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Diffusione presunta
Oggetto : The Board of Directors of Aquafil approved
the Company's operating and financial
results at September 30, 2020

Testo del comunicato

Vedi allegato.



REVENUES AND EBITDA RECOVERED IN Q3 2020

THE BENEFITS OF ACTIONS AIMED TO SAFEGUARD PROFITABILITY CONTINUED

NFP EVOLUTION IN LINE WITH EXPECTATIONS

MOST RECENT TRENDS IN LINE WITH 2020 ESTIMATES DESPITE A CONTEXT OF ONGOING UNCERTAINTY AND REDUCED VISIBILITY

MAIN INDICATORS AT SEPTEMBER 30, 2020:

- Revenues: €327.9 million (-21.8%) in the first nine months of the year
- EBITDA¹: the benefits of the activities undertaken by the Group to protect profitability continued and EBITDA reached € 40.1 million, - 27% in the first 9 months of the year.
- Net result: from €9.5 million in 2019 to (€2.9) million in 2020 due to the impact on profitability of revenue decrease and higher depreciation and amortization
- Net financial position: €246.8 million at September 30, essentially in line with €249.6 million at December 31, 2019

Arco, November 13, 2020 — The Board of Directors of Aquafil S.p.A. [ECNL:IM] approved the Company's operating and financial results at September 30, 2020.

Giulio Bonazzi, Chairman and Chief Executive Officer, stated:

“For the Group, 2020 continues to represent one of the most challenging years that it has ever faced, with constantly evolving trends that differ extensively between the various areas in which it operates. Within this scenario, the Group's reaction has been once again extremely swift and flexible, as it has pursued a policy of safeguarding profitability and cash flows in the regions in which the effects of the pandemic have been felt the longest, while also taking advantage of the signs of recovery seen in areas where demand has recovered sooner.

The results for the nine months and the trend in the following weeks are consistent with the 2020 estimates presented, albeit within a scenario of renewed uncertainty and reduced visibility due to the new restrictive measures introduced in several countries. For this reason, the Group confirms its commitment to the implementation of the efficiency plans launched in 2019 and is evaluating the strengthening to promote new measures to protect profitability in the coming months.”

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

Operating results for the first nine months of 2020

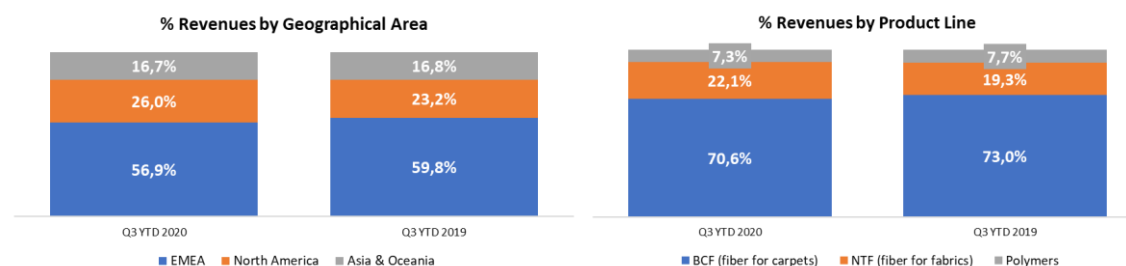
Revenues

The evolution of the Group's revenues from one reporting period to another may also be significantly influenced by the performance of raw materials prices, which is reflected in final sales prices through predefined contractual mechanisms. In particular, compared to the first half of the year, the sales results in the third quarter of 2020 reflected the reduction in raw material prices recorded in the second quarter, resulting in significant discrepancies between changes in revenues and volumes sold. Accordingly, to ensure a proper understanding of its results, the Group has also decided to present its revenue performance in terms of "volumes sold" in reference to "first choice revenues".²

At September 2020, Group's revenues amounted to €327.9 million, down 21.8% on an overall basis and 24.4% on a like-for-like consolidation basis³: after a second quarter highly marked by the outbreak of the pandemic emergency, the July-September period witnessed a recovery, with revenues decreasing by 20.7% to €105.2 million.

