

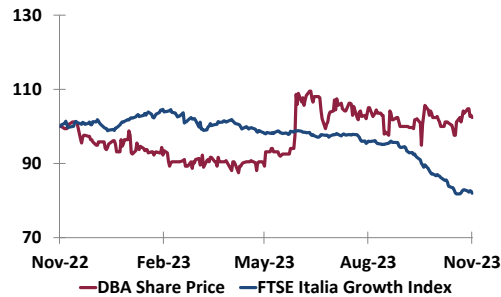


## OUTPERFORM

Current Share Price (€): 1.72

Target Price (€): 3.30

### DBA Group - 1Y Performance



Source: S&P Capital IQ - Note: 10/11/2022=100

### Company data

ISIN number	IT0005285942
Bloomberg code	DBA IM
Reuters code	DBA.MI
Industry	Engineering & IT Consulting
Stock market	Euronext Growth Milan
Share Price (€)	1.72
Date of Price	10/11/2023
Shares Outstanding (m)	11.5
Market Cap (€m)	19.8
Market Float (%)	56.4%
Daily Volume	7,500
Avg Daily Volume YTD	17,566
Target Price (€)	3.30
Upside (%)	92%
Recommendation	OUTPERFORM

### Share price performance

	1M	3M	6M	1Y
DBA - Absolute (%)	1%	-3%	10%	2%
FTSE Italia Growth (%)	-6%	-15%	-17%	-18%
1Y Range H/L (€)			1.84	1.47
YTD Change (€)/%			0.16	10%

Source: S&P Capital IQ

### Analysts

Luigi Tardella - Head of Research  
ltardella@envent.it  
Mauro Durante mdurante@envent.it

### EnVent Italia SIM S.p.A.

Via degli Omenoni, 2 - 20121 Milano (Italy)  
Phone +39 02 22175979

This document may not be distributed in the United States, Canada, Japan or Australia or to U.S. persons.

## Solid growth and profitability, H1 performance supports the upside potential, while still trading at discount

### Stock performance: overperforming the market

Since June 2023 DBA share price began an upward trend, settling between €1.60-€1.80. Overall, DBA was stable at +2% over LTM, vs -18% of FTSE Italia Growth index.

### H1 2023: Revenues and profitability up, driven by engineering in tech buildings, transport & logistics and energy

H1 2023 revenues were €47.8m, +34% on H1 2022, driven by the Engineering & Project Management and ICT Italy BUs with €30m, +59% up (also thanks to General Planning acquisition), while the ICT Slovenia BU at €18m revenues recorded -3% on H1 2022. Value of Production €47.9m, +28%. EBITDA more than doubled to €5m, 10% margin vs 5% in H1 2022, mainly generated by the Engineering & Project Management BU (€4m). Interim net result turned to €2.6m net income, from net loss of €(0.3)m in H1 2022, rising to €3.4m adjusted for goodwill amortization. TWC was €26.1m, from €18.7m as of year-end 2022, almost 30% of revenues (from 20%). Net financial debt went up from €12.6m as of year-end 2022 to €16.3m as of June 2023, mainly for TWC and capex.

### On track to meet management guidelines, estimates confirmed

The reported Value of Production and EBITDA in H1 are in line with our full year estimates and management guidelines - 2023E €105m VoP and €10.3m EBITDA, also on the back of a solid backlog of €95m (vs €69m as of year-end 2022). In addition, as observed in past interim results, we recall that revenue and margin recognition for engineering works occurs mostly in H2. We thus factor H1 2023 accounts within our estimates, with limited finetuning.

### Target price of €3.30 and rating OUTPERFORM confirmed

Our updated valuation confirms the last €3.30 target price, +92% potential upside on current price, implying 2023E 0.5x EV/Revenues, while DBA is trading at 0.4x. The larger discount to the peer group supports our OUTPERFORM rating.

KEY FINANCIALS AND ESTIMATES (€m)	2020	2021	2022	2023E	2024E	2025E
Revenues	70.9	78.8	84.5	100.6	107.6	115.1
Adj. EBITDA	4.4	7.4	7.5	9.7	11.1	12.0
Margin	6%	9%	9%	10%	10%	10%
EBIT	(0.7)	0.4	3.4	5.3	5.7	7.5
Margin	-1%	0%	4%	5%	5%	6%
Net Income (Loss)	(1.3)	(0.7)	0.6	3.3	3.6	4.9
Trade Working Capital	20.9	15.9	18.7	20.8	23.3	27.2
Net (Debt) Cash	(16.4)	(10.3)	(12.6)	(13.0)	(12.9)	(13.6)
Equity	19.3	18.5	19.5	22.5	26.1	31.0
KEY RATIOS AND MULTIPLES	2020	2021	2022	2023E	2024E	2025E
Per-capita revenue (€k)	111	108	112	106	113	121
Net Debt/EBITDA	3.8x	1.4x	1.7x	1.3x	1.2x	1.1x
Basic EPS (€)	neg	neg	0.05	0.29	0.31	0.43
EV/Revenues	0.5x	0.5x	0.4x	0.4x	0.3x	0.3x
EV/EBITDA	8.3x	4.9x	4.9x	3.7x	3.3x	3.0x

