

## EQUITY RESEARCH

## RACING FORCE SPA

## RESULTS REVIEW

## Press release

BUY

TP 6.4€

Up/Downside: 36%

## The Pace Picks Up

**Racing Force released its H1 2025 revenue this morning. Revenue came in at €39.3 million (+4.6% YoY), above our expectations of €38.4 million (+2.1% YoY), driven by a strong double-digit organic growth in Q2 (+10.8%). As anticipated, this momentum is partly due to the sale of BELL helmets complying with the new FIA standards.**

A strong release from Racing Force Group, which announced this morning it recorded €39.3 million in revenue over the first half of the year, up 4.6% YoY. This result came in above our expectations (€38.4 million). After a flat Q1, Q2 showed strong momentum (+9.7%, +10.8% at constant FX), reflecting the repeatedly highlighted high single-digit growth in the order book, which ultimately closed the half-year with double-digit growth. As expected, activity was notably driven by the recent introduction of new FIA regulatory standards on helmets, leading to nearly 14% growth in this segment in Q2 2025.

Momentum also remains positive in the AMER region, up 6.7% in H1, despite some wait-and-see behavior from distributors holding back helmet purchases ahead of the new Snell regulatory standards—comparable to the latest FIA standards—which will come into force in early October. Growth in the region is mainly driven by sales of equipment to U.S. racing teams, underlining the success of the group's strategy launched several months ago. Europe posted a similar growth rate (+6.4% YoY), while the APAC region declined by 12%, penalized by a delayed supply from one distributor. Regarding equipment, it is worth noting the continued strong growth of the Racing Spirit brand (+49.7% YoY in H1, including +82.4% in Q2).

The outlook remains positive for the group, which should continue to fulfill its order book in H2 and may benefit from the new Snell standards in the U.S. as early as Q4. Management, however, remains vigilant regarding the international trade environment, particularly the decisions of the Trump administration on tariffs, which could present both risks and opportunities, as RFG's competitors mostly produce their helmets in Asia. We slightly raise our 2025 forecast and now expect revenue of €70.1 million.

We reiterate our Buy recommendation on the stock, which remains part of our annual top picks, with a target price maintained at €6.4.

## Key data

Price (€)	4.7
Industry	Protective Equipment
Ticker	ALRFG-FR
Shares Out (m)	27.389
Market Cap (m €)	128.5
Next event	2025 H1 - 7/23

Source: FactSet

## Ownership (%)

SAYE S.p.A	49.5
GMP Investments Holdings Limited	4.7
Free float	45.8

Source: TPICAP Midcap estimates

EPS (€)	12/25e	12/26e	12/27e
Estimates	0.19	0.20	0.22
Change vs previous estimates (%)	0.00	0.00	0.00

Source: TPICAP Midcap estimates

Performance (%)	1D	1M	YTD
Price Perf	0.2	2.4	24.7
Rel FTSE Italy	0.2	0.5	6.5



Source: FactSet

TP ICAP Midcap Estimates	12/24	12/25e	12/26e	12/27e	Valuation Ratio	12/25e	12/26e	12/27e
Sales (m €)	65.7	70.1	74.5	78.7	EV/Sales	1.9	1.8	1.6
Current Op Inc (m €)	6.5	7.2	8.0	8.3	EV/EBITDA	11.5	9.7	8.8
Current op. Margin (%)	9.9	10.2	10.8	10.6	EV/EBIT	18.7	16.6	15.5
EPS (€)	0.21	0.19	0.20	0.22	PE	24.3	23.0	21.6
DPS (€)	0.09	0.08	0.08	0.09	Source: TPICAP Midcap			
Yield (%)	1.8	1.6	1.7	1.9				
FCF (m €)	-1.8	3.0	3.5	6.2				

