

DHH S.p.A.

Sector: Cloud Computing / Internet Infrastructure

Delivering Again, Now M&A to Push Further

DHH S.p.A. aims to position itself as a relevant player in the evolution of global 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.

FY25 Results: VoP +13% YoY (+6% l-f-l), EBITDA Margin +70bps

DHH FY25 results are solid, with P&L in line with our estimates, while Net Cash is stronger than expected, supported by ABB proceeds. Some numbers: i) VoP at €41.8mn (+13% YoY, recurring revenue accounting for 91% of total), driven by ca. 6–7% organic growth and a similar contribution from Teknonet, which we estimate added €2.5mn over 9 months of consolidation; ii) EBITDA at €13.8mn (+15% YoY), with EBITDA margin up some 70bps YoY at 33.0% of VoP (or 34.2% of Revenue from Sales), despite the dilutive €600k contribution from Teknonet (our estimate); iii) Net Profit at €4.5mn (+24% YoY); iv) Net Cash at €1.3mn, supported by solid cash generation and €7.3mn ABB capital increase (net of transaction costs), partially offset by cash-out related to Teknonet acquisition and full Evolink buyout.

Corporate Developments

In recent months, DHH has strengthened its corporate setup through: i) full subscription of its 2025–28 warrant program, ii) acquisition of 60% of Teknonet, iii) full buyout of Evolink AD minorities, iv) successful ABB with institutional investors, and v) subsequent exercise of stock options under the 2022–2025 Plan. These actions enhance DHH's strategic perimeter, funding capacity and free float.

Limited estimate fine-tuning, unchanged investment case

Following our post-ABB flash note, which only updated NFP with no material changes to P&L estimates, we now slightly fine-tune our forecasts to reflect revised assumptions on M&A consolidation timing, now modelled from mid-year. For FY26E–28E we expect: i) Top Line expected to rise from €49.9mn to €63.8mn, driven by 8–9% organic growth and €6.5mn of bolt-on M&A revenues; ii) EBITDA and EBIT margins to expand to 31.6% and 18.7%, respectively, by 2028E; iii) Net Cash to reach €8.9mn by 2028E, as cumulative €54.7mn EBITDA more than offsets €27mn of capex and €7.8mn of estimated M&A outflows.

FV at €29.0 p/s (vs €28.9)

Our Fair Value remains substantially unchanged at €29.0 p/s (€163mn market cap), offsetting the combined effect of delayed M&A contribution and lower sector multiples, with a lower Italian ERP.

Our valuation remains based on the simple average of DCF (€30.8 p/s) and SOTP/peers benchmark (€27.2 p/s). At FV, DHH would trade at 10.0x and 8.6x EV/EBITDA on 2026E–27E.

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FAIR VALUE (€) **29.0**

MARKET PRICE (€) **21.0**

MARKET CAP.(€m) **118.1**

KEY FINANCIALS	FY25A	FY26E	FY27E
VALUE OF PRODUCTION	41.8	49.9	58.5
EBITDA	13.8	16.3	18.3
EBIT	7.8	9.7	10.7
NET PROFIT	4.5	5.3	5.9
EQUITY	41.7	47.1	53.1
NET DEBT (-) / CASH (+)	1.3	-1.8	3.2
EPS	0.8	0.9	1.0
DPS	0.0	0.0	0.0

Source: DHH, ValueTrack Analysis

KEY RATIOS	FY25A	FY26E	FY27E
EBITDA MARGIN (%)	33.0	32.6	31.3
EBIT MARGIN (%)	18.6	19.5	18.3
NET MARGIN (%)	10.3	10.5	10.0
NET DEBT / EBITDA (x)	nm	0.1	nm
ROE (%)	11.8	12.2	12.0
EV/SALES (x)	3.0	2.4	1.9
EV/EBITDA (x)	9.0	7.2	6.1
EV/EBIT (x)	16.0	12.1	10.5
P/E (x)	28.8	22.5	20.1

Source: DHH, ValueTrack Analysis

STOCK DATA	
SHS.OUT (m)	5.6
MARKET CAP. (m)	118.1
ENTERPRISE VALUE (m)	124.4
FREE FLOAT (%)	26.2
AVG. 20D VOL ('000)	7,285
RIC/BBG	DHH.MI / DHH IM
52 WK MIN	19.2
52-WK MAX	26.3

Source: DHH, ValueTrack Analysis

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.

Financial Highlights

€mn	FY25A	FY26E	FY27E	FY28E
Value of Production	41.8	49.9	58.5	63.8
YoY (%)	12.7%	19.2%	17.2%	9.1%
EBITDA	13.8	16.3	18.3	20.2
EBITDA Margin (% of VoP)	33.0%	32.6%	31.3%	31.6%
EBIT	7.8	9.7	10.7	11.9
EBIT Margin (% of VoP)	18.6%	19.5%	18.3%	18.7%
Net Profit	4.5	5.3	5.9	6.7
YoY (%)	23.6%	17.9%	11.7%	14.5%
Net Fin.Position [Net Debt (-)/Cash(+)]	1.3	-1.8	3.2	8.9
Net.Fin.Pos./EBITDA (x)	nm	0.1	nm	nm
Capex	-7.8	-7.9	-9.2	-9.8
OpFCF b.t.	6.5	9.0	9.7	10.7
OpFCF b.t.as % of EBITDA	47.0%	55.3%	53.1%	53.1%

Source: DHH

Investment case

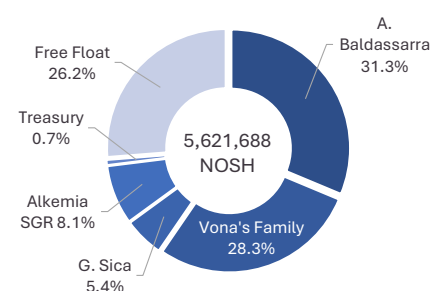
Strengths / Opportunities

- Excellent geographic footprint, market leader in Croatia and Slovenia
- Exposed to macro-trends such as AI hype and European Digital Reshoring
- Outstanding track record in digital business and M&A activities
- High profitability ratios, sound Free Cash Flow generation deriving from subscription-based recurring revenues business model

Weaknesses / Risks

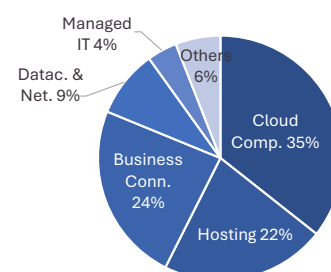
- Much lower size if compared to US tech giants
- Highly competitive market with several players

SHAREHOLDER STRUCTURE



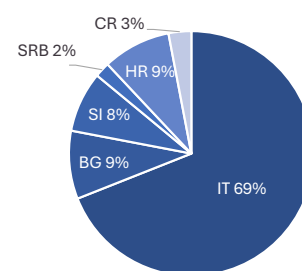
Source: DHH

SALES BREAKDOWN BY SERVICE



Source: DHH, FY25

SALES BREAKDOWN BY COUNTRY



Source: DHH, FY25

STOCK MULTIPLES @ FV (€29.0)	FY26E	FY27E
EV / SALES (x)	3.2	2.7
EV / EBITDA (x)	10.0	8.6
EV / EBIT (x)	16.7	14.7
EV / CAP.EMP. (x)	3.3	3.1
OpFCF Yield (%)	7.9	7.7
P / E Adj.(x)	31.0	27.8
P / BV (x)	3.8	3.3
Div. Yield.(%)	0.0	0.0

Source: Value Track

FY25's Financials

On 20 March, DHH reported solid **FY25 results**, broadly in line with our estimates at the Top Line, EBITDA and Net Profit level, while NFP came in stronger than expected, supported by the ABB. Overall, the performance highlights several structural strengths:

- **High share of recurring revenues** – 91% of turnover derives from subscription-based solutions (vs 96% in FY24) with automatic renewals, ensuring visibility and predictability of cash flows;
- **Very strong client retention** – churn remains extremely low, supporting a customer retention rate of around 90% and revenue relationships that extend well beyond the initial contract term;
- **Scalable business model** – cloud and related services are delivered on a one-to-many basis, enabling revenue expansion with limited incremental operating costs and with subscriptions generally billed upfront;
- **Healthy cash flow generation** – the As-a-Service model, with advance payments and high recurring content, translates directly into robust cash conversion.

