SG COMPANY

BUY

Sector: Media

Price: Eu0.26 - **Target: Eu0.48**

Accelerating growth with M&A at the heart of the strategy

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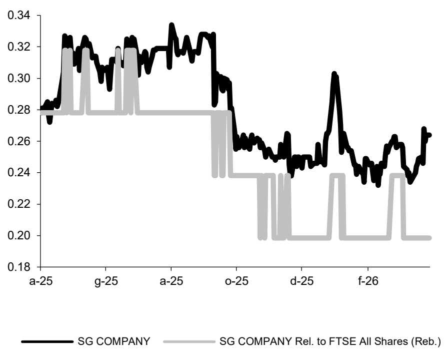
Stock Rating

Rating:			Unchanged
Target Price (Eu):			from 0.45 to 0.48
	2026E	**2027E**	**2028E**
Chg in Adj EPS	n.m.	n.m.	

Next Event

1H26 Revenues due on July 15th

SG COMPANY - 12M Performance



Stock Data

Reuters code:			SGCO.MI
Bloomberg code:			SGC IM
Performance	**1M**	**3M**	**12M**
Absolute	3.1%	-10.5%	-2.9%
Relative	-9.5%	-17.2%	-35.9%
12M (H/L)			0.33/0.23
3M Average Volume (th):			107.73

Shareholder Data

No. of Ord shares (mn):	37
Total no. of shares (mn):	39
Mkt Cap Ord (Eu mn):	10
Total Mkt Cap (Eu mn):	10
Mkt Float - Ord (Eu mn):	5
Mkt Float (in %):	55.2%
Main Shareholder:	
DL srl	16.4%

Balance Sheet Data

Book Value (Eu mn):	3
BVPS (Eu):	0.08
P/BV:	3.5
Net Financial Position (Eu mn):	-9
Enterprise Value (Eu mn):	27

We reiterate our positive view on SG Company following the update to the 2026-30 business plan, FY25 results, and a strong start to 2026. The path outlined by management highlights significant growth potential, with the possibility of a step change in scale that could translate into greater visibility, brand strengthening, and the progressive consolidation of operating synergies. The aggregation strategy, together with the potential launch of an international expansion path with an initial focus on Europe, represents an additional medium-term growth driver, while the Group's track record enhances visibility on the achievability of the stated targets. We increase our TP from €0.45 to €0.48ps.

- **2026–2030 business plan: accelerated growth with M&A at its heart.** The 2026–2030 business plan targets a significant step change in scale, with **revenues expected to reach €150m by 2030**, supported by a balanced mix of organic growth (CAGR of ~8–9%) and external growth, confirming M&A as the key strategic driver. A gradual improvement in profitability is expected, with an **EBITDA margin of 8.5%,** driven by operating synergies and economies of scale, while financial leverage is expected to remain under control (**NFP/EBITDA ~1x**). The first transactions completed in 2026 (Waymedia and In Action) are coherent with the Group's aggregation model. Although limited in size, these deals are strategically relevant as they support the strengthening of the territorial footprint and expansion of the Group's skills.
- **FY25: solid operating growth, net income impacted by non-recurring items.** SG Company closed FY25 with revenues of €49.5m (+43% YoY, vs. our €45.1m estimate), supported by a combination of organic growth, driven in particular by the performance of Sinergie (B2B) and Louder (B2C), and contributions from M&A, confirming the progressive strengthening of the Group's integrated business model. EBITDA amounted to €3.7m (+26% YoY), corresponding to a 7.5% margin. The deterioration of the bottom line is instead attributable to non-operating items, including higher D&A, increased financial expenses, the write-down of Pinguando and the negative contribution from subsidiary Knobs, resulting in a net loss of €1.7m. The net financial position remained broadly stable despite the acquisitions during the period, with a further improvement in leverage (NFP/EBITDA down from 2.3x to 1.9x).
- **Changes to 2026-27 estimates.** We have revised our 2026-27 revenue forecasts upwards (+12.1% and +14.8%, respectively), with 2026 revenues now expected to reach €56.1m (+13.4% YoY), including the contribution from Waymedia and In Action. On profitability, we now assume a more gradual improvement of operating efficiency compared to our previous expectations, resulting in a reduction of adj. EBITDA estimates for 2026-27 by 19.4% and 17.1% respectively.
- **BUY, TP €0.48ps (from €0.45).** We have raised our TP from €0.45 to €0.48ps to reflect: (i) the roll-over of the DCF model; (ii) the revision of estimates, including a more cautious outlook for the 2026–2027 period, the introduction of 2028 as an explicit forecast year and the extension of the projection horizon to 2030; and (iii) an increase in the risk-free rate from 3.5% to 4%, partially offset by an improved medium-term growth profile.

