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Societa' : ALKEMY

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Informazione
Regolamentata

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Oggetto : Alkemy SpA – The Board of Directors
approved the Interim Financial Report at
September 30th, 2023

Testo del comunicato

Vedi allegato.



ALKEMY S.P.A.

IN THE FIRST 9 MONTHS OF 2023 TURNOVER AND ADJ. EBITDA KEPT GROWING DOUBLE-DIGIT, RESPECTIVELY +15.0% AND +13.6%

In 9M 2023 acquisitions and focus on key clients drive turnover growth whilst 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 Interim Financial report at September 30th, 2023.

- **9M 2023 Consolidated Turnover was Euro 85.9 million, +15.0%** compared to Euro 74.7 million in 9M 2022, mainly because of the **change in the Group perimeter** and of the focus on organic growth recovery.
- **9M 2023 Adjusted EBITDA¹ at Euro 9.0 million, +13.6%** compared to Euro 7.9 million in 9M 2022. The **Adjusted EBITDA margin² in 9M 2023 stood at 10.5%**, broadly in line with 9M 2022 (10.6%).
- **9M 2023 EBIT at Euro 4.8 million, -6.5%** compared to Euro 5.1 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.
- **9M 2023 EBT at Euro 3.3 million, -34.5%** compared to Euro 5.0 million in 9M 2022, due to higher financial charges recorded in connection with higher financial debts compared to September 30th, 2022, and to the increase in market interest rates.
- **9M 2023 Net Result at Euro 2.4 million, -35.3%** compared to Euro 3.6 million in 9M 2022.
- **9M 2023 Net Operating Cash Flow is positive at Euro 5.9 million**, compared to Euro 3.7 million in 9M 2022. The increase is mainly due to the higher non-monetary adjustments for the period, the lower deferred income and to the net working capital dynamics.
- **Group Net Financial Position (NFP) on September 30th, 2023, negative at Euro -34.5 million**, declining by Euro -0.4 million compared to the negative Net Financial Position at Euro -34.1 million at December 31st, 2022. The change is mainly due to the increase in IFRS 16 financial debt and bank loans, partially offset by the decrease in put-option liabilities following the exercise of the option to acquire the remaining 49% of Design Group Italia's share capital.

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, November 14th, 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 Interim Financial Report at September 30th, 2023.**

Despite the persistence of widespread uncertainty on the national and European economic markets, in 9M 2023, **Alkemy recorded significant growth in terms of turnover, +15.0%** compared to 9M 2022. The focus on the project portfolio optimization led to an **Adjusted EBITDA growth of +13.6%** compared to 9M 2022 figure and an **EBITDA margin of 10.5%**, broadly in line with the 9M 2022 figure.

The CEO of Alkemy, Duccio Vitali, commented: *“In the first nine months of 2023 Alkemy continued its growth path, with a double-digit increase in turnover compared to last year. In recent months, we are witnessing a growing interest over the multiple Artificial Intelligence solutions that we are able to offer to support our clients' business and serve their strategic vision. This lively attention towards the use of new technologies is an important signal, which despite the uncertainties, pushes me to look with optimism at future opportunities. The initiatives carried out by medium and large companies will be decisive in the path to closing the digital gap that exists between our main geographies, Italy and Spain, and other European countries”.*

Financial data analysis

Group Turnover growth at 15.0% in 9M 2023, at **Euro 85.9 million** compared to Euro 74.7 million in 9M 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 61.0% of the Group turnover** and recorded a **+4.6% turnover growth** at Euro 52.4 million, compared to 9M 2022 (Euro 50.1 million). The positive result was mostly due to the strong monitoring of key clients, partially offset by the uncertainty that still persists on the Group's reference market.

Foreign companies in the first 9 months of 2023, recorded a +36.4% turnover growth, mainly as a result of the inclusion of InnoCV, a Madrid-based company acquired in Q3 2022, within the Group perimeter and of the contribution of the positive performance of the other foreign entities.

The **9M 2023 Adjusted EBITDA, at Euro 9.0 million, grew by +13.6%** if compared to 9M 2022 (Euro 7.9 million), mainly as a consequence of the higher turnover generated.

The **9M 2023 Adjusted EBITDA Margin was 10.5%**, broadly in line with the 9M 2023 figure (10.6%). In particular, **service costs** net of one-offs **grew +7.7%** compared to 9M 2022. **Personnel costs**, net of non-recurring costs, **increased by +23.1%** compared to the same period in 2022, mostly following the increase in the average headcount, from 783 units in 9M 2022 to 940 units in 9M 2023.





9M 2023 EBIT was **Euro 4.8 million**, -6.5% compared to 9M 2022 (Euro 5.1 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.

9M 2023 EBT, at **Euro 3.3 million**, -34.5% compared to Euro 5.0 million in 9M 2022, due to higher financial charges and increase in market interest rates compared to the same period of 2022.

9M 2023 Group Net Profit stood at **Euro 2.4 million**, -35.3% compared to Euro 3.6 million in 9M 2022.

Net Operating Cash Flow on September 30th, 2023, was **positive at Euro 5.9 million**, increasing compared to Euro 3.7 million in 9M 2022, mainly due to higher non-cash adjustments, lower deferred income and the net working capital dynamics.

