



# GROWTH PLAN

UPDATED 8 NOVEMBER 2022

2022  
2024



Dear shareholders,

as we predicted in May 2022, Casta Diva (CDG) emerged strengthened from the two-year period 2020-21 thanks to the courage shown in facing the pandemic crisis and its winning positioning: strong diversification of the offer, wide international reach and access to capital markets.

The recent acquisitions, Genius Progetti and We Are Live, are being integrated faster than expected. Organic growth in 2022 brought estimated year-end turnover, net of acquisitions, above 2019 levels, to around €38m. The expected turnover for the two companies acquired, GP and WAL, is approximately €36m. We can therefore say with reasonable certainty that CDG's total turnover will be around €74m in 2022, with an EBITDA of around € 5.4m. Hence the need to update the Industrial Plan issued last May. The Group will achieve two years in advance the results envisaged by the old Plan at the end of 2024.

The new forecasts (in addition to those of 2022, now consolidated) that we present to you in this update are interesting, but conservative. The uncertainty of the international situation and the still not definitive defeat of Covid advise us to be cautious. However, we cannot ignore the fact that the success of Casta Diva has not gone unnoticed in our reference markets. We have received several proposals to acquire other companies - small, medium and large - active in similar or contiguous sectors. We are analyzing these offers and evaluating the opportunity to further expand our scope of action. These possible new acquisitions could improve the current forecasts in the future. We will keep you updated on this.

In terms of innovation, we highlight our participation as founding member of the Web 3 Alliance, a consortium of companies active in the production of software and services, including communication, related to the so-called Web 3.0 technologies: metaverse, VR, AR, blockchain , NFT, AI. The association intends to seize together, in a spirit of competitive collaboration, the opportunities of the next generation of the web and to bring events, innovation, inspiration, culture, best practices to the attention of the market. As CEO of CDG I have been appointed Vice Chairman of the consortium.

In the ESG field, Casta Diva stood out for a campaign in favor of inclusion, during Pride month, June 2022, with the slogan Make Diversity a DIVA! An orientation course relating to the LGBTQIA+ world was subsequently carried out. On a more concrete level, in consideration of the growing trend of inflation,, this year Casta Diva has decided to grant a bonus of € 1,000 gross to all its employees (and regular collaborators) who have a gross salary lower than €100,000. A desk will be activated in 2023 which will allow those who feel the need to contact a psychotherapist to obtain, where necessary, free and confidential psychological help. We believe that the physical and mental well-being of our collaborators has always been and will increasingly be the basis and heart of our success.

Andrea De Micheli  
Chairman and CEO



- Casta Diva Group (CDG) is a multinational communication company listed on the EGM in Milan since 2016, active in eleven countries and two sectors: Creative Content Production and Digital & Live Communication (B2B and B2C).
- Despite the setback in 2020-21 due to the pandemic, it recorded double-digit annual growth from 2005 to 2022 with a CAGR of 19%.
- The Group intends to play its leading role in the ongoing consolidation of the sector.
- The market is characterized by some important trends: a renewed enthusiasm in Live Communication, the constant growth of digital media, the increasing need for creative content production to satisfy the demands coming from the increasingly numerous digital platforms.
- CDG has shown positioning, skills, geographical coverage and degree of organization suitable to implement an acquisition growth strategy, and is already preparing to exceed the goal, declared last May, of doubling the Value of Production in 30 months starting from 2021. **This doubling will be achieved and exceeded at the end of 2022, after only 12 months.**







