Soges Group SpA

Hotels, Restaurants & Leisure

Focus Shifts to Integration in FY26

ADD | Fair Value: €4.0 (€4.0) | Current Price: €1.7 | Upside: +128%

KT&PARTNERS

Research Update

October 21, 2025 – 7.00 h

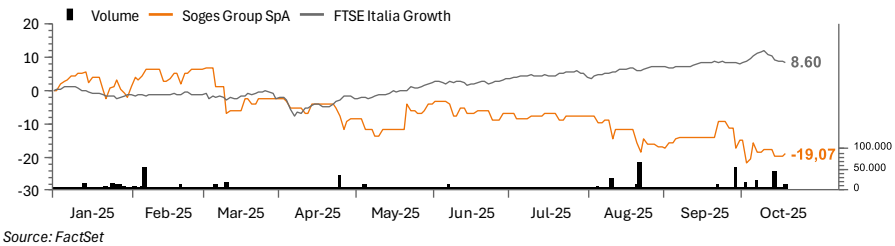
€ Million	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E	FY28E
Sales Revenues	5.2	10.8	15.8	16.7	27.0	32.9	36.6	40.6
EBITDA	(0.1)	0.9	1.5	1.1	1.4	3.6	4.5	5.0
margin	*-2.1%*	*8.5%*	*9.2%*	*6.3%*	*5.1%*	*11.1%*	*12.3%*	*12.3%*
Net Profit	(0.5)	0.3	0.4	(0.3)	(1.6)	0.1	0.6	0.9
Free Cash Flows	(0.9)	(0.8)	0.1	(14.6)	2.7	3.7	2.9	3.5
Net Debt (Net Cash)	1.9	2.7	3.4	14.3	11.6	8.4	6.0	3.0

Change in Estimates. We revised our FY26E–FY28E forecasts following the Company's announcement of its intention to enter a consolidation phase for its existing hotel portfolio. As declared by the Company's management, FY26E will be dedicated to integrating recently opened venues and bringing them to full operating capacity, with new openings expected to resume from FY27E onward. Reflecting this strategic shift, we now assume no new openings in FY26E, forecasting the resumption of new venues' addition from FY27E, with the usual assumption of two new venues per year. The revision results in lower expected revenues starting from FY26E, with €32.9mn now expected vs. €34.4mn in our most recent update (-4%), and a reduction of at least €3mn per year thereafter. Lower revenues are offset by higher operating margins, due to the lack of anticipated setup costs for the missing FY26E openings, and lower FY26E CapEx requirements. FY26E EBITDA is now forecasted at €3.6mn (11.1% margin; previously €3.2mn with 9.4% margin), while net income is expected slightly positive at €0.1mn (vs. €0.4mn loss). For FY28E, we project revenues of €40.6mn (vs. €43.9mn) and EBITDA of €5.0mn (12.3% margin), with PFN improving to €3.0mn.

1H25 Financial results. On September 30, 2025, Soges Group reported 1H25 sales of €11.8mn (+59% YoY), broadly in line with our €12.0mn estimate. Growth was fueled by the contribution of newly added venues (c. €4.1mn), led by Palazzo Alfieri (€3.4mn), Relais Villa Olmo (€0.7mn from March 2025), and the Art Atelier expansion, which added €0.3mn vs 1H24 (+54%). EBITDAR more than doubled to €2.4mn (+142% YoY), almost in line with our expectation (€2.5mn) with margin improving to 20.0% (from 13.1%), driven by Palazzo Alfieri's higher-margin profile and operating leverage on the enlarged perimeter. EBITDA was €0.3mn (2.6% margin), only slightly above €0.1mn in 1H24, as higher lease costs offset part of the EBITDAR gain. At the bottom line, net income was -€1.4mn (vs -€0.4mn in 1H24), reflecting higher D&A on new assets (including the consolidated assets of Palazzo Alfieri) and increased interest expenses (€0.5mn vs €0.2mn) on the financing of the recent acquisition. The Net Financial Position improved to €12.4mn net debt at June 2025 (from €14.3mn in FY24), supported by positive working-capital and provisions effects from the Hotel Bretagna merger and the €0.6mn net cash intake from April 2025 capital increase (with €1.5mn of the €2.1mn proceeds pre-deposited by majority shareholder Gala S.r.l.).

Valuation. Our valuation - based on DCF and market multiples method (EV/Sales) - returns an equity fair value of €23.9mn, or €4.0ps, implying an upside of +128% on the current market price.

Soges Group Relative Stock Performance YTD



Source: FactSet

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Market Data	
Mkt Cap (€ mn)	10.5
EV (€ mn)	24.8
Shares out. (mn)	6.0
Free Float	22.1%

Market multiples	2025E	2026E	2027E
EV/Sales			
Soges Group (KT Valuation)	1.4x	1.1x	1.0x
Soges Group (Market)	0.9x	0.7x	0.7x
Comps Median	2.0x	1.9x	1.8x
Soges Group vs Comps Median	*-55%*	*-61%*	*-64%*
EV/EBITDA			
Soges Group (KT Valuation)	27.1x	10.3x	8.4x
Soges Group (Market)	17.4x	6.7x	5.4x
Comps Median	8.8x	8.4x	8.0x
Soges Group vs Comps Median	*98%*	*-21%*	*-32%*

Stock Data	
Avg. Daily Turnover 90d (€ k)	9.6
Price Change 1w (%)	-1.69
Price Change 1m (%)	-5.95
Price Change YTD (%)	-19.07

KT&PARTNERS PREPARED THIS DOCUMENT PURSUANT TO AN ENGAGEMENT LETTER ENTERED INTO WITH MIT SIM S.P.A. ACTING AS SPECIALIST IN ACCORDANCE WITH ART. 35 OF EURONEXT GROWTH MILAN MARKET RULES FOR COMPANIES

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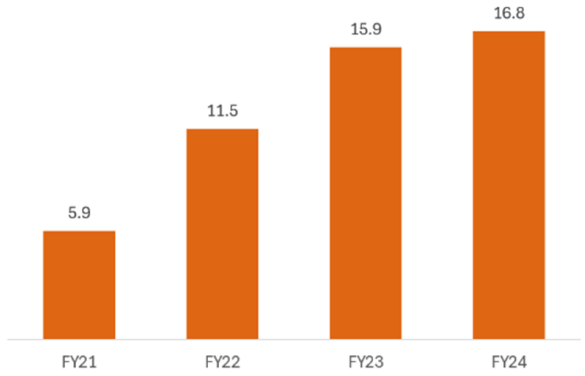
Key Figures - Soges Group SpA

