

DHH

Sector: *Industrials*
BUY

Price: Eu24.20 - Target: Eu32.00

A Strong Release on Margin and Cash Conversion

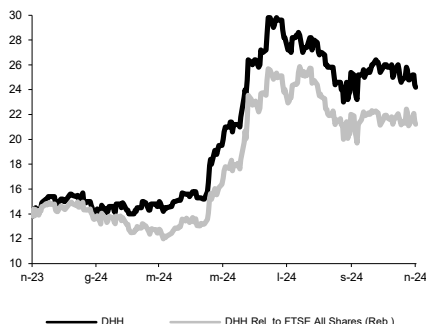
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Stock Rating			
Rating:	Unchanged		
Target Price (Eu):	Unchanged		
	2024E	2025E	2026E
Chg in Adj EPS	0.4%	-0.4%	-0.2%

Next Event

FY24 Results Out late March 2025

DHH - 12M Performance



Stock Data			
Reuters code:	DHH.MI		
Bloomberg code:	DHH IM		
Performance	1M	3M	12M
Absolute	-6.2%	-9.7%	75.4%
Relative	-1.7%	-9.6%	61.4%
12M (H/L)	29.80/13.70		
3M Average Volume (th):	1.14		

Shareholder Data	
No. of Ord shares (mn):	5
Total no. of shares (mn):	5
Mkt Cap Ord (Eu mn):	118
Total Mkt Cap (Eu mn):	118
Mkt Float - Ord (Eu mn):	27
Mkt Float (in %):	23.0%
Main Shareholder:	
Antonio D. Baldassarra	33.6%

Balance Sheet Data	
Book Value (Eu mn):	28
BVPS (Eu):	5.94
P/BV:	4.1
Net Financial Position (Eu mn):	-1
Enterprise Value (Eu mn):	119

■ **9M24 results.** 9M results met expectations at the EBITDA level, with an 8% positive surprise on the bottom line. Net revenues (€26.8mn, +7% YoY, 1H: +9%) were 2% below estimates, primarily due to flat Datacentre & Networking revenues on lower energy prices passed through to customers, with no impact on margins. Consequently, the adj. EBITDA margin came in higher at 33% (vs. 32% expected, 1H: 33%), offsetting top-line softness. OpEx reflected efficient management, with key increases in raw materials (€2.0mn, +€0.6mn YoY) and wholesale services (€3.5mn, +€0.2mn YoY) driven by higher sales and HW acquisitions. Datacentre costs decreased (€2.1mn, -€0.1mn YoY) due to lower energy prices, while professional services (€2.4mn, -€0.7mn YoY) dropped mainly because of the lack of stock option plans (€1.1mn in FY23). Personnel costs (€5.1mn, 19% of sales) remained under control (+€0.3mn YoY), showcasing the scalability of the business model. The icing on the cake was stronger FCFO (€7.7mn vs €6.1mn exp.), leading to lower net debt (9M: €2.9mn vs. our exp. €3.1mn), a sharp improvement from YE23 (€6.5mn).

■ **Trends by segment.** Business Connectivity was up 10% (1H: +9%), supported by market expansion and advanced connectivity solutions. Cloud Hosting grew by 8% (1H: +7%) while Cloud Computing by 6% (1H: +9%), both benefiting from rising demand for scalable infrastructure. The Datacentre & Networking segment remained stable, with minimal growth (9M: +1%) due to energy price fluctuations. Managed Services saw an 8% decline, while the Other category increased by 36%, reflecting non-recurring and opportunistic sales. The company also emphasized strong growth in its AI-focused infrastructure solutions, particularly GPU and NPU offerings, as a key driver of organic growth, though specific figures were not disclosed due to being competition-sensitive.

■ **Trends by geography.** Top-line growth was observed across all markets, with Italy (9M: +8%, 1H: +10%), Slovenia (9M: +9%, 1H: +8%), Croatia (9M: +10%, 1H: +11%), and Switzerland (9M: +11%, 1H: +11%) delivering strong performances. Bulgaria showed a sequential improvement (9M: +1%, 1H: flat) driven by Evolink's return to growth after a period of underperformance.

■ **Change in estimates.** FY24 top line trimmed by ~1% to reflect lower pass-through energy components, with no impact on margin. We now expect FY24 growth at 7% (prev. +8%), implying a 7.6% increase in 4Q. No meaningful change to EPS.

■ **BUY confirmed, TP still €32.** Despite some top-line softness due to pass-through energy prices, 9M results confirmed the strength of DHH's robust and scalable business model, with 94% of revenues being recurring, ensuring high visibility on FCFO (c. 88% conversion rate). Furthermore, we welcome management's hints that DHH is actively pursuing M&A opportunities in domestic and Mediterranean markets, aiming to expand its cloud computing presence in new regions and enter complementary market segments. Indeed, M&A activity could bring additional upside to our estimates and our DCF-based TP of €32/share (unchanged). At our TP, the stock would trade at 13.5x EV/EBITDA'24E (10x at current prices), at a discount to larger listed peers and recent private deals (c. 15-19x EV/EBITDA).