Source: Company data 2020-22A, EnVent Research 2023-25E

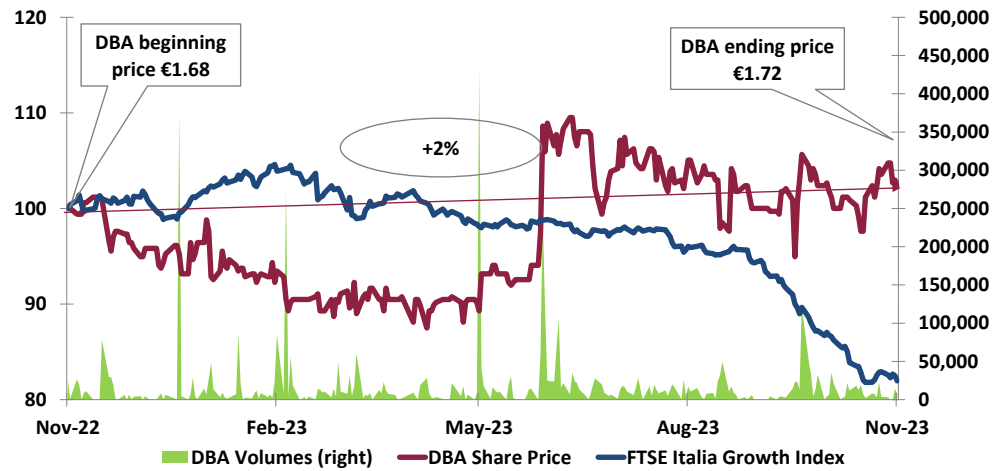
## Market update

### DBA Group - 1Y Share price performance and trading volumes

Trading price range €1.47-1.84 per share

+2% for DBA, vs -18% of the Italia Growth Index

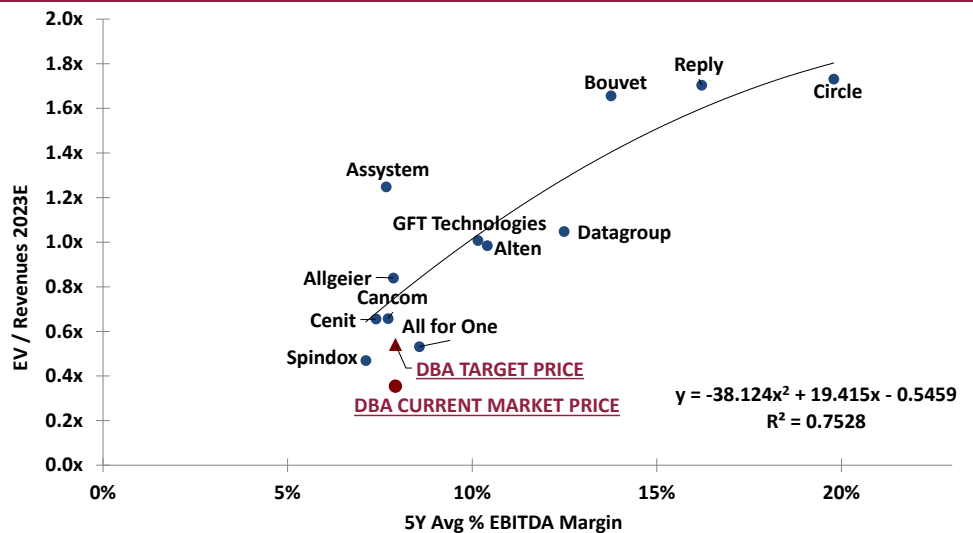
DBA overperforming the Italia Growth Index



Source: EnVent Research on S&P Capital IQ - Note: 10/11/2022=100

### Peer group - Regression analysis and DBA target positioning

Wide discount to peers



Source: EnVent Research on S&P Capital IQ, November 2023

## Investment case

The mission critical network infrastructure specialist

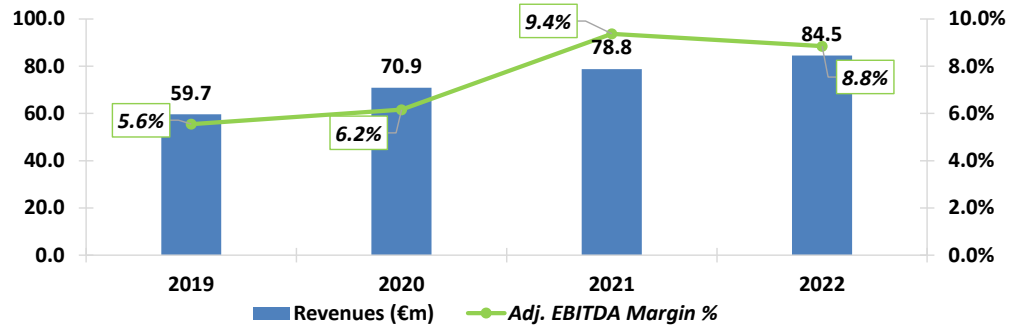
30 years of history, >900 people, 7 acquisitions

DBA, listed on Euronext Growth Milan, is an Italian technology consulting group specialized in mission critical infrastructure connectivity and lifecycle management. DBA operates through the BUs Engineering & Project Management, ICT Italy and Slovenia. The business model is a combination and synergy of multidisciplinary teams providing conception, planning, digitalization, connectivity, operation and maintenance of critical infrastructures. The client portfolio is diversified across industries: Telco, Transportation and Logistics, Energy, Oil & Gas, Real Estate. Founded in 1991, DBA got listed in 2017, then grew organically and through 7

**Strategy**

acquisitions supporting business mix and geographical diversification. Strategic goals are concentrating on infrastructure lifecycle management, increasing the exposure on the Italian and European markets and capturing the opportunities from infrastructure and energy investment plans, and digital transition, also through M&A.

**Historical Revenues and EBITDA**



Source: Company data

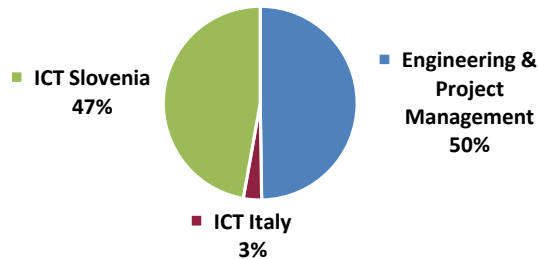
**Industry and Company drivers**

- Global investments in infrastructure and connectivity
- Ultra-broadband evolution calls for new expansion cycles
- IoT emerging as the third wave of internet development
- Global urbanization and mobility trends
- Integrated business model built around infrastructure lifecycle
- Defensive engineering consulting operator

**Challenges**

- Infrastructure investment cycles
- Revenue concentration
- Delays in projects and execution delivery risk
- Increasing competition
- Staff utilization, charge-out rates and retention rates

