

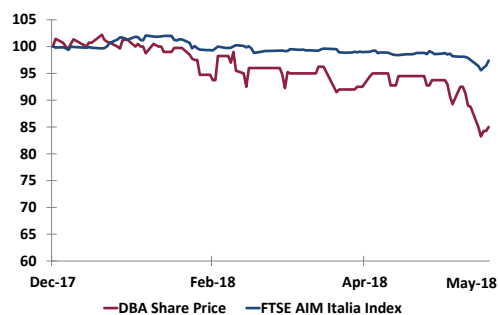


OUTPERFORM

Current Share Price (€): 3.40

Target Price (€): 5.05

DBA Group - Performance since IPO



Source: S&P Capital IQ - Note: 14/12/2017=100

Company data

ISIN number	IT0005285942
Bloomberg code	DBA IM
Reuters code	DBA.MI
Share Price (€)	3.40
Date of Price	01/06/2018
Shares Outstanding (m)	11.5
Market Cap (€m)	39.1
Market Float (%)	44.0%
Daily Volume	5,700
Avg Daily Volume YTD	4,081
Target Price (€)	5.05
Upside (%)	48%
Recommendation	OUTPERFORM

Share price performance

	1M	3M	1Y
DBA - Absolute (%)	-10.1%	-11.5%	n.a.
FTSE AIM Italia (%)	-1.2%	-1.5%	n.a.
1Y Range H/L (€)		4.09	3.33
YTD Change (€)/%		-0.63	-15.6%

Source: S&P Capital IQ

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The network infrastructure specialist, with an avant-garde in the Silk Road

We initiate coverage of DBA with an **OUTPERFORM** rating, Target Price €5.05 per share.

DBA, listed on AIM Italia in December 2017, is an Italian Technology Consulting company, specialized in network connectivity and infrastructure lifecycle. The core competence of DBA is the ability to provide telematic solutions for strategic infrastructure to clients whose business is network-performance critical. With over 400 top level engineers covering Italy, the Balkans, the Caucasus and Russia, and revenues that rose to over €40m from €20m in 2014, DBA is targeting the wave of connected infrastructure investments foreseen to fill the digitization gap of several countries and industries.

Riding the wave of IoT and growing connectivity needs

Market opportunities are unlimited, given the global trends that see the convergence and interrelation of broadband, Internet of Things and connected infrastructure, all needed to sustain global trade and mobility needs. The recent massive Open Fiber 5-year project, where DBA has a substantial share of engineering and project management services, is one of the Company's major backlog driver for the short and mid-term.

Well-placed in the global infrastructure market

Global markets, especially less developed regions, will see increasing infrastructure spending. Operations have been so far concentrated in Italy, but substantial resources will be dedicated to the Caucasus and Russia. DBA's growing track record in those geographies, which have opened the door to the Eurasian region, is the prelude which makes DBA positioned to target Central Asia and the countries along the "New Silk Way", where the need for infrastructures is massive and competition weak. The Port-Line project for the Port of Baku, awarded in 2018, is the first step of a long road.

Proven quality service for major clients

DBA has been providing strategic know-how to prominent clients since '90s. In a cyclical and volatile industry where competition is delivering on improvements in client performance, proven achievements are the only reliable measure of competitive advantage. DBA's success with global market leaders reveals its outstanding skills in design, engineering and automation of network infrastructure, ranging from technology consulting to project outsourcing. Management's confidence in capturing a growing share of global demand, despite competition from larger firms, has its foundation in DBA's proven skills/quality/cost equation in project execution and client service.

Greenshoe option and first acquisition after IPO

In January 2018, the Global Coordinator exercised the Greenshoe Option for 714,100 shares owned by DB Holding for a total value of €2.9m. In April 2018, DBA acquired 51% of SJS Engineering, engineering services for infrastructures and maritime works.

Key financials and estimates

€m	2016	2017	2018E	2019E	2020E
Revenues	41.4	42.6	49.3	52.9	56.9
YoY %	-	2.7%	15.7%	7.5%	7.5%
EBITDA	4.7	4.8	6.9	8.4	9.4
Margin	11.3%	11.3%	14.1%	15.9%	16.5%
EBIT	2.9	2.4	4.1	5.0	5.8
Margin	7.0%	5.7%	8.3%	9.4%	10.1%
Net Income	1.5	1.0	2.5	3.1	3.7
Trade Working Capital	8.8	13.2	14.9	15.4	15.7
Net (Debt) / Cash	(0.7)	1.7	1.0	6.1	12.2
Equity	11.6	24.6	27.2	30.3	34.0

Source: Company data 2016-17, EnVent Research 2018-20E

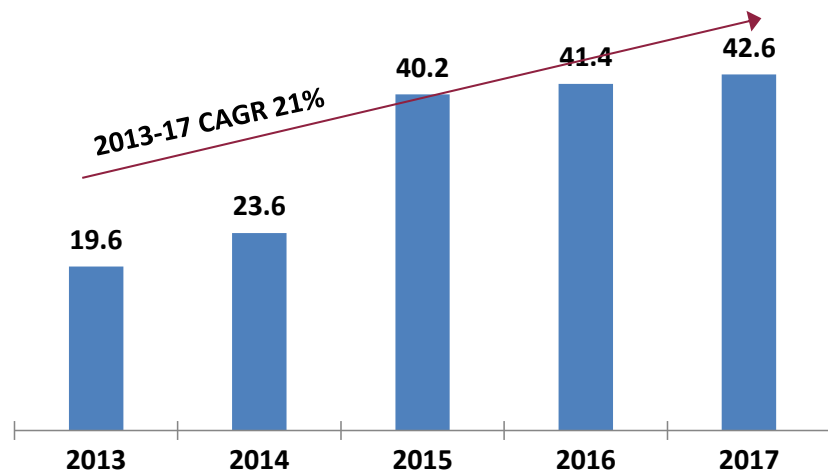
1. INVESTMENT CASE

Company

DBA Group SpA (DBA) is an Italian Technology Consulting company, specialized in infrastructure connectivity and lifecycle management. With a workforce of over 550 people covering Italy, the Balkans, the Caucasus and Russia, targeting the whole Eurasia region, the Group has a track record of 25 years of growth, both organic and through acquisitions.

2017 Revenues: €43m - Geographical breakdown: Italy 70%; international 30% - 5Y CAGR 21%

DBA - Consolidated historical revenues



Source: Company data

Drivers

Industry drivers

Infrastructure investment. According to Oxford Economics, global infrastructure investment is expected to keep growing through the next decade, to reach an annual average of \$3.2trn between 2016 and 2040, compared to \$2.0trn between 2007 and 2015, a 60% increase. At the same time, the need for infrastructure exceeds the expected investments, a permanent gap linked to GDP growth. Moreover, investments will be uneven geographically between mature and emerging countries, according to GDP geographical region-by-region forecast.

Connectivity. In Huawei's Global Connectivity Index 2017 study, most of the countries in the rankings saw their overall scoring improved on the prior year, based on certain indicators that cover five technology enablers: broadband, data centers, cloud, big data, Internet of Things (IoT). Key areas where inequality is present include mobile broadband, IT workforce per capita, ICT investment per GDP, apps downloaded per capita and IoT installed base per capita.

Broadband evolution calls for new expansion cycles in Europe. Basic broadband is available to everyone in the EU, while fixed-line technologies cover 98% of homes. Next Generation Access (NGA) technologies call for continuous investment even in well-covered areas, that is

becoming the rule and a recurring driver for infrastructure investment in the industry. According to the European Commission, deployment of 4G mobile (LTE) reached 96% of homes covered by at least one operator, and will be followed by other updated of mobile standards. Rural coverage improved substantially: 4G went up from 36% in 2015 to 80% in 2016; NGA is available in 40% of rural homes, compared to 30% in 2015. These gaps will continue to be created and closed-off periodically.

Broadband in Italy. By 2020 Italy will be equipped with nationwide outlaid uniform broadband technology, closing off the competition gap with major industrial economies. The Open Fiber wholesale-only venture of Italian utility Enel and state-owned lender CDP plans to invest €6.5bn to build out a fiber-to-the-home network in 250 major cities rolling out broadband cable, in areas witnessing digital divide, all over the country. DBA is engaged through a framework contract and as of today has been assigned approximately 30% of the first two clusters work, out of the total of four representing phase one of the plan.

Internet of Things riding the wave. Internet of Things connects devices such as everyday consumer objects and industrial equipment into the internet, enabling information gathering and management of devices via software increasing efficiency, allowing for new services, and achieving health, safety, or environmental benefits. IoT is emerging as the third wave of internet development, impacting individuals' lives, workplace productivity and overall consumption. McKinsey estimates the IoT market to be worth \$900m in 2015, growing to \$3.7bn in 2020 (32.6% CAGR), with a potential economic impact on GDP of \$2.7 to \$6.2trn until 2025.

Urbanization and mobility. Global population growth (1-2% YoY over the last 65 years, according to United Nations) and migration into urban areas together result in a growing number of large and highly populated cities, especially in emerging countries, requiring more and more investment in infrastructure and connectivity programs, mainly in residential areas, industrial sites, commercial property and social infrastructure. National and local governments are faced with promoting investment to harmonize and rationalize private and public transportation. Custom-made digitization and Internet of Things will be inevitable solutions.

Company drivers

A focused portfolio. DBA provides consulting services to private clients, and retains a valuable flexibility in shifting focus between market sectors depending on demand. The client base is diversified across industries: Telco, Transportation and Logistics, Oil & Gas, Real Estate. In all industries most of DBA's clients are large corporations. This kind of client portfolio minimizes receivable risk and working capital investment. The diversity of services and end-markets reflects the accumulated experience and expertise aside from a healthy balanced portfolio approach.

Multidisciplinary skills and integrated business model built around Infrastructure Lifecycle. DBA's service is designed for it to become the *One Stop Business Partner* for its clients, a provider of the key competencies needed during the lifecycle of infrastructure that are

critical to their business. This is made possible by a *One of a Kind* business model: a combination and synergy of multidisciplinary teams providing conception, planning, digitization, connectivity, operation and maintenance of critical infrastructure. The dedicated business units Process & Automation - ICT, Project Management, and Engineering provide their services on a stand-alone or combined basis and in one or more phases of the infrastructure lifecycle.

Value creation for clients. DBA's business history reveals that its teams assisted some of the major industry players and delivered value by providing know-how, reducing their project cost and lead time, and optimizing their development, realization and marketing processes. These achievements, that in the long-run generate repeat work, sustain prices and reduce marketing costs, build reputation and competitive advantage that qualify DBA as *Strategic Supplier*, not just a *reliable supplier*.

Experience and execution. Experience and a successful track record of project execution are critical factors when proposing for technology and engineering consulting engagements. Better than on-time delivery, and within budget, is a key determinant of clients' decision-making process. Proven expertise and successful delivery of previous assignments are a door-opener for the tenders and, ultimately, drive award of projects, as testified by the regular flow of new work from top clients in recent years.

Sustainability as value added. DBA supports its clients to comply with the environmental and safety regulations applying to their business. As an example, DBA's port management system product ensures implementation of environmental and sustainability management tools.

Quality of personnel. DBA's success strongly depends on the ability to attract and retain qualified staff, allocate skilled labor resources to profitable high growth markets, allowing to secure new contracts and renewing existing ones. An ability that is conditioned by staff motivation and satisfaction. One of DBA's key values is commitment to job protection, quality of life at work and welfare in the workplace.

Sound revenues and cost per headcount. Significant headcount utilization levels are a key to DBA's profitability. In the last years per-capita revenue was in the region of €80-90k. Labor cost was consistently under 50% of revenues. Per-capita cost was in the region of €40k.

A defensive engineering consulting operator. DBA's services are primarily consulting engagements, including engineering design studies, project management and outsourcing support. This makes its business model inherently more defensive compared to engineering service companies, given that many competitors also undertake direct investment in the projects, exposing them to payback risk.

Meticulous M&A activity. The Management of DBA has a proven track record of identifying, executing and integrating acquisitions, with a hyper-focused strategy leading to meticulous deal scouting and completion. In the last five years they have successfully executed four acquisitions, of which two cross-border.

Management-Shareholder alignment of interests. Key managers are also shareholders of the Company and are directly involved in the execution of the Group's growth strategy, leveraging on their engineering and architecture background, entrepreneurial experience and industry expertise.

Absence of litigation and disputes. In the wider engineering and construction industry, global operations produce frequent litigation linked to a number of foreign jurisdictions and legal systems governing intellectual property, large-scale infrastructure projects, construction and engineering projects, joint ventures, etc. So far DBA has not been involved in other than immaterial litigations or disputes with clients, contractors, developers, suppliers, engineers and other related parties.

Challenges

Infrastructure investment cycles. Macroeconomic cycles are a determinant of changes to private sector infrastructure spending or to government public infrastructure capex budgets. Demand for DBA's services is growing, but at the same time it is vulnerable to economic downturn and changes in the private sector's and governments' infrastructure spending, which may result in clients delaying, curtailing or canceling proposed and existing projects. Operation and maintenance contracts on completed projects represent a mitigation factor.

Revenue concentration. In 2016, the top five clients accounted for 59% of consolidated revenues; top ten 70%. DBA's revenues in 2017 were concentrated in Italy (70%) and on Telco industry accounts (42%). However, detailed engagement analysis shows that top clients assign multiple and diversified projects over the years, leading to a substantial dilution of risk.

Delays in projects and challenging payment terms. Part of DBA's internationalization strategy is participation in tenders whose financing may come from governments and/or international institutions. While governments and other institutions' spending is a driver for industry growth, at the same time, limited or insufficient public funding might cause delays in projects, thereby exposing contractors to slow capital turnover or claims in payments.

Execution delivery risk. Delivering services which are not in line with client expectations due to cost/time overruns, and quality issues, may impact margins and reputation.

International markets exposure. Revenues coming from foreign operations have been boosted by acquisitions in Eastern Europe. Currently, the Company plans to intensify its promotional efforts in the Balkans, the Caucasus and in Central Asia, focusing on a mix of geographies that offer growth opportunities. However, these countries imply political and financial risks, that may bring currency exposure and cash flow impact.

Staff utilization, charge-out rates and retention rates. Changes in staff utilization rates impact billable hours, sales and margins. Ability to pass-through higher labor costs through higher charge-out rates also impacts margins. Strong economic growth in certain countries

may influence local wage costs and retention rates.

Acquisition and integration risk. Acquisitions could be value accretive or dilutive based on valuations paid and market trends. Higher than expected integration costs when consolidating acquisitions into the Group may also impact margins. Given its size, larger acquisitions will be targeted in order to be material to the growth of the business, but these can carry greater integration risk.

Increasing competition. The fragmented competitive arena, populated by a small number of large players with multinational reach, together with a large number of small specialists exercising pressure on prices, is a permanent feeder of fierce competition.

2. PROFILE

**Infrastructure
telematics
excellence**

The Network Connectivity specialist

DBA, an Italian Technology Consulting group, is specialized in Infrastructure Lifecycle Management (ILM). DBA delivers Process and Automation Engineering and Information and Communication Technology (ICT) products/services, Project Management Office, Engineering and Architecture services, provided mainly to Telco, Transportation and Logistics, Oil & Gas and Real Estate industries. Operating subsidiaries are located in Italy, the Balkans, the Caucasus and Russia, where strong developments in infrastructure and logistics are foreseen. The accelerated growth of DBA is founded on repeat achievements of excellence generated by its skills in design, engineering and automation of network infrastructure and service levels ranging from technology consulting to working on outsourced projects.

DBA - Presence in Italy, the Balkans, Caucasus and Russia, targeting Eurasia



Source: Company data - Note: Dark blue indicates covered area; light blue indicates targeted geographies




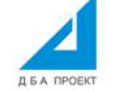








Foreign operations 31% of 2017 revenues, of which 27% in the Balkans (Slovenia, Croatia, Bosnia-Herzegovina, Montenegro, Romania) and 4% in Russia and Caucasus (Azerbaijan). Ongoing projects in Bulgaria, Albania, Greece, Turkey, Georgia, Armenia, Spain, Portugal, Morocco, Liberia, Angola, Mexico.

History and key developments

DBA - Milestones/Key acquisitions

**Combination of
organic growth and
acquisitions**

1991	De Bettin Associati engineering and architecture firm is founded. Its partners are Francesco, Raffaele, Stefano and Daniele De Bettin	
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1993	The engineering and architecture firm becomes DBA Progetti	
1998	<ul style="list-style-type: none"> • DBA Group is established • Joint ventures in Spain, Portugal, Morocco, Greece, Turkey Mexico and a subsidiary in Romania 	
2005	Acquisition of an Italian Internet Service Provider, Veniceplaza, later renamed DBA LAB SpA and dedicated to ICT	
2006	Set-up of DBA Proekt in St. Petersburg	
2011	Fondo Italiano d'Investimento enters the share capital of DBA Group	
2012	Acquisition of IGM Engineering, Italian company	
2012 2014	<ul style="list-style-type: none"> • ELITE member since 2012 - ELITE of Borsa Italiana is a program designed to help SMEs to prepare and structure for the access to financing opportunities • Obtainment of the ELITE Certificate and conclusion of the training in 2014 	
2014	Set-up of DBA Projeckti in Montenegro	
2015	Acquisition of Actual IT, Slovenian IT company	
2017	<ul style="list-style-type: none"> • Acquisition of Itelis, Slovenian company provider of SAP and ERP services • IPO on AIM Italia 	 
2018	Acquisition of SJS Engineering, Italian company	

Source: Company data

Pool of talent

Total headcount at year-end 2017 was 501 (427 in 2016).

Average personnel age is 40 and highly skilled and educated. Nearly 60% have a Master's degree, 36% have a technical and professional background or a Bachelor's degree.

