



RESEARCH UPDATE

Dave Storms, CFA

Dave@stonegateinc.com

214-987-4121

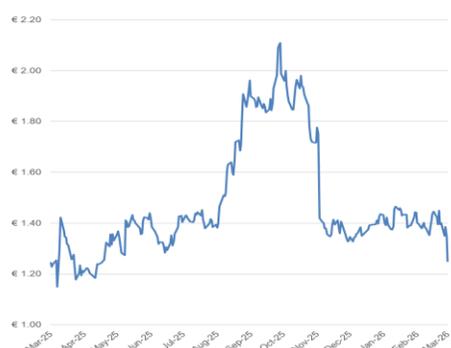
Market Statistics

Price	€ 1.25
52 week Range	€1.08 - €2.14
Daily Vol (3-mo. average)	241,292
Market Cap (M):	€ 107.8
Enterprise Value (M):	€ 334.8
Shares Outstanding: (M)	86.3
Float (M)	34.7

Financial Summary

Cash (M)	€ 165.5
Cash/Share	€ 1.92
Debt (M)	€ 377.3
Equity (M)	€ 131.3
Equity/Share	€ 1.52

FYE: DEC	2025	2026E	2027E
(in €)			
Rev	€ 534.3	€ 572.2	€ 601.4
Chng %	-3.0%	7.1%	5.1%
EBITDA	€ 72.4	€ 81.1	€ 89.0
Net Income	€ (4.7)	€ 10.7	€ 17.8
EPS	€ (0.05)	€ 0.12	€ 0.21
EV/Revenue	0.6x	0.6x	0.6x
EV/EBITDA	4.6x	4.1x	3.8x
P/E	-0.3x	0.1x	0.1x



COMPANY DESCRIPTION

Aquafil Group is a pioneer of the circular economy and a leading manufacturer of synthetic fibers and polymers, including Nylon 6, Nylon 6.6 and Dryarn®. Aquafil's commitment to continuous research and development has set the standard for quality and product innovation worldwide and led to the discovery of ECONYL® nylon, a revolutionary nylon made of 100% waste and is 100% regenerable. Today, Aquafil is recognized as a sustainability leader, a stalwart example of the circular economy and an innovator dedicated to researching closed-loop systems for the synthetic fiber and polymer industry.

AQUAFIL (BIT: ECNL) (OTCQX: ECNLF)

Aquafil reports FY25 results

Aquafil's FY25 results were better than the headline revenue decline suggests, as the year was defined more by mix, margin, and operating discipline than by top-line growth. Revenue fell 3.9% to €520.8M, largely reflecting lower raw material-linked selling prices. Volumes increased 4.4% on the year, leading to EBITDA increasing 16.1% to €72.4M representing EBITDA margin of 13.9%. In our view, the key takeaway is that Aquafil is showing early signs of a cleaner earnings profile, supported by resilient North America trends, continued Engineering Plastics growth, ECONYL® exceeding 60% of fiber revenues, and early savings from the €17M cost rationalization program. At the same time, the balance sheet improved, with net financial position at €209.5M and leverage declining to 2.89x, suggesting management's focus on cost control, mix, and debt reduction is beginning to translate into more durable operating leverage heading into 2026.

Quarterly results: ECNL reported 4Q25 revenue of €118.8M and EBITDA of €17.5M, implying a 14.7% EBITDA margin, as profitability improved despite continued top-line pressure from lower raw material-linked pricing. While FY25 revenue declined 3.9% to €520.8M, full-year EBITDA increased 16.1% to €72.4M, highlighting better mix, stronger discipline, and early cost rationalization benefits. In our view, the quarter reinforced that earnings quality is improving even before a broader volume and pricing recovery takes hold.

Outlook: Management's 2026 framework points to a cleaner earnings recovery story, with guidance calling for ~5% volume growth, EBITDA of €79M-€83M, and continued deleveraging, as net financial position is expected to improve to €185M-€195M. In our view, the setup is increasingly supported by self-help, including carryover benefits from the €17M cost program, a better mix, continued cash discipline, and active raw material sourcing adjustments, including the shift to a new supplier, which should help Aquafil navigate a still-volatile oil and input cost environment.

ECONYL®: ECONYL®-branded and other regenerated products accounted for 60.4% of fiber revenues in FY25 and 61.4% in 4Q25, reinforcing that regenerated content remains an increasingly important part of the mix. That positioning could become more valuable in a firmer oil environment, as nylon and other virgin fibers produced from oil-based inputs become less economical and comparatively less attractive. In that context, ECONYL® should continue to support product differentiation, mix quality, and margin resilience, particularly as end-market demand remains uneven.

Valuation: We use both a DCF Model and EV/EBITDA Analysis to frame our valuation of ECNL. Our DCF analysis relies on a range of discount rates between 10.75% and 11.25%. This arrives at a valuation range of €4.12 to €4.72 with a mid-point of €4.40. Our EV/EBITDA analysis relies on a range of 7.0x to 7.5x leading to a valuation range of €4.77 to €5.28, with a midpoint at €5.03.

SUMMARY

Exhibit 1: Quarterly Results vs. Model

4Q25 Results (in 000's, except EPS)			
	Reported	Model	Notes
Revenues	€ 123.3	€ 128.4	Weaker than expected pass through prices dampened revenues
Cost of sales	50.2	54.2	
Gross profit	73.1	74.1	
GPM	59.3%	57.7%	GPM was ahead of our expectations as volumes rebound
Service Cost	28.5	30.1	
Labor Costs	31.3	31.0	
Other Costs	13.8	13.6	
Operating Exp	73.5	74.7	
Op Inc - adjusted	(0.4)	(0.6)	
OPM	-0.3%	-0.4%	
EBITDA - adjusted	17.5	14.3	Adj. Ebitda ahead of our expectations
EBITDA margin	14.2%	11.1%	
Net inc- adjusted	€ (5.1)	€ (7.5)	
EPS - adjusted	€ (0.06)	€ (0.09)	

Source: Company Reports; Stonegate Capital Markets

Margins

The Company's overall margin is impacted by sales mix as well as the sale of ECONYL products which have higher margins. The sustained demand for the Company's product & industry practice allows the Company to reprice and transfer the higher cost to consumers and protect its margins. As a result, the Company commands a higher margin as compared to its listed peers.

