



1Q 2021 RESULTS

14.05.2021

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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 33%** (>2x the market), to move from the 23 starting resources to a team of over **650 people** and a turnover of **74.9M€**.

In these 8 years, Alkemy has **successfully** used the **M&A lever** (8 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 **70 and 500%**.

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

1Q 2021 – BACK TO ORGANIC GROWTH AND MARGIN EXPANSION

The **industrialization** of business model strengthens **marginality** and boosts **organic growth**



1Q 2021

- > **Organic growth** back to positive, up by +7% compared to 1Q 2020
- > Strong **improvement in marginality** compared to 1Q 2020 (+8pps)
- > **New Business** activity & **growth** of TOP 50 clients' revenues
- > Positive **cash generation** over the period (€M 1.9 operative cash flow)
- > **Positive Group Result** of €M 0.5

FINANCIAL HIGHLIGHTS

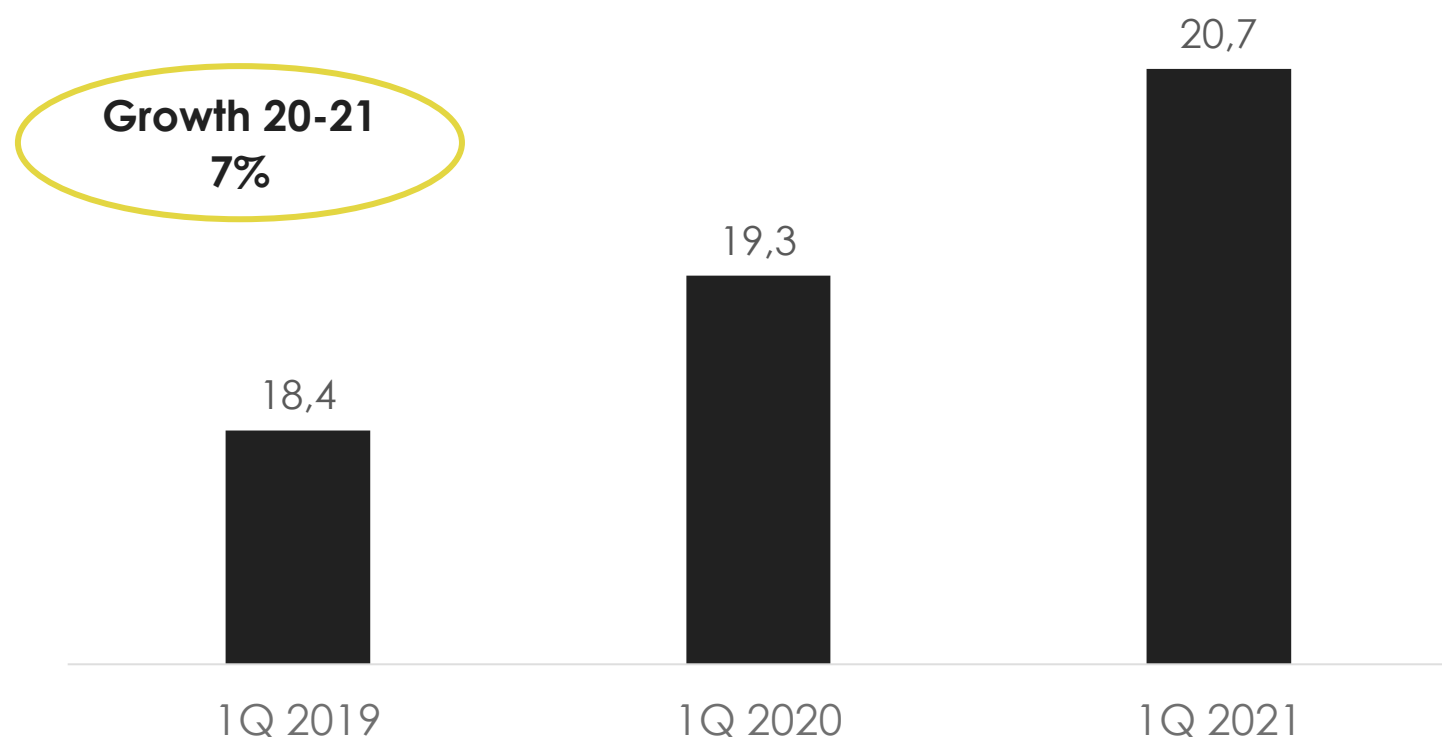


€M	1 Q 2021	1 Q 2020	
Turnover	20.7	19.3	> +7% compared to 1 Q 2020, thanks to a first recovery of new business activities, and the new Go-to-Market highly focused on main clients' projects
Adj. EBITDA	2.0	0.3	> +532% compared to 1 Q 2020, thanks to the better mix and efficiencies arising from the new organization. EBITDA margin up by + 8 pps
EBIT	1.1	(0.1)	> Strong growth compared to 1 Q 2020, thanks to the better operating result. EBIT margin up by +5.6 pps
EBT	0.8	(0.5)	> Positive result compared to 1 Q 2020, thanks to the better performance over the period and lower financial charges
Group Net Income	0.5	(0.5)	> The positive result is achieved thanks to the better operative result and to the efficiencies arising from the new organization
Operating Cash Flow	1.9	(0.4)	> Increase of €M 2.3 compared to 1 Q 2020 mainly thanks to the better operating result
NFP	-12.4	FY 2020 -12.4	> Variation since 31 December 2020 of €M -0.01 mostly due to: €M +0.7 in cash liquidity, €M +0.7 decrease in financial debt, €M – 1.4 increase in leasing (IFRS 16)

