

# Company presentation

## Full year 2018

**SOLGROUP**  
a breath of life

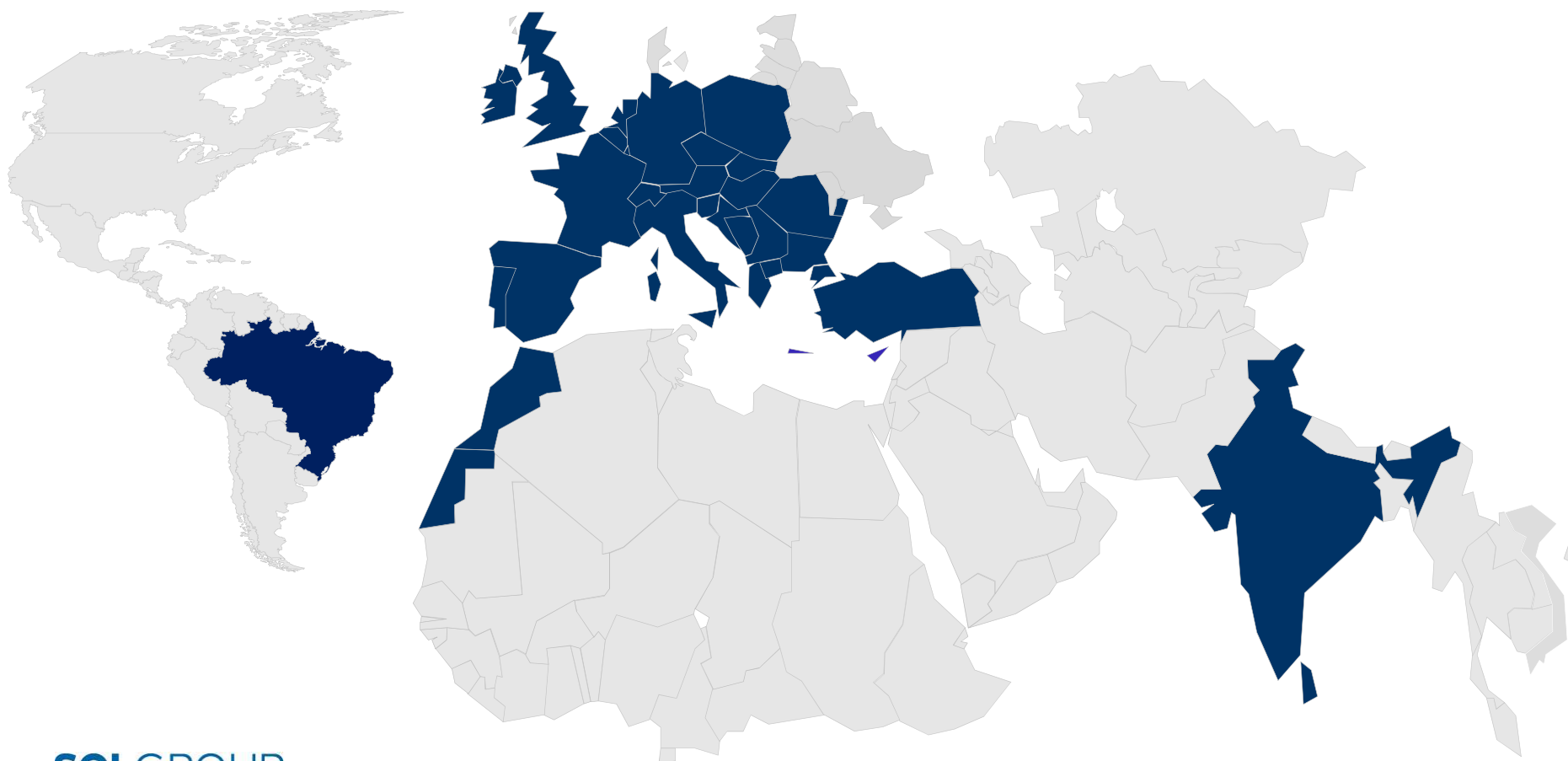


## SOL Group at a glance

- Founded in **1927**, is an Italian based multinational company present in **29** countries with more of **4,000** 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 **833** millions € of Total Group revenues in FY2018 (+10.1% FY2017);
  - Over **54%** of international revenues in 2018 (vs 23.7% in 2000)
  - **6.1%** sales CAGR in the last 10 years;
  - **22.4%** of EBITDA margin in 2018;
  - **0.455** of Debt/Equity ratio;
  - Dividend policy: **31%** average dividend pay out ratio over the last 10 years.

