

DHH trades at a 73% discount vs. its European peers (P/E 2017)

The dataset includes 222 European public tech companies in the sector “Software (System and Application),” many of them listed on secondary markets like AIM Italia, AIM UK, Euronext Growth, Nasdaq First North, NewConnect Poland, MaB Madrid

Milan, 5 December 2018. DHH S.p.A. (“DHH”) (DHH.MI | WDHH21.MI) (ISIN shares IT0005203622 | ISIN warrants IT0005203689), a tech company whose mission is to create the “Internet Platform of the Emerging markets of Europe”, announces that, analyzing the dataset created by Prof. Aswath Damodaran (Stern School of Business, New York University), DHH is trading at a 73% discount vs its European peers in the sector “Software (System & Application)”.

Numbers of firms	EV/Sales	EV/Ebitda	EV/Ebit	P/E	Geography
222	4,83	19,95	26,59	80,06	Europe
1075	6,36	22,54	33,50	98,42	Global
255	7,27	22,62	35,02	209,66	US
DHH 2017	0,98	9,77	14,81	21,71	Europe*
<i>DHH 2017 vs EUROPE</i>	<i>-79,70%</i>	<i>-51,02%</i>	<i>-44,30%</i>	<i>-72,89%</i>	
<i>DHH 2017 vs GLOBAL</i>	<i>-84,58%</i>	<i>-56,65%</i>	<i>-55,79%</i>	<i>-77,95%</i>	
<i>DHH 2017 vs. US</i>	<i>-86,51%</i>	<i>-56,80%</i>	<i>-57,71%</i>	<i>-89,65%</i>	
DHH 2017PF	0,91	5,85	7,39	10,18	Europe
<i>DHH 2017PF vs EUROPE</i>	<i>-81,06%</i>	<i>-70,67%</i>	<i>-72,21%</i>	<i>-87,28%</i>	
<i>DHH 2017PF vs GLOBAL</i>	<i>-85,62%</i>	<i>-74,04%</i>	<i>-77,94%</i>	<i>-89,65%</i>	
<i>DHH 2017PF vs US</i>	<i>-87,42%</i>	<i>-74,13%</i>	<i>-78,90%</i>	<i>-95,14%</i>	

Source: <http://pages.stern.nyu.edu/~adamodar/>

* Note: DHH is a genuinely multinational business with a presence in 5 countries: 35% of sales are from Croatia; 32% from Italy; 26% from Slovenia; 5% from Switzerland; 2% from Serbia.

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Taking into account the estimated pro-forma results of DHH the discount vs. European peers is 87%.

The table also includes the data of the 255 public tech companies listed in the US and the ones of the 1075 public tech companies listed in the different world Stock Exchanges, in both cases in the sector “Software (System & Application).”

DHH trades at a 78% discount vs. its global peers and 90% discount vs. its US peers. DHH 2017 refers

to the official consolidated results 2017 and 2017PF refers to the official pro-forma consolidated results 2017.

Based on Value Track estimates, DHH is trading at a 53% discount vs. its Italian peers listed on AIM Italia (EV/Sales 2018E).

Company	EV / Sales (x)		EV / OpFCF b.t. (x)	
	2018E	2019E	2018E	2019E
AIM Italia digital players				
<i>Digital 360</i>	1,1	0,9	n.m	15,2
<i>Digitouch</i>	0,5	0,4	14,4	9,3
<i>MailUp</i>	0,8	0,6	9,7	7,3
<i>Expert System</i>	2,0	1,7	n.m	n.m
<i>Wüt</i>	3,3	2,7	19,3	11,4
<i>Vetrya</i>	0,5	0,5	8,2	7,9
<i>Go Internet</i>	2,6	2,3	n.m	n.m
<i>Intred</i>	2,5	2,1	n.m	16,8
<i>Prismi</i>	2,0	1,8	n.m	11,8
Average	1,7	1,5	12,9	11,4
DHH 2017 @ Market Price	0,8	0,6	8,4	5,1
<i>Discount % vs. avg.</i>	-52,94%	-60,00%	-34,88%	-55,26%
DHH 2017 PF @ Market Price	0,8	0,6	5,3	3,7
<i>Discount % vs. avg.</i>	-52,94%	-60,00%	-58,91%	-67,54%

Source: Value Track estimates

The table includes data about 9 small-medium sized companies listed on AIM Italia stock market involved in digital businesses.

DHH Financials	2017	2017PF
	Revenue	€ 5.289.151,00
EBITDA	€ 530.806,00	€ 886.405,00
EBIT	€ 350.189,00	€ 701.961,00
Net profit	€ 238.958,00	€ 509.383,00
Net debt	€ 2.481.347,00	
Information		
Shares	1.420.000,00	
Price	5,40	

Market Cap	€ 7.668.000,00	
EV	€ 5.186.653,00	
Multiples		
	<i>2017</i>	<i>2017PF</i>
EV/Rev	0,98	0,91
EV/EBITDA	9,77	5,85
EV/EBIT	14,81	7,39
P/E	21,71	10,18

Source: management accounts

The consolidated pro-forma p&l includes the full results of the acquisitions made during the 2017, while the official consolidated p&l includes only the pro-quota results after the acquisition date of the new companies. Furthermore, all direct and indirect costs related to being a company publicly listed on the Italian Stock Exchange have been deleted in the pro-forma consolidated p&l, together with all direct and indirect costs related to M&A and extraordinary activities.

The consolidated pro-forma has been prepared:

- to have a comparable representation to the consolidated p&l
- to have a representation useful to compare DHH to its private peers, which are not listed and don't afford this kind of costs.

(Market price € 5,40 - ref. December 4, 2018).

About DHH S.p.A.

Established in July 2015 and located in Milan, DHH SpA (“DHH”) is a tech-group that invests in the best cloud computing companies in the emerging digital economies.

DHH strives to be the reference investment player in the Web Hosting, SaaS and Cloud Computing industries in markets where the Internet penetration is still in a “beginner” phase, starting from Italy and western Balkans and determined to establish a global footprint.

DHH is listed on AIM Italia, a Multilateral Trading Facility regulated by Borsa Italiana and registered as an SME Growth Market.

For more information please visit: www.dhh.international

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