

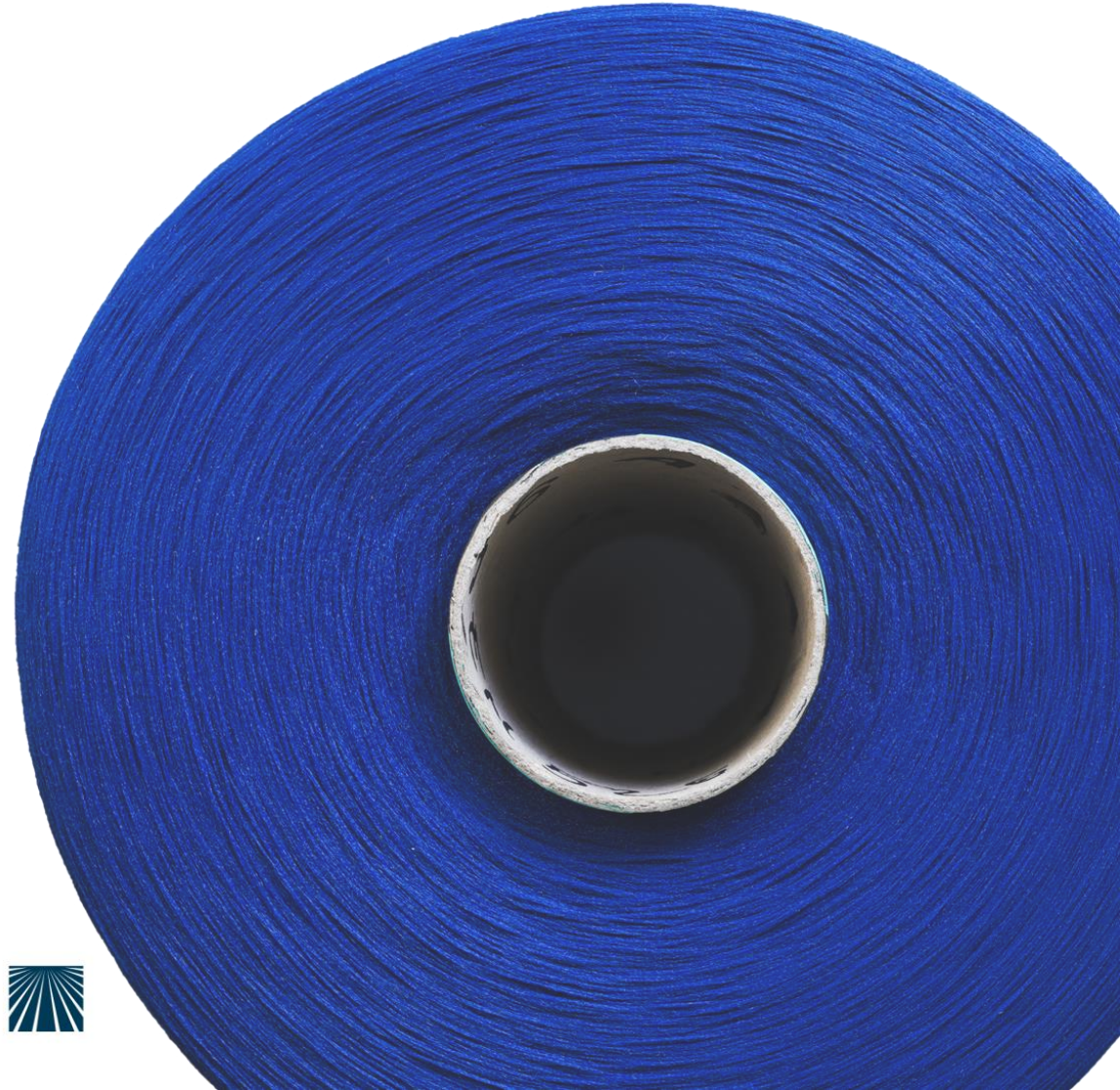


# **INDUSTRIAL PLAN**

## **2024 - 2026**

[ECNL:IM] - [ECNLF: OTCQX]

