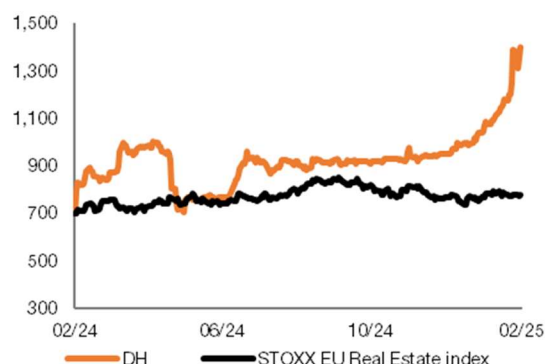


Duna House

Recommendation: Under review

Target price (12M): Under review

HUF mn	2023 Q4	2024 Q4	Ch (%)
Revenues	9,280	11,340	22%
EBITDA	626	1,650	164%
Cleaned Core EBITDA	682	1,636	140%
EBIT	305	1,272	316%
Net profit	880	511	-42%
Cleaned Core Net Profit	298	725	143%
EPS (after split)	26	14	-46%
Loan volume [HUF bn]	248	291	17%



Share price as of 27/02/2025	HUF 1,400	Bloomberg	DUNAHOUS HB
Number of shares [million]	34.4	Reuters	DUNA.BU
Market capitalization [HUF bn/EUR mn]	48.1 / 122.5	Free float	22.3%
Daily turnover 12M [EUR th]	74	52-week range	HUF 700-1,400

Above guidance results in '24, strong mid-term growth strategy announced

Duna House posted strong results for Q4 and cleaned core net results came in higher than the management guidance. Revenues increased by 20% YoY in 2024, reported EBITDA came in 67% higher YoY, while cleaned core EBITDA reached HUF 4.8bn, up by 80% YoY. Net profit came in 18% lower YoY, due to lower financial income on cash deposits and higher tax expenses. Cleaned core net income reached HUF 2.4bn (+35% YoY), above the higher range of HUF 2.3bn guidance. The BoD proposed HUF 43.6 DPS after 2024 results, no extraordinary dividend payment in this year which might have disappointed investors.

DH guides cleaned core EBITDA to arrive in a range of HUF 6.011bn - 6.985bn, and cleaned core net profit to be in a range of HUF 2.852bn - 3.595bn. The mid-range of the latter implies a 33% increase in cleaned core net profit. The group also expects HUF 4.4bn FCF in 2025 from the sale of its real estate portfolio which will be used for the announced growth strategy. DH shared its strategic plans for the period 2025-2029, which seems impressive. Management expects to triple its core EBITDA by 2029 and reach EUR 23mn in net profit from the current EUR 5.6mn level.

During 2024, loan intermediation segment performed really well thanks to the uptick in Italy and continued strong performance in Poland and Hungary. Total intermediated loan volume

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grew by 44% YoY to HUF 1,052bn (HU: HUF 122bn, +72% YoY; PL: HUF 400bn, +53% YoY, IT: HUF 530bn, +32% YoY). DH has lost some market share in Hungary as it went down to 9% from 11.9% based on total originated loan volume, while in Poland it could increase its market share by 0.1%pt to 4.9%. The segment's profitability also improved, EBITDA increased by 107% YoY to HUF 4.3bn (82% of group EBITDA), and EBITDA margin increased to 13% from 9%. Blended commission rate decreased by 0.1%pt to 3.2% in 2024. Franchise segment also performed well, where EBITDA reached HUF 449mn (+177% YoY) and came back to 2022 levels. EBITDA margin also improved from last year's 7% to 20%. The growth was mainly driven by the Hungarian segment where total commission earned increased by 44%, while Poland stagnated (+5% YoY). In 2024 DH's share from the commissions earned decreased to 14.1% from 18.1%.

Own office segment had very low contribution to the full year results. It generated HUF 40mn EBITDA (-43% YoY) during the year. Total commissions earned increased by 9% due to strong activity in Hungary, but on lower office numbers (DH closed two Polish offices).

Real estate management segment earned HUF 2.27bn (-53% YoY) revenues and HUF 639mn EBITDA (-33% YoY), due to lower apartment sales level compared to 2023. The remaining Forrest Hill apartments are expected to bring HUF 1.3bn cash flow to the group which sales was postponed to 2025. The headquarters' own office sale is also postponed to 2025 which should contribute around HUF 792mn non-core net profit to the Group. DH also purchased apartments during the first and second quarters in 2024, which were reclassified to assets held for sale and are planned to be sold in 2025. They should bring another HUF 2.1bn cash flow to the group. All the incoming cashflows will support the announced growth strategy, therefore no extraordinary dividend payments are expected in the future.

