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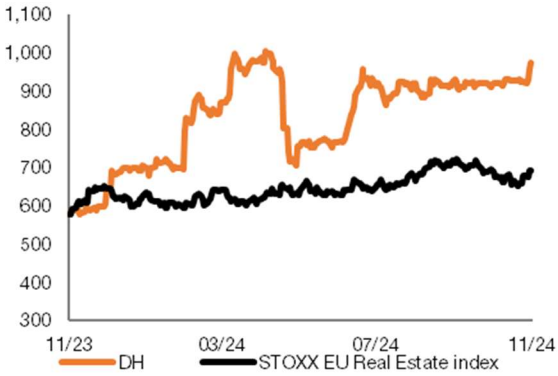
29 November 2024

Duna House

Recommendation: Neutral (unch.)

Target price (12M): 975 (unch.)

HUF mn	2024 Q3	2023 Q3	Ch (%)
Revenues	9,931	7,261	37%
EBITDA	1,341	710	89%
Cleaned Core EBITDA	1,039	755	38%
EBIT	1,018	413	147%
Net profit	670	264	154%
Cleaned Core Net Profit	501	561	-11%
EPS (after split)	18	7	159%
Loan volume [HUF bn]	251	177	42%



Share price as of 28/11/2024	HUF 976	Bloomberg	DUNAHOUS HB
Number of shares [million]	34.4	Reuters	DUNA.BU
Market capitalization [HUF bn/EUR mn]	33.6 / 85.4	Free float	22.3%
Daily turnover 12M [EUR th]	53	52-week range	HUF 540-1,005

Solid results in Q3, guidance reiterated

Duna House continued its solid performance in the third quarter of this year as well. Revenues increased by 37% YoY, cleaned core EBITDA was up by 38% YoY and cleaned core net profit came 11% lower YoY given the strong loan intermediation while the Forest Hill apartment sales also contributed to the results.

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- **Key positives of the Q3 report:**
  - New loan origination in Italy remained at an elevated level while it also increased in Poland compared to previous quarter.
  - EBITDA margin improved on a group level thanks to the apartment sales.
- **Key negatives of the Q3 report:**
  - EBITDA margin in the franchise segment decreased to 2% due to increased marketing expenses and a one-off data protection fine.
  - Revenues in own office segment decreased by 19% YoY which resulted in HUF -17mn EBITDA for the segment.
  - DH's application for the Golden Visa program was rejected, although the already purchased apartments can be sold at a higher price later on, given the rising house prices in Hungary.

Revenues increased by 38% YoY and 3% QoQ and came in at HUF 9.7bn, mainly driven by the loan intermediation segment where revenues were up by 37% YoY. Intermediated loans increased by 42% YoY driven mainly by the increasing Italian activity and elevated Polish intermediation although from a lower base. Declining interest rates also helped to the Hungarian intermediary. Thanks to the increased revenues and improved EBITDA margin, the segment reached revenue of HUF 958mn in this quarter, up by 74% YoY.

Revenues in the franchise segment decreased by 6% YoY while increased marketing expenses and a one-off GDPR fine of HUF 50mn resulted in a 87% YoY decrease in this segment's EBITDA. The number of franchise offices increased to 244, during the quarter DH opened 7 offices in Hungary and closed 4 in Poland. Own offices generated HUF 328mn revenue, down by 19% YoY mainly driven by the decreased commission revenues from Poland.

MyCity real estate development activity generated HUF 1,08bn revenue, up by 220% YoY and its EBITDA reached HUF 400mn, compared to 22mn in the previous year. In preparation for the Golden Visa program, DH continued investing and purchased 17 residential properties. DH's application was rejected in November, however due to rising house prices in Hungary DH will be able to sell them at higher levels.

Management reiterated the full year guidance for the cleaned core EBITDA of HUF 3,865-4,550mn and for the cleaned core net income of HUF 1,770-2,340mn. **Results are broadly in line with our expectations therefore we leave our Neutral recommendation and TP of HUF 975 unchanged.**

[HUF mn]	2023		2024			Change (%)	
	Q3	Q4	Q1	Q2	Q3	Y-o-Y	Q-o-Q
Revenue	**7,261**	**9,280**	**8,990**	**9,704**	**9,931**	**37%**	**2%**
Operating revenue	7,138	9,133	8,889	9,602	9,862	38%	3%
Other income	123	147	101	102	69	-44%	-33%
OPEX	6,848	8,975	8,314	8,737	8,913	30%	2%
Cost of materials	34	38	30	26	29	-13%	11%
Cost of sold goods and services	313	348	56	61	102	-67%	66%
Used services	5,286	6,813	6,927	7,205	6,993	32%	-3%
Personnel expenses	484	569	672	703	615	27%	-13%
Depreciation and amortization	297	321	315	327	323	9%	-1%
Other operating expenses	435	887	313	415	850	96%	105%
EBITDA	**710**	**626**	**992**	**1,293**	**1,341**	**89%**	**4%**
Loan intermediation	550	467	815	1,066	958	74%	-10%
Franchise	96	0	86	93	13	-87%	-86%
Own Offices	42	34	27	8	-17	-141%	-313%
Other related services	21	-21	-1	-1	-20	-193%	2814%
Real estate mgmt.	22	229	54	158	400	1680%	152%
Elimination	-22	-82	11	-32	8	-136%	-124%
Cleaned Core EBITDA	**755**	**686**	**966**	**1,182**	**1,039**	**38%**	**-12%**
EBIT	**413**	**305**	**677**	**967**	**1,018**	**147%**	**5%**
Financial income	223	1,089	163	97	52	-77%	-47%
Financial expense	-303	-260	-223	-166	-172	-43%	4%
Revaluation	-2	-8	1	1	0	-100%	-100%
EBT	331	1,126	618	899	898	171%	0%
Income tax expense	-68	-246	-176	-309	-227	235%	-26%
Net income	**264**	**880**	**442**	**590**	**670**	**154%**	**14%**
Cleaned Core Net income	**561**	**346**	**528**	**664**	**501**	**-11%**	**-24%**
Intermediated loans [HUF bn]	**176.8**	**248.4**	**256.0**	**249.6**	**251.0**	**42%**	**1%**
Hungary	*21.5*	*21.4*	*25.3*	*34.1*	*32.1*	49%	-6%
Poland	*61.1*	*117.3*	*127.3*	*83.6*	*91.5*	50%	9%
Italy	*94.3*	*109.7*	*103.4*	*131.9*	*127.4*	35%	-3%
EPS [after split]	7	26	12	12	18	159%	51%
EBIT margin	6%	3%	8%	10%	10%	80%	3%
EBITDA margin	10%	7%	11%	13%	14%	38%	1%

Source: DH, Concorde Research

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Rating	Trigger
Buy	Total return is expected to exceed 20% in the next 12 months
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.

Securities prices:

Prices are taken as of the previous day's close on the home market unless otherwise stated.

Valuations and risks:

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