

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

Where Textile Heritage Meets the Circular Frontier

Integrated Italian specialist in textile flooring and artificial turf

Radici Pietro Industries & Brands S.p.A., founded in 1950 in Cazzano Sant'Andrea (BG) and listed on EGM since July 2019, is a leading Italian player in high-end textile flooring and artificial turf. The Group operates a vertically integrated production model across over 80,000 sqm of facilities, managing most phases in-house, from raw material processing to manufacturing, distribution and installation. Products span woven and non-woven textile coverings and artificial grass, all with a high degree of customization, serving luxury brands, shipyards, cruise operators, hospitality groups and automotive OEMs. Radici is present in over 90 countries through 2 production sites (Italy, Hungary), 2 commercial subsidiaries (USA, Poland), a turnkey sports installation unit (Sit-IN Sport Impianti S.r.l.) and a 66%-owned subsidiary designing and manufacturing artificial turf recycling equipment (100% TurfRecyclers S.r.l.).

Portfolio diversification, circular economy and international expansion

Since its 2019 IPO, Radici has rebalanced its revenue mix away from *Residential & Contract* (from 45% to 39%) toward *Marine* and *Sport*, which together now account for 53% of sales (vs. 35% at listing). The 66% stake in 100%TurfRecyclers, the world's first purpose-built artificial turf recycling equipment maker, adds circular economy exposure ahead of the EU REACH ban on crumb rubber infill (2031) and first-mover positioning in a regulatory-driven market. Geographically, the US has risen from 18% to 26% of sales on *Sport* and 100%TFR traction, reducing Italian market concentration. The roadmap targets further organic growth via machinery upgrades, energy efficiency CapEx and commercial network strengthening, complemented by selective M&A to deepen vertical integration.

FY25: post-COVID revenue high, margin at cycle peak, deleveraging on track

FY25 consolidated revenues reached €59.5m (yoy), the highest since pre-COVID, with a strong H2 acceleration (+17% vs. 2H24). *Marine* hit an all-time high of €13.8m (+11%), *Sport* grew to €18.1m (+12%) on 100%TFR traction and *Automotive* rebounded +31% from its trough, more than offsetting the -5% decline in *Residential & Contract*. EBITDA rose to €5.9m (9.6% margin on VoP, +50bps yoy), marking the highest clean EBITDA margin since the IPO. Adj. net debt stood at €14.7m (2.5x EBITDA), already incorporating the intra-group loan subsequently offset in the March 2026 100%TFR stake-up. OWC fell to 31% of VoP, the lowest on record, driven by payables optimization and inventory reduction.

2026–28E: ~6% revenue CAGR, margin above 10%, deleveraging to 1.7x

We forecast revenues growing to €71.6m by 2028E (2025–28E CAGR ~6.3%), led by *Sport* (~9% CAGR, driven by 100%TFR international sales) and *Automotive* (~27% CAGR on new OEM contracts), while *Marine* and *Residential & Contract* contribute stable, low-single-digit growth. Operating leverage and a favorable mix shift are expected to lift EBITDA margin to 10.3% by 2028E (€7.6m), still below the peer median (~13%), suggesting further convergence potential. Net profit rises to €1.8m (2.4% margin) as the tax rate normalizes at ~28%. Post the FY26E CapEx peak (€5.0m incl. the 100%TFR stake-up), investment reverts to maintenance levels (~€2.5m p.a.), unlocking FCF generation and reducing net debt to €12.5m (1.7x EBITDA) by 2028E, providing optionality for M&A, a dividend policy or a new investment cycle.

Valuation: DCF and multiples support a BUY recommendation at €3.0/share

We initiate coverage with a BUY rating and a 12-month TP of €3.0/share, the simple average of a DCF (€2.9/share, WACC 8.6%, 2.0% perpetual growth) and a market multiples valuation (€3.1/share, 2026–27E avg. peer EV/EBITDA of 6.0x). Radici trades at 3.5x 2026E EV/EBITDA vs. 6.3x median and 0.2x P/BV vs. 0.8x, despite in-line leverage (2.5x vs. 2.3x median), EBITDA margin converging toward peers (9.6% vs. 12.8%) and a plan-period earnings ramp expected to close the ROE gap (2.3% vs. 4.7%). The discount partly reflects EGM micro-cap illiquidity and limited visibility, but appears unjustified given structural growth drivers (cruise fleet expansion, turf replacement cycles, circular economy) and a clear deleveraging trajectory.

April 07, 2026 at 08:00

| Company Profile | | | | | | |
|-----------------------------|--------------------------|------|-------|-------|-------|-------|
| Bloomberg | RAD IM | | | | | |
| FactSet | RAD-IT | | | | | |
| Stock exchange | Italian Stock Exchange | | | | | |
| Reference Index | FTSE Italia Growth Index | | | | | |
| Market Data | | | | | | |
| Price (as of April 2, 2026) | € 0.91 | | | | | |
| Number of shares (mln) | 8.8 | | | | | |
| Market cap. (mln) | € 8.0 | | | | | |
| 1-Year Performance | | | | | | |
| Absolute | -12.1% | | | | | |
| Max/Min | 1.11/0.9 | | | | | |
| (€/mln) | 2024 | 2025 | 2026E | 2027E | 2028E | |
| Revenues | 56.2 | 59.5 | 65.9 | 68.7 | 71.6 | |
| | yoy | 0.4% | 5.8% | 10.8% | 4.2% | 4.3% |
| VoP | 60.0 | 61.2 | 67.7 | 70.6 | 73.6 | |
| | yoy | 3.8% | 2.0% | 10.7% | 4.2% | 4.3% |
| EBITDA | 5.4 | 5.9 | 6.7 | 7.1 | 7.6 | |
| | EBITDA margin | 9.1% | 9.6% | 9.9% | 10.1% | 10.3% |
| EBIT | 1.4 | 2.2 | 3.0 | 3.1 | 3.4 | |
| | EBIT margin | 2.4% | 3.6% | 4.4% | 4.4% | 4.6% |
| EBT | 0.4 | 1.4 | 2.1 | 2.2 | 2.5 | |
| | Pretax margin | 0.6% | 2.4% | 3.1% | 3.1% | 3.4% |
| Group Net Profit/(Loss) | 1.3 | 1.3 | 1.5 | 1.6 | 1.8 | |
| | Net Profit margin | 2.2% | 2.2% | 2.2% | 2.2% | 2.4% |
| Adj. Net Debt/(Cash) | 13.3 | 14.7 | 15.9 | 13.9 | 12.5 | |
| Rep. Net Debt/(Cash) | 13.3 | 12.2 | 15.9 | 13.9 | 12.5 | |
| Cons. Equity | 34.3 | 35.3 | 36.8 | 38.4 | 40.1 | |
| Unlevered FCF | 9.2 | 1.2 | (2.6) | 3.2 | 2.5 | |



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SWOT analysis

| STRENGTHS | WEAKNESSES |
|--|---|
| <ul style="list-style-type: none"> • Full vertical integration • Diversification across 4 sectors: <i>Residential & Contract, Marine, Sport and Automotive</i> • 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 | <ul style="list-style-type: none"> • Heavy dependence on Italian market (~47% of revenue) |
| OPPORTUNITY | THREATS |
| <ul style="list-style-type: none"> • 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 <i>Green Deal</i> | <ul style="list-style-type: none"> • 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 |

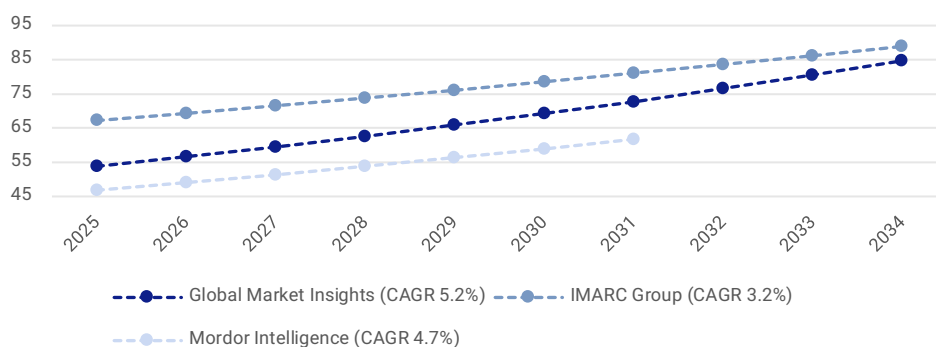
The reference industry

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 1: 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 customization 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 2: by end use

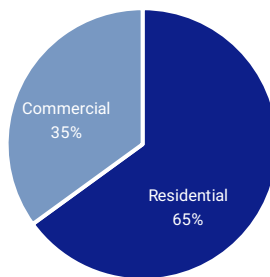


Figure 3: by product type

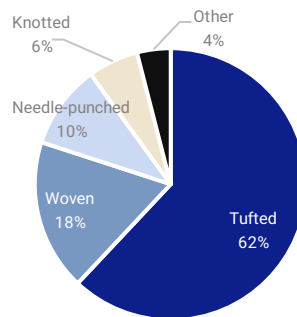
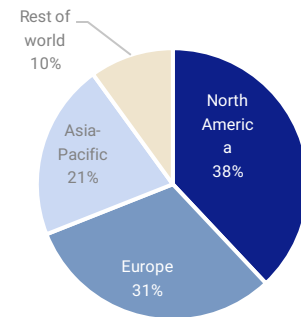


Figure 4: by region



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 the lagged effect on housing transactions and renovation activity is expected to begin materialising in late 2025 and into 2026. *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.

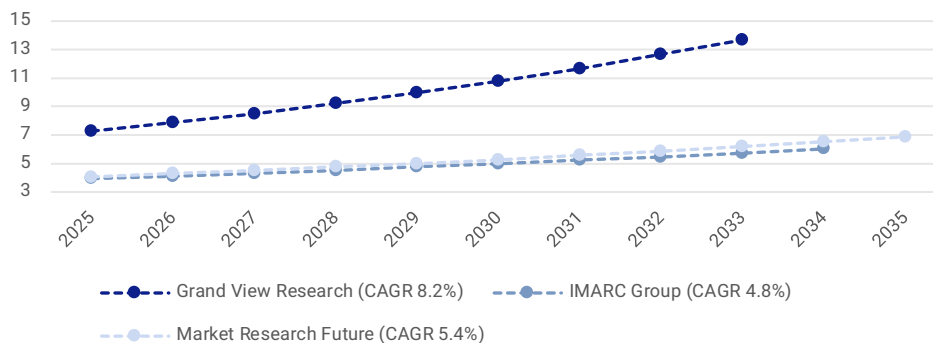
Sporting Facilities – Artificial Turf

Artificial turf market seen at \$3.5–7.3bn 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 8.3%. *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 4.7%. *Market Research Future* estimates the market at \$4.06bn in 2025, growing to \$6.87bn by 2035 at a CAGR of 5.4%.

Figure 5: 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: Sports 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

Sports segment leads; Europe key growth driver

conditions 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 6: by end use

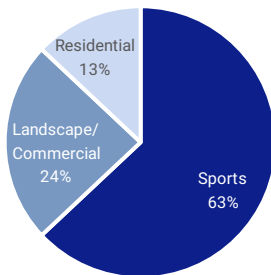


Figure 7: by product type

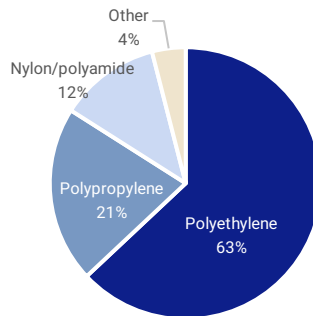
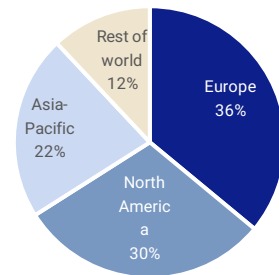


Figure 8: by region



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, with the 2026 FIFA World Cup preparations accelerating 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

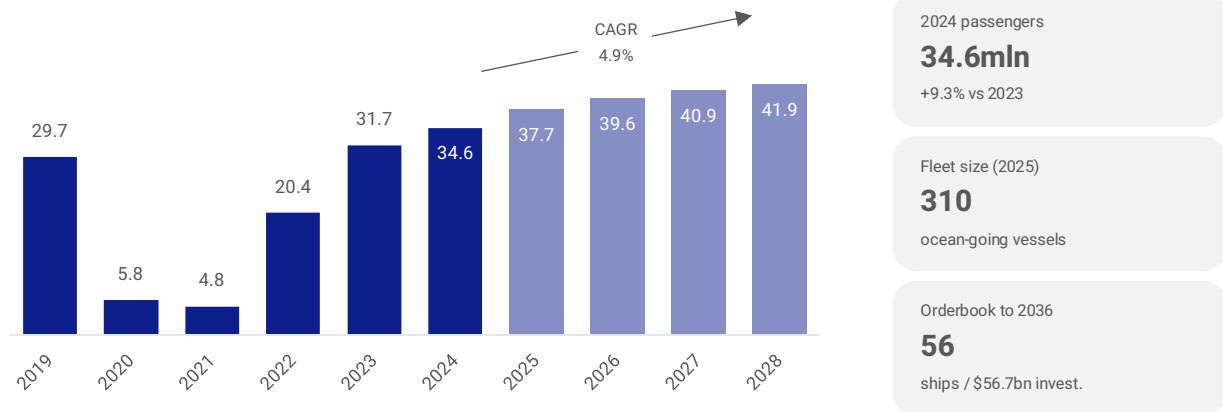
Marine segment: niche market growing at a 5–7% CAGR

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 \$250–1,200m 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 demand key driver for marine carpet is size and growth of the global cruise fleet and passenger base, both of which are in robust long-term expansion. According to the *Cruise Lines International Association's (CLIA) 2025 State of the Cruise Industry Report*, global cruise passengers reached 34.6m in 2024, a 9.3% increase over 2023 and 6.8% above the pre-pandemic record of 29.7m in 2019. CLIA projects 37.7m passengers in 2025 and 41.9m by 2028, with 82% of past cruisers indicating they plan to cruise again. The fleet itself is growing in parallel: the CLIA-member ocean cruise fleet exceeded 300 vessels for the first time in 2024 and reached 310 ships in 2025, with total lower berth capacity exceeding 650,000 beds. The full orderbook through 2036 includes 56 ships and over 168,000 lower berths, representing a \$56.7bn capital investment.

