

# RACING FORCE GROUP



THE HEART OF RACING

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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



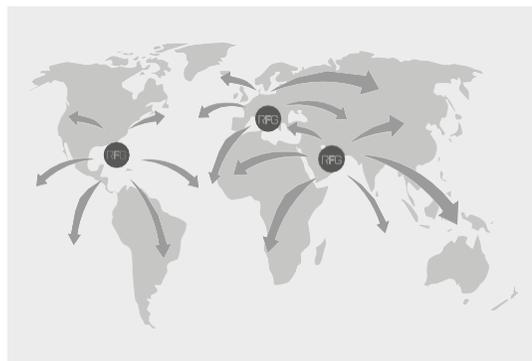
#### Financials Highlights 1H 2023

<b>€ 37.2 m</b> Sales (+10.8% vs 1H 22)	<b>€ 7.9 m</b> EBITDA 21.3% EBITDA Margin	<b>€ 4.9 m</b> Net Income 13.1% NI Margin	<b>Positive</b> Net Financial Position
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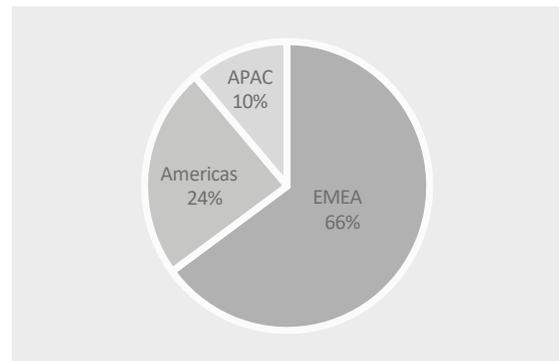
#### Numbers

- 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)