Key Figures & Ratios	2024A	2025A	2026E	2027E	2028E
Sales (Eu mn)	35	50	56	59	62
EBITDA Adj (Eu mn)	3	4	4	5	5
Net Profit Adj (Eu mn)	0	-1	1	1	1
EPS New Adj (Eu)	0.009	-0.041	0.021	0.023	0.029
EPS Old Adj (Eu)	0.009	0.019	0.051	0.043	
DPS (Eu)	0.000	0.000	0.000	0.000	0.000
EV/EBITDA Adj	6.1	7.0	6.2	5.1	4.1
EV/EBIT Adj	14.9	19.0	13.1	9.8	7.1
P/E Adj	30.4	nm	12.4	11.4	9.2
Div. Yield	0.0%	0.0%	0.0%	0.0%	0.0%
Net Debt/EBITDA Adj	2.3	1.9	2.0	1.3	0.6

Websim Corporate

SG COMPANY – Key Figures

Profit & Loss (Eu mn)	2023A	2024A	2025A	2026E	2027E	2028E
Sales	30	35	50	56	59	62
EBITDA	2	2	3	4	5	5
EBIT	1	0	1	2	2	3
Financial Income (charges)	-0	-0	-1	-0	-0	-1
Associates & Others	0	0	0	0	0	1
Pre-tax Profit	1	0	-0	1	2	2
Taxes	-0	0	-0	-0	-0	-1
Tax rate	38.5%	-381.4%		14.9%	20.4%	20.6%
Minorities & Discontinued Operations	-0	-1	-1	-0	-1	-1
Net Profit	0	-0	-2	1	1	1
EBITDA Adj	2	3	4	4	5	5
EBIT Adj	2	1	1	2	2	3
Net Profit Adj	1	0	-1	1	1	1
Per Share Data (Eu)	**2023A**	**2024A**	**2025A**	**2026E**	**2027E**	**2028E**
Total Shares Outstanding (mn) - Average	31	34	38	39	39	39
Total Shares Outstanding (mn) - Year End	32	34	38	38	38	38
EPS f.d	0.011	-0.008	-0.047	0.017	0.023	0.029
EPS Adj f.d	0.020	0.009	-0.041	0.021	0.023	0.029
BVPS f.d	0.109	0.099	0.062	0.076	0.098	0.126
Dividend per Share ORD	0.000	0.000	0.000	0.000	0.000	0.000
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%	0.0%	0.0%
Cash Flow (Eu mn)	**2023A**	**2024A**	**2025A**	**2026E**	**2027E**	**2028E**
Gross Cash Flow	2	1	2	3	4	4
Change in NWC	1	1	1	-3	1	-0
Capital Expenditure	-4	-4	-3	-1	-1	-1
Other Cash Items	-0	-0	-0	-1	-0	0
Free Cash Flow (FCF)	3	3	3	-0	5	4
Acquisitions, Divestments & Other Items	-1	-0	1	0	-0	1
Dividends	0	0	-1	0	0	0
Equity Financing/Buy-back	0	0	0	0	0	0
Change in Net Financial Position	-2	-2	-0	-2	3	4
Balance Sheet (Eu mn)	**2023A**	**2024A**	**2025A**	**2026E**	**2027E**	**2028E**
Total Fixed Assets	10	13	14	13	12	11
Net Working Capital	1	-0	-1	2	1	1
Long term Liabilities	-1	-1	-1	-1	-1	-1
Net Capital Employed	9	12	12	14	12	11
Net Cash (Debt)	-5	-7	-7	-9	-6	-3
Group Equity	4	5	5	6	7	9
Minorities	1	2	2	3	4	4
Net Equity	3	3	2	3	4	5
Enterprise Value (Eu mn)	**2023A**	**2024A**	**2025A**	**2026E**	**2027E**	**2028E**
Average Mkt Cap	9	8	11	10	10	10
Adjustments (Associate & Minorities)	0	3	8	8	7	7
Net Cash (Debt)	-5	-7	-7	-9	-6	-3
Enterprise Value	14	18	26	27	23	20
Ratios (%)	**2023A**	**2024A**	**2025A**	**2026E**	**2027E**	**2028E**
EBITDA Adj Margin	6.5%	8.4%	7.5%	7.6%	7.7%	7.9%
EBIT Adj Margin	5.5%	3.5%	2.7%	3.6%	4.0%	4.6%
Gearing - Debt/Equity	113.4%	131.4%	147.3%	149.0%	79.8%	29.5%
Interest Cover on EBIT	8.6	1.2	1.0	3.8	5.6	2.0
Net Debt/EBITDA Adj	2.6	2.3	1.9	2.0	1.3	0.6
ROACE*	15.8%	4.3%	9.0%	14.4%	18.3%	23.9%
ROE*	19.5%	8.6%	-54.4%	31.7%	26.9%	25.6%
EV/CE	1.8	1.7	2.2	2.1	1.8	1.7
EV/Sales	0.5	0.5	0.5	0.5	0.4	0.3
EV/EBITDA Adj	7.5	6.1	7.0	6.2	5.1	4.1
EV/EBIT Adj	8.8	14.9	19.0	13.1	9.8	7.1
Free Cash Flow Yield	36.3%	37.4%	191.5%	-6.6%	216.1%	151.7%
Growth Rates (%)	**2023A**	**2024A**	**2025A**	**2026E**	**2027E**	**2028E**
Sales	75.0%	17.3%	43.0%	13.4%	5.1%	5.0%
EBITDA Adj	336.0%	52.6%	26.4%	15.1%	6.4%	6.5%
EBIT Adj	769.6%	-26.7%	12.9%	49.4%	17.9%	16.7%
Net Profit Adj	230.5%	-55.4%	nm	nm	10.6%	24.1%
EPS Adj	236.7%	-57.3%	nm	nm	8.9%	24.1%
DPS						

