



A STORY OF GROWTH

AIM Conference London, October 21 2019

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GROWTH IS IN OUR DNA: WE GROW BY SUPPORTING COMPANIES' GROWTH



We help **companies grow their business** across all key industries through **large end-to-end business transformation projects, integrating best-in-class competencies** in the areas of Strategy, eCommerce, Communication, Performance, Technology and Analytics.

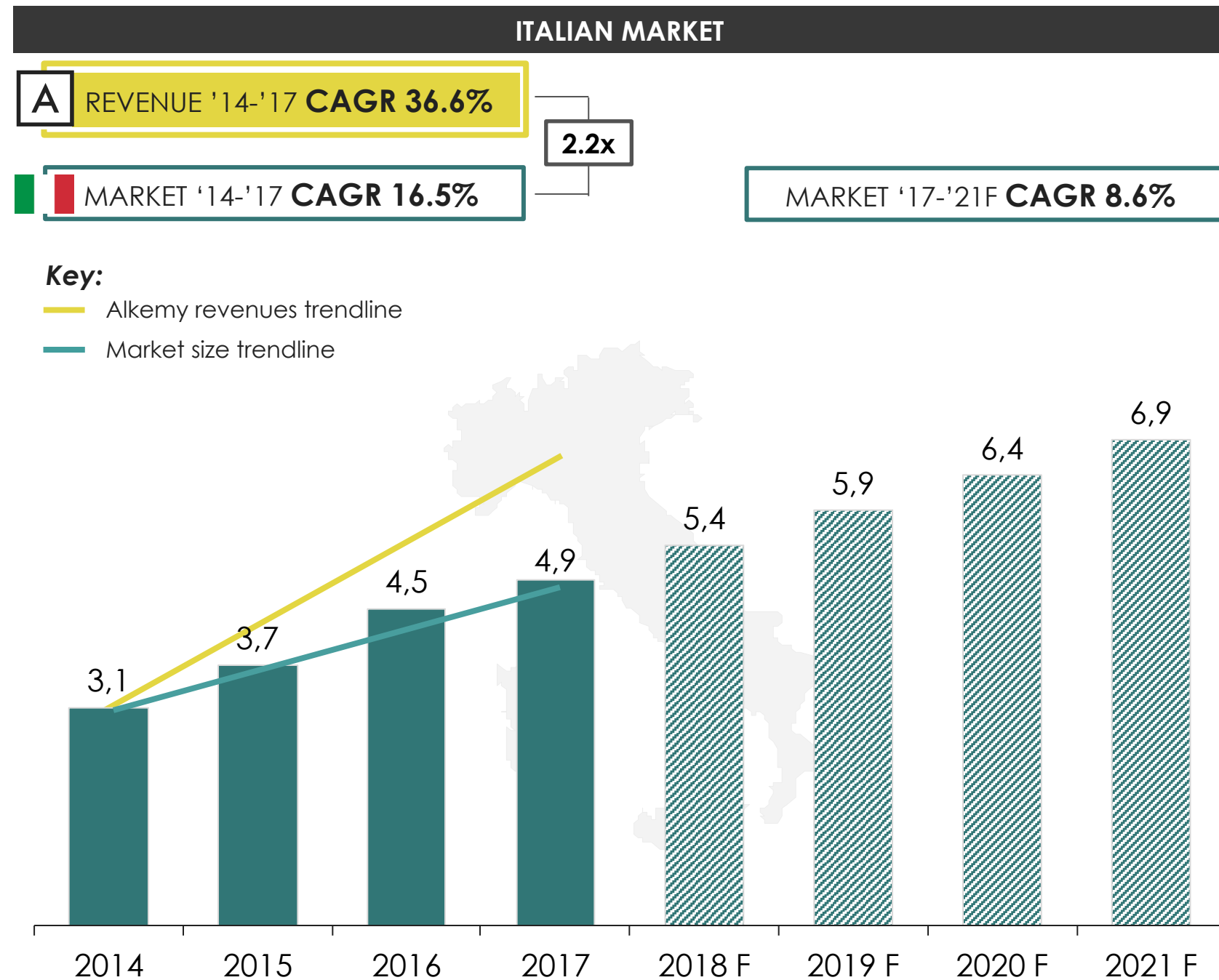
We stand at the
intersection of Business,
Technology and Creativity

WE GROW WITHIN A FLOURISHING MARKET

A HUGE MARKET WITH DOUBLE DIGIT GROWTH, AND WHERE ALKEMY IS OUTPERFORMING BY A FACTOR OF 2

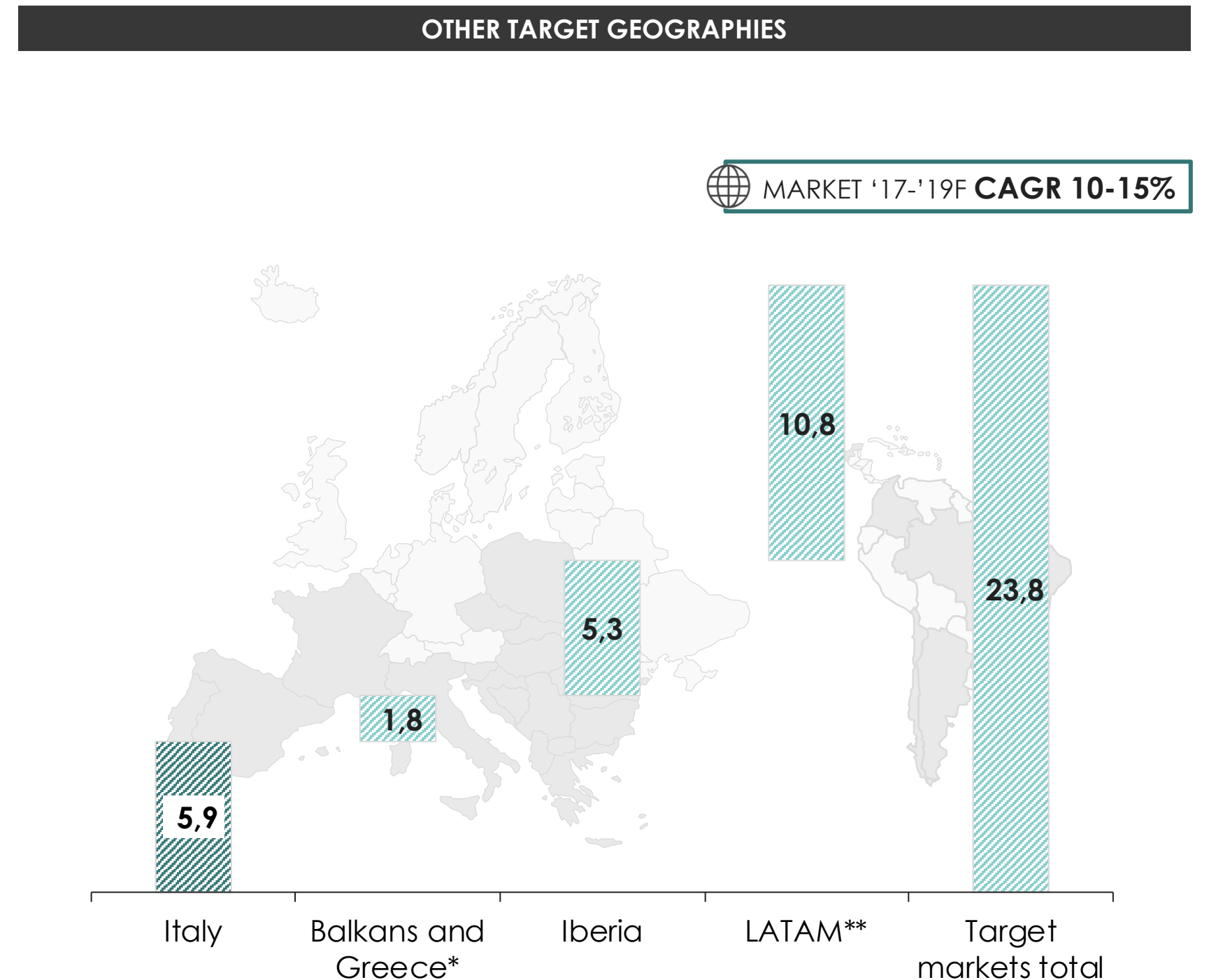
Alkemy's growth is favoured by a local market expansion...

