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Utenza - Referente : AQUAFILNSS02 - Tonelli

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Data/Ora Ricezione : 14 Maggio 2024 16:45:54

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Oggetto : The Board of Directors approved the Company's consolidated operating and financial results at March 31, 2024

*Testo del comunicato*

Vedi allegato

**FIRST QUARTER 2024****ECONYL® BRANDED AND REGENERATED  
PRODUCTS ACCOUNTED FOR 52.1% OF REVENUES  
GENERATED FROM FIBERS****EMEA AND ASIA IN LINE WITH EXPECTATIONS,  
WEAKER MARKET IN THE US****NET FINANCIAL POSITION  
SUBSTANTIALLY UNCHANGED****MAIN Q1 2024 INDICATORS:**

- **Revenues: €147.5 million, -11.6% compared to €166.8 million for the same period of 2023;**
- **EBITDA: €15.2 million, -29.3% compared to €21.6 million for the same period of 2023;**
- **Net result: €3.1 million loss compared to €3.3 million profit for the same period of 2023;**

**Arco, May 14, 2024** — The Board of Directors of Aquafil S.p.A. [ECNL:IM] [ECNLF:OTCQX], chaired by Prof. Chiara Mio, met today and approved the Company's consolidated operating and financial results at March 31, 2024.

**Giulio Bonazzi, Chief Executive Officer, stated:**

"The first quarter of 2024 confirmed our recovery path towards the achievement of our plan targets.

In the first three months of the current year, the EMEA and Asia Pacific geographical areas recorded volumes exceeding those for the same period of the previous year.

Demand for fibers for carpets and polymers grew in EMEA. As for the product line relating to fibers for garments, the weakness that characterized the whole 2023 continued.

Asia Pacific further expanded on the market of fibers for carpets in terms of volumes.

The United States showed a subdued performance in both product lines, thus reflecting the uncertainty context of the first months of the year. We expect a recovery in the second half of 2024.

The Engineering Plastics project confirmed the growth expectations for the period.

Sales of ECONYL® branded products further increased, accounting for over 52% of the Group's revenues generated from fibers.



Activities continued with the aim of rationalizing personnel costs and containing investments - both below the previous year's levels -, in addition to optimizing working capital.

The Company remains confident that the targets set for the 2024-2025 two-year period will be cumulatively achieved."

## Operating results at March 31, 2024

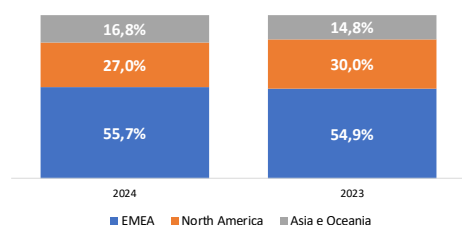
### Revenues<sup>1</sup>

Revenues amounted to €147.5 million at March 31, 2024, with an 11.6% decrease compared to the same period of the previous year. The change was chiefly attributable to the decline in selling prices due to the commodity trend and to a different sales mix. In detail, sales performance by Geographical Area and Product Line is reported below:

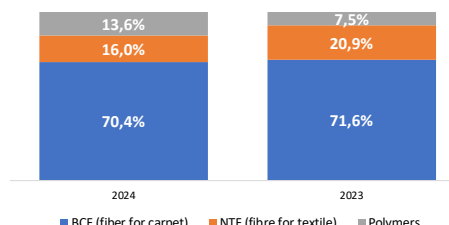
#### 1) First quarter 2024:

