

DHH

Sector: Industrials

BUY

Price: Eu20.80 - Target: Eu31.00

Solid Organic Growth in 1Q, Acceleration in 2Q Thanks to Teknonet

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Stock Rating

Rating: Unchanged

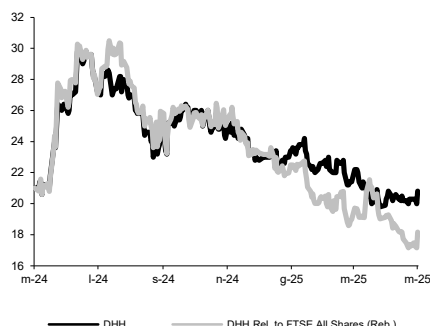
Target Price (Eu): from 33.00 to 31.00

	2025E	2026E	2027E
Chg in Adj EPS	0.0%	0.0%	0.0%

Next Event

2Q25 Results Out 22 September

DHH - 12M Performance



Stock Data

Reuters code: DHH.MI

Bloomberg code: DHH IM

Performance	1M	3M	12M
Absolute	2.5%	-8.0%	-1.0%
Relative	-6.0%	-11.0%	-15.3%
12M (H/L)		29.80/19.80	
3M Average Volume (th):		0.89	

Shareholder Data

No. of Ord shares (mn):	5
Total no. of shares (mn):	5
Mkt Cap Ord (Eu mn):	109
Total Mkt Cap (Eu mn):	109
Mkt Float - Ord (Eu mn):	25
Mkt Float (in %):	23.0%
Main Shareholder:	
Antonio D. Baldassarra	33.6%

Balance Sheet Data

Book Value (Eu mn):	32
BVPS (Eu):	6.30
P/BV:	3.3
Net Financial Position (Eu mn):	-5
Enterprise Value (Eu mn):	114

1Q results showcased a solid performance that confirmed the resilience and scalability of the DHH business model. From 2Q, the consolidation of Teknonet (already reflected in our estimates, [link](#)) should further enhance growth, raising visibility on the entire financial year. We stick to our BUY rating while reflecting dilution from the warrant exercise in our TP.

■ **1Q25 results.** DHH posted strong results across all key metrics, with growth in all companies, regions, and segments. Revenues rose 5% YoY, driven by Business Connectivity (+10% YoY, 22% of sales), Managed Services (+13%, 2%), Datacentre & Networking (+8%, 9%), and Cloud Computing (+4%, 38%). Cloud Hosting grew 2% YoY (25%), with strong performance in the Balkans offset by weaker results in Italy, where the group is repositioning its offering toward higher-value solutions. Revenues from infrastructure products to support AI applications grew further, but still only represented 5% of the total. The customer in this area has evolved: from a few major clients with a historical focus on experimental activity and R&D to an ever-wider and more diversified customer base that uses the infrastructure for material company projects. EBITDA increased 6% YoY, with a 36% margin, supported by a 19% drop in raw material purchases, particularly at Connesi and Seeweb, which offset higher operating costs: datacentre services rose 26%, network services 5%, wholesale and licences 8%, personnel costs 5% (19% of turnover), marketing 7%, and professional services 1%. Net financial debt declined to €2.5mn, in line with our estimate.

■ **Balanced feedback from the call:** (+) 2Q trends: strong in Bulgaria/Switzerland, early signs of recovery in Italy; AI and Teknonet synergies may support momentum. (+) Teknonet offers MSP-led growth for Connesi, with good synergies and limited overlap. (+) Costs well managed despite inflation and energy pressures. (+) FCFO >100% of EBITDA. (-) Cloud hosting up only 2% due to weak Italian demand. (+/-) Regolo.ai gaining early traction abroad, but volumes and monetisation remain low despite 26% AI growth in 1Q, private AI model for enterprise next. (+/-) Online go-to-market transition (search/web) still ongoing. (-) Seeweb affected by M&A-related customer losses. (-) Datacentre costs rose 26% from inflation and energy. (-) Personnel costs up 5% from targeted hires and salary adjustments.

■ **No change in estimates**, recently revised to factor in the Teknonet acquisition.

