

Porto Aviation Group

Consumer Goods

From Leisure to Dual Use Purpose

Marco Greco
marco.greco@value-track.com

Tommaso Martinacci
tommaso.martinacci@value-track.com

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.

FY25 Deliveries Shifted to 1Q26, Margins Surprise Positively

PAG reported FY25 results slightly below VoP estimates (while profitability was higher than expected) due to a shift of aircraft deliveries to 1Q26. Key financials are:

- VoP at €6.0mn, +22% YoY (-5% vs. est.), backed by 11 aircraft delivered (vs. 16-unit forecast);
- EBITDA at €1.1mn (vs. €500k in FY24 / +12% vs. est.), with margin expanding to 19.1% on VoP (+872bps YoY), while EBIT came in at €815k, around 3.3x FY24 levels (vs. €244k / +19% vs. est.);
- Net Cash broadly stable YoY at €1.1mn (€250k below est.), with €2.9mn cash on the balance sheet and 35k treasury shares worth ~€350k at current market price.

Also, PAG reported an end-Dec '25 backlog of 20 aircraft, o/w 14 units are under WIP/SAL and 6 were booked but not yet in production.

Investment Case Intact, Ramping-Out Output Capacity

The shift in FY25/1Q26 timing does not change our investment case. We now assume first deliveries of the 4-seat platform in FY28E, with order intake potentially starting in 3Q/4Q26E and supporting backlog ahead of launch. Meanwhile, the Nevada branch / hangar remains on the roadmap, with a €600k investment factored into FY27E, while in Serbia the building permit has been granted and the new facility is expected within six months. The Company is also assessing a potential additional site in Italy to support the planned ramp-up. However, by FY28E, we expect: i) VoP of ~€17.3mn, ii) EBITDA / EBIT Margins of 21.6%/18.3% and iii) Net Cash of €500k, (after €3mn cumulated 26E-28E capex), with further upside if ~€1m Patent Box benefit under discussion is secured.

Worthy to note, our estimates do not take into account yet new possible defense-related or institutional applications business, but we remind the recent US Navy order, which hints at a potential dual-use positioning of PAG platform.

FV p/s Upwards at €10.4 (from €6.9)

We raise PAG’s Fair Equity Value to €10.4 p/s, from €6.9 p/s in our previous update, reflecting a revised peer-based valuation framework with the inclusion of Aerospace & Defence within our reference universe. Using the sector average as benchmark, we derive a fair value of €10.4 p/s at FY26E, due to increase at €11.6 p/s at FY27E and €12.8 p/s at FY28E.

FAIR VALUE (€)	10.4
MARKET PRICE (€)	9.15
MARKET CAP (€mn)	21.8

KEY FINANCIALS	FY25	FY26E	FY27E
VALUE OF PRODUCTION	6.0	9.2	12.8
EBITDA	1.1	2.0	3.1
EBIT	0.8	1.6	2.6
NET PROFIT	0.5	1.1	1.6
GROUP NET EQUITY	3.7	4.5	5.8
NET DEBT (-) / NET CASH (+)	1.1	1.1	0.3
EPSADJ.	0.2	0.4	0.7
DPS	0.1	0.1	0.1

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

RATIOS AND MULTIPLES	FY25	FY26E	FY27E
EBITDA MARGIN (%)	19.1	22.0	24.4
EBIT MARGIN (%)	13.7	17.5	20.3
NET DEBT / EBITDA (x)	nm	nm	nm
NET DEBT / NET EQUITY (x)	0.0	0.0	0.0
ROE (%)	14.3	23.3	26.9
EV / SALES (x)	3.4	2.2	1.7
EV / EBITDA (x)	18.0	10.1	6.8
EV / EBIT (x)	25.1	12.7	8.2
P / E ADJ. (x)	41.1	20.7	13.9

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

STOCK DATA	
MARKET PRICE (€)	9.15
NOSH (mn)	2.4
MARKET CAP (€mn)	21.8
ENTERPRISE VALUE (€mn)	20.4
FREE FLOAT (%)	15.2
AVG L30D VOLUME ('000)	4,025
RIC / BBG	PAG.MI / PAG IM
52 WK MAX - MIN (€)	12.10-3.66

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	9.2	12.8	17.3
YoY (%)	22.2%	53.8%	39.6%	35.7%
EBITDA	1.1	2.0	3.1	3.7
EBITDA Margin (% on VoP)	19.1%	22.0%	24.4%	21.6%
EBIT	0.8	1.6	2.6	3.2
EBIT Margin (% on VoP)	13.7%	17.5%	20.3%	18.3%
Net Profit	0.5	1.1	1.6	1.9
YoY (%)	nm	98.5%	49.2%	22.9%
Adj. Net Profit	0.5	1.1	1.6	1.9
YoY (%)	nm	98.5%	49.2%	22.9%
Net Fin. Position [Net Debt (-) / Cash(+)]	1.1	1.1	0.3	0.5
Net. Fin. Pos. / EBITDA (x)	nm	nm	nm	nm
Capex	-0.4	-0.5	-1.5	-0.8
OpFCF b.t.	0.4	0.9	0.4	1.7
OpFCF b.t. / EBITDA (%)	38.4%	43.7%	12.9%	46.6%

Source: PAG, Value Track Analysis

Investment Case

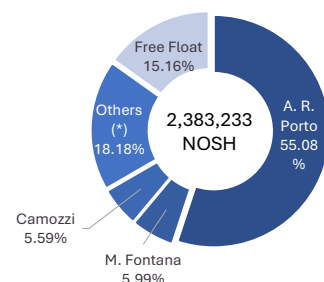
Strengths / Opportunities

- 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

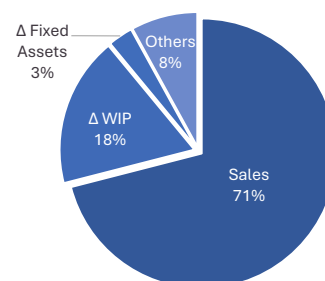
- Supply chain rather challenging, i.e., some aircraft’s components sourced from the US
- Low level of business industrialization

SHAREHOLDER STRUCTURE



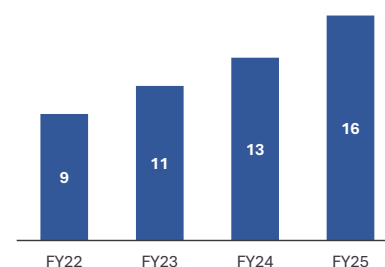
Source: PAG; (*) Sub-5% shareholders subject to Lock-Up Agreements