Q1	BCF (fiber for carpet)				NTF (fibre for textile)				Polymers				TOTAL					
	2024	2023	Δ	Δ%	2024	2023	Δ	Δ%	2024	2023	Δ	Δ%	%24	%23				
EMEA	49.4	54.3	(4.9)	(9.0)%	15.7	26.3	(10.6)	(40.3)%	17.1	10.9	6.2	56.9%	82.2	91.5	(9.3)	(10.1)%	55.7%	54.9%
North America	31.2	41.4	(10.2)	(24.7)%	6.3	7.2	(0.9)	(13.1)%	2.4	1.4	0.9	64.4%	39.8	50.0	(10.2)	(20.5)%	27.0%	30.0%
Asia e Oceania	23.0	23.5	(0.5)	(2.3)%	1.2	1.0	0.2	25.2%	0.6	0.2	0.4	N.A.	24.8	24.7	0.1	0.3%	16.8%	14.8%
RoW	0.3	0.2	0.1	38.3%	0.4	0.3	0.1	15.5%	0.0	0.0	0.0	N.A.	0.7	0.6	0.1	24.6%	0.5%	0.3%
<b>TOTAL</b>	<b>103.8</b>	<b>119.4</b>	<b>(15.6)</b>	<b>(13.0)%</b>	<b>23.6</b>	<b>34.8</b>	<b>(11.2)</b>	<b>(32.3)%</b>	<b>20.1</b>	<b>12.6</b>	<b>7.5</b>	<b>59.6%</b>	<b>147.5</b>	<b>166.8</b>	<b>(19.3)</b>	<b>(11.6)%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>% Tot</b>	<b>70.4%</b>	<b>71.6%</b>			<b>16.0%</b>	<b>20.9%</b>			<b>13.6%</b>	<b>7.5%</b>			<b>100.0%</b>	<b>100.0%</b>				

% Revenues by Geographical Area



% Revenues by Product Line



**EMEA** revenues amounted to €82.2 million at March 31, 2024, with a 10.1% decrease compared to the same period of the previous year. Volumes sold grew by 25.3%. An analysis by product line performance shows that:

- the BCF product line declined by 9.0% compared to the same period of the previous year as a result of the decline in selling prices due to the commodity trend, partly offset by the 8.6% increase in volumes sold;
- the NTF product line decreased by 40.3% compared to the same period of the previous year as a result of a 26.5% drop in volumes sold and, to a lower extent, of the decline in selling prices due to the commodity trend;
- the Polymers product line rose by 56.9% compared to the same period of the previous year as a result of the volumes sold with regard to basic polymers, which more than doubled by +122.6%, and to polymers for Engineering Plastic, which grew by 60.7% following the start of operations at the new production plant.

<sup>1</sup>The evolution of the Group's revenues from one reporting period to another may be influenced by the performance of raw material prices, which is reflected in final selling prices through predefined contractual mechanisms. Accordingly, to ensure a proper understanding of its results, the Group also presents its revenue performance in terms of change in first choice "volumes sold", which historically account for approximately 95% of the Group's revenues.



In **North America**, revenues amounted to €39.8 million at March 31, 2024, with a 20.5% decrease compared to the same period of the previous year. Volumes sold declined by 5.6%. An analysis by product line performance shows that:

- a) the BCF product line decreased by 24.7% compared to the same period of the previous year, as a result of a 12.9% decline in volumes sold and lower selling prices;
- b) the NTF product line dropped by 13.1% compared to the same period of the previous year as a result of a 9.7% reduction in volumes sold;
- c) the Polymers grew by 64.4% compared to the same period of the previous year thanks to the 108.2% increase in volumes of basic polymers sold.

In **Asia and Oceania**, revenues amounted to €24.8 million at March 31, 2024, remaining essentially stable compared to the same period of the previous year. Volumes sold relating to the BCF product line rose slightly by 11.2%.

In the first quarter of 2024, revenues from **ECONYL® branded** products accounted for 52.1% of revenues generated from fibers, compared to 46.9% for the same period of the previous year.

#### **EBITDA**

EBITDA stood at €15.2 million at March 31, 2024, with a 29.3% decline compared to the same period of the previous year. The decrease was attributable to lower revenues and the different sales mix.

EBITDA margin at March 31, 2024 was 10.3% compared to 12.9% for the same period of the previous year, whereas it rose compared to 8.1% in Q4 2023.