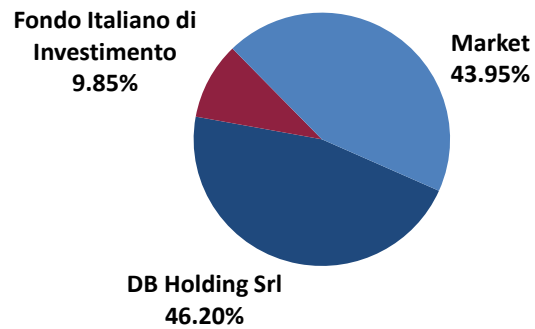
International employees account for 30% of workforce.

Source: Company data

3. GROUP

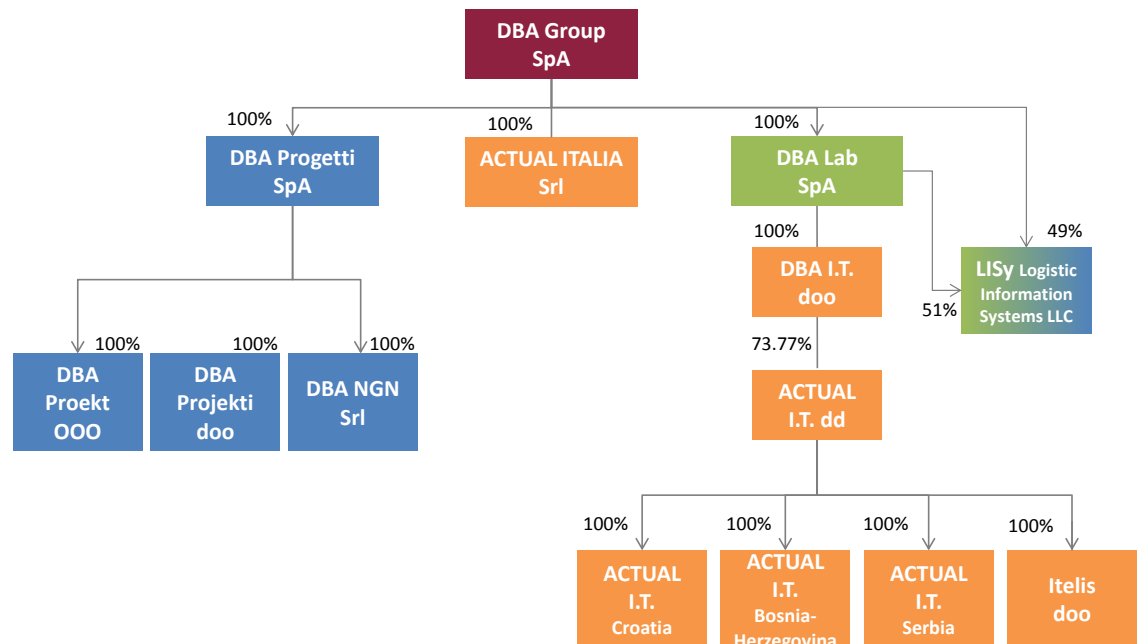
Shareholders

DB Holding owned by De Bettin brothers








Source: Company data - Note: Fondo Italiano di Investimento is owned by Neuberger Berman AIFM Ltd

Group Structure



Source: Company data

4. KEY PEOPLE

Name and Role	Background
<p>Francesco De Bettin Co-founder & Chairman</p> 	<ul style="list-style-type: none"> • Chairman, DBA LAB; Board member: DBA Progetti; Member of the Supervisory board, Actual IT • Board member: Divitech SpA (1997-1999), Divitel SpA (1998-2004), Palinet SpA (2001-2002), Kiwicom SpA (2000) and Unindustria Treviso (2002-2004) • Co-founder and Chairman, DB Holding, family-owned holding company equally owned by De Bettin brothers • 1991: Co-founder of De Bettin Associati engineering and architecture firm • 1988-1991: Founder of Francesco De Bettin engineering firm • Civil engineer
<p>Raffaele De Bettin Co-founder & CEO</p> 	<ul style="list-style-type: none"> • Chairman, DBA Progetti; Board member in group companies: DBA LAB; General manager, DBA Proekt OOO • Board member: Divitel SpA (1998-2004), Divitel Ingegneria SL (1998-2003), TelNet Srl (2000-2003) • Co-founder and Board member, DB Holding • 1991: Co-founder of De Bettin Associati engineering and architecture firm • Civil engineer
<p>Stefano De Bettin Co-founder</p> 	<ul style="list-style-type: none"> • CEO, DBA Progetti • Board member in group companies: DBA LAB, IGM Engineering Srl • 1997-2002: Shareholder, ISIDE Srl and E-PROM Srl • Co-founder and Board member, DB Holding • 1991: Co-founder of De Bettin Associati engineering and architecture firm • Background in architecture
<p>Daniele De Bettin Co-founder</p> 	<ul style="list-style-type: none"> • Vice-Chairman, DBA Progetti • Board member in group companies: DBA LAB, DBA Progetti • 2005: De Bettin Associati engineering and architecture firm • Co-founder and CEO, DB Holding, family-owned holding company equally owned by De Bettin brothers • Background in architecture and urban planning
<p>Lorenzo Carù Board member</p> 	<ul style="list-style-type: none"> • 2011-to date: Partner - Investments and portfolio management, Fondo Italiano d'Investimento • 2004-2011: Director - Transaction Services, Deloitte • 1999-2004: Audit and Transaction Services, PwC

Other Board members: Palmina Caruso, Luigi Pompanin Dimai, Anna Paola Klinger Mazzarino, Laura Rovizzi (independent board member)

Source: Company data

5. IPO AND STOCK MARKET PERFORMANCE ON AIM ITALIA

DBA on AIM Italia

Stock market	AIM Italia - MAC
ISIN number - ordinary shares	IT0005285942
Bloomberg code	DBA IM
Reuters code	DBA.MI
IPO date	14/12/2017
Offer Price (€)	4.00
Money raised (€m)	23.0
Market Cap at IPO (€m)	46.0
Shares outstanding	11,500,000
Current Share Price (€)	3.4
Current Market Cap (€m)	39.1
ISIN number - warrants	IT0005313017
Warrants outstanding	2,216,600
Current Warrant price (€)	0.3
Price Adjustment Shares	1,500,000

Source: Company data and S&P Capital IQ, update: 01/06/2018

IPO structure

The offering structure was:

- an initial public primary offer of 3,000,000 new shares at an offer price of €4 per share, with share capital increase of €12m reserved to qualified investors
- a secondary offer of 2,000,000 existing shares owned by Fondo Italiano d'Investimento at an offer price of €4 per share. Fondo Italiano cashed in €8m and reduced its stake in DBA Group from 32.8% pre-IPO to 9.9% post-IPO

Free allotment of warrants

New shareholders received a free warrant each 3 ordinary shares subscribed. Exercise period: European type, starting in January 2019 within a 15-day time frame. Strike price +10% on the offer price for each exercise period.

Free assignment of 300,000 warrants to employees

In February 2018, DBA assigned 300,000 free warrants to DBA Group's employees, with a conversion ratio of 1 ordinary share per warrant. Overall, DBA issued 2,216,600 listed warrants.

Greenshoe option

An overallotment greenshoe option was provided by DB Holding and was exercised in January 2018 by the Global Coordinator for 714,100 ordinary shares owned by DB Holding at the IPO price of €4 per share for a total value of €2.9m.

As such, including the greenshoe option, the IPO was completed after the offer of 5,714,100 ordinary shares, equal to 43.95% of post-IPO share capital, with a total capital raised of €22.9m.

Price Adjustment Shares mechanism as a protection to new

Total shares outstanding after the IPO are 13,000,000, of which 11,500,000 ordinary shares listed on AIM Italia and 1,500,000 Price Adjustment Shares (PAS) not listed on AIM Italia, owned by the shareholders DB Holding and Fondo Italiano d'Investimento.

shareholders

The mechanism underlying PAS is: in case of unmet financial targets (FY18 EBITDA of €6m - organically achieved, not through acquisitions, with EBITDA floor of €4.8m), PAS will be gradually cancelled, with proportional increase of free float share; should targets be achieved, PAS will be converted into ordinary shares after approval of FY18 financial statements.

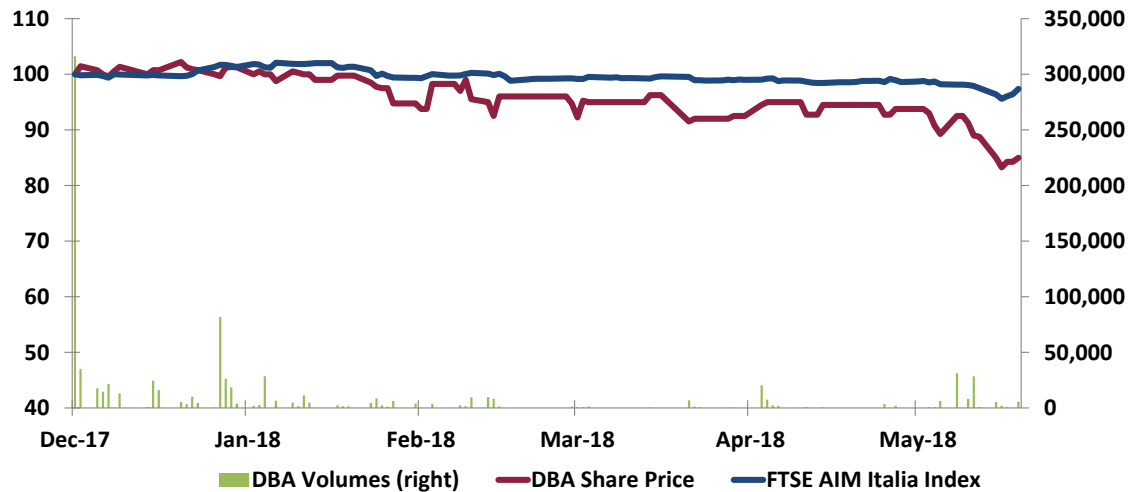
Use of proceeds

Internationalization boost

Program
International expansion
- Target markets: Balkans, East Europe, Central Asia
M&A
- Acquisition and partnerships of competitors to support the international expansion and with ICT-Software specialization
Management team and R&D
- Attract experienced managers to expand competencies of the management team
- R&D as internal IT projects and to support EU research projects

Source: Company data

Share price performance since IPO



Source: Company data and S&P Capital IQ, update: 01/06/2018

Operating update after IPO

New mandate: Telco auditing in Azerbaijan for the Ministry of transport

- December 2017: DBA was engaged by the Ministry of transport, communications and high technologies of the Republic of Azerbaijan to perform an auditing activity on local optic-fiber networks. This engagement would facilitate a further mandate for the

subsequent design, realization and PMO of the local FTTH fibre optic network, since the Ministry has full control over the ownership of Banktelecom (the company in charge of the realization of the network).

DBA's Port-Line® in the port of Baku automation project along the Silk Road

- January 2018: DBA will provide its Port-Line software to manage logistic operations in the new port of Baku. Port-Line is the basis for the development of a telematic platform for the automation of different activities, such as handling goods transiting in the port and enabling electronic integration among stakeholders in the logistics community and transmission of trade and customs documentation of goods carried along the Silk Road. Port-Line complies with the aim of the local government to create a modern e-platform hub to serve the region for the facilitation of trade flows. DBA will provide also the architectural design of operating office buildings and of the new Passenger Terminal.

Roads mandate in Italy

- January 2018: DBA was awarded a work portion for the Gronda di Ponente road (Genova, Italy). The project will take place from 2019 to 2030 and consists in the construction of new two-lane motorway sections and emergency lanes, for 89% in a tunnel. The initial 2018 DBA Progetti fees are estimated in €0.5m.

Project Asmara

- February 2018: DBA Lab, together with a group of companies and scientific/research partners, was mandated by the Italian Ministry of education to realize a digital prototype within the EU Smart City program. The overall project is worth €7.3m. DBA will supply an ICT decision support system to the ports of Bari and Cagliari for the management of the of the flows between the logistic nodes of the port system. DBA Lab will be financed by Banca del Mezzogiorno for around €1.8m, of which €0.6m free of repayment obligation and €1.1m borrowed for 10 years with six month 0.25% interest rate.

Acquisition of 51% of SJS Engineering

- April 2018: DBA Progetti has signed a binding agreement for the acquisition of 51% of SJS Engineering Srl, an Italian company, for a consideration of €3.1m. SJS provides engineering services in Infrastructure and transports, Maritime works, port safety plans. 2016 turnover €3m and adjusted EBITDA of €0.8m, debt-free company. SJS's clients are major international players such as TO DELTA, HPH, MSC, Evergreen, Dammam Port in Saudi Arabia, main Italian Port Authorities. The acquisition is subject to a due diligence and to the verification of some suspensive conditions, and is expected to be completed within the end of the first half of 2018. DBA Progetti has an option to acquire the remaining 49% of SJS within September 2022.

Bids and negotiations in course

- Bids and talks targeting Engineering, ICT Consulting, Energy Efficiency companies

6. BUSINESS MODEL AND STRATEGY

Telematic solutions for strategic infrastructure to clients whose business is network-performance critical

Partnership approach, to stand out from the crowd of service providers

DBA's added value is expressed in the combination of ICT services, project management and architecture and engineering blueprints all connected to ILM. DBA centers within Infrastructure Lifecycle Management with services and solutions based on the know-how achieved with its clients. Timing, cost and quality of the projects are objectives shared with the client. The quest for exceeding client's expectations and securing a *partnership* approach and attitude are the foundation of DBA's mission and management strategy to stand out from the crowd.

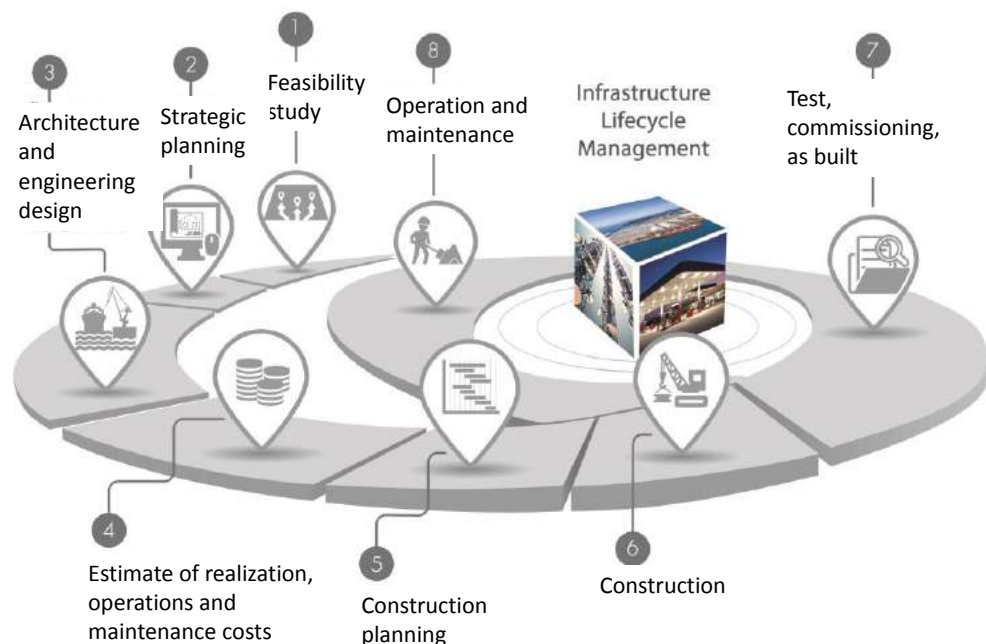
The key features of DBA's business model are:

- Development of telematic solutions, essential in any industry
- Expertise and creativity in network-critical infrastructure projects
- Delivery of integrated solutions, based on multidisciplinary skills, to improve client performance

Services along the entire infrastructure lifecycle

DBA's specialization is in *Infrastructure Lifecycle Management* services, a term used to indicate the management of all core processes around conception, design, planning, construction, operation and maintenance of infrastructure. DBA has extended such approach to network infrastructure such as large or small infrastructural networks consisting of serial hubs connected by physical (roads, railways, navigation routes) or virtual (digital links between centralized or shared information systems) routes.

Infrastructure Lifecycle Management



Source: Company data

DBA's telematic, technological and ICT services cover all phases of the infrastructure lifecycle, from design, planning, and construction to operations and maintenance, including revamping or dismissing.

- Feasibility study
- Engineering design
- Estimate of realization, operations and maintenance costs
- Construction planning, supervision and compliance management
- Test and commissioning
- Operations and management of connectivity services

DBA's direct scope of work is not ILM itself, but the services and activities pertaining to ILM. DBA does not operate as a general contractor or a full outsourcer of ILM, except for IT networks, i.e. Local Area Networks. In this instance, the Group prefers to operate in JV with companies specialized in the physical installation and maintenance of IT networks.

Multidisciplinary skills: design, software, connectivity, project management

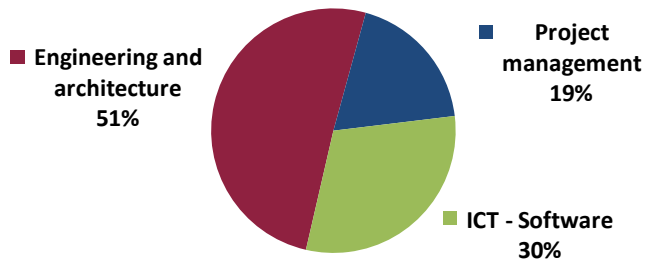
DBA's business model is designed to provide value and support for the critical infrastructure of its clients through the synergistic approach and cross-fertilization of the three divisions that provide Process and Automation Engineering and ICT products/services, Project Management Office, Engineering and Architecture services. Its engineers develop in-house software and telematic platforms, provide full project management and carry out studies and conception projects for single and network infrastructure.

