



## **9M 2023 RESULTS**

14.11.2023

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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 Euro** 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**.

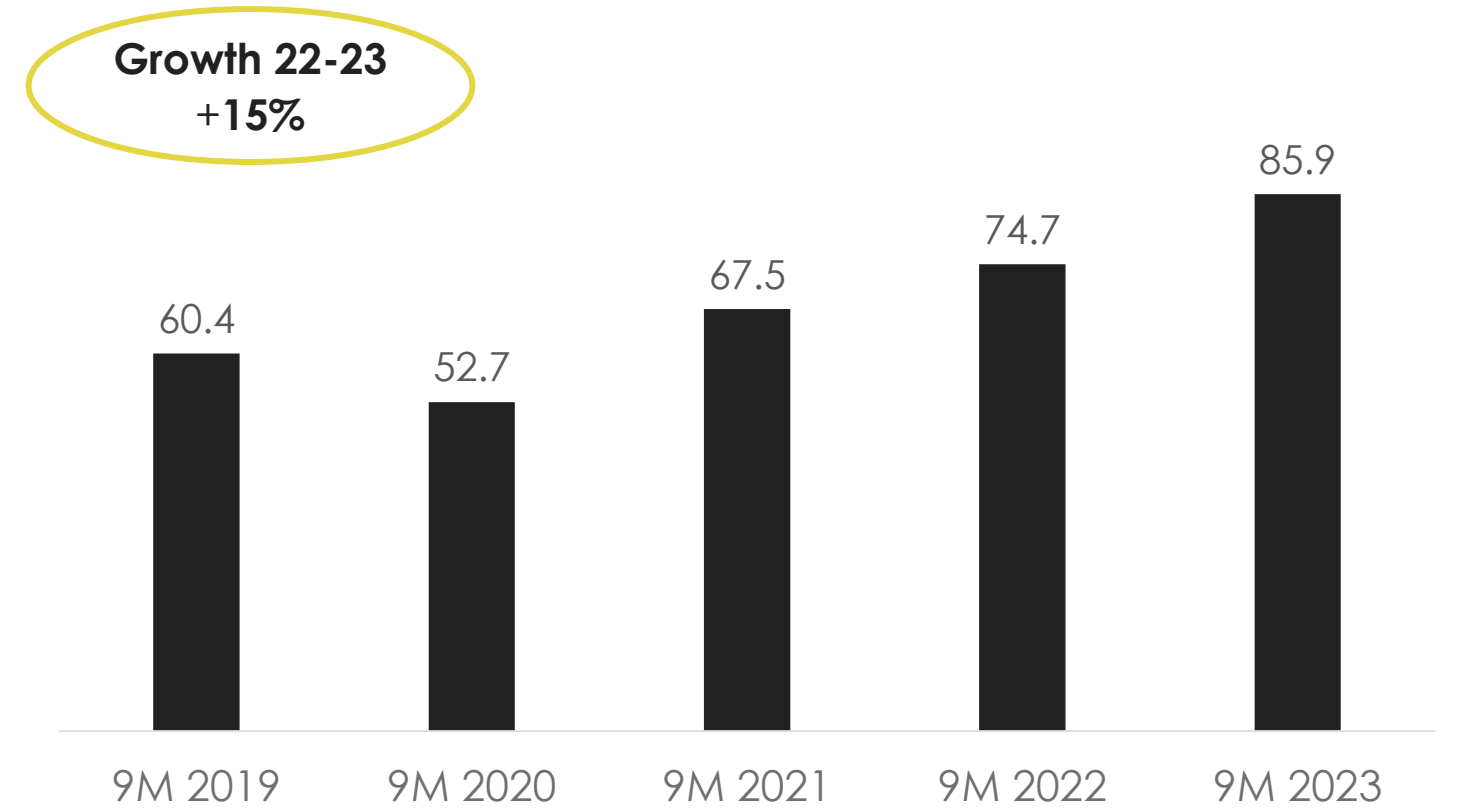
We help companies to  
evolve their business in the  
post-digital scenario

