



SPAFID
CONNECT

Informazione Regolamentata n. 20116-62-2021	Data/Ora Ricezione 12 Novembre 2021 17:39:36	Euronext Star Milan
---	--	---------------------

Societa' : ALKEMY
Identificativo : 154158
Informazione
Regolamentata
Nome utilizzatore : ALKEMYN03 - Benasso
Tipologia : REGEM
Data/Ora Ricezione : 12 Novembre 2021 17:39:36
Data/Ora Inizio : 12 Novembre 2021 17:39:37
Diffusione presunta
Oggetto : Alkemy SpA - The BoD approved the
Interim financial report at September 30th,
2021

Testo del comunicato

Vedi allegato.



ALKEMY S.P.A.

STRONG GROWTH IN THE FIRST 9 MONTHS 2021 TURNOVER (+ 28%) AND EBITDA ADJ. (+ 90%) PROFIT OF € 2.6 MILLION (+ 222%), GENERATION OF OPERATING CASH AT € 6.5 MILLION

In 9M 2021, the recovery of the new business and the focus on main customers support the organic growth at Group level (+ 20%).

With the industrialization of the business model, the optimization of margins continues (EBITDA margin at 10.9%, +3.5 percentage points).

In FY 2021, operating margins are expected in line with the first 9 months of the year. Expansion of the market is expected to accelerate.

The Board of Directors today approved the Interim Financial Report at September 30th, 2021

- **9M 2021 Consolidated Turnover** is equal to **Euro 67.5 million, +28%** compared to Euro 37.1 million in 9M 2020, thanks to the resumption of new business activity and the **increase in average turnover per customer of main clients**, supported by the new strategy of Go-to-Market.
- **9M 2021 Adjusted EBITDA¹** is equal to **Euro 7.4 million**, with an **increase of 80%** compared to Euro 3.9 million in 9M 2020, as a result of the efficiencies deriving from the industrialization of the business model and the Group's focus on higher value-added projects. The **EBITDA margin** of 9M 2021 is equal to **10.9%, +3.5 percentage points** compared to 9M 2020 (7.4%).
- **9M 2021 EBIT** is equal to **Euro 4.7 million**, an **increase of 118%** compared to Euro 2.2 million in 9M 2020, an improvement mainly due to the better operating result.
- **9M 2021 EBT** is equal to **Euro 4.0 million, +189%** compared to Euro 1.4 million in 9M 2021, thanks to the Group's better operating performance.
- **9M 2021 Net Result** is equal to **Euro 2.6 million, +222%** compared to Euro 0.8 million in 9M 2020.
- **9M 2021 Operating Cash Flow** is positive for **Euro 6.5 million**, compared to Euro 7.5 million in 9M 2020, the decrease of Euro 1.0 million in the flow is mainly due to the lower collections of tax credits and public grants related to Research & Development activities carried out in previous years.
- **Net Financial Position** of the Group at September 30th, 2021 it is negative for **Euro -21.9 million**, with a change of Euro -9.5 million compared to the negative NFP of Euro -12.4 million at December 31st, 2020. The decrease is mainly due to items not inherent to ordinary activities and related to the change in the Group's consolidation perimeter. The NFP of 9M 2021 improves by Euro 2.2 million compared to 1H 2021 (Euro -24.1 million).

Milan, November 12th, 2021 – The Board of Directors of Alkemy S.p.A., a leading company in the business model evolution of large and medium-sized companies listed on the Mercato Telematico Azionario (MTA) – STAR Segment of Borsa Italiana, today approved the Interim Financial Report at September 30th, 2021.

The first nine months of 2021, in the complexity and uncertainty of a context linked to the Covid-19 emergency that is still evolving, thanks to the industrialization process undertaken by the Group, saw

¹ Adjusted EBITDA: Net operating revenues minus operating costs excluding non-recurring expenses and income.



for Alkemy a **highly positive general business trend**, both in terms of **organic growth (+20%)** and a **substantial increase in EBITDA (+90%)**, resulting in a **profit for the period of Euro 2.6 million** (compared to Euro 0.8 million in 9M 2020) and in an **important operating cash flow**, positive for Euro 6.5 million (compared to Euro 7.5 million in 9M 2020).

In the first nine months of 2021 Alkemy, in fact, recorded a **turnover growth of 28%** compared to 9M 2020, as a positive effect of an initial **recovery of new business activities**, and of the **strong presence on main customers** of the Group, who continued projects in progress, **increasing their average turnover**.

