



# 1 Q 2022 RESULTS

13.05.2022

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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 **9% per year**.

In this market, Alkemy has developed a **differentiated positioning** that has allowed it to grow with a **CAGR of 42%** (>2x the market), to move from the 23 starting resources to a team of over **700 people** and a turnover of **95M€** in 2021.

In these 10 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 2020 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

# FINANCIAL HIGHLIGHTS

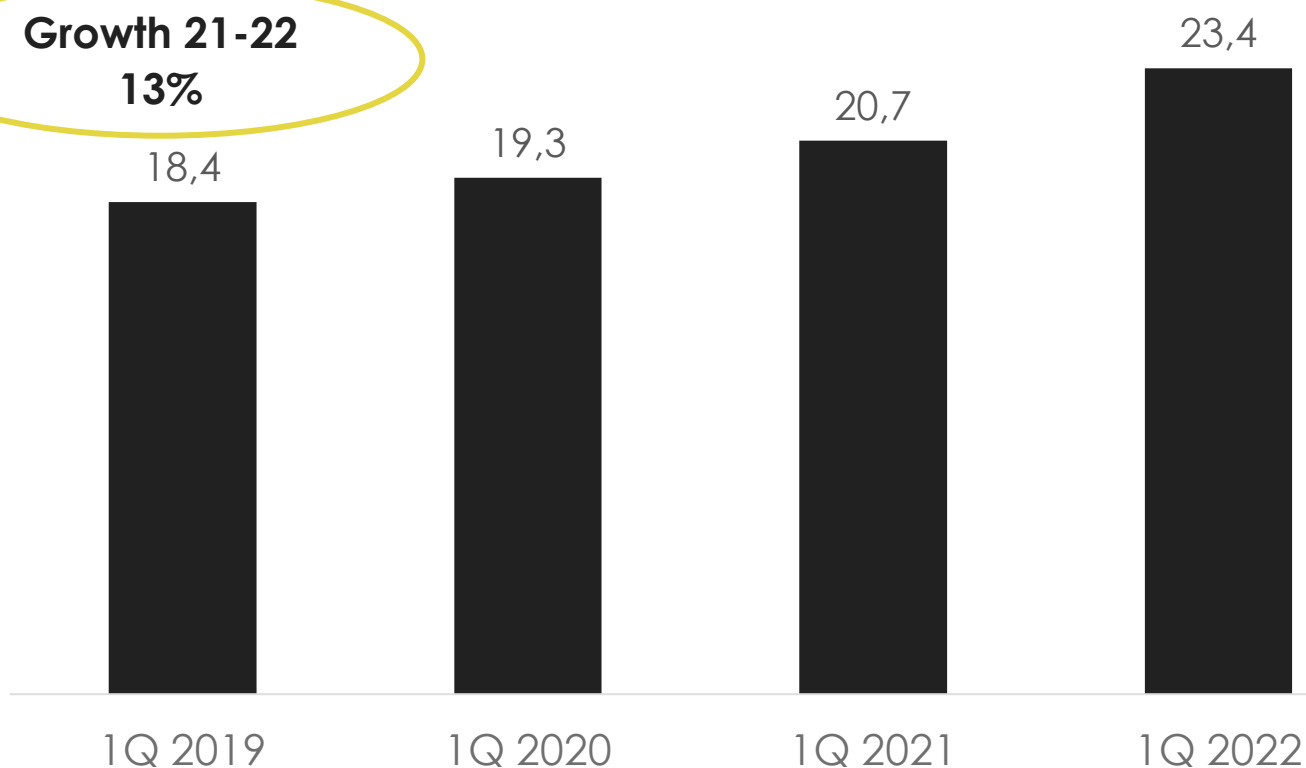


€M	1 Q 2022	1 Q 2021	
<b>Turnover</b>	<b>23.4</b>	<b>20.7</b>	> +13% compared to 1 Q 2021, thanks change in Group perimeter and strong focus on top clients, supported by the Go-to-Market
<b>Adj. EBITDA</b>	<b>2.3</b>	<b>2.0</b>	> +15% compared to 1 Q 2021, thanks to the better mix and efficiencies arising from the new organization. EBITDA margin up by +0.2 pps
<b>EBIT</b>	<b>1.6</b>	<b>1.1</b>	> +56% compared to 1 Q 2021, thanks to the better operating result. EBIT margin up by +1.9 pps
<b>EBT</b>	<b>1.5</b>	<b>0.8</b>	> +85% compared to 1 Q 2021, thanks to the better performance over the period and lower financial charges
<b>Group Net Income</b>	<b>1.1</b>	<b>0.5</b>	> +124% compared to 1 Q 2021 thanks to the better operative result and to the efficiencies arising from costs management
<b>Operating Cash Flow</b>	<b>5.1</b>	<b>1.9</b>	> Increase of €M 3.2 compared to 1 Q 2021 mainly thanks to higher profit of the period and cash release from NWC
<b>NFP</b>	<b>-17.1</b>	FY 2021 <b>-21.2</b>	> Variation since 31 December 2021 of €M +4.1 thanks to: €M +2.0 in cash liquidity, €M +0.2 decrease in financial debt, €M +0.3 decrease in leasing (IFRS 16) and €M +1.6 put option