# FINANCIAL HIGHLIGHTS

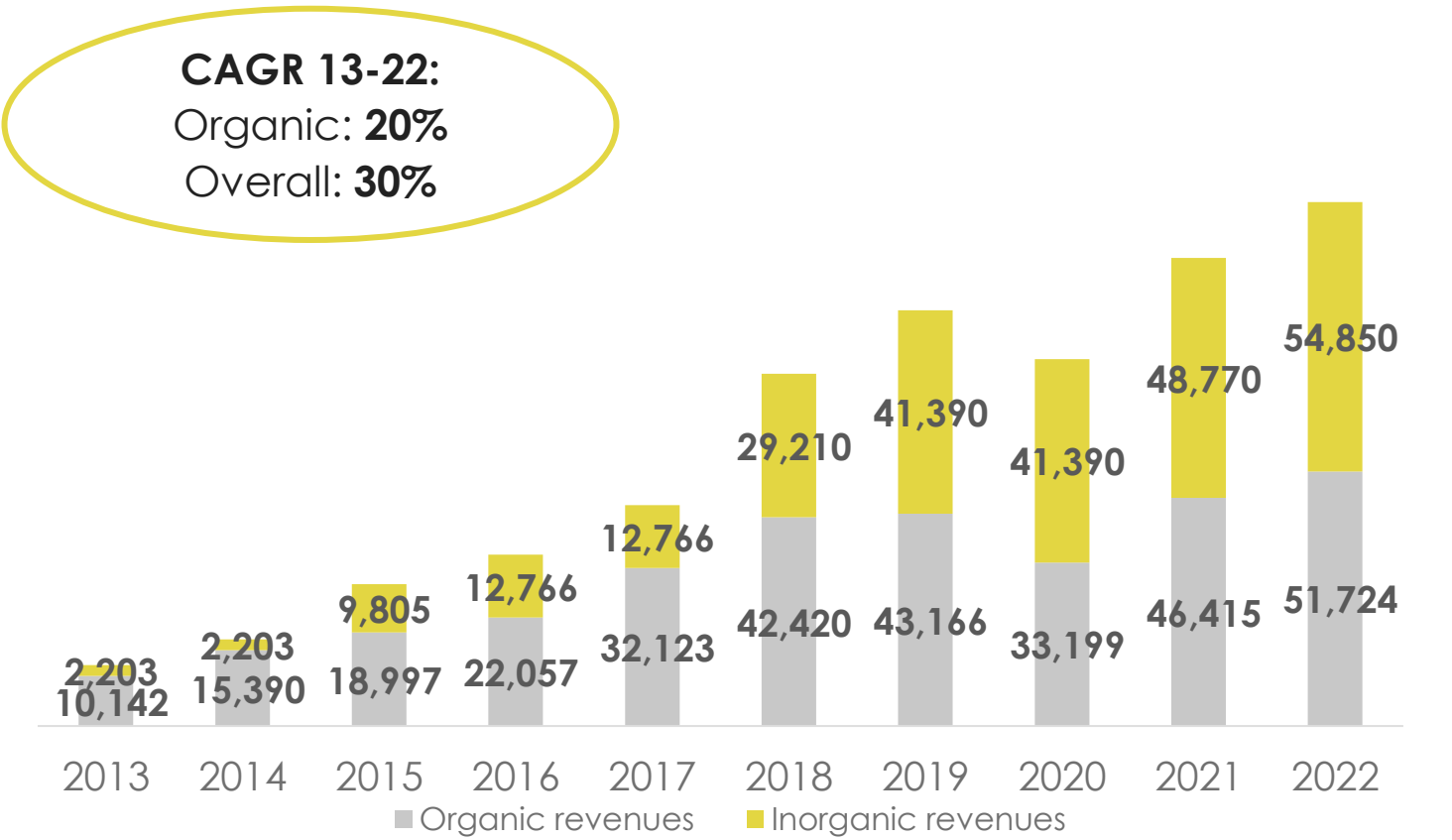
€M	9M 2023	9M 2022	
<b>Turnover</b>	<b>85.9</b>	<b>74.7</b>	> <b>+15% vs. 9M 2022</b> , mainly due to change in Group perimeter, and to the strong focus on top clients, supported by the Go-to-Market strategy.
<b>Adj. EBITDA</b>	<b>9.0</b>	<b>7.9</b>	> <b>+14% vs. 9M 2022. EBITDA Adj. margin at 10.5%</b> , broadly in line with 9M 2022.
<b>EBIT</b>	<b>4.8</b>	<b>5.1</b>	> <b>-7% vs. 9M 2022</b> , mainly due to <b>higher amortization costs</b> linked to investments made in H2 2022. EBIT margin at 5.6%, down from 6.8% in 9M 2022.
<b>EBT</b>	<b>3.3</b>	<b>5.0</b>	> <b>-35% vs. 9M 2022</b> , due to <b>higher financial charges</b> following higher financial debt and increased interest rates.
<b>Group Net Income</b>	<b>2.4</b>	<b>3.6</b>	> <b>-35% vs. 9M 2022</b> .
<b>Net Operating Cash Flow</b>	<b>5.9</b>	<b>3.7</b>	> <b>+2.2 €M vs. 9M 2022</b> mainly due to <b>higher non-cash adjustments, lower deferred income and NWC dynamics</b> .
<b>NFP</b>	<b>-34.5</b>	FY 2022 <b>-34.1</b>	> <b>-0.4 €M</b> since December 31 <sup>st</sup> , 2022, due to <b>higher IFRS 16 financial payables</b> and <b>bank loans</b> , partially offset by the <b>decrease in put-options liabilities</b> following the exercise of the purchase option for the remaining 49% of DGI's share capital in Q3.

