

# Aquafil Group

## Financial Results

Full Year and IV Quarter  
2019

***13<sup>th</sup> March 2020***

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# 1. Highlights

**CORONAVIRUS**  
**AND GROUP'S ACTIVITIES**

**LIMITED IMPACTS**  
**IN CHINA**

**CONTAINMENT ACTIONS TAKEN**  
**IN THE**  
**REST OF THE WORLD**

**TO DATE**  
**NO SIGNIFICANT**  
**IMPACTS**  
**ON THE BUSINESS**

**NORTH AMERICA**

**2019 RESULTS**  
**ABOVE**  
**EXPECTATIONS**

**COMPLETED INCREASE OF BCF FIBER**  
**PRODUCTION CAPACITY TO SUPPLY**  
**MARKET INCREASE**  
**ELIMINATION OF YARN IMPORTED**  
**FROM EMEA**

**EXPECTED SAVINGS IN 2020**  
**OF ABOUT €2.5 MILLION**

**ASIA PACIFIC**

**MARKET EXPERIENCED A PERIOD**  
**SLOW DOWN IN**  
**CHINA AUTOMOTIVE**  
**AND**  
**OCEANIA RESIDENTIAL SECTORS**

**INTEGRATION OF**  
**INVISTA BUSINESS**  
**COMPLETED**

**EXPECTED SAVINGS IN 2020**  
**OF ABOUT €1.0 MILLION**

**EMEA**

**DIFFICULT YEAR FOR MARKET BUT**  
**ESSENTIALLY STABLE IN H2**

**MARKET SHARE INCREASED DUE TO**  
**COMPETITOR**  
**MARKET WITHDRAWAL**

**REORGANISATION OF**  
**MANUFACTURING ACTIVITIES**

**EXPECTED SAVINGS IN 2020**  
**OF ABOUT €4.0 MILLION**

**ECONYL®**  
**REGENERATION PROCESS**

**INCREASED PRODUCTION**  
**CAPACITY**  
**IN SLOVENIA**

**ONGOING IMPROVEMENT**  
**IN ACTIVITIES**  
**OF CARPET RECOVERY**  
**(ACR#s)**

**EXPECTED SAVINGS IN 2020**  
**OF ABOUT €2.5 MILLION IN 2020**

REVENUES (€/mil)		
	FY19	Q4
Act19 <sup>2</sup>	549,0	129,4
Act18	555,2	124,4
% Var 19 to 18	-1,1%	4,0%

EBITDA (€/mil)		
	FY19	Q4
Act19 <sup>3</sup>	69,4	14,5
Act18	77,9	17,0
% Var 19 to 18	-10,9%	-14,8%

NET PROFIT ADJUSTED <sup>1</sup> (€/mil)		
	FY19	Q4
Act19	17,2	0,4
Act18	35,3	5,7
% Var 19 to 18	-51,2%	-92,8%

N.F.P. (€/mil)	
Dec19	249,6
Sep19	273,2

REVENUES
<b>Area EMEA</b> -7,3% in FY and -0,1% in Q4 due to <i>Economic trends</i>
<b>Area Asia Pacific<sup>4</sup></b> -3,7% in FY and -3,7% in Q4 due to <i>world trade slowdown and tariffs war</i>
<b>Area USA</b> +23,3% in FY and +12,9% in Q4 on a like for like basis <sup>5</sup> +7,5% in FY and -10,8 in Q4 due to <i>GM Strike October 19</i>
<b>ECONYL® Branded Products</b> + 3,2 in FY and + 3,6% in Q4 37,5% of Fiber FY Revenues

EBITDA
- 10,9% in FY and -14,8% in Q4 on a like for like basis <sup>5</sup> and without IFRS16 effect -22,8% in FY and -28,4 in Q4 mainly due to
<b>Lower Sales and Additional Cost of:</b>
- 6,0 €/mil from <b>shut down of ECONYL plant</b> to increase capacity and <b>ACRs Start-Up</b>
- 5,0 €/mil from <b>lower utilization rates</b> of European plants
- 2,5 €/mil from <b>logistic and tariff costs</b> to support North America market increase

NET PROFIT ADJUSTED
-51,2% in FY and -92,8% in Q4 mainly due to
- <b>EBITDA Decrease</b>
- <b>Higher D&amp;A</b> 11,4 €/mil due to new investments IFRS16 and O'Mara Contribution;
- <b>Higher exchange losses</b> +2,2 €/mil
- <b>Lower Income Adjusted Tax</b> - -4,4 €/mil

NET FINANCIAL POSITION ADJUSTED <sup>6</sup>
without O'Mara acquisition and IFRS16 effect <b>189,2 €/mil at Dec 19</b> <b>207,3 €/mil at Sep 19</b> <b>157,1 €/mil ad Dec 18</b>
Main effects Dec 19 vs 18 <b>+55,2 €/mil from Operating Activities</b> before NWC changes
<b>-55,9 €/mil from Investing Activities</b>
<b>-5,1 from NWC changes</b>
<b>-12,3 from Dividends Payment</b>
<b>-9,0 from Interest and Tax expenses</b>

