



## 9M 2021 RESULTS

12.11.2021

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WE DESIGN BUSINESS  
EVOLUTION THROUGH DATA,  
TECHNOLOGY & CREATIVITY

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 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 **70 and 500%**.

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

# 9M 2021 – DOUBLE DIGIT ORGANIC GROWTH AND EBITDA MARGIN



The **industrialization** of business model strengthens **marginality** and boosts **organic growth**



## 9M 2021

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- > **Double digit organic growth**, up by +20% compared to 9M 2020
- > **Further improvement in EBITDA margin** compared to 9M 2020 (+3.5 pps)
- > **New Business** activity & **growth** of TOP clients' ARPC
- > Positive **cash generation** over the period (€M 6.5 operative cash flow)
- > **Positive Group Result** of €M 2.6

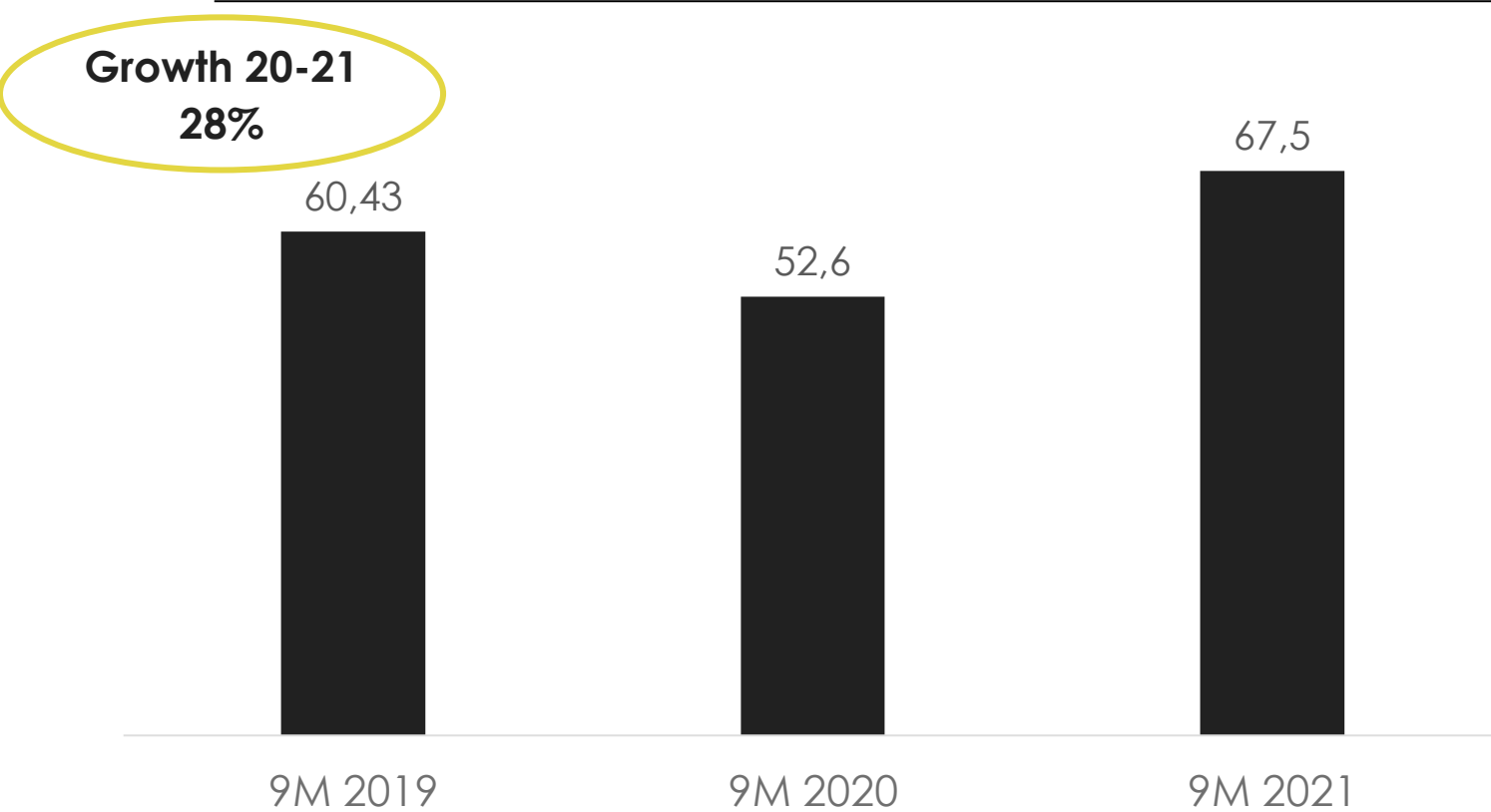
# FINANCIAL HIGHLIGHTS



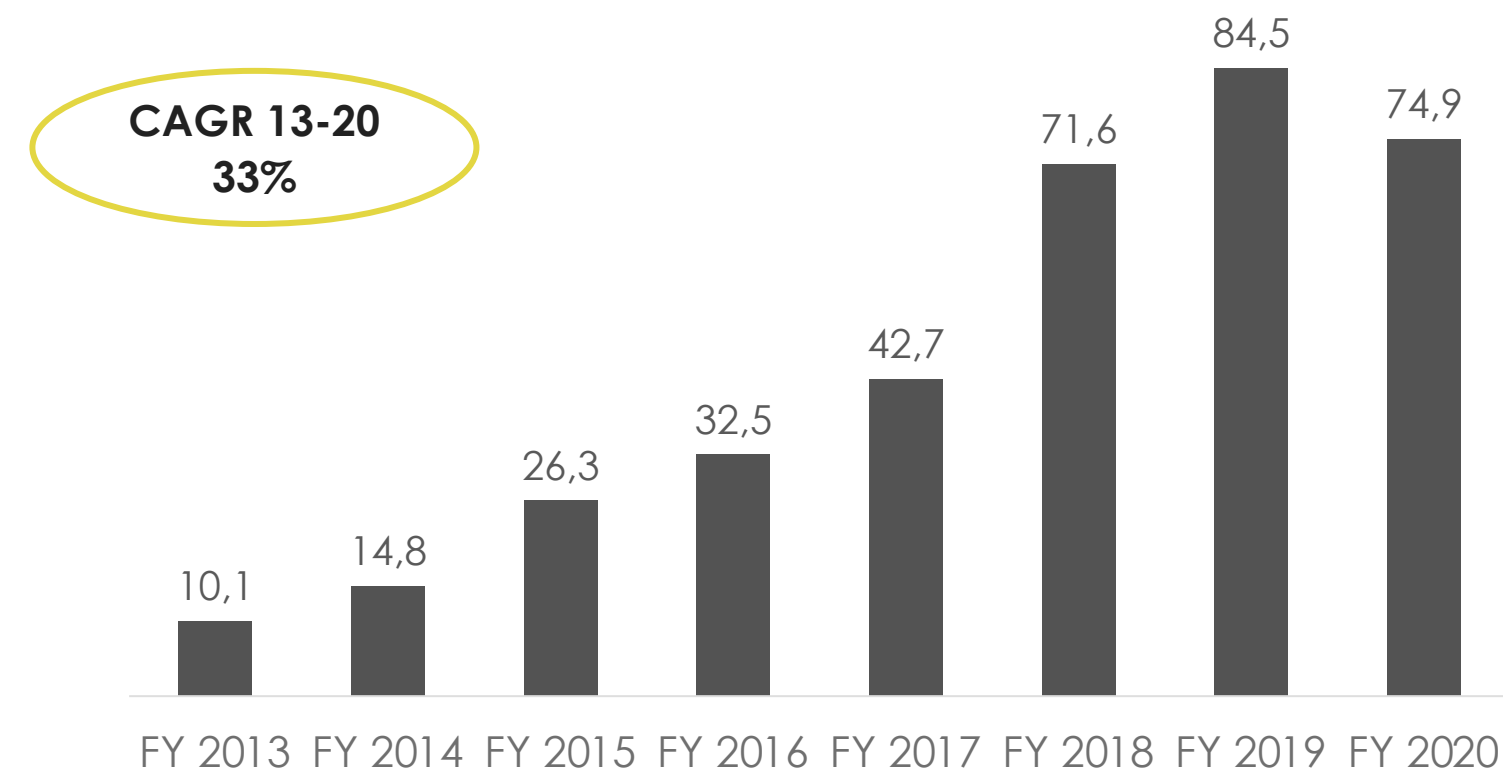
€M	9M 2021	9M 2020	
<b>Turnover</b>	<b>67.5</b>	<b>52.6</b>	> +28% vs. 9M 2020, thanks to a first recovery of new business activities, the new Go-to-Market highly focused on main clients' projects, and the strong recovery of foreign subsidiaries
<b>Adj. EBITDA</b>	<b>7.4</b>	<b>3.9</b>	> +90% vs. 9M 2020, thanks to the better mix and efficiencies arising from the new organization. EBITDA margin up by +3.5 pps
<b>EBIT</b>	<b>4.7</b>	<b>2.2</b>	> +118% vs. 9M 2020, thanks to the better operating result. EBIT margin up by +2.9 pps
<b>EBT</b>	<b>4.0</b>	<b>1.4</b>	> +189% vs. 9M 2020, thanks to the better performance over the period, and lower financial charges (-56%)
<b>Group Net Income</b>	<b>2.6</b>	<b>0.8</b>	> +220% vs. 9M 2020, thanks to the better operative result and to the efficiencies arising from the new organization
<b>Operating Cash Flow</b>	<b>6.5</b>	<b>7.5</b>	> Decrease of €M 1.0 compared to 9M 2020 mainly due to other current assets&liabilities dynamics, related to R&D activities
<b>NFP</b>	<b>-21.9</b>	FY 2020 <b>-12.4</b>	> €M -9.5 since 31 December 2020 mostly related to the change in the Group's perimeter

