

Company presentation – Full year 2014

SOLGROUP
a breath of life

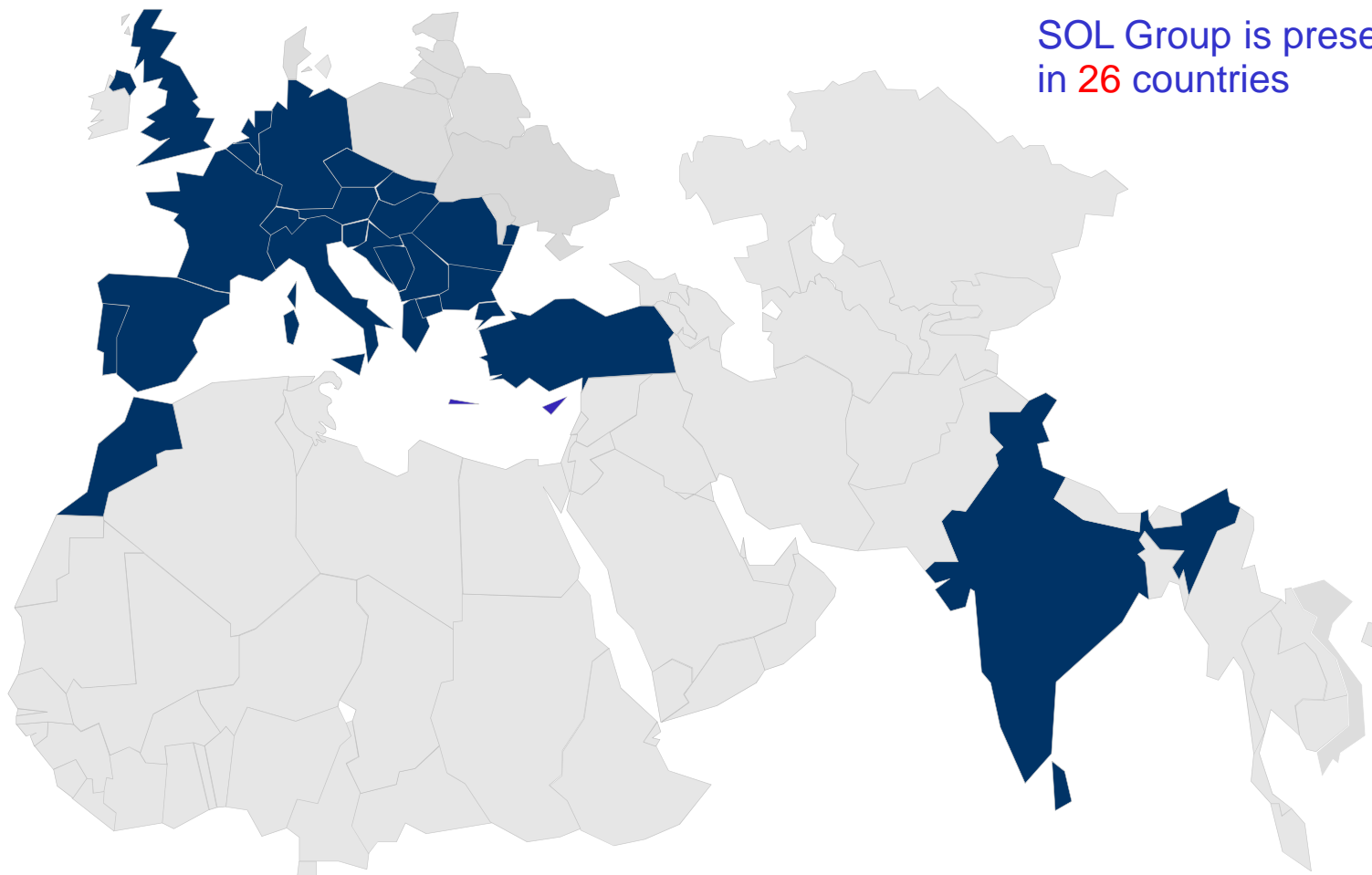


SOL Group at a glance

- Founded in **1927**, is an Italian based multinational company present in **26** countries with more of **3,000** people employed.
- **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**.
- Strong results and sound balance sheet:
 - Over **636** millions € of Total Group revenues in FY2014 (+6,9% FY2013);
 - Over **50%** of international revenues in 2014 (vs 23,7% in 2000)
 - **7,1%** sales CAGR in the last 10 years;
 - **22,5%** of EBITDA margin in 2014;
 - **0,504** of Debt/Equity ratio;
 - Dividend policy: **30%** average dividend pay out ratio over the last 10 years.

