



Investor Presentation

[ECNL:IM] - [ECNLF: OTCQX]

Le Eccellenze del made in Italy

September 25, 2024



Aquafil is Market Leader in Nylon

% on 1H 2024 REVENUES

Carpet yarn

- Contract
 - Residential
 - Automotive
- 72%**



Textile yarn

- Apparel
 - Swimwear
 - Sportswear
- 16%**



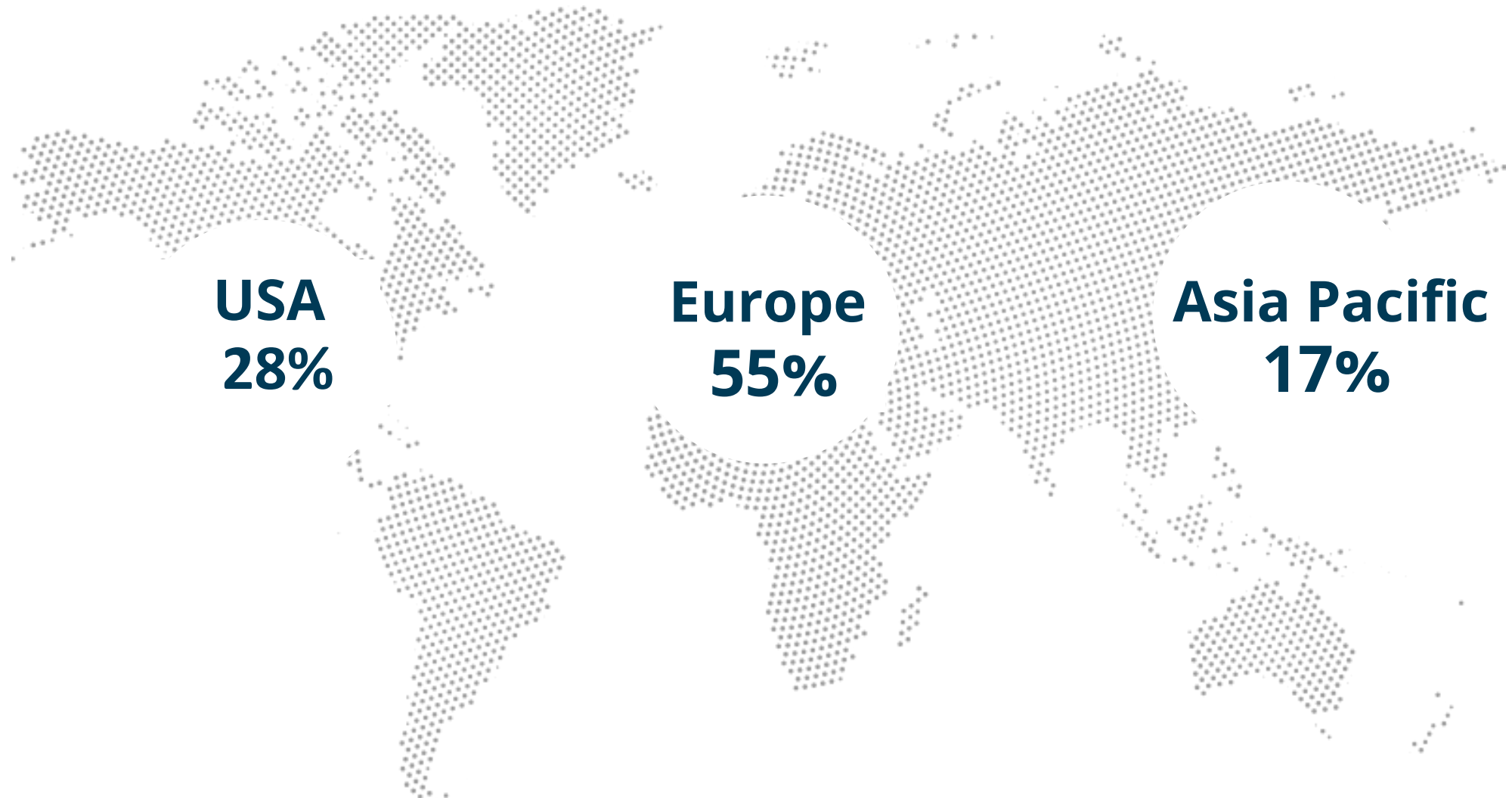
Polymers

- Industrial Molding
 - Extrusion
 - Compounding
- 12%**



And Market Leader Worldwide

% on 1H 2024 REVENUES



Company Strengths



A successful **Business Model**. Proprietary technology with continuous R&D innovation.

