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NEWS

HOLD

TP 1.40€

Up/Downside: 13%

Nuova partnership con Tiscali e nuove linee guida

Nuova partnership con Tiscali nell'ambito della GenAI e nuove linee guida dall'investor day, che prevedono crescita anche tramite M&A. Outlook piú solido per maggior visibilitá mentre attendiamo chiarezza per questione dazi USA.

Investor Day – i punti principali emersi:

- **Crescita anche attraverso M&A** in Italia ed Europa (8-10 potenziali target);
- **10% di market share in Italia** con un Total Addressable Market (TAM) di € 150mn, **TAM Europa € 3bn, USA a € 8bn;**
- **Shift strategico da alta personalizzazione e bassa replicabilità** (più project-based) **a maggiore expertise e minore personalizzazione** (**maggiore replicabilità**). Focus su Insurance, Banking, Healthcare & Pharma, Government & Intelligence, Information Services, Industrial (principalmente con EidenAI Suite);
- **Guidance finanziaria**: **2025E** (a) ricavi target midpoint €40mn, guidati da (i) +c. €3.5mn da nuove iniziative EidenAI Suite, (ii) +c. €7mn attesi da grandi progetti AI e/o M&A (b) EBITDA target midpoint €8mn, margine EBITDA implicito midpoint 19.5% (vs 12% 2024A); (c) EBITDA cash midpoint €3mn, implicita capitalizzazione R&D 12.5% revenues 2025E; **2026E** (a) ricavi target midpoint €48mn; (b) EBITDA midpoint €10.5mn, margine implicito c. 22%; (c) EBITDA cash midpoint €5.5mn, implicita capitalizzazione R&D pari a c. €5mn (10% dei revenues 2026E)

- NewCo: ieri ExpertAI ha annunciato ieri una nuova partnership con Tiscali. **Il progetto porterà alla creazione di una NewCo, in cui ExpertAI deterrà almeno il 40%. Il Progetto Villanova e' un'iniziativa sviluppata da Tiscali che è stata selezionata dalla Commissione Europea e dal Ministero delle Imprese e del Made in Italy per partecipare a un 'IPCEI' (Important Project of Common European Interest), finanziata dal fondo NextGenerationEU**, con obiettivi principali (1) sviluppare LLM in 5 lingue europee, per generare contenuti testuali e multimediali in tempo reale e supportare previsioni basate su serie storiche; (2) dotarsi di un framework open-source per la creazione di un ambiente accessibile per sviluppare applicazioni GenAI, anche per utenti non tecnici e piccole imprese. Valutiamo come positiva la collaborazione con Tiscali che offre un ulteriore sbocco alle competenze di ExpertAI, oltre che una partnership industriale strategica.

- Dazi USA: attendiamo ulteriori sviluppi in merito ai dazi USA sul software, dove al momento, **le disposizioni sembrano non essere applicabili**, pertanto, non riscontriamo impatti negativi diretti (**nel 2025E exp. c. 25-30% turnover in USA**). Pensiamo che anche se venissero proposte nuove imposte digitali, sarebbero comunque complesse da implementare. L'impatto maggiore potrebbe invece derivare da venti macroeconomici contrari, **pensiamo che il software potrebbe rivelarsi un "rifugio sicuro a sorpresa" nello scenario di escalation dei dazi.** Outlook piu' solido per maggior visibilita' e momentaneo rifugio dai dazi USA.

TP confermato a 1.40€ ps e HOLD confermato.

Key data	
Price (€)	1.2
Industry	Packaged Software
Ticker	EXAI-IT
Shares Out (m)	90.880
Market Cap (m €)	112.1
Average trading volumes (k shares / day)	58.324

Source: FactSet

Ownership (%)	
Ergo s.r.l.	8.1
GUM SpA	7.4
Marco Varone	5.2
Free float	74.3

Source: TPICAP Midcap estimates

EPS (€)	12/25e	12/26e	12/27e
Estimates	0.02	0.04	0.06
Change vs previous estimates (%)	-7.76	-4.38	-4.56

Source: TPICAP Midcap estimates

Performance (%)	1D	1M	YTD
Price Perf	-0.5	15.3	-7.2
Rel FTSE Italy	6.3	25.0	-9.4



Source: FactSet

TP ICAP Midcap Estimates	12/24	12/25e	12/26e	12/27e
Sales (m €)	27.3	39.8	47.3	47.9
Current Op Inc (m €)	-3.9	1.1	3.4	5.5
Current op. Margin (%)	na	2.8	7.2	11.5
EPS (€)	-0.11	0.02	0.04	0.06
DPS (€)	0.00	0.00	0.00	1.00
Yield (%)	0.0	0.0	0.0	81.0
FCF (m €)	-8.9	-0.6	-0.0	4.6

Valuation Ratio	12/25e	12/26e	12/27e
EV/Sales	2.9	2.4	2.3
EV/EBITDA	14.0	11.0	8.9
EV/EBIT	na	33.8	20.0
PE	54.8	27.6	20.4

