



## **FY 2022 RESULTS**

27.03.2023

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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 about **9% per year**.

In this market, Alkemy has developed a **differentiated positioning** that has allowed it to grow with a **CAGR of 30%** (>3x the market), to move from the 23 starting resources to a team of over **900 people** and a turnover of **107M€** in 2022.

Alkemy has **successfully** used the **M&A lever** (10 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 up to **+500%**.

With a **new organization** and a dedicated Go-to-Market team Alkemy is now focusing on the **industrialization** and expansion of the business scale, resulting in **strong organic growth and higher marginality**.

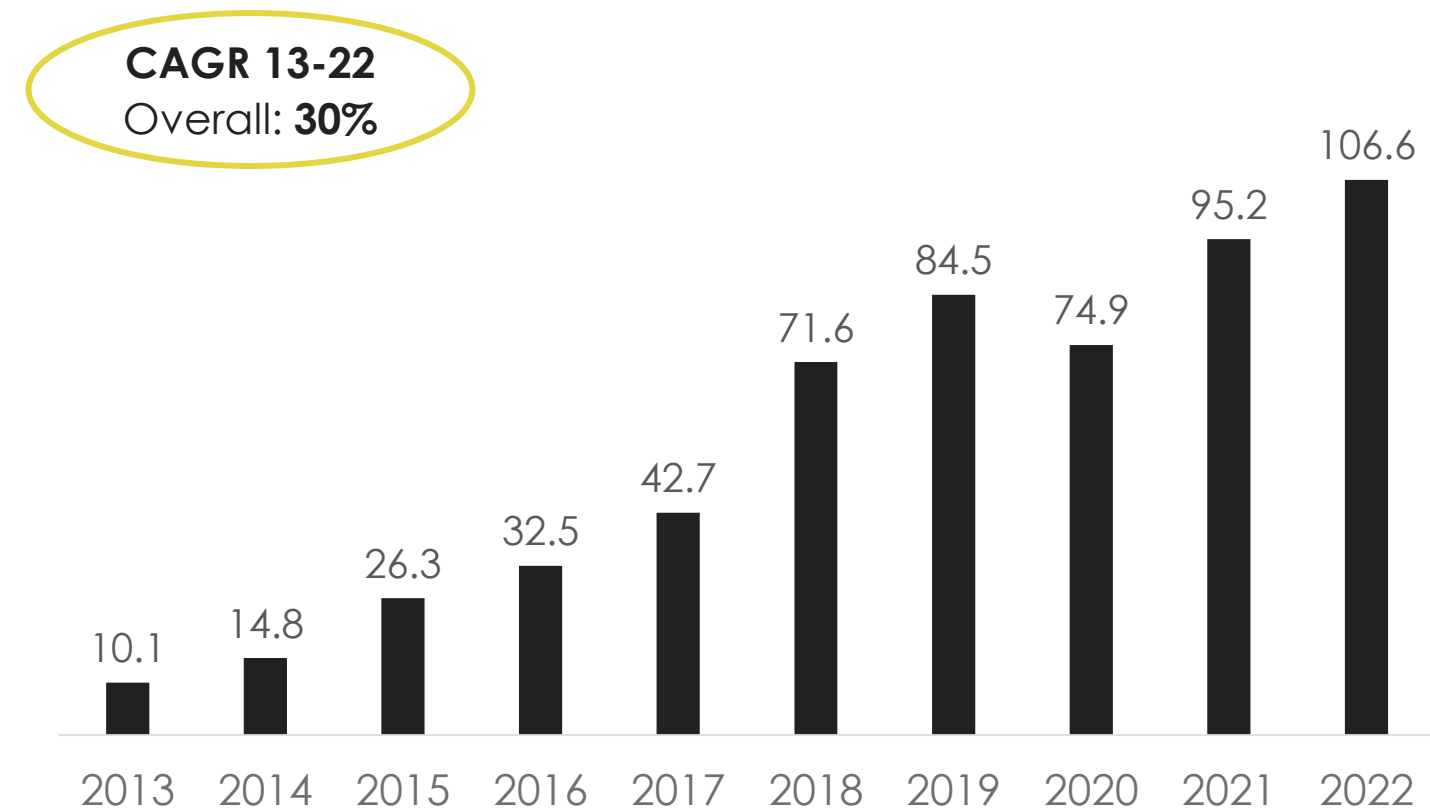
We help companies to  
evolve their business in the  
post-digital scenario