Per Share Data	2021	2022	2023	2024	2025E	2026E	2027E	2028E
Total shares outstanding (mn)	n.m.	n.m.	n.m.	5.10	6.04	6.04	6.04	6.04
EPS	n.m.	n.m.	n.m.	-0.07	-0.26	0.01	0.10	0.15
Dividend per share (ord)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Profit and Loss (EUR million)								
Sales Revenues	5.2	10.8	15.8	16.7	27.0	32.9	36.6	40.6
Total Revenues (VoP)	5.9	11.5	15.9	16.8	27.7	33.4	37.1	41.1
growth (%)	n.m.	94.0%	38.7%	5.5%	64.5%	20.7%	10.9%	11.0%
EBITDA	(0.1)	0.9	1.5	1.1	1.4	3.6	4.5	5.0
EBITDA margin (%)	*-1.8%*	*7.9%*	*9.1%*	*6.3%*	*5.0%*	*10.9%*	*12.1%*	*12.1%*
EBIT	(0.5)	0.3	0.6	0.0	(1.4)	0.8	1.6	1.9
EBIT margin (%)	*-8.5%*	*3.0%*	*3.6%*	*0.2%*	*-5.1%*	*2.5%*	*4.2%*	*4.7%*
Net Income	(0.5)	0.3	0.4	(0.3)	(1.6)	0.1	0.6	0.9
Net Profit margin (%)	*-8.6%*	*2.5%*	*2.6%*	*-2.0%*	*-5.7%*	*0.2%*	*1.7%*	*2.2%*
Net Income attributable to the Group	(0.5)	0.3	0.4	(0.3)	(1.6)	0.1	0.6	0.9
Balance Sheet (EUR million)								
Total fixed assets	4.2	5.7	6.6	20.3	19.5	17.0	15.4	13.8
Trade Working Capital (TWC)	(0.2)	(0.6)	(0.4)	(0.8)	(1.2)	(1.4)	(1.5)	(1.6)
Total Net capital employed	2.8	4.0	4.9	19.5	15.8	12.7	11.0	8.8
Net financial position / (Cash)	1.9	2.7	3.4	14.3	11.6	8.4	6.0	3.0
Group Shareholder's Equity	0.9	1.2	1.5	5.2	4.2	4.3	4.9	5.8
Cash Flow (EUR million)								
Net operating cash flow	(0.1)	1.0	1.9	1.1	1.8	3.4	4.0	4.4
Change in NWC	0.5	0.1	(0.4)	(1.1)	2.3	0.2	(0.2)	0.0
Capital expenditure	(1.5)	(1.9)	(1.6)	(2.5)	(14.1)	(0.3)	(1.4)	(1.5)
Free cash flow	(0.9)	(0.8)	0.1	(14.6)	2.7	3.7	2.9	3.5
Enterprise Value (EUR million)								
Market Cap	n.m.	n.m.	n.m.	11.0	10.5	10.5	10.5	10.5
Minorities	-	-	-	-	-	-	-	-
Net financial position/(Cash)	1.9	2.7	3.4	14.3	11.6	8.4	6.0	3.0
Enterprise value	n.m.	n.m.	n.m.	25.3	22.1	18.9	16.5	13.4
Ratios								
ROCE	-18.0%	8.7%	11.6%	0.1%	-8.9%	6.6%	14.4%	22.1%
ROE	-55.4%	24.1%	28.4%	-6.4%	-37.5%	1.5%	12.7%	15.7%
Interest cover on EBIT	-3.9%	36.7%	60.5%	1246.4%	-54.1%	79.5%	38.9%	28.9%
NFP/EBITDA	-17.5x	3.0x	2.4x	13.6x	8.4x	2.3x	1.3x	0.6x
Gearing - Debt/equity	202.9%	226.2%	233.2%	275.5%	275.1%	196.6%	123.0%	51.1%
TWC/Total Revenues	-3.9%	-5.4%	-2.6%	-4.5%	-4.2%	-4.1%	-3.9%	-3.8%
Free cash flow yield	-3.8%	-3.0%	0.4%	-58.8%	10.8%	15.0%	11.7%	14.2%
Multiples (x)								
EV/Sales	4.7x	2.2x	1.5x	1.4x	0.9x	0.7x	0.7x	0.6x
EV/EBITDA	-226.5x	26.5x	16.6x	22.9x	17.4x	6.6x	5.4x	4.8x
P/E	-20.5x	35.7x	24.9x	-31.4x	-6.6x	160.4x	16.8x	11.4x

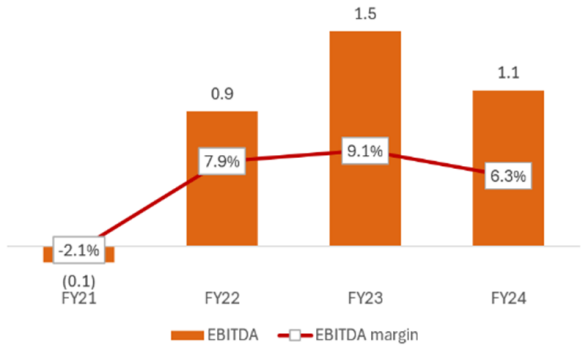
Source: Company Data (2021-2024), KT&Partners' Forecasts (2025-2028)

Key Charts

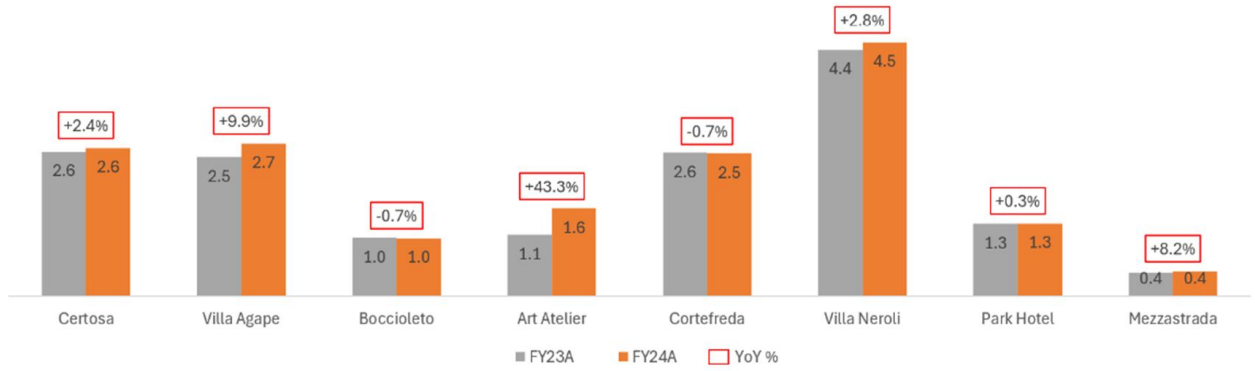
Total Revenues (€mn)



