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Oggetto : 2024-2026 Industrial Plan

*Testo del comunicato*

Vedi allegato

**2024-2026 INDUSTRIAL PLAN****STRENGTHENING OF THE  
COMPETITIVE POSITION****SALES VOLUME GROWTH****PROFITABILITY IMPROVEMENT:  
TECHNOLOGY EFFICIENCIES,  
AUTOMATION UPGRADES  
AND COST RATIONALIZATION****€90-100 MILLION  
INVESTMENT PLAN****GENERAL SHAREHOLDERS' MEETING  
CALLED ON OCTOBER 10  
TO RESOLVE ON THE SHARE CAPITAL INCREASE PROPOSAL**

**Arco, September 12, 2024** – Today, at 17:00, Aquafil S.p.A. [ECNL:IM] [ECNLF:OTCQX] presents its 2024-2026 Industrial Plan (the “Plan”).

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

“Considering the improving of the economic and financial situation and given new market trends, the Company has approved a new Industrial Plan for the three-year period 2024 - 2026.

The latter sets out a strategy to unlock Aquafil's growth potential through increased volumes, innovative technologies and industrial efficiencies.

The goals of the Plan will also be achieved through the announced capital increase that will enable us to consolidate the leadership of the Group, accelerate selected investment initiatives as well as seize possible strategic opportunities.

As anticipated, our vision for the three-year period 2024 - 2026 includes growing volumes in all product lines, also strengthened by the improved macroeconomic scenario as well as the exit of some players from the market.

In addition, efficiencies such as industrial consolidation in Asia, optimization of ECONYL® production costs, automation and other rationalizations will enable us to increase our profitability.

Reinforcing the strategic vision for the coming years, the capital increase will enable us to increase the Company's flexibility by significantly strengthening the financial structure.

Aquafin Holding has expressed its intention to subscribe its share of the capital increase, confident that the Plan's forecasts will generate the expected results.”

**Main Strategic Objectives**

The Plan provides for a further strengthening of Aquafil's competitive positioning in the European markets and a steady growth in North America and Asia Pacific, aimed at supporting



an increase in revenues across all business areas (BCF, NTF, Polymers). The Plan also includes selected initiatives for technological improvement, enhanced efficiency and automation of the production process, and cost rationalization, with an expected positive impact on margins over the Plan's term.

The Plan calls for investments in the 2024-2026 three-year period amounting to €90-100 million (excluding IFRS 16 effects), of which €30-35 million for ordinary investments and €60-65 million aimed at increasing and/or optimizing production capacity or at developing new product innovations.

These investments will be financed through the resources currently available, those generated by the operations over the Plan's term, and by the capital increase, estimated at €40 million, as detailed below.

In particular, the main strategic objectives underpinning the Industrial Plan include:

- (i) *Continuous development and growth of regenerated and ECONYL® branded products:* the Group continues to focus on the ongoing growth of its regenerated and ECONYL® branded products, which are targeted to account for 60% of revenues generated from fibers by the end of 2025, with significant growth opportunities arising from the growing appreciation from customers, who are increasingly sensitive to environmental protection topics. In this regard, the Group plans to implement new initiatives, including through partnerships with selected customers, in order to optimize both regeneration costs and the circular economy process;
- (ii) *Development of key markets:* in the 2024 to 2026 period, Asia Pacific and the United States will be the areas where the Group is likely to achieve higher growth rates, also considering the investment and production capacity expansion initiatives in progress or planned over the Plan's term. To this end, with reference to the Asia Pacific area, specific investments are planned to consolidate the production capacity in China. Regarding the United States, the Group aims to increase its market share by further leveraging on the ECONYL® branded product offering. At the same time, the Plan's key initiatives also envisage consolidating and further strengthening the Group's competitive positioning in Europe, to be pursued by leveraging on the ongoing innovation for which the Group has always been recognized, with particular reference to high-end products;
- (iii) *Continuous process and product innovation, research and development activities:* planned measures and investments are aimed at:
  - a) further developing circularity technologies, including Ecodesign initiatives;
  - b) developing new high-performance fibers for specific technical applications and for adjacent and high-growth markets (airlines, cruises, technical materials), leveraging on the research and development initiatives already undertaken in this regard in recent years;
  - c) continuing the development and optimization of technologies for selecting and recovering carpets and end-of-life textiles;
- (iv) *Development of selected efficiency initiatives, with measures and investments aimed at:*
  - a) increasing the efficiency of the production capacity, including from an industrial and energy perspective;
  - b) optimization of ECONYL® Regeneration System;
  - c) introducing new spinning technologies and renewal of certain machinery, including selected initiatives to further automatize industrial activities for the BCF product line;
  - d) maintaining the efficiency of variable costs.

