# EXPERT.AI

*Sector: Technology*

## Strong revenue growth, profitability catching up

***Expert.ai reported 1H25 revenues of Eu15.6mn, +31% YoY, driven by recurring licences and the Finix-managed services contribution. EBITDA remained slightly negative due to higher external service and personnel costs, though restructuring benefits are emerging. With seasonality favouring 2H, management confirms FY25 guidance: sales at the upper end of Eu37-43mn and EBITDA at the lower end of Eu 6-10mn. The medium to long-term growth trajectory remains intact. Reflecting lower estimates and a peers' re-rating, TP remains unchanged at Eu 2.3/share. BUY.***

- **1H25 revenues up 31% YoY, driven by Recurring Licenses** - Expert.ai closed 1H25 with revenues of Eu15.6mn, up 31% YoY (vs. Eu12.0mn in 1H24), mainly driven by Recurring Licenses (Eu8.0mn, +32% YoY, accounting for 58% of total revenues) and the contribution of Managed Services (Eu2.0mn, 14% of total) following the acquisition of Finix Technology Solutions. Professional Services revenues stood at Eu2.9mn (19% of total, broadly stable YoY), while Maintenance declined to Eu0.6mn and Hosting to Eu0.3mn, reflecting the ongoing shift from perpetual to subscription-based models. The Value of Production reached Eu17.9mn (+29% YoY), also benefiting from capitalised R&D costs (Eu2.3mn). Italy strengthened its weight to 81% of revenues (72% in 1H24), the US remained stable (14% of total) and EMEA contracted to 5%.
- **EBITDA recovery underway, recent capital increase position company for growth** - EBITDA was negative at Eu0.6mn (Eu0.8mn loss in 1H24): the additional revenues from Managed Services (Eu2.0mn YoY from the Finix Technology M&A) were offset by higher operating costs (Eu3.0mn YoY in external services and Eu0.7mn in personnel expenses) partially related to the Finix integration. Of the Eu3.0mn cost increase, Eu1.3mn relates to managed services, Eu1.0mn to a FY24 accrual reversal, Eu0.4mn to a bad debt provision, and the rest to higher supplier use. EBIT was negative at Eu5.1mn (-Eu4.5mn in 1H24), affected by Eu4.5mn of D&A, including Eu3.3mn on capitalised development costs and Eu0.8mn on concessions acquired with Finix. Net loss widened marginally to Eu6.8mn, vs. Eu6.6mn negative in 1H24, reflecting higher financial charges (Eu1.0mn, mainly due to Eu0.8mn in unrealised FX losses). NFP was Eu5.1mn, Eu1.7mn at FY24, due to weaker CF and the WC profile of the Managed Services segment.
- **Key milestones pave the way toward a SaaS-led, capital-light model -** Expert.ai advanced its transformation through major strategic actions. The launch of EidenAI Suite unified its hybrid and generative AI offering, while the Villanova.ai JV with Tiscali under the EU IPCEI-CIS program strengthened its position in Europe's generative AI ecosystem. The creation of Fusion AI Labs boosted R&D, and the acquisition of ISED expanded expertise in digital healthcare and public administration. The Eu20mn capital increase reinforced the balance sheet, supporting the shift toward a SaaS-led, capital-light model and a sustained long-term growth path.
- **Seasonality should support business in 2H25** - While topline growth in 1H25 is encouraging, the implied 2H25 performance to meet FY25 guidance may seem demanding. Yet Expert.ai's business is typically seasonal, with around 2/3 of FY revenues concentrated in H2. In this context, delivering Eu21-27m in 2H appears aligned with historical patterns, though still dependent on timely pipeline conversion and contributions from ISED. Stronger seasonality and a better revenue mix could help, but targets require flawless execution. We view the EBITDA range aggressive with little room for slippage. Now management points to FY25 sales in the upper-end of Eu37-43m and EBITDA at the lower-end of Eu6-10m.
- **Estimates revised, peers re-rating: TP unchanged at Eu2.3/s, BUY** –1H25 EBITDA is still negative because the benefits from growth and efficiency are lagging, while integration, consulting and personnel expansion costs hit upfront. Seasonality and high D&A magnify the interim weakness, but FY profitability is expected to recover in H2. We are trimming FY25 EBITDA estimates, aligning with the lower end of company guidance, maintaining broadly unchanged company's growth trajectory. The result is a downgrade of 20% in $EBITDA_{25\text{-}27}$, on average. Expert.ai is transitioning to a scalable SaaS model, with its hybrid neuro-symbolic technology delivering explainable AI for regulated sectors. As a combined result of the estimate downgrade, peers' re-rating (international peers EV/Sales 25 of 18.8x vs 12.9x in our previous report), and a slightly revised weighting between DCF and peers' multiples (80-20 now, vs. 70-30 previously, to mitigate sharp market fluctuations), the TP remains unchanged at Eu2.3/share. BUY.