**Revenue breakdown by BU, 2022**



Source: Company data

## H1 2023 results

### Consolidated Profit and Loss

€m	H1 2022	H1 2023
Revenues	35.7	47.8
Change in work in progress	1.1	(0.5)
Other income	0.2	0.3
<b>Total Revenues</b>	<b>37.0</b>	<b>47.6</b>
YoY %	17.9%	28.6%
Personnel	(13.0)	(15.7)
Services	(14.4)	(18.2)
Other operating costs	(7.8)	(8.7)
<b>Operating costs</b>	<b>(35.1)</b>	<b>(42.6)</b>
<b>EBITDA</b>	<b>1.9</b>	<b>5.0</b>
Margin	5.1%	10.5%
D&A	(1.2)	(1.3)
<b>EBITA</b>	<b>0.7</b>	<b>3.7</b>
Margin	1.8%	7.9%
Goodwill amortization	(0.8)	(0.8)
<b>EBIT</b>	<b>(0.1)</b>	<b>2.9</b>
Margin	-0.4%	6.2%
Interest	(0.2)	(0.3)
Writedown of shareholding	0.0	(0.0)
<b>EBT</b>	<b>(0.3)</b>	<b>2.6</b>
Margin	-0.9%	5.5%
Income taxes	0.0	0.0
<b>Net Income (Loss)</b>	<b>(0.3)</b>	<b>2.6</b>
Margin	-0.9%	5.5%

Source: Company data

### Consolidated Cash Flow

€m	H1 2022	H1 2023
<b>EBIT</b>	<b>(0.1)</b>	<b>2.9</b>
Current taxes	0.0	0.0
D&A	2.0	2.0
Provisions	(0.0)	1.2
<b>Cash flow from P&amp;L operations</b>	<b>1.9</b>	<b>6.2</b>
Trade Working Capital	0.3	(7.4)
Capex - intangibles	(0.4)	(0.7)
Capex - acquisitions	(0.4)	(2.3)
Capex - PPE	(1.3)	(1.0)
Other assets and liabilities	(0.4)	1.0
<b>Operating cash flow after WC and capex</b>	<b>(0.3)</b>	<b>(4.2)</b>
Interest	(0.2)	(0.3)
Equity investments and financial assets	(0.5)	1.2
Treasury shares reserve	0.0	(0.5)
Changes in Equity	(0.1)	0.2
<b>Net cash flow</b>	<b>(1.1)</b>	<b>(3.7)</b>
Net (Debt) Cash - Beginning	(10.3)	(12.6)
Net (Debt) Cash - End	(11.3)	(16.3)
<b>Change in Net (Debt) Cash</b>	<b>(1.1)</b>	<b>(3.7)</b>

Source: Company data

### Consolidated Balance Sheet

€m	H1 2022	2022	H1 2023
Work in progress	5.5	5.0	6.1
Inventory	0.8	2.0	5.5
Trade receivables	19.9	29.1	25.6
Trade payables	(10.7)	(17.5)	(11.1)
Trade Working Capital	15.5	18.7	26.1
Other assets (liabilities)	(2.9)	(3.5)	(4.4)
<b>Net Working Capital</b>	<b>12.6</b>	<b>15.2</b>	<b>21.6</b>
Intangible assets	6.2	6.1	6.2
Goodwill	7.5	5.8	7.3
Property, plant and equipment	4.0	3.8	4.2
Equity investments and financial assets	1.5	3.5	2.3
<b>Non-current assets</b>	<b>19.1</b>	<b>19.2</b>	<b>20.0</b>
<b>Provisions</b>	<b>(2.3)</b>	<b>(2.4)</b>	<b>(3.5)</b>
<b>Net Invested Capital</b>	<b>29.4</b>	<b>32.1</b>	<b>38.1</b>
Bank debt	19.3	17.0	20.0
Other financial debt	1.1	1.0	1.1
Cash and equivalents	(9.1)	(5.4)	(4.7)
<b>Net Debt (Cash)</b>	<b>11.3</b>	<b>12.6</b>	<b>16.3</b>
Shareholders' Equity	18.2	19.5	21.6
Minority interests	(0.0)	0.1	0.2
<b>Equity</b>	<b>18.1</b>	<b>19.5</b>	<b>21.8</b>
<b>Sources</b>	<b>29.4</b>	<b>32.1</b>	<b>38.1</b>

### Ratio analysis

KPIs	H1 2022	H1 2023
ROE	6%	16%
ROS	0%	6%
ROIC	7%	17%
DSO	80	80
DPO	72	61
TWC/Revenues	19%	27%
Net Debt/EBITDA	1.3x	1.5x
Net Debt/Equity	0.6x	0.7x
Cash flow from operations/EBITDA	98%	123%
FCF/EBITDA	neg	neg
Per-capita revenue (€k)	106	100
Per-capita cost (€k)	39	42

Note: H1 KPIs calculated on LTM economics

## Business update

- Within the services of the Engineering & Project management BU, main contributors to H1 2023 revenues have been projects in the areas of tech buildings, transport & logistics (such as *cold ironing* systems in the Italian ports of Taranto and Civitavecchia and other works in port infrastructures in North Africa), energy & utilities (such as building of charging areas for electric vehicles in Italy within the IP-Macquarie electrification project), datacenters project design and maintenance

## Corporate period facts

- As of June 30<sup>th</sup>, DBA had 369,000 treasury shares, corresponding to 3.20% ownership share - Current figure of 413,400, 3.59% share, as of October 30<sup>th</sup>
- Last August, DBA released its first sustainability report

