DHH

BUY

Sector: Industrials

Price: Eu23.90 - **Target: Eu31.00**

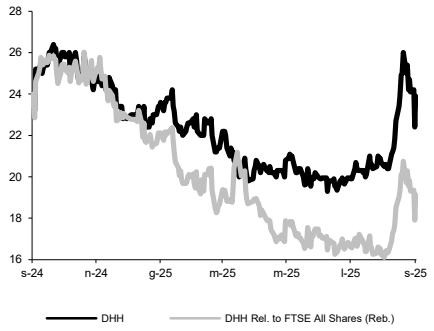
Resilient 1H, Impressive Cash Conversion, Confident Outlook

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):			Unchanged
	2025E	**2026E**	**2027E**
Chg in Adj EPS	-3.5%	-10.2%	-13.8%

Next Event
3Q25 Results Out 21 November

DHH - 12M Performance



Stock Data			
Reuters code:			DHH.MI
Bloomberg code:			DHH IM
Performance	**1M**	**3M**	**12M**
Absolute	15.5%	19.8%	-0.4%
Relative	17.4%	12.3%	-25.5%
12M (H/L)			26.40/19.30
3M Average Volume (th):			1.41

Shareholder Data	
No. of Ord shares (mn):	5
Total no. of shares (mn):	5
Mkt Cap Ord (Eu mn):	125
Total Mkt Cap (Eu mn):	125
Mkt Float - Ord (Eu mn):	29
Mkt Float (in %):	23.0%
Main Shareholder:	
Antonio D. Baldassarra	33.6%

Balance Sheet Data	
Book Value (Eu mn):	32
BVPS (Eu):	6.25
P/BV:	3.8
Net Financial Position (Eu mn):	-5
Enterprise Value (Eu mn):	130

DHH delivered solid 1H results, 1%/4% above our revenue/adj. EBITDA estimates, with resilient margins across geographical markets and business lines. Organic growth (ex-Teknonet) slowed slightly QoQ (+4%) but remained solid; our new FY25-27 top line estimate is more conservative than our previous high single-digit assumption, which looks too demanding after 1H trends. The estimate revision is fully offset by lower WACC in our DCF; the TP is unchanged. The ongoing focus on organic growth, margin discipline and EU M&A supports our constructive view on the stock.

- **1H25 results.** Excluding the Teknonet contribution (consolidated from 2Q, Managed IT and other services), DHH delivered 1H sales growth of +4% (2Q: +4%, 1Q: +5%) and EBITDA up +8% (2Q: +11%, 1Q: +6%). The 1H EBITDA margin improved from 33% to 34%, supported by lower raw material costs (–6%), but spending increased on data centre services (+15%), network services (+23%) and wholesale services and licences (+10%). Personnel costs rose (+11%), along with professional services (+13%) and marketing & sales (+3%). Operating cashflow stood at €6.7mn, i.e. 100% of EBITDA was converted into cash. Net debt (€4.6mn), was well below our forecast (€8.4mn), mainly thanks to lower absorption of working capital.
- **Confident tone from call**. 2Q delivered strong double-digit EBITDA growth, despite a moderate top line slowdown driven by customer churn at Seeweb (linked to client M&A) and the tough comp due to the impact of VMware's repricing. Demand from automotive clients remained weak, but overall growth was preserved; Connesi grew 5%, with positive early signs in AI-related infrastructure and initial real client applications. Expansion into the MSP sector offers significant synergies in Italy, with Teknonet gradually expected to insource external network costs via Connesi. The entry into MSP also supports the dual-track M&A strategy, with a short-term focus on Italy and disciplined target selection. The business model remains highly cash generative, with no AI CapEx commitment and a leasing model that aligns revenues and costs while avoiding technological obsolescence (GPU lifetime <3 years).
- **Change in estimates.** Organic revenue growth revised to mid-single-digit over the next three years (vs. high single-digit previously), consistent with 1H trends. With flat margins in FY25 and +0.4pp in FY26-27 vs. previous estimates, we are cutting adj. EPS by 4% this year and double-digit percentages in the following two years.
- **BUY confirmed, TP still €31.** In our DCF model, lower WACC (equity risk premium cut to 5.5% from 6%) offsets estimate revisions, allowing us to confirm our €31 TP (+29% upside). At target the stock would trade at ~12x EV/EBITDA'25E (~9.6x at current prices), at a discount to larger listed peers and recent private deals (c.15-19x EV/EBITDA). We welcome the recent acquisition of Teknonet (consolidated from 2Q) as a highly strategic and synergistic move, especially 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	41	44	46
EBITDA Adj (Eu mn)	12	12	14	15	16
Net Profit Adj (Eu mn)	3	4	4	5	6
EPS New Adj (Eu)	0.678	0.749	0.866	0.958	1.081
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	9.5	8.3	7.4
EV/EBIT Adj	13.6	16.2	15.9	13.6	12.0
P/E Adj	35.3	31.9	27.6	24.9	22.1
Div. Yield	0.0%	0.0%	0.0%	0.0%	0.0%
Net Debt/EBITDA Adj	0.6	0.3	0.4	0.0	-0.5

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Intermonte

DHH – Key Figures

Profit & Loss (Eu mn)	2022A	2023A	2024A	2025E	2026E	2027E
Sales	29	34	36	41	44	46
EBITDA	7	10	12	14	15	16
EBIT	3	5	7	8	9	10
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	9
Taxes	-1	-2	-2	-2	-3	-3
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	4	5	6
EBITDA Adj	9	12	12	14	15	16
EBIT Adj	5	6	7	8	9	10
Net Profit Adj	2	3	4	4	5	6
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	0.846	0.958	1.081
EPS Adj f.d	0.499	0.678	0.749	0.866	0.958	1.081
BVPS f.d	4.931	4.848	5.815	6.252	7.259	8.396
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	11	12
Change in NWC	1	0	0	-0	0	0
Capital Expenditure	-3	-6	-6	-5	-6	-6
Other Cash Items	-3	1	1	-0	0	0
Free Cash Flow (FCF)	4	2	3	4	5	6
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	-2	6	7
Balance Sheet (Eu mn)	**2022A**	**2023A**	**2024A**	**2025E**	**2026E**	**2027E**
Total Fixed Assets	35	36	37	43	43	42
Net Working Capital	-3	-3	-3	-3	-3	-3
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	7
Group Equity	24	24	28	33	38	44
Minorities	2	1	1	1	1	1
Net Equity	22	23	28	32	37	43
Enterprise Value (Eu mn)	**2022A**	**2023A**	**2024A**	**2025E**	**2026E**	**2027E**
Average Mkt Cap	74	75	105	125	125	125
Adjustments (Associate & Minorities)	0	0	0	0	0	0
Net Cash (Debt)	-6	-7	-3	-5	1	7
Enterprise Value	80	82	108	130	124	118
Ratios (%)	**2022A**	**2023A**	**2024A**	**2025E**	**2026E**	**2027E**
EBITDA Adj Margin	31.5%	34.2%	33.2%	33.0%	34.1%	34.4%
EBIT Adj Margin	16.1%	17.8%	18.6%	19.8%	20.8%	21.2%
Gearing - Debt/Equity	25.0%	27.5%	11.0%	14.6%	-1.9%	-16.4%
Interest Cover on EBIT	4.5	6.0	7.0	6.2	7.6	10.9
Net Debt/EBITDA Adj	0.7	0.6	0.3	0.4	0.0	-0.5
ROACE*	11.7%	16.2%	21.9%	23.3%	24.4%	26.6%
ROE*	11.3%	14.7%	14.5%	14.7%	14.5%	14.2%
EV/CE	3.1	2.7	3.5	3.8	3.3	3.2
EV/Sales	2.8	2.4	3.0	3.1	2.8	2.5
EV/EBITDA Adj	8.8	7.1	9.1	9.5	8.3	7.4
EV/EBIT Adj	17.3	13.6	16.2	15.9	13.6	12.0
Free Cash Flow Yield	3.1%	1.6%	2.2%	3.2%	4.3%	5.1%
Growth Rates (%)	**2022A**	**2023A**	**2024A**	**2025E**	**2026E**	**2027E**
Sales	46.4%	17.7%	6.6%	15.1%	6.1%	5.8%
EBITDA Adj	24.8%	27.7%	3.5%	14.7%	9.4%	6.7%
EBIT Adj	18.4%	30.0%	11.5%	22.1%	11.7%	7.8%
Net Profit Adj	-10.1%	39.8%	10.5%	19.7%	14.4%	12.8%
EPS Adj	-10.6%	36.0%	10.5%	15.6%	10.7%	12.8%
DPS						