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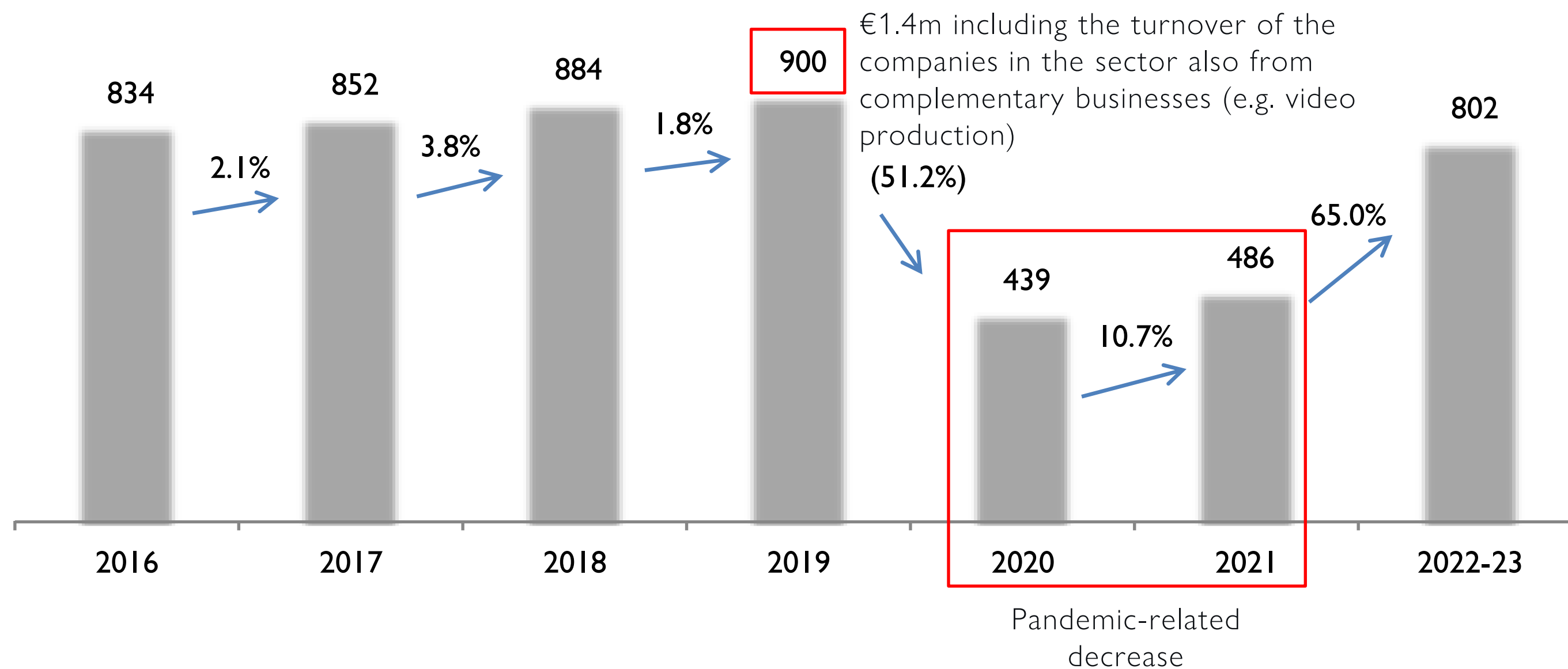
GROUP

THE MARKET



A sector in full post-pandemic recovery, but with structural changes

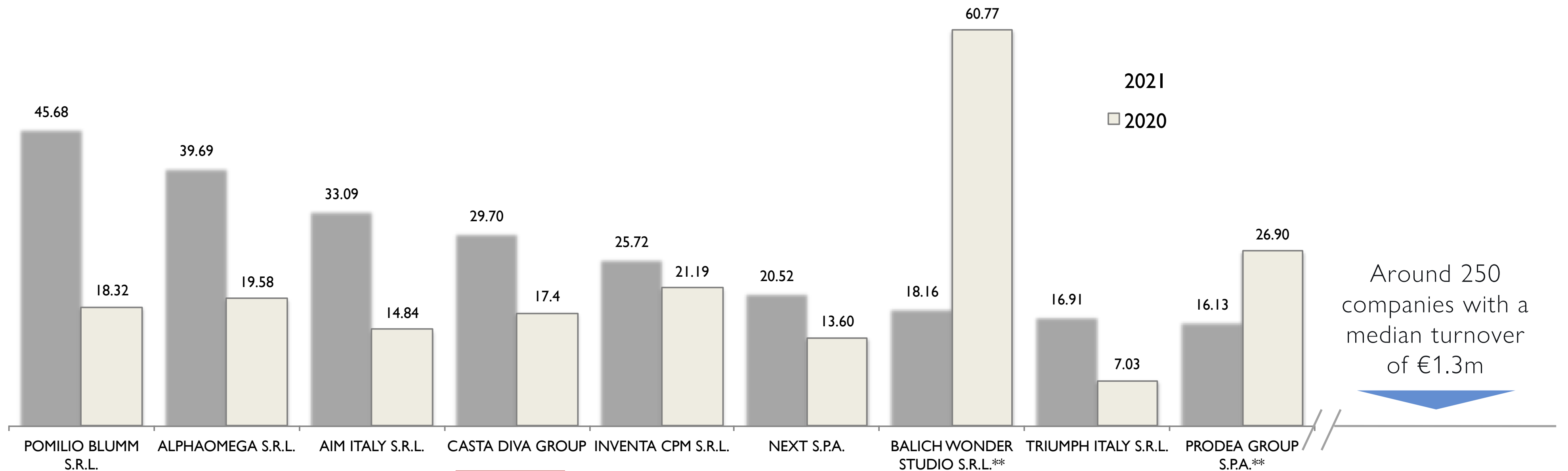
Size and growth rate in Italy (€m, %)



