

# AQUAFIL

## Corporate Presentation

*Digital Italian Sustainability Week*

*29<sup>th</sup> - 30<sup>th</sup> June 2020*

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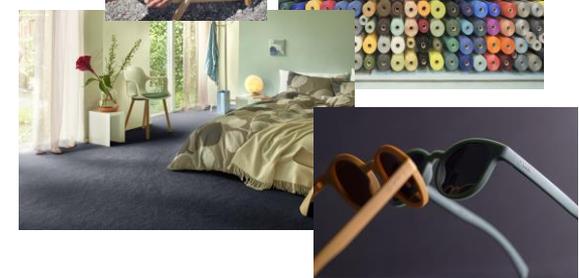
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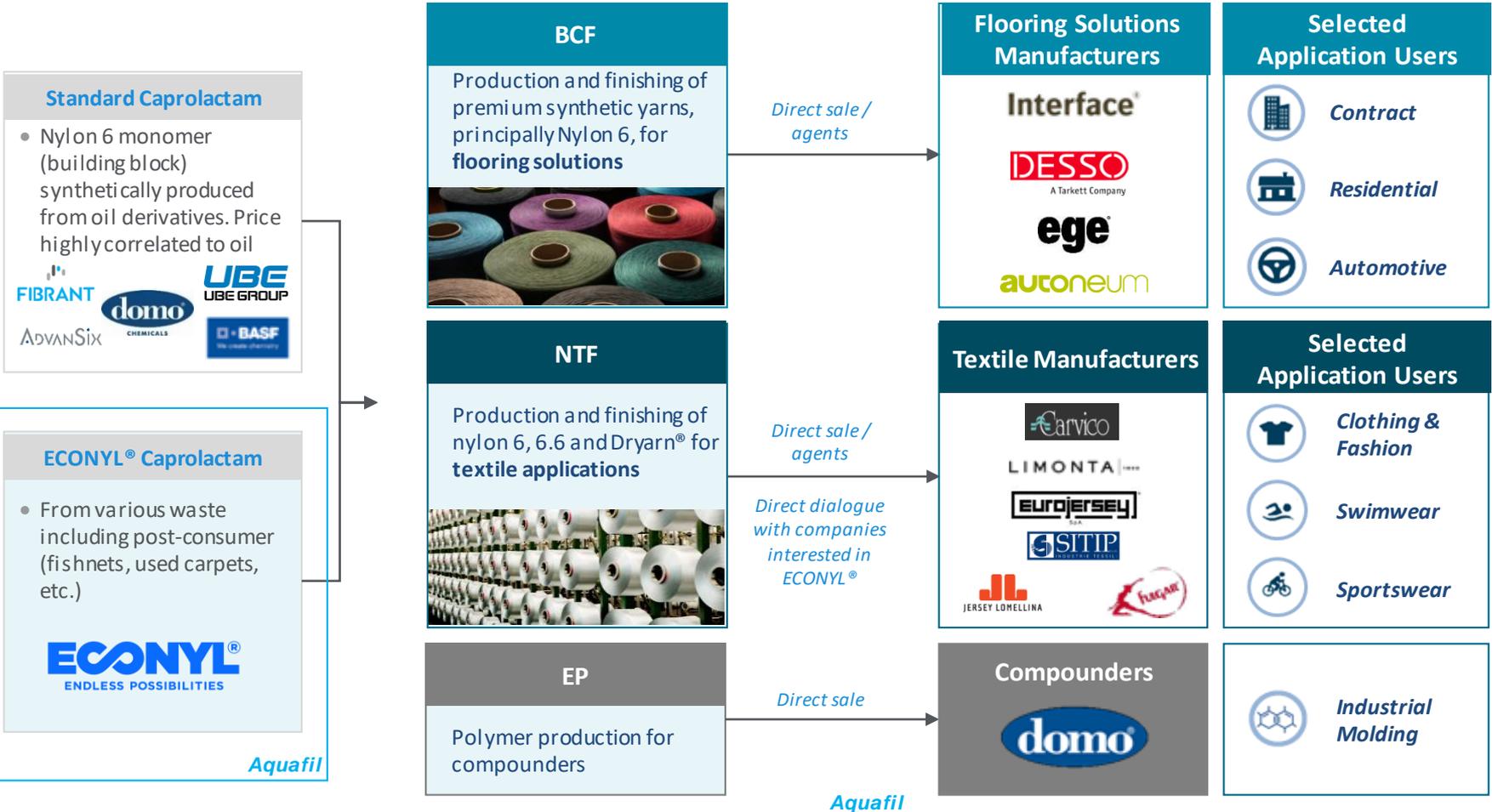
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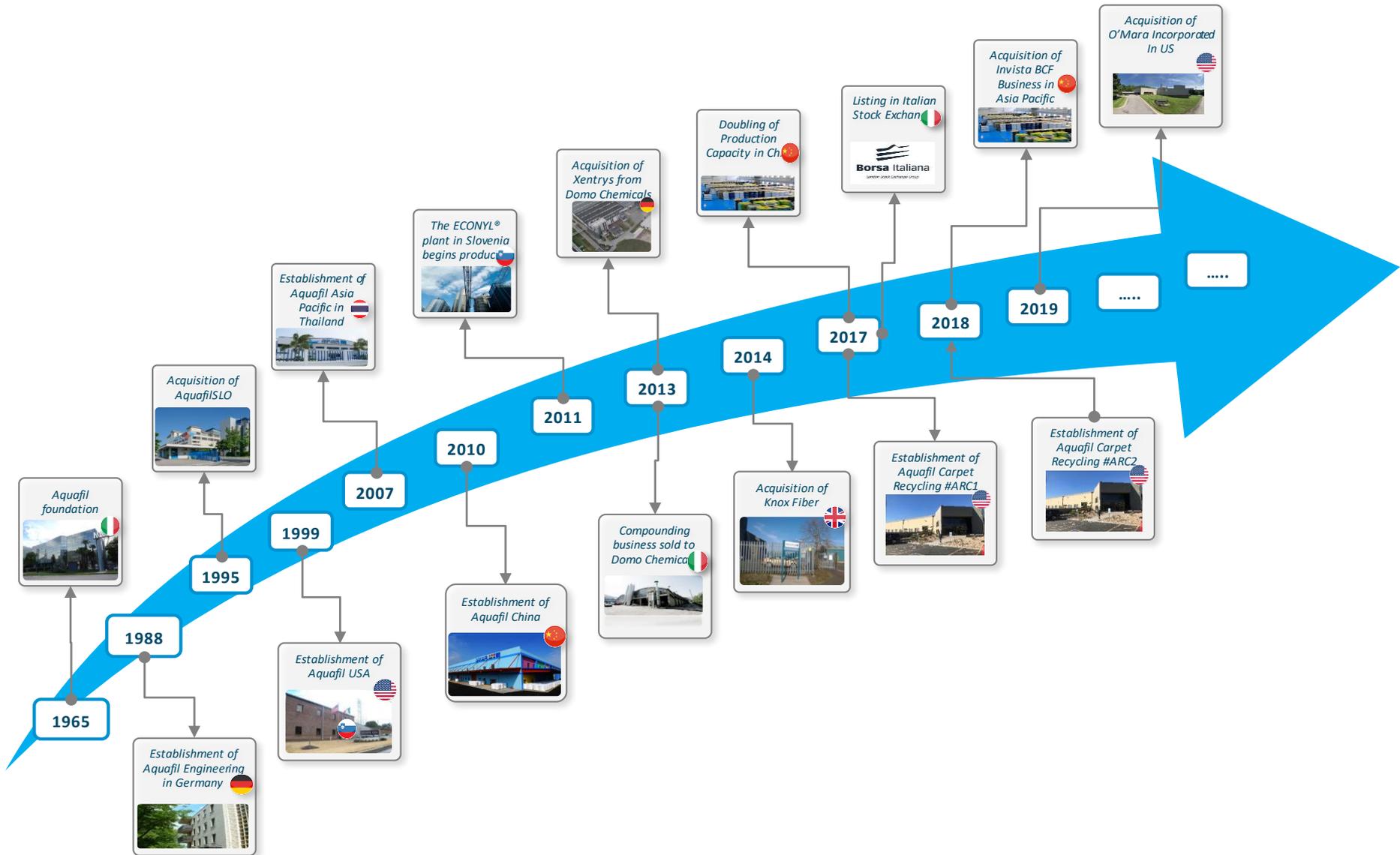
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- **Pioneers of circularity with ECONYL®:**
  - An unique **Regeneration System** to produce sustainable fiber and polymers from nylon 6 waste;
  - High barriers to entry for technology and reverse supply chain;
  - Turnover of product branded ECONYL® equal to ca **38%** of fiber turnover
  - significant environmental advantage;
  - **reduction of greenhouse gas emissions by as much as 80%**
- **Market Leader in Nylon (PA):**
  - Fiber for Carpet flooring (BCF Product);
  - Fiber for Fabrics (NTF Product);
  - Polymers for engineering plastics;
- **A successful business model based on**
  - Proprietary technology with continuous innovation;
  - R&D focus for a uniquely diversified commercial offer;
  - Manufacturing and operational excellence;
  - Focus on high-end segments for a premium positioning;
- **A Global footprint with proximity to Clients**
  - **16 plants in 3 continents** and 7 countries
  - **almost 3.000 employees** at end 2019;
  - **€549,0m of Revenues in FY2019**
  - **€69,4m EBITDA in FY2019**

