

DHH

Sector: Industrials

BUY

Price: Eu20.10 - Target: Eu33.00

Acquisition of Teknonet to Enable Entry to MSP Market

Giorgio Tavolini +39-02-77115.279

giorgio.tavolini@intermonte.it

Andrea Randone: +39-02-77115.364

andrea.randone@intermonte.it

Stock Rating

Rating: Unchanged

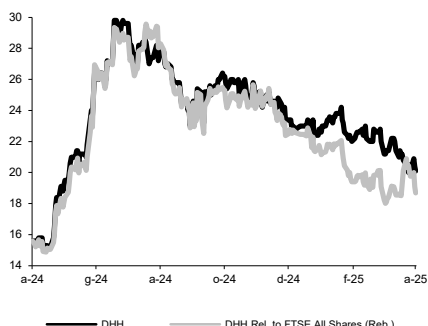
Target Price (Eu): from 32.00 to 33.00

	2025E	2026E	2027E
Chg in Adj EPS	3.4%	1.8%	2.1%

Next Event

1Q25 Results Out 22 May

DHH - 12M Performance



Stock Data

Reuters code: DHH.MI

Bloomberg code: DHH IM

Performance	1M	3M	12M
Absolute	-8.6%	-11.1%	28.8%
Relative	-2.1%	-11.7%	21.2%
12M (H/L)	29.80/15.20		
3M Average Volume (th):	1.07		

Shareholder Data

No. of Ord shares (mn):	5
Total no. of shares (mn):	5
Mkt Cap Ord (Eu mn):	98
Total Mkt Cap (Eu mn):	98
Mkt Float - Ord (Eu mn):	23
Mkt Float (in %):	23.0%
Main Shareholder:	
Antonio D. Baldassarra	33.6%

Balance Sheet Data

Book Value (Eu mn):	32
BVPS (Eu):	6.45
P/BV:	3.1
Net Financial Position (Eu mn):	-5
Enterprise Value (Eu mn):	108

■ **Teknonet acquisition.** DHH has announced completion of the acquisition of a 60% stake in Teknonet. Founded in 2005 with headquarters in Montepiccolo (Ascoli Piceno), Teknonet (www.teknonet.it) is a Managed Service Provider (MSP), i.e. a B2B company that remotely manages customers' IT infrastructure and connectivity on a proactive basis, typically under a subscription model. Led by CEO Luigi Carboni, the company closed 2024 with €4.2mn in revenue from sales (vs. €3.6mn in 2023), €923k in EBITDA (vs. €798k in 2023), and €643k in net profit (vs. €500k in 2023). Operating cash flow reached €1.0mn, with almost no financial debt and €1.8mn in net cash. The total value of the deal was €5.6mn (c.6x EV/EBITDA), including the costs related to the transaction. DHH completed the first step of the transaction, the purchase of the first 60% stake in the Teknonet share capital and signed shareholders' agreements through which it acquired the option right to purchase an additional 40% of the share capital within 90 days of approval of the 2026 financial statements. Teknonet's results will be fully consolidated in DHH's financial statements from April 2025.

■ **Highly complementary offer with steady growth profile.** Management noted that DHH has been in talks with Teknonet since 2022 and has long appreciated the company for its solid foundations, capable leadership, and consistent growth. As an MSP, Teknonet's offer is complementary to the DHH Group portfolio. Based primarily in Central Italy — where DHH already operates through Connesi — the company combines the sale of technology solutions with subscription-based support services. This deal introduces a new, synergistic revenue stream aligned with DHH's core focus on business connectivity and cloud computing. It also opens the door to further explore a service-based subscription model, with potential for expansion both in Italy and across the Balkans.

■ **Change in estimates.** The consolidation of Teknonet from April 2025 translates into increases of c.8% in revenues for FY25 and 9–10% for FY26–27. Assuming Teknonet's margins are in the low 20s, with a gradual improvement toward the mid-20s, this will result in a 5–7% increase in our FY25–27 EBITDA estimates. At bottom line, after accounting for higher D&A and financial charges, we are raising our EPS by c.2–3%.

■ **BUY confirmed, new target €33 (from €32).** We welcome the acquisition of Teknonet as a highly strategic and synergistic move, particularly in relation to Connesi, further strengthening DHH Group's presence in Italy — which now accounts for over 70% of total sales — and marking DHH's entry into the MSP segment, typically characterised by a subscription-based model and high scalability. The deal also underscores DHH's commitment to executing its M&A strategy across domestic and Mediterranean markets, with the aim of expanding its cloud computing footprint and entering complementary vertical markets. At our updated target price, the stock would trade at ~12x EV/EBITDA '25E (~8x at current levels), reflecting a meaningful discount to larger listed peers and recent private transactions, which typically range from 15x to 19x EV/EBITDA.

