



SPAFID CONNECT

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Oggetto : Results for the first quarter of 2019

Testo del comunicato

Vedi allegato.

**RESULTS FOR THE FIRST QUARTER OF 2019
REVENUE UP BY 3.2% AND ECONYL® REVENUE UP BY 8%**

- **Revenue at March 31, 2019: € 145.3 million; +3.2% compared to Q1 2018 (€140.8 million);**
- **EBITDA at March 31, 2019: €19.1 million; -14.2% compared to Q1 2018 (€22.3 million);**
- **Adjusted EBIT at March 31, 2019: €11.0 million; -30.6% compared to Q1 2018 (€15.9 million);**
- **Net profit at March 31, 2019: €7.7 million; -21.9% compared to Q1 2018 (€9.8 million);**
- **Net Financial Position at March 31, 2019: €213.3 million, including the effect of the adoption of IFRS16 (€157.3 million at December 31, 2018).**

Arco, May 14, 2019 — The Board of Directors of Aquafil S.p.A. [ECNL IM] approved today the Company's operating and financial results at March 31, 2019.

The Group closed the first quarter of 2019 confirming its revenue growth trend.

Giulio Bonazzi, Aquafil's Chairman and Chief Executive Officer, stated:

"The uptrend in sales of ECONYL® branded products, which rose by 8%, continued also in the first quarter of 2019.

The market and consumers again showed a sharply increasing attention towards our ECONYL® branded products, which are an example of true circular economy. Revenue in North America and Asia & Oceania reported a further marked increase, whereas the European market continued to show a rather weak performance.

It should be noted that the reduced margins reported in the quarter compared to the previous year were partly expected, as a result of the European facilities' ongoing support to U.S. operations, in addition to a stronger weakness experienced by the EMEA carpet fiber market."

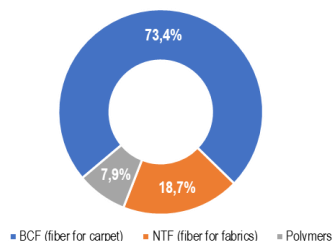
Revenue

In Q1 2019, revenue grew by 3.2% to €145.3 million (€140.8 million in Q1 2018, after application of IFRS 15).

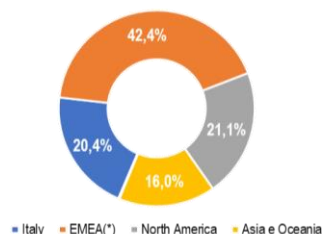
The growth was exclusively attributable to the increased revenue reported by the BCF Line within the North America and the Asia & Oceania geographical areas, partially offset by the slowdown of the European BCF Line market and lower sales levels due to planned in-house use of such polymers for fiber production.

A breakdown of sales in percentage terms by Geographical Area and Product Line at March 31, 2019 is given below:

**Turnover by Product Area
Q1 2019**



**Turnover by Geographic Area
Q1 2019**



Sales by Product Line

The following table shows the value and percentage change of sales, broken down by Product Line:

Sales (€ million) by Product Line	Q1 2019		Q1 2018		Δ Val	% Δ
	Q1 2019	%	Q1 2018	%		
BCF	106.6	73.4%	97.2	69.0%	9.4	9.7%
NTF	27.1	18.7%	26.5	18.8%	0.7	2.6%
Polymers	11.5	7.9%	17.2	12.2%	(5.7)	-32.9%
TOTAL	145.3	100.0%	140.8	100.0%	4.5	3.2%

Compared to the first quarter of 2018, the Product Line:

- (a) BCF rose by 9.7%, as a result of the sharp increase in revenue in North America and Asia & Oceania, following one of our main competitors' withdrawal of some products from the market (North America) and the consolidation of the acquisition of Invista's assets (Asia & Oceania), offset by a decline in sales in EMEA;
- (b) NTF grew by 2.6% owing to increase sales prices;
- (c) Polymers declined by 32.9% to the in-house use of such polymers for fiber production.