Italian market for Alkemy core offering, data in €B



...as well as in the geographies where it operates

Digital market size for Alkemy target geographies, 2019F, data in €B



Notes: (*) Slovenia, Croatia, Bosnia and Herzegovina, Serbia, Montenegro, Albania, Macedonia; (**) Argentina, Brazil, Chile, Colombia, Mexico

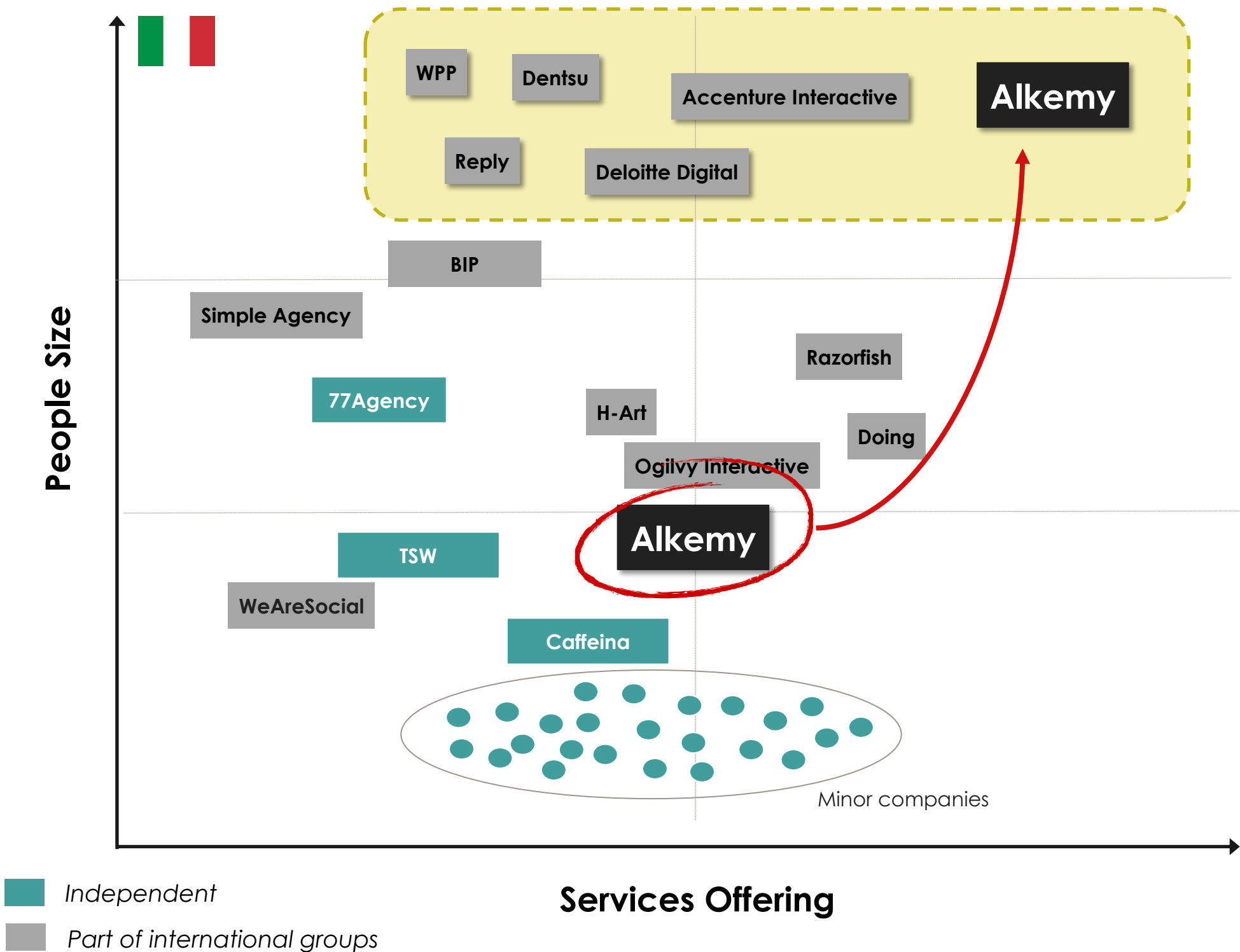
Sources: Alkemy analysis on European digital Agenda, Politecnico, Assointernet, Nielsen, FCP. PrimaComunicazione, Euromonitor, Netcomm, World Bank, IDC, Assoconsult, Accenture, Assinform

UPHELD BY A UNIQUE POSITIONING IN A FRAGMENTED ARENA



Typical competitive context across
all South European countries

Key players in Italy by size and offering



Alkemy's positioning

- › The only independent company in the Italian market with a comprehensive portfolio offering
- › Best positioned to play an active role in the sector consolidation process

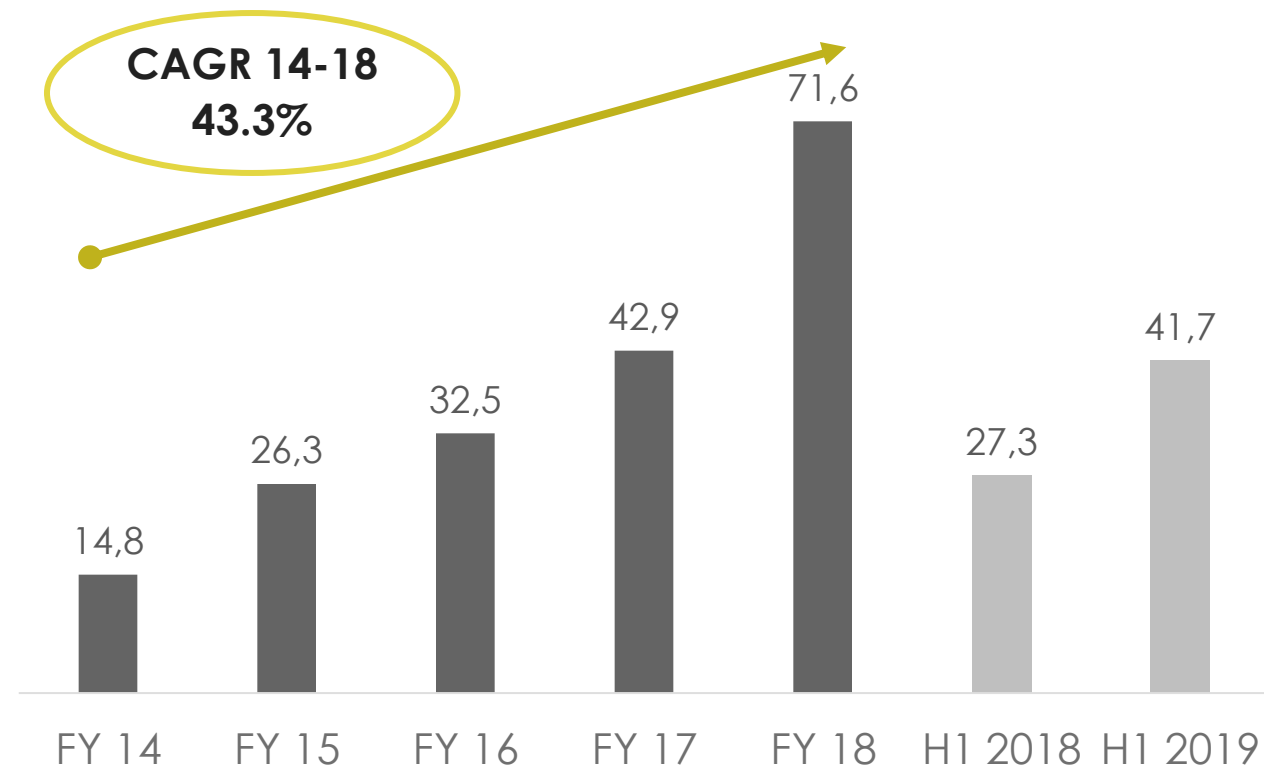
Similar players in mature markets

Player		Ownership	Turnover– M€
Accenture Interactive <small>Part of Accenture Digital</small>	US	Accenture	~4.400
Deloitte Digital	US	Deloitte	~2.100
DigitasLBi	UK	Publicis Groupe	~900
razorfish	US	Publicis Groupe	~800
R/GA	US	Interpublic Group of Companies	~350
AKQA	UK	WPP	~300
	US	Dentsu	~200

