



## 9M 2020 RESULTS

13.11.2020

# Disclaimer

- This document has been prepared by Alkemy S.p.A. (the "Company") for information purpose only, it contains only summary information and, therefore, it is preliminary in nature. Furthermore it has been drafted without claiming to be exhaustive.
- This presentation ("Presentation") and the information set out herein ("Information") are strictly confidential and, as such, has not been prepared with a view to public disclosure and, except with the prior written consent of the Company, it cannot be used by the recipient for any purpose nor can it be disclosed, copied, recorded, transmitted, further distributed to any other person or published, in whole or in part, by any medium or in any form for any purpose.
- This Presentation may contain financial information and/or operating data and/or market information regarding business and assets of the Company and its subsidiaries. Certain financial information may not have been audited, reviewed or verified by any independent accounting firm.
- Therefore, the recipient undertakes vis-à-vis the Company (i) to keep secret any information of whatever nature relating to the Company and its affiliates including, without limitation, the fact that the information has been provided, (ii) not to disclose any Information to anyone, (iii) not to make or allow any public announcements or communications concerning the Information and (iv) to use reasonable endeavours to ensure that Information are protected against unauthorized access.
- THIS PRESENTATION AND ANY RELATED ORAL DISCUSSION DO NOT CONSTITUTE AN OFFER TO THE PUBLIC OR AN INVITATION TO SUBSCRIBE FOR, PURCHASE OR OTHERWISE ACQUIRE ANY FINANCIAL PRODUCTS, AS DEFINED UNDER ARTICLE 1, PARAGRAPH 1, LETTER (T) OF LEGISLATIVE DECREE NO. 58 OF 24 FEBRUARY 1998, AS AMENDED. Therefore, this document is not an advertisement and in no way constitutes a proposal to execute a contract, an offer or invitation to purchase, subscribe or sell for any securities and neither it or any part of it shall form the basis of or be relied upon in connection with any contract or commitment or investments decision whatsoever. The Company has not prepared and will not prepare any prospectus for the purpose of the initial public offering of securities. Any decision to purchase, subscribe or sell for securities will have to be made independently of this Presentation. Therefore, nothing in this Presentation shall create any binding obligation or liability on the Company and its affiliates and any of their advisors or representatives.
- Likewise, this Presentation is not for distribution in, nor does it constitute an offer of securities for sale in the United States of America, Canada, Australia, Japan or any jurisdiction where such distribution is unlawful, (as such term is defined in Regulation S under the United States Securities Act of 1933, as amended (the "Securities Act")). Neither this Presentation nor any copy of it may be taken or transmitted into the United States of America, its territories or possessions, or distributed, directly or indirectly, in the United States of America, its territories or possessions or to any US person. Any failure to comply with this restriction may constitute a violation of United States securities laws.
- No representation or warranty, express or implied, is or will be given by the Company as to the accuracy, completeness or fairness of any Information provided and, so far as is permitted by law and except in the case of fraud by the party concerned, no responsibility or liability whatsoever is accepted for the accuracy or sufficiency thereof or for errors, omissions or misstatements, negligent or otherwise, relating thereto. In particular, but without limitation, no representation or warranty, express or implied, is or will be given as to the achievement or reasonableness of, and no reliance may be placed for any purpose on the accuracy or completeness of, any estimates, targets, projections or forecasts and nothing in these materials should be relied upon as a promise or representation as to the future.
- The information and opinions contained in this document are provided as at the date hereof and are subject to change without notice. The recipient will be solely responsible for conducting its own assessment of the information set out in the Presentation. Neither the Company and its affiliates, nor any of their advisors or representatives shall be obliged to furnish or to update any information or to notify or to correct any inaccuracies in any information. Neither the Company and its affiliates, nor any of their advisors or representatives shall have any liability to the recipient or to any of its representatives as a result of the use of or reliance upon the information contained in this document.
- Certain Information may contain forward-looking statements which involve risks and uncertainties and are subject to change. In some cases, these forward-looking statements can be identified by the use of words such as "believe", "anticipate", "estimate", "target", "potential", "expect", "intend", "predict", "project", "could", "should", "may", "will", "plan", "aim", "seek" and similar expressions. The forecasts and forward-looking statements included in this document are necessarily based upon a number of assumptions and estimates that are inherently subject to significant business, operational, economic and competitive uncertainties and contingencies as well as assumptions with respect to future business decisions that are subject to change. By their nature, forward-looking statements involve known and unknown risks and uncertainties, because they relate to events, and depend on circumstances, that may or may not occur in the future. Furthermore, actual results may differ materially from those contained in any forward-looking statement due to a number of significant risks and future events which are outside of the Company's control and cannot be estimated in advance, such as the future economic environment and the actions of competitors and others involved on the market. These forward-looking statements speak only as at the date of this Presentation. The Company cautions you that forward looking-statements are not guarantees of future performance and that its actual financial position, business strategy, plans and objectives of management for future operations may differ materially from those made in or suggested by the forward-looking statements contained in this Presentation. In addition, even if the Company's financial position, business strategy, plans and objectives of management for future operations are consistent with the forward-looking statements contained in this Presentation, those results or developments may not be indicative of results or developments in future periods. The Company expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statements contained herein to reflect any change in the Company's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.
- By receiving this Presentation, you acknowledge and agree to be bound by the foregoing terms, conditions, limitations and restrictions.

WE DESIGN BUSINESS  
EVOLUTION THROUGH DATA,  
TECHNOLOGY & CREATIVITY

Alkemy was founded in 2012 with the aim of supporting the **top management** of large companies in the **process of digitizing** their business model.

The market in which Alkemy insists is the **digital transformation market** which today is worth over **6 billion euros** in Italy and **grows** at a rate of between **7 and 10% per year**.

In this market, Alkemy has developed a **differentiated positioning** that has allowed it to grow with a **CAGR of 42%** (>3x the market), to move from the 23 starting resources to a team of over **650 people** and a turnover over **80M€**.

In these 7 years, Alkemy has **successfully** used the **M&A lever** (7 acquisitions) using the IPO proceeds in less than nine months, and the **EBITDA growth** of the four acquisitions made in Italy from 2013 to 2018 was between **150 and 440%**.

Alkemy has developed a **new organization** and a new Go-to-Market strategy that have laid the foundations for the **industrialization** and expansion of the business scale, resulting in **strong organic growth and higher marginality**.

We help companies to  
evolve their business in the  
post-digital scenario

# 9M 2020 – RESILIENCY OF BUSINESS MODEL

Focus on the **industrialization** of its business model to strengthen **marginality** and **business resiliency**



## FIRST 9 MONTHS 2020 MAIN ACHIEVEMENTS

---

- > **EBITDA** up 92.9% compared to 9M 2019
- > **Improvement in marginality** compared to 9M 2019 (EBITDA margin net media 8.4%pps)
- > **Resiliency** of TIER 1 and TIER 2 customers (+10% ARPC)
- > Strong **cash generation** over the period (€M 7.5 operative cash flow)
- > **Improvement of NFP** of +8.26 €M