Breakdown of sales by Geographical Area

The following table shows the value and percentage change of sales broken down by Geographical Area:

Sales (€ million) by Geographical Area	Q1 2019	%	Q1 2018	%	Δ Val	% Δ
Italy	29.6	20.4%	33.8	24.0%	(4.1)	-12.2%
EMEA <i>(excluding Italy)</i>	61.6	42.4%	69.0	49.0%	(7.4)	-10.7%
North America	30.7	21.1%	22.3	15.8%	8.5	38.0%
Asia & Oceania	23.2	16.0%	15.8	11.2%	7.4	46.8%
RoW	0.2	0.2%	0.0	0.0%	0.2	823.0%
TOTAL	145.3	100.0%	140.8	100.0%	4.5	3.2%

Compared to the first quarter of 2018, the Geographical Area:

- (a) Italy declined by 12.2%, mainly due to lower sales generated by the Polymers Product Line;
- (b) EMEA decreased by 10.7%, chiefly as a result of lower sales generated by BCF Product Line;
- (c) North America grew by 38.0% thanks to the increase in revenue generated by the BCF Product Line in the automotive sector, partially offset by a decline in Polymers Product Line's revenue;
- (d) Asia & Oceania rose by 46.8%, exclusively owing to the higher revenue of the BCF Product Line, as well as the consolidation of the acquisition of Invista's assets, as of April 27, 2018

The Group's revenue from sales of ECONYL® branded products rose by 8.0% compared to Q1 2018, accounting for approximately 37.5% of total synthetic fiber sales in the reporting period.

Operating Profit and Margins

EBITDA amounted to €19.1 million (of which €1.5 million associated with IFRS16 first-time adoption), down 14.2% compared to Q1 2018 (€22.3 million).

The EBITDA decline in the reporting period was mainly attributable to:

- a) the ongoing support offered by European manufacturing facilities to North American market where customs (8.4%) and shipping costs sharply erode sales margins, which are expected to recover in the second half of 2019 as a result of the investments already undertaken to implement local production;
- b) the decrease in European facilities' saturation as a consequence of the slowdown of this Geographical Area's end market;
- c) the start-up costs of the first Aquafil Carpet Recycling (ACR#1 in Phoenix).

EBITDA margin was 13.2%, lower compared to Q1 2018 (15.8%). The decline was generated by the above-mentioned factors that also impacted EBITDA.

Net profit for Q1 2019 amounted to €7.7 million, down 21.9% compared to Q1 2018 (€9.8 million).

This decrease was not only driven by EBITDA, but was also due to higher amortization and depreciation, offset by increased financial income (of which €1.0 million non-recurring financial income) and FX gains.

Net financial debt at March 31, 2019 was €213.3 million compared to €157.3 million at December 31, 2018.

The increase was mainly a result of (a) the recognition of the financial liability arising from IFRS16 first-time adoption (approximately €28.5 million), (b) the investments for the reporting period (about €18.5 million), and (c) higher working capital requirements in Q1 2019 than in Q4 2018.

Declaration of the appointed manager

"The Manager responsible for preparing the Company's financial reports, Sergio Calliari, 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."

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Founded in 1969, **Aquafil** is one of the main players, in Italy and worldwide, in the production of Polyamide 6 (nylon 6). The Aquafil Group operates in eight countries of three different continents, with over 2,700 employees at the 16 production plants located in Italy, Germany, Scotland, Slovenia, Croatia, Unites States, Thailand and China. For further details: www.aquafil.com

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 so as 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 BCF yarn and NTF yarn.

