

Porto Aviation Group

Consumer Goods

Growth Takes Time, Potential Remains

Porto Aviation Group (“Porto”, “PAG”) is establishing itself as one of the most innovative players in the design, engineering and manufacturing of high-performance lightweight aircraft and propellers, that boast a wide variety of possible utilizations.

1H26: 10 Aircraft Delivered, with VoP and Margins Soften YoY

PAG 1H26 results recorded VoP and operating profitability down YoY despite higher deliveries. Key 1H26 financials are:

- Revenues from Sales at €3.2mn, up 14.2% YoY, supported by the delivery of 10 aircraft during the semester (vs. 7 in 1H25);
- VoP at €2.9mn, -6.8% YoY (vs. €3.1mn in 1H25), due to €394k negative change in Inventories, compared with a €177k positive contribution in 1H25;
- EBITDA at €370k, -11.7% YoY, with EBITDA Margin at 12.9% on VoP (-72bps YoY). EBIT came in at €200k, -25.9% YoY, with EBIT Margin at 6.9% (-181bps YoY). Net Profit was €125k, -12.2% YoY;
- Net Cash stable vs. end-2025 at €1.1mn, with €2.9mn cash on the balance sheet and 33k treasury shares worth around €300k at current market price.

PAG reported an end-June '26 backlog of 14 aircraft (vs 20 in FY25), implying an order intake of 4 units in the semester.

Investment Case Intact, Ramping Up Production Capacity

Although the ramp-up is proving slower than expected, our investment case remains unchanged, and we continue to assume first deliveries of the 4-seat platform in FY28E, as in our April update. In the meantime, the Group is building the capacity needed for its next growth phase. In Nevada, a cash deposit has been paid on a hangar, and while timing is not yet defined, we factor in a €600k investment in FY27E. In Serbia, the Company has acquired land and is about to purchase its own facility to support the 4-seater, with ~€400k capex over FY27E–FY28E. In Italy, the Voghera hangar will host flight testing and maintenance. On this basis, by FY28E we expect VoP of ~€13.4mn, EBITDA and EBIT Margins of 22.8% and 19.2%, and Net Cash of €1.2mn after €2.4mn of cumulated FY26E–28E capex, with further upside should the ~€1m Patent Box benefit, expected by February 2027, be secured. Our estimates exclude any potential defence or institutional business, although the US Navy order hints at possible dual-use positioning.

FV p/s Downwards at €9.2 (from €10.4)

We lower PAG’s Fair Equity Value to €9.2 p/s, from €10.4 p/s in our April update, as rolling our valuation forward to FY27E coincides with the cut in our FY27E EBITDA estimate, from €3.1m to €1.8m, only partially offset by higher sector multiples. At our FV, the stock would trade at 11.4x EV/EBITDA, 15.2x EV/EBIT and 29.0x Adj. P/E on FY27E.

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FAIR VALUE (€) **9.2**

MARKET PRICE (€) **9.1**

MARKET CAP (€mn) **21.7**

KEY FINANCIALS	FY25	FY26E	FY27E
VALUE OF PRODUCTION	6.0	7.5	9.7
EBITDA	1.1	1.3	1.8
EBIT	0.8	0.9	1.4
NET PROFIT	0.5	0.4	0.8
GROUP NET EQUITY	3.7	3.9	4.4
NET DEBT (-) / NET CASH (+)	1.1	1.1	0.5
EPS ADJ.	0.2	0.2	0.3
DPS	0.1	0.1	0.1

Source: PAG (historical figures), Value Track (estimates)

RATIOS AND MULTIPLES	FY25	FY26E	FY27E
EBITDA MARGIN (%)	19.1	17.2	19.1
EBIT MARGIN (%)	13.7	11.7	14.3
NET DEBT / EBITDA (x)	nm	nm	nm
NET DEBT / NET EQUITY (x)	0.0	0.0	0.0
ROE (%)	14.3	10.5	17.3
EV / SALES (x)	3.4	2.7	2.2
EV / EBITDA (x)	17.9	15.8	11.3
EV / EBIT (x)	25.0	23.2	15.1
P / E ADJ. (x)	40.9	53.7	28.7

Source: PAG (historical figures), Value Track (estimates)

STOCK DATA	
MARKET PRICE (€)	9.1
NOSH (mn)	2.4
MARKET CAP (€mn)	21.7
ENTERPRISE VALUE FY26E (€mn)	20.3
FREE FLOAT (%)	15.2
AVG L30D VOLUME	477
RIC / BBG	PAG.MI / PAG.IM
52 WK MAX - MIN (€)	12.10-4.74

Source: Stock Market Data

EQUITY RESEARCH PRODUCED ON BEHALF OF MIT SIM ACTING AS SPECIALIST ON PORTO AVIATION GROUP SHARES

Description

Porto Aviation Group is an Italian company that engineers, manufactures, and commercializes high-performance lightweight aircrafts, and propellers. Porto also provides post-sales services, including maintenance / optimization, for aircraft sold up to ca. 5yy prior. With more than 60 aircrafts currently in operation worldwide, the company is known for its nearly full in-house production process and its ambition to rival top sport leisure aircraft manufacturers, attracting an elite clientele. Porto has facilities in Italy (Cremella, Rivanazzano Terme), Serbia (Vršac), and US (Nephi, Utah).

