

Aquafil Group

9M and 3Q 2022 Financial Results

8th November 2022

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**9M 2022
RESULTS
SHARPLY INCREASING
COMPARED TO
9M 2021**

REVENUES +26,4% VS 9M21

EBITDA +23% VS 9M21

**REVENUES
OF
ECONYL®
BRANDED
PRODUCTS**

UP BY 64.5% VS 9M21

**43.5% OF REVENUES
GENERATED BY FIBERS**

⁽¹⁾ On a like for like consolidation basis

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9M2022 Main Results



	REVENUES		
	2022	2021	Δ%
9M	529,9	419,3	26,4%
3Q	178,9	144,6	23,7%

	EBITDA		
	2022	2021	Δ%
9M	73,2	59,6	22,9%
% on Revenues	13,8%	14,2%	
3Q	21,7	20,2	7,2%
% on Revenues	12,1%	14,0%	

	NET PROFIT		
	2022	2021	Δ%
9M	26,1	14,3	83,3%
% on Revenues	0,0	0,0	
3Q	8,5	5,3	58,3%
% on Revenues	0,05	0,04	

	NFP		
	30.06.22	31.12.21	Δ%
9M	(231,5)	(179,3)	-29,1%

SALES

VOLUME¹
-8,0% compared to 9M21
-11,0% compared to 3Q21

EMEA
Lower demand

USA
Best macro area

ECONYL®
43,5% of Fiber Revenues
Growth of ca 65% vs 9M 21

EBITDA

Higher to 9M 2021

Thanks to
Better sales mix also thanks to
ECONYL® products increase

Repricing to recover
higher cost of raw material
and energy cost

NET PROFIT

Strong increase
driven by
EBIT improvement

And
Lower Financial Cost

NFP

Higher of 29,1% vs Dec 21

Increase of
Net Working Capital
for price effect

NFP/EBITDA LTM

2,49x
on 31st December 2021

2,70x
on 30th September 2022

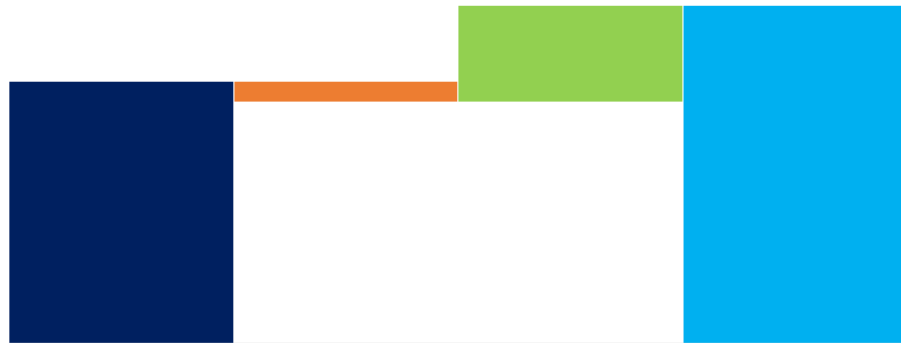
⁽¹⁾ Based on "First Grade Product" revenues

Revenues – by Components

- Lower volumes of ca 8% compared to 9M2021 and 11% compared to 3Q21
 - **Volume:** lower sales in EMEA
 - **Price & sales mix:** positive impact thanks to better mix and selling price adjustment.