# REVENUES

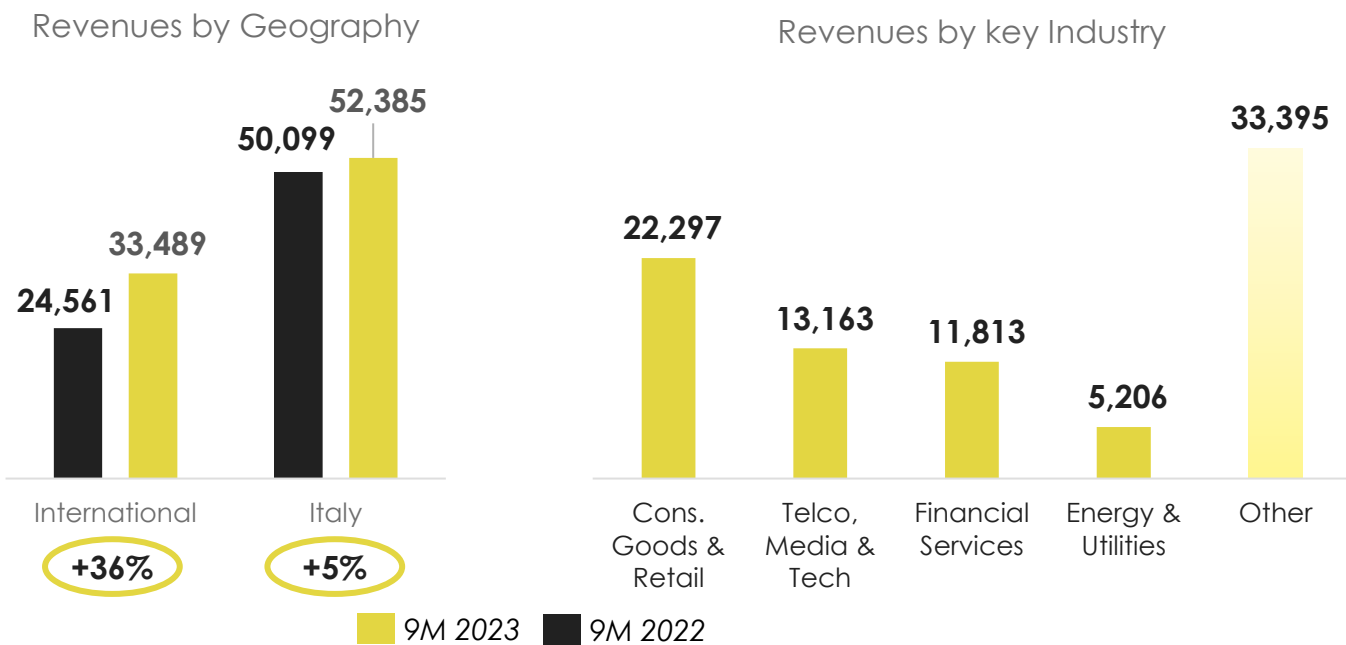
## 9M REVENUES (€M) – IAS /IFRS



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



## ALKEMY TURNOVER DEEP DIVE

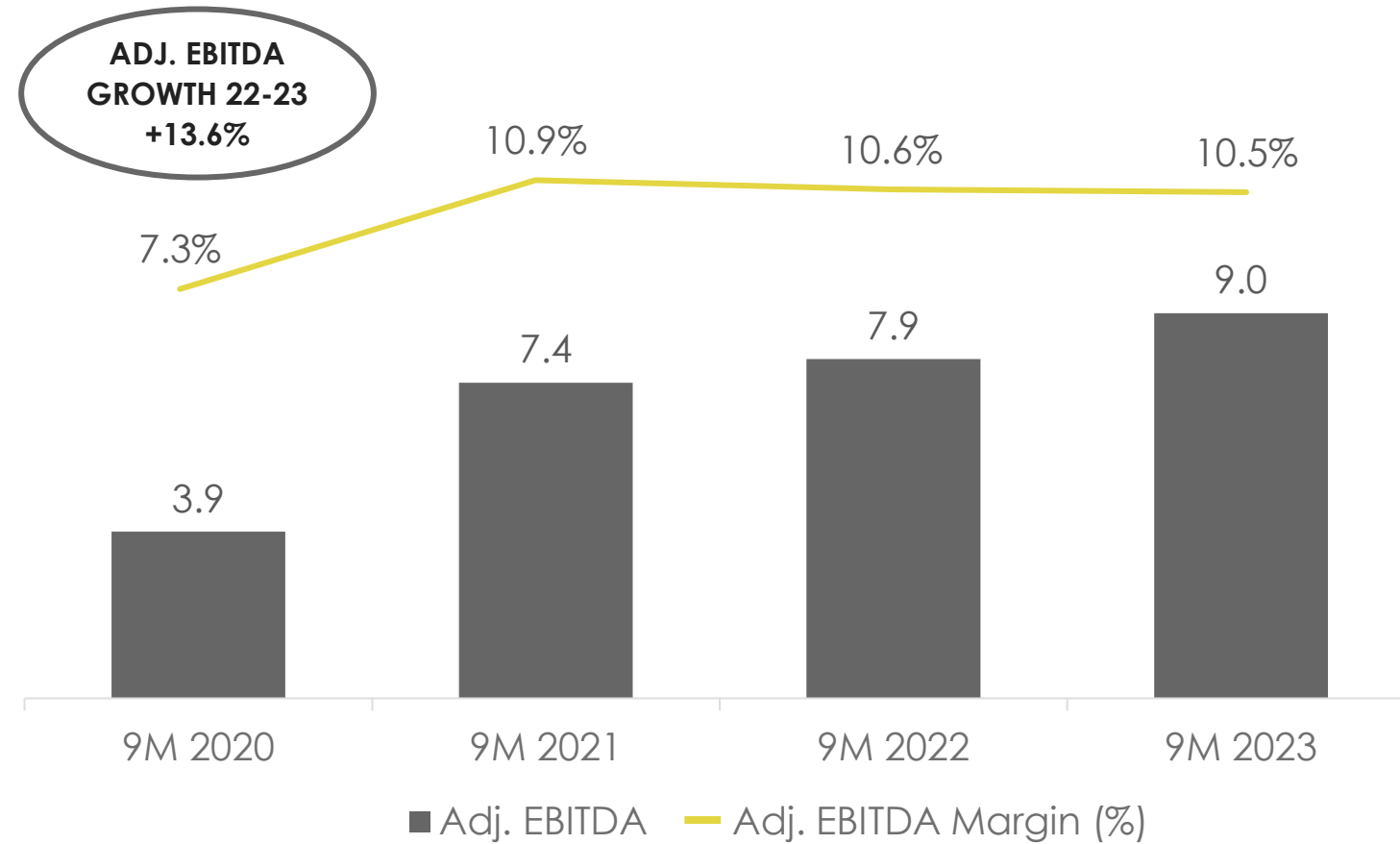


- 9M 2023 **revenues at €M 85.9**, +15% vs. 9M 2022 (€M 74.7). The result is due to the change in Group perimeter and to the Group of organic growth.
- 9M 2023 **Italian turnover at €M 52.4**, +5% vs. €M 50.1 in 9M 2022. The growth is mainly due to the focus on existing clients.