# REVENUES

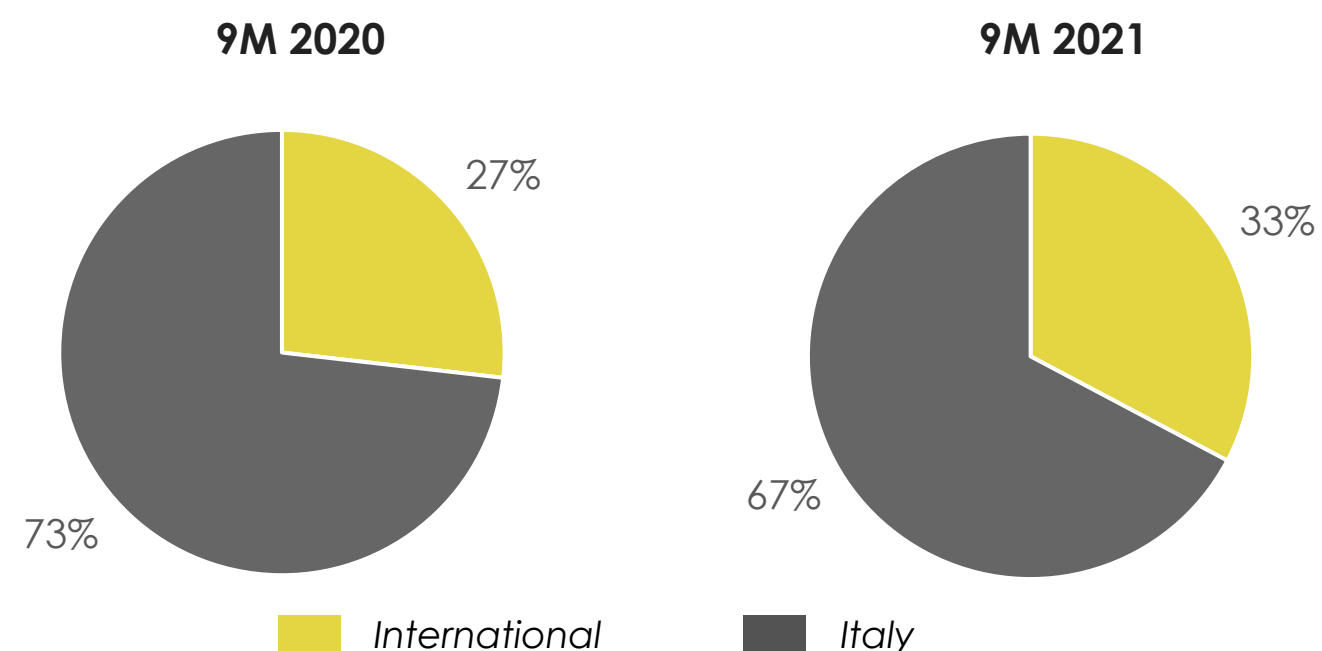
## 9M REVENUES (€M) – IAS /IFRS



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



## ALKEMY INTERNATIONAL TURNOVER (%)



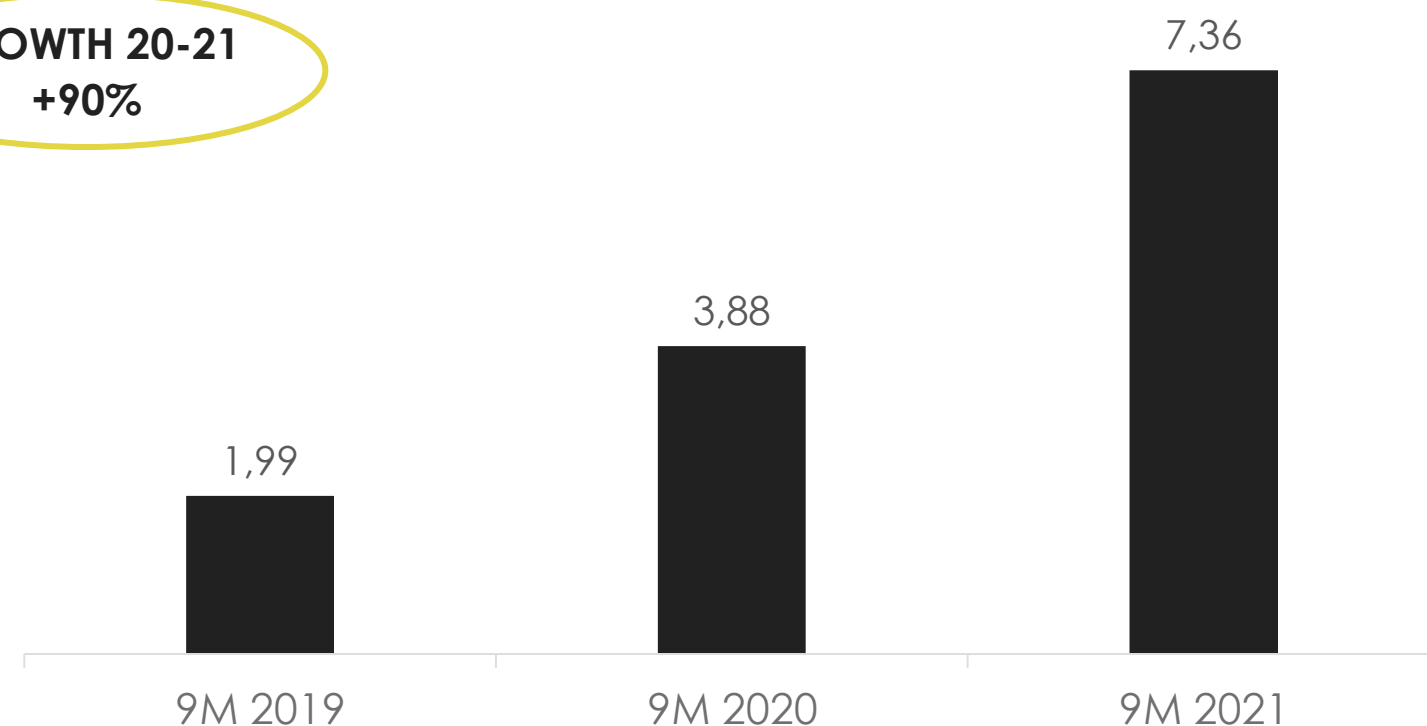
- › 9M 2021 revenues at €M 67.5, +28% compared to 9M 2020 which were €M52.6. 20% of organic growth.
- › 9M 2021 Italian turnover is €M 45.3 up by 18% compared to €38.5 M in 9M 2020. Organic growth is +7%, thanks to the new Go-to-Market strategy, the holding of current customers and the acquisition of new contracts and customers.
- › International revenues in 9M 2021 at €M 22.2, up by 57% vs. €M 14.1 in 9M 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

