

Casta Diva Group

Sector: Business Services



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Medical and Celebratory Events Unlocked

Casta Diva Group (CDG) is active in Live Communication and Video Content Production, mainly focusing on corporate clients, but with an exposure also to the individual target audience.

FY24 Preliminary Pro Forma Top Line at €123.4mn

CDG closed FY24 with a 10.7% y/y growth, reaching €123.4mn, largely fueled by M&A, as preliminary data also includes the FY contribution of Artificio Italiano and First Class, acquired at year-end. Management expressed satisfaction with CDG's performance, highlighting key event wins (e.g., Milano-Cortina 2026 Paralympics) and strategic M&A, reinforcing its market position in high-potential segments.

Expanding into Medical and Celebratory Events

In 2024, CDG continued its relentless M&A activity that already counts 5 major deals in ~2 years, investing >€18mn at highly attractive valuation multiples (0.3x EV/Sales, 1.9x EV/EBITDA). Latest additions are (i) Artificio Italiano (~€1mn FY23 revenue agency specializing in major celebratory events worldwide) and (ii) First Class (~€7.5mn FY23 revenue specialist in medical-scientific congresses for pharmaceutical companies). M&A remains a key pillar for further consolidation, international expansion (Asia, Middle East), end-market diversification (large-scale retail, fashion, pharma), and AI-driven content production and events innovation.

Organic Downside Offset by M&A Contribution

Overall, our revised estimates maintain our previous FY24 forecasts, but the new perimeter also includes Artificio Italiano and First Class. FY25E-26E top line remains largely unchanged, as do Adj. EBITDA-EBIT. Reported margins and Net Debt are more affected by the organic growth revision and M&A-related cash outflows. In 2026E, we now expect:

- ◆ Value of Production at €138.6mn, ca. 9% below CDG targets;
- ◆ EBITDA Adj. of €14.5mn, i.e. 10.5% of VoP;
- ◆ Net Debt of €2.5m, after €3.7mn in 2024E-26E cumulated dividends.

Fair Value at €2.60 p/s (from €2.55 p/s)

We revise our FV for CDG to €2.60 p/s, reflecting (i) lower organic growth projections balanced by (ii) peers' multiples rerating and (iii) recent M&A impact. With CDG trading at a ~60% discount across FY25E-26E multiples, our FV suggests a potential 2.3x upside, reinforcing our view that the stock remains significantly undervalued.

Fair Value (€)	2.60
Market Price (€)	1.15
Market Cap. (€m)	23.1

KEY FINANCIALS (€mn)	2023A	2024E	2025E
VALUE OF PRODUCTION	111.5	123.4	131.8
EBITDA REPORTED	8.6	9.1	11.9
EBIT	5.4	5.5	7.9
NET PROFIT	1.6	2.6	3.9
EQUITY	9.0	10.9	13.8
NET FIN. POS.	-5.6	-10.9	-8.5
EPS ADJ. (€)	0.10	0.20	0.26
DPS (€)	0.04	0.05	0.07

Source: Casta Diva (historical figures)
Value Track (2024E-25E)

KEY RATIOS (*)	2023A	2024E	2025E
EBITDA MARGIN (%)	7.7	7.4	9.0
NET DEBT / EBITDA (x)	0.7	1.2	0.7
ROE (%)	19.0	25.0	28.8
EV/SALES (x)	0.28	0.29	0.24
EV/EBITDA (x)	3.7	4.0	2.7
EV/EBIT (x)	5.8	6.6	4.1
P/E ADJ. (x)	13.1	6.4	4.5
DIV YIELD (%)	3.1	3.7	5.9

Source: Casta Diva (historical figures)
Value Track (2024E-25E)

STOCK DATA (*)

MARKET PRICE (€)	1.15
SHS. OUT. (m)	20.0
MARKET CAP. (€m)	23.1
ENTERPRISE VALUE (€m)	31.9
FREE FLOAT (%)	41.8
AVG. -20D VOL. (#)	54,100
RIC / BBG	CDG.MI / CDG.IM
52 WK RANGE	1.06 - 1.70

Source: Stock Market Data

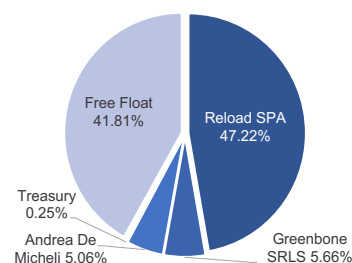


Business Description

Casta Diva Group is a communication company operating in branded content, advertising productions, films, tv programming, corporate events, viral videos, digital content and live music shows. A pocket-sized multinational with a presence in fourteen cities across four continents. Casta Diva Group team has worked successfully with over 100 of the world's top brands.

