



RESEARCH UPDATE

Dave Storms, CFA

Dave@stonegateinc.com

214-987-4121

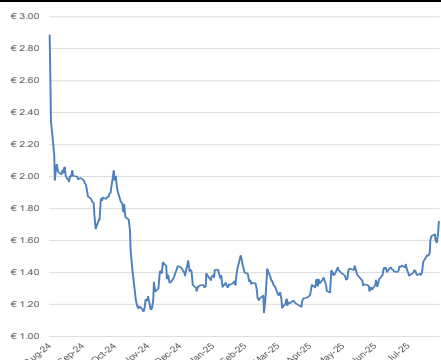
Market Statistics

Price	€ 1.72
52 week Range	€1.08 - €2.75
Daily Vol (3-mo. average)	166,555
Market Cap (M):	€ 148.4
Enterprise Value (M):	€ 368.0
Shares Outstanding: (M)	86.3
Float (M)	34.7

Financial Summary

Cash (M)	€ 112.8
Cash/Share	€ 1.31
Debt (M)	€ 332.4
Equity (M)	€ 136.3
Equity/Share	€ 1.58

FYE: DEC	2024	2025E	2026E
(in €)			
Rev	€ 551.0	€ 595.2	€ 628.1
Chng %	-5.1%	8.0%	5.5%
EBITDA	€ 62.4	€ 86.3	€ 93.0
Net Income	€ (16.3)	€ 10.9	€ 15.0
EPS	€ (0.33)	€ 0.13	€ 0.17
EV/Revenue	0.7x	0.6x	0.6x
EV/EBITDA	5.9x	4.3x	4.0x
P/E	-0.1x	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 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 2Q25 results

In 2Q25, ECNL delivered strong profitability despite modest revenue declines, reflecting continued operational efficiency and cost control. The Company achieved an EBITDA margin of 15.5%, up from 12.3% in 2Q24, driven by lower raw material costs, efficiency initiatives, and a favorable product mix. ECONYL® products once again proved pivotal, representing 60.7% of fiber revenues in 2Q25, in line with management's long-term sustainability strategy. Regionally, the U.S. BCF segment recorded double-digit growth, while EMEA held broadly stable and APAC remained soft. The Company also launched a significant cost-optimization project in its U.S. carpet recycling operations, consolidating facilities to reduce labor and logistics costs, with initial savings expected in 2H25 and more substantial benefits in 2026 and beyond.

Quarterly results: ECNL reported revenue, adj EBITDA, and adj EPS of €140.5M, €21.3M, and €0.02, respectively. This compares to our/consensus estimates of €162.0M/€162.0M, €27.2M/€23.9M, and €0.08/€0.00, respectively. For 1H25, revenue was €281.2M (-2.4% YoY), EBITDA was €38.4M (+17.8% YoY), and net income reached €2.2M versus a €6.1M loss in 1H24. The NFP/EBITDA ratio improved to 3.21x at June 30, 2025, down from 3.42x at year-end 2024, underscoring continued deleveraging efforts.

Outlook: Management remains cautiously optimistic for 2H25, expecting margin benefits from the cost-reduction initiatives and stabilization in input costs, particularly natural gas and energy. Demand in the U.S. BCF segment remains strong, though volumes across EMEA and APAC continue to lag expectations, limiting the pace of overall volume recovery. Despite these headwinds, ECNL reaffirmed its focus on sustaining profitability improvements and capturing additional market share through its growing ECONYL® portfolio.

ECONYL® Expansion on Track: With ECONYL® contributing 60.7% of fiber revenues in both 1H25 and 2Q25, the brand continues to exceed management expectations. North America remains the growth engine for ECONYL®, while Europe is stable and Asia remains soft. The Company's sustained commitment to regenerated products highlights its ESG positioning and long-term strategic differentiation. We also note that this expansion continues to contribute to the strong EBITDA margin that ECNL has seen, helping to mitigate any volume softness.

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 €4.99 to €5.41 with a mid-point of €5.19. Our EV/EBITDA analysis relies on a range of 6.0x to 7.0x leading to a valuation range of €3.92 to €5.00, with a midpoint at €4.46.

SUMMARY

Exhibit 1: Quarterly Results vs. Model

2Q25 Results (in 000's, except EPS)			
	Reported	Model	Notes
Revenues	€ 140.5	€ 162.0	Weaker than expected volumes dampened revenues
Cost of sales	56.8	70.5	
Gross profit	83.8	91.5	GPM was ahead of our expectations
GPM	59.6%	56.5%	
Service Cost	33.3	33.3	OPM behind our expectations
Labor Costs	32.6	31.0	
Other Costs	15.5	14.3	
Operating Exp	81.4	78.6	
Op Inc - adjusted	2.3	12.9	OPM behind our expectations
OPM	1.7%	8.0%	
EBITDA - adjusted	21.3	27.2	
EBITDA margin	15.1%	16.8%	
Net inc- adjusted	€ 1.8	€ 7.0	
EPS - adjusted	€ 0.02	€ 0.08	

Source: Company Reports; Stonegate Capital Markets

Margins

The Company is engaged in the production, reprocessing, and sale of polyamide 6 fibers and polymers on a global basis and covers the entire value chain in the form of vertical integration.

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 2Q25 the Company had gross margins of 59.6%, up from 54.8% in 2Q24. This was attributed to decreasing unit consumption value of raw materials. It was also buoyed by the increase in ECONYL revenues making up 60.7% of revenues up 790bps from this quarter last year. The Company also saw EBITDA margins of 15.5%, up from 12.3% last year, this can largely be attributed to improved efficiencies resulting from lower personnel expenses, reduced costs for raw materials and utilities, and adjustments in inventory levels. Additionally, the recovery in EMEA and Asia is in line with expectations.