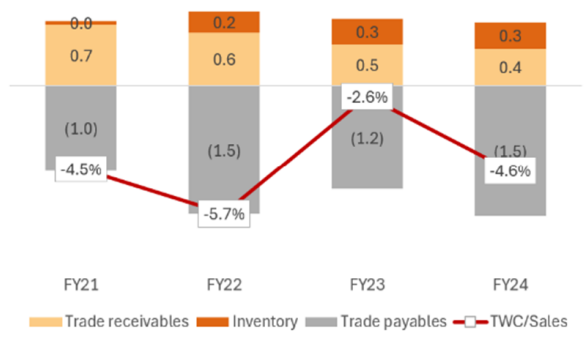
EBITDA and EBITDA Margin (€mn, %)



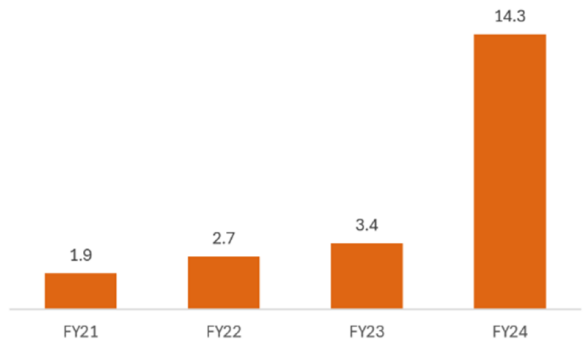
Sales Revenues Breakdown by Managed Hotel FY23-24 (€mn)



Trade Working Capital and TWC/Total Revenues (€mn, %)



Net Financial Position (€mn)



Overview

Company Description

Soges Group SpA ("Soges", or "Company", or "Group") is an Italian company today operating in the medium-to-high-end hospitality and lodging market. The Group's purpose is to blend high-quality lodging services with a set of experiences and activities that allow its customers to live the Tuscan historical-cultural context artistic and natural vibes to the fullest. To help with its goal, the group chooses to carry its hotel activities in buildings with historical and cultural relevance, such as historical villas, former monasteries, farmsteads, etc. The Company operates most of its hotels with its commercial brand "Place of Charme", which encompasses all but one of the managed hotels. Starting from 2025, with the addition of Hotel Meliá Venice Lido, the Group will manage a venue as a pure hotel management company under the franchise of a major international hotel chain.

The Company was born in 2000 as a student housing management company and entered the hospitality business in 2014 after acquiring the management of its first hotel, the Certosa di Pontignano. Soges Group completed its business reconversion in 2019 by selling its student housing business unit and proceeded to expand its activities, reaching 8 managed hotels at the end of 2023, for a total of 324 rooms (40.5 rooms per facility on average). Since its IPO in the summer of 2024, Soges Group brought 4 more hotels under its umbrella (and expanded the room capacity of the Art Atelier Hotel with the addition of a Dependance). With these additions, the Group Hotel portfolio has reached 12 facilities, totaling 510 rooms under its management (42.75 rooms per facility on average).

As of today, the company offers its accommodation services in hotels located exclusively in the Tuscany region, clustered in the city of Florence and in the countryside region of Chianti, leveraging the proximity of hotels within each cluster to create operational efficiencies and synergies by sharing resources, supplies, and personnel as needed. The Company's business model is based on the centralized management of the facilities and on the growth and strengthening of its brand through further acquisitions. The Group takes charge of all the administrative functions that can directly perform by itself, cutting overhead costs, making governance more efficient and creating synergies between its venues. The Group aims to further expand its model to other hotels by taking over the management of new hotel facilities (either in Tuscany or other Italian regions) that align with Soges' quality standards and with its brand proposition. The expansion of the Group's operations (and therefore, of its revenues) would allow it to enhance profitability and widen margins, since its costs would grow less than its revenues thanks to economies of scale.

Investment Case

- ***High-quality brand proposition.*** Soges offers accommodation services in locations with relevant artistic and cultural heritage. The hotels are typically housed in buildings of historical and cultural significance and integrated with their surroundings. Almost all of its venues are currently situated in Tuscany, specifically in the city of Florence and the Chianti countryside, allowing the Company to leverage the artistic, literary, and natural landmarks of Florence and its surrounding countryside.
- ***High customer satisfaction and positive experience reviews.*** Soges' services have been highly appreciated by its customers, as evidenced by excellent reviews and ratings on various online travel portals. The Company has been able to consistently improve its average Booking.com ratings across all facilities: from 2019 to 2023, Soges elevated its average Booking.com ratings by 0.4/10, and by 0.6/10 when considering only the hotels acquired after 2019. The quality of Soges' services is further underscored by its high average occupancy rates: 82% across its hotels in 2023 and over 84% in 2024.
- ***Successful track record of hotel takeovers.*** The Company can boast a track record of successful portfolio additions, managing not only to correctly detect its targets, but also to integrate the acquired hotels in its portfolio and to improve their operational and financial performance. The group aims to expand their operations in Tuscany and possibly in the rest of Italy, thanks to the plethora of cultural touristic destinations and historical buildings that align with the standards of Soges' brand proposition.
- ***Centralized management bringing efficiency and economies of scale.*** Soges' business model is founded on the centralization of business and administrative functions of its hotels and facilities, taking charge of all the duties that can directly perform by itself; this approach helps to make governance more efficient and to create synergies between its venues. It also creates economies of scale, as costs rise less than revenues for each hotel it is acquired, empowering further business expansion with wider margins and higher profitability.
- ***Industry-level shift toward medium-to-high and higher rated services driven by a change in customer preferences.*** The Italian lodging market is undergoing a "luxurization" trend, with 4 and 5-star rated hotels gaining prominence at the expense of lower-rated establishments. Hotels across Italy are evolving into medium-to-high-end and luxury service providers, trying to cater to customers with higher spending capacity as tourists are increasingly seeking higher quality accommodation and better travel experiences, and are simultaneously distancing themselves from the fiercely competitive lower market segments. This evolving landscape offers significant opportunities to companies like Soges, which are already experienced in the medium-to-high-end segment and better positioned to capitalize on these trends.
- ***Asset-light business model.*** Soges operates as a hotel management company, typically running its operations without direct ownership of the properties it oversees. Rather than acquiring real estate assets, the company secures management contracts, maximizing its operational efficiency without the financial burden and risks stemming from property ownership. Purchases of the hotel buildings are made occasionally, when the acquisition of the hotel management is deemed strategically important for the Company and the building purchase is necessary to acquire the management of the hotel.

