



H1 2023 RESULTS

13.09.2023

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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 Euro** in Italy and **grows** at a rate of about **9% per year**.

In this market, Alkemy has developed a **differentiated positioning** that has allowed it to grow with a **CAGR of 30%** (>3x the market), to move from the 23 starting resources to a team of over **900 people** and a turnover of **107M€** in 2022.

Alkemy has **successfully** used the **M&A lever** (10 acquisitions) using the IPO proceeds in less than nine months, and the **EBITDA growth** of the four acquisitions made in Italy from 2013 to 2020 was up to **+500%**.

With a **new organization** and a dedicated Go-to-Market team, Alkemy is now focusing on the **industrialization** and expansion of the business scale, resulting in **strong organic growth and higher marginality**.

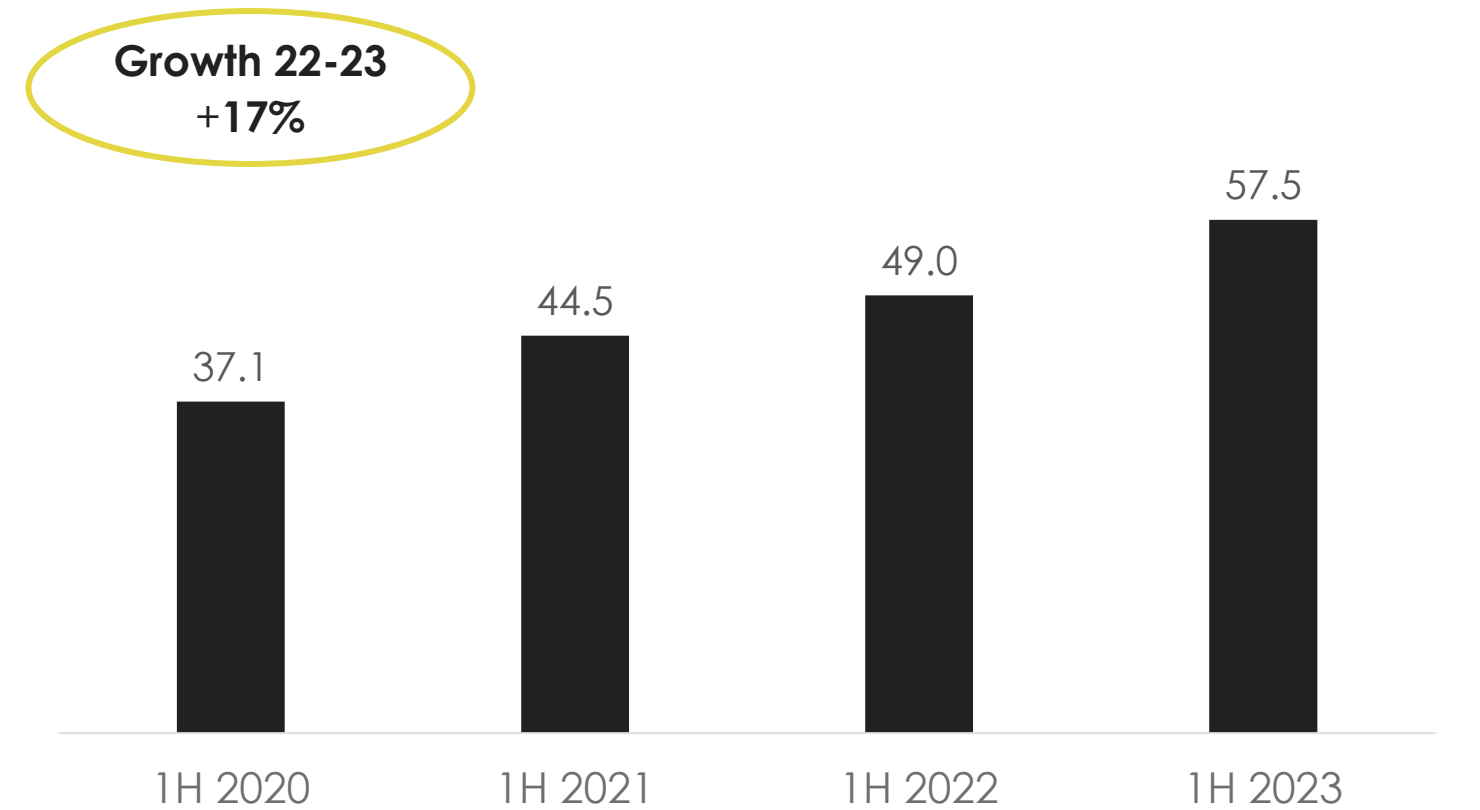
We help companies to
evolve their business in the
post-digital scenario

FINANCIAL HIGHLIGHTS

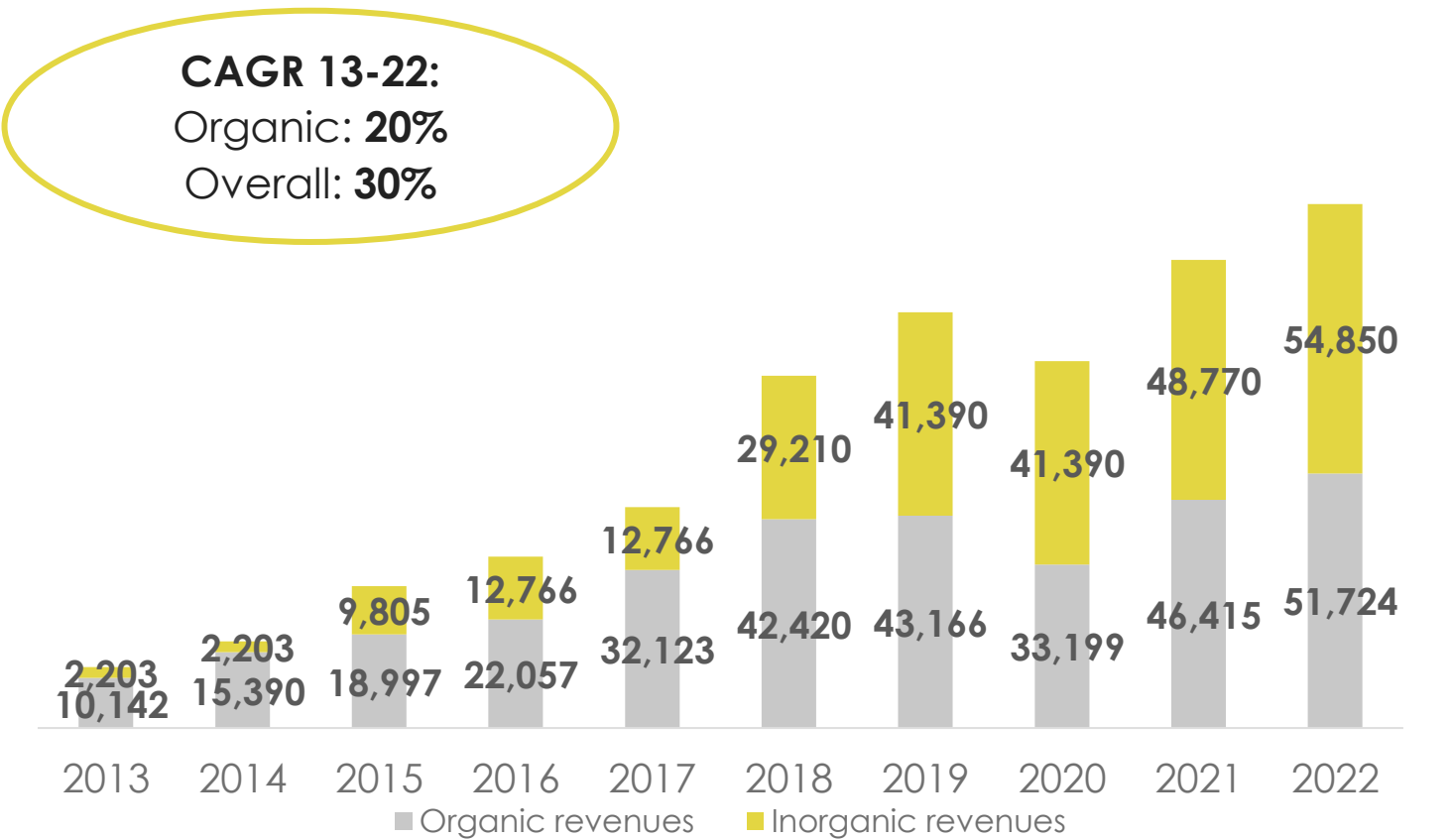
€M	H1 2023	H1 2022	
Turnover	57.5	49.0	> +17% vs. H1 2022, mainly due to change in Group perimeter, and to the strong focus on top clients, supported by the Go-to-Market strategy.
Adj. EBITDA	6.0	5.4	> +10% vs. H1 2022. EBITDA Adj. margin at 10.4%, -0.7 pps vs. H1 2022 mainly due to higher operating costs.
EBIT	3.0	3.7	> -19% vs. H1 2022, mainly due to higher amortization costs linked to investments made in 2022. EBIT margin at 5.2%, down from 7.5% in H1 2022.
EBT	2.1	3.6	> -42% vs. H1 2022, due to higher financial charges following additional financial debt and higher interest rates.
Group Net Income	1.4	2.5	> -43% vs. H1 2022.
Net Operating Cash Flow	3.6	4.0	> -0.4 €M vs. H1 2022 mainly due to lower Net Income and NWC dynamics.
NFP	-35.4	FY 2022 -34.1	> €M -1.3 since 31 December 2022 due to the lower cash of the period and the recognition of leasing payables partially offset by the financial debt instalments paid