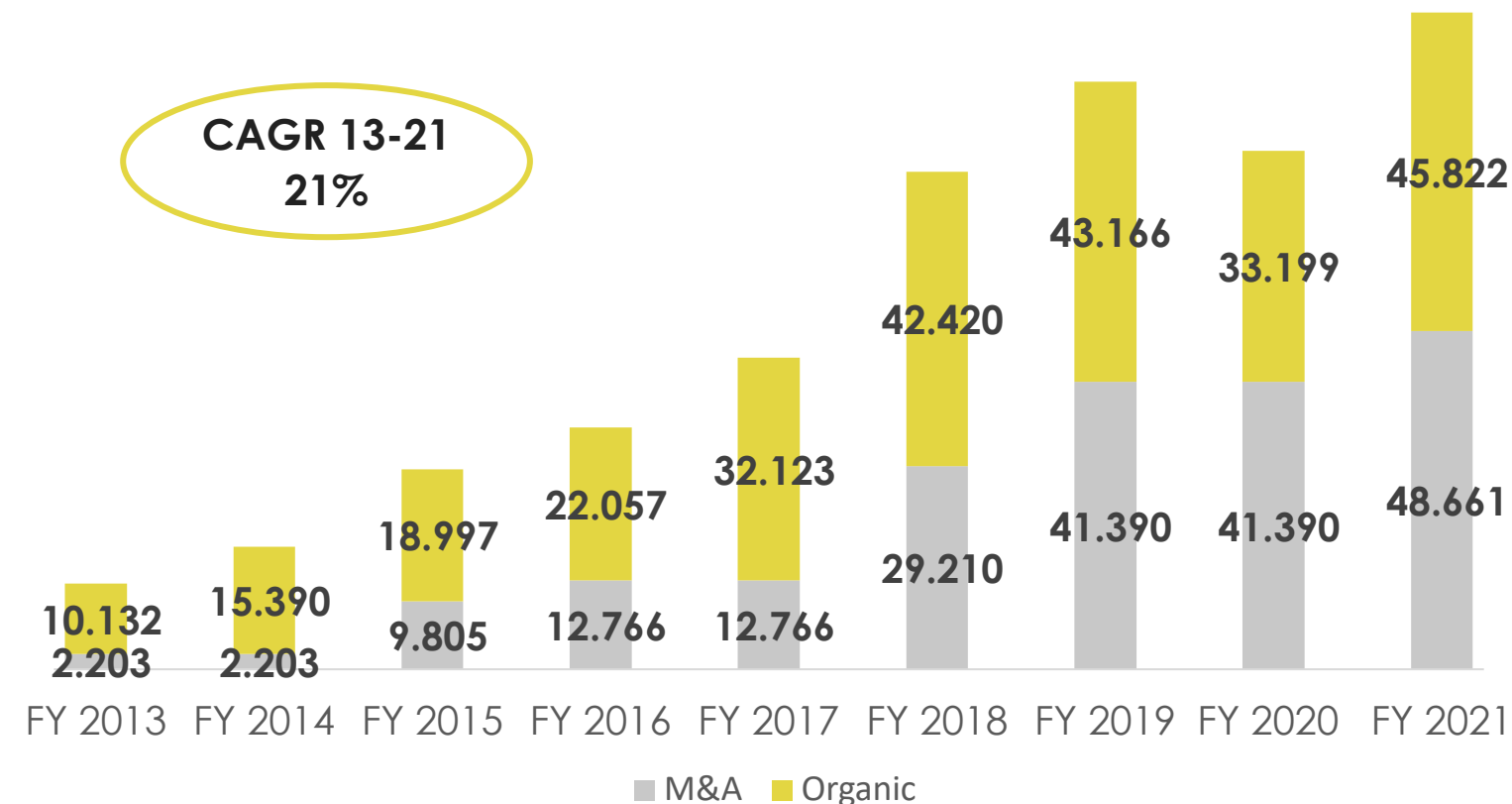
# 1Q REVENUES



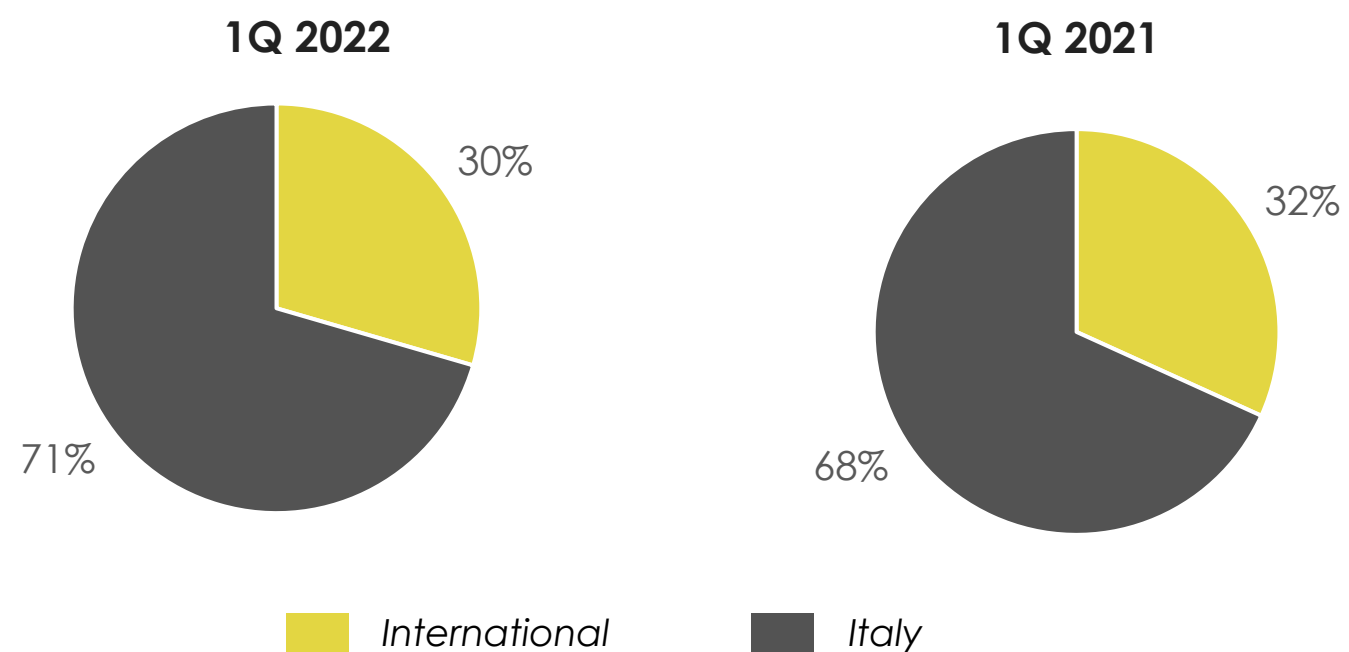
## 1Q REVENUES (€M) – IAS /IFRS



## ALKEMY ORGANIC AND SCOPE (€000) – IAS /IFRS



## ALKEMY INTERNATIONAL TURNOVER (%)

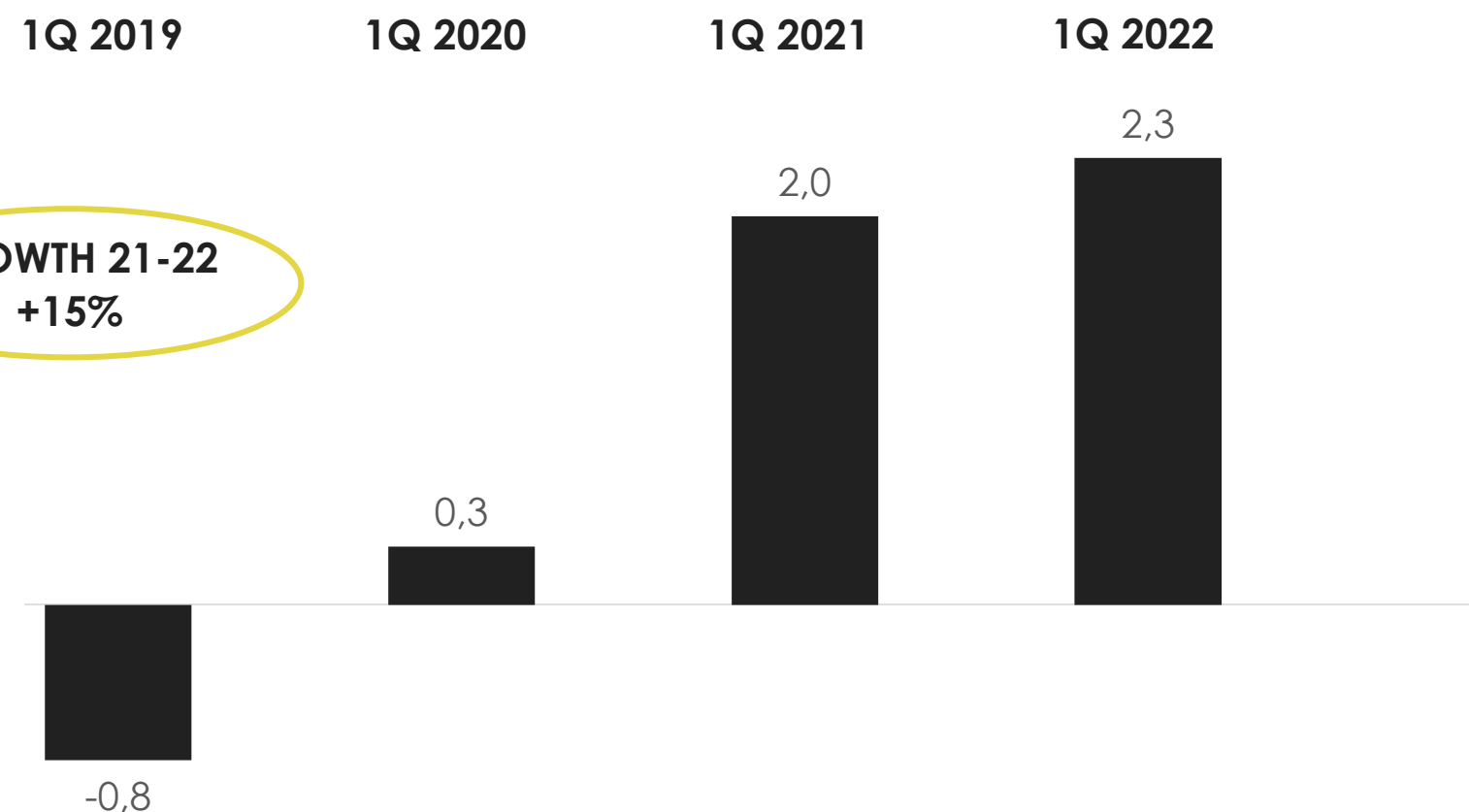


- › 1Q 2022 revenues are €M23.4, +13% compared to 1Q 2021 which were €M20.7, mainly thanks to the expansion of the Group perimeter and higher ARPC of top clients, which supported organic growth.
- › 1Q 2022 Italian turnover overperformed over the period and stood at €M 16.5 up by 18% compared to €14.0 M in 1Q 2021, mainly thanks to scope growth resulting from the acquisition of DGI and XCC, and the strong focus on current customers.
- › Foreign companies in 1Q 2022 grew by 3.5%, mainly thanks to Mexican subsidiaries. Int'l turnover is 29.5% of Group revenues, (32% in 1Q 2021).

