



## 9M 2024 RESULTS

14.11.2024

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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 euros** 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 28%** (>3x the market), to move from the 23 starting resources to a team of over **900 people** and a turnover of **119M€** in 2023.

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 2021 was up to **+500%**.

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

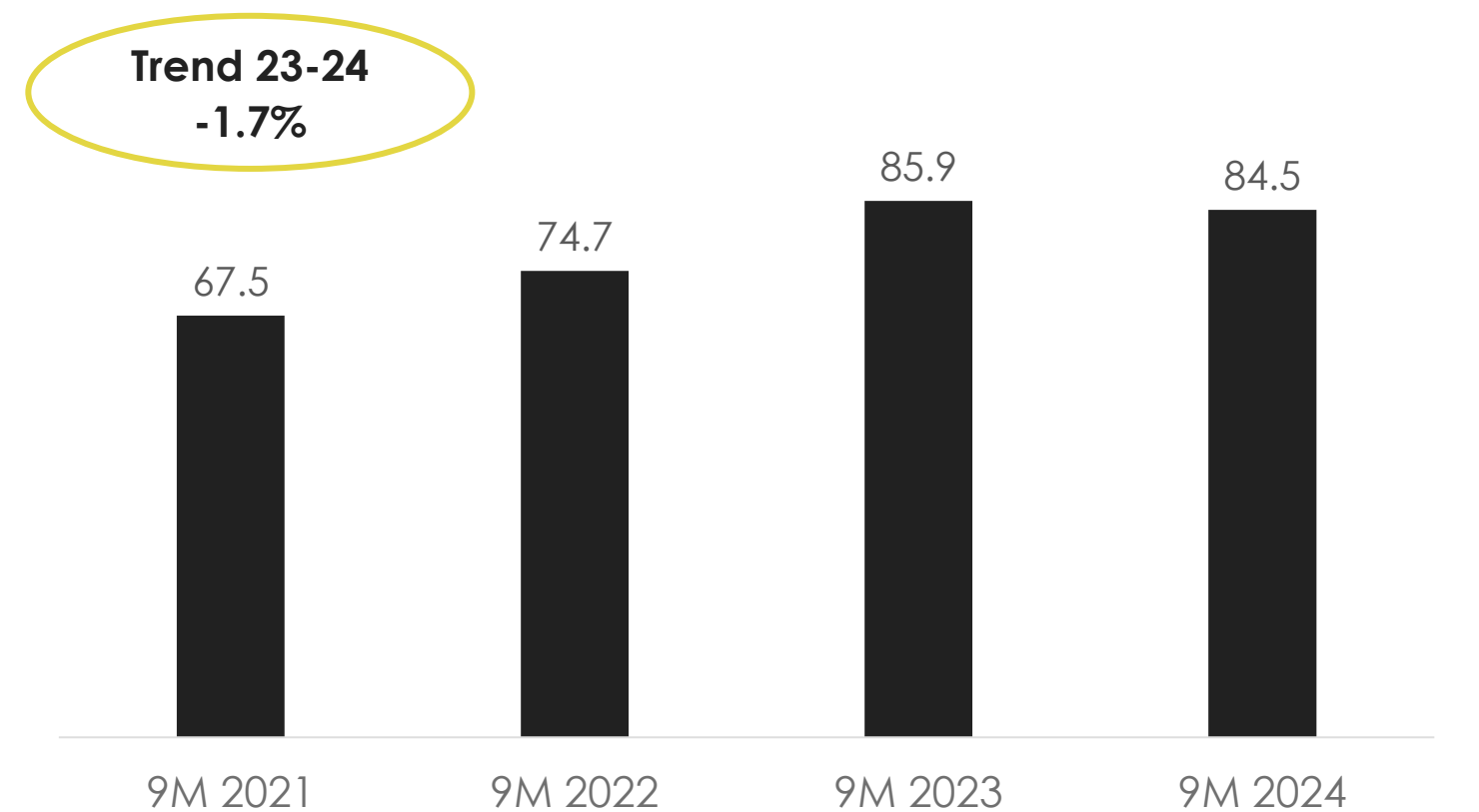
We help companies to  
evolve their business in the  
post-digital scenario

# FINANCIAL HIGHLIGHTS

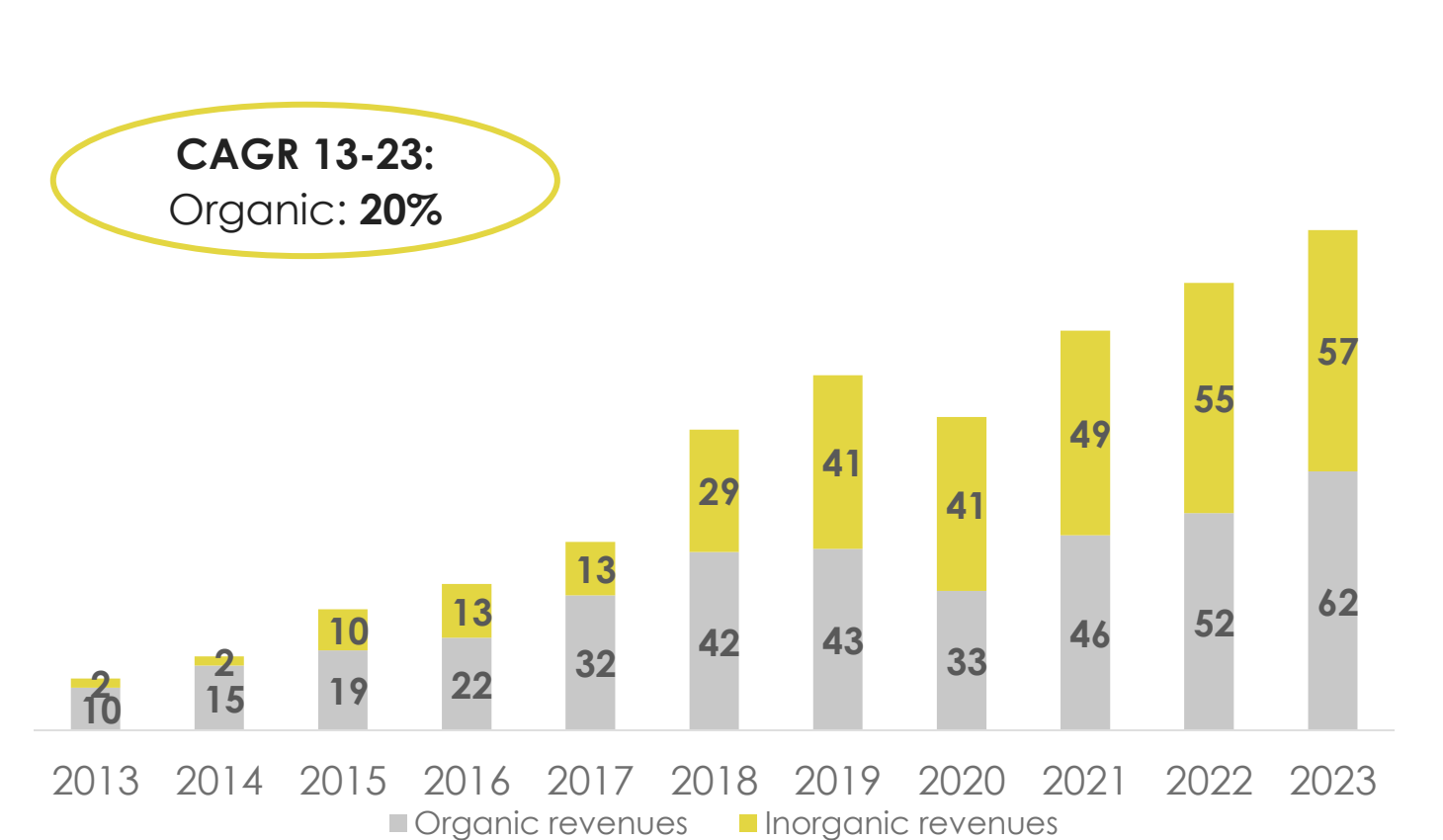
€M	9M 2024	9M 2023	
<b>Turnover</b>	<b>84.5</b>	<b>85.9</b>	> -2% vs. 9M 2023, mostly due to the performance of some foreign subsidiaries.
<b>Adj. EBITDA</b>	<b>5.8</b>	<b>9.0</b>	> -36% vs. 9M 2023. EBITDA Adj. margin at 6.8%, -3.7 pps vs. 9M 2023 mainly due to the different sales mix.
<b>Non-recurring costs</b>	<b>(2.3)</b>	<b>(0.8)</b>	> +193% vs. 9M 2023 due to one-off costs linked to the voluntary totalitarian tender offer launched by Retex S.p.A. on the Alkemy shares.
<b>EBIT</b>	<b>(0.5)</b>	<b>4.8</b>	> -110% vs. 9M 2023, due to higher non-recurring and amortization costs following investments made starting from Q4 '23.
<b>EBT</b>	<b>(2.2)</b>	<b>3.3</b>	> -166% vs. 9M 2023.
<b>Group Net Income (Loss)</b>	<b>(1.8)</b>	<b>2.4</b>	> -178% vs. 9M 2023.
<b>Net Operating Cash Flow</b>	<b>5.1</b>	<b>5.9</b>	> -0.8 €M vs. 9M 2023 mainly due to lower Group Net Income and NWC dynamics.
<b>NFP</b>	<b>-30.0</b>	FY 2023 <b>-31.8</b>	> €M +1.8 since December 31, 2023.