Financial Highlights

KEY FINANCIALS (IT GAAP, €mn)	FY25	FY26E	FY27E	FY28E
Value of Production	6.0	7.5	9.7	13.4
YoY (%)	22.2%	25.6%	29.3%	38.5%
EBITDA	1.1	1.3	1.8	3.0
EBITDA Margin (% on VoP)	19.1%	17.2%	19.1%	22.8%
EBIT	0.8	0.9	1.4	2.6
EBIT Margin (% on VoP)	13.7%	11.7%	14.3%	19.2%
Net Profit	0.5	0.4	0.8	1.6
YoY (%)	nm	-23.8%	87.2%	nm
Adj. Net Profit	0.5	0.4	0.8	1.6
YoY (%)	nm	-23.8%	87.2%	nm
Net Fin. Position [Net Debt (-) / Cash(+)]	1.1	1.1	0.5	1.2
Net. Fin. Pos. / EBITDA (x)	nm	nm	nm	nm
Capex	-0.4	-0.5	-1.1	-0.8
OpFCF b.t.	0.4	1.0	0.3	2.0
OpFCF b.t. / EBITDA (%)	38.4%	75.6%	17.5%	65.7%

Source: PAG, Value Track Analysis

Investment Case

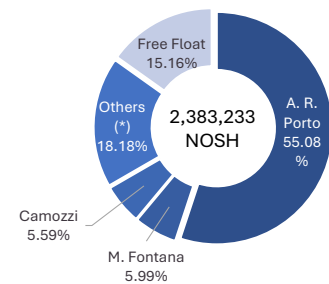
Strengths / Opportunities

- Predominantly “self-sufficient” business model
- Highly skilled Top Management with extensive experience
- Ever increasing reference market, expected to grow at double-digit rate
- Possible “dual use” utilization of PAG aircrafts, in leisure and defense related applications

Weaknesses / Risks

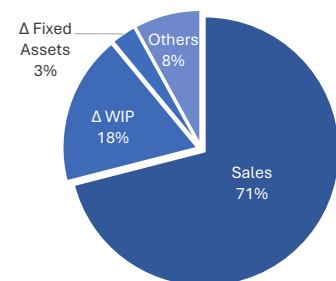
- Supply chain rather challenging, i.e., some aircraft’s components sourced from the US
- Low level of business industrialization

SHAREHOLDER STRUCTURE



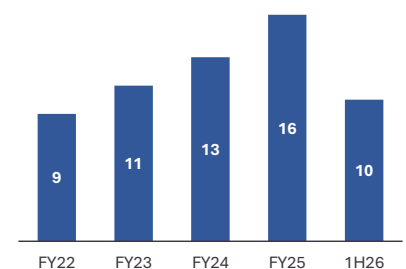
Source: PAG; (*) Sub-5% shareholders subject to Lock-Up Agreements

VoP BREAKDOWN



Source: PAG, FY25

NUMBER OF AIRCRAFTS DELIVERED



Source: PAG

STOCK MULTIPLES @ FV	FY26E	FY27E
EV / SALES (x)	2.7	2.2
EV / EBITDA (x)	15.9	11.4
EV / EBIT (x)	23.4	15.2
EV / CAP. EMPLOYED	7.3	5.5
OpFCF Yield (%)	4.6	1.3
P / E (x)	54.3	29.0
P / BV (x)	5.7	5.0
Dividend Yield (%)	1.1	1.3

Source: Value Track Analysis

1H26 Financials

2026 featured three key corporate and strategic developments:

- In February 2026, PAG signed a **preliminary agreement to acquire an aircraft hangar at Boulder City Airport (BVU), Nevada**, marking a further step in the Group's international expansion and strengthening its operational footprint in the North American market;
- PAG continued to enhance its international market visibility, building on its participation in leading industry events such as **AERO Friedrichshafen** and **EAA AirVenture Oshkosh**, and further consolidating its presence in the global general aviation market;
- On 13 May 2026, the Company paid its **FY25 ordinary dividend of €0.085 p/s**, corresponding to a total distribution of around €199.8k.

1H26 Results

1H26 results were somewhat soft, with revenues and operating profitability declining YoY. While a direct comparison with our estimates is not meaningful given their full-year basis, the 1H26 run-rate appears somewhat below that implied by our FY26 forecasts, suggesting a more back-end-loaded year. Particularly, we flag:

- **VoP** stood at **€2.9mn**, down 6.8% YoY from €3.1mn in 1H25, supported by **10 aircraft delivered** during this semester (vs 7 in 1H25);
- **EBITDA** came in at **€370k**, down 11.7% YoY, with the EBITDA Margin at 13% vs 14% in 1H25 (-72bps YoY), and **EBIT** amounted to **€200k**, down 25.9% YoY, with margin declining 181bps YoY;
- **Net Profit** stood at **€125k**, down 12.2% YoY, broadly reflecting the softer operating performance;
- **Net Cash** was at **€1.1mn** and €2.9mn of cash on hand at end-1H26; in addition, the Company holds 33k treasury shares, currently worth roughly €300k at market prices.

PAG also disclosed its **1H26 backlog of 14 aircraft**, down from 20 at FY25 year-end. Order intake amounted to 4 aircraft during the semester, coming in below our expectations and pointing to softer-than-anticipated new order momentum in 1H26.

