

Italy – EPM & ICT Consulting

A margin-accretive M&A campaign to support expansion in 2025

26th February 2025

BUSINESS UPDATE

RIC: DBA.MI
BBG: DBA IM

DBA Group enters 2025 with three M&A deals to accelerate its expansion: (i) Serteco, to bolster presence in the north-east of Italy, (ii) Proyectos IFG, a Spanish-based company specialised in integrated data centre projects, and, (iii) COMCOM IT. Moreover, the targets set in the Budget 2025 seem fairly attainable and the strong balance sheet leaves room for additional acquisitions or an increase in shareholders' remuneration actions.

Rating:

Buy

Price Target:

€ 4.40 (€ 3.90)

Upside/(Downside): 54.9%

Last Price: € 2.84

Market Cap.: € 32.6m

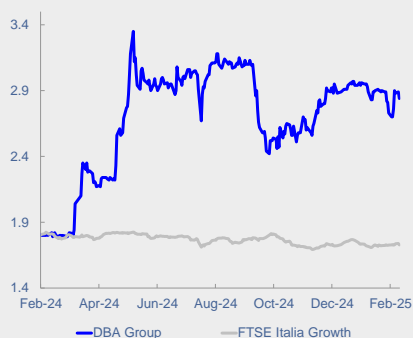
1Y High/Low: € 3.38/ € 1.77

Avg Daily Turn. (3M, 6M): € 50k, € 66k

Free Float: 52.3%

Major shareholders:

De Bettin family 43.6%



Stock price performance

	1M	3M	12M
Absolute	0.4%	10.1%	57.8%
Rel.to FTSE IT Growth	-0.6%	8.5%	62.5%
Rel.to peers	5.8%	10.2%	67.9%

Analysts:

Gianluca Mozzali
+39 02 30343 396
gianluca.mozzali@cfosim.com

Luca Solari
+39 02 30343 397
luca.solari@cfosim.com

Chiara Francomacaro
+39 02 30343 394
chiara.francomacaro@cfosim.com

Estimates updated. New DCF-based PT points to € 4.40/s (€ 3.90). Buy reiterated

Following the completion of the M&A deals and the approval of the Budget 2025, we have fine-tuned our model by factoring in 1) the consolidation of Serteco and COMCOM IT as of Jan-25, while Proyectos as of Feb-25, 2) a slight increase in profitability to reflect the contribution of the acquisitions while leaving our organic estimates broadly unchanged, 3) a fine-tuning of D&A and Capex to adapt to the enlarged entity, and 4) a downward revision of FY-24e NFP, now aligned to the company's Budget. The combined result is an average 4.0%, 6.8% and 6.0% increase in VoP, EBITDA, and Net Profit in 2024-26. After rolling-forward our DCF to 2025 and updating the valuation criteria, our new DCF-based PT points to € 4.40/s (€ 3.90), 54.9% upside. Buy recommendation reiterated.

The acquisition of 60% of Proyectos IFG for € 2.8m to enter the Spanish market...

On 30th January, DBA Group disclosed the purchase of 60% of Proyectos IFG, via DBA PRO., for a consideration of € 2.8m paid in cash and subject to certain adjustments at closing. Proyectos IFG is a Spanish engineering company highly-specialised in integrated data centre projects, providing its customers with high value-added engineering services for data centres of variable capacity to meet the specific customers' needs. In FY-24 Proyectos is expected to reach Value of Production of € 4.7m (ca. +20.4% YoY) with an EBITDA of € 0.8m, 17.8% margin. By assuming a neutral NFP at year-end 2024, the deal corresponds to EV/VoP_{24e} and EV/EBITDA_{24e} of 1.0x and 5.6x, respectively.

...follows up the purchase of Serteco to reinforce presence in the north-east of Italy

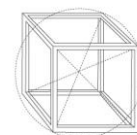
On 19th December, DBA Group announced the acquisition, via DBA PRO., of 100% of Serteco Srl for a total consideration of € 1.9m, paid in cash. The price agreed corresponds to EV/Avg. Sales₂₁₋₂₃ of 1.0x and EV/Avg. EBITDA₂₁₋₂₃ of 6.0x. Serteco boasts over 45 years of experience in the provision of a wide range of engineering services. In particular, it manages the entire process aimed at the realisation of public works, from understanding the client's needs and drawing up the technical feasibility study to procurement management and monitoring of working progress.

Budget 2025 predicts high-single-digit growth along with 100bps margin expansion

On 20th February, DBA Group unveiled the Budget 2025, whose key targets are as follows: (i) Value of Production at € 126.9m (+9.3% YoY) primarily resulting from the contribution of Serteco, Proyectos IFG and COMCOM IT for € 7.1m. Organically, it entails a low-single-digit organic growth (€ 119.8m, +3.2% YoY); (ii) EBITDA at € 14.3m, 11.3% margin, showing a more than proportional progression to top line (+19.2% YoY), also thanks to a margin expansion of nearly 100bps, benefitting from the contribution of the acquired companies and economies of scale; (iii) Net Financial Position at € 5.7m, supported by a solid cash flow generation notwithstanding the M&A-related cash outlay. The difference compared to our estimate is due to a better-than-expected cash generation.