**THE ECONYL®  
REGENERATION SYSTEM**







# AQUAFIL WORLDWIDE

## USA

Cartersville (Georgia)  
**Aquafil USA 1 & 2**

Phoenix (Arizona)  
**Aquafil Carpet Recycling  
ACR#1**

Sacramento (California)  
**Aquafil Carpet Recycling  
ACR#2**

Rutherford College  
(North Carolina)  
**Aquafil O'Mara**

## UK

Kilbirnie  
**Aquafil UK**

## CROATIA

Oroslavje  
**Aquafil CRO**

## CHINA

Jiaxing  
**Aquafil Jiaxing**

## SLOVENIA

Ljubljana  
**AquafilSLO**

Senožeče  
**AquafilSLO Senožeče**

Štore  
**AquafilSLO Štore**

Ajdovščina  
**AquafilSLO Ajdovščina**

## THAILAND

Rayong  
**Aquafil Asia Pacific**

## ITALY

Arco (TN)  
**Aquafil (Headquarter)**

Cares (TN)  
Rovereto (TN)  
**Tessilquattro**

**Key Applications**

**Contribution to Revenues FY19**

**2018 European PA Market Shares <sup>(1)</sup>**

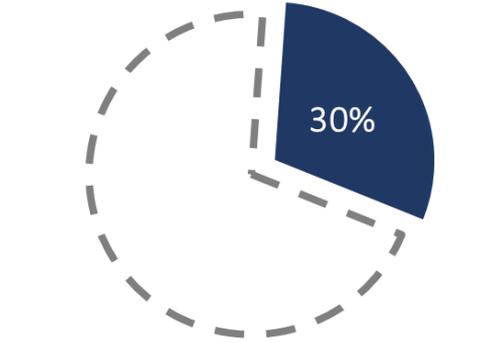
**A**

**Fiber for carpet flooring**  
*BCF Product*

-   
*Contract*
-   
*Residential*
-   
*Automotive*




**72,9%**



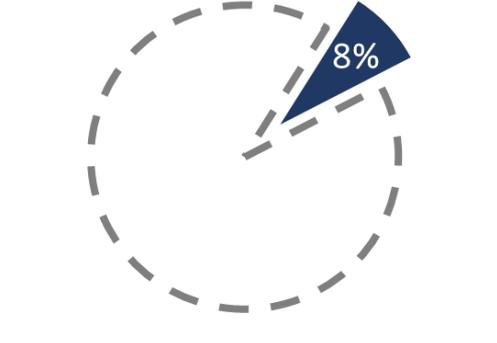
**B**

**Fiber for fabric**  
*NTF Product*

-   
*Clothing & Fashion*
-   
*Swimwear*
-   
*Sportswear*
-   
*High-tech clothing*




**ca. 19,6%**



**C**

**Polymers**  
*EP Product*

-   
*Industrial Molding*

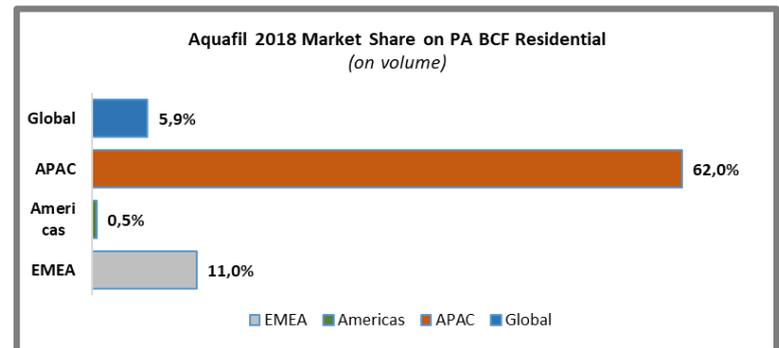
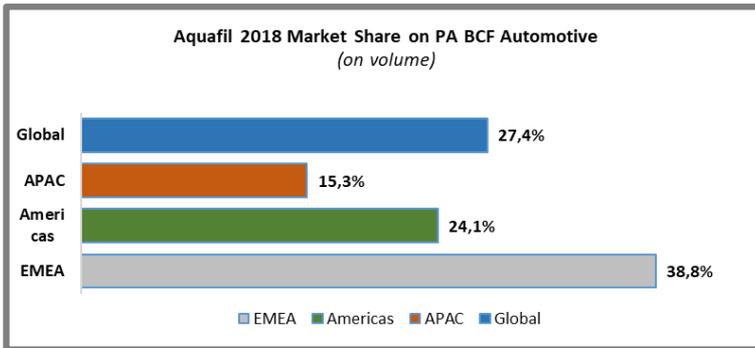
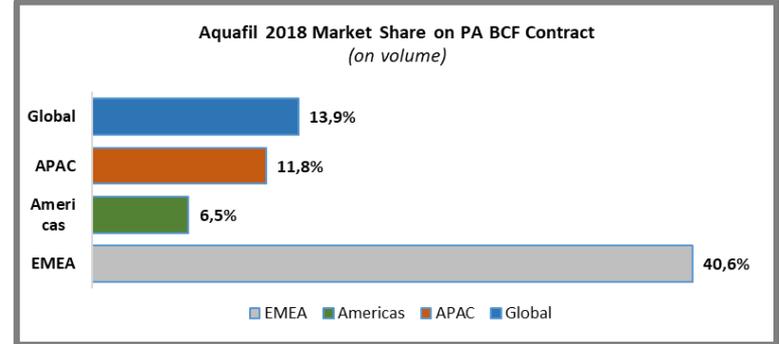
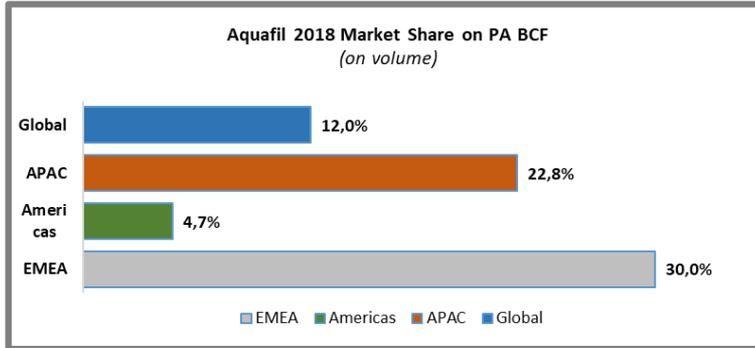


**ca. 7,5%**

A

**Fiber for carpet flooring - BCF Product**

2018 PA Market Shares<sup>1</sup>



Competitors



*Integrated Players*

<sup>(1)</sup> Aquafil on Wood Mackenzie market data - Based on volume

A

## Fiber for carpet flooring - BCF Product

### Product Range

- More than **20,000 SKUs**, approximately **5,000 references renewed** each year
- The only supplier of **100% regenerated ECONYL® fiber**
- Broad proprietary color range
- Specialty polymers

### Co - development

- **Carpet development centers** in each geography
- Production of more than **8,000 samples** per year

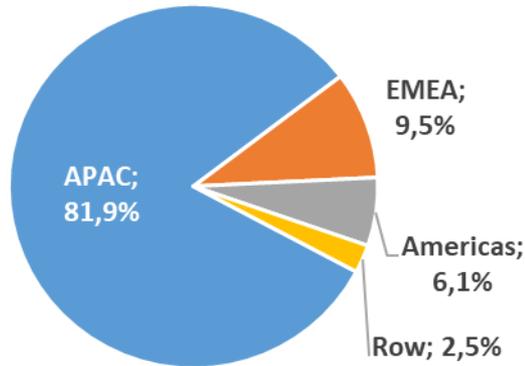
### Service

- The **only player** with production plants in **3 different continents**
- **Short delivery time**: e.g. 2 weeks worldwide for the ECONYL® solution dyed fiber
- **Consistent high quality across all geographies** to serve consistent product to global clients

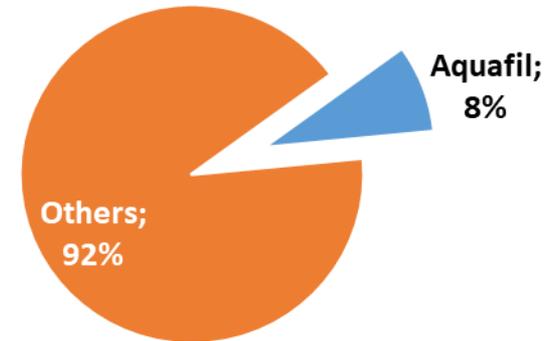
B

Fiber for Fabric - NTF Product

2018 Market Shares<sup>1</sup>



Textile mass production is in APAC, with Europe's core focus is on high-end production. Fast fashion needs lead to growing production out of Turkey, which can be served by European NTF players



A leading player with limited competition. Only 3 suppliers capable of offering products starting from monomer and intermediate handling. APAC moving slowly towards high-end production

Competitors



B

## Fiber for Fabric - NTF Product

### Flexible & Competitive Asset Base

- 90% + utilization
- Low labor, energy and logistic cost
- High level of automation in state of the art plants

### Partnership with Clients

- Consolidated partnership with the two most established nylon users in Europe
- Successful client portfolio thanks to a wide, competitive and diversified product offering

### Attractive Value Proposition

- ECONYL®
- Dryarn®
- Microlon
- Recognized brands and sophisticated product offer to the swimwear and lingerie sector

B

## Fiber for Fabric - NTF Product

### ECONYL® Regenerated Fiber

- **100% regenerated & regenerable** nylon fiber
- **Fully recognized** by a large and growing number of global sportswear and luxury brands (c. 700 license brand agreements in place)
- **Unique storyline channeled by brands onto final consumers**
- Qualifies and opens doors to the entire Aquafil products offering

### Examples of ECONYL® Applications



BURBERRY  
LONDON

speedo

STELLA MCCARTNEY



VOLCOM

Levi's



NAPAPIJRI

**ECONYL®**  
ENDLESS POSSIBILITIES

### Dryarn®: a Successful High-performance Fiber

- Dryarn® is a **niche, high-end fiber** for **sportswear and technical underwear** applications
- Dryarn® has **significantly superior properties** than most common textile fibers (polyester, cotton, wool): **better dryness** (less moisture absorption), **lightness, breathability and insulation capacity**
- Established itself as THE brand of microfiber polypropylene high performance garments (military and civil service included)