# FINANCIAL HIGHLIGHTS

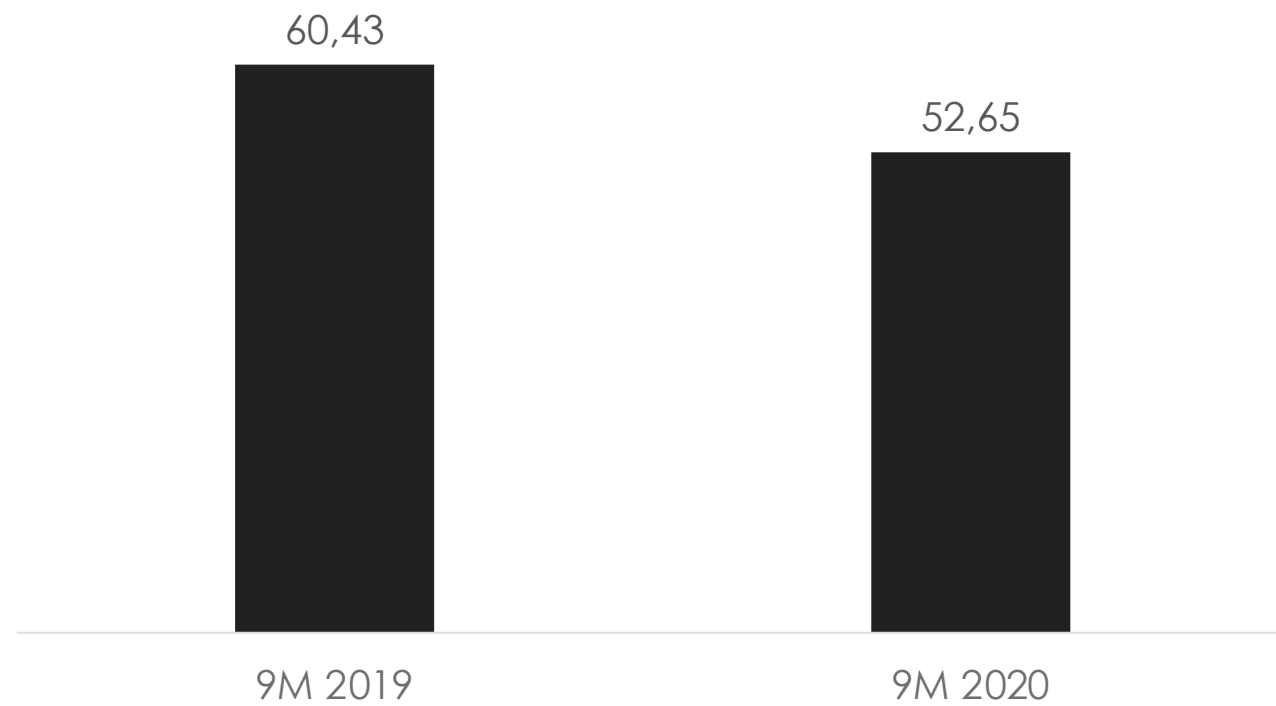


€M	9M 2020	9M 2019	
<b>Turnover</b>	<b>52.65</b>	<b>60.43</b>	> -12.9% compared to 9M 2019, mostly due to the Mexican company, exposed to travel and leisure sector, highly effected by COVID-19
<b>EBITDA</b>	<b>3.83</b>	<b>1.99</b>	> + 92.9% compared to 9M 2019, thanks to the better mix and efficiencies arising from the new organization. EBITDA margin up by + 4 pps
<b>EBIT</b>	<b>2.16</b>	<b>0.39</b>	> +450% compared to 9M 2019, thanks to the better operating result. EBIT margin up by +3.4 pps
<b>EBT</b>	<b>1.40</b>	<b>(0.51)</b>	> Positive result compared to 9M 2019, thanks to the better performance over the period. EBT margin up by +3.5 pps
<b>Group Net Income</b>	<b>0.81</b>	<b>(0.66)</b>	> Thanks to better operating results, mostly of Italian companies
<b>Operating Cash Flow</b>	<b>7.51</b>	<b>(0.02)</b>	> Increase of €M 7.5 compared to 9M 2019 mainly due to the better operating result and the lower absorption of NWC
<b>NFP</b>	<b>-10.95</b>	FY 2019 <b>-19.21</b>	> Variation since 31 December 2019 of €M 8.26 mostly due to: €M +1.95 decrease in put options, €M +11.40 in cash liquidity, €M -5.7 increase in financial debt