DBA Group, key financials and ratios

€ m	2022	2023	2024e	2025e	2026e
Value of Production	85.4	112.1	115.8	126.4	131.0
EBITDA	7.2	12.1	11.8	13.8	14.5
Adjusted EBITDA	7.5	12.5	12.2	13.8	14.5
EBIT	3.4	7.9	7.4	9.2	9.8
Adjusted EBIT	5.0	9.8	9.7	11.4	11.8
Net profit	0.6	4.0	3.2	4.1	4.4
Adjusted Net Profit	2.9	5.5	5.1	6.2	6.4
NFP (cash)/debt	12.6	8.4	8.8	6.3	1.1
Adjusted EPS €	0.25	0.48	0.44	0.54	0.56
Adjusted EPS growth	n.m.	90.8%	-8.2%	22.0%	3.0%
EBITDA margin %	8.4%	10.8%	10.2%	10.9%	11.0%
EBIT margin %	4.0%	7.1%	6.4%	7.3%	7.5%
EV/Sales x	0.36	0.25	0.36	0.31	0.26
EV/Adjusted EBITDA x	4.2	2.2	3.4	2.9	2.4
EV/Adjusted EBIT x	6.2	2.8	4.3	3.5	2.9
Adjusted PER x	6.4	3.4	6.4	5.2	5.1

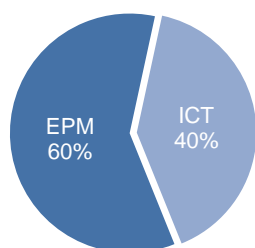


The company at a glance

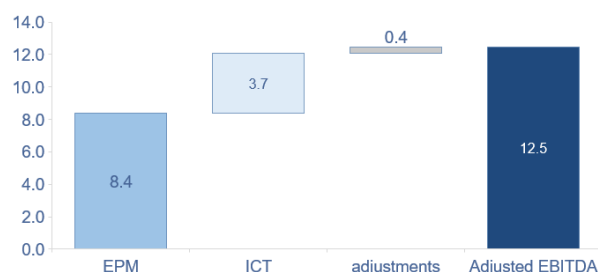
Founded in 1991 by the four De Bettin brothers in the north east of Italy, DBA Group is specialised in network connectivity and infrastructure lifecycle support solutions. DBA Group's core competence is its proven ability to provide telematics solutions for strategic infrastructures to clients whose business is network-performance critical. It provides integrated services and solutions in the ICT, Project Management and Architecture and Engineering fields in six industries. Founded as an engineering and architecture associated firm, now DBA Group is the only player in Italy able to offer a synergic combination of the aforementioned services and solutions for the entire infrastructure lifecycle management. DBA Group offers high value-added services and software platforms which meet a full range of potential technical, technological and ICT customer needs during the entire infrastructure lifecycle with the aim of providing high value-added support services for infrastructure management and maintenance.

The group has grown significantly in the last few years: in the 2014-23 period, Value of Production more than quadrupled from € 23.7m to € 112.1m, 18.8% CAGR, also thanks to the acquisition of Actual IT in 2015 (minorities buyout in Sep-18), SJS Engineering in Oct-18, Unistar in Sep-19 and General Planning in Dec-22. In 2023, the Value of Production reached € 112.1m, up by 31.5% YoY, EBITDA amounted to € 12.1m, 10.8% margin and Net Profit stood at € 4.0m. EBITDA adjusted for non-recurring costs came in at € 12.5m, 11.1% margin. Net Financial Position was € 8.4m (debt).

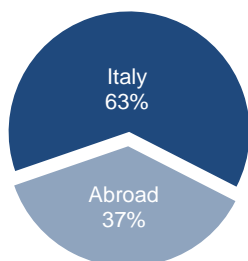
2023 top line ...



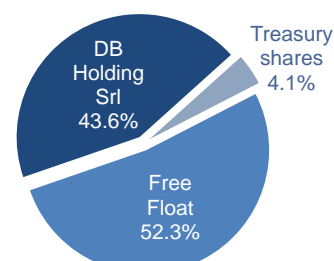
... and Adjusted EBITDA breakdown by BU



2023 top line by geography



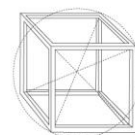
Shareholders structure



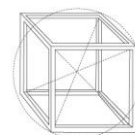
Peer group multiples table

EV multiples x	SALES FY1	SALES FY2	EBITDA FY1	EBITDA FY2	EBIT FY1	EBIT FY2	PER FY1	PER FY2
AECOM	0.80	0.73	11.4	10.2	12.6	11.3	18.8	17.3
Alten SA	0.67	0.59	6.0	5.1	7.6	6.4	11.1	9.8
Arcadis NV	1.04	0.91	8.2	7.0	10.8	9.0	14.1	12.2
Atkinsrealis Group Inc	1.48	1.35	16.6	13.6	21.3	16.0	30.3	22.7
Jacobs Solutions Inc	1.87	11.22	13.7	78.4	14.0	81.6	21.2	19.0
Sweco AB (publ)	2.15	2.00	15.4	14.1	19.9	18.0	26.3	23.5
Engineering median	1.26	1.13	12.5	11.9	13.3	13.6	20.0	18.1
Accenture PLC	3.24	2.99	16.8	15.3	20.5	18.8	28.1	26.0
Bechtle AG	0.67	0.62	8.8	8.2	12.1	11.2	17.6	16.7
Capgemini SE	1.23	1.13	7.8	7.0	10.0	8.9	13.0	12.1
CDW Corp	1.34	1.26	13.5	12.4	14.5	13.5	18.2	17.1
Computacenter PLC	0.30	0.28	6.2	5.6	8.1	7.2	13.0	12.2
Digital Value SpA	0.24	0.18	2.3	1.9	3.5	3.0	4.6	3.6
Reply SpA	2.39	2.12	14.1	12.6	17.2	15.3	26.4	23.5
TXT e solutions SpA	1.84	1.47	13.6	10.4	19.7	14.8	28.6	21.8
ICT median	1.29	1.19	11.2	9.3	13.3	12.3	17.9	16.9
DBA Group SpA	0.36	0.31	3.4	2.9	4.3	3.5	6.4	5.2

