

Italy – Digital Innovation

Stock split aimed at improving the liquidity of the stock

14th June 2022

STOCK SPLIT

RIC: NSP.MI
BBG: NSP IM

Neosperience completed the stock split deliberated at the extraordinary shareholders' meeting on 16-May-22. The decision was taken with the aim of facilitating the trading of NSP shares, thus favouring the liquidity of the stock and making it appreciable to a wider range of investors.

Rating:

Buy

Price Target:

€ 5.35 (€ 10.70)

Upside/(Downside): 170.2%

Last Price: € 1.98

Market Cap.: € 36.0m

1Y High/Low: € 3.44 / € 1.90

Avg. Daily Turn. (3M, 6M): € 62k, € 53k

Free Float: 63.8%

Major shareholder:

Neos Srl 36.2%



Stock price performance

| | 1M | 3M | 12M |
|------------------------------|------|--------|--------|
| Absolute | 0.3% | -16.1% | -39.4% |
| Rel.to FTSE IT Growth | 4.7% | -10.1% | -36.6% |
| Rel.to Sector | 5.4% | -6.0% | -30.6% |

Analysts:

Luca Arena
+39 02 30343 395
luca.arena@cfosim.com

Gianluca Mozzali
+39 02 30343 396
gianluca.mozzali@cfosim.com

Luca Solari
+39 02 30343 397
luca.solari@cfosim.com

New PT at € 5.35/s (€ 10.70), following the stock split. Estimates and rating unchanged

On 13-Jun-22, Neosperience completed the stock split deliberated at the extraordinary shareholders' meeting on 16-May-22 with a split ratio of 2:1. This operation is aimed at facilitating the trading of NSP shares, thus favouring the liquidity of the stock and making it appreciable to a wider audience of investors. As a consequence of the stock split, CFO SIM has updated its DCF-based PT to € 5.35/s (€ 10.70) by taking into consideration the new number of shares composing Neosperience's share capital. Estimates have remained unchanged and the Buy recommendation is reiterated.

Split ratio of 2:1, new number of outstanding shares 17,991,322

The stock split took place through the assignment of two new ordinary shares to Neosperience's shareholders (with the new ISIN code IT0005497018) for each of the existing ordinary shares (old ISIN code IT0005351496). The share capital has remained unchanged, while the new number of ordinary shares outstanding is 17,991,322 (compared to 8,995,661 before the stock split), without nominal value. The shares will be visible in the accounts of those entitled on the second day following the ex-date, therefore on 15-Jun-22.

| Current Share Capital | | Old Share Capital | |
|-----------------------|--------------|-------------------|--------------|
| € | N. of shares | € | N. of shares |
| 899,566.10 | 17,991,322 | 899,566.10 | 8,995,661 |

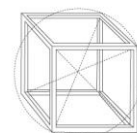
Source: Company Data

NSP trades at 4.9x and 3.6x EV/EBITDA₂₂₋₂₃, with a significant discount to peers

According to our estimates, Neosperience is anticipated to grow with a CAGR₂₁₋₂₄ of 27.2% and a more than proportional progression in margins. NSP stock continues to trade at a huge discount to its peers while unveiling above-median expected growth: 4.9x and 3.6x EV/EBITDA in 2022-23, respectively, vs. 9.4x and 9.6x with regard to peers' median. Despite the unfavourable macroeconomic scenario, the group is poised to leverage its unparalleled know-how in order to grow both organically and via M&A as well as to benefit from the ever-increasing demand for digital transformation fostered by the fresh resourcing arising from the National Recovery and Resiliency Plan.

Neosperience, key financials and ratios

| € m | 2020 | 2021 | 2022e | 2023e | 2024e |
|----------------------|--------|--------|-------|-------|-------|
| Revenues | 16.4 | 18.2 | 25.5 | 31.7 | 37.4 |
| Value of Production | 19.6 | 20.7 | 28.2 | 34.4 | 40.0 |
| EBITDA | 4.8 | 5.9 | 8.2 | 10.1 | 12.0 |
| EBIT | 0.8 | 1.5 | 3.2 | 5.1 | 7.0 |
| Net Profit | 0.3 | 0.6 | 1.7 | 3.1 | 4.3 |
| NFP (cash)/debt | 5.4 | 7.0 | 4.4 | 0.1 | (5.7) |
| EBITDA margin | 24.7% | 28.7% | 29.0% | 29.5% | 30.0% |
| EBIT margin | 4.2% | 7.1% | 11.2% | 15.0% | 17.4% |
| EPS stated FD € | 0.03 | 0.07 | 0.12 | 0.17 | 0.24 |
| EPS growth | -72.3% | 119.4% | 82.5% | 36.5% | 39.7% |
| ROCE | 2.7% | 3.7% | 7.5% | 11.3% | 13.9% |
| NWC/Sales | 21.2% | 26.8% | 24.2% | 22.9% | 21.6% |
| Free Cash Flow Yield | -11.0% | -20.3% | 7.2% | 12.0% | 15.9% |
| PER x | 153.1 | 74.3 | 21.4 | 11.7 | 8.4 |
| EV/Sales x | 2.31 | 2.48 | 1.43 | 1.05 | 0.76 |
| EV/EBITDA x | 9.4 | 8.6 | 4.9 | 3.6 | 2.5 |
| EV/EBIT x | 55.6 | 34.7 | 12.8 | 7.0 | 4.4 |