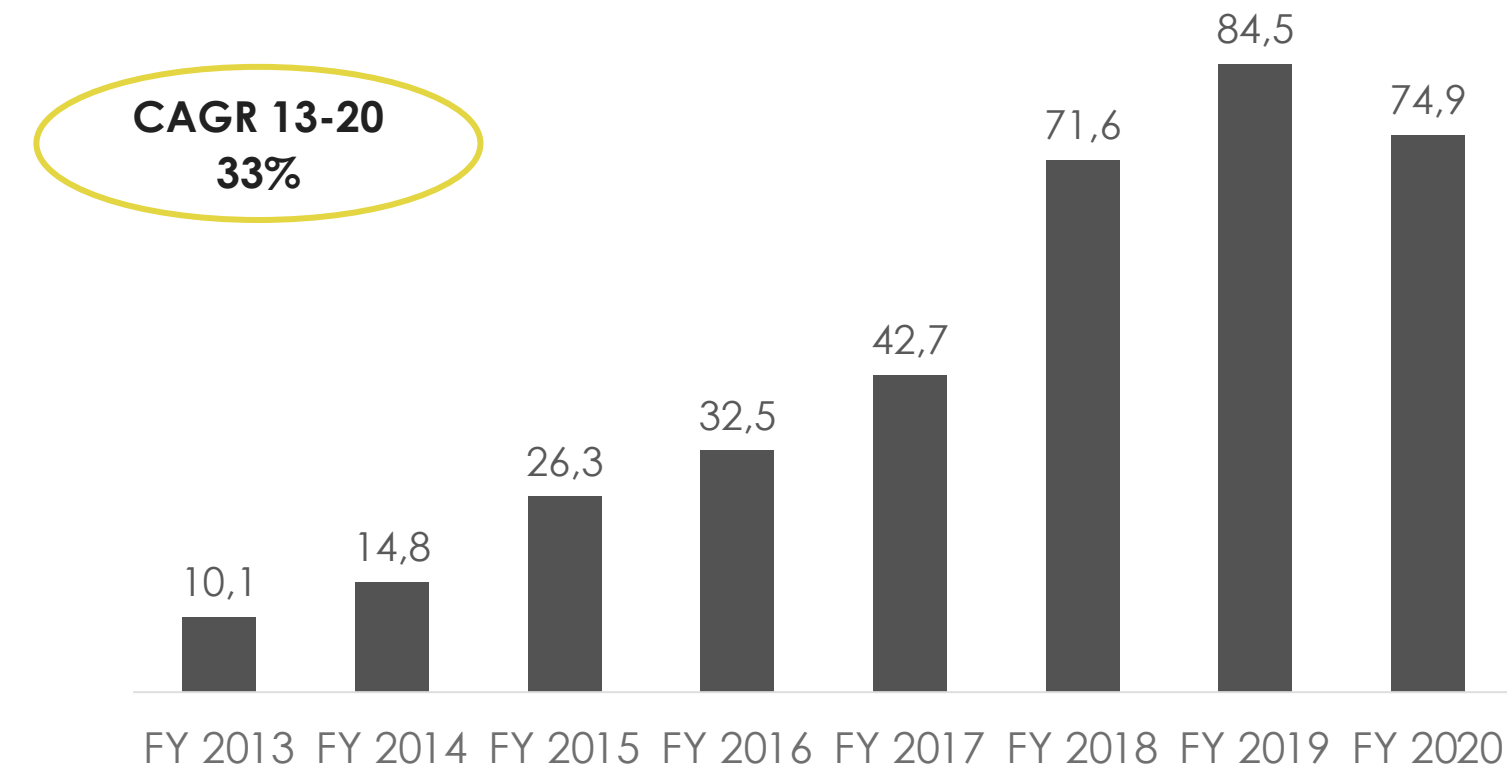
REVENUES

BACK TO ORGANIC GROWTH

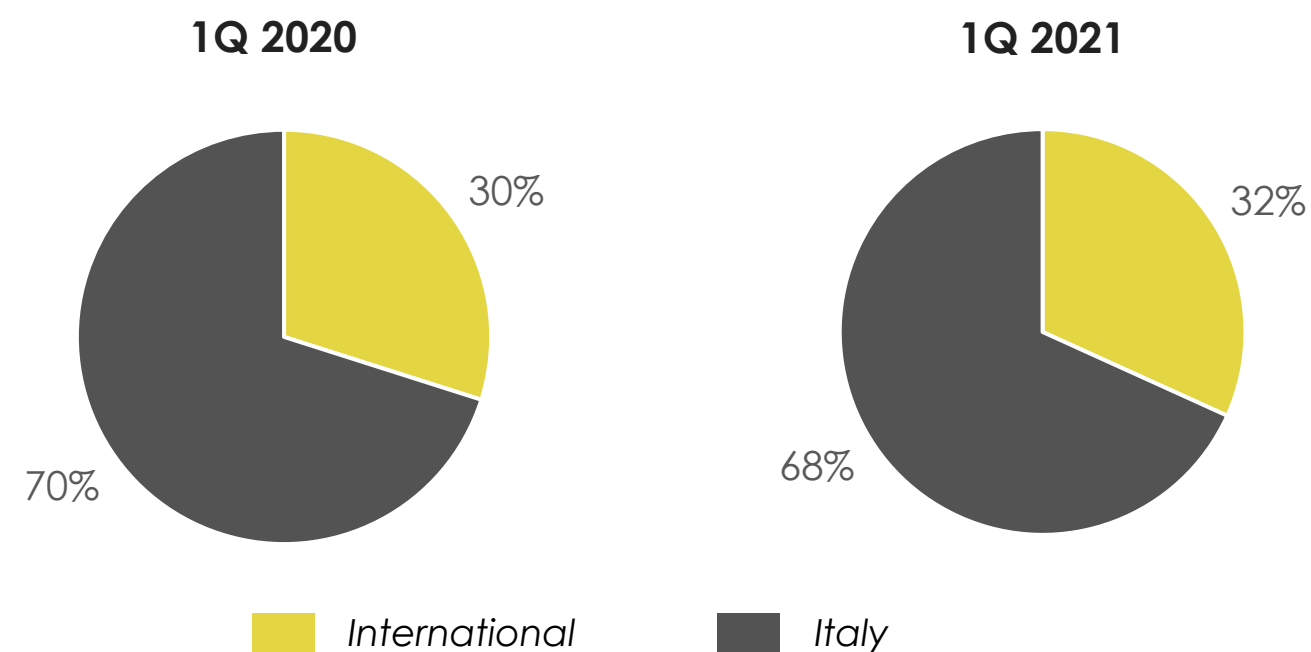
1Q REVENUES (€M) – IAS /IFRS



FY REVENUES (€M) – IAS /IFRS ⁽¹⁾



ALKEMY INTERNATIONAL TURNOVER (%)



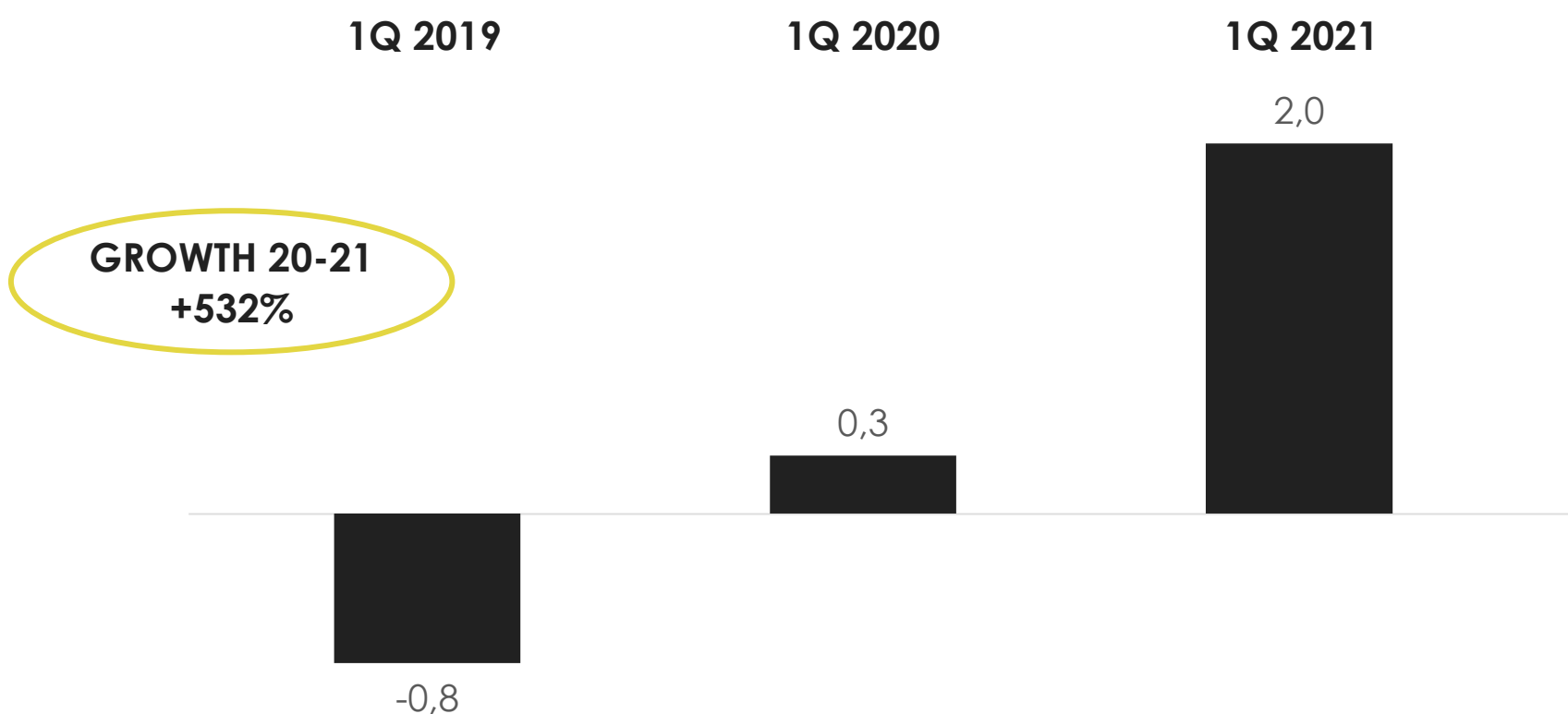
- › 1Q 2021 revenues are €M20.7, +7% compared to 1Q 2020 which were €M19.3, going back to organic growth.
- › 1Q 2021 Italian turnover is €M 14.0 up by 4% compared to €13.5 M in 1Q 2020. Top 50 clients overperformed over the period. Recovery of New Business activity
- › International revenues in 1Q 2021 are €M 6.7, up by 14% vs. €M 5.8 in 1Q 2020, partially recovering from COVID-19 related decline in 2020, especially in Spain.