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 the 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		
					2024	2025E	2026E	2024	2025E	2026E	2024	2025E	2026E
Lenzing Aktiengesellschaft	LNZ	€ 26.45	€ 1,021.45	€ 2,924.05	1.1x	1.1x	1.0x	8.4x	6.1x	5.6x	-0.2x	-0.5x	-2.0x
EMS-CHEMIE HOLDING AG	EMSN	€ 655.58	€ 14,349.17	€ 13,868.14	6.6x	6.9x	6.6x	23.6x	23.0x	21.7x	1.4x	1.4x	1.3x
Interface, Inc.	TILE	€ 22.74	€ 1,560.59	€ 1,836.89	1.4x	1.3x	1.3x	10.3x	9.0x	8.1x	0.3x	0.2x	0.2x
Average					3.0x	3.1x	3.0x	14.1x	12.7x	11.8x	0.5x	0.4x	-0.1x
Median					1.4x	1.3x	1.3x	10.3x	9.0x	8.1x	0.3x	0.2x	0.2x
Aquafil S.p.A.	ECNL	€ 1.72	€ 148.36	€ 368.03	0.7x	0.6x	0.6x	5.9x	4.3x	4.0x	-0.1x	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 F26 estimates, Aquafil is trading at a 4.0x EV/EBITDA multiple vs. the median comp at 8.1x. Given the comps, coupled with historical trading ranges, we believe using an EV/EBITDA range of 6.0x to 7.0x with a mid-point of 6.50x is reasonable to account for the Company's slightly smaller size vs comps. Applying this range to our F26 estimate, we arrive at a valuation range of €3.92 to €5.00, with a midpoint at €4.46.

EV/EBITDA			
2026 E	6.00x	6.50x	7.00x
Adj EBITDA	93.0	93.0	93.0
TEV	557.8	604.2	650.7
Cash	112.8	112.8	112.8
Debt	332.4	332.4	332.4
Mrkt Cap	338.1	384.6	431.1
S/O	86.3	86.3	86.3
Price	€ 3.92	€ 4.46	€ 5.00

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 €4.99 to €5.41 with a mid-point of €5.19.

Sensitivity Analysis:

		Terminal Growth Rates				
		1.50%	1.75%	2.00%	2.25%	2.50%
Discount rate	10.50%	€ 5.37	€ 5.43	€ 5.50	€ 5.57	€ 5.65
	10.75%	€ 5.22	€ 5.28	€ 5.34	€ 5.41	€ 5.48
	11.00%	€ 5.08	€ 5.13	€ 5.19	€ 5.25	€ 5.32
	11.25%	€ 4.94	€ 4.99	€ 5.05	€ 5.10	€ 5.16
	11.50%	€ 4.81	€ 4.86	€ 4.91	€ 4.96	€ 5.02

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.

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

The world map illustrates the global distribution of Aquafil's production and distribution network. Key locations and their associated activities are as follows:

- California:**
 - Anaheim: Aquafil Carpet Collection
 - Miramar: Aquafil Carpet Collection
 - Chula Vista: Aquafil Carpet Collection
- Arizona:**
 - Phoenix: Aquafil Carpet Recycling
 - Phoenix: Aquafil Carpet Collection
- Georgia:**
 - Cartersville: Aquafil USA 1
- North Carolina:**
 - Rutherford College: Aquafil O'Mara
- Chile:**
 - Santiago: Aquafil Chile
- Italy:**
 - Arco (TN): Aquafil Headquarter
 - Rovereto (TN): Tessilquattro
 - Cares (TN): Tessilquattro
- Slovenia:**
 - Ljubljana: AquafilSLO
 - Ajdovščina: AquafilSLO
 - Celje - Teharje: AquafilSLO
 - Senožeča: AquafilSLO
- Croatia:**
 - Osijek: AquafilCRO
- Thailand:**
 - Rayong: Aquafil Asia Pacific
- China:**
 - Jiaxing: Aquafil Jiaxing
- Japan:**
 - Tokyo: Aquafil Japan

Source: Company Reports

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.

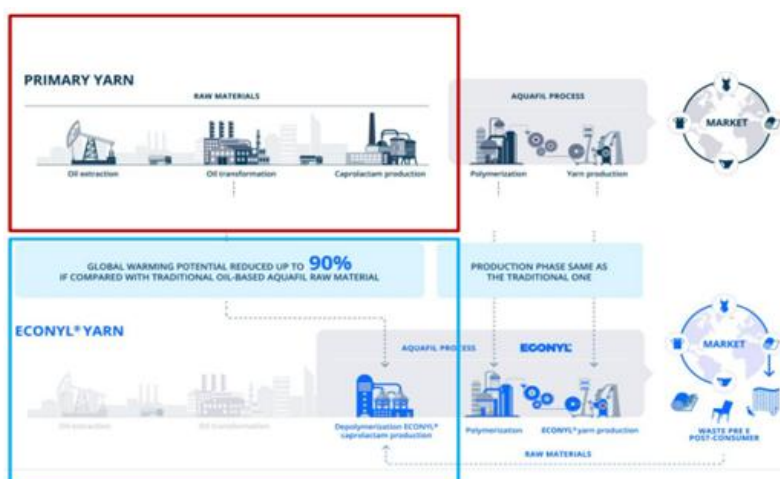
Protecting the Environment: By reducing its environmental effect and paving a sustainable future for an industry that has historically been accountable for landfill waste, water pollution, and greenhouse gas emissions, the Company can protect the environment.