SOL Group – Geographic Presence

SOL Group is present
in 26 countries



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

Supply of plants, equipments, 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

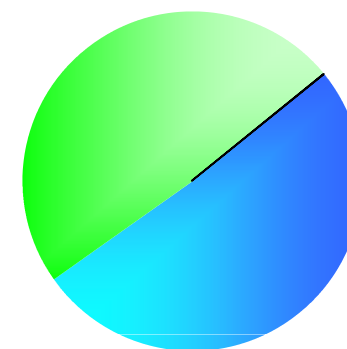


Technical Gases Business

Technical gases business (M€)	FY2014	FY2013	YoY
Sales	352	342	+ 2,9%
EBITDA	70	70	- 0,1%
EBITDA %	20,0%	20,6%	- 0,6%
Investments	53	57	- 7,0%

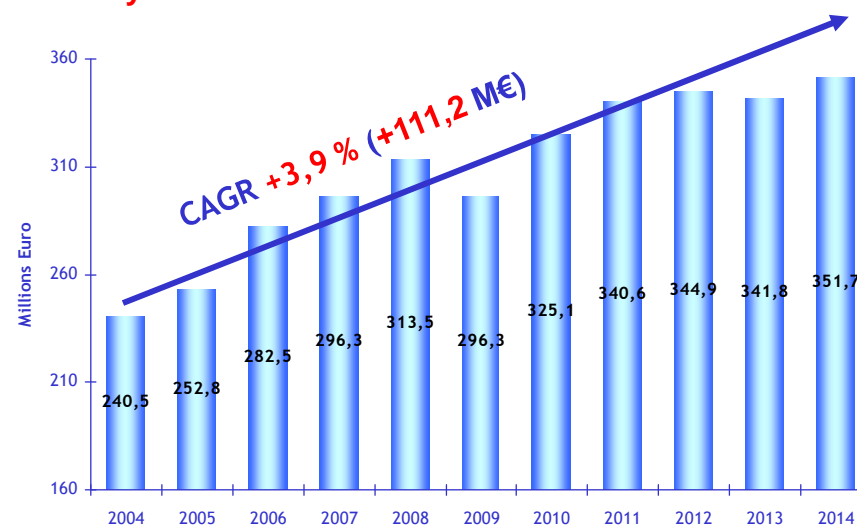
- In 2014 the industrial gases division sales were stable, maintaining the EBITDA margin around **20%**.
- In 2014 the division invested over the **15%** of its revenues.
- **3,9%** sales CAGR over the last 10 ys.

SOL Group 2014 Total revenues



Technical Gases
51%

10 years Sales in Technical Gases 2004 - 2014



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:
 - 24 countries, 38 primary transformation plants, 55 secondary transformation plants.



