

Aquafil Group

1Q2022

Financial Results

12th May 2022

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Key Messages

1Q 2022 RESULTS SHARPLY INCREASING COMPARED TO 1Q 2021

REVENUES AT +31% ON 1Q21

EBITDA AT +35% ON 1Q21

REVENUES OF ECONYL® BRANDED PRODUCTS

UP BY 73.3% VS 1Q21

42.2% OF REVENUES
GENERATED BY FIBERS

CROSS-LISTING PROCESS STARTED IN THE UNITED STATES

Listing ordinary shares
also, on the North American
over-the-counter market
managed by
the OTC Market Group,
in the
OTCQX International segment

⁽¹⁾ On a like for like consolidation basis

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1Q2022 Main Results

	REVENUES		
	2022	2021	Δ%
1Q	171,2	130,6	31,0%

	EBITDA		
	2022	2021	Δ%
4Q	24,8	18,3	35,4%
% on Revenues	14,5%	14,0%	

	NET PROFIT		
	2022	2021	Δ%
4Q	9,1	3,5	161,0%
% on Revenues	5,3%	2,7%	

	NFP		
	31.03.22	31.12.21	Δ%
	(200,9)	(179,2)	12,1%

SALES

VOLUME
-4,1% compared to 1Q21
lower polymers demand

USA
best macro area

ECONYL®
ca 42,2% of Fiber Revenues
Growth of 73% vs Q1 21

