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Societa' : DHH

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Informazione  
Regolamentata

Nome utilizzatore : DOMINIONNSS02 - Giandomenico Sica

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Diffusione presunta

Oggetto : The Board of Directors of DHH S.p.A. has examined and approved the consolidated financial statements report for the first half of 2022

*Testo del comunicato*

Another semester of double-digit growth (+26%) in revenue, with EBITDA margin above 30% despite the macroeconomic situation and the increase in energy and related costs. Stable cash generation, thanks to the business model grounded on recurring revenue and automatic payments

## FINANCIAL HIGHLIGHTS

REVENUE EQUAL TO EUR 12,1 MILLION VERSUS EUR 9,6 MILLION AS OF 30 JUNE 2021 (+26%)

RECURRING REVENUE EQUAL TO 96% OF THE TOTAL REVENUE

EBITDA EQUAL TO EUR 3,7 MILLION VERSUS EUR 3,5 MILLION AS OF 30 JUNE 2021

OPERATING CASH FLOW EQUAL TO EUR 2,8 MILLION VERSUS EBITDA EQUAL TO EUR 3,7 MILLION - CASH CONVERSION EQUAL TO 76%

EARNING BEFORE TAXES EQUAL TO EUR 1,7 MILLION VERSUS EUR 1,8 MILLION AS OF 30 JUNE 2021

NET CASH EQUAL TO EUR 0,9 MILLION, IMPROVED BY CA. EUR 1,9 MILLION DURING THE FIRST SEMESTER OF 2022



## The Board of Directors of DHH S.p.A. has examined and approved the consolidated financial statements report for the first half of 2022

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### FINANCIAL HIGHLIGHTS

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- **RECURRING REVENUE EQUAL TO 96%** OF THE TOTAL REVENUE
- EBITDA EQUAL TO **EUR 3,7 MILLION** VERSUS **EUR 3,5 MILLION** AS OF 30 JUNE 2021
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- EARNING BEFORE TAXES EQUAL TO **EUR 1,7 MILLION** VERSUS **EUR 1,8 MILLION** AS OF 30 JUNE 2021
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Giandomenico Sica, Chairman of the Board of Directors of DHH, commented: “During the first half of 2022 we recorded a double-digit - 11,50% - organic growth that, coupled with the consolidation of the M&A deals done in 2021, led to a 26% growth. Connesi, the B2B Internet Service Provider that we acquired a few months ago, has been consolidated since the beginning of July. It didn't contribute to the results of H1-2022, while it will contribute to the results of H2-2022, thus further accelerating the growth rate of our group in the next semester. Worth of notice are 1) the very low level of CAPEX and 2) the focus on “revenue quality”, which means that 96% of our revenue is recurrent, with high visibility on the future. Despite the difficult macroeconomic conditions, and the consequent increase of energy and other costs, in the first semester of the year we managed to keep a healthy 31% EBITDA margin, growing margins by 7% YoY, with a cash conversion equal to 76% and an improvement of the Net Cash by ca. 1,9M EUR. In the second half of the year, on one hand we are working as usual to grow the business and to invest in new interesting companies, while on the other we are particularly focused on controlling the margins as we did during the pandemic peak, adopting a “wait and see” approach.”

Milan, 28 September 2022. The Board of Directors of DHH S.p.A. (“DHH” or the “Company”) (DHH.MI | WDHH21.MI) (ISIN shares IT0005203622), approved today the consolidated financial statements for the first half of 2022, prepared in compliance to international accounting standards (IAS/IFRS).



## PERFORMANCE OF THE GROUP

MAIN RESULTS H1-2022 (ALL AMOUNTS ARE IN EURO)	30.06.2022	30.06.2021
REVENUES	12,1M	9,6M
EBITDA	3,7M	3,5M
EBT	1,7M	1,8M

Source: official consolidated financial statements, audited

## REVENUE BY COUNTRY\*

MAIN RESULTS H1-2022 (ALL AMOUNTS ARE IN EURO)	30.06.2022	30.06.2021	DELTA
ITALY	7.158.036	6.469.164	+11%
SLOVENIA	1.253.898	1.139.794	+10%
CROATIA	1.386.862	1.212.882	+14%
SERBIA	340.707	315.830	+8%
SWITZERLAND	408.448	437.250	-7%
BULGARIA	1.513.387	-	n/a
<b>TOTAL</b>	<b>12.061.338</b>	<b>9.574.920</b>	<b>+26%</b>

