

Aquafil Group

1Q2021

Financial Results

13rd May 2021

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1Q2021 confirmed Group expectation

REVENUES				EBITDA				NET PROFIT				NFP			
	2020	2021	Δ%		2020	2021	Δ%		2020	2021	Δ%		2020	2021	Δ%
1QUARTER	140.7	130.6	(7.2%)	1QUARTER	18.2	18.3	0.6%	1QUARTER	4.1	3.5	(14.3%)		(218.8)	(208.3)	(4.8%)
	% on net sales				12.9%	14.0%			2.9%	2.7%			% on net sales		

SALES

Sales down by 7% still influenced by 2020 raw material price evolution

Volume up by 2% ⁽¹⁾
EMEA and Asia Pacific best macro areas
Polymers best product lines

ECONYL® trend in line with 2H2020

EBITDA

EBITDA above 1Q2020 despite different sales mix

Margin from 12.9% to 14%

Polymers strong results

Ongoing efficiency measures

NET PROFIT

Despite less one off cost higher depreciation and impact of currency management

Depreciation increase reflects 2018-2019 CAPEX program

NFP

Additional 5% reduction

Ongoing NWC and CAPEX focus

Gradually and conservative release of extraordinary pandemic countermeasures: liquidity to € 187m

NFP/EBITDA LTM to 3.7x of December to 3.5x

Data in € million

⁽¹⁾ Based on "First Grade Product" revenues

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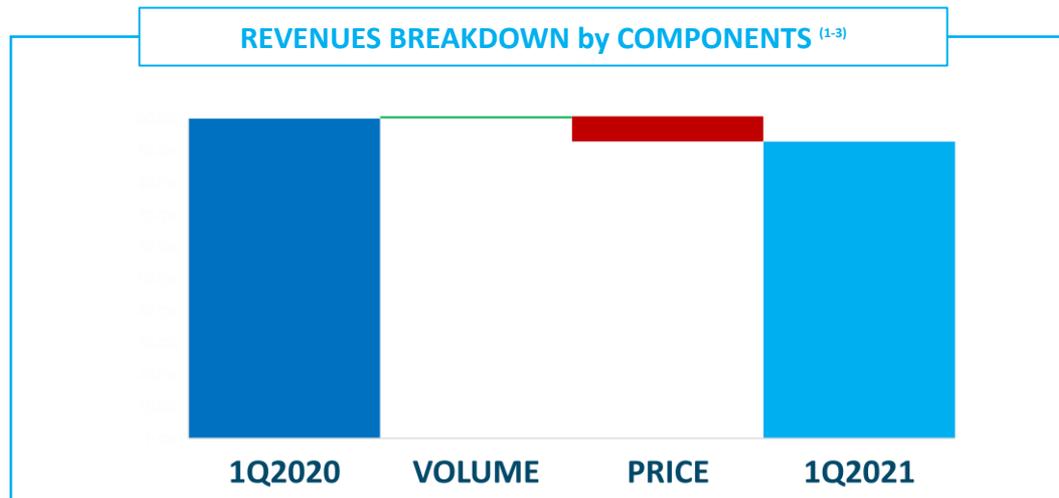
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Revenues – Again positive volume, still negative price impact

- 1Q2021: positive volume trend confirmed
 - Volume ⁽¹⁾: an increase of 2% compared to a 1Q2020 limited impacted by pandemic
 - Price: even if with a still negative impact, raw material price influence is partially softening
 - 2020 versus 2019, in 4Q caprolactam price down by around 14% ⁽²⁾



⁽¹⁾ Based on “First Grade Product” revenues

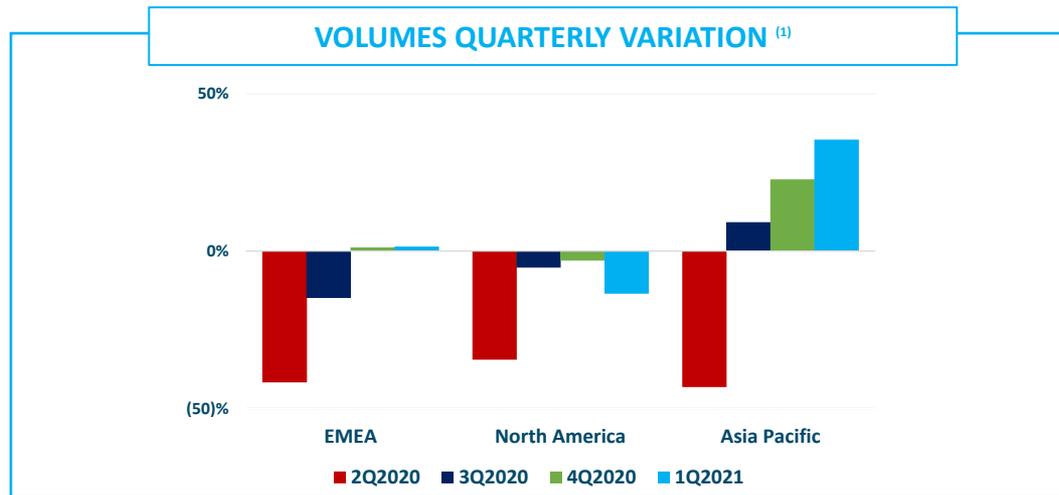
⁽²⁾ Source: Tecnon Orbichem, n° 486, 28 October 2021–