# BUY

*Unchanged*

# TP 2.3

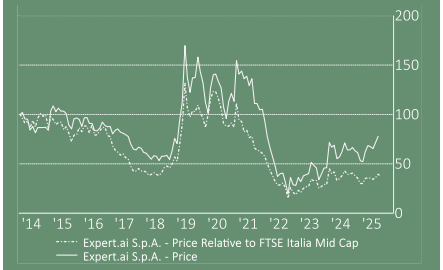
*Unchanged*

Target price upside 46%

| Change in EPS est. | FY25E | FY26E |
|---|---|---|
| | nm | -69% |

| | |
|---|---|
| Ticker (BBG, Reut) | EXAI IM / EXAI MI |
| Share price Ord. (Eu) | 1.6 |
| N. of Ord. shares (mn) | 113.1 |
| Total N. of shares (mn) | 113.1 |
| Market cap (Eu mn) | 178 |
| Total Market Cap (EU mn) | 178 |
| Free Float Ord. (%) | 80% |
| Free Float Ord. (Eu mn) | 143 |
| Daily AVG liquidity Ord. (Eu k) | 278 |

| | 1M | 3M | 12M |
|---|---|---|---|
| Absolute Perf. | -1.4% | 9.1% | 15.0% |
| Rel.to FTSEMidCap | -6.0% | 2.5% | -9.5% |
| 52 weeks range | | 1.0 | 1.7 |




| | FY24A | FY25E | FY26E |
|---|---|---|---|
| Sales | 27 | 42 | 52 |
| EBITDA | 3.4 | 7.1 | 10.7 |
| Net profit | (10.1) | (1.7) | 0.7 |
| EPS adj. | (0.09) | (0.02) | 0.01 |
| DPS - Ord. | 0.00 | 0.00 | 0.00 |
| EV/EBITDA | 42.4x | 22.6x | 14.8x |
| P/E adj. | nm | nm | 242.8x |
| Dividend yield | 0.0% | 0.0% | 0.0% |
| FCF yield | neg | -0.5% | 1.2% |
| Net debt/(Net cash) | 1.7 | (15.3) | (17.5) |
| Net debt/EBITDA | 0.5x | nm | nm |

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IMPORTANT. Please refer to the last page of this report for "Important disclosures" and analyst(s) certifications.
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ALANTRA
Italian Equity Research

# Summary Financials (IFRS)

| P&L account (Eu mn) | FY23A | FY24A | FY25E | FY26E | FY27E |
|---|---|---|---|---|---|
| Net Revenues | 32.6 | 27.3 | 41.6 | 51.6 | 60.2 |
| Gross Margin | 19.9 | 18.5 | 27.1 | 33.8 | 39.7 |
| EBITDA | (0.2) | 3.4 | 7.1 | 10.7 | 14.9 |
| D&A | (8.6) | (8.4) | (8.3) | (8.8) | (9.0) |
| EBIT | (8.8) | (5.0) | (1.2) | 1.9 | 5.9 |
| Net financial charges | (1.0) | (4.1) | (1.2) | (0.9) | (0.9) |
| Associates | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Extraordinary items | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Pre-tax profit | (9.8) | (9.0) | (2.4) | 1.0 | 5.0 |
| Taxes | (0.0) | (1.0) | 0.6 | (0.3) | (1.3) |
| Minorities | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Discontinued activities | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Net profit reported | (9.8) | (10.1) | (1.7) | 0.7 | 3.6 |
| **EBITDA cash** | **(6.6)** | **(1.7)** | **1.2** | **4.5** | **8.2** |
| **EBIT adjusted** | **(8.8)** | **(5.0)** | **(1.2)** | **1.9** | **5.9** |
| **Net profit adjusted** | **(9.8)** | **(10.1)** | **(1.7)** | **0.7** | **3.6** |

| Margins (%) | FY23A | FY24A | FY25E | FY26E | FY27E |
|---|---|---|---|---|---|
| Gross margin | 61.1% | 67.8% | 65.0% | 65.5% | 66.0% |
| EBITDA margin | -0.6% | 12.4% | 17.0% | 20.8% | 24.7% |
| EBIT margin | -26.9% | -18.2% | -2.9% | 3.7% | 9.7% |
| Pre-tax margin | -30.1% | -33.0% | -5.7% | 2.0% | 8.3% |
| Net profit margin | -30.1% | -36.8% | -4.2% | 1.4% | 6.1% |

| Growth rates (%) | FY23A | FY24A | FY25E | FY26E | FY27E |
|---|---|---|---|---|---|
| Sales | 3.1% | -16.2% | 52.3% | 23.8% | 16.7% |
| EBITDA | nm | nm | 108.7% | 51.7% | 38.7% |
| EBITDA cash | nm | nm | nm | 266.5% | 81.9% |
| EBIT | nm | nm | nm | nm | 204.6% |
| EBIT adjusted | nm | nm | nm | nm | 204.6% |
| Pre-tax | nm | nm | nm | nm | 395.4% |
| Net profit | nm | nm | nm | nm | 395.4% |
| Net profit adjusted | nm | nm | nm | nm | 395.4% |

| Per share data | FY23A | FY24A | FY25E | FY26E | FY27E |
|---|---|---|---|---|---|
| Shares | 97.34 | 97.34 | 113.09 | 113.09 | 113.09 |
| N. of shares AVG | 113.09 | 113.09 | 113.09 | 113.09 | 113.09 |
| N. of shares diluted AVG | 97.34 | 97.34 | 105.21 | 113.09 | 113.09 |
| **EPS** | **(0.09)** | **(0.09)** | **(0.02)** | **0.01** | **0.03** |
| **EPS adjusted** | **(0.09)** | **(0.09)** | **(0.02)** | **0.01** | **0.03** |
| **DPS - Ord.** | **0.00** | **0.00** | **0.00** | **0.00** | **0.00** |
| DPS - Sav. | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| BVPS | 0.11 | 0.28 | 0.44 | 0.45 | 0.48 |