VoP BREAKDOWN



Source: PAG, FY25

NUMBER OF AIRCRAFTS DELIVERED



Source: PAG

STOCK MULTIPLES @ FV	FY26E	FY27E
EV / SALES (x)	2.5	1.9
EV / EBITDA (x)	11.6	7.8
EV / EBIT (x)	14.6	9.3
EV / CAP. EMPLOYED	6.9	4.3
OpFCF Yield (%)	3.8	1.7
P / E (x)	23.6	15.8
P / BV (x)	5.5	4.2
Dividend Yield (%)	1.0	1.2

Source: Value Track Analysis

FY25 Financials

FY25 and subsequent months featured several **key corporate and operational milestones**:

- Through its wholly owned subsidiary Aerotec Composites D.O.O., PAG acquired a 6,000 sqm site near Vršac, Serbia, to develop a new industrial facility with room for future expansion;
- The Risen 916 set three new FAI-certified world speed records, confirming the aircraft's outstanding aerodynamic performance and reinforcing the Company's competitive positioning;
- The Company strengthened its international market visibility through participation in major industry events, including AERO Friedrichshafen and EAA AirVenture Oshkosh 2025;
- The share buyback program was completed on Feb-2025, with the repurchase of 35k, equal to 1.47% of share capital;
- The Company also distributed its FY24 ordinary dividend in May 2025, for a total amount of €113.3k;
- The Board proposed an FY25 ordinary dividend of €0.085 p/s, with payment scheduled in May 2026.

FY25 Results

FY25 results were slightly below our VoP estimates (-5%), due to a shift of aircraft deliveries to 1Q26, while operating profitability came in ahead of expectations: EBITDA and EBIT beat our forecasts by 12% and 19%, respectively, whereas Net Profit was ca. €150k below our estimates (due to the absence of tax credit factored into our forecasts). Particularly, we flag:

- VoP** stood at **€6.0mn**, up 22% YoY (vs. €4.9mn in FY24 / -5% vs est.), supported by **11 aircraft delivered** during the year (vs. our 16 expectations);
- EBITDA** increased to **€1.1mn** (vs. €500k in FY24 / +12% vs est.), with margin growing to 19.1% on VoP (+872bps YoY), and **EBIT** reached **€815k**, around 3.3x FY24 levels (vs. €244k / +19% vs est.);
- Net Profit** went **€530k**, up 122% YoY (vs. €239k / -22% vs est.);
- Net Cash** was **broadly stable YoY at €1.1mn** (€250k less than est.), with €2.9mn of cash on the balance sheet; note that the company also holds 35k treasury shares, equivalent to ca. €350k at the current market price.

PAG also disclosed its **FY25 backlog of 20 aircraft**, defined as orders secured as of the reference date and not yet delivered. Of these, 14 aircraft are already in production (under WIP/SAL), while the remaining 6 relate to orders already booked but for which production has not yet started.

PAG: Key Financials FY23 to FY25

(€mn)	FY24	FY25	YoY	FY25E	Chg. %
Value of Production	4.9	6.0	22%	6.3	-5%
EBITDA	0.5	1.1	125%	1.0	12%
EBITDA Margin (% on VoP)	10%	19%	872bps	16%	290bps
EBIT	0.2	0.8	233%	0.7	19%
EBIT Margin (% on VoP)	5%	14%	866bps	11%	275bps
Net Profit	0.2	0.5	122%	0.7	-22%
NFP [i.e. Net Debt (-) Cash (+)]	1.1	1.1	0.0	1.3	-0.3

Source: PAG, Value Track Analysis

Key takeaways include:

- FY25 shows solid momentum, despite deliveries postponed to FY26E;**
- EBITDA more than doubled YoY, with EBITDA Margin >19%;**
- Δ NWC build weighed on FCF, while Net Cash remained stable at €1.1mn.**

FY25 shows solid momentum, despite deliveries postponed to FY26E

FY25 Revenues from Sales reached €4.2mn, up 10.8% YoY (vs. 3.8mn in FY24), while the Value of Production increased by around 22.2% YoY, underpinned by the **delivery of 11 aircraft**, o/w 7 in 1H and 4 in 2H (with a further aircrafts completed but postponed to early FY26E at customers' request, mainly for registration/tax-related reasons), vs 10 in FY24. Within other VoP components, the Company reported: (i) €461k in Other Revenues (vs. €694k in FY24); (ii) a €1.1mn change in inventories (including WIP; vs. €383k in FY24); and (iii) a €195k change in fixed assets (vs. zero in FY24). That said, part of FY25 VoP growth was supported by higher inventory/WIP and capitalized development activity, alongside aircraft deliveries, and should therefore be assessed also in light of the NWC absorption recorded over the year.

In the US market, demand remains supportive, while the customer base continues to show limited price sensitivity and high technical sophistication, supporting pricing and execution. Of the 14-unit Risen 916 order announced in July 2024 by an American agency supplying the US Navy, ten aircraft had been delivered by FY25, with the remaining four entering production in 2026 and expected to be delivered in 2H26E.

On the **4-seater**, the project has moved into its **final pre-commercial phase**: the prototype is complete, already flying and operational, with formal registration expected shortly. Management will now focus on final testing and validation, ahead of the official unveiling at Oshkosh in July, which should also mark the start of order intake. We continue to view the 4-seater as **the key medium-term growth driver**, as its commercial rollout could support a deep step-up in both ASPs and profitability vs with the current product offering.

