

# RACING FORCE GROUP

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Management Call  
March 28, 2024

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## AN INTERNATIONAL LEADERSHIP TEAM



**Paolo Delprato**

Group Chairman and CEO  
Chairman Racing Force International  
Chairman High Protection Systems

+15 Years of Industry Experience



**Stephane Cohen**

Group Co-CEO  
CEO Racing Force International  
CEO High Protection Systems  
BELL Co-Founder

+37 Years of Industry Experience



**Roberto Ferroggiaro**

Group CFO

+15 Years of Financial Experience



**Alexandros  
Miotto Haristos**

Group COO  
Zeronoise Co-Founder

+10 Years of Industry Experience



**Kyle Kietzmann**

CEO Racing Force USA

+30 Years of Industry Experience



**Aref Yazbek**

Group CBO  
MD Racing Force International

+10 Years of Industry Experience



**Andy Mellor**

Group CTO

+20 Years of Industry Experience



**Bruno Curletto**

CCO (EMEA e APAC)

+20 Years of Industry Experience

TODAYS' SPEAKERS



# RACING FORCE AT A GLANCE

RACING FORCE OPERATES IN THE DEVELOPMENT, PRODUCTION AND MARKETING OF SAFETY COMPONENTS AND PROTECTION EQUIPMENT FOR THE MOTORSPORT INDUSTRY

## RACING FORCE GROUP TODAY

### Brands



Since 1973



Since 1954



Since 2018



Since 2019

### Financials Highlights FY 2023

**€ 62.7 m**  
Sales  
(+6.4% vs FY 22)

**€ 9.6 m**  
EBITDA  
15.4%  
EBITDA Margin

**€ 4.8 m**  
Net Income  
7.7%  
NI Margin

**€ 3.2 m**  
Net  
Financial  
Position

### Numbers



Worldwide Leadership in Motorsport Safety Equipment



Widest range of products covering the full spectrum of motorsport safety equipment and beyond



3.400+ Customers Worldwide (largest client representing approximately 4% of total sales)



8 sites incl. 3 manufacturing facilities, 6 showrooms and 3 R&D centers in US, Europe and Asia

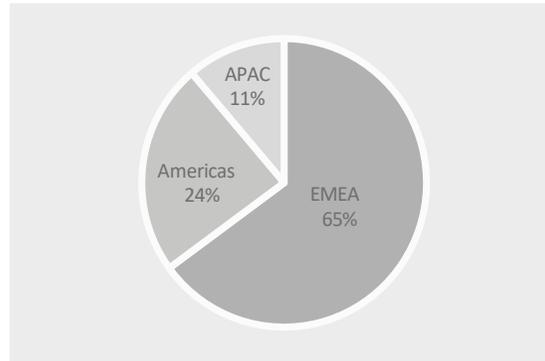


Over 550 employees from 35 nationalities, average age of 37 (36% of women)

