

EQUITY RESEARCH

CASTA DIVA GROUP S.P.A

RESULTS REVIEW

BUY

TP 2.50€

Up/Downside: 107%

Revenue growth of 10.7% in 2024

Casta Diva Groupe is focusing on organic growth and strategic acquisitions to support its performance. The company reported a turnover of €123.4 million for 2024, which is not subject to legal review, higher than our expectations.

Casta Diva Group announced yesterday morning a preliminary consolidated turnover for the FY2024 of **€123.4 million**, up **+10.7%** compared to the **€111.5 million** recorded in 2023. This performance also exceeds the expectations of the 2023-2026 Industrial Plan, which forecast a turnover of €120.6 million for the current year and a CAGR of 16.2%. This growth is the result of solid **organic expansion, as well as recent acquisitions, integrated throughout 2024** although they were finalized in December, including that of 100% of Artificio Italiano Srl and First Class Srl.

The management highlighted that 2024 marks the best year of turnover ever achieved by the group, thanks to its strengthened positioning in the large-scale events sector, such as the closing ceremony of the Milan Cortina 2026 Paralympics. **The acquisitions of Artificio Italiano and First Class Srl have allowed the group to expand its offer**, enter new strategic segments, such as **Pharma events**, and strengthen its ability to compete in the field of **artistic and high-profile events**.

Casta Diva thus confirms **the solidity of its growth plan**, in line with the objectives defined in the Industrial Plan, and continues to have a **favourable position in the Italian and European events market**, which is experiencing a strong period of growth. We remain **positive on the company**, which also exceeded **our estimates by +4.3% on revenue**, and **maintain our BUY recommendation** with a **TP of €2.5**.

Key data

Price (€)	1.2
Industry	Advertising/Marketing Services
Ticker	CDG-IT
Shares Out (m)	20.045
Market Cap (m €)	24.3
Average trading volumes (k shares / day)	19.000
Next event	FY 2024 - 28.05.2025

Source: FactSet

Ownership (%)

Reload S.p.A.	47.2
Greenbone S.r.l.	5.7
Andrea De Micheli	5.1
Free float	42.0

Source: TPICAP Midcap estimates

EPS (€)	12/24e	12/25e	12/26e
Estimates	0.20	0.27	0.35
Change vs previous estimates (%)	7.87	6.78	0.00

Source: TPICAP Midcap estimates

Performance (%)	1D	1M	YTD
Price Perf	0.8	-3.2	-3.2
Rel FTSE Italy	0.8	-8.0	-13.3



Source: FactSet

TP ICAP Midcap Estimates	12/23	12/24e	12/25e	12/26e	Valuation Ratio	12/24e	12/25e	12/26e
Sales (m €)	111.5	123.4	135.2	148.3	EV/Sales	0.2	0.1	0.0
Current Op Inc (m €)	5.4	7.1	9.4	12.0	EV/EBITDA	1.8	1.0	0.4
Current op. Margin (%)	4.9	5.7	7.0	8.1	EV/EBIT	3.0	1.5	0.6
EPS (€)	0.08	0.20	0.27	0.35	PE	6.1	4.5	3.4
DPS (€)	0.00	0.00	0.00	0.00	Source: TPICAP Midcap			
Yield (%)	0.0	0.0	0.0	0.0				
FCF (m €)	-9.8	13.3	6.6	7.7				

Consensus FactSet - Analysts:3	12/24e	12/25e	12/26e
Sales	121.5	134.2	145.7
EBIT	7.7	10.0	12.2
Net income	4.1	5.5	6.9