# FINANCIAL HIGHLIGHTS

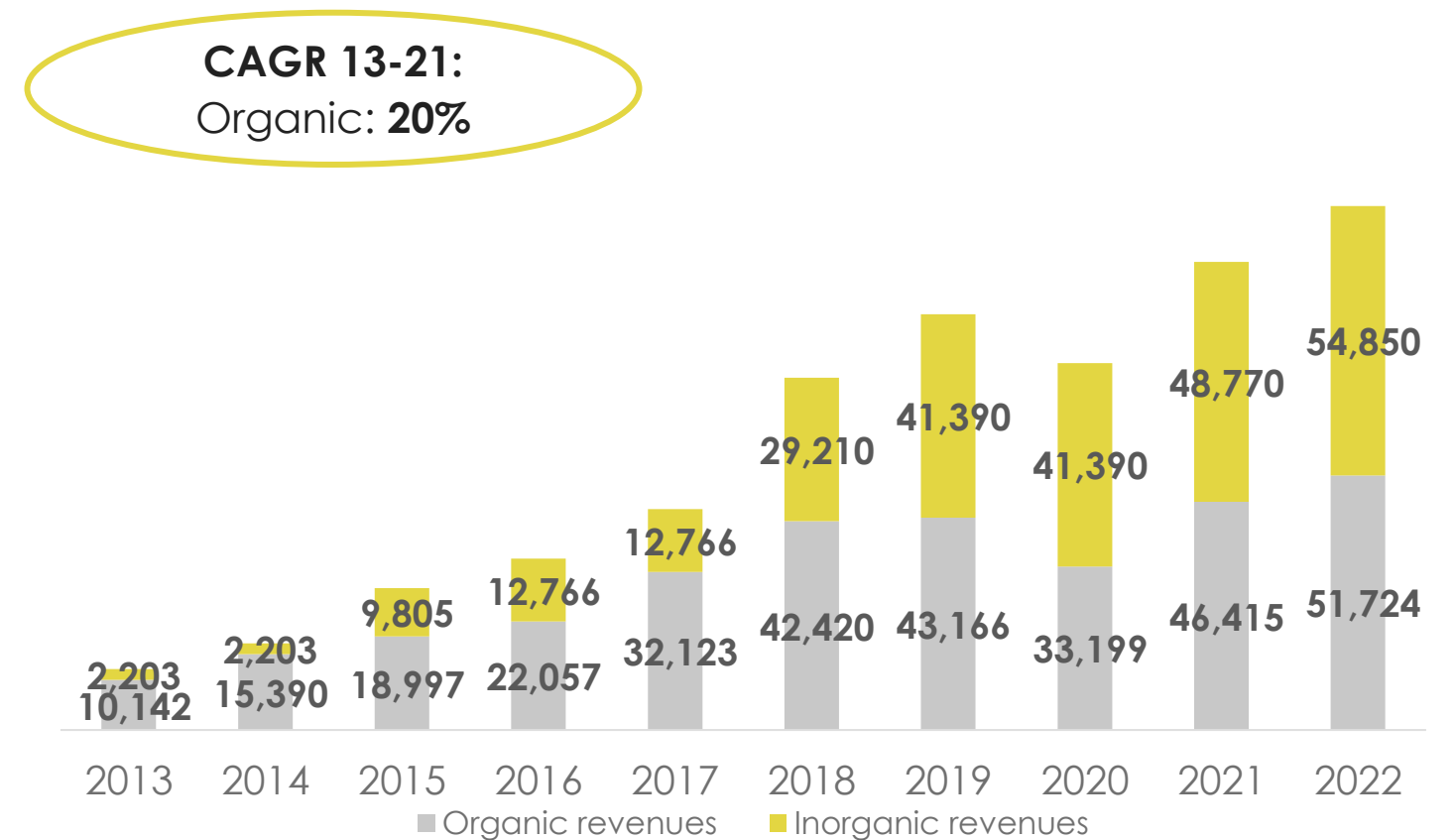
€M	FY 2022	FY 2021	
<b>Turnover</b>	<b>106.6</b>	<b>95.2</b>	> +12% vs. FY 2021, mainly thanks to change in Group perimeter.
<b>Adj. EBITDA</b>	<b>11.8</b>	<b>10.5</b>	> +12% vs. FY 2021. EBITDA Adj. margin flat.
<b>EBIT</b>	<b>7.5</b>	<b>6.6</b>	> +13% vs. FY 2021. EBIT margin flat.
<b>EBT</b>	<b>7.1</b>	<b>5.8</b>	> +23% vs. FY 2021, thanks to the better performance over the period and to the lower net financial charges.
<b>Group Net Income</b>	<b>5.6</b>	<b>4.3</b>	> +31% vs. FY 2021, also thanks to lower tax rate mainly due to one-offs (implementation of the fiscal consolidation in Italy and use of deferred tax assets)
<b>Operating Cash Flow</b>	<b>5.3</b>	<b>7.4</b>	> -2.1 €M vs. FY 2021 mainly due to cash absorption by other current assets/liabilities partially offset by the higher cash generation of the Net Working Capital and Net Profit.
<b>NFP</b>	<b>-34.1</b>	<b>-21.2</b>	> €M -12.9 since 31 December 2021 mostly due to the M&A activities carried out in Q3 2022.