Caprolactam, West Europe price, new contract, molten, monthly average

⁽³⁾ Index 100

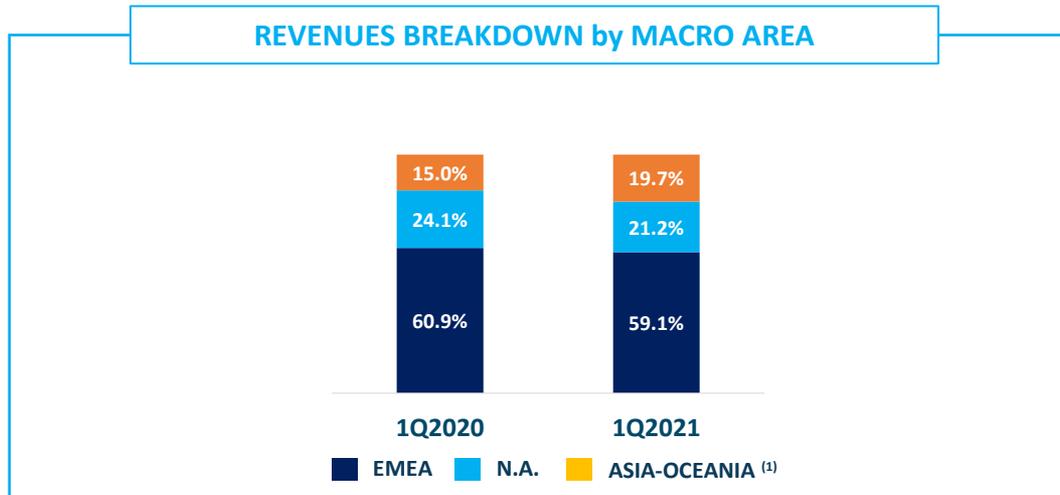
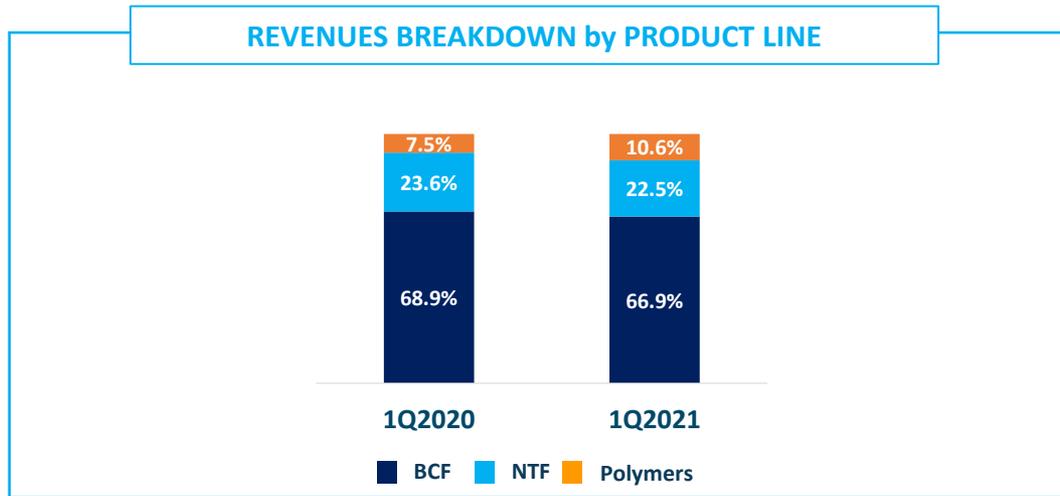
Revenues – Polymers offsetting negative comparison effect

- 1Q2021: Polymers the best product line
 - EMEA: “polymers” are compensating contract BCF weakness and Group decision to focus NTF production on high end final application
 - North America: “contract” BCF weakness only mitigated by “home” NTF application strength
 - Asia Pacific: steady results of “residential” BCF to Oceania and rebound of automotive in China



(1) Variation to same quarter of previous year
Based on “First Grade Product” sales

