



# GROWTH PLAN

2022  
2024



Dear shareholders,

in 2020, the interruption of events, concerts, cinemas and theaters posed a serious threat to the corporate communications sector.

The transition to digital events has drastically reduced customer investments and agency revenues and margins and almost eliminated the effectiveness of Live Communication, which for long periods could no longer leverage the emotional and interpersonal elements of in-person events. (Source Astra Ricerche - Club degli Eventi).

In 2021 the situation improved, but other partial lockdowns made it clear to operators in the sector that the winter of corporate communication would last a long time.

Suffice it to say that the great stadium concerts have only recently restarted in Italy with Vasco Rossi in Trento, more than two years after the first lockdown.

In this terrible scenario, some agencies have invested in the positive aspects of the new normal brought to the market, and have managed to emerge from the deepest crisis in the sector, renewed and strengthened.

Among these Casta Diva Group has perhaps interpreted the new challenges in the bravest way.

Already in Q3-2020 we sense that TV broadcasters and OTT platforms would need content, after the sets' outage and the household overconsumption of films and fiction. Following this insight, CDG launches Casta Diva Entertainment division which successfully begins producing TV programs for some of the main market players: Discovery+, Real TV, Amazon, and pitching to other OTTs and national and foreign televisions.

After a difficult year like 2020, in 2021 CDG recovers 2019 level of turnover generated by the Italian market (the foreign share is still lagging behind due to travel restrictions) and returns to profit, exceeding the expectations of the latest Business Plan published in December 2020.

At the same time, another intuition points to luxury, one of the sectors least affected by the Covid crisis, and CDG seeks and finds the right key to enter this promising market. At the end of 2021 it takes over a brand and a group of managers experienced in fashion, a complex sector governed by its own

dynamics. In a short time CDG begins working for Bulgari, Fendi, Moncler, Zegna and his journey into this world continues.

At the same time Casta Diva acquires 90% of Genius Progetti, an events agency based in Sassuolo that works in the sports car, ceramics and cosmetics sectors.

In Q1-2022 new television productions start, the commercials sector develops and in the events there is a promising pipeline leading to an annual turnover that is 55% higher than in 2019. The following two years foresee a further double-digit increase.

From 2020 to 2024, CDG's new Growth Plan envisages a 2.6-fold increase in turnover and 4.7-fold growth in EBITDA.

To this ambitious growth CDG adds one last goal that could further improve its performance: the awareness of being in a unique position to promote the necessary consolidation of the events market, currently populated by around 250 players. Compared to its competitors, Casta Diva has three features that are difficult to find in a single company: a strong diversification of its activities, an articulated international reach and an excellent access to capital markets, being listed on Euronext Growth Milan. The pandemic has also made it clear to all operators in the events market that greater financial stability and a larger company size is essential for ensuring survival and prosperity even in the presence of a black swan such as the pandemic or the war, and this induces even the strongest subjects to look more favorably to aggregations.

Today CDG serves 43 active top clients, has 7 framework agreements in place and produces proprietary formats for both events and TV programs. Its ambition is to increase these numbers over the next three years and in the future to serve 100 customers and help them grow, making our country grow with a combination of skills that brings together creativity, intelligence (including artificial), sustainability and new consumers.

Andrea De Micheli  
Chairman and CEO



## SUMMARY

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- Casta Diva Group (CDG) is a multinational of the communication industry listed since 2016 at the EGM in Milan, present in eleven countries and active in two sectors: Creative Content Production & Digital Communication and Live Communication (B2B and B2C).
- After double-digit annual growth from 2005 to 2019, and the sector's setback due to the pandemic, the Group has now regained its growth pace and aims to play a leading role in the consolidation of the sector underway, accelerated by the pandemic.
- The market is characterized by some important trends: a renewed enthusiasm in Live Communication, digital media's constant growth, increased need of content production to feed the proliferation of media and platforms.
- CDG has the positioning, the skills, the geographical coverage and the degree of structuring suitable to implement a growth strategy by acquisitions, with a minimum objective of doubling its Value of Production and quadrupling its EBITDA in 30 months from 2021.







*Castorina*

GROUP

# THE GROUP



## CASTA DIVA GROUP

- It is a multinational of the communication industry present in eleven countries and active in two sectors: Creative Content Production & Digital Communication and Live Communication (B2B and B2C).
- CDG delivers digital and classic advertising campaigns, produces commercials, social media videos, films and TV programs; creates and organizes live and digital B2B and B2C events; owns and manages a legendary location: the Blue Note jazz club in Milan.
- It is active on 4 continents with offices in 13 cities: Milan, Rome, Sassuolo, London, Prague, Beirut, Istanbul, New York, Los Angeles, Buenos Aires, Montevideo, Cape Town, Dubai\*.
- The brands of the Group are Casta Diva Pictures, Casta Diva Entertainment, Casta Diva Ideas, G.2 Eventi, Genius Progetti, Blue Note and Blue Note Off.
- It is the largest production network of commercials and events in the world.
- It is a talent hub capable of engaging Academy Awards winners, celebrities and influencers from all over the world, discovering and attracting new creative talents with high standards of excellence.
- It has designed innovative and creative communication strategies for over 100 major brands, reinterpreting conventional communication rules.
- It has won more than 120 international awards, including several Lions at the Cannes Lions International Festival of Creativity.
- Since August 2016, the Group is listed on the Italian Stock Exchange (EGM market, ticker CDG: MI).
- From 2005 to 2019 the Group has grown steadily, organically and via acquisitions, with a sales CAGR of 17%. After the pandemic setback in 2020-21, it has returned to its previous growth pace, with the goal of doubling its Value of Production and quadrupling its EBITDA in 30 months from 2021.



- Casta Diva Group
- Service Zero

## CREATIVE CONTENT PRODUCTION AND DIGITAL COMMUNICATION

BRANDED CONTENT,  
CINEMA, TV PRODUCTION

- Casta Diva Pictures Italia
- Casta Diva Entertainment
- Casta Diva Pictures  
international subsidiaries

## LIVE COMMUNICATION

EVENTS AND ENTERTAINMENT

- Casta Diva Ideas
- G.2 Eventi
- Genius Progetti
- Blue Note Milano
- Blue Note Off



