

THE BOARD OF DIRECTORS APPROVED THE RESULTS FOR THE YEAR 2018

2018 REVENUES AND NET PROFIT UP BY 5.1% AND 19.4%, RESPECTIVELY, COMPARED TO 2017

- Revenues at €555.2 million in 2018, up 5.1% compared to 2017 (€528.3 million);
- EBITDA at €77.9 million in 2018, up 5.6% compared to 2017 (€73.8 million);
- Adjusted EBIT at €51.2 million in 2018, up 5.8% compared to 2017 (€48.4 million);
- Net profit for the year at €30.1 million, up 19.4% compared to 2017 (€25.2 million);
- Net financial position at December 31, 2018 was €157.3 million (€165 million at September 30, 2018), mainly due to investments for the period
- Proposed dividend distribution: €0.24 per share.

Arco, March 14, 2019 — The Board of Directors of Aquafil S.p.A. [ECNL:IM] approved the Consolidated Financial Statements for 2018.

The Group closed financial year 2018 with an increase in operating indicators compared to 2017. In Q4 2018, revenues were essentially in line with the same period of 2017.

Giulio Bonazzi, Aquafil's Chairman and Chief Executive Officer, stated:

"The importance of the ECONYL® brand continues to grow and the interest in circular economy products is constantly increasing.

Our ECONYL® brand products are increasingly appreciated by the market and the number of agreements to utilize the brand on finished products has more than doubled in 2018, reaching over seven hundred partners.

Moreover, there is a growing interest towards its application in other industries that use plastic raw materials, such as design objects or packaging, as a result of being increasingly aware of the importance of circular and sustainable ingredients.

We remain absolutely committed to the constant development and diffusion of our circular business model, as shown by the important investments already sustained and planned, which will translate into sustainable growth in the medium term.

The 2018 results showed an improvement in all the economic indicators compared to the previous year, despite the fact that the European market showed a weaker performance in the second half of the year. In Asia Pacific, on the other hand, growth was particularly significant, capitalizing on the effects of the acquisition of Invista's assets. In North America, the disengagement from the automotive sector of our main competitor has allowed us to seize opportunities and increase market shares, while enduring reduced margins deriving from greater logistic costs and customs duties, which we are certain to recover with the increase of production capacity already launched in 2018".

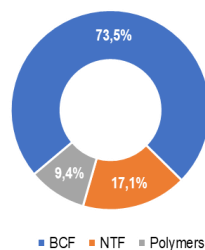
Revenues

Revenues of the financial year 2018 grew by 5.1%, reaching €555.2 million (€528.3 million in 2017). The revenues in the fourth quarter declined slightly, by 0.6%, totaling €124.3 million (€125.1 million in the same period of 2017).

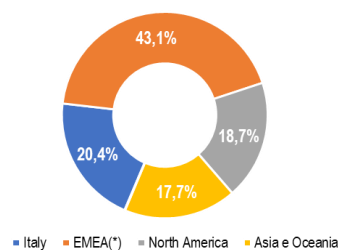
Such results are almost entirely attributable, both on a yearly and quarterly basis, to the BCF Line's higher revenues in Asia and the United States, partially penalized by the slowdown of the European market in H2 2018. The minor reduction in revenues during Q4 is mostly attributable to the lower sales levels of the later due to planned in-house use of such polymers for fiber production for the US market.

A breakdown of sales in percentage terms by Geographical Area and Product Line at December 31, 2018 is given below.

**Sales by Product Line
2018**



**Sales by Geographical Area
2018**



Sales by Product Line

The following table shows the value and percentage change of sales broken down by Product Line:

Sales (€ million) by Product Line	FY 2018	FY 2017	% Δ	Q4 2018	Q4 2017	% Δ
BCF	408.0	381.9	6.9%	90.8	88.3	2.8%
NTF	94.8	94.7	0.1%	23.6	22.7	3.9%
Polymers	52.4	51.8	1.2%	9.9	14.0	-29.6%
TOTAL	555.2	528.3	5.1%	124.3	125.1	-0.6%

The BCF Product Line grew both compared to the previous year (+6.9%) and in Q4 (+2.8%), chiefly due to the higher revenues recorded in Asia Pacific, also following the acquisition of Invista's assets, and in the United States for the growth reported in the automotive industry, also as a result of one of our main competitors' exit from this business.

The Q4 decline in the Polymers Product Line (-29.6%) is entirely attributable to the in-house use of such polymers.

