



ALKEMY S.p.A.: FY2021 PRELIMINARY RESULTS
BACK TO STRONG ORGANIC GROWTH (+17%)
TURNOVER +27%, ADJUSTED EBITDA +70%

Chief Executive Officer's letter to Shareholders

The Board of Directors today acknowledge the consolidated turnover and Adjusted EBITDA at December 31, 2021, resolving to anticipate their publication, modifying the 2022 calendar of corporate events.

- **Preliminary turnover**¹ as of December 31st, 2021 ("FY 2021") is no less than **Euro 95.0 million**, approximately **+27%** compared to Euro 74.9 million in FY 2020, of which approximately **+17% organic**, thanks to the resumption of new business activity and the increase in main customers' average turnover, supported by the new Go-to-Market strategy.
- **Preliminary Adjusted EBITDA**² of FY 2021 is no less than **Euro 10.5 million, up by about 70%** compared to Euro 6.2 million in FY 2020, as a result of the efficiencies deriving from the industrialization of the business model and the Group's focus on higher added value projects. FY 2021 preliminary **EBITDA margin** is equal to approximately **11%, +2.7 percentage points** compared to FY 2020 (8.3%).

Milano, February 11th 2022 – The Board of Directors of Alkemy S.p.A. ("Alkemy" or "the Company"), a company specializing in the evolution of the business model of large and medium-sized companies and listed on the Euronext - STAR segment of Borsa Italiana (ALK), reviewed on the **preliminary Group consolidated turnover and Adjusted EBITDA** as of December 31st, 2021, not subject to auditing, and resolved to anticipate their publication to date with respect to the expected date of February 22nd, 2022, modifying the calendar of events companies already communicated to the market on January 21st, 2022.

In the complexity and uncertainty of a context linked to the Covid-19 emergency that is still evolving, thanks to the **industrialization process** undertaken by the Group, 2021 saw for Alkemy a **highly positive general business trend**, both in terms of **organic growth (+17%)** and a **substantial increase in operating margin (+2.7 percentage points)**.

Over the course of 2021 Alkemy recorded an **increase in preliminary turnover** of about **27%** compared to FY 2020, as a positive effect of the initial recovery of **new business activities**, and of the strong focus on **Group's main customers**, who have continued the ongoing projects, **increasing its average turnover**.

The **industrialization** process carried out by Alkemy in 2021 therefore continued to **optimize margins**, which generated a consistent **growth in preliminary Adjusted EBITDA (+70%** compared to FY 2020) with an **EBITDA Margin of approximately 11%**, thanks to greater business efficiency, careful **management of operating costs** and the new **Go-to-Market strategy**, focused on large projects with

¹ Preliminary consolidated turnover is not yet subject to auditing and could undergo changes.

² Preliminary operating EBITDA does not include extraordinary and non-recurring charges and is not yet subject to auditing and may undergo changes.



greater added value and greater profitability.

Alkemy, as a **leading independent company in the digital transformation industry** in the reference geographies, has the range of services needed by companies that want to emerge from the crisis as a winner and be competitive in tomorrow's market tomorrow. The developments related to COVID-19 emergency have imposed on companies an increasingly rapid ability to adapt and transform, drastically rethinking, through digitization, their business models and reinventing the relationship with new consumers.

"Over 2021, we realized important results and goals. Alkemy renewed the innate drive for organic growth (+17%) that has always characterized its path, exceeding 95 million in turnover and over 700 employees. Operating margin recorded an important improvement too, reaching 11% and getting even closer to our medium-term target of 15%" commented the CEO Duccio Vitali. "Alkemy now faces the incredible opportunity to operate in a market with unique characteristics: large (6 billion in Italy, 14 billion in all our geographies), growing in double digits and still extremely fragmented. Thanks to the PNRR, in the next four years 24 billion euros will be invested in Italy alone to support the digital transition of private companies. Alkemy has the most focused and coherent positioning, corporate structure and offer to capture the enormous expansion that will follow".

Data analysis

FY 2021 preliminary **Group's turnover grew** by approximately **27%**, of which **17% organic**, and amounted to no less than **Euro 95.0 million**, compared to Euro 74.9 million in FY 2020. The positive result is mainly achieved thanks to existing contracts, initial resumption of new business activities and the new Go-to-Market strategy, focused on the strong focus of Alkemy's main customers which allowed them to **increase their average turnover**.

Italian companies recorded **higher-than-expected revenues growth** year on year, thanks both to scope growth resulting from the acquisition of the majority shares of Design Group Italia S.r.l. ("DGI") and eXperience Cloud Consulting S.r.l. ("XCC"), and the new Go-to-Market strategy, strong focus on current customers and the acquisition of new customers and additional contracts.