REVENUES

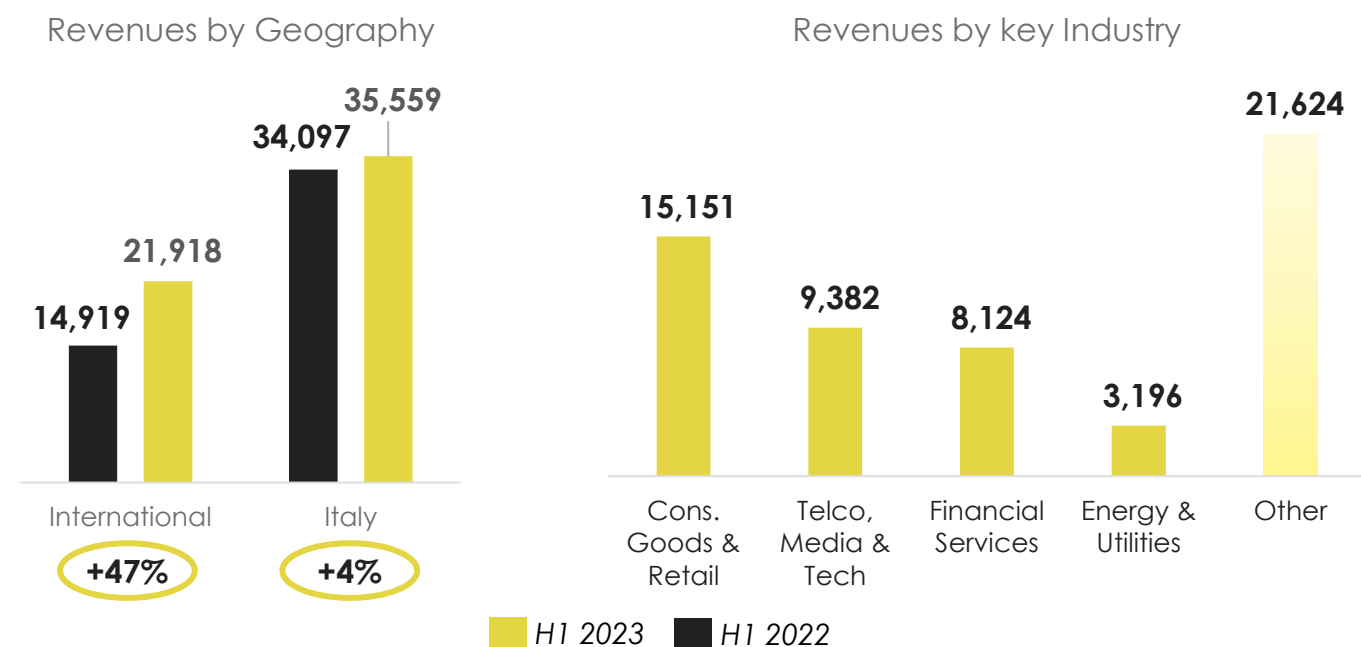
H1 REVENUES (€M) – IAS /IFRS



ALKEMY GROWTH EVOLUTION (€000) – IAS /IFRS



ALKEMY TURNOVER DEEP DIVE

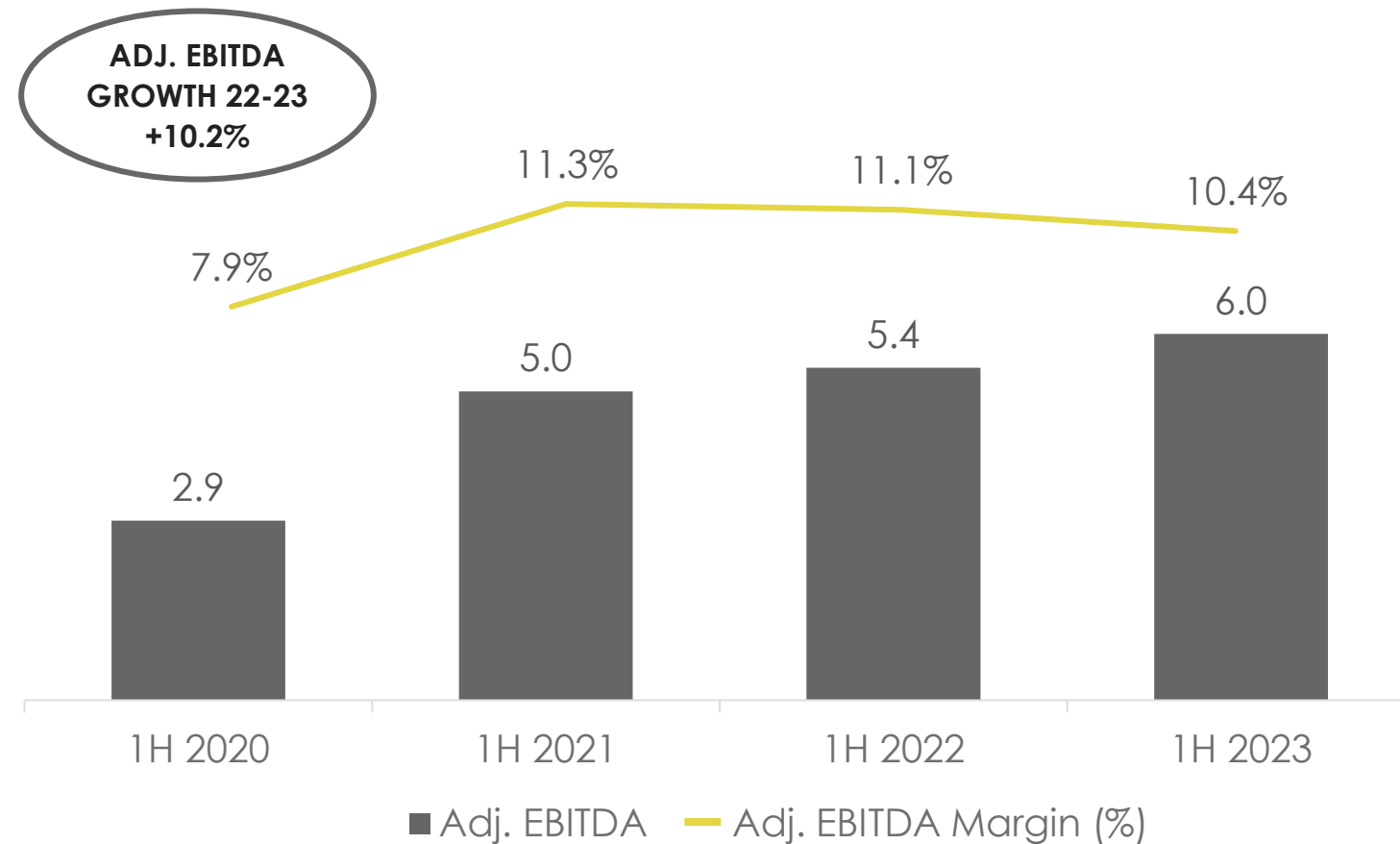


- > H1 2023 **revenues at €M 57.5**, +17% vs. H1 2022 (€M 49.0). The result is due to the change in Group perimeter and to the recovery of organic growth.
- > H1 2023 **Italian turnover at €M 35.6**, +4% vs. €M 34.1 in H1 2022. The growth is mainly due to the focus on existing clients.
- > **International revenues** in H1 2023 **at €M 21.9**, up by 47% vs. €M 14.9 in H1 2022, mainly due to change in Group perimeter and supported by organic growth.
- > Revenues generated by clients in the **Consumer Goods & Retail, TMT** and **Financial Services** in the period generated 57% of the total Group turnover.

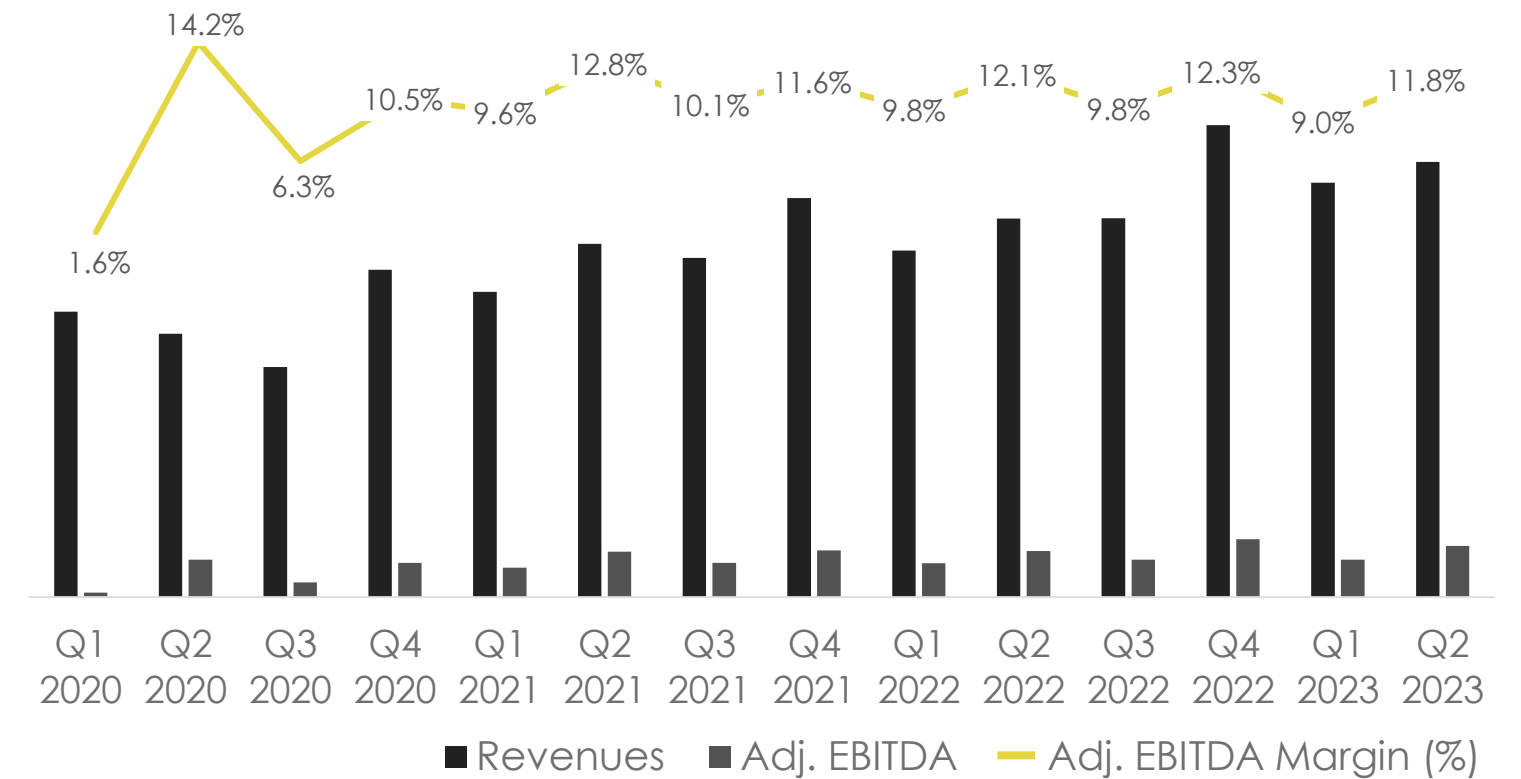
(1) Revenues 2013-14-15-16 are Management estimates and are not audited, following the introductions of IFRS in 2018.