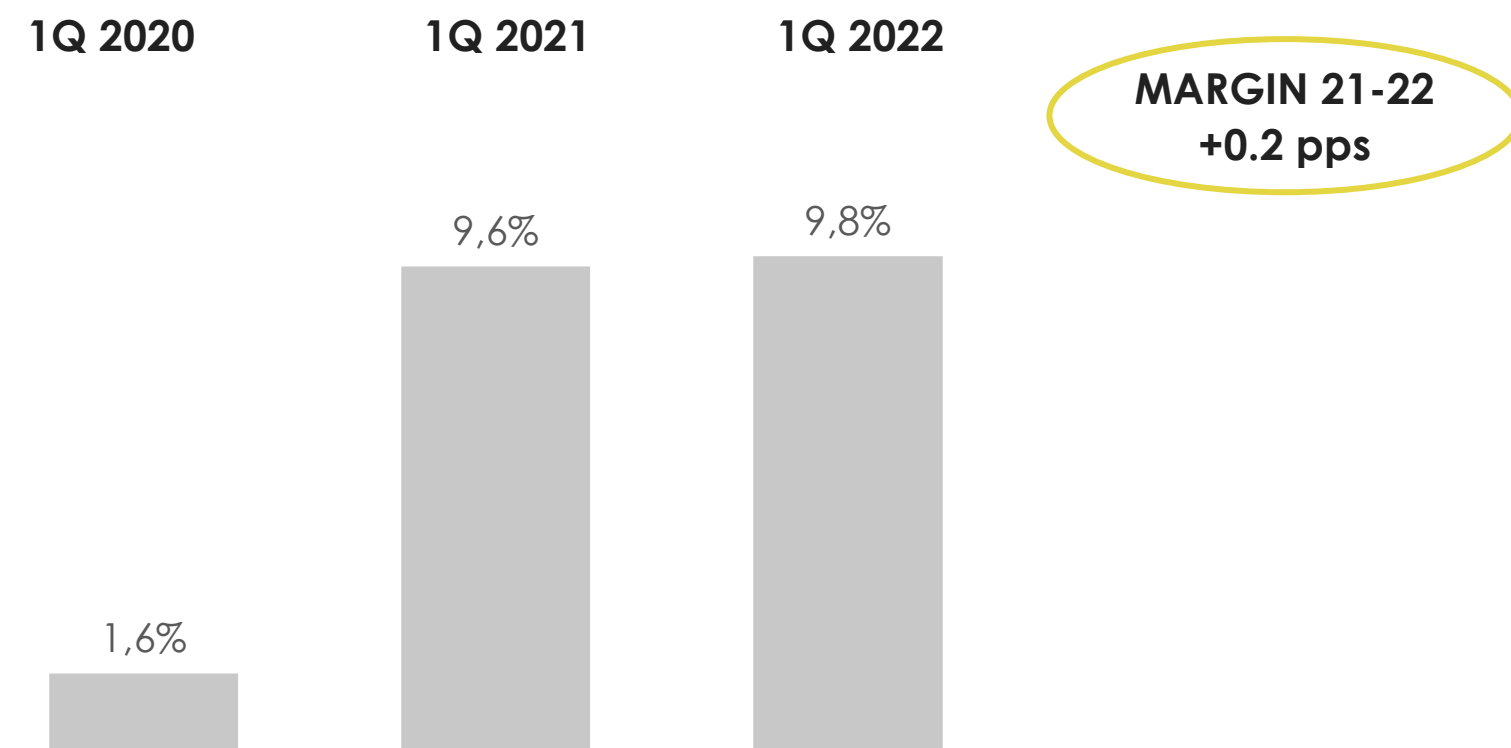
<sup>(1)</sup>Revenues 2013-14-15-16 are Management estimates and are not audited, following the introductions of IFRS in 2018.

