Company:	Rating:	Target Price:	Sector:
Radici Pietro I&B S.p.A.	**BUY (unchanged)**	**€2.3 (from €3.0)**	**Textile Products**

Weaving through a soft patch

October 27, 2026 at 08:00

1H26: *Automotive*-led growth, margins squeezed by personnel costs

1H26 revenues rose 2.2% yoy to €28.7mln, driven entirely by *Automotive* (€4.2mln, +165% on new project wins). This offset declines in *Marine* (-19%, in line with management's expectations) and *Sport* (-11%, as 100%TFR's secured orders shift into 2H), while *Residential & Contract* was flat at €13.0mln. VoP grew 7.7% to €30.4mln, flattered by inventory build-up. EBITDA was broadly stable at €2.25mln (-1.0% yoy), but the margin on VoP fell to 7.4% from 8.1% on a 15.6% increase in personnel costs and an unfavourable product mix. EBIT dropped 40% to €0.37mln, and the €0.15mln net profit was entirely supported by a tax benefit. Net debt rose to €19.1mln (€12.2mln at FY25), reflecting the largely non-cash €3.5mln 100%TFR stake-up and working capital absorption, with trade working capital at 36.9% of LTM VoP.

Reference industry: US resilience, Europe still weak, cost inflation resurfacing

Recent peer results point to a two-speed market. In the US, demand proved more resilient than expected in 2Q: Interface grew sales by 5.4% and raised its FY guidance on a robust backlog, while Mohawk's sales rose 6.8%, although management noted that the market has not yet improved. Margins at both were lifted by one-off tariff refunds and are expected to soften in 2H as higher input costs pressure margins. Europe remains weak: Belysse's H1 revenues fell 8.5%, with Europe down 20.5%, and Victoria's FY26 underlying revenue declined 6.3%. Radici's niches look more supportive: cruise passengers hit a record 37.2mln in 2025 (+7.5%), with CLIA forecasting ~42mln in 2029, and European light vehicle production forecasts were raised over the summer.

Strategy: investment plan executed, circular economy push

Management provided no quantitative guidance but confirmed its strategy of organic growth in higher-growth segments, underpinned by production efficiency, eco-design and sustainable product innovation. In 1H26 the parent executed ~€5.9mln of investments under the industrial plan. Of this, €3.5mln went to the additional 32.35% stake in 100%TFR, which brings Radici's holding to 66%, and ~€2.4mln to industrial CapEx (new thermal plant and dryer, roofing works and needling revamping). In July, Sit-IN Sport Impianti signed a lease of the Venturelli Romolo business, with a pre-emption right on its future sale, a potential avenue for *Sport* growth. On 7 October, the Bergamo Tax Court annulled the €1.265mln R&D tax credit claim, removing a contingent liability. Continued, albeit limited, use of short-time work schemes signals an order flow not yet fully normalised.

2026–28E: estimates cut, slower deleveraging

We cut FY26E revenues by 3.8% to €63.4mln (+6.6% yoy), mainly on a more cautious view of the 2H *Sport* catch-up and lower *Marine* and *Automotive*, and trim FY27–28E by ~1.6–1.7% to €67.6mln and €70.4mln. FY26E EBITDA falls 12% to €5.9mln (9.0% margin on VoP vs 9.9%) on higher personnel costs, with FY27–28E at €6.7mln and €7.1mln (9.6% and 9.8%). Net profit is cut to €0.7mln in FY26E (from €1.5mln) and to €1.3mln in FY28E (from €1.8mln), also reflecting higher financial charges. Net debt is expected to peak at €17.2mln in FY26E (2.9x EBITDA). It should then decline to €15.1mln by FY28E (2.1x) as CapEx reverts to maintenance levels of ~€2.5mln p.a.

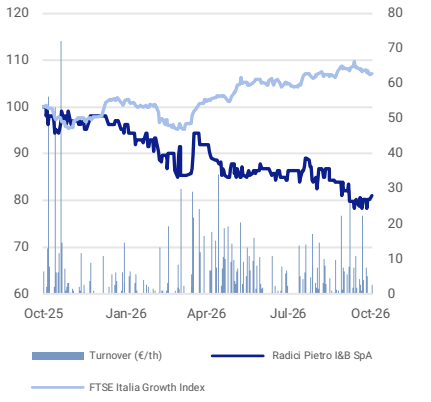
Valuation: TP cut to €2.3/share, BUY reiterated

We cut our TP to €2.3/share (from €3.0), the simple average of a DCF (€1.7/share, from €2.9) and a market multiples valuation (€2.8/share, from €3.1). The DCF reflects lower projected FCF and a higher WACC of 9.5% (from 8.6%, mainly on a higher risk-free rate and beta), with an unchanged 2.0% perpetual growth rate. The multiples approach applies an average FY27–28E peer median EV/EBITDA of 6.4x. Radici trades at 4.1x 2027E EV/EBITDA vs a 6.5x peer median and at 0.3x P/BV vs 0.8x. The discount partly reflects EGM micro-cap illiquidity and weaker profitability (ROE of 2.4% vs 12.6%). Given the upside to our target price, we reiterate our BUY rating.

Company Profile	
Bloomberg	RAD IM
FactSet	RAD-IT
Stock exchange	Italian Stock Exchange
Reference Index	FTSE Italia Growth Index
Market Data	
Price (as of October 26, 2026)	€ 0.86
Number of shares (mln)	8.8
Market cap. (mln)	€ 7.6
1-Year Performance	
Absolute	-19%
Max/Min	€ 1.06/€ 0.83

(€mln)	2024	2025	2026E	2027E	2028E
Revenues	**56.2**	**59.5**	**63.4**	**67.6**	**70.4**
yoy	*0.4%*	*5.8%*	*6.6%*	*6.5%*	*4.3%*
VoP	**60.0**	**61.2**	**65.2**	**69.4**	**72.3**
EBITDA	**5.4**	**5.9**	**5.9**	**6.7**	**7.1**
EBITDA margin	*9.1%*	*9.6%*	*9.0%*	*9.6%*	*9.8%*
EBIT	**1.4**	**2.2**	**2.1**	**2.5**	**2.9**
EBIT margin	*2.4%*	*3.6%*	*3.2%*	*3.7%*	*4.0%*
Net Profit/(Loss)	**1.3**	**1.3**	**0.7**	**1.0**	**1.3**
Net Profit margin	*2.2%*	*2.2%*	*1.1%*	*1.5%*	*1.8%*
Net Debt/(Cash)	**13.3**	**12.2**	**17.2**	**16.5**	**15.1**
Cons. Equity	34.3	35.3	36.0	37.1	38.4
CapEx	2.8	2.1	5.9	2.5	2.6
Unlevered FCF	**5.7**	**3.2**	**(3.7)**	**1.9**	**2.7**

1-Year Performance



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SWOT analysis

STRENGTHS	WEAKNESSES
• Full vertical integration • Diversification across 4 sectors: *Residential & Contract*, *Marine*, *Sport* and *Automotive* • Global footprint in 90+ countries with ~2,000 customers • Capital-intensive production model creates high barriers to entry • Sustainability leadership • 100%TurfRecyclers subsidiary, proprietary turf recycling technology	• Heavy dependence on Italian market (~47% of revenue) • Rising financial leverage
OPPORTUNITIES	**THREATS**
• Booming cruise industry • Growing luxury yacht segment: rising demand for bespoke, sustainable marine interiors • EU microplastics ban (2031) on rubber crumb infill drives demand for next-gen turf systems • Circular economy push: turf recycling via 100%TurfRecyclers aligns with EU *Green Deal*	• Macroeconomic uncertainty and weaker European construction/renovation cycles • Accelerating regulatory pressure against artificial turf: PFAS bans in US states, EU REACH restrictions • Anti-synthetic-turf movement: research linking turf to injuries and microplastic pollution • Competition from larger players with greater R&D budgets • Raw material price volatility (polypropylene, nylon) compressing margins

1H26 results

1H26 top line: *Automotive* offsets weakness elsewhere

Radici reported 1H26 revenues of €28.7mln, up 2.2% yoy.

Growth came entirely from *Automotive*, which nearly tripled to €4.2mln (+165% yoy, 15% of sales vs 6% in 1H25) on new project wins. Excluding *Automotive*, revenues fell ~7.6% yoy. *Marine* contracted 19% to €6.1mln, consistent with management's expectations of a softer year. *Sport* declined 11% to €5.3mln, as orders already secured by 100%TurfRecyclers S.r.l. (hereinafter "100%TFR") are scheduled for execution in 2H. *Residential & Contract*, the core business at 45% of sales, was broadly flat at €13.0mln (+0.6%).

By geography, *Italy* grew 6.7% to €14.7mln (51% of sales), and *Rest of the World* more than doubled to €1.0mln, albeit from a small base. The EU and the US both declined ~6%, to €7.4mln and €5.6mln respectively.

VoP rose 7.7% yoy to €30.4mln, outpacing revenues thanks to inventory build-up (change in WIP and finished goods of +€0.9mln vs -€0.4mln in 1H25), which flatters the headline figure. 1H26 VoP accounts for 45.0% of our previous FY26E of €67.7mln.

Table 1: Revenue by end market (€mln)

Revenue by end market (€mln)								
		1H23	2023	1H24	2024	1H25	2025	1H26
Marine		5.2	12.0	7.8	12.4	7.6	13.8	6.1
	% on revenues	*19.4%*	*21.3%*	*26.5%*	*22.1%*	*27.0%*	*23.2%*	*21.4%*
	yoy	*82.0%*	*115.4%*	*47.8%*	*4.0%*	*-2.0%*	*10.9%*	*-19.1%*
Residential & Contract		13.7	26.5	13.0	24.3	12.9	23.2	13.0
	% on revenues	*50.5%*	*47.3%*	*44.2%*	*43.2%*	*46.0%*	*39.0%*	*45.3%*
	yoy	*-10.9%*	*-6.1%*	*-5.2%*	*-8.4%*	*-0.2%*	*-4.6%*	*0.6%*
Sport		4.4	11.5	6.1	16.1	6.0	18.1	5.3
	% on revenues	*16.3%*	*20.6%*	*20.7%*	*28.6%*	*21.2%*	*30.3%*	*18.6%*
	yoy	*-29.9%*	*-18.2%*	*37.5%*	*39.6%*	*-1.5%*	*12.1%*	*-10.6%*
Automotive		3.7	6.0	2.5	3.4	1.6	4.5	4.2
	% on revenues	*13.7%*	*10.7%*	*8.7%*	*6.1%*	*5.7%*	*7.5%*	*14.8%*
	yoy	*31.9%*	*7.9%*	*-31.7%*	*-43.4%*	*-36.8%*	*31.2%*	*165.0%*
Revenues		**27.0**	**56.0**	**29.3**	**56.2**	**28.1**	**59.5**	**28.7**
	yoy	*-1.1%*	*4.8%*	*8.4%*	*0.4%*	*-4.1%*	*5.8%*	*2.2%*

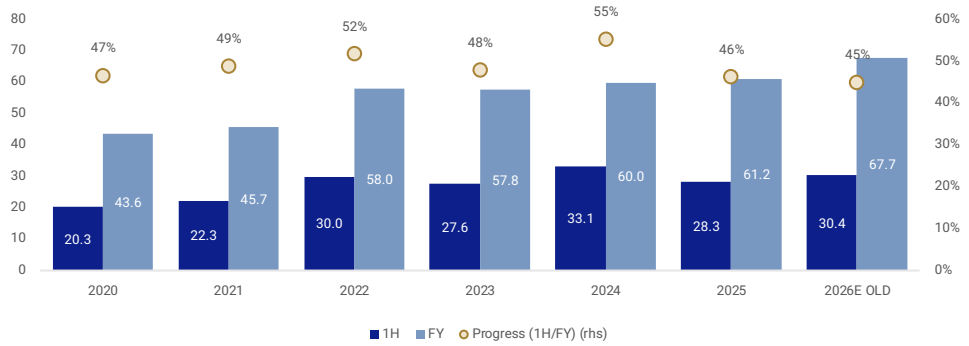
Source: Banca Profilo elaborations on Company data

Table 2: Revenue by geographic area (€mln)

Revenue by geographic area (€mln)								
		1H23	2023	1H24	2024	1H25	2025	1H26
Italy		14.3	30.6	15.6	27.5	13.8	27.7	14.7
	% on revenues	*53.0%*	*54.6%*	*53.1%*	*48.8%*	*49.1%*	*46.5%*	*51.3%*
	yoy	*4.3%*	*11.4%*	*8.7%*	*-10.3%*	*-11.3%*	*0.9%*	*6.7%*
EU		7.1	13.2	7.3	14.1	7.9	15.3	7.4
	% on revenues	*26.1%*	*23.6%*	*25.0%*	*25.1%*	*28.2%*	*25.7%*	*25.9%*
	yoy	*-17.5%*	*-10.7%*	*3.6%*	*6.9%*	*8.2%*	*7.9%*	*-6.2%*
US		4.6	10.1	6.0	13.5	5.9	15.3	5.6
	% on revenues	*17.0%*	*18.0%*	*20.5%*	*24.1%*	*21.0%*	*25.6%*	*19.3%*
	yoy	*13.7%*	*15.2%*	*31.3%*	*34.5%*	*-1.7%*	*12.6%*	*-6.1%*
Rest of the World		1.1	2.1	0.4	1.1	0.5	1.3	1.0
	% on revenues	*3.9%*	*3.8%*	*1.3%*	*2.0%*	*1.6%*	*2.2%*	*3.5%*
	yoy	*5.2%*	*-13.0%*	*-62.7%*	*-48.6%*	*15.0%*	*17.4%*	*124.6%*
Revenues		**27.0**	**56.0**	**29.3**	**56.2**	**28.1**	**59.5**	**28.7**
	yoy	*-1.1%*	*4.8%*	*8.4%*	*0.4%*	*-4.1%*	*5.8%*	*2.2%*

Source: Banca Profilo elaborations on Company data

Figure 1: VoP (€mln)



Source: Banca Profilo elaborations on Company data

Heavier cost base squeezes margins; net profit tax-driven

Below the top line, profitability was held back by a heavier cost base.

Raw material consumption net of inventory changes rose 9.1% to €13.8mln (45.3% of VoP vs 44.8%), while services were broadly stable at €8.0mln (+3.4%). The main drag came from personnel costs, up 15.6% to €6.1mln (19.9% of VoP vs 18.6%), despite the parent company's ongoing use of short-time work schemes. As a result, EBITDA was broadly flat at €2.25mln (-1.0% yoy), with the margin slipping to 7.4% of VoP from 8.1%, also reflecting an unfavourable product mix. This accounts for 33.5% of our previous FY26E of €6.7mln (9.9% margin on VoP), below the 38.6% first-half weight recorded in FY25.

EBIT fell 40.5% to €0.37mln (1.2% margin vs 2.2%). This reflects higher D&A (€1.74mln vs €1.65mln), increased receivable write-downs (€0.14mln vs €0.08mln) and the absence of the €0.08mln provision release booked in 1H25. Amortisation is set to rise further, as the €3.1mln goodwill recognised on the 100%TFR stake acquisition is amortised over five years.

Net financial charges narrowed to €0.42mln from €0.60mln. However, the improvement stems from FX gains (+€0.01mln vs -€0.13mln) and €0.07mln of financial income linked to the Prelios transaction, rather than from lower interest costs, which actually rose to €0.50mln (€0.48mln in 1H25). The pre-tax result turned slightly negative (-€0.04mln).

The €0.15mln bottom line (€0.18mln group share) was therefore entirely supported by a €0.20mln tax benefit, mainly income from the national tax consolidation regime.