#### **EBIT**

EBIT amounted to €0.8 million at March 31, 2024, with an 89.4% decrease compared to the same period of the previous year. The change in the reporting period was attributable to the EBITDA performance, as well as to higher amortization and depreciation.

#### **Net financial charges**

Net financial charges amounted to €(4.8) million at March 31, 2024 compared to €(3.3) million for the same period of the previous year.

The result reflected the increase in financial charges, which amounted to €(5.4) million compared to €(3.3) million for the same period of the previous year, mainly due to higher interest expense. Financial income rose to €0.6 million compared to €0.1 million for the same period of the previous year.

#### **Income taxes**

Income taxes were positive for €0.9 million at March 31, 2024 compared to a negative €1.4 million for the same period for the previous year. The change reflected the decline in the result before taxes, which went from €4.6 million to a loss of €4.0 million.

#### **Net result**

Net result was a €3.1 million loss at March 31, 2024 compared to a €3.3 million profit for the same period of the previous year.



## **Consolidated capital and financial highlights at March 31, 2024**

### **Investments and acquisitions**

At March 31, 2024, net investments amounted to €4.9 million, of which €1.1 million recognized in application of IFRS 16, compared to €8.9 million, of which €0.6 million recognized in application of IFRS 16, for the same period of the previous year.

Investments focused mainly on activities aimed at stepping up industrial efficiency, improving the existing plants in technological terms and developing circularity technologies.

### **Change in net working capital**

At March 31, 2024, net working capital rose by €3.8 million. The change was attributable to the €8.9 million reduction in the value of inventories, primarily attributable to the decline in both inventory volumes and trade payable for €8.0 million and to the €4.6 million increase in trade receivables as a consequence of revenue growth.

### **Net Financial Position**

The Group's net financial position amounted to €250.3 million at March 31, 2024 compared to €248.5 million at December 31, 2023. The change was mainly due to the positive cash generation of operating activities for €14.2 million. This cash generation was offset by the increase in working capital for €3.8 million, investments for €4.9 million, financial charges net of hedging assets for €4.8 million, the change in other assets and liabilities for €1.5 million and taxes and the use of provisions for €0.9 million.

At March 31, 2024, the NFP/EBITDA ratio was x6.08 compared to x5.23 at December 31, 2023. The abovementioned ratio is calculated on the rolling EBITDA value of the last 12 months and thus considers a denominator penalized by the performance of the last three quarters of 2023. The ratio is expected to improve with the incoming quarters of the current year.

### **Outlook**

In the first quarter of 2024, margins were essentially in line with expectations, confirming the recovery path towards the achievement of the plan targets.

The context of reference has not stabilized yet, but an uptrend is expected in the second half of the year.

The comparison with the same period of the previous year in terms of economic performances is unfavorable. From a market point of view, overall volumes were up compared to the last quarters of 2023. The geographical areas witnessed two different trends: volumes increased in EMEA and Asia and declined slightly in the United States.

The Group continued its activities aimed at rationalizing personnel costs, optimizing working capital and containing investments in order to reduce its debt.

For the rest of the year, the Group expects a recovery in the market of fibers for garments in EMEA and in the United States following the sharp reduction witnessed in 2023. It also expects a gradual recovery in the market of fibers for carpets in the United States. In the Asian area, forecasts call for a constant growth in the market of fibers for carpets.

The Company confirms and is committed to achieving the targets it set for the 2024-2025 two-year period.

### **Appointment by the Board of Directors of the new Internal Audit Manager of the Company**

At its meeting on May 14, 2024, the Board of Directors appointed Emanuele Rufini as the Internal Audit Manager of the Company.



\* \* \*

#### Declaration of the appointed manager

“The Manager responsible for preparing the Company's financial reports, Roberto Carlo Luigi Bobbio declares, pursuant to Paragraph 2 of Article 154-*bis* of the Consolidated Finance Law, that the accounting information contained in this press release corresponds to the company's records, ledgers and accounting entries.”