Source: CFO SIM, Refinitiv Workspace



Income statement (€ m)	2022	2023	2024e	2025e	2026e
Value of Production	85.4	112.1	115.8	126.4	131.0
Services	(31.8)	(41.1)	(40.9)	(40.3)	(40.3)
Lease, rental and other opex	(18.3)	(25.4)	(24.4)	(26.6)	(27.6)
Personnel expenses	(28.2)	(33.6)	(38.8)	(45.7)	(48.6)
EBITDA	7.2	12.1	11.8	13.8	14.5
D&A	(3.8)	(4.1)	(4.4)	(4.6)	(4.7)
EBIT	3.4	7.9	7.4	9.2	9.8
Financial costs	(0.4)	(0.9)	(0.9)	(0.8)	(0.7)
Extraordinary, other costs	(1.3)	0.0	0.0	0.0	0.0
Pre-Tax profit	1.7	7.0	6.4	8.5	9.1
Income taxes	(1.1)	(2.7)	(2.9)	(3.8)	(4.1)
Minorities	0.0	(0.3)	(0.4)	(0.6)	(0.6)
Net Profit	0.6	4.0	3.2	4.1	4.4
Adjusted EBITDA	7.5	12.5	12.2	13.8	14.5
Adjusted EBIT	5.0	9.8	9.7	11.4	11.8
Adjusted Net Profit	2.9	5.5	5.1	6.2	6.4
Balance sheet (€ m)	2022	2023	2024e	2025e	2026e
Net Working Capital	18.7	23.4	23.4	24.9	26.2
Net Fixed Assets	19.2	18.3	21.9	22.6	20.7
Equity Investments	3.5	2.2	2.2	2.2	2.2
Other M/L Term A/L	(9.3)	(12.6)	(13.2)	(14.3)	(15.0)
Net Invested Capital	32.1	31.4	34.4	35.5	34.1
Net Financial Position	12.6	8.4	8.8	6.3	1.1
Minorities	0.1	0.4	0.7	1.3	1.9
Group's Shareholders Equity	19.5	22.6	24.8	28.0	31.1
Net Financial Position & Equity	32.1	31.4	34.4	35.5	34.1
Cash Flow statement (€ m)	2022	2023	2024e	2025e	2026e
Net Profit before minorities	0.6	4.4	3.5	4.7	5.0
Depreciation	3.8	4.1	4.4	4.6	4.7
Other non-cash charges	0.4	1.7	0.6	1.1	0.7
Cash Flow from Oper. (CFO)	4.8	10.3	8.6	10.3	10.4
Change in NWC	(2.8)	(4.7)	0.0	(1.5)	(1.3)
FCF from Operations (FCFO)	1.9	5.5	8.6	8.8	9.1
Net Investments (CFI)	(4.4)	(2.4)	(8.0)	(5.3)	(2.7)
Free CF to the Firm (FCFF)	(2.5)	3.1	0.6	3.5	6.4
CF from financials (CFF)	(2.8)	0.3	(0.2)	(1.0)	(1.2)
Free Cash Flow to Equity (FCFE)	(5.3)	3.4	0.3	2.6	5.2
Financial ratios	2022	2023	2024e	2025e	2026e
EBITDA margin	8.4%	10.8%	10.2%	10.9%	11.0%
EBIT margin	4.0%	7.1%	6.4%	7.3%	7.5%
Net profit margin	0.7%	3.6%	2.8%	3.2%	3.3%
Tax rate	63.8%	37.9%	45.0%	45.0%	45.0%
Interest coverage x	0.12	0.11	0.13	0.08	0.07
Net Debt/EBITDA x	1.76	0.70	0.75	0.45	0.08
Debt-to-Equity x	0.65	0.37	0.36	0.22	0.04
ROIC	2.0%	12.9%	9.3%	11.5%	12.8%
ROCE	8.1%	17.0%	14.6%	16.9%	16.6%
ROACE	8.0%	17.9%	15.2%	17.6%	17.2%
ROE	3.2%	17.9%	12.9%	14.6%	14.1%
Payout ratio	0.0%	24.6%	30.0%	30.0%	30.0%
Per share figures	2022	2023	2024e	2025e	2026e
Number of issued ordinary shares # m	11.51	11.51	11.51	11.51	11.51
Number of shares Fully Diluted # m	11.51	11.51	11.51	11.51	11.51
Average Number of shares Fully Diluted # m	11.51	11.51	11.51	11.51	11.51
EPS reported €	0.05	0.35	0.28	0.36	0.38
EPS adjusted €	0.25	0.48	0.44	0.54	0.56
EPS reported FD €	0.05	0.35	0.28	0.36	0.38
EPS adjusted FD €	0.25	0.48	0.44	0.54	0.56
EBITDA €	0.62	1.05	1.03	1.20	1.26
EBIT €	0.30	0.69	0.64	0.80	0.85
BV €	1.70	2.00	2.22	2.54	2.87
FCFO €	0.17	0.48	0.74	0.77	0.79
FCFF €	(0.21)	0.27	0.05	0.31	0.55
FCFE €	(0.46)	0.30	0.03	0.22	0.45
Dividend €	0.00	0.09	0.09	0.11	0.12



Three deals to accelerate growth domestically and abroad

DBA Group recently announced the completion of three strategic acquisitions aimed at supporting the expansion of the EPM BU, along with a small add-on in the ICT BU. As regards the EPM BU, **DBA acquired 100% of Serteco to further consolidate its positioning in north-eastern Italy** as a leading provider of engineering and project management services and, additionally, **entered the Spanish market thanks to the acquisition of 60% of Proyectos**, a highly-specialised company focused on data centre projects. Lastly, DBA purchased **52% of COMCOM IT**, a small company based in Slovenia and focused on specific SAP solutions, via its subsidiary Itelis doo.

100% of Serteco to bolster presence in northern Italy...

On 19th December, DBA Group announced the closing of the acquisition, through its subsidiary DBA PRO., of **100% of Serteco for a total consideration of € 1.9m, paid in cash**. Additionally, the deal entails an earn-out of nearly € 0.3m, to be corresponded between 2025 and 2035, although more detailed terms were not disclosed. The **price agreed corresponds to EV/Avg. Sales₂₁₋₂₃ of 1.0x and EV/Avg. EBITDA₂₁₋₂₃ of 6.0x** (EV/Avg. Sales₂₁₋₂₃ and EV/Avg. EBITDA₂₁₋₂₃ standing at about 1.2x and 7.0x, respectively, if the maximum earn-out is considered).