Key Figures & Ratios	2023A	2024A	2025E	2026E	2027E
Sales (Eu mn)	34	36	42	47	51
EBITDA Adj (Eu mn)	12	12	14	16	17
Net Profit Adj (Eu mn)	3	4	5	6	7
EPS New Adj (Eu)	0.678	0.749	0.908	1.092	1.283
EPS Old Adj (Eu)	0.678	0.749	0.878	1.072	1.256
DPS (Eu)	0.000	0.000	0.000	0.000	0.000
EV/EBITDA Adj	7.1	9.1	7.7	6.4	5.4
EV/EBIT Adj	13.6	16.2	12.7	10.1	8.4
P/E Adj	29.7	26.8	22.1	18.4	15.7
Div. Yield	0.0%	0.0%	0.0%	0.0%	0.0%
Net Debt/EBITDA Adj	0.6	0.3	0.3	-0.1	-0.5

DHH – Key Figures

Profit & Loss (Eu mn)	2022A	2023A	2024A	2025E	2026E	2027E
Sales	29	34	36	42	47	51
EBITDA	7	10	12	14	16	17
EBIT	3	5	7	8	10	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	9	10
Taxes	-1	-2	-2	-3	-3	-4
Tax rate	-62.7%	-45.4%	-36.3%	-35.0%	-35.0%	-35.0%
Minorities & Discontinued Operations	-0	-0	-0	-0	-0	-0
Net Profit	1	2	4	5	6	7
EBITDA Adj	9	12	12	14	16	17
EBIT Adj	5	6	7	8	10	11
Net Profit Adj	2	3	4	5	6	7
Per Share Data (Eu)	2022A	2023A	2024A	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	0.738	0.908	1.092	1.283
EPS Adj f.d	0.499	0.678	0.749	0.908	1.092	1.283
BVPS f.d	4.931	4.848	5.815	6.446	7.594	8.942
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	2024A	2025E	2026E	2027E
Gross Cash Flow	5	8	9	10	12	13
Change in NWC	1	0	0	-0	0	0
Capital Expenditure	-3	-6	-6	-6	-6	-6
Other Cash Items	-3	1	1	0	0	0
Free Cash Flow (FCF)	4	2	3	4	6	7
Acquisitions, Divestments & Other Items	-6	-3	0	-6	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	3	-1	6	7
Balance Sheet (Eu mn)	2022A	2023A	2024A	2025E	2026E	2027E
Total Fixed Assets	35	36	37	43	43	43
Net Working Capital	-3	-3	-3	-3	-3	-4
Long term Liabilities	-2	-2	-2	-2	-2	-2
Net Capital Employed	30	30	32	38	37	37
Net Cash (Debt)	-6	-7	-3	-5	1	8
Group Equity	24	24	28	33	39	46
Minorities	2	1	1	1	1	1
Net Equity	22	23	28	32	38	45
Enterprise Value (Eu mn)	2022A	2023A	2024A	2025E	2026E	2027E
Average Mkt Cap	74	75	105	103	103	103
Adjustments (Associate & Minorities)	0	0	0	0	0	0
Net Cash (Debt)	-6	-7	-3	-5	1	8
Enterprise Value	80	82	108	108	102	94
Ratios (%)	2022A	2023A	2024A	2025E	2026E	2027E
EBITDA Adj Margin	31.5%	34.2%	33.2%	33.0%	33.7%	34.0%
EBIT Adj Margin	16.1%	17.8%	18.6%	20.0%	21.3%	22.0%
Gearing - Debt/Equity	25.0%	27.5%	11.0%	13.9%	-3.7%	-18.5%
Interest Cover on EBIT	4.5	6.0	7.0	6.5	8.4	12.5
Net Debt/EBITDA Adj	0.7	0.6	0.3	0.3	-0.1	-0.5
ROACE*	11.7%	16.2%	21.9%	24.5%	26.7%	30.1%
ROE*	11.3%	14.7%	14.5%	15.2%	15.9%	15.9%
EV/CE	3.1	2.7	3.5	3.1	2.7	2.5
EV/Sales	2.8	2.4	3.0	2.5	2.2	1.8
EV/EBITDA Adj	8.8	7.1	9.1	7.7	6.4	5.4
EV/EBIT Adj	17.3	13.6	16.2	12.7	10.1	8.4
Free Cash Flow Yield	3.9%	2.1%	2.8%	4.3%	6.0%	7.0%
Growth Rates (%)	2022A	2023A	2024A	2025E	2026E	2027E
Sales	46.4%	17.7%	6.6%	17.9%	11.1%	8.7%
EBITDA Adj	24.8%	27.7%	3.5%	17.3%	13.4%	9.7%
EBIT Adj	18.4%	30.0%	11.5%	26.7%	18.3%	12.4%
Net Profit Adj	-10.1%	39.8%	10.5%	24.1%	23.0%	17.5%
EPS Adj	-10.6%	36.0%	10.5%	21.2%	20.2%	17.5%
DPS						