FY25 Results

In terms of **FY25 financials**, we flag as follows:

- **Value of Production reached €41.8mn**, up 13% YoY, with the increase roughly balanced between organic growth and the contribution from Teknonet acquisition, consolidated from April 2025 (i.e., 9 months). The result was supported by DHH's diversified and highly recurring revenue base (91% of total revenues), while the strongest contribution to growth came from Business Connectivity, Datacenter & Networking and especially Managed IT Services, which also benefited from Teknonet's inclusion;
- **Reported EBITDA up 15% YoY to €13.8mn**, with EBITDA Margin up 70bps YoY at 33.0% on VoP (34% on Sales and 35% on an organic-basis). In our view, margin expansion is particularly noteworthy as it was achieved despite the consolidation of Teknonet, which we estimate contributed €600k of EBITDA at a margin of around 23–24%, below the group average;
- **Reported EBIT up 15% YoY to €7.8mn**, confirming solid operating leverage despite a higher D&A base linked to the group's investment cycle and perimeter expansion;
- **OpFCF b.t. came in at >45% of EBITDA**, still pointing to a solid cash-generative profile despite a more capex-intensive year; notably, total FY25 capex amounted to €7.8mn, including €1.9mn tangible capex, €5.0mn IRUs/right-of-use assets and €675k intangible capex, with IRU capex above our expectations;
- As far as the Net Financial Position is concerned, it switched from Net Debt to **Net Cash at €1.3mn**, largely thanks to strong cash generation and the ca. €7.3mn of capital raised through the ABB (post transaction costs); however, this benefit was partially offset by acquisition-related cash-out linked to the 60% Teknonet transaction and the full Evolink buyout.

DHH Group: Key Financials FY24-FY25

(€mn)	FY24	FY25	y/y (%)	FY25E	Chg. (%)
Value of Production	37.1	41.8	+13%	43.6	-4%
EBITDA	12.0	13.8	+15%	13.7	+1%
EBITDA Margin (as a % of VoP)	32.3%	33.0%	+70bps	31.4%	+156bps
EBIT	6.8	7.8	+15%	8.2	-5%
EBIT Margin (as a % of VoP)	18.3%	18.6%	+34bps	18.8%	-17bps
Net Profit	3.6	4.3	+19%	4.5	-5%
Net Margin (as a % of VoP)	9.7%	10.3%	+54bps	10.4%	-12bps
NFP [i.e. Net Debt (-) Cash (+)]	-3.1	1.3	+4.4	-5.7	+7.0

Source: DHH, Value Track Analysis

DHH Group: Key Financials by Quarter (FY24)

(€mn)	1Q24	2Q24	3Q24	4Q24	1H24	9M24	FY24
Value of Production	8.9	9.5	9.0	9.7	18.4	27.4	37.1
EBITDA	3.2	2.8	2.7	3.3	6.0	8.7	12.0
EBITDA Margin (as a % of VoP)	36%	29%	30%	34%	33%	32%	32%
Net Profit	1.2	0.8	1.0	0.6	2.0	3.0	3.6
Net Margin (as a % of VoP)	13%	8%	11%	6%	11%	11%	10%
NFP [i.e. Net Debt (-) Cash (+)]	-6.0	-3.6	-2.9	-3.1	-3.6	-2.9	-3.1

Source: DHH, Value Track Analysis

DHH Group: Key Financials by Quarter (FY25)

(€mn)	1Q25	2Q25	3Q25	4Q25	1H25	9M25	FY25
Value of Production	9.6	10.5	10.6	11.1	20.1	30.7	41.8
EBITDA	3.4	3.3	3.7	3.4	6.7	10.4	13.8
EBITDA Margin (as a % of VoP)	35%	31%	35%	30%	33%	34%	33%
Net Profit	1.3	1.0	1.5	0.7	2.3	3.8	4.5
Net Margin (as a % of VoP)	14%	10%	14%	6%	11%	12%	11%
NFP [i.e. Net Debt (-) Cash (+)]	-2.5	-4.6	-7.2	1.3	-4.6	-7.2	1.3

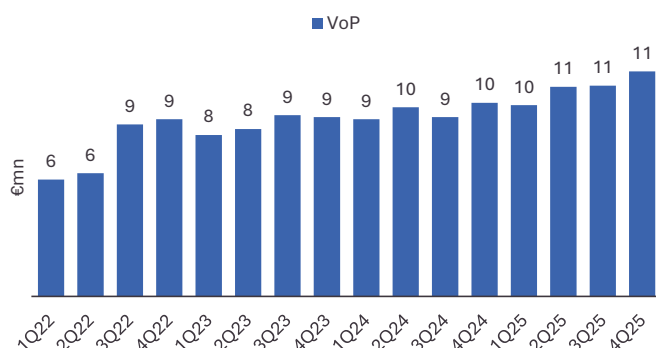
Source: DHH, Value Track Analysis

DHH Group: Key Financials QoQ (%)

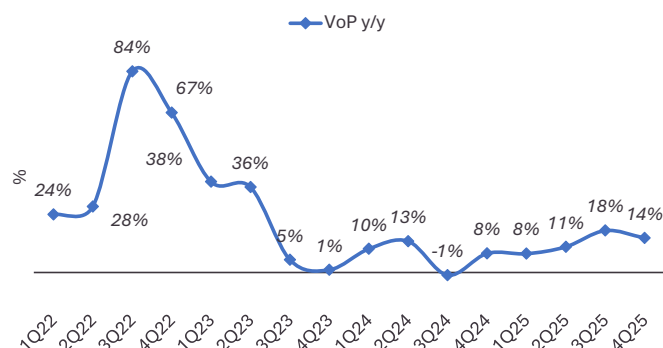
(€mn)	1Q	2Q	3Q	4Q	1H	9M	FY
Value of Production	8%	11%	18%	14%	9%	12%	13%
EBITDA	6%	16%	39%	2%	11%	20%	15%
EBITDA Margin (as a % of VoP)	-54bps	150bps	537bps	-359bps	48bps	212bps	70bps
Net Profit	8%	25%	50%	8%	15%	27%	24%
Net Margin (as a % of VoP)	6bps	108bps	307bps	-34bps	56bps	143bps	94bps
NFP [i.e. Net Debt (-) Cash (+)]	3.5	-1.0	-4.3	4.4	-1.0	-4.3	4.4

Source: DHH, Value Track Analysis

DHH Group: Quarterly VoP evolution and YoY growth (incl. M&A)



Source: DHH, Value Track Analysis



VoP +13% YoY, split broadly evenly between organic growth and Teknonet

FY25 consolidated Revenue from Sales touched €40.3mn (+12% YoY), with Value of Production up 13% YoY to €41.8mn. Based on our estimates, Teknonet contributed ca. €2.5mn, implying an M&A contribution of ca. 6–7%, with the remaining growth broadly organic and of a similar magnitude. As Teknonet was consolidated from April 2025 (thus contributing for 9 months), its contribution was visible across the reported perimeter, particularly in Managed IT Services.

By mix: i) Cloud Computing delivered €14.5mn (36% of total, +2% YoY), with early signs of recovery supported mainly by the development of AI infrastructure products; ii) Cloud Hosting was €9.0mn (+6% YoY); iii) Business Connectivity reached €9.5mn (+19% YoY); iv) Datacenter & Networking rose 12% YoY to €3.6mn; and v) Managed IT Services increased sharply to €1.5mn (+94% YoY).

Within the AI service portfolio, the GPU segment more than doubled YoY, although management still refrains from disclosing a meaningful MRR/ARR metric, given that AI infrastructure consumption patterns are not yet fully stabilised. Still, underlying momentum appears encouraging, with double-digit month-on-month growth seen frequently and a broad GPU offering that is helping the group capture demand across a number of still underserved niche markets. Regolo.ai generated no revenues in FY25, as commercial rollout has yet to begin, but the platform closed the year with 500 profiled users, over 70% of whom were daily active, including 50 new users in December alone.

