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Societa' : DHH

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Informazione  
Regolamentata

Nome utilizzatore : DOMINIONN02 - Giandomenico Sica

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Oggetto : The Board of Directors of DHH S.p.A.  
examined and approved the consolidated  
financial statements report for the first half  
of 2023

*Testo del comunicato*

Another semester of double-digit growth (+38%) in revenues, with profitability increased by 44%. Strong cash generation, thanks to the business model grounded on recurring revenues and automatic payments. Industrial focus on the development of cloud GPU products for AI, Machine Learning and Deep Learning applications

## CONSOLIDATED FINANCIAL HIGHLIGHTS - 30 JUNE 2023 VS 30 JUNE 2022

NET SALES EQUAL TO EURO 16,5M VS EURO 12,1M +37%

RECURRING REVENUES EQUAL TO 94% OF THE TOTAL REVENUES

EBITDA ADJ EQUAL TO EURO 5,4M VS EURO 3,7M +44%

EBIT ADJ EQUAL TO EURO 2,6M VS EURO 1,8M +40%

NET PROFIT ADJ EQUAL TO EURO 1,4M VS EURO 1,2M +16%

OPERATING CASH FLOW EQUAL TO EURO 5,6M VS EBITDA ADJ EQUAL TO EURO 5,4M – CASH CONVERSION EQUAL TO 104%

NET FINANCIAL POSITION EQUAL TO EURO 5,6M (DEBT), INCLUDING CASH AVAILABILITIES EQUAL TO EURO 10,9M



## The Board of Directors of DHH S.p.A. examined and approved the consolidated financial statements report for the first half of 2023

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Giandomenico Sica, Chairman of the Board of Directors of DHH, commented: “During this semester, we have experienced a 38% growth in revenues. This achievement was driven by organic growth of 10% and the significant contribution of the acquisition of Connesi, which was completed in July of last year. It is worth noting that, over the course of this semester, Connesi has seen a 14% increase in revenues, improving its profitability by 24%. Furthermore, our Group’s overall profitability has increased by 44%, with an adjusted EBITDA margin exceeding 30%. This results from our ongoing commitment to improving the operational efficiency of the various companies within the Group and stabilising energy costs. We have upheld our commitment to pursuing revenues quality, meaning that a significant percentage of 94% of our revenues is recurrent and predictable over time. This provides us with strong visibility into the future. Additionally, our cash conversion, which measures the efficiency of converting operational cash flow into EBITDA, remains consistently above 100%. This achievement results from our business model centered around the sale of subscriptions and “as a service” technologies. From an industrial perspective, in addition to continuing to refine our existing activities and adopting incremental process improvements, we have successfully launched a new commercial offering based on the sale of GPU cloud services. These services are designed to support Artificial Intelligence, Machine Learning, and Deep Learning projects and are fully GDPR-compliant. We see tremendous potential in this market, with several pilot projects underway and plans to expand this line of business both in Italy and abroad. Regarding growth through acquisitions, in the first half of this year, we completed a significant consolidation operation with the acquisition of Misterdomain. We are actively evaluating new acquisition opportunities to further support the expansion of our Group, both nationally and internationally.”

**DHH S.p.A.**

Via Caldera 21, 20153 Milano

P.IVA/CF: 09150720960

[www.dhh.international](http://www.dhh.international)



Milan, 21 September 2023. DHH S.p.A. (“DHH” or the “Company”) (DHH.MI | WDHH21.MI) (ISIN shares IT0005203622), announces that today the Board of Directors approved the consolidated financial statements for the first half of 2023, prepared in compliance to international accounting standards (IAS/IFRS).

## COMMENT ON THE RESULTS

The Profit and Loss Statement as of June 30th, 2023, reflects the variation in the consolidation area due to the acquisition of control of Connesi S.p.A. (along with its subsidiary, Aticon Srl) starting from July 1st, 2022.

The strong performance observed within the Group throughout 2022 has continued into the first half of 2023. This performance becomes even more noteworthy when examining the adjusted figures, which have been recalibrated to ensure a more accurate comparison of results.

