



**THE BOARD OF DIRECTORS APPROVED THE SHARPLY GROWING
OPERATING AND FINANCIAL RESULTS AS AT JUNE 30, 2018**

- **Revenues at June 30, 2018: €291.3 million, up by 4.5% compared to €278.8 million for the same period of 2017;**
- **EBITDA: €44.5 million; +10.3% (€40.35 million in H1 2017);**
- **Adjusted EBIT: €31.4 million; +11% (€28.2 million in H1 2017);**
- **Net profit: €19.6 million; +46.1% (€13.4 million in H1 2017);**
- **Net financial position: €147 million compared to €135.8 million at March 31, 2018 and €112.1 million at December 31, 2017.**

Arco (Trento), August 29, 2018 – The Board of Directors of Aquafil S.p.A. (**Aquafil** or the **Company**) [ECNL IM] today approved the Company's financial statements as at June 30, 2018. Aquafil Group closed the first six months of the year with sharply growing results, improving all its profitability indicators compared to the same period of 2017. In particular, Q2 2018 reported an excellent performance driven by the increase in Asia Pacific revenues and in production efficiency.

"We are very satisfied with the evolution of the Group's performance in 2018," stated Giulio Bonazzi, Aquafil's Chairman and Chief Executive Officer. *"Our results confirm the soundness of both our outstanding positioning at a global level and our business model. In addition, the acquisition of INVISTA's assets related to the Polyamide 6 BCF Fiber business in Asia Pacific has already showed its first effects, which have contributed to accelerating results, in particular in the second quarter. We are also extremely satisfied with the margin results, achieved thanks to the Group's capacity to shift the sales mix towards higher-value products resulting from specific strategic choices."*

Giulio Bonazzi also added: *"The entry into operation of the two Carpet Recycling plants — namely ACR#1 in Arizona, scheduled in the fourth quarter of the year, and ACR#2 in Sacramento, California, expected for the first half of the next year — will increase the availability of the secondary raw material used in the production on ECONYL®-branded products. Moreover, the promotion activity with luxury, fashion and sport brands that are currently underway — more than 300 active contracts and over 1,000 in the negotiation phase — are proof of the end customers' increasing attention to sustainability issues. All this makes the production of fiber through the ECONYL® Regeneration System a world's one-of-a-kind process that complies with the Circular Economy principles in terms of innovation, efficiency and productivity."*

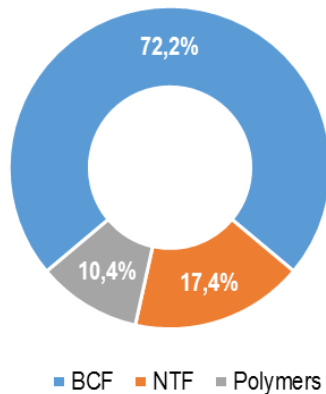
Before analyzing the results, it bears recalling that Aquafil Group has adopted IFRS 15 – *Revenue from Contracts with Customers*, effective as of the first half of 2018. This accounting Standard led only to a different recognition of revenues and operating costs, both reduced by €13.7 million (compared to €10.7 in H1 2017) and with no impacts on economic results and balance sheet indicators.

Revenues

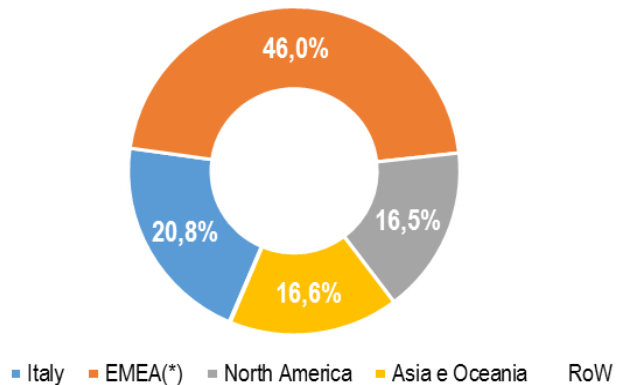
Revenues grew by 4.5% in H1 2018 and by 9.6% in Q2 2018, amounting to €291.3 million and €150.5 million, respectively, compared to €278.8 million in H1 2017 and €137.3 million in Q2 2017. This performance was mainly attributable to the BCF line, as a result of increased sales in Asia Pacific, and the Polymers line in the USA, as well as the higher selling prices.