Resilience + Growth + Demand stability + Low risk level

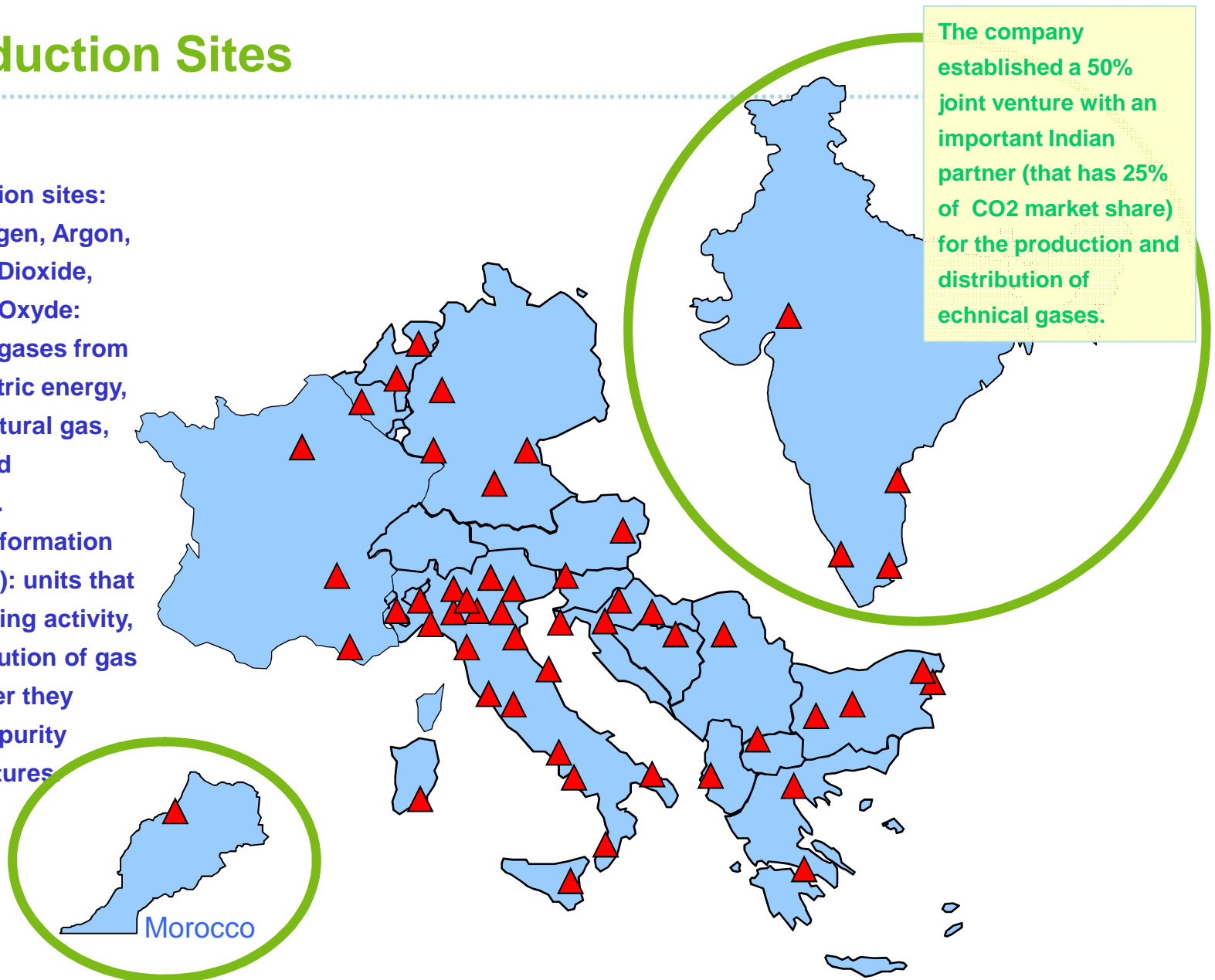
Technical Gases Business

Specialty and medicinal gases and services

- The uses of specialty gases are expanding in many different context. The market need for maximum accuracy finds its answer in the world of gases:
 - **Universities and research centers:** highly purified gas carriers for gas chromatography, calibration equipment and gaseous compounds used as precursors for chemical synthesis;
 - **Chemical and pharmaceutical** carrier gases and calibration gases in many activities related to process control;
 - **Hospitals:** medicinal gases for pharmaceutical use, pure products and mixtures for laboratory and analytical activities as a support to diagnostic processes, cryomangement services;
 - **High-tech industry sectors** (such as electronics, automotive and renewable energies) where the use of gases is vital to the innovation of production processes.

Production Sites

- **39** primary production sites:
ASU Oxygen, Nitrogen, Argon,
Hydrogen, Carbon Dioxide,
Acetylene, Nitrous Oxide:
units that produce gases from
raw materials (electric energy,
atmospheric air, natural gas,
calcium carbide and
ammonium nitrate).
- **54** 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

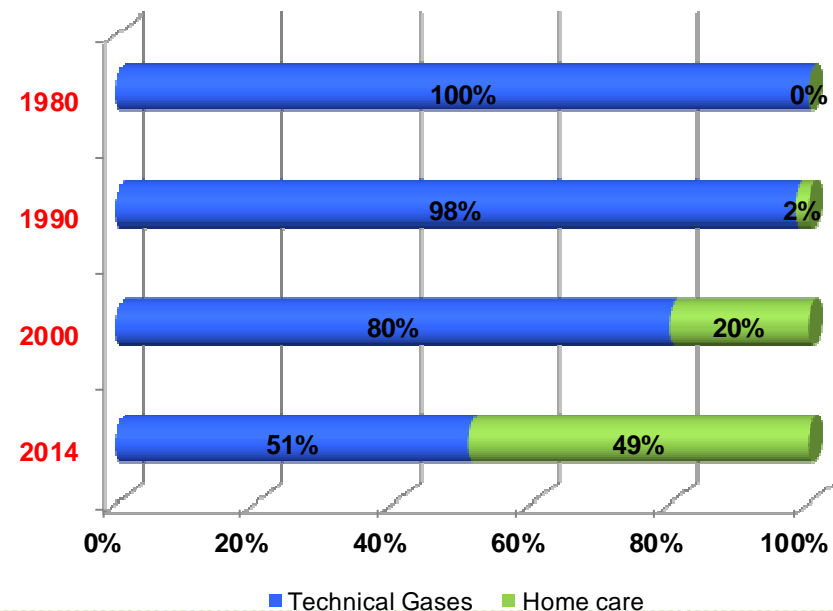


The Home Care Business



The Home Care Business

- In the second half of the eighties, SOL seized a new market diversification opportunity by entering into the **Home-Care** service sector, synergical with the technical gas sector.
- The Group works through the **VIVISOL** Group, which supplies technologically advanced home care services to patients for the treatment of chronic pathologies.
- **VIVISOL** manages the complete patient care from the delivery of medical equipment and drugs, performed by specialized home care professionals, to the provision of qualified medical and nursing services, as well as tele-monitoring services and emergency management.
- The company operates in **10** leading countries of the European Union and in Turkey, with over **60** offices employing over **1.400** employees and serving more than **280.000** patients daily.



Home Care Business

Home care respiratory assistance

Respiratory home-care services concern the home delivery to patients of oxygen or enriched air and other services such as ventilation, diagnosis of pulmonary pathologies and therapy of respiratory disorders.