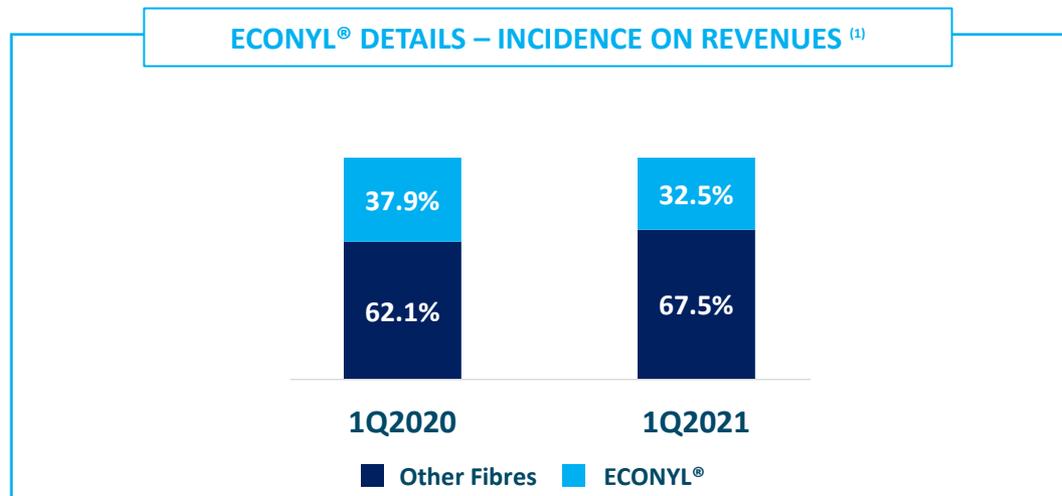
Revenues – Polymers reached 10% of sales



⁽¹⁾ Asia Pacific includes "Rest of the World"

Revenues – ECONYL® – NTF ongoing strong performance

- 1Q2021: tough comparison effect for a strong 1Q2020
 - 2020 business lines trend confirmed:
 - NTF up by almost 15%
 - BCF down by around 27% due to “contract” BCF



⁽¹⁾ % on Group fibres revenues

Revenues – Still negative impact of price adjustment

1 QUARTER	BCF				NTF				POLYMERS				TOTAL			
	2021	2020	Δ	Δ%	2021	2020	Δ	Δ%	2021	2020	Δ	Δ%	2021	2020	Δ	Δ%
EMEA	43.4	52.4	(9.0)	(17.2%)	21.3	24.9	(3.6)	(14.5%)	12.5	8.4	4.1	48.3%	77.2	85.7	(8.6)	(10.0%)
North America	19.3	24.9	(5.6)	(22.5%)	7.2	6.9	0.3	4.1%	1.2	2.1	(0.9)	(43.6%)	27.7	33.9	(6.2)	(18.4%)
Asia & Oceania	24.7	19.5	5.2	26.4%	0.5	0.9	(0.4)	(42.5%)	0.1	0.0	0.1	n.s.	25.3	20.5	4.9	23.9%
ROW	0.1	0.1	(0.1)	(50.8%)	0.4	0.5	(0.1)	(24.2%)	0.0	0.0	0.0	n.s.	0.4	0.6	(0.2)	(29.4%)
TOTAL	87.4	96.9	(9.5)	(9.8%)	29.4	33.3	(3.8)	(11.6%)	13.8	10.5	3.3	30.9%	130.6	140.7	(10.1)	(7.2%)

P&L – Strong operating results

- EBITDA: strong Polymers results and ongoing efficiencies actions
- EBIT: slightly higher depreciation but lower one-off costs
- NET RESULTS: impact of currency items

	1Q		
	2020	2021	Δ%
REVENUES	140.7	130.6	(7.2%)
EBITDA	18.2	18.3	0.6%
<i>% on net sales</i>	12.9%	14.0%	
EBIT	5.2	6.1	17.0%
<i>% on net sales</i>	% 3.8	% 4.6	
EBT	5.6	4.7	(16.6%)
<i>% on net sales</i>	% 4.0	% 3.6	
NET RESULT	4.1	3.5	(14.3%)
<i>% on net sales</i>	% 2.9	% 2.7	