\* \* \*

*This press release contains forward-looking statements. These statements are based on the Aquafil Group's current expectations and projections regarding future events and are, by their very nature, subject to a number of risks and uncertainties. These statements refer to events and depend on circumstances that may or may not occur or take place in the future, and, as such, undue reliance should not be made on them. Actual performance could differ significantly from the contents of such statements due to a variety of factors, including constant volatility and a further deterioration of capital and financial markets, changes in macroeconomic conditions and economic growth and other changes in business conditions, changes in the law and institutional context (in Italy and internationally), and many other factors, most of which are beyond the Group's control.*

\* \* \*

Aquafil is a pioneer in the circular economy also thanks to the ECONYL® regeneration system, an innovative and sustainable process able to create new products from waste and give life to an endless cycle. The nylon waste is collected in locations all over the world and includes industrial waste but also products – such as fishing nets and rugs – that have reached the end of their useful life. Such waste is processed to obtain a raw material – caprolactam – with the same chemical and performance characteristics as those from fossil sources. The polymers produced from ECONYL® caprolactam are distributed to the Group's production plants, where they are transformed into yarn for rugs carpet flooring and for clothing.

Founded in 1965, Aquafil is one of the main producers of nylon in Italy and worldwide. The Group is present on three different continents, employing about 2,650 people at 19 production sites located in Italy, Slovenia, Unites States, China, Croatia, Chile, Thailand and Japan.



## For further information

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## Appendix 1 – Consolidated Income Statement

CONSOLIDATED INCOME STATEMENT €/000	First Quarter 2024	<i>of wich non- current</i>	First Quarter 2023	<i>of wich non- current</i>
Revenue	147.500	-	166.820	-
<i>of wich related parties</i>	83	-	76	-
Other Revenue	1.639	33	2.717	2
<b>Total Revenue and Other Revenue</b>	<b>149.139</b>	<b>33</b>	<b>169.537</b>	<b>2</b>
Raw Material	(73.445)	-	(82.183)	-
Services	(30.643)	(74)	(36.242)	(803)
<i>of wich related parties</i>	(155)	-	(124)	-
Personel	(30.966)	(253)	(32.034)	(318)
Other Operating Costs	(766)	(4)	(864)	(3)
<i>of wich related parties</i>	(17)	-	(17)	-
Depreciation and Amortization	(13.405)	-	(11.828)	-
Provisions&Write-downs	12	-	87	-
Capitalization of Internal Construction Costs	918	-	1.450	-
<b>EBIT</b>	<b>843</b>	<b>(299)</b>	<b>7.986</b>	<b>(1.123)</b>
Income (loss) from Investments	-	-	-	-
<i>of wich related parties</i>	-	-	-	-
Other Financial Income	676	-	114	-
Interest Expenses	(5.438)	-	(3.280)	-
<i>of wich related parties</i>	(28)	-	(45)	-
FX Gains and Losses	(83)	-	(176)	-
<b>Profit Before Taxes</b>	<b>(4.002)</b>	<b>(299)</b>	<b>4.644</b>	<b>(1.123)</b>
Income Taxes	898	-	(1.352)	-
<b>Net Profit (Including Portion Attr. to Minority )</b>	<b>(3.104)</b>	<b>(299)</b>	<b>3.291</b>	<b>(1.123)</b>
Net Profit Attributable to Minority Interest	-	-	-	-
<b>Net Profit Attributable to the Group</b>	<b>(3.104)</b>	<b>(299)</b>	<b>3.291</b>	<b>(1.123)</b>