Adj. EBITDA⁽¹⁾

H1 ALKEMY Adj. EBITDA (€M) – IAS/IFRS⁽¹⁾ & MARGIN (%)

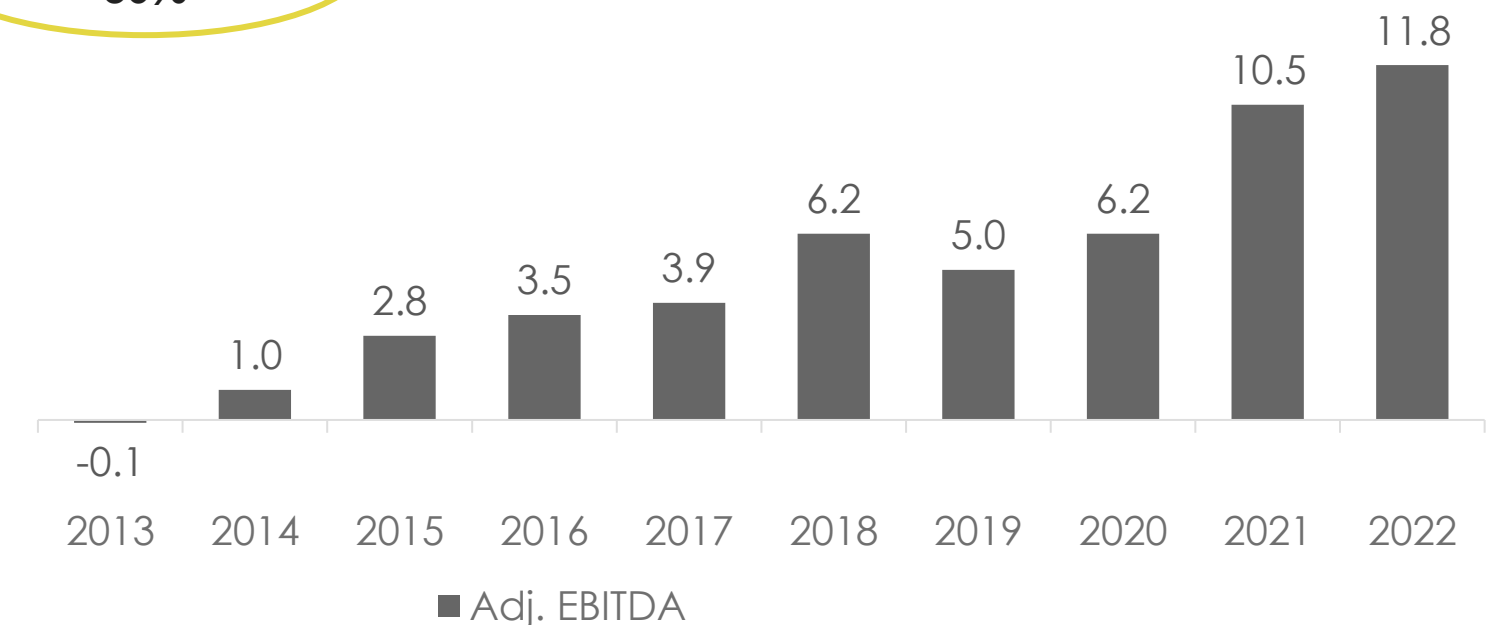


EBITDA MARGIN – Adj. EBITDA MARGIN (%) QUARTERLY TREND



FY ALKEMY Adj. EBITDA (€M) – IAS/IFRS

CAGR 14-22
36%



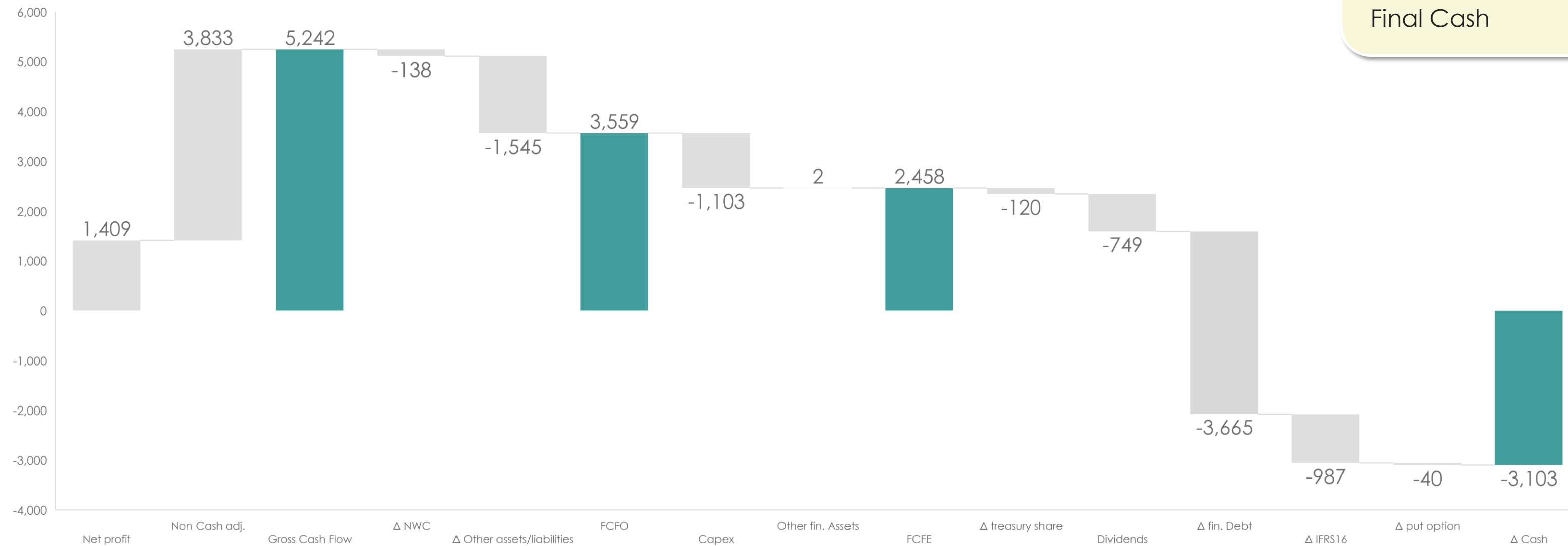
- › H1 2023 Adjusted EBITDA is €M 6.0, +10% compared to H1 2022 (€M 5.4).
- › H1 2023 Adjusted EBITDA margin is 10.4%, -0.7 pps compared to H1 2022 (11.1%), mainly due to the increase of personnel cost for FTE expansion over the last 12 months.

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

H1 2023 CASH FLOW

H1 2023 Cash Flow generation - (€000)

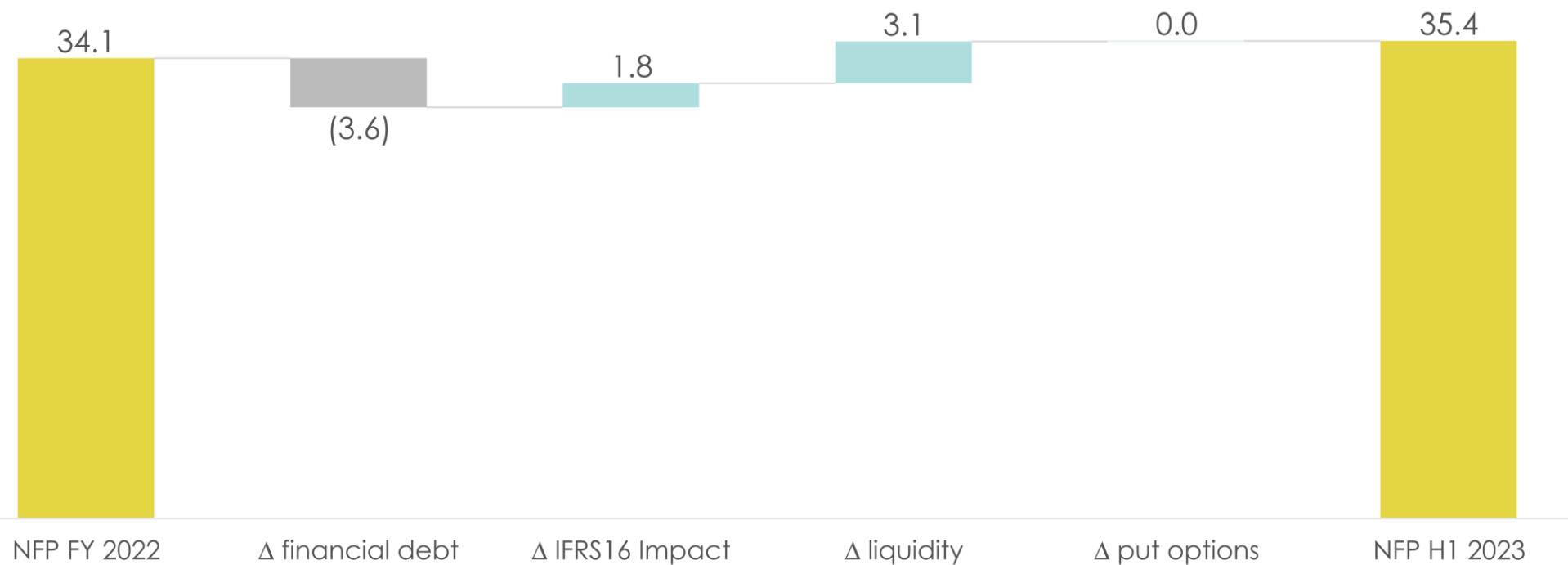
Initial Cash	9.1 €M
Delta Cash	-3.1 €M
Final Cash	6.0 €M