*Excluding extraordinary items Source: Intermonte SIM estimates

Company in Brief

Company Description

SG Company, an Innovative SME since 2020, operates in the Entertainment & Media sector, where it has consolidated its position, including through acquisitions, ranking among the leading players in Italy. Specialised in Digital & Live Communication, M.I.C.E. activities, branded content projects, digital event platforms, and integrated and digital communication strategies, the Company provides tailor-made live solutions, designed and delivered to meet the specific needs of its clients.

Management

Chairman & CEO: Davide Verdesca
CFO: Francesco Merone

Shareholders, Voting Rights*

DL S.r.l.	16.38%	*12.56%
Davide Verdesca	15.62%	*29.98%
Francesco Merone	6.34%	*13.03%
Treasury shares	0.88%	*0.23%
Smart Capital	5.60%	*14.30%
Market float	55.17%	*29.91%

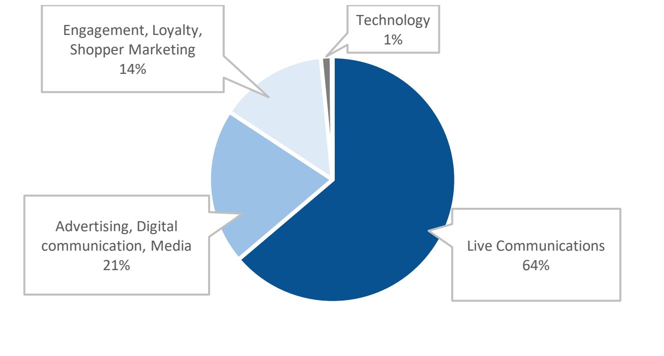
Strengths/Opportunities

- Holding-based organizational structure, reducing risks related to excessive concentration of the core business
- Acquisitive strategy in a fragmented and consolidating market
- Cross-selling opportunities across the different business areas
- Rapidly expanding digital and technology-driven offering

Risks/Weaknesses

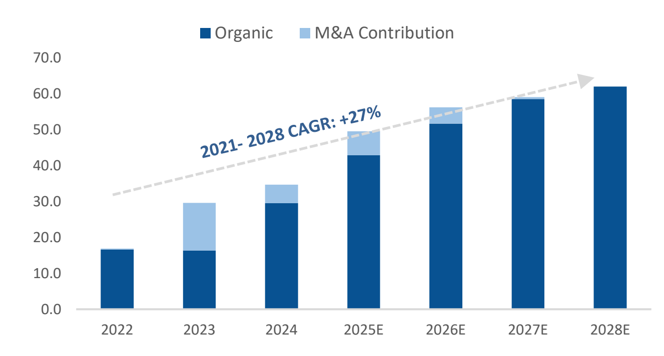
- Trading volumes are still relatively limited for the Euronext Growth Milan market
- Limited number of multi-year contracts