### Examples of Dryarn® Applications



- Mountain biking jersey
- Biking suit underwear



- Jeans

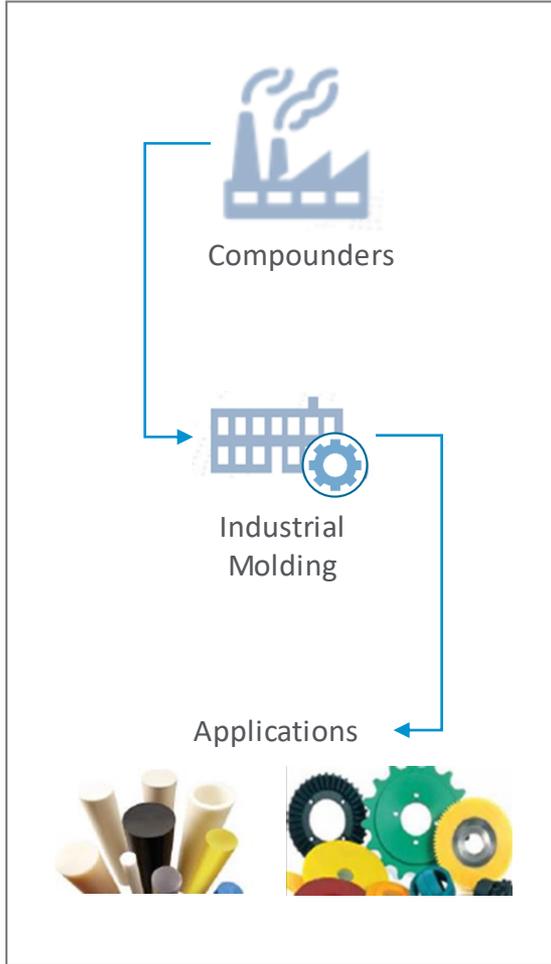


- High performance sportswear

C

**EP**

*Engineering Plastic*



**Description**

- Aquafil manufactures nylon 6 and raisin pellet polymers for compounders
  - Once the polymer has been transformed into a techno-polymer, compounders sell the semi-finished product to the industrial molding companies, which model it based on the final product requested by the client

- Polymers sold by Aquafil are sold to market, mainly related to the contract between Aquafil and Domo Chemicals

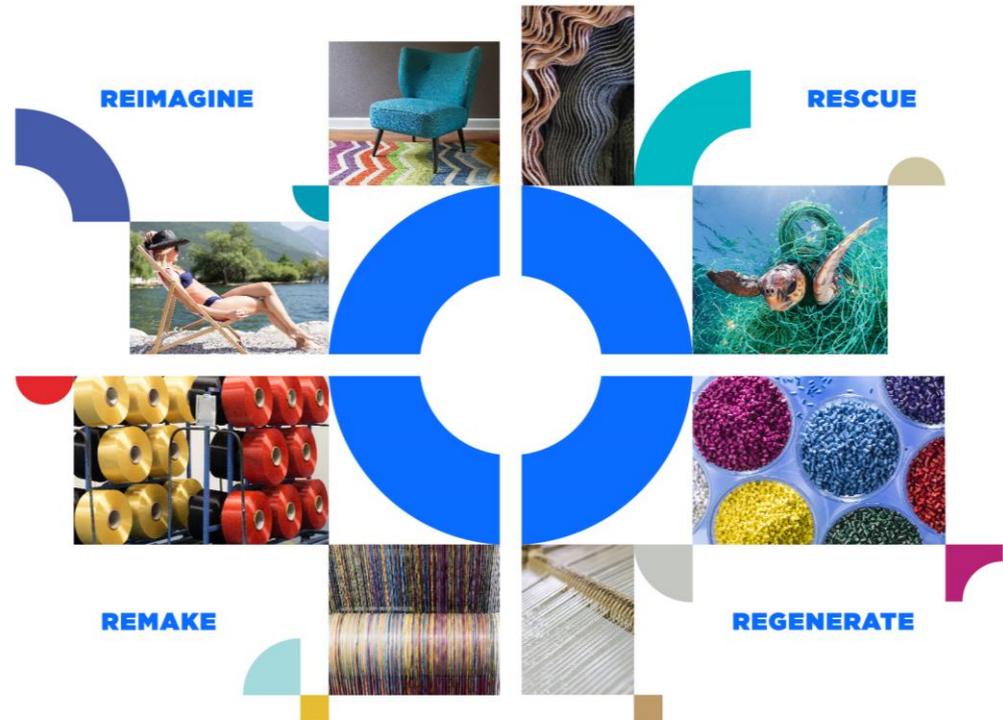


- With the expiry of the “competitive agreement” with Domo, signed in 2013, in the following years Aquafil will have the opportunity to expand its customer base

**ECONYL**  
ENDLESS POSSIBILITIES

- 100% regenerated & regenerable nylon
- Unique proprietary technology
- Ca 38 % of Aquafil Fiber 2019 Revenues

**THE ECONYL**  
**REGENERATION SYSTEM**



[WWW.ECONYL.COM](http://WWW.ECONYL.COM)

## STEP 1: RESCUE



The ECONYL® Regeneration System starts with rescuing waste, like fishing nets, fabric scraps, carpet flooring and industrial plastic from landfills and oceans all over the world. That waste is then sorted and cleaned to recover all of the nylon possible.

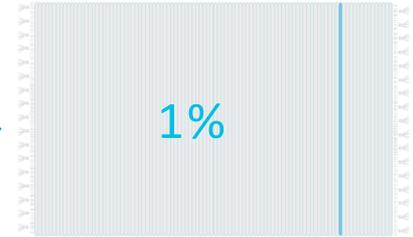


The ACR#1, ARC#2, ARC#.. a new model for business.....

Carpet Production in  
2017  
1350 Km<sup>2</sup>



Carpet waste recycled  
back in a closed loop



An unique technology for nylon 6 carpet regeneration, the AQUAFIL CARPET RECYCLING plant with capacity to collect and treat 16 k tons (each plant) of carpet per year

**ACR#1**  
Phoenix  
ARIZONA (USA)



**NYLON**  
ca 6 k/tons per unit will be destined to our ECONYL<sup>®</sup> Regeneration System in Slovenia



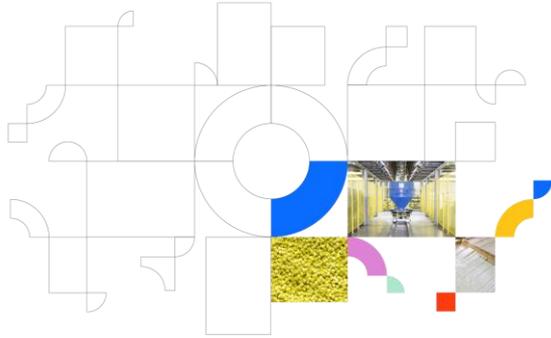
**POLYPROPYLENE**  
ca 2,5 k/tons per unit transformed into pellets to injection moulding industry

**ACR#2**  
Woodland  
CALIFORNIA (USA)



**CALCIUM CARBONATE:** ca 7,5 k/tons per unit to road construction and cement manufacturing

## STEP 2: REGENERATE



Through a radical regeneration and purification process, the nylon waste is recycled right back to its original purity. That means ECONYL® regenerated nylon is exactly the same as virgin nylon.



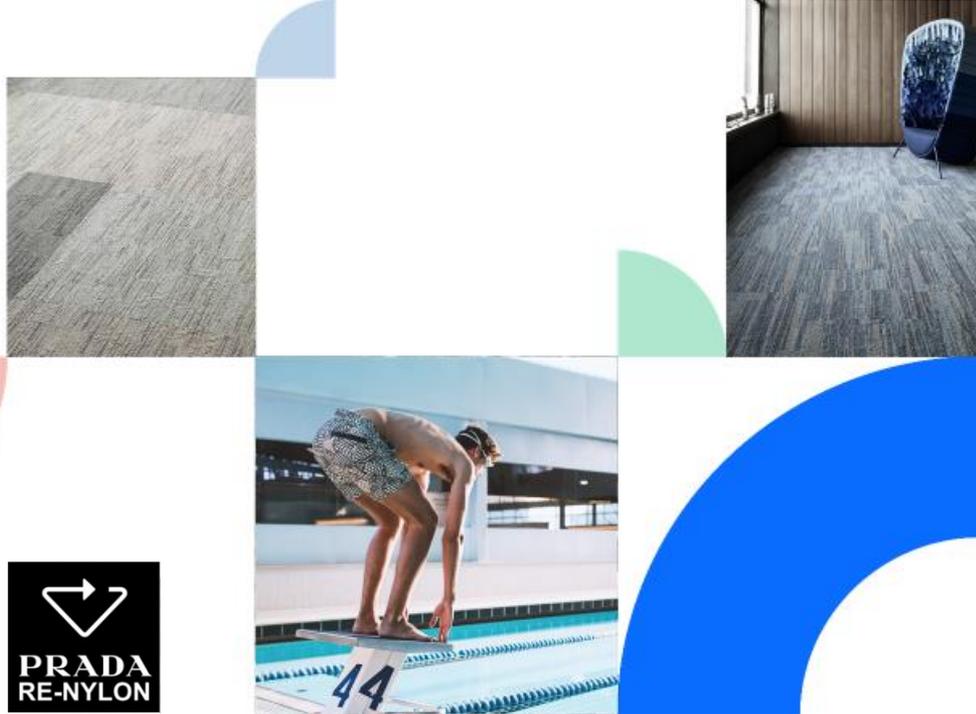
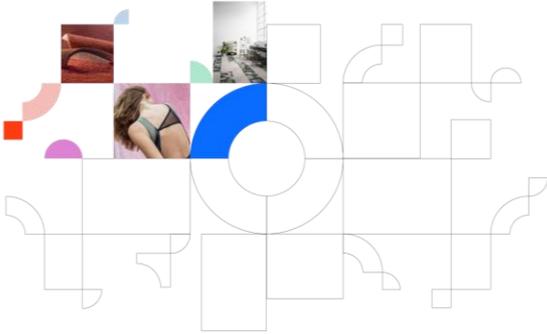
### STEP 3: REMAKE

**ECONYL<sup>®</sup> regenerated nylon is processed into carpet yarn and textile yarn for the fashion and interior industries.**



**STEP 4: REIMAGINE**

Fashion brands and carpet producers use ECONYL<sup>®</sup> regenerated nylon to create brand new products. And that nylon has the potential to be recycled infinitely, without ever losing its quality.

