



## **ALKEMY S.P.A.: THE FOCUS ON INDUSTRIALIZATION PUSHES MARGINALITY (+ 7.3%) AND CASH (3.4 million operating cash flow)**

*The Board of Directors approves the Half-Year Financial Report at June 30<sup>th</sup>, 2020 and, in line with the new phase of industrial integration, appoints Massimo Canturi, a manager with extensive experience in the TLC and ICT sectors, as General Manager of the Company*

*The Board of Directors approved the merger by incorporation into Alkemy S.p.A of the wholly owned subsidiary Biz-Up S.r.l.*

### **The Board of Directors today approved the Half-Year Financial Report at June 30<sup>th</sup>, 2020**

- **1H 2020 Turnover** is equal to **Euro 37.11 million**, **-10.9%** compared to Euro 41.67 million in 1H 2019, mainly due to the decrease in revenues of the foreign subsidiaries, more exposed to the travel and leisure industry, particularly affected by COVID-19.
- **1H 2020 EBITDA** is equal to **Euro 2.93 million, up by 7.3%** compared to the figure of Euro 2.73 million in 1H 2019, mainly thanks to the Group's focus on high value added projects and the efficiencies deriving from the industrialization of the business model (**EBITDA margin +1,4** percentage points). It is worth noting that no use was made of temporary layoffs nor other public support benefits for workers.
- **1H 2020 EBIT** is equal to **Euro 1.72 million**, substantially in line with the figure of Euro 1.74 million in 2019, with a slight decrease of 0.9%.
- **1H 2020 EBT** is equal to **Euro 1.16 million**, down by 3.3% compared to Euro 1.20 million in 2019, due to higher financial charges, mainly related to forex exchange fluctuations.
- **1H 2020 Net Result** is equal to **Euro 0.64 million** down by 19.8% compared to Euro 0.80 million in 1H 2019, mainly due to higher taxes for the period.
- **1H 2020 operating cash flow** is positive for **Euro 3.40 million**, up by Euro 4.65 million compared to Euro -1.26 million in 1H 2019, the increase is mainly due to the lower absorption by the net working capital.
- **The Group's Net Financial Position** at June 30<sup>th</sup>, 2020 is negative for **Euro -14.32 million**, compared to the negative NFP for Euro -19.21 million at 31 December 2019. The improvement in the period is mainly due to the increase in cash and cash equivalents for the period and the reduction in the value of put option payables.

**Milan, September 11<sup>th</sup>, 2020** – The Board of Director of **Alkemy S.p.A.**, a leading company in the business model evolution of large and medium-sized companies and listed on the Mercato Telematico Azionario (MTA) – STAR Segment of Borsa Italiana (ticker: ALK), today approved the Half-Year Financial Report at June 30<sup>th</sup>, 2020.

Considering the complexity and uncertainty of the context, the first half of 2020 saw a **positive trend** for Alkemy's business, in particular in terms of **marginality's growth**, thanks to the strong **focus on customers**, greater **business efficiency** and new Go-to-Market strategy, focused on the development of large projects with greater added value and greater profitability, continuing along the path of **industrialization of its business model**.

Despite decreasing revenues on foreign markets compared to the first half of 2019, and almost constant in Italy, Alkemy recorded a **substantial improvement in marginality**, with an **EBITDA higher than the previous year by more than 7%** and an **operating cash flow of Euro 3.40 million** (compared to Euro -1.26 million in the comparative period).





These results, thanks to the **flexibility** of the Group's operating structure and the **resilience and consistency of the business**, were achieved without resorting to temporary layoffs or other public support tools for workers, with full use of the available workforce.

Alkemy, as a **leading company in the digital transformation** industry in the geographies of reference, offers the range of services necessary for companies that want to emerge from the crisis and be competitive in tomorrow's market. The recent developments related to the COVID-19 emergency have in fact imposed on companies an even faster ability to adapt and transform, digitalizing and rethinking their business models.

*"The strong focus on our main customers, centre of our new business model, has shown its resilience during the lockdown, also thanks to our being natively digital", commented the CEO Duccio Vitali. "In recent months we have continued along the path of industrialization and efficiency of our Company, which has already led to an increase in margins. This result is even more noteworthy in light of the fact that we did not use the temporary layoffs made available by the Italian government. In fact, we have chosen to invest in our people, in line with our values and our culture, which represent the real strength of Alkemy".*

*"The digitization and transformation of business models is an obligatory path for companies, which the evolution of consumer behavior, accelerated by the COVID-19 emergency, has made even more urgent" added the Chairman of the Board of Directors Alessandro Mattiacci. "The moment we are experiencing represents a great opportunity for the innovation of the economic system in the geographies in which we operate, where companies are relatively late in the digitization process. For this reason, we expect a jump in the growth of the digital transformation market, and Alkemy has the right structure and offer to capture it".*

## Data analysis

**The Group's revenues** for the first half of 2020 amounted to **Euro 37.11 million**, compared to Euro 41.67 million in the first half of 2019, with a decrease of 10.9%. This result is mainly attributable to foreign subsidiaries, which were most affected by the pandemic, due to the predominant exposure to the travel and leisure industry.

