

## EQUITY RESEARCH

**CASTA DIVA GROUP S.P.A**  
 RESULTS REVIEW

**HOLD (vs BUY)**  
**TP 2.80€ (vs 2.70€)**  
 Up/Downside: 4%

**Confirmed growth, fair valuation, awaiting new catalysts**

Casta Diva Group reported 2025 revenues of €134.9m, perfectly in line with our estimates (€135.2m) and slightly below the target set in the industrial plan (€136m). The fiscal year thus closes with an overall solid performance, marked by +9.6% growth and a significant rerating of the stock, which has gained more than 70% over the past three months. At this stage, the valuation now appears more balanced relative to the expected growth profile.

On a quarterly basis, the group benefited from a particularly strong Q3 (+47% YoY), which helped offset a slightly softer first half. Q4, while solid in absolute terms (around €40m), came in slightly below our expectations in terms of organic growth (-1.6% YoY). This slowdown contributes to a picture of normalization following the strong rebound seen during the summer. Since our estimates – which already factor in the contribution from Prodea – remain broadly unchanged, we view the 2025 performance as consistent with the medium-term trajectory, without providing immediate catalysts for revision.

At current levels, the stock is trading at around 8.5x-7.7x 2026-27 earnings, multiples we still consider attractive from a medium-term perspective and aligned with the group's growth profile. That said, we believe that the full valuation potential could be better understood and reflected in an environment of higher operational visibility, particularly regarding the integration of Prodea and the evolution of the order backlog over the coming quarters.

In the absence of visibility on potential M&A activity or short-term catalysts, and with the shares—after the recent rally—having now reached our target price and appearing fairly valued, we downgrade our recommendation to HOLD, while raising our target price from €2.7 to €2.8 following the update of our valuation parameters.

We nevertheless remain clearly constructive on the group's underlying momentum and on the upcoming integration of Prodea's Events business. We will reassess our estimates ahead of the Q1 2026 and FY 2025 releases, once we have better visibility on the operational impact of the integration, potential external growth initiatives, and more precise information regarding the margin trajectory.

**Key data**

Price (€)	2.7
Industry	Advertising/Marketing Services
Ticker	CDG-IT
Shares Out (m)	20.045
Market Cap (m €)	54.1
Average trading volumes (k shares / day)	194.000
Next event	Q1 2025 - 15/04/2026

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 (€)	12/25e	12/26e	12/27e
Estimates	0.14	0.32	0.35
Change vs previous estimates (%)	1.05	-0.21	-0.50

Source: TPICAP Midcap estimates

Performance (%)	1D	1M	YTD
Price Perf	-0.4	4.2	42.9
Rel FTSE Italy	-1.6	3.6	39.4



Source: FactSet

TP ICAP Midcap Estimates	12/24	12/25e	12/26e	12/27e	Valuation Ratio	12/25e	12/26e	12/27e
Sales (m €)	121.9	134.9	157.3	163.4	EV/Sales	0.5	0.4	0.3
Current Op Inc (m €)	3.9	8.3	11.0	11.7	EV/EBITDA	5.3	4.2	3.4
Current op. Margin (%)	3.2	6.2	7.0	7.1	EV/EBIT	8.1	5.8	4.7
EPS (€)	0.09	0.14	0.32	0.35	PE	19.5	8.5	7.7
DPS (€)	0.00	0.00	0.00	0.00				
Yield (%)	0.0	0.0	0.0	0.0				
FCF (m €)	-5.3	3.2	6.4	8.4				

Source: TPICAP Midcap

Consensus FactSet - Analysts:4	12/25e	12/26e	12/27e
Sales	135.0	155.8	163.5
EBIT	7.8	11.2	13.2
Net income	3.0	5.7	7.3