The Group has reported significant revenues growth, both in terms of organic expansion, amounting to 10%, and through mergers and acquisitions, which contributed a 38% increase.

During the first half of the fiscal year ending on June 30th, 2023, the Group’s consolidated revenues totaled 17,1 million EUR, marking a substantial increase of 4,7 million EUR. Notably, a significant portion of this increase, approximately 3,5 million EUR, is attributed to the impact of the Connesi S.p.A. acquisition (including Aticon Srl).

The Group’s core business lines are centered around cloud hosting, cloud computing, and datacenter services. In Italy, the Group’s revenues reached approximately 11,7 million EUR, encompassing Tophost and Misterdomain, Seeweb, Connesi, and Aticon brands. In Slovenia, the Group generated 1,5 million EUR in revenues through Webtasy, Domenca, Domovanje, Si.Shell, and Hosterdam. Croatia contributed 1,5 million EUR through Plus Hosting Grupa, Studio4web, Plus Hosting, Infonet, Optima Hosting, and System Bee. MCloud and Plus Hosting brought in 0,4 million EUR in Serbia, Switzerland’s Artera brand contributed another 0,4 million EUR, and Bulgaria’s Evolink generated 1,6 million EUR.

The Group’s operating costs include all ongoing expenses related to the business’s day-to-day operations, encompassing selling, general, and administrative expenses. Notably, energy costs remained stable during this period.

Furthermore, the Group’s operating costs reflect a negative impact of 1,1 million EUR due to the IFRS 2 non cash effect of the Stock Option Plan 2022–2025, which received approval from the Board of Directors and was based on a valuation by an expert firm. The cost in question is regarded as a non-recurring expense; therefore, its influence is omitted from the calculation of the ADJ figures.

The consolidated EBITDA has reached 4,3 million EUR, showing a notable increase of 0,6 million EUR. This increase is attributed to both the changes in the consolidation area and the enhanced performance of the Group’s companies.



## SIGNIFICANT EVENTS IN THE SEMESTER

### *26th January 2023: Tophost Srl's Acquisition of Misterdomain*

On January 26, 2023, DHH S.p.A. announced the acquisition of Misterdomain (<https://misterdomain.eu>) by its subsidiary, Tophost Srl. Misterdomain, a significant player in Italy's web hosting market, with 31.000 domains, and around 500.000 EUR in turnover, will be fully integrated into Tophost. The transaction's value is 700.000 EUR, paid in cash at closing.

### *15th March 2023: Webtasy d.o.o. Acquires Hosterdam*

On March 15, 2023, DHH's subsidiary, Webtasy d.o.o., completed the acquisition of Hosterdam, a Slovenian shared hosting and domain registration provider, for 25.000 EUR. This move aligns with the Group's strategy to strengthen its presence in the Slovenian market. Hosterdam manages around 450 shared hosting packages and 1.360 registered domains.

## BUSINESS OUTLOOK

The current strategic plan focuses on two primary areas for DHH: expanding DHH's geographic reach and bolstering DHH's market position. This encompasses web hosting, cloud computing, data center services, internet access industries, and supporting digital innovation and entrepreneurship within DHH's current markets. DHH remains committed to its growth objectives for the upcoming year, driven by both organic expansion and the inclusion of Misterdomain and Hosterdam into DHH's portfolio starting January 2023. Regarding DHH's exposure to the Russian market, it's important to note that DHH does not maintain direct customer or supplier relationships in these regions. DHH's interactions are limited to general price fluctuations and increasing energy costs. Electricity prices have stabilized, yet the potential for further significant increases remains due to its inherent volatility.

While current energy market conditions have improved compared to the past, predicting the near future remains challenging for DHH. Nevertheless, DHH's Group companies with substantial energy demands actively work towards specific agreements to mitigate these risks. The delivery times for electronic equipment continue to average around 180-210 days for DHH. To address this challenge, DHH has adjusted its usual technological update cycle, reserving new equipment solely for expanding DHH's production capacity. Consequently, DHH anticipates no significant adverse effects on its ability to provide industrial services. Lastly, it's worth noting that none of DHH's customers currently face insolvency issues.