Data in € million

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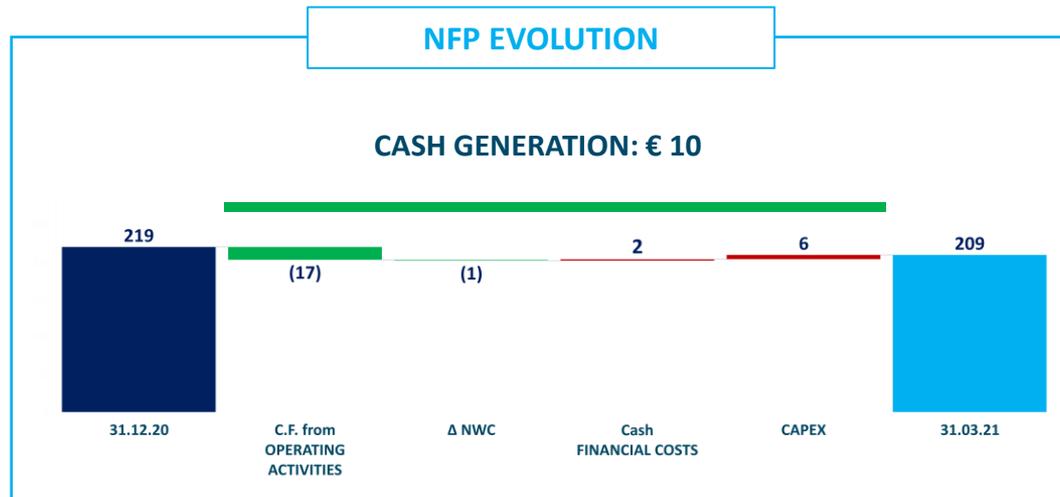
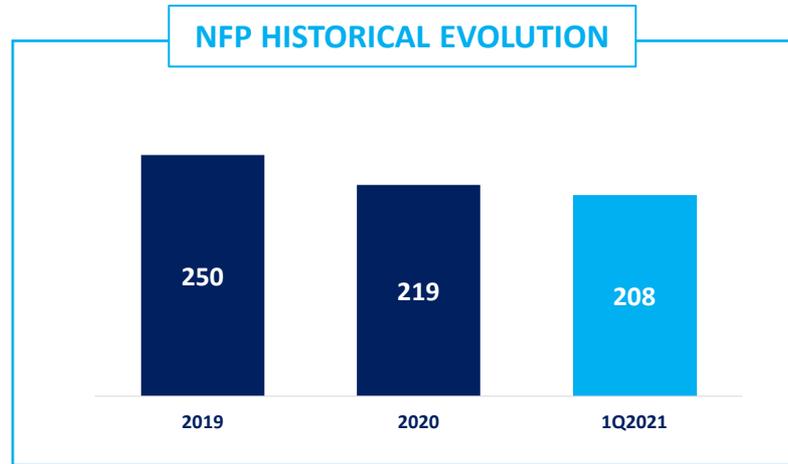
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NFP – Additional 5% improvement



Data in € million

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4. **OUTLOOK**

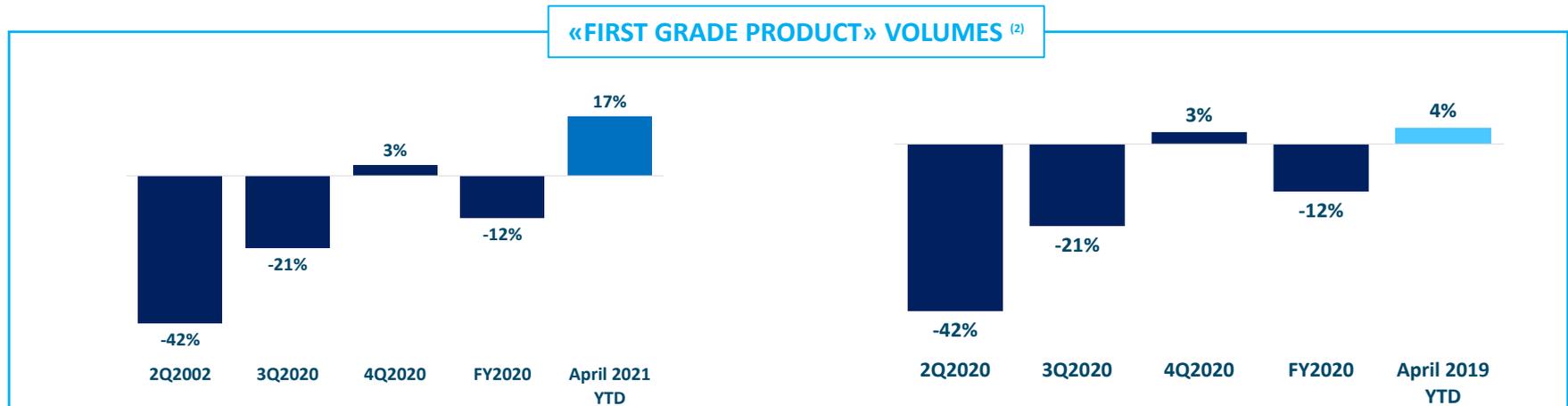
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2021 Outlook – Trading updating – April YTD above 2019

- April data are not meaningful due to the peak of the pandemic outbreak in 2Q2020
 - April YTD volume are up by around 17% compared to 2020 and by 4% compared to 2019
- Despite the difficult comparison, for the next months some trends are clear
 - EMEA: polymers the product line supporting gradual recovery, strong increase in raw material price
 - North America: BCF contract shows first improvement and NTF confirming 1Q trend
 - Asia Pacific: softer market condition for “residential” BCF in Oceania
 - ECONYL in April to 37% ⁽¹⁾