*Excluding extraordinary items Source: Intermonte SIM estimates

1H25 Results

- **1H25 results.** Excluding the Teknonet contribution (consolidated from 2Q, Managed IT and other services), DHH delivered 1H sales growth of +4% (2Q: +4%, 1Q: +5%) and EBITDA up +8% (2Q: +11%, 1Q: +6%). The 1H EBITDA margin improved from 33% to 34%, supported by lower raw material costs (–6%), but spending increased on data centre services (+15%), network services (+23%) and wholesale services and licences (+10%). Personnel costs rose (+11%), along with professional services (+13%) and marketing & sales (+3%). Operating cashflow stood at €6.7mn, i.e. 100% of EBITDA was converted into cash. Net debt (€4.6mn), was well below our forecast (€8.4mn), mainly thanks to lower absorption of working capital.
- **Trend by segment and country:** Cloud Computing (36% of total, up 2%) was supported by upselling and cross-selling; Cloud Hosting (23%, up 7%) benefited from strong growth in the Balkans; Business Connectivity (23%, up 16%) reflected Italy's performance and the initial Teknonet contribution; DC & Networking (9%, up 9%) highlighted solid infrastructure demand; while Managed Services (3%, up 74%) benefited from the consolidation of Teknonet. Italy grew 10%, accounting for 69% of total sales, while Bulgaria (+10% YoY), Slovenia (+5% YoY) and Croatia (+5% YoY) contributed a combined 9%. Switzerland accounted for 3% (+8% YoY) and Serbia 2% (+7% YoY).

DHH – 2Q/1H25 Results: P&L and Cash flow

(Eu mn)	1Q24A	2Q24A	1H24A	2H24A	2024A	1Q25A	2Q25A	1H25A	2H25E	2025E	1H25E	A/E
Net Sales	**9.1**	**8.9**	**18.0**	**17.9**	**35.9**	**9.5**	**10.1**	**19.6**	**21.7**	**41.3**	**19.3**	**1%**
YoY%	12%	5%	9%	5%	7%	5%	14%	9%	21%	15%	7%	
EBITDA	**3.2**	**2.8**	**6.0**	**6.0**	**12.0**	**3.4**	**3.3**	**6.7**	**6.9**	**13.5**	**6.5**	**3%**
as % of sales	35%	32%	33%	33%	33%	36%	32%	34%	32%	33%	34%	
Adj. EBITDA	**3.2**	**2.8**	**6.0**	**6.0**	**11.9**	**3.4**	**3.4**	**6.8**	**6.9**	**13.7**	**6.5**	**4%**
as % of sales	35%	32%	33%	33%	33%	36%	33%	35%	32%	33%	34%	
D&A & Write-Downs	(1.2)	(1.3)	(2.5)	(2.7)	(5.2)	(1.2)	(1.6)	(2.8)	(2.7)	(5.5)	(2.5)	
EBIT	**2.0**	**1.5**	**3.5**	**3.3**	**6.8**	**2.2**	**1.6**	**3.8**	**4.2**	**8.1**	**4.0**	**-4%**
as % of sales	22%	16%	19%	18%	19%	23%	16%	20%	19%	20%	21%	
EBIT Adjusted	**2.0**	**1.5**	**3.5**	**3.2**	**6.7**	**2.2**	**1.7**	**3.9**	**4.2**	**8.2**	**4.0**	**-1%**
as % of sales	22%	16%	19%	18%	19%	23%	17%	20%	19%	20%	21%	
Net Financial Charges	(0.3)	(0.1)	(0.4)	(0.6)	(1.0)	(0.3)	(0.1)	(0.4)	(0.9)	(1.3)	(0.7)	
PBT	**1.8**	**1.3**	**3.1**	**2.7**	**5.8**	**1.9**	**1.5**	**3.4**	**3.4**	**6.8**	**3.3**	**2%**
Tax	(0.6)	(0.5)	(1.1)	(1.0)	(2.1)	(0.6)	(0.6)	(1.1)	(1.2)	(2.4)	(1.1)	
Minorities	-	-	(0.0)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	0.0	(0.1)	(0.1)	
Group Net Income	**1.2**	**0.8**	**2.0**	**1.6**	**3.6**	**1.3**	**0.9**	**2.1**	**2.1**	**4.3**	**2.2**	**-2%**
Adj. Net Income	**1.2**	**0.8**	**2.0**	**1.7**	**3.7**	**1.3**	**1.1**	**2.4**	**2.0**	**4.4**	**2.2**	**8%**

(Eu mn)	1Q24A	2Q24A	1H24A	2H24A	2024A	1Q25A	2Q25A	1H25A	2H25E	2025E	1H25E	A-E
NFP BoP	(6.5)	(6.0)	(6.5)	(3.6)	(6.5)	(3.1)	(2.5)	(3.1)	(4.6)	(3.1)	(3.1)	-
Change in NFP	0.5	2.3	2.9		3.4	0.6	(2.0)	(1.4)	(0.2)	(1.7)	(5.3)	3.8
Net (debt) /cash	**(6.0)**	**(3.6)**	**(3.6)**	**(3.1)**	**(3.1)**	**(2.5)**	**(4.6)**	**(4.6)**	**(4.8)**	**(4.8)**	**(8.4)**	**3.8**