Figure 9: Global cruise passengers (mln)



Sources: CLIA 2025 State of the Cruise Industry Report. 2025–2028 figures are CLIA projections

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 as new vessels from brands such as Explora Journeys and Four Seasons Yachts enter service in 2025 and 2026, with 1.5mln cruise travelers expected to choose a luxury experience by 2028. This matters directly for Radici Marine, whose premium woven and tufted carpet offering competes primarily in the luxury and upper-premium vessel segment where customization, 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. The trend toward smaller, more design-intensive vessels, more than 70% of ships scheduled through 2036 are classified as small or mid-size vessels, 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.

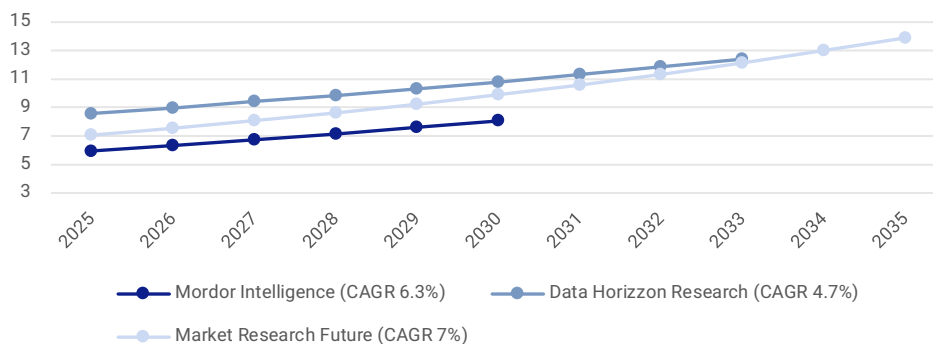
Automotive – Carpet and Textile Interiors

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 10: 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 92.5m units, a 1.1% decline from 2023, ending nearly three years of post-pandemic sequential growth. The largest production centres remain China (approximately 31m 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: global vehicle production is expected to recover modestly in 2025–26 as supply chains normalize and consumer demand for new vehicles rebounds in Europe, though tariff uncertainty following the US administration's April 2025 automotive tariff announcement introduces 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 (6.1% of 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, customization 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.

Table 1: Listed peers' revenue growth and EBITDA margin

| Company | Currency | Market Cap (mln) | Enterprise Value (mln) | Sales growth (yoy) | | | | | EBITDA margin | | | | |
|----------------------------------|-------------|------------------|------------------------|--------------------|--------------|--------------|--------------|-------------|---------------|--------------|--------------|--------------|--------------|
| | | | | 2023 | 2024 | 2025 | 2026E | 2027E | 2023 | 2024 | 2025E | 2026E | 2027E |
| <i>06/04/2026</i> | | | | | | | | | | | | | |
| Belysse Group NV | EUR | 21 | 145 | -10.8% | -6.8% | -7.1% | 0.3% | 1.6% | 11.2% | 15.1% | 13.5% | 14.3% | 15.2% |
| Interface, Inc. | USD | 1,442 | 1,645 | -2.8% | 4.3% | 5.4% | 4.8% | 5.8% | 12.5% | 14.3% | 15.7% | 16.0% | 16.3% |
| Mohawk Industries, Inc. | USD | 5,958 | 7,568 | -5.1% | -2.7% | -0.5% | 2.8% | 3.2% | 12.8% | 13.2% | 12.1% | 12.3% | 12.8% |
| Victoria PLC | GBP | 47 | 1,158 | -14.0% | -11.2% | -9.1% | 1.5% | 2.9% | 12.8% | 13.0% | 10.2% | 12.0% | 14.3% |
| <i>Mean</i> | | | | <i>-8.2%</i> | <i>-4.1%</i> | <i>-2.8%</i> | <i>2.3%</i> | <i>3.4%</i> | <i>12.3%</i> | <i>13.9%</i> | <i>12.9%</i> | <i>13.7%</i> | <i>14.6%</i> |
| <i>Median</i> | | | | <i>-8.0%</i> | <i>-4.7%</i> | <i>-3.8%</i> | <i>2.1%</i> | <i>3.0%</i> | <i>12.7%</i> | <i>13.8%</i> | <i>12.8%</i> | <i>13.3%</i> | <i>14.7%</i> |
| Radici Pietro I&B SpA | Euro | 7.9 | 23.5 | -0.4% | 3.8% | 2.0% | 10.7% | 4.2% | 8.9% | 9.1% | 9.6% | 9.9% | 10.1% |

Source: Banca Profilo estimates and elaborations on FactSet data (as of April 6, 2026)

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

€4.5mIn 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 \$217.9mIn (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.

Cheapest in the panel on BV, with improving returns and contained leverage

Radici trades at 0.2x P/BV, the lowest in the peer panel and a steep discount to the 0.8x median, partly reflecting micro-cap illiquidity on EGM. ROE (2.3%) and net margin (2.2%) both trail peer medians (4.7% and 3.4%, respectively), weighed down by a capital-intensive asset base, elevated D&A and financial charges – with the FY25 tax rate (7.6%) unusually low and unlikely to be sustained, implying normalized profitability would be materially lower still. However, the return trajectory has improved consistently from deeply negative in 2020–21 to steadily positive since 2022, tracking the progressive EBITDA margin expansion over the period. Leverage at 2.5x net debt/EBITDA is in line with the peer median (2.3x) and well below the stressed levels of Belysse (3.7x) and Victoria (7.9x). The combination of the lowest P/BV in the panel, a sound balance sheet and a demonstrably improving profitability trend suggests the market is pricing Radici for permanently subdued returns, a view that appears at odds with the operational progress delivered to date.

Table 2: Peers' key ratios

| Company | Dividend yield | P/BV | ROE | Leverage (A/E) | Net debt/EBITDA | Net Profit margin |
|----------------------------------|----------------|-------------|-------------|----------------|-----------------|-------------------|
| <i>06/04/2026</i> | 2025 | 2025 | 2025 | 2025 | 2025 | 2025 |
| Belysse Group NV | 0.0% | 0.4x | -7.8% | 3.9x | 3.7x | -2.6% |
| 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 | <i>n.m.</i> | <i>n.m.</i> | <i>n.m.</i> | <i>n.m.</i> | 7.9x | <i>n.m.</i> |
| Mean | 0.1% | 1.3x | 5.8% | 2.5x | 3.3x | 3.1% |
| Median | 0.0% | 0.8x | 4.7% | 1.9x | 2.3x | 3.4% |
| Radici Pietro I&B SpA | 0.0% | 0.2x | 2.3% | 2.2x | 2.5x | 2.2% |

Source: Banca Profilo elaborations on FactSet data (as of April 6, 2026)

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:

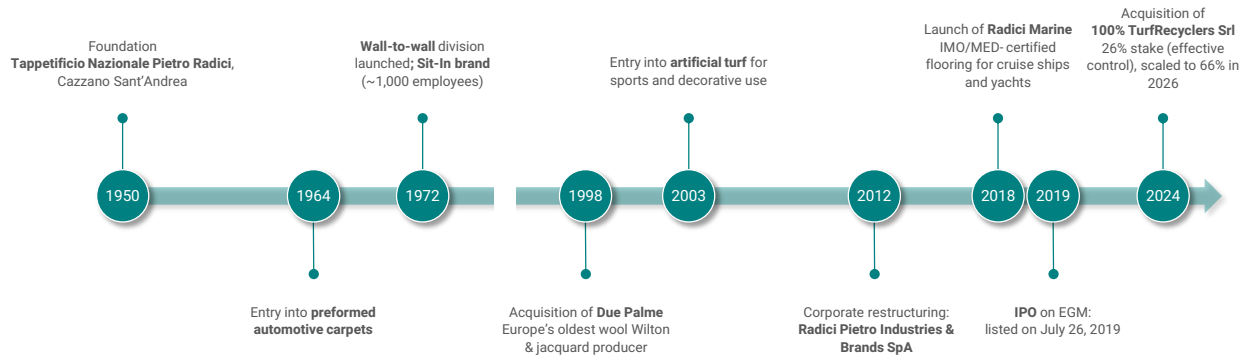
On 6 March 2024, Radici completed its first post-listing M&A transaction, acquiring a 26% stake in 100%TurfRecyclers from Miro Radici Family of Companies for €0.51mln alongside a shareholders' agreement granting effective control and enabling full consolidation. Founded

100%TurfRecyclers (2024)

in Parma by Luca Bacchi, TurfRecyclers designs and sells proprietary machinery for recycling end-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 11: Radici Pietro I&B timeline (1950 – Present)



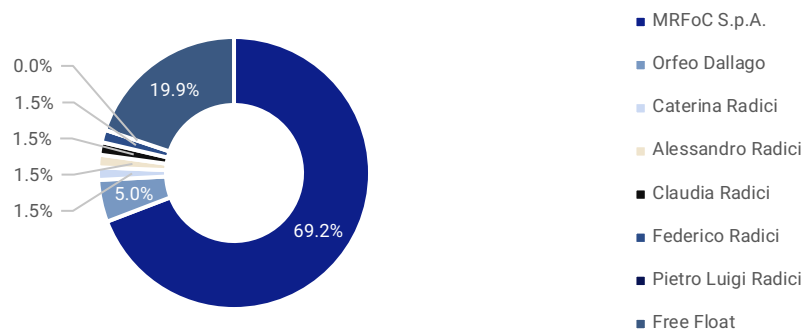
Source: Company data

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 12: Shareholder structure



Source: Company data

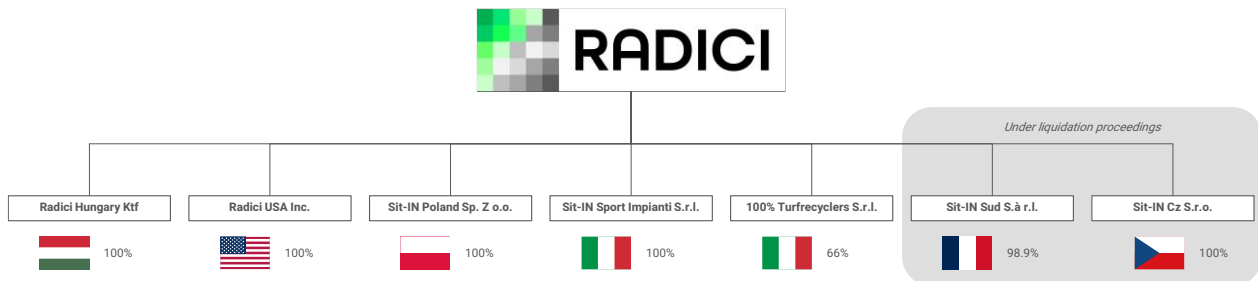
Radici Pietro Industries & Brands S.p.A. serves as the parent company of Radici Group and holds, directly or indirectly, the majority of voting rights in the following fully consolidated subsidiaries:

- 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;
- and Sit-IN Sport Impianti S.r.l., a subsidiary specialising in the design and installation of sports facilities.

