

RESEARCH UPDATE
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Market Statistics

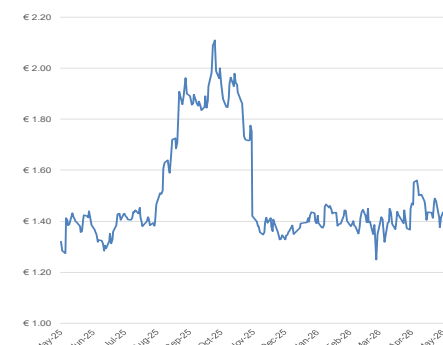
Price	€ 1.44
52 week Range	€1.21 - €2.14
Daily Vol (3-mo. average)	214,372
Market Cap (M):	€ 123.9
Enterprise Value (M):	€ 338.8
Shares Outstanding: (M)	86.3
Float (M)	34.7

Financial Summary

Cash (M)	€ 153.3
Cash/Share	€ 1.78
Debt (M)	€ 368.2
Equity (M)	€ 138.3
Equity/Share	€ 1.60

FYE: DEC

	2025	2026E	2027E
(in €)			
Rev	€ 534.3	€ 545.3	€ 566.2
Chng %	-3.0%	2.1%	3.8%
EBITDA	€ 72.4	€ 78.6	€ 82.3
Net Income	€ (4.7)	€ 8.8	€ 12.6
EPS	€ (0.05)	€ 0.10	€ 0.15
EV/Revenue	0.6x	0.6x	0.6x
EV/EBITDA	4.7x	4.3x	4.1x
P/E	-0.3x	0.2x	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 Dryam®. 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 1Q26 results

Aquafil's 1Q26 was better than the revenue decline implies, with cost savings, production efficiencies, and operating cash generation reinforcing the FY25 margin reset. Revenue declined 7.1% to €133.8M, largely reflecting raw material-linked pricing resets and FX, while first-grade volumes increased 0.9% y/y. EBITDA increased 15.8% to €19.8M, representing a 14.8% EBITDA margin versus 11.9% in 1Q25, as the €17M cost rationalization program began flowing through reported results. In our view, the key takeaway is that Aquafil is converting the FY25 cost program into visible margin expansion before a broader top-line recovery. NFP remained stable q/q at €209.5M, while leverage improved to 2.79x from 2.89x at YE25, reinforcing management's focus on cash generation, controlled capex, and debt reduction heading into the balance of 2026.

Quarterly results: ECNL's 1Q26 quality was in the margin bridge as raw material-linked pricing pressured revenue, but lower fixed costs, cost actions, and production efficiencies drove EBITDA growth and margin expansion. Net profit improved to €1.2M from €0.4M, while €17.3M of operating cash generation was notable for a seasonally working-capital-heavy 1Q and helped keep net debt stable at €209.5M despite capex, financial charges, and IFRS 16-related items. North America was the clearest demand signal, with volumes up 11.1% y/y, including BCF up 11.2% and NTF up 14.0%. EMEA reported revenue was softer, but management noted the BCF comparison reflected a prior-year order benefit tied to a competitor shutdown, while Engineering Plastics continued to grow, led by EMEA EP revenue up 1.6% and volumes up 4.2%.

Outlook: Management reiterated its 2026 framework, including ~5% volume growth, EBITDA of €79M-€83M, and NFP improving to €185M-€195M. In our view, the setup is supported by visible benefits from the €17M cost program, cash discipline, controlled capex, and the absence of last year's supplier-mix working-capital absorption. Current trading remains uneven but broadly on plan, with Europe softer, North America and Asia stable, and Engineering Plastics performing well. While raw material and input costs remain volatile, sector-wide price increases and Aquafil's pass-through discipline should support progress toward 2026 targets. A sustained higher oil/petrochemical cost environment could also improve ECONYL®'s relative price competitiveness versus virgin nylon, although we would expect any volume or share benefit to build over the next several quarters as apparel collections reset seasonally and downstream customers work through inventory.