Source: TPICAP Midcap

Consensus FactSet - Analysts:na	12/25e	12/26e	12/27e
Sales	39.8	47.3	0.0
EBIT	1.1	3.4	0.0
Net income	0.9	3.0	0.0

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FINANCIAL DATA

Income Statement	12/22	12/23	12/24	12/25e	12/26e	12/27e
Sales	31.7	32.6	27.3	39.8	47.3	47.9
Changes (%)	1.9	3.0	-16.2	45.4	18.9	1.3
Gross profit	29.3	30.6	25.7	37.4	44.6	45.2
% of Sales	92.5	93.7	94.0	94.1	94.2	94.3
EBITDA	**-14.4**	**-0.2**	**3.4**	**8.2**	**10.4**	**12.5**
% of Sales	-45.4	-0.7	12.4	20.6	22.0	26.0
Current operating profit	**-23.1**	**-8.8**	**-3.9**	**1.1**	**3.4**	**5.5**
% of Sales	-72.9	-27.0	-14.2	2.8	7.2	11.5
Non-recurring items	0.0	0.0	-1.1	0.0	0.0	0.0
EBIT	-23.1	-8.8	-5.0	1.1	3.4	5.5
Net financial result	-1.5	-1.5	-0.6	-0.1	-0.2	-0.2
Income Tax	0.5	-0.0	-1.0	-0.1	-0.2	-0.3
Tax rate (%)	2.0	-0.1	-11.6	7.6	6.1	5.5
Net profit, group share	**-23.8**	**-9.9**	**-10.1**	**0.9**	**3.0**	**5.0**
EPS	na	na	na	0.02	0.04	0.06

Financial Statement	12/22	12/23	12/24	12/25e	12/26e	12/27e
Goodwill	0.0	0.0	0.0	0.0	0.0	1.0
Tangible and intangible assets	21.1	20.0	17.8	17.0	17.1	17.0
Right of Use	1.7	1.2	1.2	1.2	1.2	1.2
Financial assets	0.5	0.1	0.1	0.1	0.1	0.1
Working capital	5.7	11.2	11.5	13.7	16.1	16.5
Other Assets	12.6	10.5	11.3	12.4	14.0	15.7
Assets	41.7	43.0	41.8	44.4	48.5	51.4
Shareholders equity group	17.5	12.2	30.7	32.7	36.8	42.3
Minorities	0.0	0.0	0.0	0.0	0.0	1.0
LT & ST provisions and others	3.8	4.3	4.3	4.3	4.3	4.3
Net debt	15.9	21.4	1.7	2.3	2.3	-1.3
Other liabilities	4.5	5.1	5.1	5.1	5.1	5.1
Liabilities	41.7	43.0	41.8	44.4	48.5	52.4
Net debt excl. IFRS 16	15.9	21.4	1.7	2.3	2.3	-1.3
Gearing net	0.9	1.7	0.1	0.1	0.1	-0.0
Leverage	-1.1	-90.7	0.5	0.3	0.2	-0.1

Cash flow statement	12/22	12/23	12/24	12/25e	12/26e	12/27e
CF after elimination of net borrowing costs and taxes	-17.7	0.2	-2.8	9.1	11.1	13.4
ΔWCR	6.7	-5.9	-0.3	-2.2	-2.5	-0.3
Operating cash flow	-11.0	-5.7	-3.0	6.9	8.6	13.1
Net capex	-15.7	-5.3	-5.8	-7.5	-8.7	-8.5
FCF	-26.2	-10.2	-8.9	-0.6	-0.0	4.6
Acquisitions/Disposals of subsidiaries	0.0	0.0	0.0	0.0	0.0	0.0
Other investments	0.0	0.0	0.0	0.0	0.0	0.0
Change in borrowings	-2.0	-4.7	0.0	0.0	0.0	0.0
Dividends paid	0.0	0.0	0.0	0.0	0.0	1.0
Repayment of leasing debt	0.0	0.0	0.0	0.0	0.0	0.0
Equity Transaction	9.7	4.7	28.5	0.0	0.0	0.0
Others	0.0	0.0	0.0	0.0	0.0	1.0
Change in net cash over the year	-18.5	-10.2	19.6	-0.6	-0.0	5.6

ROA (%)	na	na	na	2.0%	6.1%	9.8%
ROE (%)	na	na	na	2.7%	8.1%	11.8%
ROCE (%)	na	na	na	3.4%	9.2%	13.1%

