



Aquafil Group

[ECNL:IM] - [ECNLF: OTCQX]

1H and 2Q 2023 Financial Results

31st August 2023



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1. Key messages

REVENUES OF ECONYL® BRANDED PRODUCTS

UP BY 2,4% VS 1H22

47,8% OF REVENUES
GENERATED BY FIBERS

VOLUMES SOLD MAINTAINED IN THE USA AND ASIA

**SLOWDOWN IN EMEA OF
THE FIBERS MARKET**

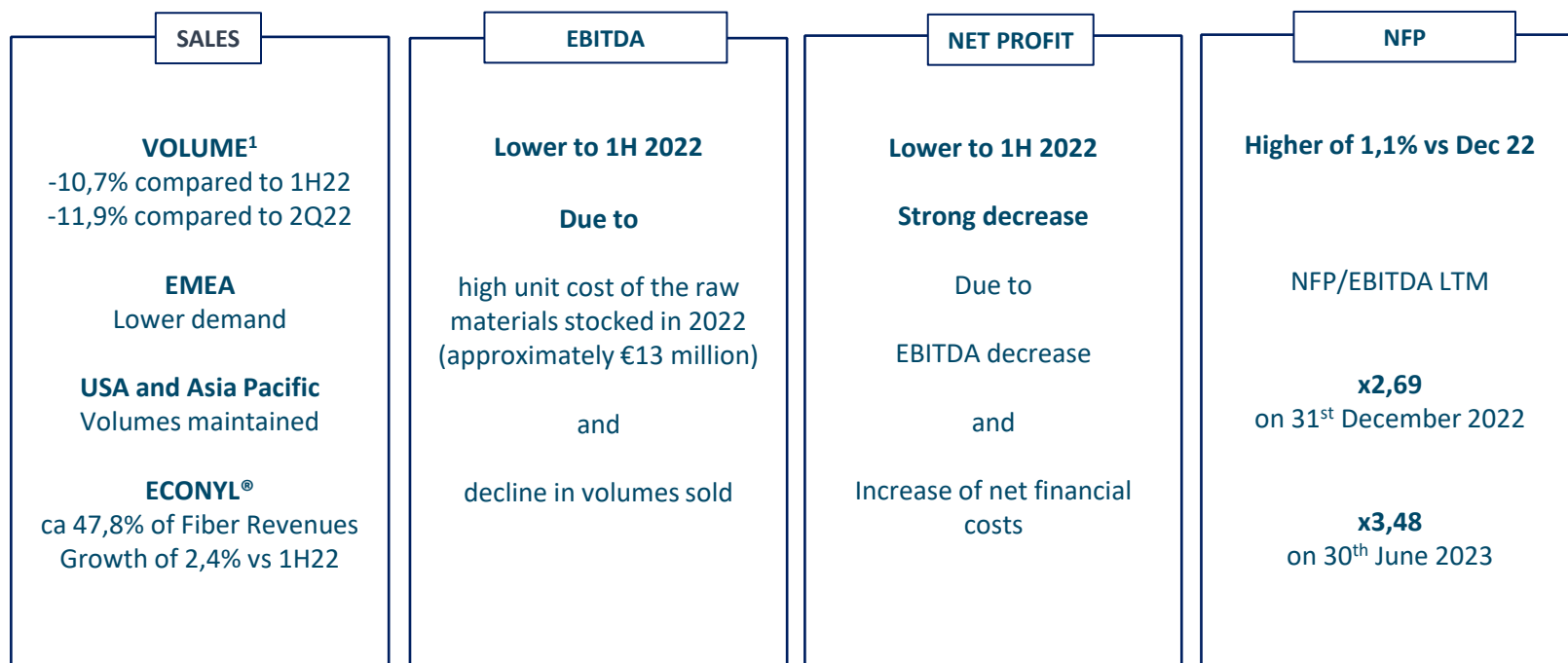
**TEMPORARY DECLINE IN MARGINS IN
THE 2023 REPORTING PERIOD
DUE TO THE HIGH UNIT VALUE OF THE
INVENTORIES STOCKED IN 2022
COMPARED TO THE CURRENT MARKET
VALUE OF RAW MATERIALS**

**ACHIEVEMENT OF PRODUCTION
TARGETS OF THE ENGINEERING
PLASTICS PROJECT BY YEAR-END**

**DEBT CUTTING MEASURES
CONTINUED**

2. Financial results

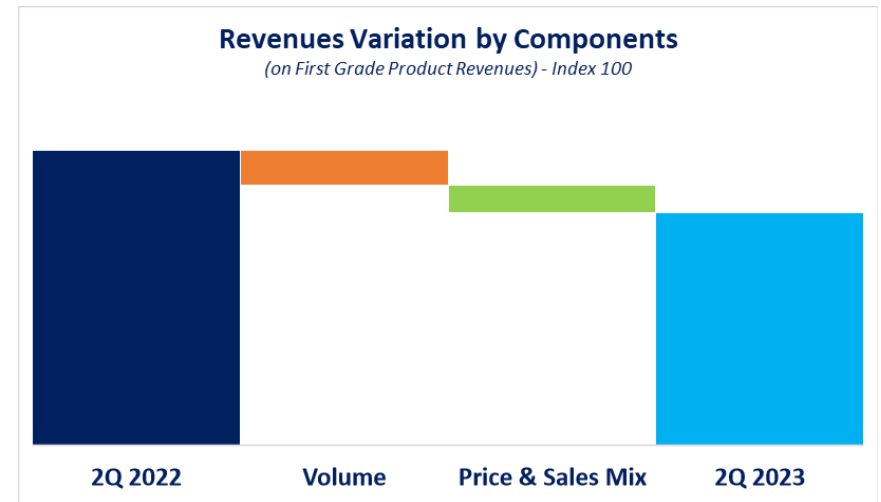
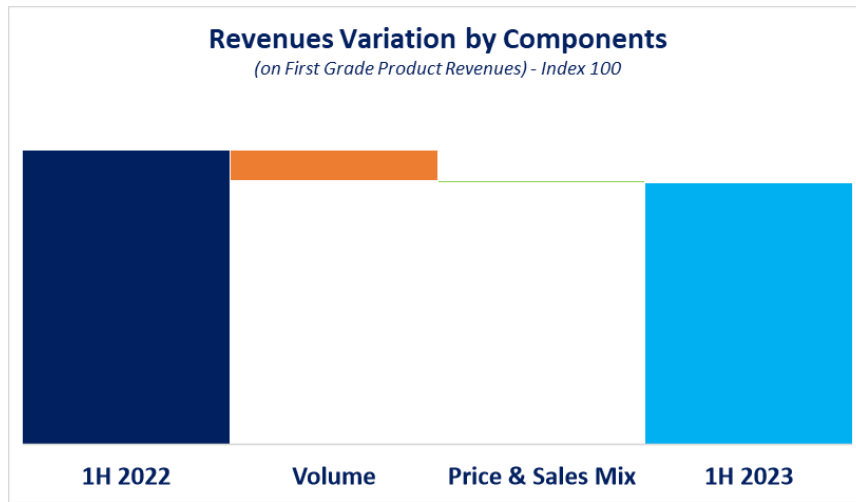
	Revenues			EBITDA			Net profit			NFP		
	2023	2022	Δ%	2023	2022	Δ%	2023	2022	Δ%	30.06.23	31.12.22	Δ%
1H	311,1	351,0	(11,4)%	31,3	51,5	(39,2)%	(4,1)	17,7	(123,4)%	(250,7)	(247,9)	1,1%
% on Revenues				10,1%	14,7%		(1,3)%	5,0%				
2Q	144,3	179,8	(19,8)%	9,8	26,7	(63,5)%	(7,4)	8,6	(186,9)%			
% on Revenues				6,8%	14,8%		(5,1)%	4,8%				