*Excluding extraordinary items

Source: Intermonte SIM estimates

Acquisition of Teknonet

- **Teknonet acquisition.** DHH has announced completion of the acquisition of a 60% stake in Teknonet. Founded in 2005 with headquarters in Monteprandone (Ascoli Piceno), Teknonet (www.teknonet.it) is a Managed Service Provider (MSP), i.e. a B2B company that remotely manages customers' IT infrastructure and connectivity on a proactive basis, typically under a subscription model. Led by CEO Luigi Carboni, the company closed 2024 with €4.2mn in revenue from sales (vs. €3.6mn in 2023), €923k in EBITDA (vs. €798k in 2023), and €643k in net profit (vs. €500k in 2023). Operating cash flow reached €1.0mn, with almost no financial debt and €1.8mn in net cash. The total value of the deal was €5.6mn (c.6x EV/EBITDA), including the costs related to the transaction. DHH completed the first step of the transaction, the purchase of the first 60% stake in the Teknonet share capital, and signed shareholders' agreements through which it acquired the option right to purchase an additional 40% of the share capital within 90 days of approval of the 2026 financial statements. Teknonet's results will be fully consolidated in DHH's financial statements from April 2025.
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DHH – M&A Trackrecord

#	Company	Country	Date	Stake	Sales Eumn	EBITDA Eumn	NFP	Transaction Value	EV/Sales (x)	EV/EBITDA (x)
1	Domenca / Domovanje	Slovenia	Oct-15	100%	1.2	0.1	0.0	1.35	1.1x	10.6x
2	Plushosting	Croatia / Serbia	Nov-15	100%	1.2	0.2	0.0	1.23	1.0x	6.1x
3	Tophost	Italy	Dec-15	100%	1.0	0.1	0.0	0.47	0.5x	3.6x
4	Infonet	Croatia	Sep-16	100%	0.4	0.1	0.0	0.28	0.8x	2.2x
5	Studio4web	Croatia	Mar-17	100%	0.2	na	0.0	0.54	3.0x	nm
6	Bee Bee Web	Switzerland / Italy	Jun-17	80%	1.0	na	0.0	na	nm	nm
7	Mcloud	Serbia	Oct-18	62%	0.6	na	0.0	0.20	0.5x	nm
8	Si-Shell	Slovenia	Dec-19	100%	na	na	0.0	na	nm	nm
9	Evolink	Bulgary	Nov-21	60%	3.2	0.2	0.9	2.45	1.0x	13.6x
10	Optima Hosting	Croatia	Mar-21	100%	0.2	0.0	0.0	2.45	14.2x	64.5x
11	Connesi	Italy	Jul-22	69%	7.0	1.7	-2.2	5.51	1.5x	6.0x
12	Teknonet	Italy	Apr-25	60%	4.2	1.0	1.8	5.60	1.8x	7.2x
Total					20.1	3.6	0.5	20.1	1.1x	6.7x

Source: Intermonte SIM elaboration on Company data

Change in Estimates

The consolidation of Teknonet from April 2025 translates into increases of c.8% in revenues for FY25 and 9–10% for FY26–27. Assuming Teknonet's margins are in the low 20s, with a gradual improvement toward the mid-20s, this will result in a 5-7% increase in our FY25–27 EBITDA estimates. At bottom line, after accounting for higher D&A and financial charges, we are raising our EPS by c.2-3%.