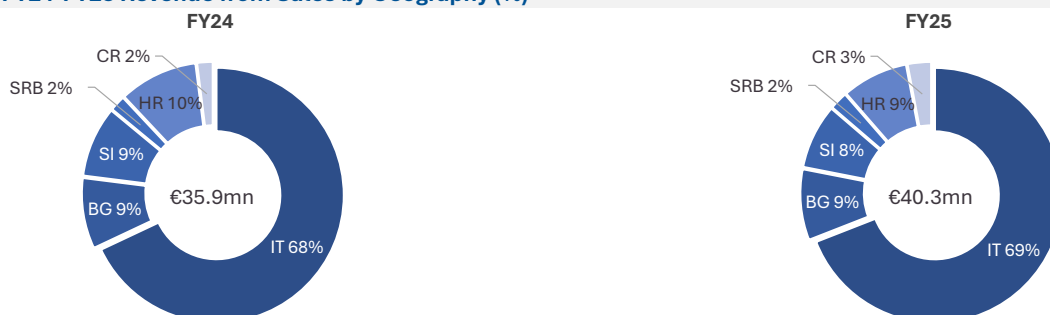
DHH Group: Revenue from Sales by Business Segments (FY24-FY25)

(€mn)	FY24	FY25	y/y
Cloud Computing	14.2	14.5	+2%
As a % of Total Revenues	40%	36%	//
Cloud Hosting	8.4	9.0	+6%
As a % of Total Revenues	24%	22%	//
Business Connectivity	8.0	9.5	+19%
As a % of Total Revenues	22%	24%	//
Datacenter & Networking	3.2	3.6	+12%
As a % of Total Revenues	9%	9%	//
Managed IT Services	0.8	1.5	+94%
As a % of Total Revenues	2%	4%	//
Others	1.3	2.3	+78%
As a % of Total Revenues	4%	6%	//
Total Revenues from Sales	35.9	40.3	+12%

Source: DHH, Value Track Analysis

Geographically, **growth was well spread across the group's footprint**, with Italy remaining the core market at 69% of sales revenues; Bulgaria accounted for 9% (+7% YoY), Slovenia and Croatia each around 8%, Switzerland 3% (+15% YoY), and Serbia 2% (+5% YoY).

DHH Group: FY24-FY25 Revenue from Sales by Geography (%)



Source: Factset, Value Track Analysis

EBITDA Margin up by 70bps at 33.0% of VoP (34% of Revenue from Sales)

FY25 EBITDA came in at €13.8mn, up 15% YoY, with **EBITDA Margin at 33.0% on VoP**, compared with 32.3% in FY24 (ca. +70bps). Based on our estimates, Teknonet contributed around €600k at EBITDA level, implying an EBITDA margin of ca. 23–24%, below the group average. Thus, excluding M&A, underlying EBITDA Margin would have been slightly higher.

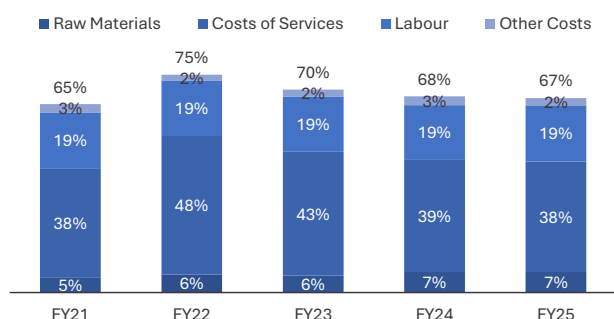
Going into details, we note:

- procurement savings, with purchases of raw materials, spare parts and consumables down 9% on a like-for-like basis, mainly due to lower procurement needs;
- datacenter services up to €3.1mn (+5% YoY), reflecting higher energy consumption and a slight increase in power prices;
- network services at €2.4mn (+29% YoY);
- wholesale services and licenses up to €5.2mn (+10% YoY), broadly in line with the expansion of recurring revenues, especially in Cloud Hosting and Business Connectivity;
- personnel costs at €8.1mn (+16% YoY), following selective investments in headcount and compensation across some key subsidiaries;
- marketing & sales costs broadly under control at €1.1mn (-2% YoY), while professional services rose to €3.7mn (+15% YoY).

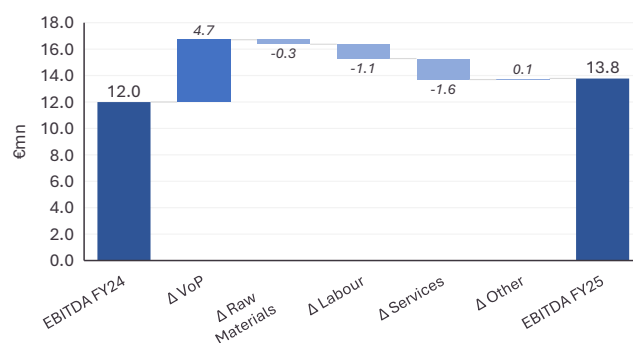
Below EBITDA, profitability also remained solid, with **EBIT rising 15% YoY to €7.8mn**, while **Group Net Profit reached €4.5mn**, up 25% YoY, implying a net margin of 10%.

Notably, in FY25 there were ~€230k of non-recurring items — mainly extraordinary revenues — so Adj. EBITDA stands at ~€13.6mn, Adj. EBIT at ~€7.5mn, and Adj. Net Profit at ~€4.3mn.

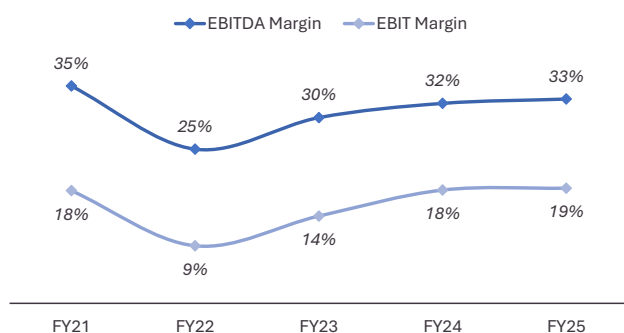
DHH Group: Costs Structure and Reported EBITDA Bridge FY24-FY25



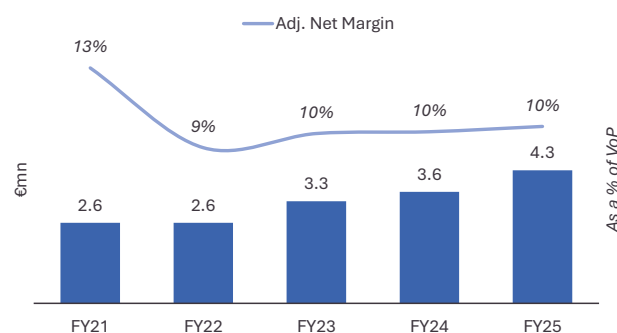
Source: Factset, Value Track Analysis



DHH Group: EBITDA / EBIT Margin and Adj. Net Profit Evolution



Source: Factset, Value Track Analysis



DHH Group: P&L FY23 to FY25

(€mn)	FY23	FY24	FY25	y/y
Revenues from Sales	33.7	35.9	40.3	12%
Other Revenues	1.0	1.2	1.5	24%
Value of Production	34.6	37.1	41.8	13%
COGS	-16.8	-17.0	-18.9	11%
Gross Profit	17.8	20.1	22.9	14%
<i>Gross Margin (%)</i>	<i>51.5%</i>	<i>54.3%</i>	<i>54.8%</i>	<i>55bps</i>
Labour costs	-6.6	-7.0	-8.1	16%
Other OpEx	-0.8	-1.1	-1.0	-8%
EBITDA	10.4	12.0	13.8	15%
<i>EBITDA Margin (%)</i>	<i>30.0%</i>	<i>32.3%</i>	<i>33.0%</i>	<i>70bps</i>
D&A	-5.5	-5.2	-6.0	15%
EBIT	4.9	6.8	7.8	15%
<i>EBIT Margin (%)</i>	<i>14.1%</i>	<i>18.3%</i>	<i>18.6%</i>	<i>34bps</i>
Net Financial Charges	-0.8	-1.0	-0.9	-6%
Taxes	-1.9	-2.1	-2.3	7%
Minorities	0.0	-0.1	-0.2	70%
Net Profit	2.2	3.6	4.5	24%
Adj. EBITDA	11.5	11.9	13.6	14%
Adj. EBIT	6.0	6.7	7.5	13%
Adj Net Profit	3.3	3.7	4.3	16%

Source: DHH, Value Track Analysis

NFP turned positive to €1.3mn, supported by cash generation and ABB proceeds

On the FY25 Balance Sheet / Cash Flow side, we highlight:

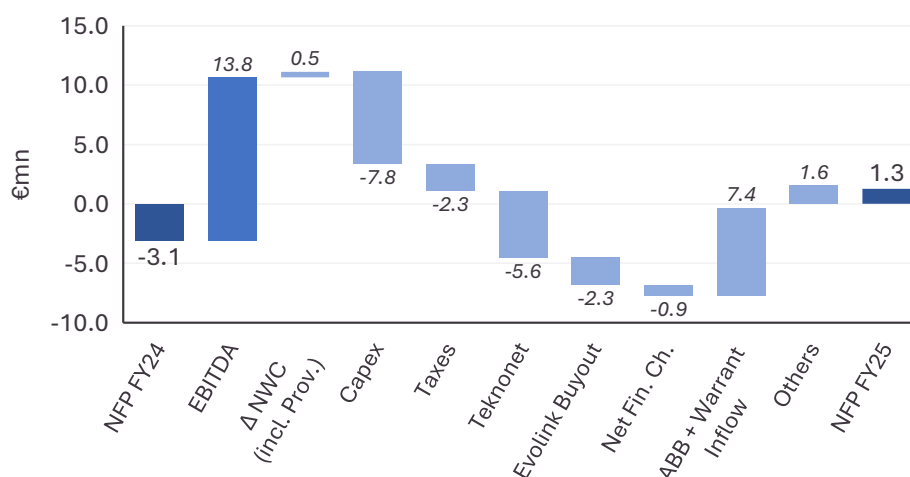
- **Tangible and intangible investments (including RoU) at €7.8mn**, o/w €1.9mn tangible capex and €675k intangible capex. Also, IRU capex came in above our expectations at €5.0mn, as despite already reaching ca. €2.6mn in 1H25 and historically being more heavily weighted toward 1H than 2H, the full-year outturn still proved higher than anticipated. The investment effort remained largely focused on infrastructure and long-term network assets, in line with the group's recurring-revenue business model;
- **Net Working Capital at €-3.8mn** (-9.0% of VoP), with an increase in Trade Receivables (from €4.5mn in FY24 to €5.3mn in FY25), more than offset by an increase in Trade Payables (from €4.5mn in FY24 to €5.4mn in FY25) and Other Payables (from €5.7mn to €6.6mn);

As a result, **OpFCF b.t. came in at >45% of EBITDA** (calculated as EBITDA - Capex excl. financial investments - ΔNWC & Provisions), which we see as further evidence of the business' solid cash-generative profile despite a more investment-heavy year;

As far as the Net Financial Position is concerned, it switched from Net Debt to **Net Cash at €1.3mn** (vs. €7.2mn, €4.6mn and €3.1mn recorded in 9M25, 1H25 and FY24, respectively), largely thanks to strong cash generation and the ca. €7.3mn of capital raised through the ABB (post transaction costs); this benefit was partially offset by acquisition-related cash-out linked to the 60% Teknonet transaction and the full Evolink buyout. On an underlying basis, i.e. excluding ABB proceeds and acquisition-related cash-out, we estimate FY25 cash generation at > €3mn, implying around 22%/25% EBITDA cash conversion.

Importantly, **cash available for further M&A stands at €21.7mn**, leaving DHH with significant firepower to pursue additional external growth opportunities.

DHH Group: Cash Flow Bridge FY25



Source: DHH, Value Track Analysis

DHH Group: Balance Sheet from FY23 to FY25

(€mn)	FY23	FY24	FY25
Net Working Capital	-3.1	-3.4	-3.8
As % of VoP	-8.9%	-9.1%	-9.0%
Goodwill	10.4	10.4	17.2
Tangibles & Intangibles (ex Goodwill)	22.1	23.7	26.2
Financial Assets	1.7	1.6	1.6
Other Net Assets	1.5	1.5	1.7
Net Fixed Assets	35.7	37.2	46.7
Provisions	2.4	2.5	2.5
Total Capital Employed	30.2	31.4	40.4
Group Net Equity	23.7	28.2	41.7
NFP [i.e. Net Debt (-) Cash (+)]	-6.5	-3.1	1.3

Source: DHH, Value Track Analysis; (*) €7.0mn refers to the Teknonet acquisition, according to the full goodwill method

DHH Group: Structure of Net Fin. Position from FY23 to FY25

(€mn)	FY23	FY24	FY25
Cash and Deposits (+)	10.2	13.1	21.7
Debt to Banks within 12 months (-)	-4.5	-5.4	-6.4
Current Net Financial Position	5.7	7.7	15.3
Long-term financial credits	0.2	0.2	0.2
Debt to Banks over 12 months (-)	-12.4	-11.0	-14.2
Non-Current Financial Position	-12.2	-10.8	-14.0
Net Fin. Position [Net debt (-) / Cash (+)]	-6.5	-3.1	1.3

Source: DHH, Value Track Analysis

Corporate Developments

Over the past few months, DHH has executed a number of relevant corporate actions. Indeed, it:

- 1# completed the launch and full subscription of the **2025–28 warrant programme**;
- 2# acquired a 60% stake in **Teknonet**;
- 3# finalized the squeeze-out of minority shareholders in **Evolink AD**, bringing its ownership to 100%;
- 4# completed an **ABB** targeted at institutional investors;
- 5# recorded the exercise of **stock options** under the 2022–2025 Plan.

1# Full Subscription of the 2025–28 Warrant Programme

On March 29th, DHH approved the issuance of **up to 1,039,485 warrants** at €0.10 each, allocated to existing shareholders on the basis of 1 warrant per every 5 shares held (record date: May 6, 2025). Each warrant grants the right to subscribe for 1 ordinary share at €3.10, **exercisable from June 2027E through December 2028E**, provided the Monthly Average Price exceeds the €26.00 strike threshold.

The number of shares to be received per warrant (Conversion Ratio) increases progressively with the underlying share price and is capped at a maximum price of €39.75.

The formula is:
$$\frac{\text{Monthly Avg. Price} - \text{Strike Price}}{\text{Strike Price} - \text{Subscription Price}}$$

Depending on DHH's share performance, the number of shares to be issued and the capital raised could vary as shown below:

DHH Group: Warrant Plan 25-28E

Monthly Avg. Price (€)	A	B	Conversion Ratio (A/B)	Warrants : Shares	Exercisable Shares	As a % of ToT	Capital Increase	Capital Increase Adj.	Impact on share cap. (%)
≤26.00	nm	22.9	nm	nm	nm	nm	nm	103,949	nm
27.00	1.0	22.9	0.044	22.90	45,392	7%	140,716	244,665	0.9%
28.00	2.0	22.9	0.087	11.45	90,785	15%	281,433	385,381	1.7%
29.00	3.0	22.9	0.131	7.63	136,177	22%	422,149	526,097	2.5%
30.00	4.0	22.9	0.175	5.73	181,569	29%	562,865	666,814	3.4%
31.00	5.0	22.9	0.218	4.58	226,962	36%	703,582	807,530	4.2%
32.00	6.0	22.9	0.262	3.82	272,354	44%	844,298	948,246	4.9%
33.00	7.0	22.9	0.306	3.27	317,747	51%	985,014	1,088,963	5.7%
34.00	8.0	22.9	0.349	2.86	363,139	58%	1,125,730	1,229,679	6.5%
35.00	9.0	22.9	0.393	2.54	408,531	66%	1,266,447	1,370,395	7.2%
36.00	10.0	22.9	0.437	2.29	453,924	73%	1,407,163	1,511,112	8.0%
37.00	11.0	22.9	0.480	2.08	499,316	80%	1,547,879	1,651,828	8.7%
38.00	12.0	22.9	0.524	1.91	544,708	87%	1,688,596	1,792,544	9.4%
39.00	13.0	22.9	0.568	1.76	590,101	95%	1,829,312	1,933,261	10.1%
39.75	13.8	22.9	0.600	1.67	623,691	100%	1,933,442	2,037,391	10.6%

Source: Value Track Analysis

Following the offer period, DHH announced that 3,394,170 subscription and pre-emption rights were exercised out of the 5,197,425 allocated to shareholders. As a result, all 1,039,485 warrants were fully subscribed, generating a gross cash inflow of €103,949 for the Company.