Awards

125

INTERNATIONAL AWARDS  
WON UP TO 2020





## CLIENTS / BRANDS SELECTION\*

### CREATIVE CONTENT PRODUCTION AND DIGITAL COMMUNICATION

#### CASTA DIVA PICTURES



### LIVE COMMUNICATION

#### CASTA DIVA IDEAS



#### G.2 EVENTI



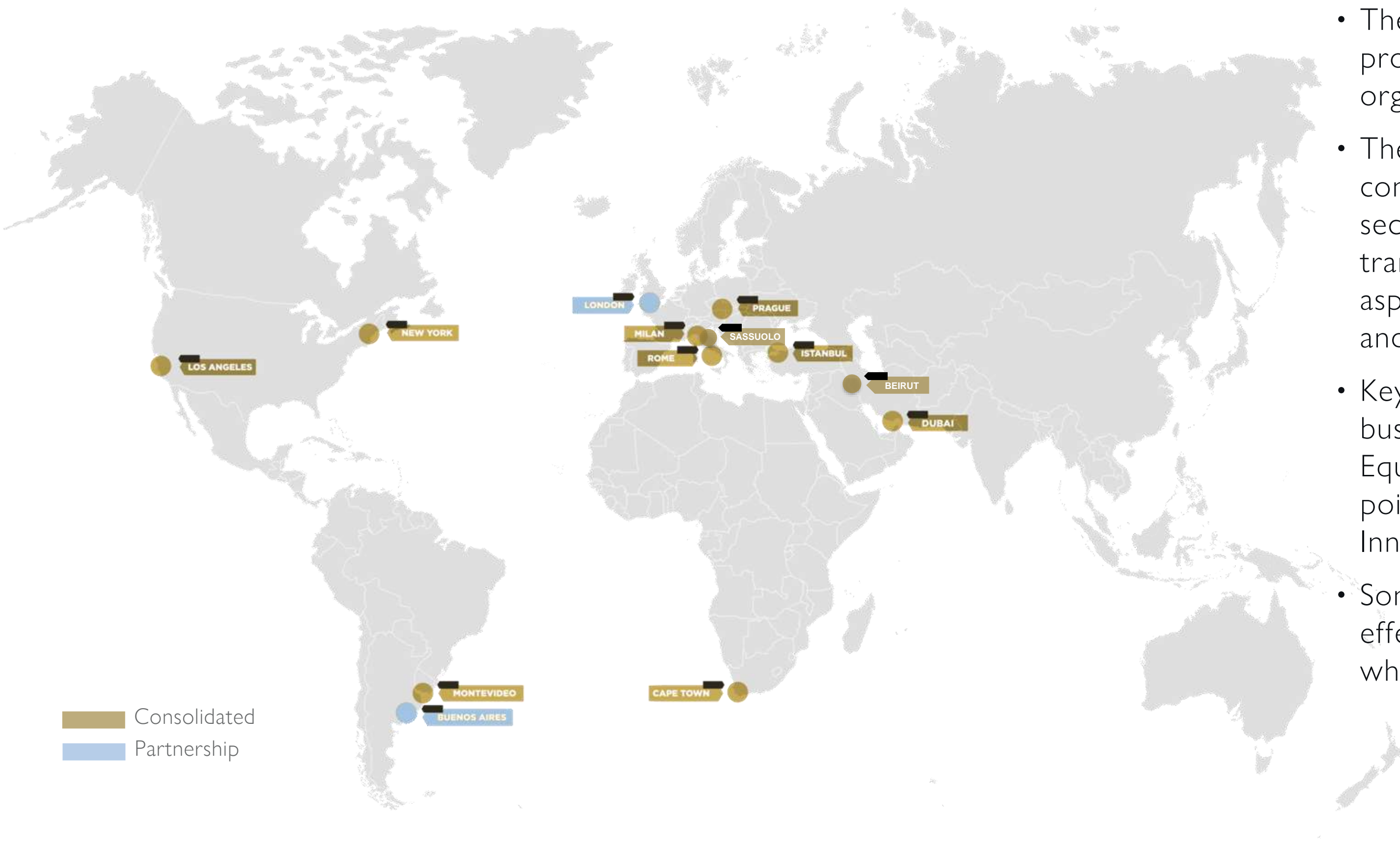
#### GENIUS PROGETTI (2022)



#### BLUE NOTE

- 65,000 yearly clients
- 20,000 dinners served
- 60 private and corporate events per year
- 25% of Italian jazz concerts revenues (source: SIAE)



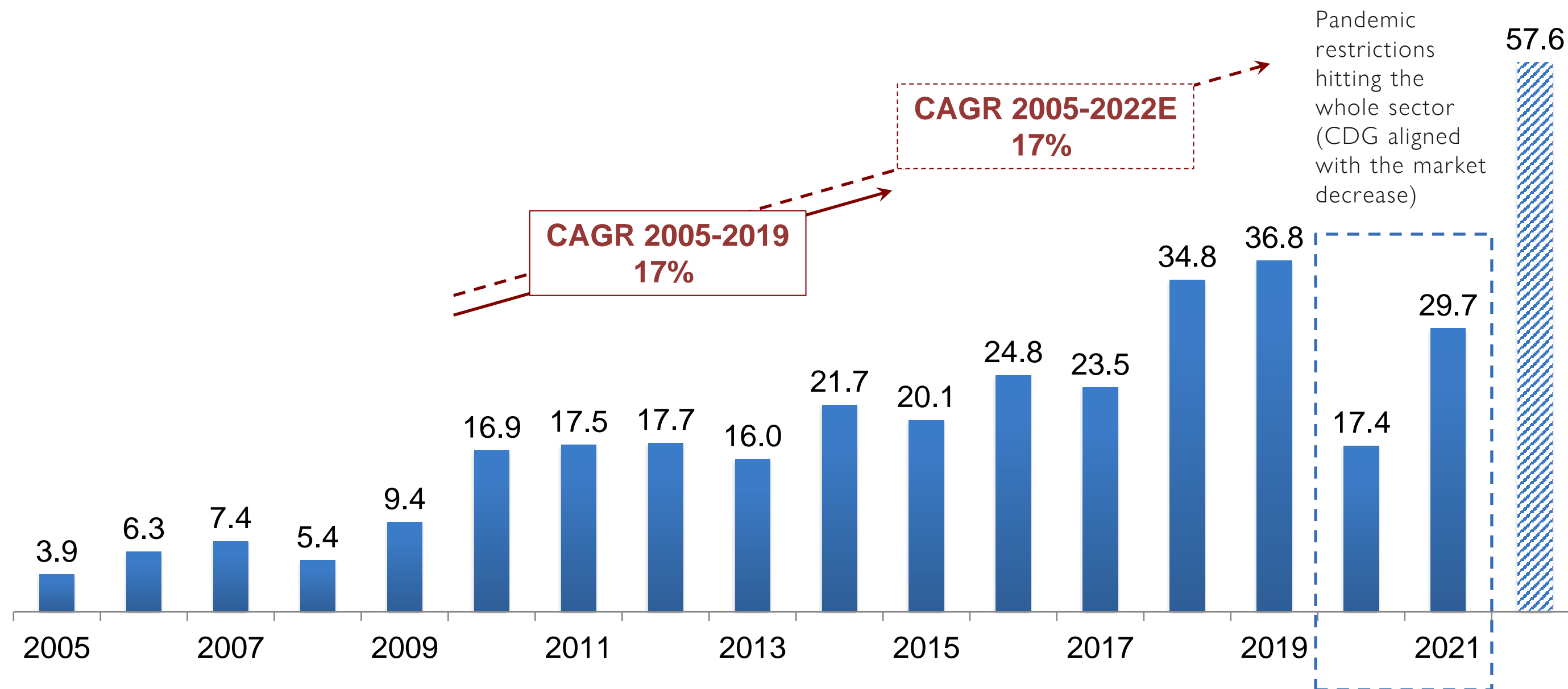


- The development of the Group has been progressive and consistent thanks to a mix of organic growth and acquisitions.
- The human, professional and relational component is of utmost importance in CDG sector; therefore, when completing M&A transactions, particular attention is paid to this aspect, aiming at the involvement of key managers and securing their loyalty to the common project.
- Key people have a strong incentive plan linked to business performance, including the Work for Equity tool, extremely convenient from a fiscal point of view (enabled by CDG status of Innovative SME).
- Some of them have become shareholders, and effectively support the founders and investors who have believed in the Group.



The Group's expansion has been driven by organic growth and domestic/international acquisitions

### PRODUCTION VALUE (€M)



### ACQUISITIONS & JOINT VENTURES

- 2005: Paramour (Prague)
- 2007: Egg (Milan)
- 2008: Onyx (Buenos Aires)
- 2010: CDP (London)
- 2011: Dynamo (Istanbul)
- 2012: Niche (New York, Los Angeles)
- 2013: Moonlighting (Cape Town)
- 2016: Blue Note (Milan)
- 2018: CDE (Dubai)
- 2018: G.2 Eventi (Milan)
- 2018: Mete Travel & Events (Milan)
- 2020: Over Seas (Rome)
- 2022: Genius Progetti (Sassuolo)





Content Production

Live Communication

Digital

Services

(\*) turned into commercial agreement in 2021  
 (\*\*) in liquidation (ref. press release 21/12/2021)



2005

Casta Diva Pictures  
Prague



2007

Egg Milan (CDE)



2008

Casta Diva Pictures  
Buenos Aires



2010

Casta Diva Pictures  
London



2011

Casta Diva Pictures  
Istanbul



2012

Casta Diva Pictures New  
York











2013

Casta Diva Pictures Cape  
Town



A unique selling proposition, based on global integration and partnership, has allowed for an initial quick expansion



<p>2014</p> <p>Egg Rome (Casta Diva Events)</p>		<p>2018</p> <p>Casta Diva Events Dubai*</p>	
<p>2014</p> <p>Casta Diva Pictures Los Angeles</p>		<p>2018</p> <p>G.2 Eventi - Mete</p>	
<p>2015</p> <p>Casta Diva Pictures Montevideo</p>		<p>2020</p> <p>Over Seas** Roma</p>	
<p>2016</p> <p>Blue Note Jazz Club &amp; Events</p>		<p>2022</p> <p>Genius Progetti</p>	