- › **H1 2023 Gross Cash Flow at €M 5.2**, broadly in line with H1 2022 mainly due to **higher non-cash adjustments for the period**.
- › **FCFO at €M 3.6**, equal to **60% of Adj. EBITDA**, -11% compared to H1 2022.
- › **Capex -5% compared to H1 2022** and equal to **2% of Revenues**.
- › **Change in cash over H1 2023 is €M -3.1**, mostly related to the **lower net result** and **working capital dynamics** occurred over the period.

NET FINANCIAL POSITION BRIDGE AND DETAILS

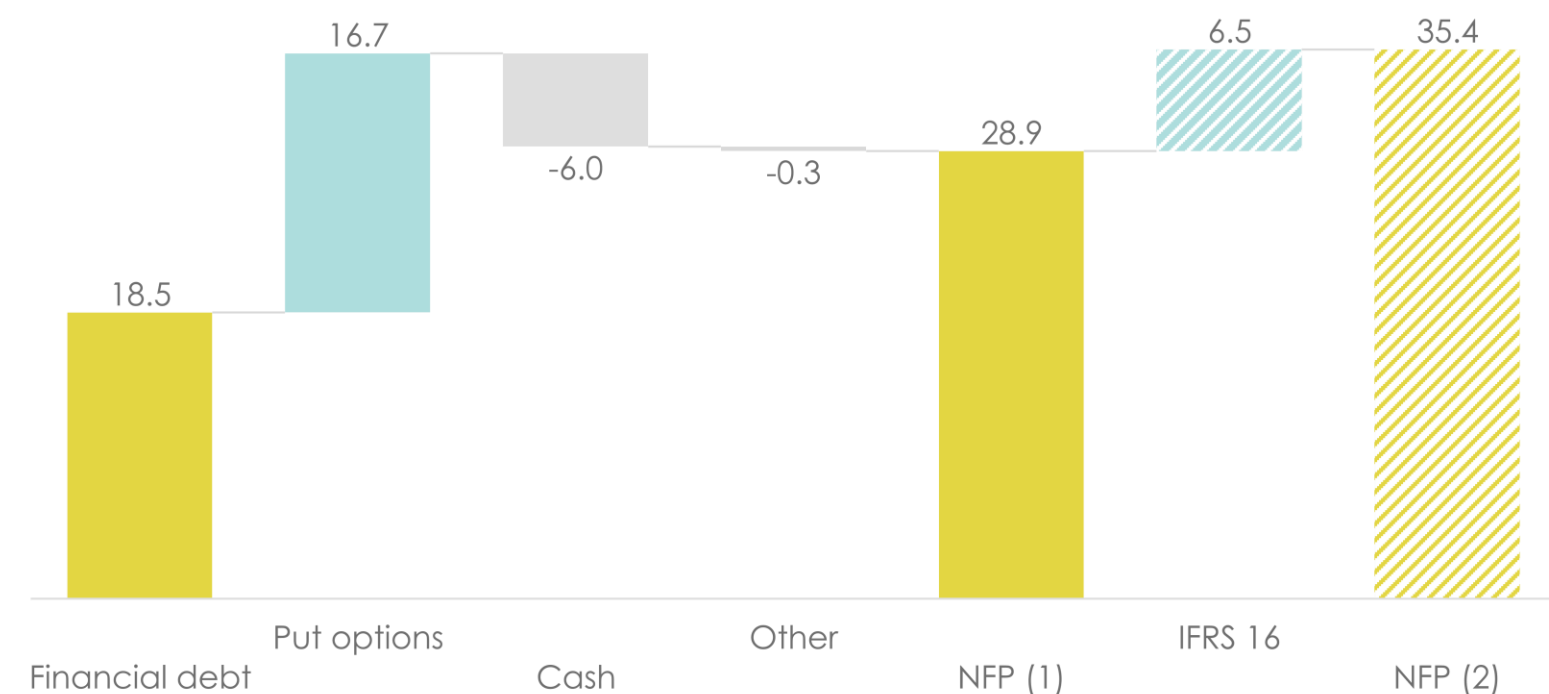
Net Financial Position Bridge H1 2023 (€M)



- > **Gross debt** is composed by **€M 18.5 of financial debt** (of which €M 9.9 LT, €M 8.6 ST), **€M 16.7 put options and earn-out liabilities** deriving from M&A (of which €M 8.0 ST) and €M 6.5 IFRS 16 financial leases.
- > **H1 2023 NFP (1) ex IFRS16 is €M 28.9.**
- > **H1 2023 cash and equivalents is €M 6.0.**