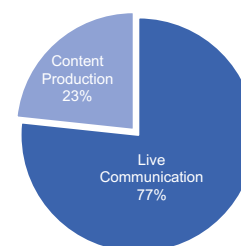
In August 2016 Casta Diva Group went public and is currently listed on the EGM under the ticker CDG.

Shareholders Structure



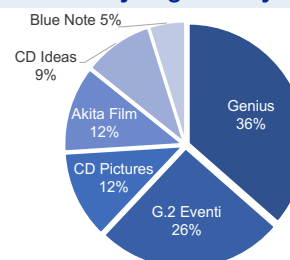
Source: Casta Diva

Revenues by Business Unit



Source: Casta Diva, FY23

Revenues by Legal Entity



Source: Casta Diva, FY23

Key Financials

€mn	2023A	2024E	2025E	2026E
Value of Production	111.5	123.4	131.8	138.6
y/y (%)	32.8%	11.5%	6.1%	5.2%
EBITDA Reported	8.6	9.1	11.9	13.3
EBITDA Margin (% of VoP)	7.7%	7.4%	9.0%	9.6%
EBIT Reported	5.4	5.5	7.9	8.7
EBIT Margin (% of VoP)	4.9%	4.5%	6.0%	6.2%
Net Profit	1.6	2.6	3.9	4.9
y/y (%)	8.8%	59.6%	47.4%	26.4%
Adjusted Net Profit	2.0	2.6	3.9	4.9
y/y (%)	7.1%	30.0%	47.4%	26.4%
Net Fin. Position	-5.6	-10.9	-8.5	-2.5
Net Fin. Pos. / EBITDA (x)	0.7	1.2	0.7	0.2
Capex	-3.2	-2.5	-2.6	-3.1
OpFCF b.t.	3.9	2.0	7.3	11.1
OpFCF b.t. as % of EBITDA	45.5%	22.4%	61.5%	83.9%

Source: Casta Diva (historical figures), Value Track (estimates)

Investment Case

Strengths / Opportunities

- ◆ Italian leader of the communication sector of the media industry;
- ◆ Long-lasting retention of highly spending and renowned clients;
- ◆ Opportunity to act as consolidator of a fragmented market thanks to stock market listing.

Weaknesses / Risks

- ◆ Highly competitive market environment with players from neighbouring industries;
- ◆ Market exposed to macroeconomic shocks.

Stock Multiples @ €2.60 Fair Value

	2025E	2026E
EV / SALES (x)	0.46	0.40
EV / EBITDA (x)	5.1	4.1
EV / EBIT (x)	7.8	6.3
EV / CAP.EMP. (x)	2.7	2.8
OpFCF Yield (%)	12.0	20.3
P / E Adj. (x)	10.0	8.4
P / BV (x)	3.9	3.1
Div. Yield. (%)	2.6	3.3

Source: Value Track

FY24 Preliminary Top Line

Key Figures & Messages

Casta Diva Group reported **FY24 Pro Forma Preliminary Value of Production** at **€123.4mn**, marking a +10.7% y/y increase from FY23 Consolidated VoP at €111.5mn, almost entirely driven by M&A. Key highlights:

- ◆ **M&A Impact:** both FY23 and FY24 figures include CDG's latest acquisitions, i.e. *Akita S.r.l.* (deal finalized on 07/10/2023 but retroactively consolidated from 01/01/2023), *E-Motion S.r.l.* (17/06/2024, retroactive from 01/01/2024), *Artificio Italiano S.r.l.* (deal finalized on 19/12/2024), *First Class S.r.l.* (27/12/2024);
- ◆ **FY24 Pro Forma vs. FY23 Consolidated:** FY24 data include Artificio Italiano and First Class for the full year, while FY23 only consolidates Akita;
- ◆ **Performance vs. Expectations:** Preliminary Pro-Forma VoP exceeded CDG's business plan target (€120.7mn) and our estimate (€120.1mn), which, however, did not factor in the contribution of Artificio Italiano and First Class.