PAG: Backlog and Aircrafts Delivered

(€mn)	FY24	FY25	YoY
Backlog (BoP)	14	19	36%
(+) Orders Intake	5	10	100%
(-) Orders Delivered	10	11	10%
Backlog (EoP)	19	20	5%

Source: PAG, Value Track Analysis

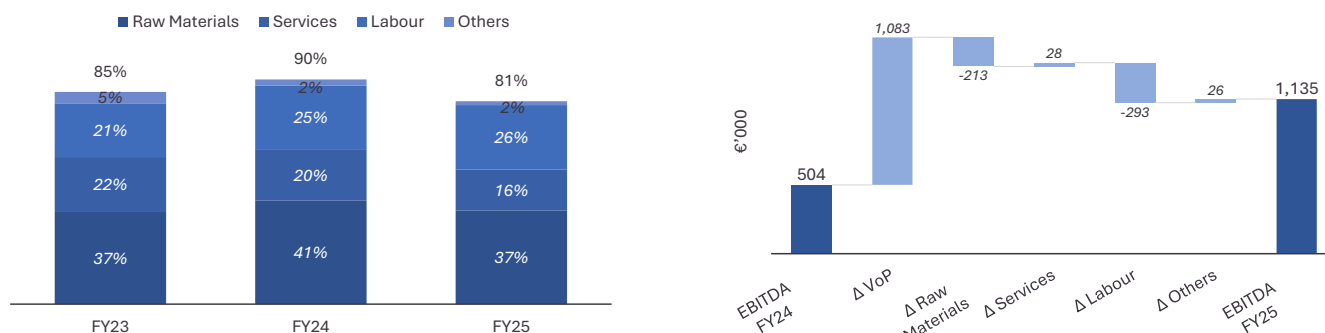
EBITDA more than doubled YoY, with EBITDA Margin >19%

EBITDA reached ca. €1.1mn (vs €504k in FY24, >2x YoY), with EBITDA Margin above 19%, driven by better cost absorption and a more supportive mix. On the cost side, we note the following:

- personnel costs increased by ca. €290k YoY, with headcount broadly stable at 30; however, their incidence on VoP remained broadly flat;
- Δ inventory/WIP grew by ca. €350k, supporting EBITDA through higher work in progress;
- services costs declined to 16.3% of VoP (vs. 20.5% in FY24);
- third-party goods decreased to 1.5% of VoP (vs. 2.4% in FY24), implying a recovery of ca. 1ppt YoY.

Below EBITDA, despite D&A rising by ca. €60k YoY to €320k (from €260k), **EBIT** came in at **€815k** vs. €244k in FY24, and **Net Profit** at **€530k** (vs. €239k in FY24), impacted by net financial expense of ~€36k — driven by ~€65k foreign exchange losses, nil interest expense, and ~€32k interest income — and by ~€249k taxes.

PAG: Costs Structure and EBITDA Bridge FY25



Source: PAG, Value Track Analysis

PAG: P&L FY23 to FY25

(€mn)	FY23	FY24	FY25	YoY
Revenues from Sales	3.0	3.8	4.2	11%
Δ WIP and Finished Goods	0.7	0.7	0.5	-34%
Other Revenues	0.1	0.4	1.1	185%
Δ Fixed Assets	0.0	0.0	0.2	nm
Value of Production	3.8	4.9	6.0	22%
Raw Materials Costs	-1.5	-2.1	-2.7	26%
Δ Inventory (Raw Materials)	0.1	0.1	0.4	365%
Gross Profit	2.4	2.9	3.7	30%
<i>Gross Margin (%)</i>	63%	59%	63%	394bps
Costs of Services	-0.8	-1.0	-1.0	-3%
Costs of Rent & Others	-0.2	-0.1	-0.1	-22%
Labour Costs	-0.8	-1.2	-1.5	24%
EBITDA	0.6	0.5	1.1	125%
<i>EBITDA Margin (% on VoP)</i>	15%	10%	19%	872bps
D&A	-0.3	-0.3	-0.3	24%
EBIT	0.3	0.2	0.8	233%
<i>EBIT Margin (% on VoP)</i>	8%	5%	14%	866bps
Interest Expenses / Other Non-Op. Items	0.0	0.0	0.0	-217%
Pre-Tax Profit	0.3	0.3	0.8	184%
Taxes	-0.1	0.0	-0.2	590%
Net Profit	0.2	0.2	0.5	122%

Source: PAG, Value Track Analysis

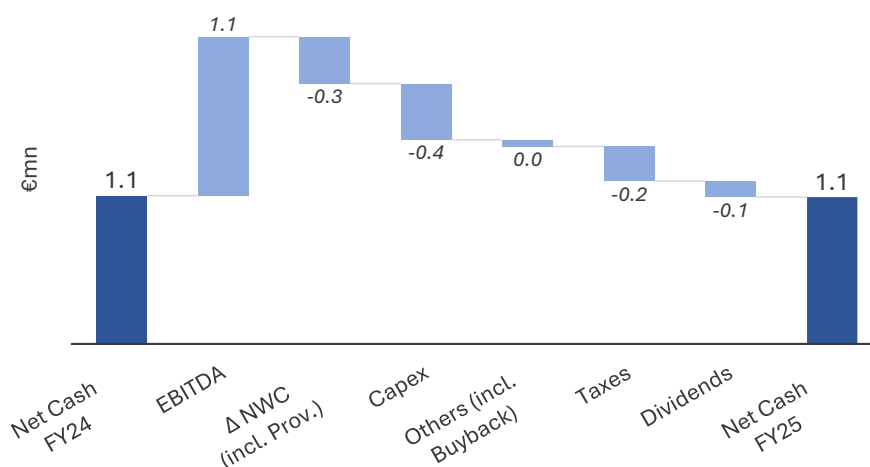
Δ NWC weighed on FCF, while Net Cash remained stable at €1.1mn

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

- Tangible and intangible investments at €365k (vs. nil in FY24), o/w €283k related to intangible assets and the remainder to tangible assets, mainly reflecting the capitalization of internally incurred costs for the HRS propeller project and the prototype of the 4-seater aircraft;
- Net Working Capital at €1.6mn, equal to 27.1% of VoP (vs. €1.2mn in FY24), with the increase mainly driven by a >€1.5mn rise in inventories, namely Δ Raw Materials of ca. €440k, Δ WIP of ca. €650k and Δ finished products of ca. €440k. This was only partially offset by the increase in down payments, which rose from €875k in FY24 to €1.7mn, of which >90% consisted of confirmatory deposits, supporting the strong order intake.

Thus, **OpFCF b.t.** (defined as EBITDA adj. - Tangible and Intangible Capex ± ΔNWC ± Δ Provisions) came in at **€435k**, i.e. just below 40% of EBITDA, negatively affected by the NWC cycle. As regards **Net Cash Position**, this **remained broadly unchanged YoY at €1.1mn**, despite absorbing ca. €113k of dividends and ca. €48k of buyback.

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

PAG: Cash Flow FY25


Source: PAG, Value Track Analysis

PAG: Balance Sheet from FY23 to FY25

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

Source: PAG, Value Track Analysis

PAG: Net Financial Position Structure from FY23 to FY25

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

Source: PAG, Value Track Analysis

Fine Tuning on FY26E onwards

While **we are fine-tuning our FY26E onwards forecasts**, our investment case remains unchanged. We are revising our estimates to better reflect the timing of the next growth phase, with FY26E lowered ahead of the main investment cycle and FY27E-FY28E raised to incorporate the expected contribution from the ongoing industrial expansion.