- ◆ Long term oxygen therapy
- ◆ Mechanical ventilation therapy
- ◆ Assistance to patients undergoing oxygen therapy during travels (VIVITRAVEL)
- ◆ Diagnosis and treatment of sleep disorder conditions

Other home care assistance

The other home-care services include telemedicine services, artificial nutrition, integrated home-care service in the respiratory framework and in monitoring child respiratory disorders.

- ◆ Home care artificial nutrition
- ◆ Integrated home care services
- ◆ Remote monitoring and diagnosis of respiration conditions

Home care equipment

VIVISOL markets also equipment intended for the diagnosis and therapy of the above-mentioned pathologies and its customers include hospitals, pharmacists, laboratories, clinics and doctors.

- ◆ Home and traveling oxygen therapy equipments
- ◆ Ventilation equipment
- ◆ Instruments and accessories for diagnosis and aerosol treatment
- ◆ Home aids

Home Care Business

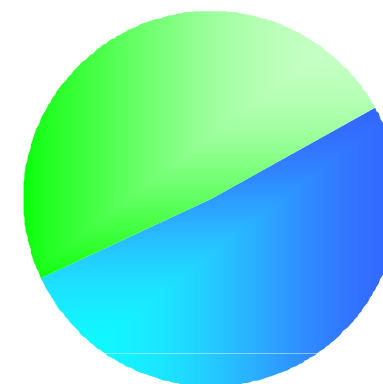
Hone Care business (M€)	FY2014	FY2013	YoY
Sales	313	281	+ 11,2%
EBITDA	73	61	+ 19,0%
EBITDA %	23,4%	21,9%	+ 1,5%
Investments	41	34	+ 19,6%

- VIVISOL was able to grow over the 11% in 2014, with an EBITDA margin higher than 23%.
- The Group is continuing to invest significantly in this business.