Revenues Variation by Components

(on First Grade Product Revenues) - Index 100



9M 2021

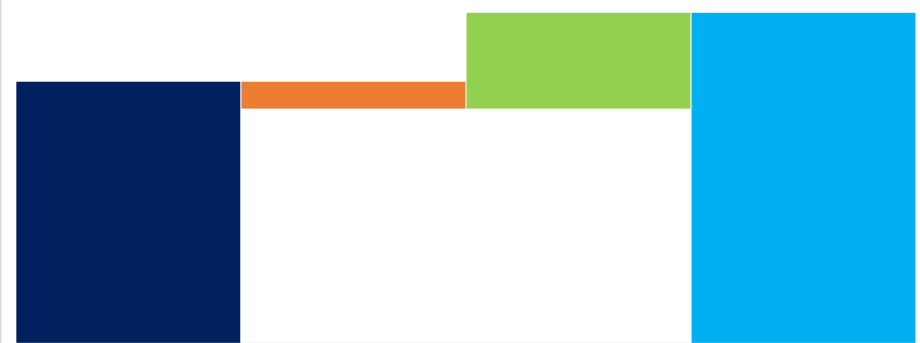
Volume

Price & Sales Mix

9M 2022

Revenues Variation by Components

(on First Grade Product Revenues) - Index 100



3Q 2021

Volume

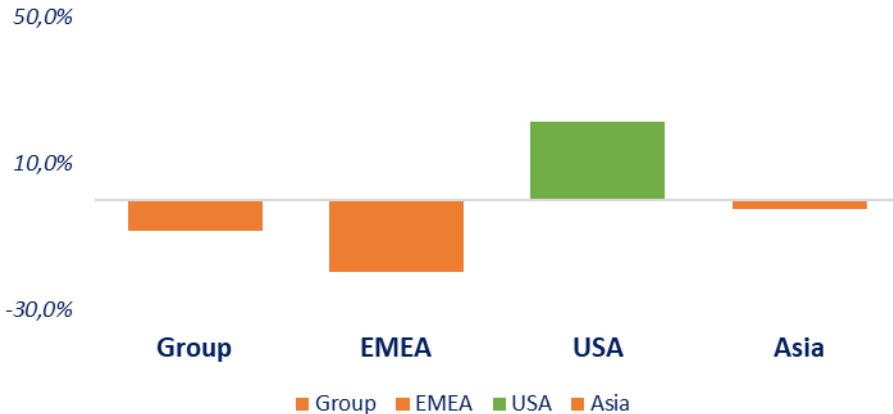
Price & Sales Mix

3Q 2022

Revenues – Quantity

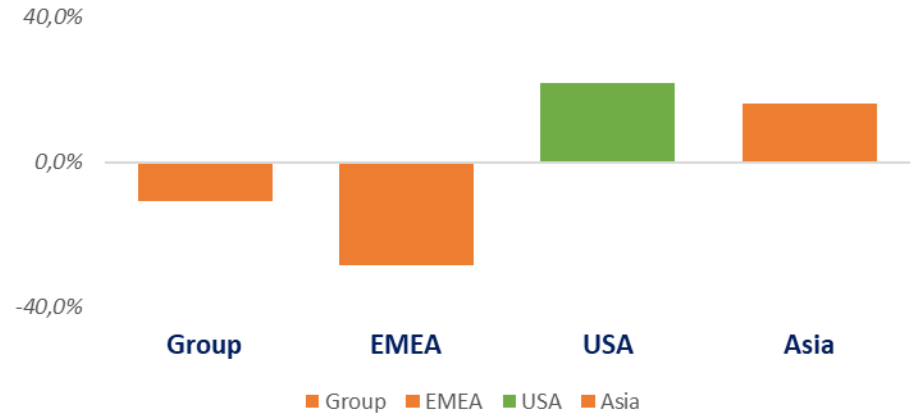
9M22 Quantity Variation % vs 9M21

(on First Grade Product Revenues)



3Q22 Quantity Variation % vs 3Q21

(on First Grade Product Revenues)



EMEA: volumes ca -20% vs 9M21 and -28% vs 3Q21:

- BCF, NTF and Polymers: lower quantity due to slow market demand;

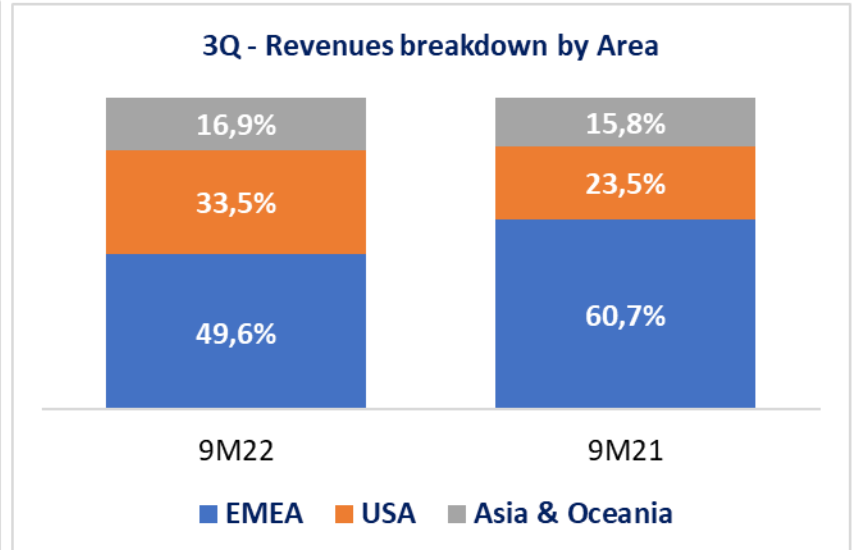
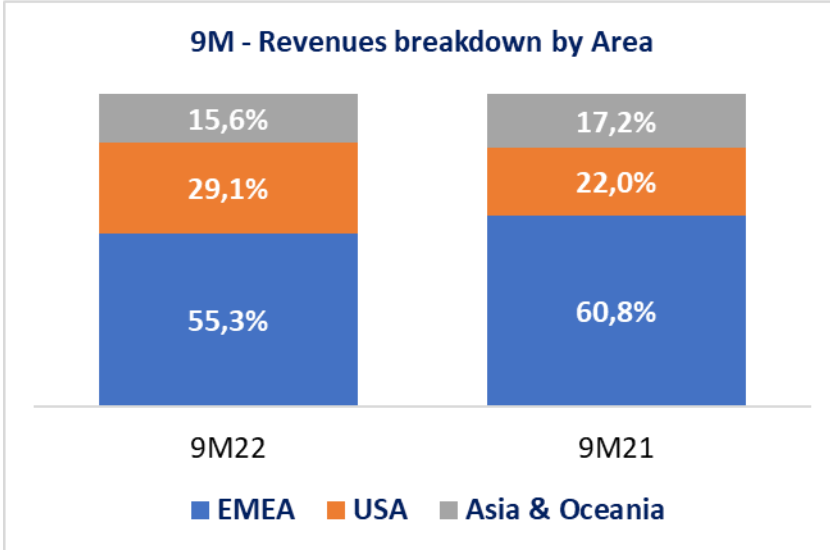
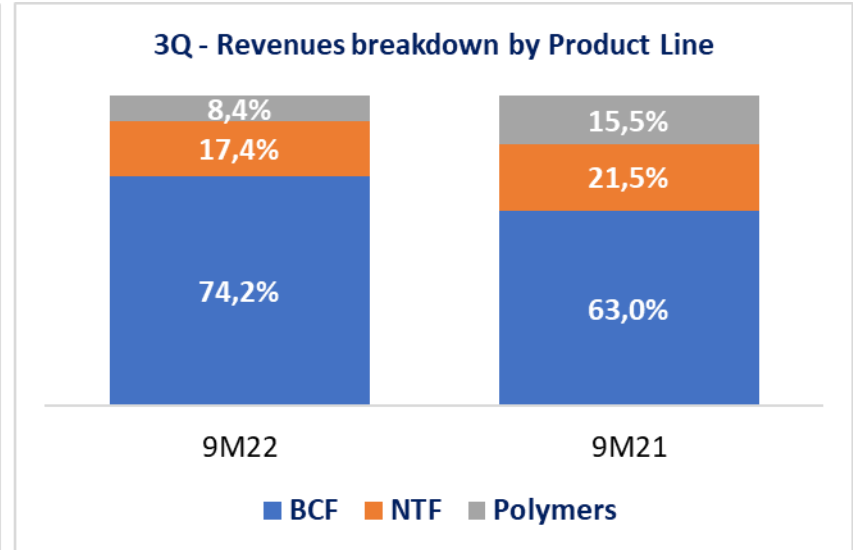
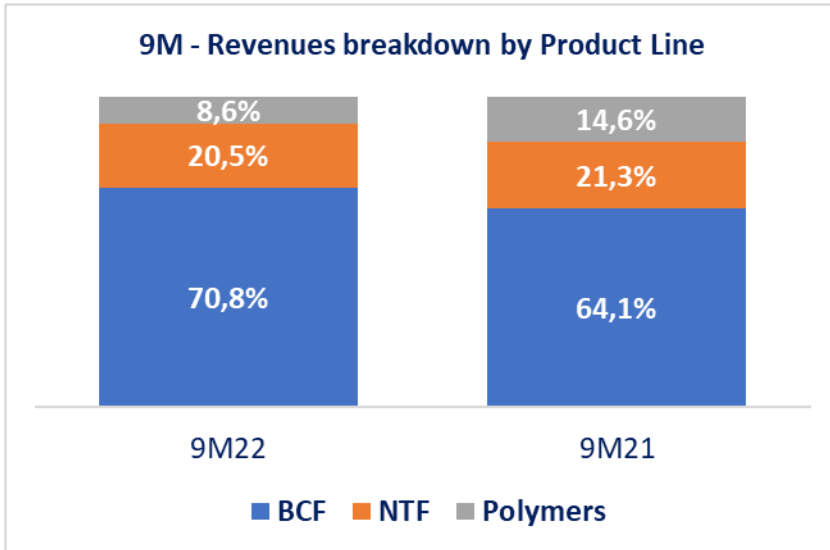
USA: volumes ca +21% vs 9M21 and +22% in 3Q21:

- BCF: higher quantity (+47%) due to increase of BCF fiber for contract and competitor withdrawal
- NTF: lower quantity due to slow market demand;

Asia: volumes ca -3% vs 9M21 and +16% in 3Q21:

- BCF: in the 9 months lower quantity due to lower demand in residential sector and also for China lock down period with some limited impacts on internal market and in the 3Q increase of Japanese Market and Residential sector;

Revenues – Breakdown by Product Line and Area

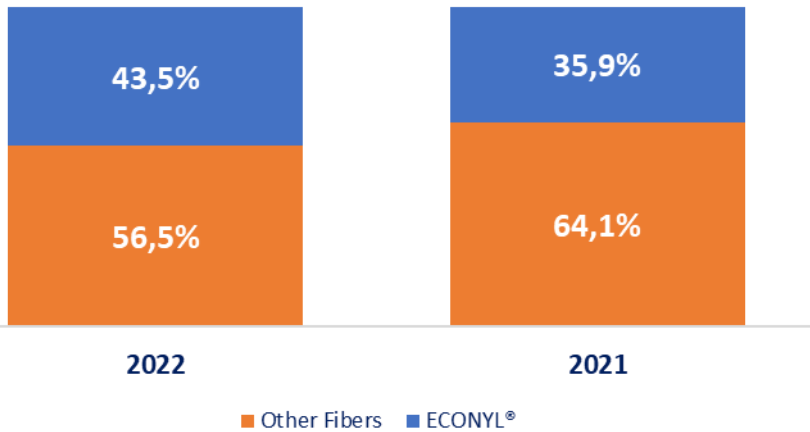


⁽¹⁾ Rest of World not included in Asia & Oceania

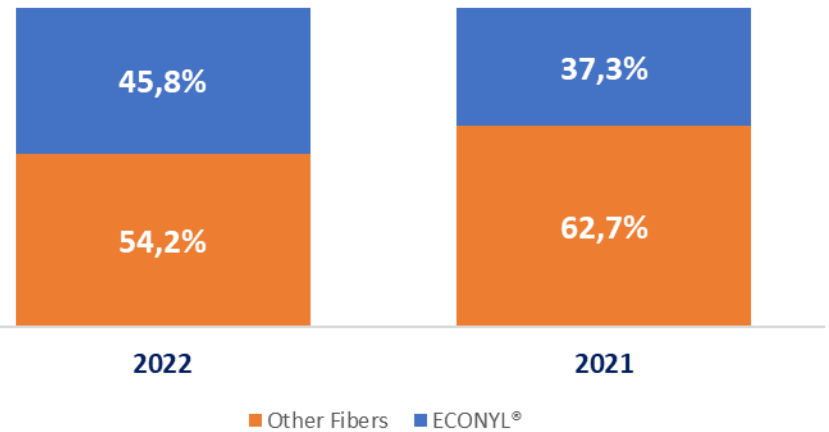
Revenues – ECONYL®

- Strong growth **+65% vs 9M22** due to price increase and higher quantities driven by:
 - BCF fiber: higher demand in contract sector
 - NTF: higher demand from fashion brands

9M - ECONYL Revenus on Fiber %



3Q - ECONYL Revenus on Fiber %



Revenues – ECONYL® – BCF the support and NTF the accelerator



- **ECONYL® has represented an accelerator driver for the Group growth both by strengthening relationship with consolidated customers and the attracting new ones**
 - BCF sector historically drove ECONYL® development due to cultural sensitiveness on environmental topics of Aquafil and important carpet producer customers;
 - ECONYL® allowed to protect and even increase market share, especially on high-end products
 - Later on in NTF sector, both ECONYL® application developments and an increasing awareness to a “circularity vision” allowed Group to attract brand new and different customers (e.g. fashion and luxury brands)