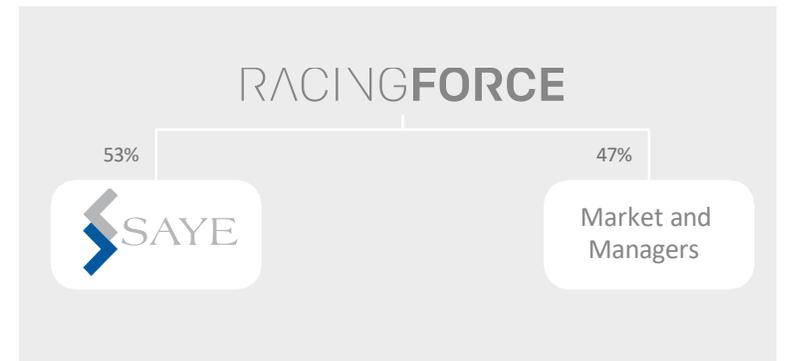
#### 80 Countries Worldwide



#### 1H 23 Revenues Breakdown



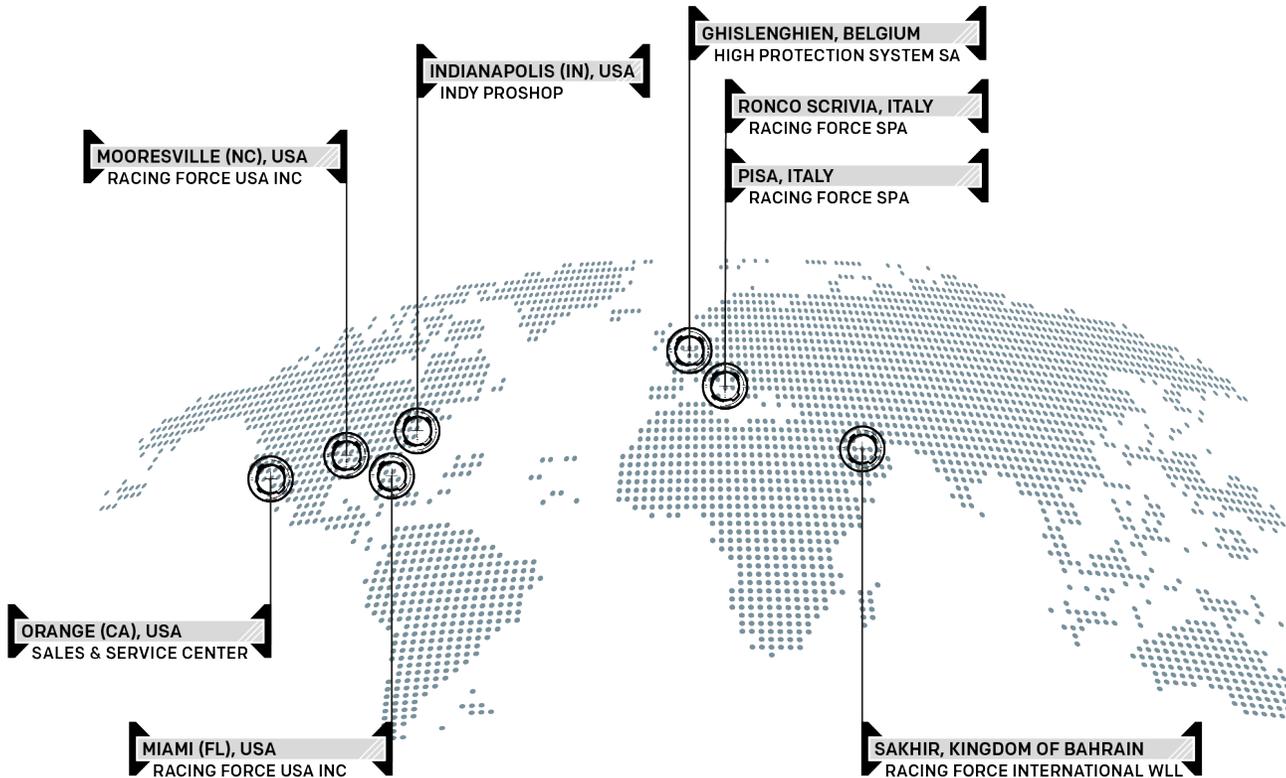
#### Shareholders' Structure



# UPDATE ON STRATEGY

## OUR LOCATIONS IN 3 DIFFERENT CONTINENTS

8 LOCATIONS	3 R&D CENTERS	7 SHOWROOMS	4 CUTTING EDGE PRODUCTION & LOGISTICS CENTERS
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  RONCO SCRIVIA ITALY	
  SAKHIR BAHRAIN	
   MOORESVILLE UNITED STATES	
  PISA ITALY	



TIGHTLY CONTROLLED VALUE CHAIN THAT DELIVER SPEED, RELIABILITY AND CUSTOMER SATISFACTION



**BRAND REPUTATION**

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The extensive control over the supply chain leads to establishing a distinctive and unique brand reputation

**COMPLEXITY vs EFFECTIVENESS**

---

The complexity of managing an elongated supply chain enables effectiveness in a performance driven industry

**SUPPLY CHAIN INTEGRATION**

---

Opportunity to develop and manufacture innovative fabrics to increase competitive advantage



## 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
- Active starting Q3 2024

### 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 partnership with Bahrain International Circuit
- Attention to environmental sustainability
  - Solar panels
  - Car recharging stations
- Active starting Q1 24