## SOL Group – Geographic Presence

SOL Group is present  
in **29** 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
- ♦ LNG

## Supply of plants, equipments, services and consultancy

Research, design, and construction of:

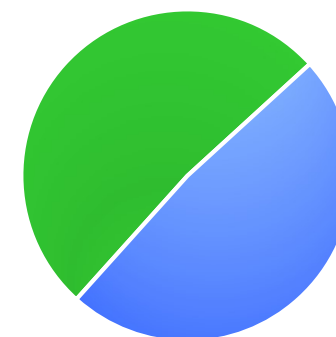
- Industrial gas production facilities
- Plant and equipment for gas utilization
- Services and consultancy
- ♦ Equipment for medical applications
- ♦ Equipment for cryogenic applications
- ♦ Deep freezing tunnels
- ♦ Oxygen burners
- ♦ Ozonisers
- ♦ Medical air plants
- ♦ On-site plants
- ♦ Welding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



# Technical Gases Business

Technical gases business (M€)	FY2018	FY2017	YoY
Sales	432	398	+ 8.4%
EBITDA	78	73	+ 6.6%
EBITDA %	18.0%	18.4%	- 0.4
Investments	52	51	- 1.2%

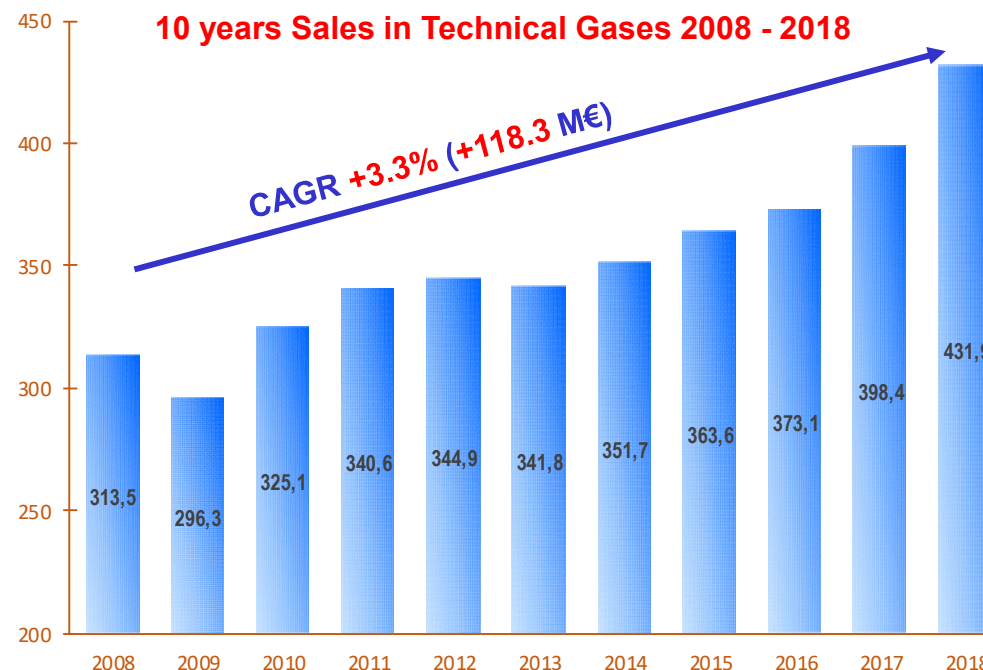
SOL Group 2018 Total revenues



Technical Gases  
48.4%

- In 2018 the division invested over the **12%** of its revenues.
- **3.3%** sales CAGR over the last 10 ys.