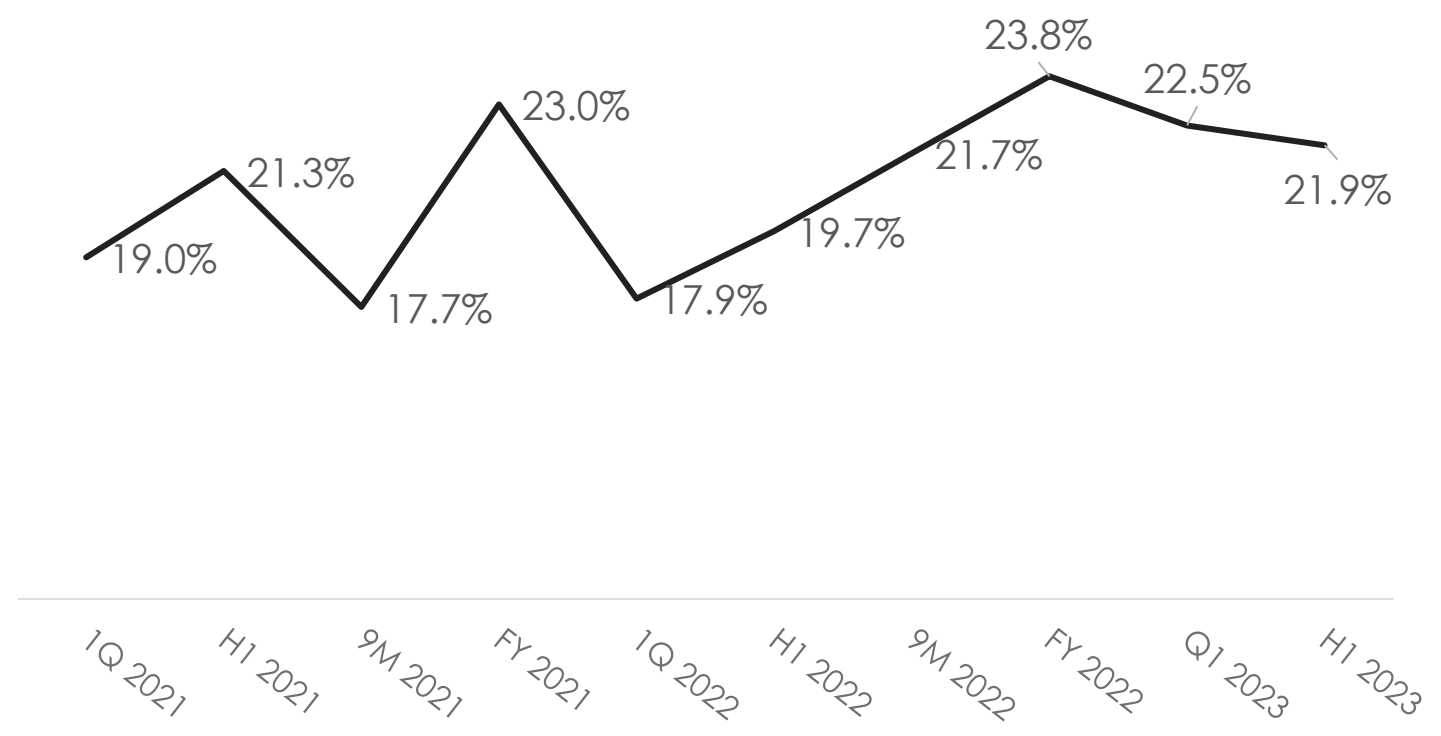
- > **Net Financial Position** NFP (2) at June 30th, 2023, declined by €M -1,3 compared to €M -34.1 at December 31st, 2022.
- > **Variation** is mainly due to: (i) decrease in bank loans (€M 3.6), (ii) IFRS 16 impact (€M -1.8), (iii) decrease in liquidity on bank accounts (€M -3.1).

Net Financial Position Break Down H1 2023 (€M)