## Financial projections

Consolidated Profit and Loss						
€m	2020	2021	2022	2023E	2024E	2025E
<b>Revenues</b>	<b>70.9</b>	<b>78.8</b>	<b>84.5</b>	<b>100.6</b>	<b>107.6</b>	<b>115.1</b>
<i>YoY %</i>	18.9%	11.1%	7.2%	19.0%	7.0%	7.0%
Personnel	(24.0)	(25.1)	(27.3)	(31.4)	(33.3)	(35.9)
Services	(23.0)	(26.9)	(31.8)	(38.2)	(40.9)	(43.8)
Other operating costs	(19.6)	(19.4)	(18.0)	(21.3)	(22.4)	(23.5)
<b>Operating costs</b>	<b>(66.6)</b>	<b>(71.4)</b>	<b>(77.0)</b>	<b>(90.9)</b>	<b>(96.6)</b>	<b>(103.1)</b>
<b>Adjusted EBITDA</b>	<b>4.4</b>	<b>7.4</b>	<b>7.5</b>	<b>9.7</b>	<b>11.1</b>	<b>12.0</b>
<i>Margin</i>	6.2%	9.4%	8.8%	9.6%	10.3%	10.5%
Non-recurring costs	(0.5)	(2.6)	(0.3)	0.0	0.0	0.0
<b>EBITDA</b>	<b>3.9</b>	<b>4.8</b>	<b>7.2</b>	<b>9.7</b>	<b>11.1</b>	<b>12.0</b>
<i>Margin</i>	5.5%	6.1%	8.5%	9.6%	10.3%	10.5%
D&A	(3.1)	(2.9)	(2.5)	(2.8)	(3.3)	(2.5)
<b>EBITA</b>	<b>0.8</b>	<b>1.9</b>	<b>4.7</b>	<b>6.9</b>	<b>7.8</b>	<b>9.6</b>
<i>Margin</i>	1.1%	2.4%	5.6%	6.9%	7.2%	8.3%
Goodwill amortization	(1.4)	(1.5)	(1.3)	(1.7)	(2.1)	(2.1)
<b>EBIT</b>	<b>(0.7)</b>	<b>0.4</b>	<b>3.4</b>	<b>5.3</b>	<b>5.7</b>	<b>7.5</b>
<i>Margin</i>	-0.9%	0.5%	4.0%	5.2%	5.3%	6.5%
Interest	(0.6)	(0.7)	(0.4)	(0.7)	(0.7)	(0.7)
Writedown of shareholding	0.0	0.0	(1.3)	0.0	0.0	0.0
<b>EBT</b>	<b>(1.2)</b>	<b>(0.3)</b>	<b>1.7</b>	<b>4.6</b>	<b>5.0</b>	<b>6.8</b>
<i>Margin</i>	-1.7%	-0.4%	2.0%	4.6%	4.7%	5.9%
Income taxes	(0.1)	(0.4)	(1.1)	(1.3)	(1.4)	(1.9)
<b>Net Income (Loss)</b>	<b>(1.3)</b>	<b>(0.7)</b>	<b>0.6</b>	<b>3.3</b>	<b>3.6</b>	<b>4.9</b>
<i>Margin</i>	-1.9%	-0.9%	0.7%	3.3%	3.3%	4.3%

Source: Company data 2020-22A, EnVent Research 2023-25E

### Consolidated Balance Sheet

€m	2020	2021	2022	2023E	2024E	2025E
Work in progress	4.5	4.4	5.0	6.1	6.5	6.9
Inventory	0.6	1.3	2.0	2.0	2.0	2.0
Trade receivables	28.2	29.0	29.1	33.6	36.0	38.5
Trade payables	(12.4)	(18.8)	(17.5)	(20.9)	(21.1)	(20.2)
Trade Working Capital	20.9	15.9	18.7	20.8	23.3	27.2
Other assets (liabilities)	(2.5)	(3.3)	(3.5)	(3.8)	(4.1)	(4.4)
<b>Net Working Capital</b>	<b>18.5</b>	<b>12.5</b>	<b>15.2</b>	<b>17.0</b>	<b>19.2</b>	<b>22.8</b>
Intangible assets	6.6	6.3	6.1	5.9	5.4	5.4
Goodwill	8.7	7.9	5.8	7.8	9.9	11.8
Property, plant and equipment	3.5	3.4	3.8	4.0	3.8	4.1
Equity investments and financial assets	0.6	1.0	3.5	3.5	3.5	3.5
<b>Non-current assets</b>	<b>19.3</b>	<b>18.6</b>	<b>19.2</b>	<b>21.2</b>	<b>22.6</b>	<b>24.8</b>
<b>Provisions</b>	<b>(2.1)</b>	<b>(2.3)</b>	<b>(2.4)</b>	<b>(2.7)</b>	<b>(2.8)</b>	<b>(3.0)</b>
<b>Net Invested Capital</b>	<b>35.8</b>	<b>28.8</b>	<b>32.1</b>	<b>35.5</b>	<b>39.0</b>	<b>44.5</b>
<b>Net Debt (Cash)</b>	<b>16.4</b>	<b>10.3</b>	<b>12.6</b>	<b>13.0</b>	<b>12.9</b>	<b>13.6</b>
<b>Equity</b>	<b>19.3</b>	<b>18.5</b>	<b>19.5</b>	<b>22.5</b>	<b>26.1</b>	<b>31.0</b>
<b>Sources</b>	<b>35.8</b>	<b>28.8</b>	<b>32.1</b>	<b>35.5</b>	<b>39.0</b>	<b>44.5</b>

Source: Company data 2020-22A, EnVent Research 2023-25E

### Consolidated Cash Flow

€m	2020	2021	2022	2023E	2024E	2025E
<b>EBIT</b>	<b>(0.7)</b>	<b>0.4</b>	<b>3.4</b>	<b>5.3</b>	<b>5.7</b>	<b>7.5</b>
Current taxes	(0.1)	(0.4)	(1.1)	(1.3)	(1.4)	(1.9)
D&A	4.1	4.3	3.8	4.4	5.4	4.6
Provisions	0.1	0.3	0.0	0.3	0.2	0.2
<b>Cash flow from P&amp;L operations</b>	<b>3.4</b>	<b>4.6</b>	<b>6.1</b>	<b>8.7</b>	<b>9.8</b>	<b>10.3</b>
Trade Working Capital	(1.0)	5.1	(2.8)	(2.1)	(2.5)	(3.9)
Capex - intangibles	(1.2)	(1.2)	(1.1)	(1.2)	(1.2)	(1.2)
Capex - acquisitions	(0.2)	(0.7)	(0.5)	(3.7)	(4.1)	(4.0)
Capex - PPE	(1.4)	(1.3)	(1.6)	(1.5)	(1.5)	(1.5)
Other assets and liabilities	(0.3)	0.9	0.1	0.3	0.3	0.3
<b>Operating cash flow after WC and capex</b>	<b>(0.6)</b>	<b>7.3</b>	<b>0.2</b>	<b>0.6</b>	<b>0.7</b>	<b>0.0</b>
Interest	(0.6)	(0.7)	(0.4)	(0.7)	(0.7)	(0.7)
Equity investments and financial assets	0.1	(0.4)	(2.5)	0.0	0.0	0.0
Treasury shares reserve	0.0	0.0	0.0	(0.5)	0.0	0.0
Changes in Equity	(0.5)	(0.1)	0.4	0.2	0.0	0.0
<b>Net cash flow</b>	<b>(1.6)</b>	<b>6.2</b>	<b>(2.3)</b>	<b>(0.4)</b>	<b>0.1</b>	<b>(0.6)</b>
Net (Debt) Cash - Beginning	(14.8)	(16.4)	(10.3)	(12.6)	(13.0)	(12.9)
Net (Debt) Cash - End	(16.4)	(10.3)	(12.6)	(13.0)	(12.9)	(13.6)
<b>Change in Net (Debt) Cash</b>	<b>(1.6)</b>	<b>6.2</b>	<b>(2.3)</b>	<b>(0.4)</b>	<b>0.1</b>	<b>(0.6)</b>