Breakdown of sales by Geographical Area

The following table shows the value and percentage change of sales broken down by Geographical Area:

Sales (€ million) by Geographical Area	FY 2018	FY 2017	% Δ	Q4 2018	Q4 2017	% Δ
Italy	113.3	112.2	1.0%	28.5	27.0	5.2%
EMEA(*)	239.5	254.7	-6.0%	48.1	59.4	-19.1%
North America	103.7	90.5	14.6%	27.1	21.6	25.5%
Asia & Oceania	98.3	70.1	40.3%	20.7	16.7	23.5%
RoW	0.4	0.9	-56.1%	0.0	0.3	-98.1%
TOTAL	555.2	528.3	5.1%	124.3	125.1	-0.6%

Sales in Italy of the period remained essentially unchanged compared to 2017 in terms of value, while in percentage terms it reached a 5.2% increase in Q4 as a result of higher sales generated by the NTF Product Line.

Sales in the EMEA geographical area, Italy excluded, decreased during 2018 by 6% compared to the previous year and by 19.1% in the fourth quarter. The decline was attributable to the European market's slowdown within the BCF Product Line in H2 2018, and to lower polymer sales in Q4 due to the planned in-house use of such polymers.

Sales in North America rose both compared to the previous year (+14.6%) and in Q4 (+25.5%), chiefly thanks to the growth reported by the BCF Product Line in the automotive industry.

Sales of the Asia & Oceania Geographical Area grew both compared to the previous year (+40.3%) and in Q4 (+23.5%), as a result of higher revenues reported by the BCF Product Line, also as a result of the acquisition of Invista's assets.

The Group's revenues from sales of ECONYL® branded products rose by 6.5% on an annual basis and by 5.3% in Q4, accounting for approximately 37% of total synthetic fiber sales in 2018.

Operating Profit and Margins

EBITDA grew by 5.6% compared to the previous year and by 3.6% in Q4 2018, rising from €73.8 million to €77.9 million on an annual basis, and from €16.4 million in Q4 2017 to €17.0 million in Q4 2018.

The EBITDA increase was mainly attributable to higher global sales generated throughout the reporting period. Worth of mention how the incremental sales in North American were impacted by significantly lower margins due to higher shipping and customs costs (8,4%) as they were supported by European manufacturing facilities. The said costs are expected to be recovered

thanks to investments registered during 2018, aimed at stepping up production capacity and to be completed in H2 2019.

EBITDA margin amounted to 14% for the year (in line with 2017) and to 13.7% in Q4 (13.1% in Q4 2017) mainly thanks to a better product sales mix.

Net profit for 2018 amounted to €30.1 million, up by 19.4% compared to €25.2 million in 2017.

The increase in net profit was driven by EBITDA growth, as well as by a significant reduction of exchange losses compared to 2017, nonetheless paired with higher non-recurring charges for 2018, mostly relating to the restructuring of the German subsidiary Aqualeuna GmbH.

Net financial position at December 31, 2018 was €157.3 million compared to €165 million at September 30, 2018 and €112.1 million at December 31, 2017. The increase was mainly due to investments for the period (about €71 million) mainly referring to: the acquisition of Invista's assets; the completion of the first Aquafil Carpet Recycling (ACR#1) in Phoenix, Arizona, the partial completion of the second one in Woodland, California and capacity boosting in the United States and China; dividends paid; and higher working capital requirements as a result of the higher sales and the goods shipped to support the North American market, as needed.

Moreover, the Board of Statutory Auditors verified that the Board of Directors applied the procedures to assess the independence of its members in compliance with the Corporate Governance Code and also completed its self-assessment process.

The Board of Directors thus resolved to submit to the General Shareholders' Meeting a proposal to pay €0.24 per share, the same value as the dividend for the results achieved in 2017, both for ordinary shares and for class B shares, whereas class C shares by their nature are not entitled to receive dividends. The proposal envisages Monday May 6, 2019 as ex-date, Tuesday May 7, 2019 as record date while the dividend is to be payable as of Wednesday May 8, 2019 (payment date).

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 1969, **Aquafil** is one of the main players, in Italy and worldwide, in the production of Polyamide 6 (nylon 6). The Aquafil Group operates in eight countries of three different continents, with over 2,700 employees at the 16 production plants located in Italy, Germany,



Scotland, Slovenia, Croatia, Unites States, Thailand and China. For further details:
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 December 31, 2018