**September 12, 2024**



# 1H 2024 Financial highlights

1H 2024

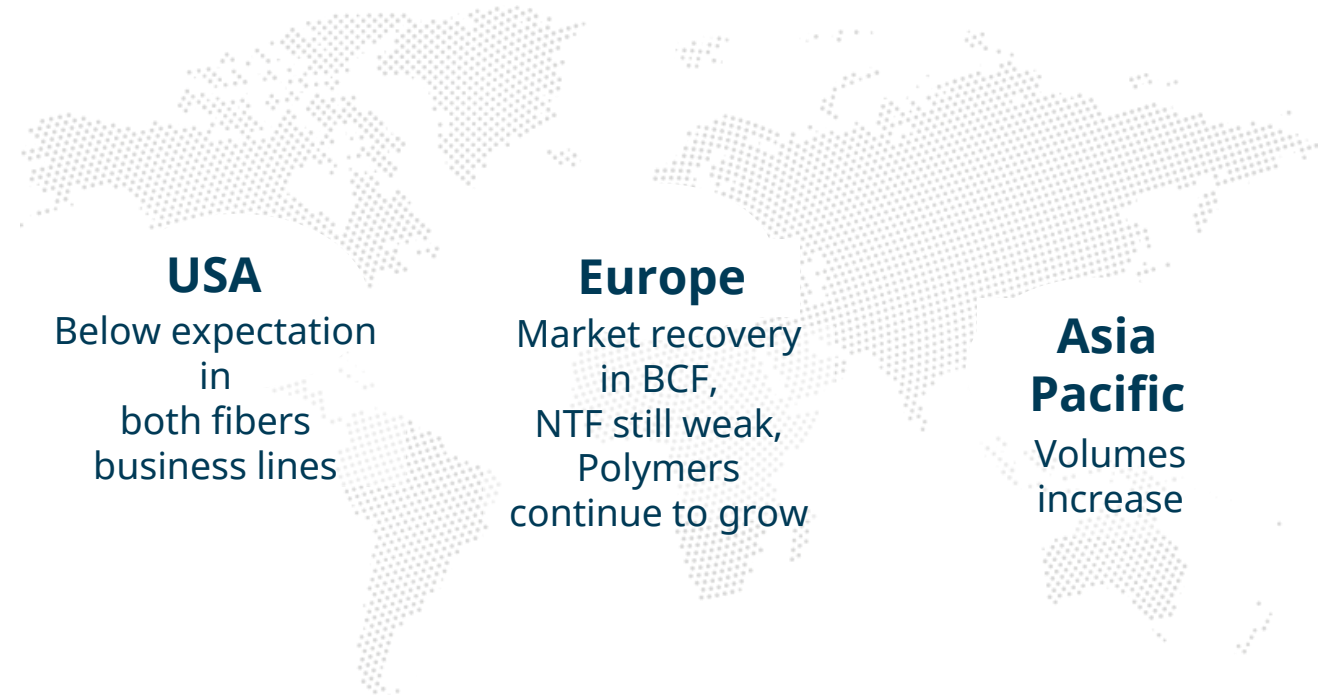
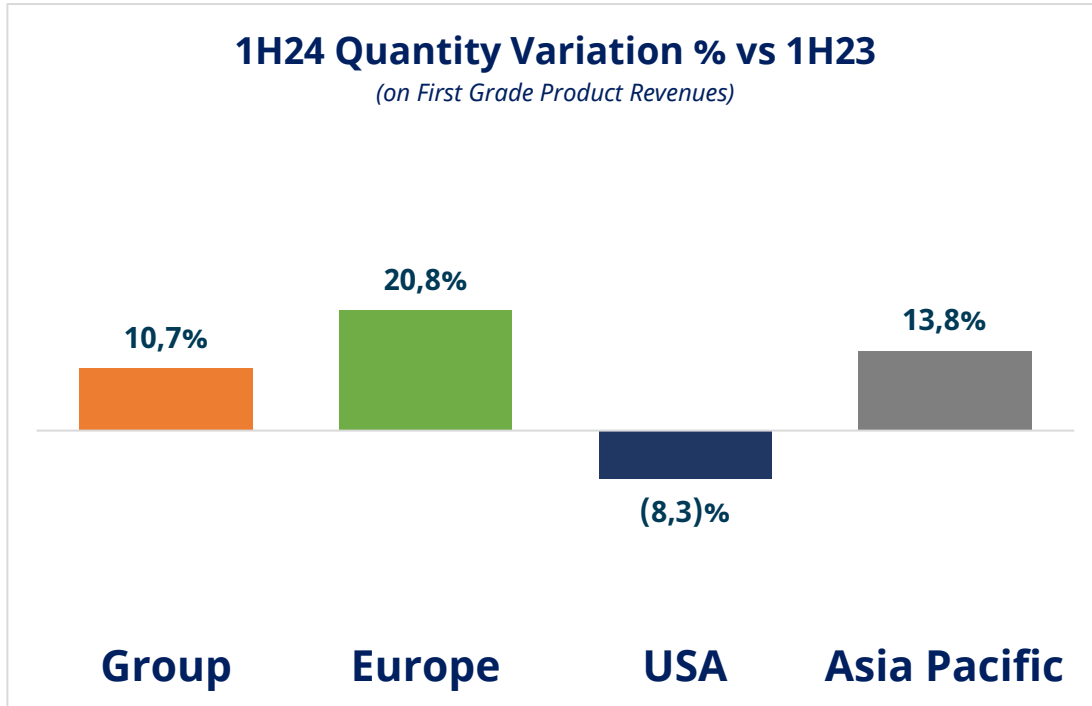
- **Volumes**
- **ECONYL® products**
- **Main accomplishments**
- **EBITDA and profitability**
- **Net Financial Position**