## Appendix 2 – EBITDA and Adjusted Operating Results

<b>RECONCILIATION FROM NET PROFIT TO EBITDA</b> <i>€/000</i>	<b>First Quarter</b> <b>2024</b>	<b>First Quarter</b> <b>2023</b>
<b>Net Profit (Including Portion Attr. to Minority )</b>	<b>(3.104)</b>	<b>3.291</b>
Income Taxes	(898)	1.352
Amortisation & Depreciation	13.405	11.828
Write-downs & Write-backs of intangible and tangible assets	(12)	(150)
Financial items (*)	5.552	4.127
No recurring items (**)	299	1.123
<b>EBITDA</b>	<b>15.242</b>	<b>21.572</b>
<i>Revenue</i>	147.500	166.820
EBITDA Margin	10,3%	12,9%
<b>RECONCILIATION FROM EBITDA TO</b> <b>EBIT ADJUSTED</b> <i>€/000</i>	<b>First Quarter</b> <b>2024</b>	<b>First Quarter</b> <b>2023</b>
<b>EBITDA</b>	<b>15.242</b>	<b>21.572</b>
Amortisation & Depreciation	13.405	11.828
Write-downs & Write-backs of intangible and tangible assets	(12)	(150)
<b>EBIT Adjusted</b>	<b>1.849</b>	<b>9.893</b>
<i>Revenue</i>	147.500	166.820
<i>EBIT Adjusted Margin</i>	1,3%	5,9%

(\*) The financial items include: (i) financial income of Euro 0.7 million (ii) financial charges and other bank charges of Euro (5.4) million, (iii) cash discounts of Euro (0.7) million, and (iv) exchange loss of Euro (0.1) million.

(\*\*) This mainly includes (i) non-recurring charges related to the expansion of the Aquafil Group for Euro (0.1) million, (ii) restructuring costs for Euro (0.2) million.



### Appendix 3 – Consolidated Balance

CONSOLIDATED BALANCE SHEET €/000	At March 31, At December 31,	
	2024	2023
Intangible Assets	17.959	19.080
Goodwill	15.437	15.103
Tangible Assets	245.525	251.604
Financial Assets	583	534
<i>of which related parties</i>	107	79
Investments & Equity method	1.113	1.023
Other Assets	-	-
<i>of which related parties</i>	-	-
Deferred Tax Assets	20.136	18.545
<b>Total Non-Current Assets</b>	<b>300.753</b>	<b>305.889</b>
Inventories	180.633	189.493
Trade Receivable	30.846	26.206
<i>of which related parties</i>	364	351
Financial Current Assets	6.509	5.703
<i>of which related parties</i>	-	-
Current Tax Receivables	1.934	1.619
Other Current Assets	17.159	14.644
<i>of which related parties</i>	6.540	5.854
Cash and Cash Equivalents	146.004	157.662
Asset held for sales	-	-
<b>Total Current Assets</b>	<b>383.085</b>	<b>395.327</b>
<b>Total Current Assets</b>	<b>683.838</b>	<b>701.216</b>
Share Capital	49.722	49.722
Reserves	78.487	101.379
Group Net Profit for the year	(3.104)	(25.849)
<b>Group Shareholders Equity</b>	<b>125.105</b>	<b>125.252</b>
Net Equity attributable to minority interest	1	1
Net Profit for the year attributable to minority interest	-	-
<b>Total Shareholders Equity</b>	<b>125.105</b>	<b>125.252</b>
Employee Benefits	5.088	5.104
Non-Current Financial Liabilities	305.391	308.741
<i>of which related parties</i>	2.961	3.217
Provisions for Risks and Charges	1.704	1.710
Deferred Tax Liabilities	14.111	13.324
Other Payables	5.363	5.852
<i>of which related parties</i>	-	-
<b>Total Non-Current Liabilities</b>	<b>331.657</b>	<b>334.731</b>
Current Financial Liabilities	97.471	103.161
<i>of which related parties</i>	1.531	1.872
Current Tax Payables	1.368	1.219
Trade Payables	107.990	116.006
<i>of which related parties</i>	84	551
Other Liabilities	20.247	20.846
<i>of which related parties</i>	-	-
<b>Total Current Liabilities</b>	<b>227.076</b>	<b>241.232</b>
<b>Total Equity and Liabilities</b>	<b>683.838</b>	<b>701.216</b>



