



The Cloud Computing Provider of Southeast Europe

EARNINGS CALL
H1 2022



Another semester of double-digit growth on revenue, with EBITDA margin above 30% despite the macroeconomic situation and the increase in energy and related costs. Stable cash generation, thanks to the business model grounded on recurring revenue and automatic payments

HIGHLIGHTS



- Revenue equal to **EUR 12.1M** vs **EUR 9.6M** (H1-2021) (**+26%**)
- Recurring revenue equal to 96% of the total revenue
- EBITDA equal to **EUR 3.7M** vs **EUR 3.5M** (H1-2021)
- Operating cash flow equal to EUR 2.7M vs EBITDA equal to EUR 3.7M – cash conversion equal to 76%
- Net cash equal to **EUR 926k**, improved by ca. EUR 1.9M during H1-2022
- Connesi – the newly acquired company – will be consolidated in the next semester and **results will be included in H2-2022**

NET SALES BY COUNTRY



<i>(eur)</i>	2022H1	2021H1	Δ
Italy	7,158,036	6,469,164	+11%
Slovenia	1,253,898	1,139,794	+10%
Croatia	1,386,862	1,212,882	+14%
Serbia	340,707	315,830	+8%
Switzerland	408,448	437,250	-7%
Bulgaria	1,513,387	-	n/a
Total	12,061,338	9,574,920	+26%

NET SALES BY SEGMENT



<i>(eur)</i>	2022H1	2021H1	Δ
IaaS	5,175,830	4,567,168	+13%
PaaS	4,039,424	3,530,398	+14%
SaaS	211,757	141,076	+50%
Datacenter & Networking	2,208,452	854,337	+158%
Managed Services	336,713	416,432	-19%
Other	89,162	65,509	+36%
Total	12,061,338	9,574,920	+26%

PROFIT & LOSS: FROM “REVENUE” TO “EBITDA”



	2022H1	2021H1	Δ
Operating revenue	12,350,101	9,624,034	+28%
Material costs	(602,277)	(505,119)	+19%
Services costs and use of third party assets	(5,422,914)	(3,841,433)	+41%
Gross margin	6,324,911	5,277,482	+20%
Personnel costs	(2,354,609)	(1,542,190)	+53%
Other expenses	(239,478)	(254,578)	-6%
EBITDA	3,730,823	3,480,714	+7%

PROFIT & LOSS: FROM “EBITDA” TO “NET RESULT”



	2022H1	2021H1	Δ
EBITDA	3,730,823	3,480,714	+7%
D&A	(1,882,466)	(1,604,503)	+17%
EBIT	1,848,357	1,876,210	-1%
Financial income	(92,849)	(70,866)	+31%
Other income	-	(3,336)	-100%
EBT	1,755,509	1,802,008	-3%
Current Taxes	(595,541)	(564,155)	+6%
Deferred Taxes	17,248	858,903	-98%
Total taxes	(578,294)	294,749	-296%
Net Result	1,177,215	2,096,757	-44%

PROFIT & LOSS: THE IMPACT OF M&A



	H1 2022	H1 2022 Evolink	H1 2022 Pro-forma	H1 2021	DELTA	Δ
REVENUES	12,350,101	1,620,091	10,730,011	9,624,034	1,105,977	+11%
Material costs	(602,277)	(30,655)	(571,622)	(505,119)	(66,503)	+13%
Service costs	(5,422,914)	(1,018,085)	(4,404,829)	(3,841,433)	(563,396)	+15%
Personnel costs	(2,354,609)	(432,390)	(1,922,219)	(1,542,190)	(380,029)	+25%
Other expenses	(239,478)	(9,179)	(230,300)	(254,578)	24,278	-10%
TOTAL COSTS	(8,619,278)	(1,490,308)	(7,128,970)	(6,143,320)	(985,650)	+16%
EBITDA	3,730,823	129,782	3,601,041	3,480,714	120,327	+3%
D&A	(1,882,466)	(206,785)	(1,675,680)	(1,604,503)	(71,177)	+4%
EBIT	1,848,357	(77,003)	1,925,361	1,876,211	49,150	+3%

STOCK PERFORMANCE / YEAR TO DATE



- Total turnover: 3.3M EUR – Average turnover: 17k EUR/day
- Number of trades: 1,801 – Average trades: 10/day

- Strong presence in the **hosting industry in the Balkans**. We expect growth despite the macroeconomic situation
- Established position in the datacenter market as a **certified provider**. Present in Bulgaria (Evolink) and Italy (Seeweb)
- Good traction of our innovative **Cloud Server for HPC**. Positive sales opportunity in the short term
- Improving brand awareness thanks to the **new certifications – Terraform and SAP (Cloud Infrastructure)**

- Working on **new M&A opportunities** (cloud-oriented B2B ISPs)
- Particular **attention on cost controlling** in 2022H2, approach «*wait and see*» towards the macroeconomic scenario
- **Onboarding of Connesi** which effects will appear in 2022H2
- **Completion of Evolink onboarding** in the group
- Focus on improving the **intra-group synergies** and the **come back to physical events** after the pandemic peak (ref. DHH Summits)
- Testing on the market the «**Next Generation Cloud Computing products**» (ref. IoT applications, cloud infrastructure for machine learning)

QUESTIONS?

STOCK DETAILS

Listing

Milan, Euronext Growth Milan

Listing ISIN ordinary shares

IT0005203622

Outstanding # of shares

4.9mn

Market Cap

~ €73.2mn

FINANCIAL CALENDAR

Monday, 21 November

3Q22 Gross sales release

CONTACTS

Address

via Caldera 21, 20153 Milan

Phone

+39 02 87365100

Email

info@dhh.international

LIST OF PARTIES

Euronext Growth Advisor

Envent Capital Markets Ltd

Specialist

MIT Sim SpA

Research provider

ValueTrack Srl

Audit & accounting

BDO Italia SpA