Approx. **2% of revenues in R&D**



Pioneer of Circularity with the ECONYL® Regeneration System, producing sustainable fibers and polymers from nylon 6 waste.

Approx. **53% of fiber turnover**



Glocal.
A Global Company with local productions.

19 Plants, 8 Countries on
3 Continents
Ca. 2,400 Employees

Infinitely Recyclable, Endless Possibilities

100% regenerated & regenerable
nylon.

Unique proprietary technology.

Same quality and performance as
standard nylon without using new
resources.

The ECONYL® Regeneration System





Our Main ESG Targets

Generate 60% of our fibers revenues from ECONYL® and other regenerated fibers

Collect 35,000 tons of post-consumer waste

Join the SBT initiative and set GHG reduction target

Monitor Group's key suppliers through audits and/or due diligence
(in line with the European Supply Chain Act)

20% women in top and senior management positions within 3 years to assure gender equality

Draft a succession plan for our top management

Our Top ESG Achievements

1st ranked company in the **"Textiles"** subindustry according to Morningstar Sustainalytics ESG Risk Rating and **Silver Medal** according to **EcoVadis**.



ENVIRONMENT

- Environmental Policy approval
- Scope 3 emissions reporting
- Development, validation and issuance of **ISO 4484-2 standard** on microplastics
- **Climate Change Risk and Vulnerability Assessment and Biodiversity Assessment**



SOCIAL

- **DE&I Policy** definition
- Approval of **Human Rights Policy**
- Approval of **Green Procurement Policy**
- **45 thousand hours of training** (+35% vs 2022)
- Launch of the **talent management** project



GOVERNANCE

- Approval of new **ESG Policy** and establishment of an **ESG Committee**
- New **remuneration and incentive policy** with ESG parameters
- **Anti-Corruption Policy**
- Update of the **Code of Ethics** and **Whistleblowing Procedure**

Key figures

1H 2024



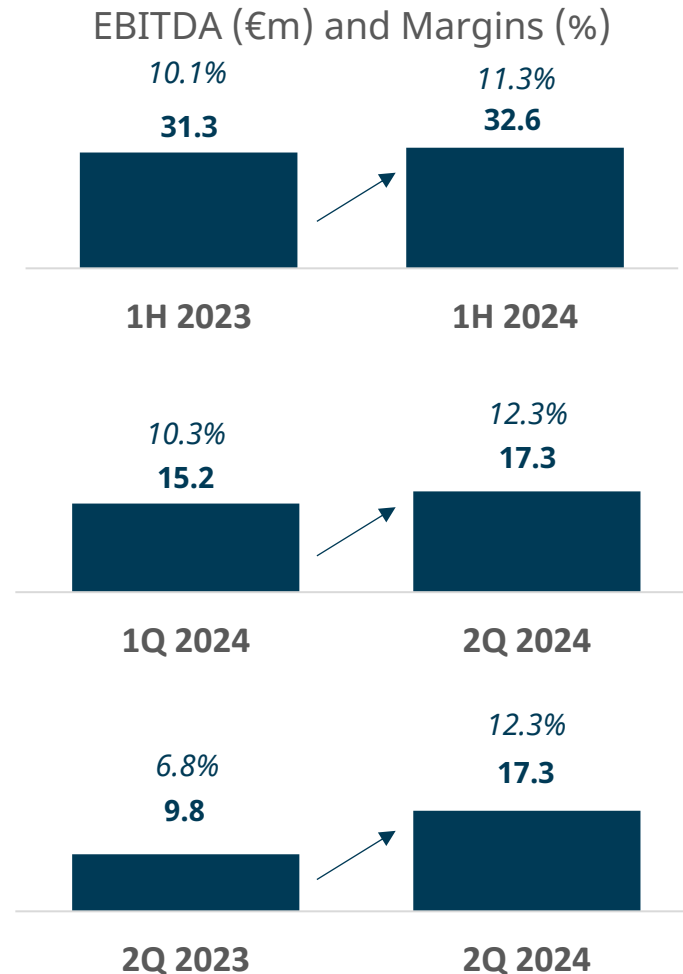
Volumes increased by **10.7%** vs 1H2023