After years of international growth, the Group has developed a consistent acquisition methodology to leverage for further expansion



## SWOT ANALYSIS

<p><b>STRENGTHS</b></p> <ul style="list-style-type: none"> <li>• Three unique features: diversification, international presence, listed Group.</li> <li>• Exploitation of group synergies</li> <li>• Excellence in vertical sectors</li> <li>• Loyalty of big spenders</li> <li>• Track record of M&amp;A</li> <li>• Innovative SME status</li> </ul>	<p><b>WEAKNESSES</b></p> <ul style="list-style-type: none"> <li>• Need for continuous technological investments and highly qualified personnel (innovative SME status)</li> </ul>
<p><b>OPPORTUNITIES</b></p> <ul style="list-style-type: none"> <li>• Exponential growth of content production demand from TV and platforms</li> <li>• Digital Transformation</li> <li>• Data Driven Marketing</li> <li>• Consolidation of the Live Communication market</li> <li>• Ideation of proprietary formats</li> </ul>	<p><b>THREATS</b></p> <ul style="list-style-type: none"> <li>• Highly competitive scenario with companies from neighboring sectors</li> <li>• Geopolitical instability (Ukraine war)</li> </ul>





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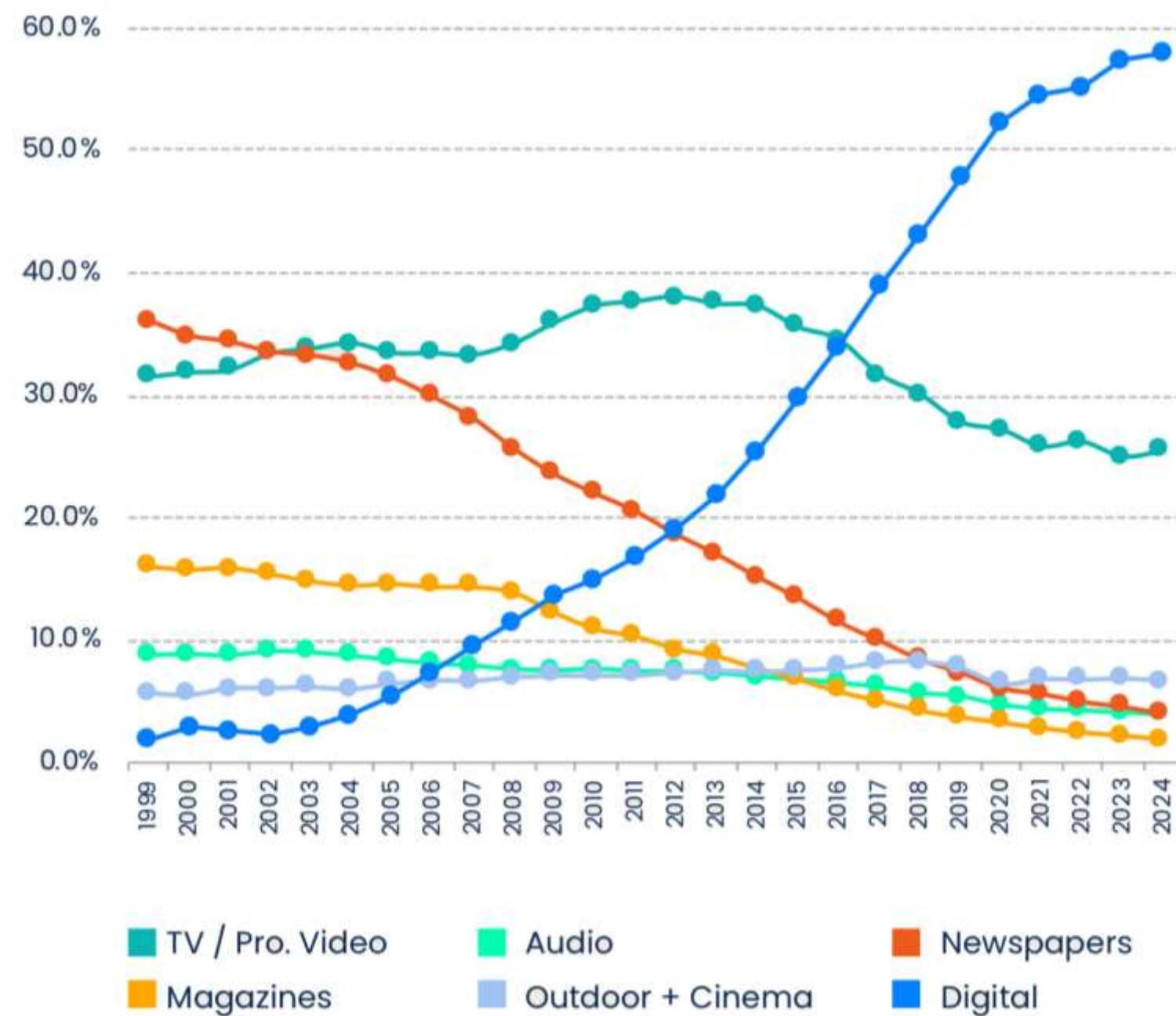
GROUP

# THE MARKET



While video is defending its historical share, digital emerged as the leading advertising channel

## GLOBAL ADVERTISING SHARE BY MEDIUM



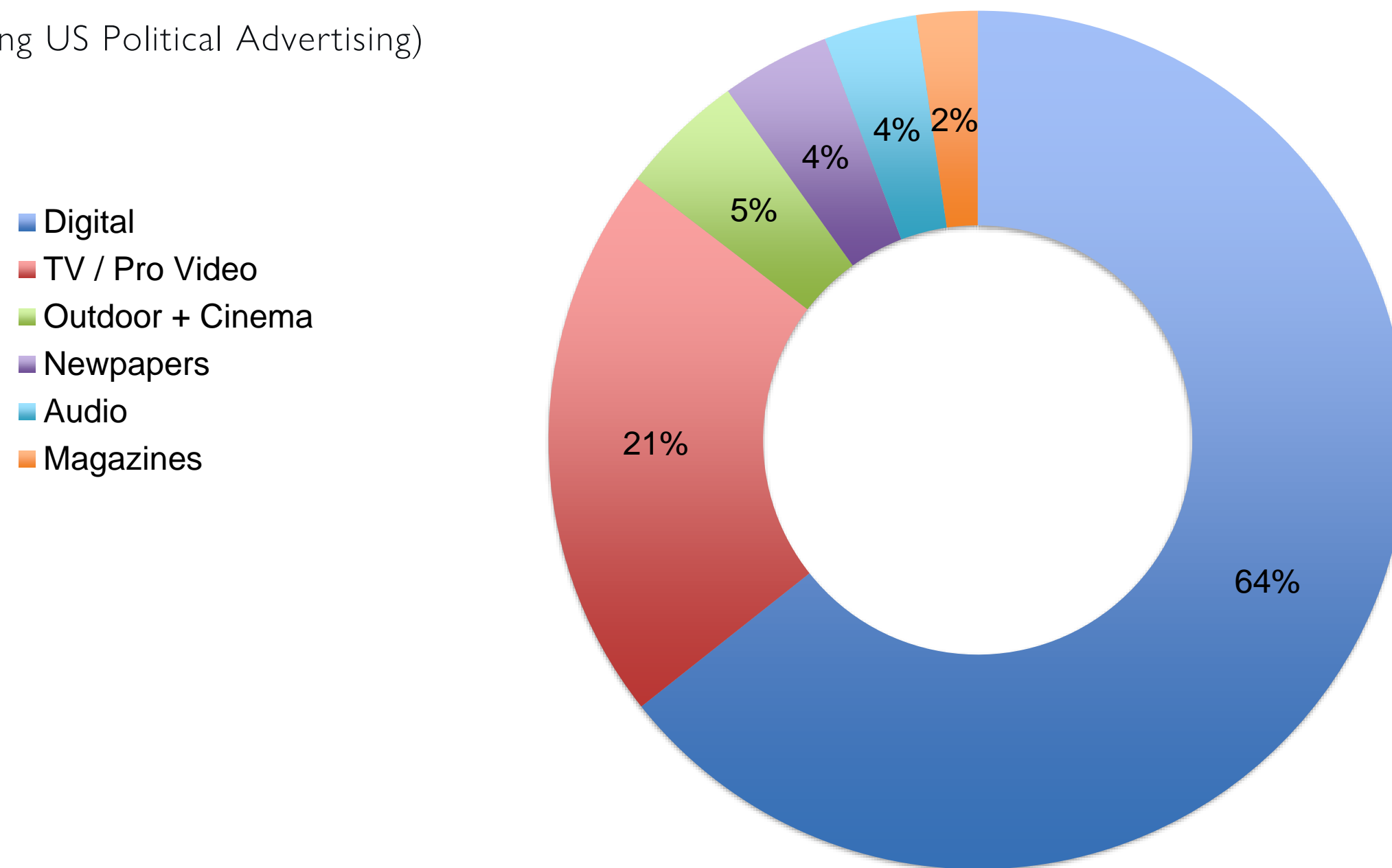
- Since 5 years, digital channels have surpassed television advertising, although the latter increased in 2021 by 7%.
- Large brand continue to allocate approximately 40% of their budget to advertising associated with premium video, whether online or offline, a figure that has probably only declined slightly.
- Moreover, all media are highly impacted by “digital extensions” (digital advertising associated with traditional media), that will account for 16% of advertising spending on traditional media by 2024.