Recent developments

- **Disposal of Hotel Borgo di Cortefreda property.** On July 14, 2025, Soges Group signed a preliminary sale agreement with Palazzo Costanzi S.r.l. for the disposal of the property hosting Hotel Borgo di Cortefreda in Barberino Tavarnelle. The agreement included the simultaneous lease of the property back to Soges Group, ensuring operational continuity under the Place of Charme brand. The transaction was structured for a sale price of €4.9mn, with an initial 9-year lease renewable for additional periods, at an annual rent of €370k plus a variable component linked to revenues. The property was owned by Intesa Sanpaolo, which had acquired it in 2024 in connection with Soges Group's acquisition of the Hotel Borgo di Cortefreda business unit, and was leased to the Company under a 12-year financial leasing contract. On September 17, the Company exercised its early redemption right on the property, for a disbursement of €3.3mn, and finalized its sale. The transaction is consistent with Soges Group's 'asset-light' strategy, which focuses on the core hotel management business without direct ownership of the operated properties, thereby maintaining a leaner financial and asset structure. The proceeds from the disposal will strengthen the Company's financial position and free up resources for new investments.
- **Merger of Hotel Bretagna and Incorsi.** On June 30, 2025, Soges Group completed the merger by incorporation of its wholly owned subsidiaries Hotel Bretagna S.r.l. and Incorsi S.r.l. into the parent company. Through this merger, the Company completed the final deed of the acquisition process initiated at the end of 2024 to take over the Alfieri Collection.
- **First warrant exercise period results.** On May 23, 2025, Soges Group announced the outcome of the first exercise period of the "Soges Group 2024–2027 Warrants," held between May 12 and May 23, 2025: no warrants were exercised during this period, and no new shares were issued, leaving the share capital unchanged at 6,073,368 ordinary shares. On that date, 1,208,700 warrants remained outstanding.
- **Closing of capital increase.** On April 1, 2025, Soges Group communicated the closure of the subscription period for the remaining 338,420 unsubscribed shares from the capital increase approved in December 2024 concurrently with its acquisition of Hotel Bretagna. Soges Group was entitled to place these shares to existing shareholders or third-party investors up until March 31, 2025. At the end of the capital increase, closed in mid-February 2025, 937,538 new ordinary shares were subscribed, representing 73.48% of the total offered, for total proceeds of €2.1mn. The Company's outstanding shares remained unchanged at 6,073,368.

Change in Estimates

We updated our estimates following the Company's recent statement indicating its intention to enter into a consolidation phase of its existing hotel portfolio. The year 2026 will be dedicated to integrating and bringing recently opened properties up to full operating capacity, with new openings expected to resume in 2027.

"...2025 has been a year of strong dynamism, during which we anticipated several initiatives originally planned in the industrial plan, expanding the portfolio with prominent properties… …SOGES GROUP, also through its own brand Place of Charme, has progressively reinforced its presence across the territory, reaching a total of twelve managed properties, demonstrating its ability to successfully integrate new assets and enhance prestigious locations. This acceleration has laid solid foundations for future growth but at the same time makes 2026 a year dedicated to consolidation — a period in which the newly acquired properties will progressively reach full operating capacity, contributing increasingly to revenues and operating margins. The goal will be to fully capitalize on the portfolio, consolidating and improving performance and creating the conditions for a new phase of growth through the acquisition of additional properties starting in 2027."

Reflecting this strategic shift, we now assume no new hotel openings in FY26E and a resumption of portfolio expansion from FY27E onward, with the usual assumptions of two new properties per year in both FY27E and FY28E.

The main effects of this revision are: lower revenues starting from FY26E compared to the October 15 update, with €1.5mn less in FY26E and at least €3mn per year lower over the following two years; higher expected operating margins, given the absence of setup costs for new hotels, which typically weigh on profitability in their first year of operation; and lower CapEx in FY26E, down by about €1.0mn (€0.5mn per venue), consistent with our previous estimate of the average investment required for each new opening.

For FY26E, we now expect revenues of €32.9mn (€34.4mn in the October update and €37.9mn in the March update). EBITDA is forecasted at €3.6mn, corresponding to an 11.1% margin, compared with €3.2mn and a 9.4% margin in the post-1H25 estimates, and €5.6mn in the March 2025 update. At the bottom line, we now expect net income of €0.1mn, compared with the previously estimated €0.4mn net loss.

For the following years, with the addition of two venues per year, we expect revenues to reach €40.6mn in FY28E (vs. €43.9mn previously estimated); we expect a FY28E EBITDA of €5.0mn with a 12.3% margin on sales. FY28E NFP expected to reach €3.0mn.

Change in Estimates vs. October 15, 2025 update

€ Millions	2024A Actual	2025E Old	2025E New	Change Old vs New	2026E Old	2026E New	Change Old vs New	2027E Old	2027E New	Change Old vs New	2028E Old	2028E New	Change Old vs New
Sales Revenues	**16.7**	**27.0**	**27.0**	**0%**	**34.4**	**32.9**	**-4%**	**39.8**	**36.6**	**-8%**	**43.9**	**40.6**	**-8%**
YoY Change (%)	*5.8%*	*n.a.*	*61.8%*		*27.5%*	*22.0%*		*15.4%*	*11.0%*		*10.3%*	*10.9%*	
EBITDAR	**3.0**	**5.9**	**5.9**	**0%**	**8.6**	**8.7**	**1%**	**10.9**	**10.4**	**-5%**	**12.2**	**11.6**	**-5%**
EBITDAR Margin	*18.3%*	*21.7%*	*21.7%*		*24.9%*	*26.3%*		*27.4%*	*28.4%*		*27.8%*	*28.6%*	
EBITDA	**1.1**	**1.4**	**1.4**	**0%**	**3.2**	**3.6**	**12%**	**4.4**	**4.5**	**1%**	**5.0**	**5.0**	**0%**
EBITDA Margin	*6.3%*	*5.1%*	*5.1%*	*0.0pp*	*9.4%*	*11.1%*	*1.6pp*	*11.1%*	*12.3%*	*1.1pp*	*11.3%*	*12.3%*	*1.0pp*
EBIT	**0.0**	**(1.4)**	**(1.4)**	**0%**	**0.2**	**0.8**	**404%**	**1.2**	**1.6**	**33%**	**1.6**	**1.9**	**22%**
EBIT Margin	*0.2%*	*-5.2%*	*-5.2%*		*0.5%*	*2.6%*		*3.0%*	*4.3%*		*3.6%*	*4.8%*	
Net Income	**(0.3)**	**(1.6)**	**(1.6)**	**0%**	**(0.4)**	**0.1**	**-116%**	**0.3**	**0.6**	**83%**	**0.7**	**0.9**	**38%**
Net Margin	*-2.0%*	*-5.9%*	*-5.9%*		*-1.2%*	*0.2%*		*0.9%*	*1.7%*		*1.5%*	*2.3%*	
NFP	**14.3**	**11.6**	**11.6**	**-**	**9.6**	**8.4**	**(1.2)**	**7.1**	**6.0**	**(1.0)**	**3.9**	**3.0**	**(0.9)**
YoY Change (€mn)	*10.9*	*(2.7)*	*(2.7)*		*(2.0)*	*(3.2)*		*(2.5)*	*(2.4)*		*(3.2)*	*(3.1)*	