In our view, this investment cycle should support a stronger medium-term revenue trajectory, albeit with some temporary pressure on margins and NFP as the Company builds capacity ahead of volumes.

We now assume first deliveries of the 4-seat platform in FY28E, later than previously expected. Order intake could begin as early as 3Q/4Q26E, potentially supporting backlog already this year, with demand becoming increasingly visible across both the “family” and corporate segments. More broadly, FY26 has started on an encouraging note, with 6 aircraft delivered in the first three months of the year, supporting our assumption of an average pace of around two aircraft per month in FY26, net of one month of downtime. We also note that our estimates do not include a potential ca. €1m Patent Box benefit, for which the Company could receive confirmation by June.

On the industrial side, the Group is progressing with the investments needed to support the next production ramp-up. In the US, we now factor in a €600k investment in the hangar in FY27E. In Serbia, the building permit has been granted, the new facility is expected to be operational within the next six months, and recruitment is set to begin next month. Management is also assessing a potential additional site in Italy to provide further flexibility as volumes scale up. Headcount expansion is another key part of the plan: the Company currently employs 33 people, of whom 25 are directly involved in production, and we understand the workforce could broadly double by FY28E, in line with the expected ramp-up.

We also remind that, from October, the Company will begin repaying part of the “808” funding through quarterly instalments of €80k over 60 months.

PAG: New vs. Old estimates

€mn	FY26E			FY27E			FY28E		
	Old	New	Change	Old	New	Change	Old	New	Change
Aircrafts Delivered	24	22	-2	20	32	12	22	44	22
o/w 2-seats Risen	24	22	-2	15	32	17	16	42	26
4-seats Risen	0	0	0	5	0	-5	6	2	-4
Value of Production (*)	9.4	9.2	-2.5%	11.0	12.8	16.5%	12.2	17.3	41.8%
EBITDA	2.3	2.0	-13.5%	2.8	3.1	9.8%	3.2	3.7	16.9%
EBITDA Margin (% of VoP)	24.7%	22.0%	-278bps	25.8%	24.4%	-147bps	26.2%	21.6%	-462bps
D&A	-0.4	-0.4	-0.4%	-0.5	-0.5	2.4%	-0.5	-0.6	9.7%
EBIT	1.9	1.6	-16.3%	2.3	2.6	11.5%	2.7	3.2	18.3%
EBIT Margin (% of VoP)	20.3%	17.5%	-288bps	21.2%	20.3%	-91bps	21.9%	18.3%	-364bps
Pre tax profit	1.6	1.6	-4.8%	2.1	2.3	12.5%	2.4	2.9	18.6%
Net profit	1.1	1.1	-2.8%	1.4	1.6	15.2%	1.6	1.9	20.7%
Net Financial Position	1.7	1.1	-0.6	2.5	0.3	-2.2	3.2	0.5	-2.7
OpFCF a.t.	0.7	0.4	-0.3	1.0	-0.4	-1.4	1.0	0.8	-0.2

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 €9.2mn in FY26E to ca. €17.3mn at the end of the forecasted period (ca. 43% CAGR25A-28E);
- Operating profitability remaining strong over the next three years with EBITDA and EBIT Margin expected respectively at 21.6% and 18.3% by FY28E;
- Net Cash Position stands at almost €500k by FY28E year-end.

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

(€mn)	FY25	FY26E	FY27E	FY28E
Revenues from Sales	4.2	7.4	9.9	14.6
Δ WIP and Finished Goods	0.5	0.4	0.6	0.6
Other Revenues	1.1	1.1	1.9	1.8
Δ Fixed Assets	0.2	0.3	0.4	0.4
Value of Production	6.0	9.2	12.8	17.3
Raw Materials Costs	-2.7	-4.2	-5.7	-8.3
Δ Inventory (Raw Materials)	0.4	0.0	0.0	0.0
Gross Profit	3.7	5.0	7.1	9.1
<i>Gross Margin (%)</i>	<i>63%</i>	<i>55%</i>	<i>56%</i>	<i>52%</i>
Costs of Services	-1.0	-1.2	-1.6	-2.1
Costs of Rent & Others	-0.1	-0.1	-0.3	-0.3
Labour Costs	-1.5	-1.7	-2.1	-3.0
EBITDA	1.1	2.0	3.1	3.7
<i>EBITDA Margin (% on VoP)</i>	<i>19%</i>	<i>22%</i>	<i>24%</i>	<i>22%</i>
D&A	-0.3	-0.4	-0.5	-0.6
EBIT	0.8	1.6	2.6	3.2
<i>EBIT Margin (% on VoP)</i>	<i>14%</i>	<i>17%</i>	<i>20%</i>	<i>18%</i>
Interest Expenses / Other Non-Op. Items	0.0	0.0	-0.3	-0.3
Pre-Tax Profit	0.8	1.6	2.3	2.9
Taxes	-0.2	-0.5	-0.8	-0.9
Net Profit	0.5	1.1	1.6	1.9

Source: PAG, Value Track Analysis

PAG: 2025A-28E Balance Sheet

(€mn)	FY25	FY26E	FY27E	FY28E
Net Fixed Assets	1.3	1.4	2.4	2.6
Net Working Capital	1.6	2.3	3.5	4.8
Provisions	0.3	0.3	0.4	0.4
Total Capital Employed	2.7	3.4	5.6	7.0
Group Net Equity	3.7	4.5	5.8	7.5
NFP [i.e. Net Debt (-) Cash (+)]	1.1	1.1	0.3	0.5

Source: PAG, Value Track Analysis

PAG: 2025A-28E Cash Flow Statement

(€mn)	FY25	FY26E	FY27E	FY28E
EBITDA	1.1	2.0	3.1	3.7
Δ NWC & Provisions	-0.3	-0.6	-1.2	-1.2
Capex	-0.4	-0.5	-1.5	-0.8
OpFCF b.t.	0.4	0.9	0.4	1.7
<i>As a % of EBITDA</i>	<i>38%</i>	<i>44%</i>	<i>13%</i>	<i>47%</i>
Cash Taxes	-0.2	-0.5	-0.8	-0.9
OpFCF a.t.	0.2	0.4	-0.4	0.8
Others (incl. Financial Inv.)	0.0	0.0	0.0	0.0
Dividends Paid	-0.1	-0.2	-0.2	-0.3
Net Financial Charges	0.0	0.0	-0.3	-0.3
Δ Net Financial Position	0.0	0.1	-0.9	0.2

Source: PAG, Value Track Analysis

Valuation

Fair Value p/s up to €10.4

We raise PAG’s short-term Fair Equity Value to €10.4 p/s, from €6.9 p/s in our October update, reflecting a revised valuation framework more consistent with the Company’s current execution profile.