| Enterprise value (Eu mn) | FY23A | FY24A | FY25E | FY26E | FY27E |
|---|---|---|---|---|---|
| Share price Ord. (Eu) | 0.84 | 1.30 | 1.58 | 1.58 | 1.58 |
| Market cap | 94.5 | 147.3 | 178.4 | 178.4 | 178.4 |
| Net debt/(Net cash) | 21.8 | 1.7 | (15.3) | (17.5) | (22.7) |
| Adjustments | (1.5) | (5.4) | (3.5) | (2.2) | (1.0) |
| Enterprise value | 114.8 | 143.6 | 159.6 | 158.7 | 154.7 |

| Cash flow (Eu mn) | FY23A | FY24A | FY25E | FY26E | FY27E |
|---|---|---|---|---|---|
| EBITDA | (0.2) | 3.4 | 7.1 | 10.7 | 14.9 |
| Net financial charges | (1.0) | (4.1) | (1.2) | (0.9) | (0.9) |
| Cash taxes | (0.0) | (1.0) | 0.6 | (0.3) | (1.3) |
| Ch. in Working Capital | (4.9) | (0.8) | (3.3) | (2.2) | (1.7) |
| Other operating items | 1.6 | 1.6 | 1.9 | 1.3 | 1.1 |
| **Operating cash flow** | **(4.5)** | **(0.9)** | **5.2** | **8.7** | **12.1** |
| Capex | (7.0) | (5.3) | (6.1) | (6.5) | (6.9) |
| **FCF** | **(11.6)** | **(6.2)** | **(0.9)** | **2.2** | **5.2** |
| Disposals/Acquisitions | 0.8 | 0.0 | (2.1) | 0.0 | 0.0 |
| Changes in Equity | 4.6 | 29.7 | 20.0 | 0.0 | 0.0 |
| Others | 0.2 | (3.4) | 2.1 | 0.0 | 0.0 |
| Dividends | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| **Ch. in NFP** | **(5.9)** | **20.1** | **19.1** | **2.2** | **5.2** |

| Ratios (%) | FY23A | FY24A | FY25E | FY26E | FY27E |
|---|---|---|---|---|---|
| **Capex/Sales** | **21.5%** | **19.4%** | **14.7%** | **12.6%** | **11.5%** |
| Capex/D&A | 0.8x | 0.6x | 0.7x | 0.7x | 0.8x |
| FCF/EBITDA | nm | nm | -13.3% | 20.5% | 35.1% |
| FCF/Net profit | nm | nm | nm | 299.1% | 143.4% |
| **Dividend pay-out** | **0.0%** | **0.0%** | **0.0%** | **0.0%** | **0.0%** |

| Balance sheet (Eu mn) | FY23A | FY24A | FY25E | FY26E | FY27E |
|---|---|---|---|---|---|
| Working capital | 11.2 | 9.4 | 12.7 | 14.8 | 16.5 |
| Fixed assets | 31.8 | 31.3 | 31.2 | 28.9 | 26.8 |
| Provisions & others | (9.0) | (7.1) | (9.0) | (10.3) | (11.5) |
| **Net capital employed** | **34.0** | **33.6** | **34.8** | **33.4** | **31.8** |
| **Net debt/(Net cash)** | **21.8** | **1.7** | **(15.3)** | **(17.5)** | **(22.7)** |
| Equity | 12.2 | 31.9 | 50.1 | 50.9 | 54.5 |
| Minority interests | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |

| Ratios (%) | FY23A | FY24A | FY25E | FY26E | FY27E |
|---|---|---|---|---|---|
| **Working capital/Sales** | **34.3%** | **34.4%** | **30.5%** | **28.8%** | **27.4%** |
| **Net debt/Equity** | **178.4%** | **5.3%** | **nm** | **nm** | **nm** |
| **Net debt/EBITDA** | **nm** | **0.5x** | **nm** | **nm** | **nm** |

| Valuation | FY23A | FY24A | FY25E | FY26E | FY27E |
|---|---|---|---|---|---|
| **EV/CE** | **2.7x** | **3.5x** | **3.6x** | **3.6x** | **3.6x** |
| P/BV | 7.7x | 4.6x | 3.6x | 3.5x | 3.3x |
| EV/Sales | 3.5x | 5.2x | 3.8x | 3.1x | 2.6x |
| EV/EBITDA cash | nm | nm | 129.0x | 35.0x | 18.7x |
| **EV/EBITDA** | **nm** | **42.4x** | **22.6x** | **14.8x** | **10.4x** |
| EV/EBIT | nm | nm | -130.6x | 82.6x | 26.4x |
| **EV/EBIT adjusted** | **nm** | **nm** | **-130.6x** | **82.6x** | **26.4x** |
| P/E | nm | nm | nm | 242.8x | 49.0x |
| **P/E adjusted** | **nm** | **nm** | **nm** | **242.8x** | **49.0x** |
| ROCE pre-tax | neg | neg | -2.9% | 4.4% | 13.5% |
| **ROE** | **neg** | **neg** | **-3.5%** | **1.4%** | **6.7%** |
| EV/FCF | neg | neg | nm | 72.2x | 29.6x |
| **FCF yield** | **neg** | **neg** | **-0.5%** | **1.2%** | **2.9%** |
| **Dividend yield** | **0.0%** | **0.0%** | **0.0%** | **0.0%** | **0.0%** |