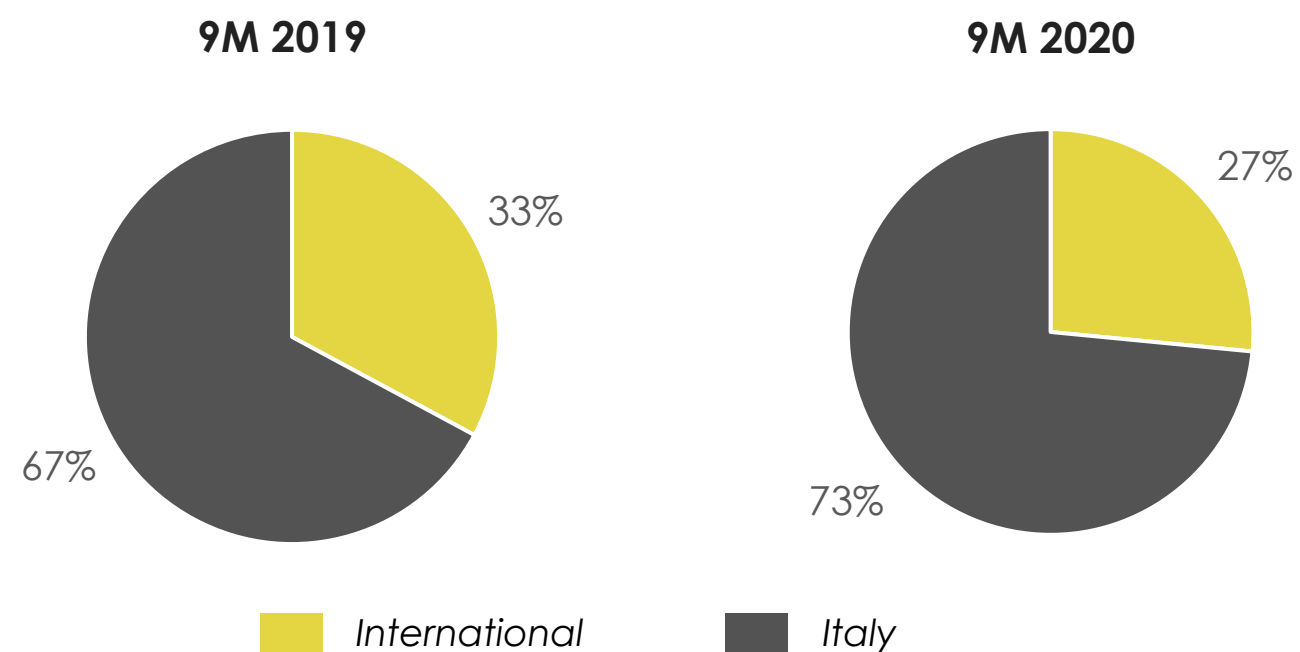
# REVENUES

## RESILIENCY OF ITALIAN CORE BUSINESS

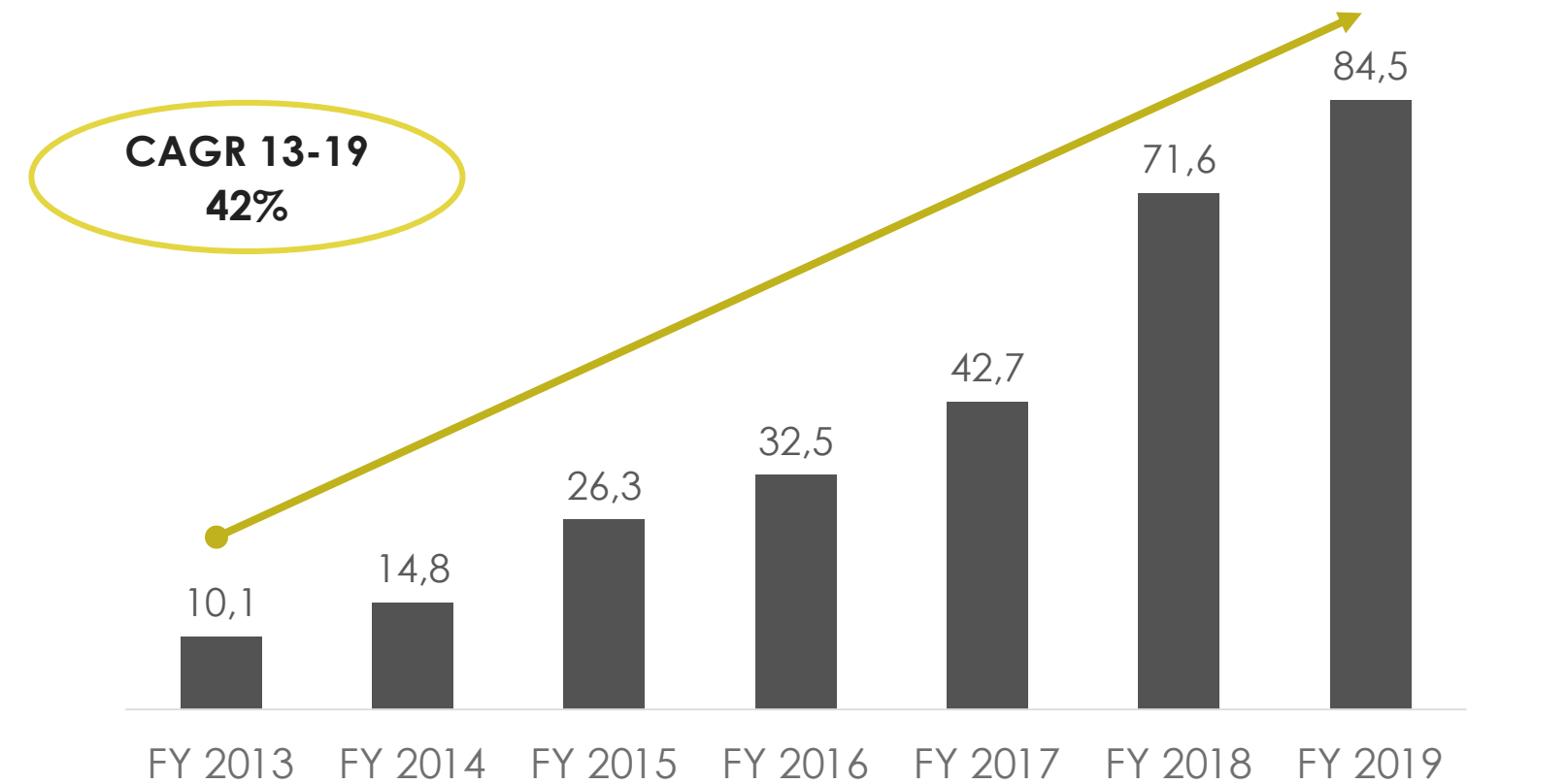
### 9M REVENUES (€M) – IAS /IFRS



### ALKEMY INTERNATIONAL TURNOVER (%)



### FY REVENUES (€M) – IAS /IFRS <sup>(1)</sup>



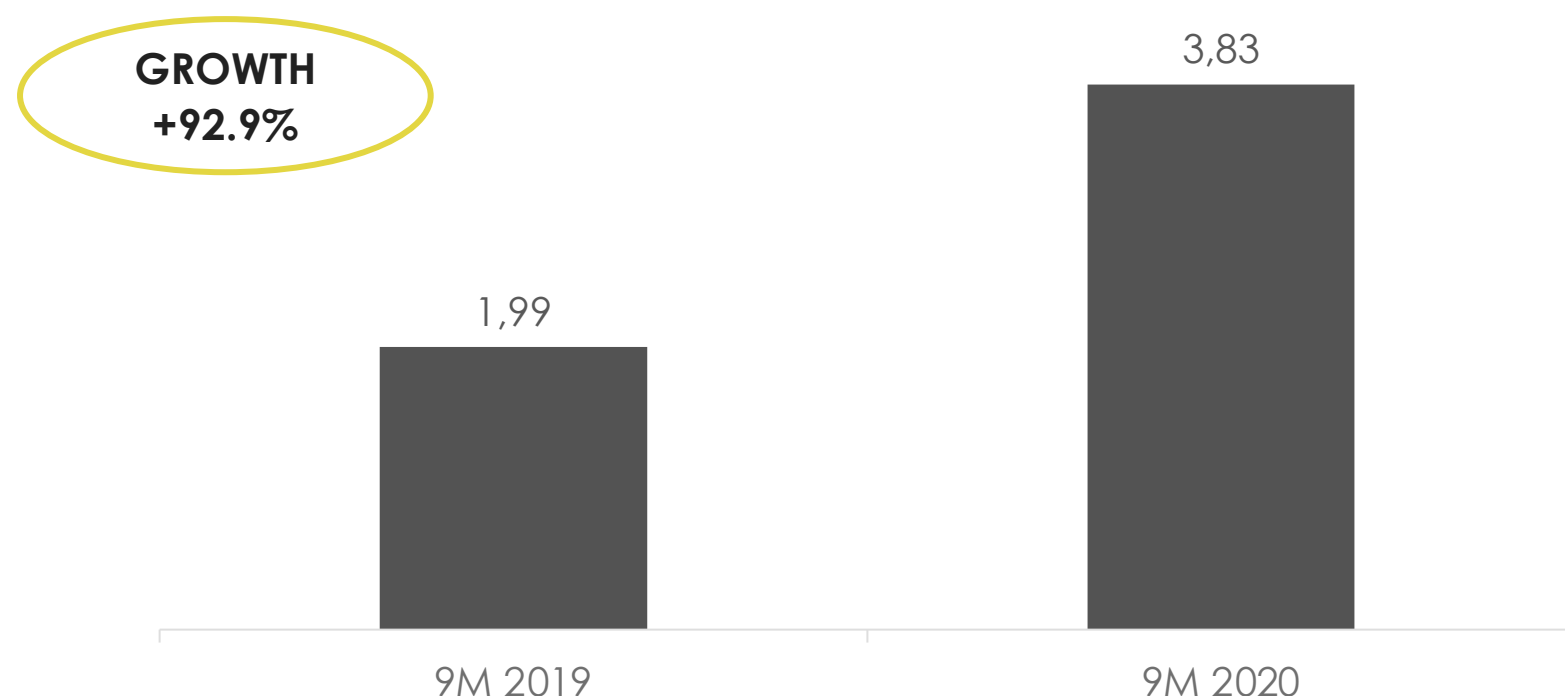
- › 9M 2020 revenues are €M52.65, -12.9% compared to 9M 2019 which were €M60.43, mostly due to the Mexican company, highly effected by COVID-19 for its exposure to travel & leisure clients.
- › 9M 2020 Italian turnover is €2.0M lower than 9M 2019 (-5%), of which €M -1.7 are non-core revenues related to lower tax credit for R&D projects. Italian core business showed resiliency thanks to the Go-to-Market strategy, strongly focused on main clients, which increased the ARPC by 10%.
- › The underperformance in foreign markets (-29%) is due to higher exposure to travel and hospitality sectors, impacted by lockdowns, especially in Mexico and it concerned mostly Media related investments.

<sup>(1)</sup>Revenues 2013-14-15-16 are Management estimates and are not audited, following the introductions of IFRS in 2018.