- 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 13: 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 Itepa 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

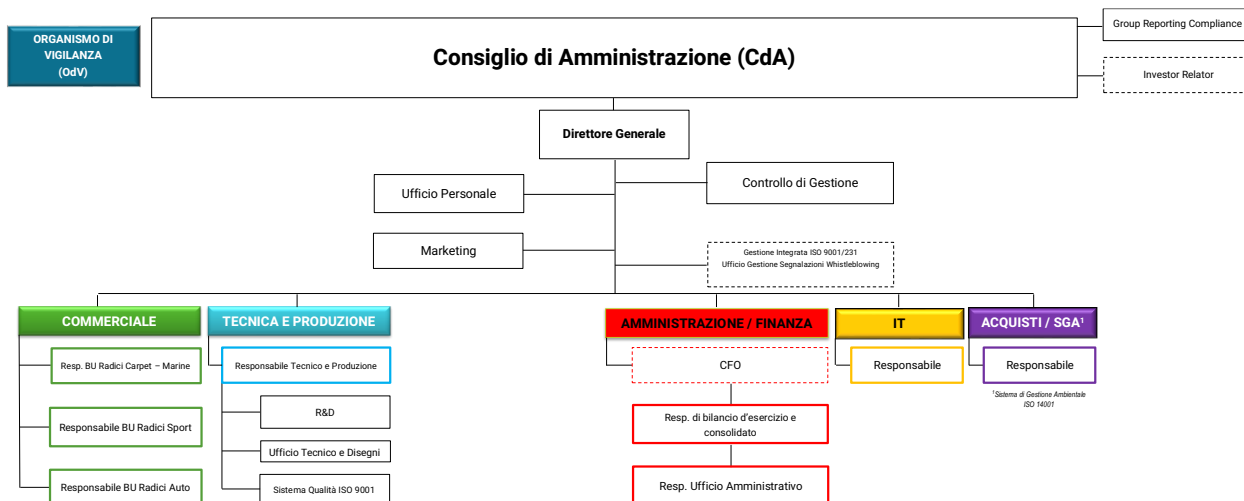
Ivan Palazzi has served as CEO and Director of Radici Pietro Industries & Brands S.p.A. since 2012. He built his early career across international textile and industrial materials businesses, holding roles at Lamiflex SpA, Europeyarn GmbH and its Chinese subsidiary Shandong Europeyarn Ltd and Fibrilia 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%TurfRecyclers.

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. Total headcount stood at 243 as of 30 June 2025.

Figure 14: Radici Pietro I&B Organizational Structure



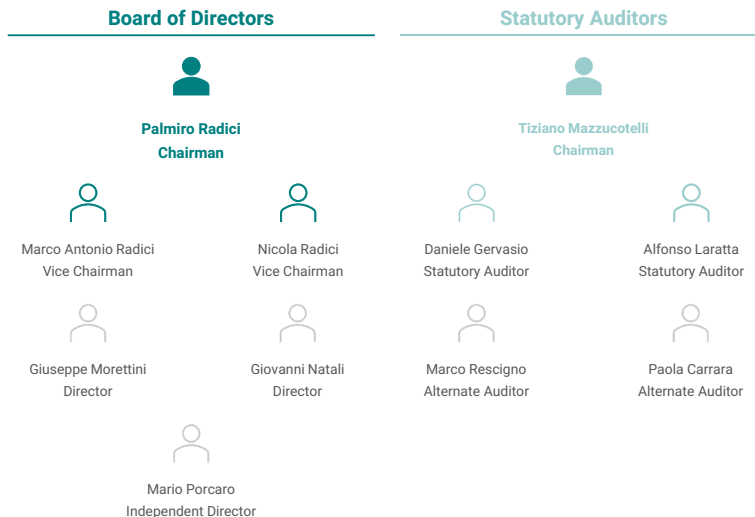
Source: Company data

Board of Director 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 at the Shareholders' Meeting held on 27 April 2023 and will remain in office for the three-year period 2023-25.

Figure 15: BoD and Board of Statutory composition



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 cutting carbon at every step | <p>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 electricity needs, avoiding ~582 t of CO₂/year, complemented by a LED relamping programme saving 480,000 kWh and 230 t of CO₂/year. All purchased electricity is certified renewable.</p> <p>Upcoming initiatives include boiler revamping and 11 heat pumps (targeting ~200,000 m³ methane and ~2,300 t CO₂ savings/year) and a new drying plant reducing methane consumption by ~15%. 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%TurfRecyclers further underscoring the commitment to converting waste into secondary raw materials.</p> <p>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 <i>Automotive</i> products are made exclusively from locally sourced recycled PET, mono-component, latex-free and 100% recyclable.</p> |
| S: a stable, inclusive workforce with growing welfare support | <p>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.</p> <p>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.</p> <p>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%.</p> |
| G: ethics first, transparent rules from boardroom to supply chain | <p>Radici's governance framework is guided by a BoD chaired by founder 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.</p> <p>The ethical infrastructure rests on a <i>Code of Ethics</i> and an <i>Organisational Model</i> 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.</p> <p>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.</p> |

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, <i>including Residential & Contract, Marine, Sport and Automotive</i> . 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 | <p>Production is primarily based on a <i>make-to-order</i> (MTO) approach, under which manufacturing begins only after customer order confirmation, ensuring a high degree of customization. A smaller portion of activity follows a <i>make-to-stock</i> (MTS) logic, with standardized products manufactured based on sales forecasts. The value chain is structured into three main processes: <i>Research & Development, Production & Supply Chain</i> and <i>Distribution</i>, all managed across the Group's entities according to their respective roles:</p> <ul style="list-style-type: none">• 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 <i>Material Requirements Planning</i> (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 customization 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 customization. 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 pile¹ and loop pile² constructions.

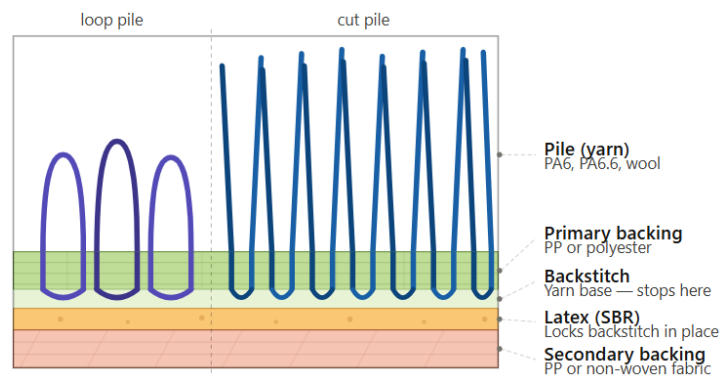
The main components of a tufted carpet are:

- 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.

¹ The yarn is cut immediately after insertion, creating a smooth, velvet-like surface.

² The yarn remains intact in a loop, resulting in a textured, bouclé-like effect.

Figure 16: *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 customization.
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 customization 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 gauge³ 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.

³ 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

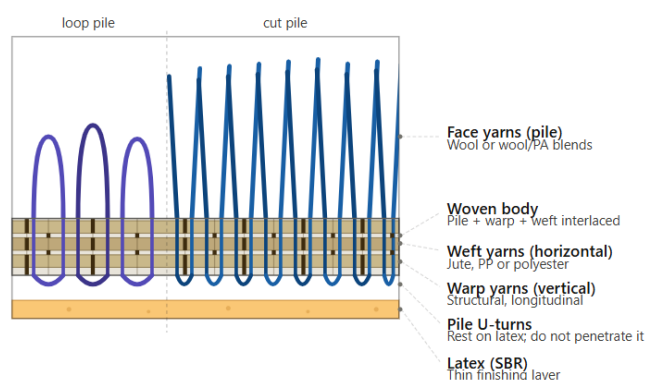
The Group produces woven carpets using several traditional carpet-weaving technologies, including Wilton Jacquard, Wilton plain, double-face and Axminster looms.

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:

- warp⁴ and weft⁵ 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 17: 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.

⁴ The longitudinal yarns running lengthwise on the loom; they form the structural foundation around which the weft yarns are interlaced.

⁵ 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 18: 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 dtex⁶ 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).

⁶ 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 19: 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 20: 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.



Source: Company data

- 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 $\leq 1.5\%$ 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.

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.

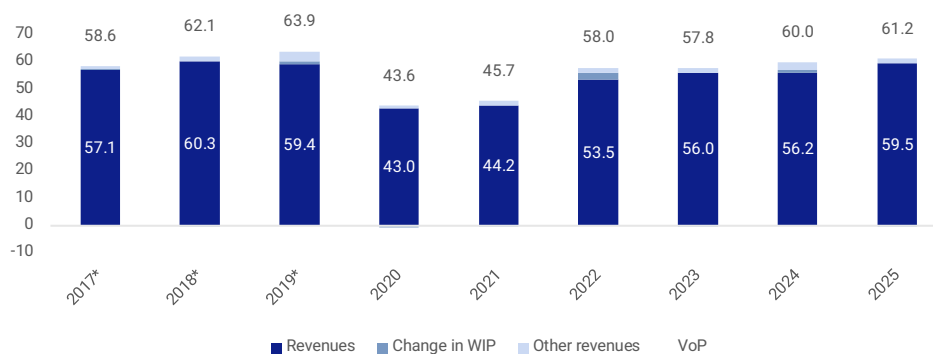
Historical Financials

Top-line and VoP: H2-driven acceleration brings revenues to a post-COVID high

Consolidated revenues reached €59.5m in FY25, up 5.8% yoy, the strongest annual growth rate since the 2022 post-COVID rebound (+20.9%). The Value of Production (VoP) grew at a more moderate +2.0% to €61.2m, as the revenue expansion was partly offset by a negative change in work-in-progress and a -30% decline in other revenues to €2.0m, normalizing from the elevated €2.8m of FY24, which included the €1.0m gain on the partial disposal of the Cazzano Sant'Andrea real estate complex. Stripping out this one-off, FY25 VoP growth on a like-for-like basis was stronger than the headline figure suggests.

The half-yearly data reveals an encouraging intra-year trajectory. 1H25 revenues came in at €28.1m, effectively flat versus 1H24 (€29.3m, -4%), suggesting a sluggish start to the year. The acceleration was entirely concentrated in 2H25, which delivered €31.4m in revenues, +17% vs. 2H24 (€26.9m) and the strongest half-year print in the entire historical series (since 2018). The H2/H1 revenue ratio of 1.12x is the highest since 2020 (when H1 was depressed by COVID lockdowns), pointing to genuine momentum exiting the year rather than a mere base effect.

Figure 21: Revenues & VoP 2017*-25 (€/m)



Source: Banca Profilo elaborations on Company data

*ex-ROI Automotive Technology

Revenue breakdown by geography: growing US exposure, Italy still the anchor

Radici's geographic mix has evolved significantly since 2017, with the most notable trend being the rise of the US market from a 18% share to 26% of Group sales, making it nearly as large as the European export market. Italy remains the single largest geography, but its relative weight has declined from a 2023 peak, while Europe ex-Italy has been broadly stable as a proportion of the total.

Italy (FY25: €27.7m, 46.5% of sales, +1% yoy) – stable, anchored by *Marine*

The domestic market remains the Group's largest geography, though its share has come down from the 55% peak reached in 2023. In absolute terms, Italian revenues grew strongly through the post-COVID recovery (from €20.0m in 2020 to €30.6m in 2023, a CAGR of ~15%), before pulling back -10% in 2024 and stabilizing at +1% in 2025. The 2023 peak reflected the tailwind from *Marine* contracts (Italian shipyards are a key customer base) and the temporary benefit of renovation-linked demand in *Residential & Contract*. Management noted that FY25 domestic performance was supported by *Marine* and by the controlled subsidiary Sit-IN Sport Impianti.

UE ex-Italy (FY25: €15.3m, 25.7% of sales, +8% yoy) – recovering after a soft patch

European export revenues declined from a pre-COVID peak of €19.4m in 2019 to a trough of €12.0m in 2021, underperforming the domestic recovery. Since then, the trend has been uneven: a strong 2022 (+23%) was followed by a -11% setback in 2023, before a steady recovery in 2024 (+7%) and 2025 (+8%). Management attributed the FY25 growth to strong performance in Eastern Europe within the *Residential & Contract* segment. At 26% of sales, Europe remains an important market, though it has lost share versus the US over the period.

US (FY25: €15.3mln, 25.6% of sales, +13% yoy) – the structural growth geography

The US has been Radici's fastest-growing market over the period, with revenues rising from €10.1mln in 2017 (18% of sales) to €15.3mln in 2025 (26%). The trajectory accelerated from 2023 onwards, with back-to-back years of double-digit growth (+15% in 2023, +35% in 2024, +13% in 2025). This is directly linked to the increasing weight of *Sport* revenues, specifically, the contract wins secured by 100%TFR in the US market. Notably, the US is now virtually equal to Europe ex-Italy in absolute terms (€15.3mln vs. €15.3mln), whereas it was 40% smaller as recently as 2021. This geographic rebalancing toward the US carries strategic significance: while it increases currency exposure, it enables the Group to tap into a large and growing market for artificial turf recycling and reduces its historical concentration on southern European demand.

