

SG COMPANY

BUY

Sector: Media

Price: Eu0.29 - Target: Eu0.45

Solid 1H25 a Fair Reward for Consistent Efforts

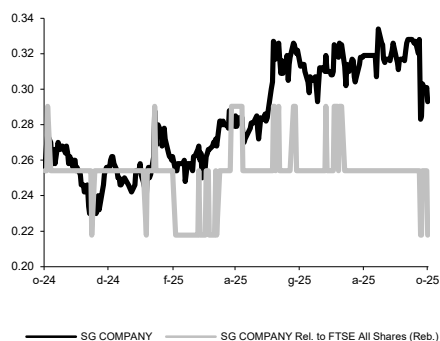
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Stock Rating			
Rating:	Unchanged		
Target Price (Eu):	Unchanged		
	2025E	2026E	2027E
Chg in Adj EPS	-26.8%	18.2%	0.4%

Next Event

3Q25 Turnover due out on October 15th

SG COMPANY - 12M Performance



Stock Data			
Reuters code:	SGCO.MI		
Bloomberg code:	SGC IM		
Performance	1M	3M	12M
Absolute	-7.9%	-4.9%	15.4%
Relative	-12.1%	-13.0%	-13.3%
12M (H/L)	0.33/0.23		
3M Average Volume (th):	86.78		

Shareholder Data	
No. of Ord shares (mn):	37
Total no. of shares (mn):	39
Mkt Cap Ord (Eu mn):	11
Total Mkt Cap (Eu mn):	11
Mkt Float - Ord (Eu mn):	6
Mkt Float (in %):	57.7%
Main Shareholder:	
DL srl	16.9%

Balance Sheet Data	
Book Value (Eu mn):	4
BVPS (Eu):	0.10
P/BV:	3.0
Net Financial Position (Eu mn):	-10
Enterprise Value (Eu mn):	25

- **Solid 1H results, rapid growth penalises NFP.** SG Company closed 1H25 with **net revenues up 25.3% YoY to €23.6mn**. Acquisitions and organic growth made similar contributions to this rapid improvement, with positive trends accelerating at both Sinergie (B2B) and Louder (B2C). **The adjusted EBITDA margin came to 9.2%** of net revenues, **up 120bp from 7.0% in 1H24**. Net of €0.2mn of non-recurring charges and €1.3mn in D&A and provisions, **EBIT closed at €0.7mn, up 19.4% YoY**. Finally, **consolidated net profit closed up 14.0% YoY** at €0.1mn, while on the capital and financial side, the **NFP was €9.7mn, up €2.8mn in the last 6 months** due mainly to three factors: (i) an increase in working capital linked to strong revenue growth, (ii) the payment of residual instalments for M&A deals, and (iii) extraordinary investments required at subsidiary Knobs.
- **Operating estimates and NFP revised upwards due to higher growth and new acquisitions:** the combined impact of the consolidation of Winning, as of 2H25, and expectations for higher organic growth, especially at Sinergie, led us to lift our revenue growth forecasts by 15.5% for 2025 and 21% on average for 2026 and 2027. **We have also made a similar (upward) revision to our 2025-27 adjusted EBITDA estimates.** On the other hand, we estimate that this additional growth will inevitably affect the NFP, which we now foresee at €10.1mn as at 31.12.2025, €5.5mn at 31.12.2026 and €2.3mn at 31.12.2027.
- **EGM and Special Meetings for ordinary and multiple-vote shareholders called for 20 October.** At the publication of 1H25 results, the Company also announced that the Board of Directors, which met on 30/09/2025, called the above meetings. While we acknowledge that the density of the topics on the agenda, analysed in detail in the following pages, may have caused confusion and raised concerns in some quarters, **we don't believe the matters in question will necessarily cause any damage to shareholders' interests.**
- **BUY confirmed, target price unchanged at €0.45 per fully-diluted share.** Following the publication of 1H25 results, which confirm the solid foundations laid by the company for its growth trajectory, we reiterate our positive view on the stock. The change in pace already witnessed in 2024 has culminated in (i) a return to double-digit organic growth, and (ii) the recent acquisition of Winning, as well as confirmation of a rich pipeline of potential target companies, which will probably feed into an early update to the Business Plan. We are therefore confirming our target price, based on (i) an upward revision of 18.5% on average to 2025-27 adj. EBITDA estimates, (ii) a simultaneous €3mn increase in our net financial debt estimate, and (iii) a greater number of shares outstanding, now at 36.6mn (vs. 35.4mn at the date of our previous publication).