ECONYL®: ECONYL®-branded and other regenerated products accounted for 59.1% of fiber revenues in 1Q26, keeping regenerated nylon central to Aquafil's mix. Management noted the ECONYL®/virgin nylon spread has narrowed as petrochemical prices increased, a dynamic that has historically supported demand for regenerated products. Temporary European anti-dumping duties on Chinese nylon textile filaments could also improve the backdrop for local producers, although Aquafil's recent improvement began before the duties. Overall, ECONYL® remains central to differentiation, mix quality, and margin resilience as input costs remain volatile.

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 11.25% and 13.75%. This arrives at a valuation range of €2.03 to €3.60 with a mid-point of €2.71. Our EV/EBITDA analysis relies on a range of 5.0x to 6.0x leading to a valuation range of €2.28 to €3.23, with a midpoint at €2.76.

SUMMARY

Exhibit 1: Quarterly Results vs. Model

1Q26 Results (in 000's, except EPS)			
	Reported	Model	Notes
Revenues	€ 135.6	€ 162.4	Revenue below our expectations, largely reflecting raw material-linked pricing resets and FX.
Cost of sales	58.0	72.9	
Gross profit	77.6	89.5	
GPM	57.2%	55.1%	GPM was ahead of our expectations due to favorable price/mix conditions
Service Cost	30.2	36.7	
Labor Costs	30.1	29.5	
Other Costs	11.2	12.9	
Operating Exp	71.6	79.0	
Op Inc - adjusted	6.0	10.4	
OPM	4.5%	6.4%	
EBITDA - adjusted	19.8	24.2	Adj. EBITDA margin below our expectations, however, margin increased y/y
EBITDA margin	14.6%	14.9%	
Net inc- adjusted	€ 1.2	€ 5.6	
EPS - adjusted	€ 0.01	€ 0.06	

Source: Company Reports; Stonegate Capital Markets

Margins

The Company's overall margin is impacted by sales mix, fixed-cost absorption, and the contribution from ECONYL® and other regenerated products, which support higher-value positioning within nylon fibers. Aquafil's pass-through mechanisms also allow the Company to reprice against raw material and input-cost inflation over time, helping protect margins through volatile cost cycles. As a result, the Company has historically supported a differentiated margin profile relative to listed peers.

In 1Q26, Aquafil delivered clear margin improvement despite ongoing pricing pressure, with EBITDA margin expanding to 14.8% from 11.9% in 1Q25. The improvement was supported by lower fixed costs, production efficiencies, and benefits from the €17M cost rationalization program, while ECONYL® and other regenerated products accounted for 59.1% of fiber revenues. The quarter also showed that margin expansion is not dependent on a full top-line recovery, as revenue declined 7.1% to €133.8M but EBITDA increased 15.8% to €19.8M. Management also reiterated its ability to pass through higher raw material and operating costs, while North America volume growth and continued Engineering Plastics progress supported mix quality.

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 several 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	€ 24.05	€ 928.77	€ 2,849.77	1.07x	1.08x	1.05x	6.3x	7.1x	6.4x	-0.2x	-0.3x	-0.9x
EMS-CHEMIE HOLDING AG	EMSN	€ 720.21	€ 15,401.67	€ 16,222.54	6.24x	7.58x	7.34x	20.1x	25.5x	24.4x	1.2x	1.5x	1.4x
Aksa Akrilik Kimya Sanayii A.S.	AKSA	€ 0.21	€ 43,006.95	€ 1,191.14	1.85x	1.50x	1.23x	12.6x	0.1x	0.1x	N/A	N/A	N/A
Coats Group plc	COA	€ 0.94	€ 1,566.91	€ 2,603.95	1.37x	1.35x	1.28x	6.1x	6.3x	5.8x	0.0x	0.0x	0.0x
Unifi, Inc.	UFI	€ 3.48	€ 75.07	€ 129.53	0.32x	0.28x	0.26x	-11.7x	7.4x	3.4x	-0.1x	-0.4x	0.5x
Interface, Inc.	TILE	€ 24.14	€ 1,628.48	€ 1,594.15	1.33x	1.26x	1.19x	8.5x	6.7x	6.3x	0.3x	0.2x	0.2x
				Average	2.0x	2.2x	2.1x	7.0x	8.9x	7.7x	0.2x	0.2x	0.2x
				Median	1.3x	1.3x	1.2x	7.4x	6.9x	6.1x	0.0x	0.0x	0.2x
Aquafil S.p.A.	ECNL	€ 1.44	€ 123.87	€ 338.80	0.6x	0.6x	0.6x	4.7x	4.3x	4.1x	-0.3x	0.2x	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 4.1x EV/EBITDA multiple vs. the average comp at 7.7x. Given the comps, coupled with historical trading ranges, we believe using an EV/EBITDA range of 5.0x to 6.0x with a mid-point of 5.50x 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 €2.28 to €3.23, with a midpoint at €2.76.