SG Company: 2025 Turnover Breakdown by Business Area



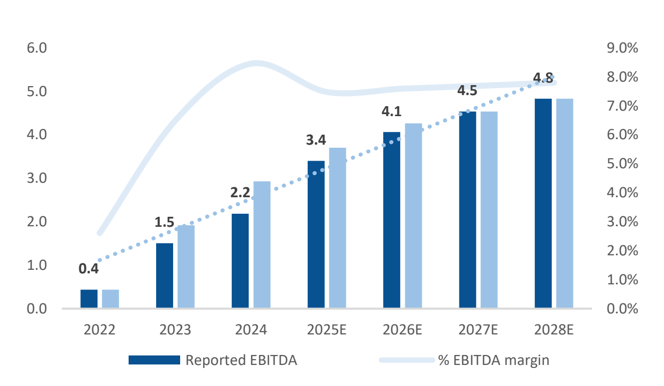
Source: Websim Corporate calculations

SG Company: 2022-28E Consolidated Net Sales Evolution



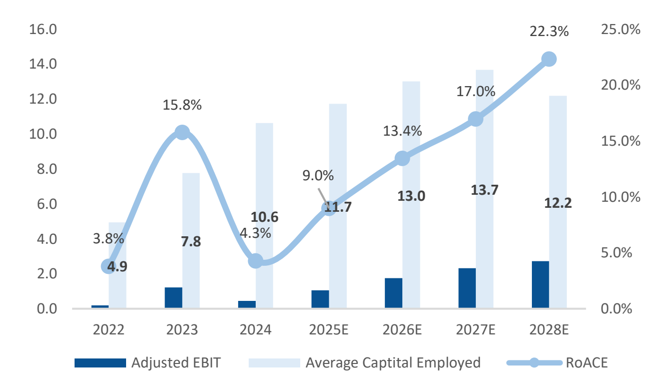
Fonte: Websim Corporate estimates, Company data

SG Company: 2022-28E EBITDA (€ mn) and EBITDA Margin (%)



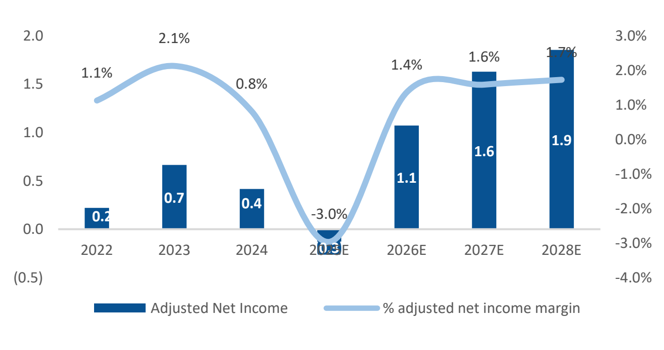
Fonte: Websim Corporate estimates, Company data

SG Company: 2022-28E RoACE Evolution (%)



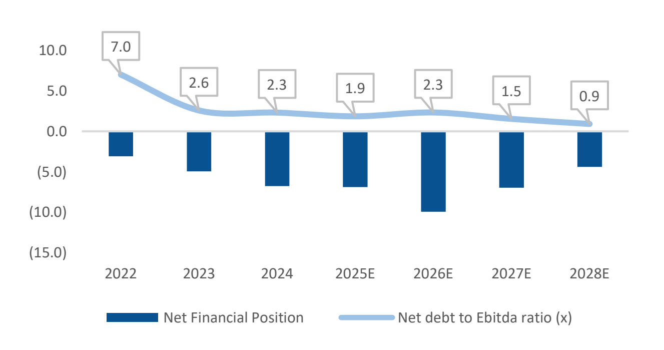
Fonte: Websim Corporate estimates, Company data

SG Company: 2022-28E Net Income (€ mn) and Net Income Margin (%)



Fonte: Websim Corporate estimates, Company data

SG Company: 2022-28E NFP (€ mn) and Cash Conversion Rate (%)



Fonte: Websim Corporate estimates, Company data

FY25 Results

The Company closed fiscal year 2025 with revenues of €49.5m, recording strong double-digit growth (+43%) compared to €34.6m in the previous year and exceeding our estimate of €45.1m. The expansion of turnover, which prompted the Company to bring forward the update to its business plan by one year, was driven by a combination of organic growth, supported in particular by the performance of Sinergie (B2B) and Louder (B2C), and external growth through acquisitions.