### AMERICA, MOORESVILLE



#### New Logistics Facility

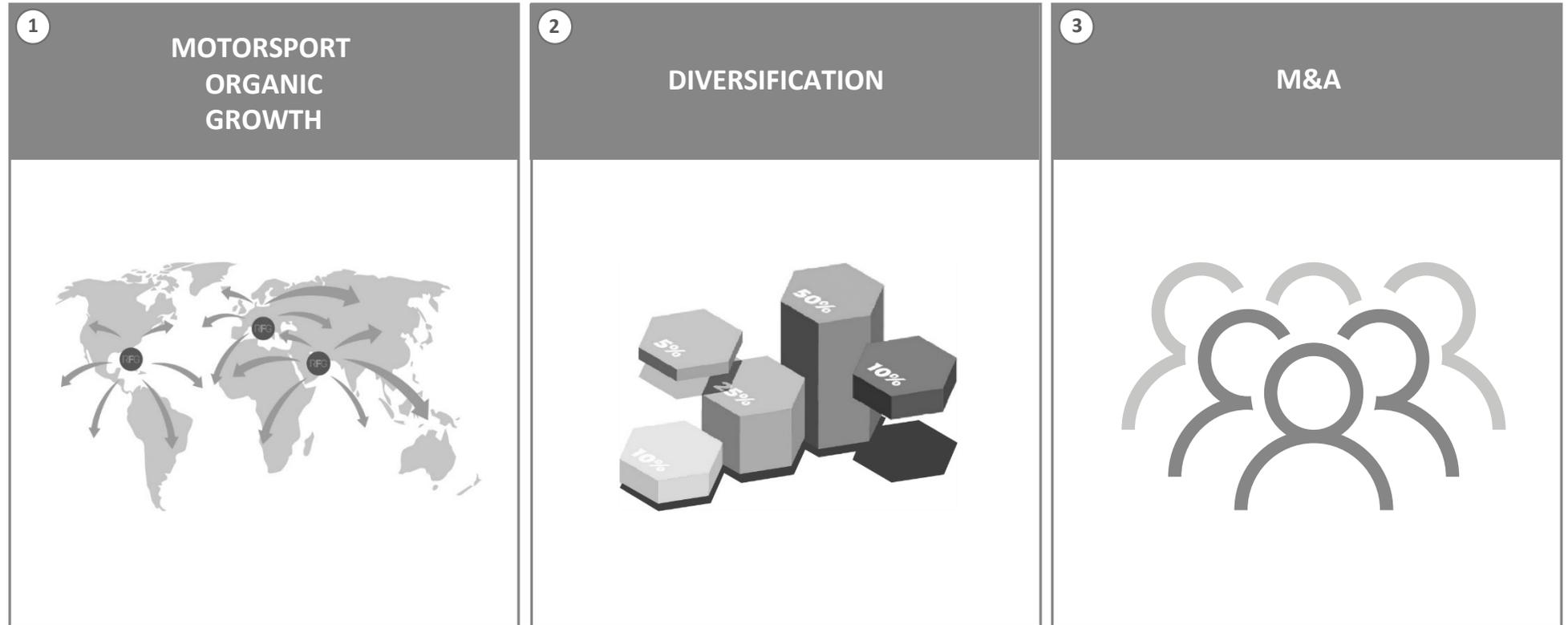
- Mooresville has a racing DNA, hosting NASCAR's headquarter and the majority of US racing teams
- The new site has already **entered into operations starting August 2023**, becoming the main logistics hub for the US
- Plan is to integrate production activities aimed at the American market in 2024/25



### 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 SEGMENTS

### AMERICAS

KEY UPDATES

- ✓ A **complete SFI homologate product range** has been validated by top teams and drivers
- ✓ Ongoing negotiations with **top teams** to increase visibility of all Groups' brands in 2024
- ✓ A **new logistics facility based in Mooresville (NC)**, headquarter of most racing teams and drivers active starting August 2023
- ✓ A **new Sales and Service Center in Orange (CA)**, active since March 2023 to support the off-road racing market in the US
- ✓ A **new pro-shop in Miami**, active starting autumn 2023



B. Keselowski - NASCAR Driver



### EUROPE AND ASIA-PACIFIC

KEY UPDATES

- ✓ **Italy, UK, Germany and France** are the main countries in Europe, representing ≈40% of total Group sales
- ✓ High potential and **growth rate in China** (≈60% CAGR 2019-22)
- ✓ Consolidated **leadership in Oceanian market**
- ✓ High increase of **OMP custom suits**, slow down of car parts
- ✓ Strong growth of **Zeronoise communication systems**
- ✓ Established growth trend in **Bell helmets sales**



S. Loeb - WRC Champion



### THE US MARKET

- ✓ **NASCAR audience up 10% FY2022 vs. prior year**
- ✓ Hit **Netflix docuseries Drive to Survive** contributed to increase the audience base in the US
- ✓ **IMSA Daytona** race in Jan-23 record TV viewership (+28% vs FY22)
- ✓ Average TV audience for **Formula 1®** in US **increased 28% in FY22** to over 1.21 ml
- ✓ New **Miami F1 GP up 27%** vs FY21 US race
- ✓ USA will host 3 races in FY23 with **Las Vegas** being added to the F1 calendar