DHH – Change to 2025-27 Estimates: Topline breakdown

(Eu mn)	Actual		New Estimates			Old Estimates			New vs Old - % chg		
	'23A	'24E	'25E	'26E	'27E	'25E	'26E	'27E	'25E	'26E	'27E
Italy	22.9	24.3	30.2	34.4	38.0	27.0	30.2	33.6	11.7%	14.2%	13.1%
YoY	24%	6%	25%	14%	11%	12%	12%	12%			
Slovenia	2.9	3.1	3.3	3.5	3.7	3.3	3.5	3.7	0.0%	0.0%	0.0%
YoY	16%	9%	6%	5%	5%	6%	5%	5%			
Croatia	3.1	3.4	3.6	3.7	3.8	3.6	3.7	3.8	0.0%	0.0%	0.0%
YoY	8%	10%	5%	4%	4%	5%	4%	4%			
Serbia	0.8	0.8	0.8	0.9	0.9	0.8	0.9	0.9	0.0%	0.0%	0.0%
YoY	10%	7%	3%	3%	3%	3%	3%	3%			
Switzerland	0.9	0.9	1.0	1.0	1.0	1.0	1.0	1.0	0.0%	0.0%	0.0%
YoY	2%	11%	3%	3%	3%	3%	3%	3%			
Bulgaria	3.2	3.3	3.4	3.5	3.6	3.4	3.5	3.6	0.0%	0.0%	0.0%
YoY	4%	4%	8%	6%	6%	8%	6%	6%			
Net Sales	33.7	35.9	42.3	47.0	51.1	39.2	42.7	46.7	8%	10%	9%
YoY%	18%	7%	18%	11%	9%	9%	9%	9%			

Source: Intermonte SIM

DHH – Change to 2025-27 Estimates: P&L

(Eu mn)	Actual		New Estimates			Old Estimates			New vs Old - % chg		
	'23A	'24E	'25E	'26E	'27E	'25E	'26E	'27E	'25E	'26E	'27E
Net Sales	33.7	35.9	42.3	47.0	51.1	39.2	42.7	46.7	8.1%	10.0%	9.5%
Total Revenues	34.6	37.1	43.4	48.2	52.3	40.3	43.9	47.9			
Raw materials	(2.0)	(2.6)	(2.5)	(2.7)	(3.0)	(2.3)	(2.5)	(2.7)			
Services	(13.7)	(14.3)	(16.7)	(18.5)	(20.1)	(15.4)	(16.8)	(18.4)			
Labour	(6.9)	(7.0)	(7.4)	(7.8)	(8.0)	(7.4)	(7.8)	(8.0)			
Other OpEx	(1.7)	(1.1)	(2.8)	(3.3)	(3.8)	(1.8)	(2.0)	(2.5)			
EBITDA	10.4	12.0	14.0	15.8	17.4	13.3	14.8	16.3			
Adj. EBITDA	11.5	11.9	14.0	15.8	17.4	13.3	14.8	16.3	5.1%	6.8%	6.6%
as % of net sales	34.2%	33.2%	33.0%	33.7%	34.0%	33.9%	34.7%	34.9%			
D&A & Write-Downs	(5.5)	(5.2)	(5.5)	(5.8)	(6.1)	(5.3)	(5.4)	(5.6)			
EBIT	4.9	6.8	8.5	10.0	11.3	8.0	9.4	10.7			
Adj. EBIT	6.0	6.7	8.5	10.0	11.3	8.0	9.4	10.7	6.5%	6.7%	4.8%
as % of net sales	17.8%	18.6%	20.0%	21.3%	22.0%	20.3%	22.0%	23.0%			
Net Financial Charges	(0.8)	(1.0)	(1.3)	(1.2)	(0.9)	(1.1)	(0.8)	(0.7)			
PBT	4.1	5.8	7.2	8.8	10.4	6.9	8.6	10.0	3.8%	2.7%	3.3%
Tax	(1.9)	(2.1)	(2.1)	(3.1)	(3.6)	(2.1)	(3.0)	(3.5)			
Minorities	(0.0)	(0.1)	(0.1)	(0.1)	(0.2)	(0.1)	(0.1)	(0.1)			
Net Income	2.2	3.6	4.5	5.6	6.6	4.4	5.5	6.4	3.4%	1.8%	2.1%
Adj. Net Income	3.3	3.7	4.5	5.6	6.6	4.4	5.5	6.4	3.4%	1.8%	2.1%

Source: Intermonte SIM

DHH – Change to 2025-27 Estimates: Balance Sheet and Cash Flow

	Actual		New Estimates			Old Estimates			New vs Old - Abs chg		
(Eu mn)	'23A	'24E	'25E	'26E	'27E	'25E	'26E	'27E	'25E	'26E	'27E
Non-Current Assets	33.3	34.7	40.5	40.8	41.0	34.6	34.7	35.0	5.9	6.0	6.0
Trade net working capital	1.1	0.5	1.8	2.1	2.3	1.7	1.9	2.1	0.1	0.1	0.1
Other current asset/(liab)	(4.2)	(3.6)	(4.7)	(5.4)	(6.0)	(4.1)	(4.6)	(5.2)	(0.6)	(0.7)	(0.8)
Net working capital	(3.1)	(3.2)	(2.9)	(3.3)	(3.7)	(2.4)	(2.7)	(3.1)	(0.5)	(0.6)	(0.6)
Net capital employed	30.2	31.6	37.6	37.5	37.3	32.2	32.0	31.9	5.4	5.4	5.4
Net debt/(cash)	6.5	3.1	4.6	(1.4)	(8.5)	(0.6)	(6.5)	(13.2)	5.2	5.0	4.7
Equity	23.7	28.5	33.0	38.9	45.8	32.8	38.5	45.1	0.2	0.4	0.7