# REVENUES

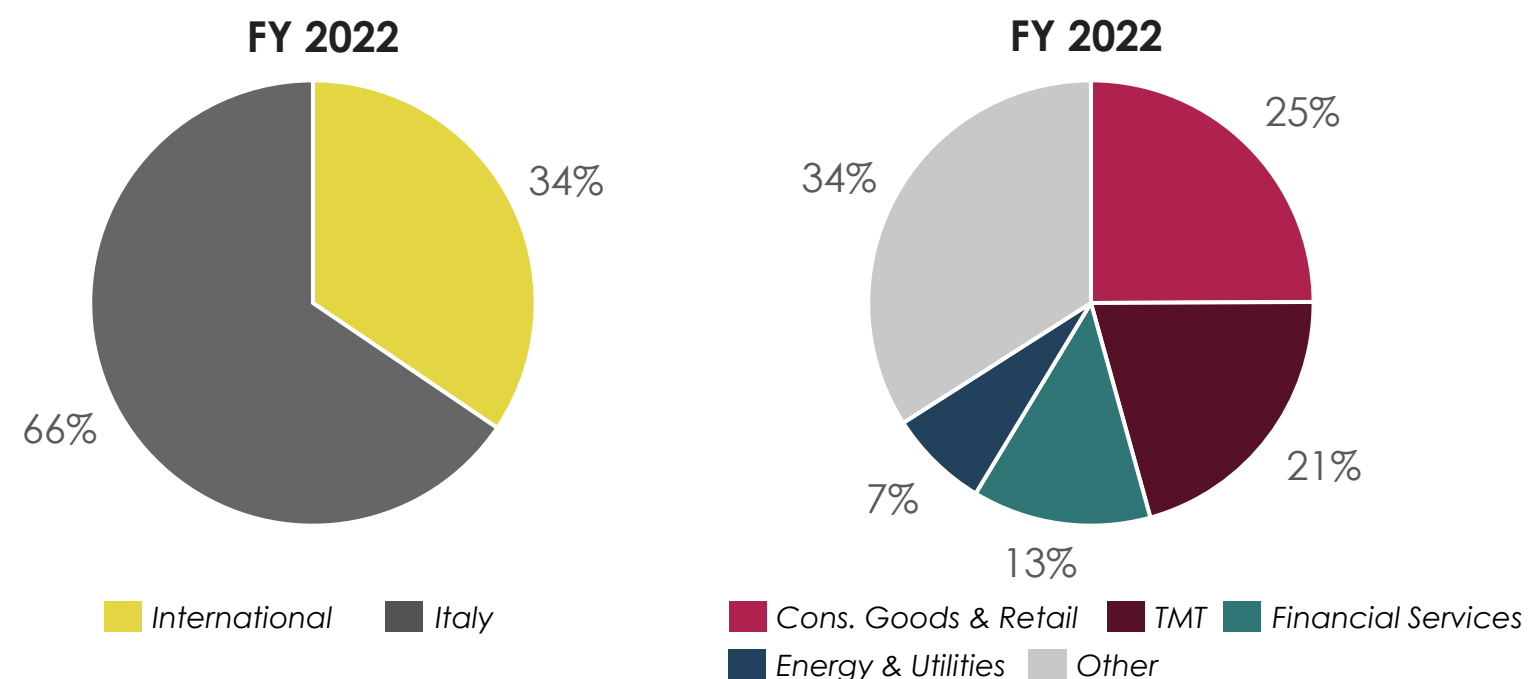
## FY REVENUES (€M) – IAS /IFRS



## ALKEMY GROWTH EVOLUTION (€000) – IAS /IFRS



## ALKEMY INTERNATIONAL TURNOVER & SPLIT BY INDUSTRY

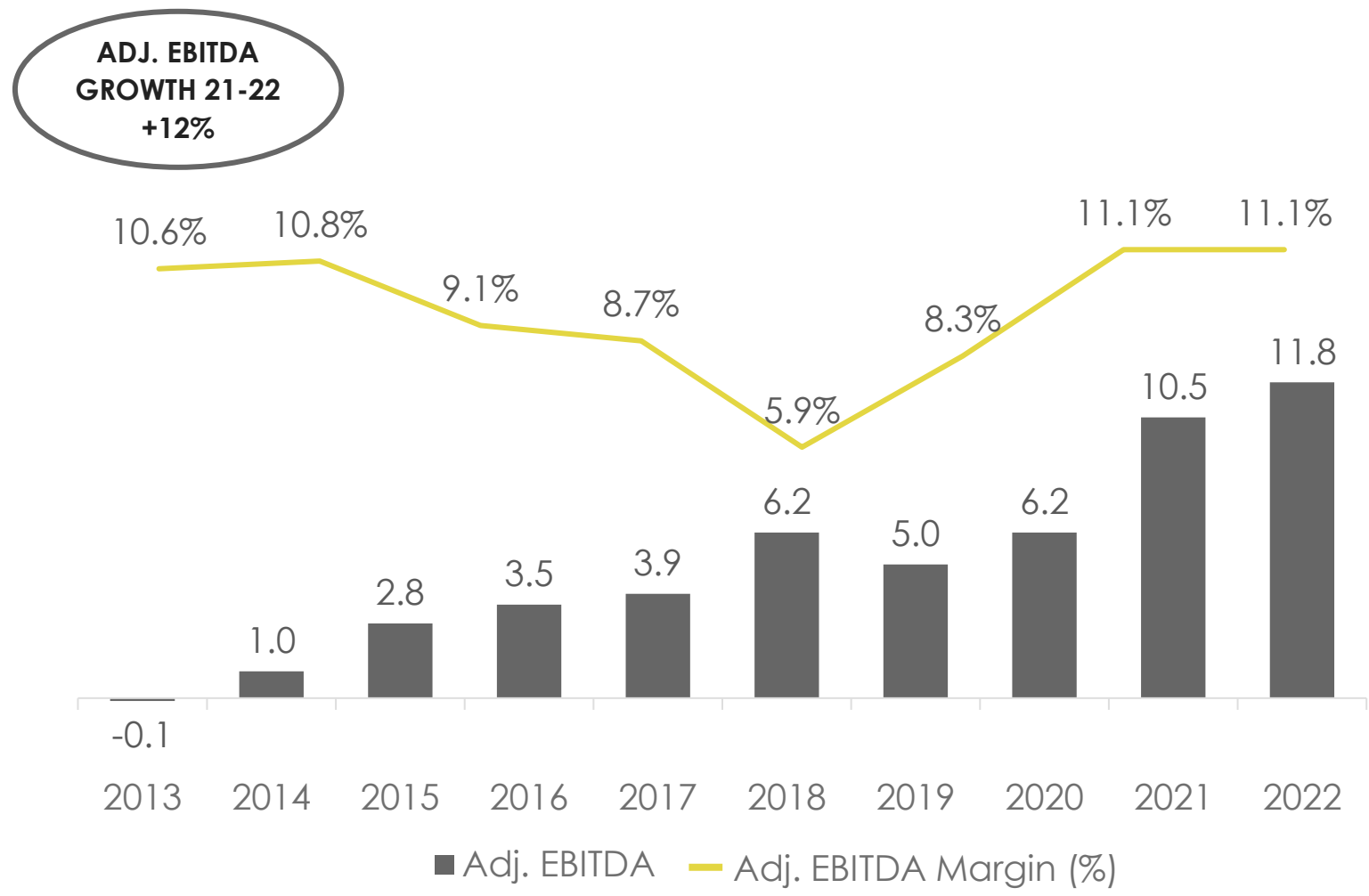


- > FY 2022 **revenues at €M 106.6**, +12% vs. FY 2021 (€M 95.2). The result is due mostly to the Group perimeter change.
- > FY 2022 **Italian turnover at €M 69.8**, +9% vs. €64.0 M in FY 2021. The growth is mainly due to Group scope change and to the focus on existing clients.
- > **International revenues** in FY 2022 **at €M 36.7**, up by 18% vs. €M 31.1 in FY 2021, mainly due to change in scope and significant growth in revenues generated by the Mexican subsidiaries, partly offset by the decline recorded by the Spanish subsidiaries' top line.
- > Revenues generated by clients in the **TMT** and **Consumer Goods & Retail** are 46% of total turnover, followed by **Financial Services** and **Energy & Utilities** (13% and 7% of group turnover respectively).

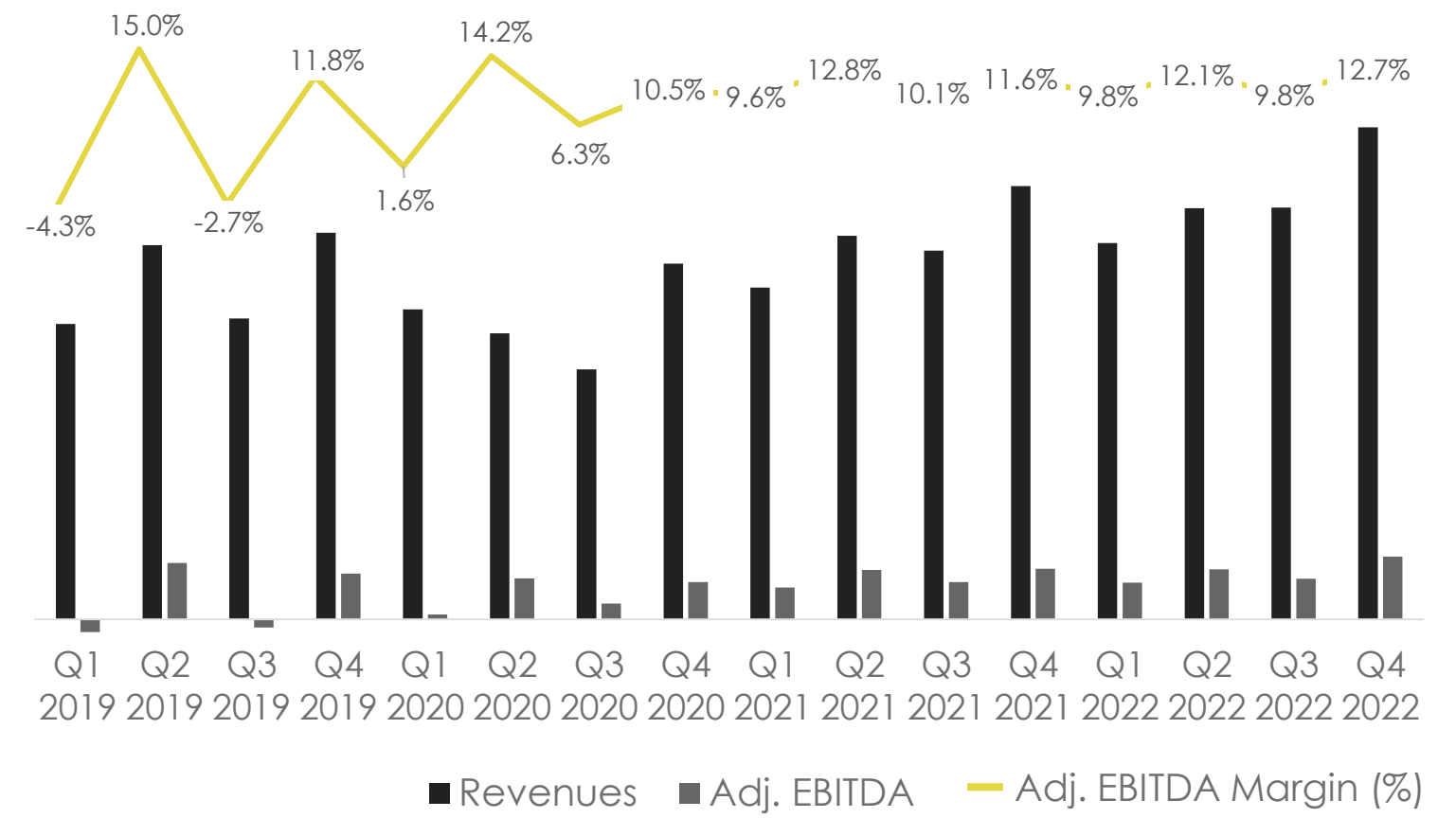
<sup>(1)</sup>Revenues 2013-14-15-16 are Management estimates and are not audited, following the introductions of IFRS in 2018.