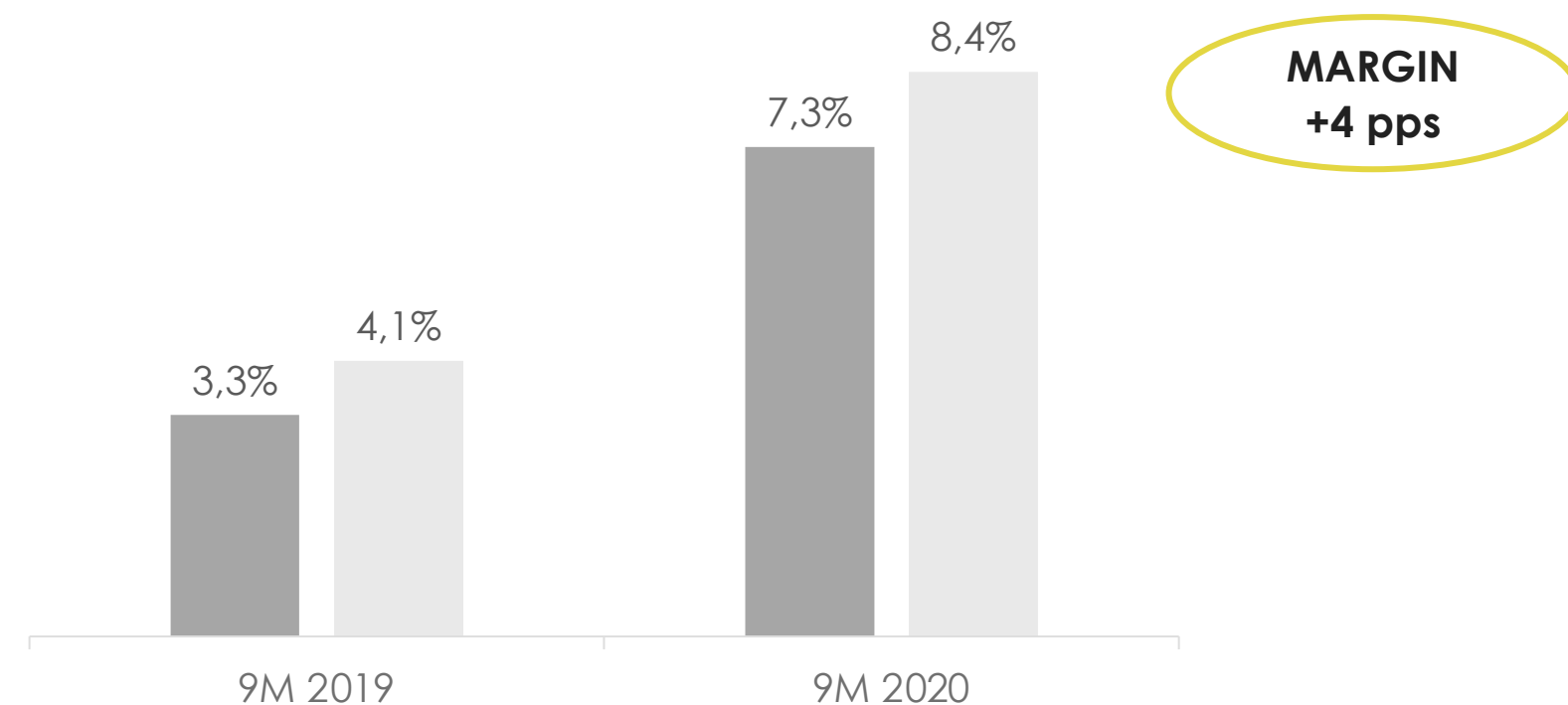
# EBITDA

## CONSISTENT IMPROVEMENT IN MARGINALITY

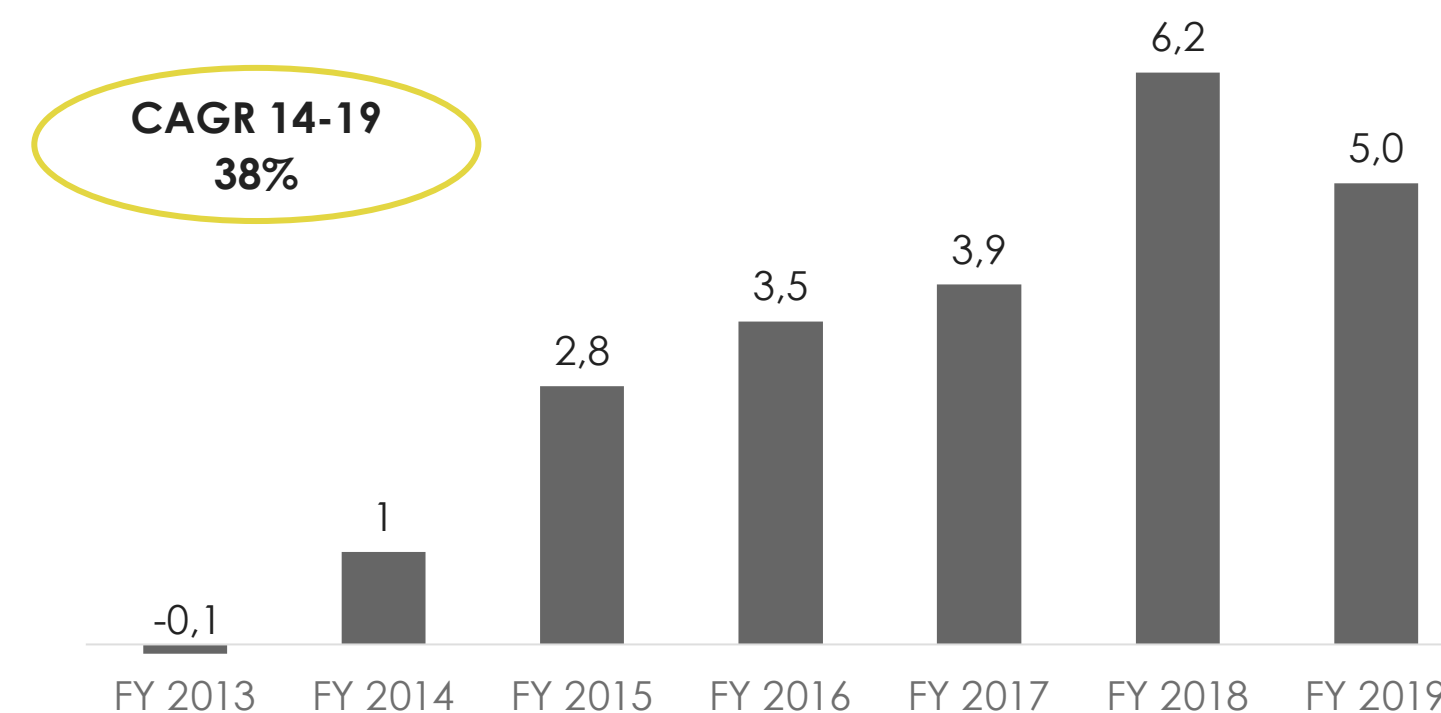
### 9M ALKEMY EBITDA (€M) – IAS/IFRS



### 9M EBITDA MARGIN – EBITDA MARGIN NET MEDIA (%)<sup>(1)(2)</sup>



### FY ALKEMY ADJ. EBITDA (€M) – IAS/IFRS



- › 9M 2020 EBITDA is €M3.83, +92.9% compared to 9M 2019 of €M1.99, thanks to the better mix of the new Go-to-Market strategy and the efficiency and razionalizati0n of the new organization.
- › EBITDA Margin is 7.3% in 9M 2020 vs 3.3% in 9M 2019 with a positive growth of 4 pps, thanks to lower costs impact on revenues, thanks to the industrialization process started in 2020E
- › EBITDA Margin net media is 8.4% in 9M 2020 vs. 4.1% in 9M2019

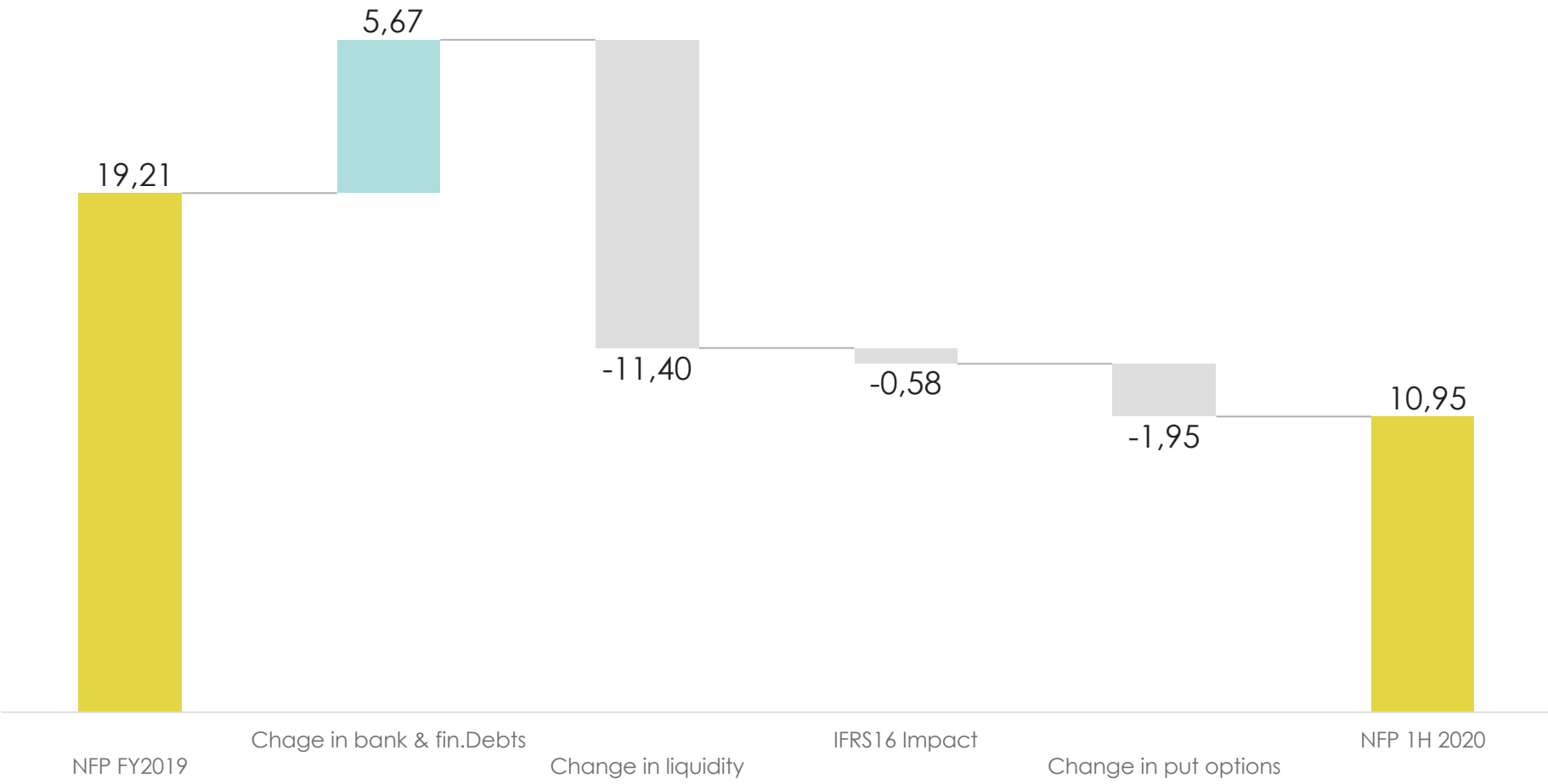
<sup>(1)</sup>Ebitda margin is calculated relating the EBITDA to the revenues of the period