For FY25, the company delivered clear margin improvement despite ongoing pricing pressure, with EBITDA margin expanding to 13.9% from 11.5% in FY24. The improvement was supported by lower raw material-linked selling prices flowing through the P&L, early benefits from cost rationalization, and a richer product mix, with ECONYL® and other regenerated products accounting for 60.4% of fiber revenues in FY25 and 61.4% in 4Q25. In 4Q25, EBITDA margin reached 14.7%, reinforcing that profitability is improving even without a full top-line recovery. Management also pointed to better operating discipline and a more favorable mix, while trends in Europe showed early signs of stabilization and North America remained relatively resilient

VALUATION SUMMARY

Aquafil is an industrial pioneer in producing raw material for Nylon 6 production from waste. The Company has made significant capital investments, improving industrial efficiency in their existing plants, strengthening their production capacities, and improving operating margins. Aquafil has a strong global exposure with production plants in eight countries across Asia, Europe, and North America. The Company is strategically partnered with high profile brands like Patagonia, Gucci, and Prada, among others, who share the same circular vision and goals for sustainability.

To help frame our valuation we use a combination of comparative analysis and discounted cash flow analysis.

Comparative Analysis (all figures in M, except per share information)

Company Name	Symbol	Price (1)	Mrkt Cap	EV	EV/Sales (2)			EV/EBITDA			P/E		
					2025	2026E	2027E	2025	2026E	2027E	2025	2026E	2027E
Lenzing Aktiengesellschaft	LNZ	€ 22.45	€ 866.98	€ 2,758.68	1.1x	1.0x	1.0x	6.2x	5.8x	5.6x	-0.2x	8.9x	1.3x
EMS-CHEMIE HOLDING AG	EMSN	€ 696.78	€ 14,735.09	€ 14,174.69	7.3x	7.3x	7.0x	23.2x	22.4x	21.3x	1.5x	1.4x	1.3x
Interface, Inc.	TILE	€ 23.99	€ 1,602.98	€ 1,806.16	1.3x	1.2x	1.2x	8.9x	7.8x	7.2x	0.2x	0.2x	0.2x
Average					3.2x	3.2x	3.1x	12.8x	12.0x	11.4x	0.5x	3.5x	0.9x
Median					1.3x	1.2x	1.2x	8.9x	7.8x	7.2x	0.2x	1.4x	1.3x
Aquafil S.p.A.	ECNL	€ 1.25	€ 107.82	€ 334.83	0.6x	0.6x	0.6x	4.6x	4.1x	3.8x	-0.3x	0.1x	0.1x

(1) Previous day's closing price

(2) Estimates are from Capital IQ

Source: Company reports, CapitalIQ, Stonegate Capital Partners

Based on our F27 estimates, Aquafil is trading at a 3.8x EV/EBITDA multiple vs. the average comp at 11.4x. Given the comps, coupled with historical trading ranges, we believe using an EV/EBITDA range of 7.0x to 7.5x with a mid-point of 7.25x is reasonable to account for the Company's slightly smaller size vs comps. Applying this range to our F27 estimate, we arrive at a valuation range of €4.77 to €5.28, with a midpoint at €5.03.

	EV/EBITDA		
2027E	7.00x	7.25x	7.50x
Adj EBITDA	89.0	89.0	89.0
TEV	623.0	645.2	667.5
Cash	165.5	165.5	165.5
Debt	377.3	377.3	377.3
Mrkt Cap	411.2	433.5	455.7
S/O	86.3	86.3	86.3
Price	€ 4.77	€ 5.03	€ 5.28

For our DCF analysis we assume a terminal growth rate of 2.0%. Our DCF analysis relies on a range of discount rates between 10.75% and 11.25% with a midpoint of 11.00%. This arrives at a valuation range of €4.12 to €4.72 with a mid-point of €4.40.

Sensitivity Analysis:

Discount rate	Terminal Growth Rates				
	1.50%	1.75%	2.00%	2.25%	2.50%
10.50%	€ 4.64	€ 4.74	€ 4.84	€ 4.95	€ 5.07
10.75%	€ 4.43	€ 4.52	€ 4.62	€ 4.72	€ 4.82
11.00%	€ 4.23	€ 4.31	€ 4.40	€ 4.49	€ 4.59
11.25%	€ 4.04	€ 4.12	€ 4.20	€ 4.28	€ 4.38
11.50%	€ 3.86	€ 3.93	€ 4.01	€ 4.09	€ 4.17

Business Overview

Aquafil Group engages in the production, reprocessing, and sale of polyamide 6 fibers and polymers across the globe. The Company offers bulk continuous filament or synthetic yarns for the textile flooring sector, where the finished product can be used in hotels, airports, offices, residential buildings, and the automotive market. It also offers nylon textile filaments to the apparel and fashion markets. The Company’s EP (engineered plastics and polymers) business manufactures and sells polymers, that are primarily used for applications in injection molding, extrusion, and CNC production. Typical end products include plastic molded accessories for the fashion industry and designer furniture industries.

The Company was founded in 1965 and is headquartered in Arco, Italy.

In October of 2022 the Company commenced trading on the OTCQX under the symbol ECNLF.

Exhibit 2: Aquafil Global Operation



Source: Company Reports

ECONYL® AND THE CIRCULAR ECONOMY

The Company is a pioneer in the circular economy and invented the ECONYL® regeneration system, an innovative and sustainable process that can create new products from waste. Through this production system, the Company transforms nylon waste, such as abandoned fishing nets, old carpets, or textile production scraps, into new sustainable fiber and polymers, which has the same qualitative characteristics as traditional nylon. Importantly, the ECONYL® regeneration system gives new life to waste materials that would otherwise be sent to landfills or incineration.

