

<p>Informazione Regolamentata n. 20116-32-2023</p>	<p>Data/Ora Inizio Diffusione 13 Settembre 2023 17:48:23</p>	<p>Euronext Star Milan</p>
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Societa' : ALKEMY

Identificativo : 181072

Informazione
Regolamentata

Nome utilizzatore : ALKEMYN03 - Benasso

Tipologia : 1.2

Data/Ora Ricezione : 13 Settembre 2023 17:48:22

Data/Ora Inizio
Diffusione : 13 Settembre 2023 17:48:23

Oggetto : Alkemy S.p.A. - The BoD approved the
half-year financial report at June 30th, 2023

<p><i>Testo del comunicato</i></p>

Vedi allegato.



ALKEMY S.P.A.

IN THE FIRST HALF OF 2023 TURNOVER AND ADJ. EBITDA GREW DOUBLE-DIGIT, RESPECTIVELY +17.3% AND +10.2%

In H1 2023 acquisitions and focus on key clients drive turnover growth while Adjusted EBITDA increase double-digit.

2023 focus is still on top-line growth and on Adj. EBITDA margin improvement.

The Board of Directors today approved the Half-Year Financial Report at June 30th, 2023.

- **H1 2023 Consolidated Turnover was Euro 57.5 million, +17.3%** compared to Euro 49.0 million in H1 2022, mainly because of the **change in the Group perimeter** and of the focus on key clients supported by the Go-to-Market division.
- **H1 2023 Adjusted EBITDA¹ at Euro 6.0 million, +10.2%** compared to Euro 5.4 million in H1 2022. The **Adjusted EBITDA margin² in H1 2023 stood at 10.4%**, -0.7 percentage points lower than H1 2022 (11.1%), as a consequence of the increase of the operating costs.
- **H1 2023 EBIT at Euro 3.0 million, -18.8%** compared to Euro 3.7 million in the same period of 2022, mainly due to higher D&A costs occurred in the period linked to investments made in H2 2022, and to non-recurring costs, mostly one-off personnel costs.
- **H1 2023 EBT at Euro 2.1 million, -42.2%** compared to Euro 3.6 million in H1 2022, due to higher financial charges recorded in connection with higher financial debts compared to the same period in 2022 and to the increase in market interest rates.
- **H1 2023 Net Result at Euro 1.4 million, -43.2%** compared to Euro 2.5 million in H1 2022.
- **H1 2023 Net Operating Cash Flow is positive at Euro 3.6 million**, compared to Euro 4.0 million in H1 2022. This trend is mainly due to the lower net profit and to the net working capital dynamics.
- **Group Net Financial Position (NFP) on June 30th, 2023, negative at Euro -35.4 million**, declining compared to the negative Net Financial Position at Euro -34.1 million at December 31st, 2022. The change is mainly due to the lower cash and equivalents at the end of the period and to the subscription of new leasing payables.

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

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





Milan, September 13th, 2023 – 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 Euronext Milan – STAR Segment of Borsa Italiana (ALK), today approved the Half-Year financial Report at June 30th, 2023.

Despite the persistence of widespread uncertainty on the national and European economic markets, in H1 2023, **Alkemy recorded significant growth in terms of turnover, +17.3%** compared to H1 2022. The focus on the project portfolio optimization led to an **Adjusted EBITDA growth of +10.2%** compared to the H1 2022 figure and an **EBITDA margin of 10.4%**, down by -0.7 percentage points compared to the H1 2022 figure.

The CEO of Alkemy, Duccio Vitali, commented: *“In H1 2023 we continued our growth path, recording a +17% increase in turnover compared to the same period of the previous year. Alkemy operates in a very dynamic market, driven in recent months by the expansion of Artificial Intelligence, which is also proving to be a valid ally in business processes. In the wake of the liveliness of the sector, Alkemy aims to strengthen its positioning as a partner for businesses, capable of accompanying them at every stage of the digital transformation journey. Our focus therefore remains on the improvement of our customer portfolio, supporting companies that recognize the value of Alkemy and place in us the trust that contributes to consolidating the growth of the Company”.*

Financial data analysis

Group Turnover growth at 17.3% in H1 2023, at **Euro 57.5 million** compared to Euro 49.0 million in H1 2022. Such trend is mainly due to the change in Group perimeter and to the strong management of the key clients, supported by the dedicated Go-to-Market division.

