

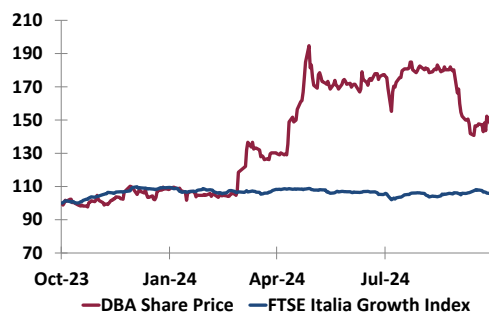


OUTPERFORM

Current Share Price (€): 2.59

Target Price (€): 4.20

DBA Group - 1Y Performance



Source: S&P Capital IQ - Note: 30/10/2023=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 (€)	2.59
Date of Price	29/10/2024
Shares Outstanding (m)	11.5
Market Cap (€m)	29.8
Market Float (%)	56.4%
Daily Volume	3,600
Avg Daily Volume YTD	32,895
Target Price (€)	4.20
Upside (%)	62%
Recommendation	OUTPERFORM

Share price performance

	1M	3M	6M	1Y
DBA - Absolute (%)	-16%	-15%	17%	51%
FTSE Italia Growth (%)	-1%	-1%	-3%	5%
1Y Range H/L (€)			3.35	1.68
YTD Change (€)/%			0.71	38%

Source: S&P Capital IQ

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Backlog at €142m, +28% as of year-end 2023. Overperforming the reference stock market index.

Stock performance: +50% LTM, retracement in last trading days

From October to March-end DBA share price mirrored the Italia Growth index. Following the release of FY23 results in April, the stock started a rally reaching a five-year high of €3.35. In the last trading days, the price has undergone a retracement in the €2.60 area. Overall, the stock is up 51% LTM, vs +5% of FTSE Italia Growth index.

H1 2024: Energy and digital transition projects drive revenue and EBITDA expansion

H1 2024 revenues were €51.2m, +7% on H1 2023, driven by the Engineering & Project Management and ICT Italy BUs with €35m (+16%), while the ICT Slovenia BU was at €18.4m (+4%). Reported Value of Production €53.4m, +11.5% on H1 2023. EBITDA at €5.3m (+6.4% vs H1 2023), 10% margin vs 10.5%, mainly generated by the Engineering & Project Management BU (€5.1m, +18% on H1 2023). Adjusted EBITDA was €5.7m (10.8% on revenues), before €0.4m of non-recurring costs. Net income was €1.7m, vs €2.6m in H1 2023. Net income adjusted for goodwill amortization would be €2.5m. TWC was €24.8m, 24% of revenues (from 21% as of year-end 2023). Net debt went up from €8.4m as of year-end 2023 to €11.6m as of June 2024, mainly for residual acquisition disbursements of S.J.S. Engineering and DBA Doo, and €1m dividends paid. Backlog reached €142m (from €111m as of year-end 2023).

Target price of €4.20 and rating OUTPERFORM confirmed

H1 2024 results are consistent with our full year estimates and management guidelines for FY24 (€115m VoP and €12.6m EBITDA). Furthermore, historically revenue and margin recognition for engineering works occurs mostly in H2. In our view, the solid backlog of €142m consolidates the growth trend of DBA operations. As such, we factor in H1 figures and have finetuned estimates for FY24-26E. Our updated valuation confirms the €4.20 target price, +62% potential upside on current price, implying 2024E 0.5x EV/Revenues, while DBA is trading at 0.4x. The almost 70% discount to the peer group supports our OUTPERFORM rating.

KEY FINANCIALS AND ESTIMATES (€m)	2021	2022	2023	2024E	2025E	2026E
Revenues	78.8	84.5	111.6	115.1	122.5	133.6
Adj. EBITDA	7.4	7.5	12.6	12.5	14.1	15.6
Margin	9.4%	8.8%	11.2%	10.9%	11.5%	11.7%
EBIT	0.4	3.4	7.9	8.2	9.1	9.9
Margin	0.5%	4.0%	7.1%	7.2%	7.4%	7.4%
Net Income (Loss)	(0.7)	0.6	4.4	5.3	5.9	6.5
Trade Working Capital	15.9	18.7	23.4	28.2	35.2	41.0
Net Debt (Cash)	10.3	12.6	8.4	9.0	12.0	12.9
Equity	18.5	19.5	23.0	27.3	31.6	36.3

KEY RATIOS AND MULTIPLES	2021	2022	2023	2024E	2025E	2026E
Per-capita revenue (€k)	108	113	138	129	138	150
Net Debt/EBITDA	1.4x	1.7x	0.7x	0.7x	0.9x	0.8x
Basic EPS (€)	neg	0.05	0.40	0.48	0.53	0.59
EV/Revenues	0.5x	0.5x	0.4x	0.4x	0.3x	0.3x
EV/EBITDA	5.6x	5.6x	3.3x	3.3x	3.0x	2.7x

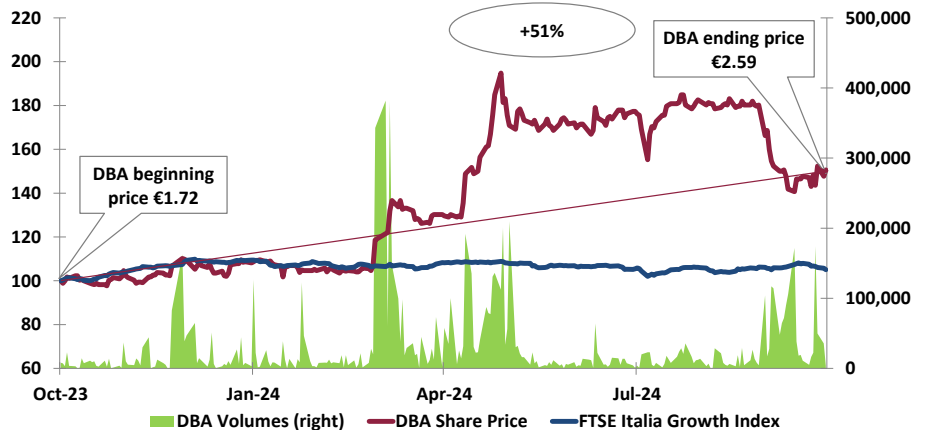
Source: Company data 2021-23A, EnVent Research 2024-26E