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

DHH – 2Q/1H25 Results: Net sales by Country and by Segment

Sales by Country (Eu mn)	1Q24A	2Q24A	1H24A	2H24A	2024A	1Q25A	2Q25A	1H25A	2H25E	2025E	1H25E	A/E
Italy	**6.1**	**6.2**	**12.2**	**12.0**	**24.3**	**6.4**	**7.0**	**13.5**	**15.4**	**28.9**	**13.2**	**2%**
YoY	**13%**	**7%**	**10%**	**2%**	**6%**	**6%**	**14%**	**10%**	**28%**	**19%**	**8%**	
Organic	13%	7%	10%	2%	6%	6%	0%	3%	5%	4%		
Scope	0%	0%	0%	0%	0%	0%	14%	7%	23%	15%		
Slovenia	**0.8**	**0.8**	**1.6**	**1.6**	**3.1**	**0.9**	**0.8**	**1.7**	**1.6**	**3.3**	**1.7**	**-1%**
YoY	**9%**	**7%**	**8%**	**9%**	**9%**	**6%**	**5%**	**5%**	**5%**	**5%**	**7%**	
Organic	9%	7%	8%	10%	9%	6%	5%	5%	5%	5%		
Scope	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%		
Croatia	**0.8**	**0.9**	**1.7**	**1.7**	**3.4**	**0.8**	**0.9**	**1.8**	**1.8**	**3.5**	**1.8**	**1%**
YoY	**3%**	**19%**	**11%**	**9%**	**10%**	**5%**	**5%**	**5%**	**3%**	**4%**	**4%**	
Organic	3%	19%	11%	9%	10%	5%	5%	5%	3%	4%		
Scope	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%		
Serbia	**0.2**	**0.2**	**0.4**	**0.4**	**0.8**	**0.2**	**0.2**	**0.4**	**0.4**	**0.9**	**0.4**	**-1%**
YoY	**3%**	**5%**	**4%**	**10%**	**7%**	**3%**	**11%**	**7%**	**7%**	**7%**	**8%**	
Organic	3%	5%	4%	10%	7%	3%	11%	7%	7%	7%		
Scope	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%		
Switzerland	**0.4**	**0.0**	**0.5**	**0.5**	**0.9**	**0.4**	**0.1**	**0.5**	**0.5**	**1.0**	**0.6**	**-10%**
YoY	**103%**	**-85%**	**11%**	**10%**	**11%**	**3%**	**72%**	**8%**	**12%**	**10%**	**4%**	
Organic	103%	-85%	11%	11%	11%	3%	72%	8%	12%	10%		
Scope	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%		
Bulgaria	**0.8**	**0.8**	**1.6**	**1.7**	**3.3**	**0.8**	**0.9**	**1.7**	**1.9**	**3.6**	**1.8**	**-3%**
YoY	**-2%**	**2%**	**0%**	**8%**	**3%**	**3%**	**17%**	**10%**	**10%**	**10%**	**11%**	
Organic	-2%	2%	0%	6%	3%	3%	17%	10%	10%	10%		
Scope	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%		
Net Sales	**9.1**	**8.9**	**18.0**	**17.9**	**35.9**	**9.5**	**10.1**	**19.6**	**21.7**	**41.3**	**19.3**	**1%**
YoY%	**12%**	**5%**	**9%**	**5%**	**7%**	**5%**	**14%**	**9%**	**21%**	**15%**	**7%**	
Organic					7%	5%	4%	4%	6%	5%	3%	
Scope					0%	0%	10%	5%	16%	10%	5%	

Sales by Segment (Eu mn)	1Q24A	2Q24A	1H24A	2H24A	2024A	1Q25A	2Q25A	1H25A	2H25E	2025E	1H25E	A/E
Cloud Computing	**2.3**	**4.8**	**7.1**	**7.1**	**14.2**	**2.5**	**4.7**	**7.2**	**7.4**	**14.6**	**7.3**	**-1%**
YoY %					**5%**	**8%**	**-1%**	**2%**	**3%**	**3%**	**3%**	
Organic					5%	8%	-2%	2%	1%	2%	3%	
Scope					0%	0%	1%	1%	1%	1%	0%	
Cloud Hosting	**3.4**	**0.9**	**4.3**	**4.1**	**8.4**	**3.7**	**0.9**	**4.6**	**4.3**	**8.9**	**4.7**	**-3%**
YoY %					**7%**	**8%**	**4%**	**7%**	**5%**	**6%**	**10%**	
Organic					7%	8%	4%	7%	5%	6%	10%	
Scope					0%	0%	0%	0%	0%	0%	0%	
Business Connectivity	**1.9**	**2.0**	**3.9**	**4.1**	**8.0**	**2.1**	**2.5**	**4.5**	**6.0**	**10.5**	**4.3**	**5%**
YoY %					**9%**	**8%**	**24%**	**16%**	**47%**	**32%**	**10%**	
Organic					9%	8%	9%	8%	11%	8%	5%	
Scope					0%	0%	15%	8%	35%	24%	5%	
Datacenter & Networking	**0.8**	**0.9**	**1.7**	**1.5**	**3.2**	**0.9**	**1.0**	**1.8**	**1.7**	**3.5**	**1.7**	**8%**
YoY %					**2%**	**8%**	**11%**	**10%**	**11%**	**10%**	**2%**	
Organic					2%	8%	11%	10%	11%	10%	2%	
Scope					0%	0%	0%	0%	0%	0%	0%	
Managed Services	**0.2**	**0.2**	**0.4**	**0.4**	**0.8**	**0.2**	**0.4**	**0.6**	**1.0**	**1.6**	**0.6**	**6%**
YoY %					**0%**	**8%**	**154%**	**74%**	**124%**	**101%**	**64%**	
Organic					0%	8%	-7%	1%	40%	1%	4%	
Scope					0%	0%	162%	73%	84%	100%	60%	
Other non core	**0.5**	**0.2**	**0.7**	**0.6**	**1.3**	**0.2**	**0.6**	**0.8**	**1.3**	**2.1**	**0.7**	**15%**
YoY %					**0%**	**-55%**	**199%**	**16%**	**121%**	**65%**	**1%**	
Group Net Sales	**9.1**	**8.9**	**18.0**	**17.9**	**35.9**	**9.5**	**10.1**	**19.6**	**21.7**	**41.3**	**19.3**	**1%**
YoY %					**7%**	**5%**	**14%**	**9%**	**21%**	**15%**	**7%**	
Organic					7%	5%	4%	4%	8%	5%	5%	
Scope					0%	0%	10%	5%	13%	10%	2%	

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

Feedback from the call

2Q delivered strong double-digit EBITDA growth, despite a moderate top line slowdown driven by customer churn at Seeweb (linked to client M&A) and the tough comp due to the impact of VMware repricing. Demand from automotive clients remained weak, but overall growth was preserved; Connesi grew 5%, with positive early signs in AI-related infrastructure and initial real client applications. Expansion into the MSP sector offers significant synergies in Italy, with Teknonet gradually expected to insource external network costs via Connesi. The entry into MSP also supports the dual-track M&A strategy, with a short-term focus on Italy and disciplined target selection. The business model remains highly cash generative, with no AI CapEx commitment and a leasing model that aligns revenues and costs while avoiding technological obsolescence (GPU lifetime <3 years).

