

EQUITY RESEARCH

CASTA DIVA GROUP S.P.A

RESULTS REVIEW

HOLD

TP 3.00€

Up/Downside: -6%

Reassuring H1, but Reduced Visibility on H2

Casta Diva's H1 2026 was in line with our expectations: value of production of €66.0m (+11.1%) and adjusted EBITDA of €6.3m (+11.4%). Reported EBITDA rose 18%, and the margin improved thanks to the consolidation of Prodea. However, management warned that the 2023–26 plan no longer reflects expected performance because Gulf orders have been delayed. We cut our 2026–27 revenue and EBITDA estimates.

Growth driven by scope. Revenue rose to €63.4m (+8.2%), driven by Digital & Live Communication at €53.4m (+20.3%). This division benefited mainly from consolidating the Prodea business unit, acquired at the start of the year. That unit generated €11.9m of revenue in 2024, so organic growth looks more modest. Video Content fell to €12.6m (–16%), which the company attributes to a different production schedule.

Margins: the bright spot of the half. Reported EBITDA reached €4.8m (+18.2%), a 7.2% margin (6.7% in H1 2025). The adjusted margin was broadly stable at 9.5%, after €1.5m of non-recurring adjustments. Prodea's margin profile helped (2024 EBITDA of €2.2m, a margin of ~18%), as did early integration synergies. Group net income rose to €2.3m (+11.3%), also helped by an almost zero tax charge.

Higher debt due to investments. Net debt rose to €16.7m (€8.7m at end-2025). This reflects the Prodea acquisition (EV of €3.35m, plus related working capital) and the purchase of the Blue Note building.

H2: a warning that weighs. According to the company, the 2023–26 plan no longer reflects expected performance for the year. Commercial activity in the Gulf has stalled. This has pushed back orders expected in H2 and cut their expected contribution to revenue and margins. The company did not quantify the impact and will present a new strategic plan in the coming months. The order backlog stood at €37.5m at end-June. With no guidance, we assume *low single-digit* growth in H2. We therefore lower our revenue estimates and EBITDA estimates as follows: 2026E revenue: €144.3m (–7% vs previous estimate); 2027E revenue: €150.0m (–5% vs previous estimate); 2026E EBITDA: €10.6m (–10% vs previous estimate); 2027E EBITDA: €13.7m (–4% vs previous estimate)

Given the lack of visibility on the year, we reiterate our HOLD rating until the new strategic plan is released. The outcome of the search for targets should also be watched for potential M&A. Our TP is unchanged at €3.0.

Key data

Price (€)	3.2
Industry	Advertising/Marketing Services
Ticker	CDG-IT
Shares Out (m)	20.045
Market Cap (m €)	64.1
Average trading volumes (k shares / day)	85.336
Next event	H1 2026 - 30/09/2026

Source: FactSet

Ownership (%)

Reload S.p.A.	47.2
Alkemia	9.8
Alberto Previtali	5.8
Free float	37.3

Source: TPICAP Midcap estimates

EPS (€)	12/26e	12/27e	12/28e
Estimates	0.14	0.26	0.29
Change vs previous estimates (%)	-29.83	-5.98	-5.80

Source: TPICAP Midcap estimates

Performance (%)	1D	1M	YTD
Price Perf	-1.5	3.6	69.3
Rel FTSE Italy	-0.7	6.0	49.2



Source: FactSet

TP ICAP Midcap Estimates	12/25	12/26e	12/27e	12/28e	Valuation Ratio	12/26e	12/27e	12/28e
Sales (m €)	132.9	144.3	150.0	155.2	EV/Sales	0.6	0.5	0.4
Current Op Inc (m €)	5.1	6.4	9.1	10.0	EV/EBITDA	7.7	5.3	4.4
Current op. Margin (%)	3.8	4.4	6.1	6.4	EV/EBIT	12.8	8.0	6.4
EPS (€)	0.03	0.14	0.26	0.29	PE	22.1	12.3	11.0
DPS (€)	0.00	0.00	0.00	0.00	Source: TPICAP Midcap			
Yield (%)	0.0	0.0	0.0	0.0				
FCF (m €)	0.9	2.4	8.0	8.9				