10 years Sales in Technical Gases 2008 - 2018





# Technical Gases business

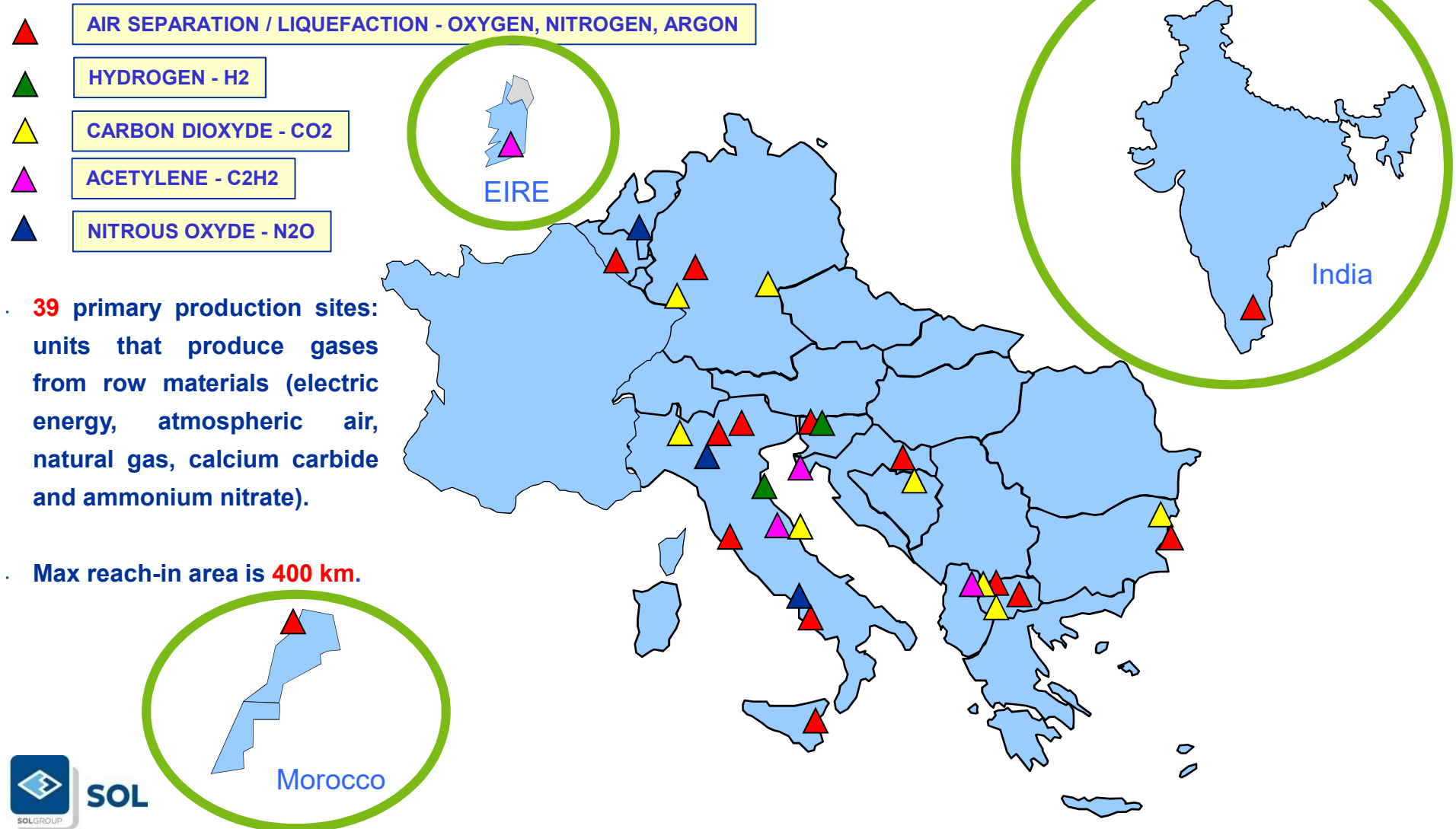
## Market characteristics

- 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:
  - 25 countries, 38 primary transformation plants, 56 secondary transformation plants.

# Primary Production Sites (ASU, ...)





# Filling Stations

- **57** 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.**

SOL owns a company in Morocco for the production and distribution of technical gases.

The company established a 50% joint venture with an important Indian partner (that has 25% of CO2 market share) for the production and distribution of technical gases.

EIRE

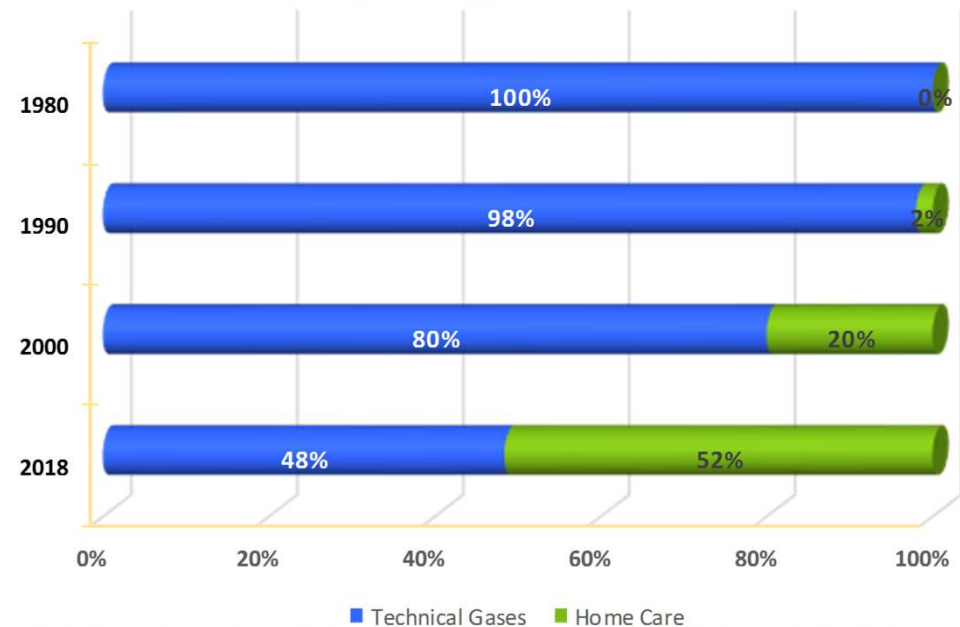
Morocco

# 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 **14** leading countries in Europe, in Brazil and Turkey, with over **60** offices employing over **2.200** employees and serving more than **400.000** patients daily.