- International revenues** in 9M 2023 **at €M 33.5**, up by 36% vs. €M 24.6 in 9M 2022, mainly due to change in Group perimeter and supported by organic growth.
- Revenues generated by clients in the **Consumer Goods & Retail, TMT** and **Financial Services** in the period generated 56% of the total Group turnover.

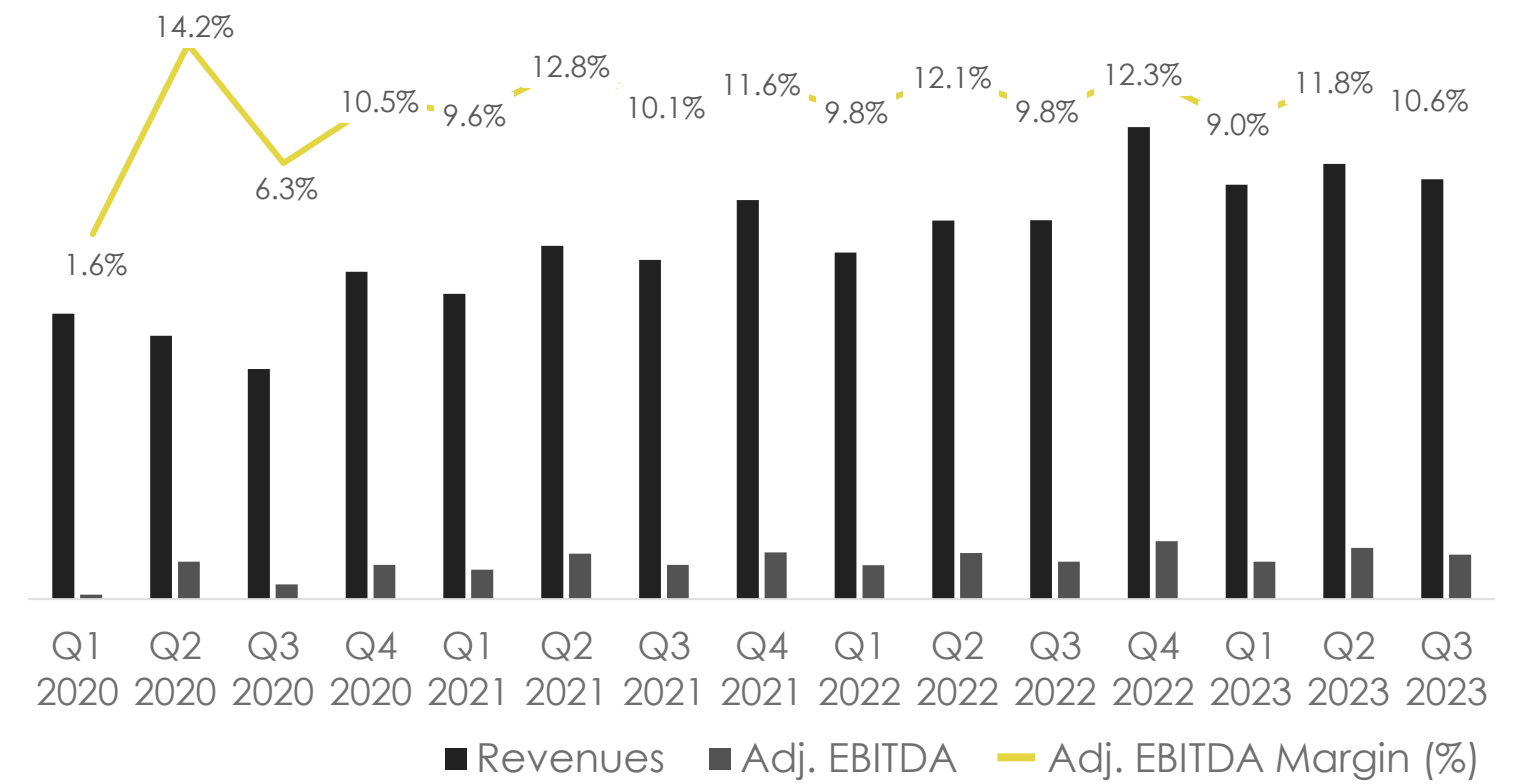
(1) Revenues 2013-14-15-16 are Management estimates and are not audited, following the introductions of IFRS in 2018.

