DHH S.p.A.

Sector: Cloud Computing / Internet Infrastructure

Cloud Spark Is Back, Margins Next

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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.

FAIR VALUE (€)	**31.2**
MARKET PRICE (€)	**22.1**
MARKET CAP.(€m)	**124.2**

9M26 Results: +17% Revenues, -7% EBITDA, Net Debt €2.3mn

9M26 confirmed double-digit Top Line growth, with EBITDA and Net Profit temporarily down on M&A, Cloud Computing and AI costs:

- Revenues reached €36.0mn (+17% YoY; +8% organic), led by Business Connectivity (+32%), Cloud Hosting (+16%) and Managed IT Services (+86%), while Cloud Computing was broadly flat (+1%) despite GPU revenues up ~94%;
- EBITDA was €9.7mn (-7% YoY; Adj. €10.2mn, +1%), with the Margin at 26.9% on VoP (~-700bps YoY), impacted by: 1) M&A perimeter margin dilution; 2) Mix shift towards lower-margin GPU services; 3) Higher staff costs (+31% YoY, +16% l-f-l); 4) Higher holding-company costs and ~€0.5mn of non-recurring items;
- Net Debt stood at €2.3mn (vs. Net Cash of €1.3mn at FY25) after ~€6.0mn of M&A, with cash and cash equivalents at €18.7mn, available for further M&A deals in Italy or Europe.

FY26E–28E EBITDA Trimmed by 2-3% on Higher Costs

Following 9M26 results, we are trimming downwards our FY26E–28E estimates, mainly at the margin level, to reflect the ongoing investment phase in Cloud Computing and AI ramp up and a higher personnel and holding-level cost base. We now expect: i) Top Line to grow from €51.0mn to €75.8mn, supported by the enlarged perimeter, high single-digit organic growth and one bolt-on per year from FY27E; ii) EBITDA to rise from €13.5mn to €20.3mn, with EBITDA and EBIT Margins at 26.8% and 14.7% by FY28E; and iii) Net Cash of €2.7mn by FY28E, as cumulated €50.2mn EBITDA comfortably funds ~€28mn of capex and ~€13.9mn of expected M&A outflows.

Fair Equity Value Slightly Cut to €31.2 p/s (from €32.3)

We update our Fair Equity Value to €31.2 p/s (average of our SOTP at €27.2 p/s and DCF at €35.1 p/s), from €32.3 at the end of September, implying a fair market cap of > €175mn. The 3% decrease mainly reflects the de-rating of sector multiples after the recent sell-off, only partially offset by the roll-over of our valuation to FY27E.

At current market prices, DHH trades at 7.4x EV/EBITDA on FY27E, well below historical multiples. The gap between the share price and our Fair Equity Value has widened in recent months, making current levels an attractive entry point, also considering that the stock is trading towards the lower end of its two-year range, after peaking at around €30 p/s. At our FV, DHH would trade at 10.5x EV/EBITDA on FY27E.

KEY FINANCIALS	FY25A	FY26E	FY27E
VALUE OF PRODUCTION	41.8	51.0	65.9
EBITDA	13.8	13.5	16.4
EBIT	7.8	7.1	8.4
ADJ. NET PROFIT	4.3	4.2	4.7
EQUITY	41.7	45.8	50.8
NET DEBT (-) / CASH (+)	1.3	0.0	0.3
EPS	0.8	0.7	0.8
DPS	0.0	0.0	0.0

Source: DHH, Value Track Analysis

KEY RATIOS	FY25A	FY26E	FY27E
EBITDA MARGIN (%)	33.0	26.5	24.9
EBIT MARGIN (%)	18.6	13.9	12.8
NET MARGIN (%)	10.3	8.3	7.2
NET DEBT / EBITDA (x)	nm	nm	nm
ROE (%)	11.8	9.3	10.2
EV/SALES (x)	3.0	2.4	1.8
EV/EBITDA (x)	9.0	9.0	7.4
EV/EBIT (x)	16.0	17.2	14.4
P/E ADJ. (x)	28.8	29.5	26.2

Source: DHH, Value Track Analysis

STOCK DATA	
SHS.OUT (m)	5.6
MARKET CAP. (m)	124.2
ENTERPRISE VALUE FY26E (m)	121.7
FREE FLOAT (%)	33.1
AVG. 20D VOL	1,644
RIC/BBG	DHH.MI / DHH IM
52 WK MIN	19.55
52-WK MAX	29.00

Source: DHH, Value Track Analysis

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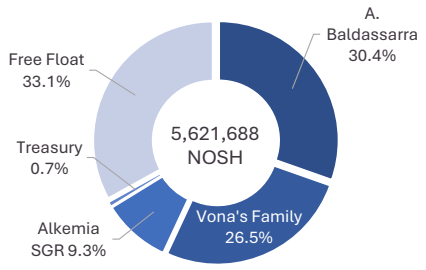
Description

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.

SHAREHOLDER STRUCTURE



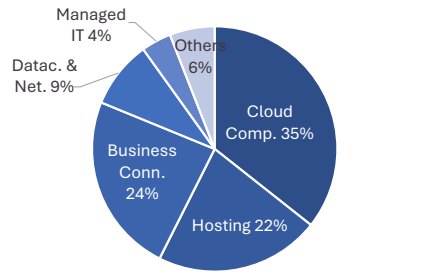
Source: DHH

Financial Highlights

€mn	FY25A	FY26E	FY27E	FY28E
Value of Production	**41.8**	**51.0**	**65.9**	**75.8**
YoY (%)	*12.7%*	*21.9%*	*29.3%*	*15.0%*
EBITDA	**13.8**	**13.5**	**16.4**	**20.3**
EBITDA Margin (% of VoP)	*33.0%*	*26.5%*	*24.9%*	*26.8%*
EBIT	**7.8**	**7.1**	**8.4**	**11.2**
EBIT Margin (% of VoP)	*18.6%*	*13.9%*	*12.8%*	*14.7%*
Net Profit	**4.5**	**3.9**	**4.7**	**6.7**
YoY (%)	*23.6%*	*-12.9%*	*22.2%*	*40.7%*
Net Fin.Position [Net Debt (-)/Cash(+)]	**1.3**	**0.0**	**0.3**	**2.7**
Net.Fin.Pos./EBITDA (x)	*-0.1*	*nm*	*nm*	*nm*
Capex	-7.8	-7.7	-10.1	-10.4
OpFCF b.t.	**6.5**	**7.2**	**7.9**	**10.9**
OpFCF b.t.as % of EBITDA	*47.0%*	*53.2%*	*48.1%*	*53.6%*