Consensus FactSet - Analysts:4	12/26e	12/27e	12/28e
Sales	152.1	159.3	166.3
EBIT	8.3	10.4	12.2
Net income	3.7	5.2	6.2

Analyst

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FINANCIAL DATA

Income Statement	12/23	12/24	12/25	12/26e	12/27e	12/28e
Sales	111.5	121.9	132.9	144.3	150.0	155.2
Changes (%)	33.3	9.3	9.0	8.6	3.9	3.5
Gross profit	19.1	20.8	20.8	26.8	28.0	30.7
% of Sales	17.1	17.1	15.7	18.6	18.6	19.7
EBITDA	10.3	7.6	8.7	10.6	13.7	14.7
% of Sales	9.2	6.2	6.5	7.3	9.1	9.4
Current operating profit	7.1	3.9	5.1	6.4	9.1	10.0
% of Sales	6.4	3.2	3.8	4.4	6.1	6.4
Non-recurring items	-0.0	-0.0	0.0	0.0	0.0	0.0
EBIT	7.1	3.9	5.1	6.4	9.1	10.0
Net financial result	-1.0	-1.5	-2.1	-2.0	-1.3	-1.2
Income Tax	-2.5	-2.7	-2.3	-1.3	-2.4	-2.7
Net profit, group share	3.9	-0.2	0.7	3.0	5.4	6.0
EPS	0.08	0.05	0.03	0.14	0.26	0.29
Financial Statement	12/23	12/24	12/25	12/26e	12/27e	12/28e
Goodwill	16.2	16.2	16.5	19.8	19.8	19.8
Tangible and intangible assets	4.6	5.5	10.6	9.5	9.4	8.6
Right of Use	0.0	0.0	-0.0	-0.0	-0.0	-0.0
Financial assets	0.4	2.4	0.4	0.4	0.4	0.4
Working capital	-0.6	11.9	10.9	12.6	10.1	8.0
Other Assets	3.1	3.7	1.3	1.3	1.3	1.3
Assets	23.7	39.7	39.7	43.6	41.0	38.1
Shareholders equity group	8.7	9.8	11.1	14.1	19.4	25.5
Minorities	0.4	0.5	0.4	0.4	0.4	0.4
LT & ST provisions and others	0.0	0.4	1.4	1.4	1.4	1.4
Net debt	5.6	16.2	16.4	17.0	9.0	0.1
Other liabilities	4.5	7.2	4.5	4.9	4.9	4.9
Liabilities	23.7	39.7	39.7	43.7	41.0	38.2
Net debt excl. IFRS 16	5.6	16.2	16.4	17.0	9.0	0.1
Gearing net	0.6	1.6	1.4	1.2	0.5	0.0
Leverage	0.5	2.1	1.9	1.6	0.7	0.0
Cash flow statement	12/23	12/24	12/25	12/26e	12/27e	12/28e
CF after elimination of net borrowing costs and taxes	5.2	5.1	6.3	7.2	10.0	10.7
Δ WCR	-3.7	-4.8	0.1	-1.8	2.6	2.0
Operating cash flow	1.5	0.4	6.4	5.5	12.5	12.8
Net capex	-11.3	-5.6	-5.4	-3.1	-4.5	-3.9
FCF	-9.8	-5.3	0.9	2.4	8.0	8.9
Acquisitions/Disposals of subsidiaries	0.0	0.0	0.0	0.0	0.0	0.0
Other investments	-0.7	-0.2	0.1	-3.0	0.0	0.0
Change in borrowings	2.7	9.1	6.3	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	0.6	0.1	0.6	0.0	0.0	0.0
Change in net cash over the year	-6.8	3.3	8.3	-0.6	8.0	8.9
ROA (%)	2.4%	1.1%	0.7%	2.8%	4.7%	4.9%
ROE (%)	18.1%	9.1%	6.2%	20.7%	27.1%	23.3%
ROCE (%)	10.8%	4.7%	9.6%	11.7%	18.1%	21.5%

