



# Aquafil Group

## Financial Results

### II Quarter and I Half Year 2018

29<sup>th</sup> August 2018

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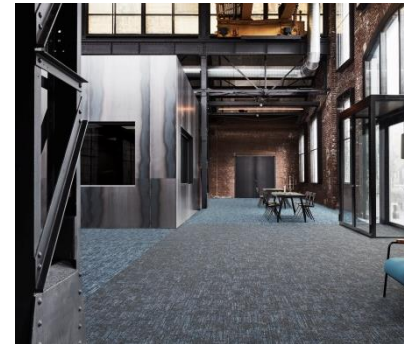
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# 1. Aquafil Group at Glance

- **Market Leader in Nylon Fibers and Polymers:**
  - Flooring solutions;
  - Fashion and sportswear textile applications;
  - Polymers for engineering plastics solutions;
- **Technologies, processes and continuous innovation key to a successful business model**
  - R&D focus for a uniquely diversified commercial offer;
  - Manufacturing and operational excellence;
  - Focus on high-end segments for a premium positioning;
- **Pioneers of circularity**
  - A true regeneration Group with **37%** of fiber revenue coming from Nylon 6 waste regeneration;
  - ECONYL® Regeneration System: high barriers to entry and cost effectiveness ([www.econyl.com](http://www.econyl.com));
  - Substantial opportunities ahead;
- **A global company with a dedicated, local supply system**
  - Manufacturing presence in 8 countries
- **Entrepreneurial talent and strong management team**



Raw materials

Production

Distribution

Clients

Final Application

**Standard Caprolactam**

- Nylon 6 monomer (building block) synthetically produced from oil derivatives. Price highly correlated to oil



**ECONYL® Caprolactam**

- From various waste including post-consumer (fishnets, used carpets, etc.)



Aquafil

**BCF**

Production and finishing of premium synthetic yarns, principally Nylon 6, for flooring solutions



**NTF**

Production and finishing of nylon 6, 6.6 and Dryarn® for textile applications



**EP**

Polymer production for compounders

Direct sale / agents

Direct sale / agents

Direct dialogue with companies interested in ECONYL®

Direct sale

Aquafil

**Flooring Solutions Manufacturers**



**Selected Application Users**



**Textile Manufacturers**

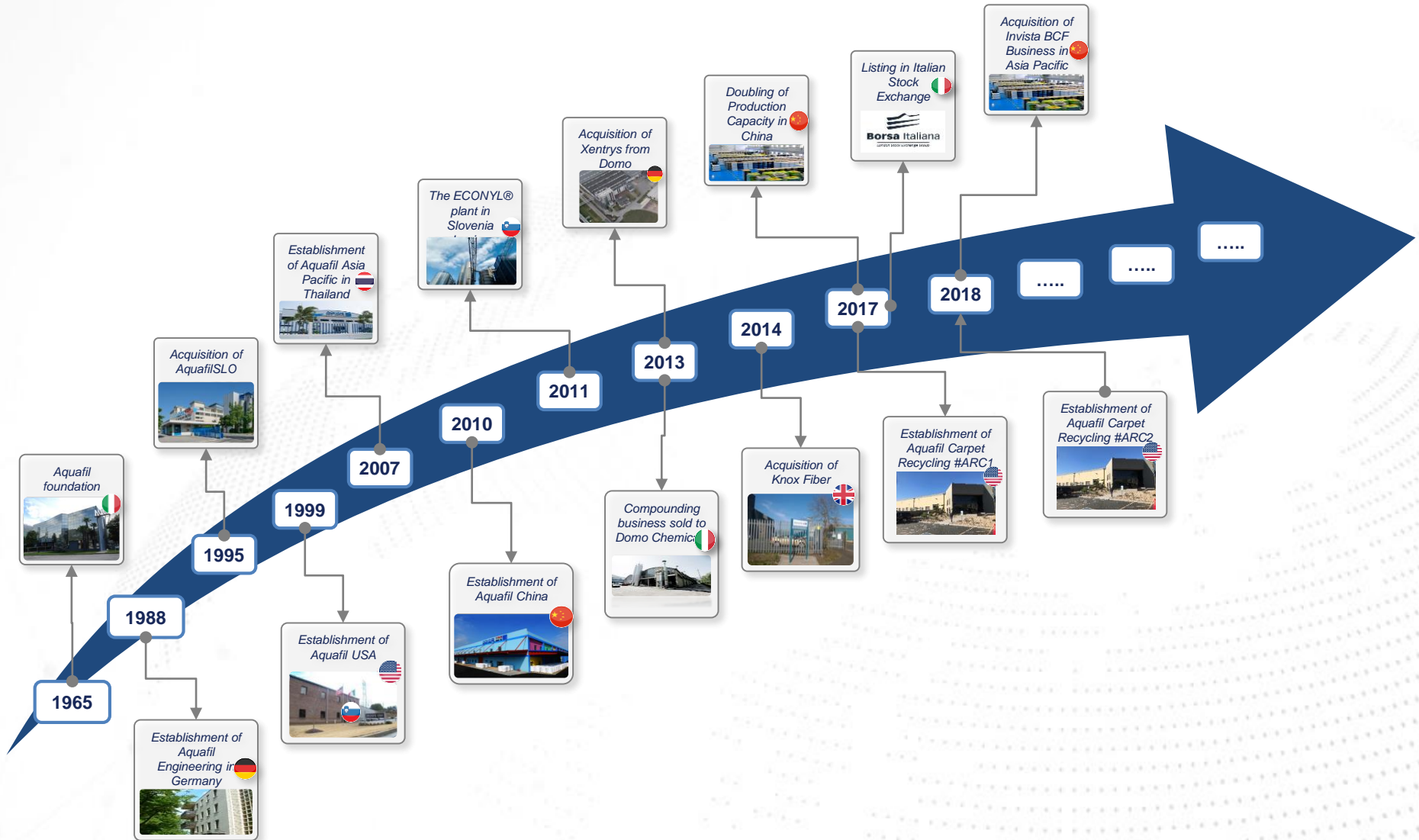


**Selected Application Users**



**Compounders**







## USA

Cartersville (Georgia)