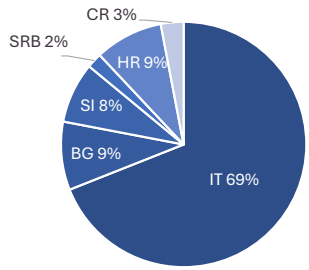
Source: DHH, Value Track Analysis

SALES BREAKDOWN BY SERVICE



Source: DHH, FY25

SALES BREAKDOWN BY COUNTRY



Source: DHH, FY25

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

STOCK MULTIPLES @ FV	FY26E	FY27E
EV / SALES (x)	3.4	2.6
EV / EBITDA (x)	12.8	10.5
EV / EBIT (x)	24.4	20.4
EV / CAP.EMP. (x)	3.8	3.4
OpFCF Yield (%)	6.2	5.9
P / E Adj.(x)	41.6	37.0
P / BV (x)	4.2	3.8
Div. Yield.(%)	0.0	0.0

Source: Value Track

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9M26 Financials

On 20 November, DHH reported **9M26 results**, with revenues up 17% YoY to €36.0mn (+8% organic), Adj. EBITDA broadly stable at €10.2mn (+1%) while reported EBITDA and Net Profit declined (-7% to €9.7mn and -24% to €2.8mn) on continued investment in Cloud Computing and AI infrastructure and non-recurring costs, and Net Debt at €2.3mn after ~€6.0mn of M&A outlays — we expect 4Q26 and 2027 momentum to build further as BLS and the Perimeter B.1 acquisition, closed at end-July, contribute for a fuller period. Overall, the performance highlights several structural strengths:

- **High share of recurring revenues** – 93% of turnover derives from subscription-based solutions (vs 92% in 1H26 and 91% in FY25) 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 subs 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.

DHH Group: Key Financials 9M25 vs 9M26

(€mn)	9M25	9M26	*YoY*	4Q26E*	FY26E*
Value of Production	**30.7**	**36.0**	***17%***	**15.5**	**51.5**
EBITDA	**10.4**	**9.7**	***-7%***	**4.3**	**14.0**
EBITDA Margin (as a % of VoP)	*34%*	*27%*	*-694bps*	*28%*	*27%*
Adj. EBITDA	**10.1**	**10.2**	***1%***	**//**	**//**
Adj. EBITDA Margin (as a % of VoP)	*33%*	*28%*	*-457bps*	*//*	*//*
EBIT	**6.1**	**5.0**	***-18%***	**2.3**	**7.3**
EBIT Margin (as a % of VoP)	*20%*	*14%*	*-598bps*	*15%*	*14%*
Net Profit	**3.8**	**2.8**	***-24%***	**1.0**	**3.8**
NFP [i.e. Net Debt (-) Cash (+)]	**-7.2**	**-2.3**	***4.9***	**0.0**	**0.0**

*Source: DHH, Value Track Analysis; * Our estimates as of 24 September 2026 (4Q26E implied as 2026E less 9M26)*

More in details, as far as **9M26 financials** are concerned, we flag:

- **Value of Production reached €36.0mn, up 17% YoY (+8% organic),** with ~€3mn of the increase coming from M&A (6 months of BLS Consulting, consolidated from April, and 2 months of X-Stream, from August 2026) and the rest from organic growth, which was good across all the Group's companies except Seeweb, now showing signs of recovery. The result was supported by DHH's diversified and highly recurring revenue base (93% of total revenues), with the strongest contribution to growth coming from Business Connectivity (+32%), Cloud Hosting (+16%) and especially Managed IT Services (+86%, which also benefited from BLS's inclusion), while Cloud Computing was broadly flat (+1%) despite GPU-based revenues growing ~94% and Regolo.ai performing very well, with very positive early traction, and Datacenter & Networking down 10% on lower-margin, partly opportunistic activity, with a churned Seeweb customer accounting for a relevant part of the decline;
- **Reported EBITDA down 7% YoY to €9.7mn,** with **EBITDA Margin down ~700bps YoY at 26.9%** on VoP, reflecting investment in the Cloud Computing and AI/GPU business, a shift in revenue mix, higher holding-company costs related to the expansion of corporate activities, personnel costs up 31% (+16% like-for-like), and the consolidation of BLS, at a margin we estimate below the group average;

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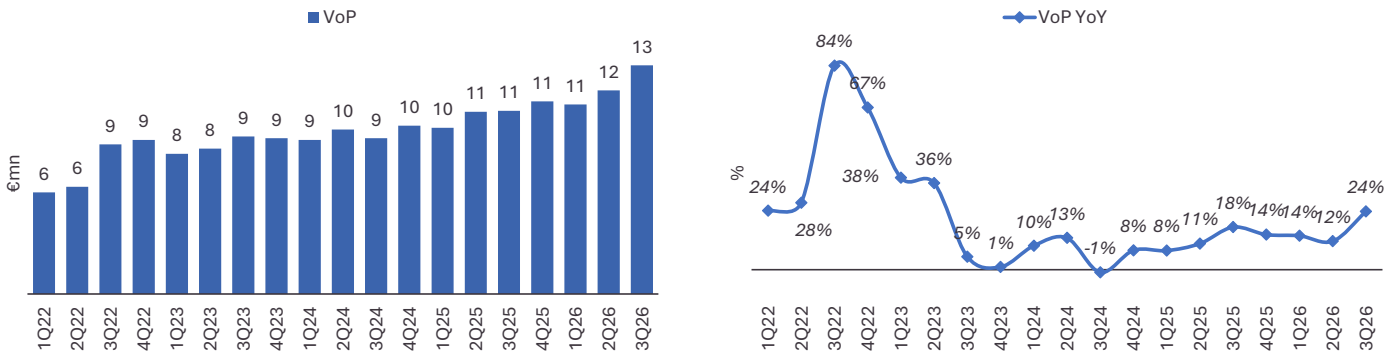
- **Adj. EBITDA at €10.2mn (+1% YoY vs. €10.1mn),** with a margin of 28.3% on VoP (-457bps YoY), i.e. stable in absolute terms once ~€0.53mn of net non-recurring items are stripped out (mainly M&A professional fees, extraordinary cybersecurity consulting and costs related to the disposal of a secondary datacenter in Milan);
- **Reported EBIT down 18% YoY to €5.0mn (from €6.1mn),** reflecting the EBITDA decline alongside a higher D&A base linked to the group's investment cycle and perimeter expansion;
- **Operating cash flow** amounted to €7.6mn, equal to **~79% of EBITDA**, pointing to a solid cash-generative profile despite the investment-heavy phase (capex included ~€0.5mn at Connesi for the renewal of the Milan PoPs, servers and computers, plus ~€1.4mn of RoU);
- As far as the NFP is concerned, it moved to **Net Debt of €2.3mn** (vs. Net Cash of €1.3mn at FY25), as strong operating cash generation was more than offset by the cash outflows for the BLS Consulting and Perimeter B.1 acquisitions (~€5.5mn in total) and the 5% stake in Netalia (we estimate less than €1mn), a strategic industrial investment in an Italian independent public cloud provider targeting the Public Administration, for which Seeweb acts as technology supplier, allowing DHH to intercept demand for cloud infrastructure. Note that, even after these ~€6.0mn of M&A outlays (o/w €4.2mn for Perimeter B.1, closed on 29 July 2026 and fully cash-funded, and ~€1.2mn for BLS), cash and cash equivalents remained solid at €18.7mn;
- **Outlook and M&A:** while organic growth remains the priority (Cloud Computing, AI infrastructure and services for business customers), and the integration of BLS and Perimeter B.1 continues (entry into managed cybersecurity and consolidation in B2B telecoms), at the same time the Group is working on new acquisitions in Italy and other EU countries, with discussions under way with targets selected for complementarity, quality and consistency with the growth strategy, with the next deals expected in MSP and at the crossroads between B2B telco and MSP, presumably in 2027.