Figure 2: Revenues (€mln) and EBITDA margin (%)

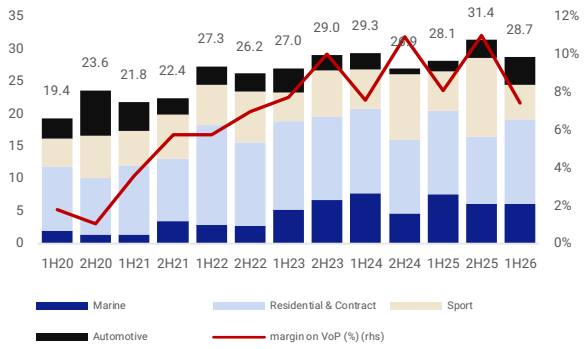
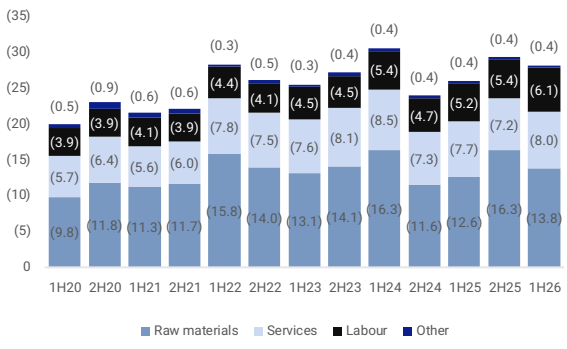


Figure 3: Costs breakdown (€mln)



Source: Banca Profilo elaborations on Company data

Table 3: Income statement (€mln)

Profit & Loss (€mln)	1H23	2023	1H24	2024	1H25	2025	1H26
Revenues	**27.0**	**56.0**	**29.3**	**56.2**	**28.1**	**59.5**	**28.7**
% on VoP	*97.9%*	*97.0%*	*88.5%*	*93.8%*	*99.5%*	*97.3%*	*94.4%*
yoy	*-1.1%*	*4.8%*	*8.4%*	*0.4%*	*-4.1%*	*5.8%*	*2.2%*
Other	0.6	1.7	3.8	3.7	0.1	1.7	1.7
% on VoP	*2.1%*	*3.0%*	*11.5%*	*6.2%*	*0.5%*	*2.7%*	*5.6%*
VoP	**27.6**	**57.8**	**33.1**	**60.0**	**28.3**	**61.2**	**30.4**
yoy	*-7.8%*	*-0.4%*	*19.8%*	*3.8%*	*-14.6%*	*2.0%*	*7.7%*
Raw, Ancillary, Consumable Materials	(13.1)	(27.1)	(16.3)	(27.8)	(12.6)	(29.0)	(13.8)
% on VoP	*-47.3%*	*-47.0%*	*-49.2%*	*-46.4%*	*-44.8%*	*-47.3%*	*-45.3%*
Cost of Services	(7.6)	(15.7)	(8.5)	(15.8)	(7.7)	(14.9)	(8.0)
% on VoP	*-27.5%*	*-27.2%*	*-25.7%*	*-26.4%*	*-27.2%*	*-24.3%*	*-26.1%*
Personnel Expenses	(4.5)	(9.0)	(5.4)	(10.0)	(5.2)	(10.6)	(6.1)
% on VoP	*-16.3%*	*-15.6%*	*-16.2%*	*-16.7%*	*-18.6%*	*-17.4%*	*-19.9%*
Other	(0.3)	(0.8)	(0.4)	(0.8)	(0.4)	(0.8)	(0.4)
% on VoP	*-1.2%*	*-1.3%*	*-1.2%*	*-1.4%*	*-1.4%*	*-1.3%*	*-1.2%*
EBITDA	**2.1**	**5.2**	**2.5**	**5.4**	**2.3**	**5.9**	**2.3**
EBITDA margin	*7.7%*	*8.9%*	*7.6%*	*9.1%*	*8.1%*	*9.6%*	*7.4%*
yoy	*23.6%*	*39.9%*	*17.5%*	*5.7%*	*-9.2%*	*8.3%*	*-1.0%*
D&A	(1.6)	(3.2)	(1.6)	(3.4)	(1.7)	(3.2)	(1.7)
% on VoP	*-5.7%*	*-5.5%*	*-4.9%*	*-5.7%*	*-5.9%*	*-5.2%*	*-5.7%*
Provisions and write-downs	(0.1)	(0.3)	(0.1)	(0.6)	0.0	(0.5)	(0.1)
% on VoP	*-0.2%*	*-0.5%*	*-0.2%*	*-1.0%*	*0.0%*	*-0.8%*	*-0.5%*
EBIT	**0.5**	**1.7**	**0.8**	**1.4**	**0.6**	**2.2**	**0.4**
EBIT margin	*1.8%*	*2.9%*	*2.5%*	*2.4%*	*2.2%*	*3.6%*	*1.2%*
Interest Income/(Expenses)	(0.6)	(1.2)	(0.5)	(1.1)	(0.6)	(0.8)	(0.4)
% on VoP	*-2.2%*	*-2.1%*	*-1.6%*	*-1.8%*	*-2.1%*	*-1.2%*	*-1.4%*
EBT	**(0.1)**	**0.5**	**0.3**	**0.4**	**0.0**	**1.4**	**(0.0)**
Pretax margin	*-0.4%*	*0.8%*	*0.9%*	*0.6%*	*0.1%*	*2.4%*	*-0.1%*
Taxes	0.0	(0.0)	(0.0)	0.9	0.0	(0.1)	0.2
Tax rate	*9.7%*	*1.5%*	*2.6%*	*-239.3%*	*-10.3%*	*7.6%*	*452.3%*
Net Profit/(Loss)	**(0.1)**	**0.5**	**0.3**	**1.3**	**0.0**	**1.3**	**0.2**
Net Profit margin	*-0.3%*	*0.8%*	*0.9%*	*2.2%*	*0.1%*	*2.2%*	*0.5%*
yoy	*24.0%*	*148.7%*	*-422.6%*	*178.7%*	*-89.3%*	*2.9%*	*384.4%*

Source: Banca Profilo elaborations on Company data

Working Capital absorption and 100%TFR deal drive net debt higher

Trade working capital (inventories plus trade receivables net of customer advances, less trade payables) increased to €23.4mln from €19.7mln, reaching 36.9% of LTM VoP vs 32.2% at FY25. The absorption was driven by inventory build-up (+€2.6mln to €25.4mln, days on hand at 146 vs 136) and a €1.0mln reduction in trade payables (DPO down to 119 days from 131), while receivables were flat at €13.0mln (DSO 75 vs 77).

Net debt increased by €6.9mln to €19.1mln. Around €3.5mln relates to the acquisition of the 32.35% stake in 100%TFR, which was largely non-cash: it was settled through the offset of a €2.5mln financial receivable from the parent company MRFoC, plus a €1.0mln deferred payable to the parent. The remainder reflects negative operating cash flow of €1.8mln, mostly due to working capital absorption, and €1.8mln of CapEx. Leverage has risen accordingly, with net debt/LTM EBITDA at ~3.3x (2.1x at FY25) and net debt/equity at 0.54x (0.35x). The debt profile remains skewed to the short term, with ~56% of bank debt due within 12 months, although funding continues to benefit from the controlling shareholder's guarantees on credit lines, mortgages and factoring facilities.

Figure 4: TWC (€mln, % of LTM VoP)

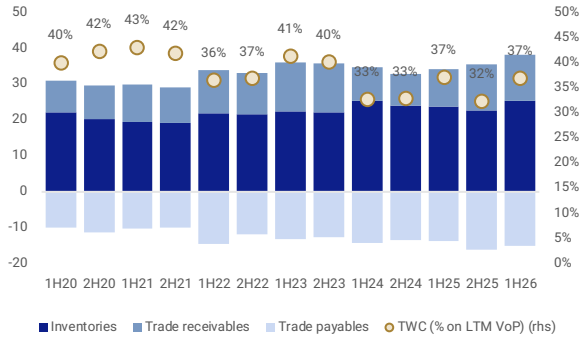
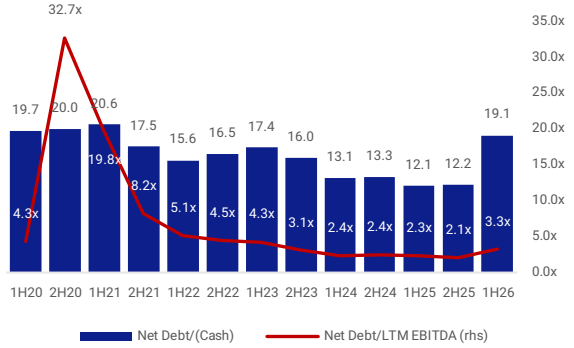


Figure 5: Net debt (€mln) and net debt/LTM EBITDA (x)



Source: Banca Profilo elaborations on Company data

Table 4: Balance sheet (€mln)

Balance Sheet (€mln)	1H23	2023	1H24	2024	1H25	2025	1H26
Intangible Assets	1.7	1.4	1.8	1.0	1.1	1.2	3.8
PP&E	31.7	30.9	30.7	29.4	29.0	31.1	31.7
Financial Assets	0.0	0.0	0.1	0.3	0.3	0.3	0.3
Fixed Assets	**33.4**	**32.3**	**32.6**	**30.7**	**30.5**	**32.6**	**35.8**
Inventories	22.3	22.1	25.3	24.2	23.8	22.8	25.4
% on LTM VoP	*40.1%*	*38.2%*	*40.1%*	*40.3%*	*43.1%*	*37.3%*	*40.1%*
Trade receivables	13.8	13.8	9.5	8.8	10.4	12.9	13.0
% on LTM VoP	*24.8%*	*23.9%*	*15.0%*	*14.7%*	*18.9%*	*21.0%*	*20.5%*
Trade payables	(13.2)	(12.8)	(14.3)	(13.4)	(13.8)	(16.0)	(15.0)
% on LTM COGS	*30.7%*	*29.3%*	*29.8%*	*30.0%*	*34.4%*	*35.9%*	*32.5%*
Trade Working Capital	**22.9**	**23.1**	**20.6**	**19.6**	**20.4**	**19.7**	**23.4**
% on LTM VoP	*41.2%*	*40.0%*	*32.6%*	*32.7%*	*37.0%*	*32.2%*	*36.9%*
Other current assets	2.0	1.7	2.4	4.9	3.3	2.9	3.5
Other current liabilities	(2.1)	(2.2)	(3.2)	(2.8)	(3.2)	(3.5)	(4.0)
Net Working Capital	**22.8**	**22.6**	**19.7**	**21.7**	**20.5**	**19.0**	**22.9**
% on LTM VoP	*41.0%*	*39.1%*	*31.2%*	*36.1%*	*37.1%*	*31.1%*	*36.1%*
Non-current assets	0.0	0.0	0.0	0.2	0.0	0.5	0.0
Non-current liabilities	(6.5)	(6.1)	(6.0)	(5.0)	(4.9)	(4.6)	(4.4)
Net Invested Capital	**49.8**	**48.8**	**46.3**	**47.6**	**46.1**	**47.5**	**54.3**
Intangible Assets	0.5	0.6	0.0	0.1	0.4	0.8	0.1
PP&E	0.4	0.9	1.0	2.7	1.3	1.3	1.7
CapEx	**0.9**	**1.5**	**1.0**	**2.8**	**1.7**	**2.1**	**1.8**
% on LTM VoP	*1.6%*	*2.6%*	*1.6%*	*4.7%*	*3.1%*	*3.4%*	*2.8%*
Share Capital	37.2	37.2	37.2	37.2	37.2	37.2	37.2
Reserves and retained earnings	(4.7)	(4.8)	(4.3)	(4.3)	(3.7)	(3.6)	(2.6)
Group Net Profit/(Loss)	(0.1)	0.5	0.1	0.9	0.0	0.8	0.2
Cons. Equity	**32.4**	**32.8**	**33.2**	**34.3**	**33.9**	**35.3**	**35.2**
Net Debt/(Cash)	**17.4**	**16.0**	**13.1**	**13.3**	**12.1**	**12.2**	**19.1**

Source: Banca Profilo elaborations on Company data

Table 5: Free Cash Flow (€mln)

Free Cash Flow (€mln)	1H23	2023	1H24	2024	1H25	2025	1H26
EBIT	0.5	1.7	0.8	1.4	0.6	2.2	0.4
Tax rate	*27.9%*	*27.9%*	*27.9%*	*27.9%*	*27.9%*	*27.9%*	*27.9%*
NOPAT	**0.4**	**1.2**	**0.6**	**1.0**	**0.5**	**1.6**	**0.3**
D&A	1.6	3.4	1.7	4.0	1.7	3.7	1.9
Changes in TWC	(1.6)	(1.8)	2.5	3.5	(0.8)	(0.1)	(3.7)
Changes in Funds	0.1	0.2	0.2	0.0	(0.0)	0.0	0.2
CapEx	(0.9)	(1.5)	(1.0)	(2.8)	(1.7)	(2.1)	(1.8)
Unlevered FCF	**(0.5)**	**1.6**	**4.0**	**5.7**	**(0.4)**	**3.2**	**(3.2)**

Source: Banca Profilo elaborations on Company data

Strategy and Estimates

Strategic guidelines

Cautious outlook, back-loaded *Sport* orders

Management did not provide quantitative guidance, but was explicit on a few points.

The *Marine* decline (-19%) was in line with the Group's own expectations, while the *Sport* shortfall reflects the phasing of orders already secured by 100%TFR, scheduled for execution in 2H. *Automotive* growth was attributed to new project wins.

On the balance sheet, the increase in net debt was linked to the ~€5.9mln investment programme executed by the parent in 1H, in line with the industrial plan. Looking ahead, management confirmed that internal cash flow projections support both ongoing investments and normal operations.

It also signalled the Sit-IN Sport Impianti lease of the Venturelli Romolo business, which includes a pre-emption right on its future sale, as a potential growth avenue.

Continued, albeit limited, use of short-time work schemes at the parent points to an order flow not yet fully normalised, consistent with the cautious tone of the outlook.

Our 2026-28E

Top-line trimmed, 2H recovery still in the cards

We cut FY26E revenues by 3.8% to €63.4mln (+6.6% yoy vs +10.8% previously) and trim FY27-28E by ~1.6-1.7% to €67.6mln and €70.4mln.

The main revision is in *Sport*, where we lower FY26E by €1.5mln to €19.0mln (+5.2% yoy vs +13.5%). The 1H26 decline (-10.6%) reflects the phasing of 100%TFR's secured orders into 2H, but we take a more cautious view on the catch-up, which still implies ~13% yoy growth in 2H26. We also lower *Marine* to €12.3mln (-10.9% vs -7.3%), assuming a flat 2H after the 19% contraction in 1H. *Automotive* falls to €8.5mln (+90% vs +101%), broadly in line with the 1H run-rate given limited visibility on new projects, and we carry this cut into FY27-28E. *Residential & Contract* is unchanged at +2% p.a., consistent with its stable 1H26 performance.

Overall, our estimates imply 2H26 revenues of €34.7mln (+10% yoy). FY27E growth rises to +6.5% from +4.2%, driven by a cyclical *Marine* rebound (+10.1%) back to our previous estimate and a stronger Sport recovery (+12.3%), which could also benefit from the Venturelli Romolo business lease and the related pre-emption right.

Geographically, we keep the mix anchored to FY25 weights, as half-year regional splits tend to be volatile and we see no specific evidence to revise them. We expect the 1H26 US underweight to reverse in 2H, since according to management US Sport sales are generated entirely by 100%TFR.

Table 6: Revenue by end market 2025-28E (€mln)

Revenue by end market (€mln)		2025	1H26	2026E OLD	2026E	2027E OLD	2027E	2028E OLD	2028E
Marine		13.8	6.1	12.8	12.3	13.5	13.5	14.4	14.3
	% on revenues	*23.2%*	*21.4%*	*19.4%*	*19.4%*	*19.7%*	*20.0%*	*20.0%*	*20.3%*
	yoy	*10.9%*	*-19.1%*	*-7.3%*	*-10.9%*	*6.0%*	*10.1%*	*6.0%*	*6.0%*
Residential & Contract		23.2	13.0	23.7	23.7	24.1	24.1	24.6	24.6
	% on revenues	*39.0%*	*45.3%*	*35.9%*	*37.3%*	*35.1%*	*35.7%*	*34.4%*	*35.0%*
	yoy	*-4.6%*	*0.6%*	*2.0%*	*2.0%*	*2.0%*	*2.0%*	*2.0%*	*2.0%*
Sport		18.1	5.3	20.5	19.0	21.9	21.3	23.5	22.8
	% on revenues	*30.3%*	*18.6%*	*31.1%*	*29.9%*	*31.9%*	*31.6%*	*32.8%*	*32.4%*
	yoy	*12.1%*	*-10.6%*	*13.5%*	*5.2%*	*7.0%*	*12.3%*	*7.0%*	*7.0%*
Automotive		4.5	4.2	9.0	8.5	9.1	8.6	9.2	8.7
	% on revenues	*7.5%*	*14.8%*	*13.6%*	*13.4%*	*13.2%*	*12.7%*	*12.8%*	*12.3%*
	yoy	*31.2%*	*165.0%*	*101.4%*	*90.2%*	*1.0%*	*1.0%*	*1.0%*	*1.0%*
Revenues		**59.5**	**28.7**	**65.9**	**63.4**	**68.7**	**67.6**	**71.6**	**70.4**
	yoy	*5.8%*	*2.2%*	*10.8%*	*6.6%*	*4.2%*	*6.5%*	*4.3%*	*4.3%*

Source: Banca Profilo estimates and elaborations on Company data

Table 7: Revenue by geographic area 2025-28E (€mln)

Revenue by geographic area (€mln)		2025	1H26	2026E OLD	2026E	2027E OLD	2027E	2028E OLD	2028E
Italy		27.7	14.7	30.7	29.5	32.0	31.4	33.3	32.8
	% on revenues	*46.5%*	*51.3%*	*46.5%*	*46.5%*	*46.5%*	*46.5%*	*46.5%*	*46.5%*
	yoy	*0.9%*	*6.7%*	*10.8%*	*6.6%*	*4.2%*	*6.5%*	*4.3%*	*4.3%*
EU		15.3	7.4	16.9	16.3	17.6	17.3	18.4	18.1
	% on revenues	*25.7%*	*25.9%*	*25.7%*	*25.7%*	*25.7%*	*25.7%*	*25.7%*	*25.7%*
	yoy	*7.9%*	*-6.2%*	*10.8%*	*6.6%*	*4.2%*	*6.5%*	*4.3%*	*4.3%*
US		15.3	5.6	16.9	16.3	17.6	17.3	18.4	18.1
	% on revenues	*25.6%*	*19.3%*	*25.6%*	*25.6%*	*25.6%*	*25.6%*	*25.6%*	*25.6%*
	yoy	*12.6%*	*-6.1%*	*10.8%*	*6.6%*	*4.2%*	*6.5%*	*4.3%*	*4.3%*
Rest of the World		1.3	1.0	1.4	1.4	1.5	1.5	1.6	1.5
	% on revenues	*2.2%*	*3.5%*	*2.2%*	*2.2%*	*2.2%*	*2.2%*	*2.2%*	*2.2%*
	yoy	*17.4%*	*124.6%*	*10.8%*	*6.6%*	*4.2%*	*6.5%*	*4.3%*	*4.3%*
Revenues		**59.5**	**28.7**	**65.9**	**63.4**	**68.7**	**67.6**	**71.6**	**70.4**
	yoy	*5.8%*	*2.2%*	*10.8%*	*6.6%*	*4.2%*	*6.5%*	*4.3%*	*4.3%*

Source: Banca Profilo estimates and elaborations on Company data

Estimates cut across the P&L

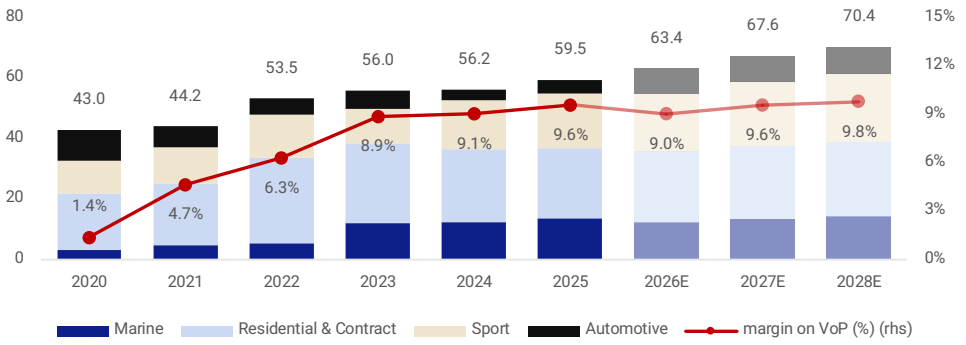
We cut FY26E EBITDA by 12% to €5.9mln (flat yoy; margin 9.0% of VoP vs 9.9%) and FY27-28E by ~6-7% to €6.7mln and €7.1mln (9.6% and 9.8%, ~50bp lower). Beyond the lower top line, the main driver is personnel costs, raised to €11.6mln in FY26E (17.9% of VoP vs 16.2%) after the 15.6% yoy increase in 1H26, despite ongoing short-time work. We see upside risk here, as our estimate implies only ~+3% yoy in 2H26. This is partly offset by services, lowered to 25.4% of VoP from 26.0% on good 1H26 cost control (+3.4% yoy), while raw material incidence is unchanged at 46.6%. Our numbers imply a 2H26 EBITDA margin of ~10.4% (~11.0% in 2H25), with operating leverage on personnel driving a return to FY25 margins from FY27E.

