1,420,108</b>	<b>1,414,277</b>