DHH Group: Key Financials by Quarter (FY25-FY26)

(€mn)	1Q25	2Q25	3Q25	4Q25	FY25	1Q26	2Q26	3Q26	9M26
Value of Production	**9.6**	**10.5**	**10.6**	**11.1**	**41.8**	**11.0**	**11.8**	**13.2**	**36.0**
EBITDA	**3.4**	**3.3**	**3.7**	**3.4**	**13.8**	**3.3**	**3.1**	**3.3**	**9.7**
EBITDA Margin (as a % of VoP)	*35%*	*31%*	*35%*	*30%*	*33%*	*30%*	*26%*	*25%*	*27%*
Net Profit	**1.3**	**0.8**	**1.7**	**0.7**	**4.5**	**1.0**	**0.6**	**1.2**	**2.8**
Net Margin (as a % of VoP)	*14%*	*8%*	*16%*	*6%*	*11%*	*9%*	*5%*	*9%*	*8%*
NFP [i.e. Net Debt (-) Cash (+)]	**-2.5**	**-4.6**	**-7.2**	**1.3**	**1.3**	**1.5**	**2.9**	**-2.3**	**-2.3**

Source: DHH, Value Track Analysis

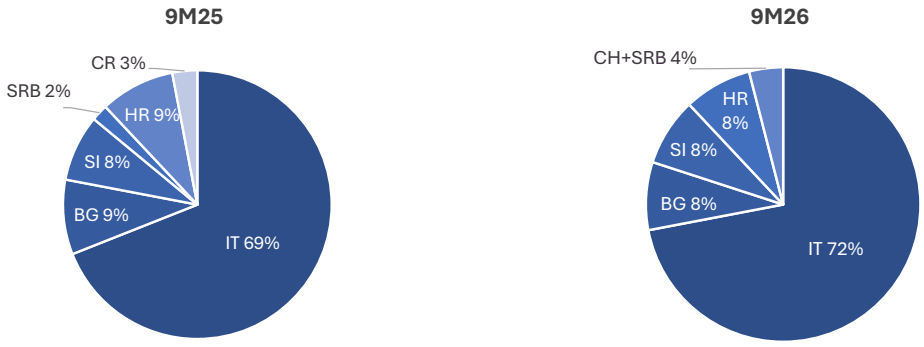
DHH Group: Quarterly VoP evolution and YoY growth (incl. M&A)



Source: DHH, Value Track Analysis

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DHH Group: Net Sales by Geography (%)



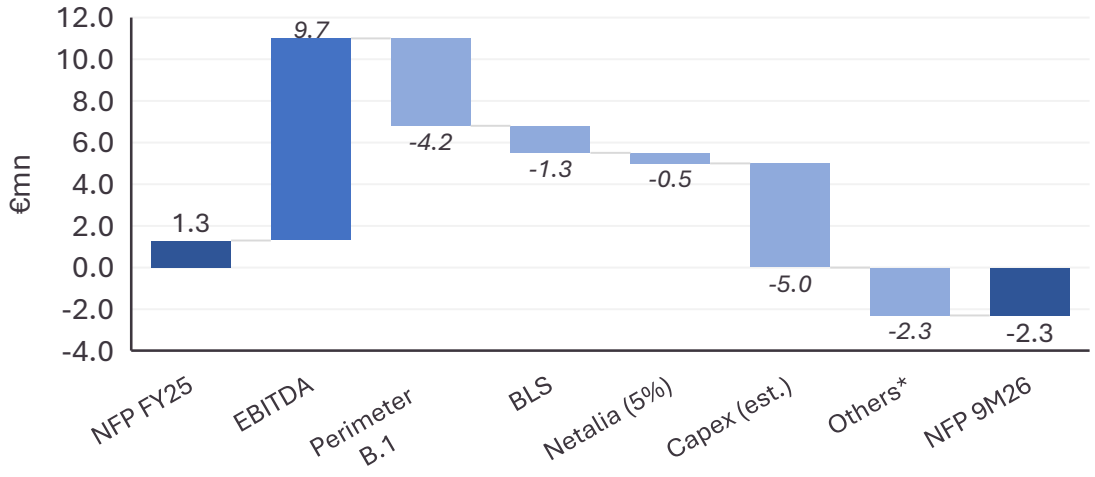
Source: Factset, Value Track Analysis

DHH Group: Revenue from Sales by Business Segments (9M25-9M26)

(€mn)	9M25	9M26	YoY
Cloud Computing	10.9	11.0	*1%*
As a % of Total Revenues	36%	31%	//
Cloud Hosting	6.6	7.7	*16%*
As a % of Total Revenues	22%	22%	//
Business Connectivity	7.0	9.2	*32%*
As a % of Total Revenues	23%	26%	//
Datacenter & Networking	2.8	2.5	*-10%*
As a % of Total Revenues	9%	7%	//
Managed IT Services	1.1	2.0	*86%*
As a % of Total Revenues	4%	6%	//
Others	1.6	2.7	*69%*
Total Revenues from Sales	**30.0**	**35.1**	***17%***

Source: DHH, Value Track Analysis

DHH Group: Cash Flow Bridge 9M26



Source: DHH, Value Track Analysis

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Recap on Call post 9M26

In the 9M26 results briefing call, management confirmed confidence in overall growth and in the recovery of Cloud Computing, while flagging longer GPU procurement times and a slower-than-hoped visibility on margin improvement and commercial synergies.