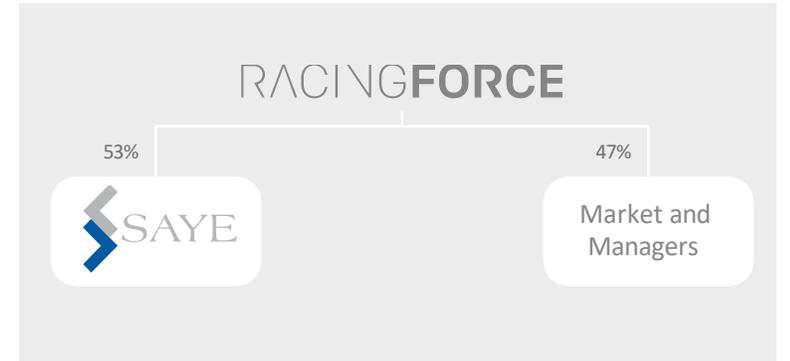
### 80 Countries Worldwide



### FY 23 Revenues Breakdown



### Shareholders' Structure



2023  
ECONOMIC AND FINANCIAL DATA

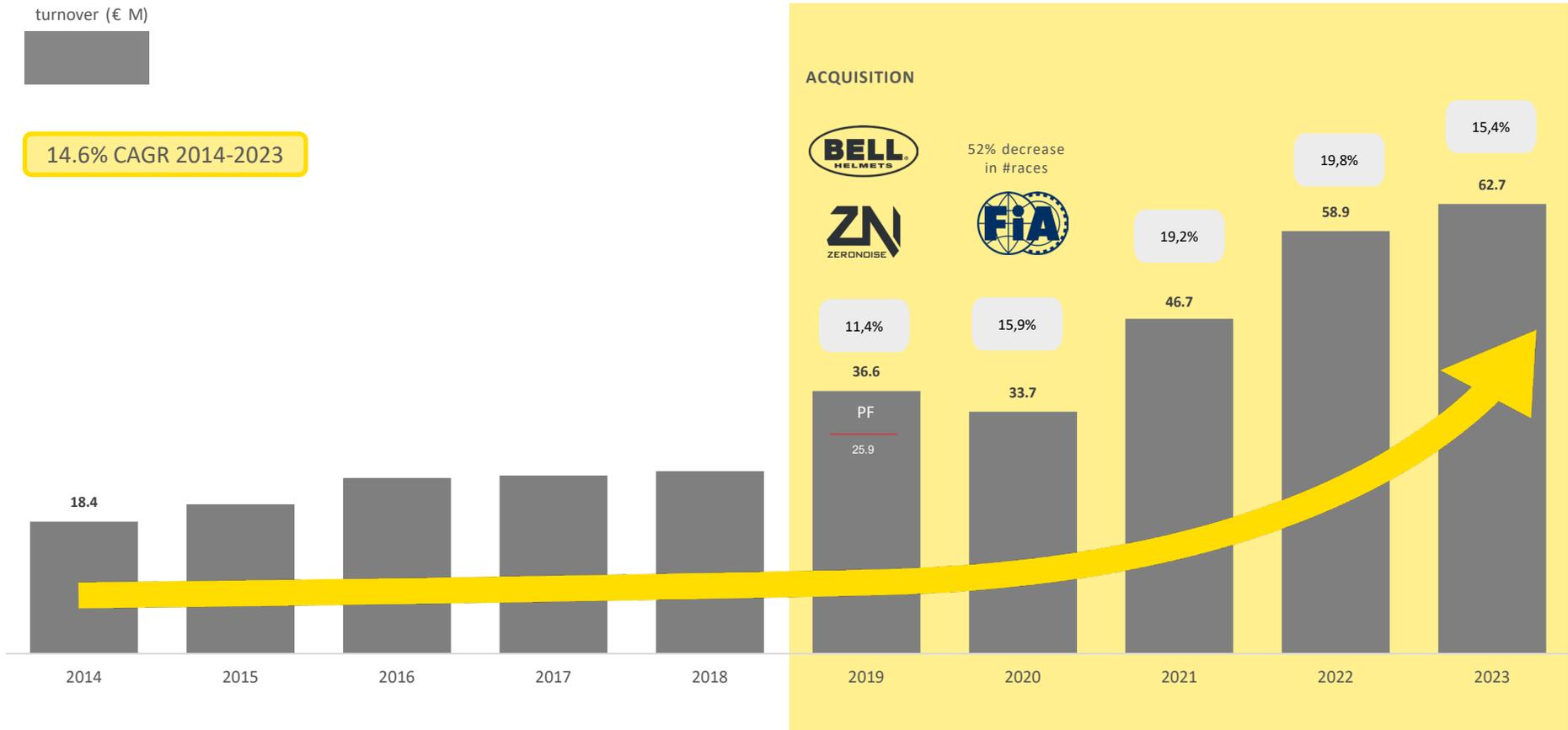
A LONG TERM DOUBLE-DIGIT GROWTH HISTORY

SALES

Consolidated  
turnover (€ M)

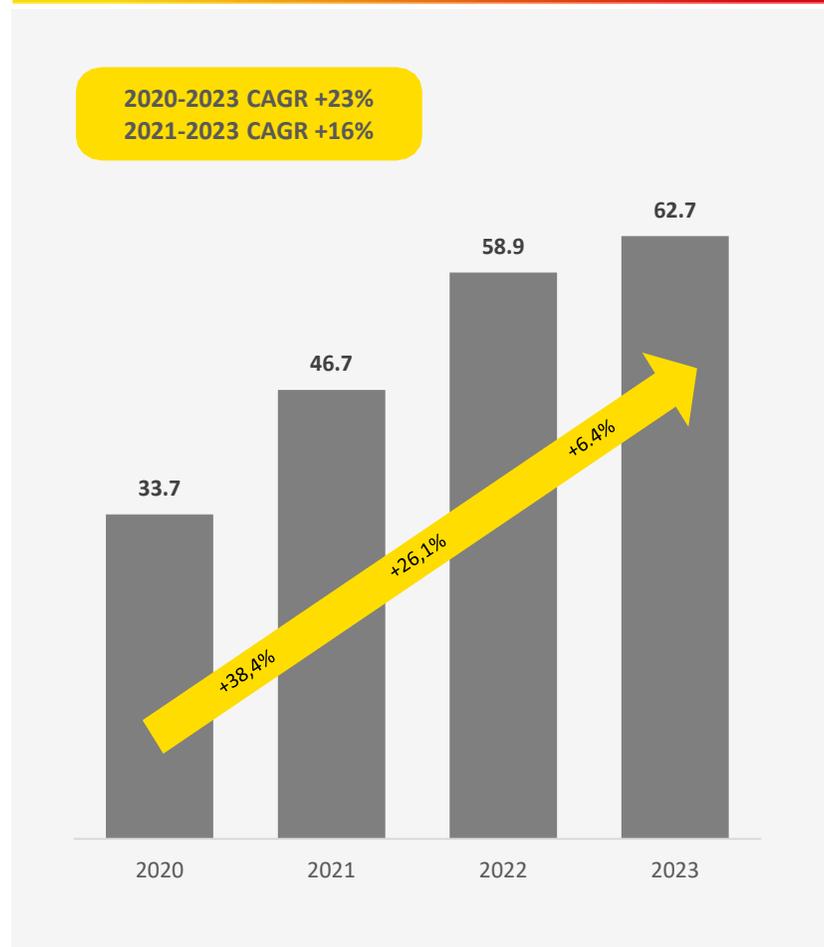


14.6% CAGR 2014-2023



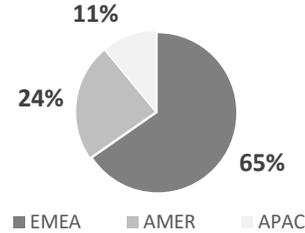
## CONSOLIDATED P&L

### Revenues (€m) and Growth (%)



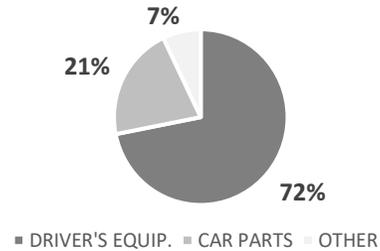
### FY 2023 Revenues Breakdown and Variance vs FY 2022