<sup>(1)</sup> Equal to Net Profit plus no recurring items less related tax effects - <sup>(2)</sup> Including Aquafil O'Mara revenues of 17,5 €/mil (FY) and 6,9 €/mil (Q4) - <sup>(3)</sup> including Aquafil O'Mara EBITDA of 2,4 €/mil (FY) and 0,6 €/mil (Q4) and IFRS16 effect of 6,8 €/mil (FY) and 1,7 €/mil (Q4) - <sup>(4)</sup> Without considering Aquafil Engineering GmbH revenues variation - <sup>(5)</sup> Without considering O'Mara contribution - <sup>(6)</sup> Without considering IFRS16 of 24,3 €/mil and O'Mara acquisition of 36,1 €/mil

## 2. Income Statement KPI Full Year and IV Quarter 2019

The **Income Statement Key Performance Indicators** related to FY and Q4 2019 compared with same period of 2018 are:

**Income Statement KPI**

(€/mil)

	Q319 YTD	Q318 YTD	Q3YTD Δ%	Q3 2019	Q3 2018	Q3 Δ%
<b>REVENUES</b>	<b>549,0</b>	<b>555,2</b>	<b>-1,1%</b>	<b>129,4</b>	<b>124,4</b>	<b>4.0%</b>
<b>EBITDA</b>	<b>69,4</b>	<b>77,9</b>	<b>-10,9%</b>	<b>14,5</b>	<b>17,0</b>	<b>-14,8%</b>
<i>Margin %</i>	12,6%	14,0%		11,2%	13,7%	
<b>EBIT Adjusted</b>	<b>31,1</b>	<b>51,2</b>	<b>-39,3%</b>	<b>2,4</b>	<b>10,7</b>	<b>-77,7%</b>
<i>Margin %</i>	5,7%	9,2%		1,8%	8,6%	
<b>EBIT</b>	<b>17,4</b>	<b>41,2</b>	<b>-57,8%</b>	<b>0,4</b>	<b>6,8</b>	<b>-93,8%</b>
<i>Margin %</i>	3,2%	7,4%		0,3%	5,5%	
<b>EBT</b>	<b>10,5</b>	<b>37,1</b>	<b>-71,6%</b>	<b>-2,7</b>	<b>6,5</b>	<b>-141,7%</b>
<i>Margin %</i>	1,9%	6,7%		-2,1%	5,2%	
<b>Net Result</b>	<b>9,0</b>	<b>30,1</b>	<b>-70,1%</b>	<b>-0,5</b>	<b>5,7</b>	<b>-109,2%</b>
<i>Margin %</i>	1,6%	5,4%		-0,4%	4,6%	
<b>Net Result Adj</b>	<b>17,2</b>	<b>35,3</b>	<b>-51,2%</b>	<b>0,4</b>	<b>5,7</b>	<b>-92,8%</b>
<i>Margin %</i>	3,1%	6,4%		0,3%	4,6%	

- a) **Revenues:** decrease as effect of (i) reduction of all Product Lines revenues in EMEA due to market slowdown related with economic trends; (ii) lower revenues in Asia Pacific of BCF fiber as consequence of general economic trends and tariffs war and lower revenues of the engineering services company Aquafil Engineering GmbH and, (iii) increase in North America of BCF fiber revenues, due to market growth in automotive sector, partially impacted in Q4 by the strike that affected General Motor and NTF fiber revenues (17,5 €/mil YTD and 6,9 in Q4) of O'Mara acquisition;
- b) **EBITDA:** decreases notwithstanding positive effects of (a) IFRS16 for 6,8 €/mil (FY) and 1,7 €/mil (Q4), (b) O'Mara EBITDA for 2,4 €/mil (FY) and 0,6 €/mil (Q4). Without considering these effects EBITDA would have been of 60,1 €/mil in FY and 12,2 €/mil in Q4. EBITDA reduction is attributable not only to lower sales but also to **additional costs** related to: (a) ca 6,0 €/mil higher ECONYL® caprolactam production costs deriving from ARC#1 startup and the shut down of ECONYL® plant in Slovenia to increase capacity (b) ca 5,0 €/mil as impact of low utilization rates of European plants due to market situation; and (c) ca 2,5 €/mil logistic and tariff costs related EU production to support North American market increase;
- c) **EBIT Adjusted:** decrease as a result of EBITDA reduction and higher D&A of period due to new Investments, IFRS16 and O'Mara Contribution.
- d) **EBIT:** decrease as a result of EBIT Adjusted reduction and higher non recurring costs mainly related to cost provision for closing Aqualeuna GmbH plant in Germany;
- e) **EBT:** decrease as a result of EBIT reduction and increase of exchange losses of period;
- f) **Net Result:** decrease as a result of EBT reduction partially mitigated by a lower income taxes also related to certain non recurring effects on deferred taxes.
- g) **Net Result Adjusted:** is determined as Net Profit plus no recurring items corrected by related tax effect.



## 3. Balance Sheet and Financial KPI – Full Year 2019

The **Balance Sheet and Financial Key Performance Indicators** related to Full Year 2019 compared with Full Year 2018 are :

**Balance Sheet and Financial KPI**

(€/mil)

**CAPEX**

**(55,9)**

a) **CAPEX of FY is equal to of 55,9 €/mil** without considering effects of O'Mara Incorporated acquisition and of IFRS16 first time adoption. Is mainly related to (i) increase of ECONYL® caprolactam production capacity in Slovenia and construction of two Carpet Recycling plants located in Phoenix and Woodland, (ii) expansion of BCF fiber production capacity in United States and China, (iii) industrial and logistic projects of efficiency improvement.