# 1Q ADJUSTED EBITDA

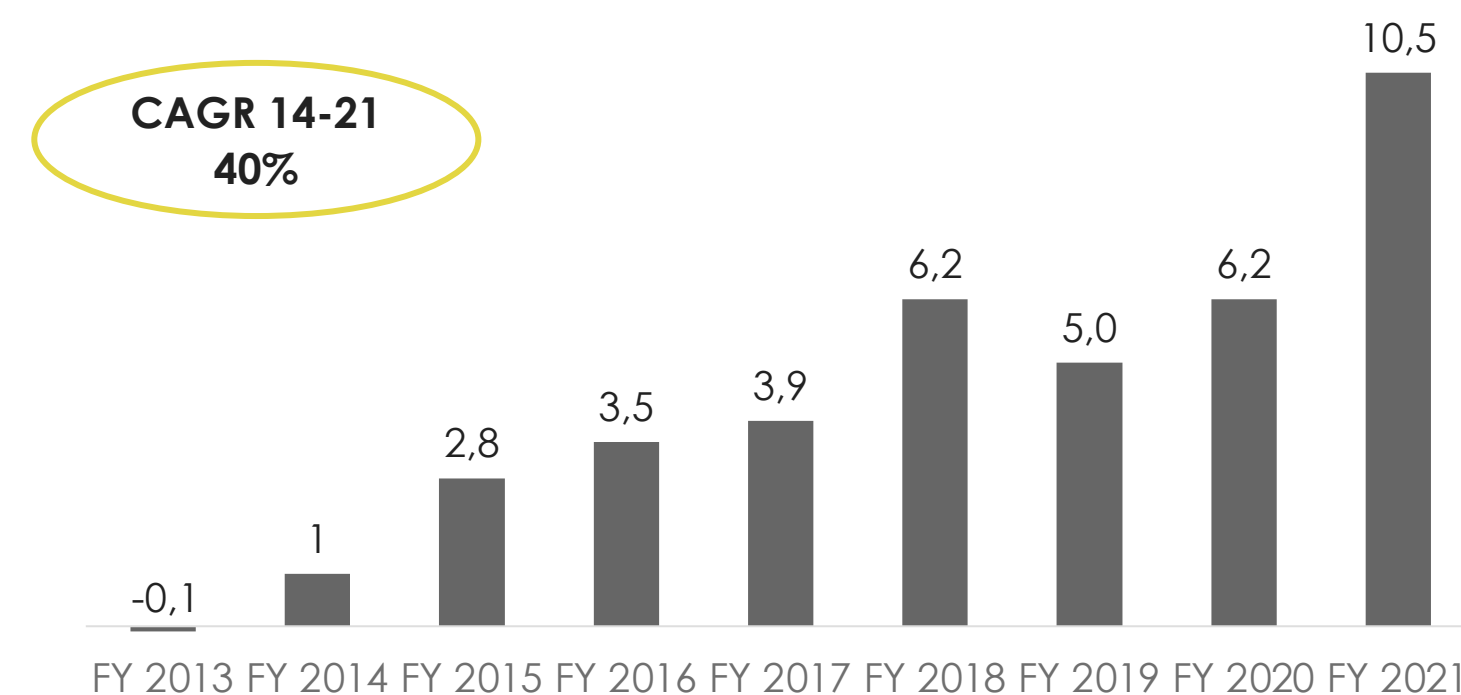
1Q ALKEMY Adj. EBITDA (€M) – IAS/IFRS



1Q EBITDA MARGIN (%)<sup>(1)</sup>



FY ALKEMY Adj. EBITDA (€M) – IAS/IFRS



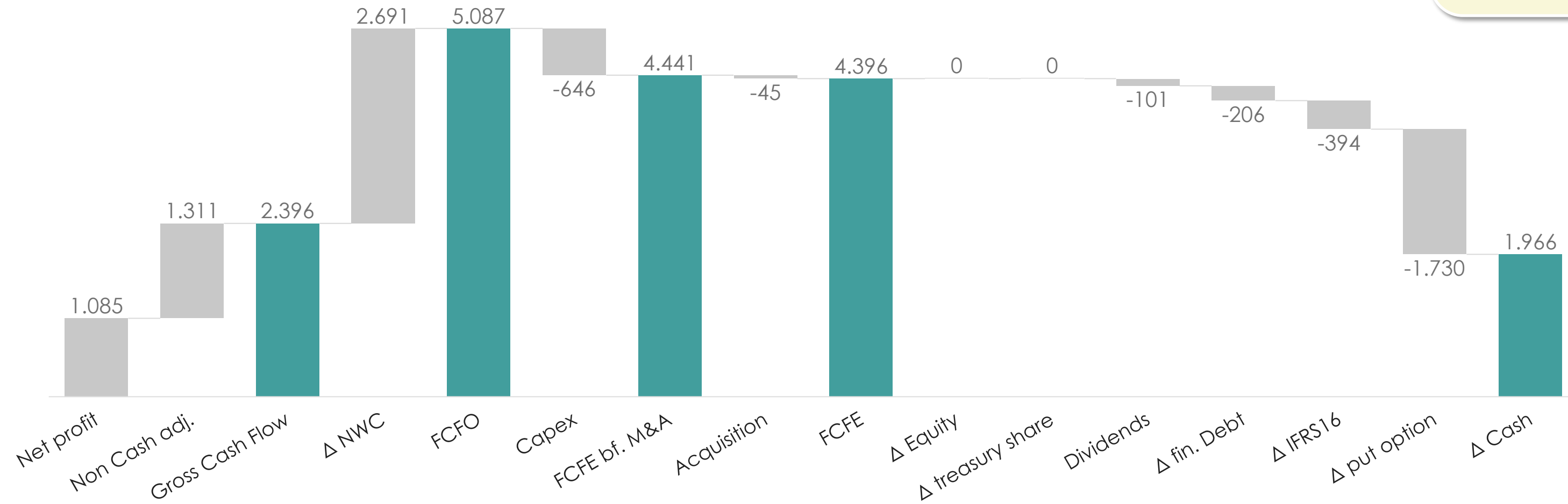
- > 1Q 2022 EBITDA is €M 2.3, +15% compared to 1Q 2021 of €M 2.0, thanks to the better selling mix, focused on bigger projects with higher added value and higher profitability.
- > EBITDA Margin is 9.8% in 1Q 2022 vs 9.6% in 1Q 2021 with a positive growth of 0.2 pps, thanks to lower service costs impact on revenues.

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

# 1Q 2022 CASH FLOW

## 1Q 2022 Cash Flow generation - (€000)

Initial Cash	10.5 €M
Delta Cash	2.0 €M
Final Cash	12.4 €M

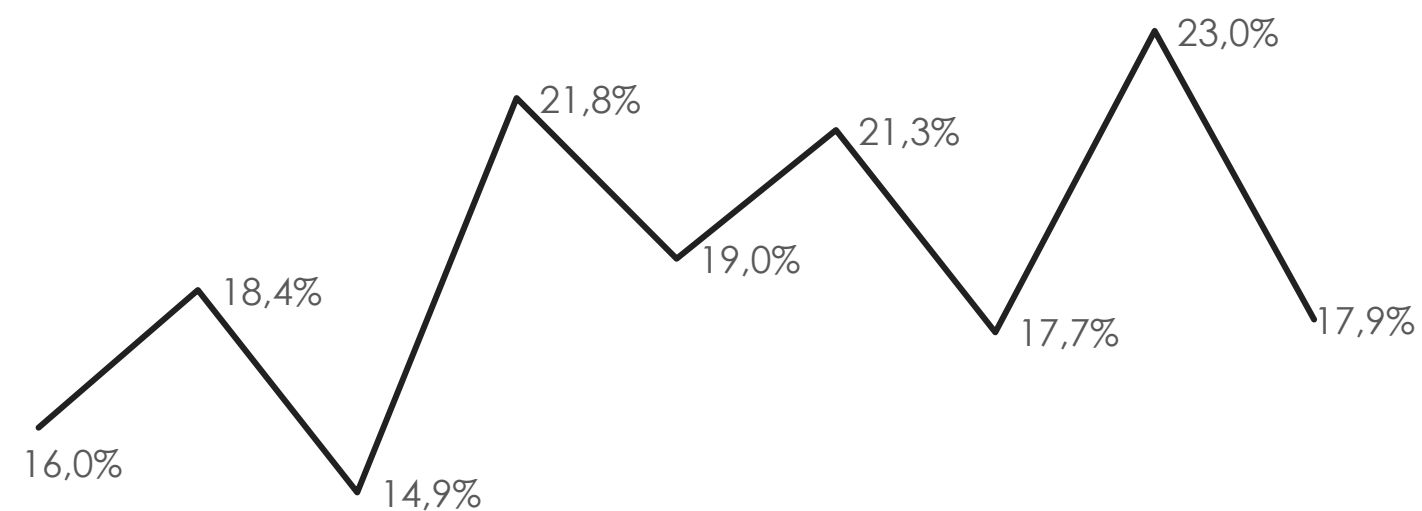


- › 1Q 2022 Gross Cash Flow at €M 2.4, +42% yoy thanks to higher positive result and non-cash adjustments.
- › FCFO at €M 5.1, equal to 123% of Adj. EBITDA, +169% compared to 1Q 2021, thanks to higher cash release from Net Trade Working Capital, and in particular thanks to better payment terms.
- › Capex are 5x higher than 1Q 2021 and are equal to 3% of revenues.
- › Change in cash over 1Q 2022 is €M +2.0, mostly related to operating cash flow and to M&A put options payments occurred over the period.



