

Consolidate to Boost the Growth

ADD | Fair Value: €2.94 (€3.18) | Current Price: €1.65 | Upside: +77.9%

Research Update

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€ Million	FY20A	FY21A	FY22A	FY23E	FY24E	FY25E	FY26E
Sales Revenues	16.4	18.2	21.0	24.5	29.1	36.8	43.0
EBITDA	4.8	5.9	6.4	7.5	9.0	11.3	13.4
margin	29.5%	32.7%	30.6%	30.8%	30.9%	30.8%	31.0%
Net Profit	0.3	0.6	0.7	0.7	1.2	2.3	3.2
margin	1.6%	3.3%	3.2%	2.7%	4.2%	6.3%	7.5%
EPS	0.01	0.03	0.04	0.03	0.06	0.12	0.17
NFP	5.4	7.0	11.6	12.1	7.6	2.4	(5.0)

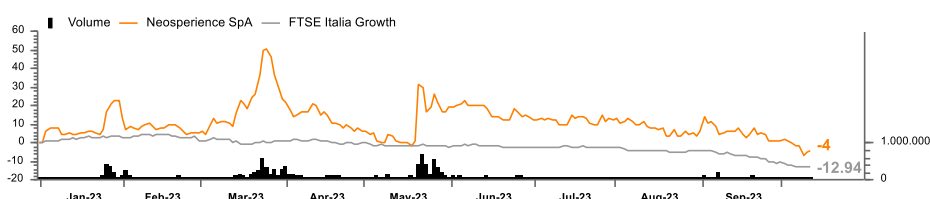
Source: Company Data (2020-2022), KT&Partners' Elaboration (2023-2026)

1H23 Financial results. Neosperience released its 1H23 consolidated financial results showing sales revenues at €12.2mn compared to €11.7mn in 1H22 (+4.2% YoY), almost in line with our estimate of €12.7mn (-3.7%). Looking at revenues breakdown by Business Unit, the Empathic Customer Experience (ECX) grew by +23% YoY, reaching €5.5mn and accounting for the 44.5% of sales; Empathic Process Innovation (EPI) maintained its sales figures substantially in line compared to 1H22, €5.4mn vs. €5.6mn in 1H22, representing the 44.4% of sales; the Empathic Business Transformation unit (EBT) generated €1.2mn, slowing down from the €1.6 in 1H22. Looking at the EBITDA, in 1H23 the Group reported €4.0mn, in line with the €4.1mn achieved in 1H22 and slightly below our estimates of €4.3mn (-6.7%). At marginality level, despite a slight decline, the EBITDA margin still hovered above the 30% threshold at 33.1% in 1H23, in line with our expectation of 33.5%, but 2pp lower than the 1H22 (35.1%). Indeed, compared to 1H22, the Group showed a higher incidence on sales in terms of: i) cost of services from 36.7% in 1H22 to 38.2% in 1H23 and ii) personnel costs that increased from 37.2% in 1H22 to 39.4% in 1H23. At the EBIT level the Group showed an improvement, recording 1H23 EBIT of €1.5mn (+24% YoY), also improving the EBIT margin to 12.6%, up 2.0pp from 1H22, aided by the reduction of D&A and Provisions incidence on sales from 24.5% in 1H22 to 20.6% in 1H23. Therefore, 1H23 Net Income attained to €0.9mn, up from €0.5mn recorded in 1H22 and above our estimate of €0.7mn; it should be considered that the Group has benefited from the use of tax credits granted for its R&D activities. After accounting for minorities, the Net Income pertaining to the Group stood at €0.8mn; the net margin was enhanced by 5.4pp from 1H22 and increased to 6.9% in 1H23. Finally, NFP worsened in 1H23, standing at €13.1mn vs. €11.6mn in FY22, mainly due to an increase in trade receivables.

Change in estimates. Following Neosperience's release of its 1H23 financial results, which were almost in line with our estimates, we maintained our profit and loss estimates unchanged for the 2023E-26E period, but we adjust our expectation regarding the networking capital in line with 1H23 Neosperience's result. More in detail, we anticipate FY23E sales revenues to be €24.5mn, forecasting a CAGR22A-26E of 19.6%, to reach €43.0mn in FY26E. Focusing on profitability, we project a FY23E EBITDA of €7.5mn, while for the following years, we expect the Group's EBITDA to grow by a CAGR22A-26E of 20%, rising to €13.4mn by FY26. On the marginality side, we project the EBITDA margin to be 30.8% in FY23, expecting it to remain just above 30% until 2026E. Looking at the bottom line, we estimate FY23E net income at €0.9mn with a net margin equal to 3.5%, expecting improvements until reaching a net income of €4.2mn and a net margin of 9.7% in FY26E. Finally, we project FY23 NFP to be €12.1mn from the prior €9.6mn, given the higher net working capital cash absorption, expecting the Group to reach a net cash position in FY26 with a NFP of €-5mn.

Valuation. Our valuation – based on both market multiples method (EV/EBITDA and P/E) and DCF – returns an average equity value of €60.2mn or a fair value of €2.94ps, showing a potential upside of +77.9% on current market price.

