



# SPAFID CONNECT

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Societa' : Aquafil S.P.A.  
Identificativo : 132425  
Informazione  
Regolamentata  
Nome utilizzatore : AQUAFILNSS02 - Tonelli  
Tipologia : 2.2  
Data/Ora Ricezione : 14 Maggio 2020 16:38:25  
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Diffusione presunta  
Oggetto : The BoD approved the results of the first  
quarter 2020

*Testo del comunicato*

Vedi allegato.

**THE BOARD OF DIRECTORS APPROVES THE RESULTS FOR Q1 2020**

**LIMITED COVID-19 IMPACTS IN THE FIRST QUARTER**

**NET FINANCIAL POSITION SUBSTANTIALLY UNCHANGED COMPARED TO  
DECEMBER 2019**

**SOLID LIQUIDITY LEVEL**

**MAIN INDICATORS AT MARCH 31, 2020:**

- **Revenues: €140.7 million (-3.2% compared to €145.3 million in Q1 2019);**
- **EBITDA<sup>1</sup>: €18.2 million (-4.7% compared to €19.1 million in Q1 2019);**
- **Adjusted EBIT<sup>1</sup>: €7.4 million (-33.3% compared to €11.0 million in Q1 2019);**
- **Net result: €4.1 million (-47.0% compared to €7.7 million in Q1 2019);**
- **Adjusted net result<sup>2</sup>: €5.1 million (-34.2% compared to €7.7 million in Q1 2019);**
- **Net financial position: €250.2 million (€249.6 million at December 31, 2019);**
- **Cash: €100.4 million (€90.4 million at December 31, 2019).**

**Arco, May 14, 2020** — The Board of Directors of Aquafil S.p.A. [ECNL:IM] approved the Company's operating and financial results at March 31, 2020.

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

*"It is with pride that I wish to confirm that we have always continued, and are continuing today, to work seamlessly and in maximum safety at all the plants of the company, in Italy and abroad.*

*COVID-19 had a limited effect in the first quarter but, unfortunately, until now it is having a more significant impact in the second.*

*Our priorities today are to: ensure the necessary liquidity to get through 2020 without problems, and in this regard we close the quarter with liquid funds of more than €100 million; operate our production plants at their best, which at the moment are inevitably working at reduced capacity due to the slowdown or temporary halt of our customers' activities, with the maximum possible reduction of operating and personnel costs and making use of all the subsidies and support available in the various countries; use smart working with maximum productivity and IT security.*

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<sup>1</sup> EBITDA and Adjusted EBIT are calculated as per the table in Appendix 1 to this press release.

<sup>2</sup> Adjusted net result is calculated by eliminating non-recurring components and the related taxes from Net result.

The first quarter results show that the cost-saving measures announced and implemented have had an even greater effect than expected. The overall profit margin is partially impacted by the lower quantities sold as well as by the stock reduction policies.

Sales of ECONYL® branded products reached 37.9% of fiber turnover and the quantities remained essentially unchanged compared to the same period in the previous year.

## Main economic indicators – Aquafil Group

### Revenues

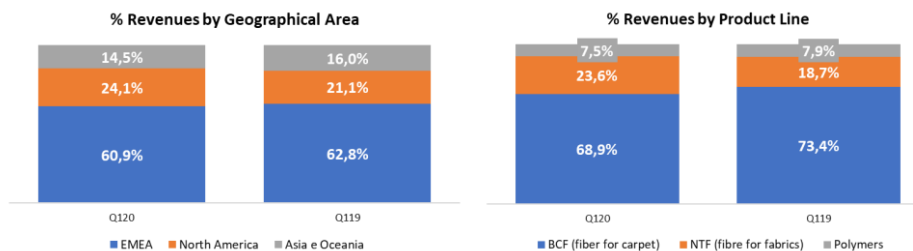
Revenues for Q1 2020 stood at €140.7 million, decreasing by 3.2% (€4.6 million) compared to the same period of the previous year.

On a like-for-like consolidation basis<sup>3</sup>, the decline in revenues would have been 8.3% (€12.0 million).

Said reduction is chiefly attributable to lower sales volumes as a result of the slowdown of the target end markets, as well as, to a lesser extent, to a decline in sales prices due to lower raw material cost.

Revenues from sales of **ECONYL® branded products decreased by 1.9% in Q1 2020** in absolute terms, compared to the previous year, though increasing their ratio to total fiber sales to **37.9%**.

