



1H 2022 RESULTS

13.09.2022

Disclaimer



- This document has been prepared by Alkemy S.p.A. (the “Company”) for information purpose only, it contains only summary information and, therefore, it is preliminary in nature. Furthermore it has been drafted without claiming to be exhaustive.
- This presentation (“Presentation”) and the information set out herein (“Information”) are strictly confidential and, as such, has not been prepared with a view to public disclosure and, except with the prior written consent of the Company, it cannot be used by the recipient for any purpose nor can it be disclosed, copied, recorded, transmitted, further distributed to any other person or published, in whole or in part, by any medium or in any form for any purpose.
- This Presentation may contain financial information and/or operating data and/or market information regarding business and assets of the Company and its subsidiaries. Certain financial information may not have been audited, reviewed or verified by any independent accounting firm.
- Therefore, the recipient undertakes vis-à-vis the Company (i) to keep secret any information of whatever nature relating to the Company and its affiliates including, without limitation, the fact that the information has been provided, (ii) not to disclose any Information to anyone, (iii) not to make or allow any public announcements or communications concerning the Information and (iv) to use reasonable endeavours to ensure that Information are protected against unauthorized access.
- THIS PRESENTATION AND ANY RELATED ORAL DISCUSSION DO NOT CONSTITUTE AN OFFER TO THE PUBLIC OR AN INVITATION TO SUBSCRIBE FOR, PURCHASE OR OTHERWISE ACQUIRE ANY FINANCIAL PRODUCTS, AS DEFINED UNDER ARTICLE 1, PARAGRAPH 1, LETTER (T) OF LEGISLATIVE DECREE NO. 58 OF 24 FEBRUARY 1998, AS AMENDED. Therefore, this document is not an advertisement and in no way constitutes a proposal to execute a contract, an offer or invitation to purchase, subscribe or sell for any securities and neither it or any part of it shall form the basis of or be relied upon in connection with any contract or commitment or investments decision whatsoever. The Company has not prepared and will not prepare any prospectus for the purpose of the initial public offering of securities. Any decision to purchase, subscribe or sell for securities will have to be made independently of this Presentation. Therefore, nothing in this Presentation shall create any binding obligation or liability on the Company and its affiliates and any of their advisors or representatives.
- Likewise, this Presentation is not for distribution in, nor does it constitute an offer of securities for sale in the United States of America, Canada, Australia, Japan or any jurisdiction where such distribution is unlawful, (as such term is defined in Regulation S under the United States Securities Act of 1933, as amended (the “Securities Act”). Neither this Presentation nor any copy of it may be taken or transmitted into the United States of America, its territories or possessions, or distributed, directly or indirectly, in the United States of America, its territories or possessions or to any US person. Any failure to comply with this restriction may constitute a violation of United States securities laws.
- No representation or warranty, express or implied, is or will be given by the Company as to the accuracy, completeness or fairness of any Information provided and, so far as is permitted by law and except in the case of fraud by the party concerned, no responsibility or liability whatsoever is accepted for the accuracy or sufficiency thereof or for errors, omissions or misstatements, negligent or otherwise, relating thereto. In particular, but without limitation, no representation or warranty, express or implied, is or will be given as to the achievement or reasonableness of, and no reliance may be placed for any purpose on the accuracy or completeness of, any estimates, targets, projections or forecasts and nothing in these materials should be relied upon as a promise or representation as to the future.
- The information and opinions contained in this document are provided as at the date hereof and are subject to change without notice. The recipient will be solely responsible for conducting its own assessment of the information set out in the Presentation. Neither the Company and its affiliates, nor any of their advisors or representatives shall be obliged to furnish or to update any information or to notify or to correct any inaccuracies in any information. Neither the Company and its affiliates, nor any of their advisors or representatives shall have any liability to the recipient or to any of its representatives as a result of the use of or reliance upon the information contained in this document.
- Certain Information may contain forward-looking statements which involve risks and uncertainties and are subject to change. In some cases, these forward-looking statements can be identified by the use of words such as “believe”, “anticipate”, “estimate”, “target”, “potential”, “expect”, “intend”, “predict”, “project”, “could”, “should”, “may”, “will”, “plan”, “aim”, “seek” and similar expressions. The forecasts and forward-looking statements included in this document are necessarily based upon a number of assumptions and estimates that are inherently subject to significant business, operational, economic and competitive uncertainties and contingencies as well as assumptions with respect to future business decisions that are subject to change. By their nature, forward-looking statements involve known and unknown risks and uncertainties, because they relate to events, and depend on circumstances, that may or may not occur in the future. Furthermore, actual results may differ materially from those contained in any forward-looking statement due to a number of significant risks and future events which are outside of the Company’s control and cannot be estimated in advance, such as the future economic environment and the actions of competitors and others involved on the market. These forward-looking statements speak only as at the date of this Presentation. The Company cautions you that forward looking-statements are not guarantees of future performance and that its actual financial position, business strategy, plans and objectives of management for future operations may differ materially from those made in or suggested by the forward-looking statements contained in this Presentation. In addition, even if the Company’s financial position, business strategy, plans and objectives of management for future operations are consistent with the forward-looking statements contained in this Presentation, those results or developments may not be indicative of results or developments in future periods. The Company expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statements contained herein to reflect any change in the Company’s expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.
- By receiving this Presentation, you acknowledge and agree to be bound by the foregoing terms, conditions, limitations and restrictions.

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 about **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** (9 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**.

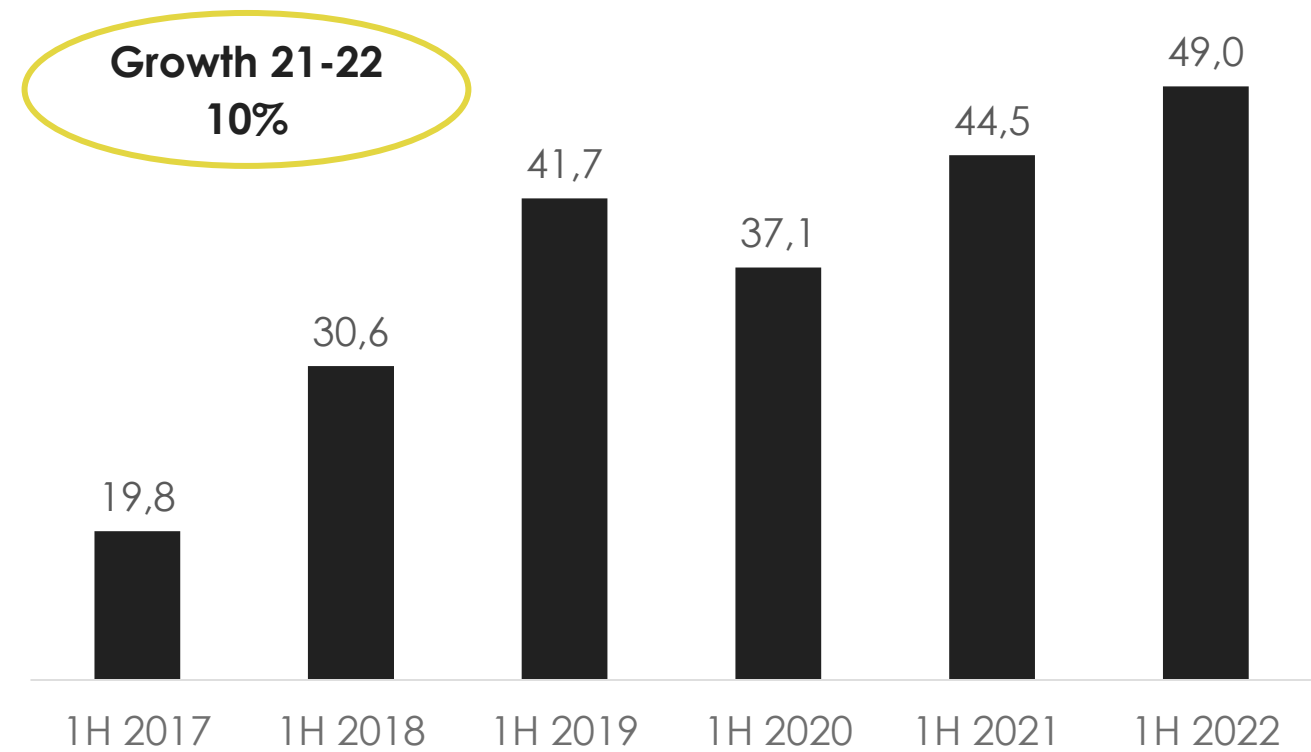
We help companies to
evolve their business in the
post-digital scenario