- The global market is increasing from \$805t in 2017 to \$1,439t in 2025, with a CAGR of 7.6%
- The Italian market is worth €486m (€872m according to Plimsoll), with 54% attributable to the top 25 companies; this share increased by 4%, indicating a clear trend towards consolidation
- Other ongoing trends: digitization ("hybrid" events), reduction of mini-events that can be virtualized (e.g. business meetings), safety and sustainability

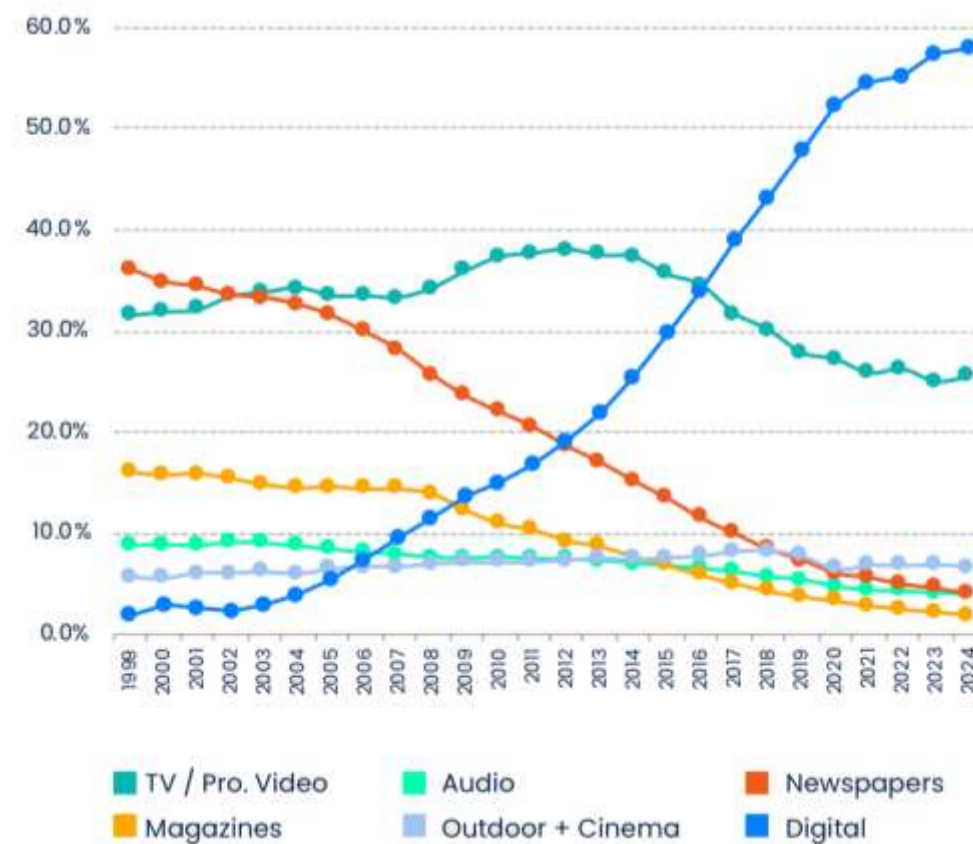
Casta Diva ranks fourth among Italian companies in the Live Communication sector\*