Key Figures & Ratios	2023A	2024A	2025E	2026E	2027E
Sales (Eu mn)	30	35	45	50	51
EBITDA Adj (Eu mn)	2	3	4	5	5
Net Profit Adj (Eu mn)	1	0	1	2	2
EPS New Adj (Eu)	0.020	0.009	0.019	0.051	0.043
EPS Old Adj (Eu)	0.019	0.101	0.026	0.043	0.043
DPS (Eu)	0.000	0.000	0.000	0.015	0.020
EV/EBITDA Adj	7.8	6.6	5.7	3.8	2.9
EV/EBIT Adj	9.1	16.2	12.5	5.3	4.0
P/E Adj	14.4	34.5	15.5	5.8	6.8
Div. Yield	0.0%	0.0%	0.0%	5.1%	6.8%
Net Debt/EBITDA Adj	2.6	2.3	2.3	1.0	0.4

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SG COMPANY – Key Figures

Profit & Loss (Eu mn)	2022A	2023A	2024A	2025E	2026E	2027E
Sales	17	30	35	45	50	51
EBITDA	0	2	2	4	5	5
EBIT	0	1	0	2	4	4
Financial Income (charges)	-0	-0	-0	-0	-0	-0
Associates & Others	0	0	0	0	0	0
Pre-tax Profit	0	1	0	1	3	4
Taxes	-0	-0	0	-0	-0	-1
Tax rate	37.5%	38.5%	-381.4%	8.9%	3.3%	25.5%
Minorities & Discontinued Operations	-0	-0	-1	-1	-1	-1
Net Profit	0	0	-0	0	2	2
EBITDA Adj	0	2	3	4	5	5
EBIT Adj	0	2	1	2	4	4
Net Profit Adj	0	1	0	1	2	2
Per Share Data (Eu)	2022A	2023A	2024A	2025E	2026E	2027E
Total Shares Outstanding (mn) - Average	31	31	35	39	39	39
Total Shares Outstanding (mn) - Year End	32	32	34	37	37	37
EPS f.d	0.006	0.011	-0.008	0.011	0.046	0.043
EPS Adj f.d	0.006	0.020	0.009	0.019	0.051	0.043
BVPS f.d	0.098	0.109	0.096	0.097	0.139	0.168
Dividend per Share ORD	0.000	0.000	0.000	0.000	0.015	0.020
Dividend per Share SAV	0.000	0.000	0.000	0.000	0.000	0.000
Dividend Payout Ratio (%)	0.0%	0.0%	0.0%	0.0%	30.8%	43.8%
Cash Flow (Eu mn)	2022A	2023A	2024A	2025E	2026E	2027E
Gross Cash Flow	-0	2	1	3	4	5
Change in NWC	-1	1	1	-3	1	1
Capital Expenditure	-1	-4	-4	-2	-1	-1
Other Cash Items	0	-0	-0	0	0	0
Free Cash Flow (FCF)	-1	3	3	-0	6	6
Acquisitions, Divestments & Other Items	-0	-1	-0	-1	0	-0
Dividends	0	0	0	-1	-0	-1
Equity Financing/Buy-back	0	0	0	0	0	0
Change in Net Financial Position	-2	-2	-2	-3	5	3
Balance Sheet (Eu mn)	2022A	2023A	2024A	2025E	2026E	2027E
Total Fixed Assets	4	10	13	14	13	13
Net Working Capital	3	1	-0	3	2	0
Long term Liabilities	-1	-1	-1	-1	-1	-2
Net Capital Employed	6	9	12	16	14	12
Net Cash (Debt)	-3	-5	-7	-10	-5	-2
Group Equity	3	4	5	6	8	9
Minorities	0	1	2	2	3	3
Net Equity	3	3	3	4	5	6
Enterprise Value (Eu mn)	2022A	2023A	2024A	2025E	2026E	2027E
Average Mkt Cap	9	9	8	11	11	11
Adjustments (Associate & Minorities)	-0	1	4	4	4	3
Net Cash (Debt)	-3	-5	-7	-10	-5	-2
Enterprise Value	12	15	19	25	20	16
Ratios (%)	2022A	2023A	2024A	2025E	2026E	2027E
EBITDA Adj Margin	2.6%	6.5%	8.4%	9.8%	10.6%	10.6%
EBIT Adj Margin	1.1%	5.5%	3.5%	4.5%	7.6%	7.9%
Gearing - Debt/Equity	98.5%	113.4%	131.4%	178.6%	67.6%	24.1%
Interest Cover on EBIT	2.0	8.6	1.2	3.3	7.4	11.6
Net Debt/EBITDA Adj	7.0	2.6	2.3	2.3	1.0	0.4
ROACE*	3.8%	15.8%	4.3%	11.7%	24.2%	32.0%
ROE*	6.3%	19.5%	8.6%	20.7%	43.9%	28.2%
EV/CE	2.4	1.9	1.8	1.8	1.4	1.3
EV/Sales	0.7	0.5	0.6	0.6	0.4	0.3
EV/EBITDA Adj	26.7	7.8	6.6	5.7	3.8	2.9
EV/EBIT Adj	nm	9.1	16.2	12.5	5.3	4.0
Free Cash Flow Yield	-9.9%	34.8%	40.3%	-0.9%	82.1%	73.8%
Growth Rates (%)	2022A	2023A	2024A	2025E	2026E	2027E
Sales	48.2%	75.0%	17.3%	30.3%	10.9%	2.7%
EBITDA Adj	-58.1%	336.0%	52.6%	51.7%	19.0%	3.5%
EBIT Adj	nm	769.6%	-26.7%	68.1%	88.0%	6.5%
Net Profit Adj	nm	230.5%	-55.4%	149.8%	181.0%	-15.0%
EPS Adj	nm	236.7%	-58.2%	123.0%	168.5%	-14.9%
DPS					nm	33.3%

