

RACING FORCE

Earnings Review

BUY ord. (Unchanged)Target: **€ 6.00** (Unchanged)

Risk: High

STOCKDATA		ORD		
Price (as of 29 Sep 2025)		5.0		
Bloomberg Code		RFG IM		
Market Cap (€ mn)		136		
Free Float		50%		
Shares Out (mn)		27.4		
52 week Range		€ 3.6 - 5.1		
Daily Volume		7,619		
Performance (%)	1M	3M	1Y	
Absolute	4.4	4.6	13.8	
Rel to FTSE Italia All-Share	4.1	-2.2	-7.0	
MAIN METRICS		2024	2025E	2026E
SALES Adj		65.7	70.3	77.0
EBITDA Adj		10.5	11.3	13.4
EBIT Adj		6.9	6.9	8.5
NET INCOME Adj		5.6	5.3	6.7
EPS Adj - €c		22.1	19.9	24.5
DPS Ord - €c		9.0	9.0	9.9
MULTIPLES		2024	2025E	2026E
P/E ord Adj		17.4x	24.9x	20.3x
EV/EBITDA Adj		10.5x	13.5x	11.3x
EV/EBIT Adj		16.1x	22.1x	17.7x
REMUNERATION		2024	2025E	2026E
Div. Yield ord (A)		2.2%	1.8%	2.0%
FCF Yield Adj		-2.0%	-2.9%	3.1%
INDEBTEDNESS		2024	2025E	2026E
NFP Adj		-3.7	-15.5	-13.6
NFP ex-IFRS16		-0.1	-6.5	-4.8
D/Ebitda Adj		0.4x	1.4x	1.0x

PRICE ORD LAST 365 DAYS

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DOUBLE-DIGIT ORDER INTAKE DRIVE CONFIDENCE ON FY GROWTH

Racing Force reported a robust top-line growth, up MSD in 1H25 (or LDD in 2Q at cFX), and an acceleration in order intake (up DD YTD). This is supporting our FY25 projections and an outlook of more balanced 1H/2H Sales/EBITDA contribution compared to usual seasonality. Diversification projects are getting closer to more tangible monetization.

■ 1H25 results: 2-digit order intake starting to flow to P&L

RFG 1H25 results showed a very robust top-line growth, up MSD (HSD in 2Q or LDD at cFX), a sharp improvement in gross margin (+100bps in 1H) offset at EBITDA margin level (-70bps YoY) by a ramp-up in personnel costs, expected to be better absorbed on a FY basis. Order intake accelerated through the year, starting at HSD levels and moving to double-digit by 1H25 and YTD.

- Sales +4.6% to € 39.3mn, already reported;
- Gross profit +6.4% to € 24.6mn, with margin +100bps YoY at 62.5% vs. 61.5% exp.;
- EBITDA +1% to € 8.3mn (vs. -3% exp.);

■ Outlook: solid growth with more balanced 1H/2H sales/EBITDA

FY25 is expected to be more balanced between 1H and 2H vs. the usual group seasonality, both in terms of revenues (2024 57%/43%) and EBITDA (2024 77%/23%) given the clear revenue growth drivers that are supporting 2H (as reflected by order intake) and the slow start in 1Q25. Consistently with this message, management anticipated solid 3Q revenue growth also for 3Q25.

■ Where we stand on MiliPol projects

Here below a quick summary of the main messages on the MiliPol projects:

- **Lift.** Some turnover was generated in 1Q25, but production order has not yet been finalized and it is difficult to have visibility on the ramp-up of volumes;
- **Police Riot Helmet.** the certification with gas masks (often a requirement for tenders) is progressing in parallel with 2 players. Homologation is expected by 4Q25/1Q26. Sales from the Dutch policy tender awarded in 2Q is expected in 4Q25/1Q26.
- **Gladiator.** They intend to certify the product for the highest safety standards, both the version intended for special forces (full-cut), and the military versions (mid-cut and short-cut). The next crucial tests are scheduled for the first week of October. Homologation is expected by 1H26 (but management in the call did not rule out 1Q26, in order to already showcase a homologated product for the Riyadh and Nuremberg trade shows).

■ Modest changes to our FY estimates

We have made marginal changes to our estimates post 1H results, confirming sales, slightly raising gross profit in light of 1H good results and supportive 2H momentum, but leaving EBITDA/EBIT/Adj. NI substantially unchanged due to higher personnel costs. We have reflected management indication of higher CAPEX in 2025, increasing as a consequence NFP by around € 1.5mn by year end.

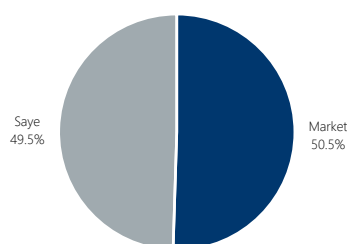
■ BUY confirmed due to momentum in motorsport and advanced in new projects

We confirm our valuation at € 6.0PS, based on € 5.2PS from DCF on explicitly modelled business (motorsport and the initial contribution of the defence projects) and € 0.8PS from diversification projects not yet explicitly included in our estimates (SWAT and police riot helmets, Skier's Eye, additional opportunities with Lift). Overall, we see the investment case supported by an excellent growth trend in the core motorsport business, driven as always by product innovation. On the diversification front, despite some delays in the ramp-up of Lift and in the qualification processes of the Riot and Gladiator helmets compared to what we hoped for at the beginning of the year, it seems to us that the Group is now close to monetizing in a more tangible way the investments made in recent years, in a moment of strong push for military spending and record high valuation for defence assets.