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)

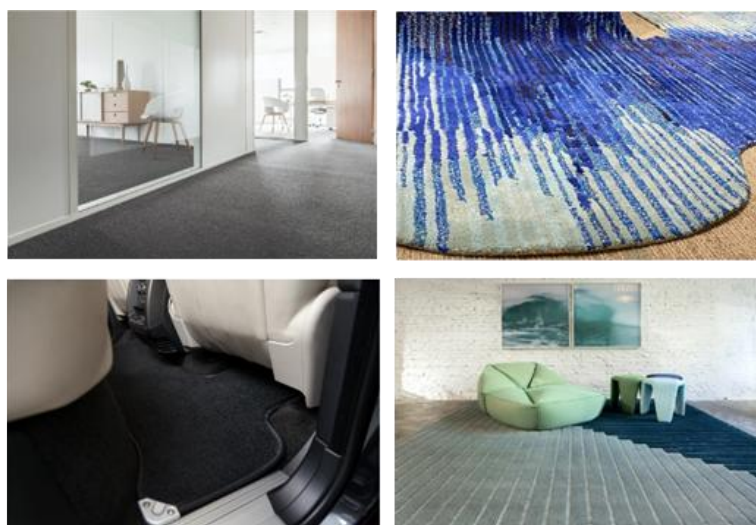
Aquafil was originally founded to manufacture flooring yarn. The product line represents a key source of revenue for the Company with about 72.9% of FY24 total sales.

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 FY24 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 11.0% of FY24 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.

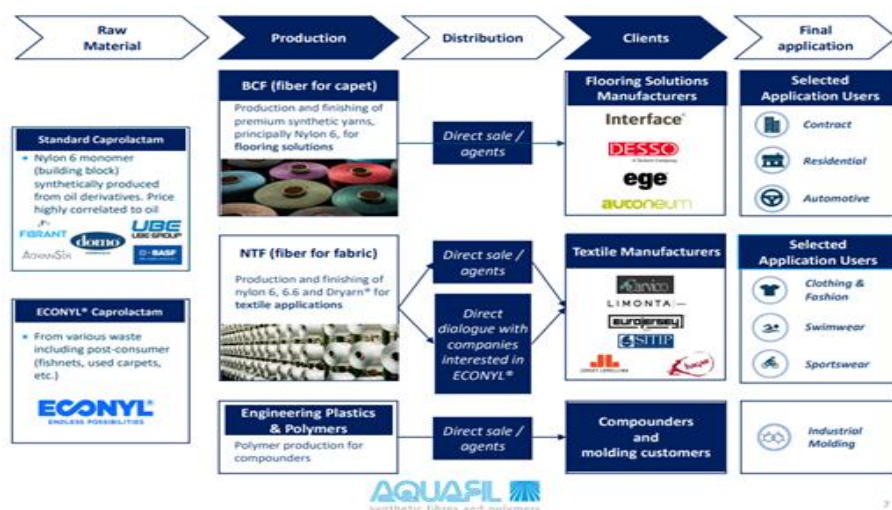
BUSINESS STRATEGY

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

Industrial Plan 2024 – 2026

Key indicators

Expected results 2024

- **EBITDA target:** ca. 65 €/mln (old guidance 76 – 82 €/mln)
- **NFP*:** ca. 207 €/mln (old guidance 225 – 235 €/mln)

Expected results 2025

- **EBITDA target:** 80 – 87 €/mln (old guidance 84 – 92 €/mln)
- **NFP*:** 185 – 195 €/mln (old guidance 190 – 200 €/mln)

Expected results 2026

- **EBITDA target:** 90 – 96 €/mln
- **NFP*:** 157 – 167 €/mln

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***(in \$M, except per share)*