Digital media have shown a good resistance throughout the pandemic

### EXPECTED GLOBAL MEDIA SHARES (2021)

(Excluding US Political Advertising)

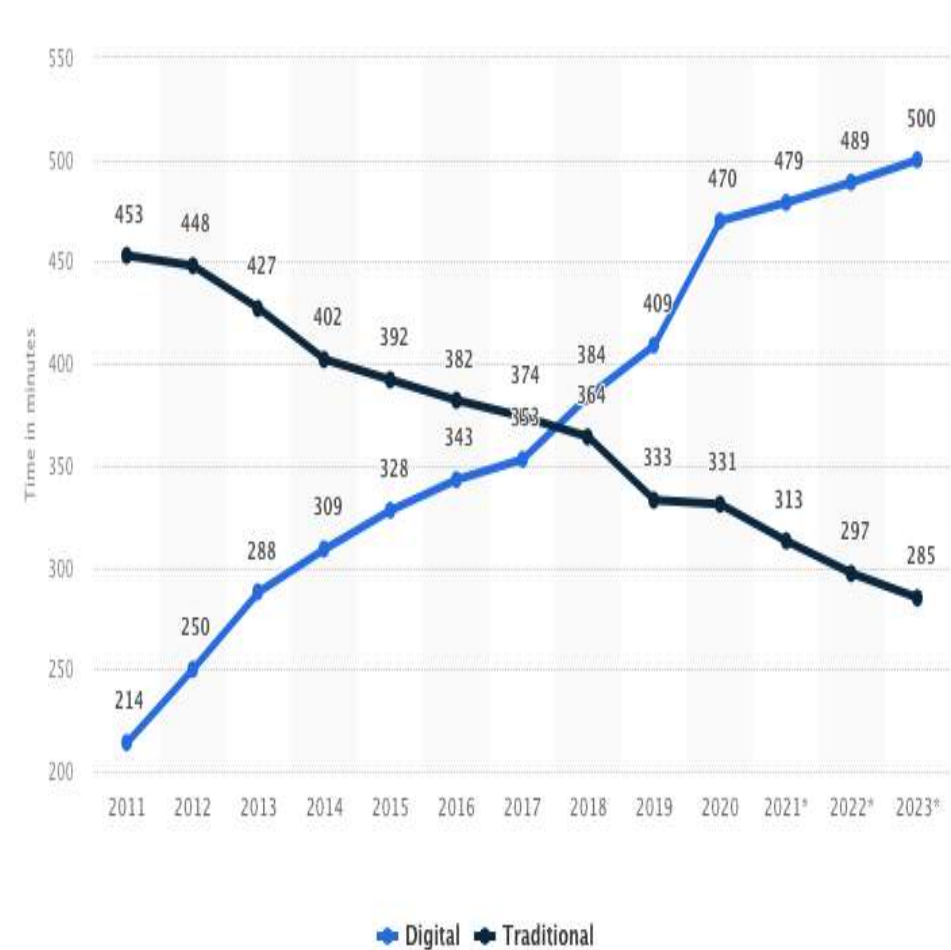


- Digital advertising rose to account for 64.4% of total advertising in 2021, up from 55% in 2020 and 48% in 2019.
- Television is clearly the most important medium after digital. It has grown by 11.7% in 2021 and, given the depths of 2020's decline, it is expected to return to 2019 levels in 2023

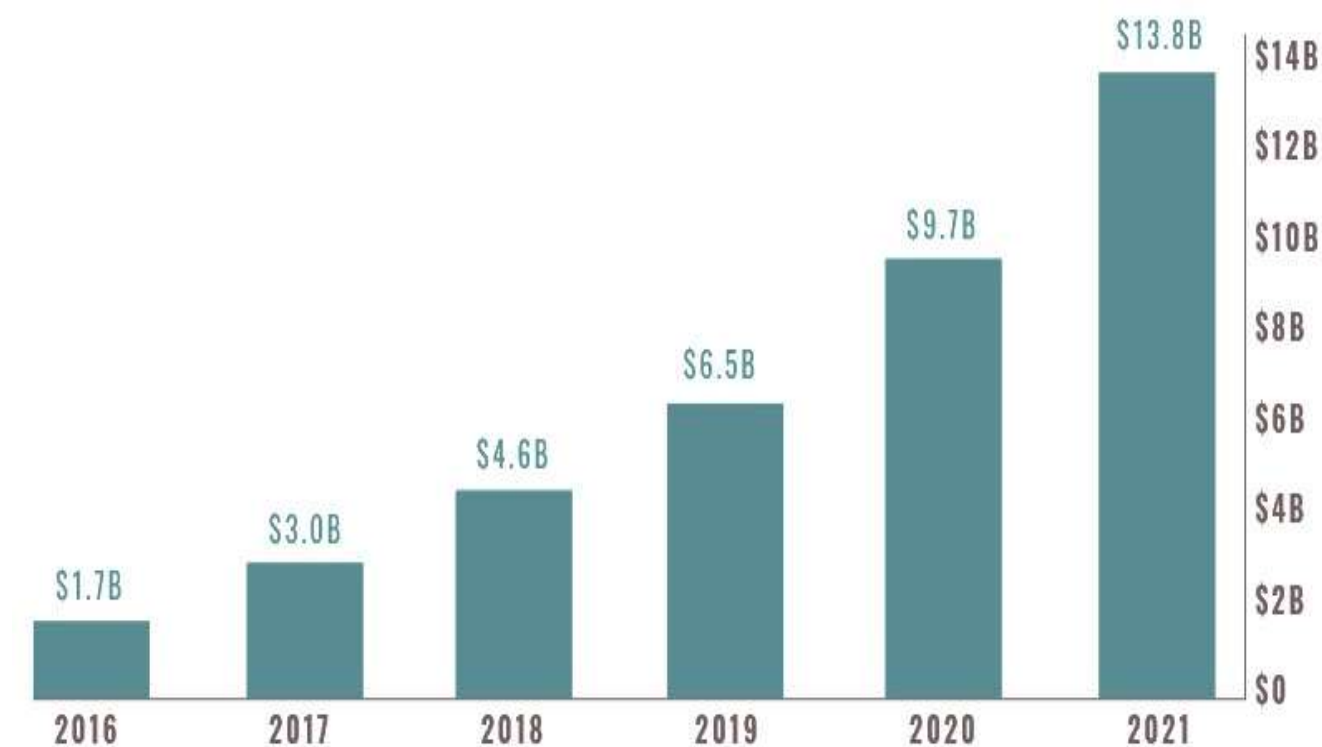


## Digital trends are reshaping the marketing landscape

### TIME SPENT ON MEDIA IN THE US (MINS)



### GLOBAL SPEND IN INFLUENCER MKTG (\$B)



- In 2021, Americans spent 8 hours a day on digital media, nearly 3 hours more than on traditional media.
- This gap is set to widen, with younger generations replacing Gen X in the online cultural debate as well.
- Advertisers will pursue this trend by increasing focussed investments in digital native tools such as influencers, according to the target audience.