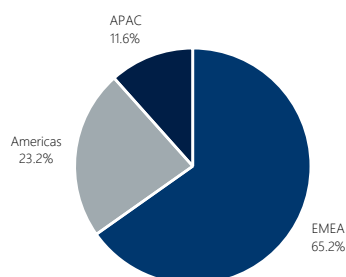
MAIN FIGURES - EURmn	2022	2023	2024	2025E	2026E	2027E
SALES Adj	58.9	62.7	65.7	70.3	77.0	82.9
Growth	26.1%	6.4%	4.8%	7.0%	9.7%	7.5%
EBITDA Adj	11.7	9.6	10.5	11.3	13.4	15.0
Growth	30.6%	-17.7%	9.4%	7.5%	18.3%	11.8%
EBIT Adj	8.8	6.3	6.9	6.9	8.5	9.8
Growth	34.7%	-28.7%	9.3%	0.4%	23.5%	15.1%
Net Income Adj	7.6	5.1	5.6	5.3	6.7	7.8
Growth	53.5%	-32.4%	10.1%	-5.5%	26.1%	16.0%
MARGIN - %	2022	2023	2024	2025E	2026E	2027E
EBITDA Adj Margin	19.8%	15.4%	16.0%	16.1%	17.4%	18.1%
Ebit Adj margin	15.0%	10.1%	10.5%	9.8%	11.1%	11.9%
Net Income Adj margin	12.9%	8.2%	8.6%	7.6%	8.7%	9.4%
SHARE DATA	2022	2023	2024	2025E	2026E	2027E
EPS Adj - €c	31.8	19.8	22.1	19.9	24.5	28.4
Growth	26.9%	-37.8%	11.9%	-10.0%	22.7%	16.0%
DPS ord(A) - €c	9.0	9.0	9.0	9.0	9.9	11.5
BVPS	1.5	1.9	2.2	2.3	2.4	2.6
VARIOUS	2022	2023	2024	2025E	2026E	2027E
Capital Employed	45.5	57.1	65.7	79.7	82.0	83.7
FCF	-2.7	-5.9	-2.2	-4.0	4.2	5.9
CAPEX	4.3	6.2	9.1	9.9	4.9	5.1
Working capital	19.9	26.9	29.0	30.8	32.0	32.5
INDEBTNESS	2022	2023	2024	2025E	2026E	2027E
Nfp Adj	-7.7	-7.1	-3.7	-15.5	-13.6	-10.2
D/E Adj	0.21	0.15	0.06	0.25	0.20	0.14
Debt / EBITDA Adj	0.7x	0.7x	0.4x	1.4x	1.0x	0.7x
NFP ex-IFRS16	-4.4	-3.2	-0.1	-6.5	-4.8	-1.6
Interest Coverage	117x	18.8x	n.m.	9.2x	37.2x	44.2x
MARKET RATIOS	2022	2023	2024	2025E	2026E	2027E
P/E Ord Adj	17.3x	26.6x	17.4x	24.9x	20.3x	17.5x
PBV	3.1x	2.9x	1.9x	2.2x	2.0x	1.9x
EV FIGURES	2022	2023	2024	2025E	2026E	2027E
EV/Sales	2.4x	2.3x	1.7x	2.2x	2.0x	1.8x
EV/EBITDA Adj	12.0x	15.0x	10.5x	13.5x	11.3x	9.9x
EV/EBIT Adj	15.8x	22.8x	16.1x	22.1x	17.7x	15.0x
EV/CE	3.1x	2.5x	1.7x	1.9x	1.8x	1.8x
REMUNERATION	2022	2023	2024	2025E	2026E	2027E
Div. Yield ord	1.9%	1.6%	2.2%	1.8%	2.0%	2.3%
FCF Yield Adj	-2.4%	-4.2%	-2.0%	-2.9%	3.1%	4.3%
Roce Adj	19.1%	10.2%	9.4%	7.8%	8.7%	9.7%

Source: Company data and Equita SIM estimates

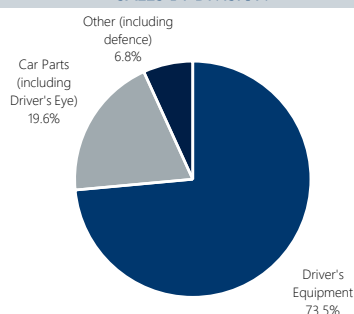
SHAREHOLDERS



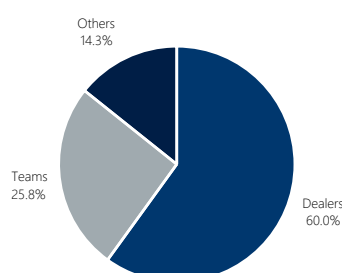
SALES BY GEOGRAPHY



SALES BY DIVISION



SALES BY CHANNEL



BUSINESS DESCRIPTION

Racing Force Group is an international manufacturer (born from the 2019 acquisition of Bell Helmets by OMP Racing) **active in the design, production and distribution of Motorsport Safety Equipment**, a small (> €300mn) but global niche within Motorsport, which mainly includes:

- **Driver's Equipment (73% of 2024 sales):** racing helmets, fire-retardant suits and underwear, racing shoes and gloves;
- **Car Parts (20% of 2024 sales):** racing seats, harnesses, roll bars, steering wheels, fire extinguisher systems, racing accessories.

The Group's offer range includes OMP, Bell and Zeronoise branded products (more than 2,000 items), which are split between **homologated** (c80% of revenues) and **not homologated** (c20% of revenues) ones. RFG also produces and distributes performance apparel under the Racing Spirits brand. RFG owns the OMP, Racing Spirit, Zeronoise and HPS brands and the perpetual worldwide licenses to use the Bell trademark in connection with the development, manufacturing and distribution of motorsport helmets.