# REVENUES

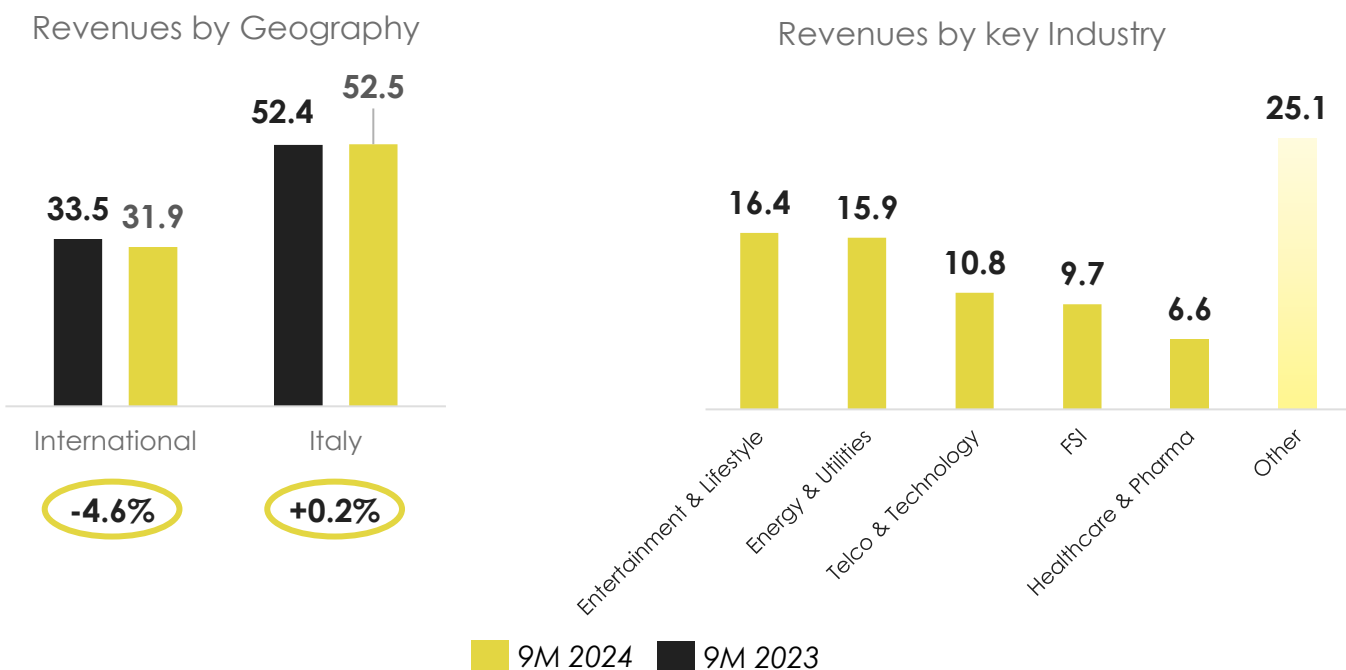
## 9M REVENUES (€M) – IAS /IFRS



## ALKEMY GROWTH EVOLUTION (€M) – IAS /IFRS



## ALKEMY TURNOVER DEEP DIVE (€M)

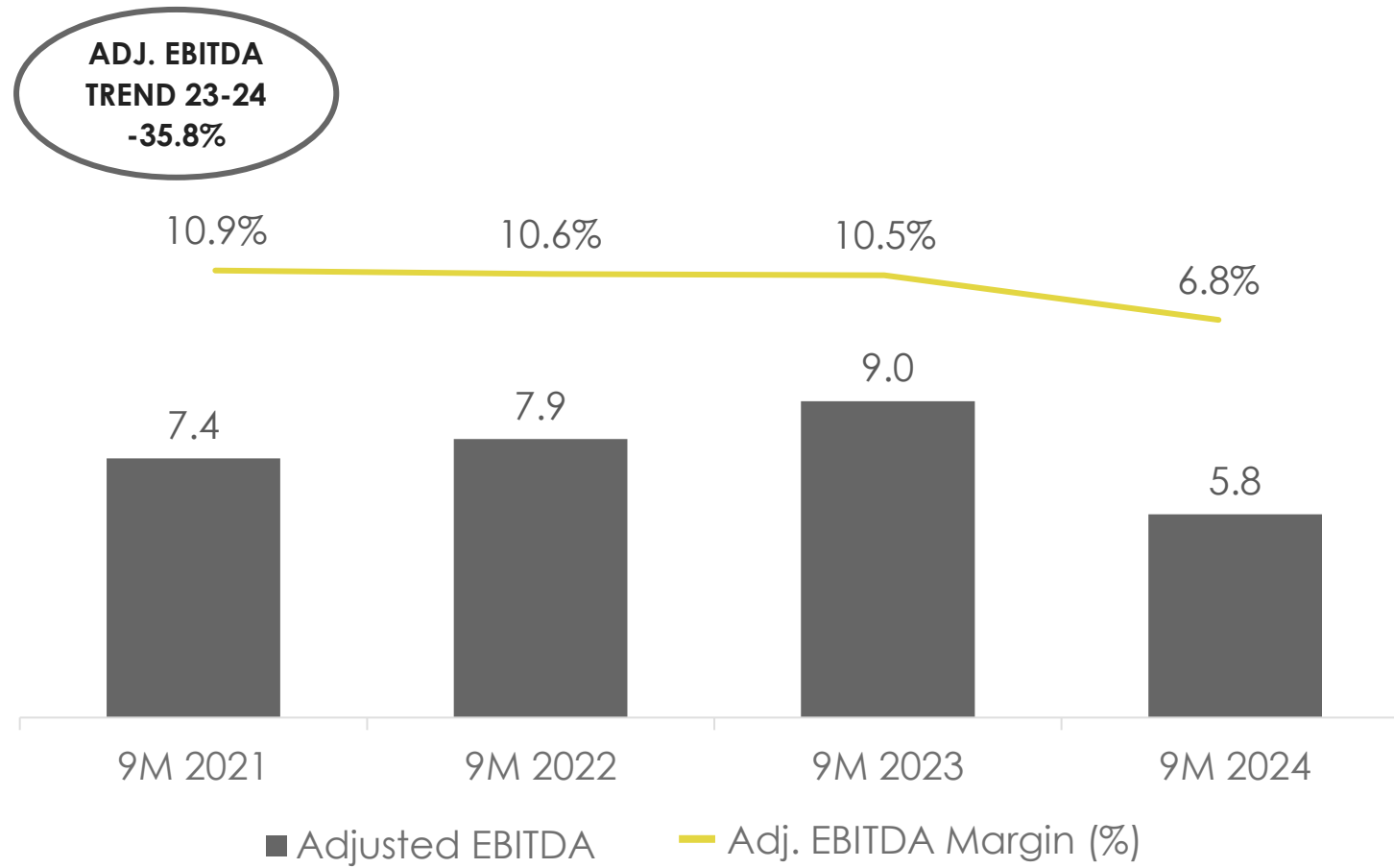


- 9M 2024 **revenues at €M 84.5**, -2% vs. 9M 2023 (€M 85.9). The result is mostly due to the performance of some foreign subsidiaries.
- 9M 2024 **Italian turnover at €M 52.5**, in line vs. €M 52.4 in 9M 2023. The trend is mainly due to the first impact of the implementation of the new organizational structure despite a challenging environment.