Source: Company data, Alantra estimates

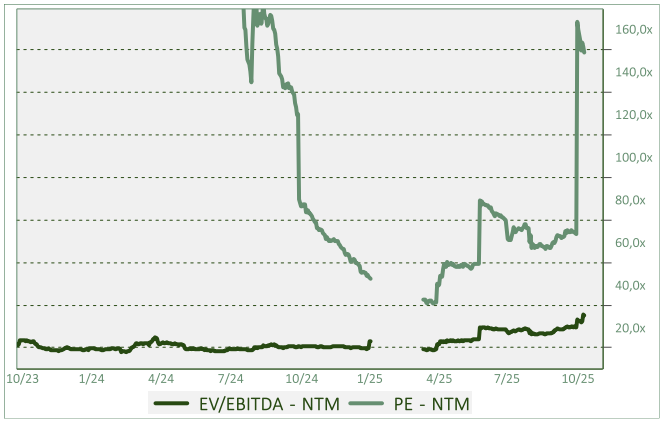
## Share price performance

*The share price does not yet reflect the ongoing strategic transformation*




## Valuation

*Market multiples still reflect a turnaround phase, but started re-rating*



# Key Charts

## Expert.ai verticals breakdown

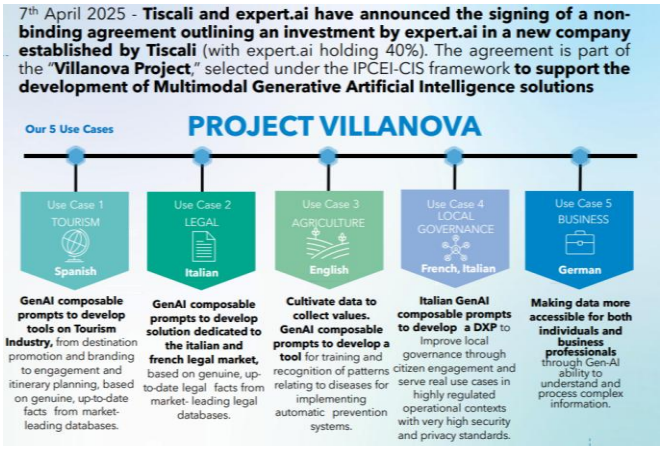
*Group's revenue streams, with Insurance and Banking & Finance as key sectors*




Source: Company data

## The Villanova project

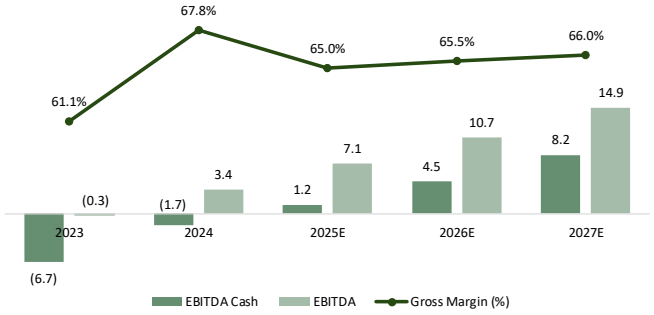
*EU-backed IPCEI boosts Expert.ai's multimodal AI in regulated sectors*




Source: Company data

## Profitability inflection with expanding margin

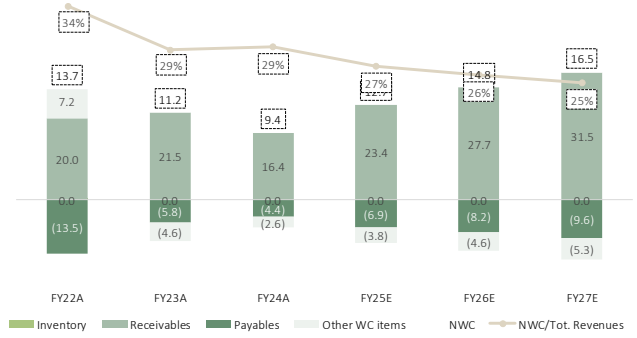
*Following the 2024 governance shift, EBITDA cash should turn positive in 2025*




Source: Company data, Alantra estimates

## SaaS shift improves working capital profile

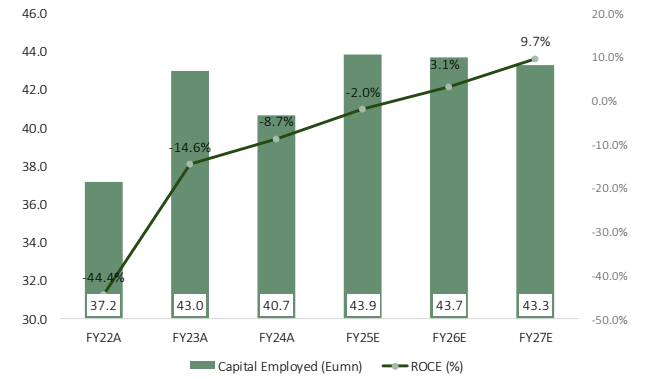
*SaaS revenues cut seasonality, lowering NWC/Revenues to 25%*




