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Testo del comunicato

Vedi allegato.

GROUP'S RESPONSE TO PANDEMIC SITUATION PROVES EFFECTIVE THANKS TO THE BENEFITS OF ACTIVITIES CARRIED OUT IN THE PREVIOUS YEAR AND THE COUNTERMEASURES ADOPTED

NET FINANCIAL POSITION IN LINE WITH IMPROVEMENT EXPECTATIONS FURTHER REINFORCED CASH AND CASH EQUIVALENTS

IN 2020 THE GROUP EXPECTS REVENUES AND EBITDA TO DECLINE BY AROUND 20% AND NFP TO IMPROVE BY AROUND 10%[1] THANKS TO THE RECOVERY OF REVENUES IN JULY AND AUGUST AND TO THE CONTINUING MEASURES TO SAFEGUARD PROFITABILITY AND CASH FLOW GENERATION

MAIN INDICATORS AT JUNE 30, 2020:

- **Revenues: €222.7 million (-22.3%), mainly as a result of the demand decline due to the effects of the pandemic in all the areas where the Group operates**
- **EBITDA[2]: thanks to the countermeasures adopted and the benefits of the activities undertaken in 2019, EBITDA was equal to €26.9 million (-31.2%)**
- **Net result: from €10.7 million to €(1.9) million due to the impact on profitability, the significant revenue decrease and higher amortization and depreciation**
- **Net financial position: despite the full impact of the pandemic, improvement to €242.2 million compared to €249.6 million at December 31, 2019 thanks to the first benefits of the activities aimed at increasing efficiency of net working capital and investment control**
- **Cash: further liquidity reinforcement to €132.8 million compared to €90.4 million at December 31, 2019 and to €100.4 million at March 31, 2020**
- **The competences of the "Control and Risk Committee" have been expanded and became "Control, Risk and Sustainability Committee"**

Arco, August 28, 2020 — The Board of Directors of Aquafil S.p.A. [ECNL:IM] approved the Company's operating and financial results at June 30, 2020.

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[1] Percentage changes in revenues, EBITDA and net financial position are calculated by applying 2019 average Euro/Dollar exchange rates, equal to 1.12 and 7.73 respectively, to the Group's estimates for full year 2020.

[2] EBITDA and Adjusted EBIT are calculated as per the table in Appendix 1 to this press release.

Giulio Bonazzi, Chairman and Chief Executive Officer, stated:
"I am very satisfied with how the Group reacted to one of the most difficult contexts that it has faced throughout its history. With contributions from the entire organization, we succeeded in ensuring business continuity while maximizing the safety of our employees and minimizing to the fullest possible extent the inefficiencies caused by the decline in revenues and reduced use of our plants. At the same time, we also reinforced our capital and financial situation.

The results achieved during the first half of the year, along with the improvement witnessed in July and August at the level of the revenues and benefits expected from all activities launched, lead us to forecast a sharp improvement in profitability in the second half of the year despite the continuing situation of extreme uncertainty.

Our responsiveness reflects an awareness of the validity of our strategic process, which is based on the concept of 'circularity': we have been, are and will be capable of bringing it to fruition on the strength of our technological and productive resources, and above all of the expertise of those who work in our Group. We will work even more intensively to apply the concept of 'circularity' while continuing to strengthen our position in the value chain and consolidating our relationships with our customers."

Operating results for H1 2020

Revenues

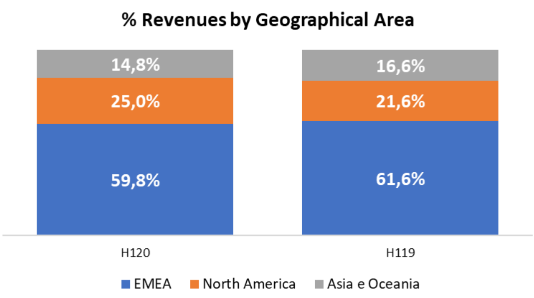
Group's consolidated revenues in H1 2020 amounted to €222.7 million, down by 22.3% compared to €286.7 million for the same period of the previous year; on a like-for-like consolidation basis[3], the decline in revenues would have been 25.3%. Such result reflected a positive year-start, followed by an abrupt decline as a result of the outbreak of the Covid-19 emergency. In detail, the second quarter witnessed an overall 42% decrease, going from €141.3 million to €82 million, and a 43.2% decline on a like-for-like consolidation basis.