Performance Chart – YTD



Market Data	
Main Shareholders	
Neos S.r.l.	34.4%
Management	11.8%
MI Chelverton European Select Fund	4.7%
Treasury Stock	0.1%
Mkt Cap (€ mn)	31.7
EV (€ mn)	48.0
Shares out.	19.2
Free Float	49.0%

Market multiples	2023	2024	2025
EV/EBITDA			
Neosperience SpA	4.2x	3.5x	2.8x
Comps Average	8.3x	6.7x	5.6x
Neosperience SpA vs Average	-49%	-48%	-50%
P/E			
Neosperience SpA	48.2x	26.1x	13.7x
Comps Average	16.4x	10.8x	11.7x
Neosperience SpA vs Average	194%	141%	17%

Stock Data	
52 Wk High (€)	2.73
52 Wk Low (€)	1.33
Avg. Daily Trading 90d	29,358
Price Change 1w (%)	-7.04
Price Change 1m (%)	-11.76
Price Change YTD (%)	-5.71

KT&PARTNERS PREPARED THIS DOCUMENT PURSUANT TO AN ENGAGEMENT LETTER ENTERED INTO WITH BANCA FINNAT S.P.A. ACTING AS SPECIALIST IN ACCORDANCE WITH ART. 35 OF EURONEXT GROWTH MILAN MARKET RULES FOR COMPANIES

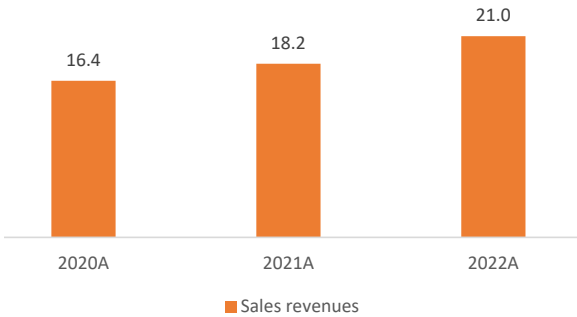
Key Figures – Neosperience SpA

Current price (€)	Fair Value (€)		Sector					Free Float (%)
1.65	2.94		Digital Innovation					49.0%
Per Share Data	2019A	2020A	2021A	2022A	2023E	2024E	2025E	2026E
Total shares outstanding (mn)	19.18	19.18	19.18	19.18	19.18	19.18	19.18	19.18
EPS	0.05	0.02	0.04	0.05	0.04	0.08	0.16	0.22
Dividend per share (ord)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Dividend payout ratio (%)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Profit and Loss (EUR million)	2019A	2020A	2021A	2022A	2023E	2024E	2025E	2026E
Total Revenues	17.5	19.6	20.7	25.2	27.0	31.6	39.3	45.5
EBITDA	3.6	4.8	5.9	6.4	7.5	9.0	11.3	13.4
EBIT	1.1	0.8	1.5	1.5	1.4	2.4	4.2	5.7
EBT	1.0	0.9	1.1	1.1	1.1	2.0	3.8	5.3
Taxes	(0.0)	(0.5)	(0.3)	(0.2)	(0.2)	(0.4)	(0.8)	(1.1)
Tax rate	4%	56%	29%	21%	21%	21%	21%	21%
Net Income	0.9	0.4	0.8	0.9	0.9	1.6	3.0	4.2
Net Income attributable to the Group	0.9	0.3	0.6	0.7	0.7	1.2	2.3	3.2
Balance Sheet (EUR million)	2019A	2020A	2021A	2022A	2023E	2024E	2025E	2026E
Total fixed assets	13.0	19.0	25.8	38.6	37.2	35.3	32.9	30.1
Net Working Capital (NWC)	3.3	4.2	5.8	7.3	10.8	10.5	11.6	12.4
Provisions	(0.6)	(1.1)	(1.3)	(1.8)	(2.5)	(3.3)	(4.2)	(5.4)
Total Net capital employed	15.7	22.1	30.3	44.1	45.5	42.5	40.3	37.1
Net financial position/(Cash)	1.2	5.4	7.0	11.6	12.1	7.6	2.4	(5.0)
Group Shareholder's Equity	14.2	16.0	22.6	28.4	29.1	30.3	32.6	35.8
Minorities	0.3	0.7	0.6	4.1	4.3	4.6	5.3	6.3
Total Shareholder's Equity	14.5	16.7	23.3	32.5	33.3	34.9	37.9	42.1
Cash Flow (EUR million)	2019A	2020A	2021A	2022A	2023E	2024E	2025E	2026E
Net operating cash flow	3.5	4.3	5.6	6.2	7.2	8.5	10.4	12.1
Change in NWC	(1.0)	(1.0)	(1.5)	(1.5)	(3.5)	0.3	(1.1)	(0.7)
Capital expenditure	(8.7)	(9.9)	(10.7)	(18.2)	(4.6)	(4.7)	(4.8)	(4.9)
Other cash items/Uses of funds	(0.4)	0.4	(0.3)	0.9	0.7	0.8	1.0	1.1
Free cash flow	(6.7)	(6.1)	(7.0)	(12.6)	(0.2)	4.8	5.5	7.7
Enterprise Value (EUR million)	2019A	2020A	2021A	2022A	2023E	2024E	2025E	2026E
Market Cap	71.9	50.6	54.1	33.6	31.7	31.7	31.7	31.7
Minorities	0.3	0.7	0.6	4.1	4.3	4.6	5.3	6.3
Net financial position/(Cash)	1.2	5.4	7.0	11.6	12.1	7.6	2.4	(5.0)
Enterprise value	73.4	56.7	61.7	49.2	48.0	43.9	39.3	33.0
Ratios (%)	2019A	2020A	2021A	2022A	2023E	2024E	2025E	2026E
EBITDA margin	20.4%	24.7%	28.7%	25.5%	28.0%	28.5%	28.9%	29.3%
EBIT margin	6.4%	4.2%	7.1%	6.0%	5.4%	7.5%	10.7%	12.5%
Gearing - Debt/equity	8.5%	33.6%	30.8%	40.8%	41.7%	25.0%	7.2%	-14.0%
Interest cover on EBIT	9.4%	12.8%	25.7%	25.2%	24.7%	15.1%	8.5%	6.3%
NFP/EBITDA	0.34x	1.12x	1.17x	1.80x	1.60x	0.84x	0.21x	-0.38x
ROCE	7.1%	3.7%	4.9%	3.4%	3.2%	5.6%	10.4%	15.3%
ROE	6.5%	1.6%	2.6%	2.4%	2.3%	4.0%	7.1%	9.0%
EV/Sales	1.81x	1.62x	1.53x	1.25x	1.17x	1.00x	0.81x	0.70x
EV/EBITDA	8.86x	6.55x	5.33x	4.92x	4.19x	3.52x	2.79x	2.37x
P/E	34.27x	121.60x	53.04x	46.59x	48.22x	26.09x	13.68x	9.85x
Free cash flow yield	-21.0%	-19.3%	-22.0%	-39.7%	-0.7%	15.3%	17.3%	24.2%
Growth Rates (%)	2019A	2020A	2021A	2022A	2023E	2024E	2025E	2026E
Total Revenues	48.7%	11.7%	5.9%	21.9%	6.9%	16.9%	24.5%	16.0%
EBITDA	6.1%	35.2%	23.0%	8.3%	17.3%	19.0%	26.1%	17.8%
EBIT	n.m.	-27.4%	81.7%	2.0%	-4.1%	63.9%	77.1%	35.6%
Net Income	n.m.	-56.8%	90.4%	13.8%	-3.4%	84.8%	90.8%	38.9%