Market update

Trading price range €1.68-3.35 per share

DBA overperforming the reference index: +51% for DBA, vs +5% for the Italia Growth Index

DBA Group - 1Y Share price performance and trading volumes

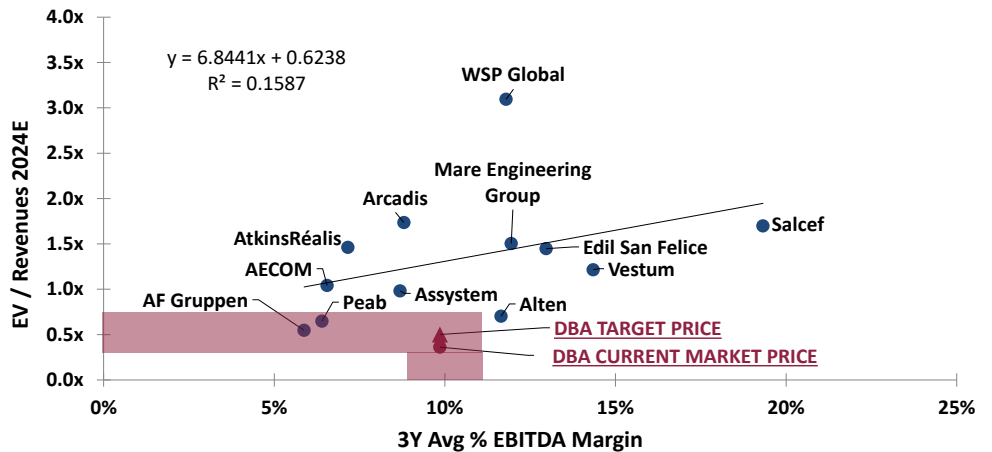


Source: EnVent Research on S&P Capital IQ - Note: 29/10/2023=100

Wide discount to peers

Outliers out, low correlation

Core business and Design & Construction Peer group - Regression analysis and DBA target positioning

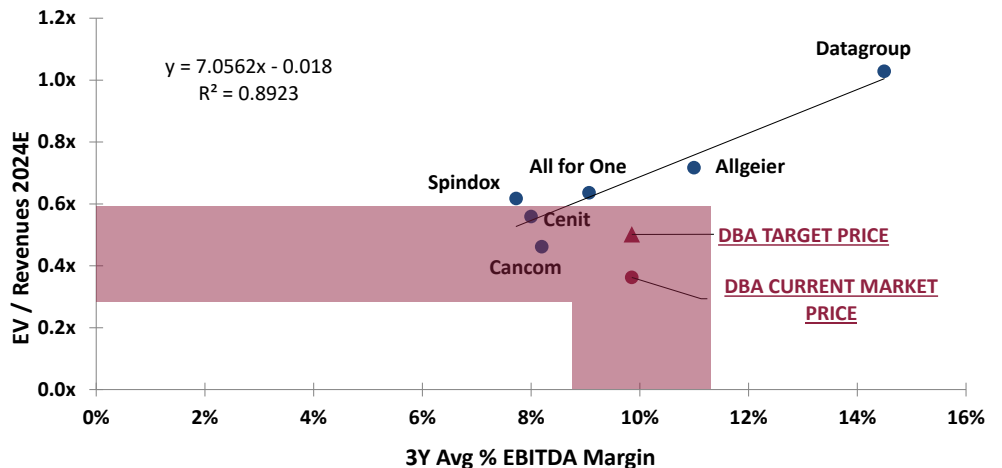


Source: EnVent Research on S&P Capital IQ, October 2024

Discount to peers

High correlation

International IT consultants Peer group - Regression analysis and DBA target positioning



Source: EnVent Research on S&P Capital IQ, October 2024

Investment case

The mission critical network infrastructure specialist

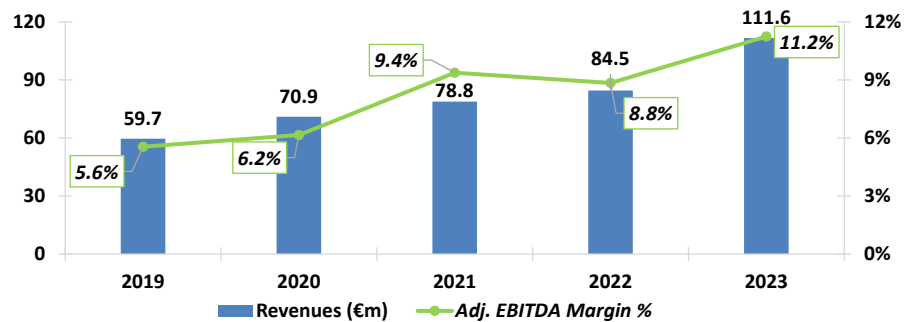
Over 30 years of history, 7 acquisitions

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 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

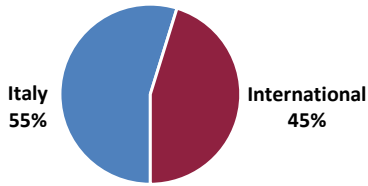
- Global investments in infrastructure and connectivity
- Ultra-broadband evolution calls for new expansion cycles
- IoT emerging as the third wave of internet development
- Global urbanization and mobility trends
- Integrated business model built around infrastructure lifecycle
- Defensive engineering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

