

CASTA DIVA GROUP

BUY

Sector: Media

Price: Eu1.39 - Target: Eu2.40

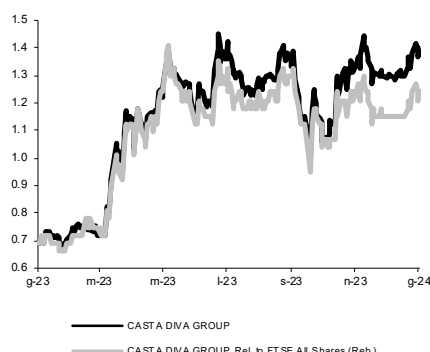
Let the Music Play

Websim Corporate Dpt: +39-02-76418200
research@websim.it

Stock Rating

Rating: BUY (New Coverage)
Target Price (Eu): 2.40 (New Coverage)

CASTA DIVA GROUP - 12M Performance



Stock Data

Reuters code: CDG.MI
Bloomberg code: CDG IM

Performance	1M	3M	12M
Absolute	6.5%	28.8%	100.4%
Relative	6.3%	17.5%	85.8%
12M (H/L)		1.45/0.68	
3M Average Volume (th):		101.97	

Shareholder Data

No. of Ord shares (mn):	20
Total no. of shares (mn):	20
Mkt Cap Ord (Eu mn):	28
Total Mkt Cap (Eu mn):	28
Mkt Float - Ord (Eu mn):	11
Mkt Float (in %):	41.2%
Main Shareholder:	
Reload s.r.l.	47.2%

Balance Sheet Data

Book Value (Eu mn):	14
BVPS (Eu):	0.68
P/BV:	2.0
Net Financial Position (Eu mn):	-2
Enterprise Value (Eu mn):	30

■ **Casta Diva Group, a pocket-sized multinational with an aptitude for acquisitions.** Generating pro-forma 2023 turnover of over €110mn, Casta Diva Group is a **leader in the communications sector**, specialising in the design and organisation of corporate and B2C events, as well as in the production of branded content, viral videos, digital content, films and live music entertainment, with a direct presence on 4 continents. The combination of organic growth and acquisitions has proved a formidable driver for Casta Diva, enabling the company to consolidate a market share of nearly 10% in both market segments in which it operates, namely Live Communication and Video Content Production, skilfully transforming the pitfalls of the complex pandemic scenario into opportunities to be grasped.

■ **Strong aptitude for acquisitions: Akita Film and E-Motion.** In the final months of 2023, the company announced the acquisitions of Akita Film and Akita Off as well as the signing of a letter of intent for the purchase of E-Motion, demonstrating that sector consolidation is gaining momentum and confirming Casta Diva's role as a protagonist. Thanks to these acquisitions, which should bring additional revenue and EBITDA of over €17mn and €3.5mn respectively, **Casta Diva has secured a leadership position not only in the Live Communication, but also in an equally highly-fragmented market**, namely Video Content Production, diversifying its revenue sources and acquiring complementary expertise capable of operating synergistically with other group companies.

■ **2023-2026 EPS CAGR forecast at +29%. Average annual 2023-26 growth rates of 15%, 21% and 29% expected for revenues, adjusted EBITDA and EPS respectively.** Revenues are being driven by a combination of organic growth (60%) and acquisitions (40%); EBITDA by better absorption of structural costs as well as further streamlining of the company perimeter; EPS (also) by a slight reduction in financial charges and minority interests. All of this from a **particularly solid capital position that leaves scope for further extraordinary deals and the distribution of dividends.**

■ **BUY, target price €2.40.** A **strong aptitude for acquisitions**, consolidated relationships with **clients of high standing**, complementary skills with the possibility of exploiting **cross-selling opportunities and business opportunities arising in as-yet unpenetrated adjoining sectors** are the main factors underpinning our positive view on the stock. These elements are rounded off by the stock's **particularly attractive valuations**: according to our estimates, at our target price Casta Diva would be trading at 4.4x EV/EBITDA and 11.4x P/E adjusted for 2024, and at 2.5x and 7.3x the respective values for 2026, even though our 2026 estimates are more than 10% lower than Industrial Plan projections.

Key Figures & Ratios	2022A	2023E	2024E	2025E	2026E
Sales (Eu mn)	84	94	118	129	142
EBITDA Adj (Eu mn)	7	9	12	13	16
Net Profit Adj (Eu mn)	2	3	5	6	7
EPS New Adj (Eu)	0.113	0.166	0.228	0.282	0.351
EPS Old Adj (Eu)					
DPS (Eu)	0.000	0.044	0.052	0.059	0.066
EV/EBITDA Adj	1.8	3.5	2.6	1.9	1.2
EV/EBIT Adj	2.7	4.9	3.8	2.7	1.6
P/E Adj	12.2	8.3	6.1	4.9	3.9
Div. Yield	0.0%	3.1%	3.7%	4.3%	4.8%
Net Debt/EBITDA Adj	0.0	0.8	0.2	-0.2	-0.6

CASTA DIVA GROUP – Key Figures

Profit & Loss (Eu mn)	2021A	2022A	2023E	2024E	2025E	2026E
Sales	27	84	94	118	129	142
EBITDA	1	6	8	11	13	16
EBIT	0	4	5	8	10	12
Financial Income (charges)	-0	-0	-1	-0	-0	0
Associates & Others	0	0	0	0	0	0
Pre-tax Profit	0	3	4	7	9	12
Taxes	0	-2	-2	-3	-4	-5
Tax rate	-33.2%	46.3%	40.0%	40.0%	40.0%	40.0%
Minorities & Discontinued Operations	-0	0	0	0	0	0
Net Profit	0	2	2	4	5	7
EBITDA Adj	1	7	9	12	13	16
EBIT Adj	1	5	6	8	10	12
Net Profit Adj	1	2	3	5	6	7
Per Share Data (Eu)	2021A	2022A	2023E	2024E	2025E	2026E
Total Shares Outstanding (mn) - Average	19	20	20	20	20	20
Total Shares Outstanding (mn) - Year End	19	20	20	20	20	20
EPS f.d	0.023	0.078	0.117	0.204	0.264	0.330
EPS Adj f.d	0.043	0.113	0.166	0.228	0.282	0.351
BVPS f.d	0.328	0.399	0.493	0.682	0.894	1.165
Dividend per Share ORD	0.000	0.000	0.044	0.052	0.059	0.066
Dividend per Share SAV	0.000	0.000	0.000	0.000	0.000	0.000
Dividend Payout Ratio (%)	0.0%	0.0%	37.1%	24.5%	22.5%	20.0%
Cash Flow (Eu mn)	2021A	2022A	2023E	2024E	2025E	2026E
Gross Cash Flow	1	4	6	8	9	11
Change in NWC	-0	8	1	-1	-1	-1
Capital Expenditure	-1	-6	-2	-2	-2	-2
Other Cash Items	0	-1	-0	-0	-0	-0
Free Cash Flow (FCF)	-0	5	5	5	6	8
Acquisitions, Divestments & Other Items	0	0	-11	0	0	0
Dividends	0	0	-1	-0	-1	-1
Equity Financing/Buy-back	0	0	0	0	0	0
Change in Net Financial Position	0	4	-7	5	5	7
Balance Sheet (Eu mn)	2021A	2022A	2023E	2024E	2025E	2026E
Total Fixed Assets	10	13	24	21	19	18
Net Working Capital	2	-4	-4	-3	-2	-1
Long term Liabilities	-1	-2	-2	-2	-2	-2
Net Capital Employed	11	8	18	16	16	15
Net Cash (Debt)	-4	0	-7	-2	2	9
Group Equity	7	9	11	14	18	24
Minorities	1	1	1	0	0	0
Net Equity	6	8	10	14	18	23
Enterprise Value (Eu mn)	2021A	2022A	2023E	2024E	2025E	2026E
Average Mkt Cap	7	10	22	28	28	28
Adjustments (Associate & Minorities)	-2	-3	-3	-1	-0	-0
Net Cash (Debt)	-4	0	-7	-2	2	9
Enterprise Value	14	13	31	30	26	19
Ratios (%)	2021A	2022A	2023E	2024E	2025E	2026E
EBITDA Adj Margin	5.5%	8.4%	9.5%	9.9%	10.4%	11.0%
EBIT Adj Margin	2.9%	5.5%	6.7%	6.8%	7.4%	8.3%
Gearing - Debt/Equity	59.1%	-3.1%	61.2%	15.1%	-13.5%	-38.3%
Interest Cover on EBIT	2.9	7.9	7.1	18.5	63.4	nm
Net Debt/EBITDA Adj	2.7	0.0	0.8	0.2	-0.2	-0.6
ROACE*	4.7%	41.1%	39.4%	46.5%	60.3%	77.4%
ROE*	14.1%	31.8%	37.8%	38.9%	35.8%	34.1%
EV/CE	1.3	1.3	2.4	1.7	1.5	1.1
EV/Sales	0.5	0.2	0.3	0.2	0.2	0.1
EV/EBITDA Adj	9.3	1.8	3.5	2.4	1.8	1.1
EV/EBIT Adj	17.7	2.7	4.9	3.6	2.5	1.5
Free Cash Flow Yield	-0.2%	19.1%	17.4%	19.6%	22.6%	31.2%
Growth Rates (%)	2021A	2022A	2023E	2024E	2025E	2026E
Sales	72.4%	209.8%	12.0%	26.1%	8.9%	10.4%
EBITDA Adj	nm	373.0%	26.7%	31.6%	14.2%	17.0%
EBIT Adj	nm	494.7%	36.3%	28.3%	19.0%	22.4%
Net Profit Adj	nm	174.7%	51.3%	37.1%	23.6%	24.6%
EPS Adj	nm	163.5%	46.9%	37.1%	23.6%	24.6%
DPS			nm	19.1%	14.4%	11.3%

*Excluding extraordinary items

Source: Websim Corporate estimates

Company in Brief

Company Description

With pro-forma 2023 turnover exceeding €110mn, Casta Diva Group is a multinational company listed on the EuroNext Milan Growth market. It is a leader in the communications sector, specialising in the design and organisation of corporate and B2C events, as well as the production of branded content, viral videos, digital content, films and live music entertainment. Present on 4 continents with offices in 14 cities, Casta Diva Group has been awarded over 130 international awards.

Strengths/ Opportunities

- Leadership position in its core markets
- Aptitude for acquisitions in fragmented markets that are gradually consolidating
- >150 top-tier clients with budget >150k
- Cross-selling opportunities between different business areas
- Lean organisational structure and decision-making processes
- Transformation of digital marketing and positive OTT trends.

Management

Chairman & CEO: Andrea De Micheli
CFO: Guido Palladini
ESG Manager: Francesca Panigutto

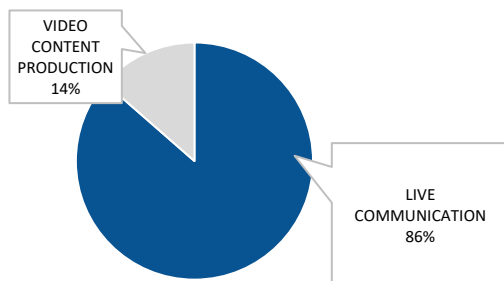
Shareholders

Reload S.p.A.	47.2 %
Mkt float	41.2%
Greenbone s.r.l.	5.7%
Andrea de Micheli	5.1%

Risks/ Weaknesses

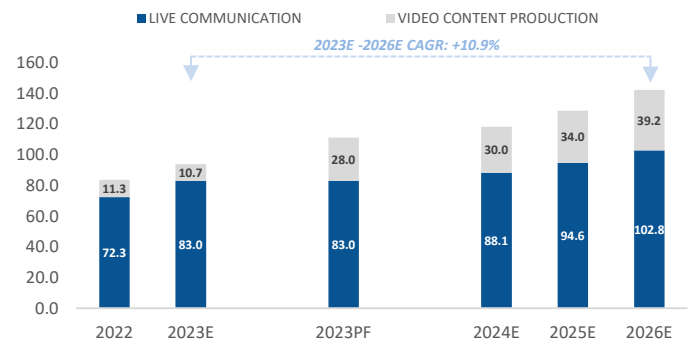
- Increasing complexity as a result of the acquisitions made
- Close ties between managers and clients
- Cyclical nature of core market
- Limited market capitalisation

Casta Diva Group – 2022 Turnover Breakdown by Division



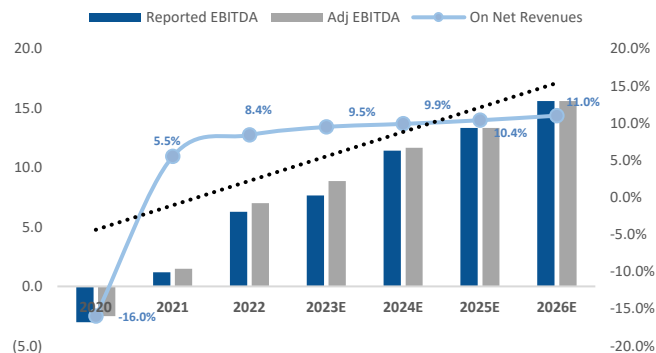
Source: Company data

Casta Diva Group - 2022-2026E Net Turnover Breakdown by Division (€ mn)



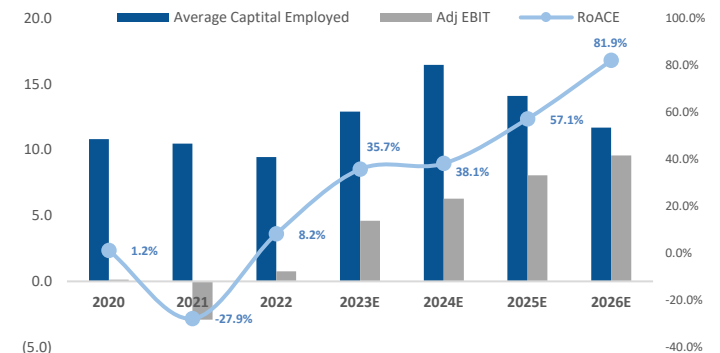
Source: Company Data & Websim Corporate estimates

Casta Diva Group - 2020-26E EBITDA (€ mn) and Adj EBITDA Margin (%)



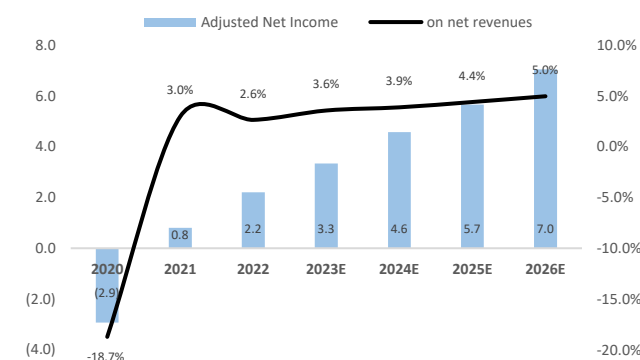
Source: Company Data & Websim Corporate estimates

Casta Diva Group - 2020-2026E RoACE Evolution (%)



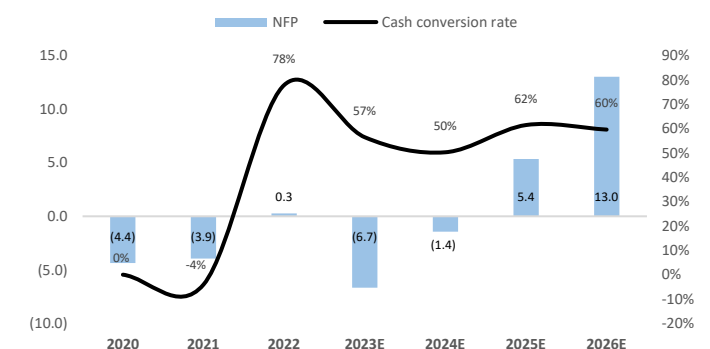
Source: Company Data & Websim Corporate estimates

Casta Diva Group - 2020-26E Net Income (€ mn) & Net Income Margin (%)



Source: Company Data & Websim Corporate estimates

Casta Diva Group - 2020-26E NFP (€ mn) and Cash Conversion Rate (%)



Source: Company Data & Websim Corporate estimates

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Company description

Founded in **2005** by Andrea de Micheli and Luca Oddo, **Casta Diva Group** (hereinafter, "**Casta Diva**" or the "**Company**") is a leader in **B2B and B2C communication**, specialising in the design, production and organization of corporate events as well as in the production of commercials, viral videos, digital content and short films.

A true "pocket multinational" in communication, with eyes and ears on the ground in fourteen cities on four continents, accessible to the leading producers, it has collaborations with over 150 leading clients and brands worldwide.

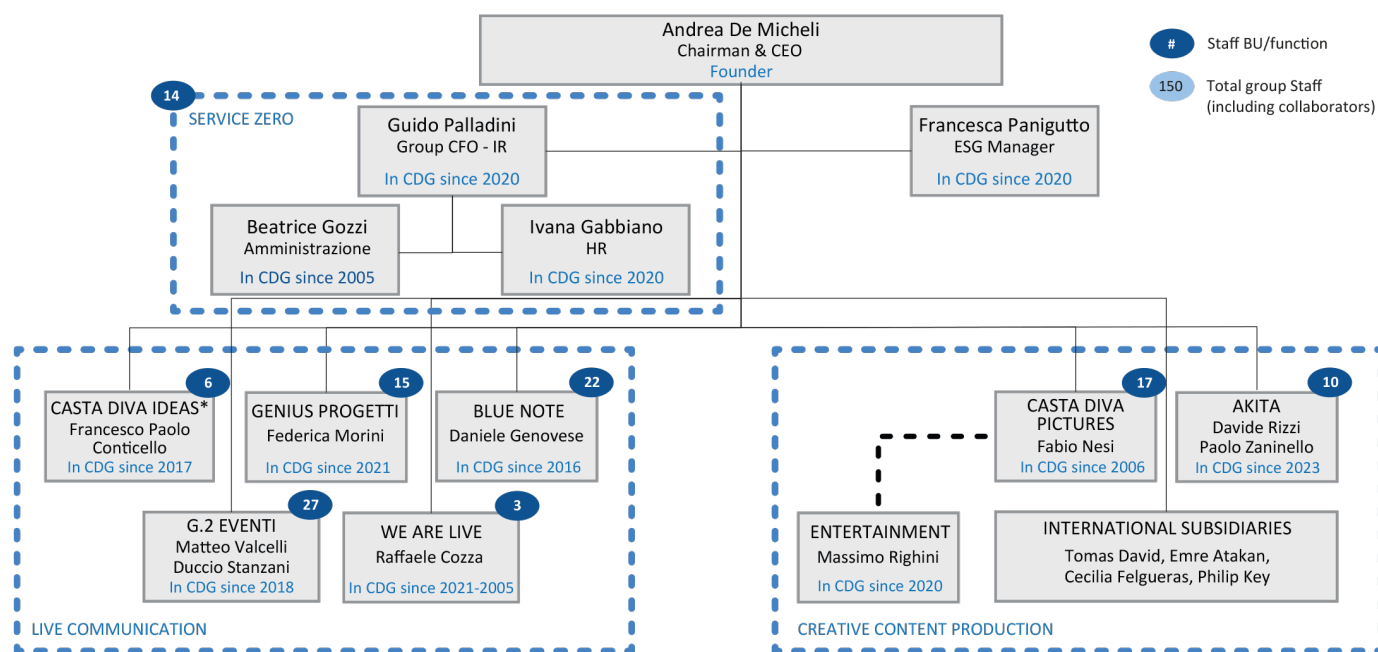
With a 2023 pro-forma production value above €110mn and an annual average revenue growth rate topping 21% since its foundation, **Casta Diva Group is characterised by a strong aptitude for acquisitions**: in 2023 alone it added Akita Film¹ and E-Motion² to the group perimeter, and acquired the minority interests (10%) of Genius Progetti as well as the Events division of the former Over Seas³, thereby taking to 16 the number of acquisitions concluded in the 18 years since its foundation. The combination of organic and external growth has enabled the Company to consolidate leadership in both the market segments in which it operates with undoubted advantages from greater scale as well as from expansion of the range of services it offers and the consequent opportunities for cross-selling to its customer base.

The Company operates in **two, centrally coordinated and supervised business areas**, each of which is overseen by operating companies specialised in specific market segments:

- **Creative Content Production & Digital Communication**, specialised in the production of commercials, digital videos, television programmes, documentaries and films;
- **Live Communication**: focused on the conception and organisation of events (including in digital format), product launches, road shows, trade fair stands, incentive trips, team-building activities, press conferences, concerts, exhibitions, festivals, i.e., all forms of so-called Live Communication aimed mainly at companies (B2B) but also at individuals (B2C). To this is added the legendary Blue Note restaurant in Milan, a shrine for jazz aficionados from around the world.

The chart below gives an overview of the company, the individual investee companies, and their areas of expertise.

Casta Diva Group – Group Organizational Chart



Source: Casta Diva Group, 2023-2026 Industrial Plan Presentation, December 2023 (E-Motion not yet included, pending Closing)

Although individual subsidiaries are responsible for operational management, some key corporate activities are handled centrally by the holding company Casta Diva Group S.p.A. and its subsidiary Service Zero S.r.l., which, to the extent of their respective responsibilities, provide operating companies with strategic direction, administrative and financial support as well as legal, HR and corporate support services.

¹As part of the Akita Film s.r.l. deal, 100% of the share capital of subsidiary AkitaOff s.r.l. was also acquired. AkitaOff specialises in the production of videos and short films for projects on more limited budgets.

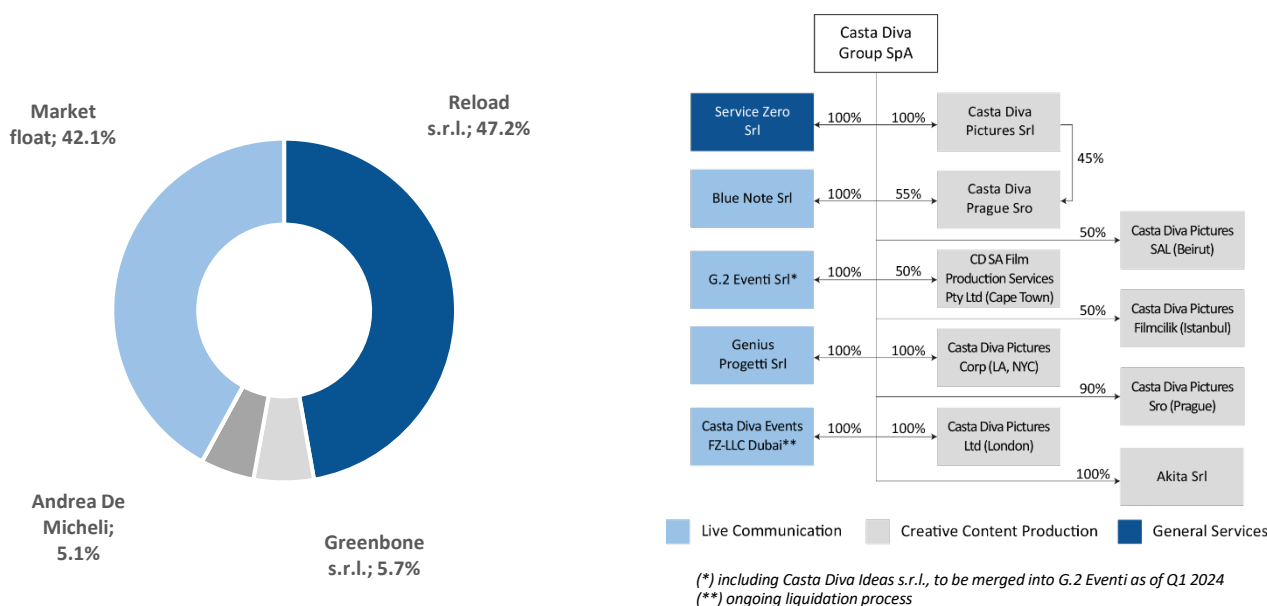
²On 4 December 2023, Casta Diva Group announced the signing of a letter of intent for the acquisition of 70% of capital in E-Motion s.r.l., specialised in the production of corporate and event videos. E-Motion, known as the first company to have used the "Red Digital Cinema" technology, is expected to close 2023 with revenues of €3.1mn and EBITDA at c.10% of turnover.