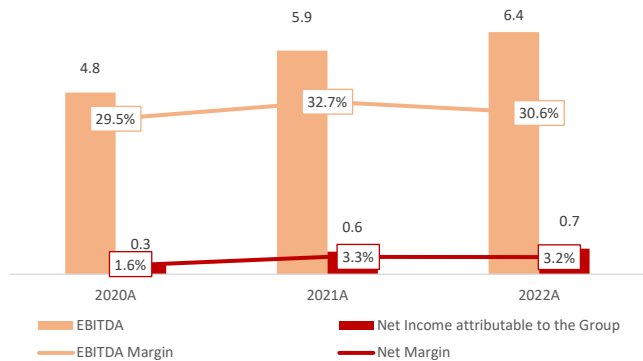
Source: Company Data (2019-2022), KT&Partners' forecasts (2023-2026)

Key Charts

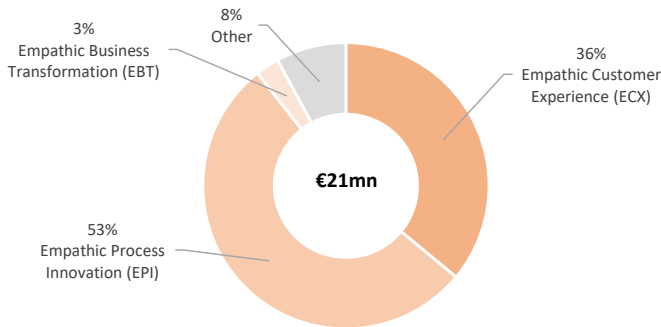
Sales Revenues (€mn)



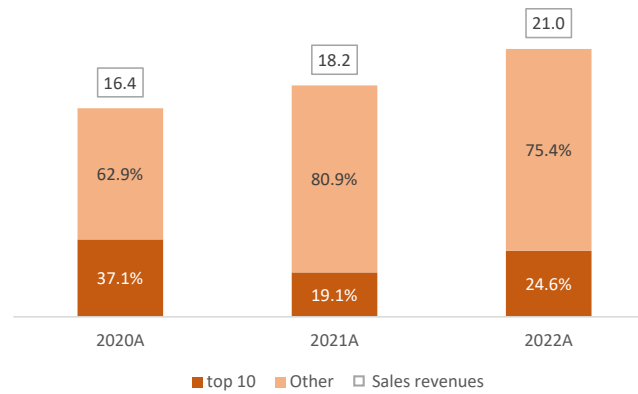
EBITDA and Net Income (€mn, %)¹



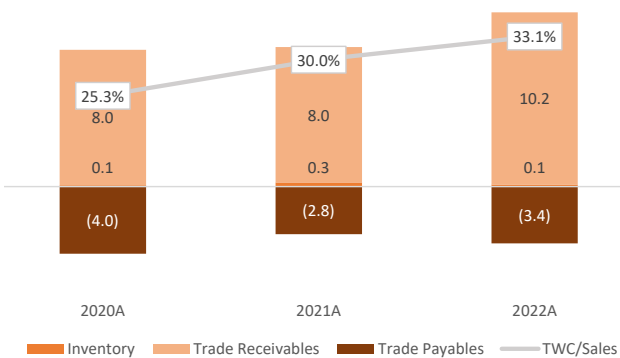
FY22 Sales Revenues Breakdown by Business Area (€mn)