## VALUE OF PRODUCTION (€M)



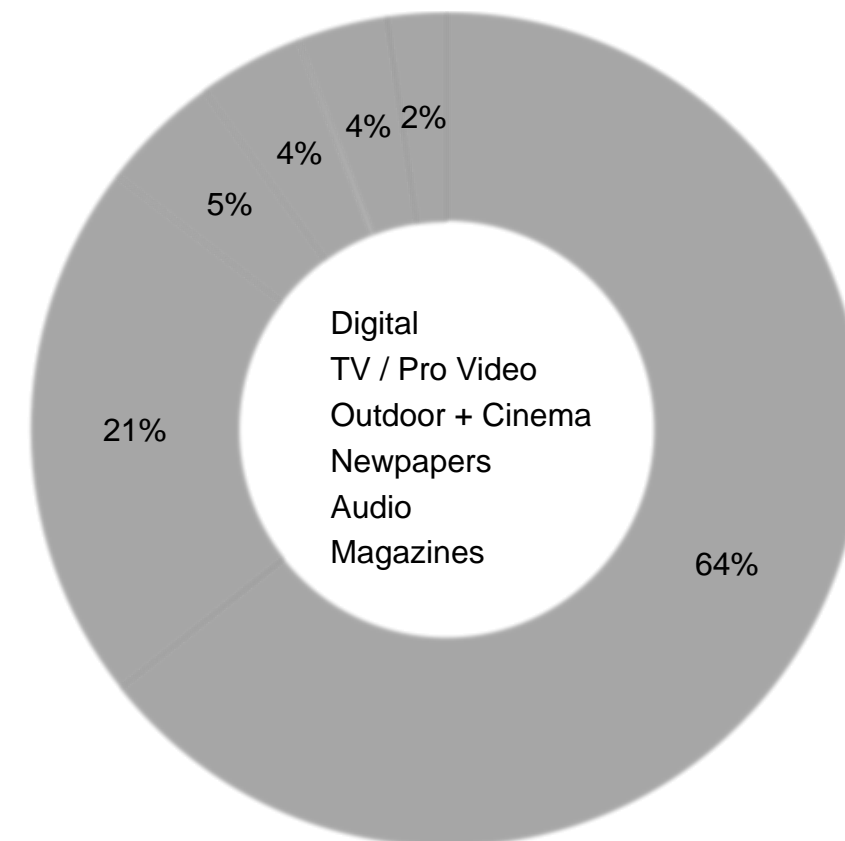
## GLOBAL ADVERTISING SHARES PER MEDIUM

### TREND



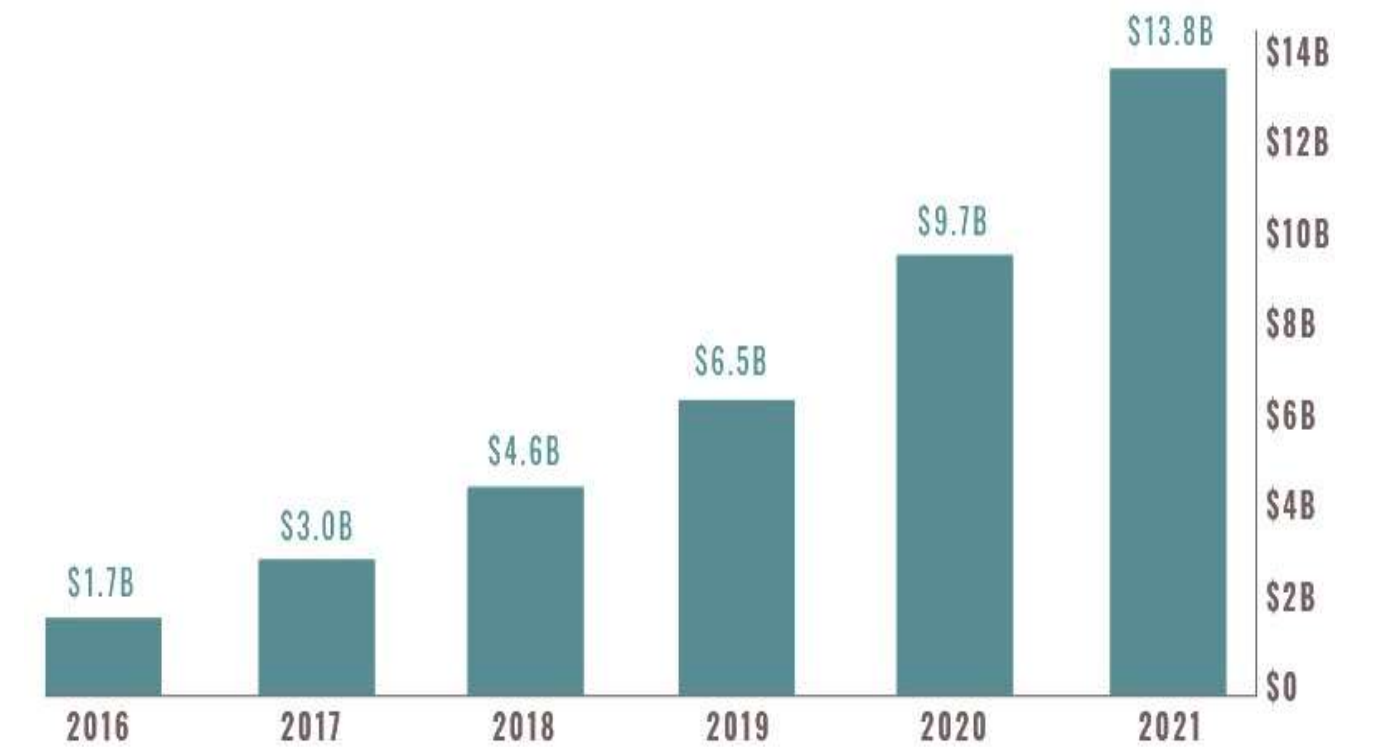
- Leadership of digital channels, TV stability...
- .. with formats in any case linked to video (40% of budgets of the largest brands)