## 9M ALKEMY Adj. EBITDA (€M) – IAS/IFRS

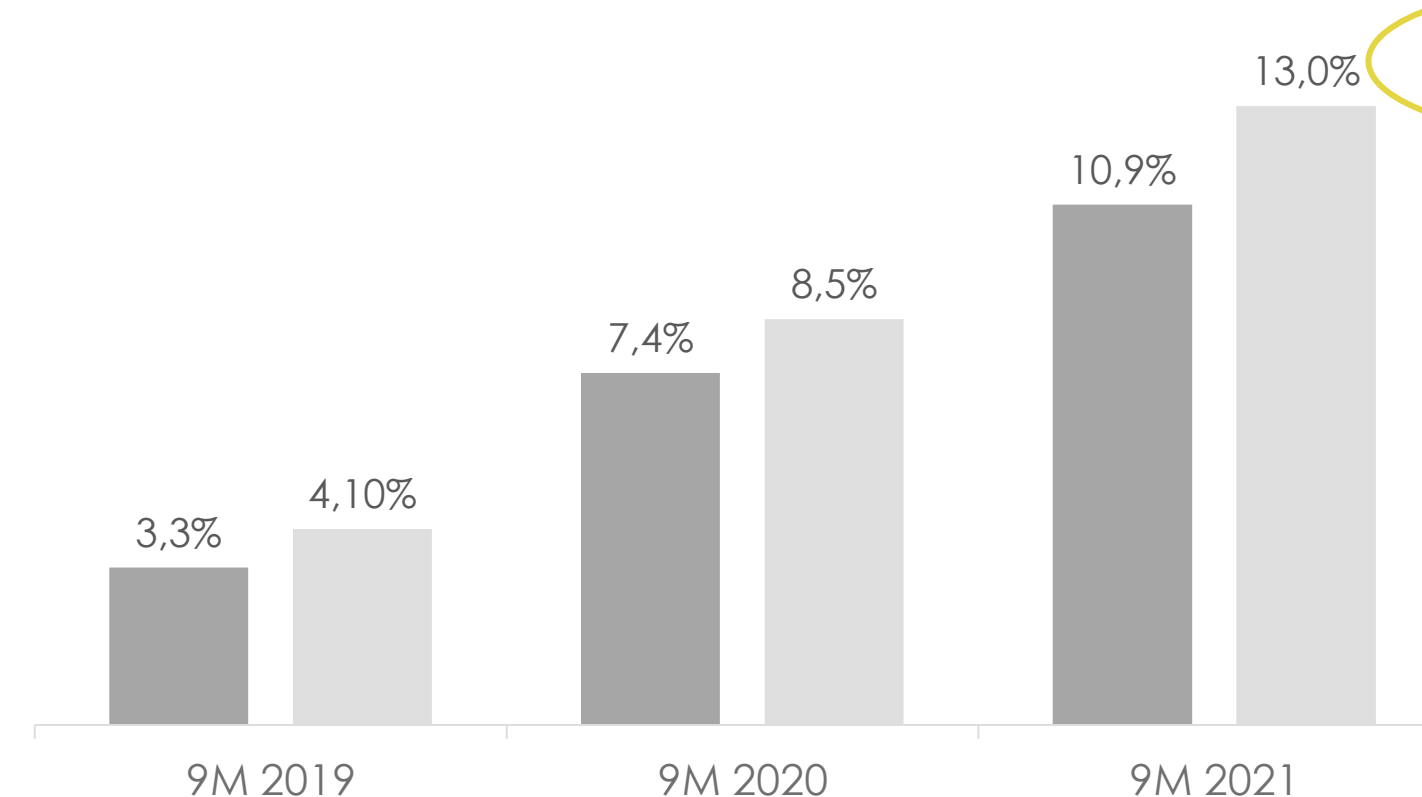
**GROWTH 20-21  
+90%**



- › 9M 2021 Adj. EBITDA is €M 7.4, +90% compared to 9M 2020 of €M 3.9, thanks to the better mix of the new Go-to-Market strategy and the efficiency and rationalization of the new organization.
- › EBITDA Margin is 10.9% in 9M 2021 vs 7.4% in 9M 2020 with an increase of 3.5 pps, thanks to lower operative costs impact on revenues (-3.5 pps), achieved through to the industrialization process started in 2020.
- › EBITDA Margin net media is 13.0% in 9M 2021 vs. 8.5% in 9M 2020

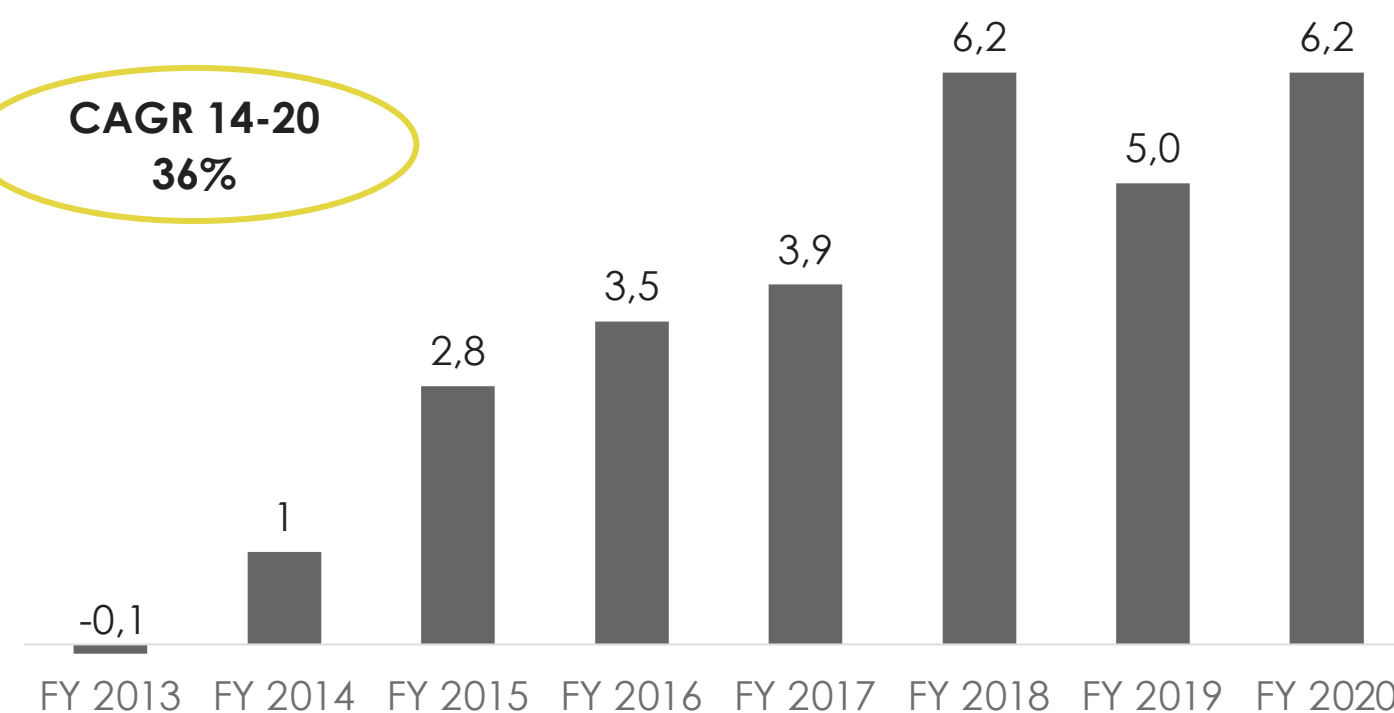
## 9M EBITDA MARGIN – EBITDA MARGIN NET MEDIA (%)<sup>(1)(2)</sup>