Aquafil believes it was one of the first companies in Italy to adopt a “Life Cycle Thinking” approach that considers a holistic view of a product and evaluates its environmental impact from “cradle to grave.” Through this analysis of the nylon value chain, the Company discovered the most negative impact to the planet came from the raw material extraction phase.

This discovery led Aquafil to design a circular economy for the nylon product value chain by removing the reliance on fossil resources.

Aquafil adheres to 5 guiding ideas:

Rethinking Products in a Circular perspective: Rethinking products from a circular viewpoint through enhancing current value chains, investigating, and developing new ones, and putting an eco-centric design strategy into practice.

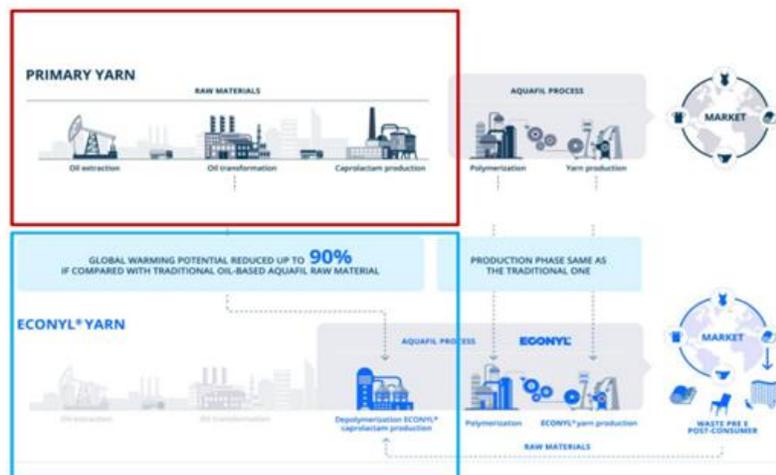
Protecting the Environment: By reducing its environmental effect and paving a sustainable future for an industry that has historically been accountable for landfill waste, water pollution, and greenhouse gas emissions, the Company can protect the environment.

Caring for the Wellbeing of Individuals: By promoting the development, security, and welfare of employees.

Sharing Responsibilities Throughout the Value Chains: Dividing up duties along the value chains while working with clients and vendors to simulate sector-wide transformation.

Supporting the Local Communities: Supporting neighborhood communities by advancing equality, prosperity, and environmentally responsible development.

Exhibit 3: Aquafil’s “Life Cycle Thinking” Approach



Source: Company Reports

ESG Focus

Aquafil believes in a future with sustainability and Environment as the core of the economic growth driven by the responsibility to transform the world for the better. They have adopted the SDGs (Social Development Goals) which help them act towards achieving their ESG goal.

Environment: The Company is conscious of the impact of all their processes on the planet, from the choice of material to the sale location. Its investment in designing a closed loop nylon, that diverts waste from landfills, forges a path of sustainability for the entire industry. Further the Company was the first ranked company in the “Textiles’ subindustry according to Morningstar Sustainalytics ESG Risk Rating.

Social: To strengthen its commitment to upholding workers' and human rights, Aquafil has identified the international standard SA8000:2014 as a tool in its pursuit of sustainability. This standard takes

into consideration workers' rights, workplace conditions and the presence of an effective management system. In this context, the Company has started a project in Aquafil S.p.A.'s Italian headquarter offices with the goal of gradually expanding the certification for this standard to additional offices.

The Group actively promotes adherence to the standard and its guiding principles every day, not just within its own organization but also among supply chain stakeholders.

Ideas the Company Promotes Under the Standard:

- Quality Education
- Gender Equality
- Affordable and clean energy
- Sustainable cities and communities

Governance: The Company displays high standards for corporate governance with a detailed and defined framework for protecting the rights of all stakeholders. The Company has defined its compensation policy, accounting and auditing methods, selection for leadership and executive compensation to best safeguard the interests of its shareholders.

Product Overview

Aquafil manufactures and sells three types of yarn that include: (1) flooring yarns, (2) clothing yarns, and (3) polyamide 6 or nylon 6 for the engineering plastics sector.

Exhibit 4: Product Lines at a Glance

BCF - Carpet yarn



NTF - Textile yarn



Polymers



Source: Company Reports

Flooring Yarns (BCF Products)

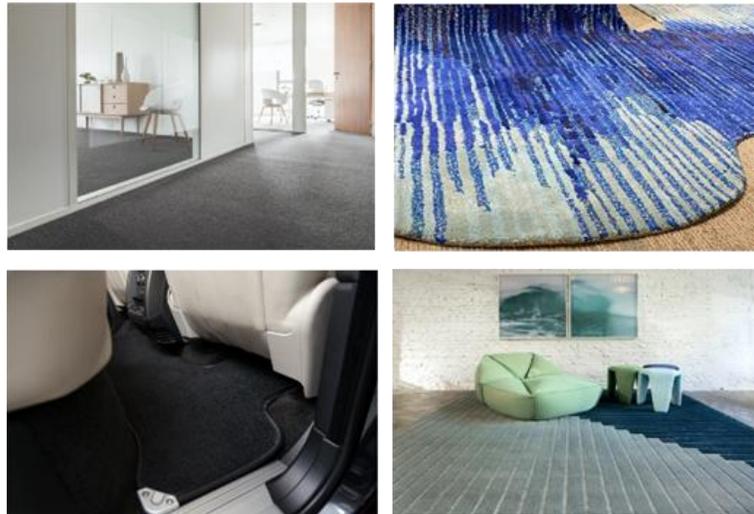
Aquafil was originally founded as a flooring yarn manufacturer, and BCF remained the core of the business at 75.4% of FY25 sales.

Over time, Aquafil has become a leading carpet yarn manufacturer across different market segments. These include:

- ✓ Contract – hotels, offices, and public spaces
- ✓ Automotive – auto carpets, molded floors/mats, and upholstery
- ✓ Residential – wall-to-wall and broadloom for living
- ✓ Rugs
- ✓ Transportation – textile floorings for trains, airplanes, ferries
- ✓ Special applications – ropes, filters, mattresses, sponges

Aquafil is recognized as a leading player in the Bulk Continuous Filament (BCF Product) sector globally. In fact, it is a market leader in Europe and rest of the world.