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

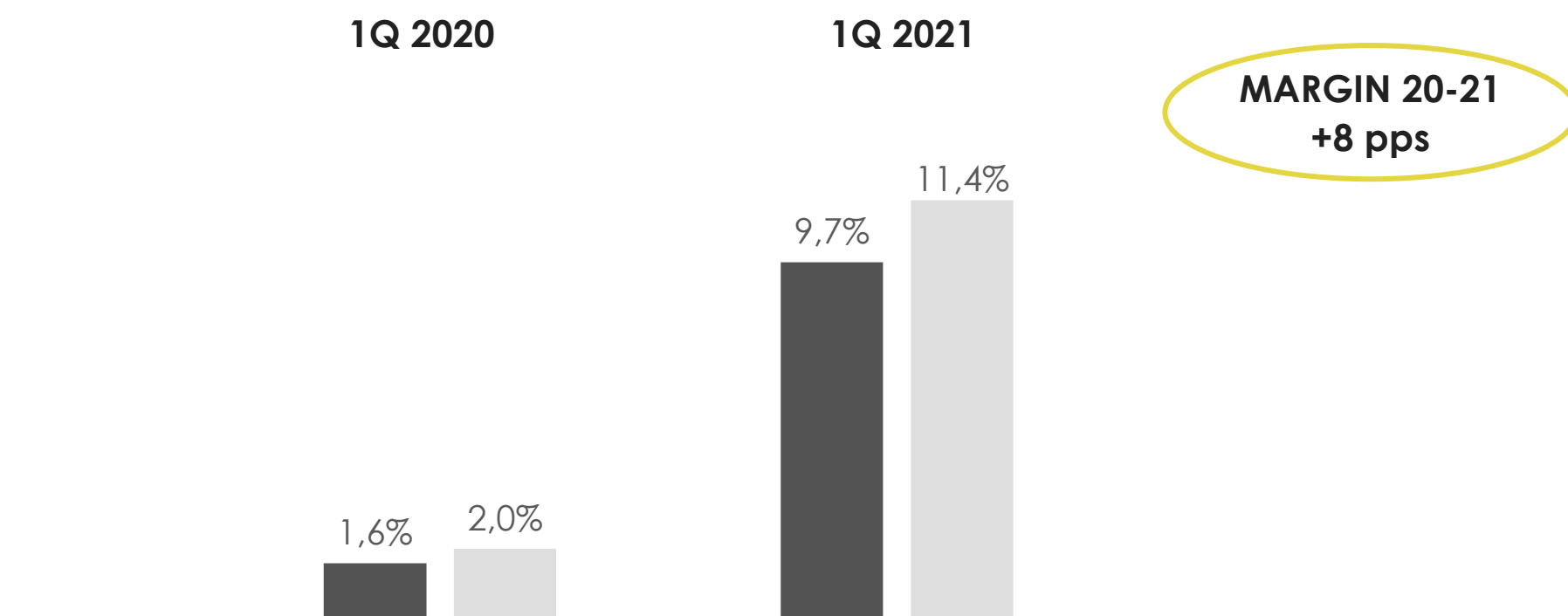
Adj. EBITDA

CONSISTENT IMPROVEMENT IN MARGINALITY

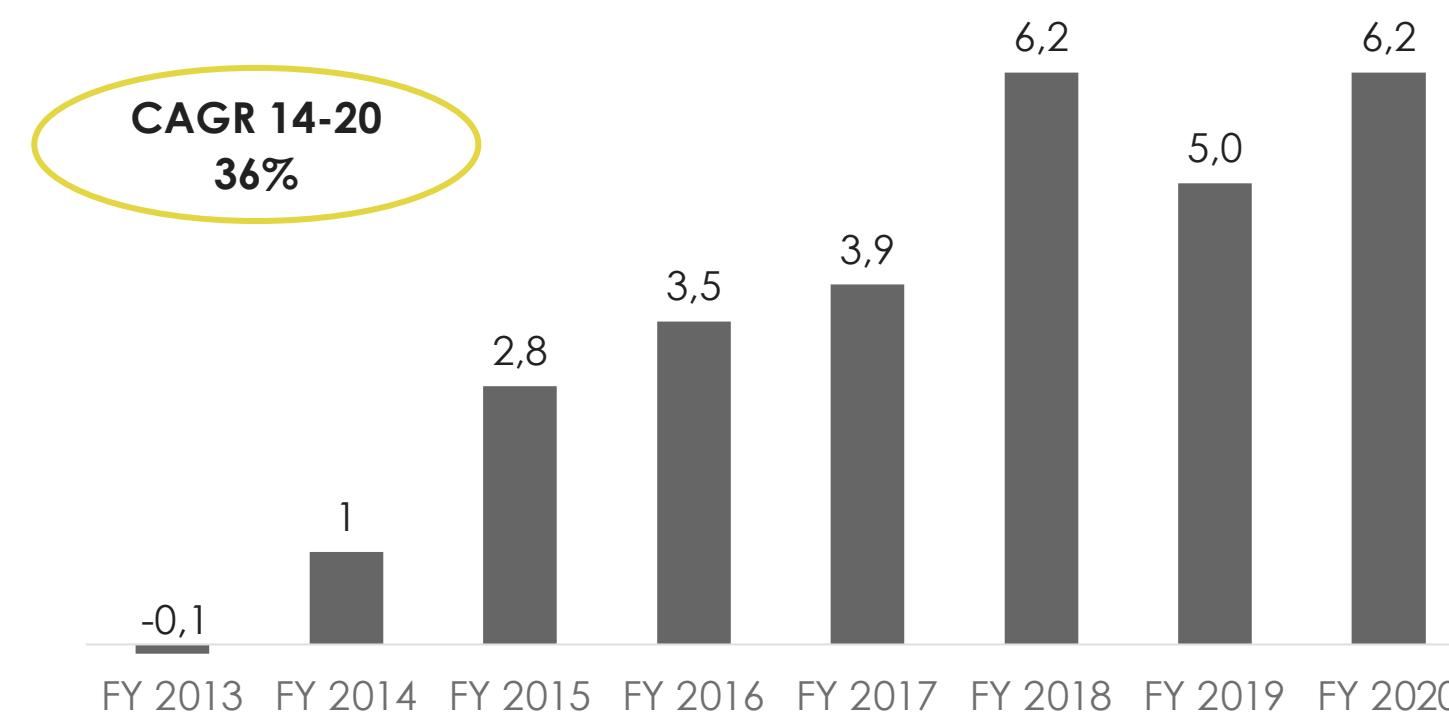
1Q ALKEMY Adj. EBITDA (€M) – IAS/IFRS



1Q EBITDA MARGIN – EBITDA MARGIN NET MEDIA (%)⁽¹⁾⁽²⁾



FY ALKEMY Adj. EBITDA (€M) – IAS/IFRS



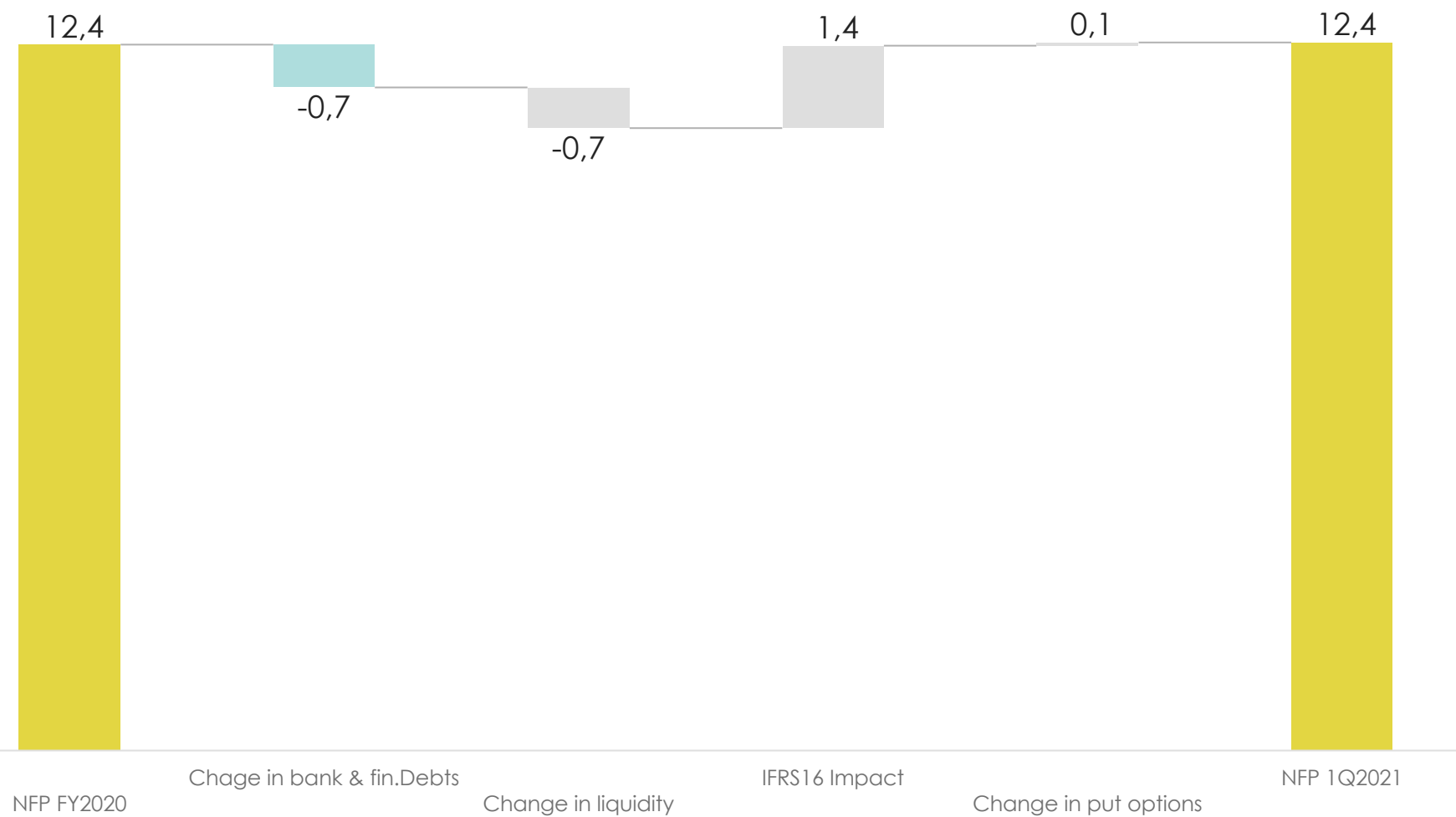
- › 1Q 2021 EBITDA is €M2.00, +532% compared to 1Q 2020 of €M 0.3, thanks to the better mix of the new Go-to-Market strategy and the efficiency and razionalizati0n of the new organization.