\* Revenue refers to "net sales", without "other revenue"

## REVENUE BY SEGMENT\*

MAIN RESULTS H1-2022 (ALL AMOUNTS ARE IN EURO)	30.06.2022	30.06.2021	DELTA
IaaS	5.175.830	4.567.168	+13%
PaaS	4.039.424	3.530.398	+14%
SaaS	211.757	141.076	+50%
Datacenter & Networking	2.208.452	854.337	+158%
Managed Services	336.713	416.432	-19%
Other	89.162	65.509	+36%
<b>TOTAL</b>	<b>12.061.338</b>	<b>9.574.920</b>	<b>+26%</b>

\* Revenue refers to "net sales", without "other revenue"



During the financial semester ended 30 June 2022 the total operating revenues is equal to 12,35M EUR, with an increase of 2,73M EUR; the increase referred to the variation of the consolidation area is about 1,62M EUR due to Evolink A.d., the total increase is +28,33% and +11,49% from organic growth without Evolink.

Recurring revenue (referring to the IaaS, PaaS, SaaS e Datacenter & Networking segments) is equal to 96% of the total revenue.

The group is focused on cloud hosting, cloud computing, internet access and datacenter services as core business lines, and its revenues are approx. 7,30M EUR in Italy (Tophost and Seeweb), 1,27M EUR in Slovenia (Webtasy with the brands Domenca, Domovanje, Si.Shell), 1,41M EUR in Croatia (Plus Hosting Grupa with the brands Studio4web, Plus Hosting, Infonet, Optima Hosting and System Bee), 341K EUR in Serbia (mCloud with the brands mCloud, Plus hosting), 413K EUR in Switzerland (DHH SWZ with the brand Artera and Seeweb Swiss) and 1,62M EUR in Bulgaria (Evolink).

Operating costs are the ongoing expenses incurred from the normal running of the business and include selling, general and administrative expenses. Nevertheless, in the first six months of 2022, the first few effects of the war in Ukraine were reflected in the interim financial statements, particularly in energy costs. Specifically, the costs related to the datacenter management went from 1M EUR to 2M EUR, partly due to the effect of the consolidation of Evolink and partly due to the increase in energy costs and related expenses.

As a result, EBITDA came to 3,73M EUR in the first six months of 2022, slightly higher than the figure of 3,48M reported for the first six months of 2021: with an increase of +7,19% and +3,46% from organic growth without Evolink.

EBT equals to 1,7M EUR in the first six months of 2022, with a decrease of 2,58% and +2,25% organic growth without Evolink.

As of June 30, 2022, the group employed 152 people (June 30, 2021: 94). The increase is mainly due to the consolidation of Evolink, which has a staff of 49 employees.

Net income is 1,2M EUR, with a decrease of approximately 900k EUR compared to the previous period. The net income of the previous period had however been positively influenced by the extraordinary impact of 837k EUR due to the deferred tax assets originating from temporary differences between the carrying amount of assets (Trademarks) in the financial statements and the corresponding values recognized for the consolidated financial statements.

The net financial position is equal to 0,93M EUR of liquidity, including 4,1M EUR of leasing payables relating to IFRS 16, while at 31.12.2021 the leasing payables relating to IFRS 16 were equal to 5,2M EUR. It includes group liquidity of 10,02M EUR and financial payables of 9,09M EUR. In addition, there is the impact of the advance payment of 942k EUR relating to M&A transactions.

The group's liquidity increased by 6%. The group's financial payables decreased by 13%, mainly due to the reduction in leasing payables.



The net financial position includes the impact of investments for the purchase of infrastructure, as well as non-recurring costs for the M&A activity and for the purchase of treasury shares.

## **BUSINESS OUTLOOK**

The group confirms the plan for 2022 to focus the activities in two main areas: further geographic expansion and strengthening market position including both web hosting, cloud computing, datacenter services and internet access on one side and, supporting digital innovation and entrepreneurship alongside tech-communities in our current geographies on the other side.

As generally, the group confirms the growth for second half of the year, due to organic growth and both for expansion of the perimeter due to the entry into the group of the company Connesi S.p.A. from 1st July 2022.