Source: Company data, Alantra estimates

## ROCE, from negative to 10.0% in 2024-27E

*Broadly stable capital and rising EBIT lift ROCE to 10% in 2027E*




Source: Company data, Alantra estimates

## 2024-27E Net Debt/Cash bridge

*Expert.ai is expected to generate FCF, while continuing to invest in development*




Source: Company data, Alantra estimates

# Profile

**Background**

Expert.ai is a European deep-tech AI company specializing in Natural Language Understanding (NLU) and Processing (NLP), with a proprietary neuro-symbolic architecture combining LLMs and symbolic reasoning. Founded in 1989, it operates across 8 countries with 200+ professionals, offering scalable, explainable, and domain-specific AI solutions. Its modular EidenAI Suite powers automation and insight extraction for highly regulated sectors including insurance, banking, pharmaceuticals, public administration, and media. Available via SaaS or on-premises, Expert.ai's tools integrate seamlessly with enterprise systems. Recent strategic changes, led by CEO Dario Pardi, have shifted the business from a fragmented, service-heavy model toward a scalable, capital-light SaaS structure with improving margins and cash generation. The group is also a key participant in the EU-backed Project Villanova, aimed at developing Multimodal Generative AI. With 30+ years of experience in language intelligence and a hybrid architecture designed to reduce hallucinations and enhance control, Expert.ai is positioned as a trusted partner for mission-critical AI transformation in complex, compliance-driven environments.

**Positioning**

Expert.ai stands out as a vertically specialized, enterprise-grade AI platform focused on Natural Language Understanding (NLU) and Processing (NLP). 1) It combines a proprietary neuro-symbolic AI core with a modular suite of tools and solutions (EidenAI), enabling explainable, end-to-end automation across language-intensive workflows; 2) It has built a track record of deployment in regulated sectors, with mission-critical use cases across insurance, banking, pharma, and PA. Unlike most players that are either infrastructure providers or system integrators, Expert.ai offers an integrated model that blends foundational AI capabilities with ready-to-deploy vertical solutions, delivered via SaaS or on-premises. Its hybrid architecture ensures high semantic precision and control, key to compliance-heavy environments. With over 30 years of domain expertise, growing SaaS adoption, and a clear pivot from custom services to scalable products, Expert.ai is now positioned to lead the transition toward explainable, production-grade AI. Despite prior inefficiencies, the group has regained financial discipline and is executing a roadmap rooted in profitable, capital-light growth.

**Growth**

Expert.ai is executing a strategic shift aimed at restoring profitable growth, following years of underperformance. While FY24 revenues declined 16% due to the SaaS transition and commercial restructuring, EBITDA turned positive (12.4% margin), marking a structural reversal. The pivot to recurring, product-led revenues (64% of FY24 sales) is expected to drive margin expansion, with EBITDA margins seen rising to 25% by 2027. International revenues are gaining traction, with the US set to exceed one-third of total by 2026. Investments in R&D (13% of sales) remain central to scaling the EidenAI Suite. PA, a historical stronghold, continues to act as a key growth engine alongside banking and insurance.

**Strategy**

Expert.ai has defined a focused, AI-first strategy supported by a multi-year transformation plan based on three pillars: (i) transitioning from services and term licenses to a SaaS-based, product-led model (64% of FY24 revenues), centered on the modular EidenAI Suite and its vertical use cases; (ii) international growth, with North America expected to generate over one-third of revenues by 2026; (iii) selective M&A to enhance capabilities and broaden vertical exposure (the acquisition of ISED goes in this direction). The platform integrates open-source LLMs (e.g., Mistral) and offers flexible deployment across cloud and on-premises environments. Strategic focus remains on regulated sectors, insurance, banking, pharma, and PA, where precision and explainability are critical. The shift to recurring revenues supports scalability, margin improvement, and reduced reliance on custom projects, while aligning with enterprise-grade AI standards.

| Strengths | Weaknesses |
|---|---|
| Proprietary hybrid AI architecture | Relatively high customer concentration |
| Domain expertise and vertical specialisation | Legacy customization and service dependence |
| Geographical diversification & US expansion | Limited penetration outside Italy |
| Transition to scalable SaaS model | Ongoing reorganization |

| Opportunities | Threats |
|---|---|
| Explosive AI market growth | Competition from hyperscalers & LLM platforms |
| SaaS scaling & managed services rollout | High valuation in AI sector |
| Regulatory tailwinds in Europe | Customer retention without contractual lock-in |
| M&A to accelerate business expansion | IT talent competition & wage inflation |

| Key shareholders |
|---|
| GUM Group - 10.4% |
| Ergo srl - 6.1% |
| Sofia Holding - 3.1% |
| Market - 80.4% |

| Management |
|---|
| Dario Pardi - CEO & CH |
| Fabio Montorselli - CFO |
| Stefano Spaggiari - IR |
| Marco Varone - CTO |
| Umberto Pardi - CRO |
| Peter Caiazzi - COO |

| Next events |
|---|

# 1H25 Results

### ExpertAi – 1H25 Results

*1H25 EBITDA is still negative because the benefits from growth and efficiency are lagging, while integration, consulting and personnel expansion costs hit upfront*

