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Societa' : ALKEMY

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Informazione
Regolamentata

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Diffusione presunta

Oggetto : Alkemy S.p.A. – The Board of Directors approved the draft Statutory Financial Statements and the Consolidated Financial Statements for FY 2022

Testo del comunicato

Vedi allegato.



ALKEMY S.P.A.
IN 2022 TURNOVER UP (+12%) AS WELL AS ADJ. EBITDA UP (+12%)
NET PROFIT REACHES € 5.6 MILLION (+31%)

In 2022 ("FY 2022"), acquisitions and strong client portfolio drove turnover growth, while the optimization of the sales mix improved Group's EBIT

1. The Board of Directors approved today the draft Statutory Financial Statements and the Consolidated Financial Statements for Financial Year 2022, and the proposal for the allocation of the Net Result for the year.

2. Ordinary Shareholders' Meeting convened on April 27th, 2023.

- **FY 2022 Consolidated Turnover stands at Euro 106.6 million, +12.0%** compared to Euro 95.2 million in FY 2021, mainly following the **change in Group perimeter** and the **focus on key accounts**.
- **FY Adjusted EBITDA¹ at Euro 11.8 million, +12.2%** compared to Euro 10.5 million in FY 2021. **FY 2022 Adjusted EBITDA margin² at 11.1%, flat** vs. FY 2021 due to the proportional increase of operating costs and revenues and the different consolidation scope.
- **FY 2022 EBIT at Euro 7.5 million, +13.4%** compared to FY 2021 (Euro 6.6 million), mainly due to the change in Group scope.
- **FY 2022 EBT at Euro 7.1 million, +23.0%** compared to Euro 5.8 million in FY 2021, thanks to the better Group performance, lower non-recurring costs, and lower net financial charges.
- **FY 2022 Net Profit at Euro 5.6 million, +31.4%** compared to Euro 4.3 million in FY 2021.
- **FY 2022 Operating Cash Flow was positive at Euro 5.3 million** (Euro 7.4 million in FY 2021), mainly as a consequence of the better performance of the period, total change in net working capital, prepayment releases, paid taxes, and severance payments.
- **Group Net Financial Position (NFP) at December 31st, 2022, negative at Euro -34.1 million**, Euro -12.9 million compared to Euro -21.2 million at December 31st, 2021. The change is mainly due to the M&A activities carried out in Q3 2022.

Milan, March 27th, 2023 – The Board of Directors of **Alkemy S.p.A.** ("Alkemy", "the Company" or "the Group"), a leading company in the business model evolution of large and medium-sized companies listed on the Euronext Milan – STAR Segment of Borsa Italiana (ALK), today approved the draft Statutory Financial Statements and the Consolidated Financial Statements for the 2022 financial year, which will be published within the terms provided for by the reference legislation. The Board of Directors also approved the consolidated non-financial disclosure prepared pursuant to Legislative Decree 254/2016.

In FY 2022, despite the macroeconomic complex context and the widespread uncertainty in the market, Alkemy recorded a quite positive general trend, both in terms of **Group turnover** and **Consolidated Adjusted EBITDA growth**, that led to **a Net Profit for the period at Euro 5.6 million** (+31.0% vs. Euro 4.3 million in FY 2021) and in a **positive operating cash flow at Euro 5.3 million**.

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

²Adjusted EBITDA Margin is the ratio between Adjusted EBITDA and consolidated turnover.



In FY 2022 Alkemy recorded a **+12.0% turnover growth vs. FY 2021** mainly thanks to the **change in Group perimeter** and the **focus on key customers**.

FY 2022 Adjusted EBITDA grew +12.2% compared to FY 2021, while the **Adjusted EBITDA margin** was stable at 11.1%, with **operating costs increasing proportionally** to the Group Revenues in FY 2022, also following the impact of the change in Group perimeter.