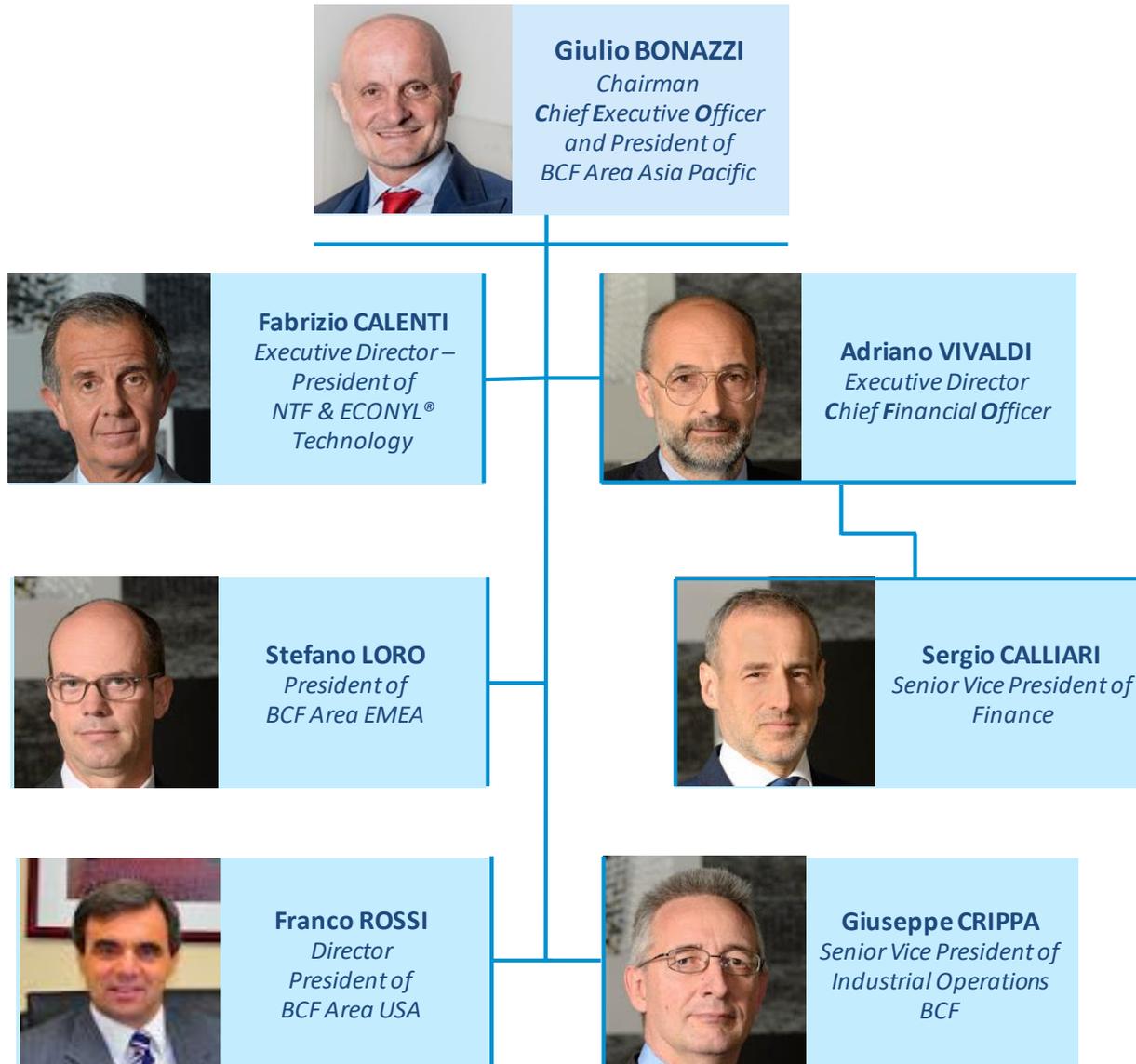


STELL/McCARTNEY



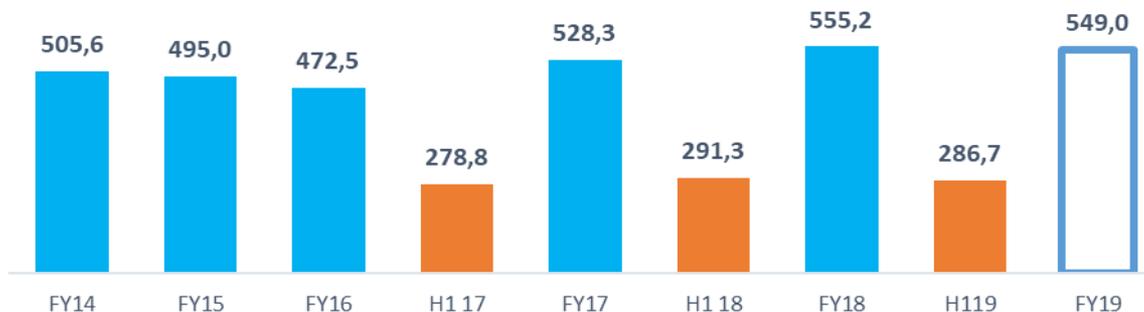
NAPAPIJRI





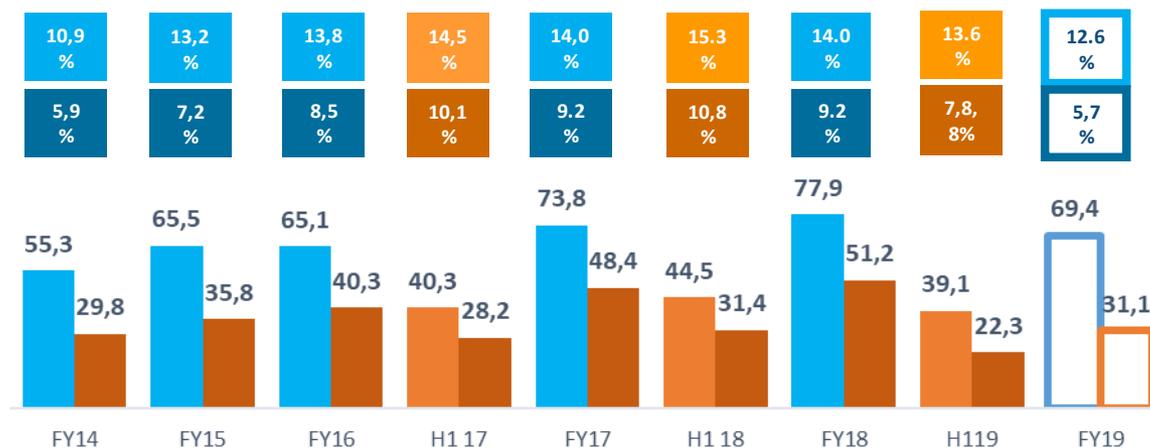
## Revenues (€m)

Revenues **by Product Line H119** are composed by (a) **72,9% of fiber for carpet (BCF)** product, including Engineering activities, (b) **19,6% of fiber for fabric (NTF)** product and (d) **7,5% of Polymers** and are carried out for (i) **59,6% EMEA** (ii) **23,3% North America** (iii) **16,8% Asia and Oceania**



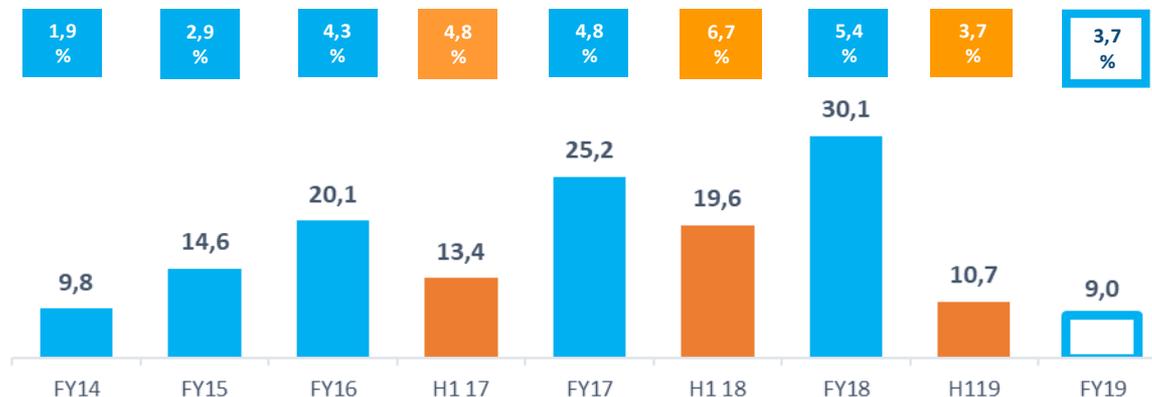
Sales of **ECONYL®** branded products are **growth of 3,2%** in FY 2019 compared to FY 2018 and represent in the **ca 37,5% of fiber sales**.

## EBITDA (€m), EBIT Adjusted<sup>(1)</sup> (€m) and Margin on Revenues (%)



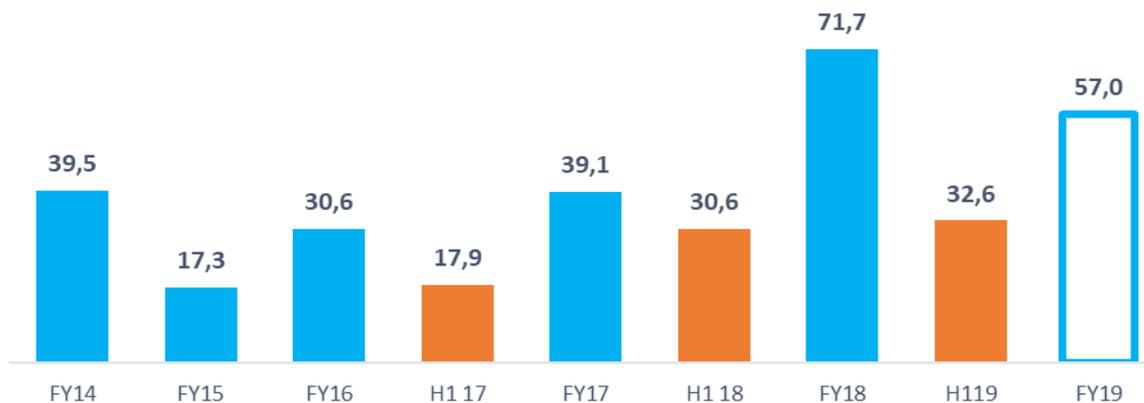
(1) Defined as EBITDA minus D&A, impairments and provisions.