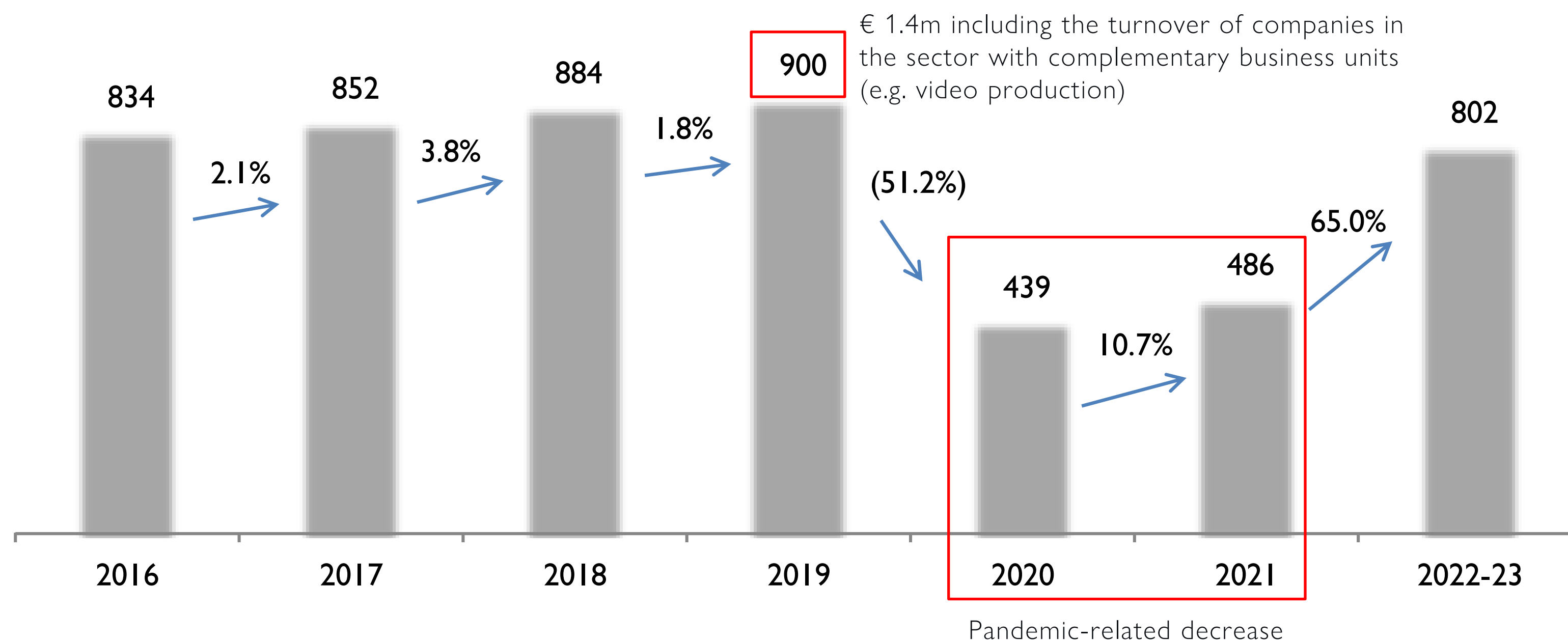
## Live Communication benefits from the end of pandemic restrictions



- The sector includes B2B and B2C corporate events and cultural, sporting and musical events, also financed by advertising and sponsorships, with a turnover increasing, according to the projections of Allied Market Research, from \$ 805b in 2017 to \$ 1,439b in 2025, with a CAGR of 7.6%.
- Growth came to a halt in 2020 due to the pandemic crisis, causing a contraction of 51% in Italy, but the sector is expected to return to pre-pandemic levels in 2022.
- As a consequence of the pandemic, the global virtual events market size was valued at \$ 114.12b in 2021 and is anticipated to expand at a compound annual growth rate of 21.4% from 2022 to 2030. Nonetheless, the so-called "Hybrid mode", that is a mixed digital - in presence format, where digital does not replace but integrates the experience, is gaining momentum.
- Other essential element are event's safety, with the need to manage large and small events and move people in total respect of all health protocols, and sustainability, with the goal to reinforce the ESG values promoted by most of the clients.