**CHANGE OF NET WORKING CAPITAL**

**(5,1)**

b) **NET WORKING CAPITAL CHANGE of FY is equal to 5,1 €/mil** without considering the effect of O'Mara Incorporated acquisition. Change of net working capital is mainly due to increase or revenues in North America operations and a reduction of trade receivable due to lower quantity and value of raw material purchased.

**NET FINANCIAL POSITION**

**(249,6)**

**O'Mara Incorporated Acquisition**

**36,1**

**IFRS 16 effect**

**24,3**

**ADJUSTED NET FINANCIAL POSITION**

**(189,2)**

c) **ADJUSTED NET FINANCIAL POSITION at 31 Dec 19 is equal to 189,2 €/mil**, calculated as Net Financial Position less O'Mara Incorporated acquisition and IFRS16 first adoption effect. It was equal to 207,3 €/mil at 30 September 2019 and 157,1 €/mil at 31 Dec 2018. Variation to 31 Dec 2018 is mainly related with:

- i. +55,2 €/mil cash flow from operating activities;
- ii. -55,9 €/mil CAPEX;
- iii. -5,1 €/mil NWC change;
- iv. -12,3 €/mil dividend payment;
- v. -9,0 €/mil payment of financial cost and taxes.

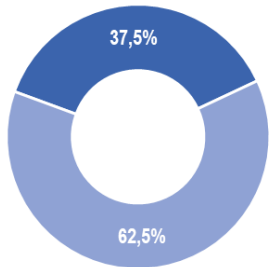
## 4. Focus on Turnover

# ECONYL®

## ENDLESS POSSIBILITIES

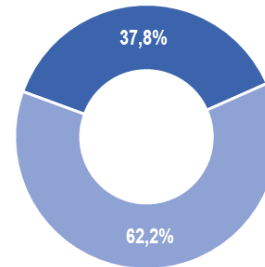
The Group's revenues of ECONYL® branded products grow of 3,2% and 3,6% in Full Year and Q4 compared to 2018.

% of Revenues of product branded ECONYL®  
FY 2019



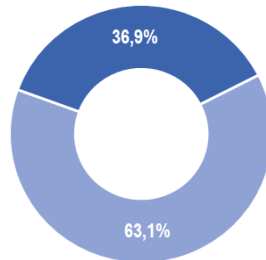
■ ECONYL® ■ Other Fiber

% of Revenues of product branded ECONYL®  
IV Quarter 2018



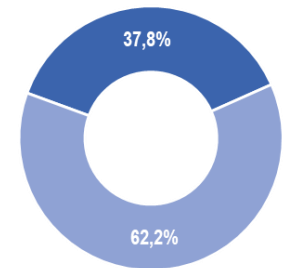
■ ECONYL® ■ Other Fiber

% of Revenues of product branded ECONYL®  
FY 2018



■ ECONYL® ■ Other Fiber

% of Revenues of product branded ECONYL®  
IV Quarter 2019



■ ECONYL® ■ Other Fiber

The Group's revenues of ECONYL® branded products in Full Year 2019 are equal to the 37,5% of total fiber revenues.

Revenues broken down by Line of Product and Geographical Area on FY and Q4 2019 to same period of 2018 are:

	BCF (fiber for carpet)				NTF (fiber for fabrics)				Polymers				TOTAL				% on TOTAL	
	FY19	FY18	Δ	Δ%	FY19	FY18	Δ	Δ%	FY19	FY18	Δ	Δ%	FY19	FY18	Δ	Δ%	FY19	FY18
EMEA	203,9	216,1	(12,2)	(5,7)%	87,9	92,9	(5,0)	(5,4)%	35,5	43,8	(8,3)	(19,1)%	327,2	352,8	(25,6)	(7,3)%	<b>59,6%</b>	<b>63,5%</b>
North America	106,1	95,3	10,8	11,4%	16,4	0,1	16,3	N.A.	5,4	8,4	(3,0)	(36,0)%	127,9	103,7	24,2	23,3%	<b>23,3%</b>	<b>18,7%</b>
Asia e Oceania	89,8	96,6	(6,8)	(7,1)%	1,9	1,5	0,4	30,0%	0,5	0,2	0,3	N.A.	92,2	98,3	(6,1)	(6,2)%	<b>16,8%</b>	<b>17,7%</b>
RoW	0,2	0,1	0,1	67,0%	1,5	0,3	1,2	N.A.	0,0	0,0	0,0	N.A.	1,7	0,4	1,3	N.A.	<b>0,3%</b>	<b>0,1%</b>
<b>TOTAL</b>	<b>400,0</b>	<b>408,1</b>	<b>(8,1)</b>	<b>(2,0)%</b>	<b>107,7</b>	<b>94,7</b>	<b>13,0</b>	<b>13,7%</b>	<b>41,3</b>	<b>52,4</b>	<b>(11,1)</b>	<b>(21,2)%</b>	<b>549,0</b>	<b>555,2</b>	<b>(6,3)</b>	<b>(1,1)%</b>	<b>100,0%</b>	<b>100,0%</b>
<b>% on Total</b>	<b>72,9%</b>	<b>73,5%</b>			<b>19,6%</b>	<b>17,1%</b>			<b>7,5%</b>	<b>9,4%</b>			<b>100,0%</b>	<b>100,0%</b>				