# Adj. EBITDA

**FY ALKEMY Adj. EBITDA (€M) – IAS/IFRS<sup>(1)</sup> & MARGIN (%)**



**EBITDA MARGIN – Adj. EBITDA MARGIN (%) QUARTERLY TREND**



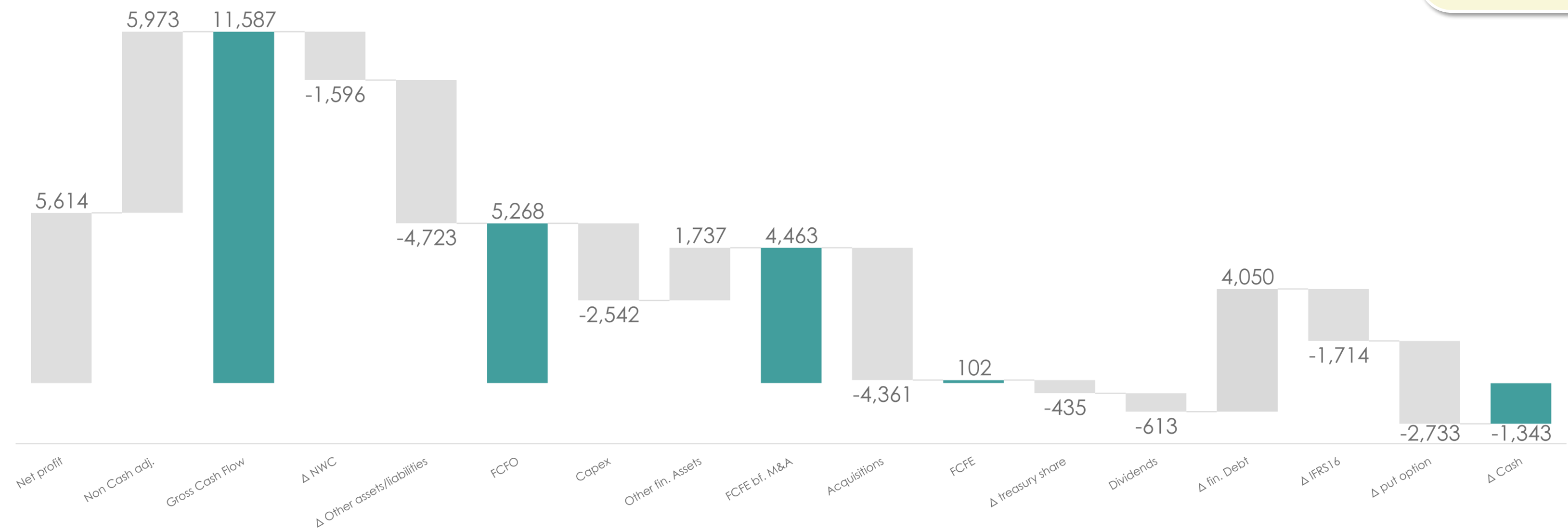
- > **FY 2022 Adj. EBITDA is €M 11.8**, +12% compared to FY 2021 of €M 10.5.
- > **EBITDA Adj. Margin<sup>1</sup> is 11.1% in FY 2022**, in line with FY 2021.
- > **Quarterly flattening trend of the Adj. EBITDA Margin** successfully continues.

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

# FY 2022 CASH FLOW

FY 2022 Cash Flow generation - (€000)

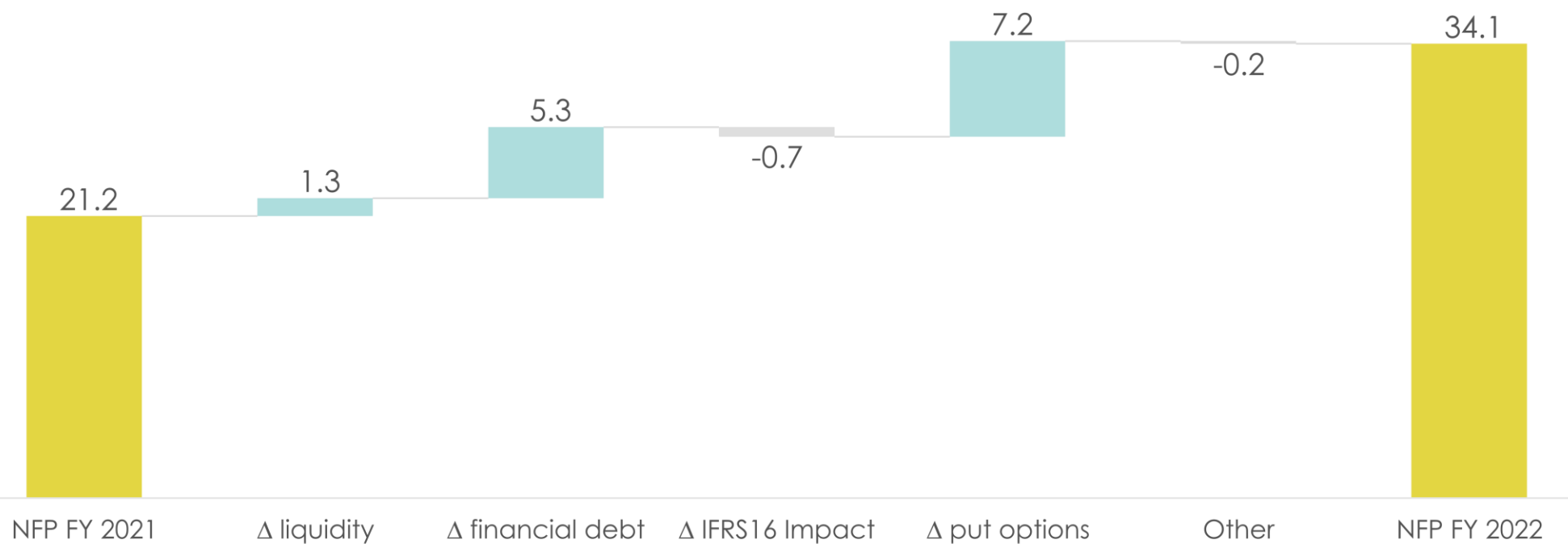
Initial Cash	10.5 €M
Delta Cash	-1.3 €M
Final Cash	9.1 €M