	Actual		New Estimates			Old Estimates			New vs Old - Abs chg		
(Eu mn)	'23A	'24E	'25E	'26E	'27E	'25E	'26E	'27E	'25E	'26E	'27E
NFP BoP	(6.0)	(6.5)	(3.1)	(4.6)	1.4	(3.1)	0.6	6.5	-	(5.2)	(5.0)
Net Income	2.2	3.7	4.7	5.7	6.7	4.5	5.6	6.5	0.2	0.2	0.2
D&A	5.5	5.2	5.5	5.8	6.1	5.3	5.4	5.6	0.2	0.4	0.6
Δ NWC	0.4	0.1	(0.3)	0.4	0.4	(0.8)	0.3	0.4	0.5	0.1	0.0
Op. Cash Flow	8.2	9.2	9.9	12.0	13.2	9.1	11.3	12.5	0.8	0.7	0.8
CapEx	(6.2)	(6.4)	(5.6)	(6.1)	(6.4)	(5.2)	(5.6)	(5.8)	(0.4)	(0.6)	(0.6)
FCF	2.0	2.8	4.2	5.9	6.9	3.8	5.8	6.6	0.4	0.1	0.2
Acquisitions	(3.4)	-	(5.6)	-	-	-	-	-	(5.6)	-	-
Dividends	-	-	-	-	-	-	-	-	-	-	-
Buyback	-	0.5	-	-	-	-	-	-	-	-	-
Equity financing	-	-	-	-	-	-	-	-	-	-	-
Other	0.9	0.1	-	-	-	-	-	-	-	-	-
Change in NFP	(0.5)	3.4	(1.4)	5.9	6.9	3.8	5.8	6.6	(5.2)	0.1	0.2
NFP EoP	(6.5)	(3.1)	(4.6)	1.4	8.5	0.6	6.5	13.2	(5.2)	(5.0)	(4.7)

Source: Intermonte SIM

DCF Valuation

At our new DCF-based TP of €33/share (up from €32), the stock would trade at ~12x EV/EBITDA'25E (~8x 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%)

(Eu mn)	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E	2035E	TV
Net Sales	42.3	47.0	51.1	55.4	59.8	64.3	68.7	72.7	76.4	79.6	82.7	84.7
YoY growth (%)	18%	11%	9%	8%	8%	8%	7%	6%	5%	4%	4%	2.5%
- (COGS + OpEx)	(28.4)	(31.2)	(33.7)	(36.6)	(39.6)	(42.7)	(45.7)	(48.5)	(51.1)	(53.4)	(55.6)	(56.4)
= Adj. EBITDA	14.0	15.8	17.4	18.7	20.1	21.6	22.9	24.2	25.3	26.2	27.1	28.3
Adj. EBITDA margin %	33%	34%	34%	34%	34%	34%	33%	33%	33%	33%	33%	33%
- D&A	(5.5)	(5.8)	(6.1)	(6.6)	(6.8)	(7.0)	(7.2)	(7.5)	(7.7)	(8.0)	(8.2)	(8.2)
= Adj. EBIT	8.5	10.0	11.3	12.1	13.3	14.6	15.7	16.7	17.6	18.3	18.9	20.1
Adj. EBIT margin %	20%	21%	22%	22%	22%	23%	23%	23%	23%	23%	23%	24%
- Taxes on EBIT	(2.5)	(3.0)	(3.4)	(3.6)	(4.0)	(4.4)	(4.7)	(5.0)	(5.3)	(5.5)	(5.7)	(6.0)
= NOPAT	5.9	7.0	7.9	8.5	9.3	10.2	11.0	11.7	12.3	12.8	13.2	14.1
+ D&A	5.5	5.8	6.1	6.6	6.8	7.0	7.2	7.5	7.7	8.0	8.2	8.2
-/+ (Inc.)/Dec. In NWC	(0.3)	0.4	0.4	0.4	0.5	0.5	0.5	0.6	0.6	0.6	0.6	0.4
- lease costs	(2.5)	(2.5)	(2.6)	(2.6)	(2.7)	(2.7)	(2.8)	(2.8)	(2.9)	(3.0)	(3.0)	(3.0)
- Capex (ex RoU)	(3.1)	(3.6)	(3.8)	(4.0)	(4.1)	(4.3)	(4.5)	(4.6)	(4.8)	(5.0)	(5.2)	(5.2)
Capex on sales %	7%	8%	7%	7%	7%	7%	6%	6%	6%	6%	6%	6%
= FCF	5.5	7.2	8.0	8.9	9.8	10.7	11.5	12.2	12.9	13.4	13.9	14.5
x Discount factor	1.0	2.0	3.0	4.0	5.0	6.0	7.0	8.0	9.0	10.0	11.0	11.0
= PV (FCF)		6.1	6.3	6.4	6.5	6.5	6.5	6.4	6.2	5.9	5.6	