EBIT falls to €2.1mln in FY26E (3.2% margin; from €3.0mln), €2.5mln in FY27E (3.7%; €3.1mln) and €2.9mln in FY28E (4.0%; €3.4mln), also reflecting slightly higher FY26-27E D&A from 100%TFR goodwill amortisation. We raise net financial charges to €1.1mln p.a. (€0.9mln) on higher net debt and rising interest costs, as the 1H26 improvement in the financial balance stemmed from FX gains and Prelios-related income.

At an unchanged 27.9% tax rate, net profit falls to €0.7mln in FY26E (€1.5mln; -45% yoy), €1.0mln in FY27E (€1.6mln) and €1.3mln in FY28E (€1.8mln).

Finally, on 7 October the Bergamo first-instance Tax Court annulled the €1.265mln R&D tax credit recovery notices (plus interest and penalties), removing a contingent liability not included in our estimates, although the ruling may still be appealed.

Figure 6: Revenues (€mln) and EBITDA margin (%)



Source: Banca Profilo elaborations and estimates on Company data

Table 8: Income statement 2025-28E (€mln)

Profit & Loss (€mln)	2025	1H26	2026E OLD	2026E	2027E OLD	2027E	2028E OLD	2028E
Revenues	**59.5**	**28.7**	**65.9**	**63.4**	**68.7**	**67.6**	**71.6**	**70.4**
% on VoP	*97.3%*	*94.4%*	*97.4%*	*97.4%*	*97.4%*	*97.4%*	*97.4%*	*97.4%*
yoy	*5.8%*	*2.2%*	*10.8%*	*6.6%*	*4.2%*	*6.5%*	*4.3%*	*4.3%*
Other	1.7	1.7	1.8	1.7	1.8	1.8	1.9	1.9
% on VoP	*2.7%*	*5.6%*	*2.6%*	*2.6%*	*2.6%*	*2.6%*	*2.6%*	*2.6%*
VoP	**61.2**	**30.4**	**67.7**	**65.2**	**70.6**	**69.4**	**73.6**	**72.3**
yoy	*2.0%*	*7.7%*	*10.7%*	*6.5%*	*4.2%*	*6.5%*	*4.3%*	*4.3%*
Raw, Ancillary, Consumable Materials	(29.0)	(13.8)	(31.5)	(30.4)	(32.9)	(32.3)	(34.3)	(33.7)
% on VoP	*-47.3%*	*-45.3%*	*-46.6%*	*-46.6%*	*-46.6%*	*-46.6%*	*-46.6%*	*-46.6%*
Cost of Services	(14.9)	(8.0)	(17.6)	(16.5)	(18.3)	(17.6)	(19.1)	(18.3)
% on VoP	*-24.3%*	*-26.1%*	*-26.0%*	*-25.4%*	*-26.0%*	*-25.4%*	*-26.0%*	*-25.4%*
Personnel Expenses	(10.6)	(6.1)	(11.0)	(11.6)	(11.3)	(11.9)	(11.6)	(12.2)
% on VoP	*-17.4%*	*-19.9%*	*-16.2%*	*-17.9%*	*-16.0%*	*-17.1%*	*-15.8%*	*-16.9%*
Other	(0.8)	(0.4)	(0.9)	(0.7)	(0.9)	(0.9)	(1.0)	(1.0)
% on VoP	*-1.3%*	*-1.2%*	*-1.3%*	*-1.1%*	*-1.3%*	*-1.3%*	*-1.3%*	*-1.3%*
EBITDA	**5.9**	**2.3**	**6.7**	**5.9**	**7.1**	**6.7**	**7.6**	**7.1**
EBITDA margin	*9.6%*	*7.4%*	*9.9%*	*9.0%*	*10.1%*	*9.6%*	*10.3%*	*9.8%*
yoy	*8.3%*	*-1.0%*	*14.1%*	*0.0%*	*6.1%*	*13.0%*	*6.2%*	*6.5%*
D&A	(3.2)	(1.7)	(3.2)	(3.3)	(3.5)	(3.6)	(3.7)	(3.6)
% on VoP	*-5.2%*	*-5.7%*	*-4.7%*	*-5.1%*	*-5.0%*	*-5.2%*	*-5.0%*	*-5.0%*
Provisions and write-downs	(0.5)	(0.1)	(0.5)	(0.5)	(0.5)	(0.5)	(0.6)	(0.6)
% on VoP	*-0.8%*	*-0.5%*	*-0.8%*	*-0.8%*	*-0.8%*	*-0.8%*	*-0.8%*	*-0.8%*
EBIT	**2.2**	**0.4**	**3.0**	**2.1**	**3.1**	**2.5**	**3.4**	**2.9**
EBIT margin	*3.6%*	*1.2%*	*4.4%*	*3.2%*	*4.4%*	*3.7%*	*4.6%*	*4.0%*
Interest Income/(Expenses)	(0.8)	(0.4)	(0.9)	(1.1)	(0.9)	(1.1)	(0.9)	(1.1)
% on VoP	*-1.2%*	*-1.4%*	*-1.4%*	*-1.6%*	*-1.3%*	*-1.6%*	*-1.2%*	*-1.5%*
EBT	**1.4**	**(0.0)**	**2.1**	**1.0**	**2.2**	**1.4**	**2.5**	**1.8**
Pretax margin	*2.4%*	*-0.1%*	*3.1%*	*1.6%*	*3.1%*	*2.0%*	*3.4%*	*2.5%*
Taxes	(0.1)	0.2	(0.6)	(0.3)	(0.6)	(0.4)	(0.7)	(0.5)
Tax rate	*7.6%*	*452.3%*	*27.9%*	*27.9%*	*27.9%*	*27.9%*	*27.9%*	*27.9%*
Net Profit/(Loss)	**1.3**	**0.2**	**1.5**	**0.7**	**1.6**	**1.0**	**1.8**	**1.3**
Net Profit margin	*2.2%*	*0.5%*	*2.2%*	*1.1%*	*2.2%*	*1.5%*	*2.4%*	*1.8%*
yoy	*2.9%*	*384.4%*	*12.4%*	*-44.8%*	*4.9%*	*38.2%*	*13.3%*	*26.6%*

Source: Banca Profilo elaborations and estimates on Company data

CapEx normalisation and earnings retention drive deleveraging from 2027E

Net debt is expected to peak at €17.2mln in FY26E (€15.9mln previously) before declining to €15.1mln by FY28E (€12.5mln), in two phases:

i. FY26E: peak investment year. Net debt rises by €5.0mln, of which €3.5mln relates to the additional 32.35% stake in 100%TFR. This was largely non-cash: €2.5mln was offset against the FY25 intra-group loan to the parent (now included, in line with the reported net debt definition), and €1.0mln is deferred. CapEx reaches €5.9mln (9.1% of VoP), including €3.1mln of 100%TFR goodwill and €2.8mln of organic investment, mostly executed in 1H26. TWC rises to €22.7mln (34.8% of VoP) from €19.7mln

(32.2%) on the 1H26 inventory build-up and payables normalising from a lean FY25. A partial inventory unwind and seasonally stronger cash flow should cut net debt by €1.9mln in 2H26 from €19.1mln at end-June.

ii. FY27E–28E: CapEx normalisation unlocks FCF. CapEx halves to ~€2.5mln p.a. (3.6% of VoP, below D&A), marking a shift to maintenance-level investment, as management-flagged production headroom accommodates growth without a new investment cycle. Earnings retention (~€1.0mln p.a.) and stable TWC intensity (~35%) reduce net debt by €2.1mln over two years, while equity builds to €38.4mln by FY28E (€40.1mln) in the absence of distributions.

FY28E leverage of ~2.1x EBITDA (~1.7x previously) implies slower deleveraging, but still leaves some room for further M&A, a dividend policy or a new investment cycle.

Table 9: Balance sheet 2025-28E (€mln)

Balance Sheet (€mln)	2025	1H26	2026E OLD	2026E	2027E OLD	2027E	2028E OLD	2028E
Intangible Assets	1.2	3.8	1.9	3.6	1.7	3.3	1.5	2.9
PP&E	31.1	31.7	32.2	31.3	31.4	30.5	30.6	29.8
Financial Assets	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Fixed Assets	**32.6**	**35.8**	**34.4**	**35.2**	**33.4**	**34.1**	**32.4**	**33.0**
Inventories	22.8	25.4	24.7	24.5	25.6	25.9	26.9	26.8
% on LTM VoP	*37.3%*	*40.1%*	*36.5%*	*37.6%*	*36.3%*	*37.3%*	*36.5%*	*37.0%*
Trade receivables	12.9	13.0	14.3	14.6	14.8	15.5	15.5	16.2
% on LTM VoP	*21.0%*	*20.5%*	*21.1%*	*22.4%*	*20.9%*	*22.4%*	*21.1%*	*22.4%*
Trade payables	(16.0)	(15.0)	(16.3)	(16.4)	(17.2)	(17.3)	(17.7)	(17.8)
% on LTM COGS	*35.9%*	*32.5%*	*32.7%*	*34.5%*	*33.0%*	*33.9%*	*32.5%*	*33.7%*
Trade Working Capital	**19.7**	**23.4**	**22.7**	**22.7**	**23.2**	**24.2**	**24.7**	**25.1**
% on LTM VoP	*32.2%*	*36.9%*	*33.5%*	*34.8%*	*32.9%*	*34.8%*	*33.6%*	*34.8%*
Other current assets	2.9	3.5	3.4	3.5	3.4	3.5	3.4	3.5
Other current liabilities	(3.5)	(4.0)	(3.1)	(4.0)	(3.1)	(4.0)	(3.1)	(4.0)
Net Working Capital	**19.0**	**22.9**	**23.0**	**22.2**	**23.5**	**23.7**	**25.0**	**24.7**
% on LTM VoP	*31.1%*	*36.1%*	*33.9%*	*34.0%*	*33.3%*	*34.1%*	*34.0%*	*34.1%*
Non-current assets	0.5	0.0	0.0	0.5	0.0	0.5	0.0	0.5
Non-current liabilities	(4.6)	(4.4)	(4.7)	(4.6)	(4.7)	(4.7)	(4.7)	(4.7)
Net Invested Capital	**47.5**	**54.3**	**52.7**	**53.2**	**52.2**	**53.6**	**52.7**	**53.5**
Intangible Assets	0.8	0.1	1.4	3.2	0.7	0.7	0.7	0.7
PP&E	1.3	1.7	3.6	2.7	1.8	1.8	1.9	1.9
CapEx	**2.1**	**1.8**	**5.0**	**5.9**	**2.5**	**2.5**	**2.6**	**2.6**
% on LTM VoP	*3.4%*	*2.8%*	*7.4%*	*9.1%*	*3.6%*	*3.6%*	*3.6%*	*3.6%*
Share Capital	37.2	37.2	37.2	37.2	37.2	37.2	37.2	37.2
Reserves and retained earnings	(3.6)	(2.6)	(2.8)	(2.3)	(1.6)	(1.7)	(0.4)	(0.9)
Group Net Profit/(Loss)	0.8	0.2	1.2	0.6	1.3	0.9	1.4	1.1
Cons. Equity	**35.3**	**35.2**	**36.8**	**36.0**	**38.4**	**37.1**	**40.1**	**38.4**
Net Debt/(Cash)	**12.2**	**19.1**	**15.9**	**17.2**	**13.9**	**16.5**	**12.5**	**15.1**

Source: Banca Profilo elaborations and estimates on Company data

Table 10: Free Cash Flow 2025–28E (€mln)

Free Cash Flow (€mln)	2025	1H26	2026E OLD	2026E	2027E OLD	2027E	2028E OLD	2028E
EBIT	2.2	0.4	3.0	2.1	3.1	2.5	3.4	2.9
Tax rate	*27.9%*	*27.9%*	*27.9%*	*27.9%*	*27.9%*	*27.9%*	*27.9%*	*27.9%*
NOPAT	**1.6**	**0.3**	**2.2**	**1.5**	**2.2**	**1.8**	**2.4**	**2.1**
D&A	3.7	1.9	3.7	3.8	4.0	4.1	4.2	4.2
Changes in TWC	(0.1)	(3.7)	(3.5)	(3.0)	(0.5)	(1.5)	(1.5)	(1.0)
Changes in Funds	0.0	0.2	(0.0)	(0.1)	(0.0)	(0.0)	(0.0)	(0.0)
CapEx	(2.1)	(1.8)	(5.0)	(5.9)	(2.5)	(2.5)	(2.6)	(2.6)
Unlevered FCF	**3.2**	**(3.2)**	**(2.6)**	**(3.7)**	**3.2**	**1.9**	**2.5**	**2.7**

Source: Banca Profilo elaborations and estimates on Company data

Valuation

DCF

2026-29E FCFs at €3.9mln; TV at €38.7mln

Our DCF valuation is based on free cash flows over the 2026–29E explicit forecast period, which now total €3.9mln (€6.3mln previously), reflecting lower EBIT and higher FY26E CapEx. Applying a 2.0% perpetual growth rate to FY29E FCF yields a Terminal Value of €38.7mln (€48.6mln).

WACC at 9.5% (from 8.6%)

We discount FCFs using a WACC of 9.5% (from 8.6%), derived from:

- a risk-free rate of 4.8% (vs 4.4%), based on the 100-day MA of the 30Y BTP yield;
- a market risk premium of 6.6%[1] (vs 6.7%);
- a beta of 1.5 (vs 1.3) across selected listed peers;
- a target D/E ratio of 100% (unchanged), in line with listed peers;
- a tax rate of 27.9% (IRES 24% + IRAP 3.9%, unchanged);
- a cost of debt of 5.6% (unchanged).

Table 11: WACC assumptions

WACC Calculation	
Perpetual growth rate	2.0%
Risk free rate (30Y)	**4.8%**
Equity risk premium	6.6%
Unlevered Beta	0.9
D/(D+E)	50%
E/(D+E)	50%
Target D/E	100%
Tax rate	27.9%
Beta	1.5
KE	**15.0%**
Cost of debt	5.6%
KD	**4.0%**
WACC	**9.5%**

Table 12: DCF valuation

DCF Valuation (€mln)					
	2H26E	2027E	2028E	2029E	Over
Unlevered FCF	**(0.5)**	**1.9**	**2.7**	**2.9**	**2.9**
Years	0.2	1.2	2.2	3.2	
Discount factor	1.0	0.9	0.8	0.7	
NPV Free Cash Flows	(0.5)	1.7	2.2	2.2	
Sum of NPVs					5.6
Terminal Value					38.7
NPV Terminal Value					29.0
Enterprise Value					**34.6**
Net Debt 1H26					19.1
Minorities 1H26					0.4
Equity Value					**15.0**
Number of shares (mln)					8.8
Per share value (€)					***1.7***
Current price (€)					0.86
upside/(downside)					*98%*

Source: Banca Profilo estimates and elaborations on FactSet data

DCF valuation: €1.7/share (from €2.9)

Our DCF points to an Enterprise Value of €34.6mln (from €40.4mln), reflecting lower projected FCF, the resulting lower Terminal Value and a higher WACC. After deducting 1H26 net debt and minorities, Equity Value stands at €15.0mln (from €25.7mln), or €1.7 per share (from €2.9) [*Please refer to our Initial Coverage dated April 7, 2026*].

[1] Damodaran, July 1, 2026

Market multiples

Listed peers

The peer sample for the market multiples approach comprises Belysse Group (BE), Interface Inc. (US), Mohawk Industries (US) and Victoria Plc (UK).