Challenges

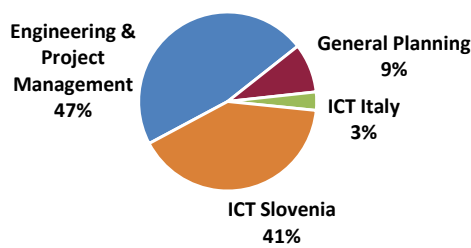
- Infrastructure investment cycles
- Revenue concentration
- Delays in projects and execution delivery risk
- Increasing competition
- Staff utilization, charge-out rates and retention rates

Revenue breakdown, FY23

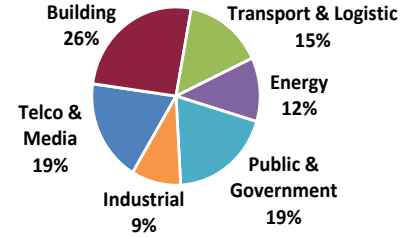
Geography



BUs



Sectors



Source: Company data

Risk profile: *medium*

Competitive forces

Force	Factors	Materiality of risk map	
Competitive rivalry	<ul style="list-style-type: none"> High competition: fragmented competitive arena, pressure on prices 	<p>The materiality of risk map plots five forces on a grid. The vertical axis represents 'Higher risk' at the top and 'Lower risk' at the bottom. The horizontal axis represents 'Lower impact' on the left and 'Higher impact' on the right. The bubbles are: 'Competitive rivalry' (large, dark red, high risk, high impact), 'Customers' (medium, yellow, medium risk, high impact), 'New entrants' (small, yellow, medium risk, medium impact), 'Suppliers' (medium, green, low risk, medium impact), and 'Substitutes' (small, green, low risk, low impact). The overall risk profile is labeled as 'MEDIUM'.</p>	
Customers	<ul style="list-style-type: none"> Medium-low power: high turnover, low concentration 		
New entrants	<ul style="list-style-type: none"> Low barriers to entry: low capital required for new entrants 		
Substitutes	<ul style="list-style-type: none"> None 		
Suppliers	<ul style="list-style-type: none"> Low power 		

Source: EnVent Research

H1 2024 results

- H1 2024 revenues €51.2m, +7% on H1 2023: Engineering & Project Management and ICT Italy BUs €35m, +16% up on H1 2023; ICT Slovenia BU €18.4m, +4%
- Reported Value of Production €53.4m, +11.5% on H1 2023
- EBITDA €5.3m (+6.4% vs H1 2023), 10% margin vs 10.5% in H1 2023, mainly generated by the Engineering & Project Management BU (€5.1m)
- EBITDA Adjusted €5.7m, 10.8% margin, before €0.4 of non-recurring costs due to reorganization costs after the acquisition of 25% of S.J.S. Engineering
- Net income €1.7m, vs €2.6m in H1 2023. Net income adjusted for goodwill amortization would be €2.5m.
- TWC was €24.8m, 24% of revenues (from 21% as of year-end 2023)

- Net debt up at €11.6m as of June 2024, from €8.4m as of year-end 2023, mainly for residual acquisition disbursements of 25% of S.J.S. Engineering and 12.5% of DBA Doo in March 2024, and €1m dividends paid
- Backlog at almost €142m (vs €95.1m as of June 2023 and €111m as of year-end 2023)

Consolidated Profit and Loss

€m	H1 2023	H1 2024
Revenues	47.8	51.2
Change in work in progress	(0.5)	1.3
Other income	0.3	0.6
Total Revenues	47.6	53.2
YoY %	28.6%	11.7%
Personnel	(15.7)	(18.4)
Services	(18.2)	(22.7)
Other operating costs	(8.7)	(6.4)
Operating costs	(42.6)	(47.5)
Adjusted EBITDA	5.0	5.7
Margin	10.5%	10.8%
Non-recurring costs	0.0	(0.4)
EBITDA	5.0	5.3
Margin	10.5%	10.0%
D&A	(1.3)	(1.4)
EBITA	3.7	3.9
Margin	7.9%	7.4%
Goodwill amortization	(0.8)	(0.8)
EBIT	2.9	3.1
Margin	6.2%	5.9%
Interest	(0.3)	(0.4)
Writedown of shareholding	(0.0)	(0.0)
EBT	2.6	2.7
Margin	5.5%	5.1%
Income taxes	0.0	(0.9)
Net Income (Loss)	2.6	1.7
Margin	5.5%	3.3%

Source: Company data

Note: Reclassification by EnVent Research

Consolidated Balance Sheet

€m	H1 2023	2023	H1 2024
Work in progress	6.1	3.8	5.1
Inventory	5.5	1.0	0.5
Trade receivables	25.6	35.9	36.1
Trade payables	(11.1)	(17.3)	(16.9)
Trade Working Capital	26.1	23.4	24.8
Other assets (liabilities)	(4.4)	(6.7)	(5.4)
Net Working Capital	21.6	16.7	19.4
Intangible assets	6.2	5.2	5.4
Goodwill	7.3	6.6	7.2
Property, plant and equipment	4.2	4.3	4.8
Equity investments and financial assets	2.3	2.2	2.2
Non-current assets	20.0	18.3	19.6
Net Invested Capital	38.1	31.4	35.2
Bank debt	20.0	16.3	16.1
Other financial debt	1.1	1.0	0.6
Cash and equivalents	(4.7)	(8.9)	(5.1)
Net Debt (Cash)	16.3	8.4	11.6
Shareholders' Equity	21.6	22.6	23.3
Minority interests	0.2	0.4	0.3
Equity	21.8	23.0	23.6
Sources	38.1	31.4	35.2