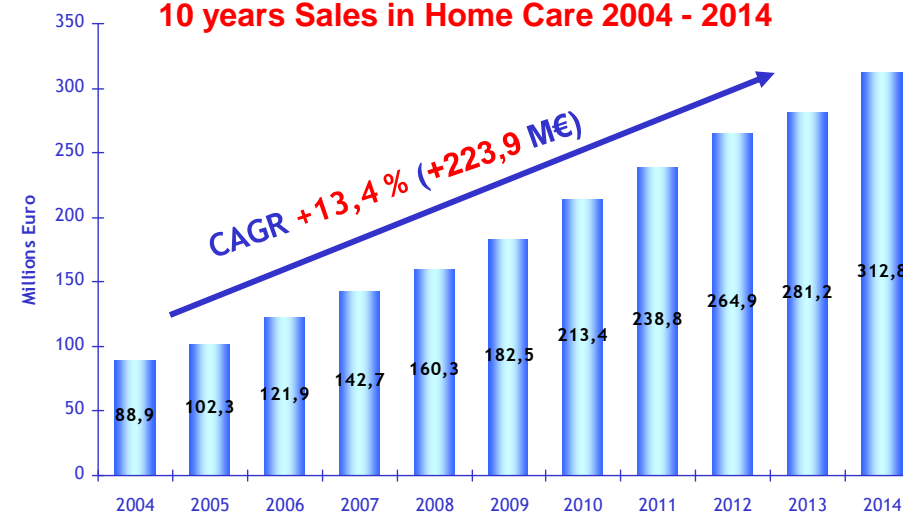


SOL Group 2014 Total revenues

Home Care
49 %



10 years Sales in Home Care 2004 - 2014



Home Care Business

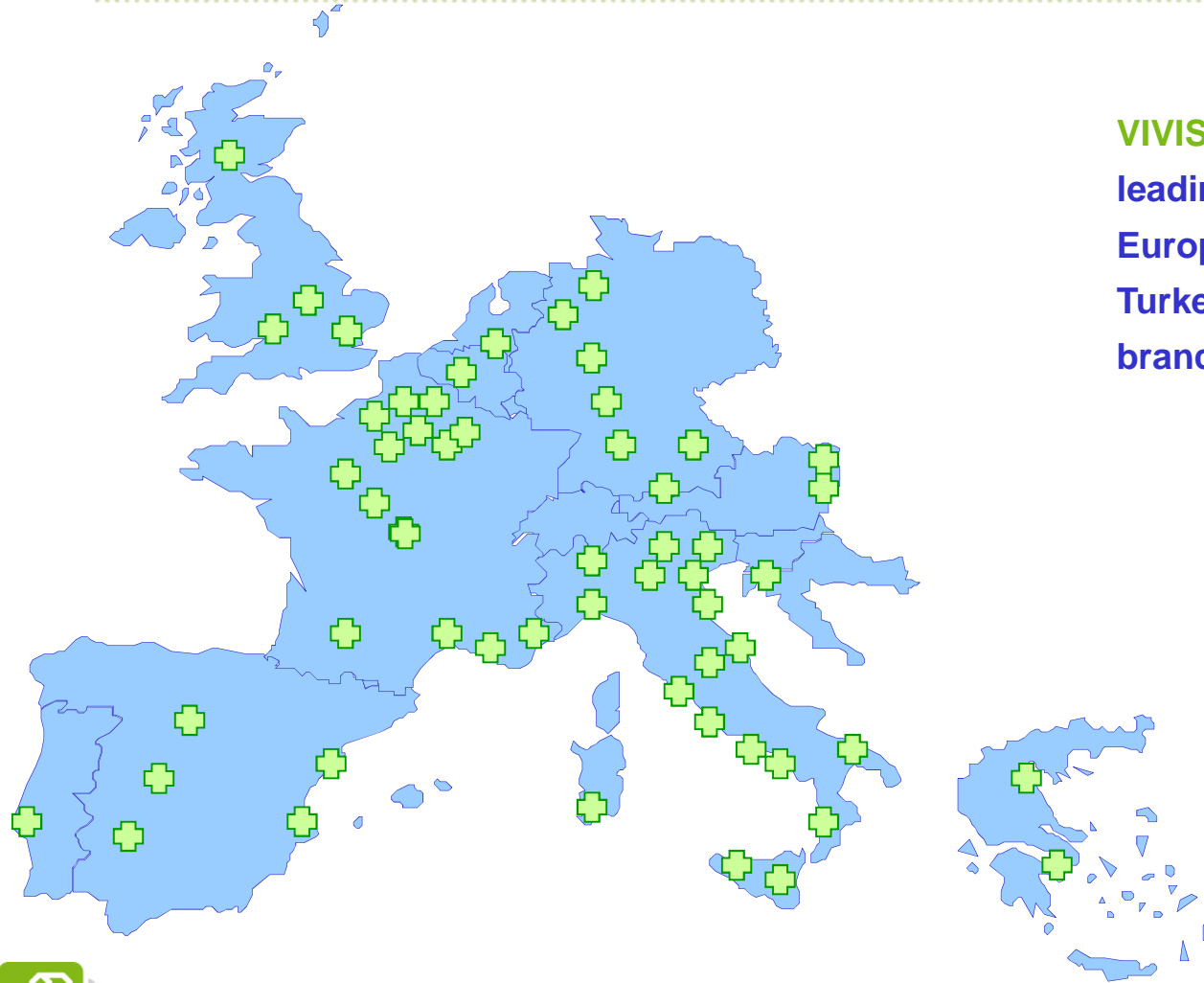


Key growth drivers:

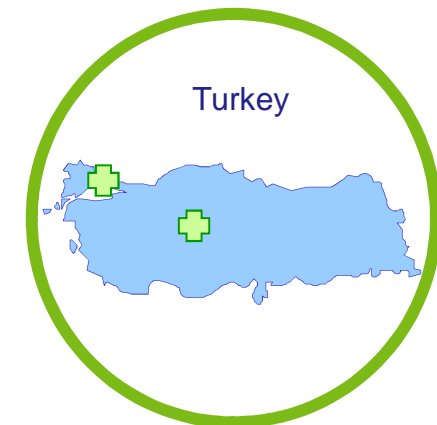
- Aging population – demographics
- Restructuring of Health Care Systems through de-hospitalization and home care
- Developments in portable medical technologies
- Better quality of life for Patients at home
- Increasing of respiratory and chronic pathologies



Home Care - VIVISOL branches



VIVISOL is present in **11** leading countries of the European Union and Turkey with over **60** branches.



Home Care Business

VIVISOL Belgium - Lessines



VIVISOL
Home Care Services

The Hydro Energy Business



HYDROSOL



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 **5** 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).