CONSOLIDATED BALANCE SHEET €/000	At 31 December 2018	At December 31, 2017
Intangible Assets	15.992	7.782
Tangible Assets	189.661	153.927
Financial Assets	404	408
<i>of which related parties</i>	79	79
Other Assets	2.189	-
Deferred Tax Assets	7.841	11.356
Total Non-Current Assets	216.087	173.472
Inventories	189.678	153.499
Trade Receivable	34.046	34.870
<i>of which related parties</i>	66	116
Financial Current Assets	2.878	988
Current Tax Receivables	451	524
Other Current Assets	14.297	12.517
<i>of which related parties</i>	1.859	1.688
Cash and Cash Equivalents	103.277	99.024
Total Current Assets	344.627	301.422
Total Current Assets	560.714	474.895
Share Capital	49.722	49.673
Reserves	62.969	54.772
Group Net Profit for the year	31.119	20.569
Group Shareholders Equity	143.810	125.014
Net Equity attributable to minority interest	1	386
Net Profit for the year attributable to minority interest	0	99
Total Shareholders Equity	143.811	125.499
Employee Benefits	5.702	5.876
Non-Current Financial Liabilities	224.345	159.973
Provisions for Risks and Charges	1.169	1.516
Deferred Tax Liabilities	3.582	3.533
Other Payables	11.833	7.858
Total Non-Current Liabilities	246.631	178.755
Current Financial Liabilities	39.090	52.111
Current Tax Payables	2.270	5.134
Trade Payables	106.895	94.477
<i>of which related parties</i>	762	716
Other Liabilities	22.017	18.919
<i>of which related parties</i>	230	457
Total Current Liabilities	170.272	170.641
Total Equity and Liabilities	560.714	474.895

Consolidated Income Statement at December 31, 2018

CONSOLIDATED INCOME STATEMENT	December 2018		December 2017		Fourth Quarter 2018		Fourth Quarter 2017	
	€/'000	of mch non-current	€/'000	of mch non-current	€/'000	of mch non-current	€/'000	of mch non-current
Revenue	555,220		528,333		124,288		125,100	
of which related parties	218		297		13		53	
Other Revenue	2,591	856	1,431	260	2,172	437	510	217
Total Revenue and Other Revenue	557,811	856	529,764	260	126,461	437	125,609	217
Raw Material	(282,266)	(118)	(268,171)	(1,131)	(58,136)	93	(63,664)	(1,131)
Services	(100,935)	(2,918)	(94,096)	(2,840)	(27,296)	(637)	(24,518)	(1,964)
of which related parties	(3,586)		(3,668)		(901)		(949)	
Personel	(106,410)	(3,983)	(101,304)	(1,975)	(29,174)	(2,800)	(24,736)	(534)
of which related parties	(797)		(797)		-		(83)	
Other Operating Costs	(2,438)	(211)	(2,575)	(102)	(720)	(97)	(745)	(50)
of which related parties	(70)		(70)		(18)		(19)	
Depreciation and Amortization	(26,361)		(24,229)		(7,438)		(6,684)	
Provisions and Write-downs	(285)		(1,103)		1,149		(655)	
Capitalization of Internal Construction Costs	2,071		533		1,948		48	
EBIT	41,187	(6,373)	38,819	(5,789)	6,794	(3,005)	4,655	(3,462)
Income (loss) from Investments	-		50		-		0	
Other Financial Income	45		219		14		50	
of which related parties	-		144		-		0	
Interest Expenses	(5,816)		(6,276)		(1,547)		(1,489)	
FX Gains and Losses	1,668		(4,800)		1,267		(1,384)	
Profit Before Taxes	37,084	(6,373)	28,013	(5,789)	6,528	(3,005)	1,833	(3,462)
Income Taxes	(6,986)		(2,796)	2,721	(785)		5,628	2,721
Net Profit (Including Portion Attr. to Minority)	30,097	(6,373)	25,216	(3,067)	5,743	(3,005)	7,461	(741)
Net Profit Attributable to Minority Interest	0		99		-		-	
Net Profit Attributable to the Group	30,097		25,117		5,743	(3,005)	7,461	(741)
Basic earnings per share	0,59		0,55		-		-	
Diluted earnings per share	0,59		0,55		-		-	

Consolidated Cash Flow Statement at December 31, 2018

CASH FLOW STATEMENT €/000	At December 31, 2018	At December 31, 2017
Operation Activities		
Net Profit (Including Portion Attr. to Minority)	30.097	25.216
<i>of which related parties</i>	-3.438	-4.094
Income Taxes	6.986	2.796
Income (loss) from Investments		-50
Other Financial Income	-45	-219
<i>of which related parties</i>		-144
Interest Expenses	5.816	6.276
FX Gains and Losses	-1.668	4.800
Gain/Loss on non - current asset Disposals	-303	86
<i>Provisions & write-downs</i>	285	1.103
Amortisation, depreciation & write-downs	26.361	24.229
Cash Flow from Operating Activities Before Changes in NWC	67.531	64.235
Change in Inventories	-36.179	-1.500
Change in Trade and Other Receivables	12.418	9.483
<i>of which related parties</i>	46	-166
Change in Trade and Other Payables	633	-695
<i>of which related parties</i>	50	-113
Change in Other Assets/Liabilities	1.075	-9.138
<i>of which related parties</i>	-398	-4.135
Net Interest Expenses paid	-5.025	-5.886
Income Taxes paid	-6.335	-5.212
Change in Provisions for Risks and Charges	1.271	-1.547
Cash Flow from Operating Activities (A)	35.389	49.740
Investing activities		
Investment in Tangible Assets	-60.881	-34.356
Disposal of Tangible Assets	2.708	1.839
Investment in Intangible Assets	-10.834	-4.720
Disposal of Intangible Assets	13	198
Disposal of Financial Assets		2.710
Cash Flow used in Investing Activities (B)	-68.994	-34.329
Financing Activities		
Increase in no current Loan and borrowing	120.000	65.000
<i>Decrease in no current Loan and borrowing</i>	-67.833	-88.119
Net variation in current financial Assets and Liability	-1.516	-1.864
Dividends Distribution	-12.241	-13.819
<i>of which related parties</i>	-7.369	-13.819
Purchase of equity interest	-600	
Increase (decrease) Share Capital	50	
Merger contribution		41.869
Cash Flow from Financing Activities (C)	37.860	3.067
Net Cash Flow of the Year (A)+(B)+(C)	4.255	18.479