PAG is approaching a key phase in the rollout of its industrial plan, with production expansion across Serbia and the US representing the main value drivers over the next few years.

While the opportunity remains significant, in our view this still calls for a valuation approach primarily grounded in peer analysis rather than in methodologies that place greater weight on longer-term assumptions.

Accordingly, we now adopt a predominantly qualitative, step-by-step framework, with greater emphasis on relative valuation across different sector clusters, now also including Aerospace & Defence. Our analysis is based on four reference panels — Aircraft Manufacturers, Yacht Builders, Luxury Car OEMs and Aerospace & Defence, the latter included starting from this report — which imply a pooled FY1 EV/EBITDA multiple of 11.6x as benchmark, applied to PAG’s FY1 EBITDA on normalized NFP. By contrast, we see limited relevance at this stage in assigning significant weight to DCF or Valuation @ Maturity, pending clearer evidence on the Company’s ability to convert the current expansion plan into tangible operating and financial delivery.

Using the sector average as benchmark, we derive a fair value of €10.4 p/s at FY26E, due to increase at €11.6 p/s at FY27E and €12.8 p/s at FY28E. Assuming the sector maintaining in the future a FY1 9.0x EV/EBITDA trading multiple, the implied fair value would rise to €12.0 p/s at FY27E and €14.5 p/s at FY28E.

However, at FV, the stock would trade at **7.8x EV/EBITDA, 9.3x EV/EBIT, and 15.8x Adj. P/E on FY27E**. The table below shows the sensitivity of key trading multiples 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
9.80	2.4	1.8	10.9	7.3	13.7	8.8	22.2	14.9
9.95	2.4	1.8	11.1	7.4	13.9	8.9	22.5	15.1
10.10	2.5	1.8	11.3	7.5	14.2	9.0	22.9	15.3
10.25	2.5	1.9	11.4	7.7	14.4	9.2	23.2	15.6
10.40	2.5	1.9	11.6	7.8	14.6	9.3	23.6	15.8
10.55	2.6	1.9	11.8	7.9	14.8	9.5	23.9	16.0
10.70	2.6	1.9	12.0	8.0	15.0	9.6	24.2	16.2
10.85	2.7	2.0	12.1	8.1	15.3	9.7	24.6	16.5
11.00	2.7	2.0	12.3	8.2	15.5	9.9	24.9	16.7

Source: Value Track Analysis

Peers Analysis

We continue to adopt Peers Analysis as a core valuation pillar for PAG, **but we broaden our framework from three to four reference clusters**. Alongside Aircraft Manufacturers, Yacht Builders and Luxury Car OEMs, we introduce a fourth group of Aerospace & Defence, including: i) *Officina Stellare* (integrated aerospace technology platform active across optical systems, space and mission-critical applications), ii) *Leonardo* (global aerospace, defence and security group) and iii) *Avio* (space propulsion and launch systems specialist).

In our view, the rationale for broadening the peer set is linked to the recent US Navy order, which, although not changing PAG’s current business perimeter on a reported basis, suggests a potential opening toward a

military end-market. We are not arguing that PAG is already a defence company, nor that defence exposure is explicitly embedded in management guidance. Rather, this is our interpretation that such order may represent an early signal of **possible strategic adjacency to dual-use**, defence-related or other institutional applications.

Stock Market Multiples Benchmark

The whole panel of peers is trading at **average 11.6x-8.7x EV/EBITDA, 13.8x-12.7x EV/EBIT, 19.5x-17.8x P/E Adj. FY26E-27E**. Particularly, we flag:

- Aircraft Manufacturers and Aerospace & Defence stocks show the most demanding multiples;
- Yacht Builders comparables trade at discount vs. all the other clusters, at an average 4.3x EV/EBITDA FY26E vs. 21.2x-10.1x of Aircraft Manufacturers and Aerospace & Defence stocks, respectively;
- Luxury Cars Manufacturers peers trade at 12.7x EV/EBITDA FY26E, but with wide dispersion across the sector: Ferrari trades at 24.6x, while Porsche and Aston Martin are at 7.2x and 6.2x respectively;

That said, **since our mid-October '25 report** (when the stock was €5.95 p/s), **PAG has materially rerated (>50% performance, +125% vs IoC)**.

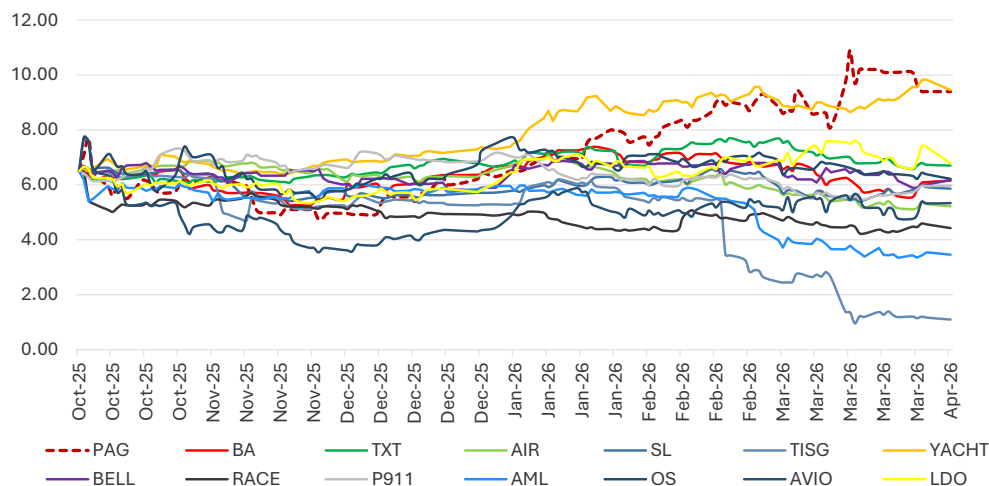
From FY26E onwards, we expect PAG to trade at around a 10–15% discount to the peer average on EV/EBITDA, with the discount widening to 25–30% on EV/EBIT FY2.