<sup>(2)</sup>Ebitda margin net media is calculated relating the EBITDA to the revenues of the period net of Media related revenues from Spain and Mexico companies



# NET FINANCIAL POSITION BRIDGE AND DETAILS

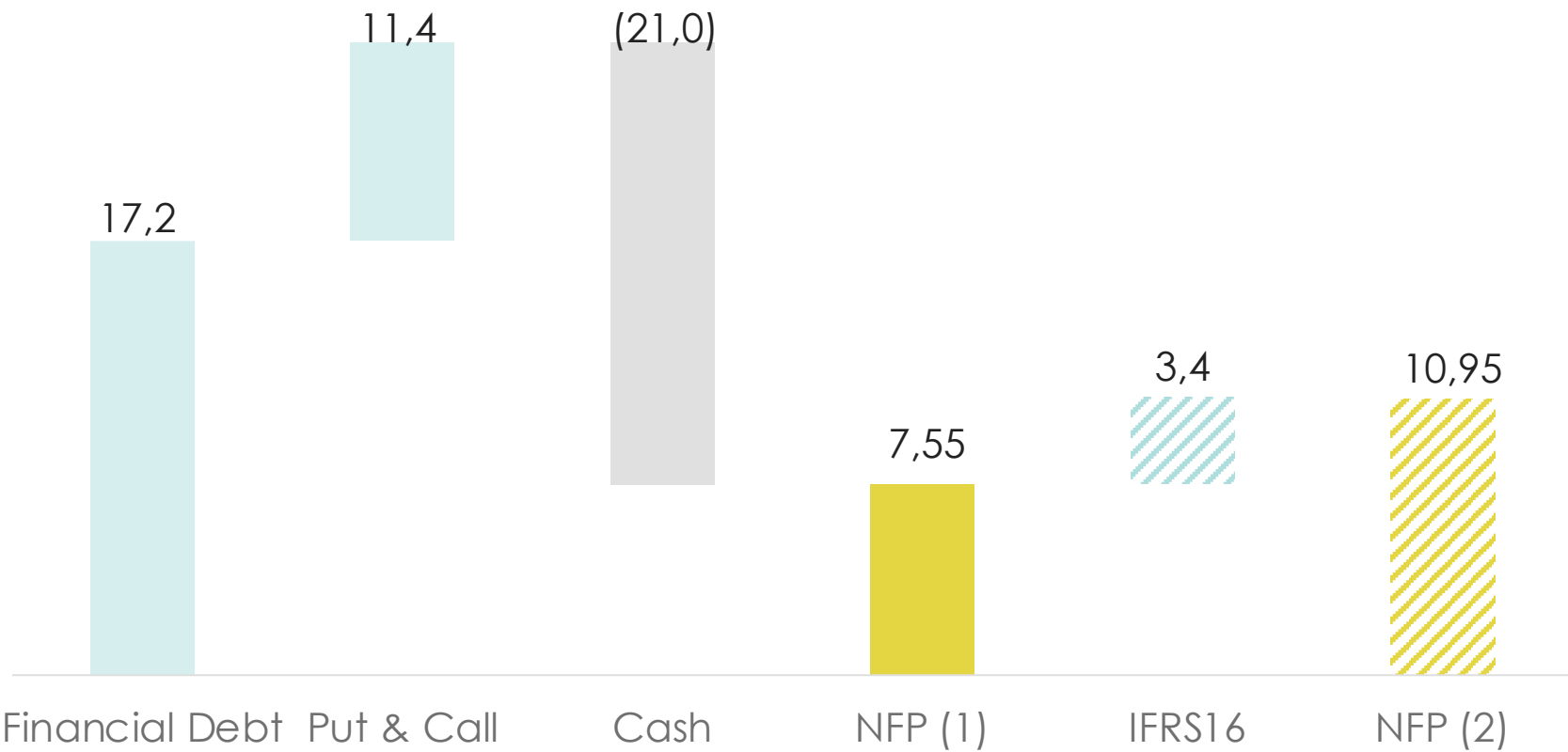
## Net Financial Position Bridge 9M 2020 (€M)



- > **Net Financial Position** NFP (2) at September 30<sup>th</sup> 2020 was €M -10.95 with an improvement of €M 8.26 compared to €M -19.21 at December 31<sup>st</sup>, 2019
- > **Variation** mainly due to: increase in liquidity on bank accounts (€M +11.4), increase in non current bank loans (€M -3.8), increase in current bank loans (€M -1.9), re-determination of put options value (€M +1.95).

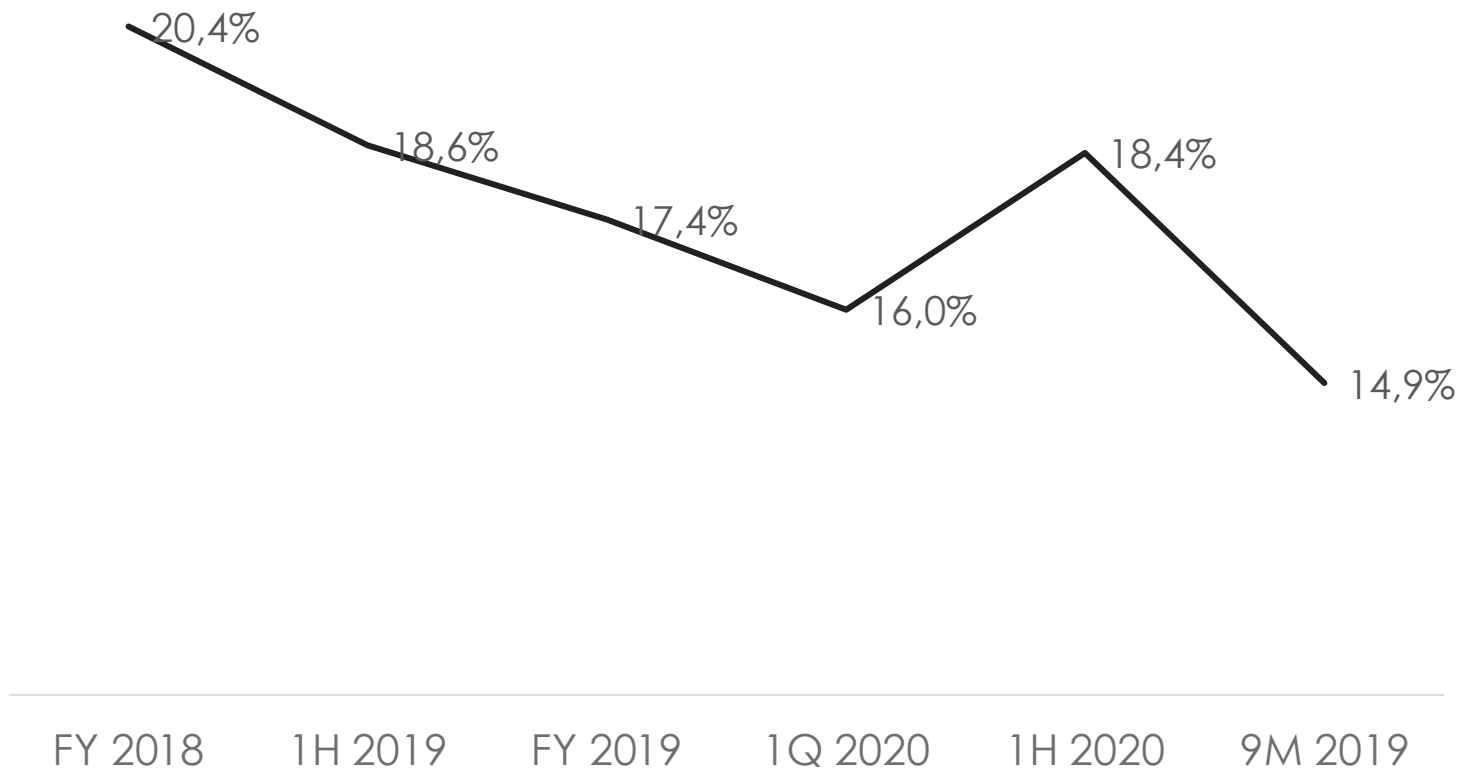
- > **Gross debt** is composed by €M 17.2 of financial debt (of which €M 12.7 non current, €M4.4 current), €M 11.4 put options deriving from M&A (of which €M 2.1 non current) and €M 3.4 IFRS16 financial leases
- > 9M 2020 NFP (1) ex IFRS16 is €M 7.55
- > 9M 2020 cash is €M 21.0

