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EQUITY RESEARCH

RACING FORCE SPA

RESULTS REVIEW
Press release

BUY
TP 6.4€
Up/Downside: 33%

Full Speed

Racing Force announced this morning that it recorded Q3 2025 revenue of €15.9m, up nearly 20% year-on-year and well above our expectations (+10.9% yoy). The outlook remains solid, reinforcing our positive stance on the stock.

Racing Force reported Q3 2025 revenue of €15.9m, representing 19.9% growth compared to last year. While we were already expecting a strong quarter, this result came in well ahead of our forecast (€14.6m, +10.9% yoy).

As expected, the Driver's Equipment division delivered strong growth (+21.9% in Q3 and +11.3% over 9M) driven by robust demand for the latest Bell helmets meeting the new FIA standards, as well as continued momentum for OMP products. The Car Parts segment remained in decline due to postponed deliveries now scheduled for next year, while the Other segment continued to post solid growth (+38.9% over 9M) supported by the Racing Spirit brand. Notably, the group recognized for the first time revenue from its joint venture Zeronoise Communication Services Wll, operational since July, contributing roughly €0.4m.

From a regional perspective, EMEA (+22.3% and +17.5% excluding the JV contribution) and APAC (+29.5%) delivered strong performances in Q3, particularly in China. The US region also posted double-digit growth at constant exchange rates (+13.7%).

The outlook remains positive heading into year-end and early 2026, with continued momentum expected from the order book. Recall that new Snell standards were introduced in the US market in early April, creating an additional growth driver for Bell helmets in that region. Moreover, the group will hold its annual distributor event next week, presenting the new RFG product catalogue for 2026 - an opportunity to gain further visibility on potential order book developments in the coming months. Finally, the company confirmed that deliveries of the Police Riot Helmet for the Dutch Ministry of Justice will begin in Q4.

Following this publication, we slightly raise our full-year revenue estimate to €70.7m (from €70.1m), implying a prudent Q4 scenario (+4% at constant exchange rates) given last year's high comparison base (+15.5%) and ahead of next week's event. We reiterate our Buy recommendation on the stock, with our target price maintained at €6.4.

Key data	
Price (€)	4.8
Industry	Protective Equipment
Ticker	ALRFG-FR
Shares Out (m)	27.389
Market Cap (m €)	131.5
Next event	2025 Sales - TBD

Source: FactSet

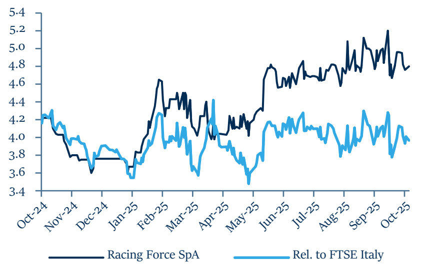
Ownership (%)	
SAYE S.p.A	49.5
GMP Investments Holdings Limited	4.7
Free float	45.8

Source: TPICAP Midcap estimates

EPS (€)	12/25e	12/26e	12/27e
Estimates	0.19	0.20	0.22
Change vs previous estimates (%)	1.93	1.77	1.78

Source: TPICAP Midcap estimates

Performance (%)	1D	1M	YTD
Price Perf	0.4	-1.2	27.7
Rel FTSE Italy	-1.1	-1.2	2.8



Source: FactSet

TP ICAP Midcap Estimates	12/24	12/25e	12/26e	12/27e
Sales (m €)	65.7	70.7	75.1	79.3
Current Op Inc (m €)	6.5	7.1	8.0	8.3
Current op. Margin (%)	9.9	10.1	10.6	10.5
EPS (€)	0.21	0.19	0.20	0.22
DPS (€)	0.09	0.08	0.08	0.09
Yield (%)	1.8	1.6	1.7	1.8
FCF (m €)	-1.8	1.6	3.6	6.3

Valuation Ratio	12/25e	12/26e	12/27e
EV/Sales	1.9	1.8	1.7
EV/EBITDA	11.7	9.9	8.9
EV/EBIT	19.4	17.2	16.1
PE	25.0	23.6	22.2