⁽¹⁾ % on Group fibres revenues

⁽²⁾ Variation to same quarter of previous year

2021 Outlook – 2021 Group expectation supported

- Despite the still ongoing restrictive measures across several countries where Aquafil is present and the fact that some product lines applications are still impacted by the pandemic, the Group expects the market to gradually normalize throughout the year as vaccines are administered and restrictive measures are lifted
- In light of the results for the first quarter of 2021, assuming the gradual return to normal of the market in the year, the Group confirms its initial guidance for the full year, which calls for:

2021 OUTLOOK	SALES	A performance that makes it possible to approach the 2019 level, with a recovery of volumes and an adjustment of sales prices to the raw materials prices, mitigating a probable different sales mix contribution
	EBITDA	Increase of EBITDA leveraging volume recovery and consolidation of some of the benefits of Group Covid-19 action plan
	NFP	Improvement of PFN/EBITDA ratio thanks to profitability recovery and constant focus on NWC and CAPEX, considering markets evolution too

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Mr. Sergio Calliari, the Manager in charge of preparing the corporate accounting documents, declares that, pursuant to Article 154-*bis*, paragraph 2, of the Legislative Decree No. 58 dated February 24, 1998, the accounting information contained in the Presentation correspond to document results, books and accounting records.

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.

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)

Sector Data – Caprolactam price evolution ⁽¹⁾



⁽¹⁾ €/ton - Source: Tecnon Orbichem - Caprolactam, West Europe price, new contract, molten, monthly average

Consolidate Income Statements

CONSOLIDATED INCOME STATEMENT €/000	First Quarter 2021	of wich non-	First Quarter 2020	of wich non-
Revenue	130,640		140,714	
<i>of which related parties</i>	13		305	
Other Revenue	826	5	481	17
Total Revenue and Other Revenue	131,466	5	141,195	17
Raw Material	(62,764)	-	(72,732)	(12)
Services	(24,316)	(72)	(25,102)	(626)
<i>of which related parties</i>	(109)		(108)	
Personel	(27,315)	(111)	(27,818)	(624)
Other Operating Costs	(795)	(8)	(1,146)	(129)
<i>of which related parties</i>	(17)		(17)	
Depreciation and Amortization	(11,328)		(10,833)	
Doubtful debt prevision	(110)		(14)	
Provisions for risks and charges	7		-	
Capitalization of Internal Construction Costs	1,225		1,638	
EBIT	6,071	(186)	5,188	(1,373)
Other Financial Income	237	-	46	
Interest Expenses	(2,032)		(2,206)	
<i>of which related parties</i>	(45)		(29)	
FX Gains and Losses	434		2,619	
Profit Before Taxes	4,709	(186)	5,649	(1,373)
Income Taxes	(1,215)		(1,572)	
Net Profit (Including Portion Attr. to Minority)	3,494	(186)	4,076	(1,373)
Net Profit Attributable to Minority Interest	0		0	
Net Profit Attributable to the Group	3,494		4,076	

Data in € million

Consolidate Income Statements – EBITDA details

RECONCILIATION FROM NET PROFIT TO EBITDA <i>€/000</i>	First Quarter 2021	First Quarter 2020
Net Profit (Including Portion Attr. to Minority)	3,494	4,076
Income Taxes	1,215	1,572
Amortisation & Depreciation	11,328	10,833
Write-downs & Write-backs of intangible and tangible assets	102	14
Financial items (*)	1,998	347
No recurring items (**)	186	1,373
EBITDA	18,327	18,216
Revenue	130,640	140,714
EBITDA Margin	14.0%	12.9%

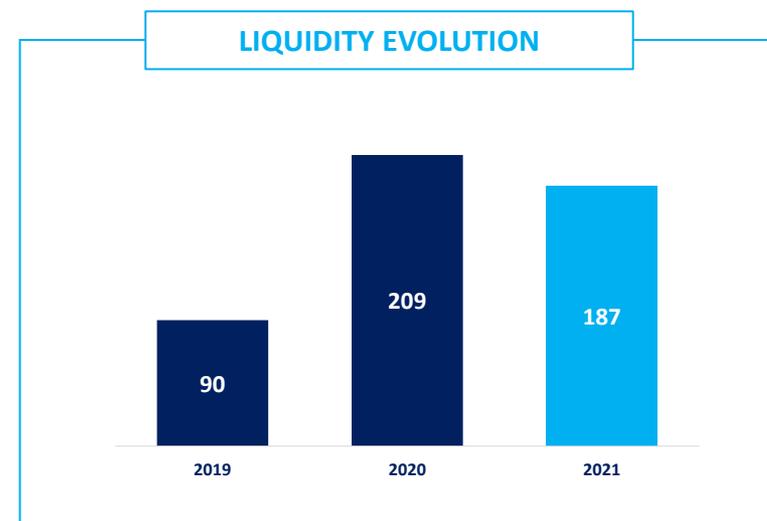
RECONCILIATION FROM EBITDA TO EBIT ADJUSTED <i>€/000</i>	First Quarter 2021	First Quarter 2020
EBITDA	18,327	18,216
Amortisation & Depreciation	11,328	10,833
Write-downs & Write-backs of intangible and tangible assets	102	14
EBIT Adjusted	6,896	7,369
Revenue	130,640	140,714
EBIT Adjusted Margin	5.3%	5.2%