Source: Company data 2020-22A, EnVent Research 2023-25E

### Ratio analysis

KPIs	2020	2021	2022	2023E	2024E	2025E
ROE	-7%	-4%	3%	15%	14%	16%
ROS (EBIT/Revenues)	-1%	0%	4%	5%	5%	6%
ROIC (NOPAT/Invested Capital)	2%	5%	11%	14%	14%	15%
DSO	121	111	104	100	100	100
DPO	87	121	105	105	100	90
TWC/Revenues	30%	20%	22%	21%	22%	24%
NWC/Revenues	26%	16%	18%	17%	18%	20%
Net Debt/EBITDA	3.8x	1.4x	1.7x	1.3x	1.2x	1.1x
Net Debt/Equity	0.8x	0.6x	0.6x	0.6x	0.5x	0.4x
Net Debt/(Net Debt+Equity)	0.5x	0.4x	0.4x	0.4x	0.3x	0.3x
Cash flow from P&L operations/EBITDA	78%	62%	81%	90%	89%	86%
FCF/EBITDA	neg	99%	3%	6%	7%	0%
Per-capita revenue (€k)	111	108	112	106	113	121
Per-capita cost (€k)	41	39	41	44	46	50
Basic EPS (€)	neg	neg	0.05	0.29	0.31	0.43

Source: Company data 2020-22A, EnVent Research 2023-25E

## Valuation

For the valuation of DBA we keep applying the DCF method. As an additional value indication, we also run our valuation through market multiples by BU under the sum of the parts approach.

### Discounted Cash Flows

Updated assumptions:

- Risk free rate: 4.3% (Italian 10-year government bonds interest rate - 30 days average. Source: Bloomberg, November 2023)
- Market return: 13% (30 days average. Source: Bloomberg, November 2023)
- Market risk premium: 8.7%
- Beta: 1 (judgmental in absence of reliable comparable figures)
- Cost of equity: 13%
- Cost of debt: 4% (Source: average historical rate)
- Tax rate: 24% (IRES)
- 30% debt/(debt + equity) as target capital structure
- WACC calculated at 10%, from 9.1%
- Perpetual growth rate after explicit projections (G): 2.5%
- Terminal Value assumes an EBITDA margin of 8%

**DCF valuation**

€m	2020	2021	2022	2023E	2024E	2025E	Perpetuity
<b>Revenues</b>	<b>70.9</b>	<b>78.8</b>	<b>84.5</b>	<b>100.6</b>	<b>107.6</b>	<b>115.1</b>	<b>118.0</b>
<b>EBITDA</b>	<b>4.4</b>	<b>7.4</b>	<b>7.5</b>	<b>9.7</b>	<b>11.1</b>	<b>12.0</b>	<b>9.4</b>
<i>Margin</i>	<i>6.2%</i>	<i>9.4%</i>	<i>8.8%</i>	<i>9.6%</i>	<i>10.3%</i>	<i>10.5%</i>	<i>8.0%</i>
<b>EBITA</b>	<b>0.8</b>	<b>1.9</b>	<b>4.7</b>	<b>6.9</b>	<b>7.8</b>	<b>9.6</b>	<b>6.9</b>
<i>Margin</i>	<i>1.1%</i>	<i>2.4%</i>	<i>5.6%</i>	<i>6.9%</i>	<i>7.2%</i>	<i>8.3%</i>	<i>5.9%</i>
Taxes	(0.2)	(0.5)	(1.3)	(1.9)	(2.2)	(2.7)	(1.9)
<b>NOPAT</b>	<b>0.6</b>	<b>1.3</b>	<b>3.4</b>	<b>5.0</b>	<b>5.6</b>	<b>6.9</b>	<b>5.0</b>
D&A	3.1	2.9	2.5	2.8	3.3	2.5	2.5
Provisions	0.1	0.3	0.0	0.3	0.2	0.2	0.0
<b>Cash flow from operations</b>	<b>3.8</b>	<b>4.5</b>	<b>5.9</b>	<b>8.1</b>	<b>9.0</b>	<b>9.6</b>	<b>7.5</b>
Trade Working Capital	(1.0)	5.1	(2.8)	(2.1)	(2.5)	(3.9)	(0.6)
Capex	(2.7)	(3.2)	(3.2)	(6.4)	(6.8)	(6.7)	(2.5)
Other assets and liabilities	(0.3)	0.9	0.1	0.3	0.3	0.3	0.0
<b>Unlevered free cash flow</b>	<b>(0.3)</b>	<b>7.3</b>	<b>0.0</b>	<b>(0.1)</b>	<b>(0.0)</b>	<b>(0.7)</b>	<b>4.4</b>
<b>- H1 unlevered free cash flow</b>				<b>5.3</b>			
<b>Free cash flow to be discounted</b>				<b>5.2</b>	<b>(0.0)</b>	<b>(0.7)</b>	<b>4.4</b>
WACC	10.0%						
Long-term growth (G)	2.5%						
<b>Discounted Cash Flows</b>				<b>5.0</b>	<b>(0.0)</b>	<b>(0.6)</b>	
Sum of Discounted Cash Flows	4.4						
<b>Terminal Value</b>							<b>58.2</b>
Discounted TV	45.9						
<b>Enterprise Value</b>	<b>50.2</b>						
Net Debt as of 30/06/23	(16.3)						
Minorities as of 30/06/23	(0.2)						
<b>Equity Value</b>	<b>33.7</b>						
<b>DCF - Implied multiples</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023E</b>	<b>2024E</b>	<b>2025E</b>	
EV/Revenues	0.7x	0.6x	0.6x	0.5x	0.5x	0.4x	
EV/EBITDA	11.5x	6.8x	6.7x	5.2x	4.5x	4.2x	
EV/EBITA	65.1x	26.9x	10.7x	7.2x	6.5x	5.3x	
P/E	neg	neg	54.0x	10.2x	9.4x	6.9x	
<b>Discount of current market price vs DCF</b>	<b>-28%</b>						
<b>Current market price - Implied multiples</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023E</b>	<b>2024E</b>	<b>2025E</b>	
EV/Revenues	0.5x	0.5x	0.4x	0.4x	0.3x	0.3x	
EV/EBITDA	8.3x	4.9x	4.9x	3.7x	3.3x	3.0x	
EV/EBITA	47.0x	19.4x	7.7x	5.2x	4.7x	3.8x	
P/E	neg	neg	31.7x	6.0x	5.5x	4.0x	