Foreign companies in 2021 recorded **strong turnover growth**, mainly thanks to **Mexico** and **Spain**, marking an important recovery of the top-line, heavily impacted by the Covid-19 emergency over 2020.

FY 2021 preliminary **Adjusted EBITDA** stood at no less than **Euro 10.5 million, up by 70%** compared to the figure of Euro 6.2 million at December 31st, 2020, mainly thanks to the **efficiencies and careful management of operating costs** resulting from the implementation of the new organization, which supports the Group in the industrialization of its business model, and thanks to the new Go-to-Market strategy focused on the development of projects with greater added value.

FY 2021 preliminary **EBITDA Margin** is approximately **11%, up by approximately 2.7 percentage points** compared to 8.3% in FY 2020, thanks to the efficiencies of the reorganization which led to a significant reduction in the incidence of operating costs. In particular, the internalization of some activities, mainly in the technological area, previously outsourced to external suppliers, led to a less than proportional increase in costs for services, with a decrease in their incidence on revenues compared to FY 2020. The incidence of labor costs, net of non-recurring costs, increased as a consequence of the average number of employees, confirming the **positive expectations of management on the business trend in future periods**.



Chief Executive Officer's letter to Shareholders

Dearest Shareholders,

2021 has been a significant year for Alkemy, in which we achieved important results and goals. Alkemy has, indeed, renewed its innate drive for organic growth (+17%), that has always characterized its path. At the dawn of its tenth birthday, Alkemy thus exceeded 95 million in turnover and over 700 employees. Operating margin recorded a substantial improvement, exceeding 11% and getting even closer to our medium-term target of 15%.

On May 18th, 2012, Alkemy was born to help the top management of medium and large Italian companies to evolve and improve their business model, taking advantage of the opportunities offered by digital and technological innovation. To pursue this important and ambitious goal, Alkemy changed its shape several times, while always staying the same.

In the first years of our history, we have structured the aggregation of skills and our talents, also thanks to the 8 successfully completed acquisitions, working with inflexible dedication to achieve excellence in all the services we offer to our customers, from consultancy, to data, from digital marketing to technology, as well as creativity and design.

Expansion abroad began in 2016, first in the Balkans and then in Spain and Mexico, where today, in our offices in Belgrade, Madrid and Mexico City, over 200 people work, counting for more than 30% of Group turnover. Born with only 23 employees in an office in the center of Milan, the young Alkemy then continued its growth until it firmly affirmed its role as leader of the digital transition in Southern Europe, with a significant presence also in Latin America.

In 2017, we then started our path towards listing which saw us land on December 5th, 2017 on the AIM market and two years later, in December 2019, on the STAR segment of Borsa Italiana. Alkemy thus affirmed its vocation to be a pure "public-company", the only one in Italy in value-added services for companies' field.

In the last two years, we have finally embarked on a path of industrialization of our business model, thus marking the fundamental transition, perhaps the most important and decisive for any company, from the start-up to the scale-up phase. To be the engine of innovation and evolution for our customers, Alkemy must in fact continue to evolve itself.

Alkemy now faces the incredible opportunity to operate in a market with unique characteristics: large (6 billion in Italy, 14 billion in all our geographies), growing in double digits and still extremely fragmented. Precisely in these months we are going through an exceptional historical moment, comparable in scope perhaps only to the second post-war period. Thanks to the PNRR, in Italy alone, 24 billion euros will flow into this market over the next four years to support the digital transition of private companies, to which another 16 billion for the Public Administration will be added. Alkemy has the positioning, the corporate structure and the most focused and coherent offering to capture the enormous expansion that will follow.

However, the growth of our business is not possible without our people who are our strength, our heritage and our most important resource. The implementation of our goals requires talents from different fields and different disciplines. But we want people who combine talent and competence with our values, *persone brave e brave persone*, as we like to say.

In evolving as an industrial reality, Alkemy wants to remain faithful to its essence. Our ambition is to combine performance and competitiveness with a series of essential values for us. This is our alchemy.



The union of these founding elements represents the uniqueness and the very role of Alkemy in society. We want to demonstrate that there is a different way of being a company, in which growth and profits give us the opportunity to increasingly affirm an ethical model of doing business. This is our first sustainability challenge.

The first ten years of our history have seen a long path of growth and development for Alkemy, which we are proud to have shared with you. But now it's time draw a line. Tomorrow a new chapter begins.

Duccio Vitali

Chief Executive Officer of Alkemy S.p.A.

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.

Alkemy S.p.A. works to improve the market positioning and competitiveness of large and medium-sized companies by stimulating the evolution of the business model in line with technological innovation and consumer behavior. Alkemy integrates skills in the areas of Strategy, Communication, Design, Performance, Technology, Insights & Analytics with an offer, designed for the post-digital context, which covers the entire value chain from strategy to implementation.

Investor Relations

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