In terms of "volumes sold", the Q3 decline was slightly under 10%, thus bringing the decrease in the 9-month period at around 15%.

| | BCF (fibre for carpet) | | | | NTF (fibre for fabrics) | | | | Polymers | | | | TOTALE | | | |
|----------------|------------------------|--------------|---------------|----------------|-------------------------|-------------|--------------|----------------|-------------|-------------|--------------|----------------|--------------|--------------|---------------|----------------|
| | Q3 YTD 2020 | Q3 YTD 2019 | Δ | Δ% | Q3 YTD 2020 | Q3 YTD 2019 | Δ | Δ% | Q3 YTD 2020 | Q3 YTD 2019 | Δ | Δ% | Q3 YTD 2020 | Q3 YTD 2019 | Δ | Δ% |
| EMEA | 115,8 | 155,3 | (39,5) | (25,4)% | 51,3 | 68,4 | (17,0) | (24,9)% | 19,6 | 27,2 | (7,5) | (27,8)% | 186,7 | 250,8 | (64,1) | (25,5)% |
| North America | 62,6 | 82,5 | (20,0) | (24,2)% | 18,3 | 10,0 | 8,3 | 83,1% | 4,4 | 4,7 | (0,4) | (7,8)% | 85,2 | 97,3 | (12,0) | (12,4)% |
| Asia & Oceania | 52,6 | 68,4 | (15,8) | (23,1)% | 2,0 | 1,6 | 0,4 | 26,7% | 0,0 | 0,4 | (0,3) | (87,2)% | 54,7 | 70,4 | (15,7) | (22,3)% |
| RoW | 0,4 | 0,1 | 0,2 | N.A. | 0,9 | 0,9 | (0,0) | (3,8)% | 0,0 | 0,0 | (0,0) | N.A. | 1,2 | 1,0 | 0,2 | 17,6% |
| TOTAL | 231,4 | 306,4 | (75,0) | (24,5)% | 72,5 | 80,9 | (8,4) | (10,3)% | 24,1 | 32,3 | (8,2) | (25,5)% | 327,9 | 419,5 | (91,6) | (21,8)% |



EMEA is the region where the Group is facing the greatest criticalities due to the weakness of the demand in all product lines: revenues in Q3 2020 amounted to €53.5 million, down 27.9%, bringing the decrease in cumulative revenues at 30 September - equal to € 186.7 million - to

² It bears recalling that "first choice" revenues are revenues generated by the sale of fibers and polymers, gross of any adjustments (e.g., discounts and allowances), but excluding revenues generated by "non-first choice products", revenues generated by AquaFil Engineering GmbH and "other revenues".

³ Excluding the effects arising from the acquisition of O'Mara Incorporated occurred on May 31, 2019 and consolidated as of June 1, 2019.



25.5%.. In terms of “volumes sold” alone, the Q3 decline of about 15% is reflected in the approximately 20% decrease at period-end.

An analysis by product line shows that:

- i. the BCF line (yarn for carpets) fell by 25.4% at period-end, due to a Q3 reduction of 28.4% mainly attributable to the automotive and contract sectors of application;
- ii. the NTF line (fiber for fabrics) fell by 28.9% in Q3 and by 24.9% overall;
- iii. the Polymers line decreased by 22.5% in Q3 and by 27.8% overall.

In **North America**, Q3 revenues declined by 16.2%, from €35.3 million to €29.5 million, leading to a 12.4% decrease to €85.2 million at the end of September 2020 (-23.4% on like-for-like consolidation basis). Analyzing specifically the trend of “volumes sold”, the Q3 decline was about 6%, with an 8% decrease at the period-end.