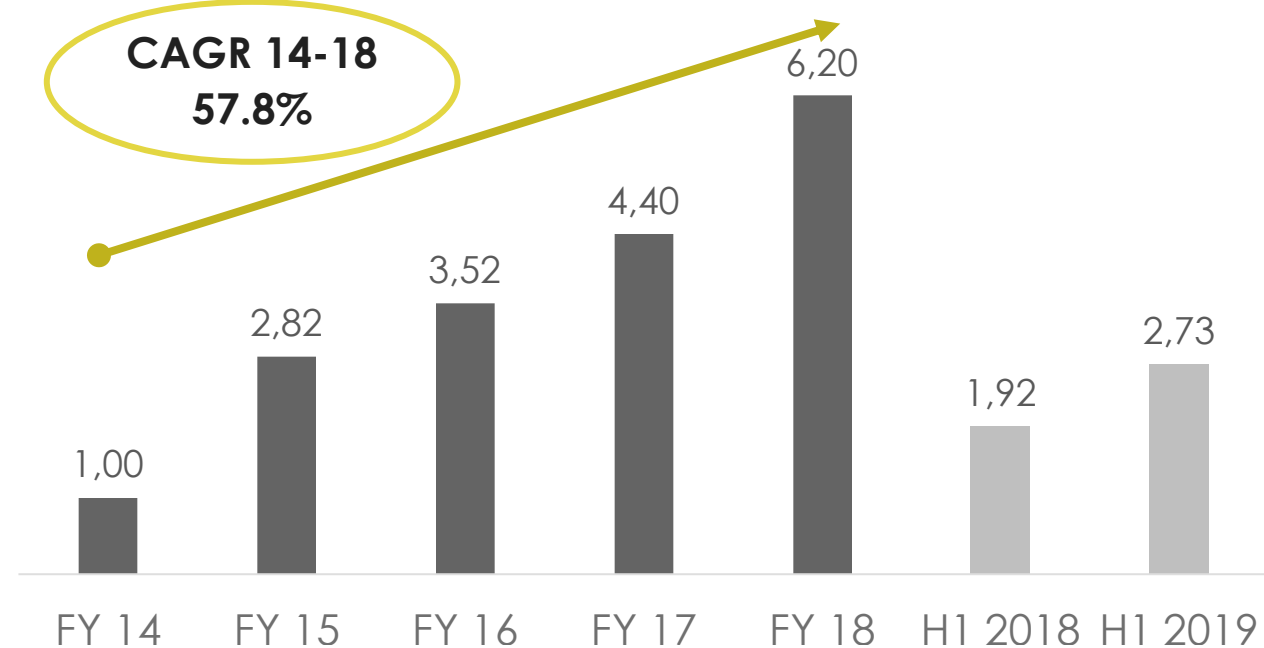
A GROWTH THAT IS BACKED BY A SUCCESSFUL M&A STRATEGY

COMBINING ORGANIC, ACQUIRED AND ORGANIC-ON-ACQUIRED GROWTH

ALKEMY REVENUES(€M) – IAS /IFRS**



ALKEMY EBITDA(€M) – IAS/IFRS**



**Revenues and Ebitda 2014-15-16 are Management estimations and are not audited. 2017 Ebitda is net of AIM listing costs

Recent M&As undertaken by Alkemy

- Debt free acquisitions thanks to IPO proceeds and self-financing

TARGET COMPANY	ACTIVITY	EBITDA variation	
		2017	2018
SEOLAB an element of Alkemy digital_enabler	Performance marketing	100 (acquired 2013)	547* +53%
TSC* TALENTS & SOLUTIONS 4 CLOUD	System integration	100 (acquired 2015)	142* +19%
bizup DIGITAL EMPOWERMENT	Content marketing & native adv	100 (acquired 2016)	267 +64%
nunatac	Data Analysis/ Big data	100 (acquired 2018)	100 (1.1 €M)
KNF Serbia	Digital marketing and advertising	100 (acquired 2018)	100 (0.1 €M)
GO GRUPO CONSUMO Spain/Mexico	Digital marketing and advertising	100 (acquired 2018)	100 (2.1 €M)