The **industrialization process** carried out by Alkemy in the first nine months of 2021 therefore continued to optimize **marginality**, which generated a **consistent growth in Adjusted EBITDA** (+90% compared to 9M 2020) and an **EBITDA Margin of 10,9%**, an increase of 3.5 percentage points compared to 30 September 2020; these results are due to **greater business efficiency, careful management of operating costs** and the new **Go-to-Market strategy**, focused on large projects with greater added value and greater profitability.

Alkemy, as a **leading independent company in the digital transformation market** in the reference geographies, has the range of services needed by companies that want to emerge from the crisis as a winner and be competitive in the market of tomorrow. The recent developments related to the COVID-19 emergency have imposed on companies an increasingly rapid ability to adapt and transform, drastically rethinking, through digital, their business models and reinventing the relationship with new consumers.

"Also in the third quarter of 2021, Alkemy confirmed the positive trends undertaken at the beginning of the year. Revenues returned to organic growth, at a rate of 20%, thanks to the strong presence on our current customers and the recovery of the new business. Furthermore, thanks to the greater organizational efficiency, we have confirmed a margin of 11%." commented **CEO Duccio Vitali**. *"By the end of this year we expect results in line with those of the first nine months, while we confirm a further expansion of operating margins that can already be reached within the business plan span"*.

"In its first ten years of activity, with its integrated offer, Alkemy has developed a leadership position within a market that is worth 6 billion in Italy alone and which is growing more and more rapidly, generating over half a billion new business every year" added the **Chairman of the Board of Directors Alessandro Mattiacci**. *"Furthermore, with the intervention of the NRRP, approximately 24 billion are expected entirely dedicated to digitization, innovation and competitiveness in the Italian production system. We therefore expect a further acceleration of the market, the first impacts of which could be visible as early as the second half of 2022"*.

Financial Data Analysis

Turnover growth of 28%, of which 20% organic, for the first nine months of 2021 which amounted to **Euro 67.5 million**, compared to Euro 52.6 million in the first nine months of 2020. This result was mainly achieved thanks to the recovery of **new business activities** and the new **Go-to-Market** strategy, focused on the strong focus of the main customers of Alkemy which allowed to **increase the average turnover per customer**.

Italian companies recorded revenues growth year on year equal to **18%**, amounting to **Euro 45.3 million**, compared to 38.5 in 9M 2020. The **positive result, higher than expected**, of the Italian companies is due both to the inorganic growth resulting from the acquisition of the majority shares



of Design Group Italia S.r.l. ("DGI") and eXperience Cloud Consulting S.r.l. ("XCC"), whose consolidated revenues in the period amounted to Euro 4.1 million, both due to the new Go-to-Market strategy, the holding of current customers and the acquisition of new customers and additional contracts.

Foreign companies in the first nine months of 2021 recorded a **turnover growth of 57%**, which stands at Euro 22.2 million compared to Euro 14.1 in 9M 2020, mainly thanks to Mexico and Spain, marking an important recovery of the top-line, heavily impacted by the Covid-19 emergency over the course of 9M 2020.

Adjusted EBITDA in the first nine months of 2021 stood at **Euro 7.4 million, up by 90%** compared to the figure of Euro 3.9 million in 9M 2020, mainly thanks to the **efficiencies** and **careful management of operating costs** deriving from the implementation of the **new organization**, which supports the Group in the **industrialization of its business model**, and thanks to the new Go-to-Market strategy focused on the development of **greater added value**.

9M 2021 EBITDA Margin is equal to **10.9%, up by 3.5 percentage points** compared to the first nine months of 2020 (7.4%), thanks to the **efficiencies of the reorganization** which led to a **significant reduction of the incidence of operating costs** (-3.5 percentage points). In particular, the internalisation of some activities, mainly in the technological area, previously entrusted to external suppliers, led to a less than proportional increase in costs for services (+18%), with a decrease in their incidence on revenues of 4.1 percentage points compared to the first nine months of 2020. The incidence of labor costs, net of non-recurring costs, increased by 1 percentage point, as a result of the average number of employees which increased by 17%, from 524 units in 9M 2020 to 613 units in 9M 2021, **confirming the positive expectations of management on the business trend in future periods**.

The Operating Result (EBIT) for the first nine months of 2021 is equal to **Euro 4.7 million, up by 118%** compared to Euro 2.2 million in the first nine months of 2020, mainly thanks to the better result from operations.