## Net Profit (€m) and Margin on Revenues (%)

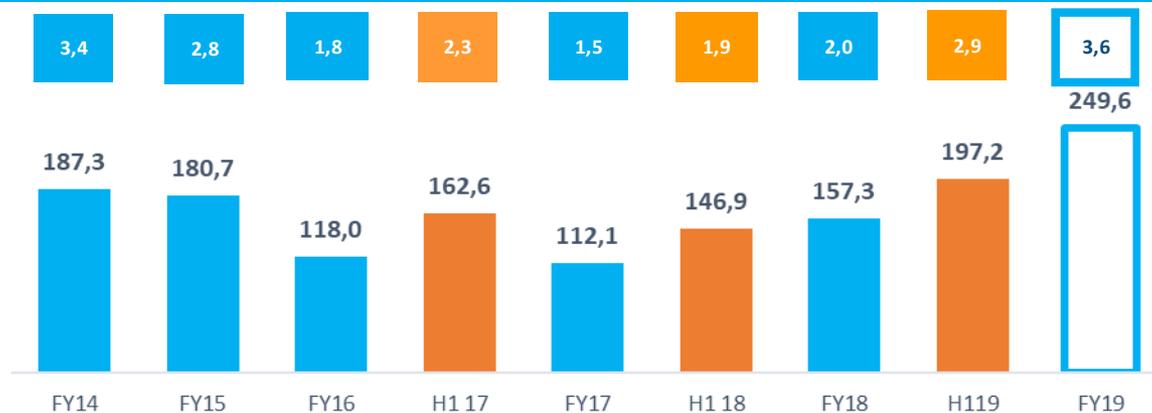


## Capex (€m)

Capex FY 2019 without consider **effects of O'Mara Incorporated acquisition and of IFRS16** is mainly relating to (i) increase of **ECONYL® caprolactam production capacity** including by construction of **two Carpet Recycling plants located in Phoenix and in Sacramento**, (ii) expansion of **fiber production capacity in China and in United States**, (iii) production and logistic efficiency improvement projects and (iv) upgrading and improvements of existing plants.

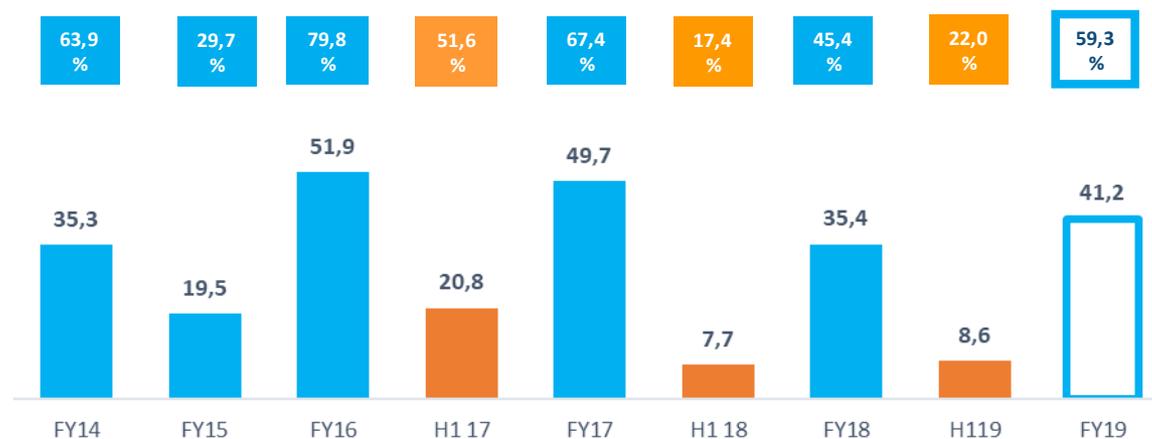


## Net Financial Debt (€m) and Net Financial Debt / EBITDA<sup>(1)</sup>



Net financial position amounted to €249.6 million at December 31, 2019 compared to €273.2 million at September 30, 2019. Excluding the effect of the application of IFRS16 and the acquisition of O'Mara Incorporated, Net financial position would have amounted to €189.2 million compared to €207.3 million at September 30, 2019 and change is mainly attributable to the following cash flows (in euro million): (a) +55.2 from operation activities; (b) -55.9 from investments; (c) -5.1 from change in net working capital; (d) -12.3 from dividend payment; (e) -9.0 from interest and taxes paid.

## Cash Flow from Operating Activities (€m) and Cash Return<sup>(2)</sup> (%)



A capital structure with **3 type of Shares** (a) **Ordinary Share**, (b) **share B**: dedicated to Giulio Bonazzi family with the same economic right of ordinary share but with 3 voting right for any share and (c) **share C**: no transferable, no economic and voting right but at certain conditions convertible in ordinary share at a ratio of 4,5 ordinary share for 1 Share C. At 31<sup>st</sup> December 2018:

51.218.794 SHARES DIVIDED IN 3 DIFFERENT TYPES

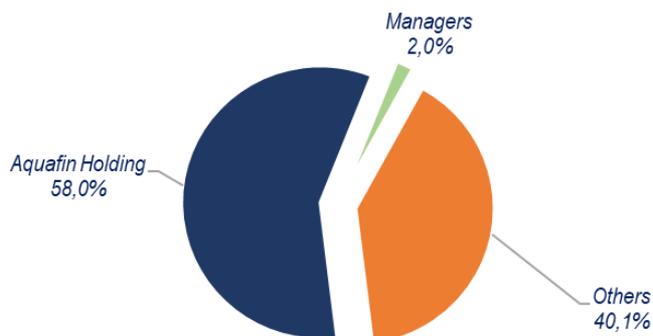


67.770.834 VOTING RIGHTS

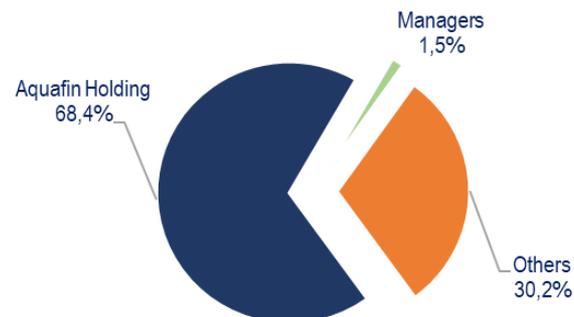


Main **Aquafil's** shareholders is **Aquafin Holding S.p.A.** (holding of **Giulio Bonazzi Family**) and also **Managers** are involved::

MAIN SHAREHOLDER with MANAGER INVOLVED  
(by Share)



MAIN SHAREHOLDER with MANAGER INVOLVED  
(by Voting Right)



## Board of Directors

**Giulio Bonazzi**  
*Chairman and CEO*

**Fabrizio Calenti**  
*Executive Director*

**Silvana Bonazzi**  
*Director*

**Margherita Zambon**  
*Independent Director<sup>(1) (6)</sup>*

**Francesco Profumo**  
*Independent Director<sup>(1) (4) (5)</sup>*

**Simona Heidempergher**  
*Independent Director<sup>(1) (2) (3) (6)</sup>*

**Adriano Vivaldi**  
*Executive Director*

**Franco Rossi**  
*Executive Director*

**Carlo Pagliani**  
*Director<sup>(4)</sup>*



## Board of Statutory Auditors

**Stefano Poggi Longostrevi**  
*Chairman*

**Fabio Buttignon**  
*Statutory Auditor*

**Bettina Solimando**  
*Statutory Auditor*



## Auditors Firm



Board of Directors defines the Group's global strategies by developing actions for growth, launching new activities in various sectors and implementing plans for investment, control and assessment of results.

# APPENDIX

# FY 2019 – CONSOLIDATED FINANCIAL STATEMENT

<b>RECONCILIATION FROM NET PROFIT TO EBITDA</b> <i>€/000</i>	<b>December</b> <b>2019</b>	<b>December</b> <b>2018</b>	<b>Forth Quarter</b> <b>2019</b>	<b>Forth Quarter</b> <b>2018</b>
<b>Net Profit (Including Portion Attr. to Minority)</b>	<b>9.005</b>	<b>30.097</b>	<b>(529)</b>	<b>5.742</b>
Income Taxes	1.519	6.986	(2.195)	784
Amortisation & Depreciation	37.765	26.361	11.793	7.438
Write-downs & Write-backs of intangible and tangible assets	555	285	318	(1.148)
Financial items (*)	10.108	7.793	3.916	1.187
No recurring items (**)	10.457	6.373	1.192	3.004
<b>EBITDA</b>	<b>69.408</b>	<b>77.896</b>	<b>14.497</b>	<b>17.008</b>
<i>Revenue</i>	548.955	555.220	129.418	124.288
EBITDA Margin	12,6%	14,0%	11,2%	13,7%

<b>RECONCILIATION FROM EBITDA TO</b> <b>EBIT ADJUSTED</b> <i>€/000</i>	<b>December</b> <b>2019</b>	<b>December</b> <b>2018</b>	<b>Forth Quarter</b> <b>2019</b>	<b>Forth Quarter</b> <b>2018</b>
<b>EBITDA</b>	<b>69.408</b>	<b>77.896</b>	<b>14.497</b>	<b>17.008</b>
Amortisation & Depreciation	37.765	26.361	11.793	7.438
Write-downs & Write-backs of intangible and tangible assets	555	285	318	(1.148)
<b>EBIT Adjusted</b>	<b>31.088</b>	<b>51.250</b>	<b>2.385</b>	<b>10.718</b>
<i>Revenue</i>	548.955	555.220	129.418	124.288
<i>EBIT Adjusted Margin</i>	5,7%	9,2%	1,8%	8,6%

(\*) The financial items include: (i) non-recurring financial income of Euro 1.1 million in the period ending December 31, 2019 (ii) financial charges of Euro 7.5 million and Euro 5.8 million respectively in the periods ending December 31, 2019 and December 31, 2018, (iii) cash discounts of Euro 3.2 million and Euro 3.7 million respectively in the periods ending December 31, 2019 and December 31, 2018, and (iv) exchange loss of Euro 0.5 million and exchange gains of Euro 1.7 million respectively in the periods ending December 31, 2019 and December 31, 2018.

(\*\*) This includes (i) non-recurring charges related to the expansion of the Aquafil Group and other corporate transactions for Euro 4.5 million and 3.0 million respectively in the periods ending December 31, 2019 and December 31, 2018, (ii) non-recurring industrial charges of Euro 1.0 million for the period ending December 31, 2019, (iii) costs for restructuring for Euro 4.3 million and Euro 2.8 million respectively in the periods ending December 31, 2019 and December 31, 2018 and (iv) other non-recurring charges of Euro 0.6 million and Euro 0.6 million respectively in the periods ending December 31, 2019 and December 31, 2018.