(*) The financial items include: (i) financial income of Euro 0.2 million periods ending March 31, 2021 (ii) financial charges and other other bank charges of Euro 2.0 million and Euro 2.2 million respectively in the periods ending March 31, 2021 and March 31, 2020, (iii) cash discounts of Euro 0.6 million end Euro 0.8 million respectively in the periods ending March 31, 2021 and March 31, 2020, and (iv) exchange gains of Euro 0.4 million and Euro 2.6 million respectively in the periods ending March 31, 2021 and March 31, 2020.

(**) This includes (i) non-recurring charges related to the expansion of the Aquafil Group and other corporate transactions for Euro 0.05 million and Euro 1.1 million respectively in the periods ending March 31, 2021 and March 31, 2020, (ii) other non-recurring charges for Euro 0.13 and Euro 0.3 million respectively in the periods ending March 31, 2021 and March 31, 2020.

Consolidate Balance Sheet

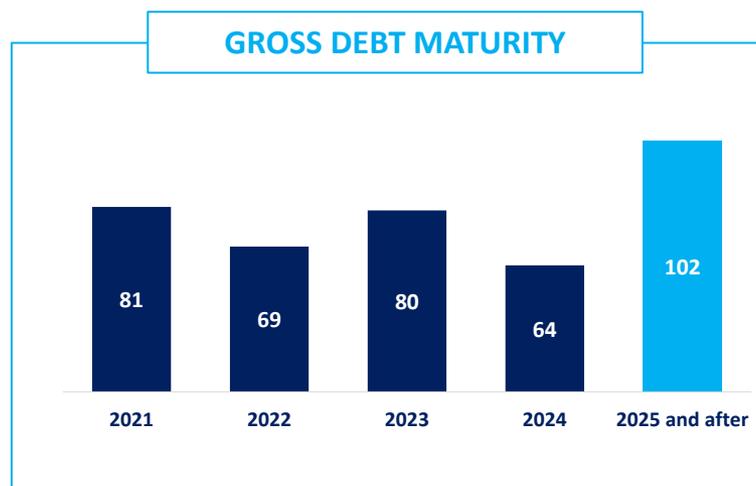
CONSOLIDATED BALANCE SHEET		
€/000	At March 31, 2021	At December 31, 2020
Intangible Assets	23,814	23,578
Goodwill	14,234	13,600
Tangible Assets	229,104	229,495
Financial Assets	653	650
<i>of which related parties</i>	318	318
Other Assets	1,686	1,336
Deferred Tax Assets	14,442	14,563
Total Non-Current Assets	283,933	283,223
Inventories	150,330	150,920
Trade Receivable	29,117	22,015
<i>of which related parties</i>	23	66
Financial Current Assets	843	834
Current Tax Receivables	1,704	1,772
Other Current Assets	13,791	11,981
<i>of which related parties</i>	3,262	3,187
Cash and Cash Equivalents	187,397	208,954
Total Current Assets	383,182	396,475
Total Current Assets	667,115	679,698
Share Capital	49,722	49,722
Reserves	77,193	92,585
Group Net Profit for the year	11,743	(15,411)
Group Shareholders Equity	138,659	126,897
Net Equity attributable to minority interest	1	1
Net Profit for the year attributable to minority interest	0	0
Total Shareholders Equity	138,659	126,897
Employee Benefits	5,840	5,969
Non-Current Financial Liabilities	315,623	352,560
<i>of which related parties</i>	4,765	5,406
Provisions for Risks and Charges	1,629	1,506
Deferred Tax Liabilities	12,139	11,761
Other Payables	11,530	11,848
Total Non-Current Liabilities	346,761	383,644
Current Financial Liabilities	80,893	75,964
<i>of which related parties</i>	3,412	3,361
Current Tax Payables	1,241	1,189
Trade Payables	75,912	69,168
<i>of which related parties</i>	552	403
Other Liabilities	23,648	22,835
<i>of which related parties</i>	230	230
Total Current Liabilities	181,694	169,157
Total Equity and Liabilities	667,115	679,698