PAG: Key Financials 1H23-1H26

(€mn)	1H23	1H24	1H25	1H26	Chg. %	FY26E (*)	2H26E
Value of Production	1.9	1.8	3.1	2.9	-6.8%	9.2	6.3
EBITDA	0.7	-0.4	0.4	0.4	-11.7%	2.0	1.6
EBITDA Margin (% on VoP)	36%	<0	14%	13%	-72bps	22%	26%
EBIT	0.6	-0.6	0.3	0.2	-25.9%	1.6	1.4
EBIT Margin (% on VoP)	31%	<0	9%	7%	-181bps	17%	22%
Net Profit	0.4	-0.7	0.1	0.1	-12.2%	1.1	0.9
NFP [i.e. Net Debt (-) Cash (+)]	0.4	0.5	1.1	1.1	0.1	1.1	1.1

Source: PAG, Value Track Analysis; (*) VT Old Estimates as of 15th April 2026

Key takeaways include:

1. **1H26 Sales up 14% YoY, with VoP reflecting inventory normalization;**
2. **EBITDA down 12% YoY, yet margin broadly resilient at 13%;**
3. **Δ NWC drives cash generation, with Net Cash stable at €1.1mn**

1H26 Sales up 14% YoY, with VoP reflecting inventory normalization

1H26 Revenues from Sales reached €3.2mn, up 14.2% YoY from €2.8mn in 1H25, supported by the **delivery of 10 aircraft** during the semester, while Value of Production declined by 6.8% YoY to €2.9mn. The divergence mainly reflected a €394k negative change in inventories, compared with a €177k positive contribution in 1H25, as well as the absence of capitalized internal works, which contributed €98k in the prior-year period. This was partly offset by Other Revenues increasing to €70k, from €9k in 1H25.

On the **4-seater**, the prototype is already flying and the production aircraft is being built, with an unveiling possibly next year. Timing depends on permits outside management's control, with **a couple of deliveries potentially in 2028**, supported by the new Serbian plant. We continue to see it as the **key medium-term growth driver**, with potential for a meaningful step-up in ASPs and profitability.

PAG: Backlog and Aircrafts Delivered

(#)	FY24	FY25	1H26
Backlog (BoP)	14	18	20
(+) Orders Intake	17	13	4
(-) Orders Delivered	13	11	10
Backlog (EoP)	18	20	14

Source: PAG, Value Track Analysis

EBITDA down 12% YoY, yet margin broadly resilient at 13%

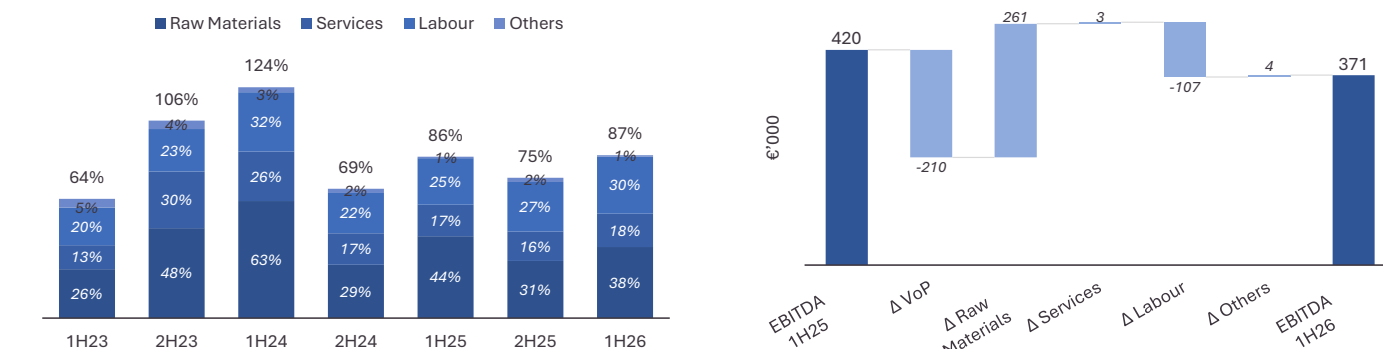
EBITDA came in at €370k, down 12% YoY from €420k in 1H25, with **EBITDA Margin at 12.9%** vs. 13.6% in 1H25. Despite the softer VoP, profitability remained relatively resilient, supported by lower raw material costs and a lower incidence of third-party goods, partly offset by higher personnel costs.

On the cost side, we note the following:

- Personnel costs increased by €107k YoY to €876k (+14% YoY), with avg. headcount at 31 employees. Their incidence on VoP increased to 30.5%, from 24.9% in 1H25;
- Services costs remained broadly stable YoY at €514k;
- Raw material and consumables costs (including Δ Inventory) declined YoY to €1.1mn, with their incidence on VoP falling to 38.0%, from 43.8% in 1H25;
- Costs for third-party goods also declined to 0.4% of VoP, from 0.8% in 1H25.

Below EBITDA, **D&A increased to €169k** from €148k in 1H25, bringing **EBIT to €202k**, down 26% YoY from €272k. **Net Profit stood at €126k**, down 12% YoY from €144k, impacted by a slightly positive net financial result of €3k – compared with a €48k expense in 1H25, as the prior-year period had been impacted by €69k of FX losses – and by €78k taxes.