³In the preceding 3 years managed through a company lease agreement.

Listed on the AIM segment (now Euronext Growth Milan) in 2016 via a reverse take-over⁴ of Casta Diva Group into Blue Note, the Company is controlled by Reload s.r.l.⁵ which holds **47.2% of share capital** and **68.3% of voting rights** by virtue of the amendments and additions to the articles of association pertaining to loyalty shareholding rights approved by resolution at the shareholder meeting. As a result, shareholders can apply to the company for multiple voting rights⁶ on the basis of continuous shareholding. The Company's relevant shareholders include Greenbone s.r.l. and Andrea De Micheli⁷, which hold 5.7% and 5.1% respectively of the share capital. On completion, **market float is 42.1% of capital**.

By resolution of the extraordinary meeting on 22 December 2023, the Company also achieved **Benefit Company⁸ status**, an increasingly important requirement for clients in the "certification" of their supply chain, and therefore in the selection of suppliers.

Casta Diva Group – Shareholder' Structure & Group Perimeter



Source: Casta Diva Group, 2023-2026 Industrial Plan Presentation, December 2023

The Company's **Board of Directors** comprises 6 members: Chairman and Chief Executive Officer Andrea De Micheli and five independent directors: Pietro Candela, Vittorio Meloni, Francesco Savelli, Mauro Lorini and Andrea Conso.

⁴On 30 March 2016, Blue Note, Paolo Colucci (as relative majority partner in Blue Note), Casta Diva Group, Reload (as sole partner of Casta Diva Group), Andrea De Micheli and Luca Oddo (majority partners in Reload) signed the Framework Agreement on the project to merge Casta Diva Group into Blue Note. Blue Note brought the Merger into being by means of an increase in share capital equal to 9,035,540 shares with no par value for a countervalue of € 3,562,618, resulting in the cancellation of the share capital and consolidated reserves of Cast Diva Group equal to €111,100 and €3,441,891 respectively.

The boards of Casta Diva Group and Blue Note have set an Exchange Ratio of 81.328; as a consequence of the business combination, for each nominal €1 (one) of Casta Diva Group share capital, the shareholders of the same will receive 81.328 ordinary Blue Note shares at no par value, without cash adjustments.

⁵The share capital of Reload s.r.l. is currently owned by Harbinger S.r.l., controlling 59% of the share capital and 69% of voting rights (Andrea De Micheli's family), Jean Marc Droulers, Lupo S.r.l., Magellano Srl, Greenbone S.r.l., Fiducia S.r.l..

⁶On May 19, 2021, the extraordinary assembly of Casta Diva Group S.p.A. resolved to amend Articles 5 and 14 of the previously effective articles of association and to introduce Articles 5-bis and 5-ter, aimed at allowing the Company to avail itself of the option to issue multiple voting shares. In detail, **the statutory amendment stipulates that the Multiple Voting Shares issued by the company confer the same rights as Ordinary Shares, except for the voting right, which is granted to Multiple Voting Shares at a rate of 3 (three) votes per share**. Currently, all shareholders holding shares eligible for multiple voting rights have exercised their option to convert.

⁷Direct shareholding that is added to the shareholding held indirectly by Andrea De Micheli through corporate vehicle Reload s.r.l., in which he holds, through his family company Harbinger S.r.l. 59% of the share capital and 69% of the voting rights.

⁸Recognition in Italian law of benefit companies came as a consequence of the Stability Law (Law no. 208, 28 December 2015) which defines them as companies "which, in the exercise of an economic activity, in addition to the purpose of dividing its profits, pursue one or more purposes of common benefit and operate in a responsible, sustainable and transparent manner towards people, communities, territories and the environment, cultural and social assets and activities, entities and associations and other stakeholders"

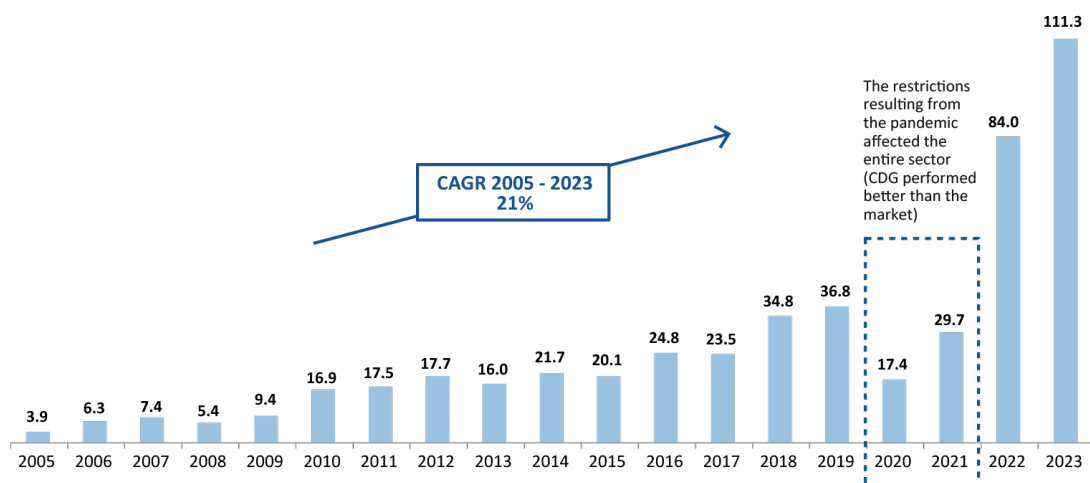
Casta Diva Group – Live Communication & Creative Content Production Top Tier Clientele



Source: Casta Diva Group, 2023-2026 Industrial Plan Presentation, December 2023

Since its foundation, Casta Diva has notched up highly significant performances: over 150 active top-tier customers, of which 10+ with multi-year framework agreements, over 130 international awards won up to 2023, which have resulted, thanks in part to significant external expansion, in annual average growth of production value in excess of 20%⁹.

Casta Diva Group – 2005-2023PF Value of Production Evolution (€ mn)



Source: Casta Diva Group, 2023-2026 Industrial Plan Presentation, December 2023

Companies operating in the **Live Communication segment** made a particular contribution to the extraordinary pro-forma growth of the current fiscal year, with **organic growth above 14% YoY**, thanks to the performances by G.2 Eventi (+26%), Blue Note (+7%) and Genius Projects (+6%), in addition to **acquisitions** which, overall, generated **incremental turnover of over €17mn**.¹⁰ By contrast, the **Creative Content Production & Digital Communication segment** recorded a **negative organic performance** attributable to the important investments carried out for television clients, pay-back on which is expected during 2024.

⁹On a pro-forma basis

¹⁰On a pro-forma basis, the turnover data include the acquisitions of Akita Film s.r.l., AkitaOff s.r.l. and E-Motion s.r.l.

Casta Diva Group: a Brief History

In **January 2005**, **Casta Diva Pictures**, led by founding partners Andrea De Micheli and Luca Oddo, **begins operation in Milan**. At the beginning, it focuses on the development of video and **film productions, locally and internationally**, serving clients and multinational advertising agencies. At the same time, it begins a geographical expansion of the business model from a traditional advertising film production company to a multimedia company offering the full spectrum of communication services.

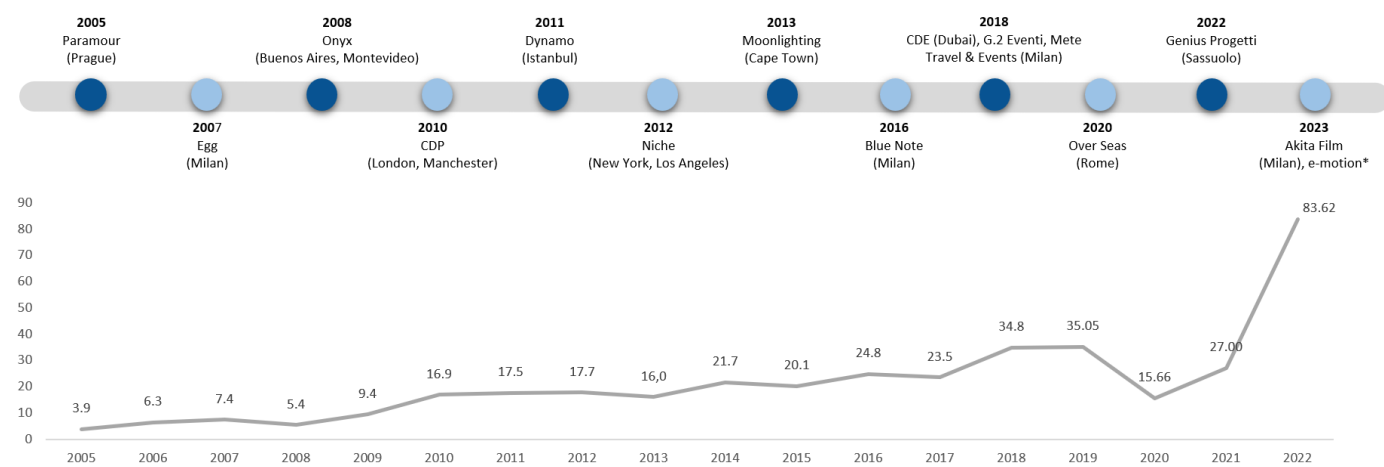
This is the backdrop to the inauguration of an operational headquarters at Prague in the Czech Republic between end-2005 and early 2006 with the aim of creating a production offering in a low-cost country that was already a venue of choice for major US production companies, and in the face of the challenge posed by efficient production services that are already available. This is followed in February 2009 by the inauguration of the Argentina headquarters in Buenos Aires, the fulcrum for serving not only the Argentinean market, but all of Latin America, from Mexico to Chile.

The international expansion is accompanied by the desire to diversify the original core business to the events segment, capitalising on the experience gained in cinema and putting it at the service of **live communication**: **EGG Events is acquired at the end of 2007¹¹ giving rise to the historic company dedicated to the conception and organization of events and PR campaigns**.

Diversification of the original business into neighbouring segments gives rise to a need for independent structures to oversee specific areas of activity: **on 12 May 2009 Casta Diva Group S.p.A.** is established through the contribution by the founding shareholders of their respective stakes in Casta Diva Pictures.

Fast-forward almost 15 years and the two sides of business operations have followed clear and distinct paths: the Creative Content Production division aims firstly at international expansion of its presence and expanding its skills and services; the Live Communication division focuses on pursuing external growth aimed at taking it into new market segments and increasing the number of top-tier customers in order to enable greater portfolio diversification as well as the typical benefits of greater scale.

Casta Diva Group – Group's milestones



Source: Websim Corporate elaboration on Casta Diva Group presentations and press releases

* Letter of Intent signed on Dec4th

Following the offices opened in Prague and Buenos Aires come new offices in Manchester (2010)¹², Istanbul and Mumbai¹³ (2011), New York¹⁴ (2012), Cape Town (2013) and Beirut¹⁵ (2016), completing the development, as shown on the graph below, of operations on the ground in the most significant international markets.

¹¹In 2009, Rhea Vendors Group S.p.A. becomes partner of EGG Events (its stake will later be converted into Reload shares before exiting the group in 2021) and entrusts the company with its corporate event contracts, allowing the subsidiary to create the conditions for a significant acceleration of business development

¹²Inauguration in collaboration with Studios, with the dual purpose of capturing(i) productions from the United States that need to be made in Europe and that use London as the first point of arrival; and (ii) European clients who have centralised their communication services in London

¹³Inaugurations aimed at capturing business opportunities arising from the expansion of the corporate market towards the Middle-East and Asia

¹⁴The inauguration of the American headquarters aims to ease access for North American clients to regions offering more competitive costs and greater possibilities to streamline production: Casta Diva Group stands out on the local market as one of the few operators able to offer the possibility of productions outside the United States under control of a single group.

¹⁵The inauguration of the Beirut headquarters is motivated by the need to position itself as a *glocal* operator, i.e., in tune with its location in cultural terms but international in its operational scope



Source: : Casta Diva Group, 2023-2026 Industrial Plan Presentation, December 2023

It is only a short step from international development of the **Creative Content Production** division¹⁶ to a stock exchange listing and M&A. Indeed, in March 2016, the reverse take-over takes shape that will enable the Company to join the Stock Exchange, conferring its stakes in the then listed Blue Note, owner of the legendary Milanese venue, famed among jazz lovers (among others).

Becoming a listed company has strongly boosted development of the Company through M&A that has enabled Casta Diva to acquire new professional expertise and penetrate new market segments while also gaining scale in both of its fields of operation. Since the listing 7 acquisitions (including E-motion) have been finalised for total equity value exceeding €18mn amid the acquisition of overall incremental turnover greater than €60mn¹⁷, characterised by double-digit profitability (i.e. EBITDA margin).

Among these, we highlight the acquisition of:

- i. **Monaco Growth Forums Ltd¹⁸**, specialised in Financial events, and especially those related to the world of cryptocurrencies and the then-new trading platforms;
- ii. **G.2 Eventi s.r.l. and MeTe Travel & Events s.r.l.¹⁹**, which specialise respectively in the design and organisation of major events²⁰ and in the management of organisational secretariats for complex

¹⁶At the end of which the Company's turnover has more than quintupled in a decade, with an average annual revenue growth rate close to 18% (2005-15 CAGR = 17.8%)

¹⁷Values calculated on the data reported by the target companies in the fiscal year prior to Closing. We estimate that about three quarters of the turnover from acquisitions comes under the Live Communication division and only one quarter under the Creative Content Production division, attributable to the most recent acquisitions of Akita Film and E-Motion

¹⁸The fee for the purchase of 100% of FGM by CDEF may entail for Casta Diva Group outlay of up to €1.7mn, which will be paid, in cash, on achieving specific economic-financial targets arising quarter by quarter. Liquidating the earn-out will enable Casta Diva Group to neutralise the impact of the investment on the consolidated NFP. In 2017, MGF expected to register revenues of €1.5mn and EBITDA above €450 thousand. The company will be fully consolidated on the CDG Financial Statement to 31 December 2017

Source: Casta Diva Group press release, 15 December 2017

<https://www.castadivagroup.com/wp-content/uploads/2016/06/2017-12-15-0856am-CDG-CS-CDEF.pdf>

¹⁹Casta Diva Group (CDG:IM)...announces the signing today of a binding accord with Matteo Valcelli, key shareholder of G.2 Eventi Srl (G2) and proxy for the shareholders of MeTe Travel & Events Srl (MeTe), for the establishment of DISTRICT SRL, into which Casta Diva Group SpA will confer 100% of Casta Diva Events Srl (CDE), and Valcelli, through a specially constituted and controlled NewCo (NewCo) into which the entire shareholdings in G2 and MeTe have already been conferred, will confer 100% of G2 and MeTe. On completion of the transaction, expected by November 2018, DISTRICT SRL will be 51% owned by Casta Diva Group SpA and 49% by NewCo, depending on the conferral value of CDE by CDG, and G2 and MeTe by NewCo, as well as the subscription to the rights issue by the parties through the offsetting of their respective claims from the sale of the equity investments to DISTRICT and any cash adjustments. The equity investments in G2, MeTe and CDE transferred to DISTRICT will be valued using the EBITDA multiplier method, as calculated by the CDG auditors. In addition, the setting of a cash adjustment by CDG in fourteen equal half-yearly installments is foreseen, amounting to the difference between the value of 51% of G2 and MeTe and 49% of CDE, up to the value of the stake in DISTRICT capital. Casta Diva Group and Matteo Valcelli will have a 24-month lock-up; Valcelli will also be subject to a non-competition agreement for 2 years. Any sales of shares will be subject to approval by the other shareholders. Governance of DISTRICT will be entrusted to a board of directors comprising three members - 2 appointed by NewCo and 1 by CDG – and will be composed as follows: Matteo Valcelli, President; Ernesto de Pellegrini, Director; Francesco Merone, Director. The agreement also provides for calls options in favour of CDG on all District shares, a drag-along clause in favour of CDG and a way-out clause in favour of Valcelli from 2022 to be exercised by conversion into shares in parent company CDG or to be settled in cash"

Source: Casta Diva Group press release, 15 December 2017

<https://www.castadivagroup.com/wp-content/uploads/2018/09/2018-09-27-0707pm-CDG-CS-DISTRICT.pdf>

²⁰G2 has twenty years of experience in the analysis, design and organisation of major events for clients such as the Allianz Group, AllianzBank, Ferrovie dello Stato, Mediaset Group, Marazzi Group, Banco BPM, Group CREVAL, AON Group, Mazda Group. Within the agency, the G4 Tourism division, a travel agency and tour operator, offers project leaders the necessary support for travel services: rail/air/sea transport, private car services, food and accommodation for staff and guests. In 2017, G2 recorded production value of €7.8mn, EBITDA of €0.4mn and a net financial position of €0.25mn.

events with thousands of participants, as well as in technical-logistical management of events and training courses²¹;

- iii. **Over Seas**²², active in sector events with a strong presence in Rome, and contracts with leading Italian and international clients for the conception and organisation of events. In accordance with the contractual provisions stipulated at the time, at the end of 2023 the Company exercised the option to purchase the assets of Over Seas for a total cash-out of c.€2mn;
- iv. **Genius Progetti S.p.A.**²³, an event agency specialised in planning and organising events throughout Europe, such as company events, trade fair stands, celebrations and new product launches for major brands in the automotive, cosmetic and ceramics sectors;
- v. **Akita Film s.r.l. and AkitaOff s.r.l.**²⁴, specialised in the production and organisation of commercials worldwide for major brands and top spenders in the FMCG, automotive, telco and entertainment sectors.
- vi. **E-Motion s.r.l.**²⁵, an integrated and innovative production company, the first in Italy (and among the first in the world) to have adopted the shooting system based on Red Digital Cinema technology, specialised in production of corporate and event videos.

²¹MeTe specialises in the management of organisational secretariats for complex events with thousands of participants, in the logistical-technical management of events, and in training courses. In 2017, MeTe recorded production value of €4.4mn, EBITDA of €0.2mn and a net financial position of €-0.1mn.

²²"Casta Diva Group, an innovative SME listed on aim Italy and active internationally in sector communication, announces that it has signed a binding accord to lease the "Events Business Unit" (RAE) of Over Seas Srl, a company of the HDRA Group. The agreement has a duration of three years, and includes some contracts with leading Italian and international clients, for the conception and organisation of events. Similar contracts in 2019 alone resulted in turnover of about €9mn for Over Seas"

Source: Casta Diva Group press release, 1 July 2020

https://www.castadivagroup.com/wp-content/uploads/2020/07/2020_01_07-1942PM_CDG_OS_2220_07_01.pdf

²³"Casta Diva Group ..[...] has signed a sale-purchase agreement for equity investments which provides for the purchase of 90% (and up to 98%) of the share capital of **Genius Progetti SpA** (Genius or GP), an events agency in Sassuolo, in Modena province. The closing of the operation (Closing) is expected by the fifth business day after 31 March 2022. In 2021, Genius generated production value of over €22mn with EBITDA of €3.1mn, equating to a 14% margin. The value of 100% of Genius has been set at €5.8mn, and calculated on the basis of the financial performance of the last few years. Further conditions of the sale are specified at the end of this statement ..[...] Payment of the Consideration will take place as follows: (i) 80% of the Price set for the MNG shareholding on the Closing date; (ii) 20% of the Price set for the MNG shareholding (and, if applicable (iii) 100% of the Price set for the MG shareholding), on the date of approval of GP financial statements to 31 December 2022 and in any case no later than 30 June 2023"

Source: Casta Diva Group press release, 14 February 2022

https://www.castadivagroup.com/wp-content/uploads/2022/02/Cos_2022_02_14_2131PM_CDG_GENIUS_DEF.pdf

²⁴"The sale contract provides for the purchase of 99% of **Akita** capital for €8.3mn (eight point three million) and the subsequent purchase of the remaining 1% by June 2024 for the symbolic amount of €1 (one). The price has been determined on the average of the last 3 (three) years of Akita's consolidated EBITDA multiplied by 3.5 (three point five) and will be paid in two tranches: the first, 65% (sixty-five percent), was paid at the Closing, which took place today, and the second, for the remaining 35% (thirty-five percent) will be paid 18 (eighteen) months after the Closing. Casta Diva has drawn on its cash resources for the operation without recourse to bank or other debt. At the Closing, Akita has a positive net financial position of €1.8mn in cash (one million eight hundred thousand)"

Source: Casta Diva Group press release, 7 November 2023

https://www.castadivagroup.com/wp-content/uploads/2023/11/2023_11_07-1854PM-CDG-CoS_Finanziari_Akita.pdf

²⁵"The Board of Directors also approved the text of the LoI, signed today, for the acquisition of 70% of the capital of **E-Motion Srl**, a Genoa-based production company specialised in industrial and event videos, which foresees closing 2023 with turnover of 3.1 million and EBITDA of 0.3 million (EBITDA margin of 10%). The EV has been calculated on average EBITDA for the last 4 years multiplied by 3.5, 100% of which amounts to €1.18mn (826 thousand for 70%) and if the transaction is finalised, it may be paid once the accord is signed, partly at Closing and partly 18 months after Closing, which is conditional on the outcome of due diligence currently in progress. Nello Brancaccio and other managing shareholders will continue to manage the company under the management and coordination of Casta Diva"

Source: Casta Diva Group press release, 4 December 2023

https://www.castadivagroup.com/wp-content/uploads/2023/12/2023_12_04_0750AM_PIANO-2023-2026_.pdf

Core Market

As stated, Casta Diva operates in two distinct segments of the communication market: i) in the conception and organisation of events (so-called **Live Communication**) and ii) in the production of videos, short films, films and commercials (so-called **Video Content Production**).

Overall, the markets in which the Company operates are worth c.€1.2bn, of which 75% attributable to the Live Communication market and the other 25% to the Video Content Production market.

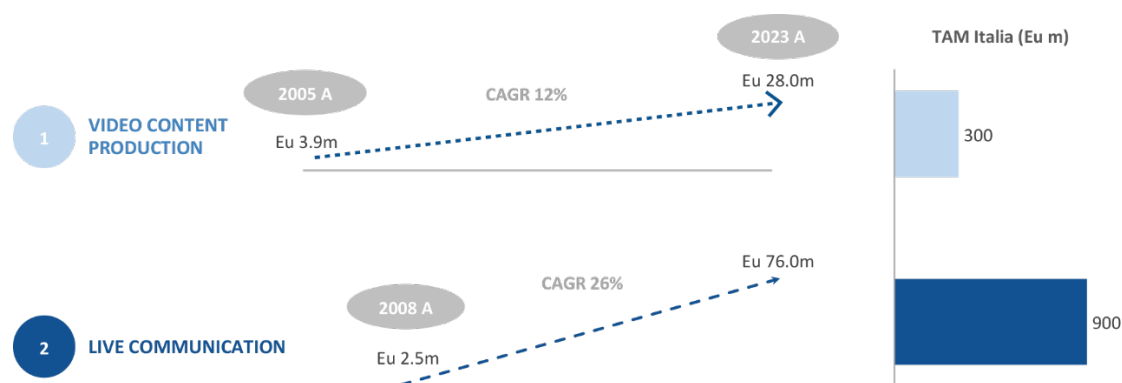
Thanks to the combination of organic growth and acquisitions finalised since listing, Casta Diva has established itself as a leader in both market segments, holding market shares of close to 10% in both.

These are exceptional figures compared to similar historical values but should not be interpreted as precluding new acquisitions given the extreme fragmentation that is a feature of the competitive environment.

In addition, the scale that the Company enjoys today amounts to a significant growth accelerator for companies that have joined the group perimeter or may do so in the years to come.

In this regard, suffice to consider that at the time of the acquisition, G.2 Eventi had a turnover of approximately 12 million. In 2023, after the incorporation of Casta Diva Events, which occurred in 2019 and contributed for about 5 million incremental turnover, G.2 Eventi generated more than 30 million in revenue. Genius, which was "dealt with" in 2021 when it had a turnover of about 21 million, reached a turnover of 34 million in 2023.

Casta Diva Group – Video Content Production & Live Communication Total Addressable Market



Source: Casta Diva Group 2023-2026 Industrial Plan Presentation, December 2023

Communication Market

Over the years, the Advertising market has undergone significant changes driven by social and economic trends linked to several factors including economic crises, recession, pandemic, and wars, plus the development of digital advertising and the emergence of new business models. All of the foregoing is amplified by macroeconomic dynamics, with a direct impact on companies' communication budgets.

