

Italy – Digital Innovation

Mixed interim results although huge development investments

8th October 2024

H1-24 RESULTS RELEASE

RIC: NSP.MI
BBG: NSP IM

Neosperience reported H1-24 results characterised by mid-single-digit top-line growth and a slight decrease in EBITDA due to increased personnel expenses and costs for third-party services. The group continued investing heavily in developing new solutions and strengthening its AI-based offer with expert systems, machine learning and Large Language Models.

Rating:

Neutral (Buy)

Price Target:

€ 1.20 (€ 2.20)

Upside/(Downside): 54.2%

Last Price: € 0.78

Market Cap.: € 16.2m

1Y High/Low: € 2.24 / € 0.66

Avg. Daily Turn. (3M, 6M): € 43k, € 84k

Free Float: 56.9%

Major shareholders:

Neos Srl 34.4%
RH Tech Consulting Srl 11.8%



Stock price performance

	1M	3M	12M
Absolute	-37.3%	-41.7%	-55.0%
Rel.to FTSE IT Growth	-38.8%	-41.1%	-54.3%
Rel.to Sector	-37.7%	-35.7%	-69.3%

Analysts:

Gianluca Mozzali
+39 02 30343 396
gianluca.mozzali@cfosim.com

Luca Solari
+39 02 30343 397
luca.solari@cfosim.com

Chiara Francomacaro
+39 02 30343 394
chiara.francomacaro@cfosim.com

Rating prudently downgraded to Neutral after the auditors' disclaimer of opinion

Neosperience's BoD approved a 12-month financial forecast to verify that the half-yearly report was drafted on a going concern basis. According to the management, the projections show an improvement in cash generation starting from Q3-24. The action plan includes some cost cutting which will produce ca. € 2.1m savings per year starting from FY-25. Nevertheless, the auditing firm stated it could not express an audit opinion about compliance with the half-yearly report to the OIC 30 accounting principle, namely that there is no concrete evidence concerning the assumptions made by the management on business continuity. In light of the disclaimer of opinion set out by the auditing firm about the group's financial stability in the short term, we have revised our model by factoring in a more cautious evolution for the next years to not stress Neosperience's financial needs. The result is an average 5.7%, 7.8% and 23.1% decrease in revenues, EBITDA and Net Profit, respectively, in 2024-26. Moreover, CFO SIM has updated the DCF valuation criteria, bringing the risk-free rate up-to-date. As a consequence, we set a new DCF-based PT of € 1.20/s (€ 2.20). According to our forecasts, the group should be able to respect its obligations and finance its growth without excessively stressing its financial stability. Nevertheless, we cannot ignore the auditing firm's disclaimer of opinion about the H1-24 financial report, therefore we downgraded our recommendation to Neutral (Buy) despite the upside from current price levels, waiting to see the group's evolution in the next months. We remind you that Neosperience will communicate monthly some KPIs to keep the market informed on how the business is going.

Sales up by 7% YoY. Margins suffered from increasing services and personnel costs

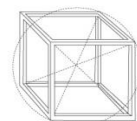
Revenues reached € 13.0m, organically growing by 6.8% YoY, while the Value of Production rose by 21.9% to € 17.8m (€ 14.6m in H1-23), on the back of an increase in internal works (i.e. capitalised costs for the development of new features of the Neosperience Cloud platform) almost doubled YoY. EBITDA was € 3.8m, 29.4% margin, compared to € 4.0m, 33.1% margin, because of increased costs for third-party services and higher personnel expenses. After D&A of € 2.9m (vs € 2.4m in H1-23), EBIT declined to € 0.9m, 7.2% margin (€ 1.5m, 12.6% margin in H1-23). Net Profit declined to € 0.1m from € 0.8m in H1-23, after net financial charges almost doubled to € 0.4m (€ 0.2m in H1-23) and broadly stable taxes.

NFP at € 18.1m after huge investments in a few promising verticals

NFP rose to € 18.1m (€ 14.4m at year-end 2023) due to Op.CF of € 2.4m more than offset by capex of € 5.5m mainly intended for boosting the development and the go-to-market strategy of the two innovative vertical solutions in the HealthTech and LegalTech segments. Net Equity declined to € 31.6m from € 34.6m at year-end 2023, because of an adjustment of ca. € 3.2m aimed at amending a few relevant errors included in 2023 financial statements.

Neosperience, key financials and ratios

€ m	2022	2023	2024e	2025e	2026e
Revenues	21.0	21.2	24.3	27.8	31.4
Value of Production	25.2	26.1	29.6	31.9	35.0
EBITDA	6.4	4.5	6.5	7.9	9.3
EBIT	1.5	1.4	0.7	1.3	2.7
Net Profit	0.7	0.2	(0.1)	0.3	1.4
NFP (cash)/debt	11.6	14.4	16.8	16.1	13.4
EBITDA margin	30.6%	21.5%	26.8%	28.4%	29.5%
EBIT margin	7.2%	6.8%	2.9%	4.8%	8.7%
EPS stated FD €	0.04	0.01	(0.01)	0.02	0.07
EPS growth	-48.3%	-77.3%	n.m.	n.m.	n.m.
ROCE	3.0%	2.7%	1.2%	2.4%	5.1%
NWC/Sales	27.5%	34.2%	35.3%	35.7%	35.4%
Free Cash Flow Yield	-37.6%	-23.2%	-15.1%	4.4%	17.1%
PER x	53.4	n.m.	Neg.	46.8	11.4
EV/Sales x	2.28	2.45	1.36	1.16	0.94
EV/EBITDA x	7.4	10.2	5.1	4.1	3.2
EV/EBIT x	31.7	35.9	46.2	24.2	10.8