Source: TPICAP Midcap

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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	70.7	75.1	79.3
Changes (%)	25.9	6.6	4.9	7.7	6.2	5.6
Gross profit	36.8	38.7	40.1	44.3	47.4	50.1
% of Sales	62.6	61.7	61.0	62.6	63.1	63.2
EBITDA	**11.7**	**9.6**	**10.1**	**11.7**	**13.8**	**15.0**
% of Sales	19.8	15.4	15.4	16.6	18.4	18.9
Current operating profit	**8.8**	**6.3**	**6.5**	**7.1**	**8.0**	**8.3**
% of Sales	15.0	10.0	9.9	10.1	10.6	10.5
EBIT	8.8	6.3	6.5	7.1	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
Net profit, group share	**7.5**	**4.8**	**5.8**	**5.3**	**5.6**	**5.9**
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	33.1	35.9	35.9
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	27.4	27.7	29.2
Other Assets	0.6	0.6	0.5	0.5	0.5	0.5
Assets	45.6	57.6	66.2	71.5	74.6	76.1
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	6.4	5.7	2.3
Other liabilities	0.0	0.0	0.0	0.0	0.0	0.0
Liabilities	45.6	57.6	66.2	71.5	74.6	76.1
Net debt excl. IFRS 16	4.5	3.7	0.6	2.8	2.0	-1.4
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	0.2

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	9.9	11.4	12.6
ΔWCR	-8.0	-7.0	-2.1	1.6	-0.4	-1.5
Operating cash flow	3.2	1.1	7.3	11.5	11.1	11.1
Net capex	-4.5	-6.2	-9.1	-9.9	-7.5	-4.8
FCF	-1.4	-5.1	-1.8	1.6	3.6	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	-1.4	0.7	3.4

ROA (%)	10.7%	6.1%	6.5%	5.5%	5.5%	5.6%
ROE (%)	20.7%	9.9%	9.6%	8.3%	8.2%	8.2%
ROCE (%)	16.8%	9.2%	8.8%	7.5%	7.8%	7.9%

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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.

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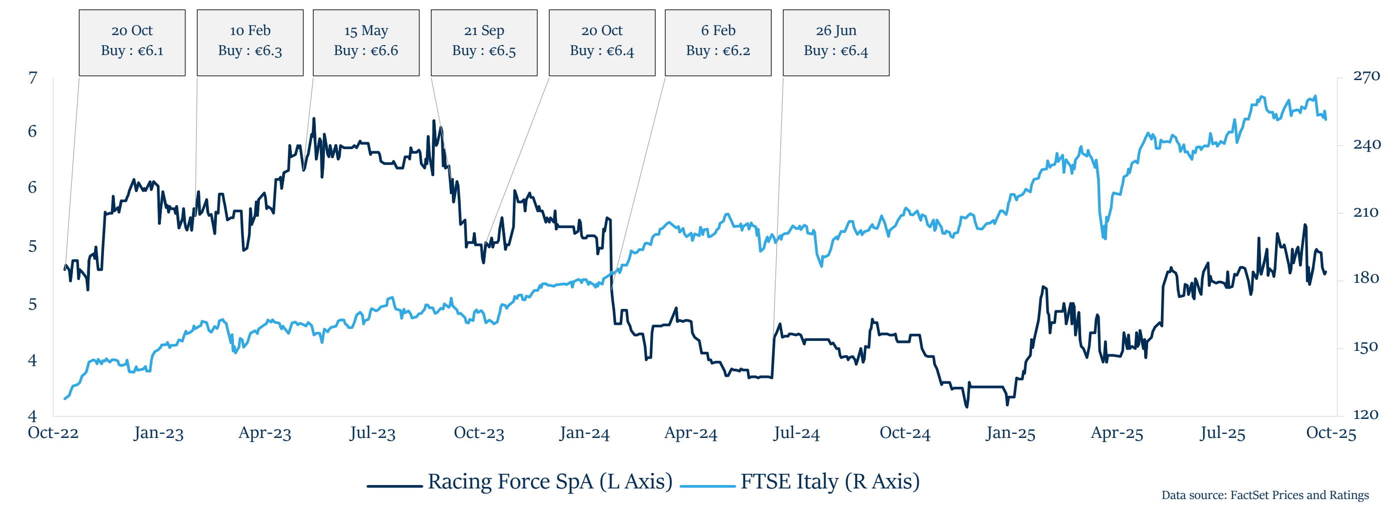
G. Midcap and the Issuer have agreed to the provision by the former to the latter of a service for the production and distribution of the investment recommendation on the said Issuer: Racing Force SpA

History of investment rating and target price – Racing Force SpA

TARGET PRICE AND RATING HISTORY FOR RACING FORCE



Historical recommendations and target price (-1Y)

Date	Analyst	Old Target Price	New Target Price	Closing Price	Old Recommendation	New Recommendation
17 Oct 25 - 16:58:44	Corentin Marty	€ 6.40	€ 6.40	€ 4.76	Achat	Buy
26 Sep 25 - 08:10:21	Corentin Marty	€ 6.40	€ 6.40	€ 4.84	Achat	Buy
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

Distribution of Investment Ratings

Rating	Recommendation Universe*	Portion of these provided with investment banking services**
Buy	78%	68%
Hold	18%	63%
Sell	3%	25%
Under review	2%	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.

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