Management expressed satisfaction for CDG's performance, driven by major event wins (e.g., Milano-Cortina 2026 Paralympics) and strategic acquisitions, reinforcing its positioning in high-growth sectors and aligning with its Business Plan.

Casta Diva Group: Value of Production FY23-FY24PF

Key Financials (IT GAAP, €mn)	FY23	FY24PF	y/y	FY24BP	A/BP	FY24VT	A/VT
Value of Production	111.5	123.4	11%	120.7	2%	120.1	2%

Source: Casta Diva, Value Track Analysis

The full set of FY24 financial results will be released by the Company with the draft approval of May 28th, 2025.

Business & Corporate Development

Outstanding M&A Track Record

CDG has established itself as **Italy's leading communication company**, serving a **top-tier client base** with best-in-class services, recognized by 130+ national and international awards. This success is underpinned by an exceptional M&A strategy, with **18 acquisitions over the past 20 years**, contributing to a **20% revenue CAGR** from 2005 to 2024 (pro forma).

Since 2022, CDG has completed five major acquisitions, investing over €18mn at **highly attractive valuation multiples** (0.3x EV/Sales and 1.9x EV/EBITDA). These deals have expanded CDG's scale, expertise, synergies, and diversification across corporate events and video content production. We expect this strategy to continue, driving further growth.

Casta Diva Group: Key M&A Deals Recap 2022-2024

Target	Business Unit	Focus	Cash-Out	Stake	Closing Date	Consolid. Since	Sales FY0	EBITDA FY0	Net Debt FY0	EV/Sales	EV/EBITDA
Genius Progetti S.p.A.	Live Comm.	Luxury Events	€6.2mn	100%	27-04-22	01-01-22	€23.0mn	€3.6mn	-€2.3mn	0.2x	1.1x
Akita S.r.l.	Content Prod.	FMCG, Auto, TLC, Ent.	€8.3mn	100%	07-11-23	01-01-23	€14.7mn	€2.8mn	-€1.8mn	0.4x	2.3x
E-Motion S.r.l.	Content Prod.	Corporate & Event Videos	€847k	70%	17-06-24	01-01-24	€3.2mn	€0.6mn	n.a.	0.4x	2.0x
Artificio Italiano S.r.l.	Live Comm.	Celebratory Events	€90k	100%	19-12-24	n.a.	€1mn	n.a.	€0.0mn	0.1x	n.a.
First Class S.r.l.	Live Comm.	Medical Congresses	€3.2mn	100%	27-12-24	n.a.	€7.5mn	€740k	n.a.	0.4x	4.3x
Total	//	//	€18.6mn	//	//	//	€49.4mn	€7.7mn	-€4.1mn	0.3x	1.9x

Source: Value Track Analysis

Acquisition of 100% of Artificio Italiano S.r.l.

Back as of December 19th 2024, CDG has acquired 100% of **Artificio Italiano S.r.l.**, a top tier Italian agency specializing in **major celebratory events** and shows worldwide. The company also owns the "Kitonb" creative studio, and it is known for landmark projects such as Light Is Life (Bergamo and Brescia, 2023) and the 2026 Milano-Cortina Paralympics closing ceremony.

For FY24, Artificio Italiano expects revenue of €1mn. The acquisition was completed for **€90k**, reflecting a **0.1x EV/Sales multiple**. The company will be renamed "Casta Diva Art & Show" and will retain operational independence under CDG's subsidiary, G2 Eventi. The founders signed a three-year management agreement (extendable) and a two-year non-compete clause.

Strategic benefits of the acquisition include:

- ◆ Establishing CDG as a leader in celebratory events, leveraging Artificio Italiano's expertise and successful track record in events all over the world (e.g., Europe, Asia, Africa, and Middle East);
- ◆ Unlocking significant up-selling synergies, as Artificio Italiano previously focused only on creative advisory (ca. 5% of event budgets). of the events that they attend, as they only provide for creative advisory activities. Integration with CDG enables a full-service offering, boosting financial returns.