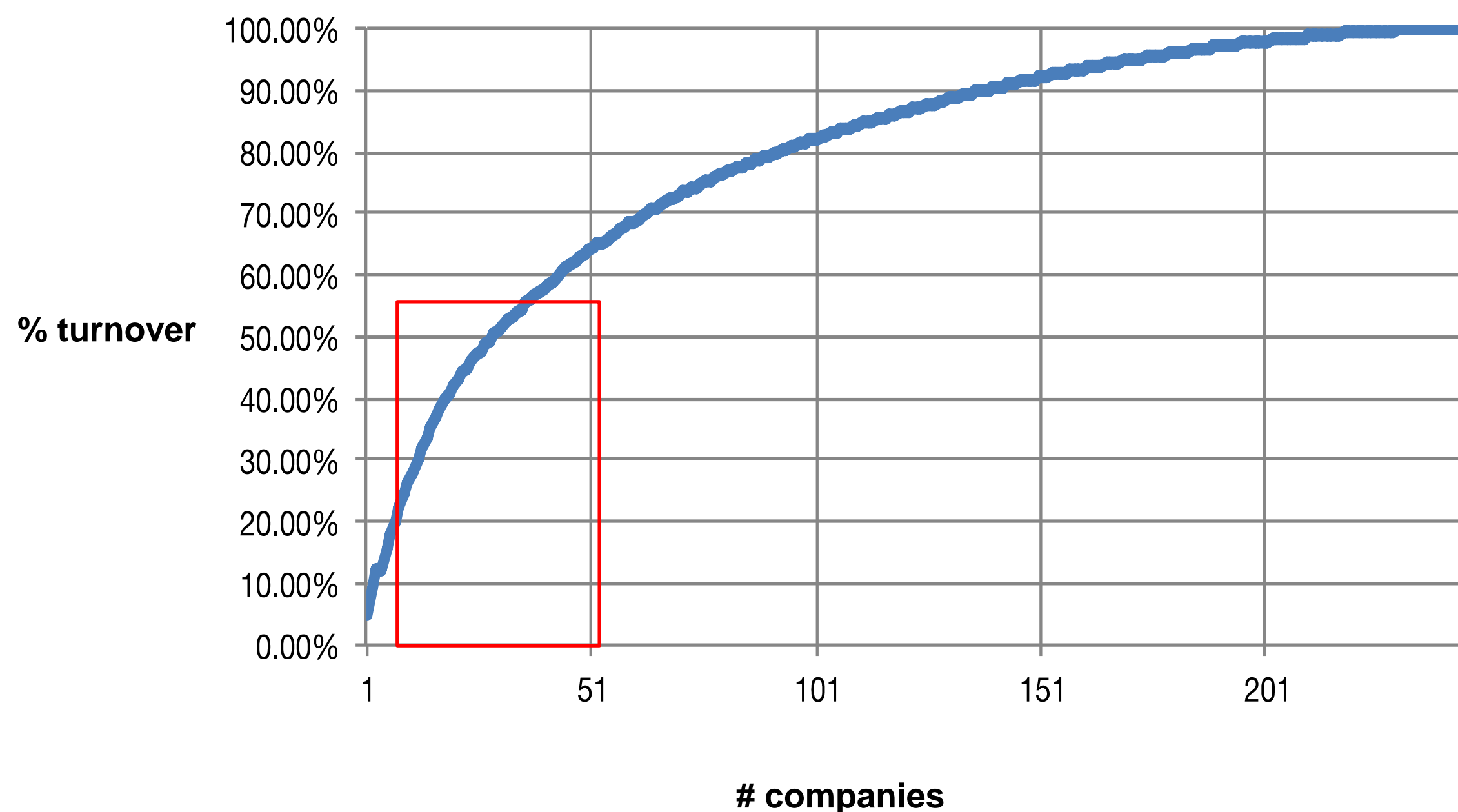


## Size and growth rates of the events sector in Italy (€m, %)





## Consolidation in the Italian events sector

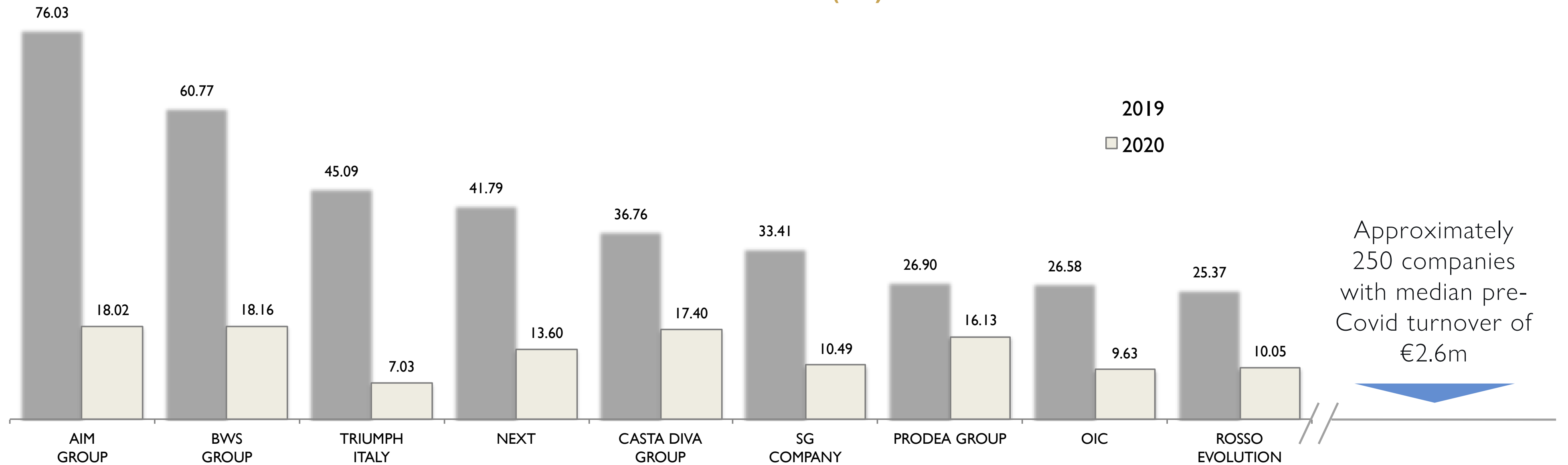


- The Italian market is characterized by a high fragmentation (250 players).
- The top 50 agencies, out of a total of 250, account for 60% of the turnover.
- Following the slowdown due to the pandemic, many operators have begun to consider the hypothesis of a market consolidation.
- CDG can act as a natural aggregator of the most dynamic competitors, even of considerable size, thanks to its almost unique position as a listed company among the market leaders, with wide access to the capital markets.



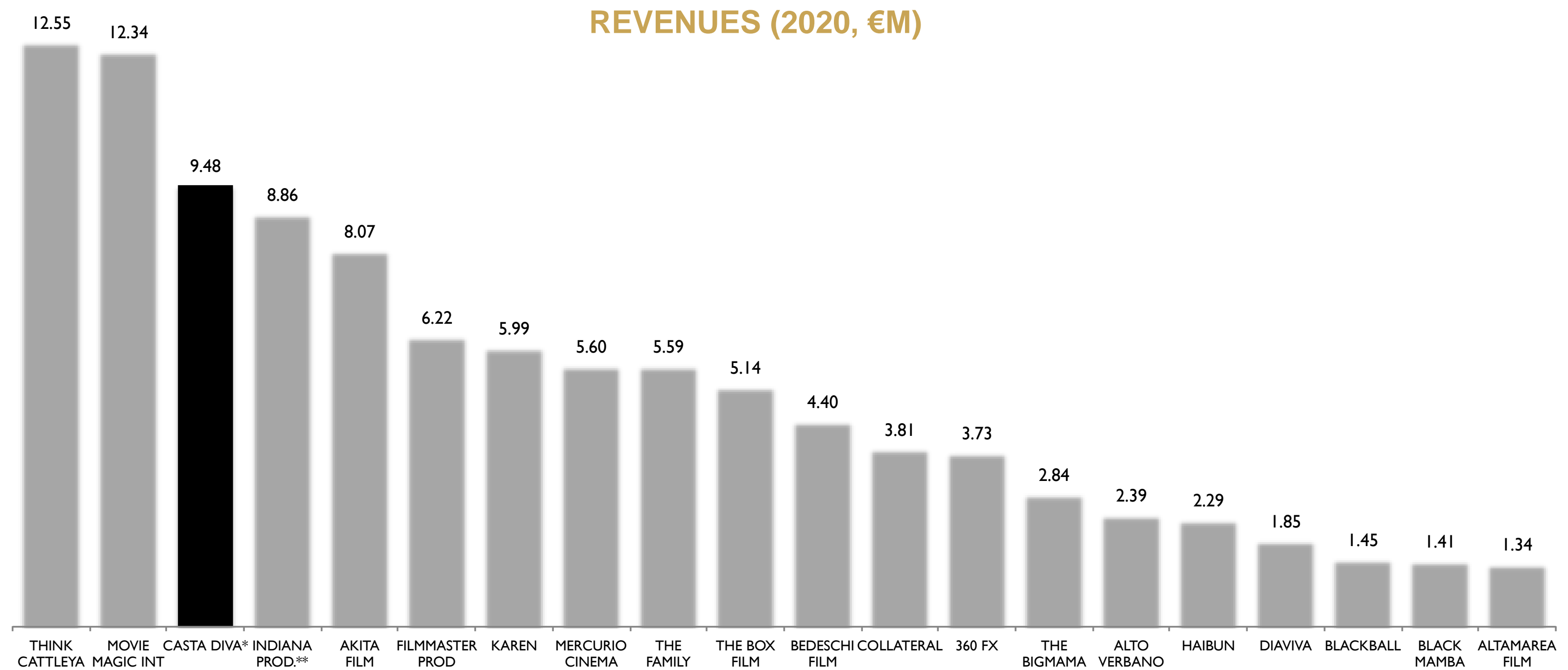
Casta Diva ranked 5<sup>th</sup> in the Live Communication main comparable group\* in 2019 and 3rd in 2020

### VALUE OF PRODUCTION (€M)





## Casta Diva's Creative Content Production DNA: ranking 3rd among Italian video advertising producers







*Castorina*

GROUP

# ORGANIZATION



## MITIGATION OF ORGANIZATIONAL RISKS

- The historical development of the Group has taken place through organic growth and acquisitions; therefore the relationship with the managers/entrepreneurs has always required particular attention.
- The target market is made up of companies that are often linked to an entrepreneur and his managerial and relational skills: related risks have to be carefully evaluated.
- It is necessary to retain managers and entrepreneurs, even through their participation in the shareholder structure, for example with “work for equity” plans.
- The Group has complied with the above guidelines in the past; managers and entrepreneurs have historically been loyal by becoming co-entrepreneurs. Of the 13 acquisitions since 2005, 35 key managers are still with the Group.
- The risk related to one-man-companies has been avoided because the rationalization of the legal entities has defined safeguards in which at least two top figures, professionally competent in that sector, share the corporate knowledge and customer relationships, creating an effective backup.
- Each key person has specific experience in the sector of the related BU: <https://www.castadivagroup.com/people/>