**MARGIN 20-21  
+3.5 pps**



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

**CAGR 14-20  
36%**



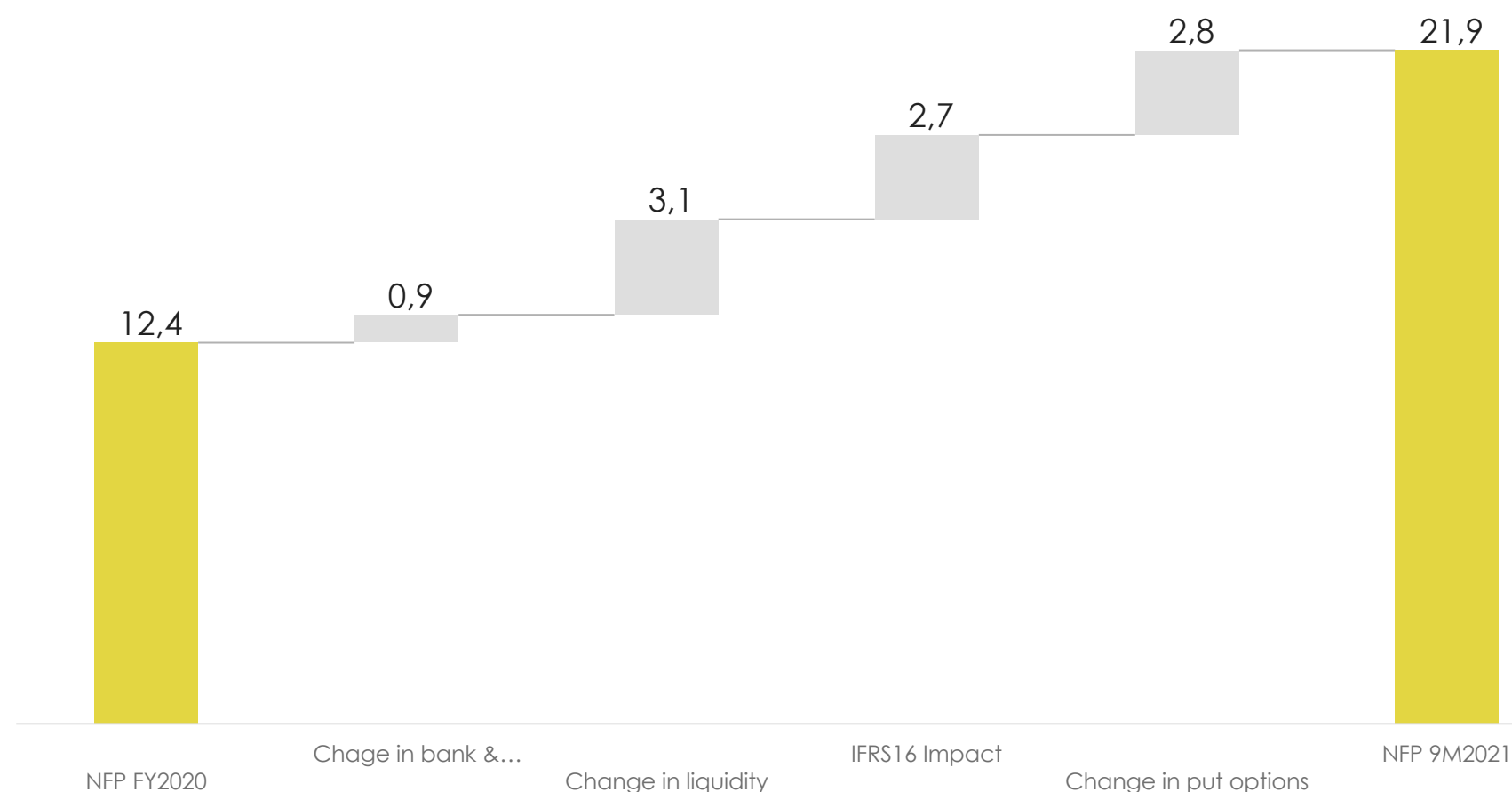
<sup>(1)</sup>Ebitda margin is calculated relating the EBITDA to the revenues of the period

<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

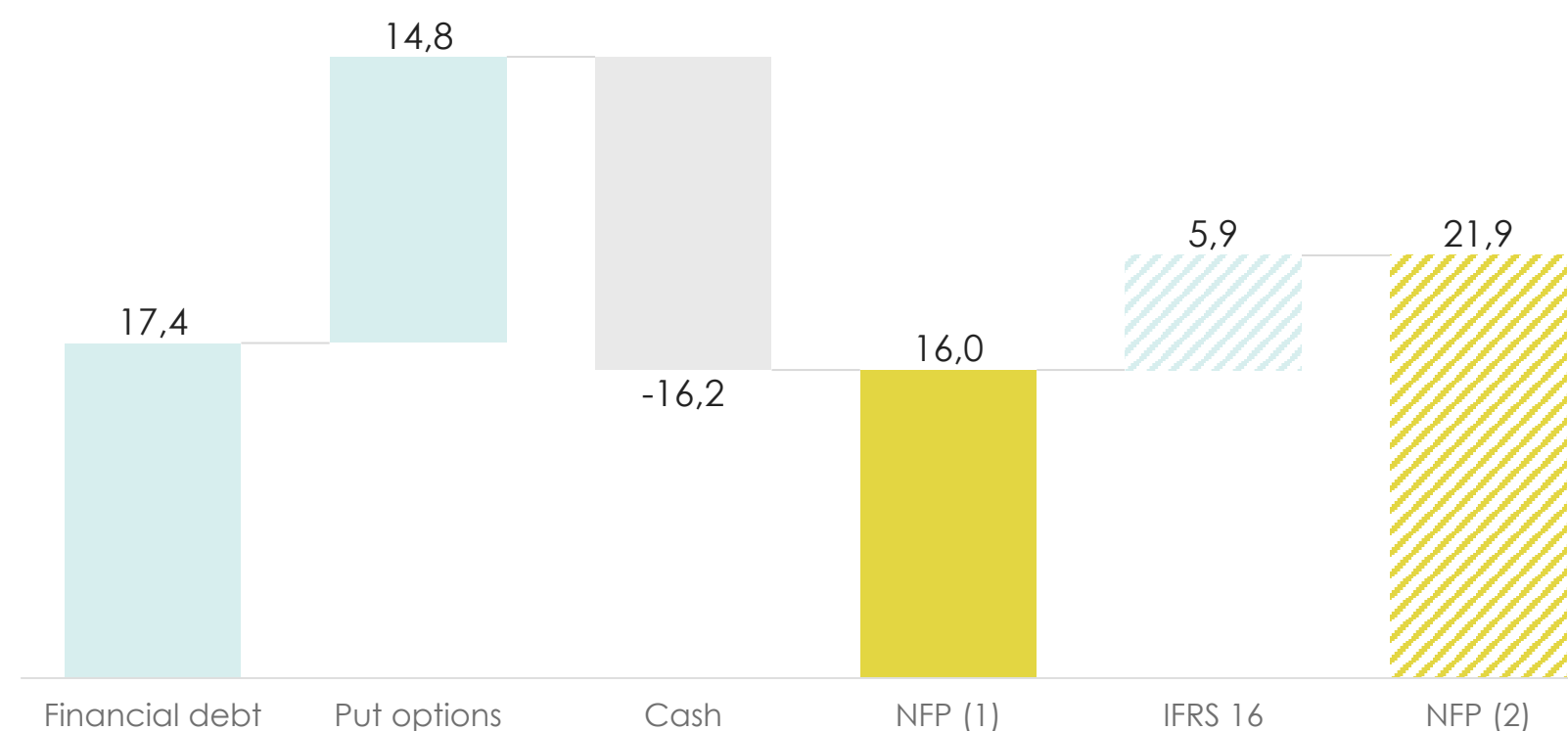
## Net Financial Position Bridge 9M 2021 (€M)