**Aquafil USA 1 & 2**

Phoenix (Arizona)

**Aquafil Carpet Recycling #1**

Sacramento (California)

**Aquafil Carpet Recycling #2**

## CHINA

Jiaxing

**Aquafil Jiaxing**

## THAILAND

Rayong

**Aquafil Asia Pacific**

## ITALY

Arco (TN)

**Aquafil (Headquarter)**

Cares (TN)

Rovereto (TN)

**Tessilquattro**

## GERMANY

Leuna

**Aqualeuna**

## UK

Kilbirnie

**Aquafil UK**

## SLOVENIA

Ljubljana

**AquafilSLO Ljubljana**

Senozece

**AquafilSLO Senožeče**

Store

**AquafilSLO Štore**

Ajdovščina

**AquafilSLO Ajdovščina**

## CROATIA

Oroslavje

**Aquafil CRO**

## 2. Highlights Second Quarter and First Half 2018

| <b>TURNOVER</b><br>(€/mil) |              |              |
|----------------------------|--------------|--------------|
|                            | H1           | Q2           |
| <b>Act18</b>               | <b>291,3</b> | <b>150,5</b> |
| <b>Act17</b>               | <b>278,8</b> | <b>137,3</b> |
| % Var<br>18 to 17          | 4,5%         | 9,6%         |

| <b>EBITDA</b><br>(€/mil) |             |             |
|--------------------------|-------------|-------------|
|                          | H1          | Q2          |
| <b>Act18</b>             | <b>44,5</b> | <b>22,2</b> |
| <b>Act17</b>             | <b>40,4</b> | <b>19,6</b> |
| % Var<br>18 to 17        | 10,3%       | 13,3%       |

| <b>NET RESULT</b><br>(€/mil) |             |            |
|------------------------------|-------------|------------|
|                              | H1          | Q2         |
| <b>Act18</b>                 | <b>19,6</b> | <b>9,8</b> |
| <b>Act17</b>                 | <b>13,4</b> | <b>5,2</b> |
| % Var<br>18 to 17            | 46,1%       | 86,4%      |

| <b>N.F.P.</b><br>(€/mil) |              |
|--------------------------|--------------|
|                          |              |
| <b>H1 - 18</b>           | <b>146,9</b> |
| <b>Dic17</b>             | <b>112,1</b> |

**Revenues contribution**  
of acquired  
  
**Asia Pacific**  
**Invista Assets**  
  
from  
**May 2018**

On **24° April 2018**  
signed with EU  
  
**Grant**  
**Agreement**  
  
**EFFECTIVE Project**

Starting of  
**ACR#2 (Sacramento)**  
construction  
Full operation expected  
within **H1 2019**  
\*\*\*\*\*  
**ACR#1**  
will be  
**in full operation within**  
Q4 2018

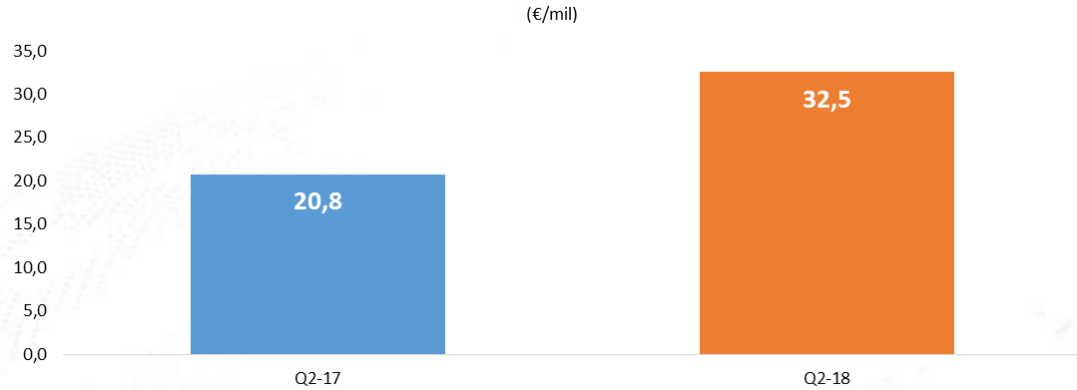
**AQUALEUNA (Germany)**  
**RESTRUCTURING**  
  
Closing of Reprocessing  
department  
  
**Reduction of 35 FTE**

**IFRS15**  
  
First Adoption  
  
**First Half**  
**2018**

As announced in the first quarter presentation, revenues contribution of Invista acquired assets starting in may 2018 with an **increase of turnover related with Asia and Oceania, between Q2 2018 vs Q2 2017 of 11,8 €/mil** mainly related to the mentioned acquisition:

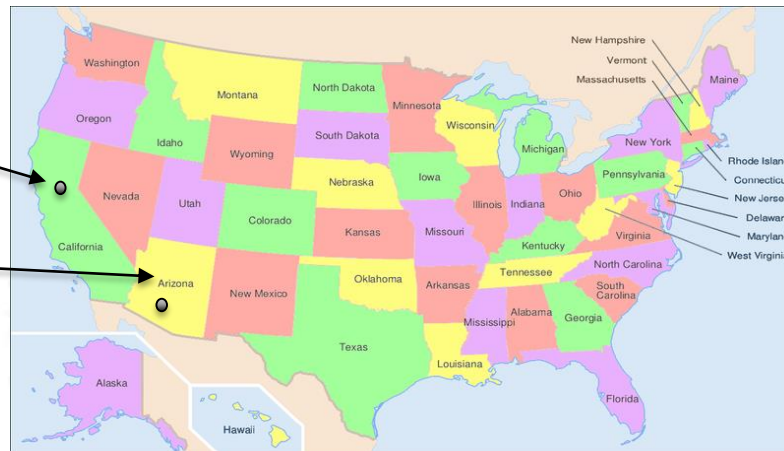
**Revenues contribution of acquired Asia Pacific Invista Assets from May 2018**