Exhibit 5: Flooring Yarn Products



Source: Company reports

The Group has R&D and Design Carpet Centers distributed throughout its main markets that include Italy, USA, and China. At these centers, there are a wide variety of color-based technical solutions that allow Aquafil to customize solutions to meet specific customer needs. The Company handles almost 20,000 types of products in these centers.

Additionally, the Company's ECONYL® carpet yarn comprises almost 200 solution dyed colors, along with the ability to make tailor-made color solutions as well.

Textile Yarns (NTF Products)

Aquafil's NTF or Nylon Textile Filaments represent about 16.0% of FY25 total sales. The Company has recently expanded this operation that targets the clothing sector. This group also produces synthetic recycled polyamide 6 fibers under its ECONYL® brand. This regenerated nylon is the sustainable solution for brands that seek to reduce their environmental footprint of their products.

The ECONYL® yarn is made from nylon waste and is 100% regenerated and regenerable, offering the same quality and performance as traditional Nylon 6. Thus, the ECONYL® yarn represents a closed-loop circular economy process to deliver a sustainable solution.

The Group also produces Dryarn®, which is a polypropylene microfiber used to make underwear, hosiery, and sports, fashion, and leisurewear. The Dryarn® guarantees high-performance of the products even under extreme conditions. Garments produced with it are extremely flexible, practical, and comfortable to wear. Additional characteristics include lightweight, insulating, and breathable.

Exhibit 6: Aquafil Fibers in Clothing Apparel and Accessories



Source: Company Websites

Polymers (EP Products)

The Company's EP (engineered plastics and polymers) business represents about 8.5% of FY25 total sales. This segment manufactures and sells polymers, including ECONYL®, that are primarily used for applications in injection molding, extrusion, and CNC production. Typical end products include plastic molded accessories (i.e. sunglass frames) for the fashion and designer furniture industries (i.e. chairs).

Aquafil's polymers have unique characteristics that make them attractive to end customers, which include:

- High mechanical strength, stiffness, hardness, and toughness
- Good fatigue resistance
- High mechanical damping ability
- Good sliding properties
- Excellent wear resistance
- Good electrical insulating properties
- Good workability

Engineering

The Group also operates in the plants engineering sector through its Berlin based engineering company, Aquafil Engineering GMBH., that specializes in the design and supply of industrial chemical equipment and plants.

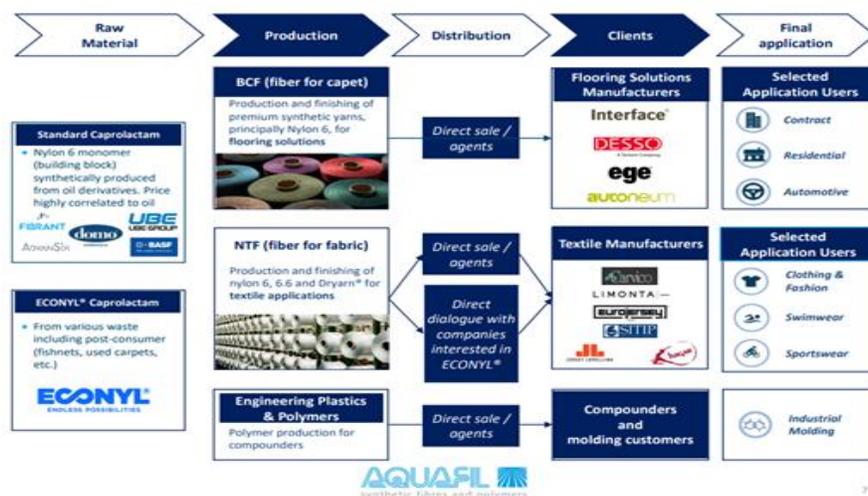
BUSINESS STRATEGY

Recently, Aquafil has defined its “Brand Manifesto”, to help shape the strategic future and growth of the company. It incorporates the Company’s history, its values, its ambitions, and its vision and mission. As such Aquafil’s Brand Manifesto is a compass that guides its business decision, that aligns its strategy to sustainability principles. It helps stakeholders, employees, investors, clients, suppliers, and communities understand who Aquafil is and where it is going.

Supporting this strategic direction is Aquafil’s business model, which centers on using proprietary technology with continuous R&D innovation, manufacturing, and operational excellence, all focused on high-end segments and sustainability solutions.

As part of its strategic direction, Aquafil has identified important targets for 2026 as illustrated below.

Exhibit 7: Aquafil’s Model



Source: Company Reports

Exhibit 8: Aquafil Targets for 2026

'25A vs '24A	+1,4%	(2,6)%	+11,8%
NEW '26E vs '25A	From +3% to +7%	From +7% to +10%	From +3% to +7%
Old '26E vs '25A	From +2% to +4%	From +4% to +7%	From +1% to +2%

Source: Company Reports

Risks

General Economic Conditions – Aquafil's business is levered to consumer and business demand. Any changes in the macroeconomic environment that negatively impact these sectors of the economy could adversely affect Aquafil's results.

Raw Material Volatility – Rising inflationary prices, and/or increases in raw material prices and energy prices, may have a negative impact on the Company's cost of manufacturing.

Highly Competitive Business – Due to the competitive nature of the textile industry, it is not guaranteed that Aquafil maintains its current strong market share. Some of Aquafil's competitors may have greater operating flexibility, that would allow them to respond better or more quickly to industry changes.