- › **Net Financial Position** NFP (2) at September 30<sup>th</sup> 2021 decreased by €M -9.5 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 cash and equivalents (€M -3.1) due to the two acquisitions, treasury shares buyback and dividends paid to minorities, (ii) increase in bank loans (€M -0.9), (iii) IFRS 16 impact due to change in Group perimeter (€M -2.7), (iv) increase in put options liabilities due to the two acquisitions in the period (€M -2.8).

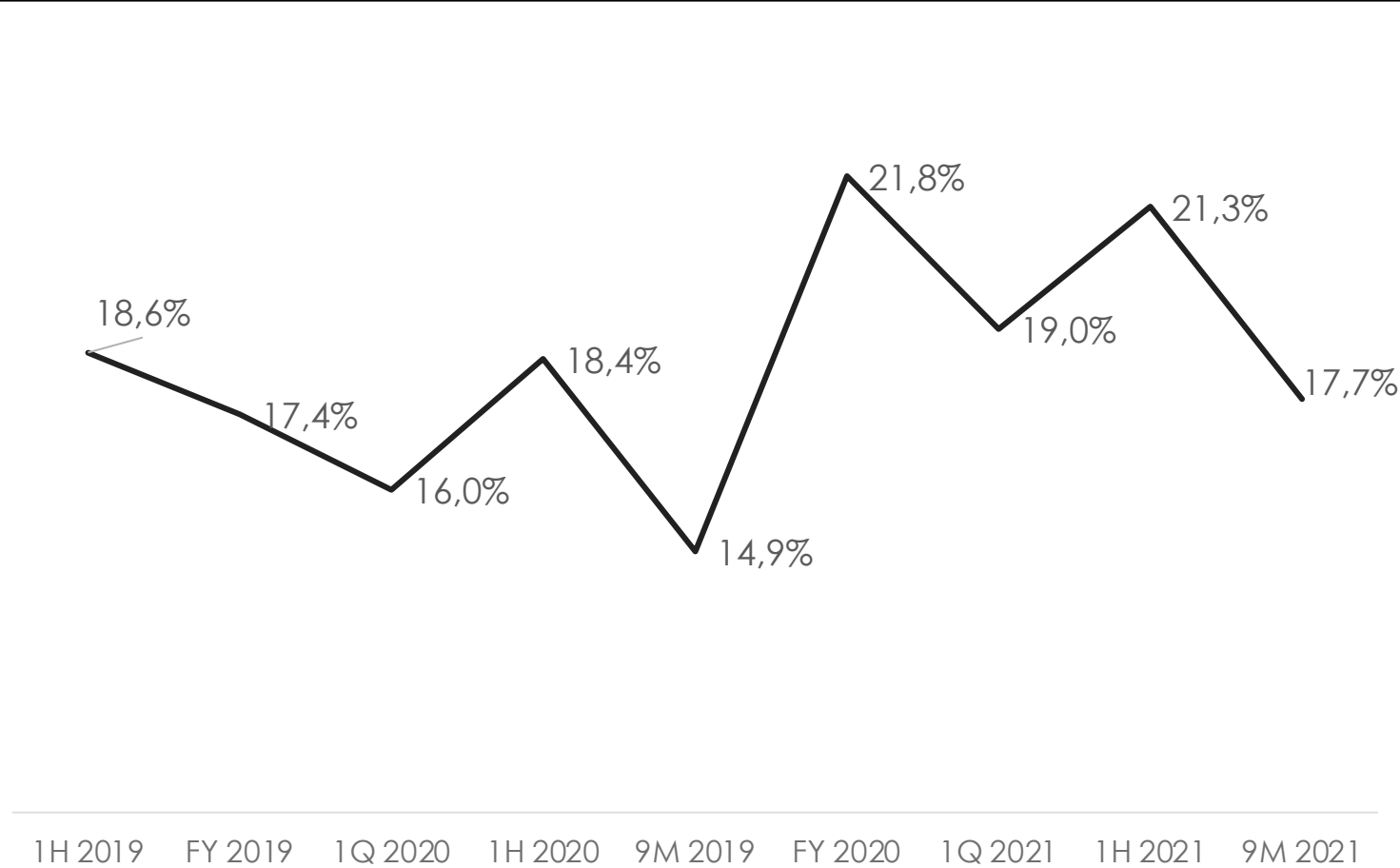
- › **Gross debt** is composed by €M 17.4 of financial debt (of which €M 12.8 LT, €M4.2 ST), €M 14.8 put options liabilities deriving from M&A (of which €M 7.6 ST) and €M 5.9 IFRS16 financial leases
- › 9M 2021 NFP (1) ex IFRS16 is €M 16.0
- › 9M 2021 cash and equivalents is €M 16.2