EBITDA amounted to €3.7m, marking a 26% YoY increase and corresponding to an EBITDA margin of 7.5%. We note that the Company includes within its accruals those related to severance indemnities (TFR) for the portion retained on the balance sheet. Net of this item, which in our reclassification is treated as a cost both for valuation purposes and to ensure comparability with peers operating in the same sector, reported EBITDA stands at €3.4m, up 56% year-on-year.

SG Company – FY25 Consolidated Results

(Eu mn)	1H24	1H25	YoY	2H24	2H25	YoY	FY24	FY25E	FY25	YoY	Δ FY25E (%)
Net sales	18.8	23.6	*25.3%*	15.8	25.9	*64.0%*	34.6	45.1	49.5	*43.0%*	*9.7%*
Other revenues	0.5	0.1		1.5	1.1		1.9	0.5	1.2		
Value of production	19.3	23.7	*22.9%*	17.3	27.1	*56.6%*	36.6	45.6	50.8	*38.8%*	*11.2%*
Operating expenses	(18.0)	(21.5)		(15.7)	(25.5)		(33.7)	(41.2)	(47.1)		
EBITDA*	1.3	2.2	*64.9%*	1.6	1.5	*-5.2%*	2.9	4.4	3.7	*26.4%*	*-16.6%*
% margin	*7.0%*	*9.2%*		*10.1%*	*5.9%*		*8.4%*	*9.8%*	*7.5%*		
Reported EBITDA**	1.2	2.0	*74.2%*	1.0	1.4	*35.0%*	2.2	4.0	3.4	*55.7%*	*-15.8%*
% margin	6.1%	8.5%		6.5%	5.4%		6.3%	8.9%	6.9%		
D&A and Provisions	(0.5)	(1.3)		(1.2)	(1.1)		(1.7)	(2.4)	(2.3)		
EBIT	0.6	0.7	*19.4%*	(0.2)	0.3	*n.m.*	0.5	1.6	1.1	*130.8%*	*-34.8%*
% margin	*3.3%*	*3.1%*		*-1.0%*	*1.2%*		*1.3%*	*3.6%*	*2.1%*		
Net Financial Charges	(0.1)	(0.4)		(0.2)	(0.3)		(0.4)	(0.5)	(0.7)		
Associates	0.0	0.0		(0.0)	(0.4)		(0.0)	0.0	(0.4)		
Pretax Profit	0.5	0.3	*-36.8%*	(0.4)	(0.4)	*-12.9%*	0.1	1.1	(0.0)	*-148.3%*	*-103.7%*
Taxes	(0.4)	(0.2)		0.7	(0.0)		0.3	(0.1)	(0.2)		
% tax rate	*78%*	*61%*		*177%*	*-9%*		*-381%*	*9%*	*-528%*		
Consolidated Net Profit	0.1	0.1	*14.0%*	0.3	(0.4)	*-222.9%*	0.4	1.0	(0.3)	*-163.0%*	*-125.7%*
Minorities	(0.4)	(0.4)		(0.2)	(1.0)		(0.7)	(0.6)	(1.4)		
Net Profit	(0.3)	(0.3)	*-21.5%*	0.1	(1.4)	*n.m.*	(0.3)	0.4	(1.7)	*n.m.*	*n.m.*
% margin	*-1.8%*	*-1.1%*		*0.5%*	*-5.5%*		*-0.7%*	*0.9%*	*-3.4%*		
Net Financial Position*	(0.0)	(9.7)					(6.9)		(6.8)		
Net Financial Position**	(6.2)	(11.0)	*76.5%*				(6.8)	(10.1)	(6.9)	*1.4%*	*-31.9%*
Operating Working Capital	2.5	4.9	*95.0%*				1.6	4.2	1.1	*-30.3%*	*-73.7%*
Capital Expenditures	0.4	1.2	*194.6%*	4.1	1.3		4.5	2.7	2.5	*-44.5%*	*-7.0%*

Source: company data* Websim corporate calculations**

At the net income level, however, the fiscal year was affected by several non-operating negative items. In particular, higher-than-expected financial expenses (€0.7m), together with the write-down of the investment in Pinguando S.r.l. (€0.4m), the negative contribution from subsidiary Knobs (pre-tax result of €-0.6m), and the increase in depreciation and amortisation (€2.2m, +55% YoY), resulted in a contraction of pre-tax profit (€-0.3m). These items translated into a net loss attributable to shareholders of €1.7m.

The net financial position remained broadly stable compared to 31 December 2024, better than our expectations, despite the growth initiatives carried out during the period. The NFP/EBITDA ratio improved from 2.3x to 1.9x, confirming a broadly balanced approach to financial leverage.