Net Financial Position of the Group as of September 30th, 2023, was negative at Euro -34.5 million, and registered a decline compared to December 31st, 2022 (Euro -34.1 million). The Euro -0.4 million change is mainly attributable to:

- for Euro -2.0 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 period;
- for Euro -0.9 million decline in outstanding bank loans and debts to other lenders, mainly as a result of the combined provisions (i) of the advance invoice transactions for the period, with a total of Euro +0.4 million repaid and (ii) of the repayment of the envisaged installments of the bank loans amortization plans for Euro +4.1 million and (iii) the new mid-long-term loans obtained for Euro -5.4 million;
- for Euro -0.2 million, to the decrease of current financial activities, following the divestment of stocks owned by Innocv Solutions S.L.;
- for Euro +2.7 million to the decline in put option and earn-out liabilities, mostly due to the exercise of the option to purchase the remaining 49% of Design Group Italia share capital;
- for Euro +0.1 million, to the increase of cash and equivalents in the period.

Outlook

At the date of approval of this Interim Financial report at September 30th, 2023, it is believed that the evolution of Q4 2023 will still be mainly influenced by exogenous factors such as the war in Ukraine, the beginning of the Israeli-Palestinian conflict, cost 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 nine 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 Interim Financial report at September 30th, 2023, approved today by the Board of Directors.

The Interim financial report at September 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).

*9M 2023 results will be presented to the financial community in a dedicated conference call that will be hosted today, Tuesday November 14th, 2023, at 6:00 p.m. CET.
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

Investor Relations

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ANNEX

CONSOLIDATED PROFIT & LOSS OF ALKEMY GROUP

	Values in Euro/000	
	9M 2023	9M 2022
Revenues	83,306	73,593
Other Proceeds	2,568	1,067
Total operating revenues	85,874	74,660
Costs for services, goods, and other operating costs	(36,938)	(34,449)
- of which non recurrent	(22)	(169)
Personnel costs	(40,754)	(32,732)
- of which non recurrent	(772)	(256)
Total operating costs	(77,692)	(67,181)
Adjusted EBITDA	8,976	7,904
EBITDA	8,182	7,479
D&A	(3,050)	(2,160)
Provisions and write-downs	(356)	(210)
Operating result	4,776	5,109
Other financial income	718	832
Other financial charges	(2,229)	(955)
Profit (Loss) before taxes	3,265	4,986
Income taxes	(912)	(1,351)
Profit (Loss) for the period	2,353	3,635
Attributable to:		
- Group	2,376	3,640
- Minorities	(23)	(5)





CONSOLIDATED BALANCE SHEET OF ALKEMY GROUP

Assets	Values in Euro/000	
	Sep. 30 th , 2023	Dec. 31 st , 2022
Property, plant, and equipment	2,066	2,209
Rights of Use assets	6,622	4,633
Goodwill	54,867	54,868
Intangible assets	2,022	1,934
Minorities	5	5
Other financial assets	442	588
Deferred tax assets	2,157	2,206
Other non-current receivables and assets	323	267
Non-current assets	68,504	66,710
Trade receivables	39,036	41,541
Other financial assets	86	291
Tax credits	2,890	2,065
Other current assets	2,850	2,011
Cash and Cash equivalents	9,237	9,115
Current assets	54,099	55,023
Total assets	122,603	121,733



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CONSOLIDATED BALANCE SHEET OF ALKEMY GROUP

	Values in Euro/000	
Liabilities and Group Equity	Sep. 30 th , 2023	Dec. 31 st , 2022
Equity		
Share Capital	596	596
Reserves	42,780	36,828
Net income (Loss) for the period	2,376	5,583
Group Equity	45,752	43,007
Minorities	376	399
Total Equity	46,128	43,406
Non-current liabilities		
Financial liabilities	13,416	13,081
Rights of Use liabilities	4,672	3,425
Put option and earn-out liabilities	8,863	13,436
Employees' leaving entitlement	6,306	5,543
Provisions	98	100
Deferred Tax liabilities	127	128
Non-current liabilities	33,482	35,713
Current liabilities		
Financial liabilities	9,592	9,023
Rights of use liabilities	2,099	1,345
Put option and earn-out liabilities	5,147	3,225
Trade payables	13,661	16,217
Tax liabilities	2,307	1,622
Other liabilities	10,187	11,182
Current liabilities	42,993	42,614
Total liabilities	76,475	78,327
Total liabilities and Group Equity	122,603	121,733





CONSOLIDATED CASH FLOW STATEMENT OF ALKEMY GROUP

	Values in Euro/000	
	Sep. 30 th , 2023	Sep. 30 th , 2022
Operating activities		
Net profit (loss) for the period	2,353	3,635
Financial income	(718)	(832)
Financial charges	2,229	955
Income taxes	912	1,351
D&A	3,050	2,160
Provisions and write-downs	356	210
Share-based compensation	138	275
Other non-monetary items	(162)	-
Change in trade receivables	2,188	1,507
Change in trade payables	(2,457)	183
Decrease (increase) in other assets	(1,772)	(134)
Increase (decrease) in other liabilities	971	(4,365)
Cash flow generated (absorbed) by operating activities	7,088	4,945
Paid financial charges	(525)	(145)
Paid income taxes	(662)	(1,147)
Net Cash flow generated (absorbed) by operating activities	5,901	3,653
Investment activities		
(Investment) disinvestment of tangible and intangible assets	(1,470)	(1,690)
Decrease (increase) of financial assets	207	1,735
Change in consolidation area, net of cash and cash equivalents	-	(4,361)
Net Cash flow generated (absorbed) by investment activities	(1,263)	(4,316)
Financing activities		
Change in financial debt	819	4,644
Change in IFRS 16 financial liabilities	(1,513)	(1,244)
Change in treasury shares	(120)	(435)
Dividends to minorities	(1,016)	(542)
Put options repayment	(2,686)	(2,672)
Net Cash Flow generated (absorbed) by financial activities	(4,516)	(249)
Increase (decrease) of net cash position for the period	122	(912)
Cash at the beginning of the period	9,115	10,458
Cash at the end of period	9,237	9,546



Fine Comunicato n.20116-35

Numero di Pagine: 10