### A ONE STOP-SHOP OFFERING

DEALERS AND DISTRIBUTORS

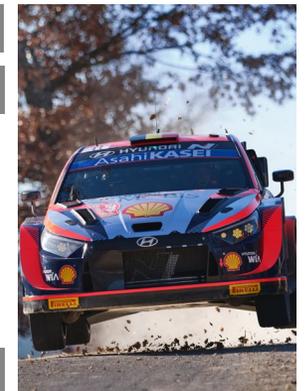
PROFESSIONAL TEAMS



HYUNDAI  
MOTORSPORT



STRONG BRAND SINERGIES



PILLAR 2 - DIVERSIFICATION

MOTORSPORT

DRIVER'S EYE HAS CONQUERED THE MOTORSPORT STAGE



...and many more to come

WORLD SMALLEST AND LIGHTEST MICRO-CAMERA FOR LIVE TV BROADCASTING

THE ONLY CAMERA SYSTEM HOMOLOGATED BY FIA

MANDATORY TECHNOLOGY IN FORMULA 1

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

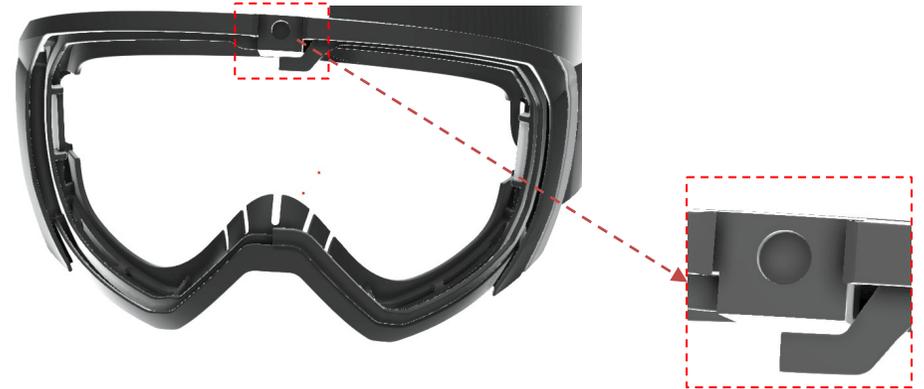


OTHER SPORTS

Feasibility studies and design development are underway to **expand the scope** of the Driver's Eye applications **outside Motorsport**.

A Driver's Eye™ patent have already been filed to cover **sports eyewear**, such as goggles used in ski, motorcross, sailing, etc.

Negotiations are ongoing to build strong **partnerships with top players** in the sports eyewear industry.



OTHER APPLICATIONS

Driver's Eye technology is now been looked at also as a mean to provide **innovative views for technical purposes** thanks to micro size and weight, and robust **remote camera control**.



## PILLAR 2 - DIVERSIFICATION

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



TECHNOLOGY TRANSFER

**SAFETY**  
IMPACT ABSORPTION

**PERFORMANCE**  
WEIGHT - SIZE - FITTING

**PROCESS**  
FROM HANDCRAFTING TO  
WATERJET PRECISION



OMP

BELL  
HELMETS

ZN  
ZERONOISE

Bring It Spirit



PILLAR 2 - DIVERSIFICATION

JET PILOT HELMETS ( TECHNICAL PARTNERSHIP WITH LIFT AIRBORNE)

- ✔ Lift Airborne was awarded the tender of the US AirForce in June 2023



NEXT MILESTONES



NEXT DEVELOPMENTS

- ✔ Rotary wing helmets and other projects



KEY UPDATES

- ✔ Extension of partnership with LIFT Airborne for helicopter helmets, in military (ballistic) and civil version
- ✔ Strategic meeting with LIFT will take place in Bahrain in mid-October to explore more extensive collaboration



## PILLAR 2 - DIVERSIFICATION

### SPECIAL FORCE AND POLICE RIOT HEAD PROTECTION

#### SPECIAL FORCE HEAD PROTECTION (GLADIATOR)

##### KEY UPDATES

- ✓ Latest ballistic testing successfully passed in August 2023
- ✓ The manufacturing process development at Fraunhofer Institute (FI) is still in progress, although the timeline was affected by some technical issues at FI
- ✓ **2024 Q3** - First Certification and final prototypes
- ✓ **2024 Q4** - Start of commercialization activities
  - Contact with relevant police forces already established for both product design and commercialization