Key Figures & Ratios	2023A	2024E	2025E	2026E	2027E
Sales (Eu mn)	34	36	39	43	47
EBITDA Adj (Eu mn)	12	12	13	15	16
Net Profit Adj (Eu mn)	3	4	5	5	6
EPS New Adj (Eu)	0.678	0.787	0.902	1.073	1.258
EPS Old Adj (Eu)	0.678	0.784	0.906	1.075	
DPS (Eu)	0.000	0.000	0.000	0.000	0.000
EV/EBITDA Adj	7.1	9.8	9.0	7.6	6.5
EV/EBIT Adj	13.6	17.7	15.5	12.3	10.0
P/E Adj	35.7	30.7	26.8	22.6	19.2
Div. Yield	0.0%	0.0%	0.0%	0.0%	0.0%
Net Debt/EBITDA Adj	0.6	0.1	-0.3	-0.7	-1.0

DHH – Key Figures						
Profit & Loss (Eu mn)	2022A	2023A	2024E	2025E	2026E	2027E
Sales	29	34	36	39	43	47
EBITDA	7	10	12	13	15	16
EBIT	3	5	7	8	9	11
Financial Income (charges)	-1	-1	-1	-1	-1	-1
Associates & Others	0	0	0	0	0	0
Pre-tax Profit	2	4	6	7	8	10
Taxes	-1	-2	-2	-2	-3	-3
Tax rate	-62.7%	-45.4%	-35.0%	-35.0%	-35.0%	-35.0%
Minorities & Discontinued Operations	-0	-0	0	0	0	0
Net Profit	1	2	4	5	5	6
EBITDA Adj	9	12	12	13	15	16
EBIT Adj	5	6	7	8	9	11
Net Profit Adj	2	3	4	5	5	6
Per Share Data (Eu)	2022A	2023A	2024E	2025E	2026E	2027E
Total Shares Outstanding (mn) - Average	5	5	5	5	5	5
Total Shares Outstanding (mn) - Year End	5	5	5	5	5	5
EPS f.d	0.156	0.452	0.787	0.902	1.073	1.258
EPS Adj f.d	0.499	0.678	0.787	0.902	1.073	1.258
BVPS f.d	4.931	4.848	5.941	6.556	7.629	8.887
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)	2022A	2023A	2024E	2025E	2026E	2027E
Gross Cash Flow	5	8	9	10	11	12
Change in NWC	1	0	-0	0	0	0
Capital Expenditure	-3	-6	-5	-5	-6	-6
Other Cash Items	-3	1	1	0	0	0
Free Cash Flow (FCF)	4	2	4	5	6	7
Acquisitions, Divestments & Other Items	-6	-3	0	0	0	0
Dividends	0	0	0	0	0	0
Equity Financing/Buy-back	0	0	0	0	0	0
Change in Net Financial Position	-5	-0	6	5	6	7
Balance Sheet (Eu mn)	2022A	2023A	2024E	2025E	2026E	2027E
Total Fixed Assets	35	36	35	35	35	35
Net Working Capital	-3	-3	-3	-3	-4	-4
Long term Liabilities	-2	-2	-2	-2	-2	-2
Net Capital Employed	30	30	30	29	29	28
Net Cash (Debt)	-6	-7	-1	4	10	17
Group Equity	24	24	29	34	39	46
Minorities	2	1	1	1	1	1
Net Equity	22	23	28	33	38	45
Enterprise Value (Eu mn)	2022A	2023A	2024E	2025E	2026E	2027E
Average Mkt Cap	74	75	118	124	124	124
Adjustments (Associate & Minorities)	0	0	0	0	0	0
Net Cash (Debt)	-6	-7	-1	4	10	17
Enterprise Value	80	82	119	120	113	107
Ratios (%)	2022A	2023A	2024E	2025E	2026E	2027E
EBITDA Adj Margin	31.5%	34.2%	33.9%	34.0%	34.8%	35.2%
EBIT Adj Margin	16.1%	17.8%	18.7%	19.7%	21.4%	22.7%
Gearing - Debt/Equity	25.0%	27.5%	3.2%	-13.2%	-26.8%	-37.9%
Interest Cover on EBIT	4.5	6.0	8.3	10.0	12.4	15.0
Net Debt/EBITDA Adj	0.7	0.6	0.1	-0.3	-0.7	-1.0
ROACE*	11.7%	16.2%	22.4%	26.1%	31.8%	37.4%
ROE*	11.3%	14.7%	14.9%	14.7%	15.4%	15.5%
EV/CE	3.1	2.7	4.0	4.0	3.9	3.8
EV/Sales	2.8	2.4	3.3	3.0	2.6	2.3
EV/EBITDA Adj	8.8	7.1	9.8	9.0	7.6	6.5
EV/EBIT Adj	17.3	13.6	17.7	15.5	12.3	10.0
Free Cash Flow Yield	3.2%	1.7%	3.5%	4.5%	5.1%	5.7%
Growth Rates (%)	2022A	2023A	2024E	2025E	2026E	2027E
Sales	46.4%	17.7%	7.1%	8.8%	9.1%	9.3%
EBITDA Adj	24.8%	27.7%	6.3%	9.0%	11.9%	10.4%
EBIT Adj	18.4%	30.0%	12.3%	14.7%	19.0%	15.6%
Net Profit Adj	-10.1%	39.8%	16.1%	17.3%	21.6%	17.3%
EPS Adj	-10.6%	36.0%	16.1%	14.6%	18.9%	17.3%
DPS						