The Biotechnology Business

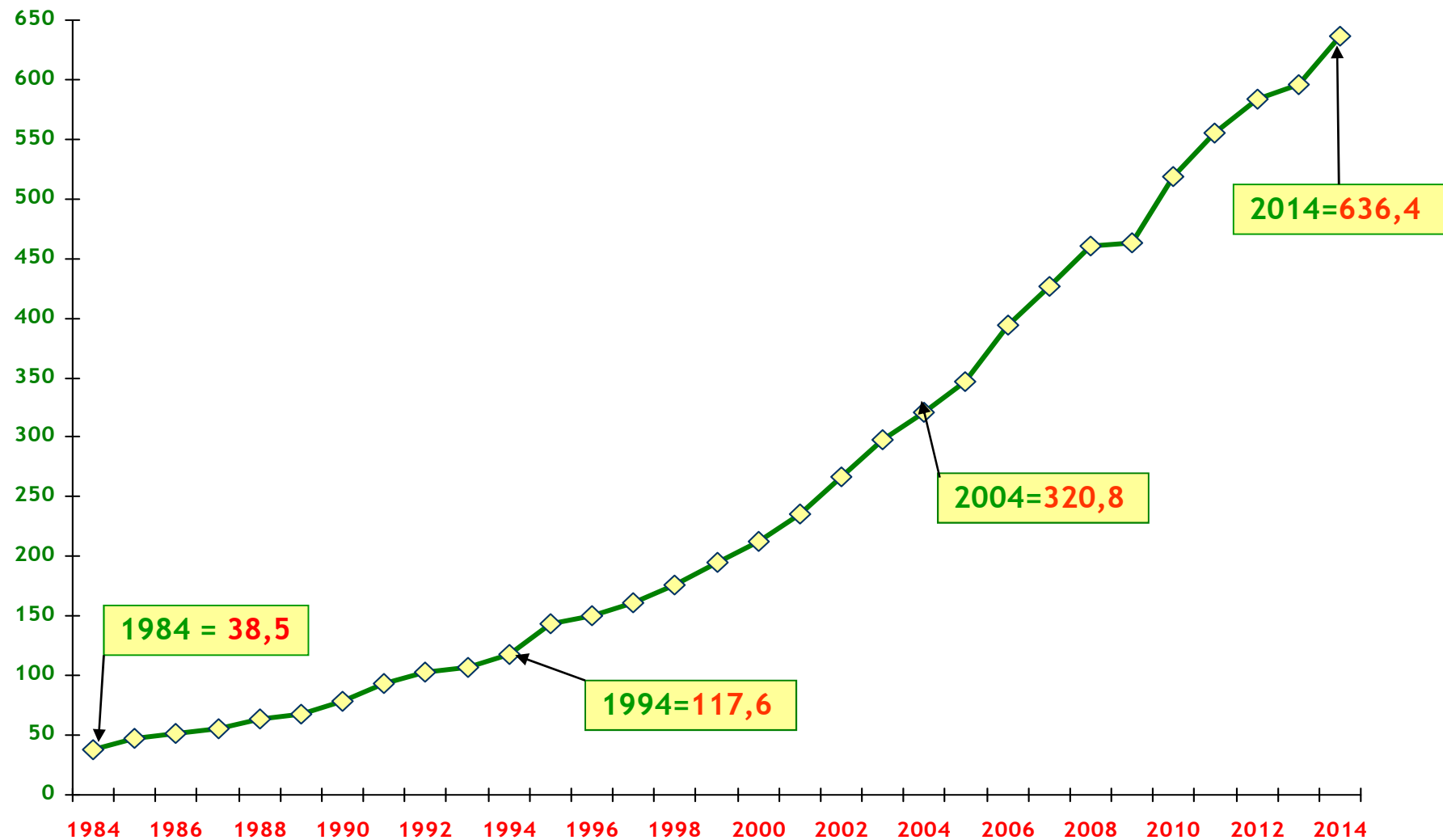


The Biotechnology Business

- SOL Group is active in supplying **biotechnological equipment and services** to hospitals, clinics and laboratories (cryobanks, cellfactories, cryomanagement, cryotransportation)
- With **BIOTECHSOL** is active in the area of tissue and stem cells banking and biological tissues transportation.
- With the acquisition of the majority of **DIATHEVA**, SOL Group is active in drug discovery and drug delivery (recombinant monoclonal antibodies), molecular diagnostic, GMP production of recombinant proteins

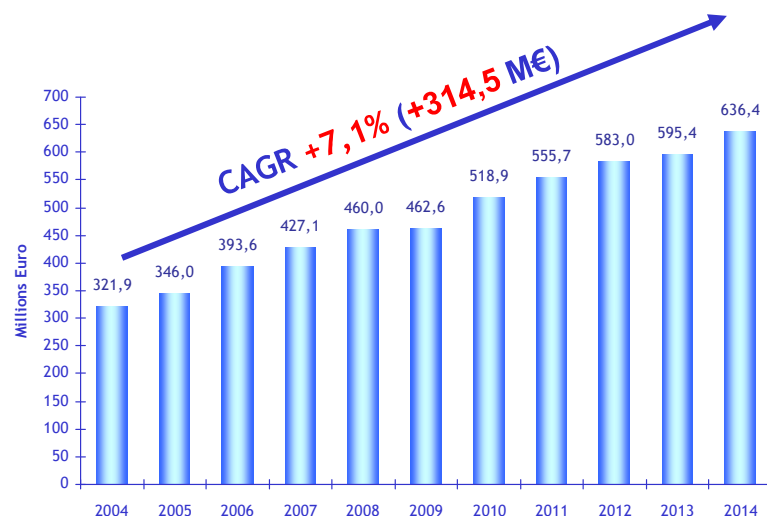


SOL Group: 30 years Turnover (1984-2014)