Note: Equity includes €0.8m own shares

Consolidated Cash Flow

€m	H1 2023	H1 2024
EBIT	2.9	3.1
Current taxes	0.0	(0.9)
D&A	2.0	2.2
Provisions	1.2	0.0
Cash flow from P&L operations	6.2	4.4
Trade Working Capital	(7.4)	(1.4)
Capex - intangibles	(0.7)	(0.8)
Capex - acquisitions	(2.3)	(1.4)
Capex - PPE	(1.0)	(1.2)
Other assets and liabilities	1.0	(1.3)
Operating cash flow after WC and capex	(4.2)	(1.7)
Interest	(0.3)	(0.4)
Writedown of shareholding	(0.0)	(0.0)
Equity investments and financial assets	1.2	0.0
Dividends	0.0	(1.0)
Treasury shares reserve	0.0	0.0
Changes in Equity	(0.3)	(0.1)
Net cash flow	(3.7)	(3.2)
Net (Debt) Cash - Beginning	(12.6)	(8.4)
Net (Debt) Cash - End	(16.3)	(11.6)
Change in Net (Debt) Cash	(3.7)	(3.2)

Source: Company data

Ratio analysis

KPIs	H1 2023	H1 2024
ROE	16%	15%
ROS	6%	6%
ROIC	17%	23%
DSO	80	102
DPO	61	86
TWC/Revenues	27%	21%
Net Debt/EBITDA	1.5x	0.9x
Net Debt/Equity	0.7x	0.5x
Cash flow from operations/EBITDA	123%	77%
FCF/EBITDA	neg	neg
Per-capita revenue (€k)	129	137
Per-capita cost (€k)	42	42

Note: H1 KPIs calculated on LTM economics

Business update

- Project Management Office for Open Fiber network in Italy
- Partnership with A2A and Retelit for heat recovery from data centers for district heating
- Engineering and project management services for the breakwater in the Port of Taranto
- 24-month agreement with Open Fiber for FTTH network development
- €5.9m agreement for IT services with University Medical Centre Ljubljana (4 years duration starting in H2 2024)

Corporate period facts

- 2023 sustainability report released
- €1m dividends paid in May 2024

Management guidelines

We recall management guidelines and 2024 budget disclosure, updated last March:

Financial guidelines 2024-26E

Management guidance 2024-26E (December 2023)

€m	2024E Rev	2026E
Total Revenues (incl. capitalization of intangibles)	115.1	135.7
EBITDA	12.6	15.9
<i>Margin</i>	10.9%	11.7%
Net (Debt) Cash	(8.8)	(13.4)
<i>Net Debt/EBITDA</i>	0.7x	0.8x

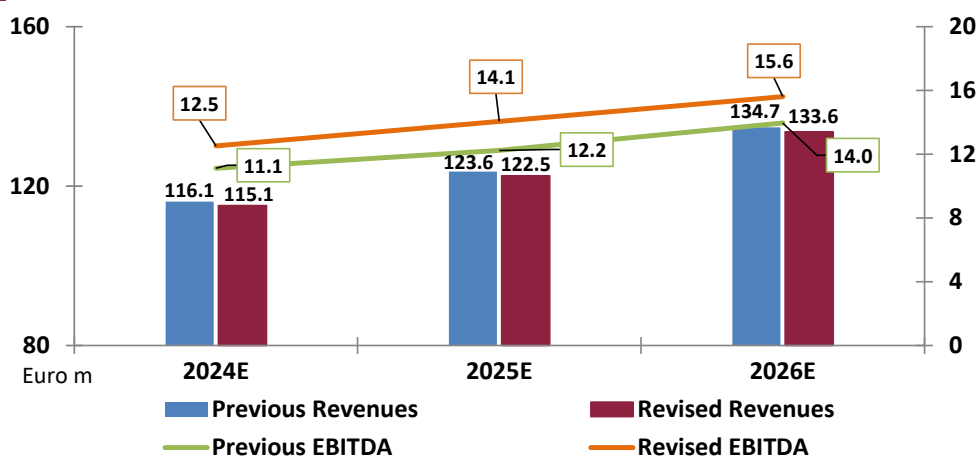
Source: Company data

Estimates revision

We have factored H1 2024 actual performance and have finetuned operating costs and capex estimates for FY24-26E, also based on updated management guidelines.

Change in estimates

Previous vs Revised Revenues and EBITDA estimates (€m)



Source: EnVent Research

€m	Revised			Previous			Change %		
	2024E	2025E	2026E	2024E	2025E	2026E	2024E	2025E	2026E
Revenues	115.1	122.5	133.6	116.1	123.6	134.7	-1%	-1%	-1%
EBITDA	12.5	14.1	15.6	11.1	12.2	14.0	13%	15%	12%
<i>Margin</i>	11%	11%	12%	10%	10%	10%			
EBIT	8.2	9.1	9.9	6.9	7.5	8.7	19%	21%	14%
<i>Margin</i>	7%	7%	7%	6%	6%	6%			
Net Income (Loss)	5.3	5.9	6.5	4.3	4.7	5.6	22%	24%	16%
Net (Debt) Cash	(9.0)	(12.0)	(12.9)	(8.6)	(10.0)	(9.0)			