*Excluding extraordinary items

Source: Intermonte SIM estimates

9M24 Results

DHH – 9M24 Results

Revenue by Country (Eu mn)	3Q23A	9M23A	4Q23A	2023A	1Q24A	2Q24A	1H24A	3Q24A	9M24A	4Q24E	2024E	9M24E	A/E
Italy	5.6	16.8	6.1	22.9	6.1	6.2	12.3	5.8	18.1	6.4	24.5	18.6	-3%
YoY	4%	38%	3%	24%	13%	7%	10%	4%	8%	4%	7%	8%	
Slovenia	0.6	2.1	0.8	2.9	0.8	0.8	1.6	0.7	2.3	0.8	3.1	2.3	-1%
YoY	8%	17%	22%	16%	9%	7%	8%	11%	9%	9%	9%	8%	
Croatia	0.8	2.3	0.8	3.1	0.8	0.9	1.7	0.8	2.5	0.9	3.4	2.4	5%
YoY	7%	10%	7%	8%	3%	19%	11%	8%	10%	10%	10%	4%	
Serbia	0.2	0.6	0.2	0.8	0.2	0.2	0.4	0.2	0.6	0.2	0.8	0.6	1%
YoY	2%	11%	9%	10%	3%	5%	4%	10%	6%	6%	6%	3%	
Switzerland	0.2	0.6	0.2	0.9	0.2	0.2	0.5	0.2	0.7	0.3	1.0	0.7	-4%
YoY	2%	2%	0%	2%	14%	8%	11%	11%	11%	12%	11%	3%	
Bulgaria	0.8	2.4	0.8	3.2	0.8	0.8	1.6	0.8	2.4	0.9	3.3	2.7	-10%
YoY	-9%	10%	-3%	-1%	-2%	2%	0%	3%	1%	9%	3%	12%	
Net Sales	8.5	25.0	8.6	33.7	8.9	9.0	18.0	8.8	26.8	9.3	36.1	27.3	-2%
YoY%	7%	25%	0%	18%	10%	7%	9%	4%	7%	7.6%	7.1%	6.5%	

P&L (Eu mn)	3Q23A	9M23A	4Q23A	2023A	1Q24A	2Q24A	1H24A	3Q24A	9M24A	4Q24E	2024E	9M24E	A/E
Net Sales	8.5	25.0	8.6	33.7	8.9	9.0	18.0	8.8	26.8	9.3	36.1	27.3	-2%
YoY%	7%	25%	0%	18%	10%	7%	9%	4%	7%	7.6%	7.1%	7%	
EBITDA	3.0	7.3	3.1	10.4	3.2	2.8	6.0	2.7	8.7	3.5	12.2	8.7	0%
as % of sales	35%	29%	36%	31%	36%	31%	33%	31%	33%	38%	34%	32.0%	
EBITDA Adjusted	3.0	8.4	3.1	11.5	3.2	2.8	6.0	2.7	8.7	3.5	12.2	8.7	0%
as % of sales	35%	34%	36%	34%	36%	31%	33%	31%	33%	38%	34%	32%	
D&A & Write-Downs	(1.4)	(4.2)	(1.4)	(5.5)	(1.2)	(1.3)	(2.5)	(1.3)	(3.8)	(1.7)	(5.5)	(3.8)	
EBIT	1.7	3.1	1.8	4.9	2.0	1.5	3.5	1.5	4.9	1.8	6.7	4.9	0%
as % of sales	19%	13%	20%	15%	23%	16%	19%	16%	18%	19%	19%	18%	
EBIT Adjusted	1.7	4.2	1.8	6.0	2.0	1.5	3.5	1.5	4.9	1.8	6.7	4.9	0%
as % of sales	19%	17%	20%	18%	23%	16%	19%	16%	18%	19%	19%	18%	
Net Financial Charges	(0.0)	(0.4)	(0.4)	(0.8)	(0.3)	(0.1)	(0.4)	(0.1)	(0.5)	(0.3)	(0.8)	(0.6)	
PBT	1.6	2.7	1.3	4.1	1.8	1.3	3.1	1.4	4.4	1.5	5.9	4.3	3%
Tax	(0.5)	(1.3)	(0.6)	(1.9)	(0.6)	(0.5)	(1.1)	(0.3)	(1.4)	(0.7)	(2.1)	(1.5)	
Minorities	-	-	-	(0.0)	-	-	(0.0)	-	-	-	-	-	
Group Net Income	1.1	1.4	0.8	2.2	1.2	0.8	2.0	1.0	3.0	0.8	3.9	2.8	8%
Adj. Net Income	1.1	2.5	0.8	3.3	1.2	0.8	2.0	1.0	3.0	0.8	3.9	2.8	8%

