



**ENABLING EVOLUTION**

*October 2021*

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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 between **7 and 10% per year**.

In this market, Alkemy has developed a **differentiated positioning** that has allowed it to grow with a **CAGR of 33%** (>2x the market), to move from the 23 starting resources to a team of over **650 people** and a turnover of **74.9M€** in 2020.

In these 8 years, Alkemy has **successfully** used the **M&A lever** (8 acquisitions) using the IPO proceeds in less than nine months, and the **EBITDA growth** of the four acquisitions made in Italy from 2013 to 2018 was between **150 and 440%**.

Alkemy has developed a **new organization** and a new Go-to-Market strategy that have laid the foundations for 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

# ALKEMY OVER THE YEARS – A STORY OF GROWTH

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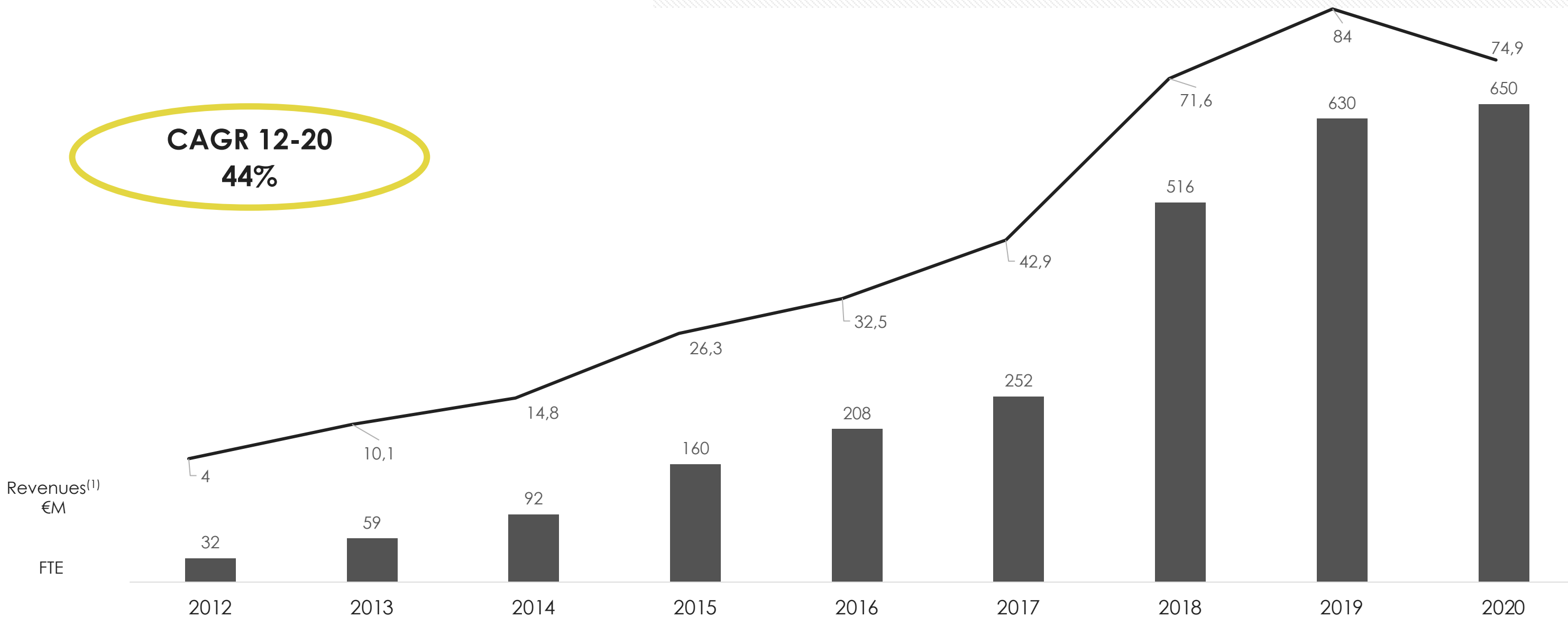
A STORY OF PEOPLE, ACQUISITIONS, GEOGRAPHY EXPANSION AND GROWING REVENUES



## Industrialization of Business Model

- › **8 acquisitions** completed since our foundation, aggregating new skills and capabilities
- › Over the course of just 8 years, we have reached the **industrial scale** to capture the opportunities of our evolving market
- › Alkemy is best positioned player in the **Digital Transformation Market**, expected to **accelerate** in the post-COVID-19 scenario.

CAGR 12-20  
44%



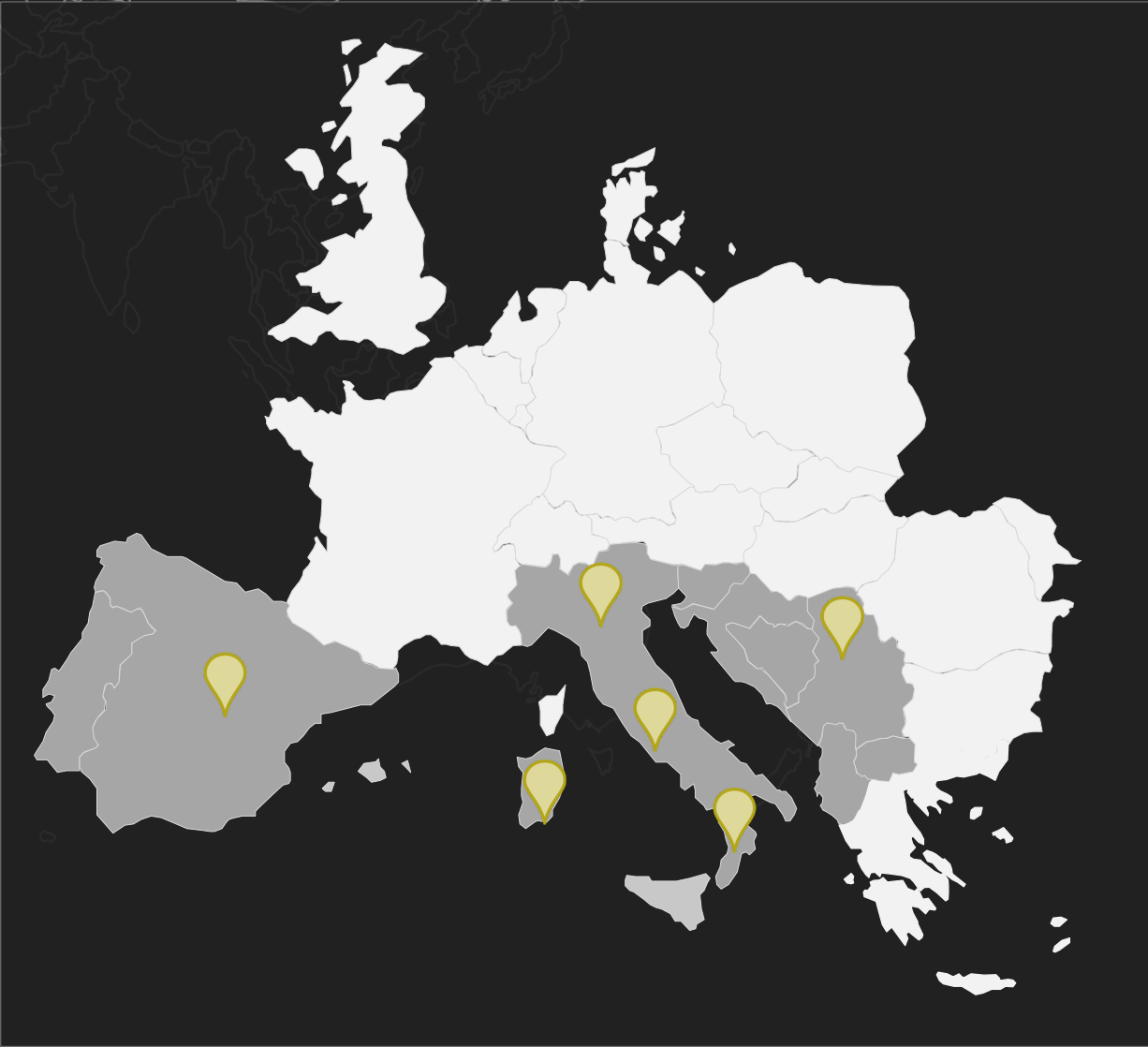
(<sup>1</sup>)Revenues 2012-13-14--15-16 are Management estimates and are *not audited* because of introduction of IFRS in 2017



# OUR OFFICES



- › Milan
- › Rome
- › Turin
- › Padua
- › Belgrade
- › Madrid
- › Mexico City
- › New York



# WE OWN ALL THE COMPETENCIES TO DESIGN & IMPLEMENT BUSINESS TRANSFORMATION PROJECTS

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## CONSULTING

### DATA & ANALYTICS

Activities dedicated to **supporting companies** in improving **performance** through the **analysis of available data** (CRM, other internal systems or external sources) and the implementation of **analytics models**

### DIGITAL MARKETING

**Development of strategies** and **governance of tools** for generating engagement and acquiring **leads** and **customers** through digital channels, with or without the use of Media

### TECHNOLOGY

**Design** and **development** of technologies for the **digital evolution** of B2B and B2C channels, **front-end solutions**, **CRM**, **Marketing Automation**