### 2021 DATA



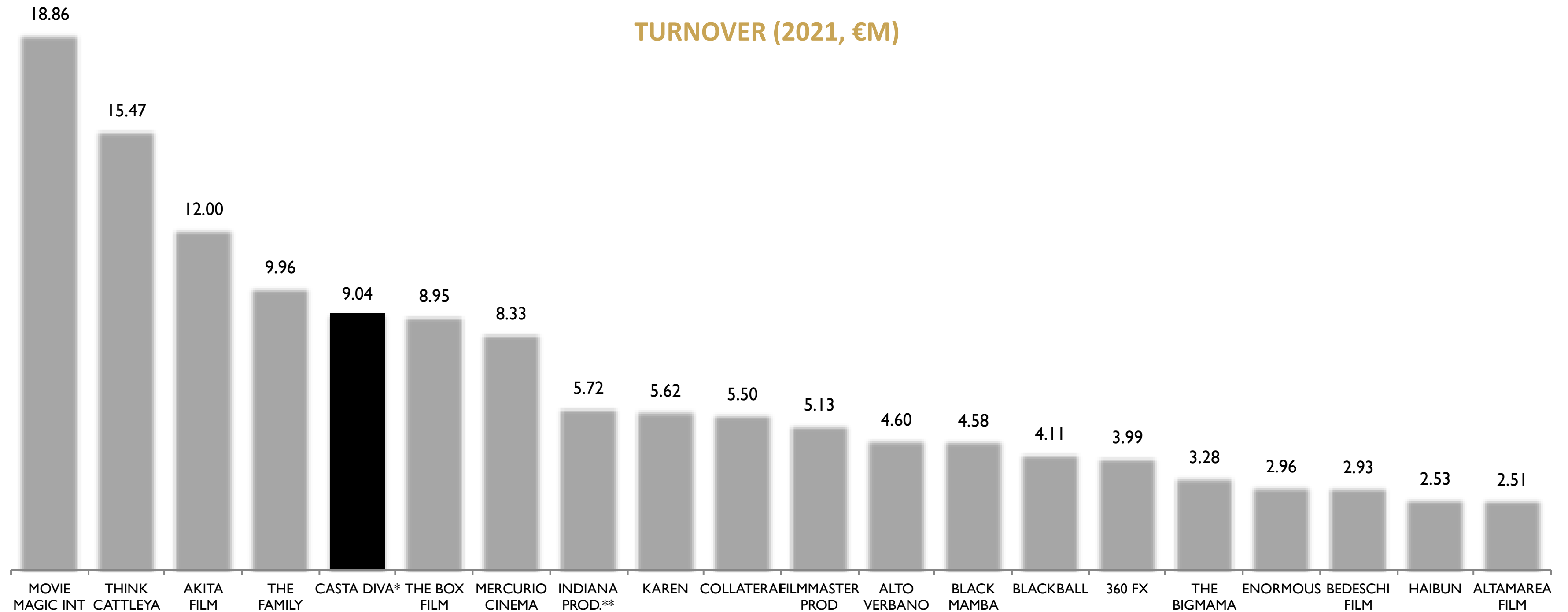
- Investments in integration between digital and traditional means ("digital extensions"), equal to 16% of traditional budgets by 2024

