



**RESEARCH UPDATE**

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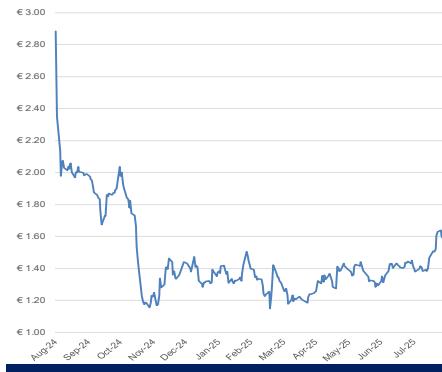
**Market Statistics**

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
<b>Revenues</b>	€ 140.5	€ 162.0	
Cost of sales	56.8	70.5	Weaker than expected volumes damped revenues
<b>Gross profit</b>	<b>83.8</b>	<b>91.5</b>	
<b>GPM</b>	<b>59.6%</b>	<b>56.5%</b>	GPM was ahead of our expectations
Service Cost	33.3	33.3	
Labor Costs	32.6	31.0	
Other Costs	15.5	14.3	
Operating Exp	81.4	78.6	
<b>Op Inc - adjusted</b>	<b>2.3</b>	<b>12.9</b>	
<b>OPM</b>	<b>1.7%</b>	<b>8.0%</b>	OPM behind our expectations
<b>EBITDA - adjusted</b>	<b>21.3</b>	<b>27.2</b>	
<b>EBITDA margin</b>	<b>15.1%</b>	<b>16.8%</b>	
Net inc- adjusted	€ 1.8	€ 7.0	
<b>EPS - adjusted</b>	<b>€ 0.02</b>	<b>€ 0.08</b>	

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			
<u>2026 E</u>	<u>6.00x</u>	<u>6.50x</u>	<u>7.00x</u>
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
<b>Price</b>	<b>€ 3.92</b>	<b>€ 4.46</b>	<b>€ 5.00</b>

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:

Discount rate	Terminal Growth Rates				
	1.50%	1.75%	2.00%	2.25%	2.50%
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

## 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.

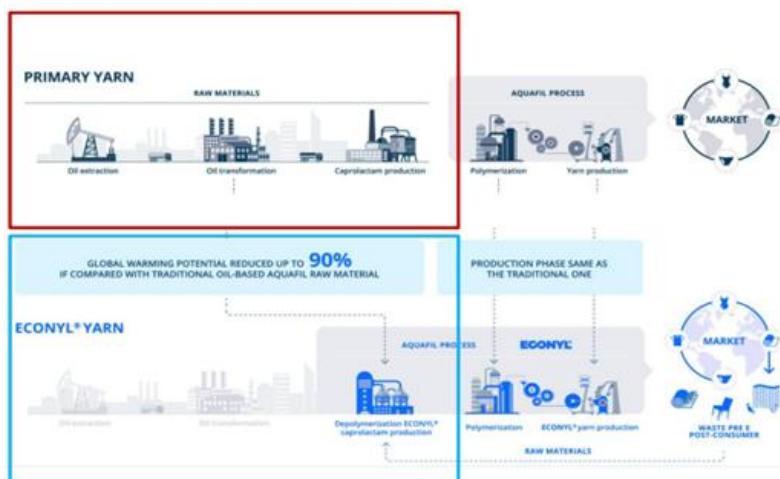
**Protecting the Environment:** By reducing its environmental effect and paving a sustainable future for an industry that has historically been accountable for landfill waste, water pollution, and greenhouse gas emissions, the Company can protect the environment.