- › **FY 2022 Gross Cash Flow at €M 11.6**, +13% YoY thanks to **higher positive result and non-cash adjustments**.
- › **FCFO at €M 5.3**, equal to **45% of Adj. EBITDA**, -29% compared to FY 2021.
- › **Capex +31% compared to FY 2021** and equal to **2% of revenues**.
- › **Change in cash over 2022 is €M -1.3**, mostly related to the **change in the Group perimeter** and to **M&A put options payments** occurred over the period.

# NET FINANCIAL POSITION BRIDGE AND DETAILS

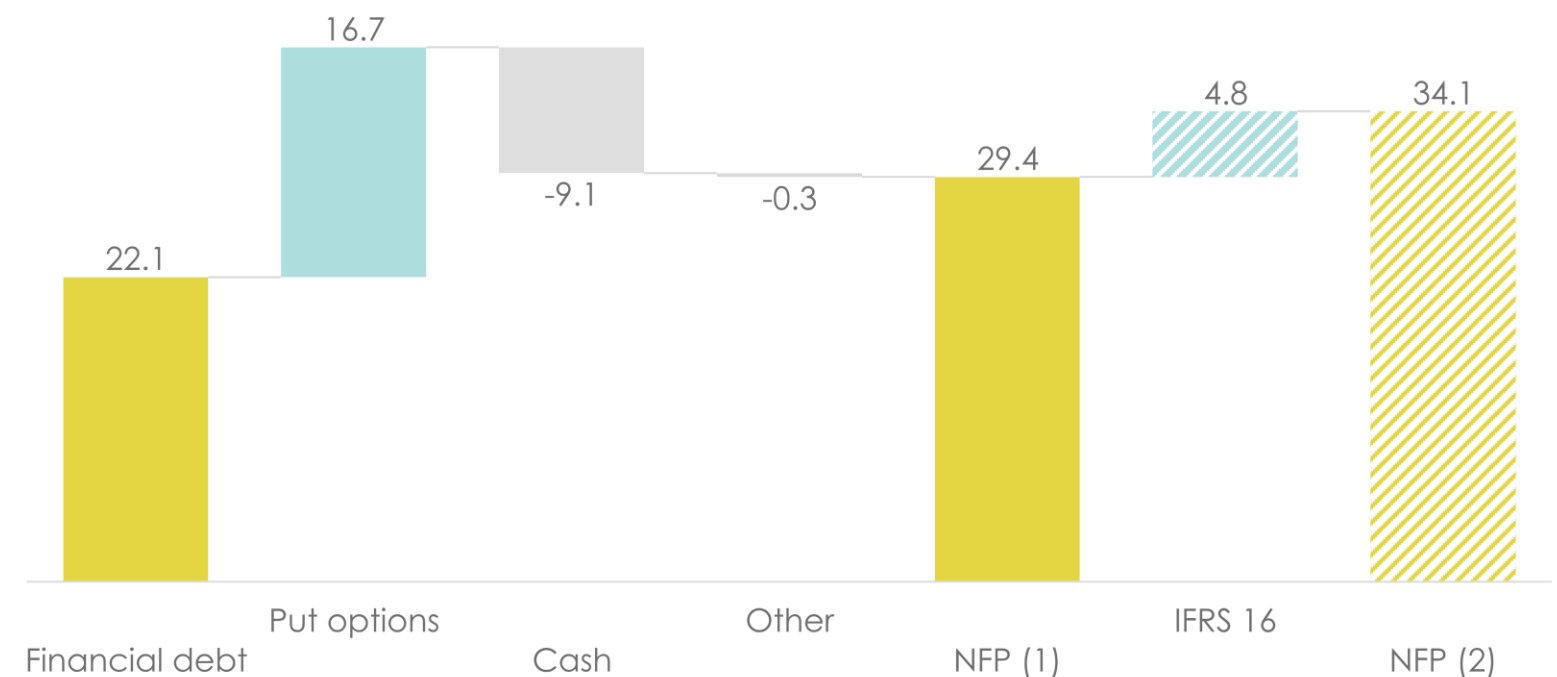
## Net Financial Position Bridge FY 2022 (€M)



- > **Gross debt** is composed by **€M 22.1 of financial debt** (of which €M 13.1 LT, €M 9.0 ST), **€M 16.7 put options liabilities** deriving from M&A (of which €M 3.2 ST) and €M 4.8 IFRS16 financial leases.
- > **FY 2022 NFP (1) ex IFRS16 is €M 29.4.**
- > **FY 2022 cash and equivalents is €M 9.1.**

- > **Net Financial Position** NFP (2) at December 31<sup>st</sup> 2022 declined by €M 12.9 compared to €M -21.2 at December 31<sup>st</sup>, 2021.
- > **Variation** is mainly due to: (i) increase in put option liabilities (€M 7.2), (ii) increase in bank loans (€M 5.3), (iii) IFRS 16 impact (€M -0.7), (iv) decrease in liquidity on bank accounts (€M 1.3) due to the acquisitions.