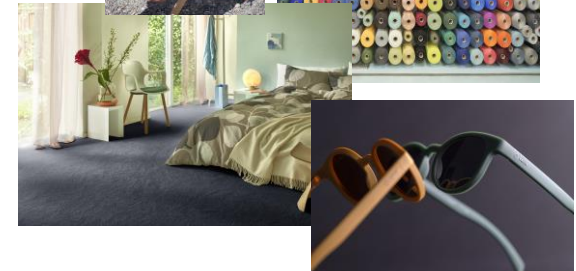
- (a) **EMEA revenues** decrease of 7,3% and 0,1% in FY and Q4. Variation is related to (a) BCF revenues that decrease of 5,7% in FY 2019 but increase of 8,5% in Q4, (b) NTF revenues that decrease of 5,4% and 13,8% in FY and Q4 due to economic trends and (c) Polymers revenues that decrease of 19,1% and 8,4% in FY and Q4 due to in-house use of polymer and also lower sales as result of a minor market demand;
- (b) **USA revenues** increase of 23,3% and 12,9% in FY and Q4. On a like for like consolidation scope (without considering O'Mara) revenues would have increased by 7,5% in FY and declined by 10,8% in Q4. Variation is related to (a) BCF revenues increase of 11,4% in FY and decrease of 10,4% in Q4 due to, on yearly basis consolidation of the market share in automotive market and on quarterly basis (October) to general strike of General Motors (b) Polymers revenues decrease of 36% and 24,4% in FY and Q4 due to lower market demand;
- (c) **Asia Pacific revenues** decrease of 6,2% in FY but increase of 5,3% in Q4. Variation is related to (a) BCF fiber revenues that decrease of 4,5% and 2,4% in FY and Q4 where the decline is attributable to a slowdown in the end market already reported in previous quarters, due to the economic trends and tariff war and (b) revenues of the engineering services company Aquafil Engineering GmbH that reported a reduction of 31,2% (2,9 €/mil) in FY but an increase of 164% (1,8 €/mil) in Q4.

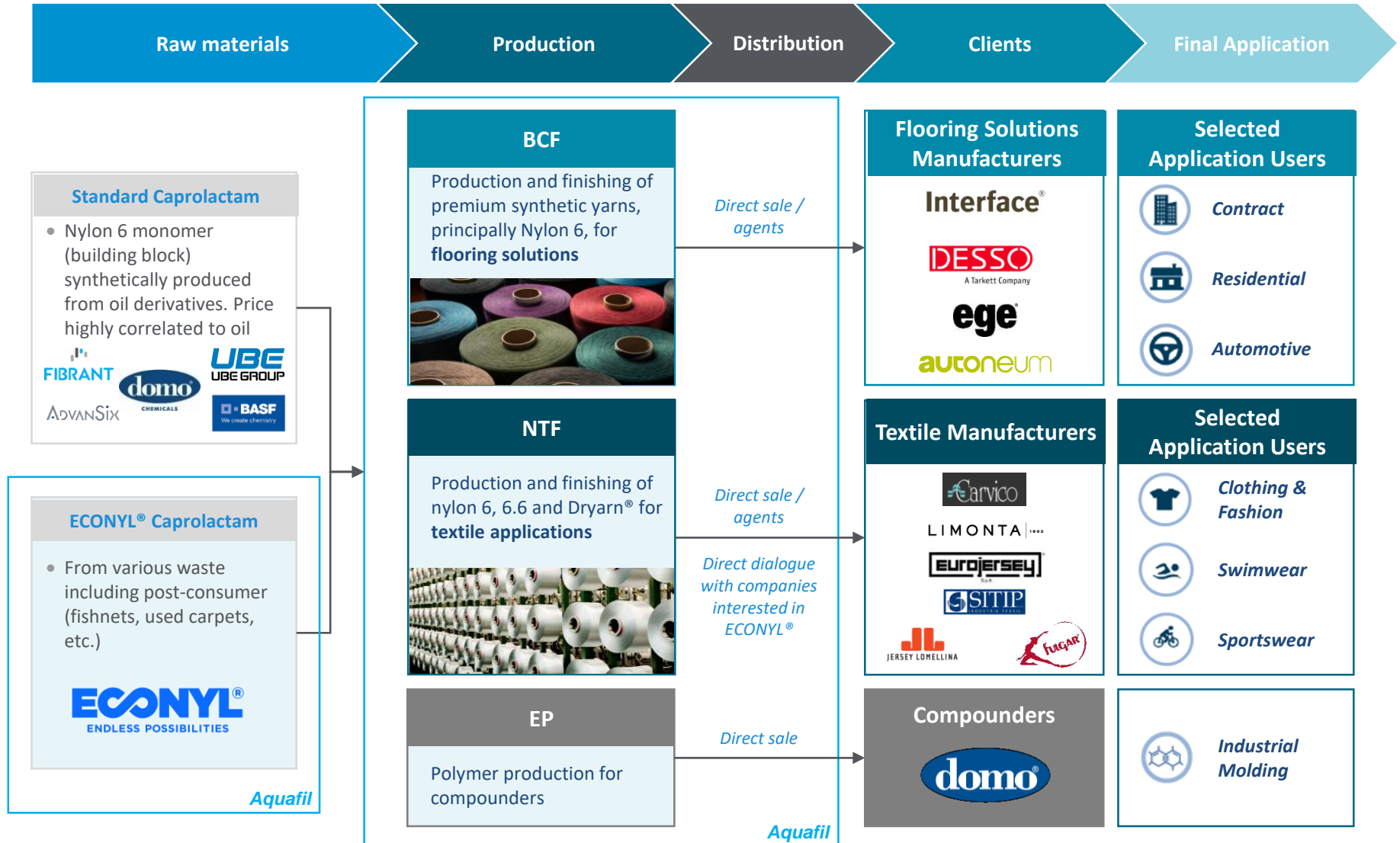
	BCF (fiber for carpet)				NTF (fiber for fabrics)				Polymers				TOTAL				% on TOTAL	
	Q419	Q418	Δ	Δ%	Q419	Q418	Δ	Δ%	Q419	Q418	Δ	Δ%	Q419	Q418	Δ	Δ%	FY19	FY18
EMEA	48,6	44,8	3,8	8,5%	19,6	22,7	(3,1)	(13,8)%	8,3	9,0	(0,8)	(8,4)%	76,4	76,5	(0,1)	(0,1)%	<b>59,0%</b>	<b>61,6%</b>
North America	23,6	26,3	(2,7)	(10,4)%	6,4	(0,0)	6,4	N.A.	0,6	0,8	(0,2)	(24,4)%	30,6	27,1	3,5	12,9%	<b>23,6%</b>	<b>21,8%</b>
Asia e Oceania	21,3	20,0	1,4	6,9%	0,3	0,7	(0,4)	(61,0)%	0,1	0,0	0,1	N.A.	21,8	20,7	1,1	5,3%	<b>16,8%</b>	<b>16,6%</b>
RoW	0,1	0,0	0,1	N.A.	0,6	0,0	0,6	N.A.	0,0	0,0	0,0	N.A.	0,6	0,0	0,6	N.A.	<b>0,5%</b>	<b>0,0%</b>
<b>TOTAL</b>	<b>93,6</b>	<b>91,0</b>	<b>2,5</b>	<b>2,8%</b>	<b>26,8</b>	<b>23,4</b>	<b>3,4</b>	<b>14,6%</b>	<b>9,0</b>	<b>9,8</b>	<b>(0,8)</b>	<b>(8,2)%</b>	<b>129,4</b>	<b>124,3</b>	<b>5,1</b>	<b>4,1%</b>	<b>100,0%</b>	<b>100,0%</b>
<b>% on Total</b>	<b>72,3%</b>	<b>73,2%</b>			<b>20,7%</b>	<b>18,8%</b>			<b>7,0%</b>	<b>7,9%</b>			<b>100,0%</b>	<b>100,0%</b>				