## Net Financial Position Break Down 9M 2021 (€M)

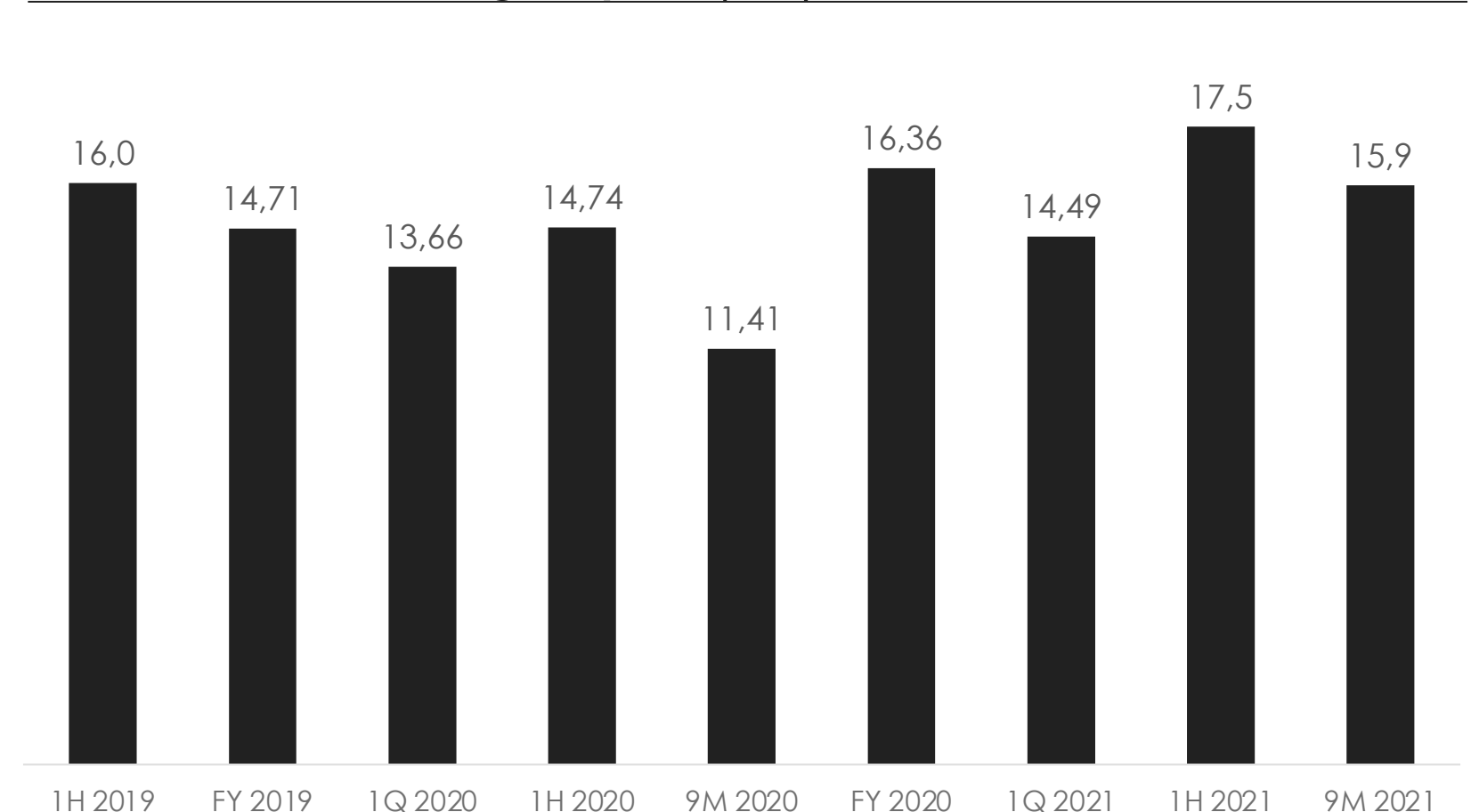


# NET TRADE WORKING CAPITAL DYNAMICS

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

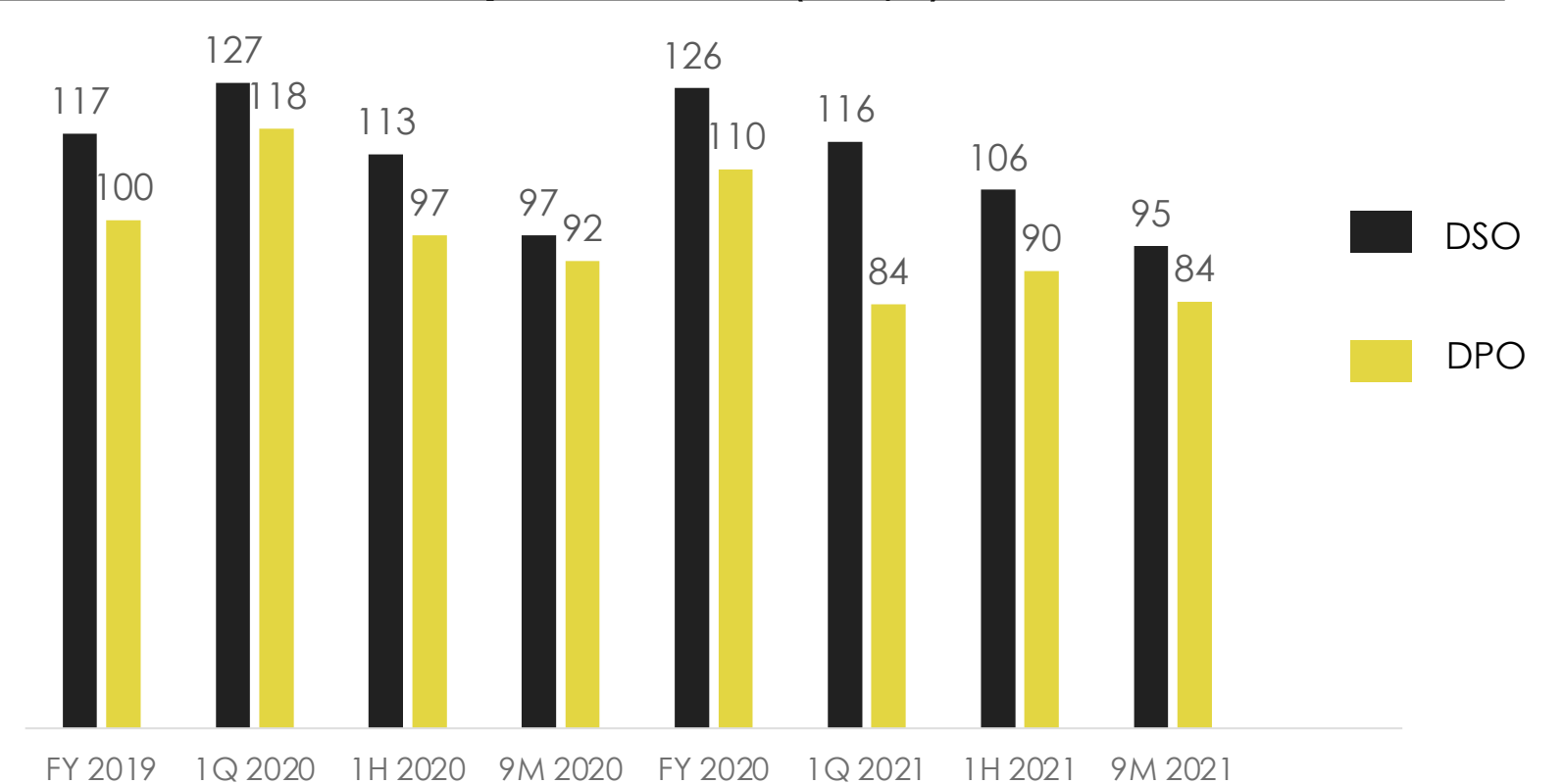


Net Trade Working Capital (€M)



- > 9M 2021 Net Trade Working capital is €M 15.9, 39% higher than 9M 2020, due to revenues growth in 9M 2021, compared to revenues decrease in 9M 2020
- > Cash release from **Net Trade Working Capital** is €M 3.7 +25% compared to €M 3.0 in 9M 2020, thanks to payables and receivables dynamics
- > 9M 2021 DSO at 95 -2% vs. 9M 2020; 9M 2021 DPO -9% vs. 9M 2020

Cash Conversion Cycle Details (days)



# 9M 2021 P&L – IAS/IFRS

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## Consolidated Profit & Loss

Profit and Loss (€000) - IAS/IFRS	9M 2020	9M 2021
<b>Revenues</b>	<b>52.653</b>	<b>67.497</b>
Service costs, consum. & goods	(27.837)	(32.944)
Personnel	(20.981)	(28.153)
<b>EBITDA</b>	<b>3.835</b>	<b>6.400</b>
% Revenues	7,3%	9,5%
Non recurrent costs	(46)	(958)
<b>Adj. EBITDA</b>	<b>3.881</b>	<b>7.358</b>
% Revenues	7,4%	10,9%
D&A	(1.292)	(1.636)
Bad debts/ claims/ provisions	(385)	(51)
<b>EBIT</b>	<b>2.158</b>	<b>4.713</b>
% Revenues	4,1%	7,0%
Financial charges	(754)	(660)
<b>EBT</b>	<b>1.404</b>	<b>4.053</b>
Taxes	(591)	(1.432)
% Tax rate	42,1%	35,3%
<b>Net Profit (Loss)</b>	<b>813</b>	<b>2.621</b>
o/w Minorities	(2)	15
<b>o/w Group Net Profit (Loss)</b>	<b>815</b>	<b>2.606</b>