Example of BCF product: a tiles



Example of NTF product: a fashion backpack

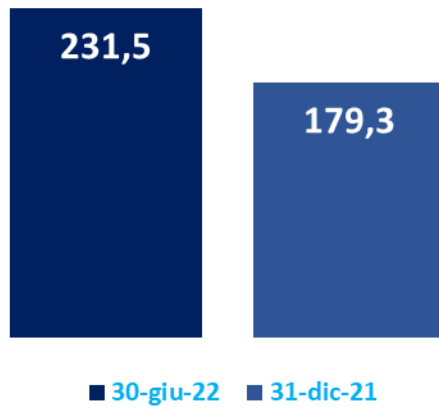
P&L – KPI

	9M			3Q		
	2022	2021	Δ%	2022	2021	Δ%
REVENUES	529,9	419,3	26,4%	178,9	144,6	23,7%
EBITDA	73,2	59,6	22,9%	21,7	20,2	7,2%
<i>% on net sales</i>	13,8%	14,2%		12,1%	14,0%	
EBIT	32,4	22,3	45,1%	7,9	8,3	-5,1%
<i>% on net sales</i>	6,1%	5,3%		4,4%	5,7%	
EBT	33,0	18,0	83,6%	8,9	7,0	26,8%
<i>% on net sales</i>	6,2%	4,3%		4,9%	4,8%	
NET RESULT	26,1	14,3	83,3%	8,5	5,3	58,3%
<i>% on net sales</i>	4,9%	3,4%		4,7%	3,7%	

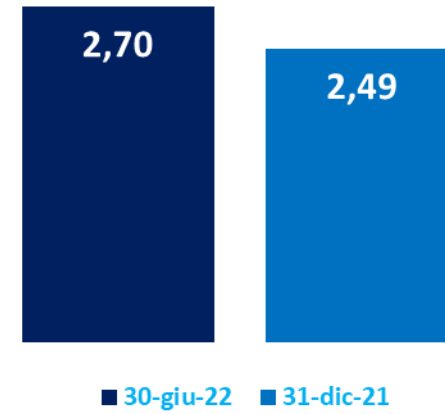
NFP – NPF/EBITDA

- NFP on 30th September 2022 equal to **231,5 €/mil**, higher of ca **29%** compared to 31st December 2021
- Ratio **NPF/EBITDA LTM** at **2,70x**

NFP Evolution - €/mil

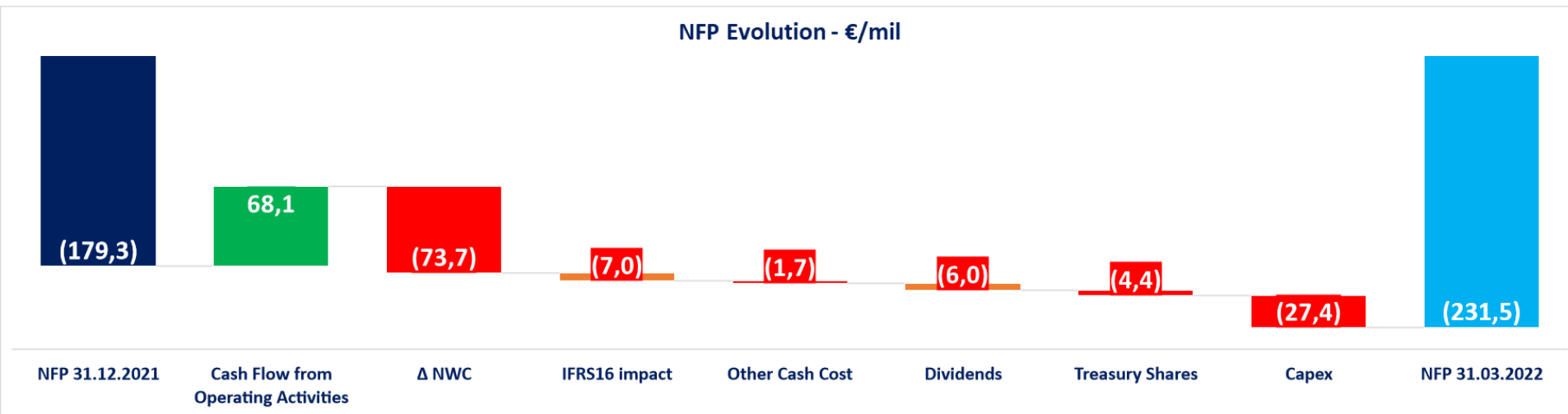


NFP/LTM EBITDA



NFP – Increase of NWC mainly driven by inventory

- NWC growth driven by increase of inventory value due to
 - ❖ higher unitary cost of raw material and
 - ❖ increase of raw material quantities;



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Outlook



As a result of the different global political and macroeconomic contexts, it is appropriate to analyze the Group's performance separately in the different geographical areas where it operates in order to provide a more comprehensive information on its performance.

EMEA is showing the expected slowdowns in the end market across all product lines due to the heavy inflationary pressures that have impacted mainly raw materials and energy. In the United States, the excellent uptrend reported in the first nine months of the year is confirmed. In Asia and Oceania, the market is showing sound end-customer demand levels thanks to the partial recovery of the residential market and an excellent performance by the Japanese market.

For the fourth quarter, we expect a less positive result than in the previous quarters of 2022, yet better than in the fourth quarter of 2021. On an annual basis, this will translate into the highest levels of absolute profitability ever achieved by the Aquafil Group.

