

UPDATE

EQUITY RESEARCH

# Casta Diva Group

**ISIM**  
**NTEGRÆ**

Euronext Growth Milan | Entertainment &amp; ADV | Italy

Production 11/10/2024, h. 18:30

Publication 14/10/2024, h. 07:00



Rating

**BUY**

unchanged

Target Price

**€ 3,20**

(unchanged)



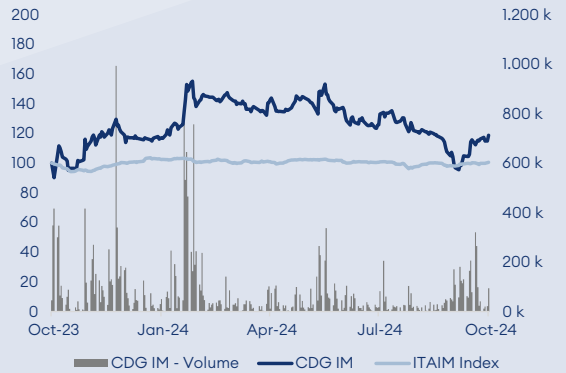
Risk

Medium

Upside potential

**141,7%**

## Stocks performance relative to FTSE Italia Growth



### Stock Data

Price	€ 1,32
Target price	€ 3,20
Upside/(Downside) potential	141,7%
Ticker	CDG IM
Market Cap (€ /mln)	€ 26,54
EV (€ /mln)	€ 32,14
Free Float	41,80%
Share Outstanding	20.044.719
52-week high	€ 1,80
52-week low	€ 0,95
Average daily volumes (3 months)	55.343

Key Financials (€ /mln)	FY23A	FY24E	FY25E	FY26E
Value of Production	111,51	121,10	136,40	153,60
EBITDA	8,57	11,90	14,50	18,00
EBIT	5,41	8,60	11,20	14,70
Net Income	1,90	4,45	5,90	7,95
Net Financial Position	5,60	0,94	(3,74)	(7,52)
EBITDA margin	7,7%	9,8%	10,6%	11,7%
EBIT margin	4,9%	7,1%	8,2%	9,6%
Net income margin	1,7%	3,7%	4,3%	5,2%

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Stock performance	1M	3M	6M	1Y
Absolute	13,7%	-5,6%	-16,7%	18,7%
to FTSE Italia Growth	2,4%	0,0%	-0,5%	0,5%
to Euronext STAR Milan	3,3%	-3,8%	-1,4%	10,9%
to FTSE All-Share	3,4%	-0,3%	1,6%	20,5%
to EUROSTOXX	5,0%	0,6%	0,7%	19,1%
to MSCI World Index	4,7%	3,0%	9,2%	27,7%

Main Ratios	FY23A	FY24E	FY25E	FY26E
EV/EBITDA	3,8x	2,7x	2,2x	1,8x
EV/EBIT	5,9x	3,7x	2,9x	2,2x
P/E	14,0x	6,0x	4,5x	3,3x

## 1H24A Results

Casta Diva Group, in its financial report as of June 30th, 2024, recorded a value of production of € 58.22 million, showing a significant increase of 15.2% compared to € 50.54 million generated in 1H23A. The Adjusted EBITDA, as of June 30th, 2024, stands at € 5.10 million, corresponding to a margin of 8.8%, up from € 4.10 million recorded at the end of the first half of 2023 (Adjusted EBITDA margin of 8.1%). The Adjusted EBIT is € 3.90 million, representing a margin of 6.7%, up from € 2.82 million recorded in 1H23A, with an Adjusted EBIT margin of 5.6%. The Net Income is also positive, amounting to € 2.02 million, marking a growth of 12.6% compared to the equivalent figure for 1H23A, which was € 1.80 million.

## Estimates Update

In light of the results published in the annual report for FY23A, we fully confirm our estimates for both the current year and the coming years. Specifically, we estimate a value of production for FY24E of € 121.10 million and an EBITDA of € 11.90 million, corresponding to a margin of 9.8%. For the following years, we expect the value of production to increase to € 153.60 million (CAGR 23A-26E: 11.3%) in FY26E, with an EBITDA of € 18.00 million (corresponding to a margin of 11.7%), up from € 8.57 million in FY23A (corresponding to an EBITDA margin of 7.7%).

## Valuation Update

We conducted the equity value assessment of Casta Diva Group based on the DCF methodology and the multiples of a sample of comparable companies. The DCF method (which, for prudential purposes, includes a specific risk of 2.5% in the WACC calculation) yields an equity value of € 69.4 million. The equity value of Casta Diva Group using market multiples amounts to € 58.9 million (including a 25.0% discount). This results in an average equity value of approximately € 64.2 million. The target price is € 3.20, with a BUY rating and MEDIUM risk.