## Net Financial Position Break Down 9M 2020 (€M)

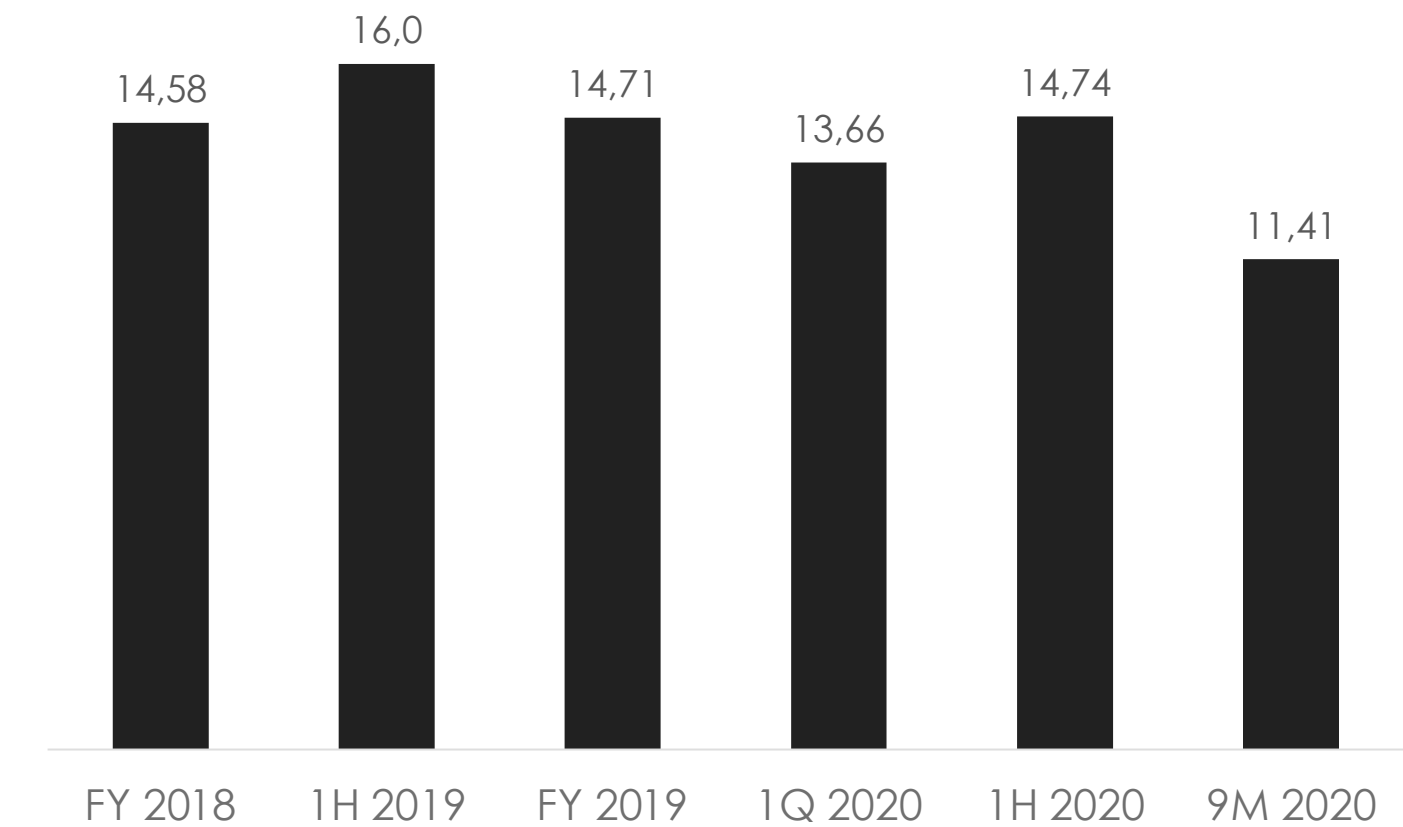


# NET TRADE WORKING CAPITAL DYNAMICS

Net Trade Working Capital over Last 12 Months Revenues (%)

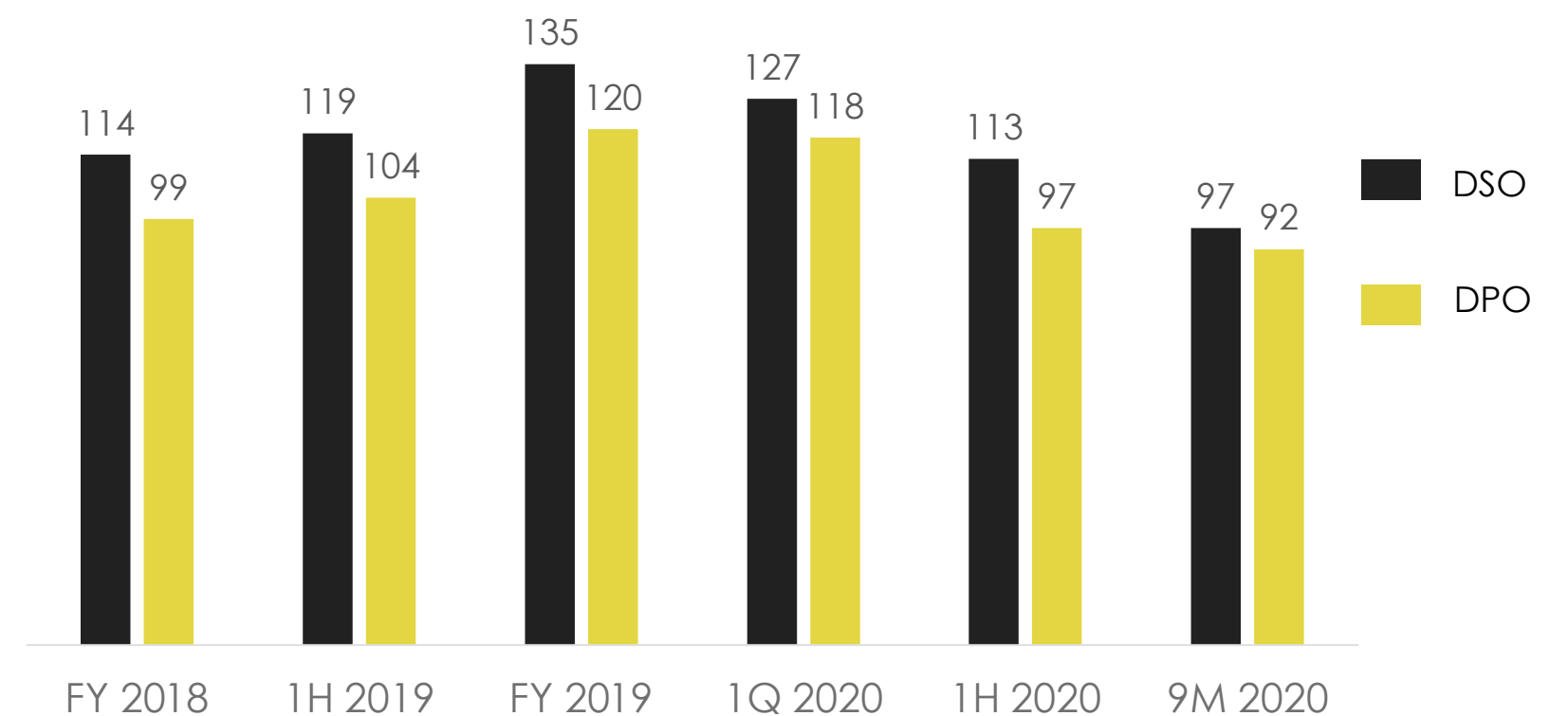


Net Trade Working Capital (€M)



- > 9M 2020 Trade working capital shows better performance compared to history
- > The cash generation from **Net Trade Working Capital** decrease (€ +2.94 million) was more than 3 times higher in comparison to 9M 2019, thanks to payables and receivables dynamics
- > Strong improvement in other **current assets** contributes to NWC inflow in 9M 2020. The driver of this improvement was inflow from 2019 public financing and 2019 tax credit

Cash Conversion Cycle Details (days)