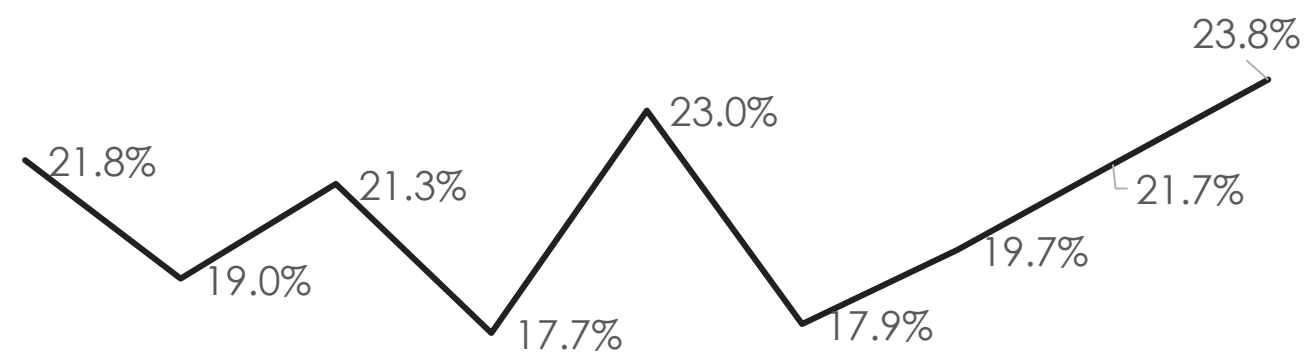
## Net Financial Position Break Down FY 2022 (€M)





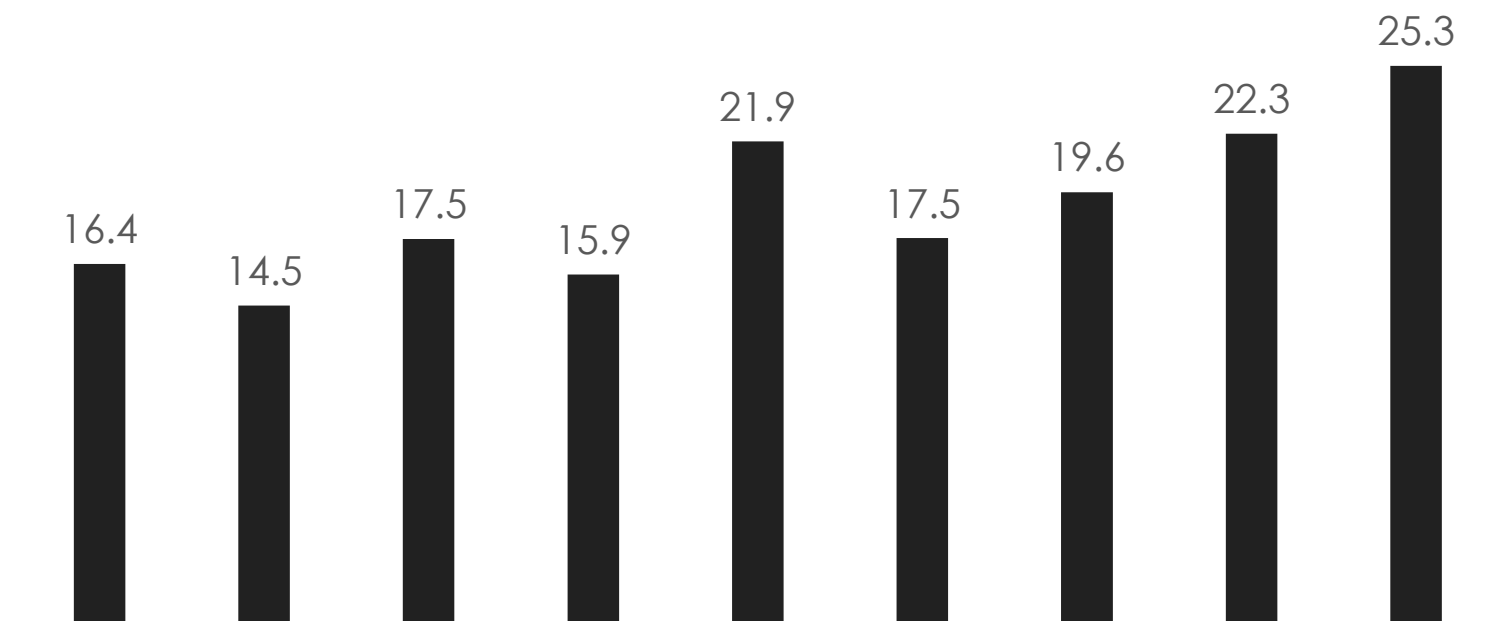
# NET TRADE WORKING CAPITAL DYNAMICS

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



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

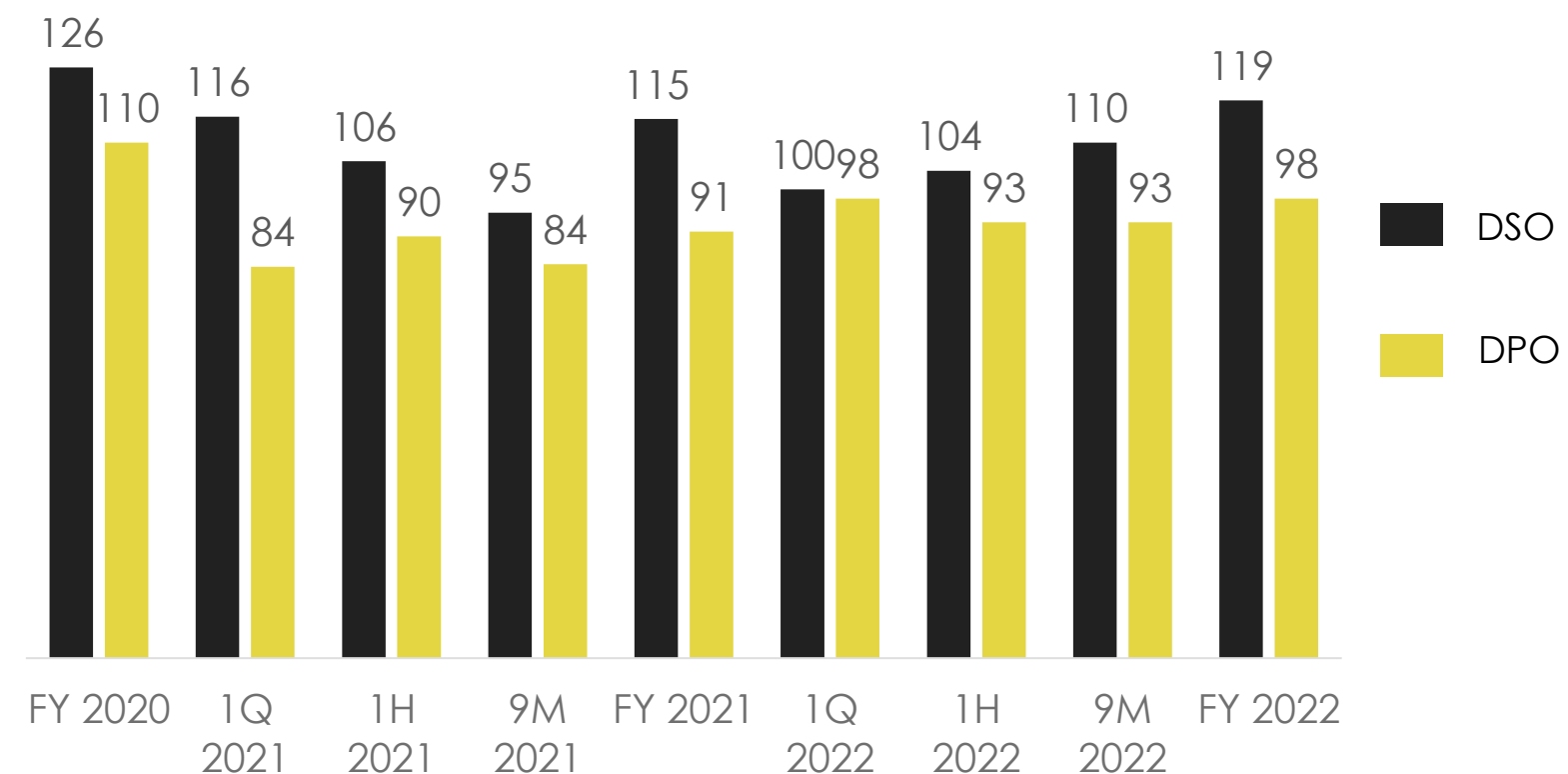
Net Trade Working Capital (€M)