This market covers traditional media such as print, radio and TV plus more recently developed innovative media, mainly related to the Internet and the digital world, which have had a direct and unavoidable effect on traditional communication media. One need only consider mind out-of-home advertising (OOH)²⁶, which includes billboards, street furniture, transit advertising²⁷ and digital out-of-home advertising (DOOH), a mode of communication that uses screens other than those in the home to display multimedia and dynamic content.

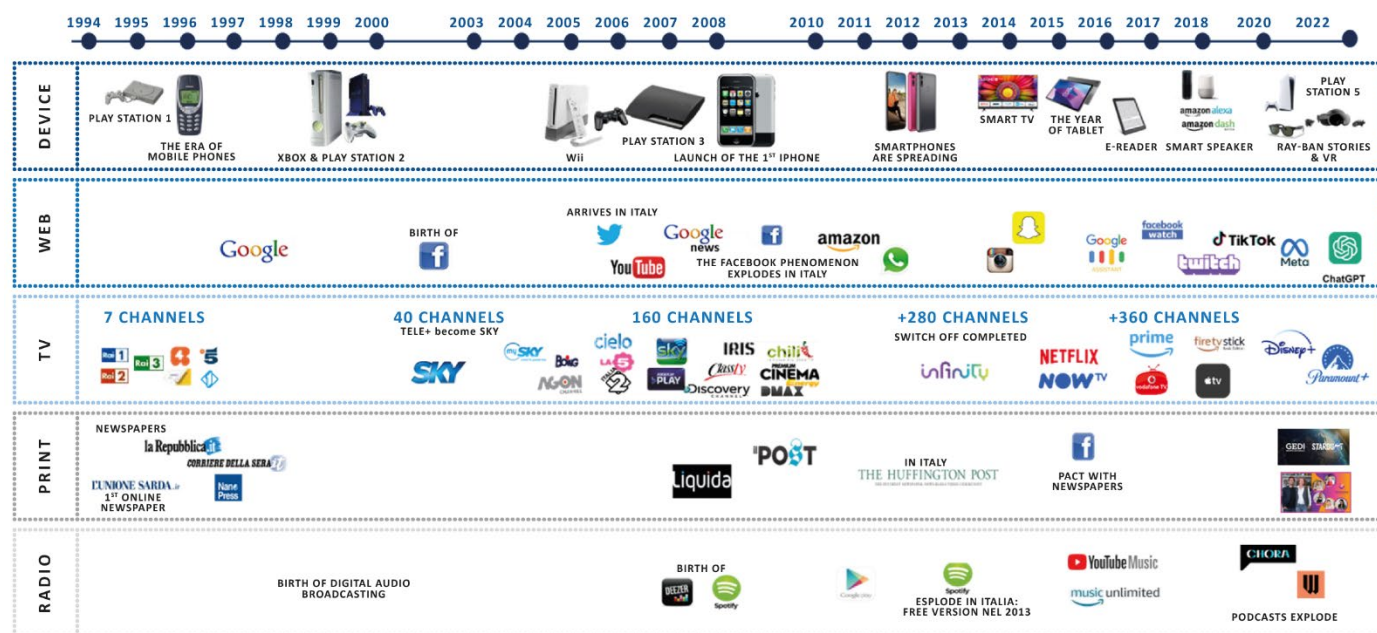
Changes in consumers' life styles have led to the emergence of several new forms of advertising, such as over-the-top (OTT) ads or those on streamed TV. This is content offered directly to viewers through an Internet video streaming service that gives advertisers the opportunity to reach new, large-scale audience segments, as an increasing number of viewers rely on streaming video content instead of traditional pay TV and satellite TV.

Significant and vibrant change is in progress, and the final landing point is still far from certain. The graph that follows exemplifies the continuing evolution of the media world, inextricably linked to the evolution of electronic devices and appliances, which has enabled the birth of multiple new communication channels, populated by different target customers for which it is possible to identify precise, targeted forms of communication.

²⁶Out-of-home advertising (OOH) includes all forms of advertising aimed at a consumer who is away from home, regardless of whether they are waiting for public transport, out shopping, at a cultural venue, or at a place of historical interest.

²⁷Transit advertising includes advertising on moving vehicles such as trams, buses, taxis plus advertising messages that are increasingly found nowadays in stations or airports.

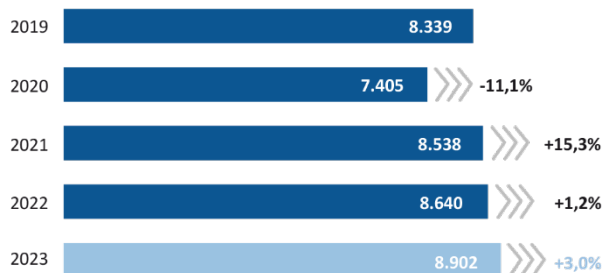
Advertising market – 1994-2022 Communication Market Evolution



Source: Centro Studi UNA – UNA Media Hub

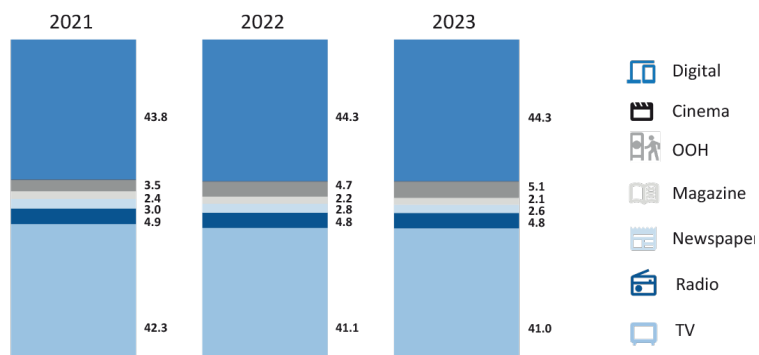
In this environment, when it comes to offering their services, agencies must be able to interpret new trends in progress and evolving consumer habits: on average, 34% of time spent on digital media²⁸ involves video content (23% traditional TV, 11% online TV/streaming) and 18% involves social media. The emergence of video in communication has been so important that new businesses have been brought into being, such as Advertising Video on Demand (AVOD) i.e., consumers get to watch video content free of charge on condition they accept exposure to advertising: given the progressive increase in the cost of living, ever more Italians could adopt this in order to enjoy "free" streaming services.

Advertising market – 2019-2023 Evolution (Eu mn)



Source: Centro Studi UNA – UNA Media Hub

Advertising market – Media Mix Evolution (% share)



Source: Centro Studi UNA – UNA Media Hub

As a whole, the Italian advertising market including TV, press, digital, radio and out of home should have come close to €9bn in 2023 (approx. +3% YoY), with TV and Digital the leaders in terms of advertising revenues. Depending on how we classify Advanced TV, which is in effect a hybrid between TV and digital, we see differences in how the two predominant media in the advertising market are growing. The mix then sees a decline in daily newspapers (-4.4% YoY) and magazines (-3.7%) and growth of radio (+4.0%). Looking further ahead, the real winner in the current evolutionary and transformational phase of the communication market is the OOH channel, rising to double-digit (+11.9%) with the market growing to over €450mn.

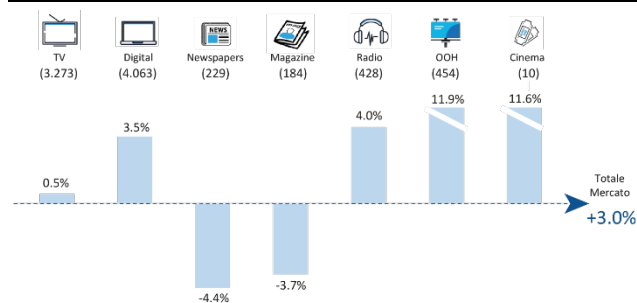
In 2022, digital out-of-home advertising attracted €108mn, a sharp rise (+72%) on 2021 and above pre-pandemic levels, of which the digital component accounted for 27%.

With regard to the financial year just ended, the main trends foreseen for the DOOH field are: i) greater contamination between the metaverse and the digital out-of-home industry, supported by technological

²⁸Result of an emarketer report dating back to October 2023 on a sample of Italians aged 16-64

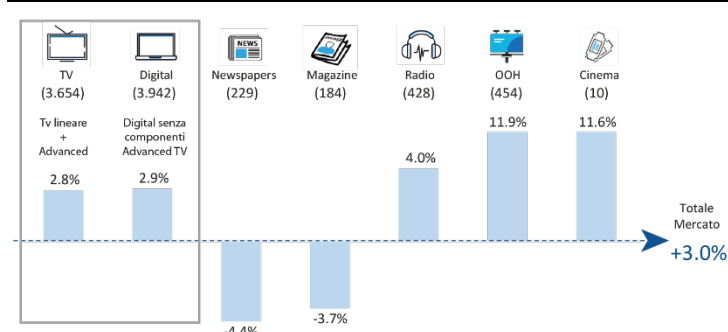
developments (in particular from programmatic advertising²⁹) and by generation Z, a group of consumers destined to lead retail operators retailers in the metaverse; ii) digital audio and 3D video will be the formats to enable greater audience engagement and involvement, maximising the effectiveness of the messages conveyed; iii) 2023 will have seen the consecration of header bidding³⁰ on DOOH screens, while data will have continued to play a leading role in key factors such as targeting, campaign measurement and subsequent audience behaviour.

Advertising Market



Source: Centro Studi UNA – UNA Media Hub, Nielsen

Advertising Market



Source: Centro Studi UNA – UNA Media Hub, Nielsen

In 2022, investment in advertising spending on traditional TV attracted €361mn, up 55% on 2021, encouraged by significant expenditure around sports events and a continuous increase in the use of web applications. Conversely, advertising revenues attributable to new AVOD players are still limited. Their offers will be monitored in 2023 to gauge whether they are able to attract new advertising budgets or eat into the share of other operators (TV and/or Internet).

It is important to underline that communication companies have varied not only by number, but also by type in the last few years. Compared to 2020 the number of companies in the sector as a whole has declined, especially micro enterprises³¹, while so-called "hybrid" firms are increasing: these, like Casta Diva, provide services that may relate to multiple communication sub-sectors. This figure should draw our attention to three different aspects: i) the decrease in the number of companies is attributable to the medium/long term effects of the pandemic on a fragmented sector characterised by many very small operators; ii) market consolidation, which is still taking place, has enabled and will enable companies to expand the range of services offered; iii) Casta Diva has been able to stay a step ahead of these market trends, acquiring a leading position³² in the sectors in which it operates and has gained a status as a leading light for its customers and for sector companies.

Looking at the evolution of the different communication market segments over the last five years, it is possible to make a number of observations:

- Digital Advertising, including production of commercials is enjoying structural growth and today accounts for about one third of the communication market (from roughly one quarter in 2018). Moreover, the strong growth recorded was essentially at the expense of traditional advertising;
- The events sector, heavily penalised by the pandemic and the consequent restrictions, has gradually regained market share but has not yet fully recovered the ground lost in 2020-2021. The expectations for sector growth above the market average in 2024 (i.e. +7.5%) should help to further reduce the gap to the figures seen in 2019;
- It is also interesting to note that the PR sector has progressively gained market share and has not been significantly affected by the pandemic thanks to the use of technologies that enable it to do business remotely in an effective manner.

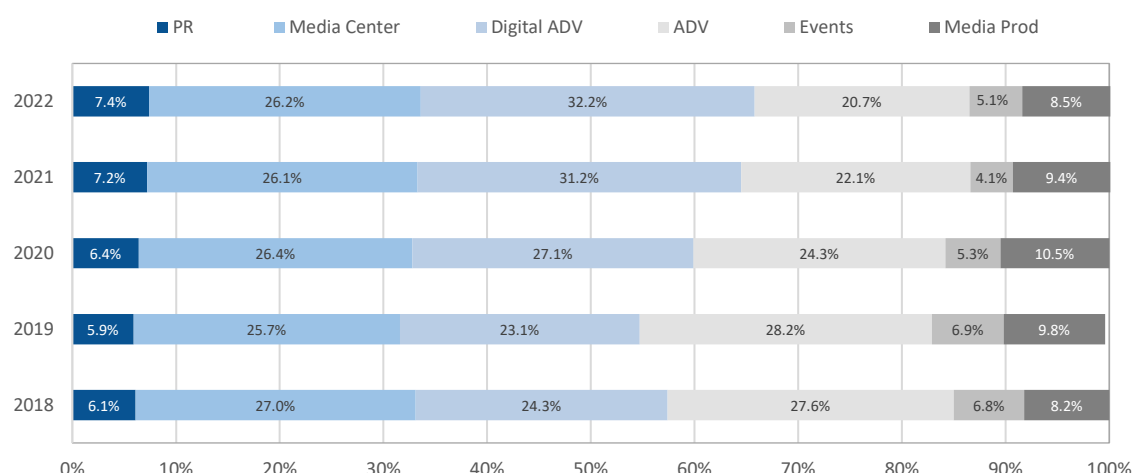
²⁹Programmatic advertising means a digital process based on the acquisition of data provided by cookies and pixels, i.e., monitoring systems that enable identification of the target user/customer, recording their typical actions. Acting on the information obtained, advertising spaces are then purchased automatically through purpose-built technological platforms.

³⁰Header Bidding is a methodology that allows a digital publisher to optimise the auctioning of advertising inventory, because it offers an individual ad impression simultaneously to all the bidders in the auction. The system is based on the real-time bidding protocol (RTB) for the purchase and sale of advertising space.

³¹Research by the University of Pavia in collaboration with Una Media showed a 7.5% decrease in the number of companies in the communication sector in the last 3 years (9,749 in 2022 vs 10,538 in 2020)

³²Looking at Casta Diva Group's competitors in video content production, we see that through the latest acquisitions the company has become the leading Italian producer of commercials, seizing the opportunities available in a market undergoing consolidation. Specifically, the acquisition of Akita Film has taken total turnover by Casta Diva's Video Production business unit to €26.6mn, giving the group a predominate position in both of its operational areas (production of commercials, corporate videos, and videos of corporate events). It must be stated that, even in the absence of acquisitions, with turnover of more than €11mn and annual growth above 20%, Casta Diva would maintain its prominent position among Italian producers of commercials

Communication Market – 2018-2022 Market Shares by Market Segment (%)



Source: Centro Studi UNA, Università degli studi di Pavia – Osservatorio Aziende della comunicazione, Edizione 2023

Geographically, Milan and Rome are the two Italian hubs where the majority of communication companies are concentrated. Lombardy is home to almost all the large companies (94%) and a majority of medium-sized firms (59%), while small and above all micro-sized companies appear to be spread very widely across Italy. The other major cities, headed by Rome, attract medium-sized companies. Casta Diva has a presence at both hotspots: its headquarters is in Milan, along with G.2 Eventi, Casta Diva Ideas, and Casta Diva Pictures, all of which have offices, as well as Casta Diva Events with locations in Milan and Rome.

Live Communication Market

According to an OICE³³ report, in 2022 over 300,000 congresses and business events were held in Italy, up over 250% year-on-year, attracting over 21mn participants.³⁴ **However, notwithstanding the substantial rise in volumes compared 2021, the number of congresses and events held in 2022 was still 30% below the pre-pandemic figure (i.e., on 2019). Full recovery of such volume of business is only expected in the current fiscal year (i.e., 2024), after strong, double-digit growth recorded in 2023³⁵.** Moreover, a trend that has emerged following the spread of the pandemic has favored the need for events with a greater impact, even if they are smaller in terms of numbers.

Like all communication sectors, events have undergone significant transformation in the last few years. It is a constantly evolving market, driven by technological innovation, culture and social trends. Demand for participation in meetings is growing: in addition to a renewed desire for social interaction and networking opportunities on a personal level, this demand is increasingly driven by the high experiential value that these events offer: a mix of learning, entertainment and consumption enhanced by the new opportunities offered by the spaces made available and by environments that promote inspiration, creativity, tranquillity and social relations. Meeting venues are seeing an acceleration of the digital transition, the implementation of actions for sustainability, and a focus on health, safety, and the overall well-being of event participants.

Undoubtedly, in the two pandemic years **the most significant transformation in the events industry was from physical to virtual events** involving the remote presence of the participating public. A survey conducted by AstraRicerche for ADC Group showed that in 2019, only 6.1% of events had a significant digital component, but in 2020 this rose to 51.9% and then settled at 41.3% in 2021: in other words, **the advent of the pandemic boosted the digital transition in the live communication market**. However strong the desire expressed by sector operators to return to events attended in person, technology and digital features have gained a prominent (and probably irreversible) role in the conception and organisation of events.

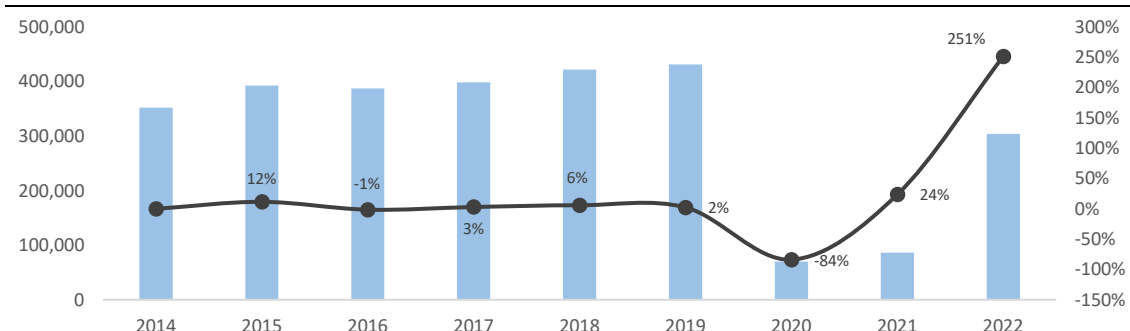
³³Italian Observatory of Congresses and Events, a research project set up by ASERI (i.e. the Catholic University of Milan's School of Economics and International Relations) and promoted by Federcongressi & Eventi, a non-profit organisation representing public and private operators in the congress and events sector.

³⁴Starting from 2020, the total number of events makes no distinction between those entirely hosted in person and those at which some participants may take part remotely (hybrid events). The total number of participants includes people physically present at events, regardless of whether these events are entirely in-person or are hybrid. Therefore, participants who connect remotely to hybrid events are excluded.

³⁵According to data collected by Astraricerche for ADC group, the events sector alone recorded turnover growth of 27% in 2023 to reach €861mn. Despite the significant growth in 2023, only in 2024 should aggregate turnover exceed pre-Covid levels recorded in 2019 (i.e. 2024 turnover of €925mn [+7.4% YoY] vs €900mn in 2019)

The data collected by OICE confirm that in 2022 the Italian meeting industry came roaring back³⁶, recovering over 70% of the events held in 2019, the last benchmark year before the pandemic. A trend, as we will see later, amply confirmed by 2023 data.

Live Communication Market – 2014-2022 Evolution of Events

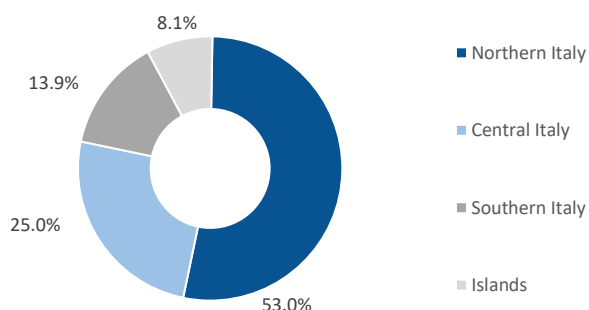


Source: Report OICE 2022

The gap still to be filled is due to the joint action of two factors that have pushed back the conditions for a full market recovery: on the one hand, the continuation of the Covid-19 emergency and the pandemic countermeasures; on the other, the geopolitical tensions in Eastern Europe and the Middle East that have bred a climate of uncertainty and penalised the live communication industry which, by its nature, reflects trends affecting the vitality and prospects of business, scientific, technological and cultural associations in a broad sense.

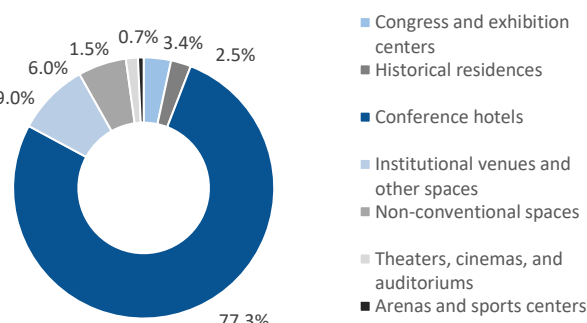
Looking at the geographical breakdown of the congress and events market, we note substantial differences: northern Italy, where 53% of venues are located, hosted 59% of the estimated events nationwide (+218.3% YoY; the number of events held topped 72% of the figure in 2019); Central Italy, with 25% of venues, hosted 24.4% of total events (+293.1% YoY; 69% of the number of events held in 2019); the South, with about 14% of venues, hosted 10.4% of events (+289% YoY; 67% of the total events in 2019); and finally the Islands, with 8% of venues, hosted 6.2% of the events (+449% YoY; 66% of the total events in 2019).

Live Communication Market – 2022 Breakdown by Geographic Area



Source: Report OICE 2022

Live Communication Market – 2022 Breakdown by Location³⁷



Source: Report OICE 2022

The most important venues for congresses and events are hotels with meeting rooms (77% of total events), followed by congress centres, trade fair centres, and historic residences. Looking at events by type of promoting body, the OICE study states that those held by associations, companies and institutions together accounted for the vast majority of total events (89.8%).

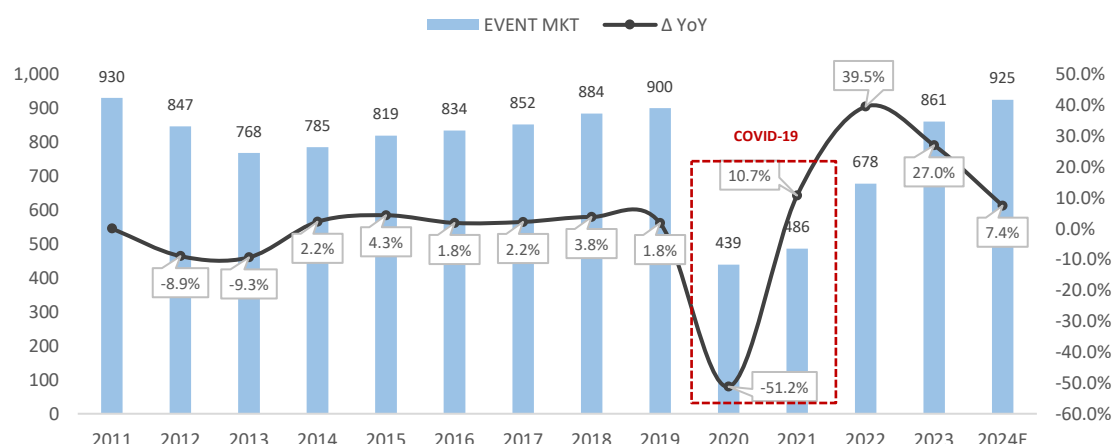
According to the Events and Live Communication Market Monitor³⁸, 2024 will be the year the Italian market returns to pre-pandemic levels: turnover recorded in the first 11 months of 2023 was up 27% YoY and the projection for 2024 sees total revenues of €925mn, up 37% on 2022 and 3% on 2019. During the 12 months preceding the publication of this report, 62.6% of companies surveyed said they had commissioned at least one B2B event; 44.2% an event aimed at an internal target (B2I); and 39.8% a consumer event (B2C). Regarding event types, trade fairs and related events (33.7%) lead the ranking, followed by product and/or service launches (32.3%), company conventions (26.5%), and congresses and conventions (24.8%).