Table 13: Listed peers' revenue growth and EBITDA margin

Company	Currency	Market Cap (mln)	EV (mln)	Sales growth (yoy)				EBITDA margin			
26/10/2026				2025	2026E	2027E	2028E	2025	2026E	2027E	2028E
Belysse Group NV	EUR	15	138	*-9.3%*	*-2.6%*	*1.7%*	*1.3%*	*13.3%*	*13.7%*	*14.1%*	*15.2%*
Interface, Inc.	USD	2,107	2,310	*5.4%*	*6.2%*	*4.5%*	*9.2%*	*14.9%*	*17.3%*	*16.8%*	*16.7%*
Mohawk Industries, Inc.	USD	7,455	9,065	*-0.5%*	*3.4%*	*2.2%*	*2.8%*	*14.2%*	*12.6%*	*12.2%*	*12.3%*
Victoria PLC	GBP	46	1,381	*-6.2%*	*7.3%*	*4.9%*	*4.9%*	*8.2%*	*10.2%*	*12.6%*	*14.0%*
Mean				***-2.6%***	***3.6%***	***3.3%***	***4.6%***	***12.6%***	***13.4%***	***13.9%***	***14.6%***
Median				***-3.3%***	***4.8%***	***3.4%***	***3.9%***	***13.7%***	***13.1%***	***13.4%***	***14.6%***
Radici Pietro I&B SpA	**EUR**	**8**	**27**	***5.8%***	***6.6%***	***6.5%***	***4.3%***	***9.9%***	***9.3%***	***9.9%***	***10.1%***

Source: Banca Profilo estimates and elaborations on FactSet data

Table 14: Peers' key ratios

Company	Dividend yield	P/BV	ROE	Leverage (A/E)	Net debt/ EBITDA	Net Profit margin
	2025	2025	2025	2025	2025	2025
Belysse Group NV	*0.0%*	0.4x	*n.m.*	3.9x	3.7x	*n.m.*
Interface, Inc.	*0.2%*	2.6x	*20.6%*	1.9x	0.5x	*8.4%*
Mohawk Industries, Inc.	*0.0%*	0.8x	*4.7%*	1.6x	0.9x	*3.4%*
Victoria PLC	*0.0%*	n.m.	*n.m.*	-1.9x	7.9x	*n.m.*
Mean	***0.1%***	***1.3x***	***12.6%***	***1.4x***	***3.3x***	***5.9%***
Median	***0.0%***	***0.8x***	***12.6%***	***1.8x***	***2.3x***	***5.9%***
Radici Pietro I&B SpA	**0.0%**	**0.3x**	**2.4%**	**2.3x**	**2.1x**	**1.4%**

Source: Banca Profilo elaborations on FactSet data

Table 15: Peers' multiples

Company	EV/EBITDA			P/E		
26/10/2026	2026E	2027E	2028E	2026E	2027E	2028E
Belysse Group NV	4.1x	3.9x	3.6x	n.m.	13.7x	2.6x
Interface, Inc.	9.1x	8.9x	8.2x	15.4x	15.0x	13.5x
Mohawk Industries, Inc.	6.5x	6.5x	6.3x	12.5x	12.3x	11.0x
Victoria PLC	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
Mean	***6.5x***	***6.5x***	***6.0x***	***14.0x***	***13.7x***	***9.0x***
Median	***6.5x***	***6.5x***	***6.3x***	***14.0x***	***13.7x***	***11.0x***
Radici Pietro I&B SpA	**4.6x**	**4.1x**	**3.8x**	**12.8x**	**8.8x**	**6.8x**
discount/(premium) on median	*29%*	*37%*	*39%*	*8%*	*35%*	*38%*

Table 16: Relative valuation

Valuation on EV/EBITDA market multiples (€mln)		
	2027E	2028E
EV/EBITDA	**6.5x**	**6.3x**
EBITDA	6.7	7.1
Enterprise Value	43.4	44.5
Avg. EV	**43.9**	
Net Debt 1H26	19.1	
Minorities 1H26	0.4	
Equity Value	**24.4**	
Number of shares (mln)	8.8	
Price per share (€)	***2.8***	
Current price (€)	0.86	
upside/(downside)	*221%*	

Source: Banca Profilo estimates and elaborations on FactSet data

EV/EBITDA at 6.4x

We apply peer median EV/EBITDA multiples of 6.5x FY27E and 6.3x FY28E to our EBITDA estimates and average the resulting EVs (implied average multiple of 6.4x, up from 6.0x on 2026–27E as we roll forward our valuation).

Market multiples valuation: €2.8/share (from €3.1)

Radici trades at a steep discount to peers (0.3x P/BV vs 0.8x median), partly reflecting weaker profitability: its ROE of 2.4% and net margin of 1.4% compare with peer medians of 12.6% and 5.9%, as a heavy capital base, D&A and financial charges weigh on still-scaling earnings. Balance sheet leverage is above peers on A/E (2.3x vs 1.8x), while FY25 net debt/EBITDA of 2.1x was slightly below the 2.3x median; the latter should rise to 2.9x in FY26E on the investment peak before declining as CapEx normalises, with top-line growth and operating leverage supporting a gradual ROE recovery.

The relative valuation yields an EV of €43.9mln (from €41.6mln) and an Equity Value of €24.4mln, or €2.8 per share (from €26.9mln and €3.1).

TP & Rating

TP cut to €2.3/share (from €3.0);

BUY reiterated

Our new target price, based on a simple average of DCF and multiples, is €2.3 per share, down 23% from €3.0 [*Please refer to our Initial Coverage dated April 7, 2026*]. Given the upside to Radici's closing price, we reiterate our BUY rating.

Appendix

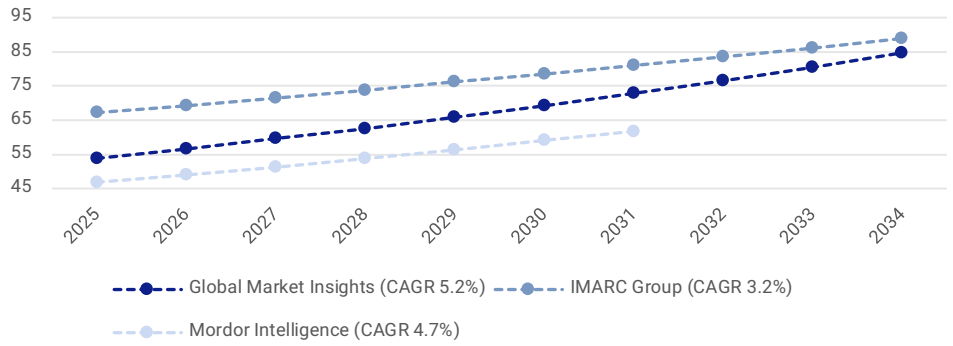
The reference industry

Textile Floor Coverings

Global textile flooring market seen at $47–67bn, growing ~3–5% CAGR

The global textile floor coverings market, encompassing broadloom carpet, carpet tile, tufted and woven products, represents the largest and most structurally relevant segment for Radici Pietro Industries & Brands S.p.A. (hereon "Radici"), accounting for 39.0% of Group revenues. Market size estimates from industry research firms vary considerably in scope depending on definitional perimeter, ranging from carpets and rugs only to the broader soft flooring category, but generally converge on a current market value in the range of $47–67bn and a forecast long-term compound annual growth rate of approximately 3–5%, broadly consistent with historical trends. According to *Global Market Insights*, the global carpet and rug market was estimated at $53.8bn in 2025 and is expected to grow at a CAGR of 5.2% through 2034, reaching $84.7bn. *IMARC Group* estimates the total carpet market at $67.2bn in 2025, projecting a CAGR of 3.2% through 2034 to reach $88.9bn.

Figure 7: Global textile floor covering market size forecast 2025–34 ($/bn)



Source: Global Market Insights (2025), IMARC Group (2025) and Mordor Intelligence (2025). Market definitions vary across sources

Residential flooring drives volume; North America holds ~38% market share

The market is segmented primarily between residential (approximately 60–70% of total volume) and commercial/contract (30–40%), though the latter commands a disproportionate share of value given the higher average selling price and customisation premium. By product type, tufted carpets remain dominant with approximately $32.2bn in 2024, growing at a CAGR of 5.2%. Woven constructions, which represent Radici's core manufacturing heritage and premium product range, occupy a smaller but higher-value niche, particularly in hospitality lobbies and contract applications requiring dimensional stability and design complexity.

Geographically, North America is the dominant region, accounting for ~38% of global market share in 2025, driven by a well-established home improvement culture, extensive commercial real estate activity and strong domestic manufacturing. Europe represents the second-largest region at approximately 30–32% of global value, with Germany, the UK, Belgium and Spain as the primary markets.

Figure 8: by end use

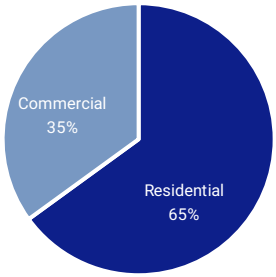


Figure 9: by product type

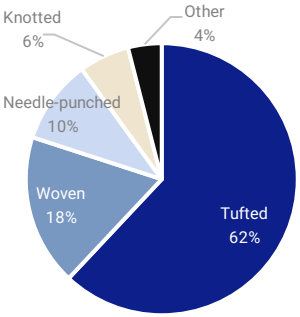
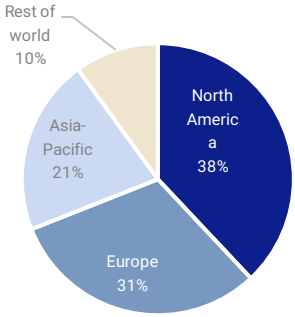


Figure 10: by region



Source: "Global Market Insights (2025), Mordor Intelligence (2025), Grand View Research. Percentages are approximate consensus across sources

Soft flooring demand weak, resilience in select end-markets

The period from 2022 to 2025 has been characterised by one of the most severe demand contractions in the sector's recent history. As noted in the annual reports of every major listed peer, volumes across European and North American markets have remained 15–25% below pre-pandemic 2019 levels, driven by elevated interest rates constraining housing transactions and residential renovation activity, compressed household disposable income and post-pandemic destocking by retail channels. The commercial segment has experienced its own pressures: office vacancy rates hovered around 20–21% in 2024–25 as work-from-home policies and corporate rightsizing dented specification activity in what was historically the largest commercial soft-surface segment. In the US, commercial carpet fell approximately 1.5% in 2024 to an estimated $2.9bn in specified sales, with volume declines of around 13.5% over two years, partly offset by higher average selling prices as the mix shifted away from lower-priced broadloom products.

Crucially, however, not all commercial verticals have been equally affected. Healthcare, education and hospitality have demonstrated meaningful resilience throughout the downturn. Healthcare maintained its position as the fastest-growing commercial segment, capturing the largest share (44%) of commercial flooring sales, with demand driven by aging populations, the expansion of medical office buildings and clinic formats. Hospitality experienced a surge in demand as the travel and tourism sector rebounded toward pre-pandemic levels, with broadloom carpet remaining the format of choice in hotels and senior living. According to *CBRE's 2025 US Hotel Investor Intentions Survey*, 94% of respondents indicated they would keep or increase hospitality investments in 2025, up from 85% in 2024, with investor interest highest in upper-upscale and luxury destinations.

Structural recovery on the horizon with sustainability and premiumization key drivers

The sector's outlook for 2026–28 is cautiously constructive. The key driver of residential recovery, namely interest rate normalisation, is now clearly underway across major Western economies, and its lagged effect on housing transactions and renovation activity should progressively support demand over our forecast horizon. *Harvard's Leading Indicator of Remodelling Activity* (LIRA) estimated 2.7% growth in the 4Q25, signalling the first positive momentum in the US residential remodelling market in several years. In Europe, the European carpet and rugs market is expected to grow at a CAGR of 2.9% from 2026 to 2031, with renovation spending recovering as housing market constraints ease and sustained commercial demand from the Mediterranean hospitality pipeline and residential refurbishment activity.

Three structural themes are shaping the medium-term competitive environment and are directly relevant to Radici's positioning. First, sustainability regulation is accelerating: the EU's *Extended Producer Responsibility* (EPR) rules, effective January 2025, assign fees according to recycled content and recyclability, creating a competitive advantage for manufacturers that have invested in circular economy capabilities. Radici's use of recycled nylon feedstocks and

the *Bloom Back* sustainable flooring line position it favourably relative to commodity operators. Second, premiumization is structurally intact: in the last two years commercial carpet fell in value by about 5% but in volume by around 13.5%, meaning average price points have increased, driven by the shift from broadloom to carpet tile and the resilience of higher-specification products. This price/volume divergence structurally rewards operators like Radici with premium positioning over volume-led competitors. Third, the modular format continues to gain share at the expense of broadloom across most commercial verticals, though broadloom retains its primacy in hospitality, the segment where Radici is most concentrated, with carpet tile preferred for offices and education for its modularity and sustainability credentials and broadloom remaining dominant in hospitality and senior living for its acoustic and aesthetic qualities.

In this context, Radici's focused premium positioning, grounded in 100% Made in Italy manufacturing, artisan craftsmanship, customisation capability and hospitality/marine specialisation, appears well-suited to navigate both the current trough and the expected recovery. The primary risk to the near-term outlook remains the pace of residential normalisation, tariff uncertainty for US-facing European exporters and the continued structural shift in commercial spaces driven by hybrid working arrangements.

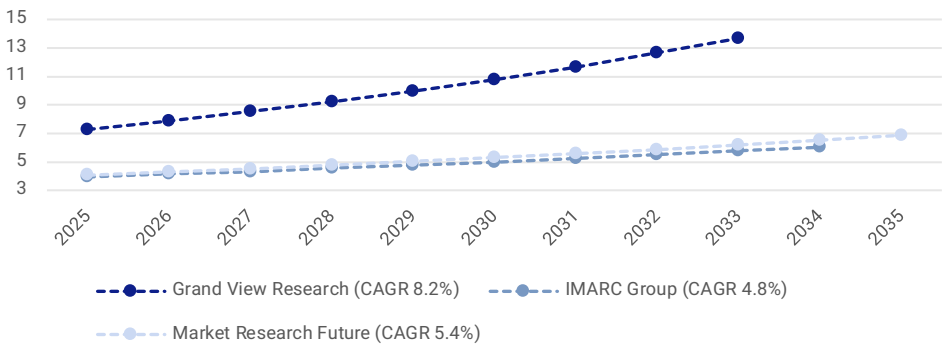
Sporting Facilities — Artificial Turf

Artificial turf market seen at $3.9–7.3bn with 5–8% CAGR

The artificial turf segment represents the second-largest revenue contributor for Radici (30.3% of Group revenues) and operates within one of the most structurally dynamic sub-markets in the broader flooring and surface coverings industry. Unlike textile flooring, synthetic turf demand is driven by a distinct set of drivers, namely sports infrastructure investment cycles, water scarcity and maintenance cost economics, urbanization pressures and the global expansion of organized sport, and it has demonstrated meaningfully stronger growth than the textile flooring market through the recent macroeconomic headwinds.

Market size estimates across research providers converge on a global artificial turf market valued at approximately $3.9–7.3bn in 2025, depending on definitional scope. The variation largely reflects the inclusion or exclusion of landscape and residential applications alongside the sports segment. Across the most reputable sources, the consensus CAGR for the forecast period through 2033–35 lies in the range of 5–8%, well above the 3–5% long-term trend for textile floor coverings. *Grand View Research* estimates the global artificial turf market at $7.27bn in 2025, projected to reach $13.67bn by 2033 at a CAGR of 8.2%. *IMARC Group*, applying a narrower perimeter, values the market at $3.94bn in 2025 and forecasts growth to $6.02bn by 2034, implying a CAGR of 4.8%. *Market Research Future* estimates the market at $4.06bn in 2025, growing to $6.87bn by 2035 at a CAGR of 5.4%.

Figure 11: Artificial turf market size forecast 2025–35 ($/bn)



Sources: Grand View Research (2025); Market Research Future (2025); IMARC Group (2025). Market scope varies across sources

Demand structure: *Sport* accounted for the largest revenue share of 63.1% in 2025, driven by the ability of artificial turf to withstand heavy use and extreme weather while providing consistent playing conditions

Sport segment leads; Europe key growth driver

and minimizing downtime. Football (soccer) is by far the dominant sport application, with rugby, hockey and tennis contributing meaningfully to the balance. Geographically, Europe dominated the artificial turf market in 2024, driven by strong investments in sports infrastructure, eco-friendly landscaping trends and advanced turf technologies aligned with the region's environmental standards. *Technavio* estimates that Europe will contribute approximately 38% to global market growth over the 2024–28 period, with Germany, the UK, France and Italy as the key growth countries.

Figure 12: by end use

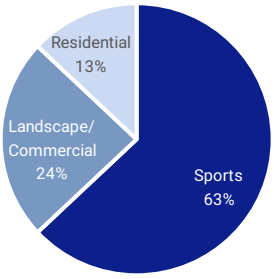


Figure 13: by product type

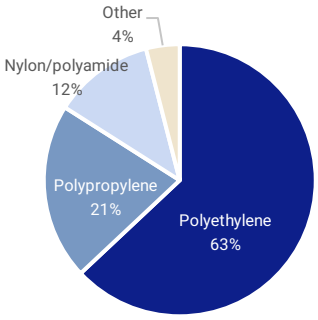
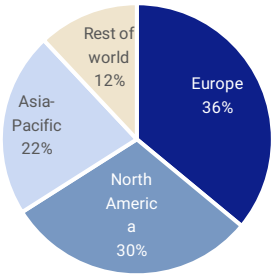


Figure 14: by region



Sources: Grand View Research (2025); Data Bridge Market Research (2024); IMARC Group (2025). Percentages approximate consensus across sources

Key demand drivers: events, replacement cycles and sustainability

Several structural factors sustain the market's above-average growth trajectory. First, major sporting event cycles represent a recurring and measurable demand catalyst: municipal governments across Europe and North America accounted for approximately 65% of new field constructions with artificial turf in 2024, while major international tournaments typically accelerate upgrades to meet FIFA Quality Pro standards across host nations. Second, the replacement cycle for existing installations, typically 8–12 years, creates a structurally recurring demand base that is relatively insensitive to the business cycle: according to FIFA's *Quality Programme for Football Turf*, over 1,200 artificial turf pitches worldwide have received official certification, while the *Chinese Football Association*'s facility development programme has targeted 50,000 football pitches by 2025 with artificial turf specified for urban installations. Third, water scarcity and sustainability economics increasingly drive adoption in arid and semi-arid regions, where the elimination of irrigation, mowing and fertilization yields material long-term cost savings versus natural grass.

The EU microplastics regulation: a structural inflection point

The most significant regulatory development affecting the artificial turf market in Europe is the EU's REACH restriction on intentionally added microplastics, which entered into force in October 2023. The restriction includes crumb rubber (SBR/EPDM) infill used on synthetic sports surfaces, with an eight-year transition period; from 17 October 2031, the marketing of granular polymeric infill for use on synthetic sports surfaces will be prohibited in EU Member States. The *European Chemicals Agency* estimates that Europe currently has approximately 51,600 artificial turf pitches covering 112 million square metres, with rubber granulate infill representing the largest single source of intentionally added microplastics in Europe, releasing up to 16,000 tonnes annually. This regulation is a structural inflection point for the industry: it is simultaneously a headwind (requiring the reformulation of infill materials and invalidating existing FIFA certifications for non-compliant surfaces) and a tailwind for manufacturers, like Radici, that have invested early in PFAS-free, organic and alternative infill systems.