#### Geographies



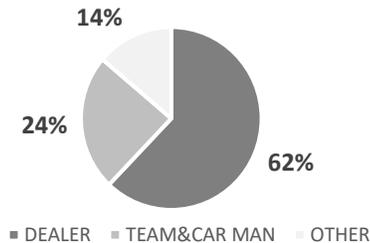
	EMEA	AMER	APAC
<b>SALES FY23</b>	<b>41.0 ml</b>	<b>14.7 ml</b>	<b>6.9 ml</b>
VAR vs LY	+4.1 ml	-1.2 ml	+0.9 ml
VAR %	+11.2%	-7.8%	+15.0%

#### Product categories



	DRIVER'S EQUIP.	CAR PARTS	OTHER
<b>SALES FY23</b>	<b>45.0 ml</b>	<b>13.2 ml</b>	<b>4.5 ml</b>
VAR vs LY	+2.0 ml	-0.2 ml	+1.9 ml
VAR %	+4.7%	-1.3%	+76.5%

#### Channels

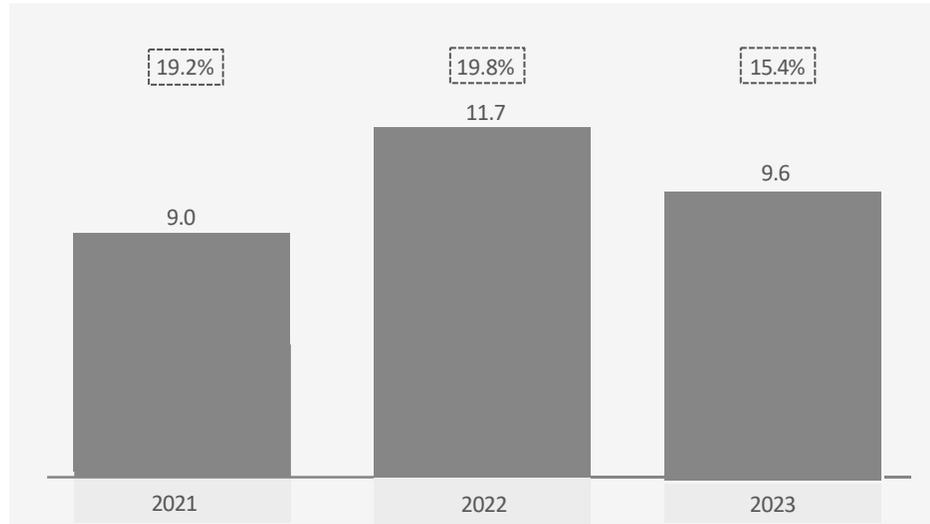


	DEALER	TEAM&CAR MAN	OTHER
<b>SALES FY23</b>	<b>38.9 ml</b>	<b>15.1 ml</b>	<b>8.6 ml</b>
VAR vs LY	+0.9 ml	+1.9 ml	+0.9 ml
VAR %	+2.4%	+14.5%	+12.3%



## CONSOLIDATED P&L (cont'd)

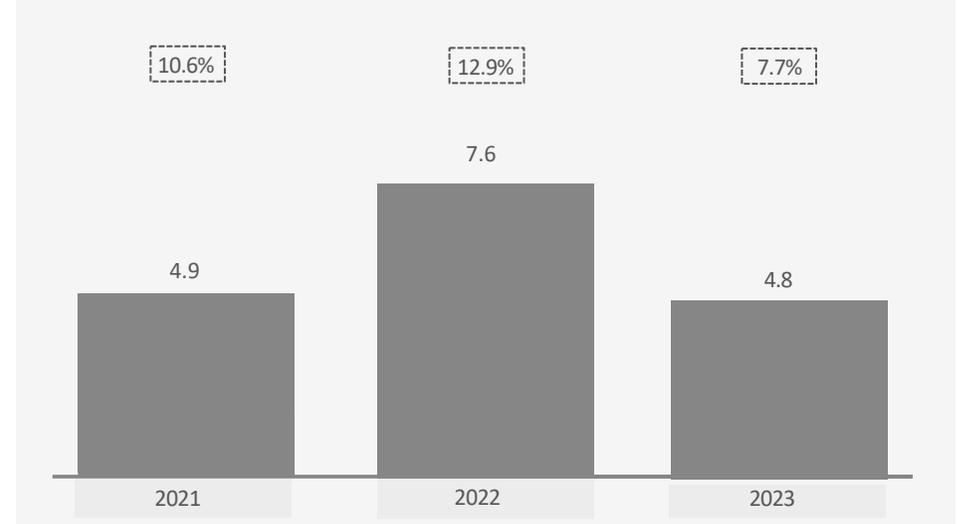
### EBITDA (€m) and Margin (%)



Variance in EBITDA is mainly due to higher costs in FY23 to further strengthen the Group's structure and support investments and diversification projects currently underway, partially offset by higher gross profit.

- Gross profit increased in absolute value of 1.9 ml Euro, while in percentage terms there was a slight decrease of 0.8%, mainly due to the different composition of the product mix.
- Other income lower by 0.3 ml Euro, mainly due tax credit booked in FY22
- Selling & distribution expenses passed from 9.3 to 10 ml Euro in FY 23, primarily due to higher technical partnership agreements related to 2023.
- Personnel costs passed from 11.7 to 13.9 ml Euro in FY 23, driven by +90 additional average FTEs in 2023. This increase was required to timely setup the proper organizational structure to support the diversification projects and the expected future growth.