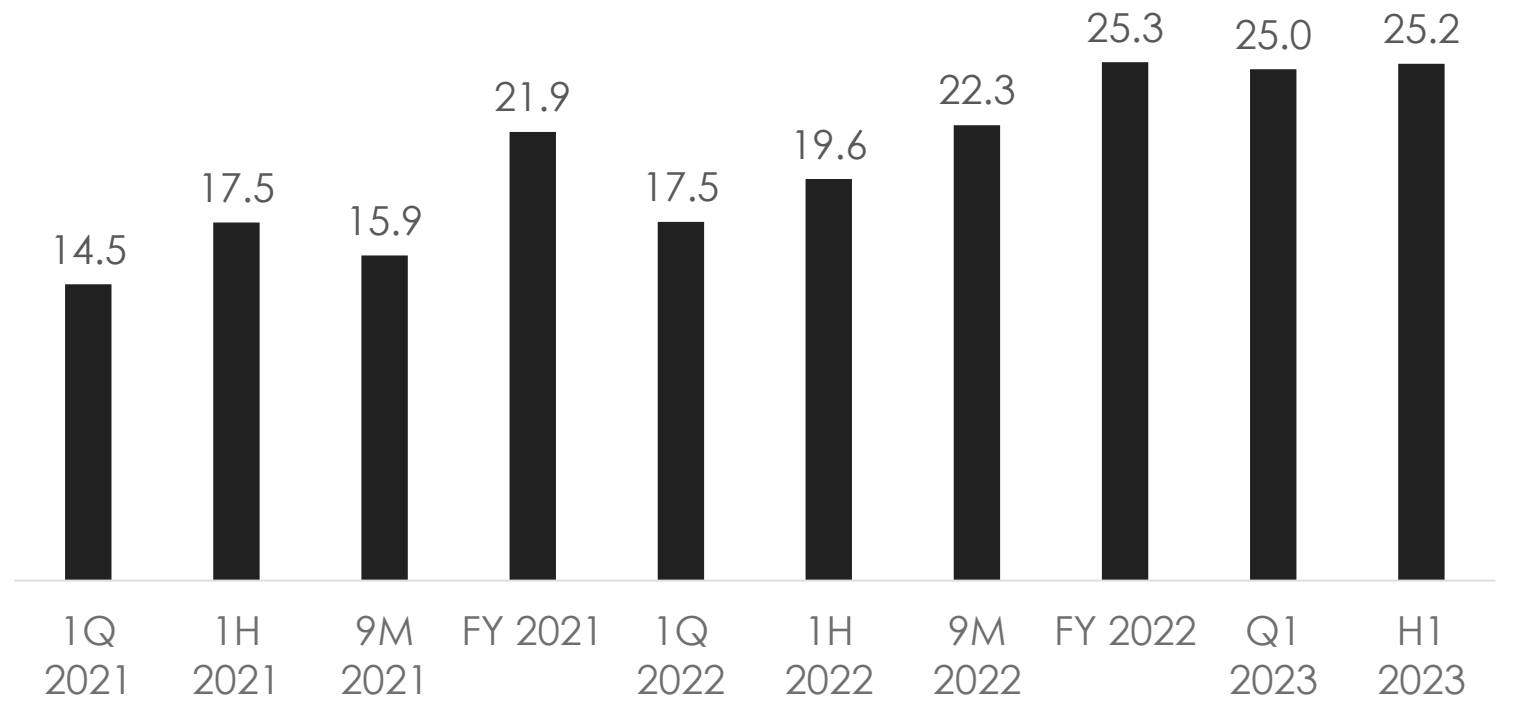


NET TRADE WORKING CAPITAL DYNAMICS

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

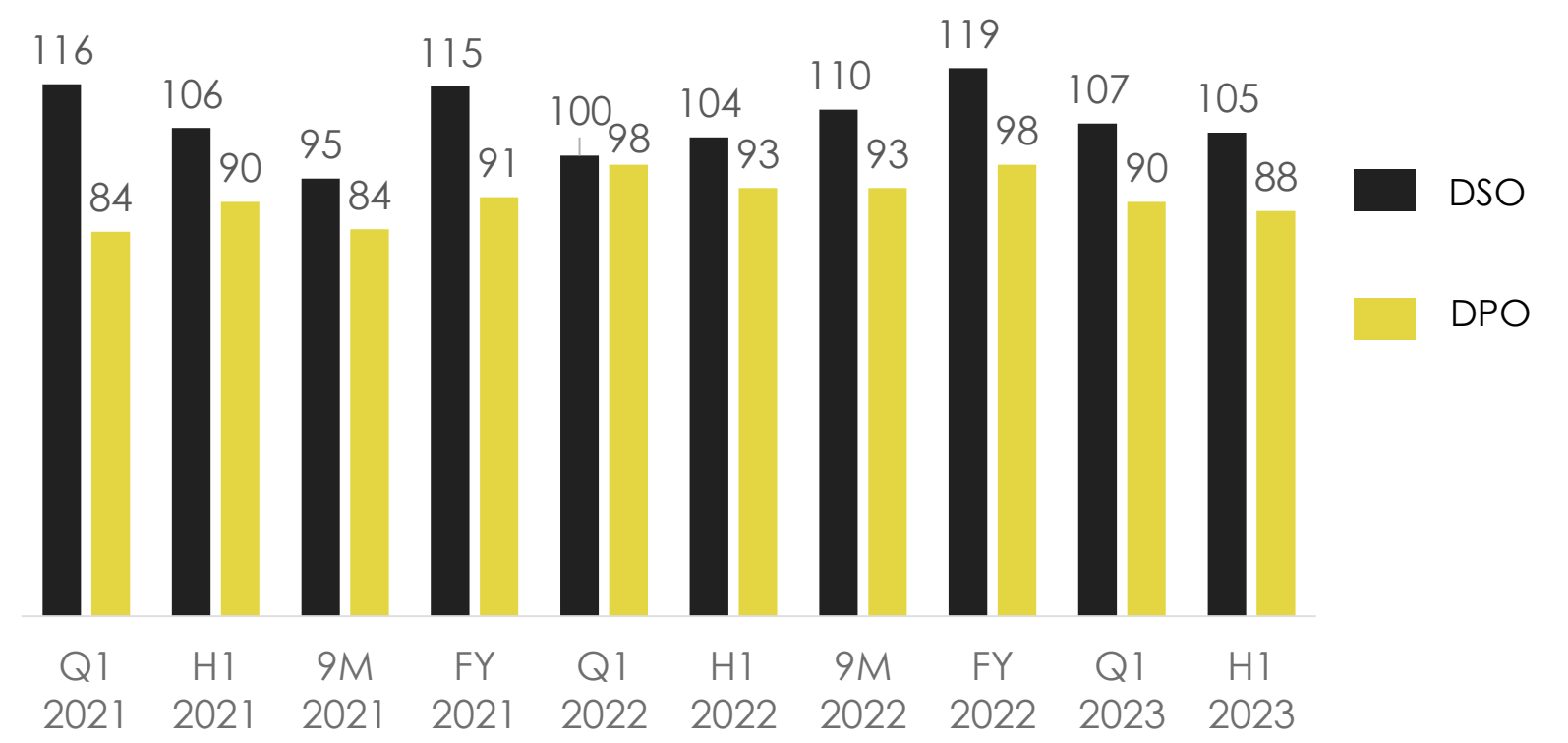


Net Trade Working Capital (€M)



- > **H1 2023 Net Trade Working capital is 29% higher than H1 2022**, and its incidence over last 12 months' revenues increased by 2.2 pps.
- > H1 2023 cash generation from **Net Trade Working Capital** decrease (€M -0.1 million compared to €M 2.3 in H1 2022), due to payables and receivables dynamics.
- > **H1 2023 DSO at 105**, broadly in line with H1 2022; **H1 2023 DPO -5%** vs. H1 2022.

Cash Conversion Cycle Details (days)



H1 2023 P&L – IAS/IFRS

Consolidated Profit & Loss

Profit and Loss (€000) - IAS/IFRS	H1 2022	H1 2023
Revenues	49,016	57,477
Service costs, consum. & goods	(22,401)	(24,151)
Personnel	(21,505)	(28,015)
EBITDA	5,110	5,311
% Revenues	10.4%	9.2%
Non recurrent costs	(315)	(668)
Adj. EBITDA	5,425	5,979
% Revenues	11.1%	10.4%
D&A	(1,340)	(1,979)
Bad debts/ claims/ provisions	(70)	(327)
EBIT	3,700	3,005
% Revenues	7.5%	5.2%
Financial charges	(85)	(915)
EBT	3,615	2,090
Taxes	(1,136)	(681)
% Tax rate	31.4%	32.6%
Net Profit (Loss)	2,479	1,409
% Revenues	5.1%	2.5%
o/w Minorities	10	(18)
o/w Group Net Profit (Loss)	2,469	1,427

- › H1 2023 **Revenues** at **€M 57.5**, up by 17% compared to €M 49.0 of H1 2022. The increase is mostly related to the change in the Group perimeter. **Italian revenues up by 4%** YoY, mainly related to the focus on the existing client base. **Foreign turnover up by 47%**, thanks to the inclusion of InnoCV in the Group perimeter and to the performance of all foreign subsidiaries.
- › **Adj. Operative costs** increased (impact on revenues at 91% from 90% in H1 2022). **Services costs** increased by 8% YoY but **reduced the impact on revenues by 3.7 pps**. **Personnel costs** increased incidence on revenues by 4.8 pps compared to H1 2022, due to the higher average FTE for the period (from 765 in H1 2022 to 934 in H1 2023), mainly due to the change in Group perimeter.
- › H1 2023 **Adj. EBITDA** at €M 6.0, +10% compared to €M 5.4 in H1 2022, with Adj. EBITDA margin at 10.4%, -0,7 pps compared to H1 2022 (11.1%).