Source: EnVent Research



## Sum of the Parts valuation on market multiples per business unit

### Market multiples

Company	EV/REVENUES			EV/EBITDA			EV/EBIT			P/E		
	2022	2023E	2024E	2022	2023E	2024E	2022	2023E	2024E	2022	2023E	2024E
<b>Core business peers</b>												
<b>Alten</b>	1.1x	1.0x	0.9x	7.8x	8.3x	7.7x	9.4x	10.6x	9.7x	13.3x	14.5x	12.8x
<b>Assystem</b>	1.4x	1.2x	1.2x	14.6x	14.0x	13.7x	20.8x	20.4x	17.6x	16.5x	14.1x	12.0x
<b>Circle</b>	2.2x	1.7x	1.5x	6.9x	7.0x	5.8x	11.8x	10.3x	8.0x	na	na	na
<b>Mean</b>	<b>1.6x</b>	<b>1.3x</b>	<b>1.2x</b>	<b>9.8x</b>	<b>9.8x</b>	<b>9.1x</b>	<b>14.0x</b>	<b>13.8x</b>	<b>11.8x</b>	<b>14.9x</b>	<b>14.3x</b>	<b>12.4x</b>
<b>International IT consultants/system integrators</b>												
<b>Bouvet</b>	1.7x	1.7x	1.5x	12.6x	11.5x	10.7x	15.1x	14.0x	12.9x	20.2x	17.8x	16.8x
<b>Reply</b>	1.9x	1.7x	1.6x	12.7x	11.2x	10.1x	15.3x	13.9x	12.3x	22.3x	20.2x	17.8x
<b>Cancom</b>	0.8x	0.7x	0.6x	6.1x	8.7x	7.3x	10.3x	19.8x	13.5x	20.0x	22.7x	19.2x
<b>Datagroup</b>	1.1x	1.0x	1.0x	7.8x	6.6x	6.3x	14.4x	11.4x	10.6x	19.4x	15.5x	14.2x
<b>Allgeier</b>	0.9x	0.8x	0.8x	7.7x	6.6x	5.8x	13.3x	9.8x	8.4x	16.4x	12.4x	9.9x
<b>Cenit</b>	0.7x	0.7x	0.6x	9.1x	7.4x	6.2x	18.1x	12.5x	9.3x	25.8x	18.6x	13.4x
<b>GFT Technologies</b>	1.1x	1.0x	0.9x	10.0x	8.7x	7.7x	13.2x	11.6x	9.9x	18.6x	16.0x	14.1x
<b>Spindox</b>	0.6x	0.5x	0.4x	6.6x	5.8x	4.9x	11.8x	9.6x	7.6x	18.7x	15.5x	10.9x
<b>All for One</b>	0.6x	0.5x	0.5x	5.8x	5.9x	4.5x	15.8x	17.2x	9.5x	21.4x	21.2x	10.8x
<b>Mean</b>	<b>1.0x</b>	<b>1.0x</b>	<b>0.9x</b>	<b>8.7x</b>	<b>8.0x</b>	<b>7.0x</b>	<b>14.1x</b>	<b>13.3x</b>	<b>10.5x</b>	<b>20.3x</b>	<b>17.8x</b>	<b>14.1x</b>
<b>Median</b>	<b>0.9x</b>	<b>0.8x</b>	<b>0.8x</b>	<b>7.8x</b>	<b>7.4x</b>	<b>6.3x</b>	<b>14.4x</b>	<b>12.5x</b>	<b>9.9x</b>	<b>20.0x</b>	<b>17.8x</b>	<b>14.1x</b>
<b>DBA</b>	<b>0.4x</b>	<b>0.4x</b>	<b>0.3x</b>	<b>4.1x</b>	<b>3.7x</b>	<b>3.2x</b>	<b>9.0x</b>	<b>6.8x</b>	<b>6.3x</b>	<b>28.8x</b>	<b>5.8x</b>	<b>5.3x</b>

Source: EnVent Research on S&P Capital IQ, 10/11/2023

Aware of the limited comparability of DBA to industry peers, we have used revenue and EBITDA metrics per BU, applying a 50% judgmental cut to core business current trading multiples. The resulting values leave wide room for upside.

### SOP application

€m

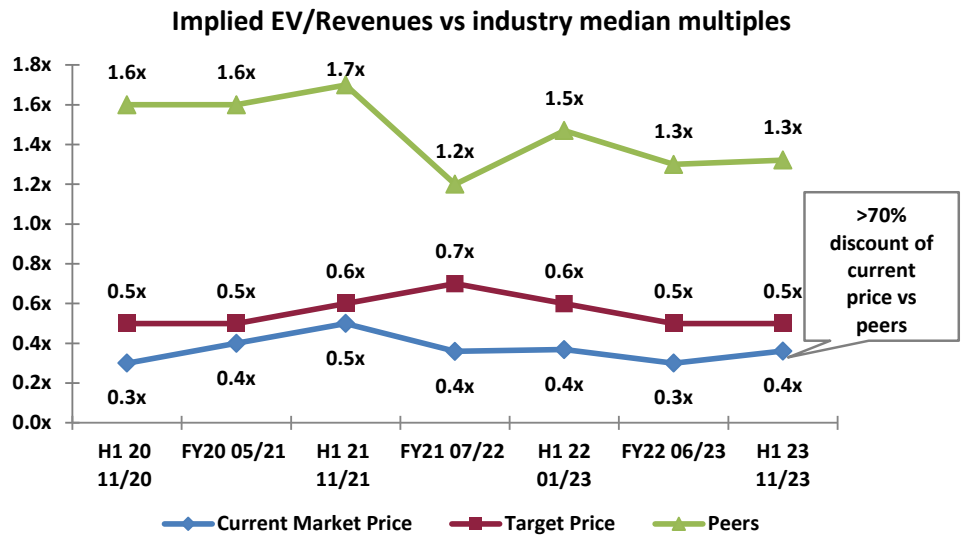
DBA Group		2023E Market multiples	
<b>EV EPM+ICT Ita</b>		<i>50% cut</i>	
<b>2023E Revenues</b>	62.3	0.7x	41.1
<b>EV ICT Slo</b>			
<b>2023E Revenues</b>	38.3	0.8x	32.2
<b>SOP EV DBA Group</b>			<b>73.3</b>
Net Debt as of 30/06/23			(16.3)
Minorities as of 30/06/23			(0.2)
<b>Equity value DBA Group</b>			<b>56.8</b>