Source: KT&Partners' Elaboration

Change in Estimates vs. March 18, 2025 update

€ Millions	2024A Actual	2025E Old	2025E New	Change Old vs New	2026E Old	2026E New	Change Old vs New	2027E Old	2027E New	Change Old vs New	2028E Old	2028E New	Change Old vs New
Sales Revenues	**16.7**	**29.9**	**27.0**	**-10%**	**37.9**	**32.9**	**-13%**	**42.7**	**36.6**	**-14%**	**46.7**	**40.6**	**-13%**
YoY Change (%)	*5.8%*	*78.9%*	*61.8%*		*27.0%*	*22.0%*		*12.6%*	*11.0%*		*9.4%*	*10.9%*	
EBITDAR	**3.0**	**8.5**	**5.9**	**-31%**	**11.3**	**8.7**	**-23%**	**12.9**	**10.4**	**-20%**	**14.0**	**11.6**	**-17%**
EBITDAR Margin	*18.3%*	*28.6%*	*21.7%*		*29.8%*	*26.3%*		*30.3%*	*28.4%*		*30.0%*	*28.6%*	
EBITDA	**1.1**	**4.1**	**1.4**	**-66%**	**5.6**	**3.6**	**-35%**	**6.3**	**4.5**	**-29%**	**6.6**	**5.0**	**-25%**
EBITDA Margin	*6.3%*	*13.6%*	*5.1%*	*-8.5pp*	*14.8%*	*11.1%*	*-3.7pp*	*14.8%*	*12.3%*	*-2.5pp*	*14.2%*	*12.3%*	*-1.9pp*
EBIT	**0.0**	**1.3**	**(1.4)**	**-208%**	**2.6**	**0.8**	**-67%**	**3.0**	**1.6**	**-48%**	**3.2**	**1.9**	**-38%**
EBIT Margin	*0.2%*	*4.4%*	*-5.2%*		*6.7%*	*2.6%*		*7.1%*	*4.3%*		*6.8%*	*4.8%*	
Net Income	**(0.3)**	**0.3**	**(1.6)**	**-604%**	**1.3**	**0.1**	**-95%**	**1.6**	**0.6**	**-62%**	**1.8**	**0.9**	**-48%**
Net Margin	*-2.0%*	*1.1%*	*-5.9%*		*3.4%*	*0.2%*		*3.9%*	*1.7%*		*3.8%*	*2.3%*	
NFP	**14.3**	**8.4**	**11.6**	**3.2**	**5.0**	**8.4**	**3.4**	**1.1**	**6.0**	**4.9**	**(3.3)**	**3.0**	**6.3**
YoY Change (€mn)	*10.9*	*(5.9)*	*(2.7)*		*(3.4)*	*(3.2)*		*(3.9)*	*(2.4)*		*(4.5)*	*(3.1)*	

Source: KT&Partners' Elaboration

Soges Group's FY24A-28E PFN Bridge

€ Millions	2024	2025E	2026E	2027E	2028E
EBITDA	**1.1**	**1.4**	**3.6**	**4.5**	**5.0**
Net financial income/(expenses)	(0.3)	(0.8)	(0.7)	(0.6)	(0.6)
Income Taxes	(0.0)	0.6	(0.1)	(0.3)	(0.5)
Change in NWC	(1.1)	2.3	0.2	(0.2)	0.0
Change in provision for employee	0.2	0.6	0.4	0.5	0.5
Operating Cash Flow	**(0.2)**	**4.1**	**3.4**	**3.8**	**4.5**
CapEx	(2.5)	(14.1)	(0.3)	(1.4)	(1.5)
Investments in financial assets	(12.2)	12.1	0.1	0.1	0.1
FCF	**(14.9)**	**2.1**	**3.2**	**2.4**	**3.1**
Change in Total Shareholders' Equity	4.1	0.6	(0.0)	0.0	(0.0)
Dividend Paid	-	-	-	-	-
Change in NFP	**(10.9)**	**2.7**	**3.2**	**2.4**	**3.1**
as % of EBITDA	*n.m.*	*194.2%*	*87.5%*	*53.7%*	*61.5%*
Beginning NFP	3.4	14.3	11.6	8.4	6.0
Final NFP	**14.3**	**11.6**	**8.4**	**6.0**	**3.0**

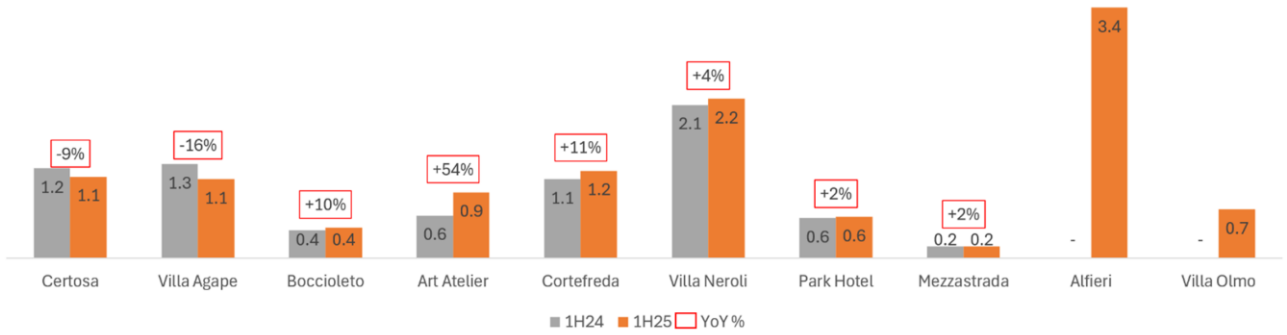
Source: KT&Partners' Elaboration on Company Data

1H25 Financial Results

In 1H25, Soges Group reported €11.8mn in sales revenues, up by +59% YoY from €7.4mn in 1H24 and broadly in line with our estimates (€12.0mn). The strong increase in revenues reflects the addition from beginning of the year of the newly acquired venues, the Art Atelier Dependance, added in 2H24, Villa Olmo and above all Palazzo Alfieri: the new additions contributed with €4.1mn in revenue generation, with Palazzo Alfieri ranking as the top-performing venue in the Group's portfolio (€3.4mn), while Relais Villa Olmo brought €0.7mn in revenues from the start of its operations from March 2025. Art Atelier's expansion provided €0.3mn in extra revenue from 1H24 (+54%).