CONSOLIDATED INCOME STATEMENT €/000	December 2019	<i>of which</i> <i>non-current</i>	December 2018	<i>of which</i> <i>non-current</i>	Forth Quarter 2019	<i>of which</i> <i>non-current</i>	Forth Quarter 2018	<i>of which</i> <i>non-current</i>
Revenue	548.955		555.220		129.418		124.288	-
<i>of which related parties</i>	58		218		29		13	-
Other Revenue	2.555	229	2.591	856	963	117	2.172	437
<b>Total Revenue and Other Revenue</b>	<b>551.509</b>	<b>229</b>	<b>557.811</b>	<b>856</b>	<b>130.380</b>	<b>117</b>	<b>126.461</b>	<b>437</b>
Raw Material	(282.841)	(124)	(282.266)	(118)	(65.634)	(8)	(58.136)	93
Services	(100.412)	(3.584)	(100.935)	(2.918)	(24.825)	(201)	(27.296)	(637)
<i>of which related parties</i>	(491)		(3.586)		(148)		(901)	
Personel	(113.281)	(5.849)	(106.410)	(3.983)	(28.540)	(703)	(29.174)	(2.800)
Other Operating Costs	(4.194)	(1.129)	(2.438)	(211)	(1.491)	(396)	(720)	(97)
<i>of which related parties</i>	(70)		(70)		(32)		(18)	
Depreciation and Amortization	(37.765)		(26.361)		(11.793)		(7.438)	
Doubtful debt provision	(325)		(93)		(196)		701	
Provisions for risks and charges	(230)		(192)		(123)		449	
Capitalization of Internal Construction Costs	4.927		2.071		2.643		1.948	
<b>EBIT</b>	<b>17.389</b>	<b>(10.457)</b>	<b>41.187</b>	<b>(6.373)</b>	<b>422</b>	<b>(1.192)</b>	<b>6.794</b>	<b>(3.005)</b>
Other Financial Income	1.195	1.082	45		75		14	
Interest Expenses	(7.573)		(5.816)		(1.337)		(1.547)	
<i>of which related parties</i>	(252)				(120)		-	
FX Gains and Losses	(488)		1.668		(1.884)		1.267	
<b>Profit Before Taxes</b>	<b>10.524</b>	<b>(9.375)</b>	<b>37.084</b>	<b>(6.373)</b>	<b>(2.723)</b>	<b>(1.192)</b>	<b>6.528</b>	<b>(3.005)</b>
Income Taxes	(1.519)	750	(6.986)		2.195	750	(785)	
<b>Net Profit (Including Portion Attr. to Minority)</b>	<b>9.005</b>	<b>(8.625)</b>	<b>30.097</b>	<b>(6.373)</b>	<b>(528)</b>	<b>(442)</b>	<b>5.743</b>	<b>(3.005)</b>
Net Profit Attributable to Minority Interest	0		-		0		-	
<b>Net Profit Attributable to the Group</b>	<b>9.005</b>		<b>30.097</b>		<b>2.958</b>		<b>9.787</b>	
<i>Basic earnings per share</i>	0,18		0,59		(0,01)		0,11	
<i>Diluted earnings per share</i>	0,18		0,59		(0,01)		0,11	

**CONSOLIDATED BALANCE SHEET**

<i>€/000</i>	At December 31, <b>2019</b>	At December 31, <b>2018</b>
Intangible Assets	21.101	15.992
Goodwill	13.029	-
Tangible Assets	251.492	189.661
Financial Assets	765	404
<i>of which related parties</i>	<i>313</i>	<i>79</i>
Other Assets	2.189	2.189
Deferred Tax Assets	13.636	7.841
<b>Total Non-Current Assets</b>	<b>302.212</b>	<b>216.087</b>
Inventories	184.931	189.678
Trade Receivable	24.960	34.046
<i>of which related parties</i>	<i>69</i>	<i>66</i>
Financial Current Assets	1.637	2.878
Current Tax Receivables	1.639	451
Other Current Assets	12.126	14.297
<i>of which related parties</i>	<i>2.231</i>	<i>1.859</i>
Cash and Cash Equivalents	90.400	103.277
Asset held for sales	428	-
<b>Total Current Assets</b>	<b>316.120</b>	<b>344.627</b>
<b>Total Current Assets</b>	<b>618.332</b>	<b>560.714</b>
Share Capital	49.722	49.722
Reserves	81.813	62.969
Group Net Profit for the year	10.799	31.119
<b>Group Shareholders Equity</b>	<b>142.335</b>	<b>143.810</b>
Net Equity attributable to minority interest	1	1
Net Profit for the year attributable to minority interest	-	0
<b>Total Shareholders Equity</b>	<b>142.336</b>	<b>143.811</b>
Employee Benefits	5.721	5.702
Non-Current Financial Liabilities	286.970	224.345
<i>of which related parties</i>	<i>9.624</i>	<i>-</i>
Provisions for Risks and Charges	1.508	1.169
Deferred Tax Liabilities	10.915	3.582
Other Payables	15.383	11.833
<b>Total Non-Current Liabilities</b>	<b>320.497</b>	<b>246.631</b>
Current Financial Liabilities	54.733	39.090
<i>of which related parties</i>	<i>3.572</i>	<i>-</i>
Current Tax Payables	1.127	2.270
Trade Payables	76.089	106.895
<i>of which related parties</i>	<i>127</i>	<i>762</i>
Other Liabilities	23.551	22.017
<i>of which related parties</i>	<i>236</i>	<i>230</i>
<b>Total Current Liabilities</b>	<b>155.499</b>	<b>170.272</b>
<b>Total Equity and Liabilities</b>	<b>618.332</b>	<b>560.714</b>

CASH FLOW STATEMENT	At December 31,	At December 31,
<i>€/000</i>	<b>2019</b>	<b>2018</b>
<b>Operation Activities</b>		
Net Profit (Including Portion Attr. to Minority)	9.005	30.097
<i>of which related parties</i>	<i>(755)</i>	<i>(3.438)</i>
Income Taxes	1.519	6.986
Other Financial Income	(1.195)	(45)
Interest Expenses	7.573	5.816
<i>of which related parties</i>	<i>(252)</i>	-
FX (Gains) and Losses	488	(1.668)
(Gain)/Loss on non-current asset Disposals	(476)	(303)
Provisions & write-downs	556	285
Amortisation, depreciation & write-downs	37.770	26.361
<b>Cash Flow from Operating Activities Before Changes in NWC</b>	<b>55.238</b>	<b>67.531</b>
Change in Inventories	10.177	(36.179)
Change in Trade and Other Receivables	(32.905)	12.418
<i>of which related parties</i>	<i>(635)</i>	<i>46</i>
Change in Trade and Other Payables	12.975	633
<i>of which related parties</i>	<i>(3)</i>	<i>50</i>
Change in Other Assets/Liabilities	5.440	3.617
<i>of which related parties</i>	<i>(366)</i>	<i>(398)</i>
Net Interest Expenses paid	(6.377)	(5.025)
Income Taxes paid	(2.548)	(6.335)
Change in Provisions for Risks and Charges	(830)	(1.271)
<b>Cash Flow from Operating Activities (A)</b>	<b>41.169</b>	<b>35.389</b>
<b>Investing activities</b>		
Investment in Tangible Assets	(48.196)	(60.881)
Disposal of Tangible Assets	1.017	2.708
Investment in Intangible Assets	(7.876)	(10.834)
Disposal of Intangible Assets	2	13
Investment in Right of Use	(5.794)	-
Disposal in Right of Use	4.893	-
Business Purchases Aquafil O'Mara	(36.076)	-
<i>of which Asset</i>	<i>(18.687)</i>	-
<i>of which Goodwill</i>	<i>(13.029)</i>	-
<i>of which cash</i>	<i>116</i>	-
<i>of which other assets and liabilities</i>	<i>(4.476)</i>	-
<b>Cash Flow used in Investing Activities (B)</b>	<b>-92.031</b>	<b>-68.994</b>
<b>Financing Activities</b>		
Increase in no-current Loan and borrowing	103.000	120.000
Decrease in no-current Loan and borrowing	(45.425)	(67.833)
Net variation in current financial Assets and Liability	(7.317)	(1.516)
<i>of which related parties</i>	<i>1.275</i>	-
Dividends Distribution	(12.273)	(12.241)
<i>of which related parties</i>	<i>(7.316)</i>	<i>(7.369)</i>
Increase (decrease) Share Capital	-	(600)
Merger contribution	-	50
<b>Cash Flow from Financing Activities (C)</b>	<b>37.985</b>	<b>37.860</b>
<b>Net Cash Flow of the Year (A)+(B)+(C)</b>	<b>-12.877</b>	<b>4.255</b>

NET FINANCIAL DEBT	At December 31, At December 31,	
<i>€/000</i>	2019	2018
A. Cash	90.400	103.277
B. Other cash equivalents	-	-
C. Securities held-for-trading	-	-
<b>D. Liquidity ( A + B + C )</b>	<b>90.400</b>	<b>103.277</b>
<b><i>E. Current financial receivables</i></b>	<b>1.637</b>	<b>2.878</b>
F. Current bank loans and borrowing	(129)	(96)
G. Current portion of non-current loans and borrowing	(46.056)	(35.496)
H. Other current loans and borrowing	(8.547)	(3.498)
<b><i>I. Current financial debt ( F + G + H )</i></b>	<b>(54.733)</b>	<b>(39.090)</b>
<b>J. Net current financial debt ( I + E+ D )</b>	<b>37.304</b>	<b>67.066</b>
K. Non-current bank loans and borrowing	(169.796)	(159.492)
L. Bonds issued	(90.458)	(53.578)
M. Other non-current loans and borrowing	(26.619)	(11.274)
<b>N. Non-current financial debt ( K + L + M )</b>	<b>(286.874)</b>	<b>(224.344)</b>
<b>O. Net financial debt ( J+N )</b>	<b>(249.570)</b>	<b>(157.279)</b>

## Q1 2020 – FINANCIAL RESULTS

REVENUES (€/mil)	
	Q120
Act19 <sup>2</sup>	140,7
Act18	145,3
% Var 19 to 18	-3,2%

EBITDA (€/mil)	
	Q120
Act19 <sup>3</sup>	18,2
Act18	19,1
% Var 19 to 18	-4,7%

NET PROFIT ADJUSTED <sup>1</sup> (€/mil)	
	Q120
Act19	5,1
Act18	7,7
% Var 19 to 18	-34,2%