PAG: Costs Structure and EBITDA Bridge 1H26



Source: PAG, Value Track Analysis

PAG: P&L 1H23 to 1H26

(€mn)	1H23	1H24	1H25	1H26	Chg. %
Revenues from Sales	1.5	1.4	2.8	3.2	14.2%
Δ WIP and Finished Goods	-0.2	0.4	0.2	-0.4	nm
Other Revenues	0.6	0.1	0.0	0.1	nm
Δ Fixed Assets	0.0	0.0	0.1	0.0	nm
Value of Production	1.9	1.8	3.1	2.9	-6.8%
Raw Materials Costs	-0.8	-1.3	-1.5	-1.2	-22.5%
Δ Inventory (Raw Materials)	0.3	0.1	0.2	0.1	-48.7%
Gross Profit	1.4	0.7	1.7	1.8	2.9%
<i>Gross Margin (%)</i>	<i>74%</i>	<i>37%</i>	<i>56%</i>	<i>62%</i>	<i>587bps</i>
Costs of Services	-0.2	-0.5	-0.5	-0.5	-0.6%
Costs of Rent & Others	-0.1	0.0	0.0	0.0	-15.4%
Labour Costs	-0.4	-0.6	-0.8	-0.9	13.9%
EBITDA	0.7	-0.4	0.4	0.4	-11.7%
<i>EBITDA Margin (% on VoP)</i>	<i>36%</i>	<i><0</i>	<i>14%</i>	<i>13%</i>	<i>-72bps</i>
D&A	-0.1	-0.1	-0.1	-0.2	14.3%
EBIT	0.6	-0.6	0.3	0.2	-25.9%
<i>EBIT Margin (% on VoP)</i>	<i>31%</i>	<i><0</i>	<i>9%</i>	<i>7%</i>	<i>-181bps</i>
Interest Expenses / Other Non-Op. Items	0.0	0.0	0.0	0.0	nm
Pre-Tax Profit	0.6	-0.5	0.2	0.2	-8.8%
Taxes	-0.2	-0.1	-0.1	-0.1	-2.8%
Net Profit	0.4	-0.7	0.1	0.1	-12.2%

Source: PAG, Value Track Analysis

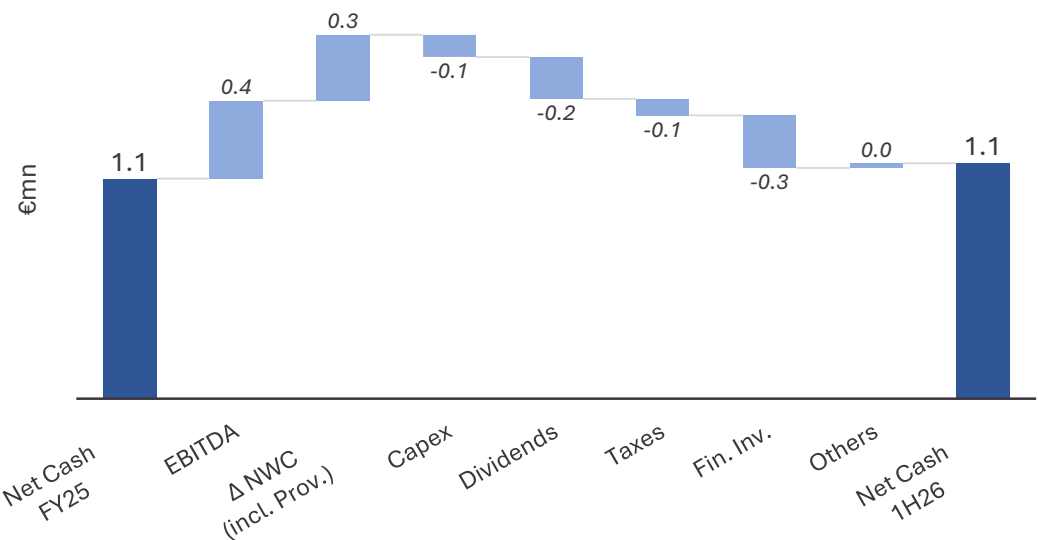
Δ NWC drives cash generation, Net Cash stable at €1.1mn

As for the Balance Sheet / Cash Flow Statement, we note:

- Tangible and intangible investments amounted to slightly more than €100k, o/w €56k of intangible investments (related to extraordinary maintenance works on the leased Rivanazzano facility) and €51k of tangible capex. Also, financial investments increased by €250k following the subscription of a life insurance policy under which the Company itself is the beneficiary in the event of a payout;
- Net Working Capital declined to €1.3mn, from €1.6mn at FY25 year-end, mainly driven by the reduction in inventories, which declined by €270k to €3.3mn, together with higher trade payables (from €390k to €535k), partly offset by higher receivables (from €430k to €465k) and lower other payables, with confirmatory deposits decreasing from €1.6mn to €1.2mn.

Thus, **OpFCF b.t.** (defined as EBITDA adj. - Tangible and Intangible Capex ± ΔNWC ± Δ Provisions) came in at **€580k**, supported by the positive contribution from NWC. After around €200k of dividends, taxes and other cash outflows, **Net Cash remained broadly stable at €1.1mn** compared with FY25 year-end.