### NET INCOME (€m) and Margin (%)



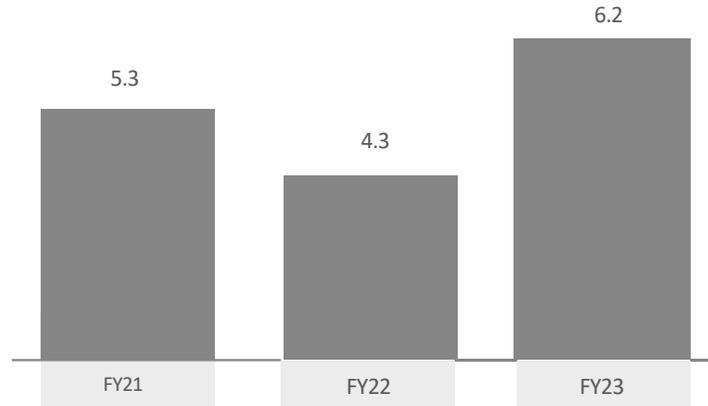
The decrease in Net Income compared to prior year is due to:

- 2.5 ml Euro lower EBIT, as a consequence of 2.0 ml Euro decrease in EBITDA, 0.3 ml Euro higher depreciation, driven by higher capex, and 0.2 ml Euro higher bad debt accruals.
- 0.4 ml Euro higher net finance costs, mainly due to 0.3 ml Euro loss on FX differences against 0.3 ml Euro gain in prior year, partly offset by better net interest towards banks by 0.3 ml Euro, thanks to a lower level of average indebtedness.
- 0.2 ml Euro lower taxes, due to lower taxable income.

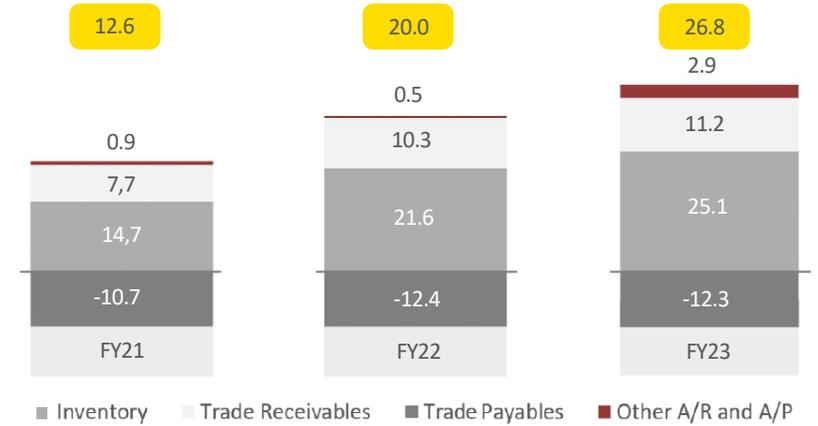


## CONSOLIDATED BALANCE SHEET

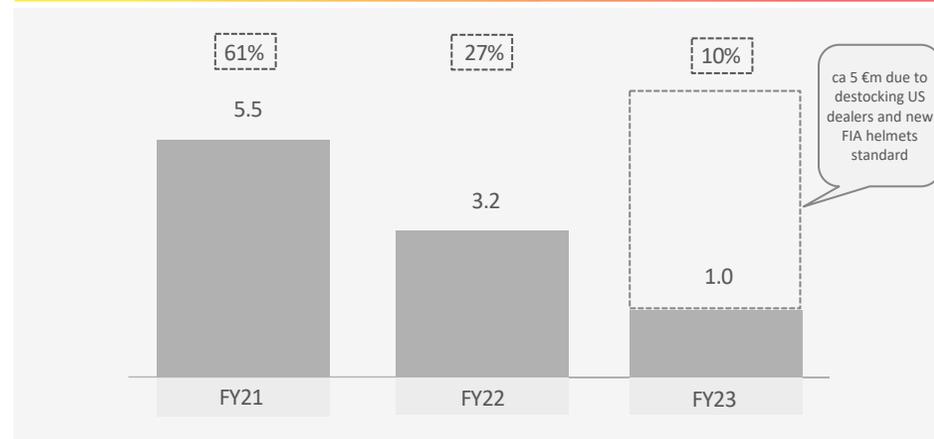
### CAPEX (€m)



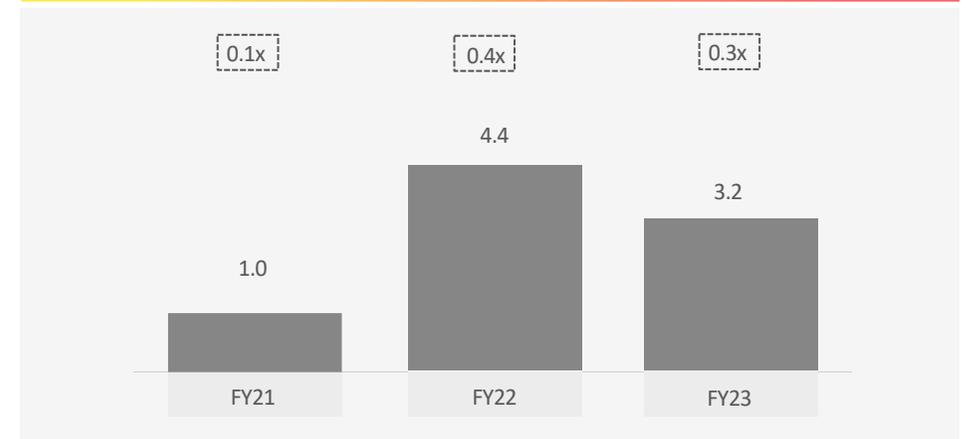
### WORKING CAPITAL (€m)