Acquisition of 100% of First Class S.r.l.

On December 27th, 2024, CDG has acquired 100% of **First Class S.r.l.**, a premier Italian agency organizing **medical-scientific congresses** for pharmaceutical companies, specializing in radiology, neurology, endocrinology, and related fields.

First Class reported FY23 revenue of €7.5mn, and an adjusted EBITDA of €740k. The **€3.18mn** acquisition price (**0.4x EV/Sales, 4.3x EV/EBITDA**) will be paid in two tranches (55% at closing, 45% after 18 months), partially financed through new debt.

Founder Laura Bernardini signed a management agreement until 2026 (extendable) and a two-year non-compete clause. This acquisition aligns with CDG's new pharma division (established in September 2024), with division director Alessandro Scattolin assuming the CEO role at First Class.

Strategic benefits of the acquisition include:

- ◆ Strengthening CDG's position in medical-scientific events, complementing its existing capabilities (non-overlapping customer base)
- ◆ Enhancing CDG's service portfolio by integrating First Class's extensive industry relationships and operational expertise.

Other Recent M&A Finalized

We flag that in the latest couple of years CDG has finalized further M&A deals:

- ◆ **E-Motion S.r.l.:** deal secured on June 17th, 2024, with CDG acquiring 70% of the target's share capital for €826k (two tranches), at ca. 0.4x EV/Sales and 2.0x EV/EBITDA FY0 (more details on previous reports). E-Motion was then retroactively consolidated from January 1st, 2024;
- ◆ **Akita S.r.l.:** deal secured on November 7th, 2023, with CDG acquiring the entire share capital for €8.3mn (two tranches), at ca. 0.4x EV/Sales and 2.3x EV/EBITDA FY0 (more details on previous reports). Akita was then retroactively consolidated from January 1st, 2023;
- ◆ **Genius Progetti S.p.A.:** first 90% stake acquired on April 27th, 2022 for €5.2mn (in different tranches) and the remaining 10% over the course of 2023 for €1mn cash out. We calculate aggregate acquisition multiples of 0.2x EV/Sales and 1.1x EV/EBITDA FY0. Genius was then retroactively consolidated starting from January 1st, 2022;
- ◆ **Overseas** branch acquired over the course of 2023 for €2mn. This business was previously managed on a leasing basis.

CDG's disciplined acquisition strategy continues to enhance its market leadership, synergies, and financial performance, setting the stage for further value creation.

Other Development Moves

3-Year Renewal Contract with Ferrari Valued at €70mn

On October 1st, 2024, Genius Progetti, a CDG subsidiary specializing in the creation and organization of events and experiences for major brands and luxury industries, has announced that it has renewed a **3-year contract with Ferrari**.

The contract includes general management (planning and marketing strategy), planning, tailor-made experiences, concept and entertainment development, as well as client concierge services for various types of formats across Europe. CDG estimates the potential value of the contract to be approx. **€70.0mn over the next three years**, with the FY25E budget already allocated at around €27.0mn.

Dividends Distribution granting 3% Yield

On November 21st, 2024, CDG's shareholders meeting deliberated the distribution of a dividend, partly in cash and partly through the assignment of treasury shares:

- ◆ Cash: €0.03471 per outstanding share (excluding treasury), implying a total cash-out of ca. €696k;
- ◆ Treasury shares: 1 share per each 250 shares detained.

Considering the closing price of October 30th (€1.34 p/s), the total DPS amounts to €0.04007 per share, corresponding to a **dividend yield of ca. 3%** and a **payout of ca. 35%**.

The dividend distribution is in line with the business plan target of €3mn cumulated over the 2024-2026 period.