*Excluding extraordinary items

Source: Websim Corporate estimates

In 1H25, SG Company posted consolidated turnover of €23.6mn, a notable 25.3% YoY increase.

Around half of the significant revenue growth posted in 1H derives from an expansion of the consolidation base. The consolidations of Klein Russo, Knobs and, most recently, Concreta Promotions, brought an additional €2.3mn of revenues in 1H, on top of the turnover from FMA Rimini, which was merged into controlling FMA (its contribution is not separately available).

There was an equally strong contribution from organic growth, with Sinergie (+23.0% YoY) and Louder (+22.9% YoY), delivering significant growth; the former supported by the addition of new senior commercial figures, the latter having won a sizeable contract linked to the upcoming Winter Olympics.

As for other deals closed more recently, the newly-acquired K2 Capital (27 June 2025) and Winning (16 September 2025) will contribute to the group's results from the second half of the current fiscal year.

SG Company: 1H25 Consolidated Net Sales by Legal Entity

(Eu mn)	1H24	1H25	YoY	% of total
Sinergie	9.441	11.610	23.0%	49.2%
Louder	4.808	5.909	22.9%	25.1%
FMA	1.553	2.283	47.0%	9.7%
Klein Russo	-	1.399	n.m.	5.9%
Geotag	2.749	1.116	-59.4%	4.7%
Concreta Promotions	-	0.614	n.m.	2.6%
Knobs	-	0.328	n.m.	1.4%
Mission to Heart	0.246	0.292	18.7%	1.2%
SG Advisory	-	0.025	n.m.	0.1%
SG Company SB	0.017	0.005	-70.6%	0.0%
Others	0.006	-	-	-
Consolidated net sales	18.820	23.581	25.3%	100.0%

Source: Company data, Websim Corporate estimates

In the context of over 25% YoY revenue growth (and 22.9% YoY growth in VoP to €23.7mn), **consolidated profitability grew even faster, with the adjusted EBITDA margin reaching 9.2% of net revenues**, up 120bp vs. 7.0% in 1H24. Among other things, this was boosted by the consolidation of companies generating higher margins than the group's average.