# KEY PEOPLE



GUIDO  
PALLADINI  
GROUP CFO



ANDREA  
DE MICHELI  
GROUP CHAIRMAN & CEO



MATTEO  
VALCELLI  
CHAIRMAN G.2



FABIO  
NESI  
CEO CDP MILAN  
& INTL NETWORK DIRECTOR



FRANCESCO  
PAOLO  
CONTICELLO  
CEO CASTA DIVA IDEAS



MATTEO  
GIUSTI  
CEO GENIUS PROGETTI



MICHELE  
COSTANTINO  
AD G2 EVENTI  
DG CASTA DIVA GROUP





# KEY PEOPLE



RAFFAELE  
COZZA  
BOARD MEMBER



FRANCESCA  
PANIGUTTO  
CLIENT DIRECTOR &  
NEW BUSINESS MANAGER  
BOARD MEMBER

DANIELE GENOVESE  
CEO BLUE NOTE MILANO

FEDERICA MORINI  
DC GENIUS PROGETTI



VANESSA  
FULVIO  
COMMERCIAL DIRECTOR G.2

DANIELA  
FUMAGALLI  
GM G.2



INDUSTRIAL  
PLAN  
2022-2024





INDUSTRIAL PLAN  
2022-2024



IVANA  
GABBIANO  
PEOPLE & PROCESS MANAGEMENT



VERONICA  
LANZANO  
ACCOUNT DIRECTOR



ATTILIO  
MANASSERO  
CHIEF LUXURY OFFICER CASTA DIVA



MASSIMO  
PUTZU  
ACCOUNT DIRECTOR



MASSIMO  
RIGHINI  
CHIEF CREATIVE OFFICER CDP



DUCCIO  
STANZANI GHEDINI  
ACCOUNT DIRECTOR G2

KEY  
PEOPLE



# INDUSTRIAL PLAN

2022-2024



MANUELA  
MICHELI  
COMMERCIAL MANAGER G.2



EMRE  
ATAKAN  
CEO CASTA DIVA ISTANBUL

THOMAS  
DAVID  
CEO CASTA DIVA PRAGUE



CECILIA  
FELGUERAS  
CEO CASTA DIVA BUENOS  
AIRES

PHILIP  
KEY  
CEO CASTA DIVA CAPE TOWN



## KEY PEOPLE



- Pursuing a sustainability agenda on ESG issues is top of mind for us and it informs our overall strategy.
- We aim to give priority to action on energy management, water and wastewater management, recycling and waste management, data security and customer privacy, diversity and inclusion, but also fair labor practices, anti-bribery policies and adoption of the Ethical Code for listed companies.
- Some other concrete actions following ESG principles:
  - ISO certifications (eg 37001 Anti-bribery, 20121 Sustainable Events, 14064 Carbon Footprint) for our Live Communication companies
  - Gender equality: 64% of women among Group employees
  - Three independent board members, above the minimum required of one
  - One-tier governance system
  - Educational programs in sustainability for employees, clients and suppliers
  - Approved roadmap to plastic-free events







*Castro*

GROUP

# GROWTH PLAN



## GUIDELINES

### POSITIONING

- Big spenders as the main target
- Position as a strategic business partner (framework agreements, customer loyalty)
- Promote international footprint of offices and talents
- Proprietary formats
- Content platform partnerships

### PRODUCTS

- Main offering: digital communication, creative content production, live communication
- Main fields of engagement: sport, music, cinema

### GROWTH STRATEGY

- Group-coordinated vertical excellences of the different product companies
- Access to capital markets to accelerate organic and external growth
- Consolidate leadership in each market covered



POSITIONING

- The size reached by the Group, its credibility as a listed company and the breadth of its offering are valuable assets to position as the preferred supplier for big spenders, customers likely to establish a loyal relationships and guarantee a greater stability in revenue flows.
- Customer relationship must therefore increasingly take the form of a strategic partnership, with framework agreements and loyalty schemes to avoid the tender mechanisms that generate uncertainty, pressure on prices and poor standing.
- The Group's global presence is another key factor in its positioning, both for its ability to target markets with a higher investment capacity and for attracting creative and executive talents.
- An important element of value chain integration is represented by proprietary formats, which allow to directly oversee specific market segments by capturing a well defined target audience on which it is possible to build revenue stability, cross-selling opportunities and lead generation.
- Finally, the costant increase in demand of tv programs calls for new platform partnerships

Big spenders	Strategic partnerships	Global footprint	Proprietary formats
43 active clients	7 active framework agreements	13 active worldwide offices	3 active proprietary formats



## PRODUCTS

- The range of the Group's offering is built on three pillars:
  - prevalence of creativity compared to the simple execution of the communication campaign (be it an event or a commercial)
  - ability to relate with both business and consumer logic, integrating the corporate video/event production DNA with the b2c experience gained, for example, in the management of Blue Note and proprietary formats.
  - strong cross-media integration, in particular with reference to digital, by developing an integrated offer that allows greater stability in the relationship with the customer.
- The above rationale fosters an integrated offer that includes:
  - the main forms of communication: digital communication, creative content production, live communication
  - the main fields of engagement: sport, music, cinema.



## GROWTH STRATEGY

- A market consolidation process is underway, due to the high number of small-medium players in the event business.
- Casta Diva Group, as a market leader, is a natural aggregator of dynamic competitors of medium-large size.
- The demand for supplier reliability required by the most important customers' assignments is generating a Darwinian selection of competitors. In addition, there is room for acquiring vertical product companies that can benefit from the central coordination of a larger Group.
- The pandemic has accelerated this process, pushing CDG - among the top 5 national operators in live communication in 2019 - to proactively identify several opportunities.
- CDG is listed on the EGM and has an advantage over other primary operators, both in terms of bargaining power with counterparties and access to the capital markets, to finance the acquisitions. It is regularly contacted by other players willing to find a more solid position.
- On the basis of these discussions, CDG has defined a strategic roadmap to implement a progressive and solid growth plan via acquisitions achieving a top ranking in the live communication sector and, as a Group, growing in turnover by 2.4x and in EBITDA by 4.7x in the next 30 months starting from 2021 figures.
- The plan provides, for each transaction, an adequate phase of consolidation in the reference market and the transfer of skills between BUs to expand the offer capacity.
- **The strategic path outlined has as its primary objective the creation of value for shareholders, with reference to both the share price and the distribution of dividends.**

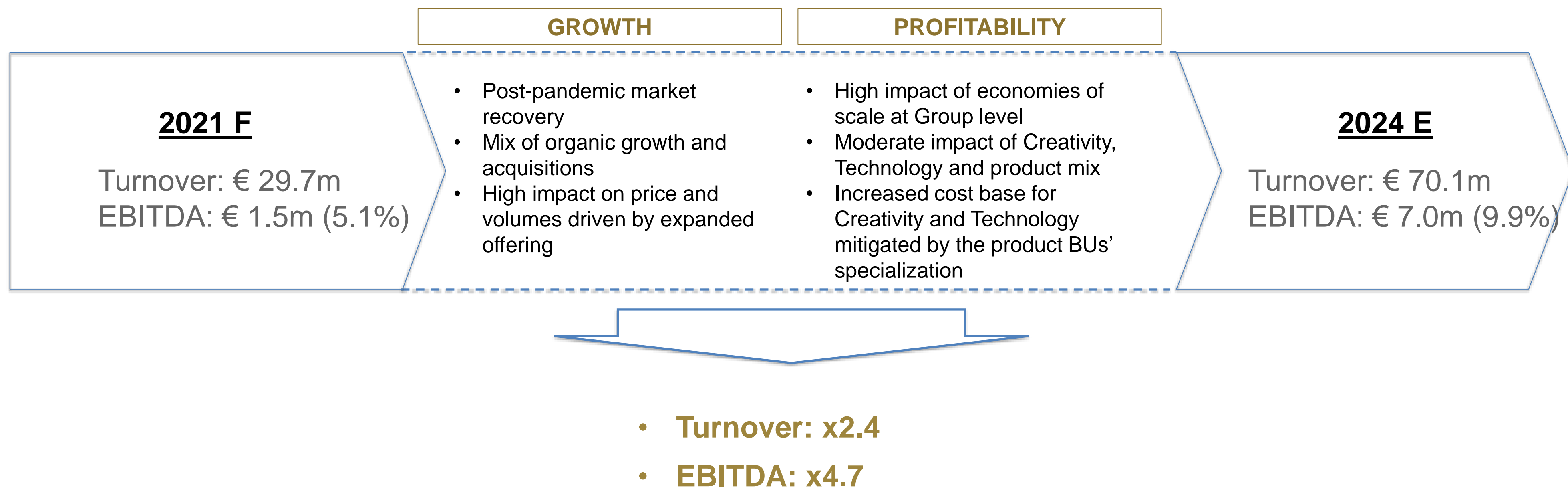


## RECENT TRANSACTIONS

- October 2020: lease of the Over Seas Srl events company branch, with the acquisition of Poste and Enel framework contracts besides other top spending customers. Expected turnover of € 7.5m in 2022.
- January 2022: onboarding of new executives specialized in fashion and luxury events, leading to the acquisition of new clients like Bulgari, Fendi, Moncler and Zegna.
- April 2022: acquisition of 90% of the capital of Genius Progetti, active in the luxury events sector. Expected turnover of € 22m in 2022.
- Strategic value of the transaction with Genius:
  - I. Top spenders not yet served by CDG
  - II. Lack of overlapping, with cross-selling opportunities
  - III. Young, experienced and motivated team
  - IV. Stock options to align personal, managerial and corporate objectives
  - V. LBO structure of the transaction.