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Appendix - Disclaimer

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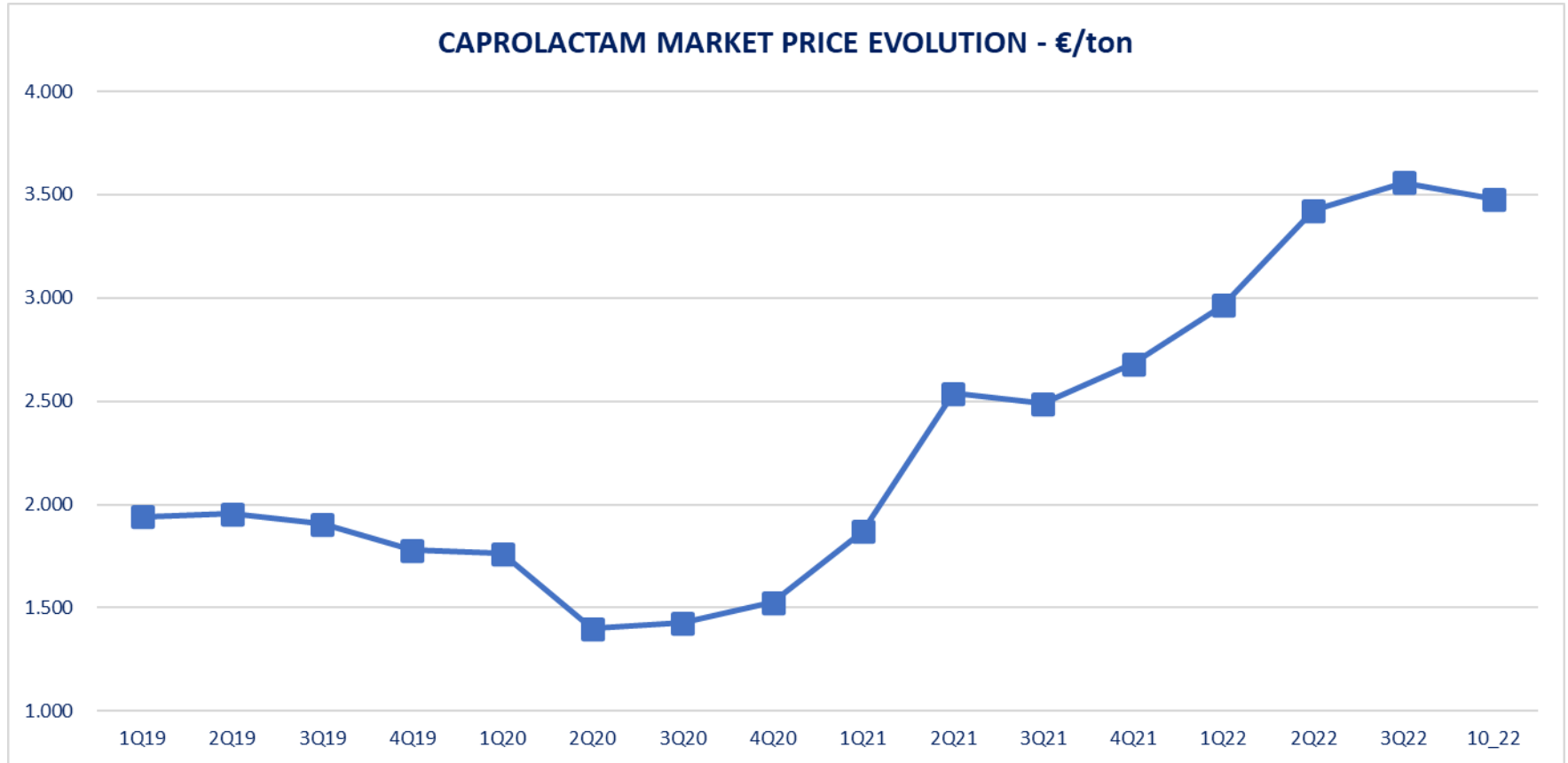
The Presentation contains forward-looking statements regarding future events and the future results of Aquafil that are based on current expectations, estimates, forecasts, and projections about the industries in which Aquafil operates and the belief and assumptions of the management of Aquafil. In particular, among other statements, certain statements with regards to management objectives, trends in results of operations, margins, costs, return on equity, risk management are forward-looking in nature. Words such as ‘expects’, ‘anticipates’, ‘targets’, ‘goals’, ‘projects’, ‘intends’, ‘plans’, ‘believes’, ‘seeks’, ‘estimates’, variations of such words, and similar expressions are intended to identify such forward-looking statements. These forward-looking statements are only predictions and are subject to risks, uncertainties, and assumptions that are difficult to predict because they relate to events and depend on circumstances that will occur in the future. Therefore, Aquafil’s actual result may differ materially and adversely from those expressed or implied in any forward-looking statements. Factors that might cause or contribute to such differences include, but are not limited to, economic conditions globally, political, economic and regulatory developments in Italy and internationally. Any forward-looking statements made by or on behalf of Aquafil speak only as of the date they are made. Aquafil does not undertake to update forward-looking statements to reflect any changes in Aquafil’s expectations with regard thereto or any changes in events, conditions or circumstances on which any such statement is based.

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The reader should, however, consult any further disclosure Aquafil may make in documents it files with the Italian Securities and Exchange Commission and with the Italian Stock Exchange.

<p>«FIRST CHOICE REVENUES»</p>	<p>“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</p>
<p>EBITDA</p>	<p>This is an alternative performance indicator not defined under IFRS but used by company management to monitor and assess the operating performance as not impacted by the effects of differing criteria in determining taxable income, the amount and types of capital employed, in addition to the amortisation and depreciation policies. This indicator is defined by the Aquafil Group as the net result for the year adjusted by the following components: income taxes, investment income and charges, amortisation, depreciation and write-downs of tangible and intangible assets, provisions and write-downs, financial income and charges, non-recurring items.</p>
<p>NFP</p>	<p>This was calculated as per Consob Communication of July 28, 2006 and the ESMA/2013/319 Recommendations:</p> <ul style="list-style-type: none"> A. Cash B. Other liquid assets C. Other current financial assets D. Liquidity (A+B+C) E. Current financial receivables F. Current bank payables G. Current portion of non-current debt H. Other current financial payables I. Current financial debt (F+G+H) J. Net current financial debt (I-D-E) K. Non-current bank payables L. Bonds issued M. Other non-current payables N. Non-current financial debt (K+L+M) O. Net financial debt (J+N)