**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

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**BCF - Carpet yarn**



**NTF - Textile yarn**



**Polymers**



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Source: Company Reports

### Flooring Yarns (BCF Products)

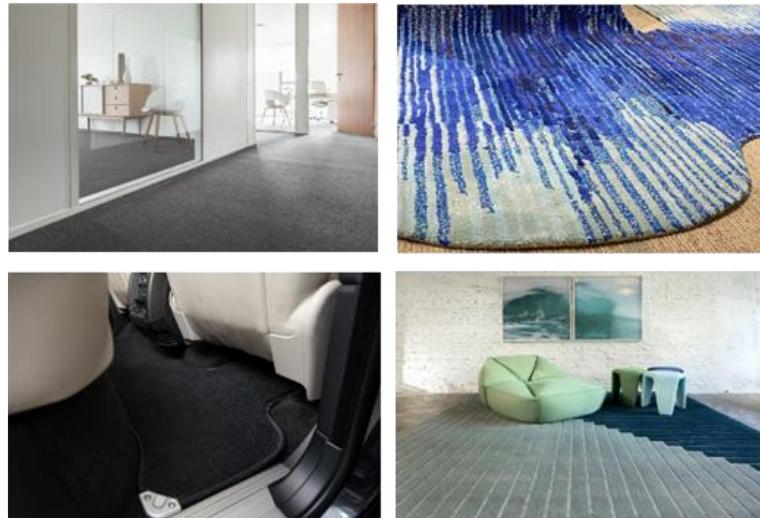
Aquafil was originally founded to manufacture flooring yarn. The product line represents a key source of revenue for the Company with about 72.9% of FY24 total sales.

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**

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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.

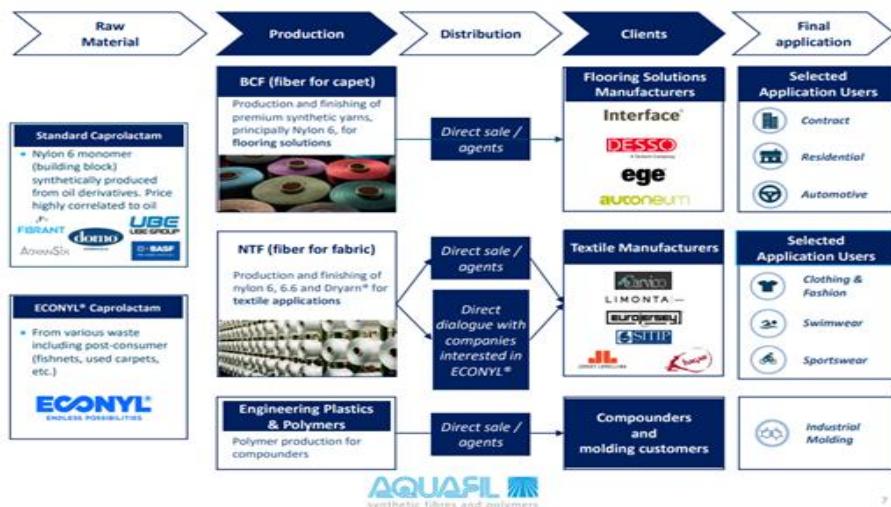
## BUSINESS STRATEGY

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 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

