TP ICAP MIDCAP

Document produced on
25 September 2025 at 8:25am CET
Document published on
25 September 2025 at 8:25am CET

EQUITY RESEARCH

RACING FORCE SPA

BUY

RESULTS REVIEW
Press release

TP 6.4€
Up/Downside: 28%

Clear Track

Racing Force reported half-year results yesterday in line with our expectations. EBITDA came in at €8.3m (vs. €8.2m in H1 2024), representing a margin of 21.1%. We particularly note the strong operating cash flow (92% of EBITDA) and an outlook that remains very positive for both year-end and the next fiscal year.

As a reminder, the group had already reported H1 2025 revenue of €39.3m (+4.6% yoy). Results were in line with our expectations, notably with a 100bps improvement in gross margin to 62.5% and EBITDA of €8.3m (vs. €8.2m in H1 2024), representing a margin of 21.1% (vs. 21.7% in H1 2024). Net profit, however, declined to €4.2m (vs. €5.4m in H1 2024), mainly impacted by FX effects.

Operating cash flow reached a high level of €7.6m, representing 92% of EBITDA, driven by a positive working capital effect (reduction in inventories). As of 30/06/2025, the group posted a net cash position of €3.5m (vs. €0.1m as of 31/12/2024).

Looking ahead, all signals remain positive. Management reported double-digit growth in the first months of the second half. As expected, the strong momentum in the order book—which itself showed double-digit growth over the first nine months and already contributed to Q2 revenue (10% yoy)—should enable the group to deliver a strong year-end. Q3 is expected to be particularly strong. The order book growth is notably driven by strong demand for Bell helmets meeting the latest FIA standards recently introduced.

Beyond 2025, prospects remain robust as the group should benefit from the new Snell standards in the U.S. market, which will come into force in the coming weeks, supporting both year-end and FY2026 performance. The Car Parts segment could also show strong momentum, helped by an easy comparison base and supported by new rally car regulations expected by 2027. Finally, diversification projects should also become increasingly contributive, as illustrated by the recent announcement of the Riot Helmet.

Following this release, our 2025 scenario remains unchanged, except for a slight upward adjustment of our CAPEX forecast (+€1.2m). We reiterate our Buy rating on the stock—which, as a reminder, is part of our annual top picks—with our target price maintained at €6.4.

Key data	
Price (€)	5.0
Industry	Protective Equipment
Ticker	ALRFG-FR
Shares Out (m)	27.389
Market Cap (m €)	136.9
Next event	2025 Q3 - 10/21

Source: FactSet

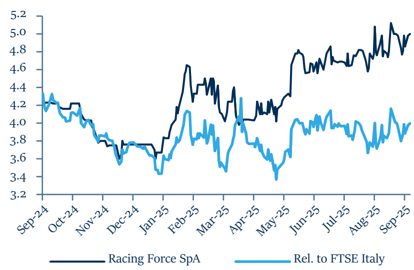
Ownership (%)	
SAYE S.p.A	49.5
GMP Investments Holdings Limited	4.7
Free float	45.8

Source: TPICAP Midcap estimates

EPS (€)	12/25e	12/26e	12/27e
Estimates	0.19	0.20	0.21
Change vs previous estimates (%)	0.00	0.00	0.00

Source: TPICAP Midcap estimates

Performance (%)	1D	1M	YTD
Price Perf	0.0	5.0	33.0
Rel FTSE Italy	0.1	7.6	7.0



Source: FactSet

TP ICAP Midcap Estimates	12/24	12/25e	12/26e	12/27e
Sales (m €)	65.7	70.1	74.5	78.7
Current Op Inc (m €)	6.5	7.0	7.9	8.2
Current op. Margin (%)	9.9	10.0	10.5	10.4
EPS (€)	0.21	0.19	0.20	0.21
DPS (€)	0.09	0.08	0.08	0.08
Yield (%)	1.7	1.5	1.6	1.7
FCF (m €)	-1.8	1.8	3.5	6.3

Valuation Ratio	12/25e	12/26e	12/27e
EV/Sales	2.0	1.9	1.8
EV/EBITDA	12.3	10.4	9.4
EV/EBIT	20.5	18.1	17.0
PE	26.5	25.1	23.5