- 9M 2021 **Revenues** at **€M 67.5**, up by **28%** compared to €M 52.6 of 9M 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 18%** yoy, is also related to the acquisitions of the majority stake in DGI and XCC (€M 4.1), and to the new Go-to-Market strategy, the holding of current customers and the acquisition of new contracts and customers . **Foreign turnover up by 57%**, mainly thanks to Spain and Mexico subsidiaries, which recovered from Covid-19 related loss in turnover in 9M 2020.
- Operative costs** decreased reduced the impact on revenues by 3.5 pps compared to 9M 2020. **Services costs** increased by 18% yoy, but **reduced the impact on revenues by 4.1 pps**. This **efficiency** is mostly achieved thanks to the actions taken to internalize tech activities. **Personnel costs** increased incidence on revenues by 1.0 pp compared to 9M 2020, attributable to the higher FTE for the period (from 524 in 9M 2020 to 613 in 9M 2021), as a confirmation of the **positive expectations of management on future business performances**.
- 9M 2021 **Adj. EBITDA** at €M 7.4 +90% compared to €M 3.9 in 9M 2020, with a margin increase of 3.5 pps (**EBITDA margin 10.9%**). **EBIT** is equal to €M 4.7 +118% compared to €M 2.2 in 9M 2020, with an increase of 2.9 pps in EBIT margin.
- EBT** at €M 4.0 in 9M 2021, **+189%** compared to €M 1.4 in 9M 2020. **Group Net Profit** is €M 2.6 **+220%** vs €M 0.8 in 9M 2020.

# 9M 2021 BALANCE SHEET – IAS/ IFRS



## Consolidated Balance Sheet

### Balance Sheet (€000) - IAS/IFRS FY 2020 9M 2021

Tangible assets	855	1.401
Intangible assets	7.093	9.843
o/w rights of use (IFRS16)	3.122	5.794
Goodwill	31.755	41.251
Financial assets	1.174	5
<b>Fixed Assets</b>	<b>40.877</b>	<b>52.500</b>
Inventories	0	0
Trade Receivables	31.044	28.167
Trade Payables	(14.688)	(12.284)
<b>Net Trade Working Capital</b>	<b>16.356</b>	<b>15.883</b>
Other Current Assets	4.207	4.692
Other Current Liabilities	(12.579)	(10.931)
Employees' leaving entitlement	(5.087)	(6.204)
<b>Total Capital Invested</b>	<b>43.774</b>	<b>55.940</b>
<b>Total Equity</b>	<b>31.396</b>	<b>34.060</b>
o/w Group Equity	31.142	33.730
o/w Minorities	254	330
Cash & current financial assets	(18.922)	(15.807)
Other non-current financial assets	0	(391)
Bank Debts	16.071	17.361
Put Option Liabilities	12.038	14.796
Other Financial Debts (IFRS16)	3.191	5.921
<b>Net Debt (Cash)</b>	<b>12.378</b>	<b>21.880</b>
<b>Total Funds</b>	<b>43.774</b>	<b>55.940</b>

- › **Net Invested Capital** at €M 55.9 (€M 43.8 at FY 2020) and consisted of approx. € 15.9 million of **Net Trade Working Capital** (€M 16.4 FY 2020), €M 52.5 of fixed assets (€M 40.9 FY 2020) of which €M 41.2 of **Goodwill** (31.7 in FY 2020) and €M 5.8 of IFRS 16 **rights of use** (3.1 in FY 2020).
- › **Shareholders' equity** increased in the period by €M 2.6 since 31 dec. 2020 (+8.5%), mainly thanks to the positive result of the period (€M +2.6), to the exercise of existing stock option plans (€M +0.9), the increase of LTIP reserve (€M +0.8), the dividends paid to minorities (€M -0.7), treasury shares buyback (€M -0.8), and reduction of the fair value of payables for put options exercised after the end of the period (€M -0.3).
- › **Net Financial Position** at September 30th 2021 negative for €M -21.9 (ante-IFRS 16 at €M -16.0) with decreasing by €M -9.5 compared to FY 2020, mainly due to the change in the Group perimeter. More specifically the **variation** is mainly due to: (i) decrease in cash and equivalents (€M -3.1) due to the two acquisitions, treasury shares buyback and dividends paid to minorities, (ii) increase in bank loans (€M -0.9), (iii) IFRS 16 impact due to change in Group perimeter (€M -2.7), (iv) increase in put options liabilities mainly due to the two acquisitions in the period (€M -2.8).

# 9M 2021 CASH FLOW GENERATION – IAS/IFRS

## Consolidated Cash Flow

Cash Flow Statement (€000) - IAS/IFRS	9M 2020	9M 2021
<b>Net Profit (Loss)</b>	<b>813</b>	<b>2.621</b>
Adjustments (cash tax, interest and other)	1.345	2.092
Non cash items	2.202	2.280
<b>Gross Cash Flow</b>	<b>4.360</b>	<b>6.993</b>
Change in inventories	30	0
Change in trade receivables	8.616	6.295
Change in trade payables	(5.702)	(2.599)
<b>Total change in NTWC</b>	<b>2.944</b>	<b>3.696</b>
Total change in other asset/liabilities	210	(4.134)
<b>Operating Cash Flow</b>	<b>7.514</b>	<b>6.555</b>
Capex	(152)	(1.052)
<b>Free Cash Flow before Acquisition</b>	<b>7.362</b>	<b>5.503</b>
Acquisitions and other financial assets	(113)	(2.116)
<b>Free Cash Flow</b>	<b>7.249</b>	<b>3.387</b>
Change in treasury shares	0	(759)
Dividends to minorities	(667)	(1.023)
Change in bank & fin. Debts	5.625	277
IFRS 16 effect	(715)	(973)
Changes in equity	0	891
Change in put/option	(90)	(4.916)
<b>Change in Cash</b>	<b>11.402</b>	<b>(3.116)</b>
Initial Cash	9.581	18.840
Final Cash	20.983	15.724

- › 9M 2021 **Gross Cash Flow** at **€M 7.0**, compared to €M 4.4 in 9M 2020. The increase yoy is mostly due to higher positive result of the period and higher non-cash adjustments.
- › 9M 2021 **Operating cash flow** at **€M 6.5** compared to €M 7.5 of 9M 2020. The negative variation of €M 1.0 is mainly due to the greater absorption by the net working capital, and in particular lower collections deriving from tax credit and subsidized finance, relating to R&Ds carried out in previous years. On the other hand, Trade working capital improved over the period, thanks to DSO decrease.
- › Ordinary **Capex** of the period is 7.0x higher than 9M 2020, and it's mostly related to hardware&software equipment for the Group, and offices improvements. 9M 2021 **Free Cash Flow before Acquisitions** is equal to **€M 5.5**, compared to €M 7.4 in 9M 2020.
- › 9M 2021 **Free Cash Flow** is **€M 3.4**, compared to €M 7.2 in 9M 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 -2.1).
- › Total change in **cash** for the period was **€M -3.1** compared to €M 11.4 in 9M 2020. Cash decrease is mostly due to the two acquisitions, treasury shares buyback and dividends paid to minorities.



# OUTLOOK

- > The evolution of management expected in the last quarter of 2021 will still depend, albeit to a limited extent, on exogenous factors related to the completion of the vaccination plan, third doses, and the country's economic recovery. The general expectation identifies in the government supports related to the NRRP the possibility of revitalizing the entire economy, the labor market and investments in the digitalization of companies, with positive prospects for the Group for the years to come.
- > Taking into account the results achieved in 9M 2021, current business trading and contracts portfolio, barring the occurrence of further aggravating events related to the pandemic, the Group's expectation is to further pursue the path of organic revenues growth and FY 2021 Adj. EBITDA in line with that of the first nine months of 2021.