### BRAND EXPERIENCE

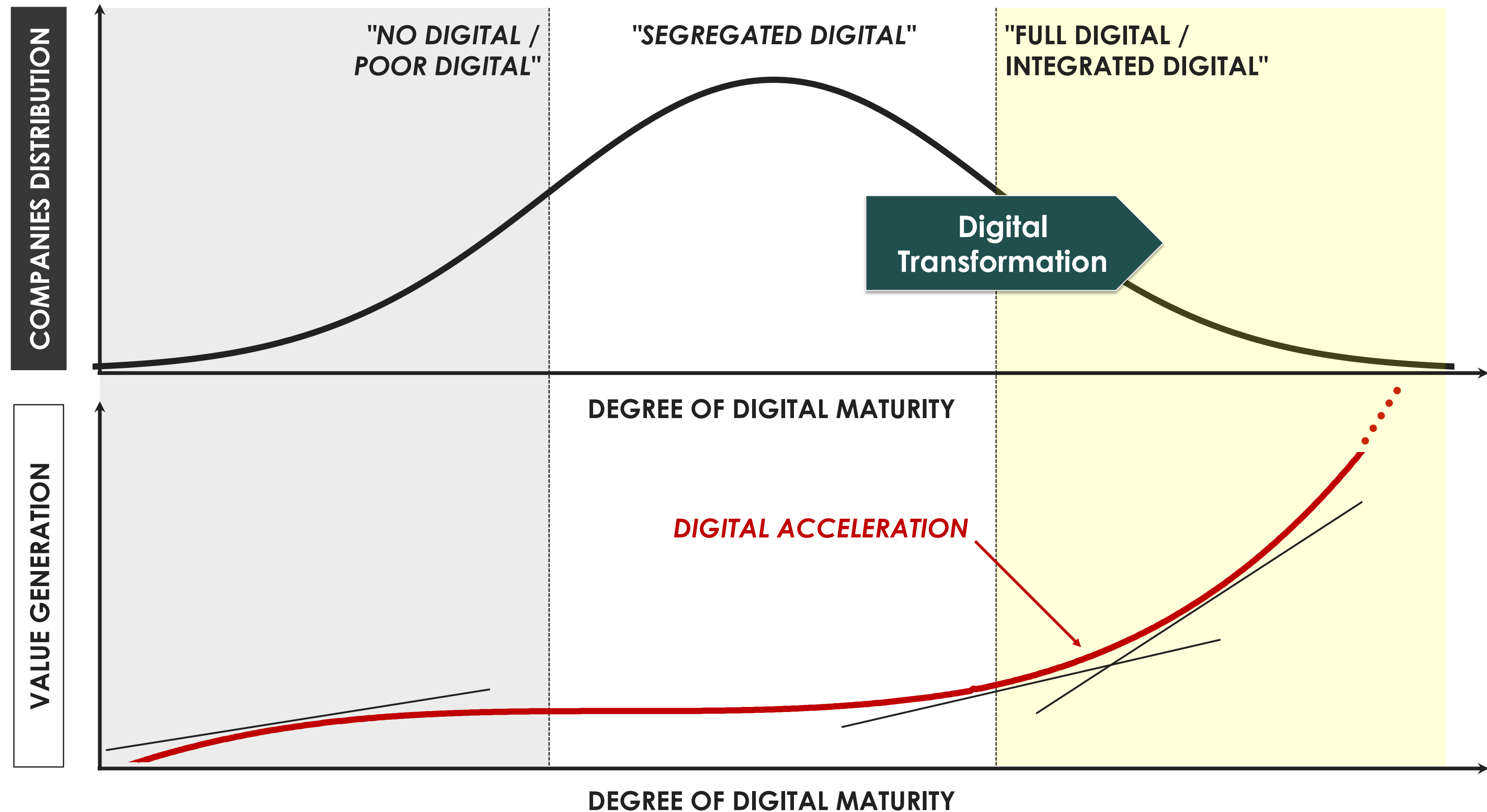
Activities aimed at **planning, designing** and **implementing** the companies' brand experience, in a totally **integrated way**

### PRODUCT & SPACE DESIGN

Activities based on the **Design Thinking** approach and aimed at creating value through the design of: **Physical and digital products**, **Destinations** and **spaces** where people and brands can share meaningful experiences

# DIGITAL TRANSFORMATION MEANS COMPLETELY REDESIGNING THE BUSINESS MODEL OF A COMPANY TO BE ABLE TO CAPTURE FULL VALUE OF DIGITAL

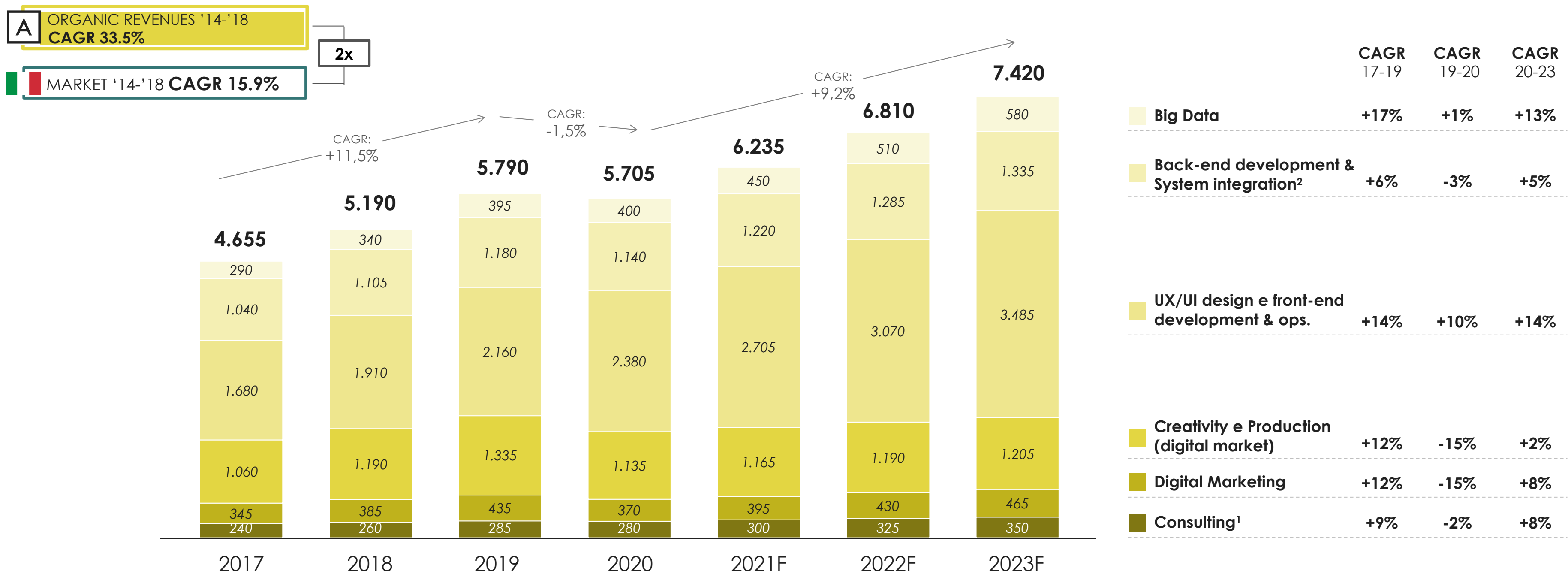
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# THE REFERENCE MARKET IN ITALY IS WORTH 6B€ AND IT IS GROWING AT A ~10% RATE; COVID-19 EMERGENCY HAS GIVEN A FURTHER INPUT TO EVOLVE BUSINESS MODELS TOWARD DIGITAL CHANNELS AND PROCESSES

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Alkemy reference market size in Italy (2017-2023, €M)



source: Alkemy analysis on data from Assoconsult, IAB, Nielsen, Politecnico di Milano, PWC, Accenture, Assinform

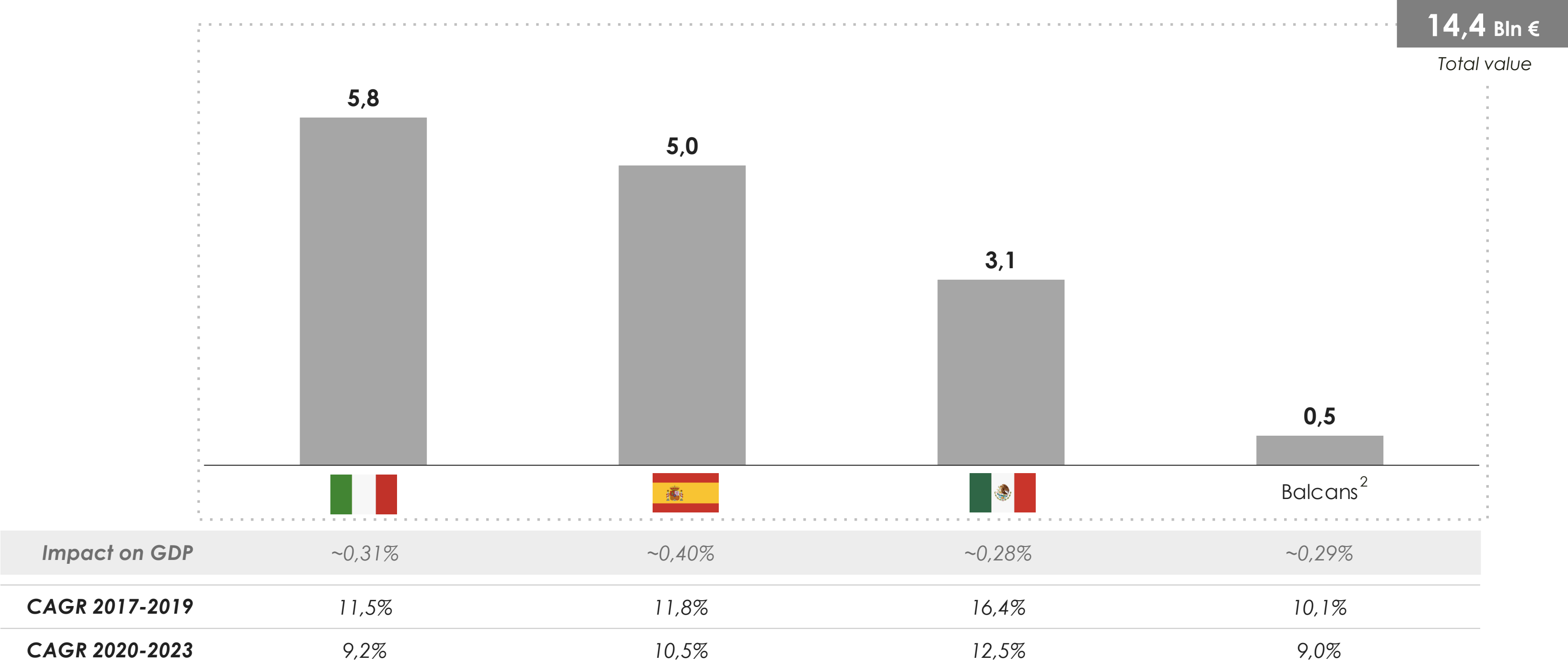
(1) Digital & Innovation consulting only  
(2) Includes CRM, Middleware & Asset Management