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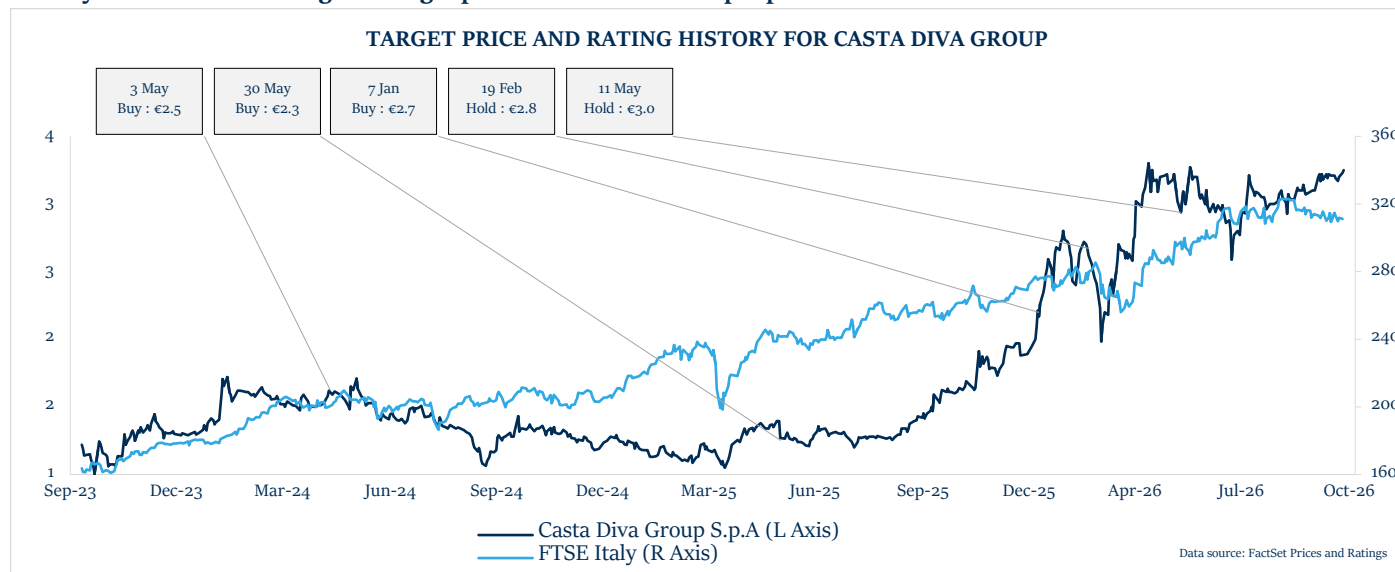
Methodology

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 Jul 26 - 16:13:20	Alessio Olmi	€ 3.00	€ 3.00	€ 3.09	Hold	Hold
08 Jun 26 - 08:10:01	Alessio Olmi	€ 3.00	€ 3.00	€ 2.94	Hold	Hold
10 May 26 - 10:54:32	Alessio Olmi	€ 2.80	€ 3.00	€ 3.02	Hold	Hold
16 Apr 26 - 08:20:24	Alessio Olmi	€ 2.80	€ 2.80	€ 3.09	Hold	Hold
19 Feb 26 - 08:14:18	Alessio Olmi	NA	€ 2.80	€ 2.70	NA	Hold
06 Jan 26 - 18:09:25	Alessio Olmi	€ 2.30	€ 2.70	€ 2.00	Buy	Buy
20 Nov 25 - 08:22:00	Alessio Olmi	€ 2.30	€ 2.30	€ 1.79	Buy	Buy
16 Oct 25 - 08:18:40	Alessio Olmi	€ 2.30	€ 2.30	€ 1.59	Buy	Buy
01 Oct 25 - 08:11:57	Alessio Olmi	€ 2.30	€ 2.30	€ 1.45	Buy	Buy

Distribution of Investment Ratings

Rating	Recommendation Universe*	Portion of these provided with investment banking services**
Buy	69%	77%
Hold	23%	59%
Sell	4%	33%
Under review	4%	86%

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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