#### 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**



#### RIOT CONTROL POLICE HEAD PROTECTION (RIOT)

##### KEY UPDATES

- ▶ R&D activities ongoing in our Bahrain facility, progressing as planned
- ▶ **1H 2024** - First Certification and prototypes
- ▶ **2H 2024** - Start of commercialization activities
  - Contact with relevant police forces already established for both product design and commercialization

#### RIOT MAIN TECHNICAL FEATURES

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**



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

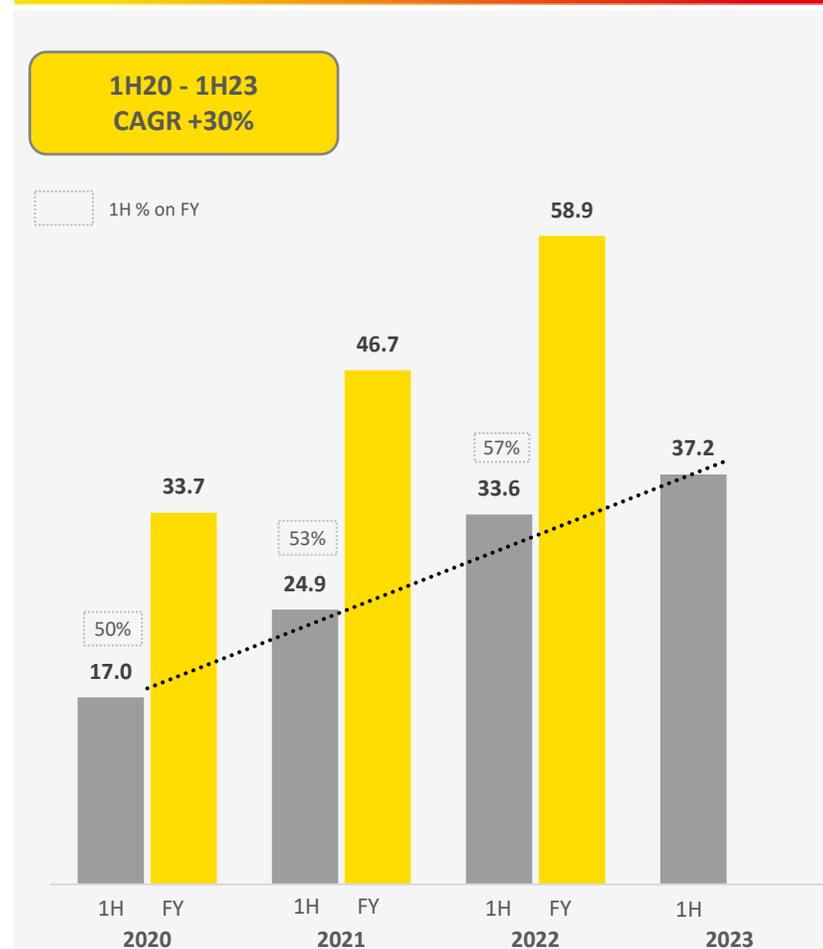


1H 2023

ECONOMIC AND FINANCIAL DATA

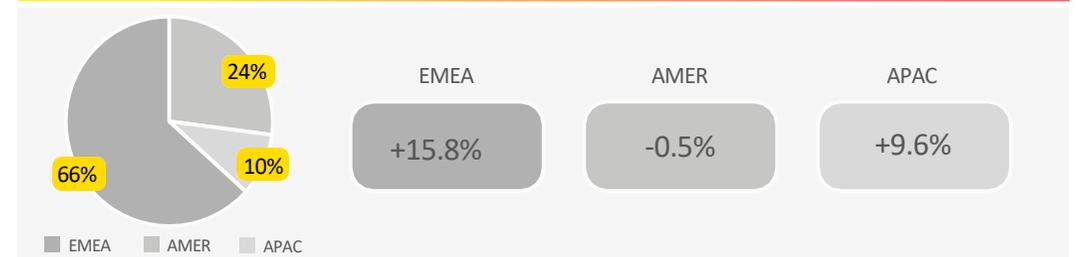
CONSOLIDATED P&L

Revenues (€m) and Growth (%)

