

# Company Presentation full year 2020

**SOLGROUP**  
a breath of life



## Sol Group in a glance

- Founded in 1927, is an Italian multinational company, present in 29 countries with more than 4.600 employees
- Two core, separated but integrated and synergic business areas: Technical Gas sector (production, applied research and marketing of pure, medical and industrial gases) and Home-Care service sector (supply of medical products and medical assistance services as well as equipment for home care therapy)
- Two recent businesses: Hydro Energy and Biotechnology

# Sol Group in a glance

- Solid performance in 2020:
  - 974 millions € of sales (+7,7%)
  - 56,9% of international revenues in 2020 (vs 23,7 % in 2000)
  - 6.5% of compound average growth rate during the last 10 years
  - 26.2% of EBITDA margin in 2020
  - 0,378 of Debt/Equity ratio; 0,98 of Debt/EBITDA ratio
  - Dividend policy: 30% average dividend pay out ratio over the last 10 years

SOL is **listed** at the Stock  
Exchange of Milan since July 1998

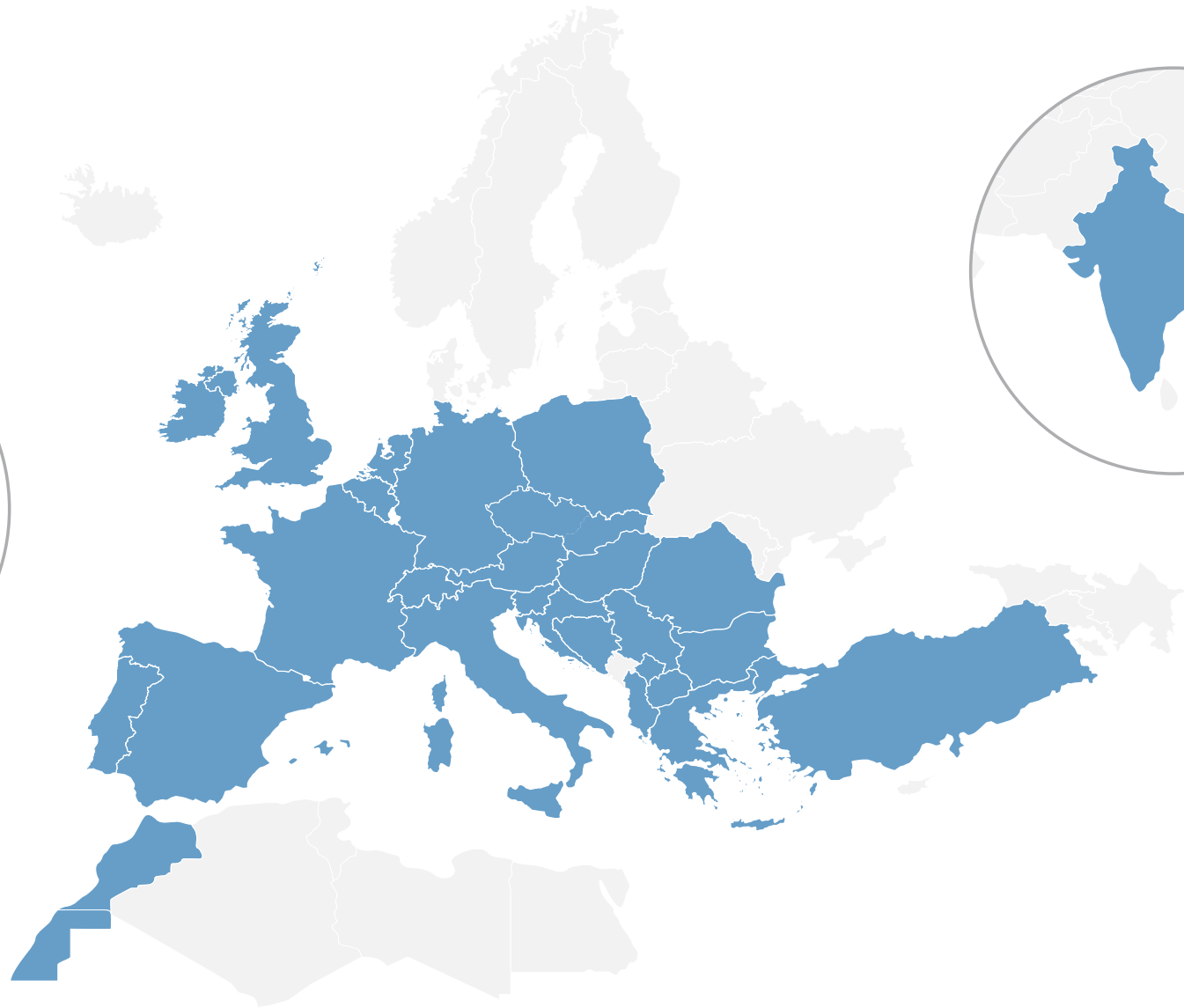




SOL has been founded in Italy (at Monza)  
on 1927 from the 2 **families** Annoni and Fumagalli:  
90 years of history – three generations of entrepreneurs