* Numbers refer to 2017, last full year before merge in Alkemy SpA


WORKING WITH THE LARGEST COMPANIES ACROSS ALL INDUSTRIES







Selected Clients





TMT



SERVICES




CONSUMER GOODS & RETAIL



FINANCIAL SERVICES



ENERGY & UTILITIES



PHARMA







FASHION & LUXURY



INDUSTRIAL



OTHER

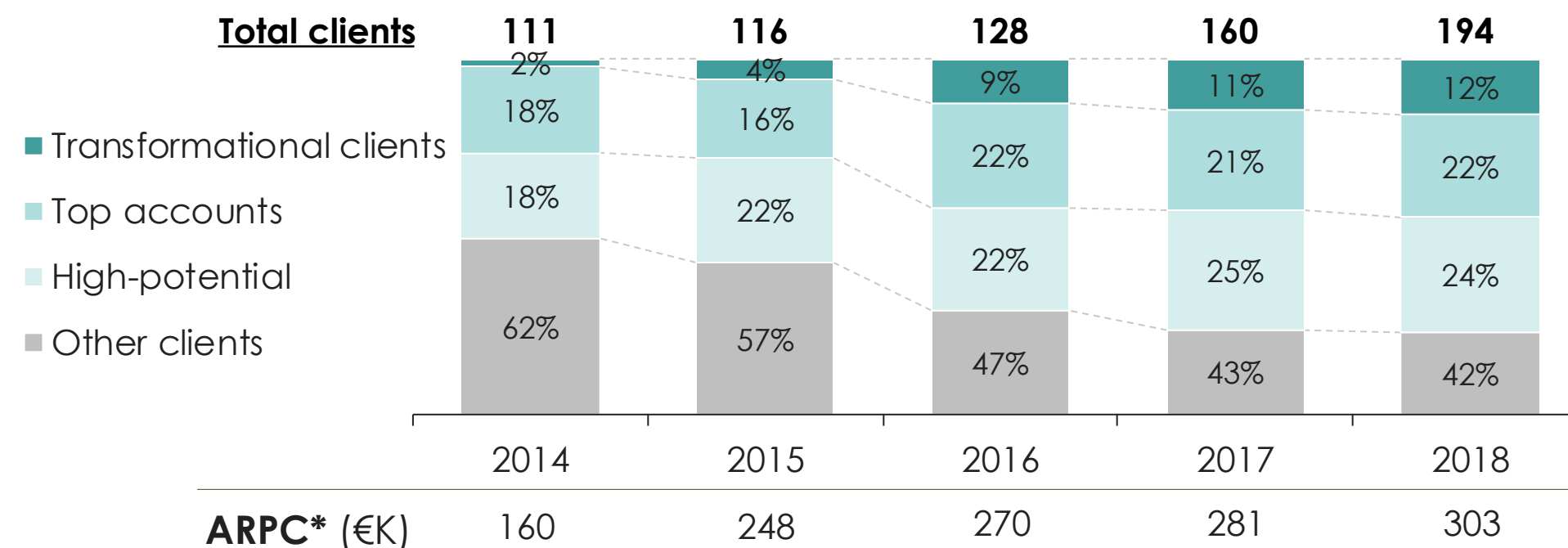


HIGH LOYALTY AND GROWING SHARE OF WALLET OF CLIENTS

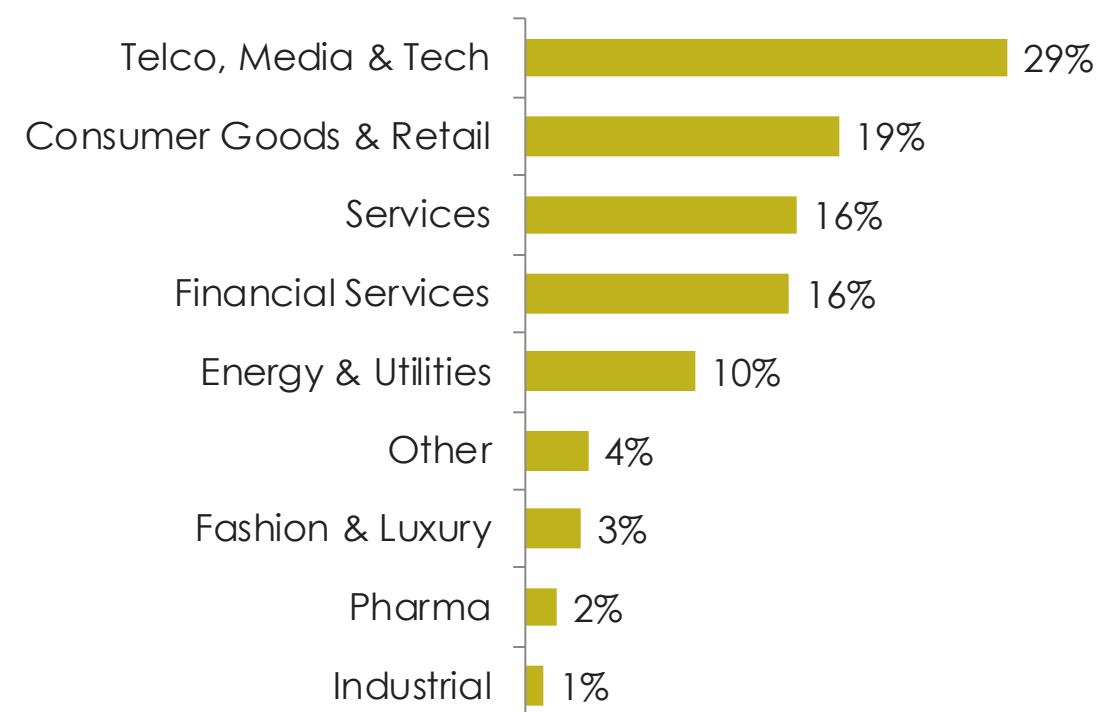
- › Top client base, diversified by industry
- › 100% retention rate on top accounts
- › Increasing “share of wallet” thanks to deeper client relationships
- › Relevant backlog, offering strong visibility of future results (60%+ YOY)

Group clients composition

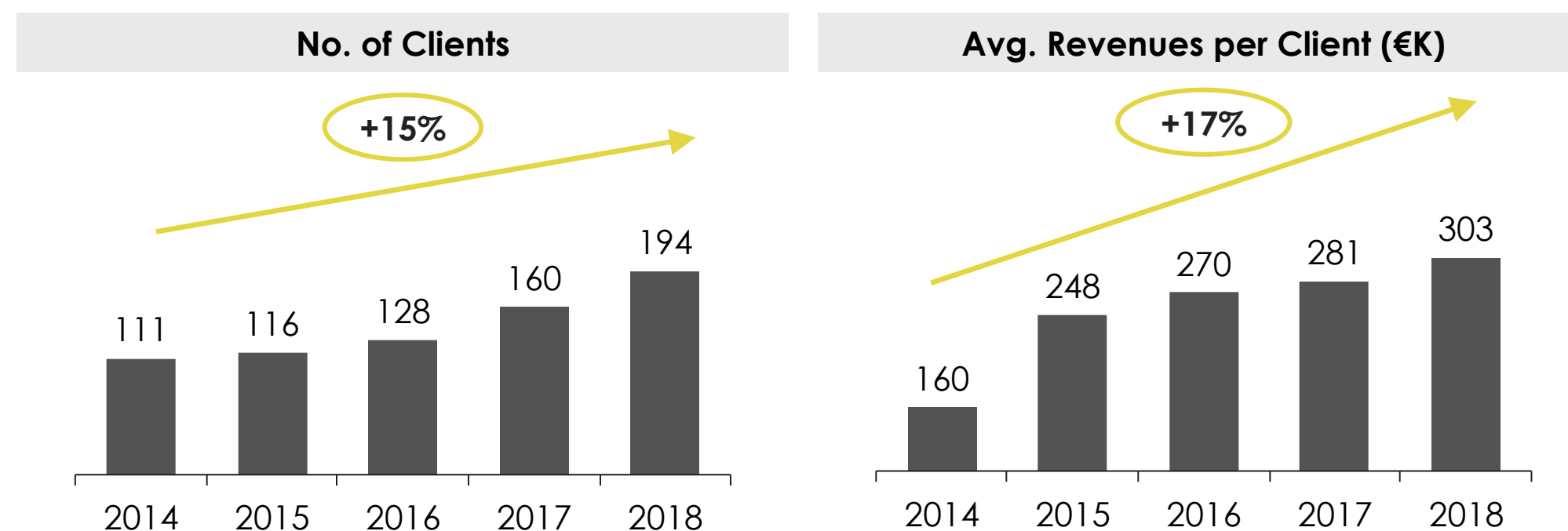
Group clients by cluster (2014-2018)*



Client Base by Sector (over revenues 2018)



Client Base Trend: Key Metrics



Note: Transformational clients: digital transformation projects involving more than one Alkemy BU at a time; Top accounts: large vertical projects (over 150 €k), carried out by a single Alkemy BU; High-potential: mid-size vertical projects (over 50 €k) with developing potential; Number of clients is made excluding revenues under €1k and minor customers from companies acquired in the last 3 years. (*) Average Revenues Per Client. Only Italian clients considered

ALKEMY IS DEVELOPING A STRONG PRESENCE OUTSIDE ITALY, WITH ABOUT 1/3 OF THE BUSINESS ALREADY COMING FROM INT'L OPERATIONS



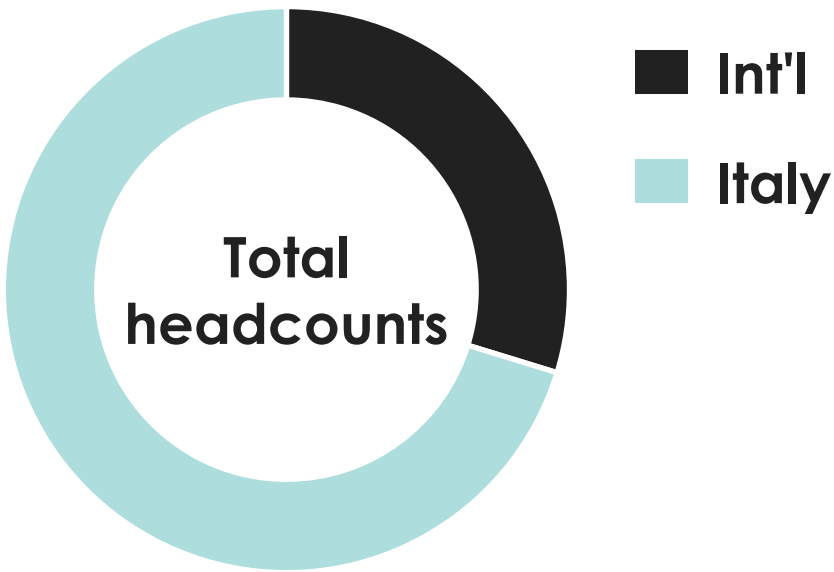
Int'l Approach

- Alkemy international development model is based on the **partnership with managers and entrepreneurs** with proven knowledge of local market (**Int'l CEOs**)
- They are **strongly committed** to the project as **shareholders** of both Alkemy SpA and the local subsidiary under their responsibility
- They are centrally supported by the **Int'l Business Development team** to:
 - Develop Alkemy capabilities outside Italy
 - Sustain organic growth on local markets
 - Identifying M&A opportunities to accelerate international growth