Going into details, we highlight:

Growth, Cloud and AI

- Growth outlook: management expects growth in the 8–10% range; the restart of X-Stream should support the top line first, while the pass-through to the bottom line will take longer;
- Cloud Computing: expected to improve above 1% next quarter and gradually return to its usual benchmark, after the service cancellations that weighed on the period;
- AI: growing ~+90–100% YoY, it is contributing to the recovery and is likely to become one of the pillars of the business;

M&A and synergies

- Revenue mix: over the next 2–3 years Cloud Computing and Managed IT (Business Connectivity, managed cyber security, managed infrastructure) should drive the mix, with M&A expected to contribute significantly and an active pipeline of targets;
- Synergies: BLS should generate synergies in Business Connectivity and Cloud Computing (already started), with further potential between X-Stream and Seeweb, building on the existing Connesi–Seeweb ones;
- Timing: the first year post-deal is focused on integration and cost structure, so more visible top-line synergies are not expected in the very short term;

Margins and personnel costs

- Margins: the lower margin incidence of BLS and especially X-Stream weighs on the group, with some improvement expected in Q4 and better figures in FY27;
- FY27 base: asked whether 29% is a suitable base, management spoke of recovering the group's average margin without confirming it directly;
- Personnel costs: broadly constant next quarter, as sales-team investments (AI, cloud recovery) are offset by headcount optimization at acquired companies;

GPU

- Supply: delays stem from US-government export-purchase authorizations (introduced ~6 months ago), not from equipment availability; approval times with Nvidia moved from 1–2 weeks to 1–2 months;
- Capacity: infrastructure is >90% occupied, so orders may need to be placed earlier (some servers were bought in the last 2–3 months, unusual as GPUs are generally leased); no incremental capex for the next 12 months was quantified;
- Demand and pricing: demand is more stable, with more customers using GPUs for production and industrial projects, and a first margin of ~100%; list prices are unchanged since the start of the year despite higher GPU costs, and management is considering a revision in early 2027 to align with its premium positioning.

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FY26E-28E Est. Trimmed on Higher Costs

When referring to DHH ex M&A, we consider the Company's 2024 organic perimeter.

We fine-tune our **FY26E-onwards estimates**, with the revision concentrated at the profitability level and no material change to the Top Line. At Group level, we cut VoP by ~1% in each year and EBITDA by ~€0.5mn in FY26E (-3.3%) and by ~€0.3mn in both FY27E (-1.7%) and FY28E (-1.5%), with EBITDA Margin down ~60bps, ~9bps and ~7bps respectively, while Net Profit is slightly up (+3% in FY26E, +6% in FY27E–28E) on a marginally lower tax rate. Specifically:

- **DHH ex M&A:** we cut FY26E EBITDA by around €0.5mn (-3.6%) and FY27E–28E EBITDA by around €0.3mn (-2.0%), with VoP down 1.4% in FY26E and 2.0% in FY27E–28E; EBITDA Margin is down ~70bps in FY26E and unchanged thereafter. The fine-tuning mainly reflects a higher personnel and holding-level cost base than previously assumed, as discussed above, linked to the Regolo.ai initiative and the new commercial team in Frosinone. The ongoing investment phase in Cloud Computing and AI infrastructure also continues to weigh on the mix, as GPU-based services currently run at lower profitability while the offering scales up;
- **M&A perimeter:** we leave our estimates intact, with consolidation assumptions confirmed: Teknonet contributes the full year in FY26E, BLS Consulting 9 months (from April 2026) and Perimeter B.1 5 months (from August 2026), with its full-year impact visible from FY27E onwards. Top Line and profitability assumptions are therefore essentially unaffected (no change to either VoP or EBITDA), and we leave Perimeter B.1 unchanged pending greater visibility on its actual contribution. Any revenue deviation would have a negligible impact on absolute EBITDA, as the Perimeter mainly dilutes the Group's EBITDA Margin in relative terms.

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	**51.5**	**51.0**	***-1.1%***	**66.8**	**65.9**	***-1.3%***	**76.8**	**75.8**	***-1.3%***
EBITDA	**14.0**	**13.5**	***-3.3%***	**16.7**	**16.4**	***-1.7%***	**20.6**	**20.3**	***-1.5%***
EBITDA Margin (as a % of VoP)	*27.1%*	*26.5%*	*-60bps*	*25.0%*	*24.9%*	*-9bps*	*26.8%*	*26.8%*	*-7bps*
EBITDA Adjusted	**14.0**	**14.0**	***0.3%***	**16.7**	**16.4**	***-1.7%***	**20.6**	**20.3**	***-1.5%***
EBIT	**7.3**	**7.1**	***-3.0%***	**8.4**	**8.4**	***0.2%***	**11.2**	**11.2**	***0.1%***
EBIT Margin (as a % of VoP)	*14.2%*	*13.9%*	*-28bps*	*12.6%*	*12.8%*	*19bps*	*14.5%*	*14.7%*	*20bps*
Net Profit	**3.8**	**3.9**	***2.6%***	**4.5**	**4.7**	***6.2%***	**6.3**	**6.7**	***6.2%***
Adjusted Net Profit	**3.8**	**4.2**	***11.5%***	**4.5**	**4.7**	***6.2%***	**6.3**	**6.7**	***6.2%***
NFP [i.e. Net Debt (-) Cash (+)]	**0.0**	**0.0**	***0.0***	**0.3**	**0.3**	***0.0***	**2.7**	**2.7**	***0.0***

DHH ex M&A (€mn)	FY26E			FY27E			FY28E		
	Old	New	Chg. %	Old	New	Chg. %	Old	New	Chg. %
Value of Production	**40.5**	**39.9**	***-1.4%***	**44.1**	**43.2**	***-2.0%***	**48.0**	**47.0**	***-2.0%***
EBITDA	**12.9**	**12.4**	***-3.6%***	**13.9**	**13.6**	***-2.0%***	**15.4**	**15.1**	***-2.0%***
EBITDA Margin (as a % of VoP)	*31.8%*	*31.1%*	*-70bps*	*31.5%*	*31.5%*	*0bps*	*32.0%*	*32.0%*	*0bps*
EBIT	**7.3**	**7.1**	***-3.0%***	**7.8**	**7.8**	***0.2%***	**8.7**	**8.7**	***0.1%***
EBIT Margin (as a % of VoP)	*18.0%*	*17.7%*	*-30bps*	*17.7%*	*18.1%*	*40bps*	*18.2%*	*18.6%*	*40bps*

M&A (€mn)	FY26E			FY27E			FY28E		
	Old	New	Chg. %	Old	New	Chg. %	Old	New	Chg. %
Value of Production	**11.0**	**11.0**	***0.0%***	**22.7**	**22.7**	***0.0%***	**28.8**	**28.8**	***0.0%***
EBITDA	**1.1**	**1.1**	***0.0%***	**2.8**	**2.8**	***0.0%***	**5.2**	**5.2**	***0.0%***
EBITDA Margin (as a % of VoP)	*9.9%*	*9.9%*	*0bps*	*12.4%*	*12.4%*	*0bps*	*18.2%*	*18.2%*	*0bps*
EBIT	**0.0**	**0.0**	***0.0%***	**0.6**	**0.6**	***0.0%***	**2.4**	**2.4**	***0.0%***
EBIT Margin (as a % of VoP)	*0.1%*	*0.1%*	*0bps*	*2.7%*	*2.7%*	*0bps*	*8.4%*	*8.4%*	*0bps*

Source: Value Track Analysis

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Our updated **FY26E–28E forecasts** are as follows:

- **Top Line** is expected to increase from €51.0mn in FY26E to around €75.8mn by FY28E, implying a >20% CAGR FY25A–28E. Growth is driven by the enlarged perimeter, organic growth in the high single digit range and further bolt-on M&A, for which we assume one acquisition per year in FY27E–28E. Each deal is consolidated from mid-year and contributes around €4.0mn of annual revenues at a ~15% EBITDA Margin, for a ~€4.2mn cash-out, implying an entry multiple of ~7.0x EV/EBITDA;
- **EBITDA** is expected to increase from €13.5mn in FY26E to €20.3mn by FY28E. The EBITDA Margin should trough at 24.9% in FY27E (EBIT Margin at 12.8%) on the first full-year consolidation of the M&A perimeter (Perimeter B.1 and BLS Consulting), before recovering to 26.8% in FY28E (EBIT Margin at 14.7%). Despite the current investment phase, DHH's stand-alone business should retain EBITDA Margins above 30%, with consolidated profitability reflecting the temporary dilution from newly acquired businesses;
- **Cash Generation**: disciplined NWC management should continue to support solid cash conversion, with OpFCF b.t./EBITDA averaging > 50% over FY26E–28E. As a result, we expect the Group to end FY28E with Net Cash of around €2.7mn. Over the period, cumulative EBITDA of €50.2mn should comfortably fund around €28mn of capex and around €13.9mn of M&A cash outflows, the latter reflecting the €4.2mn consideration for Perimeter B.1, the BLS Consulting deal and one further bolt-on acquisition per year in FY27E–28E.

DHH Group: 2025A – 2028E P&L

(€mn)	FY25	FY26E	FY27E	FY28E
Value of Production	**41.8**	**51.0**	**65.9**	**75.8**
COGS	-18.9	-26.5	-35.3	-39.2
Labour costs	-8.1	-9.7	-12.5	-14.4
Other OpEx	-1.0	-1.3	-1.6	-1.9
EBITDA	**13.8**	**13.5**	**16.4**	**20.3**
EBITDA Margin (%)	*33.0%*	*26.5%*	*24.9%*	*26.8%*
D&A	-6.0	-6.4	-8.0	-9.1
EBIT	**7.8**	**7.1**	**8.4**	**11.2**
EBIT Margin (%)	*18.6%*	*13.9%*	*12.8%*	*14.7%*
Net Financial Charges	-0.9	-0.9	-1.0	-0.8
Taxes	-2.3	-2.0	-2.5	-3.4
Minorities	-0.2	-0.3	-0.3	-0.3
Net Profit	**4.5**	**3.9**	**4.7**	**6.7**
EBITDA Adjusted	**13.6**	**14.0**	**16.4**	**20.3**
Net Profit Adjusted	**4.3**	**4.2**	**4.7**	**6.7**

Source: DHH, Value Track Analysis

DHH Group: 2025A – 2028E Balance Sheet

(€mn)	FY25	FY26E	FY27E	FY28E
Net Fixed Assets	46.7	53.5	59.7	65.2
Net Working Capital	-3.8	-4.9	-6.2	-6.9
Provisions	2.5	2.7	3.0	3.3
Total Capital Employed	**40.4**	**45.8**	**50.5**	**55.0**
Group Net Equity	**41.7**	**45.8**	**50.8**	**57.7**
NFP [i.e. Net Debt (-) Cash (+)]	**1.3**	**0.0**	**0.3**	**2.7**

Source: DHH, Value Track Analysis

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DHH Group: 2025A – 2028E Cash Flow Statement

(€mn)	FY25	FY26E	FY27E	FY28E
EBITDA	**13.8**	**13.5**	**16.4**	**20.3**
Δ NWC & Provisions	0.5	1.4	1.5	1.0
Capex (inc. RoU but not Fin. Inv.)	-7.8	-7.7	-10.1	-10.4
OpFCF b.t.	**6.5**	**7.2**	**7.9**	**10.9**
Cash Taxes	-2.3	-2.0	-2.5	-3.4
Capital Injections	7.4 (*)	0.0	0.0	0.0
Financial Investments & Others	-6.3 (**)	-5.5 (***)	-4.2	-4.2
Net Financial Charges	-0.9	-0.9	-1.0	-0.8
Δ NFP [i.e. Net Debt (-) Cash (+)]	**4.4**	**-1.3**	**0.3**	**2.4**

Source: DHH, Value Track Analysis; (*) €7.3mn ABB (net of fees) + €104k Warrant Inflow; (**) Teknonet + Evolink AD; (***) BLS + Perimeter B.1

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Valuation Updated to €31.2 p/s

We update our Fair Equity Value to €31.2 p/s (from €32.3 at the end of September), calculated as the average of our SOTP of €27.2 p/s and DCF of €35.1 p/s, implying a market cap of > €175mn.

The 3% decrease mainly reflects the de-rating of sector trading multiples since our previous update, only partially offset by the roll-over of our valuation to FY27E. Cloud Computing peers now trade at an average of 9.1x and 7.8x EV/EBITDA on FY26E and FY27E, respectively, down from 10.3x and 8.7x previously, while AI Enablers trade at an average of 17.5x and 14.9x EV/Sales, compared with 24.7x and 18.9x previously. The AI space has seen a sharp correction in recent weeks. AI-linked stocks sold off on concerns over the rising cost of AI infrastructure and the debt funding its build-out, with neoclouds among the hardest hit: since early October, the Nasdaq 100 has lost ~15% and Nvidia almost 40%.

In this environment, investors favor cash generation and visibility on returns, which fits DHH's profile; nonetheless, we deem it prudent to fix the EV/Sales multiple at 10.0x (a 33% discount to AI Enablers, vs. 50% previously), applied to the AI Infrastructure / Other Innovative Products division, which accounts for only 18% of SOTP EV: a further 10% de-rating of the multiple would reduce our SOTP value by ca. €0.5 p/s.

At our **Fair Value**, DHH would trade at **10.5x EV/EBITDA** on **FY27E.** While this represents a premium to the Cloud Computing peer group average (7.8x) and also to WIIT (10.2x) and Cyber Folks (9.4x), we believe the valuation is supported by DHH's superior profitability, strong recurring revenue profile, disciplined cash generation and proven M&A execution track record.

We also note that, at €31.2 p/s, the 2025–2028 Warrant Plan would remain significantly in-the-money, potentially resulting in the issuance of up to around 227k new shares and a dilution of around 3.9%.

SOTP based Peers' Analysis

Stock Market Multiples Benchmark

Below we provide our updated peer comparison tables as of 26 November 2026.