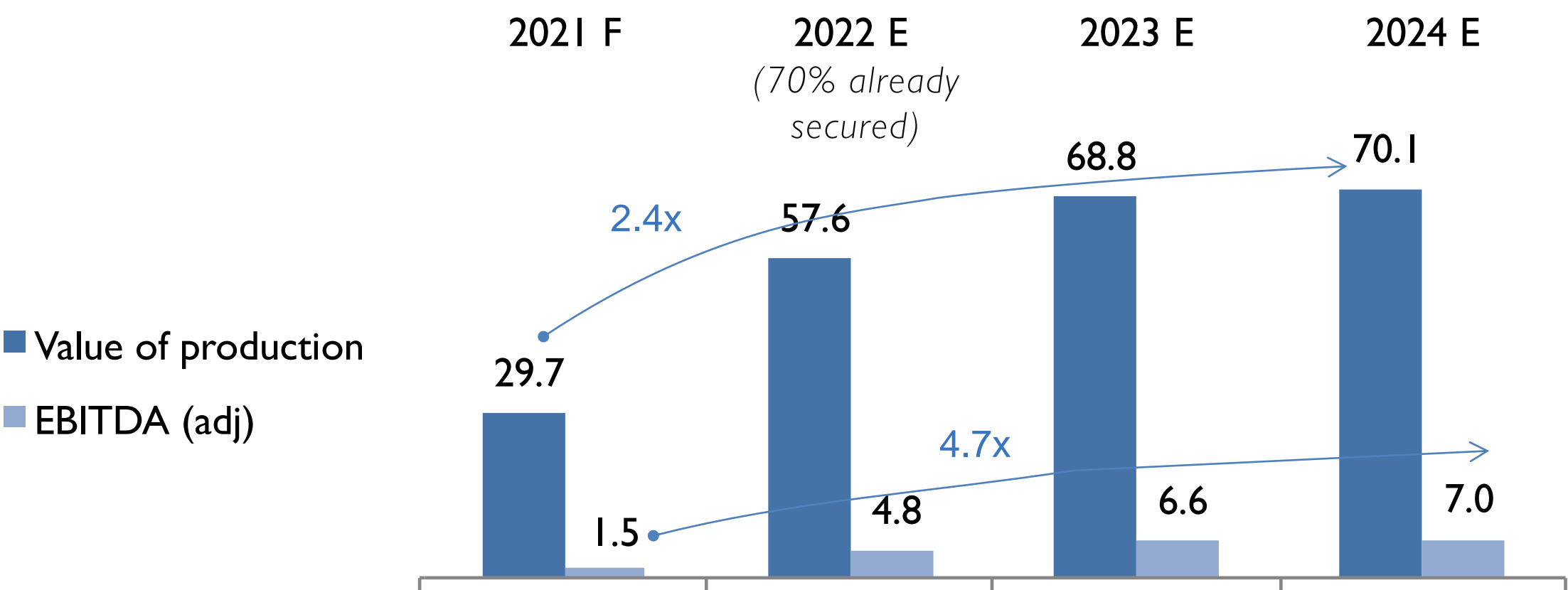
Three strategic pillars – Creativity, Digital and Group Synergies - are expected to generate revenue growth and improve profitability





CDG aims at 42% revenue CAGR from 2020 to 2024

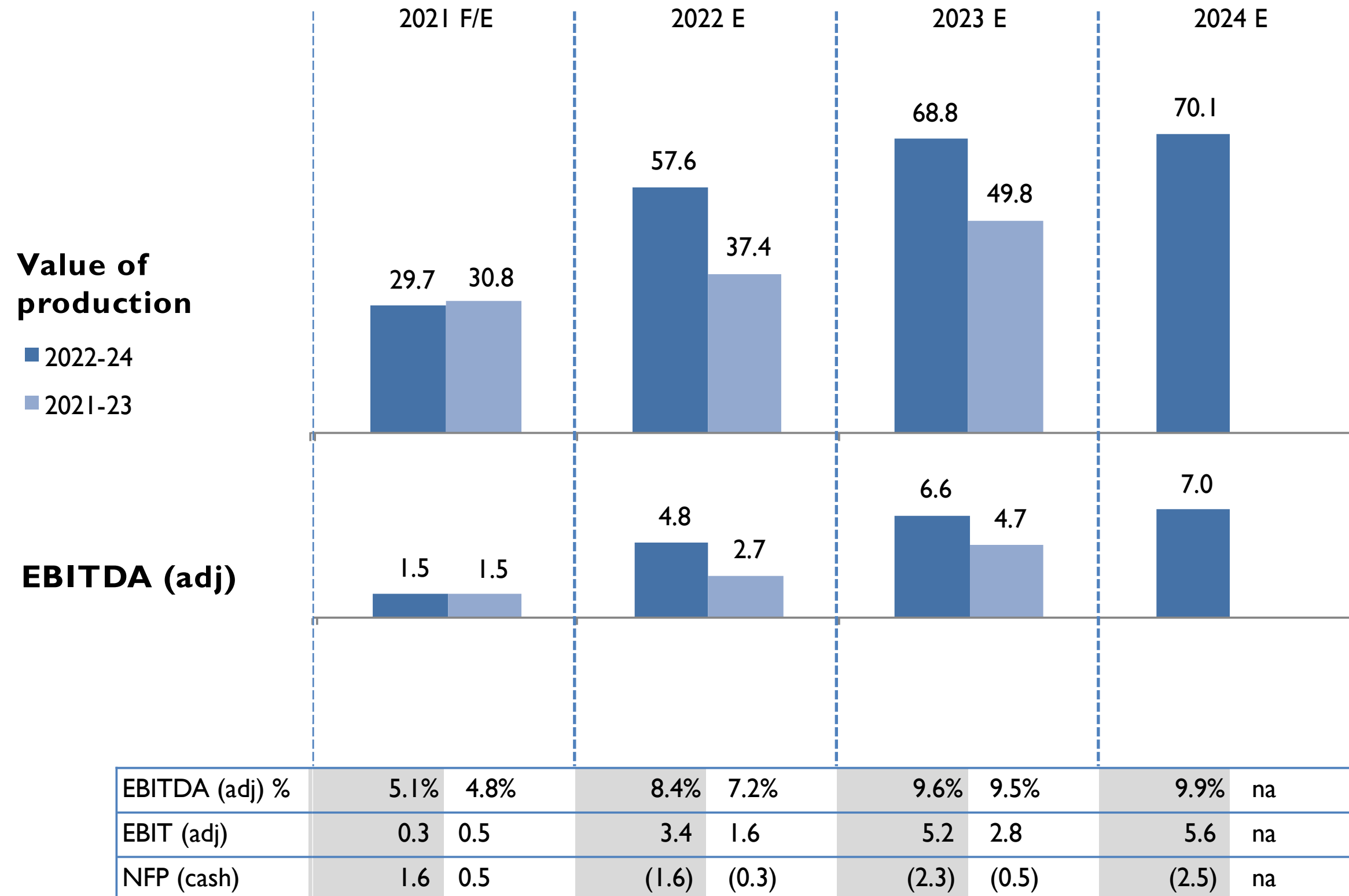
Key figures (€m, %)



EBITDA (adj) %	5.1%	8.4%	9.6%	9.9%
EBIT (adj)	0.3	3.4	5.2	5.6
NFP (cash)	1.6	(1.6)	(2.3)	(2.5)



## Industrial Plan 2022-24 vs 2021-23 (€m, %)



- Plan targets for 2021 have been substantially achieved
- Targets for 2022 and 2023 have been radically increased, while preserving a conservative approach as 70% of 2022 revenue is already secured to date





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