## SPESA GLOBAL EXPENDITURE IN INFLUENCER MKTG (\$B)



- Growing gap between the use of digital vs traditional media
- Opportunity to expand the offering on full-digital channels (e.g. influencer marketing)

Even with no acquisitions, Casta Diva maintains a prominent position among Italian producers of commercials







*Castro*

GROUP

# GROWTH STRATEGY



## POSITIONING

- The size reached by the Group, the credibility of its status of listed company and the breadth of the offering allow to address mainly advertising big spenders, customers with whom it is likely to establish loyal relationships and obtain greater stability of revenue flows.
- The relationship with customers needs therefore to switch to a strategic partnership, with framework agreements and loyalty that allow to escape the tender mechanisms generating uncertainty, pressure on price and diminished standing of communication companies.
- The Group's global presence is another key factor in its positioning, both for its ability to address markets with a higher investment capacity and for the attraction of creative and managerial talent.
- Another key element of the value chain integration is represented by proprietary formats, which allow specific market segments to be directly monitored by capturing a very targeted audience on which it is possible to build turnover continuity, cross-selling opportunities and lead generation for the acquisition of new customers.
- Finally, the constant growth in the demand for TV programs fosters partnerships with new streaming platforms

Big spenders	Strategic Partnerships	Global presence	Proprietary formats
43 active clients	7 active frame agreements	13 offices worldwide	3 active formats



## LEADERSHIP IN THE SECTOR'S CONSOLIDATION

- A process of market consolidation is underway. Casta Diva Group is a natural aggregator of dynamic realities, even of medium size.
- The request for financial stability, requested to the suppliers by the most important customers for the largest projects, is generating a Darwinian selection of operators in the sector. Furthermore, there is room for acquiring leading vertical product-companies that can benefit from the central coordination of a larger Group.
- CDG is listed on the EGM market and has access to capital markets. After the acquisition of Genius Progetti and We Are Live, it was contacted by several competitors wishing to join forces with a more solid company.
- Based on these discussions, the Group aims to become the national leader in the live communication sector. On this path, already declared in the 2022-24 plan and which envisages 2.4x growth in turnover from 2021, the Group is anticipating the deadline and exceeding the short-term objectives.
- **The strategic path outlined has as its primary goal the value creation for shareholders, with reference to both the share price and the distribution of dividends.**