³⁶Moreover, it is a trend that highlights how Italy has been the most virtuous country in Europe: data recorded by the International Congress and Convention Association show that in 2022 the "back-to-normal ratio" of Italy was 87.8% compared to 86% for Spain, 76.8% for France, 75.8% for the United Kingdom and 65% for Germany

³⁷ Per spazi non convenzionali si intendono sedi aziendali, parchi divertimenti, centri commerciali, stabilimenti termali, luoghi di enti religiosi, tenute agricole, ecc

³⁸A study carried out annually by AstraRicerche for AdcGroup on a sample of about 300 companies (19th edition)

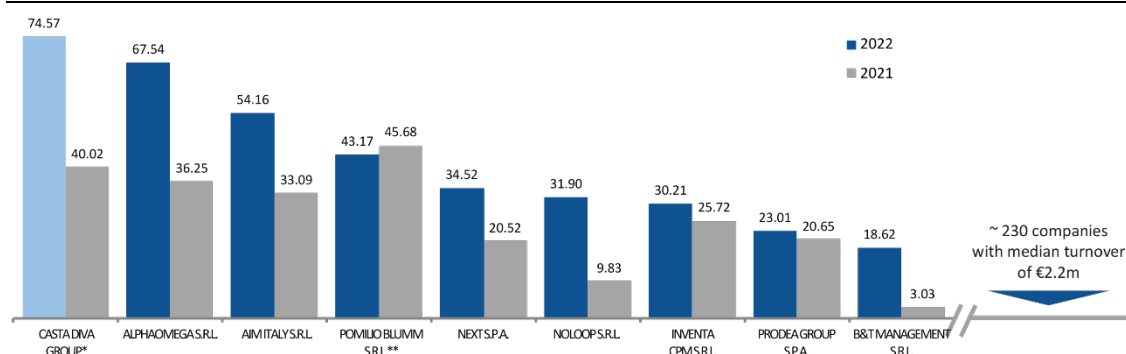
Live Communication Market – Italian Market Size and Evolution (€ mn, YoY performance)



Source: Casta Diva Group 2023-2026 Industrial Plan Presentation, December 2023

With a pro-forma production value for 2022 above **€74mn**, up double-digit on financial year 2021, Casta Diva holds a leading position in the domestic **Live Communication sector**, with a market share of over 10%. Double-digit growth rates are also confirmed for financial year 2023 thanks to significant performances by all the legal entities in the division: G.2 Events (+26%), Blue Note (+7%) and Genius Projects (+6%).

Italian Live Communication Market Major Players and respective 2021-22 Value of Production



Source: Casta Diva Group 2023-2026 Industrial Plan Presentation, December 2023

Although the Company has carried out an important acquisitions campaign³⁹, the fragmentation that prevails in the Live Communication⁴⁰ sector suggests that the ongoing consolidation still has a long way to go.

³⁹In 2017-2023, the Company acquired 7 firms (i.e. Monaco Growth Forums, G.2 Events, MeTe Travel&Event, Genius Projects, the Events division of Over Seas, Akita and is finalizing the operation with E-motion) for a total production value (based on the value of each deal at the closing) in excess of €60mn.

⁴⁰According to data recorded by the Events and Live Communication Market Monitor, there are about 230 companies active in the sector, with median turnover of just over €2mn.

Business Model, Business Units and Legal Entities

Casta Diva is structured as a holding, which provides strategic guidelines and services⁴¹ to subsidiary operating companies grouped by business type into two distinct divisions: i) **Live Communication**⁴², specialised in the design, planning and management of conferences, online events, promotional tours, exhibition stands, team building activities, product launches, press conferences, experiential events, concerts and festivals and; ii) **Creative Content Production**, specialised in the realisation of commercials, digital videos, company and event videos, documentaries, films and television content.

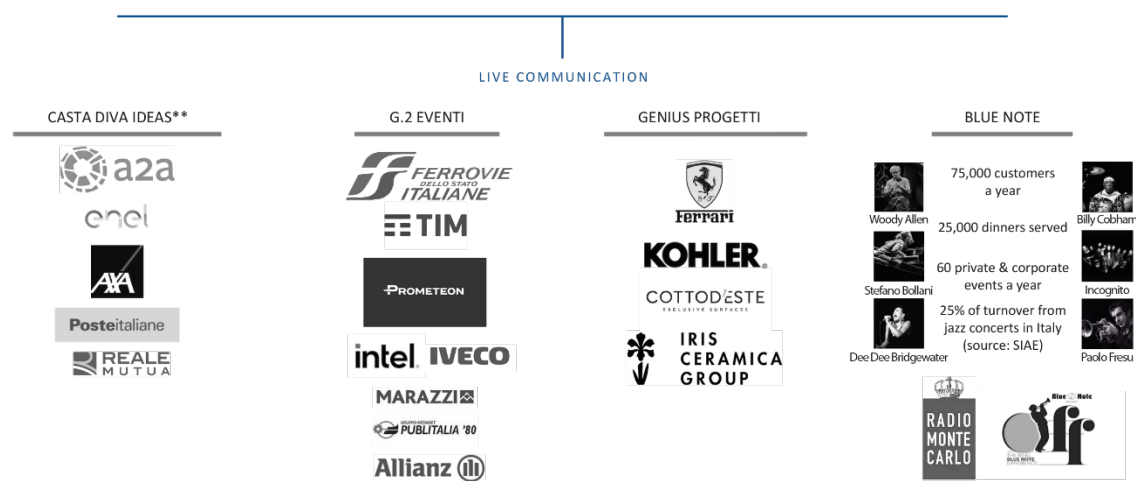
Live Communication

The **Live Communication** Business Unit creates and organises corporate events, conventions, tours, exhibition stands, team building activities, product launches, press conferences, incentive trips, festivals and concerts, especially B2B but also B2C. In 2023, net revenues at the division are expected to be approximately €83mn, equating to approximately 75% of consolidated pro-forma revenues (vs approximately 62% in financial year 2020). An increased contribution to the generation of consolidated turnover attributable to the organic growth registered by the Company but above all to acquisitions of leading companies that have enabled Casta Diva to add new business segments (e.g. the luxury sector), and expand its client portfolio (e.g. Ferrari, Enel, Poste Italiane,) as well as its know-how and offering.

The Live Communication Business Unit is currently composed of **G.2 Eventi**, into which Casta Diva Ideas will be merged through incorporation in Q1 2024⁴³; **Genius Progetti**, specialised in luxury events and, last but not least, **Blue Note**, Milan's legendary jazz club.

The Live Communication & Entertainment division's client portfolio includes leading Italian and international brands and companies: from Ferrari to Allianz, from Enel to Axa, from Poste Italiane to Intel and Publitalia.

Casta Diva Group – Live Communication Top-Tier Clientele



Source: Casta Diva Group 2023-2026 Industrial Plan Presentation, December 2023

G.2 Eventi – Live & Digital Communication

With 2023 pro-forma turnover⁴⁴ close to €40mn, G.2 Eventi is today a synthesis of several pre-existing operating companies: over time, the original G.2 Eventi and MeTe Travel & Events have taken on assets from Casta Diva Events⁴⁵ and, lastly, Casta Diva Ideas⁴⁶, through M&A as well as corporate operations aimed at streamlining the group perimeter. These moves have made it possible to consolidate the activities previously carried out by different legal entities 4 into a single company.

With the aim of setting up a specialised hub to provide an integrated offering in the live & digital communication sector, G.2 Eventi and MeTe T&E became part of the corporate perimeter in 2018. These acquisitions were possible thanks to establishment of a NewCo, District s.r.l., which absorbed the equity investments in G.2 Eventi

⁴¹ In this regard, the parent company has established Service Zero s.r.l., wholly owned by Casta Diva Group S.p.A., which provides group companies and the parent company with general administrative, accounting, financial, control, HR and information services.

⁴² This division focuses mainly on the corporate segment (B2B) but also covers B2C

⁴³ In Q1 2024, in order to rationalise the corporate structure, Casta Diva Ideas s.r.l. will be merged into G.2 Eventi s.r.l.

⁴⁴ Resulting from the merger of Casta Diva Ideas s.r.l. into G.2 Eventi s.r.l.

⁴⁵ The acquisition of G.2 Eventi s.r.l. and MeTe T&E, which took place during 2018, was performed through the contribution to a NewCo, District s.r.l., of the shares of G.2 Eventi, MeTe T&E and Casta Diva Events. In exchange for these contributions, the Company was granted a 51% stake in District s.r.l., in addition to a purchase option on the remaining 49% of share capital exercised in 2020.

⁴⁶ Which, in turn, absorbed subsidiary K2.COM in 2020.

and MeTe T&E (both owned by founder Matteo Valcelli) and in Casta Diva Events, whose capital at the time was wholly owned by the Company.

A merger of three different corporate entities, one of the most significant in the Italian events market, with turnover at the time close to €20mn, characterised by strong complementarity of customers, skills and services: the Company's strong creativity was married to organisational skills in major events, logistics, management of incentive and non-incentive travel, and the creation of training courses that G.2 Eventi and MeTe T&E had developed over 25 years doing business.

During this period of operations, **G.2 Eventi has gained significant experience in the analysis, planning and organisation of major events**⁴⁷, serving leading national and international clients: from Allianz through Ferrovie dello Stato, Mediaset, and AON group to Mazda group.

At the same time, **MeTe Travel & Events has specialised in the management of organisational secretariats for complex events with thousands of participants, in the logistical-technical management of events as well as in the creation and organisation of training courses.**

These skills have been married to those brought by **G.2 Eventi, with offices in Rome and Milan, specialised in creating and organising conventions, web events, road shows, trade fair stands, team building activities, product launches, press conferences and experiential events typically aimed at corporate customers.** Achievements include the Froneri Digital Convention 2021, Allianz Digital Events 2020/2021, the BMW Digital Dealer Meeting 2021 and the Ferrovie dello Stato Italiane Live Streaming 2020, Banca Intesa Corporate division and CNP Capitalia Vita, year-end concert for Huawei, Alitalia exhibition stands, etc.

The capstone on the current corporate formation is the merger in Q1 2024 of **Casta Diva Ideas** into G.2 Eventi. Casta Diva Ideas, supported by a dedicated team, **after having served as a creative hub for the group, has since dedicated itself full-time to the development of Live Communication.**

Further recent rationalisations of the corporate perimeter have also seen the merger of Over Seas⁴⁸ and We are Live⁴⁹ activities into G.2 Eventi.

In its current configuration, G.2 Eventi, thanks to over twenty years' experience in events, functions as an advanced hub for **Live & Digital Communication** with all the necessary skills for creating content and novel experiences, including in digital and innovative formats, while handling every aspect of the event, from the brief to the realization, encompassing all communication aspects to logistic strategy.

Leveraging its own stand-out characteristics, i.e. creativity and innovation, G.2 Eventi is able to:

- **Conceive and organise any type of event**, i.e. physical, digital or phygital, simultaneously transmitted to different locations and via live streaming;
- **Manage the logistical/technical/organisational complexities typical of large events**, as it is able to call on its own travel agency and tour operations division;
- **Thanks to diversification of its customer portfolio, work with customers in highly varied areas of business**: from companies owned by the Italian State through those operating in the luxury sector to large financial groups.

⁴⁷Within the agency, a travel agency and tour operator division has been created, supporting project leaders by offering them the necessary in-house support for the organisation and management of travel services.

⁴⁸On 1 July 2020, Casta Diva signed an accord with HDRÁ Group to lease the Over Seas business unit, specialised in the planning and organisation of communication events. At the end of the originally agreed term of three years, Casta Diva opted at the end of 2023 to exercise the option to purchase the business unit for €2mn. Thanks to this operation, the Company has acquired an order book, mostly contractualised in the form of multi-year framework accords, with a number of companies owned by the Italian state, such as Poste Italiane and Enel. Although the figure is not known, it is estimated that the Over Seas business unit generated over € 10mn turnover in 2023.

⁴⁹In January 2022, the Casta Diva Ideas client roster further expanded and diversified thanks to the addition of a new manager specialised in fashion and luxury events ("We Are Live"). Clients of the calibre of Bulgari, Fendi, Moncler and Zegna joined the subsidiary's portfolio, enabling the realisation of events such as Zegna and Moncler Investor Days, Fendi World Convention, and others.

G.2 Eventi – Major Events



Source: G.2 Eventi online website

Genius Progetti – Live Events, Tailor-Made Experiences

Founded in 1994 and led by Matteo Giusti, Genius Progetti s.r.l. is an events agency specialised in planning and organising corporate events, trade fair stands, celebrations and new product launches throughout the world for major brands in the automotive, ceramics and cosmetics sectors with the aim of turning event participants into brand ambassadors. **Genius Progetti's mission is to create a memorable, tailor-made experience for customers and their guests.**

Among the main activities carried out by Genius Progetti are:

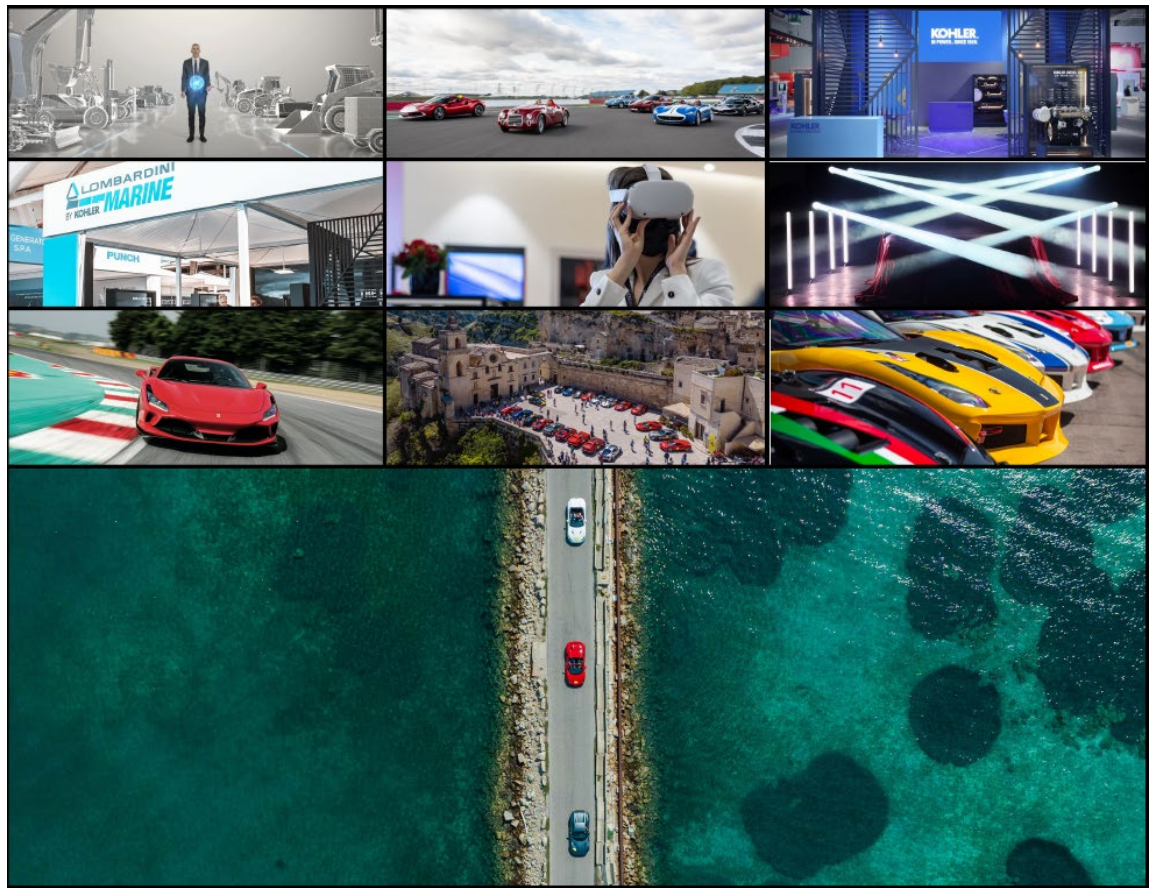
- **Corporate events:** anniversary celebrations, gala dinners, conferences and award ceremonies;
- **Exhibition stands:** thanks to an experience of over twenty years of experience in the design of exhibition stands and has created them for some of the most prestigious companies in the ceramic, medical, automotive and cosmetic sectors, working at international fairs such as Cersaie, Bauma, Adipece, Cosmoprof, EIMA and many others in Italy, Europe and the Middle East.

With 2023 turnover of c.a. €40mn, Genius Progetti was acquired by the Company at the beginning of 2022⁵⁰ and today accounts for over 1/3 of consolidated pro-forma turnover, featuring strong exposure to the luxury sector. Its clients include renowned brands such as **Ferrari, Kohler Engines, Italo, Chiesi, Confindustria Ceramica, Smaltochimica and Pramac**, to name but a few. Among these, Ferrari stands out as the company's main client and one that has been particularly loyal to the services offered by Genius Progetti.

Thanks to considerable experience gained in the field, Genius Progetti has developed a sophisticated understanding of how to interpret and express the codes and language typical of the world of luxury in the design and organisation of events; in-house teams comprising designers, event managers, project managers, and art designers collaborate with architects, interior designers, and stand builders on custom-designed exhibition stands, ensuring the provision of "turn-key" solutions without the need to outsource any activity.

⁵⁰The acquisition of 90% of the share capital in Genius Progetti, announced by the Company in February 2022, was followed at the end of 2023 by the acquisition of the remaining 10% of capital, as provided for in the original contract. The Company paid the former partners of Genius Progetti a fee totalling €6.2mn in cash for 100% of the share capital.

Genius Progetti – Major Events



Source: Genius Progetti online website

The process begins with a first meeting with the client to determine the nature and objectives of the event, as well as the available budget. From here, the Genius Progetti team develops the concept and allocates the budget among the various activities. The project is assigned to an in-house project manager, who coordinates and manages other professionals at the company, as well as all the suppliers involved.

As part of the design process for exhibition stands, the client is provided with 3D renderings of the different proposals, and is actively involved in each decision on the layout, atmosphere, spaces and furnishings. In addition, the technical team carries out evaluations on site at fair centres to examine the space available and draw up more precise details on construction. Once the plans have been signed off, management of the entire construction process, including preparation, assembly and dismantling, is entrusted to the Genius Progetti team, ensuring complete oversight.

Blue Note – Jazz Club, Restaurant, Events Location

Casta Diva Group owns and manages Blue Note, a **celebrated jazz club and restaurant in the heart of Milan, and an icon of the music scene in the city (and beyond)**. This versatile location lends itself to the organisation of concerts and events of the **B2C** and **B2B** variety including conventions, corporate meetings, gala evenings and product/institutional presentations.

In addition to its traditional activity, the company has added the Blue Note Off brand, which brings the Blue Note experience 'home' to customers and the Jazzmi festival, developed in collaboration with the Teatro dell 'Arte and Ponderosa Music & Art, which culminates in the organisation of a prestigious jazz festival.

Since 2003, Blue Note Milano has been part of the renowned **Blue Note network**, which includes the legendary Blue Note Jazz Club in Greenwich Village in New York, and eponymous venues in Tokyo, Nagoya, Beijing, Shanghai, Honolulu, Rio de Janeiro, and Napa in California.

Since the lifting of pandemic restrictions, Blue Note alone accounts for over 25% of turnover from jazz concerts in Italy⁵¹, with **over 350 live events and almost 80,000 paying spectators**, of whom about 25,000 also enjoy dining at this captivating location. Blue Note Milano has been the venue for performances by some of the greatest jazz, blues, soul, Italian and Latin American artists, including The Blues Brothers, Dee Dee Bridgewater, Level 42, The

⁵¹ Source: SIAE

Manhattan Transfer, Wynton Marsalis, the late Chick Corea and Pino Daniele, Eugenio Finardi, Ornella Vanoni, Malika Ayane, Woody Allen, Jeff Goldblum, the Incognito and many others.

The club hosts around **sixty corporate events per year** and is considered one of the **most important and famous showcases for jazz music in Europe and beyond**. Thanks to partnership with Radio Monte Carlo and live broadcasts from the club, it has created a community that currently numbers over 100,000 music fans.

Blue Note Jazz Club – Interiors & Events



Source: Blue Note online website

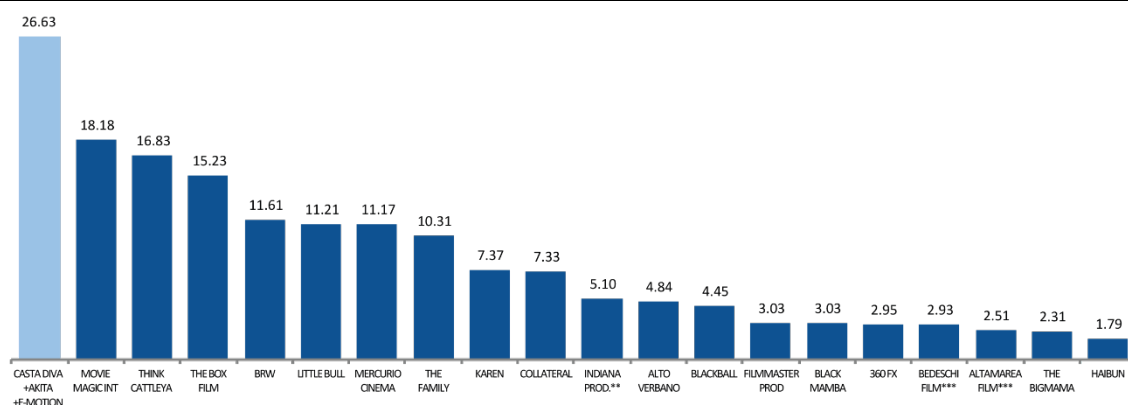
Creative Content Production

The **Creative Content Production** Business Unit specialises in the production of **commercials, digital and viral videos, branded content, event and corporate videos, documentaries, films and web/TV series**. It is estimated to have generated approximately **25% of pro-forma revenues in financial year 2023** (vs. c.38% in financial year 2020, when the Live Communication sector was heavily negatively impacted by the anti-Covid measures).

Akin to what has occurred at the Live Communication division, **the combination of organic growth and M&A has enabled the Creative Content Production Business Unit to become the leading Italian producer of commercials**. Casta Diva Pictures recently added new acquisition Akita Film (and subsidiary Akita Off) while the acquisition of 70% of the share capital of E-Motion⁵², a production company specialising in corporate and event videos, is expected to close shortly. Together, Akita and E-Motion are expected to contribute more than 60% of turnover and over 80% of pro-forma EBITDA at the division in 2023.

⁵²Concurrent with the communication of the new Plan Industrial 2023-2026, the Company announced the signing of a letter of intent for the acquisition of 70% of the share capital of E-Motion s.r.l. Closing of the transaction will be subject to the successful outcome of due diligence in progress.

Casta Diva Creative Content Production Division – 2022PF Competitive Positioning (€ mn)



Source: Casta Diva Group 2023-2026 Industrial Plan Presentation, December 2023 (*) proforma 2022 (**) Excluded Feature Films (***) data 2021

Regarding film and TV formats, once productions are complete, companies that operate in the division generally acquire full ownership of perpetual, worldwide exploitation rights for the production (or a percentage thereof if acting as co-producer). **In most cases, these rights are exploited commercially through direct and final sale to a broadcaster/media company for a specific territory/media channel.** The content purchase agreement usually foresees a one-off payment to the content producer. Casta Diva Pictures earns a single payment for the content produced; production revenues and costs are recognised on the income statement, as they are ineligible for capitalisation.

The Creative Content Production division collaborates with prominent brands that enjoy domestic and international recognition. These include global groups such as Stellantis, Leonardo, Ferrero, Bayer, P&G, Gillette, Nivea, Vodafone, Sky, as well as brands whose resonance is limited to Italy, such as Banca Popolare di Milano, Ponti, Pandora and DeA Scuola.

Casta Diva Group – Video Content Production Top Tier Clientele



Source: Casta Diva Group 2023-2026 Industrial Plan Presentation, December 2023

Casta Diva Pictures – ADV spot & TV Format

Casta Diva Pictures is a production company specialised in **creative content, mainly focused on commercials and television formats**. Regarding commercials, the main objective is to develop content that successfully positions a product or service on the market, involving the viewer and conveying the brand values and messages conceived for this purpose.