In detail, the different product lines showed the following performances:

- i. the BCF line (yarn for carpets) fell by 22.9% in Q3 and by 24.2% at September 30;
- ii. the NTF line (fiber for fabrics), which benefited from the acquisition of O'Mara, grew by 10.2% in Q3, rising by 83.1% at period-end;
- iii. the Polymers line decreased by 21.2% in Q3 and by 7.8% at period-end.

In **Asia and Oceania**, where the Group markets exclusively BCF products, revenues declined by 5.2% in Q3, from €22.3 million to €21.2 million, and by 22.3% overall. The easing of the particularly strict pandemic containment measures in Oceania and the swift economic recovery in China led to a significant improvement, chiefly driven by the residential and automotive sectors. In terms of “volumes sold”, the increase was nearly 10% in Q3, which led to a reduction of about 15% at the end of September.

With regard to **revenues from sales of ECONYL® branded products**, Q3 showed a 31.3% decline and was fully impacted by the pandemic effects, which had hit the related sectors of application only in the latter part of the first half of the year: the ratio to the Group's total revenues thus went from 37.3% to 32%. At September 30, revenues declined by 19.9%, with a ratio to sales going from 37.4% to 38.1%.

EBITDA

Thanks to a lower revenue decline and the continuation of the activities undertaken to protect the Group's profitability, EBITDA amounted to €13.2 million in Q3, down 16.7% in absolute terms, but with margins going from 11.9% to 12.5%.

As a result, the Group's EBITDA at September 30, 2020 was €40.1 million, down 27.0% on an overall basis and 29.2% on a like-for-like consolidation basis; the ratio to revenues went from 13.1% to 12.2% on an overall basis and from 12.9% to 12% on a like-for-like consolidation basis. In detail, the impact on profitability of the revenue decline — €34.8 million — was offset by both the benefits arising from the efficiency-building activities launched in 2019 — €9.1



million — and the countermeasures implemented by the Group for a more efficient management of fixed costs — €10.8 million. ⁴

EBIT

EBIT amounted to €0.2 million compared to €17 million at September 30, 2019. Despite benefiting from lower non-recurring charges⁵, this result was attributable to both the marked EBITDA reduction (€14.8 million) and the increase in amortization, depreciation and write-downs (€7.8 million, of which €1.2 million relating to the consolidation of O'Mara Incorporated).

Net financial charges

At September 30, 2020, net financial charges amounted to €(3.1) million compared to €(3.7) million for the same period of 2019, which had benefited from a €1 million non-recurring income⁶.

Net interest expenses rose slightly from €(5.1) million to €(5.9) million as a result of the Group's choice to rely on higher liquidity. The management of the currency component positively contributed to the result thanks to a €2.6 million net income.

Income taxes

At September 30, 2020, income taxes amounted to €0.1 million, significantly decreasing compared to €3.7 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

In the first nine months of 2020, net loss was €2.9 million compared to a net profit of €9.5 million for the same period of the previous year, mainly as a result of the decline in margins due to the outbreak of the pandemic and higher amortization and depreciation.

Consolidated capital and financial highlights at September 30, 2020

Investments

Following the conclusion of the intensive program implemented in the 2018-2019 period and the Group's decision to allocate its resources almost exclusively in investments instrumental to the Company's operations or to stepping up the efficiency of production facilities, net investments decreased markedly, amounting to €23.7 million at September 30, 2020 compared to €46.7 million for the same period of the previous year. Nearly 90% of the said amount was allocated to the aforementioned types of investment.

Net working capital

At September 30, 2020, net working capital declined slightly by €1.7 million. This item's main changes were chiefly attributable, on the one hand, to the significant reduction of inventories

⁴ With regard to the supporting measures promoted by the US Government known as "Paycheck Protection Program" (the so-called PPP Loan), it should be noted that the Group has initiated all procedures to transform the USD 5.5 million (€4.8 million) loan into an outright grant and is currently awaiting the US authorities' approval.