FCF and Net Debt (Eu mn)	3Q23A	9M23A	4Q23A	2023A	1Q24A	2Q24A	1H24A	3Q24A	9M24A	4Q24E	2024E	9M24E	A-E
NFP BoP	(5.6)	(6.0)	(7.8)	(6.0)	(6.5)	(6.0)	(6.5)	(3.6)	(6.5)	(2.9)	(6.5)	(6.5)	-
Net Income	1.1	1.4	0.8	2.2	1.2	0.8	2.0	1.0	3.0	0.8	3.9	2.8	0.2
D&A	1.4	4.2	1.4	5.5	1.2	1.3	2.5	1.3	3.8	1.7	5.5	3.8	-
Δ NWC	(2.8)	(0.3)	0.7	0.4	0.2	0.7	0.9	(0.0)	0.9	(1.3)	(0.4)	(0.5)	1.4
FCFO	(0.3)	5.3	2.9	8.2	2.6	2.9	5.5	2.3	7.7	1.2	9.0	6.1	1.6
CapEx				(6.2)			(3.7)	(1.8)	(5.5)	0.6	(4.9)	(4.1)	(1.4)
FCF				2.0			1.8	0.5	2.3	1.8	4.1	2.0	0.2
Acquisitions				(3.4)			-	-	-	-	-	-	-
Dividends				-			0.0	(0.0)	-	-	-	-	-
sale of own shares				-			1.3	0.1	1.4	0.1	1.5	1.4	-
Equity financing				-			-	-	-	-	-	-	-
Other				0.9			(0.2)	0.2	-	0.0	0.0	-	-
Change in NFP				(0.5)			2.9	0.8	3.7	1.9	5.6	3.4	0.2
NFP EoP	(7.8)	(7.8)	(6.5)	(6.5)	(6.0)	(3.6)	(3.6)	(2.9)	(2.9)	(0.9)	(0.9)	(3.1)	0.2

Source: Company data (A), Intermonte SIM (E)

Change to Estimates

FY24 top line trimmed by ~1% to reflect lower pass-through energy components, with no impact on margin. We now expect FY24 growth at 7% (prev. +8%), implying a 7.6% increase in 4Q. No meaningful change to EPS.

DHH – Change to 2024-27 Estimates

(Eu mn)	Actual	New Estimates					Old Estimates				New vs Old - % chg			
	'23A	'24E	'25E	'26E	'27E		'24E	'25E	'26E	'27E	'24E	'25E	'26E	'27E
Net Sales	33.7	36.1	39.3	42.9	46.8		36.4	39.6	43.3	47.3	-0.8%	-0.9%	-0.9%	-0.9%
Total Revenues	34.6	37.1	40.4	44.1	48.0		37.4	40.7	44.5	48.0				
Raw materials	(2.0)	(2.2)	(2.3)	(2.5)	(2.7)		(2.2)	(2.3)	(2.5)	(2.7)				
Services	(13.7)	(14.0)	(15.5)	(16.9)	(18.4)		(14.1)	(15.6)	(17.0)	(18.4)				
Labour	(6.9)	(7.1)	(7.4)	(7.8)	(8.0)		(7.1)	(7.4)	(7.8)	(8.0)				
Other OpEx	(1.7)	(1.6)	(1.8)	(1.9)	(2.4)		(1.8)	(2.0)	(2.1)	(2.3)				
EBITDA	10.4	12.2	13.3	14.9	16.5		12.2	13.4	14.9	16.5				
Adj. EBITDA	11.5	12.2	13.3	14.9	16.5		12.2	13.4	14.9	16.5	0.2%	-0.2%	-0.1%	-0.1%
as % of net sales	34%	34%	34%	35%	35%		34%	34%	35%	35%				
D&A & Write-Downs	(5.5)	(5.5)	(5.6)	(5.7)	(5.8)		(5.5)	(5.6)	(5.7)	(5.8)				
EBIT	4.9	6.7	7.7	9.2	10.6		6.7	7.8	9.2	10.6				
Adj. EBIT	6.0	6.7	7.7	9.2	10.6		6.7	7.8	9.2	10.6	0.4%	-0.4%	-0.2%	-0.2%
as % of net sales	18%	19%	20%	21%	23%		18%	20%	21%	23%				
Net Financial Charges	(0.8)	(0.8)	(0.8)	(0.7)	(0.7)		(0.8)	(0.8)	(0.7)	(0.7)				
PBT	4.1	5.9	7.0	8.5	9.9		5.9	7.0	8.5	9.9	0.4%	-0.4%	-0.2%	-0.2%
Tax	(1.9)	(2.1)	(2.4)	(3.0)	(3.5)		(2.1)	(2.4)	(3.0)	(3.5)				
Minorities	(0.0)	-	-	-	-		-	-	-	-				
Net Income	2.2	3.9	4.5	5.5	6.4		3.8	4.5	5.5	6.5	0.4%	-0.4%	-0.2%	-0.2%
Adj. Net Income	3.3	3.9	4.5	5.5	6.4		3.8	4.5	5.5	6.5	0.4%	-0.4%	-0.2%	-0.2%

