

## PRESS RELEASE

### **Board of Directors approved 1H 2024 results EBITDA growth and strong cash generation from operations exceeding €7 million 2023 Sustainability Report has also been approved**

THE BOARD OF DIRECTORS OF RACING FORCE S.P.A. APPROVED THE CONSOLIDATED  
HALF-YEAR FINANCIAL STATEMENTS AS OF JUNE 30, 2024

- **Revenue: €37.6 million (+1% vs 1H 2023)**
- **Gross Margin: €23.1 million (61.5% *Gross margin*) vs €23.0 million in 1H 2023**
- **EBITDA: €8.2 million (21.7% *EBITDA margin*) vs €7.9 million in 1H 2023**
- **Net Income: €5.4 million (14.4% on Revenue, +10.6% vs 1H 2023)**
- **Operating Cash Flow: €7.1 million (87% *cash conversion*) vs €1.4 million in 1H 2023**
- **Net Financial Position: +€4.6 million vs -€3.2 million as of December 2023**

Ronco Scrivia (GE, Italy), September 24, 2024 – The Board of Directors of **Racing Force S.p.A.** ("Company" or "RFG"), the parent company of Racing Force Group, which is specialized in the development, production and marketing of safety components for motorsports competitions worldwide, as well as listed on the Euronext Growth Milan and Paris segments, **reviewed and approved the consolidated half-yearly financial statements as of June 30, 2024**, prepared in accordance with international accounting principles.

**Paolo Delprato, Chairman and CEO of Racing Force Group**, commented: *"The first half of 2024 showed strong cash generation from operating activities, with a cash conversion rate, relative to EBITDA, of 87%. In addition to this, there was an increase in percentage margins, thanks to the streamlining of expenses and, in particular, the reduction of logistics-related costs. These results were achieved in a macroeconomic context still characterized by uncertainty and geopolitical tension, within a fiscal year that represents a period of significant investments for the Group, which will be completed, as forecasted, by the first half of 2025".*

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## Summary of Group Results as of June 30, 2024

- The Group's **Revenues** amounted to **€37.6 million**, an increase of €0.4 million compared to the first half of 2023 (+1%). Net of two seasonal orders of non-technical apparel under the Racing Spirit brand, **1H 2024 sales increased by 4%** compared to the previous year. The increase was particularly notable in the APAC region (+13.2%) and EMEA (+1.3%), while the Americas showed a slight decline over the six months (-4.4%), mainly due to a one-off Racing Spirit supply made in the previous year, with encouraging signs of recovery starting in Q2 2024 (+4.5% compared to Q2 2023).  
Dealers remain the Group's primary sales channel (62.1% of revenues), while Driver's Equipment is the main product category (73.2% of revenues).
- **EBITDA** is equal to **€8.2 million** (EBITDA margin of **21.7%**), compared to €7.9 million in the first half of 2023 (EBITDA margin of 21.3%). This change is due to higher revenues and cost rationalization, particularly in logistics.
- **EBIT** amounts to **€6.5 million** (**17.4%** EBIT margin), compared to €6.4 million (17.1% EBIT margin) in the first half of 2023.
- **Net Income** stands at **€5.4 million** (14.4% of revenues), up by 10.6% compared to €4.9 million (13.1% of revenues) in the first half of 2023, thanks to the increase in EBIT, the positive financial management balance, and lower tax impact.

	1H 24	% of Revenue	1H 23	% of Revenue	Variance
Revenue	37,581,573		37,204,433		377,141
Gross profit	23,102,687	61.5%	23,005,909	61.8%	96,777
EBITDA	8,153,895	21.7%	7,931,598	21.3%	222,297
Bad Debt and write offs	37,281	0.1%	193,461	0.5%	(156,180)
Depreciation	1,575,913	4.2%	1,363,710	3.7%	212,202
EBIT	6,540,702	17.4%	6,374,426	17.1%	166,275
Finance income/(loss)	47,538	0.1%	(246,064)	0.7%	293,602
Taxes	1,193,751	3.2%	1,252,092	3.4%	(58,341)
Net result	5,394,489	14.4%	4,876,270	13.1%	518,219
Cash flow from operations	7,096,392	18.9%	1,365,129	3.7%	5,731,264

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- **Cash flow from operating activities** was **€7.1 million**, with a **cash conversion rate of 87%**, thanks to EBITDA growth and better impact from net working capital.
- The Group's **Net Financial Position** passed from a net debt of €3.2 million at the end of 2023 to a **positive balance of €4.6 million** as of June 30, 2024, thanks to liquidity generated during the period from operating activities, net of investments made during the half-year, as well as the share capital increase executed in June 2024.