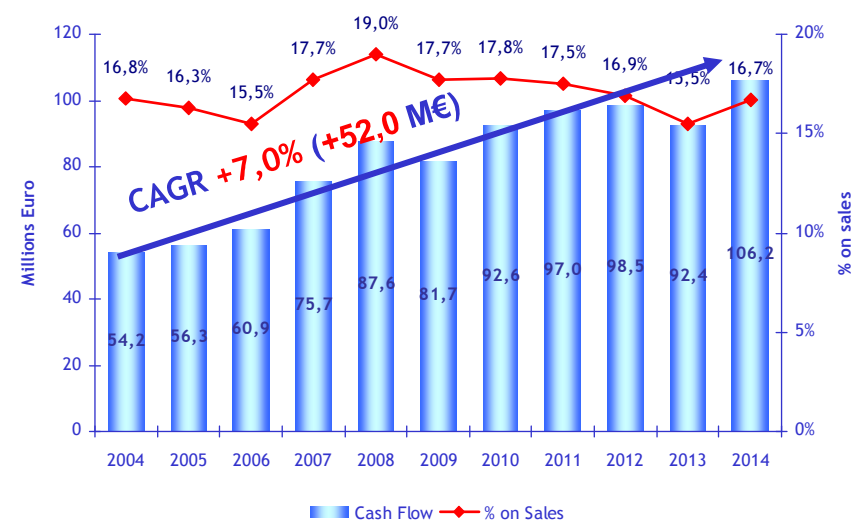


SOL Group: consolidated results (2004 – 2014)

