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Societa' : AQUAFIL

Identificativo : 176786

Informazione  
Regolamentata

Nome utilizzatore : AQUAFILNSS02 - Tonelli

Tipologia : REGEM

Data/Ora Ricezione : 11 Maggio 2023 17:02:53

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Diffusione presunta

Oggetto : The Board of Directors approved the  
Company's consolidated operating and  
financial results at March 31, 2023

*Testo del comunicato*

Vedi allegato.



## FIRST QUARTER 2023

### CONTINUED GROWTH FOR CARPET FIBRES IN THE UNITED STATES

#### GLOBAL MARKET CHARACTERISED BY VOLATILITY WITH LIMITED VISIBILITY

**REVENUES AT €166.8 MILLION**  
**-2.5% ON THE FIRST QUARTER OF 2022**

**EBITDA<sup>1</sup> AT €21.6 MILLION (EBITDA MARGIN 12.9%)**  
**-13.1% ON THE FIRST QUARTER OF 2022**

**REVENUES FOR ECONYL<sup>®</sup> BRANDED PRODUCTS<sup>2</sup> UP 11.2%,**  
**ACCOUNTING FOR 46.9% OF FIBERS' REVENUES**

#### MAIN Q1 2023 INDICATORS:

- **Revenues: €166.8 million, -2.5% compared to €171.2 million for the same period of 2022;**
- **EBITDA: €21.6 million, -13.1% compared to €24.8 million for the same period of 2022;**
- **Net profit: €3.3 million, -63.9% compared to €9.1 million for the same period of 2022;**
- **NFP/EBITDA ratio: x2.773 at March 31, 2023 compared to x2.687 at December 31, 2022.**

**Arco, May 11, 2023** — The Board of Directors of Aquafil S.p.A. [ECNL:IM] [ECNLF:OTCQX], reunited today under the chairmanship of Prof. Chiara Mio, approved the Company's consolidated operating and financial results at March 31, 2023.

#### **Giulio Bonazzi, Chief Executive Officer, stated:**

The first quarter, which has just ended, substantially confirmed our forecasts for this first part of the financial year 2023 in terms of margins.

These results were determined by the different dynamics of the main geographical areas where the Group is present, as well as by the unit value of raw material stocks.

Sales of remanufactured products and ECONYL<sup>®</sup> brand products continued to grow, reaching almost 47% of the Group's fibre turnover.

<sup>1</sup> EBITDA is calculated as per the tables in Appendix 2 to this press release.

<sup>2</sup> They include both ECONYL<sup>®</sup> branded and regenerated products.



The start-up of the new engineering plastic production plants is now complete and we have started to serve this new market, which we expect will provide an important element of growth and portfolio diversification in the coming years.

The Group continues its research and development activities with the aim of improving and expanding the product offering as well as their production in a more efficient manner.

We confirm that the year 2023 will still be strongly characterised by uncertainty and high volatility, especially due to the performance of the end markets in EMEA, which allow for extremely limited visibility.

In this complex and articulated scenario, attention to cost management remains high and focused on their maximum rationalisation, and the Group remains committed to the continuous development of innovative and increasingly sustainable solutions to improve the competitiveness and quality of the products sold.

### Operating results at March 31, 2023

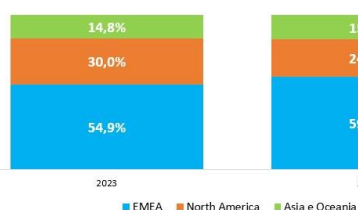
#### Revenues<sup>3</sup>

Revenues amounted to €166.8 million at March 31, 2023, with a 2.5% decrease compared at the same period of the previous year. This change was attributable to the 9.5% decline in volumes sold compared to the same period of the previous year that more than offset the higher selling prices. Such performance was entirely due to the weakness of the EMEA market recorded by each product line. In detail, sales performance by geographical area and product line is reported below:

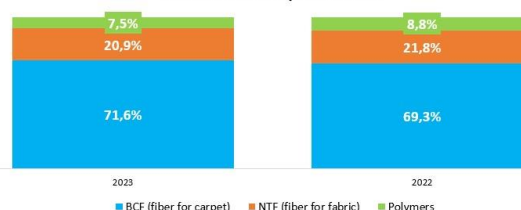
1) In the first quarter of 2023:

1Q 2023	BCF (fiber for carpet)				NTF (fiber for fabric)				Polymers				Total					
	2023	2022	Δ	Δ%	2023	2022	Δ	Δ%	2023	2022	Δ	Δ%	2023	2022	Δ	Δ%	% 23	% 22
EMEA	54,3	59,4	34,5	58,0%	26,3	28,4	17,0	59,6%	10,9	14,5	(13,3)	(92,2)%	91,5	102,3	38,1	37,2%	54,9%	59,7%
North America	41,4	33,9	61,4	181,1%	7,2	7,4	3,1	42,4%	1,4	0,2	(2,4)	(993,1)%	50,0	41,5	62,1	149,7%	30,0%	24,2%
Asia e Oceania	23,5	25,2	10,6	41,9%	1,0	1,0	(1,2)	(122,1)%	0,2	0,4	0,3	0,0%	24,7	26,6	9,7	36,5%	14,8%	15,6%
RoW	0,2	0,2	0,2	109,1%	0,3	0,6	0,5	80,5%	0,0	0,0	(0,0)	0,0%	0,6	0,8	0,7	86,8%	0,3%	0,5%
<b>Total</b>	<b>119,4</b>	<b>118,7</b>	<b>106,6</b>	<b>89,8%</b>	<b>34,8</b>	<b>37,4</b>	<b>19,4</b>	<b>51,9%</b>	<b>12,6</b>	<b>15,1</b>	<b>(15,4)</b>	<b>(101,8)%</b>	<b>166,8</b>	<b>171,2</b>	<b>110,6</b>	<b>64,6%</b>	<b>100,0%</b>	<b>100,0%</b>
<b>% ToT</b>	<b>71,6%</b>	<b>69,3%</b>			<b>20,9%</b>	<b>21,8%</b>			<b>7,5%</b>	<b>8,8%</b>			<b>100,0%</b>	<b>100,0%</b>				

1Q - % Revenues by Geographical Area



1Q - % Revenues by Product Line



<sup>3</sup>The evolution of the Group's revenues from one reporting period to another may be influenced by the performance of raw materials' prices, which is reflected in final sales prices through predefined contractual mechanisms. Accordingly, to ensure a proper understanding of its results, the Group also presents its revenue performance in terms of change in first choice "volumes sold", which historically account for approximately 95% of the Group's revenues.



**EMEA** revenues amounted to €91.5 million at March 31, 2023, with a 10.5% decrease compared to the same period of the previous year. Volumes sold decreased by 19.7%. An analysis by product line performance shows that:

- a) the BCF product line decreased by 8.5% compared to the same period of the previous year, as a result of a 17.7% decline in volumes sold, partially offset by higher selling prices;
- b) the NTF product line declined by 7.5% compared to the same period of the previous year, as a result of a 25.2% drop in volumes sold, partially offset by higher selling prices;
- c) the Polymers product line dropped by 24.6% compared to the same period of the previous year, fully attributable to the reduction in the volumes of basic polymers sold (-45.1%), partially offset by the higher volumes of polymers for Engineering Plastic following the commissioning of new production plants.

In **North America**, revenues amounted to €50.0 million at March 31, 2023, with a 20.6% increase compared to the same period of the previous year. In terms of volumes sold, the increase was approximately 10.1%. An analysis by product line performance shows that:

- a) the BCF product line rose by 22.1% compared to the same period of the previous year, partly as a result of higher selling prices and partly due to a 10.4% increase in volumes sold;
- b) the NTF product line decreased by 2.1% compared to the same period of the previous year, as a result of a 17.9% decline of volumes sold, and in spite of higher selling prices.