EBITDA

Higher to Q1 2021

Thanks to

Better sales mix

Repricing to recover higher cost of raw material and energy cost

NET PROFIT

Strong increase
driven by
EBIT improvement

NFP

Higher of 12% vs Dec 21

Increase of Net Working Capital for price effect

NFP/EBITDA LTM

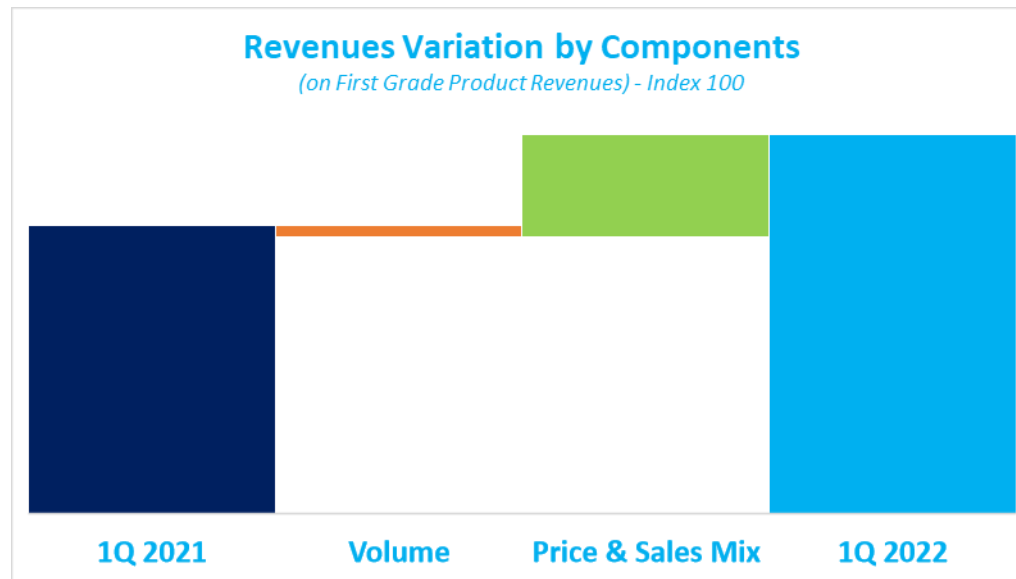
2,49x
on 31st December 2021

2,56x
on 31st March 2022

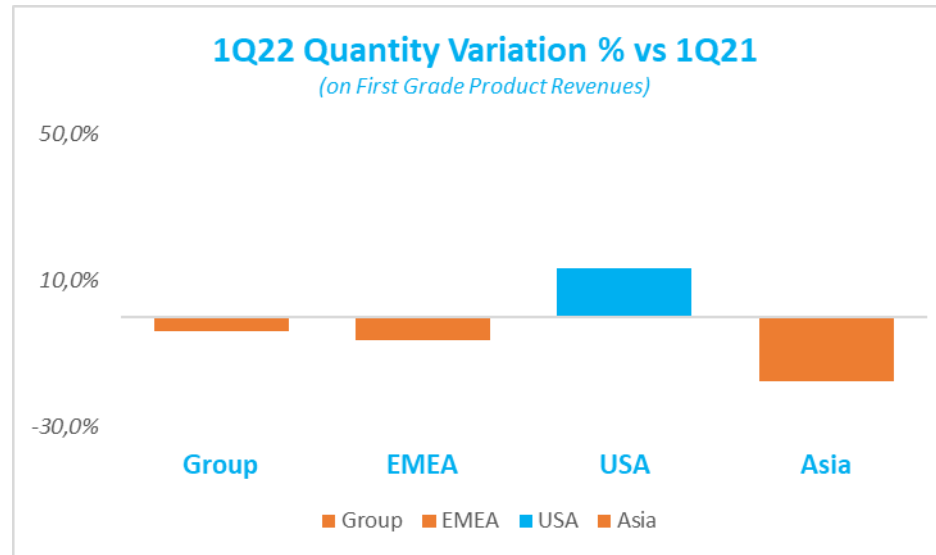
⁽¹⁾ Based on "First Grade Product" revenues

Revenues – by Components

- **1Q2022: lower volumes of ca 4% compared to 1Q2021**
 - Volume: lower polymers sales (1Q 2021 exceptional demand);
 - Price & sales mix: positive impact thanks to selling price adjustment and better mix



Revenues – Quantity



EMEA: volumes ca -6% vs 1Q22 :

- BCF: higher quantity vs 1Q21 due to increase of BCF fiber for contract;
- NTF: in line with 1Q22 ;
- Polymers: lower market demand (extraordinary demand in 1Q21)

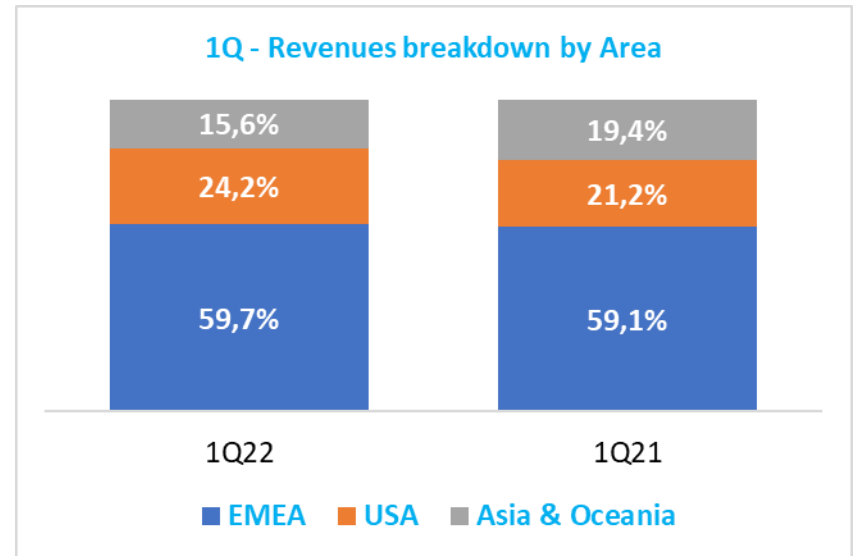
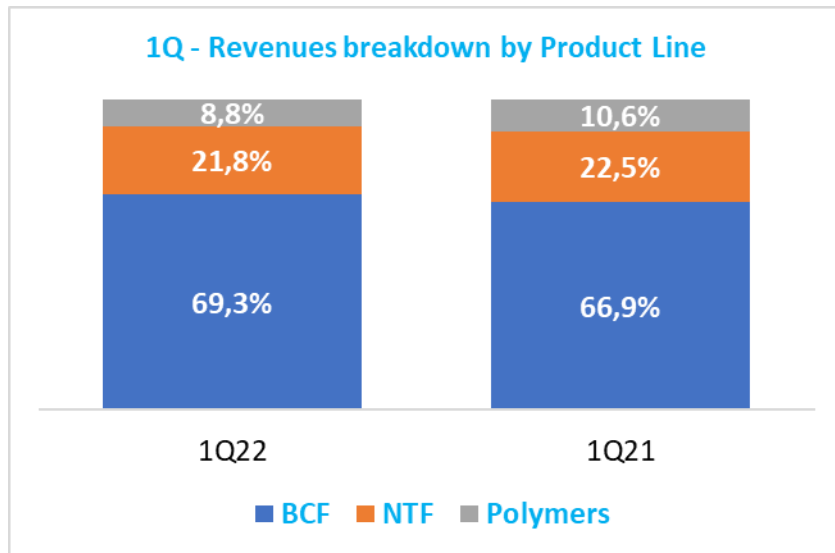
USA: volumes ca +13% vs 1Q22 :