#2 Acquisition of Teknonet

On April 16th, DHH announced the acquisition of 60% of Teknonet Srl, an MSP focused on the proactive remote management of corporate customers' IT infrastructure and connectivity, typically under a subscription-based model. The total consideration amounted to €5.6mn, including transaction-related costs, and DHH began consolidating the business as of April 2025. The agreement also includes a call option on the remaining 40%, exercisable after the approval of the FY26 financial statements. Teknonet

closed 2024 with €4.2mn Sales (€3.6mn in 2023), €923k EBITDA (>€1.05mn on an adjusted basis), (€798k in 2023), and €643k Net Profit (€500k in 2023). Operating Cash Flow reached €1.0mn, with €1.8mn Net Cash.

DHH Group: Teknonet Acquisition Multiples

Date	Value (€mn)	Stake (%)	Equity Value (€mn)	Minorities (€mn)	Call Option (Year) (*)	EV (€mn)	EV/EBITDA 24 post adj. pre-syn (x)
16/04/2025	5.60	60.00%	9.33	3.73	FY27E	7.53	7.0x

Source: DHH, Value Track Analysis, (*) Not mandatory

#3 Full Buyout of Evolink AD Minorities

On July 15th, DHH finalized the acquisition of the **residual 40% equity interest in Evolink AD** – the Bulgaria-based subsidiary that provides IaaS and advanced connectivity solutions – for a total **€2.25mn** cash consideration, thereby achieving full ownership. The transaction follows the initial 60% stake acquired in FY21 for €2.45mn, implying a ToT EV of around €4.7mn, which equates to an EV/Sales multiple of ~1.4x (based on FY24 Sales). Evolink generated €3.29mn in FY24 revenues, accounting for ca. 9% of the Group's consolidated Top Line. Originally acquired during a turnaround phase, Evolink has since then regained operating momentum, with margin recovery and a return to top-line expansion — and notably ranked as the best-performing entity across the group in 1Q25. We note that Evolink operates two proprietary data centers in Bulgaria and manages a virtual pan-European backbone, delivering mission-critical services across cloud infrastructure, cybersecurity, and data transport.

#4 Capital increase via ABB

On 19th December, DHH successfully completed a capital increase via an accelerated bookbuilding reserved to institutional investors. The transaction involved 354,916 shares, including 324,916 newly issued shares following the partial exercise of the discretionary increase option to cover over-allocations (ca. 82% of total shares placed), raising ca. **€8.2mn at a price of €23.0 p/s** (ca. €7.5mn of primary capital), equivalent to a **premium of around 11% versus the 30-day VWAP** prior to the ABB. The placement saw the participation as anchor investors of Alkemia SGR and NextStage AM. Also, the transaction included a secondary sale of 30,000 shares by existing shareholder Matija Jekovec.

The successful ABB confirms strong institutional appetite for DHH's equity story, while increasing free float, liquidity and financial flexibility to support M&A-driven growth.

#5 Exercise of Stock Options under the 2022–2025 Plan

On 22nd December, DHH announced that one beneficiary of the “DHH 2022–2025 Stock Option Plan” had exercised 250,000 vested options, entitling the **subscription of 59,000 newly issued ordinary shares** at a predetermined price of €1.79 p/s. Following the transaction, the total number of shares outstanding increased to 5,621,688 from 5,562,688 post-ABB.

DHH: Shareholders Structure

Shareholders (%)	Pre-ABB	Current
Antonio Domenico Baldassarra	33.59%	31.29%
Daniele Vona	15.17%	14.14%
Marianna Vona	15.17%	14.13%
Giandomenico Sica	5.81%	5.42%
Alkemia SGR – “PIPE” fund	5.33%	8.06%
Treasury Shares	0.77%	0.72%
Free Float	24.16%	26.25%
ToT Shares	5,237,772	5,621,688

Source: DHH, Value Track Analysis

Key take-aways from FY25 Earnings Call

The conference call with Top Management also provided some valuable insights into DHH's operational resilience and its strategic pivot towards a high-efficiency, AI-ready infrastructure model.

We highlight five key pillars:

1. Structural Margin Expansion

While FY25 reported EBITDA margin stood at 33% of Value of Production (34% if measured on Revenue from Sales), management flagged that on a Like-for-Like basis, margins expanded to 35% stemming from efficiency programs within acquired entities and procurement optimization. Any AI positive impact is to be seen yet and is a further upside.

2. Asset-Light AI Strategy

DHH's approach to the AI infrastructure take up is financially disciplined. Indeed, the Group adopts a "lease-first" procurement model for GPU hardware that minimizes upfront cash out, and mitigates the risk of rapid hardware obsolescence.

3. High-Yield GPU Utilization and the "Inference" Floor

Operational KPIs for the GPU fleet are robust, with current utilization at 82% and a YTD average consistently above 70%. Worthy to note, when Regolo.AI will be pivoted to a paying service (in 1Q26), it will use idle GPU capacity during off-peak hours, effectively creating a >60% utilization floor and further de-risking the infrastructure investment.

4. Technological De-risking: Moving Away from VMware

Following Broadcom's acquisition of VMware, DHH has effectively abandoned VMware for new deployments, pivoting to alternative licensing and open-source stacks. This move should prevent potential "cost spikes" from vendor lock-in and protect long-term EBITDA margins from external licensing pressure.

5. M&A Firepower: Ready for "Transformational" Deals

With €22m in cash availability and virtually zero leverage, DHH's "War Chest" is at record levels. Unlike previous years focused on small bolt-on acquisitions, management indicated active dialogues for possible targets with up to €15m in revenue, mainly in the MSP space.

2026E-onwards estimates revised

Following our post-ABB flash note, which only updated NFP with no material changes to P&L estimates, we now **slightly fine-tune our forecasts** to reflect revised assumptions on M&A consolidation timing, now modelled from June rather than earlier in the year. As a result, the 2026E contribution from M&A is lower than previously assumed, while the broader investment case remains unchanged. We continue to see DHH stand-alone as broadly stable, if anything slightly improving from EBIT onwards, while our M&A assumptions still support further scale and mix enhancement over the outer years. Our updated **2026E–28E forecasts** are as follows:

- **Top line** expected to increase from €49.9mn in 2026E to around €63.8mn by 2028E, implying a **15.1% CAGR_{25A–28E}**, driven by **8–9% organic growth p.a.**, the full-year contribution from Teknonet in 2026E (vs. only nine months in FY25), and **further bolt-on M&A**, which on our estimates could add around €6.5mn of revenues, assuming consolidation from mid-year;
- **EBITDA and EBIT margins are seen at 31.6% and 18.7%**, respectively, by 2028E. While DHH stand-alone should remain on its established high-margin path, consolidated profitability is expected to reflect the dilution effect from newly acquired businesses, which typically enter the perimeter with lower margins. In our view, this is fully in line with DHH's strategy of acquiring lower-margin assets and gradually improving their profitability over time;
- Disciplined WC management should continue to support solid cash conversion, with OpFCF b.t. / EBITDA averaging 50–55%. As a result, we see **Net Cash at around €8.9mn by 2028E**, materially above our previous assumptions. While we did publish a flash note after the ABB, our estimates were not revised at that stage and therefore still largely reflected a pre-ABB setup. Over the period, cum. €54.7mn EBITDA should more than absorb around €27mn of capex and €7.8mn of M&A cash outflows, the latter assumed at an entry EV/EBITDA multiple of 6.0x.