In **Asia and Oceania**, revenues amounted to €24.7 million at March 31, 2023, with a 7.1% decrease compared to the same period of the previous year. In terms of volumes sold relating to the BCF product line, there was a slight increase of 0.5%.

Revenues from **ECONYL® branded products** accounted for 46.9% of revenues generated from fibers in the first quarter of 2023. In absolute terms, this item grew by 11.2% compared to the same period of the previous year.

#### **EBITDA**

EBITDA stood at €21.6 million at March 31, 2023, with a 13.1% reduction compared to the same period of the previous year, which had recorded one of the Group's best quarterly results. Said reduction is attributable to both high inventory unit cost and lower volumes sold.

#### **EBIT**

EBIT amounted to €8.0 million at March 31, 2023, with a 35.9% decrease compared to the same period of the previous year. The change in the reporting period was attributable to the EBITDA performance, as well as to higher amortization and depreciation.

#### **Net financial charges**

Net financial charges amounted to €(3.3) million at March 31, 2023 compared to €(0.6) million for the same period of the previous year.

This result reflected the increase in financial charges, which amounted to €(3.3) million compared to €(1.9) million for the same period of the previous year. Financial income decreased, totaling €0.1 million compared to €1.7 million for the same period of the previous year, since the current year did not benefit from the mark-to-market evaluation of interest rate hedging instruments for the medium-term debt.



### **Income taxes**

Income taxes amounted to €1.4 million at March 31, 2023 compared to €2.8 million for the same period for the previous year. The change reflected the decline in profit before taxes which went from €11.9 million to €4.6 million due to lower EBIT and higher net financial charges.

### **Net profit**

Net profit amounted to €3.3 million at March 31, 2023 compared to €9.1 million for the same period of the previous year.

## **Consolidated capital and financial highlights at March 31, 2023**

### **Investments and acquisitions**

At March 31, 2023, net investments — excluding those recognized in application of IFRS 16 — amounted to €8.3 million compared to €7.7 million for the same period of the previous year. Investments focused mainly on activities aimed at stepping up industrial efficiency and improving the existing plants in technological terms, in addition to strengthening the Group's production capacity.

### **Change in net working capital**

At March 31, 2023, net working capital rose by €1.8 million. The change is attributable to the increase of trade receivables amounting to €7.3 million due to the increase of revenues in the reporting quarter compared to the previous quarter; it is also attributable to the lower value of inventories for €18.1 million, mainly associated with the decline of inventory volumes, as well as of the trade payables amounting to €13.5 million as a result of the lower purchases of raw materials.

### **Net Financial Position**

The Group's net financial position amounted to €246.8 million at March 31, 2023 compared to €247.9 million at December 31, 2022. Said change is due to the positive cash generation of operating activities for €19.6 million which was however impacted by the increase of net working capital for €3.0 million, net investments for €8.3 million, financial charges and taxes and the use of provisions amounting to €6.2 million, the non-monetary change relating to the application of IFRS 16 for €0.6 million, and the purchase of treasury shares for €0.6 million.

At March 31, 2023, the NFP/EBITDA ratio was x2.773 compared to x2.687 at December 31, 2022.

### **Outlook**

In terms of margins, the first quarter of 2023 ended in line with Group's expectations and the different geographical areas confirmed the trend reported during the fourth quarter of the previous year.

In terms of volumes sold compared to the first quarter of 2022, the United States confirmed an uptrend, while the Asia Pacific demand levels remained stable and the EMEA witnessed a decline of the end market for all product lines.

In this context, the Group maintained its capacity to generate value.

The remaining part of 2023 is still marked by strong uncertainty, especially with regard to the EMEA market, also due to an extremely limited visibility.



Within this framework, the Group continues to make sustainability-oriented strategic decisions, with the aim of creating products and processes that are increasingly appreciated by the end market, while pursuing greater industrial efficiency and cost effectiveness.