- BCF: higher quantity vs 1Q21 due to increase of BCF fiber for contract and competitor withdrawal
- NTF: in line with 1Q22 ;

Asia: volumes ca +13% vs 1Q22 :

- BCF: lower quantity vs 1Q21 due to lower demand in residential sector

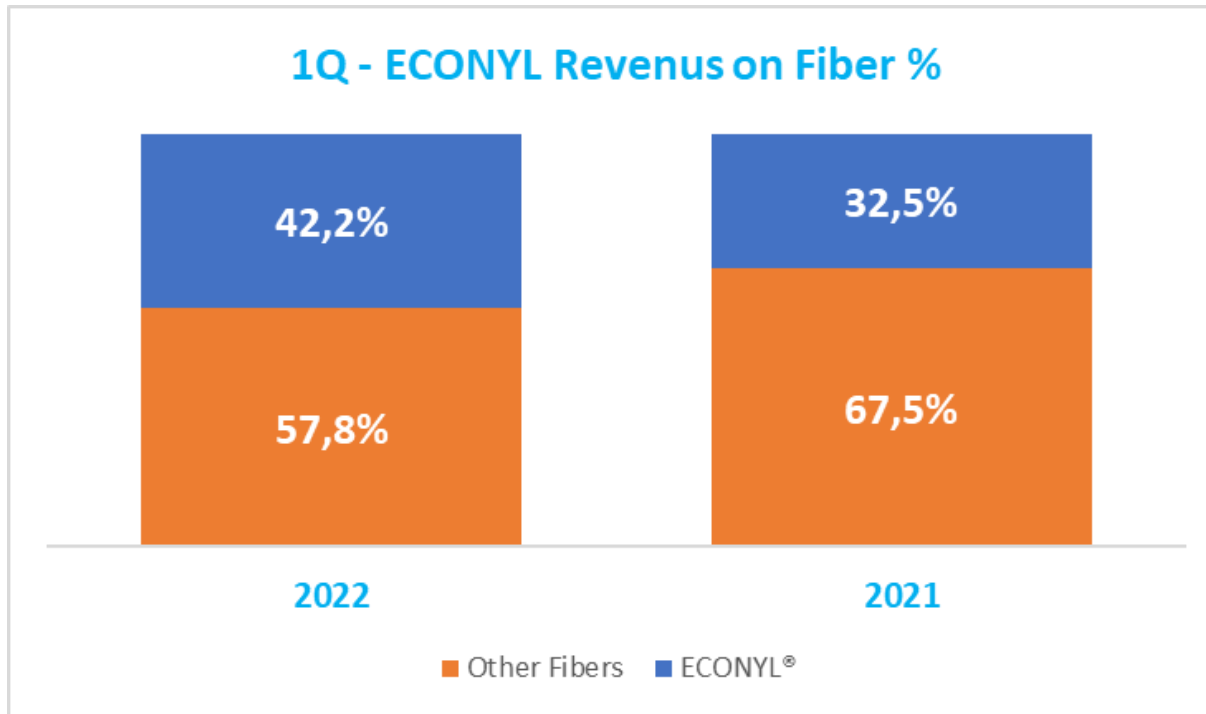
Revenues – Breakdown by Product Line and Area



⁽¹⁾ Rest of World not included

Revenues – ECONYL®

- Strong growth **+73% vs 1Q21** due to price increase and higher quantities driven by:
 - BCF fiber: higher demand in contract sector
 - NTF: higher demand from fashion brands



Revenues – ECONYL® – BCF the support and NTF the accelerator

- ECONYL® has represented an accelerator driver for the Group growth both by strengthening relationship with consolidated customers and the attracting new ones
 - BCF sector historically drove ECONYL® development due to cultural sensitiveness on environmental topics of Aquafil and important carpet producer customers;
 - ECONYL® allowed to protect and even increase market share, especially on high-end products
 - Later on in NTF sector, both ECONYL® application developments and an increasing awareness to a “circularity vision” allowed Group to attract brand new and different customers (e.g. fashion and luxury brands)