⁵ At September 30, 2020, the Group's result benefited from lower recurring charges for €5.3 million; the same period of the previous year had been impacted by €9.3 million non-recurring charges, of which €4 tied to the reorganization of the BCF production activities in EMEA.

⁶ It should be noted that said non-recurring income related to the recalculation of interest expenses on the property lease contract of Aquafil S.p.A. Net of this income, net financial charges at September 30, 2019 would have been €(4.8) million.



thanks to the decline in raw material prices and the efficient inventory management, and on the other, to the decline in trade payables due to the alignment of sales policies to the demand decline.

Net financial position

At September 30, 2020, net financial position amounted to €246.8 million, virtually in line with €249.6 million at December 31, 2019.

The €32.5 million cash flows generated by the Group — of which €34.1 million from operating activities and €1.7 million from net working capital absorbed — offset investments amounting to €23.7 million and the payment of interests and taxes totaling €5.8 and €0.3 million, respectively.

The activities launched by the Group in response to the impact of the pandemic situation continued in the third quarter. Two medium-/long-term financing transactions totaling €25 million were entered into: the first with BNL, amounting to €20 million; the latter with Credito Valtellinese, amounting to €5 million. These resources were allocated to increase liquidity, which rose from €90.4 million at December 31, 2019 to €150.9 million at September 30, 2020.

Outlook

In disclosing its results at June 30, 2020, the Group — assuming that there would be no additional waves of the pandemic, and thus no restrictive measures, in the autumn period — had announced its estimates for the full year 2020 in terms of revenues, margins and net financial position:⁷⁻⁸

- revenues and margins: down approximately 20%;
- net financial position: up about 10%.

The October performance, with a decline in “first choice revenues” of 15%-20%, and the ongoing operating trends in all geographical areas confirmed the estimates for 2020, whereas the recent, less restrictive partial measures implemented by governments to combat the pandemic have yet to generate their considerable effects.

On the basis of the information available, the Group believes that the existing estimates for the year 2020 are still valid, albeit in a context characterized by renewed uncertainty and reduced visibility. Accordingly, on a prudential basis, the Group, in addition to its extremely close monitoring of the situation in the areas in which it operates, and in particular in several European countries, continues to implement the efficiency-building activities launched in the previous year, while also assessing the need to reinforce the measures already adopted to improve profitability.

⁷ 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.

⁸ The 2020 figures include for the full year the company O'Mara, acquired on May 31, 2019, for the full year.



* * *

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.

For further information

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Appendix 1 - EBITDA e Adjusted Operating Results

| RECONCILIATION FROM NET PROFIT TO EBITDA €/000 | September 2020 | September 2019 | Third Quarter 2020 | Third Quarter 2019 |
|---|-------------------|-------------------|-----------------------|-----------------------|
| Net Profit (Including Portion Attr. to Minority) | (2.899) | 9.533 | (964) | (1.120) |
| Income Taxes | (68) | 3.714 | (439) | 77 |
| Amortisation & Depreciation | 32.506 | 25.972 | 10.752 | 9.398 |
| Write-downs & Write-backs of intangible and tangible assets | 1.548 | 236 | 461 | 12 |
| Financial items (*) | 4.953 | 6.191 | 2.105 | 1.605 |
| No recurring items (**) | 4.035 | 9.265 | 1.284 | 5.869 |
| EBITDA | 40.075 | 54.911 | 13.199 | 15.841 |
| Revenue | 327.930 | 419.537 | 105.197 | 132.870 |
| EBITDA Margin | 12,2% | 13,1% | 12,5% | 11,9% |

| RECONCILIATION FROM EBITDA TO EBIT ADJUSTED €/000 | September 2020 | September 2019 | Third Quarter 2020 | Third Quarter 2019 |
|---|-------------------|-------------------|-----------------------|-----------------------|
| EBITDA | 40.075 | 54.911 | 13.199 | 15.841 |
| Amortisation & Depreciation | 32.506 | 25.972 | 10.752 | 9.398 |
| Write-downs & Write-backs of intangible and tangible assets | 1.548 | 236 | 461 | 12 |
| EBIT Adjusted | 6.021 | 28.703 | 1.986 | 6.431 |
| Revenue | 327.930 | 419.537 | 105.197 | 132.870 |
| EBIT Adjusted Margin | 1,8% | 6,8% | 1,9% | 4,8% |