Rest of World (FY25: €1.3mln, 2.2% of sales, +17% yoy) – small but growing, Sports-driven

The residual geography is modest and volatile, having swung from €5.9mln in 2018 to just €1.1mln in 2019. 2025 growth of 17% was driven by Sports-related sales. While immaterial to the consolidated picture, this line could gain relevance over time if 100%TFR expands its commercial reach into Middle Eastern, Asian or other emerging markets for turf recycling.

Figure 22: Revenues by Geographic Area 2017*–25 (%)

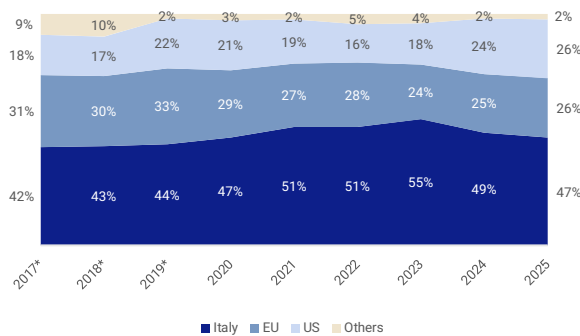
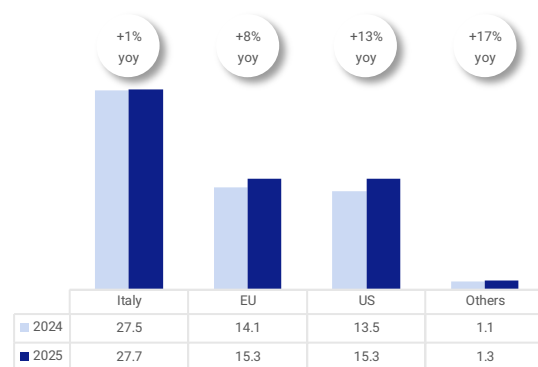


Figure 23: Revenues by Geographic Area 2024–25 (€/mln)



Source: Banca Profilo elaborations on Company data
*ex-ROI Automotive Technology

Revenue breakdown by end-market: a structural rebalancing story

Over 2017–25, Radici's revenue mix has shifted meaningfully away from its historical dependence on *Residential & Contract* toward a more balanced portfolio. At IPO (2019), *Residential & Contract* still represented 45% of Group sales, *Marine* 15% and *Sports* 20%. By 2025, *Marine* and *Sports* together accounted for 53% of revenues (23% and 30%, respectively), while *Residential & Contract* had contracted to 39%. This rebalancing reflects deliberate strategic choices to prioritize end-markets with higher customization, stickier customer relationships and stronger secular tailwinds.

Marine (FY25: €13.8mln, 23% of sales, +11% yoy) – all-time high

Formally launched in 2018 to supply bespoke textile flooring to cruise ships, ferries and yachts, *Marine* has grown from €5.4mln in 2017 to €13.8mln, a 2.6x increase despite a -62% COVID-driven collapse in 2020 when the cruise industry virtually shut down. The recovery was dramatic: +115% in 2023 as pent-up refitting and newbuild orders flowed through, followed by a normalization to +4% in 2024 and +11% in 2025, which management highlighted as the highest level ever recorded. The segment benefits from bespoke project dynamics (each contract is essentially a custom design), providing pricing power and some insulation from commodity-type competition.

Sport (FY25: €18.1mln, 30% of sales, +12% yoy) –

The segment encompasses artificial turf production (Radici Sport, Sit-IN Sport brands) and, increasingly, capital equipment sales for turf recycling through 100%TFR. From €11.2mln in 2017, revenues have grown to €18.1mln, though the path has been lumpy (e.g. -18% in 2023, +40% in 2024). The FY25 growth was driven by contract wins at 100%TFR and solid execution

growing and diversifying internally

at Sit-IN Sport Impianti. The rising contribution of recycling equipment adds a different, potentially higher-margin revenue stream that should help smooth the segment's historical volatility over time.

Residential & Contract (FY25: €23.2mIn, 39% of sales, -5% yoy) – declining but still the largest segment

Once the Group's dominant business (51% of sales in 2017, €29.2mIn), this segment has been in a multi-year structural downtrend, contracting for three consecutive years since 2023. COVID hit hard (-31% in 2020); the 2022 recovery to €28.3mIn proved temporary. Management attributed the FY25 decline primarily to US market weakness. Secular headwinds – competition from hard flooring alternatives (LVT, ceramics), reduced commercial new-build activity – weigh on the segment, though Radici's positioning in the premium/customized niche (including the Due Palme heritage wool and jacquard lines) provides some defensibility.

Automotive (FY25: €4.5mIn, 7.5% of sales, +31% yoy) – tentative cyclical inflection from a low base

The most dramatic structural decline in the portfolio: revenues fell from €11.4mIn in 2017 (20% of sales) to a trough of €3.4mIn in 2024, driven by the European auto production slump, the semiconductor shortage and the loss of certain OEM contracts. 2025 marked a potential turning point, with a 31% rebound to €4.5mIn concentrated in H2 and driven by new contracts with major OEMs. At 7.5% of sales, the segment is now small enough that downside risk is contained, while any sustained recovery would be incrementally accretive.

The diversification achieved since IPO is tangible: no single segment exceeds 39% of sales (vs. 51% in 2017) and the two structural growth engines (*Marine + Sports*) are linked to favorable long-term demand drivers: cruise fleet expansion, synthetic turf replacement cycles and the emerging circular economy opportunity. The natural hedge effect is visible in FY25: the -€1.1mIn decline in *Residential & Contract* was more than offset by +€1.4mIn in *Marine* and +€2.0mIn in *Sport*, delivering overall revenue growth of 5.8% to €59.5mIn, the highest since pre-COVID.

Figure 24: Revenues by End Markets 2017*-25 (%)

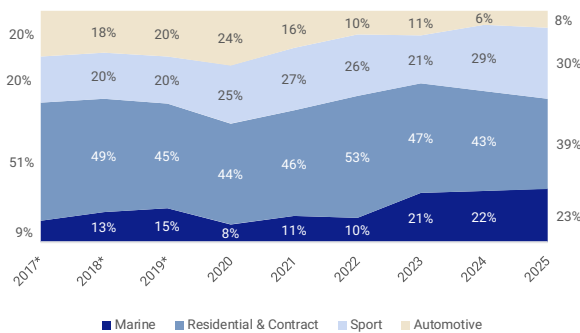
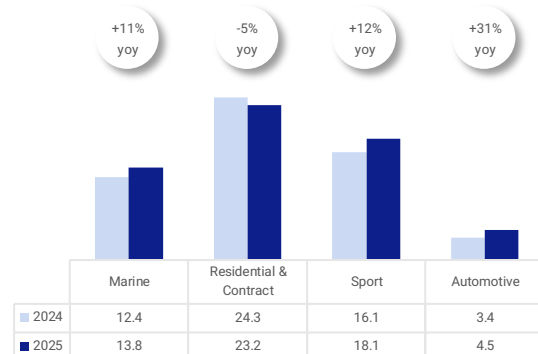


Figure 25: Revenues by End Markets 2024-25 (€/mIn)



Source: Banca Profilo elaborations on Company data
*ex-ROI Automotive Technology

Cost structure: operating leverage materializing as revenues scale

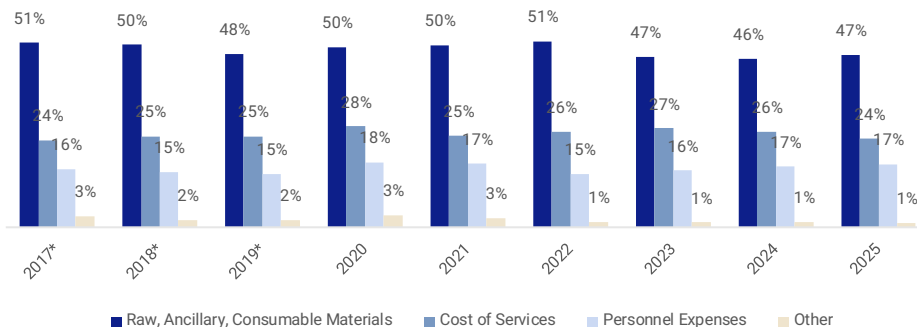
Radici's cost base is dominated by raw materials and cost of services, which together account for ~70-75% of VoP:

- **Raw materials** (FY25: €29.0mIn, 47% of VoP, +4% yoy). The incidence sits at the lower end of the historical range (46-51%), structurally below the 50-51% levels of 2017-22. The step-down likely reflects the growing weight of *Marine* and *Sport*, where value-added content is higher than in *Residential & Contract*.
- **Cost of services** (FY25: €14.9mIn, 25% of VoP, -6% yoy). This line – outsourced processing, logistics, commercial and professional services – declined to €14.9mIn (from €15.8mIn), the lowest absolute level since 2021 and the lowest incidence since 2017.
- **Personnel expenses** (FY25: €10.6mIn, 17% of VoP, +6% yoy). The only consistently growing cost line in absolute terms (€7.8mIn in 2020 → €10.6mIn in FY25, +36%), reflecting wage inflation and management's deliberate investment in commercial and

operational capabilities. However, the incidence on VoP has remained stable at 15–18% throughout the cycle, indicating the Group has been able to scale headcount in line with output growth.

- **Other costs** (FY25: €0.8mIn, 1% of VoP, -3% yoy). Leases and other operating expenses are negligible and declining, having halved from ~3% in 2017–20 to ~1% from 2022 onwards.

Figure 26: Costs Structure 2017*–25 (% on VoP)



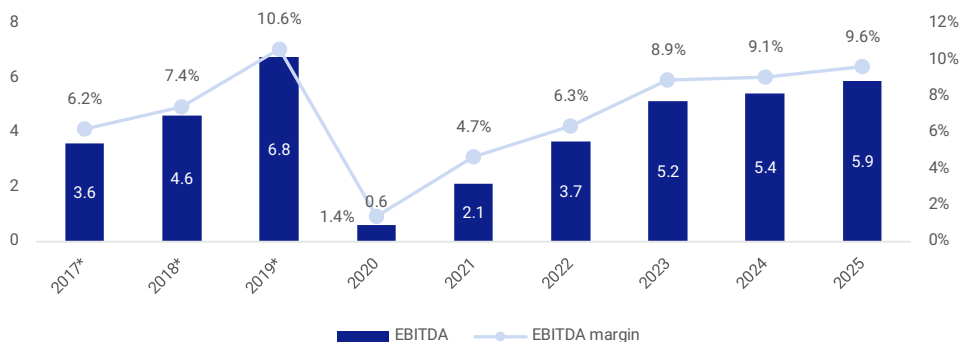
Source: Banca Profilo elaborations on Company data
*ex-ROI Automotive Technology

EBITDA: steady margin expansion, FY25 at cycle highs on a clean basis

FY25 EBITDA reached €5.9mIn (+8% yoy), with the margin expanding to 9.6% (from 9.1%), the highest since the 10.6% of 2019. The comparison is more favourable than the headline suggests: FY24 included a €1.0mIn one-off gain from the partial disposal of the Cazzano Sant'Andrea real estate complex. Stripping this out, underlying EBITDA growth was approximately +34%.

The margin trajectory from the 1.4% COVID trough (2020) has been progressive – 4.7% in 2021, 6.3% in 2022, 8.9% in 2023, 9.1% in 2024, 9.6% in 2025 – now comfortably above the pre-IPO levels of 2017–18 (6–7%). The drivers are the cost structure improvements discussed above (declining raw material and services incidence) compounded by the revenue mix shift toward higher-value-added end-markets.

Figure 27: EBITDA (€/mIn) and EBITDA margin (% on VoP) 2017*–25



Source: Banca Profilo elaborations on Company data
*ex-ROI Automotive Technology

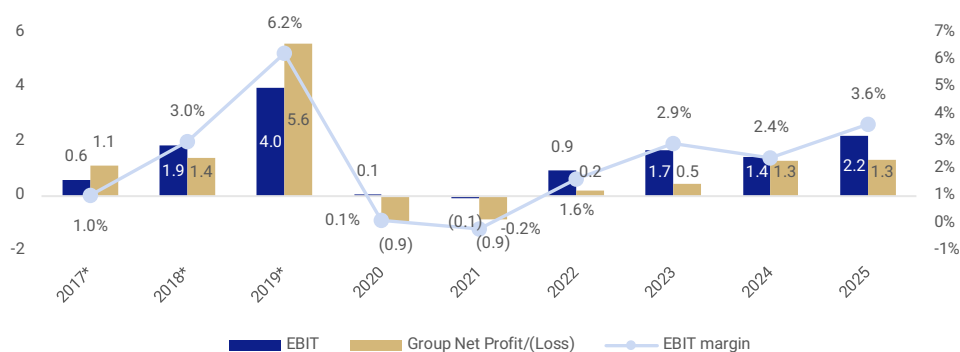
EBIT and Net income: recovering but D&A absorption and below-the-line items cap the drop-through

FY25 EBIT reached €2.2m (3.6% margin), up from €1.4m (2.4%) and the highest since the €4.0m of 2019 (6.2%). The recovery from breakeven levels in 2020–21 has been steady but slower than at EBITDA level. D&A declined to €3.2m in FY25 (-€0.2m yoy), providing a modest tailwind, but the EBITDA-to-EBIT gap remains wider than in 2017–19 (~6pp vs. ~4pp), suggesting provisions continue to absorb part of the operating leverage generated at EBITDA level.

