



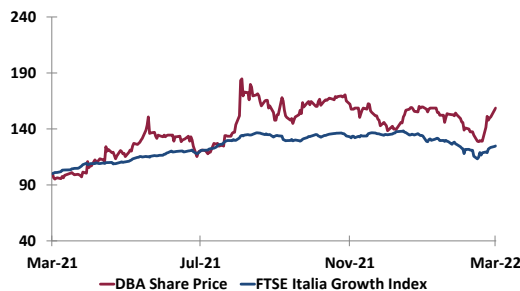
FLASH NOTE

OUTPERFORM

Current Share Price (€): 1.61

Target Price (€): 2.74

DBA Group - 1Y Performance



Source: S&P Capital IQ - Note: 22/03/2021=100

Company data

ISIN number	IT0005285942
Bloomberg code	DBA IM
Reuters code	DBA.MI
Sector	Engineering & IT Consulting
Stock market	Euronext Growth Milan
Share Price (€)	1.61
Date of Price	22/03/2022
Shares Outstanding (m)	11.5
Market Cap (€m)	18.5
Market Float (%)	49.6%
Daily Volume	15,900
Avg Daily Volume YTD	12,332
Target Price (€)	2.74
Upside (%)	70%
Recommendation	OUTPERFORM

Share price performance

	1M	3M	1Y
DBA - Absolute (%)	4%	11%	59%
FTSE Italia Growth (%)	-1%	-7%	25%
1Y Range H/L (€)	1.88	0.97	
YTD Change (€)/%	0.20	14%	

Source: S&P Capital IQ

Analysts

Franco Gaudenti - Head of Research
fgaudenti@enventcapitalmarkets.co.uk
Luigi Tardella - Co-Head of Research
ltardella@enventcapitalmarkets.co.uk

EnVent Capital Markets Limited

42, Berkeley Square - London W1J 5AW (UK)
Phone +44 (0) 20 35198451

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

FY21 performance supports our OUTPERFORM rating

2021 revenues, margin and cash over estimates

DBA Group disclosed 2021 pre-closing key figures: consolidated revenues at €79.1m including work in progress, up 11% YoY, +8% on previous management guidelines and over our 2022E; EBITDA at €6.1m, up 56% YoY and +11% on guidelines; year-end net debt at €10.3m, from €16.3m as of June 2021.

2021 key figures show higher revenues than our last estimates (€79.1m vs. €72m), slightly better EBITDA (€6.1m vs. €5m) and net debt (€10.3m vs. €13.9m). Management increased their 2022 revenue budget at €84m, 6% over 2021PC, and EBITDA to €7.5m, +23% on 2021PC, while anticipating the intention of updating previous guidelines.

Target price €2.74 (from €2.22), OUTPERFORM rating confirmed

We notice that, based on 2021 performance and as long as the financial debt reduction will be confirmed within the balance sheet dynamics, DBA would have over-performed short-term forecasts, which confirms and reinforces our last rating. In view of a comprehensive revision of our estimates needing complete financial data availability, we deem appropriate at least to factor in as an overall proxy the amount of the updated financial position, which, applied to our valuation model while leaving unchanged other assumptions, indicates a target price upgrade from €2.22 to €2.74 per share. The implied potential upside on current stock price is 70%. We confirm an OUTPERFORM rating on the stock.

DBA is an Italian Technology Consulting group, specialized in mission critical infrastructure connectivity and lifecycle management. The dedicated business units Engineering & Project Management and Information and Communication Technology provide services to Telecommunications, Transportation and Logistics, Oil & Gas, Real Estate industries and Government institutions. Actual IT, based in Slovenia and acquired in 2015, is the IT services business unit specialized in software development and operating in Eastern Europe and Balkans. DBA has a track record of 30 years of growth, both organic and through acquisitions.

DISCLAIMER (for more details go to www.enventcapitalmarkets.co.uk under “Disclaimer”)

This publication has been prepared by Franco Gaudenti, Head of Research Division, and Luigi Tardella, Co-Head of Research Division, on behalf of the Research & Analysis Division of EnVent Capital Markets Limited (“EnVentCM”). EnVent Capital Markets Limited is authorised and regulated by the Financial Conduct Authority (Reference no. 651385).

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

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

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

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

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

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

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

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

ANALYST DISCLOSURES

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

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

MIFID II DISCLOSURES

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

This note is a marketing communication and not independent research. As such, it has not been prepared in accordance with legal

requirements designed to promote the independence of investment research and this note is not subject to the prohibition on dealing ahead of the dissemination of investment research.

CONFLICTS OF INTEREST

In order to disclose its possible conflicts of interest, EnVentCM states that it acts or has acted in the past 12 months as Euronext Growth Advisor to the subject Company on the Euronext Growth Milan market, a Multilateral Trading Facility regulated by Borsa Italiana (for details www.enventcapitalmarkets.co.uk under “Disclaimer”, “Potential conflicts of interest”).

CONFIDENTIALITY

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

VALUATION METHODOLOGIES

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

STOCK RATINGS

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

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

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

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

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

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

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

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

NOT RATED: no rating or target price assigned.

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

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

EnVentCM is distributing this equity note as from the date indicated on the front page of this publication.

DETAILS ON STOCK RECOMMENDATION AND TARGET PRICE

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

ENVENTCM RECOMMENDATION DISTRIBUTION (March 22nd, 2022)

Number of companies covered:	19	OUTPERFORM	NEUTRAL	UNDERPERFORM	SUSPENDED	UNDER REVIEW	NOT RATED
Total Equity Research Coverage %		79%	21%	0%	0%	0%	0%
of which EnVentCM clients % *		100%	100%	0%	0%	0%	0%

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

This disclaimer is constantly updated on the website at www.enventcapitalmarkets.co.uk under “Disclaimer”.

Additional information available upon request.

© Copyright 2022 by EnVent Capital Markets Limited - All rights reserved.