FINANCIAL HIGHLIGHTS

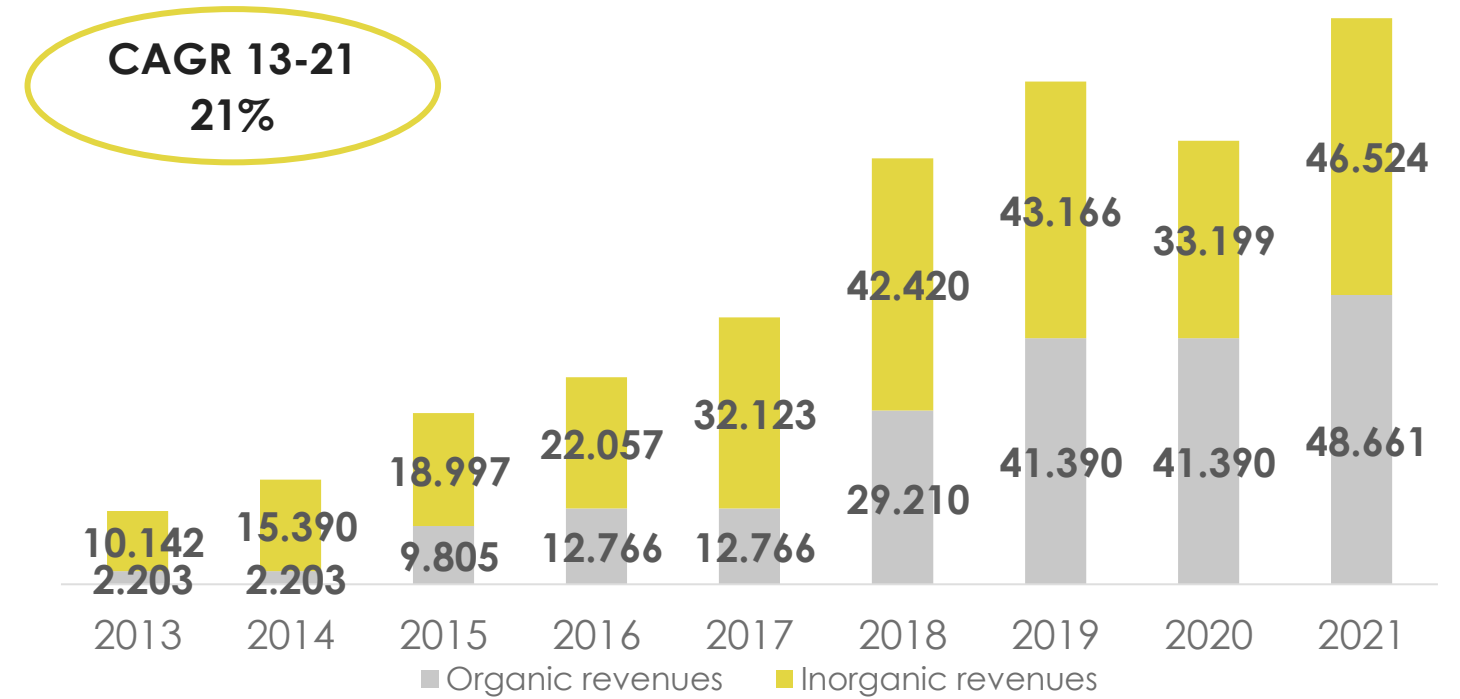
€M	1H 2022	1H 2021	
Turnover	49.0	44.5	> +10% vs.1H 2021, mostly thanks to change in Group perimeter.
Adj. EBITDA	5.4	5.0	> +8% vs.1H 2021. EBITDA Adj. margin down by -0.2 pps.
EBIT	3.7	3.2	> +16% vs. 1H 2021. EBIT margin up by +0.4 pps.
EBT	3.6	2.6	> +39% vs. 1H 2021, thanks to the better performance over the period and to the lower net financial charges.
Group Net Income	2.5	1.6	> +57% vs. 1H 2021.
Operating Cash Flow	4.0	3.9	> Broadly in line with 1H 2021 (+ €M 0.1).
NFP	-20.1	FY 2021 -21.2	> €M -1.1 since 31 December 2021 mostly due to the positive economic result achieved that supported the two-fold increase in investments in 1H 2022.

REVENUES

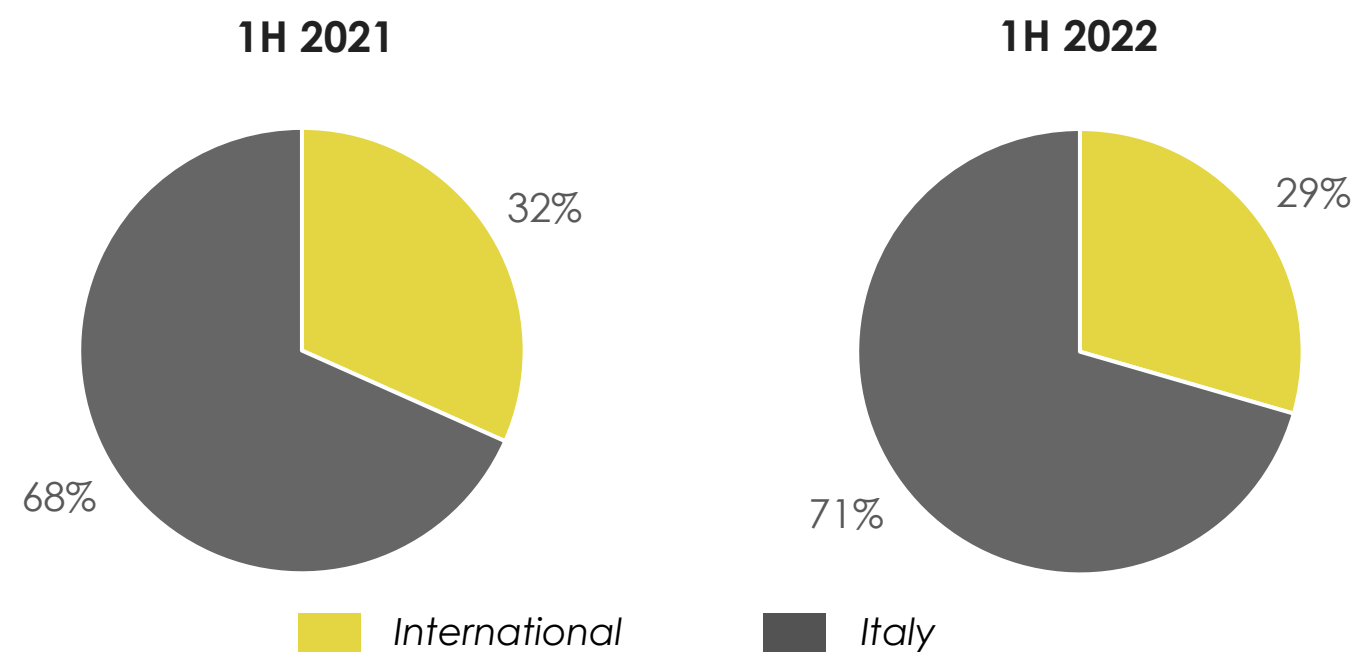
1H REVENUES (€M) – IAS /IFRS



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



ALKEMY INTERNATIONAL TURNOVER (%)