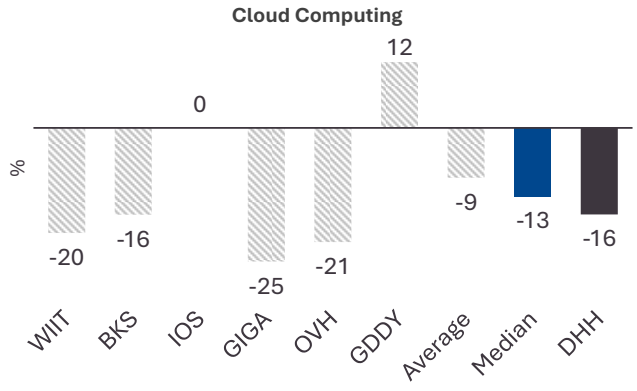
DHH Group: Peers' Stock Trading Multiples

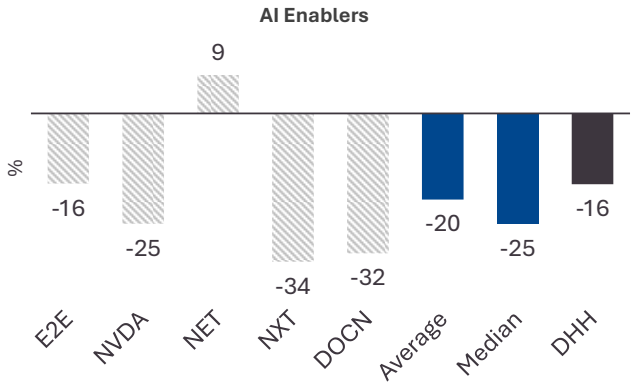
Company		Market Cap. (€mn)	EV/Sales (x)		EV/EBITDA (x)		P/E (x)	
			FY26E	FY27E	FY26E	FY27E	FY26E	FY27E
Cloud Computing	WIIT	572	4.9	4.4	11.6	10.2	45.9	27.6
	Beeks Financial Cloud	163	3.4	3.0	8.5	7.3	24.1	16.8
	IONOS	4,771	3.7	3.2	10.3	8.4	19.5	15.3
	Gigas Hosting	30	1.2	1.1	5.4	5.0	<0	<0
	OVH	1,968	2.8	2.6	7.0	6.2	>50	41.5
	Go Daddy	12,039	3.0	2.6	8.9	7.8	13.7	12.1
	Cyber Folks	862	3.9	3.3	11.9	9.4	43.7	25.0
	Average	**2,915**	**3.3**	**2.9**	**9.1**	**7.8**	**29.4**	**23.1**
	Median	**862**	**3.4**	**3.0**	**8.9**	**7.8**	**24.1**	**20.9**
AI Enablers	E2E	969	na	na	na	na	58.6	51.2
	Nvidia	3,309,323	8.3	4.6	12.5	6.9	15.5	9.1
	CloudFlare	96,982	35.1	26.5	>50	>50	>100	>100
	Nextdc	4,328	19.0	23.6	37.9	>50	85.3	<0
	DigitalOcean	8,369	7.6	5.0	18.0	11.3	47.5	35.0
	Average	**683,994**	**17.5**	**14.9**	**22.8**	**9.1**	**51.7**	**31.8**
	Median	**8,369**	**13.7**	**14.3**	**18.0**	**9.1**	**53.1**	**35.0**
ToT Average Peers		**286,698.0**	**8.5**	**7.3**	**13.2**	**8.1**	**39.3**	**26.0**
ToT Median Peers		**1,968.1**	**3.9**	**3.3**	**10.9**	**7.8**	**43.7**	**25.0**
DHH		**124.2**	**2.4**	**1.8**	**9.0**	**7.4**	**32.0**	**26.2**

Source: Factset, Value Track Analysis

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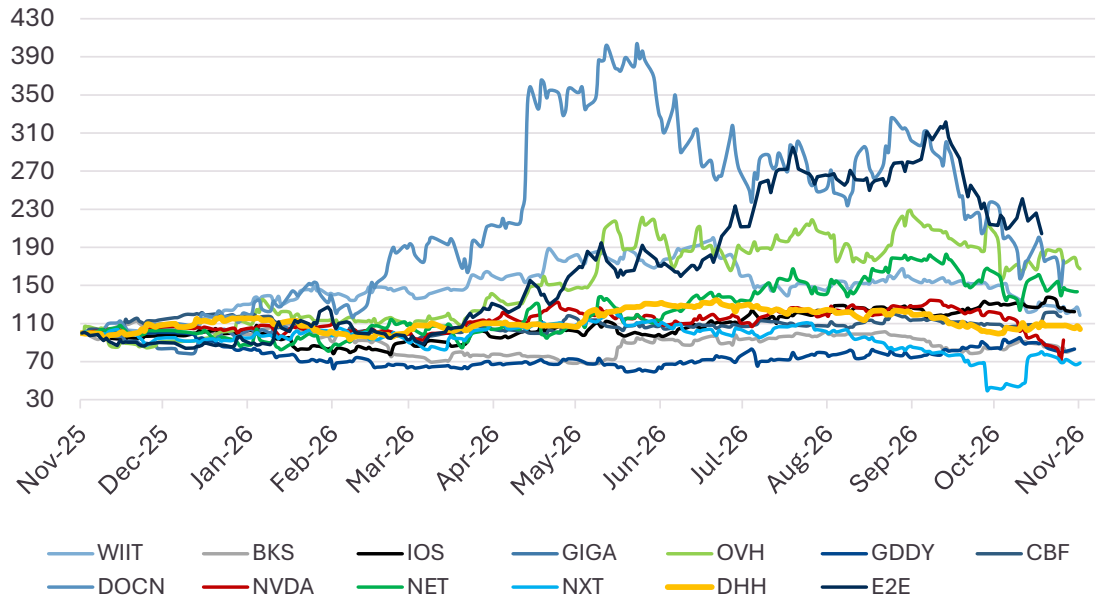
DHH Peers: Stock Market 3-months Performance (%)





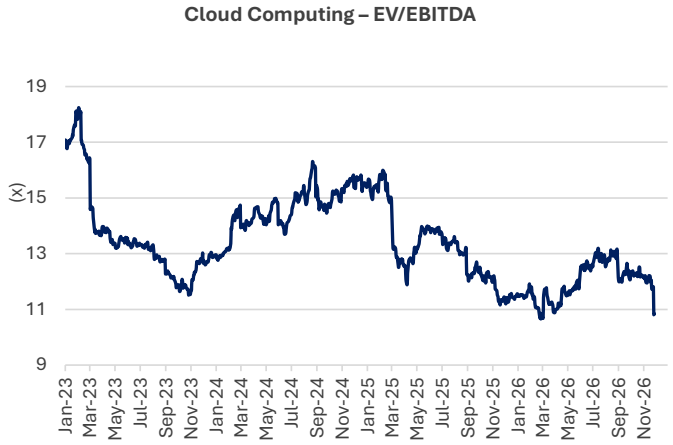
Source: Factset, Value Track Analysis

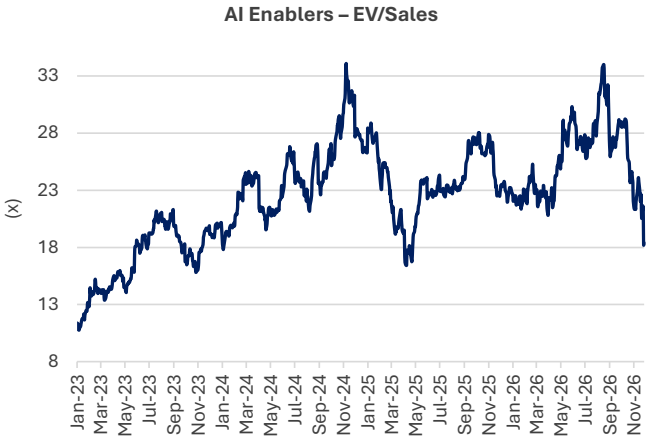
Last 12-Month Share Price Performance – Selected Peers (Base 100) (*)