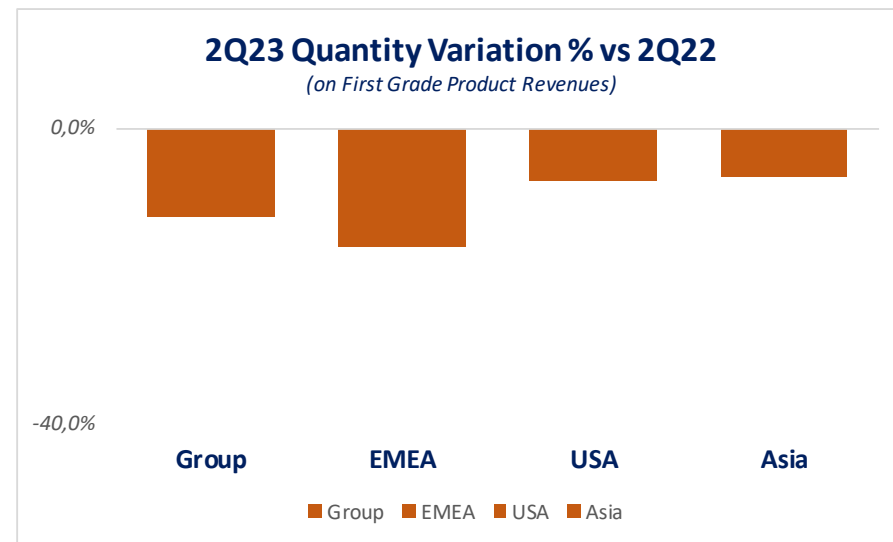
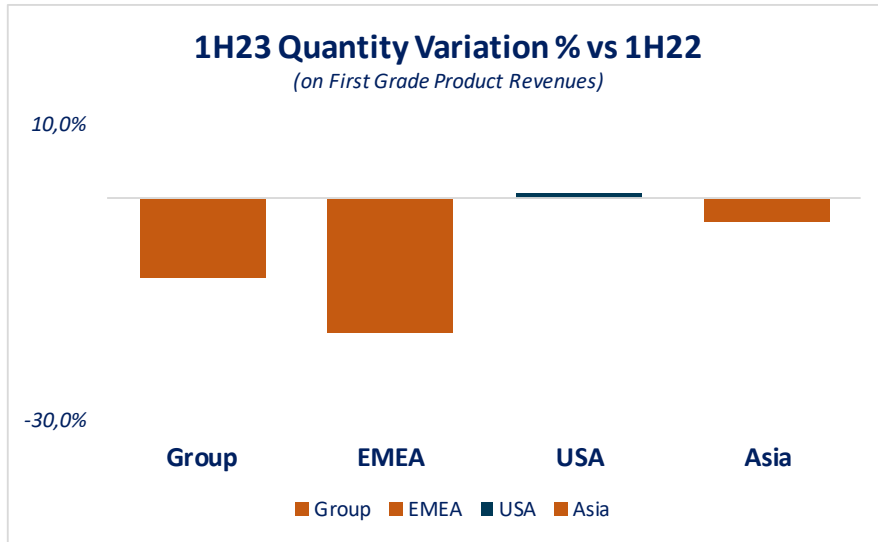
⁽¹⁾ Based on "First Grade Product" revenues

2. Financial results - Revenues by components

- Lower volumes of ca 10,7% compared to 1H2022 and 11,9% compared to 2Q22



2. Financial results - Revenues by quantity



EMEA: volumes ca -17,9% vs 1H22 and -15,9% vs 2Q22:

- BCF, NTF and Polymers: lower quantity sold due to slow market demand
- *Engineering plastics*: ramp up of the project