On P/E, however, we expect the stock to remain broadly in line with peers, as net earnings start to be affected by financial charges (808 financing).

PAG: Peers Trading Multiples (*)

Peers	EV/EBITDA (x)		EV/EBIT (x)		P/E Adj. (x)	
	FY26E	FY27E	FY26E	FY27E	FY26E	FY27E
Aircraft Manufacturers						
Average	21.2	13.6	14.7	17.7	19.2	24.0
Median	11.5	9.7	14.7	13.4	19.2	19.9
Yacht Builders						
Average	4.3	3.4	5.9	4.6	8.3	7.1
Median	4.7	3.4	6.3	4.6	8.4	7.1
Luxury Car Manufacturers						
Average	12.7	11.4	25.8	22.0	33.4	28.8
Median	7.2	6.3	25.8	22.0	33.4	28.8
Aerospace & Defence						
Average	10.1	8.0	16.7	12.2	28.2	18.7
Median	10.1	8.0	16.7	12.2	28.2	18.7
Total Average	11.6	8.7	13.8	12.7	19.5	17.8
Total Median	7.5	5.9	14.6	12.1	19.2	15.7
PAG	10.1	6.8	12.7	8.2	20.7	13.9
<i>Discount vs. Total Average. (%)</i>	<i>-13%</i>	<i>-22%</i>	<i>-8%</i>	<i>-36%</i>	<i>6%</i>	<i>-22%</i>

Source: FactSet, Value Track Analysis; (*) Prices as of 14th April 2026

Peers: 6M Price Performance (%), rebased to PAG stock


Source: FactSet, Value Track Analysis

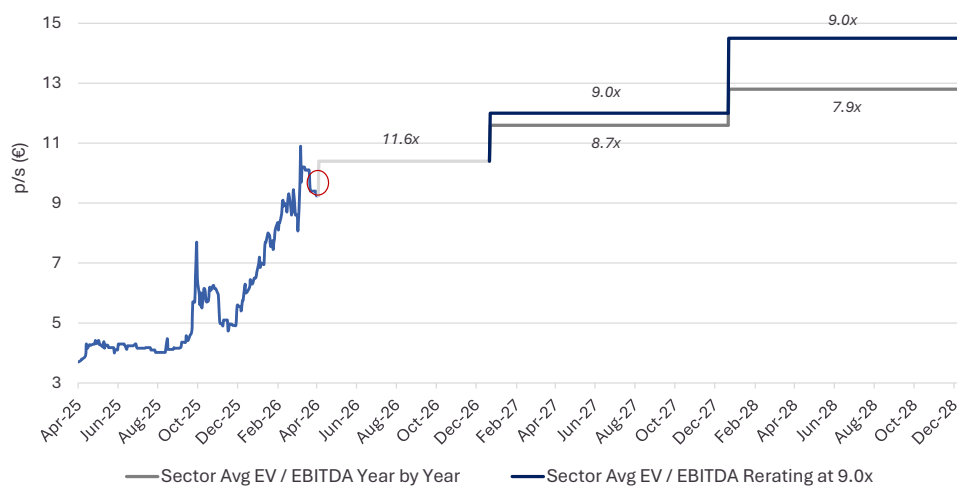
Valuation

Using the sector average as benchmark, we derive a fair value of €10.4 p/s at FY26E, €11.6 p/s at FY27E and €12.8 p/s at FY28E. Our valuation is based on the application of sector EV/EBITDA multiples to PAG's forward estimates, using benchmark multiples of 11.6x, 8.7x and 7.9x on FY26E, FY27E and FY28E, respectively. Assuming the sector maintaining a FY1 trading multiple at 9.0x EV/EBITDA, the implied fair value would rise to €12.0 p/s at FY27E and €14.5 p/s at FY28E.

PAG: Fair Equity Value Sensitivity by Forecast Year

Fair Enterprise Value (€mn)	FY26E	FY27E	FY28E
Avg. EV / EBITDA (x)	11.6	8.7	7.9
Enterprise Value	23.3	27.1	29.7
Net Cash Position	1.1	0.3	0.5
EV Adjustments (i.e., treasury shares at current prices)		0.3	
Equity Value	24.7	27.7	30.5
Number of Shares		2.4	
Fair Equity Value p/s	10.4	11.6	12.8

Source: Value Track Analysis

PAG: Base Case vs. 9.0x FY1 EV/EBITDA Sector Scenario


Source: FactSet, 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	42.2	21.9	>40	27.6	>50	38.5
Textron	9.8	9.1	13.1	12.1	14.9	13.6
Airbus	11.5	9.7	16.3	13.4	23.5	19.9
Average	21.2	13.6	14.7	17.7	19.2	24.0
Median	11.5	9.7	14.7	13.4	19.2	19.9
Yacht Builders						
Sanlorenzo	5.9	5.3	7.7	6.8	11.3	10.9
The Italian Sea Group	2.0	1.4	2.5	1.8	2.6	2.1
Ferretti	5.5	4.7	8.5	7.2	13.9	12.3
Bellini Nautica	3.8	2.1	4.9	2.5	5.4	3.3
Average	4.3	3.4	5.9	4.6	8.3	7.1
Median	4.7	3.4	6.3	4.6	8.4	7.1
Luxury Car Manufacturers						
Ferrari	24.6	22.6	32.3	29.5	42.0	38.7
Porsche	7.2	6.3	19.3	14.5	24.8	18.8
Aston Martin Lagonda Global	6.2	5.3	<0	<0	<0	<0
Average	12.7	11.4	25.8	22.0	33.4	28.8
Median	7.2	6.3	25.8	22.0	33.4	28.8
Aerospace & Defence						
Officina Stellare	7.9	5.5	16.1	9.9	30.1	15.7
Leonardo	12.2	10.6	17.3	14.4	26.2	21.7
Avio	>30	>30	>40	>40	>50	>50
Average	10.1	8.0	16.7	12.2	28.2	18.7
Median	10.1	8.0	16.7	12.2	28.2	18.7
Total Average	11.6	8.7	13.8	12.7	19.5	17.8
Total Median	7.5	5.9	14.6	12.1	19.2	15.7
PAG	10.1	6.8	12.7	8.2	20.7	13.9
<i>Discount vs. Total Average. (%)</i>	<i>-13%</i>	<i>-22%</i>	<i>-8%</i>	<i>-36%</i>	<i>6%</i>	<i>-22%</i>