- › H1 2023 **EBIT** is equal to €M 3.0, -19% compared to €M 3.7 in H1 2022, mostly due to higher D&A linked to investments made in H2 2022.
- › H1 2023 **EBT** at €M 2.1, -42% compared to €M 3.6 in H1 2022, mainly because of higher financial charges due to higher financial debts and higher interest rates.
- › **Group Net Profit** is €M 1.4 -43% vs €M 2.5 in H1 2022. Taxes for the period declined due to lower net profit.

H1 2023 BALANCE SHEET – IAS/ IFRS

Consolidated Balance Sheet

Balance Sheet (€000) - IAS/IFRS	FY 2022	H1 2023
Tangible assets	2,209	2,205
Intangible assets	6,567	8,467
<i>o/w rights of use (IFRS16)</i>	4,633	6,405
Goodwill	54,868	54,869
Financial assets	3,066	2,908
Fixed Assets	66,710	68,449
Inventories	-	-
Trade Receivables	41,541	39,464
Trade Payables	(16,217)	(14,218)
Net Trade Working Capital	25,324	25,246
Other Current Assets	4,076	4,802
Other Current Liabilities	(13,032)	(11,900)
Employees' leaving entitlement	(5,543)	(5,948)
Total Capital Invested	77,535	80,649
Total Equity	43,406	45,238
o/w Group Equity	43,007	44,856
o/w Minorities	399	382
Cash & current financial assets	(9,406)	(6,303)
Bank Debts	22,104	18,467
Put Option Liabilities	16,661	16,698
Other Financial Debts (IFRS16)	4,770	6,549
Net Debt (Cash)	34,129	35,411
Total Funds	77,535	80,649

- › **Net Invested Capital** at €M 80.7 (€M 77.5 in FY 2022) consisted of approx. € 25.2 million of **Net Trade Working Capital** (€M 25.3 in FY 2022), €M 68.5 of fixed assets (€M 66.7 FY 2022) of which €M 54.9 of **Goodwill** (in line with FY 2022) and €M 6.4 of IFRS 16 **rights of use** (€M 4.6 in FY 2022).
- › **Shareholders' equity** increased in the period by €M 1.8 since 31 Dec. 2022 (+4%), mainly due to the positive result of the period (€M +1.4).
- › **Net Financial Position** at June 30th, 2023, negative by €M -35.4 (ante-IFRS 16 at €M -28.9) declining by €M -1.3 compared to FY 2022. The **variation** is mainly due to: (i) decrease in **bank loans** (€M +3.6); (ii) **IFRS 16** impact (€M -1.8); (iii) decrease in **cash and cash equivalents**(€M -3.1).