During 2025, SG Company continued to pursue its external growth strategy through a series of targeted transactions: (i) the increase of its stake in Mission to Heart S.r.l. to 75.5%; (ii) the strengthening of its digital footprint through the acquisition of an additional stake in Knobs S.r.l., increasing ownership from 51% to 97.61%; (iii) the acquisition of a 25% stake in Core S.r.l. SB, aimed at expanding the Group's network; (iv) the acquisition of a majority stake in Winning S.r.l., active in the prize promotions segment, with the objective of developing specific business verticals; and (v) the incorporation of Sounds Great S.r.l., 51%-owned, focused on the production and commercialisation of audio-digital content.

Overall, investments carried out during the year, including those in financial assets, amounted to €2.5m, confirming the Group's expansion strategy and its focus on strengthening its competitive positioning.

At the time of the publication of the results, the Company also announced that during the Ordinary Shareholders' Meeting convened for 28 April 2026, shareholders will discuss the authorisation to purchase and dispose of treasury shares, including the 334,473 shares currently held by the Company following the direct settlement procedure relating to shares subject to withdrawal rights.

2026 - 2030 Business Plan

SG Company's new 2026–2030 Business Plan outlines a significant growth trajectory, structured around three main pillars: revenue expansion, improvement of operating profitability, and the maintenance of a balanced financial structure.

In terms of the top line, the Group **targets revenues of €150mn by 2030**, supported by a balanced contribution from both organic and external growth. In particular, approximately €75mn is expected to be generated organically, corresponding to a CAGR in the region of 8–9%, while the remaining €75mn will be driven by M&A transactions, executed both at the holding level and through subsidiaries. This strategy confirms aggregation as the Group's primary growth lever.

On the profitability front, the Plan envisages **EBITDA reaching €12.75mn, corresponding to an EBITDA margin of 8.5%.** Margin expansion will be supported by a progressive optimization of the cost structure, with a reduction of the incidence of direct costs on revenues (from 54.5% in 2026 to 53.4% in 2030), reflecting both economies of scale and operating synergies across the Group's companies.

With regard to the financial structure, management targets a **net financial position/EBITDA ratio of 1x**, in line with a sustainable growth strategy. Funding sources are structured along three main lines: (i) medium- to long-term financing to support organic growth; (ii) dedicated facilities for M&A transactions; and (iii) the involvement of institutional investors aimed at optimizing the debt structure.

M&A is the central strategic pillar of the Plan. SG Company intends to continue its role as an aggregator by acquiring majority and controlling stakes in companies boasting established brands, solid financial fundamentals, and distinctive market positioning. The operating model is designed to maintain a high degree of managerial autonomy for acquired companies in their core business, while centralizing administrative and financial functions at the holding level, with the aim of maximizing synergies and preserving entrepreneurial value.

Acquisition targets include several types of companies: (i) long-established SMEs facing generational transition; (ii) SMEs that have reached a scale that makes independent expansion difficult and which are therefore seeking a partner to accelerate growth; (iii) mid-sized companies with high strategic relevance and leading market positions; and (iv) businesses with a strategic geographic presence, supporting the development of local footholds ("gate ambassadors") and strengthening commercial proximity.

It is within this acquisition trajectory that **SG Company announced the completion of its first two operations of 2026**, **Waymedia and In Action**. These are relatively small in size but strategically relevant acquisitions, as they are fully consistent with the Group's aggregation model and contribute to strengthening the territorial presence and capabilities.

Waymedia, consolidated in the Group's perimeter in January through the subsidiary Geotag, is an independent media centre based in Rome, active in the planning and management of communication campaigns for private and institutional clients. In 2024, the company reported revenues of €2.2mn and EBITDA of €844k. The transaction was completed for a consideration of €750k, to be paid in five semi-annual instalments, with an earn-out mechanism linked to achieving an average normalized EBITDA in 2026–2027 equal to or above €500k. From a strategic standpoint, the acquisition enables Geotag to strengthen its positioning in the Rome market, while expanding access to public tenders and reinforcing the Group's national footprint.

In March, the Group also completed, through its subsidiary Winning, the acquisition of 51% of In Action. The company, based in Verona and active for over 25 years in the integrated communication sector, provides services ranging from sales promotion and co-marketing to communication and packaging, as well as event organization, incentive travel, and training activities. In 2024, In Action reported revenues of €1.8mn, EBITDA of €97k, and a positive net financial position of €177k. The acquisition price was set at €114,750 in cash, to which will be added, pro rata, the value of the positive net financial position at closing (expected between €10k and €15k). The transaction does not include any earn-out mechanism. The addition of In Action allows SG Company to strengthen its presence in Northern Italy, expand its service offering, and leverage an established client base.

