

## EQUITY RESEARCH

## RACING FORCE SPA

NEWS  
Press release

BUY

TP 6.4€

Up/Downside: 50%

## Schussing

Racing Force announced yesterday a strategic partnership with Oakley for the development of the Skier's Eye. This comes on the heels of last week's announcement regarding the receipt of the first order for the new U.S. Air Force helmet, further bolstering the company's newsflow around its diversification projects.

After several months of signaling its intent to expand its micro-camera technology, originally developed for the Driver's Eye, into other sports—particularly skiing—Racing Force officially announced a partnership with the prestigious brand Oakley yesterday to develop the Skier's Eye. Similar to the Driver's Eye, the Skier's Eye will be integrated directly into ski goggles, offering broadcasters a unique angle for ski competition coverage.

As a reminder, the company had already showcased images of a prototype in its latest investor presentation (photo below) and had presented the results of this test to the International Ski Federation. The strategic alignment with Oakley not only underscores the potential of Racing Force's technology but also enhances its reputation in high-performance sports.



This represents another significant milestone for Racing Force in its diversification efforts, following the recent announcement of the new helmet for the U.S. Air Force. Although the press release does not provide a specific timeline, it seems ideal for the Skier's Eye product to be ready for use at the upcoming Winter Olympic Games, scheduled for February 2026 in Italy. While the current focus is on a product intended for TV broadcasting, a B2C version could easily be envisioned if the product proves successful.

We maintain our Buy recommendation on the stock, with a TP of €6.4.

TP ICAP Midcap Estimates	12/23	12/24e	12/25e	12/26e	Valuation Ratio	12/24e	12/25e	12/26e
Sales (m €)	62.7	65.6	70.5	74.8	EV/Sales	1.8	1.7	1.6
Current Op Inc (m €)	6.2	6.1	8.6	8.7	EV/EBITDA	11.4	8.6	7.9
Current op. Margin (%)	9.9	9.3	12.2	11.6	EV/EBIT	19.7	13.7	13.6
EPS (€)	0.18	0.15	0.21	1.00	PE	28.9	20.1	4.3
DPS (€)	0.09	0.06	0.08	0.09	Source: TPICAP Midcap			
Yield (%)	2.1	1.4	2.0	2.0				
FCF (m €)	-5.1	-0.4	5.6	2.4				

## Key data

Price (€)	4.3
Industry	Protective Equipment
Ticker	ALRFG-FR
Shares Out (m)	25.699
Market Cap (m €)	109.5
Next event	H1 Results - 9/25

Source: FactSet

## Ownership (%)

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

Source: TPICAP Midcap estimates

EPS (€)	12/24e	12/25e	12/26e
Estimates	0.15	0.21	1.00
Change vs previous estimates (%)	0.00	0.00	0.00