Note that PAG holds cash available at €2.9mn, to be likely devoted to support business operations.

PAG: Cash Flow 1H26


Source: PAG, Value Track Analysis

PAG: Balance Sheet from FY23 to 1H26

(€mn)	FY23	FY24	1H25	FY25	1H26
Inventories	1.6	2.1	2.4	3.6	3.3
Trade Receivables	0.3	0.1	0.4	0.4	0.5
Other Current Assets	0.5	0.5	0.1	0.0	0.0
Trade Payables	0.3	0.4	0.5	0.4	0.5
Other Payables	1.0	1.1	1.3	2.0	1.9
Net Working Capital	1.1	1.2	1.1	1.6	1.3
Tangibles & Intangibles	1.4	1.2	1.3	1.2	1.2
Financial Assets	0.1	0.1	0.1	0.1	0.4
Net Fixed Assets	1.5	1.3	1.4	1.3	1.5
Provisions	0.2	0.2	0.3	0.3	0.3
Total Capital Employed	2.5	2.3	2.3	2.7	2.5
Group Net Equity	3.2	3.3	3.3	3.7	3.7
NFP [i.e. Net Debt (-) / Cash (+)]	0.7	1.1	1.1	1.1	1.1

Source: PAG, Value Track Analysis

PAG: Net Financial Position Structure from FY23 to 1H26

(€mn)	FY23	FY24	1H25	FY25	1H26
Cash and Deposits (+)	0.8	2.1	2.0	2.9	2.9
Debt to Banks within 12 months (-) & Others	0.0	0.0	-0.1	-0.3	-0.3
Current Net Financial Position	0.7	2.0	1.9	2.6	2.6
Long term financial credits (+)	1.0	0.5	0.5	0.0	0.0
Debt to Banks over 12 months (-)	-0.1	-0.1	0.0	0.0	0.0
Debt to Parent Co. / Other Sh.holders	-0.9	-1.4	-1.3	-1.5	-1.5
Non-Current Financial Position	0.0	-1.0	-0.8	-1.5	-1.5
Net Fin. Position [Net debt (-) / Cash (+)]	0.7	1.1	1.1	1.1	1.1

Source: PAG, Value Track Analysis

Estimates cut from FY26E onwards

While **we are fine-tuning our FY26E onwards forecasts**, our investment case remains unchanged. Growth is proving slower than we expected, as increasing production capacity is not straightforward and requires the gradual integration of new resources. We therefore lower FY26E, now assuming 8 deliveries in 2H (vs 12 previously), with margins between FY24 and FY25 levels and NFP broadly flat, though flattish vs FY25.

While 1H26 order intake was soft (4 units), management indicated that commercial momentum has been improving since, with order intake picking up again after a difficult period. As for the US order of 14+1 aircraft, 10 units have already been delivered, while the remaining 5 are still to be delivered, 4 of which are already in production.

Looking further ahead, we confirm our expectation of first deliveries of the 4-seat platform in FY28E, unchanged vs our April update, with a couple of units potentially delivered that year. The prototype is already flying and the production aircraft is being built, ahead of an unveiling that could take place next year, although timing remains dependent on permits outside management's control. Our estimates also exclude a potential ~€1m Patent Box benefit, which the Company expects to obtain by February 2027, after delivering the required rendering models by year-end.

To support the next production ramp-up, the Group is expanding its industrial footprint. In Serbia, it has acquired land (~€100k) and is about to purchase its own facility dedicated to the 4-seater programme, with ~€400k capex over FY27E–FY28E. In the US, a deposit has been paid on a hangar in Las Vegas. While timing is not yet defined, we factor in a €600k investment in FY27E. In Italy, the Voghera hangar will host flight testing and maintenance, whereas a further production site is still only being considered, given the limited availability of suitable airports. Headcount should grow accordingly, from 33 people today (25 of them in production), with 3 additions by year-end and a workforce that could broadly double by FY28E.

Finally, we remind that the Company will begin repaying the “808” funding in October, with ~€250k due annually.

PAG: New vs. Old estimates

€mn	FY26E			FY27E			FY28E		
	Old	New	Change	Old	New	Change	Old	New	Change
Aircrafts Delivered	22	18	-4	32	23	-9	44	32	-12
<i>o/w 2-seats Risen</i>	22	18	-4	32	23	-9	42	30	-12
<i>4-seats Risen</i>	0	0	0	0	0	0	2	2	0
Value of Production (*)	9.2	7.5	-18.3%	12.8	9.7	-24.4%	17.3	13.4	-22.8%
EBITDA	2.0	1.3	-35.8%	3.1	1.8	-40.6%	3.7	3.0	-18.8%
<i>EBITDA Margin (% of VoP)</i>	22.0%	17.2%	-471bps	24.4%	19.1%	-524bps	21.6%	22.8%	113bps
<i>D&A</i>	-0.4	-0.4	0.0%	-0.5	-0.5	-9.7%	-0.6	-0.5	-17.3%
EBIT	1.6	0.9	-45.1%	2.6	1.4	-46.8%	3.2	2.6	-19.1%
<i>EBIT Margin (% of VoP)</i>	17.5%	11.7%	-572bps	20.3%	14.3%	-603bps	18.3%	19.2%	89bps
Pre tax profit	1.6	0.7	-57.0%	2.3	1.2	-49.4%	2.9	2.3	-18.4%
Net profit	1.1	0.4	-61.6%	1.6	0.8	-51.8%	1.9	1.6	-18.2%
Net Financial Position	1.1	1.1	-0.1	0.3	0.5	0.2	0.5	1.2	0.7