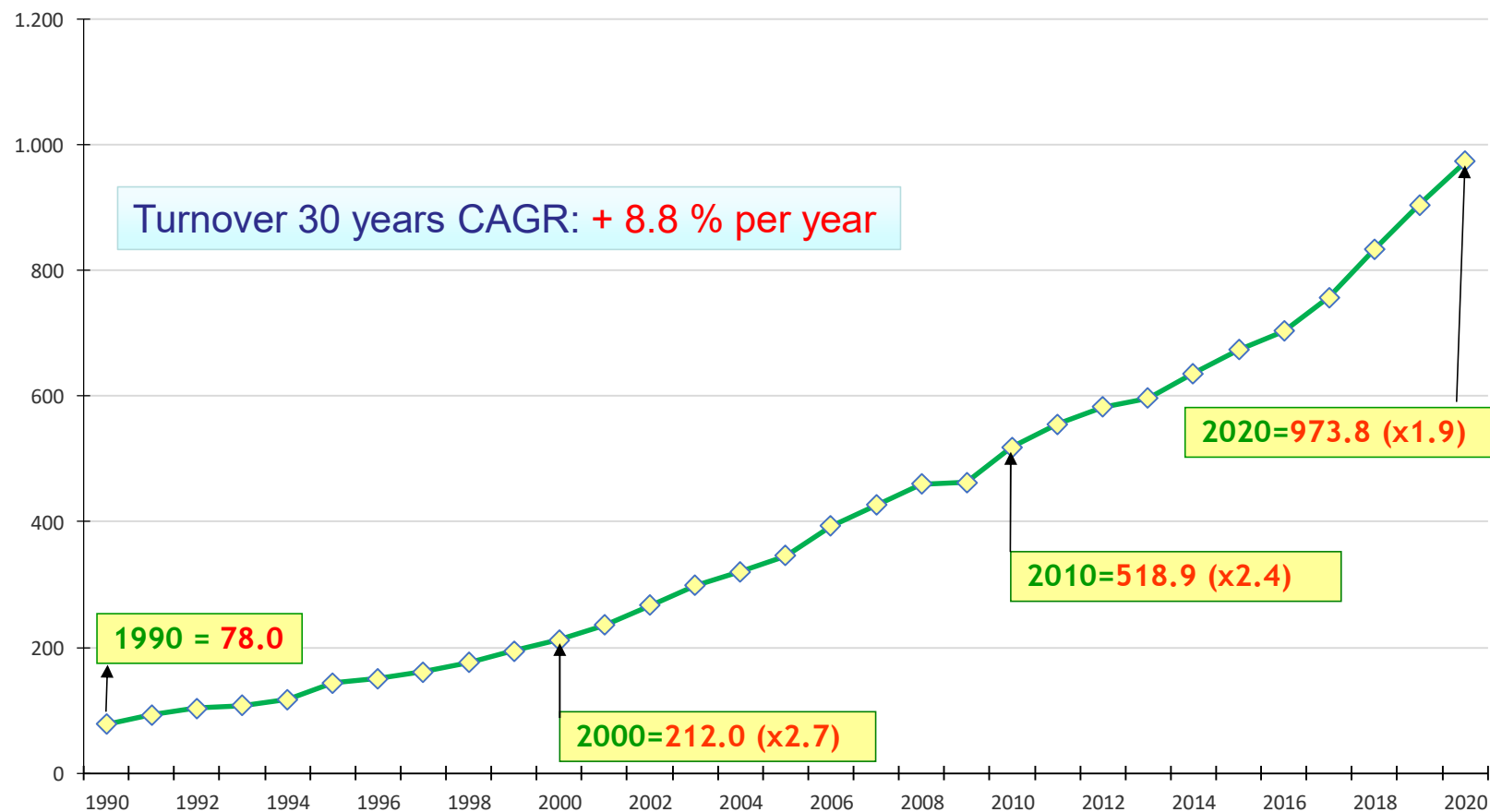
2020



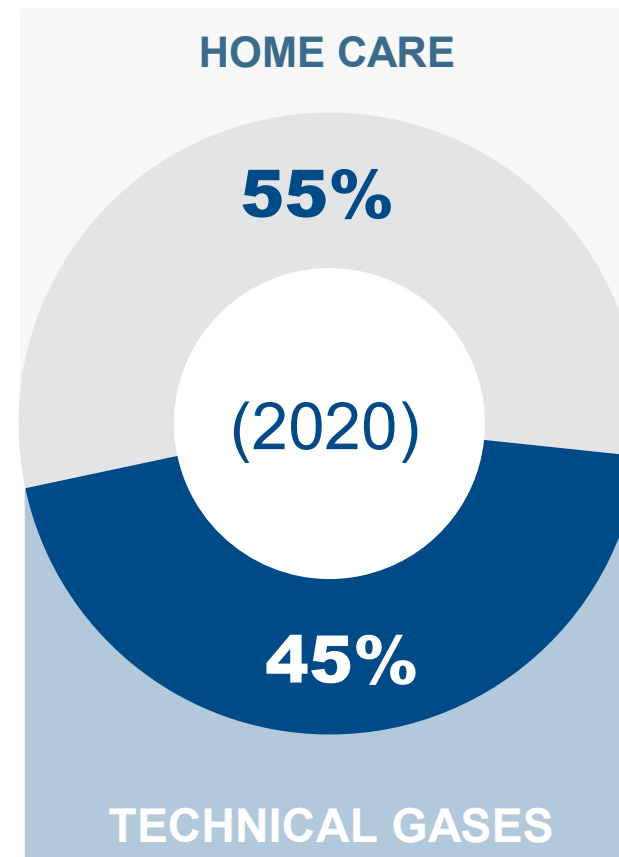
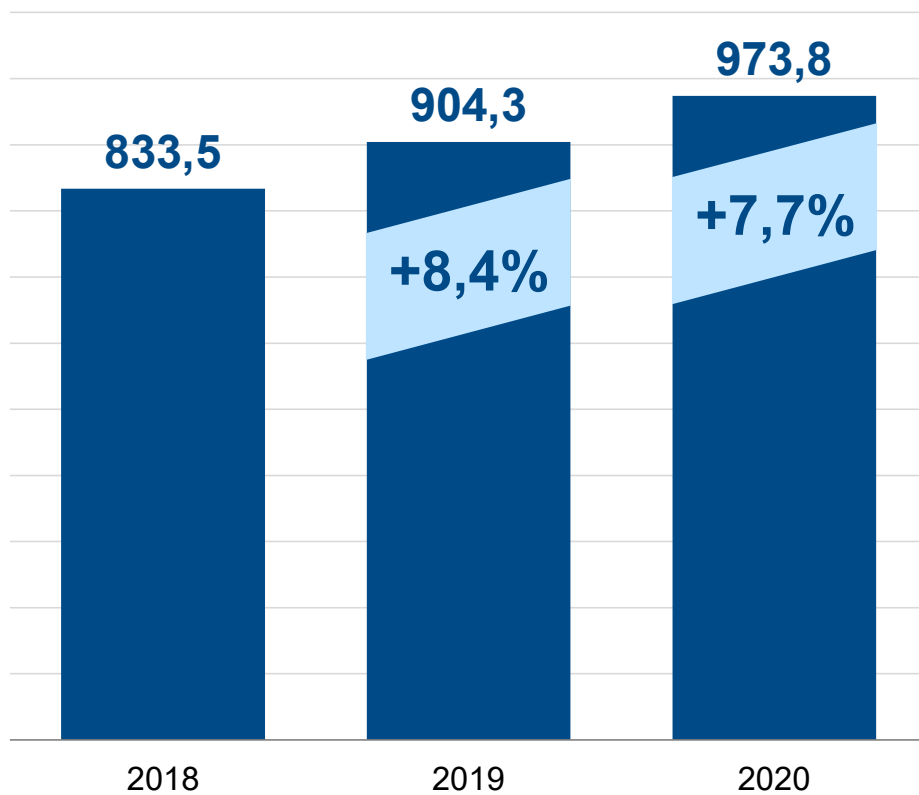
# The major Italian Chemical Companies (2020)

(million Euro)	World sales	Italian sales	(million Euro)	World sales	Italian sales
1. Versalis	3.381	2.545	21. Gruppo Desa	326	324
2. Gruppo Mapei	2.772	837	22. Fluorsid Group	325	183
3. Gruppo Bracco	1.199	656	23. Novamont	286	286
4. Radici Group	1.019	621	24. FAPI Group	237	94
5. Gruppo SOL	974	420	25. Reagens	235	102
6. P & R Group	864	792	26. Indena/Gr. IdB Holding	217	177
7. COIM Group	780	399	27. Gruppo Metlac	216	216
8. Gruppo SIAD	692	507	28. 3V Partecipaz. Industriali	208	140
9. Polynt Group	671	488	29. Alfa Parf Group	204	33
10. Gruppo Sapio	629	532	30. Sabo	173	173
11. Gruppo Intercos	604	355	31. Sadepan Chimica	170	122
12. Gruppo Sodalìs	585	350	32. Mirato Group	167	167
13. Gruppo Colorobbia	526	200	33. Gruppo Silvateam	156	111
14. Italmatch Chemicals	518	141	34. Davines	153	153
15. FIS	516	500	35. Gruppo Coswell	152	152
16. Gruppo Zobeì	509	78	36. Gr. Durante/TLD Holding	152	150
17. Gruppo Sipcam-Oxon	461	279	37. Istituto Ganassini	152	85
18. Essecò Group	439	241	38. Gruppo Bozzetto	152	56
19. Gruppo Aquafil	437	170	39. AGF88 Holding	135	135
20. Gruppo Lamberti	421	206	40. Paglieri	135	135

## Sol Group - 30 years Turnover (1990-2020)

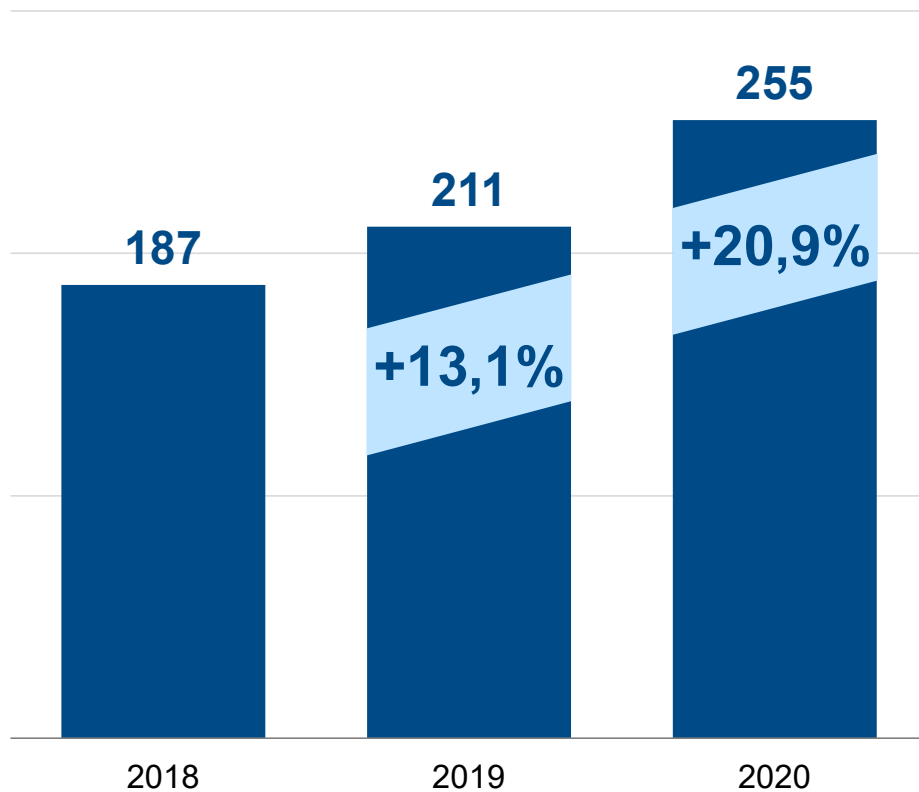


## Sol Group – Consolidated sales (M€)

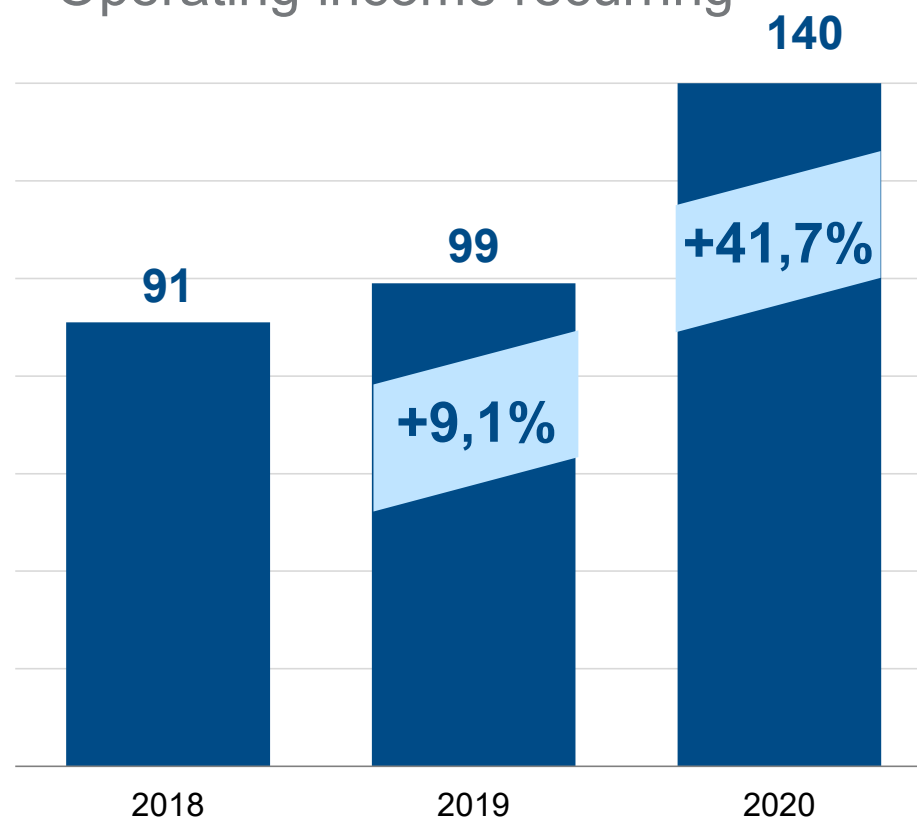


# Sol Group

## EBITDA (M€)



## Operating income recurring





# The Technical Gases Business





# The Technical Gases Business

SOL Group operates in the technical gases business throughout the brand SOL

## Production and distribution of Gases

A complete range of industrial gas (both atmospheric and non-atmospheric): medicinal, pure and special gases

- ◆ Oxygen
- ◆ Nitrogen
- ◆ Argon
- ◆ Hydrogen
- ◆ Carbon dioxide
- ◆ Acetylene
- ◆ Nitrous oxide
- ◆ Gas mixtures
- ◆ Ultra high purity gases
- ◆ Medical gases
- ◆ Gaseous helium
- ◆ Liquid helium
- ◆ Refrigerating gases
- ◆ Electronics gases
- ◆ Ammonia
- ◆ Combustible gases
- ◆ LNG
- ◆ Sulfur oxide - SO<sub>2</sub>
- ◆ Nitric oxide - NO

## Supply of plants, equipment, services and consultancy

Research, design, and construction of:

- Industrial gas production facilities
- Plant and equipment for gas utilization
- Services and consultancy
- ◆ Equipment for medical applications
- ◆ Equipment for cryogenic applications
- ◆ Deep freezing tunnels
- ◆ Oxygen burners
- ◆ Ozonisers
- ◆ Medical air plants
- ◆ On-site plants
- ◆ Welding machines and equipment