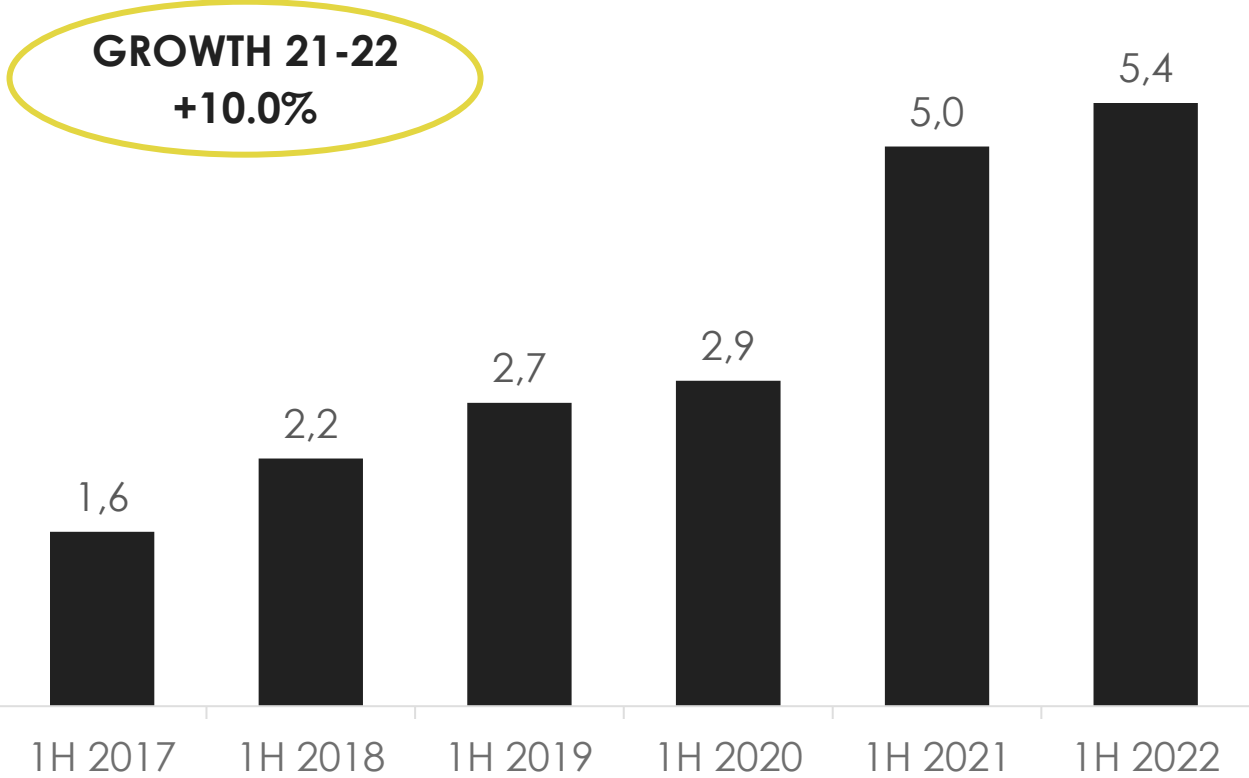


- › 1H 2022 revenues at €M 49.0, +10% compared to 1H 2021 (€M 44.5). The result is due mostly to the Group perimeter change.
- › 1H 2022 Italian turnover is €M 34.6 up by 14% compared to €30.4 M in 1H 2021. The growth is mainly due to the change in Group scope and to the strong focus on current customers.
- › International revenues in 1H 2022 at €M 14.5, up by 2% vs. €M 14.1 in 1H 2021, as a result of the significant growth in revenues generated by the Mexican subsidiaries, mostly offset by the decline recorded by the Spanish subsidiaries' top line.

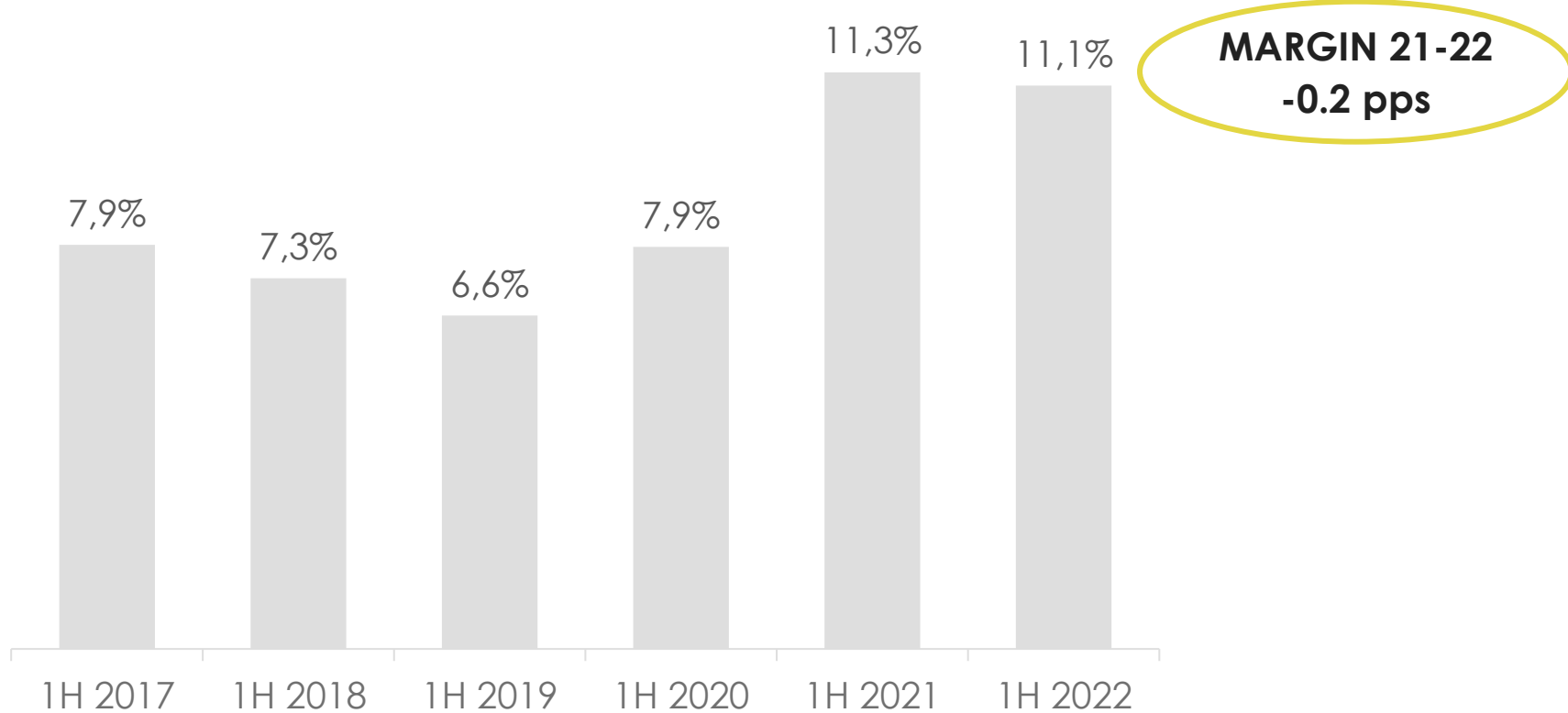
⁽¹⁾Revenues 2013-14-15-16 are Management estimates and are not audited, following the introductions of IFRS in 2018.