REFERENCE MARKET IN THE COVERED GEOGRAPHIES IS WORTH ~14B€, POSITIVE GROWTH RATES ARE EXPECTED IN ALL COUNTIRES



Alkemy’s reference market<sup>1</sup>

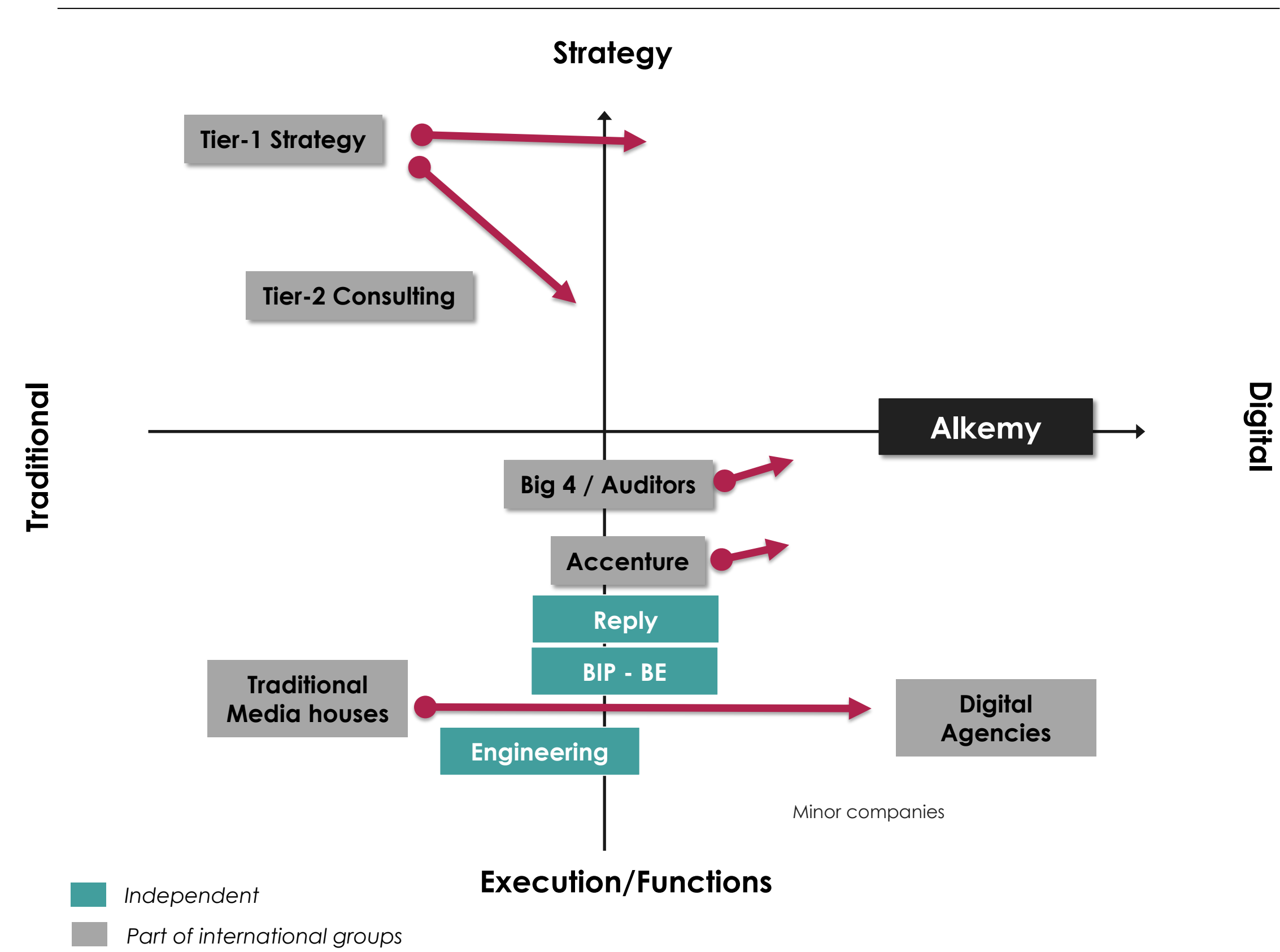
Value of Alkemy reference market, 2019, data in €B



# IN THIS MARKET, ALKEMY HAS DEVELOPED A UNIQUE POSITIONING, BECOMING ALREADY THE LOCAL REFERENCE PLAYER FOR THE DIGITAL TRANSFORMATION








Strategic positioning of main players



## Alkemy Positioning

- › Alkemy is already the local player of reference for the digital transformation.
- › Alkemy has developed a unique positioning by interlocutor (the CEO) and by breadth of offer (from strategy to execution).

## Similar players in more mature markets













































Player		Ownership	Turnover- M€
Accenture <b>Interactive</b> <small>Part of Accenture Digital</small>	US	Accenture	~8,700
<b>Deloitte.</b> Digital	US	Deloitte	~2,500
	IT	Reply	~1,180
 DigitasLBi	UK	Publicis Groupe	~ 900
<b>Globant</b> 	AR	Public	~ 660
 <b>R/GA</b>	US	Interpublic	~350
	UK	WPP	~300

Source: Alkemy analysis on official Annual Reports and press releases of the mentioned companies – 2017/2019



# WORKING WITH THE LARGEST COMPANIES ACROSS INDUSTRIES

## Selected Clients

 <b>TMT</b>    	 <b>SERVICES</b>    	 <b>CONSUMER GOODS &amp; RETAIL</b>     
 <b>FINANCIAL SERVICES</b>     	 <b>ENERGY &amp; UTILITIES</b>    	 <b>PHARMA</b>   
 <b>FASHION &amp; LUXURY</b>   	 <b>INDUSTRIAL</b>    	 <b>OTHER</b>    

# BUSINESS CASE: HOUSE OF WISDOM

Design a unique interactive customer experience for a new library in Gcc

## PROJECT

PHYSICAL & DIGITAL CUSTOMER EXPERIENCE (2019 – Ongoing)

## PROJECT CONTEXT & OBJECTIVES

**A new library in the UAE** designed by an award-winning architectural design and engineering firm was commissioned to be an innovative destination for current and future generations

**The architectural project needed to be integrated with a series of experiences, interiors, touchpoints and service design** to achieve such ambitious goal

## ALKEMY APPROACH & MAIN ACTIVITIES

Alkemy and DGI worked together to address this challenge by building a multidisciplinary team that would work on different aspects of the project:

- **Define a project plan together with the different international stakeholders involved**
- **Execute design research** activities on desk and on field including:
  - benchmarking of comparable places and experiences offered internationally
  - experience trends
  - contextual observations, interviews with locals, experts and stakeholders
  - definition of personas and customer journey to-be
  - definition of the general concept and vision of the new library, including the proposal of new services and experiences to implement
- **Design of the physical and digital solutions and touchpoints, including technical requirements and specifics**
- **Design of the spatial experiences, flows and activities** to offer
- **Recommendations on the service business models** and preliminary guidelines for the governance of the proposed experiences, services and spaces

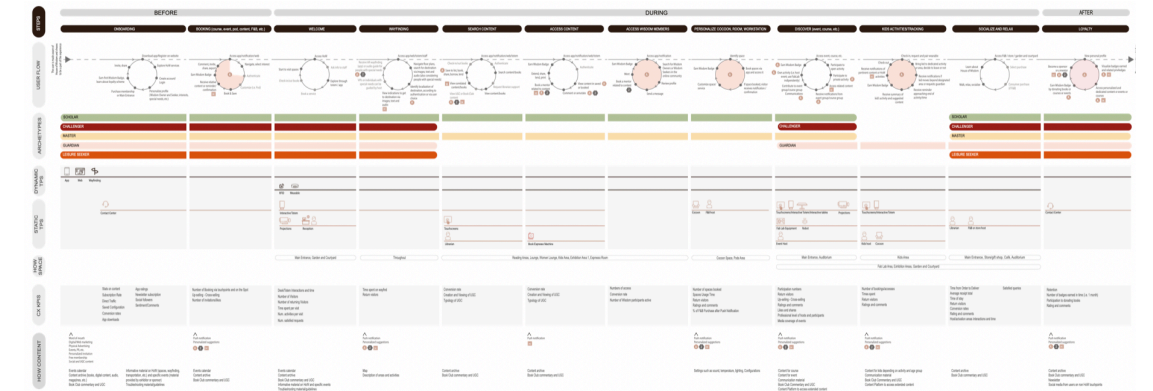
## INGREDIENTS

S C D P T A

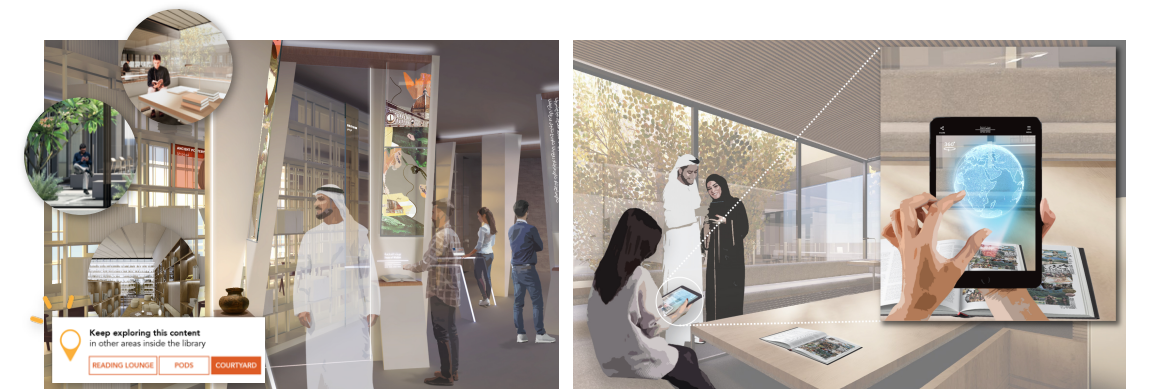
### Contextual observation, interviews and synthesis



### Experience journey mapping










### Digital and physical solutions concept and design





# ALKEMY SUCCESSFULLY USED THE M&A LEVER, AND THE EBITDA GROWTH OF THE ACQUISITIONS COMPLETED FROM 2013 TO 2020 WAS BETWEEN 70 AND 500%

TARGET COMPANY	ACTIVITY	M&A YEAR	EBITDA MULTIPLE *
	Digital Marketing	2013	5.0
	System Integration	2015	1.8
	Content Marketing	2016	2.6
	Data Analytics	2018	2.7
	Digital Marketing	2018	1.7
	Products & Spaces Design	2019	1.2
	Salesforce Gold Partner	2021	n. a.