\* \* \*

#### Declaration of the appointed manager

"The Manager responsible for preparing the Company's financial reports, Roberto Carlo Luigi Bobbio 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."

\* \* \*

*This press release contains forward-looking statements. These statements are based on the Aquafil Group's current expectations and projections regarding future events and are, by their very nature, subject to a number of risks and uncertainties. These statements refer to events and depend on circumstances that may or may not occur or take place in the future, and, as such, undue reliance should not be made on them. Actual performance could differ significantly from the contents of such statements due to a variety of factors, including constant volatility and a further deterioration of capital and financial markets, changes in macroeconomic conditions and economic growth and other changes in business conditions, changes in the law and institutional context (in Italy and internationally), and many other factors, most of which are beyond the Group's control.*

\* \* \*

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 employs over 2,800 people, at 20 production sites located in nine countries and in four different continents, more precisely in Italy, Slovenia, Unites States, China, Croatia, Scotland, Thailand, Australia and Japan.



**For further information**

**Investors Contact**

Karim Tonelli

[investor.relations@aquafil.com](mailto:investor.relations@aquafil.com)

mob: +39 348 6022.950

Barabino & Partners IR

T: +39 02 72.02.35.35

Stefania Bassi

[s.bassi@barabino.it](mailto:s.bassi@barabino.it)

mob: +39 335 6282.667

Agota Dozsa

[a.dozsa@barabino.it](mailto:a.dozsa@barabino.it)

mob: +39 338 7424.061

**Media Contact**

Barabino & Partners

Federico Vercellino

[f.vercellino@barabino.it](mailto:f.vercellino@barabino.it)

T: +39 02 72.02.35.35

mob: +39 331 5745.17

## Appendix 1 – Consolidated Income Statement

CONSOLIDATED INCOME STATEMENT €/000	First Quarter 2023	<i>of which</i> <i>non-current</i>	First Quarter 2022	<i>of which</i> <i>non-current</i>
Revenue	166.820	0	171.160	296
<i>of which related parties</i>	76		13	
Other Revenue	2.717	2	1.256	91
<b>Total Revenue and Other Revenue</b>	<b>169.537</b>	<b>2</b>	<b>172.416</b>	<b>387</b>
Raw Material	(82.183)	0	(78.567)	(91)
Services	(36.242)	- 803	(38.860)	(354)
<i>of which related parties</i>	(124)		(526)	
Personel	(32.034)	- 318	(31.387)	(347)
Other Operating Costs	(864)	- 3	(1.234)	(55)
<i>of which related parties</i>	(17)		(17)	
Depreciation and Amortization	(11.828)		(10.919)	
Provisions&Write-downs	87		(17)	
(write-downs)/recovery of inancial assets (receivables)	63		25	
Capitalization of Internal Construction Costs	1.450		1.004	
<b>EBIT</b>	<b>7.986</b>	<b>- 1.123</b>	<b>12.463</b>	<b>(460)</b>
Other Financial Income	114		1.694	
Interest Expenses	(3.280)		(1.872)	
<i>of which related parties</i>	(45)		(31)	
FX Gains and Losses	(176)		(383)	
<b>Profit Before Taxes</b>	<b>4.644</b>	<b>- 1.123</b>	<b>11.902</b>	<b>(460)</b>
Income Taxes	(1.352)		(2.782)	
<b>Net Profit (Including Portion Attr. to Minority)</b>	<b>3.291</b>	<b>- 1.123</b>	<b>9.120</b>	<b>(460)</b>
Net Profit Attributable to Minority Interest	0		0	
<b>Net Profit Attributable to the Group</b>	<b>3.291</b>		<b>9.120</b>	