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

- > **FY 2022 Net Trade Working capital is 16% higher than FY 2021.**
- > Cash absorption from **Net Trade Working Capital** decrease (€M -1.6 million compared to €M -2.7 in FY 2021), due to payables and receivables dynamics.
- > **FY 2022 DSO at 119**, +3% vs. FY 2021; **FY 2022 DPO +8%** vs. FY 2021.

Cash Conversion Cycle Details (days)



# FY 2022 P&L – IAS/IFRS

## Consolidated Profit & Loss

Profit and Loss (€000) - IAS/IFRS	FY 2021	FY 2022
<b>Revenues</b>	<b>95,185</b>	<b>106,574</b>
Service costs, consum. & goods	(46,825)	(49,440)
Personnel	(38,845)	(46,065)
<b>EBITDA</b>	<b>9,515</b>	<b>11,069</b>
% Revenues	10.0%	10.4%
Non recurrent costs	(1,020)	(752)
<b>Adj. EBITDA</b>	<b>10,535</b>	<b>11,821</b>
% Revenues	11.1%	11.1%
D&A	(2,408)	(3,226)
Bad debts/ claims/ provisions	(487)	(337)
<b>EBIT</b>	<b>6,620</b>	<b>7,506</b>
% Revenues	7.0%	7.0%
Financial charges	(851)	(408)
<b>EBT</b>	<b>5,769</b>	<b>7,098</b>
Taxes	(1,498)	(1,498)
% Tax rate	26.0%	21.1%
<b>Net Profit (Loss)</b>	<b>4,271</b>	<b>5,614</b>
% Revenues	4.5%	5.3%
o/w Minorities	8	31
<b>o/w Group Net Profit (Loss)</b>	<b>4,263</b>	<b>5,583</b>

- › FY 2022 **Revenues** at **€M 106.6**, up by 12% compared to €M 95.2 of FY 2021. The increase is mostly related to the change in the Group perimeter. **Italian revenues up by 9%** YoY, mainly related to the acquisition of the majority stake in DGI and XCC, and to the focus on the existing client base. **Foreign turnover up by 18%**, mainly thanks to the inclusion of InnoCV in the Group perimeter and to the Mexican subsidiaries, whose performance more than offset the Spanish subsidiaries' negative one.
- › **Adj. Operative costs** increased (impact on revenues unchanged vs. FY 2021). **Services costs** increased by 5% yoy, but **reduced the impact on revenues by 2.8 pps**. **Personnel costs** increased incidence on revenues by 2.4 pps compared to FY 2021, due to the higher average FTE for the period (from 655 in 2021 to 809 in 2022), due also to the Group perimeter change.
- › FY 2022 **Adj. EBITDA** at €M 11.8 +12% compared to €M 10.5 in FY 2021, with Adj. EBITDA margin in line with FY 2021 (**Adj. EBITDA margin at 11.1%**).
- › FY 2022 **EBIT** is equal to €M 7.5 +13% compared to €M 6.6 in FY 2021, with an EBIT margin in line with FY 2021.
- › FY 2022 **EBT** at €M 7.1, +23% compared to €M 5.8 in FY 2021, mainly due to lower financial charges linked to fair value adjustments (cap options and earn-out).
- › **Group Net Profit** is €M 5.6 +31% vs €M 4.3 in FY 2021. Taxes for the period were flat despite increase in revenues as an effect of the fiscal consolidation of the Italian companies for 2022 and the use of deferred tax assets.

# FY 2022 BALANCE SHEET – IAS/ IFRS

## Consolidated Balance Sheet

Balance Sheet (€000) - IAS/IFRS	FY 2021	FY 2022
Tangible assets	1,809	2,209
Intangible assets	6,195	6,567
<i>o/w rights of use (IFRS16)</i>	5,332	4,633
Goodwill	41,249	54,868
Financial assets	3,824	3,066
<b>Fixed Assets</b>	<b>53,077</b>	<b>66,710</b>
Inventories	-	-
Trade Receivables	36,040	41,541
Trade Payables	(14,184)	(16,217)
<b>Net Trade Working Capital</b>	<b>21,856</b>	<b>25,324</b>
Other Current Assets	4,159	4,076
Other Current Liabilities	(14,840)	(13,032)
Employees' leaving entitlement	(6,361)	(5,543)
<b>Total Capital Invested</b>	<b>57,891</b>	<b>77,535</b>
<b>Total Equity</b>	<b>36,699</b>	<b>43,406</b>
o/w Group Equity	36,376	43,007
o/w Minorities	323	399
Cash & current financial assets	(10,542)	(9,406)
Bank Debts	16,771	22,104
Put Option Liabilities	9,481	16,661
Other Financial Debts (IFRS16)	5,482	4,770
<b>Net Debt (Cash)</b>	<b>21,192</b>	<b>34,129</b>
<b>Total Funds</b>	<b>57,891</b>	<b>77,535</b>

- › **Net Invested Capital** at €M 77.5 (€M 57.9 in FY 2021) consisted of approx. € 25.3 million of **Net Trade Working Capital** (€M 21.9 FY 2021), €M 66.7 of fixed assets (€M 53.1 FY 2021) of which €M 54.9 of **Goodwill** (€M 41.2 in FY 2021) and €M 4.6 of IFRS 16 **rights of use** (€M 5.3 in FY 2021).
- › **Shareholders' equity** increased in the period by €M 6.7 since 31 Dec. 2021 (+19%), mainly due to the positive result of the period (€M +5.6).
- › **Net Financial Position** at December 31<sup>st</sup>, 2022, negative by €M -34.1 (ante-IFRS 16 at €M -29.4) declining by €M -12.9 compared to FY 2021. The **variation** is mainly due to: (i) increase in **put options liabilities and earn-out** linked to acquisitions (€M -7.2); (ii) increase in **bank loans** that financed acquisitions in the period (€M -5.3); (iii) **IFRS 16** impact (€M 0.7); (iv) decrease in **cash and cash equivalents** (€M -1.3).