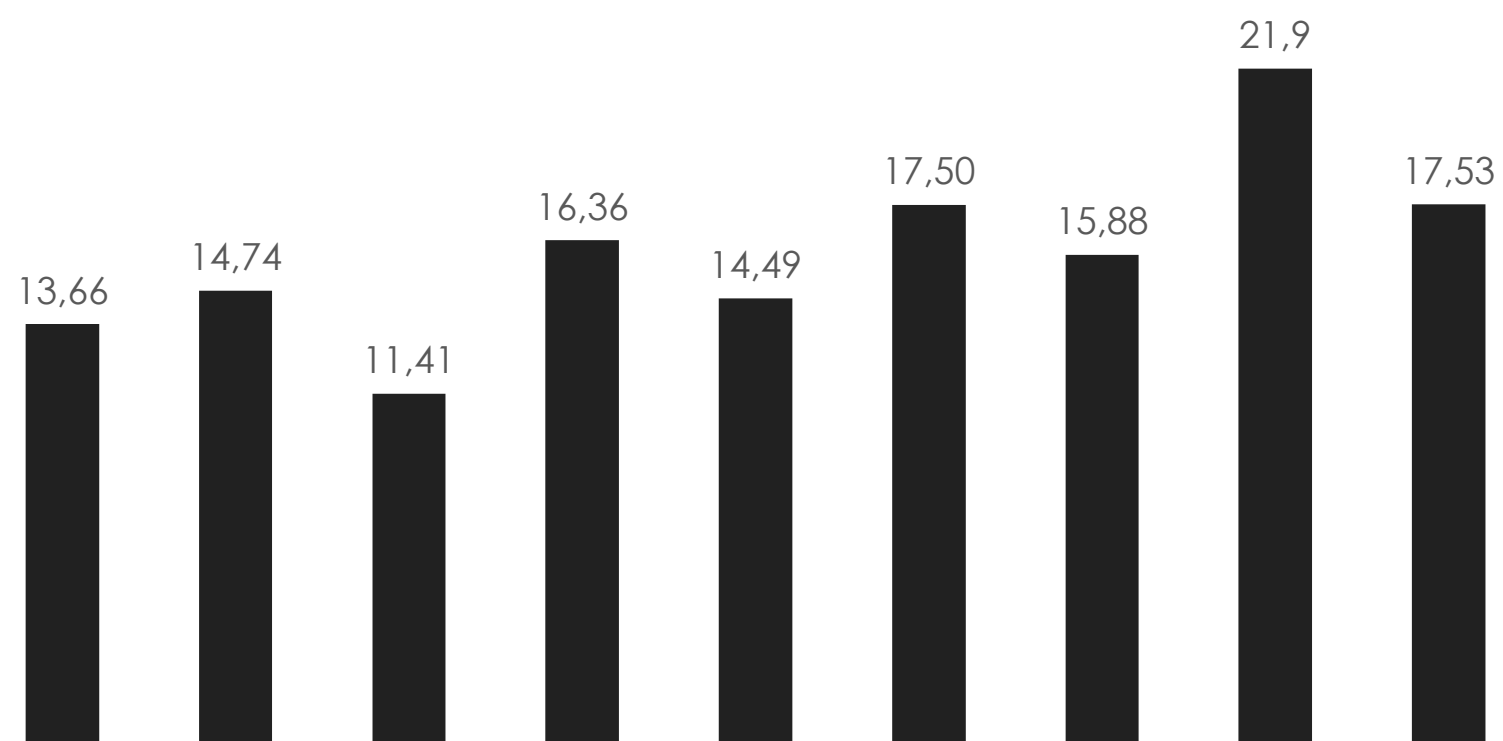
# NET TRADE WORKING CAPITAL DYNAMICS

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



1Q 2020 1H 2020 9M 2020 FY 2020 1Q 2021 1H 2021 9M 2021 FY 2021 1Q 2022

Net Trade Working Capital (€M)



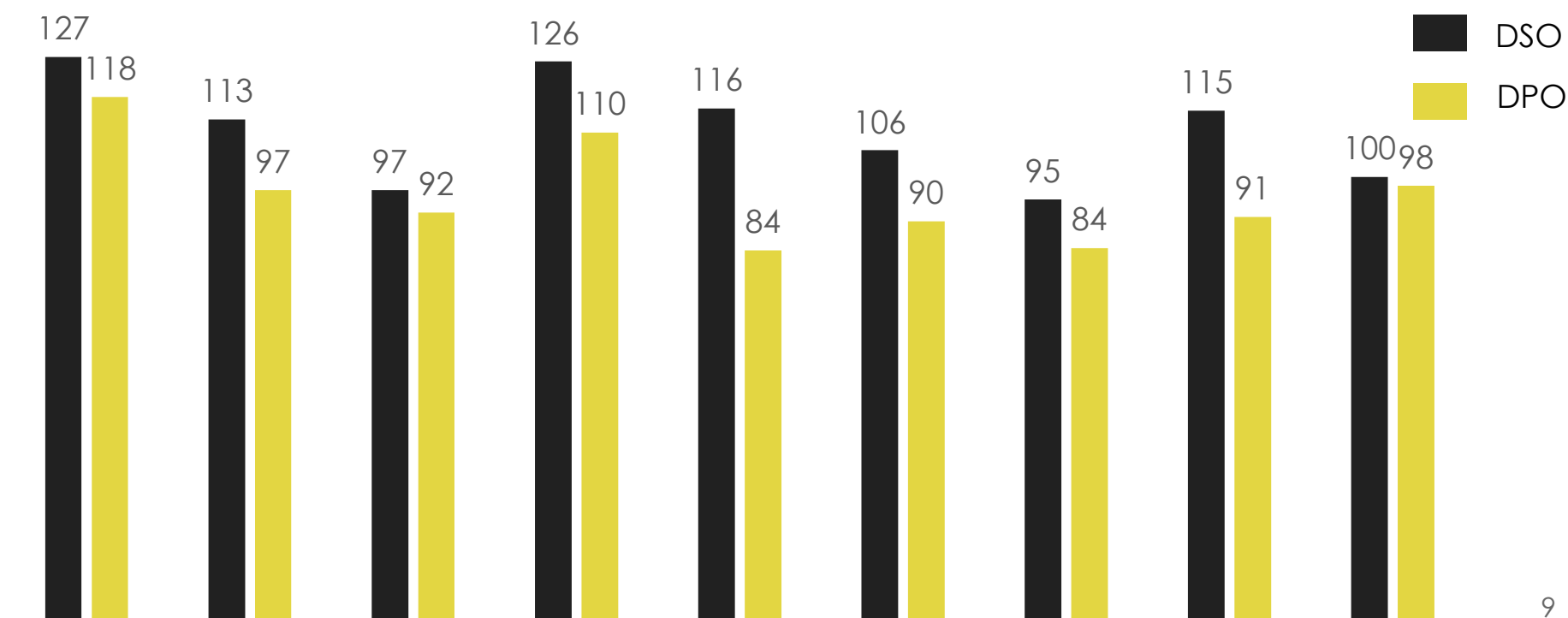
1Q 2020 1H 2020 9M 2020 FY 2020 1Q 2021 1H 2021 9M 2021 FY 2021 1Q 2022

> 1Q 2022 Net Trade Working capital is 21% higher than 1Q 2021 in absolute terms but the incidence over revenues is 1.1 pps lower.

> The cash generation from **Net Trade Working Capital** (€M +5.1 million) was 138% higher in comparison to 1Q 2021, thanks to payables and receivables dynamics