DCF Valuation

SUM PV(FCF'26-35E)	62.5
TV	241.7
PV of TV	98.4
EV	160.8
NFP/(debt) FY25E	(4.6)
deduct lease liability	4.8
Minorities	0.0
Treasury shares	0.5
Equity Value	162
Shs. (mn)	4.9
Equity value p/s	33
Current Price	20.1
Upside	65%

Source: Intermonte SIM

DHH - TP Sensitivity to WACC (%) and g (%)

		Perpetuity Growth Rate (%)				
		1.5%	2.0%	2.5%	3.0%	3.5%
W A C C	7.5%	36	38	41	44	48
	8.0%	33	35	37	39	42
	8.5%	30	32	33	35	38
	9.0%	28	29	30	32	34
	9.5%	26	27	28	29	31

Source: Intermonte Estimates (E)

Peer Valuation Multiples

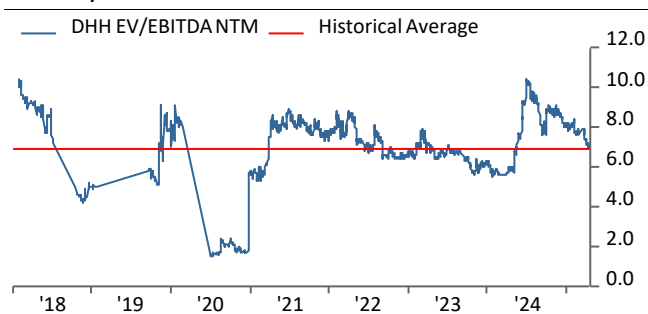
DHH - Peer Valuation Multiples

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	'25E	'26E	'25E	'26E	'25E	'26E	'25E	'26E	'25E	'26E
DHH S.p.A	EUR	20.1	105	-9%	-11%	-23%	-13%	2.6	2.2	7.9	6.6	13.0	10.4	23.2	18.8	13.2	10.7
WIIT SpA	EUR	14.7	411	-9%	-21%	-35%	-24%	3.5	3.2	9.4	8.2	18.2	15.0	21.8	17.4	15.5	12.8
Unidata S.P.A.	EUR	2.83	87	2%	-4%	-23%	-5%	1.1	0.9	4.1	3.4	6.5	5.2	8.7	6.7	8.9	5.9
iomart Group plc	GBP	0.32	41	-11%	-57%	-62%	-58%	0.8	0.8	3.9	3.8	11.1	10.8	9.3	7.4	6.5	6.4
IONOS Group SE	EUR	27.90	3,906	18%	22%	23%	28%	2.7	2.4	9.0	7.6	11.8	9.8	16.8	14.0	11.0	9.3
OVH Groupe SAS	EUR	11.03	1,673	38%	35%	62%	26%	2.5	2.3	6.4	5.6	41.8	28.8	185.2	50.8	46	27
cyber_Folks SA	PLN	140.60	465	-3%	-7%	15%	-7%	2.9	2.6	9.4	8.1	11.3	9.5	21.2	17.6	9.4	8.1
DigitalOcean	USD	27.86	2,253	-23%	-21%	-36%	-18%	4.0	3.4	10.2	8.5	15.8	12.8	12.9	11.1	22.8	17.6
GoDaddy, Inc. Class A	USD	172.20	21,385	-2%	-14%	5%	-13%	5.3	4.7	16.9	14.1	23.7	19.3	25.7	20.6	17.2	14.4
Cloud Peers - Median								2.8	2.5	9.2	7.9	13.8	11.8	19.0	15.7	13.2	11.0