# 1H 2024 Financial highlights - Volumes

Overall, the Group quantities increased by 10.7% vs 1H2023

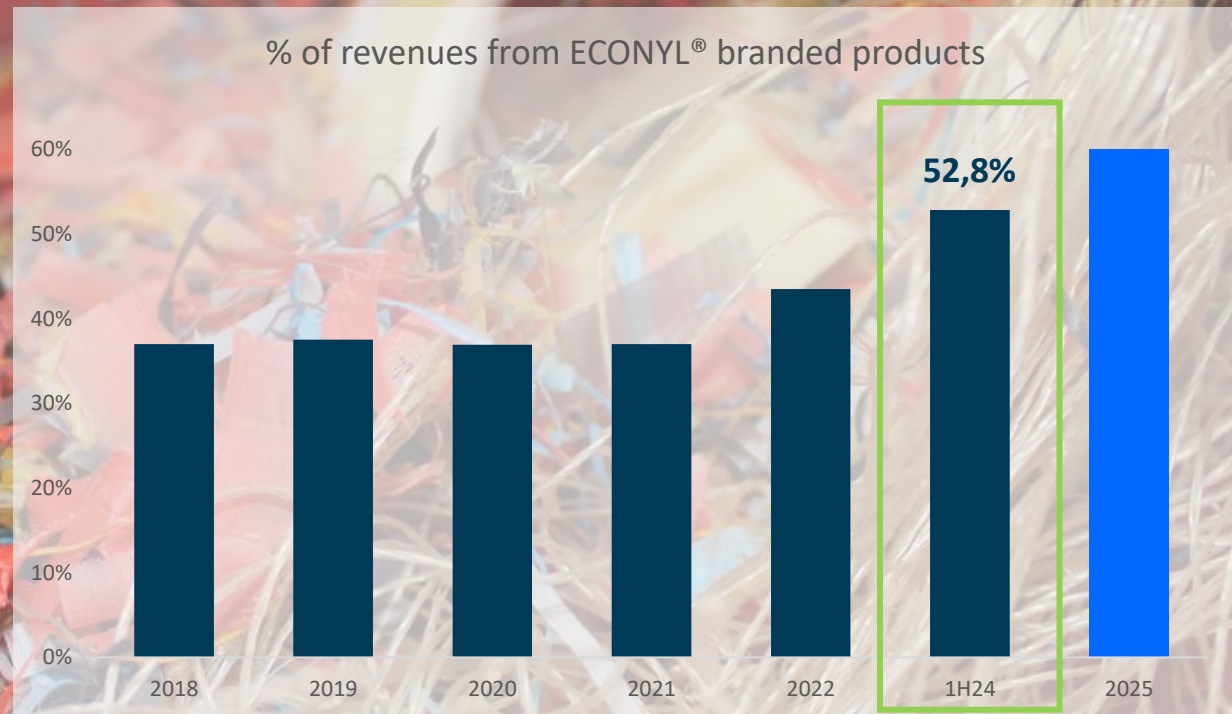


**2025 target**

**60% of revenues**

generated by fibers  
from

**ECONYL® Branded  
Products**

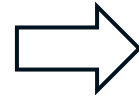


# Main accomplishments – target vs achieved

## Previous Guidance targets

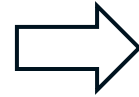
## Implemented actions

**NFP**



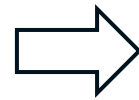
On track with expectations

**Reduction** in personnel costs



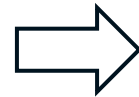
**Headcount reduction:** from approx. 2,800 to approx. 2,400

**Rationalization** of working capital



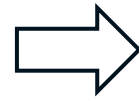
**Decrease of inventory** volumes (approx. 20% 1H23 vs 1H24)

**Production costs management** to maintain the efficiency of variable costs



**Utilities** efficiencies and increase of **production efficiency**

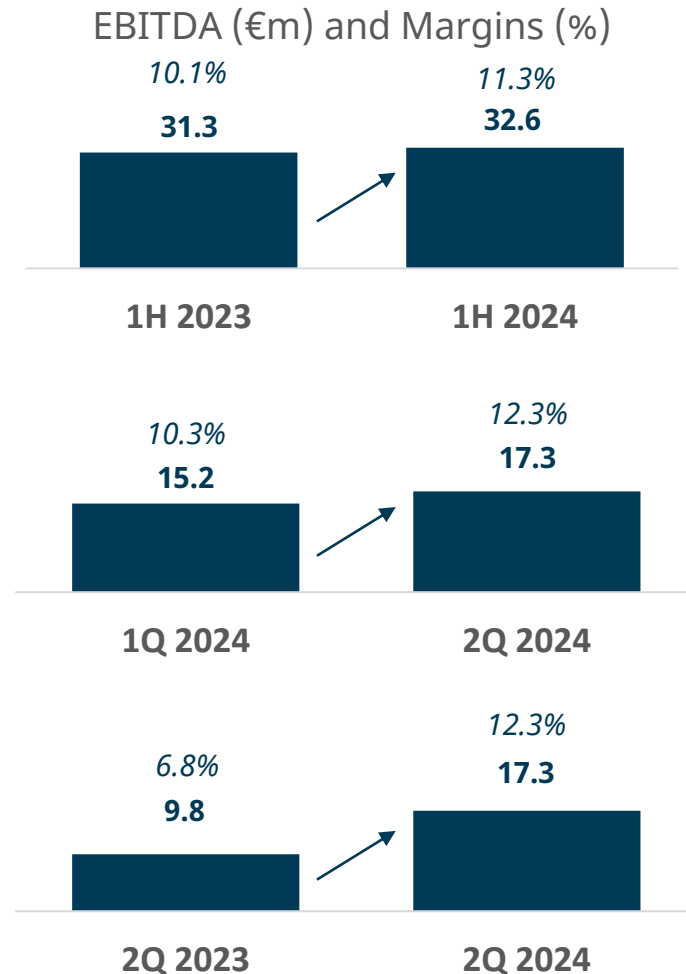
High manufacture capital quality and saturation level lead to **lower investments**