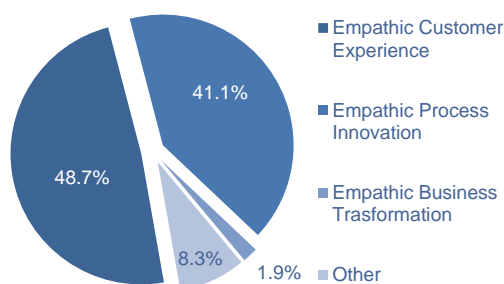


The company at a glance

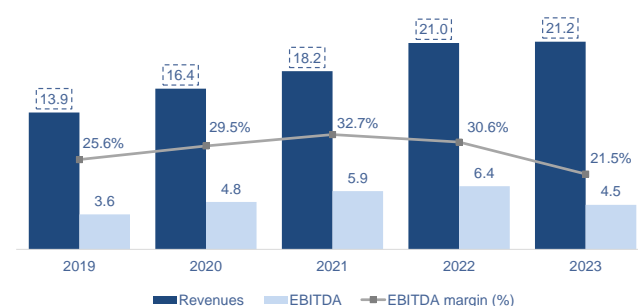
Set up in Brescia by Dario Melpignano and Luigi Linotto in 2006, today Neosperience is a leading software vendor operating in the digital customer experience & customer analytics sector. Thanks to its deep knowledge of software and app development, the group internally designed Neosperience Cloud, an innovative cutting-edge Customer Data Platform based on Artificial Intelligence helping businesses to acquire new customers and increase the value of existing ones. Neosperience's 'empathy in technology' vision perfectly explains the distinctiveness of the group's offer: by applying machine learning to the results of decades of research in cognitive, social, and behavioural psychology, organisations can provide their customers with a customised and optimised experience based on their personality.

The company reported a 26.2% Sales CAGR₁₆₋₂₃ mainly driven by the increase in sales of solutions based on its proprietary Neosperience Cloud platform as well as by the strategic acquisition of a few small companies operating in the digital customer experience arena. FY-23 figures exhibited Revenues of € 21.2m, EBITDA of € 4.5m, 21.5% margin and Net Profit of € 0.2m. Net Financial Position was € 14.4m, corresponding to 3.2x NFP/EBITDA.

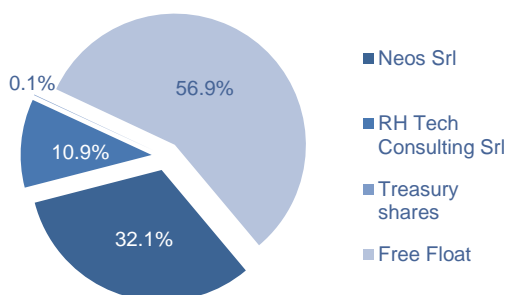
2023 Revenues breakdown by business lines



2019-23 Revenues and EBITDA evolution



Shareholder structure



Peer group absolute performance

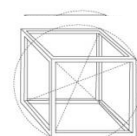
%	1D	1W	1M	3M	6M	YTD
Accenture PLC	(1.5)	0.9	4.4	19.1	7.5	1.7
Adobe Inc	(3.9)	(5.9)	(14.5)	(15.3)	0.6	(18.3)
Alkemy SpA	0.4	0.0	(2.0)	(0.4)	(0.8)	30.6
dotDigital Group PLC	0.3	0.7	2.3	(6.0)	3.0	(10.0)
Gartner Inc	(0.8)	0.6	3.4	13.5	8.0	13.0
Growens SpA	(1.8)	(1.4)	(13.7)	(12.5)	7.4	27.6
HubSpot Inc	(2.4)	(1.8)	5.6	(10.9)	(22.1)	(10.1)
Maps SpA	(0.4)	(1.6)	0.4	(2.0)	(3.9)	(20.5)
Reply SpA	(0.2)	(2.5)	(2.3)	(6.0)	1.3	10.3
Salesforce Inc	(1.1)	4.0	15.8	10.6	(5.7)	8.1
TechTarget Inc	(0.0)	(3.6)	(0.9)	(24.2)	(24.1)	(32.4)
Median	(0.8)	(1.4)	0.4	(6.0)	0.6	1.7
Neosperience SpA	2.1	(30.5)	(37.3)	(41.7)	(62.4)	(57.3)

Source: Refinitiv Eikon

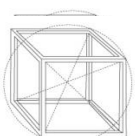
Peer group multiples table

Price & EV multiples x	Sales FY1	Sales FY2	EBITDA FY1	EBITDA FY2	EBIT FY1	EBIT FY2	PER FY1	PER FY2
Accenture PLC	3.19	2.95	16.6	15.2	20.5	18.8	28.0	25.8
Adobe Inc	9.87	8.77	20.0	18.1	21.5	19.2	26.4	24.0
Alkemy SpA	0.77	0.67	7.5	6.3	12.3	9.0	15.9	11.3
dotDigital Group PLC	2.99	n.a.	9.8	n.a.	15.5	n.a.	19.7	18.2
Gartner Inc	6.51	6.00	26.7	24.5	33.0	29.8	43.1	39.6
Growens SpA	0.88	0.87	n.m.	44.1	n.m.	n.m.	n.m.	n.m.
HubSpot Inc	10.09	8.48	49.4	40.3	59.1	47.1	65.8	55.6
Maps SpA	1.37	1.16	6.1	4.9	13.2	9.2	15.0	10.5
Reply SpA	1.96	1.76	12.0	10.8	14.7	13.0	23.2	20.9
Salesforce Inc	6.91	6.05	16.4	14.6	21.1	17.8	27.8	25.1
TechTarget Inc	3.44	2.91	11.8	9.5	23.6	11.8	13.0	12.7
Median	3.19	2.93	14.2	14.9	20.8	17.8	24.8	22.4
Neosperience SpA	1.36	1.16	5.1	4.1	46.2	24.2	n.m.	46.8