The **Italian companies generated 61.9% of the Group turnover** and recorded a **+4.3% turnover growth** at Euro 35.6 million, compared to H1 2022 (Euro 34.1 million). The positive result was mostly due to the effects of the Go-to-Market strategy, that includes a strong monitoring of key clients. Such impact was partially offset by the uncertainty that still persist on the Group's reference market.

Foreign companies in the first six months of 2023, recorded a +46.9% turnover growth, mainly as a result of the inclusion of InnoCV, a Madrid-based company acquired in Q3 2022, in the Group perimeter and of the contribution of the positive performance of all other foreign entities.

The **H1 2023 Adjusted EBITDA, at Euro 6.0 million, grew by +10.2%** if compared to H1 2022 (Euro 5.4 million), mainly as a consequence of the higher turnover generated in the period.

The **H1 2023 Adjusted EBITDA Margin was 10.4%**, down by -0.7 percentage points if compared to the same period of 2022 (11.1%). This is due to the higher operating costs incurred in the period. In particular, **service costs** net of one-offs **grew +8.1%** compared to H1 2022, mainly as a consequence of the turnover increase and of the change in Group perimeter. **Personnel**





costs, net of non-recurring costs, **increased by +28.7%** compared to the same period in 2022, mostly following the increase in the average headcount, from 765 units in H1 2022 to 934 units in H1 2023.

H1 2023 EBIT was Euro 3.0 million, -18.8% compared to H1 2022 (Euro 3.7 million), due to higher depreciation and amortization costs in the quarter, linked to investments made in H2 2022 and to non-recurring costs, mostly related to one-off personnel costs.

H1 2023 EBT, at Euro 2.1 million, -42.2% compared to Euro 3.6 million in H1 2022, due to higher financial charges and increase in market interest rates compared to the same period of 2022.

H1 2023 Group Net Profit stood at **Euro 1.4 million**, -43.2% compared to Euro 2.5 million in H1 2022.

Net Operating Cash Flow on June 30th, 2023 was **positive at Euro 3.6 million**, slightly declining compared to Euro 4.0 million in H1 2022, mainly due to the lower Net Profit for the period and to Net Working Capital dynamics.

Net Financial Position of the Group as of June 30th, 2023, was negative at Euro -35.4 million, and registered a decline compared to December 31st, 2022 (Euro -34.1 million). The Euro -1.3 million change is mainly attributable to:

- Euro +3.6 million decline in outstanding bank loans and debts to other lenders, mainly as a result of the combined provisions (i) of the repayment of the envisaged installments of the bank loans amortization plans for Euro +3.1 million (ii) of the advance invoice transactions for the period, with a total of Euro +0.8 million repaid and (iii) the obtaining new loans for Euro -0.2 million;
- for Euro -1.8 million, to the increase of financial payables for the IFRS 16 application, mainly due to the signing of new leasing agreements, partially offset by the payment of fees in the semester;
- for Euro -3.1 million, to the decrease of cash and equivalents in the period.

Outlook

At the date of approval of this half-yearly financial report at June 30th, 2023, it is believed that the evolution of H2 2023 will still be mainly influenced by exogenous factors such as the war in Ukraine, inflation and the subsequent political monetary policy of rising interest rates. Such circumstance of general uncertainty has significant impacts on companies' expectations, which are not always positive, as a result of widespread market concerns. At present, limited impact has been recorded within the Alkemy Group customer base, except for some who are more impacted by inflation, with therefore possible repercussions on the purchase of the services offered by the Group.

In light of the results achieved in the first six months of 2023, the current state of progress of the orders in the portfolio and the new contracts activated, barring the occurrence of further aggravating events, which are currently unpredictable, it is confirmed that the Group's expectations are positive and aimed at the continuation of organic growth, both in revenues and margins.





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

The financial schemes in annex are in line with the contents of the Half Year Consolidated Report at June 30th, 2023, approved today by the Board of Directors and subject to limited legal audit.

The Half Year Consolidated financial report at June 30th, 2023 will be made available to the public, in accordance with the law, at the registered office, located in Via San Gregorio 34, Milan (MI), in the "Investor Relations" section of the Company's website (www.alkemy.com) and on the eMarket Storage mechanism (www.emarketstorage.com).

H1 2023 results will be presented to the financial community in a dedicated conference call that will be hosted on Thursday September 14th, 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.