Data in € million

Consolidate Balance Sheet – Gross debt details

BORROWINGS - 31 March 2021	ISSUE DATE	CURRENCY	COUPON ⁽¹⁾	MATURITY	AMOUNT			COVENANTS ⁽²⁾		
					Total	Drawn	Undrawn	Parameters	Reference	Check
Private Placement B	Sept 2018	EUR	4.70%	Sept 2028	50	50	0	EBITDA / Net financial charges > 3.5 Net Debt / EBITDA < 4,5x as of 31.12.2020 4,25x as of 30.6.2021 - 3,75x starting 31.12.2021	Group	Half-yearly
Private Placement C	May 2019	EUR	2.87%	May 2029	40	40	0			
Shelf facilities	Sept 2018	EUR	Floating at use	Sept 2028	50	0	50	To be defined at use		
US Private Placement					140	90	50			
Medium-long term loans - fixed rate	2016-2020	EUR	1.25%	2021-2027	80	80	0	Net Debt / Net Equity Net Debt / EBITDA EBITDA / Financial charges	Group	
Medium-long term loans - variable rate	2018-2020	EUR	0.62%	2021-2026	198	198	0			
Medium-long term loans					278	278	0			
Short term credit lines	N.A.	EUR	Floating at use	Revocable	78	0	78	N.A.		
Leasing	2007	EURO	0.00%	14/07/1905	8	8	0	N.A.		
TOTAL					504	376	128			



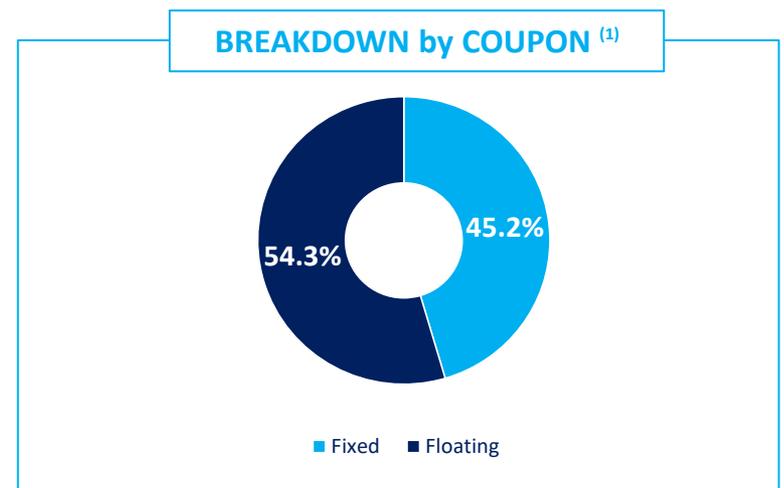
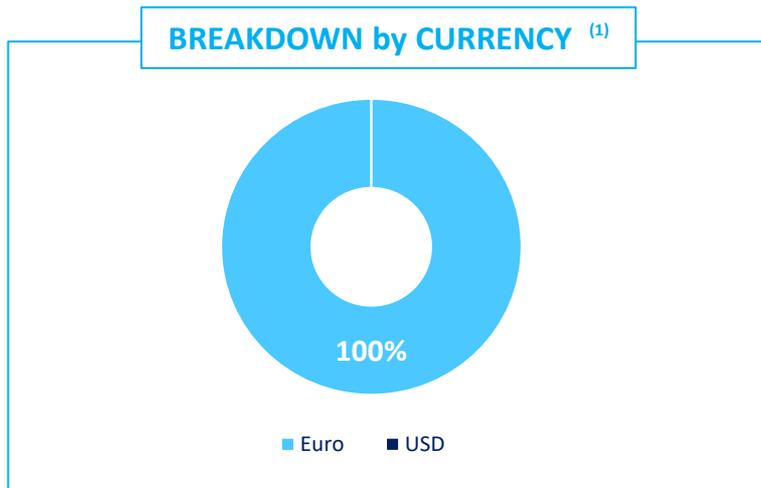
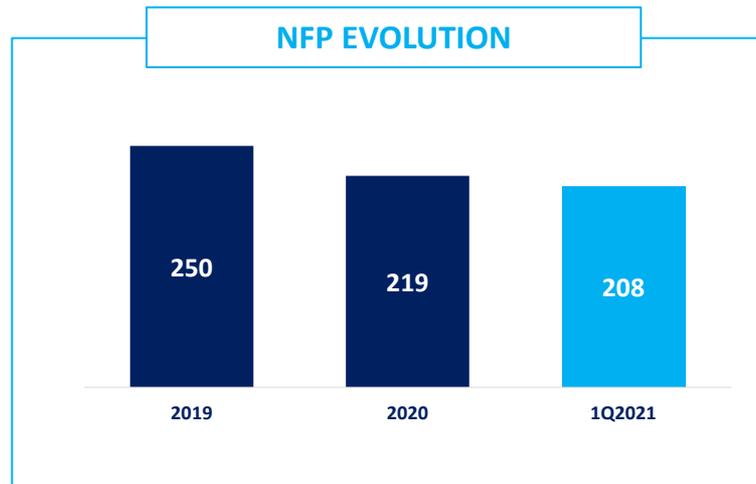
Data in € million