Source: Value Track Analysis, (*) Counting Revenue from Sales, Δ Inventory (including WIP) and Other Revenues

Our new FY26E-28E forecasts can be summarized as follows:

- Value of Production expected to move from €7.5mn in FY26E to around €13.4mn at the end of the forecasted period (30% CAGR_{25A-28E});
- Operating profitability remaining strong over the next three years with EBITDA and EBIT Margin expected respectively at 22.8% and 19.2% by FY28E;
- Net Cash Position stands at almost flat at €1.2mn by FY28E year-end.

PAG: P&L 2025A-28E P&L Forecasts

(€mn)	FY25	FY26E	FY27E	FY28E
Revenues from Sales	4.2	5.6	7.4	11.2
Δ WIP and Finished Goods	1.1	0.8	1.2	1.1
Other Revenues	0.5	0.7	0.7	0.7
Δ Fixed Assets	0.2	0.4	0.4	0.4
Value of Production	6.0	7.5	9.7	13.4
Raw Materials Costs & Δ Inventory	-2.3	-3.1	-3.9	-5.4
Gross Profit	3.7	4.4	5.8	8.0
Costs of Services	-1.0	-1.3	-1.7	-2.4
Costs of Rent & Others	-0.1	-0.1	-0.3	-0.3
Labour Costs	-1.5	-1.7	-2.0	-2.3
EBITDA	1.1	1.3	1.8	3.0
<i>EBITDA Margin (% on VoP)</i>	<i>19%</i>	<i>17%</i>	<i>19%</i>	<i>23%</i>
D&A	-0.3	-0.4	-0.5	-0.5
EBIT	0.8	0.9	1.4	2.6
<i>EBIT Margin (% on VoP)</i>	<i>14%</i>	<i>12%</i>	<i>14%</i>	<i>19%</i>
Interest Expenses / Other Non-Op. Items	0.0	-0.2	-0.2	-0.2
Pre-Tax Profit	0.8	0.7	1.2	2.3
Taxes	-0.2	-0.3	-0.4	-0.8
Net Profit	0.5	0.4	0.8	1.6

Source: PAG, Value Track Analysis

PAG: 2025A-28E Balance Sheet

(€mn)	FY25	FY26E	FY27E	FY28E
Net Fixed Assets	1.3	1.7	2.3	2.6
Net Working Capital	1.6	1.5	1.9	2.2
Provisions	0.3	0.3	0.4	0.4
Total Capital Employed	2.7	2.8	3.9	4.4
Group Net Equity	3.7	3.9	4.4	5.7
NFP [i.e. Net Debt (-) Cash (+)]	1.1	1.1	0.5	1.2

Source: PAG, Value Track Analysis

PAG: 2025A-28E Cash Flow Statement

(€mn)	FY25	FY26E	FY27E	FY28E
EBITDA	1.1	1.3	1.8	3.0
Δ NWC & Provisions	-0.3	0.2	-0.4	-0.2
Capex	-0.4	-0.5	-1.1	-0.8
OpFCF b.t.	0.4	1.0	0.3	2.0
<i>As a % of EBITDA</i>	<i>38%</i>	<i>76%</i>	<i>17%</i>	<i>66%</i>
Cash Taxes	-0.2	-0.3	-0.4	-0.8
OpFCF a.t.	0.2	0.7	-0.1	1.2
Others (incl. Financial Inv.)	0.0	-0.3	0.0	0.0
Dividends Paid	-0.1	-0.2	-0.2	-0.3
Net Financial Charges	0.0	-0.2	-0.2	-0.2
Δ Net Financial Position	0.0	0.0	-0.5	0.7

Source: PAG, Value Track Analysis

Valuation Update

Fair Value down to €9.2 p/s

We lower PAG's Fair Equity Value to €9.2 p/s, from €10.4 p/s in our April update, as rolling our valuation forward to FY27E coincides with a cut in our FY27E EBITDA estimate, from €3.1m to €1.8m, only partially offset by higher sector multiples.

PAG is approaching a key phase in the rollout of its industrial plan, with production expansion in Serbia and the US set to be the main value drivers over the next few years. While the opportunity remains significant, we believe this stage still calls for a valuation grounded primarily in peer analysis, rather than in methodologies that rely more heavily on longer-term assumptions.

We therefore confirm our predominantly qualitative, step-by-step framework, which places greater emphasis on relative valuation across four sector clusters: Aircraft Manufacturers, Yacht Builders, Luxury Car OEMs and Aerospace & Defence. Together, these panels imply a pooled FY2 EV/EBITDA multiple of 11.4x, which we apply to PAG's FY2 (FY27E) EBITDA on normalized NFP. Conversely, we continue to see limited relevance in assigning significant weight to DCF or Valuation @ Maturity until there is clearer evidence of the Company's ability to turn its expansion plan into tangible operating and financial results.

On this basis, we derive a fair value of €9.2 p/s at FY27E, at which the stock would trade at **11.4x EV/EBITDA**, **15.2x EV/EBIT** and **29.9x Adj. P/E**.