The Group's existing portfolio showed a modest but positive overall performance in terms of YoY growth, with a couple of exceptions: Villa Agape revenues declined (-€0.2mn or -16% YoY), affected by a temporary closure (for a 42-day period) for renovation works, and sales from the Certosa of Pontignano declined by -9% YoY due to fewer events and wedding celebrations held during the period.

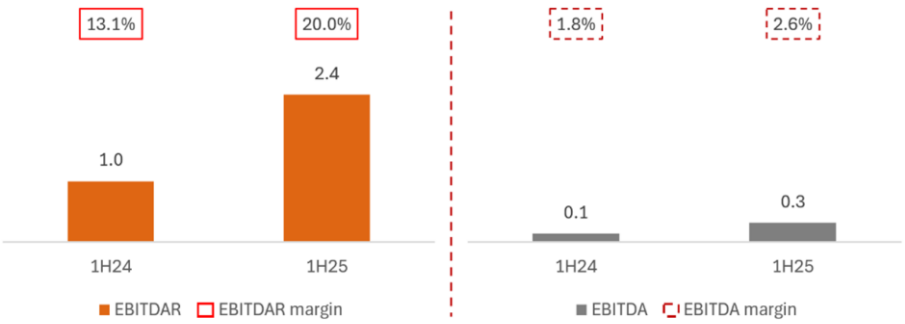
Soges Sales Revenues Breakdown by Managed Facility 1H24-1H25 (€mn)



Source: KT&Partners' Elaboration on Company Data

EBITDAR more than double, reaching €2.4mn from €1.0mn in 1H24 (+142% YoY) thanks to the new additions, with the EBITDAR margin improving to 20.0% (from 13.1%). The sharp margin expansion was mainly driven by the higher margin business of Palazzo Alfieri and helped by the enlarged portfolio scale and operational leverage on fixed costs. This result comes slightly below our estimate of €2.5mn due to higher-than-expected Personnel costs, which increased (€4.9mn from €3.2mn in 1H24) to strengthen the corporate structure needed to support the enlarged perimeter and, most of all, for the pre-opening hires for the Meliá Venezia Lido.

Soges Group EBITDAR and EBITDA, EBITDAR and EBITDA Margin FY23-FY24 (€mn, %)



Source: KT&Partners' Elaboration on Company Data

After accounting for the Rental costs, EBITDA came in at €0.3mn (vs €0.5mn expected), with a 2.6% margin on sales revenues, not far above the €0.1mn achieved in 1H24 due to the significant rents of the newly added venues.

At the bottom line, net income was -€1.4mn (vs -€0.4mn in 1H24), below our expectation of -€1.0mn, reflecting the higher depreciation charges due to the investments related to the new additions and to the assets brought in with the consolidation of Palazzo Alfieri, as well as the higher interest expenses (€0.5mn, up from €0.2mn in 1h24), which rose following the financing of recent acquisitions.

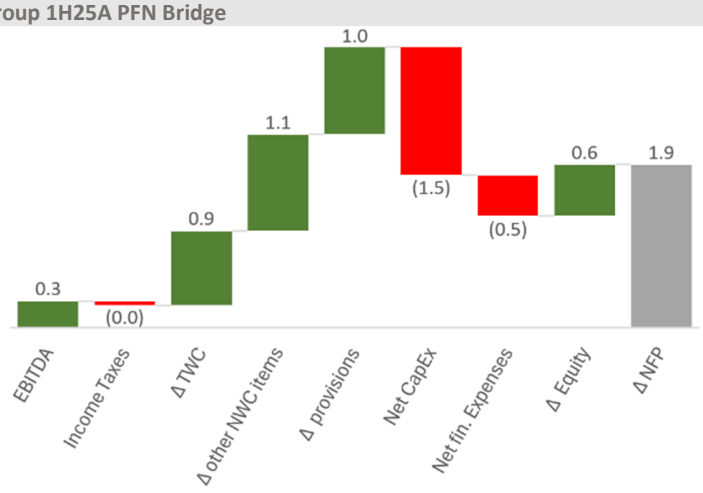
The net financial position improved to €12.4mn debt at June 2025, from €14.3mn at FY24, reflecting an overall reduction in net debt despite sustained investment activity during the semester. The €1.9mn improvement was driven by €3.3mn of operating cash flow, supported by favorable working capital and provisions movements and accounting effects related to the merger of Hotel Bretagna; this positive contribution was partly offset by €0.5mn of interest expenses and €1.5mn of net investment outflows. The capital increase completed in April 2025 provided €0.6mn of net cash inflows (€1.5mn of the €2.1mn total proceeds were already committed and deposited before year end by the majority shareholder Gala S.r.l.).