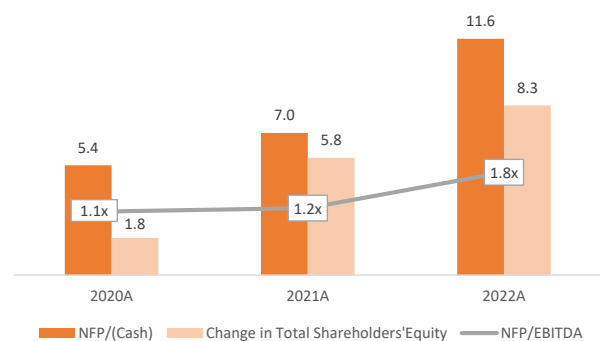
Sales Revenues Breakdown by Client (€mn)



Trade Working Capital (€mn, %)



NFP, Change in Shareholders' Equity and NFP/EBITDA (€mn)



¹ Margins are calculated on Sales Revenues

Company Overview

Neosperience SpA

Neosperience SpA, located in Milan (Italy), is a company active in the digital transformation industry, acting as a software vendor of its cloud-based platform Neosperience Cloud, which provides cutting-edge solutions aimed at supporting companies in their digitalization journey.

Started as a platform almost exclusively dedicated to meeting marketing needs, it has evolved throughout the years into a larger-scope suite that offers a wide array of applications, also embracing such operational processes as sales and logistics; the platform integrates cognitive, behavioural, social, and marketing psychology with AI and machine learning and offering a broad range of technological tools for analysing online customer behaviours (web, digital commerce, apps, chatbots). It is a world-class platform focused on customer analytics, awarded by Gartner as one of the top six most innovative software vendors, along with Salesforce and SAS, because of its deep knowledge in cognitive, behavioural, and social sciences. The platform solutions are constantly updated and improved, based on testing, use, and customer feedback. They incorporate the answer to marketing and sales needs in major industries (fashion and luxury, retail, healthcare, manufacturing, and financial services). Thanks to its API-first paradigm and its serverless microservices architectures, Neosperience Cloud develops applications focused on business, targeted on any industry specificities.

The Company's activity is divided in three business areas representing the applications that shape Neosperience Cloud: i) Empathic Customer Experience (ECX) – aimed at improving customer relationships organizing marketing processes, omnichannel touchpoints, state-of-the-art technologies, and data analysis to provide a customer experience that always meets clients' expectations; ii) Empathic Process Innovation (EPI) – is an area that supports clients in the digitalization of their operations, starting from solutions aimed at enhancing Company's ERP to the CRM and the other external processes through the implementation of AI, B2B industry-specific platforms, knowledge management systems, and supply-chain planning; and iii) Empathic Business Transformation (EBT) – area involved in providing to SMEs a support in the projection, implementation, and execution of a digitalization strategy plan. EBT business area also includes 4 vertical solutions aimed at accelerating the company value generation: HealthTech, LegalTech, SafeTech, and TourismTech. The remaining 8% of sales revenues is attributable to other secondary services.

Since 2018, thanks to an outstanding revenues acceleration driven by both organic and inorganic growth, the Company has been able to increase its sales from €5.2mn in FY17A to €21mn in FY22A, equal to a CAGR_{2017-22A} of +32.1%. As same as the sales growth, Neosperience's profitability exhibited a rising trajectory improving year by year since 2018, reaching a remarkable FY22A EBITDA margin of 30.6% thanks to an increasing automation of its internal processes and adoption of AI solutions.

Investment case

- **A modular, scalable, and serverless platform.** Neosperience is the owner of a proprietary end-to-end software suite for supporting companies in their CX needs and operational processes. The AI-based platform is powered by algorithms based on the serverless Amazon Web Service (AWS) infrastructure, which is the most flexible and agile cloud computing service on the market. Furthermore, it is based on a modular logic which allows customization according to one's needs and industry. This software architecture has therefore the quality of being scalable and open to the changing market needs.
- **An Outstanding and Highly Diversified Client Portfolio.** Neosperience could boast a customer base composed of more than 800 large and SME enterprises with an outstanding reputation and belonging to numerous industries such as Fashion,

Luxury & Beauty, Consumer Goods, Retail & Distribution, Energy & Communications, Automotive, HealthCare & Life Sciences, Financial Services, Travel & Transportation, and Public Institution.

- **A Consolidated Buy & Build M&A Strategy.** Since the IPO, Neosperience has started an external line growth strategy aimed at becoming one of the most important technological hubs in Europe and an M&A consolidator in a highly fragmented and fast-growing arena. Over the last 5 years, the Company completed 7 M&As (House of K, WorkUp, ADChange, Myti, Looptribe, Rhei, and Reevo) to acquire further know-how, new promising software platforms, skilled developers, distribution networks, and vertical solutions.
- **An ever-growing market also boosted by NNRP funds.** Neosperience is active in the customer experience and, more broadly, the digital transformation industry. According to Statista, in 2022, the CX personalization and optimization software market was expected to reach \$8.3bn globally and is projected to growth at a CAGR2021E–26E of +10.6% reaching \$11.6bn by 2026.