# FINANCIAL HIGHLIGHTS



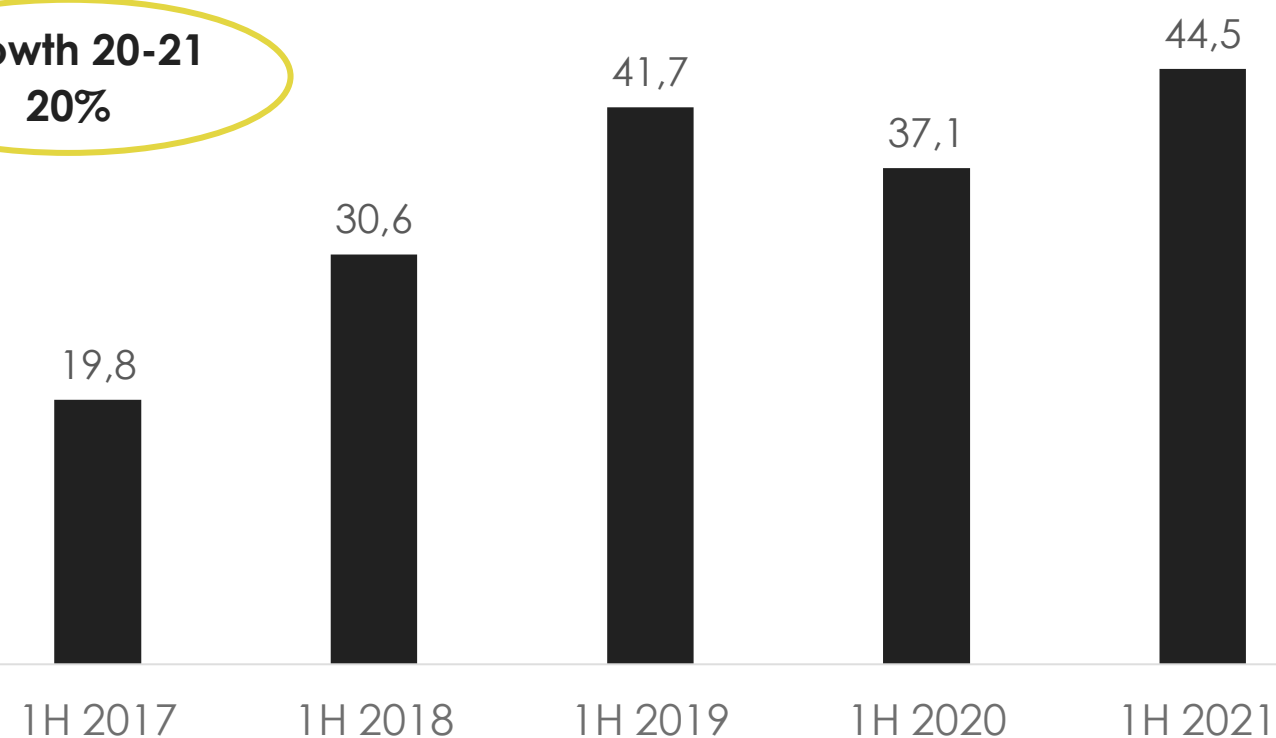
€M	1 H 2021	1 H 2020	
<b>Turnover</b>	<b>44.5</b>	<b>37.1</b>	> +20% vs.1H 2020, thanks to a first recovery of new business activities, the new Go-to-Market highly focused on main clients' projects, and the strong recovery of foreign subsidiaries
<b>Adj. EBITDA</b>	<b>5.0</b>	<b>2.9</b>	> +72% vs.1H 2020, thanks to the better mix and efficiencies arising from the new organization. EBITDA margin up by +3pps
<b>EBIT</b>	<b>3.2</b>	<b>1.7</b>	> +85% vs. 1H 2020, thanks to the better operating result. EBIT margin up by +2.6 pps
<b>EBT</b>	<b>2.6</b>	<b>1.2</b>	> +124% vs. 1H 2020, thanks to the better performance over the period
<b>Group Net Income</b>	<b>1.6</b>	<b>0.6</b>	> +145% vs. 1H 2020, thanks to the better operative result and to the efficiencies arising from the new organization
<b>Operating Cash Flow</b>	<b>3.9</b>	<b>3.4</b>	> Increase of €M 0.5 compared to 1H 2020 mainly thanks to the better operating result and cash release from Net Trade Working Capital
<b>NFP</b>	<b>-24.1</b>	FY 2020 <b>-12.4</b>	> €M -11.7 since 31 December 2020 of mostly related to the change in the Group's perimeter

# REVENUES

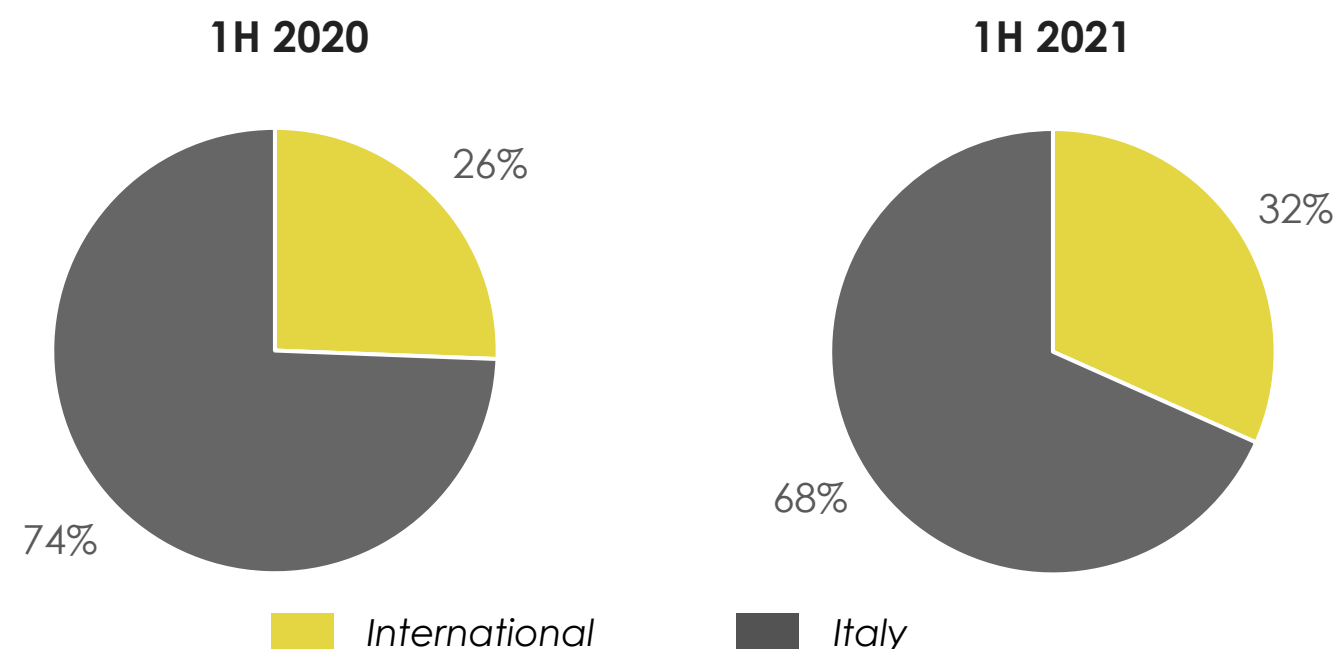
## DOUBLE DIGIT ORGANIC GROWTH

### 1H REVENUES (€M) – IAS /IFRS

Growth 20-21  
20%

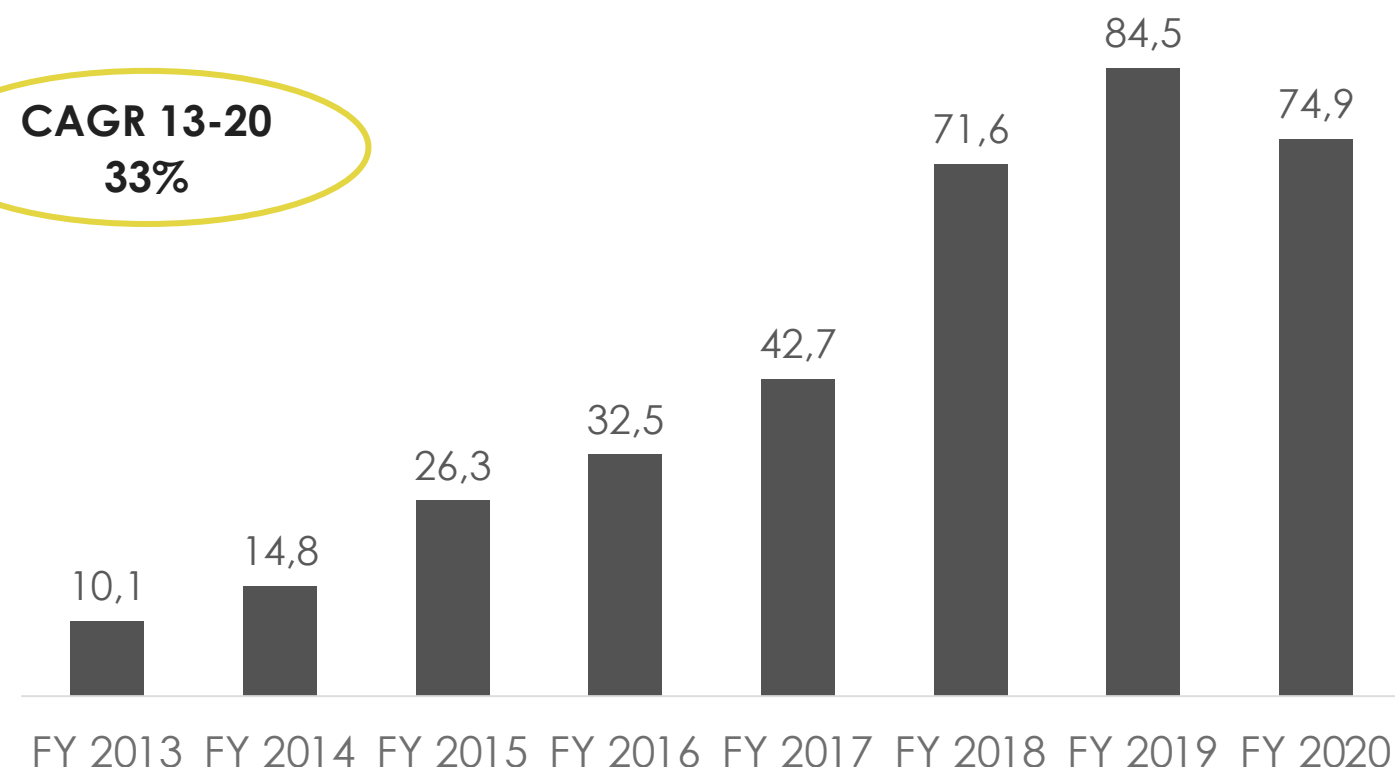


### ALKEMY INTERNATIONAL TURNOVER (%)



### FY REVENUES (€M) – IAS /IFRS <sup>(1)</sup>

CAGR 13-20  
33%



- › 1H 2021 revenues at €M44.5, +20% compared to 1H 2020 which were €M37.1. 16% of organic growth.
- › 1H 2021 Italian turnover is €M 30.4 up by 10% compared to €27.6 M in 1H 2020. The growth is mainly organic, thanks to the new Go-to-Market strategy, the holding of current customers and the acquisition of new contracts and customers.
- › International revenues in 1H 2021 at €M 14.1, up by 49% vs. €M 9.5 in 1H 2020, mainly thanks to Spain and Mexico subsidiaries, which are recovering from COVID-19 related turnover decline in 2020.