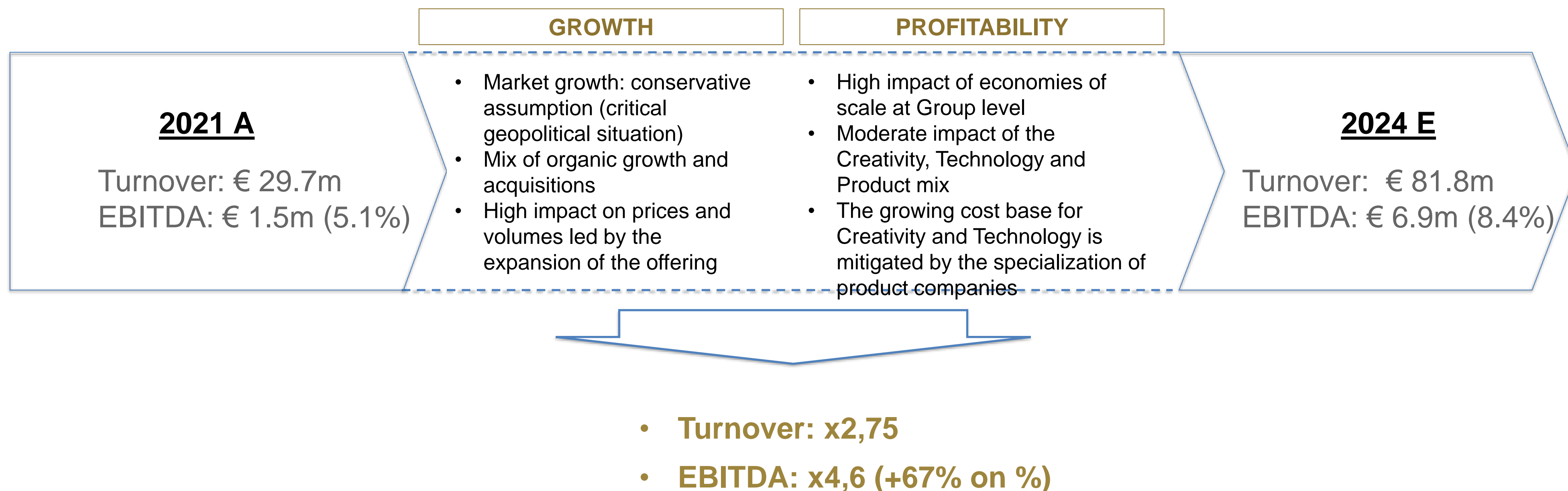


- ESG strategy is always on top of the Group's agenda and guides the overall strategy.
- In addition to the activities indicated in last May's plan, the following initiatives have been taken:
  - Inclusion campaign during Pride month, June 2022: Make Diversity a DIVA!
  - Orientation course for employees and all stakeholders on LGBTQIA+ inclusion, provided by Florencia Di Stefano-Abichian, journalist and expert in the sector.
  - Opening in 2023 of a psychological help desk by a psychotherapist available free of charge and confidentially to all employees and regular collaborators with fees below € 100,000.
  - For the same audience: a one-off contribution of €1,000 gross to help deal with rising inflation and bills.
  - Five independent directors out of six, well above the required minimum of one.





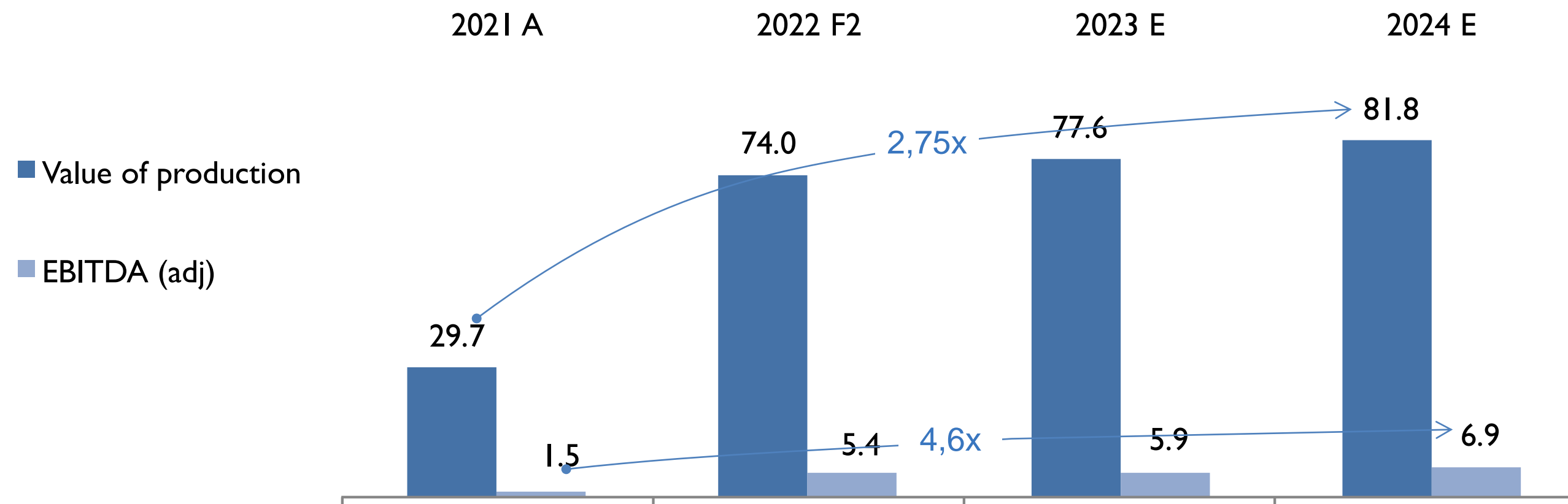
## Three strategic pillars – Creativity, Digital and Group Synergies – driving revenue and profitability growth