(*) The financial items include: (i) financial income of Euro 0.4 million and Euro 1.1 million respectively in the periods ending September 30, 2020 and September 30, 2019 (ii) financial charges of Euro 6.1 million and Euro 6.2 million respectively in the periods ending September 30, 2020 and September 30, 2019, (iii) cash discounts of Euro 1.8 million and Euro 2.5 million respectively in the periods ending September 30, 2020 and September 30, 2019, and (iv) exchange gains of Euro 2.6 million and Euro 1.4 million respectively in the periods ending September 30, 2020 and September 30, 2019.

(**) This includes (i) non-recurring charges related to the expansion of the Aquafil Group and other corporate transactions for Euro 2.3 million and 3.7 million respectively in the periods ending September 30, 2020 and September 30, 2019, (ii) non-recurring industrial charges of Euro 1.0 million for the period ending September 30, 2019, (iii) costs for restructuring for Euro 1.1 million and Euro 4.1 million respectively in the periods ending September 30, 2020 and September 30, 2019 and (iv) other non-recurring charges of Euro 0.6 million and Euro 0.5 million respectively in the periods ending September 30, 2020 and September 30, 2019.

Appendix 2 – Consolidated Balance Sheet

| CONSOLIDATED BALANCE SHEET €/000 | At September 30, 2020 | At December 31, 2019 |
|---|--------------------------|-------------------------|
| Intangible Assets | 22.551 | 21.101 |
| Goodwill | 12.502 | 13.029 |
| Tangible Assets | 237.559 | 251.492 |
| Financial Assets | 630 | 765 |
| <i>of which related parties</i> | 318 | 313 |
| Other Assets | 1.336 | 2.189 |
| Deferred Tax Assets | 11.538 | 13.636 |
| Total Non-Current Assets | 286.115 | 302.212 |
| Inventories | 157.565 | 184.931 |
| Trade Receivable | 25.889 | 24.960 |
| <i>of which related parties</i> | 109 | 69 |
| Financial Current Assets | 844 | 1.637 |
| Current Tax Receivables | 1.871 | 1.639 |
| Other Current Assets | 12.510 | 12.126 |
| <i>of which related parties</i> | 2.527 | 2.231 |
| Cash and Cash Equivalents | 150.921 | 90.400 |
| Asset held for sales | - | 428 |
| Total Current Assets | 349.600 | 316.120 |
| Total Current Assets | 635.715 | 618.332 |
| Share Capital | 49.722 | 49.722 |
| Reserves | 92.391 | 81.813 |
| Group Net Profit for the year | (12.678) | 10.799 |
| Group Shareholders Equity | 129.435 | 142.335 |
| Net Equity attributable to minority interest | 1 | 1 |
| Net Profit for the year attributable to minority interest | 0 | - |
| Total Shareholders Equity | 129.436 | 142.336 |
| Employee Benefits | 5.638 | 5.721 |
| Non-Current Financial Liabilities | 353.505 | 286.970 |
| <i>of which related parties</i> | 6.284 | 9.624 |
| Provisions for Risks and Charges | 1.979 | 1.508 |
| Deferred Tax Liabilities | 8.837 | 10.915 |
| Other Payables | 12.175 | 15.383 |
| Total Non-Current Liabilities | 382.135 | 320.497 |
| Current Financial Liabilities | 45.075 | 54.733 |
| <i>of which related parties</i> | 3.525 | 3.572 |
| Current Tax Payables | 1.072 | 1.127 |
| Trade Payables | 56.314 | 76.089 |
| <i>of which related parties</i> | 590 | 127 |
| Other Liabilities | 21.683 | 23.551 |
| <i>of which related parties</i> | 230 | 236 |
| Total Current Liabilities | 124.145 | 155.499 |
| Total Equity and Liabilities | 635.715 | 618.332 |