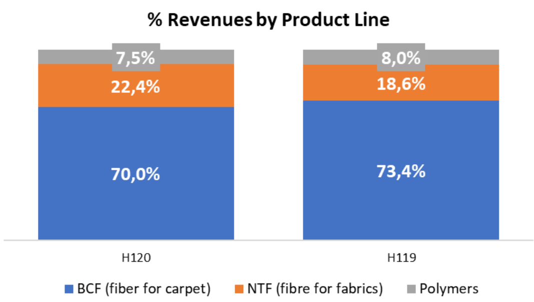
In all geographical areas where the Group operates, revenue decline was mainly attributable to the fall of demand as a result of the pandemic emergency, though with some differences at a regional level in terms of both quantitative impact and impact over time, depending on the duration and intensity of the restrictions implemented by the governments. The sales prices adjustment process was significantly less relevant than the evolution of raw material prices.

In detail, sales performance by geographical area and product line is reported below:

	BCF *(fiber for carpet)*				**NTF** *(fibre for fabrics)*				**Polymers**				**TOTAL**			
	H120	**H119**	**Δ**	**Δ%**	**H120**	**H119**	**Δ**	**Δ%**	**H120**	**H119**	**Δ**	**Δ%**	**H120**	**H119**	**Δ**	**Δ%**
EMEA	82,4	108,7	(26,3)	(24,2)%	37,4	48,7	(11,4)	(23,3)%	13,5	19,2	(5,8)	(29,9)%	133,3	176,7	(43,4)	(24,6)%
North America	41,9	55,8	(13,8)	(24,8)%	10,4	2,9	7,6	N.A.	3,3	3,4	(0,1)	(2,4)%	55,7	62,0	(6,3)	(10,2)%
Asia e Oceania	31,5	46,1	(14,6)	(31,7)%	1,6	1,3	0,3	24,3 %	0,0	0,2	(0,2)	(94,1)%	33,1	47,6	(14,5)	(30,5)%
RoW	0,1	0,1	0,0	63,6 %	0,6	0,5	0,1	29,0 %	0,0	0,0	(0,0)	N.A.	0,7	0,5	0,2	33,6 %
TOTAL	**155,9**	**210,6**	**(54,7)**	**(26,0)%**	**50,0**	**53,4**	**(3,4)**	**(6,3)%**	**16,8**	**22,8**	**(6,0)**	**(26,5)%**	**222,7**	**286,8**	**(64,1)**	**(22,3)%**

[3] Excluding the effects of the acquisition of the company O'Mara Incorporated occurred on May 31, 2019.





In **EMEA**, revenues for H1 totaled €133.3 million, down by 24.6% compared to €176.7 million in H1 2019; in particular, the decline was mainly recorded in the second quarter, impacting all the segments of application of the Group's products, with a 44.4% decrease, from €85.5 million to €47.5 million, due to the extremely strict restrictions implemented in almost all the countries where the Group operates.
An analysis by product line shows that:

i. the BCF line (yarn for carpets) fell by 24.2% in H1 and by 44.3% in Q2;
ii. the NTF line (fiber for fabrics) declined by 23.3% in H1 due almost entirely to Q2 results, down by 44.7%;
iii. the Polymers line decreased by 29.9% in H1 and by 44.1% in Q2.

In **North America,** revenues went from €62 million to €55.7 million, down by 10.2% on total revenues (24.1% on a like-for-like consolidation basis), with total revenues declining by 30.5% in Q2 to €21.7 million from €31.3 million (a decline of 35.7% on a like-for-like consolidation basis). The early part of the year was not particularly brilliant compared with the same period of 2019, when the Group had benefited from the withdrawal from business of a major competitor. In addition, it was also impacted by the pandemic.
In detail, the different product lines showed the following performances:

i. the BCF line (yarn for carpets) fell by 24.2% in H1 and by 44.3% in Q2;
ii. the NTF line (fiber for fabrics) fell by 23.3% in H1 and by 44.7% in Q2;
iii. the Polymers line decreased by 29.9% in H1 and by 44.1% in Q2.