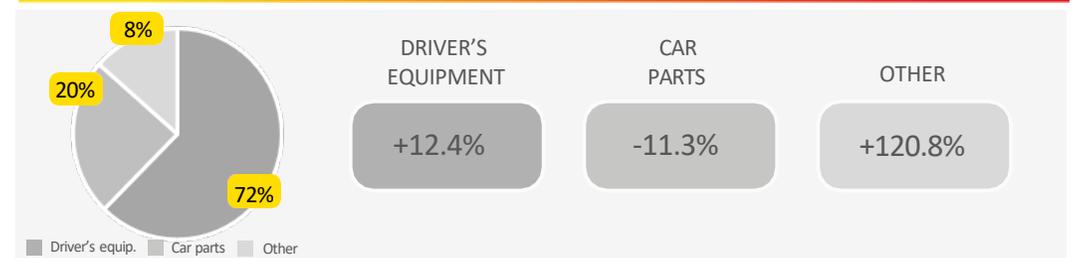


1H 23 Revenues Breakdown and Variance vs 1H 22

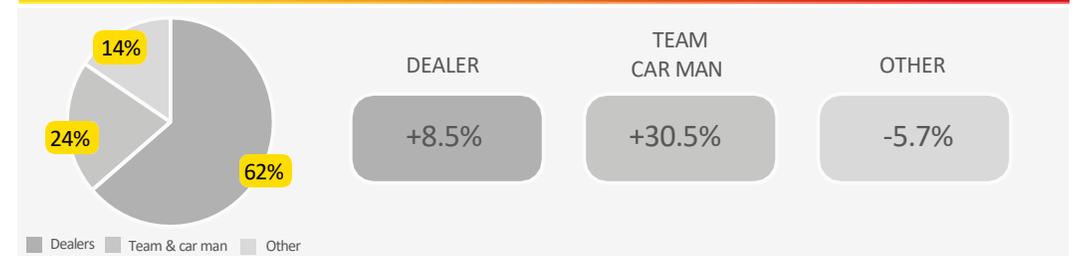
Geographies



Segments

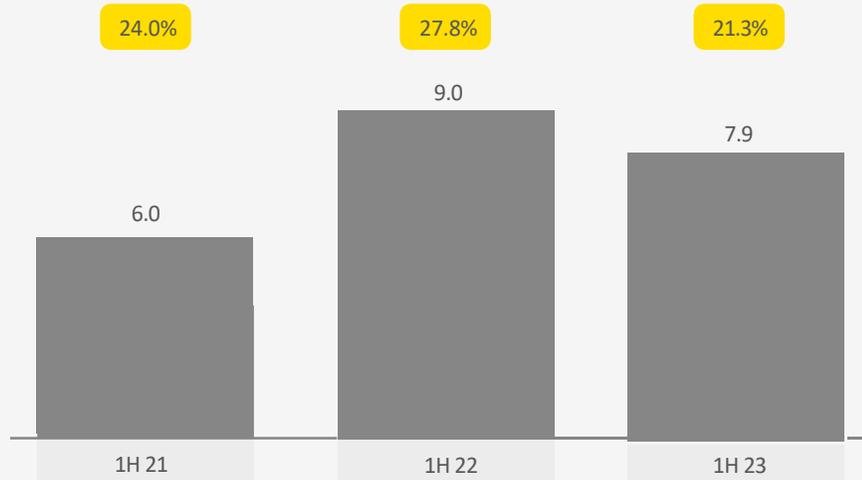


Channels



## CONSOLIDATED P&L (cont'd)

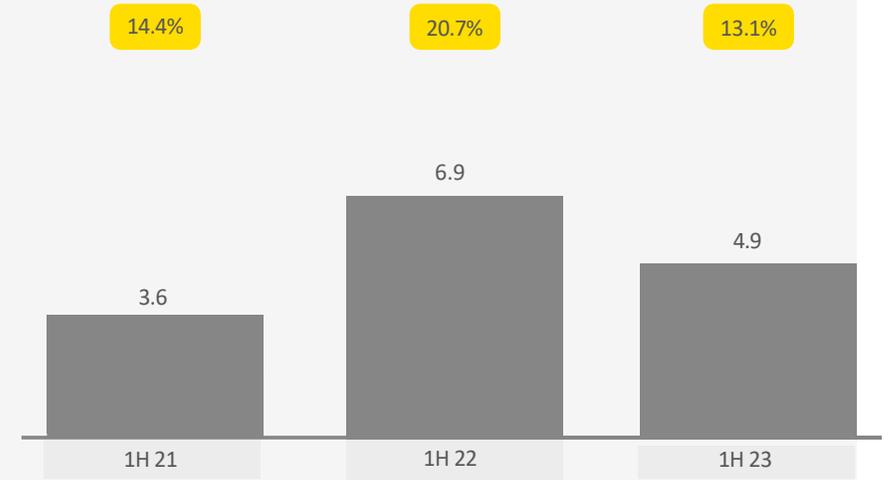
### EBITDA (€m) and Margin (%)



Variance in EBITDA is mainly due to higher costs in 1H 23 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 0.9%, mainly due to the different composition of the product mix.
- Other income lower by 0.3 ml Euro, mainly due to 0.2 ml Euro tax credit booked in 1H 22
- Selling & distribution expenses passed from 4.3 to 5.4 ml Euro in 1H 23, primarily due to higher technical partnership agreements related to the first half of 2023 and a different timing of expenses compared to the previous year.