## 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.



## 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
<b>Total Non-Current Assets</b>	<b>283.2</b>	<b>293.4</b>	<b>298.5</b>	<b>292.1</b>	<b>293.5</b>	<b>293.0</b>	<b>305.9</b>	<b>305.9</b>	<b>300.8</b>	<b>295.7</b>	<b>289.6</b>	<b>296.4</b>	<b>296.4</b>	<b>286.2</b>	<b>272.6</b>
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
<b>Total Assets</b>	<b>679.7</b>	<b>668.7</b>	<b>725.0</b>	<b>716.3</b>	<b>672.8</b>	<b>663.3</b>	<b>701.2</b>	<b>701.2</b>	<b>683.8</b>	<b>675.8</b>	<b>617.9</b>	<b>655.3</b>	<b>655.3</b>	<b>624.4</b>	<b>614.2</b>
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
<b>Total Parent Net Equity</b>	<b>126.9</b>	<b>152.1</b>	<b>175.4</b>	<b>174.1</b>	<b>149.2</b>	<b>141.1</b>	<b>125.3</b>	<b>125.3</b>	<b>125.1</b>	<b>123.7</b>	<b>114.7</b>	<b>158.4</b>	<b>158.4</b>	<b>150.4</b>	<b>136.3</b>
Minority interest	0.0	0.0	0.0	-	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-	-	0.0	-
<b>Total Consolidated Equity</b>	<b>126.9</b>	<b>152.1</b>	<b>175.4</b>	<b>174.1</b>	<b>149.2</b>	<b>141.1</b>	<b>125.3</b>	<b>125.3</b>	<b>125.1</b>	<b>123.7</b>	<b>114.7</b>	<b>158.4</b>	<b>158.4</b>	<b>150.4</b>	<b>136.3</b>
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
<b>Total Non-Current Liabilities</b>	<b>383.6</b>	<b>293.2</b>	<b>310.7</b>	<b>310.2</b>	<b>298.0</b>	<b>315.4</b>	<b>334.7</b>	<b>460.0</b>	<b>331.7</b>	<b>309.6</b>	<b>286.3</b>	<b>264.6</b>	<b>264.6</b>	<b>245.7</b>	<b>251.0</b>
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
<b>Total Current Liabilities</b>	<b>169.2</b>	<b>223.3</b>	<b>238.8</b>	<b>231.9</b>	<b>225.6</b>	<b>206.7</b>	<b>241.2</b>	<b>241.2</b>	<b>227.1</b>	<b>242.5</b>	<b>216.9</b>	<b>232.3</b>	<b>232.3</b>	<b>228.4</b>	<b>226.9</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>679.7</b>	<b>668.7</b>	<b>724.9</b>	<b>716.3</b>	<b>672.8</b>	<b>663.3</b>	<b>701.2</b>	<b>826.5</b>	<b>683.8</b>	<b>675.8</b>	<b>617.9</b>	<b>655.3</b>	<b>496.9</b>	<b>624.4</b>	<b>614.2</b>
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	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	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	0.6x	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	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
<b>Total Revenues</b>	<b>446.9</b>	<b>574.3</b>	<b>697.1</b>	<b>580.7</b>	<b>149.1</b>	<b>142.3</b>	<b>131.3</b>	<b>128.4</b>	<b>551.0</b>	<b>146.9</b>	<b>140.5</b>	<b>156.4</b>	<b>151.4</b>	<b>595.2</b>	<b>165.4</b>	<b>145.0</b>	<b>161.4</b>	<b>156.3</b>	<b>628.1</b>
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
<b>Gross Profit</b>	<b>237.0</b>	<b>290.7</b>	<b>379.3</b>	<b>289.1</b>	<b>75.7</b>	<b>77.9</b>	<b>72.9</b>	<b>74.1</b>	<b>300.6</b>	<b>82.3</b>	<b>83.8</b>	<b>91.3</b>	<b>87.8</b>	<b>345.1</b>	<b>90.1</b>	<b>84.6</b>	<b>93.8</b>	<b>89.2</b>	<b>357.8</b>
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	0.0	(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
<b>Operating Income</b>	<b>5.9</b>	<b>21.5</b>	<b>37.6</b>	<b>(8.9)</b>	<b>0.8</b>	<b>2.2</b>	<b>0.8</b>	<b>(0.6)</b>	<b>3.3</b>	<b>2.9</b>	<b>2.3</b>	<b>9.7</b>	<b>8.7</b>	<b>23.6</b>	<b>6.7</b>	<b>6.0</b>	<b>11.3</b>	<b>8.0</b>	<b>32.0</b>
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)
<b>Profit Before Taxes</b>	<b>0.1</b>	<b>14.6</b>	<b>36.9</b>	<b>(26.0)</b>	<b>(4.0)</b>	<b>(3.2)</b>	<b>(3.2)</b>	<b>(7.3)</b>	<b>(17.6)</b>	<b>1.0</b>	<b>1.4</b>	<b>6.3</b>	<b>5.2</b>	<b>14.0</b>	<b>3.7</b>	<b>3.0</b>	<b>8.3</b>	<b>5.0</b>	<b>20.1</b>
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
<b>Net Income</b>	<b>0.6</b>	<b>10.7</b>	<b>29.2</b>	<b>(25.8)</b>	<b>(3.1)</b>	<b>(3.0)</b>	<b>(2.6)</b>	<b>(7.5)</b>	<b>(16.3)</b>	<b>0.4</b>	<b>1.8</b>	<b>4.7</b>	<b>3.9</b>	<b>10.9</b>	<b>2.8</b>	<b>2.3</b>	<b>6.2</b>	<b>3.7</b>	<b>15.0</b>
<b>EBITDA</b>	<b>€ 58.4</b>	<b>€ 72.1</b>	<b>€ 92.3</b>	<b>€ 47.5</b>	<b>€ 15.2</b>	<b>€ 17.3</b>	<b>€ 15.5</b>	<b>€ 14.3</b>	<b>€ 62.4</b>	<b>€ 17.1</b>	<b>€ 21.3</b>	<b>€ 24.5</b>	<b>€ 23.4</b>	<b>€ 86.3</b>	<b>€ 22.0</b>	<b>€ 21.3</b>	<b>€ 26.5</b>	<b>€ 23.2</b>	<b>€ 93.0</b>