# Economics & Financials

TABLE 1 – ECONOMICS & FINANCIALS

CONSOLIDATED INCOME STATEMENT (€ /mln)	FY22A	FY23A	FY24E	FY25E	FY26E
Revenues	83,62	110,85	120,50	135,80	153,00
Other revenues	0,35	0,66	0,60	0,60	0,60
<b>Value of Production</b>	<b>83,97</b>	<b>111,51</b>	<b>121,10</b>	<b>136,40</b>	<b>153,60</b>
COGS	1,47	1,54	1,70	1,90	2,10
Services	66,53	87,97	93,00	104,00	115,50
Use of asset owned by others	2,90	3,50	4,00	4,40	5,30
Employees	6,29	8,85	9,50	10,60	11,70
Other operating costs	0,53	1,08	1,00	1,00	1,00
<b>EBITDA</b>	<b>6,26</b>	<b>8,57</b>	<b>11,90</b>	<b>14,50</b>	<b>18,00</b>
<i>EBITDA Margin</i>	<i>7,5%</i>	<i>7,7%</i>	<i>9,8%</i>	<i>10,6%</i>	<i>11,7%</i>
Non recurring items	0,73	1,64	0,00	0,00	0,00
<b>EBITDA Adj.</b>	<b>6,99</b>	<b>10,21</b>	<b>11,90</b>	<b>14,50</b>	<b>18,00</b>
<i>EBITDA Adj. Margin</i>	<i>8,3%</i>	<i>9,2%</i>	<i>9,8%</i>	<i>10,6%</i>	<i>11,7%</i>
D&A	2,39	3,16	3,30	3,30	3,30
<b>EBIT</b>	<b>3,87</b>	<b>5,41</b>	<b>8,60</b>	<b>11,20</b>	<b>14,70</b>
<i>EBIT Margin</i>	<i>4,6%</i>	<i>4,9%</i>	<i>7,1%</i>	<i>8,2%</i>	<i>9,6%</i>
<b>EBIT Adj.</b>	<b>4,60</b>	<b>7,06</b>	<b>8,60</b>	<b>11,20</b>	<b>14,70</b>
<i>EBIT Margin</i>	<i>5,5%</i>	<i>6,3%</i>	<i>7,1%</i>	<i>8,2%</i>	<i>9,6%</i>
Financial management	(0,49)	(1,01)	(1,15)	(1,30)	(1,45)
<b>EBT</b>	<b>3,38</b>	<b>4,41</b>	<b>7,45</b>	<b>9,90</b>	<b>13,25</b>
Taxes	1,57	2,51	3,00	4,00	5,30
<b>Net Income</b>	<b>1,81</b>	<b>1,90</b>	<b>4,45</b>	<b>5,90</b>	<b>7,95</b>
<i>Minorities Income</i>	<i>0,30</i>	<i>0,26</i>	<i>0,30</i>	<i>0,30</i>	<i>0,30</i>

CONSOLIDATED BALANCE SHEET (€ /mln)	FY22A	FY23A	FY24E	FY25E	FY26E
<b>Fixed Assets</b>	<b>13,45</b>	<b>21,24</b>	<b>22,50</b>	<b>21,90</b>	<b>21,70</b>
Account receivable	18,49	19,78	33,10	37,40	43,30
Inventories	0,04	0,04	0,05	0,05	0,05
Account payable	26,58	21,02	41,50	46,40	51,00
<b>Operating Working Capital</b>	<b>(8,05)</b>	<b>(1,20)</b>	<b>(8,35)</b>	<b>(8,95)</b>	<b>(7,65)</b>
Other receivable	12,05	15,33	13,10	14,85	16,40
Other payable	10,89	19,17	12,40	13,80	15,00
<b>Net Working Capital</b>	<b>(6,89)</b>	<b>(5,04)</b>	<b>(7,65)</b>	<b>(7,90)</b>	<b>(6,25)</b>
Severance & other provisions	1,13	1,56	1,45	1,50	1,55
<b>NET INVESTED CAPITAL</b>	<b>5,43</b>	<b>14,64</b>	<b>13,40</b>	<b>12,50</b>	<b>13,90</b>
Share capital	9,79	9,79	9,79	9,79	9,79
Reserves	(3,09)	(2,39)	(1,47)	0,85	3,99
Net Income	1,51	1,64	4,15	5,60	7,65
<b>Equity</b>	<b>8,21</b>	<b>9,04</b>	<b>12,46</b>	<b>16,24</b>	<b>21,42</b>
Cash & cash equivalents	18,96	11,43	18,06	21,74	24,52
Financial debt	16,18	17,03	19,00	18,00	17,00
Net Financial Position	(2,78)	5,60	0,94	(3,74)	(7,52)
<b>SOURCES</b>	<b>5,43</b>	<b>14,64</b>	<b>13,40</b>	<b>12,50</b>	<b>13,90</b>