- **Organic trends –** EBITDA improved in 2Q, delivering strong double-digit growth, despite a moderate QoQ slowdown in the top line (1Q: +5%, 2Q: +4%). This was mainly due to: (a) Seeweb, the Group's largest subsidiary, growing just ~1% due to the loss of a couple of customers. The cancellations were not linked to service quality but M&A activity, with acquiring companies deciding to terminate the contracts; (b) the VMware situation, which continued to weigh on the business. Following Broadcom's acquisition, VMware imposed significant price hikes on clients, leading to higher licence costs. This temporarily inflated DHH's 2Q24 revenues and created a tougher comparison base going forward.
- **Demand by sector –** Automotive sector remained very weak, with no new customers or services added in recent quarters as the industry is still under pressure. Despite this, DHH offset the impact and delivered positive growth, with a recovery expected in the coming quarters.
- **Connesi –** the subsidiary posted 5% growth in 2Q, slightly below expectations. The market backdrop remains uncertain, but the first positive signs are emerging in AI-related infrastructure, with sentiment starting to suggest a clearer growth trajectory.
- **Entry into Managed IT Services (MSP) –** MSP sector profitability is broadly in line with cloud/hosting, with size being the main differentiator: smaller MSPs show lower margins, while larger players achieve stronger profitability. Some MSPs include hardware resale, reducing margins. Typically, MSPs are CapEx-light, cash generative, and enjoy high customer lock-in once integrated into a clients' operations. This supports DHH's strategy to expand in the sector via M&A, targeting well-branded companies. Teknonet's MSP business in Italy is highly synergistic with Connesi and Seeweb (cross-selling, cost synergies) and strengthens DHH's go-to-market positioning.
- **M&A strategy – dual approach**: (a) reinvest cash generation to fund smaller, complementary bolt-ons; (b) scout for larger opportunities requiring dedicated financing. While the short-term focus is Italy (with faster synergy realisation), the company is also evaluating targets in France and Spain. A good number of MSP candidates are available, but management intends to remain disciplined, focusing only on targets with high recurring revenues and solid profitability.
- **AI and market dynamics** – recent announcements in US by NVIDIA and Oracle highlight a widening gap between the US and Europe. Many European players still adopt a "wait and see" approach, risking delays similar to those seen in cloud adoption (10 years behind the US). In Europe, significant NextGen EU funds have been deployed into equipment, much of which remains underutilised pending relevant projects. While a large-scale multibillion AI infrastructure plan in Europe seems unlikely, adoption in specific verticals (e.g., pharma) has begun, with concrete applications emerging over the last two quarters. The *Regolo* project, focused on AI inference-as-a-service, may be spun off as an independent entity, with ongoing integration work into existing software.
- **CapEx Commitment Avoided in AI, Leasing Model Preserves Cash and Profitability –** DHH maintains a highly cash-generative model with no direct R&D or CapEx commitments in AI. Instead, the company leases equipment from two global vendors rather than purchasing, aligning revenues and costs while avoiding obsolescence risk (GPU lifecycle <3 years). This disciplined approach preserves profitability and eliminates the risk of heavy upfront AI investments.
- **Costs –** some temporary increases in 1H, partly to support product launches, are not structural. Higher raw material costs were driven by Broadcom's licence price hikes. Data centre costs rose mainly due to energy prices, while network costs reflect the consolidation of Teknonet. Synergies from Teknonet are yet to be realised: as Teknonet also owns an access network (previously sourcing from external wholesalers), costs are gradually expected to be internalised through Connesi.

Change in Estimates

Organic revenue growth revised to mid-single-digit over the next three years (vs. high single-digit previously), consistent with 1H trends. With flat margins in FY25 and +0.4pp in FY26-27 vs. previous estimates, we are cutting adj. EPS by 4% this year and double-digit percentages in the following two years.

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

	Actual	New Estimates			Old Estimates			New vs Old - % chg		
(Eu mn)	'24E	'25E	'26E	'27E	'25E	'26E	'27E	'25E	'26E	'27E
Group Net Sales	**35.9**	**41.3**	**43.8**	**46.4**	**42.3**	**47.0**	**51.1**	**-2%**	**-7%**	**-9%**
Total Revenues	37.1	42.4	45.0	47.6	43.4	48.2	52.3			
Raw materials	(2.6)	(2.4)	(2.5)	(2.7)	(2.5)	(2.7)	(3.0)			
Services	(14.3)	(16.3)	(17.3)	(18.3)	(16.7)	(18.5)	(20.1)			
Labour	(7.0)	(7.4)	(7.8)	(8.0)	(7.4)	(7.8)	(8.0)			
Other OpEx	(1.1)	(2.7)	(2.4)	(2.6)	(2.8)	(3.3)	(3.8)			
EBITDA	12.0	13.5	14.9	15.9	14.0	15.8	17.4			
Adj. EBITDA	**11.9**	**13.7**	**14.9**	**15.9**	**14.0**	**15.8**	**17.4**	**-2%**	**-6%**	**-8%**
as % of net sales	**33.2%**	**33.0%**	**34.1%**	**34.4%**	**33.0%**	**33.7%**	**34.0%**			
D&A & Write-Downs	(5.2)	(5.5)	(5.8)	(6.1)	(5.5)	(5.8)	(6.1)			
EBIT	6.8	8.1	9.1	9.8	8.5	10.0	11.3			
Adj. EBIT	**6.7**	**8.2**	**9.1**	**9.8**	**8.5**	**10.0**	**11.3**	**-4%**	**-9%**	**-13%**
as % of net sales	**18.6%**	**19.8%**	**20.8%**	**21.2%**	**20.0%**	**21.3%**	**22.0%**			
Net Financial Charges	(1.0)	(1.3)	(1.2)	(0.9)	(1.3)	(1.2)	(0.9)			
PBT	**5.8**	**6.8**	**7.9**	**8.9**	**7.2**	**8.8**	**10.4**	**-6%**	**-10%**	**-14%**
Tax	(2.1)	(2.1)	(2.8)	(3.1)	(2.1)	(3.1)	(3.6)			
Minorities	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.2)			
Net Income	**3.6**	**4.3**	**5.0**	**5.7**	**4.5**	**5.6**	**6.6**	**-6%**	**-10%**	**-14%**
Adj. Net Income	**3.7**	**4.4**	**5.0**	**5.7**	**4.5**	**5.6**	**6.6**	**-4%**	**-10%**	**-14%**

	Actual	New Estimates			Old Estimates			New vs Old - Abs chg		
(Eu mn)	'24E	'25E	'26E	'27E	'25E	'26E	'27E	'25E	'26E	'27E
NFP BoP	**(6.5)**	**(3.1)**	**(4.8)**	**0.7**	**(3.1)**	**(4.6)**	**1.4**	**-**	**(0.2)**	**(0.7)**
Net Income	3.7	4.4	5.1	5.8	4.7	5.7	6.7	(0.3)	(0.6)	(0.9)
D&A	5.2	5.5	5.8	6.1	5.5	5.8	6.1	-	-	-
Δ NWC	0.1	(0.4)	0.1	0.2	(0.3)	0.4	0.4	(0.1)	(0.3)	(0.2)
Op. Cash Flow	**9.2**	**9.5**	**11.1**	**12.2**	**9.9**	**12.0**	**13.2**	**(0.3)**	**(0.9)**	**(1.1)**
CapEx	(6.4)	(5.5)	(5.7)	(5.8)	(5.6)	(6.1)	(6.4)	0.1	0.4	0.6
FCF	**2.8**	**4.0**	**5.4**	**6.4**	**4.2**	**5.9**	**6.9**	**(0.2)**	**(0.5)**	**(0.5)**
Acquisitions	-	(5.6)	-	-	(5.6)	-	-	-	-	-
Dividends	-	-	-	-	-	-	-	-	-	-
Buyback	0.5	-	-	-	-	-	-	-	-	-
Equity financing	-	-	-	-	-	-	-	-	-	-
Other	0.1	(0.1)	0.1	0.1	(0.1)	0.1	0.2	0.0	(0.0)	(0.0)
Change in NFP	**3.4**	**(1.7)**	**5.5**	**6.5**	**(1.5)**	**6.0**	**7.0**	**(0.2)**	**(0.5)**	**(0.5)**
NFP EoP	**(3.1)**	**(4.8)**	**0.7**	**7.2**	**(4.6)**	**1.4**	**8.5**	**(0.2)**	**(0.7)**	**(1.2)**