- International revenues** in 9M 2024 **at €M 31.9**, down by 5% vs. €M 33.5 in 9M 2023, mainly due to the negative performance of Alkemy Iberia and the Mexican subsidiaries.
- Revenues generated by clients in the **Entertainment & Lifestyle, Energy & Utilities** and **Telco & Technology** generated 51% of Group revenues in 9M 2024.

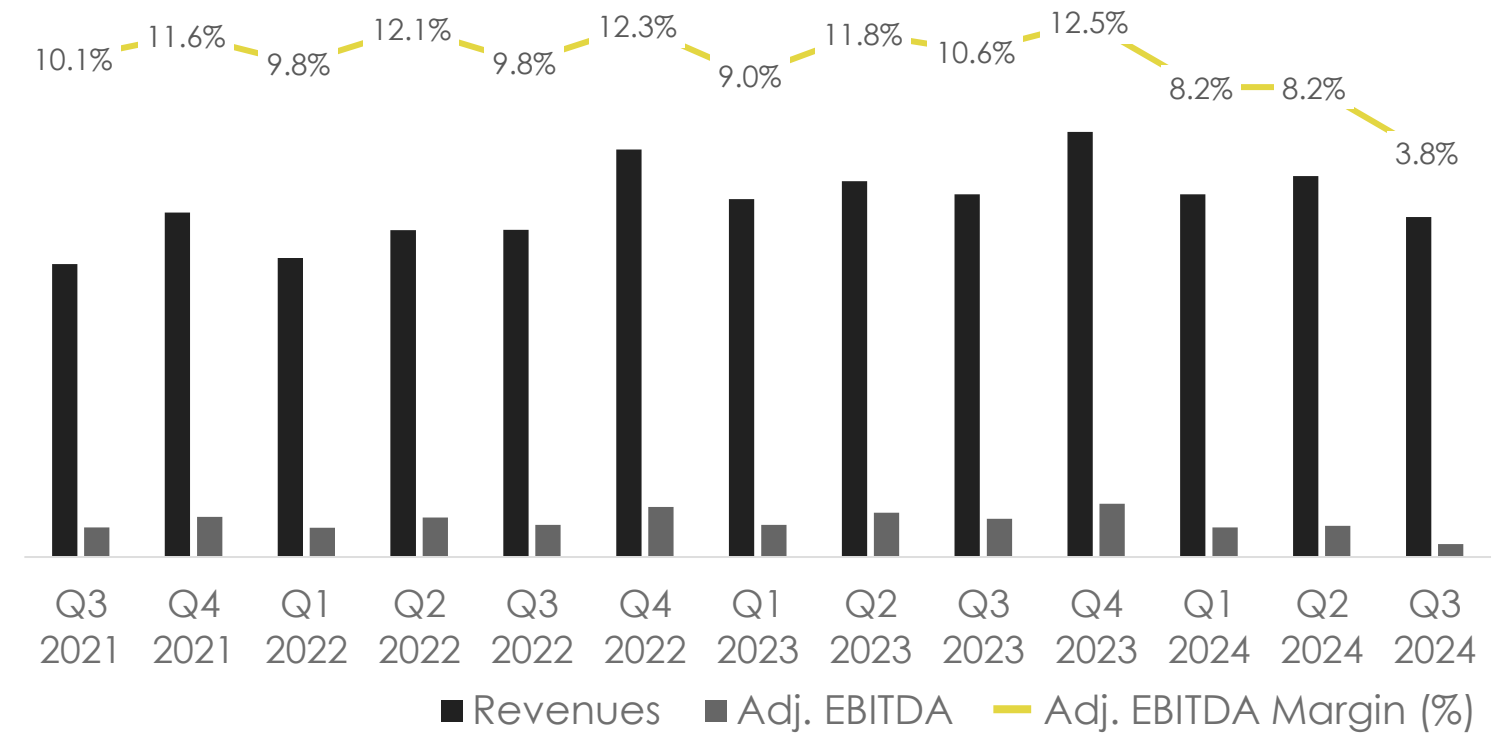
<sup>(1)</sup>Revenues 2013-14-15-16 are Management estimates and are not audited, following the introductions of IFRS in 2018.

# Adj. EBITDA

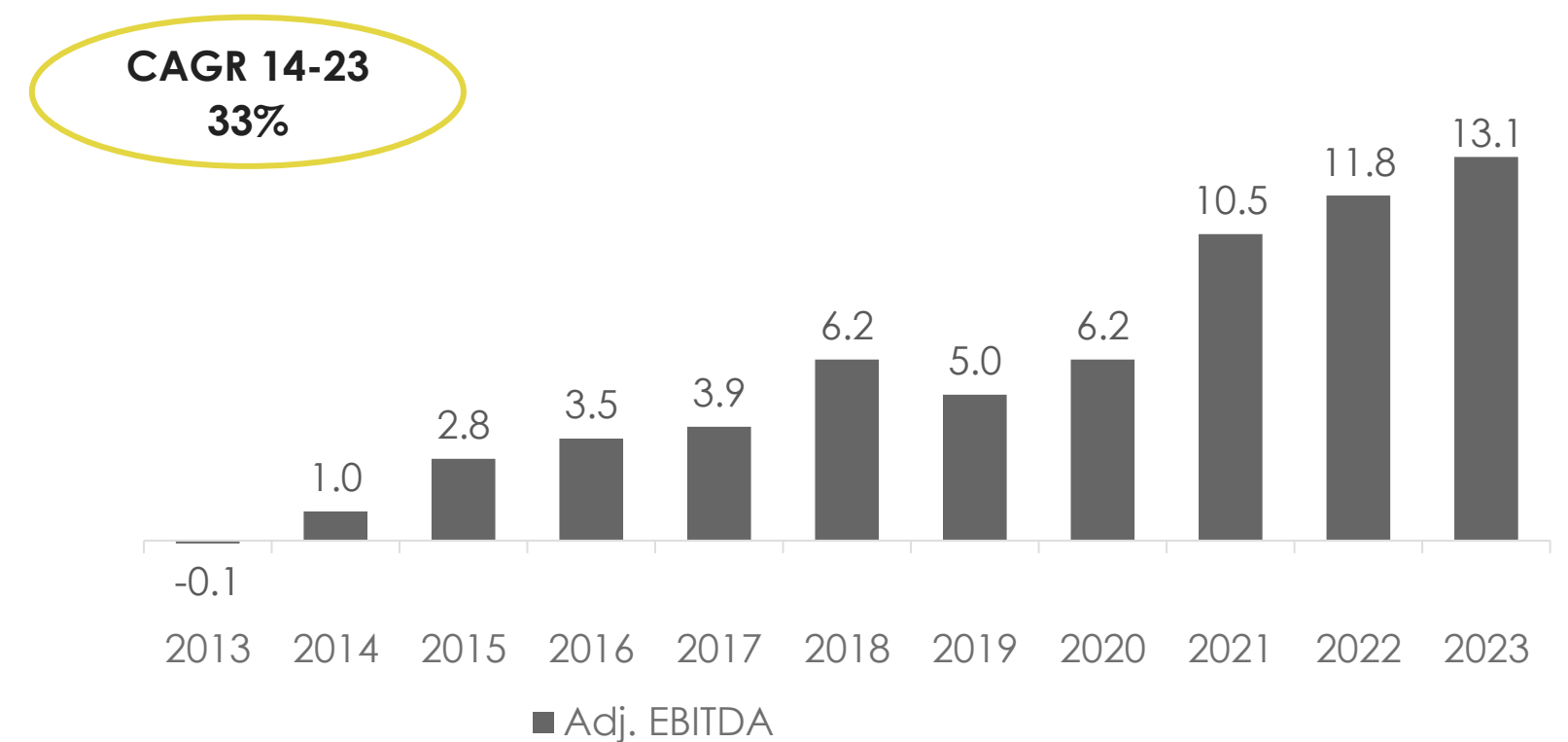
## 9M ALKEMY Adj. EBITDA (€M) – IAS/IFRS<sup>(1)</sup> & MARGIN (%)