A breakdown of H1 2018 sales by geographical area and line of product is given below:

Sales by Product Line – H1 2018



Sales by Geographical Area – H1 2018



Breakdown of sales by geographical area

The following table shows the figures referring to the value and percentage change of sales broken down by geographical area:

Sales (€/mil) by geographical area	First Semester (1H)			Second Quarter (2Q)		
	2018	2017	Var.	2018	2017	Var.
Italy	60.67	59.05	2,74%	26.91	28.03	-4.00%
EMEA	134.09	134.62	-0,39%	65.12	64.60	0.80%
North America	47.98	48.12	-0,29%	25.71	23.66	8.66%
Asia & Oceania	48.31	36.72	31,56%	32.53	20.77	56.62%
RoW	0.25	0.33	-24,24%	0.22	0.21	4.76%
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	291.30	278.84	4.47%	150.49	137.27	9.63%

Sales on the Asia Pacific market increased in H1 2018, particularly in Q2. The performance was mainly driven by the BCF line, and largely by the acquisition of the above-mentioned assets of INVISTA in this geographical area. In North America, the increase in sales was mostly attributable to higher sales volumes generated by the Polymers line in Q2.

Performance in Italy declined slightly due to the sales reduction posted by the Polymers line in Q2, whereas the sales breakdown for other geographical areas (EMEA and RoW) showed no significant changes compared to June 30, 2017.

Breakdown of sales by line of product

The following table shows the value and percentage change of sales broken down by line of product:

Sales (€/mil) by product line	First Semester (1H)			Second Quarter (2Q)		
	2018	2017	Var.	2018	2017	Var.
BCF	210.26	204.56	2.79%	113.1	102.14	10.73%
NTF	50.64	50.86	-0.43%	24.19	23.18	4.36%
Polymers	30.35	23.41	29.65%	13.16	11.94	10.22%
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	291.25	278.83	4.45%	150.45	137.26	9.61%

Sales of the Polymers line rose sharply compared to results in 2017, owing to the increase in raw materials available for sale following the strategic decision of phasing down the Group's low-margin products within the BCF line. Overall, the BCF line grew as a consequence of the aforementioned acquisition in Asia Pacific, whose effect on sales was particularly marked in Q2, with a +10.73% increase. The performance of the NTF line remained essentially unchanged in the reporting period.

The Group's revenues from sales of ECONYL®-branded products rose by 11.3% in Q2 and by 6.3% on a half-yearly basis, compared to the same periods of 2017. ECONYL® products accounted for approximately 37% of total fiber sales (or 38.8% on a like-for-like consolidation basis, i.e., excluding the acquisition of INVISTA's assets).

Operating Profit and Margins

EBITDA grew from €40.4 million to €44.5 million in H1 2018 and from €19.6 million to €22.2 million in Q2, up by 10.3% and 13.3%, respectively. EBITDA margin went from 14.5% to 15.3%, increasing by almost one percentage point.

The increase in EBITDA was attributable to higher BCF line sales in Asia Pacific, as well as the overall improvement in production efficiency.

Net profit grew by 46.1% in H1 2018 compared to same period of the previous year, totaling €19.6 million (€13.4 million in H1 2017). Net profit increased even more markedly in Q2, with an 86.4% growth, thus rising from €5.2 million to €9.8 million. The growth in net results is led by the EBITDA increase in addition to the effects generated by the exchange rate differences on the intra-group loans recognized in the two reporting periods.

Lastly, net financial position was €147 million compared to €135.8 million at March 31, 2018 and €112.1 million at December 31, 2017.

The increase was mainly attributable to both 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, the €12 million dividend payout and the higher working capital used.



Declaration of the appointed manager

"The Manager responsible for preparing the company's financial reports, Sergio Calliari, declares, pursuant to Paragraph 2 of Article 154-*bis* of the Consolidated Finance Law, that the accounting information contained in this press release corresponds to the company's records, ledgers and accounting entries."

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Founded in 1965, Aquafil is one of the main players, in Italy and worldwide, in the production of synthetic fibers, particularly for Polyamide 6 applications. The Group is present in three continents with a workforce of over 2,700 at production sites in Italy, Germany, Scotland, Slovenia, Croatia, USA, Thailand and China. For further information: www.aquafil.com

Aquafil is a pioneer in the circular economy also thanks to the ECONYL® regeneration system, an innovative and sustainable process able to create new products from waste and give life to an endless cycle. The Nylon waste is collected in locations all over the world and includes industrial waste but also products (such as fishing nets and rugs) that have reached the end of their useful life. Such waste is processed so as to obtain a raw material (caprolactam) with the same chemical and performance characteristics as those from fossil sources. The polymers produced from ECONYL® caprolactam are distributed to the Group's production plants, where they are transformed into BCF yarn and NTF yarn.