Source: CFO SIM, Refinitiv Eikon



Income statement (€ m)	2022	2023	2024e	2025e	2026e
Revenues	21.0	21.2	24.3	27.8	31.4
Value of Production	25.2	26.1	29.6	31.9	35.0
Raw material and processing	(0.4)	(0.4)	(0.4)	(0.4)	(0.5)
Services	(8.4)	(8.7)	(10.7)	(11.0)	(12.1)
Personnel expenses	(8.9)	(9.8)	(11.0)	(11.5)	(11.9)
Other opex	(1.1)	(2.7)	(1.0)	(1.1)	(1.2)
EBITDA	6.4	4.5	6.5	7.9	9.3
D&A	(4.9)	(3.1)	(5.8)	(6.6)	(6.5)
EBIT	1.5	1.4	0.7	1.3	2.7
Financials	(0.4)	(0.6)	(0.8)	(0.8)	(0.6)
Re/(Devaluation) of financial assets	(0.0)	(0.2)	0.0	0.0	0.0
Forex gain/(loss)	0.0	0.0	0.0	0.0	0.0
Pre-Tax profit	1.1	0.6	(0.1)	0.6	2.1
Income taxes	(0.2)	(0.4)	0.0	(0.2)	(0.6)
Minorities	(0.2)	(0.0)	(0.0)	(0.0)	(0.1)
Net Profit	0.7	0.2	(0.1)	0.3	1.4
EBITDA Adjusted	6.4	5.1	6.5	7.9	9.3
Net Profit Adjusted	0.7	0.2	(0.1)	0.3	1.4
Balance sheet (€ m)	2022	2023	2024e	2025e	2026e
Net Working Capital	7.0	8.9	10.5	11.4	12.4
Net Fixed Assets	37.5	42.5	43.7	42.6	40.6
Equity Investments	1.0	0.7	0.7	0.7	0.7
Other M/L Term A/L	(1.4)	(3.1)	(3.5)	(3.7)	(3.9)
Net Invested Capital	44.1	49.0	51.4	51.1	49.8
Net Financial Debt	11.6	14.4	16.8	16.1	13.4
Minorities	4.1	1.8	1.8	1.9	1.9
Group's Shareholders Equity	28.4	32.9	32.7	33.1	34.5
Financial Liabilities & Equity	44.1	49.0	51.4	51.1	49.8
Cash Flow statement (€ m)	2022	2023	2024e	2025e	2026e
Total net income	0.9	0.2	(0.1)	0.4	1.5
Depreciation	4.9	3.1	5.8	6.6	6.5
Other non-cash charges	2.1	1.4	0.4	0.2	0.2
Cash Flow from Oper. (CFO)	7.9	4.7	6.1	7.2	8.3
Change in NWC	(1.5)	(2.0)	(1.5)	(0.9)	(1.0)
FCF from Operations (FCFO)	6.4	2.7	4.6	6.2	7.3
Net Investments (CFI)	(12.5)	(6.5)	(7.0)	(5.5)	(4.5)
Free CF to the Firm (FCFF)	(6.1)	(3.8)	(2.4)	0.7	2.8
CF from financials (CFF)	1.2	2.6	5.5	(5.0)	(2.5)
Free Cash Flow to Equity (FCFE)	(4.9)	(1.2)	3.1	(4.3)	0.3
Financial ratios	2022	2023	2024e	2025e	2026e
EBITDA margin	30.6%	21.5%	26.8%	28.4%	29.5%
EBIT margin	7.2%	6.8%	2.9%	4.8%	8.7%
Net profit margin	3.2%	0.8%	-0.5%	1.2%	4.5%
Tax rate	21.4%	68.7%	30.0%	30.0%	30.0%
Op NWC/Sales	27.5%	34.2%	35.3%	35.7%	35.4%
Interest coverage x	3.97	2.35	0.87	1.73	4.28
Net Debt/EBITDA x	1.80	3.16	2.59	2.04	1.44
Debt-to-Equity x	0.41	0.44	0.51	0.49	0.39
ROIC	1.5%	0.3%	Neg.	0.7%	2.8%
ROCE	3.0%	2.7%	1.2%	2.4%	5.1%
ROACE	3.3%	2.8%	1.3%	2.3%	5.0%
ROE	2.4%	0.5%	Neg.	1.0%	4.1%
Payout ratio	0.0%	0.0%	0.0%	0.0%	0.0%
Per share figures	2022	2023	2024e	2025e	2026e
Number of shares # m	19.18	20.78	20.78	20.78	20.78
Number of shares Fully Diluted # m	19.18	20.78	20.78	20.78	20.78
Average Number of shares Fully Diluted # m	19.18	19.98	20.78	20.78	20.78
EPS stated FD €	0.04	0.01	(0.01)	0.02	0.07
EPS adjusted FD €	0.04	0.01	(0.01)	0.02	0.07
EBITDA €	0.34	0.23	0.31	0.38	0.45
EBIT €	0.08	0.07	0.03	0.06	0.13
BV €	1.69	1.67	1.66	1.68	1.75
FCFO €	0.33	0.14	0.22	0.30	0.35
FCFF €	(0.32)	(0.19)	(0.12)	0.03	0.13
FCFE €	(0.26)	(0.06)	0.15	(0.21)	0.01
Dividend €	0.00	0.00	0.00	0.00	0.00



H1-24 Results

Neosperience reported H1-24 results characterised by mid-single digit top-line growth and a slight decrease in EBITDA due to increased personnel expenses and costs for third-party services. In the first half of 2024, Neosperience continued to invest heavily in the development of new solutions, such as **Neosperience Pulse**, an evolution of the group's proprietary platform dedicated to the industrial sector that allows the user to create a **digital twin** of a production process to predictively monitor its evolution and simulate its performance. Furthermore, **Neosperience invested further € 1.6m in Neosperience Health** and **strengthened its AI-based offer** with expert systems, machine learning and Large Language Models.