Net income was €1.3m (2.2% margin), broadly in line with €1.3m in the prior period despite a significantly less favourable tax impact (negative €0.1m charge vs. a €0.9m positive effect in the prior year, linked to the release of deferred tax liabilities on the Cazzano disposal). Stripping out these non-recurring items, underlying net profitability improved materially, consistent with the operational progress delivered in the period.

A note on the 2019 outlier (net income €5.6m, 8.8% margin): this included significant non-operating items that inflated the bottom line well beyond what the €4.0m EBIT would ordinarily imply. Excluding that year, FY25 represents the best underlying bottom-line result since the IPO.

Figure 28: EBIT, Net Profit (€/mln) and EBIT margin (% on VoP) 2017*–25



Source: Banca Profilo elaborations on Company data

*ex-ROI Automotive Technology

Table 3: Income Statement 2017*–25 (€/mln)

| | | Profit & Loss (€/mln) | | | | | | | | |
|--------------------------------------|---------------|-----------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | | 2017* | 2018* | 2019* | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
| Revenues | | 57.1 | 60.3 | 59.4 | 43.0 | 44.2 | 53.5 | 56.0 | 56.2 | 59.5 |
| | % on VoP | 97.5% | 97.1% | 93.1% | 98.4% | 96.8% | 92.2% | 97.0% | 93.8% | 97.3% |
| | yoy | | 5.5% | -1.4% | -27.7% | 3.0% | 20.9% | 4.8% | 0.4% | 5.8% |
| Other | | 1.5 | 1.8 | 4.4 | 0.7 | 1.5 | 4.5 | 1.7 | 3.7 | 1.7 |
| | % on VoP | 2.5% | 2.9% | 6.9% | 1.6% | 3.2% | 7.8% | 3.0% | 6.2% | 2.7% |
| | yoy | | 23.1% | 143.5% | -84.4% | 111.9% | 209.8% | -61.7% | 114.6% | -55.2% |
| VoP | | 58.6 | 62.1 | 63.9 | 43.6 | 45.7 | 58.0 | 57.8 | 60.0 | 61.2 |
| | yoy | | 6.0% | 2.9% | -31.7% | 4.7% | 27.0% | -0.4% | 3.8% | 2.0% |
| Raw, Ancillary, Consumable Materials | | (29.7) | (31.2) | (30.5) | (21.7) | (22.9) | (29.7) | (27.1) | (27.8) | (29.0) |
| | % on VoP | -50.7% | -50.3% | -47.7% | -49.6% | -50.2% | -51.2% | -47.0% | -46.4% | -47.3% |
| Cost of Services | | (14.0) | (15.5) | (16.0) | (12.1) | (11.5) | (15.3) | (15.7) | (15.8) | (14.9) |
| | % on VoP | -24.0% | -25.0% | -25.0% | -27.8% | -25.2% | -26.4% | -27.2% | -26.4% | -24.3% |
| Personnel Expenses | | (9.4) | (9.4) | (9.3) | (7.8) | (8.0) | (8.5) | (9.0) | (10.0) | (10.6) |
| | % on VoP | -16.1% | -15.2% | -14.6% | -17.9% | -17.5% | -14.6% | -15.6% | -16.7% | -17.4% |
| Other | | (1.8) | (1.2) | (1.3) | (1.4) | (1.2) | (0.8) | (0.8) | (0.8) | (0.8) |
| | % on VoP | -3.1% | -2.0% | -2.0% | -3.3% | -2.5% | -1.4% | -1.3% | -1.4% | -1.3% |
| EBITDA | | 3.6 | 4.6 | 6.8 | 0.6 | 2.1 | 3.7 | 5.2 | 5.4 | 5.9 |
| | EBITDA margin | 6.2% | 7.4% | 10.6% | 1.4% | 4.7% | 6.3% | 8.9% | 9.1% | 9.6% |
| | yoy | | 27.4% | 46.7% | -91.0% | 250.8% | 72.0% | 39.9% | 5.7% | 8.3% |
| D&A | | (2.6) | (2.6) | (2.8) | (0.1) | (2.0) | (2.6) | (3.2) | (3.4) | (3.2) |
| | % on VoP | -4.4% | -4.2% | -4.4% | -0.2% | -4.5% | -4.5% | -5.5% | -5.7% | -5.2% |
| Provisions and write-downs | | (0.5) | (0.2) | 0.0 | (0.5) | (0.2) | (0.1) | (0.3) | (0.6) | (0.5) |
| | % on VoP | -0.8% | -0.3% | 0.0% | -1.0% | -0.4% | -0.2% | -0.5% | -1.0% | -0.8% |

| | | | | | | | | | | |
|--------------------------------|--------------------------|------------|------------|------------|--------------|--------------|------------|------------|------------|------------|
| EBIT | | 0.6 | 1.9 | 4.0 | 0.1 | (0.1) | 0.9 | 1.7 | 1.4 | 2.2 |
| | <i>EBIT margin</i> | 1.0% | 3.0% | 6.2% | 0.1% | -0.2% | 1.6% | 2.9% | 2.4% | 3.6% |
| Interest Income/(Expenses) | | 1.0 | (0.4) | 2.0 | (0.8) | (0.6) | (0.7) | (1.2) | (1.1) | (0.8) |
| | <i>% on VoP</i> | 1.6% | -0.6% | 3.2% | -1.7% | -1.4% | -1.2% | -2.1% | -1.8% | -1.2% |
| EBT | | 1.5 | 1.5 | 5.8 | (0.7) | (0.7) | 0.3 | 0.5 | 0.4 | 1.4 |
| | <i>Pretax margin</i> | 2.5% | 2.4% | 9.0% | -1.6% | -1.6% | 0.5% | 0.8% | 0.6% | 2.4% |
| Taxes | | (0.3) | (0.1) | (0.2) | (0.2) | (0.1) | (0.1) | (0.0) | 0.9 | (0.1) |
| | <i>Tax rate</i> | 23.8% | 4.4% | 2.9% | -30.7% | -15.1% | 31.5% | 1.5% | -239.3% | 7.6% |
| Group Net Profit/(Loss) | | 1.1 | 1.4 | 5.6 | (0.9) | (0.9) | 0.2 | 0.5 | 1.3 | 1.3 |
| | <i>Net Profit margin</i> | 1.9% | 2.3% | 8.8% | -2.1% | -1.9% | 0.3% | 0.8% | 2.2% | 2.2% |
| | <i>yoy</i> | | 27.4% | 293.6% | -116.3% | -5.7% | -121.8% | 148.7% | 178.7% | 2.9% |

Source: Banca Profilo elaborations on Company data

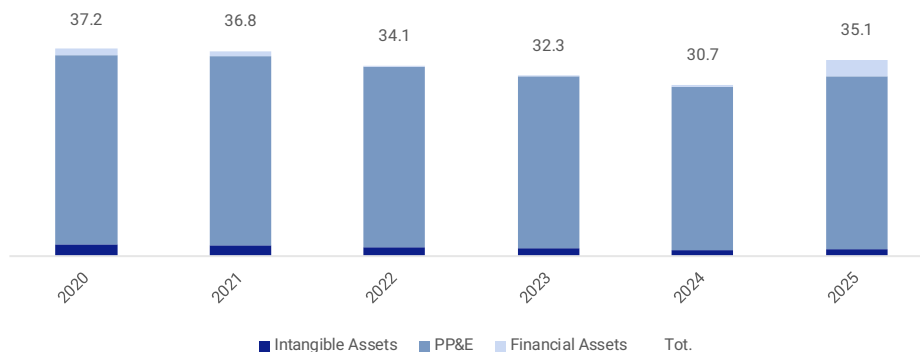
*ex-ROI Automotive Technology

Fixed assets: investment inflection reverses 4 years of net asset depletion

Total fixed assets rose to €35.1m in FY25 (+€4.4m YoY), breaking a four-year declining trend (€37.2m in 2020 → €30.7m in 2024) during which D&A consistently exceeded CapEx. The increase reflects two components: (i) the €5.0m gross investment programme (€2.0m net of divestments), which drove PP&E up to €31.1m (+€1.7m yoy); and (ii) a €2.5m loan extended to MRFOC S.p.A. (the Radici family holding company), classified under financial fixed assets. The loan was settled in March 2026 as part of the consideration for the acquisition of the additional 32.35% stake in 100%TFR from MRFOC – total consideration of €3.5m, comprising the €2.5m credit offset and €1.0m in cash.

PP&E represents ~89% of fixed assets, reflecting a capital-intensive production model that demands sustained reinvestment but equally constitutes a structural barrier to entry, particularly in the high-customization segments where proprietary machinery and process know-how are difficult to replicate.

Figure 29: Fixed Assets 2020–25 (€/m)



Source: Banca Profilo elaborations on Company data

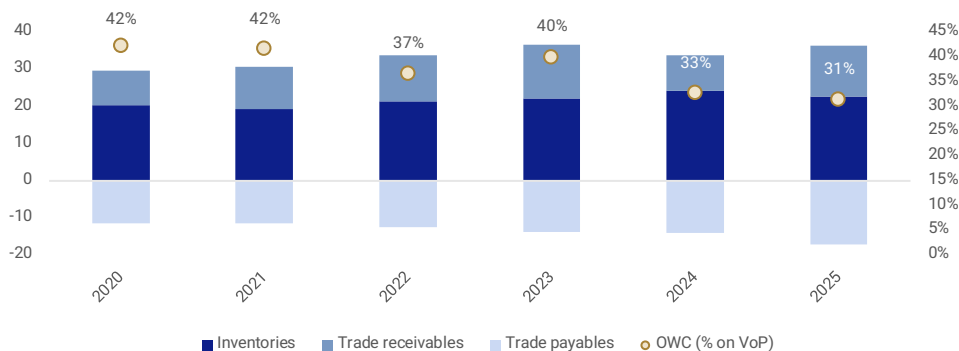
OWC: improving efficiency, FY25 at the lowest incidence on record

OWC declined to €19.2m in 2025 (-€0.4m yoy), equivalent to 31% of VoP, the lowest incidence in the observed period and a material improvement from the 40–42% range of 2020–23. The compression has been driven primarily by stronger payables management and inventory optimization:

- **Inventories** (FY25: €22.8m, -€1.4m yoy) declined for the first time since 2021, reversing a build-up that had taken the balance from €19.3m to €24.2m over 2021–24. The reduction signals improved order-to-delivery conversion.
- **Trade receivables** (FY25: €13.6m, +€4.0m yoy) registered a sharp increase from €9.6m, which had been unusually low in FY24. The FY25 level is more in line with the 2022–23 range (€12–15m) and likely reflects the strong H2 revenue acceleration (€31.4m, +17% vs. 2H24), with a higher proportion of invoicing concentrated in Q4.

- **Trade payables** (FY25: €17.2mIn, +€3.1mIn yoy) reached a record level, having grown steadily from €11.3mIn in 2020. The increase more than offset the receivables swing, acting as the main driver of OWC compression. This suggests the Group has been able to negotiate extended payment terms with suppliers as its purchasing volumes and commercial standing have grown, a structural benefit that should prove sustainable provided the revenue trajectory holds.

Figure 30: OWC 2020–25 (€/mIn)



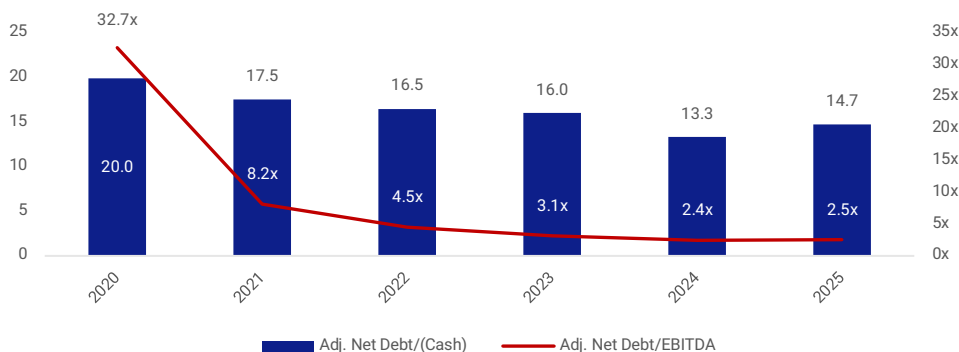
Source: Banca Profilo elaborations on Company data

Adj. leverage at 2.5x, already incorporating the post-period 100%TFR stake increase

Reported net debt declined to €12.2mIn in FY25 (-€1.1mIn yoy), the best reading in the Group's history per management. However, this figure does not capture a €2.5mIn loan extended to MRFoC S.p.A. during the year, classified under financial fixed assets rather than netted against financial debt. Adjusting for this intra-group receivable, economic net debt stood at €14.7mIn (2.5x EBITDA), still a material improvement on the 3–4x levels of 2022–23. The loan was subsequently offset in March 2026 as part of the €3.5mIn consideration for the additional stake in 100%TFR, meaning the post-period cash impact of the acquisition is limited to the €1.0mIn residual payment. Leverage at 2.5x therefore already substantially incorporates the TFR transaction.