Appendix 3 –Consolidated Income Statement

| CONSOLIDATED INCOME STATEMENT €/000 | September 2020 | of wich non- current | September 2019 | of wich non- current | Third Quarter 2020 | of wich non- current | Third Quarter 2020 | of wich non- current |
|--|-------------------|-------------------------|-------------------|-------------------------|-----------------------|-------------------------|-----------------------|-------------------------|
| Revenue | 327.930 | 287 | 419.537 | | 105.197 | 120 | 132.870 | |
| <i>of which related parties</i> | 80 | | 29 | | 53 | | - | |
| Other Revenue | 4.322 | 82 | 1.592 | 112 | 951 | 22 | 411 | 17 |
| Total Revenue and Other Revenue | 332.252 | 368 | 421.129 | 112 | 106.148 | 142 | 133.281 | 17 |
| Raw Material | (159.480) | (64) | (217.206) | (116) | (50.003) | (6) | (68.981) | 3 |
| Services | (63.509) | (1.693) | (75.587) | (3.383) | (21.213) | (658) | (24.396) | (1.043) |
| <i>of which related parties</i> | (319) | | (343) | | (108) | - | (124) | |
| Personel | (75.764) | (1.856) | (84.741) | (5.146) | (24.129) | (688) | (30.680) | (4.407) |
| Other Operating Costs | (3.382) | (790) | (2.703) | (733) | (800) | (74) | (1.392) | (440) |
| <i>of which related parties</i> | (52) | | (38) | - | (17) | - | - | - |
| Depreciation and Amortization | (32.506) | | (25.972) | - | (10.752) | - | (9.398) | - |
| Doubtful debt prevision | (1.094) | | (118) | - | (10) | - | (12) | - |
| Provisions for risks and charges | (454) | | (118) | - | (451) | - | - | - |
| Capitalization of Internal Construction Costs | 4.099 | | 2.283 | - | 1.433 | - | 1.398 | - |
| EBIT | 161 | (4.035) | 16.966 | (9.265) | 223 | (1.284) | (182) | (5.869) |
| Other Financial Income | 353 | | 1.120 | 1.082 | 156 | - | 20 | |
| Interest Expenses | (6.137) | | (6.236) | - | (1.896) | - | (2.518) | |
| <i>of which related parties</i> | (177) | | (132) | - | (54) | - | - | |
| FX Gains and Losses | 2.656 | | 1.396 | - | 115 | - | 1.636 | - |
| Profit Before Taxes | (2.966) | (4.035) | 13.248 | (8.183) | (1.403) | (1.284) | (1.043) | (5.869) |
| Income Taxes | 68 | - | (3.714) | - | 439 | - | (77) | - |
| Net Profit (Including Portion Attr. to Minority) | (2.899) | (4.035) | 9.533 | (8.183) | (964) | (1.284) | (1.120) | (5.869) |
| Net Profit Attributable to Minority Interest | 0 | | 0 | | - | | - | |
| Net Profit Attributable to the Group | (2.899) | | 9.533 | | (964) | | (1.120) | |