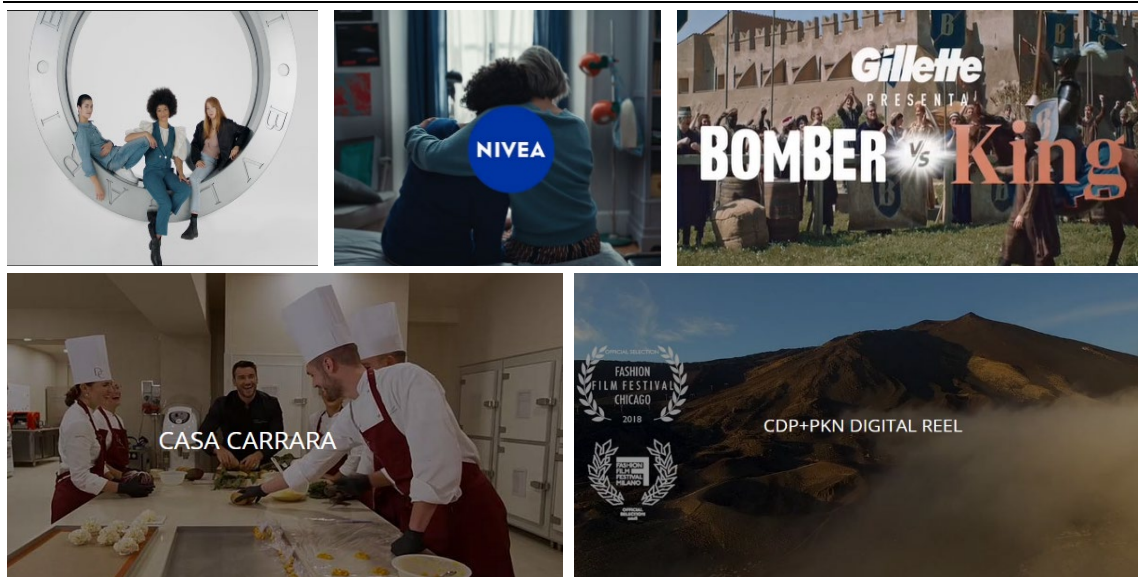
Casta Diva Pictures is closely involved in several crucial phases: preliminary evaluation, pre-production, production and post-production. Although it allows the outsourcing of production and post-production under its supervision, Casta Diva Pictures maintains management of the creative process in-house for greater added value. The **preliminary evaluation** marks the beginning of the generation of ideas and the preliminary drafting of the script, with a particular focus on selecting key people such as actors and directors. The **pre-production phase** involves a detailed report on the screenplay, setting the budget and choosing locations, as well as creating the shooting board. The **production** takes shape during shooting, while **post-production** involves fundamental activities such as editing, mixing, special effects and dubbing.

In the value chain for the production of branded content, Casta Diva Pictures interacts with advertisers⁵³ and advertising agencies⁵⁴.

Thanks to the reach of its network of subsidiaries, Casta Diva Pictures boasts one of the most extensive advertising production networks worldwide. Its **broad international presence** enables it to manage the complexity that arises on international projects, benefitting from the skills built up by the producers it works with, who have collaborated with **over 100 of the most prestigious global brands**. Recent productions include: Gillette's Bomber vs King, Yamaha's Hack the darkness, Nivea Mother's day, and Alibaba Olympics.

The other business line of the Creative Content Production Business Unit is television (Italian/foreign broadcasters) and OTT platforms (Amazon Prime Video, Netflix, Discovery+, etc.) in response to growing demand for content that can be viewed on different devices at times to suit the lifestyles of individuals in a pre and post Covid world.

Casta Diva Pictures – Advertising Spot and TV format



Source: Casta Diva Picture online website

In order to develop production of content for television, it was announced in early 2021 that Casta Diva Entertainment (CDE) would be set up as an offshoot of Casta Diva Pictures, and TV producer **Massimo Righini**⁵⁵ was recruited to head CDE as **Chief Creative Officer**. The company's stated objective, leveraging Righini's experience in the sector as CCO, is to create new, original formats, and seek out existing high-performance formats for presentation to the Italian and foreign broadcast market, as well as to international OTT platforms.

Casta Diva Pictures has created **7 TV formats**, winning orders from Warner Bros, Discovery (Discovery +) and Amazon Prime. We also highlight the work of Massimo Righini for the biopic on Italian entrepreneur and influencer Gianluca Vacchi (Mucho Más), available on Amazon Prime Video. Among the TV formats are:

- **'Back in Time – A Story-book Romance'**: a dating show set in the 19th century, it is a proprietary format that takes participants back in time to seek out their soul mate without the aid of technology. It was broadcast on channel NOVE and Real Time and streamed on Discovery+;
- **'Tarabaralla'**: a cooking show presented by famed TV pastry chef Damiano Carrara dealing with VIPs/influencers who try to cook sweet, tasty and above all "Instagrammable" recipes. Streamed exclusively on Discovery+;
- **'C'è ciccìa'** (There's the beef): cooking show with chef and butcher Luca Terni, which takes the audience on an original journey to discover the most succulent dishes typical of traditional Tuscan cuisine. Broadcast on Food Network;

⁵³Advertisers, defined as the end-clients or brand owners (P&G, Pandora, Bayer, Nivea, Bulgari) are those who financially support the creation of advertising content in order to boost sales of products or services

⁵⁴Agencies, on the other hand, act as intermediaries between advertisers and the production company, taking responsibility for the creative aspects of the advertising campaign

⁵⁵Massimo Righini has long experience in television as an author, executive producer and creative producer, having worked so far on 83 different programmes. He has adapted 18 foreign formats for Italy, including the first two editions of 'That'll Teach 'Em' for Rai 2, 'Married at First Sight' for Real Time, '7-Year Switch' for Fox, 'The Mole' for Italy 1, 'Bake Off' for Real Time, 'This Time Next Year' for Discovery and Guess my Age. He has collaborated in creating dozens of original formats such as 'Singing in the Car' for SkyUno, 'Truckers in Trattoria' and 'Tourists' for Dmax, 'Courtesy for the Car' for Discovery, 'Me contro Te' show for Disney and 'Celebration' for Rai 1. In 2019, thanks to Discovery, he was the first Italian producer to handle the realisation of an original entertainment format together with 6 other European producers, broadcast simultaneously on D-Max channels.

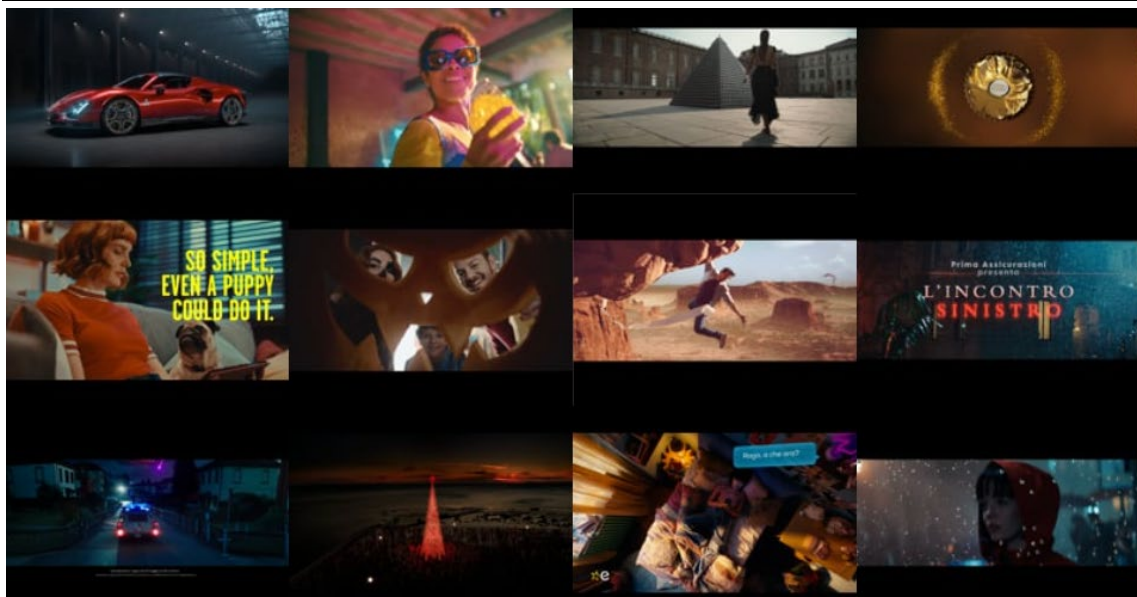
- **'Fare detailing'**: motor show with Marcello Mereu that focuses on the secrets of auto detailing - caring for your car and keeping it in the best possible condition. Broadcast on Motor Trend and DMAX;
- **'Scarpetta d'Italia'**: cooking show available on Food Network, which sees Luca Terni explore Italy in search of the best typical recipes - the flavours, history and soul of local cuisines; the best dishes are worthy of having the plate mopped clean with bread;
- **'Pazzi di Pizza'** (Pizza Mad): format produced for Warner Bros Discovery and set in Naples; each episode sees two neighbourhood pizzerias challenge one another; the judges are Sal Da Vinci, singer-songwriter and voice of Naples, and fashion entrepreneur Fabio Esposito;
- **'Questa è casa mia!'**: adaptation of the original BBC format "This is my house", in which competitors describe their homes to a jury, which has to guess who is telling the truth; broadcast on Real Time;
- **'Incredible transformations'**: shows in which the protagonists experience a 360-degree transformation thanks to the help of three experts led by famed TV wedding planner Enzo Miccio.

Akita – A skilled production boutique

In November 2023, **Casta Diva acquired 100% of the share capital of Akita s.r.l** (owner of 100% of AkitaOff s.r.l.), specialised in the production of commercials worldwide for renowned brands and top spenders in the FMCG, automotive, telecommunications and entertainment sectors, among which Ferrero, Stellantis, Vodafone and SKY.

With consolidated 2022 turnover of €13.6 million, Akita has established preferential relationships with important Italian and international directors, as well as partnerships with European production companies, and boasts collaborations with many celebrities from the world of sports, cinema and entertainment including Stefano Accorsi, Eva Green, Charlize Theron, Carlo Cracco, Robin Williams, Pierfrancesco Favino, Gerard Piqué, Elodie, Fiorello and Federica Pellegrini, to name but a few.

Akita Filma – Sample of TV Spot Productions



Source: Akita Film *online website*

Among the most recent widely-known commercials made by Akita are Tigotà 2023, the story of Gemmo with Alessandro Gassman, and Crodino "Soft-drink surprise, taste sensation".

Through its wholly-owned subsidiary AkitaOff⁵⁶, Akita Film aims to cover the market for production of commercials on more limited budgets.

E-motion – Multimedia Factory

The latest arrival at Casta Diva: E-Motion.

On announcement of the new 2023-2026 Industrial Plan at the beginning of December, the Company announced the signing of a **letter of intent for the acquisition of 70% of the E-Motion Srl share capital**. E-Motion is an industrial and event video production company based in Genoa, which expects to close 2023 with turnover of

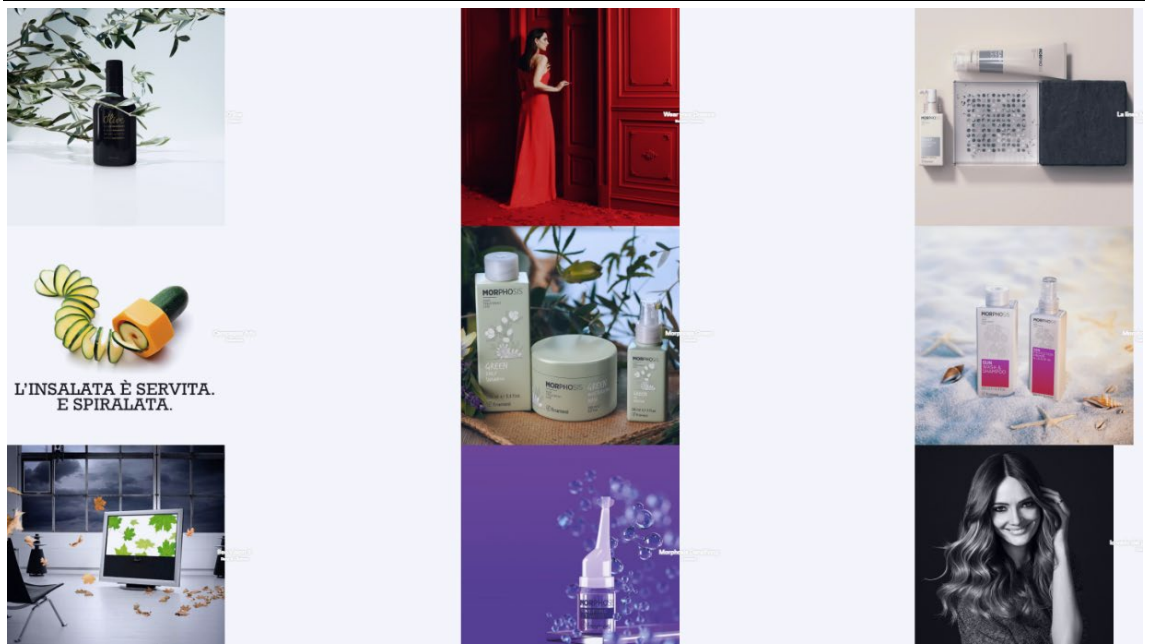
⁵⁶2022 turnover amounted to €1.3mn, below that recorded by parent company Akita Film (€12.2mn)

€3.1mn. Closing of the transaction, expected by Q1 2024 is subject to a successful outcome of the ongoing due diligence process.

E-motion is an **Italian production company** that offers integrated and flexible video solutions, without compromising the quality of the final product. A pioneer in the adoption of Red Digital Cinema technology, it is the first Italian company and among the first in the world to use the 8K format thanks to Cooke/Red Prime lenses with which its cameras are equipped in order to offer customers complete, high-quality kit. Specialised in **high-definition, multi-screen productions with special shooting equipment, E-Motion offers an innovative approach to communication, integrating tradition and cutting-edge technologies.**

The company's facilities include an online post-production and grading room, a 4x6 metre moveable shooting backdrop, a motion graphics department and 7 offline/online editing suites. With field experience in 3D stereo and VR360, productions, E-Motion offers complete and affordable solutions. Thanks to the largest investment in twenty years in business (all the video production activities have been modernised: seven 4K edit suites and RED 8KRAW cameras), E-Motion is the touchstone for those seeking to invest in the future of their productions and who demand the highest quality, as it offers 360° management of the entire process up to "turn-key" delivery of the finished product.

E-motion – Example of works



Source: E-motion online website

The company has a dedicated shipping department, with exclusive skills that are the fruit of a twenty-year collaboration with the world's leading shipping companies (i.e. Costa Cruises, Silversea).

Video services include: corporate videos, commercials, visuals for conventions, tutorial & educational videos, safety videos, 2D and 3D graphics, animation, support for speech-making, VR360°, duplication and standards conversion, realisation of company archives, and services for the web.

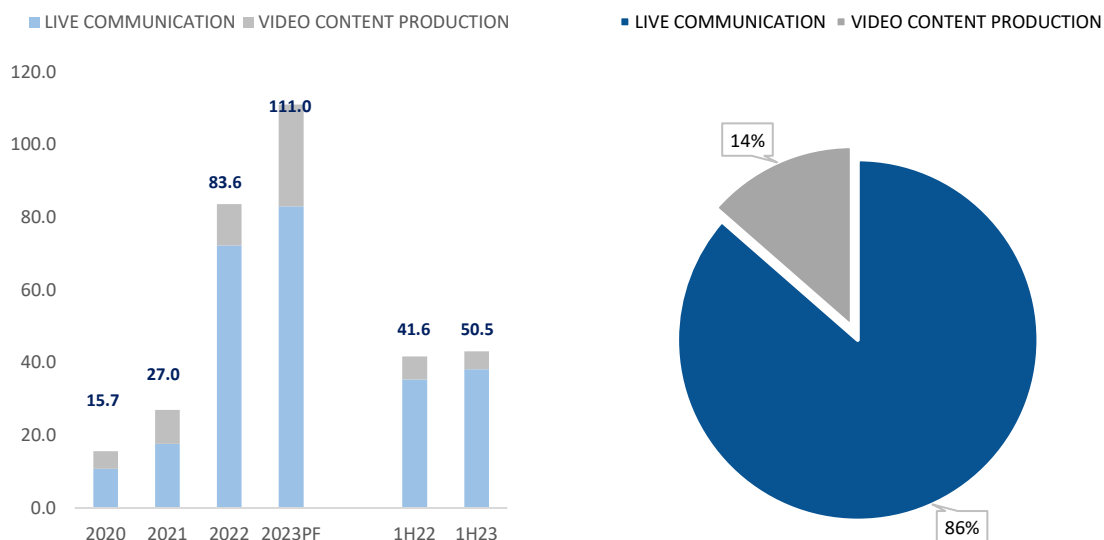
With years of experience in commercial and institutional photography, E-Motion sets the standard for advertising and industrial commissions. The **specialist team in corporate and commercial photography**, with state-of-the-art equipment, digital photography and in-house image retouching, delivers finished products that are usable straightaway without spending more money or time. An **image archive with more than 10,000 fully copyrighted photos** completes the company's offering.

2020-2022 & 1H23 Historical Financials

Turnover increases fourfold in just two years: turnover rose from just under €16mn to over €83mn in just 24 months thanks to a combination of organic growth and acquisitions. The same drivers continued to fuel growth in 2023, so much so that management reported pro-forma revenues in excess of €110mn.

Growth has benefited from three main positive factors: i) significant organic growth, favoured by the initial easing then elimination of restrictions put in place to counteract the spread of the pandemic; ii) acquisition of companies of primary standing, complementary to existing assets and endowed with significant critical mass and iii) consolidation of Casta Diva's leadership in the events market and more recently in the video content production market.

Casta Diva Group – 2020-2022 & 1H22-23 Consolidated Net Turnover Development by Division (€ mn)



Source: Company data

The initial easing and eventual elimination of restrictive measures launched to counteract the spread of the pandemic allowed a gradual return to normality for the events market, albeit in a context that had changed significantly compared to the situation just a few months earlier. In this context, we expect the Company to have recorded an organic growth close to 20% in the just-concluded fiscal year (i.e., 2023).

There was an even greater contribution from the acquisitions finalised in the period under analysis; below we report the key developments:

- **October 2020:** three-year lease of a business unit from Over Seas, a company that boasts an order portfolio with leading Italian and institutional clients quantified at over €11.5mn at the date of the transaction. The purchase option, provided for in the original contract, was exercised at the end of 2023, for an amount indicated at €2mn;
- **February 2022:** acquisition of 90% of the capital of Genius Progetti announced, with the remaining 10% to be acquired in November 2023. In 2021, the last pre-deal fiscal year, Genius Progetti generated a production value of over €22mn with EBITDA of €3.1mn, a 14% margin.

These acquisitions of the Events division of Over Seas and Genius Progetti have allowed **Casta Diva** to gain **leadership in the Italian events market, securing a share of over 10% in the Live Communication market in 2022.**

The combined impact of these factors meant that the Live Communication division accounted for 86% of 2022 consolidated revenues, with the Video Content Production division making up the remaining 14%.

Growth drivers confirmed in 2023: 1H turnover grew past €50mn, up 21% YoY, and preliminary FY23 indications confirmed double-digit YoY revenue growth⁵⁷, driven by the +26% recorded by subsidiary G.2 Eventi.

External expansion also continued: in November, Casta Diva announced the acquisition of Akita Film (and its subsidiary AkitaOff), followed in December by communication of the signing of a letter of intent for the acquisition of 70% of E-Motion. Overall, Akita Film, AkitaOff and E-Motion are expected to bring in over €17mn of additional revenues (and over €3mn of EBITDA).

⁵⁷On a constant consolidation scope, i.e. not taking into account the results of the newly-acquired Akita Film and AkitaOff, nor those of E-Motion, closing of which is expected by Q1 2024, subject to a successful outcome to the ongoing due diligence.

As a result, management has indicated **2023 pro-forma consolidated turnover of approximately €110 mn.**

Casta Diva Group – 2020-2022 & 1H2022-2023 Condensed Consolidated Profit & Loss Account (€ mn)

AS OF	2020	2021	2022	1H22	1H23
A					
NET TURNOVER	15.7	27.0	83.6	41.6	50.5
VALUE OF PRODUCTION	17.4	29.7	84.0	41.7	50.5
B					
FIRST PROFIT MARGIN	5.4	9.1	27.3	n.a.	n.a.
<i>% margin</i>	34.5%	33.6%	32.6%	n.a.	n.a.
OPERATING EXPENSES	(8.4)	(7.9)	(21.0)	n.a.	n.a.
REPORTED EBITDA	(3.0)	1.2	6.3	3.3	3.5
<i>% margin</i>	-19.3%	4.4%	7.5%	8.0%	6.9%
NON-RECURRING ITEMS	(0.5)	(0.3)	(0.7)	(0.1)	(0.6)
ADJUSTED EBITDA	(2.5)	1.5	7.0	3.4	4.1
<i>% margin</i>	-16.0%	5.5%	8.4%	8.2%	8.2%
REPORTED EBIT	(3.4)	0.5	3.9	2.4	2.2
<i>% margin</i>	-21.9%	1.8%	4.6%	5.7%	4.3%
REPORTED NET PROFIT	(3.4)	0.4	1.8	2.2	1.8
<i>% margin</i>	-21.7%	1.6%	2.2%	5.3%	3.6%
o/w PERTAINING TO CO. SHAREHOLDERS	(3.4)	0.4	1.5	1.9	1.5

Source: Company data

Looking at the income trends for the last 3 years, we observe that:

- A** The sustained growth in turnover has led to a dilution of the gross margin by 190 basis points, decreasing from 34.5% in 2020 to 32.6% in 2022, primarily attributable to costs incurred for strengthening the organizational structure, integrating the acquisitions made, and the increasing expenses related to the growing number of bids that a market leader is required to participate in.
- B** first margin growth in absolute terms (2020-2022 CAGR: +125%), has allowed **better absorption of structural costs**, whose impact has more than halved (from 50% in 2020 to 24% in 2022⁵⁸) allowing a **substantial improvement in the EBITDA margin** (from -16.0% in 2020 to 8.4% in 2022);
 - despite the growth in amortisation related to acquisitions, **the EBIT margin comfortably returned to positive ground**, closing 2022 at 4.6% (from 1.8% in 2021 and -21.9% in 2020);
 - in the 2020-2022 period, on average the Company incurred €0.5mn in annual extraordinary expenses, with over €0.7mn in 2022 alone, largely attributable to charges related to extraordinary deals;
 - the 2022 tax burden amounted to 46.3% of pre-tax profit, a particularly high figure that may be improved by the forthcoming inclusion of the subsidiary Genius Progetti s.r.l. under the National Tax Consolidation regime;
 - in 2022 alone, minority shareholder earnings⁵⁹ accounted for 16.7% of group net income.