## FURTHER INFORMATION

The approved data has been submitted to BDO Italia S.p.A., appointed audit firm, for their review.

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 H1 2023 results in a conference call to be held on **22 September 2023 at 3.30 pm CET** at this link: <https://whereby.com/dhhspace>.

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)

### About DHH S.p.A.

Established in July 2015 and located in Milan, DHH SpA (“DHH”) is a tech-group that provides the “internet 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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<b>CONSOLIDATED INCOME STATEMENT</b> (All amounts are in EURO)	<b>CONSOLIDATED</b> 30.06.2023	<b>CONSOLIDATED</b> 30.06.2022	<b>DELTA</b>
Net Sales	16.520.449	12.061.338	37%
Other Revenues	556.778	288.763	93%
<b>TOTAL REVENUES</b>	<b>17.077.227</b>	<b>12.350.101</b>	<b>38%</b>
Material costs	(1.074.663)	(602.277)	78%
Service costs and use of third party assets	(7.981.529)	(5.422.914)	47%
Personnel costs	(3.305.555)	(2.354.609)	40%
Other expenses	(431.152)	(239.478)	80%
<b>TOTAL OPERATING COSTS</b>	<b>(12.792.899)</b>	<b>(8.619.278)</b>	<b>48%</b>
<b>EBITDA</b>	<b>4.284.328</b>	<b>3.730.823</b>	<b>15%</b>
Amortization and impairment	(2.806.925)	(1.882.466)	49%
<b>EBIT</b>	<b>1.477.402</b>	<b>1.848.357</b>	<b>-20%</b>
Financial income (expenses)	(355.454)	(92.849)	283%
Other non-operating income/expense	-	-	-
<b>EARNINGS BEFORE TAXES</b>	<b>1.121.948</b>	<b>1.755.509</b>	<b>-36%</b>
Total current and deferred income taxes	(808.436)	(578.294)	40%
<b>NET INCOME (LOSS) FOR THE YEAR</b>	<b>313.512</b>	<b>1.177.215</b>	<b>-73%</b>
relating to the shareholders of the Group	297.542	1.213.178	-75%
relating to the third party shareholders	15.971	(35.963)	-144%
<b>EBITDA Adjusted*</b>	<b>5.390.195</b>	<b>3.730.823</b>	<b>44%</b>
<b>EBIT Adjusted*</b>	<b>2.583.269</b>	<b>1.848.357</b>	<b>40%</b>
<b>NET PROFIT Adjusted * (attributable to the shareholders of the group)</b>	<b>1.403.409</b>	<b>1.213.178</b>	<b>16%</b>

\* Impact of non recurring revenues and costs

<b>CONSOLIDATED NET FINANCIAL POSITION</b> (All amounts are in EURO)	<b>CONSOLIDATED</b> 30.06.2023	<b>CONSOLIDATED</b> 31.12.2022	<b>DELTA</b>
A. Cash	(10.641.460)	(10.643.629)	0%
B. Cash equivalents	-	-	-
C. Other current financial assets	(223.235)	(223.628)	0%
<b>D. LIQUIDITY (A) + (B) + (C)</b>	<b>(10.864.695)</b>	<b>(10.867.257)</b>	<b>0%</b>
E. Current financial liabilities	108.186	110.829	-2%
F. Current part of non-current borrowing	4.641.000	4.683.242	-1%
<b>G. CURRENT FINANCIAL DEBT (E) + (F)</b>	<b>4.749.185</b>	<b>4.794.071</b>	<b>-1%</b>
<b>H. NET CURRENT FINANCIAL DEBT (G) - (D)</b>	<b>(6.115.510)</b>	<b>(6.073.186)</b>	<b>1%</b>
I. Non-current financial liabilities	11.695.012	12.102.648	-3%
J. Bonds issued	-	-	-
K. Trade payables and Other non-current liabilities	-	-	-
<b>L. NON-CURRENT FINANCIAL DEBT (I) + (J) + (K)</b>	<b>11.695.012</b>	<b>12.102.648</b>	<b>-3%</b>
<b>M. NET FINANCIAL DEBT (H) + (L)</b>	<b>5.579.502</b>	<b>6.029.462</b>	<b>-7%</b>