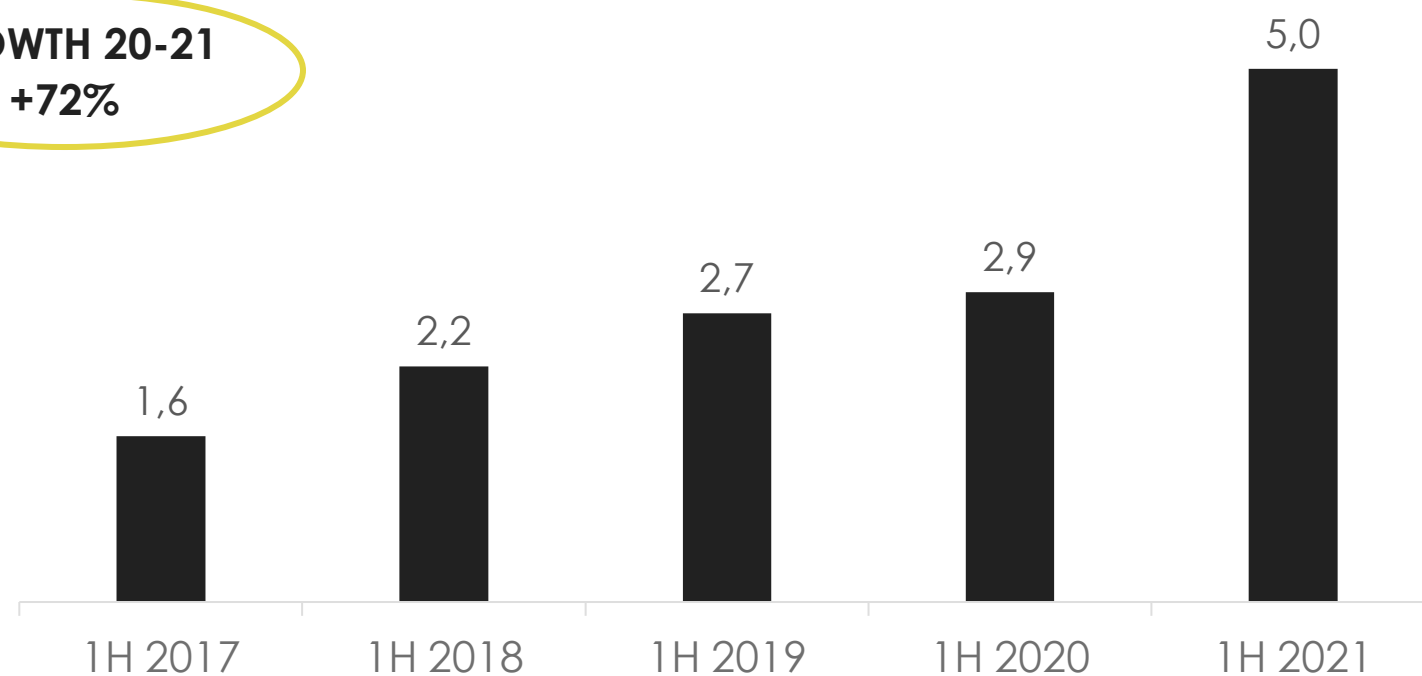
<sup>(1)</sup>Revenues 2013-14-15-16 are Management estimates and are not audited, following the introductions of IFRS in 2018.

# Adj. EBITDA

## CONSISTENT IMPROVEMENT IN MARGINALITY

### 1H ALKEMY Adj. EBITDA (€M) – IAS/IFRS

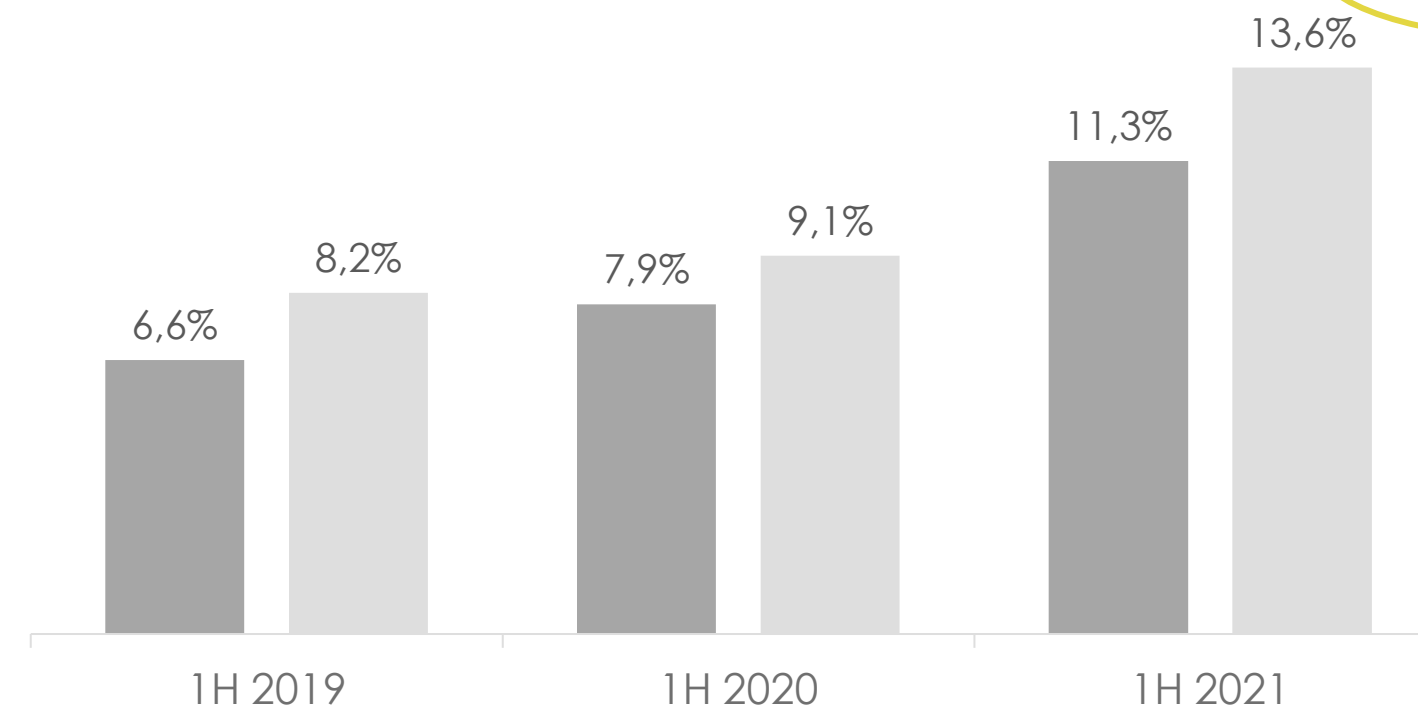
**GROWTH 20-21  
+72%**



- › 1H 2021 Adj. EBITDA is €M 5.0, +72% compared to 1H 2020 of €M 2.9, thanks to the better mix of the new Go-to-Market strategy and the efficiency and razionalization of the new organization.
- › EBITDA Margin is 11% in 1H 2021 vs 8% in 1H 2020 with an increase of 3 pps, thanks to lower operative costs impact on revenues (-3.4 pps), achieved through to the industrialization process started in 2020
- › EBITDA Margin net media is 13.6% in 1H 2021 vs. 9.1% in 1H 2020

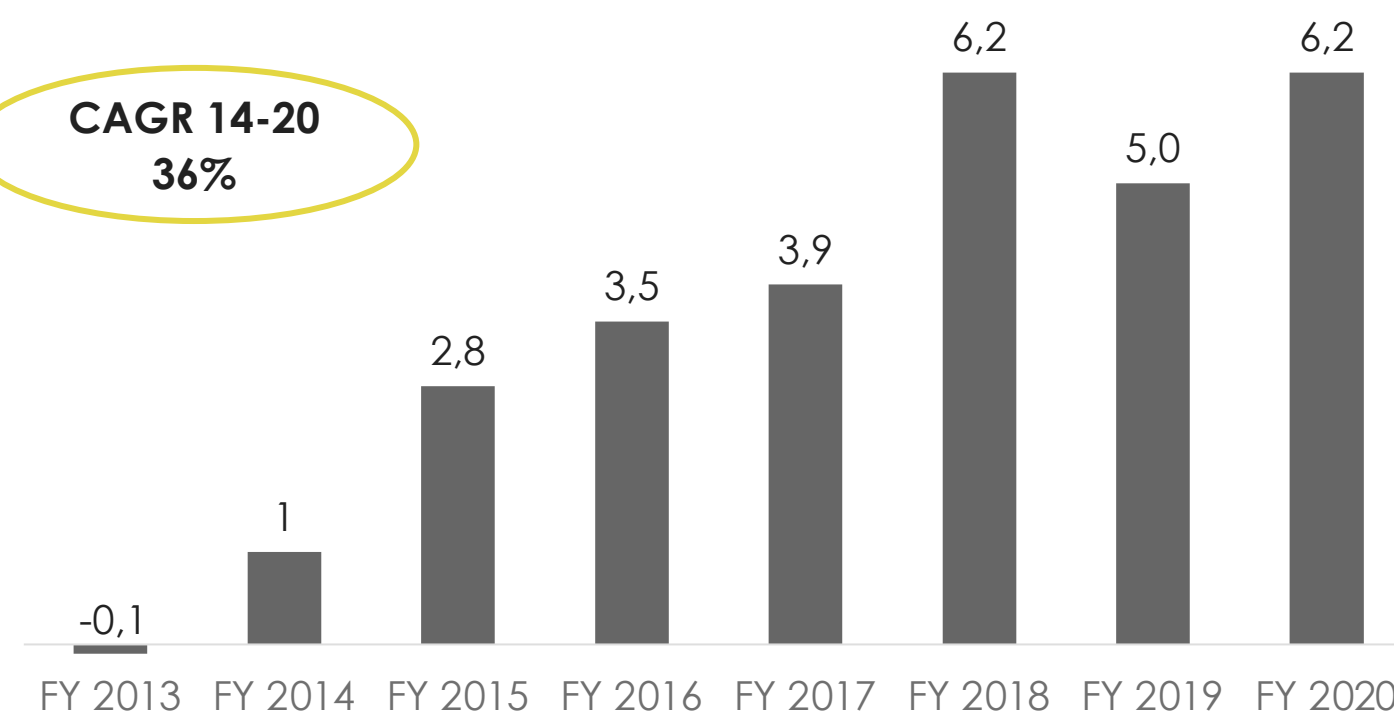
### 1H EBITDA MARGIN – EBITDA MARGIN NET MEDIA (%) <sup>(1)(2)</sup>