Services and Markets

Core services

- **Process and Automation Engineering and Information and Communication Technology (ICT)** - Process and Automation Engineering and applied Information and Communication Technology for single and network infrastructures, using in-house designed software platforms (DSS-Line, Port-Line, Gaso-Line) customized for data processing and the support to the services the client intends to provide or directly provided to the end-user
- **Project Management Office (PMO)** - Scheduling and management of planning and realization of single or network infrastructures, public works and electrical, mechanical and technological plants, according to quality standards, timing and cost guidelines defined together with the client. Also includes Program and Project Management Office (PPMO)
- **Engineering & Architecture (ENG)** - Study, conception and design of single or network infrastructures and specialized plants which are part of them; services for the analysis, mapping and optimization of processes, technology consultancy and ICT

DBA - Consolidated revenues by service, FY17



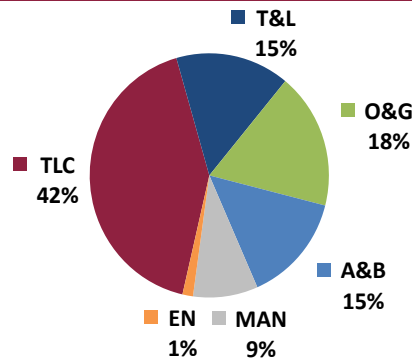
Source: Company data

Specializations and business portfolio

Business portfolio diversified across industries, geographies, client base and project size

- **Telco and Media (TLC):** Telco & Media companies and their production, transmission, and distribution infrastructure
- **Transport and Logistics (T&L):** Transport & Logistics companies and their road, rail, port and airport infrastructures
- **Oil & Gas (O&G):** Oil & Gas companies (extraction, storage, transformation, production, transportation and distribution infrastructures)
- **Architecture & Buildings (A&B):** Real Estate and financial industry companies with commercial, residential and touristic assets and retail networks
- **Manufacturing (MAN):** B2B/B2C companies and their production/distribution facilities
- **Energy (EN):** Energy companies (production, transformation, transport and distribution infrastructure)

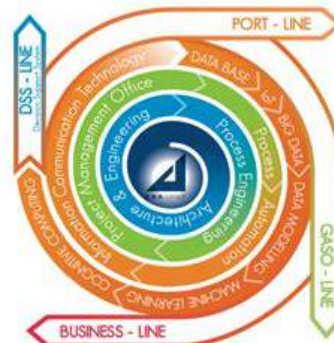
DBA - Consolidated revenues by market sector, FY17



Specialization in Telco

Source: Company data

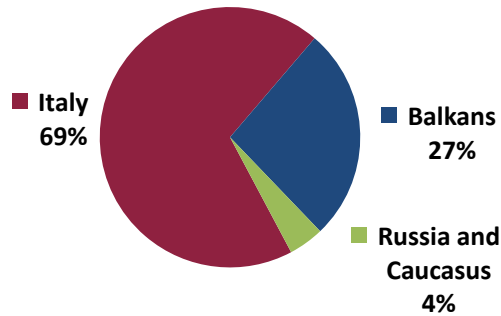
DBA - Services



Source: Company data

DBA - Consolidated revenues by geography, FY17

Most operations in Italy, with increasing exposure to Balkans



Source: Company data

Balkans include Slovenia, Croatia, Bosnia-Herzegovina, Montenegro, Romania. Caucasus includes Azerbaijan. From 2015 Balkans include the acquisition of Actual IT, specialized in IT services to Adriatic ports.

Technology applications and proprietary software

New technology trends are applied in different projects, with emphasis in Infrastructure and Transport & Logistics sectors.

DSS-Line® - Eagle, Ismael, Posic

Decision Support System Line (DSS-Line) is DBA’s technology platform supporting decision-making processes in infrastructure management.

Workplace management - Eagle® is a R&D project by DBA related to Integrated Workplace Management System (IWMS), built around the management of clients’ infrastructure and assets (such as buildings or infrastructure network), aimed at an efficient utilization of assets and corporate services. Software modules: facility and maintenance management, project management, energy management.

Eagle represents an IWMS developed according to a micro-service architecture, flexible and scalable, in line with an object-oriented Building Information Modeling philosophy, which will also integrate IWMS with IoT services. Eagle will be offered not only as a software platform, but also as an integrated system for engineering services (such as assets census with 3D technologies), in order to differentiate from competitors who currently offer pure IT solutions.

Environmental impact - Ismael®, developed internally by DBA, is a software designed to predict the environmental impact of the logistic activities in seaports. Some sensors collect data on weather conditions, concentration of pollutants and vehicle transit in the area of interest. The software platform is based on innovative paradigms such as Big Data, IoT and machine learning. The platform will be applied to other infrastructures where those paradigms are essential for performance improvement.

Security management - Posic®, developed by DBA Lab, is a web safety management software for Business Process Management, Document Management System, Content Management System.

Port-Line®

Port logistics - In the transport sector, port logistics is essential for DBA, that has a substantial track record in *Port Community System* software solutions, thanks also to the acquisition of Actual IT. The main clients for the Port-Line software suite are Balkans' seaports such as Koper in Slovenia, Ploce in Croatia, Bar in Montenegro, and in Italy Venice, Trieste, Ancona, Bari and Savona. In 2018 also the new port of Baku (Azerbaijan) hired DBA.

Some of the main technology applications in maritime, port and freight terminal logistics are:

- Warehouse management: freight picking and transport optimization
- Truck platooning: drive automatization of trucks in port terminals
- Dangerous goods alerting: detection of dangerous goods in a specific area
- Load/unload zone management: communication software of maritime directions in a logistic area
- Terminal Operating Systems (TOS)

Port-Line is DBA's technology platform dedicated to supply chain, rail shunting and intermodal transport.

**Gasoline®
GL+**

Gas Service Stations - GL+ is a suite of hardware and software products for management of service stations: oil and non-oil activities, sales promotions.

Business-Line®

ERP - Business-Line is a standard Enterprise Resource Planning software. Business-Line suite includes SAP and document management products and services.

Certifications				
Certificate	Company	Start Date	Due Date	Description
ISO 9001:2015	DBA Group	2017	2020	Management of business lines
BS OHSAS 18001:2007	DBA Progetti	2013	2019	Planning and supervision of infrastructure's projects
UNI CEI 11352:2014	DBA Progetti	2016	2019	Qualification to work in Energy sector
BS OHSAS 18001:2007	DBA LAB	2016	2019	Planning, development and integration of corporate's management process
ISO 9001:2008	ACTUAL IT	2008	2018	QMS (Quality Management System), Sales and development of information technology solutions and services
ISO 14001:2004	ACTUAL IT	2012	2018	EMS (Environmental Management System), Sales and development of information technology solutions and services
ISO 27001:2013	ACTUAL IT	2008	2017	ISMS (Information Security Management System), Sales and development of information technology solutions and services in Republic of Slovenia

Source: Company data






















Patents			
Number	Start Date	Country	Description

VE2013A00 0031	2015	Italy	Anti-tapering electromagnetic labels
VE2013A00 0042	2015	Italy, EU	Electronic payment system for fuel
VE2014A00 0045	2016		
VE2012A00 0014	2016	Italy	Electronic toll collection system
VE2014A00 0027	2016	Italy, EU pending	System for automatic authentication of car's plaque
VE2014U00 0011	2014	Italy	System for automatic authentication of car's plaque

Source: Company data







Track record by market sector









Telco and Media			
TLC F/M			Italy - Telco network building
			Italy - Project management and software for FTTC network
IT Data Center			Italy - Disaster Recovery architecture
			Italy - Data Center Tier IV
Transport and Logistics			
Ports & Roads			Italy Road and tunnel infrastructure
			Slovenia and Baku (Azerbaijan) Port logistics software
Oil & Gas			
Service Stations			Italy
			Italy
			Slovenia-Serbia GL+ Software
			Slovenia-Serbia GL+ Software
Architecture & Buildings			
Architecture			Venice - Italy Hotel, offices, parking area

		Euro Asia Construction Company Port Of Baku	Baku - Azerbaijan Passenger terminal port of Alyat - Architectural design and feasibility study of PAX flows
Real Estate			Milan - Italy - Building revamping
			Milan - Italy - Expo 2015 Showroom
Retail			Italy - Real estate retail network
			Italy - Restaurant retail network
Energy			
Power			Italy - Energy plant construction
			Montenegro - Underground electric wire
Energy efficiency			Italy - Energy consumption monitoring software
			Italy - Energy Audit on buildings and TV studios
Other sectors			
			Slovenia - Installation and maintenance of 5 Data Center and 100 virtual and physical servers
			Slovenia - Installation and maintenance of over 50 servers

Source: Company data

Track record by proprietary software

DSS-Line			
			Italy - POSIC: security management
			Italy DBA PROJECT+: software solutions for asset and project management
Port-Line			
		Ploce port - Croatia	PORTLine: port management software
		Aqaba port - Jordan	PORTLine: port management software

Gasoline			
			Slovenia-Serbia Gasoline - Service station management software
			Slovenia-Serbia-Croatia Gasoline - Service station management software
Business-Line			
			Slovenia - SAP: client business process management
			Slovenia - SAP: client business process management

Source: Company data

New business promotion

Main business development activities for contract acquisitions are:

- Client request for proposal
- DBA's proactive proposal of services customized to client technological and ICT needs related to owned/managed infrastructure, for clients already in portfolio
- DBA's scouting on new clients in screened market sectors and geographies
- Participation in tenders and beauty contests

DBA is present in major national and international industry fairs and exhibitions, forums and conferences, such as the Sochi forum "Innovations in Road Construction", Bali's "IAPH World Ports Conference", Baku's "Caspian International Transport, Transit and Logistics Exhibition", Munich's "Transport logistics fair", Koln's "Passenger Terminal Expo".

In view of the planned international expansion, the in-house sale organization will be enlarged to include an area manager dedicated to the Caucasus, in addition to the resources already dedicated to the Balkans and Russia.

Repeat engagements from clients - a self-explanatory track record

A substantial portion of DBA's revenues, over the years, comes consistently from major clients who assign repeat engagements. The frequency and stability of new work from present clients is a very solid indicator, more than in other industries or companies, of an engagement flow to be viewed as a significant base of recurring revenue. This also leaves ground to the assumption of the status of strategic supplier that DBA has gained in instances in which its services proved to be crucial for client performance.

Over 80% of clients repeat work

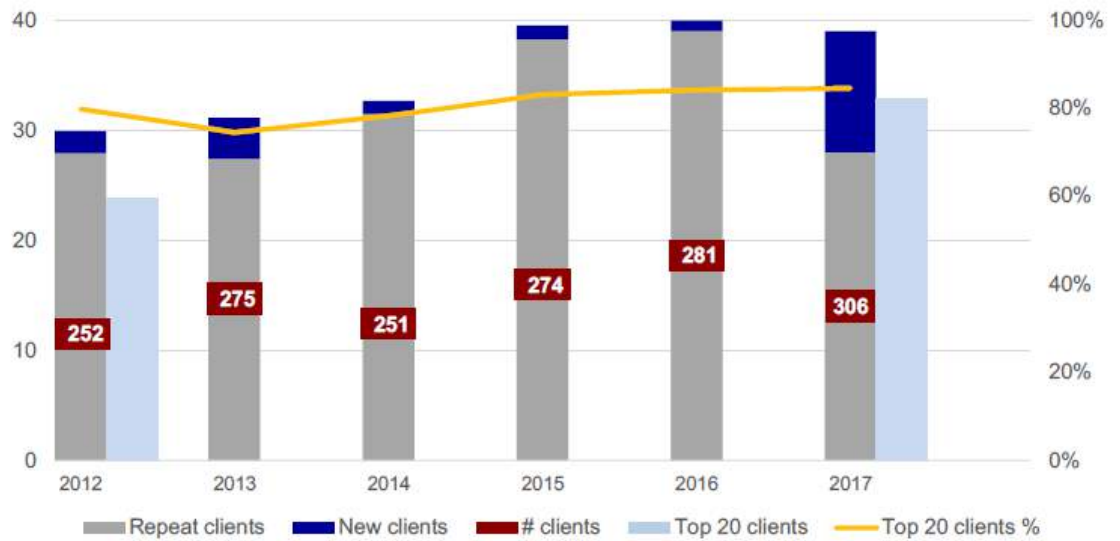
According to the analysis on past years sales per client - including acquired companies as proforma data - in the last 6 years until 2017, consistently over 80% of DBA clients have generated revenues each year. The analysis of revenues from the 20 largest clients in the

same period gives a picture of client loyalty as a value for backlog building.

Repeat and new client engagements revenues 2012-17 proforma

11 new clients in 2017, over 300 clients in total

Top 20 clients: 80% of total revenues (ca. €35m)



Source: Company data

Backlog

We base our backlog assumption on historical performance. Strong client loyalty implies an excellent client retention rate and allows for resiliency in revenue stream, a flow of repeat engagements that is the permanent backlog of DBA.

2016 and 2017 main new contracts

- maintenance of software developed for Baku seaport, Azerbaijan
- design and project of the new passengers terminal in the seaport of Alyat, Azerbaijan
- project management and IT structuring for the development of the new broadband network in Italy (Open Fiber, owned by Enel, former incumbent electricity utility, and the state-backed lender CDP)

Revenue concentration

DBA's clients are prominent large Italian private companies.

Over 40% of revenues were concentrated on Telco accounts in 2017.

Client concentration as a % of consolidated revenues	2014	2015	2016
Top five clients	72%	65%	59%
Top ten clients	83%	76%	70%

Source: Company data

The detailed engagement analysis shows that top clients assign multiple and diversified projects over the years, so that there is a substantial dilution of risk.

Corporate strategy - Clients and Industries

Reputation and strong credentials: a picture of a winning profile

DBA succeeded in capturing demand for its engineering services in foreign markets, despite competition from larger engineering firms, thanks to its recognized problem-solving approach, multidisciplinary skills, strong credentials and client service. Successful track record, credentials and project execution are a key competitive advantage that has fueled further consulting engagements.

Italian Telco market: broadband

The gap in Italian broadband infrastructure, compared to its peer nations, is one of the most critical issues facing the country's competitiveness. In February 2016, the European media coverage in ultra-broadband above 30 Mbps equaled 68% of the population, compared with Italy's 26% (data on openfiber.it).

The gap is going to be filled by Italy's national ultra-broadband plan, whose program is to guarantee coverage of at least 30 Mbps to all citizens by 2020, including the long awaited coverage of territories where a lack of market demand failed to attract adequate private investors and significantly reducing the Italian digital divide. 250 cities across Italy will be equipped with nationally uniform broadband technology to close the competition gap with other major industrial economies. The Project has identified four clusters. The Phase 1 will cover the clusters A and B, those where a partial infrastructure is present. Clusters C and D are market failure areas where Italian Government will directly promote the coverage through the in-house company Infratel.

Open Fiber, a company owned by Enel, former incumbent electricity utility, and CDP, a State-backed lender, is set to invest around €6.5bn to build a fiber-to-the-home network and roll out broadband cable in digital divide areas all over the country by working on clusters A and B and has also been awarded tenders for clusters C and D.

Open Fiber has already brought FTTH to over 1.6 million premises and has launched fiber-optic offers via retail partners. The ultimate goal is to bring connection to a total of 19 million households and businesses by 2022.

The total budget for the broadband push in Italy, as planned in Italy's strategy for Next Generation Access network, is €5bn of national funds available, plus €1.8bn from national and regional operational programs, of which €230m dedicated to enterprises in industrial areas (Source: European Commission, Digital Single Market).

DBA is already involved in the project through a framework contract and has been assigned approximately 30% of the program advance to date. The estimated work timeframe is 5 years.

International supplier of logistics software

Based on the operational experience in the Luka Koper port in Slovenia, which allowed to accumulate know-how in the main port processes and activities, Actual IT began to develop, and provide maintenance to port community systems in other ports, such as Ploce and Bar. DBA's services in the transportation and logistics sector cover the main phases and involve the main actors in port communities, in order to meet the needs of most of the transport-related operating maritime and ground-based (road, rail) processes, including those in the dry ports

(General Cargo, Work Force Management, Port Community, Billing, Control room, VBS-Vehicle Booking Systems). Looking forward, based on 15 years' experience in this niche market, DBA intends to offer its vertical suite of logistics products to small and mid-sized multi-purpose ports located in Africa, Latin America, South-East Asia, Middle-East. A first achievement after the IPO is the supply of Port-Line to the port of Baku in Azerbaijan.

Corporate strategy - Geographies

Localized network to expand internationally

Global positioning based on local presence and experience

DBA plans to expand its operations in foreign markets, prioritizing the Caucasus and Central Asia. The rationale is to leverage on its presence in the Balkans and the Caucasus and on local alliances to take advantage of the growing opportunities in a vast area where language barriers and political factors discourage most competitors. In the domestic market, DBA will maintain a balanced presence on the already presided market sectors.

Other major prospects are targeted specifically in the port sector promoting advanced management systems, thanks to the unique experience in developing and operating its port logistics software, Port-Line.

International diversification

DBA's program to expand its market reach seeks to leverage on its proven expertise in transportation, logistics and telco, through a dedicated team whose mission will be to identify and analyze new business opportunities across three main areas:

- Russia, where DBA has been working on highways and roads since 2006
- The Balkans: Montenegro since 2012 and from 2015 in Slovenia, Croatia, Serbia, Bosnia Herzegovina and Albania after the acquisition of Actual IT
- Central Asia and countries along the "New Silk Way"

DBA is planning to participate in local public institutions tenders, that foresee guaranteed financing from international cooperation bodies.

DBA also plans to become a key player in meeting the digital connectivity needs of the logistic infrastructure that will be built along the Black Sea and Caspian Sea, in the framework of the "New Silk Way" projects. This strategic move will be supported by dedicated area managers in Russia, the Balkans, Caucasus, Central Asia and alliances with local partners.