## More than 100 technologies for the industrial sector

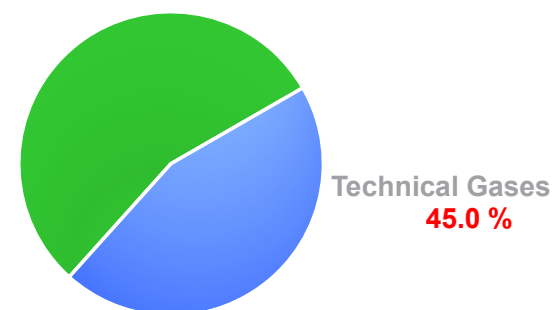


# Technical Gases Business

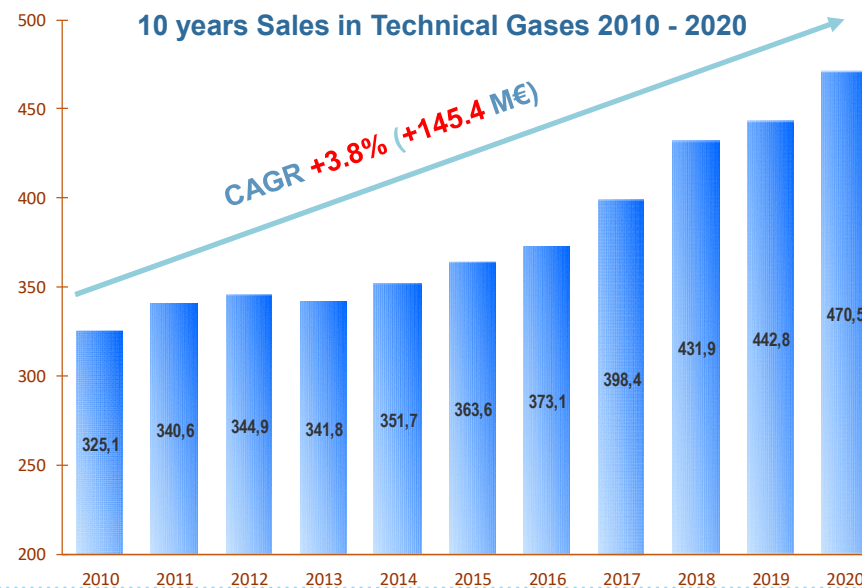
Technical gases business (M€)	FY2020	FY2019	YoY
Sales	470	443	+ 6.3%
EBITDA	95	77	+ 23.8%
EBITDA %	20.2%	17.3%	
Investments	52	53	- 1.0%

- In 2020 the division invested over the **11%** of its revenues.
- **3.8%** sales CAGR over the last 10 ys.

SOL Group 2020 Total revenues



10 years Sales in Technical Gases 2010 - 2020



# Technical Gases business

## Market characteristics

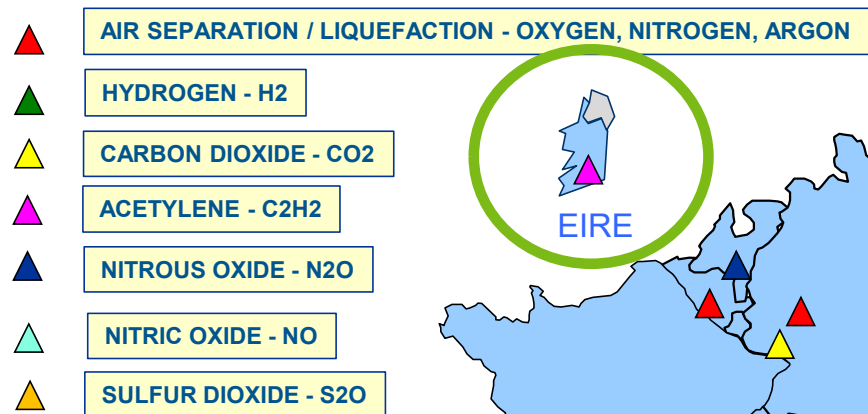
- Resilient and growing market
- Margin protected thanks to high entry barriers
- Limited economic cycle demand dependence of each sales area
  - Broad variety and diversification of end-markets and applications
- Medium/long term contracts
- Local presence as a key factor

## SOL

- High diversification of sales area:
  - More than 50,000 clients served;
  - More than 90 different applications for technical gases
- Long term contracts with customers:
  - Gas pipeline: up to 15 years;
  - Compressed gases: up to 5 years;
  - Cryogenic liquid gases: up to 3 years
- Strong local presence:
  - 26 countries, 38 sources and primary transformation plants, 49 secondary transformation plants.

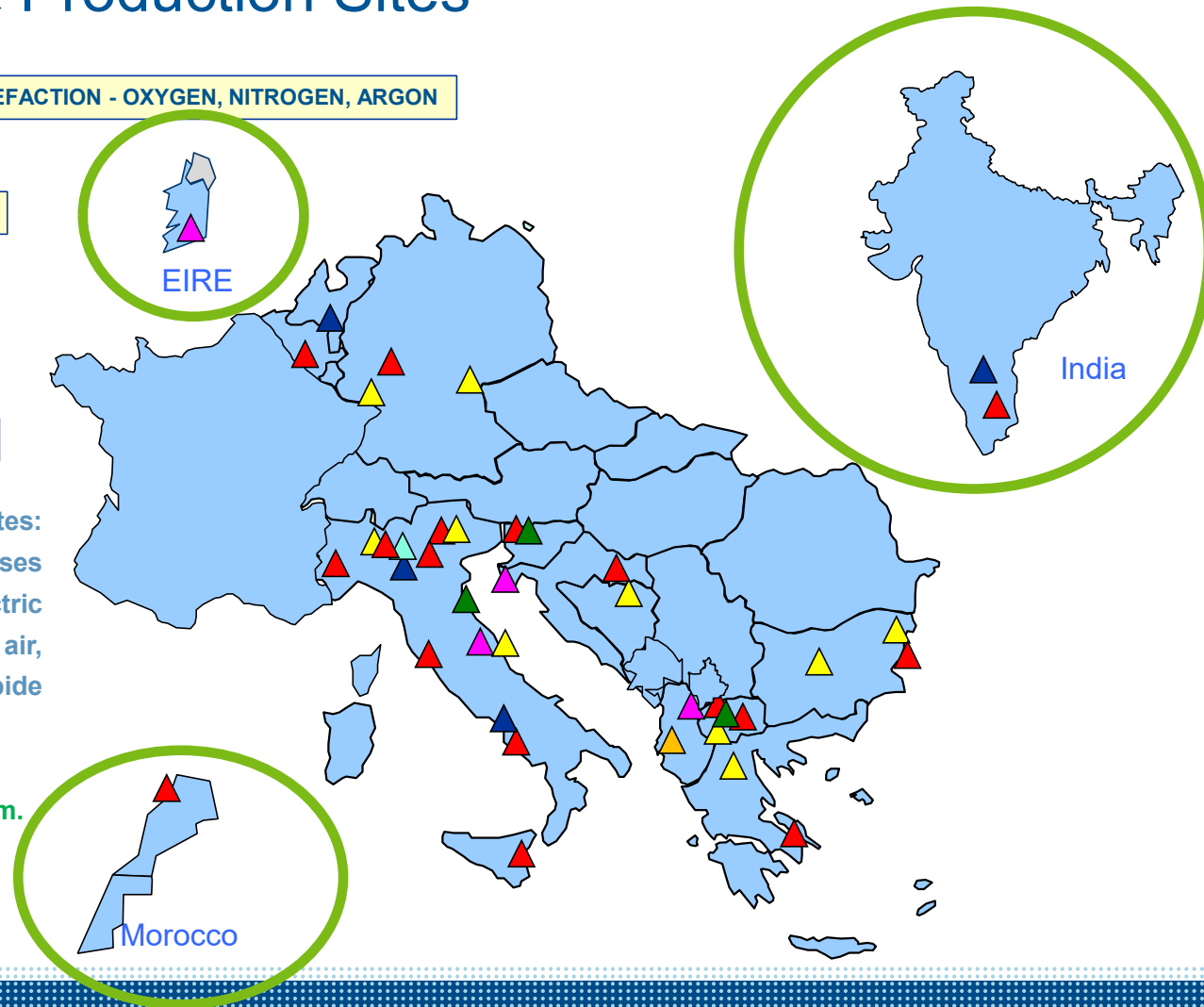
Resilience + Growth + Demand stability + Low risk level

# Primary Sources & Production Sites



- 40 primary production sites: units that produce gases from raw materials (electric energy, atmospheric air, natural gas, calcium carbide and ammonium nitrate).

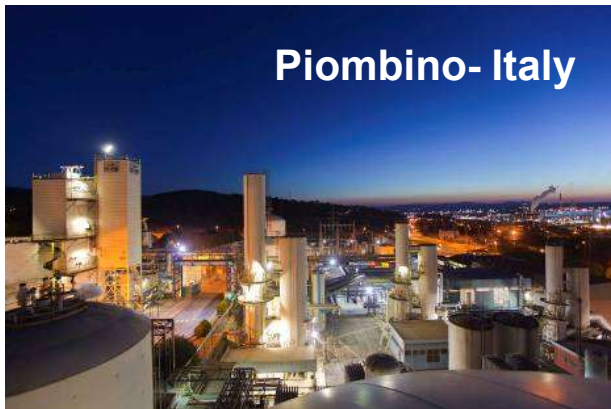
- Max reach-in area is 400 km.