Source: TPICAP Midcap

Analyst
Corentin Marty
corentin.marty@tpicap.com
+33173030981

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
EBITDA	**11.7**	**9.6**	**10.1**	**11.6**	**13.7**	**14.8**
% of Sales	19.8	15.4	15.4	16.5	18.4	18.8
Current operating profit	**8.8**	**6.3**	**6.5**	**7.0**	**7.9**	**8.2**
% of Sales	15.0	10.0	9.9	10.0	10.5	10.4
EBIT	8.8	6.3	6.5	7.0	7.9	8.2
Net financial result	-0.1	-0.5	0.0	-0.1	-0.3	-0.1
Income Tax	-1.2	-1.0	-0.7	-1.7	-2.1	-2.3
Tax rate (%)	13.4	27.9	27.9	25.0	27.9	27.9
Net profit, group share	**7.5**	**4.8**	**5.8**	**5.2**	**5.5**	**5.8**
EPS	0.32	0.19	0.21	0.19	0.20	0.21

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	33.0	35.7	35.8
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	71.2	74.2	75.7
Shareholders equity group	36.5	48.5	60.6	63.6	67.3	72.1
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	6.2	5.5	2.2
Other liabilities	0.0	0.0	0.0	0.0	0.0	0.0
Liabilities	45.6	57.6	66.3	71.2	74.2	75.7
Net debt excl. IFRS 16	4.5	3.7	0.6	2.6	1.9	-1.5
Gearing net	0.2	0.2	0.1	0.1	0.1	0.0
Leverage	0.7	0.8	0.4	0.5	0.4	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	9.8	11.3	12.5
ΔWCR	-8.0	-7.0	-2.1	1.8	-0.3	-1.5
Operating cash flow	3.2	1.1	7.3	11.6	11.0	11.0
Net capex	-4.5	-6.2	-9.1	-9.8	-7.4	-4.7
FCF	-1.4	-5.1	-1.8	1.8	3.5	6.3
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	-1.2	0.7	3.4

ROA (%)	10.7%	6.1%	6.5%	5.4%	5.5%	5.5%
ROE (%)	20.7%	9.9%	9.6%	8.1%	8.1%	8.1%
ROCE (%)	16.8%	9.2%	8.8%	7.4%	7.7%	7.8%

DISCLAIMER

Analyst certifications

This research report (the "Report") has been approved by Midcap, a business division of TP ICAP (Europe) SA ("Midcap"), an Investment Services Provider authorised and regulated by the Autorité de Contrôle Prudentiel et de Résolution ("ACPR"). By issuing this Report, each Midcap analyst and associate whose name appears within this Report hereby certifies that (i) the recommendations and opinions expressed in the Report accurately reflect the research analyst's and associate's personal views about any and all of the subject securities or issuers discussed herein and (ii) no part of the research analyst's or associate's compensation was, is or will be directly or indirectly related to the specific recommendations or views expressed by the research analyst or associate in the Report.