The areas covered by DBA, such as the Balkans and countries in the "New Silk Way" (e.g. China), show positive signs of development in the coming five years. A reduced weight of Italian market dependency is part of the strategy.

M&A

Growth through acquisitions is seen as a way to build a larger services platform and cultivate deeper relationships with existing and larger long-term clients.

DBA targets private businesses with additional geographical coverage or complementary capabilities. Highly fragmented markets may give scope for future growth via acquisitions.

The acquisition of SJS Engineering, announced in April 2018, confirms that DBA is delivering on its IPO promises, consistently with its corporate strategy.

7. MARKET

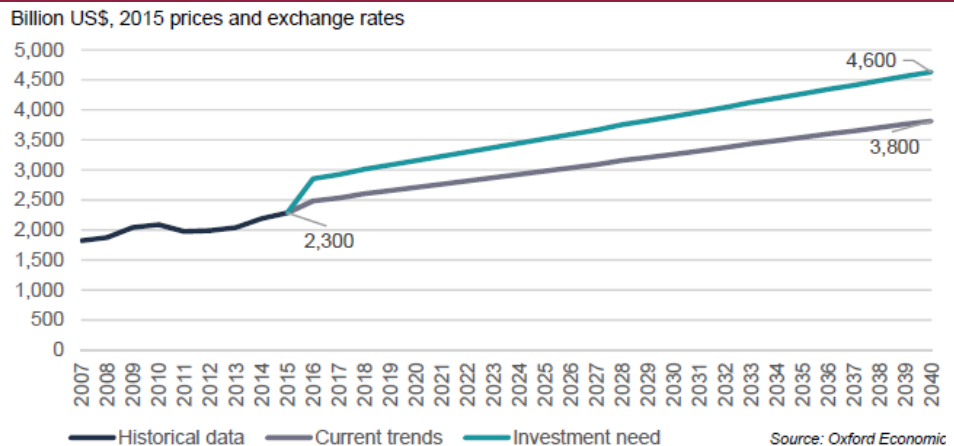
The global infrastructure market

Spending on infrastructure is cyclical, fluctuates over time, and is sensitive to economic factors such as macro-economic conditions, commodity prices, and the cost of finance.

Worldwide infrastructure spending

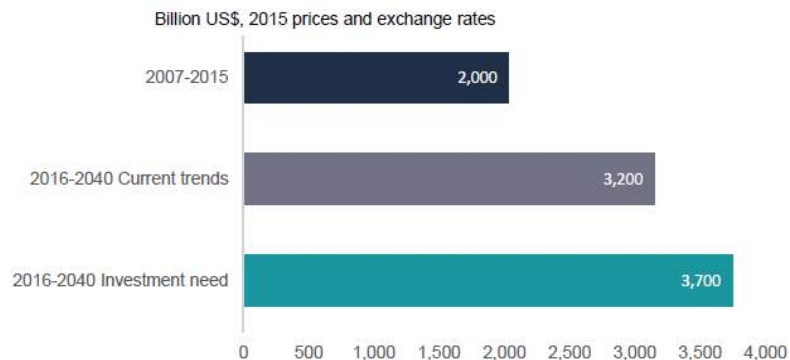
Since 2011, spending for capital projects and infrastructure has begun to rebound and has jumped to \$2.5trn in 2016, led by emerging markets, especially the Asia-Pacific region. According to Oxford Economics' Global infrastructure outlook 2017, global infrastructure investment will reach \$3.8trn in 2040, an increase of 67% over 2015. This forecast is equivalent to an annual average of \$3.2trn per year between 2016 and 2040, compared to \$2.0 trillion between 2007 and 2015. Worldwide infrastructure investment 2040 forecast is almost \$79trn under the current trends scenario, and it increases by 19% to almost \$94trn under the upside investment need scenario. Growth will be uneven geographically, with a significant gap between mature and emerging countries according to GDP geographical region forecast.

Global infrastructure spending, 2007-2040



Source: Oxford Economics, *Global infrastructure outlook*, 2017

Average annual global infrastructure spending requirement, 2016-2040



Source: Oxford Economics, *Global infrastructure outlook*, 2017

The need for infrastructure still exceeds the expected investments. The ability to cover the gap between trends and investment needs is linked to GDP growth.

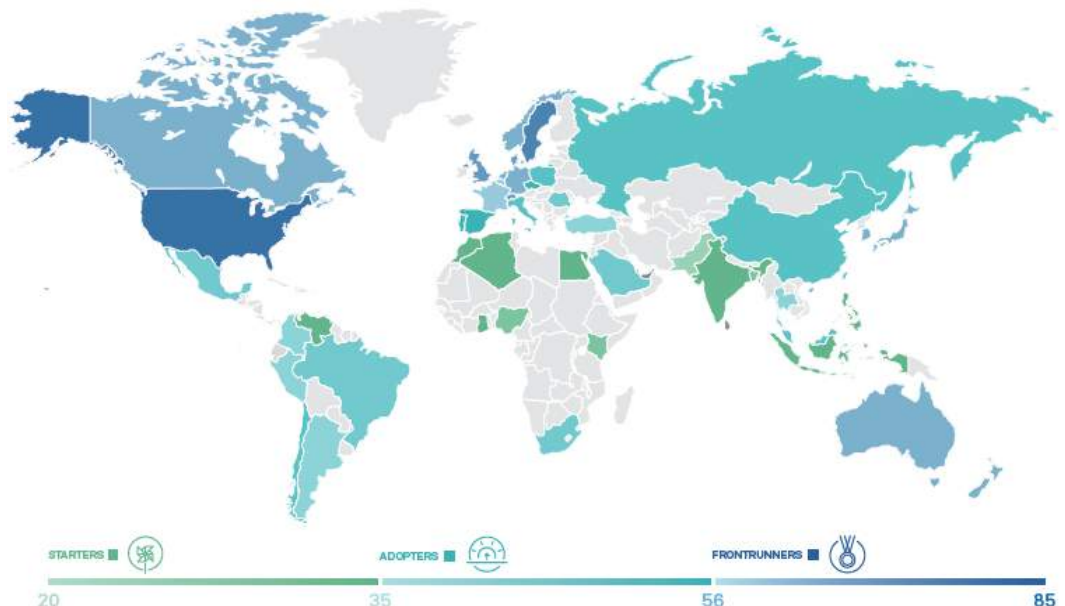
Macro-trends

Connectivity. In recent years connectivity has been achieving the status of primary need in the population of developed countries and part of the less developed countries. The Huawei's Global Connectivity Index (GCI) is a scoring system designed to analyze several indicators for Smart Infrastructure and digital transformation to provide a comprehensive map of the global digital economy. The Annual Report compares the progress of 50 nations across three stages of development, based on certain indicators that cover five technology enablers: broadband, data centers, cloud, big data, Internet of Things (Source: Huawei, *Harnessing the Power of Connectivity - GCI, 2017*).

- Starters: Avg. GDP per capita of \$3k. Countries in the early stage of ICT infrastructure, with focus on increasing ICT supply to give more people access to the Digital Economy
- Adopters: Avg. GDP per capita of \$15k. Countries with strongest GDP growth from ICT Infrastructure and focus on increasing ICT demand to facilitate industry digitization and high-quality economic growth
- Frontrunners: Avg. GDP per capita of \$50k. Developed economies that continually boost user experience, through use of Big Data and IoT

DBA's target countries are not included in the ranking and are to be considered within the Starters category, since their Connectivity needs are high and they are expected to accelerate their investments by national ICT initiatives. Italy ranked 21st, among Adopters.

Global Connectivity Index 2017 by Huawei



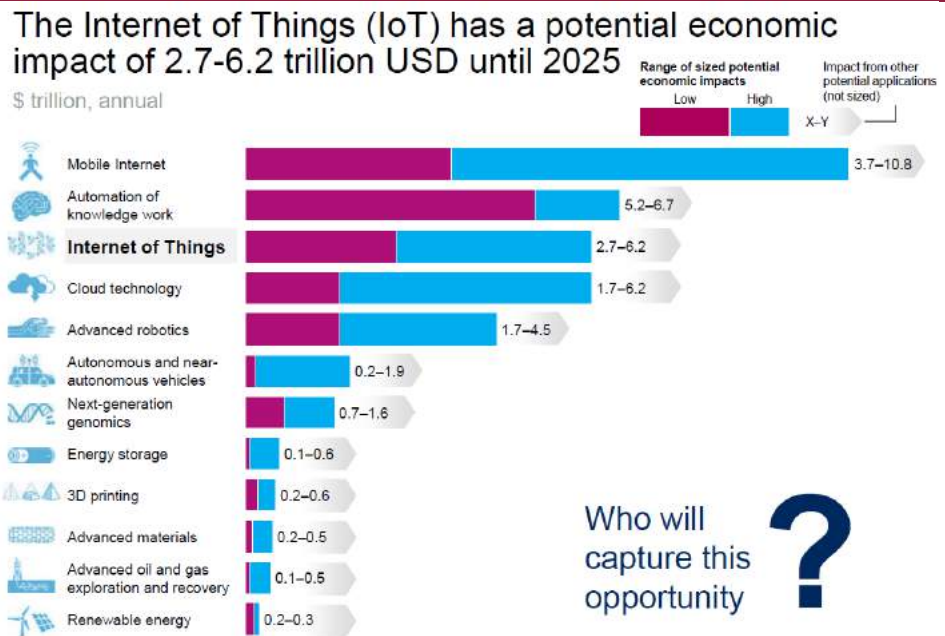
Source: Huawei, *Harnessing the Power of Connectivity - GCI, 2017*

Internet of Things riding the wave. Internet of Things (IoT) connects devices such as everyday consumer objects and industrial equipment into the network, enabling information gathering and management of devices via software to increase efficiency, enable new services, and achieve other health, safety, or environmental benefits. IoT is emerging as the third wave in

internet development, impacting personal lives, workplace productivity and consumption. McKinsey estimates the IoT market worth \$900m in 2015, growing to \$3.7bn in 2020 (32.6% CAGR), with a potential economic impact of \$2.7 to \$6.2 trillion until 2025 (Source: McKinsey, *Internet of Things - The IoT opportunity* - Hong Kong IoT Conference, 2016).

Internet of Things growing at over 30% CAGR

IoT Platforms market opportunity – McKinsey’s point of view



Source: McKinsey, *Internet of Things - The IoT opportunity* - Hong Kong IoT Conference, 2016

Tech driver networks. Driven by the high request of on-demand media contents that prefer the broadband to usual TV transmission channels, Europe is likely to see an increase in infrastructure investments. The general purpose of which is to help countries reduce their digital divide.

The largest investment ongoing in Italy is Open Fiber (sponsored by Enel and CDP). 250 cities across Italy by 2020 will be equipped with nationally uniform broadband technology to close the competition gap with other major industrial economies (Source: Cassa Depositi e Prestiti).

Broadband expansion in Europe. Basic broadband is available to everyone in the EU, while fixed technologies cover 98% of homes. Next Generation Access technologies cover 76 % in 2016, up from 68% in 2014. Deployment of 4G mobile reached 96% of homes covered by at least one operator. Rural coverage improved substantially: 4G went up from 36% in 2015 to 80% in 2016; NGA is available in 40% of rural homes, compared with 30% in 2015.

Source: European Commission, *Europe's Digital Progress Report 2017 - Connectivity*, 2017

Broadband in Italy. ADSL is still the dominant connection in Italy, while telecom operators have started deploying Next Generation Networks - fibre-optic access networks. Italy’s national ultra-broadband plan, within the EU framework, aims at developing a high-speed access network to guarantee services above 100 Mbps and to ensure availability of services above 30 Mbps for all citizens by 2020.

A 5G trial was launched in March 2017 to implement infrastructures and services in 5 cities: metropolitan area of Milan, Prato, L’Aquila, Bari and Matera. There has been an auction for

spectrum resources in the 800 MHz band that supports the deployment of Long Term Evolution Technologies (LTE) in remote areas.

The national broadband plan will:

- bring connectivity with minimum 100 Mbps for up to 85% of the Italian population
- guarantee coverage of at least 30 Mbps to all citizens
- cover at least at 100 Mbps offices and public buildings
- bring high speed broadband in the industrial areas

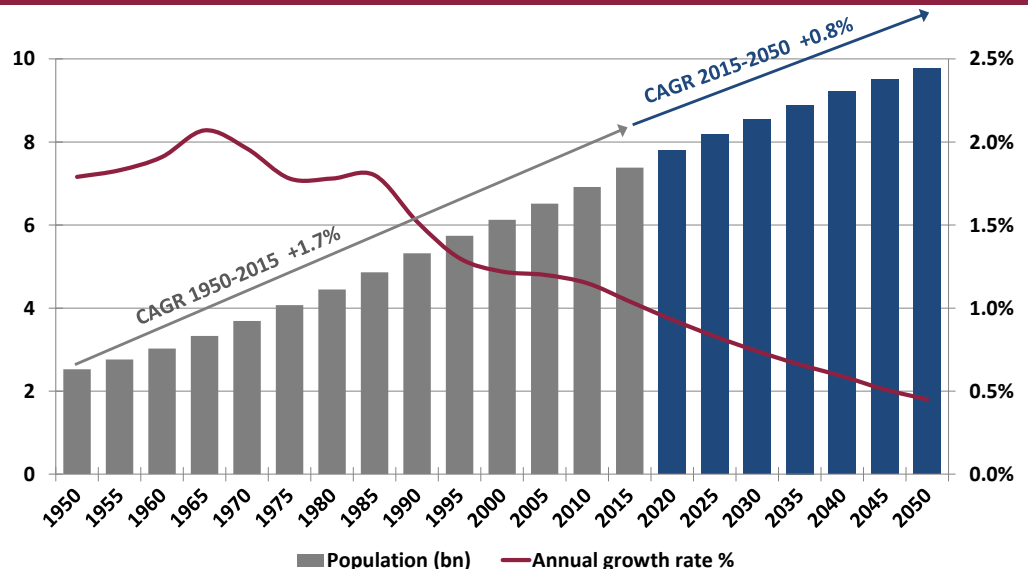
National and regional broadband financial instruments:

- €5bn of national funds for actions including white, grey and black areas (of which €3.5bn for white market failure areas)
- €1.6bn from national and regional operational and development rural programs
- €233m from a National Operating Programme including funding of ultra-broadband investments to set up 100 Mbps connections of business companies and enterprises in industrial areas

Source: European Commission, Digital Single Market

Population growth. Population growth has fluctuated between 1-2% per year over the last 65 years and this trend is expected to continue, even if at a slower pace (2015-2050 CAGR 0.8%). As of mid-2017, the world's population is estimated at 7.6 billion and it is expected to reach 8.6 billion in 2030 and 9.8 billion in 2050 (Source: United Nations, *World Population Prospects: The 2017 Revision*, 2017).

World population growth



Source: United Nations, *World Population Prospects: The 2017 Revision*, 2017

Megatrends point to need for new infrastructure

Urbanization. World population is moving to urban areas and the challenges associated with managing these areas have increased in scope and complexity. The UN estimates that more than half of the world's population lives in cities and that this number will be almost two thirds by 2050. Urbanization in developing countries creates ongoing demand for new

Marked differences in the level and speed of urbanization among regions

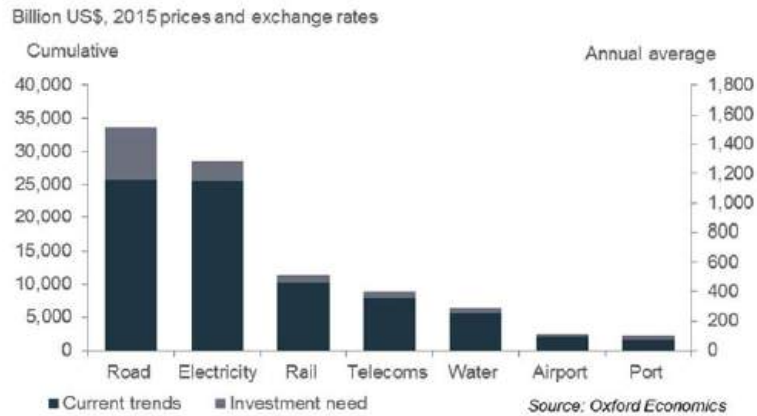
infrastructure, requiring programs of investments in residential areas and industrial sites, commercial properties and other social infrastructure. At the same time, obsolescence in developed nations will spur infrastructure spending, given that much of the critical infrastructure in developed countries was built more than 50 years ago.

Mobility. Metropolitan areas suffer from congestion, with a significant impact on local and national economies. Governments are investing to expand the capacity of roads, highways and public transportation.

Road and Electricity Gap

Global infrastructure investments will focus on Road and Electricity, where the gap between needs and trends is higher, also considering the predictable urbanization needs in Asia.