**ASU**

**Piombino- Italy**



**Jesenice – Slovenia**



**Feluy - Belgium**



**Frankfurt - Germany**



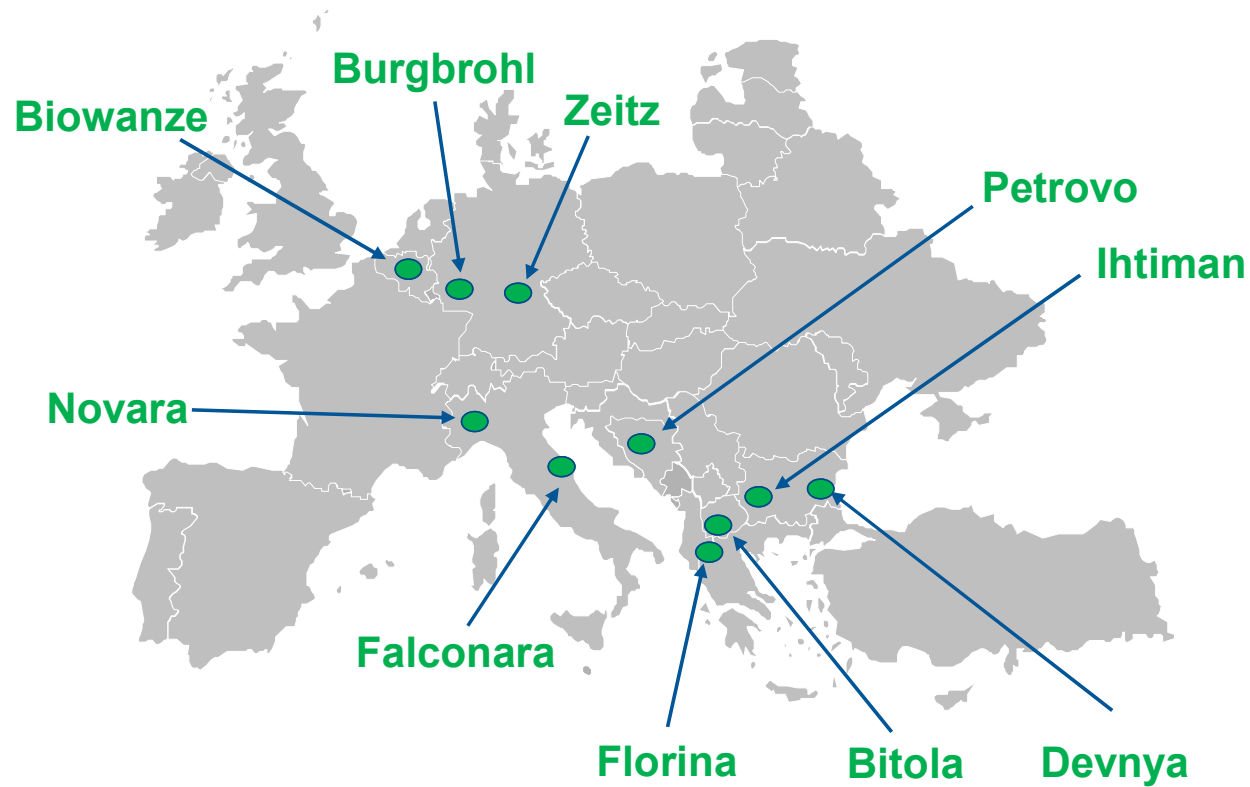
**Varna - Bulgaria**



**Mantova - Italy**



# CO2



PLANT	SOURCE
Falconara	Chemical plant
Novara	Chemical plant
Devnya	Chemical plant
Bitola	Well
Petrovo	Well
BurgBrohl	Well
Florina	Well
Ihtiman	Ethanol production
Zeitz	Ethanol production
Biowanze	Ethanol production



## SOL Group CO2 plants

Wanze- Belgium



Ihtiman- Bulgaria



Zeitz- Germany



Devnja- Bulgaria



Burgbrhol - D



Zeitz- Germany



Novara- Italy

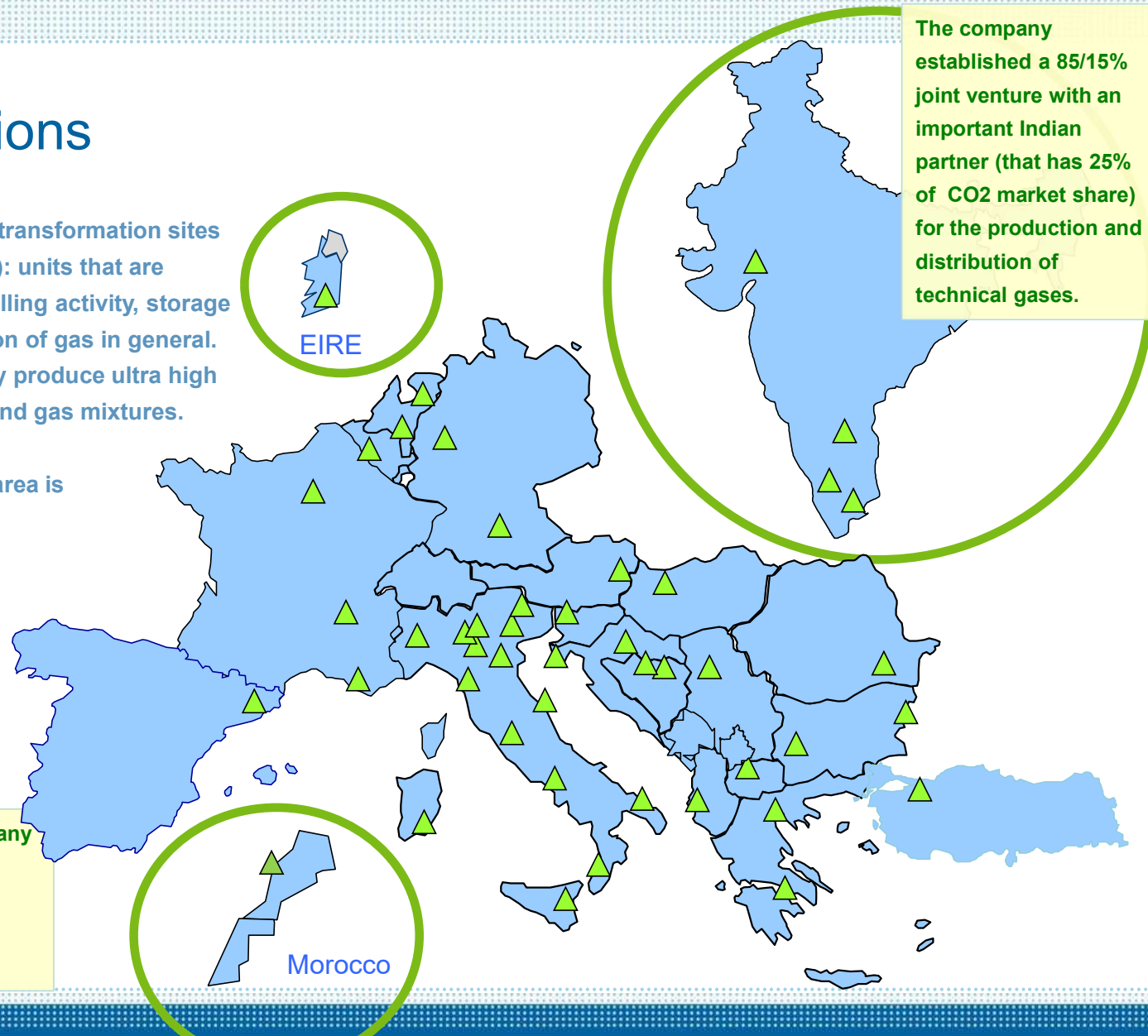


Falconara- Italy



# SOL filling stations

- **52** secondary transformation sites (filling station): units that are dedicated to filling activity, storage and distribution of gas in general. Moreover, they produce ultra high purity gases and gas mixtures.
- Max reach-in area is **150km.**





# The Home Care Business



**VIVISOL**  
Home Care Services



## Home Care - VIVISOL branches

VIVISOL is n° 2 market leader in Europe, operating in 14 European Countries, as well as in Brazil and Turkey, through its network of over 70 offices and service points





## Home Care - VIVISOL branches



VIVISOL Nederland – Tilburg



VIVISOL Austria – Vienna



VIVISOL Belgium - Lessines



VIVISOL Deutschland - Neufahrn



Arnstadt

# The Home Care Business

A complete range of services and technologies, specifically designed to take care of more than **500.000 patients** affected by different chronic diseases



Oxygen Therapy



Ventilation Therapy



Aerosol Therapy



Sleep Related Disorders



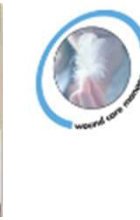
Nutrition & Infusion



Advanced Home Care



Telemedicine



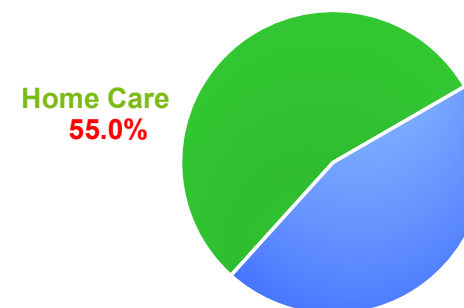
Palliative Care

# Home Care Business

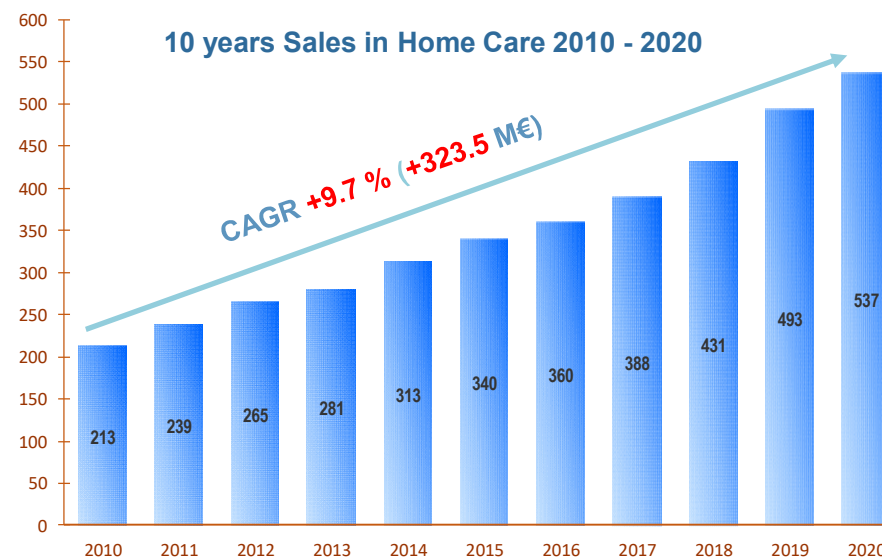
Hone Care business (M€)	FY2020	FY2019	YoY
Sales	537	493	+ 8,9%
EBITDA	161	135	+ 19,4%
EBITDA %	29.9%	27.3%	
Investments	60	50	+ 20%

- VIVISOL was able to grow 8.9% in 2020, with an EBITDA margin higher than 29%.
- The Group is continuing to invest significantly in this business.