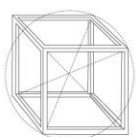
Set up in Udine in 1978 by the experience and initiative of a group of engineers, Serteco (Servizi Tecnici Coordinati) Srl boasts **over 45 years of experience in the provision of a wide range of engineering services** relating to projects in several fields, including 1) telecommunication, 2) construction, 3) infrastructure, 4) urban planning and, 5) transports. Moreover, the company offers construction supervision and security management services.

From an operational standpoint, Serteco manages the entire process aimed at the realisation of public works, from understanding the client's needs and drawing up the technical feasibility study to procurement management, monitoring of working progress and cost control. Currently, **Serteco employs engineers, architects, surveyors and industrial technicians**. Over the 2021-23 period, Serteco posted an **average Value of Production and EBITDA of € 1.8m and € 0.3m**, respectively, thus showing margins above those of the EPM BU. NFP was € 0.1m cash at year-end 2023.

....and 60% of Proyectos IFG to enter the Spain market

On 30th January, DBA Group made its entry into the Spanish market disclosing the acquisition of 60% of the share capital of Proyectos IFG via its wholly-owned subsidiary DBA PRO, for a consideration of € 2.8m, paid in cash and subject to certain adjustments at closing. By assuming a neutral NFP at year-end 2024, **the deal corresponds to EV/VoP_{24e} and EV/EBITDA_{24e} of 1.0x and 5.6x**, respectively. The transaction was funded by cash at disposal and, in part, bank debt.

Headquartered in Las Rozas de Madrid and founded by Alberto and Ignacio Fernandez Guerra, Proyectos IFG is **an engineering company operating nationwide and highly specialised in integrated data centre projects**. Drawing on the expertise of a multidisciplinary team of engineers, architects, and graphic designers, Proyectos provides its customers with high-value-added engineering services and technical solutions for data centres of variable capacity, from small-scale to hyperscale infrastructures (able to handle fast growth and enormous volumes of data processed), to meet the specific customers' needs.



In FY-23, Proyetcos IFG reported **Value of Production of nearly € 4.0m** with **EBITDA of € 0.7m (18.9% margin)**, bottom line of € 0.5m as well as NFP of € 0.5m cash. Moreover, according to preliminary data, **in FY-24 Proyetcos is anticipated to reach Value of Production of € 4.7m (c. +20.4% YoY) with EBITDA of € 0.8m**, 17.8% margin.

Noteworthy, the **newly-established BoD of Proyetcos will comprise five members**, including the founders Alberto and Ignacio Fernandez Guerra as CEOs along with Raffaele De Bettin, DBA Group's CEO, as Chairman of the Board.

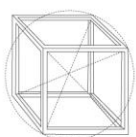
Table 1 – DBA Group, FY-23 Serteco and Proyetcos IFG's key financial data vs DBA's EPM BU

€ m	DBA 's EPM BU	Serteco (A)	Proyetcos IFG (B)	A + B
Value of Production	66.7	1.8	3.9	~5.7
EBITDA	8.4	0.2	0.7	~1.0
<i>% margin</i>	12.6%	13.5%	18.9%	17.2%
Net Profit	-	0.1	0.5	~0.6
<i>% margin</i>	-	7.5%	12.5%	10.9%

Source: Company data, CFO SIM elaboration

Based on FY-23 data, the acquisitions of Serteco and Proyetcos IFG account for € 5.7m in terms of Value of Production and € 1.0m in terms of EBITDA, thus **a combined accretion above 450bps in EBITDA margin compared to DBA's FY-23 EPM BU results**, although the aggregate effect will be modest given their relative size.

Moreover, at the same time as the announcement of the Budget 2025, **DBA Group disclosed the acquisition of 52% of COMCOM IT**, a small Slovenian company **specialised in SAP solutions** in the field of HR management, via its subsidiary Itelis doo. The consideration amount and key financial metrics were not reported. According to the management, **COMCOM's Value of Production stands below € 1m**.



Approval of Budget 2025

On 20th February, DBA Group unveiled the Budget 2025, which **envisages a high-single-digit growth in Value of Production**, primarily reflecting the contribution of Serteco and Proyectos IFG, acquired in Dec-24 and Jan-25, respectively, **along with a more than proportional progression in EBITDA**. Moreover, the Budget 2025 entails a good level of cash generation as well.

The company implicitly confirmed the Budget 2024 targets, which came in slightly higher than our Value of Production (€ 115.8m) and EBITDA (€ 12.0m) estimates, whereas showing a better-than-expected cash flow generation, likely on the back of faster credit collection.

Table 2 – DBA Group, Budget 2025 targets vs Budget 2024 vs CFO's previous FY-25 projections

€ m	Budget 2025	DBA stand-alone	Serteco + Proyectos IFG+ COMCOM	Budget 2024	% YoY	CFO 2025e (*)	% Δ Budget 2025 vs CFO 2025e	% Δ DBA stand-alone vs CFO 2025e
Value of Production	126.9	119.8	7.1	116.1	9.3	119.5	6.2	0.3
EBITDA	14.3	12.8	1.5	12.0	19.2	12.5	14.4	2.4
% margin	11.3	10.7	21.1	10.3	~+93bps	10.5		
NFP (cash)/debt	5.7	-	-	8.8	(35.2)	5.3	7.5	-
NFP /EBITDA (x)	0.4	-	-	0.7		0.4		-

Source: Company data, CFO SIM estimates

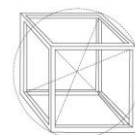
*does not factor in the consolidation of both Serteco and Proyectos IFG

In greater details, Budget 2025 targets are as follows:

- **Value of Production at € 126.9m**, up 9.3% YoY primarily resulting from **the contribution of Serteco, Proyectos IFG and COMCOM IT for € 7.1m**. Organically, it entails a low-single-digit organic growth (€ 119.8m, +3.2% YoY), bang in line with our previous projection of € 119.5m, which does not include the contribution of the acquired companies.
- **EBITDA at € 14.3m, 11.3% margin** (vs Budget 2024 of € 12.0m), showing a more than proportional progression to top line (+19.2% YoY), also in light of a margin expansion of nearly 100bps, mainly benefitting from: 1) **the contribution of Proyectos IFG**, which commands higher margins compared to the group's average (in the region of 20%) **as well as Serteco**, whose combined contribution to EBITDA implicitly stands at € 1.5m, 2) **economies of scale** and, 3) **productivity gains**.