(Eu mn)	Actual	New Estimates					Old Estimates				New vs Old - Abs. chg			
	'23A	'24E	'25E	'26E	'27E		'24E	'25E	'26E	'27E	'24E	'25E	'26E	'27E
NFP BoP	(6.0)	(6.5)	(0.9)	4.4	10.5		(6.5)	(0.9)	4.4	10.5	-	(0.0)	0.0	0.0
Net Income	2.2	3.9	4.5	5.5	6.4		3.8	4.5	5.5	6.4	0.0	(0.0)	(0.0)	0.0
D&A	5.5	5.5	5.6	5.7	5.8		5.5	5.6	5.7	5.8	-	-	-	-
Δ NWC	0.4	(0.4)	0.5	0.4	0.3		(0.3)	0.5	0.4	0.4	(0.1)	0.0	(0.0)	(0.0)
Op. Cash Flow	8.2	9.0	10.6	11.6	12.6		9.0	10.6	11.6	12.6	(0.1)	(0.0)	(0.0)	0.0
CapEx	(6.2)	(4.9)	(5.2)	(5.6)	(5.9)		(4.9)	(5.3)	(5.6)	(5.9)	0.0	0.0	0.1	-
FCF	2.0	4.1	5.4	6.0	6.8		4.1	5.3	6.0	6.7	(0.0)	0.0	0.0	0.0
Acquisitions	(3.4)	-	-	-	-		-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-		-	-	-	-	-	-	-	-
Buyback	-	1.5	-	-	-		1.5	-	-	-	-	-	-	-
Equity financing	-	-	-	-	-		-	-	-	-	-	-	-	-
Other	0.9	0.0	-	-	-		0.0	-	-	-	-	-	-	-
Change in NFP	(0.5)	5.6	5.4	6.0	6.8		5.6	5.3	6.0	6.7	(0.0)	0.0	0.0	0.0
NFP EoP	(6.5)	(0.9)	4.4	10.5	17.3		(0.9)	4.4	10.4	17.2	(0.0)	0.0	0.0	0.0

Source: Company data (A), Intermonte SIM (E)

DCF Valuation

At our DCF-based TP of €32/share (unchanged), the stock would trade at 13.5x EV/EBITDA'24E (10x at current prices), at a discount to larger listed peers and recent private deals (c. 15-19x EV/EBITDA).

DHH – DCF Valuation (WACC still 8.5%, g unchanged at 2.5%)

Terminal Value	
g	2.5%
WACC	8.5%

DCF Valuation	
SUM PV(FCF'25-34E)	60.7
TV	224.4
PV of TV	99.1
EV	159.9
NFP FY24E	(0.9)
deduct lease liability	4.8
Minorities	0.0
Treasury shares	0.6
Equity Value	164
Shs. (mn)	5.1
Equity value p/s	32
Current Price	24.6
Upside	30%

		Perpetuity Growth Rate (%)				
		1.5%	2.0%	2.5%	3.0%	3.5%
W A C C	7.6%	34	36	39	41	45
	8.1%	31	33	35	37	40
	8.5%	29	30	32	34	36
	9.1%	27	28	29	31	33
	9.6%	25	26	27	28	30

Implied Market Multiples	2024E	2025E	2026E
Sales	36.1	39.3	42.9
Adj. EBITDA	12.2	13.3	14.9
Adj. EBIT	6.7	7.7	9.2
Net Income Adj.	3.9	4.5	5.5
Net Financial Position	-0.9	4.4	10.5
Other adjustments	0.0	0.0	0.0
EV/Sales	4.6x	4.1x	3.6x
EV/EBITDA	13.6x	12.0x	10.4x
EV/EBIT	24.6x	20.8x	16.8x
P/E Adj.	40.8x	35.6x	29.9x