Hybrid turf: the premium growth frontier

A structural shift toward hybrid turf systems, combining synthetic fibres stitched into a natural grass base, is gaining traction at the elite end of the market. These systems offer the playability and aesthetic qualities of natural grass with the durability and lower maintenance requirements of synthetic turf and are increasingly specified by professional football clubs and stadium operators seeking to comply with natural surface preferences while reducing

downtime. The 2024 UEFA Euro Championship accelerated turf replacement cycles across host countries, and Germany in particular saw increased installations among municipalities and Bundesliga clubs. The hybrid segment commands a meaningful premium over standard third generation (3G) systems and represents an attractive addressable market for manufacturers with differentiated fibre technology.

Outlook

The artificial turf market is structurally better positioned than textile flooring for the next five years, with demand driven by event-related infrastructure investment, the replacement cycle of ageing European stock and emerging market adoption in Asia-Pacific, the Middle East and Africa. The regulatory transition around infill materials creates near-term complexity for the industry but also a technology differentiation opportunity for manufacturers that move fastest to certified sustainable systems. For Radici, the combination of FIFA and FIH certifications, Italian manufacturing credentials and a growing hybrid turf offering places it well within the premium tier of a market that is both growing and becoming more quality conscious.

Marine — Cruise Ship Carpet

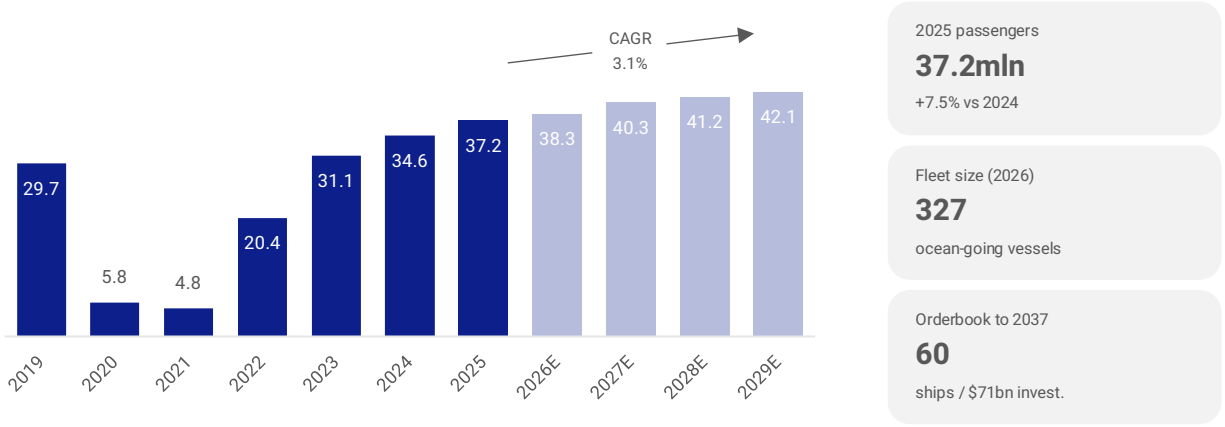
Marine segment: niche market growing at a 5–7% CAGR

The marine segment represents 23.2% of Radici's revenues and is operated through the Radici Marine division, which supplies IMO/MED-certified textile floor coverings, primarily woven and tufted broadloom carpet, to cruise ships, ferries and yachts. Unlike the textile flooring and artificial turf segments, the addressable market for marine carpet is a highly specialized niche without a liquid, standardized research coverage universe. Estimates vary significantly depending on whether the scope covers cruise ships only or the full marine flooring perimeter (including deck coverings, vinyl, epoxy and rubber). The most relevant segment-specific estimates from research providers point to a cruise ships carpet market valued at approximately $250–1,200mln in 2024–25, with forecast CAGRs in the range of 5–7%, consistent with the pace of cruise fleet expansion. *Verified Market Reports* estimates the cruise ships carpets market at $1.2bn in 2024, expected to reach $1.8bn by 2033 at a CAGR of 5.0%. The market is best understood primarily through the lens of the cruise industry growth drivers that sit upstream of it.

The structural case: a cruise industry in secular expansion

The key demand driver for marine carpet is the size and growth of the global cruise fleet and passenger base, both in robust long-term expansion. According to CLIA's 2026 *State of the Cruise Industry Report*, global ocean-going cruise passengers reached a record 37.2mln in 2025, up 7.5% from 34.6mln in 2024 and ~25% above the pre-pandemic peak of 29.7mln in 2019, with each quarter of 2025 setting a new benchmark. Intent to cruise again stands at ~90%, the highest on record. CLIA forecasts passengers rising to 38.3mln in 2026 and 42.1mln by 2029, a return to more traditional single-digit year-over-year growth. The fleet is growing in parallel: the CLIA-member ocean-going fleet exceeded 300 vessels for the first time in 2024, growing to 327 in 2026, with capacity of 692k lower berths in 2026. The full orderbook through 2037 includes 60 ships and ~193k lower berths, a $71bn investment adding 29% to current capacity.

Figure 15: Global cruise passengers (mln)



Source: CLIA 2026 State of the Cruise Industry Report. 2026–2029 figures are forecasts (Tourism Economics)

Cruise capacity to grow ~6% CAGR, led by luxury segment

Global cruise capacity is projected to grow at a CAGR of approximately 6.2% through 2030, outpacing every other segment of the global tourism industry. Critically for marine carpet suppliers, the luxury and ultra-luxury segment is the fastest-growing component: according to CLIA data, the global luxury fleet grew from 28 ships in 2010 to 97 by end-2024 and is projected to expand further, with the CLIA-member class of 2026 including luxury newbuilds such as Explora Journeys' Explora III, Orient Express' Corinthian and Regent Seven Seas' Seven Seas Prestige, all due for delivery during the year. This matters directly for Radici Marine, whose premium woven and tufted carpet offering competes primarily in the luxury and upper-premium vessel segment where customisation, design quality and brand-consistent specification are purchasing criteria.

Two demand streams: newbuilds and refurbishment

The marine carpet market operates along two structurally distinct demand channels.

The first is newbuild outfitting, where carpet specification is integrated into the vessel's interior design programme and typically placed two to three years before delivery. Each new large cruise ship requires substantial carpet coverage across passenger cabins, corridors, public areas and entertainment spaces: a single Royal Caribbean vessel of the Freedom class required approximately 70,000 square metres of carpet coverage.

The second and often underestimated demand stream is refurbishment, which is structurally recurring and relatively cycle independent. Cruise lines conduct dry-docks refurbishments on a scheduled basis, typically every five years per SOLAS requirements, during which carpet replacement is a standard scope item alongside furniture updates and technology upgrades. Standard dry-dock refit works include, among other items, new carpets across cabins, corridors and public spaces, at a total project cost typically ranging from $10–50mln per vessel. With a global fleet of over 300 ships cycling through refurbishment, the replacement demand stream provides a resilient and largely non-discretionary revenue base for marine carpet suppliers.

IMO/MED certification as a structural barrier to entry

All flooring materials installed on cruise ships and ferries operating in European waters must comply with the *International Maritime Organization*'s *Fire Test Procedures* (FTP) code and the *Marine Equipment Directive* (MED), covering fire retardancy, smoke density and toxicity. For all floor systems and floor coverings on cruise ships, quality and IMO-MED certification are non-negotiable requirements, with timeline compliance during refurbishment projects being the most critical operational constraint. These certification requirements constitute a meaningful technical and commercial barrier to entry, creating a concentrated competitive landscape of approved suppliers. Radici Marine's IMO/MED-certified product range, including both Wilton woven and tufted broadloom formats, positions it within this accredited supplier pool, alongside a limited number of established European specialists.

Outlook: structurally constructive, with a premium tilt

The outlook for the marine carpet segment is structurally positive over the medium term, supported by fleet expansion, an accelerating refurbishment cycle for the post-pandemic cohort of ships that deferred maintenance during 2020–22 and the secular premiumization of cruise product offerings. Expedition and luxury cruising are the fastest-growing categories within the industry, with expedition passenger volumes growing 21.6% in 2024 alone, reflecting the broader demand for more intimate, design-forward vessel experiences that tend to command premium interior specifications. This is confirmed by CLIA's March 2026 survey of North American travel advisors, who report growth in premium, luxury and expedition bookings, with contemporary and ultra-luxury segments growing more slowly. The fleet mix is also shifting in favour of smaller vessels: according to CLIA, ships with up to 1,000 lower berths are set to rise from 27.4% of the member fleet in 2025 to 31.8% by 2037, at the expense of mid-size ships. This trend further favours bespoke carpet suppliers over commodity flooring manufacturers, as the per-vessel specification value and design customization requirements increase as vessel size decreases relative to luxury positioning. For Radici Marine, the combination of IMO certification, Italian design heritage, Wilton weaving capability and a dedicated marine client service function positions the division well to participate in the growing premium and luxury tier of new ship outfitting and the expanding refurbishment pipeline of the existing global fleet.

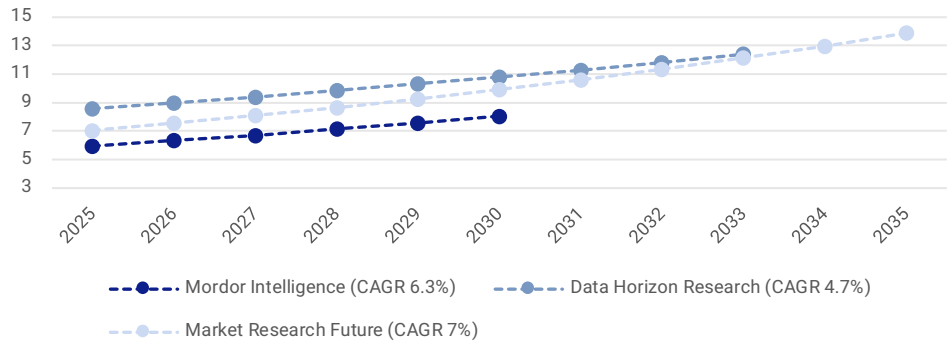
Automotive — Carpet and Textile Interiors

The automotive segment is the smallest of the four business divisions of Radici (7.5% of Group revenues), operated through the Radici Automotive brand, which supplies tufted and non-woven textile solutions for vehicle interiors to Italian and European OEMs. The division competes in a well-defined upstream supply chain tier, providing carpet and needle punch materials that are then integrated into modular interior systems by Tier 1 automotive suppliers before reaching the vehicle manufacturer.

Automotive carpeting market seen at $6–8.6bn with 5–7% CAGR

The global automotive carpeting market, encompassing tufted, needle punch and molded floor carpet for passenger cars and commercial vehicles, is estimated by research providers at approximately $6.0–8.6bn in 2025, with forecast CAGRs in the range of 5–7% through 2030, depending on definitional scope and whether the broader automotive floor material perimeter (including rubber mats, molded carpet systems and trunk trim) is included. *Mordor Intelligence* estimates the automotive carpeting market at $5.58bn in 2024, growing to $5.95bn in 2025 and $8.06bn by 2030 at a CAGR of 6.25%. *Data Horizon Research* values the market more broadly at $8.2bn in 2024, projecting growth to $12.4bn by 2033 at a CAGR of 4.7%. The primary demand driver for automotive carpet, in a way directly analogous to the marine carpet segment, is upstream vehicle production volume, making it the division of Radici most directly correlated with global macroeconomic and automotive industry cycles.

Figure 16: Automotive carpet market size forecast ($/bn)



Sources: Mordor Intelligence (2024); Data Horizon Research (2024); Market Research Future (2025). Definitional perimeters vary across sources

Global vehicle production as the upstream variable

Global motor vehicle production in 2024 totalled approximately 92.5mln units, a 1.1% decline from 2023, ending nearly three years of post-pandemic sequential growth. The largest production centres remain China (approximately 31mln units, over one-third of global output), followed by the United States, Japan, India, South Korea and Germany. The Asia-Pacific region accounts for over 39% of global automotive carpet market share, reflecting its dominant position in vehicle manufacturing. For Radici Automotive, which supplies primarily to Italian and European OEMs, the relevant reference frame is European production: Germany, Italy, Spain and France collectively account for the bulk of its addressable market. European production has been under sustained pressure, with German output declining approximately 1% in 2024 as the transition to electrification, macroeconomic uncertainty and competitive displacement by Chinese manufacturers weighed on volumes.

The electric vehicle transition: structural challenge and opportunity

The most consequential structural shift in the automotive carpet segment is the accelerating transition to battery electric vehicles (BEVs), which is simultaneously reshaping material specifications and creating new competitive dynamics. On one hand, the transition creates incremental demand for premium carpet solutions: EV cabins, freed from the acoustic noise of combustion engines, must now actively manage road and wind noise, increasing the acoustic engineering requirements of floor systems and consequently the value of high-performance carpet and underlayer combinations. As EV batteries must be removed for end-of-life recycling, the demand for easily dismantlable and individually recyclable carpet components is increasing, creating a preference for monomaterial carpet systems over complex multi-layer constructions.

The sustainability dimension of this transition is also relevant for Radici Automotive's positioning. Several leading luxury EV brands have introduced floor coverings made from regenerated nylon sourced from recycled carpets and fishing nets, a specification that aligns directly with the recycled-nylon fibre capabilities of the broader Radici Group ecosystem, given the proximity to Radici's polyamide 6 supply chain relationships. This represents a potential value-chain differentiation opportunity for the automotive division in the premium EV tier.

Competitive dynamics and near-term outlook

The near-term outlook for the segment is cautiously stable: normalising supply chains and a gradual recovery in European demand for new vehicles should support production volumes, although the US automotive tariffs announced in April 2025 remain a meaningful risk variable for European OEM production volumes and export economics. Over the medium term, the consumers' growing preference for eco-friendly and lightweight vehicle interior products and rising EV sales are identified as the primary structural tailwinds for the automotive carpeting market. For Radici, the automotive segment's small relative size (7.5% of FY25 revenues) and its positioning as material supplier limit both its upside and its downside exposure to these dynamics relative to the Group's larger textile flooring and artificial turf divisions.

Competitive arena

Competitive positioning built on Made in Italy, customisation and global reach

Radici operates across three adjacent product markets: textile floor coverings, artificial sports and landscape turf and marine carpet solutions, each with distinct competitive dynamics, customer bases and purchasing criteria. Within this landscape, the Group competes primarily in the premium and contract segment of textile floor coverings, a structurally more defensible and higher-margin niche than the commodity broadloom and residential volume market. The company's competitive positioning is built on three pillars: 100% Made in Italy manufacturing, a high degree of product customisation spanning colour development, tufting and Wilton weaving through to hand finishing and a multi-channel commercial presence across more than 90 countries. Its client base, including interior architects, hotel groups, cruise lines, automotive OEMs and specialist distributors, values reliability, design differentiation and bespoke solutions, supporting switching costs and a degree of pricing power not available to volume operators.

No direct comparable,

4 listed peers selected for benchmarking

The competitive universe around Radici is fragmented and heterogeneous. No single listed company replicates its exact combination of premium contract carpet, artificial sports turf, marine flooring and automotive carpet under a unified Italian manufacturing identity, yet several publicly traded groups overlap meaningfully with one or more of its business segments. From this universe we have selected 4 listed peers, Belysse Group (BE), Interface Inc. (US), Mohawk Industries (US) and Victoria Plc (UK), based on product relevance, geographic comparability, financial transparency and investability.

Belysse (BE):

FY25 sales €254mln; adj. EBITDA margin 13.5%

Belysse (formerly Balta Group) is a Belgian manufacturer of premium textile floor coverings. Following the 2022 divestment of its rugs and residential polypropylene businesses to Victoria Plc, the group now focuses exclusively on commercial and residential carpet under four brands — modulyss and arc edition (Europe commercial), Bentley (US commercial) and ITC (Europe residential broadloom) — across three manufacturing sites in Belgium and the US, distributing to over 100 countries.

As the closest direct peer to Radici from a product-mix standpoint, both companies manufacture woven and tufted textile floor coverings for the contract, HORECA and commercial segments with a premium positioning and a European manufacturing base. Key differences are of scope and structure: Belysse has no exposure to artificial turf, marine flooring or automotive carpets, carries a more US-weighted revenue mix (~57% Americas) and is majority-owned by Lone Star Funds rather than family-controlled.

FY25 was a difficult year: organic revenue declined 7.1% to €254.2mln, with persistent European residential weakness and softer US project volumes. Adj. EBITDA fell 19% to €34.4mln (margin: 13.5% vs. 15.1% in FY24), with a sharp divergence between the US division — Bentley delivered a ~21% EBITDA margin — and European operations, which contributed only €4.5mln EBITDA (–57% yoy). Leverage rose to 3.7x (from 3.2x at YE24), a material concern ahead of bond refinancing.

Interface (US):

FY25 sales $1.4bn; adj. EBITDA margin 15.7%

Interface (founded 1973, Atlanta) is the world's largest commercial carpet tile manufacturer, offering modular carpet tile (Interface brand), LVT and rubber flooring (nora) and premium area rugs (FLOR) across over 40 countries. The company is a global sustainability pioneer and the first in flooring to achieve full product lifecycle carbon neutrality.

The commercial/contract segment (offices, hospitality, healthcare) is the core overlap with Radici and both companies share the same specifier customer base of architects and interior designers. Differences are primarily of format and scale: Interface operates exclusively in commercial hard and soft flooring (no artificial turf, automotive or dedicated marine exposure), its product format is modular carpet tile rather than broadloom and tufted, and at ~$1.4bn revenues it is substantially larger than Radici. It is also a US-listed, institutionally owned company, in contrast to Radici's family-controlled mid-cap profile.

FY25 was a record year on both revenue and profitability. Net sales grew 5.4% to $1.387bn, with growth across all regions and key verticals — Healthcare billings +21%, Education +8% — and continued share gains in Corporate Office. Adj. gross margin expanded 187bps to 39.0%, driving adj. EBITDA up 15.3% to $217.9mln (margin: 15.7%). The balance sheet is conservative at 0.5x net debt/EBITDA. Management entered 2026 constructively, flagging tariff dynamics and macro conditions as the primary watch items.

Mohawk Industries (US):

FY25 sales $10.8bn; adj. EBITDA margin 12.1%

Mohawk Industries (Calhoun, Georgia) is the world's largest flooring manufacturer, with a portfolio spanning carpet, ceramic tile, laminate, vinyl, wood and stone across North America, Europe, South America and Asia-Pacific. The group operates three segments — Flooring North America, Flooring Rest of World and Global Ceramic — under brands including Mohawk, Karastan, Quick-Step, Pergo, Marazzi and Unilin.