DISCOUNTED CASH FLOW

Aquafil S.p.A.														
Discounted Cash Flow Model														
<i>(in \$M, except per share)</i>														
Estimates:	2024	2025	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E	2035E	2036E	Terminal Value
Revenue	551.0	534.3	572.2	601.4	631.4	662.4	692.2	722.6	753.7	783.8	813.2	843.7	875.4	
Operating Income	3.3	6.6	26.1	34.0	36.9	39.1	41.5	44.8	47.1	50.9	56.1	58.2	63.0	
Less: Taxes (benefit)	(1.3)	(0.3)	3.6	5.9	7.4	7.8	8.3	9.0	9.4	10.2	11.2	11.6	12.6	
NOPAT	4.6	6.9	22.6	28.1	29.6	31.3	33.2	35.8	37.7	40.8	44.9	46.6	50.4	
Plus: Depreciation & Amortization	54.1	51.9	52.0	52.0	52.0	75.0	75.0	50.0	50.0	50.0	50.0	50.0	50.0	
Plus: Changes in WC	27.6	(48.5)	(51.9)	(6.0)	(6.3)	(3.3)	(3.5)	(3.6)	(3.8)	(2.0)	(2.0)	(2.1)	(2.2)	
Less: Capex	(24.0)	(21.1)	(26.0)	(25.9)	(25.3)	(25.2)	(24.9)	(25.3)	(24.5)	(23.5)	(24.4)	(25.3)	(26.3)	
Free Cash Flow	62.2	(10.9)	(3.3)	48.2	50.0	77.8	79.8	56.9	59.4	65.3	68.5	69.2	72.0	815.7
Discount period - months			12	24	36	48	60	72	84	96	108	120	132	
Discount period - years			1.0	2.0	3.0	4.0	5.0	6.0	7.0	8.0	9.0	10.0	11.0	
Discount factor			0.90	0.81	0.73	0.66	0.59	0.53	0.48	0.43	0.39	0.35	0.32	
PV of FCF			(3.0)	39.1	36.5	51.2	47.4	30.4	28.6	28.3	26.8	24.4	22.8	258.8
Growth rate assumptions:														
Revenue		-3.0%	7.1%	5.1%	5.0%	4.9%	4.5%	4.4%	4.3%	4.0%	3.8%	3.8%	3.8%	
Operating Income		99.1%	295.7%	30.0%	8.6%	5.8%	6.3%	7.9%	5.1%	8.2%	10.1%	3.8%	8.3%	
EBITDA		1.8%	33.7%	10.0%	3.4%	28.3%	2.1%	-18.6%	2.4%	4.0%	5.1%	2.0%	4.4%	
Free Cash Flow		-117.5%	-69.4%	#####	3.7%	55.6%	2.7%	-28.7%	4.4%	9.9%	4.9%	1.0%	4.1%	
Margin assumptions:														
Operating Income	0.6%	1.2%	4.6%	5.7%	5.9%	5.9%	6.0%	6.2%	6.3%	6.5%	6.9%	6.9%	7.2%	
D&A as a % of sales	9.8%	9.7%	9.1%	8.6%	8.2%	11.3%	10.8%	6.9%	6.6%	6.4%	6.1%	5.9%	5.7%	
EBITDA	10.4%	10.9%	13.7%	14.3%	14.1%	17.2%	16.8%	13.1%	12.9%	12.9%	13.0%	12.8%	12.9%	
Taxes	-38.9%	-3.8%	13.6%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	
Changes in WC	5.0%	-9.1%	-9.1%	-1.0%	-1.0%	-0.5%	-0.5%	-0.5%	-0.5%	-0.3%	-0.3%	-0.3%	-0.3%	
Capex as a % of sales	-4.4%	-4.0%	-4.5%	-4.3%	-4.0%	-3.8%	-3.6%	-3.5%	-3.3%	-3.0%	-3.0%	-3.0%	-3.0%	
Valuation:														
Shares outstanding	86.3													
PV of FCF	332.6													
PV of Terminal Value	258.8													
Enterprise Value	591.4													
less: Net Debt	211.8													
Estimated Total Value:	379.7													
Est Equity Value/share:	€ 4.40													
Sensitivity Analysis:														
									Terminal Growth Rates					
									1.50%	1.75%	2.00%	2.25%	2.50%	
	Discount rate	10.50%	€ 4.64	€ 4.74	€ 4.84	€ 4.95	€ 5.07							
		10.75%	€ 4.43	€ 4.52	€ 4.62	€ 4.72	€ 4.82							
		11.00%	€ 4.23	€ 4.31	€ 4.40	€ 4.49	€ 4.59							
		11.25%	€ 4.04	€ 4.12	€ 4.20	€ 4.28	€ 4.38							
		11.50%	€ 3.86	€ 3.93	€ 4.01	€ 4.09	€ 4.17							
Price	€ 1.25													