*"2022 marked for Alkemy the 10th year since its foundation, it was the year in which turnover exceeded 100 million euros and in which the overall workforce exceeded 1,000 people worldwide," commented the **Chief Executive Officer, Duccio Vitali**. "During the last year we strengthened our customer coverage and backlog thanks to the work of the Go-to-Market function. In the first months of 2023 we are already starting to benefit of our work, signing contracts with primary partners".*

The **Chairman of the Board of Directors, Alessandro Mattiacci** added: *"Over the past year we completed two important deals: the acquisition of InnoCV in Spain and the integration of Kreativa Unlimited and Kreativa New Formula in the Balkans. These two operations, which bring the total number of deals closed in the first 10 years from the foundation of Alkemy to 10, have on the one hand strengthened our presence in the two respective countries, and on the other hand, with reference to InnoCV, allowed us to integrate our offering with a new process mining product that we were able to offer to our customers on a global scale from day one post-acquisition."*

Financial data analysis

+12.0% FY 2022 Group turnover growth, at **Euro 106.6 million** (Euro 95.2 million in FY 2021). This result is mainly due to the expansion of the Group perimeter and to the strong dedication to the management of key customers.

Revenues generated in Italy were 65.5% of the total Group turnover and recorded a year-on-year growth of **9.1%** vs. FY 2021 at **Euro 69.8 million** (Euro 64.0 million in FY 2021). The positive result of the Italian companies is due both to the **acquisition**, in Q2 2021 of the majority stakes of **Design Group Italia S.r.l.** ("DGI") and **eXperience Cloud Consulting S.r.l.** ("XCC"), and to the **contracts signed with core Italian clients**.

Foreign companies in FY 2022, recorded a +18.0% turnover growth, mainly thanks to the inclusion of InnoCV in the Group perimeter and to the positive results recorded by the Mexican subsidiaries that more than offset the turnover decrease of Alkemy Iberia.

FY 2022 Adjusted EBITDA comes at **Euro 11.8 million** and **grew by 12.2%** compared to FY 2021 (Euro 10.5 million), mainly thanks to the **increase of average turnover generated by key customers**.

FY 2022 Adjusted EBITDA margin at 11.1%, flat vs. FY 2021. **Service Cost** net of non-recurring posts, **grew by 5.1% compared to FY 2021** thanks to the process of internationalization of some activities originally managed by external suppliers, while **personnel cost**, net of non-recurring posts, **grew by +20.3%** as a consequence of the higher **average headcount that was at 655 units in 2021 and 809 in FY 2022**, mainly following the change in Group perimeter.

FY 2022 EBIT comes at **Euro 7.5 million** (+13.4% vs. Euro 6.6 million in FY 2021), mainly as a consequence of the **better operating performance**.

FY 2022 EBT was **Euro 7.1 million**, +23.0% vs. FY 2021 (Euro 5.8 million), thanks to the better operating performance and lower non-recurring financial charges for the period.

FY 2022 Group Net Profit was Euro 5.6 million, +31.4% compared to FY 2021 (Euro 4.3 million).



Operating Cash Flow at December 31st, 2022 positive at **Euro 5.3 million**, declining by Euro -2.21 million compared to Euro 7.4 million in FY 2021, mainly as an effect of the better performance of the period, total change in net working capital, prepayment releases, paid taxes and severance payments.

Group Net Financial Position (NFP) at December 31st, 2022, was negative at Euro -34.1 million, declining compared to Euro -21.2 million at December 31st, 2021. The change (Euro -12.9 million) is mainly due to:

- Euro -1.3 million decline in cash and equivalents;
- Euro +0.7 million increase of financial payables for the IFRS 16 application, mainly due to the payment of fees in the period, partially offset by new subscriptions;
- Euro -5.3 million increase in bank loans, mainly as a result of (i) the subscription of new loans (Euro -6.9 million), (ii) the advance invoice transactions carried out in December (Euro -2.9 million), (iii) the change in Group perimeter, particularly for the acquisition of 100% of Innocv Solutions S.L. (Euro -1.0 million) and (iv) the reimbursement of the installments of the amortization plans for bank loans and advance invoice transactions (Euro +5.7 million);
- Euro -7.2 million increase of put liabilities and earn-out, as a combination of (i) the registration of new put liabilities attributable to Alkemy Play S.r.l. (Euro +0.5 million), (ii) the earn-out booked for Innocv Solutions S.L. (Euro -10.1 million), (iii) interests accrued in the period (Euro +0.4 million), (iv) the exercise of the option on 35% of Alkemy Iberia S.L. (Euro -2.8 million) and (v) fair value adjustment of the options liabilities (Euro -1.1 million).