For our DCF analysis we assume a terminal growth rate of 2.0%. Our DCF analysis relies on a range of discount rates between 11.25% and 13.75% with a midpoint of 12.50%. This arrives at a valuation range of €2.03 to €3.60 with a mid-point of €2.71.

	EV/EBITDA		
2027E	5.00x	5.50x	6.00x
Adj EBITDA	82.3	82.3	82.3
TEV	411.6	452.8	493.9
Cash	153.3	153.3	153.3
Debt	368.2	368.2	368.2
Mrkt Cap	196.7	237.8	279.0
S/O	86.3	86.3	86.3
Price	€ 2.28	€ 2.76	€ 3.23

Sensitivity Analysis:

Discount rate	Terminal Growth Rates				
	1.50%	1.75%	2.00%	2.25%	2.50%
10.00%	€ 4.36	€ 4.47	€ 4.59	€ 4.71	€ 4.85
11.25%	€ 3.36	€ 3.44	€ 3.52	€ 3.60	€ 3.69
12.50%	€ 2.60	€ 2.65	€ 2.71	€ 2.76	€ 2.83
13.75%	€ 1.99	€ 2.03	€ 2.07	€ 2.11	€ 2.16
15.00%	€ 1.51	€ 1.54	€ 1.56	€ 1.59	€ 1.63

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.

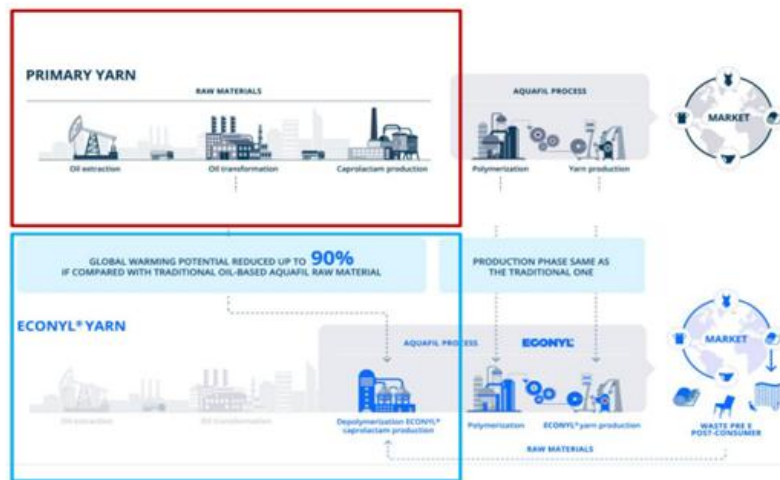
Protecting the Environment: By reducing its environmental effect and paving a sustainable future for an industry that has historically been accountable for landfill waste, water pollution, and greenhouse gas emissions, the Company can protect the environment.