## 5. Aquafil Group at Glance

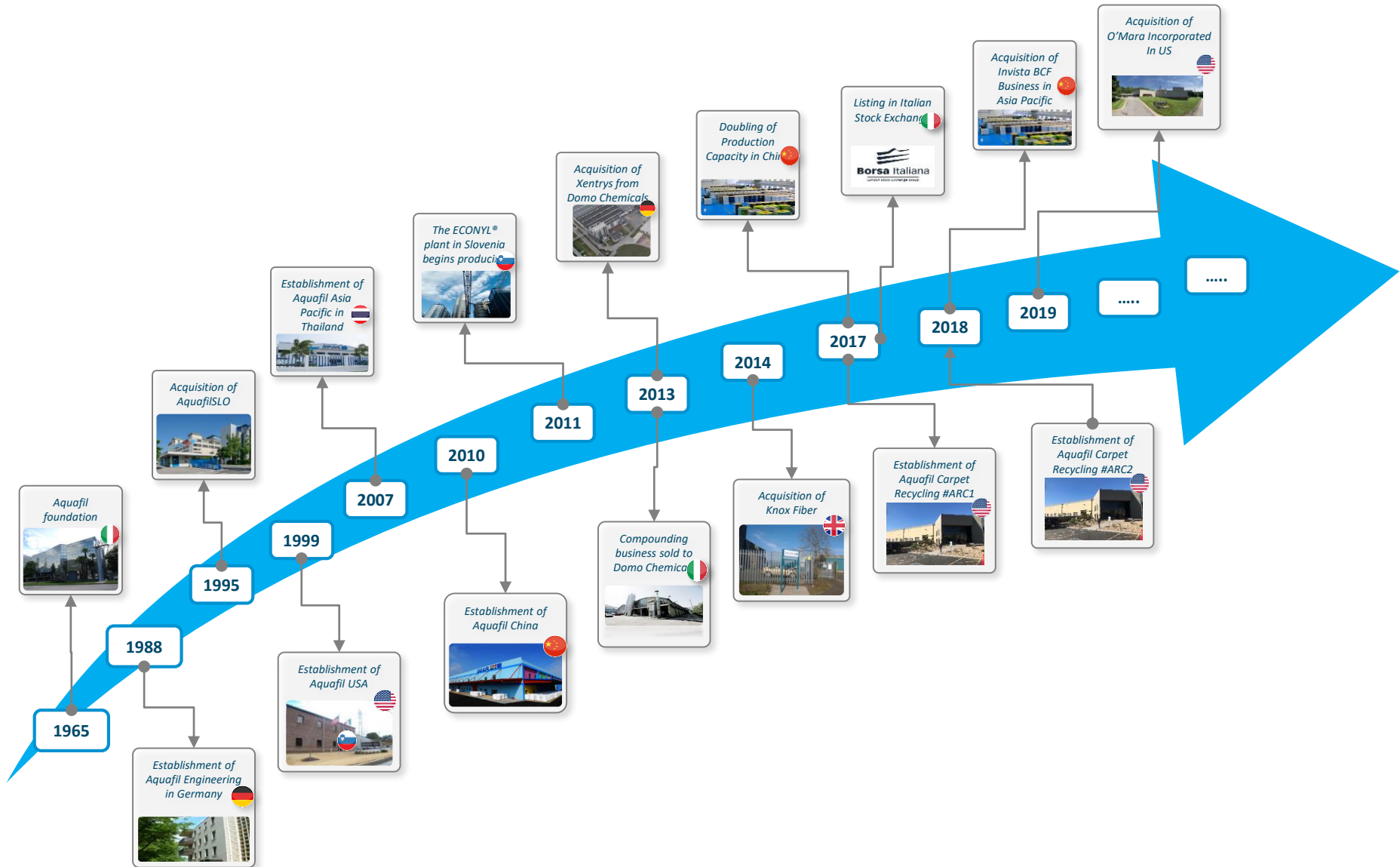
- **Pioneers of circularity with ECONYL®:**
  - An unique **Regeneration System** to produce sustainable fiber and polymers from nylon 6 waste;
  - High barriers to entry for technology and reverse supply chain;
  - Turnover of product branded ECONYL® equal to **37,5%** of fiber turnover
- **Market Leader in Nylon (PA):**
  - Fiber for Carpet flooring (BCF Product);
  - Fiber for Fabrics (NTF Product);
  - Polymers for engineering plastics;
- **A successful business model based on**
  - Proprietary technology with continuous innovation;
  - R&D focus for a uniquely diversified commercial offer;
  - Manufacturing and operational excellence;
  - Focus on high-end segments for a premium positioning;
- **A Global footprint with proximity to Clients**
  - **16 plants in 3 continents** and 7 countries
  - **almost 3.000 employees** at December 2019;
  - **€549,0m of Revenues in FY2019**
  - **€69,4m EBITDA in FY2019**