Recent Developments

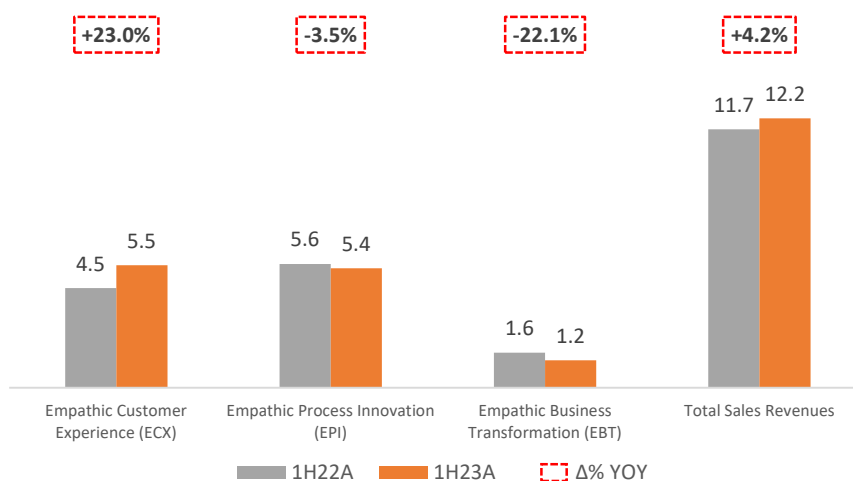
- **Neosperience announced the share capital increase.** Neosperience announced to have completed the increase of share capital of €3.1mn after issuing 1,600,000 new ordinary shares aimed at covering the costs for the 49% residual stake acquisition of Rhei S.r.l.
- **Neosperience develops Sinelec's C-ITS platform, the future foundation of smart roads.** On June 23, 2023, Neosperience announced that has been chosen by Sinelec, a technological company within the ASTM Group, one of the world's largest highway operators, for the development of their own C-ITS platform, dedicated to vehicle-to-everything (V2X) communication, a fundamental element for the development of Smart Roads of the future.
- **Launch of AI-based platform for ESG solutions offering.** On June 9, 2023, Neosperience announced a partnership with ecosostenibile.eu (an innovative start-up born as a spin-off of the Italian Ministry for the Environment) for the launch and commercial promotion of eCO2, a AI-based platform designed to help Companies to optimize and digitalize their ESG processes.
- **Neosperience Health to access foreign capital markets.** On May 19, 2023, Neosperience Health, 90% owned by Neosperience, announced its intention to tap U.S. capital markets, approving the issue of maximum 100,000,000 shares that can be issued in the future also for further fundraising either in Italy or in foreign capital markets, including the U.S..

1H23 Financial Results

Neosperience has released its 1H23 consolidated financial results showing sales revenues of €12.2mn, almost in line with our prior estimate of €12.7mn (-3.7%), improving by +4% YoY from the €11.7mn achieved in 1H22. The total revenues for the period reached €14.6mn, marking a 7% increase compared to the prior year, in line with our expectations. This increase is primarily attributed to €2.4 million in Other Revenues, which are mostly related to expenses associated with the development of Neosperience Enterprise Cloud, Neosperience Health Cloud, and Empathic Digital Commerce platforms.

Looking at the breakdown by Business Unit, the Empathic Customer Experience (ECX) grew by +23% YoY, reaching €5.5mn and accounting for 44.5% of sales; the Empathic Process Innovation (EPI) maintained its sales figures substantially in line compared to 1H22, declining only by 4% YoY to €5.4mn from €5.6mn in 1H22; the Empathic Business Transformation unit (EBT) ² generated €1.2mn, slowing down from €1.6mn achieved in 1H22 (-22% YoY).

1H22-23A Sales Revenues Breakdown by Business Unit (€mn) ²



Source: KT&Partners' Elaboration on Company's Data

Looking at the EBITDA, in 1H23 the Group recorded €4.0mn, in line with the €4.1mn achieved in 1H22 (-2% YoY) slightly above our estimates of €4.3mn (-6.7%); at the marginality level, despite a slight decline, the EBITDA margin still hovered above the 30% threshold at 33.1%, which is in line with our expectation of 33.5%, but 2.0pp lower than in 1H22, where stood at 35.1%. Indeed, compared to 1H22, the Group showed a higher incidence on sales in terms of: i) cost of services, from 36.7% in 1H22 to 38.2% in 1H23; ii) personnel costs, increased from 37.2% in 1H22 to 39.4% in 1H23.

At the EBIT level the Group showed an improvement, recording 1H23 EBIT of €1.5mn (+24% YoY), also improving the EBIT margin to 12.6%, up 2.0pp from 1H22, aided by the reduction of D&A and Provisions incidence on sales from 24.5% in 1H22 to 20.6% in 1H23.

Therefore, 1H23 Net Income attained to €0.9mn, above our estimate of €0.7mn. It is worth noting that the Group has benefited from the use of tax credits granted for its R&D activities.

² Revenues generated by Other units (Neosperience Health, ELIBRA) as reported on the Group's Consolidated Financial Statements are included in the Empathic Business Transformation unit (EBT) sales figures

After accounting for minorities, the Net Income pertaining to the Group stood at €0.8mn; the net margin was enhanced by 5.4pp from 1H22 and increased to 6.9% in 1H23.

Finally, NFP worsened in 1H23, at the end of which stood at €13.1mn vs. €11.6mn recorded in FY22, driven up mainly by an increase of trade receivables.

Change in Estimates

Following Neosperience's release of its 1H23 financial results, which were almost in line with our estimates, we maintained our profit and loss estimates unchanged for the 2023E-26E period, but we adjust our expectation regarding the networking capital in line with 1H23 Neosperience's results.