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



## FY ALKEMY Adj. EBITDA (€M) – IAS/IFRS



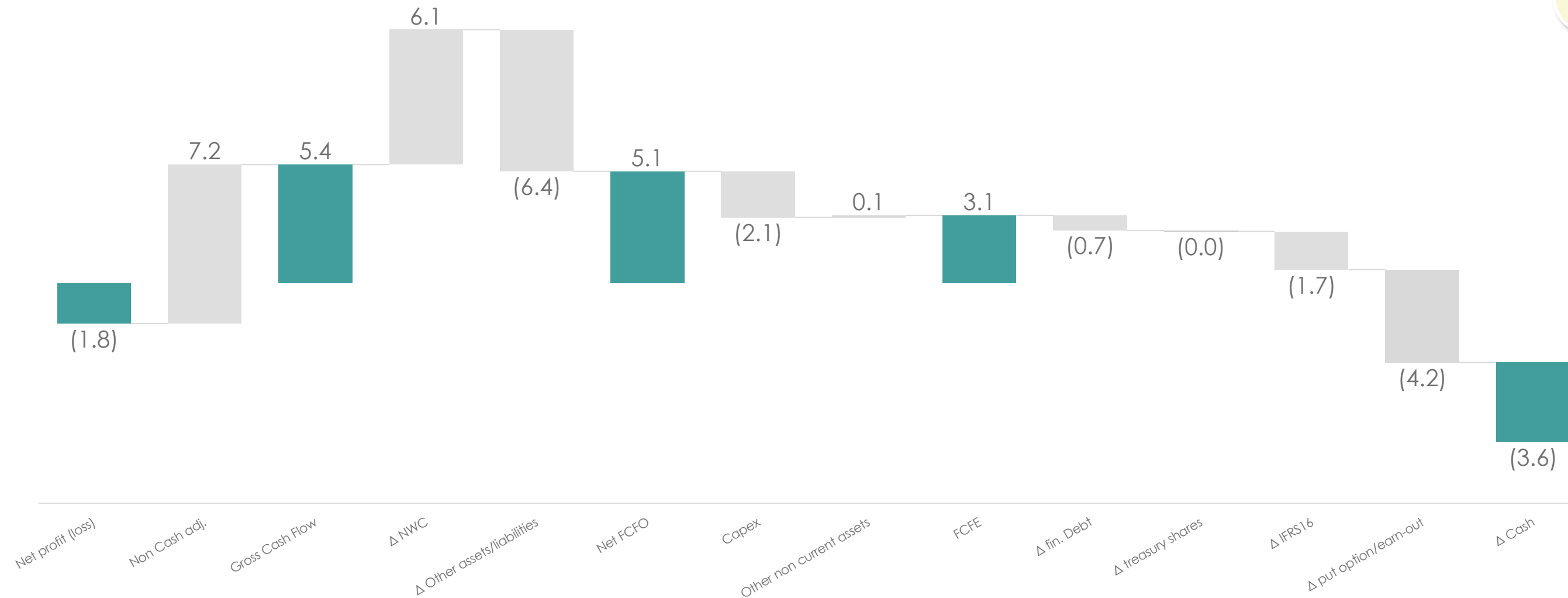
- › **9M 2024 Adjusted EBITDA is €M 5.8**, -36% compared to 9M 2023 (€M 9.0).
- › **9M 2024 Adjusted EBITDA margin is 6.8%**, -3.7 pps compared to 9M 2023 (10.5%), mainly due to the different sales mix.

<sup>(1)</sup>EBITDA Adj. margin is calculated relating the Adj. EBITDA to the revenues of the period

# 9M 2024 CASH FLOW

## 9M 2024 Cash Flow generation - (€000)

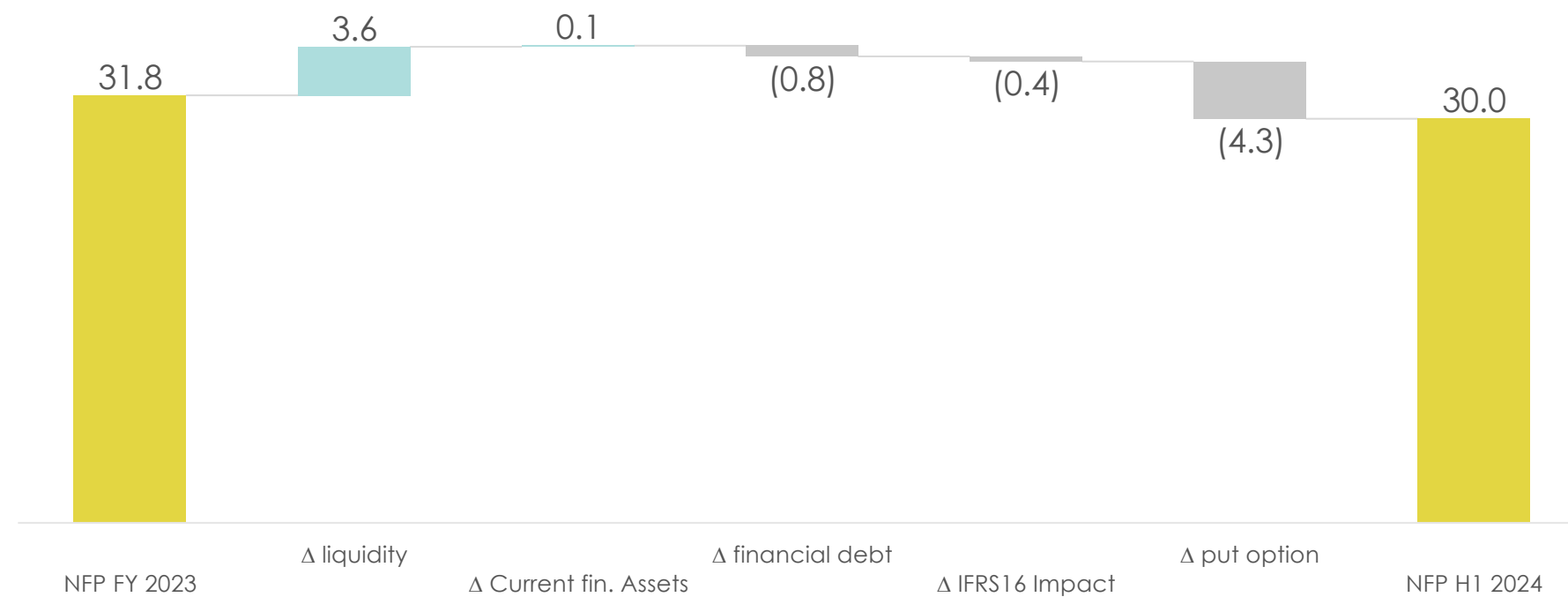
Initial Cash	12.0 €M
Delta Cash	-3.6 €M
Final Cash	8.4 €M



- › **9M 2024 Gross Cash Flow at €M 5.4**, €M -2.8 compared to 9M 2023, mainly due to **lower Net Profit (Loss)** for the period.
- › **9M Net FCFO at €M 5.1, equal to 88% Adj. EBITDA**, -14% compared to 9M 2023 due to net working capital dynamics and the net loss for the period.
- › **9M 2024 Capex at €M 2.1**, +42% compared to 9M 2023 and equal to **2% of revenues**.
- › **Change in cash over 9M 2024 is €M -3.6** mostly related to the change in put options and earn-out related to the exercise of the option for the acquisition of an additional 14% stake in Xcc Srl share capital and to the payment of the first tranche of the earn-out to the former partners of Innocv Solutions S.L. Both circumstances happened in Q2 2024.