**Italian turnover** is equal to **Euro 27.64 million**, and it's substantially in line year on year, with a contraction of only 2%. This positive result was achieved thanks to the good performance of the business in the first quarter of 2020 and the resilience of the new Go-to-Market strategy, focused on the strong presence on main customers. Abroad, revenues amounted to Euro 9.47 million, compared to Euro 13.47 million in 1H 2019 (-29.7%). The decrease is mainly attributable to the Mexican subsidiary, which, following COVID-19, was immediately affected by the slowdown in the travel and leisure industry.

**EBITDA for the first half of 2020** amounted to **Euro 2.93 million, up 7.3%** compared to the figure of Euro 2.73 million in the first semester of the previous year, mainly thanks to the efficiencies deriving from the implementation of the new organization, which supports the Group in the industrialization of its business model, and the new Go-to-Market strategy focused on the development of projects with greater value added.

**EBITDA Margin** for the first half of 2020 was **7.9%, up by 1.4 percentage points** compared to the first half of 2019 (6.5%), thanks to the lower incidence of costs on turnover deriving from the efficiencies of the new organization and the internalisation of some activities in the technological area. The cost





of personnel was almost constant compared to the first semester of 2019 (-1.2%) and does not benefit from reductions related to the use of temporary layoffs nor public social safety nets nor other facilities available as they were not necessary, given the full use of the staff in force.

**The Operating Result (EBIT)** for the first half of 2020 is equal to **Euro 1.72 million**, substantially in line with the result of 2019 equal to Euro 1.74 million (-0.9%). Financial charges for the period amounted to Euro 0.57 million compared to Euro 0.53 million in 1H 2019, and are mainly related to foreign exchange fluctuations. **EBT** for the period is equal to Euro 1.16, down by 3.3% compared to Euro 1.20 million in 2019.

**Net Result for the first half of 2020** is equal to **Euro 0.64 million**, down by 19.8% compared to Euro 0.80 million in 1H 2019, mainly due to higher taxes for the period.

**Operating Cash Flow** at June 30<sup>th</sup>, 2020 **was positive for Euro 3.40 million**, up by Euro 4.56 million compared to Euro -1.26 million in the first half of 2019, mainly thanks to the lower absorption by the net working capital.

**The Net Financial Position of the Group at June 30<sup>th</sup>, 2020** is negative for **Euro -14.32 million**, compared to the negative NFP of Euro -19.21 million at 31 December 2019, with an **improvement in the period of Euro 4.89 million**. This change is mainly due to:

- for Euro 4.29 million, to the greater liquidity available on bank deposits;
- for Euro 2.27 million, to the redetermination of the value of the put options;
- for Euro -1.61 million, to the posting of factoring with recourse relating to a specific position with a customer in the telecommunications sector;
- for Euro 0.59 million, to the decrease in medium-long term maturing portions net of the increase in medium-term bank loans contracted in the period;
- for Euro -1.07 million, to the increase in short-term bank loans, mainly relating to the end of the pre-amortization periods of some loans stipulated in 2019.

The half-year financial report at June 30<sup>th</sup>, 2020 is available to the public on the Alkemy website [www.alkemy.com](http://www.alkemy.com) in the Investor Relations section and at the authorized storage mechanism [emarketstorage.com](http://emarketstorage.com).

## Outlook

At the date of approval of this financial report, all the companies of the Group are still working almost entirely remotely. In fact, after having prepared all the necessary safeguards to protect the health and safety of workers according to the provisions and regulations in force, the Milan headquarter has reopened since the beginning of July 2020, followed by the Italian other offices, with the controlled turnout of a reduced part of the staff, through shifts, according to different methods and timing depending on the location.

A further increase in the presence of staff in the Italian offices is expected starting October 2020, in compliance with the provisions in force at that date, with the intention of moving towards normal turnout. The offices of the Group's foreign companies are still closed, and the employees are all working remotely. The turnout of the staff will take place in line with the different situations and local management of the pandemic.





The Group's management will continuously and carefully monitor the developments of events related to COVID-19, in order to be ready to promptly take the necessary actions to mitigate any impacts on the health of workers and on business performance.

The evolution of the Business in the coming months will mainly depend on exogenous factors related, mainly, to the dynamics of the pandemic, the evolution of the reference markets, the reactivity and resilience of client companies, government interventions in support of the economy in general, and investments in the digital field, with possible positive effects in the medium term also for the Group.