€m

DBA Group		2023E Market multiples	
<b>EV EPM+ICT Ita</b>		<i>50% cut</i>	
<b>2023E EBITDA</b>	6.8	4.9x	33.2
<b>EV ICT Slo</b>			
<b>2023E EBITDA</b>	2.9	7.4x	21.5
<b>SOP EV DBA Group</b>			<b>54.7</b>
Net Debt as of 30/06/23			(16.3)
Minorities as of 30/06/23			(0.2)
<b>Equity value DBA Group</b>			<b>38.2</b>

Source: EnVent Research

## Target Price



Source: EnVent Research on S&P Capital IQ, 13/11/2023

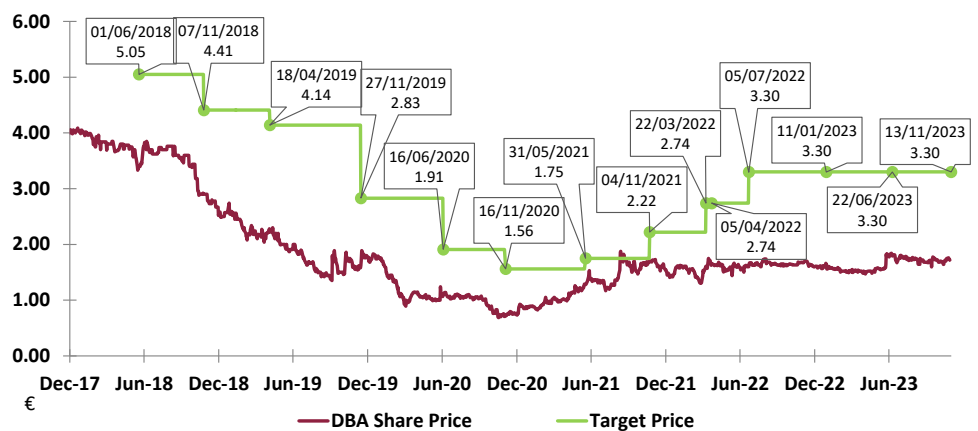
Our updated valuation combining DCF and market multiples under the SoP approach confirms the last €3.30 target price, +92% potential upside on current price, implying 2023E 0.5x EV/Revenues, while DBA is trading at 0.4x. We note that despite the diversity of peers, the application of market multiples is consistent with the analytical methodology. The larger discount to the peer group supports our OUTPERFORM rating.

DBA Price per Share	€
<b>Target Price</b>	<b>3.30</b>
Current Share Price (10/11/2023)	1.72
<b>Premium (Discount)</b>	<b>92%</b>

Source: EnVent Research

Please refer to important disclosures at the end of this report.

## DBA Share Price vs EnVent Target Price



Source: EnVent Research on S&P Capital IQ, 13/11/2023

**DISCLAIMER** (for more details go to [www.enventgroup.eu](http://www.enventgroup.eu) under “Legal notices - Disclaimer”)

This publication has been prepared by Luigi Tardella, Head of Research Division, and Mauro Durante, Equity Analyst, on behalf of the Research & Analysis Division of EnVent Italia SIM S.p.A. (“EnVent”). EnVent Italia SIM is authorized and regulated in Italy by Consob (Register of Investment Firms Reg. No. 315).

This publication does not represent to be, nor can it be construed as being, an offer or solicitation to buy, subscribe or sell financial products or instruments, or to execute any operation whatsoever concerning such products or instruments. This publication is not, under any circumstances, intended for distribution to the general public. Accordingly, this document is only for persons who are Eligible Counterparties or Professional Clients only, i.e. persons having professional experience in investments who are authorized persons or exempted persons within the meaning of the Financial Services and Markets Act 2000 and COBS 4.12 of the FCA’s New Conduct of Business Sourcebook. For residents in Italy, this document is intended for distribution only to professional clients and qualified counterparties as defined in Consob Regulation n. 16190 of the 29th October 2007, as subsequently amended and supplemented.

This publication, nor any copy of it, can not be brought, transmitted or distributed in the United States of America, Canada, Japan or Australia. Any failure to comply with these restrictions may constitute a violation of the securities laws provided by the United States of America, Canada, Japan or Australia.

EnVent does not guarantee any specific result as regards the information contained in the present publication, and accepts no responsibility or liability for the outcome of the transactions recommended therein or for the results produced by such transactions. Each and every investment/divestiture decision is the sole responsibility of the party receiving the advice and recommendations, who is free to decide whether or not to implement them. The price of the investments and the income derived from them can go down as well as up, and investors may not get back the amount originally invested. Therefore, EnVent and/or the author(s) of the present publication cannot in any way be held liable for any losses, damage, or lower earnings that the party using the publication might suffer following execution of transactions on the basis of the information and/or recommendations contained therein.

The purpose of this publication is merely to provide information that is up to date and as accurate as possible. The information and each possible estimate and/or opinion and/or recommendation contained in this publication is based on sources believed to be reliable. Although EnVent makes every reasonable endeavour to obtain information from sources that it deems to be reliable, it accepts no responsibility or liability as to the completeness, accuracy or exactitude of such information and sources. Past performance is not a guarantee of future results.

Most important sources of information used for the preparation of this publication are the documentation published by the Company (annual and interim financial statements, press releases, company presentations, IPO prospectus), the information provided by business and credit information providers (as Bloomberg, S&P Capital IQ, AIDA) and industry reports.

EnVent has no obligation to update, modify or amend this publication or to otherwise notify a reader or recipient of this publication in the case that any matter, opinion, forecast or estimate contained herein, changes or subsequently becomes inaccurate, or if the research on the subject company is withdrawn. The estimates, opinions, and recommendations expressed in this publication may be subject to change without notice, on the basis of new and/or further available information.