# NET FINANCIAL POSITION BRIDGE AND DETAILS

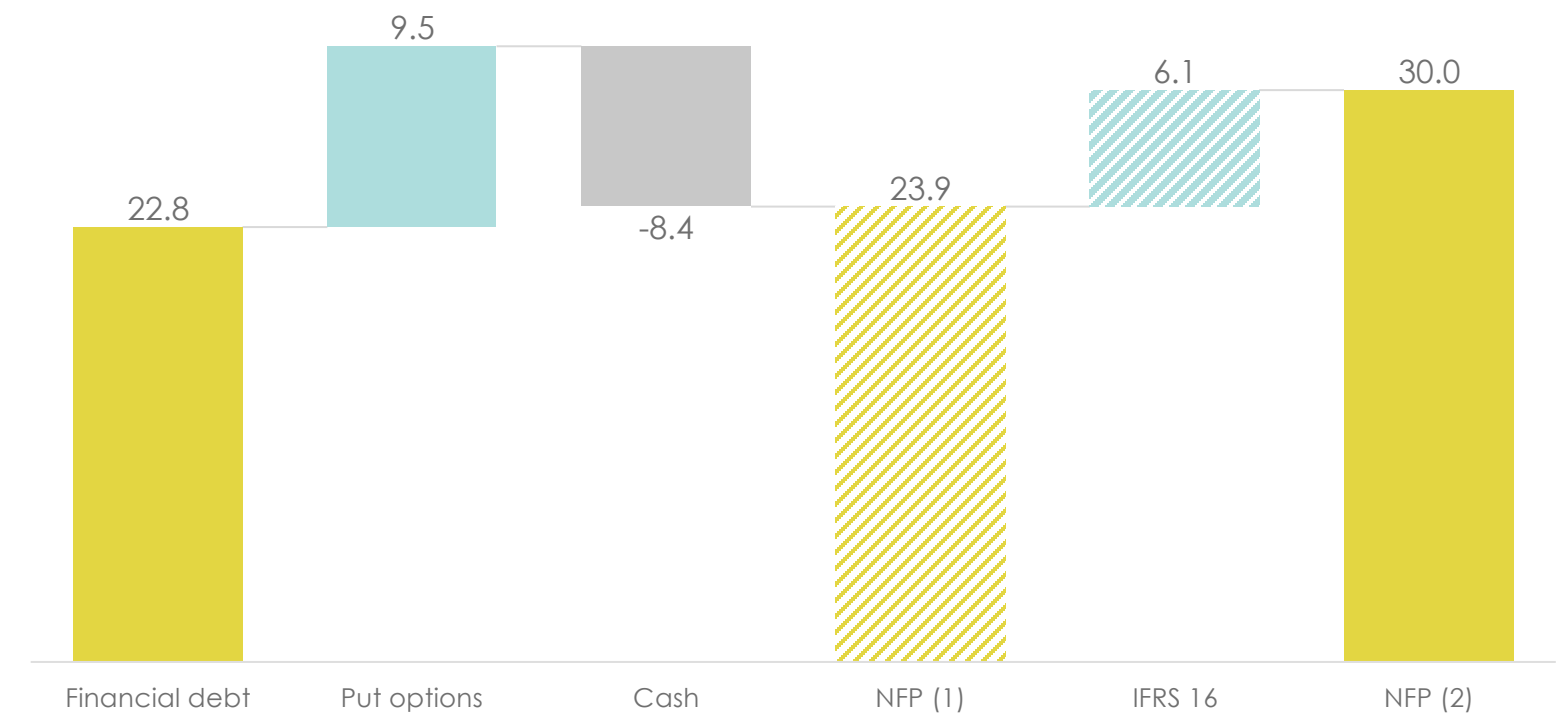
## Net Financial Position Bridge 9M 2024 (€M)



- › **Gross debt** is composed by **€M 22.8 of financial debt** (of which €M 11.9 LT, €M 10.9 ST), **€M 9.5 put options and earn-out liabilities** deriving from M&A (of which none ST) and €M 6.1 IFRS 16 financial leases.
- › **9M 2024 NFP (1) ex IFRS16 is €M 23.9.**
- › **9M 2024 cash and equivalents is €M 8.4.**

- › **Net Financial Position** NFP (2) at September 30, 2024 improved by €M 1.8 compared to €M -31.8 at December 31, 2023.
- › **Variation** is mainly due to: (i) decrease in put option and earn-out liabilities (€M +4.3), (ii) change in cash and cash equivalents (€M -3.6), (iii) decrease in bank loans (€M +0.8), (iv) decrease in financial debt for rights of use (€M +0.4).

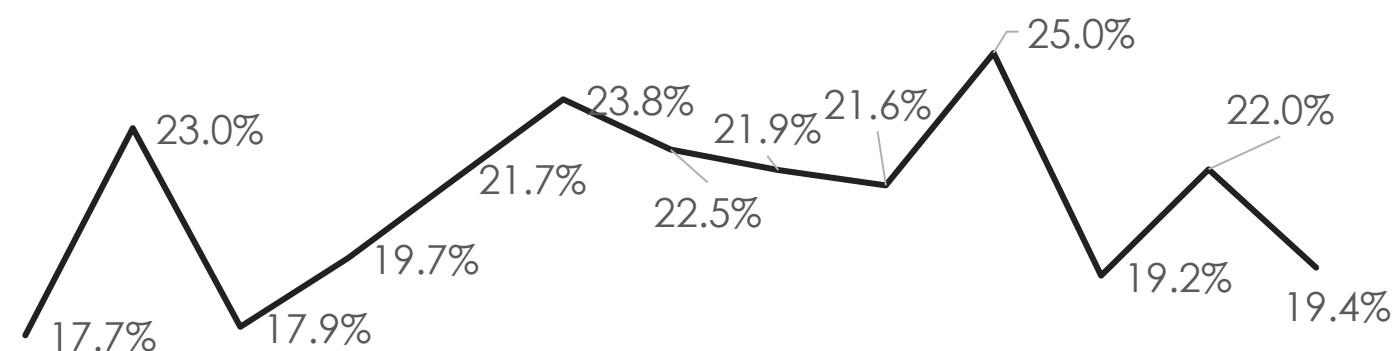
## Net Financial Position Break Down 9M 2024 (€M)