If we exclude the impact of the recent M&A activity, **EBITDA is expected to reach € 12.8m, 10.7% margin**, fairly in line with our previous projection.

- **Net Financial Position at € 5.7m (NFP/EBITDA 0.4x)**, compared to the Budget 2024 projection of € 8.8m (NFP/EBITDA 0.7x), thus implying a solid cash flow generation notwithstanding the cash outlay related to the acquisitions. The difference compared to our estimate is mainly attributable to a better-than-expected cash generation.



Estimates, Valuation & Risks

DBA Group enters 2025 with two margin-accretive M&A deals enabling to drive future expansion of the EPM BU. The transaction multiples were above those of DBA, although partially justified by **higher profitability of both companies as well as growth opportunities in their respective sub-segments, especially as regards Proyectos IFG**. The latter, indeed, will allow to increase exposure to data-centre-related projects, whose growth trajectory is poised to be exponentially impacted by AI-fuelled demand in the very short-term. Consequently, **DBA will strengthen the operational structure of the new Spanish subsidiary**, with potential synergies with the domestic teams of engineers and technicians focused on data centre projects, allowing volumes to be rapidly increased. Moreover, **the acquisition of COMCOM IT will allow to enrich the value proposition of the ICT activities** in the Balkans region, although the overall impact will be modest.

The targets set in the Budget 2025 seem fairly attainable, entailing a low-single-digit organic growth and a more than proportional progression in profitability, reflecting the positive impact of Proyectos IFG, which commands higher margins, coupled with operating leverage effects. Additionally, **a robust cash flow generation is expected in 2025 as well**, leaving room for additional acquisitions or an increase in shareholders' remuneration actions. Assuming a target NFP/EBITDA of 1x, **the excess cash at disposal would be above € 8m** (ca. 25% of the current market cap.) **at year-end 2025**.

As a result of the completion of the M&A deals and the approval of the Budget 2025, **we have fine-tuned our model** by factoring in 1) the consolidation of Serteco and COMCOM IT as of Jan-25, while Proyectos IFG as of Feb-25, 2) a slight increase in profitability to reflect the contribution of the acquired companies and gains in productivity while leaving our organic projections broadly unchanged 3) a fine-tuning of D&A and Capex assumptions to adapt to the enlarged entity, and 4) a downward revision of FY-24e NFP, now aligned to the company's Budget, while leaving our FY-24e VoP and EBITDA assumptions unchanged. The combined result is **an average 4.0%, 6.8% and 6.0% increase in Value of Production, EBITDA, and Net Profit in 2024-26**.

Table 3 – DBA Group, 2024e new/old estimates

€ m	New	Old	Δ %	Δ € m
Value of Production	115.8	115.8	0.0	0.0
EBITDA	11.8	11.8	0.0	0.0
% margin	10.2	10.2		
EBIT	7.4	7.4	0.0	0.0
% margin	6.4	6.4		
Net Profit	3.2	3.2	(0.5)	(0.0)
% margin	2.8	2.8		
Net debt / (net cash)	8.8	10.0	(11.8)	(1.2)

Source: CFO SIM

Table 4 – DBA Group, 2025e new/old estimates

€ m	New	Old	Δ %	Δ € m
Value of Production	126.4	119.5	5.7	6.9
EBITDA	13.8	12.5	10.4	1.3
% margin	10.9	10.5		
EBIT	9.2	8.1	14.6	1.2
% margin	7.3	6.8		
Net Profit	4.1	3.7	11.0	0.4
% margin	3.2	3.1		
Net debt / (net cash)	6.3	5.3	17.5	0.9

Source: CFO SIM

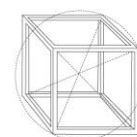


Table 5 – DBA Group, 2026e new/old estimates

€ m	New	Old	Δ %	Δ € m
Value of Production	131.0	123.3	6.2	7.7
EBITDA	14.5	13.2	9.9	1.3
% margin	11.0	10.7		
EBIT	9.8	8.8	11.5	1.0
% margin	7.5	7.1		
Net Profit	4.4	4.1	7.5	0.3
% margin	3.3	3.3		
Net debt / (net cash)	1.1	0.4	n.m.	0.7

Source: CFO SIM

Moreover, we have updated our valuation criteria, by bringing the risk-free rate up-to-date and rolled forward our DCF to 2025. As a result, our **new DCF-based PT points to € 4.40/s** (€ 3.90), **54.9% upside potential**. Buy rating confirmed. **DBA Group currently trades at EV/Adj. EBITDA_{25e} and PER_{25e} of 2.9x and 5.2x**, clearly undemanding valuations that do not reflect the company's brilliant growth path achieved over the last years, improved profitability and future expansion opportunities.

DCF

In the valuation via the DCF method, explicit estimates until 2029 and a long-term growth of 1.0% were used. Cash flows were discounted back at a weighted average cost of capital calculated in accordance with the following parameters:

Table 6 - WACC derived from:

Interest costs, pre-tax	5.0%
Tax rate	45.0%
Inf. costs, after taxes	2.8%
Risk premium, incl. small size premium	9.0%
Risk-free (10Y Gov. Bond 200 days simple moving average)	3.65%
Beta levered (x)	1.00
Required ROE	12.7%

Source: CFO SIM, Refinitiv Workspace

Risk premium at 9.0% factors in the minute size of the company and basically all the concerns that an investor might have with regard to the Euronext Growth Milan market segment. **Beta set at 1.00**. The WACC is calculated by using a 70:30 equity/debt balance-sheet structure.