Example of BCF product: a tiles



Example of NTF product: a fashion backpack

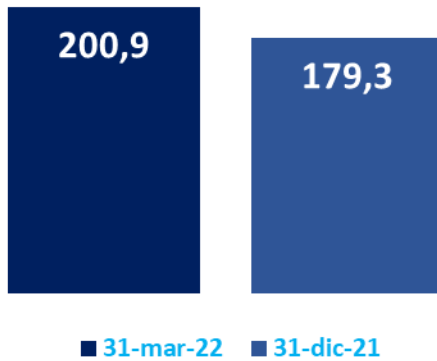
P&L – KPI

	1Q		
	2022	2021	Δ%
REVENUES	171,2	130,6	31,0%
EBITDA	24,8	18,3	35,4%
<i>% on net sales</i>	14,5%	14,0%	
EBIT	12,5	6,1	105,3%
<i>% on net sales</i>	7,3%	4,6%	
EBT	11,9	4,7	152,7%
<i>% on net sales</i>	7,0%	3,6%	
NET RESULT	9,1	3,5	161,0%
<i>% on net sales</i>	5,3%	2,7%	

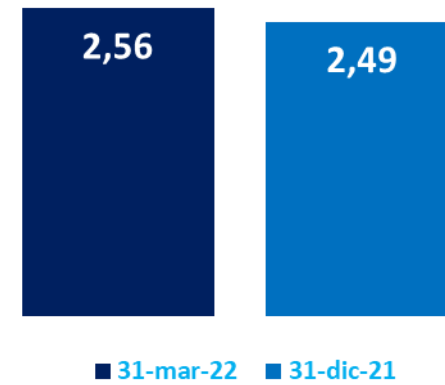
NFP – NPF/EBITDA

- NFP on 31st March 2022 equal to **200,9 €/mil**, higher of by **12,1%** compared to 31st December 2021
- Ratio **NPF/EBITDA LTM** at **2,56x**

NFP Evolution - €/mil

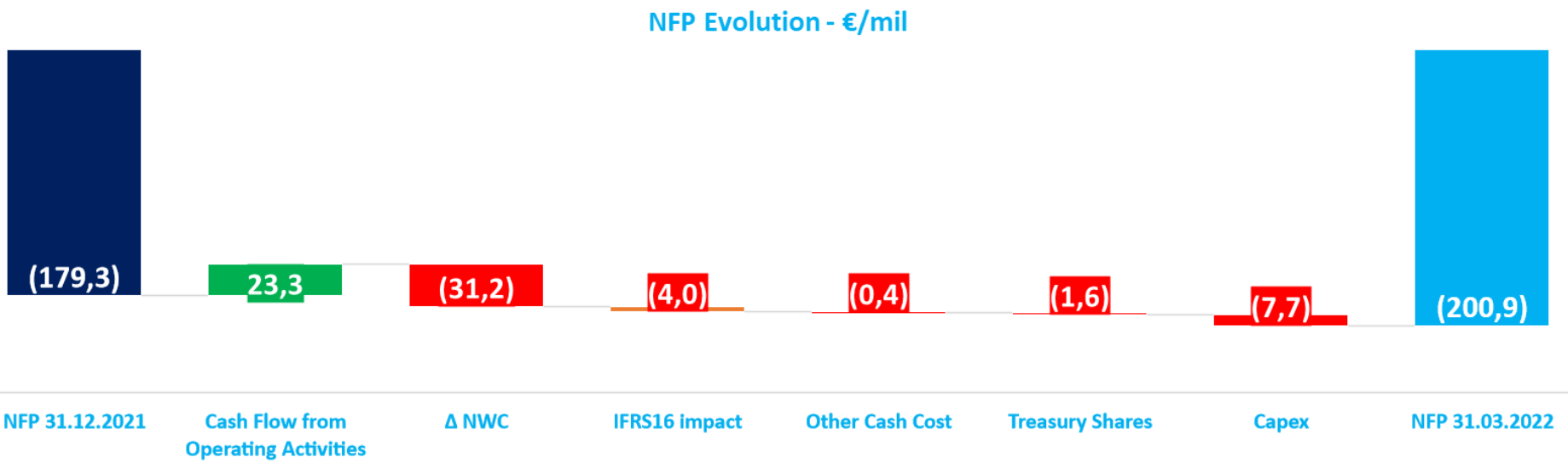


NFP/LTM EBITDA



NFP – Increase of NWC mainly driven by inventory

- NWC growth driven by increase of inventory value due to
 - ❖ higher unitary cost of raw material and
 - ❖ increase of raw material quantities;