With **2024 revenues of € 65.7mn**, a 2019pf-24 **12% organic CAGR** and a **2024 Adj. EBITDA margin of 16.0%**, the Group today boasts an international footprint, with **sales in 80+ countries**, more than **570 employees** located in **7 facilities worldwide in 3 different continents** (o/w, 3 production sites, 3 R&D centers and 5 show-rooms) and, most importantly, a winning and consolidated presence in all major motorsport championships (75% of Formula 1 drivers wear Bell Helmets and 50% of WCR drivers wear OMP Suits). Revenues are **extremely diversified** in terms of **customers (4,000+ customers** worldwide, with the top 10 customers accounting for less than 25% of sales in 2024, of which no one weighting more than 5%), **and geographies** (sales in 80+ countries with no countries, except US, accounting for more than 20% of total sales in 2024), and are mainly generated indirectly through **independent Dealers (60% of 2024 sales)**, and directly to top **Teams** and **Car Manufacturers (26% of 2024 sales)**.

The group has also embarked in interesting and promising diversification projects:

- **Driver's Eye:** a micro-camera fitted in a special niche inside the helmet, the sole technology homologated by FIA, allowing to film the race "through the eyes of the driver" and already adopted by Formula 1, Indycar and Formula E.
- **Jet Pilot Helmet's Shell and Special Force and Police Riot Head Protection:** new products with advanced technical performances positioning RFG as a credible player in these new markets.

Key managers are Paolo Delprato (Chairman and CEO), Stephane Cohen (co-CEO), Alexandros Haristos (COO), Roberto Ferroggiaro (CFO).

The company is controlled by SAYE, the holding company of the Delprato family, owning 49.5% of the capital. Key managers are also present in the share capital.

STRENGTHS / OPPORTUNITIES

- Premium, well-known and historical brands, with outstanding reputation
- R&D know-how and almost fully vertical integrated supply chain and manufacturing
- Low suppliers and customer concentration
- Commercial synergies post Bell Helmet acquisition: increase of OMP branded products reach in NA, and increase of Bell helmets penetration in open-face categories
- Diversification in adjacent markets (e.g. Special Force and Police Riot Helmets, Jet Pilot Helmets)
- Scalability of Driver's Eye technology in core and adjacent markets

WEAKNESSES /THREATS

- Niche market with moderate growth rates
- Quite consolidated core market, with c70% in the hands of 3 players
- Disruptive innovations from competitors, mainly in terms of technologies or products performances
- Reputational damage from product failures / quality leaks
- Higher competitions in top categories from larger non "core" players such as Puma
- Limited track record outside of Motorsport

1H25 RESULTS: 2-DIGIT ORDER INTAKE STARTING TO FLOW TO P&L

In summary, RFG 1H25 results showed a very robust top-line growth, up MSD (HSD in 2Q or LDD at cFX), a sharp improvement in gross margin (+100bps in 1H) offset at EBITDA margin level (-70bps YoY) by a ramp-up in personnel costs, expected to be better absorbed on a FY basis. Order intake accelerated through the year, starting at HSD levels and moving to double-digit by 1H25 and YTD.

RACING FORCE - 6M 25 RESULTS (€ mn)

	6M-24	EXPECTED		REPORTED	
		6M-25E	YoY gr. %	6M-25E	YoY gr. %
Revenues	37.6	39.3	5%	39.3	5%
Adjusted EBITDA	8.2	7.9	-3%	8.3	1%
Margin	21.7%	20.1%	-	21.0%	-
Adj. EBIT	6.5	6.0	-8%	6.3	-3%
Margin	17.4%	15.3%	-	16.1%	-
Net income	5.4	4.8	-11%	4.2	-21%
Margin	14.4%	12.1%	-	10.8%	-
NFP ex IFRS16	4.6	-3.9	n.m.	-3.5	n.m.

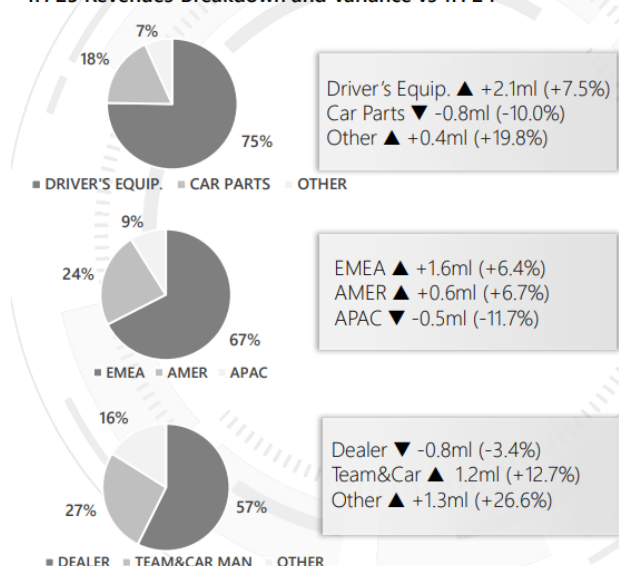
Source: Equita SIM estimates and Company data

In more details, 1H25 revenues, already reported on July 23rd, were € 39.3mn, up +4.6% at current FX and +4.8% at constant FX, with a strong acceleration in 2Q25 (+9.7% or +10.8% cFX).