## Appendix 2 - EBITDA and Adjusted Operating Results

<b>RECONCILIATION FROM NET PROFIT TO EBITDA</b> <i>€/000</i>	<b>First Quarter</b> <b>2023</b>	<b>First Quarter</b> <b>2022</b>
<b>Net Profit (Including Portion Attr. to Minority )</b>	<b>3.291</b>	<b>9.120</b>
Income Taxes	1.352	2.782
Amortisation & Depreciation	11.828	10.919
Write-downs & Write-backs of intangible and tangible assets	- 150	(9)
Financial items (*)	4.127	1.542
No recurring items (**)	1.123	460
<b>EBITDA</b>	<b>21.572</b>	<b>24.814</b>
<i>Revenue</i>	<b>166.820</b>	<b>171.160</b>
EBITDA Margin	<b>12,9%</b>	<b>14,5%</b>
<b>RECONCILIATION FROM EBITDA TO EBIT ADJUSTED</b> <i>€/000</i>	<b>First Quarter</b> <b>2023</b>	<b>First Quarter</b> <b>2022</b>
<b>EBITDA</b>	<b>21.572</b>	<b>24.814</b>
Amortisation & Depreciation	11.828	10.919
Write-downs & Write-backs of intangible and tangible assets	- 150	(9)
<b>EBIT Adjusted</b>	<b>9.893</b>	<b>13.904</b>
<i>Revenue</i>	<b>166.820</b>	<b>171.160</b>
<i>EBIT Adjusted Margin</i>	<b>5,9%</b>	<b>8,1%</b>

(\*) The financial items include: (i) financial income of Euro 0.1 million (ii) financial charges and other bank charges of Euro (3.2) million, (iii) cash discounts of Euro (0.8) million, and (iv) exchange loss of Euro (0.2) million.

(\*\*) This includes at the end of March: (i) non-recurring charges related to the expansion of the Aquafil Group for Euro (0.4) million, (ii) (0.7) million related to a non recurring event in the USA.

### Appendix 3 – Consolidated Balance Sheet

CONSOLIDATED BALANCE SHEET €/000	At March 31, 2023	At December 31, 2022
Intangible Assets	20.852	21.596
Goodwill	15.346	15.647
Tangible Assets	243.959	247.469
Financial Assets	643	831
<i>of which related parties</i>	318	318
Investments & Equity method	1.018	1.018
Other Assets	426	426
Deferred Tax Assets	9.855	11.519
<b>Total Non-Current Assets</b>	<b>292.101</b>	<b>298.506</b>
Inventories	242.684	260.808
Trade Receivable	35.846	28.553
<i>of which related parties</i>	398	376
Financial Current Assets	5.632	9.964
Current Tax Receivables	1.167	580
Other Current Assets	16.059	15.862
<i>of which related parties</i>	1.851	247
Cash and Cash Equivalents	122.817	110.682
<b>Total Current Assets</b>	<b>424.206</b>	<b>426.449</b>
<b>Total Current Assets</b>	<b>716.306</b>	<b>724.955</b>
Share Capital	49.722	49.722
Reserves	121.113	96.528
Group Net Profit for the year	3.291	29.151
<b>Group Shareholders Equity</b>	<b>174.127</b>	<b>175.401</b>
Net Equity attributable to minority interest	1	1
Net Profit for the year attributable to minority interest	0	0
<b>Total Shareholders Equity</b>	<b>174.128</b>	<b>175.402</b>
Employee Benefits	4.975	5.192
Non-Current Financial Liabilities	286.705	285.385
<i>of which related parties</i>	4.837	5.262
Provisions for Risks and Charges	1.591	1.975
Deferred Tax Liabilities	9.064	9.237
Other Payables	7.899	8.985
<b>Total Non-Current Liabilities</b>	<b>310.233</b>	<b>310.774</b>
Current Financial Liabilities	88.575	83.146
<i>of which related parties</i>	2.817	2.957
Current Tax Payables	3.241	3.630
Trade Payables	113.372	126.840
<i>of which related parties</i>	281	270
Other Liabilities	26.757	25.163
<i>of which related parties</i>	230	230
<b>Total Current Liabilities</b>	<b>231.945</b>	<b>238.779</b>
<b>Total Equity and Liabilities</b>	<b>716.306</b>	<b>724.955</b>