### CASH FLOW from Operations (€m) and Cash conversion (%)



### NET FINANCIAL POSITION (€m) and leverage on EBITDA (x)



2023 AT A GLANCE

SALES	EBITDA	NET INCOME
<p><b>€ 62.7m</b></p> <p>+6.4% vs FY 22 +23% 2020 - 2023 CAGR</p>	<p><b>€ 9.6m</b></p> <p>15.4% EBITDA Margin Vs +19.8% in FY 22</p>	<p><b>€ 4.8m</b></p> <p>7.7% NI Margin Vs 12.9% in FY 22</p>
CASH FLOW FROM OPERATIONS	NET FINANCIAL POSITION	PROPOSED DIVIDEND
<p><b>€ 1.0m</b></p> <p>10.2% Cash Conversion vs € 3.2m in FY 22</p>	<p><b>€ 3.2m</b></p> <p>0.3x Leverage vs € 4.4m in FY 22</p>	<p><b>€ 2.3m</b></p> <p>€ 0.09 ps same as Last Year</p>



# UPDATE ON STRATEGY

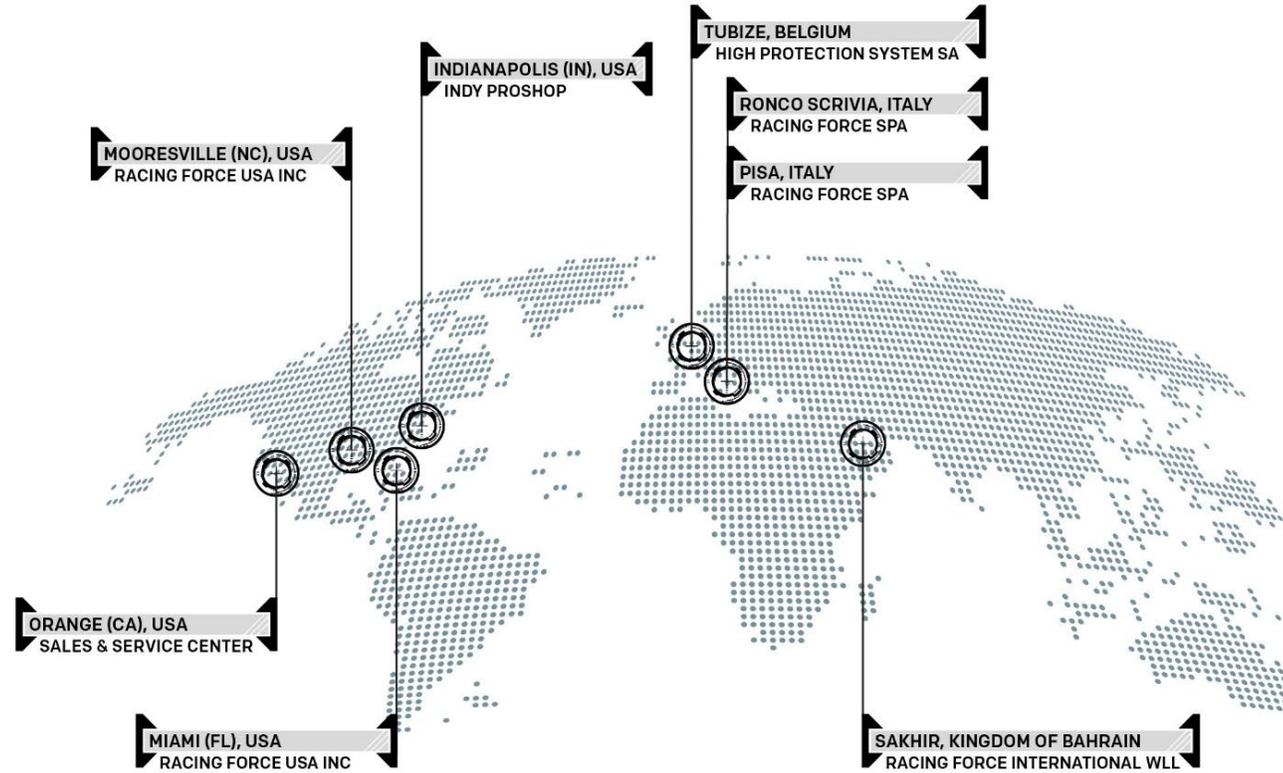
## OUR LOCATIONS IN 3 DIFFERENT CONTINENTS

8 LOCATIONS

3 R&D CENTERS

7 SHOWROOMS

4 CUTTING EDGE PRODUCTION & LOGISTICS CENTERS



  RONCO SCRIVIA ITALY	
  SAKHIR BAHRAIN	
   MOORESVILLE UNITED STATES	
  PISA ITALY	



## MAIN INVESTMENTS TO SUPPORT THE GROWTH

TO SUPPORT THE GROWTH OF THE GROUP, AN INVESTMENT PLAN TO EXPAND THE OVERALL CAPACITY IS UNDERWAY

### EUROPE, RONCO SCRIVIA



Expansion: +4,000 sqm  
**+50%**

- ▶ It's the main headquarter of the Group
- ▶ Expansion aimed at increasing production and logistics for Europe and ROW
- ▶ Attention to environmental sustainability
  - Solar panels
  - Energy-saving façades
  - Car recharging stations
  - Rain water collection system
- ▶ In progress during 2024