In **Asia and Oceania**, where the Group markets exclusively BCF products, revenues for H1 amounted to €33.1 million compared to €47.6 million in the first half of 2019, down 30.5%, whereas in Q2 the reduction was 48.3%, from €24.4 million to €12.6 million. As in North America, the performance of the beginning of the year reflected the comparison with an excellent 2019 year-start thanks to the consolidation of Invista's assets. Said performance was further worsened by the outbreak of the pandemic, which led to the implementation of particularly strict containment measures in Oceania.

In H1 2020, revenues from sales of **ECONYL® branded products** declined by 14.7% compared to the same period of 2019, with a ratio to Group's total sales going from 37.4% to 40.9%. The decrease of revenues was attributable to the impact of the pandemic, especially in Q2, with a 28% decline and a 46.2% ratio to sales of the ECONYL® branded products (37.4% in Q2 2019).

The increased ratio to revenues reflected a more moderate demand decline in sectors of application such as, for instance, the contract sector of yarns for textile flooring, which reported a significant reduction especially in the last part of the reporting period, in contrast to other sectors that were impacted earlier in the year.

EBITDA

In H1, the Group's EBITDA was €26.9 million compared to €39.1 million in H1 2019, with an overall decline of 31.2% (31.4% on a like-for-like consolidation basis); the ratio to total sales went from 13.6% to 12.1% (from 13.5% to 12.4% on a like-for-like consolidation basis). In Q2, the stronger revenue decline reflected in a sharper decrease of margins by -56.6% (52% on a like-for-like consolidation basis), with a ratio to total sales going from 14.1% to 10.6% (from 13.9% to 11.8% on a like-for-like consolidation basis).

The significant revenue decline explains the lower profitability, which was however mitigated by several factors: a positive evolution of the cost of sales, part of the benefits — amounting approximately to €6.7 million — arising from the efficiency-building activities launched in 2019, the operating continuity that the Group succeeded in ensuring and, lastly, the countermeasures quickly adopted, which generated benefits for €7 million. With regard to the latter, it should be noted that several support instruments made available by national governments have yet to become effective due to their specific technical implementation procedures[4].

EBIT

EBIT amounted to €(0.1) million compared to €17.1 million in the same period of 2019.

This decline is associated with the marked EBITDA reduction (€12.2 million), the increase in amortization, depreciation and write-downs reflecting the start of operation at the facilities where investments were made in the last two years (€5.2 million, of which €1 million relating to the consolidation of O'Mara Incorporated), higher allocations to the provision for risks (€0.9 million) and positive residual components (€1 million).

Net financial charges

Net financial charges of the first half of 2019 amounted to €(1.5) million compared to €(2.8) million in the same period of 2019[5].

Excluding the above-mentioned €1 million non-recurring income for H1 2019, interest expenses rose from €3.7 million to €4 million as a result of the Group's choice to rely on higher liquidity and of an increase in the average cost of debt. The management of the currency component positively contributed to the result thanks to a €2.5 million net income.

[4] Reference is made to the granting to the US subsidiaries of business loans under the Paycheck Protection Program (PPP loans) amounting to USD 5.5 million (€ 5 million), currently carried as loans, but which could be transformed into outright grants if the recipient uses them according to the legal conditions.

[5] It should be recalled that said amount had benefited from a €1 million non-recurring income relating to the recalculation of interest expenses on the property lease contract of Aquafil S.p.A. Net of this income, net financial charges for H1 2019 would have been €(3.9) million.

Income taxes

In H1 2020, income taxes amounted to €0.4 million, significantly decreasing compared to €3.6 million for the same period of the previous year: the decline was attributable — with regard to both the current and deferred component — to lower profit before taxes.

Net profit

The Group closed the first half of 2020 with a net loss of €1.9 million compared to a net profit of €10.7 million for the same period of 2019. The change is mainly attributable to the decline in margins due to the outbreak of the pandemic and higher amortization and depreciation.

Consolidated capital and financial highlights at June 30, 2020

Investments

At June 30, 2020, net investments amounted to €15.7 million, significantly decreasing compared to €35.5 million for the same period of the previous year. This reduction reflected, on the one hand, the conclusion of the intensive investment program implemented during the past two-year period (2018-2019) and, on the other hand, the decision of the Group to slow down investments that are not strictly necessary to the Company's operations in light of the current situation. In fact, 85% of these resources were allocated to projects aimed at stepping up the efficiency of production facilities, including by optimizing energy consumption and consumables, as well as to ordinary maintenance activities.