The overlap with Radici is real but asymmetric: both companies manufacture broadloom carpet, carpet tile and tufted products for residential and commercial markets through the same specification channel and Mohawk's Godfrey Hirst and Feltex brands compete directly with Radici's contract carpet offering in Europe and Oceania. The caveats are significant, Mohawk is an order of magnitude larger, highly diversified across hard and soft flooring, and has no meaningful exposure to artificial turf or dedicated marine flooring. It is best treated as a sector-wide benchmark rather than a direct operational peer.

FY25 marked a third consecutive year of modest revenue decline (–0.5% to $10.785bn), as US residential markets remained under pressure from sluggish housing turnover and weak new construction, partly offset by resilient commercial demand. Profitability was squeezed by pricing pressure and higher input costs including US tariff impacts: adj. EBITDA fell 9.8% to $1.300bn (margin: 12.1% vs. 13.2% in FY24), though the balance sheet remains conservative at 0.9x net debt/EBITDA. Management described 2025 as a cyclical trough, with the pace of 2026 recovery contingent on residential remodeling, interest rates and geopolitical conditions.

Victoria (UK):

FY25 sales £1.1bn;

EBITDA margin 10.2%

Victoria Plc (founded 1895, Worcester, UK) is Europe's largest carpet manufacturer, with a product range spanning carpet, underlay, ceramic and porcelain tiles, LVT, artificial grass and flooring accessories. The group operates across nine countries and 30+ sites, employing ~5,350 people.

Victoria offers the broadest product and market overlap of the peer set: both companies manufacture premium woven and tufted carpets for contract, hospitality and residential use, sell artificial grass for sports and landscaping, and have marine flooring exposure. Victoria's Made in Italy ceramics division adds further resonance. Key differences are of scale and complexity: Victoria is substantially larger (~£1.1bn revenue), more diversified into hard flooring categories Radici does not address and carries a more complex financial profile — the result of an aggressive acquisition-led growth strategy — versus Radici's focused, lower-leverage Italian manufacturing identity.

FY25 (year ended March 2025) was the second consecutive year of declining revenue and profitability. Underlying revenue fell 9% to £1.115bn and EBITDA declined to £113.7mln (margin: 10.2%), with demand across key geographies still 15–25% below 2019 levels and UK & Europe Soft Flooring the most impacted division. The key positive was a sharp H2 margin recovery (H2: 11.6% vs. H1: 8.8%), driven by £32mln of self-help savings already delivered or on track, with a further £50mln targeted by YE27, sufficient, management believes, to restore mid-teen EBITDA margins independently of any volume recovery. A landmark refinancing replaced the 2026 bond maturities with new 2029 notes, removing near-term refinancing risk. Net debt stands at ~£900mln (leverage: 7.9x), which remains the primary financial risk for the Group.

History, structure and people

Company's evolution

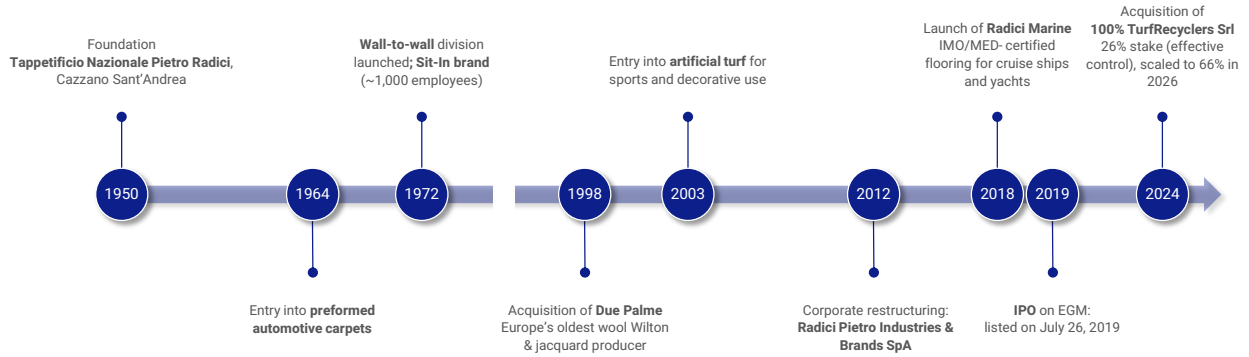
Origins and early growth (1950)	Radici Pietro Industries & Brands S.p.A. traces its origins to 1950, when Pietro Radici established the Tappetificio Nazionale Pietro Radici in Cazzano Sant'Andrea, in the Valle Seriana of the Province of Bergamo — a territory with a centuries-old textile tradition. The company began producing fine rugs on jacquard looms, a proposition that also served as an employment anchor for an area which lacked industrial resources. Within two decades the Group had grown to approximately one thousand employees and established an international commercial presence.
First diversifications: automotive and wall-to-wall flooring (1964–1972)	The history of Radici is best read as a sequence of deliberate diversifications, each extending the Group's expertise into an adjacent market. In 1964 the company entered the automotive sector with the production of preformed carpets for vehicle interiors, becoming in a short time a reference supplier to the Italian automotive industry. In 1972 the Group made its most strategically significant investment: it opened a dedicated wall-to-wall textile flooring division and launched the Sit-IN brand, investing simultaneously in tufting machinery, dyeing plants and finishing lines. This marked the transition from a regional rug producer to a multi-channel contract flooring manufacturer with growing international reach.
Portfolio expansion: the acquisition of Due Palme (1998)	In 1998 the product portfolio was further broadened with the acquisition of Due Palme, the oldest and largest European producer of wool Wilton and Jacquard textile flooring, adding a prestigious handcraft heritage to the Group's design and manufacturing capabilities and meaningfully strengthening its positioning in the premium contract and hospitality segments.
Entering artificial turf (2003)	The early 2000s brought a further strategic departure: in 2003, anticipating rising demand for low-maintenance outdoor surfaces, the company invested in artificial turf for both sports and decorative applications, a segment that would eventually become its second-largest business by revenue.
Corporate restructuring and rebranding (2012)	In 2012 the Group undertook a thoroughgoing corporate restructuring, refocusing exclusively on its product competitive advantages and renaming the entity Radici Pietro Industries & Brands S.p.A. the name under which it operates today. This process sharpened the Group's strategic identity and laid the organizational foundation for the subsequent phases of growth.
Completing the four-segment architecture: Radici Marine (2018)	In 2018 the Radici Marine division was formally established, providing bespoke IMO/MED-certified textile flooring solutions for cruise ships, ferries and yachts. The launch completed the current four-segment structure of the Group and extended its addressable market into a high-barrier, specification-driven niche with structurally recurring demand.
Stock market listing and the road to today (2019)	On July 26, 2019, the Company achieved a significant institutional milestone with its listing on Euronext Growth Milan, the Italian stock exchange segment dedicated to high-growth-potential companies, providing access to capital markets while preserving its family-controlled ownership structure under the Miro Radici Family of Companies. At the time, Radici operated across more than 90 countries through two production plants in Italy and Hungary, four commercial branches in the US, France, Poland and the Czech Republic, and a subsidiary dedicated to artificial turf installations, combining its jacquard weaving heritage with industrial-scale tufting, needle punch and dyeing capabilities, all under a 100% Made in Italy manufacturing identity.
Circular economy and the first post-IPO acquisition:	On 6 March 2024, Radici completed its first post-listing M&A transaction, acquiring a 26% stake in 100%TurfRecyclers from Miro Radici Family of Companies for €0.51mln alongside a shareholders' agreement granting effective control and enabling full consolidation. Founded in Parma by Luca Bacchi, 100%TFR designs and sells proprietary machinery for recycling end-

100%TurfRecyclers (2024)

of-life synthetic turf into secondary raw materials. The acquisition serves both a vertical integration and an ESG purpose, positioning the Group ahead of the EU REACH ban on granular polymeric infill expected by October 2031.

By March 18, 2026, Radici had grown its holding to 33.65% before acquiring a further 32.35% from Miro Radici Family of Companies for €3.5mln, reaching 66% and formal majority control. Throughout all phases the sole seller was Miro Radici Family of Companies, the listed company's own controlling shareholder, reflecting a deliberate migration of the asset from the family holding vehicle into the listed entity.

Figure 17: Radici Pietro I&B timeline (1950 — Present)



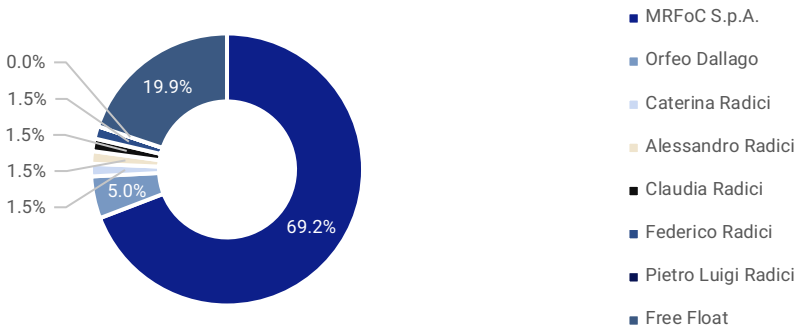
Source: Company data

Corporate structure

Ownership Structure

Radici Pietro Industries & Brands maintains a concentrated ownership structure. MRFoC S.p.A., the Radici family holding company, holds a 69.2% stake, while members of the Radici family collectively own an additional approximately 6.0%. Orfeo Dallago holds a 5.0% stake. The free float stands at approximately 19.9%.

Figure 18: Shareholder structure



Source: Company data

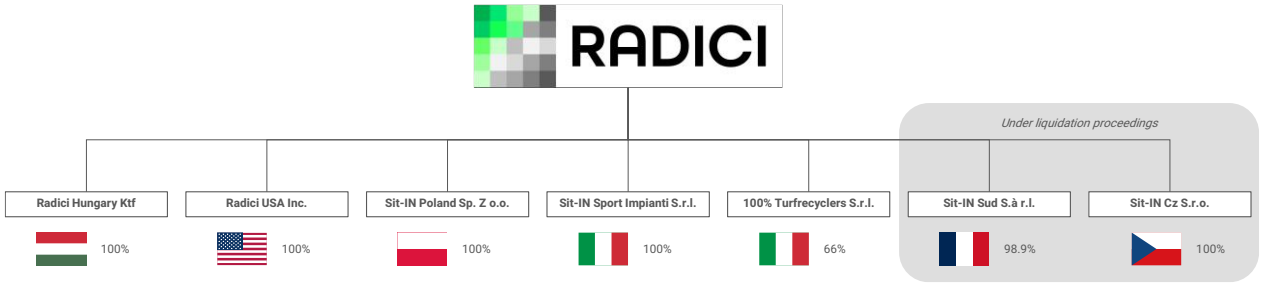
Radici Pietro Industries & Brands S.p.A. serves as the parent company of Radici Group and holds, directly or indirectly, the majority of voting rights in the following fully consolidated subsidiaries:

- Radici Hungary Kft, a manufacturing subsidiary based in Hungary;
- Radici USA Inc., a distribution subsidiary operating in the United States;
- Sit-IN Poland Sp. z o.o., a distribution subsidiary in Poland;
- Sit-IN Sport Impianti S.r.l., a subsidiary specialising in the design and installation of sports facilities;

- and 100%TurfRecyclers S.r.l., fully consolidated since 2024, initially through a shareholders' agreement granting effective control and from March 2026 by direct majority ownership (66%).

Two further distribution subsidiaries, Sit-IN Sud S.à r.l. (France) and Sit-IN Cz S.r.o. (Czech Republic), are currently in liquidation.

Figure 19: Group structure



Source: Company data

Key people

Palmiro Radici: Chairman

Palmiro "Miro" Radici serves as Chairman of the BoD of Radici Pietro Industries & Brands S.p.A. Born in Leffe, Bergamo in 1941, he began his career within the textile group founded by his father Pietro, taking on his first significant role in 1964 as CEO of Tappetificio Nazionale Pietro Radici. During the 1980s and 1990s he led an extensive acquisition programme in the mechatronic-textile sector, assembling a portfolio that came to include Somet, Vamatex, Savio and Sulzer, while also bringing Eutron, a company active in industrial electronics and cybersecurity, into the Group's perimeter. He later served as CEO of Itema S.p.A. from 2001 to 2013, steering one of the world's leading manufacturers of weaving machines.

In 2002 the University of Bergamo awarded him an honorary degree in Management Engineering, recognising his extraordinary entrepreneurial capabilities, his pursuit of technological and market leadership in the textile sector and an intense record of patent activity reflecting a lifelong commitment to product and process innovation.

Ivan Palazzi: General Director

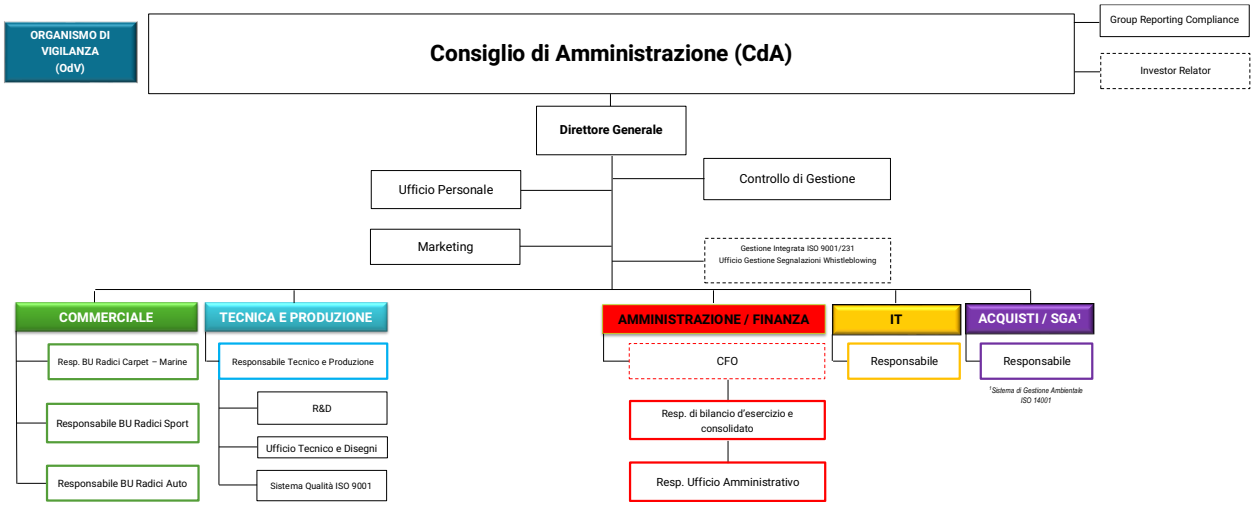
Ivan Palazzi has led Radici Pietro Industries & Brands S.p.A. since 2012 and currently serves as General Director. He built his early career across international textile and industrial materials businesses, holding roles at Lamiflex SpA, Europeyarn GmbH and its Chinese subsidiary Shandong Europeyarn Ltd and Fibrilia SpA. He holds an MBA from MIP Politecnico di Milano.

Since taking the helm at Radici, Palazzi has been the principal architect of the Company's strategic transformation. He led the Group's listing on EGM in 2019 and has since driven its expansion into the circular economy through the acquisition of 100%TFR.

Organizational Structure

The organization is lean and centralized around the General Director, with five functional pillars (Commercial, Technical & Production, Administration/Finance, IT, Purchasing) and dedicated BU heads for each end-market (Carpet + Marine, Sport, Auto), sharing a common production and administrative backbone. Average headcount stood at 254 in 1H26 (8 executives, 80 white-collar and 166 blue-collar employees).

Figure 20: Radici Pietro I&B Organizational Structure



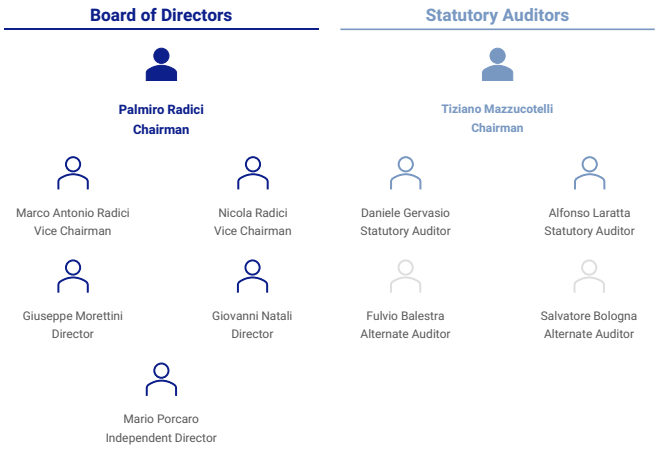
Source: Company data

Board of Directors and Board of Statutory Auditors

Governance of Radici P. I&B is overseen by a Board of Directors composed of six members, including one independent director, and supported by a Board of Statutory Auditors comprising three standing members and two alternate members.

The Board of Directors was appointed by the Shareholders' Meeting held on 9 June 2025 and will serve until the approval of the financial statements for the year ending 31 December 2027. The Board of Statutory Auditors was appointed by the Shareholders' Meeting held on 24 April 2026 and will remain in office for the three-year period 2026-28.

Figure 21: Corporate bodies



Source: Company data

ESG commitment

In 2024, Radici published its first-ever *Sustainability Report*, aligned with CSRD, ESRS and the simplified VSME standard for SMEs. A *Double Materiality Assessment* was conducted with Intertek, identifying six material themes across E, S and G dimensions. The report covers the Cazzano Sant'Andrea plant for FY23–24. The Company's sustainability strategy is aligned with five UN SDGs: *Good Health & Well-being* (3), *Affordable & Clean Energy* (7), *Decent Work & Economic Growth* (8), *Responsible Consumption & Production* (12) and *Climate Action* (13).

E:

powering production with the sun and

Since 2013, Radici has achieved a 30% reduction in energy consumption and 39% in methane usage. A 6,060-panel photovoltaic system installed in 2023 (25,000 m²) supplies ~54% of plant

cutting carbon at every step

electricity needs, avoiding ~582 t of CO_2/year, complemented by a LED relamping programme saving 480,000 kWh and 230 t of CO_2/year. All purchased electricity is certified renewable.