Estimates:	2023	2024	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E	2035E	Terminal Value
Revenue	580.7	551.0	595.2	628.1	656.3	685.9	716.7	747.6	777.5	808.6	838.9	870.3	903.0	
Operating Income	(8.9)	3.3	23.6	32.0	28.9	28.8	30.1	29.9	31.1	31.5	31.9	33.1	34.3	
Less: Taxes (benefit)	(0.1)	(1.3)	3.2	5.0	4.5	4.5	4.7	4.7	4.9	4.9	5.0	5.2	5.4	
NOPAT	(8.7)	4.6	20.5	26.9	24.3	24.3	25.4	25.2	26.2	26.6	26.9	27.9	28.9	
Plus: Depreciation & Amortization	125.0	121.6	123.9	116.0	100.0	100.0	75.0	75.0	50.0	50.0	50.0	50.0	50.0	
Plus: Changes in WC	(33.6)	(27.6)	(6.0)	(6.3)	(6.6)	(6.9)	(3.6)	(3.7)	(3.9)	(4.0)	(2.1)	(2.2)	(2.3)	
Less: Capex	(33.2)	(24.0)	(28.0)	(30.1)	(29.5)	(29.5)	(29.4)	(29.9)	(29.5)	(29.1)	(29.4)	(30.5)	(31.6)	
Free Cash Flow	49.5	74.7	110.4	106.5	88.3	87.9	67.4	66.6	42.8	43.4	45.4	45.2	45.1	510.8
Discount period - months			6	18	30	42	54	66	78	90	102	114	126	
Discount period - years			0.5	1.5	2.5	3.5	4.5	5.5	6.5	7.5	8.5	9.5	10.5	
Discount factor			0.95	0.86	0.77	0.69	0.63	0.56	0.51	0.46	0.41	0.37	0.33	
PV of FCF			104.8	91.1	68.0	61.0	42.1	37.5	21.7	19.9	18.7	16.8	15.1	170.7
Growth rate assumptions:														
Revenue		-5.1%	8.0%	5.5%	4.5%	4.5%	4.5%	4.3%	4.0%	4.0%	3.8%	3.8%	3.8%	
Operating Income		-137.5%	611.6%	35.3%	-9.6%	-0.2%	4.5%	-0.7%	4.0%	1.4%	1.1%	3.8%	3.8%	
EBITDA		7.6%	18.0%	0.3%	-12.9%	-0.1%	-18.4%	-0.2%	-22.7%	0.5%	0.4%	1.5%	1.5%	
Free Cash Flow		50.8%	47.9%	-3.5%	-17.2%	-0.4%	-23.3%	-1.2%	-35.7%	1.5%	4.6%	-0.4%	-0.4%	
Margin assumptions:														
Operating Income	-1.5%	0.6%	4.0%	5.1%	4.4%	4.2%	4.2%	4.0%	4.0%	3.9%	3.8%	3.8%	3.8%	
D&A as a % of sales	21.5%	22.1%	20.8%	18.5%	15.2%	14.6%	10.5%	10.0%	6.4%	6.2%	6.0%	5.7%	5.5%	
EBITDA	20.0%	22.7%	24.8%	23.6%	19.6%	18.8%	14.7%	14.0%	10.4%	10.1%	9.8%	9.5%	9.3%	
Taxes	1.6%	-38.9%	13.3%	15.7%	15.7%	15.7%	15.7%	15.7%	15.7%	15.7%	15.7%	15.7%	15.7%	
Changes in WC	-5.8%	-5.0%	-1.0%	-1.0%	-1.0%	-1.0%	-0.5%	-0.5%	-0.5%	-0.5%	-0.3%	-0.3%	-0.3%	
Capex as a % of sales	-5.7%	-4.4%	-4.7%	-4.8%	-4.5%	-4.3%	-4.1%	-4.0%	-3.8%	-3.6%	-3.5%	-3.5%	-3.5%	
Valuation:														
Shares outstanding	86.3													
PV of FCF	496.7													
PV of Terminal Value	170.7													
Enterprise Value	667.4													
less: Net Debt	219.7													
Estimated Total Value:	447.7													
Est Equity Value/share:	€ 5.19													
Price	€ 1.72													

Sensitivity Analysis:

		Terminal Growth Rates				
		1.50%	1.75%	2.00%	2.25%	2.50%
Discount rate	10.50%	€ 5.37	€ 5.43	€ 5.50	€ 5.57	€ 5.65
	10.75%	€ 5.22	€ 5.28	€ 5.34	€ 5.41	€ 5.48
	11.00%	€ 5.08	€ 5.13	€ 5.19	€ 5.25	€ 5.32
	11.25%	€ 4.94	€ 4.99	€ 5.05	€ 5.10	€ 5.16
	11.50%	€ 4.81	€ 4.86	€ 4.91	€ 4.96	€ 5.02