In detail, we anticipate FY23 sales revenues to be €24.5mn, forecasting a CAGR22A-26E of 19.6%, to reach €43.0mn in FY26E; hence, FY23 Total revenues are expected to be €27.0mn.

Focusing on profitability, we project a FY23 EBITDA of €7.5mn, while for the following years, we expect the Group's EBITDA to grow by a CAGR22A-26E of 20%, rising to €13.4mn at the end of 2026. On the marginality side, we project the EBITDA margin to be 30.8% in FY23, expecting it to remain just above 30% until 2026E, confirming the great result achieved in FY22 and on track to be repeated in FY23 in the wake of 1H23 results.

Looking at the bottom line, we estimate FY23E net income at €0.9mn with a net margin equal to 3.5%, with the expectation of improvements over the next years until reaching a net income of €4.2mn and a net margin of 9.7% in FY26E.

Finally, we project FY23 NFP to be €12.1mn from the prior €9.6mn, given the higher net working capital cash absorption, expecting the Group to reach a net cash position in FY26 with a NFP of €-5mn.

Change in Estimates

€ Millions	2022A	2023E	2023E	Change	2024E	2024E	Change	2025E	2025E	Change	2026E	2026E	CAGR	CAGR
	Actual	Old	New		Old	New		Old	New		Old	New		
Sales	21.0	24.5	24.5	0.0%	29.1	29.1	0.0%	36.8	36.8	0.0%	43.0	43.0	19.6%	19.6%
YoY Change (%)	15.8%	16.5%	16.5%		18.7%	18.7%		26.6%	26.6%		17.0%	17.0%		
EBITDA	6.4	7.5	7.5	0.0%	9.0	9.0	0.0%	11.3	11.3	0.0%	13.4	13.4	20.0%	20.0%
YoY Change (%)	8.3%	17.3%	17.3%		19.0%	19.0%		26.1%	26.1%		17.8%	17.8%		
EBITDA Margin	30.6%	30.8%	30.8%		30.9%	30.9%		30.8%	30.8%		31.0%	31.0%		
EBIT	1.5	1.4	1.4	0.0%	2.4	2.4	0.0%	4.2	4.2	0.0%	5.7	5.7	39.4%	39.4%
YoY Change (%)	2.0%	-4.1%	-4.1%		63.9%	63.9%		77.1%	77.1%		35.6%	35.6%		
EBIT Margin	7.2%	5.9%	5.9%		8.2%	8.2%		11.4%	11.4%		13.2%	13.2%		
Net Income	0.9	0.9	0.9	0.0%	1.6	1.6	0.0%	3.0	3.0	0.0%	4.2	4.2	47.5%	47.5%
YoY Change (%)	13.8%	-3.4%	-3.4%		84.8%	84.8%		90.8%	90.8%		38.9%	38.9%		
Net Margin	4.2%	3.5%	3.5%		5.4%	5.4%		8.2%	8.2%		9.7%	9.7%		
NFP	11.6	9.6	12.1	2.5	6.0	7.6	1.6	0.9	2.4	1.5	(6.9)	(5.0)		
YoY Change (%)	66.2%	78.8%	4.4%		-37.6%	-37.6%		-85.2%	-68.9%		-392.9%	-313.2%		

Source, KT&Partners' Elaboration on Company Data

Valuation

Following Neosperience SpA's future financials projections, we have carried out our valuation using the multiples and DCF methods. Our fair value is the result of:

1. EV/EBITDA and P/E multiples which return a value of €1.35 per share;
2. DCF analysis based on WACC of 9.0% and 2.0% perpetual growth, which returns a value of €4.52 per share.

The average of the two methods yields a fair value of €2.94ps or an equity value of €60.2mn.

Valuation Range Recap

	Equity Value €mn	Value per share €
EV/EBITDA	49.7	1.78
P/E	17.7	0.93
Average - multiples	33.7	1.35
DCF	86.7	4.52
Average	60.2	2.94

Source: FactSet, KT&Partners' elaborations

Market Multiples Valuation

Following our comps analysis, we evaluated the company by using the 2023–25 EV/EBITDA and P/E market multiples of the peer sample. Our valuation also includes a 20% liquidity/size discount and takes into account our estimates of Neosperience's EBITDA and Net Income for 2023, 2024, and 2025. We also considered FY22 NFP at €11.6mn.