Growth Strategy and Key Guidelines

Management remains committed to establishing CDG as a national champion, targeting annual revenue of €200mn-€300mn, with the scale and capabilities to compete with major European players. To achieve this, the company's strategy focuses on **capturing top-tier clients with large marketing and advertising budgets in high-growth end-markets**. The key strategic pillars driving this growth are:

- 1. Market Consolidation:** further consolidating market share across both business lines through additional M&A activities. CDG continues to explore several acquisition opportunities, which we believe should materialize already in the short-to-medium term.
- 2. International Expansion:** accelerating its global footprint by organizing large-scale celebratory events, leveraging Artificio Italiano's expertise and track record in Asia and the Middle East;
- 3. Offer Diversification:** having recently entered the medical congresses and large celebratory events sectors, the Company aims to continue expanding its revenue streams. Key target industries include large-scale retail (leveraging loyalty programs), fashion, and pharmaceuticals, all of which align with CDG's expertise and growth ambitions;
- 4. Technological Innovation:** studying options to integrate AI-powered solutions to enhance customized spot advertising and the cinematic, audiovisual, and animation aspects of events. Clients could commission a single high-quality spot, which AI then adapts dynamically for different audiences, locations, or campaigns. This premium solution would strengthen CDG's appeal to high-budget clients, reducing their need for multiple agencies. Additionally, the company could leverage its role in the Web3 Alliance for further differentiation;
- 5. Operational Efficiency:** focusing on streamlining the Company's structure through digital transformation and cost-efficiency initiatives, ensuring leaner operations and improved scalability;
- 6. Sustainability Commitment:** advancing the sustainability agenda through its "ESG Pact", with the goal of integrating sustainable practices across its operations and transitioning into a Benefit Corporation;
- 7. Shareholders Returns:** reaffirming its commitment to dividend distribution, with a cumulative payout of ca. €3mn over the 2024-2026 period.

Forecasts 2024E-26E

Estimates Revision

Following the release of FY24 preliminary revenue, we are revising our estimates for CDG, incorporating the following adjustments:

- 1. Organic Downward Revision:** taking into account the weaker-than-expected FY23 perimeter contribution to FY24 revenue and the current fragile macroeconomic outlook, we are adopting a more cautious stance on organic growth. As such, we reduced our FY25E-26E like-for-like revenue and EBITDA estimates by 5% and 13%, respectively;
- 2. M&A Impact:** our FY24 is now pro-forma, as we incorporated the full-year consolidation of Artificio Italiano and First Class, despite their acquisitions being finalized in late FY24. Their inclusion should add approximately €3.2mn in Net Debt for FY24 but also contributes with over €7mn in additional revenue. The consolidation should also introduce new extraordinary costs starting in FY25E, though these do not affect our adjusted margin projections.

Our revised estimates maintain substantially unchanged our previous FY24 forecasts, but the new perimeter also includes the full-year contribution of Artificio Italiano and First Class. FY25E-26E top line remains largely unchanged, as do Adjusted EBITDA and Adjusted EBIT. However, reported margins and Net Debt are more affected by the organic growth revision and M&A-related cash outflows.

Casta Diva Group: Old vs. New Estimates

Key Financials (IT GAAP, €mn)	2024E			2025E			2026E		
	Old	New	Δ	Old	New	Δ	Old	New	Δ
Value of Production	120.1	123.4	3%	130.1	131.8	1%	136.7	138.6	1%
EBITDA	9.1	9.1	0%	12.7	11.9	-7%	14.4	13.3	-8%
EBITDA Adj.	11.6	11.6	0%	13.4	13.6	2%	14.4	14.5	1%
EBIT	5.5	5.5	0%	8.7	7.9	-10%	9.8	8.7	-11%
EBIT Adj.	8.0	8.0	0%	9.4	9.6	2%	9.8	9.9	1%
Net Profit	2.6	2.6	0%	4.5	3.9	-15%	5.7	4.9	-15%
Net Financial Position	-7.4	-10.9	-3.5	-4.5	-8.5	-4.0	2.0	-2.5	-4.5

Source: Value Track Analysis

CDG Business Plan vs. Value Track Estimates

Our estimates remain more conservative than CDG's P&L targets, which we believe are achievable only with additional extraordinary deals, though these would require greater cash outflows than originally projected in the business plan.

For 2026E, assuming the current consolidation perimeter, we forecast:

- ◆ **Value of Production** at **€138.6mn**, ca. 9% below CDG targets;
- ◆ **EBITDA Adj.** at **€14.5mn**, growing faster than revenue but still below CDG expectations;
- ◆ **EBIT Adj.** at **€9.9mn** compared to management's target of €13.6mn;
- ◆ **Net Debt** at **€2.5m**, factoring in €3.7mn in cumulated dividends and the cash-out of 2024 M&A transactions.