Source: Company Reports; Stonegate Capital Markets

BALANCE SHEET

Aquafil Consolidated Balance Sheets (€000s) Fiscal Year: December																
ASSETS	FY2020	FY 2021	FY2022	Q1 Mar-23	Q2 Jun-23	Q3 Sep-23	Q4 Dec-23	FY 2023	Q1 Mar-24	Q2 Jun-24	Q3 Sep-24	Q4 Dec-24	FY 2024	Q1 Mar-25	Q2 Jun-25	
Intangibles	23.6	23.6	21.6	20.9	20.8	20.3	19.1	19.1	18.0	17.0	16.0	15.2	15.2	14.2	13.2	
Goodwill	13.6	14.7	15.6	15.3	15.4	15.8	15.1	15.1	15.4	15.6	14.9	16.1	16.1	15.4	14.2	
PP&E	229.5	240.5	247.5	244.0	243.8	243.0	251.6	251.6	245.5	239.8	235.7	233.9	233.9	224.2	212.7	
Financial assets	0.7	0.7	0.8	0.6	0.8	0.8	0.5	0.5	0.6	0.6	0.7	1.0	1.0	0.8	0.8	
Investments	-	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.1	1.1	1.1	1.1	1.1	1.1	1.1	
Other assets	1.3	0.6	0.4	0.4	0.3	-	-	-	-	-	-	-	-	-	-	
Deferred tax	14.6	12.3	11.5	9.9	11.3	12.2	18.5	18.5	20.1	21.5	21.2	29.2	29.2	30.4	30.6	
Total Non-Current Assets	283.2	293.4	298.5	292.1	293.5	293.0	305.9	305.9	300.8	295.7	289.6	296.4	296.4	286.2	272.6	
Inventories	150.9	177.2	260.8	242.7	218.0	196.4	189.5	189.5	180.6	187.3	184.8	197.5	197.5	192.1	187.0	
Receivables	22.0	31.2	28.6	35.8	27.2	27.8	26.2	26.2	30.8	27.5	29.1	20.4	20.4	30.9	30.8	
Financial assets	0.8	0.9	10.0	5.6	6.5	7.0	5.7	5.7	6.5	6.0	1.4	1.0	1.0	2.5	1.1	
Tax receivables	1.8	0.4	0.6	1.2	0.6	0.8	1.6	1.6	1.9	1.6	1.3	1.5	1.5	1.6	1.0	
Other assets	12.0	12.9	15.9	16.1	16.1	16.4	14.6	14.6	17.2	17.5	13.2	8.0	8.0	9.7	8.9	
Cash & cash equivalents	209.0	152.7	110.7	122.8	111.0	121.7	157.7	157.7	146.0	140.1	98.7	130.4	130.4	101.4	112.8	
Total Assets	679.7	668.7	725.0	716.3	672.8	663.3	701.2	701.2	683.8	675.8	617.9	655.3	655.3	624.4	614.2	
LIABILITIES AND SHAREHOLDERS' EQUITY																
Share capital	49.7	49.7	49.7	49.7	49.7	49.7	49.7	49.7	49.7	49.7	49.7	53.4	53.4	53.4	53.4	
Reserves	76.6	91.7	96.5	121.1	103.6	108.5	101.4	101.4	78.5	80.1	73.8	121.3	121.3	96.6	80.7	
Group net results	0.6	10.7	29.2	3.3	(4.1)	(17.1)	(25.8)	(25.8)	(3.1)	(6.1)	(8.8)	(16.3)	(16.3)	0.4	2.2	
Total Parent Net Equity	126.9	152.1	175.4	174.1	149.2	141.1	125.3	125.3	125.1	123.7	114.7	158.4	158.4	150.4	136.3	
Minority interest	0.0	0.0	0.0	-	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	174.1	149.2	141.1	125.3	125.3	125.1	123.7	114.7	158.4	158.4	150.4	136.3	
Employee benefits	6.0	5.9	5.2	5.0	4.9	4.8	5.1	5.1	5.1	4.8	4.4	4.6	4.6	4.5	4.5	
Financial liabilities	352.6	263.4	285.4	286.7	275.4	294.0	308.7	308.7	305.4	283.7	262.1	241.5	241.5	223.3	230.1	
Provisions for risks and charges	1.5	1.9	2.0	1.6	1.2	1.2	1.7	1.7	1.7	1.7	1.7	1.6	1.6	1.5	2.7	
Deferred tax liabilities	11.8	11.2	9.2	9.1	9.2	9.0	13.3	13.3	14.1	14.5	13.7	12.8	12.8	13.0	11.0	
Other liabilities	11.8	10.8	9.0	7.9	7.3	6.5	5.9	5.9	5.4	4.9	4.3	4.1	4.1	3.4	2.7	
Total Non-Current Liabilities	383.6	293.2	310.7	310.2	298.0	315.4	334.7	460.0	331.7	309.6	286.3	264.6	264.6	245.7	251.0	
Financial liabilities	76.0	69.4	83.1	88.6	92.8	97.5	103.2	103.2	97.5	105.4	103.0	103.2	103.2	102.1	102.4	
Current tax payables	1.2	1.7	3.6	3.2	2.6	1.4	1.2	1.2	1.4	1.8	0.6	0.2	0.2	1.9	1.4	
Trade payables	69.2	126.6	126.8	113.4	105.0	84.1	116.0	116.0	108.0	114.0	94.3	109.2	109.2	104.3	101.2	
Other liabilities	22.8	25.6	25.2	26.8	25.3	23.7	20.8	20.8	20.2	21.3	19.0	19.6	19.6	20.0	21.9	
Total Current Liabilities	169.2	223.3	238.8	231.9	225.6	206.7	241.2	241.2	227.1	242.5	216.9	232.3	232.3	228.4	226.9	
Total Liabilities and Shareholders' Equity	679.7	668.7	724.9	716.3	672.8	663.3	701.2	826.5	683.8	675.8	617.9	655.3	496.9	624.4	614.2	
Liquidity																
Current Ratio	2.3x	1.7x	1.8x	1.8x	1.7x	1.8x	1.6x	1.6x	1.7x	1.6x	1.5x	1.5x	1.5x	1.5x	1.5x	
Quick Ratio	1.5x	0.9x	0.7x	0.8x	0.7x	0.8x	0.9x	0.9x	0.9x	0.8x	0.7x	0.7x	0.7x	0.6x	0.7x	
Working Capital	€ 227.3	€ 151.9	€ 187.7	€ 192.3	€ 153.8	€ 163.6	€ 154.1	€ 154.1	€ 156.0	€ 137.7	€ 111.4	€ 126.5	€ 126.5	€ 109.9	€ 114.7	
Leverage																
Net Debt to Equity	173.0%	118.5%	147.0%	145.0%	172.3%	191.2%	203.0%	203.0%	205.3%	201.2%	232.3%	135.4%	135.4%	148.9%	161.2%	
Net Debt to Capital	63.4%	54.2%	59.5%	59.2%	63.3%	65.7%	67.0%	67.0%	67.2%	66.8%	69.9%	57.5%	57.5%	59.8%	61.7%	
Capital Usage- Annualized																
A/R Turns		21.6x	4.5x	5.3x	4.7x	4.9x	4.8x	4.8x	5.2x	4.9x	4.6x	5.2x	5.2x	5.7x	4.6x	
Days Sales Outstanding		16.9	81.0x	69.3	78.5	75.1	75.3	75.3x	69.8	74.9	78.7	70.3	70.3x	63.7	80.1	
A/P Turnover		2.9x	0.5x	0.7x	0.7x	0.8x	0.6x	0.6x	0.7x	0.6x	0.6x	0.5x	0.5x	0.6x	0.6x	
Days Payable Outstanding		125.9	692.4x	533.4	519.3	484.6	594.3	594.3x	556.6	629.6	651.0	684.7	684.7x	603.2	661.0	