Int'l Milestones

- 2015: Definition of **Alkemy International development strategy** ("Be the leading digital services provider in the South European region")
- 2017 : **Foundation of Alkemy SEE** (South Eastern Europe) in Belgrade
- 2017: **Foundation of Alkemy Iberia** in Madrid
- 2018: **Acquisition of Kreativa New Formula**, leading digital agency in Serbia and **Acquisition of Ontwice Group**, web marketing agency with solid footprint both in Spain and Mexico

Int'l Size



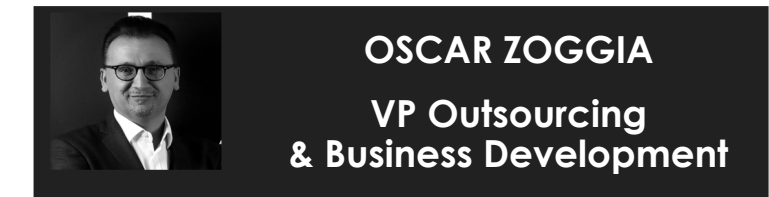
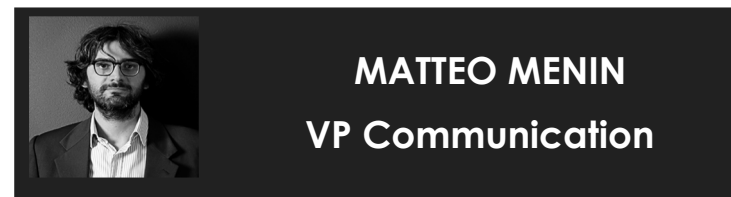
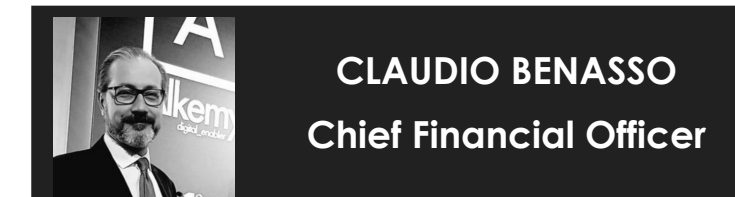
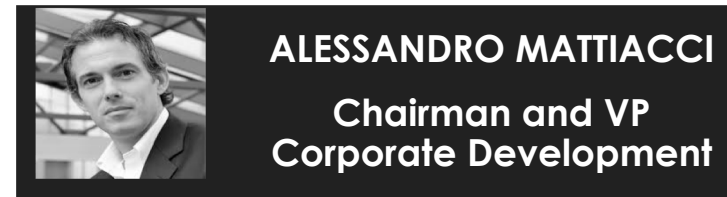
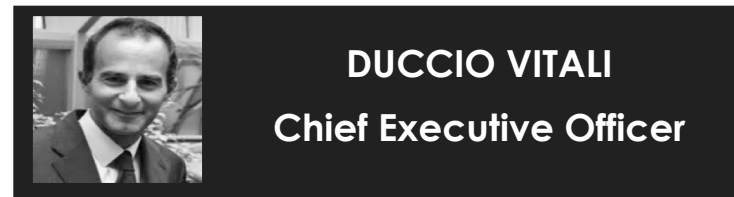
Replicate the Alkemy successful story around very well engaged people with locally full autonomy

Alkemy current positioning: among the top 5 players* in the Balkans, among the top 10 players* in Iberia

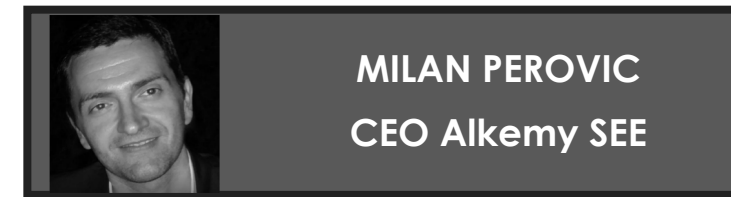
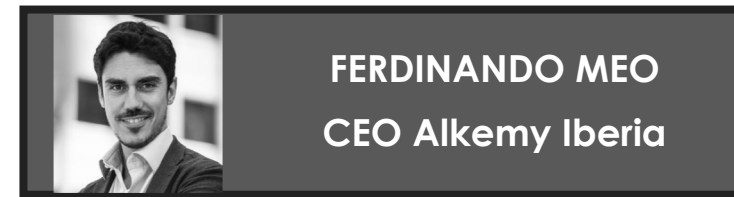
More than 30% of Alkemy people are currently based outside Italy