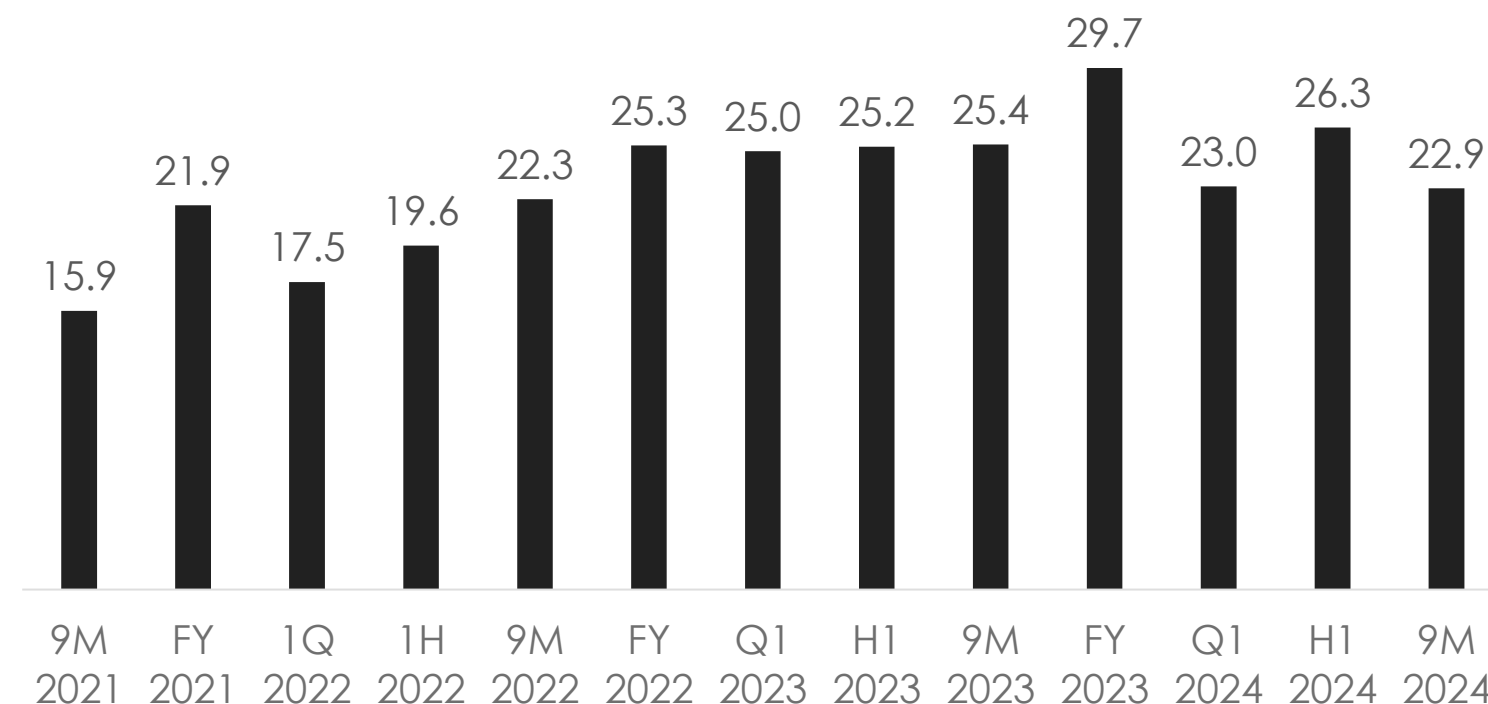
# NET TRADE WORKING CAPITAL DYNAMICS

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



9M 2021 FY 2021 1Q 2022 H1 2022 9M 2022 FY 2022 Q1 2023 H1 2023 9M 2023 FY 2023 Q1 2024 H1 2024 9M 2024

## Net Trade Working Capital (€M)



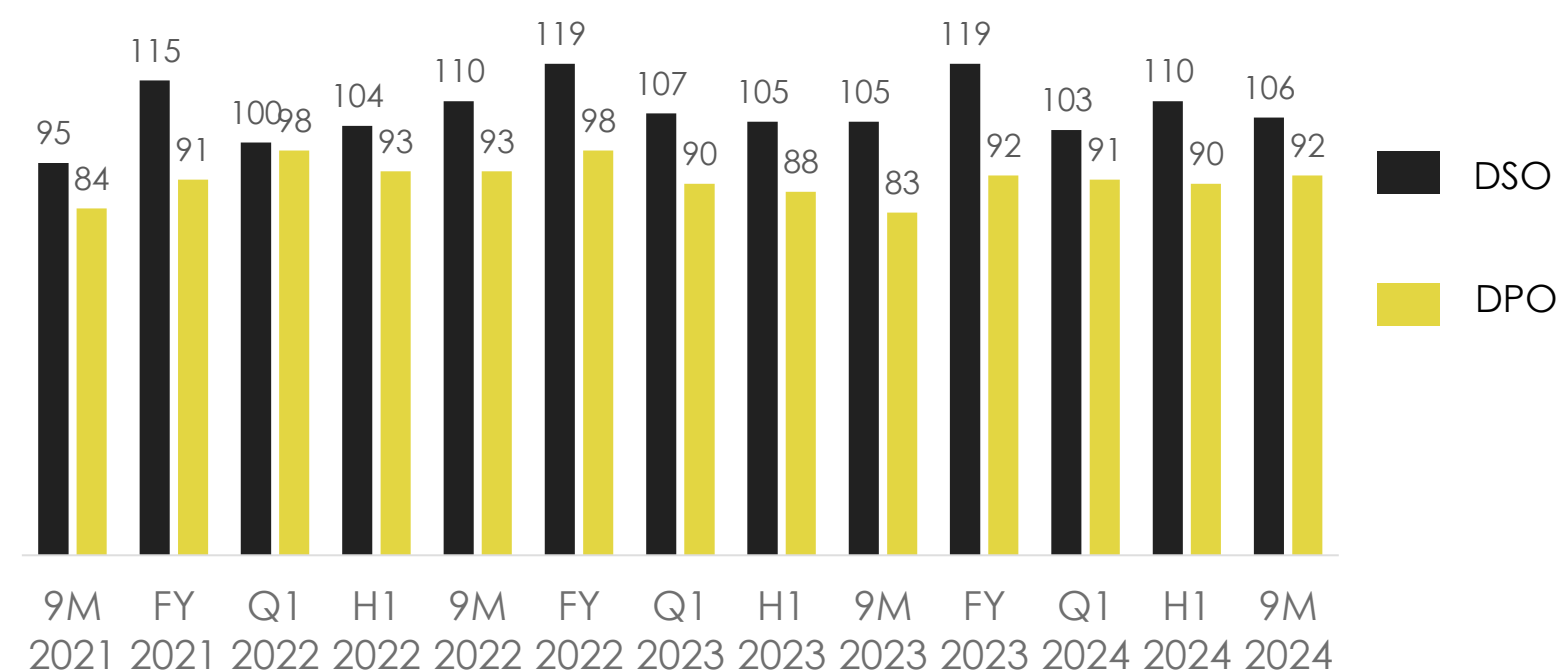
9M 2021 FY 2021 1Q 2022 1H 2022 9M 2022 FY 2022 Q1 2023 H1 2023 9M 2023 FY 2023 Q1 2024 H1 2024 9M 2024

> **9M 2024 Net Trade Working capital is -9% compared to 9M 2023**, and its incidence over last 12 months' revenues declined by 2.2 pps.

> 9M 2024 cash generation from **Net Trade Working Capital** increase (€M 6.1 million compared to €M -0.3 in 9M 2023), due to payables and receivables dynamics.

> **9M 2024 DSO at 106**, +1% vs. 9M 2023; **9M 2024 DPO at 92** +11% vs. 9M 2023.