**CAPEX** containment: €9,2 mln. in 1H24 vs €18,4 mln. in 1H23



# 1H 2024 Financial highlight – EBITDA and profitability



**Marginality improvement for both 2Q24 vs 1Q24 and 1H24 vs 1H23, with significant acceleration in 2Q24 (ca. +78% vs. 2Q23)**

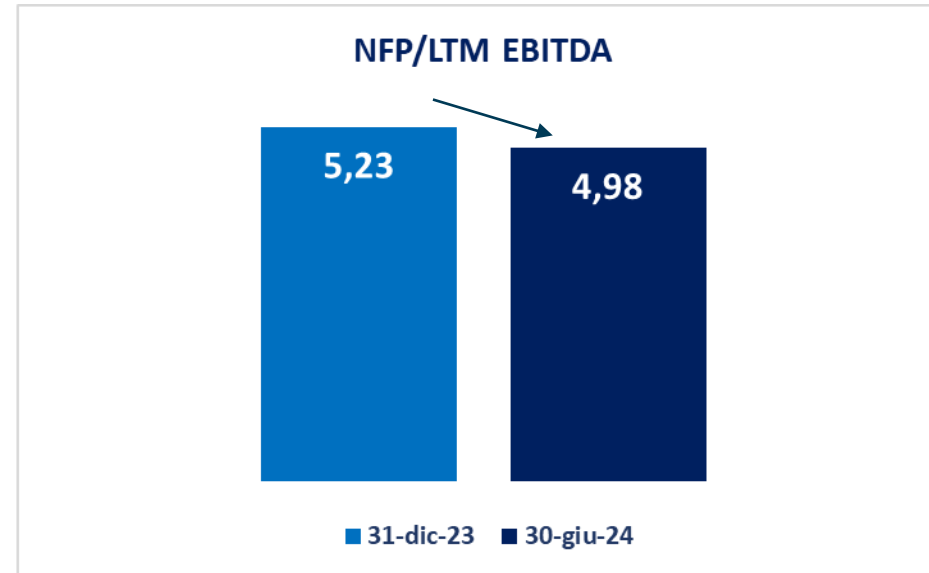
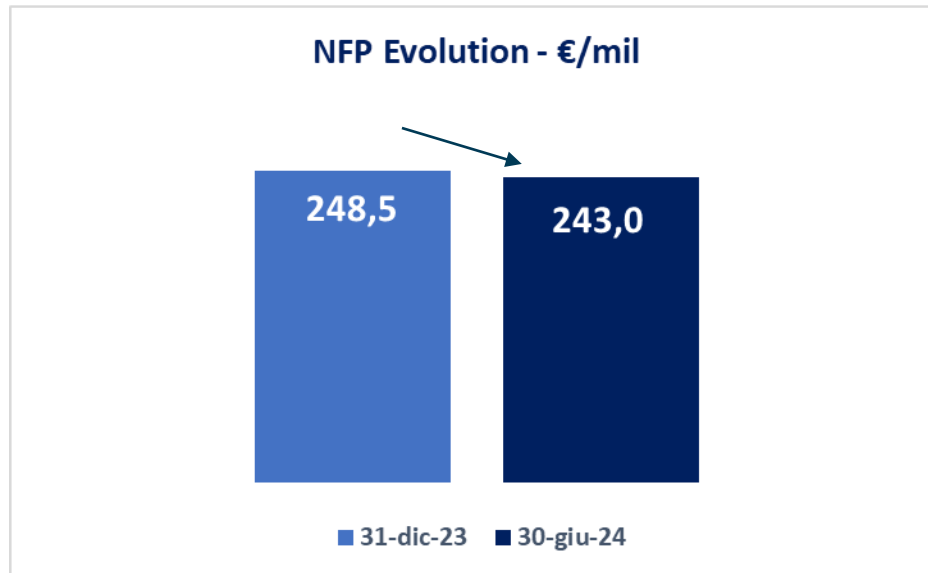
- **Benefits from efficiencies actions and rationalization of personnel costs**
- **Decrease in utilities costs**
- **USA fibers market and EMEA NTF volumes not fully supporting the EBITDA**
- **Temporary negative price effect alignment to the raw material cost**



# 1H 2024 Financial highlights –NFP and NFP/EBITDA

## Decreasing trend in Net Financial Position

- NFP on 30<sup>th</sup> June 2024 equal to **243,0** vs **248,5 €/mil** on 31<sup>st</sup> December 2023
- Ratio **NFP/EBITDA LTM at x4,98**



# Industrial plan 2024 - 2026

## Our view for the future

- Recent market trends and competitive arena
- Capital increase
- Key messages
- Key indicators
- Expected volumes
- Capex
- EBITDA
- Net Financial Position





# Recent market trends and competitive arena



## USA

- Improvement in the macroeconomic scenario: cut of interest rates with impact on contract and residential sectors
- Volume growth also thanks to player exiting the market

## Europe

- Consolidation trend in BCF already seen in 2Q 2024 also thanks to rising demand for high quality products in residential and automotive markets
- Volume growth also thanks to player exiting the market
- Polymers sector characterized by continuous recovery of the underlying markets activity