# Adj. EBITDA<sup>(1)</sup>

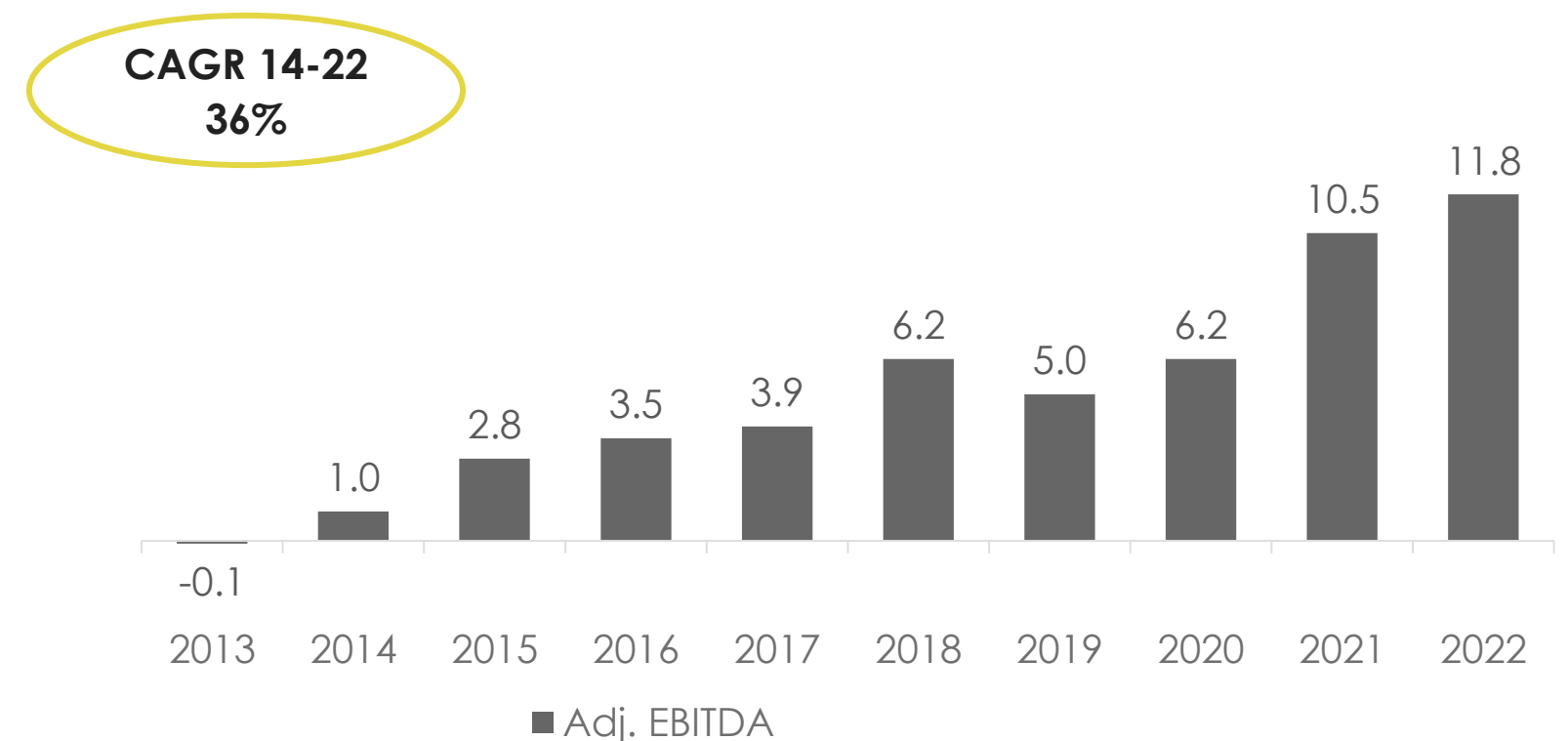
## 9M ALKEMY Adj. EBITDA (€M) – IAS/IFRS<sup>(1)</sup> & MARGIN (%)