DHH Group: New vs. Old estimates – Total

DHH with M&A (€mn)	FY26E			FY27E			FY28E		
	Old	New	Chg. %	Old	New	Chg. %	Old	New	Chg. %
Value of Production	54.6	49.9	-8.7%	60.1	58.5	-2.8%		63.8	
EBITDA	17.1	16.3	-5.0%	18.4	18.3	-0.5%		20.2	
EBITDA Margin (as a % of VoP)	31.4%	32.6%	127bps	30.6%	31.3%	70bps		31.6%	
EBIT	10.0	9.7	-2.4%	10.5	10.7	2.1%		11.9	
EBIT Margin (as a % of VoP)	18.2%	19.5%	124bps	17.5%	18.3%	87bps		18.7%	
Net Profit	5.6	5.5	-2.2%	5.9	6.1	2.8%		6.9	
NFP [i.e. Net Debt (-) Cash (+)]	-7.6	-1.8	5.8	-2.7	3.2	5.9		8.9	
DHH ex M&A (€mn)	FY26E			FY27E			FY28E		
	Old	New	Chg. %	Old	New	Chg. %	Old	New	Chg. %
Value of Production	43.3	42.6	-1.6%	47.6	46.8	-1.7%		50.8	
EBITDA	14.6	14.6	0.1%	15.5	15.5	0.2%		16.8	
EBITDA Margin (as a % of VoP)	33.7%	34.3%	60bps	32.6%	33.2%	60bps		33.1%	
EBIT	8.7	8.9	2.3%	9.0	9.2	2.5%		10.0	
EBIT Margin (as a % of VoP)	20.0%	20.8%	80bps	18.9%	19.7%	80bps		19.6%	
NFP [i.e. Net Debt (-) Cash (+)]	2.2	10.8	8.6	5.9	14.7	8.8		19.0	
M&A (€mn)	FY26E			FY27E			FY28E		
	Old	New	Chg. %	Old	New	Chg. %	Old	New	Chg. %
Value of Production	11.3	7.3	-35.7%	12.5	11.6	-7.0%		13.0	
EBITDA	2.5	1.7	-34.4%	2.9	2.7	-4.3%		3.4	
EBITDA Margin (as a % of VoP)	22.3%	22.8%	42bps	22.9%	23.5%	65bps		25.8%	
EBIT	1.3	0.8	-34.2%	1.5	1.5	-0.5%		2.0	
EBIT Margin (as a % of VoP)	11.4%	11.7%	25bps	11.9%	12.8%	83bps		15.0%	
NFP [i.e. Net Debt (-) Cash (+)]	-9.8	-10.8	-1.0	-8.7	-9.7	-1.0		-8.4	

Source: Value Track Analysis

DHH Group: 2025A – 2028E P&L

(€mn)	FY25	FY26E	FY27E	FY28E
Value of Production	41.8	49.9	58.5	63.8
COGS	-18.9	-24.1	-29.1	-31.5
Gross Profit	22.9	25.7	29.4	32.3
<i>Gross Margin (%)</i>	<i>54.8%</i>	<i>51.6%</i>	<i>50.3%</i>	<i>50.6%</i>
Labour costs	-8.1	-9.5	-11.1	-12.1
Other OpEx	-1.0	0.0	0.0	0.0
EBITDA	13.8	16.3	18.3	20.2
<i>EBITDA Margin (%)</i>	<i>33.0%</i>	<i>32.6%</i>	<i>31.3%</i>	<i>31.6%</i>
D&A	-6.0	-6.6	-7.6	-8.3
EBIT	7.8	9.7	10.7	11.9
<i>EBIT Margin (%)</i>	<i>18.6%</i>	<i>19.5%</i>	<i>18.3%</i>	<i>18.7%</i>
Net Financial Charges	-0.9	-1.1	-1.1	-1.0
Taxes	-2.3	-3.2	-3.5	-4.0
Minorities	-0.2	-0.2	-0.2	-0.2
Net Profit	4.5	5.3	5.9	6.7

Source: DHH, Value Track Analysis

DHH Group: 2025A – 2028E Balance Sheet

(€mn)	FY25	FY26E	FY27E	FY28E
Net Fixed Assets	46.7	55.9	57.5	59.1
Net Working Capital	-3.8	-4.4	-5.0	-5.3
Provisions	2.5	2.6	2.6	2.7
Total Capital Employed	40.4	48.9	49.9	51.1
Group Net Equity	41.7	47.1	53.1	60.0
NFP [i.e. Net Debt (-) Cash (+)]	1.3	-1.8	3.2	8.9

Source: DHH, Value Track Analysis

DHH Group: 2025A – 2028E Cash Flow Statement

(€mn)	FY25	FY26E	FY27E	FY28E
EBITDA	13.8	16.3	18.3	20.2
Δ NWC & Provisions	0.5	0.7	0.7	0.4
Capex (inc. RoU but not Fin. Inv.)	-7.8	-7.9	-9.2	-9.8
OpFCF b.t.	6.5	9.0	9.7	10.7
<i>As a % of EBITDA</i>	<i>47%</i>	<i>55%</i>	<i>53%</i>	<i>53%</i>
Cash Taxes	-2.3	-3.2	-3.5	-4.0
OpFCF a.t.	4.2	5.8	6.2	6.7
Capital Injections	7.4 (*)	0.0	0.0	0.0
Financial Investments & Others	-6.3 (**)	-7.8 (***)	0.0	0.0
Net Financial Charges	-0.9	-1.1	-1.1	-1.0
Δ NFP [i.e. Net Debt (-) Cash (+)]	4.4	-3.1	5.0	5.7

Source: DHH, Value Track Analysis; (*) €7.3mn ABB (net of fees) + €104k Warrant Inflow; (**) Teknonet + Evolink AD; (***) Est. M&A cash outflows

Valuation Update

DHH's Fair Equity Value p/s remains substantially unchanged at €29.0, (from €28.9 in Nov-25 flash note), implying a market cap. of ca. €163.0mn, based on the simple average of: **i)** DCF-derived value of €30.8 p/s (upgraded vs. the prior report, as Italian ERP lowers from 5.37% to 4.95%); **ii)** SOTP/peers value of €27.2 p/s (lower on the sector de-rating across Cloud Computing and AI Infrastructure peers).

At FV, DHH would be trading at **10.0x and 8.6x EV/EBITDA for 2026E–2027E** respectively.

Note that, while the Warrant Plan 25A-28E remains “out-of-the-money” at current market levels, it would become partially exercisable at our €29.0 fair value estimate, potentially resulting in the issuance of up to 136k new shares and a corresponding dilution of ca. 2.4%.

SOTP based Peers' Analysis

Stock Market Multiples Benchmark

The overall peer group is currently trading at median multiples of **3.1x EV/Sales**, **8.5x EV/EBITDA**, and **23.8x P/E Adj.** for 2026E, while DHH continues to trade at a significant **10%–15% discount on EV/EBITDA** and around **5% on P/E** (a narrower gap vs November '25). It should be noted that valuation levels have also been affected by a recent negative macro shock, as escalating Iran-US tensions triggered a broader risk-off move across markets. However, a more granular breakdown of the peer universe reveals differentiated valuation dynamics across clusters:

- **Cloud Computing & Internet Access** peers are currently trading at median 2026E multiples of 7.4x EV/EBITDA and 15.0x EV/EBIT. We believe the recent de-rating is not fundamentally driven, but rather the result of a broader macro shock, as FY25 results across the cluster remained broadly robust. Indeed, all reported solid top-line trends: IONOS (+5.5%), WIIT (+5.9%), OVHcloud (+9.3% LFL), GoDaddy (+8.3%), Beeks (+26%) and cyber_Folks (+30%);
- **AI Enablers** continue to command the highest valuation levels, with current multiples underpinned by very strong operating momentum across the group, including NVIDIA (+65% revenues in FY26, ended January 25, 2026), Cloudflare (+29% FY25 revenues), DigitalOcean (+15% FY25), NEXTDC (+14% FY25), while E2E Networks stands out as a higher-growth, higher-beta outlier (+74% FY25).