Table 1 – Neosperience, H1-24 results summary

€ m	H1-24	H1-23	% YoY
Revenues	13.0	12.2	6.8
Increase on internal works (platform evolutions)	4.5	2.3	
Other revenues	0.3	0.1	
Value of Production	17.8	14.6	21.9
Raw materials, Processing and Services	(8.2)	(5.5)	
Personnel expenses	(5.4)	(4.8)	
Other opex	(0.3)	(0.3)	
EBITDA	3.8	4.0	(5.2)
% margin	29.4	33.1	
D&A	(2.9)	(2.5)	
EBIT	0.9	1.5	(38.9)
% margin	7.2	12.6	
Financials	(0.4)	(0.2)	
Pre-Tax profit	0.5	1.4	(60.6)
% margin	4.1	11.1	
Income taxes	(0.4)	(0.4)	
Tax rate	81.5%	32.6%	
Minorities	0.0	(0.1)	
Net Profit	0.1	0.8	(83.7)
% margin	1.0	6.7	
Net Financial Position *	18.1	14.4	25.9
Net Equity *	31.6	34.6	(8.8)

Source: Company data * compared to FY-23

Revenues reached € 13.0m, organically growing by 6.8% YoY, while the Value of Production rose by 21.9% to € 17.8m (€ 14.6m in H1-23), on the back of an increase in internal works (i.e. capitalised costs for the development of new features of the Neosperience Cloud platform) almost doubled YoY.

EBITDA was € 3.8m, 29.4% margin, compared to € 4.0m, 33.1% margin, because of increased costs for third-party services and higher personnel expenses.

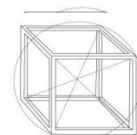
After D&A of € 2.9m (vs € 2.4m in H1-23), **EBIT declined to € 0.9m, 7.2% margin** (€ 1.5m, 12.6% margin in H1-23). D&A expenses rose due to the huge intangible investments made in the last years to develop the Neosperience Cloud Platform, and include the goodwill amortisation, in accordance with ITA GAAP.

Net Profit declined to € 0.1m from € 0.8m in H1-23, after net financial charges almost doubled to € 0.4m (€ 0.2m in H1-23) and broadly stable taxes.

Table 2 – Neosperience, H1-24 Op. NWC

€ m	H1-24	FY-23	Δ € m
Inventories	0.1	0.0	0.1
Receivables	11.1	11.9	(0.7)
Payable	(3.8)	(2.9)	(0.9)
Op. NWC	7.4	8.9	(1.5)

Source: Company data



NFP rose to € 18.1m from € 14.4m at year-end 2023 on the back of Op.CF of € 2.4m more than offset by **capex of € 5.5m** mainly intended for boosting the development and the go-to-market strategy of the two innovative vertical solutions in the HealthTech and LegalTech segments.

Net Equity declined to € 31.6m from € 34.6m at year-end 2023, **because of an adjustment of ca. € 3.2m aimed at amending a few relevant errors included in the FY-23 financial statements**, in accordance with the OIC 29 accounting principle. In particular, they refer to some invoices to be issued related to FY-24 but wrongly entered into receivables of the FY-23 financial statement. Consequently, the 2024 interim report contains the adjustment of net equity and the relative reduction of receivables of € 3.2m.

Estimates, Valuation & Risks

Neosperience's Board of Directors approved a 12-month financial forecast to analyse the group's financial needs monthly, to verify that the half-yearly report was drafted on a **going concern basis**. According to the management, the projections show an improvement in cash generation starting from Q3-24, with a significant boost as of the beginning of 2025.

The action plan includes some **cost cutting which will produce ca. € 2.1m savings** per year starting from FY-25. However, the management expects to obtain savings of ca. € 700k already in 2024. Furthermore, Neosperience implemented some **procedures to improve the credit collections**, with a potential impact on cash generation of not less than € 750k. Finally, in H1-25, the group should receive grants of **€ 1.6m from R&D projects** already approved and financed.

Nevertheless, **the auditing firm stated it could not express an audit opinion about compliance with the half-yearly report to the OIC 30 accounting principle**, namely that there is no concrete evidence concerning the assumptions made by the management on business continuity.

In light of the disclaimer of opinion set out by the auditing firm about the group's financial stability in the short-term, **we have revised our model** by factoring-in a more cautious evolution for the next years to not stress Neosperience's financial needs. The result is an average **5.7%, 7.8% and 23.1% decrease in revenues, EBITDA and Net Profit**, respectively, in 2024-26, coupled with an average **31.5% increase in NFP** in the same period.

Table 3 – Neosperience, 2024e new/old estimates

€ m	New	Old	Δ %	Δ € m
Revenues	24.3	24.2	0.0	0.0
EBITDA	6.5	6.5	0.1	0.0
% margin	26.8	26.8		
EBIT	0.7	0.8	(7.6)	(0.1)
% margin	2.9	3.2		
Net Profit	(0.1)	(0.2)	48.7	0.1
% margin	(0.5)	(0.9)		
NFP debt/(cash)	16.8	13.5	24.4	3.3

Source: CFO SIM

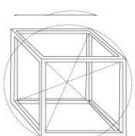


Table 4 – Neosperience, 2025e new/old estimates

€ m	New	Old	Δ %	Δ € m
Revenues	27.8	29.7	(6.4)	(1.9)
EBITDA	7.9	8.8	(10.1)	(0.9)
% margin	28.4	29.6		
EBIT	1.3	2.4	(43.7)	(1.0)
% margin	4.8	8.0		
Net Profit	0.3	1.0	(64.3)	(0.6)
% margin	1.2	3.3		
NFP debt/(cash)	16.1	12.6	27.7	3.5

Source: CFO SIM

Table 5 – Neosperience, 2026e new/old estimates

€ m	New	Old	Δ %	Δ € m
Revenues	31.4	35.2	(10.7)	(3.8)
EBITDA	9.3	10.7	(13.6)	(1.5)
% margin	29.5	30.5		
EBIT	2.7	5.3	(48.1)	(2.5)
% margin	8.7	15.0		
Net Profit	1.4	3.1	(53.8)	(1.6)
% margin	4.5	8.7		
NFP debt/(cash)	13.4	9.4	42.4	4.0

Source: CFO SIM

Moreover, CFO SIM has updated the DCF valuation criteria, bringing the risk-free rate up-to-date. As a consequence, we set a **new DCF-based PT of € 1.20/s** (€ 2.20).

It is worth noting that **Neosperience's appraisal stemming from our DCF model is to a certain extent based on the group's ability to generate free cash flow on a long-term basis**, as the terminal value weights roughly 85% of the total enterprise value.