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



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



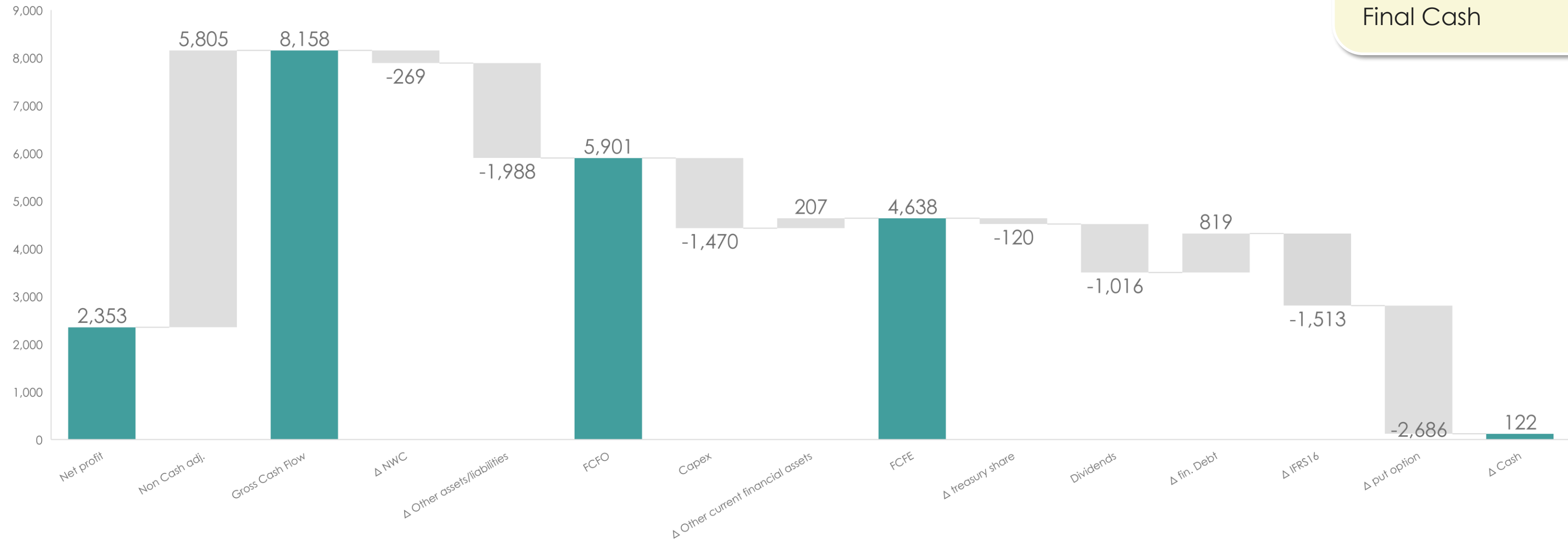
- › **9M 2023 Adjusted EBITDA is €M 9.0, +14% compared to 9M 2022 (€M 7.9), in line with the top-line increase.**
- › **9M 2023 Adjusted EBITDA margin is 10.5%**, broadly in line with 9M 2022 (10.6%).

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

# 9M 2023 CASH FLOW

9M 2023 Cash Flow generation - (€000)

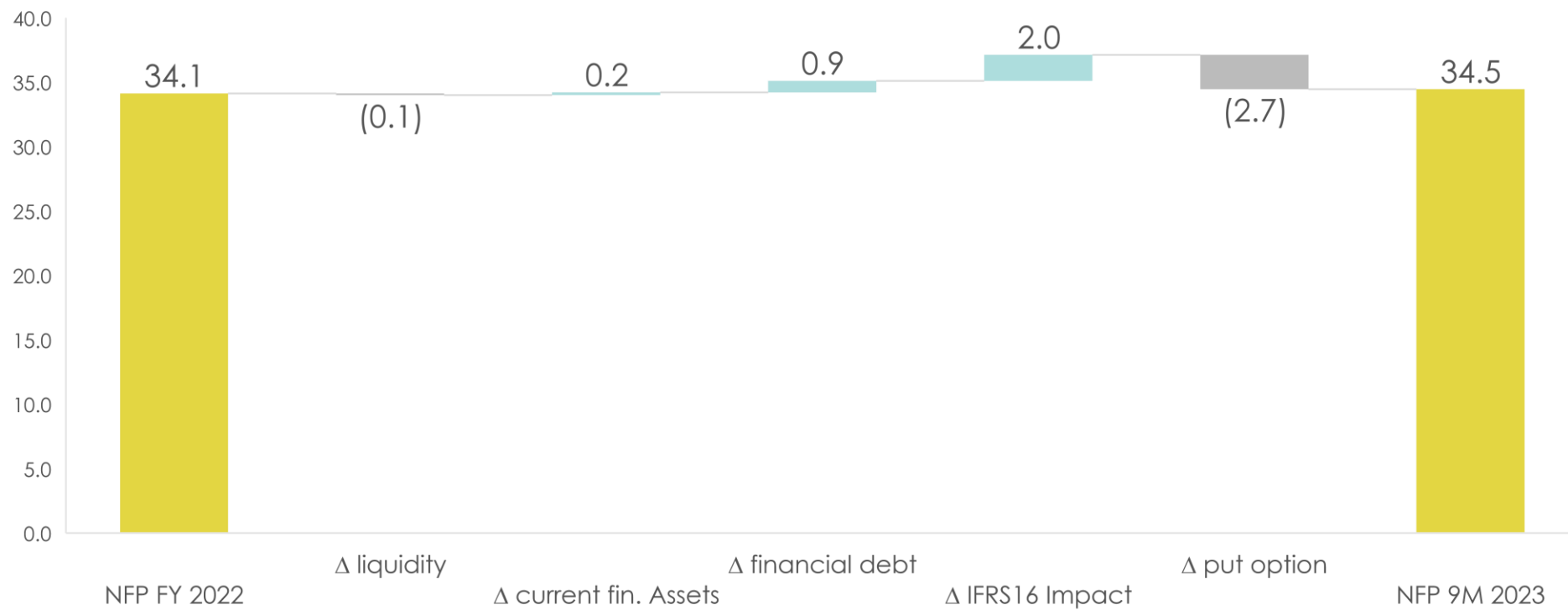
Initial Cash	9.1 €M
Delta Cash	+0.1 €M
Final Cash	9.2 €M