- › EBITDA Margin is 9.6% in 1Q 2021 vs 1.6% in 1Q 2020 with a positive growth of 8 pps, thanks to lower costs impact on revenues, thanks to the industrialization process started in 2020
- › EBITDA Margin net media is 11.4% in 1Q 2021 vs. 2.0% in 1Q 2020

⁽¹⁾Ebitda margin is calculated relating the EBITDA to the revenues of the period

⁽²⁾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

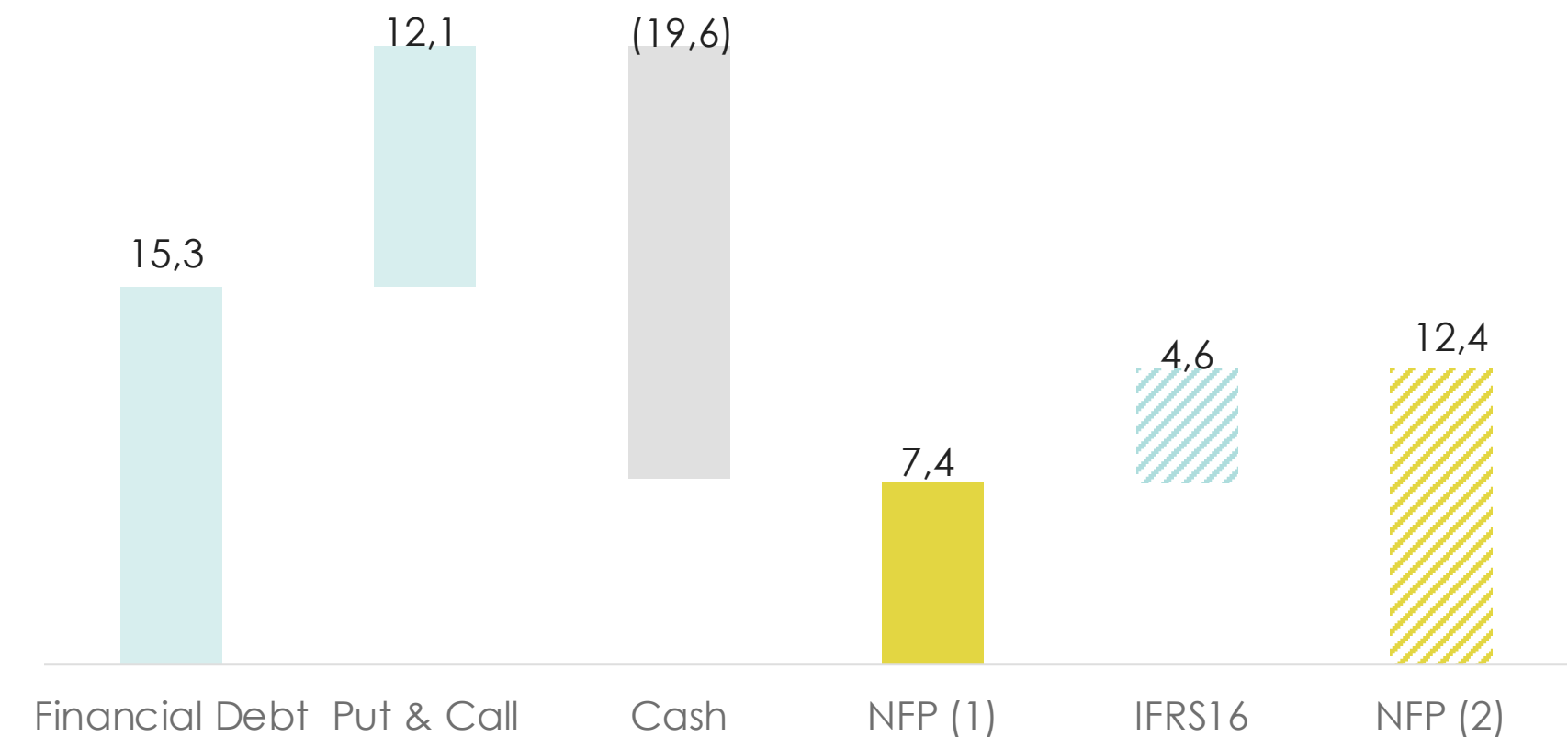
Net Financial Position Bridge 1Q 2021 (€M)