Table 7 - DBA Group, DCF model

€ m	2025e	2026e	2027e	2028e	2029e	TV
EBIT	9.2	9.8	10.3	10.7	10.7	
Tax rate	45.0%	45.0%	45.0%	45.0%	45.0%	
Operating profit (NOPAT)	5.1	5.4	5.7	5.9	5.9	
Change working capital	(1.5)	(1.3)	(0.8)	(0.7)	(0.7)	
Depreciation	4.6	4.7	4.7	3.7	2.8	
Investments	(2.5)	(2.7)	(2.8)	(2.8)	(2.8)	
Free Cash Flows	5.7	6.1	6.8	6.1	5.2	60.3
Present value	5.2	5.1	5.2	4.3	3.3	38.6
WACC	9.7%	9.7%	9.7%	9.7%	9.7%	
Long-term growth rate	1.0%					

Source: CFO SIM

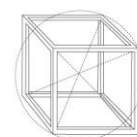


Table 8 – DBA Group, DCF derived from:

€ m	
Total EV present value € m	61.8
thereof terminal value	62%
NFP - FY-24e	(8.8)
Pension provision - FY-24e	(4.0)
Minorities FY-24e (valued at BV)	(0.7)
Equity value € m	48.2
#m shares (excl. Treasury shares)	11.04
Equity value €/s	4.40
% upside/(downside)	54.9%

Source: CFO SIM

The application of the model produces an **equity value of DBA Group of € 48.2m, corresponding to € 4.40/s (€ 3.90), 54.9% upside.**

The following tables illustrate the sensitivity of the equity value per share 1) compared to changes in **WACC** (range between 8.93% and 10.43%) and **terminal growth rate** (range between 0.25% and 1.75%), and 2) compared to changes in **risk-free rate** (range between 2.90% and 4.40%) and **Equity Risk Premium** (range between 8.25% and 9.75%).

Table 9 – DBA Group, equity value sensitivity to changes in WACC and terminal growth rate

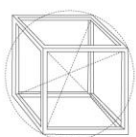
€ per share		Terminal growth rate						
		0.25%	0.50%	0.75%	1.00%	1.25%	1.50%	1.75%
WACC	8.93%	4.50	4.60	4.70	4.80	5.00	5.10	5.30
	9.18%	4.30	4.40	4.50	4.70	4.80	4.90	5.10
	9.43%	4.20	4.30	4.40	4.50	4.60	4.80	4.90
	9.68%	4.10	4.20	4.30	4.40	4.50	4.60	4.70
	9.93%	3.90	4.00	4.10	4.20	4.30	4.40	4.60
	10.18%	3.80	3.90	4.00	4.10	4.20	4.30	4.40
	10.43%	3.70	3.80	3.90	4.00	4.10	4.20	4.30

Source: CFO SIM

Table 10 – DBA Group, equity value sensitivity to changes in risk-free rate and Equity Risk Premium

€ per share		Equity Risk Premium						
		8.25%	8.50%	8.75%	9.00%	9.25%	9.50%	9.75%
Risk-free	2.90%	5.10	5.00	4.80	4.70	4.60	4.50	4.40
	3.15%	5.00	4.80	4.70	4.60	4.50	4.40	4.30
	3.40%	4.80	4.70	4.60	4.50	4.40	4.30	4.20
	3.65%	4.70	4.60	4.50	4.40	4.30	4.20	4.10
	3.90%	4.60	4.50	4.40	4.30	4.20	4.10	4.00
	4.15%	4.50	4.40	4.30	4.20	4.10	4.00	3.90
	4.40%	4.40	4.30	4.20	4.10	4.00	3.90	3.80

Source: CFO SIM



Market Multiples

We conducted an analysis on a cluster of 14 companies operating in the Engineering and ICT sectors, four of which are domestic. We divided the sample into two sub-groups: Engineering and ICT.

Our Engineering peer sample comprises the following comparable firms:

AECOM (USA): it provides engineering, consulting, program and project management services for several sectors, including energy, environment, oil and gas, transport, and construction.

Alten (France): it operates in engineering and technology consulting, and provides support for its customers' development strategies in the fields of innovation, R&D and IT systems.

Arcadis (The Netherlands): it is a multinational firm offering engineering, consulting, program and project management services for different markets, including water and energy resources, commercial development, contractors, renewable energy, finance, retail, industrial, and public transport services.

Jacobs Engineering (USA): it is a corporation providing engineering services including technical and scientific advice, in addition to all engineering aspects, construction, start-up and maintenance of plants for various sectors including industry, defence, energy and infrastructure.

SNC Lavalin (Canada): it is a group providing design, consulting, engineering, software and project management services to the mining and metallurgy, oil and gas, environment and water, infrastructure and clean power sectors. In Apr-17 it acquired Atkins Plc for some \$ 2.7bn (11.5x EBITDA).

Sweco (Sweden): it offers consulting, engineering and architectural services to various sectors including environment and water, infrastructure, energy and industrial.

Our ICT peer sample comprises the following comparable groups:

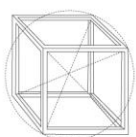
Accenture (USA): it is a multinational organisation offering management and strategic consulting services as well as technology services and outsourcing solutions in a vast array of industries.

Bechtle (Germany): it is a digital service company, with 80 houses in Germany, Austria and Switzerland as well as 24 e-commerce companies in 14 European countries. It offers a blend of direct IT product sales and extensive systems integration services. Backed by extensive experience and expertise in future-proof IT architecture, Bechtle values traditional infrastructures just as highly as current trends like digitalisation, cloud computing, modern workplace, security and IT-as-a-Service.