Adj. EBITDA

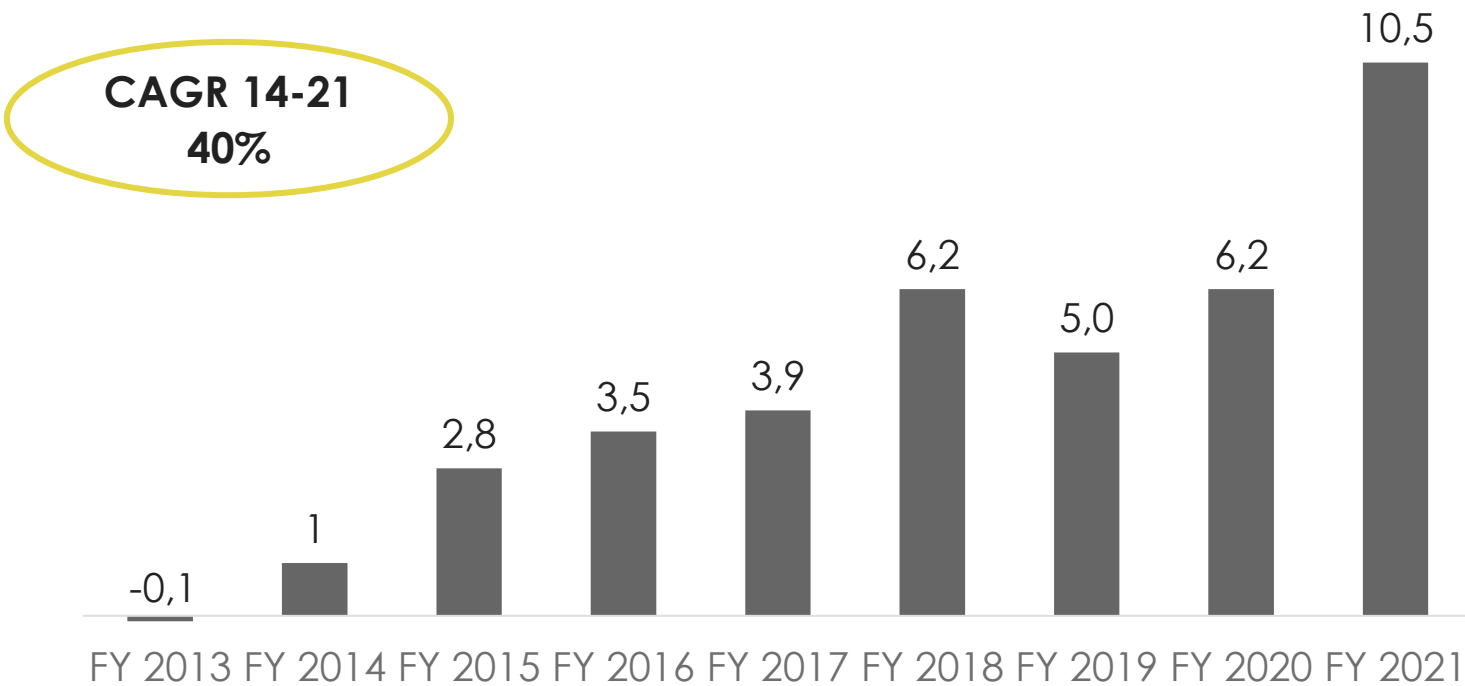
1H ALKEMY Adj. EBITDA (€M) – IAS/IFRS⁽¹⁾



1H EBITDA MARGIN – Adj. EBITDA MARGIN (%)



FY ALKEMY Adj. EBITDA (€M) – IAS/IFRS



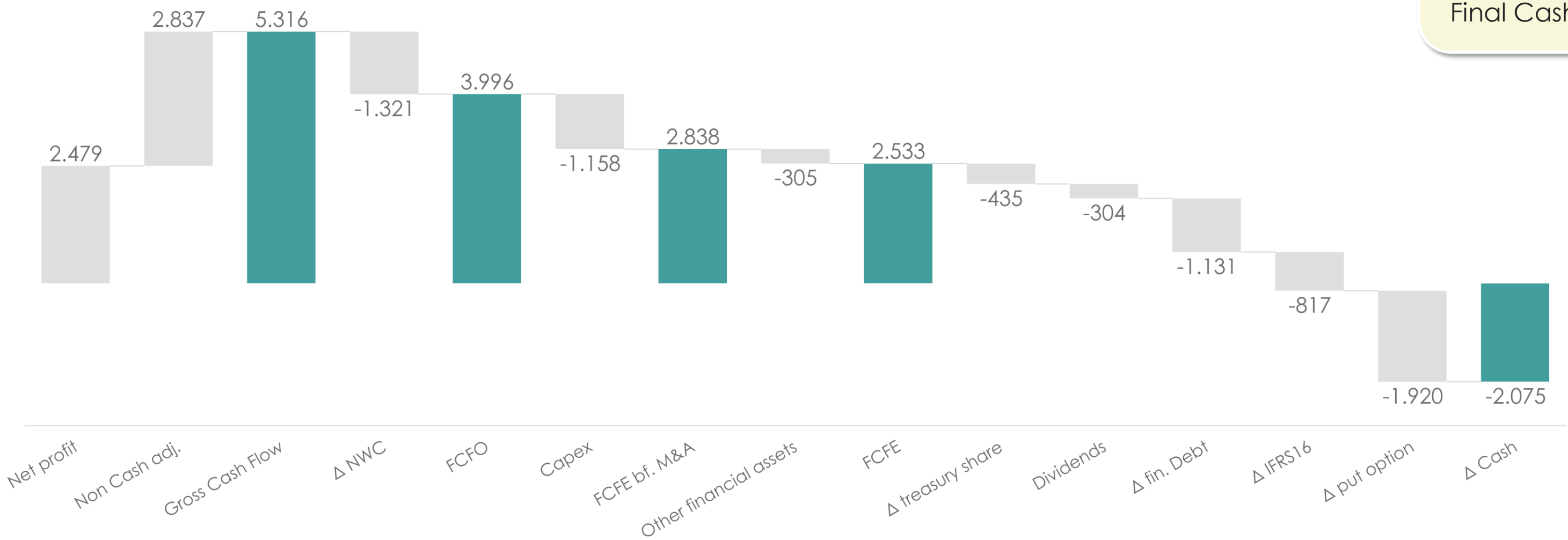
- > 1H 2022 Adj. EBITDA is €M 5.4, +8% compared to 1H 2021 of €M 5.0.
- > EBITDA Adj, Margin¹ is 11.1% in 1H 2022 vs 11.3% in 1H 2021 with a decline of 0.2 pps.

⁽¹⁾Ebitda Adj. margin is calculated relating the Adj. EBITDA to the revenues of the period

1H 2022 CASH FLOW

1H 2022 Cash Flow generation - (€000)