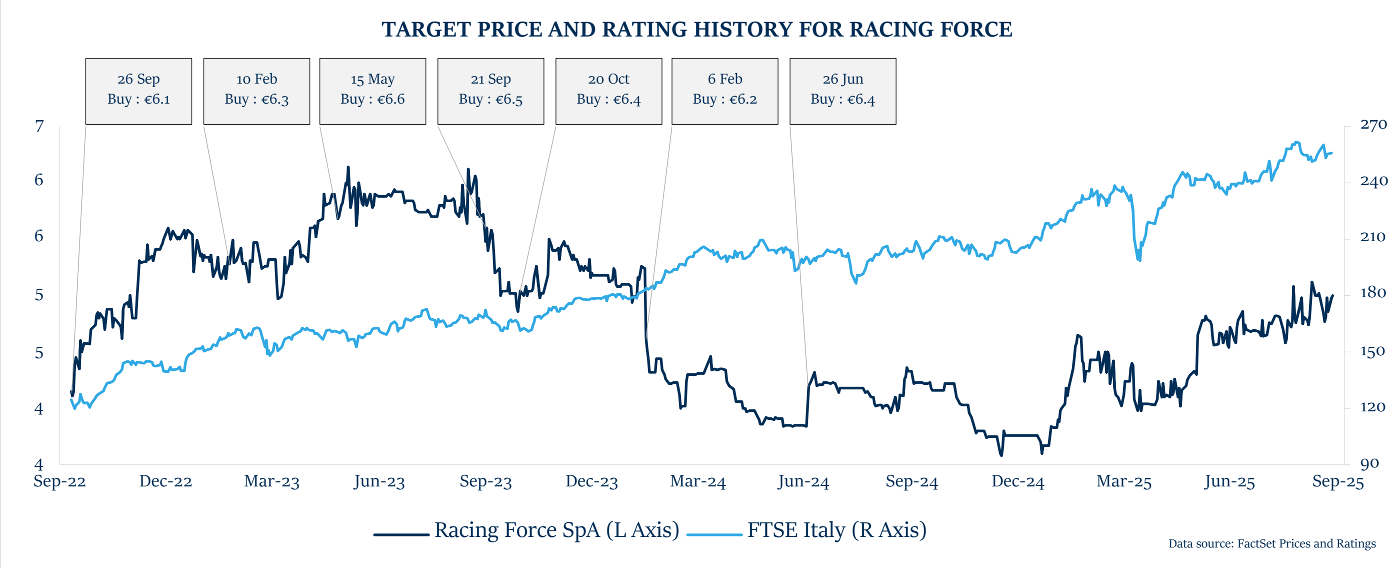
Methodology

This Report may mention evaluation methods defined as follows:
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.

Conflict of Interests between TP ICAP Midcap and the Issuer

D. Midcap or any related legal entity is a market maker or liquidity provider with whom a liquidity agreement has been entered into in respect of the Issuer's financial instruments: Racing Force SpA
F. Midcap or any legal entity related to it is party to any other agreement with the Issuer relating to the provision of investment services in connection with the corporate activity: Racing Force SpA
G. Midcap and the Issuer have agreed to the provision by the former to the latter of a service for the production and distribution of the investment recommendation on the said Issuer: Racing Force SpA

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
25 Sep 25 - 08:14:37	Corentin Marty	€ 6.40	€ 6.40	€ 5.00	Achat	Buy
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

Distribution of Investment Ratings

Rating	Recommendation Universe*	Portion of these provided with investment banking services**
Buy	78%	69%
Hold	17%	54%
Sell	3%	40%
Under review	1%	100%

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.

General Disclaimer

This Report is confidential and is for the benefit and internal use of the selected recipients only. No part of it may be reproduced, distributed, or transmitted without the prior written consent of Midcap

This Report is published for information purposes only and does not constitute a solicitation or an offer to buy or sell any of the securities mentioned herein. The information contained in this Report has been obtained from sources believed to be reliable and public, Midcap makes no representation as to its accuracy or completeness. The reference prices used in this Report are closing prices of the day before the publication unless otherwise stated. All opinions expressed in this Report reflect our judgement at the date of the documents and are subject to change without notice. The securities discussed in this Report may not be suitable for all investors and are not intended to recommend specific securities, financial instruments, or strategies to particular clients. Investors should make their own investment decisions based on their financial situation and investment objectives. The value of the income from your investment may vary due to changes in interest rates, changes in the financial and operating conditions of companies and other factors. Investors should be aware that the market price of the securities discussed in this Report may be volatile. Due to the risk and volatility of the industry, the company, and the market in general, at the current price of the securities, our investment rating may not correspond to the stated price target. Additional information regarding the securities mentioned in this Report is available on request.

This Report is not intended for distribution or use by any entity who is a citizen or resident of, or an entity located in any locality, territory, state, country, or other jurisdiction where such distribution, publication, availability, or use would be contrary to or limited by law or regulation. Entity or entities in possession of this Report must inform themselves about and comply with any such restrictions, including MIFID II. This Report is only intended for persons who are Eligible Counterparties or Professional Clients within the meaning of MIFID II regulation. It is not intended to be distributed or passed on, directly or indirectly, to any other class of persons. The Report is subject to restricted circulation. The research was conducted in accordance with the provisions of the Charter of good practices for sponsored research. Midcap has adopted effective administrative and organizational arrangements, including "information barriers", to prevent and avoid conflicts of interest regarding investment recommendations. The remuneration of financial analysts who participate in the preparation of the recommendation is not linked to the corporate finance activity.