Capgemini (France): the company provides IT consulting, outsourcing and professional services including application lifecycle services, big data analytics, supply chain management in several sectors including aerospace and defence, automotive, finance, industrial production, oil and gas, TLC.

CDW Corp (USA): it is a leading multi-brand provider of information technology solutions to business, government, education and healthcare customers in the US, the UK and Canada. Founded in 1984, it employs approximately 10,000 coworkers. Its broad array of products and services range from hardware and software to integrated IT solutions such as security, cloud, hybrid infrastructure and digital experience.

Computacenter (UK): it is a leading independent provider of IT infrastructure services, supporting users and their business in the digital world. The company advises organisations on IT strategy, implements the most appropriate technology, optimises their performance, and manages customers' infrastructures.



Digital Value (Italy): it provides IT solutions and services in partnership with other IT providers. Its offering includes Data Centre and Hybrid Cloud, Networking and Intelligence Networks, Enterprise Infrastructural Software, ICT Security and Cybersecurity, and Digital Transformation. The company provides certifications for the whole IT offering of the major market brands. It is active in the telecommunications, utilities, automotive, defence, transportations, central public administration and finance businesses with a focus on large account clients.

Reply (Italy): it is a highly specialised group, supporting leading industrial companies in defining and developing business models to optimise and integrate processes, applications and devices, using new technology and communication paradigms, such as Big Data, Cloud Computing, Digital Communication, Internet of Things, Mobile and Social Networking.

TXT e solutions (Italy): it is a software specialist providing high value-added solutions for the aerospace, defence, high tech, finance, luxury, fashion, retail and consumer goods sectors.

Size and profitability vary a lot within samples, as well as the expected growth rates. Engineering comparable firms have EBITDA margins ranging from 7.0% to 13.9% and a mid-single digit median sales growth. ICT comparable firms show slightly higher median growth and similar profitability compared to the Engineering sample, ranging from 4.8% to 19.3%.

DBA Group exhibits lower Sales and EBITDA growth compared to both Engineering and ICT software peers' median.

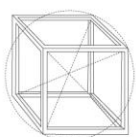


Table 11 - DBA Group, peer group summary table

€ m	Country	Mkt Cap	Sales FY1	EBITDA FY1	EBITDA %	Sales CAGR ₂₃₋₂₆	EBITDA CAGR ₂₃₋₂₆	EBIT CAGR ₂₃₋₂₆	EPS CAGR ₂₃₋₂₆	NFP/EBITDA
AECOM	US	12,308	16,358	1,149	7.0%	6.3%	10.1%	13.3%	15.4%	0.7
Alten SA	FR	3,227	4,262	474	11.1%	4.6%	4.1%	7.1%	18.7%	n.m.
Arcadis NV	NL	4,408	4,784	612	12.8%	11.4%	10.6%	12.6%	18.1%	1.0
Atkinsrealis Group Inc	CA	8,289	6,389	567	8.9%	7.5%	14.6%	25.4%	32.8%	2.0
Jacobs Solutions Inc	US	14,821	8,492	1,161	13.7%	1.2%	11.9%	19.6%	14.8%	0.9
Sweco AB (publ)	SE	6,063	2,927	408	13.9%	6.0%	5.3%	11.7%	14.1%	0.6
Engineering median		7,176	5,587	589	11.9%	6.1%	10.4%	13.0%	16.8%	0.9
Accenture PLC	US	215,939	65,416	12,602	19.3%	9.4%	14.1%	10.8%	11.4%	n.m.
Bechtle AG	DE	4,328	6,341	483	7.6%	3.8%	n.a.	n.a.	n.a.	n.m.
Capgemini SE	FR	27,122	22,435	3,538	15.8%	3.8%	18.5%	10.8%	12.8%	0.2
CDW Corp	US	23,010	20,773	2,058	9.9%	4.5%	3.2%	5.8%	12.4%	2.3
Computacenter PLC	UK	2,799	7,942	385	4.8%	3.3%	2.9%	4.1%	2.4%	n.m.
Digital Value SpA	IT	198	978	104	10.6%	22.9%	20.8%	16.7%	18.6%	0.4
Reply SpA	IT	5,881	2,293	390	17.0%	9.3%	9.5%	10.2%	13.4%	n.m.
TXT e solutions SpA	IT	535	298	40	13.5%	22.2%	23.4%	26.7%	23.5%	0.3
ICT median		5,104	7,142	436	12.1%	6.9%	14.1%	10.8%	12.8%	0.4
DBA Group SpA	IT	33	116	12	10.5%	5.3%	5.0%	6.3%	12.1%	0.7

Source: CFO SIM, Refinitiv Workspace

Table 12 - DBA Group, peer group EV multiple table

x	Sales FY1	Sales FY2	Sales FY3	EBITDA FY1	EBITDA FY2	EBITDA FY3
AECOM	0.80	0.73	0.69	11.4	10.2	9.0
Alten SA	0.67	0.59	0.78	6.0	5.1	6.5
Arcadis NV	1.04	0.91	0.84	8.2	7.0	6.1
Atkinsrealis Group Inc	1.48	1.35	1.25	16.6	13.6	11.8
Jacobs Solutions Inc	1.87	11.22	1.41	13.7	78.4	10.8
Sweco AB (publ)	2.15	2.00	1.88	15.4	14.1	13.3
Engineering median	1.26	1.13	1.04	12.5	11.9	9.9
Accenture PLC	3.24	2.99	2.64	16.8	15.3	13.6
Bechtle AG	0.67	0.62	0.56	8.8	8.2	7.2
Capgemini SE	1.23	1.13	1.03	7.8	7.0	6.5
CDW Corp	1.34	1.26	1.15	13.5	12.4	11.5
Computacenter PLC	0.30	0.28	0.25	6.2	5.6	5.1
Digital Value SpA	0.24	0.18	0.38	2.3	1.9	3.8
Reply SpA	2.39	2.12	1.88	14.1	12.6	11.2
TXT e solutions SpA	1.84	1.47	1.33	13.6	10.4	9.2
ICT median	1.29	1.19	1.09	11.2	9.3	8.2
DBA Group SpA	0.36	0.31	0.26	3.4	2.9	2.4