## Appendix 4 – Consolidated Cash Flow Statement

CASH FLOW STATEMENT €/000	At March 31, 2023	At March 31, 2022
<b>Operation Activities</b>		
Net Profit (Including Portion Attr. to Minority)	3.291	9.120
<i>of which related parties</i>	(111)	(561)
Income Taxes	1.352	2.782
Financial income	(114)	(1.694)
Financial charges	3.280	1.872
<i>of which related parties</i>	45	31
FX (Gains) and Losses	176	383
(Gain)/Loss on non - current asset Disposals	(81)	(56)
Provisions&Write-downs	(87)	17
(write-downs)/recovery of inancial assets (receivables)	(63)	(25)
Amortisation, depreciation & write-downs	11.828	10.918
<b>Cash Flow from Operating Activities Before Changes in NWC</b>	<b>19.582</b>	<b>23.316</b>
Change in Inventories	18.127	(27.001)
Change in Trade and Other Payables	(13.469)	5.409
<i>of which related parties</i>	11	461
Change in Trade and Other Receivables	(7.230)	(6.889)
<i>of which related parties</i>	(22)	51
Change in Other Assets/Liabilities	(430)	(2.696)
<i>of which related parties</i>	(1.604)	2.040
Net Interest Expenses	(3.166)	(178)
Income Taxes paid	(2.335)	(78)
Change in Provisions for Risks and Charges	(668)	(242)
<b>Cash Flow from Operating Activities (A)</b>	<b>10.411</b>	<b>(8.358)</b>
<b>Investing activities</b>		
Investment in Tangible Assets	(7.858)	(7.226)
Disposal of Tangible Assets	304	76
Investment in Intangible Assets	(771)	(550)
Disposal of Intangible Assets		
<b>Cash Flow used in Investing Activities (B)</b>	<b>(8.325)</b>	<b>(7.701)</b>
<b>Financing Activities</b>		
Increase in no current Loan and borrowing	15.000	20.000
Decrease in no current Loan and borrowing	(11.903)	(10.854)
Net variation in current and not current fiancal Assets and Liability induded IFRS 16	8.172	2.357
<i>of which related parties</i>	(565)	472
Net variation non-monetary increase IFRS16	(617)	(3.982)
<i>of which related parties</i>	-	(1.177)
Dividends Distribution	(6)	
Acquisition of treasury shares	(597)	(1.558)
<b>Cash Flow from Financing Activities ( C)</b>	<b>10.049</b>	<b>5.964</b>
<b>Net Cash Flow of the Year (A)+(B)+(C)</b>	<b>12.135</b>	<b>(10.095)</b>

## Appendix 5 – Net Financial Debt

NET FINANCIAL DEBT €/000	At March 31, 2023	At December 31, 2022
A. Liquidity	122.817	110.682
B. Cash and cash equivalents		
C. Other current financial assets	5.632	9.964
<b>D. Liquidity (A + B + C)</b>	<b>128.450</b>	<b>120.646</b>
E. Current financial debt (including debt instruments but excluding the current portion of non-current financial debt)	- 6.358	- 1.333
F. Current portion of non-current financial debt	- 82.217	- 81.814
<b>G. Current financial debt (E + F)</b>	<b>- 88.575</b>	<b>- 83.146</b>
<b>H. Net current financial debt (G - D)</b>	<b>39.875</b>	<b>37.500</b>
I. Non-current financial debt (excluding current portion and debt instruments)	- 216.417	- 215.084
J. Debt instruments	- 70.288	- 70.301
K. Trade payables and other non-current payables		
<b>L. Non-current financial debt (I + J + K)</b>	<b>- 286.705</b>	<b>- 285.385</b>
<b>M. Total financial debt (H + L)</b>	<b>- 246.831</b>	<b>- 247.885</b>

Fine Comunicato n.1938-32

Numero di Pagine: 13