Source: Intermonte SIM

Peer Valuation Multiples

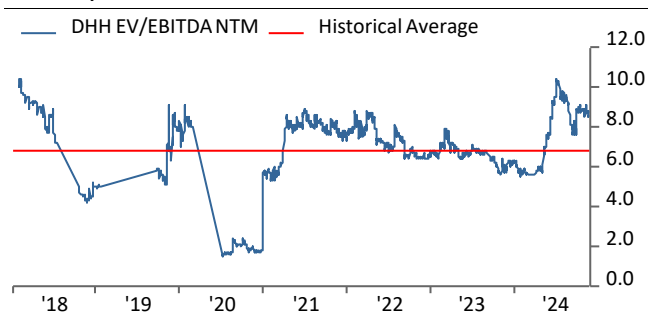
DHH - Peer Valuation Multiples

Company	Currency	Price	Mkt. Cap (Eu mn)	Abs. Perf. (%)				EV/Sales (x)			EV/EBITDA (x)			EV/EBIT (x)			Adj. P/E (x)			EV/OpFCF (x)		
				1m	3m	6m	Ytd	'24E	'25E	'26E	'24E	'25E	'26E	'24E	'25E	'26E	'24E	'25E	'26E	'24E	'25E	'26E
DHH S.p.A	EUR	24.6	120	-5%	-9%	19%	59%	3.4	3.0	2.6	9.9	8.7	7.4	18.0	15.0	12.0	31.2	26.6	21.9	16.5	14.3	11.8
WIIT SpA	EUR	19.5	545	-13%	-5%	13%	0%	4.7	4.1	3.7	13.3	11.2	9.8	26.9	20.4	16.7	33.7	24.4	20.0	24.2	17.5	14.8
Unidata S.P.A.	EUR	2.74	85	-26%	-20%	-32%	-30%	1.2	1.1	0.9	4.6	3.9	3.3	7.6	6.1	5.0	9.7	7.3	6.5	8.8	7.9	5.1
iomart Group plc	GBP	0.98	133	9%	-23%	-27%	-36%	1.4	1.2	1.2	5.6	5.1	5.1	12.0	10.0	9.8	13.5	12.2	11.6	8.7	7.6	7.9
IONOS Group SE	EUR	22.90	3,206	-5%	-10%	-12%	31%	2.7	2.3	2.0	9.4	7.7	6.5	12.4	10.1	8.3	17.1	13.4	11.2	11.8	9.7	8.0
OVH Groupe SAS	EUR	8.35	1,590	7%	37%	35%	-3%	2.4	2.3	2.1	6.3	5.9	5.1	66.0	41.7	28.1	n.m.	142.2	42.7	83	47	26
cyber_Folks SA	PLN	125.00	409	5%	2%	-9%	43%	3.3	2.7	2.4	11.1	8.9	7.4	13.8	10.7	8.6	27.4	21.9	19.5	12.8	10.3	8.5
EZE Networks Ltd.	INR	4412.55	847	22%	76%	335%	571%	n.m	n.m	n.m	n.m	n.m	n.m	n.m	n.m	n.m	n.m	n.m	n.m	n.m	n.m	n.m
DigitalOcean	USD	39.60	3,510	-6%	8%	5%	8%	6.0	5.2	4.5	14.9	13.2	11.1	23.2	21.0	17.1	20.5	19.2	16.3	36.1	27.8	20.9
GoDaddy, Inc. Class A	USD	196.35	26,480	20%	21%	41%	85%	6.7	6.0	5.4	22.2	19.0	16.1	34.1	26.5	22.0	29.1	28.4	23.4	22.5	19.3	16.3
Cloud Peers - Median								3.0	2.5	2.2	10.2	8.3	6.9	18.5	15.5	13.3	20.5	20.5	17.9	17.6	13.9	11.7

FTSE Italia Mid Cap	46,830	0.0%	0.8%	-1.9%	5.1%
FTSE Italia Star	44,686	-4.3%	-3.0%	-7.1%	-6.5%
FTSE MIB	33,495	-3.6%	0.6%	-2.8%	10.4%
FTSE Italia Growth Index	7,729	-4.6%	-4.0%	-5.9%	-6.9%
FTSE Italia All-Share	35,646	-3.3%	0.5%	-2.8%	9.8%