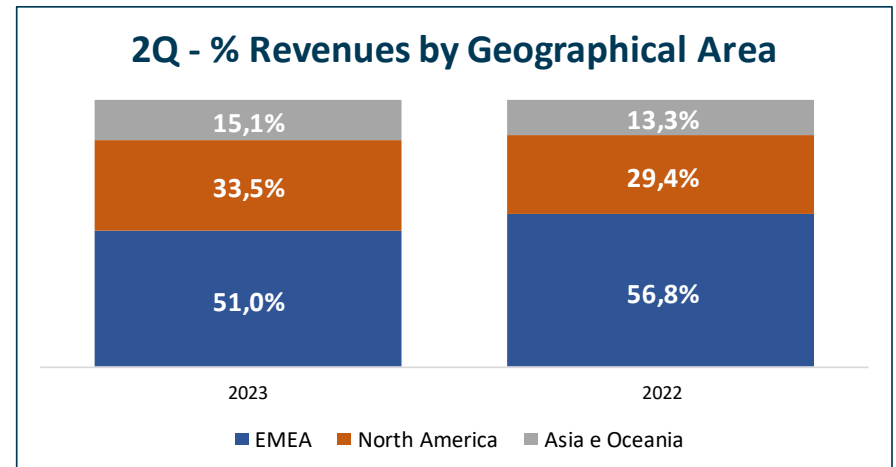
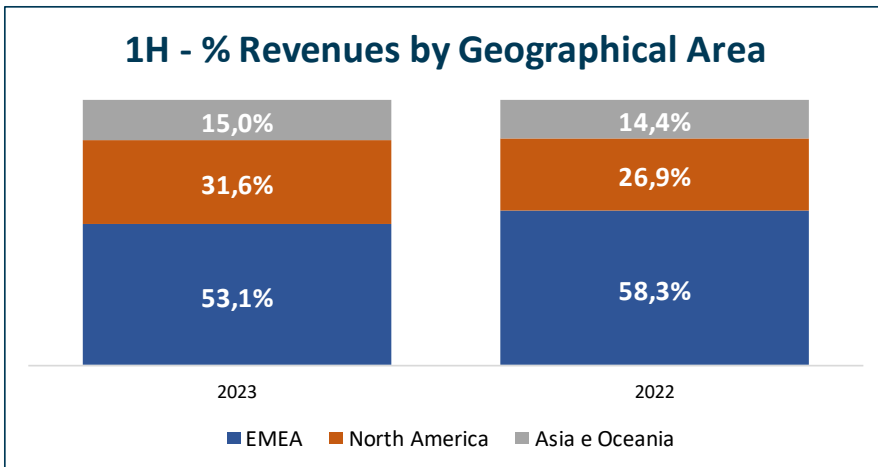
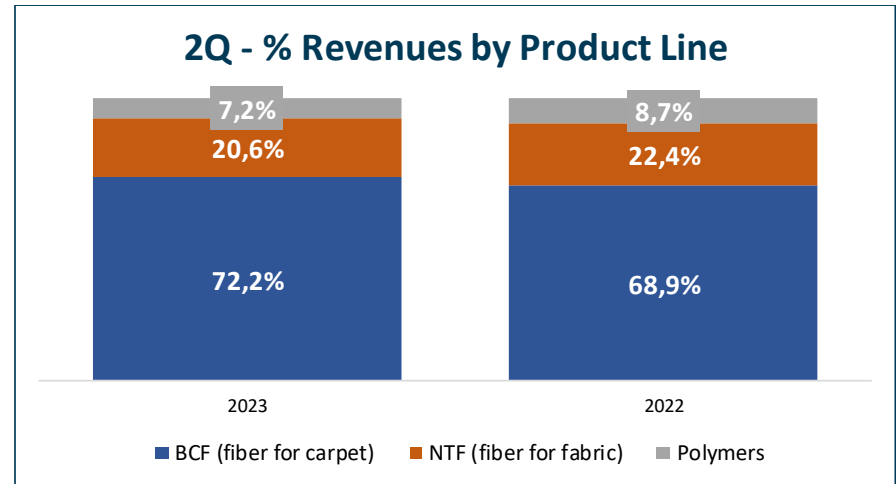
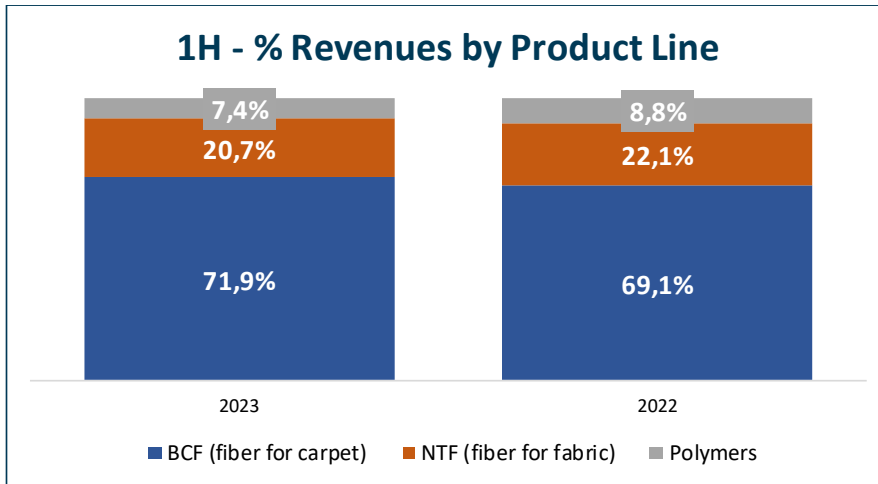
USA: volumes ca +0,8% vs 1H22 and -7,1% in 2Q22:

- BCF: 1H23 in line with 1H22
- NTF: lower quantity due to slow market demand

Asia: volumes ca -3,1% vs 1H22 and -6,7% in 2Q22:

- BCF: 1H23 minimum variance vs 1H22

2. Financial results – Revenues breakdown by Product Line and Area

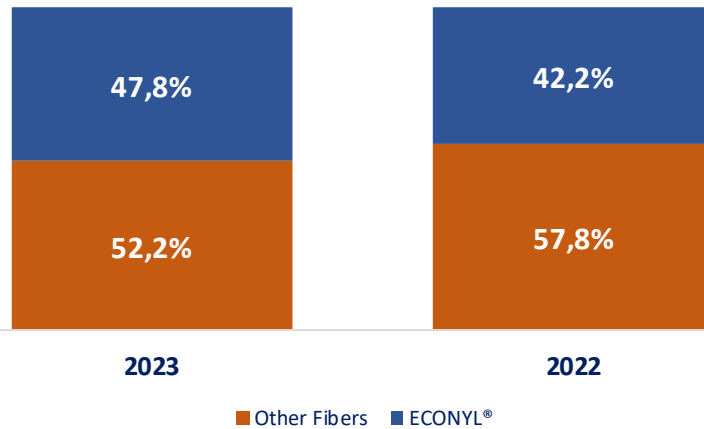


⁽¹⁾ Rest of World not included

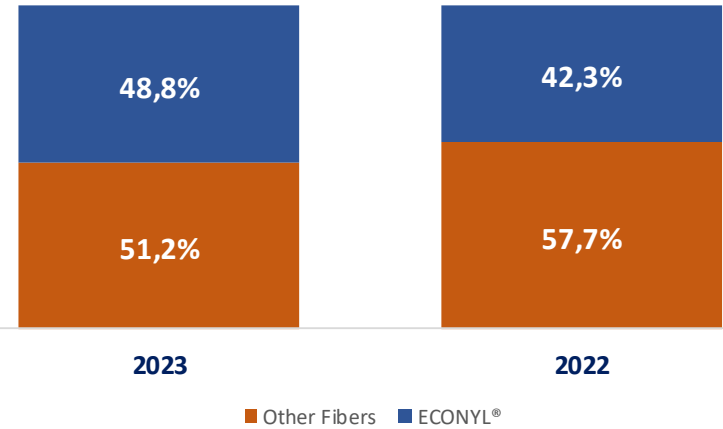
2. Financial results – Revenues: ECONYL® products

- Growth +2,4% vs 1H22 due to price increase - volumes sold essentially in line with the first half of 2022

1H - ECONYL Revenus on Fiber %



2Q - ECONYL Revenus on Fiber %

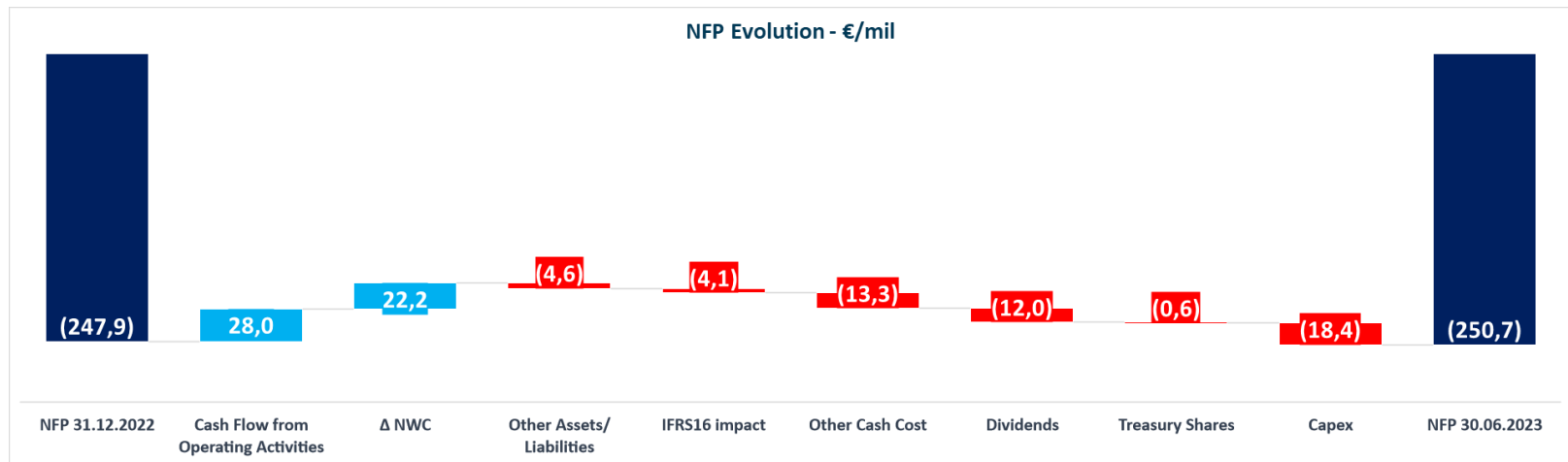
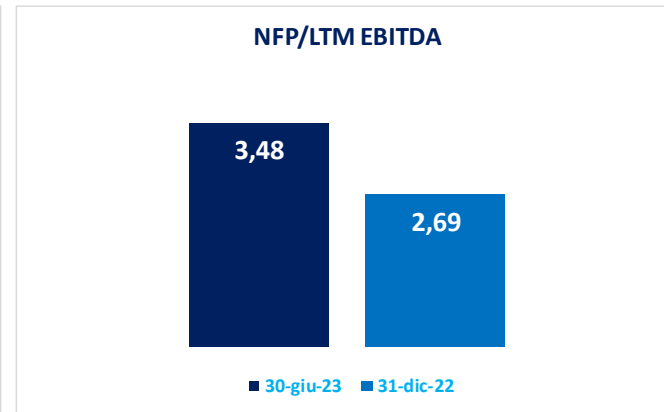
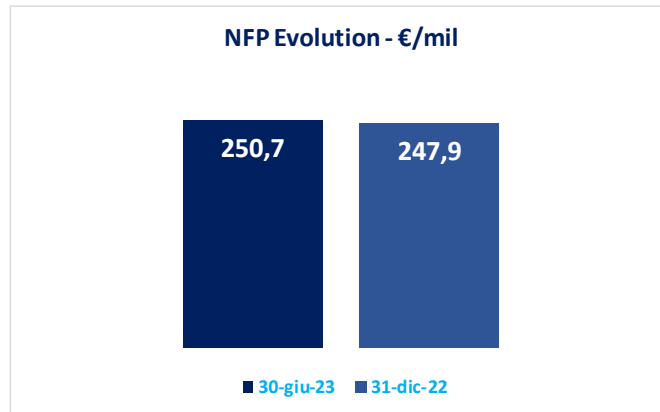


2. Financial results - P&L: KPI

	1H			2Q		
	2023	2022	Δ%	2023	2022	Δ%
Revenues	311,1	351,0	(11,4)%	144,3	179,8	(19,8)%
EBITDA	31,3	51,5	(39,2)%	9,8	26,7	(63,5)%
<i>% on net Sales</i>	10,1 %	14,7%		6,8%	14,8%	
EBIT	4,1	24,5	(83,3)%	(3,9)	12,1	(132,1)%
<i>% on net Sales</i>	1,3%	7,0%		(2,7)%	6,7%	
EBT	(2,1)	24,1	(108,6)%	(6,7)	12,2	(154,9)%
<i>% on net Sales</i>	(0,7)%	6,9%		(4,7)%	6,8%	
NET RESULT	(4,1)	17,7	(123,4)%	(7,4)	8,6	(186,9)%
<i>% on net Sales</i>	(1,3)%	5,0%		(5,1)%	4,8%	

2. Financial results - NFP and NPF/EBITDA

- NFP on 30th June 2023 equal to **250,7 €/mil** versus **247,9 €/mil** on 31st December 2022
- Ratio **NPF/EBITDA LTM** at **x3,48**



3. Outlook

In the second quarter, the EMEA market showed a strong contraction, whereas demand in other geographies remained essentially in line with the same period of the previous year.