⁵⁸Net of non-recurring items

⁵⁹In 2022, minority interests were represented by (i) 10% of the share capital of Genius Progetti s.r.l., (ii) 10% of the share capital of Casta Diva Pictures S.R.O., (iii) 50% of the share capital of Casta Diva Pictures SAL Leban and (iv) 50% of Zeta Film Production (Pty) t/a Casta Diva Pictures SA

Casta Diva Group – 2020-2022 & 1H22-23 Condensed Balance Sheet (€ mn)

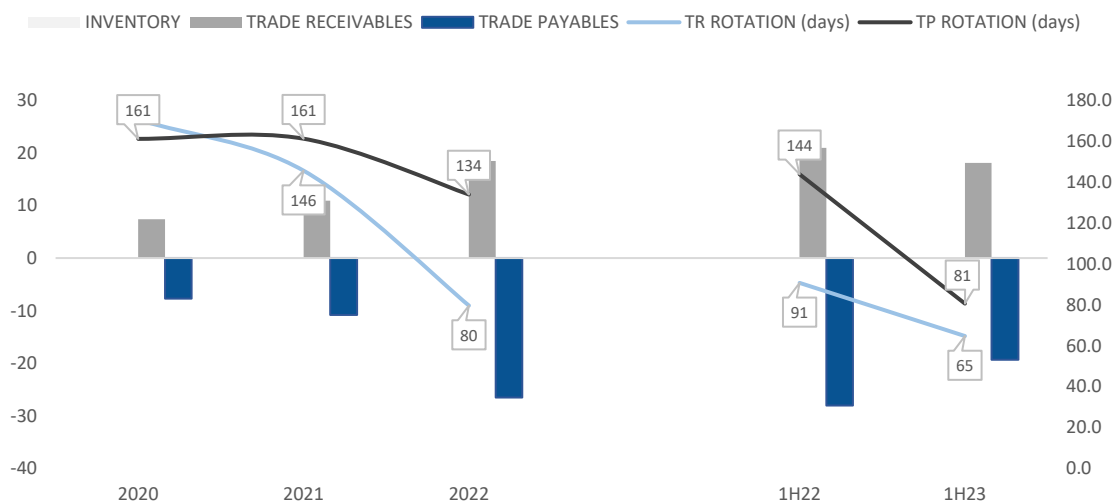
	2020	2021	2022	1H22	1H23
A AS OF					
FIXED ASSETS	9.5	9.6	13.4	14.7	12.3
o/w GOODWILL	2.8	2.6	7.4	8.2	6.9
B NET WORKING CAPITAL	(0.3)	0.1	(8.1)	(7.1)	(1.2)
<i>as a % of L12M net turnover</i>	<i>-1.7%</i>	<i>0.4%</i>	<i>-9.6%</i>	<i>-12.0%</i>	<i>-1.3%</i>
OTHER CURRENT ASSETS/(LIABILITIES)	2.0	2.1	4.4	3.1	4.5
FUNDS for RISKS and INDEMNITIES	(1.0)	(1.2)	(1.6)	(1.4)	(1.2)
CAPITAL EMPLOYED	10.3	10.6	8.2	9.3	14.4
SHAREHOLDERS' EQUITY	5.3	6.1	7.8	8.2	9.3
MINORITY INTERESTS	0.6	0.6	0.7	0.8	0.9
GROUP NET EQUITY	5.9	6.7	8.5	9.1	10.2
C NET FINANCIAL POSITION	(4.4)	(3.9)	0.3	(0.2)	(4.2)
TOTAL SOURCES	10.3	10.6	8.2	9.3	14.4

Source: Company data

With regard to the Consolidated Balance Sheet, we note:

- A** the increase in fixed assets is essentially linked to the acquisition of the majority stake (90%) in the share capital of Genius Progetti s.r.l., which generated €5.8mn of goodwill in 2022;
- B** a significant improvement in Net Working Capital attributable to the improvement in the rotation of receivables, reduced from over 170 days in 2020 to 80 days in 2022. This was not matched by a similar reduction in the rotation of supplier payables, which only came down to 134 days in 2022 from 161 days in both 2020 and 2021. From 2020 to 2022 about €8mn of Net Working Capital was released to support the business.

Casta Diva Group – 2020-2022 & 1H22-23 Net Working Capital Development (€ mn)



Source: Company data

- c** the Net Financial Position was close to zero, benefiting from the cash generated during 2022 thanks to nearly €12mn of operating cash flow, a sizeable figure compared to the amount the Company paid for acquisitions (>€6mn).

Casta Diva Group – 2020-2022 & 1H22-23 Condensed Cashflow Statement

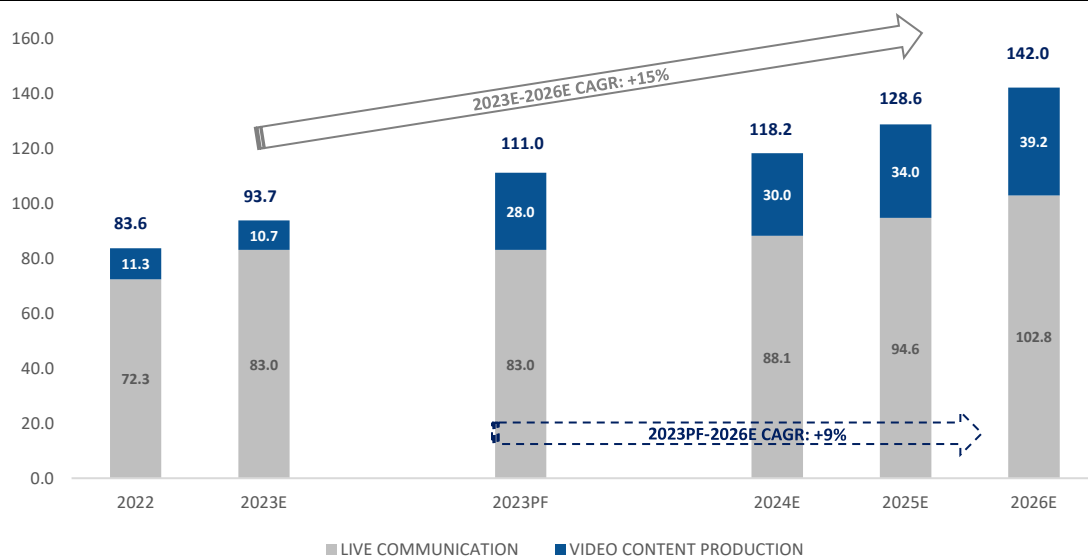
AS OF	2020	2021	2022	1H22	1H23
NET PROFIT (LOSS) OF THE PERIOD	(3.4)	0.4	1.8	2.2	1.8
AMORTIZATION & DEPRECIATION	0.4	0.7	2.4	1.0	1.3
CHANGE IN NET WORKING CAPITAL	2.1	(0.5)	7.4	6.3	(8.7)
OTHER OPERATING NON MONETARY ITEMS	(0.0)	0.2	0.1	0.0	0.0
OPERATING CASHFLOW	(0.9)	0.8	11.7	9.5	(5.6)
CAPITAL EXPENDITURES	(1.1)	(0.8)	(6.3)	(6.0)	(0.1)
FINANCIAL INVESTMENTS (DIVESTMENTS)	(0.6)	0.2	(0.0)	(0.1)	(0.0)
CHANGE IN GROUP' EQUITY	0.3	0.2	0.0	0.2	(0.1)
DIVIDENDS RECEIVED (PAID)	0.0	0.0	0.0	0.0	0.0
OTHER NON OPERATING NON MONETARY ITEMS	0.2	0.0	(1.2)	0.2	1.4
CASHFLOW	(2.1)	0.4	4.2	3.7	(4.5)

Source: Company data

2023-2026 Projections

We estimate that the combination of organic and external growth can result in a 2023-2026 revenues CAGR of 15%, with approximately 60% deriving from organic growth⁶⁰ (+9%) and the remaining 40% (+6%) attributable to the acquisitions of Akita Film, including the subsidiary AkitaOff, and E-Motion.

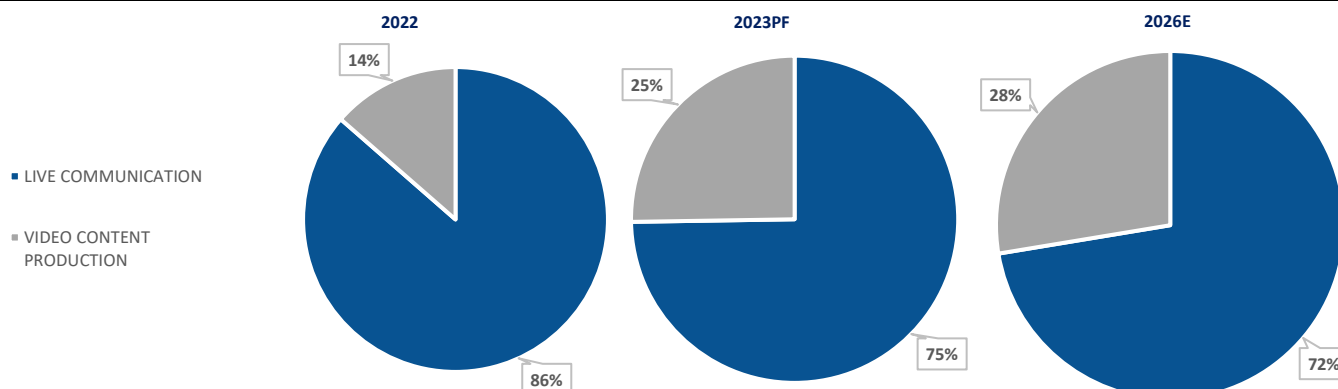
Casta Diva Group – 2022-2026E Net Turnover Breakdown by Division (€ mn and % CAGR)



Source: Websim Corporate estimates & Company data

In addition to making a significant contribution to the growth of consolidated turnover, the acquisitions of Akita Film, Akita Off and E-Motion have allowed the Company to gain a leading position in the Video Content Production market as well, rebalancing the expected contribution of its two business areas. The image below shows how, at the end of the plan⁶¹, revenues from the Video Content Production division should reach 28% of consolidated turnover, double the level recorded in 2022 and 3 percentage points higher than the pro-forma contribution in 2023.

Casta Diva Group – 2022, 2023PF and 2026E Consolidated Turnover Breakdown by Business Unit



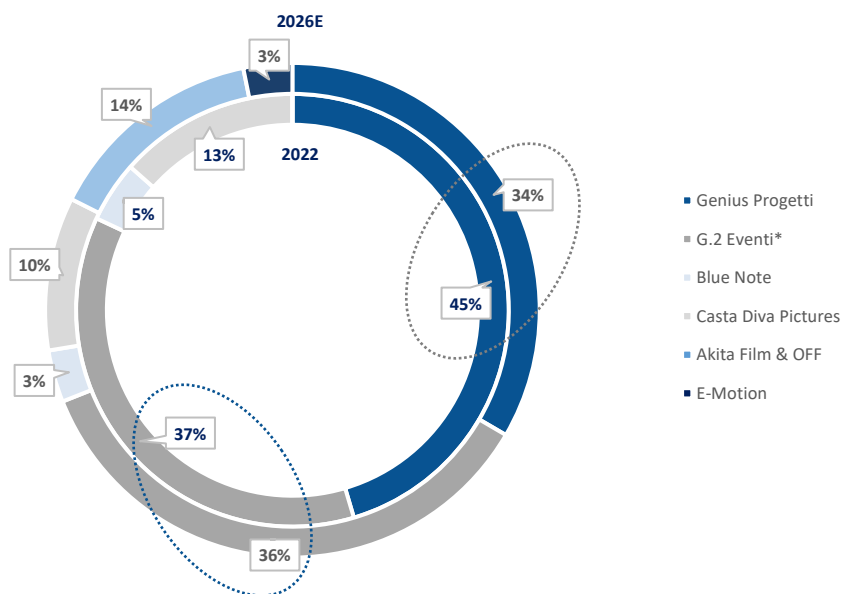
Source: Company data & Websim Corporate estimates

In addition, greater diversification will allow the Company to reduce its dependence on the results of individual agencies and orders from individual clients, such as the iconic Maranello company, Ferrari. The graph below highlights in particular how the contributions of Genius Progetti and G.2 Events to revenue generation is expected to decrease to 70% of consolidated turnover in 2026 (from 82% in 2022), with a larger portion of the reduction involving Genius Progetti (34% vs. 45%).

⁶⁰According to estimates prepared by Astraricerche, an independent research institute specialising in market forecasting and with strong communication skills, the events market is expected to grow by 7.4% YoY in 2024 (to €925mn, 3% higher than the Pre-Covid values recorded in 2019).i.e. in fiscal year 2026

⁶¹i.e. in the 2026 fiscal year

Casta Diva Group – 2022 and 2026E Consolidated Turnover Diversification by Legal Entity (%)



Source: 2022 single legal entity Annual Report & Websim Corporate estimates

Thanks to the strong revenue growth, we estimate that adjusted EBITDA can grow even faster, benefiting from better absorption of structural fixed costs⁶²: the adjusted EBITDA margin is expected to grow by 2.6pp, from 8.4% in 2022 to 11.0% in 2026 (and by 1.5pp from the 9.5% expected in 2023). On the other hand, we do not expect substantial changes in the first margin, estimated to be stable at 33% throughout the plan period (vs. 32.6% in 2022), favoured by a more favourable revenue/customer mix, an assumption prudently not considered in the assumptions of the Industrial Plan.

Casta Diva Group – 2022-2026E Condensed Consolidated Profit & Loss Account (€ mn)

AS OF	2022	2023E	2024E	2025E	2026E
NET TURNOVER	83.6	93.7	118.2	128.6	142.0
VALUE OF PRODUCTION	84.0	94.8	119.6	130.0	143.4
FIRST PROFIT MARGIN	27.3	30.9	39.0	42.4	46.9
<i>% margin</i>	<i>32.6%</i>	<i>33.0%</i>	<i>33.0%</i>	<i>33.0%</i>	<i>33.0%</i>
OPERATING EXPENSES	(21.0)	(23.3)	(27.6)	(29.1)	(31.3)
REPORTED EBITDA	6.3	7.7	11.4	13.3	15.6
<i>% margin</i>	<i>7.5%</i>	<i>8.2%</i>	<i>9.7%</i>	<i>10.4%</i>	<i>11.0%</i>
NON-RECURRING ITEMS	(0.7)	(1.2)	(0.3)	0.0	0.0
ADJUSTED EBITDA	7.0	8.9	11.7	13.3	15.6
<i>% margin</i>	<i>8.4%</i>	<i>9.5%</i>	<i>9.9%</i>	<i>10.4%</i>	<i>11.0%</i>
REPORTED EBIT	3.9	5.1	7.8	9.6	11.7
<i>% margin</i>	<i>4.6%</i>	<i>5.4%</i>	<i>6.6%</i>	<i>7.4%</i>	<i>8.3%</i>
REPORTED NET PROFIT	1.8	2.6	4.4	5.7	7.0
<i>% margin</i>	<i>2.2%</i>	<i>2.8%</i>	<i>3.7%</i>	<i>4.4%</i>	<i>5.0%</i>
o/w PERTAINING TO CO. SHAREHOLDERS	1.5	2.4	4.1	5.3	6.6

Source: Websim Corporate estimates & Company data

⁶²Essentially attributable to the parent company, Casta Diva Group S.p.A. and the subsidiary Service Zero s.r.l., the latter intended to be merged into the parent company during the current fiscal year (i.e. Q2 2024)

Given a corporate tax rate of 40%, the absence of significant financial charges, and the fact that the acquisitions are self-financing, group net profit is expected to rise to €7mn in 2026, up sharply from the €1.8mn recorded in 2022 (2022-26 CAGR: +40%) and €2.6mn expected in 2023 (2023-2026 CAGR: +39%).

We expect slightly higher CAGRs, at 45% and 40% respectively, for consolidated net profit adjusted for the amount pertaining to minority interests in subsidiaries, thanks to the acquisition of the outstanding minorities (10% of the share capital) of Genius Progetti finalised at the end of 2023.

Casta Diva Group – 2022-2026E Condensed Balance Sheet (€ mn)

AS OF	2022	2023E	2024E	2025E	2026E
FIXED ASSETS	13.4	23.5	21.2	19.4	17.6
<i>a/w GOODWILL</i>	<i>7.4</i>	<i>16.0</i>	<i>14.0</i>	<i>12.1</i>	<i>10.1</i>
NET WORKING CAPITAL	(8.1)	(7.4)	(7.3)	(6.2)	(6.0)
<i>as a % of L12M net turnover</i>	<i>-9.6%</i>	<i>-7.9%</i>	<i>-6.1%</i>	<i>-4.8%</i>	<i>-4.2%</i>
OTHER ASSETS/(LIABILITIES)	4.4	3.3	4.0	4.5	4.9
FUNDS for RISKS and INDEMNITIES	(1.6)	(1.9)	(1.9)	(1.9)	(1.9)
CAPITAL EMPLOYED	8.2	17.5	16.0	15.7	14.6
SHAREHOLDERS' EQUITY	7.8	9.9	13.7	17.9	23.3
MINORITY INTERESTS	0.7	1.0	0.3	0.3	0.3
GROUP NET EQUITY	8.5	10.9	13.9	18.2	23.6
NET FINANCIAL POSITION	0.3	(6.7)	(2.1)	2.5	9.0
TOTAL SOURCES	8.2	17.5	15.4	12.8	10.6

Source: Websim Corporate estimates & Company data

The expected cash generation led us to estimate a positive net financial position of €9.0mn at the end of 2026, a considerable improvement from the net debt⁶³ of €6.7mn expected at the end of 2023, which was affected by the resources allocated to the recent acquisitions of Akita Film, E-Motion and Over Seas, as well as the purchase of the remaining 10% of the Genius Progetti capital. The ample liquidity held at the end of 2022 and structurally negative working capital, as well as the deferred payment terms granted for the acquisitions of Akita Film and E-Motion, lead us to believe that the Company, consistent with the indications provided by management to the market as it updated its 2023-2026 Business Plan regarding the Akita and Emotion operations, will not need to seek any new sources of financing throughout the plan period.⁶⁴

We estimate that the company's Net Working Capital remains structurally in negative territory (-4.2% of consolidated revenues at 31.12.2026), albeit to a lesser extent than the -9.6% of revenues recorded as at 31.12.2022. We do not expect significant developments concerning other assets/liabilities⁶⁵ that cannot be strictly classified as components of net working capital, whether due to their nature or maturity, beyond the following 12 months.

By virtue of the amortisation of goodwill generated by the recent acquisitions, combined with new investments of limited scope (i.e. €2mn/year⁶⁶), fixed assets are expected to come down to €17.6mn at the end of the plan compared to an estimated peak of €23.5mn at 31.12.2023. Given the performance recorded by the group's main subsidiaries, we do not see any concrete risks that the company will need to book impairments as a result of the outcome of the impairment tests.

Finally, we estimate a reduction in minority interests following the acquisition of the minorities of Genius Progetti announced at the end of 2023: for the coming years the remaining minority shares will include 30% of the capital of E-Motion plus 10% of Casta Diva Pictures S.R.O., 50% of Casta Diva Pictures SAL Leban and 50% of Zeta Film Production.

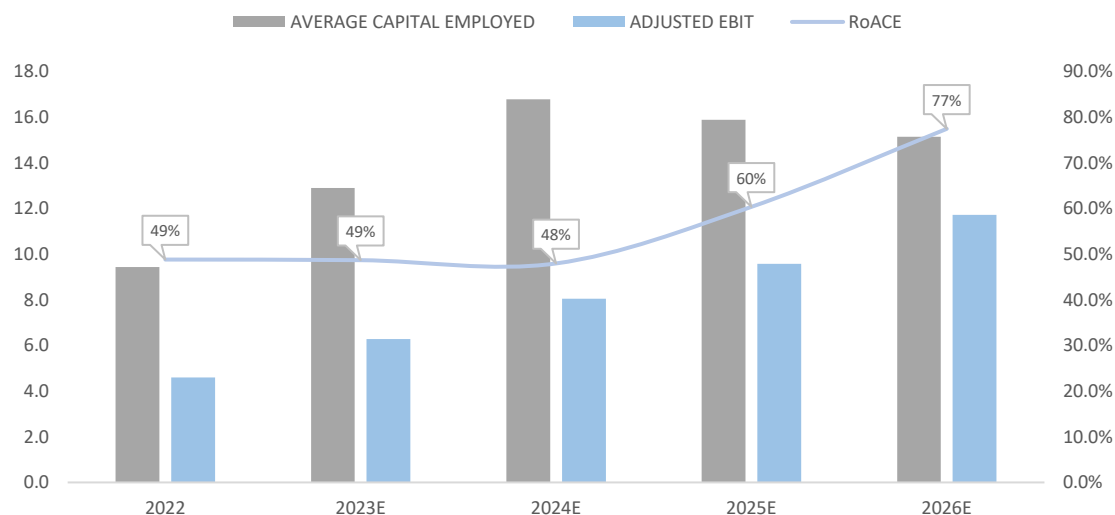
⁶³Including advance payments from stable customers over the course of the plan, at the values recorded at 31.12.2022, corresponding to €1.4mn

⁶⁴In this regard, we estimate that the gross liquidity held by the Company will stand at €5.1mn at 31.12.2023, €7.0mn at 31.12.2024, €6.6mn at 31.12.2025 by virtue of the payment tranches to former shareholders in Akita Film and E-Motion, and €11.5mn at 31.12.2026.

⁶⁵As at 31.12.2022, **assets** include €4.8mn of tax receivables (of which €2.1mn beyond the following year), pre-paid taxes of €2.7mn (€2.5mn) and €2.2mn for receivables from others (€0.2mn), mainly attributable to supplier advances, receivables for security deposits and cash advances relating to ongoing events. Liabilities, on the other hand, include €3.8mn of tax payables (€0.1mn), €0.4mn of payables to pension institutions and €1.7mn in payables to others, mainly employees and other third parties.

⁶⁶ These could include minority stakes in high-potential companies in sectors such as the Digital Web, which could enable the Company to enter or strengthen its competitive position in high-potential market segments.

Casta Diva Group – 2022-2026E RoACE Evolution (%)



Source: Websim Corporate estimates & Company data

We estimate that the combination of a downward trend in average invested capital, after peaking in 2024 following the acquisitions announced at the end of 2023, combined with the expected improvement in operating profitability, can allow the Company to register a RoACE of more than 75% in 2026, 50% higher than the 2022 value (49%), which we expect to be confirmed in both 2023 (49%) and 2024 (48%) and then rise to 60% in 2025.

Casta Diva Group – 2022-2026E Condensed Cashflow Statement (€ mn)

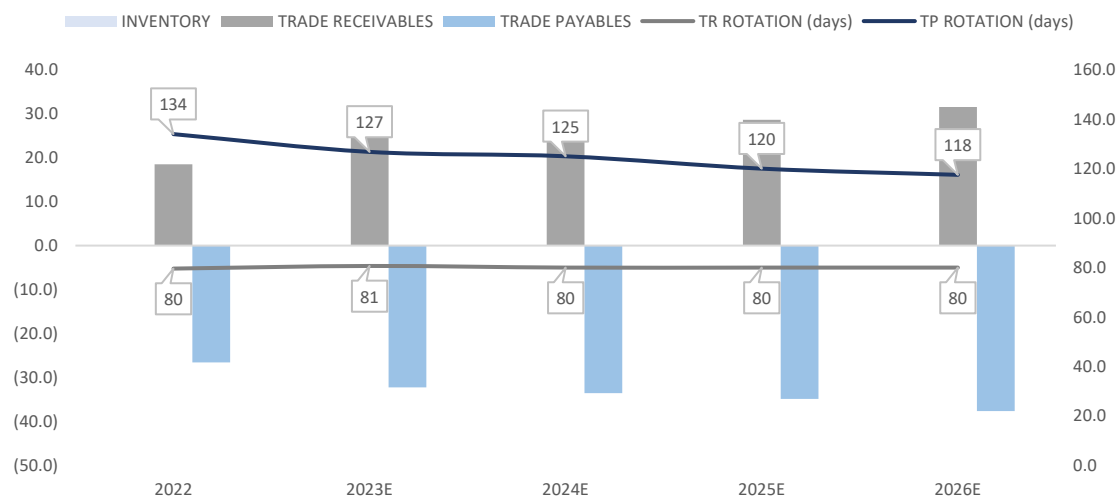
AS OF	2022	2023E	2024E	2025E	2026E
NET PROFIT (LOSS) OF THE PERIOD	1.8	2.6	4.4	5.7	7.0
AMORTIZATION & DEPRECIATION	2.4	2.6	3.6	3.7	3.9
CHANGE IN NET WORKING CAPITAL	7.4	1.4	(0.8)	(1.4)	(0.7)
OTHER OPERATING NON MONETARY ITEMS	0.1	0.4	0.0	0.0	0.0
OPERATING CASHFLOW	11.7	7.0	7.2	8.0	10.2
CAPITAL EXPENDITURES	(6.3)	(2.0)	(2.0)	(2.0)	(2.0)
FINANCIAL INVESTMENTS (DIVESTMENTS)	(0.0)	(11.1)	0.0	0.0	0.0
CHANGE IN GROUP' EQUITY	0.0	(0.3)	(0.3)	(0.4)	(0.4)
DIVIDENDS RECEIVED (PAID)	0.0	(0.6)	(0.3)	(1.0)	(1.2)
OTHER NON OPERATING NON MONETARY ITEMS	(1.2)	(0.0)	(0.0)	0.0	0.0
CASHFLOW	4.2	(6.9)	4.6	4.6	6.6

Source: Websim Corporate estimates & Company data

Following a year dominated by M&A, we estimate that on average the company will be able to generate cash flows of €5.2mn per year in the 2024-26 period. These values, estimated at constant scope⁶⁷, assume (i) a differential of c.40 days on average between payment days for suppliers and collections from customers; (ii) the cumulative distribution of €2.5mn in dividends in 2024-26 and (iii) the distribution of dividends to minority shareholders corresponding to the share of profits associated with them.

