



## PUBLICATIONS

29 September 2021

### EXPERT.AI

#### H1 2021 Results (=)

(Company)

#### Good prospects and upcoming MTA listing

Expert.ai published yesterday half-yearly results in line with our expectations and confirming the evolution of its business model. Furthermore, the Group has indicated its willingness to list its shares on the MTA market of the Italian Stock Exchange. As a result, the results are now presented in accordance with IFRS.

The company recorded revenues up 11% to €11.8 million, driven by very strong growth in recurring license sales (+102%). These now represent around 53% of total revenues, in line with its strategy. In addition, indirect sales (via local and international partners) increased by 133% and now represent 17% of sales.

EBITDA was negative at €8.1 million (vs. -€6.0 million in H1 2020) due to the planned increase in investments in sales & marketing and R&D. The net result amounts to -10.9M€ (vs. -4.3M€ in H1 2020). Finally, Expert.ai has a comfortable financial position in positive of €11.2M (vs. €18.8M at the end of 2020).

Regarding the outlook, the H1 results confirm our scenario for the current year. It should be noted that the second half of the year generally accounts for 2/3 of annual sales. With the successful deployment of its new SaaS platform (Expert.ai Platform) and the strengthening of the sales and R&D teams in the USA, the Group's commercial results should start to be felt from H2 2021 and then accelerate in 2022. The adoption of IFRS and the transition to MTA should also give the company more visibility and improve the liquidity of its share price.

We therefore remain very positive on the Group's prospects and anticipate a strong re-rating of the stock as soon as its efforts are reflected on its topline.

Buy, TP of 6,3€ - Alessandro Cuglietta : +33 1 78 95 71 64

Market Data	
Industry	Technology
Share Price (€)	2,8
Market Cap (€M)	142,3
Market Segment	AIM Italia
Bloomberg	EXSY IM

Ownership structure	
Ergo	8,8%
Founders & Management	17,6%
Free float	73,5%

€M (31/12)	2020	2021	2022	2023
Sales (€M)	28,1	33,5	46,5	67,5
Growth	-11,2%	19,1%	38,8%	45,4%
EBITDA	-1,9	-4,4	-0,6	7,6
EBITDA Margin	-6,8%	-13,3%	-1,2%	11,2%
Net income	-5,4	-13,6	-11,0	-4,4
EPS €	-0,11	-0,27	-0,22	-0,09
Growth	334,9%	150,4%	-19,4%	-60,2%
Dividend	0,00	0,00	0,00	0,00
Yield (%)	0,0%	0,0%	0,0%	0,0%
FCFF	-11,6	-10,9	-12,2	-6,3
ROCE				
EV/Sales (x)		3,7	2,6	1,8
EV/EBITDA (x)				16,1
PE (x)				
Net Debt	-20,9	-9,5	3,3	10,2
Gearing net	-15%	-7%	2%	7%

Midcap Partners estimates

Upcoming event : TBD

TOP Peers	Market Cap (€M)	EV/Sales 2021	EV/Sales 2022	EV/EBITDA 2021	EV/EBITDA 2022
Snowflake, Inc. Class A	76 813	72,0	44,0		
Veritone, Inc.	686	5,8	3,4		190,9
BlackLine, Inc.	5 936	16,1	13,3	138,0	110,7

Source: FACTSET

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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

Company	Conflict Type
ATEME	Nil
EXPERT.AI	G
GPI	G
OSAI AS SPA	G

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