In addition to this, Europe witnessed a swift decline in the Group's main raw material, whose price decreased by nearly 30% since year-start. This decline led to a mismatch between the market prices and unit values of inventories stocked in 2022, with a temporary, yet significant impact on the Group's margins.

With regard to the second half of the year, Asia and the United States are expected to confirm an essentially stable market demand. The EMEA market remains extremely slow, particularly with regard to fibers for garments, with an expected recovery in terms of volumes sold of fibers for carpets and polymers. In the engineering plastics market, demand is recovering overall, which will allow the Group's new product line to reach the targets set by the end of the year.

Within this context, the Group continues its important debt cutting measures launched in 2022, in addition to actions aimed at reducing costs. It bears recalling that the level of debt and margins is constantly monitored so as to be able to adopt adequate measures, where necessary.

4. Appendix

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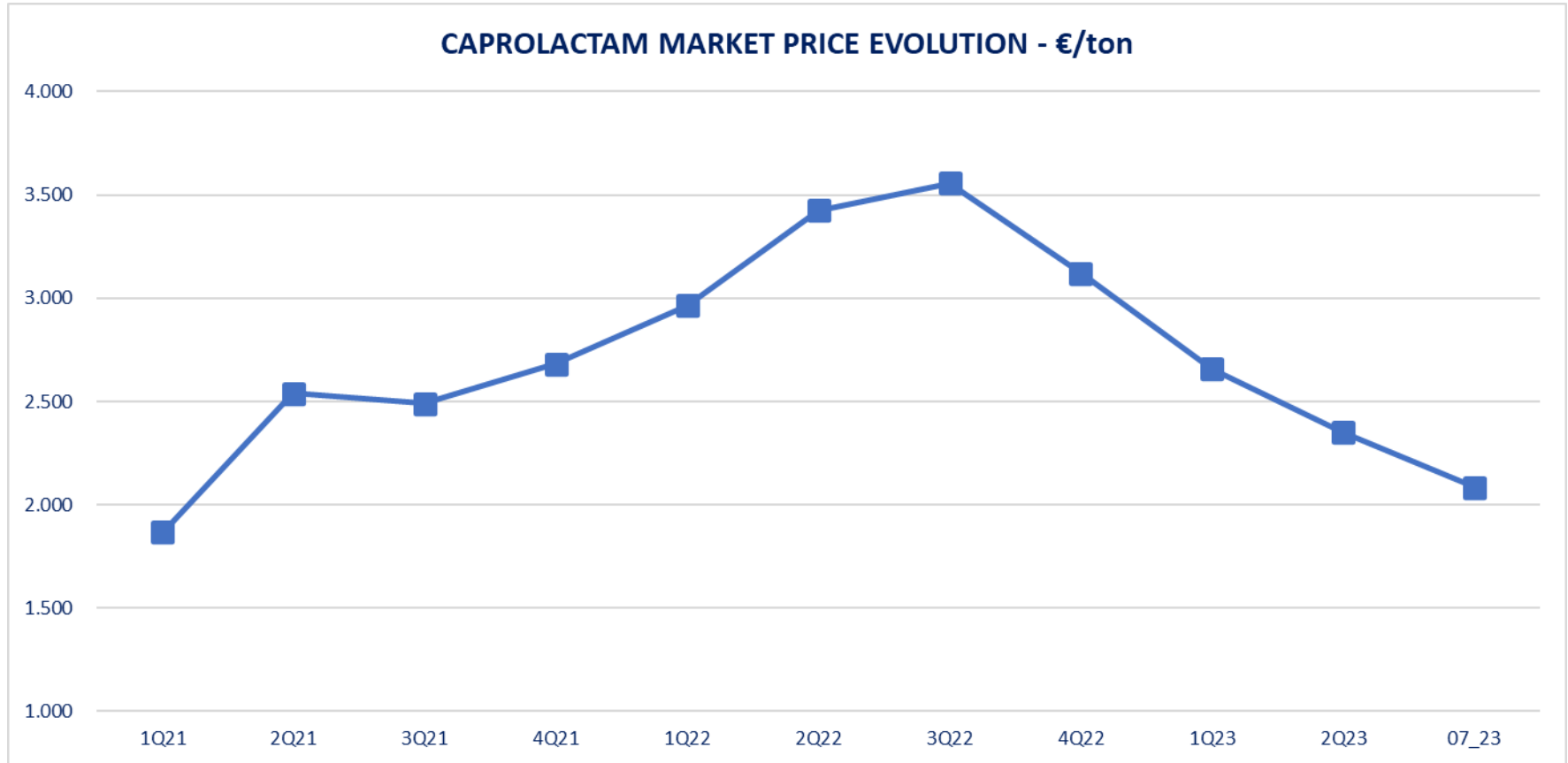
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The reader should, however, consult any further disclosure Aquafil may make in documents it files with the Italian Securities and Exchange Commission and with the Italian Stock Exchange.