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	Q1 Mar-24	Q2 Jun-24	Q3 Sep-24	Q4 Dec-24	FY 2024	Q1 Mar-25	Q2 Jun-25	Q3 E Sep-25	Q4 E Dec-25	FY 2025E	Q1 E Mar-26	Q2 E Jun-26	Q3 E Sep-26	Q4 E Dec-26	FY 2026E
Revenues	€ 436.6	€ 569.7	€ 684.1	€ 571.8	€ 147.5	€ 140.6	€ 127.9	€ 126.1	€ 542.1	€ 144.0	€ 137.1	€ 153.0	€ 147.9	€ 582.1	€ 162.5	€ 141.6	€ 158.0	€ 152.8	€ 614.9
Other revenue & inc	10.3	4.6	13.0	8.9	1.6	1.6	3.3	2.3	8.9	2.9	3.4	3.4	3.4	13.1	2.9	3.4	3.4	3.5	13.2
Total Revenues	446.9	574.3	697.1	580.7	149.1	142.3	131.3	128.4	551.0	146.9	140.5	156.4	151.4	595.2	165.4	145.0	161.4	156.3	628.1
Operating Expenses:																			
Cost of raw materials	209.8	283.6	317.8	291.6	73.4	64.3	58.4	54.2	250.4	64.6	56.8	65.1	63.6	250.1	75.2	60.4	67.6	67.0	270.3
Gross Profit	237.0	290.7	379.3	289.1	75.7	77.9	72.9	74.1	300.6	82.3	83.8	91.3	87.8	345.1	90.1	84.6	93.8	89.2	357.8
Service costs	86.1	112.6	168.5	126.9	30.6	31.1	31.0	30.1	122.8	34.8	33.3	36.8	34.8	139.7	39.1	34.3	38.2	37.0	148.5
Labor costs	101.9	114.2	126.9	125.0	31.0	31.2	28.5	31.0	121.6	31.8	32.6	30.0	29.5	123.9	29.0	29.0	29.0	29.0	116.0
Other operating costs	4.4	3.4	4.0	3.6	0.8	0.9	0.8	0.9	3.3	0.6	1.0	1.0	1.0	3.5	1.0	1.0	1.0	1.0	3.9
D&A	43.6	45.0	47.9	49.6	13.4	13.6	13.2	13.9	54.1	12.9	14.4	14.0	14.0	55.3	14.5	14.5	14.5	14.5	58.0
Provisions & write downs	0.6	0.3	0.2	(0.7)	0.0	0.0	0.0	(0.1)	(0.1)	0.1	1.4	-	-	1.5	-	-	-	-	-
Recovery/(write down) of financial assets	0.3	(0.1)	(0.0)	0.0	0.3	-	-	-	0.3	-	-	-	-	-	-	-	-	-	-
Internal work capitalized	(5.8)	(6.1)	(5.7)	(6.3)	(0.9)	(1.1)	(1.4)	(1.1)	(4.4)	(0.9)	(1.3)	(0.2)	(0.2)	(2.4)	(0.2)	(0.2)	(0.2)	(0.2)	(0.6)
Total Operating Expenses	231.1	269.2	341.7	298.2	75.2	75.7	72.1	74.7	297.6	79.4	81.4	81.6	79.1	321.5	83.4	78.6	82.5	81.3	325.8
Operating Income	5.9	21.5	37.6	(8.9)	0.8	2.2	0.8	(0.6)	3.3	2.9	2.3	9.7	8.7	23.6	6.7	6.0	11.3	8.0	32.0
Interest & Investment income	0.4	0.9	4.6	0.4	0.7	(0.0)	0.1	0.1	0.8	0.3	0.4	0.5	0.5	1.7	0.5	0.5	0.5	0.5	2.0
Interest expense	(8.0)	(7.6)	(8.4)	(14.4)	(5.4)	(5.1)	0.4	(4.9)	(15.0)	(4.1)	(3.8)	(3.8)	(3.8)	(15.6)	(3.4)	(3.4)	(3.4)	(3.4)	(13.5)
Other gains/losses	1.8	(0.2)	3.1	(3.2)	(0.1)	(0.3)	(4.5)	(1.9)	(6.8)	1.9	2.6	(0.1)	(0.1)	4.3	(0.1)	(0.1)	(0.1)	(0.1)	(0.4)
Profit Before Taxes	0.1	14.6	36.9	(26.0)	(4.0)	(3.2)	(3.2)	(7.3)	(17.6)	1.0	1.4	6.3	5.2	14.0	3.7	3.0	8.3	5.0	20.1
Provision for Income Tax	(0.5)	3.9	7.7	(0.1)	(0.9)	(0.1)	(0.5)	0.3	(1.3)	0.6	(0.3)	1.6	1.3	3.2	0.9	0.8	2.1	1.2	5.0
Net Income	0.6	10.7	29.2	(25.8)	(3.1)	(3.0)	(2.6)	(7.5)	(16.3)	0.4	1.8	4.7	3.9	10.9	2.8	2.3	6.2	3.7	15.0
EBITDA	€ 58.4	€ 72.1	€ 92.3	€ 47.5	€ 15.2	€ 17.3	€ 15.5	€ 14.3	€ 62.4	€ 17.1	€ 21.3	€ 24.5	€ 23.4	€ 86.3	€ 22.0	€ 21.3	€ 26.5	€ 23.2	€ 93.0
Margin Analysis																			
Gross Margin	53.0%	50.6%	54.4%	49.8%	50.8%	54.8%	55.5%	57.7%	54.6%	56.0%	59.6%	58.4%	58.0%	58.0%	54.5%	58.4%	58.1%	57.1%	57.0%
Operating Margin	1.3%	3.7%	5.4%	-1.5%	0.6%	1.6%	0.6%	-0.4%	0.6%	2.0%	1.7%	6.2%	5.7%	4.0%	4.1%	4.1%	7.0%	5.1%	5.1%
EBITDA Margin	13.1%	12.5%	13.2%	8.2%	10.2%	12.2%	11.8%	11.1%	11.3%	11.6%	15.1%	15.6%	15.5%	14.5%	13.3%	14.7%	16.4%	14.8%	14.8%
Pre-Tax Margin	0.0%	2.5%	5.3%	-4.5%	-2.7%	-2.2%	-2.4%	-5.7%	-3.2%	0.7%	1.0%	4.0%	3.5%	2.4%	2.3%	2.1%	5.2%	3.2%	3.2%
Net Income Margin	0.1%	1.9%	4.2%	-4.5%	-2.1%	-2.1%	-2.0%	-5.9%	-3.0%	0.3%	1.3%	3.0%	2.6%	1.8%	1.7%	1.6%	3.9%	2.4%	2.4%
Tax Rate	-654.4%	26.9%	20.9%	0.6%	22.4%	3.9%	16.7%	-3.6%	7.3%	59.2%	-24.1%	25.0%	25.0%	22.5%	25.0%	25.0%	25.0%	25.0%	25.0%
Growth Rate Y/Y																			
Total Revenue		28.5%	21.4%	-16.7%	-12.0%	-2.9%	-1.8%	-2.0%	-5.1%	-1.5%	-1.2%	19.2%	17.9%	8.0%	12.6%	3.2%	3.2%	3.2%	5.5%
Total cost of revenues		16.5%	26.9%	-12.7%	-5.7%	2.8%	1.5%	1.0%	-0.2%	5.7%	7.6%	13.2%	5.9%	8.0%	5.1%	-3.5%	1.1%	2.7%	1.3%
Operating Income		262.3%	74.9%	-123.6%	-89.4%	-158.0%	-109.5%	-87.1%	-137.5%	241.3%	4.4%	1107.8%	-1607.3%	611.6%	132.9%	156.0%	16.4%	-8.4%	35.3%
Pre-Tax Income		18386.1%	152.5%	-170.5%	-186.2%	-53.1%	-75.2%	-34.5%	-32.3%	-126.2%	-146.0%	-297.4%	-172.1%	-179.6%	255.0%	109.5%	32.7%	-5.1%	43.1%
Net Income		1690.3%	173.2%	-188.7%	-194.3%	-59.2%	-79.5%	-14.2%	-36.9%	-113.8%	-159.3%	-277.8%	-152.2%	-166.6%	552.5%	26.6%	32.7%	-5.1%	38.5%