■ **BUY confirmed, TP revised to €31 (from €33).** We are revising our target price to account for the potential dilution from the warrant exercise (6% dilution of our previous target price of €33, assuming 318,000 new shares to be subscribed at €3.10 each between June 1, 2027, and December 29, 2028). We also factor in a higher risk premium, increased from 5.5% to 6%, which is largely offset by rolling our DCF model over by one year. We welcome the recent acquisition of Teknonet (consolidated from 2Q) 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.

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	0.898	1.068	1.254
EPS Old Adj (Eu)	0.678	0.749	0.898	1.068	1.254
DPS (Eu)	0.000	0.000	0.000	0.000	0.000
EV/EBITDA Adj	7.1	9.1	8.1	6.8	5.8
EV/EBIT Adj	13.6	16.2	13.4	10.7	8.9
P/E Adj	30.7	27.8	23.2	19.5	16.6
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	0.898	1.068	1.254
EPS Adj f.d	0.499	0.678	0.749	0.898	1.068	1.254
BVPS f.d	4.931	4.848	5.815	6.305	7.427	8.746
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	109	109	109
Adjustments (Associate & Minorities)	0	0	0	0	0	0
Net Cash (Debt)	-6	-7	-3	-5	1	8
Enterprise Value	80	82	108	114	107	100
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	3.3	2.9	2.7
EV/Sales	2.8	2.4	3.0	2.7	2.3	2.0
EV/EBITDA Adj	8.8	7.1	9.1	8.1	6.8	5.8
EV/EBIT Adj	17.3	13.6	16.2	13.4	10.7	8.9
Free Cash Flow Yield	3.5%	1.9%	2.5%	3.9%	5.4%	6.3%
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%	19.9%	18.9%	17.5%
DPS						

*Excluding extraordinary items Source: Intermonte SIM estimates

1Q25 Results

DHH posted strong results across all key metrics, with growth in all companies, regions, and segments. Revenues rose 5% YoY, driven by Business Connectivity (+10% YoY, 22% of sales), Managed Services (+13%, 2%), Datacentre & Networking (+8%, 9%), and Cloud Computing (+4%, 38%). Cloud Hosting grew 2% YoY (25%), with strong performance in the Balkans offset by weaker results in Italy, where the group is repositioning its offering toward higher-value solutions. Revenues from infrastructure products to support AI applications grew further, but still only represented 5% of the total. The customer in this area has evolved: from a few major clients with a historical focus on experimental activity and R&D to an ever-wider and more diversified customer base that uses the infrastructure for material company projects.

EBITDA increased 6% YoY, with a 36% margin, supported by a 19% drop in raw material purchases, particularly at Connesi and Seeweb, which offset higher operating costs: datacentre services rose 26%, network services 5%, wholesale and licences 8%, personnel costs 5% (19% of turnover), marketing 7%, and professional services 1%. Net financial debt declined to €2.5mn, in line with our estimate.

DHH – 1Q25 Results

(Eu mn)	2023A	1Q24A	2Q24A	1H24A	3Q24A	9M24A	4Q24A	2024A	1Q25A	1Q25E	A/E
Net Sales	33.7	9.1	8.9	18.0	8.8	26.8	9.1	35.9	9.5	9.4	1%
YoY%	18%	12%	5%	9%	4%	7%	5%	7%	5%	5%	
EBITDA	10.4	3.2	2.8	6.0	2.7	8.7	3.3	12.0	3.4	3.2	6%
as % of sales	31%	35%	32%	33%	31%	33%	36%	33%	36%	34%	
EBITDA Adjusted	11.5	3.2	2.8	6.0	2.7	8.7	3.3	11.9	3.4	3.2	6%
as % of sales	34%	35%	32%	33%	31%	33%	36%	33%	36%	34%	
D&A & Write-Downs	(5.5)	(1.2)	(1.3)	(2.5)	(1.3)	(3.8)	(1.4)	(5.2)	(1.2)	(1.4)	
EBIT	4.9	2.0	1.5	3.5	1.5	4.9	1.8	6.8	2.2	1.8	20%
as % of sales	15%	22%	16%	19%	16%	18%	20%	19%	23%	19%	
EBIT Adjusted	6.0	2.0	1.5	3.5	1.5	4.9	1.8	6.7	2.2	1.8	20%
as % of sales	18%	22%	16%	19%	16%	18%	20%	19%	23%	19%	
Net Financial Charges	(0.8)	(0.3)	(0.1)	(0.4)	(0.1)	(0.5)	(0.5)	(1.0)	(0.3)	(0.3)	
PBT	4.1	1.8	1.3	3.1	1.4	4.4	1.4	5.8	1.9	1.5	25%
Tax	(1.9)	(0.6)	(0.5)	(1.1)	(0.3)	(1.4)	(0.7)	(2.1)	(0.6)	(0.5)	
Minorities	(0.0)	-	-	(0.0)	-	-	-	(0.1)	(0.1)	(0.0)	
Group Net Income	2.2	1.2	0.8	2.0	1.0	3.0	0.7	3.6	1.3	0.9	33%
Adj. Net Income	3.3	1.2	0.8	2.0	1.0	3.0	0.7	3.7	1.3	0.9	33%