> 1Q 2022 DSO -14% vs. 1Q 2021; 1Q 2022 DPO +17% vs. 1Q 2021

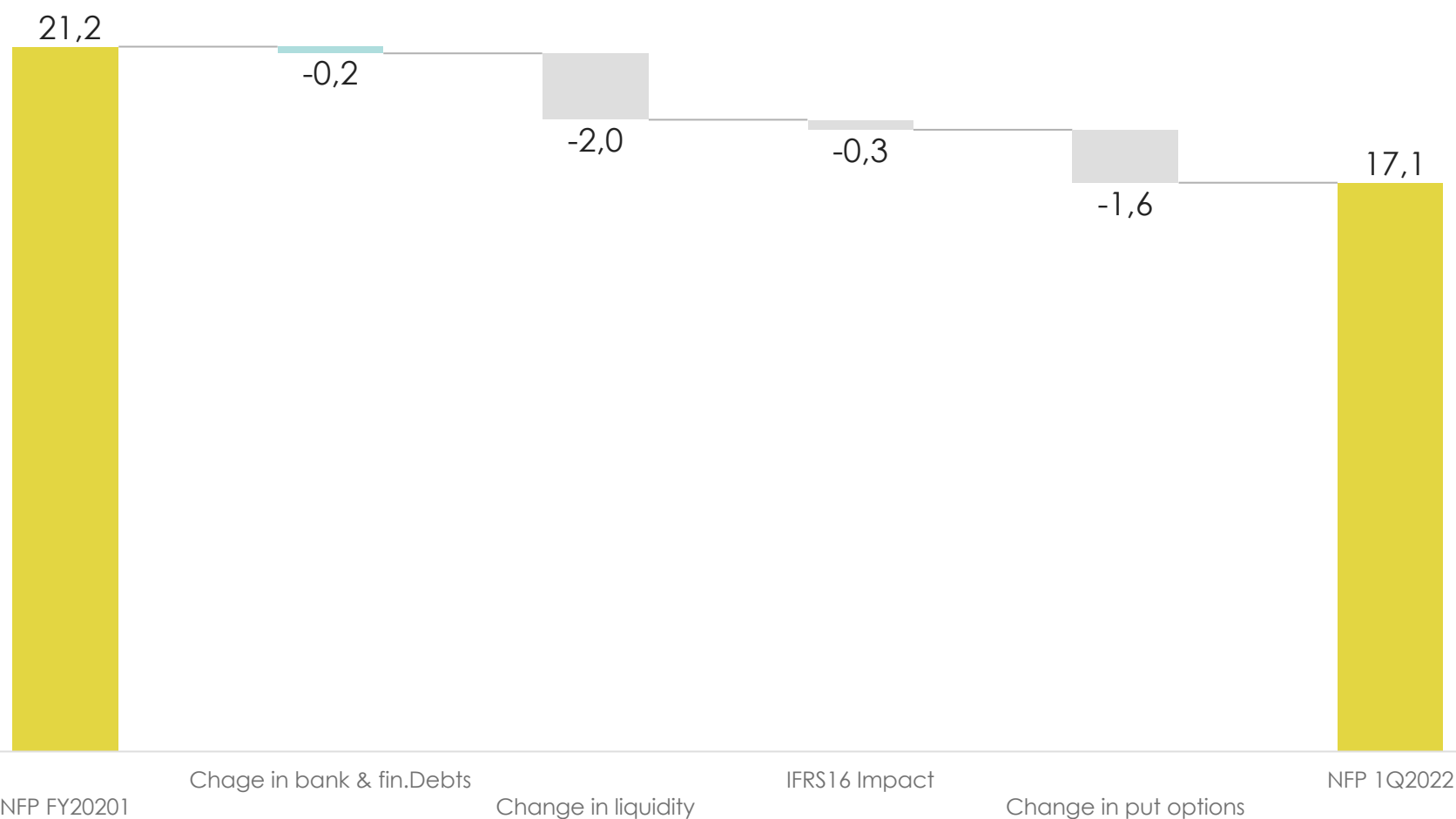
Cash Conversion Cycle Details (days)



1Q 2020 1H 2020 9M 2020 FY 2020 1Q 2021 1H 2021 9M 2021 FY 2021 1Q 2022

# NET FINANCIAL POSITION BRIDGE AND DETAILS

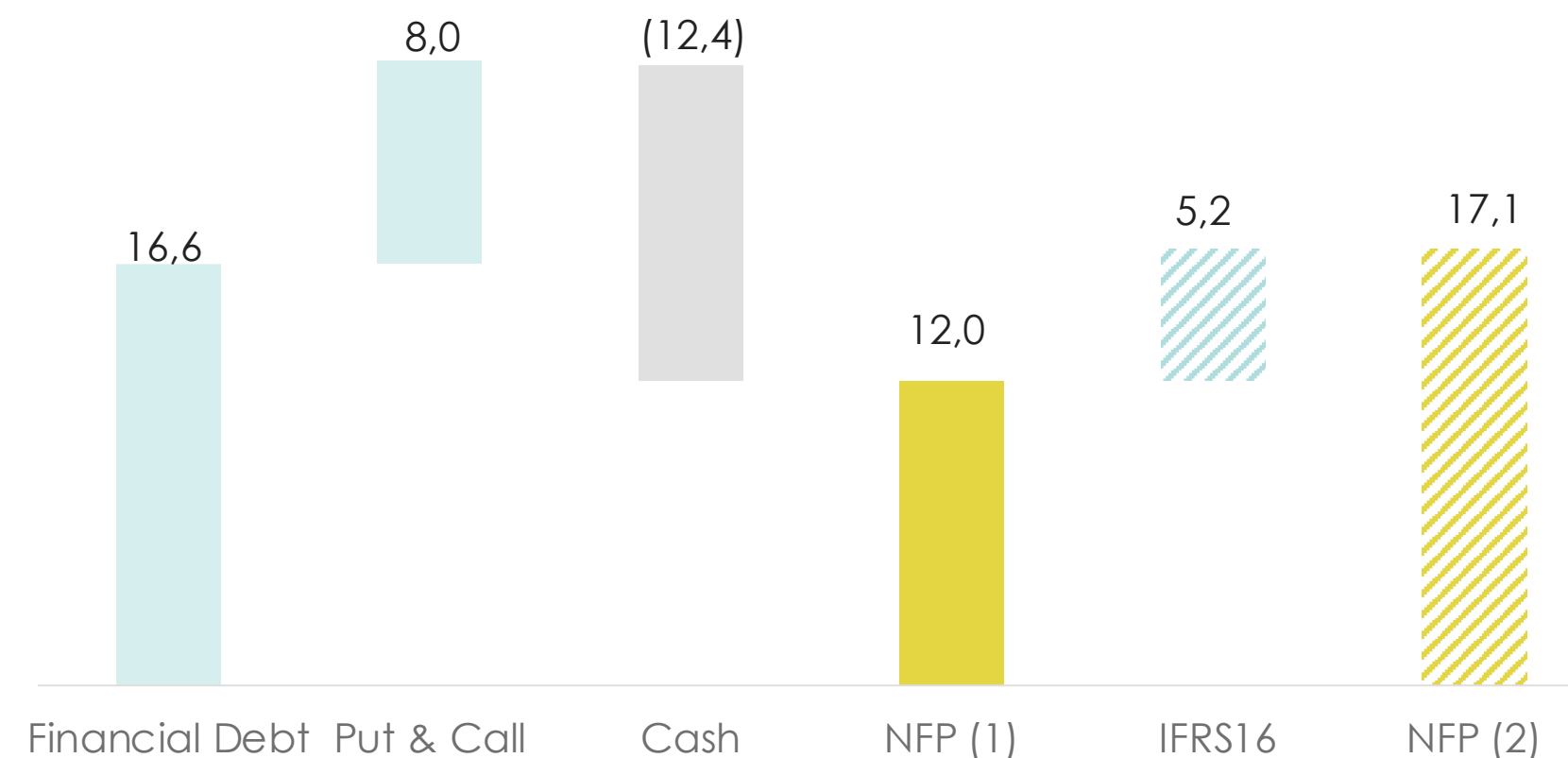
## Net Financial Position Bridge 1Q 2022 (€M)



- > **Net Financial Position** NFP (2) at March 31<sup>st</sup> 2022 stood at €M -17.1 with a substantial positive change of €M 4.1 compared to €M -21.2 at December 31<sup>st</sup>, 2021
- > **Variation** mainly due to: increase in liquidity on bank accounts (€M +2.0), decrease in bank loans (€M +0.2), change in financial lease (IFRS 16 impact) (€M +0.3) and payment of put liability (€M +1.6)

- > **Gross debt** is composed by €M 16.6 of financial debt (of which €M 5.6 long-term, €M 11.0 short-term), €M 8.0 put options liability deriving from M&A (of which €M 0.7 long-term) and €M 5.2 IFRS16 financial leases
- > 1Q 2022 NFP (1) ex IFRS16 is €M 12.0
- > 1Q 2022 cash is €M 12.4

## Net Financial Position Break Down 1Q 2022 (€M)



# OUTLOOK

- > The economic effects deriving from the war are further supporting the inflation caused by the widespread increase in the price of raw materials and especially energy products, with significant impacts on many economic sectors and, in general, on the expectations of companies, which are not always positive. At present, no relevant evidence has been found on Alkemy Group clients, except that some may be more indirectly affected by the difficulties generated by the war, with possible repercussions on the purchase of the services offered by the Group.
- > Considering the results achieved in 1Q 2022 and business current trading in the first months of 2Q 2022, barring the occurrence of further aggravating events, currently not well foreseeable, it is confirmed that the Group's expectation is to continue growing organically and increasing margins.