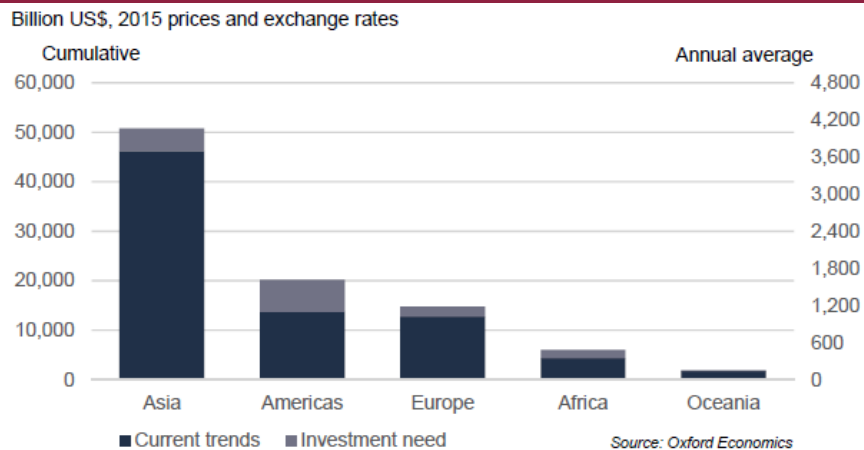
Global investments requirements by sector, 2016-2040 cumulative (left scale) and annual



Source: Oxford Economics, *Global infrastructure outlook, 2017*

Asia leading the game

Global investments requirements by region, 2016-2040 cumulative (left scale) and annual



Source: Oxford Economics, *Global infrastructure outlook, 2017*

International trade driving investments in transport and logistics

Europe-China, a major trade flow, with rising forecast

Given the expected investments in infrastructure covering the Eurasia region, the Transport and Logistics sector, driven by international trade dynamics, is crucial to DBA. The global international trading pattern is based on two routes: Asia-North America and Asia-Europe.

The main freight transport mode for long-distance trade remains maritime shipping, accounting for around 80% of global trade in volume in 2015, according to the Organisation for Economic Co-operation and Development (OECD).

Transatlantic route decline

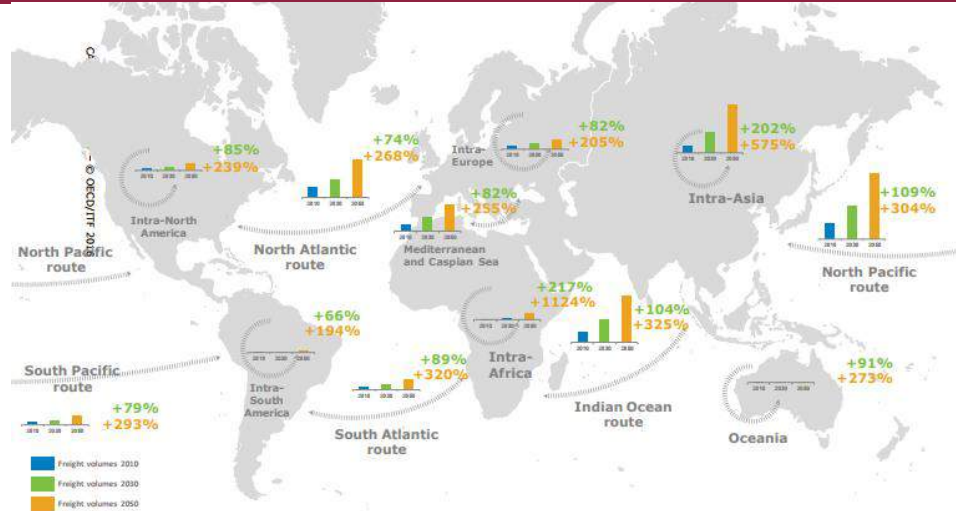
Looking at the exchange flows within countries, Europe sees China as the leading importer (20.3%), followed by the USA, Russia, Switzerland, Norway, Turkey and Japan. The in/out-flows between Europe and China are expected to climb in the coming 30 years, according to OECD, with an increase by 4.4 within 2050. OECD provides evidence that in the period 2012-2060 the exchange flow between OECD countries (Europe, USA) will halve, while transportation between non-OECD countries (China, India, Russia) will increase at a fast pace. In 1995-2015 containerized cargo flows on Asia-Europe route grew from 27% to 42% of total global trade, while the transpacific route decreased from 53% to 44% and the transatlantic route from 20% to 13%, according to UNCTAD. The change in global trade dynamics proves that exchange flows are moving towards Far East and the New Silk Road could assume a crucial role in the future.

Mediterranean and Caspian Sea on rise too

Apart from the two main routes, the area that will see the highest increase in freight volumes is Intra-Asia, respectively by +202% in 2030 and by +575% in 2050, confirming the relevance of the “the New Silk Road”. Likewise, other logistics paths covered by the “One Belt, One Road” project, such as the Indian Ocean route, Mediterranean and Caspian Sea will rise by 325% in 2030 and 255% in 2050 (Source: OECD-ITF-CPB, *Capacity to grow - Transport Infrastructure Needs for Future Trade Growth*, 2016).

Strategic investments are made by Chinese companies to improve maritime transport. An example is the investment made by Alibaba in the harbor of Hamburg last July, where a new automatized terminal will be built.

International transport in ton/Km by corridor (2010, 2030, 2050)

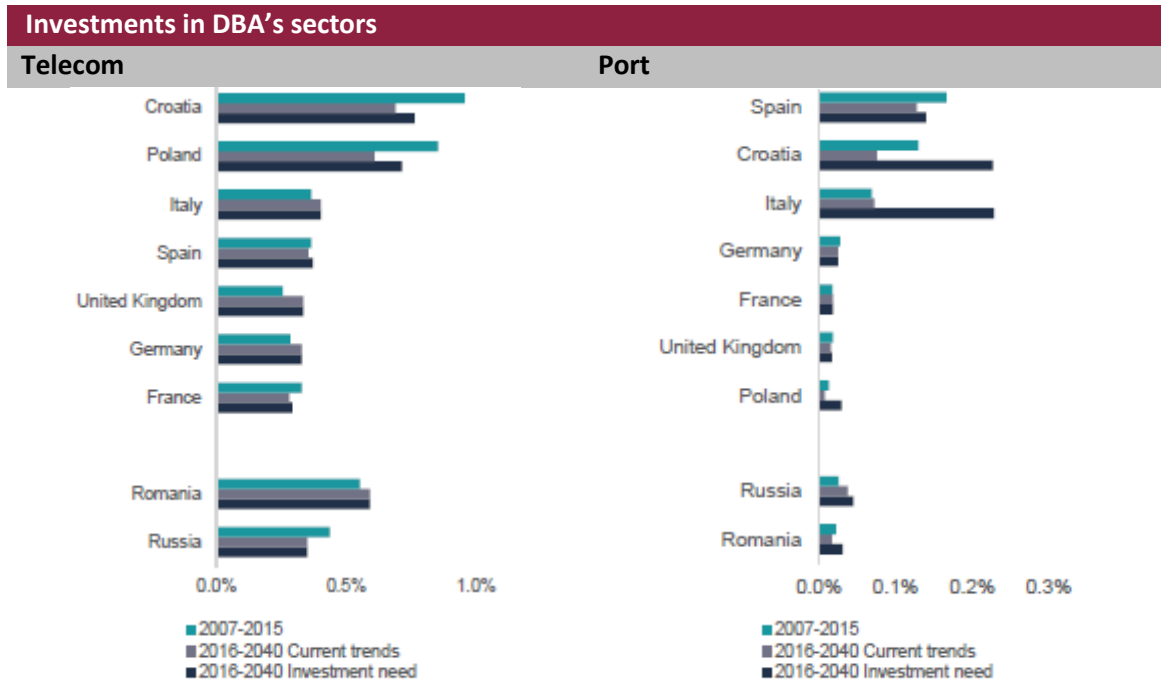


Source: OECD-ITF-CPB, *Capacity to grow - Transport Infrastructure Needs for Future Trade Growth*, 2016

Focus on DBA’s sectors

On European markets and looking at DBA’s industry expertise, telecom infrastructure needs and expense are significant and a new business in the Balkans has good chances, given the area expectation in GDP growth. According to Oxford Economics, ports infrastructure face a gap between investments needs and trends. In Italy a higher part of GDP could be allocated to

port infrastructure investments, given the present and foreseen needs of the country in this sector (Source: Oxford Economics, *Global infrastructure outlook*, 2017).

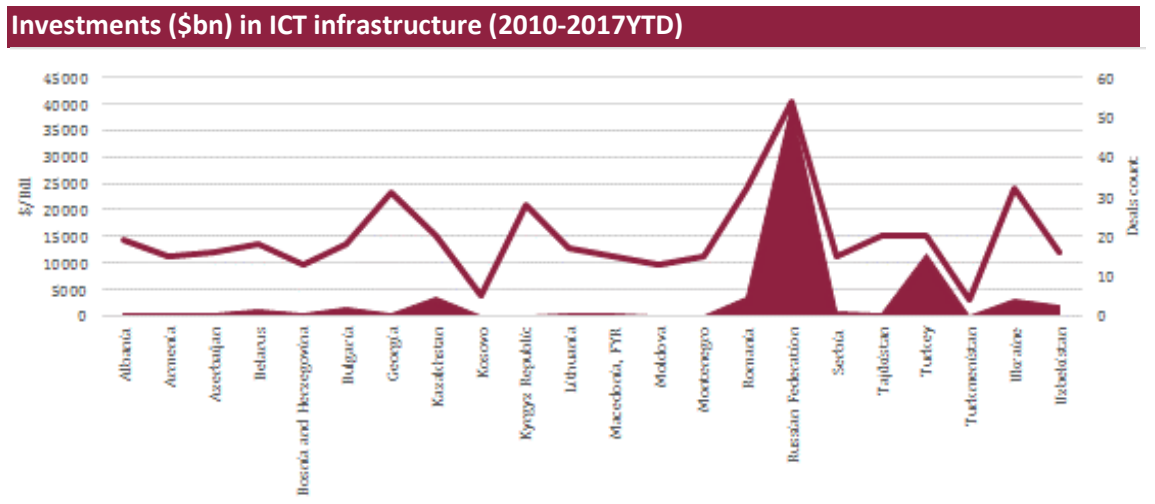


Source: Oxford Economics, *Global infrastructure outlook*, 2017

Focus on DBA's geographies

Balkans, Caucasus and Eurasia

The historical trend of investments in those regions is strong and the trend will be confirmed in the near future. The area has certain characteristics that can be profitable for companies working in the infrastructure sector. Investment trends are appealing, and this makes Eurasia nowadays one of the “places to be” in the infrastructure market. Especially since inside Europe most of the market is made by operation & maintenance infrastructure market. DBA's position in the telecoms infrastructure market can be still very rewarding.



Source: The World Bank - Private Participations in Infrastructure Database

GDP (growth yoy%) World Bank Group Forecasts



Source: World Bank, GDP growth, constant 2010 USD; Data from database: Global Economic Prospects - Forecast, 2017

The “New Silk Road”

In 2013, the Chinese government announced the setting of a corridor between China and Europe to improve trade relationships in the region primarily through infrastructure investments. This will primarily boost China’s global trade, finding lucrative outlets for the country’s industrial overcapacity. The initiative known as “One Belt, One Road” is planned to benefit also areas including Central Asia and the Middle East lending \$8trn for infrastructure in 68 countries. According to Credit Suisse, countries such as India, Russia, Indonesia and Iran together with other 58 countries could see investments of up to \$500bn over five years. Other countries that will benefit are Ethiopia, Kenya, Laos and Thailand where roads and infrastructure projects are underway. Also Pakistan is one of the foremost supporter of the New Silk Road. The new trade route can improve cooperation between Pakistan and China, leading construction of new roads and bridges for \$46bn. Currently, the “One Belt, One Road” initiative has \$1trn of projects underway, including major infrastructure works in Africa and Central Asia. On top of that, the China Development Bank had set aside almost \$900bn alone for more than 900 projects (Source: World Economic Forum, *China’s \$900 billion New Silk Road. What you need to know*, 2017).

Eurasian railway corridor project

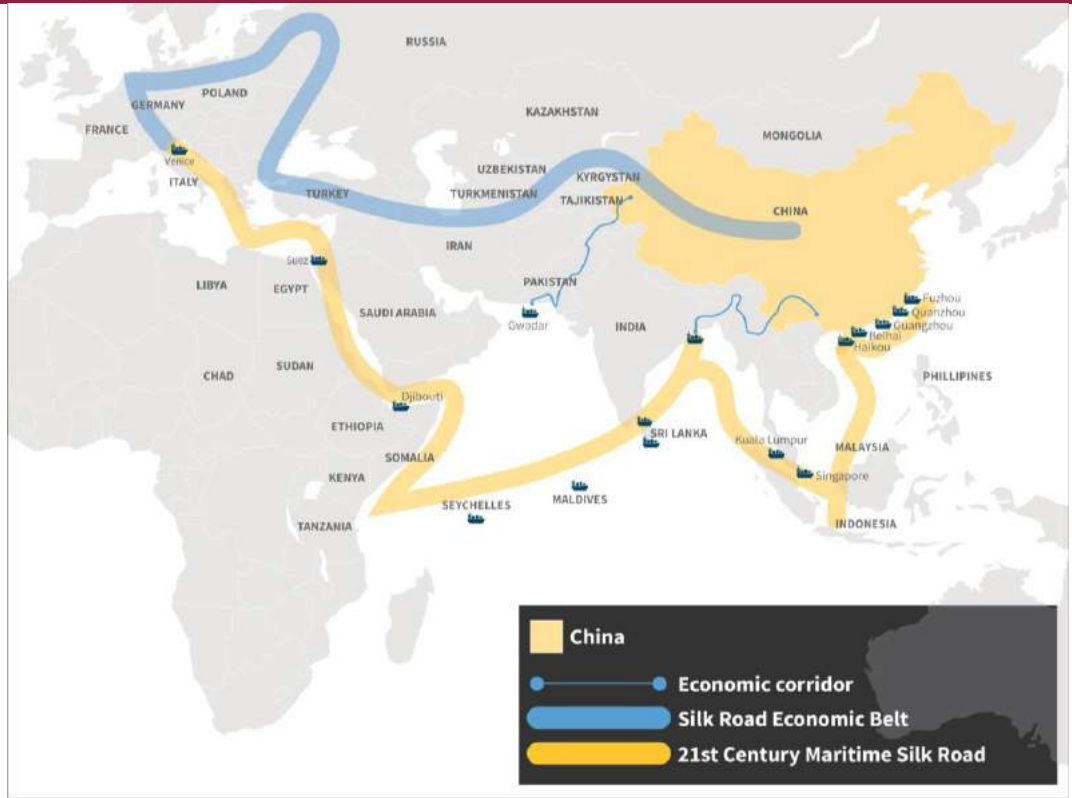
Russia’s role in the “New Silk Road” development plan through three initiatives:

- Vladivostok/Beijing-Novosibirsk-Moscow route to reach Siberia in 7 days
- Corridor between Moscow and the port of Bandar Abbas in Iran, to provide access to the Indian Ocean and Persian Gulf
- Manage connections between Russian and European railways to improve the link between Asia and Europe

The Balkans Silk Road

Another strategic path of the “One Belt, One Road” project should connect Beijing with Athens and then reach Skopje, Belgrade and Budapest. The maritime transport is critical for the Chinese initiative; Italy, Greece and Croatia are logistic gateways through the Adriatic and Mediterranean seas.

One Belt, One Road



Source: World Economic Forum, *China's \$900 billion New Silk Road. What you need to know*, 2017

The Balkans Silk Road from Beijing to Budapest



Source: Financial Times, *EU sets collision course with China over "Silk New Road" rail project*, 2017

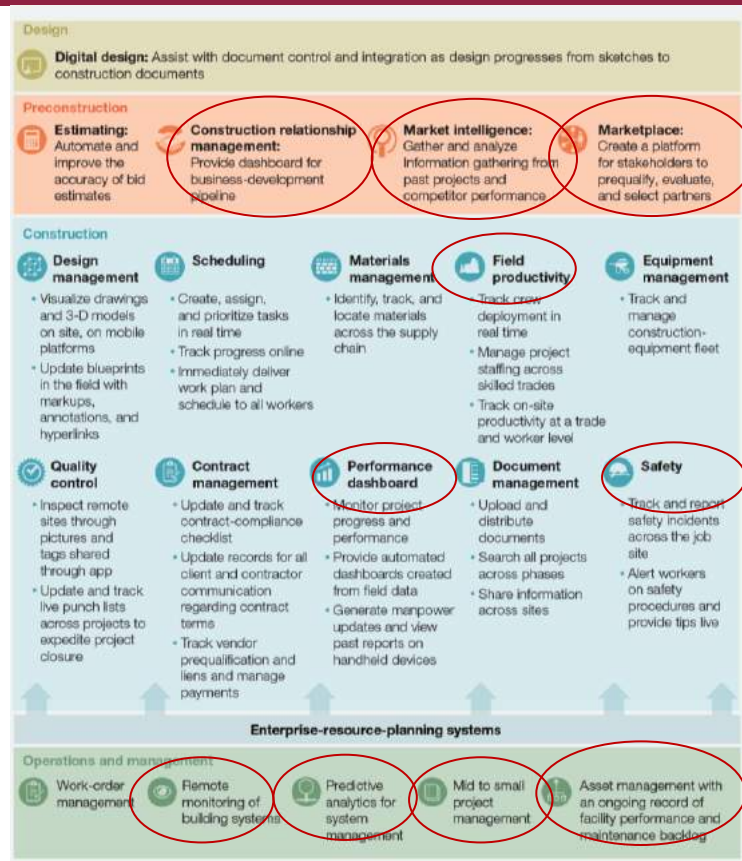
8. INDUSTRY OUTLOOK

Technological transformation

In addition to industry drivers typical of the infrastructure market, the key drivers of demand for design and engineering services are:

- **Globalization:** Companies with global operations require support by engineering companies with global capabilities, local staff with international industry expertise and ability to work with local facilities in different cultural contexts
- **Technology:** Technological advance addresses problems throughout the course of design and engineering projects looking at both the phase in which they are used and the problem they solve (red circles in the below chart indicate areas relevant to DBA)

Construction-technology use cases span the entire project lifecycle



Source: McKinsey, *The new age of engineering and construction technology - Capital Projects and Infrastructure*, July 2017

Most companies develop tools and solutions for the realization phase, including enterprise resource planning systems, which are used throughout the project. Fewer companies create products for the design, preconstruction, or operations and management phases. By looking closer at the construction phase, most companies fell into one of three clusters: on-site execution, digital collaboration, or back-office integration. Only few companies are developing cross-cluster tools and solutions.