<b>ASSETS</b> (All amounts are in EURO)	<b>CONSOLIDATED</b> 30.06.2023	<b>CONSOLIDATED</b> 31.12.2022	<b>DELTA</b>
Trademark	3.087.307	3.087.307	0%
Goodwill	11.132.250	10.461.147	6%
Tangible fixed assets	11.441.589	11.207.617	2%
Right of use Assets	5.809.045	4.923.131	18%
Intangible assets	2.019.931	2.042.941	-1%
Investments	1.410.293	1.410.293	0%
Non current financial assets	576.579	544.598	6%
Other non current assets	275.028	275.028	0%
Prepaid Tax assets	1.219.567	1.197.771	2%
<b>NON CURRENT ASSETS</b>	<b>36.971.590</b>	<b>35.149.832</b>	<b>5%</b>
Inventories	440.720	400.724	100%
Trade receivables	4.179.559	5.078.027	-18%
Current financial assets	223.235	223.628	0%
Other current assets	120.090	219.547	-45%
Tax receivables	570.608	534.353	7%
Cash and cash equivalents	10.641.460	10.643.629	0%
Prepaid expenses and accrued income	1.415.456	1.208.079	17%
<b>CURRENT ASSETS</b>	<b>17.591.129</b>	<b>18.307.987</b>	<b>-4%</b>
<b>TOTAL ASSETS</b>	<b>54.562.719</b>	<b>53.457.820</b>	<b>2%</b>
<b>LIABILITIES</b> (all amounts are in Euro)	<b>CONSOLIDATED</b> 30.06.2023	<b>CONSOLIDATED</b> 31.12.2022	<b>DELTA</b>
Share Capital	489.277	489.277	0%
Reserves	21.721.483	19.921.631	9%
Retained Profit (Loss)	913.403	891.842	2%
Year's profit (loss) relating to the shareholders of the Group	297.542	743.122	-60%
<b>NET EQUITY PARENT COMPANY</b>	<b>23.421.704</b>	<b>22.045.873</b>	<b>6%</b>
Capital and Reserves relating to the third party shareholders	1.479.979	1.955.084	-24%
Year's Profit/loss relating to the third party shareholders	15.971	124.109	-87%
<b>NET EQUITY TO THE THIRD PARTY SHAREHOLDERS</b>	<b>1.495.949</b>	<b>2.079.193</b>	<b>-28%</b>
<b>NET EQUITY</b>	<b>24.917.654</b>	<b>24.125.066</b>	<b>3%</b>
Non current financial payables	11.695.012	12.102.648	-3%
Severance reserves	741.706	737.789	1%
Provisions for risks and future liabilities	-	-	
Other non current liabilities	-	-	
Liabilities for deferred taxes	1.633.765	1.635.046	0%
<b>NON CURRENT LIABILITIES</b>	<b>14.070.483</b>	<b>14.475.483</b>	<b>-3%</b>
Trade payables	4.262.207	4.554.269	-6%
Other current liabilities	994.372	920.747	8%
Current financial liabilities	4.749.185	4.794.071	-1%
Tax payables	1.337.173	728.228	84%
Accrued liabilities and deferred income	4.231.646	3.859.957	10%
<b>CURRENT LIABILITIES</b>	<b>15.574.583</b>	<b>14.857.271</b>	<b>5%</b>
<b>TOTAL LIABILITIES</b>	<b>29.645.066</b>	<b>29.332.754</b>	<b>1%</b>
<b>TOTAL LIABILITIES AND NET EQUITY</b>	<b>54.562.719</b>	<b>53.457.820</b>	<b>2%</b>