Appendix 4 – Consolidated Cash Flow Statement

| CASH FLOW STATEMENT €/000 | At September 30, 2020 | At September 30, 2019 |
|--|--------------------------|--------------------------|
| Operation Activities | | |
| Net Profit (Including Portion Attr. to Minority) | -2.899 | 9.533 |
| <i>of which related parties</i> | -468 | -484 |
| Income Taxes | -68 | 3.714 |
| Income (loss) from Investments | -353 | -1.120 |
| <i>of which related parties</i> | | |
| Other Financial Income | 6.137 | 6.236 |
| <i>of which related parties</i> | -177 | -132 |
| FX (Gains) and Losses | -2.656 | -1.396 |
| (Gain)/Loss on non - current asset Disposals | -86 | -192 |
| Provisions & write-downs | 1.094 | 118 |
| Amortisation, depreciation & write-downs | 454 | 118 |
| Net variation non-monetary increase IFRS16 | 32.516 | 25.963 |
| Non-monetary decrease IFRS 16 | -2.119 | -4.614 |
| Cash Flow from Operating Activities Before Changes in NWC | 32.019 | 38.359 |
| Change in Inventories | 27.366 | -1.531 |
| Change in Trade and Other Receivables | -19.774 | -34.222 |
| <i>of which related parties</i> | 463 | -524 |
| Change in Trade and Other Payables | -1.383 | 4.710 |
| <i>of which related parties</i> | -40 | 20 |
| Change in Other Assets/Liabilities | -7.105 | 5.594 |
| <i>of which related parties</i> | -302 | 200 |
| Net Interest Expenses paid | -5.784 | -4.166 |
| Income Taxes paid | -271 | -821 |
| Change in Provisions for Risks and Charges | -773 | -473 |
| Cash Flow from Operating Activities (A) | 24.294 | 7.451 |
| Investing activities | | |
| Investment in Tangible Assets | -18.398 | -38.963 |
| Disposal of Tangible Assets | 762 | 277 |
| Investment in Intangible Assets | -4.019 | -3.421 |
| Disposal of Intangible Assets | 80 | 9 |
| Business Purchases Aquafil O'Mara | 0 | -37.225 |
| <i>of which Asset</i> | 0 | -15.715 |
| <i>of which Goodwill</i> | 0 | -14.673 |
| <i>of which cash</i> | 0 | 150 |
| <i>of which other assets and liabilities</i> | 0 | -6.988 |
| Disposal of Financial Assets | -5 | 0 |
| Cash Flow used in Investing Activities (B) | (21.581) | (79.324) |
| Financing Activities | | |
| Increase in no current Loan and borrowing | 69.956 | 103.000 |
| Decrease in no current Loan and borrowing | -8.161 | -31.255 |
| Net variation in current financial Assets and Liability | -3.986 | -1.367 |
| <i>of which related parties</i> | -3.392 | 3.184 |
| Dividends Distribution | 0 | -12.273 |
| <i>of which related parties</i> | 0 | -7.316 |
| Cash Flow from Financing Activities (C) | 57.808 | 58.104 |
| Net Cash Flow of the Year (A)+(B)+(C) | 60.521 | (13.769) |

Appendix 5 – Net Financial Debt

| NET FINANCIAL DEBT €/000 | At September 30, 2020 | At December 31, 2019 |
|---|--------------------------|-------------------------|
| A. Cash | 150.921 | 90.400 |
| B. Other cash equivalents | | - |
| C. Securities held-for-trading | | - |
| D. Liquidity (A + B + C) | 150.921 | 90.400 |
| E. Current financial receivables | 844 | 1.637 |
| F. Current bank loans and borrowing | (32) | (129) |
| G. Current portion of non-current loans and borrowing | (36.711) | (46.056) |
| H. Other current loans and borrowing | (8.332) | (8.547) |
| I. Current financial debt (F + G + H) | (45.075) | (54.733) |
| J. Net current financial debt (I + E+ D) | 106.689 | 37.304 |
| K. Non-current bank loans and borrowing | (240.567) | (169.796) |
| L. Bonds issued | (90.419) | (90.458) |
| M. Other non-current loans and borrowing | (22.520) | (26.619) |
| N. Non-current financial debt (K + L + M) | (353.505) | (286.874) |
| O. Net financial debt (J+N) | (246.816) | (249.570) |

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