## Asia Pacific

- Expected market rebound in residential and constant growth in the automotive sector
- Volume growth also thanks to player exiting the market

# Capital increase – Rationale

- Provide resources to support and accelerate industrial plan's investments and strategic initiatives
- Allow to grab potential opportunities for acquisition and consolidation in an evolving market in the coming years
- Increase strategic flexibility while significantly strengthening – as a result – the company's financial structure

***THE MAJOR SHAREHOLDER AQUAFIN HOLDING HAS EXPRESSED ITS INTENTION TO SUBSCRIBE ITS PRO-QUOTA SHARE OF THE CAPITAL INCREASE***





# Industrial plan 2024 – 2026 – Key messages

- Main assumption:
  - selling prices and key raw materials prices estimated in line with 1H2024 values
- New **2024 –2026 industrial plan** designed to:
  - further **strengthen** the Group's **competitive positioning** through **volumes increase**
  - **accelerate the growth path**, also through additional investments, partly leveraging on the **€40m capital increase**
  - support selected initiatives for:
    - **technological improvement**
    - **increase in efficiency** and **automation** of the production process, and
    - **cost rationalization**



# Industrial plan 2024 – 2026

## - Key indicators

### Expected results 2024

- **EBITDA target:** ca. 65 €/mln
- **NFP\*:** ca. 207 €/mln

### Expected results 2025

- **EBITDA target:** 80 – 87 €/mln
- **NFP\*:** 185 – 195 €/mln

### Expected results 2026

- **EBITDA target:** 90 – 96 €/mln
- **NFP\*:** 157 – 167 €/mln

All the expected results include the effects of the announced capital increase of €40 mln.

The Plan does not assume the distribution of dividends.

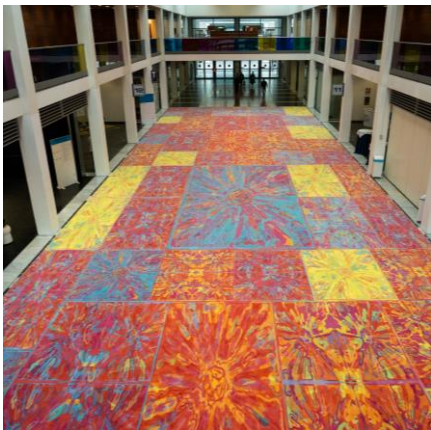
\* Positive means debt and includes the IFRS 16 effects





# Industrial plan 2024 – 2026 - Expected volumes by business lines

BCF - Carpet yarn



NTF - Textile yarn



Polymers



'24E vs '23A	Substantially stable	Substantially stable	+40%
'25E vs '24E	From +7% to +9%	From +15% to +18%	From +45% to +55%
'26E vs '25E	From +2% to +4%	From +4% to +7%	From 1% to +2%
CAGR '23-'26	+4%	+7%	+30%

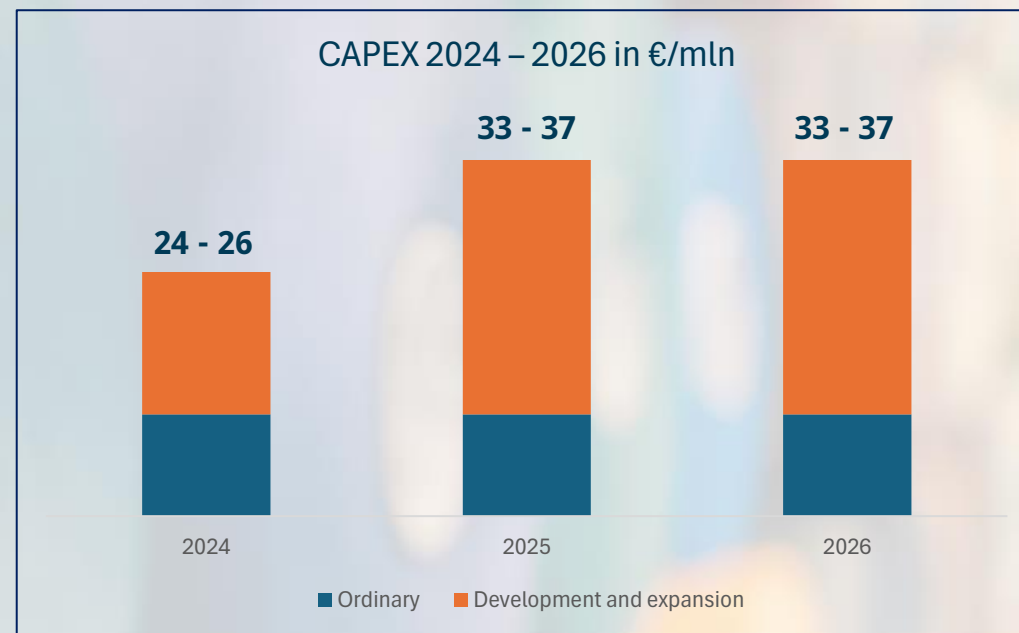
All the expected results include the effects of the announced capital increase of €40 mln.