The underlying deleveraging trend remains intact: even on an adjusted basis, net debt has declined cumulatively since 2020, despite gross CapEx of €5.0mIn (€2.0mIn net of divestments) in FY25 alone. The primary enabler has been the OWC compression discussed above, which has freed up operating cash flow to fund both debt reduction and reinvestment without recourse to external capital.

Figure 31: Adj. Net Debt/(Cash) 2020–25 (€/mIn)



Source: Banca Profilo elaborations on Company data

Table 4: Balance Sheet 2020–25 (€/mln)

| Balance Sheet (€/mln) | | | | | | |
|--------------------------------|------------------|--------------|--------------|--------------|--------------|--------------|
| | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
| Intangible Assets | 2.0 | 1.9 | 1.6 | 1.4 | 1.0 | 1.2 |
| PP&E | 34.1 | 33.9 | 32.5 | 30.9 | 29.4 | 31.1 |
| Financial Assets | 1.1 | 1.0 | 0.0 | 0.0 | 0.3 | 2.8 |
| Fixed Assets | 37.2 | 36.8 | 34.1 | 32.3 | 30.7 | 35.1 |
| Inventories | 20.3 | 19.3 | 21.5 | 22.1 | 24.2 | 22.8 |
| | <i>% on VoP</i> | <i>46.6%</i> | <i>42.3%</i> | <i>37.1%</i> | <i>38.2%</i> | <i>37.3%</i> |
| Trade receivables | 9.4 | 11.3 | 12.3 | 14.7 | 9.6 | 13.6 |
| | <i>% on VoP</i> | <i>21.6%</i> | <i>24.7%</i> | <i>21.3%</i> | <i>25.4%</i> | <i>22.2%</i> |
| Trade payables | (11.3) | (11.5) | (12.5) | (13.6) | (14.1) | (17.2) |
| | <i>% on COGS</i> | <i>26.3%</i> | <i>26.4%</i> | <i>23.1%</i> | <i>25.9%</i> | <i>31.2%</i> |
| OWC | 18.4 | 19.1 | 21.3 | 23.1 | 19.6 | 19.2 |
| | <i>% on VoP</i> | <i>42.2%</i> | <i>41.8%</i> | <i>36.7%</i> | <i>40.0%</i> | <i>31.4%</i> |
| Other current assets | 5.7 | 2.1 | 2.2 | 1.7 | 5.0 | 3.4 |
| Other current liabilities | (1.8) | (1.9) | (2.0) | (2.2) | (2.8) | (3.1) |
| Net Working Capital | 22.3 | 19.3 | 21.5 | 22.6 | 21.8 | 19.5 |
| | <i>% on VoP</i> | <i>51.2%</i> | <i>42.3%</i> | <i>37.1%</i> | <i>39.1%</i> | <i>31.9%</i> |
| Non-current assets | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Non-current liabilities | (7.1) | (6.8) | (6.6) | (6.1) | (5.0) | (4.6) |
| Net Invested Capital | 52.4 | 49.4 | 49.0 | 48.8 | 47.6 | 50.0 |
| Intangible Assets | 0.3 | 0.4 | 0.3 | 0.6 | 0.1 | 0.8 |
| PP&E | 1.3 | 0.4 | 0.6 | 0.9 | 3.1 | 4.2 |
| CapEx | 1.7 | 0.8 | 0.9 | 1.5 | 3.2 | 5.0 |
| | <i>% on VoP</i> | <i>3.8%</i> | <i>1.8%</i> | <i>1.5%</i> | <i>2.6%</i> | <i>8.2%</i> |
| Share Capital | 36.8 | 36.8 | 37.2 | 37.2 | 37.2 | 37.2 |
| Reserves and retained earnings | (3.4) | (4.2) | (4.9) | (4.8) | (4.3) | (3.6) |
| Net Profit/(Loss) | (0.9) | (0.9) | 0.2 | 0.5 | 0.9 | 0.8 |
| Cons. Equity | 32.5 | 31.8 | 32.5 | 32.8 | 34.3 | 35.3 |
| Adj. Net Debt/(Cash) | 20.0 | 17.5 | 16.5 | 16.0 | 13.3 | 14.7 |
| Rep. Net Debt/(Cash) | 20.0 | 17.5 | 16.5 | 16.0 | 13.3 | 12.2 |

Source: Banca Profilo elaborations on Company data

Table 5: FCF 2020–25 (€/mln)

| Free Cash Flow (€/mln) | | | | | | |
|------------------------|-----------------|---------------|---------------|--------------|-------------|----------------|
| | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
| EBIT | 0.1 | (0.1) | 0.9 | 1.7 | 1.4 | 2.2 |
| | <i>Tax rate</i> | <i>-30.7%</i> | <i>-15.1%</i> | <i>31.5%</i> | <i>1.5%</i> | <i>-239.3%</i> |
| NOPAT | 0.1 | (0.1) | 0.6 | 1.7 | 4.9 | 2.0 |
| D&A | 0.6 | 2.2 | 2.7 | 3.4 | 4.0 | 3.7 |
| Changes in OWC | 3.0 | (0.7) | (2.2) | (1.8) | 3.5 | 0.4 |
| Changes in Funds | 0.0 | 0.3 | 0.0 | 0.2 | 0.0 | 0.0 |
| CapEx | (1.7) | (0.8) | (0.9) | (1.5) | (3.2) | (5.0) |
| Unlevered FCF | 2.0 | 1.0 | 0.3 | 2.0 | 9.2 | 1.2 |

Source: Banca Profilo elaborations on Company data

2026-28 Strategy and Estimates

Strategic guidelines

Strategy continuity since IPO with greater focus on sustainability and innovation

At the time of its July 2019 IPO, Radici outlined a strategy built on two pillars:

- organic growth, through expansion of the machinery fleet, energy efficiency investments, commercial network strengthening in high-growth geographies (North Africa, Eastern Europe, the Middle East) and margin improvement via operating leverage and a focus on higher-value-added segments such as *Marine* and *Sport*
- and external growth through targeted M&A, including the potential acquisition of an Axminster carpet producer and a dyehouse to further vertically integrate the production chain.

Across all four business lines (*Marine, Residential & Contract, Automotive, Sports*), the IPO strategy emphasised product diversification, partnerships with architecture and design studios, international reach and the development of environmentally sustainable solutions.

A circular-economy option on artificial turf

A concrete expression of both pillars is the Group's 66% stake in 100%TFR. The investment extends Radici's vertical integration beyond production and into the end-of-life management of its own *Sport* product, effectively closing the loop on the synthetic turf lifecycle. From an investment standpoint, the subsidiary offers exposure to the high-growth circular economy segment of the industry: as the global installed base of pitches ages and regulations tighten around microplastic pollution, the addressable market for recycling solutions should expand materially. First-mover advantage, patent-protected technology, a modular product architecture and integration within a recognized turf-producing Group represent meaningful competitive moats. The subsidiary is still in early commercialization, but a growing portfolio of case histories across the US, Norway, Australia and Spain signals improving traction.

Our 2026-28 estimates

Sport and *Automotive* to drive ~6% revenue CAGR through 2028E

We forecast group revenues growing from €59.5m in 2025 to €71.6m by 2028E, implying a 2025-28E CAGR of roughly 6.3%.

The key growth engines are *Sport* and *Automotive*:

- *Sport* (31-33% of revenues by 2028E) is the largest structural growth driver, posting a 2025-28E CAGR of ~9%. The main catalyst is 100%TurfRecyclers. We expect international markets to be the primary engine, with the US in particular driving an increasing share of the geographic revenue mix, as the country's large installed base of synthetic fields enters a major renewal wave and demand for environmentally compliant solutions accelerates.
- *Automotive* (13-14% of revenues from 2026E) shows the strongest CAGR in the mix at ~27% over 2025-28E, driven by a series of new supply contracts signed with automotive OEMs for interior textiles. We view 2025 as the trough after a prolonged revenue decline in the segment, with the newly secured order book supporting a sharp recovery from 2026E onward before stabilizing at a structurally higher base.
- *Residential & Contract* (declining from 39% to 34% of revenues) posts a modest 2025-28E CAGR of ~2.0%, reflecting mature end-markets and a deliberate portfolio shift toward higher-growth verticals.
- *Marine* (~19-20% of revenues) grows at a 2025-28E CAGR of ~1.4%, consistent with the inherently cyclical nature of yacht and cruise ship refitting orders, with a temporary dip in 2026E followed by a gradual recovery.

Figure 32: Revenues & VoP 2024–28E (€/mln)

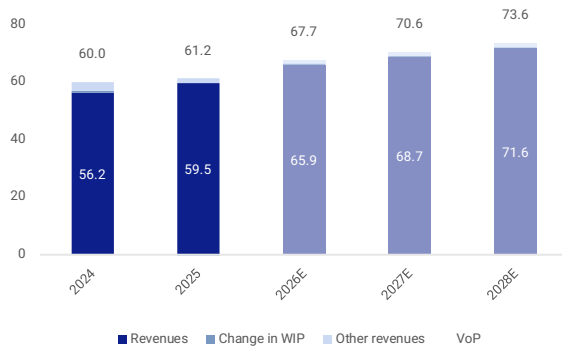
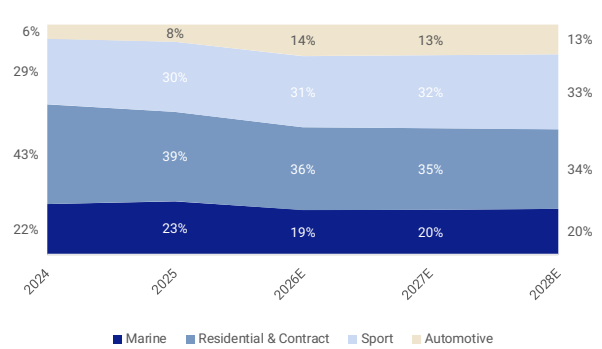


Figure 33: Revenues by End Markets 2024–28E (%)



Source: Banca Profilo elaborations and estimates on Company data

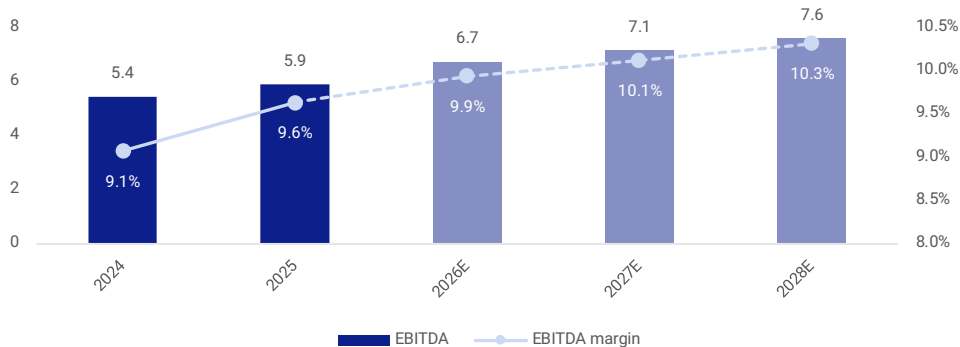
Operating leverage and mix shift to drive margin expansion

We forecast EBITDA expanding from €5.9mln in 2025 to €7.6mln by 2028E, implying a 2025-28E CAGR of ~8.8%, comfortably ahead of top-line growth (~6.3% CAGR), reflecting gradual margin improvement. EBITDA margin on VoP rises from 9.6% in 2025 to 10.3% by 2028E.

The margin expansion is underpinned by two main drivers: (i) operating leverage on the fixed cost base as the group scales revenues in Sport and Automotive on a relatively stable workforce; (ii) a favorable product mix shift toward higher-value, higher-margin segments, which more than offsets the natural cost inflation associated with rising activity levels. Management indicates that the Group is currently operating well below full installed capacity, implying that the forecasted revenue growth can be largely absorbed on the existing production footprint, concentrating incremental volumes on a broadly fixed cost base. The result is a steady and incremental profitability improvement across the plan horizon, with EBITDA growing at roughly 1.4x the pace of revenues.

Our target of an EBITDA margin above 10% also appears well-supported by peer comparison, with the sector median standing at 12.8% for FY25, suggesting Radici Pietro still has room for further convergence as the business mix continues to evolve.