For further information

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Consolidated Balance Sheet at June 30, 2018

CONSOLIDATED BALANCE SHEET €/000	At June 30, 2018	At December 31, 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
Total Non-Current Assets	191.471	173.472
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
Total Current Assets	326.325	301.422
Total Current Assets	517.796	474.895
Share Capital	49.714	49.673
Reserves	63.110	54.772
Group Net Profit for the year	20.553	20.569
Group Shareholders Equity	133.377	125.014
Net Equity attributable to minority interest	1	386
Net Profit for the year attributable to minority interest	0	99
Total Shareholders Equity	133.378	125.499
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
Total Non-Current Liabilities	201.477	178.755
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
Total Current Liabilities	182.941	170.641
Total Equity and Liabilities	517.796	474.895

Consolidated Income Statement at June 30, 2018

CONSOLIDATED INCOME STATEMENT €/000	Half Year 2018	<i>of nich non-current</i>	Half Year 2017	<i>of nich non-current</i>	Second Quarter 2018	<i>of nich non-current</i>	Second Quarter 2017	<i>of nich 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
Total Revenue and Other Revenue	291.436	143	278.839	15	150.628	143	137.271	3
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	
Depreciation 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	
EBIT	27.075	(2.312)	24.767	(1.459)	12.545	(1.946)	11.273	(1.305)
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)	
Profit Before Taxes	24.589	(2.312)	19.309	(1.459)	12.142	(1.946)	7.965	(1.305)
Income Taxes	(4.975)		(5.888)		(2.378)		(2.728)	
Net Profit (Including Portion Attr. to Minority)	19.614	(2.312)	13.421	(1.459)	9.764	(1.946)	5.237	(1.305)
Net Profit Attributable to Minority Interest			26		(23)		2	
Net Profit Attributable to the Group	19.614		13.395		9.787		5.235	
<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 Cash Flow Statement at June 30, 2018

CASH FLOW STATEMENT <i>€/000</i>	At June 30, 2018	At June 30, 2017
Operation Activities		
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
Cash Flow from Operating Activities Before Changes in NWC	40.075	37.007
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
Cash Flow from Operating Activities (A)	7.721	20.794
Investing activities		
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
Cash Flow used in Investing Activities (B)	-29.923	-15.799
Financing Activities		
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	
Cash Flow from Financing Activities (C)	15.181	-2.951
Net Cash Flow of the Year (A)+(B)+(C)	-7.021	2.044

Consolidated Net Financial Position at June 30, 2018

NET FINANCIAL DEBT €/000	At June 30, At December 31,	
	2018	2018
A. Cash	92.003	99.024
B. Other cash equivalents	-	-
C. Securities held-for-trading	-	-
D. Liquidity (A + B + C)	92.003	99.024
E. Current financial receivables	1.657	988
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)
I. Current financial debt (F + G + H)	(59.854)	(52.111)
J. Net current financial debt (I + E+ D)	33.806	47.901
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)
N. Non-current financial debt (K + L + M)	(180.767)	(159.973)
O. Net financial debt (J+N)	(146.961)	(112.071)

Reconciliation of Consolidated Income Statement at June 30, 2018

RECONCILIATION FROM NET PROFIT TO EBITDA €/000	Half Year 2018	Half Year 2017	Second Quarter 2018	Second Quarter 2017
Net Profit (Including Portion Attr. to Minority)	19.614	13.421	9.764	5.236
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
EBITDA	44.488	40.350	22.210	19.599
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>

RECONCILIATION FROM EBITDA TO EBIT ADJUSTED €/000	Half Year 2018	Half Year 2017	Second Quarter 2018	Second Quarter 2017
EBITDA	44.488	40.350	22.210	19.599
Amortisation & Depreciation	12.364	11.807	6.292	5.860
Write-downs & Write-backs of intangible and tangible assets	769	301	469	153
EBIT Adjusted	31.356	28.242	15.449	13.586
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 (ii) other nonrecurring

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.