# 9M 2020 P&L – IAS/IFRS



## Consolidated Profit & Loss

Profit and Loss (€000) - IAS/IFRS	9M 2019	9M 2020
<b>Revenues</b>	<b>60.433</b>	<b>52.653</b>
Service costs, consum. & goods	(36.845)	(27.837)
Personnel	(21.600)	(20.981)
<b>EBITDA</b>	<b>1.988</b>	<b>3.835</b>
% Revenues	3,3%	7,3%
D&A	(1.320)	(1.292)
Bad debts/ claims/ provisions	(276)	(385)
<b>EBIT</b>	<b>392</b>	<b>2.158</b>
% Revenues	0,6%	4,1%
Financial charges	(901)	(754)
<b>EBT</b>	<b>(509)</b>	<b>1.404</b>
Taxes	(261)	(591)
% Tax rate	-51,3%	42,1%
<b>Net Profit (Loss)</b>	<b>(770)</b>	<b>813</b>
o/w Minorities	(106)	(2)
<b>o/w Group Net Profit (Loss)</b>	<b>(664)</b>	<b>815</b>

- › 9M 2020 **Revenues** at €M 52.65, down by 12.9% compared to €M 60.43 of 9M 2019. The decrease is mostly attributable to **the foreign subsidiaries** who **underperformed** in the period (-29%), especially in Mexico where the contraction of revenues is due to high exposure to travel & leisure customers. **Italian turnover** is down by 5%, mostly due to lower tax credit and incentives for R&D projects over the period. **Italian core business** mostly stable.
- › **Operative costs** decreased by -16.5% yoy, reducing the impact on revenues by 4% compared to 9M 2019. **Services costs** decreased by 24.2% yoy. This **efficiency** is mostly achieved thanks to the actions taken to internalize tech activities. **Personnel costs** is mostly stable, with a decrease of 2.9% compared to 9M 2019, attributable to the rationalization of the **new organization** in the Italian companies, while there has not been use of any temporary layoffs nor other unemployment benefits.
- › 9M 2020 **EBITDA** at €M 3.83 +92.9% compared to €M 1.99 in 9M 2019, with a margin increase of 4 pps (**EBITDA margin 7.3%**). **EBIT** is equal to €M 2.16 higher than €M 0.39 in 9M 2019, with an increase of 3.4 pps in EBIT margin. The improvement is mostly attributable to the Italian companies.
- › **Financial charges** decreased from €M 0.90 in 9M 2019 to €M 0.75. 9M 2020 **EBT** positive for €M 1.40. 9M 2020 **Group Net Result** is €M 0.81 vs €M -0.66 in 9M 2019.

# 9M 2020 BALANCE SHEET – IAS/ IFRS

## Consolidated Balance Sheet

Balance Sheet (€000) - IAS/IFRS	FY 2019	9M 2020
Tangible assets	980	850
Intangible assets	7.801	6.950
<i>o/w rights of use (IFRS16)</i>	3.907	3.301
Goodwill	31.752	31.755
Financial assets	1.078	1.133
<b>Fixed Assets</b>	<b>41.611</b>	<b>40.688</b>
Inventories	61	31
Trade Receivables	31.791	22.818
Trade Payables	(17.142)	(11.440)
<b>Net Trade Working Capital</b>	<b>14.710</b>	<b>11.409</b>
Other Current Assets	8.931	5.056
Other Current Liabilities	(9.790)	(7.462)
Employees' leaving entitlement	(4.356)	(4.665)
<b>Total Capital Invested</b>	<b>51.106</b>	<b>45.026</b>
<b>Total Equity</b>	<b>31.897</b>	<b>34.073</b>
o/w Group Equity	31.723	33.741
o/w Minorities	174	332
Cash	(9.581)	(20.983)
Bank Debts	11.501	17.178
Put Option Liabilities	13.342	11.392
Other Financial Debts (IFRS16)	3.947	3.366
<b>Net Debt (Cash)</b>	<b>19.209</b>	<b>10.953</b>
<b>Total Funds</b>	<b>51.106</b>	<b>45.026</b>

- › **Net Invested Capital** at €M 45.0 (€M 51.1 at FY 2019) and consisted of approx. € 11.4 million of **Net Working Capital** (€M 14.7 FY2019), €M 40.7 of fixed assets (€M 41.6 FY2019) of which €M 31.8 of **Goodwill** and €M 3.3 of **rights of use** (IFRS 16), and €M 4.7 of final Employees' leaving entitlement (€M 4.3 FY2019)
- › **Shareholders' equity** increased in the period by €M 2.0 since 31 dec. 2019 (+6.8%), thanks to the positive result of the period
- › **Net Financial Position** at September 30th 2020 negative for €M -10.95 (ante-IFRS 16 at €M -7.55) compared to the negative Net Financial Position at 31 December 2019, which was €M -19.2. The variation is mainly due to positive cash generation in the semester resulting in higher cash position and lower valuation of put options.

# 1H 2020 CASH FLOW GENERATION – IAS/IFRS

## Consolidated Cash Flow

Cash Flow Statement (€000) - IAS/IFRS	9M 2019	9M 2020
<b>Net Profit (Loss)</b>	<b>(770)</b>	<b>813</b>
Adjustments (cash tax, interest and other)	649	992
Non cash items	1.932	2.202
<b>Gross Cash Flow</b>	<b>1.811</b>	<b>4.007</b>
Change in inventories	72	30
Change in trade receivables	4.558	8.616
Change in trade payables	(3.901)	(5.702)
<b>Total change in NWC</b>	<b>729</b>	<b>2.944</b>
Total change in other asset/liabilities	(2.563)	563
<b>Operating Cash Flow</b>	<b>(23)</b>	<b>7.514</b>
Capex	(489)	(152)
<b>Free Cash Flow before Acquisition</b>	<b>(512)</b>	<b>7.362</b>
Other fixed assets	(1.309)	(113)
<b>Free Cash Flow</b>	<b>(1.821)</b>	<b>7.249</b>
Change in treasury shares	(438)	0
Dividends to minorities	(662)	(667)
Change in bank & fin. Debts	8.153	5.625
IFRS 16 effect	(751)	(715)
Changes in equity	1.047	0
Change in put/option	(5.585)	(90)
<b>Change in Cash</b>	<b>(57)</b>	<b>11.402</b>
Initial Cash	10.098	9.581
Final Cash	10.041	20.983

- › 9M 2020 **Gross Cash Flow** at €M 4.0, compared to €M 1.8 9M 2019. The increase yoy is mostly due to the higher result of the period and higher non-cash items.
- › 9M 2020 **Operating cash flow** at €M 7.51 compared to €M -0.02 of 9M 2019. The positive variation is mostly due to the better operating result and the lower absorption of the Net Working capital compared to 9M 2019.
- › Ordinary **Capex** of the period are 70% lower than 2019. 9M 2020 **Free Cash Flow before Acquisitions** is equal to €M 7.36, compared to €M -0.51 of 9M 2019.
- › 9M 2020 **Free Cash Flow** is €M **7.25**, showing a strong improvement compared to 9M 2019 €M -1.82.
- › Total change in **cash** for the period was €M 11.40 compared to €M -0.06 in 9M 2019.

# LOOKING AHEAD

- > Alkemy will continue the process of industrialization of the business model, started over the course of 2019, defining our new organization and the new go to market strategy. Alkemy will continue to work in this direction with an elevated focus on both marginality and organic growth.
- > In 9M indeed Alkemy already started to register the first positive results in terms of marginality, thanks to the better mix and the business efficiencies generated.
- > In 9M 2020 the top line was impacted by an unprecedented crisis, but the management is confident that in a post COVID-19 world, the services offered by Alkemy for digital transformation and business evolution will be structurally necessary for current and future customers to be competitive and successful.
- > The evolution of the Business in the next few months will depend mostly on exogenous factors such as the dynamics of the pandemic, the resilience of our clients on one hand, and government interventions in support of the economy and investments in the digital field on the other.
- > The management will monitor continuously and carefully the developments of the events, in order to be ready to promptly take the necessary actions to mitigate any impacts on business performance resulting from the tough economic environment in key geographies.
- > Taking into account the results achieved in 9M 2020, and current trading conditions, excluding the occurrence of further aggravating events that are not foreseeable at the moment (ie new lockdowns), in FY 2020 we expect to reach an EBITDA higher than that of 2019, despite the decline in revenues expected.