Net Financial Position

NET FINANCIAL DEBT €/ 000	At March 31, 2021	At December 31, 2020
A. Cash	187,397	208,954
B. Other cash equivalents	-	-
C. Securities held-for-trading	-	-
D. Liquidity (A + B + C)	187,397	208,954
<i>E. Current financial receivables</i>	843	834
F. Current bank loans and borrowing	(23)	(131)
G. Current portion of non-current loans and borrowing	(72,310)	(67,480)
H. Other current loans and borrowing	(8,559)	(8,353)
<i>I. Current financial debt (F + G + H)</i>	(80,893)	(75,964)
J. Net current financial debt (I + E + D)	107,347	133,824
K. Non-current bank loans and borrowing	(205,530)	(240,940)
L. Bonds issued	(90,393)	(90,406)
M. Other non-current loans and borrowing	(19,700)	(21,214)
N. Non-current financial debt (K + L + M)	(315,623)	(352,560)
O. Net financial debt (J + N)	(208,276)	(218,736)

Data in € million

Net Financial Position – Evolution and details



Data in € million - ⁽¹⁾ Excluding lease liabilities and liquidity

Consolidated Cash Flow Statement

CASH FLOW STATEMENT €/000	At March 31, 2021	At March 31, 2020
Operation Activities		
Net Profit (Including Portion Attrib. to Minority)	3,497	4,076
<i>of which related parties</i>	-158	151
Income Taxes	1,215	1,572
<i>Financial income</i>	-57	-46
<i>Financial charges</i>	2,032	2,206
<i>of which related parties</i>	-45	29
FX (Gains) and Losses	-434	-2,619
(Gain)/Loss on non-current asset Disposals	-31	-15
Provisions & write-downs	102	14
Amortisation, depreciation & write-downs	11,301	10,836
Net variation non-monetary increase IFRS16	-502	-712
Cash Flow from Operating Activities Before Changes in NWC	17,124	15,312
Change in Inventories	590	15,198
Change in Trade and Other Payables	6,744	-9,386
<i>of which related parties</i>	149	174
Change in Trade and Other Receivables	-7,095	-7,325
<i>of which related parties</i>	43	-15
Change in Other Assets/Liabilities	1,140	-2,848
<i>of which related parties</i>	-75	28
Net Interest Expenses paid	-1,976	-2,159
Income Taxes paid	0	0
Change in Provisions for Risks and Charges	-255	-111
Cash Flow from Operating Activities (A)	16,272	8,680
Investing activities		
Investment in Tangible Assets	-4,976	-8,124
Disposal of Tangible Assets	31	310
Investment in Intangible Assets	-864	-1,498
Disposal of Intangible Assets	0	11
Cash Flow used in Investing Activities (B)	(5,809)	(9,300)
Financing Activities		
Increase in no-current Loan and borrowing	0	20,000
Decrease in no-current Loan and borrowing	-30,592	-7,966
Net variation in current financial Assets and Liability	-1,428	-1,391
<i>of which related parties</i>	-590	-1,431
Cash Flow from Financing Activities (C)	(32,020)	10,643
Net Cash Flow of the Year (A)+(B)+(C)	(21,557)	10,023

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Net variation non-monetary increase IFRS16	-502	-712
Cash Flow from Operating Activities Before Changes in NWC	17,124	15,312
Change in Inventories	590	15,198
Change in Trade and Other Payables	6,744	-9,386
<i>of which related parties</i>	149	174
Change in Trade and Other Receivables	-7,095	-7,325
<i>of which related parties</i>	43	-15
Change in Other Assets/Liabilities	1,140	-2,848
<i>of which related parties</i>	-75	28
Net Interest Expenses paid	-1,976	-2,159
Income Taxes paid	0	0
Change in Provisions for Risks and Charges	-255	-111
Cash Flow from Operating Activities (A)	16,272	8,680
Investing activities		
Investment in Tangible Assets	-4,976	-8,124
Disposal of Tangible Assets	31	310
Investment in Intangible Assets	-864	-1,498
Disposal of Intangible Assets	0	11
Cash Flow used in Investing Activities (B)	(5,809)	(9,300)
Financing Activities		
Increase in no current Loan and borrowing	0	20,000
Decrease in no current Loan and borrowing	-30,592	-7,966
Net variation in current financial Assets and Liability	-1,428	-1,391
<i>of which related parties</i>	-590	-1,431
Cash Flow from Financing Activities (C)	(32,020)	10,643
Net Cash Flow of the Year (A)+(B)+(C)	(21,557)	10,023

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