Source: EnVent Research

Financial projections

Consolidated Profit and Loss

€m	2021	2022	2023	2024E	2025E	2026E
Revenues	78.8	84.5	111.6	115.1	122.5	133.6
YoY %	11.1%	7.2%	32.1%	3.1%	6.5%	9.0%
Personnel	(25.1)	(27.3)	(33.1)	(36.7)	(38.6)	(41.5)
Services	(26.9)	(31.8)	(41.1)	(43.5)	(45.3)	(49.4)
Other operating costs	(19.4)	(18.0)	(24.9)	(22.3)	(24.5)	(27.0)
Operating costs	(71.4)	(77.0)	(99.1)	(102.6)	(108.5)	(118.0)
Adjusted EBITDA	7.4	7.5	12.6	12.5	14.1	15.6
Margin	9.4%	8.8%	11.2%	10.9%	11.5%	11.7%
Non-recurring costs	(2.6)	(0.3)	(0.5)	0.0	0.0	0.0
EBITDA	4.8	7.2	12.1	12.5	14.1	15.6
Margin	6.1%	8.5%	10.8%	10.9%	11.5%	11.7%
D&A	(2.9)	(2.5)	(2.6)	(2.7)	(3.2)	(3.8)
EBITA	1.9	4.7	9.4	9.8	10.9	11.8
Margin	2.4%	5.6%	8.4%	8.6%	8.9%	8.9%
Goodwill amortization	(1.5)	(1.3)	(1.5)	(1.6)	(1.8)	(1.9)
EBIT	0.4	3.4	7.9	8.2	9.1	9.9
Margin	0.5%	4.0%	7.1%	7.2%	7.4%	7.4%
Interest	(0.7)	(0.4)	(0.9)	(0.9)	(0.9)	(0.9)
Writedown of shareholding	0.0	(1.3)	0.0	0.0	0.0	0.0
EBT	(0.3)	1.7	7.0	7.4	8.2	9.0
Margin	neg	2.0%	6.3%	6.4%	6.7%	6.8%
Income taxes	(0.4)	(1.1)	(2.7)	(2.1)	(2.3)	(2.6)
Net Income (Loss)	(0.7)	0.6	4.4	5.3	5.9	6.5
Margin	neg	0.7%	3.9%	4.6%	4.8%	4.8%

Source: Company data 2021-23A, EnVent Research 2024-26E

Consolidated Balance Sheet

€m	2021	2022	2023	2024E	2025E	2026E
Work in progress	4.4	5.0	3.8	4.7	6.0	7.3
Inventory	1.3	2.0	1.0	2.3	2.5	3.3
Trade receivables	29.0	29.1	35.9	37.7	43.0	46.9
Trade payables	(18.8)	(17.5)	(17.3)	(16.5)	(16.4)	(16.6)
Trade Working Capital	15.9	18.7	23.4	28.2	35.2	41.0
Other assets (liabilities)	(3.3)	(3.5)	(6.7)	(6.9)	(5.8)	(6.0)
Net Working Capital	12.5	15.2	16.8	21.3	29.4	34.9
Intangible assets	6.3	6.1	5.2	5.0	4.7	4.5
Goodwill	7.9	5.8	6.6	7.2	7.3	7.9
Property, plant and equipment	3.4	3.8	4.3	4.3	4.0	3.9
Equity investments and financial assets	1.0	3.5	2.2	2.2	2.2	2.2
Non-current assets	18.6	19.2	18.3	18.8	18.3	18.5
Provisions	(2.3)	(2.4)	(3.7)	(3.8)	(4.0)	(4.3)
Net Invested Capital	28.8	32.1	31.4	36.3	43.6	49.2
Net Debt (Cash)	10.3	12.6	8.4	9.0	12.0	12.9
Equity	18.5	19.5	23.0	27.3	31.6	36.3
Sources	28.8	32.1	31.4	36.3	43.6	49.2

Source: Company data 2021-23A, EnVent Research 2024-26E

Consolidated Cash Flow

€m	2021	2022	2023	2024E	2025E	2026E
EBIT	0.4	3.4	7.9	8.2	9.1	9.9
Current taxes	(0.4)	(1.1)	(2.7)	(2.1)	(2.3)	(2.6)
D&A	4.3	3.8	3.9	4.3	5.0	5.7
Provisions	0.3	0.0	1.3	0.2	0.2	0.3
Cash flow from P&L operations	4.6	6.1	10.5	10.6	11.9	13.4
Trade Working Capital	5.1	(2.8)	(4.7)	(4.8)	(6.9)	(5.8)
Capex - intangibles	(1.2)	(1.1)	(0.2)	(1.0)	(1.0)	(1.5)
Capex - acquisitions	(0.7)	(0.5)	(2.3)	(2.2)	(2.0)	(2.5)
Capex - PPE	(1.3)	(1.6)	(1.8)	(1.5)	(1.5)	(2.0)
Other assets and liabilities	0.9	0.1	3.2	0.2	(1.1)	0.2
Operating cash flow after WC and capex	7.3	0.2	4.7	1.3	(0.6)	1.8
Interest	(0.7)	(0.4)	(0.9)	(0.9)	(0.9)	(0.9)
Equity investments and financial assets	(0.4)	(2.5)	1.3	0.0	0.0	0.0
Dividend	0.0	0.0	0.0	(1.0)	(1.6)	(1.8)
Treasury shares reserve	0.0	0.0	(0.8)	0.0	0.0	0.0
Changes in Equity	(0.1)	0.4	(0.1)	0.0	0.0	0.0
Net cash flow	6.2	(2.3)	4.2	(0.6)	(3.0)	(0.9)
Net (Debt) Cash - Beginning	(16.4)	(10.3)	(12.6)	(8.4)	(9.0)	(12.0)
Net (Debt) Cash - End	(10.3)	(12.6)	(8.4)	(9.0)	(12.0)	(12.9)
Change in Net (Debt) Cash	6.2	(2.3)	4.2	(0.6)	(3.0)	(0.9)