€ 288,1 Million of Revenues

52,8% ECONYL® fiber turnover

Decreasing trend in NFP: **243,0** vs **248,5 €/mIn** on 31/12/2023

1H 2024 Financial highlight – EBITDA and profitability



Marginality improvement linked to:

- Rationalization of personnel costs
- Benefits from efficiencies actions
- Implementation of cost-effective measures (utilities)
- USA fibers market and EMEA NTF volumes not fully supporting the EBITDA
- Temporary negative price effect alignment to the raw material cost



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

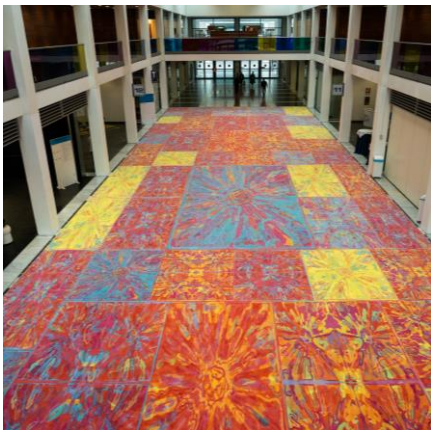
Industrial plan 2024 – 2026 – Key messages

- 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 - Expected volumes by business lines

BCF - Carpet yarn



NTF - Textile yarn



Polymers



'24E vs '23E	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 proposed capital increase of €40 mln.

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 proposed capital increase of €40 mln.

* Positive means debt



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



Appendix

1H 2024 results

Appendix - Disclaimer

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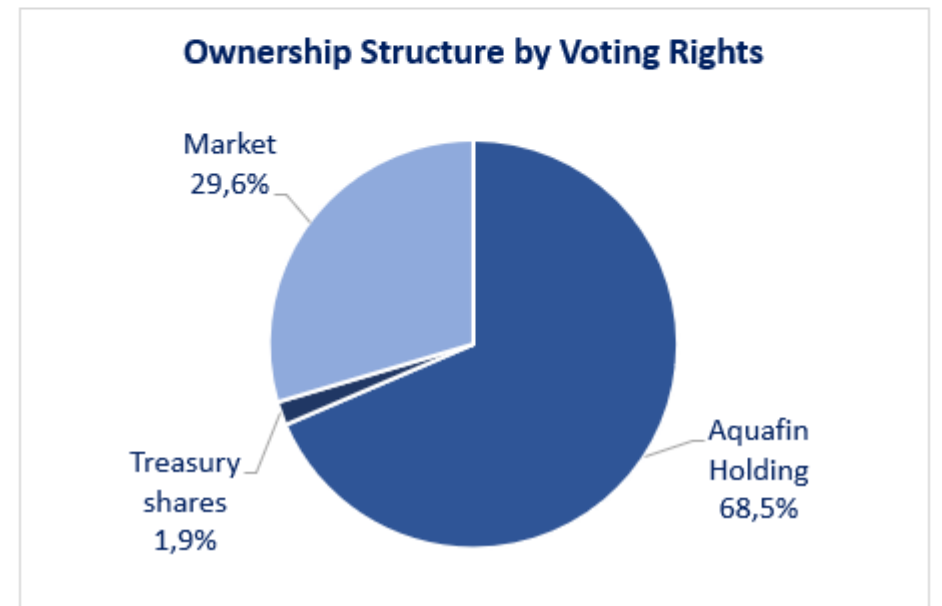
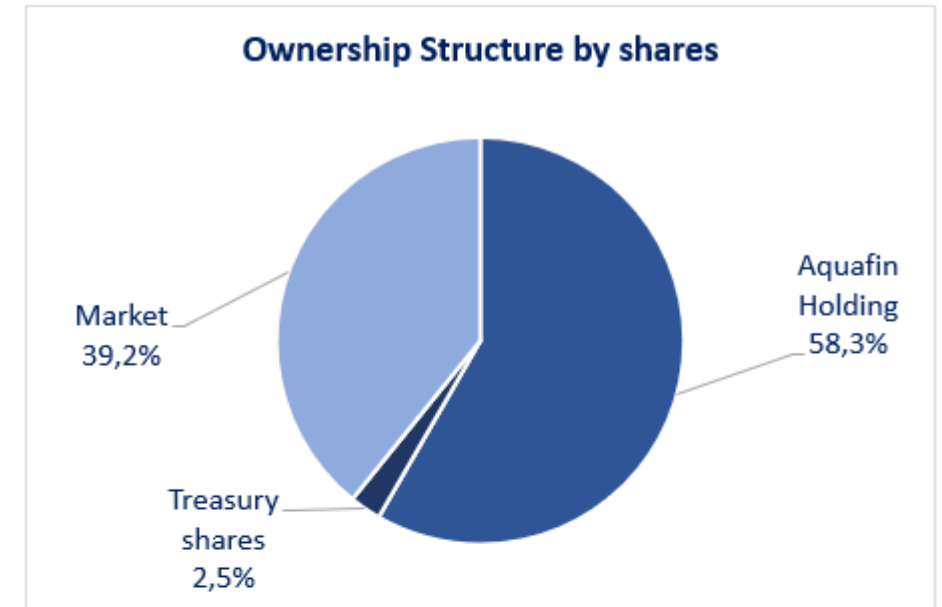
Appendix - Definitions