| Eu mn | 1H24A | 1H25A | YoY% | 2H24A | 2H25E | YoY% | FY24A | FY25E | YoY% |
|---|---|---|---|---|---|---|---|---|---|
| Value of Production | 13.9 | 17.9 | *29%* | 18.5 | 29.6 | *60%* | 32.4 | 47.5 | *47%* |
| EBITDA | (0.8) | (0.6) | *nm* | 4.2 | 7.6 | *82%* | 3.4 | 7.1 | *109%* |
| *Ebitda Margin %* | -5.8% | -3.2% | | 22.7% | 25.8% | | 10.5% | 14.9% | |
| EBIT | (4.5) | (5.1) | *nm* | (0.5) | 3.9 | *nm* | (5.0) | (1.2) | *nm* |
| *Ebit Margin %* | *neg* | -28.5% | | *neg* | 13.1% | | *neg* | -2.6% | |
| Net Profit | (6.6) | (6.8) | *nm* | (3.5) | 5.1 | *nm* | (10.1) | (1.7) | *nm* |
| *Net Profit Margin %* | *neg* | -38.1% | | *neg* | 17.2% | | *neg* | -3.7% | |
| NFP end of the period | (1.7) | (5.1) | | (1.7) | 15.3 | | (1.7) | 15.3 | |

Source: Company data and Alantra estimates

# Change in Estimates

### Estimates changed

*After 1H25 results, we trim EBITDA to the lower end of guidance, with growth assumptions broadly unchanged.*

| | NEW Estimates | | | % Change | | | OLD Estimates | | |
|---|---|---|---|---|---|---|---|---|---|
| (Eu mn) | FY25E | FY26E | FY27E | FY25E | FY26E | FY27E | FY25E | FY26E | FY27E |
| Revenues | 41.6 | 51.6 | 60.2 | -4.1% | -4.3% | -4.4% | 43.4 | 53.9 | 62.9 |
| EBITDA Reported | 7.1 | 10.7 | 14.9 | -29.4% | -15.7% | -13.4% | 10.0 | 12.7 | 17.2 |
| EBITDA Cash | 1.2 | 4.5 | 8.2 | -68.5% | -27.5% | -19.5% | 3.9 | 6.3 | 10.2 |
| EBIT Adjusted | (1.2) | 1.9 | 5.9 | nm | -54.0% | -29.2% | 1.7 | 4.2 | 8.3 |
| Pretax Profit | (2.4) | 1.0 | 5.0 | nm | -69.1% | -32.6% | 0.6 | 3.3 | 7.4 |
| Net profit | (1.7) | 0.7 | 3.6 | nm | -69.1% | -32.6% | 0.4 | 2.4 | 5.4 |
| EPS | (0.015) | 0.006 | 0.032 | nm | -69.1% | -32.6% | 0.004 | 0.021 | 0.048 |
| Net financial position | 15.3 | 17.5 | 22.7 | (2.6) | (3.8) | (5.1) | 17.9 | 21.3 | 27.9 |

Source: Alantra

# Peer analysis

## Trading multiples

*Expert.ai trades at a sharp discount to international AI peers on EV/Sales and EV/EBITDA, despite superior growth and improving margins*