Pre-tax Result (EBT) for the first nine months of 2021 was equal to **Euro 4.0 million, up by 189%** compared to Euro 1.2 million in 9M 2020, thanks to the better operating result and also to the lower financial charges for the period equal to Euro 0.3 million, a decrease of 56% compared to Euro 0.8 in 9M 2020.

Net Result for the Period of 9M 2021 is equal to **Euro 2.6 million, up by 222%** compared to Euro 0.8 million in the first semester of 2020.

Operating cash flow as at 30 September 2021 was positive for **Euro 6.5 million**, with a decrease of Euro 1.0 million compared to Euro 7.5 million in 9M 2020, mainly due to the lower collections of tax credits and public contributions relating to Research & Development activities carried out in previous years.

Net Financial Position of the Group at September 30th, 2021 was negative for **Euro -21.9 million**, compared to the negative NFP of -12.4 million at 31 December 2020. The change of Euro -9.5 million is mainly due to:

- for Euro -3.1 million, to the decrease in cash and cash equivalents, mainly attributable (i) to the acquisition of the majority stakes of XCC and DGI for Euro -2.0 million, (ii) to the exercise of the option on the company Nunatac Srl occurred in July for Euro -5.0 million (iii) to the buyback plan of treasury shares in the period for Euro -0.8 million, (iv) to dividends paid to minorities for Euro -1.0 million;



- for Euro -2.8 million, to the increase in payables for put options, as a combined effect (i) of the recording of the new put liabilities attributable to the companies DGI and XCC for Euro -7.2 million, (ii) of the valuation at the fair value of the payables for the options exercised after the end of the period for Euro -0.4 million, (iii) of the interest accrued in the period for Euro -0.2 million and (iv) the exercise of the option on the company Nunatac Srl which took place in July for Euro +5.0 million;
- for Euro -2.7 million to the increase in financial payables for the application of IFRS 16, mainly due (i) to the signing of two new rental contracts for properties located in Milan and Rome, (ii) to the extension of the duration of further contracts relating to the Milan office, and, finally, (iii) the expansion of the scope of consolidation following the acquisition, in particular, of the majority stake in DGI;
- for Euro -1.0 million, to the increase in bank loans in place, as a combined effect (i) of the signing of a new loan agreement for Euro -3.5 million, (ii) of the expansion of the scope of consolidation, following the acquisition in particular of the majority stake in DGI for Euro -0.5 million, (iii) the repayment of the installments provided for in the amortization plans for Euro +3.2 million.

The Interim Financial Report at September 30th, 2021 is available to the public on the Alkemy website www.alkemy.com in the Investor Relations section and at the authorized storage mechanism emarketstorage.com.

Outlook

As of the date of approval of this interim report on operations at 30 September 2021, all the Italian and foreign companies of the Group continue their work, still largely remotely, in compliance with the provisions of the various local governments on the prevention of the spread of the pandemic, different in the different countries and regions where the offices of the various Group companies are located. The Group's management continuously monitors the developments of the events related to the pandemic, in order to be able to promptly implement all the actions deemed necessary to limit the possible impacts on the health and safety of workers and on the business.

The evolution of management expected in the last quarter of 2021 will still depend, albeit to a limited extent, on exogenous factors related to the completion of the vaccination plan, third doses, and the country's economic recovery. The general expectation identifies government support related to NRRP as the possibility of revitalizing the entire economy, the labor market and investments in the digitalization of companies, with positive prospects for the Group for the years to come.

Taking into account the results achieved in the first nine months of 2021, the current state of progress of the business in the following weeks and the portfolio of existing contracts, barring the occurrence of further aggravating events related to the pandemic, the Group's expectation of further pursue the path of organic growth in revenues and maintaining the Adjusted EBITDA margin in line with that of the first nine months of 2021.

The Manager in charge of preparing the corporate accounting documents, Claudio Benasso, pursuant to paragraph 2 of article 154-bis of the Consolidated Law on Finance, declares that the accounting information contained in this press release corresponds to the documentary results, books and records accounting



ANNEX

CONSOLIDATED PROFIT & LOSS OF ALKEMY GROUP

Value expressed in thousands of euros

	30 sept. 2021	30 sept. 2020
Revenues from sales and services	66.506	51.994
Other Revenues	991	659
Total operating revenues	67.497	52.653
Costs for services, goods and other operating costs	(32.944)	(27.837)
- of which non recurrent	(14)	0
Personnel expenses	(28.153)	(20.981)
- of which non recurrent	(944)	(46)
Total operating costs	(61.097)	(48.818)
Gross operating result (EBITDA)	6.400	3.835
Adj. EBITDA	7.358	3.881
D&A	(1.636)	(1.292)
Provisions and write-downs	(51)	(385)
Operating result	4.713	2.158
	7,0%	4,1%
Income (charges) from equity investments	(308)	55
Finacial income	234	453
Financial charges	(586)	(1.262)
Profit (Loss) before taxes	4.053	1.404
Income taxes	(1.432)	(591)
Profit (loss) for the period	2.621	813
Attributable to		
- Group	2.606	815
- Minorities	15	(2)



