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Oggetto : DHH S.p.A. Results as at Q3 2024

Testo del comunicato

Financial performance overview: # Revenue: Reached EUR 27,4M in the first nine months of 2024, compared to EUR 25,6M in the same period of the previous year, representing a growth of 7%. # Recurring Revenue: Constitutes 94% of total revenue, highlighting a stable turnover predictability. # EBITDA: Amounted to EUR 8,7M, up from EUR 7,3M, reflecting an increase of 20% and an EBITDA margin of 33%. # Earnings Before Tax (EBT): Stood at EUR 4,4M, up from EUR 2,7M, showing a growth of 62%. # Net Profit: Increased to EUR 3M from EUR 1,4 M, marking a substantial rise of 108%. # Operating Cash Flow: Reported at EUR 7,7M with a cash conversion rate of 88%. # Net Debt: Reduced to EUR 2,86M, against EUR 6,6M at the end of the previous year, due to cash generation effective liquidity management.



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Milan, 22 November 2024. DHH S.p.A. (DHH.MI) (ISIN shares IT0005203622) today reports the findings from the Board of Directors' review results as at the third quarter 2024. These figures are derived from the group's management accounts and are non-audited.

Growth and Market Development:

Consolidated Net Sales: The Group's **consolidated net sales** showed an overall positive trend. As of September 30, 2024, they reached €26,8 million, marking a 7% year-over-year increase compared to €24,9 million in the same period of 2023. All major business lines grew in the period.

Business Connectivity led the way with a significant increase of 10%, fueled by market expansion and broader adoption of advanced connectivity solutions.

Cloud Hosting and **Cloud Computing** also delivered solid growth, up 8% and 6% respectively, driven by rising demand for scalable infrastructure and hosting services.

The **Datacenter & Networking** segment remained stable, with a marginal growth of 0,3% at €2,4 million. This flat performance is mainly due to energy price fluctuations, which are passed through to customers. Higher energy prices as at Q3 2023 compared to Q3 2024 offset potential revenue growth despite consistent service adoption.

Other segments showed mixed results, reflecting their complementary and non-strategic nature. **Managed Services** experienced an 8% decline, while the **Other** category increased by 36%. Both segments are characterized by non-recurring and opportunistic sales, supporting the Group's core operations without being part of its strategic priorities.



All companies within the Group, without exception, demonstrated a growth trend during the period. Notably, **Evolink**, which had shown flat or negative performance in previous quarters, returned to positive growth. Among the best-performing products driving organic growth, the **infrastructure solutions for artificial intelligence** – including GPU and NPU offerings – stood out. Specific figures remain undisclosed as part of the Group’s strategic decision to avoid providing insights to competitors, while the strong growth trend in this segment is firmly confirmed.

Geographical Performance: Geographically, the Group experienced growth across all its markets in the first nine months of 2024 compared to the same period in 2023. In **Italy**, net sales increased by 8% to €18,1 million, reinforcing its position as the primary market for the Group. **Slovenia** and **Croatia** showed robust growth of 9% and 10% respectively, with net sales reaching €2,3 million and €2,5 million. **Serbia**’s net sales grew by 6% to €0,6 million, while **Switzerland** achieved the highest percentage growth of 11%, with net sales of €0,7 million. **Bulgaria** remained relatively stable with a slight increase of 1% to €2,4 million. Overall, consolidated net sales grew by 7% to €26,8 million, reflecting the Group’s successful market expansion and penetration across different regions.

Operational and Financial Efficiency:

Consolidated EBITDA: The Group’s **EBITDA** for the first nine months of 2024 amounted to €8,7 million (EBITDA margin: 33%), reflecting a year-over-year growth of 20% compared to €7,3 million in 2023.

Operating expenses during the period showed targeted adjustments and efficient management:

- **Purchases of raw materials, spare parts, and consumables** amounted to €2 million, increasing by €0,6 million compared to the previous year. This increase is primarily driven by higher license costs and increased hardware acquisitions.
- **Datacenter services** costs totaled €2,1 million, showing a decrease of €0,1 million year-over-year. This reduction is mainly attributed to lower energy prices, which benefited the datacenter management, both of which faced higher electricity costs in the previous year.
- **Wholesale services and licenses** reached €3,5 million, increasing by €0,2 million compared to 2023. The rise is mainly linked to higher sales volumes in the cloud hosting and in the business connectivity segments.
- **Professional services** amounted to €2,4 million, showing a decline of €0,7 million. This decrease is primarily due to the absence of stock option plan costs (€1,1 million) recorded in 2023.
- **Personnel costs** were €5,1 million, up by €0,3 million compared to the previous year. Personnel costs remaining essentially stable despite the growth in business. This stability highlights the scalability of the Group’s business model.

Consolidated EBT and Net Profit: The Group’s **EBT** (Earnings Before Taxes) amounted to €4,4 million in the first nine months of 2024, increasing by €1,7 million (+62%) compared to the same period in 2023. The net profit for the year was €3,0 million, up by €1,5 million (+108%) compared to €1,4



million in 2023. The net profit margin reached 11%, compared to 6% in the previous year, reflecting the scalability of the business model and a focus on financial discipline.

Net Financial Position: As of the end of the reporting period, the Group's Net Financial Position stood at €2,9 million net debt, compared to €6,6 million net debt as of December 31, 2023. This improvement of €3,7 million reflects the Group's strong liquidity management.

Corporate Activity:

The Group is actively exploring opportunities for mergers and acquisitions both in its existing domestic markets and in the broader Mediterranean region. These efforts are focused on expanding its presence in the cloud computing segment in new geographies, as well as entering complementary market segments within the areas where it already operates.

The Group has increased coverage of its stock with the recent initiation of coverage by Intermonte in October and TP ICAP in November. The Group is actively working to expand awareness of its entrepreneurial project among a broader audience of institutional investors, both in Italy and internationally.

About DHH S.p.A.

DHH S.p.A. (DHH.MI) (ISIN shares IT0005203622) 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. www.dhh.international

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