The group is not directly exposed to the Russian market and does not have direct relationships with customers and suppliers in these geographical areas, except for general price increase and for increase in energy cost.

The group is constantly monitoring the general increase in electricity price started from second half of the 2021, and will take all measures to limit the risk of a possible reduction in marginality.

There are no particular situations of insolvency by parts of the group's customers, there are no effects on accounting items of a valuation nature due to Covid-19.

## **FURTHER INFORMATION**

The Board of Directors of DHH S.p.A. became aware of the precautionary renounce from beneficiaries of the assignment of the options of the "Piano Stock Option DHH 2022 – 2025" approved by the BoD on 23th May 2022. The waiver implies the unrecord of the Stock Option Plan cost under IFRS 2 in the half year report 2022.

BDO S.p.A. as the statutory auditor of the group, expressed positive opinion on the limited review on the consolidated half-year financial statement as of 30 June 2022.

The consolidated interim financial report will be made available to the public as per EGM regulations as well as on the company's website at [www.dhh.international](http://www.dhh.international).

## **INVESTOR RELATIONS**

The Chairman and CEO of DHH will comment on 1H 2022 results in a conference call to be held on **30 September 2022 at 3.30 pm CET**.

Registration at this link: <https://qo.mywebinar.com/kvsl-jdhr-spf-g-nhjf>

People interested in participating are invited to send any questions or topics of interest to the following email address: [investor.relations@dhh.international](mailto:investor.relations@dhh.international)



<b>CONSOLIDATED INCOME STATEMENT</b> (ALL AMOUNTS ARE IN EURO)	<b>CONSOLIDATED</b> 30.06.2022	<b>CONSOLIDATED</b> 30.06.2021	<b>DELTA</b>
Net Sales	12.061.338	9.574.920	26%
Other Revenues	237.033	49.114	383%
Internal projects R&S	51.731	-	100%
<b>OPERATING REVENUES</b>	<b>12.350.101</b>	<b>9.624.034</b>	<b>28%</b>
Material costs	(602.277)	(505.119)	19%
Services costs and use of third party assets	(5.422.914)	(3.841.433)	41%
<b>GROSS MARGIN</b>	<b>6.324.911</b>	<b>5.277.482</b>	<b>20%</b>
Personnel costs	(2.354.609)	(1.542.190)	53%
Other expenses	(239.478)	(254.578)	-6%
<b>EBITDA</b>	<b>3.730.823</b>	<b>3.480.714</b>	<b>7%</b>
Amortization and impairment	(1.882.466)	(1.604.503)	17%
<b>EBIT</b>	<b>1.848.357</b>	<b>1.876.210</b>	<b>-1%</b>
Financial income (expenses)	(92.849)	(70.866)	31%
Other non-operating income/expense	-	(3.336)	-100%
<b>EARNINGS BEFORE TAXES</b>	<b>1.755.509</b>	<b>1.802.008</b>	<b>-3%</b>
Current Taxes	(595.541)	(564.155)	6%
Deferred Taxes	17.248	858.903	-98%
Total Income taxes	(578.294)	294.749	-296%
<b>NET RESULT</b>	<b>1.177.215</b>	<b>2.096.757</b>	<b>-44%</b>
relating to the shareholders of the Group	1.213.178	2.093.773	-42%
relating to the third party shareholders	(35.963)	2.984	-1305%



<b>CONSOLIDATED NET FINANCIAL POSITION</b> (ALL AMOUNTS ARE IN EURO)	<b>CONSOLIDATED</b> 30.06.2022	<b>CONSOLIDATED</b> 31.12.2021	<b>DELTA</b>
A. Cash	-	-	
B. Cash equivalents	(9.793.187)	(9.259.765)	6%
C. Other current financial assets	(223.248)	(209.995)	6%
<b>D. LIQUIDITY (A)+(B)+ (C )</b>	<b>(10.016.435)</b>	<b>(9.469.760)</b>	<b>6%</b>
E. Current financial liabilities	2.570.787	3.049.764	-16%
F. Current part of non-current borrowing	2.474.164	2.511.004	-1%
<b>G. CURRENT FINANCIAL DEBT (E) + (F)</b>	<b>5.044.951</b>	<b>5.560.768</b>	<b>-9%</b>
<b>H. NET CURRENT FINANCIAL DEBT (G) - (D)</b>	<b>(4.971.485)</b>	<b>(3.908.992)</b>	<b>27%</b>
I. Non-current financial liabilities	4.045.125	4.852.880	-17%
J. Bonds issued	-	-	
K. Trade payables and Other non-current liabilities	-	-	
<b>L. NON-CURRENT FINANCIAL DEBT (I) + (J) + (K)</b>	<b>4.045.125</b>	<b>4.852.880</b>	<b>-17%</b>
<b>M. NET FINANCIAL DEBT (H) + (L)</b>	<b>(926.360)</b>	<b>943.888</b>	<b>-198%</b>