Sales in percentage and absolute terms by Geographical Area and Product Line, together with the changes compared with the same period of the previous year, are reported below:



	BCF (fiber for carpet)				NTF (fibre for fabrics)				Polymers				TOTAL			
	Q120	Q119	Δ	Δ%	Q120	Q119	Δ	Δ%	Q120	Q119	Δ	Δ%	Q120	Q119	Δ	Δ%
EMEA	52,4	54,8	(2,4)	(4,4)%	24,9	26,2	(1,3)	(5,0)%	8,4	10,2	(1,8)	(17,2)%	85,7	91,2	(5,5)	(6,0)%
North America	24,9	29,5	(4,6)	(15,6)%	6,9	0,0	6,9	N.A.	2,1	1,3	0,9	70,1%	33,9	30,7	3,2	10,4%
Asia e Oceania	19,5	22,3	(2,8)	(12,4)%	0,9	0,8	0,2	23,6%	0,0	0,1	(0,1)	N.A.	20,5	23,2	(2,7)	(11,8)%
RoW	0,1	0,1	0,0	59,1%	0,5	0,2	0,3	N.A.	0,0	0,0	(0,0)	N.A.	0,6	0,2	0,4	N.A.
<b>TOTALE</b>	<b>96,9</b>	<b>106,6</b>	<b>(9,7)</b>	<b>(9,1)%</b>	<b>33,3</b>	<b>27,1</b>	<b>6,1</b>	<b>22,5%</b>	<b>10,5</b>	<b>11,5</b>	<b>(1,0)</b>	<b>(8,7)%</b>	<b>140,7</b>	<b>145,3</b>	<b>(4,6)</b>	<b>(3,2)%</b>

<sup>3</sup> Excluding the effects arising from the acquisition of the company O'Mara Incorporated occurred in May 2019.

The comparison shows that:

- a) revenues generated in **EMEA** declined by 6.0% (€5.5 million) at March 31, 2020, in detail:
- i. the BCF Product Line (fiber for carpets) fell by 4.4% (€2.4 million) chiefly due to lower volumes sold as a result of the slowdown of the final market, as well as a sales price declined attributable to lower raw material cost;
  - ii. the NTF Product Line (fiber for fabrics) dropped by 5.0% (€1.3 million) fully due to the downtrend in the market of reference occurred late in March;
  - iii. the Polymers Product Line decreased by 17.2% (€1.8 million), chiefly due to sales price decline attributable to lower raw material cost, as well as lower volumes sold as a result of the slowdown of the end market;
- b) revenues generated in **North America** grew by 10.4% (€3.2 million) at March 31, 2020. On a like-for-like consolidation basis, revenues would have decreased by 12.1% (€3.7 million), in detail:
- i. the BCF Product Line (fiber for carpets) declined by 15.6% (€4.6 million) chiefly due to lower volumes sold as a result of the difficult comparison with January 2019, the slowdown of the automotive market in late March, and a decline in sales prices attributable to lower raw material cost;
  - ii. the Polymers Product Line grew by 70.1% (€0.9 million) thanks to higher volumes sold;
- c) revenues generated in **Asia and Oceania** decreased by 11.8% (€2.7 million), entirely attributable to the BCF Product Line (fiber for carpets) as a result of the slowdown of the end market of reference, chiefly due to lower volumes sold as a result of the slowdown of the end market of reference, as well as a sales price declined attributable to lower raw material cost.

**EBITDA** amounted to €18.2 million at March 31, 2020, with a decline of 4.7% (€0.9 million) compared to the same period of the previous year. On a like-for-like consolidation basis, EBITDA at March 31, 2020 was €17.1 million, decreasing by 10.8% (€2.1 million) compared to the same period of the previous year.

Changes in EBITDA are attributable to lower volumes sold, partially offset by the effects arising from the planning and implementation of savings measures.

**EBITDA margin** was 12.9% at March 31, 2020. On a like-for-like consolidation basis, EBITDA margin at March 31, 2020 was 12.1%, compared to 13.2% for the same period of the previous year.

**Amortization, depreciation and write-downs** amounted to €10.8 million at March 31, 2020, with an increase of €2.8 million compared to the same period of the previous year, of which €2.2 million referring to the entry into service of the new investments and for €0.6 million to the consolidation of the company O'Mara Incorporated.