**MARGIN 20-21  
+3 pps**



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

**CAGR 14-20  
36%**

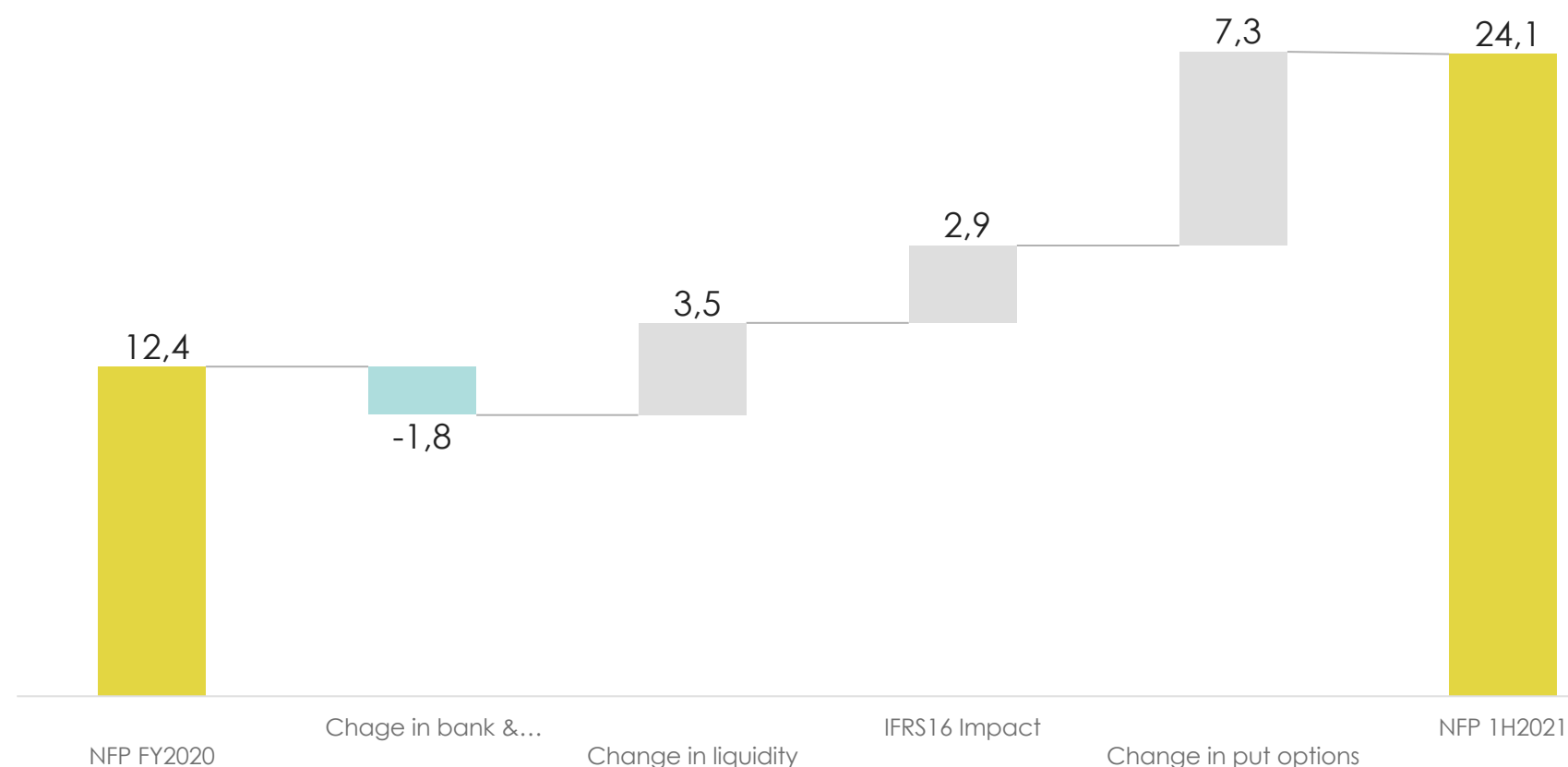


<sup>(1)</sup>Ebitda margin is calculated relating the EBITDA to the revenues of the period

<sup>(2)</sup>Ebitda margin net media is calculated relating the EBITDA to the revenues of the period net of Media related revenues from Spain and Mexico companies

# NET FINANCIAL POSITION BRIDGE AND DETAILS

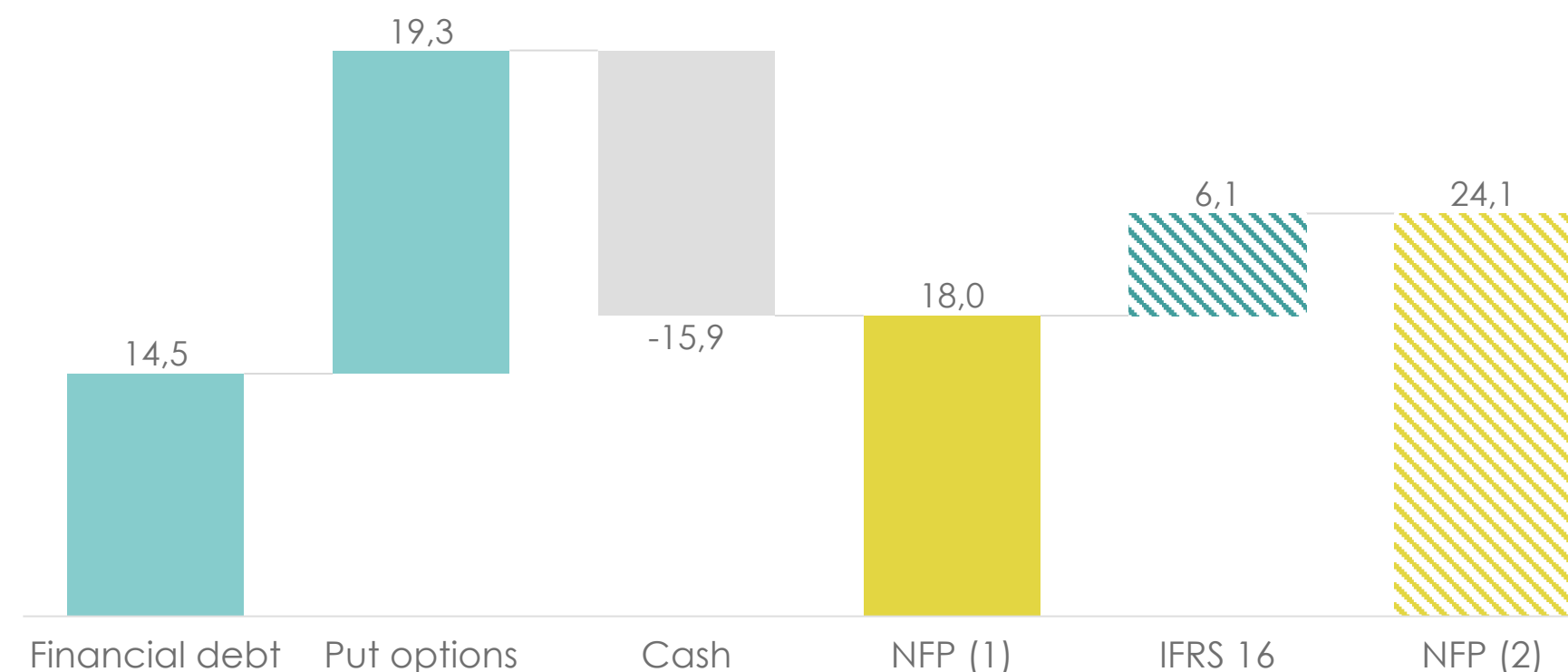
## Net Financial Position Bridge 1H 2021 (€M)



- › **Net Financial Position** NFP (2) at June 30<sup>th</sup> 2021 decreased by €M - 11.7 compared to €M -12.4 at December 31<sup>st</sup>, 2020, mainly due to the change in the Group perimeter
- › **Variation** mainly due to: (i) decrease in liquidity on bank accounts (€M -3.5) due to the two acquisitions, treasury shares buyback and dividends paid to minorities, (ii) decrease in bank loans (€M +1.8), (iii) IFRS 16 impact due to change in Group perimeter (€M -3.0), (iv) increase in put options liabilities due to the acquisition of the period (€M -7.3).

- › **Gross debt** is composed by €M 14.5 of financial debt (of which €M 10.2 LT, €M4.3 ST), €M 19.31 put options liabilities deriving from M&A (of which €M 7.4 ST) and €M 6.1 IFRS16 financial leases
- › 1H 2021 NFP (1) ex IFRS16 is €M 18.0
- › 1H 2021 cash and equivalents is €M 15.9