Appendix - Sector Data – Caprolactam price evolution



Appendix - Consolidate Income Statements

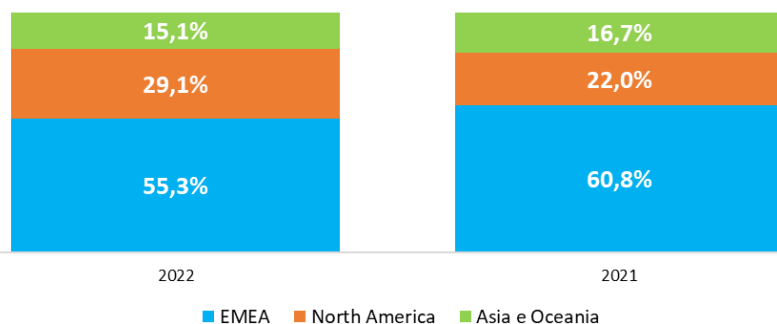
CONSOLIDATED INCOME STATEMENT €/000	September 2022	<i>of wich non- current</i>	September 2021	<i>of wich non- current</i>	Third Quarter 2022	<i>of wich non- current</i>	Third Quarter 2021	<i>of wich non- current</i>
Revenue	529.905	849	419.310	587	178.896	324	144.610	587
<i>of which related parties</i>	39		40		13	-	13	-
Other Revenue	8.492	126	4.525	672	6.079	12	1.840	229
Total Revenue and Other Revenue	538.397	975	423.835	1.259	184.975	336	146.450	816
Raw Material	(245.437)	(475)	(208.556)	(191)	(87.072)	(181)	(73.062)	(191)
Services	(129.905)	(1.094)	(78.104)	(1.079)	(47.948)	(356)	(28.004)	(775)
<i>of which related parties</i>	(342)		(303)		(112)	-	(91)	-
Personel	(96.084)	(1.157)	(83.413)	(1.413)	(31.186)	(346)	(27.609)	(831)
Other Operating Costs	(3.447)	(291)	(2.488)	(186)	(1.001)	(176)	(848)	(125)
<i>of which related parties</i>	(52)		(52)		(17)	-	(17)	-
Depreciation and Amortization	(35.954)		(33.381)		(12.198)	-	(10.068)	-
Provisions&Write-downs	166		(144)		(8)	-	(15)	-
(write-downs)/recovery of inancial assets (receivables)	(2)		78		(28)	-	1	-
Capitalization of Internal Construction Costs	4.667		4.506		2.320	-	1.429	-
EBIT	32.400	(2.042)	22.334	(1.610)	7.852	(721)	8.274	(1.106)
Income (loss) from Investments	(70)		0		-	-	-	-
<i>of which related parties</i>	90				-	-		
Other Financial Income	4.580		693		1.593	-	202	-
Interest Expenses	(6.000)		(5.658)		(2.138)	-	(1.836)	-
<i>of which related parties</i>	(93)		(124)		(29)	-	(46)	-
FX Gains and Losses	2.072		598		1.544	-	338	-
Profit Before Taxes	32.983	(2.042)	17.967	(1.610)	8.852	(721)	6.978	(1.106)
Income Taxes	(6.846)		(3.710)		(389)	-	(1.632)	-
Net Profit (Including Portion Attr. to Minority)	26.137	(2.042)	14.258	(1.610)	8.463	(721)	5.346	(1.106)
Net Profit Attributable to Minority Interest	0		0		-	-	-	-
Net Profit Attributable to the Group	26.137	(2.042)	14.258	(1.610)	8.463	(721)	5.346	(1.106)

Appendix - Consolidate Income Statements – Revenues 9M

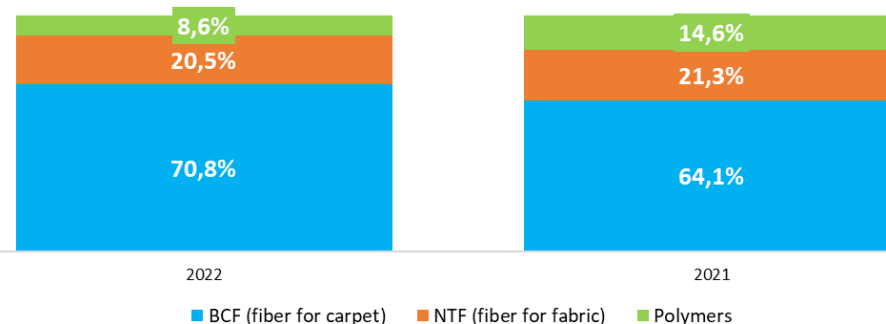


9M €/mil	BCF (fiber for carpet)				NTF (fiber for fabric)				Polymers				Total					
	2022	2021	Δ	Δ%	2022	2021	Δ	Δ%	2022	2021	Δ	Δ%	2022	2021	Δ	Δ%	% 22	% 21
EMEA	171,9	137,4	34,5	25,1 %	79,2	62,2	17,0	27,2 %	42,2	55,5	(13,3)	(24,0)%	293,2	255,1	38,1	14,9 %	55,3 %	60,8 %
North America	126,9	65,5	61,4	93,8 %	24,6	21,5	3,1	14,5 %	2,8	5,2	(2,4)	(46,4)%	154,3	92,2	62,1	67,4 %	29,1 %	22,0 %
Asia e Oceania	76,0	65,4	10,6	16,2 %	3,0	4,2	(1,2)	(28,3)%	0,8	0,5	0,3	0,0 %	79,8	70,1	9,7	13,9 %	15,1 %	16,7 %
RoW	0,6	0,4	0,2	47,5 %	2,0	1,5	0,5	32,3 %	0,0	0,0	(0,0)	0,0 %	2,6	1,9	0,7	35,5 %	0,5 %	0,5 %
Total	375,3	268,7	106,6	39,7 %	108,8	89,4	19,4	21,7 %	45,8	61,2	(15,4)	(25,2)%	529,9	419,3	110,6	26,4 %	100,0 %	100,0 %
% ToT	70,8%	64,1%			20,5%	21,3%			8,6%	14,6%			100,0%	100,0%				

