

SOL GROUP

PRESS RELEASE

FIRST HALF 2022 RESULTS

The Board of Directors has approved the First Half 2022 results.

Consolidated Sales € 658.2 ml (+21.7% vs 1H 2021, € 541.0 ml)

EBITDA € 157.8 ml (€ 139.0 ml at 1H 2021)

EBIT € 92.8 (€ 78.8 ml at 1H 2021)

Net Profit € 64.7 ml (50.4 ml at 1H 2021)

These are the highlights disclosed in the First Half 2022 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 5,300 employees, involved in the area of technical gases and home-care assistance, operating in Europe, Turkey, Morocco, India, Brazil and China.

In an economic context characterized by strong tensions on the economy deriving from the war between Russia and Ukraine, by the persistence, in Europe, of very high energy costs and by a level of inflation that has reached values never recorded in recent decades in all Western countries, the Sol Group achieved significant growth in sales, which amounted to 658.2 million euros, up 21.7% compared to the first semester of 2021 (+19.6% on a constant basis).

The half-year result is positive both in Italy, where sales grew by 24.6%, and abroad, where there was an increase of 19.6%.

Specifically, the Technical Gas Division had to implement an energetic action to recover the increase in costs, because of the very high increase in the prices of electricity and natural gas, raw materials in the production of technical gases.

This division achieved sales of € 364.3 million, up 35.9% compared to the first semester of 2021, of which 25.0% due to price changes and 10.9% for growth in volumes and change in the perimeter (the latter for € 7.2 million).

The Home Care Division, in which the Group operates through Vivisol, has seen a recovery of prescriptions for new patients, after the slowdown in 2020 and 2021 because of Covid-19 which reduced the normal operations of hospitals and private clinics for patient visits. Sales of this division were 293.9 million euros, with a growth of 7.7%.

During the first half of 2022, the Brazilian subsidiary PPAR LTDA acquired 60% of BLA Servicos Hospitalares LTDA and JML Servicos Hospitalares LTDA, companies located in Sao Paulo (Brazil) and operating in the hospital business.

Compared to the first half of 2021, the Gross Operating Margin grew by 13.5% in absolute value, with an incidence on sales equal to 24% (25.7% as at 30/6/2021) while the Operating Result increased by 17.8%, maintaining, the latter, substantially the same percentage incidence on sales (14.1% as at 30/6/2022 and 14.6% as at 30/6/2021).

Consolidated Net Profit was € 64.7 million, equal to 9.8% of turnover, up by 28.3% compared to € 50.4 million on 30 June 2021. Consolidated Operating Cash Flow has grown to € 128.7 million, equal to 19.5% of turnover, compared to € 110.9 on 30 June 2021.

From a financial point of view, the net financial debt, equal to € 344.6 million (of which € 55.0 million for rents), increased by € 33.7 million compared to the end of 2021, due to investments and acquisitions made in the half year for about € 67.0 million and dividend payments of € 24.2 million. The "Net debt / Equity" ratio is 0.44 (0.44 on 30 June 2021), while the "Net Debt / Gross Operating Margin " ratio is equal to 1.23 (1.12 on 30 June 2021), calculated on the rolling year.

With reference to the period after 30 June 2022, there are no events to report.

"We consider in a very positive way the results achieved in the first semester of 2022," 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 energy, geopolitical and geo-economic fields, 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 their recessive impact on European economies - concluded Aldo Fumagalli Romario, President of SOL S.p.A. - the SOL Group will continue, also during the second half of 2022, 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, with the growth in absolute value of operating margins".

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 8th, 2022

SOL Group - Consolidated income statement

	30/06/2022	%	30/06/2021	%
Net sales	658,244	100.0%	541,022	100.0%
Other revenues and proceeds	26,441	4.0%	4,774	0.9%
Internal works and collections	11,158	1.7%	6,458	1.2%
Revenues	695,842	105.7%	552,254	102.1%
Purchase of materials	234,520	35.6%	135,578	25.1%
Services rendered	176,021	26.7%	153,871	28.4%
Change in inventories	(10,663)	-1.6%	(2,953)	-0.5%
Other expenses	13,458	2.0%	11,255	2.1%
Total costs	413,336	62.8%	297,752	55.0%
Added value	282,506	42.9%	254,503	47.0%
Payroll and related costs	124,753	19.0%	115,552	21.4%
EBITDA	157,753	24.0%	138,951	25.7%
Depreciation & amortization	61,997	9.4%	57,628	10.7%
Other provisions	2,957	0.4%	2,559	0.5%
Non recurring (Income) / Charges	0	0.0%	0	0.0%
EBIT	92,799	14.1%	78,763	14.6%
Financial income	927	0.1%	950	0.2%
Financial expense	(5,530)	-0.8%	(5,560)	-1.0%
Result of investments	207	0.0%	(914)	-0.2%
Net financial Income / (Charges)	(4,396)	-0.7%	(5,524)	-1.0%
PBT	88,403	13.4%	73,239	13.5%
Tax on profit	21,725	3.3%	19,997	3.7%
Net profit from ongoing operations	66,678	10.1%	53,242	9.8%
Net profit from discontinuous operations	0	0.0%	0	0.0%
Minorities	(1,997)	-0.3%	(2,841)	-0.5%
Net profit	64,681	9.8%	50,401	9.3%
EPS	0.713		0.556	

SOL Group - Statement of financial position

	30/06/2022	31/12/2021
Tangible assets	623,740	615,329
Goodwill and consolidation differences	172,537	170,313
Other intangible assets	27,490	22,752
Equity investments	13,000	12,704
Other financial assets	15,092	10,484
Tax advances	19,330	21,031
NON CURRENT ASSETS	871,190	852,612
Non current assets held for sale	0	0
Inventories	78,718	67,303
Trade receivables	404,190	340,023
Other current assets	52,062	36,197
Current financial assets	8,802	8,671
Cash and banks	146,488	139,642
CURRENT ASSETS	690,260	591,835
TOTAL ASSETS	1,561,450	1,444,448
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	559,869	486,904
Retained earnings	704	845
Net profit	64,681	89,549
Shareholders' equity - Group	746,212	698,257
Minorities	22,283	18,987
Net income attributable to minority shareholders	1,997	4,208
Shareholders' equity - minority interests	24,280	23,194
SHAREHOLDERS' EQUITY	770,492	721,452
Employee benefits	16,324	18,696
Provision for deferred tax liabilities	10,325	7,362
Provision for risks and charges	2,805	3,070
Payables and other financial liabilities	421,563	378,471
NON CURRENT LIABILITIES	451,018	407,598
Non current liabilities held for sale	0	0
Due to banks	1,502	1,643
Trade accounts	168,338	150,290
Current financial liabilities	83,158	82,098
Taxes payables	23,383	19,216
Other current liabilities	63,559	62,150
CURRENT LIABILITIES	339,940	315,398
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	1,561,450	1,444,448