Peer Comparison – Market Multiples 2022-2025

Company Name	Exchange	Market Cap	EV/SALES				EV/EBITDA				EV/EBIT				P/E			
			2022	2023	2024	2025	2022	2023	2024	2025	2022	2023	2024	2025	2022	2023	2024	2025
Alkemy SpA	Milan	43	0.6x	0.5x	0.5x	0.4x	5.4x	4.8x	4.0x	3.6x	7.5x	7.4x	5.8x	4.8x	7.7x	8.9x	6.3x	5.1x
Digital360 SpA	Milan	110	2.4x	n.a.	n.a.	n.a.	13.5x	n.a.	n.a.	n.a.	27.1x	n.a.	n.a.	n.a.	n.m	n.a.	n.a.	n.a.
dotDigital Group plc	London	253	2.7x	2.5x	2.2x	2.0x	8.2x	7.7x	7.2x	6.5x	12.6x	11.8x	11.0x	9.8x	17.6x	17.8x	17.4x	16.2x
Maps S.p.A.	Milan	32	1.7x	1.6x	1.5x	1.3x	7.9x	9.4x	6.5x	5.3x	15.3x	28.4x	12.9x	9.2x	11.2x	32.3x	12.3x	8.3x
TechTarget, Inc.	NASDAQ	746	3.1x	4.1x	3.9x	3.5x	11.6x	13.9x	11.7x	9.4x	15.1x	16.3x	13.4x	10.2x	21.1x	17.7x	15.8x	12.6x
Zeta Global Holdings Corp. Class A	NYSE	1,764	3.2x	2.7x	2.3x	1.9x	n.m	15.6x	12.4x	9.6x	n.m	25.7x	14.2x	8.7x	n.m	n.m	n.m	29.3x
DigiTouch SpA	Milan	29	0.9x	0.9x	0.7x	0.6x	5.8x	5.1x	3.9x	3.7x	9.2x	8.6x	5.9x	5.6x	11.4x	11.6x	7.7x	7.2x
Websoloute SpA	Milan	18	1.0x	0.9x	0.8x	0.7x	13.2x	4.8x	4.1x	3.5x	n.m	10.5x	7.3x	5.4x	n.m	18.0x	9.0x	9.0x
Relatech S.p.A.	Milan	87	1.7x	0.9x	0.8x	0.8x	13.4x	4.7x	4.1x	3.5x	32.4x	6.8x	5.7x	4.9x	48.4x	8.5x	7.2x	6.2x
Growens S.p.A.	Milan	101	1.0x	1.3x	1.1x	1.0x	24.9x	n.m	n.m	n.m	n.m	n.m	n.m	n.m	n.m	n.m	n.m	n.m
Average peer group		318	1.8x	1.7x	1.5x	1.4x	11.5x	8.3x	6.7x	5.6x	17.0x	14.4x	9.5x	7.3x	19.6x	16.4x	10.8x	11.7x
Median peer group		94	1.7x	1.3x	1.1x	1.0x	11.6x	6.4x	5.3x	4.5x	15.1x	11.2x	9.1x	7.2x	14.5x	17.7x	9.0x	8.7x
Neosperience SpA	Milan	32	2.4x	2.0x	1.7x	1.3x	7.7x	6.6x	5.5x	4.4x	32.9x	34.3x	20.9x	11.8x	46.7x	48.3x	26.1x	13.7x

Source: FactSet, KT&P's Elaboration

We end up with our Neosperience's equity value of €49.7mn for EV/EBITDA and of €17.7mn through the P/E method.

EV/EBITDA Multiple Valuation

Multiple Valuation (€mn)	2023E	2024E	2025E
EV/EBITDA Comps	8.3x	6.7x	5.6x
Neosperience SpA EBITDA	7.5	9.0	11.3
Enterprise value	62.3	60.5	63.7
Average Enterprise Value		62.2	
<i>Liquidity/Size Discount</i>		20%	
Enterprise value Post-Discout		49.7	
Neosperience SpA FY22 Net Debt		11.6	
Neosperience SpA FY22 Minorities		4.1	
Equity Value		34.1	
<i>Number of shares (mn)</i>		19.2	
Value per Share €		1.78	

P/E Multiple Valuation

Multiple Valuation (€mn)	2023E	2024E	2025E
P/E Comps	16.4x	10.8x	11.7x
Neosperience SpA Net Income	0.9	1.6	3.0
Equity Value	14.0	17.1	35.4
Average Equity Value		22.2	
<i>Liquidity/Size Discount</i>		20%	
Equity Value Post-Discout		17.7	
<i>Number of shares (mn)</i>		19.2	
Value per Share €		0.93	

Source: FactSet, KT&P's Elaboration

DCF Valuation

We have also conducted our valuation using a four-year DCF model, based on 9.5% cost of equity, 5% cost of debt, and a D/E ratio of 8.9% (Damodaran for software – system and applications sector). The cost of equity is a function of the risk-free rate of 4.29% (Italian 10y BTP, last 3 months average) and the equity risk premium of 4.67% (Damodaran for a mature market). We, therefore, obtained 9.0% WACC.

We discounted 2023E-26E annual cash flow and considered a terminal growth rate of 2.0%; then we carried out a sensitivity analysis on the terminal growth rate (+/- 0.25%) and on WACC (+/- 0.25%).

DCF Valuation

€ Millions	2023E	2024E	2025E	2026E
EBIT	1.4	2.4	4.2	5.7
Taxes	(0.3)	(0.5)	(0.9)	(1.2)
D&A	6.1	6.6	7.1	7.7
Change in Net Working Capital	(3.5)	0.3	(1.1)	(0.7)
Change in Funds	0.7	0.8	1.0	1.1
Net Operating Cash Flow	4.4	9.5	10.3	12.5
Capex	(4.6)	(4.7)	(4.8)	(4.9)
FCFO	(0.2)	4.8	5.5	7.7
g	2.0%			
Wacc	9.0%			
FCFO (discounted)	(0.2)	4.3	4.5	5.8
Discounted Cumulated FCFO	14.4			
TV	110.8			
TV (discounted)	83.9			
Enterprise Value	98.3			
NFP FY2022A	11.6			
Minorities FY2022A	4.1			
Equity Value	86.7			
Current number of shares (mn)	19.2			
Value per share (€)	4.5			

Source: FactSet, KT&P's Elaboration

Sensitivity Analysis

€ Millions		WACC				
		9.5%	9.3%	9.0%	8.8%	8.5%
Terminal growth Rate	1.5%	74.7	77.6	80.8	84.1	87.7
	1.8%	77.2	80.3	83.6	87.2	91.0
	2.0%	79.9	83.2	86.7	90.5	94.6
	2.3%	82.7	86.2	90.0	94.1	98.5
	2.5%	85.7	89.5	93.6	97.9	102.7

Source: KT&P's Elaboration

Appendix

Peer Comparison

To define Neosperience' peer sample, we carried out an in-depth analysis of listed companies active in the digital customer experience industry. In selecting potential peers, we considered Neosperience' offering, business model, growth, and profitability profile.