Figure 34: EBITDA (€/mln) and EBITDA margin (% on VoP) 2024–28E



Source: Banca Profilo elaborations and estimates on Company data

Profitability improvement flowing through to the bottom line

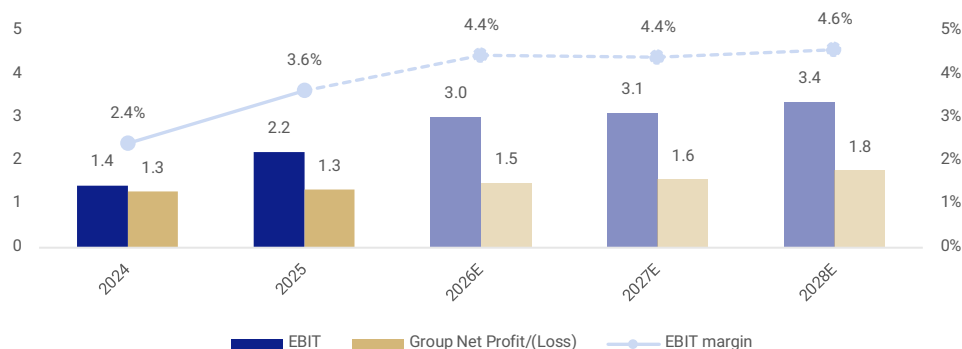
EBIT is expected to grow from €2.2mln in 2025 to €3.4mln by 2028E (CAGR ~15.6%), with margin expanding from 3.6% to 4.6%, as broadly stable D&A in absolute terms allows EBITDA margin gains to flow through with additional leverage at the operating profit level.

Net financial charges remain contained at ~€0.9mln p.a., while the tax rate normalizes at 27.9% from 2026E onward, following a distorted 2024 and an unusually low 7.6% in 2025.

Group Net Profit rises from €1.3mln to €1.8mln by 2028E (CAGR ~11.5%), with net margin edging up from 2.2% to 2.4%. Bottom-line expansion is more muted than at EBIT level due to

tax normalization, but the trajectory confirms steady improvement in underlying earnings power across the plan horizon.

Figure 35: EBIT, Net Profit (€/mln) and EBIT margin (% on VoP) 2024–28E



Source: Banca Profilo elaborations and estimates on Company data

Table 6: Income Statement 2024-28E (€/mln)

| | | Profit & Loss (€/mln) | | | | |
|--------------------------------------|-------------------|-----------------------|-------------|-------------|-------------|-------------|
| | | 2024 | 2025 | 2026E | 2027E | 2028E |
| Revenues | | 56.2 | 59.5 | 65.9 | 68.7 | 71.6 |
| | % on VoP | 93.8% | 97.3% | 97.4% | 97.4% | 97.4% |
| | yoy | 0.4% | 5.8% | 10.8% | 4.2% | 4.3% |
| Marine | | 12.4 | 13.8 | 12.8 | 13.5 | 14.4 |
| | % on Revenues | 22.1% | 23.2% | 19.4% | 19.7% | 20.0% |
| Residential & Contract | | 24.3 | 23.2 | 23.7 | 24.1 | 24.6 |
| | % on Revenues | 43.2% | 39.0% | 35.9% | 35.1% | 34.4% |
| Sport | | 16.1 | 18.1 | 20.5 | 21.9 | 23.5 |
| | % on Revenues | 28.6% | 30.3% | 31.1% | 31.9% | 32.8% |
| Automotive | | 3.4 | 4.5 | 9.0 | 9.1 | 9.2 |
| | % on Revenues | 6.1% | 7.5% | 13.6% | 13.2% | 12.8% |
| Other | | 3.7 | 1.7 | 1.8 | 1.8 | 1.9 |
| | % on VoP | 6.2% | 2.7% | 2.6% | 2.6% | 2.6% |
| | yoy | 174.6% | -55.2% | 6.3% | 4.2% | 4.3% |
| VoP | | 60.0 | 61.2 | 67.7 | 70.6 | 73.6 |
| | yoy | 3.8% | 2.0% | 10.7% | 4.2% | 4.3% |
| Raw, Ancillary, Consumable Materials | | (27.8) | (29.0) | (31.5) | (32.9) | (34.3) |
| | % on VoP | -46.4% | -47.3% | -46.6% | -46.6% | -46.6% |
| Cost of Services | | (15.8) | (14.9) | (17.6) | (18.3) | (19.1) |
| | % on VoP | -26.4% | -24.3% | -26.0% | -26.0% | -26.0% |
| Personnel Expenses | | (10.0) | (10.6) | (11.0) | (11.3) | (11.6) |
| | % on VoP | -16.7% | -17.4% | -16.2% | -16.0% | -15.8% |
| Other | | (0.8) | (0.8) | (0.9) | (0.9) | (1.0) |
| | % on VoP | -1.4% | -1.3% | -1.3% | -1.3% | -1.3% |
| EBITDA | | 5.4 | 5.9 | 6.7 | 7.1 | 7.6 |
| | EBITDA margin | 9.1% | 9.6% | 9.9% | 10.1% | 10.3% |
| | yoy | 5.7% | 8.3% | 14.1% | 6.1% | 6.2% |
| D&A | | (3.4) | (3.2) | (3.2) | (3.5) | (3.7) |
| | % on VoP | -5.7% | -5.2% | -4.7% | -5.0% | -5.0% |
| Provisions and write-downs | | (0.6) | (0.5) | (0.5) | (0.5) | (0.6) |
| | % on VoP | -1.0% | -0.8% | -0.8% | -0.8% | -0.8% |
| EBIT | | 1.4 | 2.2 | 3.0 | 3.1 | 3.4 |
| | EBIT margin | 2.4% | 3.6% | 4.4% | 4.4% | 4.6% |
| Interest Income/(Expenses) | | (1.1) | (0.8) | (0.9) | (0.9) | (0.9) |
| | % on VoP | -1.8% | -1.2% | -1.4% | -1.3% | -1.2% |
| EBT | | 0.4 | 1.4 | 2.1 | 2.2 | 2.5 |
| | Pretax margin | 0.6% | 2.4% | 3.1% | 3.1% | 3.4% |
| Taxes | | 0.9 | (0.1) | (0.6) | (0.6) | (0.7) |
| | Tax rate | -239.3% | 7.6% | 27.9% | 27.9% | 27.9% |
| Group Net Profit/(Loss) | | 1.3 | 1.3 | 1.5 | 1.6 | 1.8 |
| | Net Profit margin | 2.2% | 2.2% | 2.2% | 2.2% | 2.4% |
| | yoy | 178.7% | 2.9% | 12.4% | 4.9% | 13.3% |

Source: Banca Profilo elaborations and estimates on Company data

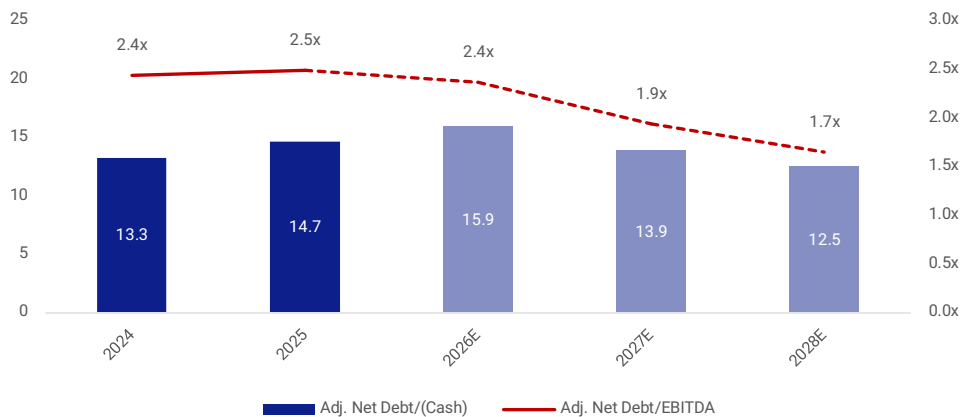
CapEx normalization
and earnings
retention drive
deleveraging from
2027E

Net debt is expected to peak at €15.9m in FY26E before declining to €12.5m by FY28E. The trajectory reflects two distinct phases:

1. FY26E: peak investment year. Net debt rises by €1.2m as the Group deploys €5.0m of total CapEx (7.4% of VoP), of which €3.5m relates to the acquisition of the additional 32% stake in 100%TFR and only €1.5m to organic industrial investment. OWC temporarily increases to €22.7m (33.5% of VoP), normalizing from the exceptionally lean FY25 level (31.4%) as trade payables revert toward historical incidence. The 100%TFR acquisition has a limited incremental cash impact: of the €3.5m total consideration, €2.5m was already funded via an intra-group loan extended in FY25 (excluded from our adj. net debt calculation), with only the €1.0m residual cash payment flowing through to FY2026E net debt.
2. FY27E–28E: CapEx normalization unlocks free cash flow. Gross CapEx halves to ~€2.5m (3.6% of VoP), broadly in line with estimated D&A, signaling the end of the expansionary phase and a shift to maintenance-level investment. This is underpinned by the available production headroom flagged by management, which allows plan-period revenue growth to be accommodated within the existing infrastructure without triggering a new investment cycle. Combined with steady earnings retention (~€1.3m p.a.) and a broadly stable OWC-to-VoP ratio (~33–34%), this generates cumulative FCF sufficient to reduce net debt by €3.4m over two years. Equity builds progressively to €40.1m by FY28E, driven entirely by retained earnings in the absence of shareholder distributions.

By FY28E, leverage is projected at approximately 1.7x EBITDA, a level that would provide the Group with meaningful optionality for further M&A, the initiation of a dividend policy or a new investment cycle.

Figure 36: Adj. Net Debt/(Cash) 2024–28E (€/m)



Source: Banca Profilo elaborations and estimates on Company data

Table 7: Balance Sheet 2024-28E (€/mln)

| Balance Sheet (€/mln) | | | | | |
|--------------------------------|-------------|-------------|-------------|-------------|-------------|
| | 2024 | 2025 | 2026E | 2027E | 2028E |
| Intangible Assets | 1.0 | 1.2 | 1.9 | 1.7 | 1.5 |
| PP&E | 29.4 | 31.1 | 32.2 | 31.4 | 30.6 |
| Financial Assets | 0.3 | 2.8 | 0.3 | 0.3 | 0.3 |
| Fixed Assets | 30.7 | 35.1 | 34.4 | 33.4 | 32.4 |
| Inventories | 24.2 | 22.8 | 24.7 | 25.6 | 26.9 |
| % on VoP | 40.3% | 37.3% | 36.5% | 36.3% | 36.5% |
| Trade receivables | 9.6 | 13.6 | 14.3 | 14.8 | 15.5 |
| % on VoP | 15.9% | 22.2% | 21.1% | 20.9% | 21.1% |
| Trade payables | (14.1) | (17.2) | (16.3) | (17.2) | (17.7) |
| % on COGS | 25.9% | 31.2% | 26.8% | 27.1% | 26.8% |
| OWC | 19.6 | 19.2 | 22.7 | 23.2 | 24.7 |
| % on VoP | 32.7% | 31.4% | 33.5% | 32.9% | 33.6% |
| Other current assets | 5.0 | 3.4 | 3.4 | 3.4 | 3.4 |
| Other current liabilities | (2.8) | (3.1) | (3.1) | (3.1) | (3.1) |
| Net Working Capital | 21.8 | 19.5 | 23.0 | 23.5 | 25.0 |
| % on VoP | 36.4% | 31.9% | 33.9% | 33.3% | 34.0% |
| Non-current assets | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Non-current liabilities | (5.0) | (4.6) | (4.7) | (4.7) | (4.7) |
| Net Invested Capital | 47.6 | 50.0 | 52.7 | 52.2 | 52.7 |
| Intangible Assets | 0.1 | 0.8 | 1.4 | 0.7 | 0.7 |
| PP&E | 3.1 | 4.2 | 3.6 | 1.8 | 1.9 |
| CapEx | 3.2 | 5.0 | 5.0 | 2.5 | 2.6 |
| % on VoP | 5.3% | 8.2% | 7.4% | 3.6% | 3.6% |
| Share Capital | 37.2 | 37.2 | 37.2 | 37.2 | 37.2 |
| Reserves and retained earnings | (4.3) | (3.6) | (2.8) | (1.6) | (0.4) |
| Net Profit/(Loss) | 0.9 | 0.8 | 1.2 | 1.3 | 1.4 |
| Cons. Equity | 34.3 | 35.3 | 36.8 | 38.4 | 40.1 |
| Adj. Net Debt/(Cash) | 13.3 | 14.7 | 15.9 | 13.9 | 12.5 |
| Rep. Net Debt/(Cash) | 13.3 | 12.2 | 15.9 | 13.9 | 12.5 |

Source: Banca Profilo elaborations and estimates on Company data

Table 8: FCFs 2024-28E (€/mln)

| Free Cash Flow (€/mln) | | | | | |
|------------------------|------------|------------|--------------|------------|------------|
| | 2024 | 2025 | 2026E | 2027E | 2028E |
| EBIT | 1.4 | 2.2 | 3.0 | 3.1 | 3.4 |
| Tax rate | -239.3% | 7.6% | 27.9% | 27.9% | 27.9% |
| NOPAT | 4.9 | 2.0 | 2.2 | 2.2 | 2.4 |
| D&A | 4.0 | 3.7 | 3.7 | 4.0 | 4.2 |
| Changes in OWC | 3.5 | 0.4 | (3.5) | (0.5) | (1.5) |
| Changes in Funds | 0.0 | 0.0 | (0.0) | (0.0) | (0.0) |
| CapEx | (3.2) | (5.0) | (5.0) | (2.5) | (2.6) |
| Unlevered FCF | 9.2 | 1.2 | (2.6) | 3.2 | 2.5 |

Source: Banca Profilo elaborations and estimates on Company data

Valuation

DCF method and market multiples

Given Radici's expected cash flow generation and the availability of comparable peers, both the DCF method and a relative valuation based on market multiples are appropriate for assessing the Company's value.