### WORK PROGRESSION – UPDATE MARCH 2024

- ✔ Foundations completed
- ✔ Building frame under construction



### MIDDLE EAST, BAHRAIN



Expansion: +4,000 sqm  
**+60%**

- ▶ It's the main manufacturing hub that hosts production of helmets as well as diversification and integration projects
- ▶ Creation of a 2<sup>nd</sup> floor to increase factory production capacity, in collaboration with Bahrain International Circuit
- ▶ Attention to environmental sustainability
  - Solar panels
  - Car recharging stations
- ▶ In progress during 2024

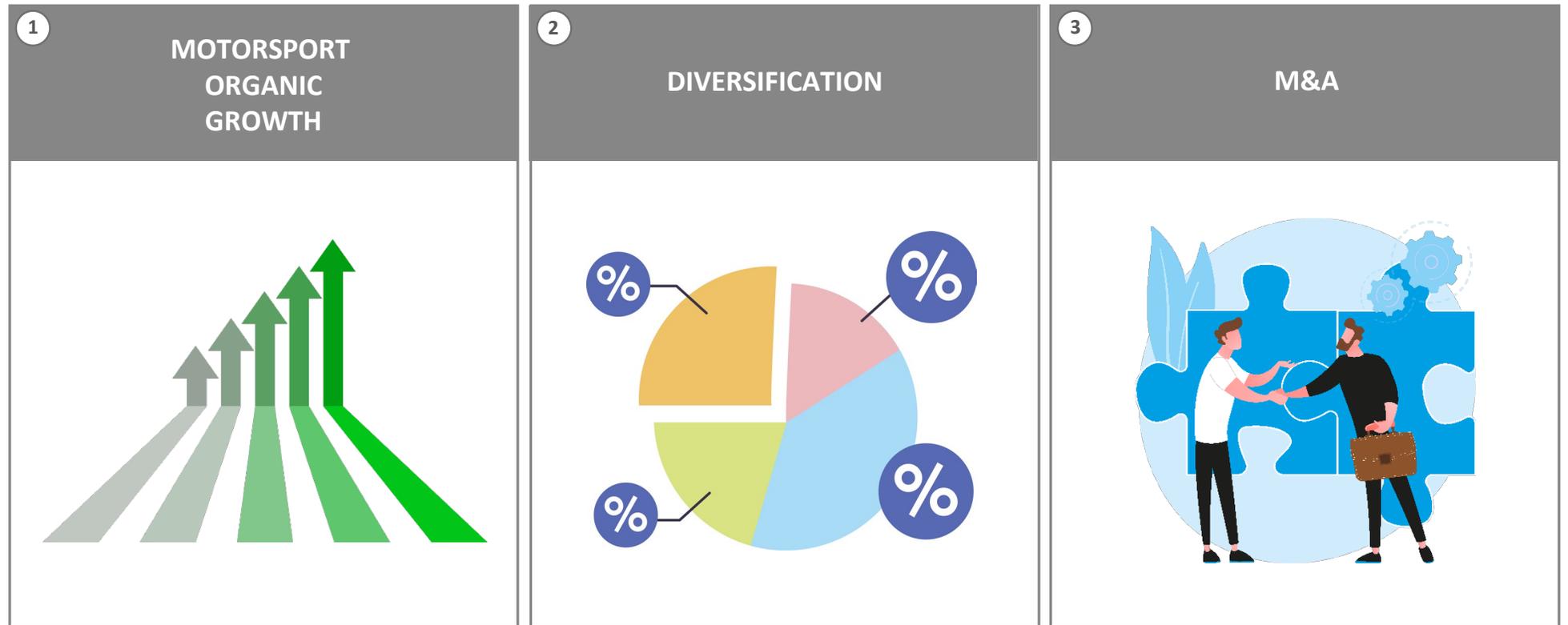
### WORK PROGRESSION – UPDATE MARCH 2024

- ✔ Foundations completed
- ✔ Pillars completed
- ✔ Horizontal structures under construction
- ✔ Possibility of further expansion in partnership with BIC (Bahrain International Circuit)

## 3 CLEAR MAIN PILLARS FOR FURTHER GROWTH

SOLID GROWTH OPPORTUNITIES IN CORE MARKETS AND NEW TECHNOLOGY / HIGH PERFORMANCE SAFETY NICHES

### KEY DRIVERS



## PILLAR 1 – MOTORSPORT ORGANIC GROWTH

CONSOLIDATING RACING FORCE'S LEADERSHIP IN LESS PENETRATED GEOGRAPHIES AND PRODUCT CATEGORIES

### GEOGRAPHIES



- ▶ The Group **gained market share** consistently **across the globe** consolidating the trend of the last few years.
- ▶ Although the **US** in 2023 registered the weakest performance, RFG gained **market shares** from the main competitors and the region can express significant growth potential.
- ▶ The strategy of developing an **SFI homologated product range** has been deployed successfully.
- ▶ This enabled the group to sign a deal with the most important racing team in US, **Penske Team**.
- ▶ As a consequence, the **visibility of the OMP brand** since the start of the season (Daytona500), has been remarkable.

### PRODUCT CATEGORIES



- ▶ Edging innovation through a **continuous R&D process** across product categories remains key to maintain competitive advantage
- ▶ The launch of **WW technology** (wired-wireless) presented at the World Meeting in Bahrain represents a breakthrough for rally, growing market segment for the group.
- ▶ It is also an incredible technology platform for the future, by being the first FIA homologated helmet with **active electronics and battery integrated**.
- ▶ **Integrating** in Medium term the manufacturing of **selected and strategic product categories** is also important to increase efficiency and margins.