**Asia and Oceania Turnover Q2 2017 vs Q2 2018**



**ACR#1** (Phoenix Arizona) has begun the start-up activity and full operation is confirmed for Q4-2018. The 11<sup>th</sup> May 2018 **ACR#2** signed rental agreement for industrial premises located in Woodland 95776 CA and full operation is provided within H1 - 2019

Starting of **ACR#2 (Sacramento)** construction Full operation expected within **H1 2019**  
\*\*\*\*\*  
**ACR#1** will be in full operation within **Q4 2018**



On 24<sup>th</sup> April 2018

signed with EU

**Grant  
Agreement**

**EFFECTIVE R&D  
Project**

The 24<sup>th</sup> April **Aquafil signed a Grant Agreement with Bio-Based Industries Joint Undertaking (BBI JU), a public/private partnership between the European Union and the Bio-based Industries Consortium (BIC) for EFFECTIVE project** that has target of develop economically viable models to produce sustainable fibers and plastic films.

Project EFFECTIVE is focuses on producing bio-based polyamides and polyesters from renewable feedstock rather than oil and gas and aims to accelerate progress toward a circular economy and responsible use of materials.

EFFECTIVE project is a collaboration of **12 companies in 7 countries**, will be coordinated by **AquafilSLO** (Slovenia) and includes **Aquafil S.p.A** (Italy), **Novamont** (Italy), **Südzucker** (Germany), **Carvico** (Italy), **Vaude** (Germany), **Balsan** (France), **H&M Group** (Sweden), **Bio-Mi** (Croatia), **CIRCE** (Spain), **Life Cycle Engineering** (Italy) and **Circular Change** (Slovenia).

This **multi-stakeholder approach** can greatly accelerate widespread adoption and deployment of new technologies, and enable gaining both economic and sustainability benefits.

Starting from first half 2018 Aquafil Group adopted the **IFRS15 – Revenue from Contracts with Customer**. As described in First Half Note, adoption has only implied **different exposition of revenues and operative costs without impact on others P&L and Balance Sheet figures**. Different exposition of revenues and operative costs is totally related with a logistic swap of polymers sold to and purchased from DOMO Group. Effect of IFRS15 adoption starting from FY2014 has here reported:

**IFRS15**  
First Adoption  
**First Half  
2018**

| Amount in €/mil                                  | FY14         | FY15         | H1-16        | H2-16        | FY16         | Q1-17        | Q2-17        | H1-17        | H2-17        | FY17         | Q1-18        | Q2-18        | H1-18        |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| <b>Revenues</b><br><i>before IFRS15 adoption</i> | 505,6        | 498,5        | 251,8        | 230,2        | 482,0        | 145,2        | 144,2        | 289,4        | 259,9        | 549,3        | 147,4        | 157,5        | 304,9        |
| <b>IFRS15 effect</b>                             | 0,0          | (3,5)        | (4,0)        | (5,4)        | (9,4)        | (3,6)        | (6,9)        | (10,6)       | (10,4)       | (21,0)       | (6,6)        | (7,1)        | (13,7)       |
| <b>Revenues</b><br><i>with IFRS15 adoption</i>   | <b>505,6</b> | <b>495,0</b> | <b>247,8</b> | <b>224,7</b> | <b>472,5</b> | <b>141,6</b> | <b>137,3</b> | <b>278,8</b> | <b>249,5</b> | <b>528,3</b> | <b>140,8</b> | <b>150,4</b> | <b>291,3</b> |

## 3. Key Performance Indicators

The Key Performance Indicators of Aquafil Group related with **Q2 2018** compared with **Q2 2017** are here reported:

| KPI                        | Q2<br>2018 - Act         | Q2<br>2017 - Act         | Act 18 vs<br>Act 17         |
|----------------------------|--------------------------|--------------------------|-----------------------------|
| <b>Turnover €/mil</b>      | <b>150,45</b>            | <b>137,27</b>            | <b>9,6%</b>                 |
| <b>EBITDA €/mil</b>        | <b>22,21</b>             | <b>19,61</b>             | <b>13,3%</b>                |
| <i>EBITDA Margin %</i>     | <i>14,76%</i>            | <i>14,28%</i>            |                             |
| <b>EBIT €/mil</b>          | <b>12,55</b>             | <b>11,27</b>             | <b>11,3%</b>                |
| <i>EBIT Margin %</i>       | <i>8,34%</i>             | <i>8,21%</i>             |                             |
| <b>EBIT Adj €/mil</b>      | <b>15,45</b>             | <b>13,60</b>             | <b>13,6%</b>                |
| <i>EBIT Adj Margin %</i>   | <i>10,27%</i>            | <i>9,90%</i>             |                             |
| <b>EBT €/mil</b>           | <b>12,14</b>             | <b>7,97</b>              | <b>52,4%</b>                |
| <i>EBT Margin %</i>        | <i>8,07%</i>             | <i>5,80%</i>             |                             |
| <b>Net Result €/mil</b>    | <b>9,76</b>              | <b>5,24</b>              | <b>86,4%</b>                |
| <i>Net Result Margin %</i> | <i>6,49%</i>             | <i>3,82%</i>             |                             |
|                            | <b>Q2<br/>2018 - Act</b> | <b>FY<br/>2017 - Act</b> | <b>Act 18 vs<br/>Act 17</b> |
| <b>NFP €/mil</b>           | <b>(146,96)</b>          | <b>(112,70)</b>          | <b>30,4%</b>                |

a) **Revenues** grew by 9,6%, amounting to €150.5 million compared to €137.3 million for Q2 2017, mainly as a result of sales increase of BCF product in Asia Pacific and Polymers in USA.