Source: FactSet, Value Track Analysis, (*) Prices as of 14th April 2026

DISCLAIMER

THIS DOCUMENT IS PREPARED BY VALUE TRACK VT S.R.L. THIS DOCUMENT IS BEING FURNISHED TO YOU SOLELY FOR YOUR INFORMATION ON A CONFIDENTIAL BASIS AND MAY NOT BE REPRODUCED, REDISTRIBUTED OR PASSED ON, IN WHOLE OR IN PART, TO ANY OTHER PERSON. IN PARTICULAR, NEITHER THIS DOCUMENT NOR ANY COPY THEREOF MAY BE TAKEN OR TRANSMITTED OR DISTRIBUTED, DIRECTLY OR INDIRECTLY, INTO CANADA OR JAPAN OR AUSTRALIA TO ANY RESIDENT THEREOF OR INTO THE UNITED STATES, ITS TERRITORIES OR POSSESSIONS. THE DISTRIBUTION OF THIS DOCUMENT IN OTHER JURISDICTIONS MAY BE RESTRICTED BY LAW AND PERSONS INTO WHOSE POSSESSION THIS DOCUMENT COMES SHOULD INFORM THEMSELVES ABOUT, AND OBSERVE, ANY SUCH RESTRICTION. ANY FAILURE TO COMPLY WITH THESE RESTRICTIONS MAY CONSTITUTE A VIOLATION OF THE LAWS OF ANY SUCH OTHER JURISDICTION. THIS DOCUMENT DOES NOT CONSTITUTE OR FORM PART OF, AND SHOULD NOT BE CONSTRUED AS, AN OFFER, INVITATION OR INDUCEMENT TO SUBSCRIBE FOR OR PURCHASE ANY SECURITIES, AND NEITHER THIS DOCUMENT NOR ANYTHING CONTAINED HEREIN SHALL FORM THE BASIS OF OR BE RELIED ON IN CONNECTION WITH OR ACT AS AN INVITATION OR INDUCEMENT TO ENTER INTO ANY CONTRACT OR COMMITMENT WHATSOEVER. THIS DOCUMENT HAS NOT BEEN PUBLISHED GENERALLY AND HAS ONLY BEEN MADE AVAILABLE TO INSTITUTIONAL INVESTORS. IN MAKING AN INVESTMENT DECISION, POTENTIAL INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE COMPANY AND ITS GROUP INCLUDING THE MERITS AND RISKS INVOLVED. ANY DECISION TO PURCHASE OR SUBSCRIBE FOR SECURITIES IN ANY OFFERING MUST BE MADE SOLELY ON THE BASIS OF THE INFORMATION CONTAINED IN THE ADMISSION DOCUMENT (*DOCUMENTO DI AMMISSIONE*) IN ITALIAN LANGUAGE (AND ANY SUPPLEMENTS THERETO) ISSUED IN CONNECTION WITH SUCH OFFERING. THIS DOCUMENT IS FOR DISTRIBUTION IN OR FROM THE UNITED KINGDOM ONLY TO PERSONS WHO: (I) HAVE PROFESSIONAL EXPERIENCE IN MATTERS RELATING TO INVESTMENTS FALLING WITHIN ARTICLE 19(5) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005 (AS AMENDED, THE “**FINANCIAL PROMOTION ORDER**”), (II) ARE PERSONS FALLING WITHIN ARTICLE 49(2)(A) TO (D) (“HIGH NET WORTH COMPANIES, UNINCORPORATED ASSOCIATIONS ET~”) OF THE FINANCIAL PROMOTION ORDER, (III) ARE OUTSIDE THE UNITED KINGDOM, OR (IV) ARE PERSONS TO WHOM AN INVITATION OR INDUCEMENT TO ENGAGE IN INVESTMENT ACTIVITY (WITHIN THE MEANING OF SECTION 21 OF THE FINANCIAL SERVICES AND MARKETS ACT 2000) IN CONNECTION WITH THE ISSUE OR SALE OF ANY SECURITIES MAY OTHERWISE LAWFULLY BE COMMUNICATED OR CAUSED TO BE COMMUNICATED (ALL SUCH PERSONS TOGETHER BEING REFERRED TO AS “**RELEVANT PERSONS**”). THIS DOCUMENT IS DIRECTED ONLY AT RELEVANT PERSONS AND MUST NOT BE ACTED ON OR RELIED ON BY PERSONS WHO ARE NOT RELEVANT PERSONS. ANY INVESTMENT OR INVESTMENT ACTIVITY TO WHICH THIS DOCUMENT RELATES IS AVAILABLE ONLY TO RELEVANT PERSONS AND WILL BE ENGAGED IN ONLY WITH RELEVANT PERSONS. IN ITALY THIS DOCUMENT IS BEING DISTRIBUTED ONLY TO, AND IS DIRECTED AT QUALIFIED INVESTORS WITHIN THE MEANING OF ARTICLE 100 OF LEGISLATIVE DECREE NO. 58 OF 24 FEBRUARY 1998, AS AMENDED, AND ARTICLE 34-*TER*, PARAGRAPH 1, LETTER B), OF CONSOB REGULATION ON ISSUERS NO. 11971 OF MAY 14, 1999, AS SUBSEQUENTLY AMENDED (THE “**ISSUERS’ REGULATION**”) PROVIDED THAT SUCH QUALIFIED INVESTORS WILL ACT IN THEIR CAPACITY AND NOT AS DEPOSITARIES OR NOMINEES FOR OTHER SHAREHOLDERS, SUCH AS PERSONS AUTHORISED AND REGULATED TO OPERATE IN FINANCIAL MARKETS, BOTH ITALIAN AND FOREIGN, I.E.: A) BANKS; B) INVESTMENT FIRMS; C) OTHER AUTHORISED AND REGULATED FINANCIAL INSTITUTIONS; D) INSURANCE COMPANIES; E) COLLECTIVE INVESTMENT UNDERTAKINGS AND MANAGEMENT COMPANIES FOR SUCH UNDERTAKINGS; F) PENSION FUNDS AND MANAGEMENT COMPANIES FOR SUCH FUNDS; G) DEALERS ACTING ON THEIR OWN ACCOUNT ON COMMODITIES AND COMMODITY-BASED DERIVATIVES; H) PERSONS DEALING EXCLUSIVELY ON THEIR OWN ACCOUNT ON FINANCIAL INSTRUMENTS MARKETS WITH