<b>ASSETS</b> (ALL AMOUNTS ARE IN EURO)	<b>CONSOLIDATED</b> 30.06.2022	<b>CONSOLIDATED</b> 31.12.2021	<b>DELTA</b>
Trademark	3.087.307	3.087.307	0%
Goodwill	9.638.196	9.666.343	-0,29%
Tangible fixed assets	1.921.834	1.891.963	2%
Right of use Assets	4.077.523	5.141.217	-21%
Intangible assets	1.730.324	1.858.826	-7%
Investments	767.101	767.101	0%
Non current financial assets	17.971	17.710	1%
Other non current assets	273.286	273.286	0%
Prepaid Tax assets	1.206.272	1.188.426	2%
<b>NON CURRENT ASSETS</b>	<b>22.719.813</b>	<b>23.892.178</b>	<b>-5%</b>
Trade receivables	2.994.384	2.537.570	18%
Current financial assets	223.248	209.996	6%
Other current assets	1.007.198	110.013	816%





Tax receivables	518.684	350.580	48%
Cash and cash equivalents	9.793.187	9.259.765	6%
Prepaid expenses and accrued income	976.524	877.053	11%
<b>CURRENT ASSETS</b>	<b>15.513.225</b>	<b>13.344.977</b>	<b>16%</b>
<b>TOTAL ASSETS</b>	<b>38.233.038</b>	<b>37.237.154</b>	<b>3%</b>
<b>LIABILITIES</b> (ALL AMOUNTS ARE IN EURO)	<b>CONSOLIDATED</b> 30.06.2022	<b>CONSOLIDATED</b> 31.12.2021	<b>DELTA</b>
Share Capital	489.277	489.277	0%
Reserves	16.680.647	14.315.183	16,5%
Retained Profit (Loss)	1.976.350	1.348.833	47%
Year's profit (loss) relating to the shareholders of the Group	1.213.178	3.191.183	-62%
<b>NET EQUITY PARENT COMPANY</b>	<b>20.359.452</b>	<b>19.344.477</b>	<b>5,2%</b>
Capital and Reserves relating to the third party shareholders	607.231	634.527	-4%
Year's Profit/loss relating to the third party shareholders	(35.963)	(27.442)	31%
<b>NET EQUITY TO THE THIRD PARTY SHAREHOLDERS</b>	<b>571.268</b>	<b>607.085</b>	<b>-6%</b>
<b>NET EQUITY</b>	<b>20.930.720</b>	<b>19.951.561</b>	<b>4,9%</b>
Non current financial payables	4.045.125	4.852.879	-17%
Severance reserves	591.982	545.035	9%
Provisions for risks and future liabilities	-	-	n/a
Other non current liabilities	-	-	n/a
Liabilities for deferred taxes	931.275	928.904	0,26%
<b>NON CURRENT LIABILITIES</b>	<b>5.568.382</b>	<b>6.326.818</b>	<b>-12%</b>
Trade payables	1.923.984	1.561.157	23%
Other current liabilities	615.775	584.377	5%
Current financial liabilities	5.044.951	5.560.769	-9%
Tax payables	875.588	300.352	192%
Accrued liabilities and deferred income	3.273.639	2.952.120	11%
<b>CURRENT LIABILITIES</b>	<b>11.733.937</b>	<b>10.958.775</b>	<b>7%</b>
<b>TOTAL LIABILITIES</b>	<b>17.302.319</b>	<b>17.285.593</b>	<b>0,10%</b>
<b>TOTAL LIABILITIES AND NET EQUITY</b>	<b>38.233.039</b>	<b>37.237.154</b>	<b>3%</b>