- Personnel costs passed from 5.6 to 6.9 ml Euro in 1H 23, driven by +89 additional FTEs in the first six months of 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 (%)



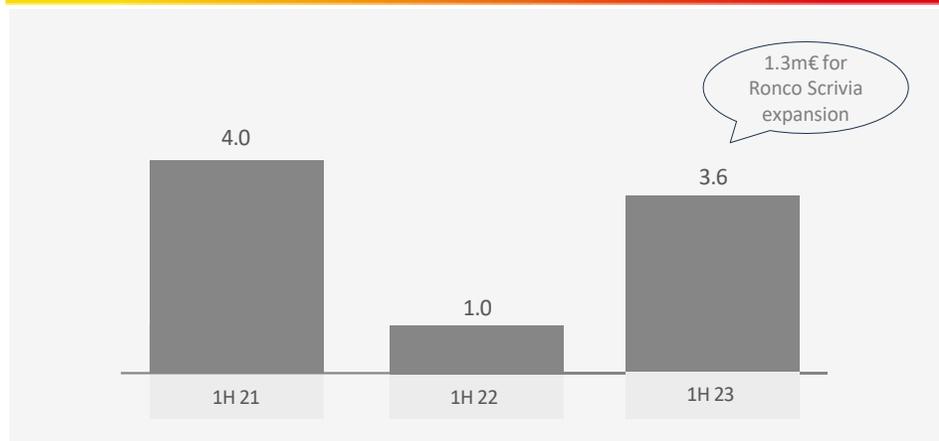
The decrease in Net Income compared to 1H 22 is due to:

- 1.7 ml Euro lower EBIT, as a consequence of 1.4 ml Euro decrease in EBITDA, 0.2 ml Euro higher depreciation, driven by higher capex, and 0.1 ml Euro higher bad debt accruals.
- 0.6 ml Euro higher net finance costs, due to 0.7 ml Euro negative variance in FX differences (mainly unrealized), partially offset by better net interest towards banks by 0.1 ml Euro, thanks to a lower level of average indebtedness.
- 0.3 ml Euro lower taxes, due to lower taxable income.