CONSOLIDATED CASH FLOW (€ /mln)	FY23A	FY24E	FY25E	FY26E
EBIT	7,06	8,60	11,20	14,70
Taxes	2,51	3,00	4,00	5,30
<b>NOPAT</b>	<b>4,55</b>	<b>5,60</b>	<b>7,20</b>	<b>9,40</b>
D&A	3,16	3,30	3,30	3,30
Change in NWC	(1,85)	2,61	0,25	(1,65)
Change in receivable	(1,29)	(13,32)	(4,30)	(5,90)
Change in inventories	(0,01)	(0,01)	0,00	0,00
Change in payable	(5,56)	20,48	4,90	4,60
Change in others	5,00	(4,54)	(0,35)	(0,35)
Change in provisions	0,43	(0,11)	0,05	0,05
<b>OPERATING CASH FLOW</b>	<b>6,28</b>	<b>11,40</b>	<b>10,80</b>	<b>11,10</b>
Capex	(10,95)	(4,56)	(2,70)	(3,10)
<b>FREE CASH FLOW</b>	<b>(4,67)</b>	<b>6,84</b>	<b>8,10</b>	<b>8,00</b>
Financial Management	(1,01)	(1,15)	(1,30)	(1,45)
Change in Financial debt	0,84	1,97	(1,00)	(1,00)
Change in equity	(1,07)	(1,02)	(2,13)	(2,76)
<b>FREE CASH FLOW TO EQUITY</b>	<b>(5,90)</b>	<b>6,64</b>	<b>3,67</b>	<b>2,79</b>

Source: Casta Diva Group and Integrae SIM estimates

## Company Overview

Casta Diva Group is a multinational Company listed on Euronext Growth Milan, active in the communication sector with a focus on producing branded content, viral videos, digital content, films, and live music entertainment. The company operates across four continents with offices in 14 cities: Milan, Rome, Sassuolo, London, Prague, Beirut, Istanbul, New York, Los Angeles, Buenos Aires, Montevideo, Cape Town, Dubai, and Riyadh. The Group operates in the market through two business units: Live Communication, represented by the companies G.2 Eventi, Casta Diva Ideas, Genius Progetti, and Blue Note, and Creative Content, through Casta Diva Pictures and the newly acquired Akita Film and E-Motion. Casta Diva Group also acts as a talent hub, engaging Oscar winners and celebrities from around the world while discovering and attracting new creative talents to maintain the highest standards of excellence. Casta Diva Group and its managers have provided innovative and creative communication strategies to over 100 major brands, redefining the rules of conventional communication. Additionally, the Group owns Blue Note Milano, the most renowned jazz club and restaurant in continental Europe, which is part of the international Blue Note network and opened in 2003. It is a leading entity in the global jazz scene, producing over 300 shows annually at its venue on Via Borsieri in Milan, accounting for approximately 26.0% of jazz show revenues in Italy.

# 1H24A Results

TABLE 2 – 1H24A VS 1H23A

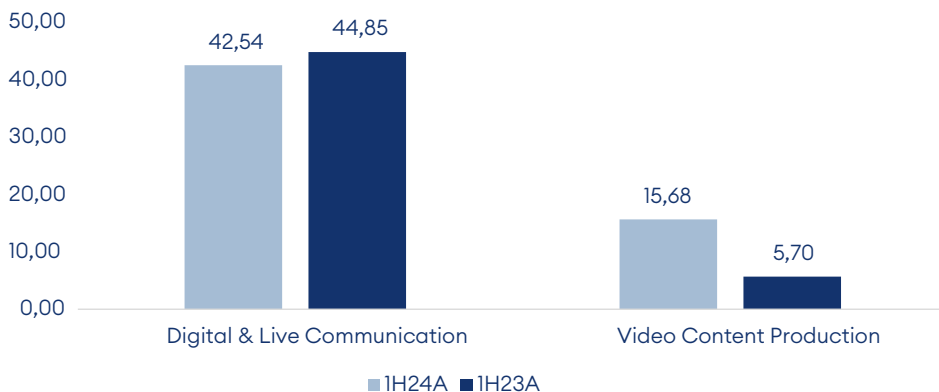
€/mln	VoP	EBITDA Adj.	EBITDA Adj. %	EBIT Adj.	Net Income	NFP
1H24A	58,22	5,10	8,8%	3,90	2,02	12,85
1H23A	50,54	4,10	8,1%	2,82	1,80	5,60*
<i>Change</i>	15,2%	24,3%	0,6%	38,5%	12,6%	n/a

Source: Integrae SIM

In a press release, Andrea De Micheli, President and CEO of Casta Diva Group, commented on the annual results, stating: *“It is very reassuring to see that in the first six months of 2024, CDG has improved all metrics, especially the net profit of € 2 million. As previously communicated, our Group has already secured orders for three-quarters of the annual budget. Casta Diva has approximately 150 active clients, all of them top-tier. CDG’s strategy focuses on consolidating our leadership in the markets where we operate, both in events and video content, through a careful series of acquisitions and the creation of specialized verticals. In the coming years, we aim to increase our market share from the current 10% to 25-30% and become an international leader.”*

In its financial report as of June 30thth, 2024, Casta Diva Group recorded a value of production of € 58.22 million, a significant increase of 15.2% compared to € 50.54 million generated in 1H23A.