EnVent intends to provide continuous coverage of the Company and the financial instrument forming the subject of the present publication, with a semi-annual frequency and, in any case, with a frequency consistent with the timing of the Company’s periodical financial reporting and of any exceptional event occurring in its sphere of activity.

A draft copy of this publication may be sent to the subject Company for its information and review (without valuation, target price and recommendation), for the purpose of correcting any inadvertent material inaccuracies. EnVent did not disclose the rating to the Issuer before publication and dissemination of this document.

**ANALYST DISCLOSURES**

For each company mentioned in this publication, all of the views expressed in this publication accurately reflect the financial analysts’ personal views about any or all of the subject company (companies) or securities.

Neither the analysts nor any member of the analysts’ households have a financial interest in the securities of the subject Company. Neither the analysts nor any member of the analysts’ households serve as an officer, director or advisory board member of the subject company. Analysts’ remuneration was not, is not or will be not related, either directly or indirectly, to specific proprietary investment transactions or to market operations in which EnVent has played a role (as Euronext Growth Advisor, for example) or to the specific recommendation or view in this publication. EnVent has adopted internal procedures and an internal code of conduct aimed to ensure the independence of its financial analysts. EnVent Research analysts and other staff involved in issuing and disseminating research reports operate independently of EnVent Group business. EnVent, within the Research & Analysis Division, may collaborate with external professionals. It may, directly or indirectly, have a potential conflict of interest with the Company and, for that reason, EnVent adopts organizational and procedural measures for the prevention and management of conflicts of interest (for details [www.enventgroup.eu](http://www.enventgroup.eu) under “Legal notices - Disclaimer”, “Procedures for prevention of conflicts of interest”).

## MIFID II DISCLOSURES

**DBA Group S.p.A.** (the “Issuer or the “Company”) is a corporate client of EnVent. This document, being paid for by a corporate Issuer, is a Minor Non-monetary Benefit as set out in Article 12 (3) of the Commission Delegated Act (C2016) 2031.

This note is a marketing communication and not independent research. As such, it has not been prepared in accordance with legal requirements designed to promote the independence of investment research and this note is not subject to the prohibition on dealing ahead of the dissemination of investment research.

## CONFLICTS OF INTEREST

In order to disclose its possible conflicts of interest, EnVent states that it acts or has acted in the past 12 months as Euronext Growth Advisor to the subject Company on the Euronext Growth Milan market, a Multilateral Trading Facility regulated by Borsa Italiana (for details [www.enventgroup.eu](http://www.enventgroup.eu) under “Legal notices - Disclaimer”, “Potential conflicts of interest”).

## CONFIDENTIALITY

Neither this publication nor any portions thereof (including, without limitation, any conclusion as to values or any individual associated with this publication or the professional associations or organizations with which they are affiliated) shall be reproduced to third parties by any means without the prior written consent and approval from EnVent.

## VALUATION METHODOLOGIES

EnVent Research & Analysis Division calculates range of values and fair values for the companies under coverage using professional valuation methodologies, such as the discounted cash flows method (DCF), dividend discount model (DDM) and multiple-based models (e.g. EV/Revenues, EV/EBITDA, EV/EBIT, P/E, P/BV). Alternative valuation methodologies may be used, according to circumstances or judgement of non-adequacy of most used methods. The target price could be also influenced by market conditions or events and corporate or share peculiarities.

## STOCK RATINGS

The “OUTPERFORM”, “NEUTRAL”, AND “UNDERPERFORM” recommendations are based on the expectations within a 12-month period from the date of rating indicated in the front page of this publication.

Equity ratings and valuations are issued in absolute terms, not relative to market performance.

Rating system and rationale (12-month time horizon):

OUTPERFORM: stocks are expected to have a total return above 10%;

NEUTRAL: stocks are expected to have a performance between -10% and +10% consistent with market or industry trend and appear less attractive than Outperform rated stocks;

UNDERPERFORM: stocks are among the least attractive in a peer group, with the target price 10% below the current market price;

UNDER REVIEW: target price under review, waiting for updated financial data, or other key information such as material transactions involving share capital or financing;

SUSPENDED: no rating/target price assigned, due to material uncertainties or other issues that seriously impair our previous investment ratings, price targets and earnings estimates;

NOT RATED: no rating or target price assigned.

Some flexibility on the limits of the total return rating ranges is permitted, especially during high market volatility cycles.

The stock price indicated in the report is the last closing price on the day of Production.

Date and time of Production: 10/11/2023 h. 6.15pm

Date and time of Distribution: 13/11/2023 h. 6.30pm

## DETAILS ON STOCK RECOMMENDATION AND TARGET PRICE

Date	Recommendation	Target Price (€)	Share Price (€)
01/06/2018	OUTPERFORM	5.05	3.40
07/11/2018	OUTPERFORM	4.41	2.90
18/04/2019	OUTPERFORM	4.14	2.22
27/11/2019	OUTPERFORM	2.83	1.62
16/06/2020	OUTPERFORM	1.91	1.11
16/11/2020	OUTPERFORM	1.56	0.71
31/05/2021	OUTPERFORM	1.75	1.29
04/11/2021	OUTPERFORM	2.22	1.69
22/03/2022	OUTPERFORM	2.74	1.61
05/04/2022	OUTPERFORM	2.74	1.63
05/07/2022	OUTPERFORM	3.30	1.60
11/01/2023	OUTPERFORM	3.30	1.66
22/06/2023	OUTPERFORM	3.30	1.81
13/11/2023	OUTPERFORM	3.30	1.72

**ENVENT RECOMMENDATION DISTRIBUTION (November 13<sup>th</sup>, 2023)**

<b>Number of companies covered:</b>	<b>22</b>	<b>OUTPERFORM</b>	<b>NEUTRAL</b>	<b>UNDERPERFORM</b>	<b>SUSPENDED</b>	<b>UNDER REVIEW</b>	<b>NOT RATED</b>
Total Equity Research Coverage %		91%	9%	0%	0%	0%	0%
of which EnVent clients % *		75%	50%	na	na	na	na

\* Note: Companies to which corporate and capital markets services were supplied in the last 12 months.

This disclaimer is constantly updated on the website at [www.enventgroup.eu](http://www.enventgroup.eu) under “Legal notices - Disclaimer”.

Additional information available upon request.

© Copyright 2023 by EnVent Italia SIM S.p.A. - All rights reserved