**THE ECONYL®  
REGENERATION SYSTEM**









# AQUAFIL WORLDWIDE

## USA

Cartersville (Georgia)  
**Aquafil USA 1 & 2**

Phoenix (Arizona)  
**Aquafil Carpet Recycling  
ACR#1**

Sacramento (California)  
**Aquafil Carpet Recycling  
ACR#2**

Rutherford College  
(North Carolina)  
**Aquafil O'Mara**

## UK

Kilbirnie  
**Aquafil UK**

## ITALY

Arco (TN)  
**Aquafil (Headquarter)**

Cares (TN)  
Rovereto (TN)  
**Tessilquattro**

## CROATIA

Oroslavje  
**Aquafil CRO**

## SLOVENIA

Ljubljana  
**AquafilSLO**

Senožeče  
**AquafilSLO Senožeče**

Štore  
**AquafilSLO Štore**

Ajdovščina  
**AquafilSLO Ajdovščina**

## CHINA

Jiaxing  
**Aquafil Jiaxing**

## THAILAND

Rayong  
**Aquafil Asia Pacific**

# **ECONYL**<sup>®</sup>

ENDLESS POSSIBILITIES

- 100% regenerated & regenerable nylon
- Unique proprietary technology
- 37,5 % of Aquafil Fiber Turnover 2018

## THE ECONYL<sup>®</sup> REGENERATION SYSTEM



[WWW.ECONYL.COM](http://WWW.ECONYL.COM)

## 6. Full Year and IV Quarter 2019 Financial Statement

<b>RECONCILIATION FROM NET PROFIT TO EBITDA</b> <i>€/000</i>	<b>December</b> <b>2019</b>	<b>December</b> <b>2018</b>	<b>Forth Quarter</b> <b>2019</b>	<b>Forth Quarter</b> <b>2018</b>
<b>Net Profit (Including Portion Attr. to Minority)</b>	<b>9.005</b>	<b>30.097</b>	<b>(529)</b>	<b>5.742</b>
Income Taxes	1.519	6.986	(2.195)	784
Amortisation & Depreciation	37.765	26.361	11.793	7.438
Write-downs & Write-backs of intangible and tangible assets	555	285	318	(1.148)
Financial items (*)	10.108	7.793	3.916	1.187
No recurring items (**)	10.457	6.373	1.192	3.004
<b>EBITDA</b>	<b>69.408</b>	<b>77.896</b>	<b>14.497</b>	<b>17.008</b>
<i>Revenue</i>	548.955	555.220	129.418	124.288
EBITDA Margin	12,6%	14,0%	11,2%	13,7%

<b>RECONCILIATION FROM EBITDA TO</b> <b>EBIT ADJUSTED</b> <i>€/000</i>	<b>December</b> <b>2019</b>	<b>December</b> <b>2018</b>	<b>Forth Quarter</b> <b>2019</b>	<b>Forth Quarter</b> <b>2018</b>
<b>EBITDA</b>	<b>69.408</b>	<b>77.896</b>	<b>14.497</b>	<b>17.008</b>
Amortisation & Depreciation	37.765	26.361	11.793	7.438
Write-downs & Write-backs of intangible and tangible assets	555	285	318	(1.148)
<b>EBIT Adjusted</b>	<b>31.088</b>	<b>51.250</b>	<b>2.385</b>	<b>10.718</b>
<i>Revenue</i>	548.955	555.220	129.418	124.288
<i>EBIT Adjusted Margin</i>	5,7%	9,2%	1,8%	8,6%

(\*) The financial items include: (i) non-recurring financial income of Euro 1.1 million in the period ending December 31, 2019 (ii) financial charges of Euro 7.5 million and Euro 5.8 million respectively in the periods ending December 31, 2019 and December 31, 2018, (iii) cash discounts of Euro 3.2 million and Euro 3.7 million respectively in the periods ending December 31, 2019 and December 31, 2018, and (iv) exchange loss of Euro 0.5 million and exchange gains of Euro 1.7 million respectively in the periods ending December 31, 2019 and December 31, 2018.