Appendix - Definitions

<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

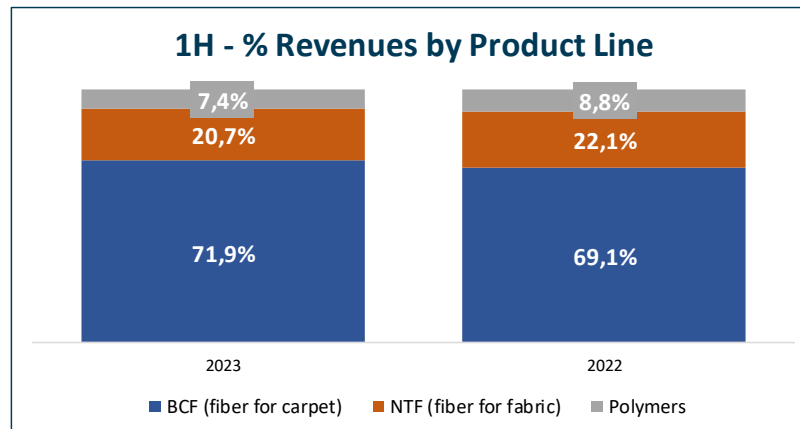
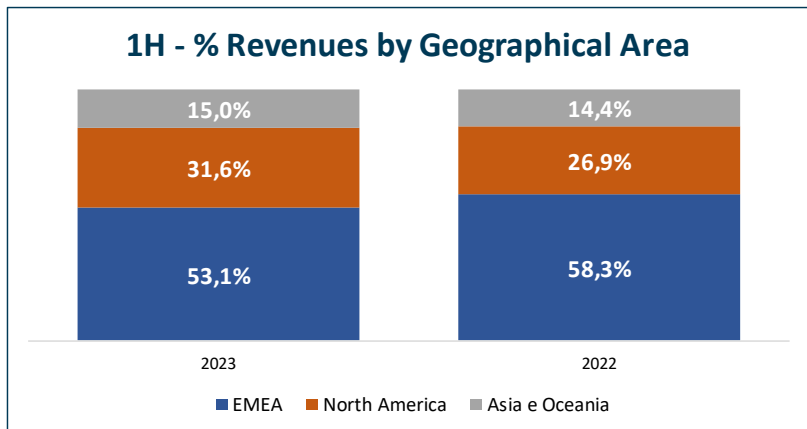


Appendix - Consolidated Income Statement

CONSOLIDATED INCOME STATEMENT €/000	Half year 2023	<i>of which</i> <i>non-current</i>	Half year 2022	<i>of which</i> <i>non-current</i>	Second Quarter 2023	<i>of which</i> <i>non-current</i>	Second Quarter 2022	<i>of which</i> <i>non-current</i>
Revenues	311.117	-	351.009	525	144.297	-	179.849	229
<i>of which related parties</i>	151	-	26	-	76	-	13	-
Other Revenues and income	4.947	3	2.413	114	2.230	1	1.157	23
Total Revenues and Other Revenues and income	316.064	3	353.422	639	146.527	1	181.006	251
Raw Material	(158.938)	-	(158.365)	(294)	(76.754)	-	(79.798)	(204)
Services	(67.864)	(1.018)	(81.957)	(738)	(31.622)	(215)	(43.097)	(384)
<i>of which related parties</i>	(264)	-	(230)	-	(139)	-	296	-
Personel costs	(63.019)	(515)	(64.898)	(811)	(30.985)	(197)	(33.511)	(464)
Other Operating Costs	(1.764)	(114)	(2.446)	(115)	(901)	(111)	(1.212)	(60)
<i>of which related parties</i>	(35)	-	(35)	-	(17)	-	(17)	-
Depreciation and Amortization	(24.287)	-	(23.756)	-	(12.458)	-	(12.838)	-
Provisions&Write-downs	115	-	174	-	28	-	191	-
(write-downs)/recovery of financial assets (receivables)	62	-	26	-	0	-	1	-
Capitalization of Internal Construction Costs	3.736	-	2.347	-	2.286	-	1.343	-
EBIT	4.106	(1.645)	24.548	(1.321)	(3.880)	(522)	12.085	(861)
Investment income/charges	-	-	(70)	-	-	-	(70)	-
<i>of which related parties</i>	-	-	90	-	-	-	90	-
Financial income	339	-	2.987	-	224	-	1.293	-
Financial charges	(7.505)	-	(3.862)	-	(4.225)	-	(1.991)	-
<i>of which related parties</i>	(87)	-	(64)	-	(42)	-	(33)	-
FX Gains and Losses	983	-	528	-	1.159	-	912	-
Profit Before Taxes	(2.078)	(1.645)	24.131	(1.321)	(6.721)	(522)	12.229	(861)
Income Taxes	(2.058)	-	(6.457)	-	(706)	-	(3.675)	-
Net Profit (Including Portion Attr. to Minority)	(4.136)	(1.645)	17.674	(1.321)	(7.427)	(522)	8.554	(861)
Net Profit Attributable to Minority Interest	0	-	0	-	-	-	-	-
Net Profit Attributable to the Group	(4.136)	-	17.674	-	(7.427)	-	8.554	-