Taking into account the results achieved in the first half of 2020, the current trading of business, with the exception of unforeseeable events (ie new lockdown), the Group's expectations for the current year are to reach a FY 2020 EBITDA no less than that of 2019, despite the decline in revenues expected mainly on foreign markets.

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

## **The Board of Directors has appointed Massimo Canturi General Manager of Alkemy**

Alkemy S.p.A. also announces that today the Board of Directors, in line with the process of industrialization of the business model undertaken starting from 2020, has appointed Massimo Canturi, who is already a director of Alkemy since July 23<sup>rd</sup>, 2020, as General Manager of the Company.

The manager, with an extensive experience in the TLC and ICT sectors, has been identified as the most suitable person to support Alkemy towards its new phase of industrial integration of the different services offered and their consequent development.

*"The role of Massimo Canturi in the Group is strategic to strengthen and accelerate the new development phase of Alkemy" **comments Duccio Vitali, CEO of Alkemy.** "Massimo is one of the few managers of unicorn B2B services companies in Italy and, thanks to his experience in the industry, as new General Manager, he will help the whole team in this important moment, which sees Alkemy positioning itself as a leading company in digital transformation."*

*"Alkemy has been able to reach an important positioning in the race for the digital transformation of companies and has the possibility of becoming an aggregating pole in an industry that is rapidly evolving" **added Massimo Canturi, new General Manager of Alkemy.** "I think the Company has a high growth potential and it is therefore a pleasure for me to support the management in this path by providing industrial culture, international skills and speed of execution, with the aim of evolving towards a more industrialized business model, able to guarantee high quality standards in delivery and profitability in line with the best market benchmarks."*





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Massimo Canturi's career shows particular expertise in the telecommunications and ICT sector: he worked at Cisco Systems as Senior Director and at Pirelli Optical Systems as Senior VP. In addition, Canturi was CEO of Olivetti I-Jet and Executive Vice President of Olivetti Tecnost Office Products Division. He also worked for Italtel in the role of Executive Vice President.

Since 2009 he works in Comdata of which he was Chief Executive Officer from 2011 to 2019, and since 2019 he holds the position of Chairman.

After graduating in Chemical Engineering from the Turin Polytechnic in 1983, his professional career began in Marconi PLC, a British multinational of Telco equipment where he held various positions, leaving the company as Director of Operations.

### **The Board of Directors approved the merger by incorporation into Alkemy S.p.A of the wholly owned subsidiary Biz-Up S.r.l.**

Today the Board of Directors of Alkemy approved the merger project by incorporation into Alkemy of BizUp S.r.l., already 100% controlled by the Company (the "Merger").

*"The Merger", explains the Chief Executive Officer Duccio Vitali, "has the primary objective of unifying the two participating companies in order to allow for a simplification and rationalization of the corporate organization, aimed at achieving the reunification into a single legal entity, the incorporating company Alkemy, of the capital, financial and organizational resources available to the other company (BizUp Srl), with consequent benefits also in terms of reduction of structural and operating costs".*

Taking into account that the Company already holds 100% of the share capital of BizUp S.r.l., the Merger will take place without a capital increase and, therefore, without a share swap, therefore, the simplifications referred to in art. 2505 cod. civ. and the conclusion of the transaction is assumed by 31 December 2020.

The Merger integrates a hypothesis of exclusion from the application of Alkemy's Related Party Transactions Procedure (the "OPC Procedure" available on the Alkemy S.p.A. website [www.alkemy.com](http://www.alkemy.com)) provided for in art. 14 of Consob Regulation no. 17221 of 10 June 2010 and art. 11.2, lett. d) of the OPC Procedure, as there are no significant interests (as also clarified by Consob Communication no. 10078683 of 24 September 2010), of other parties related to the Company with respect to the Merger.

The Merger Plan is filed at the registered office and published on the website of the Company "Corporate Operations" section and stored through the authorized storage mechanism [emarketstorage www.emarketstorage.com](http://emarketstorage.com) pursuant to art. 70 of the Consob Issuers' Regulation.





