

EQUITY RESEARCH

SIDETRADE
UPDATE

BUY
TP 230.0€ (vs 310.0€)
Up/Downside: 105%

Overestimated risks and undervalued opportunities

We believe that the market is overestimating the risks of agentic AI without valuing its opportunities. We are betting that stocks that demonstrate their ability to ride this wave and monetize its potential will rebound.

The facts. Victim of the SaaSocalypse, the stock has lost 54% YTD, bringing its valuation to $\approx 2x$ revenue. The market's capitulation on software surprised us (on the spot) by its violent scale and seems to us (with hindsight) to be largely excessive. We consider Sidetrade to be one of the SaaS players capable of integrating the agentic AI revolution into their offering and capitalizing on its development. The presentation scheduled for April 7 should help investors forge a conviction—even if certainties will come later, backed up by figures.

Agentic AI does not kill software but builds on it. Fears about the future of the software industry are excessive. Agentic AI cannot function in a vacuum; it needs to rely on a software infrastructure to operate. We do not see AI as a threat or a substitute for the foundations created by software, but rather as a new technical layer on which SaaS players (or at least some of them) remain best positioned to create value.

Sidetrade's SaaS is not under threat. The most direct threat from agentic AI affects SaaS models whose billing is based on the number of users. Since agentic AI is expected to eventually become the user interface for software, it is likely to reduce the user pool and associated revenue. This risk does not apply to Sidetrade, whose billing is independent of the number of users.

Perfectly positioned to ride the wave of Agent AI. Sidetrade has: 1) its own LLM trained on a data lake that is unique in its field (in terms of quantity and quality) – which gives AI its full value, 2) expertise in context/workflows, 3) proven commercial relationships with a solid customer base for whom Sidetrade is a trusted third party (reliable SaaS platform, high security/compliance guarantees, rich innovation roadmap), 4) documented and rapid ROI. All the cards in hand to capture the potential for upselling/cross-selling.

Positive news flow. A period of rich news flow is coming up in the very short term (earnings report on March 30, strategic plan on April 7, Q1 revenue on April 14), which could help the stock rebound. We also remain convinced of the stock's medium-term upside potential, even though we are adjusting our target price to €230 (without changing our estimates) to reflect the decline in sector multiples and the associated rise in the risk premium. Market sentiment, which is volatile by nature, is reversible; we are betting that the excesses will be corrected.

TP ICAP Midcap Estimates	12/24	12/25e	12/26e	12/27e	Valuation Ratio	12/25e	12/26e	12/27e
Sales (m €)	55.0	61.4	72.1	79.8	EV/Sales	2.8	2.2	1.8
Current Op Inc (m €)	8.4	9.4	10.3	11.4	EV/EBITDA	15.9	13.5	11.2
Current op. Margin (%)	15.2	15.3	14.3	14.3	EV/EBIT	18.1	15.4	12.8
EPS (€)	5.35	5.82	6.38	7.06	PE	19.2	17.5	15.9
DPS (€)	0.00	0.00	0.00	0.00	Source: TPICAP Midcap			
Yield (%)	0.0	0.0	0.0	0.0				
FCF (m €)	8.6	9.1	11.2	11.8				

Research partially paid by the Issuer

Key data

Price (€)	112.0
Industry	Packaged Software
Ticker	ALBFR-FR
Shares Out (m)	1.436
Market Cap (m €)	160.8
Average trading volumes (k shares / day)	0.228
Next event	FY results - 30/03/2026

Source: FactSet

Ownership (%)

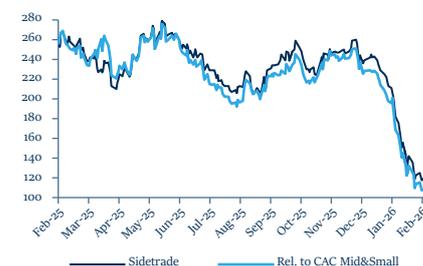
Olivier Novasque	35.0
Management	7.0
Autocontrole	4.7
Free float	53.3