According to our forecasts, the group should be able to respect its obligations and finance its growth without excessively stressing its financial stability. Nevertheless, we cannot ignore the auditing firm's disclaimer of opinion about the H1-24 financial report, therefore **we downgraded our recommendation to Neutral (Buy)** despite the upside from current price levels, waiting to see the group's evolution in the next months. We remind you that Neosperience will communicate monthly some KPIs to keep the market informed on how the business is going.

DCF

In our DCF-based valuation, we assess explicit estimates until 2028 and assume a long-term growth rate of 2.0%. Cash flows are discounted back at a weighted average cost of capital calculated according to the following parameters:

Table 6 – WACC derived from:

Interest costs, pre-tax	5.0%
Tax rate	30.0%
Int. costs, after taxes	3.5%
Risk premium, incl. small size premium	9.0%
Risk-free (10Y Gov. Bond 200dd mov. avg.)	3.80%
Beta levered (x)	1.00
Required ROE	12.8%

Sources: CFO SIM, Refinitiv Eikon

Risk premium at 9.0% factors in the minute size of the company and basically all concerns an investor might have in relation to the Euronext Growth Milan market segment. **Beta** has been set **at 1.00**, taking into account the lower liquidity of the company. The WACC is computed using a sustainable 30:70 debt/equity balance-sheet structure.

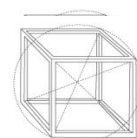


Table 7 – Neosperience, DCF model

€ m	2024e	2025e	2026e	2027e	2028e	TV
EBIT	0.7	1.3	2.7	4.6	6.0	
Tax rate	30.0%	30.0%	30.0%	30.0%	30.0%	
Operating profit (NOPAT)	0.5	0.9	1.9	3.2	4.2	
Change working capital	(1.5)	(0.9)	(1.0)	(0.5)	(0.1)	
Depreciation	5.8	6.6	6.5	5.0	3.5	
Investments	(7.0)	(5.5)	(4.5)	(4.0)	(3.5)	
Free Cash Flows	(2.3)	1.0	3.0	3.7	4.2	53.1
Present value	(2.2)	0.9	2.4	2.7	2.8	35.4
WACC	10.0%	10.0%	10.0%	10.0%	10.0%	
Long-term growth rate	2.0%					

Source: CFO SIM

Table 8 – Neosperience, DCF derived from:

€ m	
Total EV present value € m	42.1
	<i>thereof terminal value</i>
	84.2%
NFP last reported	(14.4)
Pension provision	(1.8)
Minorities (valued at 1.1x P/BV)	(2.0)
Equity value € m	23.9
#m shares (excl. treasury shares)	20.77
Equity value €/s	1.20
<i>% upside/(downside)</i>	<i>54.2%</i>

Source: CFO SIM

The outcome of our DCF model generated an equity value of € 23.9m for Neosperience, € 1.20/s (€ 2.20).

It is worth noting that **Neosperience's appraisal stemming from our DCF model is to a certain extent based on the group's ability to generate free cash flow on a long-term basis**, as the terminal value weights roughly 85% of the total enterprise value.

The following tables illustrate that sensitivity 1) compared to changes in the terminal growth rate produces an equity value of **€ 0.99-1.34/s (perpetuity range between 1.25% and 2.75%)**, while, 2) if compared to changes in the risk-free rate, it produces an equity value of **€ 1.01-1.31/s (risk-free risk range between 4.55% and 3.05%)** and 3) if compared to changes in the risk premium, including small size premiums, it results in an equity value of **€ 0.88-1.50/s (risk premium range between 10.50% and 7.50%)**.

Table 9 – Neosperience, equity value sensitivity to changes in terminal growth rate

€ m	1.25%	1.50%	1.75%	2.00%	2.25%	2.50%	2.75%
Present value of CF	6.6	6.6	6.6	6.6	6.6	6.6	6.6
PV of terminal value	32.2	33.2	34.3	35.4	36.7	38.0	39.4
Total value	38.8	39.8	40.9	42.1	43.3	44.6	46.0
NFP last reported	(14.4)	(14.4)	(14.4)	(14.4)	(14.4)	(14.4)	(14.4)
Pension provision	(1.8)	(1.8)	(1.8)	(1.8)	(1.8)	(1.8)	(1.8)
Minorities (valued at 1.1x P/BV)	(2.0)	(2.0)	(2.0)	(2.0)	(2.0)	(2.0)	(2.0)
Equity value	20.6	21.6	22.7	23.9	25.1	26.4	27.8
Equity value/share €	0.99	1.04	1.09	1.20	1.21	1.27	1.34

Source: CFO SIM

Table 10 – Neosperience, equity value sensitivity to changes in risk-free rate

€ m	3.05%	3.30%	3.55%	3.80%	4.05%	4.30%	4.55%
Present value of CF	6.8	6.7	6.7	6.6	6.6	6.6	6.5
PV of terminal value	38.7	37.6	36.5	35.4	34.5	33.5	32.6
Total value	45.5	44.3	43.2	42.1	41.1	40.1	39.1
NFP last reported	(14.4)	(14.4)	(14.4)	(14.4)	(14.4)	(14.4)	(14.4)
Pension provision	(1.8)	(1.8)	(1.8)	(1.8)	(1.8)	(1.8)	(1.8)
Minorities (valued at 1.1x P/BV)	(2.0)	(2.0)	(2.0)	(2.0)	(2.0)	(2.0)	(2.0)
Equity value	27.3	26.1	25.0	23.9	22.9	21.9	20.9
Equity value/share €	1.31	1.26	1.20	1.20	1.10	1.05	1.01

Source: CFO SIM

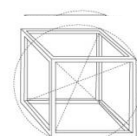


Table 11 – Neosperience, equity value sensitivity to changes in risk premium

€ m	7.50%	8.00%	8.50%	9.00%	9.50%	10.00%	10.50%
Present value of CF	6.9	6.8	6.7	6.6	6.6	6.5	6.4
PV of terminal value	42.5	39.9	37.6	35.4	33.5	31.7	30.1
Total value	49.4	46.7	44.3	42.1	40.1	38.2	36.5
NFP last reported	(14.4)	(14.4)	(14.4)	(14.4)	(14.4)	(14.4)	(14.4)
Pension provision	(1.8)	(1.8)	(1.8)	(1.8)	(1.8)	(1.8)	(1.8)
Minorities (valued at 1.1x P/BV)	(2.0)	(2.0)	(2.0)	(2.0)	(2.0)	(2.0)	(2.0)
Equity value	31.2	28.5	26.1	23.9	21.9	20.0	18.3
Equity value/share €	1.50	1.37	1.26	1.20	1.05	0.96	0.88

Source: CFO SIM

Market Multiples

Neosperience is a leading software vendor operating in the digital customer experience & customer analytics sector. The group helps businesses to design their digital transformation process by optimising the digital experience for each customer's personality.