# The Home Care Business

## Home care respiratory assistance

- 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

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

# Home Care Business

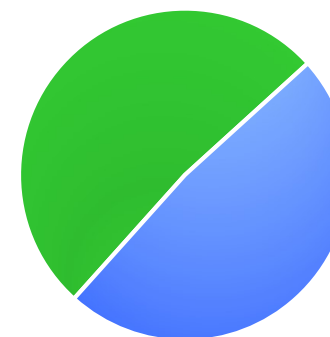
Hone Care business (M€)	FY2018	FY2017	YoY
Sales	431	388	+ 11.0%
EBITDA	109	94	+ 15.8%
EBITDA %	25.3%	24.2%	+ 1.1
Investments	43	41	+ 3.4%

- VIVISOL was able to grow **11%** in 2018, with an EBITDA margin higher than **25%**.
- The Group is continuing to invest significantly in this business.

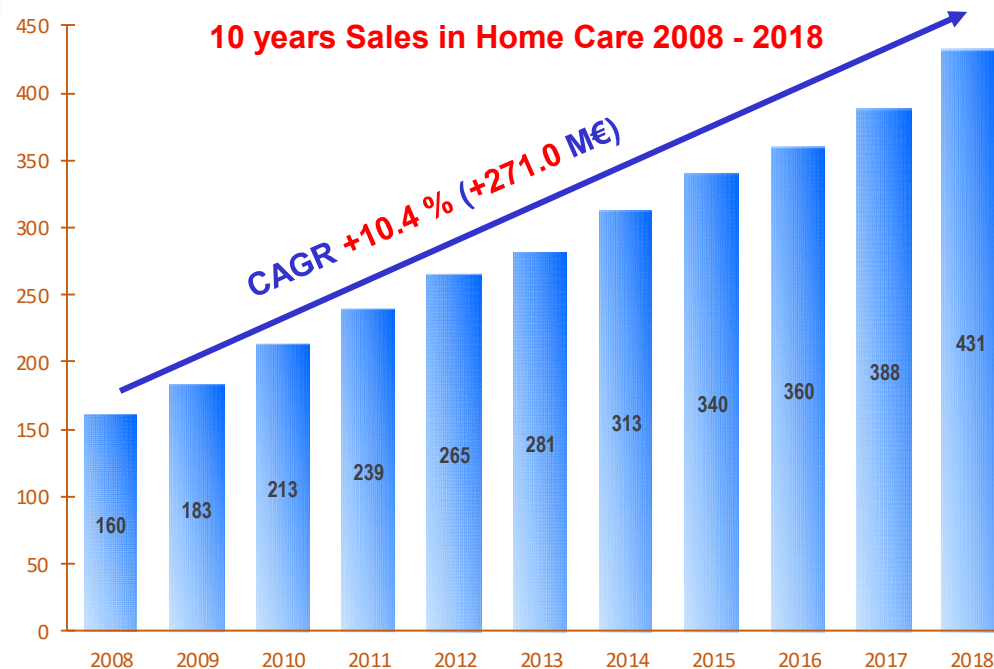


SOL Group 2018 Total revenues

Home Care  
51,6%



10 years Sales in Home Care 2008 - 2018



# 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 **14** leading countries in Europe, Brazil and Turkey with over **60** branches.



# Home Care Business

VIVISOL Belgium - Lessines



**VIVISOL**  
Home Care Services

# 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 **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); **4** plants in Bosnia (about **6** Million KWh/year).