1H24A-1H25A Consolidated Income Statement vs 1H25 Estimates

€ Millions	1H23A	1H24A	1H25A	YoY %	1H25E	A vs E %
Sales Revenues	**7.0**	**7.4**	**11.8**	**58.9%**	**12.0**	**-1.6%**
Growth %	*n.a.*	*6.8%*	*58.9%*			
Other Revenues	0.1	0.0	0.4		0.1	
Total Revenues	**7.0**	**7.5**	**12.2**	**62.8%**	**12.1**	**0.2%**
Products and Raw materials	(0.9)	(0.9)	(1.2)		(1.1)	
Cost of Services	(2.0)	(2.2)	(3.6)		(3.6)	
Personnel Expenses	(3.0)	(3.2)	(4.9)		(4.5)	
Other Operating Expenses	(0.1)	(0.1)	(0.1)		(0.3)	
EBITDAR	**0.9**	**1.0**	**2.4**	**n.m.**	**2.5**	**-6.3%**
EBITDAR margin	*13.3%*	*13.1%*	*20.0%*		*20.8%*	
Rental Costs	(0.7)	(0.8)	(2.1)		(2.0)	
EBITDA	**0.2**	**0.1**	**0.3**	**n.m.**	**0.5**	**-38.9%**
EBITDA margin	*2.6%*	*1.8%*	*2.6%*		*4.1%*	
D&A and Provisions	(0.4)	(0.4)	(1.2)		(1.1)	
EBIT	**(0.2)**	**(0.3)**	**(0.9)**	**n.m.**	**(0.6)**	**39.6%**
EBIT margin	*-2.6%*	*-4.0%*	*-7.6%*		*-5.3%*	
Financial Income and Expenses	(0.1)	(0.2)	(0.5)		(0.3)	
EBT	**(0.3)**	**(0.5)**	**(1.4)**	**n.m.**	**(1.0)**	**40.4%**
Taxes	(0.1)	0.0	(0.0)		-	
Tax Rate	*-17.1%*	*8.3%*	*-3.5%*		*0.0%*	
Net Income	**(0.4)**	**(0.4)**	**(1.4)**	**n.m.**	**(1.0)**	**45.4%**
Net margin	*-5.0%*	*-6.0%*	*-12.1%*		*-8.1%*	
Growth %	*n.a.*	*-26.0%*	*n.m.*			

Source: KT&Partners' Elaboration on Company Data

Soges Group 1H25A PFN Bridge



Source: KT&Partners' Elaboration on Company Data

Valuation

Following our revision of Soges Group's financial projections, we carried out the valuation by applying the market multiples and DCF method. Our fair value is the result of:

1. EV/Sales multiples, which return an average value of €4.0 per share;
2. DCF analysis based on WACC of 11.0% and a 1% perpetual growth, which returns an equity value of €3.9 per share.

The average of the two methods yields a fair value of €4.0ps or an equity value of €23.9mn.

Multiple valuation

	Equity Value (€mn)	Value per share (€)
EV/Sales	24.0	4.0
DCF	23.8	3.9
Average	**23.9**	**4.0**

Source: FactSet, KT&Partners' Elaboration

Peer Comparison

To define Soges' peer sample, we carried out an in-depth analysis of Italian and internationally listed companies active in the Hotel Management Industry. In selecting potential peers, we consider Soges Group's offering and revenue mix, business model, growth, and profitability profile.

For peer analysis, we built a sample of 8 companies, which includes:

- **Accor SA**: listed on the Euronext Paris Stock Exchange with a market capitalization of €10.2bn, Accor SA engages in the operation and investment in hotel properties. It operates through the following business segments: Hotel Services, Hotel Assets, and New Businesses. The Hotel Services segment corresponds to AccorHotels business as a hotel manager and franchisor. The Hotel Assets segment comprises the group's owned and leased hotels. The New Businesses segment corresponds to digital services for independent hotels, private luxury home rentals, digital sales, and concierge services. In FY24, Accor reached €5.6bn in sales revenues.
- **MHP Hotel AG:** listed on the XETRA with a market capitalization of €66mn, MHP Hotel AG is a German hotel investment and management platform. The group designs and implements hotel and gastronomy concepts for hotels in the premium and luxury segments and operates them as a connecting partner between real estate investors and franchisors. In addition, the operation of its own hotel brand MOOONS as well as co-investments in hotel properties, alongside real estate investors, are part of MHP's business model. In FY24, MHP reached €161mn in sales revenues.
- **Hilton Worldwide Holdings Inc:** listed on the NY Stock Exchange with a market capitalization of €52.5bn, Hilton Worldwide Holdings, Inc. engages in the provision of hospitality services. It operates through the Management and Franchise, and Ownership segments. The Management and Franchise segment operates hotels of third-party owners. The Ownership segment includes owned, leased, and joint venture hotels. In FY23, Hilton Worldwide Holdings reached €10.3bn in sales revenues.
- **Hyatt Hotels Corporation:** listed on the NY Stock Exchange with a market capitalization of €11.9bn, Hyatt Hotels Corp. engages in the development and management of resort and hotel chains. It operates through the following segments: Owned and Leased Hotels, Americas Management and Franchising, ASPAC Management and Franchising, EAME/SW Asia Management and Franchising, and Apple Leisure Group. The Owned and Leased Hotels segment offers hospitality services and hotels. The Americas Management and Franchising segment consists of properties located in the United States, Latin America, Canada, and the Caribbean. The ASPAC Management and Franchising segment consists of the management and franchising of properties located in Southeast Asia, Greater China, Australia, South Korea, Japan, and Micronesia. The

EAME/SW Asia Management segment consists of its management and franchising of properties located primarily in Europe, Africa, the Middle East, India, Central Asia, and Nepal. The Apple Leisure Group segment consists of management and marketing of primarily all-inclusive resorts within the AMR Collection in Latin America. In FY24, Hyatt Hotels Corporation reached €6.2bn in sales revenues.

- **Melia Hotels International, S.A.:** listed on the Spain Stock Exchange with a market capitalization of €1.6bn, Meliá Hotels International SA engages in the operation and management of hotels. It operates through the following segments: Hotel Management, Hotel Business, Real Estate, Vacation Club, Corporate, and Others. The Hotel Management segment operates hotels under management and franchise agreements. The Hotel Business segment operates hotel units owned or leased by the group. The Real Estate segment includes capital gains on asset rotation, and real estate development and operation. The Vacation Club segment includes the results deriving from the sale of shared rights of use of specific vacation complex units. The Corporate segment includes structural costs, results linked to the intermediation and marketing of room and tourist service reservations. The Other segment includes additional income from the hotel business, such as casinos or tour-operator activities. In FY24, Melia Hotels International reached €2.0bn in sales revenues.
- **NH Hotel Group SA (Minor Hotels Europe & Americas S.A.):** listed on the Spain Stock Exchange with a market capitalization of €2.7bn, NH Hotel Group SA engages in the management of hotels. It operates hotel chains across Europe, America, Africa and Asia, which includes in Amsterdam, Barcelona, Berlin, Bogota, Brussels, Buenos Aires, Düsseldorf, Frankfurt, London, Madrid, Mexico City, Milan, Munich, New York, Rome and Vienna. Its brands include NH Collections, NH Hotels, NHOW, and Hesperia Resorts. The firm operates through the following segments: Real Estate and Hotel. In FY24, NH Hotel Group SA reached €2.4bn in sales revenues.
- **Emma Villas S.p.A.:** listed on the Euronext Growth Milan with a market capitalization of €12mn, Emma Villas S.p.A. Emma Villas is an Italian Incoming Tour Operator, it operates in the sector of weekly tourist rentals of luxury villas and farmhouses with private swimming pools. It currently manages, exclusively, over 600 properties throughout Italy, welcoming more than 55,000 international guests every year. Property management, Smart Hospitality, dedicated Concierge 7/7, Guest & Property Protection are among the elements characterizing the Emma Villas model. In FY24, Emma Villas reached €34mn in sales revenues.
- **Marriott Vacations Worldwide Corporation:** listed on the Euronext Growth Milan with a market capitalization of €2.0bn, Marriott Vacations Worldwide Corporation encompasses a portfolio of nearly 8,800 properties across more than 30 leading brands in 139 countries and territories. Marriott operates and franchises hotels and licenses vacation ownership resorts all around the world. In FY24, Marriott reached €4.6bn in sales revenues.