## Cash Conversion Cycle Details (days)



9M 2021 FY 2021 Q1 2022 H1 2022 9M 2022 FY 2022 Q1 2023 H1 2023 9M 2023 FY 2023 Q1 2024 H1 2024 9M 2024

# 9M 2024 P&L – IAS/IFRS

## Consolidated Profit & Loss

Profit and Loss (€000) - IAS/IFRS	9M 2023	9M 2024
<b>Revenues</b>	<b>85,874</b>	<b>84,454</b>
Service costs, consum. & goods	(36,938)	(38,668)
- of which non-recurrent	(22)	(223)
Personnel	(40,754)	(42,349)
- of which non-recurrent	(772)	(2,105)
<b>Adj. EBITDA</b>	<b>8,976</b>	<b>5,765</b>
% Revenues	10.5%	6.8%
<b>EBITDA</b>	<b>8,182</b>	<b>3,437</b>
% Revenues	9.5%	4.1%
D&A	(3,050)	(3,328)
Bad debts/ claims/ provisions	(356)	(584)
<b>EBIT</b>	<b>4,776</b>	<b>(475)</b>
% Revenues	5.6%	-0.6%
Financial charges	(1,511)	(1,693)
<b>EBT</b>	<b>3,265</b>	<b>(2,168)</b>
Taxes	(912)	333
% Tax rate	27.9%	15.4%
<b>Net Profit (Loss)</b>	<b>2,353</b>	<b>(1,835)</b>
% Revenues	2.7%	-2.2%
o/w Minorities	(23)	(57)
<b>o/w Group Net Profit (Loss)</b>	<b>2,376</b>	<b>(1,778)</b>

- › 9M 2024 **Revenues** at **€M 84.5**, down by 2% compared to €M 85.9 in 9M 2023. **Italian revenues flat** YoY, despite challenging environment. **Foreign turnover down by 5%**, due to the performance recorded by Alkemy Iberia and the Mexican subsidiaries, that more than offset the performance recorded by all other foreign companies.
- › **Adj. Operative costs** increased by +2% compared to 9M 2023, with an impact on revenues at 93%, +3.7 pps compared to 9M 2023. **Adj. Services costs** increased by 4% YoY, and **increased the impact on revenues by 2.5 pps**. **Adj. Personnel costs** slightly increased their incidence on revenues by 1.1 pps compared to 9M 2023 with a lower FTE average count for the period (from 940 in 9M 2023 to 920 in 9M 2024),
- › **Non-recurrent operative costs** increased by 193% due to one-off costs mostly related to the Voluntary Totalitarian Tender offer promoted by Retex S.p.A. – società Benefit on the Alkemy shares.
- › 9M 2024 **Adj. EBITDA** at €M 5.8, -36% compared to €M 9.0 in 9M 2023, with Adj. EBITDA margin at 6.8%, -3.7 pps compared to 9M 2023 (10.5%), due to the different sales mix.
- › 9M 2024 **EBIT** is negative at €M 0.5, compared to €M 4.8 in 9M 2023, mostly due to higher investments made starting from Q4 2023 and to the impact of one-off costs.
- › 9M 2024 **EBT** at €M -2.2, -166% compared to €M 3.3 in 9M 2023.
- › **Group Net Profit** is €M -1.8 -178% vs €M 2.5 in 9M 2023.

# 9M 2024 BALANCE SHEET – IAS/ IFRS

## Consolidated Balance Sheet

Balance Sheet (€000) - IAS/IFRS	FY 2023	9M 2024
Tangible assets	8,213	7,730
<i>o/w rights of use (IFRS16)</i>	6,274	5,898
Intangible assets	2,079	2,678
Goodwill	54,871	54,868
Financial assets	2,363	3,118
<b>Fixed Assets</b>	<b>67,526</b>	<b>68,394</b>
Inventories	-	-
Trade Receivables	45,929	38,658
Trade Payables	(16,196)	(15,781)
<b>Net Trade Working Capital</b>	<b>29,733</b>	<b>22,877</b>
Other Current Assets	4,749	5,596
Other Current Liabilities	(16,042)	(13,657)
Employees' leaving entitlement	(6,477)	(6,987)
<b>Total Capital Invested</b>	<b>79,489</b>	<b>76,223</b>
<b>Total Equity</b>	<b>47,716</b>	<b>46,193</b>
o/w Group Equity	47,243	45,779
o/w Minorities	473	414
Cash & current financial assets	(12,115)	(8,427)
Bank Debts	23,627	22,847
Put Option Liabilities	13,755	9,491
<b>Net Financial Position ex-IFRS 16</b>	<b>25,267</b>	<b>23,911</b>
Other Financial Debts (IFRS16)	6,506	6,119
<b>Net Debt (Cash)</b>	<b>31,773</b>	<b>30,030</b>
<b>Total Funds</b>	<b>79,489</b>	<b>76,223</b>

- › **Net Invested Capital** at €M 76.2 (€M 79.5 in FY 2023) consisted of approx. € 22.9 million of **Net Trade Working Capital** (€M 29.7 FY 2023), €M 68.4 of fixed assets (€M 67.5 FY 2023) of which €M 54.9 of **Goodwill** (in line with FY 2023) and €M 5.9 of IFRS 16 **rights of use** (€M 6.3 in FY 2023).
- › **Shareholders' equity** declined in the period by €M 1.5 since 31 Dec. 2023, mainly due to the negative result of the period (€M -1.8).
- › **Net Financial Position** at September 30<sup>th</sup>, 2024, negative by €M -30.0 (ante-IFRS 16 at €M -23.9) improving by €M 1.8 compared to FY 2023. The **variation** is mainly due to the balancing of the decline of cash and current financial assets (€M -3.7) and the release of put options and earn-out liabilities (€M +4.3).

# 9M 2024 CASH FLOW GENERATION – IAS/IFRS

## Consolidated Cash Flow

Cash Flow Statement (€000) - IAS/IFRS	9M 2023	9M 2024
<b>Net Profit (Loss)</b>	<b>2,353</b>	<b>(1,835)</b>
Adjustments (cash tax, interest and other)	2,423	1,360
Non-cash items	3,382	5,865
<b>Gross Cash Flow</b>	<b>8,158</b>	<b>5,390</b>
Change in trade receivables	2,188	6,613
Change in trade payables	(2,457)	(486)
<b>Total change in NTWC</b>	<b>(269)</b>	<b>6,127</b>
Total change in other asset/liabilities	(801)	(5,039)
<b>Operating Cash Flow</b>	<b>7,088</b>	<b>6,478</b>
Net financial charges paid	(525)	(1,064)
Net tax paid	(662)	(331)
<b>Net Operating Cash Flow</b>	<b>5,901</b>	<b>5,083</b>
Capex	(1,470)	(2,091)
Other non-current assets	207	86
<b>Free Cash Flow before Acquisition</b>	<b>4,638</b>	<b>3,078</b>
Acquisitions	-	-
<b>Free Cash Flow</b>	<b>4,638</b>	<b>3,078</b>
Change in treasury shares	(120)	(43)
Dividends to minorities	(1,016)	-
Change in bank & fin. Debts	819	(683)
IFRS 16 effect	(1,513)	(1,740)
Changes in Equity	-	-
Changes on other financial assets	-	-
Change in put/options	(2,686)	(4,215)
<b>Change in Cash</b>	<b>122</b>	<b>(3,602)</b>
Initial Cash	9,115	12,029
Final Cash	9,237	8,427

- › 9M 2024 **Gross Cash Flow** at **€M 5.4**, -34% compared to €M 8.2 in 9M 2023, mainly due to the net loss recorded in 9M 2024.
- › 9M 2024 **Operating cash flow** at **€M 5.1** compared to €M 5.9 in 9M 2023. The decline of €M 0.8 is mainly related to the lower result of the period and Net Working Capital dynamics.
- › 9M 2024 Ordinary **Capex** of the period is €M 2.1, +42% compared to €M 1.5 in 9M 2023. 9M 2024 **Free Cash Flow** is equal to **€M 3.1**, declining vs. €M 4.6 in 9M 2023, due to lower operating cash flow.
- › **Total change in cash** for the period was **equal to €M -3.6** compared to €M +0.1 in 9M 2023.

# OUTLOOK

- > The **outlook for 2024 is still influenced by exogenous factors** such as the war in Ukraine, the outbreak of the Israeli-Palestinian conflict, inflation and monetary policy. This situation of widespread uncertainty has significant impacts on companies' expectations which are not always positive.
- > At present, with the current visibility on the evolution of the business over the next few months, we expect a **slight decrease in revenues** for the Group.
- > With regards to **Adj. EBITDA margins**, we expect a decrease of the overall profitability of 2024 compared to 2023, mostly due to the impact of the sales mix.
- > The **positive impacts** from the new organizational structure, of some ongoing operational initiatives and the hiring of new sales manager with a high seniority in H2 will be shown **starting from 2025**.