New technology trends

The emerging technologies that have a forthcoming popularity in the industry and represent areas where DBA has already developed applications:

- Artificial intelligence and machine learning: their application to large dataset allows to perform smart correlation analyses, anomalies' identification, data estimate and prediction based on observed patterns
- Numerical simulation systems: calculations run on a computer following a program that implements a mathematical model to describe systems and processes, especially for business process management
- Virtual reality and 3D interface: a form of human-machine interaction where users are able to move and perform interaction in 3D space
- C-ITS technologies (Intelligent Transport System) and smart mobility: these technologies which refer to Vehicle to Vehicle and Vehicle to Infrastructure interactions are expected impact mobility and transport industry, which will see 61 million *connected cars* within 2020

Digital collaboration makes a difference

Architects, engineers and foremen dispersion is higher than in other industries. Communication alignment needs and back-office activities, that may cause inefficiencies, require the development of new tools for online exchange of information.

Many construction/technology start-ups have focused on tools that promote digital collaboration - the online exchange of information - throughout project phases.

Off-shore/near-shore delivery

The skills developed by a team, a division, or a just acquired subsidiary, can better be exploited by organizing their permanent support to the entire organization. The trend for successfully growing engineering companies is to set delivery centers to which outsource a portion of the work of the *near-client* teams. The organization model consists in sharing project management and interface with part of the team in an offshore/nearshore center (back-office) to the front-office team, which is located close to the client in the principal's country. The client therefore works with a local team, more familiar with the client's requirements culture and language, having access to the best know how and skills mix, wherever they are located.

The market

Venture capitalists in the last four years invested \$1.7bn in document management software and \$1.4bn in equipment management and ERP systems (Source: McKinsey, *The new age of engineering and construction technology - Capital Projects and Infrastructure*, 2017). Productivity and on-site management in engineering and construction is seen to be a new venture investment niche in the future.

Industry logics

The benchmark group companies Alten, Altran, Assystem and Sweco show a strong emphasis into R&D outsourcing and product development, and their business model is that of know-how providers for the products of their clients.

Alten and Altran both provide R&D and technological information systems, being involved at every stage of an innovation development cycle. The service levels range from technology consulting to working on outsourced projects.

Typical industries are Aerospace, Defense, Railways, Automotive, Energy, Manufacturing, Electronics, Healthcare, Telecoms and Finance sectors.

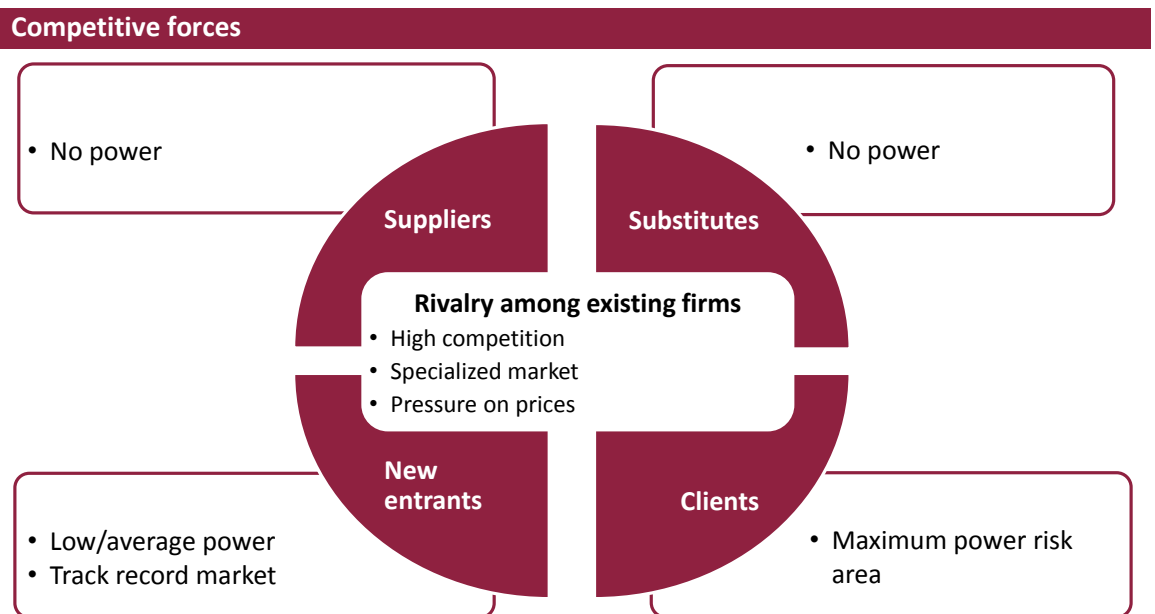
Assystem has two major lines of business: outsourced R&D and complex infrastructure engineering. It is specialized in the nuclear, automotive and aeronautics engineering markets. In the outsourced R&D market, all of these companies serve principally top European corporations that rank among the world's leading market players.

Sweco provides professional services in architectural and urbanization engineering and design. The company defines itself as building service system consultant.

9. COMPETITION

Competitive analysis

DBA competes in markets where clients have a rational approach in selecting service providers, the breadth of consulting services provided is diverse and where suppliers and substitute services providers have limited competitive power. Barriers to entry are low, given the low capital required for new entrants, despite specific domain knowledge and certifications are required. However, being the market driven by experience, execution and track record, well-recognized players are the most direct competitive threat. The main competitive force is represented by clients, who require expertise and execution, while exercising pressure on prices.



Source: EnVent Research

Competitors are generally sector and service-specific. The competitive arena is highly fragmented and populated by a small number of large players, often with multinational reach, together with a large number of smaller specialists (typically small/local engineers' firms) which may not have the needed skills but with aggressive pricing. There are no specific pure-play competitors to DBA, as the Group competes against a range of players with a broader services range in ICT, project management and engineering.

DBA well-placed among industry leaders

We consider any industry ranking as misleading, since they rank companies whose business is too diverse to be comparable. However, just from a dimensional point of view, DBA is the 9th engineering firm in Italy, or better the 6th excluding captive companies, among the top 150 engineering firms ranked on 2016 revenues, according to the Report on the Italian Architecture and Engineering Industry published by the research firm Guamari.

Major trends in the competitive arena

- Large engineering firms take advantage from the increasing complexity and cost of R&D activities, that suggests large multinationals to outsource to consultants that have more advanced knowledge and are expected to provide a faster solution at a reasonable cost
- Large firms are also increasing foreign operations, looking for growth opportunities that elude traditional and mature markets
- Consolidation across the industry is being driven by changes in the procurement practices of many clients, which want global service providers

Competitors' strategy

Based on DBA's operating model, we have identified certain engineering global leaders, that can be compared to DBA's strategy. The peer group companies (Alten, Altran, Assystem and Sweco) has an increasing international projection, strong and long-term client's relationship and a well-structured system of search and retention of talented engineers. The international growth strategy is pursued mainly by acquisitions and knowledge sharing. To reach a critical size per country and per region is considered a key feature of the operating model. A long-term relationship with large and successful clients is crucial to repeat engagements, stability of revenues and financial health.

10. FINANCIAL ANALYSIS

Emerging in the global market

Until 2014 revenues were in the region of €20m, while a major step-up towards the €40m threshold was made in 2015 with the acquisition of Actual IT, which added €10m revenues, together with some 150 employees. Between 2013 and 2017 revenues increased at a 20% CAGR.

Consolidated Profit and Loss

€m	2014	2015	2016	2017
Revenues	23.6	39.4	41.0	42.3
Change in work in progress	(0.3)	0.1	0.1	(0.1)
Other income	0.3	0.7	0.4	0.4
Total Revenues	23.6	40.2	41.4	42.6
YoY %	-	70.4%	3.1%	2.7%
Personnel	(10.5)	(15.6)	(16.7)	(16.0)
Services	(8.9)	(15.7)	(15.0)	(17.7)
Other operating costs	(2.4)	(4.2)	(5.0)	(4.0)
Write-down of current receivables	(0.1)	(0.1)	(0.1)	(0.1)
Operating costs	(21.9)	(35.6)	(36.7)	(37.8)
EBITDA	1.7	4.6	4.7	4.8
Margin	7.0%	11.4%	11.3%	11.3%
D&A	(0.7)	(2.6)	(1.8)	(2.4)
EBIT	1.0	2.0	2.9	2.4
Margin	4.1%	5.0%	7.0%	5.7%
IPO expenses	0.0	0.0	0.0	(0.3)
Interest	(0.3)	(0.2)	(0.2)	(0.2)
Write-down of shareholdings	0.0	(0.2)	0.0	0.0
EBT	0.7	1.6	2.7	1.9
Margin	3.0%	4.0%	6.6%	4.5%
Income taxes	(0.6)	(0.9)	(1.3)	(0.9)
Net Income	0.1	0.7	1.5	1.0
Margin	0.6%	1.7%	3.5%	2.4%

Source: Company data

2017 EBT adjusted of IPO expenses and related amortization would be €2.6m

Revenue per employee €80-90k

Per-capita revenue was in the region of €80-90k over the last four years, while per-capita cost was in the region of €40k.

The increase in personnel cost in 2015 (+48%) reflects the addition of Actual's staff. DBA's headcount at year-end 2017 was 501 employees. The workforce also includes freelance professionals, bringing the total workforce to over 550 units as of December 2017.

EBITDA in 2017 was in line with prior year, margin also at same level (11%).

EBIT decreased by -17% to €2.4m (6% margin), after higher D&A which include €0.3m amortization of capitalized IPO expenses. Pre-tax income after IPO costs and interest (decreased by 30% YoY) was €1.9m.

Net Income was €1.0m, -31% YoY, 2% of revenues.

Consolidated Balance Sheet

€m	2014	2015	2016	2017
Work in progress	0.7	0.8	1.0	0.9
Inventory	0.0	0.3	0.5	0.0
Trade receivables	15.1	17.7	14.3	19.1
Trade payables	(4.3)	(6.1)	(6.9)	(6.9)
Trade Working Capital	11.5	12.8	8.8	13.2
Other assets (liabilities)	(2.3)	(3.4)	(3.2)	(1.8)
Net Working Capital	9.2	9.4	5.6	11.4
Intangible assets	1.4	1.4	1.2	5.6
Goodwill	1.1	4.1	3.6	3.5
Property, plant and equipment	0.3	2.3	2.4	3.3
Equity investments and financial assets	0.4	0.3	1.4	0.7
Non-current assets	3.2	8.1	8.5	13.1
Net Invested Capital	11.1	15.8	12.4	23.0
Bank debt	6.0	7.8	4.1	10.3
Other financial debt	0.0	0.8	0.8	1.0
Cash and equivalents	(2.2)	(3.8)	(4.2)	(13.0)
Net Debt (Cash)	3.8	4.9	0.7	(1.7)
Shareholders' Equity	7.3	9.9	10.6	23.3
Minority interests	0.0	1.1	1.0	1.3
Equity	7.3	10.9	11.6	24.6
Sources	11.1	15.8	12.4	23.0

Source: Company data

The increase in TWC in 2017 comes from an increase in DSO.

The increase in intangible assets is mainly attributable to capitalized R&D costs (€2.4m), IPO expenses (€1.3m), acquisition of new software (€0.8m).

Property, plant and equipment includes the building acquired by Actual IT under a real estate financial leasing.

Year-end 2017 net cash position of €1.7m, benefitting from the €10.5m net IPO proceeds. Other financial debt (€1m) refers to the Slovenian real estate leasing.

Consolidated Cash Flow

€m	2015	2016	2017
EBIT	2.0	2.9	2.4
Current taxes	(0.9)	(1.3)	(0.9)
D&A	2.6	1.8	2.4
Provisions	0.3	0.2	(0.3)
Cash flow from operations	4.0	3.6	3.6
Trade Working Capital	(1.3)	3.9	(4.3)
Capex - intangibles	(0.6)	(0.4)	(3.8)
Capex - acquisitions	(3.5)	0.0	(0.5)
Capex - PPE	(3.5)	(0.8)	(1.7)
Other assets and liabilities	1.1	(0.2)	(1.4)
Free cash flow	(3.8)	6.2	(8.1)
IPO costs	0.0	0.0	(0.3)
Interest	(0.2)	(0.2)	(0.2)
Depreciation of shareholdings	(0.2)	0.0	0.0
Equity investments and financial assets	0.1	(1.1)	0.6
Paid-in Capital / IPO proceeds	2.1	0.0	12.0
Capex - IPO costs	0.0	0.0	(1.6)
Dividends	0.0	(0.8)	0.0
Consolidation adjustments	0.9	0.0	0.0
Net cash flow	(1.1)	4.2	2.4
Net (Debt) Cash - Beginning	(3.8)	(4.9)	(0.7)
Net (Debt) Cash - End	(4.9)	(0.7)	1.7
Change in Net (Debt) Cash	(1.1)	4.2	2.4

2015 capex refers to
Actual IT's acquisition

Source: Company data

Major cash flow dynamics, as frequent in the industry, are TWC absorption and release. Capex, except for acquisitions and non-recurring IPO costs, is not material in operations.

Ratio analysis

KPIs	2014	2015	2016	2017
ROE	2%	6%	13%	4%
ROS	4%	5%	7%	6%
ROIC	9%	13%	24%	11%
DSO	195	134	104	136
DPO	114	92	103	95
TWC/Revenues	49%	32%	22%	31%
Net Debt / EBITDA	2.3x	1.1x	0.2x	n.m.
Net Debt / Equity	0.5x	0.4x	0.1x	n.m.
Cash flow from operations / EBITDA	n.a.	86%	76%	76%
FCF / EBITDA	n.a.	neg.	131%	neg.
Per-capita revenue (€k)	83	88	88	77
Per-capita cost (€k)	40	37	39	37

A solid financial
performance

Source: Company data

11. OUR ESTIMATES

Chasing on the momentum

Market trend assumptions

Infrastructure, digitization, connectivity and urbanization issues are hot trends globally. DBA's growth is expected to be substantial, thanks to the double fueling of market and competitive advantages.

Key growth drivers

- Emerging economies require added infrastructure development to handle the population's growing urban transport and travel needs
- DBA's recognized know-how in infrastructure project management matches with the countries which have strong plans for infrastructure deployment
- A financial debt-free balance sheet
- The repeat work for present clients track record (over 90% 5Y resiliency and 9% CAGR on largest engineering clients) is the key indicator to evaluate the visibility of DBA projected base revenues
- DBA's last 5Y proforma organic growth is a 11% CAGR. Taking into account the 2015 acquisition, 5Y CAGR is 21%
- Our market and Industry/Competition analysis tells that most growth expectation indicators fall within the 5-10% range
- We have set our projections at growth rate of 7.5% for the mid-term, to reflect the excellent potential together with consideration of Company's size and the internationalization plan inherent risk. Our DCF valuation includes also a Higher Case where explicit projections growth rate increases to 10%, consistently with recent Company's history

Assumptions

Revenues	<ul style="list-style-type: none"> • Acquisition of SJS factored in 2018 revenues • +7.5% YoY 2019-20 Base case; +10% YoY 2019-20 Higher case • Revenue per employee over €100k threshold in 2020 • Include only client revenues
Operating and other costs	<ul style="list-style-type: none"> • Personnel, net of R&D capitalized expenses: 2018 takes into consideration the addition of SJS employees; from 2019 +5% YoY • Services, including other direct project costs and G&A expenses, and other operating costs consistent with historical levels • Write-down of current receivables 0.5%
Income taxes	<ul style="list-style-type: none"> • Corporate tax (IRES): 24% • Regional tax (IRAP): 3.9%
Working Capital	<ul style="list-style-type: none"> • Trade and other working capital consistent with historical average: DSO 130-120, DPO 95, DOI <10
Capex	<ul style="list-style-type: none"> • Intangible assets €1m recurring capex yearly 2018-20 • Tangible assets capex €0.5m in 2018, of which €0.1m for end of

revamping and €0.4m recurring; €0.2m recurring capex 2019-20
 • Acquisition of SJS Engineering in 2018 (€3.1m) factored in

Source: EnVent Research

Consolidated projections

Consolidated Profit and Loss

€m	2014	2015	2016	2017	2018E	2019E	2020E
Revenues	23.6	40.2	41.4	42.6	49.3	52.9	56.9
<i>YoY %</i>	-	70.4%	3.1%	2.7%	15.7%	7.5%	7.5%
Personnel	(10.5)	(15.6)	(16.7)	(16.0)	(18.5)	(19.7)	(21.1)
Services	(8.9)	(15.7)	(15.0)	(17.7)	(19.7)	(20.7)	(22.2)
Other operating costs	(2.4)	(4.2)	(5.0)	(4.0)	(4.0)	(4.1)	(4.1)
Write-down of current receivables	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)
Operating costs	(21.9)	(35.6)	(36.7)	(37.8)	(42.3)	(44.5)	(47.5)
EBITDA	1.7	4.6	4.7	4.8	6.9	8.4	9.4
<i>Margin</i>	7.0%	11.4%	11.3%	11.3%	14.1%	15.9%	16.5%
D&A	(0.5)	(2.1)	(1.3)	(1.8)	(2.0)	(2.3)	(2.5)
EBITA	1.1	2.5	3.4	3.0	4.9	6.1	6.9
<i>Margin</i>	4.8%	6.2%	8.2%	6.9%	10.0%	11.6%	12.1%
Goodwill amortization	(0.2)	(0.5)	(0.5)	(0.5)	(0.8)	(1.2)	(1.2)
EBIT	1.0	2.0	2.9	2.4	4.1	5.0	5.8
<i>Margin</i>	4.1%	5.0%	7.0%	5.7%	8.3%	9.4%	10.1%
IPO costs	0.0	0.0	0.0	(0.3)	0.0	0.0	0.0
Interest	(0.3)	(0.2)	(0.2)	(0.2)	(0.3)	(0.2)	(0.2)
Write-down of shareholdings	0.0	(0.2)	0.0	0.0	0.0	0.0	0.0
EBT	0.7	1.6	2.7	1.9	3.8	4.8	5.6
<i>Margin</i>	3.0%	4.0%	6.6%	4.5%	7.8%	9.0%	9.8%
Income taxes	(0.6)	(0.9)	(1.3)	(0.9)	(1.3)	(1.7)	(1.9)
Net Income	0.1	0.7	1.5	1.0	2.5	3.1	3.7
<i>Margin</i>	0.6%	1.7%	3.5%	2.4%	5.1%	5.9%	6.5%

