

DHH
BUY
Sector: Industrials
Price: Eu24.60 - Target: Eu32.00

Premium ABB and Supportive Context Boost 2026 Confidence

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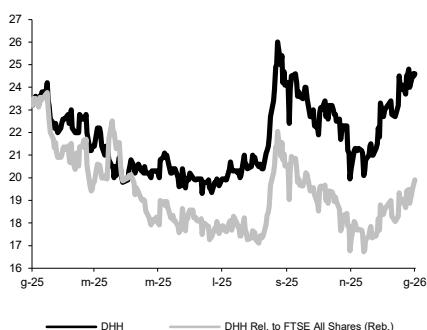
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Stock Rating		
Rating:		Unchanged
Target Price (Eu):		from 31.00 to 32.00
2025E	2026E	2027E
Chg in Adj EPS	-3.7%	-5.7%
		-5.8%

Next Event
FY25 Results Out 20 March 2026

DHH - 12M Performance

Stock Data

Reuters code:	DHH.MI		
Bloomberg code:	DHH IM		
Performance	1M	3M	12M
Absolute	5.6%	12.3%	6.0%
Relative	5.9%	7.8%	-17.6%
12M (H/L)		26.00/19.30	
3M Average Volume (th):		7.69	

Shareholder Data

No. of Ord shares (mn):	6
Total no. of shares (mn):	6
Mkt Cap Ord (Eu mn):	138
Total Mkt Cap (Eu mn):	138
Mkt Float - Ord (Eu mn):	32
Mkt Float (in %):	23.0%
Main Shareholder:	
Antonio D. Baldassarra	33.6%

Balance Sheet Data

Book Value (Eu mn):	44
BVPS (Eu):	8.06
P/BV:	3.1
Net Financial Position (Eu mn):	8
Enterprise Value (Eu mn):	130

In this note, we refresh our estimates to capture the impact of the December ABB, which led to limited technical dilution, partially offset by the premium at which it was executed. We also provide a preview of FY25 results, which are due to be released on 20th March, with no meaningful changes to our estimates. Recent management comments are supportive of our investment case, highlighting the favourable industry backdrop and increasing AI adoption.

■ **Rights issue at a premium:** in December, DHH carried out an institutional-only placement of a total of 354,916 shares via an accelerated bookbuilding process. Of these, 324,916 were newly issued (c.6% of the pre-deal share capital), while 30,000 shares (c.0.6%) were sold by COO Matija Jekovec. The placement price was set at €23 per share - an 11% premium to the 30-day VWAP - highlighting strong institutional demand. Total gross proceeds amounted to Eu8.2mn, of which Eu7.5mn was raised as primary capital. We view the transaction positively, as it (a) confirms solid institutional appetite at a premium to spot prices; (b) eliminates short-term overhang risk thanks to the 180-day lock-up; (c) strengthens financial firepower to support organic growth and M&A, adding strategic optionality not yet embedded in current valuations; and (d) expands the total free float, improving liquidity and potentially paving the way for a future move to the STAR segment.

■ **Messages from recent CEO interview** ([link](#), 14th January) were supportive of our investment case: (a) FY25 results (due out 20th March) expected in line with consensus (total revenues ~€43mn, +15%; EBITDA ~€13.7mn; net profit ~€4.3mn); (b) the recent ABB at a premium was not driven by funding needs but aimed at broadening the investor base; (c) translisting to the STAR segment is a potential option; (d) M&A focused on selective, prudent scouting of autonomous targets with high-quality client portfolios; (e) favourable industry backdrop driven by cloud repatriation, data sovereignty and demand for compliant private cloud/AI solutions; (f) AI adoption is moving beyond hype, acting as an operational enabler, with early signs of strong customer uptake and emerging recurring revenues for DHH.

■ **Change in estimates:** Our FY25-28 sales, EBITDA and net profit projections remain practically unchanged; the increase in the number of shares in circulation implies a dilution of c.6% in 2026 - 27 EPS, however, while net income from the capital raise is forecast to have driven a positive net cash position of Eu2.4mn at the end of 2025.

■ **BUY confirmed, new TP €32 (from €31).** We are lifting our TP after rolling our DCF model forward by one year. At our new TP, the stock would trade at ~12x EV/EBITDA'26E (~9x at current prices), at a discount to larger listed peers and recent private deals (c.15-19x EV/EBITDA). We appreciate the company's strong commitment to embedding a sustainable growth trajectory through organic development and disciplined margin management, while proactively assessing external growth opportunities in both existing and new EU markets (e.g. France/Spain). Its solid financial structure and well-diversified revenue base underpin resilience, with no concerns on insolvency risks or revenue concentration.

Key Figures & Ratios	2024A	2025E	2026E	2027E	2028E
Sales (Eu mn)	36	41	44	46	49
EBITDA Adj (Eu mn)	12	14	15	16	17
Net Profit Adj (Eu mn)	4	4	5	6	6
EPS New Adj (Eu)	0.749	0.834	0.904	1.019	1.106
EPS Old Adj (Eu)	0.749	0.866	0.958	1.081	
DPS (Eu)	0.000	0.000	0.000	0.000	0.000
EV/EBITDA Adj	9.1	8.7	8.7	7.8	6.9
EV/EBIT Adj	16.2	14.6	14.3	12.6	11.0
P/E Adj	32.8	29.5	27.2	24.2	22.3
Div. Yield	0.0%	0.0%	0.0%	0.0%	0.0%
Net Debt/EBITDA Adj	0.3	-0.2	-0.5	-0.9	-1.3

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The main methods used to evaluate financial instruments and set a target price for 12 months after the investment recommendation are as follows:

- Discounted cash flow (**DCF**) model or similar methods such as a dividend discount model (**DDM**)
- Comparison with market peers, using the most appropriate methods for the individual company analysed: among the main ratios used for industrial sectors are price/earnings (P/E), EV/EBITDA, EV/EBIT, price /sales
- Return on capital and multiples of adjusted net book value are the main methods used for banking sector stocks, while for insurance sector stocks return on allocated capital and multiples on net book value and embedded portfolio value are used
- For the utilities sector comparisons are made between expected returns and the return on the regulatory asset base (RAB)

Some of the parameters used in evaluations, such as the risk-free rate and risk premium, are the same for all companies covered, and are updated to reflect market conditions. Currently a risk-free rate of 4.0% and a risk premium between 5.5% - 6.0% are being used.

Frequency of research: quarterly.

Reports on all companies listed on the FTSEMIB40 Index, most of those on the MIDEX Index and the main small caps (regular coverage) are published at least once per quarter to comment on results and important newsflow.

A draft copy of each report may be sent to the subject company for its information (without target price and/or recommendations), but unless expressly stated in the text of the report, no changes are made before it is published.

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BUY: stock expected to outperform the market by over 25% over a 12 month period;

OUTPERFORM: stock expected to outperform the market by between 10% and 25% over a 12 month period;

NEUTRAL: stock performance expected at between +10% and -10% compared to the market over a 12 month period;

UNDERPERFORM: stock expected to underperform the market by between -10% and -25% over a 12 month period;

SELL: stock expected to underperform the market by over 25% over a 12 month period.

Prices: The prices reported in the research refer to the price at the close of the previous day of trading

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BUY:	32.33%
OUTPERFORM:	39.10%
NEUTRAL:	27.82%
UNDERPERFORM:	00.75%
SELL:	00.00%

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

BUY:	52.70%
OUTPERFORM:	31.08%
NEUTRAL:	14.87%
UNDERPERFORM:	01.35%
SELL:	00.00%

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