Source: TPICAP Midcap estimates

Performance (%)	1D	1M	YTD
Price Perf	3.6	2.7	-17.8
Rel FTSE Italy	3.1	-0.1	-28.0



Source: FactSet

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**FINANCIAL DATA**

<b>Income Statement</b>	<b>12/21</b>	<b>12/22</b>	<b>12/23</b>	<b>12/24e</b>	<b>12/25e</b>	<b>12/26e</b>
Sales	46.7	58.8	62.7	65.6	70.5	74.8
Changes (%)	38.4	25.9	6.6	4.6	7.5	6.2
Gross profit	27.2	36.8	38.7	40.7	44.5	47.3
% of Sales	58.3	62.6	61.7	62.0	63.1	63.2
<b>EBITDA</b>	<b>7.9</b>	<b>11.7</b>	<b>9.6</b>	<b>10.6</b>	<b>13.7</b>	<b>14.9</b>
% of Sales	16.9	19.8	15.4	16.2	19.4	19.9
<b>Current operating profit</b>	<b>5.5</b>	<b>8.8</b>	<b>6.2</b>	<b>6.1</b>	<b>8.6</b>	<b>8.7</b>
% of Sales	11.8	15.0	9.9	9.3	12.2	11.6
EBIT	5.5	8.8	6.2	6.1	8.6	8.7
Net financial result	-0.3	-0.1	-0.5	-0.5	-0.5	-0.5
Income Tax	-1.1	-1.2	-1.0	-1.6	-2.2	-2.3
Tax rate (%)	20.4	13.4	27.9	27.9	27.9	27.9
<b>Net profit, group share</b>	<b>4.2</b>	<b>7.5</b>	<b>4.7</b>	<b>4.0</b>	<b>5.8</b>	<b>5.9</b>
EPS	0.18	0.32	0.18	0.15	0.21	1.00
<b>Financial Statement</b>	<b>12/21</b>	<b>12/22</b>	<b>12/23</b>	<b>12/24e</b>	<b>12/25e</b>	<b>12/26e</b>
Goodwill	5.7	6.2	6.2	6.2	6.2	6.2
Tangible and intangible assets	13.1	15.5	19.4	25.1	27.2	31.1
Right of Use	2.4	3.1	3.7	3.7	3.7	3.7
Financial assets	0.4	0.3	0.8	0.8	0.8	0.8
Working capital	12.5	19.8	26.9	26.2	25.1	26.6
Other Assets	0.7	0.6	0.6	0.6	0.6	0.6
<b>Assets</b>	<b>34.7</b>	<b>45.6</b>	<b>57.6</b>	<b>62.7</b>	<b>63.7</b>	<b>69.0</b>
Shareholders equity group	29.9	36.5	48.5	50.1	54.3	58.0
Minorities	0.0	0.0	0.0	0.0	0.0	0.0
LT & ST provisions and others	1.2	1.3	1.5	1.5	1.5	1.5
Net debt	3.5	7.8	7.6	11.1	7.9	8.5
Other liabilities	0.1	0.0	0.0	0.0	0.0	1.0
<b>Liabilities</b>	<b>34.7</b>	<b>45.6</b>	<b>57.6</b>	<b>62.7</b>	<b>63.7</b>	<b>69.0</b>
Net debt excl. IFRS 16	1.0	4.5	3.7	7.3	4.0	4.7
Gearing net	0.1	0.2	0.2	0.2	0.1	0.1
Leverage	0.4	0.7	0.8	1.0	0.6	0.6
<b>Cash flow statement</b>	<b>12/21</b>	<b>12/22</b>	<b>12/23</b>	<b>12/24e</b>	<b>12/25e</b>	<b>12/26e</b>
CF after elimination of net borrowing costs and taxes	6.7	11.1	8.1	8.5	10.9	12.1
$\Delta$ WCR	-2.2	-8.0	-7.0	0.6	1.1	-1.5
Operating cash flow	4.5	3.2	1.1	9.2	12.0	10.7
Net capex	-5.3	-4.5	-6.2	-9.5	-6.5	-8.2
FCF	-0.8	-1.4	-5.1	-0.4	5.6	2.4
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	-2.5	-4.4	-4.5	0.0	0.0	0.0
Dividends paid	-1.3	-1.7	-2.3	-2.5	-1.6	-2.3
Repayment of leasing debt	-0.3	-0.7	-0.7	-0.7	-0.7	-0.7
Equity Transaction	18.8	0.0	9.7	0.0	0.0	0.0
Others	-0.4	0.1	-0.2	0.0	0.0	0.0
Change in net cash over the year	13.5	-8.1	-3.1	-3.6	3.2	-0.6
ROA (%)	6.4%	10.7%	6.0%	5.0%	6.7%	6.4%
ROE (%)	13.9%	20.7%	9.7%	8.1%	10.7%	10.2%
ROCE (%)	12.8%	16.8%	9.1%	7.3%	9.9%	9.3%

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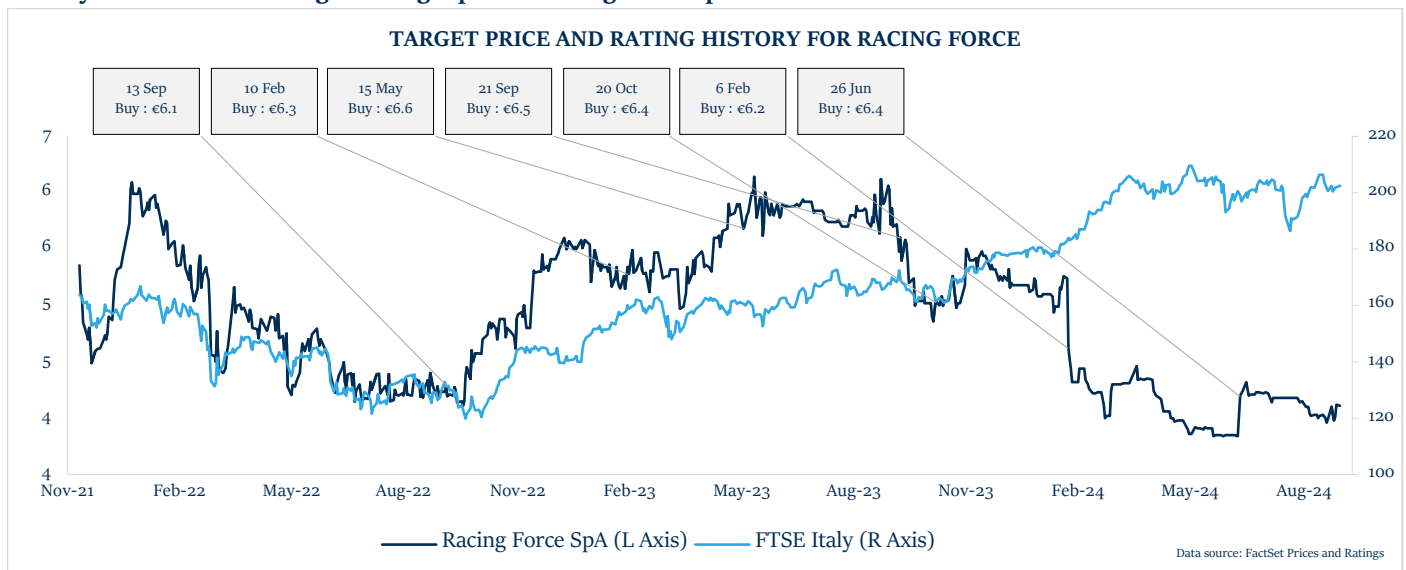
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### History of investment rating and target price – Racing Force SpA



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Rating	Recommendation Universe*	Portion of these provided with investment banking services**
Buy	81%	65%
Hold	16%	72%
Sell	2%	0%
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.

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