Source: Company data 2021-23A, EnVent Research 2024-26E

Ratio analysis

KPIs	2021	2022	2023	2024E	2025E	2026E
ROE	neg	3%	19%	19%	19%	18%
ROS (EBIT/Revenues)	0%	4%	7%	7%	7%	7%
ROIC (NOPAT/Invested Capital)	5%	11%	22%	20%	18%	17%
DSO	111	104	97	98	105	105
DPO	121	105	78	75	70	65
TWC/Revenues	20%	22%	21%	25%	29%	31%
NWC/Revenues	16%	18%	15%	19%	24%	26%
Net Debt/EBITDA	1.4x	1.7x	0.7x	0.7x	0.9x	0.8x
Net Debt/Equity	0.6x	0.6x	0.4x	0.3x	0.4x	0.4x
Net Debt/(Net Debt+Equity)	0.4x	0.4x	0.3x	0.2x	0.3x	0.3x
Cash flow from P&L operations/EBITDA	62%	81%	84%	85%	85%	86%
FCF/EBITDA	99%	3%	37%	10%	-4%	11%
Per-capita revenue (€k)	108	113	138	129	138	150
Per-capita cost (€k)	39	41	41	42	44	47
Basic EPS (€)	neg	0.05	0.40	0.48	0.53	0.59

Source: Company data 2021-23A, EnVent Research 2024-26E

Valuation

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

Treasury shares

To date, DBA has 471,900 treasury shares, corresponding to 4.1% ownership share. We calculate per share values using net outstanding number of shares (11,041,400).

Discounted Cash Flows

Updated assumptions:

- Risk free rate: 3.0% (30 days average. Source: Bloomberg, October 2024)
- Market return: 11.0% (30 days average. Source: Bloomberg, October 2024)
- Market risk premium: 8.0%
- Beta: 1 (judgmental in absence of reliable comparable figures)
- Cost of equity: 11.0%
- Cost of debt: 5.0%, from 4%
- Tax rate: 24% (IRES)
- 20% debt/(debt + equity) as target capital structure, from 30%
- WACC calculated at 9.6%
- Perpetual growth rate after explicit projections (G): 2.5%
- Terminal Value assumes an EBITDA margin of 9%, from 8.5%

DCF valuation

€m	2021	2022	2023	2024E	2025E	2026E	Perpetuity
Revenues	78.8	84.5	111.6	115.1	122.5	133.6	136.9
EBITDA	7.4	7.5	12.6	12.5	14.1	15.6	12.3
<i>Margin</i>	9.4%	8.8%	11.2%	10.9%	11.5%	11.7%	9.0%
EBITA	1.9	4.7	9.4	9.8	10.9	11.8	9.3
<i>Margin</i>	2.4%	5.6%	8.4%	8.6%	8.9%	8.9%	6.8%
Taxes	(0.5)	(1.3)	(2.6)	(2.7)	(3.0)	(3.3)	(2.6)
NOPAT	1.3	3.4	6.8	7.1	7.8	8.5	6.7
D&A	2.9	2.5	2.6	2.7	3.2	3.8	3.0
Provisions	0.3	0.0	1.3	0.2	0.2	0.3	0.0
Cash flow from operations	4.5	5.9	10.8	9.9	11.2	12.6	9.7
Trade Working Capital	5.1	(2.8)	(4.7)	(4.8)	(6.9)	(5.8)	(1.7)
Capex	(3.2)	(3.2)	(4.3)	(4.7)	(4.5)	(6.0)	(3.0)
Other assets and liabilities	0.9	0.1	3.2	0.2	(1.1)	0.2	(0.5)
Unlevered free cash flow	7.3	0.0	5.0	0.6	(1.3)	1.0	4.5
- H1 unlevered free cash flow				1.8			
Free cash flow to be discounted				2.5	(1.3)	1.0	4.5
WACC	9.6%						
Long-term growth (G)	2.5%						
Discounted Cash Flows				2.3	(1.1)	0.8	
Sum of Discounted Cash Flows	2.0						
Terminal Value							63.9
Discounted TV	55.7						
Enterprise Value	57.7						
Net Debt as of 30/06/24	(11.6)						
Minorities as of 30/06/24	(0.3)						
Equity Value	45.9						

DCF - Implied multiples	2021	2022	2023	2024E	2025E	2026E
EV/Revenues	0.7x	0.7x	0.5x	0.5x	0.5x	0.4x
EV/EBITDA	7.8x	7.7x	4.6x	4.6x	4.1x	3.7x
EV/EBITA	30.9x	12.3x	6.1x	5.9x	5.3x	4.9x
P/E	neg	73.4x	10.5x	8.7x	7.8x	7.1x

Discount of current market price vs DCF -28%

Current market price - Implied multiples	2021	2022	2023	2024E	2025E	2026E
EV/Revenues	0.5x	0.5x	0.4x	0.4x	0.3x	0.3x
EV/EBITDA	5.6x	5.6x	3.3x	3.3x	3.0x	2.7x
EV/EBITA	22.3x	8.9x	4.4x	4.2x	3.8x	3.5x
P/E	neg	47.7x	6.8x	5.7x	5.1x	4.6x

Source: EnVent Research

Sum of the Parts valuation on market multiples per business unit

We have updated our peer groups adding the cluster Design & Construction:

AECOM (Canada) - FY23 Revenues: €13.6bn - Market cap €13bn

Comparability: Medium-Low

Engineering and consulting firm which provides environmental compliance monitoring, economic analysis and business planning, hydrology and surface water quality investigations.

AtkinsRéalis (Canada) - FY23 Revenues: €5.9bn - Market cap €8bn

Comparability: Medium

Consultancy company which provides design, engineering, and project management services. The company offers designing of management systems and physical structures such as office towers, schools, aircraft, bridges, and highways.

Peab (Sweden) - FY23 Revenues: €5.5bn - Market cap €2bn

Comparability: Medium

Engineering company which operates in the fields of construction, project development, and civil engineering. It develops housing, including apartment buildings in tenancy ownership and rental form, and builds single homes.