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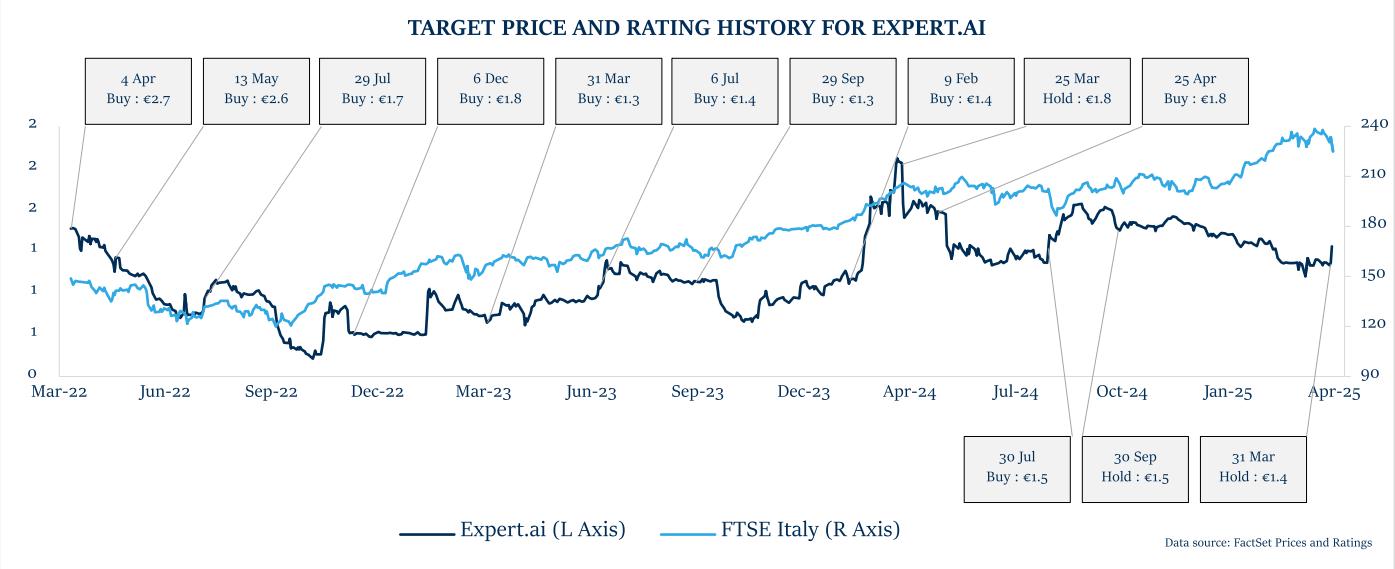
Methodology

This Report may mention evaluation methods defined as follows:
1. DCF method: discounting of future cash flows generated by the company's operations. Cash flows are determined by the analyst's financial forecasts and models. The discount rate used corresponds to the weighted average cost of capital, which is defined as the weighted average cost of the company's debt and the theoretical cost of its equity as estimated by the analyst.
2. Comparable method: application of market valuation multiples or those observed in recent transactions. These multiples can be used as references and applied to the company's financial aggregates to deduce its valuation. The sample is selected by the analyst based on the characteristics of the company (size, growth, profitability, etc.). The analyst may also apply a premium/discount depending on his perception of the company's characteristics.
3. Assets and liabilities method: estimate of the value of equity capital based on revalued assets adjusted for the value of the debt.
4. Discounted dividend method: discounting of estimated future dividend flows. The discount rate used is generally the cost of capital.
5. Sum of the parts: this method consists of estimating the various activities of a company using the most appropriate valuation method for each of them, then realizing the sum of the parts.

Conflict of Interests between TP ICAP Midcap and the Issuer

G. Midcap and the Issuer have agreed to the provision by the former to the latter of a service for the production and distribution of the investment recommendation on the said Issuer: Expert.ai

History of investment rating and target price – Expert.ai



Historical recommendations and target price (-1Y)

Date	Analyst	Old Target Price	New Target Price	Closing Price	Old Recommendation	New Recommendation
30 Mar 25 - 13:43:11	Michele Mombelli	€ 1.50	€ 1.40	€ 1.12	Conserver	Hold
13 Mar 25 - 08:22:43	Michele Mombelli	€ 1.50	€ 1.50	€ 1.15	Conserver	Hold
02 Oct 24 - 08:15:38	Davide Longo	€ 1.50	€ 1.50	€ 1.36	Conserver	Hold
30 Sep 24 - 08:26:47	Davide Longo	NA	€ 1.50	€ 1.37	NA	Hold
30 Jul 24 - 08:36:10	Davide Longo	€ 1.80	€ 1.50	€ 1.12	Achat	Buy
05 Jul 24 - 08:08:42	Davide Longo	€ 1.80	€ 1.80	€ 1.17	Achat	Buy
25 May 24 - 19:25:43	Davide Longo	€ 1.80	€ 1.80	€ 1.24	Achat	Buy
25 Apr 24 - 08:21:10	Davide Longo	NA	€ 1.80	€ 1.44	NA	Buy

Distribution of Investment Ratings

Rating	Recommendation Universe*	Portion of these provided with investment banking services**
Buy	78%	60%
Hold	16%	68%
Sell	4%	17%
Under review	2%	100%

Midcap employs a rating system based on the following:
Buy: Expected to outperform the markets by 10% or more over a 6 to 12 months horizon.
Hold: expected performance between -10% and +10% compared to the market over a 6 to 12 months horizon.
Sell: Stock is expected underperform the markets by 10% or more over a 6 to 12 months horizon.

The history of ratings and target prices for the Issuers covered in this report are available on request at https://researchtpicap.midcapp.com/en/disclaimer.

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