Source: Company Reports, Stonegate Capital Partners estimates

**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%	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%

## 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
<b>Operating Activities</b>															
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	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Cash Flow from operating activities before working capital changes</b>	<b>€ 50.3</b>	<b>€ 66.4</b>	<b>€ 85.4</b>	<b>€ 19.6</b>	<b>28.0</b>	<b>31.2</b>	<b>39.6</b>	<b>39.6</b>	<b>€ 14.2</b>	<b>30.0</b>	<b>44.2</b>	<b>57.2</b>	<b>57.2</b>	<b>€ 15.9</b>	<b>33.951</b>
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)	-
<b>Cash flow generated/(absorbed) from operating Activities (A)</b>	<b>€ 63.8</b>	<b>€ 89.0</b>	<b>€ (13.1)</b>	<b>€ 10.4</b>	<b>32.7</b>	<b>29.2</b>	<b>69.6</b>	<b>69.6</b>	<b>€ 2.8</b>	<b>16.9</b>	<b>6.3</b>	<b>23.3</b>	<b>23.3</b>	<b>€ (0.5)</b>	<b>10.2</b>
<b>Investing Activities</b>															
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	-	-	0.1	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
<b>Cash flow generated by Investing Activities (B)</b>	<b>€ (29.4)</b>	<b>€ (40.2)</b>	<b>€ (38.6)</b>	<b>€ (8.3)</b>	<b>(18.4)</b>	<b>(25.7)</b>	<b>(33.2)</b>	<b>(33.2)</b>	<b>€ (3.8)</b>	<b>(9.2)</b>	<b>(16.6)</b>	<b>(24.0)</b>	<b>(24.0)</b>	<b>€ (4.0)</b>	<b>(11.2)</b>
<b>Financing Activities</b>															
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)	-
<b>Cash flow generated/(absorbed) by financing Activities (c)</b>	<b>€ 84.2</b>	<b>€ (105.1)</b>	<b>€ 9.8</b>	<b>€ 10.0</b>	<b>€ (14.0)</b>	<b>€ 7.6</b>	<b>€ 10.6</b>	<b>€ 10.6</b>	<b>€ (10.6)</b>	<b>€ (25.2)</b>	<b>€ (48.6)</b>	<b>€ (26.5)</b>	<b>€ (26.5)</b>	<b>€ (24.5)</b>	<b>€ (16.6)</b>
<b>Net Cash flow in the year</b>	<b>€ 118.6</b>	<b>€ (56.3)</b>	<b>€ (42.0)</b>	<b>€ 12.1</b>	<b>€ 0.3</b>	<b>€ 11.0</b>	<b>€ 47.0</b>	<b>€ 47.0</b>	<b>€ (11.7)</b>	<b>€ (17.5)</b>	<b>€ (58.9)</b>	<b>€ (27.3)</b>	<b>€ (27.3)</b>	<b>€ (28.9)</b>	<b>€ (17.6)</b>
<b>Cash and Cash Equivalents</b>															
Beginning Cash balance			209.0		152.7		110.7		110.7		110.7		157.7		157.7
Ending Cash balance			152.7		110.7		122.8		111.0		121.7		157.7		130.4
														101.4	112.8

Source: Company Reports, Stonegate Capital Partners

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