<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>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"> A. Liquidity B. Other liquidity C. Other current financial assets D. Liquidity (A+B+C) E. Current financial debt (including debt instruments but excluding the current portion of non-current financial debt) F. Current portion of non-current financial debt G. Current financial debt (E + F) H. Net current financial debt (G - D) I. Non-current financial debt (excluding current portion and debt instruments) J. Debt instruments K. Trade payables and other non-current payables L. Non-current financial debt (I + J + K) M. Total financial debt (H + L)

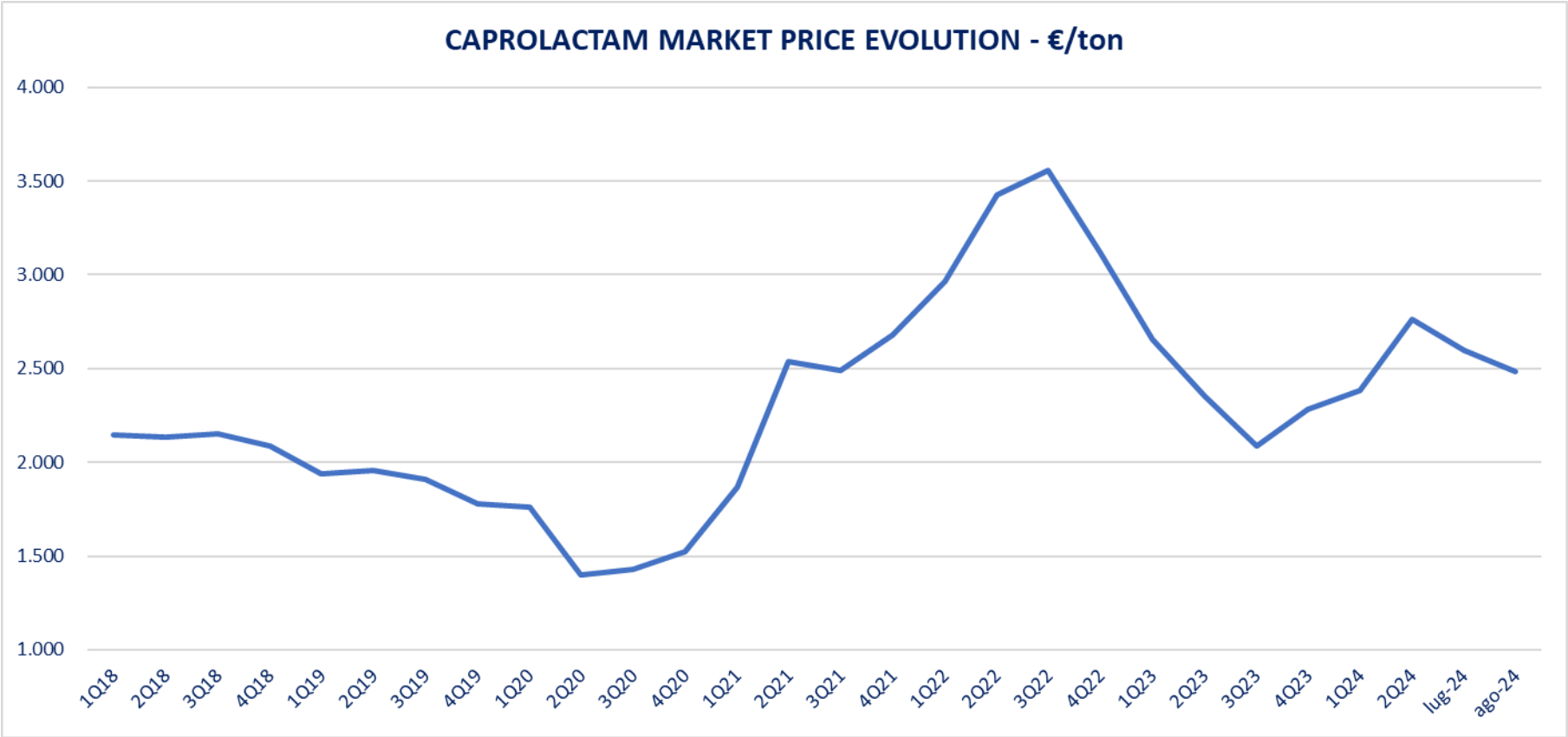
Ownership Structure

A capital structure with 2 type of Shares:

- a) **Share A:** ordinary share;
- b) **Share B:** dedicated to Bonazzi's family with the same economic right of ordinary share but with 3 voting right for any share;



Appendix - Sector Data – Caprolactam price evolution



Appendix - Consolidated Income Statement

CONSOLIDATED INCOME STATEMENT €/000	Half Year 2024	<i>of wich non-current</i>	Half Year 2023	<i>of wich non-current</i>	Second Quarter 2024	<i>of wich non-current</i>	Second Quarter 2023	<i>of wich non-current</i>
Revenue	288.133	-	311.117	-	140.633	-	144.297	-
<i>of which related parties</i>	158	-	151	-	75	-	76	-
Other Revenue	3.285	37	4.947	3	1.646	5	2.230	1