**Annex**  
**Consolidated P&L**

Value expressed in thousands of euros

	<b>June 30 , 2002</b>	<b>June 30, 2019</b>
Revenues from sales and services	36.667	39.930
Other Revenues	448	1.738
<b>Total operating revenues</b>	<b>37.115</b>	<b>41.668</b>
Costs for services, goods and other operating costs	(20.036)	(24.620)
Personnel expenses	(14.154)	(14.322)
<b>Total operating costs</b>	<b>(34.190)</b>	<b>(38.942)</b>
<b>Gross operating result (EBITDA)</b>	<b>2.925</b>	<b>2.726</b>
D&A	(858)	(861)
Provisions and write-downs	(348)	(129)
<b>Operating result</b>	<b>1.719</b>	<b>1.736</b>
Income (charges) from equity investments	17	0
Financial income	447	137
Financial charges	(1.021)	(667)
<b>Profit (Loss) before taxes</b>	<b>1.162</b>	<b>1.206</b>
Income taxes	(518)	(403)
<b>Profit (loss) for the period</b>	<b>644</b>	<b>803</b>
<b>Attributable to</b>		
- Group	655	815
- Minorities	(11)	(12)



## Consolidated balance sheet

Values expressed in thousands of euros

<b>Assets</b>	<b>Dec. 31, 2019</b>	<b>Jun. 30, 2020</b>
<b>Non current assets</b>		
Tangible assets	980	902
Rights of use	3.907	3.501
Goodwill	31.752	31.757
Defined life intangible assets	971	795
Minorities	1.078	1.095
Non current financial assets	1.555	1.681
Deferred tax assets	1.203	1.072
Other non current assets	165	181
<b>Total non current assets</b>	<b>41.611</b>	<b>40.984</b>
<b>Current assets</b>		
Inventories	61	30
Trade receivables	31.791	27.616
Current financial assets	115	86
Fiscal credits	3.663	1.207
Other current assets	5.153	3.701
Cash and cash equivalents	9.581	13.873
<b>Total current assets</b>	<b>50.364</b>	<b>46.513</b>
<b>Total assets</b>	<b>91.975</b>	<b>87.497</b>
<b>Liabilities and Group equity</b>		
	<b>31 dic. 2019</b>	<b>31 mar. 2020</b>
<b>Group Equity</b>		
Equity	588	588
Reserves	31.274	32.883
Net Income (Loss)	(139)	655
<b>Group Equity</b>	<b>31.723</b>	<b>34.126</b>
<b>Minorities</b>	<b>174</b>	<b>274</b>
<b>Total Equity</b>	<b>31.897</b>	<b>34.400</b>
<b>Non current liabilities</b>		
Financial debts	8.968	8.353
Rights of use liabilities	3.103	2.702
Put & option debts	10.973	8.747
Employee's leaving entitlement	4.356	4.469
Provisions	44	86
Deferred Tax liabilities	17	31
<b>Total non current liabilities</b>	<b>27.461</b>	<b>24.388</b>
<b>Current liabilities</b>		
Financial debts	2.533	5.218
Rights of use liabilities	844	848
Put & option debts	2.369	2.326
Trade payables	17.142	12.909
Fiscal liabilities	1.617	1.651
Other liabilities	8.112	5.757
<b>Total current liabilities</b>	<b>32.617</b>	<b>28.709</b>
<b>Total liabilities</b>	<b>60.078</b>	<b>53.097</b>
<b>Total liabilities and Total Equity</b>	<b>91.975</b>	<b>87.497</b>



## Consolidated Cash Flow Statement

	Values expressed in thousand of euros	
	Jun. 30, 2020	Jun. 30 2019
<b>Operating activities</b>		
Net Income (Loss)	644	803
Financial Income	(447)	(137)
Income (Loss) from equity investments	(17)	0
Financial Interests	1.021	667
Income Taxes	518	403
D&A	858	861
Provisions and write-downs	348	129
Share-based compensation	360	266
Change in inventories	31	26
Change in trade receivables	3.868	1.655
Change in trade payables	(4.233)	(3.167)
Change in other current assets	3.817	(547)
Change in other current liabilities	(3.137)	(2.115)
Financial interests paid	(136)	(103)
Paid income taxes	(109)	0
<b>Net cash flow generated (absorbed) by operating activities</b>	<b>3.386</b>	<b>(1.259)</b>
<b>Investments</b>		
Capex	(115)	(398)
Change in acquisitions	(126)	(227)
<b>Net cash flow generated (absorbed) by investment activity</b>	<b>(241)</b>	<b>(625)</b>
<b>Financing activities</b>		
Change in financial debt	2.052	6.075
Change IFRS 16 financial liabilities	(480)	(447)
Change in treasury shares	0	(371)
Payment by third parties	(334)	(224)
Exercise of put options	(91)	0
<b>Net cash flow generated (absorbed) by financing activities</b>	<b>1.147</b>	<b>5.084</b>
<b>Increase (decrease) of net cash position for the period</b>	<b>4.292</b>	<b>3.200</b>
<b>Cash at beginning of period</b>	<b>9.581</b>	<b>10.098</b>
<b>Cash at end of period</b>	<b>13.873</b>	<b>13.298</b>





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*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 behaviour. 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.*

**For further information**

**IR & Communication**

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