## Appendix 4 – Consolidated Cash Flow Statement

CASH FLOW STATEMENT €/000	At March 31, 2024	At March 31, 2023
<b>Operation Activities</b>		
Net Profit (Including Portion Attr. to Minority)	(3.104)	3.291
<i>of which related parties</i>	(118)	(111)
Income Taxes	(898)	1.352
Income (loss) from Investments	-	-
<i>of which related parties</i>	-	-
Financial income	(676)	(114)
Financial charges	5.438	3.280
<i>of which related parties</i>	(28)	45
FX (Gains) and Losses	83	176
(Gain)/Loss on non - current asset Disposals	(86)	(81)
Provisions & Write-downs/(releases)	(12)	(150)
Amortisation, depreciation & write-downs of tangible and intangible assets	13.405	11.828
<b>Cash Flow from Operating Activities Before Changes in NWC</b>	<b>14.151</b>	<b>19.582</b>
Change in Inventories	8.859	18.127
Change in Trade and Other Payables	(8.016)	(13.469)
<i>of which related parties</i>	(467)	11
Change in Trade and Other Receivables	(4.617)	(7.230)
<i>of which related parties</i>	(13)	(22)
Change in Other Assets/Liabilities	(1.522)	(430)
<i>of which related parties</i>	(685)	(1.604)
Net Interest Expenses	(5.133)	(3.166)
Income Taxes paid	(832)	(2.335)
Change in Provisions for Risks and Charges	(98)	(668)
<b>Cash Flow from Operating Activities (A)</b>	<b>2.791</b>	<b>10.411</b>
<b>Investing activities</b>		
Investment in Tangible Assets	(3.354)	(7.858)
Disposal of Tangible Assets	156	304
Investment in Intangible Assets	(524)	(771)
Disposal of Intangible Assets	-	-
Investment of Financial Assets	(113)	-
Dividends	-	-
<i>of which related parties</i>	-	-
<b>Cash Flow used in Investing Activities (B)</b>	<b>(3.836)</b>	<b>(8.325)</b>
<b>Financing Activities</b>		
Increase in no current Loan and borrowing	10.000	15.000
Decrease in no current Loan and borrowing	(17.417)	(11.903)
Net variation in current and not current financial Assets and Liability included IFRS 16	(3.198)	7.555
<i>of which related parties</i>	(596)	(565)
Dividends Distribution	-	(6)
<i>of which related parties</i>	-	-
Acquisition of treasury shares	-	(597)
	-	-
<b>Cash Flow from Financing Activities (C)</b>	<b>(10.614)</b>	<b>10.049</b>
<b>Net Cash Flow of the Year (A)+(B)+(C)</b>	<b>(11.658)</b>	<b>12.135</b>



## Appendix 5 – Net Financial Debt

NET FINANCIAL DEBT <i>€/000</i>	At March 31, 2024	At December 31, 2023
A. Liquidity	146.004	157.662
B. Cash and cash equivalents	-	-
C. Other current financial assets	6.509	5.703
<b>D. Liquidity (A + B + C)</b>	<b>152.513</b>	<b>163.364</b>
E. Current financial debt (including debt instruments but excluding the current portion of non-current financial debt)	(2.678)	(2.438)
F. Current portion of non-current financial debt	(94.794)	(100.723)
<b>G. Current financial debt (E + F)</b>	<b>(97.472)</b>	<b>(103.161)</b>
<b>H. Net current financial debt (G - D)</b>	<b>55.042</b>	<b>60.204</b>
I. Non-current financial debt (excluding current portion and debt instruments)	(248.013)	(251.350)
J. Debt instruments	(57.378)	(57.391)
K. Trade payables and other non-current payables	-	-
<b>L. Non-current financial debt (I + J + K)</b>	<b>(305.391)</b>	<b>(308.741)</b>
<b>M. Total financial debt (H + L)</b>	<b>(250.349)</b>	<b>(248.537)</b>

Fine Comunicato n.1938-27-2024

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