CDG aims to 40% CAGR on 2021-2024 turnover

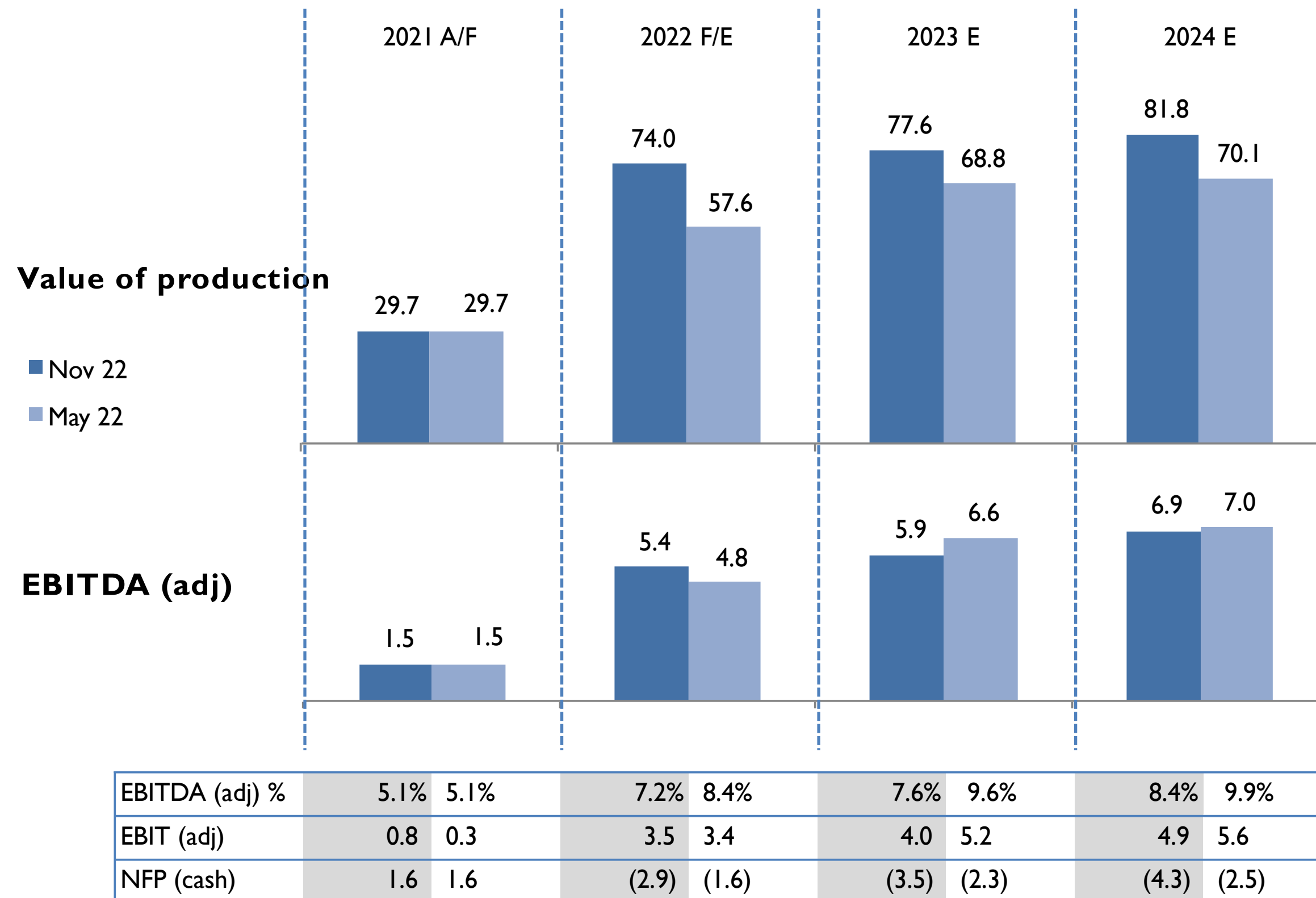
## Key figures (€m, %)



EBITDA (adj) %	5.1%	7.2%	7.6%	8.4%
EBIT (adj)	0.8	3.5	4.0	4.9
NFP (cash)	1.6	(2.9)	(3.5)	(4.3)



## Industrial Plan 2022-24: May 2022 update vs Nov 2022 (€m, %)



- The Group is exceeding the short-term objectives of the plan presented in November 2022
- The plan is developed conservatively, with a slight impact on the 2023-24 profitability of organizational structuring, necessary to extract the full value from the integrated entities





**Casta Diva Group SpA**

Via Lomazzo, 34 - 20154  
Milano

**Andrea De Micheli** – Chairman and CEO  
[a.demicheli@castadivagroup.com](mailto:a.demicheli@castadivagroup.com)

**Guido Palladini** – CFO  
[g.palladini@castadivagroup.com](mailto:g.palladini@castadivagroup.com)