Net working capital

Net working capital went from €124.0 million to €117.7 million, decreasing by €6.3 million: the lower supplier exposure was more than offset by the lower customer exposure and, above all, by a significant reduction of inventories thanks to the decline in raw material prices and the efficient inventory management.

Net financial position

At June 30, 2020, net financial position amounted to €242.2 million, improving by €7.3 million compared to €249.6 million at December 31, 2019. In such a complex context, thanks to the initiatives carried out by the Group, the €25.7 million cash flow generated by the Group's activities (€21.5 million from operating activities and €4.2 million from the improvement in net working capital) was more than enough to cover investments (€14.3 million) and financial charges (€4.0 million).

With regard to the capital and financial situation, attention should be drawn to the main activities launched by the Group during the half-year in response to the impact of the pandemic situation:

- two medium-/long-term financing transactions were entered into, both with Cassa Depositi e Prestiti S.p.A., in the total amount of €40 million, resulting in an increase in liquidity from €90.4 million at December 31, 2019 to €100.4 million at March 31 and, finally, to €132.8 million at the end of the period;
- Prudential Financial Inc. and Cassa Depositi e Prestiti S.p.A. granted a covenant holiday of verification of the NFP/LTM EBITDA covenant at June 30, 2020, in the expectation that, as

in fact occurred[6], the contractual covenant level would be exceeded due to the decline in operating margin;
- a moratorium was granted for all short-term payments of medium-to-long term loans from credit institutions.

These activities will continue in the second half of the year to ensure that the Group remains fully solvent in the general crisis situation caused by the ongoing pandemic.

Update on COVID-19 emergency measures

The Group reacted promptly and effectively to the outbreak of the pandemic emergency by developing and implementing an action plan that allowed it to:
- protect the health and safety of its employees in a scenario of business continuity of its offices and above all of its production facilities;
- mitigate the impacts on the Group's profitability and cash flow of a foreseeable significant decline in revenues and thus in margins;
- strengthen its capital and financial structure.

In detail, the rapid adoption of remote-working arrangements and, above all, the adaptation of operations and logistics at facilities have made it possible to protect employees' health and safety while ensuring business continuity. From the standpoint of activities at production facilities in particular, the Group benefited from the direct experience gained starting in January at the Chinese facility in Jiaxing. The fact that throughout the period concerned no cases of spread of the disease among employees in the workplace were identified is proof that the measures adopted were effective.

The countermeasures adopted by the Group to mitigate the impacts of a significant decline in revenues on earnings and cash flow focused on various elements:
- ensuring business continuity: the Group's decision and ability to ensure full business continuity and the safety for all personnel, despite the forecast of lower production and sale volumes, made it possible to mitigate the impact of fixed costs;
- the reduction of labor costs as a result of specific countermeasures taken by the Group, the use of redundancy programs and the support mechanisms made available by the various national governments — some of which, due to their technical implementation methods, have yet [7] to generate an impact at the level of profitability;
- the suspension of discretionary costs;
- strict working capital management;
- control of investments not strictly necessary to business continuity.

Finally, with regard to the reinforcement of the Group's capital and financial position, in addition to the activities already described above, it was deemed appropriate to:
- allocate the entire 2019 profit to reserves, without paying any dividends to the shareholders;
- strengthen credit risk mitigation activities.

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[6]At June 30, 2020, the NFP/LTM EBITDA covenant was at 4.23x, compared to the contractual level of 3.75x.

[7] The above-mentioned Paycheck Protection Programs in the US.

Outlook

In a scenario that continues to be characterized by extreme uncertainty regarding the course of the health crisis and a possible economic recovery, the Group is seeing its performance improve as a result of the progressive lifting of the restrictive measures motivated by the pandemic.