Source: Company Reports; Stonegate Capital Markets

BALANCE SHEET

Aquafil Consolidated Balance Sheets (€000s) Fiscal Year: December															
ASSETS	FY2020	FY 2021	FY2022	FY 2023	Q1 Mar-24	Q2 Jun-24	Q3 Sep-24	Q4 Dec-24	FY 2024	Q1 Mar-25	Q2 Jun-25	Q3 Sep-25	Q4 Dec-25	FY 2025	
Intangibles	23.6	23.6	21.6	19.1	18.0	17.0	16.0	15.2	15.2	14.2	13.2	12.3	12.0	12.0	
Goodwill	13.6	14.7	15.6	15.1	15.4	15.6	14.9	16.1	16.1	15.4	14.2	14.2	14.2	14.2	
PP&E	229.5	240.5	247.5	251.6	245.5	239.8	235.7	233.9	233.9	224.2	212.7	206.7	197.7	197.7	
Financial assets	0.7	0.7	0.8	0.5	0.6	0.6	0.7	1.0	1.0	0.8	0.8	0.8	0.9	0.9	
Investments	-	1.0	1.0	1.0	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	
Other assets	1.3	0.6	0.4	-	-	-	-	-	-	-	-	-	0.1	0.1	
Deferred tax	14.6	12.3	11.5	18.5	20.1	21.5	21.2	29.2	29.2	30.4	30.6	31.7	30.5	30.5	
Total Non-Current Assets	283.2	293.4	298.5	305.9	300.8	295.7	289.6	296.4	296.4	286.2	272.6	266.8	256.6	256.6	
Inventories	150.9	177.2	260.8	189.5	180.6	187.3	184.8	197.5	197.5	192.1	187.0	179.3	172.8	172.8	
Receivables	22.0	31.2	28.6	26.2	30.8	27.5	29.1	20.4	20.4	30.9	30.8	26.6	20.0	20.0	
Financial assets	0.8	0.9	10.0	5.7	6.5	6.0	1.4	1.0	1.0	2.5	1.1	1.2	2.3	2.3	
Tax receivables	1.8	0.4	0.6	1.6	1.9	1.6	1.3	1.5	1.5	1.6	1.0	0.9	0.9	0.9	
Other assets	12.0	12.9	15.9	14.6	17.2	17.5	13.2	8.0	8.0	9.7	8.9	9.4	7.5	7.5	
Cash & cash equivalents	209.0	152.7	110.7	157.7	146.0	140.1	98.7	130.4	130.4	101.4	112.8	157.2	165.5	165.5	
Total Assets	679.7	668.7	725.0	701.2	683.8	675.8	617.9	655.3	655.3	624.4	614.2	641.5	625.6	625.6	
LIABILITIES AND SHAREHOLDERS' EQUITY															
Share capital	49.7	49.7	49.7	49.7	49.7	49.7	49.7	53.4	53.4	53.4	53.4	53.4	53.4	53.4	
Reserves	76.6	91.7	96.5	101.4	78.5	80.1	73.8	121.3	121.3	96.6	80.7	81.0	82.6	82.6	
Group net results	0.6	10.7	29.2	(25.8)	(3.1)	(6.1)	(8.8)	(16.3)	(16.3)	0.4	2.2	0.4	(4.7)	(4.7)	
Total Parent Net Equity	126.9	152.1	175.4	125.3	125.1	123.7	114.7	158.4	158.4	150.4	136.3	134.7	131.3	131.3	
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-	-	0.0	-	-	-	-	
Total Consolidated Equity	126.9	152.1	175.4	125.3	125.1	123.7	114.7	158.4	158.4	150.4	136.3	134.7	131.3	131.3	
Employee benefits	6.0	5.9	5.2	5.1	5.1	4.8	4.4	4.6	4.6	4.5	4.5	4.4	4.3	4.3	
Financial liabilities	352.6	263.4	285.4	308.7	305.4	283.7	262.1	241.5	241.5	223.3	230.1	282.5	282.4	282.4	
Provisions for risks and charges	1.5	1.9	2.0	1.7	1.7	1.7	1.7	1.6	1.6	1.5	2.7	2.7	2.5	2.5	
Deferred tax liabilities	11.8	11.2	9.2	13.3	14.1	14.5	13.7	12.8	12.8	13.0	11.0	10.8	9.6	9.6	
Other liabilities	11.8	10.8	9.0	5.9	5.4	4.9	4.3	4.1	4.1	3.4	2.7	2.6	1.6	1.6	
Total Non-Current Liabilities	383.6	293.2	310.7	460.0	331.7	309.6	286.3	264.6	264.6	245.7	251.0	303.0	300.4	300.4	
Financial liabilities	76.0	69.4	83.1	103.2	97.5	105.4	103.0	103.2	103.2	102.1	102.4	102.9	94.9	94.9	
Current tax payables	1.2	1.7	3.6	1.2	1.4	1.8	0.6	0.2	0.2	1.9	1.4	1.2	1.1	1.1	
Trade payables	69.2	126.6	126.8	116.0	108.0	114.0	94.3	109.2	109.2	104.3	101.2	80.5	77.4	77.4	
Other liabilities	22.8	25.6	25.2	20.8	20.2	21.3	19.0	19.6	19.6	20.0	21.9	19.1	20.6	20.6	
Total Current Liabilities	169.2	223.3	238.8	241.2	227.1	242.5	216.9	232.3	232.3	228.4	226.9	203.7	194.0	194.0	
Total Liabilities and Shareholders' Equity	679.7	668.7	724.9	826.5	683.8	675.8	617.9	655.3	496.9	624.4	614.2	641.5	625.6	494.4	
Liquidity															
Current Ratio	2.3x	1.7x	1.8x	1.6x	1.7x	1.6x	1.5x	1.5x	1.5x	1.5x	1.5x	1.8x	1.9x	1.9x	
Quick Ratio	1.5x	0.9x	0.7x	0.9x	0.9x	0.8x	0.7x	0.7x	0.7x	0.6x	0.7x	1.0x	1.0x	1.0x	
Working Capital	€ 227.3	€ 151.9	€ 187.7	€ 154.1	€ 156.0	€ 137.7	€ 111.4	€ 126.5	€ 126.5	€ 109.9	€ 114.7	€ 170.9	€ 175.0	€ 175.0	
Leverage															
Net Debt to Equity	173.0%	118.5%	147.0%	203.0%	205.3%	201.2%	232.3%	135.4%	135.4%	148.9%	161.2%	169.3%	161.3%	161.3%	
Net Debt to Capital	63.4%	54.2%	59.5%	67.0%	67.2%	66.8%	69.9%	57.5%	57.5%	59.8%	61.7%	62.9%	61.7%	61.7%	
Capital Usage - Annualized															
A/R Turns		21.6x	4.5x	4.8x	5.2x	4.9x	4.6x	5.2x	5.2x	5.7x	4.6x	4.3x	5.3x	5.3x	
Days Sales Outstanding		16.9	81.0x	75.3x	69.8	74.9	78.7	70.3	70.3x	63.7	80.1	84.7	69.0	69.0x	
A/P Turnover		2.9x	0.5x	0.6x	0.7x	0.6x	0.6x	0.5x	0.5x	0.6x	0.6x	0.6x	0.6x	0.6x	
Days Payable Outstanding		125.9	692.4x	594.3x	556.6	629.6	651.0	684.7	684.7x	603.2	661.0	619.8	574.4	574.4x	