The combination of revenue growth and wider margins drove an increase of **almost 65% YoY in adjusted EBITDA, which closed at €2.2mn (vs. €1.3mn in 1H24)**.

Net of €0.2mn in non-recurring charges, flat YoY, and €1.3mn in D&A and provisions, **operating profit closed at €0.7mn, up 19.4% YoY**. We note that this figure also includes provisions relating to the portion of severance indemnity funds retained in the company, corresponding to c.€0.2mn in the period. We also highlight that in our reclassification this item is considered as a common cost item, both for valuation purposes and to allow a fair comparison with the performances of sector peers.

Finally, consolidated net profit closed up 14.0% YoY at €0.1mn, corresponding to a net loss of €0.3mn pertaining to SG Company shareholders, down 21.5% YoY.

On the capital and financial side, **the NFP closed at €9.7mn, up €2.8mn in the last 6 months**, due mainly to three factors: (i) an increase in working capital linked to strong revenue growth, (ii) the payment of residual instalments for M&A deals (relating to Geotag, Klein Russo, K2 Capital and CORE), and (iii) extraordinary investments required at subsidiary Knobs, with overall investments coming to €1.2mn (vs. €0.4mn in 1H24).

SG Company: 1H25 Consolidated Results

(Eu mn)	1H24	1H25	YoY	2H24	2H25E	YoY	FY25E	YoY
Net sales	18.8	23.6	25.3%	15.8	21.6	36.3%	45.1	30.3%
Other revenues	0.5	0.1		1.5	0.4		0.5	
Value of production	19.3	23.7	22.9%	17.3	21.9	26.9%	45.6	24.8%
Operating expenses	(18.0)	(21.5)		(15.7)	(19.7)		(41.2)	
Adjusted EBITDA	1.3	2.2	64.9%	1.6	2.3	40.8%	4.4	51.7%
% margin	7.0%	9.2%		10.1%	10.5%		9.8%	
Non recurring items	(0.2)	(0.2)		(0.6)	(0.2)		(0.4)	
Reported EBITDA	1.2	2.0	74.2%	1.0	2.0	97.0%	4.0	85.0%
% margin	6.1%	8.5%		6.5%	9.4%		8.9%	
D&A and Provisions	(0.5)	(1.3)		(1.2)	(1.2)		(2.4)	
EBIT	0.6	0.7	19.4%	(0.2)	0.9	<i>n.m.</i>	1.6	254.1%
% margin	3.3%	3.1%		-1.0%	4.1%		3.6%	
Net Financial Charges	(0.1)	(0.4)		(0.2)	(0.1)		(0.5)	
Associates	0.0	0.0		(0.0)	0.0		0.0	
Pretax Profit	0.5	0.3	-36.8%	(0.4)	0.8	<i>n.m.</i>	1.1	1197.2%
Taxes	(0.4)	(0.2)		0.7	0.1		(0.1)	
% tax rate	78%	61%		177%	-11%		9%	
Consolidated Net Profit	0.1	0.1	14.0%	0.3	0.9	190.0%	1.0	145.5%
Minorities	(0.4)	(0.4)		(0.2)	(0.2)		(0.6)	
Net Profit	(0.3)	(0.3)	-21.5%	0.1	0.7	811.1%	0.4	<i>n.m.</i>
% margin	-1.8%	-1.1%		0.5%	3.1%		0.9%	
Net Financial Position*	(6.2)	(9.7)	56.1%				(8.8)	26.6%
Net Financial Position**	(6.2)	(11.0)	76.5%				(10.1)	48.8%
Operating Working Capital	2.5	4.9	95.0%				4.2	164.5%
Capital Expenditures	0.4	1.2	194.6%	4.1	1.5		2.7	-40.3%

Source: Company data*, Websim Corporate elaborations**

Following 1H25 results that confirmed the group's growth trajectory, with a balanced contribution from organic and external growth, **we are revising our 2025-27 estimates, which now include the recently-acquired Winning in the Company's consolidation scope.**

The combined impact of the consolidation of Winning, as of 2H25, and expectations for higher organic growth, especially at Sinergie, induced us to **lift our revenue growth forecasts by 15.5% for 2025 and 21% on average for 2026 and 2027. Similar changes were made on adjusted EBITDA**, with consolidated margins largely unchanged (at 10.6% in 2026 and 2027).