Casta Diva Group: Business Plan Targets vs. Value Track New Estimates

Key Financials (IT GAAP, €mn)	2024E			2025E			2026E		
	CDG	VT PF	Δ	CDG	VT	Δ	CDG	VT	Δ
Value of Production	120.7	123.4	2%	136.4	131.8	-3%	153.0	138.6	-9%
EBITDA Adj.	12.0	11.6	-3%	14.6	13.6	-7%	17.7	14.5	-18%
EBITDA Adj. Margin (%)	9.9%	9.4%	-50bps	10.7%	10.3%	-40bps	11.6%	10.5%	-110bps
EBIT Adj.	8.0	8.0	0%	10.7	9.6	-10%	13.6	9.9	-27%
EBIT Adj. Margin (%)	6.6%	6.4%	-20bps	7.8%	7.3%	-50bps	8.9%	7.1%	-180bps
Net Financial Position	-0.4	-10.9	-10.5	3.3	-8.5	-11.8	6.4	-2.5	-8.9

Source: Value Track Analysis

Financial Statements 2023A-26E

Casta Diva Group: P&L 2023A-26E

P&L (IT GAAP, €mn)	2023A	2024PFE	2025E	2026E
Revenues from Sales	110.8	122.4	130.8	137.6
Others	0.7	1.0	1.0	1.0
Value of Production	111.5	123.4	131.8	138.6
Operating Expenses	-102.9	-114.3	-120.0	-125.4
EBITDA	8.6	9.1	11.9	13.3
EBITDA Margin (%)	7.7%	7.4%	9.0%	9.6%
D&A & Provisions	-3.2	-3.6	-4.0	-4.6
EBIT	5.4	5.5	7.9	8.7
EBIT Margin (%)	4.9%	4.5%	6.0%	6.2%
Net Financial Charges	-1.0	-1.2	-1.2	-1.1
Pre-Tax Profit	4.4	4.3	6.7	7.6
Taxes	-2.5	-1.6	-2.8	-2.7
Minorities	-0.3	0.0	0.0	0.0
Net Profit	1.6	2.6	3.9	4.9

Source: Casta Diva, Value Track Analysis

Casta Diva Group: Balance Sheet 2023A-26E

Balance Sheet (IT GAAP, €mn)	2023A	2024PFE	2025E	2026E
Net Fixed Assets	21.2	23.8	22.4	20.9
Net Working Capital	-5.0	-0.4	1.6	0.7
Provisions	1.6	1.6	1.7	1.7
Total Capital Employed	14.6	21.8	22.3	19.8
Group Net Equity	9.0	10.9	13.8	17.4
Net Financial Position [Net debt (-) / Cash (+)]	-5.6	-10.9	-8.5	-2.5

Source: Casta Diva, Value Track Analysis

Casta Diva Group: Cash Flow Statement 2023A-26E

Cash Flow (IT GAAP, €mn)	2023A	2024PFE	2025E	2026E
EBITDA	8.6	9.1	11.9	13.3
Capex	-3.2	-2.5	-2.6	-3.1
Δ NWC (incl. Provisions)	-1.4	-4.6	-1.9	1.0
OpFCF b.t.	3.9	2.0	7.3	11.1
<i>As a % of EBITDA</i>	<i>45%</i>	<i>22%</i>	<i>61%</i>	<i>84%</i>
Cash Taxes	-2.5	-1.6	-2.8	-2.7
Net Financial Charges	-1.0	-1.2	-1.1	-1.0
Dividends Paid	-0.6	-0.8	-0.9	-1.4
Others (incl. Financial Investments)	-8.5	-3.7	-0.1	-0.1
Δ Net Financial Position	-8.7	-5.3	2.4	6.0