N.F.P. (€/mil)	
Mar20	250,2
Dec19	249,6

REVENUES
<b>Area EMEA</b> -6,0% <i>due to market slowdown for economic trends</i>
<b>Area Asia Pacific</b> -11,8% <i>due to market slowdown for economic trends</i>
<b>Area USA</b> +10,4% <u>on a like for like basis<sup>4</sup></u> -12,1% <i>slowdown of automotive sector</i>
<b>Revenues of ECONYL® Branded Products -1,9%</b> 37,9% of Fiber Revenues

EBITDA
-4,7% (-0,9 €/mil) <u>on a like for like basis<sup>4</sup></u>
-10,8% (-2,1 €/mil) mainly due to <b>Lower Quantities Sold</b> partially compensated by effects of scheduled saving measures

NET PROFIT ADJUSTED - 34,2% (-1,6 €/mil)
mainly due to
- EBITDA Decrease
- Higher Depreciation - 2,8 €/mil
- Higher Financial Cost - 0,6 €/mil
- Higher exchange profit +1,7 €/mil

NET FINANCIAL POSITION
250,2 €/mil at Mar 20 249,6 €/mil at Dec 19
Mar20 vs Dec 19
+15,3 €/mil from <b>Op Activities</b> -9,3 €/mil from <b>Investing Activities</b> -4,5 from <b>NWC changes</b> -2,1 from <b>Interest expenses</b>
<b>CASH</b> at 31 Mar 2020 100,4 €/mil

<sup>(1)</sup> Equal to Net Profit plus no recurring items less related tax effects - <sup>(2)</sup> Including Aquafil O'Mara revenues of 7,4 €/mil - <sup>(3)</sup> including Aquafil O'Mara EBITDA of 1,2 €/mil - <sup>(4)</sup> Without **34** considering O'Mara contribution

Revenues broken down by Line of Product and Geographical Area on First Quarter 2020 to same period of 2019 are:

	BCF (fiber for carpet)				NTF (fibre for fabrics)				Polymers				TOTAL				% on TOTAL	
	Q120	Q119	Δ	Δ%	Q120	Q119	Δ	Δ%	Q120	Q119	Δ	Δ%	Q120	Q119	Δ	Δ%	Q120	Q119
EMEA	52,4	54,8	(2,4)	(4,4)%	24,9	26,2	(1,3)	(5,0)%	8,4	10,2	(1,8)	(17,2)%	85,7	91,2	(5,5)	(6,0)%	60,9%	62,8%
North America	24,9	29,5	(4,6)	(15,6)%	6,9	0,0	6,9	N.A.	2,1	1,3	0,9	70,1%	33,9	30,7	3,2	10,4%	24,1%	21,1%
Asia e Oceania	19,5	22,3	(2,8)	(12,4)%	0,9	0,8	0,2	23,6%	0,0	0,1	(0,1)	N.A.	20,5	23,2	(2,7)	(11,8)%	14,5%	16,0%
RoW	0,1	0,1	0,0	59,1%	0,5	0,2	0,3	N.A.	0,0	0,0	(0,0)	N.A.	0,6	0,2	0,4	N.A.	0,4%	0,2%
<b>TOTAL</b>	<b>96,9</b>	<b>106,6</b>	<b>(9,7)</b>	<b>(9,1)%</b>	<b>33,3</b>	<b>27,1</b>	<b>6,1</b>	<b>22,5%</b>	<b>10,5</b>	<b>11,5</b>	<b>(1,0)</b>	<b>(8,7)%</b>	<b>140,7</b>	<b>145,3</b>	<b>(4,6)</b>	<b>(3,2)%</b>	<b>100,0%</b>	<b>100,0%</b>
<b>% on TOTAL</b>	<b>68,9%</b>	<b>73,4%</b>			<b>23,6%</b>	<b>18,7%</b>			<b>7,5%</b>	<b>7,9%</b>			<b>100,0%</b>	<b>100,0%</b>				

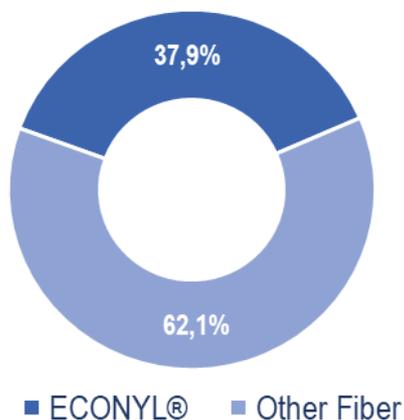
- (a) revenues generated in EMEA declined by 6.0% (€5.5 million) at March 31, 2020, in detail (a) the BCF Product Line (fiber for carpets) fell by 4.4% (€2.4 million) chiefly due to lower volumes sold as a result of the slowdown of the final market, as well as a sales price declined attributable to lower raw material cost; (b) the NTF Product Line (fiber for fabrics) dropped by 5.0% (€1.3 million) fully due to the downtrend in the market of reference occurred late in March; (c) the Polymers Product Line decreased by 17.2% (€1.8 million), chiefly due to sales price decline attributable to lower raw material cost, as well as lower volumes sold as a result of the slowdown of the end market;
- (b) revenues generated in North America grew by 10.4% (€3.2 million) at March 31, 2020. On a like-for-like consolidation basis, revenues would have decreased by 12.1% (€3.7 million), in detail: (a) the BCF Product Line (fiber for carpets) declined by 15.6% (€4.6 million) chiefly due to lower volumes sold as a result of the difficult comparison with January 2019, the slowdown of the automotive market in late March, and a decline in sales prices attributable to lower raw material cost; (b) the Polymers Product Line grew by 70.1% (€0.9 million) thanks to higher volumes sold;
- (c) revenues generated in Asia and Oceania decreased by 11.8% (€2.7 million), entirely attributable to the BCF Product Line (fiber for carpets) as a result of the slowdown of the end market of reference, chiefly due to lower volumes sold as a result of the slowdown of the end market of reference, as well as a sales price declined attributable to lower raw material cost.

# ECONYL®

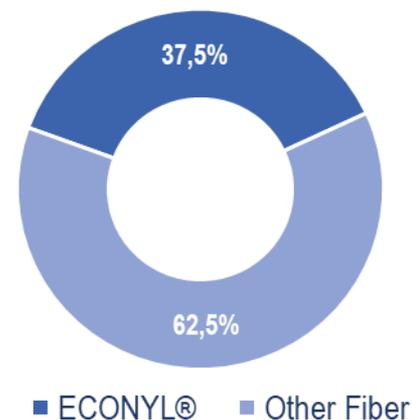
## ENDLESS POSSIBILITIES

The Group's revenues of ECONYL® branded products decrease of 1,9% in Q1 2020 compared to Q1 2019.

% ECONYL® revenues on fiber revenues  
Q1 2020



% ECONYL® revenues on fiber revenues  
Q1 2019



The Group's revenues of ECONYL® branded products in Full Year 2019 are equal to the 37,9% of total fiber revenues.

The **Income Statement Key Performance Indicators** related to first quarter 2020 compared with same period of 2019 are:

Income Statement KPI			
(€/mil)			
	Q1 20	Q1 19	Δ%
<b>REVENUES</b>	<b>140,7</b>	<b>145,3</b>	<b>(3,2)%</b>
<b>EBITDA</b>	<b>18,2</b>	<b>19,1</b>	<b>(4,7)%</b>
<i>Margin %</i>	12,9%	13,2%	
<b>EBIT Adjusted</b>	<b>7,4</b>	<b>11,0</b>	<b>(33,3)%</b>
<i>Margin %</i>	5,2%	7,6%	
<b>EBIT</b>	<b>5,2</b>	<b>9,1</b>	<b>(42,9)%</b>
<i>Margin %</i>	3,7%	6,3%	
<b>EBT</b>	<b>5,6</b>	<b>9,6</b>	<b>(41,0)%</b>
<i>Margin %</i>	4,0%	6,6%	
<b>Net Result</b>	<b>4,1</b>	<b>7,7</b>	<b>(47,0)%</b>
<i>Margin %</i>	2,9%	5,3%	
<b>Net Result Adj</b>	<b>5,1</b>	<b>7,7</b>	<b>(34,2)%</b>
<i>Margin %</i>	3,6%	5,3%	

- a) **Revenues:** trend has been described in Revenues by Geographical Area and Product Line section of report;
- b) **EBITDA:** decreases notwithstanding positive effects of O'Mara EBITDA for 1,1 €/mil. Without considering this effect EBITDA would have been of 17,1 €/mil. EBITDA. Changes in EBITDA are attributable to lower volumes sold, partially offset by the effects arising from the planning and implementation of savings measures.
- c) **EBIT Adjusted:** decrease as a result of EBITDA reduction and higher D&A of period.
- d) **EBIT:** decrease as a result of EBIT Adjusted reduction;
- e) **EBT:** decrease as a result of EBIT reduction, increase of financial cost and higher exchange profit of period;
- f) **Net Result:** decrease as a result of EBT reduction partially mitigated by a lower income taxes.
- g) **Net Result Adjusted:** is determined as Net Profit plus no recurring items corrected by related tax effect.

The Cash Flow and Net Financial Debt of first quarter 2020:

<b>Cash Flow</b> (€/mil)	
<b>(a) Cash Flow from Operating Activities Before Changes in NWC</b>	<b>15,3</b>
<b>(b) Cash Flow used in Investing Activities</b>	<b>(9,3)</b>
<b>(c) Change in Net Working Capital</b>	<b>(4,5)</b>
<b>(d) Paid Financial Costs</b>	<b>(2,1)</b>
<b>CASH FLOW (a + b + c + d)</b>	<b>(0,6)</b>

<b>Net Financial Debt</b> (€/mil)	
<b>Net Financial Debt at 31 December 2019</b>	<b>(249,6)</b>
<b>Cash Flow</b>	<b>(0,6)</b>
<b>Net Financial Debt at 31 March 2020</b>	<b>(250,6)</b>

- a) **Cash Flow from Operating Activities Before Changes in NWC:** are equal to 15,3 €/mil and are calculated as Net Profit ± Income Tax ± Interest Expenses ± FX Gains or Losses ± Amortisation, depreciation & write-downs ± the no-monetary IFRS16 increase;
- b) **Cash Flow used in Investing Activities:** are equal to (9,3) €/mil and chiefly referred to projects aimed at maintaining and improving the production efficiency of the existing plants;
- c) **Change in Net Working Capital:** are equal to (4,5) €/mil mainly as a result of the increased turnover reported in Q1 2020 compared to Q1 2019;
- d) **Cash** at 31 Mar 2020 equal to 100,4 €/mil.