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)

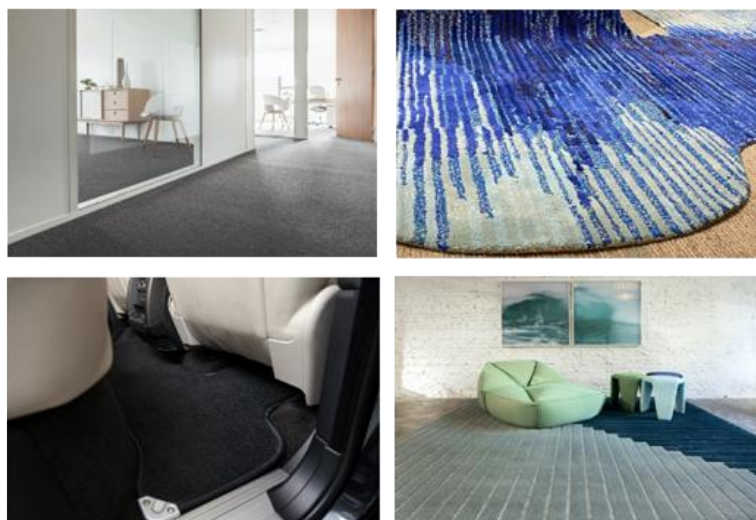
Aquafil was originally founded as a flooring yarn manufacturer, and BCF remained the core of the business at 75.4% of FY25 sales.

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.

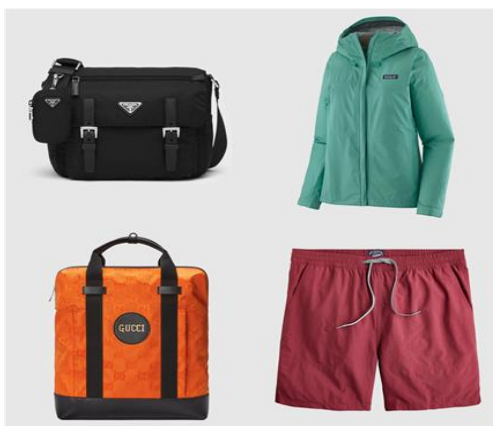
Textile Yarns (NTF Products)

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.