CHART1 – REVENUES BREAKDOWN BY BU 1H23A VS 1H24A



Source: Casta Diva Group

The **Video Content Production** area, operating through the subsidiaries Casta Diva Pictures, Akita Film, and the newly acquired E-Motion, generated revenues of € 15.68 million, marking a significant increase compared to € 5.70 million in the first half of 2023 (+175.2% compared to the previous period). This growth is attributed to both organic development and expansion through the acquisition of Akita Film and E-Motion. In particular:

- Casta Diva Pictures, one of the Group's pillars, secured major contracts from top-tier clients such as Rai and Amazon, reaffirming its ability to attract high-profile projects and solidify its position as a leader in audiovisual content production;
- Akita Film, after a more cautious start to the year, made a strong recovery in the second quarter, winning significant contracts from key clients such as SKY, Stellantis, and Acqua San Benedetto. This demonstrates its flexibility in responding to market demands and its capability to manage large-scale projects in the automotive and entertainment sectors;
- E-Motion, recently acquired, played a crucial role by integrating the production needs of the Group's other companies, proving to be an essential link in the production chain, particularly for industrial videos, events, and social media. In these sectors, its expertise has been particularly valuable.

The **Digital & Live Communication** area, managed by the subsidiaries Casta Diva Ideas (merged into G2 Eventi in June 2024) and Genius Progetti, as well as partially by Blue Note, recorded revenues of € 42.54 million, a slight decrease compared to € 44.85 million in the first half of 2023. This decline is primarily due to a different distribution of orders between the first and second halves of 2024. Specifically:

- G2 Eventi, merged with Casta Diva Ideas, had a positive semester, participating in major projects such as the bid for organizing the closing ceremony of the Milano Cortina 2026 Paralympics, an internationally prestigious event that reflects the division's high level of expertise and professionalism;
- Genius Progetti, despite experiencing a slight decline, offset this with a major strategic success: it secured a three-year contract for managing promotional events across Europe and the UK. This guarantees a stable and planned workflow until 2027, further strengthening its position in the international promotional events market;
- Lastly, Blue Note, the iconic jazz club within the Group, continued to achieve outstanding results, surpassing its previous audience records. Its programming successfully attracted both longtime jazz enthusiasts and a new audience, contributing to the rejuvenation and expansion of its customer base.

The value of production for the first half of 2024 is particularly significant when considered alongside the backlog recorded as of June 30th, 2024, which stands at € 34.20 million. As of 1H24A, consolidated value of production saw a 15.2% increase compared to the same period of the previous year, rising from € 50.54 million to € 58.22 million. The combined value of production and the order portfolio as of June 30th, 2024, amounts to € 92.42 million, representing

76.3% of the estimated full-year value of production for 2024 in our previous report, and 76.6% of the budget projected for the current year in the 2023-2025 Development Plan published by the Group in December 2024. This data shows that the Group has already covered more than three-quarters of its annual target, confirming its ability to consistently generate business and move steadily toward achieving its goals for the current year.

The EBITDA for the semester is positive, amounting to € 3.66 million, reflecting a slight increase (+5.6%) compared to 1H23A, with an EBITDA margin of 6.3%, a slight decrease from 6.8% as of June 30th, 2023.

Adjusted EBITDA, calculated net of non-recurring components amounting to € 1.45 million in 1H24A (mainly related to non-recurring expenses such as due diligence, legal fees, year-end bonuses, and activities aimed at optimizing structural costs), stands at € 5.10 million as of June 30th, 2024. This corresponds to a margin of 8.8%, an increase compared to the € 4.10 million recorded at the end of the first half of 2023 (Adjusted EBITDA margin of 8.1%), which included extraordinary components of € 0.64 million.

EBIT, after depreciation and amortization of € 1.20 million, amounts to € 2.46 million, improving compared to the € 2.18 million reported as of June 30th, 2023.

Adjusted EBIT stands at € 3.90 million, corresponding to a margin of 6.7%, up from € 2.82 million in 1H23A, representing an Adjusted EBIT margin of 5.6%.

Net income is also positive, amounting to € 2.02 million, marking a growth (+12.6%) compared to the equivalent figure for 1H23A of € 1.80 million.