# 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

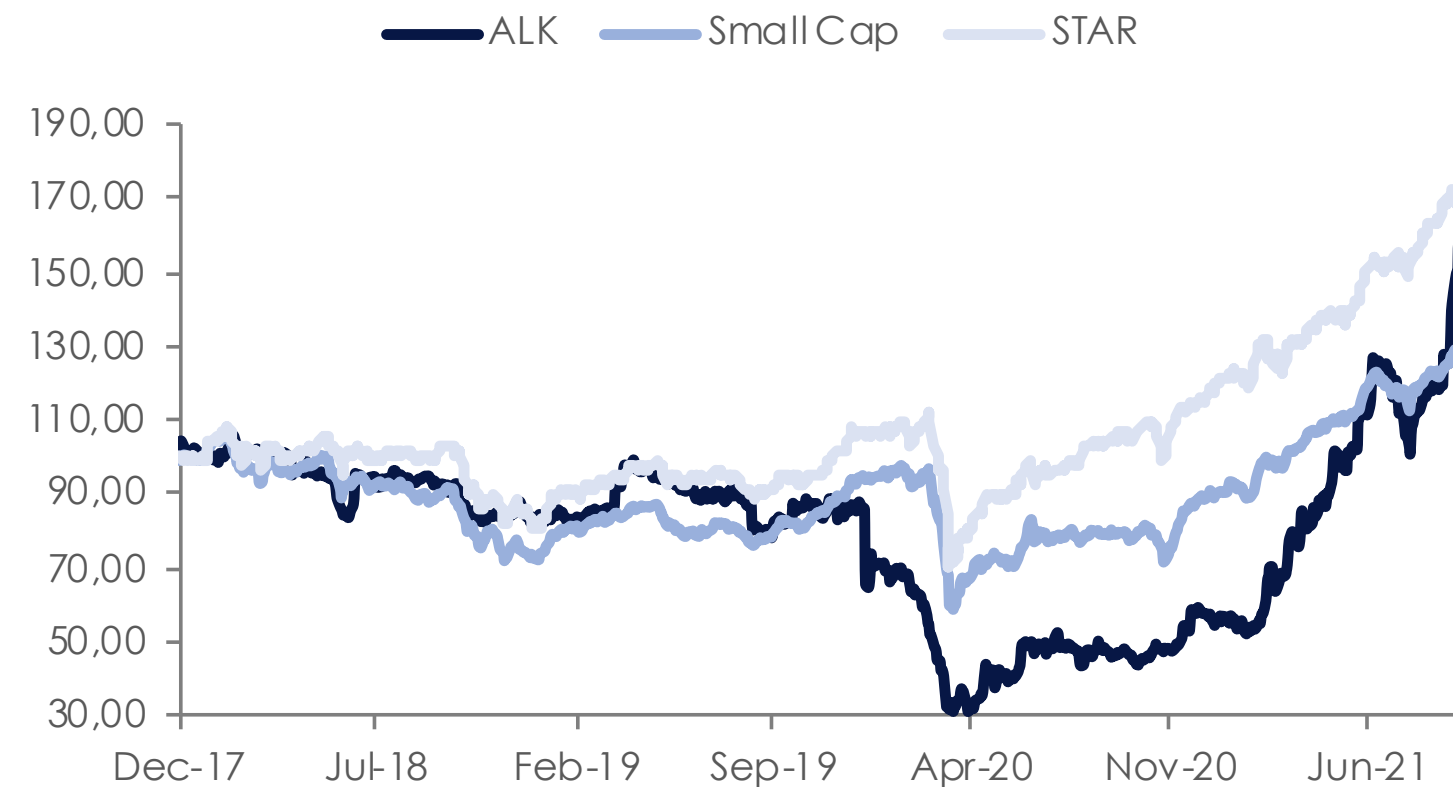
- Borsa Italiana, MTA – STAR Segment

## Specialist

- Intermonte

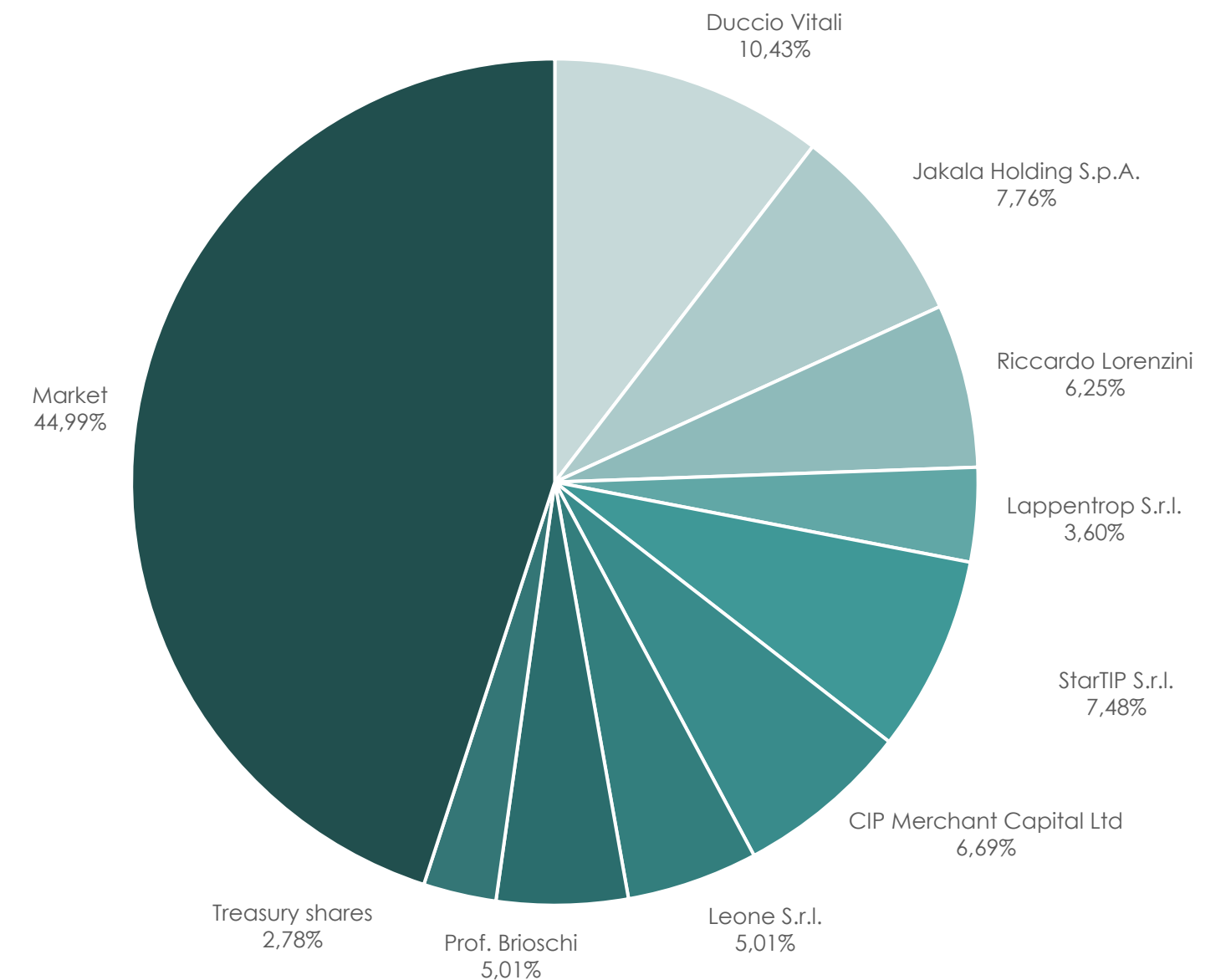
## Analyst Coverage

- 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

# A SOLID CORPORATE GOVERNANCE



## 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

## BOARD OF STATUTORY AUDITORS

Chairman	Mauro Dario Bontempelli
Standing Auditor	Gabriele Gualeni
Standing Auditor	Daniela Bruno
Alternate Auditor	Marco Garrone
Alternate Auditor	Maria Luisa 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.  
• Vittorio Massone was appointed by the Shareholders' Meeting on April 24, 2020.  
• Massimo Canturi was appointed by the Shareholders' Meeting on April 26, 2021.





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