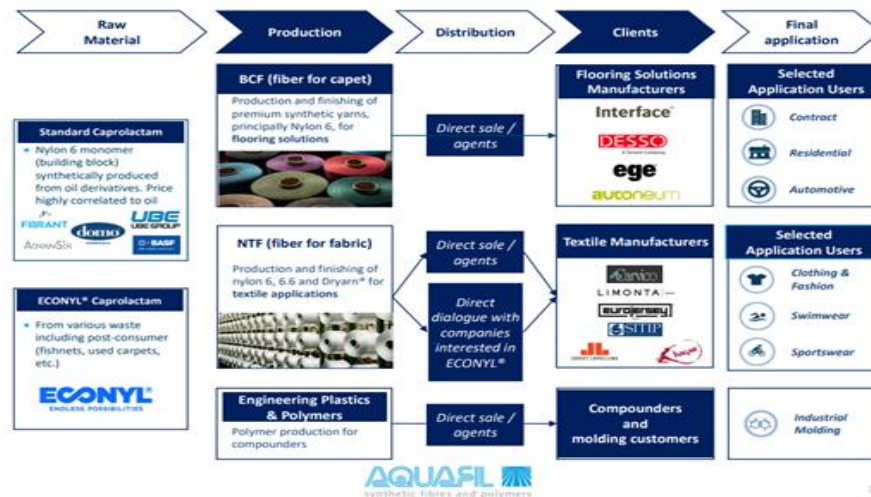
BUSINESS STRATEGY

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 align 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	545.3	566.2	591.1	618.3	648.6	677.8	706.9	735.2	762.7	790.2	816.3	
Operating Income	3.3	6.6	25.4	27.3	29.0	31.5	32.4	35.2	38.9	44.1	48.1	51.8	55.8	
Less: Taxes (benefit)	(1.3)	(0.3)	1.9	3.2	5.8	6.3	6.5	7.0	7.8	8.8	9.6	10.4	11.2	
NOPAT	4.6	6.9	23.4	24.2	23.2	25.2	25.9	28.2	31.1	35.3	38.4	41.4	44.7	
Plus: Depreciation & Amortization	54.1	51.9	45.2	52.0	52.0	50.0	50.0	50.0	50.0	50.0	50.0	50.0	50.0	
Plus: Changes in WC	27.6	(48.5)	(49.5)	(5.7)	(5.9)	(3.1)	(3.2)	(3.4)	(3.5)	(1.8)	(1.9)	(2.0)	(2.0)	
Less: Capex	(24.0)	(21.1)	(26.0)	(24.3)	(23.6)	(23.5)	(23.3)	(23.7)	(23.0)	(22.1)	(22.9)	(23.7)	(24.5)	
Free Cash Flow	62.2	(10.9)	(6.9)	46.2	45.6	48.6	49.4	51.1	54.6	61.4	63.7	65.7	68.1	661.9
Discount period - months			9	21	33	45	57	69	81	93	105	117	129	
Discount period - years			0.8	1.8	2.8	3.8	4.8	5.8	6.8	7.8	8.8	9.8	10.8	
Discount factor			0.92	0.81	0.72	0.64	0.57	0.51	0.45	0.40	0.36	0.32	0.28	
PV of FCF			(6.3)	37.6	33.0	31.3	28.2	26.0	24.7	24.6	22.7	20.8	19.2	186.6
Growth rate assumptions:														
Revenue		-3.0%	2.1%	3.8%	4.4%	4.6%	4.9%	4.5%	4.3%	4.0%	3.8%	3.6%	3.3%	
Operating Income		99.1%	283.6%	7.8%	6.0%	8.9%	2.8%	8.7%	10.3%	13.5%	8.9%	7.7%	7.9%	
EBITDA		1.8%	20.7%	12.4%	2.1%	0.7%	1.1%	3.4%	4.3%	5.9%	4.2%	3.8%	4.0%	
Free Cash Flow		-117.5%	-37.1%	-773.7%	-1.2%	6.6%	1.5%	3.5%	6.9%	12.5%	3.7%	3.3%	3.7%	
Margin assumptions:														
Operating Income	0.6%	1.2%	4.6%	4.8%	4.9%	5.1%	5.0%	5.2%	5.5%	6.0%	6.3%	6.6%	6.8%	
D&A as a % of sales	9.8%	9.7%	8.3%	9.2%	8.8%	8.1%	7.7%	7.4%	7.1%	6.8%	6.6%	6.3%	6.1%	
EBITDA	10.4%	10.9%	12.9%	14.0%	13.7%	13.2%	12.7%	12.6%	12.6%	12.8%	12.9%	12.9%	13.0%	
Taxes	-38.9%	-3.8%	7.6%	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%	-4.8%	-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	261.8													
PV of Terminal Value	186.6													
Enterprise Value	448.4													
less: Net Debt	214.9													
Estimated Total Value:	233.4													
Est Equity Value/share:	€ 2.71													
Sensitivity Analysis:														
										Terminal Growth Rates				
										1.50%	1.75%	2.00%	2.25%	2.50%
									10.00%	€ 4.36	€ 4.47	€ 4.59	€ 4.71	€ 4.85
									11.25%	€ 3.36	€ 3.44	€ 3.52	€ 3.60	€ 3.69
									12.50%	€ 2.60	€ 2.65	€ 2.71	€ 2.76	€ 2.83
									13.75%	€ 1.99	€ 2.03	€ 2.07	€ 2.11	€ 2.16
									15.00%	€ 1.51	€ 1.54	€ 1.56	€ 1.59	€ 1.63
Price	€ 1.44													

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	Q1 Mar-26
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	10.9
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	14.5
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	201.7
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	1.1
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	1.1
Other assets	1.3	0.6	0.4	-	-	-	-	-	-	-	-	-	0.1	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	31.2
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	260.7
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	171.4
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	29.5
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	5.4
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	1.0
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	9.9
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	153.3
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	631.1
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	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	83.7
Group net results	0.6	10.7	29.2	(25.8)	(3.1)	(8.1)	(8.8)	(16.3)	(16.3)	0.4	2.2	0.4	(4.7)	(4.7)	1.2
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	138.3
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	138.3
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	4.2
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	270.9
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	2.3
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	9.7
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	1.4
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	288.5
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	97.3
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	1.3
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	84.1
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	21.7
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	204.4
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	631.1
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	1.8x
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	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	€ 166.1
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%	155.4%
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%	60.9%
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	5.5x
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	66.5
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	0.7x
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	508.7