In 1H26 the Company completed the new hybrid thermal plant at the Cazzano Sant'Andrea site, part of the boiler revamping and heat pump programme targeting ~200,000 m³ of methane and ~2,300 t of CO_2 savings per year. Works on a new drying plant, expected to reduce methane consumption by ~15%, are under way. Water management leverages a dedicated natural spring collection system covering 55% of needs, supported by ISO 14001 certification. On circular economy, total waste reached 1,607,632 kg in 2024 (19.7% recovered as non-textile materials, 8.2% recycled as textiles), with the 2024 acquisition of 100%TFR further underscoring the commitment to converting waste into secondary raw materials.

Product innovation reinforces these goals: Bloom Back, a fully regenerable carpet made with ECONYL® recycled nylon, embodies the R2R circular model; Ultramix 38.40 EVO N.I. is the world's first 100% no-infill FIFA BASIC-certified turf system, fully recyclable; and *Automotive* products are made exclusively from locally sourced recycled PET, mono-component, latex-free and 100% recyclable.

S:

a stable, inclusive workforce with growing welfare support

Radici's workforce stood at 172 employees in 2024 (vs. 177 in 2023), with an average age of 43.25 years and 99.6% permanent contracts. Women represent 58% of white-collar roles. Annual turnover was 16.9% in 2024, with 30 departures.

In 2024, 7 workplace accidents were recorded (118 lost days), with zero fatalities and zero occupational diseases across both years. Post-incident reviews and quarterly safety meetings across production areas reinforce a shared safety culture.

In 2025, the Company launched a corporate welfare platform (€200 CCNL + €600/year), supplementary health insurance and increased life insurance contributions through the Previmoda pension fund. Product-level well-being innovation includes AlleRAD, a 100% biobased treatment eliminating up to 99.9% of common inanimate allergens from carpets, and Turfguard, an antimicrobial treatment reducing bacterial load on synthetic turf by 98.32%.

G:

ethics first, transparent rules from boardroom to supply chain

Radici's governance framework is guided by a BoD chaired by Palmiro Radici, supported by two Vice Presidents (Marco and Nicola Radici) and 3 board members, including one independent director. A dedicated ESG Sustainability Committee and a cross-functional working group (HR, Finance, Environmental, R&D, Governance) oversee the integration of ESG criteria into strategic decision-making.

The ethical infrastructure rests on a *Code of Ethics* and an *Organisational Model* pursuant to Legislative Decree 231/01, addressing anti-corruption, fraud prevention, human rights and labour standards. A whistleblowing channel compliant with the EU Whistleblower Directive is in place, with quarterly compliance reports tracking effectiveness.

Supply chain responsibility is a further priority: raw material suppliers are paid within 80 days on average (~70% of annual invoices), service providers within 60 days, with 95% of payments aligned with contractual terms in 2024 (vs. 89% in 2023) and zero legal proceedings for late payment. By end-2026, ESG criteria will be integrated into the supplier qualification process, starting with strategic suppliers.

Radici Pietro I&B Business Model

Integrated holding and global presence

Radici Pietro Industries & Brands acts as the operating holding of a group engaged in the production and commercialization of a broad portfolio of textile floor coverings across domestic and international markets. The Group operates globally through subsidiaries located in Italy, Hungary, the United States and Poland. Production activities are carried out by the parent company and Radici Hungary, while Radici USA, Sit-IN Poland and Sit-IN Sport perform commercial functions. This structure is complemented by a network of distributors in strategic markets, ensuring wide geographic coverage and proximity to customers.

Integrated business model and operating structure

The Group operates through a single business unit and an integrated business model that connects all stages of the value chain, from product design and manufacturing to final distribution. This integration enables efficient resource allocation and supports the ability to respond effectively to diverse market opportunities. Installation activities are generally outsourced to third parties, although sports surfaces installation in certain Italian regions is managed directly through the subsidiary Sit-IN Sport.

Market segments and product portfolio

The Group serves multiple end markets through distinct operational lines, *including Residential & Contract*, *Marine*, *Sport* and *Automotive*. Its offering spans five main product categories: tufted carpets, woven carpets, artificial grass, non-woven needle-punched materials and traded products and complementary services related to textile flooring. This diversified portfolio allows the Group to address a wide range of applications with tailored solutions.

Production model and value chain

Production is primarily based on a *make-to-order* (MTO) approach, under which manufacturing begins only after customer order confirmation, ensuring a high degree of customisation. A smaller portion of activity follows a *make-to-stock* (MTS) logic, with standardized products manufactured based on sales forecasts. The value chain is structured into three main processes: *Research & Development*, *Production & Supply Chain* and *Distribution*, all managed across the Group's entities according to their respective roles:

- **Research & Development**. R&D represents a core component of the business model, with dedicated internal teams responsible for innovation and process improvement. Activities focus on identifying customer needs, enhancing product quality and competitiveness and optimizing production processes, while also considering sustainability aspects. The R&D function may involve external partners when specialized expertise is required and extends to sports-related systems through integration with Sit-IN Sport.
- **Production and Supply Chain Management**. The production phase includes procurement, transformation and quality testing. Procurement is centrally managed and based on structured supplier relationships, with multiple sourcing strategies to ensure continuity and quality of raw materials. The Group adopts *Material Requirements Planning* (MRP) to optimize inventory levels and working capital. Manufacturing activities take place in automated facilities in Italy and Hungary and include processes such as spinning, weaving, dyeing, needling and finishing, with certain specialized steps outsourced. Continuous and final quality controls ensure compliance with customer specifications.
- **Distribution and Commercial Activities**. After production and quality validation, finished goods are centralized in a single warehouse for packaging, storage and customisation services such as cutting. Distribution is handled through the Group's subsidiaries, agents and long-standing commercial networks, which manage customer relationships from initial contact to after-sales support. Sales are typically governed by purchase orders or framework agreements, including standardized terms covering delivery, payment, product specifications and returns.

Logistics, installation and support services

Logistics and transportation are fully outsourced, both for inbound raw materials and outbound finished products, with insurance coverage in place to mitigate associated risks. The Group also offers installation services upon request, outsourced to specialized partners except for certain sports applications managed internally. These services enhance customer relationships and support the delivery of fully customized solutions.

Main products

The Group has over seventy years of experience in the production of textile flooring solutions across a wide range of end markets: *Residential & Contract*, *Marine*, *Sport* and *Automotive*. It serves approximately 2,000 customers, including luxury brands, shipyards, shipowners, hotel chains and automotive manufacturers, with a commercial reach extending to around 90 countries worldwide.

The carpets and floor coverings produced and distributed by the Group can be highly customized to meet specific customer requirements and intended applications. This demands not only the use of high-quality raw materials, but also rigorous design and manufacturing processes. To support these standards, the Group relies on a network of strategic suppliers.

The Group's product portfolio encompasses tufted carpets, woven carpets, artificial grass and non-woven needle-punched materials, as well as traded products and complementary services related to textile flooring.

Moquette *tufting*

Tufted carpets are produced using tufting technology, a manufacturing process in which yarns are mechanically inserted into a primary backing to create a textile surface. Originally adopted as a faster and more cost-effective alternative to traditional weaving, tufting has become the most widely used carpet production method globally, owing to its high productivity, design flexibility and capacity for customisation. Its main advantages include lower production costs, shorter lead times and versatility in patterns and textures. Potential drawbacks, however, may include lower structural compactness and reduced durability compared to woven carpets in certain high-performance applications.

Within this framework, the Group manufactures tufted carpets with weights ranging from approximately 500 g/m² to over 2,500 g/m², available in both cut pile[2] and loop pile[3] constructions.

The main components of a tufted carpet are:

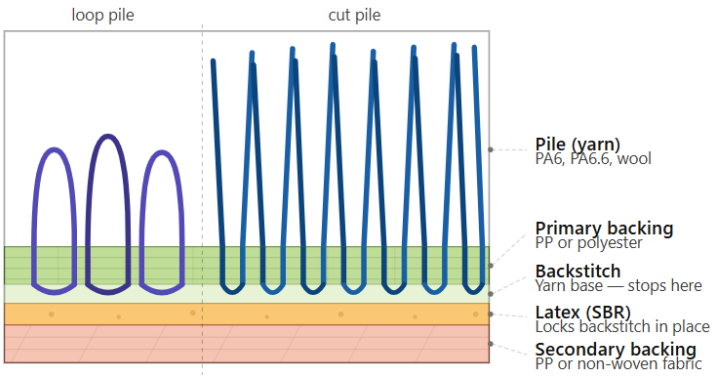
- a primary backing, typically made of polypropylene or polyester, into which the yarns are inserted;
- the yarns themselves, primarily nylon (PA6 or PA6.6), 100% wool or wool blends, which constitute the core aesthetic and functional element of the product;
- a latex compound based on styrene-butadiene rubber (SBR), used in the finishing stage to ensure dimensional stability and durability;
- and a secondary backing in polypropylene or non-woven fabric, applied during the bonding phase to reinforce the structure.

All raw materials are subject to rigorous quality controls carried out by the Group's internal laboratory.

[2] The yarn is cut immediately after insertion, creating a smooth, velvet-like surface.

[3] The yarn remains intact in a loop, resulting in a textured, bouclé-like effect.

Figure 22: *Tufting* structure



Source: Banca Profilo elaborations

The product range is highly diversified and comprises 4 main categories:

1. **Special products** are highly customized carpets produced using Cromojet technology, which enables printing of up to 16 colours across 15 different nylon and wool bases, even at very low minimum production volumes. These tufted carpets are suitable for both the *Contract* and *Marine* sectors, offering a high degree of design flexibility and customisation.
2. **Collection products** consist of approximately 20 ranges of polyamide and wool carpets available in over 500 colour options, offered in both roll format and cut-to-size solutions. Designed for the *Residential & Contract* and *Marine* sectors, these tufted carpets are dyed in solid colours using fluid dyeing and/or batch (beck) dyeing technologies, ensuring consistency and versatility across applications.
3. **Solution-dyed products** are made from 100% polyamide yarns coloured in the mass, ensuring high colour consistency and durability. For these products, the Group typically requires minimum order quantities depending on the technical specifications developed in collaboration with the customer. These tufted carpets are primarily intended for the *Automotive* market.
4. **Piece- or yarn-dyed products** are carpets made primarily from wool and wool–polyamide blend yarns, produced on a MTO basis according to the required volumes and colour specifications. These tufted carpets are mainly intended for the *Marine* and *Contract* sectors, where customisation and material quality are key requirements.

Across all categories, customers can select from a range of finishing options to further tailor performance characteristics such as comfort, durability and compliance with specific certifications, including fire and wear resistance standards and IMO certifications for marine use.

The Group manages the entire production process for tufted carpets, beginning with the procurement of raw materials. Where wool fibre is used, it is sent to the production facility of the subsidiary Radici Hungary, where it is processed into carded yarn. Radici Hungary covers approximately 50% of the Group's yarn requirements, while the remainder is sourced from trusted third-party partners with whom the Group maintains long-standing relationships.

The first stage of the manufacturing process is tufting. The Group operates 14 tufting looms with a range of gauge[4] configurations, including 1/8" cut, 1/10" cut, 1/10" loop, 1/10" cut/loop combinations, 5/32" cut, 5/32" loop, 5/32" scroll, 5/64" cut and 5/64" loop. This range of configurations enables the production of various carpet types in widths of 4 to 5 metres.

[4] Gauge referring to the distance, measured in inches, between each needle.

Once tufting is complete, the semi-finished greige carpet (the undyed carpet) undergoes dyeing, which may be carried out through one of several alternative processes:

- **Cromojet printing**, which enables the application of designs with up to 16 colours at a resolution of 25 DPI;
- **Continuous dyeing**, via a Fluidyer dyeing line capable of processing greige carpets in widths of 4 and 5 metres;
- **Batch dyeing** (or beck dyeing), carried out in three dedicated machines that allow greige carpets in widths of 4 and 5 metres to be dyed in batches of up to approximately 200 linear metres per cycle.

Following the dyeing stage, the carpets undergo a drying process. The dyeing department also includes a laboratory equipped with pilot lines, enabling the production of samples for customer approval prior to full-scale industrial production.

For velvet (cut pile) tufted carpets, the process additionally includes a shearing or trimming stage, during which the pile height is levelled and made uniform. The carpets then proceed to the finishing phase on the Brückner finishing line, where various treatments may be applied depending on customer requirements and the intended application.

Moquette *weaving*

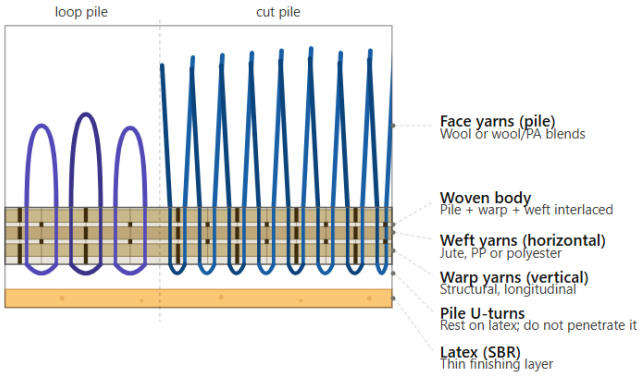
The Group produces woven carpets using several traditional carpet-weaving technologies, including Wilton Jacquard, Wilton plain, double-face and Axminster looms.

Woven carpets differ from tufted carpets in that the pile and the backing are constructed simultaneously on the loom through the interlacing of warp and weft yarns, resulting in a structurally compact and highly durable textile flooring.

The main raw materials used in woven carpets are as follows:

- warp[5] and weft[6] yarns, typically made of jute, polypropylene, or polyester, which form the structural foundation of the carpet;
- pile yarns (or face yarns), which constitute the visible and functional surface of the carpet and are composed primarily of 100% wool or wool/polyamide blends and, to a limited extent, for aeronautical applications, 100% polyamide;
- and a latex compound (SBR), applied during the finishing phase to enhance dimensional stability and structural integrity.

Figure 23: *Weaving* structure



Source: Banca Profilo elaborations

Procurement of these components is managed by the purchasing department on a monthly basis, taking into account the status of confirmed sales orders.

[5] The longitudinal yarns running lengthwise on the loom; they form the structural foundation around which the weft yarns are interlaced.

[6] The transverse yarns running across the width of the loom; they interlace with the warp yarns to bind the fabric structure together.

The woven carpet product range is divided into two main categories:

1. **Special products**, made from wool or wool/polyamide yarns dyed in fibre or skein form, allowing designs of up to 5 colours. These carpets are primarily intended for the *Contract* sector and offer a high degree of design flexibility.
2. **Collection products**, consisting of more than 20 wool carpet styles available in approximately 200 colour options, offered in both roll format and cut-to-size solutions. These products are mainly targeted at the *Residential & Contract* markets.

The production process begins with yarn preparation, using 100% wool or wool/polyamide blend yarns. Depending on the end product, yarns may be dyed either in fibre form or in skein. Dyeing is carried out by specialist third-party dye houses with which the Group maintains long-standing relationships, while spinning operations are performed at the Group's production facility in Hungary.

Prior to weaving, the yarn undergoes several preparatory stages, including winding, twisting, heat-setting and warping, carried out according to the technical specifications of the final product. The prepared yarn is then transferred to the weaving department, which is equipped with looms of different types:

- *double-face* looms, which simultaneously weave two separate carpet layers face-to-face on the same loom, then cut them apart to yield two mirrored pieces in a single pass. This construction is particularly suited to large-volume projects such as *Marine* applications and allows patterned designs of up to 5 colours.
- *Wilton plain* looms, which weave pile and backing simultaneously by interlacing pile yarns around steel wires inserted across the width of the loom. When the wires are withdrawn, the pile loops either remain intact (loop pile) or are cut by a blade fitted to the wire tip (cut pile), allowing cut pile, loop pile and cut-and-loop constructions.
- *Wilton Jacquard* looms, which operate on the same weaving principle as Wilton plain looms but are additionally controlled by a Jacquard mechanism that selects individual warp ends independently, enabling complex multicolour patterns in virtually any design. Used for both custom orders and collection products, they are capable of producing cut, loop or cut-and-loop carpets in up to 5 colours.
- *Axminster loom*, which inserts pre-cut lengths of pile yarn, taken from individual yarn spools arranged according to the desired colour pattern, directly into the backing structure one row at a time. This method allows great design freedom and precise colour placement across the width of the carpet. The Group's Axminster loom produces carpets approximately two metres in width, primarily for *Marine* applications.

Following the weaving phase, the carpets are transferred to the finishing department, which operates on a single shift with two employees and is equipped with a Sellers finishing machine to carry out the final treatments required to complete the product.

Artificial grass

The Group has expanded into the production of artificial grass, leveraging synergies across its manufacturing activities. It holds important certifications from leading national and international sports federations, including FIFA, the Lega Nazionale Dilettanti, the International Tennis Federation and World Rugby and is also a member of ESTO (European Synthetic Turf Organisation).

Artificial grass manufactured by the Group comprises the following main raw materials:

- a primary backing, a polypropylene support, sometimes multi-layer depending on the intended application, onto which the yarn is tufted;
- yarn, which constitutes the principal component of the turf surface and may be made of polypropylene (for tennis and multi-sport applications), polyethylene (for football pitches and decorative uses) or blends of the two;

- and a latex compound (SBR), applied during the finishing phase to secure the yarn to the primary backing and ensure the structural stability of the surface.

Procurement planning for these components is managed by the purchasing department on the basis of market forecasts, taking into account both the strong seasonality of synthetic turf (~70% of volumes are concentrated between April and September) and a yarn supply lead time of approximately 8 weeks. Production is largely carried out on a MTO basis, enabling the Group to develop highly customised solutions tailored to the specific technical requirements of each project.