- > **Net Financial Position** NFP (2) at March 31st 2021 was mainly stable €M -12.4 with an variation of €M -0.01 compared to €M -12.4 at December 31st, 2020
- > **Variation** mainly due to: increase in liquidity on bank accounts (€M +0.7), decrease in bank loans (€M +0.7), IFRS 16 impact (€M -1.4).

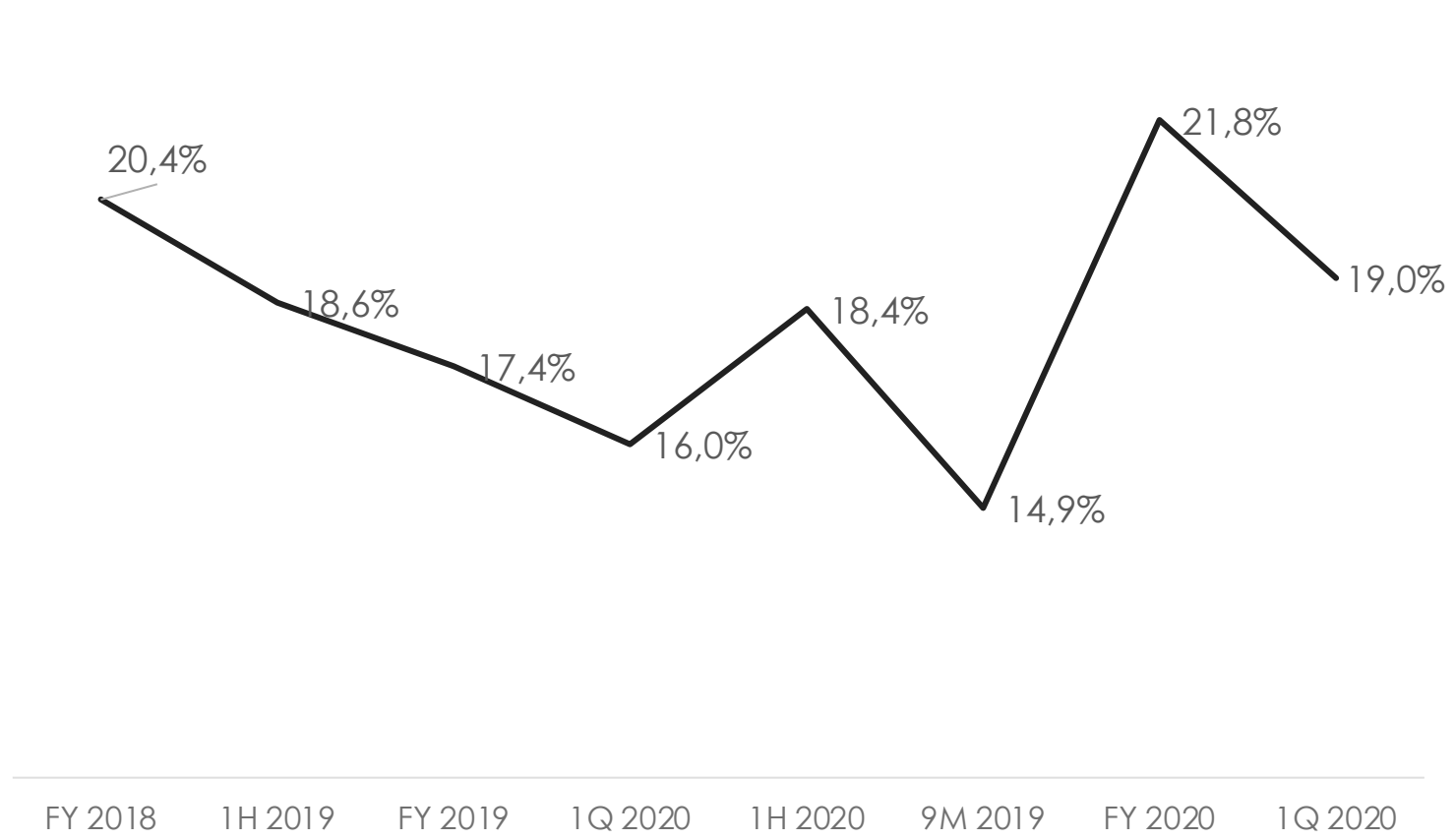
- > **Gross debt** is composed by €M 15.3 of financial debt (of which €M 10.8 non current, €M4.5 current), €M 12.1 put options deriving from M&A (of which €M 2.8 non current) and €M 4.6 IFRS16 financial leases
- > 1Q 2021 NFP (1) ex IFRS16 is €M 7.4
- > 1Q 2021 cash is €M 20.0

Net Financial Position Break Down 1Q 2021 (€M)