Arcadis (Netherlands) - FY23 Revenues: €5bn - Market cap €2bn

Comparability: Medium

Provider of data-driven sustainable design, consultancy, and engineering solutions. The Company offers specialized services in critical areas such as smart asset and building analytics, digital transportation technologies, and intelligent operations.

AF Gruppen (Norway) - FY23 Revenues: €2.7bn - Market cap €1bn

Comparability: Medium

Construction contractor in the areas of civil engineering, construction, energy and environment, property and offshore. Serves public sector agencies, large industrial companies, and home buyers and tenants.

Salcef (Italy) - FY23 Revenues: €785m - Market cap €1.5bn

Comparability: Medium

Industrial group in the design, construction, and maintenance of railway and metro infrastructures. Operating segments are permanent way systems, infrastructure, energy, telecommunications, railway materials, railway machines, and grinding.

Vestum (Sweden) - FY23 Revenues: €518m - Market cap €366m

Comparability: Medium

Industrial group which focuses on acquiring and developing well-managed and profitable niche companies with exposure to the construction services and infrastructure industries, within the segments water, services and infrastructure.

Edil San Felice (Italy) - FY23 Revenues: €43m - Market cap €84m

Comparability: Medium

Building and civil engineering group which provides maintenance services (substitution of safety barriers, road signs, damage repairs) primarily to highways and airports.

Mare Engineering Group (Italy) - FY23 Revenues: €27.8m - Market cap €50m

Comparability: Medium

Engineering firm which offers consulting, digital solution development, industrial process, and product design through three commercial brands (Mare Digital, Mare Consulting, Mare Industrial).

La SIA (Italy) - FY23 Revenues: €16.7m - Market cap €14m

Comparability: Medium

Engineering and design firm which offers a wide range of design & engineering services for telecommunications, civil construction and energy industry sectors.

Market multiples

Company	EV/REVENUES			EV/EBITDA			EV/EBIT			P/E		
	2023	2024E	2025E	2023	2024E	2025E	2023	2024E	2025E	2023	2024E	2025E
Core business peers												
Alten	1.1x	0.7x	0.7x	9.9x	6.5x	6.6x	13.2x	8.3x	8.3x	19.9x	11.0x	11.1x
Assystem	1.4x	1.0x	0.9x	15.6x	10.1x	9.4x	24.8x	20.3x	17.8x	7.2x	18.2x	13.8x
Mean	1.3x	0.8x	0.8x	12.7x	8.3x	8.0x	19.0x	14.3x	13.1x	13.6x	14.6x	12.5x
Median	1.3x	0.8x	0.8x	12.7x	8.3x	8.0x	19.0x	14.3x	13.1x	13.6x	14.6x	12.5x
International IT consultants/system integrators												
Cancom	0.7x	0.5x	0.4x	9.2x	6.3x	5.8x	21.5x	12.5x	10.1x	29.2x	17.4x	15.8x
Datagroup	1.2x	1.0x	1.0x	7.7x	6.7x	6.2x	15.0x	12.2x	10.6x	17.0x	13.6x	11.6x
Allgeier	0.8x	0.7x	0.7x	6.8x	5.6x	5.2x	12.8x	9.9x	9.1x	18.8x	10.9x	9.7x
Cenit	0.7x	0.6x	0.5x	8.0x	5.8x	4.7x	15.1x	9.7x	7.2x	22.8x	16.5x	10.9x
Spindox	0.5x	0.6x	0.5x	6.6x	7.5x	6.0x	10.8x	13.7x	10.1x	18.3x	33.5x	22.5x
All for One	0.6x	0.6x	0.6x	6.6x	6.0x	5.3x	16.2x	12.7x	10.1x	21.0x	14.2x	10.0x
Mean	0.8x	0.7x	0.6x	7.5x	6.3x	5.5x	15.2x	11.8x	9.5x	21.2x	17.7x	13.4x
Median	0.7x	0.6x	0.6x	7.3x	6.1x	5.5x	15.0x	12.3x	10.1x	19.9x	15.3x	11.2x
Design & Construction												
AECOM	1.0x	1.0x	1.0x	14.3x	15.3x	13.7x	17.3x	17.1x	15.1x	n.m	24.5x	21.5x
WSP Global	1.9x	3.1x	2.7x	14.1x	17.1x	14.8x	22.7x	24.0x	20.5x	42.1x	33.6x	28.1x
AtkinsRéalis	1.1x	1.5x	1.4x	12.6x	15.5x	13.0x	18.3x	20.0x	15.3x	26.1x	27.2x	20.8x
Peab	0.5x	0.6x	0.6x	9.2x	9.4x	9.1x	13.9x	15.7x	15.2x	8.3x	14.6x	12.9x
Arcadis	1.1x	1.7x	1.6x	10.9x	12.4x	11.0x	17.4x	16.2x	14.1x	27.5x	21.3x	17.7x
AF Gruppen	0.5x	0.5x	0.5x	12.2x	na	7.9x	20.9x	15.7x	11.8x	33.5x	na	16.2x
Salcef	1.9x	1.7x	1.5x	9.8x	8.9x	7.8x	16.3x	12.8x	10.8x	24.3x	18.0x	15.3x
Vestum	0.8x	1.2x	1.1x	5.8x	8.6x	7.4x	15.1x	29.1x	19.6x	neg	n.m	24.8x
Edil San Felice	1.1x	1.4x	1.2x	4.8x	6.3x	5.1x	4.4x	7.1x	5.9x	6.2x	9.7x	8.0x
Mare Group	na	1.5x	1.2x	na	5.0x	4.3x	na	10.7x	9.1x	na	14.2x	10.6x
La SIA	na	0.9x	0.8x	na	5.0x	4.3x	na	6.4x	5.4x	na	8.8x	7.4x
Mean	1.1x	1.4x	1.2x	10.4x	10.4x	8.9x	16.3x	15.9x	13.0x	24.0x	19.1x	16.7x
Median	1.1x	1.4x	1.2x	10.9x	9.1x	7.9x	17.3x	15.7x	14.1x	26.1x	18.0x	16.2x
DBA	0.4x	0.4x	0.3x	3.3x	3.3x	3.0x	4.4x	4.2x	3.8x	6.8x	5.7x	5.1x

Source: EnVent Research on S&P Capital IQ, 29/10/2024

We have performed a Sum Of Parts valuation per BU using revenue and EBITDA multiples.