⁶⁷Constant scope is defined as the current investee companies and the others on which the Company has given disclosure. Our definition of constant scope therefore includes the newly-acquired Akita Film and AkitaOff, as well as E-Motion, for which the company has revealed a letter of intent has been assigned for the acquisition of 70% of the share capital

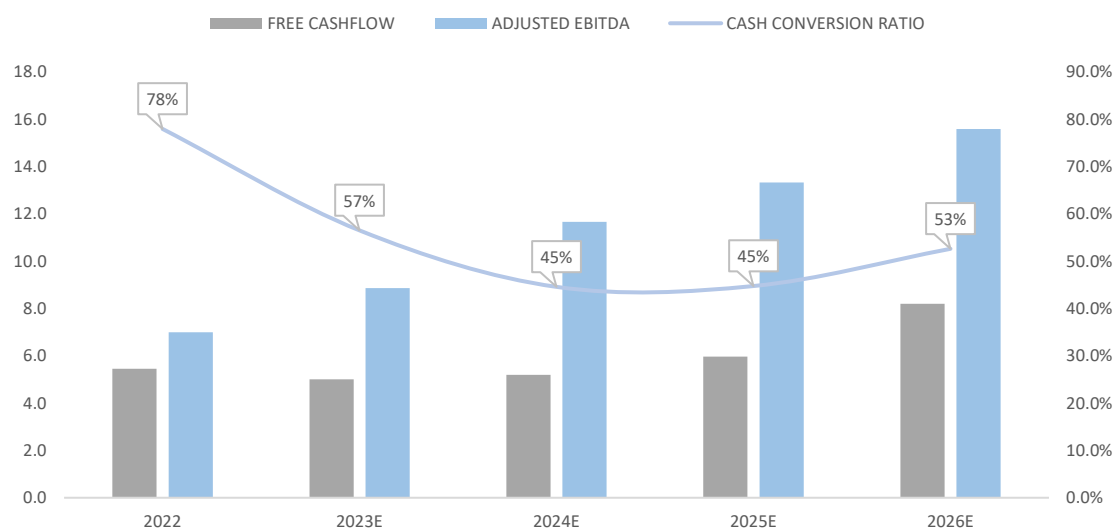
Casta Diva Group – 2022-2026E Consolidated Net Working Capital Development and Trade Receivables (Payables) rotation



Source: Websim Corporate estimates & Company data

Net of the distribution of dividends to Casta Diva shareholders as well as to minority shareholders in subsidiaries, we estimate that the company can generate approximately €6.5mn p.a. in free cash flow in the 2024-2026 period, corresponding to a cash conversion rate approaching 50% in the period under analysis⁶⁸.

Casta Diva Group – 2022-2026E Cash Conversion Ratio Evolution (%)



Source: Websim Corporate estimates & Company data

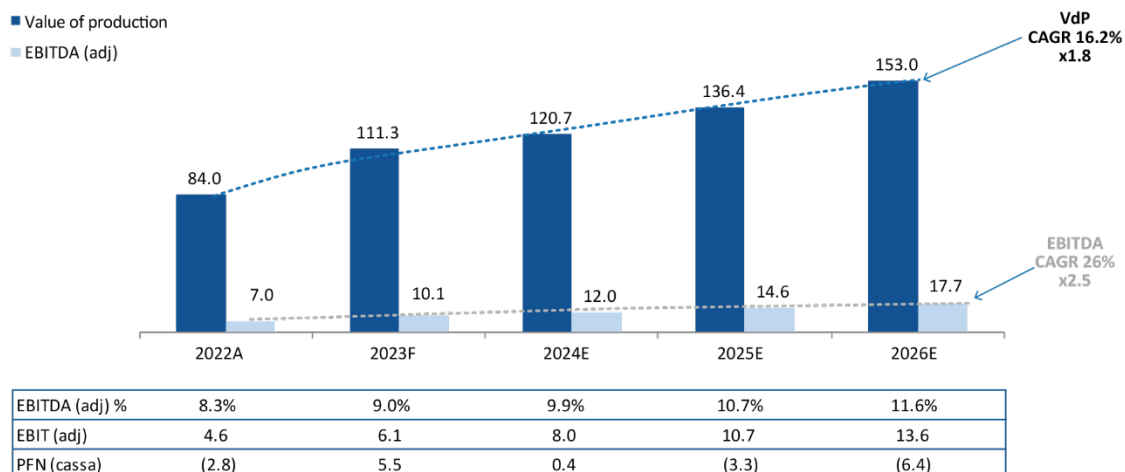
⁶⁸In detail, corresponding to 45% in 2024, 45% in 2025 and 53% in 2026

2023-2026 Casta Diva Group Industrial Plan

After outlining our assumptions for the next three years, we think it is worth summarising the evolution of the company's most recent Business Plans, in particular comparing our estimates to the objectives set in the 2023-2026 Business Plan presented by the Company on 4 December.

Before proceeding, let's take a brief look at the **main objectives set in the 2023-2026 Business Plan**. From the starting point provided by the preliminary pro-forma 2023 results⁶⁹, which showed Casta Diva recording a production value of more than €111mn, adjusted EBITDA and EBIT of over €10mn and €6mn respectively, and a negative net financial position of €5.5mn, **management objectives for 2026 envisage: (i) a production value of €153mn, (ii) an adjusted EBITDA margin of 11.6%, corresponding to adjusted EBITDA of over €17.5mn, (iii) adjusted EBIT of €13.6mn, and (iv) a positive consolidated net financial position of €6.4mn.**

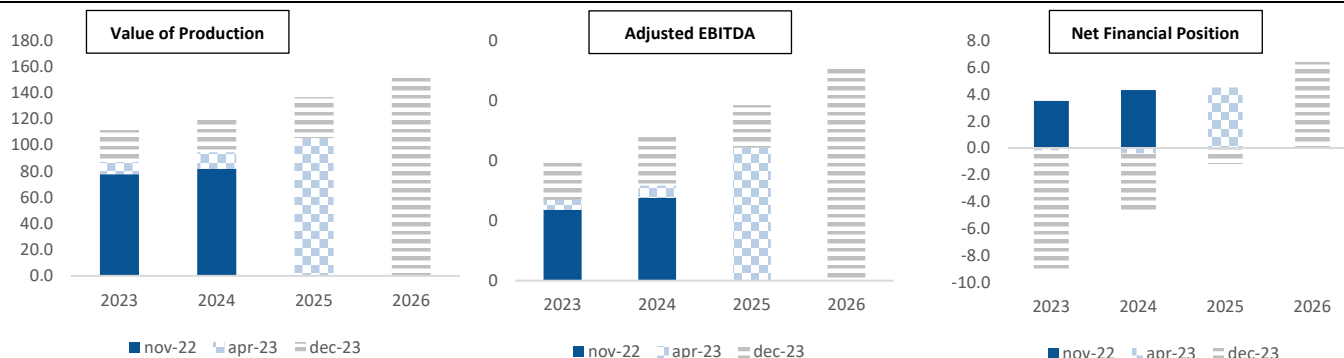
Casta Diva Group – 2023-2026 Industrial Plan Financial Projections



Source: Casta Diva Group 2023-2026 Industrial Plan Presentation, December 2023

It is worth highlighting two elements at this point: the first relates to the extent of the estimate revision outlined in the new Industrial Plan; the second concerns the comparison between our estimates and the Plan projections.

Casta Diva Group – November 2022 to December 2023 Industrial Plans Evolution (€ mn)



Source: Websim Corporate elaborations of Company data

In the above graph, we have summarised the main objectives the Company communicated in the Industrial Plans drawn up on (i) 9 November 2022⁷⁰, (ii) 3 April 2023⁷¹ and, lastly, (iii) 4 December 2023⁷².

The graph clearly shows that the Plan releases in the November 2022-December 2023 period showed a **progressive and continuous improvement in sales and adjusted EBITDA projections, but worsening forecasts for the net financial position, burdened by investments related to recent acquisitions.**

For FY24, which features in all the Plans analysed, the combination of organic growth and acquisitions resulted in increases of (i) 48% in sales projections (to €121mn), (ii) 74% in adjusted EBITDA (to €11.9mn) and (iii) 63% in

⁶⁹Preliminary pro-forma 2023 results include the contribution of the newly-acquired companies for the entire fiscal year, as though the date of closing had taken place on 1 January 2023. As well as benefiting from the contribution from the retroactive consolidation of Akita Film, AkitaOff and E-Motion, these results reflected the particularly positive performance recorded by G.2 Events, Blue Note and Genius Projects, where revenues grew by 26%, 7% and 6% respectively (vs. 2022).

⁷⁰ https://www.castadivagroup.com/wp-content/uploads/2022/11/2022_11_09_0000AM_CDG_AGG-BP_rev-rev_v5bis.pdf: Piano Industriale 2022-2024

⁷¹ https://www.castadivagroup.com/wp-content/uploads/2023/04/2023_04_03_0000PM_PIANO-2023-2025_def.pdf: Piano Industriale 2023-2025

⁷² https://www.castadivagroup.com/wp-content/uploads/2023/12/2023_12_04_0750AM_PIANO-2023-2026_.pdf: Piano Industriale 2023-2026

adjusted EBIT (to €8.0mn). This was entirely financed by a projected €4.7mn deterioration in the net financial position (to €-0.4mn vs. +€4.3mn previously), a much lower figure than the actual investments made for the acquisitions of Akita Film and 70% of E-Motion (>€9mn).

We then compared our 2024-2026 estimates with the indications contained in the Business Plan presented on 4 December.

While an examination of FY24 shows no significant differences in the main economic-financial indicators, our 2025 and 2026 estimates show a slightly more conservative approach to revenue development and potential profit generation: on average our estimates are 5% lower on revenues and 10% lower on adjusted EBITDA. On the other hand, we are slightly more optimistic about the Company's ability to generate cash flows: we estimate that the net financial position at 31.12.2026 may be €9mn, 40% higher than management's projection. That being said, given the significant sector consolidation that is underway, we cannot rule out the possibility that during the Plan period the corporate scope may undergo further changes.

Casta Diva Group – 2023-2026 Websim Corporate Estimates Comparison vs Casta Diva Group Industrial Plan

	FISCAL YEAR 2023			FISCAL YEAR 2024			FISCAL YEAR 2025			FISCAL YEAR 2026		
	WEBSIM EST.	CDG PLAN	Δ WEBSIM vs CDG	WEBSIM EST.	CDG PLAN	Δ WEBSIM vs CDG	WEBSIM EST.	CDG PLAN	Δ WEBSIM vs CDG	WEBSIM EST.	CDG PLAN	Δ WEBSIM vs CDG
VALUE OF PRODUCTION	111.0	111.3	-0.3%	119.6	120.7	-0.9%	130.0	136.4	-4.7%	143.4	153.0	-6.3%
ADJUSTED EBITDA	11.2	10.0	11.6%	11.7	11.9	-2.4%	13.3	14.6	-8.7%	15.6	17.7	-12.2%
% margin	10.1%	9.0%	1.1%	9.8%	9.9%	-0.1%	10.2%	10.7%	-0.5%	10.9%	11.6%	-0.7%
ADJUSTED EBIT	7.6	6.1	24.0%	8.0	8.0	0.6%	9.6	10.7	-10.5%	11.7	13.6	-13.8%
% margin	6.8%	5.5%	1.3%	6.7%	6.6%	0.1%	7.4%	7.8%	-0.5%	8.2%	8.9%	-0.7%
NET FINANCIAL POSITION	(6.7)	(5.5)	(1.2)	(2.1)	(0.4)	(1.7)	2.5	3.3	(0.8)	9.0	6.4	2.6

Source: Websim Corporate estimates & Company data

Company Valuation

We estimate a fair value of €2.40 per Casta Diva share. We reached this valuation through three different valuation approaches, namely i) a Discounted Cashflow Model, ii) a comparison with peers' current trading multiples, iii) the historical multiples of peers, which are not necessarily aligned with current multiples.

Discounted Cashflow Model

The use of a DCF model to value the company highlighted the need to focus on some **specific aspects of the business in which Casta Diva operates**, with the aim of tailoring the valuation approach to market characteristics.

Casta Diva Group – Discounted Cashflow Model (€ mn)

	AS OF	2023E	2024E	2025E	2026E	2027E	TV
Net Revenues		93.7	118.2	128.6	142.0	149.1	134.5
YoY growth		12.0%	26.1%	8.8%	10.4%	5.0%	n.m.
Adjusted EBITDA		8.9	11.7	13.3	15.6	16.7	14.3
Adjusted EBITDA margin		9.5%	9.9%	10.4%	11.0%	11.2%	10.7%
D&A		(2.6)	(3.6)	(3.7)	(3.9)	(4.0)	(3.8)
Adjusted EBIT		6.3	8.0	9.6	11.7	12.8	10.5
Adjusted EBIT margin		6.7%	6.8%	7.4%	8.3%	8.6%	7.8%
Taxes		(2.5)	(3.2)	(3.8)	(4.7)	(5.1)	(4.2)
tax rate		40.0%	40.0%	40.0%	40.0%	40.0%	40.0%
NOPAT		3.8	4.8	5.7	7.0	7.7	6.3
D&A		2.6	3.6	3.7	3.9	4.0	3.8
Δ NWC		1.4	(0.8)	(1.4)	(0.7)	(0.9)	(0.0)
Capex		(2.0)	(2.0)	(2.0)	(2.0)	(2.0)	(3.8)
% Capex on net turnover		-2.1%	-1.7%	-1.6%	-1.4%	-1.3%	-2.8%
Free CashFlow		5.8	5.6	6.1	8.2	8.7	6.3

Source: Websim Corporate estimates

In particular, we believe the following elements deserve closer attention:

- the **traditionally cyclical nature of the communications market**, as well as the **evolution of the events market**, the Company's predominant business area. In this regard, please refer to the graph on page 16 of the report: the back-to-normal that the events market should be able to record in the current fiscal year⁷³ expresses values, in nominal terms, that are substantially aligned with those recorded in 2011 and 3% higher than 2019, the last year before the pandemic spread;
- **structurally negative Net Working Capital**, in the **absence of inventory movements**, which has a non-negligible impact on the company's Net Financial Position;
- the company's **limited market capitalisation** and the resulting higher risk premium attributable to it due to the stock's limited liquidity. Although Casta Diva Group shares are characterized by one of the best liquidity indexes on the EGM market, a market float of just over €10 million cannot exempt us from applying a similar discount.

Casta Diva Group – WACC Calculation

Fiscal Year	2023	2024	2025	2026	2027	TV
WACC	9.3%	9.8%	10.0%	10.0%	10.0%	10.0%
Free Risk	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
Equity Premium	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%
Beta unlevered	1.09	1.09	1.09	1.09	1.09	1.09
Beta	1.73	1.23	1.09	1.09	1.09	1.09
Equity weighting	56.3%	85.3%	100.0%	100.0%	100.0%	100.0%
Cost of Debt	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Tax rate	24.0%	24.0%	24.0%	24.0%	24.0%	24.0%
Debt Weighting	43.66%	14.72%	0.00%	0.00%	0.00%	0.00%
D/E	77.5%	17.3%	0.0%	0.0%	0.0%	0.0%

Source: Websim Corporate estimates

⁷³ i.e. fiscal year 2024

In an attempt to address these critical issues, we have:

- **taken the terminal flow to be the estimated average value across the period in question, i.e. 2024-2027 inclusive;**
- **Assuming a working capital close to zero by 2027** (compared to the -4.3% of revenues expected in 2023 and the -4.4% recorded in 2022);
- **applied a 20% liquidity discount⁷⁴ to the theoretical equity value** in order to acknowledge the stock's limited liquidity, even though we are aware that Casta Diva Group shares are characterized by one of the best liquidity indexes⁷⁵ on the entire EGM market. Alternatively, we could have applied an additional risk premium to the WACC calculation. As a cross-check, if we had applied a small cap premium instead of the current liquidity discount, in order to obtain the same fair value we would have had to apply a WACC of 12.0%, rather than the 10.0% used.

Casta Diva Group – Discounted Cashflow Valuation Summary

A) 2024-27 Discounted Free Cash Flows	22.2	34%
Terminal Value	69.9	
Discounting factor	0.62	
B) Discounted Terminal Value	43.4	66%
C) = (A+B) Enterprise Value	65.6	100%
NFP @ 31.12.2023	(6.7)	
Minority interests	(0.5)	
Associates	0.0	
Treasury shares	0.0	
Cash-out/in for acquisitions/disposals	0.0	
Equity Value	58.5	
20% Liquidity discount	(11.7)	
Fair Equity Value	46.8	
Number of fully diluted shares (mn)	20.0	
Fair Value per share (€)	2.33	
<i>Weighted Average Cost of Capital (WACC)</i>	<i>10.0%</i>	
<i>Terminal growth in real terms (g_r)</i>	<i>-1.0%</i>	
<i>Perpetual inflation rate (%)</i>	<i>2.0%</i>	
<i>Terminal growth (g)</i>	<i>1.0%</i>	

Source: Websim Corporate estimates

In this way, we reach a **fair equity value of €47mn, corresponding to €2.33 per fully-diluted share, including the application of a 20% liquidity discount**.

The table below shows a sensitivity analysis of how the fair value per share varies as a function of a 1pp increase/(decrease) in WACC and a 0.5pp change in "g", the perpetual growth rate used for the capitalisation of the so-called terminal flow.

Casta Diva Group – DCF Sensitivity Analysis to WACC and "g"

Fair Value Sensitivity to WACC & Terminal Growth					
	8.0%	9.0%	10.0%	11.0%	12.0%
-1.0%	2.33	2.16	2.02	1.90	1.80
-0.5%	2.44	2.24	2.09	1.96	1.85
0.0%	2.55	2.33	2.16	2.02	1.90
0.5%	2.68	2.44	2.24	2.09	1.96
1.0%	2.83	2.55	2.33	2.16	2.02
1.5%	3.00	2.68	2.44	2.24	2.09
2.0%	3.20	2.83	2.55	2.33	2.16
2.5%	3.44	3.00	2.68	2.44	2.24
3.0%	3.72	3.20	2.83	2.55	2.33

It is interesting to note that the values contained in the box that include the DCF valuations under the assumption of using a WACC between 9.0% and 11.0% and a terminal growth rate "g" between 0.0% and 2.0% return an average value that is substantially aligned (€2.36/share) to that returned by our DCF, equal to €2.33 per fully diluted share.

Source: Websim Corporate estimates

⁷⁴Otherwise covered by the application of an additional small cap premium applied to the WACC

⁷⁵ Liquidity index = (Daily trading value of CDG transactions/Daily trading value of the EGM market)/(CDG floating value/Market floating value)

We then valued the company using the current trading multiples of peers.

In selecting the sample, we tried to segment peers into two clusters, representative of each of the individual business areas in which the company operates, namely Live Communication and Video Content Production.

As Casta Diva does not provide divisional reporting, we opted to weight the multiples obtained from the two clusters in proportion to the contribution of the individual divisions to the company's revenue generation, thus obtaining blended multiples that are closer to the company's actual activities. In doing so, we isolated outliers, especially in Video Content Production, that undermined the validity of the evaluation process.

Casta Diva Group – Comparables Market Capitalization and Share Performance

Live Communication	Price (local FX)	Mkt Cap. (€ mn)	Share Price Performance			
			1M	3M	6M	12M
Publicis	84.62	21,520	7.2%	19.4%	18.4%	37.8%
Viad	33.90	646	2.3%	28.0%	28.8%	43.9%
GL Events	19.92	597	6.8%	25.6%	2.4%	15.3%
Fiera Milano	2.84	204	14.3%	51.6%	18.1%	-8.0%
Average		5,741.7	7.6%	31.2%	16.9%	22.3%
Median		621.6	7.0%	26.8%	18.3%	26.5%

Video Content Production	Price (local FX)	Mkt Cap. (€ mn)	Share Price Performance			
			1M	3M	6M	12M
S4 Capital plc	0.48	322	2.4%	-20.7%	-61.8%	-75.4%
Ray Corporation	378.0	34	2.7%	-1.6%	-6.7%	-5.5%
Mission Group Public Limited Company	0.23	24	19.7%	-36.8%	-49.4%	-48.9%
Average		126.9	8.3%	-19.7%	-39.3%	-43.3%
Median		34.2	2.7%	-20.7%	-49.4%	-48.9%

Source: FactSet

Casta Diva Group – Comparable Companies Trading Multiples (x)

Live Communication	P/E			EV/EBITDA			EV/EBIT		
	2023	2024	2025	2023	2024	2025	2023	2024	2025
Publicis	17.4	12.3	11.8	8.2	7.9	7.6	10.2	10.1	9.6
Viad	63.6	68.5	20.5	10.0	8.1	7.8	16.6	12.3	12.0
GL Events	11.1	9.4	7.6	7.8	6.9	6.6	13.3	11.3	10.5
Fiera Milano	16.2	30.0	5.5	6.8	6.7	3.5	19.5	26.2	6.7
Average	27.1	30.1	11.4	8.2	7.4	6.4	14.9	15.0	9.7
Median	16.8	21.2	9.7	8.0	7.4	7.1	15.0	11.8	10.0

Video Content Production	P/E			EV/EBITDA			EV/EBIT		
	2023	2024	2025	2023	2024	2025	2023	2024	2025
S4 Capital plc	n.m.	8.6	6.0	4.4	3.5	2.7	5.5	4.3	3.3
Ray Corporation	7.6	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Mission Group Public Limited Company	n.m.	8.3	3.6	6.0	4.1	3.8	9.7	5.8	5.2
Average	7.6	8.5	4.8	5.2	3.8	3.2	7.6	5.1	4.3
Median	7.6	8.5	4.8	5.2	3.8	3.2	7.6	5.1	4.3

VCP median trading multiple vs LC&E	59.9%	50.7%	48.7%	54.3%	57.1%	57.6%
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All Comprehensive Peer Group									
Average	23.2	22.9	9.2	7.2	6.2	5.3	12.5	11.7	7.9
Median	16.2	10.9	6.8	7.3	6.8	5.2	11.7	10.7	8.1

Source: FactSet

This approach yielded a **fair equity value per Casta Diva share of €2.37**. It is interesting to note that the evaluations expressed by the application of EV/EBITDA and EV/EBIT multiples show limited volatility, while the application of profit multipliers yields significantly lower results, probably attributable to the fact that Casta Diva's tax burden is particularly high, well above those of peers.

Casta Diva Group – Trading Multiples Valuation Summary

Trading Multiples Valuation Map	Multiple (x)	EV (€ mn)	Mkt Cap.	F.d. shares (mn)	FV/share (€)		% WEIGHT
2024 median EV/EBITDA	6.8	79.1	76.5	20.0	3.82		
2025 median EV/EBITDA	5.2	68.9	71.0	20.0	3.54	3.68	25.0%
2024 median EV/EBIT	10.7	85.9	83.3	20.0	4.16		
2025 median EV/EBIT	8.1	77.7	79.7	20.0	3.98	4.07	25.0%
2024 median P/E	10.9		46.2	20.0	2.30		
2025 median P/E	6.8		35.8	20.0	1.79	2.04	50.0%
						2.96	100.0%
						liquidity discount (0.59)	
						PS fair value	2.37

Source: Websim Corporate estimates

Finally, taking the peers considered previously as our point of reference, we carried out a cross-check with average market valuations in the previous 10 years, with the exception of the years 2020 and 2021, excluded from the calculation due to the distortion caused by the pandemic.

It is clear that this analysis is based on the (strong) assumption that the data reported by companies was aligned with consensus estimates or that, at most, there was only a limited gap between the final values and consensus estimates over the course of the year.

Our analysis showed that the median values of peer multiples⁷⁶ were 12.5x profit, 11.9x EBIT and 7.5x EBITDA for the current year.

Applying these multiples to expected values for the current fiscal year, we reach a valuation of €59mn⁷⁷ for the company's economic capital, corresponding to €2.96 per fully-diluted share.