On the other hand, we estimate that higher growth will inevitably have an impact on consolidated NFP, due to both greater cash absorption from net working capital, and to spot and forward cash outlays for the purchase of majority stakes in newly-acquired companies. **As a result, we now expect the NFP to stand at €10.1mn as at 31.12.2025, €5.5mn at 31.12.2026 and €2.3mn at 31.12.2027.**

Our dividend distribution estimates remain unchanged, however, at €0.015 and €0.020 per share on financial years 2026 and 2027 (accrual period).

SG Company: 2025-2027 Consolidated Estimates Revision

(Eu mn)		2025 New	2026 New	2027 New	2025 Old	2026 Old	2027 Old	Δ FY25 (%)	Δ FY26 (%)	Δ FY27 (%)
Net Sales		45.1	50.1	51.4	39.1	41.2	42.9	15.5%	21.6%	19.8%
	% YoY growth	30.3%	10.9%	2.7%	12.9%	5.3%	4.3%			
Other revenues		0.5	1.0	1.0	1.0	1.0	1.0			
Value of production		45.6	51.1	52.4	40.1	42.2	43.9	13.8%	21.1%	19.3%
Operating expenses		(41.2)	(45.8)	(47.0)	(36.3)	(37.9)	(39.2)			
Adjusted EBITDA		4.4	5.3	5.5	3.8	4.3	4.7	17.2%	22.5%	15.8%
	% margin	9.8%	10.6%	10.6%	9.7%	10.5%	11.0%			
	% YoY growth	51.7%	19.0%	3.5%	29.5%	13.8%	9.5%			
Non recurring items		(0.4)	(0.3)	0.0	0.0	0.0	0.0			
Reported EBITDA		4.0	5.0	5.5	3.8	4.3	4.7	6.6%	16.7%	15.8%
	% margin	8.9%	10.1%	10.6%	9.7%	10.5%	11.0%			
D&A and Provisions		(2.4)	(1.5)	(1.4)	(1.6)	(1.6)	(1.5)			
EBIT		1.6	3.5	4.0	2.2	2.8	3.2	-24.8%	28.7%	25.2%
	% margin	3.6%	7.1%	7.9%	5.5%	6.7%	7.5%			
Net Financial Charges		(0.5)	(0.5)	(0.3)	(0.4)	(0.4)	(0.3)			
Associates		0.0	0.0	0.0	0.0	0.0	0.0			
Pretax Profit		1.1	3.1	3.7	1.8	2.4	3.0	-36.0%	28.7%	24.7%
Taxes		(0.1)	(0.1)	(0.9)	(0.1)	(0.1)	(0.7)			
tax rate		9%	3%	25%	6%	4%	22%			
Consolidated Net Profit		1.0	3.0	2.7	1.7	2.3	2.3	-38.2%	29.9%	19.6%
Minorities		(0.6)	(1.2)	(1.1)	(0.7)	(0.8)	(0.8)			
Net Profit		0.4	1.8	1.7	0.9	1.5	1.5	-55.0%	17.8%	10.2%
	% margin	0.9%	3.6%	3.3%	2.3%	3.7%	3.5%			
Net Financial Position*		(10.1)	(5.5)	(2.3)	(5.3)	(2.9)	(1.7)	90.4%	87.9%	36.5%
Operating Working Capital		4.2	4.4	3.9	1.8	2.0	2.1	129.2%	119.7%	80.3%
Capital Expenditures		2.7	0.5	0.9	0.9	0.5	1.0	206.2%	-6.5%	-4.6%

Source: Websim Corporate estimates

Following the publication of 1H25 results, which confirm the solid foundations laid by the company for its growth trajectory, **we reiterate our positive view on the stock: BUY. The change in pace already witnessed in 2024, which has culminated in the recent acquisition of Winning and a rich pipeline of potential target companies, will probably feed into an early update to the Business Plan. We are therefore also confirming our target price of €0.45 per fully-diluted share**, based on (i) an upward revision of 18.5% on average to our 2025-27 adj. EBITDA estimates, (ii) a simultaneous €3mn increase in our net financial debt estimate, and (iii) a greater number of shares outstanding, now at 36.6mn (vs. 35.4mn at the date of our previous publication).