Source: Company Reports, Stonegate Capital Partners estimates

Cash Flow Statement

Aquafil Consolidated Cash Flow Statements (€000s) Fiscal Year: December															
CASH FLOW	FY2020	FY 2021	FY 2022	Q1 Mar-23	Q2 Jun-23	Q3 Sep-23	Q4 Dec-23	FY 2023	Q1 Mar-24	Q2 Jun-24	Q3 Sep-24	Q4 Dec-24	FY 2024	Q1 Mar-25	Q2 Jun-25
Operating Activities															
Profit of the year	0.6	10.7	29.2	3.3	(4.1)	(17.1)	(25.8)	(25.8)	(3.1)	(6.1)	(8.8)	(16.3)	(16.3)	0.4	2.2
Income Taxes	(0.5)	3.9	7.7	1.4	2.1	2.2	(0.1)	(0.1)	(0.9)	(1.0)	(1.6)	(1.3)	(1.3)	0.6	0.3
Investment Income and Charges	-	-	(0.0)	-	-	(0.1)	(0.1)	(0.1)	-	-	-	(0.2)	(0.2)	-	(0.1)
Financial Income	(0.4)	(0.9)	(4.9)	(0.1)	(0.3)	(0.6)	(1.0)	(1.0)	(0.7)	(0.6)	(1.1)	(1.4)	(1.4)	(0.3)	(0.6)
Financial Charges	8.0	7.6	8.4	3.3	7.5	11.9	19.0	19.0	5.4	10.5	16.1	21.0	21.0	4.1	7.9
Exchange gain/losses	(1.8)	0.2	(2.8)	0.2	(1.0)	(0.7)	(0.8)	(0.8)	0.1	0.4	(0.7)	1.5	1.5	(1.9)	(4.5)
Asset disposal gain/losses	(0.2)	(0.2)	(0.2)	(0.1)	(0.2)	(0.2)	(0.2)	(0.2)	(0.1)	(0.1)	(0.0)	(0.2)	(0.2)	(0.0)	(0.1)
Provision & Write- downs	0.6	0.3	0.2	(0.1)	(0.1)	(0.1)	(1.0)	(1.0)	(0.0)	(0.0)	0.1	(0.1)	(0.1)	0.1	1.5
Write-downs of financial assets (receivables)	0.3	(0.1)	(0.0)	(0.1)	(0.1)	(0.1)	-	-	-	-	(0.0)	-	-	-	-
Amortisation, depreciation & write-downs of tangible and intangible assets	43.6	45.0	47.9	11.8	24.3	36.0	49.6	49.6	13.4	27.0	40.2	54.1	54.1	12.9	27.3
Net Variation Non- Monetary increase IFRS16	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash Flow from operating activities before working capital changes	€ 50.3	€ 66.4	€ 85.4	€ 19.6	28.0	31.2	39.6	39.6	€ 14.2	30.0	44.2	57.2	57.2	€ 15.9	33.951
Decrease/(Increase) in Inventories	34.2	(26.3)	(83.5)	18.1	42.8	64.4	71.3	71.3	8.9	2.2	4.7	(4.3)	(4.3)	2.6	2.3
Increase/ (Decrease) in trade payables	(6.9)	57.4	0.2	(13.5)	(21.8)	(42.7)	(10.8)	(10.8)	(8.0)	(2.0)	(21.7)	(8.2)	(8.2)	(11.4)	(12.8)
Decrease/(Increase) in trade receivables	2.6	(9.1)	2.7	(7.2)	1.5	0.8	3.2	3.2	(4.6)	(1.3)	(2.8)	6.7	6.7	(3.8)	(4.9)
Changes to assets and liabilities	(7.5)	8.1	(4.2)	(0.4)	(4.6)	(5.1)	(7.8)	(7.8)	(1.5)	(0.5)	0.1	(4.4)	(4.4)	0.1	(0.0)
Net paid financial charges	(7.6)	(6.6)	(8.0)	(3.2)	(6.6)	(10.4)	(15.3)	(15.3)	(5.1)	(9.8)	(14.4)	(18.5)	(18.5)	(3.8)	(7.1)
Income taxes paid	(0.3)	(0.2)	(3.8)	(2.3)	(5.6)	(7.5)	(9.6)	(9.6)	(0.8)	(1.2)	(3.0)	(5.2)	(5.2)	0.2	(1.2)
Utilisation of provisions	(0.9)	(0.6)	(2.0)	(0.7)	(1.0)	(1.5)	(1.0)	(1.0)	(0.1)	(0.4)	(0.8)	(0.1)	(0.1)	(0.3)	-