(Eu mn)	2023A	1Q24A	2Q24A	1H24A	3Q24A	9M24A	4Q24A	2024A	1Q25A	1Q25E	A-E
NFP BoP	(6.0)	(6.5)	(6.0)	(6.5)	(3.6)	(6.5)	(2.9)	(6.5)	(3.1)	(3.1)	-
Change in NFP	(0.5)			2.9	0.8	3.7	(0.3)	3.4	(1.5)	(1.5)	-
Net (debt) /cash	(6.5)	(6.0)	(3.6)	(3.6)	(2.9)	(2.9)	(3.1)	(3.1)	(2.5)	(2.7)	0.2

Source: Intermonte SIM (E), Actual (A)

Change in Estimates

We are leaving our estimates unchanged, which were recently revised to factor in the Teknonet acquisition.

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	30.2	34.4	38.0	0.0%	0.0%	0.0%
YoY	24%	6%	25%	14%	11%	25%	14%	11%			
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	42.3	47.0	51.1	0%	0%	0%
YoY%	18%	7%	18%	11%	9%	18%	11%	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	42.3	47.0	51.1	0.0%	0.0%	0.0%
Total Revenues	34.6	37.1	43.4	48.2	52.3	43.4	48.2	52.3			
Raw materials	(2.0)	(2.6)	(2.5)	(2.7)	(3.0)	(2.5)	(2.7)	(3.0)			
Services	(13.7)	(14.3)	(16.7)	(18.5)	(20.1)	(16.7)	(18.5)	(20.1)			
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)	(2.8)	(3.3)	(3.8)			
EBITDA	10.4	12.0	14.0	15.8	17.4	14.0	15.8	17.4			
Adj. EBITDA	11.5	11.9	14.0	15.8	17.4	14.0	15.8	17.4	0.0%	0.0%	0.0%
as % of net sales	34.2%	33.2%	33.0%	33.7%	34.0%	33.0%	33.7%	34.0%			
D&A & Write-Downs	(5.5)	(5.2)	(5.5)	(5.8)	(6.1)	(5.5)	(5.8)	(6.1)			
EBIT	4.9	6.8	8.5	10.0	11.3	8.5	10.0	11.3			
Adj. EBIT	6.0	6.7	8.5	10.0	11.3	8.5	10.0	11.3	0.0%	0.0%	0.0%
as % of net sales	17.8%	18.6%	20.0%	21.3%	22.0%	20.0%	21.3%	22.0%			
Net Financial Charges	(0.8)	(1.0)	(1.3)	(1.2)	(0.9)	(1.3)	(1.2)	(0.9)			
PBT	4.1	5.8	7.2	8.8	10.4	7.2	8.8	10.4	0.0%	0.0%	0.0%
Tax	(1.9)	(2.1)	(2.1)	(3.1)	(3.6)	(2.1)	(3.1)	(3.6)			
Minorities	(0.0)	(0.1)	(0.1)	(0.1)	(0.2)	(0.1)	(0.1)	(0.2)			
Net Income	2.2	3.6	4.5	5.6	6.6	4.5	5.6	6.6	0.0%	0.0%	0.0%
Adj. Net Income	3.3	3.7	4.5	5.6	6.6	4.5	5.6	6.6	0.0%	0.0%	0.0%