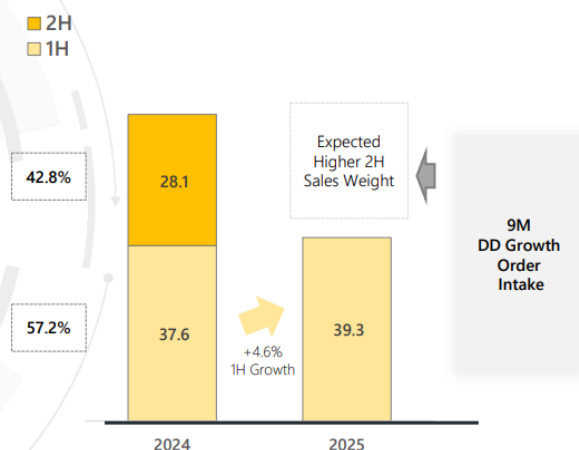
- **Geographically**, 1H growth was driven by EMEA (+6.4% to € 26.5mn) and NA (+6.7% to € 9.3mn), while APAC was down (-11.7% to € 3.5mn) due to the different timing of deliveries by a dealer (which had benefited 4Q24).
- **At the product level**, growth was driven by **Driver's Equipment** (suits and helmets), which was up by +7.5% to € 29.6mn, supported in particular by OMP brand raceware both in Europe and in NA and to a lesser extent by Bell brand helmets (in strong acceleration in 2Q to +13.7% thanks to the growth of new FIA homologated products which - as anticipated in March - had good orders but some delivery difficulties in 1Q). The **Car Parts** segment remains in decline. (-10% to € 7.1mn) due to the delay in the production programs of some motorsport car manufacturers. The Others segment grew (+19.8% to € 2.7mn) mainly thanks to Racing Spirits products.
- **At the channel level**, the dealers segment declined slightly (-3.4% to € 22.5mn) due to what was commented on APAC and a lower expected growth of helmets in NA (new Snell standard on sale from October). **Strong growth for the Teams channel** (+12.7% to € 10.4mn) thanks to the important agreements signed with adidas, and for the Others channel (+26.6% to € 6.3mn) thanks to Racing Spirit, replica/mini helmet products and online.

SALES TREND AND SALES BREAKDOWN (€ mn)

1H 25 Revenues Breakdown and Variance vs 1H 24



Revenues (€ mn) and Seasonality (%)

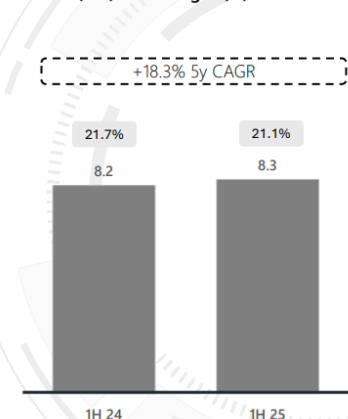


Source: Company presentation

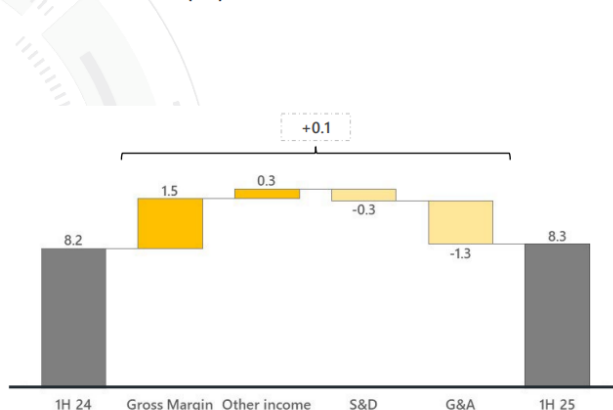
- **Gross profit grew by +6.4% to € 24.6mn, with margin +100bps YoY** at 62.5% vs. 61.5% exp. **mainly supported by the revenue mix** (growth in driver's equipment, decline in car parts);
- **EBITDA improved by +1% to € 8.3mn** (vs. -3% exp.), with a margin decrease of -70bps YoY to 21.0% (vs. 20.1% exp.). The company had anticipated a profitability in 2025 less unbalanced between 1H and 2H given the good trend of orders on 9M which only partially translated into revenues in 1Q25. Furthermore, the increase in employees and the renewal of the labour contract in Italy led to a 12% increase in personnel costs in 1H25 which offset the stronger gross profit;
- **EBIT declined by -3% to € 6.3mn** (vs. -8% exp.) due to slightly higher D&A. The positive surprise vs. our estimates is due to higher-than-expected EBITDA (D&A in line);
- **Reported Net Income was € 4.2mn** vs. € 4.8mn exp. despite higher-than-expected EBIT due to **unrealized FX losses** (€ -0.8mn) related to intercompany loans (loans euro-denominated from RFG SpA to subsidiaries in the USA and Bahrain). This is an accounting item that was positive for € 0.3mn in 1H24 and that we exclude from the adjusted net profit;

BRIDGE IN ADJ. EBITDA AND ADJ. NET INCOME

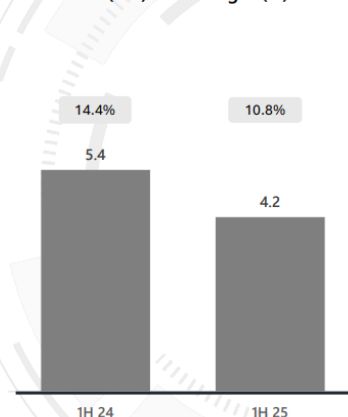
EBITDA (€m) and Margin (%)



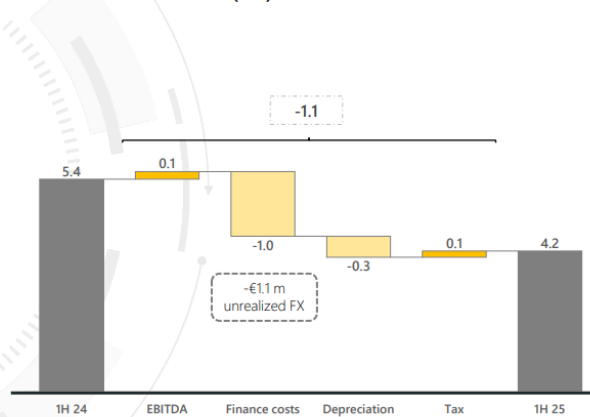
CHANGE in EBITDA (€m)



NET INCOME (€m) and Margin (%)



CHANGE in NET INCOME (€m)