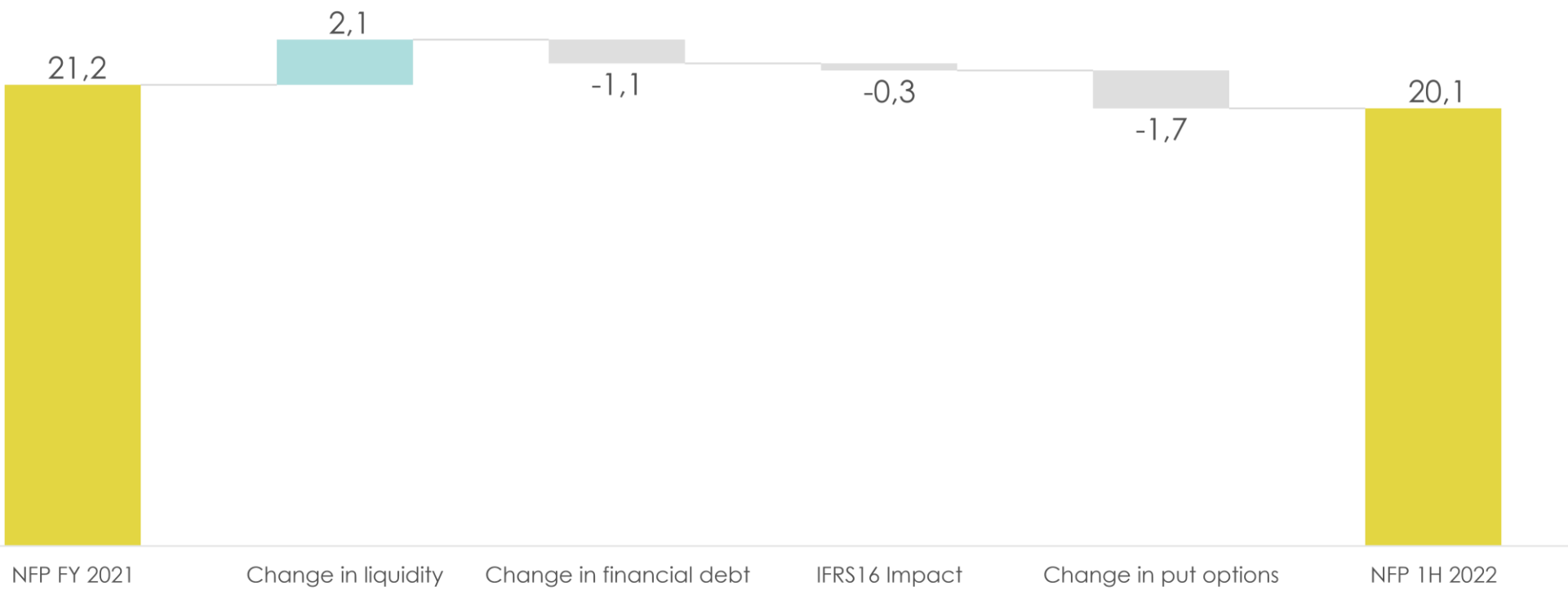
Initial Cash	10.5 €M
Delta Cash	2.0 €M
Final Cash	8.4 €M



- › 1H 2022 Gross Cash Flow at €M 5.3, +16% YoY thanks to higher positive result and non-cash adjustments.
- › FCFO at €M 4.0, equal to 74% of Adj. EBITDA, +3% compared to 1H 2021, thanks to higher cash release from Net Trade Working Capital (mainly due to better payment terms).
- › Capex are 2x higher than 1H 2021 and are equal to 2% of revenues.
- › Change in cash over 1H 2022 is €M -2.1, mostly related to operating cash flow and to M&A put options payments occurred over the period.

NET FINANCIAL POSITION BRIDGE AND DETAILS

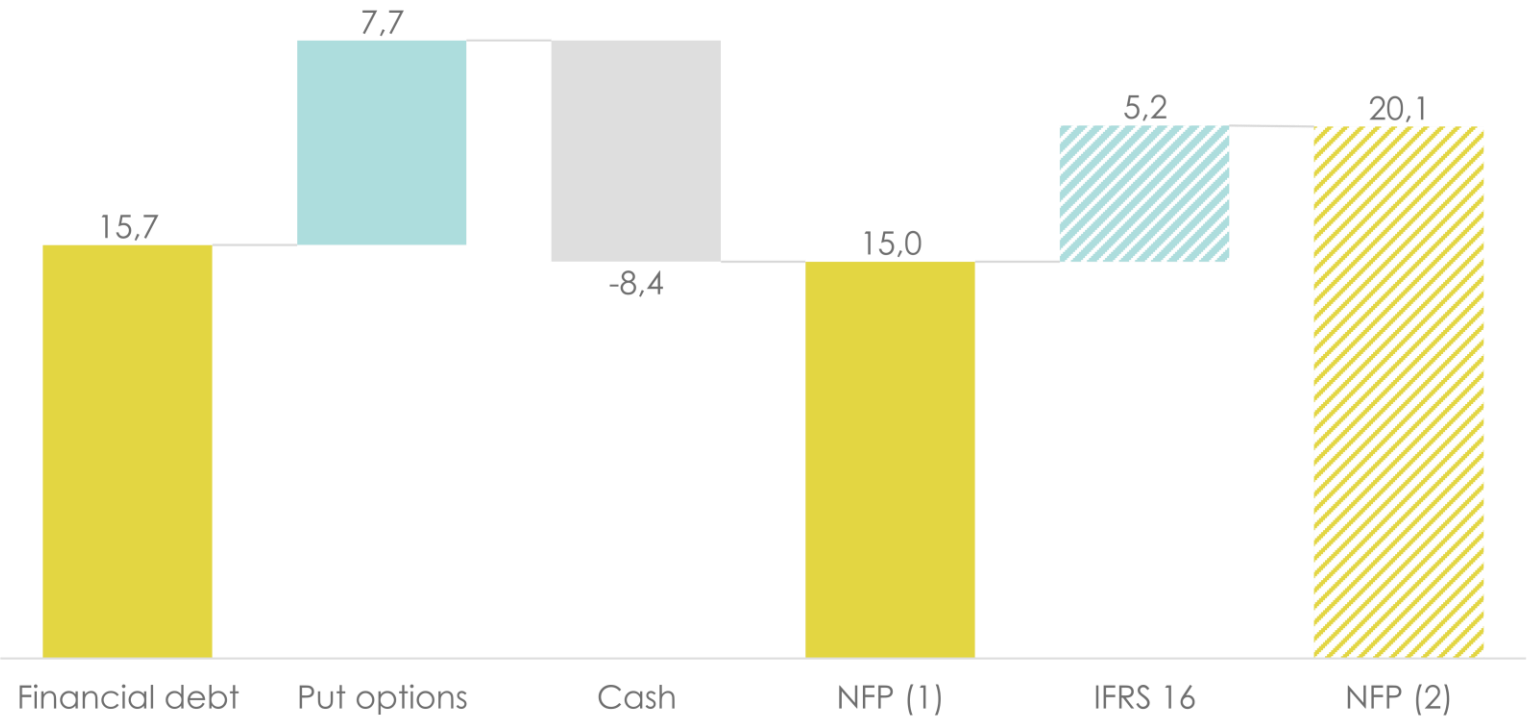
Net Financial Position Bridge 1H 2022 (€M)



- > **Gross debt** is composed by €M 15.7 of financial debt (of which €M 8.8 LT, €M 6.9 ST), €M 7.7 put options liabilities deriving from M&A (of which €M 3.6 ST) and €M 5.2 IFRS16 financial leases.
- > 1H 2022 NFP (1) ex IFRS16 is €M 15.0.
- > 1H 2022 cash and equivalents is €M 8.4.