Along with the publication of 1H results, SG Company also announced that at its 30 September 2025 meeting, the Company's Board of Directors resolved to convene, in a single call on 20 October 2025, an Extraordinary General Meeting of Shareholders (at 15:00), and Special Meetings for ordinary shareholders (16:00) and those with multiple voting rights (16:30).

Below are the agenda items that will be discussed and resolved on 20 October:

Extraordinary General Meeting of Shareholders (15:00)

1. Proposal to increase (i) the number of shares with multiple voting rights, (ii) the number of votes allocated to such shares from 3 to 10. Resulting amendment of art. 9 of the Articles of Association. Related and consequent resolutions;
2. Proposed mandate for the Board of Directors, pursuant to art. 2443 of the Italian Civil Code, for a paid increase in the company's share capital, in one or more tranches, of up to a maximum of €7mn including premium, through the issue of ordinary shares with the same features as those in circulation and/or warrants, with the exclusion of the right of option pursuant to art. 2441, paragraphs 4, 5 and 8 of the Italian Civil Code subject to partial revocation of the content of the resolutions of the Extraordinary General Meeting of 20 November 2021 and total revocation of the content of the resolutions of the Extraordinary General Meeting of 29 July 2024. Related and consequent resolutions;
3. Changes to articles 15, 16 and 29 of the articles of association. Related and consequent resolutions;
4. Issue of a maximum of 12,216,024 "Warrant SG Company 2026 – 2031" to be assigned free of charge to holders of ordinary shares at a ratio of 1 warrant for every 3 ordinary shares held, with consequent

increase in the paid-in share capital, in one or more tranches, for an amount equal to a nominal maximum of €610,801.20 through the issue of a maximum of 12,216,024 ordinary shares to serve the issue of the new warrants, pursuant to art. 2441, paragraph 5 of the Italian Civil Code. Related and consequent resolutions;

5. Granting of a mandate to the Board of Directors, pursuant to art. 2420-ter of the Italian Civil Code, for the issue, including without option rights, of convertible bonds, potentially also cum warrants, for a maximum of €3,000,000 including any premium, and to consequently increase the share capital to serve both the convertible bonds and the exercise of any warrants. Amendment to Article 6 of the Articles of Association. Related and consequent resolutions;
6. A reverse stock split on the shares in circulation at a ratio of 1 new share for every 5 held, including both ordinary shares and those with multiple voting rights. Related and consequent resolutions.

Special Meeting of ordinary shareholders

1. Approval, pursuant to art. 2376 of the Italian Civil Code, of the proposal to increase (i) the number of shares with multiple voting rights, and (ii) the number of votes allocated to such shares from 3 to 10. Resulting amendment of art. 9 of the Articles of Association. Related and consequent resolutions.

Special Meeting of shareholders with multiple voting rights

1. Approval, pursuant to art. 2376 of the Italian Civil Code, of the proposal to increase (i) the number of shares with multiple voting rights, and (ii) the number of votes allocated to such shares from 3 to 10. Resulting amendment of art. 9 of the Articles of Association. Related and consequent resolutions.

As stated by CFO Francesco Merone, the volume of topics discussed in the shareholders' meeting should not be of concern, rather it is a clear demonstration of the commitment to continue with the growth trajectory already embarked upon, taking care to guarantee stability in the Company's governance as its scope expands. In addition, the opportunity to concentrate several resolutions in a single meeting was driven by a desire to limit financial costs.

Specifically, the proposal to allocate 10 voting rights for each share held will be offered to current and future shareholders, with conversion possible in three different time windows over the next three years, thus ensuring all shareholders can receive a much larger number of voting rights in proportion to the number of shares held.

In this regard, we note that the amendments required to the articles of association in order to implement the resolution would give rise to withdrawal rights for all shareholders not voting in favour of the resolution, to be liquidated at a price of €0.27 per share, corresponding to the weighted average of the closing prices of the Company's shares in the 12 months between 2 September 2024 and 29 August 2025.