Alongside the strengthening of its domestic market positioning, also considering the presence of multinational clients in SG Company's portfolio, **the Plan contemplates the potential launch of a structured international expansion path, with a focus on Europe.**

We believe that achieving the targets outlined in the Plan would represent **a significant step-change in scale for SG Company,** with positive effects in terms of **enhanced market visibility, stronger brand positioning,** and the **progressive consolidation of synergies** across the Group's companies. Such an evolution could trigger a virtuous cycle, **enabling the Group to position itself for ever larger M&A transactions**. In this context, SG Company's proven track record as an aggregator in its sector supports a generally positive assessment of the achievability of the targets outlined by management, even though these are ambitious.

While 2025 showed significant progress across multiple fronts, the start of the current year has laid solid foundations for an acceleration of SG Company's growth trajectory. In this regard, **the Company reported 1Q revenues exceeding €20.9mn** (vs €14.1mn in 1Q 2025) and **order backlog (backed by contracts) of €9.6mn** (vs €4.8mn in 1Q 2025); orders still under negotiation are excluded from this figure. As a result, in the three months to 31 March 2026, SG Company recorded total revenues and order intake of €30.6mn, covering approximately 55% of our 2026 projections. This not only enhances the visibility of our estimates but also confirms the strength and effectiveness of the Company's business model, highlighting the growth potential stemming from the development of a corporate ecosystem built on complementary capabilities and service offerings, as well as strong managerial cohesion.

Change in estimates

In updating our estimates on SG Company, we incorporate only the organic growth component outlined in the Business Plan, amounting to €75mn by 2030, while excluding for the time being any contribution from external growth initiatives not yet disclosed, pending greater visibility on future acquisitions. At the same time, we extend our forecast horizon by adding 2028 as an additional explicit forecast year.

We are increasing our revenue estimates for 2026 and 2027 by +12.1% and +14.8%, respectively. For 2026, we forecast revenues of €56.1mn, up 13.4% YoY, also supported by the contribution from the recent acquisitions of Waymedia and In Action, with the scope excluding K2 Capital Srl, no longer controlled by SG Company. For the following period, considering the maturity of the core market, we assume a more normalized growth rate of approximately 5% per annum, taking revenues to €62mn in 2028.

On the profitability front, we expect a more gradual improvement in operating efficiency compared to previous assumptions, resulting in a reduction of our 2026–2027 adj. EBITDA estimates by 19.4% and 17.1%, respectively. Profitability is expected to benefit from a favourable evolution of the product and service mix, as well as from the introduction of specialized procurement roles, aimed at strengthening the Group's bargaining power and generating a progressive reduction of purchasing costs. These dynamics should offset the increase in costs associated with headcount expansion required to support the broadening of the offering, leading to an average EBITDA margin of 7.7% over the period.

In line with management guidance, we assume gradual cash deployment for the announced share buyback plan, currently pending shareholder approval, for a total estimated amount of approximately €1mn over an 18-month timescale.

We also incorporate into our estimates an increase in cash requirements associated with the Group's growth path. In particular, volume expansion is expected to translate into higher working capital absorption, in addition to both upfront and deferred cash outflows related to the acquisition of majority stakes in new companies. In light of these, we have revised our net financial position estimates upwards: we now expect the NFP to reach €8.6mn as at 31 December 2026, €5.6mn as at 31 December 2027, and €2.8mn as at 31 December 2028.