The capital increase, together with the cash and cash equivalents that will be generated over the next few years, will provide the Company with the financial resources needed to seize



potential M&A opportunities — arising increasingly often — that would allow the Group to further accelerate its growth path by means of a consolidation process in the market in which it operates.

## **2024-2026 Objectives**

### **2024 – Expected Results**

For 2024, an approximately 5% positive change in volumes is expected compared to the previous year. In particular, the BCF and NTF product lines are expected to record volumes in line with the previous year, and Polymers are expected to increase by about 40%. With regard to the performance in the different geographical areas, a partial market recovery of the NTF segment is expected in Europe, following the strong reduction in 2023, and a stabilization of the same segment is forecast in the United States. A gradual recovery is also expected in the BCF market in the United States and Europe, as well as a significant growth of the Polymers segment in Europe, thanks to the consolidation of the Engineering Plastics business. In the Asian area, a constant growth is expected for the BCF segment.

Expected EBITDA is significantly higher compared to 2023 (approximately €65 million vs. €48 million), mainly thanks to higher volumes sold, the stabilization of the inventory effect and the initiatives aimed at improving efficiency linked to personnel cost rationalization, enhanced productivity and energy efficiency.

The net financial position<sup>1</sup> —expected at the end of 2024 amounts to €207 million, also reflecting the effects of the capital increase, estimated at €40 million.

### **2025 and 2026 — Our Vision**

In terms of volumes:

- for 2025, a growth in the 15%-20% range is expected compared to 2024. In particular, a 7%-9% increase is expected for the BCF product line, a 15%-18% increase for the NTF product line and a 45%-55% increase for Polymers. With regard to the performance of the different geographical areas, a strong market recovery is expected in the NTF segment in Europe and the United States. A further recovery is also expected in the BCF market in the United States and Europe, as well as a growth consolidation in the Polymers segment in Europe, thanks to the expected business expansion. In the Asian area, a steady growth of the BCF segment is expected;
- for 2026, a growth in the 2%-4% range is expected compared to 2025. In particular, a 2%-4% increase is expected for the BCF product line, a 4%-7% increase for the NTF product line and a 1%-2% increase for Polymers. With regard to the performance of the different geographical areas, a consolidation is expected in the NTF segment in Europe and the United States. Further growth is also expected in the BCF market in the United States and Asia, as well as a stabilization of the business in Europe. A consolidation of the Polymers segment is expected in Europe.

EBITDA for 2025 and 2026 is expected to grow (€80-87 million and €90-96 million, respectively), thanks to higher volumes sold, better absorption of fixed costs and the measures aimed at further optimizing profitability and production efficiency planned over the Plan's term.

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<sup>1</sup> inclusive of IFRS 16 effects



Net financial position<sup>2</sup> is expected to decrease to approximately €185 - 195 million and to approximately €157 - 167 million at December 31, 2025 and 2026, respectively. The gradual reduction of net financial debt reflects, *inter alia*, the effects associated with the capital increase, the positive cash generation of operating activities and the investments planned to support strategic initiatives.

### **ECONYL® branded products**

In the 2024-2025 two-year period, the regenerated and ECONYL® branded products will continue to grow and the Group confirms the target of 60% of revenues generated from fibers by the end of 2025.

### **Capital Increase supporting the Plan**

All activities instrumental to the preparation and execution of the operation are underway. In this context, the General Shareholders' Meeting has been called on October 10, 2024 to approve the capital increase.

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On September 12, at 17:00, Aquafil S.p.A. presents its 2024-2026 Industrial Plan in virtual mode. The event can be followed live at the following link: <https://bit.ly/aquafil-plan-24-26>

The supporting documentation is published in the "Investors - Results and Presentations" section of the Company's website before the event.

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*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 geopolitical context (in Italy and internationally), and many other factors, most of which are beyond the Group's control.*

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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

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<sup>2</sup> inclusive of IFRS 16 effects



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 on three different continents, employing about 2,400 people at 19 production sites located in Italy, Slovenia, Unites States, China, Croatia, Chile, Thailand and Japan.

### Per further information

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