**HYDROSOL**

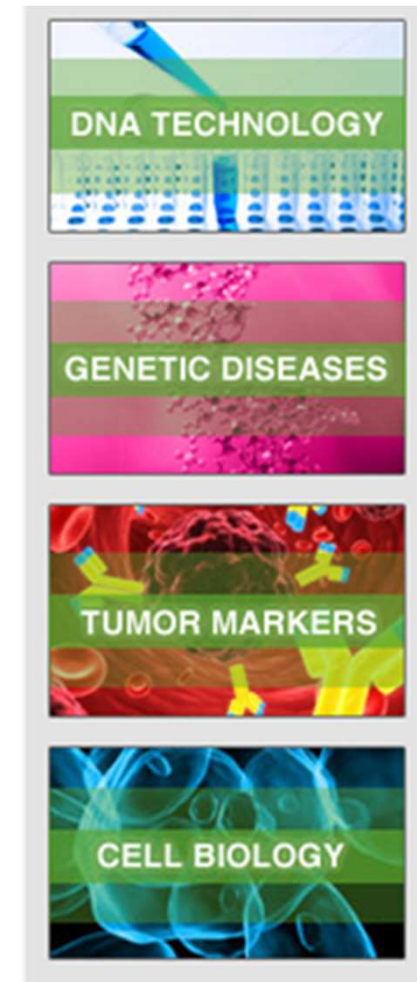
# The Biotechnology Business





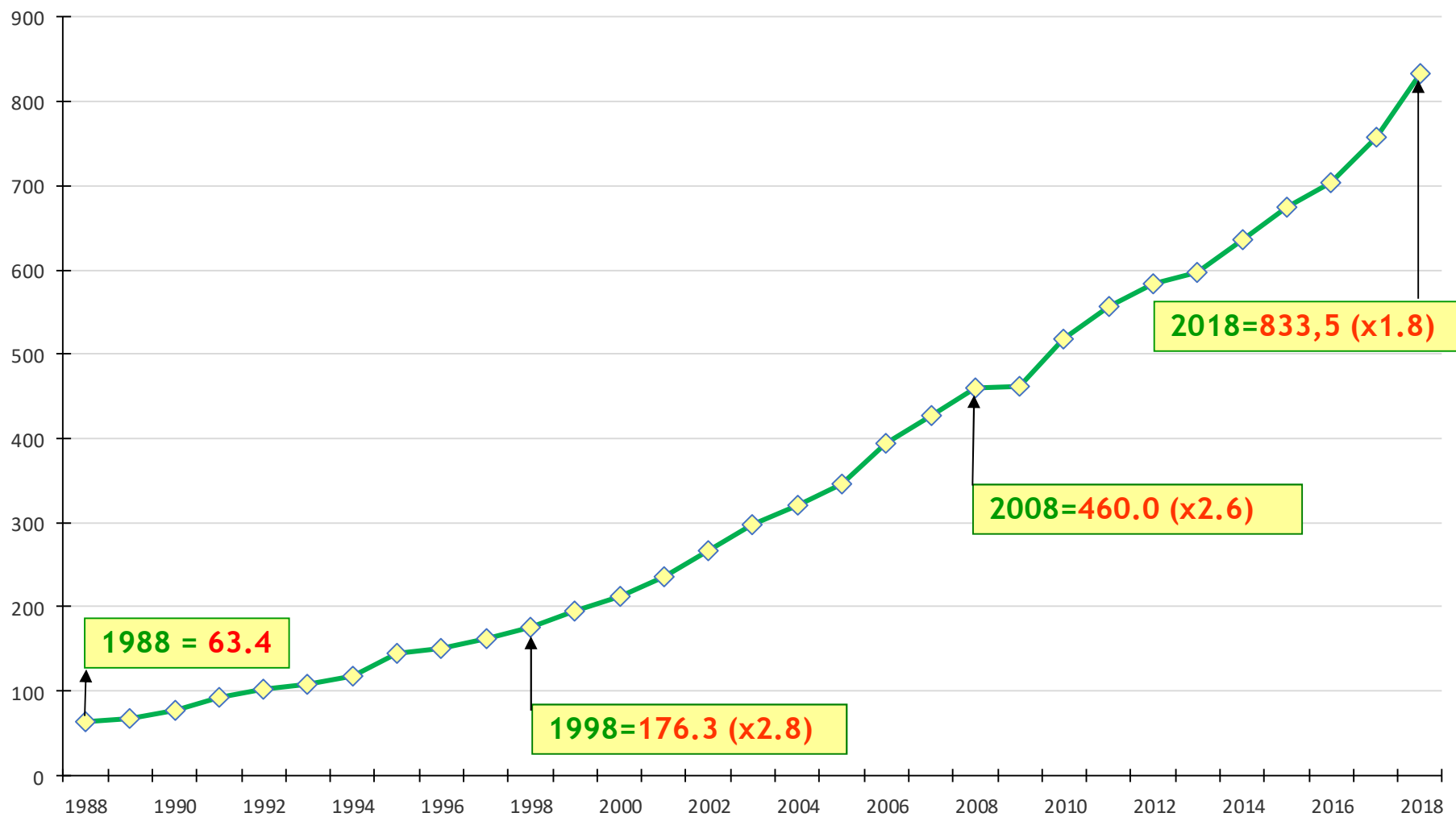
# The Biotechnology Business

- 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



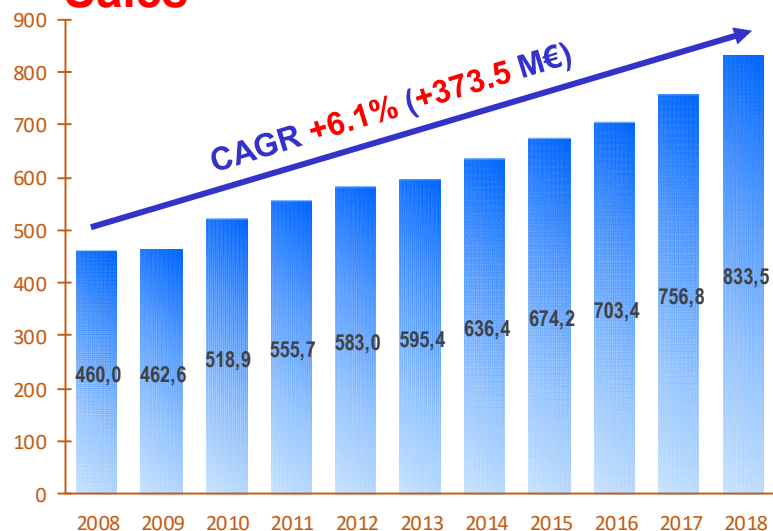


## SOL Group: 30 years Turnover (1988-2018)

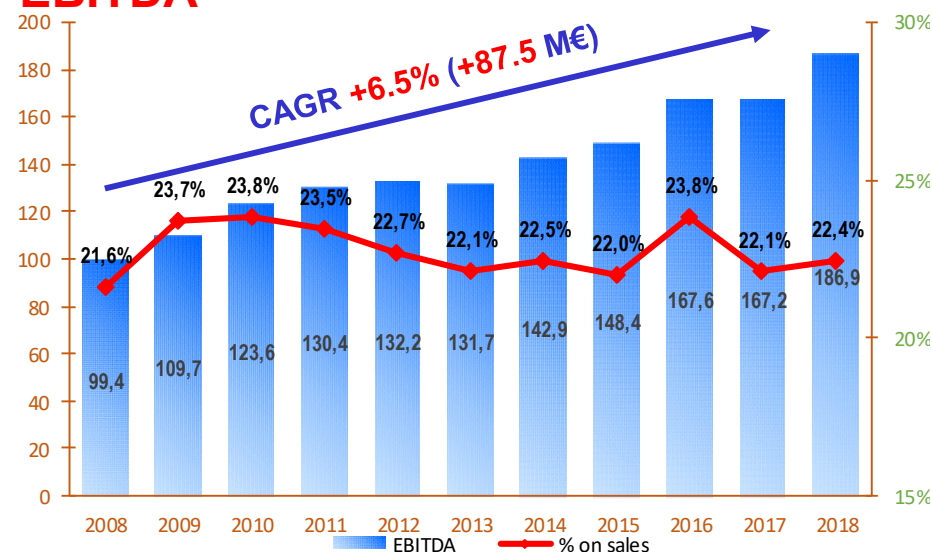


# SOL Group: consolidated results (2008 – 2018)

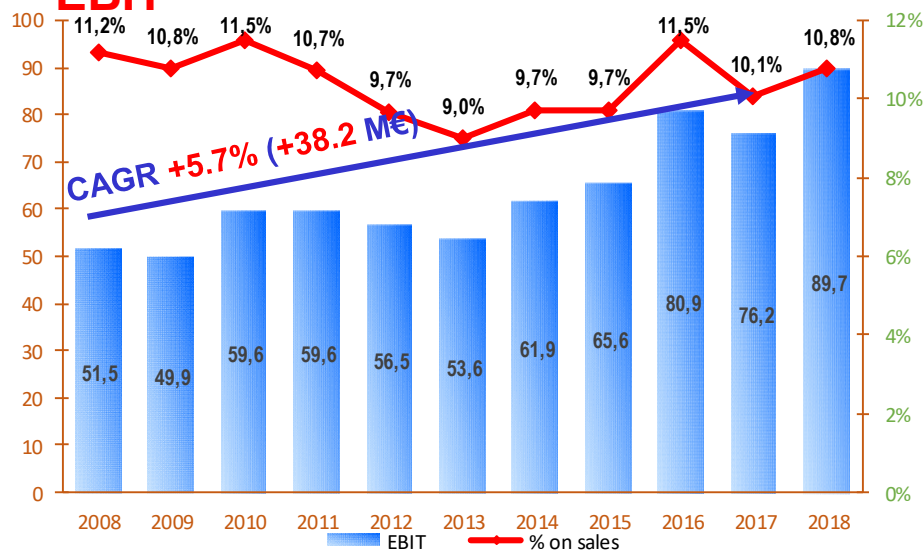