# Capex

The Plan provides for investments **in the three-year period 2024-2026** amounting to **€90-100 million** (excluding IFRS 16 effects)

In the three-year period 2024-2026

- **€30-35 mln.** for **ordinary investments**
- **€60-65 mln.** aimed at **increasing** and/or **optimizing** production capacity or for the development of new product innovations





# Capex – Main development and expansion projects

- OneStep technology expansion in all geographical areas
- Engineering Plastics capacity improvement
- New high-performance fiber for specific applications (i.e. airlines, cruises, technical materials)
- New technology for recycling multi fiber fabrics
- Ecodesign

# Efficiencies

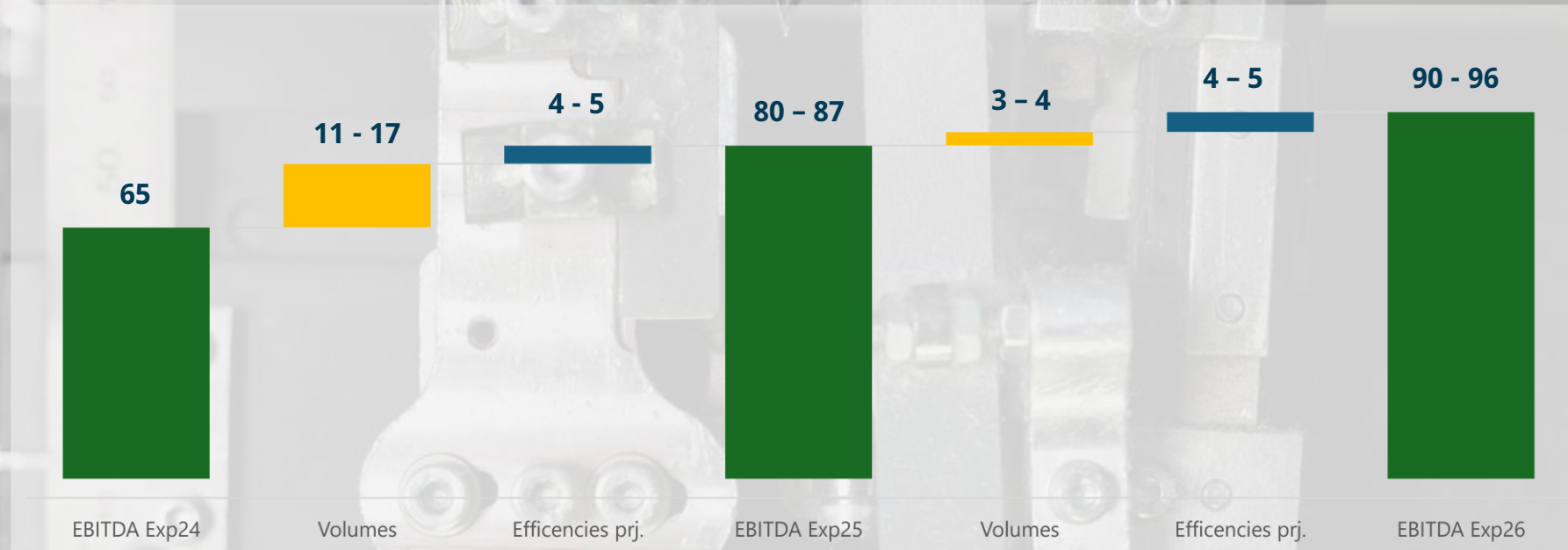
In addition to volumes increase the expected EBITDA trend is driven by efficiencies, such as:

- Asian industrial consolidation
- ECONYL® cost optimization
- Industrial automation
- Variable costs optimization