Regarding the balance sheet, the NFP for the first half of 2024 stands at € 12.85 million, reflecting a deterioration compared to € 5.60 million in the same period of 2023. This worsening is mainly attributable to the payment of financial installments related to recent acquisitions (Akita Film with Akita Off and E-Motion), as well as an increase in trade receivables, largely linked to significant contracts with public administration entities. Although these contracts carry practically no collection risk, they are characterized by longer payment terms. The deterioration of the NFP during the first half is therefore primarily due to the postponement of expected June collections to July, resulting in a temporary impact on the Group's cash flows.

The Group's growth strategy, characterized by targeted M&A operations and diversification of its offering—from advertising to live events, concerts, and festivals—has enabled Casta Diva to grow successfully and attract increasing recognition from both clients and competitors, some of whom see opportunities for consolidation with the Group.

M&A activity remains central to the Group's Development Plan. Following the closing of the acquisition of 70% of the Genoa-based production company E-Motion Srl, specializing in corporate videos, the Group continues its scouting for potential target companies in the second half of the year. The management's ability to turn the post-Covid crisis into an opportunity to reassess the business model and focus on growth through acquisitions has proven to be a winning choice, transforming the Group into a true buy & build platform in the communications sector and

strengthening its position as a market leader.

In the early months of the second half of 2024, Casta Diva Group began reaping the rewards of its diversification strategy by announcing its entry into the strategic pharma segment. In September 2024, the company appointed Alessandro Scattolin as the director of the new Pharma division within its subsidiary G2 Eventi, alongside Alessandro Capasso and Silvia Pellò. Scattolin brings over 20 years of experience in organizing events for major pharmaceutical companies such as AstraZeneca, Novartis, and Roche. Simultaneously, Casta Diva Group signed a letter of intent to acquire 100% of a company that has been active for over 20 years in the organization of medical-scientific events, with a revenue of € 7.40 million in 2023. This acquisition, expected to close by the end of the year, will further strengthen the Group's presence in this promising market.

In a press release on September 24th, 2024, President and CEO Andrea De Micheli emphasized how this step represents a strategic asset for the Group, allowing it to add significant volume to its current business. Entering the medical conference sector is one of the new areas of live communication identified in the Group's growth strategy.

Additionally, in October 2024, Casta Diva Group further expanded its order book by winning a major three-year contract with a renowned Italian automotive company through its subsidiary Genius Progetti, a company specializing in the creation and organization of events for major luxury brands. The estimated value of the contract is approximately € 70.0 million over three years, with € 27.0 million already allocated for 2025. The contract includes activities such as general management, marketing strategy planning, designing tailor-made experiences, developing entertainment concepts, and managing concierge services for clients in various formats across Europe.

In conclusion, the Group looks to the future with a positive outlook, supported by steady and solid growth that has characterized its development over the years. The strategy focuses on strengthening leadership in its key markets through significant international expansion, diversification of its offering, and targeted acquisitions. With a portfolio of around 150 top-tier clients, the Group aims to increase its market share from the current 10.0% to 25.0-30.0%, with the goal of becoming one of the leading players in the global communications industry.



## FY24E – FY26E Estimates

TABLE 3 – ESTIMATES UPDATES FY24E-26E

€/mln	FY24E	FY25E	FY26E
<b>VoP</b>			
New	121,10	136,40	153,60
Old	121,10	136,40	153,60
Change	0,0%	0,0%	0,0%
<b>EBITDA</b>			
New	11,90	14,50	18,00
Old	11,90	14,50	18,00
Change	0,0%	0,0%	0,0%
<b>EBITDA %</b>			
New	9,8%	10,6%	11,7%
Old	9,8%	10,6%	11,7%
Change	0,0%	0,0%	0,0%
<b>EBIT</b>			
New	8,60	11,20	14,70
Old	8,60	11,20	14,70
Change	0,0%	0,0%	0,0%
<b>Net Income</b>			
New	4,45	5,90	7,95
Old	4,45	5,90	7,95
Change	0,0%	0,0%	0,0%
<b>NFP</b>			
New	0,94	(3,74)	(7,52)
Old	0,94	(3,74)	(7,52)
Change	n/a	n/a	n/a