Source: Factset, Value Track Analysis

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





Source: Factset, Value Track Analysis

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SOTP Valuation

Our SOTP valuation, now rolled over to 2027E, yields a **Fair Equity Value of €27.2 p/s**, based on:

- The application of the 2027E avg. EV/EBITDA multiple (7.8x) of the Cloud Computing & Hosting peer group (vs. 10.3x applied on 2026E previously; 9.1x on 2026E today) to DHH's stand-alone EBITDA 27E of €15.9mn, excluding the AI Infrastructure segment;
- A fixed 10.0x EV/Sales multiple applied to the AI Infrastructure and Other Innovative Products division, for which we forecast €2.7mn in 2027E revenues. This implies a 33% discount to the 2027E average of the AI Enablers peer group (14.9x), vs. the 50% discount previously applied.

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

Assumptions	FY27E
Value of Production	**65.9**
Cloud Computing & Cloud Hosting	*63.2*
AI Infrastructure / Other Innovative Products	*2.7*
EBITDA	**16.4**
Cloud Computing & Cloud Hosting	*15.9*
AI Infrastructure / Other Innovative Products	*0.5*

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

Thus, our SOTP analysis points to an Equity Fair Value of €27.2 p/s, with an Enterprise Value mix of 82% for Cloud Computing & Hosting and 18% for AI Infrastructure & Other Innovative Products. The sell-off of recent weeks has pushed peer multiples down, partly offset by the roll-over to 2027E. For the AI division we fix the multiple at 10.0x, as a 50% discount to the lower peer average would imply only ~7.5x.

DHH Group: Sum of the Parts Valuation

Fair Equity Value (€mn)	Cloud Computing & Cloud Hosting	AI Infrastructure / Other Innovative Products	Total
Peers EV/Sales 2027E (x)		14.9	
Peers EV/EBITDA 2027E (x)	7.8		
Discount vs. Peers (%)	*0%*	*33%*	
Fair Multiple (x)	**7.8**	**10.0**	
Fair Enterprise Value	**123.3**	**27.0**	**150.3**
As a % of Total	*82%*	*18%*	*100%*
NFP 2027E			0.3
Adjustments EV 2027E (**)			2.5
Fair Equity Value			**153.1**
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

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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 (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 2027E to 2034E, with Terminal Value calculated as of 2034E using a 2.5% perpetuity growth rate (PGR).

The resulting **Fair Equity Value** from the DCF model stands at **€35.1 p/s**.

DHH Group: DCF Model

(€mn)	TARGET
PV of Future Cash-Flows 2027E-2034E	58.0
PV of Terminal Value 2034E	136.6
Fair Enterprise Value	**194.6**
Net Fin. Position FY26E	0.0
Peripheral Assets (*)	2.5
Fair Equity Value	**197.1**
Number of Shares (mn)	5.6
Fair Equity Value p/s (€)	**35.1**

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	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
27.20	11.1	9.1	7.3	21.2	17.8	13.2	36.3	32.2	22.9
28.20	11.5	9.5	7.5	22.0	18.4	13.7	37.6	33.4	23.8
29.20	11.9	9.8	7.8	22.8	19.1	14.2	38.9	34.6	24.6
30.20	12.4	10.1	8.1	23.6	19.8	14.7	40.3	35.8	25.4
31.20	**12.8**	**10.5**	**8.4**	**24.4**	**20.4**	**15.2**	**41.6**	**37.0**	**26.3**
32.20	13.2	10.8	8.6	25.1	21.1	15.7	42.9	38.1	27.1
33.20	13.6	11.2	8.9	25.9	21.7	16.2	44.3	39.3	28.0
34.20	14.0	11.5	9.2	26.7	22.4	16.7	45.6	40.5	28.8
35.20	14.4	11.8	9.5	27.5	23.1	17.2	46.9	41.7	29.6

Source: Value Track Analysis

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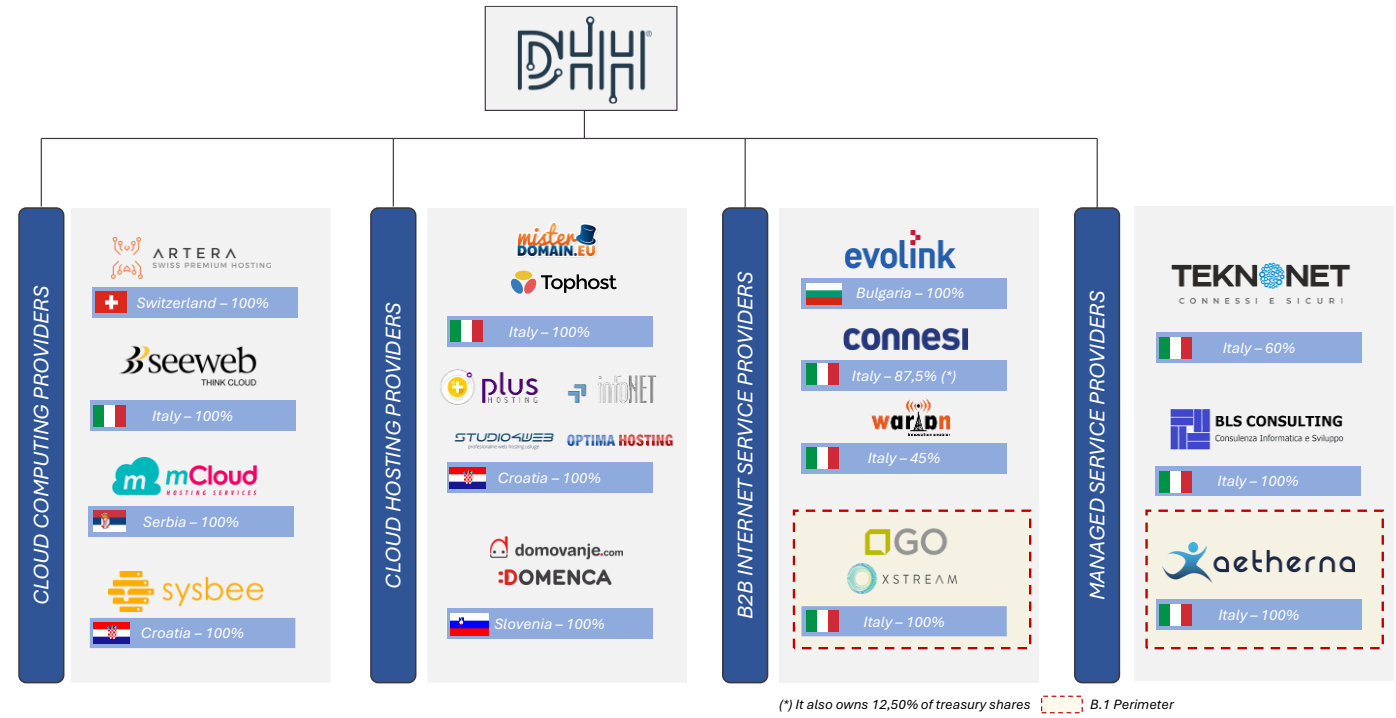
Appendix #1: Recap of Tessellis Deal