Outlook

The 2023 outlook will mainly depend on external factors unrelated with the pandemic emergency, now effectively resolved, but linked to the evolution of the war in Ukraine. The economic effects resulting from such event are helping to fuel the cost inflation caused above all by the widespread increase in the prices of energy products: there are therefore significant negative impacts on almost all economic sectors and, in general, on the expectations of companies, not always positive as a result of the widespread general uncertainty of the markets. At present, limited significant evidence has been found on the customers of the Alkemy Group, except that some are having greater direct impacts resulting from inflation, with therefore possible repercussions on the purchase of services offered by the Group.

Taking into account the results achieved in 2022 and the current state of progress of the orders in the portfolio and the new contracts activated, barring the occurrence of further aggravating events, currently unforeseeable, it is confirmed that the Group's expectations are positive and aimed at continuation of organic growth, both in revenues and in margins.

Allocation of the Net Profit of the Year

The Board of Directors of the Company resolved to propose to the Shareholders' Meeting the approval of the 2022 Financial Statements and to carry forward the profit for the year 2022 achieved by Alkemy S.p.A. equals to Euro 2,423,612.

The Ordinary Shareholders' meeting is called to approve the 2022 Financial Statements

The Company reminds that those entitled to attend and exercise the right to vote are called to the Ordinary Shareholders' Meeting of Alkemy S.p.A., on April 27th, 2023 on a single call, at the office of



the Notary Chiara Clerici, in Milan, at Via Mario Pagano n. 65, to discuss and resolve on the approval of the financial statements for 2022 and the allocation of the profit for the year. The Consolidated Financial Statements as of December 31st, 2022, will be presented to the Shareholders' Meeting.

The Assembly will also be called to:

1. Take a binding resolution on the first section of the Remuneration Report pursuant to article 123-ter, paragraphs 3-bis and 3-ter, of the Consolidated Law on Finance, as well as a non-binding resolution on the second section of the Remuneration Report pursuant to art. 123-ter, paragraph 6, of the Consolidated Law on Finance;
2. Resolve on the adoption of the Long-Term Incentive Plan 2024/2026;
3. Authorize the purchase and disposal of own shares pursuant to art. 2357 and subsequent of the Italian Civil Code, following revocation of the authorization granted by the Shareholders' Meeting held on April 26th, 2022, for the unexecuted portion.

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.

With reference to the accounting data shown in this press release, it should be noted that these are data for which the statutory audit activity by the Independent Auditors has not been completed. For more information, see the attachments to this press release.

The documentation relating to the FY 2022 results will be made available to the public, within the terms of the law, at the registered office in via San Gregorio 34 in Milan (MI), in the "Investor relations" section of the Company's website (www.alkemy.com) and on the storage mechanism eMarket Storage (www.emarketstorage.it).

FY 2022 results will be presented to the financial community in a dedicated conference call that will be hosted on Tuesday March 28th, 2023, at 9:30 a.m. CEST.

To connect to the conference call, you may use the most appropriate among the following dial-in numbers:

IT: +39 02 36213011

UK: +44 1212 818003

Switzerland: +41 225954727

France: +33 170918703

Spain: +34 917699497

US: +1 718 7058794

The supporting slides will be made available on the Company website (www.alkemy.com) in the Investor Relations section prior to the call.