Total Revenue and Other Revenue	291.418	37	316.064	3	142.279	5	146.527	1
Raw Material	(137.791)	-	(158.938)	-	(64.346)	-	(76.754)	-
Services	(61.701)	(148)	(67.864)	(1.018)	(31.059)	(74)	(31.622)	(215)
<i>of which related parties</i>	(329)	-	(264)	-	(173)	-	(139)	-
Personel	(62.175)	(830)	(63.019)	(515)	(31.209)	(577)	(30.985)	(197)
Other Operating Costs	(1.659)	(109)	(1.764)	(114)	(893)	(105)	(901)	(111)
<i>of which related parties</i>	(35)	-	(35)	-	(17)	-	(17)	-
Depreciation and Amortization	(26.987)	-	(24.287)	-	(13.582)	-	(12.458)	-
Provisions & Write-downs/(releases)	11	-	178	-	(1)	-	28	-
Capitalization of Internal Construction Costs	1.976	-	3.736	-	1.059	-	2.286	-
EBIT	3.092	(1.049)	4.106	(1.645)	2.249	(751)	(3.880)	(522)
Income (loss) from Investments	-	-	-	-	0	-	0	-
Other Financial Income	641	-	339	-	(34)	-	224	-
Interest Expenses	(10.531)	-	(7.505)	-	(5.093)	-	(4.225)	-
<i>of which related parties</i>	(49)	-	(87)	-	(21)	-	(42)	-
FX Gains and Losses	(356)	-	983	-	(272)	-	1.159	-
Profit Before Taxes	(7.153)	(1.049)	(2.078)	(1.645)	(3.151)	(751)	(6.721)	(522)
Income Taxes	1.020	-	(2.058)	-	122	-	(706)	-
Net Profit (Including Portion Attr. to Minority)	(6.133)	(1.049)	(4.136)	(1.645)	(3.029)	(751)	(7.427)	(522)
Net Profit Attributable to Minority Interest	-	-	-	-	-	-	-	-
Net Profit Attributable to the Group	(6.133)		(4.136)		(3.029)	(751)	(7.427)	(522)