- › **9M 2023 Gross Cash Flow at €M 8.2**, +0,4 €M vs. 9M 2022 mainly due to **higher non-cash adjustments for the period**.
- › **FCFO at €M 5.9, equal to 66% of Adj. EBITDA**, +62% compared to 9M 2022, mainly due to non-cash adjustments and change in other assets/liabilities due to lower deferred income for the period.
- › **Capex -13% compared to 9M 2022** and equal to **2% of Revenues**.
- › **Change in cash over 9M 2023 is €M +0.1**.

# NET FINANCIAL POSITION BRIDGE AND DETAILS

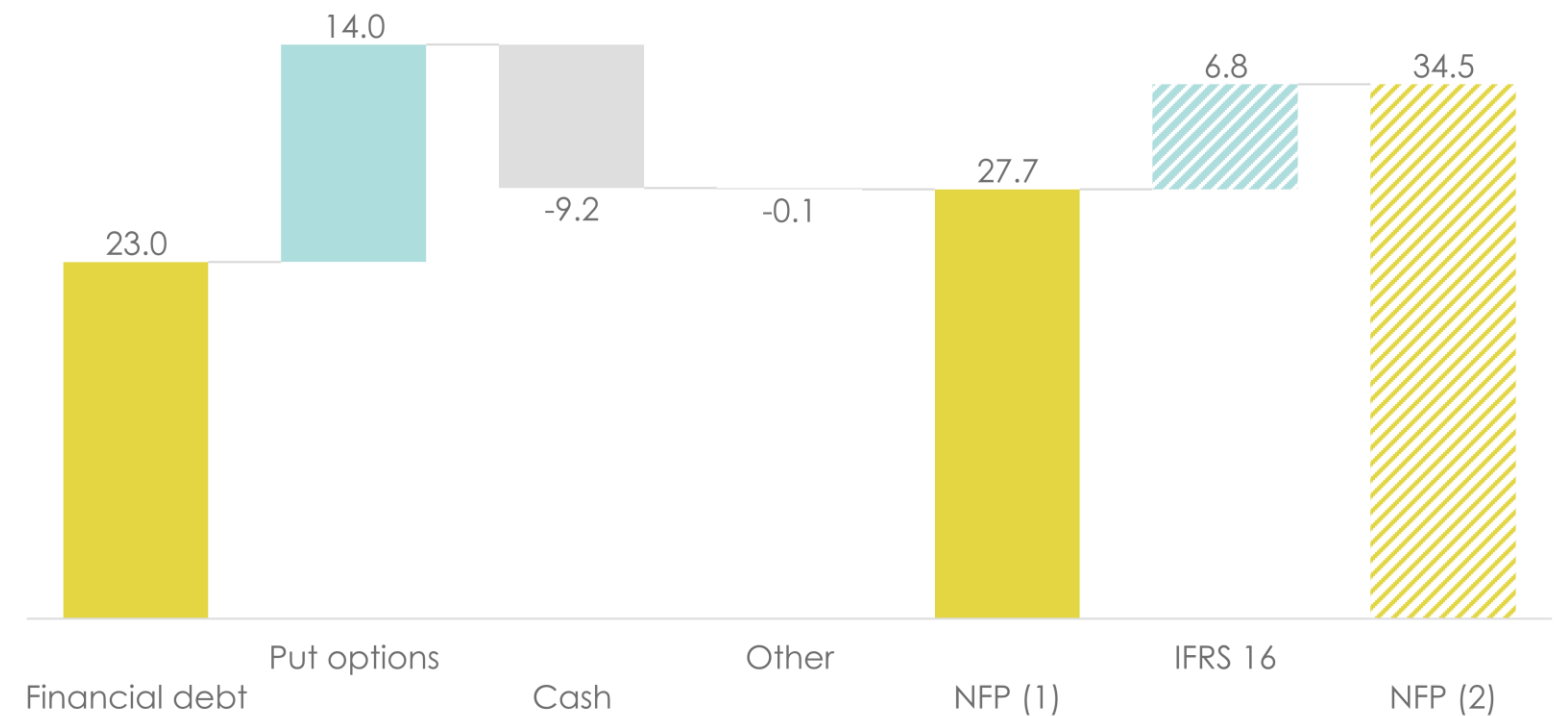
## Net Financial Position Bridge 9M 2023 (€M)