SOL Group 2020 Total revenues



10 years Sales in Home Care 2010 - 2020





# Home Care Business



## Key growth drivers:

- Aging population – demographics
- Restructuring of Health Care Systems through de-hospitalization and home care
- Developments in portable medical technologies
- Better quality of life for Patients at home
- Increasing of respiratory and chronic pathologies

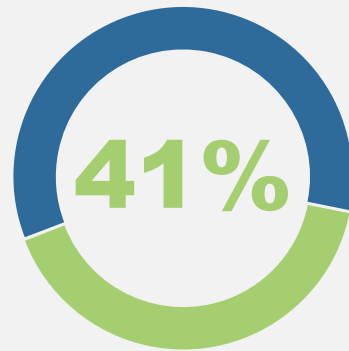


# Sol Group – SALES (Home Care vs Technical Gases – tot Health Care)

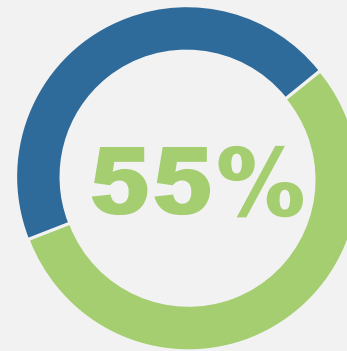
Achieved 2010-2020



ACTUAL 2010



ACTUAL 2020



HOME CARE

55%

68%  
Health  
Care

13%

32%

TECHNICAL GASES

# The Biotechnology Business



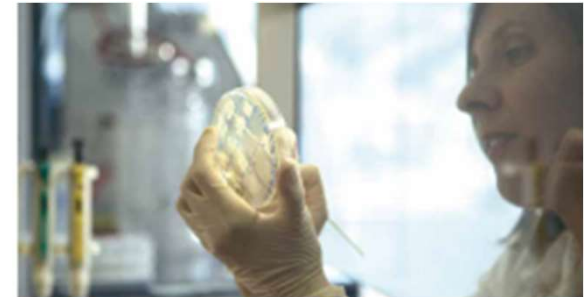
# The Biotechnology Business

SOL Group is active in supplying **biotechnological equipment and services** to hospitals, clinics and laboratories (cryobanks, cellfactories, cryomanagement, cryotransportation)

With **BIOTECHSOL** and **CRYOLAB** is active in the area of tissue and stem cells banking and biological materials transportation.

With **DIATHEVA** is active in drug discovery and drug delivery (recombinant monoclonal antibodies), molecular diagnostic, GMP production of recombinant proteins

With **PERSONAL GENOMICS** is active in genetic analysis service and genetic testing research and development.





# The Hydro-Energy Business



# The Hydro-Energy Business

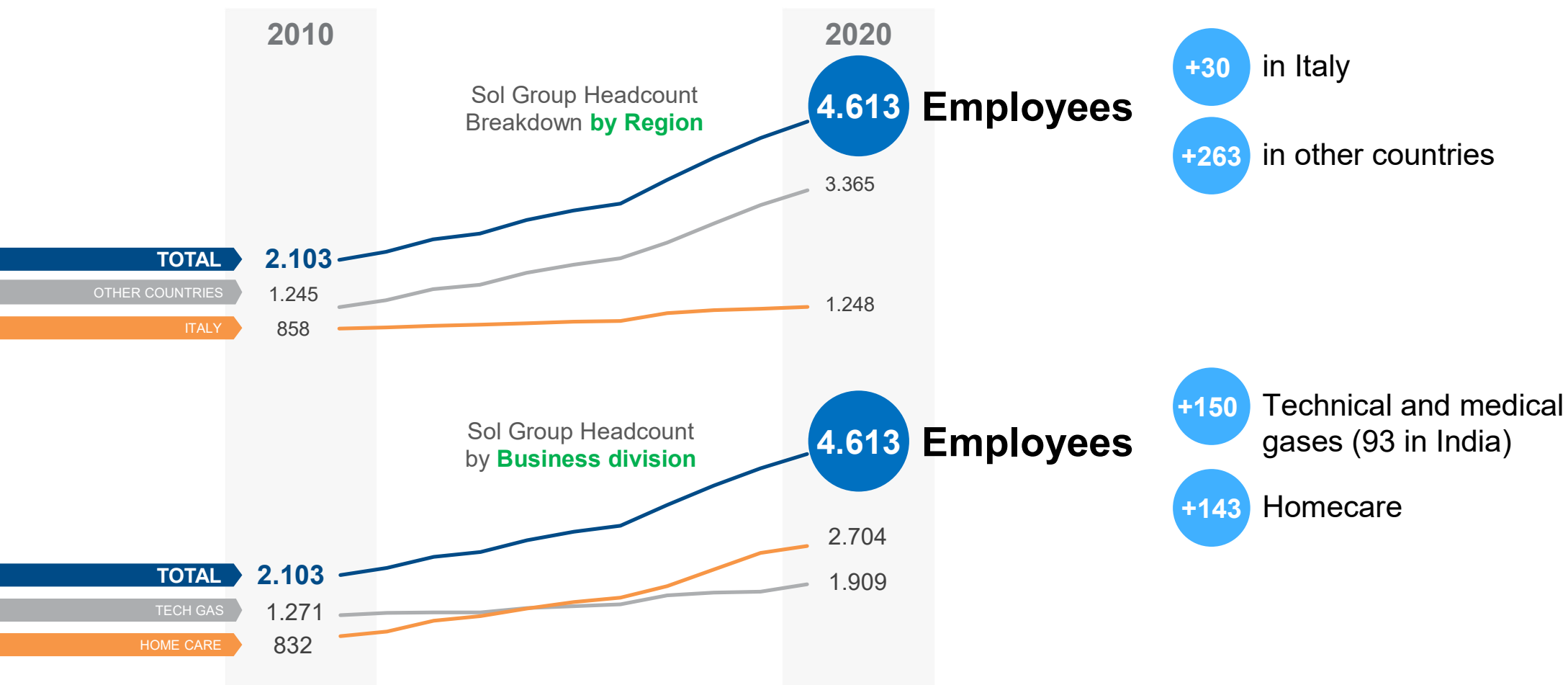
- Leveraging on its core business development in the **Eastern Europe**, SOL entered into the Hydro-Energy sector.
- The industrial gas sector, is one of the most energy intensive one. This characteristic supported the Group decision to invest in the **Hydro-Energy** sector in order to enjoy synergies with its Industrial Gases Business.



Currently the company owns and operates **6** hydro-electric power plants in Slovenia (about **50** Million KWh/year), **2** plants in Albania (about **25** Million KWh/year); **4** plants in Macedonia (about **35** Million KWh/year); **4** plants in Bosnia (about 6 Million KWh/year).