b) **EBITDA** increased from €19.6 million to €22.2 million, up by 13,3% and **EBITDA margin** improved from 14.3% to 14.8%, due to increase of BCF product sold in Asia Pacific and also thanks to some improvement in production efficiency.

c) **Net profit** for second quarter of 2018 amounted to €9,8 million, up by 86.4% compared to the same period of the previous year (€5,2 million). Increase follows EBITDA trend and remain effect is mainly related to effect of exchange gains and losses.

d) **Net Financial Position** grew to €146.9 million, compared to €112,1 million at December 31, 2017. Increase was mainly attributable to:

1. investments made during period, including payments to Invista for acquisition of its assets related to the Polyamide 6 BCF Fiber business in Asia Pacific, and
2. higher level of Working Capital used, as a result of sales growth for Q2 2018 compared to Q4 2017, also due to Invista asset acquisition.
3. Dividend distribution of €12,2 millions.

The Key Performance Indicators of Aquafil Group related with **H1 2018** compared with **H1 2017** are here reported:

| KPI                        | H1<br>2018 - Act | H1<br>2017 - Act | Act 18 vs<br>Act 17 |
|----------------------------|------------------|------------------|---------------------|
| <b>Turnover €/mil</b>      | <b>291,25</b>    | <b>278,83</b>    | <b>4,5%</b>         |
| <b>EBITDA €/mil</b>        | <b>44,49</b>     | <b>40,35</b>     | <b>10,3%</b>        |
| <i>EBITDA Margin %</i>     | <i>15,27%</i>    | <i>14,47%</i>    |                     |
| <b>EBIT €/mil</b>          | <b>27,07</b>     | <b>24,77</b>     | <b>9,3%</b>         |
| <i>EBIT Margin %</i>       | <i>9,30%</i>     | <i>8,88%</i>     |                     |
| <b>EBIT Adj €/mil</b>      | <b>31,36</b>     | <b>28,24</b>     | <b>11,0%</b>        |
| <i>EBIT Adj Margin %</i>   | <i>10,77%</i>    | <i>10,13%</i>    |                     |
| <b>EBT €/mil</b>           | <b>24,59</b>     | <b>19,31</b>     | <b>27,3%</b>        |
| <i>EBT Margin %</i>        | <i>8,44%</i>     | <i>6,92%</i>     |                     |
| <b>Net Result €/mil</b>    | <b>19,61</b>     | <b>13,42</b>     | <b>46,1%</b>        |
| <i>Net Result Margin %</i> | <i>6,73%</i>     | <i>4,81%</i>     |                     |
|                            | H1<br>2018 - Act | FY<br>2017 - Act | Act 18 vs<br>Act 17 |
| <b>NFP €/mil</b>           | <b>(146,96)</b>  | <b>(112,70)</b>  | <b>30,4%</b>        |

- a) **Revenues** grew 4.5%, amounting to €291.3 million compared to €278,8 million for H1 2017, of which a 3% as a result of sales increase of both BCF product in Asia Pacific and of Polymers and the remaining 1,5% as effect of selling price increase.
- b) **EBITDA** increased from €40.3 million to €44.5 million, up by 10,3% and **EBITDA margin** improved from 14.5% to 15.3%, mainly for increase of BCF product quantity sold in Asia Pacific and also thanks to some improvement in production efficiency.
- c) **Net profit** for first half 2018 amounted to €19.6 million, up by 46.1% compared to the same period of the previous year (€13.42 million). Increase follows EBITDA trend and remain effect is mainly related to effect of exchange gains and losses.
- d) **Net Financial Position** grew to €146.9 million, compared to €112.1 million at December 31, 2017. The increase was mainly attributable to both:
1. the investments made during the period, including payments to Invista for the acquisition of its assets related to the Polyamide 6 BCF Fiber business in Asia Pacific, and
  2. higher level of Working Capital used, as a result of sales growth for Q2 2018 compared to Q4 2017, also due to Invista asset acquisition.
  3. Dividend distribution of €12,2 millions.



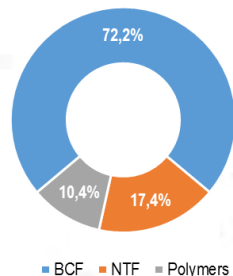
## 3a. Focus on Sales

The following table compares the figures referring to the **amount and percentage of sales broken down by Line of Product** for the first half and second quarter of 2018 to same period of 2017.

