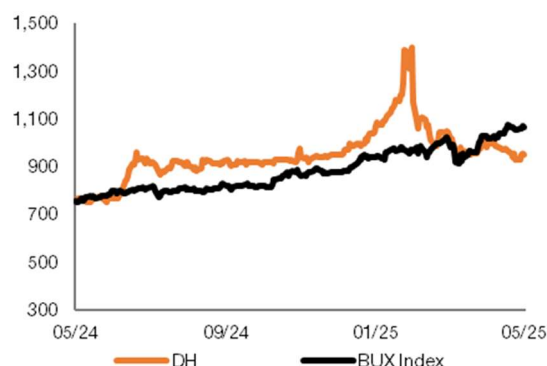


# Duna House

Recommendation: Accumulate (prev. Neutral)

Target price (12M): HUF 1,137 (unch.)

HUF mn	2024 Q1	2025 Q1	Ch (%)
Revenues	8,990	10,259	14%
EBITDA	992	1,320	33%
Cleaned Core EBITDA	966	1,281	33%
EBIT	677	960	42%
Net profit	442	595	35%
Cleaned Core Net Profit	528	627	19%
EPS (after split) [HUF]	12	16	34%
Loan volume [HUF bn]	256	285	11%



Share price as of 29/05/2025	HUF 952	Bloomberg	DUNAHOUS HB
Number of shares [million]	34.4	Reuters	DUNA.BU
Market capitalization [HUF bn/EUR mn]	32.7 / 81.1	Free float	22.3%
Daily turnover 12M [EUR th]	51	52-week range	HUF 754-1,400

## Solid results in Q1, on track for FY guidance

Duna House posted solid results in the first quarter today morning. The Italian segment continued to post strong results and the elevated housing market activities in Hungary also contributed to the Group level result. Given the recent pullback in share price, we raise our recommendation to Accumulate while keeping our TP of HUF 1,137 unchanged.

Revenues increased by 14% YoY, amounting to HUF 10.3bn. Operating costs remained fairly stable with a 12% increase YoY, mainly attributed to higher contracted services costs. Reported EBITDA reached HUF 1.32bn in Q1, up by 33% YoY, driven by strong financial intermediation and the increased share of the most profitable Hungarian segment within real estate services. Cleaned core EBITDA amounted to HUF 1.28bn (+33% YoY) due to adjustments related to property development business and acquisition costs. EBIT came in at HUF 960bn and increased by 42% YoY. Net financial costs increased to HUF 157mn from HUF 59mn a year ago due to lower financial income and FX loss. Reported PAT increased by 35% YoY to HUF 595mn while cleaned core net income reached HUF 627mn, 19% higher YoY.

Based on regions, Italy continued its strong performance in Q1 as well where revenues increased by 36% YoY to HUF 5.7bn and EBITDA reached HUF 734mn, marking a 65% increase YoY. EBITDA margin also expanded to 12.9% compared to 10.6% a year ago. Revenues in Hungary reached HUF 1.55bn, up by 7% YoY thanks to the elevated housing market transactions which were boosted by the increase in available cash at households due

**Equity Analyst**  
Krisztian Karikas, CFA  
+361 489 2213  
k.karikas@con.hu

55-61 Alkotás Street,  
Budapest  
www.con.hu

to the interest payments related to inflation-linked government bonds. In the quarter EBITDA also increased by 52% YoY to HUF 482mn thanks to a significant EBITDA margin expansion which reached 31.2% in Hungary from the previous 21.9%. Revenues in Poland marked a 13% decrease YoY and came in at HUF 2.8bn. EBITDA also halved in this segment to HUF 111mn and resulted in a margin contraction of 3.2%pt to 4%. The slowdown in the Polish market was fairly expected given the end of the government-subsidized lending program which inflated the in base period of Q1 2024.

During the quarter, intermediated loan volumes reached HUF 285 billion (+11.4% YoY and -1.9% QoQ) which remained flat compared to previous quarter mainly due to the slightly weaker Italian segment which posted record volume in Q4 2024. Hungarian intermediation picked up in Q1 due to improving housing market activities (+27.4% YoY and +5% QoQ). Polish intermediation trended upwards, but still below the subsidy-heated Q1 2024 volume (-19.8% YoY and +4.9% QoQ). Complementary services, real estate brokerage in franchise and own offices are now treated as one segment, called Real estate services. In this segment network level commission revenues reached a new record, at HUF 4.56bn (+15% YoY and +2.4% QoQ). The growth was mainly driven by the Hungarian segment thanks to the housing related subsidies and other allowances (+27.8% YoY and +4.5% QoQ), however it is expected to somewhat slowdown in Q2.