9M - % Revenues by Geographical Area



9M - % Revenues by Product Line

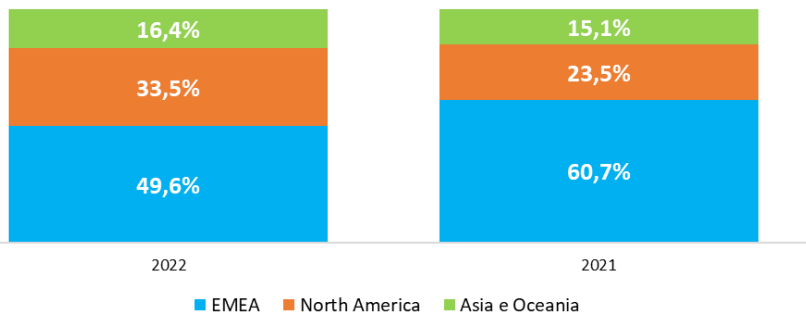


Appendix - Consolidate Income Statements – Revenues 3Q

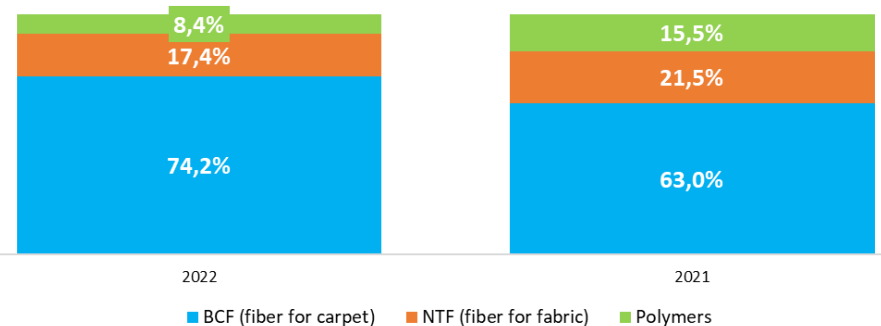


3Q €/mil	BCF (fiber for carpet)				NTF (fiber for fabric)				Polymers				Total					
	2022	2021	Δ	Δ%	2022	2021	Δ	Δ%	2022	2021	Δ	Δ%	% 22	% 21				
EMEA	54,0	46,8	7,2	15,5 %	21,3	20,6	0,7	3,4 %	13,4	20,4	(7,0)	(34,4)%	88,7	87,8	0,9	1,1 %	49,6 %	60,7 %
North America	50,6	24,5	26,1	106,4 %	8,0	7,7	0,4	4,6 %	1,3	1,9	(0,6)	(32,0)%	59,8	34,0	25,8	75,8 %	33,5 %	23,5 %
Asia e Oceania	27,9	19,6	8,2	41,9 %	1,2	2,0	(0,8)	(41,3)%	0,3	0,1	0,2	117,2 %	29,4	21,8	7,6	34,6 %	16,4 %	15,1 %
RoW	0,3	0,2	0,1	0,0 %	0,7	0,7	(0,1)	0,0 %	(0,0)	0,0	(0,0)	0,0 %	0,9	1,0	(0,0)	(1,9)%	0,5 %	0,7 %
Total	132,7	91,1	41,6	45,6 %	31,2	31,0	0,1	0,5 %	15,0	22,4	(7,5)	(33,2)%	178,9	144,6	34,3	23,7 %	100,0 %	100,0 %
% ToT	74,2%	63,0%			17,4%	21,5%			8,4%	15,5%			100,0%	100,0%				

3Q - % Revenues by Geographical Area



3Q - % Revenues by Product Line



Appendix - Consolidate Income Statements – EBITDA & EBITD A



RECONCILIATION FROM NET PROFIT TO EBITDA €/000	September 2022	September 2021	Third Quarter 2022	Third Quarter 2021
Net Profit (Including Portion Attr. to Minority)	26.137	14.258	8.463	5.346
Income Taxes	6.846	3.710	389	1.632
Investment income and charges	70	-	-	-
Amortisation & Depreciation	35.954	33.381	12.198	10.068
Write-downs & Write-backs of intangible and tangible assets	(164)	66	36	15
Financial items (*)	2.319	6.557	(116)	2.072
No recurring items (**)	2.042	1.610	721	1.106
EBITDA	73.205	59.581	21.691	20.239
Revenue	529.905	419.310	178.896	144.610
EBITDA Margin	13,8%	14,2%	12,1%	14,0%

RECONCILIATION FROM EBITDA TO EBIT ADJUSTED €/000	September 2022	September 2021	Third Quarter 2022	Third Quarter 2021
EBITDA	73.205	59.581	21.691	20.239
Amortisation & Depreciation	35.954	33.381	12.198	10.068
Write-downs & Write-backs of intangible and tangible assets	(164)	66	36	15
EBIT Adjusted	37.414	26.134	9.457	10.156
Revenue	529.905	419.310	178.896	144.610
EBIT Adjusted Margin	7,1%	6,2%	5,3%	7,0%

(*) The financial items include: (i) financial income of Euro 4.6 million (ii) financial charges and other bank charges of Euro (6.0) million, (iii) cash discounts of Euro (3.0) million, and (iv) exchange gains of Euro 2.1 million.

(**) This includes (i) non-recurring charges related to the expansion of the Aquafil Group for Euro (0.2) million, (ii) non-recurring charges referring to Aquafil Carpet Collection and ACR2 for Euro (1) (deducted non-recurring revenues for euro 0.8 million)(iii) other non-recurring of Euro (0.9) million.