Appendix - EBITDA and Adjusted Operating Results

RECONCILIATION FROM NET PROFIT TO EBITDA <i>€/000</i>	Half Year 2024	Half Year 2023	Second Quarter 2024	Second Quarter 2023
Net Profit (Including Portion Attr. to Minority)	(6.133)	(4.136)	(3.029)	(7.427)
Income Taxes	(1.020)	2.058	(122)	706
Amortisation & Depreciation	26.987	24.287	13.582	12.458
Write-downs & Write-backs of intangible and tangible assets	(11)	(178)	1	(28)
Financial items (*)	11.709	7.651	6.157	3.524
No recurring items (**)	1.049	1.645	750	522
EBITDA	32.581	31.327	17.339	9.755
Revenue	288.133	311.117	140.633	144.297
EBITDA Margin	11,3%	10,1%	12,3%	6,8%

RECONCILIATION FROM EBITDA TO EBIT ADJUSTED <i>€/000</i>	Half Year 2024	Half Year 2023	Second Quarter 2024	Second Quarter 2023
EBITDA	32.581	31.327	17.339	9.755
Amortisation & Depreciation	26.987	24.287	13.582	12.458
Write-downs & Write-backs of intangible and tangible assets	(11)	(178)	1	(28)
EBIT Adjusted	5.606	7.218	3.757	(2.675)
Revenue	288.133	311.117	140.633	144.297
EBIT Adjusted Margin	1,9%	2,3%	2,7%	-1,9%

(*) The financial items include: (i) financial charges and other bank charges of Euro (10.4) million, (ii) cash discounts of Euro (1.5) million, (iii) financial income of Euro 0.6, and (iv) exchange loss of Euro (0.4) million.

(**) This mainly includes (i) non-recurring charges related to the expansion of the Aquafil Group for Euro (0.11) million, (ii) extraordinary legal and administrative consulting costs for Euro(0,04) million (iii) restructuring costs for Euro (0.83)million, and (iv) other non-recurring charges and revenues for Euro (0.07) million.

Appendix - Consolidated Balance Sheet (1/2)

CONSOLIDATED BALANCE SHEET €/000	At June 30, At December 31,	
	2024	2023
Intangible Assets	16.978	19.080
Goodwill	15.590	15.103
Tangible Assets	239.835	251.604
Financial Assets	616	534
<i>of which related parties</i>	188	79
Investments & Equity metod	1.113	1.023
Deferred Tax Assets	21.531	18.545
Total Non-Current Assets	295.664	305.889
Inventories	187.338	189.493
Trade Receivable	27.536	26.206
<i>of which related parties</i>	154	351
Financial Current Assets	6.012	5.703
Current Tax Receivables	1.590	1.619
Other Current Assets	17.507	14.644
<i>of which related parties</i>	6.780	5.854
Cash and Cash Equivalents	140.139	157.662
Total Current Assets	380.121	395.327
Total Current Assets	675.785	701.216

Appendix - Consolidated Balance Sheet (2/2)