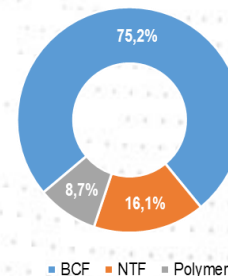
**BCF Product** line's sales **increase both in H1 2018 (2,8%) and Q2 2018 (10,7%)** compared to the same periods of 2017 as effect of growth of quantity sold in Asia Pacific area mainly derived from Invista acquisition. **Polymers line's sales increase both in H1 2018 (29,6%) and Q2 2018 (10,2%)**, following, as also indicated in Q1 presentation, the decision to decrease sales of low-margin commodity product of BCF line substituting them with Polymers.

| Sales (€/mil)<br>by Product Line | First Half<br>2018 | First Half<br>2017 | Act 18 vs<br>Act 17 | Q2<br>2018    | Q2<br>2017    | Act 18 vs<br>Act 17 |
|----------------------------------|--------------------|--------------------|---------------------|---------------|---------------|---------------------|
| BCF                              | 210,26             | 204,56             | 2,8%                | 113,10        | 102,14        | 10,7%               |
| NTF                              | 50,64              | 50,86              | -0,4%               | 24,19         | 23,18         | 4,3%                |
| Polymers                         | 30,35              | 23,41              | 29,6%               | 13,16         | 11,94         | 10,2%               |
| <b>TOTAL</b>                     | <b>291,25</b>      | <b>278,83</b>      | <b>4,5%</b>         | <b>150,45</b> | <b>137,27</b> | <b>9,6%</b>         |

Sales by Product Line - H1 2018



Sales by Product Line - Q2 2018

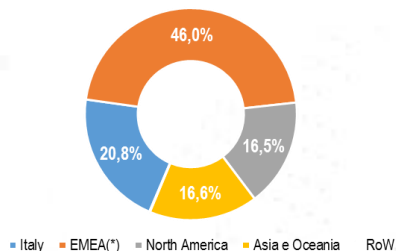


The following table compares the figures referring to the **amount and percentage of sales broken down by Geographical Area** for the first half and second quarter of 2018 to same period of 2017.

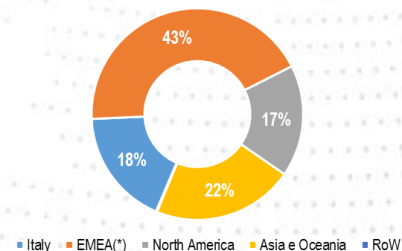
Sales on **Asia and Oceania** market **increase both in H1 2018 (31,6%) and Q2 2018 (56,6%)** compared to same periods of 2017 as effect of growth of BCF product quantity sold in the area mainly derived from Invista acquisition. Sales on **North America** market **increase in Q2 2018 (8,7%)** compared to same periods of 2017 mainly thanks to Polymers line. The **decreased of sales in Italy in Q2 2018 (-4,0%)** is related with less quantity of Polymers sold during period.

| Sales (€/mil)     | First Half    | First Half    | Act 18 vs   | Q2            | Q2            | Act 18 vs   |
|-------------------|---------------|---------------|-------------|---------------|---------------|-------------|
| Geographical Area | 2018          | 2017          | Act 17      | 2018          | 2017          | Act 17      |
| Italy             | 60,67         | 59,05         | 2,8%        | 26,91         | 28,03         | -4,0%       |
| EMEA(*)           | 134,09        | 134,62        | -0,4%       | 65,12         | 64,60         | 0,8%        |
| North America     | 47,98         | 48,12         | -0,3%       | 25,71         | 23,66         | 8,7%        |
| Asia e Oceania    | 48,31         | 36,72         | 31,6%       | 32,53         | 20,77         | 56,6%       |
| RoW               | 0,25          | 0,33          | -26,4%      | 0,22          | 0,21          | 5,0%        |
| <b>TOTAL</b>      | <b>291,29</b> | <b>278,84</b> | <b>4,5%</b> | <b>150,48</b> | <b>137,27</b> | <b>9,6%</b> |

Sales by Geographical Area - H1 2018



Sales by Geographical Area - Q2 2018



■ Italy ■ EMEA(\*) ■ North America ■ Asia e Oceania ■ RoW

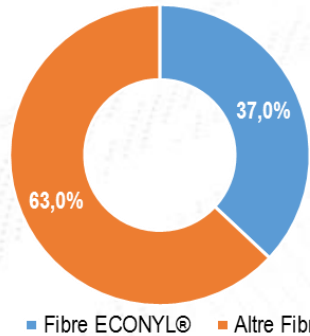
■ Italy ■ EMEA(\*) ■ North America ■ Asia e Oceania ■ RoW

(\*) excluding Italy

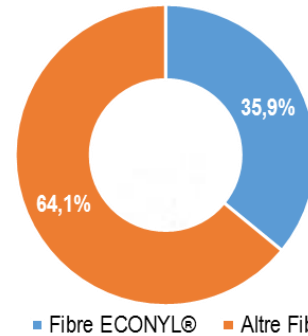
The Group's revenues from **sales of ECONYL®** branded products are **growth of 11,3% in second quarter 2018 and of 6,3% in first half 2018** compared to same periods of 2017 and represent in the first half 2018 the **37%** of fiber sales.

Without considering the turnover contribution of Invista acquisition, percentage of products branded **ECONYL®** would have been equal to **38,8% in H1 – 2018** compared with the 35,4% of the same period of 2017.

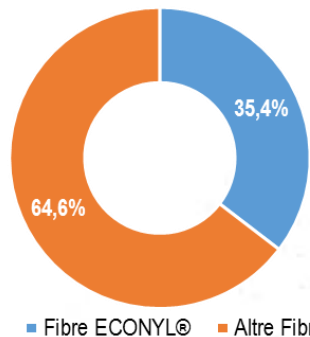
**% Sales of ECONYL® Fiber on Total Fiber I  
H1 - 2018**



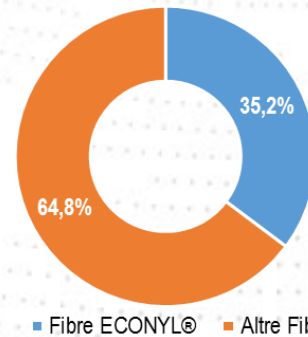
**% Sales of ECONYL® Fiber on Total Fiber I  
Q2 - 2018**