## Sales



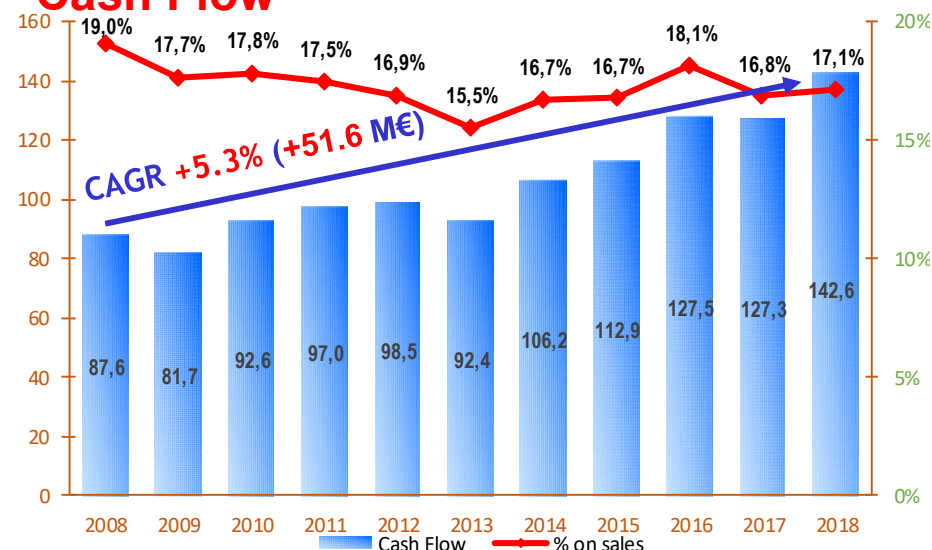
## EBITDA



## EBIT



## Cash Flow

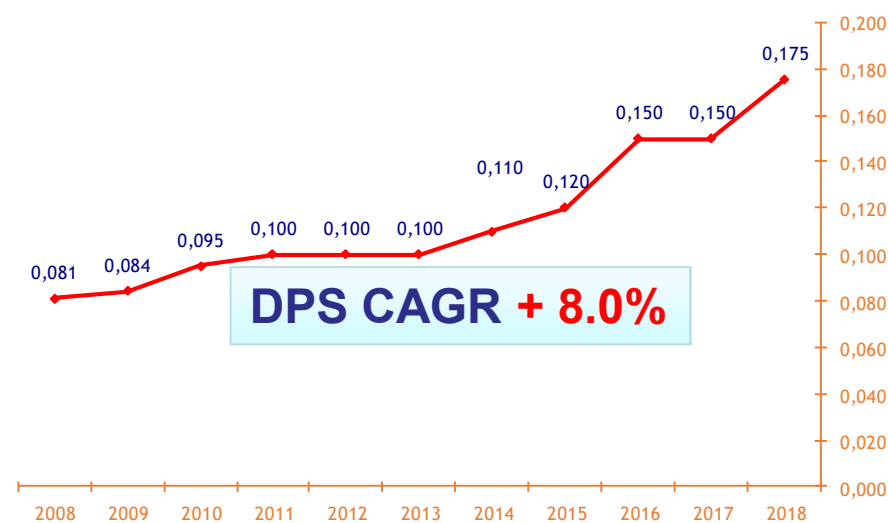


## 10 years net profit and dividend growth

### NET PROFIT



### DPS - Dividend Yield

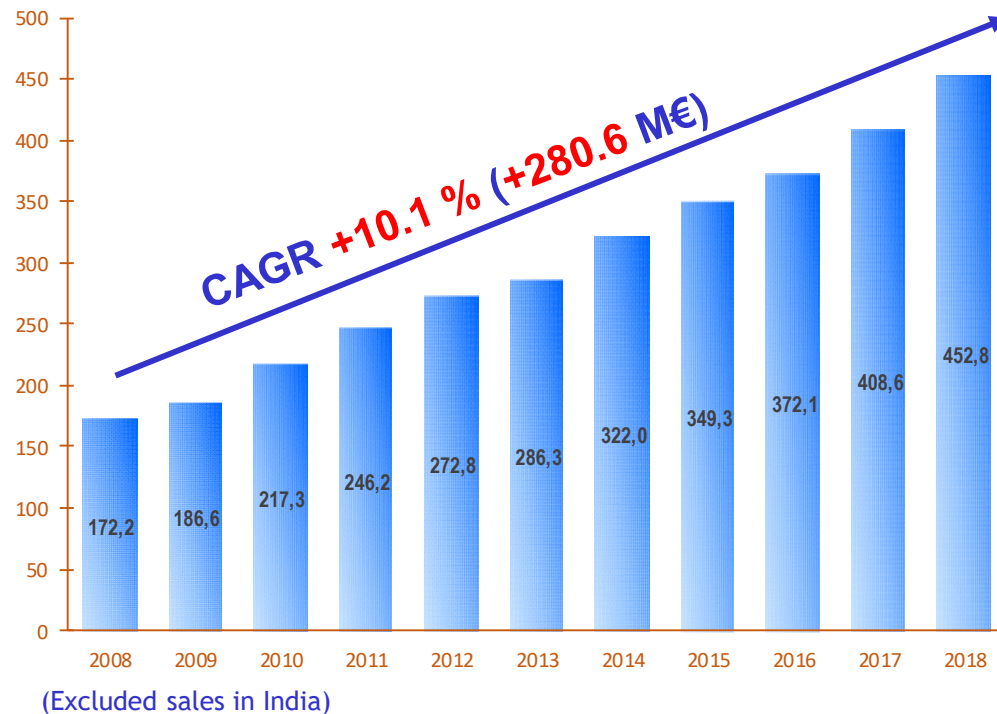


**10Y AVERAGE PAY-OUT RATIO 31%**



# International Expansion

## 10 years sales outside Italy 2008-2018



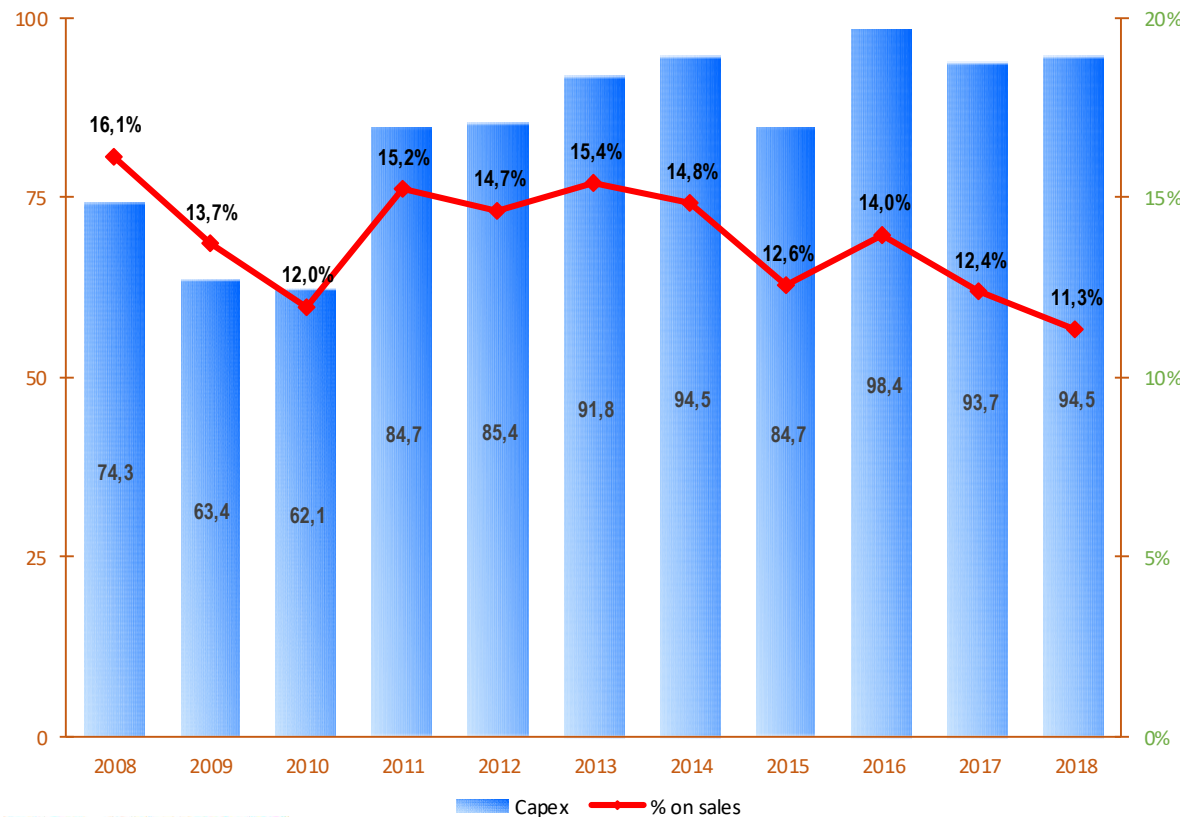
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SOL is focused on its international expansion:

- The Group started its operations in Italy where it currently has **15** primary production sites.
- In 2018 the Group is present in **29** countries.
- In 2018 the non-domestic sales exceeded the Italian sales (**54.3% / 45.7%**).

## Capital Expenditures (2008-2018)

### 10 years of Capex on sales 2008-2018



### High annual investments

- The Group every year invest about **14%** of its revenues;
- The Sol business require a high level of investments for **long term** growth options;
- In 2018 almost the **65%** 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%
- Main Institutional Investors:
  - Tweedy Brown 7,346%
  - J O Hambro 4,914%
  - azValor 5,178%



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