## Net Financial Position Break Down 1H 2021 (€M)



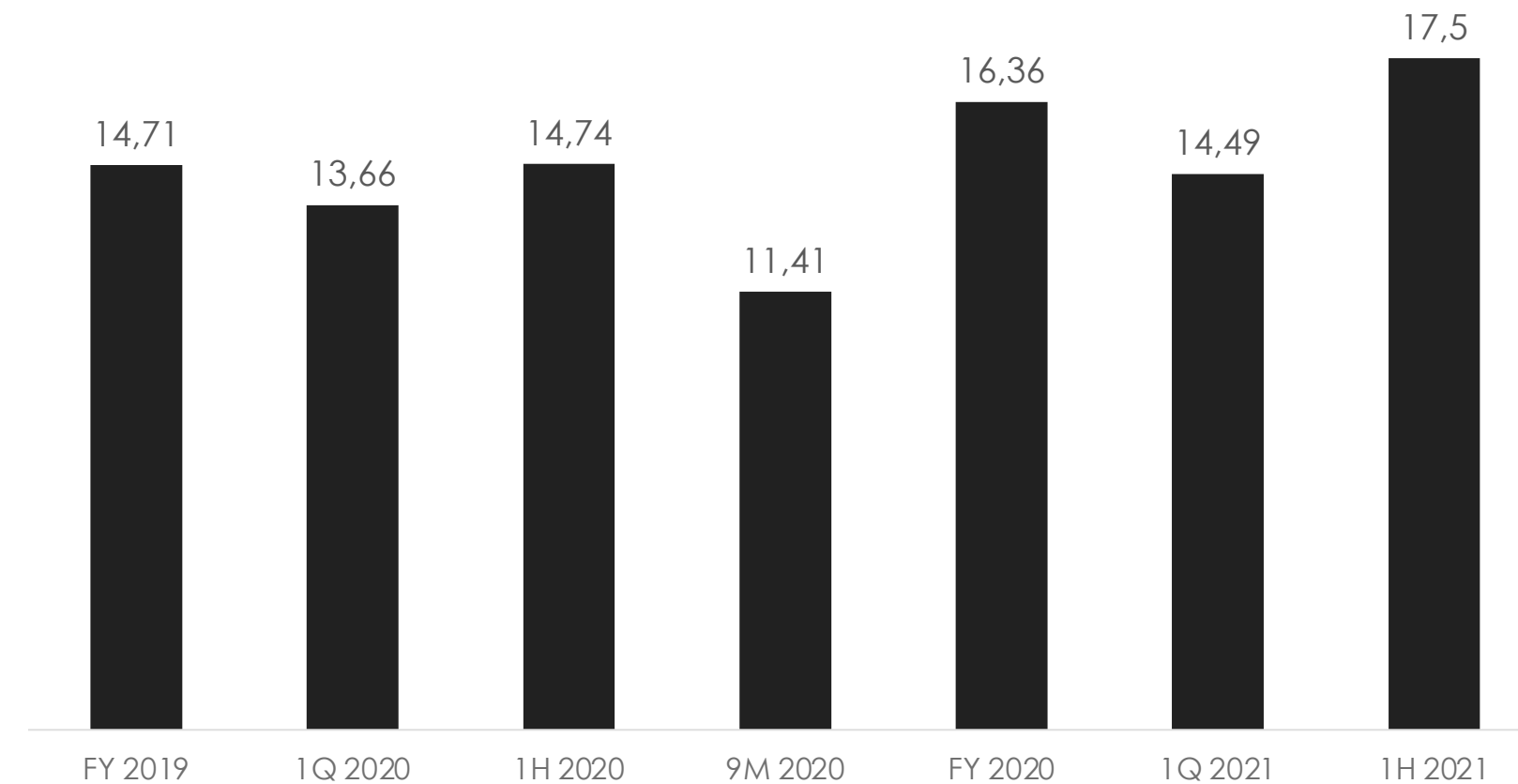
# NET TRADE WORKING CAPITAL DYNAMICS

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

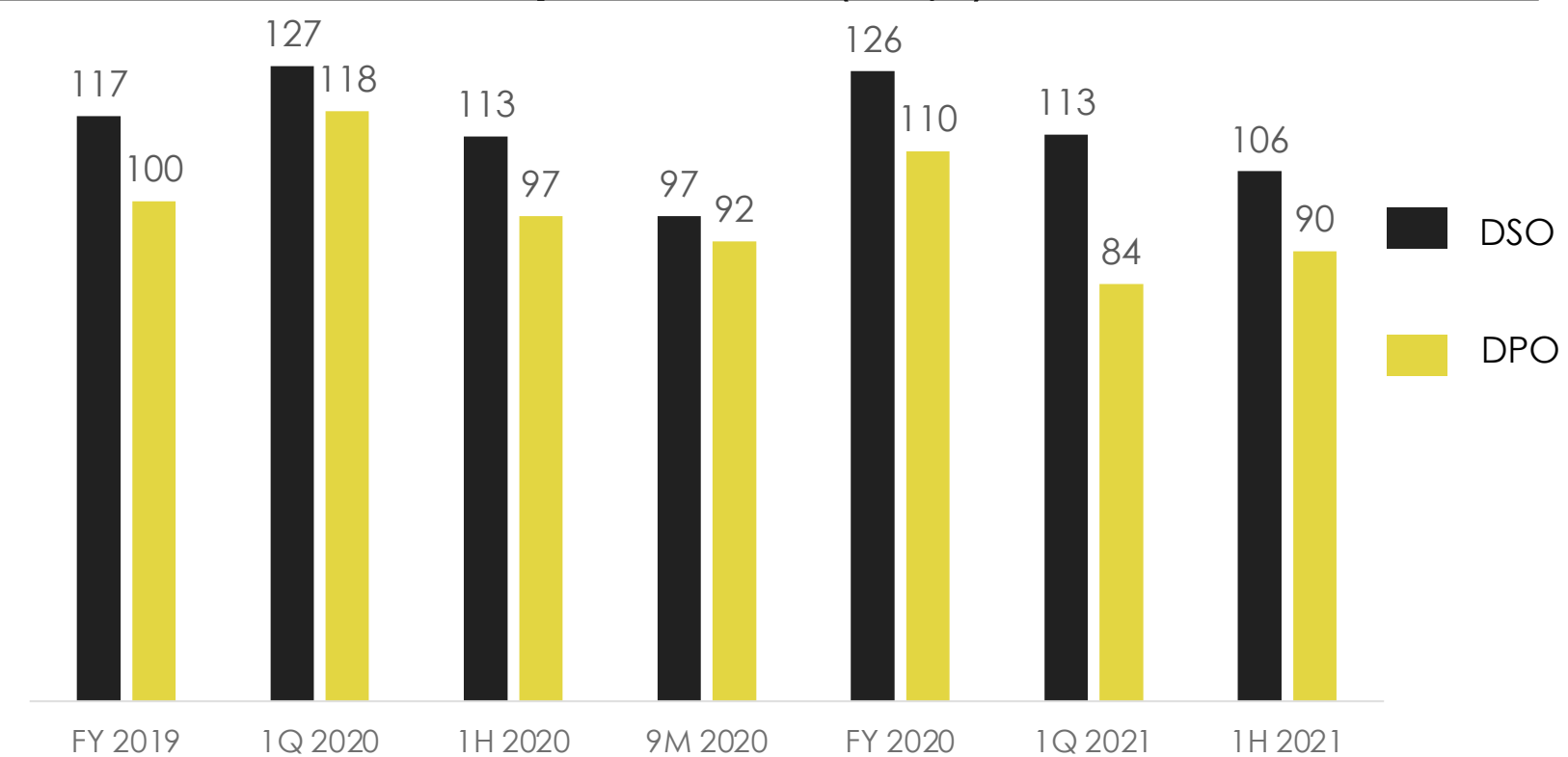


- > 1H 2021 Net Trade Working capital is 19% higher than 1H 2020, due to higher revenues growth in the period.
- > Cash release from **Net Trade Working Capital** decrease (€M +2.2 million) compared to €M -0.3 in 1H 2020, thanks to payables and receivables dynamics
- > 1H 2021 DSO at 106 -6% vs. 1H 2020; 1H 2021 DPO -7% vs. 1H 2020

## Net Trade Working Capital (€M)



## Cash Conversion Cycle Details (days)





## A GREAT OPPORTUNITY FOR ALKEMY

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- **Solid Market** - Alkemy operates in a fast-growing market which only in Italy is worth over 6B€, and which generates half-billion of new business every year, and where the recent Covid-19 crisis has put further pressure for companies to invest.
- **Leadership Positioning** - Alkemy has developed a unique positioning with a fully integrated offering able to guide companies across all the phases of the Digital Transformation process.
- **Margin Expansion** – Since 2020, Alkemy started a process of industrialization aimed at increasing marginality, using three different levers:
  1. Increased gross margin through higher efficiency (working on productivity, saturation and synergies);
  2. G&A scalability thanks to business growth;
  3. New Go-to-Market, focused on bigger projects with higher marginality.
- **Consolidation Opportunity** - Over the years Alkemy has acted as aggregator in the market, which is still very fragmented and there are several local excellences that can be integrated in value (cybersecurity, machine learning,...).