Source: Company data 2014-17A; EnVent Research 2018-20E

Consolidated Balance Sheet

€m	2014	2015	2016	2017	2018E	2019E	2020E
Work in progress	0.7	0.8	1.0	0.9	1.0	1.1	1.2
Inventory	0.0	0.3	0.5	0.0	0.0	0.0	0.0
Trade receivables	15.1	17.7	14.3	19.1	21.4	22.1	22.8
Trade payables	(4.3)	(6.1)	(6.9)	(6.9)	(7.5)	(7.9)	(8.4)
Trade Working Capital	11.5	12.8	8.8	13.2	14.9	15.4	15.7
Other assets (liabilities)	(2.3)	(3.4)	(3.2)	(1.8)	(2.0)	(2.1)	(2.3)
Net Working Capital	9.2	9.4	5.6	11.4	13.0	13.3	13.4
Intangible assets	1.4	1.4	1.2	5.6	5.5	5.3	4.8
Goodwill	1.1	4.1	3.6	3.5	5.8	4.6	3.5
Property, plant and equipment	0.3	2.3	2.4	3.3	2.8	2.1	1.2
Equity investments and financial assets	0.4	0.3	1.4	0.7	0.7	0.7	0.7
Non-current assets	3.2	8.1	8.5	13.1	14.9	12.7	10.2
Provisions	(1.3)	(1.6)	(1.8)	(1.5)	(1.7)	(1.7)	(1.8)
Net Invested Capital	11.1	15.8	12.4	23.0	26.2	24.2	21.8
Bank debt	6.0	7.8	4.1	10.3	8.5	6.8	5.3
Other financial debt	0.0	0.8	0.8	1.0	1.0	1.0	1.0
Cash and cash equivalents	(2.2)	(3.8)	(4.2)	(13.0)	(10.5)	(13.9)	(18.4)
Net Debt (Cash)	3.8	4.9	0.7	(1.7)	(1.0)	(6.1)	(12.2)
Equity	7.3	10.9	11.6	24.6	27.2	30.3	34.0
Sources	11.1	15.8	12.4	23.0	26.2	24.2	21.8

Source: Company data 2014-17A; EnVent Research 2018-20E

Consolidated Cash Flow

€m	2015	2016	2017	2018E	2019E	2020E
EBIT	2.0	2.9	2.4	4.1	5.0	5.8
Current taxes	(0.9)	(1.3)	(0.9)	(1.3)	(1.7)	(1.9)
D&A	2.6	1.8	2.4	2.8	3.4	3.7
Provisions	0.3	0.2	(0.3)	0.1	0.1	0.1
Cash flow from operations	4.0	3.6	3.6	5.8	6.8	7.6
Trade Working Capital	(1.3)	3.9	(4.3)	(1.8)	(0.5)	(0.3)
Capex - intangibles	(0.6)	(0.4)	(3.8)	(1.0)	(1.0)	(1.0)
Capex - acquisitions	(3.5)	0.0	(0.5)	(3.1)	0.0	0.0
Capex - PPE	(3.5)	(0.8)	(1.7)	(0.5)	(0.2)	(0.2)
Other assets and liabilities	1.1	(0.2)	(1.4)	0.2	0.1	0.2
Free cash flow	(3.8)	6.2	(8.1)	(0.4)	5.3	6.3
IPO costs	0.0	0.0	(0.3)	0.0	0.0	0.0
Interest	(0.2)	(0.2)	(0.2)	(0.3)	(0.2)	(0.2)
Depreciation of shareholdings	(0.2)	0.0	0.0	0.0	0.0	0.0
Equity investments and financial assets	0.1	(1.1)	0.6	0.0	0.0	0.0
Paid-in Capital / IPO proceeds	2.1	0.0	12.0	0.0	0.0	0.0
Capex - IPO costs	0.0	0.0	(1.6)	0.0	0.0	0.0
Dividends	0.0	(0.8)	0.0	0.0	0.0	0.0
Consolidation adjustments	0.9	0.0	0.0	0.0	0.0	0.0
Net cash flow	(1.1)	4.2	2.4	(0.7)	5.1	6.1
Net (Debt) Cash - Beginning	(3.8)	(4.9)	(0.7)	1.7	1.0	6.1
Net (Debt) Cash - End	(4.9)	(0.7)	1.7	1.0	6.1	12.2
Change in Net (Debt) Cash	(1.1)	4.2	2.4	(0.7)	5.1	6.1

Source: Company data 2014-17A; EnVent Research 2018-20E

Consistent cash generation

2018 €3.1m cash out for SJS acquisition

Ratio analysis

KPIs	2014	2015	2016	2017	2018E	2019E	2020E
ROE	2%	6%	13%	4%	9%	10%	11%
ROS (EBIT/Revenues)	4%	5%	7%	6%	8%	9%	10%
ROIC (NOPAT/Invested Capital)	7%	11%	20%	9%	14%	18%	23%
DSO	195	134	104	136	130	125	120
DPO	114	92	103	95	95	95	95
DOI	11	8	9	7	7	7	7
TWC/Revenues	49%	32%	21%	31%	30%	29%	28%
NWC/Revenues	39%	23%	14%	27%	26%	25%	24%
Net Debt / EBITDA	2.3x	1.1x	0.2x	n.m.	n.m.	n.m.	n.m.
Net Debt / Equity	0.5x	0.4x	0.1x	n.m.	n.m.	n.m.	n.m.
Net Debt / (Net Debt+Equity)	0.3x	0.3x	0.1x	n.m.	n.m.	n.m.	n.m.
Cash flow from operations / EBITDA	n.a.	86%	76%	76%	83%	81%	81%
FCF / EBITDA	n.a.	neg.	131%	neg.	-6%	63%	67%
Per-capita revenue (€k)	83	88	88	77	87	94	101
Per-capita cost (€k)	40	37	39	37	40	42	44

Source: Company data 2014-17A; EnVent Research 2018-20E

12. MARKET METRICS

Market value of comparable companies

Selection criteria

Key factors for the selection of industry players:

- Business model focused on technology and engineering consulting services
- Wide industry specializations
- Geographical scope: worldwide

Industry players segmentation

We have reviewed the listed technology and engineering companies whose characteristics match these factors. The wider engineering industry includes enterprises ranging from small and medium-sized, to large and highly diversified corporations. The analyzed companies can be clustered in fairly homogenous groups, in order to detect performance consistencies and understand key market metrics.

- **Core business peers** - Technology Consulting - Altran Technologies, Alten, CTI, Sweco, Assystem, Costain, Reply
- **Design and Construction** - Design and construction of infrastructure and large works - AECOM, Arcadis, SNC Lavalin, WYG, WSP Global, Stantec, Cardno
- **Plant Construction** - Construction of industrial and Oil&Gas plants - Jacobs, Chiyoda, Maire Tecnimont, Astaldi, Trevi, Energoprojekt
- **IT Consulting** - IT and technology-oriented consulting services - Capgemini, Accenture, Oracle, Devoteam, SII, Adesso, Atos, Silver Spring Networks, Controlnet International
- **IT Consulting (Italy only)** - Exprivia, CAD IT, Itway, Be

The major difference with DBA is size, that for the analyzed listed companies ranges from minimum €300m to over €2bn revenues. Other major differences are core business, that for the IT Consulting and Plant Construction clusters includes very focused industry and service competencies, and for the Construction cluster a prevailing construction work volume, with respect to the Engineering work. However, there are certain similarities since DBA, to a certain extent like the companies selected, has a consolidated business model, a focused strategy and healthy margins. Thus, we believe that a comparison against the Core business peers, pure engineering companies that offer project management and outsourcing to their clients, can provide suitable performance and value indicators. Conversely, we have excluded from the financial and market multiples peer analysis the Plant Construction and Design and construction clusters which have too different businesses and financial profiles. They are reported in an aggregated format within the regression analysis. The picture is completed by an hybrid cluster, made by the IT Consulting Italian group, that could offer hints on the value potential of Italian companies of smaller size with respect to the large multinationals.

Profile of core business peers

Altran. France-based, provides Engineering and R&D services. Present in more than 20 countries across Europe, Asia and the USA with over 33,000 employees. Main domains:

product and systems engineering, manufacturing and operations, digitization, manufacturing.
2017 revenues: €2.3bn
Comparability: high for PMO and PPMO services

Costain. UK-based, provides technology-based engineering solutions across the UK's energy, water and transportation infrastructures. Over 4,000 employees.
2017 revenues: €1.9bn
Comparability: average

Alten. France-based, with a staff of 28,000 employees, of which 24,700 engineers, spread in over twenty countries, carries out studies and conception projects for the technical and information systems divisions of clients in the industrial, telecom and service sectors.
2017 revenues: €2.0bn
Comparability: high for PMO and PPMO services

Sweco. Swedish consultancy company in the fields of consulting engineering, environmental technology and architecture.
2017 revenues: €1.7bn
Comparability: partial, only for architecture services (included in ENG)

Assystem. French engineering company with some 5,000 employees. Business areas (revenue %): Energy (71%), Life Sciences (7%), Other (22%).
2017 revenues: €0.4bn
Comparability: average

Reply. Italian Consulting, System Integration and Digital Services company specialized in the solutions based on communication networks and digital media and on the new paradigms of Big Data, Cloud Computing, Internet of Things.
2017 revenues: €0.9bn
Comparability: high for ICT and PMO services

CTI Engineering. Japanese company with 1,900 employees. Provides design, consulting, engineering, program and project management services for Mining & Metallurgy, Oil & Gas, Environment & Water, Infrastructure and Clean Power sectors.
2017 revenues: €0.4bn
Comparability: low

Source: EnVent Research on S&P Capital IQ data and publicly available information

Key data gap influences comparability

Most listed companies are much larger than DBA. However, we have made reference to their data on the assumption that as long as their operating and investment dynamics are consistent among and within clusters, they constitute the best available value drivers. Accordingly, their financial strength, depth and scope of business and international presence, all indirect value measures, are to be interpreted as benchmark data when compared to DBA.

Company	Revenues 2017 (€m)	Rev. CAGR '13-17	Rev. CAGR '17-20E	EBITDA % 2017	EBITDA % Avg. 5Y	EBITDA % Min 5Y	EBITDA % Max 5Y	Revenues per-capita (€k)
Core business peers								
Altran Technologies	2,282	9%	14%	11%	11%	10%	11%	62
Costain	1,896	16%	2%	10%	10%	10%	11%	459
Alten	1,975	13%	7%	11%	10%	9%	11%	62
Sweco	1,718	17%	3%	3%	3%	3%	3%	119
Assystem	395	neg.	6%	7%	7%	6%	8%	91
Reply	902	12%	11%	6%	6%	5%	7%	124
CTI Engineering	365	10%	n.m.	39%	43%	39%	45%	121
Mean		13%	7%	12%	13%	12%	14%	148
Mean excl. underperformers		13%	8%	8%	7%	7%	8%	92
Median excl. Underperformers		12%	7%	7%	7%	6%	8%	91
Design & Construction								
AECOM	15,402	26%	5%	4%	5%	4%	6%	178
SNC-Lavalin	6,199	3%	9%	9%	7%	6%	9%	171
WSP Global	4,610	35%	-3%	7%	7%	7%	8%	105
ARCADIS	3,219	6%	2%	6%	7%	6%	8%	127
Stantec	2,269	16%	3%	10%	12%	10%	14%	99
Cardno	795	neg.	neg.	neg.	6%	neg.	12%	97
WYG	176	4%	neg.	4%	3%	0%	4%	111
Mean		15%	3%	7%	7%	5%	8%	127
Median		11%	3%	7%	7%	6%	8%	111
Plant Construction								
Jacobs Engineering	8,480	neg.	19%	6%	6%	6%	6%	223
Chiyoda	5,064	11%	neg.	3%	5%	3%	7%	902
Astaldi	2,983	5%	6%	8%	10%	8%	13%	285
Maire Tecnimont	3,513	25%	2%	5%	6%	4%	8%	432
TREVI	0	neg.	n.a.	n.a.	n.a.	n.a.	n.a.	149
Energoprojekt	0	neg.	n.a.	n.a.	n.a.	n.a.	n.a.	111
Mean		14%	9%	6%	7%	5%	8%	350
Median		11%	6%	6%	6%	5%	7%	254
IT Consulting								
Oracle	33,578	4%	2%	39%	43%	39%	45%	241
Accenture	29,347	8%	9%	16%	16%	16%	16%	67
Capgemini	12,792	6%	4%	13%	11%	9%	13%	65
Atos	12,691	10%	1%	13%	12%	11%	13%	131
Devoteam	540	4%	12%	10%	8%	4%	10%	114
SII	439	11%	15%	9%	8%	8%	9%	51
adesso	322	24%	10%	8%	7%	6%	9%	96
Mean		10%	8%	15%	15%	13%	16%	109
Median		8%	9%	13%	11%	9%	13%	96
IT Consulting - Italy								
Exprivia	160	6%	n.m.	8%	10%	8%	11%	58
BE	130	14%	n.m.	13%	12%	11%	14%	126
Itway	31	neg.	n.a.	neg.	2%	neg.	3%	n.a.
CAD IT	62	5%	n.m.	16%	13%	9%	16%	n.a.
Mean		8%	8%	13%	11%	10%	12%	97
Median		8%	8%	13%	12%	9%	13%	103

Source: EnVent Research on S&P Capital IQ data

Market multiples

Company	EV/REVENUES			EV/EBITDA			EV/EBIT			P/E		
	2018E	2019E	2020E	2018E	2019E	2020E	2018E	2019E	2020E	2018E	2019E	2020E
Core business peers												
Altran Technologies	1.3x	1.1x	1.1x	8.6x	7.1x	6.4x	10.1x	8.4x	7.4x	14.9x	11.9x	10.3x
Alten	1.3x	1.2x	1.2x	12.0x	11.2x	10.6x	12.8x	11.9x	11.1x	17.5x	16.5x	15.3x
Sweco	1.4x	1.3x	1.3x	13.1x	12.2x	11.8x	15.8x	14.4x	13.9x	19.0x	17.8x	16.7x
Assystem	1.0x	0.9x	0.9x	12.8x	11.6x	11.1x	14.7x	13.0x	12.4x	12.0x	11.6x	9.3x
Reply	2.0x	1.8x	1.6x	13.7x	12.4x	10.7x	15.2x	13.6x	11.8x	22.1x	18.9x	17.2x
CTI Engineering	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Mean	1.4x	1.3x	1.2x	12.0x	10.9x	10.1x	13.7x	12.3x	11.3x	17.1x	15.3x	13.8x
Median	1.3x	1.2x	1.2x	12.8x	11.6x	10.7x	14.7x	13.0x	11.8x	17.5x	16.5x	15.3x
Core business peers - Underperformer												
Costain	0.2x	0.2x	0.2x	5.6x	5.2x	4.9x	6.0x	5.7x	5.2x	13.0x	12.3x	11.1x
Design & Costruction												
AECOM	0.4x	0.4x	0.4x	9.6x	8.5x	7.2x	10.9x	9.6x	9.1x	12.3x	11.0x	9.7x
SNC-Lavalin	1.1x	1.1x	1.0x	11.3x	10.1x	9.1x	13.6x	11.7x	9.4x	15.7x	13.2x	12.2x
WSP Global	1.3x	1.2x	1.2x	12.1x	11.1x	11.0x	16.9x	15.1x	14.5x	21.4x	18.6x	n.a.
ARCADIS	0.6x	0.6x	0.5x	7.9x	7.5x	7.1x	11.0x	10.2x	9.2x	13.3x	11.1x	9.7x
Stantec	1.2x	1.2x	1.2x	11.1x	9.9x	9.4x	15.2x	13.6x	13.0x	17.2x	15.3x	n.a.
Cardno	0.5x	0.5x	0.5x	10.0x	8.7x	7.7x	12.7x	10.3x	8.9x	17.8x	13.8x	11.8x
WYG	0.3x	0.3x	0.3x	7.8x	7.2x	6.3x	12.0x	10.3x	9.0x	11.5x	10.1x	9.0x
Mean	0.8x	0.7x	0.7x	10.0x	9.0x	8.3x	13.2x	11.6x	10.4x	15.6x	13.3x	10.5x
Median	0.6x	0.6x	0.5x	10.0x	8.7x	7.7x	12.7x	10.3x	9.2x	15.7x	13.2x	9.7x
Plant Costruction												
Jacobs Engineering	0.7x	0.7x	0.6x	10.4x	8.8x	8.4x	12.5x	10.4x	9.6x	15.0x	12.4x	11.8x
Chiyoda	0.3x	0.4x	0.4x	neg.	12.0x	10.5x	neg.	15.8x	12.8x	n.a.	n.a.	n.a.
Astaldi	0.6x	0.6x	0.6x	6.1x	5.8x	5.5x	7.5x	7.0x	6.8x	3.6x	3.1x	2.9x
Maire Tecnimont	0.4x	0.4x	0.4x	6.6x	6.5x	6.4x	6.9x	6.8x	6.7x	11.8x	11.2x	11.1x
TREVI	0.7x	0.7x	0.6x	10.4x	8.2x	6.7x	neg.	34.4x	16.4x	neg.	67.6x	6.8x
Energoprojekt	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Mean	0.6x	0.5x	0.5x	8.4x	8.2x	7.5x	9.0x	14.9x	10.5x	10.2x	23.6x	8.1x
Median	0.6x	0.6x	0.6x	8.5x	8.2x	6.7x	7.5x	10.4x	9.6x	11.8x	11.8x	8.9x
IT Consulting												
Oracle	4.6x	4.5x	4.3x	9.8x	9.3x	8.8x	10.5x	10.0x	9.6x	14.7x	13.9x	13.0x
Accenture	2.5x	2.3x	2.2x	14.6x	13.5x	12.5x	16.8x	15.5x	14.3x	23.0x	21.2x	19.8x
Capgemini	1.6x	1.5x	1.4x	11.4x	10.7x	10.2x	13.2x	12.2x	11.4x	18.6x	16.9x	15.6x
Atos	1.0x	1.0x	0.9x	6.9x	6.5x	6.4x	9.3x	8.6x	8.2x	13.0x	11.9x	11.4x
Devoteam	1.1x	1.0x	0.9x	10.5x	9.5x	7.9x	11.1x	9.7x	8.4x	22.4x	18.9x	15.2x
SII	0.9x	0.8x	0.7x	9.8x	8.5x	7.4x	12.1x	10.3x	9.1x	18.2x	15.6x	14.0x
adesso	1.0x	0.9x	0.8x	12.6x	11.0x	9.7x	16.5x	13.8x	12.1x	24.9x	20.7x	17.7x
Mean	1.8x	1.7x	1.6x	10.8x	9.9x	9.0x	12.8x	11.4x	10.4x	19.2x	17.0x	15.3x
Median	1.1x	1.0x	0.9x	10.5x	9.5x	8.8x	12.1x	10.3x	9.6x	18.6x	16.9x	15.2x
IT Consulting - Italy												
Exprivia	1.9x	1.9x	1.6x	17.3x	16.4x	10.7x	25.1x	23.3x	11.8x	11.4x	9.8x	17.2x
BE	0.9x	0.8x	n.a.	6.7x	5.9x	n.a.	10.3x	8.5x	n.a.	17.9x	13.8x	n.a.
Itway	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
CAD IT	0.6x	0.6x	n.a.	3.3x	3.1x	n.a.	8.4x	7.7x	n.a.	17.3x	15.6x	n.a.
Mean	1.2x	1.1x	1.6x	9.1x	8.5x	10.7x	14.6x	13.2x	11.8x	15.5x	13.1x	17.2x
Median	0.9x	0.8x	1.6x	6.7x	5.9x	10.7x	10.3x	8.5x	11.8x	17.3x	13.8x	17.2x