Appendix - Consolidated Income Statement– Revenues 1H

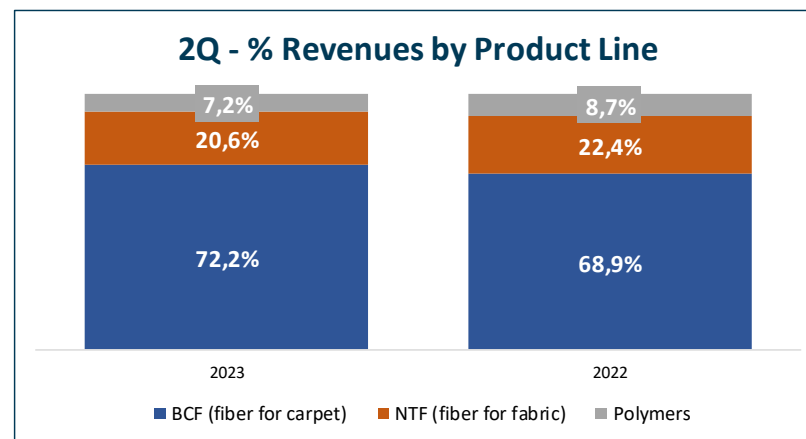
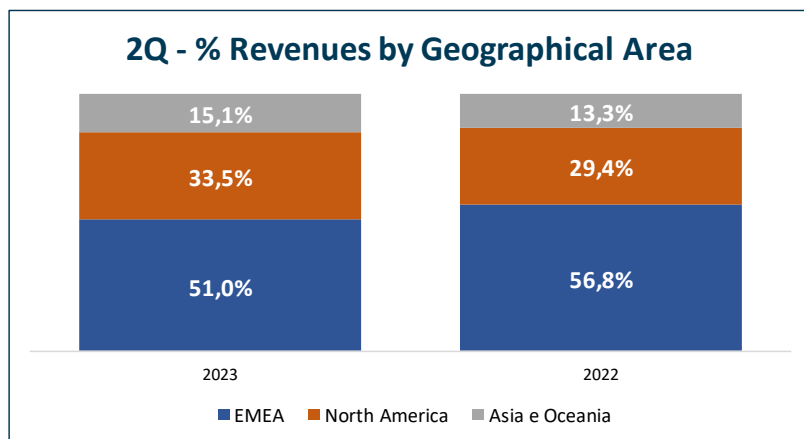
1H €/mil	BCF (fiber for carpet)				NTF (fiber for fabric)				Polymers				TOTAL					
	2023	2022	Δ	Δ%	2023	2022	Δ	Δ%	2023	2022	Δ	Δ%	2023	2022	Δ	Δ%	%23	%22
EMEA	99,0	117,8	(18,9)	(16,0)%	46,3	57,9	(11,6)	(20,0)%	19,8	28,8	(9,0)	(31,2)%	165,1	204,5	(39,4)	(19,3)%	53,1%	58,3%
North America	80,0	76,3	3,7	4,8 %	15,6	16,6	(1,0)	(5,9)%	2,8	1,5	1,3	86,6 %	98,4	94,4	4,0	4,2 %	31,6%	26,9%
Asia e Oceania	44,2	48,1	(3,9)	(8,2)%	2,0	1,8	0,2	10,3 %	0,4	0,5	(0,2)	(28,5)%	46,6	50,5	(3,9)	(7,8)%	15,0%	14,4%
RoW	0,5	0,3	0,2	58,8 %	0,6	1,3	(0,7)	(54,4)%	0,0	0,0	(0,0)	N.A.	1,1	1,6	(0,5)	(33,5)%	0,3%	0,5%
TOTAL	223,6	242,6	(19,0)	(7,8)%	64,5	77,6	(13,1)	(16,9)%	23,0	30,8	(7,8)	(25,4)%	311,1	351,0	(39,9)	(11,4)%	100,0%	100,0%
% Tot	71,9%	69,1%			20,7%	22,1%			7,4%	8,8%			100,0%	100,0%				



Appendix - Consolidated Income Statement – Revenues 2Q



2Q		BCF (fiber for carpet)				NTF (fiber for fabric)				Polymers				TOTAL				
€/mil	2023	2022	Δ	Δ%	2023	2022	Δ	Δ%	2023	2022	Δ	Δ%	2023	2022	Δ	Δ%	%23	%22
EMEA	44,7	58,5	(13,8)	(23,6)%	20,0	29,4	(9,5)	(32,2)%	8,9	14,3	(5,4)	(37,8)%	73,6	102,2	(28,6)	(28,0)%	51,0%	56,8%
North America	38,6	42,4	(3,8)	(9,0)%	8,4	9,3	(0,8)	(8,9)%	1,3	1,2	0,1	7,3 %	48,4	52,9	(4,6)	(8,6)%	33,5%	29,4%
Asia e Oceania	20,7	22,9	(2,2)	(9,8)%	1,0	0,8	0,2	23,3 %	0,1	0,1	0,0	21,2 %	21,8	23,9	(2,0)	(8,5)%	15,1%	13,3%
RoW	0,3	0,1	0,1	N.A.	0,3	0,7	(0,5)	(61,8)%	0,0	0,0	0,0	N.A.	0,5	0,9	(0,3)	(37,4)%	0,4%	0,5%
TOTAL	104,2	123,9	(19,7)	(15,9)%	29,7	40,2	(10,5)	(26,2)%	10,4	15,7	(5,3)	(33,7)%	144,3	179,8	(35,6)	(19,8)%	100,0%	100,0%
% Tot	72,2%	68,9%			20,6%	22,4%			7,2%	8,7%			100,0%	100,0%				



Appendix - EBITDA and Adjusted Operating Results

RECONCILIATION FROM NET PROFIT TO EBITDA <i>€/000</i>	Half year 2023	Half year 2022	Second Quarter 2023	Second Quarter 2022
Net Profit (Including Portion Attr. to Minority)	(4.136)	17.674	(7.427)	8.554
Income Taxes	2.058	6.457	706	3.675
Investment income and charges	0	70	0	70
Amortisation & Depreciation	24.287	23.756	12.458	12.838
Write-downs & Write-backs of intangible and tangible assets	(178)	(200)	(28)	(191)
Financial items (*)	7.651	2.435	3.524	893
No recurring items (**)	1.645	1.321	522	861
EBITDA	31.327	51.513	9.755	26.699
<i>Revenue</i>	311.117	351.009	144.297	179.849
EBITDA Margin	<i>10,1%</i>	<i>14,7%</i>	<i>6,8%</i>	<i>14,8%</i>

RECONCILIATION FROM EBITDA TO EBIT ADJUSTED <i>€/000</i>	Half year 2023	Half year 2022	Second Quarter 2023	Second Quarter 2022
EBITDA	31.327	51.513	9.755	26.699
Amortisation & Depreciation	24.287	23.756	12.458	12.838
Write-downs & Write-backs of intangible and tangible assets	(178)	(200)	(28)	(191)
EBIT Adjusted	7.218	27.956	(2.675)	14.053
<i>Revenue</i>	311.117	351.009	144.297	179.849
<i>EBIT Adjusted Margin</i>	<i>2,3%</i>	<i>8,0%</i>	<i>(1,9%)</i>	<i>7,8%</i>

(*) The financial items include: (i) financial charges and other bank charges of Euro (7.5) million, (ii) cash discounts of Euro (1.5) million, (iii) financial income of Euro 0.3 million, and (iv) exchange gain of Euro 1 million.