Analyst

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FINANCIAL DATA

Income Statement	12/21	12/22	12/23	12/24e	12/25e	12/26e
Sales	29.7	84.0	111.5	123.4	135.2	148.3
Changes (%)	70.7	182.5	32.8	10.7	9.6	9.6
Gross profit	5.8	13.1	17.4	20.7	23.5	26.5
% of Sales	19.4	15.6	15.6	16.7	17.3	17.8
EBITDA	1.5	6.8	8.6	11.8	14.0	16.4
% of Sales	5.0	8.1	7.7	9.5	10.3	11.0
Current operating profit	0.8	4.4	5.4	7.1	9.4	12.0
% of Sales	2.6	5.3	4.9	5.7	7.0	8.1
Non-recurring items	-0.3	-0.6	-0.0	0.0	0.0	0.0
EBIT	0.5	3.9	5.4	7.1	9.4	12.0
Net financial result	-0.2	-0.5	-1.0	-1.0	-1.1	-1.2
Income Tax	0.1	-1.6	-2.5	-2.1	-2.9	-3.8
Net profit, group share	0.4	2.1	2.2	4.0	5.4	7.0
EPS	0.02	0.08	0.08	0.20	0.27	0.35
Financial Statement	12/21	12/22	12/23	12/24e	12/25e	12/26e
Goodwill	2.6	7.4	16.2	16.2	16.2	16.2
Tangible and intangible assets	6.2	5.2	4.6	3.9	3.6	4.0
Right of Use	0.0	0.0	0.0	0.0	0.0	0.0
Financial assets	0.8	0.8	0.4	0.4	0.4	0.4
Working capital	3.5	-2.1	-0.6	-4.7	-5.6	-6.7
Other Assets	1.6	2.7	3.1	3.1	3.1	3.1
Assets	14.7	14.1	23.7	18.9	17.7	17.1
Shareholders equity group	6.1	7.8	8.7	12.6	18.1	25.1
Minorities	0.6	0.7	0.4	0.4	0.4	0.4
LT & ST provisions and others	0.2	0.4	0.0	0.0	0.0	0.0
Net debt	3.7	-1.6	5.6	-3.2	-9.8	-17.4
Other liabilities	2.7	3.0	4.5	4.5	4.5	4.5
Liabilities	14.7	14.1	23.7	18.9	17.7	17.1
Net debt excl. IFRS 16	3.7	-1.6	5.6	-3.2	-9.8	-17.4
Gearing net	0.6	-0.2	0.6	-0.2	-0.5	-0.7
Leverage	2.5	-0.2	0.7	-0.3	-0.7	-1.1
Cash flow statement	12/21	12/22	12/23	12/24e	12/25e	12/26e
CF after elimination of net borrowing costs and taxes	1.3	4.3	5.2	8.7	10.0	11.4
Δ WCR	-0.5	7.4	-3.7	8.5	0.9	1.0
Operating cash flow	0.8	11.7	1.5	17.2	10.9	12.4
Net capex	-0.8	-6.3	-11.3	-3.9	-4.3	-4.7
FCF	-0.1	5.4	-9.8	13.3	6.6	7.7
Acquisitions/Disposals of subsidiaries	0.0	0.0	0.0	0.0	0.0	0.0
Other investments	0.2	-0.1	-0.7	0.0	0.0	0.0
Change in borrowings	0.3	8.9	2.7	0.0	0.0	0.0
Dividends paid	0.0	0.0	0.0	0.0	0.0	0.0
Repayment of leasing debt	0.0	0.0	0.0	0.0	0.0	0.0
Equity Transaction	0.0	0.0	0.0	0.0	0.0	0.0
Others	0.7	0.1	0.6	0.0	0.0	0.0
Change in net cash over the year	1.2	14.4	-6.8	13.3	6.6	7.7
ROA (%)	1.4%	2.4%	2.4%	4.4%	5.5%	6.4%
ROE (%)	6.6%	17.8%	18.2%	30.5%	29.5%	27.6%
ROCE (%)	3.8%	33.4%	21.1%	29.2%	41.9%	55.9%

DISCLAIMER

Analyst certifications

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Methodology

This Report may mention evaluation methods defined as follows:

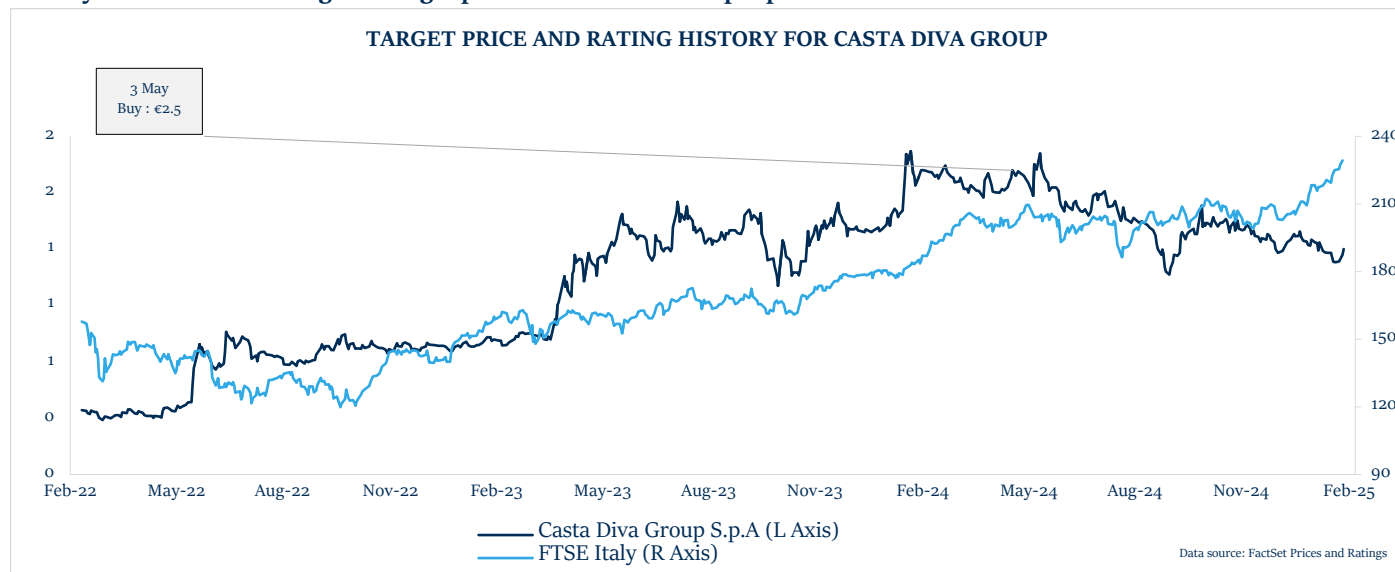
1. DCF method: discounting of future cash flows generated by the company's operations. Cash flows are determined by the analyst's financial forecasts and models. The discount rate used corresponds to the weighted average cost of capital, which is defined as the weighted average cost of the company's debt and the theoretical cost of its equity as estimated by the analyst.
2. Comparable method: application of market valuation multiples or those observed in recent transactions. These multiples can be used as references and applied to the company's financial aggregates to deduce its valuation. The sample is selected by the analyst based on the characteristics of the company (size, growth, profitability, etc.). The analyst may also apply a premium/discount depending on his perception of the company's characteristics.
3. Assets and liabilities method: estimate of the value of equity capital based on revalued assets adjusted for the value of the debt.
4. Discounted dividend method: discounting of estimated future dividend flows. The discount rate used is generally the cost of capital.
5. Sum of the parts: this method consists of estimating the various activities of a company using the most appropriate valuation method for each of them, then realizing the sum of the parts.

Conflict of Interests between TP ICAP Midcap and the Issuer

G. Midcap and the Issuer have agreed to the provision by the former to the latter of a service for the production and distribution of the investment recommendation on the said Issuer: Casta Diva Group S.p.A



History of investment rating and target price – Casta Diva Group S.p.A



Historical recommendations and target price (-1Y)

Date	Analyst	Old Target Price	New Target Price	Closing Price	Old Recommendation	New Recommendation
16 Oct 24 - 08:57:30	Alessio Olmi	€ 2.50	€ 2.50	€ 1.32	Buy	Buy
01 Oct 24 - 08:52:54	Alessio Olmi	€ 2.50	€ 2.50	€ 1.25	Buy	Buy
16 Jul 24 - 09:07:22	Alessio Olmi	€ 2.50	€ 2.50	€ 1.50	Buy	Buy
27 Jun 24 - 20:24:44	Alessio Olmi	€ 2.50	€ 2.50	€ 1.44	Buy	Buy
27 May 24 - 08:35:55	Alessio Olmi	€ 2.50	€ 2.50	€ 1.62	Buy	Buy
03 May 24 - 09:01:58	Alessio Olmi	€ 2.50	€ 2.50	€ 1.58		Buy

Distribution of Investment Ratings

Rating	Recommendation Universe*	Portion of these provided with investment banking services**
Buy	80%	62%
Hold	15%	72%
Sell	3%	20%
Under review	2%	100%

Midcap employs a rating system based on the following:

Buy: Expected to outperform the markets by 10% or more over a 6 to 12 months horizon.

Hold: expected performance between -10% and +10% compared to the market over a 6 to 12 months horizon.

Sell: Stock is expected underperform the markets by 10% or more over a 6 to 12 months horizon.

The history of ratings and target prices for the Issuers covered in this report are available on request at <https://researchtpicap.midcapp.com/en/disclaimer>.

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