**% Sales of ECONYL® Fiber on Total Fiber I  
H1 - 2017**



**% Sales of ECONYL® Fiber on Total Fiber I  
Q2 - 2017**



## 6. The First Half and Second Quarter 2018 Financial Statement

| <b>RECONCILIATION FROM NET PROFIT TO EBITDA</b> €/000       | <b>Half Year 2018</b> | <b>Half Year 2017</b> | <b>Second Quarter 2018</b> | <b>Second Quarter 2017</b> |
|---|-----------------------|-----------------------|----------------------------|----------------------------|
| <b>Net Profit (Including Portion Attr. to Minority)</b>     | <b>19.614</b>         | <b>13.421</b>         | <b>9.764</b>               | <b>5.236</b>               |
| Income Taxes  | 4.975                 | 5.888                 | 2.378                      | 2.728                      |
| Investment income and charges                               | -                     | (50)                  | -                          | (50)                       |
| Amortisation & Depreciation                                 | 12.364                | 11.807                | 6.292                      | 5.860                      |
| Write-downs & Write-backs of intangible and tangible assets | 769                   | 301                   | 469                        | 153                        |
| Financial items (*)   | 4.455                 | 7.524                 | 1.362                      | 4.367                      |
| No recurring items (**)                                     | 2.312                 | 1.459                 | 1.946                      | 1.305                      |
| <b>EBITDA</b>   | <b>44.488</b>         | <b>40.350</b>         | <b>22.210</b>              | <b>19.599</b>              |
| Revenue   | 291.291               | 278.836               | 150.484                    | 137.268                    |
| <i>EBITDA Margin</i>  | <i>15,3%</i>          | <i>14,5%</i>          | <i>14,8%</i>               | <i>14,3%</i>               |

| <b>RECONCILIATION FROM EBITDA TO EBIT ADJUSTED</b> €/000    | <b>Half Year 2018</b> | <b>Half Year 2017</b> | <b>Second Quarter 2018</b> | <b>Second Quarter 2017</b> |
|---|-----------------------|-----------------------|----------------------------|----------------------------|
| <b>EBITDA</b>   | <b>44.488</b>         | <b>40.350</b>         | <b>22.210</b>              | <b>19.599</b>              |
| Amortisation & Depreciation                                 | 12.364                | 11.807                | 6.292                      | 5.860                      |
| Write-downs & Write-backs of intangible and tangible assets | 769                   | 301                   | 469                        | 153                        |
| <b>EBIT Adjusted</b>  | <b>31.356</b>         | <b>28.242</b>         | <b>15.449</b>              | <b>13.586</b>              |
| Revenue   | 291.291               | 278.836               | 150.484                    | 137.268                    |
| <i>EBIT Adjusted Margin</i>                                 | <i>10,8%</i>          | <i>10,1%</i>          | <i>10,3%</i>               | <i>9,9%</i>                |

(\*) It includes: (i) financial income amounting to €0,01 million at June 30, 2018 and €0,2 million at June 30, 2017; (ii) interest expenses of €3,0 million at June 30, 2018 and €3,4 million at June 30, 2017 (iii) cash discounts to customers for €2,0 million for the reporting period at June 30, 2018 and €2,0 million at June 30, 2017 and (iv) FX gain amounting to €0,5 million at June 30, 2018 and FX losses amounting to €2,3 million at June 30, 2017;

(\*\*) It includes: (i) non-recurring charges related to expansion of Aquafil Group for €1,6 million at March 31, 2018 and €0,1 million at June 30, 2017; (ii) staff restructuring cost and regularization of expatriates staff amounting to €0,4 millions at June 30, 2018 and €1,3 millions at June 30, 2017; and (iii) other non-recurring costs and income for €0,3 million at June 30, 2018

A specific details of no recurring items is available in the First Half Notes.