# 2020

A Capital of Human Resources continuously growing

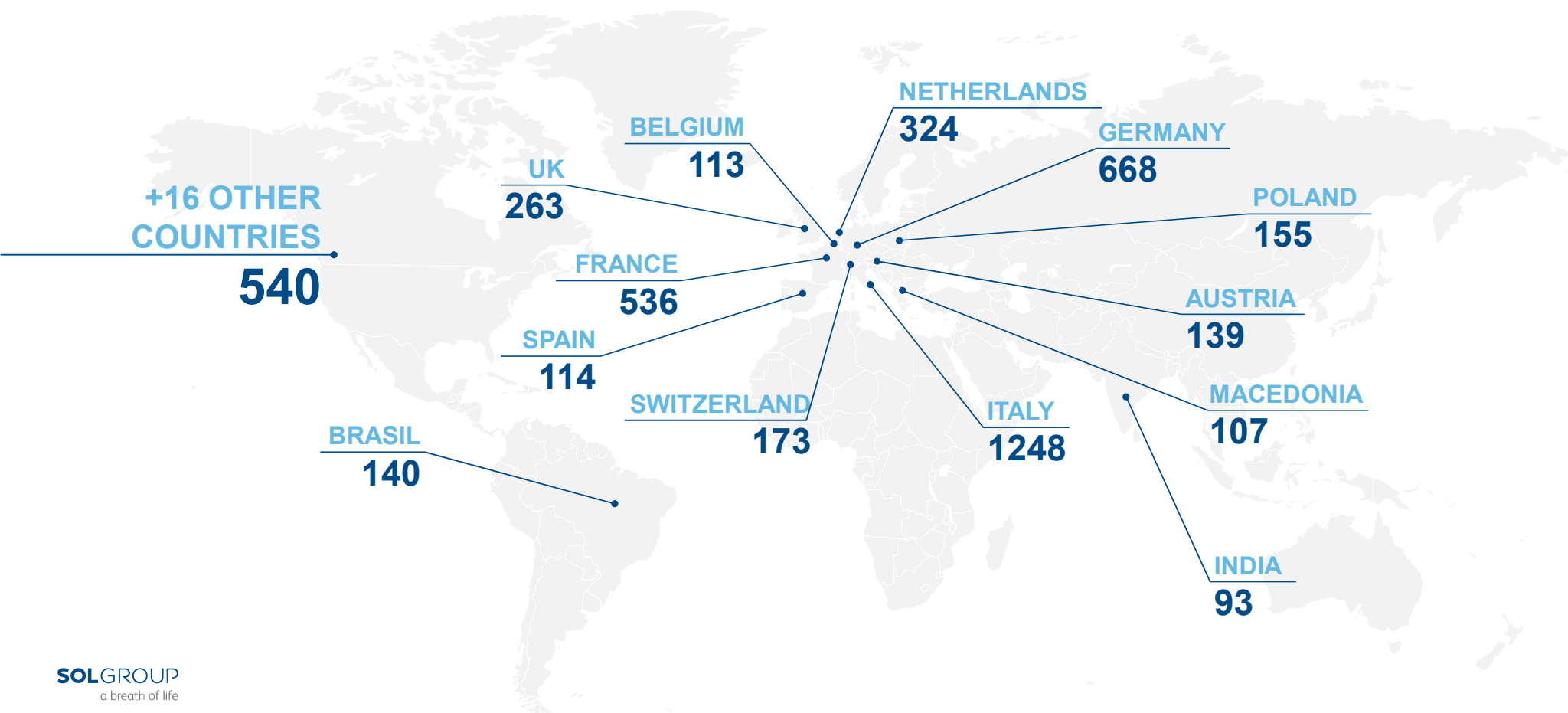




# 2020

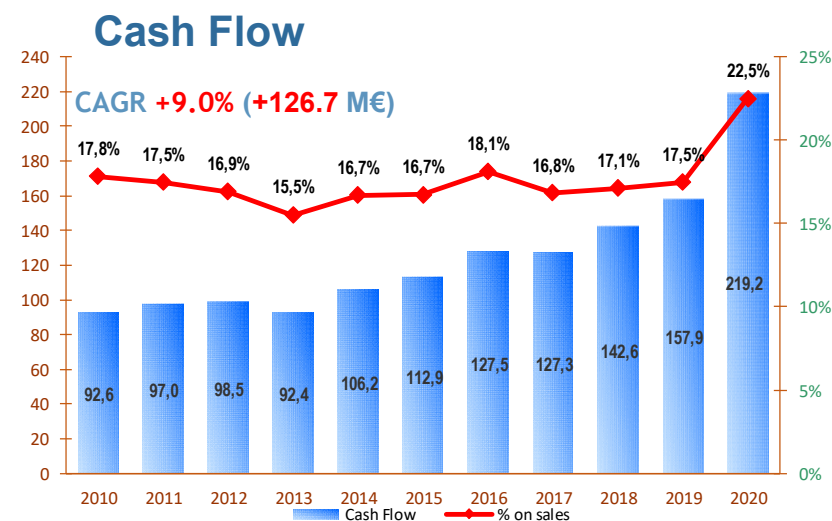
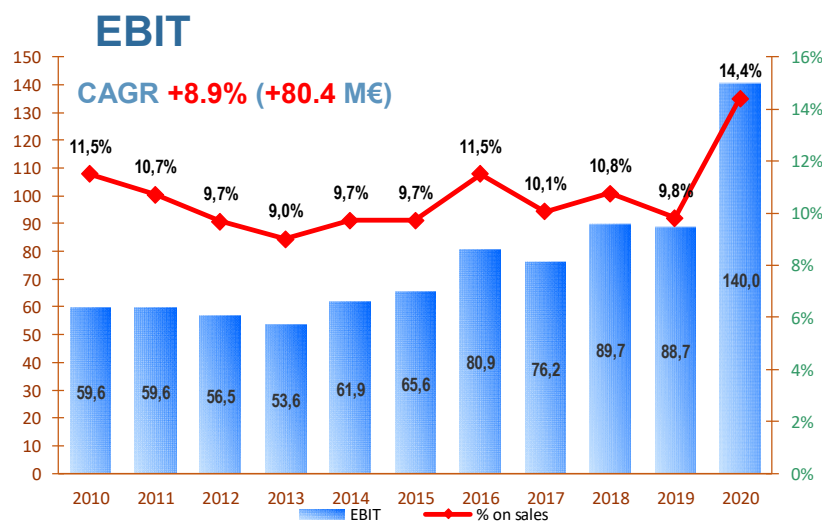
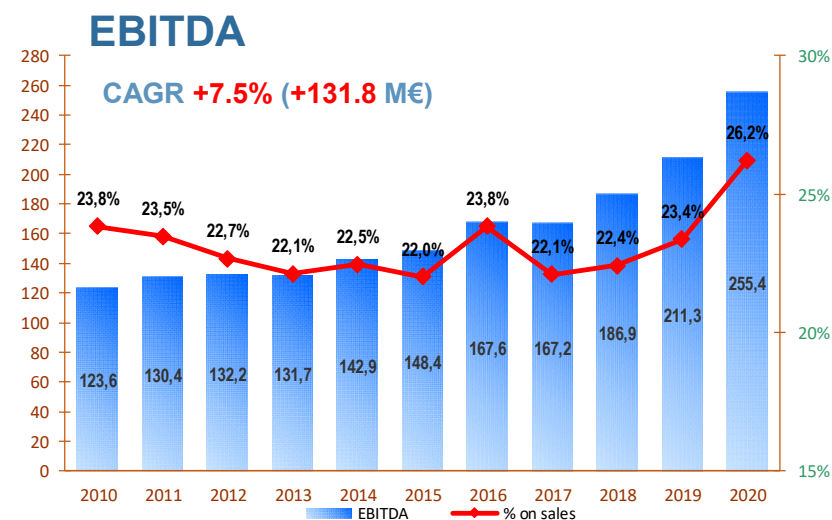
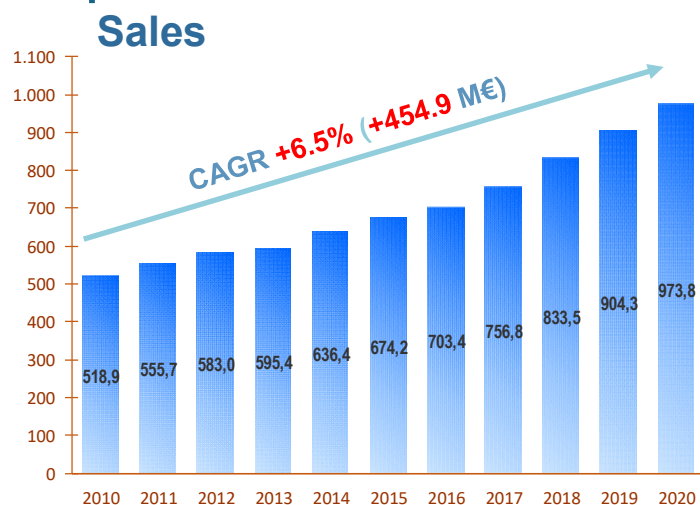
## 29 NATIONALITIES

A huge potential and a great variety of cultures

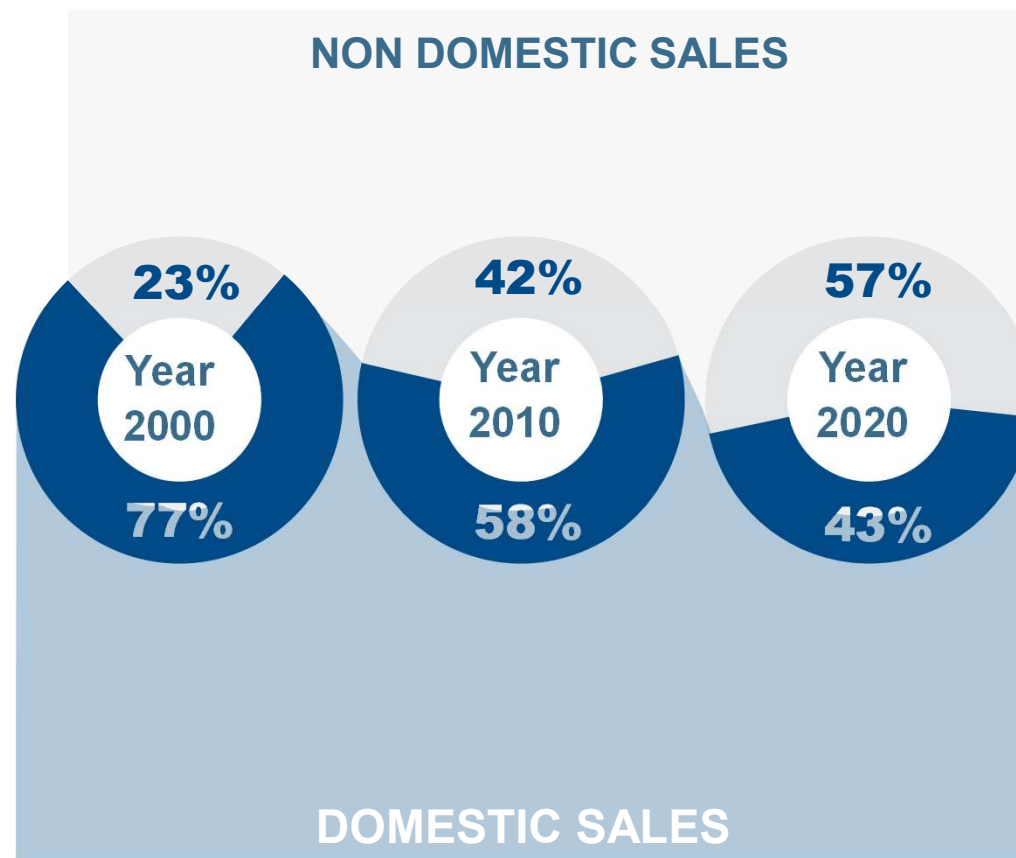
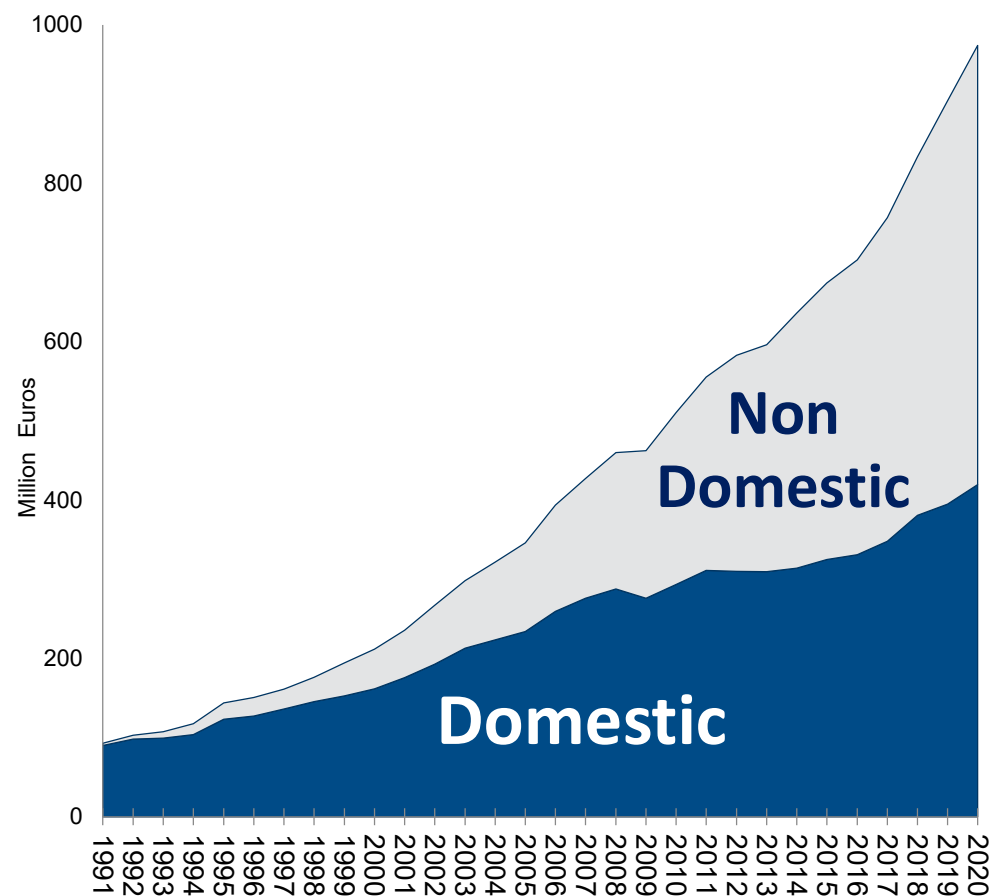