FTSE Italia Mid Cap	47,963	-5.5%	0.1%	1.9%	0.4%
FTSE Italia Star	41,706	-6.7%	-8.3%	-10.5%	-8.1%
FTSE MIB	36,068	-6.7%	0.7%	4.1%	5.5%
FTSE Italia Growth Index	7,581	-1.7%	-3.4%	-7.7%	-4.1%
FTSE Italia All-Share	38,235	-6.6%	0.7%	3.9%	5.1%

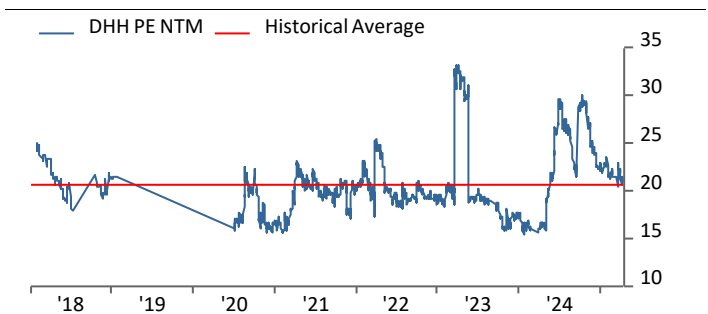
Source: Intermonte SIM, FactSet

DHH - EV/EBITDA NTM Evolution



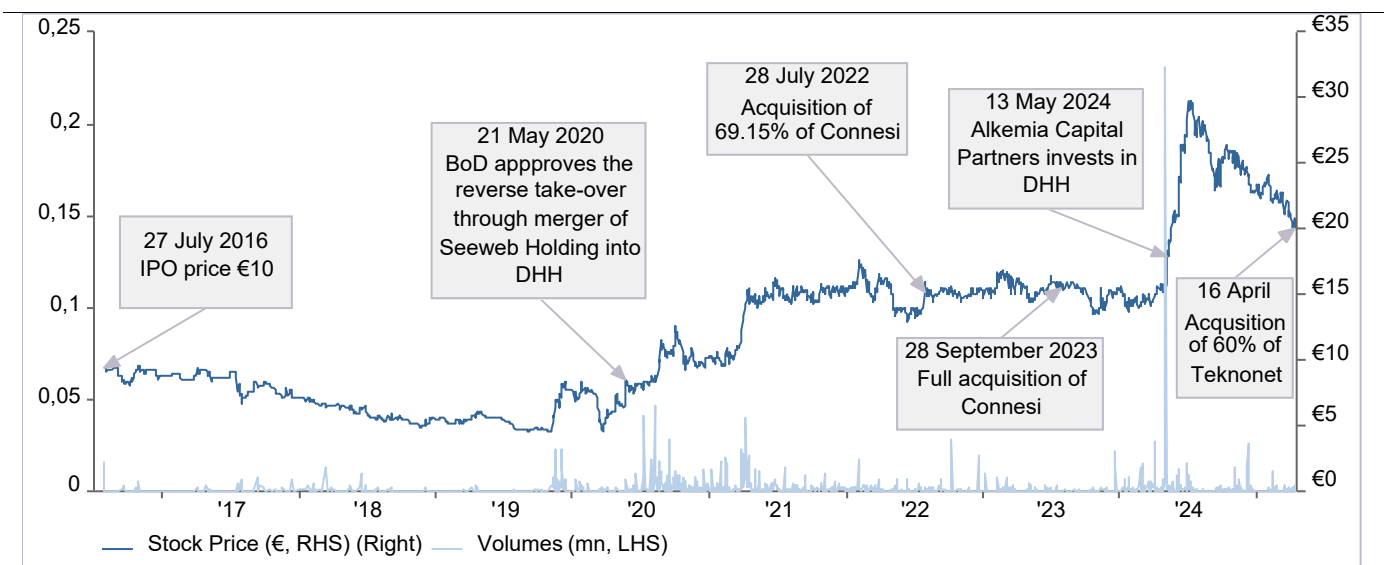
Source: FactSet Consensus

DHH - PE NTM Evolution



Source: FactSet Consensus

DHH: Stock Price Trend since the IPO



Source: FactSet

DHH at a glance

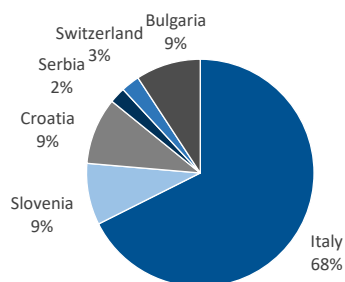
Company description

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

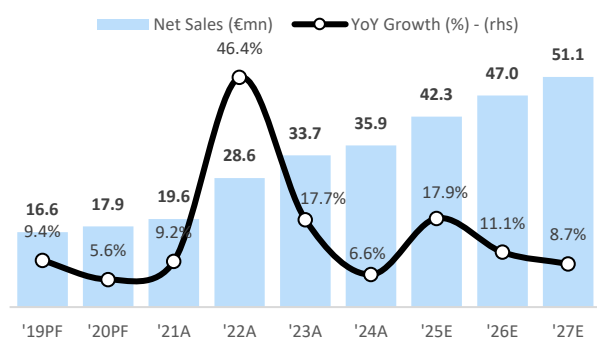
- Scalable and flexible business model, highly diversified customer base featuring recurring revenue
- Positive M&A track record, with eighteen transactions finalised since the IPO
- Highly attractive assets in a market consolidation scenario, drawing potential interest from PE funds
- Rapidly growing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

DHH: Revenue Breakdown by Geography (FY24)



Source: Intermonte SIM

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



Source: Intermonte SIM

Management

Executive Chairman: Nico Sica

CEO: Antonio D. Baldassarra

CFO: Tamara Arduini

COO: Matija Jekovec

Independent Board Members: 1/5

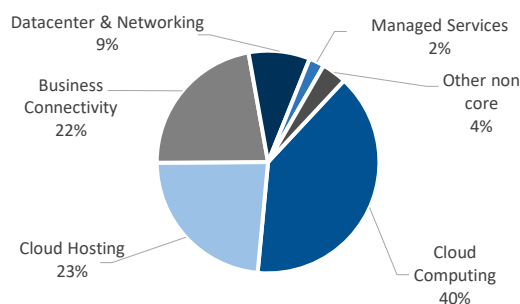
Shareholding Structure

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

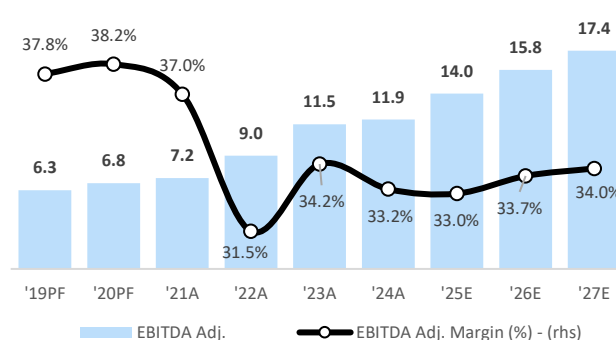
- Competitive core market characterised by the presence of major players with international scale.
- SMEs typically more penalised in the event of an economic downturn compared to large corporates
- Over-reliance on a highly experienced and well-regarded management team
- Keeping up with investments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

DHH: Revenue Breakdown by Technology (FY24)