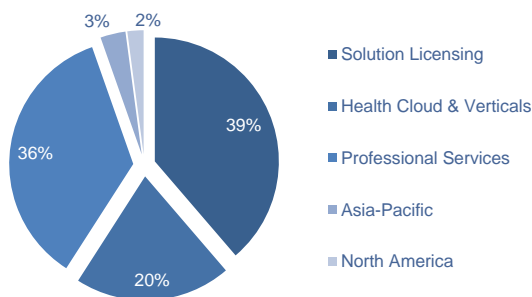


The Company at a Glance

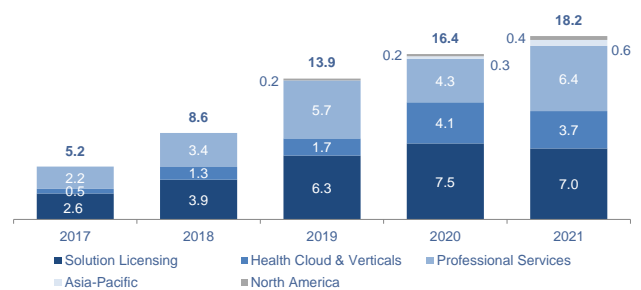
Set up in Brescia by Dario Melpignano and Luigi Linotto in 2006, today Neosperience is a leading software vendor operating in the digital customer experience & customer analytics sector. Thanks to its deep knowledge of software and app development, the group internally designed Neosperience Cloud, an innovative cutting-edge Customer Data Platform based on Artificial Intelligence helping businesses to acquire new customers and increase the value of existing ones. Neosperience's 'empathy in technology' vision perfectly explains the distinctiveness of the group's offer: by applying machine learning to the results of decades of research in cognitive, social, and behavioural psychology, organisations can provide their customers with a customised and optimised experience based on their personality.

The company reported a 36.5% sales CAGR₁₇₋₂₁ mainly driven by the increase in sales of solutions based on its proprietary Neosperience Cloud platform as well as by the strategic acquisition of a few small companies operating in the digital customer experience arena. FY-21 figures show revenues of € 18.2m, value of production of € 20.7m, EBITDA of € 5.9m, 28.7% margin and Net Profit of € 0.6m. Net Financial Position was € 7.0m, corresponding to 1.2x NFP/EBITDA.

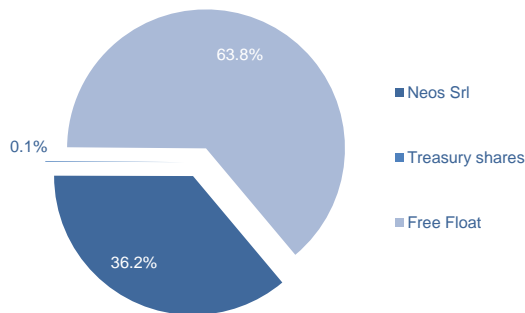
2021 Revenues breakdown by business line



