

## Substrate AI

### FY24 headline results are positive

Substrate AI recently released its FY24 headline results, reporting gross revenues of €24.2m (2023: €13.6m) and adjusted EBITDA of €4.9m. These figures are better than management's guidance in 2024 of revenue of c €20m.

- Growth in gross revenues was 78% while EBITDA was €4.9m versus a loss of €1.9m in FY24. Although this was helped by full-year contributions from prior year acquisitions, it is notable that growth was seen in all company divisions, namely health, human resources, agritech and edtech.
- Growth in the health division was aided by a major public sector contract, while the human resources operations saw increased project work from existing customers.
- These results come on the back of the recent announcement of the 'city of AI', presented in Talavera de la Reina. This infrastructure investment will support the AI solutions of not only internal companies (particularly R&D in the healthcare sector) but also third parties.
- 2024 saw the release of Substrate AI's Serenity Star AI solution and 2025 will be another key period as management continues its increased focus on turnkey AI solutions alongside its previous acquisition and start-up investments.

#### Historical financials

Year end	Revenue (€m)	EBITDA (€m)	EPS (€)	P/E (x)	EV/EBITDA (x)
12/22	3.1	(2.0)	(0.53)	N/A	N/A
12/23	8.6	(3.7)	(0.19)	N/A	N/A
12/24	24.2	4.9	0.02	5.4	3.5

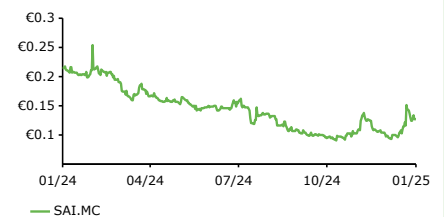
Note: EPS are normalised, excluding amortisation of acquired intangibles, exceptional items and share-based payments.

Software and comp services

20 January 2025

**Price** €0.13  
**Market cap** €15m

#### Share price performance



#### Share details

Code	SAI.MC
Listing	MADRID
Shares in issue	106.2m
Net cash/(debt)	€(2.6)m

#### Business description

Substrate AI buys, builds and scales companies across the technology, healthcare, agritech, fintech, energy and human resources sectors. It integrates and deploys artificial intelligence capabilities within the offerings of its portfolio companies. Substrate has more than 140 employees and a presence in the United States, Latin America, the United Kingdom, France and Portugal.

#### Bull points

- Multi-faceted AI-driven value creation model.
- Rapid top-line growth with positive EBITDA in 2024.
- Significant (>50%) discount to net asset value.

#### Bear points

- Low share liquidity.
- Execution risk in fast-growing marketplace.
- Limited financial history.

#### Analysts

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