Source: Company Reports, Stonegate Capital Partners

INCOME STATEMENT

Aquafil																				
Consolidated Statements of Income (in €000s, except per share amounts)																				
Fiscal Year: December																				
	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	Q1	Q2	Q3	Q4	FY 2025	Q1 E	Q2 E	Q3 E	Q4 E	FY 2026E	Q1 E	Q2 E	Q3 E	Q4 E	FY 2026E
						Mar-25	Jun-25	Sep-25	Dec-25		Mar-26	Jun-26	Sep-26	Dec-26		Mar-27	Jun-27	Sep-27	Dec-27	
Revenues	€ 436.6	€ 569.7	€ 684.1	€ 571.8	€ 542.1	€ 144.0	€ 137.1	€ 120.9	€ 118.8	€ 520.8	€ 159.5	€ 142.4	€ 134.0	€ 122.5	€ 558.4	€ 164.8	€ 148.0	€ 148.2	€ 126.4	€ 587.4
Other revenue & inc	10.3	4.6	13.0	8.9	8.9	2.9	3.4	2.7	4.5	13.5	2.9	3.4	2.9	4.5	13.7	2.9	3.4	3.0	4.6	14.0
Total Revenues	446.9	574.3	697.1	580.7	551.0	146.9	140.5	123.6	123.3	534.3	162.4	145.8	136.9	127.1	572.2	167.7	151.4	151.2	131.0	601.4
Operating Expenses:																				
Cost of raw materials	209.8	283.6	317.8	291.6	250.4	64.6	56.8	53.5	50.2	225.1	72.9	62.1	57.8	54.5	247.3	77.0	65.4	63.4	56.3	262.1
Gross Profit	237.0	290.7	379.3	289.1	300.6	82.3	83.8	70.1	73.1	309.3	89.5	83.8	79.0	72.6	324.9	90.7	86.0	87.9	74.7	339.3
Service costs	86.1	112.6	168.5	126.9	122.8	34.8	33.3	30.1	28.5	126.8	36.7	33.0	30.9	28.7	129.3	38.3	34.6	34.6	29.9	137.4
Labor costs	101.9	114.2	126.9	125.0	121.6	31.8	32.6	26.7	31.3	122.4	29.5	29.5	29.5	29.5	118.0	29.0	29.0	29.0	29.0	116.0
Other operating costs	4.4	3.4	4.0	3.6	3.3	0.6	1.0	0.8	0.8	3.3	0.9	0.9	0.9	0.9	3.4	1.0	1.0	1.0	1.0	3.9
D&A	43.6	45.0	47.9	49.6	54.1	12.9	14.4	12.1	12.5	51.9	13.0	13.0	13.0	13.0	52.0	13.0	13.0	13.0	13.0	52.0
Provisions & w rite downs	0.6	0.3	0.2	(0.7)	(0.1)	0.1	1.4	(0.0)	0.2	1.7	-	-	-	-	-	-	-	-	-	-
Recovery/(write down) of financial assets	0.3	(0.1)	(0.0)	0.0	0.3	-	-	-	1.6	1.6	-	-	-	-	-	-	-	-	-	-
Internal work capitalized	(5.8)	(6.1)	(5.7)	(6.3)	(4.4)	(0.9)	(1.3)	(1.5)	(1.3)	(4.9)	(1.0)	(1.0)	(1.0)	(1.0)	(4.0)	(1.0)	(1.0)	(1.0)	(1.0)	(4.0)
Total Operating Expenses	231.1	269.2	341.7	298.2	297.6	79.4	81.4	68.3	73.5	302.7	79.0	75.3	73.3	71.1	298.7	80.3	76.6	76.5	71.9	305.3
Operating Income	5.9	21.5	37.6	(8.9)	3.3	2.9	2.3	1.8	(0.4)	6.6	10.4	8.5	5.8	1.5	26.1	10.4	9.4	11.3	2.8	34.0
Interest & Investment income	0.4	0.9	4.6	0.4	0.8	0.3	0.4	-	-	0.7	0.5	0.5	0.5	0.5	2.0	0.5	0.5	0.5	0.5	2.0
Interest expense	(8.0)	(7.6)	(8.4)	(14.4)	(15.0)	(4.1)	(3.8)	0.3	(4.3)	(12.0)	(3.4)	(3.4)	(3.4)	(3.4)	(13.5)	(3.0)	(3.0)	(3.0)	(3.0)	(11.9)
Other gains/losses	1.8	(0.2)	3.1	(3.2)	(6.8)	1.9	2.6	(4.3)	(0.5)	(0.3)	(0.1)	(0.1)	(0.1)	(0.1)	(0.4)	(0.1)	(0.1)	(0.1)	(0.1)	(0.4)
Profit Before Taxes	0.1	14.6	36.9	(26.0)	(17.6)	1.0	1.4	(2.2)	(5.2)	(4.9)	7.4	5.5	2.8	(1.5)	14.3	7.9	6.9	8.8	0.2	23.7
Provision for Income Tax	(0.5)	3.9	7.7	(0.1)	(1.3)	0.6	(0.3)	(0.4)	(0.1)	(0.3)	1.9	1.4	0.7	(0.4)	3.6	2.0	1.7	2.2	0.1	5.9
Net Income	0.6	10.7	29.2	(25.8)	(16.3)	0.4	1.8	(1.8)	(5.1)	(4.7)	5.6	4.1	2.1	(1.1)	10.7	5.9	5.1	6.6	0.2	17.8
EBITDA	€ 58.4	€ 72.1	€ 92.3	€ 47.5	€ 62.4	€ 17.1	€ 21.3	€ 16.6	€ 17.5	€ 72.4	€ 24.2	€ 22.2	€ 19.5	€ 15.2	€ 81.1	€ 24.2	€ 23.2	€ 25.1	€ 16.5	€ 89.0