DHH Group: Peers' Stock Trading Multiples (1/2)

Company	Market Cap. (€mn)	EV/Sales (x)		EV/EBITDA (x)		P/E (x)	
		FY26E	FY27E	FY26E	FY27E	FY26E	FY27E
Cloud Computing							
WIIT	747	5.4	5.0	13.3	11.8	42.7	30.3
Beeks Financial Cloud	150	3.1	2.7	8.0	6.8	17.6	15.7
IONOS	3,378	2.5	2.2	7.0	5.8	12.2	10.6
Gigas Hosting	44	1.4	1.3	6.7	6.4	<0	<0
OVH	1,330	2.2	2.0	5.5	5.0	48.8	27.2
Go Daddy	9,919	2.5	2.1	7.4	6.1	11.6	10.0
Cyber Folks	624	3.1	2.6	9.1	7.2	25.5	15.4
Peer's Cloud Computing – Avg.	2,313	2.9	2.6	8.1	7.0	26.4	18.2
Peer's Cloud Computing - Median	747	2.5	2.2	7.4	6.4	21.5	15.6
AI Enablers							
E2E	435	na	na	na	na	na	na
Nvidia	3,797,938	11.7	8.6	17.6	13.4	22.0	16.7
CloudFlare	71,894	29.1	22.8	>50	>50	>100	>100
Nextdc	5,129	24.1	19.2	49.5	38.1	<0	<0
DigitalOcean	8,438	9.3	7.0	25.3	17.8	81.1	47.2
Peer's AI Enablers - Average	776,767	18.6	14.4	30.8	23.1	51.5	32.0
Peer's AI Enablers - Median	8,438	17.9	13.9	25.3	17.8	51.5	32.0

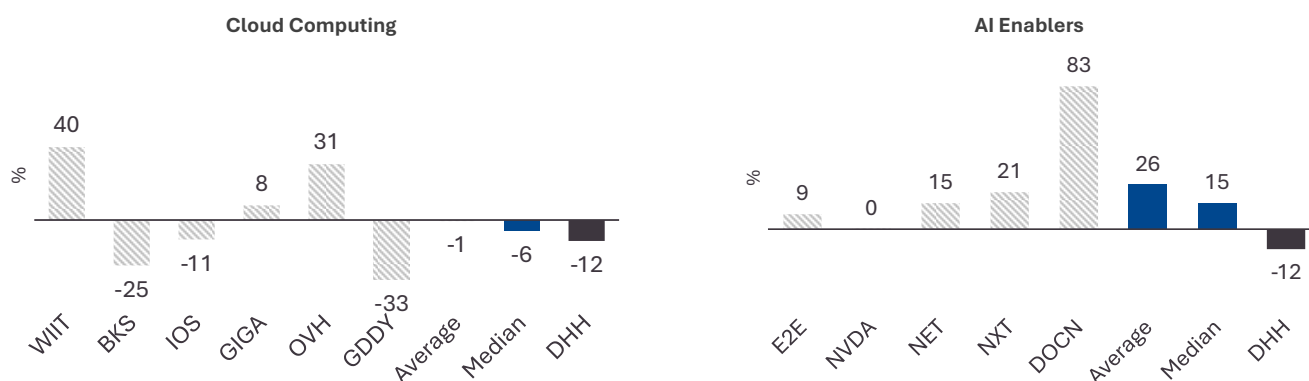
Source: Factset, Value Track Analysis

DHH Group: Peers' Stock Trading Multiples (2/2)

Company	EV/Sales (x)		EV/EBITDA (x)		P/E (x)	
	FY26E	FY27E	FY26E	FY27E	FY26E	FY27E
ToT Average Peers	8.6	6.9	14.9	11.8	32.7	21.6
ToT Median Peers	3.1	2.7	8.5	7.0	23.8	16.2
DHH @ Current Mkt Price (i.e., €21.0)	2.4	1.9	7.2	6.1	22.5	20.1
DHH Discount vs. Average	-73%	-72%	-52%	-48%	-31%	-7%
DHH Discount vs. Median	-25%	-29%	-16%	-13%	-5%	24%

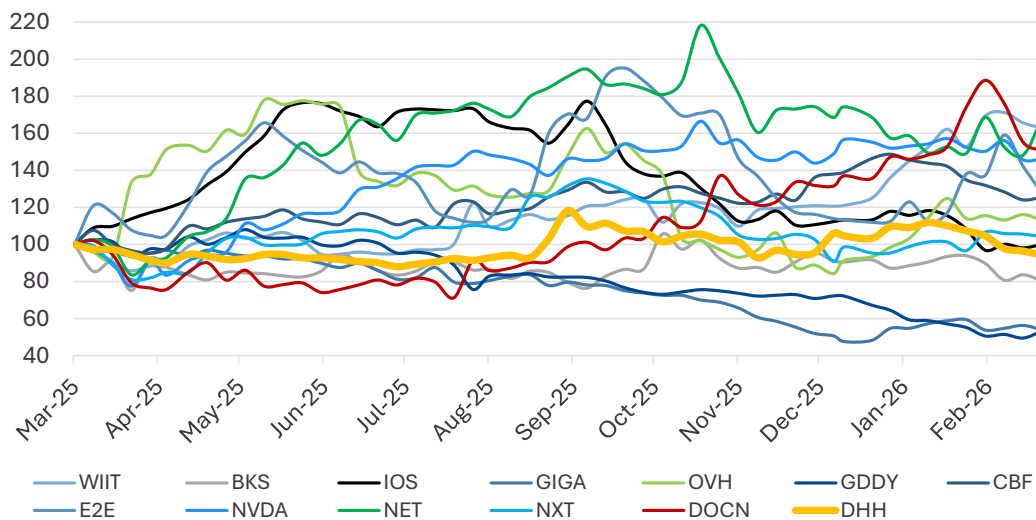
Source: Factset, Value Track Analysis

DHH Peers: Stock Market 3-months Performance (%)



Source: Factset, Value Track Analysis

Last 12-Month Share Price Performance – Selected Peers (Base 100)

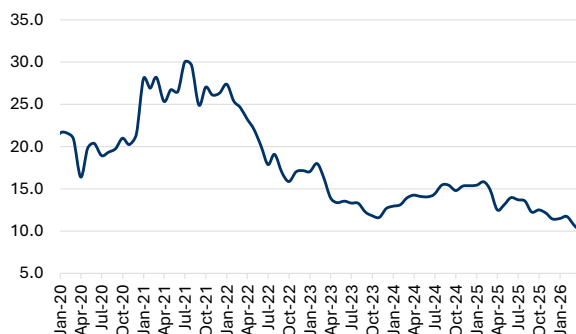


Source: Factset, Value Track Analysis

Valuation dynamics across the sector remain structurally sound but increasingly asymmetric. Cloud computing peers have experienced multiple compression since mid-2021, gradually converging toward mid-cycle EV/EBITDA LTM levels in the low-10x range. Conversely, AI enablers continue to trade at structurally elevated EV/Sales LTM multiples (>20x), with occasional spikes to 40x–45x driven by speculative momentum.

Historical Avg. EV/Sales and EV/EBITDA LTM Trend – Selected Peers by Cluster

Cloud Computing – EV/EBITDA



AI Enablers – EV/Sales



Source: Factset, Value Track Analysis

SOTP Valuation

Our SOTP valuation yields a **Fair Equity Value of €27.2 p/s**, based on:

- The application of the 2026E avg. EV/EBITDA multiple (8.1x vs 10x median FY25E in Nov-25) of the Cloud Computing & Hosting peer group to **DHH's stand-alone EBITDA 26E**, excluding the AI Infrastructure segment;
- A 2026E EV/Sales multiple of 17.9x for the AI Enablers peer group (vs. 25.1x in Nov-25), adjusted by a 50% discount (resulting in an effective multiple of 8.9x), applied to the **AI Infrastructure and Other Innovative Products division**, for which we forecast €3.5mn in 2026E revenues.

DHH Group: Value of Production and EBITDA Assumptions by BU (*)

Assumptions	FY26E
Value of Production	49.9
Cloud Computing & Cloud Hosting	46.4
AI Infrastructure / Other Innovative Products	3.5
EBITDA	16.3
Cloud Computing & Cloud Hosting	14.9
AI Infrastructure / Other Innovative Products	1.4

Source: Factset, Value Track Analysis, (*) Value Track estimates

Thus, Equity FV downgrades from €29.2 p/s (as of Nov-25) to €27.2 p/s, with a slightly revised Enterprise Value mix — AI Infrastructure & Other at 21% (from 10%) and Cloud at 79% (from 90%) — mainly due to the recent sector multiple de-rating in the context of the current macroeconomic and geopolitical shock.