### CHANNELS



- ▶ Developing the **Dealers network** is always a priority to open up new opportunities and markets.
- ▶ A careful selection of Dealers is delivering very **strong results in Asia**, where the market has been stagnating for years, now vitalized by the presence of Asian drivers in top series (i.e. Zhou in F1, Katsuta in WRC).
- ▶ The **one-stop-shop group offering**, with premium brands supports and consolidates our presence in the Dealers Network worldwide.
- ▶ The professional Teams channel is growing thanks to the partnership with **Aston Martin F1 and Team Penske**, which also paves the way to **more high-profile collaborations**.



PILLAR 2 - DIVERSIFICATION

MOTORSPORT

WORLD SMALLEST AND LIGHTEST MICRO-CAMERA FOR LIVE TV BROADCASTING

THE ONLY CAMERA SYSTEM HOMOLOGATED BY FIA

FIVE PATENTS HAVE BEEN FILED OVER THE LAST FOUR YEARS TO COVER THE DRIVER'S EYE™ TECHNOLOGY

SINCE 2023, DRIVER'S EYE™ IS ALSO HOMOLOGATED BY THE OTHER HELMET MANUFACTURERS



Lewis Hamilton – Mercedes AMG PETRONAS F1 Team

BRINGING IMMERSIVE CONTENT TO MAJOR SPORT EVENTS: SKI



Courmayeur, Italy, 11<sup>th</sup> of January 2024

KEY UPDATES

- ▶ An important milestone of the project has been met, with the technology ready to go on a field test and produce a **compelling footage**.
- ▶ The footage has been shared with the **FIS**, that called it “**the best POV footage**” so far.
- ▶ The project target is the technology showcase and **launch at a major ski event next year, 2025**.
- ▶ The technology is being designed to be able to **implement it in the majority of ski goggles**.
- ▶ The development of the technology will also open the doors to **B2C versions for different sports and activities** in the future

NEXT STEPS

TOP ATHLETES APPROVAL



SAFETY APPROVAL



REAL TIME TRANSMISSION APPROVAL

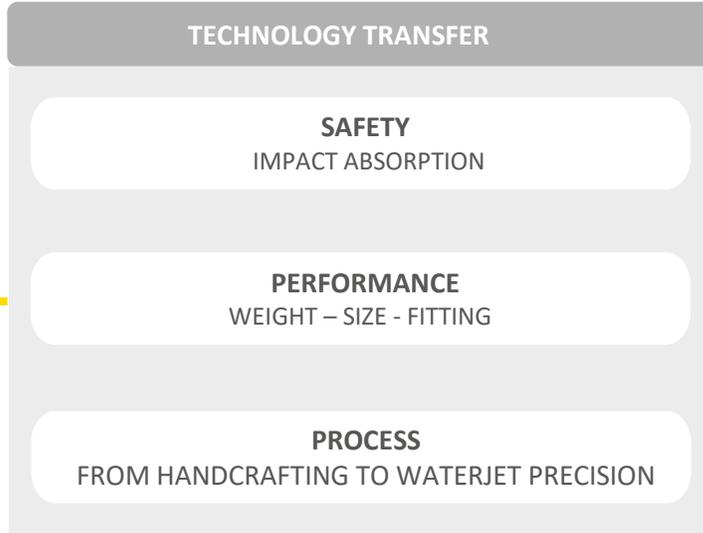


AGREEMENT WITH TV BROADCASTING



PILLAR 2 - DIVERSIFICATION

FROM F1 ABP ADVANCED HELMET TO THE NEXT GENERATION AIR FORCE HELMETS



NEXT MILESTONES

**2023**  
Final product definition and first deliveries of pre-series in August

**2024**  
Production ramp-up and delivery of first batch by Q4

**2025/2026**  
Production in full swing

- ✓ Manufacturing of shells and liners at Racing Force International, Bahrain
- ✓ Other branches of the US Armed Forces and allied countries have shown great interest in the LIFT product
- ✓ Rotary Wing helmet version certification target for 2025



## PILLAR 2 - DIVERSIFICATION - GLADIATOR HELMET

LAW ENFORCEMENT HEAD PROTECTION

### HPS GLADIATOR - MAIN TECHNICAL FEATURES

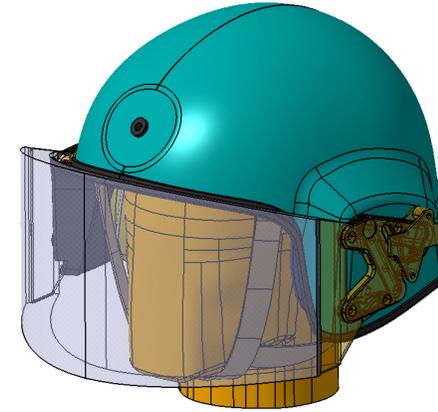
SWAT helmet developed according to TR 2010 Ballistic Helmet, **VPAM and NATO standards**

**Optimized shell design** for full compatibility with headset and chemical, biological, radiological, and nuclear protection mask (CBRN)

Improved **night vision shroud** design

Visor with **improved pivoting system** for optimized balance

**F1 racing** helmet chinstrap, anti-fog and anti-scratch **technologies**



Development in progress



Prototype

### KEY UPDATES

- ▶ Latest testing successfully passed in August 2023
  - ▶ Contact with relevant police forces already established for both product design and commercialization
  - ▶ The manufacturing process development with industrial partners is still in progress
- 2024 Q4** - Final prototypes and start of certification
- 2025 Q1** - Start of commercialization activities  
 Official showcase: Enforce Tac (German Trade Fair for Official Security Agencies and Armed Forces) – February 2025 and Shot Show (Las Vegas – USA) - January 2025 under evaluation