In fact, analyzing the performance of "first choice" revenues [8] — an indicator used daily by the management to assess the sales performance of the various product lines in the various geographical areas — after a decline of 4.3% in the first quarter, which already reflected the outbreak of the pandemic in China, and of 42.2% in the second quarter, the Group has seen the reduction stabilize at 23.7% in July and August[9].
Assuming that there are no additional waves of the pandemic, and thus no restrictive measures, in the autumn period, the Group expects that in 2020 its revenues and margins will decline by approximately 20% compared to 2019.[10-11]
In particular, the expected margin performance benefits from both the activities taken in the previous year to improve production facilities and the actions launched to mitigate the impacts of the pandemic, without reflecting the possible positive effects of the support measures implemented by the US government to protect employment.
Thanks to an even more marked reduction of investments, reflecting in part the conclusion of the important cycle of investments that characterized 2018-2019, and the mitigation measures adopted, Aquafil Group expects that its net financial position will improve by approximately 10% compared to that at December 31, 2020.

Establishment of the "Control, Risk and Sustainability" Committee

Today the Board of Directors also approved the expansion and integration of the activities of the "Control and Risks" Committee, also entrusting this committee with sustainability issues. Consequently, the committee changes its name to "Control, Risks and Sustainability Committee".

Its composition is the following: Dr. Simona Heidempergher (President), Dr. Ilaria Maria Dalla Riva and Dr. Francesco Profumo, all independent Directors.

* * *

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

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[8] "First choice" revenues are revenues generated by the sale of fibers and polymers, gross of any adjustments (for example, discounts and allowances), but excluding revenues generated by "non-first choice products", revenues generated by Aquafil Engineering GmbH and "other revenues". On the basis of the 2019 figures, these revenues accounted for more than 95% of the Group's consolidated revenues.

[9] The August figures are still provisional since the reporting period has not yet come to an end.

[10] Percentage changes in revenues, EBITDA and net financial position are determined by applying 2019 average Euro/Dollar exchange rates, equal to 1.12 and 7.73 respectively, to the Group's estimates for full year 2020.

[11] The 2020 figures include the company O'Mara, acquired on May 31, 2019, for the full year.

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.

For further information

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Appendix 1 - EBITDA e Adjusted Operating Results

RECONCILIATION FROM NET PROFIT TO EBITDA *€/000*	**Half Year 2020**	**Half Year 2019**	**Second Quarter 2020**	**Second Quarter 2019**
Net Profit (Including Portion Attr. to Minority)	(1.935)	10.654	**(6.012)**	**2.958**
Income Taxes	371	3.637	(1.201)	1.757
Amortisation & Depreciation	21.754	16.574	10.921	8.536
Write-downs & Write-backs of intangible and tangible assets	1.087	224	1.073	189
Financial items (*)	2.848	4.587	2.501	4.208
No recurring items (**)	2.751	3.396	1.378	2.310
EBITDA	**26.876**	**39.070**	**8.660**	**19.957**
Revenue	222.733	286.667	82.019	141.339
EBITDA Margin	12,1%	13,6%	*10,6%*	*14,1%*

RECONCILIATION FROM EBITDA TO EBIT ADJUSTED *€/000*	**Half Year 2020**	**Half Year 2019**	**Second Quarter 2020**	**Second Quarter 2019**
EBITDA	**26.876**	**39.070**	**8.660**	**19.957**
Amortisation & Depreciation	21.754	16.574	10.921	8.536
Write-downs & Write-backs of intangible and tangible assets	1.087	224	1.073	189
EBIT Adjusted	**4.036**	**22.273**	**(3.334)**	**11.232**
Revenue	222.733	286.667	82.019	141.339
EBIT Adjusted Margin	*1,8%*	*7,8%*	*-4,1%*	*7,9%*

(*) The financial items include: (i) financial income of Euro 0.2 million and Euro 1.1 million respectively in the periods ending June 30, 2020 and June 30, 2019 (ii) financial charges of Euro 4.2 million and Euro 3.7 million respectively in the periods ending June 30, 2020 and June 30, 2019, (iii) cash discounts of Euro 1.3 million end Euro 1.7 million respectively in the periods ending June 30, 2020 and June 30, 2019, and (iv) exchange gains of Euro 2.5 million and exchange losses of Euro 0.2 million respectively in the periods ending June 30, 2020 and June 30, 2019.

(**) This includes (i) non-recurring charges related to the expansion of the Aquafil Group and other corporate transactions for Euro 1.7 million and 2.3 million respectively in the periods ending June 30, 2020 and June 30, 2019, (ii) non-recurring industrial charghes of Euro 0.6 million for the period ending June 30, 2019, (iii) costs for restructuring for Euro 0.5 million and Euro 0.1 million respectively in the periods ending June 30, 2020 and June 30, 2019 and (iv) other non-recurring charges of Euro 0.5 million and Euro 0.4 million respectively in the periods ending June 30, 2020 and June 30, 2019.