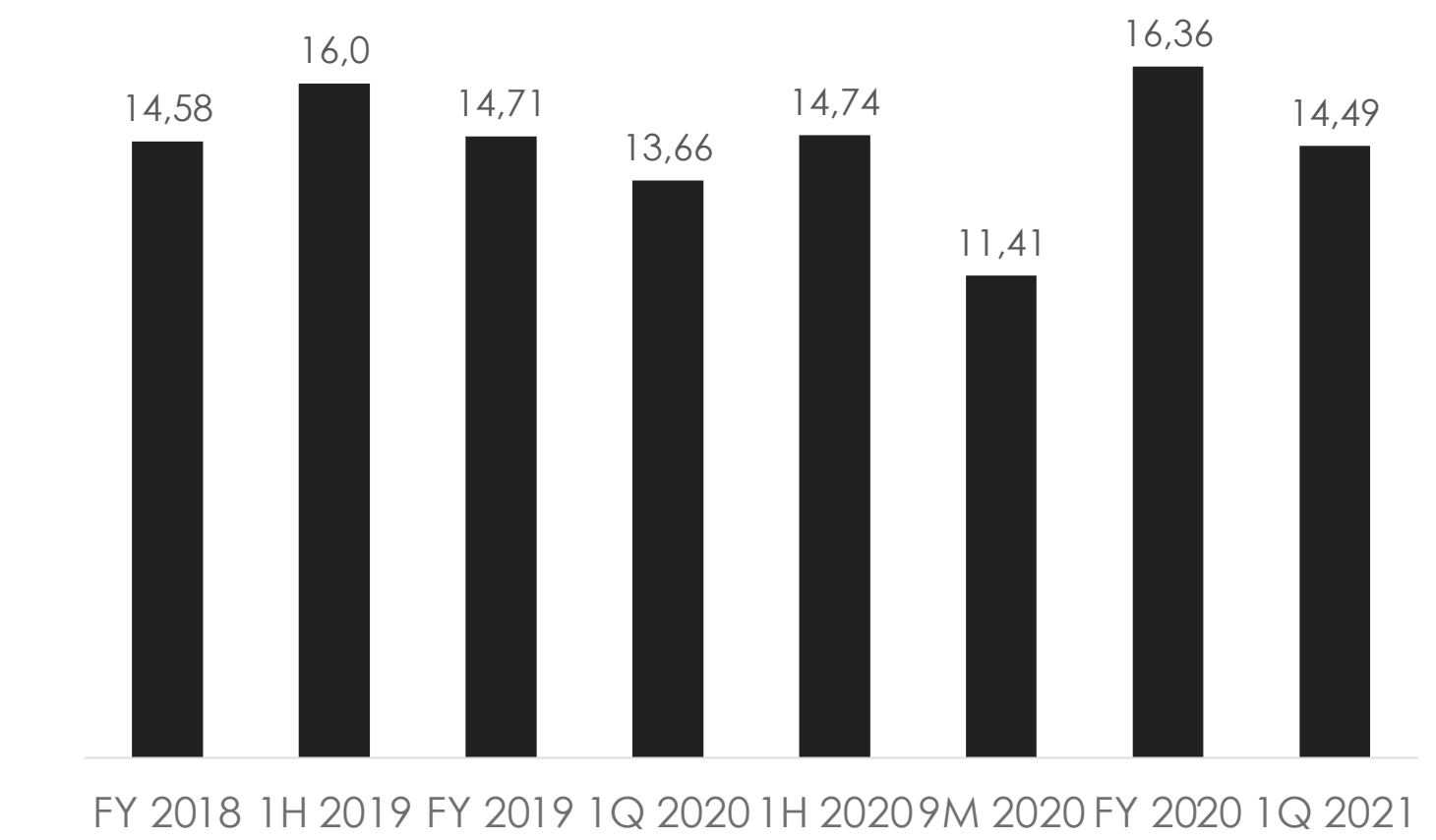


NET TRADE WORKING CAPITAL DYNAMICS

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

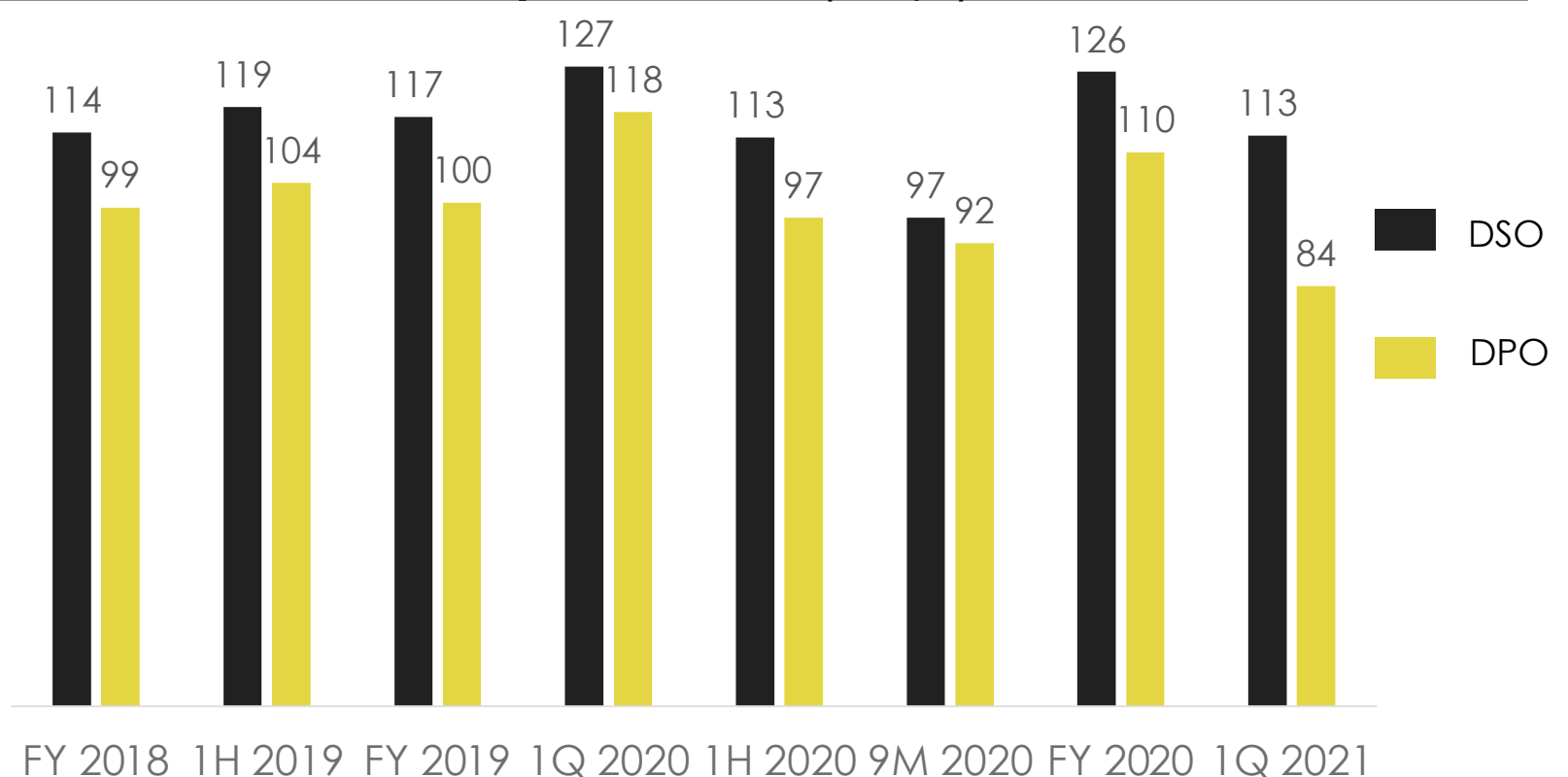


Net Trade Working Capital (€M)



- > 1Q 2021 Net Trade Working capital 6% higher than 1Q 2020
- > The cash generation from **Net Trade Working Capital** decrease (€M +1.8 million) was more than 2 times higher in comparison to 1Q 2020, thanks to payables and receivables dynamics
- > 1Q 2021 DSO -11% vs. 1Q 2020; 1Q 2021 DPO -29% vs. 1Q 2020

Cash Conversion Cycle Details (days)