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

Intermonte

DHH – Change to 2025-27 Estimates: Net Sales Breakdown by Country

Net Sales by Country	Actual	New Estimates			Old Estimates			New vs Old - % chg		
(Eu mn)	'24E	'25E	'26E	'27E	'25E	'26E	'27E	'25E	'26E	'27E
Italy	**24.3**	**28.9**	**30.6**	**32.4**	**30.2**	**34.4**	**38.0**	**-4%**	**-11%**	**-15%**
YoY %	**6%**	**19%**	**6%**	**6%**	**25%**	**14%**	**11%**			
Organic	6%	4%	6%	6%	9%	14%	11%			
Scope	0%	15%	0%	0%	15%	0%	0%			
Slovenia	**3.1**	**3.3**	**3.5**	**3.8**	**3.3**	**3.5**	**3.7**	**-1%**	**0%**	**2%**
YoY %	**9%**	**5%**	**7%**	**7%**	**6%**	**5%**	**5%**			
Organic	9.0%	5.0%	6.5%	6.8%	6%	5%	5%			
Scope	0.0%	0.0%	0.0%	0.0%	0%	0%	0%			
Croatia	**3.4**	**3.5**	**3.7**	**4.0**	**3.6**	**3.7**	**3.8**	**0%**	**1%**	**3%**
YoY %	**10%**	**4%**	**6%**	**6%**	**5%**	**4%**	**4%**			
Organic	10%	4%	6%	6%	5%	4%	4%			
Scope	0%	0%	0%	0%	0%	0%	0%			
Serbia	**0.8**	**0.9**	**0.9**	**1.0**	**0.8**	**0.9**	**0.9**	**4%**	**8%**	**13%**
YoY %	**7%**	**7%**	**7%**	**8%**	**3%**	**3%**	**3%**			
Organic	7%	7%	7%	8%	3%	3%	3%			
Scope	0%	0%	0%	0%	0%	0%	0%			
Switzerland	**0.9**	**1.0**	**1.2**	**1.3**	**1.0**	**1.0**	**1.0**	**7%**	**19%**	**26%**
YoY %	**11%**	**10%**	**15%**	**9%**	**3%**	**3%**	**3%**			
Organic	11%	10%	15%	9%	3%	3%	3%			
Scope	0%	0%	0%	0%	0%	0%	0%			
Bulgaria	**3.3**	**3.6**	**3.8**	**4.0**	**3.4**	**3.5**	**3.6**	**7%**	**9%**	**10%**
YoY %	**4%**	**8%**	**6%**	**6%**	**8%**	**6%**	**6%**			
Organic	4%	8%	6%	6%	8%	6%	6%			
Scope	4%	8%	6%	6%	0%	0%	0%			
Group Net Sales	**35.89**	**41.3**	**43.8**	**46.4**	**42.3**	**47.0**	**51.1**	**-2%**	**-7%**	**-9%**
YoY %	7%	15%	6%	6%	18%	11%	9%			
Organic	7%	5%	6%	6%	9%	9%	9%			
Scope	0%	10%	0%	0%	0%	0%	0%			

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

DHH – Change to 2025-27 Estimates: Net Sales Breakdown by Segment

Net Sales by Segment	Actual	New Estimates			Old Estimates			New vs Old - % chg		
(Eu mn)	'24E	'25E	'26E	'27E	'25E	'26E	'27E	'25E	'26E	'27E
Cloud Computing	**14.2**	**14.6**	**15.2**	**15.8**	**15.2**	**16.7**	**17.9**	**-4%**	**-9%**	**-12%**
YoY %	**5%**	**3%**	**4%**	**4%**	**7%**	**14%**	**18%**			
Organic	0%	2%	4%	4%	6%	14%	18%			
Scope	0%	1%	0%	0%	1%	0%	0%			
Cloud Hosting	**8.4**	**8.9**	**9.5**	**10.2**	**9.1**	**10.6**	**11.5**	**-2%**	**-10%**	**-11%**
YoY %	**7%**	**6%**	**7%**	**7%**	**8%**	**19%**	**20%**			
Organic	0%	6%	7%	7%	8%	19%	20%			
Scope	0%	0%	0%	0%	0%	0%	0%			
Business Connectivity	**8.0**	**10.5**	**11.4**	**12.2**	**10.6**	**11.6**	**13.0**	**-1%**	**-2%**	**-6%**
YoY %	**9%**	**32%**	**8%**	**8%**	**33%**	**10%**	**14%**			
Organic	0%	8%	8%	8%	9%	10%	14%			
Scope	0%	24%	0%	0%	24%	0%	0%			
Datacenter & Networking	**3.2**	**3.5**	**3.9**	**4.2**	**3.6**	**4.0**	**4.3**	**-1%**	**-2%**	**-3%**
YoY %	**2%**	**10%**	**10%**	**8%**	**11%**	**12%**	**11%**			
Organic	0%	10%	10%	8%	11%	12%	11%			
Scope	0%	0%	0%	0%	0%	0%	0%			
Managed Services	**0.8**	**1.6**	**1.7**	**1.8**	**1.7**	**1.8**	**2.0**	**-3%**	**-8%**	**-10%**
YoY %	**0%**	**101%**	**5%**	**5%**	**107%**	**14%**	**17%**			
Organic	0%	1%	5%	5%	7%	14%	17%			
Scope	0%	100%	0%	0%	100%	0%	0%			
Other non core	**1.3**	**2.1**	**2.2**	**2.2**	**2.2**	**2.3**	**2.5**	**-2%**	**-7%**	**-11%**
YoY %	**0%**	**65%**	**1%**	**1%**	**69%**	**9%**	**13%**			
Organic	0%	1%	1%	1%	4%	9%	13%			
Scope	0%	64%	0%	0%	64%	0%	0%			
Group Net Sales	**35.9**	**41.3**	**43.8**	**46.4**	**42.3**	**47.0**	**51.1**	**-2%**	**-7%**	**-9%**
YoY %	**7%**	**15%**	**6%**	**6%**	**18%**	**14%**	**17%**			
Organic	7%	5%	6%	6%	8%	14%	17%			
Scope	0%	10%	0%	0%	10%	0%	0%			

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

DCF Valuation

In our DCF model, lower WACC (equity risk premium cut to 5.5% from 6%) offsets estimate revisions, allowing us to confirm our €31 TP (+29% upside). At our TP the stock would trade at ~12x EV/EBITDA'25E (~9.6x at current prices), at a discount to larger listed peers and recent private deals (c. 15-19x EV/EBITDA).