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Outlook

- The first quarter of 2022 saw the outbreak of the conflict between Russia and Ukraine, which is having and will continue to have, negative consequences for global growth and financial markets. In addition, the COVID-19 pandemic recently showed major signs of a resurgence in China.
- These first few weeks after the end of the quarter have yielded limited impacts on demand, most concentrated in the Polymers product line. Measures to recoup the increase in the cost of factors of production through selling prices continued.
- However, there remains a possibility that major events such as those outlined above may result in a reduction in demand and/or the unavailability of some factors of production.

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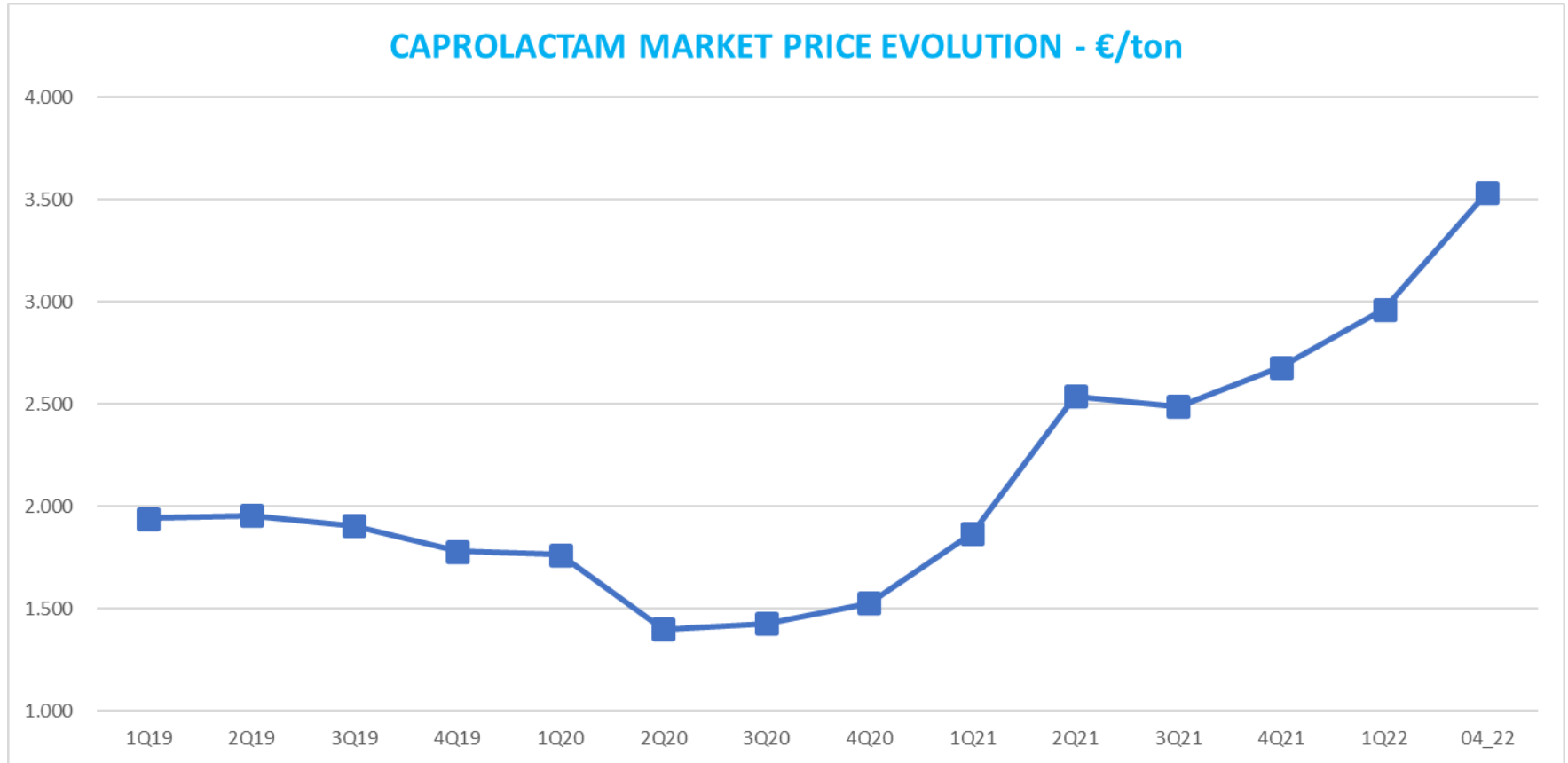
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The reader should, however, consult any further disclosure Aquafil may make in documents it files with the Italian Securities and Exchange Commission and with the Italian Stock Exchange.