Appendix 2 – Consolidated Balance Sheet

CONSOLIDATED BALANCE SHEET *€/000*	At June 30, 2020	At December 31, 2019
Intangible Assets	22.265	21.101
Goodwill	13.071	13.029
Tangible Assets	244.154	251.492
Financial Assets	677	765
of which related parties	*313*	*313*
Other Assets	1.336	2.189
Deferred Tax Assets	10.577	13.636
Total Non-Current Assets	**292.081**	**302.212**
Inventories	168.360	184.931
Trade Receivable	22.426	24.960
of which related parties	*98*	*69*
Financial Current Assets	853	1.637
Current Tax Receivables	1.987	1.639
Other Current Assets	13.096	12.126
of which related parties	*2.416*	*2.231*
Cash and Cash Equivalents	132.774	90.400
Asset held for sales	-	428
Total Current Assets	**339.496**	**316.120**
Total Current Assets	**631.577**	**618.332**
Share Capital	49.722	49.722
Reserves	92.377	81.813
Group Net Profit for the year	(5.490)	10.799
Group Shareholders Equity	**136.609**	**142.335**
Net Equity attributable to minority interest	1	1
Total Sharholders Equity	**136.610**	**142.336**
Employee Benefits	5.729	5.721
Non-Current Financial Liabilities	341.414	286.970
of which related parties	*7.241*	*9.624*
Provisions for Risks and Charges	1.963	1.508
Deferred Tax Liabilities	8.997	10.915
Other Payables	13.600	15.383
Total Non-Current Liabilities	**371.704**	**320.497**
Current Financial Liabilities	34.462	54.733
of which related parties	*3.556*	*3.572*
Current Tax Payables	655	1.127
Trade Payables	64.801	76.089
of which related parties	*406*	*127*
Other Liabilities	23.345	23.551
of which related parties	*230*	*236*
Total Current Liabilities	**123.263**	**155.499**
Total Equity and Liabilities	**631.577**	**618.332**

Appendix 3 –Consolidated Income Statement

CONSOLIDATED INCOME STATEMENT *€/000*	**Half Year 2020**	*of wich non-current*	**Half Year 2019**	*of wich non-current*	**Second Quarter 2020**	*of wich non-current*	**Second Quarter 2019**	*of wich non-current*
Revenue	222.733	-	286.667	-	82.019	*166*	141.339	-
of which related parties	27		29	-	-	-	12	-
Other Revenue	3.371	*226*	1.181	*95*	2.889	*42*	580	*20*
Total Revenue and Other Revenue	**226.104**	**226**	**287.848**	**95**	**84.909**	**209**	**141.919**	**20**
Raw Material	(109.477)	*(58)*	(148.225)	*(119)*	(36.746)	*(46)*	(71.071)	*(19)*
Services	(42.296)	*(1.036)*	(51.191)	*(2.340)*	(17.194)	*(410)*	(26.410)	*(1.537)*
of which related parties	(211)	-	(219)	-	(102)	-	(116)	-
Personel	(51.635)	*(1.168)*	(54.060)	*(739)*	(23.817)	*(544)*	(27.348)	*(600)*
Other Operating Costs	(2.582)	*(716)*	(1.311)	*(293)*	(1.436)	*(587)*	(717)	*(174)*
of which related parties	(35)	-	(38)	-	(17)	-	(23)	-
Depreciation and Amorti zation	(21.754)	-	(16.574)	-	(10.921)	-	(8.536)	-
Doubtful debt prevision	(1.084)	-	(117)	-	(1.070)	-	(103)	-
Provisions for risks and charges	(3)	-	(107)	-	(3)	-	(86)	-
Capitalization of Internal Construction Costs	2.666	-	886	-	1.028	-	415	-
EBIT	**(62)**	**(2.751)**	**17.148**	**(3.396)**	**(5.250)**	**(1.378)**	**8.063**	**(2.310)**
Other Financial Income	197	-	1.100	*1.082*	151	-	9	-
Interest Expenses	(4.241)	-	(3.717)	-	(2.035)	-	(2.156)	-
of which related parties	(123)	-	(132)	-	(94)	-	(68)	-
FX Gains and Losses	2.541	-	(241)	-	(78)	-	(1.202)	-
Profit Before Taxes	**(1.564)**	**(2.751)**	**14.291**	**(2.314)**	**(7.213)**	**(1.378)**	**4.714**	**(2.310)**
Income Taxes	(371)	-	(3.637)	-	1.201	-	(1.757)	-
Net Profit (Including Portion Attr. to Minority)	**(1.935)**	**(2.751)**	**10.654**	**(2.314)**	**(6.012)**	**(1.378)**	**2.958**	**(2.310)**
Net Profit Attributable to Minority Interest	0		-		0		0	
Net Profit Attributable to the Group	**(1.935)**		**10.654**		**(6.012)**		**2.958**	