DCF

DCF to FY29E: €6.3mln of cumulated FCFs and Terminal Value at €48.6mln

We base our valuation on projected Free Cash Flows (FCFs) over the explicit 2026–29E period, totaling €6.3mln. The Terminal Value is derived from the 2029E FCF, applying a perpetual growth rate of 2.0%, resulting in €48.6mln.

WACC at 8.6%

To discount the estimated FCFs we would use a 8.6% WACC, derived from:

- a perpetual growth rate of 2.0%;
- a risk-free rate at 4.41%, as implicitly expected by consensus on the 30Y Italian BTP yield curve (100 days MA);
- a market risk premium of 6.69%⁷;
- a target Debt-to-Equity (D/E) ratio of 100%, broadly in line with listed peers;
- a tax rate of 27.9%, comprising IRES at 24% and IRAP at 3.9%;
- a beta of 1.31 coming from the average of chosen listed peers;
- a cost of debt of 5.6%.

Table 9: WACC calculation

| WACC Calculation | |
|-----------------------|--------------|
| Perpetual growth rate | 2.0% |
| Risk free rate (30Y) | 4.41% |
| Equity risk premium | 6.69% |
| Unlevered Beta | 0.76 |
| D/(D+E) | 50.0% |
| E/(D+E) | 50.0% |
| Target D/E | 100.0% |
| Tax rate | 27.9% |
| Beta | 1.31 |
| KE | 13.1% |
| Cost of debt | 5.6% |
| KD | 4.0% |
| WACC | 8.6% |

Table 10: FCFs 2026-29E(€/mln)

| | DCF Valuation (€/mln) | | | | |
|----------------------------|-----------------------|------------|------------|------------|-------------|
| | 2026E | 2027E | 2028E | 2029E | Over |
| Unlevered FCF | (2.6) | 3.2 | 2.5 | 3.2 | 3.2 |
| Years | 0.7 | 1.7 | 2.7 | 3.7 | |
| Discount factor | 0.9 | 0.9 | 0.8 | 0.7 | |
| NPV Free Cash Flows | (2.5) | 2.8 | 2.0 | 2.4 | |
| Sum of NPVs | | | | | 4.6 |
| Terminal Value | | | | | 48.6 |
| NPV Terminal Value | | | | | 35.8 |
| Enterprise Value | | | | | 40.4 |
| Adj. Net Debt YE25 | | | | | 14.7 |
| Equity Value | | | | | 25.7 |
| Number of shares (mln) | | | | | 8.81 |
| Per share value (€) | | | | | 2.92 |
| Current price (€) | | | | | 0.91 |

Source: Banca Profilo estimates (as of April 6, 2026)

DCF valuation: €2.9/share

The DCF analysis yields an Enterprise Value of €40.4mln and an Equity Value of €25.7mln, implying a fair value of €2.9 per share.

⁷ Damodoran, January 5, 2026

Market multiples

EV/EBITDA multiples The selected sample for assessing Radici's relative valuation using the market multiples approach includes Belysse Group (BE), Interface Inc. (US), Mohawk Industries (US) and Victoria Plc (UK).

Table 11: Market multiples

| Company | EV/EBITDA | | | |
|----------------------------------|------------|-------------|-------------|-------------|
| | 06/04/2026 | 2025 | 2026E | 2027E |
| Belysse Group NV | | 4.2x | 4.0x | 3.7x |
| Interface, Inc. | | 7.5x | 7.1x | 6.6x |
| Mohawk Industries, Inc. | | 5.8x | 5.5x | 5.2x |
| Victoria PLC | | 12.2x | 9.1x | 7.4x |
| Mean | | 7.5x | 6.4x | 5.7x |
| Median | | 6.7x | 6.3x | 5.9x |
| Radici Pietro I&B SpA | | 4.0x | 3.5x | 3.3x |

Table 12: Relative valuation

| Valuation on EV/EBITDA market multiples (€/mln) | 2026E | | 2027E | |
|---|-------------|-------------|-------|-------|
| | 2026E | 2027E | 2026E | 2027E |
| EV/EBITDA | 6.3x | 5.7x | | |
| EBITDA | 6.7 | 7.1 | | |
| Enterprise Value | 42.4 | 40.9 | | |
| Avg. EV (€/mln) | 41.6 | | | |
| Adj. Net Debt YE25 | 14.7 | | | |
| Equity Value | 26.9 | | | |
| Number of shares (mln) | 8.81 | | | |
| Price per share (€) | 3.06 | | | |
| Current price (€) | 0.91 | | | |

Source: Banca Profilo elaborations on FactSet data (as of April 6, 2026)

2026-27E EV/EBITDA at 6.0x In our market multiples valuation, we apply the average 2026–27E EV/EBITDA median multiple of 6.0x (as of April 6, 2026). At current levels, Radici trades at 3.5x 2026E and 3.3x 2027E, implying a discount versus peers.

Market multiples valuation: €3.1/share Radici's leverage (2.2x A/E) is broadly in line with peers, removing balance sheet risk as a valuation overhang. ROE (2.3%) trails the peer median (4.7%), reflecting the heavy capital base and D&A/financial charges drag on an earnings profile still scaling, but EBITDA margin is already converging (9.6% vs. 12.8% median⁸), with top-line growth, operating leverage and deleveraging set to drive progressive ROE improvement. At 0.2x P/BV versus 0.8x median, the market prices no improvement, underpinning our view that Radici is significantly undervalued relative to its medium-term earnings potential.

The relative valuation method results in an Enterprise Value of €41.6mln and an Equity Value of €26.9mln, corresponding to €3.1 per share.

BUY with 12-month TP raised to €3.0/share The target price (TP) of €3.0 per share is derived from the simple average of the DCF-based fair value (€2.9/share) and the multiples-based valuation (€3.1/share).

Given the significant upside potential relative to the current market price, we initiate coverage with a BUY recommendation.

⁸ Please refer to **Table 2: Peers' key ratios**

Radici Pietro I&B SpA

Recommendation
BUY

Target Price
3.0 €

Upside
231%

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 | 65.9 | 68.7 | 71.6 |
| Other | 0.9 | (0.3) | 0.2 | 0.2 | 0.2 |
| Total Revenues (VoP) | 60.0 | 61.2 | 67.7 | 70.6 | 73.6 |
| yoy (%) | 3.8% | 2.0% | 10.7% | 4.2% | 4.3% |
| EBITDA | 5.4 | 5.9 | 6.7 | 7.1 | 7.6 |
| margin (%) | 9.1% | 9.6% | 9.9% | 10.1% | 10.3% |
| EBIT | 1.4 | 2.2 | 3.0 | 3.1 | 3.4 |
| margin (%) | 2.4% | 3.6% | 4.4% | 4.4% | 4.6% |
| Group Net Profit/(Loss) | 1.3 | 1.3 | 1.5 | 1.6 | 1.8 |
| margin (%) | 2.2% | 2.2% | 2.2% | 2.2% | 2.4% |

Company Description

| | |
|-----------------------------|--------------------------|
| Company Sector | Textile Products |
| Reference Index | FTSE Italia Growth Index |
| Main Shareholder | MRFOC S.p.A. |
| Price | 0.91 € |
| Daily Average Volumes (30D) | 3,150 |

Shareholders



| Share Data | 2025 | 2026E | 2027E | 2028E |
|------------------------|------|-------|-------|-------|
| Market Cap (mln) | 7.97 | 7.97 | 7.97 | 7.97 |
| Number of Shares (mln) | 8.81 | 8.81 | 8.81 | 8.81 |
| EPS | 0.09 | 0.14 | 0.14 | 0.16 |
| DPS | - | - | - | - |
| BVPS | 3.90 | 4.04 | 4.18 | 4.34 |

| Key Ratios | 2025 | 2026E | 2027E | 2028E |
|------------------------|------|-------|-------|-------|
| ROE | 3.8% | 4.1% | 4.1% | 4.4% |
| ROCE | 4.4% | 5.7% | 5.9% | 6.4% |
| Leverage | 2.3 | 2.2 | 2.2 | 2.2 |
| Net Debt (cash)/EBITDA | 2.5 | 2.4 | 1.9 | 1.7 |
| Working Capital/Sales | 32% | 34% | 33% | 34% |
| CapEx/Sales | 8.2% | 7.4% | 3.6% | 3.6% |
| CapEx/D&A | 1.6 | 1.6 | 0.7 | 0.7 |

| Multiples | 2025 | 2026E | 2027E | 2028E |
|----------------|-------|--------|-------|-------|
| P/BV | 0.2x | 0.2x | 0.2x | 0.2x |
| EV/Sales | 0.4x | 0.3x | 0.3x | 0.3x |
| EV/EBITDA | 4.0x | 3.5x | 3.3x | 3.1x |
| EV/EBIT | 10.6x | 7.8x | 7.6x | 7.0x |
| P/E | 8.4x | 9.9x | 6.6x | 6.4x |
| Dividend yield | 0.0% | 0.0% | 0.0% | 0.0% |
| FCF yield | 18.7% | -47.0% | 26.0% | 16.7% |

| Peers | 2025 | 2026E | 2027E | 2028E |
|-----------|-------|-------|-------|-------|
| EV/Sales | 0.9x | 0.9x | 0.9x | 0.6x |
| EV/EBITDA | 6.7x | 6.3x | 5.9x | 4.2x |
| EV/EBIT | 10.8x | 10.2x | 8.9x | 8.0x |
| P/E | 11.8x | 10.9x | 9.9x | 7.9x |

| Balance Sheet (€ mln) | 2024 | 2025 | 2026E | 2027E | 2028E |
|-----------------------------|-------------|-------------|-------------|-------------|-------------|
| Fixed Assets | 30.7 | 35.1 | 34.4 | 33.4 | 32.4 |
| Net Working Capital | 21.8 | 19.5 | 23.0 | 23.5 | 25.0 |
| Other Assets/(Liabilities) | (5.0) | (4.6) | (4.7) | (4.7) | (4.7) |
| Net Invested Capital | 47.6 | 50.0 | 52.7 | 52.2 | 52.7 |
| Cons. Equity | 34.3 | 35.3 | 36.8 | 38.4 | 40.1 |
| Adj. Net Debt/(Cash) | 13.3 | 14.7 | 15.9 | 13.9 | 12.5 |

| Cash Flow (€ mln) | 2024 | 2025 | 2026E | 2027E | 2028E |
|----------------------------------|------------|--------------|--------------|------------|------------|
| EBITDA | 5.4 | 5.9 | 6.7 | 7.1 | 7.6 |
| Financial Income/(Expenses) | (1.1) | (0.8) | (0.9) | (0.9) | (0.9) |
| Taxes | 0.9 | (0.1) | (0.6) | (0.6) | (0.7) |
| Change in NWC & Other | (0.9) | 1.5 | (4.0) | (1.0) | (2.0) |
| CapEx | (3.2) | (5.0) | (5.0) | (2.5) | (2.6) |
| FCF | 1.2 | 1.5 | (3.7) | 2.1 | 1.3 |
| Other investments | (0.3) | (2.5) | 2.5 | - | - |
| Equity Financing | 0.1 | (0.3) | - | - | - |
| Dividends | - | - | - | - | - |
| Change in Net Debt/(Cash) | 2.7 | (1.4) | (1.2) | 2.1 | 1.3 |

| | | | | | |
|----------------------|------------|------------|--------------|------------|------------|
| Unlevered FCF | 9.2 | 1.2 | (2.6) | 3.2 | 2.5 |
|----------------------|------------|------------|--------------|------------|------------|

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

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*

Weaknesses

Heavy dependence on Italian market (~47% of revenue)

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, Facset, Banca Profilo estimates and elaborations

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