Top line 2017-21 evolution



Shareholder structure



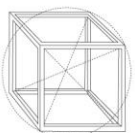
Peer group absolute performance

| % | 1D | 1W | 1M | 3M | 6M | YTD |
|-------------------------|--------------|---------------|--------------|---------------|---------------|---------------|
| Accenture PLC | (3.3) | (9.3) | (3.4) | (10.1) | (26.8) | (33.3) |
| Adobe Inc | (5.6) | (13.5) | (7.7) | (9.7) | (43.5) | (34.5) |
| Alkemy SpA | (0.3) | (7.3) | (4.2) | (21.3) | (33.2) | (39.6) |
| Be SpA | (1.1) | (3.7) | (4.8) | 1.3 | 12.4 | 13.8 |
| Digital360 SpA | (2.4) | (7.2) | (4.6) | (3.0) | (10.9) | (16.3) |
| dotDigital Group | (3.2) | (12.3) | (5.6) | (7.9) | (59.1) | (61.6) |
| Gartner Inc | (6.0) | (12.9) | (8.2) | (15.0) | (27.4) | (30.4) |
| Growens SpA | (1.8) | (5.2) | (11.6) | (7.1) | (9.2) | (12.0) |
| HubSpot Inc | (9.5) | (17.1) | (12.5) | (23.6) | (59.4) | (55.3) |
| Kaleyra Inc | (11.3) | (30.7) | (25.2) | (60.5) | (75.4) | (76.6) |
| Maps SpA | (2.1) | (10.9) | (2.7) | (7.2) | (17.7) | (18.6) |
| Reply SpA | (4.8) | (15.4) | (12.4) | (26.4) | (41.8) | (41.3) |
| Salesforce.Com Inc | (7.0) | (9.2) | 1.2 | (14.0) | (37.5) | (34.7) |
| TechTarget Inc | (2.2) | (11.2) | (2.5) | (10.1) | (29.6) | (32.0) |
| Median | (3.3) | (11.0) | (5.2) | (10.1) | (31.4) | (33.9) |
| Neosperience SpA | (2.2) | (2.9) | 0.3 | (16.1) | (28.3) | (29.8) |

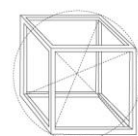
Peer group multiples table

| Price & EV multiples x | Sales FY1 | Sales FY2 | EBITDA FY1 | EBITDA FY2 | EBIT FY1 | EBIT FY2 | PER FY1 | PER FY2 |
|---------------------------|-------------|-------------|------------|------------|-------------|-------------|-------------|-------------|
| Accenture PLC | 2.92 | 2.66 | 16.0 | 14.4 | 19.6 | 17.3 | 27.5 | 24.5 |
| Adobe Inc | 10.03 | 8.32 | 20.5 | 17.4 | 21.7 | 18.3 | 27.4 | 23.7 |
| Alkemy SpA | 0.92 | 0.79 | 8.0 | 6.5 | 10.3 | 8.1 | 12.5 | 10.3 |
| Be Shaping the Future SpA | 1.57 | 1.40 | 9.4 | 7.9 | 14.9 | 12.2 | 28.1 | 23.7 |
| Digital360 SpA | 1.59 | 1.32 | 8.3 | 6.6 | 13.8 | 9.8 | 21.5 | 16.2 |
| dotDigital Group PLC | 2.92 | 2.65 | 8.9 | 8.3 | 13.2 | 12.2 | 19.5 | 18.7 |
| Gartner Inc | 3.98 | 3.48 | 18.1 | 16.5 | 23.2 | 21.0 | 28.6 | 26.4 |
| Growens SpA | 0.67 | 0.54 | 8.1 | 5.9 | 23.8 | 11.5 | 43.0 | 21.6 |
| HubSpot Inc | 7.79 | 5.91 | 63.8 | 44.2 | 88.8 | 59.8 | 117.2 | 81.7 |
| Kaleyra Inc | 0.64 | 0.48 | 7.2 | 5.3 | n.m. | n.m. | n.m. | n.m. |
| Maps SpA | 1.84 | 1.45 | 7.9 | 5.7 | 19.8 | 11.3 | 15.1 | 13.7 |
| Reply SpA | 2.08 | 1.82 | 12.4 | 10.9 | 15.1 | 13.2 | 22.9 | 20.7 |
| Salesforce Inc | 5.16 | 4.15 | 16.4 | 13.5 | 24.8 | 19.3 | 34.6 | 27.8 |
| TechTarget Inc | n.a. | 5.18 | n.a. | 12.5 | n.a. | 13.9 | 22.8 | 19.1 |
| Median | 2.08 | 2.24 | 9.4 | 9.6 | 19.7 | 13.2 | 27.4 | 21.6 |
| Neosperience SpA | 1.43 | 1.05 | 4.9 | 3.6 | 12.8 | 7.0 | 21.4 | 11.7 |