# 1Q 2022 P&L – IAS/IFRS



## Consolidated Profit & Loss

Profit and Loss (€000) - IAS/IFRS	1Q 2021	1Q 2022
<b>Revenues</b>	<b>20.655</b>	<b>23.428</b>
Service costs, consum. & goods	(10.677)	(10.256)
Personnel	(8.423)	(10.887)
<b>EBITDA</b>	<b>1.555</b>	<b>2.285</b>
% Revenues	7,5%	9,8%
Non recurrent costs	(424)	0
<b>Adj. EBITDA</b>	<b>1.979</b>	<b>2.285</b>
% Revenues	9,6%	9,8%
D&A	(445)	(648)
Bad debts/ claims/ provisions	(59)	0
<b>EBIT</b>	<b>1.051</b>	<b>1.637</b>
% Revenues	5,1%	7,0%
Financial charges	(210)	(87)
<b>EBT</b>	<b>841</b>	<b>1.550</b>
Taxes	(356)	(465)
% Tax rate	42,3%	30,0%
<b>Net Profit (Loss)</b>	<b>485</b>	<b>1.085</b>
% Revenues	2,3%	4,6%
o/w Minorities	(3)	1
<b>o/w Group Net Profit (Loss)</b>	<b>488</b>	<b>1.084</b>

- 1Q 2022 **Revenues** at €M 23.4, **up by 13%** compared to €M 20.7 in 1Q 2021. The increase is mostly attributable to the change in the Group perimeter, and increase in main clients ARPC. **Italian revenues up by 18%** yoy, mainly related to the acquisitions of the majority stake in DGI and XCC (€M 2.5), and to the new Go-to-Market strategy. **Foreign turnover up by 3.5%**, mainly thanks to Mexican subsidiaries' positive results.
- Accurate management of the **operative costs** reduced impact on revenues by 0.2 pps compared to 1Q 2021. **Services costs** decreased by 4% yoy. This **efficiency** is mostly achieved thanks to the actions taken to internalize some activities. **Personnel costs** increased by 36% compared to 1Q 2021, attributable to the higher FTE for the period (from 557 in 1Q 2021 to 750 in 1Q 2022).
- 1Q 2022 **Adj. EBITDA** at €M 2.3 +15% compared to €M 2.0 in 1Q 2021, with a margin increase of 0.2 pps (**EBITDA margin 9.8%**). **EBIT** is equal to €M 1.5 +56% vs. €M 0.1 in 1Q 2020, with an increase of 1.9 pps in EBIT margin. Over the period there were no non-recurrent costs, therefore Adj. EBITDA is equal to reported EBITDA.
- Financial charges** decreased by -34% vs. €M 0.2 in 1Q 2021 to €M 0.09. in 1Q 2022 **EBT** at €M 1.6 +85% vs. 1Q 2021 **Group Net Result** is €M 1.1 +124% vs €M 0.5 in 1Q 2021.

# 1Q 2022 BALANCE SHEET – IAS/ IFRS



## Consolidated Balance Sheet

Balance Sheet (€000) - IAS/IFRS	FY 2021	1Q 2022
Tangible assets	1.809	2.087
Intangible assets	10.014	9.773
<i>o/w rights of use (IFRS16)</i>	5.332	5.030
Goodwill	41.249	41.252
Financial assets	5	5
<b>Fixed Assets</b>	<b>53.077</b>	<b>53.117</b>
Inventories	0	0
Trade Receivables	36.040	30.985
Trade Payables	(14.184)	(13.453)
<b>Net Trade Working Capital</b>	<b>21.856</b>	<b>17.532</b>
Other Current Assets	4.159	4.516
Other Current Liabilities	(14.840)	(14.041)
Employees' leaving entitlement	(6.361)	(6.558)
<b>Total Capital Invested</b>	<b>57.891</b>	<b>54.566</b>
<b>Total Equity</b>	<b>36.699</b>	<b>37.443</b>
o/w Group Equity	36.376	37.119
o/w Minorities	323	324
Cash & current financial assets	(10.542)	(12.506)
Bank Debts	16.771	16.588
Put Option Liabilities	9.481	7.859
Other Financial Debts (IFRS16)	5.482	5.182
<b>Net Debt (Cash)</b>	<b>21.192</b>	<b>17.123</b>
<b>Total Funds</b>	<b>57.891</b>	<b>54.566</b>

- › **Net Invested Capital** at €M 54.6 in 1Q 2022 (€M 57.9 at FY 2021) and consisted of approx. € 17.5 million of **Net Trade Working Capital** (€M 21.9 FY 2021), €M 53.1 of fixed assets (€M 53.1 FY 2021) of which €M 41.3 of **Goodwill** (41.2 in FY 2021) and €M 5.0 of IFRS 16 **rights of use** (5.3 in FY 2021).
- › **Shareholders' equity** increased in the period by 2% since 31 dec. 2021, mainly thanks to the positive result of the period (€M +1.2), the increase of LTIP reserve (€M +0.1) and put option related to Alkemy Play s.r.l. signed over the period (€M -0.5).
- › **Net Financial Position** at December 31<sup>st</sup>, 2022 negative for €M -17.1 (ante-IFRS 16 at €M -12.0) increasing by €M 4.1 compared to FY 2021. More specifically the **variation** is mainly due to: (i) increase in cash and equivalents (€M +2.0) thanks to cash release from NWC, (ii) decrease in bank loans (€M 0.2), (iii) IFRS 16 impact (€M +0.3), (iv) decrease in put options liabilities due to payments occurred over the period (€M +1.6).

# 1Q 2022 CASH FLOW GENERATION – IAS/IFRS

## Consolidated Cash Flow

Cash Flow Statement (€000) - IAS/IFRS	1Q 2021	1Q 2022
<b>Net Profit (Loss)</b>	<b>485</b>	<b>1.085</b>
Adjustments (cash tax, interest and other)	566	552
Non cash items	640	759
<b>Gross Cash Flow</b>	<b>1.691</b>	<b>2.396</b>
Change in inventories	0	0
Change in trade receivables	2.581	4.989
Change in trade payables	(762)	(664)
<b>Total change in NTWC</b>	<b>1.819</b>	<b>4.325</b>
Total change in other asset/liabilities	(1.618)	(1.634)
<b>Operating Cash Flow</b>	<b>1.892</b>	<b>5.087</b>
Capex	(135)	(646)
<b>Free Cash Flow before Acquisition</b>	<b>1.757</b>	<b>4.441</b>
Acquisitions and other financial assets	56	(45)
<b>Free Cash Flow</b>	<b>1.813</b>	<b>4.396</b>
Change in treasury shares	0	0
Dividends to minorities	0	(101)
Change in bank & fin. Debts	(789)	(206)
IFRS 16 effect	(270)	(394)
Changes in equity	0	0
Change in put/option	0	(1.730)
<b>Change in Cash</b>	<b>754</b>	<b>1.966</b>
Initial Cash	18.840	10.458
Final Cash	19.594	12.424

- › 1Q 2022 **Gross Cash Flow** at **€M 2.4**, compared to €M 1.7 in 1Q 2021. The increase yoy is mostly due to higher positive result of the period and higher non-cash adjustments.
- › 1Q 2022 **Operating cash flow** at **€M 5.1** compared to €M 1.9 of 1Q 2021. The increase of €M 3.2 is mainly related to the greater cash release of the net working capital, in particular thanks to lower DSO.
- › Ordinary **Capex** are 5x higher than 1Q 2021 and are equal to 3% of revenues and it's mostly related to hardware&software equipment for the Group and include capitalization of internal costs (€M 0.1), which relate to R&D in data & analytics. 1Q 2022 **Free Cash Flow before Acquisitions** is equal to **€M 4.4**, compared to €M 1.8 in 1Q 2021.
- › 1Q 2022 **Free Cash Flow** is **€M 4.4**, compared to €M 1.8 in 1Q 2021.
- › Total change in **cash** for the period was **€M +2.0** compared to €M 0.7 in 1Q 2021.