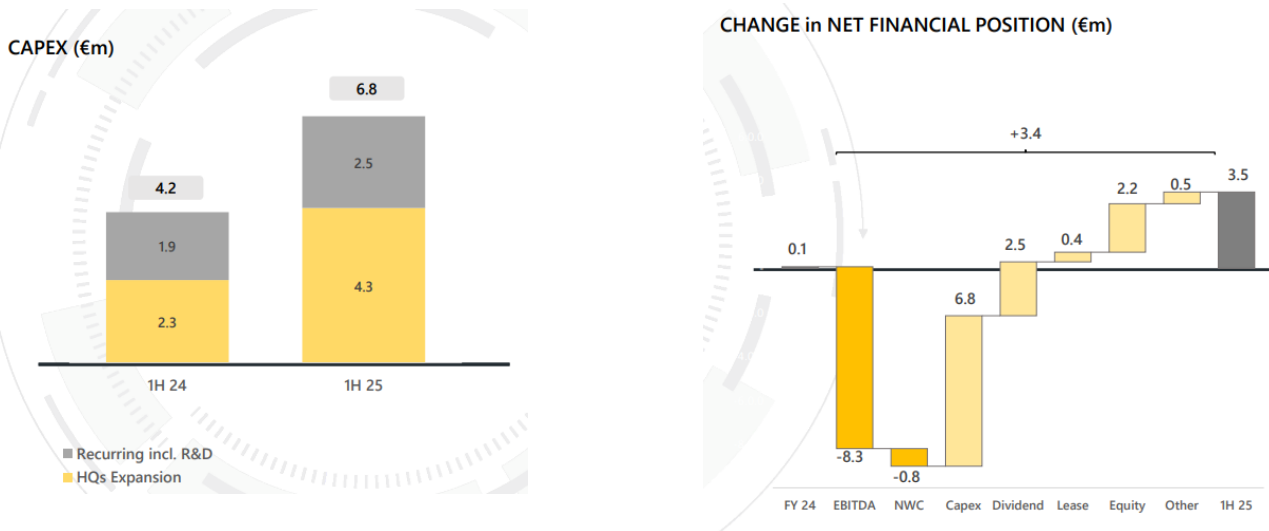


Source: Company presentation

- **NFP ex IFRS16 was € -3.5mn** (vs. € -3.9mn exp.), with operating cashflow (€ 7.6mn in 1H, thanks also to the containment of inventories despite the growth in revenues) which fully financed the extraordinary CAPEX (€ 6.8mn in 1H in total, of which € 2.5mn maintenance and € 4.3mn growth CAPEX for the upgrade of the Ronco HQ and the Bahrain plant).

Including lease liabilities, NFP ended at € -6.6mn from € -3.5mn in FY24, with new long-term rent in Bahrain (we estimate € 5+mn additional leases), not yet be booked in 1H25 and expected to start by year end.

CAPEX AND NET DEBT (EX-IFRS16)



Source: Company presentation

Trade Working Capital on sales declined vs. last year by more than 300bps as a percentage of sales, driven by lower DOI and higher DOP.

TWC (€mn)						
	1H24	% of sales*	FY24	% of sales*	1H25	% of sales*
Inventory	25.3	40%	27.4	42%	25.9	38%
Trade receivables	12.8	20%	11.6	18%	13.7	20%
Trade payables	11.5	-47%	11.9	-46%	13.3	-51%
TWC	26.6	42.2%	27.1	41.3%	26.3	39.0%

* payables calculated on COGS

Source: Equita SIM calculation on Company data

- **Order intake was up 2-digit YTD**, accelerating compared to HSD in 1Q, supported by the excellent momentum of the OMP brand and the new regulations on FIA helmets from the end of 2024 and Snell from October 2025, as well as the first order for Milipol projects (Dutch police) booked in August 2025.

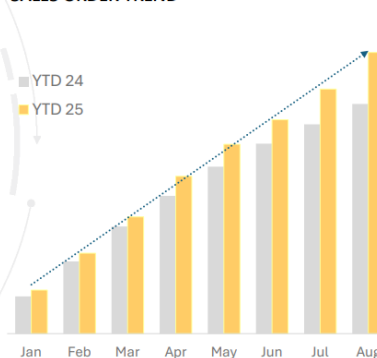
ORDERS AND ORDERS KEY DRIVERS

DOUBLE-DIGIT GROWTH IN THE FIRST 8 MONTHS FROM ALL BRANDS

MAIN GROWTH DRIVERS

- **New FIA 8859-2024** (effective January 2025) generated robust **order intake starting Q1 2025** and boost on sales from Q2
- **New SNELL standard** in the US helmet market (effective October 2025) added strong momentum in **Q3 2025**, with sales generation starting Q4 2025 / Q1 2026
 - +80% order intake vs. previous cycle (5 years ago)
- First order for **Riot helmets** received in **August 25**, with deliveries expected in Q4 2025 / Q1 2026
- Consistent **double-digit growth of OMP racewear in every quarter** up to date, supported by
 - partnership agreements and enhanced visibility
 - strengthened relationships with dealers
 - increased production of custom suits (+44% in 4 years)
- High demand for **Mini and Replica** driven by increasing F1 popularity
- **Racing Spirit** high-double-digit growth with both teams and corporate apparel

SALES ORDER TREND



Source: Company presentation

OUTLOOK: SOLID GROWTH WITH MORE BALANCED 1H/2H SALES/EBITDA

FY25 is expected to be more balanced between 1H and 2H vs. the usual group seasonality, both in terms of revenues (2024 57%/43%) and EBITDA (2024 77%/23%) given the **revenue growth drivers that are supporting 2H and the slow start in 1Q25**.

Consistently with this message, **management anticipated solid 3Q revenue growth**.