Consolidated Net Financial Position at December 31, 2018

NET FINANCIAL DEBT €/000	At December 31, At December 31,	
	2018	2017
A. Cash	103.277	99.024
B. Other cash equivalents	-	-
C. Securities held-for-trading	-	-
D. Liquidity (A + B + C)	103.277	99.024
E. Current financial receivables	2.878	988
F. Current bank loans and borrowing	(96)	(72)
G. Current portion of non-current loans and borrowing	(35.496)	(50.199)
H. Other current loans and borrowing	(3.498)	(1.840)
I. Current financial debt (F + G + H)	(39.090)	(52.111)
J. Net current financial debt (I + E+ D)	67.066	47.901
K. Non-current bank loans and borrowing	(159.492)	(91.597)
L. Bonds issued	(53.578)	(53.820)
M. Other non-current loans and borrowing	(11.265)	(14.556)
N. Non-current financial debt (K + L + M)	(224.335)	(159.973)
O. Net financial debt (J+N)	(157.269)	(112.071)

Reconciliation of Consolidated Income Statement at December 31, 2018

RECONCILIATION FROM NET PROFIT TO	At December 31,	At December 31,	Fourth	Fourth
EBITDA €/000	2018	2017	Quarter 2018	Quarter 2017
Net Profit (Including Portion Attr. to Minority)	30.097	25.216	5.742	7.460
Income Taxes	6.986	2.796	784	(5.627)
Investment income and charges	-	(50)	-	-
Amortisation & Depreciation	26.361	24.229	7.438	6.684
Write-downs & Write-backs of intangible and tangible assets	285	1.103	(1.148)	655
Financial items (*)	7.793	14.670	1.187	3.791
No recurring items (**)	6.373	5.788	3.004	3.462
EBITDA	77.896	73.751	17.008	16.424
Revenue	555.220	528.333	124.288	125.100
EBITDA Margin	14,0%	14,0%	13,7%	13,1%

RECONCILIATION FROM EBITDA TO	At December 31,	At December 31,	Fourth	Fourth
EBIT ADJUSTED €/000	2018	2017	Quarter 2018	Quarter 2017
EBITDA	77.896	73.751	17.008	16.424
Amortisation & Depreciation	26.361	24.229	7.438	6.684
Write-downs & Write-backs of intangible and tangible assets	285	1.103	(1.148)	655
EBIT Adjusted	51.250	48.419	10.718	9.086
Revenue	555.220	528.333	124.288	125.100
EBIT Adjusted Margin	9,2%	9,2%	8,6%	7,3%

(*) The financial items include: (i) financial income of Euro 0.045 million at the end of December 2018, compared to Euro 0.2 million at the end of December 2017 (ii) financial charges of Euro 5.8 million at the end of December 2018, compared to Euro 6.3 million at the end of December 2017, (iii) cash discounts of Euro 3.7 million at the end of December 2018, compared to Euro 3.8 million at the end of December 2017, and (iv) exchange gains of Euro 1.7 million, against losses of Euro 4.8 million.



(**) This includes (i) non-recurring charges related to the expansion of the Aquafil Group and other corporate transactions for Euro 3 million and 1.6 million respectively in the periods ending December 31, 2018 and December 31, 2017, (ii) listing charges for Euro 2.3 million in the periods ending December 31, 2017, (iii) mobility and incentive charges for Euro 2.8 million and Euro 1.6 million respectively in the periods ending December 31, 2018 and December 31, 2017 (iv) other non-recurring charges of Euro 0.6 million and Euro 0.3 million respectively in the periods ending December 31, 2018 and December 31, 2017.

Note: The EBITDA 2017 used for comparison is adjusted versus the EBITDA reported in 2017 Consolidated Financial Statement for an economical reclassification of 1,2 €/mil on annual base