# A PUBLIC COMPANY LISTED ON MTA – STAR SEGMENT

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## Issuer & Tickers

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

## Market

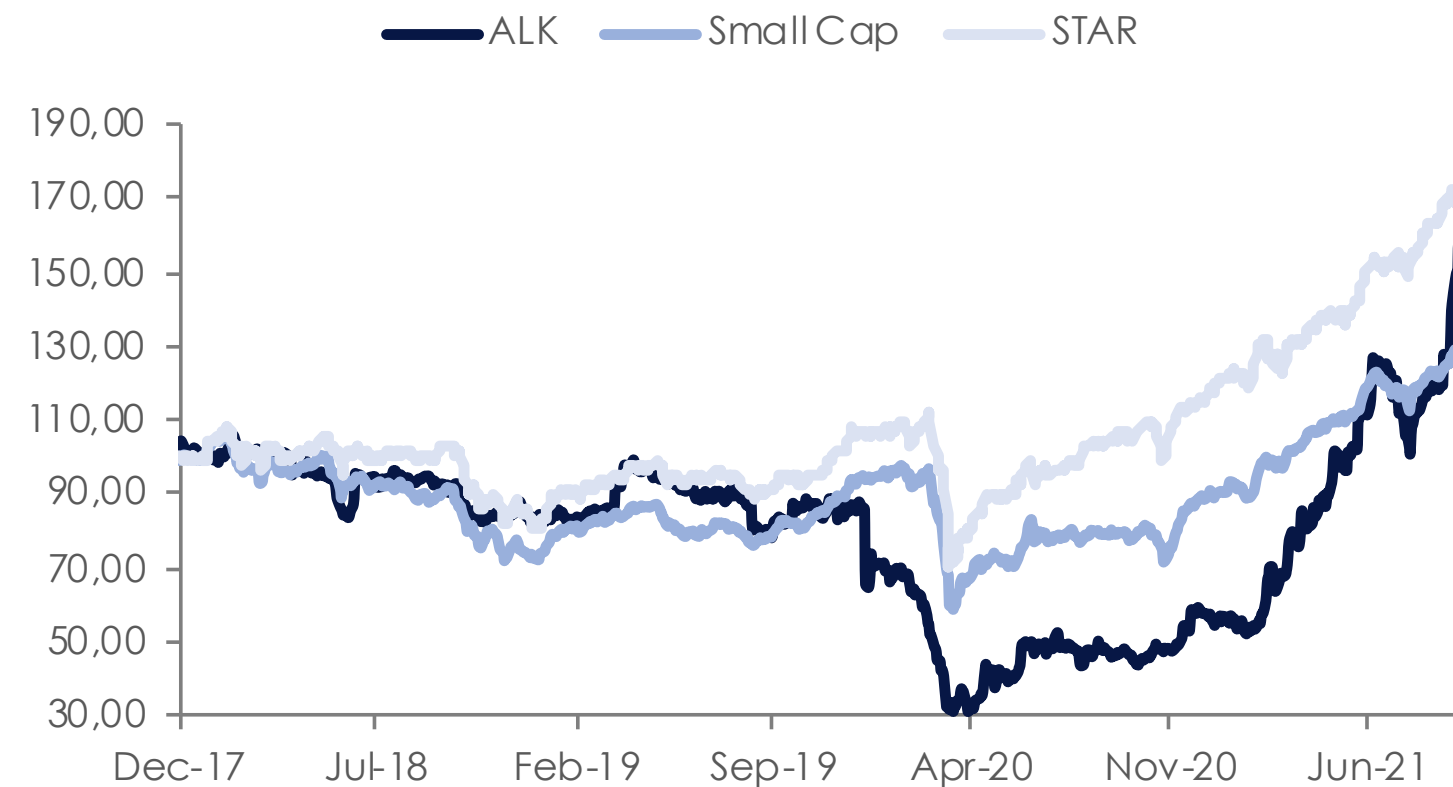
- Borsa Italiana, MTA – STAR Segment

## Specialist

- Intermonte

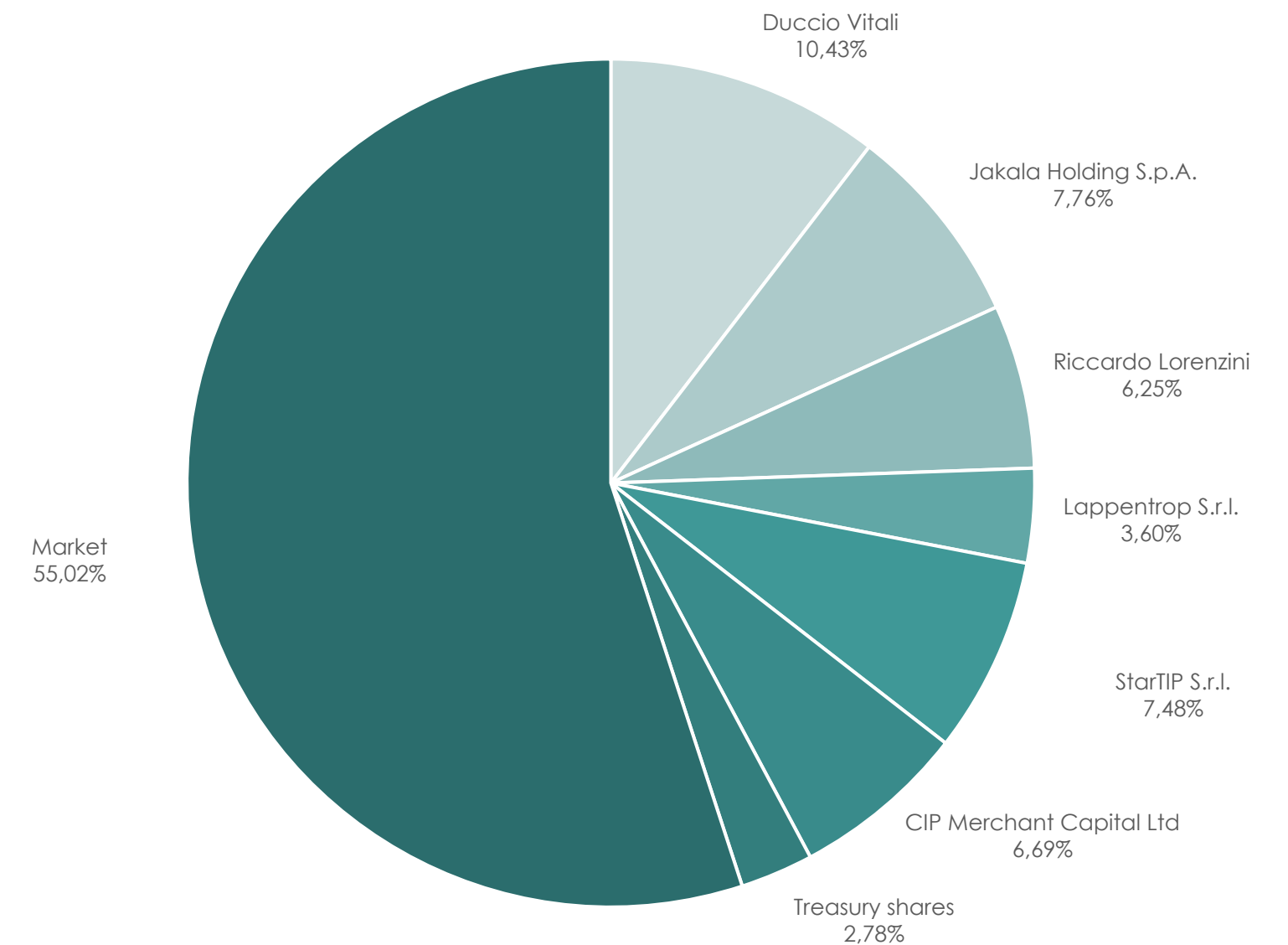
## Analyst Coverage

- Intermonte
- Banca Imi
- Mediobanca



## ALKEMY SHAREHOLDING STRUCTURE

As of October 1<sup>st</sup>, 2021



**Outstanding Shares** 5.685.460

<sup>(1)</sup> Lappentrop Srl belongs to Alessandro Mattiacci

<sup>(2)</sup> Other Managers: Alkemy and founders of new acquired companies

<sup>(3)</sup> Buy Back plan was in place until November 2020



BOARD OF DIRECTORS

Chairman	Alessandro Mattiacci
Chief Executive Officer	Duccio Vitali
Deputy Chairman	Vittorio Massone
General Manager	Massimo Canturi
Director	Riccardo Lorenzini
Independent Director	Giorgia Albelino
Independent Director	Giulia Bianchi Frangipane
Independent Director	Andrea Di Camillo
Independent Director	Serenella Sala

Independent Audit Firm: KPMG S.p.A.

BOARD OF STATUTORY AUDITORS

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

• The Board of Directors, the Board of Statutory Auditors and the Independent Audit Firm were appointed by the Shareholders' Meeting on June 25, 2017.  
• Vittorio Massone was appointed by the Shareholders' Meeting on April 24, 2020.  
• Massimo Canturi was appointed by the Shareholders' Meeting on April 26, 2021.

## Consolidated Profit & Loss

Profit and Loss (€000) - IAS/IFRS	1H 2020	1H 2021
<b>Revenues</b>	<b>37.115</b>	<b>44.549</b>
Service costs, consum. & goods	(20.036)	(22.211)
Personnel	(14.154)	(18.152)
<b>EBITDA</b>	<b>2.925</b>	<b>4.186</b>
% Revenues	7,9%	9,4%
Non recurrent costs	0	(855)
<b>Adj. EBITDA</b>	<b>2.925</b>	<b>5.041</b>
% Revenues	7,9%	11,3%
D&A	(858)	(1.005)
Bad debts/ claims/ provisions	(348)	(3)
<b>EBIT</b>	<b>1.719</b>	<b>3.178</b>
% Revenues	4,6%	7,1%
Financial charges	(557)	(580)
<b>EBT</b>	<b>1.162</b>	<b>2.598</b>
Taxes	(518)	(1.022)
% Tax rate	44,6%	39,3%
<b>Net Profit (Loss)</b>	<b>644</b>	<b>1.576</b>
o/w Minorities	(11)	18
<b>o/w Group Net Profit (Loss)</b>	<b>655</b>	<b>1.558</b>

- 1H 2021 **Revenues** at €M 44.5, up by 20% compared to €M 37.1 of 1H 2020. The increase is mostly organic, attributable to the recovery of **New Business** activities and the strong focus on main clients. **Italian revenues up by 10%** yoy, related just for a limited extent to the acquisitions of the majority stake in DGI (consolidated for one month) and XCC (consolidated for three months), and it is mainly the result of the new Go-to-Market strategy, the holding of current customers and the acquisition of new contracts and customers. **Foreign turnover up by 49%**, mainly thanks to Spain and Mexico subsidiaries, which recovered from Covid-19 related loss in turnover in 1H 2020.
- Operative costs** decreased reduced the impact on revenues by 3.4 pps compared to 1H 2020. **Services costs** increased by 11% yoy, but **reduced the impact on revenues by 4 pps**. This **efficiency** is mostly achieved thanks to the actions taken to internalize tech activities. **Personnel costs** increased incidence on revenues by 1 pp compared to 1H 2020, attributable to the higher FTE for the period (from 518 in 1H 2020 to 590 in 1H 2021), as a confirmation of the positive expectations of management on future business performances.
- 1H 2021 **Adj. EBITDA** at €M 5.0 +72% compared to €M 2.9 in 1H 2020, with a margin increase of 3 pps (**EBITDA margin 11%**). **EBIT** is equal to €M 3.2 +85% compared to €M 1.7 in 1H 2020, with an increase of 2.6 pps in EBIT margin.
- EBT** at €M 2.6. 1H 2021, +124% compared to €M 1.2 in 1H 2020. **Group Net Profit** is €M 1.6 +145% vs €M 0.6 in 1H 2020.

# 1H 2021 BALANCE SHEET – IAS/ IFRS

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## Consolidated Balance Sheet

Balance Sheet (€000) - IAS/IFRS			FY 2020	1H 2021
Tangible assets			855	1.208
Intangible assets			7.093	10.455
	<i>o/w rights of use (IFRS16)</i>		3.122	6.007
Goodwill			31.755	41.250
Financial assets			1.174	5
<b>Fixed Assets</b>			<b>40.877</b>	<b>52.918</b>
Inventories			0	0
Trade Receivables			31.044	30.937
Trade Payables			(14.688)	(13.437)
<b>Net Trade Working Capital</b>			<b>16.356</b>	<b>17.500</b>
Other Current Assets			4.207	4.584
Other Current Liabilities			(12.579)	(11.677)
Employees' leaving entitlement			(5.087)	(6.248)
<b>Total Capital Invested</b>			<b>43.774</b>	<b>57.077</b>
<b>Total Equity</b>			<b>31.396</b>	<b>32.580</b>
o/w Group Equity			31.142	32.308
o/w Minorities			254	272
Cash & current financial assets			(18.922)	(15.471)
Bank Debts			16.071	14.544
Put Option Liabilities			12.038	19.316
Other Financial Debts (IFRS16)			3.191	6.108
<b>Net Debt (Cash)</b>			<b>12.378</b>	<b>24.497</b>
<b>Total Funds</b>			<b>43.774</b>	<b>57.077</b>

- › **Net Invested Capital** at €M 57.1 (€M 44.0 at FY 2020) and consisted of approx. € 17.5 million of **Net Trade Working Capital** (€M 16.4 FY 2020), €M 53.0 of fixed assets (€M 41.0 FY 2020) of which €M 41.2 of **Goodwill** (32.0 in FY 2020) and €M 6.0 of IFRS 16 **rights of use** (3.1 in FY 2020).
- › **Shareholders' equity** increased in the period by €M 1.2 since 31 dec. 2020 (+4%), mainly thanks to the positive result of the period (€M +1.6), the increase of LTIP reserve (€M +0.6), the dividends paid to minorities (€M -0.7), and treasury shares buyback (€M -0.5).
- › **Net Financial Position** at June 30th 2021 negative for €M -24.1 (ante-IFRS 16 at €M -18.0) with decreasing by €M -11.7 compared to FY 2020, mainly due to the change in the Group perimeter. More specifically the **variation** is mainly due to: decrease in liquidity on bank accounts (€M -3.5), due to (i) the two acquisitions, (ii) treasury shares buyback, (iii) dividends paid to minorities; decrease in bank loans (€M +1.8); IFRS 16 impact due to change in Group perimeter (€M -3.0); increase in put options liabilities due to the two acquisitions of the period (€M -7.3).

# 1H 2021 CASH FLOW GENERATION – IAS/IFRS

## Consolidated Cash Flow

Cash Flow Statement (€000) - IAS/IFRS	1H 2020	1H 2021
<b>Net Profit (Loss)</b>	<b>644</b>	<b>1.576</b>
Adjustments (cash tax, interest and other)	1.075	1.602
Non cash items	1.566	1.398
<b>Gross Cash Flow</b>	<b>3.285</b>	<b>4.576</b>
Change in inventories	31	0
Change in trade receivables	3.868	3.565
Change in trade payables	(4.233)	(1.443)
<b>Total change in NTWC</b>	<b>(334)</b>	<b>2.122</b>
Total change in other asset/liabilities	435	(2.833)
<b>Operating Cash Flow</b>	<b>3.386</b>	<b>3.865</b>
Capex	(115)	(562)
<b>Free Cash Flow before Acquisition</b>	<b>3.271</b>	<b>3.303</b>
Acquisitions and other financial assets	(126)	(2.175)
<b>Free Cash Flow</b>	<b>3.145</b>	<b>1.128</b>
Change in treasury shares	0	(456)
Dividends to minorities	(334)	(1.023)
Change in bank & fin. Debts	2.051	(2.500)
IFRS 16 effect	(480)	(600)
Changes in equity	0	0
Change in put/option	(90)	0
<b>Change in Cash</b>	<b>4.292</b>	<b>(3.451)</b>
Initial Cash	9.581	18.840
Final Cash	13.873	15.389

- › 1H 2021 **Gross Cash Flow** at **€M 4.6**, compared to €M 3.3 in 1H 2020. The increase yoy is mostly due to higher positive result of the period.
- › 1H 2021 **Operating cash flow** at **€M 3.9** compared to €M 3.4 of 1H 2020. The positive variation is mostly due to the better operating result of the period and to cash release from Net trade working capital dynamics, thanks to DSO decrease.
- › Ordinary **Capex** of the period is 5.0x higher than 1H 2020, and it's mostly related to hardware equipment for the Group. 1H 2021 **Free Cash Flow before Acquisitions** is equal to **€M 3.3**, mostly stable compared to €M 3.3 in 1H 2020.
- › 1H 2021 **Free Cash Flow** is **€M 1.1**, compared to €M 3.1 in 1H 2020. The variation is related to the **acquisition** of the majority stake in DGI S.r.l, and in XCC S.r.l. in the period (€M -2.2).
- › Total change in **cash** for the period was **€M -3.5** compared to €M 4.3 in 1H 2020. Cash decrease is mostly due to the decrease in financial debts (€M -2.5), dividends to minorities (€M -1.0), treasury shares buyback (€M -0.5).



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