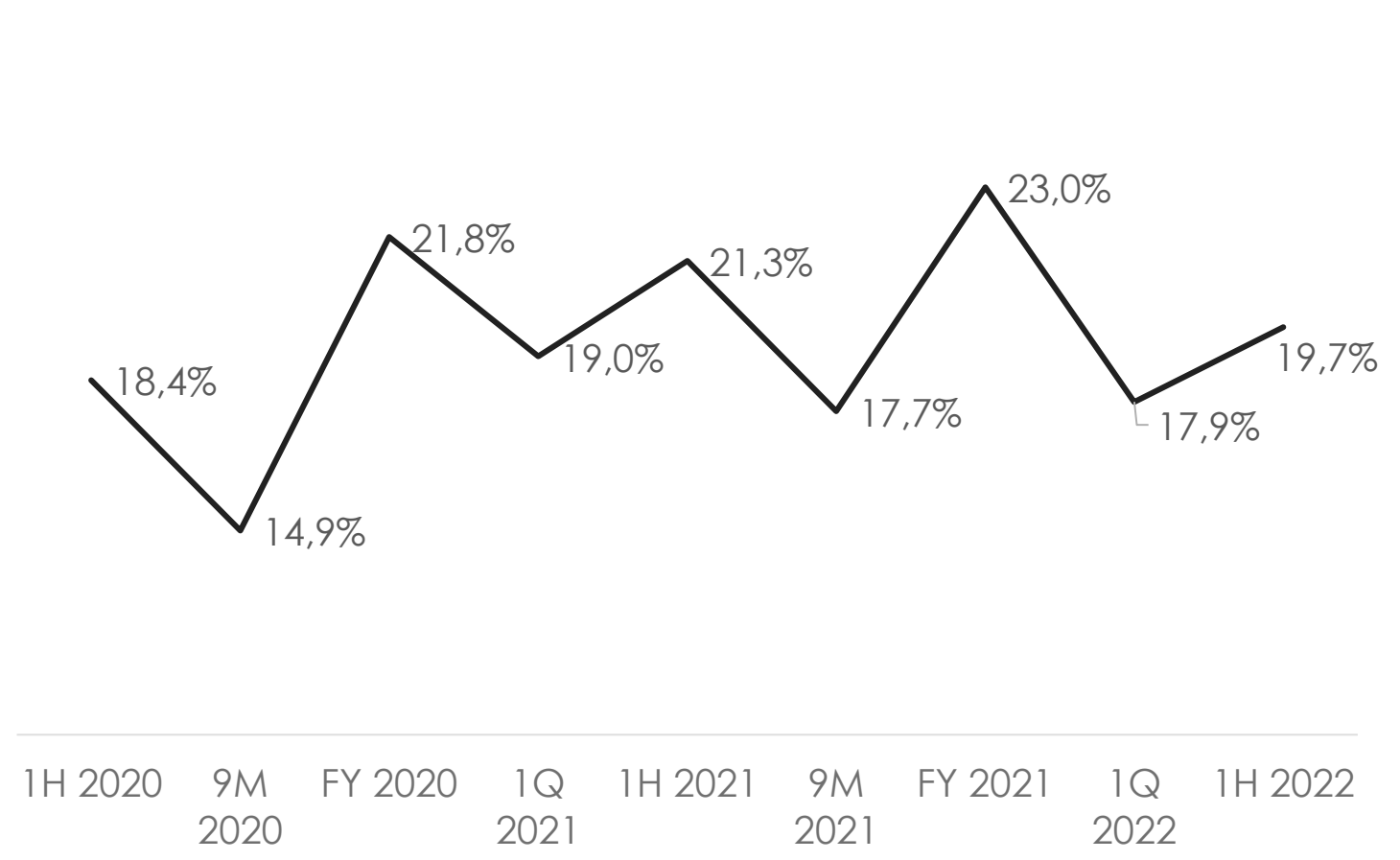
- > **Net Financial Position** NFP (2) at June 30th 2022 increased by €M 1.1 compared to €M -21.2 at December 31st, 2021.
- > **Variation** is mainly due to: (i) decrease in put option liabilities (€M 1.7), (ii) decrease in bank loans (€M 1.1), (iii) IFRS 16 impact (€M 0.3), (iv) decrease in liquidity on bank accounts (€M -2.1) due to the acquisition.

Net Financial Position Break Down 1H 2022 (€M)