H1 2023 CASH FLOW GENERATION – IAS/IFRS

Consolidated Cash Flow

Cash Flow Statement (€000) - IAS/IFRS	H1 2022	H1 2023
Net Profit (Loss)	2,479	1,409
Adjustments (cash tax, interest and other)	1,221	1,596
Non-cash items	1,616	2,237
Gross Cash Flow	5,316	5,242
Change in trade receivables	2,369	1,757
Change in trade payables	(74)	(1,895)
Total change in NTWC	2,295	(138)
Total change in other asset/liabilities	(3,616)	(1,545)
Operating Cash Flow	3,995	3,559
Capex	(1,158)	(1,103)
Other non-current assets	(305)	2
Free Cash Flow before Acquisition	2,532	2,458
Acquisitions	-	-
Free Cash Flow	2,532	2,458
Change in treasury shares	(435)	(120)
Dividends to minorities	(304)	(749)
Change in bank & fin. Debts	(1,131)	(3,665)
IFRS 16 effect	(817)	(987)
Changes in Equity	-	-
Changes on other financial assets	-	-
Change in put/options	(1,920)	(40)
Change in Cash	(2,075)	(3,103)
Initial Cash	10,458	9,115
Final Cash	8,383	6,012

- › H1 2023 **Gross Cash Flow** at **€M 5.2**, mostly in line with €M 5.3 in H1 2022.
- › H1 2023 **Net operating cash flow** at **€M 3.6** compared to €M 4.0 of H1 2022. The decrease of €M 0.4 is mainly related to the lower Net profit and to Net Working Capital dynamics.
- › H1 2023 Ordinary **Capex** of the period is €M 1.1 compared to €M 1.2 of H1 2022. H1 2023 **Free Cash Flow** is equal to **€M 2.5**, broadly in line with H1 2022.
- › **Total change in cash** for the period was **€M -3.1** compared to -€M 2.1 in H1 2022.

OUTLOOK

- > The war in Ukraine, the inflation trends and the following monetary policy are having a direct impact on many economic sectors and on the expectations of companies. Such expectations are affected by the uncertainty that is troubling the markets.
- > **At present, limited impact has been recorded on Alkemy Group clients**, except that some may be more indirectly influenced by the difficulties generated by the cost and interest rates inflation, with possible repercussions on the purchase of the services offered by the Group.
- > Considering the results achieved in H1 2023, barring the occurrence of further aggravating events, currently not foreseeable, **it is confirmed that the Group's expectation is to continue growing organically and increasing margins.**

A PUBLIC COMPANY LISTED ON EURONEXT STAR MILAN

Issuer & Tickers

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

Market

- Borsa Italiana, Euronext STAR Milan

Specialist

- Intermonte

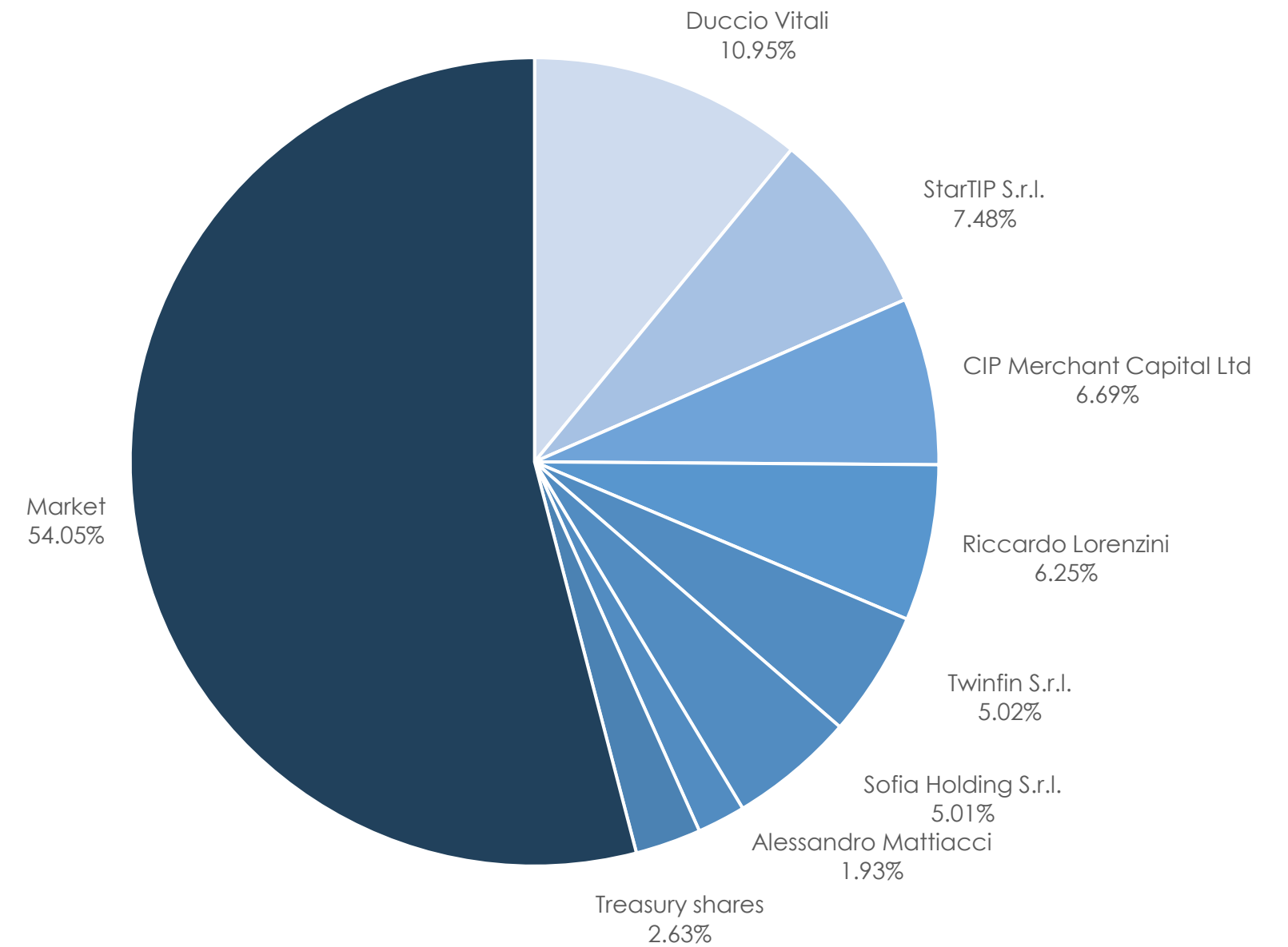
Analyst Coverage

- Intermonte
- Banca Imi
- Mediobanca



ALKEMY SHAREHOLDING STRUCTURE

As of September, 2023



Outstanding Shares 5,685,460

A SOLID CORPORATE GOVERNANCE

BOARD OF DIRECTORS

Chairman	Alessandro Mattiacci
Chief Executive Officer	Duccio Vitali
Director	Riccardo Lorenzini
Director	Massimo Canturi
Independent Director	Giulia Bianchi Frangipane
Independent Director	Ada Villa
Independent Director	Serenella Sala

BOARD OF STATUTORY AUDITORS

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



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INVESTOR RELATIONS
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