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	Q2 E	Q3 E	Q4 E	FY 2026E	Q1 E	Q2 E	Q3 E	Q4 E	FY 2027E
						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	€ 133.8	€ 142.4	€ 134.0	€ 122.5	€ 532.7	€ 138.1	€ 146.4	€ 142.2	€ 126.6	€ 553.3
Other revenue & inc	10.3	4.6	13.0	8.9	8.9	2.9	3.4	2.7	4.5	13.5	1.8	3.4	2.9	4.5	12.6	1.8	3.4	3.0	4.6	12.9
Total Revenues	446.9	574.3	697.1	580.7	551.0	146.9	140.5	123.6	123.3	534.3	135.6	145.8	136.9	127.1	545.3	139.9	149.8	145.3	131.2	566.2
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	58.0	62.1	57.8	54.5	232.3	60.8	63.2	60.9	56.4	241.3
Gross Profit	237.0	290.7	379.3	289.1	300.6	82.3	83.8	70.1	73.1	309.3	77.6	83.8	79.0	72.6	313.0	79.1	86.6	84.4	74.8	324.9
Service costs	86.1	112.6	168.5	126.9	122.8	34.8	33.3	30.1	28.5	126.8	30.2	32.8	30.8	28.6	122.4	31.9	34.2	33.1	29.9	129.1
Labor costs	101.9	114.2	126.9	125.0	121.6	31.8	32.6	26.7	31.3	122.4	30.1	30.1	30.1	30.1	120.3	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	0.8	0.8	0.8	0.8	3.0	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	11.3	11.3	11.3	11.3	45.2	13.0	13.0	13.0	13.0	52.0
Provisions & write downs	0.6	0.3	0.2	(0.7)	(0.1)	0.1	1.4	(0.0)	0.2	1.7	0.0	-	-	-	0.0	-	-	-	-	-
Recovery/(write down) of financial assets	0.3	(0.1)	(0.0)	0.0	0.3	-	-	-	1.6	1.6	0.0	-	-	-	0.0	-	-	-	-	-
Internal work capitalized	(5.8)	(6.1)	(5.7)	(6.3)	(4.4)	(0.9)	(1.3)	(1.5)	(1.3)	(4.9)	(0.8)	(0.8)	(0.8)	(0.8)	(3.4)	(0.8)	(0.8)	(0.8)	(0.8)	(3.4)
Total Operating Expenses	231.1	269.2	341.7	298.2	297.6	79.4	81.4	68.3	73.5	302.7	71.6	74.1	72.1	69.9	287.6	74.0	76.3	75.2	72.0	297.6
Operating Income	5.9	21.5	37.6	(8.9)	3.3	2.9	2.3	1.8	(0.4)	6.6	6.0	9.7	6.9	2.7	25.4	5.1	10.3	9.2	2.8	27.3
Interest & Investment income	0.4	0.9	4.6	0.4	0.8	0.3	0.4	-	-	0.7	0.7	0.5	0.5	0.5	2.2	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)	(4.2)	(3.7)	(3.7)	(3.7)	(15.2)	(3.3)	(3.3)	(3.3)	(3.3)	(13.1)
Other gains/losses	1.8	(0.2)	3.1	(3.2)	(6.8)	1.9	2.6	(4.3)	(0.5)	(0.3)	(1.3)	(0.1)	(0.1)	(0.1)	(1.6)	(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)	1.3	6.4	3.7	(0.6)	10.7	2.2	7.4	6.3	(0.1)	15.8