*Company estimates

A GROWTH THAT IS FAVORED BY A HIGH STANDING DIVERSIFIED TEAM

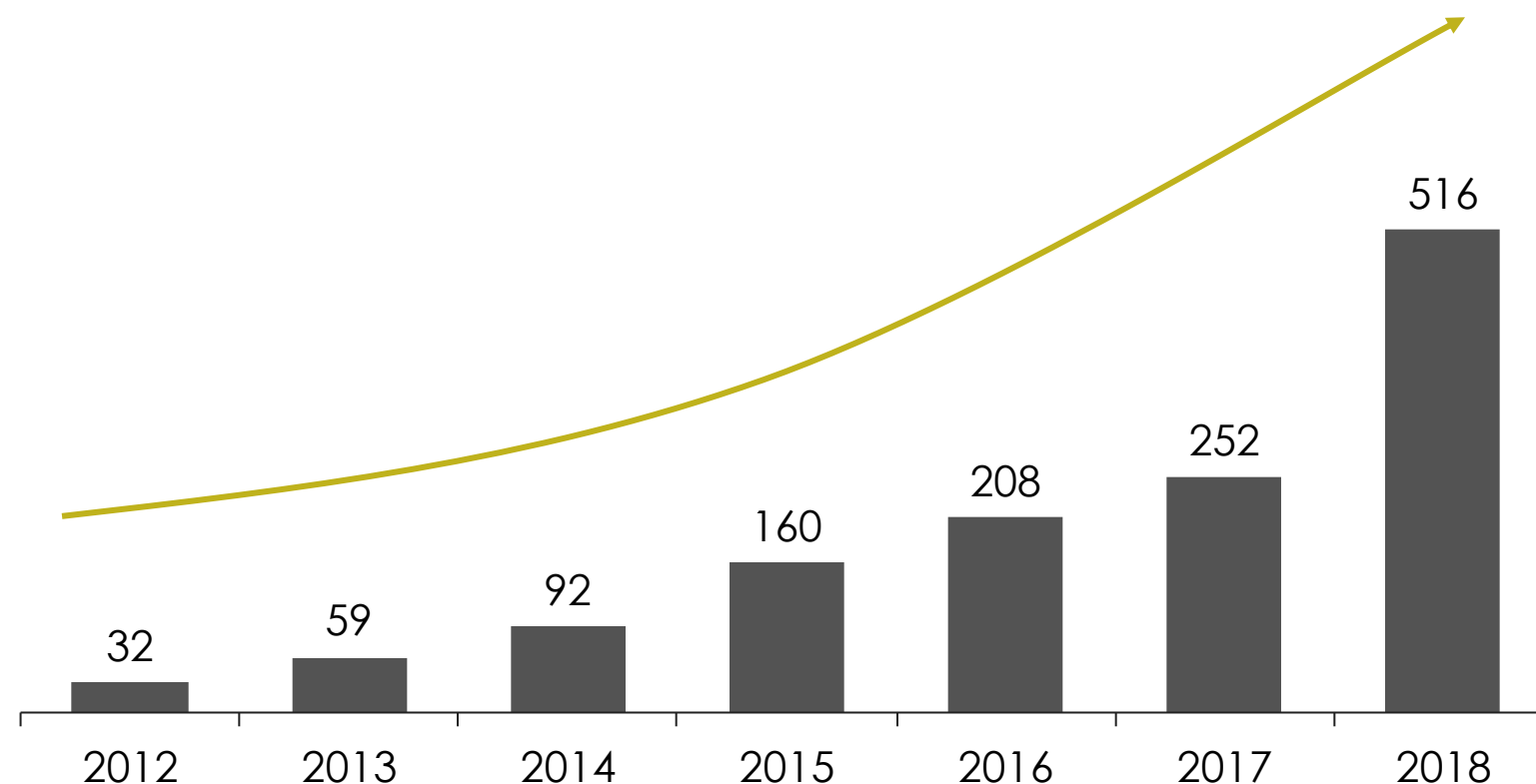


International team



People's Growth (#FTE AVG)

FTE



Talent Approach & Management

- › **Experienced management team** from leading management consulting firms which led the development of Alkemy since its foundation.
- › **Diversity:** unique team of talents, with multidisciplinary competencies which span from strategy to communication and technology, across all key areas of digital.
- › **Entrepreneurial approach** enhanced by a direct stake in the Company (more than 150 managers have either shares or stock options).
- › Strong **talent management focus** with specific practices in place to attract and retain employees within the company.

WE AIM TO ESTABLISH A GROWING TRUST BY DELIVERING WHAT WE PROMISE



GUIDELINES	WHAT WE SAID	WHAT WE DELIVERED
Organic Growth Leverage on loyal customer base to increase ARPC and share of wallet by pushing on integrated transformational projects	<ul style="list-style-type: none"> ➤ FY2017E at approx. €40M ➤ FY2017E EBITDA at approx. €5M 	<ul style="list-style-type: none"> ✓ FY 2017 at €44.89M (FY 2017* at € 42.69M) and FY 2018* at € 71.63M ✓ FY 2017 EBITDA at €5.06M (FY 2017* at € 3.91M) and FY 2018* at € 6.2M
M&A Continue successful aggregation track by focusing on new competencies (IoT, Analytics, ...) and geographies (South Europe)	<ul style="list-style-type: none"> ➤ 2 acquisitions, 1 in H12018 and 1 in H22018 	<ul style="list-style-type: none"> ✓ JV with Nelt Group in Feb '18 to consolidate the presence in the Balkan area ✓ Acquisition of Nunatac in March '18 to integrate expertise in Big Data & Analytics ✓ Acquisition of Kreativa New Formula in April '18, a further step in the Balkan area consolidation ✓ Acquisition of an initial 51% stake in the share capital of Ontwice Interactive Services SL, one of the most important digital agencies in Spain and Mexico
STOCK EXCHANGE	<ul style="list-style-type: none"> ➤ Intention to move from AIM to MTA STAR Segment in 24months from IPO ➤ Implementation of IAS/IFRS Standards 	<ul style="list-style-type: none"> ✓ Confirmation of the Intention to move to MTA – STAR Segment as planned (FY 2019) ✓ IAS/IFRS Transition - FY 2018

H1 2019 P&L – IAS/IFRS*

A

Consolidated Profit & Loss

Profit and Loss €M - IAS/IFRS	H1 2018	H1 2019	var. '18-'19
Revenues	27.30	41.67	52.7%
Service costs, consum. & goods	(15.82)	(24.62)	
Personnel	(9.56)	(14.32)	
EBITDA	1.92	2.73	42.2%
% Revenues	7.0%	6.5%	
Bad debts / claims / provisions	(0.33)	(0.86)	
Depreciation /Amortization	(0.29)	(0.13)	
EBIT	1.30	1.74	34.0%
Financial charges	(0.23)	(0.53)	
EBT	1.07	1.21	12.8%
Taxes	(0.42)	(0.40)	
% Tax rate	39.4%	33.4%	
Net Profit	0.65	0.80	23.9%
% Revenues	2.4%	1.9%	
o/w Minorities	0.19	(0.01)	
o/w Group Net Profit	0.46	0.81	76.0%

- › H1 2019 **consolidated Revenues** at €41.7 million, up by 52.7% compared to €27.3 million of H1 2018. thanks to the integration of new skills and geographical areas acquired through M&A activity
- › Revenues generated in Italy amounted to € 28.2 million, equal to 67.7% of the total (€ 26.6 million in H1 2018, equal to 97.5% of the total), while those earned abroad amounted to € 13.5 million, 32.3% (€ 671 thousand in the H1 2018, equal to 2.5% of the total)
- › H1 2019 **consolidated EBITDA** at €2.7 million, up by 42.1% compared to €1.9 million of H1 2018, mainly due to the extension of the Group's scope and to the application of the IFRS 16 principle (€0,5 million). H1 2019 consolidated EBITDA ante-IFRS 16 was €2.2 million, +16% vs H1 2018
- › H1 2019 **consolidated EBIT** of €1.7 million, compared to €1.3 million in H1 2018 (+30.8%)
- › **Net Result** for the period equal to €0.8 million, compared to €0.6 million in H1 2018, thus marking a 33.3% growth

*The results at 30 June 2018, recorded in the Interim Financial Report closed on 30 June 2019, are subject to adjustment to International accounting Standards (IAS/IFRS) and therefore differ from those reported in the Interim Financial Report at 30 June 2018, which were written in accordance with National Accounting Standards (Italian GAAP).

**IFRS 16-‘Leasing’: the accounting of costs for operating leases is replaced by the amortization of the right-to-use an asset and by financial charges on the liabilities of the leasing contracts.

H1 2019 BALANCE SHEET – IAS/ IFRS

A

Consolidated Balance Sheet

Balance Sheet €M - IAS/IFRS	2018	H1 2019
Tangible Assets	1.06	1.03
Intangible Assets	3.75	3.98
Right of Use	-	4.28
Goodwill	31.75	31.75
Financial Assets	0.16	0.19
Fixed Assets	36.72	41.23
Inventories	0.25	0.23
Trade Receivables	32.63	30.86
Trade Payables	(18.30)	(15.14)
Trade Working Capital	14.58	15.95
Other Current Assets	6.74	7.24
Other Current Liabilities	(8.82)	(7.71)
Net Working Capital	12.50	15.48
Employees' leaving entitlement + funds	(3.67)	(3.86)
Total Capital Invested	45.54	52.85
Total Equity	34.91	34.47
o/w Group Equity	34.63	34.20
o/w Minorities	0.27	0.26
Cash	(10.10)	(13.30)
Financial assets	(0.08)	(0.08)
Bank Debts	2.86	8.93
Put Option Liability	17.95	18.53
Rights of use Liability	-	4.31
Net Debt (Cash)	10.63	18.39
Total Funds	45.54	52.85