DHH – DCF Valuation (WACC from 8.9% to 8.5%, g unchanged at 2.5%)

(Eu mn)	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E	2035E	2036E	TV
Net Sales	**41.3**	**43.8**	**46.4**	**49.2**	**52.3**	**55.7**	**59.5**	**63.7**	**68.3**	**73.5**	**79.2**	**85.6**	**87.8**
YoY growth (%)	*15%*	*6%*	*6%*	*6%*	*6%*	*7%*	*7%*	*7%*	*7%*	*8%*	*8%*	*8%*	*2.5%*
- (COGS + OpEx)	(27.7)	(28.9)	(30.4)	(32.1)	(34.0)	(36.1)	(38.4)	(41.0)	(43.8)	(46.9)	(50.4)	(54.2)	(56.9)
= Adj. EBITDA	**13.7**	**14.9**	**15.9**	**17.0**	**18.2**	**19.6**	**21.1**	**22.7**	**24.5**	**26.6**	**28.8**	**31.4**	**30.9**
Adj. EBITDA margin %	*33%*	*34%*	*34%*	*35%*	*35%*	*35%*	*35%*	*36%*	*36%*	*36%*	*36%*	*37%*	*35%*
- D&A	(5.5)	(5.8)	(6.1)	(6.0)	(6.2)	(6.4)	(6.6)	(6.8)	(7.0)	(7.2)	(7.4)	(7.7)	(7.5)
= Adj. EBIT	**8.2**	**9.1**	**9.8**	**11.1**	**12.1**	**13.2**	**14.5**	**15.9**	**17.6**	**19.4**	**21.4**	**23.7**	**23.4**
Adj. EBIT margin %	*20%*	*21%*	*21%*	*22%*	*23%*	*24%*	*24%*	*25%*	*26%*	*26%*	*27%*	*28%*	*27%*
- Taxes on EBIT	(2.4)	(2.7)	(3.0)	(3.3)	(3.6)	(4.0)	(4.4)	(4.8)	(5.3)	(5.8)	(6.4)	(7.1)	(7.0)
= NOPAT	**5.7**	**6.4**	**6.9**	**7.7**	**8.5**	**9.3**	**10.2**	**11.2**	**12.3**	**13.6**	**15.0**	**16.6**	**16.4**
+ D&A	5.5	5.8	6.1	6.0	6.2	6.4	6.6	6.8	7.0	7.2	7.4	7.7	7.5
-/+ (Inc.)/Dec. In NWC	(0.4)	0.1	0.2	0.3	0.3	0.3	0.3	0.3	0.3	0.4	0.4	0.4	0.3
- 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)	(3.0)	(3.2)	(3.2)	(3.3)	(3.5)	(3.6)	(3.8)	(3.9)	(4.1)	(4.2)	(4.4)	(4.6)	(4.4)
Capex on sales %	*7%*	*7%*	*7%*	*7%*	*7%*	*7%*	*6%*	*6%*	*6%*	*6%*	*6%*	*5%*	*5%*
= FCF	**5.3**	**6.6**	**7.4**	**8.0**	**8.7**	**9.5**	**10.5**	**11.5**	**12.6**	**13.9**	**15.4**	**17.0**	**16.7**
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)		**5.6**	**5.8**	**5.8**	**5.8**	**5.8**	**5.9**	**6.0**	**6.1**	**6.2**	**6.3**	**6.4**	

DCF Valuation	
SUM PV(FCF'26-36E)	65.6
TV	277.0
PV of TV	103.9
EV	**170**
NFP/(debt) FY25E	(4.8)
deduct lease liability	4.8
Minorities	0.0
Treasury shares	1.0
Warrants exercise	1.0
Equity value	**172**
NOSH (mn)	5.2
New shares from warrants (mn)	0.3
Equity value p/s	**31**
Current Price	23.9
Upside	29%

Source: Intermonte SIM

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

WACC \ Perpetuity Growth Rate (%)	*1.5%*	*2.0%*	*2.5%*	*3.0%*	*3.5%*
7.5%	34	36	38	41	45
8.0%	31	32	34	36	39
8.5%	28	29	31	33	35
9.0%	26	27	28	30	31
9.5%	24	25	26	27	28

Source: Intermonte Estimates (E)

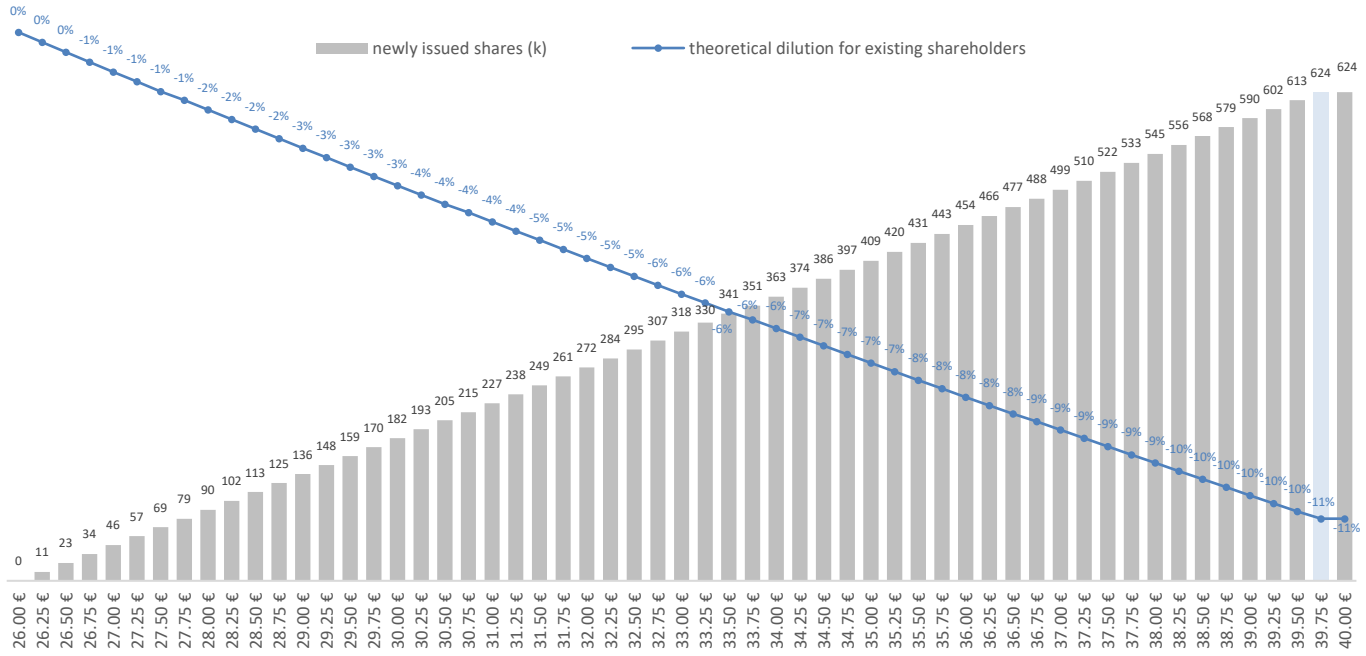
DHH Warrants 2025-2028

Following the admission to trading on Euronext Growth Milan of 1,039,485 warrants by Borsa Italiana, the first day of trading was 26 May 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:** (*Monthly Average Price – Strike Price) / (Strike Price – 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

DHH in a snapshot

We provide comprehensive internet infrastructure services

Business segments	% of revenues 2024	Growth[2]	Market size (CAGR %)[1]	Competitors (some examples)
Cloud Computing on-demand resources like servers, storage, and applications	40%	+14%	$ 1.25 tn by 2028 (+17,9%)	aws, Microsoft Azure
Cloud Hosting hosting of websites or applications	24%	+5%	$ 169 bn by 2025 (+17,5%)	aruba.it, OVHcloud
Business Connectivity high speed, secure internet and dedicated lines	22%	+31% (2 years)	$ 115 bn by 2027	TIM, A1 Telekom Austria Group
Datacenter & Networking datacenters with networking solutions	9%	+23%	$ 288 bn by 2027 (+4,5%)	*datacenter services providers*
new **Managed Services** IT support, cybersecurity, and infrastructure management	2%	-	$ 731 bn by 2030	*large system integrators*
emerging **AI Infrastructure** AI infrastructure for running complex AI models and processing large datasets	4%	-	$ 85 bn by 2026 (+23,7%)	*no clear market leaders*

