

# NEOSPERIENCE

Strong growth in consolidated results after the stock-split

Sector: Technology Services

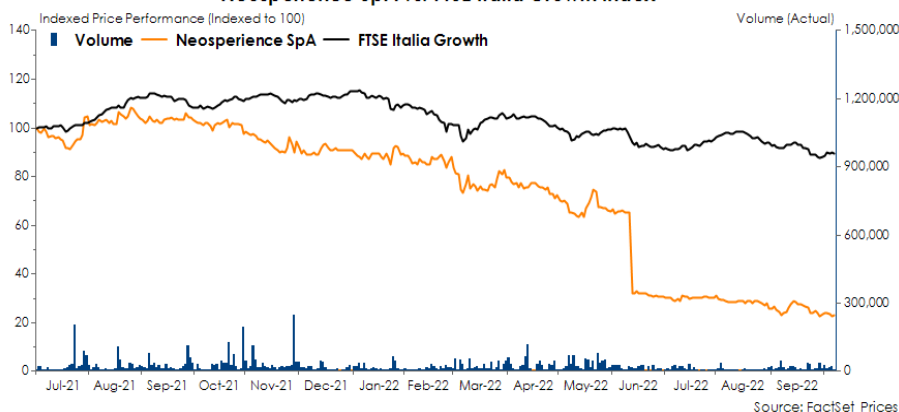
**1H22 sales reached Euro 11.7 m, (+34% YoY).** Neosperience, a leading Italian Tech Company specialized in Artificial Intelligence & Machine Learning, recently reported solid 1H22 results, showing a very good development of their business, which was reflected in a significant increase in financial results, up sharply compared to the first half of 2021. The Company delivered strong sales at Euro 11.7 m, up 34% YoY thanks to the acquisition of numerous new customers (now over 800, compared to 200 in 2019) and the expansion of the offer. In the first half of 2022 Neosperience maintained its focus on market segments and technology solutions that generated continuous and steady growth results, with a focus on recurring fees and advanced AI-based proprietary solutions that generated a positive impact on margins. EBITDA amounted to Euro 4.11 m, a significant increase of 32% compared to the same value as of 1H 2021, with a 30% margin on VoP, thanks to the significant contribution of the resale activities of scalable solutions. Net financial debt amounted to Euro 8.8 m, compared to Euro 7.0 m as of FY2021 and Euro 5.9 m as of 1H2021, mainly as a result of the investments made in the period and partly due to an increase in requirements due to the temporary growth in trade receivables, which has largely already been repaid.

These important results, achieved in a difficult period for the Italian and international economy, highlight the solidity of the Neosperience business model, based on a growing plurality of skills and markets, which diversifies the risk of dependence on a limited number of business lines. There is also a constant focus and commitment by the entire team to maintain high sales margins and market appreciation of Neosperience's products and services.

**Positive outlook and progression of "Empathy in Technology" mission.** In the second half of the year, despite the turmoil caused by the continuing war in Eastern Europe and the increases in interest rates and inflation, the activities aimed at acquiring new significant customers in the following sectors continued: tourism, health, pharma, energy and utilities. Among the most significant strategic directions and highlights developed in this first half of 2022 is certainly the creation of 'vertical' spin-offs by making Neosperience's proprietary technologies available to new controlled business initiatives: in particular, the participation of 90% in the establishment of Neosperience Health for the development of solutions in the world of healthcare aimed at Hospitals, Outpatient Clinics and RSAs. Neosperience Health, also thanks to the acquisition of 51% of Revoo, completed in the summer, enters as a leading player in solutions for monitoring the state of health of patients and inducing virtuous lifestyles and behaviours to prevent any critical issues for the future well-being. Cross-selling activities continued with satisfaction, in order to enhance the relationships with customers already active in each Group company; in this regard, we expect a further boost to sales from the intensification of this activity, which has produced excellent results so far.

**Estimates revision and TP update.** Given the above and on the back of 1H22 results, we finetuned our revenue forecast now assuming Euro 24.7 m in FY22 (Euro 23 m previously) and slightly decrease our EBITDA margin (now 27% in FY22 and 29% in FY23 vs 28% and 29% previously). Based on our updated estimates and peers' multiple re-rating (c. -20% since our last report), we updated our target price to Euro 4.3 p.s. (11.75 pr.) providing for an upside on current stock price of 217%. The stock is currently trading at FY22E/23E EV/EBITDA multiples of 4.1x and 3.3x at an average discount of 20% to peers. At our target price the stock would be trading at 11.7x and 8.7x respectively.

## Neosperience SpA vs. FTSE Italia Growth Index



Target Price **4.30 (11.75 pr.)**

Price (€ m) **1.36**

Market Cap (€ m) **24.38**

EV (€ m) **31.36**

As of October 07<sup>th</sup>, 2022

### Share Data

Market	Euronext Growth Milan
Reuters/Bloomberg	NSP.MI/NSP:IM
ISIN	IT0005351496
N. of Shares	17.991.322
Free Float	54.81%
Main Shareholder	Neos S.r.l

### Financials

	2021A	2022E	2023E	2024E
<b>Sales</b>	<b>18.2</b>	<b>24.7</b>	<b>31.6</b>	<b>37.3</b>
YoY %	11%	36%	28%	18%
<b>EBITDA</b>	<b>5.9</b>	<b>7.4</b>	<b>10.0</b>	<b>12.4</b>
EBITDA %	29%	27%	29%	31%
<b>EBIT</b>	<b>1.5</b>	<b>2.8</b>	<b>5.2</b>	<b>7.5</b>
EBIT %	7%	10%	15%	19%
<b>Net Income</b>	<b>0.8</b>	<b>1.7</b>	<b>3.3</b>	<b>5.0</b>
<b>Net Debt</b>	<b>7.0</b>	<b>8.8</b>	<b>6.0</b>	<b>0.4</b>

### Performance

	1M	3M	6M
Absolute %	0.4	-20.3	-28.9
Relative (FTSE Italia Growth)	-3.0	-18.5	-22.2
52-week High/Low (Eu)	3.24	/	1.39

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