The table below shows how key trading multiples change at different fair value levels.

PAG: Multiples Sensitivity at Various Stock Price Levels

Fair Equity Value p/s (€)	EV/Sales (x)		EV/EBITDA (x)		EV/EBIT (x)		P/E Adj. (x)	
	FY26E	FY27E	FY26E	FY27E	FY26E	FY27E	FY26E	FY27E
7.20	2.1	1.7	12.2	8.8	18.0	11.8	31.7	23.4
7.70	2.3	1.8	13.2	9.4	19.3	12.6	33.9	25.0
8.20	2.4	1.9	14.1	10.1	20.7	13.5	36.1	26.6
8.70	2.6	2.1	15.0	10.7	22.1	14.3	38.3	28.3
9.20	2.7	2.2	15.9	11.4	23.4	15.2	54.3	29.0
9.70	2.9	2.3	16.9	12.0	24.8	16.1	42.8	31.5
10.20	3.1	2.4	17.8	12.7	26.1	16.9	45.0	33.1
10.70	3.2	2.5	18.7	13.3	27.5	17.8	47.2	34.7
11.20	3.4	2.7	19.6	14.0	28.8	18.7	49.4	36.4

Source: Value Track Analysis

Peers Analysis

We continue to adopt **Peers Analysis as a core valuation pillar for PAG**, based on four clusters: Aircraft Manufacturers, Yacht Builders, Luxury Car OEMs and Aerospace & Defence. The latter includes Officina Stellare (aerospace technology across optics, space and mission-critical applications), Leonardo (global aerospace, defence and security group) and Avio (space propulsion and launch systems).

We include Aerospace & Defence because of the US Navy order. While the order does not change PAG's reported business perimeter, it suggests a potential opening toward military end-markets. We do not regard PAG as a defence company, nor is defence exposure embedded in management guidance. Rather, we see the order as an early signal of possible adjacency to dual-use and institutional applications.

Stock Market Multiples Benchmark

The whole panel of peers trades on average at **11.4x EV/EBITDA**, **19.1x EV/EBIT** and **19.7x Adj. P/E** on FY27E. In particular, we flag that:

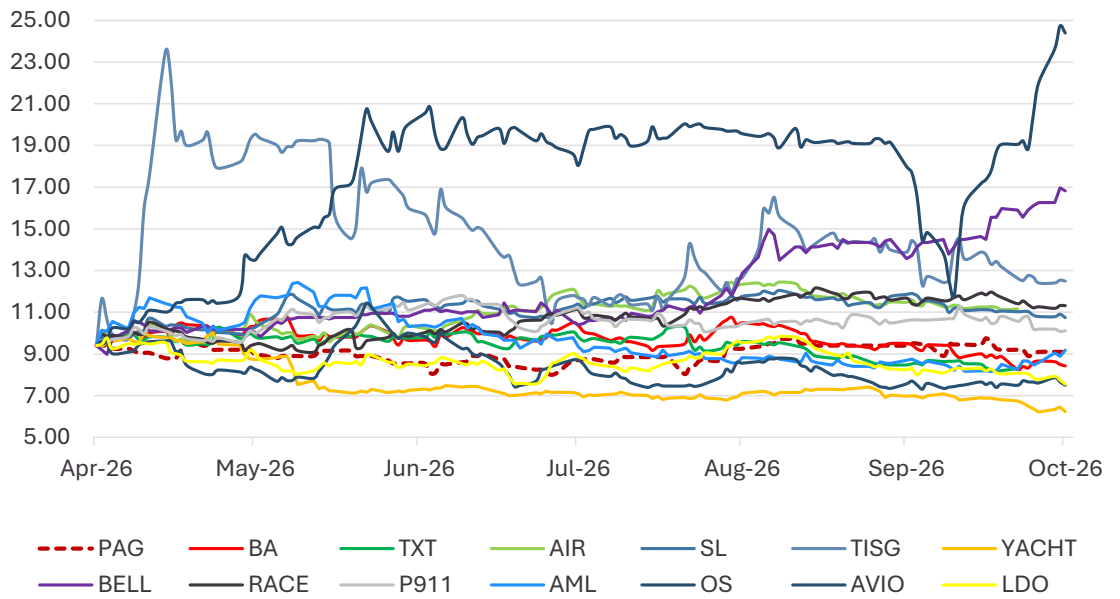
- **Aerospace & Defence** and **Aircraft Manufacturers** show the most demanding multiples, at an average of 18.2x and 13.2x on EV/EBITDA FY27E, respectively;
- **Yacht Builders** trade at a significant discount to all the other clusters, at an average of 4.4x EV/EBITDA FY27E;
- **Luxury Car Manufacturers** trade at 12.0x EV/EBITDA FY27E, although the gap with the 7.0x median points to wide dispersion within the cluster.