FEEDBACK FROM OUR RECENT SITE VISIT AND FROM THE CALL

We summarize in this chapter the key messages from a recent site visit (already included in a dedicated report issued on September 12th) and from the 1H25 call:

- **Order intake.** The main elements that are driving the order intake YTD are:
 - **New FIA standards** (from January) that supported the growth in order intake from 1Q and revenues from 2Q for helmets in EMEA and APAC;
 - **New SNELL standards** (from October) that are supporting orders (4Q25/1Q26 revenues) for helmets in NA. Helmet revenues in NA were only slightly negative YTD (better than expected) despite typical negative performance in the months before the launch of new standards;
 - **First order for helmets for the Dutch police** (formalized in August for € 0.5mn with revenues 4Q25/1Q26 on a contract worth at least € 1mn);
 - **Double-digit growth in every quarter for OMP racewear**, thanks to market positioning strengthened by 1) **better brand visibility** thanks also to initiatives such as the F1 movie; 2) expansion of the **agreement with adidas for Mercedes to a new F1 Team**; 3) **growing demand for customized suits** and the **introduction of sublimation technology on proprietary developed fabrics** that allow flexibility ("printable" any type of design and with less production time), less weight and **better breathability** compared to products currently available on the market;
 - **Growth of Racing Spirit** (non-technical clothing) thanks to the expansion of the customer base also outside motorsport, in a less covered market niche;
- **Tariffs: manageable impacts.** Duties are 10% from Bahrain (helmets), 15% from Europe (suits, but almost unchanged compared to the 16% that was already applied, and seats). Competitive situation: an American competitor (we believe Simpson) may benefit from US manufacturing for some products but is also manufacturing helmets in Italy. An Italian competitor (we believe Sparco) instead produces mainly in Italy and Tunisia (suits, seats). Some American players particularly aggressive on prices produce in China and can be more impacted by the US duties.
- **Communication:**
 - **Opportunities** to extend and expand the scope of the Driver's Eye contract for Indy Car with FOX;
 - On **Skier's Eye**, at the moment no agreement has been found with the FIS (International Ski Federation) for the provision of services, although discussions are still ongoing. There is interest from ski goggle manufacturers to integrate the solution into their products;
 - Exploring opportunities with NFL;
 - After the first contract awarded to the JV's with Al Kamel to manage communications services for the E1 Championship, they see opportunities for expansion via other tenders;

- **Milipol:**

- **Lift.** Some turnover was generated in 1Q25, but production order has not yet been finalized and it is difficult to have visibility on the ramp-up of volumes, even if it is reasonable for 2026/27;
- **Police Riot Helmet.** The work for the certification with gas masks (often a requirement for tenders) is progressing in parallel with 2 players: the first, top of range, which has a very innovative gas mask solution and the second which offers an economically competitive solution. Homologation is expected for 4Q25/1Q26. They will participate in February 2026 at the Nuremberg and Riyadh trade shows.
- **Gladiator.** They intend to certify the product first for the highest safety standards, both the version intended for special forces (full-cut), and the military versions (mid-cut and short-cut). The next tests are scheduled for the first week of October. Homologation is expected by 1H26 (but management in the call did not rule out 1Q26, in order to already showcase a homologated product for the Riyadh and Nuremberg trade shows). This will position the group with the most advanced solutions on the market. They are working to industrialize the production of the shell, in order to be ready to handle large volumes.

THE FULL RANGE OF GLADIATOR HELMETS

HPS: A COMPLETE RANGE OF GLADIATOR HELMETS



A modular system to increase the offering of head protection from Police to Military business (1:10 – 1:100)



Source: Company presentation

- **CAPEX** are expected to be around € 10mn in 2025, a bit above the 2024 level (€ 9mn) and our expectations (€ 8.5mn). These reflect both extraordinary CAPEX for the completion of the Ronco and Bahrain upgrades, as well as an impact from capitalized R&D costs (€ 1.6mn in 1H26) mainly for MiliPol projects.

ESTIMATE REVISION

We have made marginal changes to our estimates post 1H results, confirming sales, slightly raising gross profit in light of 1H good results and supportive 2H momentum, but leaving EBITDA/EBIT/Adj. NI substantially unchanged due to higher personnel costs. We have lowered reported NI to reflect FX non-monetary charges booked in 1H25.

We have reflected the indication of higher CAPEX in 2025, increasing as a consequence NFP by around € 1.5mn by year end. We remind that our estimate of NFP (including leases) assumes the impact of the new space rented in Bahrain as of 2H25.

ESTIMATE REVISION (€ mn)						
	2025E Prev.	2025E Curr.	2026E Prev.	2026E Curr.	2027E Prev.	2027E Curr.
Revenues	70.3	70.3	77.0	77.0	82.9	82.9
% chg		0.0%		0.0%		0.0%
Abs chg		0.0		0.0		0.0
Gross Profit	43.1	43.7	47.6	47.8	51.3	51.2
% chg		1.5%		0.4%		-0.1%
Abs chg		0.6		0.2		0.0
EBITDA	11.3	11.3	13.4	13.4	15.0	15.0
% chg		0.0%		-0.4%		-0.5%
Abs chg		0.0		-0.1		-0.1
EBIT	6.9	6.9	8.7	8.5	10.0	9.8
% chg		-0.1%		-1.8%		-1.7%
Abs chg		0.0		-0.2		-0.2
Adj. Net income	5.4	5.3	6.8	6.7	7.9	7.8
% chg		-1.1%		-1.3%		-1.2%
Abs chg		-0.1		-0.1		-0.1
Rep. Net Income	5.4	4.7	6.8	6.7	7.9	7.8
% chg		-13.3%		-1.3%		-1.2%
Abs chg		-0.7		-0.1		-0.1
CAPEX (ex. leases)	8.5	9.9	4.9	4.9	5.1	5.1
% chg		16.6%		0.0%		0.0%
Abs chg		1.4		0.0		0.0
NFP	-13.0	-14.5	-11.3	-12.5	-8.0	-9.0
% chg		11.7%		10.6%		11.6%
Abs chg		-1.5		-1.2		-0.9
NFP (ex. IFRS16)	-4.0	-5.6	-2.5	-3.7	0.5	-0.4
% chg		37.7%		47.1%		-183.7%
Abs chg		-1.5		-1.2		-0.9

Source: Equita SIM estimates & company data

VALUATION CONFIRMED AT € 6.0PS

We confirm our valuation at € 6.0PS, based on € 5.2PS from DCF on explicitly modelled business (motorsport and the initial contribution of the defence projects) and € 0.8PS from diversification projects not yet explicitly included in our estimates (SWAT and police riot helmets, Skier's Eye, additional opportunities with Lift).