Source: Intermonte SIM

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



Source: Intermonte SIM

DETAILS ON STOCKS RECOMMENDATION

Stock NAME	DHH		
Current Recomm:	BUY	Previous Recomm:	BUY
Current Target (Eu):	33.00	Previous Target (Eu):	32.00
Current Price (Eu):	20.10	Previous Price (Eu):	22.20
Date of report:	17/04/2025	Date of last report:	25/03/2025

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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 of 5.5% are being used.

Frequency of research: quarterly.

Reports on all companies listed on the S&P500 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

CURRENT INVESTMENT RESEARCH RATING DISTRIBUTIONS

Intermonte SIM is authorised by CONSOB to provide investment services and is listed at n° 246 in the register of brokerage firms.

As at 31 March 2025 Intermonte's Research Department covered 131 companies.

As of today Intermonte's distribution of stock ratings is as follows:

BUY:	32.59 %
OUTPERFORM:	37.78 %
NEUTRAL:	29.63 %
UNDERPERFORM	00.00 %
SELL:	00.00 %

As at 31 March 2025 the distribution of stock ratings for companies which have received corporate finance services from Intermonte in the last 12 months (74 in total) is as follows:

BUY:	52.70 %
OUTPERFORM:	29.73 %
NEUTRAL:	17.57 %
UNDERPERFORM	00.00 %
SELL:	00.00 %

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In order to disclose its possible conflicts of interest Intermonte SIM states that:

Intermonte acts as financial advisor to Banco BPM in the context of the offer promoted by UniCredit

Intermonte acts as ECM advisor to Banca Ifis in the offer promoted on Illimity Bank

Intermonte acted as financial advisor to Retex S.p.A. – Società Benefit in relation to the voluntary public tender offer launched on Alkemy S.p.A.

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Emittente	%	Long/Short
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