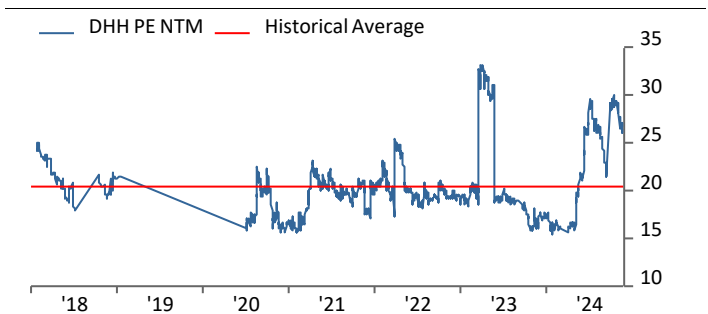
Source: Intermonte SIM, FactSet

DHH - EV/EBITDA NTM Evolution



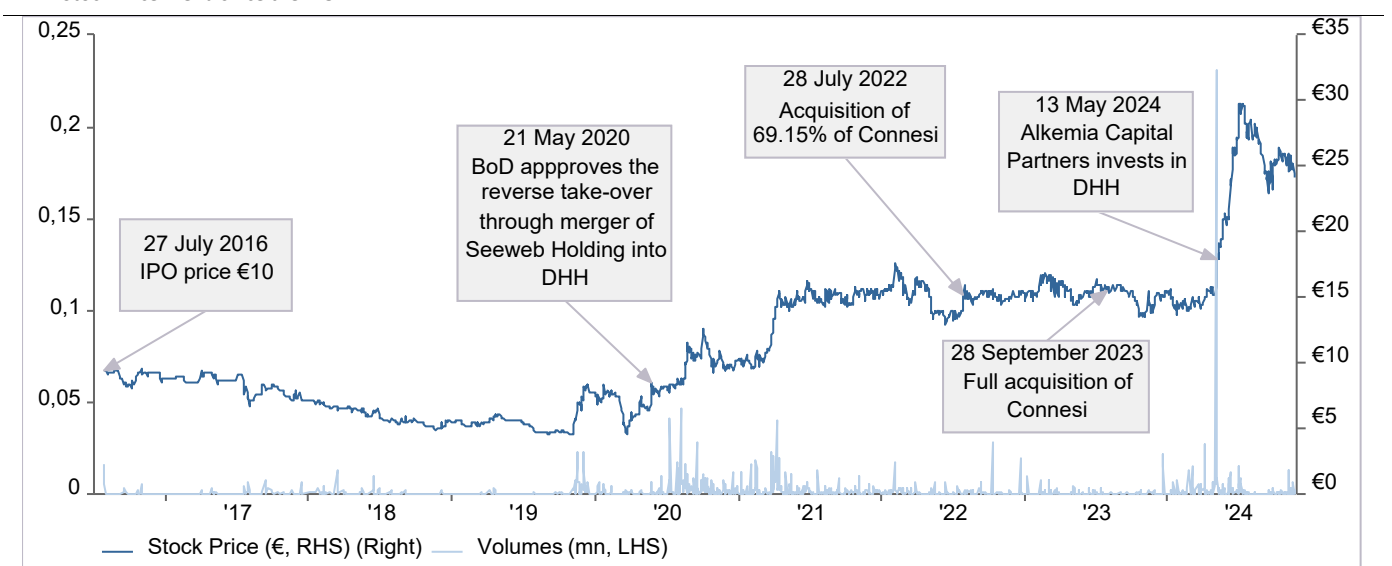
Source: FactSet Consensus

DHH - PE NTM Evolution



Source: FactSet Consensus

DHH: Stock Price Trend since the IPO



Source: FactSet

DHH at a glance

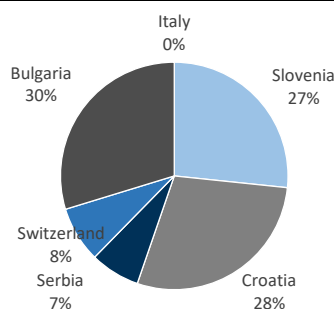
Company description

DHH S.p.A. is dedicated to reshaping internet infrastructure through the integration of next-generation technology and artificial intelligence. Based in Europe, the company leverages open-source technologies to enhance digital connectivity across various industries and regions. With a commitment to continuous research and open innovation, DHH aligns technological progress with stringent data privacy standards. This approach promotes technological excellence while safeguarding individual privacy, aiming to position the company as a relevant player in the evolution of global internet infrastructure.

Strengths/Opportunities

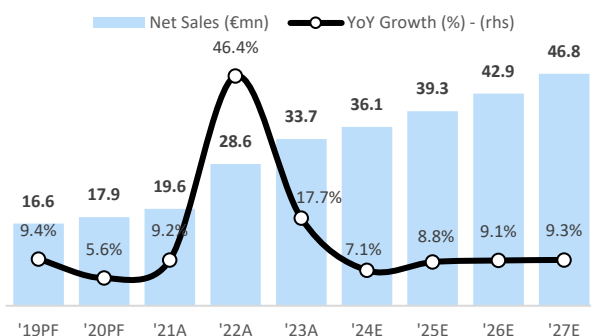
- Scalable and flexible business model, highly diversified customer base featuring recurring revenue
- Positive M&A track record, with eighteen transactions finalised since the IPO
- Highly attractive assets in a market consolidation scenario, drawing potential interest from PE funds
- Rapidly growing core markets with strong positioning in fast-growing, unconventional geographical areas (e.g. South-East Europe).