1Q 2021 P&L – IAS/IFRS



Consolidated Profit & Loss

Profit and Loss (€000) - IAS/IFRS	1Q 2020	1Q 2021
Revenues	19.326	20.655
Service costs, consum. & goods	(11.885)	(10.677)
Personnel	(7.128)	(8.423)
EBITDA	313	1.555
% Revenues	1,6%	7,5%
Non recurrent costs	0	(424)
Adj. EBITDA	313	1.979
% Revenues	1,6%	9,6%
D&A	(413)	(445)
Bad debts/ claims/ provisions	(3)	(59)
EBIT	(103)	1.051
% Revenues	-0,5%	5,1%
Financial charges	(423)	(210)
EBT	(526)	841
Taxes	(62)	(356)
% Tax rate	-11,8%	42,3%
Net Profit (Loss)	(588)	485
o/w Minorities	(101)	(3)
o/w Group Net Profit (Loss)	(487)	488

- 1Q 2020 **Revenues** at €M 20.7, up by 7% compared to €M 19.3 of 1Q 2020. The increase is mostly attributable to the recovery of **New Business** activities and the strong focus on main clients. **Italian revenues up by 4%** yoy, mainly thanks to the new Go-to-Market strategy. **Foreign turnover up by 14%**, mainly thanks to Spain's subsidiary, which overperformed over the period compensating Mexico's slower recovery.
- Operative costs** decreased by -0.5% yoy, reducing the impact on revenues by 6% compared to 1Q 2020. **Services costs** decreased by 10% yoy. This **efficiency** is mostly achieved thanks to the actions taken to internalize tech activities. **Personnel costs** increased incidence on revenues by 4% compared to 1Q 2020, attributable to the higher FTE for the period.
- 1Q 2021 **Adj. EBITDA** at €M 2.0 +532% compared to €M 0.3 in 1Q 2020, with a margin increase of 8 pps (**EBITDA margin 9.6%**). **EBIT** is equal to €M 1.1 higher than €M 0.1 in 1Q 2020, with an increase of 7.7 pps in EBIT margin.
- Financial charges** decreased from €M 0.4 in 1Q 2020 to €M 0.2. in 1Q 2021 **EBT** positive for €M 8.4. 1Q 2021 **Group Net Result** is €M 0.5 vs €M -0.5 in 1Q 2020.

1Q 2021 BALANCE SHEET – IAS/ IFRS

Consolidated Balance Sheet

Balance Sheet (€000) - IAS/IFRS	FY 2020	1Q 2021
Tangible assets	855	865
Intangible assets	7.093	8.406
<i>o/w rights of use (IFRS16)</i>	3.122	4.555
Goodwill	31.755	31.754
Financial assets	1.174	1.095
Fixed Assets	40.877	42.120
Inventories	0	0
Trade Receivables	31.044	28.411
Trade Payables	(14.688)	(13.926)
Net Trade Working Capital	16.356	14.485
Other Current Assets	4.207	3.991
Other Current Liabilities	(12.579)	(11.203)
Employees' leaving entitlement	(5.087)	(5.108)
Total Capital Invested	43.774	44.285
Total Equity	31.396	31.895
o/w Group Equity	31.142	31.645
o/w Minorities	254	250
Cash & current financial assets	(18.922)	(19.676)
Bank Debts	16.071	15.336
Put Option Liabilities	12.038	12.093
Other Financial Debts (IFRS16)	3.191	4.637
Net Debt (Cash)	12.378	12.390
Total Funds	43.774	44.285

- › **Net Invested Capital** at €M 44.3 (€M 44.0 at FY 2020) and consisted of approx. € 14.5 million of **Net Trade Working Capital** (€M 16.4 FY 2020), €M 42.1 of fixed assets (€M 41.0 FY 2020) of which €M 31.7 of **Goodwill** and €M 4.6 of **rights of use** (IFRS 16), and €M 5.1 of final Employees' leaving entitlement.
- › **Shareholders' equity** increased in the period by €M 0.5 since 31 dec. 2020 (+1.6%), thanks to the positive result of the period
- › **Net Financial Position** at March 30th 2021 negative for €M -12.4 (ante-IFRS 16 at €M -7.4) mostly stable compared to the negative Net Financial Position at 31 December 2020.

1Q 2021 CASH FLOW GENERATION – IAS/IFRS

Consolidated Cash Flow

Cash Flow Statement (€000) - IAS/IFRS	1Q 2020	1Q 2021
Net Profit (Loss)	(588)	485
Adjustments (cash tax, interest and other)	485	566
Non cash items	594	640
Gross Cash Flow	491	1.691
Change in inventories	31	0
Change in trade receivables	1.951	2.581
Change in trade payables	(1.127)	(762)
Total change in NTWC	855	1.819
Total change in other asset/liabilities	(1.736)	(1.618)
Operating Cash Flow	(390)	1.892
Capex	(103)	(135)
Free Cash Flow before Acquisition	(493)	1.757
Other financial assets	37	56
Free Cash Flow	(456)	1.813
Change in treasury shares	0	0
Dividends to minorities	(162)	0
Change in bank & fin. Debts	2.386	(789)
IFRS 16 effect	(230)	(270)
Changes in equity	0	0
Change in put/option	(90)	0
Change in Cash	1.448	754
Initial Cash	9.581	18.840
Final Cash	11.029	19.594

- › 1Q 2021 **Gross Cash Flow** at **€M 1.7**, compared to €M 0.5 in 1Q 2020. The increase yoy is mostly due to the positive result of the period.
- › 1Q 2021 **Operating cash flow** at **€M 1.9** compared to €M -0.4 of 1Q 2020. The positive variation is mostly due to the better operating result.
- › Ordinary **Capex** of the period are 24% lower than 1Q 2020. 1Q 2021 **Free Cash Flow before Acquisitions** is equal to **€M 1.8**, compared to €M -0.5 of 1Q 2020.
- › 1Q 2020 **Free Cash Flow** is **€M 1.8**, showing a strong improvement compared to 1Q 2020 €M -0.5.
- › Total change in **cash** for the period was **€M 0.8** compared to €M 1.4, mostly due to the decrease in financial debts.

LOOKING AHEAD

- > In light of the positive trend of results achieved in the last months of 2020 and confirmed in the first quarter of 2021, considering the current size of orders and contracts portfolio and the general favorable progress of the business, barring the occurrence of further unforeseeable negative events related to the pandemic, management's expectation of a resumption of organic growth is confirmed, both in terms of revenues and mostly of margins.
- > The management expected, indeed, the full recovery of the New Business activity in the following months, which effects will be registered already in 2Q 2021, and to further benefit both from the rationalization work carried out in the previous year, and from the effectiveness and efficiency resulting from the new organization in Italy which has now become operational.
- > The new organization was assessed as the most suitable, on the one hand, to best respond to the expected evolution of the domestic market, and on the other, to strengthen business integration with both the new companies included in the Group such as XCC S.r.l. and Design Group Italia S.r.l.