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	40.5	40.8	41.0	-	-	-
Trade net working capital	1.1	0.5	1.8	2.1	2.3	1.8	2.1	2.3	-	-	-
Other current asset/(liab)	(4.2)	(3.6)	(4.7)	(5.4)	(6.0)	(4.7)	(5.4)	(6.0)	-	-	-
Net working capital	(3.1)	(3.2)	(2.9)	(3.3)	(3.7)	(2.9)	(3.3)	(3.7)	-	-	-
Net capital employed	30.2	31.6	37.6	37.5	37.3	37.6	37.5	37.3	-	-	-
Net debt/(cash)	6.5	3.1	4.6	(1.4)	(8.5)	4.6	(1.4)	(8.5)	-	-	-
Equity	23.7	28.5	33.0	38.9	45.8	33.0	38.9	45.8	-	-	-

	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)	(4.6)	1.4	-	-	-
Net Income	2.2	3.7	4.7	5.7	6.7	4.7	5.7	6.7	-	-	-
D&A	5.5	5.2	5.5	5.8	6.1	5.5	5.8	6.1	-	-	-
Δ NWC	0.4	0.1	(0.3)	0.4	0.4	(0.3)	0.4	0.4	-	-	-
Op. Cash Flow	8.2	9.2	9.9	12.0	13.2	9.9	12.0	13.2	-	-	-
CapEx	(6.2)	(6.4)	(5.6)	(6.1)	(6.4)	(5.6)	(6.1)	(6.4)	-	-	-
FCF	2.0	2.8	4.2	5.9	6.9	4.2	5.9	6.9	-	-	-
Acquisitions	(3.4)	-	(5.6)	-	-	(5.6)	-	-	-	-	-
Dividends	-	-	-	-	-	-	-	-	-	-	-
Buyback	-	0.5	-	-	-	-	-	-	-	-	-
Equity financing	-	-	-	-	-	-	-	-	-	-	-
Other	0.9	0.1	(0.1)	0.1	0.2	(0.1)	0.1	0.2	-	-	-
Change in NFP	(0.5)	3.4	(1.5)	6.0	7.0	(1.5)	6.0	7.0	-	-	-
NFP EoP	(6.5)	(3.1)	(4.6)	1.4	8.5	(4.6)	1.4	8.5	-	-	-

Source: Intermonte SIM

DCF Valuation

We are revising our target price to account for the potential dilution from the warrant exercise (6% dilution of our previous target price of €33, assuming 318,000 new shares to be subscribed at €3.10 each between June 1, 2027, and December 29, 2028). We also factor in a higher risk premium, increased from 5.5% to 6%, which is largely offset by rolling our DCF model over by one year. At our new DCF-based TP of €31/share 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 from 8.5% to 8.9%, g unchanged at 2.5%)