# A PUBLIC COMPANY LISTED ON EURONEXT STAR MILAN



## Issuer & Tickers

- Alkemy S.p.A. (ALK) | ISIN: IT0005314635
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## Market

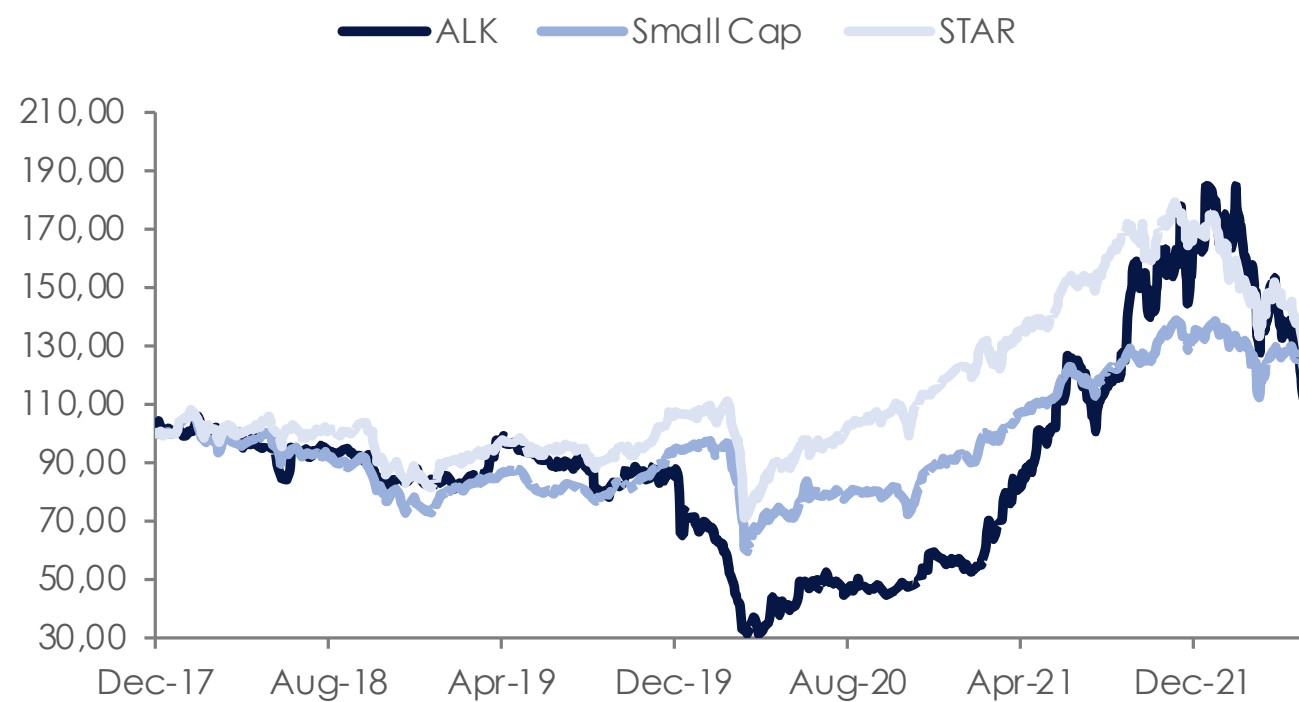
- Borsa Italiana, Euronext STAR Milan

## Specialist

- Intermonte

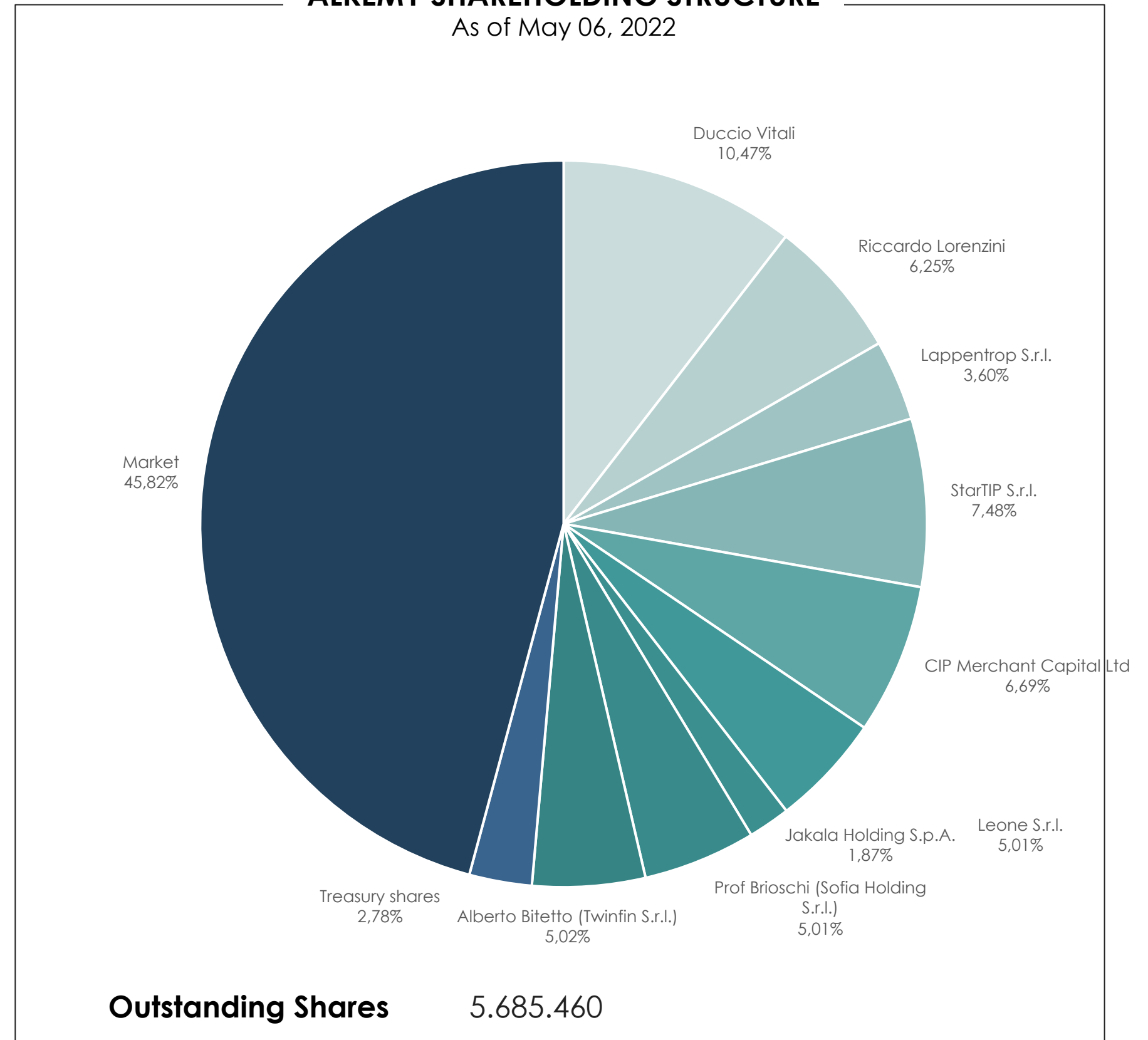
## Analyst Coverage

- Intermonte
- Banca Imi
- Mediobanca



## ALKEMY SHAREHOLDING STRUCTURE

As of May 06, 2022



(1) Lappentrop Srl belongs to Alessandro Mattiacci

(2) Other Managers: Alkemy and founders of new acquired companies

(3) Buy Back plan was in place until November 2020

# A SOLID CORPORATE GOVERNANCE



## BOARD OF DIRECTORS

Chairman	Alessandro Mattiacci
Chief Executive Officer	Duccio Vitali
Executive Director	Massimo Canturi
Director	Riccardo Lorenzini
Independent Director	Giulia Bianchi Frangipane
Independent Director	Serenella Sala
Independent Director	Ada Ester Villa

## BOARD OF STATUTORY AUDITORS

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





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