In order to run a market multiple valuation, we set up a list of comparable companies in the **global digital transformation arena**. The list includes both players operating as digital transformation consultants as well as software companies providing their clients with digital technologies able to turn a traditional business into a digital business.

Accenture PLC is a multinational organisation offering management and strategic consulting services as well as technology services and outsourcing solutions in a vast array of industries.

Adobe Inc is a software company offering products and services used by professionals, marketers, knowledge workers, application developers, enterprises and consumers for creating, managing, measuring, optimising and engaging with compelling content and experiences. Its Digital Experience segment provides solutions and services for how digital advertising and marketing are created, managed, executed, measured and optimised.

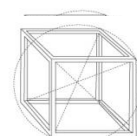
Alkemy SpA is an Italy-based company engaged in the digital marketing sector. The Company focuses on the development of digital transformation technologies. Its offer comprises the creation of digital and omnichannel strategies, data analytics and CRM tools, the design of online stores, online content production, the development of cross-channel campaigns, social media management, user experience (UX) design, the execution of websites and mobile applications, search engine optimisation (SEO), retargeting, as well as integrated channel planning, among others.

dotDigital Group PLC provides software, service technology and tools for digital marketing. Furthermore, it offers Software as a Service (SaaS) technologies, email marketing consultancy and managed services for businesses.

Gartner Inc provides research and analysis on the computer hardware, software, communications, and related information technology industries. The company's business segments include research, consulting, measurement, events, and executive programs

Growens SpA is a leading international scaleup company in the European Cloud Marketing Technologies market, one of the fastest growing industries worldwide. The group is a vertically integrated player focusing on messaging and data-driven/multi-channel marketing automation, providing over 23,000 clients in 115 countries with a wide range of solutions.

HubSpot Inc provides a cloud-based marketing and sales software platform. The company offers integrated applications that help in lead generation and social marketing.



Maps SpA is an Italy-based IT company, which provides data management solutions. The company develops technological solutions for the acquisition of information by extracting it from unstructured data and turning it into usable knowledge.

Reply SpA is a highly specialised group, supporting leading industrial firms in defining and developing business models to optimise and integrate processes, applications and devices, using new technology and communication paradigms, such as Big Data, Cloud Computing, Digital Communication, Internet of Things, Mobile and Social Networking.

Salesforce.Com Inc focuses on customer relationship management (CRM) technology. The company's Customer 360 platform delivers a source which connects customer data across systems, applications and devices to help companies sell, service, market and conduct commerce from anywhere.

TechTarget Inc operates a portfolio of industry-specific portals. The company focuses on portals that deliver resources to information technology professionals within specific vertical market segments.

Based on CFO SIM estimates, Neosperience exhibits **higher-than-median Sales, EBITDA, EBIT and EPS CAGR as well as EBITDA margin**.

Table 12 – Neosperience, peer group summary table

€ m	Country	Mkt Cap	Sales FY1	EBITDA FY1	% EBITDA margin	% Sales CAGR ₂₃₋₂₆	% EBITDA CAGR ₂₃₋₂₆	% EBIT CAGR ₂₃₋₂₆	% EPS CAGR ₂₃₋₂₆	NFP /EBITDA
Accenture PLC	UK	203,657	62,428	12,009	19.2%	7.2%	8.0%	8.1%	9.3%	n.m.
Adobe Inc	US	195,470	19,537	9,656	49.4%	10.5%	18.8%	21.8%	22.4%	n.m.
Alkemy SpA	IT	68	123	13	10.3%	6.9%	5.8%	5.6%	25.6%	2.1
dotDigital Group PLC	UK	326	94	29	30.6%	11.6%	10.6%	10.8%	9.4%	n.m.
Gartner Inc	US	35,799	5,680	1,383	24.4%	8.1%	12.2%	11.0%	9.8%	0.8
Growens SpA	IT	84	76	(0)	-0.5%	5.9%	n.m.	n.m.	n.m.	n.m.
HubSpot Inc	US	24,429	2,302	470	20.4%	17.2%	n.m.	n.m.	n.m.	n.m.
Maps SpA	IT	33	30	7	22.5%	5.2%	22.3%	55.1%	62.0%	1.2
Reply SpA	IT	4,932	2,280	372	16.3%	8.5%	7.9%	8.7%	11.6%	n.m.
Salesforce Inc	US	247,902	34,279	14,464	42.2%	8.3%	22.4%	37.8%	43.4%	n.m.
TechTarget Inc	US	614	211	62	29.3%	6.4%	70.2%	n.m.	142.3%	1.8
Median		4,932	2,280	372	22.5%	8.1%	12.2%	10.9%	22.4%	1.5
Neosperience SpA	IT	16	24	7	26.8%	14.1%	26.9%	23.9%	106.4%	2.6