(Eu mn)	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E	2035E	2036E	TV
Net Sales	42.3	47.0	51.1	55.3	59.6	63.9	68.2	72.6	77.0	81.5	86.1	90.7	93.0
YoY growth (%)	18%	11%	9%	8%	8%	7%	7%	6%	6%	6%	6%	5%	2.5%
- (COGS + OpEx)	(28.4)	(31.2)	(33.7)	(36.4)	(39.0)	(41.7)	(44.3)	(47.0)	(49.7)	(52.4)	(55.1)	(57.8)	(60.6)
= Adj. EBITDA	14.0	15.8	17.4	18.9	20.6	22.2	23.9	25.6	27.3	29.1	31.0	32.9	32.4
Adj. EBITDA margin %	33%	34%	34%	34%	35%	35%	35%	35%	36%	36%	36%	36%	35%
- D&A	(5.5)	(5.8)	(6.1)	(6.6)	(6.8)	(7.0)	(7.2)	(7.5)	(7.7)	(8.0)	(8.2)	(8.5)	(7.7)
= Adj. EBIT	8.5	10.0	11.3	12.4	13.8	15.2	16.6	18.1	19.6	21.2	22.7	24.4	24.7
Adj. EBIT margin %	20%	21%	22%	22%	23%	24%	24%	25%	25%	26%	26%	27%	27%
- Taxes on EBIT	(2.5)	(3.0)	(3.4)	(3.7)	(4.1)	(4.6)	(5.0)	(5.4)	(5.9)	(6.3)	(6.8)	(7.3)	(7.4)
= NOPAT	5.9	7.0	7.9	8.6	9.6	10.6	11.6	12.7	13.7	14.8	15.9	17.1	17.3
+ D&A	5.5	5.8	6.1	6.6	6.8	7.0	7.2	7.5	7.7	8.0	8.2	8.5	7.7
-/+ (Inc.)/Dec. In NWC	(0.3)	0.4	0.4	0.4	0.5	0.5	0.5	0.6	0.6	0.6	0.7	0.7	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)	(3.1)	(3.1)
- 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)	(5.4)	(4.6)
Capex on sales %	7%	8%	7%	7%	7%	7%	7%	6%	6%	6%	6%	6%	5%
= FCF	5.5	7.2	8.0	9.1	10.1	11.1	12.2	13.2	14.3	15.4	16.6	17.8	17.7
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	12.0	12.0
= PV (FCF)		6.0	6.2	6.4	6.6	6.7	6.7	6.7	6.6	6.6	6.5	6.4	

DCF Valuation

SUM PV(FCF'26-36E)	71.4
TV	276.2
PV of TV	99.1
EV	171
NFP/(debt) FY25E	(4.6)
deduct lease liability	4.8
Minorities	0.0
Treasury shares	0.8
Warrants exercise	1.0
Equity value	173
NOSH (mn)	5.2
New shares from warrants (mn)	0.3
Equity value p/s	31
Current Price	20.8
Upside	49%

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	7.9%	34	36	38	40	43
	8.4%	31	32	34	36	39
	8.9%	28	30	31	33	35
	9.4%	26	27	28	30	31
	9.9%	24	25	26	27	29

Source: Intermonte Estimates (E)