DHH Group: Sum of the Parts Valuation

Fair Equity Value (€mn)	Cloud Computing & Cloud Hosting	AI Infrastructure / Other Innovative Products	Total
Peers EV/Sales 2026E (x)		17.9	
Peers EV/EBITDA 2026E (x)	8.1		
Discount vs. Peers (%)	0%	50%	
Fair Multiple (x)	8.1	8.9	
Fair Enterprise Value	121.0	31.3	152.3
As a % of Total	79%	21%	100%
NFP 2026E			-1.8
Adjustments EV 2026E (**)			2.5
Fair Equity Value			153.0
Number of Shares (mn)			5.6
Fair Equity Value p/s (€)			27.2

Source: Factset, Value Track Analysis, (*) Value Track estimates; (**) Incl. Treasury Shares, IconaTech, Warian and so on

Discounted Cash Flow Model

Our DCF valuation is based on a **Target Capital Structure** with Net Debt representing 30% of Capital Invested, and a **WACC of approx. 7.98%**, derived through an extended CAPM framework. Key underlying assumptions include:

- A 2.0% risk-free rate, an unlevered beta of 0.93x (weighted across the EU Internet and System/Application Software sectors), a 4.95% ERP for Italy (from 5.37% before Jan-26, source: *Damodaran*), and a 2.0% small-cap premium — temporarily raised from 1.0% in light of the current geopolitical environment — also reflecting DHH's size and liquidity profile.
- Explicit forecasts from 2026E to 2034E, with Terminal Value calculated as of 2034E using a 3.0% perpetuity growth rate (PGR).

The resulting **Fair Equity Value** from the DCF model stands at **€30.8 p/s**, raised vs. the Nov-25 assessment.

DHH Group: DCF Model

(€mn)	TARGET
PV of Future Cash-Flows 2026E-2034E	44.8
PV of Terminal Value 2034E	124.2
Fair Enterprise Value	169.0
Net Fin. Position FY25A	1.3
Peripheral Assets (*)	2.8
Fair Equity Value	173.1
Number of Shares (mn)	5.6
Fair Equity Value p/s (€)	30.8

Source: Value Track Analysis; (*) Incl. Treasury Shares, IconaTech, Warian and so on

DHH Group: Multiples Sensitivity at Various Stock Price Levels

DHH Share Price	EV/EBITDA (x)		EV/EBIT (x)		P/E (x)	
	FY26E	FY27E	FY26E	FY27E	FY26E	FY27E
25.00	8.6	7.4	14.4	12.6	26.7	23.9
26.00	8.9	7.7	15.0	13.1	27.8	24.9
27.00	9.3	8.0	15.5	13.6	28.9	25.9
28.00	9.6	8.3	16.1	14.1	29.9	26.8
29.00	10.0	8.6	16.7	14.7	31.0	27.8
30.00	10.3	8.9	17.3	15.2	32.1	28.7
31.00	10.6	9.2	17.8	15.7	33.1	29.7
32.00	11.0	9.5	18.4	16.2	34.2	30.6
33.00	11.3	9.8	19.0	16.7	35.3	31.6

Source: Value Track Analysis

Appendix – DHH’s Investment Case

DHH at a Glance

DHH (or “the Group”) is a tech group dedicated to **reshaping internet infrastructure through the integration of next-generation technology and AI**. Based in Europe, the group leverages open-source technologies to enhance digital connectivity across various industries and regions, and offers its products in a subscription model (**SaaS/IaaS/PaaS**) to more than 120.000 corporate and professional customers. Founded back in **July 2015**, the **Group has expanded significantly through conspicuous M&A activity**, finalizing around 20 deals.

Key points of DHH investment case

In our view, DHH stands out at the forefront of technological innovation and ethical business practices, excelling for the following key points:

- # 1 – Ideal mix of products / solutions;
- # 2 – Optimal market positioning in space and time;
- # 3 – Well carved growth strategy combining organic and M&A levers;
- # 4 – Highly skilled Top Management with “skin in the game”;
- # 5 – Outstanding Financial profile;
- # 6 – Acting with a highly responsible approach.

1 - Ideal mix of products / solutions

DHH Group B2B cloud computing and premium B2B internet access product portfolio is the result of a proactive approach aimed at maintaining a technological edge over competitors and relies on an **extensive proprietary physical and network infrastructures** managed by some subsidiaries (Seeweb, Evolink and Connesi).

We can cluster different families of products depending on the time of introduction in DHH portfolio:

- **1st wave: Cloud Hosting products**, e.g. Shared hosting, Virtual Private Server (VPS) and more;
- **2nd wave: Cloud Computing products**, such as Cloud Servers Rentals dispensed in the PaaS, or IaaS models. These products have become relevant with reverse merger with Seeweb in 2020;
- **3rd wave: Premium B2B infrastructure-based Internet Service Provisioning products**, such as Premium Internet Connectivity, VOIP, VPN, WAN. These products got relevant following a series of acquisitions in 2021 and 2022;
- **4th wave: AI infrastructure products**, including Cloud Server GPU solutions (with NVIDIA and AMD options), Serverless GPU with Kubernetes-native orchestration, Cloud Server NPU / AI Accelerators, and Regolo.ai, a secure and EU-compliant chat-based platform for localized Private AI;
- **5th wave: Managed IT Services / MSP products**, focused on outsourced management of customers’ IT infrastructure and connectivity; this segment became relevant with the acquisition of Teknonet in 2025.

2 - Optimal market positioning in space and time

Cloud computing and Cloud hosting, the two primary sectors in which DHH currently operates, are experiencing **significant growth rates**. Indeed, the global cloud computing market is projected to expand from USD 752bn in 2024 to USD 2.39tn by 2030 (CAGR_{FY25E-30E} at 20.4%, *Source: Grand View Research*), while the web hosting market is expected to grow from USD 197bn in 2025 to USD 372bn by 2030 (CAGR_{FY25E-30E} at 13.6%, *Source: Statista*).

In addition to these fast-growing markets, we underline that the **AI infrastructure market is expected to grow from \$135.8bn in FY24 to \$394.5bn by 2030E, 19.4% CAGR_{FY25E-30E}** (*Source: Markets and Markets*) fuelled by the adoption of AI across industries such as healthcare, automotive, and finance.

We remind that DHH is currently active in Italy (accounting for some 69% of FY25 DHH Group Sales), Switzerland, Bulgaria and Balkan areas (Slovenia, Croatia, Serbia) i.e., geographies expected to post higher-than-average growth rates ahead, as the current digital adoption is growing but, in most cases, (Slovenia is an exception) still below the EU average.

3 - Well carved growth strategy combining M&A levers

DHH is pursuing an ambitious growth strategy combining organic expansion with M&A. Over more than ten years, the group has completed **around 20 acquisitions, with returns that appear to have been broadly attractive overall**. As a result of this M&A activity, DHH Group can be viewed as an **ecosystem of independent entities** united by a shared vision, enabling tech entrepreneurs to innovate and exchange best practices. Within this framework, DHH S.p.A. acts as the holding company, providing broad business and administrative support while ensuring strategic direction and operational coordination.

4 - Highly skilled Top Management with “skin in the game”

DHH’s top management includes highly skilled professionals such as:

- **Antonio Baldassarra – Chief Executive Officer.** Founder of Seeweb and co-founder of DHH, he boasts more than 25 years experience in Electronics, Telecommunications and Computer Science.
- **Giandomenico Sica – Executive Chairman.** Co-founder of DHH, he also is the founder of Filomatica, his holding focused on IT industry SMBs.
- **Tamara Arduini – Chief Financial Officer.** With over two decades of experience in accounting administration and finance, she previously served as the CFO of Seeweb.
- **Matija Jekovec – Chief Operating Officer.** Co-founder of Klaro in 2003, beginning as a developer before transitioning into an R&D managerial role.

It is worth noting that the co-founders, Mr. Baldassarra and Mr. Sica, have a lot of skin in the game, as they collectively control just under 40% of the share capital.

5 - Outstanding Financial profile

As a result of its well carved business model, DHH boasts several notable financial features such as:

- High scalability;
- Extremely high incidence (ca. 91%) of recurring revenues;
- Strong client retention (churn rate lower than 10%) with long revenue periods.
- Strong cash flow generation, with OpFCF _{b.t.} (defined as Adj. EBITDA – Tangible and Intangible Capex ± ΔNWC ± Δ Provisions) always in excess of 50% of EBITDA.

6 - Highly responsible ESG approach

DHH's sustainability strategy is firmly rooted in integrating responsible practices across every level of the organization, from daily operational management to executive decision-making.

As an example of their commitment to ESG themes, we underline that DHH, recognizing the significant impact of power consumption in data centers and throughout product lifecycles, is mitigating its carbon footprint by:

- 1) Enhancing operational energy efficiency;
- 2) Transitioning to renewable energy sources;
- 3) Promoting responsible disposal methods for end-of-life equipment.

Moreover, through Connesi and Seeweb, DHH Group has launched several initiatives to minimize environmental impacts and cut emissions.

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