## Analyst

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## FINANCIAL DATA

Income Statement	12/22	12/23	12/24	12/25e	12/26e	12/27e
Sales	58.8	62.7	65.7	70.1	74.5	78.7
Changes (%)	25.9	6.6	4.9	6.8	6.2	5.6
Gross profit	36.8	38.7	40.1	43.7	46.7	49.4
% of Sales	62.6	61.7	61.0	62.3	62.8	62.8
<b>EBITDA</b>	<b>11.7</b>	<b>9.6</b>	<b>10.1</b>	<b>11.6</b>	<b>13.7</b>	<b>14.8</b>
% of Sales	19.8	15.4	15.4	16.5	18.4	18.8
<b>Current operating profit</b>	<b>8.8</b>	<b>6.3</b>	<b>6.5</b>	<b>7.2</b>	<b>8.0</b>	<b>8.3</b>
% of Sales	15.0	10.0	9.9	10.2	10.8	10.6
EBIT	8.8	6.3	6.5	7.2	8.0	8.3
Net financial result	-0.1	-0.5	0.0	-0.1	-0.3	-0.1
Income Tax	-1.2	-1.0	-0.7	-1.8	-2.2	-2.3
Tax rate (%)	13.4	27.9	27.9	25.0	27.9	27.9
<b>Net profit, group share</b>	<b>7.5</b>	<b>4.8</b>	<b>5.8</b>	<b>5.3</b>	<b>5.6</b>	<b>5.9</b>
EPS	0.32	0.19	0.21	0.19	0.20	0.22
Financial Statement	12/22	12/23	12/24	12/25e	12/26e	12/27e
Goodwill	6.2	6.2	6.2	6.2	6.2	6.2
Tangible and intangible assets	15.5	19.4	26.2	32.0	34.9	35.1
Right of Use	3.1	3.7	3.5	3.5	3.5	3.5
Financial assets	0.3	0.8	0.8	0.8	0.8	0.8
Working capital	19.8	26.9	29.0	27.1	27.5	29.0
Other Assets	0.6	0.6	0.5	0.5	0.5	0.5
Assets	45.6	57.6	66.2	70.2	73.4	75.0
Shareholders equity group	36.5	48.5	60.6	63.7	67.5	72.4
Minorities	0.0	0.0	0.0	0.0	0.0	0.0
LT & ST provisions and others	1.3	1.5	1.3	1.3	1.3	1.3
Net debt	7.8	7.6	4.3	5.1	4.5	1.2
Other liabilities	0.0	0.0	0.0	0.0	0.0	0.0
Liabilities	45.6	57.6	66.3	70.2	73.4	75.0
Net debt excl. IFRS 16	4.5	3.7	0.6	1.4	0.8	-2.4
Gearing net	0.2	0.2	0.1	0.1	0.1	0.0
Leverage	0.7	0.8	0.4	0.4	0.3	0.1
Cash flow statement	12/22	12/23	12/24	12/25e	12/26e	12/27e
CF after elimination of net borrowing costs and taxes	11.1	8.1	9.4	9.7	11.3	12.4
$\Delta$ WCR	-8.0	-7.0	-2.1	1.8	-0.3	-1.5
Operating cash flow	3.2	1.1	7.3	11.6	10.9	10.9
Net capex	-4.5	-6.2	-9.1	-8.6	-7.4	-4.7
FCF	-1.4	-5.1	-1.8	3.0	3.5	6.2
Free Cash Flow excl IFRS 16	0.0	0.0	0.0	0.0	0.0	0.0
Acquisitions/Disposals of subsidiaries	0.0	0.0	0.0	0.0	0.0	0.0
Other investments	0.0	0.0	0.0	0.0	0.0	0.0
Change in borrowings	-4.4	-4.5	0.4	0.0	0.0	0.0
Dividends paid	-1.7	-2.3	-2.5	-2.3	-2.1	-2.2
Repayment of leasing debt	-0.7	-0.7	-0.7	-0.7	-0.7	-0.7
Equity Transaction	0.0	9.7	7.3	0.0	0.0	0.0
Others	0.1	-0.2	0.0	0.0	0.0	0.0
Change in net cash over the year	-8.1	-3.1	2.8	-0.1	0.6	3.3
ROA (%)	10.7%	6.1%	6.5%	5.5%	5.6%	5.6%
ROE (%)	20.7%	9.9%	9.6%	8.3%	8.3%	8.2%
ROCE (%)	16.8%	9.2%	8.8%	7.7%	8.0%	8.1%