A PUBLIC COMPANY LISTED ON MTA – STAR SEGMENT



Issuer & Tickers

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

Market

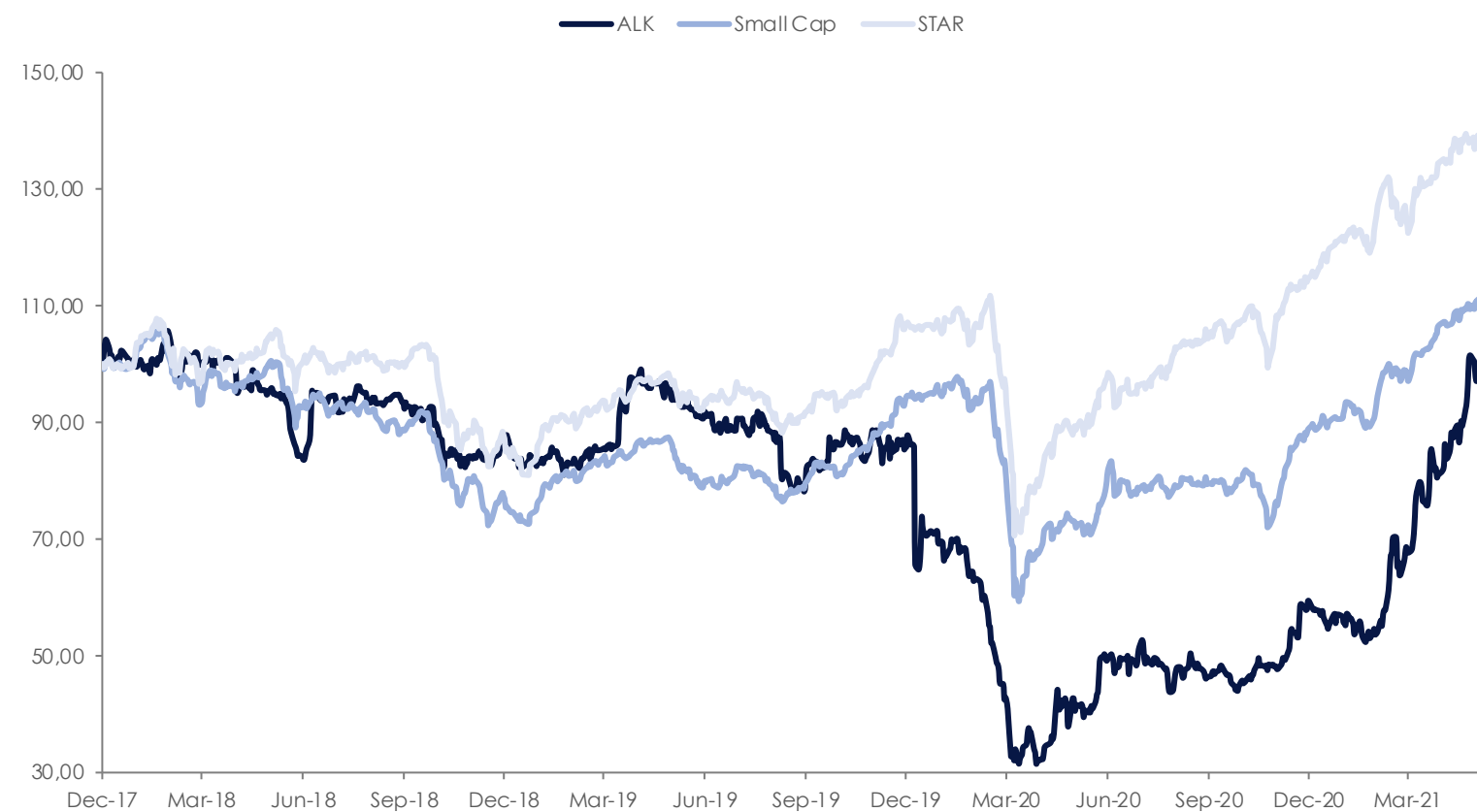
- Borsa Italiana, MTA – STAR Segment

Specialist

- Intermonte

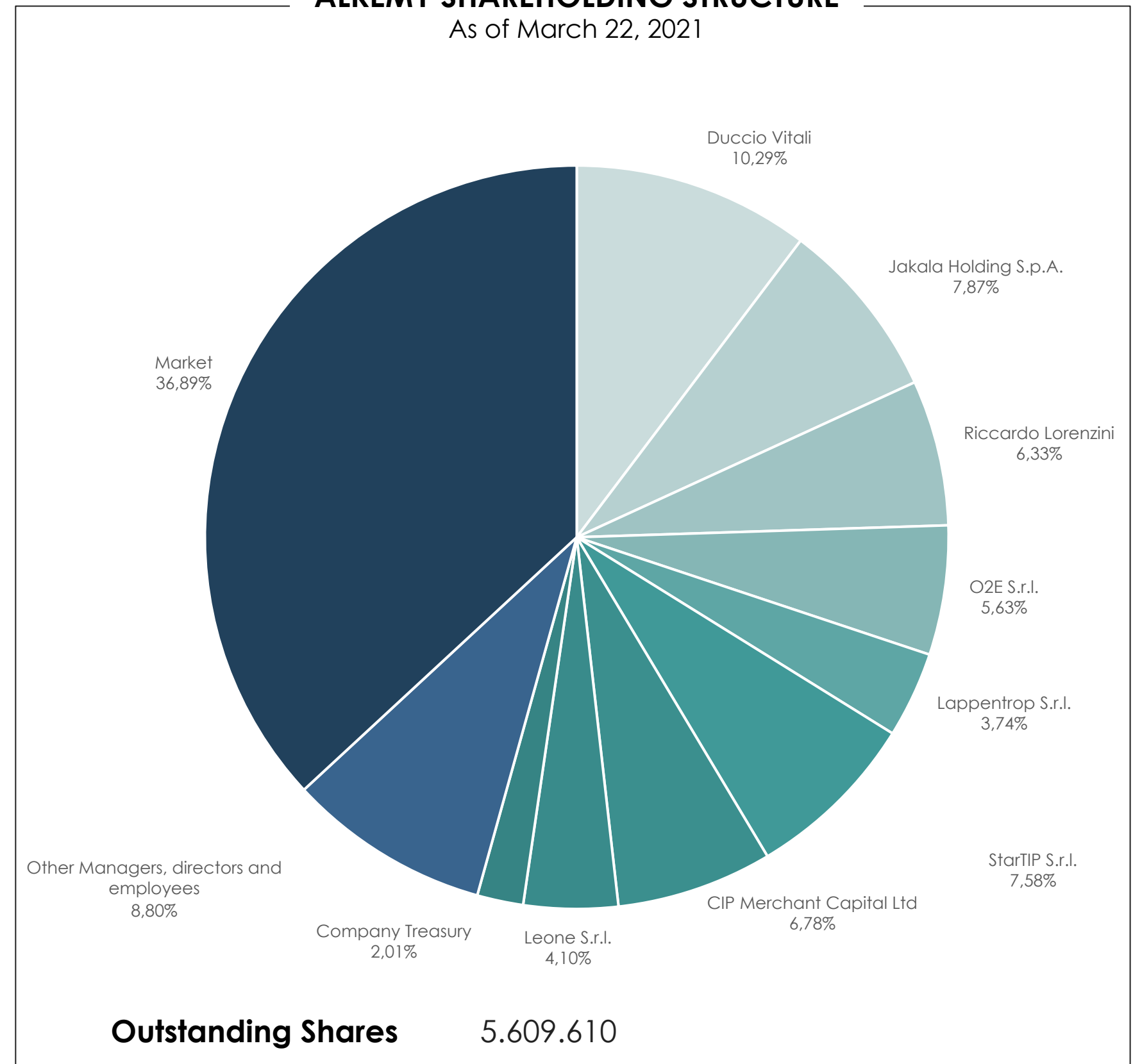
Analyst Coverage

- Intermonte
- Banca Imi
- Mediobanca



ALKEMY SHAREHOLDING STRUCTURE

As of March 22, 2021



(1) Lappentrop Srl belongs to Alessandro Mattiacci

(2) Other Managers: Alkemy and founders of new acquired companies

(3) Buy Back plan was in place until November 2020

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.
- Massimo Canturi was appointed by the Shareholders' Meeting on April 26, 2021.



Alkemy enabling evolution
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INVESTOR RELATIONS
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