

IntelliAM AI

Growing AI impact

IntelliAM AI has announced a significant deployment of its AI solutions with UK bakery customer Hovis. This adds to the mounting evidence that the group's customers view AI asset management as mission critical, and that management continues to execute its strategy of aggressive AI roll-out amongst its customer base.

Year end	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)	Yield (%)
3/24	2.9	0.7	0.6	2.59	43.4	N/A
3/25	3.2	(0.1)	(0.1)	(0.38)	N/A	N/A
3/26e	7.1	0.3	0.3	1.61	69.9	N/A
3/27e	12.3	2.0	2.0	8.13	13.8	N/A

Note: FY23, FY24 and FY25 are pro forma. PBT and EPS (diluted) are normalised, excluding amortisation of acquired intangibles, exceptional items and share-based payments.

Following its recent announcement of a co-development partnership agreement with a global engineering manufacturer, IntelliAM has now revealed a nine-fold increase in its contract with Hovis, a major UK bakery customer.

This announcement is a textbook example of how we expect IntelliAM to leverage its existing consultancy relationships, adding further value to customers via its AI offering. The provision of consultancy services will continue, but will in future be augmented with data from IntelliAM's smart sensor interfaces across Hovis production lines at multiple manufacturing sites. This data will provide IntelliAM's AI platform with key insights as it works with Hovis to 'drive measurable gains in reliability, productivity and asset availability.'

The financial impact of AI-enabled contracts evolves significantly over the first two years. Year-one revenues are amplified by third-party hardware sales (e.g. sensors) which accelerate initial adoption and boost the group's top-line growth. While these hardware sales are typically lower margin and one-off in nature, they do provide a powerful entry point. In year two, revenues from like-for-like contract renewals may appear slightly lower as hardware sales diminish, but profitability improves due to the higher-margin recurring software revenues. Crucially, this model is scalable. As deployments expand across multiple sites within a customer, hardware sales continue to recur with each new site, creating incremental Annualised Recurring Revenue streams. Over time this delivers sustainable, higher-margin growth.

Many IntelliAM customer contracts are already evolving in a way similar to that of Hovis. However, we anticipate that the range of short-term revenue effects from similar contract renewals is wide, depending on how the new AI platform is initially deployed. Notably, whatever the short-term top-line effect of any given contract, such renewals are generating new high-quality recurring revenues for the group thus building annual recurring revenue base, which is a key driver for long-term shareholder value.

Contract upgrade

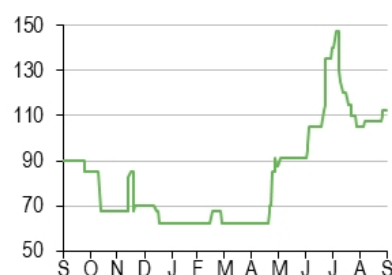
Technology

2 October 2025

Price 112.50p
Market cap £22m

Net cash (ex earn-out) as at 31 March 2025 £1.0m
Shares in issue 19.1m
Free float 23.5%
Code INT
Primary exchange AQSE
Secondary exchange N/A

Share price performance



Business description

IntelliAM AI is a software-driven asset management company that leverages advanced machine learning and artificial intelligence to deliver innovative solutions. It has a particular focus on the fast consumer goods industry.

Analysts

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