Source: TPICAP Midcap estimates

EPS (€)	12/25e	12/26e	12/27e
Estimates	5.82	6.38	7.06
Change vs previous estimates (%)	0.00	0.00	0.00

Source: TPICAP Midcap estimates

Performance (%)	1D	1M	YTD
Price Perf	-1.3	-38.5	-53.7
Rel CAC Mid&Small	-1.7	-39.5	-55.2



Source: FactSet

Analyst

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FINANCIAL DATA

Income Statement	12/22	12/23	12/24	12/25e	12/26e	12/27e
Sales	36.8	43.7	55.0	61.4	72.1	79.8
Changes (%)	12.8	19.0	25.7	11.7	17.4	10.8
Gross profit	36.8	43.7	55.0	61.4	72.1	79.8
% of Sales	100.0	100.0	100.0	100.0	100.0	100.0
EBITDA	4.8	6.6	11.0	10.7	11.7	13.1
% of Sales	13.1	15.1	20.0	17.4	16.3	16.4
Current operating profit	3.7	5.8	8.4	9.4	10.3	11.4
% of Sales	10.0	13.3	15.2	15.3	14.3	14.3
Non-recurring items	-0.0	-0.0	0.0	0.0	0.0	0.0
EBIT	3.7	5.8	8.4	9.4	10.3	11.4
Net financial result	0.1	0.4	0.7	0.1	0.1	0.1
Income Tax	-0.4	-0.6	-1.1	-0.9	-0.9	-1.0
Tax rate (%)	10.7	9.0	11.8	9.0	9.0	9.0
Net profit, group share	3.4	5.6	7.9	8.6	9.5	10.5
EPS	2.34	3.85	5.35	5.82	6.38	7.06
Financial Statement	12/22	12/23	12/24	12/25e	12/26e	12/27e
Goodwill	17.1	22.2	26.4	61.4	61.4	61.4
Tangible and intangible assets	4.6	4.4	5.3	5.2	5.2	5.2
Right of Use	0.0	0.0	0.0	0.0	0.0	0.0
Financial assets	1.6	1.1	1.4	1.4	1.4	1.4
Working capital	-4.1	-9.4	-9.7	-10.1	-11.8	-13.1
Other Assets	0.0	0.0	0.0	0.0	0.0	0.0
Assets	19.2	18.3	23.4	58.0	56.2	54.9
Shareholders equity group	26.8	31.3	39.4	48.0	57.5	68.0
Minorities	0.0	0.0	0.1	0.1	0.1	0.1
LT & ST provisions and others	0.6	0.6	1.0	1.0	1.0	1.0
Net debt	-8.4	-13.7	-17.3	8.6	-2.6	-14.4
Other liabilities	0.1	0.2	0.2	0.2	0.2	0.2
Liabilities	19.2	18.3	23.4	58.0	56.2	54.9
Net debt excl. IFRS 16	-8.4	-13.7	-17.3	8.6	-2.6	-14.4
Gearing net	-0.3	-0.4	-0.4	0.2	-0.0	-0.2
Leverage	-1.7	-2.1	-1.6	0.8	-0.2	-1.1
Cash flow statement	12/22	12/23	12/24	12/25e	12/26e	12/27e
CF after elimination of net borrowing costs and taxes	4.2	6.5	9.2	9.9	10.9	12.1
Δ WCR	-0.2	2.2	0.4	0.4	1.8	1.3
Operating cash flow	4.0	8.7	9.6	10.3	12.7	13.4
Net capex	-0.8	-0.8	-1.0	-1.2	-1.4	-1.6
FCF	3.2	7.9	8.6	9.1	11.2	11.8
Acquisitions/Disposals of subsidiaries	0.1	-2.0	-5.2	-35.0	0.0	0.0
Other investments	0.0	0.0	0.0	0.0	0.0	0.0
Change in borrowings	-1.1	-1.7	-2.3	15.0	0.0	0.0
Dividends paid	0.0	0.0	0.0	0.0	0.0	0.0
Repayment of leasing debt	0.0	0.0	0.0	0.0	0.0	0.0
Equity Transaction	0.0	0.0	0.0	0.0	0.0	0.0
Others	0.2	-0.6	0.2	0.0	0.0	0.0
Change in net cash over the year	2.4	3.6	1.3	-10.9	11.2	11.8
ROA (%)	5.3%	8.7%	10.3%	8.4%	8.1%	7.9%
ROE (%)	12.6%	18.0%	20.0%	18.0%	16.5%	15.4%
ROCE (%)	13.4%	22.2%	25.0%	11.3%	12.8%	14.6%