| <b>CONSOLIDATED INCOME STATEMENT</b><br>€/000           | <b>Half</b><br><b>Year 2018</b> | <i>of which</i><br><i>non-current</i> | <b>Half</b><br><b>Year 2017</b> | <i>of which</i><br><i>non-current</i> | <b>Second</b><br><b>Quarter 2018</b> | <i>of which</i><br><i>non-current</i> | <b>Second</b><br><b>Quarter 2017</b> | <i>of which</i><br><i>non-current</i> |
|---|---------------------------------|---------------------------------------|---------------------------------|---------------------------------------|--------------------------------------|---------------------------------------|--------------------------------------|---------------------------------------|
| Revenue   | 291.291                         |                                       | 278.836                         | 12                                    | 150.484                              |                                       | 137.268                              |                                       |
| <i>of which related parties</i>                         | 188                             |                                       | 152                             |                                       | 47                                   |                                       | 80                                   |                                       |
| Other Revenue   | 145                             | 143                                   | 3                               | 3                                     | 144                                  | 143                                   | 3                                    | 3                                     |
| <b>Total Revenue and Other Revenue</b>                  | <b>291.436</b>                  | <b>143</b>                            | <b>278.839</b>                  | <b>15</b>                             | <b>150.628</b>                       | <b>143</b>                            | <b>137.271</b>                       | <b>3</b>                              |
| Raw Material  | (151.485)                       | (101)                                 | (141.405)                       |                                       | (78.373)                             | (99)                                  | (69.498)                             |                                       |
| <i>of which related parties</i>                         | (0)                             |                                       | -                               |                                       | (0)                                  |                                       | 9                                    |                                       |
| Services  | (49.420)                        | (1.584)                               | (47.278)                        | (139)                                 | (26.052)                             | (1.381)                               | (23.268)                             | (139)                                 |
| <i>of which related parties</i>                         | (1.790)                         |                                       | (1.797)                         |                                       | (897)                                |                                       | (960)                                |                                       |
| Personel  | (52.847)                        | (658)                                 | (52.474)                        | (1.305)                               | (27.258)                             | (516)                                 | (27.008)                             | (1.212)                               |
| <i>of which related parties</i>                         |                                 |                                       | (476)                           |                                       |                                      |                                       | (202)                                |                                       |
| Other Operating Costs                                   | (1.047)                         | (111)                                 | (1.125)                         | (30)                                  | (566)                                | (92)                                  | (533)                                | 43                                    |
| <i>of which related parties</i>                         | (35)                            |                                       |                                 |                                       | (17)                                 |                                       | 17                                   |                                       |
| Depredation and Amortization                            | (12.364)                        |                                       | (11.807)                        |                                       | (6.292)                              |                                       | (5.860)                              |                                       |
| Provisions and Write-downs                              | (769)                           |                                       | (301)                           |                                       | (469)                                |                                       | (153)                                |                                       |
| Capitalization of Internal Construction Costs           | 3.571                           |                                       | 319                             |                                       | 927                                  |                                       | 323                                  |                                       |
| <b>EBIT</b>   | <b>27.075</b>                   | <b>(2.312)</b>                        | <b>24.767</b>                   | <b>(1.459)</b>                        | <b>12.545</b>                        | <b>(1.946)</b>                        | <b>11.273</b>                        | <b>(1.305)</b>                        |
| Income (loss) from Investments                          |                                 |                                       | 50                              |                                       |                                      |                                       | 50                                   |                                       |
| Other Financial Income                                  | 17                              |                                       | 180                             |                                       | 1                                    |                                       | 46                                   |                                       |
| <i>of which related parties</i>                         | (0)                             |                                       | 144                             |                                       | (0)                                  |                                       | 36                                   |                                       |
| Interest Expenses                                       | (3.027)                         |                                       | (3.359)                         |                                       | (1.651)                              |                                       | (1.718)                              |                                       |
| <i>of which related parties</i>                         |                                 |                                       |                                 |                                       |                                      |                                       |                                      |                                       |
| FX Gains and Losses                                     | 525                             |                                       | (2.329)                         |                                       | 1.247                                |                                       | (1.687)                              |                                       |
| <b>Profit Before Taxes</b>                              | <b>24.589</b>                   | <b>(2.312)</b>                        | <b>19.309</b>                   | <b>(1.459)</b>                        | <b>12.142</b>                        | <b>(1.946)</b>                        | <b>7.965</b>                         | <b>(1.305)</b>                        |
| Income Taxes  | (4.975)                         |                                       | (5.888)                         |                                       | (2.378)                              |                                       | (2.728)                              |                                       |
| <b>Net Profit (Including Portion Attr. to Minority)</b> | <b>19.614</b>                   | <b>(2.312)</b>                        | <b>13.421</b>                   | <b>(1.459)</b>                        | <b>9.764</b>                         | <b>(1.946)</b>                        | <b>5.237</b>                         | <b>(1.305)</b>                        |
| Net Profit Attributable to Minority Interest            |                                 |                                       | 26                              |                                       | (23)                                 |                                       | 2                                    |                                       |
| <b>Net Profit Attributable to the Group</b>             | <b>19.614</b>                   |                                       | <b>13.395</b>                   |                                       | <b>9.787</b>                         |                                       | <b>5.235</b>                         |                                       |
| <i>Basic earnings per share</i>                         | 0,39                            |                                       | 0,30                            |                                       | 0,19                                 |                                       | 0,12                                 |                                       |
| <i>Diluted earnings per share</i>                       | 0,39                            |                                       | 0,30                            |                                       | 0,19                                 |                                       | 0,12                                 |                                       |

**CONSOLIDATED BALANCE SHEET**

| €/000   | At June 30,<br>2018 | At December 31,<br>2017 |
|---|---------------------|-------------------------|
| Intangible Assets   | 14.962              | 7.782                   |
| Tangible Assets   | 165.388             | 153.927                 |
| Financial Assets  | 574                 | 408                     |
| <i>of which related parties</i>                           | 79                  | 79                      |
| Other Assets  | 2.189               |                         |
| Deferred Tax Assets                                       | 8.357               | 11.356                  |
| <b>Total Non-Current Assets</b>                           | <b>191.471</b>      | <b>173.472</b>          |
| Inventories   | 162.418             | 153.499                 |
| Trade Receivable  | 53.564              | 34.870                  |
| <i>of which related parties</i>                           | 54                  | 116                     |
| Financial Current Assets                                  | 1.657               | 988                     |
| <i>of which related parties</i>                           | (0)                 | (0)                     |
| Current Tax Receivables                                   | 2.359               | 524                     |
| Other Current Assets                                      | 14.325              | 12.517                  |
| <i>of which related parties</i>                           | 403                 | 1.688                   |
| Cash and Cash Equivalents                                 | 92.003              | 99.024                  |
| <b>Total Current Assets</b>                               | <b>326.325</b>      | <b>301.422</b>          |
| <b>Total Current Assets</b>                               | <b>517.796</b>      | <b>474.895</b>          |
| Share Capital   | 49.714              | 49.673                  |
| Reserves  | 63.110              | 54.772                  |
| Group Net Profit for the year                             | 20.553              | 20.569                  |
| <b>Group Shareholders Equity</b>                          | <b>133.377</b>      | <b>125.014</b>          |
| Net Equity attributable to minority interest              | 1                   | 386                     |
| Net Profit for the year attributable to minority interest | 0                   | 99                      |
| <b>Total Shareholders Equity</b>                          | <b>133.378</b>      | <b>125.499</b>          |
| Employee Benefits   | 5.780               | 5.876                   |
| Non-Current Financial Liabilities                         | 180.767             | 159.973                 |
| Provisions for Risks and Charges                          | 1.934               | 1.516                   |
| Deferred Tax Liabilities                                  | 3.334               | 3.533                   |
| Other Payables  | 9.662               | 7.858                   |
| <b>Total Non-Current Liabilities</b>                      | <b>201.477</b>      | <b>178.755</b>          |
| Current Financial Liabilities                             | 59.854              | 52.111                  |
| Current Tax Payables                                      | 5.884               | 5.134                   |
| Trade Payables  | 92.915              | 94.477                  |
| <i>of which related parties</i>                           | 716                 | 716                     |
| Other Liabilities   | 24.288              | 18.919                  |
| <i>of which related parties</i>                           | 457                 | 457                     |
| <b>Total Current Liabilities</b>                          | <b>182.941</b>      | <b>170.641</b>          |
| <b>Total Equity and Liabilities</b>                       | <b>517.796</b>      | <b>474.895</b>          |