DHH: Revenue Breakdown by Geography (FY23)



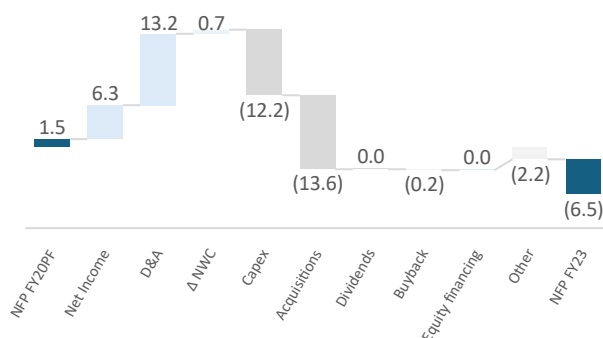
Source: Intermonte SIM

DHH: Revenues (Eu mn) and YoY Growth (%)



Source: Intermonte SIM

DHH: NFP Bridge (FY19-FY23)



Source: Intermonte SIM

Management

Executive Chairman: Giandomenico Sica
CEO: Antonio D. Baldassarra
CFO: Tamara Arduini
COO: Matija Jekovec

Independent Board Members: 1/5

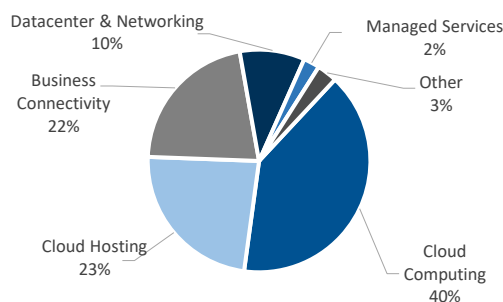
Shareholding Structure

Antonio D. Baldassarra	33.5%
Daniele Vona	16.2%
Marianna Vona	16.2%
Giandomenico Sica	5.5%
Alkemia SGR	5.0%
Market	21.5%

Weaknesses/Threats

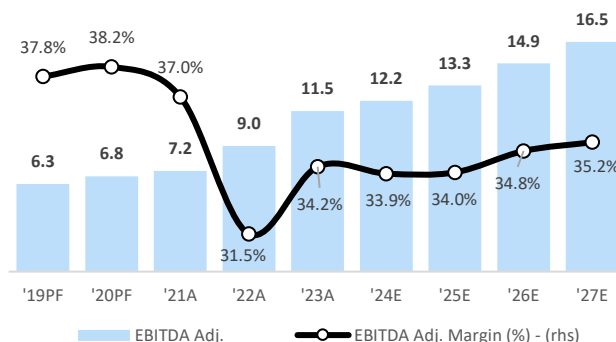
- Competitive core market characterised by the presence of major players with international scale.
- SMEs typically more penalised in the event of an economic downturn, compared to large corporates
- Over-reliance on a highly experienced and well-regarded management team
- Keeping up with investments and innovation

DHH: Revenue Breakdown by Technology (FY23)



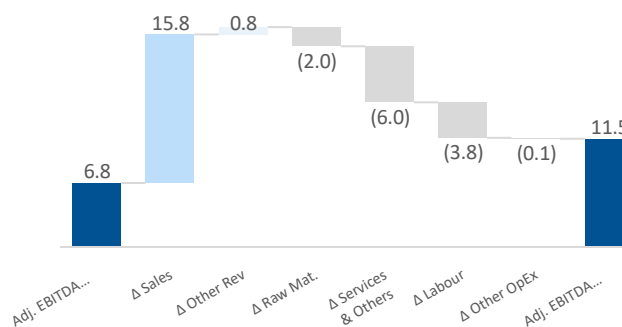
Source: Intermonte SIM

DHH: EBITDA (Eu mn) and Margin (%)



Source: Intermonte SIM

DHH: EBITDA Path (FY19-FY23)



Source: Intermonte SIM

DETAILS ON STOCKS RECOMMENDATION			
Stock NAME	DHH		
Current Recomm:	BUY	Previous Recomm:	BUY
Current Target (Eu):	32.00	Previous Target (Eu):	32.00
Current Price (Eu):	24.20	Previous Price (Eu):	25.20
Date of report:	25/11/2024	Date of last report:	02/10/2024

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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 of 5.5% are being used.

Frequency of research: quarterly.

Reports on all companies listed on the S&PMB40 Index, most of those on the MIBEX Index and the main small caps (regular coverage) are published at least once per quarter to comment on results and important newsflow.

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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As at 30 September 2024 Intermonte's Research Department covered 125 companies. Intermonte's distribution of stock ratings is as follows:

BUY:	28.24 %
OUTPERFORM:	48.09 %
NEUTRAL:	23.67 %
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 (61 in total) is as follows:

BUY:	55.74 %
OUTPERFORM:	34.43 %
NEUTRAL:	09.83 %
UNDERPERFORM	00.00 %
SELL:	00.00 %

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Emittente	%	Long/Short
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