Source: CFO Sim, Thomson Reuters Eikon



| Income statement (€ m) | 2020 | 2021 | 2022e | 2023e | 2024e |
|--|--------|--------|-------|--------|--------|
| Revenues | 16.4 | 18.2 | 25.5 | 31.7 | 37.4 |
| Value of Production | 19.6 | 20.7 | 28.2 | 34.4 | 40.0 |
| Raw material and processing | (0.5) | (0.6) | (0.7) | (0.7) | (0.8) |
| Services | (7.1) | (6.9) | (9.9) | (11.7) | (13.6) |
| Personnel expenses | (5.7) | (7.0) | (8.6) | (11.0) | (12.6) |
| Other opex | (1.4) | (0.3) | (0.8) | (0.9) | (1.0) |
| EBITDA | 4.8 | 5.9 | 8.2 | 10.1 | 12.0 |
| D&A | (4.0) | (4.5) | (5.0) | (5.0) | (5.0) |
| EBIT | 0.8 | 1.5 | 3.2 | 5.1 | 7.0 |
| Financials | (0.1) | (0.4) | (0.4) | (0.3) | (0.3) |
| Re/(Devaluation) of financial assets | 0.2 | 0.0 | 0.0 | 0.0 | 0.0 |
| Forex gain/(loss) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Pre-Tax profit | 0.9 | 1.1 | 2.8 | 4.8 | 6.7 |
| Income taxes | (0.5) | (0.3) | (0.8) | (1.5) | (2.0) |
| Minorities | (0.1) | (0.2) | (0.3) | (0.3) | (0.4) |
| Net Profit | 0.3 | 0.6 | 1.7 | 3.1 | 4.3 |
| Balance sheet (€ m) | 2020 | 2021 | 2022e | 2023e | 2024e |
| Net Working Capital | 4.1 | 5.6 | 6.8 | 7.9 | 8.7 |
| Net Fixed Assets | 18.0 | 24.3 | 22.3 | 20.3 | 18.3 |
| Equity Investments | 1.0 | 1.3 | 1.3 | 1.3 | 1.3 |
| Other M/L Term A/L | (1.0) | (0.9) | (1.1) | (1.4) | (1.6) |
| Net Invested Capital | 22.1 | 30.3 | 29.3 | 28.1 | 26.6 |
| Net Financial Debt | 5.4 | 7.0 | 4.4 | 0.1 | (5.7) |
| Minorities | 0.7 | 0.6 | 0.9 | 1.2 | 1.6 |
| Group's Shareholders Equity | 16.0 | 22.6 | 24.1 | 26.8 | 30.7 |
| Financial Liabilities & Equity | 22.1 | 30.3 | 29.3 | 28.1 | 26.6 |
| Cash Flow statement (€ m) | 2020 | 2021 | 2022e | 2023e | 2024e |
| Total net income | 0.3 | 0.6 | 1.7 | 3.1 | 4.3 |
| Depreciation | 4.0 | 4.5 | 5.0 | 5.0 | 5.0 |
| Other non-cash charges | 2.0 | 0.4 | 0.2 | 0.3 | 0.2 |
| Cash Flow from Oper. (CFO) | 6.2 | 5.4 | 6.9 | 8.4 | 9.5 |
| Change in NWC | (2.3) | (1.4) | (1.3) | (1.1) | (0.8) |
| FCF from Operations (FCFO) | 3.9 | 4.0 | 5.6 | 7.3 | 8.7 |
| Net Investments (CFI) | (7.9) | (11.3) | (3.0) | (3.0) | (3.0) |
| Free CF to the Firm (FCFF) | (3.9) | (7.3) | 2.6 | 4.3 | 5.7 |
| CF from financials (CFF) | 8.9 | 9.3 | 0.0 | 0.0 | (0.0) |
| Free Cash Flow to Equity (FCFE) | 4.9 | 2.0 | 2.6 | 4.3 | 5.7 |
| Financial ratios | 2020 | 2021 | 2022e | 2023e | 2024e |
| EBITDA margin | 24.7% | 28.7% | 29.0% | 29.5% | 30.0% |
| EBIT margin | 4.2% | 7.1% | 11.2% | 15.0% | 17.4% |
| Net profit margin | 1.3% | 2.9% | 6.0% | 8.9% | 10.7% |
| Tax rate | 55.7% | 29.2% | 30.0% | 30.0% | 30.0% |
| Op NWC/Sales | 21.2% | 26.8% | 24.2% | 22.9% | 21.6% |
| Interest coverage x | 7.78 | 3.90 | 8.11 | 16.51 | 22.34 |
| Net Debt/EBITDA x | 1.12 | 1.17 | 0.54 | 0.01 | n.m. |
| Debt-to-Equity x | 0.34 | 0.31 | 0.18 | 0.00 | n.m. |
| ROIC | 1.2% | 2.0% | 5.7% | 10.9% | 16.1% |
| ROCE | 2.7% | 3.7% | 7.5% | 11.3% | 13.9% |
| ROACE | 3.4% | 4.2% | 7.7% | 11.7% | 14.5% |
| ROE | 1.6% | 2.6% | 7.0% | 11.4% | 13.9% |
| Payout ratio | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Per share figures | 2020 | 2021 | 2022e | 2023e | 2024e |
| Number of shares # m | 7.51 | 8.72 | 17.99 | 17.99 | 17.99 |
| Number of shares Fully Diluted # m | 8.45 | 9.00 | 17.99 | 17.99 | 17.99 |
| Average Number of shares Fully Diluted # m | 8.33 | 8.72 | 13.49 | 17.99 | 17.99 |
| EPS stated FD € | 0.03 | 0.07 | 0.12 | 0.17 | 0.24 |
| EPS adjusted FD € | 0.03 | 0.07 | 0.12 | 0.17 | 0.24 |
| EBITDA € | 0.58 | 0.68 | 0.61 | 0.56 | 0.67 |
| EBIT € | 0.10 | 0.17 | 0.23 | 0.29 | 0.39 |
| BV € | 1.98 | 2.59 | 1.39 | 1.56 | 1.80 |
| FCFO € | 0.47 | 0.46 | 0.41 | 0.41 | 0.48 |
| FCFF € | (0.47) | (0.84) | 0.19 | 0.24 | 0.32 |
| FCFE € | 0.59 | 0.23 | 0.19 | 0.24 | 0.32 |
| Dividend € | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |



ANALYST CERTIFICATION

This publication was prepared by Corporate Family Office SIM S.p.A. ("CFO SIM"), namely by **LUCA ARENA**, Head of the Equity Research Department, **GIANLUCA MOZZALI** and **LUCA SOLARI**, Equity Analysts. This is to certify that the views expressed on the companies mentioned in this document reflect the analysts' personal opinions and no direct or indirect remuneration has been, or will be, received by the analysts further to the views expressed herein.

DISCLAIMER

This document has been drafted by CFO SIM, authorised by the Bank of Italy to provide investment services.

CFO SIM does not have a specific interest in either the issuer, the financial instruments or the transactions covered by the analysis.

The news and data used in this document come from information supplied to the public by the company concerned and/or from other documentation of public domain. CFO SIM is not liable for the accuracy, completeness, exactitude and impartiality of such news and data. This document has been drafted autonomously and independently and without the collaboration of the company analysed or of any company linked to the latter by shareholdings or control. This document has been prepared by the financial analysts of the Equity Research Department of CFO SIM, whose names are indicated therein. Luca Arena and Gianluca Mozzali are ordinary members of the Italian Association of Financial Analysts (AIAF). In no case can the company and the analysts, as authors of this document, be held liable (culpably or otherwise) for any damage resulting from use of the information or opinions set out therein. This document is for information purposes only. It cannot be reproduced directly or indirectly or redistributed to third parties, nor can it be published, either totally or in part, for any reason whatsoever. This document is not an invitation to purchase, nor is it intended to solicit the purchase or sale of the securities in question. The recipients of this document are formally bound to comply with the obligations indicated above. CFO SIM wishes to provide ongoing coverage of the stocks mentioned in this document, as often as circumstances considered to be important dictate (corporate events, changes in recommendations, etc.). CFO SIM acts as Euronext Growth Advisor and Corporate Broker for Neosperience stock, listed on Euronext Growth Milan. The next table shows the ratings issued on the stock in the last 12 months. CFO SIM produces Equity Research documents on behalf of the Company's Specialist.



* Target Price was recalculated according to the stock split

| DATE | TARGET PRICE | RATING |
|------------|--------------|--------|
| 14/06/2022 | €5.35 | BUY |
| 26/05/2022 | €10.70 | BUY |
| 01/04/2022 | €10.70 | BUY |
| 15/12/2021 | €10.50 | BUY |
| 30/09/2021 | €10.00 | BUY |
| 29/07/2021 | €10.00 | BUY |

This document is distributed via electronic mail and fax as from the date indicated in the document itself and addressed to some 300 Italian and non-Italian professional investors. The document is available in electronic format on CFO SIM's Internet site, to Italian and non-Italian institutional investors, and/or on Borsa Italiana's Internet site.

RATING SYSTEM

- a **BUY** rating is assigned if the target price is at least 15% higher than the market price;
- a **SELL** rating is assigned if the target price is at least 15% lower than the market price;
- a **NEUTRAL** rating is assigned if the difference between the current price and target price lies within the +/- 15% range identified using the preceding criteria.

The rating is determined on the basis of the **expected absolute return over a 12-month period** and not on the basis of the estimated outperformance or underperformance relative to a market index. Thus, the rating can be directly linked to the estimated percentage difference between current and target prices. The prices of the financial securities mentioned in the report (also used for the calculation of market capitalisation and market multiples) are the reference prices of the stock market trading day preceding the publication date of the report, otherwise stated