Provision for Income Tax	(0.5)	3.9	7.7	(0.1)	(1.3)	0.6	(0.3)	(0.4)	(0.1)	(0.3)	0.0	1.3	0.7	(0.1)	1.9	0.4	1.5	1.3	(0.0)	3.2
Net Income	0.6	10.7	29.2	(25.8)	(16.3)	0.4	1.8	(1.8)	(5.1)	(4.7)	1.2	5.1	2.9	(0.5)	8.8	1.8	5.9	5.0	(0.1)	12.6
EBITDA	€ 58.4	€ 72.1	€ 92.3	€ 47.5	€ 62.4	€ 17.1	€ 21.3	€ 16.6	€ 17.5	€ 72.4	€ 19.8	€ 22.8	€ 20.1	€ 15.8	€ 78.6	€ 18.8	€ 24.1	€ 22.9	€ 16.5	€ 82.3
Margin Analysis																				
Gross Margin	53.0%	50.6%	54.4%	49.8%	54.6%	56.0%	59.6%	56.7%	59.3%	57.9%	57.2%	57.5%	57.8%	57.1%	57.4%	56.6%	57.8%	58.1%	57.0%	57.4%
Operating Margin	1.3%	3.7%	5.4%	-1.5%	0.6%	2.0%	1.7%	1.5%	-0.3%	1.2%	4.5%	6.6%	5.1%	2.1%	4.6%	3.6%	6.9%	6.3%	2.1%	4.8%
EBITDA Margin	13.1%	12.5%	13.2%	8.2%	11.3%	11.6%	15.1%	13.4%	14.2%	13.6%	14.6%	15.6%	14.7%	12.5%	14.4%	13.5%	16.1%	15.8%	12.6%	14.5%
Pre-Tax Margin	0.0%	2.5%	5.3%	-4.5%	-3.2%	0.7%	1.0%	-1.8%	-4.3%	-0.9%	0.9%	4.4%	2.7%	-0.5%	2.0%	1.6%	5.0%	4.3%	-0.1%	2.8%
Net Income Margin	0.1%	1.9%	4.2%	-4.5%	-3.0%	0.3%	1.3%	-1.5%	-4.1%	-0.9%	0.9%	3.5%	2.1%	-0.4%	1.6%	1.3%	4.0%	3.5%	-0.1%	2.2%
Tax Rate	-654.4%	26.9%	20.9%	0.6%	7.3%	59.2%	-24.1%	18.0%	2.5%	5.1%	3.2%	20.0%	20.0%	20.0%	18.0%	20.0%	20.0%	20.0%	20.0%	20.0%
Growth Rate Y/Y																				
Total Revenue		28.5%	21.4%	-16.7%	-5.1%	-1.5%	-1.2%	-5.8%	-3.9%	-3.0%	-7.7%	3.8%	10.7%	3.1%	2.1%	3.2%	2.7%	6.1%	3.2%	3.8%
Total cost of revenues		16.5%	26.9%	-12.7%	-0.2%	5.7%	7.6%	-5.2%	-1.5%	1.7%	-9.9%	-9.0%	5.6%	-5.0%	-5.0%	3.4%	2.9%	4.4%	3.1%	3.4%
Operating Income		262.3%	74.9%	-123.6%	-137.5%	241.3%	4.4%	124.0%	-27.4%	99.1%	110.2%	312.0%	285.9%	-740.9%	283.6%	-15.8%	6.6%	31.8%	2.9%	7.8%
Pre-Tax Income		18386.1%	152.5%	-170.5%	-32.3%	-126.2%	-146.0%	-31.0%	-27.9%	-71.9%	19.9%	341.5%	-267.2%	-88.5%	-316.7%	75.8%	16.3%	71.1%	-79.1%	47.4%
Net Income		1690.3%	173.2%	-188.7%	-36.9%	-113.8%	-159.3%	-32.0%	-32.1%	-71.2%	184.6%	184.6%	-263.1%	-90.6%	-287.3%	45.2%	16.3%	71.1%	-79.1%	43.8%

Source: Company Reports, Stonegate Capital Partners estimates

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