# The Economic performance

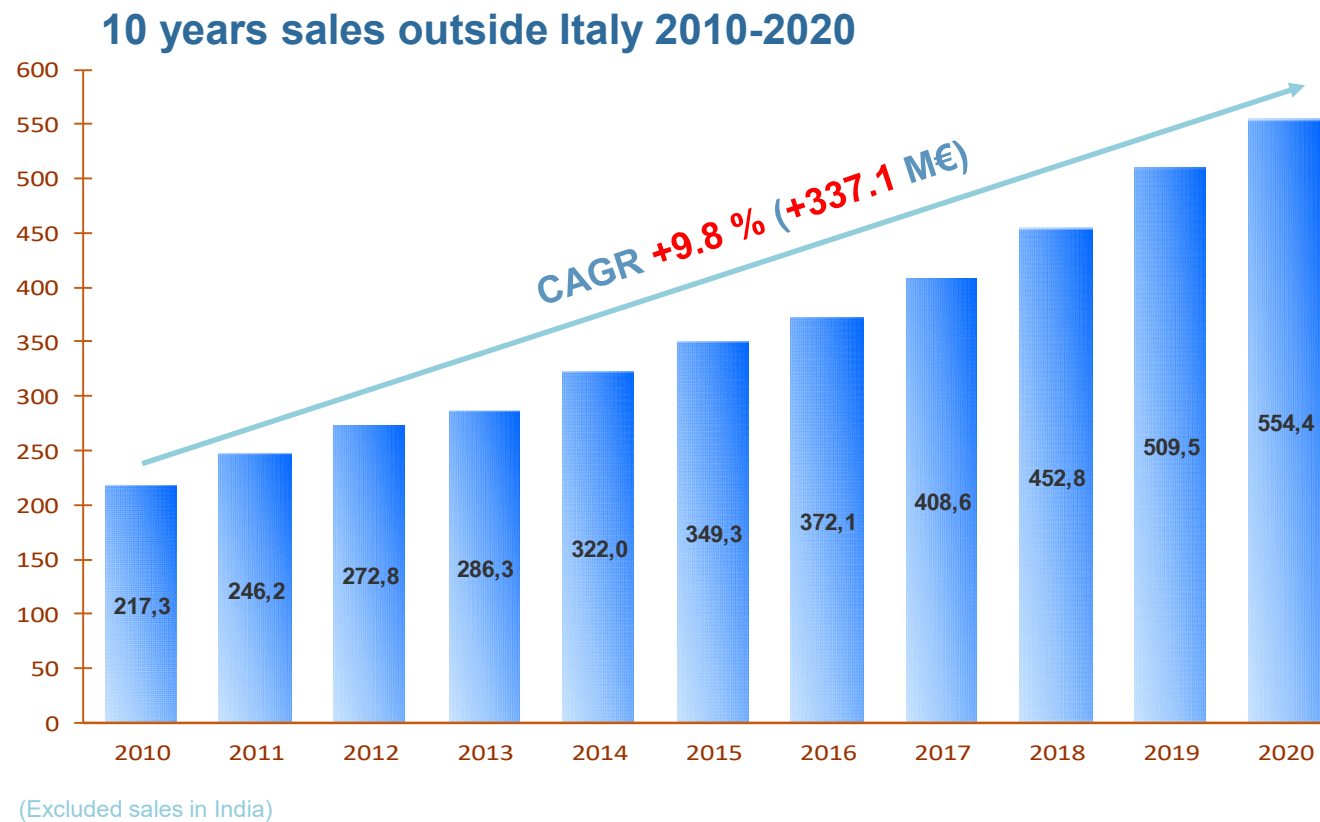
# Sol Group - consolidated results (2010 – 2020)



## Sol Group – internazionalizzazione



# International Expansion





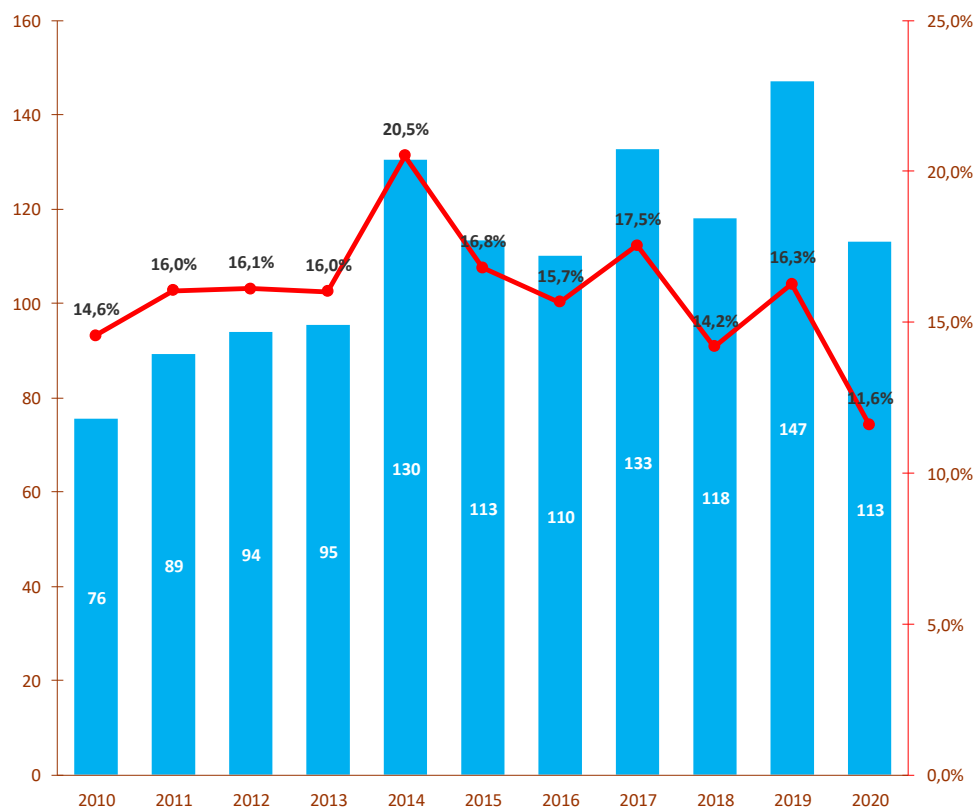
## 62 JV & ACQUISITION (2000-2021)

Company		Year of acquisition	Division
FRANCE OXYGENE	France	2000	Home Care
HGT	Greece	2000	Technical Gases
TGT	Bosnia	2001	Technical Gases
ZEUS	Greece	2001	Technical Gases
BEHRINGER	Italy	2002	Technical Gases
ENERGETIKA	Slovenia	2002	Technical Gases
HOSPITAL SERVICE	Italy	2002	Home Care
TGP	Bosnia	2002	Technical Gases
ELOMED	Germany	2003	Home Care
IL POINT	Italy	2004	Home Care
OXYMED	Germany	2004	Home Care
MEDIZIN SERVICE	Germany	2006	Home Care
MEDIZIN TECHNIK	Germany	2006	Home Care
JULIA GAS	Italy	2007	Technical Gases
RESMED	Austria	2008	Home Care
BOESCH	Germany	2009	Home Care
JLV	Spain	2009	Home Care
DOLBY	UK - Scotland	2010	Home Care
FRODITHYA	Greece	2010	Home Care
MEDES	Italy	2010	Technical Gases
OSSIGEN GAS	Italy	2010	Technical Gases
SICGILSOL	India	2010	Technical Gases
GTH	Romania	2011	Technical Gases
HYDROENERGY	Albania	2011	Technical Gases
DIATHEVA	Italy	2012	Biotech
MEDICAL SYSTEM	Italy	2012	Technical Gases
VIVISOL TK	Turkey	2012	Home Care
CTB	Germany	2014	Technical Gases
MBAR	France	2014	Home Care
SKS	Germany	2014	Technical Gases
TESI	Italy	2014	Technical Gases

Company		Year of acquisition	Division
VIVISOL ADRIA	Slovenia	2014	Home Care
CRYOLAB	Italia	2015	Biotech
FLOSIT	Morocco	2015	Technical Gases
INSPIRAR	Brazil	2015	Home Care
PIELMEIER	Germany	2015	Home Care
SEVA	India	2015	Technical Gases
SONOCARE	Potugal	2015	Home Care
IRISH OXYGEN COMPANY	Ireland	2016	Technical Gases
KOMPASS	Germany	2016	Home Care
MEL	Bosnia	2016	Technical Gases
DIRECT MEDICAL	Ireland	2017	Home Care
GEBZE GAZ	Turkey	2017	Technical Gases
PERSONAL GENOMICS	Italy	2017	Biotech
RESPITEK	Turkey	2017	Home Care
REVI	Italy	2017	Technical Gases
SITEX	Switzerland	2017	Home Care
STERIMED	Italy	2017	Technical Gases
CRYOS	Italy	2018	Technical Gases
FISIOMED	Italy	2018	Home care
MEDSEVEN	Poland	2018	Home care
PALLMED	Poland	2018	Home care
MEDTEK	Germany	2018	Home care
Wanninger	Germany	2019	Home care
PPAR	Brazil	2019	Home care
Unit Care	Brazil	2019	Home care
DN GLOBAL	Brazil	2019	Home care
GLOBAL CARE	Brazil	2019	Home care
SPITEX PERSPECTA	Switzerland	2019	Home Care
SOL India	India	2021	Technical Gases
TAE Hellas	Greece	2021	Technical Gases
VIVICARE Hellas	Greece	2021	Home Care