Source: CFO SIM, Refinitiv Workspace

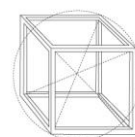
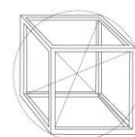


Table 13 - DBA Group, peer group EV & price multiple table

x	EBIT FY1	EBIT FY2	EBIT FY3	PER FY1	PER FY2	PER FY3
AECOM	12.6	11.3	9.8	18.8	17.3	15.8
Alten SA	7.6	6.4	8.4	11.1	9.8	10.3
Arcadis NV	10.8	9.0	7.7	14.1	12.2	11.1
Atkinsrealis Group Inc	21.3	16.0	13.4	30.3	22.7	18.0
Jacobs Solutions Inc	14.0	81.6	11.2	21.2	19.0	16.9
Sweco AB (publ)	19.9	18.0	16.4	26.3	23.5	22.6
Engineering median	13.3	13.6	10.5	20.0	18.1	16.3
Accenture PLC	20.5	18.8	16.5	28.1	26.0	23.3
Bechtle AG	12.1	11.2	9.8	17.6	16.7	15.3
Capgemini SE	10.0	8.9	7.9	13.0	12.1	11.2
CDW Corp	14.5	13.5	12.1	18.2	17.1	15.6
Computacenter PLC	8.1	7.2	6.4	13.0	12.2	11.3
Digital Value SpA	3.5	3.0	6.2	4.6	3.6	3.1
Reply SpA	17.2	15.3	13.4	26.4	23.5	21.4
TXT e solutions SpA	19.7	14.8	12.9	28.6	21.8	18.3
ICT median	13.3	12.3	11.0	17.9	16.9	15.4
DBA Group SpA	4.3	3.5	2.9	6.4	5.2	5.1

Source: CFO SIM, Refinitiv Workspace



Peer stock performance

DBA Group went public on 13-Dec-17 on Euronext Growth Milan with market capitalisation of € 52.0m and a free float of 44.0%, 56.8% after warrant conversion and the Price Adjustment Shares cancellation. Adopting the same approach used in setting up the peer sample for assessing the value of DBA Group, we defined a panel of 14 companies, 6 of which mainly operating in the EPM business and the rest in the ICT software sector.

Table 14 - DBA Group, peer group absolute performance

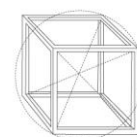
%	1D	1W	1M	3M	6M	YTD	1Y
AECOM	1.9	(4.0)	(7.5)	(16.5)	(4.1)	(8.7)	9.0
Alten SA	(3.6)	3.0	3.0	15.6	(7.9)	16.3	(30.4)
Arcadis NV	(1.2)	(4.7)	(10.2)	(21.4)	(23.5)	(16.7)	(9.4)
Atkinsrealis Group Inc	0.2	2.1	(7.1)	(4.1)	32.9	(6.8)	62.9
Jacobs Solutions Inc	(1.0)	(2.5)	(7.5)	(9.6)	2.3	(4.8)	4.8
Sweco AB (publ)	(0.4)	(3.8)	9.9	18.0	13.7	13.6	72.3
Engineering median	(1.0)	(2.5)	(7.1)	(4.1)	2.3	(4.8)	4.8
Accenture PLC	(0.3)	(6.3)	(4.1)	(0.1)	6.6	3.2	(3.8)
Bechtle AG	1.8	1.1	9.5	7.7	(11.4)	10.9	(27.7)
Capgemini SE	(2.5)	(4.5)	(7.0)	4.1	(14.0)	0.5	(28.9)
CDW Corp	(2.2)	(5.1)	(6.3)	2.7	(19.6)	4.9	(25.8)
Computacenter PLC	(0.4)	(1.0)	(3.3)	(1.3)	(19.6)	3.3	(24.3)
Digital Value SpA	3.4	4.7	(14.1)	34.0	(60.5)	(19.1)	(67.2)
Reply SpA	(0.1)	(4.0)	1.0	3.7	12.9	2.9	24.2
TXT e solutions SpA	1.7	5.6	15.8	29.2	60.6	17.8	86.7
ICT median	(0.2)	(2.5)	(3.7)	3.9	(12.7)	3.2	(25.1)
DBA Group SpA	(1.7)	5.2	0.4	10.1	(8.1)	(2.4)	57.8

Source: Refinitiv Workspace

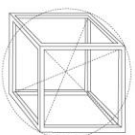
Risks

The principal investment risks associated with DBA Group include:

- Risks linked to the postponement of some key projects and ICT malfunctions;
- Risks due to competition in the reference markets, which might put margins or top line developments under pressure in the short term.
- Impact on the P&L and balance sheet profiles triggered by a sharp decline in local and global economic growth;
- Profit margin dilution stemming from the acquisition campaign;
- The departure of one, or a few of, the key relevant people.



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ANALYST CERTIFICATION

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DATE	TARGET PRICE	RATING
26/02/2025	€ 4.40	BUY
20/12/2024	€ 3.90	BUY
15/10/2024	€ 3.90	BUY
09/04/2024	€ 3.70	BUY

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RATING SYSTEM

- a **BUY** rating is assigned if the target price is at least 15% higher than the market price;
- a **SELL** rating is assigned if the target price is at least 15% lower than the market price;
- a **NEUTRAL** rating is assigned if the difference between the current price and target price lies within the +/- 15% range identified using the preceding criteria.

The rating is determined on the basis of the **expected absolute return over a 12-month period** and not on the basis of the estimated outperformance or underperformance relative to a market index. Thus, the rating can be directly linked to the estimated percentage difference between current and target prices. The prices of the financial securities mentioned in the report (also used for the calculation of market capitalisation and market multiples) are the reference prices of the stock market trading day preceding the publication date of the report, otherwise stated.