**Adjusted EBIT** amounted to €7.4 million at March 31, 2020, with a decline of 33.3% (€3.7 million) compared to the same period of the previous year. On a like-for-like consolidation basis, Adjusted EBIT at March 31, 2020 was €6.8 million, decreasing by 38.7% (€4.3 million) compared to the same period of the previous year.

**Non-recurring components** amounted to €1.4 million at March 31, 2020, with an increase of €0.3 million compared to the same period of the previous year.

**EBIT** amounted to €5.2 million at March 31, 2020, with a decline of 42.9% (€3.9 million) compared to the same period of the previous year. On a like-for-like consolidation basis, EBIT at March 31, 2020 was €5.1 million, decreasing by 44.4% (€4.0 million) compared to the same period of the previous year.

**Net interest expenses** amounted to €2.2 million at March 31, 2020, with an increase of €0.6 million compared to the same period of the previous year. The increase reported was entirely attributable to the higher net financial debt.

**FX gains and losses:** FX gains amounted to €2.6 million at March 31, 2020, with a positive impact on the result of €1.7 million, compared to the same period of the previous year.

**Income taxes** amounted to €1.6 million at March 31, 2020, with a positive impact on the result of €0.3 million compared to the same period of the previous year. The tax rate, calculated as the ratio of income taxes to the profit before taxes, was 27.8% at March 31, 2020 compared to 19.6% for the same period of the previous year.

**Net profit** amounted to €4.1 million at March 31, 2020, with a decline of 47.0% (€3.6 million) compared to the same period of the previous year.

**Adjusted net profit** amounted to €5.1 million at March 31, 2020, with a decline of 34.2% (€2.6 million) compared to the same period of the previous year. This indicator is calculated by eliminating non-recurring components and the related taxes from Net result.

### **Main capital and financial indicators - Aquafil Group**

**Investments** amounted to €9.3 million at March 31, 2020 and chiefly referred to projects aimed at maintaining and improving the production efficiency of the existing plants.

**Net working capital** grew by €4.5 million compared to December 31, 2019, mainly as a result of the increased turnover reported in Q1 2020 compared to Q1 2019.

**Net financial position** at March 31, 2020 amounted to **€250.2 million** compared to **€249.6 million at December 31, 2019**, with a €0.6 million net change chiefly attributable to the following cash flows (in euro million):

- (a) +15.3 from operating activities;
- (b) -9.3 from investments;
- (c) -4.5 from change in net working capital;
- (d) -2.1 from interest paid.

\* \* \*

**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."

\* \* \*

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 in seven countries and in three different continents, with over 2,800 employees at 16 production sites located in Italy, Scotland, Slovenia, Croatia, Unites States, Thailand and China.

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## Appendix 1 - EBITDA e Adjusted Operating Results

<b>RECONCILIATION FROM NET PROFIT TO EBITDA</b> €/000	<b>First Quarter</b> <b>2020</b>	<b>First Quarter</b> <b>2019</b>
<b>Net Profit (Including Portion Attr. to Minority )</b>	<b>4.076</b>	<b>7.696</b>
Income Taxes	1.572	1.880
Amortisation & Depreciation	10.833	8.038
Write-downs & Write-backs of intangible and tangible assets	14	34
Financial items (*)	347	379
No recurring items (**)	1.373	1.086
<b>EBITDA</b>	<b>18.216</b>	<b>19.113</b>
Revenue	140.714	145.328
EBITDA Margin	12,9%	13,2%

<b>RECONCILIATION FROM EBITDA TO</b> <b>EBIT ADJUSTED</b> €/000	<b>First Quarter</b> <b>2020</b>	<b>First Quarter</b> <b>2019</b>
<b>EBITDA</b>	<b>18.216</b>	<b>19.113</b>
Amortisation & Depreciation	10.833	8.038
Write-downs & Write-backs of intangible and tangible assets	14	34
<b>EBIT Adjusted</b>	<b>7.369</b>	<b>11.041</b>
Revenue	140.714	145.328
EBIT Adjusted Margin	5,2%	7,6%

(\*) The financial items include: (i) financial income of Euro 1.1 million at the end of March 2019 (ii) financial charges of Euro 2.2 million at the end of March 2020, compared to Euro 1.6 million at the end of March 2019, (iii) cash discounts of Euro 0.8 million at the end of March 2020, compared to Euro 0.9 million at the end of March 2019, and (iv) exchange gains of Euro 2.6 million at the end of March 2020, compared to Euro 1.0 million at the end of March 2019.