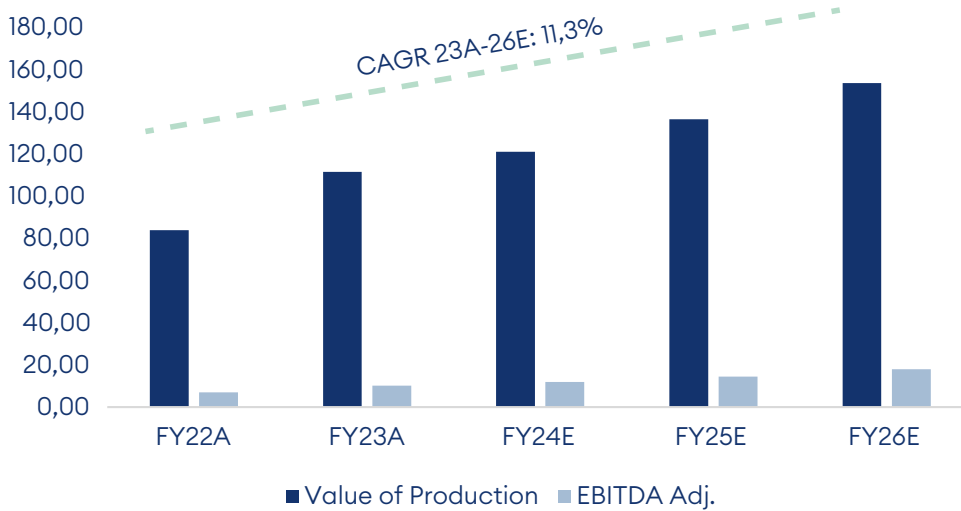
Source: Integrae SIM

In light of the results published in the interim report for 1H24A, we fully confirm our estimates for both the current year and the coming years.

Specifically, we estimate a value of production for FY24E of € 121.10 million and an EBITDA of € 11.90 million, corresponding to a margin of 9.8%. For the following years, we expect the value of production to increase to € 153.60 million by FY26E (CAGR 23A-26E: 11.3%), with EBITDA reaching € 18.00 million (corresponding to a margin of 11.7%), up from € 8.57 million in FY23A (corresponding to an EBITDA margin of 7.7%).

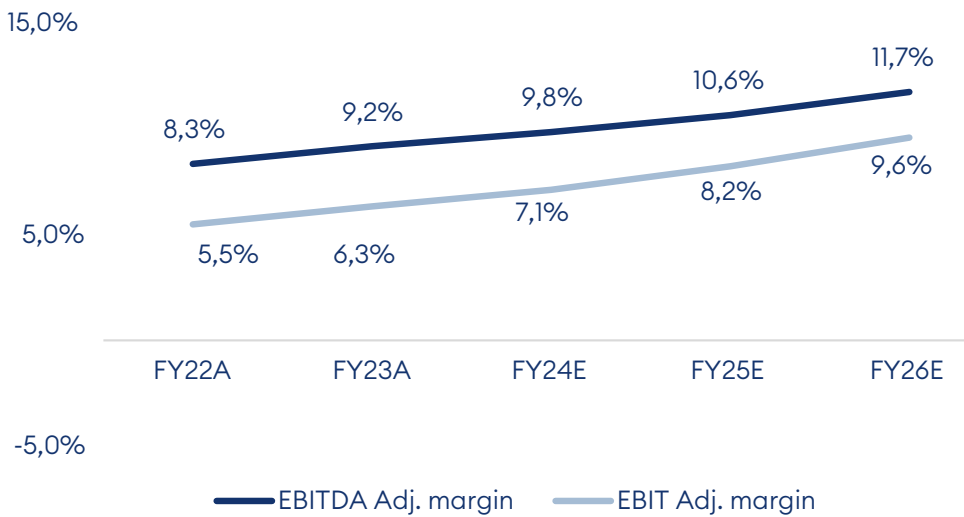
From a balance sheet perspective, we estimate a cash-positive NFP of € 7.52 million for FY26E.