On the Real estate development side there were no changes in this quarter. Forrest Hill apartments are still remained to be sold as well as the other apartments purchased during last year. The sale of the Group's previous headquarter hasn't finalized yet either this quarter.

**Opinion: DH posted solid earnings in the first quarter and we see the company is on track to reach the full year guidance. The underlying KPIs are broadly in line with our estimates. There are no news about any acquisitions yet, therefore we remain conservative and do not incorporate any potential upside to these planned transactions. However, given the continued strong performance of the Italian segment and the recent drop in share price, we are cautiously optimistic and raise our recommendation to Accumulate while leaving our TP of HUF 1,137 unchanged.**

[HUF mn]	2024				2025	Change (%)	
	Q1	Q2	Q3	Q4	Q1	Y-o-Y	Q-o-Q
<b>Revenue</b>	<b>8,990</b>	<b>9,704</b>	<b>9,931</b>	<b>11,340</b>	<b>10,259</b>	<b>14%</b>	<b>-10%</b>
Operating revenue	8,889	9,602	9,862	11,294	10,026	13%	-11%
Other income	101	102	69	46	233	131%	411%
<b>OPEX</b>	<b>8,314</b>	<b>8,737</b>	<b>8,913</b>	<b>10,068</b>	<b>9,299</b>	<b>12%</b>	<b>-8%</b>
Cost of materials	30	26	29	39	29	-4%	-26%
Cost of sold goods and services	56	61	102	273	39	-30%	-86%
Contracted services	6,927	7,205	6,993	8,145	8,020	16%	-2%
Personnel costs	672	703	615	695	706	5%	2%
Depreciation and amortization	315	327	323	379	359	14%	-5%
Other operating expenses	313	415	850	537	146	-53%	-73%
<b>EBITDA</b>	<b>992</b>	<b>1,293</b>	<b>1,341</b>	<b>1,650</b>	<b>1,320</b>	<b>33%</b>	<b>-20%</b>
Financial intermediation	815	1,066	958	1,478	1,075	32%	-27%
Real Estate services	112	101	-24	303	198	77%	-35%
Other and eliminations	65	126	407	-130	47	-27%	-136%
<b>Cleaned Core EBITDA</b>	<b>966</b>	<b>1,182</b>	<b>1,039</b>	<b>1,636</b>	<b>1,281</b>	<b>33%</b>	<b>-22%</b>
<b>EBIT</b>	<b>677</b>	<b>967</b>	<b>1,018</b>	<b>1,272</b>	<b>960</b>	<b>42%</b>	<b>-24%</b>
Financial income	163	97	52	137	103	-37%	-25%
Financial expense	-223	-166	-172	-464	-260	17%	-44%
Revaluation	1	1	0	0	1	-55%	
<b>EBT</b>	<b>618</b>	<b>899</b>	<b>898</b>	<b>945</b>	<b>803</b>	<b>30%</b>	<b>-15%</b>
Income tax expense	-176	-309	-227	-434	-208	18%	-52%
<b>Net income</b>	<b>442</b>	<b>590</b>	<b>670</b>	<b>511</b>	<b>595</b>	<b>35%</b>	<b>17%</b>
<b>Cleaned Core Net income</b>	<b>528</b>	<b>664</b>	<b>501</b>	<b>725</b>	<b>627</b>	<b>19%</b>	<b>-13%</b>
<b>Intermediated loans [HUF bn]</b>	<b>256.0</b>	<b>249.6</b>	<b>255.9</b>	<b>290.9</b>	<b>285.3</b>	<b>11%</b>	<b>-2%</b>
Hungary	25.3	34.1	32.1	30.6	32.2	27%	5%
Poland	127.3	83.6	92.1	97.3	102.1	-20%	5%
Italy	103.4	131.9	131.7	163.0	151.0	46%	-7%
EPS [after split]	12	12	18	14	16	34%	17%
EBIT margin	8%	10%	10%	11%	9%	2%pt	-2%pt
EBITDA margin	11%	13%	14%	15%	13%	2%pt	-2%pt

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%
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