Margin Analysis																				
Gross Margin	53.0%	50.6%	54.4%	49.8%	54.6%	56.0%	59.6%	56.7%	59.3%	57.9%	55.1%	57.5%	57.8%	57.1%	56.8%	54.1%	56.8%	58.1%	57.0%	56.4%
Operating Margin	1.3%	3.7%	5.4%	-1.5%	0.6%	2.0%	1.7%	1.5%	-0.3%	1.2%	6.4%	5.8%	4.2%	1.2%	4.6%	6.2%	6.2%	7.5%	2.1%	5.7%
EBITDA Margin	13.1%	12.5%	13.2%	8.2%	11.3%	11.6%	15.1%	13.4%	14.2%	13.6%	14.9%	15.2%	14.3%	12.0%	14.2%	14.4%	15.3%	16.6%	12.6%	14.8%
Pre-Tax Margin	0.0%	2.5%	5.3%	-4.5%	-3.2%	0.7%	1.0%	-1.8%	-4.3%	-0.9%	4.6%	3.8%	2.0%	-1.2%	2.5%	4.7%	4.5%	5.8%	0.2%	3.9%
Net Income Margin	0.1%	1.9%	4.2%	-4.5%	-3.0%	0.3%	1.3%	-1.5%	-4.1%	-0.9%	3.4%	2.8%	1.5%	-0.9%	1.9%	3.5%	3.4%	4.3%	0.1%	3.0%
Tax Rate	-654.4%	26.9%	20.9%	0.6%	7.3%	59.2%	-24.1%	18.0%	2.5%	5.1%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%

Growth Rate Y/Y																				
Total Revenue		28.5%	21.4%	-16.7%	-5.1%	-1.5%	-1.2%	-5.8%	-3.9%	-3.0%	10.5%	3.8%	10.7%	3.1%	7.1%	3.3%	3.8%	10.5%	3.1%	5.1%
Total cost of revenues		16.5%	26.9%	-12.7%	-0.2%	5.7%	7.6%	-5.2%	-1.5%	1.7%	-0.4%	-7.5%	7.3%	-3.4%	-1.3%	1.6%	1.7%	4.4%	1.2%	2.2%
Operating Income		262.3%	74.9%	-123.6%	-137.5%	241.3%	4.4%	124.0%	-27.4%	99.1%	262.2%	260.9%	219.6%	-457.9%	295.7%	0.3%	11.4%	97.0%	85.4%	30.0%
Pre-Tax Income		18386.1%	152.5%	-170.5%	-32.3%	-126.2%	-146.0%	-31.0%	-27.9%	-71.9%	609.8%	279.8%	-226.9%	-71.9%	-388.3%	5.7%	24.8%	215.0%	-113.6%	66.3%
Net Income		1690.3%	173.2%	-188.7%	-36.9%	-113.8%	-159.3%	-32.0%	-32.1%	-71.2%	1204.8%	129.5%	-216.0%	-78.3%	-327.9%	5.7%	24.8%	215.0%	-113.6%	66.3%

Source: Company Reports, Stonegate Capital Partners estimates

IMPORTANT DISCLOSURES AND DISCLAIMER

- (a) The research analyst and/or a member of the analyst's household do not have a financial interest in the debt or equity securities of the subject company.
- (b) The research analyst responsible for the preparation of this report has not received compensation that is based upon Stonegate's investment banking revenues.
- (c) Stonegate or any affiliate have not managed or co-managed a public offering of securities for the subject company in the last twelve months, received investment banking compensation from the subject company in the last 12 months, nor expects or receive or intends or seek compensation for investment banking services from the subject company in the next three months.
- (d) Stonegate's equity affiliate, Stonegate Capital Partners, "SCP" has a contractual agreement with the subject company to provide research services, investor relations support, and investor outreach. SCP receives a monthly retainer for these non-investment banking services.
- (e) Stonegate or its affiliates do not beneficially own 1% or more of any class of common equity securities of the subject company.
- (f) Stonegate does not make a market in the subject company.
- (g) The research analyst has not received any compensation from the subject company in the previous 12 months.
- (h) Stonegate, the research analyst, or associated person of Stonegate with the ability to influence the content of the research report knows or has reason to know of any material conflicts of interest at the time of publication or distribution of the research report.
- (i) No employee of Stonegate has a position as an officer or director of the subject company.

Ratings - Stonegate does not provide ratings for the covered companies.

Distribution of Ratings - Stonegate does not provide ratings for covered companies.

Price Chart - Stonegate does not have, nor has previously had, a rating for its covered companies.

Price Targets - Stonegate does not provide price targets for its covered companies. However, Stonegate does provide valuation analysis.

Regulation Analyst Certification:

I, Dave Storms, CFA, hereby certify that all views expressed in this report accurately reflect my personal views about the subject company or companies and its or their securities. I also certify that no part of my compensation was, is, or will be directly or indirectly related to the specific recommendations or views expressed in this report.

For Additional Information Contact:

Stonegate Capital Partners, Inc.
Dave Storms, CFA
Dave@stonegateinc.com
214-987-4121

Please note that this report was originally prepared and issued by Stonegate for distribution to their market professional and institutional investor customers. Recipients who are not market professional or institutional investor customers of Stonegate should seek the advice of their independent financial advisor prior to taking any investment decision based on this report or for any necessary explanation of its contents. The information contained herein is based on sources which we believe to be reliable but is not necessarily complete and its accuracy cannot be guaranteed. Because the objectives of individual clients may vary, this report is not to be construed as an offer or the solicitation of an offer to sell or buy the securities herein mentioned. This report is the independent work of Stonegate Capital Partners and is not to be construed as having been issued by, or in any way endorsed or guaranteed by, any issuing companies of the securities mentioned herein. The firm and/or its employees and/or its individual shareholders and/or members of their families and/or its managed funds may have positions or warrants in the securities mentioned and, before or after your receipt of this report, may make or recommend purchases and/or sales for their own accounts or for the accounts of other customers of the firm from time to time in the open market or otherwise. While we endeavor to update the information contained herein on a reasonable basis, there may be regulatory, compliance, or other reasons that prevent us from doing so. The opinions or information expressed are believed to be accurate as of the date of this report; no subsequent publication or distribution of this report shall mean or imply that any such opinions or information remains current at any time after the date of this report. All opinions are subject to change without notice, and we do not undertake to advise you of any such changes. Reproduction or redistribution of this report without the expressed written consent of Stonegate Capital Partners is prohibited. Additional information on any securities mentioned is available on request.