The table below summarises the results of the 3 different valuation approaches, which notably show limited volatility, further validating the outcome of the evaluation process.

Casta Diva Group – Valuation Summary

Valuation Method	Equity Value	20% Liq. Disc.	Fair Equity Value	Fully Diluted shares (mn)	Fair Value per share (€)	% Weight
A) Discounted Cashflow Model	58.5	(11.7)	46.8	20.0	2.33	60%
B) Peer multiple comparison	59.3	(11.9)	47.4	20.0	2.37	30%
C) Historical multiples	74.1	(14.8)	59.3	20.0	2.96	10%
Weighted average value	58.6		48.2		2.40	100%

Source: Websim Corporate estimates

Based on the weighting attributed to the different valuation approaches, we assess the company's economic capital at €48mn, corresponding to a target price of €2.40 per fully-diluted share.

Purely for illustration purposes, the table below shows the multiples at which Casta Diva would trade at target price.

⁷⁶For the purpose of determining average prospective sector multiples, we have used the same approach adopted for peer multiples, namely the use of a single multiple capable of expressing, through weighting, the specific conditions of both business areas in which the Company operates

⁷⁷Including a 20% liquidity discount

Casta Diva Group – Trading Multiples @ Target Price

Fiscal Year	2023	2024	2025	2026	2027
F.d. shares (mn)	20.0	20.0	20.0	20.0	20.0
Market Cap.	48	48	48	48	48
Enterprise Value	58	51	46	39	32
EV/Sales	0.6	0.4	0.4	0.3	0.2
EV/Adjusted EBITDA	6.5	4.4	3.5	2.5	1.9
EV/Adjusted EBIT	9.2	6.3	4.8	3.4	2.5
EV/Capital Employed	3.6	3.5	3.2	3.0	2.7
Adjusted P/E	15.7	11.4	9.1	7.3	6.6
Adjusted P/CEPS	8.5	6.1	5.3	4.6	4.3

Source: Websim Corporate estimates

We initiate coverage of Casta Diva Group with a **BUY** recommendation and target price of **€2.40** per share. A **clear aptitude for acquisitions**, thanks to which the company has obtained a leadership position in both market segments in which it operates, **consolidated relationships with high-budget, top-tier clients, complementary skills leading to the possibility of intra-group cross-selling and the business opportunities offered in as-yet unpenetrated adjoining sectors** are the main considerations underpinning our positive view on the stock. On top of these considerations, the stock is trading at **particularly appealing valuations**: according to our estimates, **at target the stock is trading at 4.4x and 11.4x EV/EBITDA and P/E adj. respectively for 2024**, and at **2.5x and 7.3x the corresponding 2026 values**, even though our 2026 estimates are more than 10% lower than 2023-26 business plan projections.

Annex: Peer group member profiles

Publicis Groupe SA (PUB-FR)

Relative: FRANCE CAC 40

Company Information

Business Description

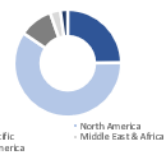
Publicis Groupe SA engages in the advertising industry. Its services include customer relationship management, direct marketing, sales promotion, events management, public relations, and corporate, multicultural and financial communications. The company was founded by Marcel Bleustein-Blanchet in 1926 and is headquartered in Paris, France.

ISIN FR0000130577
Company Web Site <http://www.publi>
Local Exchange Euronext Paris
Trading Currency EUR
Reporting Currency EUR
Financial Year End 31/12/2022
Float 0.90
Local Index France CAC 40
No. Employees 98,022.00

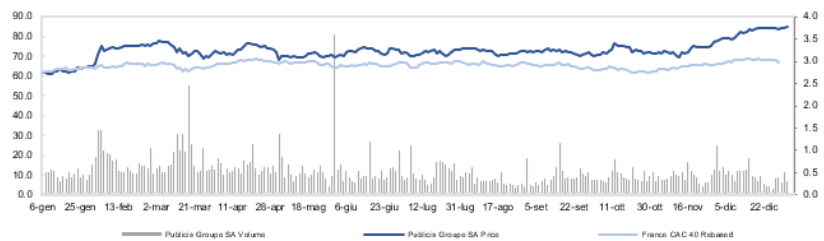
Sales breakdown by BU



Sales breakdown by Area



One Year Price Performance



Share Price 84.84

Shs Out 257.16
Mkt Cap 0.00
One Y Beta 1.01
Avg D vol 0.54
52 W H/L 85.3 / 60.8

1M % 7.04%
3M % 13.97%
6M % 21.17%
YTD % 1.00%
1Y % 36.71%

Financial Highlights

	Dec '22	Dec '23E	Dec '24E		Dec '22	Dec '23E	Dec '24E
Sales	14,196.00	13,096.56	13,589.46	EPS (dil)	4.82	6.86	7.15
EBITDA	2,883.00	2,914.23	3,025.60	P/E	0.00	0.00	0.00
EBIT	2,061.00	2,353.64	2,380.41	EBITDA Margin(%)	20.31%	22.25%	22.26%
Net Income	1,222.00	1,740.19	1,812.39	EBIT Margin(%)	14.52%	17.97%	17.52%
Cash & ST INV	4,616.00	4,622.77	4,611.26	Net Margin (%)	8.61%	13.29%	13.34%
Assets	35,898.00	37,643.48	39,111.72	ROA(%)	355.52%	401.64%	412.61%
Wkg Cap	-1,282.00	-7,213.00	-7,322.00	ROE(%)	1341.16%	1699.71%	1630.26%
LT Debt	5,186.00	2,816.50	2,457.00	Asset Turn	0.41	0.35	0.35
Net Op CF	2,400.00	2,209.44	2,492.53	Asset /Equity	3.73	3.65	3.49
CapeEX	198.00	288.84	298.56	DPS	2.90	3.19	3.34
FCF	1,599.00	1,697.19	1,976.08	BK PS	38.24	40.35	43.89

Viad Corp (VVI-US)

Relative: S&P 500 Index

Company Information

Business Description

Viad Corp. engages in the provision of hospitality and leisure activities, experiential marketing, and live events. It operates through three segments: the Pursuit segment that provides travel experiences; the Spiro segment that is an experiential marketing agency; the GES Exhibitions segment is a global exhibition services company that organizes as a full-service provider of strategic and logistics solutions.

ISIN PLY42N-R
Company Web Site <http://www.viad>
Local Exchange NYSE
Trading Currency USD
Reporting Currency USD
Financial Year End 31/12/2022
Float 0.96
Local Index S&P 500
No. Employees 3,387.00

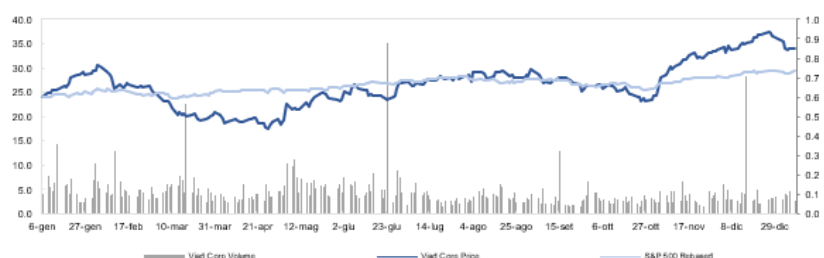
Sales breakdown by BU



Sales breakdown by Area



One Year Price Performance



Share Price 33.98

Shs Out 27.81
Mkt Cap 0.00
One Y Beta 1.87
Avg D vol 0.11
52 W H/L 38.0 / 17.1

1M % 0.53%
3M % 13.97%
6M % 26.79%
YTD % -6.13%
1Y % 41.64%

Financial Highlights

	Dec '22	Dec '23E	Dec '24E		Dec '22	Dec '23E	Dec '24E
Sales	1,127.31	1,224.20	1,326.35	EPS (dil)	0.53	0.50	1.65
EBITDA	108.28	142.34	175.39	P/E	0.00	0.00	0.00
EBIT	55.79	85.64	115.79	EBITDA Margin(%)	9.60%	11.63%	13.22%
Net Income	18.71	18.90	43.64	EBIT Margin(%)	4.95%	7.00%	8.73%
Cash & ST INV	64.56	83.10	143.70	Net Margin (%)	1.66%	1.54%	3.29%
Assets	1,090.35	1,186.10	1,253.63	ROA(%)	175.84%	141.33%	362.38%
Wkg Cap	14.11	--	--	ROE(%)	17979.05%	--	--
LT Debt	690.64	463.26	463.26	Asset Turn	1.06	1.03	1.06
Net Op CF	73.43	77.92	108.61	Asset /Equity	75.04	9.62	6.70
CapeEX	67.17	73.19	48.00	DPS	0.00	--	--
FCF	-1.54	4.73	60.61	BK PS	0.70	--	--

Source: FactSet

GL Events SA (GLO-FR)

Relative: FRANCE CAC 40

Company Information

Business Description

GL Events SA engages in the provision of integrated solutions and services for events. It operates in the following business segments: conventions, conferences, congresses; cultural, sports, institutional, corporate & political events, trade fairs and exhibitions for professionals and the general public. The company was founded by Olivier Ginon, Olivier Floux, Gilles Gouédard-Comte, Olivier Ginon and Jacques Danger in 1978 and is headquartered in Lyon, France.

ISIN FR0000066672
Company Web Site <http://www.gl-events.com>
Local Exchange Euronext Paris
Trading Currency EUR
Reporting Currency EUR
Financial Year End 31/12/2022
Float 0.25
Local Index France CAC 40
No. Employees 5,119.00

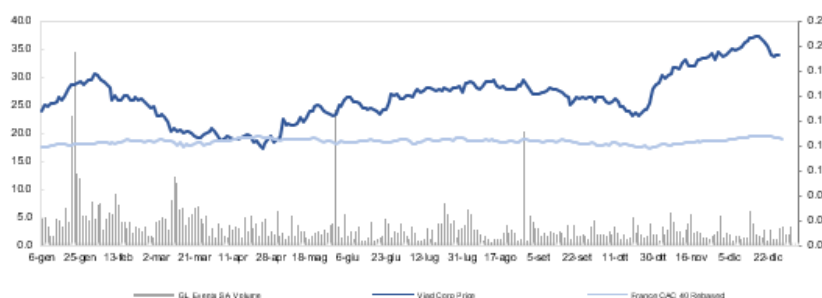
Sales breakdown by BU



Sales breakdown by Area



One Year Price Performance



Share Price 20.40

Shs Out 30.18
Mkt Cap 0.00
One Y Beta 1.13
Avg D vol 0.02
52 W H/L 23.8 / 15.2

1M % 7.71%
3M % 13.97%
6M % 6.92%
YTD % 3.98%
1Y % 16.04%

Financial Highlights

	Dec '22	Dec '23E	Dec '24E		Dec '22	Dec '23E	Dec '24E
Sales	1,310.19	1,419.09	1,514.10	EPS (dil)	1.74	2.12	2.63
EBITDA	201.13	233.41	262.71	P/E	0.00	0.00	0.00
EBIT	98.18	135.83	160.20	EBITDA Margin(%)	15.35%	16.45%	17.35%
Net Income	52.70	61.23	76.21	EBIT Margin(%)	7.49%	9.57%	10.58%
Cash & ST INV	625.87	588.10	625.10	Net Margin (%)	4.02%	4.31%	5.03%
Assets	3,002.39	1,784.80	1,829.70	ROA(%)	180.87%	352.66%	427.56%
Wkg Cap	49.72	-259.40	-264.20	ROE(%)	1413.21%	1353.25%	1495.63%
LT Debt	1,336.33	--	--	Asset Turn	0.45	0.80	0.83
Net Op CF	180.01	156.95	181.78	Asset /Equity	7.28	3.24	2.96
CapeEX	60.72	103.38	88.85	DPS	0.35	0.52	0.68
FCF	122.94	49.95	106.00	BK PS	14.06	15.63	17.58

Fiera Milano SpA (FM-IT)

Relative: FTSE ITALIA MIB

Company Information

Business Description

Fiera Milano SpA engages in the exhibition and congress sectors. It operates through the following segments: Italian Exhibitions Business, Foreign Exhibitions Business, Media, and Congresses. The company was founded in April 1920 and is headquartered in Rho, Italy.

ISIN IT0003365613
Company Web Site <http://www.fiera.it>
Local Exchange Milan
Trading Currency EUR
Reporting Currency EUR
Financial Year End 31/12/2022
Float 0.29
Local Index FTSE MIB
No. Employees 674.00

Sales breakdown by BU



Sales breakdown by Area



One Year Price Performance



Share Price 2.91

Shs Out 71.64
Mkt Cap 0.00
One Y Beta 1.00
Avg D vol 0.08
52 W H/L 3.2 / 1.8

1M % 13.67%
3M % 13.97%
6M % 22.27%
YTD % 5.24%
1Y % -7.62%

Financial Highlights

	Dec '22	Dec '23E	Dec '24E		Dec '22	Dec '23E	Dec '24E
Sales	220.29	277.00	248.00	EPS (dil)	-0.08	0.28	0.09
EBITDA	53.12	87.00	70.00	P/E	0.00	0.00	0.00
EBIT	11.21	36.00	17.23	EBITDA Margin(%)	26.84%	31.41%	28.23%
Net Income	-5.60	20.00	6.78	EBIT Margin(%)	5.09%	13.00%	6.95%
Cash & ST INV	81.97	--	--	Net Margin (%)	-2.54%	7.22%	2.73%
Assets	716.98	--	--	ROA(%)	-75.58%	--	--
Wkg Cap	-31.78	-11.60	-15.50	ROE(%)	-523.33%	1400.00%	450.00%
LT Debt	407.72	--	--	Asset Turn	0.30	--	--
Net Op CF	28.89	--	--	Asset /Equity	6.79	--	--
CapeEX	3.84	4.00	10.00	DPS	0.00	0.10	0.12
FCF	27.47	27.80	15.90	BK PS	1.48	2.00	2.00

Source: FactSet

S4 Capital plc (SFOR-GB)

Relative: FTSE UK ALL-SHARE(GBP)

Company Information

Business Description

S4 Capital Plc engages in the provision of digital advertising and marketing services. The Content Practice segment includes creative content, campaigns, social, and earned media from digital platforms and apps to brand activations. The Data and Digital Media segment encompasses full-service campaign management analytics, creative production and ad serving, and

ISIN GB00BFZ2M640

Company Web Site <http://www.s4ca>

Local Exchange London

Trading Currency GBP

Reporting Currency GBP

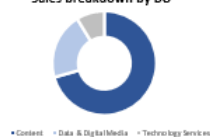
Financial Year End 31/12/2022

Float 0.73

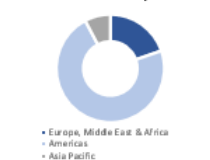
Local Index FTSE All-Share

No. Employees 8,308.00

Sales breakdown by BU



Sales breakdown by Area



One Year Price Performance



Share Price 0.47

Shs Out	586.50	1M%	-9.78%
Mkt Cap	0.00	3M%	13.97%
One Y Beta	2.46	6M%	-59.93%
Avg D vol	1.79	YTD%	-12.06%
52 W H/L	2.5 / 0.4	1Y%	-75.66%

Financial Highlights

	Dec '22	Dec '23E	Dec '24E		Dec '22	Dec '23E	Dec '24E
Sales	1,069.49	949.40	973.48	EPS (dil)	-0.27	0.06	0.08
EBITDA	126.29	103.24	128.88	P/E	0.00	0.00	0.00
EBIT	42.89	81.89	105.09	EBITDA Margin(%)	11.81%	10.87%	13.24%
Net Income	-159.63	36.41	55.54	EBIT Margin(%)	4.01%	8.63%	10.80%
Cash & ST INV	223.57	56.10	16.50	Net Margin(%)	-14.93%	3.84%	5.71%
Assets	1,944.34	1,799.80	1,732.90	ROA(%)	-879.61%	202.32%	320.51%
Wkg Cap	21.92	821.90	852.10	ROE(%)	-1934.20%	472.44%	720.32%
LT Debt	369.35	276.20	226.20	Asset Turn	0.59	0.53	0.56
Net Op CF	64.10	37.35	90.03	Asset /Equity	2.29	1.94	1.84
CapeEX	17.89	20.08	21.12	DPS	0.00	0.01	0.01
FCF	47.72	-9.27	46.13	BK PS	1.52	1.17	1.11

Mission Group Public Limited Company (TMG-GB)

Relative: FTSE UK ALL-SHARE(GBP)

Company Information

Business Description

The Mission Group Plc engages in the operations of marketing, advertising, and business communications services. It operates through the following segments: Advertising & Digital, Media Buying, Exhibitions & Learning, and Public Relations. The company was founded on March 7, 2006 and is headquartered in Filleigh, the United Kingdom.

ISIN GB00B11FD453

Company Web Site <http://www.themi>

Local Exchange London

Trading Currency GBP

Reporting Currency GBP

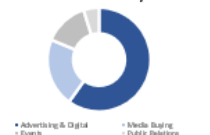
Financial Year End 31/12/2022

Float 0.69

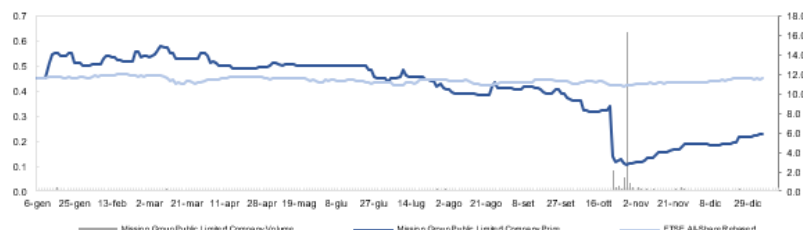
Local Index FTSE All-Share

No. Employees 1,100.00

Sales breakdown by BU



One Year Price Performance



Share Price 0.23

Shs Out	93.32	1M%	22.97%
Mkt Cap	0.00	3M%	13.97%
One Y Beta	1.06	6M%	-49.44%
Avg D vol	0.15	YTD%	4.60%
52 W H/L	0.6 / 0.1	1Y%	-49.44%

Financial Highlights

	Dec '22	Dec '23E	Dec '24E		Dec '22	Dec '23E	Dec '24E
Sales	182.69	86.20	91.00	EPS (dil)	0.00	0.03	0.06
EBITDA	11.57	9.00	13.10	P/E	0.00	0.00	0.00
EBIT	7.73	5.51	9.18	EBITDA Margin(%)	6.33%	10.44%	14.40%
Net Income	0.01	2.50	5.70	EBIT Margin(%)	4.23%	6.39%	10.09%
Cash & ST INV	6.15	-4.30	3.10	Net Margin(%)	0.00%	2.90%	6.26%
Assets	161.40	183.10	183.30	ROA(%)	0.56%	136.54%	310.97%
Wkg Cap	7.73	--	--	ROE(%)	0.98%	--	--
LT Debt	25.97	20.00	20.00	Asset Turn	1.14	0.47	0.50
Net Op CF	9.73	-6.80	9.40	Asset /Equity	1.79	2.00	1.89
CapeEX	2.94	3.40	1.50	DPS	0.03	0.00	0.00
FCF	6.46	-10.20	7.90	BK PS	1.01	--	--

Source: FactSet

Company Information
Business Description

Ray Corp. engages in the management of its group companies that provide advertising and technical solutions for television (TV) commercial messages and sales promotions. It operates through the Advertising Solutions and Technical Solutions segments. The Advertising Solutions segment deals with the planning and production of campaigns, events, exhibitions, and TV commercials. The Technical Solutions segment offers production and video processing technology services that uses of digital video equipment. The company was founded in June 1980 and is headquartered in Tokyo, Japan.

ISIN JP3979230004

Company Web Site <http://www.ray.co>

Local Exchange Tokyo

Trading Currency JPY

Reporting Currency JPY

Financial Year End 28/02/2023

Float 0.43

Local Index TOPIX

No. Employees 399.00

Sales breakdown by BU

Sales breakdown by Area

One Year Price Performance


Share Price 378.00

Shs Out	14.33	1M %	2.72%
Mkt Cap	0.00	3M %	13.97%
One Y Beta	0.57	6M %	-6.67%
Avg D vol	0.04	YTD %	2.16%
52 W H/L	533.0 /	1Y %	-5.50%

Financial Highlights

	Dec '22	Dec '23E	Dec '24E		Dec '22	Dec '23E	Dec '24E
Sales	12,450.15	--	--	EPS (dil)	49.94	--	--
EBITDA	1,689.06	--	--	P/E	0.00	--	--
EBIT	1,221.50	--	--	EBITDA Margin(%)	13.57%	--	--
Net Income	715.54	--	--	EBIT Margin(%)	9.81%	--	--
Cash & ST INV	3,139.47	--	--	Net Margin (%)	5.75%	--	--
Assets	9,582.66	--	--	ROA(%)	738.54%	--	--
W/kg Cap	3,330.33	--	--	ROE(%)	1229.11%	--	--
LT Debt	166.65	--	--	Asset Turn	1.29	--	--
Net Op CF	721.30	--	--	Asset /Equity	1.59	--	--
CapeEX	178.02	--	--	DPS	15.00	--	--
FCF	409.00	--	--	BK PS	421.90	--	--

Source: FactSet

DETAILS ON STOCKS RECOMMENDATION

Stock NAME	CASTA DIVA GROUP		
Current Recomm:	BUY	Previous Recomm:	--
Current Target (Eu):	2.40	Previous Target (Eu):	--
Current Price (Eu):	1.39	Previous Price (Eu):	--
Date of report:	30/01/2024	Date of last report:	--

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The main methods used to evaluate financial instruments and set a target price for 12 months after the investment recommendation are as follows:

- Discounted cash flow (DCF) model or similar methods such as a dividend discount model (DDM)
- Comparison with market peers, using the most appropriate methods for the individual company analysed: among the main ratios used for industrial sectors are price/ earnings (P/E), EV/EBITDA, EV/EBIT, price/sales.
- Return on capital and multiples of adjusted net book value are the main methods used for banking sector stocks, while for insurance sector stocks return on allocated capital and multiples on net book value and embedded portfolio value are used
- For the utilities sector comparisons are made between expected returns and the return on the regulatory asset base (RAB)

Some of the parameters used in evaluations, such as the risk-free rate and risk premium, are the same for all companies covered, and are updated to reflect market conditions. Currently a risk-free rate of 4.0% and a risk premium of 5.5% are being used.

Frequency of research: quarterly.

Reports on all companies listed on the S&PMB40 Index, most of those on the MIBEX Index and the main small caps (regular coverage) are published at least once per quarter to comment on results and important newsflow.

A draft copy of each report may be sent to the subject company for its information (without target price and/or recommendations), but unless expressly stated in the text of the report, no changes are made before it is published.

Explanation of our ratings system:

BUY: stock expected to outperform the market by over 25% over a 12 month period;

OUTPERFORM: stock expected to outperform the market by between 10% and 25% over a 12 month period;

NEUTRAL: stock performance expected at between +10% and -10% compared to the market over a 12 month period;

UNDERPERFORM: stock expected to underperform the market by between -10% and -25% over a 12 month period;

SELL: stock expected to underperform the market by over 25% over a 12 month period.

Prices: The prices reported in the research refer to the price at the close of the previous day of trading

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Intermonte SIM is authorised by CONSOB to provide investment services and is listed at n° 246 in the register of brokerage firms.

As at 30 September 2023 Intermonte's Research Department covered 114 companies. Intermonte's distribution of stock ratings is as follows:

BUY:	26.02 %
OUTPERFORM:	47.15 %
NEUTRAL:	26.02 %
UNDERPERFORM	00.81 %
SELL:	00.00 %

The distribution of stock ratings for companies which have received corporate finance services from Intermonte in the last 12 months (48 in total) is as follows:

BUY:	38.78 %
OUTPERFORM:	51.02 %
NEUTRAL:	10.20 %
UNDERPERFORM	00.00 %
SELL:	00.00 %

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Intermonte SIM has provided in the last 12 months / provides / may provide investment banking services to the following companies: Aedes, Cy4Gate, Esprinet, GPI, Greenthesis (formerly Ambienthesis), Growens, Illimity Bank, Maire Tecnimont, SAES Getters, Tinexta, Unidata and WIIT.

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Emittente	%	Long/Short
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