EV/Revenues calculated on very much larger peers lack comparability

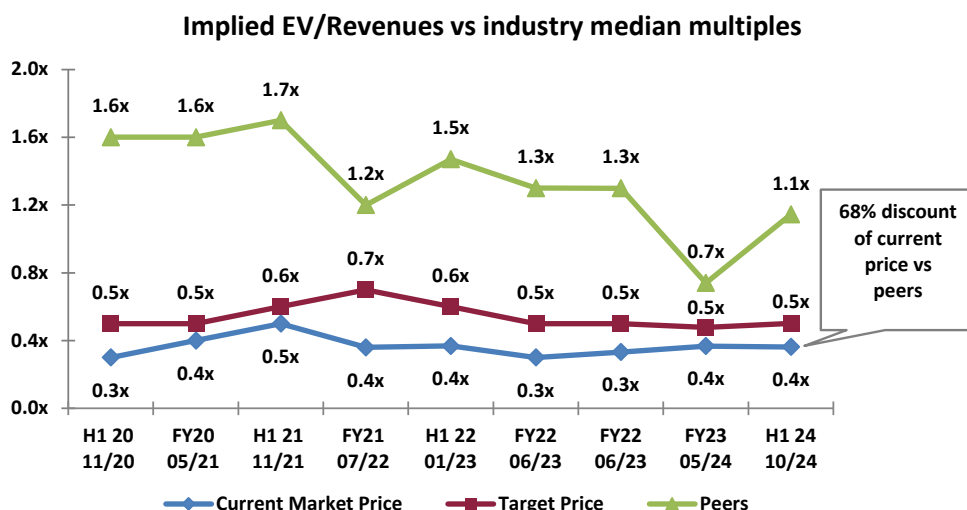
Sum of Parts application

€m		2024E Market multiples	
DBA Group			
EV EPM+GP+ICT Ita			
2024E Revenues	72.3	1.0x	70.2
EV ICT Slo			
2024E Revenues	42.8	0.6x	26.8
SOP EV DBA Group		97.0	
Net Debt as of 30/06/24		(11.6)	
Minorities as of 30/06/24		(0.3)	
Equity value DBA Group		85.2	

€m		2024E Market multiples	
DBA Group			
EV EPM+GP+ICT Ita			
2024E EBITDA	9.5	7.8x	74.7
EV ICT Slo			
2024E EBITDA	3.0	6.1x	18.4
SOP EV DBA Group		93.1	
Net Debt as of 30/06/24		(11.6)	
Minorities as of 30/06/24		(0.3)	
Equity value DBA Group		81.2	

Source: EnVent Research

Target Price



Source: EnVent Research on S&P Capital IQ, 30/10/2024

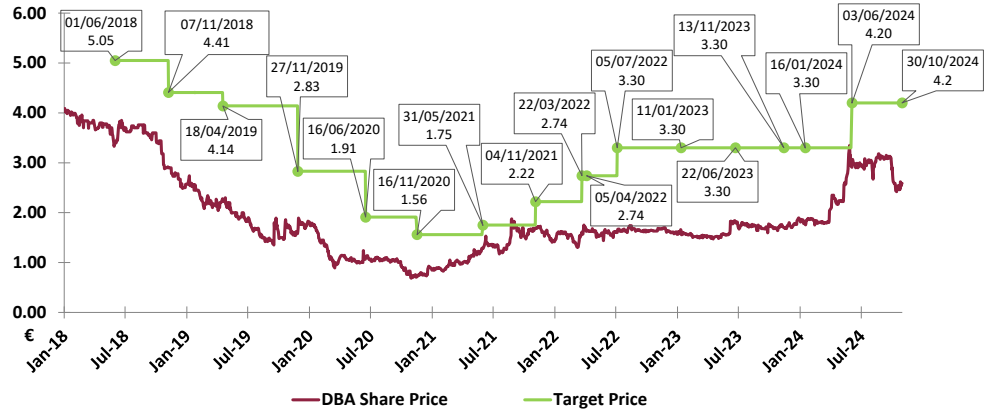
Our updated valuation based on DCF confirms the target price of €4.20, +62% potential upside on current price. The large discount to the peer group provides an indication of the potential value upside and supports our OUTPERFORM rating.

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

DBA Price per Share	€
Target Price	4.20
Current Share Price (29/10/2024)	2.59
Premium (Discount)	62%

Source: EnVent Research

DBA Share Price vs EnVent Target Price



Source: EnVent Research on S&P Capital IQ, 30/10/2024

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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 expected to have a downside within the reference market or industry, with a target price more than 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: 29/10/2024 h. 7.00pm

Date and time of Distribution: 30/10/2024 h. 6.25pm

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
03/06/2024	OUTPERFORM	4.20	2.94
30/10/2024	OUTPERFORM	4.20	2.59

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Number of companies covered:	26	OUTPERFORM	NEUTRAL	UNDERPERFORM	SUSPENDED	UNDER REVIEW	NOT RATED
Total Equity Research Coverage %		88%	12%	0%	0%	0%	0%
of which EnVent clients % *		73%	33%	na	na	na	na

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

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