# Capital Expenditures & Acquisition (2010-2020)

## 10 years of Capex & M&A on sales 2010-2020

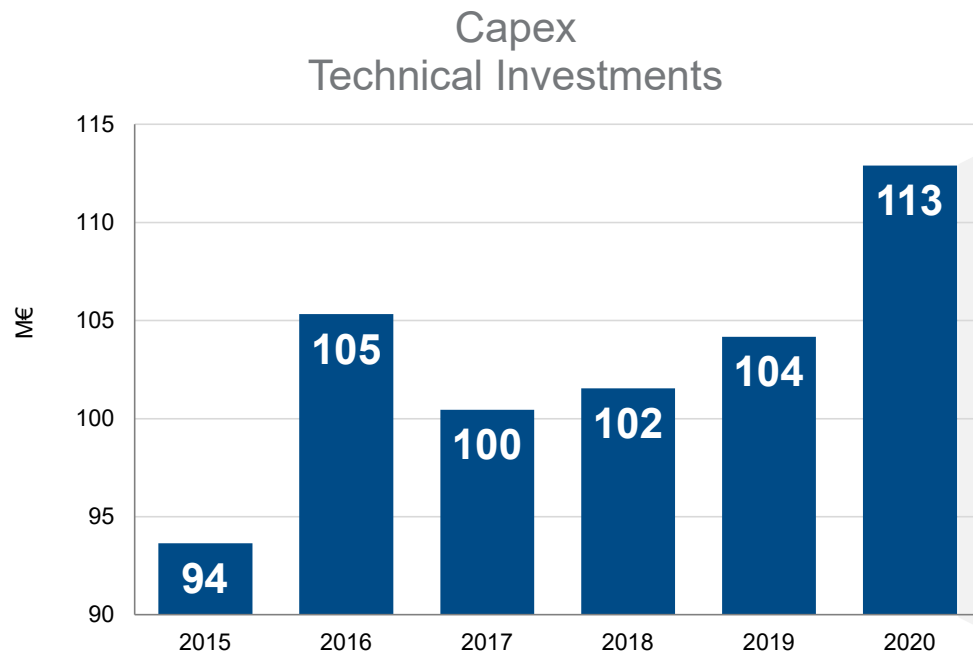


### High annual investments

- The Group every year invest about **16%** of its revenues;
- The Sol business require a high level of investments for **long term** growth options;
- In 2020 almost the **63%** of the Group investments in CAPEX (without M&A) was made outside Italy.

# 2020

A policy of strong investments also in the most difficult context

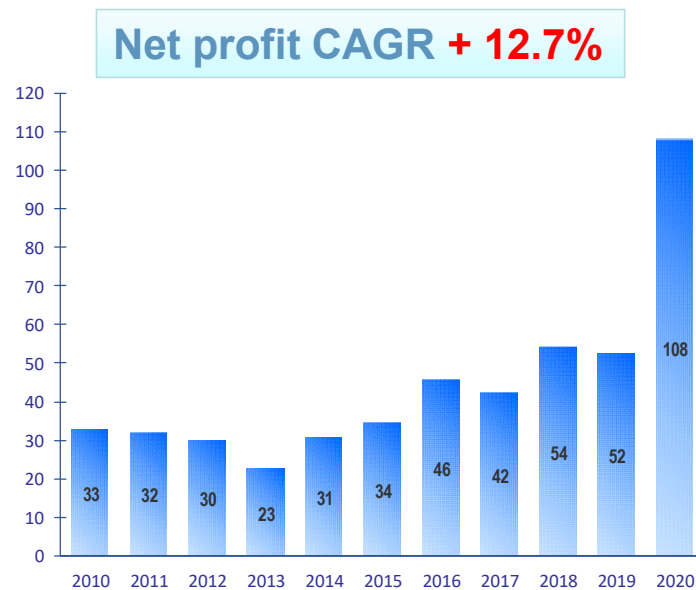


## Record investments in 2020

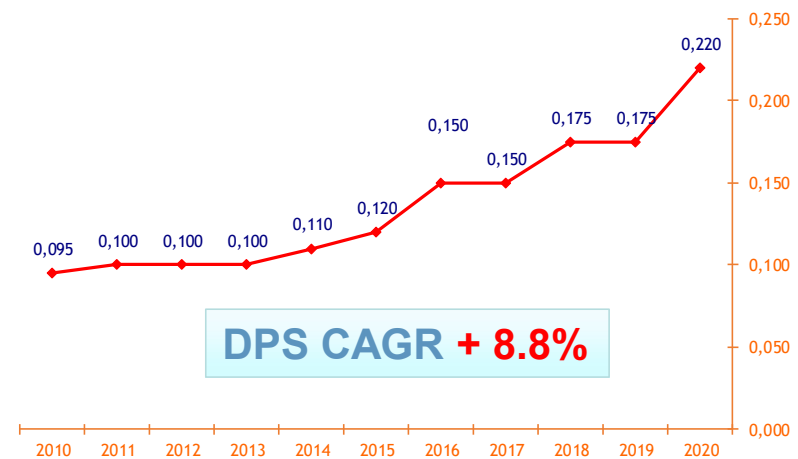
A series of structural investments for the growth of the Group in the years to come

# 10 years net profit and dividend growth

## NET PROFIT



## DPS - Dividend Yield



**10Y AVERAGE PAY-OUT RATIO 30%**

# Shareholding information and market price



Source: Borsa Italiana

## Outstanding Shares

- 90.700.000 ordinary shares
- par value: 0,52

## Shareholding Structure

- **Fumagalli and Annoni** families 60%
- **Main Institutional Investors:**
  - **Tweedy Brown**
  - **Azvalor**



# SOL Group - Consolidated Income Statement

(thousands Euro)

	31.12.20	31.12.19	2020/ 2019
<b>Net turnover</b>	973,833	904,313	+ 7,7%
<b>Total revenues</b>	996,196 102.3%	926,858 102.5%	+ 7,5%
<b>Added value</b>	468,401 48.1%	416,422 46.0%	+ 12,5%
<b>EBITDA</b>	255,392 26.2%	211,307 23.4%	+ 20,9%
<b>EBIT</b>	139,987 14.4%	88,660 9.8%	+ 57,9%

# SOL Group - Consolidated Income Statement

(Thousands Euro)	31.12.20		31.12.19	
	%		%	
<b>Net turnover</b>	<b>973,833</b>	<b>100.0</b>	<b>904,313</b>	<b>100.0</b>
Other revenues	9,875	1.0	8,883	1.0
Internal work capitalized	12,488	1.3	13,662	1.5
<b>Total revenues</b>	<b>996,196</b>	<b>102.3</b>	<b>926,858</b>	<b>102.5</b>
Raw materials	240,540	24.7	212,870	23.5
Services	277,282	28.5	272,233	30.1
Stocks	(14,459)	(1.5)	1,752	0.2
Other costs	24,432	2.5	23,580	2.6
<b>Total costs</b>	<b>527,794</b>	<b>54.2</b>	<b>510,436</b>	<b>56.4</b>
<b>Added value</b>	<b>468,401</b>	<b>48.1</b>	<b>416,422</b>	<b>46.0</b>
Labour costs	213,009	21.9	205,115	22.7
<b>EBITDA</b>	<b>255,392</b>	<b>26.2</b>	<b>211,307</b>	<b>23.4</b>

# SOL Group - Consolidated Income Statement

(Thousands Euro)			
	31.12.20		31.12.19
	%		%
<b>EBITDA</b>	<b>255,392</b>	<b>26.2</b>	<b>211,307</b> <b>23.4</b>
Depreciation & Amortization	110,986	11.4	105,472 11.7
Other provisions	4,419	0.5	7,066 0.8
<b>Operating income recurring</b>	<b>139,987</b>	<b>14.4</b>	<b>98,769</b> <b>10.9</b>
Non recurring (Income)/Charges	-	-	10,109 1.1
<b>EBIT</b>	<b>139,987</b>	<b>14.4</b>	<b>88,660</b> <b>9.8</b>
Net financial	(9,810)	(1.0)	(8,459) (0.9)
<b>PBT</b>	<b>130,177</b>	<b>13.4</b>	<b>80,201</b> <b>8.9</b>
Taxes	21,943	2.3	27,784 3.1
<b>Net profit from ongoing operations</b>	<b>108,234</b>	<b>11.1</b>	<b>52,417</b> <b>5.8</b>
Minorities	(5,187)	(0.5)	(3,079) (0.3)
<b>NET PROFIT</b>	<b>103,047</b>	<b>10.6</b>	<b>49,338</b> <b>5.5</b>
<b>EPS</b>	<b>1.136</b>		<b>0.544</b>

# SOL Group - Consolidated Balance Sheet

(Thousands Euro)					
	31.12.20	31.12.19		31.12.20	31.12.19
<b>Assets</b>			<b>Liabilities</b>		
Net fixed assets	554.6	534.1	Shareholder's equity	635.7	560.6
Other fixed assets	196.3	184.7	Minorities	27.2	19.4
Cash and liquid assets	269.2	169.3	Financial debts	446.6	400.8
Inventory	63.3	49.5	Other non current liabilities	23.9	21.9
Net receivables	297.9	280.1	Payables	122.2	108.5
Other current assets	32.9	36.7	Other current liabilities	158.8	143.3
<b>Total assets</b>	<b>1,414.3</b>	<b>1,254.4</b>	<b>Total liabilities</b>	<b>1,414.3</b>	<b>1,254.4</b>

# SOL Group - Net Financial Position

(Thousands Euro)

	31.12.20	31.12.19
Cash and cash at bank	269,181	169,326
Securities	6,300	4,147
Loans - current portion	(63,612)	(55,327)
Leases - current portion	(15,319)	(14,338)
Due to shareholders	(1,857)	(2,415)
Other financial receivables - current portion	1,166	3,920
Other financial liabilities - current portion	(2,589)	(2,034)
<b>Short term liquidity</b>	<b>193,269</b>	<b>103,279</b>
Investments securities	1,156	1,055
Loans - long term portion	(405,463)	(361,937)
Leases - long term portion	(36,488)	(34,686)
Due to shareholders	0	(1,107)
Other financial receivables - long term portion	831	3,681
Other financial liabilities - long term portion	(3,562)	(2,190)
<b>Medium long term debt</b>	<b>(443,525)</b>	<b>(395,184)</b>
<b>TOTAL NET LIQUIDITY</b>	<b>(250,257)</b>	<b>(291,905)</b>



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