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



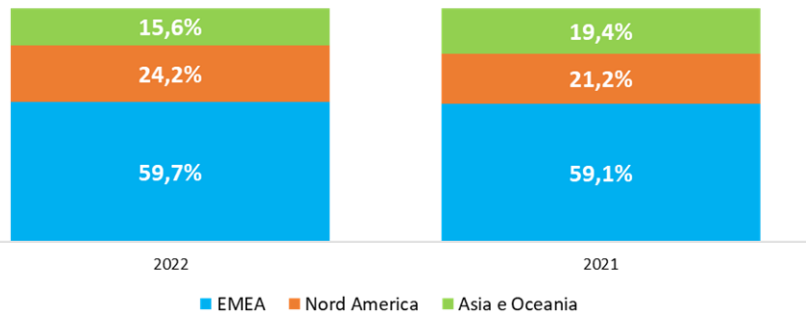
Appendix - Consolidate Income Statements

CONSOLIDATED INCOME STATEMENT €/000	First Quarter 2022	<i>of wich non- current</i>	First Quarter 2021	<i>of wich non- current</i>
Revenue	171.160	296	130.640	-
<i>of wich related parties</i>	13		13	
Other Revenue	1.256	91	826	5
Total Revenue and Other Revenue	172.416	387	131.466	5
Raw Material	(78.567)	(91)	(62.764)	-
Services	(38.860)	(354)	(24.316)	(72)
<i>of wich related parties</i>	(526)		(109)	
Personel	(31.387)	(347)	(27.315)	(111)
Other Operating Costs	(1.234)	(55)	(795)	(8)
<i>of wich related parties</i>	(17)		(17)	
Depreciation and Amortization	(10.919)		(11.328)	
Doubtful debt prevision	(17)		(110)	
Provisions for risks and charges	25		7	
Capitalization of Internal Construction Costs	1.004		1.225	
EBIT	12.463	(460)	6.071	(186)
Other Financial Income	1.694		237	
Interest Expenses	(1.872)		(2.032)	
<i>of wich related parties</i>	(31)		(45)	
FX Gains and Losses	(383)		434	
Profit Before Taxes	11.902	(460)	4.709	(186)
Income Taxes	(2.782)		(1.215)	
Net Profit (Including Portion Attr. to Minority)	9.120	(460)	3.494	(186)
Net Profit Attributable to Minority Interest	0		0	
Net Profit Attributable to the Group	9.120		3.494	

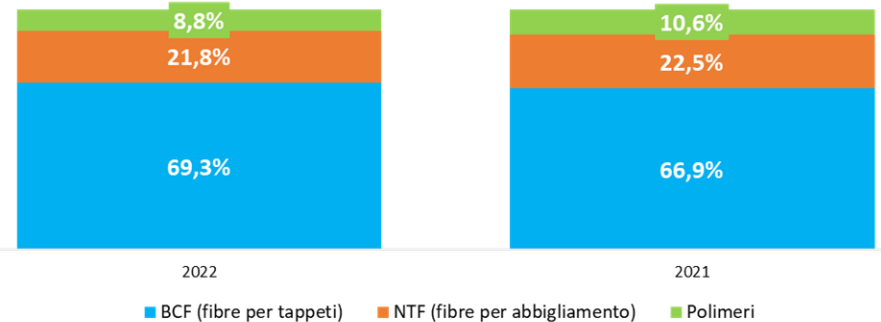
Appendix - Consolidate Income Statements – Revenues 1Q