<b>CASH FLOW STATEMENT</b> (All amounts are in EURO)	<b>CONSOLIDATED</b> 30.06.2023	<b>CONSOLIDATED</b> 30.06.2022	<b>DELTA</b>
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>			
Profit for period	313.512	1.177.215	-73%
Income taxes	808.436	578.294	40%
Interest payables/(receivables)	355.454	92.849	283%
(Capital losses)/gains from sales of assets			
(Capital losses)/gains from Business Combinations			
<b>1. EARNINGS BEFORE INCOME TAX, INTEREST, DIVIDENDS AND CAPITAL GAIN/LOSSES</b>	<b>1.477.402</b>	<b>1.848.357</b>	-20%
Adjustments for non-cash items that are not accounted for in net working capital change:			
- Allocation to reserves	63.644	55.185	15%
- Amortization and depreciation of assets	2.743.981	1.880.674	46%
- Permanent loss write-down	62.945	1.792	3413%
- Other adjustments on non-monetary items	1.101.468	1.903	57794%
<b>2. CASH FLOW BEFORE NWC CHANGES</b>	<b>5.449.440</b>	<b>3.787.911</b>	44%
Changes in NWC:	1.377.722	(301.934)	-556%
- Decrease (increase) in inventories	(39.996)	-	
- Decrease (increase) in customer receivables	835.523	(382.891)	-318%
- Increase (decrease) in supplier payables	(292.062)	287.111	-202%
- Decrease (increase) in prepaid expenses and accrued income	(207.377)	255.610	-181%
- Increase (decrease) in accrued expenses and deferred income	371.689	(33.563)	-1207%
- Other changes to the NWC	709.946	(428.202)	-266%
<b>3. CASH FLOW AFTER NWC CHANGES</b>	<b>6.827.162</b>	<b>3.485.977</b>	96%
Other changes:	(1.224.898)	(677.009)	81%
- Interests collected/(paid)	(355.454)	(92.849)	283%
- (income taxes paid)	(808.955)	(578.813)	40%
- Dividends received	-	-	
- (Use of reserves)	(60.489)	(5.347)	1031%
<b>CASH FLOW FROM OPERATING ACTIVITIES [A]</b>	<b>5.602.264</b>	<b>2.808.968</b>	99%
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>			
(Investments) disinvestment in tangible assets	(1.047.369)	(353.061)	197%
(Investments) disinvestment in right of use assets	(2.544.395)	(292.242)	771%
(Investments) disinvestment in intangible assets	(920.197)	(118.754)	675%
(Investments) disinvestment in financial assets	(39.950)	12.042	-432%
(Investments) disinvestment in non-capitalized financial assets	-	-	
<b>CASH FLOW FROM INVESTING ACTIVITIES [B]</b>	<b>(4.551.911)</b>	<b>(752.015)</b>	505%
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>			
Increase (decrease) current payables to banks	16.437	(281.035)	-106%
New loans (Loan repayments)	(468.958)	(1.042.538)	-55%
Paid capital increase	-	-	
Treasury share sale (purchase)	(600.000)	(199.959)	100%
(Dividends paid)	-	-	
<b>CASH FLOW FROM FINANCING ACTIVITIES [C]</b>	<b>(1.052.522)</b>	<b>(1.523.532)</b>	-31%
<b>INCREASE (DECREASE) IN LIQUIDITY [A]+[B]+[C]</b>	<b>(2.169)</b>	<b>533.422</b>	-100%
<b>LIQUID FUNDS AT THE BEGINNING OF THE PERIOD</b>	<b>10.643.629</b>	<b>9.259.765</b>	15%
Consolidated variation area			
<b>LIQUID FUNDS AT THE END OF THE PERIOD</b>	<b>10.641.460</b>	<b>9.793.187</b>	9%

Fine Comunicato n.20088-10

Numero di Pagine: 10