(\*\*) This includes (i) non-recurring charges related to the expansion of the Aquafil Group and other corporate transactions for Euro 4.5 million and 3.0 million respectively in the periods ending December 31, 2019 and December 31, 2018, (ii) non-recurring industrial charges of Euro 1.0 million for the period ending December 31, 2019, (iii) costs for restructuring for Euro 4.3 million and Euro 2.8 million respectively in the periods ending December 31, 2019 and December 31, 2018 and (iv) other non-recurring charges of Euro 0.6 million and Euro 0.6 million respectively in the periods ending December 31, 2019 and December 31, 2018.

CONSOLIDATED INCOME STATEMENT €/000	December 2019	<i>of which</i> <i>non-current</i>	December 2018	<i>of which</i> <i>non-current</i>	Forth Quarter 2019	<i>of which</i> <i>non-current</i>	Forth Quarter 2018	<i>of which</i> <i>non-current</i>
Revenue	548.955		555.220		129.418		124.288	-
<i>of which related parties</i>	58		218		29		13	-
Other Revenue	2.555	229	2.591	856	963	117	2.172	437
<b>Total Revenue and Other Revenue</b>	<b>551.509</b>	<b>229</b>	<b>557.811</b>	<b>856</b>	<b>130.380</b>	<b>117</b>	<b>126.461</b>	<b>437</b>
Raw Material	(282.841)	(124)	(282.266)	(118)	(65.634)	(8)	(58.136)	93
Services	(100.412)	(3.584)	(100.935)	(2.918)	(24.825)	(201)	(27.296)	(637)
<i>of which related parties</i>	(491)		(3.586)		(148)		(901)	
Personel	(113.281)	(5.849)	(106.410)	(3.983)	(28.540)	(703)	(29.174)	(2.800)
Other Operating Costs	(4.194)	(1.129)	(2.438)	(211)	(1.491)	(396)	(720)	(97)
<i>of which related parties</i>	(70)		(70)		(32)		(18)	
Depreciation and Amortization	(37.765)		(26.361)		(11.793)		(7.438)	
Doubtful debt provision	(325)		(93)		(196)		701	
Provisions for risks and charges	(230)		(192)		(123)		449	
Capitalization of Internal Construction Costs	4.927		2.071		2.643		1.948	
<b>EBIT</b>	<b>17.389</b>	<b>(10.457)</b>	<b>41.187</b>	<b>(6.373)</b>	<b>422</b>	<b>(1.192)</b>	<b>6.794</b>	<b>(3.005)</b>
Other Financial Income	1.195	1.082	45		75		14	
Interest Expenses	(7.573)		(5.816)		(1.337)		(1.547)	
<i>of which related parties</i>	(252)				(120)		-	
FX Gains and Losses	(488)		1.668		(1.884)		1.267	
<b>Profit Before Taxes</b>	<b>10.524</b>	<b>(9.375)</b>	<b>37.084</b>	<b>(6.373)</b>	<b>(2.723)</b>	<b>(1.192)</b>	<b>6.528</b>	<b>(3.005)</b>
Income Taxes	(1.519)	750	(6.986)		2.195	750	(785)	
<b>Net Profit (Including Portion Attr. to Minority)</b>	<b>9.005</b>	<b>(8.625)</b>	<b>30.097</b>	<b>(6.373)</b>	<b>(528)</b>	<b>(442)</b>	<b>5.743</b>	<b>(3.005)</b>
Net Profit Attributable to Minority Interest	0		-		0		-	
<b>Net Profit Attributable to the Group</b>	<b>9.005</b>		<b>30.097</b>		<b>2.958</b>		<b>9.787</b>	
<i>Basic earnings per share</i>	0,18		0,59		(0,01)		0,11	
<i>Diluted earnings per share</i>	0,18		0,59		(0,01)		0,11	

**CONSOLIDATED BALANCE SHEET**

<i>€/000</i>	At December 31, <b>2019</b>	At December 31, <b>2018</b>
Intangible Assets	21.101	15.992
Goodwill	13.029	-
Tangible Assets	251.492	189.661
Financial Assets	765	404
<i>of which related parties</i>	313	79
Other Assets	2.189	2.189
Deferred Tax Assets	13.636	7.841
<b>Total Non-Current Assets</b>	<b>302.212</b>	<b>216.087</b>
Inventories	184.931	189.678
Trade Receivable	24.960	34.046
<i>of which related parties</i>	69	66
Financial Current Assets	1.637	2.878
Current Tax Receivables	1.639	451
Other Current Assets	12.126	14.297
<i>of which related parties</i>	2.231	1.859
Cash and Cash Equivalents	90.400	103.277
Asset held for sales	428	-
<b>Total Current Assets</b>	<b>316.120</b>	<b>344.627</b>
<b>Total Current Assets</b>	<b>618.332</b>	<b>560.714</b>
Share Capital	49.722	49.722
Reserves	81.813	62.969
Group Net Profit for the year	10.799	31.119
<b>Group Shareholders Equity</b>	<b>142.335</b>	<b>143.810</b>
Net Equity attributable to minority interest	1	1
Net Profit for the year attributable to minority interest	-	0
<b>Total Shareholders Equity</b>	<b>142.336</b>	<b>143.811</b>
Employee Benefits	5.721	5.702
Non-Current Financial Liabilities	286.970	224.345
<i>of which related parties</i>	9.624	-
Provisions for Risks and Charges	1.508	1.169
Deferred Tax Liabilities	10.915	3.582
Other Payables	15.383	11.833
<b>Total Non-Current Liabilities</b>	<b>320.497</b>	<b>246.631</b>
Current Financial Liabilities	54.733	39.090
<i>of which related parties</i>	3.572	-
Current Tax Payables	1.127	2.270
Trade Payables	76.089	106.895
<i>of which related parties</i>	127	762
Other Liabilities	23.551	22.017
<i>of which related parties</i>	236	230
<b>Total Current Liabilities</b>	<b>155.499</b>	<b>170.272</b>
<b>Total Equity and Liabilities</b>	<b>618.332</b>	<b>560.714</b>