Appendix 4 – Consolidated Cash Flow Statement

CASH FLOW STATEMENT *€/000*	At June 30, 2020	At June 30, 2019
Operation Activities		
Net Profit (Including Portion Attr. to Minority)	-1.935	10.654
of which related parties	*-342*	*-360*
Income Taxes	371	3.637
Income (loss) from Investments	-197	-1.100
Other Financial Income	4.241	3.717
of which related parties	*123*	*132*
FX (Gains) and Losses	-2.541	241
(Gain)/Loss on non - current asset Disposals	-72	-148
Provisions & write-downs	1.087	224
Amortisation, depreciation & write-downs	21.761	16.572
Net variation non-monetary increase IFRS16	-1.206	-2.976
Cash Flow from Operating Activities Before Changes in NWC	**21.508**	**30.820**
Change in Inventories	16.571	1.313
Change in Trade and Other Receivables	-11.287	-19.584
of which related parties	*279*	*-611*
Change in Trade and Other Payables	2.531	-4.966
of which related parties	*-29*	*36*
Change in Other Assets/Liabilities	-3.640	402
of which related parties	*-191*	*681*
Net Interest Expenses paid	-4.044	-1.593
Income Taxes paid	610	-713
Change in Provisions for Risks and Charges	-571	-58
Cash Flow from Operating Activities (A)	**21.678**	**5.621**
Investing activities		
Investment in Tangible Assets	-12.120	-30.421
Disposal of Tangible Assets	584	183
Investment in Intangible Assets	-2.979	-2.319
Disposal of Intangible Assets	167	7
Business Purchases Aquafil O'Mara	0	-35.618
of which Asset	*0*	*-15.060*
of which Goodwill	*0*	*-14.040*
of which cash	*0*	*112*
of which other assets and liabilities	*0*	*-6.630*
Cash Flow used in Investing Activities (B)	**(14.348)**	**(68.168)**
Financing Activities		
Increase in no current Loan and borrowing	45.059	73.000
Decrease in no current Loan and borrowing	-7.991	-11.320
Net variation in current fiancial Assets and Liability	-2.024	-1.105
of which related parties	*-2.400*	*2.030*
Dividends Distribution	0	-12.273
of which related parties	*0*	*-7.316*
Cash Flow from Financing Activities (C)	**35.044**	**48.301**
Net Cash Flow of the Year (A)+(B)+(C)	**42.374**	**(14.245)**

Appendix 5 – Net Financial Debt

NET FINANCIAL DEBT *€/000*	**At June 30, 2020**	**At December 31, 2019**
A. Cash	132.774	90.400
B. Other cash equivalents	-	-
C. Securities held-for-trading	-	-
D. Liquidity (A + B + C)	**132.774**	**90.400**
E. Current financial receivables	**853**	**1.637**
F. Current bank loans and borrowing	(72)	(129)
G. Current portion of non-current loans and borrowing	(26.066)	(46.056)
H. Other current loans and borrowing	(8.324)	(8.547)
I. Current financial debt (F + G + H)	**(34.462)**	**(54.733)**
J. Net current financial debt (I + E+ D)	**99.165**	**37.304**
K. Non-current bank loans and borrowing	(226.800)	(169.796)
L. Bonds issued	(90.432)	(90.458)
M. Other non-current loans and borrowing	(24.182)	(26.619)
N. Non-current financial debt (K + L + M)	**(341.414)**	**(286.874)**
O. Net financial debt (J+N)	**(242.249)**	**(249.570)**

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