CONSOLIDATED BALANCE SHEET OF ALKEMY GROUP

Values expressed in thousands of euros

Assets	30 sept. 2021	Dec. 31, 2020
Non current assets		
Tangible assets	1.401	855
Rights of use	5.794	3.122
Goodwill	41.251	31.755
Defined life intangible assets	758	650
Minorities	5	1.174
Non current financial assets	2.240	1.646
Deferred tax assets	1.197	1.470
Other non current assets	245	205
Total non current assets	52.891	40.877
Current assets		
Inventories	0	0
Trade receivables	28.167	31.044
Current financial assets	82	82
Tax credits	1.684	1.441
Other current assets	3.008	2.766
Cash and cash equivalents	15.725	18.840
Total current assets	48.666	54.173
Total assets	101.557	95.050
Liabilities and Group equity	30 sept. 2021	31 Dec. 2020
Group Equity		
Equity	596	588
Reserves	30.528	28.762
Net Income (Loss)	2.606	1.792
Group Equity	33.730	31.142
Minorities	330	254
Total Equity	34.060	31.396
Non current liabilities		
Financial debts	13.146	11.439
Rights of use liabilities	4.430	2.415
Put option debts	7.170	3.115
Employee's leaving entitlement	6.204	5.087
Provisions	222	222
Deferred Tax liabilities	88	84
Total non current liabilities	31.260	22.362
Current liabilities		
Financial debts	4.215	4.632
Rights of use liabilities	1.491	776
Put & option debts	7.626	8.923
Trade payables	12.284	14.688
Fiscal liabilities	2.057	1.688
Other liabilities	8.564	10.585
Total current liabilities	36.237	41.292
Total liabilities	67.497	63.654
Total liabilities and Total Equity	101.557	95.050



CONSOLIDATED CASH FLOW STATEMENT OF ALKEMY GROUP

	Values expressed in thousand of euros	
	30 sept. 2021	30 sept. 2020
Operating activities		
Net Income (Loss)	2.621	813
Financial Income	(234)	(453)
Loss (Income) from equity investments	308	(55)
Financial Charges	586	1.262
Income Taxes	1.432	591
D&A	1.636	1.292
Provisions and write-downs	51	385
Share-based compensation	593	525
Change in inventories	0	30
Change in trade receivables	6.295	8.616
Change in trade payables	(2.599)	(5.702)
Change in other current assets	(408)	3.726
Change in other current liabilities	(3.142)	(3.163)
Paid financial charges	(171)	(195)
Paid income taxes	(413)	(158)
Net cash flow generated (absorbed) by operating activities	6.555	7.514
Investments		
Capex	(1.052)	(152)
Change in financial assets	(167)	(113)
Change in acquisitions	(1.949)	0
Net cash flow generated (absorbed) by investment activity	(3.168)	(265)
Financing activities		
Change in financial debt	313	5.625
Change IFRS 16 financial liabilities	(973)	(715)
Change in treasury shares	(759)	0
Dividends to minorities	(1.023)	(667)
Other changes in equity	883	0
Capital increase	8	0
Exercise of put options	(4.916)	(90)
Other change in financing activities	(36)	0
Net cash flow generated (absorbed) by financing activities	-6.503	4.153
Increase (decrease) of net cash position for the period	-3.116	11.402
Cash at beginning of period	18.840	9.581
Cash at end of period	15.724	20.983



Alkemy S.p.A. works to improve the market positioning and competitiveness of large and medium-sized companies by stimulating the evolution of their business models in line with technological innovation and consumer behaviour. Alkemy integrates skills and expertise in the areas of Strategy, Communication, Design, Performance, Technology and Insights & Analytics, with an offering designed for our post-digital environment and covering the entire chain of value from strategy to implementation.

For further information

Investor Relations & Corporate Communication

Matilde Cucuzza | matilde.cucuzza@alkemy.com | +39 340 0645496

Fine Comunicato n.20116-62

Numero di Pagine: 10