At the same time, we believe that, in the absence of identified acquisition targets for which negotiations are at an advanced stage, the resolutions relating to future capital increases and/or convertible bond issues aim to provide the Board of Directors with the necessary flexibility to effectively and promptly manage M&A dossiers of increasing size. It is important to point out that the mandates that would be granted to the Board of Directors, for up to a maximum of €10mn, would replace similar mandates currently in force to raise €6.8mn of capital; such mandates would be simultaneously revoked.

As for the bonus allocation of new 2026-2031 warrants at a ratio of 1 warrant for 3 every ordinary shares held (i.e. multiple voting rights share will not receive any warrant), which would take place in January 2026, the Company's objective is to award current shareholders a right that could be sold on the market to generate income for the seller. The Company then said it intends to align the terms of the warrants currently in circulation with those of newly-issued warrants, expiring in 2031.

Finally, with regard to the proposed reverse stock split, at a ratio of 1 newly-issued ordinary/multiple voting share for every 5 ordinary/multiple voting shares held, we find no particular drawbacks. We believe the aim is to: (i) distance the company, at least psychologically, from the realm of "penny stocks", and (ii) provide an up-to-date mapping of the Company's shareholders, even in the absence of dividend distribution (although the same purpose can be achieved with the bonus allocation of newly-issued warrants).

As a result, while we acknowledge that the density of the topics on the agenda may have caused confusion and raised concerns in some quarters, we don't believe the nature and rationale of the matters that will be discussed at the 20 October Meetings will cause any damage to shareholders' interests.

DETAILS ON STOCKS RECOMMENDATION			
Stock NAME	SG COMPANY		
Current Recomm:	BUY	Previous Recomm:	BUY
Current Target (Eu):	0.45	Previous Target (Eu):	0.45
Current Price (Eu):	0.29	Previous Price (Eu):	0.30
Date of report:	09/10/2025	Date of last report:	29/05/2025

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The main methods used to evaluate financial instruments and set a target price for 12 months after the investment recommendation are as follows:

- Discounted cash flow (DCF) model or similar methods such as a dividend discount model (DDM)
- Comparison with market peers, using the most appropriate methods for the individual company analysed: among the main ratios used for industrial sectors are price/ earnings (P/E), EV/EBITDA, EV/EBIT, price /sales
- Return on capital and multiples of adjusted net book value are the main methods used for banking sector stocks, while for insurance sector stocks return on allocated capital and multiples on net book value and embedded portfolio value are used
- For the utilities sector comparisons are made between expected returns and the return on the regulatory asset base (RAB)

Some of the parameters used in evaluations, such as the risk-free rate and risk premium, are the same for all companies covered, and are updated to reflect market conditions. Currently a risk-free rate of 4.0% and a risk premium between 5.5% - 6.0% are being used.

Frequency of research: quarterly.

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A draft copy of each report may be sent to the subject company for its information (without target price and/or recommendations), but unless expressly stated in the text of the report, no changes are made before it is published.

Explanation of our ratings system:

BUY: stock expected to outperform the market by over 25% over a 12 month period;

OUTPERFORM: stock expected to outperform the market by between 10% and 25% over a 12 month period;

NEUTRAL: stock performance expected at between +10% and -10% compared to the market over a 12 month period;

UNDERPERFORM: stock expected to underperform the market by between -10% and -25% over a 12 month period;

SELL: stock expected to underperform the market by over 25% over a 12 month period.

Prices: The prices reported in the research refer to the price at the close of the previous day of trading

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Intermonte SIM is authorised by CONSOB to provide investment services and is listed at n° 246 in the register of brokerage firms.

As at 9 October 2025 Intermonte's Research Department covered 132 companies. Intermonte's distribution of stock ratings is as follows:

BUY:	30.30%
OUTPERFORM:	39.39%
NEUTRAL:	30.31%
UNDERPERFORM:	00.00%
SELL:	00.00%

The distribution of stock ratings for companies which have received corporate finance services from Intermonte in the last 12 months (76 in total) is as follows:

BUY:	50.00%
OUTPERFORM:	31.58%
NEUTRAL:	18.42%
UNDERPERFORM:	00.00%
SELL:	00.00%

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