# 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

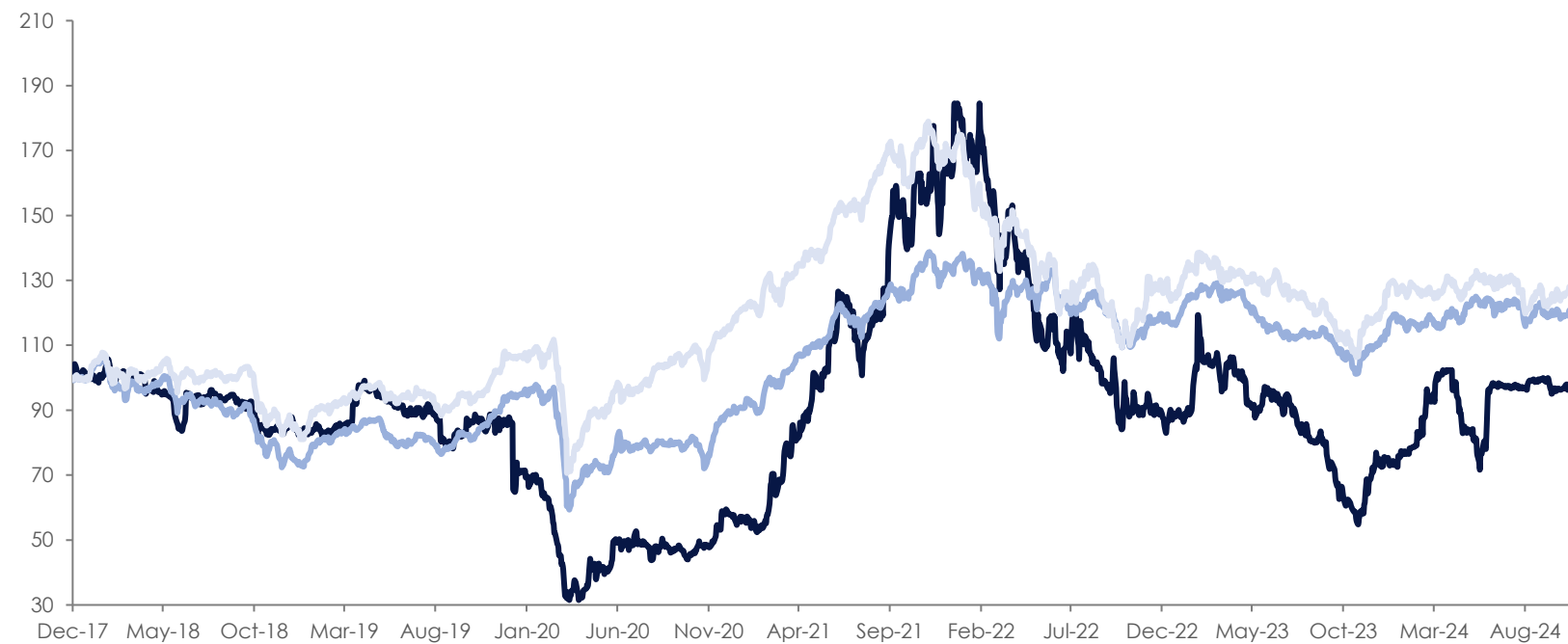
## Specialist

- Intermonte

## Analyst Coverage

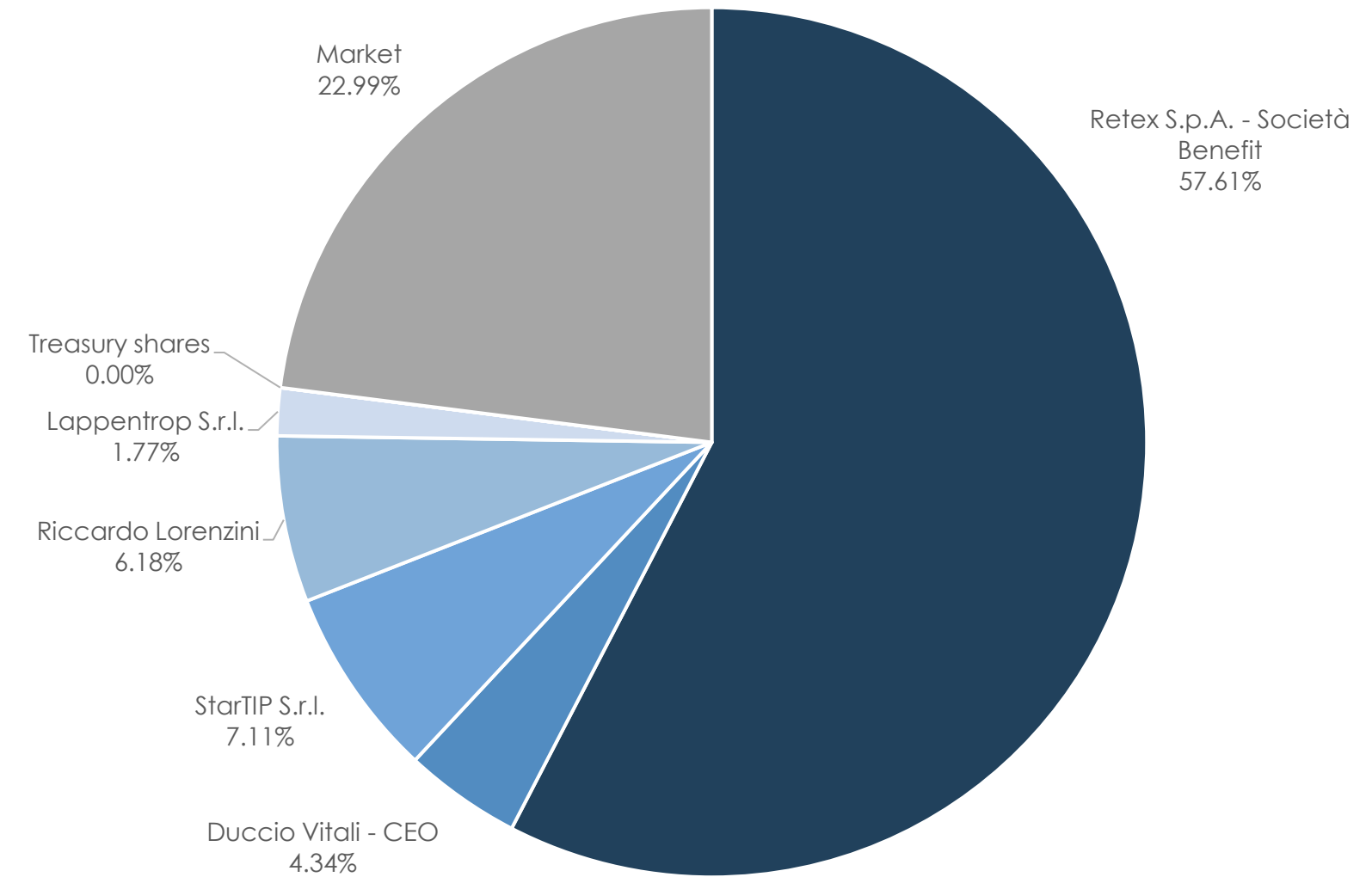
- Intermonte
- Intesa Sanpaolo
- Mediobanca

— ALK — Small Cap — STAR



## ALKEMY SHAREHOLDING STRUCTURE

As of November 14, 2024



**Outstanding Shares** 5,685,460

# OUR CORPORATE GOVERNANCE

## BOARD OF DIRECTORS

Chairman	Alessandro Mattiacci
Chief Executive Officer	Duccio Vitali
Director	Riccardo Lorenzini
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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