# EBITDA ('24 vs '26)

## From 65 to 90-96 €/mln

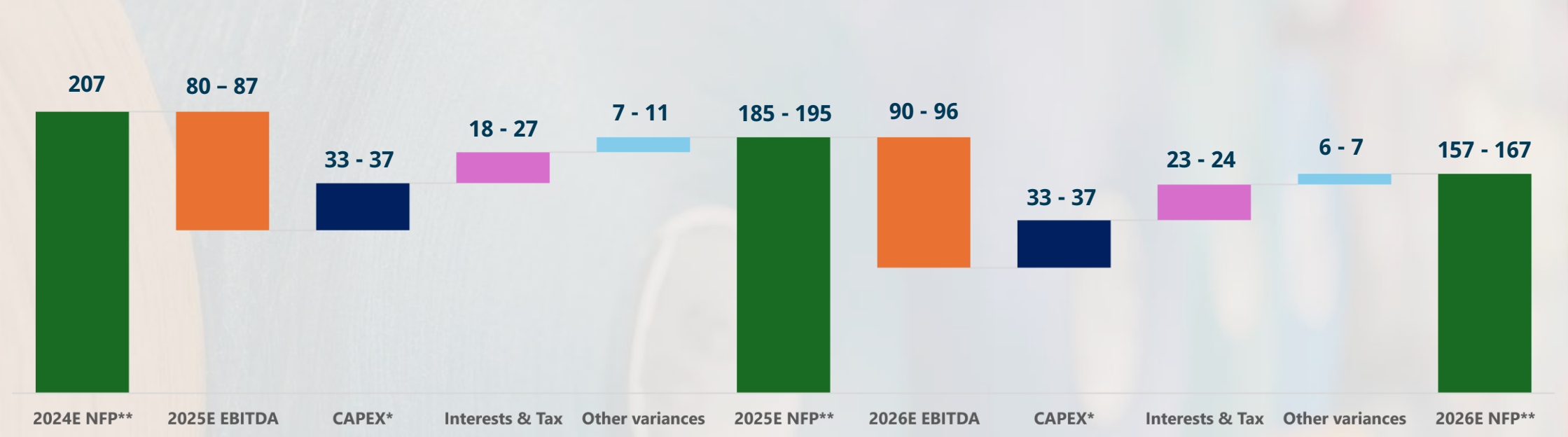


Figures already discount the expected inflation impact

Data in €/mln

# Net Financial Position ('24 vs '26)

From 207 to 157 - 167 €/mIn



Data in €/mIn  
\*CAPEX does not include effect of IFRS 16  
\*\*Positive means debt and includes the IFR 16 effects

# Timeline – Capital increase

1. **EXTRAORDINARY GENERAL MEETING  
CONVENED FOR 10 OCTOBER 2024**
2. **PREPARATORY ACTIVITIES TO BE CARRIED  
OUT IN OCTOBER – NOVEMBER**
3. **EXECUTION AND FINALIZATION BY YEAR  
END 2024**

Lazard and DLA Piper are onboarded respectively as  
financial and legal advisors



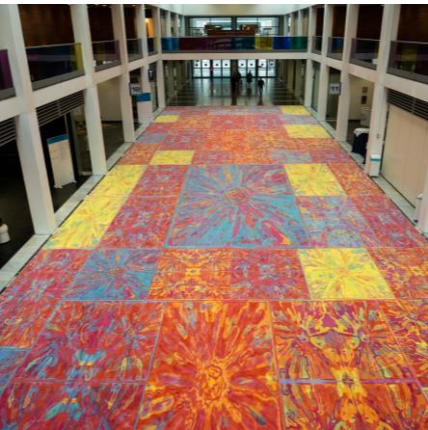
# Appendix

# Industrial plan 2024 – 2026

## Expected volumes by business lines

comparison with old Guidance

BCF - Carpet yarn



NTF - Textile yarn



Polymers



Previous  
guidance

'24E vs '23E	From +3% to +6%	From +13% to +16%	From +6% to +9%
'25E vs '24E	From +4% to +7%	From +8% to +11%	From +14% to +17%

New  
Plan

'24E vs '23E	Substantially stable	Substantially stable	+40%
'25E vs '24E	From +7% to +9%	From +15% to +18%	From +45% to +55%

All the expected results of the new BP include the effects of the proposed capital increase of €40 mln.



# Industrial plan 2024 – 2026

## Key indicators

comparison with old Guidance

### Expected results 2024

- **EBITDA target:** ca. 65 €/mln (*old guidance 76 – 82 €/mln*)
- **NFP\*:** ca. 206 €/mln (*old guidance 225 – 235 €/mln*)

### Expected results 2025

- **EBITDA target:** 80 – 87 €/mln (*old guidance 84 – 92 €/mln*)
- **NFP\*:** 185 – 195 €/mln (*old guidance 190 – 200 €/mln*)

All the expected results include the effects of the proposed capital increase of €40 mln.

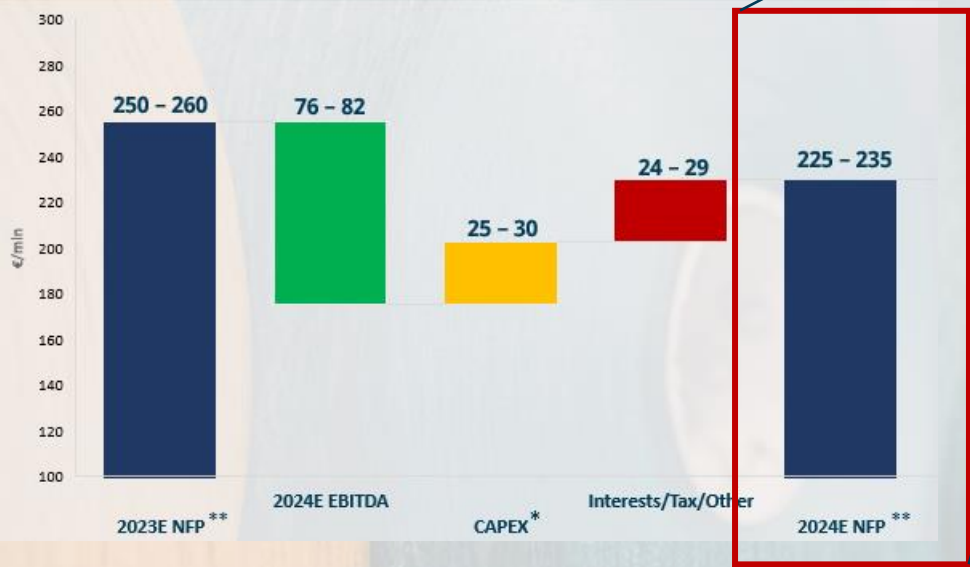
\* Positive means debt





# 2024E Net Financial Position – comparison old guidance

Old guidance (November 2023)