CASH FLOW STATEMENT <i>€/000</i>	At December 31, 2019	At December 31, 2018
<b>Operation Activities</b>		
Net Profit (Including Portion Attr. to Minority)	9.005	30.097
<i>of which related parties</i>	<i>(755)</i>	<i>(3.438)</i>
Income Taxes	1.519	6.986
Other Financial Income	(1.195)	(45)
Interest Expenses	7.573	5.816
<i>of which related parties</i>	<i>(252)</i>	-
FX (Gains) and Losses	488	(1.668)
(Gain)/Loss on non-current asset Disposals	(476)	(303)
Provisions & write-downs	556	285
Amortisation, depreciation & write-downs	37.770	26.361
<b>Cash Flow from Operating Activities Before Changes in NWC</b>	<b>55.238</b>	<b>67.531</b>
Change in Inventories	10.177	(36.179)
Change in Trade and Other Receivables	(32.905)	12.418
<i>of which related parties</i>	<i>(635)</i>	<i>46</i>
Change in Trade and Other Payables	12.975	633
<i>of which related parties</i>	<i>(3)</i>	<i>50</i>
Change in Other Assets/Liabilities	5.440	3.617
<i>of which related parties</i>	<i>(366)</i>	<i>(398)</i>
Net Interest Expenses paid	(6.377)	(5.025)
Income Taxes paid	(2.548)	(6.335)
Change in Provisions for Risks and Charges	(830)	(1.271)
<b>Cash Flow from Operating Activities (A)</b>	<b>41.169</b>	<b>35.389</b>
<b>Investing activities</b>		
Investment in Tangible Assets	(48.196)	(60.881)
Disposal of Tangible Assets	1.017	2.708
Investment in Intangible Assets	(7.876)	(10.834)
Disposal of Intangible Assets	2	13
Investment in Right of Use	(5.794)	-
Disposal in Right of Use	4.893	-
Business Purchases Aquafil O'Mara	(36.076)	-
<i>of which Asset</i>	<i>(18.687)</i>	-
<i>of which Goodwill</i>	<i>(13.029)</i>	-
<i>of which cash</i>	<i>116</i>	-
<i>of which other assets and liabilities</i>	<i>(4.476)</i>	-
<b>Cash Flow used in Investing Activities (B)</b>	<b>-92.031</b>	<b>-68.994</b>
<b>Financing Activities</b>		
Increase in no-current Loan and borrowing	103.000	120.000
Decrease in no-current Loan and borrowing	(45.425)	(67.833)
Net variation in current financial Assets and Liability	(7.317)	(1.516)
<i>of which related parties</i>	<i>1.275</i>	-
Dividends Distribution	(12.273)	(12.241)
<i>of which related parties</i>	<i>(7.316)</i>	<i>(7.369)</i>
Increase (decrease) Share Capital	-	(600)
Merger contribution	-	50
<b>Cash Flow from Financing Activities (C)</b>	<b>37.985</b>	<b>37.860</b>
<b>Net Cash Flow of the Year (A)+(B)+(C)</b>	<b>-12.877</b>	<b>4.255</b>



NET FINANCIAL DEBT	At December 31, At December 31,	
<i>€/000</i>	2019	2018
A. Cash	90.400	103.277
B. Other cash equivalents	-	-
C. Securities held-for-trading	-	-
<b>D. Liquidity ( A + B + C )</b>	<b>90.400</b>	<b>103.277</b>
<b><i>E. Current financial receivables</i></b>	<b>1.637</b>	<b>2.878</b>
F. Current bank loans and borrowing	(129)	(96)
G. Current portion of non-current loans and borrowing	(46.056)	(35.496)
H. Other current loans and borrowing	(8.547)	(3.498)
<b><i>I. Current financial debt ( F + G + H )</i></b>	<b>(54.733)</b>	<b>(39.090)</b>
<b>J. Net current financial debt ( I + E+ D )</b>	<b>37.304</b>	<b>67.066</b>
K. Non-current bank loans and borrowing	(169.796)	(159.492)
L. Bonds issued	(90.458)	(53.578)
M. Other non-current loans and borrowing	(26.619)	(11.274)
<b>N. Non-current financial debt ( K + L + M )</b>	<b>(286.874)</b>	<b>(224.344)</b>
<b>O. Net financial debt ( J+N )</b>	<b>(249.570)</b>	<b>(157.279)</b>



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