## CONSOLIDATED BALANCE SHEET

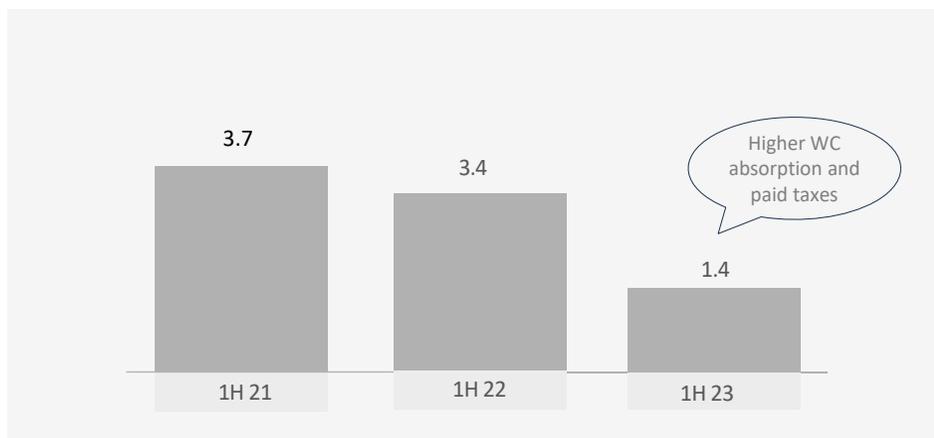
CAPEX (€m)



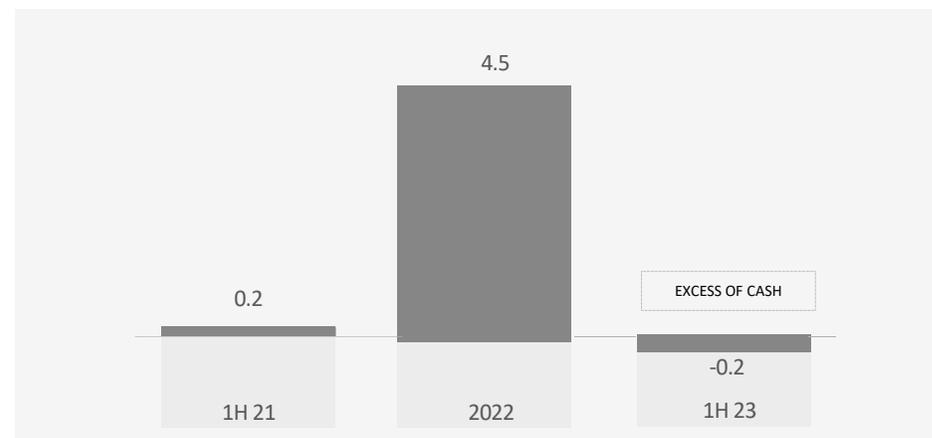
NET WORKING CAPITAL (€m)



CASH FLOW from Operations (€m)



NET BANK DEBT (€m)



# CURRENT TRADING

## OUTLOOK

### 2023

- Agreement with Apple Studios signed in June for a **new F1 movie starring Brad Pitt**. **OMP, Bell and Racing Spirit** have been designated to supply racewear, helmets and team uniforms for the characters
- In July and August 2023, the Group recorded a **double-digit growth** in terms of turnover, updating the historical record.
- **First sales to LIFT of shells and liners for jet pilot helmets**, produced in Bahrain, recorded in August 2023
- Dealers from 40 countries will attend **RFG World Meeting** in autumn 2023 in **Bahrain** where **new 2024 products** will be presented

### 2024

- The **investment plan** launched in 2022, **supported by the capital increase completed in January 2023**, will allow to increase production and logistics capacity in the main sites of the Group, to further support expected growth both in Motorsport and diversification projects
- Cash from the share capital increase and LT Bank loans **negotiated years ago at fixed interest rates** allow to provide for the needs of the Group in the medium-long term (main loans expiring between 2026-31, with an average interest rate of ca. 1.5%)
- The LIFT, Gladiator and Riot **diversification projects** will start to unfold their effects within the end of 2024, with an expected ramp up in 2025



Brad Pitt & Damson Idris in F1 movie



Valentino Rossi wins Road to Le Mans race (ELMS)



# THANK YOU

## Racing Force Group

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RFG on Stock Exchange Markets

ISSUER	Racing Force S.p.A.	
LISTING VENUE	Euronext Growth Milan (RFG) and Euronext Growth Paris (ALRFG)	
MARKET CAP	Market capitalization ≈ € 150 mio	
OWNERSHIP STRUCTURE	25.699.198 shares SAYE 53% - Market 47%	
ANALYST COVERAGE	EQUITA → TP-ICAP MIDCAP →	BUY   Target: € 7.0 BUY   Target: € 6.6