| <b>CASH FLOW STATEMENT</b>                                       | <b>At June 30,</b> | <b>At June 30,</b> |
|--|--------------------|--------------------|
| <i>€/000</i>   | <b>2018</b>        | <b>2017</b>        |
| <b>Operation Activities</b>                                      |                    |                    |
| Net Profit (Including Portion Attr. to Minority)                 | 19.614             | 13.421             |
| <i>of which related parties</i>                                  | -1.637             | -1.977             |
| Income Taxes   | 4.975              | 5.888              |
| Income (loss) from Investments                                   |                    | -50                |
| Other Financial Income   | -17                | -180               |
| <i>of which related parties</i>                                  |                    | -144               |
| Interest Expenses  | 3.027              | 3.359              |
| FX Gains and Losses  | -525               | 2.329              |
| Gain/Loss on non - current asset Disposals                       | -133               | 132                |
| Provisions & write-downs   | 769                | 301                |
| Amortisation, depreciation & write-downs                         | 12.364             | 11.807             |
| <b>Cash Flow from Operating Activities Before Changes in NWC</b> | <b>40.075</b>      | <b>37.007</b>      |
| Change in Inventories  | -8.919             | 2.620              |
| Change in Trade and Other Receivables                            | -1.562             | 4.395              |
| <i>of which related parties</i>                                  |                    | -17                |
| Change in Trade and Other Payables                               | -19.038            | -14.048            |
| <i>of which related parties</i>                                  | -62                | 3                  |
| Change in Other Assets/Liabilities                               | 1.828              | -5.277             |
| <i>of which related parties</i>                                  | 1.282              | -1.680             |
| Net Interest Expenses paid                                       | -2.586             | -3.035             |
| Income Taxes paid  | -1.769             | 0                  |
| Change in Provisions for Risks and Charges                       | -308               | -868               |
| <b>Cash Flow from Operating Activities (A)</b>                   | <b>7.721</b>       | <b>20.794</b>      |
| <b>Investing activities</b>                                      |                    |                    |
| Investment in Tangible Assets                                    | -22.295            | -16.709            |
| Disposal of Tangible Assets                                      | 860                | 1.006              |
| Investment in Intangible Assets                                  | -8.334             | -1.196             |
| Disposal of Intangible Assets                                    | 13                 |                    |
| Investment in Financial Assets                                   | -166               |                    |
| Disposal of Financial Assets                                     |                    | 1.100              |
| <b>Cash Flow used in Investing Activities (B)</b>                | <b>-29.923</b>     | <b>-15.799</b>     |
| <b>Financing Activities</b>                                      |                    |                    |
| Increase in no current Loan and borrowing                        | 55.000             | 47.000             |
| Decrease in no current Loan and borrowing                        | -28.364            | -35.293            |
| Net variation in current financial Assets and Liability          | 744                | -2.514             |
| Dividends Distribution   | -12.241            | -12.144            |
| <i>of which related parties</i>                                  | -7.369             |                    |
| Increase (decrease) Share Capital                                | 42                 |                    |
| <b>Cash Flow from Financing Activities (C)</b>                   | <b>15.181</b>      | <b>-2.951</b>      |
| <b>Net Cash Flow of the Year (A)+(B)+(C)</b>                     | <b>-7.021</b>      | <b>2.044</b>       |

| <b>NET FINANCIAL DEBT</b>                             | <b>At June 30, At December 31,</b> |                  |
|---|------------------------------------|------------------|
| <i>€/000</i>  | <b>2018</b>                        | <b>2018</b>      |
| A. Cash   | 92.003                             | 99.024           |
| B. Other cash equivalents                             | -                                  | -                |
| C. Securities held-for-trading                        | -                                  | -                |
| <b>D. Liquidity ( A + B + C )</b>                     | <b>92.003</b>                      | <b>99.024</b>    |
| <b>E. Current financial receivables</b>               | <b>1.657</b>                       | <b>988</b>       |
| F. Current bank loans and borrowing                   | (2.067)                            | (72)             |
| G. Current portion of non-current loans and borrowing | (55.895)                           | (50.199)         |
| H. Other current loans and borrowing                  | (1.892)                            | (1.840)          |
| <b>I. Current financial debt ( F + G + H )</b>        | <b>(59.854)</b>                    | <b>(52.111)</b>  |
| <b>J. Net current financial debt (I + E+ D)</b>       | <b>33.806</b>                      | <b>47.901</b>    |
| K. Non-current bank loans and borrowing               | (120.454)                          | (91.597)         |
| L. Bonds issued                                       | (46.382)                           | (53.820)         |
| M. Other non-current loans and borrowing              | (13.931)                           | (14.556)         |
| <b>N. Non-current financial debt ( K + L + M )</b>    | <b>(180.767)</b>                   | <b>(159.973)</b> |
| <b>O. Net financial debt (J+N)</b>                    | <b>(146.961)</b>                   | <b>(112.071)</b> |

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