PAG: Peers Trading Multiples (*)

Peers	EV/EBITDA (x)		EV/EBIT (x)		P/E Adj. (x)	
	FY26E	FY27E	FY26E	FY27E	FY26E	FY27E
Aircraft Manufacturers						
Average	21.1	13.2	13.8	17.9	18.5	24.6
Median	12.6	10.8	13.8	14.9	18.5	21.8
Yacht Builders						
Average	5.7	4.4	7.9	6.0	10.8	9.2
Median	6.4	4.0	8.3	5.9	11.2	10.4
Luxury Car Manufacturers						
Average	13.2	12.0	26.5	24.1	32.1	29.8
Median	7.4	7.0	26.5	24.1	32.1	29.8
Aerospace & Defence						
Average	27.7	18.2	13.6	35.5	20.0	16.4
Median	27.1	18.2	13.6	35.5	20.0	16.4
Total Average	16.9	11.4	14.7	19.1	19.2	19.7
Total Median	8.6	7.3	11.7	12.9	15.8	16.4
PAG	15.8	11.3	23.2	15.1	>50	28.7
<i>Discount / Premium vs. Total Avg.. (%)</i>	-7%	-1%	57%	-21%	<i>nm</i>	46%
<i>Discount / Premium vs. Total Median. (%)</i>	83%	54%	98%	17%	<i>nm</i>	75%

Source: FactSet, Value Track Analysis; (*) Prices as of 9th October 2026

Over the last 6M, peers' share price performance has been highly differentiated, both across and within clusters. Officina Stellare stands out as the best performer of the panel, up >150%, while the other Aerospace & Defence names moved in the opposite direction, with Leonardo and Avio both down around 20%. A similar divergence emerges among Yacht Builders, where Bellini Nautica gained 82% and Sanlorenzo 8%, while Ferretti lost 33%. Aircraft Manufacturers showed a more muted and mixed trend, with Airbus up 7% and Boeing and Textron down 10% and 16%, respectively. Among Luxury Car Manufacturers, Ferrari rose 13%, Porsche was broadly flat and Aston Martin declined 8%.

Peers: 6M Price Performance, rebased to PAG share price (€9.40 = start)


Source: FactSet, Value Track Analysis

Valuation

We value PAG using a relative valuation approach, applying the average EV/EBITDA multiple of the selected peer group of listed comparables to the company's forward estimates. We believe this methodology best captures how the market currently prices businesses with a similar profile, and we use FY27E as our reference year to reflect the company's expected earnings trajectory over the medium term.

Based on a sector average multiple of 11.4x EV/EBITDA on FY27E, we derive an Enterprise Value of €21.0mn. To move from Enterprise Value to Equity Value, we add PAG's Net Cash Position of €0.6mn and an adjustment of €0.3mn related to the around 33k treasury shares held by the company, valued at current market prices. This results in an Equity Value of €21.9mn. Dividing the Equity Value by the 2.4mn shares outstanding, **we obtain a fair value of €9.2 p/s.**

We have not applied any discount to peer multiples.

PAG: Fair Equity Value

Fair Enterprise Value (€mn)	FY27E
Avg. EV / EBITDA (x)	11.4
Enterprise Value	21.0
Net Cash Position	0.5
EV Adjustments (i.e., 33k treasury shares at current prices)	0.3
Equity Value	21.8
Number of Shares	2.4
Fair Equity Value p/s	9.2

Source: Value Track Analysis

Appendix: Peers Multiples

PAG: Peers Trading Multiples (*)

Peers	EV/EBITDA (x)		EV/EBIT (x)		P/E Adj. (x)	
	FY26E	FY27E	FY26E	FY27E	FY26E	FY27E
Aircraft Manufacturers						
Boeing	43.2	21.4	>40	29.2	<0	41.6
Textron	7.6	7.3	9.9	9.7	11.2	10.5
Airbus	12.6	10.8	17.8	14.9	25.8	21.8
Average	21.1	13.2	13.8	17.9	18.5	24.6
Median	12.6	10.8	13.8	14.9	18.5	21.8
Yacht Builders						
Sanlorenzo	6.4	5.7	8.3	7.3	11.5	11.1
Ferretti	4.1	3.6	6.7	5.9	11.2	10.4
Bellini Nautica	6.8	4.0	8.7	4.8	9.8	6.0
Average	5.7	4.4	7.9	6.0	10.8	9.2
Median	6.4	4.0	8.3	5.9	11.2	10.4
Luxury Car Manufacturers						
Ferrari	25.5	23.1	33.2	29.9	43.5	39.4
Porsche	7.4	7.0	19.7	18.2	20.7	20.2
Aston Martin Lagonda Global	6.6	5.8	<0	<0	<0	<0
Average	13.2	12.0	26.5	24.1	32.1	29.8
Median	7.4	7.0	26.5	24.1	32.1	29.8
Aerospace & Defence						
Officina Stellare	46.4	>30	>60	59.9	>70	>70
Leonardo	9.7	8.1	13.6	11.0	20.0	16.4
Avio	27.1	28.4	>40	>40	>50	>50
Average	27.7	18.2	13.6	35.5	20.0	16.4
Median	27.1	18.2	13.6	35.5	20.0	16.4
Total Average	16.9	11.4	14.7	19.1	19.2	19.7
Total Median	8.6	7.3	11.7	12.9	15.8	16.4
PAG	15.8	11.3	23.2	15.1	>50	28.7
Discount / Premium vs. Total Avg.. (%)	-7%	-1%	57%	-21%	nm	46%
Discount / Premium vs. Total Median. (%)	83%	54%	98%	17%	nm	75%

Source: FactSet, Value Track Analysis, (*) Prices as of 9th October 2026

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