| Company | Country | Mkt Cap (Eu mn) | EV/Sales | | | EV/EBITDA | | | EV/EBIT | | | PE | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | FY25E | FY26E | FY27E | FY25E | FY26E | FY27E | FY25E | FY26E | FY27E | FY25E | FY26E | FY27E |
| **Expert AI** | **ITALY** | **178** | **3.8 x** | **3.1 x** | **2.6 x** | **22.6 x** | **14.8 x** | **10.4 x** | **-130.6 x** | **82.6 x** | **26.4 x** | **nm** | **242.8 x** | **49.0 x** |
| *Prem. (disc.) to Int. AI Peers' Median* | | | *-80%* | *-81%* | *-76%* | *-82%* | *-85%* | *-88%* | *nm* | *-32%* | *-67%* | *nm* | *66%* | *-52%* |
| BigBear.ai Holdings, Inc. | UNITED STATES | 2,365 | 18.8 x | 17.1 x | na | na | na | na | na | na | na | na | na | na |
| C3.ai, Inc. Class A | UNITED STATES | 2,202 | 6.7 x | 6.3 x | 5.7 x | na | na | na | na | na | na | na | na | na |
| Open Text Corporation | CANADA | 8,311 | 2.9 x | 2.8 x | 2.7 x | 8.4 x | 7.9 x | 7.4 x | 9.1 x | 8.6 x | 7.9 x | 10.1 x | 9.4 x | 8.7 x |
| Palantir Technologies Inc. Class A | UNITED STATES | 355,197 | 102.5 x | 75.1 x | 55.5 x | 218.0 x | 153.9 x | 112.7 x | 221.7 x | 162.1 x | 117.9 x | 284.6 x | 216.9 x | 157.1 x |
| SenseTime Group, Inc. Class B | CHINA | 12,021 | 20.0 x | 15.9 x | 12.6 x | na | na | 496.9 x | na | na | na | na | na | na |
| Snowflake, Inc. | UNITED STATES | 68,204 | 16.8 x | 13.4 x | 10.7 x | 125.8 x | 97.3 x | 62.5 x | 181.8 x | 122.1 x | 79.6 x | 199.0 x | 146.4 x | 101.6 x |
| SoundHound AI, Inc Class A | UNITED STATES | 5,854 | 43.8 x | 34.2 x | na | na | na | na | na | na | na | na | na | na |
| **International AI Peers** | **Average** | **64,879** | **30.2 x** | **23.6 x** | **17.4 x** | **117.4 x** | **86.4 x** | **169.9 x** | **137.5 x** | **97.6 x** | **68.5 x** | **164.6 x** | **124.2 x** | **89.1 x** |
| | **Median** | **8,311** | **18.8 x** | **15.9 x** | **10.7 x** | **125.8 x** | **97.3 x** | **87.6 x** | **181.8 x** | **122.1 x** | **79.6 x** | **199.0 x** | **146.4 x** | **101.6 x** |
| Almawave S.p.A. | ITALY | 129 | 2.4 x | 2.0 x | 1.7 x | 11.4 x | 8.6 x | 6.7 x | 20.9 x | 14.3 x | 11.0 x | 25.4 x | 17.7 x | 13.9 x |
| CY4Gate SpA | ITALY | 134 | 1.8 x | 1.7 x | 1.5 x | 10.2 x | 8.0 x | 6.6 x | na | 42.7 x | 20.5 x | na | na | 67.1 x |
| Cyberoo S.p.A. | ITALY | 73 | 2.4 x | 2.1 x | 1.8 x | 6.3 x | 5.3 x | 4.4 x | 9.4 x | 7.9 x | 6.5 x | 14.3 x | 12.3 x | 10.7 x |
| Reply S.p.A. | ITALY | 4,628 | 1.7 x | 1.5 x | 1.3 x | 9.0 x | 8.3 x | 7.3 x | 10.9 x | 9.9 x | 8.6 x | 17.7 x | 16.8 x | 15.3 x |
| Sys-dat S.P.A. | ITALY | 194 | 1.9 x | 1.6 x | 1.4 x | 9.6 x | 8.2 x | 6.8 x | 14.7 x | 11.8 x | 9.7 x | 21.7 x | 19.0 x | 16.6 x |
| WIIT SpA | ITALY | 562 | 4.5 x | 4.1 x | 3.7 x | 11.7 x | 10.5 x | 9.5 x | 22.7 x | 18.1 x | 15.6 x | 29.1 x | 21.9 x | 19.8 x |
| **Italian Technology Peers** | **Average** | **953** | **2.4 x** | **2.2 x** | **1.9 x** | **9.7 x** | **8.2 x** | **6.9 x** | **15.7 x** | **17.5 x** | **12.0 x** | **21.6 x** | **17.5 x** | **23.9 x** |
| | **Median** | **164** | **2.2 x** | **1.8 x** | **1.6 x** | **9.9 x** | **8.3 x** | **6.8 x** | **14.7 x** | **13.0 x** | **10.3 x** | **21.7 x** | **17.7 x** | **15.9 x** |

Source: FactSet

## Financials – Expert.ai versus selected peers

*Expert.ai delivers top-line growth and EBITDA margins above both international and domestic peer medians*

| Company | Country | Mkt Cap (Eu mn) | FY25E - FY27E average margins | | | | | CAGR FY24A - FY27E | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | EBITDA Margin | EBIT Margin | Net Income Margin | Capex / Sales | Dividend Payout | Sales | EBITDA | EBIT | EPS |
| **Expert AI** | **ITALY** | **178** | **20.8%** | **3.5%** | **1.1%** | **12.9%** | **0.0%** | **30.0%** | **63.7%** | **nm** | **nm** |
| | **Average** | | **13.9%** | **-1.2%** | **-8.2%** | **8.6%** | **9.0%** | **16.4%** | **-8.8%** | **-3.8%** | **-9.3%** |
| | **Median** | | **20.1%** | **13.7%** | **10.4%** | **2.9%** | **0.0%** | **12.8%** | **16.9%** | **12.0%** | **10.0%** |
| BigBear.ai Holdings, Inc. | UNITED STATES | 2,365 | -15.9% | -83.7% | -138.2% | 0.6% | na | 0.7% | na | 8.0% | -19.7% |
| C3.ai, Inc. Class A | UNITED STATES | 2,202 | -48.2% | -50.3% | -39.6% | 0.9% | 0.0% | -1.0% | 18.0% | 12.0% | 10.0% |
| Open Text Corporation | CANADA | 8,311 | 35.5% | 32.9% | 20.2% | 2.9% | 26.6% | -2.8% | -0.7% | -0.8% | 2.0% |
| Palantir Technologies Inc. Class A | UNITED STATES | 355,197 | 48.4% | 46.3% | 40.5% | 0.7% | 0.0% | 38.7% | 48.3% | 46.6% | 41.4% |
| SenseTime Group, Inc. Class B | CHINA | 12,021 | -4.8% | -33.0% | -22.4% | 28.5% | 0.0% | 29.2% | -166.2% | -46.3% | -57.2% |
| Snowflake, Inc. | UNITED STATES | 68,204 | 14.9% | 11.2% | 10.8% | 1.8% | 0.0% | 24.9% | 43.7% | 59.9% | 40.9% |
| SoundHound AI, Inc Class A | UNITED STATES | 5,854 | -9.7% | -33.2% | -32.5% | 0.8% | na | 46.4% | -156.3% | -34.1% | -38.7% |
| **International AI Peers** | **Average** | **64,879** | **2.9%** | **-15.7%** | **-23.0%** | **5.2%** | **5.3%** | **19.4%** | **-35.5%** | **6.5%** | **-3.0%** |
| | **Median** | **8,311** | **-4.8%** | **-33.0%** | **-22.4%** | **0.9%** | **0.0%** | **24.9%** | **8.6%** | **8.0%** | **2.0%** |
| Almawave S.p.A. | ITALY | 129 | 23.3% | 13.7% | 11.2% | 23.4% | 0.0% | 12.8% | 24.4% | 52.5% | 0.6% |
| CY4Gate SpA | ITALY | 134 | 20.4% | 3.1% | -3.2% | 14.0% | 0.0% | 10.6% | 25.2% | -215.9% | -171.3% |
| Cyberoo S.p.A. | ITALY | 73 | 39.5% | 26.5% | 17.5% | 17.5% | 0.0% | 14.6% | 15.9% | 16.2% | 13.3% |
| Reply S.p.A. | ITALY | 4,628 | 17.9% | 15.1% | 10.4% | 1.9% | 19.9% | 8.5% | 7.7% | 10.1% | 13.0% |
| Sys-dat S.P.A. | ITALY | 194 | 20.1% | 13.8% | 8.8% | 4.7% | 12.7% | 23.2% | 24.4% | 25.0% | 21.7% |
| WIIT SpA | ITALY | 562 | 38.8% | 22.0% | 10.6% | 14.1% | 40.4% | 7.3% | 9.8% | 17.4% | 23.4% |
| **Italian Technology Peers** | **Average** | **953** | **26.7%** | **15.7%** | **9.2%** | **12.6%** | **12.2%** | **12.8%** | **17.9%** | **-15.8%** | **-16.6%** |
| | **Median** | **164** | **21.9%** | **14.4%** | **10.5%** | **14.0%** | **6.4%** | **11.7%** | **20.1%** | **16.8%** | **13.1%** |