Cash flow generated/(absorbed) from operating Activities (A)	€ 63.8	€ 89.0	€ (13.1)	€ 10.4	32.7	29.2	69.6	69.6	€ 2.8	16.9	6.3	23.3	23.3	€ (0.5)	10.2
Investing Activities															
Investments in tangible assets	(21.9)	(34.6)	(34.9)	(7.9)	(16.3)	(22.3)	(29.2)	(29.2)	(3.4)	(8.0)	(14.6)	(21.8)	(21.8)	(3.8)	(10.2)
Disposal of tangible assets	1.1	0.4	0.4	0.3	0.5	0.4	0.6	0.6	0.2	0.2	0.1	1.0	1.0	0.2	0.3
Investment in intangible assets	(6.0)	(5.0)	(4.2)	(0.8)	(2.5)	(3.8)	(4.6)	(4.6)	(0.5)	(1.2)	(2.1)	(3.3)	(3.3)	(0.4)	(1.4)
Disposal of intangible assets	0.1	0.0	0.1	-	-	-	0.0	0.0	-	0.0	-	(0.0)	(0.0)	0.1	-
Business combinations	(2.8)	-	(0.1)	-	-	-	-	-	-	-	-	-	-	-	-
Dividends received	-	-	0.2	-	-	0.1	0.1	0.1	-	-	0.1	0.2	0.2	-	-
Investments in financial assets and other	(0.0)	(1.0)	(0.2)	-	(0.2)	(0.2)	(0.2)	(0.2)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	-	0.2
Cash flow generated by Investing Activities (B)	€ (29.4)	€ (40.2)	€ (38.6)	€ (8.3)	(18.4)	(25.7)	(33.2)	(33.2)	€ (3.8)	(9.2)	(16.6)	(24.0)	(24.0)	€ (4.0)	(11.2)
Financing Activities															
Drawdown non-current bank loans and borrowings	105.0	30.0	94.0	15.0	35.0	75.0	100.0	100.0	10.0	20.0	20.0	29.5	29.5	-	36.2
Repayment non-current bank loans and borrowings	(12.5)	(123.5)	(53.2)	(11.9)	(35.8)	(51.6)	(72.0)	(72.0)	(17.4)	(41.4)	(65.5)	(90.9)	(90.9)	(17.4)	(37.9)
Net changes in current and non-current financial assets and liabilities	(4.8)	(2.3)	(9.8)	8.2	3.5	1.8	(4.8)	(4.8)	(3.2)	(3.8)	(3.2)	3.1	3.1	(4.2)	(5.9)
Non- monetary change	(3.5)	(6.8)	(9.7)	(0.6)	(4.1)	(5.1)	-	-	-	-	-	31.7	31.7	-	(9.0)
Distribution of Dividends	-	-	(6.0)	(0.0)	(12.0)	(12.0)	(12.0)	(12.0)	-	-	-	-	-	-	-
Acquisition of treasury shares	-	(2.5)	(5.5)	(0.6)	(0.6)	(0.6)	(0.6)	(0.6)	-	-	-	-	-	(2.8)	-
Cash flow generated/(absorbed) by financing Activities (c)	€ 84.2	€ (105.1)	€ 9.8	€ 10.0	€ (14.0)	€ 7.6	€ 10.6	€ 10.6	€ (10.6)	€ (25.2)	€ (48.6)	€ (26.5)	€ (26.5)	€ (24.5)	€ (16.6)
Net Cash flow in the year	€ 118.6	€ (56.3)	€ (42.0)	€ 12.1	€ 0.3	€ 11.0	€ 47.0	€ 47.0	€ (11.7)	€ (17.5)	€ (58.9)	€ (27.3)	€ (27.3)	€ (28.9)	€ (17.6)
Cash and Cash Equivalents															
Beginning Cash balance		209.0	152.7	110.7	110.7	110.7	110.7	110.7	157.7	157.7	157.7	157.7	157.7	130.4	130.4
Ending Cash balance		152.7	110.7	122.8	111.0	121.7	157.7	157.7	146.0	140.1	98.8	130.4	130.4	101.4	112.8

Source: Company Reports, Stonegate Capital Partners

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.