> 90% *Recurring revenues*

> 80% *Operating cash flow*

Thousands *BTB Customers*

Key financials 2024

Revenues	EBITDA	Net Debt / EBITDA
Eu 37 mn (+23%)[2]	Eu 12 mn (33%)	< 1 x

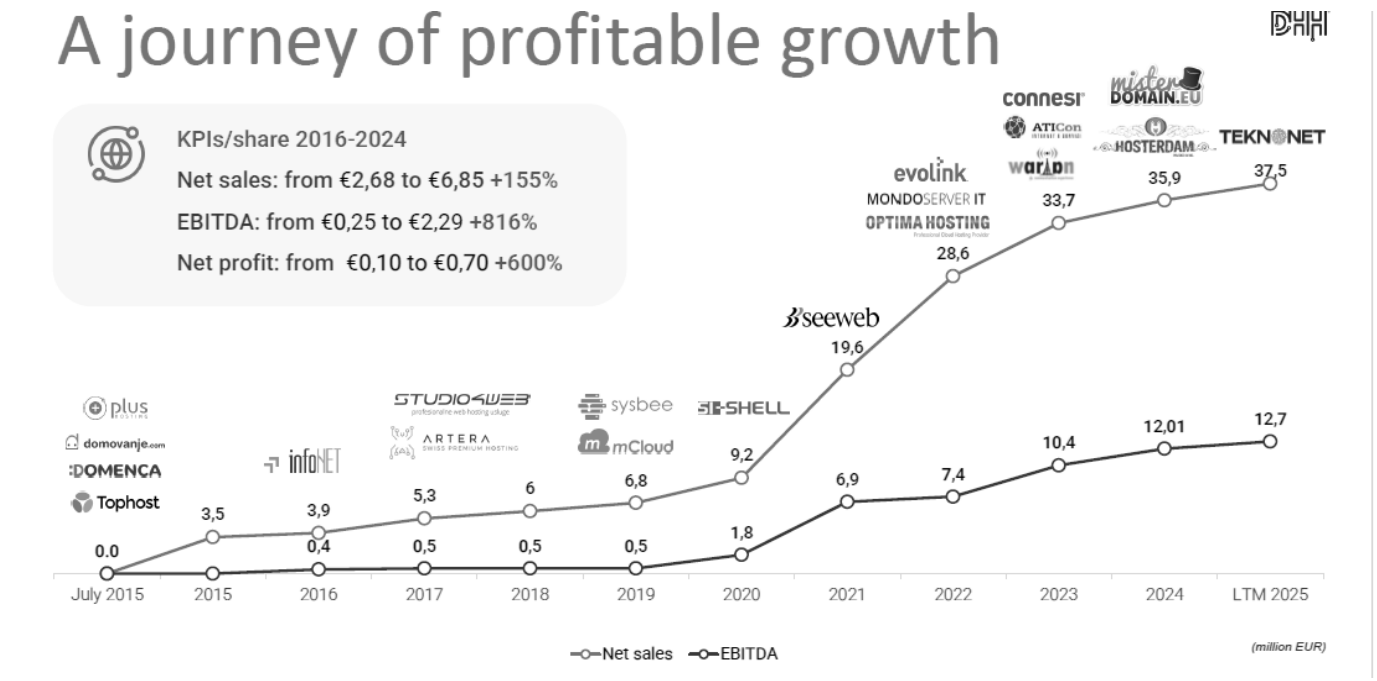
M&A strategy (on top of organic growth)

1. **Expansion** — Entering in new geographies or expanding into contigous market — **Eu 2-20 mn[3]**
2. **Consolidation** — Increasing market share in the current reference market — **Eu 0,5-2 mn[3]**

(1) Sources: Grand View Research, Markets and Markets, Research and Markets, Allied Market Research (2) 3Y Cagr (3) expected deal size.

Source: company presentation

DHH: Revenue/EBITDA evolution and M&A history



Source: company presentation

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Peer Valuation Multiples

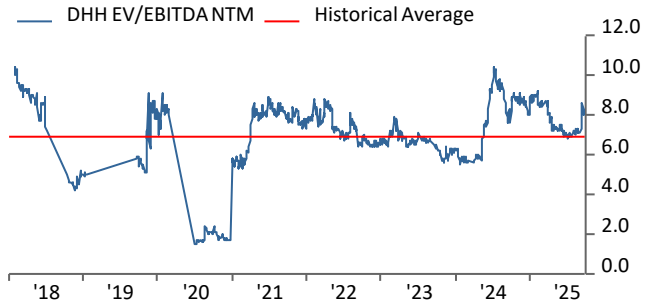
DHH - Peer Valuation Multiples

Company	Currency	Price	Mkt. Cap (Eu mn)	Abs. Perf. (%) 1m	3m	6m	Ytd	EV/Sales (x) '25E	'26E	EV/EBITDA (x) '25E	'26E	EV/EBIT (x) '25E	'26E	Adj. P/E (x) '25E	'26E	EV/OpFCF (x) '25E	'26E
DHH S.p.A	**EUR**	**23.9**	**125**	**8%**	**12%**	**5%**	**-3%**	**3.1**	**2.8**	**9.6**	**8.3**	**16.1**	**13.6**	**28.5**	**24.9**	**16.1**	**13.5**
WIIT SpA	EUR	19.1	535	7%	30%	26%	1%	4.3	3.9	11.1	10.0	21.3	17.5	27.5	22.0	19.0	15.8
Unidata S.P.A.	EUR	2.71	84	-5%	-3%	-6%	-9%	1.2	1.0	4.2	3.7	6.8	5.6	8.4	7.0	6.1	5.6
Iomart Group PLC	GBP	0.18	23	-22%	-45%	-51%	-78%	0.7	0.7	4.0	4.0	14.3	13.1	n.m.	38.6	7.0	6.8
IONOS Group SE	EUR	40.90	5,726	6%	0%	58%	86%	3.7	3.2	12.2	10.4	15.7	13.2	23.4	19.7	14.5	12.4
OVH Groupe SAS	EUR	12.36	1,874	28%	-9%	67%	46%	2.8	2.5	7.1	6.4	39.8	28.7	169.9	57.7	42	26
cyber_Folks SA	PLN	189.60	630	13%	19%	24%	29%	3.7	3.0	11.7	9.0	14.9	10.8	28.6	23.7	14.8	11.3
DigitalOcean	USD	36.02	2,792	17%	33%	0%	8%	4.9	4.2	12.2	10.3	17.9	15.0	15.3	15.3	24.6	19.4
GoDaddy, Inc. Class A	USD	142.99	16,880	-3%	-19%	-21%	-28%	4.5	4.0	14.1	12.2	19.8	16.3	23.4	19.7	14.3	12.4
Cloud Peers - Median								**3.7**	**3.1**	**11.4**	**9.5**	**16.8**	**14.1**	**23.4**	**20.8**	**14.6**	**12.4**

FTSE Italia Mid Cap	56,846	-0.1%	8.4%	11.9%	19.0%
FTSE Italia Star	**49,151**	**1.8%**	**7.3%**	**9.8%**	**8.3%**
FTSE MIB	42,478	-1.9%	9.4%	8.8%	24.3%
FTSE Italia Growth Index	8,595	2.2%	6.3%	9.7%	8.7%
FTSE Italia All-Share	45,091	-1.8%	9.4%	9.2%	23.9%