ANNEX

CONSOLIDATED PROFIT & LOSS FOR ALKEMY GROUP

	Values in Euro/000	
	Dec. 31 st , 2022	Dec. 31 st , 2021
Revenues from sales and services	104,852	93,955
Other Revenues	1,722	1,230
Total operating revenues	106,574	95,185
Cost for services, goods, and other operating costs	(49,440)	(46,825)
- of which non recurrent	(293)	(76)
Personnel expenses	(46,065)	(38,845)
- of which non recurrent	(459)	(944)
Total operating costs	(95,505)	(85,670)
EBITDA	11,069	9,515
Adjusted EBITDA	11,821	10,535
D&A	(3,226)	(2,408)
Provisions and write-downs	(337)	(487)
Operating Result (EBIT)	7,506	6,620
Income (charges) from equity investments	-	(308)
Financial income	1,308	455
Financial Charges	(1,716)	(998)
Profit (Loss) before taxes	7,098	5,769
Income taxes	(1,484)	(1,498)
Profit (Loss) for the period	5,614	4,271
Attributable to:		
- Group	5,583	4,263
- Minorities	31	8



CONSOLIDATED BALANCE SHEET OF ALKEMY GROUP

	Values in Euro/000	
Assets	Dec. 31st, 2022	Dec. 31st, 2021
Non-current assets		
Tangible assets	2,209	1,809
Rights of use	4,633	5,332
Goodwill	54,868	41,249
Defined-life intangible assets	1,934	863
Minorities	5	5
Non-current financial assets	588	1,789
Deferred tax assets	2,206	1,789
Other non-current assets	267	241
Total non-current assets	66,710	53,077
Current assets		
Trade receivables	41,541	36,040
Current financial assets	291	84
Tax credits	2,065	1,274
Other current assets	2,011	2,885
Cash and cash equivalents	9,115	10,458
Total current assets	55,023	50,741
Total assets	121,733	103,818
Liabilities and Group Equity		
Group Equity		
Equity	596	596
Reserves	36,828	31,517
Net Income (Loss)	5,583	4,263
Group Equity	43,007	36,376
Minorities	399	323
Total Equity	43,406	36,699
Non-current liabilities		
Financial debts	13,081	11,269
Rights of use liabilities	3,425	4,009
Put option debts and earn-out	13,436	6,575
Employee's leaving entitlement	5,543	6,361
Provisions	100	222
Deferred tax liabilities	128	18
Total non-current liabilities	35,713	28,454
Current liabilities		
Financial debts	9,023	5,502
Rights of use liabilities	1,345	1,473
Put option debts and earn-out	3,225	2,906
Trade payables	16,217	14,184
Tax liabilities	1,622	2,281
Other liabilities	11,182	12,319
Total current liabilities	42,614	38,665
Total liabilities	78,327	67,119
Total liabilities and Equity	121,733	103,818



CONSOLIDATED CASH FLOW STATEMENT OF ALKEMY GROUP

	Values in Euro/000	
	Dec. 31st, 2022	Dec. 31st, 2021
Operating activities		
Net Income (Loss)	5,614	4,271
Financial Income	(1,308)	(455)
Loss (income) from equity investments	-	308
Financial Charges	1,716	998
Income Taxes	1,484	1,498
D&A	3,226	2,408
Provisions and write-downs	337	487
Share-based compensation	518	769
Change in trade receivables	(3,642)	(2,008)
Change in trade payables	2,046	(678)
Change in other current assets	522	(3)
Change in other current liabilities	(3,215)	1,402
Paid financial charges	(407)	(250)
Paid Income taxes	(1,623)	(1,331)
Net cash flow generated (absorbed) by operating activities	5,268	7,416
Investing activities		
Capex	(2,542)	(1,940)
Change in financial assets	1,737	303
Change in acquisitions	(4,361)	(1,949)
Net cash flow generated (absorbed) by investment activity	(5,166)	(3,586)
Financing activities		
Change in financial debt	4,050	(259)
Change in IFRS 16 financial liabilities	(1,714)	(1,347)
Change in treasury shares	(435)	(759)
Other change in financing activities	-	(55)
Dividends paid	(613)	(1,031)
Other changes in Equity	-	884
Capital increase	-	8
Exercise of put options	(2,733)	(9,653)
Net cash flow generated (absorbed) by financing activities	(1,445)	(12,212)
Increase (decrease) of net cash position for the period	(1,343)	(8,382)
Cash at the beginning of period	10,458	18,840
Cash at period end	9,115	10,458



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 behavior. 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.

Contacts

Investor Relations

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