(**) This includes at the end of June: (i)(0.6) million related to a non-recurring event in the USA, (ii) non-recurring charges related to the expansion of the Aquafil Group for Euro (0.4) million, (iii) non-recurring charges related to legal advice for Euro (0.3) million, (iv) non-recurring costs relating to the mobility of personnel of two group companies for Euro (0.2) million, (v) other non-recurring charges for Euro (0.2) million.

Appendix - Consolidated Balance Sheet (1/2)

CONSOLIDATED BALANCE SHEET	At June 30,	At December 31,
<i>€/ 000</i>	2023	2022
Intangible Assets	20.827	21.596
Goodwill	15.359	15.647
Tangible Assets	243.825	247.469
Financial Assets	798	831
<i>of which related parties</i>	318	318
Investments & Equity method	1.018	1.018
Other Assets	304	426
	-	-
Deferred Tax Assets	11.326	11.519
Total Non-Current Assets	293.457	298.506
Inventories	217.965	260.808
Trade Receivable	27.150	28.553
<i>of which related parties</i>	163	376
Financial Current Assets	6.481	9.964
Current Tax Receivables	642	580
Other Current Assets	16.130	15.862
<i>of which related parties</i>	3.744	247
Cash and Cash Equivalents	111.001	110.682
Asset held for sales	-	-
Total Current Assets	379.368	426.449
Total Current Assets	672.826	724.955

Appendix - Consolidated Balance Sheet (2/2)

CONSOLIDATED BALANCE SHEET €/ 000	At June 30, 2023	At December 31, 2022
Share Capital	49.722	49.722
Reserves	103.620	96.528
Group Net Profit for the year	(4.136)	29.151
Group Shareholders Equity	149.207	175.401
Net Equity attributable to minority interest	1	1
Net Profit for the year attributable to minority interest	0	0
Total Shareholders Equity	149.208	175.402
Employee Benefits	4.866	5.192
Non-Current Financial Liabilities	275.378	285.385
<i>of which related parties</i>	4.350	5.262
Provisions for Risks and Charges	1.226	1.975
Deferred Tax Liabilities	9.232	9.237
Other Payables	7.303	8.985
Total Non-Current Liabilities	298.005	310.774
Current Financial Liabilities	92.756	83.146
<i>of which related parties</i>	2.706	2.957
Current Tax Payables	2.570	3.630
Trade Payables	105.035	126.840
<i>of which related parties</i>	350	270
Other Liabilities	25.251	25.163
<i>of which related parties</i>	-	230
Total Current Liabilities	225.613	238.779
Total Equity and Liabilities	672.826	724.955

Appendix - Net Financial Position

NET FINANCIAL DEBT	At June 30,	At December 31,
<i>€/000</i>	2023	2022
A. Liquidity	111.001	110.682
B. Cash and cash equivalents		
C. Other current financial assets	6.481	9.964
D. Liquidity (A + B + C)	117.482	120.646
E. Current financial debt (including debt instruments but excluding the current portion of non-current financial debt)	(1.864)	(1.333)
F. Current portion of non-current financial debt	(90.892)	(81.814)
G. Current financial debt (E + F)	(92.756)	(83.146)
H. Net current financial debt (G - D)	24.726	37.500
I. Non-current financial debt (excluding current portion and debt instruments)	(210.818)	(215.084)
J. Debt instruments	(64.560)	(70.301)
K. Trade payables and other non-current payables		
L. Non-current financial debt (I + J + K)	(275.378)	(285.385)
M. Total financial debt (H + L)	(250.652)	(247.885)

Appendix - Consolidated Cash Flow Statement (1/2)

CASH FLOW STATEMENT €/000	At June 30, 2023	At June 30, 2022
Operation Activities		
Net Profit (Including Portion Attr. to Minority)	(4.136)	17.674
<i>of which related parties</i>	(234)	(213)
Income Taxes	2.058	6.457
Investment income and charges	-	70
<i>of which related parties</i>	-	(90)
Financial income	(339)	(2.987)
Financial charges	7.505	3.862
<i>of which related parties</i>	87	64
Exchange (gains)/losses	(983)	(528)
(Gain)/Loss on non - current asset Disposals	(172)	(74)
Provisions&Write-downs	(115)	(174)
(write-downs)/recovery of financial assets (receivables)	(62)	(26)
Amortisation, depreciation & write-downs	24.287	23.757
Cash Flow from Operating Activities Before Changes in NWC	28.043	48.030
Change in Inventories	42.846	(60.647)
Change in Trade and Other Payables	(21.805)	31.120
<i>of which related parties</i>	80	(103)
Change in Trade and Other Receivables	1.466	(10.157)
<i>of which related parties</i>	213	33
Change in Other Assets/Liabilities	(4.644)	4.764
<i>of which related parties</i>	(3.497)	3.163
Net Interest Expenses	(6.570)	(875)
Income Taxes paid	(5.639)	(896)
Change in Provisions for Risks and Charges	(971)	(1.317)
Cash Flow from Operating Activities (A)	32.726	10.021

Appendix - Consolidated Cash Flow Statement (2/2)

CASH FLOW STATEMENT €/000	At June 30, 2023	At June 30, 2022
<i>Investing activities</i>		
Investment in Tangible Assets	(16.273)	(15.889)
Disposal of Tangible Assets	533	1.077
Investment in Intangible Assets	(2.500)	(1.316)
Disposal of Intangible Assets		
Investment of Financial Assets	(151)	(52)
Dividends	0	91
Disposal of financial assets		(160)
Cash Flow used in Investing Activities (B)	(18.390)	(16.249)
<i>Financing Activities</i>		
Increase in no current Loan and borrowing	35.000	31.000
Decrease in no current Loan and borrowing	(35.821)	(25.338)
Net variation in current and not current financial Assets and Liability included IFRS 16	3.492	1.427
<i>of which related parties</i>	<i>(1.163)</i>	<i>1.126</i>
Net variation non-monetary increase IFRS16	(4.063)	(6.246)
Dividends Distribution	(12.027)	(6.045)
Acquisition of treasury shares	(598)	(4.285)
Cash Flow from Financing Activities (C)	(14.016)	(9.487)
Net Cash Flow of the Year (A)+(B)+(C)	319	(15.715)