I Trimestre €/mil	BCF (fibre per tappeti)				NTF (fibre per abbigliamento)				Polimeri				TOTALE					
	2022	2021	Δ	Δ%	2022	2021	Δ	Δ%	2022	2021	Δ	Δ%	2022	2021	Δ	Δ%	% 22	% 21
EMEA	59,4	43,4	16,0	36,8 %	28,4	21,3	7,1	33,4 %	14,5	12,5	2,0	16,0 %	102,3	77,2	25,1	32,5 %	59,7 %	59,1 %
Nord America	33,9	19,3	14,6	75,8 %	7,4	7,2	0,2	2,1 %	0,2	1,2	(1,0)	(79,9)%	41,5	27,7	13,8	49,9 %	24,2 %	21,2 %
Asia e Oceania	25,2	24,7	0,5	2,2 %	1,0	0,5	0,4	81,2 %	0,4	0,1	0,3	250,7 %	26,6	25,3	1,3	5,0 %	15,6 %	19,4 %
Resto del mondo	0,2	0,1	0,1	0,0 %	0,6	0,4	0,2	0,0 %	0,0	0,0	0,0	0,0 %	0,8	0,4	0,4	87,3 %	0,5 %	0,3 %
TOTALE	118,7	87,4	31,2	35,7 %	37,4	29,4	7,9	27,0 %	15,1	13,8	1,3	9,7 %	171,2	130,6	40,5	31,0 %	100,0 %	100,0 %
%	69,3%	66,9%			21,8%	22,5%			8,8%	10,6%			100,0%	100,0%				

I Trimestre - % Ricavi per Area Geografica



I Trimestre - % Ricavi per Linea Prodotto



Appendix - Consolidate Income Statements – EBITDA & EBITD Adj

RECONCILIATION FROM NET PROFIT TO EBITDA €/000	First Quarter 2022	First Quarter 2021
Net Profit (Including Portion Attr. to Minority)	9.120	3.494
Income Taxes	2.782	1.215
Amortisation & Depreciation	10.919	11.328
Write-downs & Write-backs of intangible and tangible assets	(9)	102
Financial items (*)	1.542	1.998
No recurring items (**)	460	186
EBITDA	24.814	18.327
Revenue	171.160	130.640
EBITDA Margin	14,5%	14,0%

RECONCILIATION FROM EBITDA TO EBIT ADJUSTED €/000	First Quarter 2022	First Quarter 2021
EBITDA	24.814	18.327
Amortisation & Depreciation	10.919	11.328
Write-downs & Write-backs of intangible and tangible assets	(9)	102
EBIT Adjusted	13.904	6.896
Revenue	171.160	130.640
EBIT Adjusted Margin	8,1%	5,3%

(*) The financial items include: (i) financial income of Euro 1.7 million and Euro 0.2 million respectively in the periods ending March 31, 2022 and March 31, 2021 (ii) financial charges and other bank charges of Euro 1.8 million and Euro 2.0 million respectively in the periods ending March 31, 2022 and March 31, 2021, (iii) cash discounts of Euro 1.0 million and Euro 0.6 million respectively in the periods ending March 31, 2022 and March 31, 2021, and (iv) exchange loss of Euro 0.4 million and exchange gains of Euro 0.4 million respectively in the periods ending March 31, 2022 and March 31, 2021.

(**) This includes (i) non-recurring charges related to the expansion of the Aquafil Group for Euro 0.01 million and Euro 0.05 million respectively in the periods ending March 31, 2022 and March 31, 2021, (ii) non-recurring ECONYL* development charges of Euro 0.37 million in the period March 31, 2022 (iii) restructuring charges of Euro 0.09 million in the periods ending March 31, 2022 (iv) other non-recurring income of Euro 0.01 million and other non-recurring charges Euro 0.13 million respectively in the periods ending March 31, 2022 and March 31, 2021

Appendix - Consolidate Balance Sheet(1)

CONSOLIDATED BALANCE SHEET €/000	At March 31, 2022	At December 31, 2021
Intangible Assets	23.254	23.551
Goodwill	15.034	14.735
Tangible Assets	243.774	240.489
Financial Assets	1.886	710
<i>of which related parties</i>	<i>318</i>	<i>318</i>
Investments & Equity metod	1.018	1.018
Other Assets	576	626
Deferred Tax Assets	13.349	12.269
Total Non-Current Assets	298.891	293.398
Inventories	204.243	177.243
Trade Receivable	38.147	31.233
<i>of which related parties</i>	<i>20</i>	<i>71</i>
Financial Current Assets	225	860
Current Tax Receivables	318	423
Other Current Assets	14.378	12.853
<i>of which related parties</i>	<i>1.112</i>	<i>3.152</i>
Cash and Cash Equivalents	142.561	152.656
Total Current Assets	399.874	375.268
Total Current Assets	698.765	668.666

Appendix - Consolidate Balance Sheet(2)