Opinion: DH posted strong Q4 and full year results today morning. Loan intermediation showed strong growth in the last year and the Italian intermediation just started to pick-up in the last two quarters. We expect further growth from this segment. The incoming funds from the asset sale and the underlying operation should underpin the planned acquisitions. In case the pursued transactions materialize, net profit is expected to increase significantly over the next 5 years.

[HUF mn]	2023	2024				Change (%)		2023	2024	Changes
	Q4	Q1	Q2	Q3	Q4	Y-o-Y	Q-o-Q	FY	FY	YoY
Revenue	9,280	8,990	9,704	9,931	11,340	22%	14%	33,222	39,965	20%
Operating revenue	9,133	8,889	9,602	9,862	11,294	24%	15%	32,818	39,648	21%
Other income	147	101	102	69	46	-69%	-33%	403	317	-21%
OPEX	8,975	8,314	8,737	8,913	10,068	12%	13%	31,256	36,032	15%
Cost of materials	38	30	26	29	39	3%	33%	139	125	-10%
Cost of sold goods and services	348	56	61	102	273	-22%	167%	471	492	4%
Used services	6,813	6,927	7,205	6,993	8,145	20%	16%	22,874	29,270	28%
Personnel expenses	569	672	703	615	695	22%	13%	2,408	2,686	12%
Depreciation and amortization	321	315	327	323	379	18%	17%	1,194	1,344	12%
Other operating expenses	887	313	415	850	537	-39%	-37%	4,170	2,116	-49%
EBITDA	626	992	1,293	1,341	1,650	164%	23%	3,157	5,276	67%
Loan intermediation	467	815	1,066	958	1,478	217%	54%	2,086	4,317	107%
Franchise	0	86	93	13	258		1931%	162	449	177%
Own Offices	34	27	8	-17	56	67%	-423%	69	74	7%
Other related services	-21	-1	-1	-20	-11	-49%	-45%	28	-32	-213%
Real estate mgmt.	229	54	158	400	27	-88%	-93%	958	639	-33%
Elimination	-82	11	-32	8	-157	92%	-2111%	-147	-171	16%
Cleaned Core EBITDA	682	966	1,182	1,039	1,636	140%	57%	2,679	4,822	80%
EBIT	305	677	967	1,018	1,272	316%	25%	1,965	3,933	100%
Financial income	1,089	163	97	52	137	-87%	164%	2,517	449	-82%
Financial expense	-260	-223	-166	-172	-464	78%	169%	-1,093	-1,024	-6%
Revaluation	-8	1	1	0	0			-6	2	-138%
EBT	1,126	618	899	898	945	-16%	5%	3,383	3,360	-1%
Income tax expense	-246	-176	-309	-227	-434	77%	91%	-678	-1,146	69%
Net income	880	442	590	670	511	-42%	-24%	2,705	2,213	-18%
Cleaned Core Net income	298	528	664	501	725	143%	44%	1,790	2,418	35%
Intermediated loans [HUF bn]	248.4	256.0	249.6	255.9	290.9	17%	14%	733	1,052	44%
Hungary	21.4	25.3	34.1	32.1	30.6	43%	-5%	71	122	72%
Poland	117.3	127.3	83.6	92.1	97.3	-17%	6%	261	400	53%
Italy	109.7	103.4	131.9	131.7	163.0	49%	24%	401	530	32%
EPS [after split]	26	12	12	18	14	-46%	51%	75	61	-19%
EBIT margin	3%	8%	10%	10%	11%	8%	1%	6%	10%	4%
EBITDA margin	7%	11%	13%	14%	15%	8%	1%	10%	13%	4%

Source: DH, Concorde Research

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Accumulate	Total return is expected to be in the range of 10%-20%
Neutral	Total return is expected to be in the range of 10%-(-10%)
Reduce	Total return is expected to be in the range of -10%-(-20%)
Sell	Total return is expected to be lower than -20%
Under Revision	The stock is put Under Revision if covering analyst considers new information may change the valuation materially and if this may take more time.
Coverage in transition	Coverage in transition rating is assigned to a stock if there is a change in analyst.

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