**Analyst**

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## FINANCIAL DATA

<b>Income Statement</b>	<b>12/22</b>	<b>12/23</b>	<b>12/24</b>	<b>12/25e</b>	<b>12/26e</b>	<b>12/27e</b>
Sales	83.6	111.5	121.9	134.9	157.3	163.4
Changes (%)	209.8	33.3	9.3	10.7	16.6	3.9
Gross profit	14.6	19.1	20.8	25.9	29.2	30.5
% of Sales	17.4	17.1	17.1	19.2	18.6	18.6
<b>EBITDA</b>	<b>8.3</b>	<b>10.3</b>	<b>7.6</b>	<b>12.6</b>	<b>15.2</b>	<b>16.3</b>
% of Sales	9.9	9.2	6.2	9.4	9.7	9.9
<b>Current operating profit</b>	<b>5.9</b>	<b>7.1</b>	<b>3.9</b>	<b>8.3</b>	<b>11.0</b>	<b>11.7</b>
% of Sales	7.1	6.4	3.2	6.2	7.0	7.1
Non-recurring items	-0.6	-0.0	-0.0	0.0	0.0	0.0
EBIT	5.3	7.1	3.9	8.3	11.0	11.7
Net financial result	-0.5	-1.0	-1.5	-1.1	-1.1	-1.1
Income Tax	-1.6	-2.5	-1.9	-1.9	-2.9	-3.3
<b>Net profit, group share</b>	<b>3.6</b>	<b>3.9</b>	<b>0.6</b>	<b>5.3</b>	<b>6.9</b>	<b>7.3</b>
EPS	0.08	0.08	0.09	0.14	0.32	0.35
<b>Financial Statement</b>	<b>12/22</b>	<b>12/23</b>	<b>12/24</b>	<b>12/25e</b>	<b>12/26e</b>	<b>12/27e</b>
Goodwill	7.4	16.2	16.2	16.2	19.6	19.6
Tangible and intangible assets	5.2	4.6	5.5	5.6	6.4	6.7
Right of Use	0.0	0.0	0.0	0.0	0.0	0.0
Financial assets	0.8	0.4	2.4	2.4	2.4	2.4
Working capital	-2.1	-0.6	11.9	12.6	11.9	10.5
Other Assets	2.7	3.1	3.7	3.7	3.7	3.7
<b>Assets</b>	<b>14.1</b>	<b>23.7</b>	<b>39.7</b>	<b>40.5</b>	<b>43.9</b>	<b>42.8</b>
Shareholders equity group	7.8	8.7	10.7	13.6	20.1	27.4
Minorities	0.7	0.4	0.5	0.5	0.5	0.5
LT & ST provisions and others	0.4	0.0	0.4	0.4	0.4	0.4
Net debt	-1.6	5.6	16.3	13.1	9.7	1.3
Other liabilities	3.0	4.5	6.2	7.4	7.7	7.7
<b>Liabilities</b>	<b>14.1</b>	<b>23.7</b>	<b>39.7</b>	<b>40.5</b>	<b>43.9</b>	<b>42.8</b>
Net debt excl. IFRS 16	-1.6	5.6	16.3	13.1	9.7	1.3
Gearing net	-0.2	0.6	1.5	0.9	0.5	0.0
Leverage	-0.2	0.5	2.2	1.0	0.6	0.1
<b>Cash flow statement</b>	<b>12/22</b>	<b>12/23</b>	<b>12/24</b>	<b>12/25e</b>	<b>12/26e</b>	<b>12/27e</b>
CF after elimination of net borrowing costs and taxes	4.3	5.2	5.1	7.2	10.8	11.8
$\Delta$ WCR	7.4	-3.7	-4.8	0.4	0.7	1.4
Operating cash flow	11.7	1.5	0.4	7.5	11.5	13.3
Net capex	-6.3	-11.3	-5.6	-4.3	-5.0	-4.9
FCF	5.4	-9.8	-5.3	3.2	6.4	8.4
Acquisitions/Disposals of subsidiaries	0.0	0.0	0.0	0.0	0.0	0.0
Other investments	-0.1	-0.7	-0.2	0.0	-3.0	0.0
Change in borrowings	8.9	2.7	9.1	15.0	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	0.1	0.6	0.1	0.0	0.0	0.0
Change in net cash over the year	14.4	-6.8	3.3	18.2	3.4	8.4
ROA (%)	2.4%	2.4%	2.2%	2.8%	5.6%	5.8%
ROE (%)	17.8%	18.1%	16.2%	20.4%	31.9%	26.1%
ROCE (%)	21.8%	10.8%	8.9%	12.3%	22.9%	26.2%

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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.

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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
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
17 Jul 25 - 08:02:40	Alessio Olmi	€ 2.30	€ 2.30	€ 1.32	Buy	Buy
16 Jul 25 - 08:07:25	Alessio Olmi	€ 2.30	€ 2.30	€ 1.31	Buy	Buy
30 Jun 25 - 08:25:15	Alessio Olmi	€ 2.30	€ 2.30	€ 1.29	Buy	Buy
30 May 25 - 08:15:54	Alessio Olmi	€ 2.50	€ 2.30	€ 1.27	Buy	Buy
18 May 25 - 20:15:20	Alessio Olmi	€ 2.50	€ 2.50	€ 1.34	Buy	Buy
16 Apr 25 - 08:24:34	Alessio Olmi	€ 2.50	€ 2.50	€ 1.14	Buy	Buy
19 Feb 25 - 08:05:56	Alessio Olmi	€ 2.50	€ 2.50	€ 1.19	Buy	Buy

**Distribution of Investment Ratings**

Rating	Recommendation Universe*	Portion of these provided with investment banking services**
Buy	75%	72%
Hold	17%	61%
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.

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