<b>CASH FLOW STATEMENT</b> (ALL AMOUNTS ARE IN EURO)	<b>CONSOLIDATED</b> 30.06.2022	<b>CONSOLIDATED</b> 30.06.2021	<b>DELTA</b>
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>			
Profit for period	1.177.215	2.096.757	-44%
Income taxes	578.294	(294.749)	-296%
Interest payables/(receivables)	92.849	70.866	31%
(Capital losses)/gains from sales of assets		-	
(Capital gains)/losses from Business Combinations		-	
<b>1. EARNINGS BEFORE INCOME TAX, INTEREST, DIVIDENDS AND CAPITAL GAIN/LOSSES</b>	<b>1.848.357</b>	<b>1.872.874</b>	<b>-1%</b>
Adjustments for non-cash items that are not accounted for in net working capital change:			
- Allocation to reserves	55.185	17.920	208%
- Amortization and depreciation of assets	1.880.674	1.604.102	17%
- Permanent loss write-down	1.792	401	347%
- Other adjustments on non-monetary items	1.903	2.949	-35%
<b>2. CASH FLOW BEFORE NWC CHANGES</b>	<b>3.787.911</b>	<b>3.498.246</b>	<b>8%</b>
Changes in NWC:	(301.933)	392.985	-177%
- Decrease (increase) in inventories	-	-	
- Decrease (increase) in customer receivables	(382.891)	(128.241)	199%
- Increase (decrease) in supplier payables	287.111	187.322	53%
- Decrease (increase) in prepaid expenses and accrued income	255.610	167.497	53%
- Increase (decrease) in accrued expenses and deferred income	(33.563)	(110.964)	-70%
- Other changes to the NWC	(428.202)	277.371	-254%
<b>3. CASH FLOW AFTER NWC CHANGES</b>	<b>3.485.977</b>	<b>3.891.232</b>	<b>-10%</b>
Other changes:	(677.009)	223.363	-403%
- Interests collected/(paid)	(92.849)	(70.866)	31%
- (income taxes paid)	(578.813)	294.229	-297%
- Dividends received	-	-	
- (Use of reserves)	(5.347)	-	-100%
<b>CASH FLOW FROM OPERATING ACTIVITIES [A]</b>	<b>2.808.969</b>	<b>4.114.595</b>	<b>-32%</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>			
(Investments) disinvestment in tangible assets	(353.061)	(327.329)	8%



(Investments) disinvestment in right of use assets	(292.242)	(1.391.253)	-79%
(Investments) disinvestment in intangible assets	(118.754)	(496.830)	-76%
(Investments) disinvestment in financial assets	12.042	(957.255)	-101%
(Investments) disinvestment in non-capitalized financial assets			
<b>CASH FLOW FROM INVESTING ACTIVITIES [B]</b>	<b>(752.015)</b>	<b>(3.172.667)</b>	<b>-76%</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES [C]</b>			
Increase (decrease) current payables to banks	(281.035)	10.334	-2819%
New loans (Loan repayments)	(1.042.538)	38.039	-2841%
Paid capital increase		32.345	-100%
Treasury share sale (purchase)	(199.959)	-	100%
(Dividends paid)		-	
<b>CASH FLOW FROM FINANCING ACTIVITIES [C]</b>	<b>(1.523.532)</b>	<b>80.719</b>	<b>-1987%</b>
INCREASE (DECREASE) IN LIQUIDITY [A]+[B]+[C]	533.422	1.022.647	-48%
LIQUID FUNDS AT THE BEGINNING OF THE PERIOD	9.259.765	8.846.040	5%
LIQUID FUNDS AT THE END OF THE PERIOD	9.793.187	9.868.687	-1%

## About DHH S.p.A.

Established in July 2015 and located in Milan, DHH SpA (“DHH”) is a tech-group that provides the “virtual infrastructure” to run websites, apps, e-commerces and software as a service solutions to around 120.000 customers across Southeast Europe (the so-called “Adriatic Sea area”), a geographic area where expected growth rates are higher thanks to current lower digital penetration.

DHH is listed on Euronext Growth Milan, a Multilateral Trading Facility regulated by Borsa Italiana S.p.A. and registered as an SME Growth Market.

For more information please visit: [www.dhh.international](http://www.dhh.international)

### Contact

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