## PILLAR 2 - DIVERSIFICATION - POLICE RIOT HELMET

LAW ENFORCEMENT HEAD PROTECTION

### HPS RH 1.0 - MAIN TECHNICAL FEATURES

RIOT helmet developed according to TR 2011 for a Modular System – Protective Helmet, Communication System, Respirator Mask

Lightweight shell with FR coating for **optimized shock and stab protection**

3 shell sizes for lowest possible weight with a **size range** from 46 to 67

Exchangeable anti-bacterial finished, flame-retardant lining for **highest comfort**

**Flame-resistant 3-point chinstrap** with FR micro-lock ratchet fastener and emergency opening

Clear injection molded **visor with F1 proven anti-fog (inside) and anti-scratch (outside)** technology



Testing

### KEY UPDATES

- ▶ R&D activities ongoing in our Bahrain facility, progressing as planned
- ▶ **January 2024:** Size M testing successfully passed
- ▶ **1H 2024** - Other sizes design finalization
- ▶ **2H 2024** - Homologation and certification
- ▶ **2025 Q1** - Start of commercialization activities  
Official showcase: Enforce Tac (German Trade Fair for Official Security Agencies and Armed Forces) – February 2025 and Shot Show (Las Vegas – USA) - January 2025 under evaluation



Prototype



PILLAR 3 – M&A

**STRONG TRACK-RECORD OF SUCCESSFUL INTEGRATIONS IN RECENT YEARS PROVIDES SOLID GROUND FOR FURTHER M&A POTENTIAL IN A VERY FRAGMENTED MARKET**



TECHNOLOGY

- INTEGRATE NEW TECHNOLOGY TO STRENGTHEN RFG POSITION IN THE MARKET
- STRENGTHEN TECHNOLOGICAL CAPABILITIES NOT YET AVAILABLE IN RACING FORCE CURRENT OFFERING



DIVERSITY

- BROADEN **GEOGRAPHICAL DIVERSIFICATION** EXPANDING IN NEW MARKETS
- EXPANDING **PRODUCTS OFFERING**
- DIVERSIFY AND EXPAND THE **CUSTOMER BASE**



TALENTS

- **ACQUIRE AND RETAIN HIGHLY QUALIFIED AND EXPERIENCED TALENT**
- STRENGTHEN THE MANAGEMENT TEAM WITH **INDUSTRY - EXPERIENCED LEADERS WITH IN -DEPTH KNOWLEDGE OF LOCAL MARKETS**



VALUE ACCRUAL

- **DISCIPLINED APPROACH**
- SCOUTING OPPORTUNITIES SHOWING BOTH **STRONG BUSINESS AND FINANCIAL RATIONALE WITH STRONG VALUE CREATION**



# CURRENT TRADING

## OUTLOOK

### Motorsport

- **Q1 Sales** expected in line with previous year despite two big (approx. 1,0 mio €) Racing Spirit orders in Q1 2023. **Q1 Orders in strong growth.**
- **Main 2024 target** to increase **efficiency and cash** generated from operations, to complete investments plan within **Q1 2025.**
- **New FIA 8859-2024 standard** for Premium Helmets coming into force as soon as a helmet manufacturer homologates a model with the new standard (helmets under previous standard still usable until Dec. 31, 2025).
- **New FIA 8877-2022 standard for kartwear** (including gloves and shoes) **mandatory from Jan. 2025.**
- **New SNELL standard** (for US Helmets market) expected for Autumn 2025 with **strong sales generation starting end 2025.**
- The **Wired-Wireless helmet**, developed by integrating top level open-face Bell helmets with new Zeronoise Fearless intercom, debut Q1 2024 with very positive feedback.
- **New websites for all brands**, including online sales, expected 2H 2024

### Diversification Projects

- LIFT, Gladiator and Riot projects are **progressing as planned with the new Tubize facility, HPS headquarter**
- First effects **within the end of 2024 / Q1 2025**
- **Further important Skier's Eye milestones** expected within the year



HPS Headquarter



S. Campedelli testing WW helmet



Aston Martin F1 Team



Josef Newgarden won the first 2024 Indycar race with Team Penske



# THANK YOU

## Racing Force Group

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Roberto Ferroggiaro

Investor Relations

E-mail: [ir@racingforce.com](mailto:ir@racingforce.com)

Luigi Rossi – Jacopo Rubino

Media

E-mail: [media@racingforce.com](mailto:media@racingforce.com)

## Barabino & Partners

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Stefania Bassi

E-mail: [s.bassi@barabino.it](mailto:s.bassi@barabino.it)

mob: +39 335 6282667

Giuseppe Fresa

E-mail: [g.fresa@barabino.it](mailto:g.fresa@barabino.it)

mob: +39 348 5703197

# Q&A

OMP

BELL  
HELMETS

ZN  
ZERONISE

Racing  
Spirit

Standard 8856-2018  
DC.045.19-0  
OMP  
Not valid after: 2034

OMP

BOSS





RICHARD MILLE

CEVA  
LOGISTICS

Bitdefender

CELSIUS  
LIVE FIT

Palantir

AMERSON  
AUTOMOTIVE



OMP

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FORCE  
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BRANDS OF RACING FORCE GROUP



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ZERONOISE

Bring It Spirit

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BELL  
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Bring It Spirit

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BRANDS OF RACING FORCE GROUP