CONSOLIDATED BALANCE SHEET

€/ 000	At March 31, 2022	At December 31, 2021
Share Capital	49.722	49.722
Reserves	105.299	91.708
Group Net Profit for the year	9.120	10.670
Group Shareholders Equity	164.141	152.101
Net Equity attributable to minority interest	1	1
Net Profit for the year attributable to minority interest	0	0
Total Shareholders Equity	164.142	152.102
Employee Benefits	5.805	5.910
Non-Current Financial Liabilities	275.214	263.421
<i>of which related parties</i>	7.165	6.359
Provisions for Risks and Charges	1.891	1.929
Deferred Tax Liabilities	11.834	11.158
Other Payables	10.360	10.813
Total Non-Current Liabilities	305.104	293.230
Current Financial Liabilities	69.688	69.438
<i>of which related parties</i>	1.906	2.240
Current Tax Payables	2.569	1.721
Trade Payables	131.975	126.566
<i>of which related parties</i>	813	352
Other Liabilities	25.287	25.608
<i>of which related parties</i>	230	230
Total Current Liabilities	229.519	223.334
Total Equity and Liabilities	698.765	668.666

Appendix - Net Financial Position

NET FINANCIAL DEBT €/000	At March 31, 2022	At December 31, 2021
A. Liquidity	142.561	152.656
B. Cash and cash equivalents	-	-
C. Other current financial assets	225	860
D. Liquidity (A + B + C)	142.786	153.516
E. Current financial debt (including debt instruments but excluding the current portion of non-current financial debt)	(1.734)	(203)
F. Current portion of non-current financial debt	(67.954)	(69.236)
G. Current financial debt (E + F)	(69.688)	(69.438)
H. Net current financial debt (G - D)	73.098	84.078
I. Non-current financial debt (excluding current portion and debt instruments)	(190.803)	(180.185)
J. Debt instruments	(83.197)	(83.210)
K. Trade payables and other non-current payables	-	-
L. Non-current financial debt (I + J + K)	(274.001)	(263.396)
M. Total financial debt (H + L)	(200.903)	(179.318)

Appendix - Consolidated Cash Flow Statement (1)

CASH FLOW STATEMENT

€/000

At March 31, 2022 At March 31, 2021

Operation Activities

Net Profit (Including Portion Attr. to Minority)	9.120	3.497
<i>of which related parties</i>	(561)	(158)
Income Taxes	2.782	1.215
Financial income	(1.694)	(57)
Financial charges	1.872	2.032
<i>of which related parties</i>	(31)	(45)
FX (Gains) and Losses	383	(434)
(Gain)/Loss on non - current asset Disposals	(56)	(31)
Provisions & write-downs	17	110
Write-downs of financial assets (receivables)	(25)	(7)
Amortisation, depreciation & write-downs	10.918	11.301
Cash Flow from Operating Activities Before Changes in NWC	23.316	17.626
Change in Inventories	(27.001)	590
Change in Trade and Other Payables	5.409	6.744
<i>of which related parties</i>	461	149
Change in Trade and Other Receivables	(6.889)	(7.095)
<i>of which related parties</i>	51	43
Change in Other Assets/Liabilities	(2.696)	1.140
<i>of which related parties</i>	2.040	(75)
Net Interest Expenses paid	(178)	(1.976)
Income Taxes paid	(78)	-
Change in Provisions for Risks and Charges	(242)	(255)
Cash Flow from Operating Activities (A)	-	8.358
		16.774

Appendix - Consolidated Cash Flow Statement (2)

CASH FLOW STATEMENT

€/000

At March 31, 2022 At March 31, 2021

Investing activities

Investment in Tangible Assets	(7.226)	(4.976)
Disposal of Tangible Assets	76	31
Investment in Intangible Assets	(550)	(864)
Disposal of Intangible Assets		
Cash Flow used in Investing Activities (B)	- 7.701 -	5.809

Financing Activities

Increase in no current Loan and borrowing	20.000	
Decrease in no current Loan and borrowing	(10.854)	(30.592)
Net variation in current and not current financial Assets and Liability included IFRS 16	2.357	(1.428)
<i>of which related parties</i>	472	(590)
Net variation non-monetary increase IFRS16	(3.982)	(502)
<i>of which related parties</i>	(1.177)	
Acquisition of treasury shares	(1.558)	
Cash Flow from Financing Activities (C)	5.964	(32.522)
Net Cash Flow of the Year (A)+(B)+(C)	(10.095)	(21.557)