For further information

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Consolidated Balance Sheet at March 31, 2019

CONSOLIDATED BALANCE SHEET €/000	At March 31, 2019	At December 31, 2018
Intangible Assets	16.551	15.992
Tangible Assets	203.663	189.661
Right of Use	27.496	-
Financial Assets	401	404
<i>of which related parties</i>	79	79
Other Assets	2.191	2.189
Deferred Tax Assets	6.840	7.841
Total Non-Current Assets	257.143	216.087
Inventories	189.081	189.678
Trade Receivable	43.924	34.046
<i>of which related parties</i>	54	66
Financial Current Assets	2.475	2.878
Current Tax Receivables	725	451
Other Current Assets	15.714	14.297
<i>of which related parties</i>	1.947	1.859
Cash and Cash Equivalents	70.466	103.277
Total Current Assets	322.385	344.627
Total Current Assets	579.528	560.714
Share Capital	49.722	49.722
Reserves	94.073	62.969
Group Net Profit for the year	11.548	31.119
Group Shareholders Equity	155.344	143.810
Net Equity attributable to minority interest	1	1
Net Profit for the year attributable to minority interest	(0)	0
Total Shareholders Equity	155.345	143.811
Employee Benefits	5.627	5.702
Non-Current Financial Liabilities	237.333	224.345
<i>of which related parties</i>	9.521	-
Provisions for Risks and Charges	1.140	1.169
Deferred Tax Liabilities	3.803	3.582
Other Payables	11.174	11.833
Total Non-Current Liabilities	259.077	246.631
Current Financial Liabilities	48.884	39.090
<i>of which related parties</i>	2.529	-
Current Tax Payables	2.223	2.270
Trade Payables	92.466	106.895
<i>of which related parties</i>	425	762
Other Liabilities	21.532	22.017
<i>of which related parties</i>	230	230
Total Current Liabilities	165.105	170.272
Total Equity and Liabilities	579.528	560.714

Consolidated Income Statement at March 31, 2019

CONSOLIDATED INCOME STATEMENT €/000	First Quarter 2019	<i>of which</i> <i>non-current</i>	First Quarter 2018	<i>of which</i> <i>non-current</i>
Revenue	145.328		140.807	
<i>of which related parties</i>	17		141	
Other Revenue	601	76	1	1
Total Revenue and Other Revenue	145.929	76	140.808	1
Raw Material	(77.154)	(100)	(73.112)	(2)
Services	(24.781)	(803)	(23.368)	(204)
<i>of which related parties</i>	(103)		(893)	
Personel	(26.712)	(139)	(25.589)	(142)
Other Operating Costs	(595)	(119)	(480)	(19)
<i>of which related parties</i>	(18)		(17)	
Depreciation and Amortization	(8.038)		(6.072)	
Provisions and Write-downs	(34)		(300)	
Capitalization of Internal Construction Costs	471		2.644	
EBIT	9.086	(1.086)	14.530	(366)
Other Financial Income	1.091	1.082	16	
Interest Expenses	(1.562)		(1.377)	
<i>of which related parties</i>	(66)			
FX Gains and Losses	961		(722)	
Profit Before Taxes	9.576	(4)	12.448	(366)
Income Taxes	(1.880)		(2.598)	
Net Profit (Including Portion Attr. to Minority)	7.696	(4)	9.850	(366)
Net Profit Attributable to Minority Interest	0		23	
Net Profit Attributable to the Group	7.696		9.827	
<i>Basic earnings per share</i>	0,15		0,19	
<i>Diluted earnings per share</i>	0,15		0,19	

