



## MAIN GOALS AND FINANCIAL TARGETS 2023 – 2025

### IN 2024 – 2025 COST RATIONALIZATION MEASURES EXPECTED FOR EURO 9 - 12 MILLION

### VOLUMES INCREASE FOR ALL PRODUCT LINES COMPARED TO 2023

**Milan, November 21, 2023** – Aquafil S.p.A. [ECNL:IM] [ECNLF:OTCQX] announces that today, at 2:30 p.m. CET, at Palazzo Giureconsulti, the main goals and financial targets 2023 – 2025 will be presented.

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

“This year proved to be uncertain and affected by high volatility. Against this complex scenario, we decided to take time to review the targets we set at the beginning of the year for the three years ahead. We are pleased to present today our expectations for the future.

As anticipated during the presentation of the nine months results, in the fourth quarter we expect demand in EMEA to be above or in line with the one recorded in the same period of the previous year for both fibers for carpet and Polymers. As for the fiber for garments, however, the weakness that characterized the first nine months of the year is confirmed.

In terms of volumes, the United States will be in line the fourth quarter of 2022, despite the automotive industry strike.

Asia Pacific will achieve volumes in line with the fourth quarter of 2022.

Overall, the month of October confirms our expectations.

Year 2023 shows a slight decrease in volumes compared to the previous year and a different mix. ECONYL® branded products remain stable.

The temporary effect of margin reduction — already witnessed in the second quarter due to the high unit value of inventories stocked in the previous year — will continue until the end of the year.

The activities implemented by the Company to maintain the variable cost efficiency, to rationalize personnel costs and to optimize working capital remain strategic priorities. In addition, the high quality of manufacture capital and the level of saturation will allow a reduction in investment, while research and development activities will continue.

Our 2024 - 2025 outlook includes growing volumes for all product lines. We expect a market recovery, both in EMEA and United States, for garments fibers, after the sharp decline experienced during 2023. We also expect new prospects for Polymers strengthened by the Engineering Plastics business and a growing market for for carpet fibers in Asia Pacific.

The goal to reduce the net financial position, by 2025 is within the range of Euro 50 - 60 million. This result is linked to the increase of the EBITDA and the optimization actions.”

## **2023 – 2025 goals**

### **2023 – expected results**

In terms of volumes, for 2023, is expected a decrease between 3% and 4% compared to the previous year. Specifically, the BCF product line is expected to decline by 2% to 4%, the NTF product line is expected to decline by 20% to 22%, while Polymers are expected to grow between 16% to 18%, mainly driven by the Engineering Plastics business.

The expected EBITDA for 2023 stands in the range of € 45 - 50 million. This result is affected by a strong inventory impact (estimated in € 23 - 25 million), related to the high unit value of the 2022 inventories compared to the 2023 market value of raw materials. EBITDA adjusted by this effect results in the range of € 68 - 70 million.

The expected net financial position is in the range of € 250 - 260 million partly due to debt containment actions implemented during the year.

### **2024 – our vision**

For the 2024 is expected an overall increase in volumes between 4% and 7% compared to the previous year. The BCF product line is expected to grow 3% - 6%, the NTF product line is expected to grow 13% - 16%, while Polymers increase is expected to be 6% - 9%, thanks to the consolidation of the Engineering Plastics business. Raw materials are considered at a price level in line with the last months of 2023.

Expected EBITDA for 2024 is in the range of € 76 - 82 million; an increase in the result compared to the previous year mainly due to higher quantities sold, estimated in € 3 - 5 million, efficiency enhancing actions related to the rationalization of personnel costs as well as increased productivity and energy efficiency by an additional € 5 - 7 million.

In terms of Net Financial Position, the expected range is € 225 - 235 million in 2024 thanks to the positive cash generation from operating activities and CAPEX<sup>1</sup>, which will be in a range of € 25 - 30 million.

### **2025 – our vision**

For the 2025 is expected an overall increase in volumes between 6% and 9% compared to the previous year. The BCF product line is foreseen to grow by 4% - 7%, the NTF product line by 8% - 11%, while Polymers are expected to grow by 14% - 17%. Raw materials are considered at a price level about 5% higher than in 2024.

Expected EBITDA for year 2025 is in the range of € 84 - 92 million. This increase over 2024 is attributable to the higher quantities sold for about € 4 – 5 million, to further efficiency-enhancing actions related to rationalization of personnel costs as well as increasing productivity and energy efficiency for € 4 – 5 million.

In terms of Net Financial Position, the expected range is € 190 – 200 million in 2025 thanks to the positive cash generation from operating activities and CAPEX<sup>2</sup>, amounting to approximately € 25 - 30 million.

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<sup>1</sup> CAPEX does not include effect of IFRS 16 and related impact on NFP

<sup>2</sup> CAPEX does not include effect of IFRS 16 and related impact on NFP



## **ECONYL® branded products**

In 2024 - 2025, ECONYL®-branded products continue their growth, and the Group confirms its set target of 60% of fiber revenue by the end of 2025.

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On November 21, at 2:30 p.m. CET, Aquafil S.p.A. will present the "Main goals and financial targets 2023 - 2025" which will be held at Palazzo Giureconsulti (Piazza dei Mercanti, 2). The event will be also live streamed at the following link: <https://bit.ly/aquafil-goals-targets-23-25>.

Supporting documentation will be posted in the "Investors" section of the Company's website (<https://www.aquafil.com/investor-relations/results-and-presentations/>) 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 institutional 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 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 19 production sites located in nine countries and in three different continents, more precisely in Italy, Slovenia, Unites States, China, Chile, 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