(\*\*) This includes (i) non-recurring charges related to the expansion of the Aquafil Group and other corporate transactions for Euro 1.1 million and 0.5 million respectively in the periods ending March 31, 2020 and March 31, 2019, (ii) other non-recurring charges of Euro 0.3 million and Euro 0.6 million respectively in the periods ending March 31, 2020 and March 31, 2019.

## Appendix 2 – Consolidated Balance Sheet

CONSOLIDATED BALANCE SHEET €/000	At March 31, 2020	At December 31, 2019
Intangible Assets	21.832	21.101
Goodwill	13.360	13.029
Tangible Assets	252.295	251.492
Financial Assets	722	765
<i>of which related parties</i>	<i>313</i>	<i>313</i>
Other Assets	2.189	2.189
Deferred Tax Assets	12.828	13.636
<b>Total Non-Current Assets</b>	<b>303.226</b>	<b>302.212</b>
Inventories	169.733	184.931
Trade Receivable	32.285	24.960
<i>of which related parties</i>	<i>84</i>	<i>69</i>
Financial Current Assets	1.947	1.637
Current Tax Receivables	1.767	1.639
Other Current Assets	12.783	12.126
<i>of which related parties</i>	<i>2.203</i>	<i>2.231</i>
Cash and Cash Equivalents	100.423	90.400
Asset held for sales	-	428
<b>Total Current Assets</b>	<b>318.938</b>	<b>316.120</b>
<b>Total Current Assets</b>	<b>622.164</b>	<b>618.332</b>
Share Capital	49.722	49.722
Reserves	92.612	81.813
Group Net Profit for the year	4.033	10.799
<b>Group Shareholders Equity</b>	<b>146.367</b>	<b>142.335</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>146.368</b>	<b>142.336</b>
Employee Benefits	5.637	5.721
Non-Current Financial Liabilities	308.182	286.970
<i>of which related parties</i>	<i>8.319</i>	<i>9.624</i>
Provisions for Risks and Charges	1.512	1.508
Deferred Tax Liabilities	11.155	10.915
Other Payables	14.746	15.383
<b>Total Non-Current Liabilities</b>	<b>341.232</b>	<b>320.497</b>
Current Financial Liabilities	44.433	54.733
<i>of which related parties</i>	<i>3.446</i>	<i>3.572</i>
Current Tax Payables	1.228	1.127
Trade Payables	66.702	76.089
<i>of which related parties</i>	<i>301</i>	<i>127</i>
Other Liabilities	22.201	23.551
<i>of which related parties</i>	<i>230</i>	<i>236</i>
<b>Total Current Liabilities</b>	<b>134.564</b>	<b>155.499</b>
<b>Total Equity and Liabilities</b>	<b>622.164</b>	<b>618.332</b>



### Appendix 3 – Consolidated Income Statement

CONSOLIDATED INCOME STATEMENT €/000	First Quarter 2020	<i>of wich non- current</i>	First Quarter 2019	<i>of wich non- current</i>
Revenue	140.714	-	145.328	
<i>of wich related parties</i>	305	-	17	
Other Revenue	481	17	601	76
<b>Total Revenue and Other Revenue</b>	<b>141.195</b>	<b>17</b>	<b>145.929</b>	<b>76</b>
Raw Material	(72.732)	(12)	(77.154)	(100)
Services	(25.102)	(626)	(24.781)	(803)
<i>of wich related parties</i>	(108)	-	(103)	-
Personel	(27.818)	(624)	(26.712)	(139)
Other Operating Costs	(1.146)	(129)	(595)	(119)
<i>of wich related parties</i>	(17)	-	(18)	-
Depreciation and Amorti zation	(10.833)	-	(8.038)	-
Doubtful debt prevision	(14)	-	(14)	-
Provisions for risks and charges	0	-	(20)	-
Capitalization of Internal Construction Costs	1.638	-	471	-
<b>EBIT</b>	<b>5.188</b>	<b>(1.373)</b>	<b>9.086</b>	<b>(1.086)</b>
Other Financial Income	46	-	1.091	1.082
Interest Expenses	(2.206)	-	(1.562)	-
<i>of wich related parties</i>	(29)	-	(66)	-
FX Gains and Losses	2.619	-	961	-
<b>Profit Before Taxes</b>	<b>5.649</b>	<b>(1.373)</b>	<b>9.576</b>	<b>(4)</b>
Income Taxes	(1.572)	-	(1.880)	-
<b>Net Profit (Including Portion Attr. to Minority )</b>	<b>4.076</b>	<b>(1.373)</b>	<b>7.696</b>	<b>(4)</b>
Net Profit Attributable to Minority Interest	0		0	
<b>Net Profit Attributable to the Group</b>	<b>4.076</b>		<b>7.696</b>	