Consolidated Cash Flow Statement at March 31, 2019

CASH FLOW STATEMENT €/000	At March 31, 2019	At March 31, 2018
<i>Operation Activities</i>		
Net Profit (Including Portion Attr. to Minority)	7.696	9.850
<i>of which related parties</i>	-170	-769
Income Taxes	1.880	2.598
Other Financial Income	-1.091	-16
Interest Expenses	1.562	1.377
<i>of which related parties</i>	66	0
FX (Gains) and Losses	-961	722
(Gain)/Loss on non - current asset Disposals	-249	-92
Provisions & write-downs	34	300
Amortisation, depreciation & write-downs	8.038	6.072
Cash Flow from Operating Activities Before Changes in NWC	16.909	20.810
Change in Inventories	597	-528
Change in Trade and Other Receivables	-14.429	-13.697
<i>of which related parties</i>	-337	-319
Change in Trade and Other Payables	-9.898	-12.225
<i>of which related parties</i>	12	39
Change in Other Assets/Liabilities	-1.193	-854
<i>of which related parties</i>	26	658
Net Interest Expenses paid	-703	-666
Income Taxes paid	-31	0
Change in Provisions for Risks and Charges	-212	-165
Cash Flow from Operating Activities (A)	-8.960	-7.326
<i>Investing activities</i>		
Investment in Tangible Assets	-17.350	-12.277
Disposal of Tangible Assets	280	924
Investment in Intangible Assets	-997	-4.474
Investment in Right of Use	-28.802	0
Cash Flow used in Investing Activities (B)	-46.869	-15.826
<i>Financing Activities</i>		
Increase in no current Loan and borrowing	0	30.000
Decrease in no current Loan and borrowing	-4.413	-21.576
Net variation in current financial Assets and Liability	27.432	-591
<i>of which related parties</i>	12.049	0
Cash Flow from Financing Activities (C)	23.019	7.833
Net Cash Flow of the Year (A)+(B)+(C)	-32.810	-15.319

Consolidated Net Financial Position at March 31, 2019

NET FINANCIAL DEBT €/000	At March 31, 2019	At December 31, 2018
A. Cash	70.466	103.277
B. Other cash equivalents	-	-
C. Securities held-for-trading	-	-
D. Liquidity (A + B + C)	70.466	103.277
E. Current financial receivables	2.475	2.878
F. Current bank loans and borrowing	(653)	(96)
G. Current portion of non-current loans and borrowing	(39.268)	(35.496)
H. Other current loans and borrowing	(8.963)	(3.498)
I. Current financial debt (F + G + H)	(48.884)	(39.090)
J. Net current financial debt (I + E+ D)	24.057	67.066
K. Non-current bank loans and borrowing	(151.528)	(159.492)
L. Bonds issued	(53.172)	(53.578)
M. Other non-current loans and borrowing	(32.630)	(11.274)
N. Non-current financial debt (K + L + M)	(237.330)	(224.344)
O. Net financial debt (J+N)	(213.274)	(157.279)

Reconciliation of Consolidated Income Statement at March 31, 2019

RECONCILIATION FROM NET PROFIT TO EBITDA €/000	First Quarter 2019	First Quarter 2018
Net Profit (Including Portion Attr. to Minority)	7.696	9.850
Income Taxes	1.880	2.598
Amortisation & Depreciation	8.038	6.072
Write-downs & Write-backs of intangible and tangible assets	34	300
Financial items (*)	379	3.093
No recurring items (**)	1.086	366
EBITDA	19.113	22.279
Revenue	145.328	140.807
EBITDA Margin	13,2%	15,8%

RECONCILIATION FROM EBITDA TO EBIT ADJUSTED €/000	First Quarter 2019	First Quarter 2018
EBITDA	19.113	22.279
Amortisation & Depreciation	8.038	6.072
Write-downs & Write-backs of intangible and tangible assets	34	300
EBIT Adjusted	11.041	15.907
Revenue	145.328	140.807
EBIT Adjusted Margin	7,6%	11,3%

(*) The financial items include: (i) financial income of Euro 1.1 million at the end of March 2019 (ii) financial charges of Euro 1.6 million at the end of March 2019, compared to Euro 1.4 million at the end of March 2018, (iii) cash discounts of Euro 0.9 million at the end of March 2019, compared to Euro 1.0 million at the end of March 2018, and (iv) exchange gains of Euro 1.0 million, against losses of Euro 0.7 million.

(**) This includes (i) non-recurring charges related to the expansion of the Aquafil Group and other corporate transactions for Euro 0.5 million and 0.2 million respectively in the periods ending March 31, 2019 and March 31, 2018, (ii) other non-recurring charges of Euro 0.6 million and Euro 0.1 million respectively in the periods ending March 31, 2019 and March 31, 2018.

Fine Comunicato n.1938-27

Numero di Pagine: 11