- › **Goodwill** represents the major item of Fixed Assets and is referred to acquisitions
- › At June 30, 2019, **Net Invested Capital** amounted to € 52.8 million (€ 45.5 million at December 31, 2018) and consisted of approx. € 15.5 million of **Net Working Capital**, € 41.2 million of fixed assets and € 3.8 million of final treatment Employee employment relationship and the provisions for risks, charges and deferred taxes
- › **Fixed assets** increased mainly following the registration of rights of use in accordance with IFRS 16 (leasing) for € 4.3 million and all increase in non-current financial receivables
- › **Shareholders' equity** decreased in the period by € 441 thousand (-1.3%), mainly following the distribution of dividends to minority shareholders (€ 1.0 million), the purchase of treasury stocks (€ 371 thousand), which they exceed the net profit achieved (803 thousand euros)

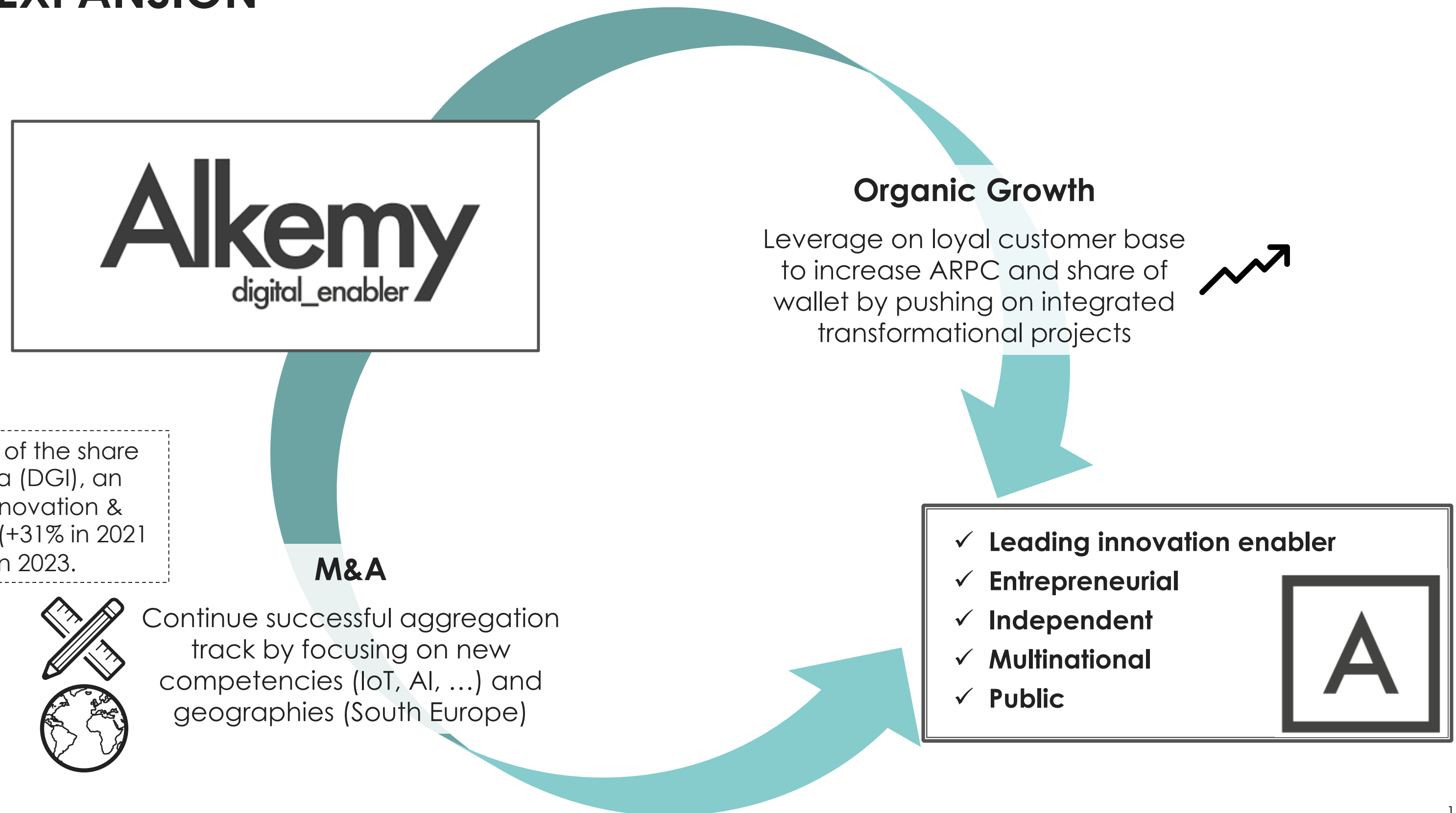
H1 2019 CASH FLOW GENERATION – IAS/IFRS

Consolidated Cash Flow

Cash Flow €M - IAS / IFRS	H1 2018	H1 2019
Net Profit	0.65	0.80
Adjustments (cash tax, interest and other)	0.98	1.79
Non cash items	0.29	0.49
Gross Cash Flow	1.92	3.09
Change in inventories	0.03	0.03
Change in trade receivables	(1.04)	1.66
Change in trade payables	(0.29)	(3.17)
Change in other asset/liabilities	(0.90)	(2.76)
Total change in NWC	(2.19)	(4.24)
Net financial charges paid	(0.04)	(0.10)
Operating Cash Flow	(0.31)	(1.26)
Capex	(0.49)	(0.40)
Free Cash Flow before Acquisitions	(0.80)	(1.66)
Decrease(Increase) Financial Assets	0.02	(0.23)
Acquisitions (net of cash acquired)	(3.65)	-
Free Cash Flow	(4.43)	(1.88)
Change in Equity	0.10	0.05
Change in Rights of use Liability	-	(0.45)
Change in own shares	(0.57)	(0.37)
Dividends	(0.22)	(0.22)
Change in bank & fin. debts/time deposits	(1.65)	6.08
Change in Cash	(6.77)	3.20
Initial Cash	23.45	10.10
Final Cash	16.68	13.30

- › H1 2019 **Gross Cash Flow** at € 3.09 million, steadily growing (+61% vs.H1 2018)
- › The cash absorption of **Net Working Capital** (€ -4.24 million) almost doubled compared to the previous year (+94%), with a more than proportional growth to the higher revenues of the period
- › Ordinary Capex are in line with Company's standard (0.96%, of Revenues)
- › Net Financial Position at 30 June 2019 negative at €-18.4 million (ante-IFRS 16, it was negative at €14.1 million) compared to the negative Net Financial Position at 31 December 2018, which was €10.6 million
- › This change is mainly related to: the impact of the application of IFRS 16 (€4.3 million), value increase of put liabilities (€0.6 million), and increase in MLT bank debts (€6.1 million), which was partly offset by a higher availability of cash (€3.2 million)

ALKEMY GROWTH WILL CONTINUE TO BE ENABLED BY ORGANIC GROWTH ON CURRENT CUSTOMER BASE AND M&A ACTIVITY ON PORTFOLIO AND GEOGRAPHY EXPANSION