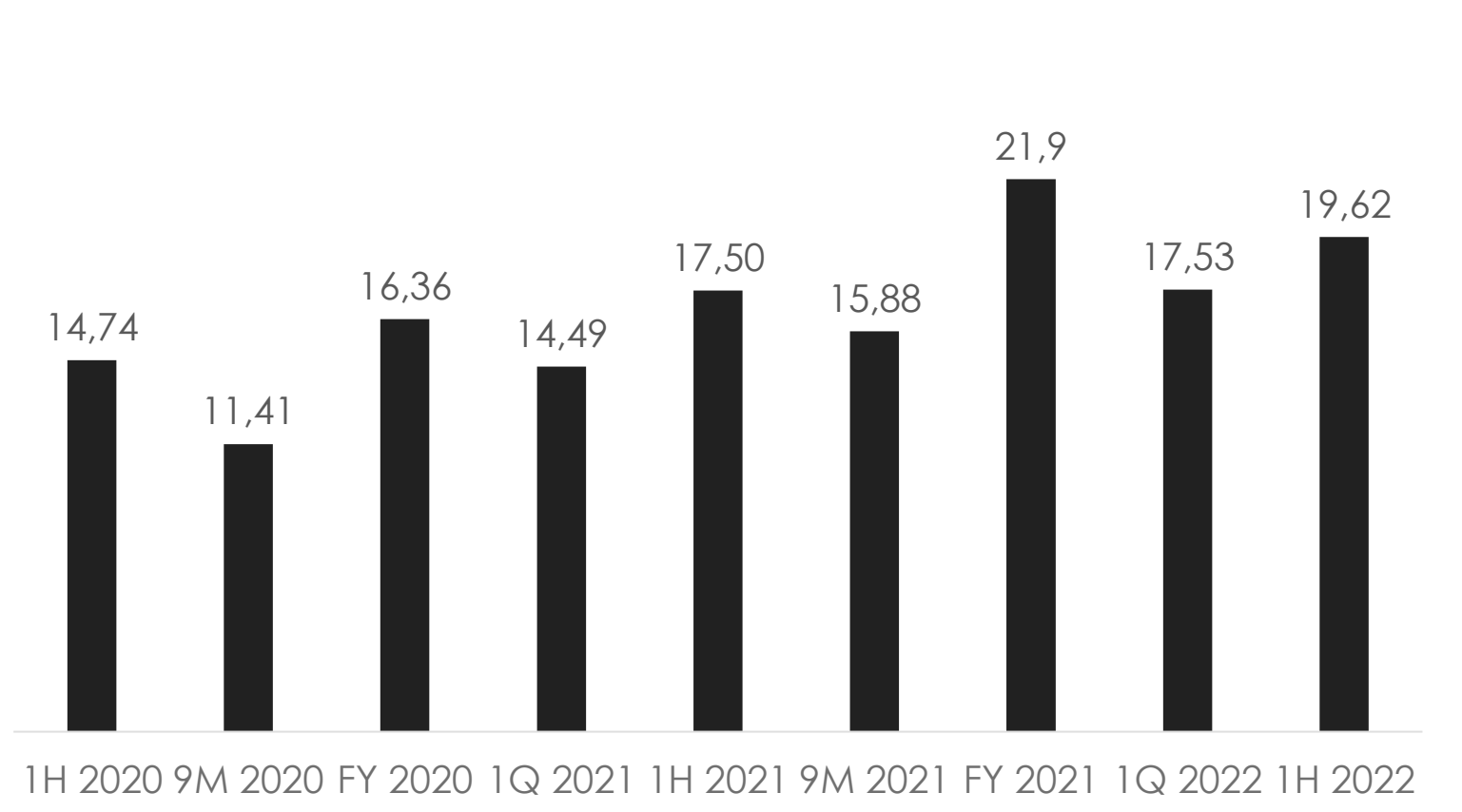


NET TRADE WORKING CAPITAL DYNAMICS

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

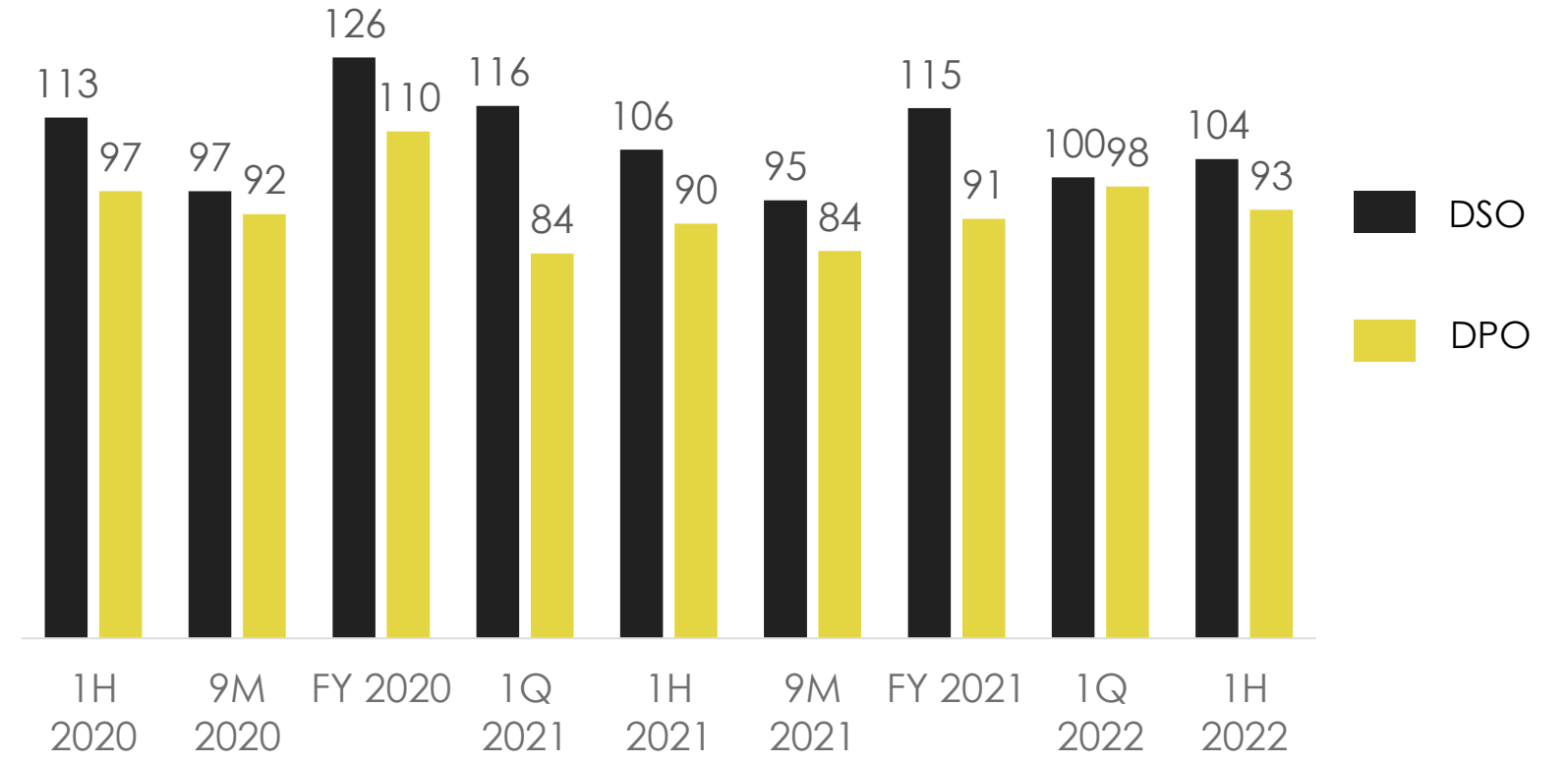


Net Trade Working Capital (€M)



- > 1H 2022 Net Trade Working capital is 12% higher than 1H 2021, due to higher revenues growth in the period.
- > Cash release from **Net Trade Working Capital** decrease (€M +2.3 million) compared to €M +2.1 in 1H 2021, thanks to payables and receivables dynamics.
- > 1H 2021 DSO at 104 -10% vs. 1H 2021; 1H 2022 DPO +2% vs. 1H 2021.

Cash Conversion Cycle Details (days)



1H 2022 P&L – IAS/IFRS



Consolidated Profit & Loss

Profit and Loss (€000) - IAS/IFRS	1H 2021	1H 2022
Revenues	44.549	49.016
Service costs, consum. & goods	(22.211)	(22.401)
Personnel	(18.152)	(21.505)
EBITDA	4.186	5.110
% Revenues	9,4%	10,4%
Non recurrent costs	(855)	(315)
Adj. EBITDA	5.041	5.425
% Revenues	11,3%	11,1%
D&A	(1.005)	(1.340)
Bad debts/ claims/ provisions	(3)	(70)
EBIT	3.178	3.700
% Revenues	7,1%	7,5%
Other financial items	(308)	0
Financial charges	(272)	(85)
EBT	2.598	3.615
Taxes	(1.022)	(1.136)
% Tax rate	39,3%	31,4%
Net Profit (Loss)	1.576	2.479
% Revenues	3,5%	5,1%
o/w Minorities	18	10
o/w Group Net Profit (Loss)	1.558	2.469

- › 1H 2022 **Revenues** at €M 49.0, up by 10% compared to €M 44.5 of 1H 2021. The increase is mostly related to the change in the Group perimeter. **Italian revenues up by 14%** YoY, mainly related to the acquisition of the majority stake in DGI and XCC, (€M 5.5) and to the new Go-To-Market strategy. **Foreign turnover up by 2%**, mainly thanks to the Mexico subsidiaries, whose performance more than offsets the Spain subsidiaries' negative one.
- › **Operative costs** increased (impact on revenues + 9.0 pps compared to 1H 2021). **Services costs** increased by 1% yoy, but **reduced the impact on revenues by 4 pps**. **Personnel costs** increased incidence on revenues by 3.0 pps compared to 1H 2021, due to the higher FTE for the period (from 590 in 1H 2021 to 765 in 1H 2022), also as a consequence of the Group perimeter change.
- › 1H 2022 **Adj. EBITDA** at €M 5.4 +8% compared to €M 5.0 in 1H 2021, with a margin decline of 0.2 pps (**Adj. EBITDA margin 11.1%**). **EBIT** is equal to €M 3.7 +16% compared to €M 3.2 in 1H 2021, with an EBIT margin increase at 0.4 pps.
- › **EBT** at €M 3.6. 1H 2022, +39% compared to €M 2.6 in 1H 2021. **Group Net Profit** is €M 2.5 +65% vs €M 1.6 in 1H 2021.

1H 2022 BALANCE SHEET – IAS/ IFRS

Consolidated Balance Sheet

Balance Sheet (€000) - IAS/IFRS	FY 2021	1H 2022
Tangible assets	1.809	2.086
Intangible assets	6.195	6.226
<i>o/w rights of use (IFRS16)</i>	5.332	5.001
Goodwill	41.249	41.255
Financial assets	3.824	3.894
Fixed Assets	53.077	53.461
Inventories	0	0
Trade Receivables	36.040	33.602
Trade Payables	(14.184)	(13.987)
Net Trade Working Capital	21.856	19.615
Other Current Assets	4.159	4.581
Other Current Liabilities	(14.840)	(12.170)
Employees' leaving entitlement	(6.361)	(6.686)
Total Capital Invested	57.891	58.801
Total Equity	36.699	38.700
o/w Group Equity	36.376	38.365
o/w Minorities	323	335
Cash & current financial assets	(10.542)	(8.465)
Bank Debts	16.771	15.663
Put Option Liabilities	9.481	7.748
Other Financial Debts (IFRS16)	5.482	5.155
Net Debt (Cash)	21.192	20.101
Total Funds	57.891	58.801

- › **Net Invested Capital** at €M 58.8 (€M 57.9 at FY 2021) and consisted of approx. € 19.6 million of **Net Trade Working Capital** (€M 21.9 FY 2021), €M 53.5 of fixed assets (€M 53.1 FY 2021) of which €M 41.3 of **Goodwill** (€M 41.2 in FY 2021) and €M 5.0 of IFRS 16 **rights of use** (€M 5.3 in FY 2021).
- › **Shareholders' equity** increased in the period by €M 2.0 since 31 Dec. 2021 (+5%), mainly due to the positive result of the period (€M +2.6).
- › **Net Financial Position** at June 30th, 2022, negative by €M -20.1 (ante-IFRS 16 at €M -15.0) improving by €M +1.1 compared to FY 2021. Specifically, the **variation** is mainly due to: (i) decrease in put options liabilities (€M 1.7); (ii) decrease in bank loans (€M 1.1); (iii) IFRS 16 impact (€M 0.3); (iv) decrease in cash and cash equivalents (€M -2.0).