# A PUBLIC COMPANY LISTED ON MTA – STAR SEGMENT



## Issuer & Tickers

- Alkemy S.p.A. (ALK) | ISIN: IT0005314635
- REUTERS ALK.MI | BLOOMBERG ALK.IM

## Market

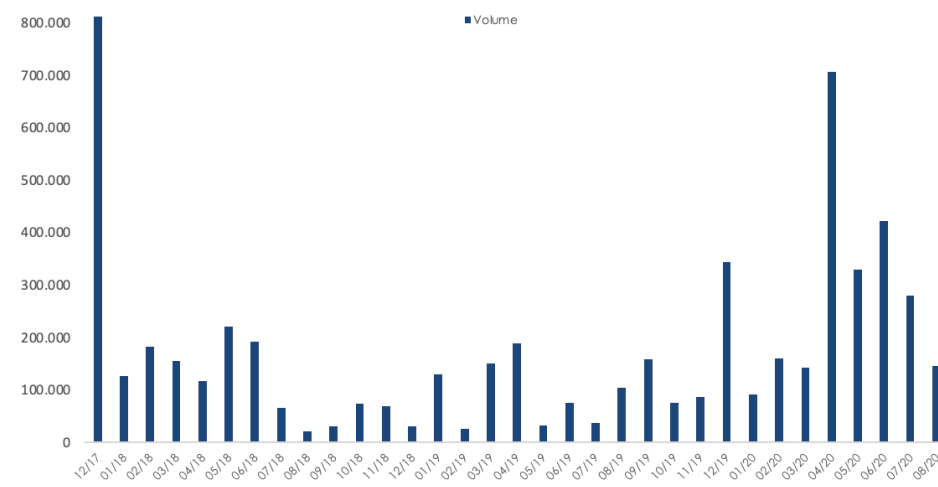
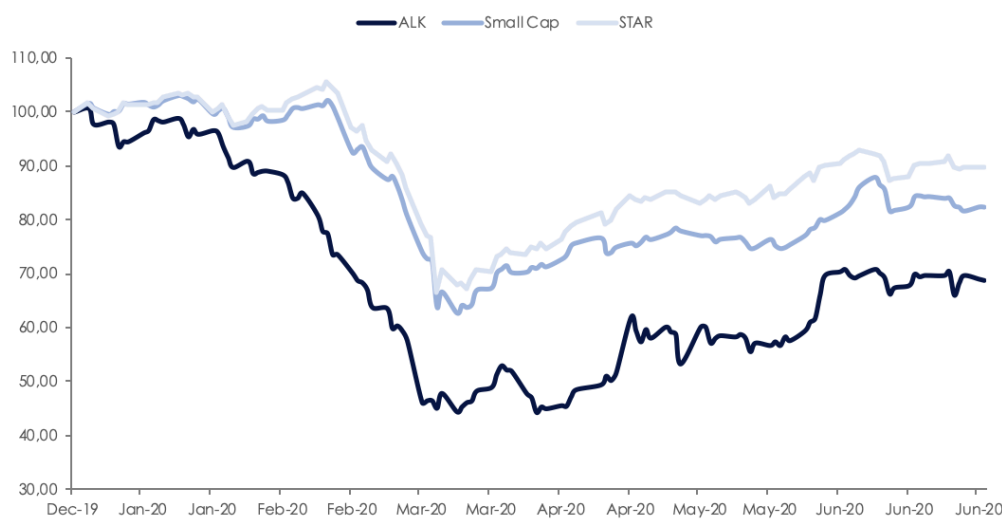
- Borsa Italiana, MTA – STAR Segment

## Specialist

- Intermonte

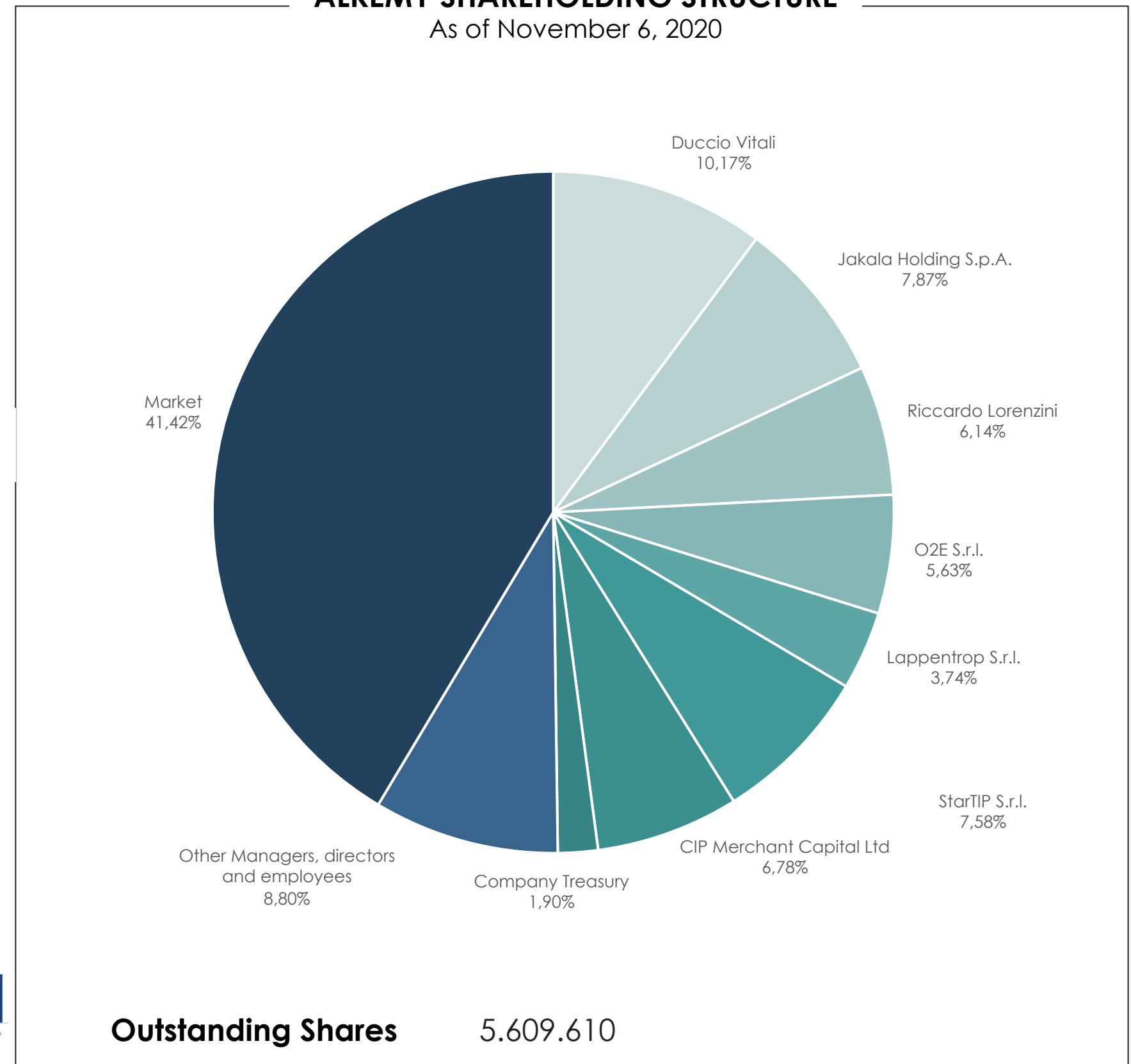
## Analyst Coverage

- Intermonte  
TP €7.40 | Outperform (Apr 2020)
- Banca Imi  
TP €9.00 | Buy (Sept 2020)
- Mediobanca  
TP €8.00 | Outperform (Sept 2020)



## ALKEMY SHAREHOLDING STRUCTURE

As of November 6, 2020



(1) O2E Srl belongs to Francesco Beraldi  
 (2) Lappentrop Srl belongs to Alessandro Mattiacci  
 (3) Other Managers: Alkemy and founders of new acquired companies  
 (4) Buy Back plan was in place until December 2019

# A SOLID CORPORATE GOVERNANCE



## BOARD OF DIRECTORS

Chairman	Alessandro Mattiacci
Chief Executive Officer	Duccio Vitali
Deputy Chairman	Vittorio Massone
General Manager	Massimo Canturi
Director	Riccardo Lorenzini
Independent Director	Giorgia Albeltino
Independent Director	Giulia Bianchi Frangipane
Independent Director	Andrea Di Camillo
Independent Director	Serenella Sala

## BOARD OF STATUTORY AUDITORS

Chairman	Mauro Dario Bontempelli
Standing Auditor	Gabriele Gualeni
Standing Auditor	Daniela Bruno
Alternate Auditor	Marco Garrone
Alternate Auditor	Mara Sartori

Independent Audit Firm: KPMG S.p.A.

- The Board of Directors, the Board of Statutory Auditors and the Independent Audit Firm were appointed by the Shareholders' Meeting on June 25, 2017.
- Vittorio Massone was appointed by the Shareholders' Meeting on April 24, 2020.





Alkemy enabling evolution  
Via San Gregorio 34 20124 Milano, Italy  
Tel: +39 02 92894 1 - Fax: +39 02 92894 500  
[info@alkemy.com](mailto:info@alkemy.com)

INVESTOR RELATIONS  
[ir@alkemy.com](mailto:ir@alkemy.com)