Sources: CFO SIM, Refinitiv Eikon

Table 13 – Neosperience, peer group EV multiple table

EV multiples x	Sales FY1	Sales FY2	Sales FY3	EBITDA FY1	EBITDA FY2	EBITDA FY3
Accenture PLC	3.19	2.95	2.65	16.6	15.2	13.8
Adobe Inc	9.87	8.77	7.75	20.0	18.1	16.1
Alkemy SpA	0.77	0.67	0.61	7.5	6.3	5.7
dotDigital Group PLC	2.99	n.a.	n.a.	9.8	n.a.	n.a.
Gartner Inc	6.51	6.00	5.45	26.7	24.5	21.8
Growens SpA	0.88	0.87	0.82	n.m.	44.1	25.4
HubSpot Inc	10.09	8.48	6.97	49.4	40.3	30.2
Maps SpA	1.37	1.16	0.92	6.1	4.9	3.8
Reply SpA	1.96	1.76	1.54	12.0	10.8	9.4
Salesforce Inc	6.91	6.05	5.50	16.4	14.6	13.3
TechTarget Inc	3.44	2.91	2.52	11.8	9.5	7.5
Median	3.19	2.93	2.59	14.2	14.9	13.5
Neosperience SpA	1.36	1.16	0.94	5.1	4.1	3.2
% premium/(discount) to median	(57.3)	(60.3)	(63.7)	(64.3)	(72.5)	(76.5)

Sources: CFO SIM, Refinitiv Eikon

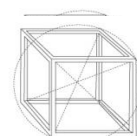


Table 14 – Neosperience, peer group EV & price multiple table

EV & Price multiples x	EBIT FY1	EBIT FY2	EBIT FY3	PER FY1	PER FY2	PER FY3
Accenture PLC	20.5	18.8	16.7	28.0	25.8	23.2
Adobe Inc	21.5	19.2	16.9	26.4	24.0	21.4
Alkemy SpA	12.3	9.0	8.6	15.9	11.3	9.7
dotDigital Group PLC	15.5	n.a.	n.a.	19.7	18.2	17.0
Gartner Inc	33.0	29.8	26.3	43.1	39.6	33.8
Growens SpA	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
HubSpot Inc	59.1	47.1	35.9	65.8	55.6	43.4
Maps SpA	13.2	9.2	6.6	15.0	10.5	8.4
Reply SpA	14.7	13.0	11.2	23.2	20.9	18.8
Salesforce Inc	21.1	17.8	15.5	27.8	25.1	22.0
TechTarget Inc	23.6	11.8	8.9	13.0	12.7	10.7
Median	20.8	17.8	15.5	24.8	22.4	20.1
Neosperience SpA	46.2	24.2	10.8	n.m.	46.8	11.4
% premium/(discount) to median	n.m.	35.9	(30.4)	n.m.	n.m.	(43.2)

Sources: CFO SIM, Refinitiv Eikon

We applied an arbitrary **25.0% discount** to the peer multiple median in order to factor in the smaller size of Neosperience and the lower liquidity of the stock, on the back its listing on the Euronext Growth Milan market. On the other hand, Neosperience unveils higher-than-median Sales, EBITDA, EBIT and EPS CAGR as well as EBITDA margin, thus reducing the potential discount applicable. By applying the discounted peer group EV/EBITDA multiple median to Neosperience's metrics, we get an **appraisal of Neosperience to the tune of € 2.40/s**, by applying 2024 estimates and multiples.

Table 15 – Neosperience, equity value assessment, 1#3

Neosperience Equity Value € m	Sales FY1	Sales FY2	Sales FY3	EBITDA FY1	EBITDA FY2	EBITDA FY3
Median Peers (x)	3.19	2.93	2.59	14.2	14.9	13.5
Neosperience metric	24.3	27.8	31.4	6.5	7.9	9.3
Enterprise Value	58.0	61.0	61.0	69.3	88.2	94.3
Net Financial Position	(16.8)	(16.1)	(13.4)	(16.8)	(16.1)	(13.4)
Minorities (valued at 1.1x P/BV)	(2.0)	(2.0)	(2.0)	(2.0)	(2.0)	(2.0)
Neosperience Equity Value	39.2	42.9	45.7	50.5	70.1	79.0
Neosperience Equity Value/share €	1.89	2.07	2.20	2.40	3.37	3.80
% upside/(downside)	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.

Sources: CFO SIM, Refinitiv Eikon

Table 16 – Neosperience, equity value assessment, 2#3

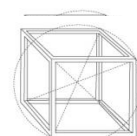
Neosperience Equity Value € m	EBIT FY1	EBIT FY2	EBIT FY3	PER FY1	PER FY2	PER FY3
Median Peers (x)	20.8	17.8	15.5	24.8	22.4	20.1
Neosperience metric	0.7	1.3	2.7	(0.1)	0.3	1.4
Enterprise Value	11.2	17.8	31.8			
Net Financial Position	(16.8)	(16.1)	(13.4)			
Minorities (valued at 1.1x P/BV)	(2.0)	(2.0)	(2.0)			
Neosperience Equity Value	neg.	neg.	16.5	neg.	5.8	21.3
Neosperience Equity Value/share €	n.m.	n.m.	0.79	n.m.	0.28	1.03
% upside/(downside)	n.m.	n.m.	1.9	n.m.	(64.0)	32.1

Sources: CFO SIM, Refinitiv Eikon

Table 17 – Neosperience, equity value assessment, 3#3

€/s	FY1	FY2	FY3
EV/EBITDA	2.40	3.37	3.80
Weighting	100.0%	0.0%	0.0%
Equity Value	2.40		

Sources: CFO SIM, Refinitiv Eikon



Peer Stock Performance

Neosperience was listed on Euronext Growth Milan on 20th February 2019 at € 3.42/share (€ 1.71/share reparametrised after the stock split), corresponding to a post-money market capitalisation of € 22.1m. The stock reached a 1Y intraday maximum price of € 2.24/s on 12-Apr-24 and a minimum price of € 0.66/s on 03-Oct-24.