1H 2022 CASH FLOW GENERATION – IAS/IFRS

Consolidated Cash Flow

Cash Flow Statement (€000) - IAS/IFRS	1H 2021	1H 2022
Net Profit (Loss)	1.576	2.479
Adjustments (cash tax, interest and other)	1.602	1.221
Non-cash items	1.398	1.616
Gross Cash Flow	4.576	5.316
Change in inventories	0	0
Change in trade receivables	3.565	2.369
Change in trade payables	(1.443)	(74)
Total change in NTWC	2.122	2.295
Total change in other asset/liabilities	(2.833)	(3.616)
Operating Cash Flow	3.865	3.996
Capex	(562)	(1.158)
Free Cash Flow before Acquisition	3.303	2.838
Acquisitions and other financial assets	(2.175)	(305)
Free Cash Flow	1.128	2.533
Change in treasury shares	(456)	(435)
Dividends to minorities	(1.023)	(304)
Change in bank & fin. Debts	(2.479)	(1.131)
IFRS 16 effect	(600)	(817)
Changes on other financial assets	(21)	-
Change in put/option	-	(1.920)
Change in Cash	(3.451)	(2.075)
Initial Cash	18.840	10.458
Final Cash	15.389	8.383

- › 1H 2022 **Gross Cash Flow** at **€M 5.3**, compared to €M 4.6 in 1H 2021. The increase yoy is mostly due to higher positive result of the period.
- › 1H 2022 **Operating cash flow** at **€M 4.0** compared to €M 3.9 of 1H 2021. The increase of €M 0.1 is mainly related to the greater cash release of the net working capital, mainly due to lower DSO.
- › Ordinary **Capex** of the period is 2.0x higher than 1H 2021 and is mostly related to hardware equipment for the Group. 1H 2022 **Free Cash Flow before Acquisitions** is equal to **€M 2.8**, declining vs. €M 3.3 in 1H 2021.
- › 1H 2022 **Free Cash Flow** is **€M 2.5**, compared to €M 1.1 in 1H 2021.
- › Total change in **cash** for the period was **€M -2.1** compared to €M 3.5 in 1H 2021.

OUTLOOK

- > The widespread increase in the price of raw materials in general and on energy products specifically, driven by the war, is generating and supporting a significant inflation that has a direct impact on many economic sectors and on the expectations of companies. Such expectations are affected by the uncertainty that is troubling the markets, and especially the Italian one that is also impacted by the early elections.
- > **At present, no relevant evidence has been found on Alkemy Group clients**, except that some may be more indirectly influenced 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 1H 2022 and business current trading in the first months of 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.**

A PUBLIC COMPANY LISTED ON EURONEXT STAR MILAN



Issuer & Tickers

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

Market

- Borsa Italiana, Euronext STAR Milan

Specialist

- Intermonte

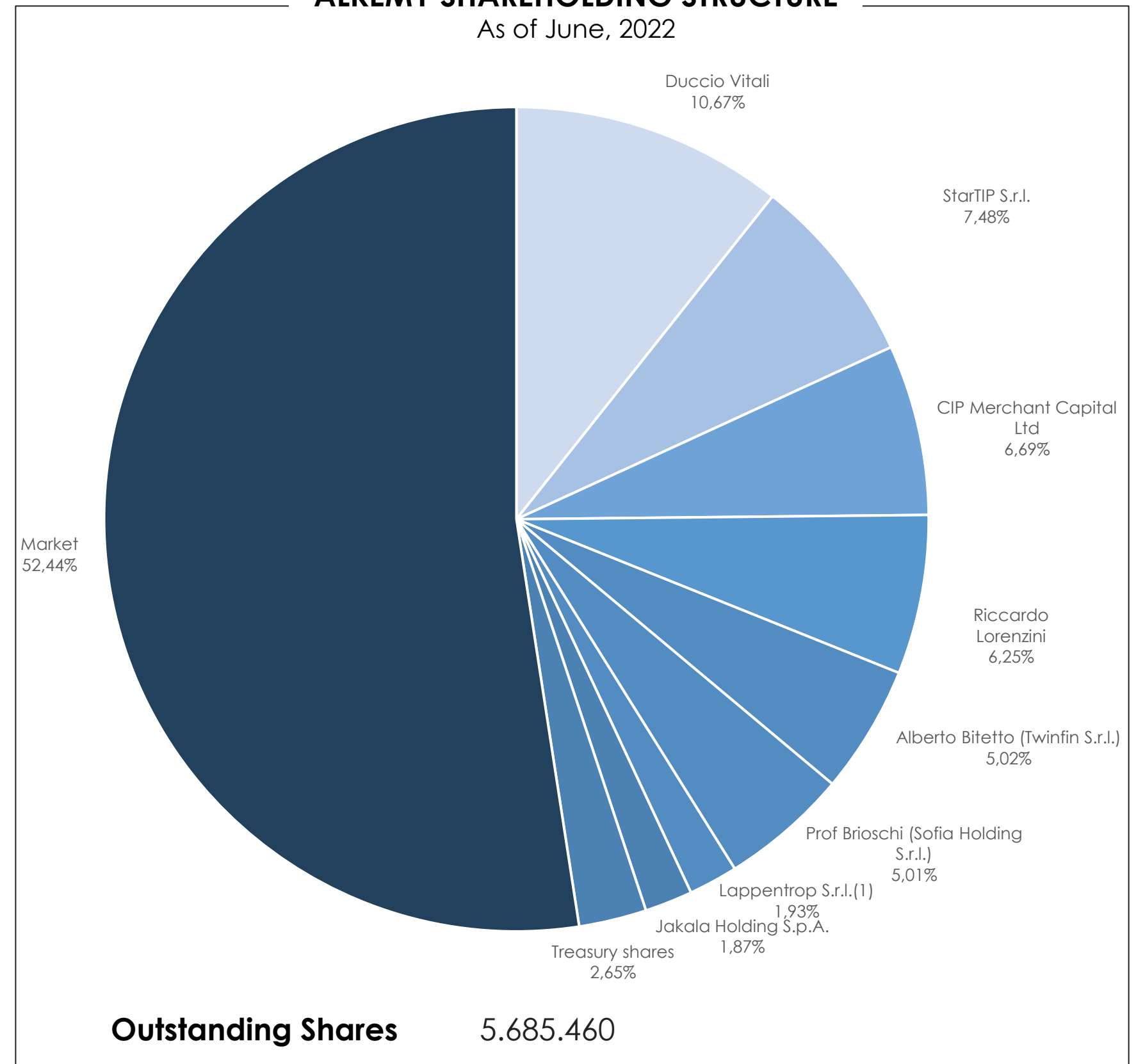
Analyst Coverage

- Intermonte
- Banca Imi
- Mediobanca



ALKEMY SHAREHOLDING STRUCTURE

As of June, 2022



(1) Lappentrop Srl belongs to Alessandro Mattiacci

A SOLID CORPORATE GOVERNANCE

BOARD OF DIRECTORS

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

BOARD OF STATUTORY AUDITORS

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



Alkemy enabling evolution
Via San Gregorio 34 20124 Milano, Italy
Tel: +39 02 92894 1 - Fax: +39 02 92894 500
info@alkemy.com

INVESTOR RELATIONS
ir@alkemy.com