	06.30.2024	12.31.2023	Variance
<b>Debts with banks (A)</b>			
- Short term	3,192,909	3,763,980	(571,071)
- Long term	8,353,615	6,075,997	2,277,618
<b>Cash and cash equivalents (B)</b>	15,614,684	6,106,995	9,507,688
<b>Non current Financial Assets (C)</b>	513,030	513,021	9
<b>Finance active loans (D)</b>	40,000	40,000	0
<b>Net Financial Position: A) - B) -C) -D)</b>	<b>(4,621,190)</b>	<b>3,179,960</b>	<b>(7,801,150)</b>

## Performance Analysis

During the first months of the year, the macroeconomic environment was marked by persistent uncertainty, exacerbated by the ongoing conflicts between Russia and Ukraine, and between Israel and Palestine. Market demand was rather weak, still affected by credit restrictions and high interest rates.

In this context of significant uncertainty, the Group recorded a 4% growth in sales related to its core business compared to the first half of 2023, strengthening its leadership in motorsport, thanks to the continuous pursuit of innovation combined with the wide range of products offered.

The revenue increase during the half-year particularly affected the driver's equipment segment, driven by the rise in sales of suits and other accessories, and the car components segment, due to supplies related to production programs of some major automakers in Italy.

The contribution margin saw an absolute increase of €97 thousand, while the percentage margin remained largely in line with that of 1H 2023 (-0.3%, mainly due to a different product mix).

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In the first six months of the year, the Group has been investing in supporting growth within motorsport and, especially, in the implementation of diversification projects, which are currently underway. At the same time, efforts aimed at cost structure optimization and operational efficiency improvement continued.

General and administrative expenses registered a slight increase by €0.2 million compared to the first half of 2023, mainly due to the higher average number of employees during the period (despite a lower number of FTEs at the end of the period compared June 2023) and salary increases for personnel in Italy following the renewal of the national collective labor agreement.

Distribution, outbound logistics, commissions, and other sales costs decreased overall by more than €443 thousand. This benefit was partially offset by a €385 thousand increase in costs related to technical partnerships aimed at developing the Group's motorsport business, whose effects are only minimally reflected in sales as of June 30.

As a result, EBITDA for the half-year stood at €8.2 million (EBITDA margin 21.7%), an increase from €7.9 million in the first half of 2023 (EBITDA margin 21.3%).

The increase in revenues, along with the containment of structural and commercial costs, combined with improved working capital management, led to strong cash generation from operating activities, amounting to **€7.1 million, with a cash conversion rate of 87%, the highest ever recorded by the Group.**

The capital structure is such that it allows for future investments to further support the Group's growth plan, both within motorsport and in the scope of diversification projects.

## Current trading

Sales and orders during the first months of the second half of 2024 have grown by mid-single digits compared to last year's figures. Based on the data collected so far, the outlook for the fiscal year remains positive.

In July 2024, the Group proudly announced a new milestone achieved by its Bell Racing brand, becoming the first in the world to obtain FIA 8859-2024 homologation, which took immediate effect from that date, for a model of open-face racing helmets.

The development of helmets compliant with the new standard, with the goal of having at least 50% of the new models available in stock by the end of 2024, is a crucial element for achieving the growth targets set for the Bell brand and gaining new market share.

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On September 9, 2024, the Group announced it had received its first order for the production of carbon shells for the Next Generation Fixed-Wing Helmet (NGFWH) by LIFT Airborne Technologies, for the U.S. Air Force. For Racing Force, this marks the official start of sales of equipment destined for the defense sector, a milestone in the diversification projects through which the Group aims to bring the expertise and technology acquired at the top of motorsport to other industries.

The following week, on September 17, Racing Force and Oakley (EssilorLuxottica Group) announced a Marketing and Development agreement to launch the revolutionary *Skier's Eye* technology, which will offer a unique perspective in alpine skiing specialties. Thanks to *Skier's Eye*, TV viewers will enjoy an unprecedented experience, with high-resolution images showing the exact view of the skiers during the race. The system is based on the patented technology of the Driver's Eye™ (aka helmet camera), which has been successfully introduced by our electronics division Zeronoise at the top motorsport competitions since 2020. The agreement with Oakley marks the first concrete step towards adopting the technology beyond motorsport, paving the way for future applications.

## Presentation of the results

The results for the half-year ended June 30, 2024 will be presented to analysts and investors on September 25, 2024 at 10:00 a.m. (CET), through Microsoft Teams platform, using the following link:

### Microsoft Teams

[Click here to join the meeting](#)

ID meeting: 393 817 104 771

Passcode: yh7Gdn

The presentation supporting the conference call will be made available on the Company's website [www.racingforce.com](http://www.racingforce.com) in the «Investor Relations» section at the following link: <https://ir.racingforce.com/en/presentations>.

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## 2023 Sustainability Report

The Report, prepared in accordance with the 'Global Reporting Initiative' (GRI) guidelines, outlines the Group's approach to environmental and social sustainability, highlighting the main activities related to the year 2023.

This is a document drafted on a voluntary basis, which demonstrates the Group's commitment to and transparency in addressing sustainability and social responsibility issues, particularly towards people, partners, customers and suppliers, the community in which it operates, and the environment.