Overall, **we see the investment case supported by an excellent growth trend in the core motorsport business**, driven as always by product innovation. **On the diversification front**, despite some delays in the ramp-up of Lift and in the qualification processes of the Riot and Gladiator helmets compared to what we hoped for at the beginning of the year, it seems to us that **the Group is now close to monetizing the investments made in recent years**, in a moment of strong **push for military spending** and **record high valuation for defence assets**.

The stock trades at 12-10x EV/EBITDA and 21-18x Adj. PE 2026-27 against a historical 1-year forward average at 10x and 20x respectively. The confirmation of the growth trends in revenues and margins in the core business and the improvement of visibility on diversification projects can in our opinion support a multiple above historical average levels (at our target of € 6.0PS, implied multiples are 13-12x EV/EBITDA 2026-27 by incorporating € 6mn of Milipol revenues to 2027 in the estimates).

DFCF ANALYSIS (€ mn)								
Assumptions			2025	2026	2027	2028	2029	Beyond
g	3.0%	Sales	70.3	77.0	82.9	87.0	91.4	94.1
WACC	8.7%	Change %	7.0%	9.7%	7.5%	5.0%	5.0%	3.0%
		Adj. EBITDA	11.3	13.4	15.0	16.2	17.4	17.9
		Change %	7.5%	18.3%	11.8%	7.9%	7.8%	3.0%
		Margin	16.1%	17.4%	18.1%	18.6%	19.1%	19.1%
		D&A	-4.4	-4.8	-5.1	-5.2	-5.2	-5.2
		Adj. EBIT	6.9	8.5	9.8	10.9	12.2	12.8
		Change %	6.6%	23.5%	15.1%	11.1%	11.7%	4.5%
		Margin	9.9%	9.8%	11.1%	11.9%	12.6%	13.4%
NPV of FCF (2025-29)	19	Taxes	-1.0	-1.5	-1.7	-1.5	-1.6	-1.7
NPV of Terminal Value	133	EBIT after Tax	5.9	7.1	8.1	9.5	10.6	11.1
Estimated Enterprise Value	152	Change %	2.2%	20.0%	14.9%	16.5%	11.7%	4.5%
2024 NFP	-4	Capex	-16.0	-5.6	-5.8	-5.2	-5.2	-5.2
Adjustment to NFP		capex/sales	22.8%	7.2%	7.1%	6.0%	5.7%	5.5%
Equity	148							
Peripherals & other	0							
Total Equity	148	(increase) decrease in NWC	-0.1	-1.0	-0.4	-1.4	-1.5	-0.9
		Free Cash Flow before minorities	-5.9	5.3	7.0	8.1	9.1	10.1
		FCF Minorities	0.0	0.0	0.0	0.0	0.0	0.0
		Free Cash Flow after minorities	-5.9	5.3	7.0	8.1	9.1	10.1
# of shares FD (mn)	28.4							
		Discount Factor	0.95	1.03	1.12	1.22	1.32	1.32
Target Price (€ PS)	5.2	PV of FCF	-6.2	5.2	6.3	6.6	6.9	7.7

Source: Equita SIM estimates

CORE BUSINESS VALUATION SENSITIVITY TO DCF ASSUMPTIONS (€ PS)						
		perpetual growth				
		2.50%	2.75%	3.00%	3.25%	3.50%
WACC	8.2%	5.4	5.6	5.8	6.0	6.3
	8.4%	5.1	5.3	5.5	5.7	5.9
	8.7%	4.9	5.0	5.2	5.4	5.6
	9.0%	4.7	4.8	5.0	5.2	5.4
	9.2%	4.5	4.6	4.8	4.9	5.1

Source: Equita SIM estimates

BRIDGE TO TARGET PRICE							
	EBITDA	A&D	EV	Discount	Value Creation		
	2028E (€ mn)	multiple	€ mn	factor 3Y	€ mn	€ ps	%
Defense upside	2.5	12.0x	30	15%	23	0.8	13%
DCF - core business					148	5.2	87%
Target Price					171	6.0	

Source: Equita SIM estimates

TP SENSITIVITY TO DEFENCE OPTION ASSUMPTIONS (EBITDA; MULTIPLE) (€ PS)

		EBITDA multiple				
		10x	11x	12x	13x	14x
EBITDA 2028E (€ mn)	0	5.2	5.2	5.2	5.2	5.2
	1.0	5.4	5.5	5.5	5.6	5.6
	2.0	5.6	5.7	5.8	6.0	6.1
	3.0	5.8	6.0	6.2	6.3	6.5
	4.0	6.1	6.3	6.5	6.7	6.9
	5.0	6.3	6.5	6.8	7.1	7.3

Source: Equita SIM estimates

We do not identify proper peers for Racing Force, but we report here below the multiples of companies operating in the military/safety sectors and in performance sport equipment.