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This Report may mention evaluation methods defined as follows:

1. DCF method: discounting of future cash flows generated by the company's operations. Cash flows are determined by the analyst's financial forecasts and models. The discount rate used corresponds to the weighted average cost of capital, which is defined as the weighted average cost of the company's debt and the theoretical cost of its equity as estimated by the analyst.
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.

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G. Midcap and the Issuer have agreed to the provision by the former to the latter of a service for the production and distribution of the investment recommendation on the said Issuer: Sidetrade

History of investment rating and target price – Sidetrade



Historical recommendations and target price (-1Y)

Date	Analyst	Old Target Price	New Target Price	Closing Price	Old Recommendation	New Recommendation
22 Jan 26 - 07:53:38	Jean-Pierre Tabart	€ 310.00	€ 310.00	€ 201.00	Buy	Buy
21 Jan 26 - 08:01:37	Jean-Pierre Tabart	€ 310.00	€ 310.00	€ 213.00	Buy	Buy
20 Jan 26 - 07:11:09	Jean-Pierre Tabart	€ 310.00	€ 310.00	€ 211.00	Buy	Buy
16 Oct 25 - 08:05:24	Jean-Pierre Tabart	€ 310.00	€ 310.00	€ 250.00	Buy	Buy
15 Oct 25 - 07:29:58	Jean-Pierre Tabart	€ 280.00	€ 310.00	€ 248.00	Buy	Buy
13 Oct 25 - 15:04:42	Jean-Pierre Tabart	€ 280.00	€ 280.00	€ 239.00	Buy	Buy
19 Sep 25 - 07:55:00	Jean-Pierre Tabart	€ 280.00	€ 280.00	€ 229.00	Buy	Buy
18 Sep 25 - 07:50:19	Jean-Pierre Tabart	€ 280.00	€ 280.00	€ 220.00	Buy	Buy
15 Sep 25 - 07:51:53	Jean-Pierre Tabart	€ 280.00	€ 280.00	€ 206.00	Buy	Buy
18 Jul 25 - 07:39:29	Jean-Pierre Tabart	€ 280.00	€ 280.00	€ 236.00	Buy	Buy
17 Jul 25 - 07:46:18	Jean-Pierre Tabart	€ 280.00	€ 280.00	€ 245.00	Buy	Buy
22 May 25 - 07:49:22	Jean-Pierre Tabart	€ 280.00	€ 280.00	€ 263.00	Buy	Buy
18 May 25 - 23:31:40	Jean-Pierre Tabart	€ 280.00	€ 280.00	€ 264.00	Buy	Buy
15 Apr 25 - 22:20:43	Jean-Pierre Tabart	€ 280.00	€ 280.00	€ 237.00	Buy	Buy

Distribution of Investment Ratings

Rating	Recommendation Universe*	Portion of these provided with investment banking services**
Buy	74%	71%
Hold	17%	64%
Sell	4%	33%
Under review	5%	88%

Midcap employs a rating system based on the following:

Buy: Expected to outperform the markets by 10% or more over a 6 to 12 months horizon.

Hold: expected performance between -10% and +10% compared to the market over a 6 to 12 months horizon.

Sell: Stock is expected underperform the markets by 10% or more over a 6 to 12 months horizon.

The history of ratings and target prices for the Issuers covered in this report are available on request at <https://researchtpicap.midcapp.com/en/disclaimer>.

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