+ IFRS 16 increase effect of ca. €/mln 13

- Capital increase €/mln 40



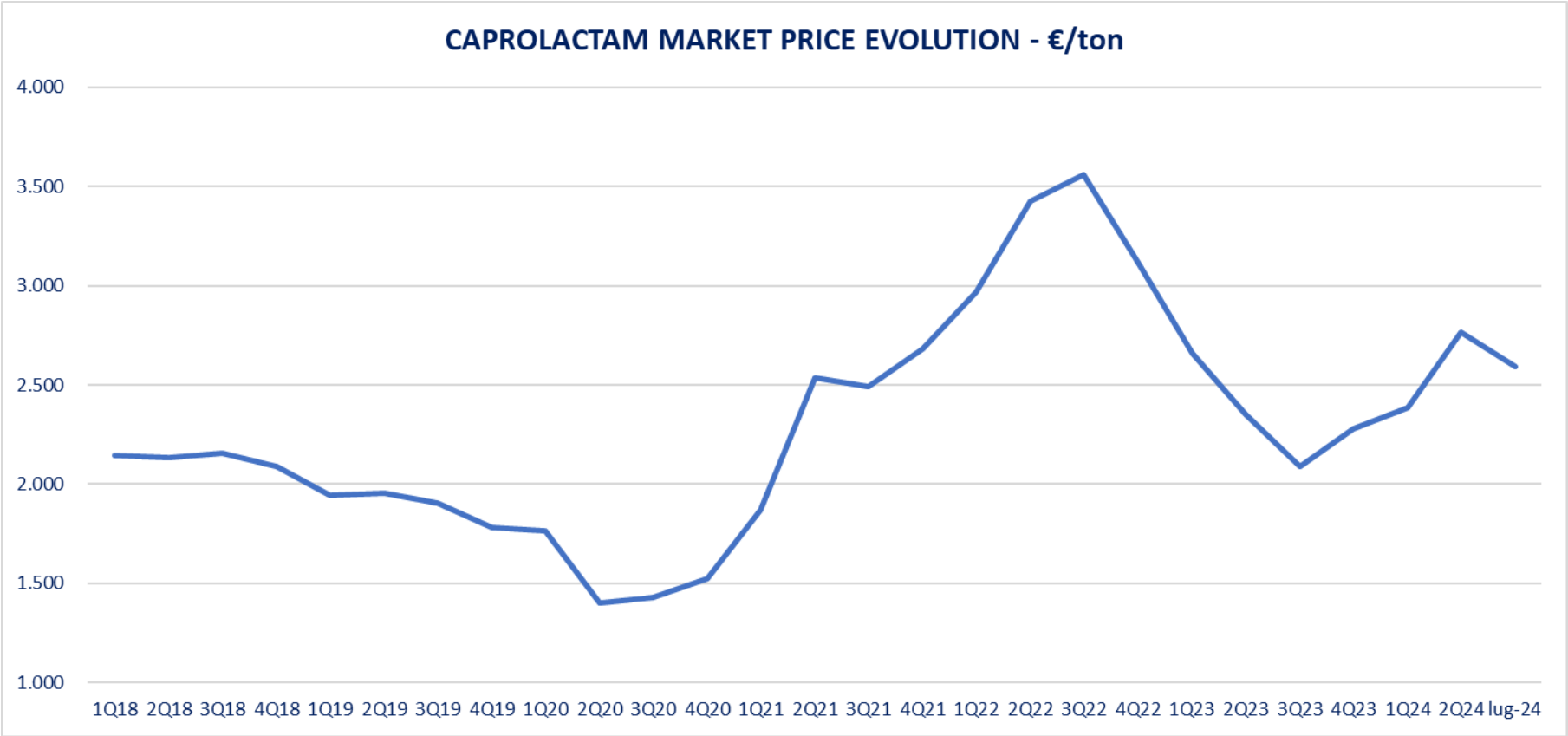
It should be noted that the old guidance' NFP did not include the increase of IFRS16 effects while the new Industrial Plan take them into account in the NFP expected for the period 2024 – 2026.

The old guidance' NFP does not include the effect of IFRS 16

The new Industrial Plan' NFP includes the effect of IFRS 16

\*\*Positive means debt

# Appendix - Sector Data – Caprolactam price evolution



# Appendix - Disclaimer

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# Appendix - Definitions

<b>EBITDA</b>	<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>
<b>NFP</b>	<p>On April 29, 2021, Consob issued “Call to attention No. 5/21” in which it highlighted that the new “ESMA Guidelines” of March 4, 2021 replaced on May 5, 2021 those of preceding Consob communications. In guideline No. 39 requires that financial statement disclosure includes the following definition of net financial debt:</p> <ul style="list-style-type: none"> <li>A. Liquidity</li> <li>B. Other liquidity</li> <li>C. Other current financial assets</li> <li><b>D. Liquidity (A+B+C)</b></li> <li>E. Current financial debt (including debt instruments but excluding the current portion of non-current financial debt)</li> <li>F. Current portion of non-current financial debt</li> <li><b>G. Current financial debt (E + F)</b></li> <li><b>H. Net current financial debt (G - D)</b></li> <li>I. Non-current financial debt (excluding current portion and debt instruments)</li> <li>J. Debt instruments</li> <li>K. Trade payables and other non-current payables</li> <li><b>L. Non-current financial debt (I + J + K)</b></li> <li><b>M. Total financial debt (H + L)</b></li> </ul>

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