Table 18 – Neosperience, peer group and indexes absolute performance

%	1D	1W	1M	3M	6M	YTD	1Y
Accenture PLC	(1.5)	0.9	4.4	19.1	7.5	1.7	14.3
Adobe Inc	(3.9)	(5.9)	(14.5)	(15.3)	0.6	(18.3)	(7.5)
Alkemy SpA	0.4	0.0	(2.0)	(0.4)	(0.8)	30.6	54.8
dotDigital Group PLC	0.3	0.7	2.3	(6.0)	3.0	(10.0)	20.9
Gartner Inc	(0.8)	0.6	3.4	13.5	8.0	13.0	44.2
Growens SpA	(1.8)	(1.4)	(13.7)	(12.5)	7.4	27.6	3.8
HubSpot Inc	(2.4)	(1.8)	5.6	(10.9)	(22.1)	(10.1)	8.1
Maps SpA	(0.4)	(1.6)	0.4	(2.0)	(3.9)	(20.5)	(5.3)
Reply SpA	(0.2)	(2.5)	(2.3)	(6.0)	1.3	10.3	48.1
Salesforce Inc	(1.1)	4.0	15.8	10.6	(5.7)	8.1	37.2
TechTarget Inc	(0.0)	(3.6)	(0.9)	(24.2)	(24.1)	(32.4)	(20.1)
Median	(0.8)	(1.4)	0.4	(6.0)	0.6	1.7	14.3
Neosperience SpA	2.1	(30.5)	(37.3)	(41.7)	(62.4)	(57.3)	(55.0)
MSCI World Index	(0.5)	(1.2)	3.7	2.7	7.9	16.1	29.3
EUROSTOXX	0.1	(0.8)	3.1	0.4	(1.0)	8.0	17.6
FTSE Italia All Share	0.6	(0.9)	0.7	(0.9)	(1.6)	10.7	21.3
FTSE Italia STAR	0.3	(0.7)	1.8	(4.0)	(3.5)	(3.5)	11.5
FTSE Italia Growth	(0.1)	(0.3)	1.5	(0.6)	(1.2)	(3.2)	(0.7)

Source: Refinitiv Eikon

Table 19 – Neosperience, relative performances

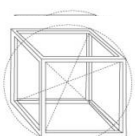
%	1D	1W	1M	3M	6M	YTD	1Y
to MSCI World Index	2.6	(29.3)	(41.0)	(44.4)	(70.3)	(73.3)	(84.3)
to EUROSTOXX	2.0	(29.7)	(40.4)	(42.1)	(61.4)	(65.3)	(72.6)
to FTSE Italia All Share	1.5	(29.6)	(38.0)	(40.8)	(60.8)	(68.0)	(76.3)
to FTSE Italia STAR	1.8	(29.9)	(39.0)	(37.7)	(58.9)	(53.8)	(66.6)
to FTSE Italia Growth	2.2	(30.3)	(38.8)	(41.1)	(61.2)	(54.1)	(54.3)
to Peer Median	2.9	(29.1)	(37.7)	(35.7)	(63.0)	(58.9)	(69.3)

Source: Refinitiv Eikon

Risks

The principal investment **risks** associated with Neosperience include:

- Fast technological development increasing competitive pressure;
- Possible ICT malfunctions;
- Profit margin dilution stemming from the acquisition campaign;
- Impact on the profit & loss and balance sheet profiles triggered by a deep decline in global economic growth and/or geopolitical instability;
- Departure of one, or a few, of the key people;
- M&A execution hampered by potential consolidating players in the industry with huge firepower.



ANALYST CERTIFICATION

This publication was prepared by Corporate Family Office SIM S.p.A. ("CFO SIM"), namely by **GIANLUCA MOZZALI, LUCA SOLARI, and CHIARA FRANCOMACARO** Equity Analysts. This is to certify that the views expressed on the companies mentioned in this document reflect the analysts' personal opinions and no direct or indirect remuneration has been, or will be, received by the analysts further to the views expressed herein.

DISCLAIMER

This document has been drafted by CFO SIM, authorised by the Bank of Italy to provide investment services.

CFO SIM does not have a specific interest in either the issuer, the financial instruments or the transactions covered by the analysis.

The news and data used in this document come from information supplied to the public by the company concerned and/or from other documentation of public domain. CFO SIM is not liable for the accuracy, completeness, exactitude and impartiality of such news and data. This document has been drafted autonomously and independently and without the collaboration of the company analysed or of any company linked to the latter by shareholdings or control. This document has been prepared by the financial analysts of the Equity Research Department of CFO SIM, whose names are indicated therein. Gianluca Mozzali is an ordinary member of the Italian Association of Financial Analysts (AIAF). In no case can the company and the analysts, as authors of this document, be held liable (culpably or otherwise) for any damage resulting from use of the information or opinions set out therein. This document is for information purposes only. It cannot be reproduced directly or indirectly or redistributed to third parties, nor can it be published, either totally or in part, for any reason whatsoever. This document is not an invitation to purchase, nor is it intended to solicit the purchase or sale of the securities in question. The recipients of this document are formally bound to comply with the obligations indicated above.

CFO SIM wishes to provide ongoing coverage of the stocks mentioned in this document, as often as circumstances considered to be important dictate (corporate events, changes in recommendations, etc.). CFO SIM acts as Euronext Growth Advisor and Corporate Broker for Neosperience stock, listed on Euronext Growth Milan. The next table shows the ratings issued on the stock in the last 12 months.



DATE	TARGET PRICE	RATING
08/10/2024	€1.20	NEUTRAL
30/07/2024	€2.20	BUY
19/04/2024	€2.30	BUY
11/10/2023	€2.80	BUY

This document is distributed via electronic mail and fax as from the date indicated in the document itself and addressed to some 300 Italian and non-Italian professional investors. The document is available in electronic format on CFO SIM's Internet site, to Italian and non-Italian institutional investors, and/or on Borsa Italiana's Internet site.

RATING SYSTEM

- a **BUY** rating is assigned if the target price is at least 15% higher than the market price;
- a **SELL** rating is assigned if the target price is at least 15% lower than the market price;
- a **NEUTRAL** rating is assigned if the difference between the current price and target price lies within the +/- 15% range identified using the preceding criteria.

The rating is determined on the basis of the **expected absolute return over a 12-month period** and not on the basis of the estimated outperformance or underperformance relative to a market index. Thus, the rating can be directly linked to the estimated percentage difference between current and target prices. The prices of the financial securities mentioned in the report (also used for the calculation of market capitalisation and market multiples) are the reference prices of the stock market trading day preceding the publication date of the report, otherwise stated