CHART 3 – REVENUES AND EBITDA FY22A-26E



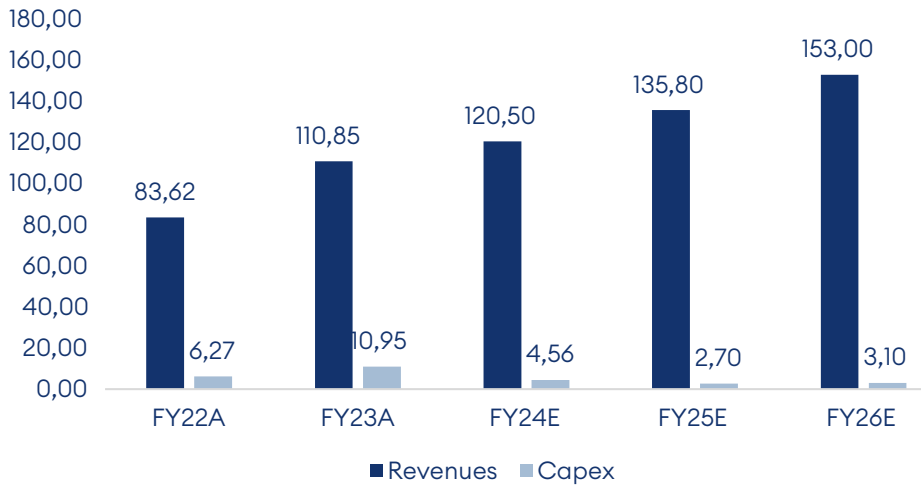
Source: Integrae SIM

CHART 4 – MARGIN FY22A-26E



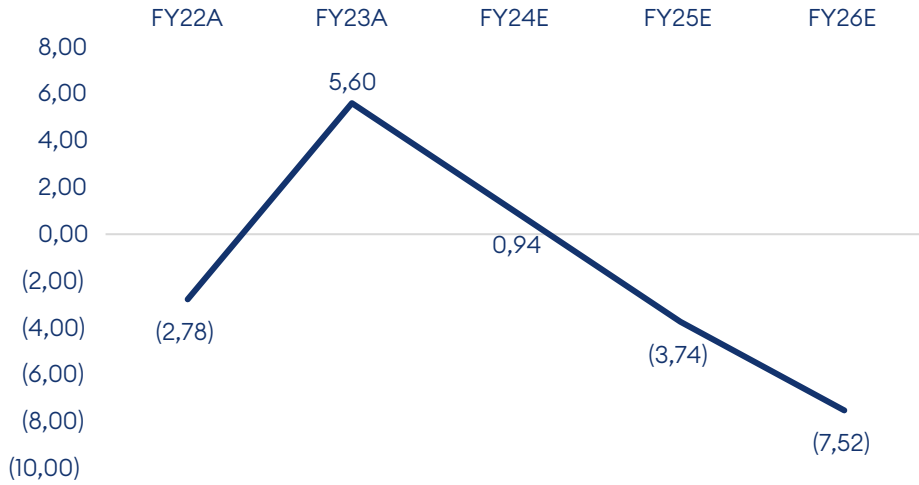
Source: Integrae SIM

CHART 5 – CAPEX FY22A-26E



Source: Integrae SIM

CHART 6 – NFP FY22A-26E



Source: Integrae SIM

# Valuation

We conducted the equity value assessment of Casta Diva Group based on the DCF methodology and the multiples of a sample of comparable companies.

## DCF Method

TABLE 4 – WACC

WACC				7,60%
D/E 81,82%	Risk Free Rate 2,74%	$\beta$ Adjusted 1,0	$\alpha$ (specific risk) 2,50%	
$K_d$ 3,00%	Market Premium 6,80%	$\beta$ Relevered 1,0	$K_e$ 12,05%	

Source: Integrae SIM

For prudential purposes, we included a specific risk of 2.5%, resulting in a WACC of 7.60%.

TABLE 5 – DCF VALUATION

DCF		% of EV
FCFO actualized	17,7	23,6%
TV actualized DCF	57,3	76,4%
<b>Enterprise Value</b>	<b>75,0</b>	<b>100,0%</b>
NFP (FY23A)	5,6	
<b>Equity Value</b>	<b>69,4</b>	

Source: Integrae SIM

With the above data and using our estimates and assumptions as a reference, the resulting **equity value is € 69.4 million.**

TABLE 6 – EQUITY VALUE – SENSITIVITY ANALYSIS

€/mln	Growth Rate (g)	WACC						
		6,1%	6,6%	7,1%	7,6%	8,1%	8,6%	9,1%
	3,0%	128,9	111,5	98,4	88,0	79,7	72,8	67,0
	2,5%	112,8	99,5	89,0	80,6	73,6	67,8	62,8
	2,0%	100,6	90,0	81,5	74,5	68,6	63,5	59,2
	1,5%	91,0	82,4	75,3	69,4	64,3	59,9	56,1
	1,0%	83,4	76,2	70,2	65,0	60,6	56,7	53,3
	0,5%	77,1	71,0	65,8	61,3	57,4	53,9	50,9
	0,0%	71,8	66,6	62,0	58,1	54,6	51,5	48,7

Source: Integrae SIM

## Market multiples

Our panels consist of companies operating in the same sector as Casta Diva Group. These companies are the same ones used for the calculation of the Beta for the DCF method. The panels are composed of:

TABLE 7.1 – MARKET MULTIPLES LIVE COMMUNICATION

Company Name	EV/EBITDA			EV/EBIT			P/E		
	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E
Publicis Groupe SA	8,9 x	8,5 x	8,1 x	11,1 x	10,5 x	10,0 x	13,4 x	12,6 x	12,0 x
Viad Corp	9,3 x	8,6 x	8,0 x	14,6 x	12,2 x	11,6 x	53,6 x	27,7 x	21,6 x
GL Events SA	6,9 x	6,7 x	6,5 x	11,2 x	10,9 x	10,6 x	7,7 x	7,6 x	7,1 x
Fiera Milano SpA	7,5 x	4,7 x	6,0 x	25,9 x	8,8 x	14,5 x	24,8 x	6,0 x	11,0 x
Interpublic Group of Companies, Inc.	8,5 x	8,6 x	8,1 x	10,0 x	10,0 x	9,6 x	10,9 x	10,8 x	10,2 x
WPP Plc	6,9 x	6,9 x	6,7 x	8,1 x	8,0 x	7,7 x	8,8 x	8,5 x	8,0 x
<b>Peer median</b>	<b>8,0 x</b>	<b>7,7 x</b>	<b>7,3 x</b>	<b>11,1 x</b>	<b>10,2 x</b>	<b>10,3 x</b>	<b>12,2 x</b>	<b>9,7 x</b>	<b>10,6 x</b>