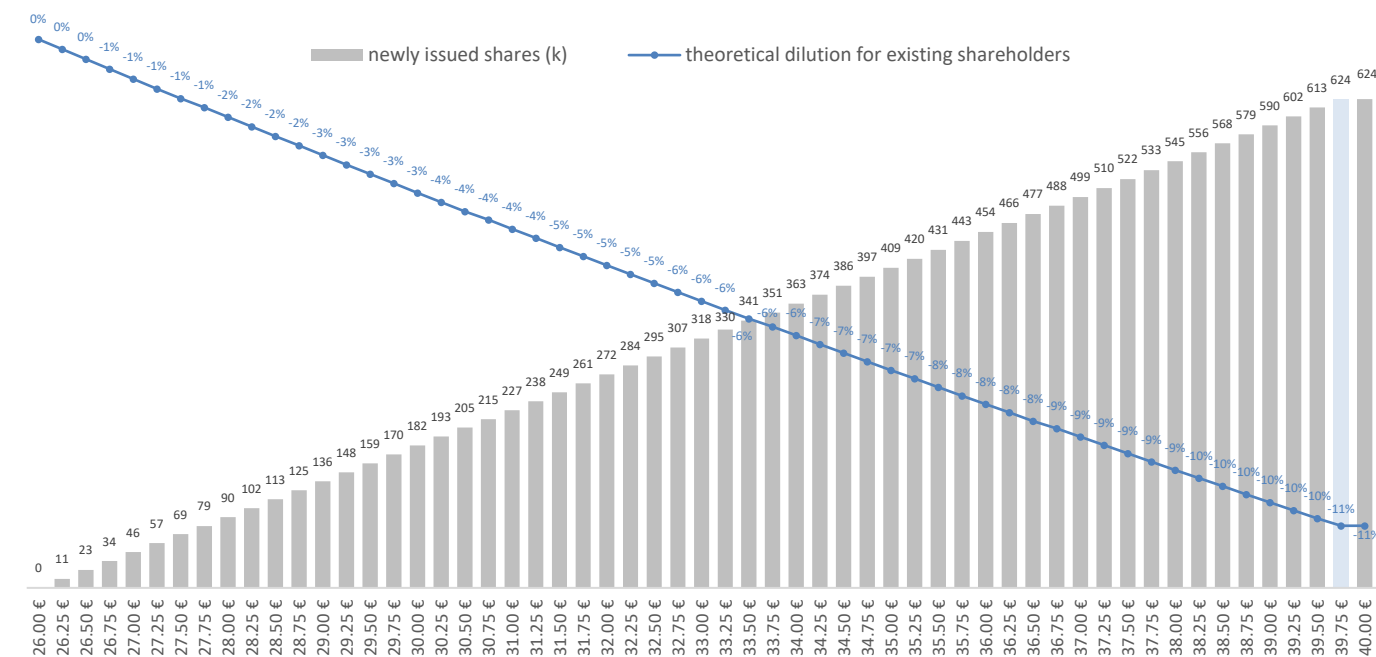
DHH Warrants 2025-2028

Last week, the company announced that, following the admission to trading on Euronext Growth Milan of 1,039,485 warrants by Borsa Italiana, the first day of trading is scheduled for today, May 26, 2025 (ISIN IT0005645541).

Key features of the Warrants:

- **Number of warrants:** 1,039,485
- **New Shares:** Up to 623,691 new shares may be subscribed. These will have full dividend rights and be identical to existing DHH shares.
- **Exercise Period:** Any calendar month between June 1, 2027, and December 29, 2028.
- **Subscription Price:** €3.10 per share.
- **Strike Price:** €26.00 per share.
- **Threshold Price:** €39.75 per share.
- **Exercise Ratio Formula:** $(\text{Monthly Average Price} - \text{Strike Price}) / (\text{Strike Price} - \text{Subscription Price})$. This ratio is applied to the total number of warrants held to calculate the number of new shares to be issued.
- **Adjustment:** If the Monthly Average Price is equal to or above the Threshold Price, the Threshold Price will be used in the formula instead.

DHH Warrants: Theoretical dilution for existing shareholders if the DHH share price trades between the €26.00 Strike price and the €39.75 Threshold price



Source: Intermonte SIM elaboration

Peer Valuation Multiples

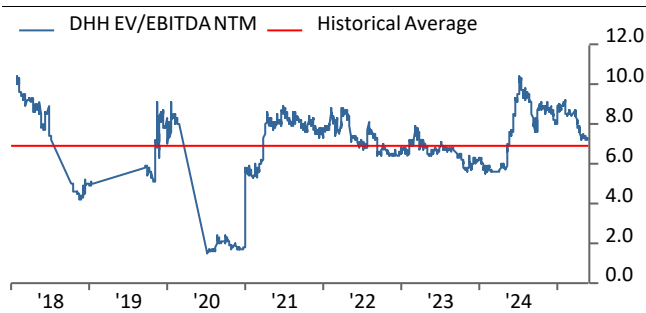
DHH - Peer Valuation Multiples

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	20.8	109	1%	-12%	-19%	-13%	2.7	2.3	8.1	6.8	13.4	10.7	24.0	19.5	13.6	11.0
WIIT SpA	EUR	16.7	471	17%	-10%	-19%	-18%	3.9	3.6	10.3	9.2	20.2	16.8	25.4	20.4	17.6	14.5
Unidata S.P.A.	EUR	3.07	93	13%	11%	12%	3%	1.2	1.0	4.4	3.5	6.9	5.5	9.0	7.3	8.8	5.7
iomart Group plc	GBP	0.29	39	16%	-11%	-70%	-60%	0.8	0.8	4.4	4.3	15.8	14.3	115.1	19.6	7.8	7.6
IONOS Group SE	EUR	37.40	5,250	26%	52%	60%	67%	3.4	3.0	11.5	9.7	14.8	12.3	22.2	18.3	13.8	11.7
OVH Groupe SAS	EUR	14.11	2,140	2%	76%	61%	54%	3.0	2.7	7.5	6.7	44.3	30.1	486.2	46.9	47	29
cyber_Folks SA	PLN	167.00	556	14%	4%	32%	10%	3.0	3.0	9.5	9.7	12.1	11.2	25.2	20.9	9.5	9.7
DigitalOcean	USD	28.30	2,266	9%	-26%	-26%	-14%	4.1	3.4	10.3	8.9	15.1	12.5	12.7	12.5	23.5	19.2
GoDaddy, Inc. Class A	USD	183.86	23,058	8%	6%	-6%	-7%	5.8	5.1	18.3	15.5	25.7	20.5	30.4	24.2	18.7	15.8
Cloud Peers - Median								3.2	3.0	9.9	9.0	15.5	13.4	25.3	20.0	15.7	13.1