A GENUINE PUBLIC COMPANY LISTED ON AIM ITALIA



IPO date

- December 5th 2017

Issuer & Tickers

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

Market

- Borsa Italiana, AIM Italia

Nomad

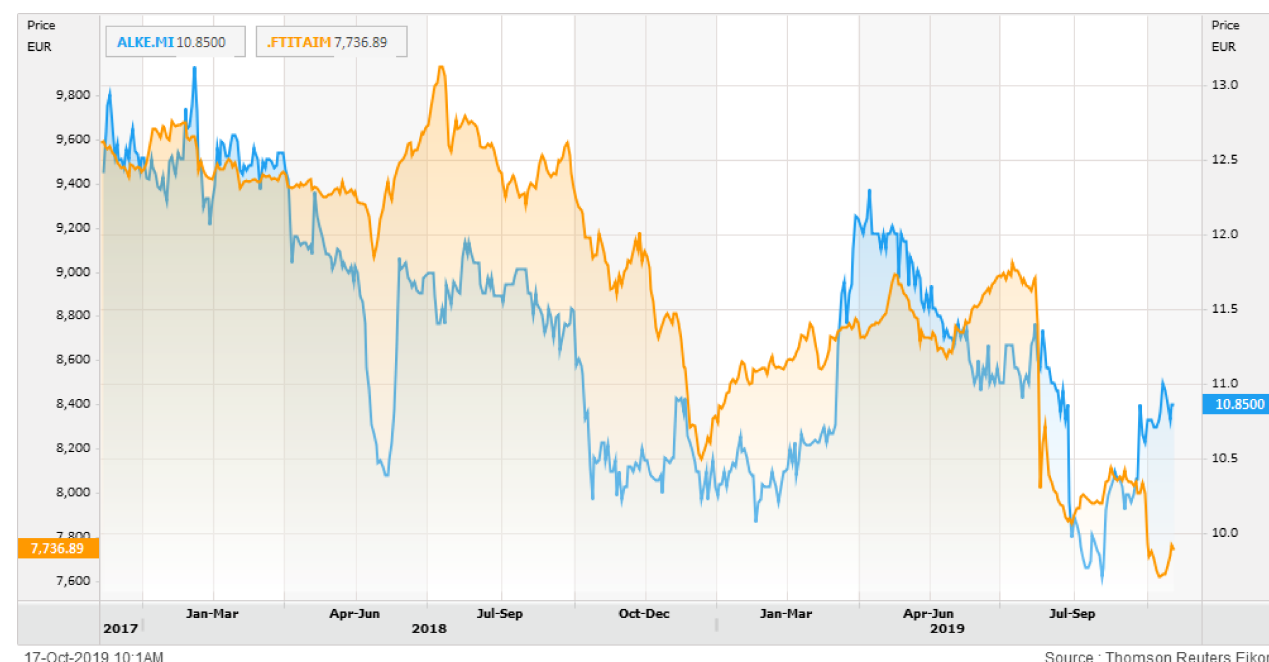
- Banca Imi - IntesaSanPaolo

Specialist

- Intermonte

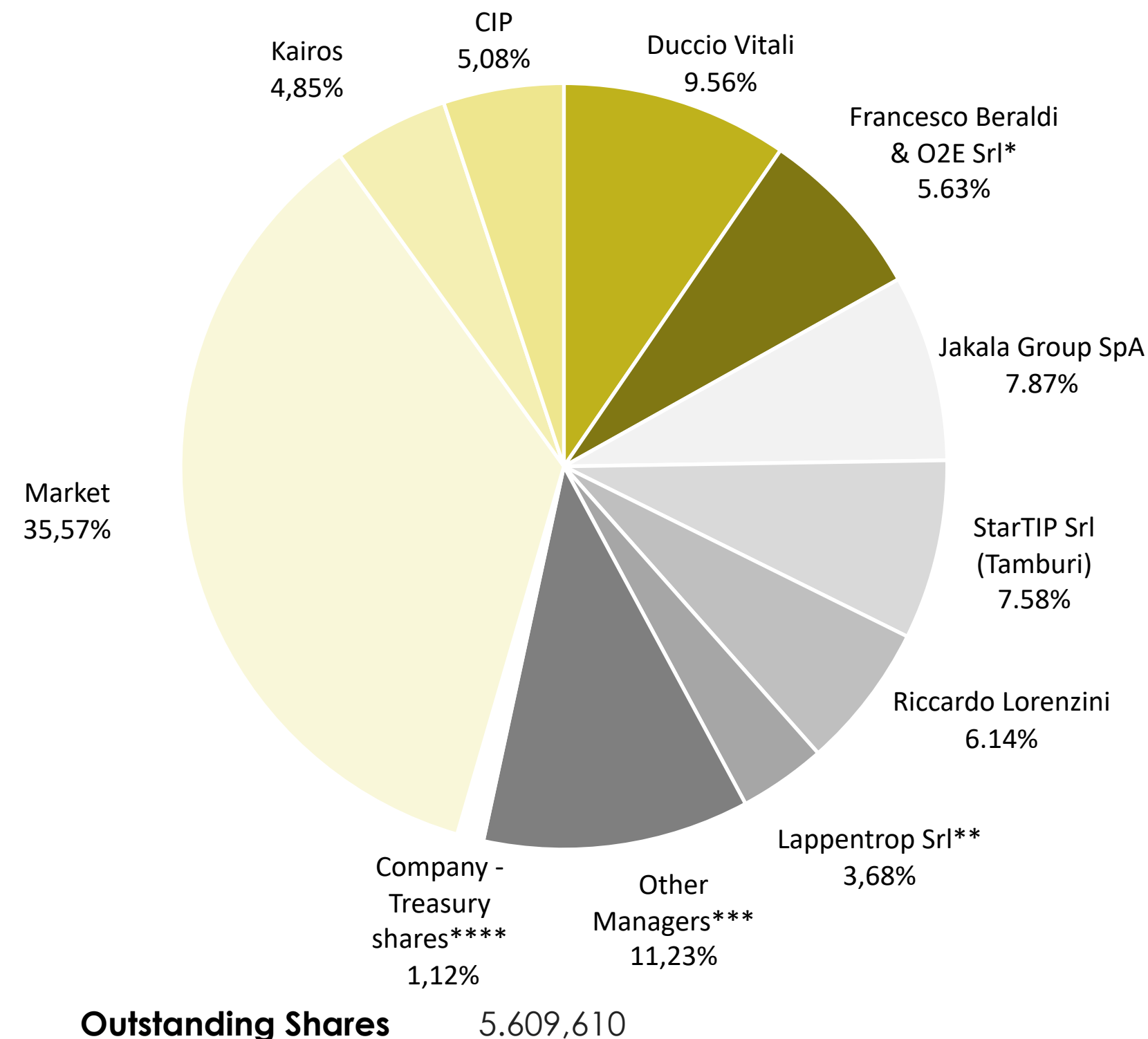
Analyst Coverage

- Intermonte, SPECIALIST
TP €13.50 | BUY (Sept 2019)
- Banca Imi - IntesaSanPaolo, CORPORATE BROKER
TP €14.80 | BUY (Sept 2019)



ALKEMY SHAREHOLDING STRUCTURE

As of July 24 2019



* O2E Srl belongs to Francesco Beraldi

** Lappentrop Srl belongs to Alessandro Mattiacci

*** Other Managers: Alkemy and founders of new acquired companies

**** BUY BACK plan in place

A SOLID CORPORATE GOVERNANCE*



BOARD OF DIRECTORS

Chairman	Alessandro Mattiacci
Chief Executive Officer	Duccio Vitali
Director	Riccardo Lorenzini
Director	Matteo Carlo de Brabant
Director	Francesco Beraldi
Independent Director	Giorgia Albeltino
Independent Director	Giulia Bianchi Frangipane
Independent Director	Andrea Di Camillo
Independent Director	Serenella Sala

BOARD OF STATUTORY AUDITORS

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

Independent Audit Firm: KPMG S.p.A.

* The Board of Directors, the Board of Statutory Auditors and the Independent Audit Firm were appointed by the Shareholders' Meeting on June 25, 2017



WHY INVEST IN ALKEMY



- 1 Growth is in our DNA
- 2 We are in a huge market, with double digit growth and where Alkemy is outperforming by a factor of 2
- 3 We have a unique positioning in a fragmented arena
- 4 We implement a clear and successful M&A strategy to support the Company's growth
- 5 We rely on a high standing diversified team
- 6 Alkemy has already a relevant international presence, where we have 1/3 of the team and leadership positions in all countries of presence
- 7 Alkemy growth will continue to be enabled by organic growth on current customer base and M&A activity on portfolio and geography expansion
- 8 Public Company listed on AIM Italia, with a Solid Corporate Governance and confirmation of the intent to move from AIM to MTA – STAR Segment as planned



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