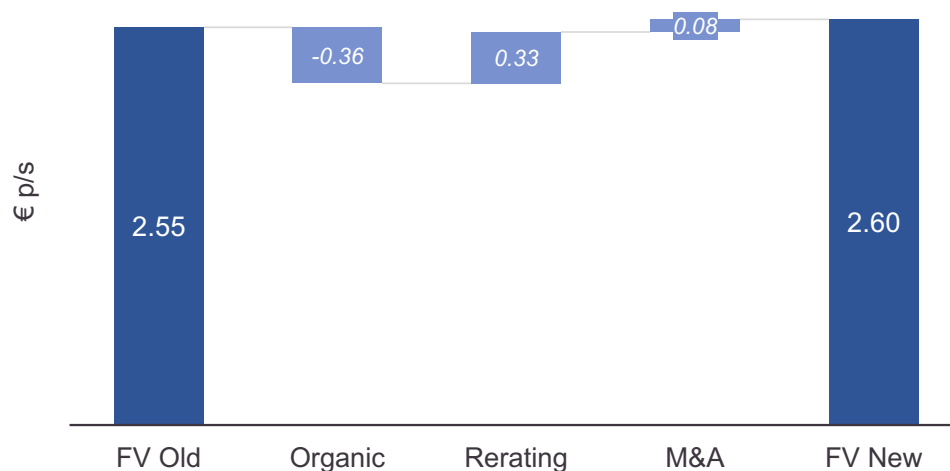
Source: Casta Diva, Value Track Analysis

Valuation

We revise our **Fair Equity Value** for CDG to **€2.60 p/s** (from €2.55 p/s), reflecting a balance between a downward revision in organic growth forecasts and positive offsets, including:

1. Upward **re-rating of peers' stock multiples** since our last update in October;
2. Inclusion of **Artificio Italiano and First Class** within the consolidation perimeter.

Casta Diva Group: Cash Flow 1H24



Source: FactSet, Value Track Analysis

At €2.60 p/s, CDG's implied market cap would stand at approximately €50mn, suggesting an **upside potential of 2.2x** relative to the current market price. We believe the current market valuation (trading at just 2.7x-2.0x EV/EBITDA for FY25E-26E) is indeed **significantly undervalued**.

At our fair value, CDG would be valued roughly in line with peers' median FY25E EV/EBITDA and EV/EBIT multiples, while still reflecting a ~20% discount on FY26E peer multiples.

Additionally, our DCF-based cross-check, though not the most reliable methodology for companies with significant macroeconomic exposure, suggests a Fair Equity Value of €2.92 p/s, reinforcing our conviction in CDG's undervaluation.

Casta Diva Group: Multiples Sensitivity at Various Stock Price Levels

Fair Equity Value p/s (€)	EV/Sales (x)		EV/EBITDA (x)		EV/EBIT (x)	
	2025E	2026E	2025E	2026E	2025E	2026E
€ 1.70	0.33	0.27	3.6	2.8	5.5	4.3
€ 2.00	0.37	0.31	4.1	3.2	6.2	5.0
€ 2.30	0.42	0.35	4.6	3.7	7.0	5.7
€ 2.60	0.46	0.40	5.1	4.1	7.8	6.3
€ 2.90	0.51	0.44	5.6	4.6	8.5	7.0
€ 3.20	0.55	0.48	6.1	5.0	9.3	7.7
€ 3.50	0.60	0.53	6.7	5.5	10.1	8.4

Source: Value Track Analysis

Peers Analysis

Peers are currently trading at a median of **1.0x EV/Sales**, **5.4x EV/EBITDA**, and **8.2x EV/EBIT** for **FY25E**, with CDG trading at an **average discount of ~60% across FY25E-26E** valuation multiples. However, a breakdown of industry clusters reveals:

- ◆ **Live Communication:** median 1.2x EV/Sales, 5.6x EV/EBITDA, 8.2x EV/EBIT 2025E;
- ◆ **Creative Content Production:** 1.0x EV/Sales, 2.3x EV/EBITDA, 7.9x EV/EBIT 2025E.

We derive a **Fair Equity Value of €2.60 p/s** by applying discount rates of 45%, 15%, and 15% on comparables' median EV/Sales, EV/EBITDA, and EV/EBIT FY25E, respectively.