Sales



Cash Flow

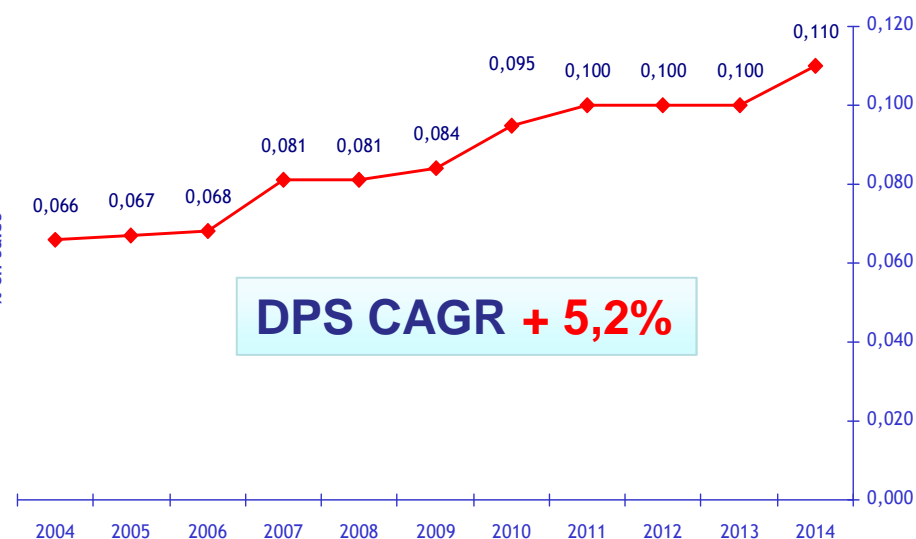


10 years net profit and dividend growth

NET PROFIT



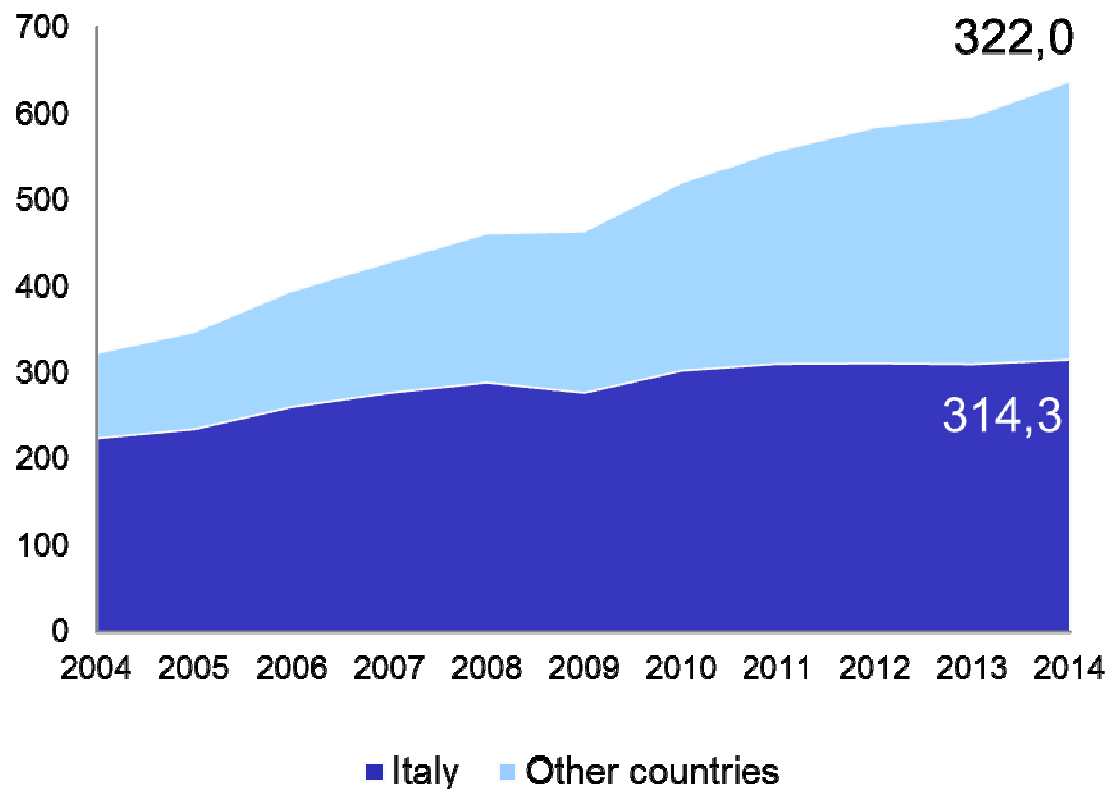
DPS - Dividend Yield



10Y AVERAGE PAY-OUT RATIO 30%

International Expansion

10 years sales: 2004-2014 (+223,5 M€)



(Excluded sales in India)

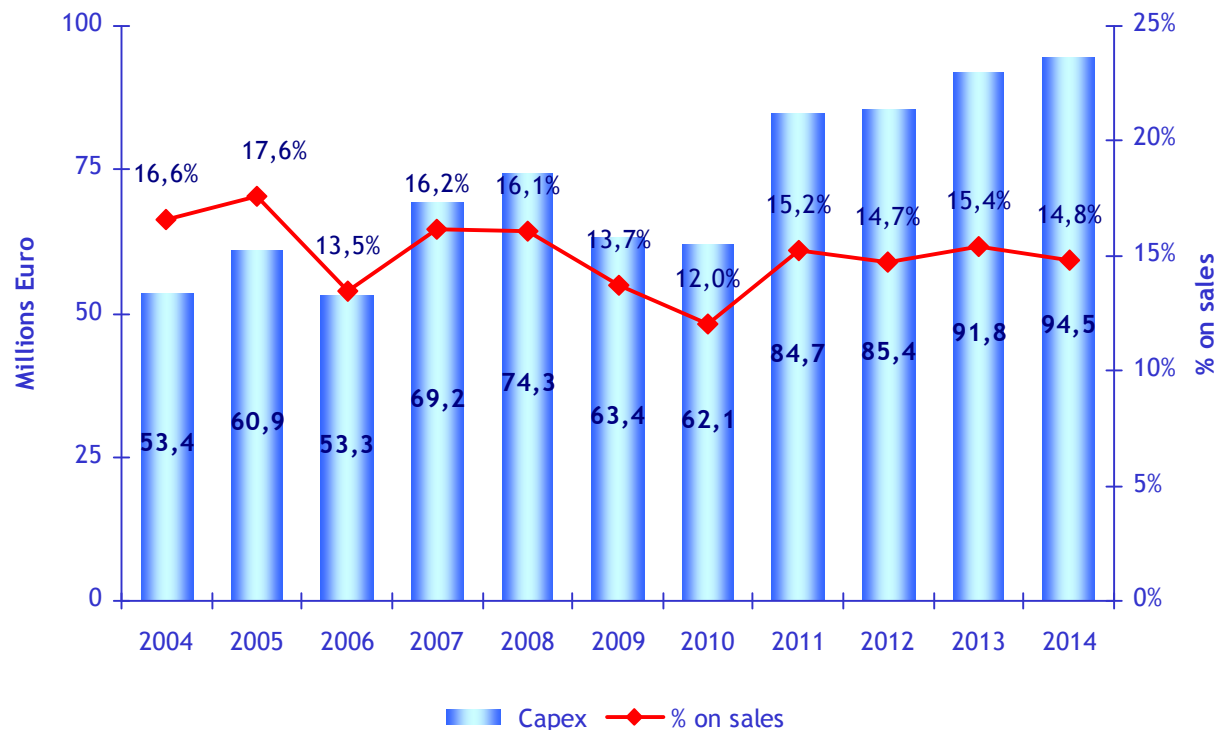
SOLGROUP
a breath of life

SOL is focused on its international expansion:

- The Group started its operations in Italy where it currently has **14** primary production sites.
- In 2014 the Group is present in **25** countries.
- In 2014 the non-domestic sales exceeded the Italian sales (51% / 49%).

Capital Expenditures (2004-2014)

10 years of investments on sales 2004-2014



High annual investments

- The Group every year invest about **15%** of its revenues;
- The Sol business require a high level of investments for **long term** growth options;
- In 2014 almost the **72%** of the Group investments was made outside Italy.

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%
- Institutional Investors approx 20%

SOLGROUP
a breath of life