# FY 2022 CASH FLOW GENERATION – IAS/IFRS

## Consolidated Cash Flow

Cash Flow Statement (€000) - IAS/IFRS	FY 2021	FY 2022
<b>Net Profit (Loss)</b>	<b>4,271</b>	<b>5,614</b>
Adjustments (cash tax, interest and other)	2,349	1,892
Non-cash items	3,664	4,081
<b>Gross Cash Flow</b>	<b>10,284</b>	<b>11,587</b>
Change in inventories	-	-
Change in trade receivables	(2,008)	(3,642)
Change in trade payables	(678)	2,046
<b>Total change in NTWC</b>	<b>(2,686)</b>	<b>(1,596)</b>
Total change in other asset/liabilities	(182)	(4,723)
<b>Operating Cash Flow</b>	<b>7,416</b>	<b>5,268</b>
Capex	(1,940)	(2,542)
Other non-current assets	303	1,737
<b>Free Cash Flow before Acquisition</b>	<b>5,779</b>	<b>4,463</b>
Acquisitions	(1,949)	(4,361)
<b>Free Cash Flow</b>	<b>3,830</b>	<b>102</b>
Change in treasury shares	(759)	(435)
Dividends to minorities	(1,031)	(613)
Change in bank & fin. Debts	(259)	4,050
IFRS 16 effect	(1,347)	(1,714)
Changes in Equity	892	-
Changes on other financial assets	(55)	-
Change in put/options	(9,653)	(2,733)
<b>Change in Cash</b>	<b>(8,382)</b>	<b>(1,343)</b>
Initial Cash	18,840	<b>10,458</b>
Final Cash	10,458	<b>9,115</b>

- › FY 2022 **Gross Cash Flow** at **€M 11.6**, compared to €M 10.3 in FY 2021. The increase YoY is mostly due to higher positive result of the period.
- › FY 2022 **Operating cash flow** at **€M 5.3** compared to €M 7.4 of FY 2021. The decrease of €M 2.1 is mainly related to total change in Net Working Capital, prepayment releases, paid taxes and severance payments, partially offset by the public contributions received.
- › Ordinary **Capex** of the period is €M 2.5 compared to €M 1,9 of FY 2021. FY 2022 **Free Cash Flow before Acquisitions** is equal to **€M 4.5**, declining vs. €M 5.8 in FY 2021.
- › FY 2022 **Free Cash Flow** is **€M 0.1**, compared to €M 3.8 in FY 2021.
- › Total change in **cash** for the period was **€M -1.3** compared to -€M 8.4 in FY 2021.

## OUTLOOK

- > The war in Ukraine is causing a widespread increase in the price of energy products, that 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.
- > **At present, limited impact has been recorded 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 2022, barring the occurrence of further aggravating events, currently not 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

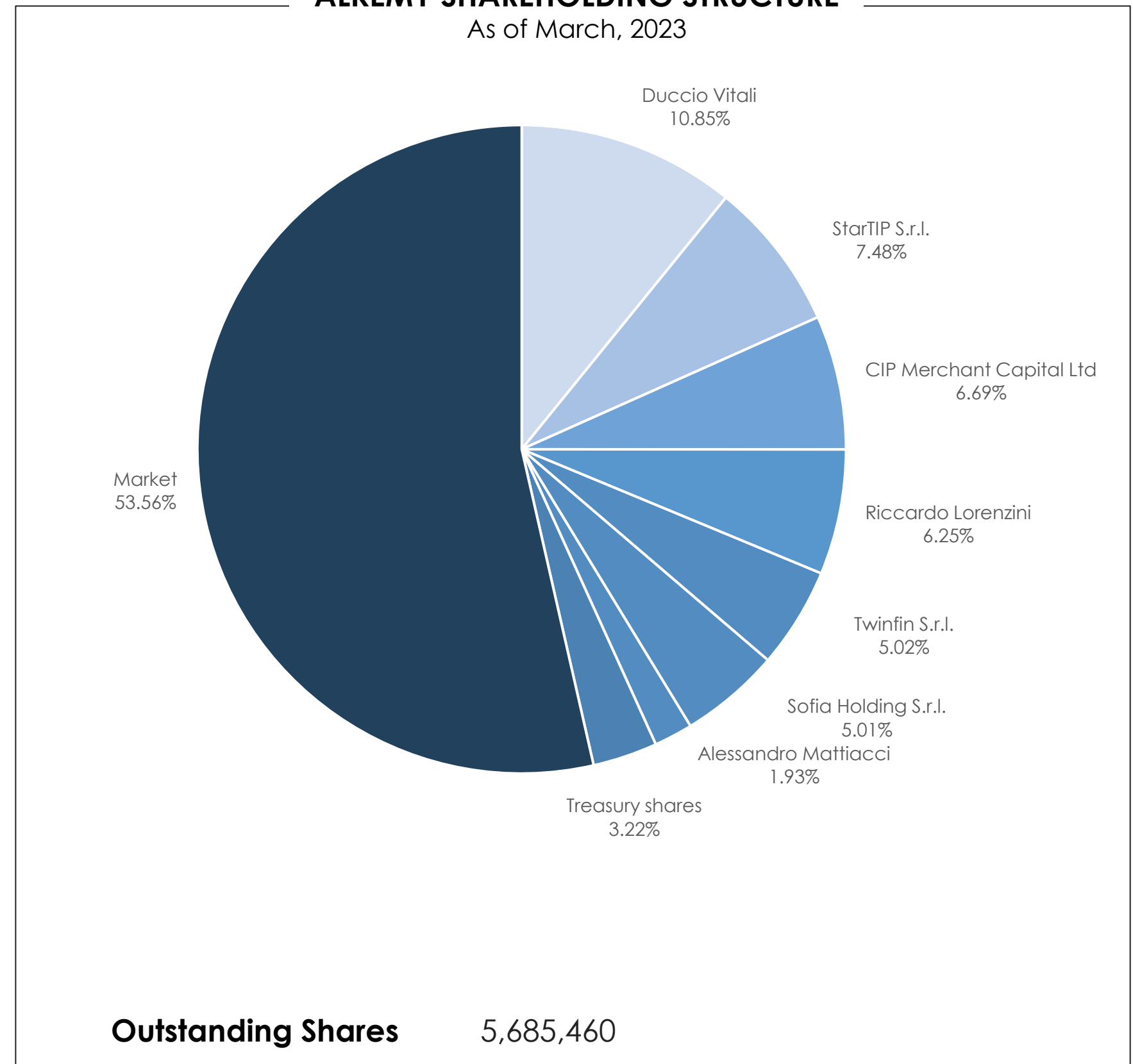
## Analyst Coverage

- Intermonte
- Banca Imi
- Mediobanca



## ALKEMY SHAREHOLDING STRUCTURE

As of March, 2023



**Outstanding Shares** 5,685,460

# 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



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