CONSOLIDATED BALANCE SHEET €/ 000	At June 30, At December 31,	
	2024	2023
Share Capital	49.722	49.722
Reserves	80.149	101.379
Group Net Profit for the year	(6.133)	(25.849)
Group Shareholders Equity	123.738	125.252
Net Equity attributable to minority interest	1	1
Net Profit for the year attributable to minority interest	-	-
Total Shareholders Equity	123.739	125.253
Employee Benefits	4.800	5.104
Non-Current Financial Liabilities	283.741	308.741
<i>of which related parties</i>	2.985	3.217
Provisions for Risks and Charges	1.714	1.710
Deferred Tax Liabilities	14.450	13.324
Other Payables	4.877	5.852
Total Non-Current Liabilities	309.582	334.731
Current Financial Liabilities	105.390	103.161
<i>of which related parties</i>	1.477	1.872
Current Tax Payables	1.827	1.219
Trade Payables	113.992	116.006
<i>of which related parties</i>	225	551
Other Liabilities	21.255	20.846
Total Current Liabilities	242.464	241.232
Total Equity and Liabilities	675.785	701.216

Appendix - Net Financial Position

NET FINANCIAL DEBT	At June 30,	At December 31,
€/000	2024	2023
A. Liquidity	140.139	157.662
B. Cash and cash equivalents		
C. Other current financial assets	6.012	5.703
D. Liquidity (A + B + C)	146.151	163.364
E. Current financial debt (including debt instruments but excluding the current portion of non-current financial debt)	(4.237)	(2.438)
F. Current portion of non-current financial debt	(101.154)	(100.723)
G. Current financial debt (E + F)	(105.390)	(103.161)
H. Net current financial debt (G - D)	40.761	60.204
I. Non-current financial debt (excluding current portion and debt instruments)	(232.090)	(251.350)
J. Debt instruments	(51.651)	(57.391)
K. Trade payables and other non-current payables		
L. Non-current financial debt (I + J + K)	(283.741)	(308.741)
M. Total financial debt (H + L)	(242.980)	(248.537)

Appendix - Consolidated Cash Flow Statement (1/2)

CASH FLOW STATEMENT €/000	At June 30, 2024	At June 30, 2023
Operation Activities		
Net Profit (Including Portion Attr. to Minority)	(6.133)	(4.136)
<i>of which related parties</i>	(255)	(234)
Income Taxes	(1.020)	2.058
Income (loss) from Investments	-	-
Financial income	(642)	(339)
Financial charges	10.531	7.505
<i>of which related parties</i>	49	87
FX (Gains) and Losses	356	(983)
(Gain)/Loss on non - current asset Disposals	(92)	(172)
Provisions & Write-downs/ (releases)	(11)	(178)
Amortisation, depreciation & write-downs of tangible and intangible assets	26.987	24.287
Cash Flow from Operating Activities Before Changes in NWC	29.976	28.043
Change in Inventories	2.155	42.846
Change in Trade and Other Payables	(2.015)	(21.805)
<i>of which related parties</i>	(326)	80
Change in Trade and Other Receivables	(1.289)	1.466
<i>of which related parties</i>	197	213
Change in Other Assets/Liabilities	(517)	(4.644)
<i>of which related parties</i>	(926)	(3.497)
Net Interest Expenses	(9.843)	(6.570)
Income Taxes paid	(1.189)	(5.639)
Change in Provisions for Risks and Charges	(408)	(971)
Cash Flow from Operating Activities (A)	16.871	32.726

Appendix - Consolidated Cash Flow Statement (2/2)

CASH FLOW STATEMENT	At June 30,	At June 30,
<i>€/000</i>	2024	2023
<i>Investing activities</i>		
Investment in Tangible Assets	(7.989)	(16.273)
Disposal of Tangible Assets	180	533
Investment in Intangible Assets	(1.247)	(2.500)
Disposal of Intangible Assets	2	-
Investment of Financial Assets	(113)	(151)
Dividends	-	-
Cash Flow used in Investing Activities (B)	(9.168)	(18.390)
<i>Financing Activities</i>		
Increase in no current Loan and borrowing	20.000	35.000
Decrease in no current Loan and borrowing	(41.400)	(35.821)
Net variation in current and not current financial Assets and Liability included IFRS 16	(3.825)	(571)
<i>of which related parties</i>	<i>(736)</i>	<i>(1.163)</i>
Dividends Distribution	-	(12.027)
Acquisition of treasury shares	-	(598)
Cash Flow from Financing Activities (C)	(25.225)	(14.016)
Net Cash Flow of the Year (A)+(B)+(C)	(17.523)	319

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