At a Glance

On 29 July 2026, DHH completed the acquisition of **Tessellis Group's B2B ICT operations** ("Perimeter B.1"), following the irrevocable offer submitted on 20 May 2026 and accepted by Tessellis, Tiscali Italia and GO Internet on 22 May 2026.

Closing followed the authorization granted by the Court of Cagliari on 13 July 2026 and the fulfilment of all remaining conditions precedent. The transaction was completed for a **fixed consideration of €4.2mn**, fully funded through DHH's existing cash resources, with financial consolidation starting from 1 August 2026.

DHH: New Group Structure



Source: Value Track Analysis

Key Deal Terms

We highlight the following key aspects of the transaction:

- **Attractive Valuation:** DHH acquired Perimeter B.1 for a fixed consideration of €4.2mn, implying an attractive ~0.3x FY25 EV/Sales multiple. Worth noting, DHH is exempt from liabilities relating to pre-transfer debts of the acquired business unit.
- **Quality of the Acquired Business:** Perimeter B.1 generated FY25 Top Line of €12.7mn, with > 80% recurring revenues, positive EBITDA and a customer base of 3,000+ B2B clients. According to management, the acquired perimeter has remained broadly stable over the last three years, posting an aggregate revenue CAGR of around 1%;
- **Industrial scope:** The transaction includes (i) GO Internet's B2B business unit, active in business connectivity and telecom services; (ii) GO Internet's stake in X-Stream S.r.l., a B2B telco operator specializing in internet access, VPN and unified communications; and (iii) Tiscali Italia's stake in Aetherna S.r.l., a specialized hospitality ICT operator offering managed connectivity, Wi-Fi, cybersecurity, cloud PBX and smart digital services for accommodation facilities. At closing, GO Internet's B2B business has been integrated into X-Stream, while Aetherna will be progressively

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repositioned as a hospitality-focused Managed Service Provider, leveraging DHH's established integration model;

- **Integration Roadmap:** Management expects the operational restructuring and efficiency programme to extend throughout FY27E, with commercial and cost synergies progressively supporting profitability. The medium-term target of ~25% EBITDA Margin is expected to be achieved primarily through operational improvements, without requiring material incremental capex.

Our Take

The completion of Perimeter B.1 represents **another demonstration of DHH's disciplined M&A strategy**: acquiring resilient B2B ICT businesses with high recurring revenues at attractive valuations, integrating them within the Group and progressively improving profitability through operational execution. At an implied EV/Sales multiple of around 0.3x, we view the acquisition as highly value-accretive, offering a compelling entry valuation for a business generating €12.7mn of Top Line, positive EBITDA and a sticky customer base of more than 3,000 business clients.

Strategically, the deal materially strengthens DHH's positioning in Italian B2B connectivity and managed ICT services, while expanding its presence in the hospitality vertical through Aetherna. Together with the recent acquisition of a 65% stake in BLS Consulting and the integration of Teknonet, Perimeter B.1 further reinforces DHH's strategy of building an increasingly diversified, recurring and higher-value ICT infrastructure platform.

Financial Impact: Perimeter B.1's Margin Build-Up

We model Perimeter B.1's contribution to the Group starting from August 2026, implying a **5-month consolidation window in FY26E**. On this basis, we expect the perimeter to contribute Top Line of €5.3mn in FY26E, rising to €13.7mn in FY27E on a full 12-month basis — the step-up mostly reflects this base effect, with prudent organic growth assumptions normalizing at around 8% p.a. from FY27E onwards.

Profitability is expected to follow a gradual recovery path, consistent with DHH's philosophy of progressively restructuring acquired companies to bring profitability in line with Group standards.

Particularly, we flag:

- **FY26E**: barely profitable at the EBITDA level, still EBIT-negative, reflecting the initial restructuring phase and the partial-year consolidation effect;
- **FY27E**: EBITDA Margin expanding to around 10%, as restructuring actions take hold;
- **FY28E**: turning EBIT-positive, with EBITDA Margin reaching 17%;
- **FY30E**: EBITDA Margin seen at 25%, broadly approaching group-level profitability.

Impact of Perimeter B.1 on DHH's 2026E-30E Financials

(€'000)	FY26E	FY27E	FY28E	FY29E	FY30E
Revenues	5,292	13,716	14,813	15,998	17,278
Revenues Growth (%)	*nm*	*nm*	*8%*	*8%*	*8%*
EBITDA	**265**	**1,372**	**2,518**	**3,200**	**4,320**
EBITDA Margin (%)	*5%*	*10%*	*17%*	*20%*	*25%*
EBIT	**-265**	**0**	**1,037**	**1,600**	**2,592**
Cash Generation on EBITDA (%)	*0%*	*15%*	*35%*	*45%*	*50%*
Cash Generated	0	206	881	1,440	2,160
NFP [i.e. Net Debt (-) Cash (+)]	**-4,200**	**-3,994**	**-3,113**	**-1,673**	**487**

Source: Value Track Analysis

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Appendix #2 – 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. This business line became relevant following a series of acquisitions completed in 2021 and 2022 and was significantly strengthened by the acquisition of the Perimeter B.1 (GO Internet B2B, X-Stream and Aetherna) in 2026;
- **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 and BLS Consulting in 2026.

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*).

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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 around 70% of DHH Group Sales today), 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 organic and 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. In 2026 alone, DHH completed the acquisitions of BLS Consulting and of the Perimeter B.1 of the Tessellis Group (including X-Stream), took a 5% stake in Netalia, and is working on further deals in Italy and other EU countries.

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-founder Mr. Baldassarra has a lot of skin in the game, as he controls around 30% 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 (above 90%) 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 around 50% of EBITDA.

6 - Acting with a highly responsible 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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