FTSE Italia Mid Cap	54,223	13.5%	6.7%	15.8%	13.6%
FTSE Italia Star	46,456	12.3%	-1.0%	4.0%	2.4%
FTSE MIB	40,257	12.0%	4.8%	20.2%	17.8%
FTSE Italia Growth Index	7,999	5.3%	1.7%	3.5%	1.2%
FTSE Italia All-Share	42,713	12.1%	4.9%	19.8%	17.4%

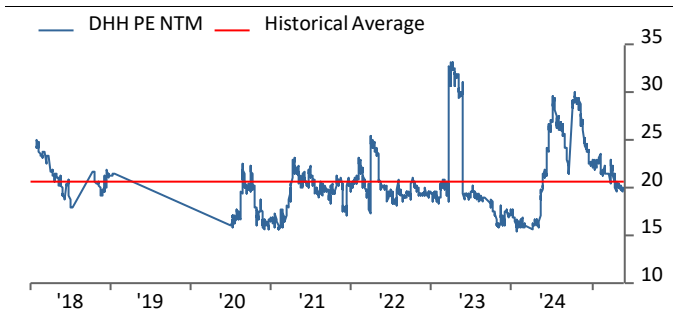
Source: Intermonte SIM, FactSet

DHH - EV/EBITDA NTM Evolution



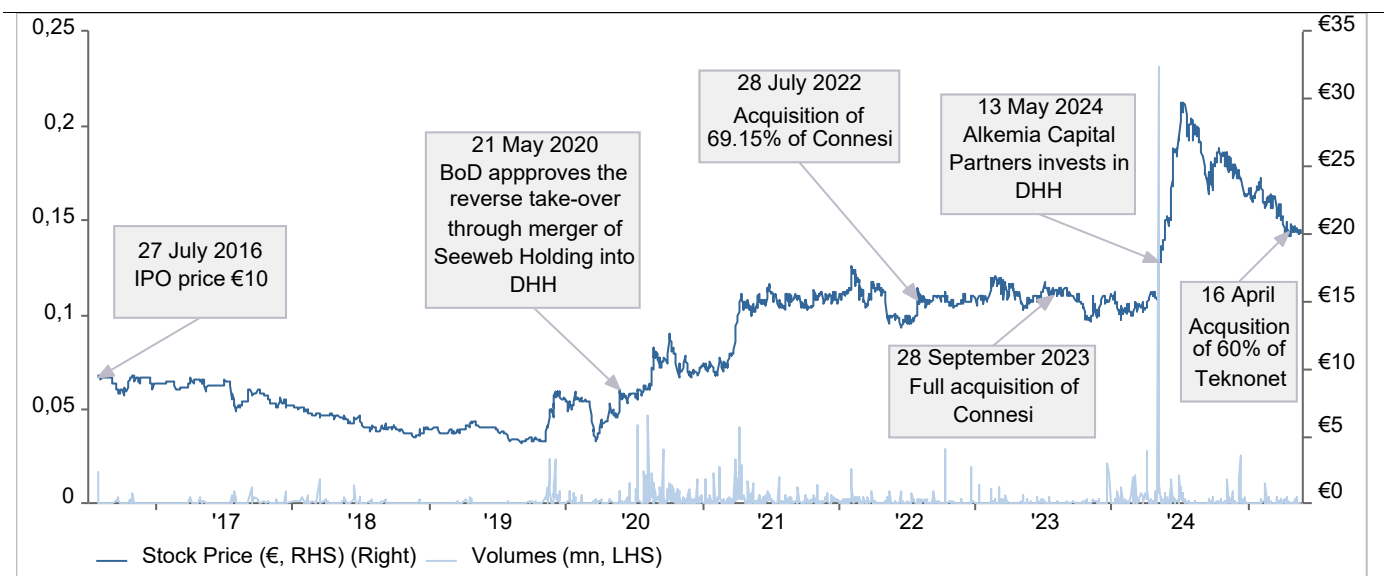
Source: FactSet Consensus

DHH - PE NTM Evolution



Source: FactSet Consensus

DHH: Stock Price Trend since the IPO



Source: FactSet

DHH at a glance

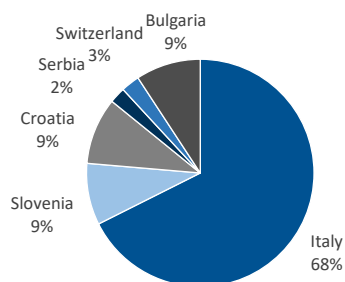
Company description

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

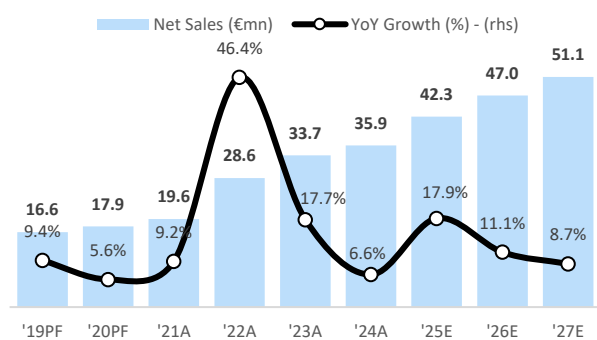
- Scalable and flexible business model, highly diversified customer base featuring recurring revenue
- Positive M&A track record, with eighteen transactions finalised since the IPO
- Highly attractive assets in a market consolidation scenario, drawing potential interest from PE funds
- Rapidly growing 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