Looking at the Italian market, we note that there are not listed companies strongly focused on digital customer experience, such as Neosperience. Indeed, among the Italian companies, we selected Alkemy, Digital360, Maps, DigiTouch, Websolute, Relatech and Growens, since they also are active in the digital transformation industry, as is Neosperience.

Moreover, in our panel we included international companies such as dotDigital Group, TechTarget, and Zeta Global Holdings.

For peer analysis, we built a sample of eleven companies, which includes:

- Alkemy (ALK-IT): listed on Borsa Italiana Stock Exchange with a market capitalization of ca. €43mn, is a leading company in the digital transformation segment in Italy. Alkemy enables the evolution of enterprises' business, defining the relevant strategy through the use of technology, data, and creativity. The aim is to improve the operations and services supplied by large and medium enterprises, stimulating the evolution of their business model hand-in-hand with technological innovation and consumer conduct. In FY22A, the Company achieved €104.9mn of sales revenues.
- Digital360 (DIG-IT): listed on Borsa Italiana Stock Exchange with a market capitalization of ca. €110mn, Digital360 provides solutions for marketing and consulting technologies. The Company has the objective of accompanying enterprises and public administrations in understanding and implementing digital solutions. In FY22A, the Company achieved €55.3mn of sales revenues.
- dotDigital Group (DOTD-GB): listed on London Stock Exchange with a market capitalization of ca. €253mn, dotDigital Group is a leading provider of marketing automation and cross-channel marketing tools designed to empower digital marketing professionals. In FY22A, the Company achieved €74.2mn of sales revenues.
- Maps (MAPS-IT): listed on Borsa Italiana Stock Exchange with a market capitalization of ca. €32mn, Maps produces and distributes software for the analysis of big data that allows client companies to manage and analyze large quantities of information, helping them to make strategic and operational decisions and define new business models. In FY22A, the Company achieved €24.7mn of sales revenues.
- TechTarget (TTGT-US): listed on NASDAQ Stock Exchange with a market capitalization of €746mn, TechTarget engages in the provision of data and analytics and software solutions for purchase intent-driven marketing and sales data that delivers business impact for business-to-business companies. Its solutions include tech marketing, ABM, tech sales, and intent-driven services. In FY22A, the Company achieved €283.1mn of sales revenues.
- Zeta Global Holdings (ZETA-US): listed on NYSE Stock Exchange with a market capitalization of €1.8bn, Zeta Global Holdings operates as a marketing technology software company that engages in the provision of enterprises with consumer intelligence and marketing automation software. It enables its customers to target, connect, and engage consumers through software that delivers marketing across

all addressable channels, including email, social media, web, chat, connected TV, and video, among others. In FY22A, the Company achieved €562.3mn of sales revenues.

- DigiTouch (DGT-IT): listed on Borsa Italiana Stock Exchange with a market capitalization of ca. €29mn, DigiTouch SpA engages in the digital advertising business. It operates through the following business divisions: DigiMob, Performedia, and Audiens. The DigiMob division provides independent concessionaires for advertisements in mobiles and new devices. The Performedia division, through the subsidiary Performedia Srl, deals with the purchase of advertising space on behalf of its clients, the creation of online performance-based advertising campaigns, and the strategic consulting for online and offline media planning. The Audiens division, through the subsidiary Audiens Srl, operates as a mobile data profiler that collects and examines socio-demographic and behavioral data of mobile users from mobile operators for the benefit of advertisers. In FY22A, the Company achieved €41.3mn of sales revenues.
- Websolute (WEB-IT): listed on Borsa Italiana Stock Exchange with a market capitalization of ca. €18mn, Websolute engages in digital communication and marketing, The Company is focused on digital strategy concepts and technologies for branding policies, website design, electronic commerce, web marketing, and social media marketing. In FY22, the Company achieved €21.5mn of sales revenues.
- Relatech (RLT-IT): listed on Borsa Italiana Stock Exchange with a market capitalization of ca €87mn, Relatech engages in the provision of digital solutions. The firm offers services/solutions on the RePlatform cloud-based platform in the Cloud areas (hybrid, public and private), AI, Blockchain, IoT, Cybersecurity, Virtual & Augmented Reality. In FY22, the Company achieved €61mn of sales revenues.
- Growens (GROW-IT): listed on Borsa Italiana Stock Exchange with a market capitalization of ca €101mn Growens SpA provides a digital platform for the professional management and sending of electronic mails for mass distribution. It operates through the following segments: E-Mail Marketing, Mobile Marketing, and Marketing Automation. The E-mail Marketing segment offers marketing services through email. The Mobile Marketing segment includes SMS messaging as a marketing tool. The Marketing Automation segment refers to software solutions that allow the workflow management of sophisticated marketing campaigns. In FY22, the Company achieved €103mn of sales revenues.

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