SG Company: FY26-28 change in estimates

(Eu mn)	2026 New	2027 New	2028 New	2026 Old	2027 Old	Δ FY26 (%)	Δ FY27 (%)
Net Sales	**56.1**	**59.0**	**62.0**	**50.1**	**51.4**	***12.1%***	***14.8%***
% YoY growth	*13.4%*	*5.1%*	*5.0%*	*10.9%*	*2.7%*		
Other revenues	1.0	1.0	0.5	1.0	1.0		
Value of production	**57.1**	**60.0**	**62.5**	**51.1**	**52.4**	***11.9%***	***14.5%***
Operating expenses	(52.9)	(55.5)	(57.6)	(45.8)	(47.0)		
Adjusted EBITDA	**4.3**	**4.5**	**4.8**	**5.3**	**5.5**	***-19.4%***	***-17.1%***
% margin	*7.6%*	*7.7%*	*7.8%*	*10.6%*	*10.6%*		
% YoY growth	*15.1%*	*6.4%*	*6.5%*	*19.0%*	*3.5%*		
Non recurring items	(0.2)	0.0	0.0	(0.3)	0.0		
Reported EBITDA	**4.1**	**4.5**	**4.8**	**5.0**	**5.5**	***-19.4%***	***-17.1%***
% margin	*7.2%*	*7.7%*	*7.8%*	*10.1%*	*10.6%*		
D&A and Provisions	(2.2)	(2.1)	(2.0)	(1.5)	(1.4)		
EBIT	**1.8**	**2.4**	**2.8**	**3.5**	**4.0**	***-48.5%***	***-41.0%***
% margin	*3.2%*	*4.0%*	*4.5%*	*7.1%*	*7.9%*		
Net Financial Charges	(0.5)	(0.4)	(0.4)	(0.5)	(0.3)		
Associates	0.0	0.0	0.0	0.0	0.0		
Pretax Profit	**1.3**	**2.0**	**2.4**	**3.1**	**3.7**	***-56.1%***	***-46.9%***
Taxes	(0.2)	(0.4)	(0.5)	(0.1)	(0.9)		
tax rate	*15%*	*20%*	*21%*	*3%*	*25%*		
Consolidated Net Profit	**1.1**	**1.6**	**1.9**	**3.0**	**2.7**	***-61.4%***	***-43.3%***
Minorities	(0.5)	(0.7)	(0.8)	(1.2)	(1.1)		
Net Profit	**0.7**	**0.9**	**1.1**	**1.8**	**1.7**	***-62.8%***	***-46.5%***
% margin	*1.2%*	*1.5%*	*1.8%*	*3.6%*	*3.3%*		
Net Financial Position	**(8.6)**	**(5.9)**	**(2.7)**	**(5.5)**	**(2.3)**	***57.6%***	***160.3%***
Operating Working Capital	**5.3**	**4.8**	**5.2**	**4.4**	**3.9**	***20.5%***	***25.3%***
Capital Expenditures	**1.1**	**1.6**	**0.9**	**0.5**	**0.9**	***113.1%***	***73.2%***

Source: Websim Corporate estimates

Conclusions

Following the publication of the updated 2026–2030 business plan, FY25 results, and 1Q 2026 revenues, we reiterate our positive stance on SG Company. We believe that achieving the targets outlined by management could represent a meaningful step-change in scale for the Group, with positive implications in terms of enhanced visibility, stronger brand positioning, and the progressive consolidation of synergies across its subsidiaries.

Such an evolution could trigger a virtuous cycle, enabling SG Company to access increasingly sizeable M&A opportunities. In this context, the Group's established track record as an aggregator in its sector supports a generally positive view on the achievability of the Plan's targets, even though these are ambitious.

The acquisitions completed in 2026, while not transformative in size, appear consistent with the stated strategy, confirming management's execution capabilities through targeted acquisitions of companies with strong positioning, local market presence, and solid fundamentals. These are integrated within a model that combines operational autonomy with Group-level coordination. 1Q revenues, in addition to improving the visibility of our 2026 estimates, confirm the strength and effectiveness of the Company's business model, highlighting the growth potential stemming from the development of a corporate ecosystem built on complementary capabilities and service offerings, as well as strong managerial cohesion.

In light of the above, we update our target price from €0.45 to €0.48 per share. The revision reflects the roll-forward of the DCF model and the updating of our estimates, including downward revisions for 2026–2027, the introduction of 2028 as an explicit forecast year, and the extension of projections through 2030. We think it appropriate to highlight that the current valuation incorporates a macroeconomic environment characterized by a general increase in benchmark rates, reflected in the model through an increase in the risk-free rate from 3.5% to 4%.

DETAILS ON STOCKS RECOMMENDATION			
Stock NAME	**SG COMPANY**		
Current Recomm:	BUY	Previous Recomm:	BUY
Current Target (Eu):	0.48	Previous Target (Eu):	0.45
Current Price (Eu):	0.26	Previous Price (Eu):	0.29
Date of report:	21/04/2026	Date of last report:	09/10/2025

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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.
Reports on all companies listed on the FTSEMIB40 Index, most of those on the MIDEX Index and the main small caps (regular coverage) are published at least once per quarter to comment on results and important newsflow.
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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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OUTPERFORM:	37.04%
NEUTRAL:	30.37%
UNDERPERFORM:	00.00%
SELL:	00.00%

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