INDIRECT MEMBERSHIP OF CLEARING AND SETTLEMENT SERVICES AND THE LOCAL COMPENSATORY AND GUARANTEE SYSTEM; I) OTHER INSTITUTIONAL INVESTORS; L) STOCKBROKERS; (2) LARGE COMPANIES WHICH AT INDIVIDUAL COMPANY LEVEL MEET AT LEAST TWO OF THE FOLLOWING REQUIREMENTS: — BALANCE SHEET TOTAL: 20,000,000 EURO, — NET REVENUES: 40,000,000 EURO, — OWN FUNDS: 2,000,000 EURO; (3) INSTITUTIONAL INVESTORS WHOSE MAIN ACTIVITY IS INVESTMENT IN FINANCIAL INSTRUMENTS, INCLUDING COMPANIES DEDICATED TO THE SECURITISATION OF ASSETS AND OTHER FINANCIAL TRANSACTIONS (ALL SUCH PERSONS TOGETHER BEING REFERRED TO AS “**RELEVANT PERSONS**”). ANY PERSON WHO IS NOT A RELEVANT PERSON SHOULD NOT ACT OR RELY ON THIS DOCUMENT OR ANY OF ITS CONTENTS. THIS DOCUMENT IS NOT ADDRESSED TO ANY MEMBER OF THE GENERAL PUBLIC IN ITALY. UNDER NO CIRCUMSTANCES SHOULD THIS DOCUMENT CIRCULATE AMONG, OR BE DISTRIBUTED IN ITALY TO (I) A MEMBER OF THE GENERAL PUBLIC, (II) INDIVIDUALS OR ENTITIES FALLING OUTSIDE THE DEFINITION OF “QUALIFIED INVESTORS” AS SPECIFIED ABOVE OR (III) DISTRIBUTION CHANNELS THROUGH WHICH INFORMATION IS OR IS LIKELY TO BECOME AVAILABLE TO A LARGE NUMBER OF PERSONS. THIS DOCUMENT IS BEING DISTRIBUTED TO AND IS DIRECTED ONLY AT PERSONS IN MEMBER STATES OF THE EUROPEAN ECONOMIC AREA (“**EEA**”) WHO ARE “QUALIFIED INVESTORS” WITHIN THE PROSPECTUS DIRECTIVE (DIRECTIVE 2017/1129), (“**QUALIFIED INVESTORS**”). ANY PERSON IN THE EEA WHO RECEIVES THIS DOCUMENT WILL BE DEEMED TO HAVE REPRESENTED AND AGREED THAT IT IS A QUALIFIED INVESTOR. ANY SUCH RECIPIENT WILL ALSO BE DEEMED TO HAVE REPRESENTED AND AGREED THAT IT HAS NOT RECEIVED THIS DOCUMENT ON BEHALF OF PERSONS IN THE EEA OTHER THAN QUALIFIED INVESTORS OR PERSONS IN THE UK, ITALY AND OTHER MEMBER STATES (WHERE EQUIVALENT LEGISLATION EXISTS) FOR WHOM THE INVESTOR HAS AUTHORITY TO MAKE DECISIONS ON A WHOLLY DISCRETIONARY BASIS. THE COMPANY, VALUE TRACK VT S.R.L. AND THEIR AFFILIATES, AND OTHERS WILL RELY UPON THE TRUTH AND ACCURACY OF THE FOREGOING REPRESENTATIONS AND AGREEMENTS. ANY PERSON IN THE EEA WHO IS NOT A QUALIFIED INVESTOR SHOULD NOT ACT OR RELY ON THIS DOCUMENT OR ANY OF ITS CONTENTS. THE EXPRESSION “PROSPECTUS DIRECTIVE” MEANS DIRECTIVE 2017/1129 (AND AMENDMENTS THERETO. **PORTO AVIATION GROUP S.P.A.** (THE “**COMPANY**”) IS A RESEARCH CLIENT OF VALUE TRACK S.R.L. HOWEVER, THIS DOCUMENT HAS BEEN PRODUCED INDEPENDENTLY OF THE COMPANY AND ITS SHAREHOLDERS, AND ANY FORECASTS, OPINIONS AND EXPECTATIONS CONTAINED HEREIN ARE ENTIRELY THOSE OF VALUE TRACK VT S.R.L. AND ARE GIVEN AS PART OF ITS NORMAL RESEARCH ACTIVITY AND SHOULD NOT BE RELIED UPON AS HAVING BEEN AUTHORISED OR APPROVED BY ANY OTHER PERSON. VALUE TRACK VT S.R.L. HAS NO AUTHORITY WHATSOEVER TO MAKE ANY REPRESENTATION OR WARRANTY ON BEHALF OF THE COMPANY, ITS SHAREHOLDERS, ANY OF ITS ADVISORS, OR ANY OTHER PERSON IN CONNECTION THEREWITH. WHILE ALL REASONABLE CARE HAS BEEN TAKEN TO ENSURE THAT THE FACTS STATED HEREIN ARE ACCURATE AND THAT THE FORECASTS, OPINIONS AND EXPECTATIONS CONTAINED HEREIN ARE FAIR AND REASONABLE, VALUE TRACK VT S.R.L. HAS NOT VERIFIED THE CONTENTS HEREOF AND ACCORDINGLY NONE OF VALUE TRACK VT S.R.L., THE COMPANY, ITS SHAREHOLDERS, ANY ADVISORS TO THE COMPANY OR ITS SHAREHOLDERS OR ANY OTHER PERSON IN CONNECTION THEREWITH NOR ANY OF THEIR RESPECTIVE DIRECTORS, OFFICERS OR EMPLOYEES, SHALL BE IN ANY WAY RESPONSIBLE FOR THE CONTENTS HEREOF AND NO RELIANCE SHOULD BE PLACED ON THE ACCURACY, FAIRNESS, OR COMPLETENESS OF THE INFORMATION CONTAINED IN THIS DOCUMENT. NO PERSON ACCEPTS ANY LIABILITY WHATSOEVER FOR ANY LOSS HOWSOEVER ARISING FROM THE USE OF THIS DOCUMENT OR OF ITS CONTENTS OR OTHERWISE ARISING IN CONNECTION THEREWITH. TO THE EXTENT PERMITTED BY LAW AND BY REGULATIONS, VALUE TRACK VT S.R.L. (OR ITS OFFICERS, DIRECTORS OR EMPLOYEES) MAY HAVE A POSITION IN THE SECURITIES OF (OR OPTIONS, WARRANTS OR RIGHTS WITH RESPECT TO, OR INTEREST IN THE SHARES OR OTHER SECURITIES OF) THE COMPANY.