In this context, the ongoing investment plan, which involves the Group's main operational sites, is guided by sustainability criteria. These measures will reduce the environmental impact of the Group's activities while also achieving improvements in energy efficiency.

For more details, please refer to the Report made available to the public on the Company's website at [www.racingforce.com](http://www.racingforce.com), under the 'Sustainability – Sustainability Report 2023' section.

## Racing Force Group

Racing Force is a leader in motorsport safety, providing the most advanced and comprehensive range of protection and performance products used worldwide by top professionals, race teams and car manufacturers, as well as amateurs. The Group is present on three continents, with main headquarters in Ronco Scrivia (Italy), Sakhir (Kingdom of Bahrain) and Mooresville (United States). Through its brands OMP, Bell Racing, Zeronoise, and Racing Spirit, Racing Force Group contributes to several victories and titles in car and kart racing each year. More information is available at [www.racingforce.com](http://www.racingforce.com), as well as at [www.ompracing.com](http://www.ompracing.com), [www.bellracing.com](http://www.bellracing.com) and [www.racingspirit.com](http://www.racingspirit.com).

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## APPENDIX

### Condensed consolidated statement of financial position

	06.30.2024	12.31.2023
<b>NON CURRENT ASSETS</b>		
Property, plant and equipment	13,865,303	11,247,605
Right of use assets	3,523,189	3,720,673
Intangible assets	8,749,570	8,143,362
Goodwill	6,235,037	6,235,037
Non current financial assets	513,030	513,021
Due from related parties -non current	20,000	20,000
Tax receivables - non current	297,060	263,106
Deferred tax assets	583,895	610,144
Other non current assets	12,657	13,617
	<b>33,799,739</b>	<b>30,766,564</b>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	15,614,684	6,106,995
Trade receivables	12,847,060	11,215,073
Inventories	25,244,793	25,101,154
Due from related parties - current	25,281	21,243
Tax receivables - current	1,262,898	1,515,390
Other current assets	2,383,354	3,371,362
	<b>57,378,070</b>	<b>47,331,218</b>
<b>TOTAL ASSETS</b>	<b>91,177,809</b>	<b>78,097,782</b>

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	06.30.2024	12.31.2023
<b>EQUITY</b>		
Share capital	2,738,933	2,569,920
Additional paid in capital	36,949,042	29,777,959
Legal reserve	514,984	514,984
Translation reserve	160,232	(351,262)
Retained earning (losses)	12,867,852	10,387,509
Treasury shares reserve	(34,580)	-
Other reserve	829,052	792,583
Net Result	5,394,489	4,793,271
<b>Equity attributable to owners of the parent Company</b>	<b>59,420,004</b>	<b>48,484,965</b>
Non-controlling interests	-	-
<b>TOTAL EQUITY</b>	<b>59,420,004</b>	<b>48,484,965</b>
<b>NON CURRENT LIABILITIES</b>		
Long term loans - non current	8,353,615	6,075,997
Lease liabilities - non current	2,858,168	3,078,041
Deferred Tax Liabilities	27,713	23,410
Employee benefits	1,107,415	1,122,129
Provisions	356,907	356,907
	<b>12,703,819</b>	<b>10,656,485</b>
<b>CURRENT LIABILITIES</b>		
Short term Loan	221,463	1,263,779
Trade payables	11,517,445	12,337,811
Long term loans - current portion	2,971,446	2,500,201
Lease liabilities - current	772,078	777,664
Due to related parties	84,788	58,675
Tax payables - current	973,427	4,246
Other payables	2,513,339	2,013,957
	<b>19,053,986</b>	<b>18,956,333</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>91,177,809</b>	<b>78,097,782</b>

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## Condensed consolidated statement of profit and loss for the periods ended at June 30

	2024	2023
Revenue	37,581,573	37,204,433
Cost of sales	(14,478,886)	(14,198,523)
<b>Gross profit</b>	<b>23,102,687</b>	<b>23,005,909</b>
Other income	661,643	448,689
Selling and distribution expenses	(5,378,445)	(5,436,278)
General and administrative expenses	(10,124,032)	(9,901,979)
Other expenses	(107,958)	(184,743)
<b>Gross operating profit (EBITDA)</b>	<b>8,153,895</b>	<b>7,931,598</b>
Bad Debt and write offs	(37,281)	(193,461)
Depreciation	(1,575,913)	(1,363,710)
<b>Net operating profit (EBIT)</b>	<b>6,540,702</b>	<b>6,374,426</b>
Finance income	341,079	106,036
Finance costs	(293,541)	(352,100)
<b>Net income (loss) before taxes</b>	<b>6,588,240</b>	<b>6,128,362</b>
Taxes	(1,193,751)	(1,252,092)
<b>Total net income (loss) after taxes</b>	<b>5,394,489</b>	<b>4,876,270</b>

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