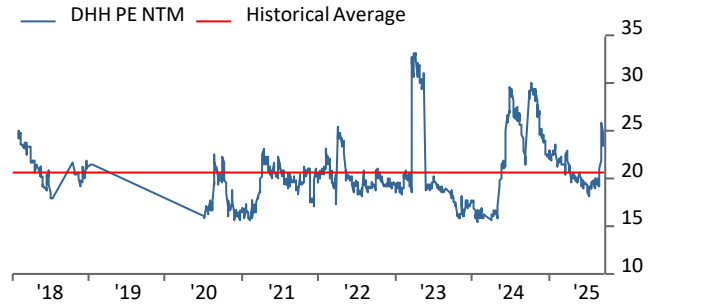
Source: Intermonte SIM, FactSet

DHH - EV/EBITDA NTM (x) Evolution



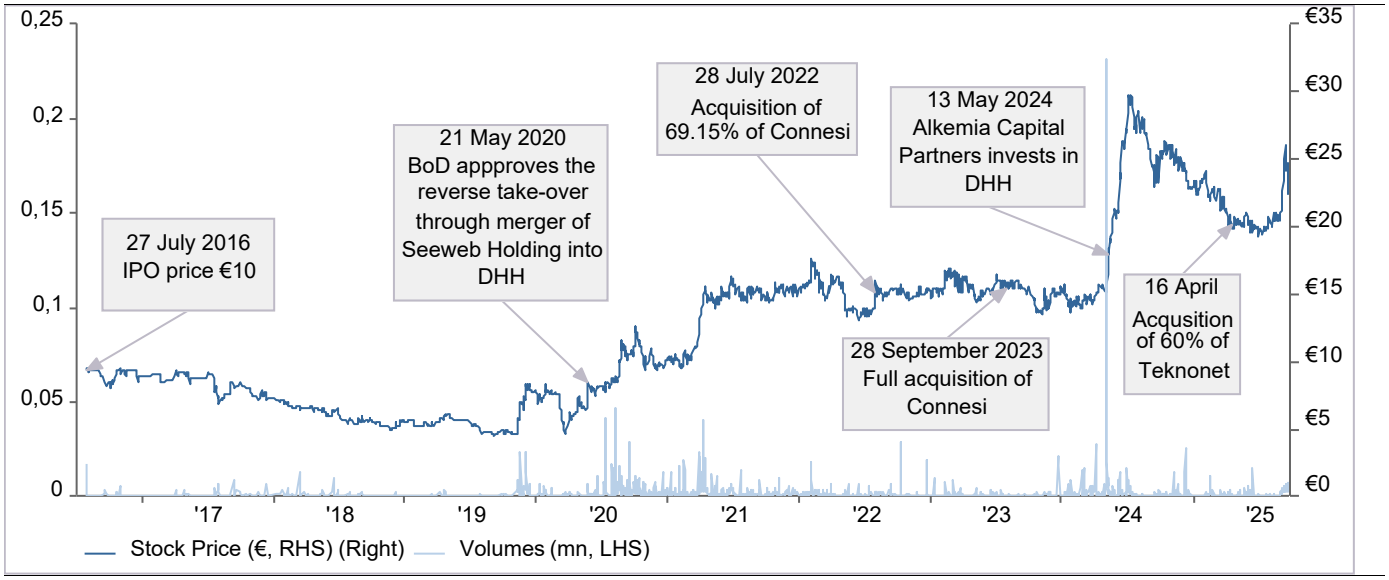
Source: FactSet Consensus

DHH – PE NTM (x) 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.

Management

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

Independent Board Members: 1/6
Women in the BoD: 2/6
Next BoD approval: Spring 2028

Shareholding Structure

Antonio D. Baldassarra	33.6%
Daniele Vona	15.2%
Marianna Vona	15.2%
Giandomenico Sica	5.8%
Alkemia SGR	5.3%
Free Float	24.9%

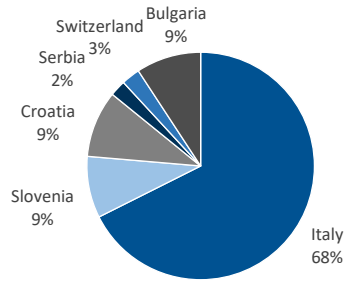
Strengths/Opportunities

- Scalable and flexible business model, highly diversified customer base featuring recurring revenue (above 90%)
- 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).

Weaknesses/Threats

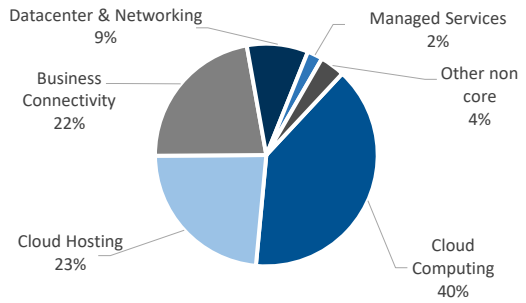
- Competitive core market characterised by the presence of major players with international scale.
- SMEs typically more penalised in the event of an economic downturn compared to large corporates
- Over-reliance on a highly experienced and well-regarded management team
- Keeping up with investments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

DHH: Revenue Breakdown by Geography (FY24)



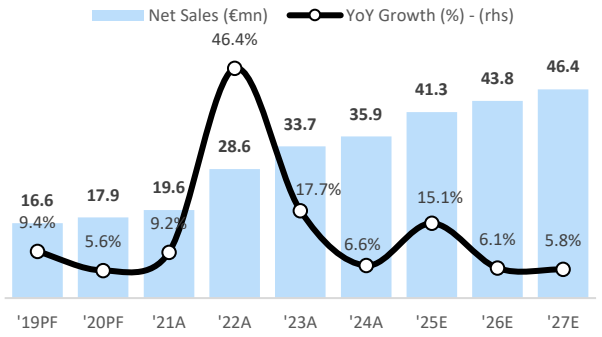
Source: Intermonte SIM

DHH: Revenue Breakdown by Technology (FY24)



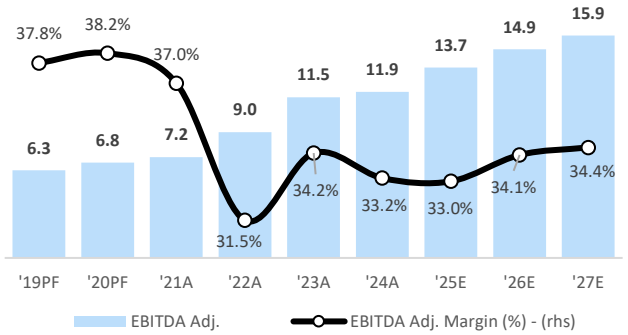
Source: Intermonte SIM

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



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):	31.00
Current Price (Eu):	23.90	Previous Price (Eu):	20.80
Date of report:	25/09/2025	Date of last report:	26/05/2025

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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 FTSEMIB40 Index, most of those on the MIDEX 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.

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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 25 September 2025 Intermonte's Research Department covered 132 companies. Intermonte's distribution of stock ratings is as follows:

BUY:	30.30%
OUTPERFORM:	38.64%
NEUTRAL:	31.06%
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 (77 in total) is as follows:

BUY:	49.35%
OUTPERFORM:	32.47%
NEUTRAL:	18.18%
UNDERPERFORM:	00.00%
SELL:	00.00%

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