Source: EnVent Research on S&P Capital IQ data, update 15/05/2018

13. VALUATION

A stable base with an appealing upside

Key valuation issues

The underlying infrastructure market makes it complex to perform forecasts and estimates. This derives that by nature it is a cyclical and volatile business, as contracts come in waves, leading to lumpy revenues. Entry barriers are low and competition on price may impact margins. As a consequence, earnings are subject to fluctuations, and thus have a better significance over the medium/long-term.

Value drivers and use of market data

In order to make our valuation estimates reasonable and reliable, we have considered that:

- most companies have a history of growth by acquisitions, operate in diversified segments and show a consistent operating profitability in the region of 10% of revenues, with low investment in working capital and low debt or cash positive. Their risk profile is to be considered on the low side while their growth potential could conversely be less appealing than that of smaller and more specialized peers
- average industry betas are in the low end of companies included in listed financial markets, arguably for the reasons just described above and, more specifically, the low volatility of the infrastructure sector, stability of technological know-how and steadiness of the growth profile of such companies

Valuation metrics

Our analysis on Engineering and ICT consulting industry metrics shows consistency, and rewarding performances. This means that industry data form a reliable base to identify correlations within the industry at large and below in its main sub-segments. Fundamentals show that, for all segments, growth rates have been outperforming general consumer indexes in the same years and that equities also outperformed. Operating profits have been on the high side for all peers observed and multiples are consistent and well correlated.

Accordingly, we have looked at several metrics, which include discounted cash flows and industry multiples such as EV/Revenues, EV/EBITDA, EV/EBITA, P/E. We have also used regression to identify a suitable value growth path for DBA.

We consider these methods as a proper reference in the industry, including all clusters, given that service specializations do not imply business model or financial dynamics changes. For the same reason, industry investments are in acquisitions, not in brand or tangible assets. This makes EBITDA margins quite well comparable, but less significant than in other industries as to value indicators. We look at EV/Revenues as a reliable indicator of the value of embedded know how and to EBITA as a good investment return measure.

Discounted cash flows

We have applied the DCF model to our projections with the following assumptions:

- Risk free rate: 1.6% (Italian 10-year government bonds interest rate - 3Y average. Source: Bloomberg, May 2018)
- Market return: 14% (3Y average. Source: Bloomberg, May 2018)
- Market risk premium: 12%
- Beta: Unlevered 0.9; Re-levered 1.1 (Median of selected industry peers. Source: Bloomberg, May 2018)
- Cost of equity: 15.5%
- Cost of debt: 2.5% (Source: average historical rate)
- Tax rate: 24% (IRES)
- 30% debt/(debt + equity) as target capital structure
- WACC at 11%
- Perpetual growth rate after explicit projections: 3%
- Terminal Value assumes an EBITA margin of 14%

DCF Valuation - Base Case

€m	2014	2015	2016	2017	2018E	2019E	2020E	Perpetuity
Revenues	23.6	40.2	41.4	42.6	49.3	52.9	56.9	58.6
EBITDA	1.7	4.6	4.7	4.8	6.9	8.4	9.4	9.4
Margin	7.0%	11.4%	11.3%	11.3%	14.1%	15.9%	16.5%	16.0%
EBITA	1.1	2.5	3.4	3.0	4.9	6.1	6.9	8.2
Margin	4.8%	6.2%	8.2%	6.9%	10.0%	11.6%	12.1%	14.0%
Taxes	(0.3)	(0.7)	(0.9)	(0.8)	(1.4)	(1.7)	(1.9)	(2.3)
NOPAT	0.8	1.8	2.5	2.1	3.6	4.4	5.0	5.9
D&A					2.0	2.3	2.5	1.2
Provisions					0.1	0.1	0.1	0.1
Cash flow from operations					5.7	6.8	7.6	7.2
Trade Working Capital					(1.8)	(0.5)	(0.3)	(0.3)
Capex					(4.6)	(1.2)	(1.2)	(1.2)
Other assets and liabilities					0.2	0.1	0.2	0.0
Unlevered free cash flow					(0.5)	5.2	6.2	5.7
WACC	11%							
Long-term growth (G)	3%							
Discounted Cash Flows					(0.5)	4.7	5.0	
Sum of Discounted Cash Flows	9.2							
Terminal Value								69.6
Discounted TV	56.0							
Enterprise Value	65.3							
Net Cash as of 31/12/17	1.7							
Minorities as of 31/12/17	(1.3)							
Equity Value	65.6							
DCF - Implied multiples				2017	2018E	2019E	2020E	
EV/Revenues				1.5x	1.3x	1.2x	1.1x	
EV/EBITDA				13.6x	9.4x	7.8x	6.9x	
EV/EBITA				22.1x	13.2x	10.6x	9.5x	
P/E				65.0x	26.1x	21.1x	17.8x	

Source: EnVent Research

DCF Valuation - Higher Case with Revenue yearly growth rate at 10%

€m	2014	2015	2016	2017	2018E	2019E	2020E	Perpetuity
Revenues	23.6	40.2	41.4	42.6	50.3	55.4	60.9	62.7
EBITDA	1.7	4.6	4.7	4.8	7.6	9.9	11.8	10.0
<i>Margin</i>	<i>7.0%</i>	<i>11.4%</i>	<i>11.3%</i>	<i>11.3%</i>	<i>15.0%</i>	<i>17.8%</i>	<i>19.4%</i>	<i>16.0%</i>
EBITA	1.1	2.5	3.4	3.0	5.6	7.6	9.3	8.8
<i>Margin</i>	<i>4.8%</i>	<i>6.2%</i>	<i>8.2%</i>	<i>6.9%</i>	<i>11.1%</i>	<i>13.7%</i>	<i>15.3%</i>	<i>14.1%</i>
Taxes	(0.3)	(0.7)	(0.9)	(0.8)	(1.6)	(2.1)	(2.6)	(2.5)
NOPAT	0.8	1.8	2.5	2.1	4.0	5.5	6.7	6.4
D&A					2.0	2.3	2.5	1.2
Provisions					0.1	0.1	0.1	0.1
Cash flow from operations					6.2	7.8	9.3	7.7
Trade Working Capital					(2.1)	(0.9)	(0.7)	(0.3)
Capex					(4.6)	(1.2)	(1.2)	(1.2)
Other assets and liabilities					0.2	0.2	0.2	0.0
Unlevered free cash flow					(0.3)	5.9	7.6	6.1
WACC	11%							
Long-term growth (G)	3%							
Discounted Cash Flows					(0.3)	5.3	6.1	
Sum of Discounted Cash Flows	11.1							
Terminal Value								75.1
Discounted TV	60.5							
Enterprise Value	71.6							
Net Cash as of 31/12/17	1.7							
Minorities as of 31/12/17	(1.3)							
Equity Value	72.0							
DCF - Implied multiples				2017	2018E	2019E	2020E	
EV/Revenues				1.7x	1.4x	1.3x	1.2x	
EV/EBITDA				14.9x	9.5x	7.3x	6.1x	
EV/EBITA				24.3x	12.9x	9.4x	7.7x	
P/E				71.3x	24.2x	17.3x	13.3x	

Source: EnVent Research

Valuation based on market multiples

The lack of listed companies among closest competitors and the heterogeneity of business mix, size and profitability profiles of the selected companies makes the application of their market multiples to DBA less reliable than usual. However, we stress that:

- growth is driven by the same factors and dynamics
- operating models and cost structure look very similar
- cash flow dynamics too are common for the entire industry, regardless of size and industry or service clusters
- multiples are quite consistent along time and clusters

Application of market multiples

€m

DBA Valuation - Multiples		Multiple	EV	Net Debt	Minorities	Equity Value
2018E Revenues	49.3	1.3x	64.0	1.7	(1.3)	64.4
2019E Revenues	52.9	1.2x	65.1	1.7	(1.3)	65.4
<i>Mean</i>						64.9
2018E EBITDA	6.9	12.8x	88.8	1.7	(1.3)	89.1
2019E EBITDA	8.4	11.6x	97.4	1.7	(1.3)	97.8
<i>Mean</i>						93.5
2018E EBITA	4.9	14.7x	72.6	1.7	(1.3)	73.0
2019E EBITA	6.1	13.0x	80.1	1.7	(1.3)	80.5
<i>Mean</i>						76.7
2018E Adj. Net Income	3.4	17.5x	58.9			58.9
2019E Adj. Net Income	4.3	16.5x	70.2			70.2
<i>Mean</i>						64.6

Source: EnVent Research

Implied DCF multiples are overall consistent with market multiples and become more conservative along projections. The valuation based on market multiples leaves room for upside.

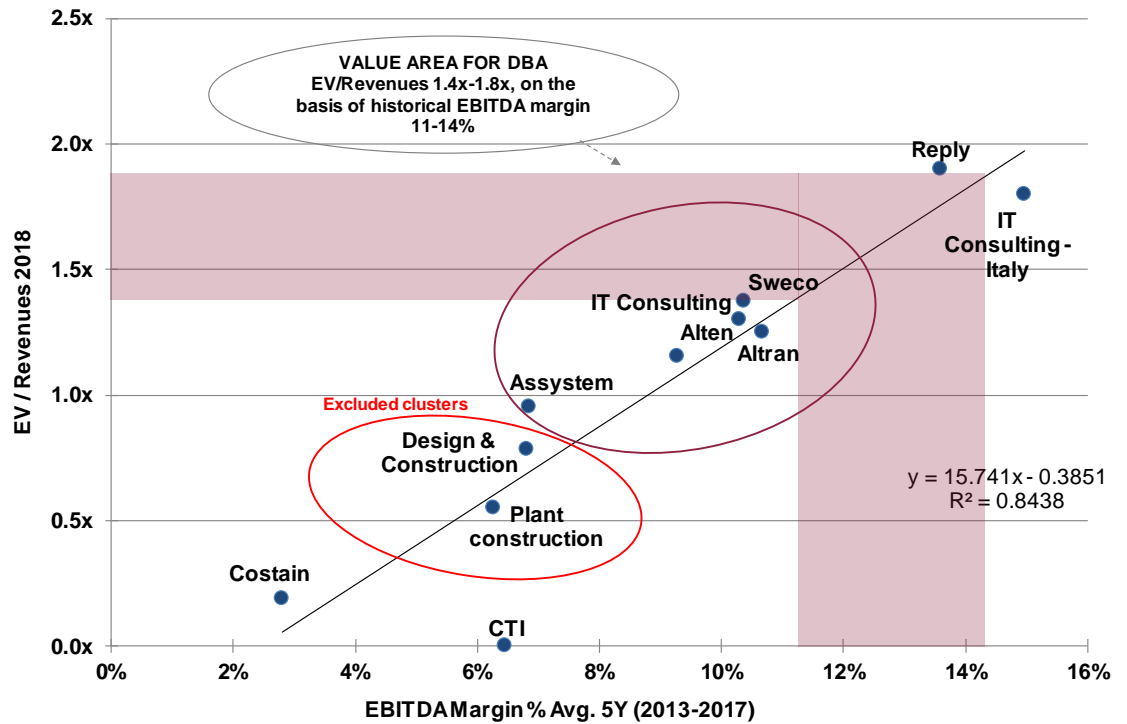
Valuation based on regression analysis: a suitable growth path

Given the overall consistency - over the years and across segments - of growth and profitability factors and of key market multiples, we have also aggregated data of the other clusters analyzed and observed the EV/Revenues multiples resulting from the regression analysis on EBITDA margin of the selected industry peers in comparison with the other clusters. The resulting table confirms the preliminary assumption of high correlation:

- the companies selected as direct industry peers show that they enjoy a market premium with respect to the other clusters, i.e. their EV/Revenues multiple is higher than that of other clusters or companies reporting the same profitability
- this premium is to be considered generated by innovation skills and growth potential
- the premium is not awarded to the less profitable companies within the peer group (Costain, CTI) and to companies that compete by industry know-how more than service know-how
- the Information Technology consulting cluster shows an even a brighter score. This is no surprise, since some of them are also software developers and may leverage on IT in addition to consulting.
- the clusters with lower performance or international reach trade at a discount

DBA's prospect value area assumes an EBITDA margin between 11-14%. The resulting equity values are in the range €60-80m.

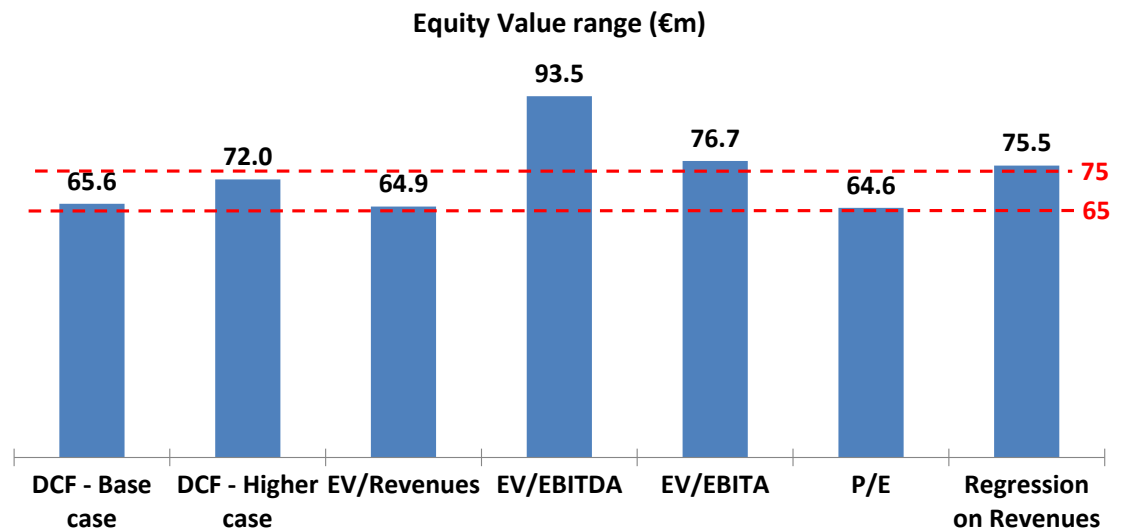
Regression analysis



Source: EnVent Research

Valuation summary

The DCF model and 2-year market multiples provide the following:



Source: EnVent Research

Target Price

The DCF valuation model based on our estimates - that implies the full conversion of PAS into ordinary shares - yields a Target Price of €5.05 per diluted share - consistently with the

assumption of full conversion, +26% on the IPO placement price of €4 and with a potential upside of 48% on the current share price. As a consequence, we initiate coverage of DBA Group with an OUTPERFORM recommendation on the stock.

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

DBA Price per Share	€
Target Price - diluted	5.05
Target Price - undiluted	5.71
Current Share Price (01/06/2018)	3.40
Premium (Discount) on diluted TP	48%
Premium (Discount) on undiluted TP	68%

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Rating rationale:

OUTPERFORM: stocks are expected to have a total return of at least 20% in the mid-term;

NEUTRAL: stocks are expected to have a performance 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;

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

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The stock price indicated is the reference price on the day indicated as “Date of Price” in the table on the front page of this publication.

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Date	Recommendation	Target Price (€)	Share Price (€)
01/06/2018	OUTPERFORM	5.05	3.40

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