## Appendix 4 – Consolidated Cash Flow Statement

CASH FLOW STATEMENT €/000	At March 31, 2020	At March 31, 2019
<b>Operation Activities</b>		
Net Profit (Including Portion Attr. to Minority )	4.076	7.696
<i>of which related parties</i>	151	(170)
Income Taxes	1.572	1.880
Other Financial Income	(46)	(1.091)
Interest Expenses	2.206	1.562
<i>of which related parties</i>	29	66
FX (Gains) and Losses	(2.619)	(961)
(Gain)/Loss on non - current asset Disposals	(15)	(249)
Provisions & write-downs	14	34
Amortisation, depreciation & write-downs	10.836	8.038
Non-monetary increase IFRS16	(712)	(28.802)
<b>Cash Flow from Operating Activities Before Changes in NWC</b>	<b>15.312</b>	<b>(11.893)</b>
Change in Inventories	15.198	597
Change in Trade and Other Receivables	(9.386)	(14.429)
<i>of which related parties</i>	174	(337)
Change in Trade and Other Payables	(7.325)	(9.898)
<i>of which related parties</i>	(15)	12
Change in Other Assets/Liabilities	(2.848)	(1.193)
<i>of which related parties</i>	28	26
Net Interest Expenses paid	(2.159)	(703)
Income Taxes paid	-	(31)
Change in Provisions for Risks and Charges	(111)	(212)
<b>Cash Flow from Operating Activities (A)</b>	<b>8.680</b>	<b>(37.762)</b>
<b>Investing activities</b>		
Investment in Tangible Assets	(8.124)	(17.350)
Disposal of Tangible Assets	310	280
Investment in Intangible Assets	(1.498)	(997)
Disposal of Intangible Assets	11	-
<b>Cash Flow used in Investing Activities (B)</b>	<b>(9.300)</b>	<b>(18.067)</b>
<b>Financing Activities</b>		
Increase in no current Loan and borrowing	20.000	-
Decrease in no current Loan and borrowing	(7.966)	(4.413)
Net variation in current financial Assets and Liability	(1.391)	27.432
<i>of which related parties</i>	(1.431)	12.049
<b>Cash Flow from Financing Activities (C)</b>	<b>10.643</b>	<b>23.019</b>
<b>Net Cash Flow of the Year (A)+(B)+(C)</b>	<b>10.023</b>	<b>(32.810)</b>

## Appendix 5 – Net Financial Debt

NET FINANCIAL DEBT €/000	At March 31, 2020	At December 31, 2019
A. Cash	100.423	90.400
B. Other cash equivalents	-	-
C. Securities held-for-trading	-	-
<b>D. Liquidity ( A + B + C )</b>	<b>100.423</b>	<b>90.400</b>
<b>E. Current financial receivables</b>	<b>1.947</b>	<b>1.637</b>
F. Current bank loans and borrowing	(117)	(129)
G. Current portion of non-current loans and borrowing	(36.081)	(46.056)
H. Other current loans and borrowing	(8.235)	(8.547)
<b>I. Current financial debt ( F + G + H )</b>	<b>(44.433)</b>	<b>(54.733)</b>
<b>J. Net current financial debt ( I + E+ D )</b>	<b>57.936</b>	<b>37.304</b>
K. Non-current bank loans and borrowing	(191.858)	(169.796)
L. Bonds issued	(90.406)	(90.458)
M. Other non-current loans and borrowing	(25.876)	(26.619)
<b>N. Non-current financial debt ( K + L + M )</b>	<b>(308.140)</b>	<b>(286.874)</b>
<b>O. Net financial debt ( J+N )</b>	<b>(250.204)</b>	<b>(249.570)</b>

Fine Comunicato n.1938-25

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