RFG AND PEERS MULTIPLES

Company	Curr.	Price	Mkt C. (€ mn)	EV (€ mn)	PERF 12M	EV/EBITDA		EV/EBIT		P/E		EBITDA margin		EBIT margin		ND/ Ebitda
						2025E	2026E	2025E	2026E	2025E	2026E	2025E	2026E	2025E	2026E	2024A
RACING FORCE SPA	EUR	5.0	136	152	15%	13.5x	11.3x	22.1x	17.7x	24.9x	20.3x	16%	17%	10%	11%	1.3x
Military/safety																
MSA Safety	USD	171	5,721	6,110	-5%	15.2x	13.6x	17.5x	15.4x	21.6x	19.5x	25%	26%	22%	23%	1.0x
Gentex	USD	28.9	5,425	5,173	-7%	10.7x	10.0x	12.9x	11.8x	16.3x	14.6x	22%	22%	19%	19%	-0.5x
Avon	GBP	20.4	706	737	63%	15.2x	12.4x	34.6x	19.2x	25.1x	20.8x	18%	20%	8%	13%	0.7x
Ansell	AUD	31.7	2,591	2,974	0%	9.3x	8.5x	11.7x	10.6x	15.6x	14.1x	18%	18%	14%	15%	1.2x
High Performance Sports Equipment																
Shoei	JPY	1,835	564	470	-19%	8.0x	6.5x	9.1x	8.2x	15.2x	13.7x	31%	35%	27%	28%	-1.6x
Acushnet	USD	76.8	3,852	4,448	20%	13.2x	12.8x	17.1x	15.9x	22.2x	21.8x	16%	16%	12%	13%	1.8x
Fox Factory	USD	25.2	900	1,366	-40%	8.3x	6.3x	13.1x	9.5x	14.7x	10.3x	13%	14%	8%	9%	2.8x
Clarus	USD	3.6	119	81	-19%	22.2x	10.1x	n.m.	n.m.	n.m.	n.m.	2%	3%	-8%	-4%	n.m.

Source: Equita SIM estimates and Factset consensus, calendarized data

STATEMENT OF RISKS FOR RACING FORCE

Primary factors that could **negatively impact RFG** include:

- Failure to cope with rapid changes in homologation requirements;
- Disruptive innovations from competitors, mainly in terms of technologies or products performances;
- Reputational damage from product failures or quality leaks;
- Loss of market share in top categories, reducing brands' visibility and cross selling opportunities;
- Sharp increase in logistics and energy costs, not matched by price increases;
- Value disruptive M&A deals;
- Termination of the Bell Licence 1;
- Deterioration in the geopolitical situation affecting market demand

P&L - €mn	2022	2023	2024	2025E	2026E	2027E
SALES Rep	58.9	62.7	65.7	70.3	77.0	82.9
Growth	26.1%	6.4%	4.8%	7.0%	9.7%	7.5%
EBITDA Rep	11.7	9.6	10.1	11.3	13.4	15.0
Growth	47.5%	-17.7%	5.5%	11.9%	18.3%	11.8%
Margin	19.8%	15.3%	15.4%	16.1%	17.4%	18.1%
D&A	-2.8	-3.3	-3.6	-4.4	-4.8	-5.1
EBIT Rep	8.8	6.3	6.5	6.9	8.5	9.8
Growth	59.9%	-28.7%	3.4%	6.6%	23.5%	15.1%
Margin	15.0%	10.0%	9.9%	9.8%	11.1%	11.9%
Net Interest Charges	-0.1	-0.5	0.0	-1.2	-0.4	-0.3
Financial Expenses	-0.1	-0.5	0.0	-1.2	-0.4	-0.3
Non Recurrings	0.0	0.0	0.0	0.0	0.0	0.0
PBT Rep	8.7	5.8	6.5	5.7	8.2	9.5
Growth	66.4%	-33.8%	13.0%	-12.6%	43.8%	16.0%
Income Taxes	-1.2	-1.0	-0.7	-1.0	-1.5	-1.7
Tax rate	-13.4%	-16.9%	-11.0%	-18.0%	-18.0%	-18.0%
Minority Interest	0.0	0.0	0.0	0.0	0.0	0.0
Discontinued Operations	0.0	0.0	0.0	0.0	0.0	0.0
Net Income Rep	7.5	4.8	5.8	4.7	6.7	7.8
Growth	81.2%	-36.5%	21.0%	-19.5%	43.8%	16.0%
Margin	12.8%	7.6%	8.8%	6.6%	8.7%	9.4%
Net Income Adj	7.6	5.1	5.6	5.3	6.7	7.8
Growth	53.5%	-32.4%	10.1%	-5.5%	26.1%	16.0%
Margin	12.9%	8.2%	8.6%	7.6%	8.7%	9.4%

CF Statement	2022	2023	2024	2025E	2026E	2027E
FFO	9.8	7.8	10.1	8.6	11.1	12.5
Chg. in Working Capital	-7.5	-6.8	-2.5	-1.8	-1.2	-0.5
Other chg. in OCF	0.0	0.0	0.0	0.0	0.0	0.0
NCF from Operations	2.3	1.0	7.6	6.8	9.9	12.0
CAPEX	-4.3	-6.2	-9.1	-9.9	-4.9	-5.1
Financial Investments	0.0	0.0	0.0	0.0	0.0	0.0
Other chg in investments	-0.8	-1.3	0.0	-6.1	-0.7	-0.7
NCF from Investments	-5.1	-7.5	-9.1	-16.0	-5.6	-5.8
Dividends paid	-1.7	-2.3	-2.3	-2.5	-2.5	-2.7
Capital Increases	0.0	9.7	7.1	0.0	0.0	0.0
Other changes in financing	0.0	-0.3	0.1	0.0	0.0	0.0
CHG IN NFP	-4.5	0.6	3.4	-11.7	1.9	3.4

Source: Company data and Equita SIM estimates

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Date	Rec.	Target Price	Risk.	Comment
-	-	-	-	-

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