<b>RECONCILIATION FROM NET PROFIT TO EBITDA</b> <i>€/000</i>	<b>First Quarter</b> <b>2020</b>	<b>First Quarter</b> <b>2019</b>
<b>Net Profit (Including Portion Attr. to Minority )</b>	<b>4.076</b>	<b>7.696</b>
Income Taxes	1.572	1.880
Amortisation & Depreciation	10.833	8.038
Write-downs & Write-backs of intangible and tangible assets	14	34
Financial items (*)	347	379
No recurring items (**)	1.373	1.086
<b>EBITDA</b>	<b>18.216</b>	<b>19.113</b>
<i>Revenue</i>	140.714	145.328
EBITDA Margin	<i>12,9%</i>	<i>13,2%</i>

<b>RECONCILIATION FROM EBITDA TO</b> <b>EBIT ADJUSTED</b> <i>€/000</i>	<b>First Quarter</b> <b>2020</b>	<b>First Quarter</b> <b>2019</b>
<b>EBITDA</b>	<b>18.216</b>	<b>19.113</b>
Amortisation & Depreciation	10.833	8.038
Write-downs & Write-backs of intangible and tangible assets	14	34
<b>EBIT Adjusted</b>	<b>7.369</b>	<b>11.041</b>
<i>Revenue</i>	140.714	145.328
<i>EBIT Adjusted Margin</i>	<i>5,2%</i>	<i>7,6%</i>

(\*) The financial items include: (i) financial income of Euro 1.1 million at the end of March 2019 (ii) financial charges of Euro 2.2 million at the end of March 2020, compared to Euro 1.6 million at the end of March 2019, (iii) cash discounts of Euro 0.8 million at the end of March 2020, compared to Euro 0.9 million at the end of March 2019, and (iv) exchange gains of Euro 2.6 million at the end of March 2020, compared to Euro 1.0 million at the end of March 2019.

(\*\*) This includes (i) non-recurring charges related to the expansion of the Aquafil Group and other corporate transactions for Euro 1.1 million and 0.5 million respectively in the periods ending March 31, 2020 and March 31, 2019, (ii) other non-recurring charges of Euro 0.3 million and Euro 0.6 million respectively in the periods ending March 31, 2020 and March 31, 2019.

<b>CONSOLIDATED INCOME STATEMENT</b>	<b>First Quarter</b>	<i>of which</i>	<b>First Quarter</b>	<i>of which</i>
<i>€/000</i>	<b>2020</b>	<i>non-current</i>	<b>2019</b>	<i>non-current</i>
Revenue	140.714	-	145.328	
<i>of which related parties</i>	305	-	17	
Other Revenue	481	17	601	76
<b>Total Revenue and Other Revenue</b>	<b>141.195</b>	<b>17</b>	<b>145.929</b>	<b>76</b>
Raw Material	(72.732)	(12)	(77.154)	(100)
Services	(25.102)	(626)	(24.781)	(803)
<i>of which related parties</i>	(108)	-	(103)	-
Personel	(27.818)	(624)	(26.712)	(139)
Other Operating Costs	(1.146)	(129)	(595)	(119)
<i>of which related parties</i>	(17)	-	(18)	-
Depreciation and Amortization	(10.833)	-	(8.038)	-
Doubtful debt provision	(14)	-	(14)	-
Provisions for risks and charges	0	-	(20)	-
Capitalization of Internal Construction Costs	1.638	-	471	-
<b>EBIT</b>	<b>5.188</b>	<b>(1.373)</b>	<b>9.086</b>	<b>(1.086)</b>
Other Financial Income	46	-	1.091	1.082
Interest Expenses	(2.206)	-	(1.562)	-
<i>of which related parties</i>	(29)	-	(66)	-
FX Gains and Losses	2.619	-	961	-
<b>Profit Before Taxes</b>	<b>5.649</b>	<b>(1.373)</b>	<b>9.576</b>	<b>(4)</b>
Income Taxes	(1.572)	-	(1.880)	
<b>Net Profit (Including Portion Attr. to Minority )</b>	<b>4.076</b>	<b>(1.373)</b>	<b>7.696</b>	<b>(4)</b>
Net Profit Attributable to Minority Interest	0		0	
<b>Net Profit Attributable to the Group</b>	<b>4.076</b>		<b>7.696</b>	

**CONSOLIDATED BALANCE SHEET**

<i>€/000</i>	At March 31, <b>2020</b>	At December 31, <b>2019</b>
Intangible Assets	21.832	21.101
Goodwill	13.360	13.029
Tangible Assets	252.295	251.492
Financial Assets	722	765
<i>of which related parties</i>	313	313
Other Assets	2.189	2.189
Deferred Tax Assets	12.828	13.636
<b>Total Non-Current Assets</b>	<b>303.226</b>	<b>302.212</b>
Inventories	169.733	184.931
Trade Receivable	32.285	24.960
<i>of which related parties</i>	84	69
Financial Current Assets	1.947	1.637
Current Tax Receivables	1.767	1.639
Other Current Assets	12.783	12.126
<i>of which related parties</i>	2.203	2.231
Cash and Cash Equivalents	100.423	90.400
Asset held for sales	-	428
<b>Total Current Assets</b>	<b>318.938</b>	<b>316.120</b>
<b>Total Current Assets</b>	<b>622.164</b>	<b>618.332</b>
Share Capital	49.722	49.722
Reserves	92.612	81.813
Group Net Profit for the year	4.033	10.799
<b>Group Shareholders Equity</b>	<b>146.367</b>	<b>142.335</b>
Net Equity attributable to minority interest	1	1
Net Profit for the year attributable to minority interest	0	-
<b>Total Shareholders Equity</b>	<b>146.368</b>	<b>142.336</b>
Employee Benefits	5.637	5.721
Non-Current Financial Liabilities	308.182	286.970
<i>of which related parties</i>	8.319	9.624
Provisions for Risks and Charges	1.512	1.508
Deferred Tax Liabilities	11.155	10.915
Other Payables	14.746	15.383
<b>Total Non-Current Liabilities</b>	<b>341.232</b>	<b>320.497</b>
Current Financial Liabilities	44.433	54.733
<i>of which related parties</i>	3.446	3.572
Current Tax Payables	1.228	1.127
Trade Payables	66.702	76.089
<i>of which related parties</i>	301	127
Other Liabilities	22.201	23.551
<i>of which related parties</i>	230	236
<b>Total Current Liabilities</b>	<b>134.564</b>	<b>155.499</b>
<b>Total Equity and Liabilities</b>	<b>622.164</b>	<b>618.332</b>

CASH FLOW STATEMENT	At March 31,	At March 31,
<i>€/000</i>	2020	2019
<b>Operation Activities</b>		
Net Profit (Including Portion Attr. to Minority)	4.076	7.696
<i>of which related parties</i>	151	(170)
Income Taxes	1.572	1.880
Other Financial Income	(46)	(1.091)
Interest Expenses	2.206	1.562
<i>of which related parties</i>	29	66
FX (Gains) and Losses	(2.619)	(961)
(Gain)/Loss on non - current asset Disposals	(15)	(249)
Provisions & write-downs	14	34
Amortisation, depreciation & write-downs	10.836	8.038
Non-monetary increase IFRS16	(712)	(28.802)
<b>Cash Flow from Operating Activities Before Changes in NWC</b>	<b>15.312</b>	<b>(11.893)</b>
Change in Inventories	15.198	597
Change in Trade and Other Receivables	(9.386)	(14.429)
<i>of which related parties</i>	174	(337)
Change in Trade and Other Payables	(7.325)	(9.898)
<i>of which related parties</i>	(15)	12
Change in Other Assets/Liabilities	(2.848)	(1.193)
<i>of which related parties</i>	28	26
Net Interest Expenses paid	(2.159)	(703)
Income Taxes paid	-	(31)
Change in Provisions for Risks and Charges	(111)	(212)
<b>Cash Flow from Operating Activities (A)</b>	<b>8.680</b>	<b>(37.762)</b>
<b>Investing activities</b>		
Investment in Tangible Assets	(8.124)	(17.350)
Disposal of Tangible Assets	310	280
Investment in Intangible Assets	(1.498)	(997)
Disposal of Intangible Assets	11	-
<b>Cash Flow used in Investing Activities (B)</b>	<b>(9.300)</b>	<b>(18.067)</b>
<b>Financing Activities</b>		
Increase in no current Loan and borrowing	20.000	-
Decrease in no current Loan and borrowing	(7.966)	(4.413)
Net variation in current financial Assets and Liability	(1.391)	27.432
<i>of which related parties</i>	(1.431)	12.049
<b>Cash Flow from Financing Activities (C)</b>	<b>10.643</b>	<b>23.019</b>
<b>Net Cash Flow of the Year (A)+(B)+(C)</b>	<b>10.023</b>	<b>(32.810)</b>

NET FINANCIAL DEBT	At March 31, At December 31,	
€/000	2020	2019
A. Cash	100.423	90.400
B. Other cash equivalents	-	-
C. Securities held-for-trading	-	-
<b>D. Liquidity ( A + B + C )</b>	<b>100.423</b>	<b>90.400</b>
<b><i>E. Current financial receivables</i></b>	<b>1.947</b>	<b>1.637</b>
F. Current bank loans and borrowing	(117)	(129)
G. Current portion of non-current loans and borrowing	(36.081)	(46.056)
H. Other current loans and borrowing	(8.235)	(8.547)
<b><i>I. Current financial debt ( F + G + H )</i></b>	<b>(44.433)</b>	<b>(54.733)</b>
<b>J. Net current financial debt ( I + E+ D )</b>	<b>57.936</b>	<b>37.304</b>
K. Non-current bank loans and borrowing	(191.858)	(169.796)
L. Bonds issued	(90.406)	(90.458)
M. Other non-current loans and borrowing	(25.876)	(26.619)
<b>N. Non-current financial debt ( K + L + M )</b>	<b>(308.140)</b>	<b>(286.874)</b>
<b>O. Net financial debt ( J+N )</b>	<b>(250.204)</b>	<b>(249.570)</b>

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