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

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ANNEX

CONSOLIDATED PROFIT & LOSS OF ALKEMY GROUP

	Values in Euro/000	
	H1 2023	H1 2022
Revenues	56,309	48,324
Other Proceeds	1,168	692
Total operating revenues	57,477	49,016
Costs for services, goods, and other operating costs	(24,151)	(22,401)
- of which non recurrent	(13)	(66)
Personnel costs	(28,015)	(21,505)
- of which non recurrent	(655)	(249)
Total operating costs	(52,166)	(43,906)
EBITDA	5,311	5,110
Adjusted EBITDA	5,979	5,425
D&A	(1,979)	(1,340)
Provisions and write-downs	(327)	(70)
Operating result	3,005	3,700
Other financial income	521	509
Other financial charges	(1,436)	(594)
Profit (Loss) before taxes	2,090	3,615
Income taxes	(681)	(1,136)
Profit (Loss) for the period	1,409	2,479
Attributable to:		
- Group	1,427	2,469
- Minorities	(18)	10





CONSOLIDATED BALANCE SHEET OF ALKEMY GROUP

	Values in Euro/000	
Assets	Jun. 30th, 2023	Dec. 31st, 2022
Property, plant, and equipment	2,205	2,209
Rights of Use assets	6,405	4,633
Goodwill	54,869	54,868
Intangible assets	2,062	1,934
Minorities	5	5
Other financial assets	508	588
Deferred tax assets	2,121	2,206
Other non-current receivables and assets	274	267
Non-current assets	68,449	66,710
Trade receivables	39,464	41,541
Other financial assets	291	291
Tax credits	2,647	2,065
Other current assets	2,155	2,011
Cash and Cash equivalents	6,012	9,115
Current assets	50,569	55,023
Total assets	119,018	121,733



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CONSOLIDATED BALANCE SHEET OF ALKEMY GROUP

	Values in Euro/000	
Liabilities and Group Equity	Jun. 30th, 2023	Dec. 31st, 2022
Equity		
Share Capital	596	596
Reserves	42,833	36,828
Net income (Loss) for the period	1,427	5,583
Group Equity	44,856	43,007
Minorities	382	399
Total Equity	45,238	43,406
Non-current liabilities		
Financial liabilities	9,851	13,081
Rights of Use liabilities	4,731	3,425
Put option and earn-out liabilities	8,740	13,436
Employees' leaving entitlement	5,948	5,543
Provisions	98	100
Deferred Tax liabilities	121	128
Non-current liabilities	29,489	35,713
Current liabilities		
Financial liabilities	8,616	9,023
Rights of use liabilities	1,818	1,345
Put option and earn-out liabilities	7,958	3,225
Trade payables	14,218	16,217
Tax liabilities	2,625	1,622
Other liabilities	9,056	11,182
Current liabilities	44,291	42,614
Total liabilities	73,780	78,327
Total liabilities and Group Equity	119,018	121,733





CONSOLIDATED CASH FLOW STATEMENT OF ALKEMY GROUP

	Values in Euro/000	
	Jun. 30 th , 2023	Jun. 30 th , 2022
Operating activities		
Net profit (loss) for the period	1,409	2,479
Financial income	(521)	(509)
Financial charges	1,436	594
Income taxes	681	1,136
D&A	1,979	1,340
Provisions and write-downs	327	70
Share-based compensation	93	206
Other non-monetary items	(162)	-
Change in trade receivables	1,757	2,369
Change in trade payables	(1,895)	(74)
Decrease (increase) in other assets	(770)	(456)
Increase (decrease) in other liabilities	34	(2,575)
Cash flow generated (absorbed) by operating activities	4,368	4,580
Paid financial charges	(270)	(157)
Paid income taxes	(539)	(428)
Net Cash flow generated (absorbed) by operating activities	3,559	3,995
Investment activities		
(Investment) disinvestment of tangible and intangible assets	(1,103)	(1,158)
Decrease (increase) of financial assets	2	(305)
Net Cash flow generated (absorbed) by investment activities	(1,101)	(1,463)
Financing activities		
Change in financial debt	(3,665)	(1,131)
Change in IFRS 16 financial liabilities	(987)	(817)
Change in treasury shares	(120)	(435)
Dividends to minorities	(749)	(304)
Put options repayment	(40)	(1,920)
Net Cash Flow generated (absorbed) by financial activities	(5,561)	(4,607)
Increase (decrease) of net cash position for the period	(3,103)	(2,075)
Cash at the beginning of the period	9,115	10,458
Cash at the end of period	6,012	8,383



Fine Comunicato n.20116-32

Numero di Pagine: 10