Source: Infiniti

TABLE 7.2 – MARKET MULTIPLES VIDEO CONTENT PRODUCTION

Company Name	EV/EBITDA			EV/EBIT			P/E		
	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E
Leone Film Group SpA	2,4 x	1,9 x	n/a	16,2 x	12,9 x	n/a	0,5 x	0,5 x	n/a
Lucisano Media Group S.p.A.	1,6 x	1,5 x	n/a	5,4 x	5,5 x	n/a	0,2 x	0,2 x	n/a
Mission Group Public Limited Company	3,8 x	3,5 x	n/a	5,4 x	4,8 x	n/a	n/a	n/a	n/a
M&C Saatchi plc	6,2 x	5,7 x	5,3 x	7,8 x	6,8 x	6,4 x	6,6 x	3,9 x	2,7 x
Zinc Media Group plc	6,5 x	6,0 x	n/a	13,4 x	11,0 x	n/a	2,4 x	2,2 x	n/a
<b>Peer median</b>	<b>3,8 x</b>	<b>3,5 x</b>	<b>5,3 x</b>	<b>7,8 x</b>	<b>6,8 x</b>	<b>6,4 x</b>	<b>1,4 x</b>	<b>1,3 x</b>	<b>2,7 x</b>

Source: Infiniti

TABLE 8 – MARKET MULTIPLES VALUATION

€/mln	FY24E	FY25E	FY26E
<b>Enterprise Value (EV)</b>			
EV/EBITDA	70,2	80,8	114,2
EV/EBIT	81,3	95,5	122,3
P/E	30,2	32,5	52,9
<b>Enterprise Value post 25% discount</b>			
EV/EBITDA	52,6	60,6	85,6
EV/EBIT	60,9	71,7	91,7
P/E	22,7	24,3	39,6
<b>Equity Value</b>			
EV/EBITDA	51,7	64,3	93,2
EV/EBIT	60,0	75,4	99,3
P/E	22,7	24,3	39,6
<b>Average</b>	<b>44,8</b>	<b>54,7</b>	<b>77,4</b>

Source: Integrae SIM

The equity value of Casta Diva Group was calculated using the market multiples EV/EBITDA, EV/EBIT, and P/E. After applying a 25.0% discount, the resulting **equity value is € 58.9 million.**

# Equity Value

TABLE 9 – EQUITY VALUE

Average Equity Value (€ /mln)	64,2
Equity Value DCF (€ /mln)	69,4
Equity Value multiples (€ /mln)	58,9
<b>Target Price (€)</b>	<b>3,20</b>

Source: Integrae SIM

This results in an average equity value of approximately € 64.2 million. **The target price is therefore € 3.20 (unchanged). We confirm the BUY rating and MEDIUM risk.**

TABLE 10 – TARGET PRICE IMPLIED VALUATION MULTIPLES

Multiples	FY23A	FY24E	FY25E	FY26E
EV/EBITDA	8,1x	5,9x	4,8x	3,9x
EV/EBIT	9,9x	8,1x	6,2x	4,7x
P/E	33,7x	14,4x	10,9x	8,1x

Source: Integrae SIM

TABLE 11 – CURRENT PRICE IMPLIED VALUATION MULTIPLES

Main Ratios	FY23A	FY24E	FY25E	FY26E
EV/EBITDA	3,8x	2,7x	2,2x	1,8x
EV/EBIT	5,9x	3,7x	2,9x	2,2x
P/E	14,0x	6,0x	4,5x	3,3x

Source: Integrae SIM

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24/06/2024	1,42	Buy	3,20	Medium	Update
19/07/2024	1,49	Buy	3,20	Medium	Breaking News

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Upside Potential (for different risk categories)			
Rating	Low Risk	Medium Risk	High Risk
BUY	Upside $\geq$ 7.5%	Upside $\geq$ 10.0%	Upside $\geq$ 15.0%
HOLD	-5.0% < Upside < 7.5%	-5.0% < Upside < 10%	0% < Upside < 15.0%
SELL	Upside $\leq$ -5.0%	Upside $\leq$ -5.0%	Upside $\leq$ 0%
U.R.	Under Review		
N.R.	Not Rated		

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