Artificial grass products are designed for several main applications:

i. Sports applications, where the turf is engineered according to the requirements of each discipline:
   - Tennis and padel: products certified by the International Tennis Federation, featuring durable yarns and customisable playing surface colours to ensure high performance;
   - Multi-sport fields: surfaces developed for facilities where multiple sports are played (including five-a-side football, volleyball, handball and tennis) offering durability and consistent performance across disciplines;
   - Hockey and baseball: systems designed to ensure surface uniformity and long-term yarn resistance;
   - Golf: surfaces developed to meet the specific technical expectations of golfers;
   - Football and rugby: products suitable for both amateur and professional use, supported by the numerous certifications held by the Group.

ii. Playground applications, where products comply with HIC (Head Injury Criteria) safety standards for children's play areas.

iii. Outdoor and landscaping applications, including residential, urban and decorative uses. The Group's grass and landscaping products are designed to increasingly replicate the aesthetic and functional characteristics of natural grass while retaining the practical advantages of synthetic turf. The outdoor segment represents a rapidly growing and strategically important market for the Group.

The manufacturing process begins in the weaving and tufting department at the Group's production facility, which is equipped with machines operating at different gauge configurations (3/4", 3/8", 3/16" and 1/8"), enabling the production of artificial turf with pile heights ranging from approximately 12 mm to 62 mm.

Once tufting is complete, the product undergoes finishing operations, carried out in the same department responsible for tufted carpet finishing, through a latex coating process in which the backing is impregnated with SBR latex by means of a dedicated cylinder.

The finished turf is then subjected to rigorous quality control procedures, including durability and ageing tests that simulate wear conditions such as the repeated impact of football studs. Finally, the artificial grass is labelled, with customised labels where requested by the client, and transferred to the warehouse for storage and distribution.

Figure 24: Artificial grass applications



Source: Banca Profilo elaborations on Company data

Needle-punched non-woven materials

The Group manufactures needle-punched non-woven materials primarily intended for the automotive sector, offering high performance in terms of resistance to light exposure and moisture.

These products comprise the following main raw materials:

- staple fibre, made entirely from recycled polyester in various fineness grades expressed in dtex[7] ranging from approximately 3.3 to 17 dtex. The different staple fibre types used by the Group vary in fineness, colour and performance characteristics such as tensile elongation and thermal resistance;
- and a latex compound (SBR), applied during the finishing phase to ensure the stability and structural integrity of the final product.

The Group's needle-punched non-woven products are divided into 4 main categories:

1. **Flat (smooth) materials**, with weights ranging from 150 g/m² to 1,000 g/m², produced from polyester or polypropylene fibres depending on the intended application. These products are typically used for automotive interior upholstery, floor mats, wheel arch liners, boot linings and underlayments.
2. **Dilour**, also with weights between 150 g/m² and 1,000 g/m², made from polyester or polypropylene fibres and used for vehicle interiors, floor mats, boot linings and parcel shelves. These products feature a velour-like surface finish achieved through a dedicated fibre-lifting process.
3. **Resin-bonded materials**, produced in either flat or dilour structures to which a resin is applied to improve stiffness and dimensional stability. These products are used for interior upholstery, floor mats, boot linings and side panels.
4. **Laminated products**, consisting of bi-laminate or tri-laminate structures used for automotive interiors, wheel arch liners and boot compartments.

All raw materials used in the production process are subject to rigorous quality controls carried out by the Group's internal quality laboratory at the Cazzano Sant'Andrea facility. Procurement planning for these components is managed by the purchasing department on a monthly basis, taking into account order progress and customer demand forecasts.

The core stage of the production process is the needle-punching operation, during which staple fibres are first carded and then mechanically entangled through a needling process to form a non-woven fabric. To carry out this process, the Group operates two needle-punching production lines with a combined annual production capacity of approximately six million square metres:

- a **white line** (Autefa, 4.4 metres wide), equipped with a pre-needle loom;
- a **green line** (Autefa, 6.6 metres wide), equipped with a pre-needle loom and a tandem needle loom (up-and-down configuration).

[7] A unit indicating the weight in grams of 10,000 metres of fibre.

Following the needle-punching phase, the flat non-woven fabric is obtained. For Dilour products, an additional step is required: the flat needle-punched roll is processed through a system of needles and brushes that lift and separate the surface fibres, giving the material its characteristic velour-like appearance.

The material then proceeds to finishing operations, which may include thermal stabilisation or resin coating, followed by lamination and cutting. These final stages are sometimes performed with the support of specialised third-party partners to tailor the product to specific customer requirements.

Traded products and complementary services

To provide customers with comprehensive and tailored solutions and to further strengthen long-term relationships, the Group also distributes products manufactured by selected strategic partners. These products are carefully inspected at the Group's facilities before being supplied to customers, contributing to a well-rounded product offering while supporting the optimisation and control of working capital.

The Group markets the following traded products:

- **Axminster carpet**, a Jacquard-type woven carpet typically composed of approximately 80% wool and 20% polyamide, produced using Axminster weaving technology, which enables highly customised designs of up to 16 colours.
- **Hand-tufted carpet**, mainly used for rugs, produced through a manual tufting process that allows virtually any design to be realised, including complex and three-dimensional patterns across a wide range of colours.
- **Tufted carpet** sourced from external partners, complementing the Group's internally produced tufting range.
- **Machine-made polypropylene rugs**, specifically designed and selected for the US market and distributed through the Group's subsidiary Radici USA.
- **Carpet tiles**, comprising a curated selection of modular carpet solutions in polyamide and polypropylene, intended for offices, hotel chains and airport environments.

In addition, the Group offers a range of complementary products and services, including high-performance underlays used as carpet backing systems; adhesives for the installation of carpets and artificial grass; cleaning and maintenance products; and materials required for the installation of sports surfaces. Complementary services include edging, installation and laying.

100%TurfRecyclers

The World's first artificial turf recycling equipment maker

100%TurfRecyclers S.r.l. (hereinafter "100%TFR") is an Italian company that designs, engineers and manufactures proprietary machinery and turnkey plants for the recycling of synthetic turf in all of its components: infill (sand and rubber granulate), plastic fibers and backing material. According to the Company, 100%TFR is the first and only firm globally to offer both fixed and mobile systems specifically purpose-built for artificial turf recycling. The company was awarded the *Italian Innovation Prize* in 2020, underscoring the pioneering nature of its technology. All products are 100% Made in Italy, with approximately 85% of the machines being non-commercial, proprietary designs engineered in-house for the specific requirements of the artificial turf industry.

Figure 25: 100%TurfRecyclers' "from waste to resource" process



Source: Company data

The World's first artificial turf recycling equipment maker

Artificial turf fields have a typical useful life of 8–12 years, after which the entire surface must be replaced. The resulting waste, a mix of sand, rubber, plastic fibers and backing polymers, has historically been landfilled or managed through rudimentary disposal methods, but regulatory pressure around plastic waste and microplastic contamination is tightening, particularly in Europe and increasingly in the US. 100%TFR's technology enables the fine separation and recovery of each constituent material, transforming a disposal cost into reusable or resalable secondary raw materials. Customers can monetize recovered sand and rubber while avoiding rising disposal fees, with additional value from plastic fibers reusable in extrusion or pyrolysis applications.

Product portfolio: a modular, scalable range covering the full recycling chain

100%TFR offers a comprehensive suite of solutions addressing different stages of the artificial turf recycling process and different customer needs, from on-field mobile operations to large-scale fixed recycling stations. The product range can be summarized as follows:

Figure 26: Product portfolio



- ***LOKI 3–6 – Mobile Dry Recycling Plant***. LOKI is a fully mobile, stand-alone plant powered by its own diesel generator (Tier 4 compliant for clean emissions). Available in two throughput sizes (3 t/h and 6 t/h), the unit can be transported from field to field and set up in approximately two hours. It processes full artificial turf rolls and separates the infill into clean, dry sand and rubber granulate (output moisture of ~0.5%). LOKI is the ideal solution for operators that wish to recycle materials on-site and reuse or resell them locally, avoiding transport costs. It requires only 2 operators and 1–2 forklifts, making it cost-efficient for decentralized operations.



- ***THOR 8–20 – Fixed Dry Recycling Plant***. THOR is the larger, fixed-installation counterpart of LOKI, designed for customers who wish to operate a permanent recycling station for the collection, processing and resale of recycled finished products. Available in 8 t/h and 20 t/h configurations, THOR can be powered by municipal electricity or diesel and its burner can run on natural gas, diesel or LPG. The higher capacity makes it suited for countries with large volumes of end-of-life turf or where centralized collection and storage of recycled materials is preferred.



- ***WET-INFILL Separator – Cost-Optimized Wet Separation***. Described by the Company as its flagship product, the WET-INFILL Separator is a compact machine that cleans and separates sand and rubber through a high-pressure water washing process, also eliminating microplastic contamination. The system operates on a closed-circuit water cycle to minimize consumption. Compared to the dry-process plants (LOKI/THOR), output moisture is higher (~10% vs. ~0.5%), but maintenance and operating costs are significantly lower as the system eliminates the need for a gas or diesel-powered dryer, making it an attractive entry-level option for customers where dried infill is not a requirement.



- ***DRY-M-INFILL – Modular Drying and Separation System***. The DRY-M-INFILL is the newest addition to the range, described as the only plant of its kind officially available for sale. It is sold as a two-module plug-and-play solution: Unit A (Dryer) reduces infill moisture from 6–10% down to ≤1.5% and removes fine dust particles (<200 microns), while Unit B (Separator) carries out high-precision separation of sand and rubber granulate, also removing residual plastic fibers. The system outputs four clearly defined material streams: rubber granulate, sand, plastic fibers and residual contaminants (max. 2%). Its containerized design ensures short installation times and high mobility, combining the quality of dry separation with greater flexibility than a full THOR installation.



- ***Emptying Machine – Carpet-Infill Mechanical Separator.*** The Emptying Machine is a proprietary mechanical separator that divides the turf carpet from its mixed infill. It handles up to twelve rolls per hour and can accommodate extra-size rolls (up to 2.70 m wide and 15–20 m long). The processed carpet exits the machine cleaned, tightly rewound, packaged and labeled – ready for reuse or for further recycling via the MODULE machines. The separated infill can be further processed through the LOKI, THOR, WET-INFILL or DRY-M-INFILL plants.



- ***MODULE 3 & MODULE 5 – Fiber Shaving, Densification and Granulation***. The MODULE range addresses the recycling of the turf carpet itself (as opposed to the infill). MODULE 3 cuts the plastic fiber at its base without shredding it, enabling direct reuse in extrusion processes. A circular water system minimizes consumption. MODULE 5 is a more advanced system that washes, shaves, resizes and densifies the entire carpet (fiber + backing) into polymeric granulates of ~1 cm in diameter. These granulates can be reused as compound plastic material or sold for pyrolysis. MODULE 5 processes up to 10 rolls per hour (~1 t/h), handling extra-size rolls up to 2.00 m wide and 20 m long.

Source: Company data

Proven International track record with case histories across 3 continents

100%TFR's equipment is already deployed internationally, with reference installations spanning Norway (Loki-6), the US (Loki-8, WET-M-INFILL, THOR-10, THOR-25, MODULE-3), Australia (THOR-6, MODULE-3) and Spain (WET-M-INFILL). The growing list of case histories demonstrates the scalability and adaptability of the product range across geographies with different regulatory frameworks. The company works closely with Radici Sport as its primary partner within the Group, alongside a broader network including All Sports Recycled and SMG GmbH to support global commercialization. This global reach, combined with the mounting regulatory and ESG-driven pressure on end-of-life synthetic turf management, provides a foundation for continued order intake growth.

Radici Pietro I&B SpA

Recommendation	Target Price	Upside
BUY	**2.3 €**	**167%**

Company Overview

Founded in 1950 by Pietro Radici in Cazzano Sant'Andrea (Bergamo), Radici Pietro Industries & Brands S.p.A. is an Italian manufacturer and distributor of high-end textile flooring and artificial turf, operating at the intersection of craftsmanship, technology, and design. The Company operates through four divisions: Radici Carpet, its flagship brand offering textile flooring solutions for HoReCa, offices, residential and commercial environments; Radici Marine, dedicated to customised textile flooring for the cruise, ferry and yacht sectors; Radici Sport, which develops and manufactures artificial turf for professional and amateur sports as well as landscape applications; and Radici Automotive, specialising in customisable textile accessories for vehicles. Radici produces 100% Made in Italy products, maintaining full control over its supply chain across more than 80,000 square meters of production facilities. It operates through two manufacturing plants in Italy and Hungary, two commercial subsidiaries in the United States, a subsidiary in Poland and a dedicated Italian entity for the design, installation and maintenance of synthetic turf systems. With over 2,000 clients, the Company has an established presence in more than 90 countries worldwide.

Radici Pietro Industries & Brands S.p.A. has been listed on Euronext Growth Milan since July 26, 2019. The controlling shareholder is MRFoC S.p.A. (Miro Radici Family of Companies), which holds a 69.2% stake, while members of the Radici family collectively own an additional approximately 6.0%. Orfeo Dallago holds a 5.0% stake. The free float stands at approximately 19.9%.

P&L (€,mln)	2024	2025	2026E	2027E	2028E
Revenues	56.2	59.5	63.4	67.6	70.4
Other	0.9	(0.3)	0.2	0.2	0.2
Total Revenues (VoP)	**60.0**	**61.2**	**65.2**	**69.4**	**72.3**
yoy (%)	3.8%	2.0%	6.5%	6.5%	4.3%
EBITDA	**5.4**	**5.9**	**5.9**	**6.7**	**7.1**
margin (%)	9.1%	9.6%	9.0%	9.6%	9.8%
EBIT	**1.4**	**2.2**	**2.1**	**2.5**	**2.9**
margin (%)	2.4%	3.6%	3.2%	3.7%	4.0%
Net Profit/(Loss)	**1.3**	**1.3**	**0.7**	**1.0**	**1.3**
margin (%)	2.2%	2.2%	1.1%	1.5%	1.8%

Company Description	
Company Sector	Textile Products
Reference Index	FTSE Italia Growth Index
Main Shareholder	MRFoC S.p.A.
Price	0.86 €
Daily Average Volumes (30D)	6,350

Shareholders



Share Data	2025	2026E	2027E	2028E
Market Cap (mln)	7.58	7.58	7.58	7.58
Number of Shares (mln)	8.81	8.81	8.81	8.81
EPS	0.09	0.07	0.10	0.13
DPS	-	-	-	-
BVPS	3.90	4.02	4.12	4.25

Balance Sheet (€,mln)	2024	2025	2026E	2027E	2028E
Fixed Assets	30.7	32.6	35.2	34.1	33.0
Net Working Capital	21.7	19.0	22.2	23.7	24.7
Other Assets/(Liabilities)	(4.8)	(4.2)	(4.1)	(4.2)	(4.2)
Net Invested Capital	**47.6**	**47.5**	**53.2**	**53.6**	**53.5**
Cons. Equity	34.3	35.3	36.0	37.1	38.4
Adj. Net Debt/(Cash)	**13.3**	**12.2**	**17.2**	**16.5**	**15.1**

Key Ratios	2025	2026E	2027E	2028E
ROE	3.8%	2.0%	2.7%	3.4%
ROCE	4.7%	3.9%	4.7%	5.4%
Leverage	2.2	2.3	2.3	2.3
Net Debt (cash)/EBITDA	2.1	2.9	2.5	2.1
Working Capital/Sales	31%	34%	34%	34%
CapEx/Sales	3%	9%	4%	4%
CapEx/D&A	65%	178%	69%	71%

Cash Flow (€,mln)	2024	2025	2026E	2027E	2028E
EBITDA	5.4	5.9	5.9	6.7	7.1
Financial Income/(Expenses)	(1.1)	(0.8)	(1.1)	(1.1)	(1.1)
Taxes	0.9	(0.1)	(0.3)	(0.4)	(0.5)
Change in NWC & Other	(0.9)	1.5	(3.7)	(2.0)	(1.5)
CapEx	(2.8)	(2.1)	(5.9)	(2.5)	(2.6)
FCF	**1.6**	**4.4**	**(5.0)**	**0.6**	**1.4**
Other investments	1.0	(3.0)	(0.5)	0.0	(0.0)
Equity Financing	0.1	(0.3)	0.5	-	-
Dividends	-	-	-	-	-
Change in Net Debt/(Cash)	**2.7**	**1.1**	**(5.0)**	**0.6**	**1.4**
Unlevered FCF	**5.7**	**3.2**	**(3.7)**	**1.9**	**2.7**

Multiples	2025	2026E	2027E	2028E
P/BV	0.2x	0.2x	0.2x	0.2x
EV/Sales	0.4x	0.4x	0.4x	0.4x
EV/EBITDA	4.6x	4.6x	4.1x	3.8x
EV/EBIT	12.2x	13.0x	10.7x	9.4x
P/E	8.0x	9.4x	12.8x	8.8x
Dividend yield	0.0%	0.0%	0.0%	0.0%
FCF yield	58.6%	-66.2%	8.5%	18.6%

Peers	2025	2026E	2027E	2028E
EV/Sales	1.0x	1.0x	1.0x	0.9x
EV/EBITDA	7.2x	6.5x	6.5x	6.3x
EV/EBIT	11.7x	11.6x	11.4x	10.5x
P/E	16.3x	14.0x	13.7x	11.0x

Strengths

- Full vertical integration
- Diversification across 4 sectors: *Residential & Contract*, *Marine*, *Sport* and *Automotive*
- Global footprint in 90+ countries with ~2,000 customers
- Capital-intensive production model creates high barriers to entry
- Sustainability leadership
- 100% TurfRecyclers subsidiary, proprietary turf recycling technology

Weaknesses

- Heavy dependence on Italian market (~47% of revenue)
- Rising financial leverage

Opportunities

- Booming cruise industry
- Growing luxury yacht segment: rising demand for bespoke, sustainable marine interiors
- EU microplastics ban (2031) on rubber crumb infill drives demand for next-gen turf systems
- Circular economy push: turf recycling via TurfRecyclers aligns with EU *Green Deal*

Threats

- Macroeconomic uncertainty and weaker European construction/renovation cycles
- Accelerating regulatory pressure against artificial turf: PFAS bans in US states, EU REACH restrictions
- Anti-synthetic-turf movement: research linking turf to injuries and microplastic pollution
- Competition from larger players with greater R&D budgets
- Raw material price volatility (polypropylene, nylon) compressing margins

Source: Bloomberg, FactSet, Banca Profilo estimates and elaborations

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