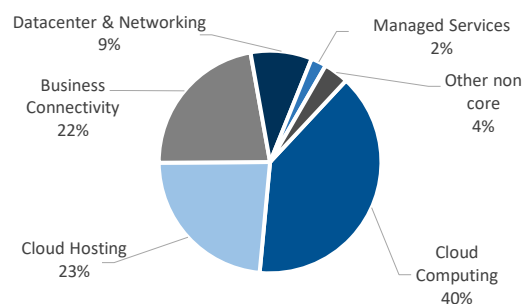
Shareholding Structure

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

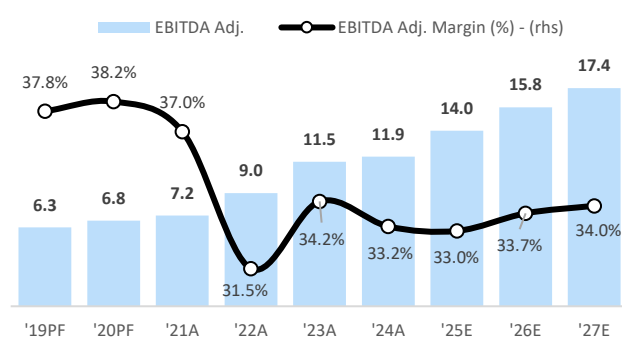
- Competitive core market characterised by the presence of major players with international scale.
- SMEs typically more penalised in the event of an economic downturn compared to large corporates
- Over-reliance on a highly experienced and well-regarded management team
- Keeping up with investments 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):	31.00	Previous Target (Eu):	33.00
Current Price (Eu):	20.80	Previous Price (Eu):	20.10
Date of report:	26/05/2025	Date of last report:	17/04/2025

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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 between 5.5%-6.0% are being used.

Frequency of research: quarterly.

Reports on all companies listed on the S&P/IB40 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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Emittente	%	Long/Short
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