Appendix - Consolidate Balance Sheet(1)



CONSOLIDATED BALANCE SHEET €/000	At September 30, 2022	At December 31, 2021
Intangible Assets	22.458	23.551
Goodwill	17.121	14.735
Tangible Assets	251.353	240.489
Financial Assets	765	710
<i>of which related parties</i>	<i>318</i>	<i>318</i>
Investments & Equity method	1.018	1.018
Other Assets	476	626
Deferred Tax Assets	14.609	12.269
Total Non-Current Assets	307.800	293.398
Inventories	261.566	177.243
Trade Receivable	41.907	31.233
<i>of which related parties</i>	<i>47</i>	<i>71</i>
Financial Current Assets	4.544	860
Current Tax Receivables	740	423
Other Current Assets	17.955	12.853
<i>of which related parties</i>	<i>114</i>	<i>3.152</i>
Cash and Cash Equivalents	136.634	152.656
Asset held for sales	0	0
Total Current Assets	463.346	375.268
Total Current Assets	771.146	668.666

Appendix - Consolidate Balance Sheet(2)



CONSOLIDATED BALANCE SHEET	At September 30,	At December 31,
<i>€/000</i>	2022	2021
Share Capital	49.722	49.722
Reserves	115.353	91.708
Group Net Profit for the year	26.136	10.670
Group Shareholders Equity	191.212	152.101
Net Equity attributable to minority interest	1	1
Net Profit for the year attributable to minority interest	0	0
Total Shareholders Equity	191.213	152.102
Employee Benefits	5.380	5.910
Non-Current Financial Liabilities	293.186	263.421
<i>of which related parties</i>	6.545	6.359
Provisions for Risks and Charges	1.504	1.929
Deferred Tax Liabilities	13.463	11.158
Other Payables	9.365	10.813
Total Non-Current Liabilities	322.898	293.230
Current Financial Liabilities	79.469	69.438
<i>of which related parties</i>	3.184	2.240
Current Tax Payables	3.362	1.721
Trade Payables	147.772	126.566
<i>of which related parties</i>	296	352
Other Liabilities	26.432	25.608
<i>of which related parties</i>	230	230
Total Current Liabilities	257.035	223.334
Total Equity and Liabilities	771.146	668.666

Appendix - Net Financial Position

NET FINANCIAL DEBT €/000	At September 30, 2022	At December 31, 2021
A. Liquidity	136.634	152.656
B. Cash and cash equivalents		
C. Other current financial assets	4.544	860
D. Liquidity (A + B + C)	141.178	153.516
E. Current financial debt (including debt instruments but excluding the current portion of non-current financial debt)	- 3.143 -	203
F. Current portion of non-current financial debt	- 76.326 -	69.236
G. Current financial debt (E + F)	- 79.469 -	69.438
H. Net current financial debt (G - D)	61.709	84.078
I. Non-current financial debt (excluding current portion and debt instruments)	- 222.872 -	180.185
J. Debt instruments	- 70.314 -	83.210
K. Trade payables and other non-current payables		
L. Non-current financial debt (I + J + K)	- 293.186 -	263.396
M. Total financial debt (H + L)	- 231.477 -	179.318

Appendix - Consolidated Cash Flow Statement (1)

CASH FLOW STATEMENT €/000	At September 30, 2022	At September 30, 2021
Operation Activities		
Net Profit (Including Portion Attr. to Minority)	26.137	14.258
<i>of which related parties</i>	-358	-141
Income Taxes	6.846	3.710
Income (loss) from Investments	70	0
<i>of which related parties</i>	-90	0
Financial income	-4.580	-693
Financial charges	6.000	5.658
<i>of which related parties</i>	93	124
FX (Gains) and Losses	-2.072	-598
(Gain)/Loss on non - current asset Disposals	-91	-132
Provisions&Write-downs (write-downs)/recovery of inancial assets (receivables)	-166	144
	2	-78
Amortisation, depreciation & write-downs	35.954	33.381
Cash Flow from Operating Activities Before Changes in NWC	68.100	55.650
Change in Inventories	-84.323	-14.691
Change in Trade and Other Payables	21.206	30.493
<i>of which related parties</i>	-56	-82
Change in Trade and Other Receivables	-10.675	-7.542
<i>of which related parties</i>	24	17
Change in Other Assets/Liabilities	2.259	3.505
<i>of which related parties</i>	3.038	377
Net Interest Expenses	-1.419	-4.965
Income Taxes paid	-1.098	0
Change in Provisions for Risks and Charges	-1.299	-527
Cash Flow from Operating Activities (A)	-7.249	61.923

Appendix - Consolidated Cash Flow Statement (2)

CASH FLOW STATEMENT €/000	At September 30, 2022	At September 30, 2021
<i>Investing activities</i>		
Investment in Tangible Assets	-24.566	-20.547
Disposal of Tangible Assets	406	291
Investment in Intangible Assets	-3.213	-3.640
Disposal of Intangible Assets		22
Dividends	90	
Disposal of Financial Assets	-160	
Cash Flow used in Investing Activities (B)	-27.444	-23.875
<i>Financing Activities</i>		
Increase in no current Loan and borrowing	79.000	0
Decrease in no current Loan and borrowing	-42.502	-73.304
Net variation in current and not current financial Assets and Liability included IFRS 16	-441	-7.217
<i>of which related parties</i>	<i>1.130</i>	<i>-2.440</i>
Net variation non-monetary increase IFRS16	-6.964	-2.800
Dividends Distribution	-6.046	0
Acquisition of treasury shares	-4.376	
Cash Flow from Financing Activities (C)	18.671	-83.321
Net Cash Flow of the Year (A)+(B)+(C)	(16.022)	(45.273)