Casta Diva Group: Peers Trading Multiples

Peers	EV/Sales (x)		EV/EBITDA (x)		EV/EBIT (x)	
	2025E	2026E	2025E	2026E	2025E	2026E
Live Communication						
Dentsu	0.72	0.67	5.4	4.5	8.7	6.9
GL Events	0.80	0.72	4.8	4.2	7.7	6.7
Interpublic	1.31	1.26	7.4	6.8	8.9	7.9
Publicis	1.72	1.59	7.9	7.3	9.7	8.9
Viad	3.83	3.52	11.5	13.4	24.5	20.4
WPP	1.00	0.93	5.6	5.2	6.6	6.0
Fiera Milano	1.44	1.44	5.5	7.1	7.4	11.3
SG Company	0.30	0.24	3.4	2.5	3.8	2.8
Average	1.39	1.30	6.4	6.4	9.7	8.9
Median	1.16	1.10	5.6	6.0	8.2	7.4
Creative Content Production						
Notorious Pictures	1.19	1.04	2.6	2.3	4.6	4.2
Leone Film Group	0.99	<0	1.3	<0	8.8	<0
Lucisano Media Group	0.76	<0	1.9	<0	6.9	<0
Lions Gate Entertainment	1.06	1.01	8.9	8.3	18.2	17.1
Thunderbird Entertainment	0.22	0.17	2.3	1.7	na	na
Average	0.85	0.74	3.4	4.1	9.6	10.6
Median	0.99	1.01	2.3	2.3	7.9	10.6
Total Average	1.18	1.15	5.3	5.8	9.7	9.2
Total Median	1.00	1.01	5.4	5.2	8.2	7.4
Casta Diva Group	0.24	0.19	2.7	2.0	4.1	3.0

Source: FactSet, Value Track Analysis

Casta Diva Group: Relative Valuation

Relative Valuation 2025E (€mn)	EV/Sales	EV/EBITDA	EV/EBIT
Peers' Median 2025E (x)	1.0	5.4	8.2
Discount (%)	-45.0%	-15.0%	-15.0%
Fair Multiples 2025E	0.6	4.6	7.0
Average Fair Equity Value p/s (€)		2.60	

Source: FactSet, Value Track Analysis

Cross Check with DCF

We consistently remind that a is not the most suitable valuation tool for companies like CDG, which are highly sensitive to macroeconomic fluctuations. However, it serves as a useful cross-check, provided that sector-specific adjustments are applied.

Based on our DCF analysis, we derive a **Fair Equity Value** of **€2.92 p/s**, utilizing a rolling WACC of 9.9%-11.4%, which varies annually based on our capital structure estimates, following the Capital Asset Pricing Model approach.

Casta Diva Group: WACC at Rolling Capital Structure

WACC Assumptions	(%)
Risk-Free Rate (%)	2.0
Capital Structure (D/D+E) (%)	38% - 0%
Unlevered Beta (x)	1.1
Market Risk Premium (Italy) (%)	5.4%
Small Cap Market Risk Premium (%)	2.5%
Macroeconomic Scenario Risk Premium (%)	1.0%
Credit Spread (%)	2.0%
Tax Rate (%)	24.0%
Cost of Equity (%)	14.2% - 11.4%
Cost of Debt (%)	3.0%
WACC (%)	9.9% - 11.4%

Source: Market Consensus, Damodaran Data Sets, Value Track Analysis

CDG Terminal Value in 2031E is calculated using a 1.0% perpetuity growth rate, aligned with Italy's long-term GDP growth projections. This implies a 4.5x TV/EBITDA multiple on our 2031E forecasts, a reasonable level given sector dynamics.

Additionally, our model accounts for potential minority interest cash-out adjustments related to E-Motion, ensuring a more accurate valuation assessment.

Casta Diva Group: DCF Valuation

DCF Valuation	€mn
Discounted Free Cash Flows 2025E-31E	32.2
Discounted Terminal Value in 2031E with $g=1.0\%$ or $TV/EBITDA=4.5x$	37.5
Fair Enterprise Value (€mn)	69.7
Net Financial Position 2024E	-10.9
Adjustments 2024E	-0.4
Fair Equity Value (€mn)	58.5
NOSH (mn)	20.0
Fair Equity Value p/s (€)	2.92

Source: Value Track Analysis

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