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### Methodology

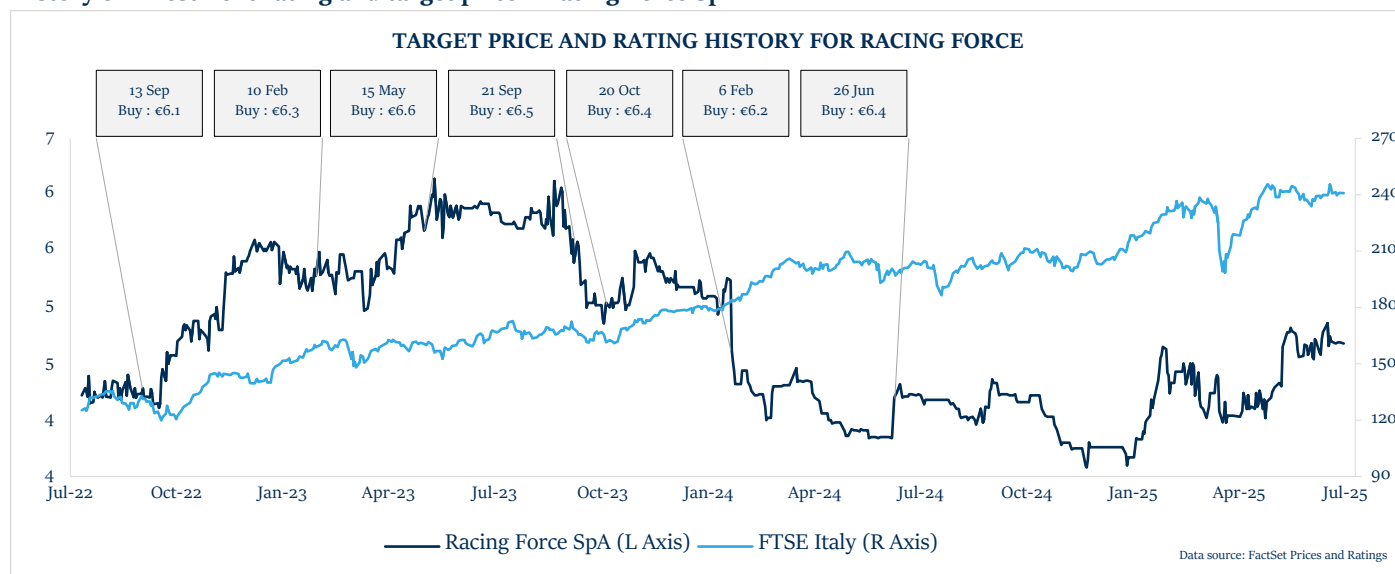
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1. DCF method: discounting of future cash flows generated by the company's operations. Cash flows are determined by the analyst's financial forecasts and models. The discount rate used corresponds to the weighted average cost of capital, which is defined as the weighted average cost of the company's debt and the theoretical cost of its equity as estimated by the analyst.
2. Comparable method: application of market valuation multiples or those observed in recent transactions. These multiples can be used as references and applied to the company's financial aggregates to deduce its valuation. The sample is selected by the analyst based on the characteristics of the company (size, growth, profitability, etc.). The analyst may also apply a premium/discount depending on his perception of the company's characteristics.
3. Assets and liabilities method: estimate of the value of equity capital based on revalued assets adjusted for the value of the debt.
4. Discounted dividend method: discounting of estimated future dividend flows. The discount rate used is generally the cost of capital.
5. Sum of the parts: this method consists of estimating the various activities of a company using the most appropriate valuation method for each of them, then realizing the sum of the parts.

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## History of investment rating and target price – Racing Force SpA



## Historical recommendations and target price (-1Y)

Date	Analyst	Old Target Price	New Target Price	Closing Price	Old Recommendation	New Recommendation
23 Jul 25 - 08:33:00	Corentin Marty	€ 6.40	€ 6.40	€ 4.69	Achat	Buy
30 Jun 25 - 08:03:40	Corentin Marty	€ 6.40	€ 6.40	€ 4.70	Achat	Buy
29 May 25 - 20:10:02	Corentin Marty	€ 6.40	€ 6.40	€ 4.30	Achat	Buy
18 May 25 - 21:21:49	Corentin Marty	€ 6.40	€ 6.40	€ 4.16	Achat	Buy
22 Apr 25 - 19:08:39	Corentin Marty	€ 6.40	€ 6.40	€ 4.03	Achat	Buy
28 Mar 25 - 08:11:51	Corentin Marty	€ 6.40	€ 6.40	€ 4.24	Achat	Buy
27 Mar 25 - 08:18:17	Corentin Marty	€ 6.40	€ 6.40	€ 4.12	Achat	Buy
04 Feb 25 - 08:15:10	Corentin Marty	€ 6.40	€ 6.40	€ 4.04	Achat	Buy
30 Jan 25 - 17:29:27	Corentin Marty	€ 6.40	€ 6.40	€ 3.88	Achat	Buy
11 Dec 24 - 08:19:27	Corentin Marty	€ 6.40	€ 6.40	€ 3.58	Achat	Buy
22 Oct 24 - 07:58:26	Corentin Marty	€ 6.40	€ 6.40	€ 4.16	Achat	Buy
26 Sep 24 - 08:14:00	Corentin Marty	€ 6.40	€ 6.40	€ 4.22	Achat	Buy
25 Sep 24 - 08:33:08	Corentin Marty	€ 6.40	€ 6.40	€ 4.33	Achat	Buy
18 Sep 24 - 08:12:52	Corentin Marty	€ 6.40	€ 6.40	€ 4.26	Achat	Buy

## Distribution of Investment Ratings

Rating	Recommendation Universe*	Portion of these provided with investment banking services**
Buy	79%	67%
Hold	14%	61%
Sell	4%	29%
Under review	2%	67%

Midcap employs a rating system based on the following:

Buy: Expected to outperform the markets by 10% or more over a 6 to 12 months horizon.

Hold: expected performance between -10% and +10% compared to the market over a 6 to 12 months horizon.

Sell: Stock is expected underperform the markets by 10% or more over a 6 to 12 months horizon.

The history of ratings and target prices for the Issuers covered in this report are available on request at <https://researchtpicap.midcapp.com/en/disclaimer>.

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