Market Multiples Valuation

For our peer multiples' evaluation of the company, we use the 2025-26 EV/Sales multiples of the peer sample, this time excluding profit-based metrics such as EV/EBITDA, given that the Company's profitability for FY25E and FY26E would remain below its steady-state potential, due to impact of hotels opening in the second half of FY25, which will not be running on their full potential in their first two years, therefore leading to a higher cost incidence on sales.

The valuation takes our FY25 and FY26 estimates of Soges' Sales into account. We also account for an adjusted FY24E NFP of €13.7mn, resulting from the FY24A NFP adjusted by the €0.6mn cash-in received in 2025 from the recent capital increase. Finally, we considered a 35% liquidity/size discount on our valuation with the EV/Sales multiple.

Peer Comparison – Market Multiples 2024-2027

Company Name	Exchange	Market Cap	EV/SALES 2024	EV/SALES 2025	EV/SALES 2026	EV/SALES 2027	EV/EBITDA 2024	EV/EBITDA 2025	EV/EBITDA 2026	EV/EBITDA 2027
Accor SA	Euronext Paris	10,183	2.6x	2.5x	2.4x	2.2x	12.9x	12.3x	11.4x	10.4x
MHP Hotel AG	XETRA	66	0.4x	0.3x	0.3x	0.3x	n.m	4.0x	4.5x	4.1x
Hilton Worldwide Holdings Inc.	NYSE	52,465	6.0x	6.1x	5.7x	5.2x	26.7x	19.7x	18.3x	16.7x
Hyatt Hotels Corporation Class A	NYSE	11,946	2.7x	2.7x	2.6x	2.6x	22.7x	16.8x	15.6x	14.5x
Melia Hotels International, S.A.	Spain	1,576	2.0x	2.0x	1.9x	1.9x	7.4x	7.4x	7.3x	7.0x
Minor Hotels Europe & Americas, S.A	Spain	2,677	2.0x	2.0x	1.9x	1.8x	7.0x	7.2x	6.8x	6.6x
Emma Villas S.P.A.	Milan	12	0.4x	0.3x	0.3x	0.3x	n.m	6.4x	4.3x	3.1x
Marriott Vacations Worldwide Corporation	NYSE	1,983	1.4x	1.5x	1.5x	1.4x	10.3x	10.2x	9.5x	9.0x
Average peer group		10,114	2.2x	2.2x	2.1x	2.0x	14.5x	10.5x	9.7x	8.9x
Median peer group		2,330	2.0x	2.0x	1.9x	1.8x	11.6x	8.8x	8.4x	8.0x
Soges Group	Milan	11	1.5x	0.9x	0.7x	0.7x	22.9x	17.4x	6.7x	5.4x

Source: FactSet, KT&P's Elaboration

With the EV/Sales method, we end up with a fair value estimate for Soges' equity value of €24.0mn or €4.0 per share.

EV/Sales Multiple Valuation

Multiple Valuation (€mn)	2025E	2026E
EV/Sales Comps	2.0x	1.9x
Soges Group Sales	27.0	32.9
Enterprise value	**53.2**	**62.9**
Average Enterprise value	**58.1**	
Liquidity/Size Discount	*35%*	
Enterprise Value Post-Discount	**37.7**	
Soges Group NFP FY24A adjusted	13.7	
Soges Group Minorities FY24A	-	
Equity Value	**24.0**	
Number of shares (mn)	*6.0*	
Value per Share €	**4.0**	

Source: FactSet, KT&P's Elaboration

DCF Valuation

We have also conducted our valuation using a four-year DCF model. We have incorporated a 17.7% cost of equity, 6% cost of debt, and a D/E ratio of 100%. The cost of equity is a function of the risk-free rate of 3.5% (Italian 10y BTP yield, last 3 months average) and the equity risk premium of 5.4% (Damodaran: Italian equity risk premium with country risk based on CDS spread). We, therefore, obtained a WACC of 11.0%.

We discounted the 2025E-28E annual cash flow, and we assumed a terminal growth rate of 1%; then we carried out a sensitivity analysis on the terminal growth rate (+/- 0.25%) and on WACC (+/- 0.25%).

Our DCF valuation brings us to an equity value for the Company of €23.8mn, or €3.9 per share.

DCF Valuation

€ millions	2025E	2026E	2027E	2028E
EBIT	**(1.4)**	**0.8**	**1.6**	**1.9**
- Taxes on EBIT	0.6	(0.1)	(0.3)	(0.5)
NOPAT	**(0.8)**	**0.7**	**1.2**	**1.5**
+ D&A	2.8	2.8	2.9	3.0
+ Change in Funds	0.6	0.4	0.5	0.5
Net operating cash flow	**2.6**	**3.9**	**4.6**	**5.0**
-/+ Change in working capital	2.3	0.2	(0.2)	0.0
- CAPEX	(2.0)	(0.2)	(1.4)	(1.4)
Free Cash Flow	**2.9**	**3.9**	**3.0**	**3.6**
Growth rate (g)	1.0%			
WACC	11.0%			
FCF discounted	**2.8**	**3.4**	**2.4**	**2.6**
Discounted Cumulated FCFO	11.2			
Terminal Value	36.8			
Discounted TV	26.4			
Enterprise Value	**37.6**			
NFP FY24A adjusted	13.7			
Equity Value	**23.8**			
Current number of shares (mn)	6.0			
Value per share (€)	**3.9**			

Source: FactSet, KT&P's Elaboration

Sensitivity Analysis

€ Millions	WACC				
Terminal growth rate	11.5%	11.2%	11.0%	10.7%	10.5%
0.5%	20.9	21.7	22.5	23.3	24.2
0.8%	21.5	22.3	23.1	24.0	24.9
1.0%	22.1	23.0	23.8	24.8	25.7
1.3%	22.8	23.7	24.6	25.5	26.6
1.5%	23.5	24.4	25.4	26.4	27.4

Source: KT&P's Elaboration

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