Source: FactSet, Alantra

## Market performance of our selected peers

*The stock has performed broadly in line with the median of its peers from January 2025*

| Company | Country | Mkt Cap (Eu mn) | Performance 1M | 3M | 6M | YTD | 1YR | 3YR | 5YR |
|---|---|---|---|---|---|---|---|---|---|
| Expert AI | ITALY | 176 | -1.4% | 9.1% | 29.6% | 18.6% | 15.0% | 196.9% | -30.3% |
| | Average | | 18.5% | 20.2% | 61.3% | 29.4% | 90.3% | 266.3% | 268.0% |
| | Median | | 15.5% | 14.7% | 62.0% | 19.7% | 21.3% | 44.1% | 30.4% |
| BigBear.ai Holdings, Inc. | UNITED STATES | 2,365 | 49.4% | -4.4% | 153.9% | 67.2% | 383.1% | 402.7% | na |
| C3.ai, Inc. Class A | UNITED STATES | 2,202 | 22.4% | -25.5% | -0.1% | -44.5% | -20.7% | 52.5% | na |
| Open Text Corporation | CANADA | 8,311 | 15.5% | 30.4% | 62.0% | 30.7% | 18.4% | 46.6% | -4.1% |
| Palantir Technologies Inc. Class A | UNITED STATES | 355,197 | 19.0% | 30.9% | 134.0% | 140.9% | 368.4% | 2135.2% | 1721.7% |
| SenseTime Group, Inc. Class B | CHINA | 12,021 | 46.2% | 90.7% | 85.8% | 93.3% | 35.8% | 73.5% | na |
| Snowflake, Inc. | UNITED STATES | 68,204 | 4.1% | 4.0% | 79.2% | 52.1% | 106.3% | 34.1% | -4.5% |
| SoundHound AI, Inc Class A | UNITED STATES | 5,854 | 27.6% | 59.9% | 139.5% | -8.3% | 284.0% | 432.2% | na |
| International AI Peers | Average | 64,879 | 26.3% | 26.6% | 93.5% | 47.3% | 167.9% | 453.8% | 571.0% |
| | Median | 8,311 | 22.4% | 30.4% | 85.8% | 52.1% | 106.3% | 73.5% | -4.1% |
| Almawave S.p.A. | ITALY | 129 | 38.4% | 34.9% | 36.2% | 49.0% | 12.0% | 7.2% | na |
| CY4Gate SpA | ITALY | 134 | 13.6% | 14.7% | 63.2% | 15.0% | 22.9% | -30.4% | 30.4% |
| Cyberoo S.p.A. | ITALY | 73 | -4.3% | 5.4% | 3.8% | -17.0% | -39.1% | -7.4% | 75.6% |
| Reply S.p.A. | ITALY | 4,628 | 3.3% | -12.6% | -9.1% | -19.4% | -6.1% | 7.7% | 30.5% |
| Sys-dat S.P.A. | ITALY | 194 | -4.3% | 4.4% | 0.3% | 19.7% | 21.3% | na | na |
| WIIT SpA | ITALY | 562 | 9.8% | 29.7% | 47.6% | 3.7% | -12.8% | 41.5% | 26.5% |
| Italian Technology Peers | Average | 953 | 9.4% | 12.8% | 23.7% | 8.5% | -0.3% | 3.7% | 40.7% |
| | Median | 164 | 6.6% | 10.1% | 20.0% | 9.3% | 2.9% | 7.2% | 30.5% |

Source: FactSet, Alantra

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