- › **Gross debt** is composed by **€M 23.0 of financial debt** (of which €M 13.4 LT, €M 9.6 ST), **€M 14.0 put options and earn-out liabilities** deriving from M&A (of which €M 5.1 ST) and €M 6.8 IFRS 16 financial leases.
- › **9M 2023 NFP (1) ex IFRS16** is **€M 27.7**, down by €M -1.7 compared to FY 2022.
- › **9M 2023 cash and equivalents** is **€M 9.2**.

- › **Net Financial Position** NFP (2) at September 30<sup>th</sup>, 2023, declined by €M -0,4 compared to €M -34.1 at December 31<sup>st</sup>, 2022.
- › **Variation** is mainly due to: (i) increase in bank loans (€M 0.9), (ii) IFRS 16 impact (€M 2.0), (iii) decrease in put liability and earn-out (€M -2,7).

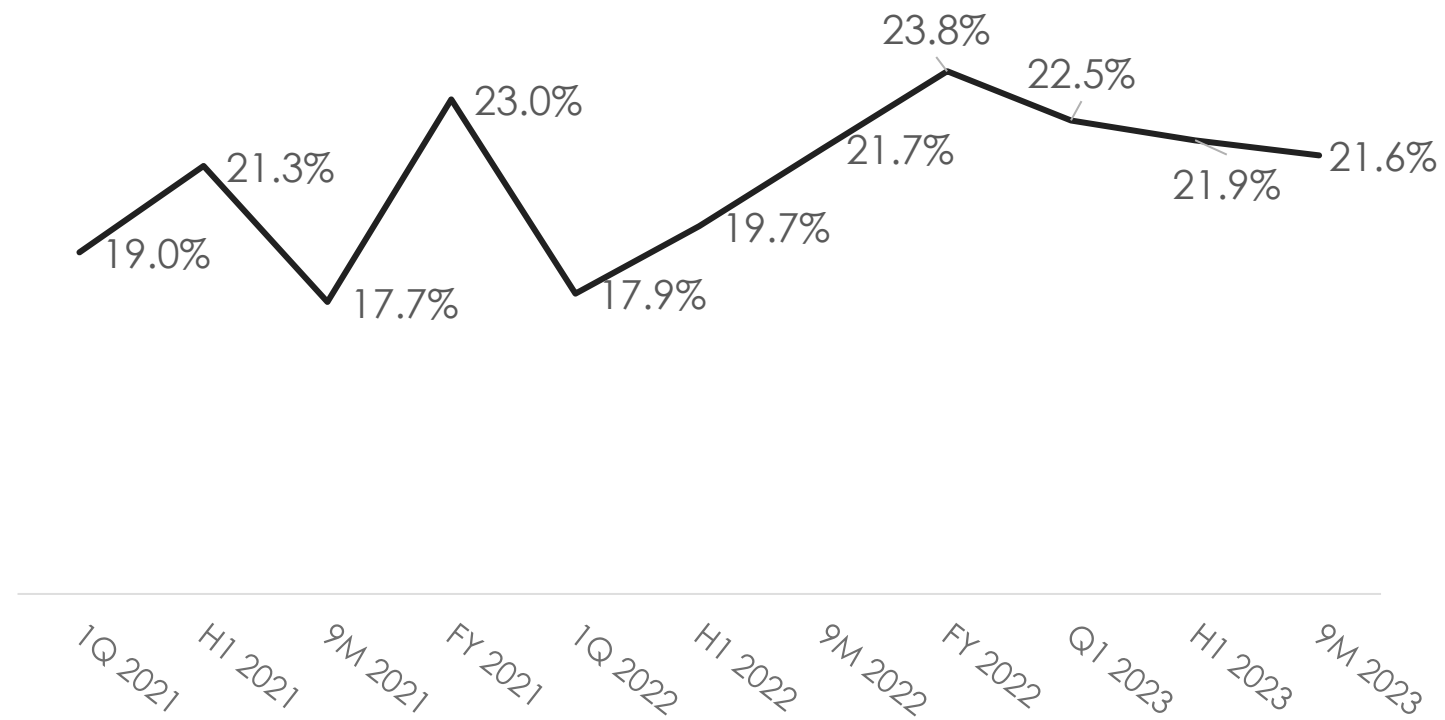
## Net Financial Position Break Down 9M 2023 (€M)



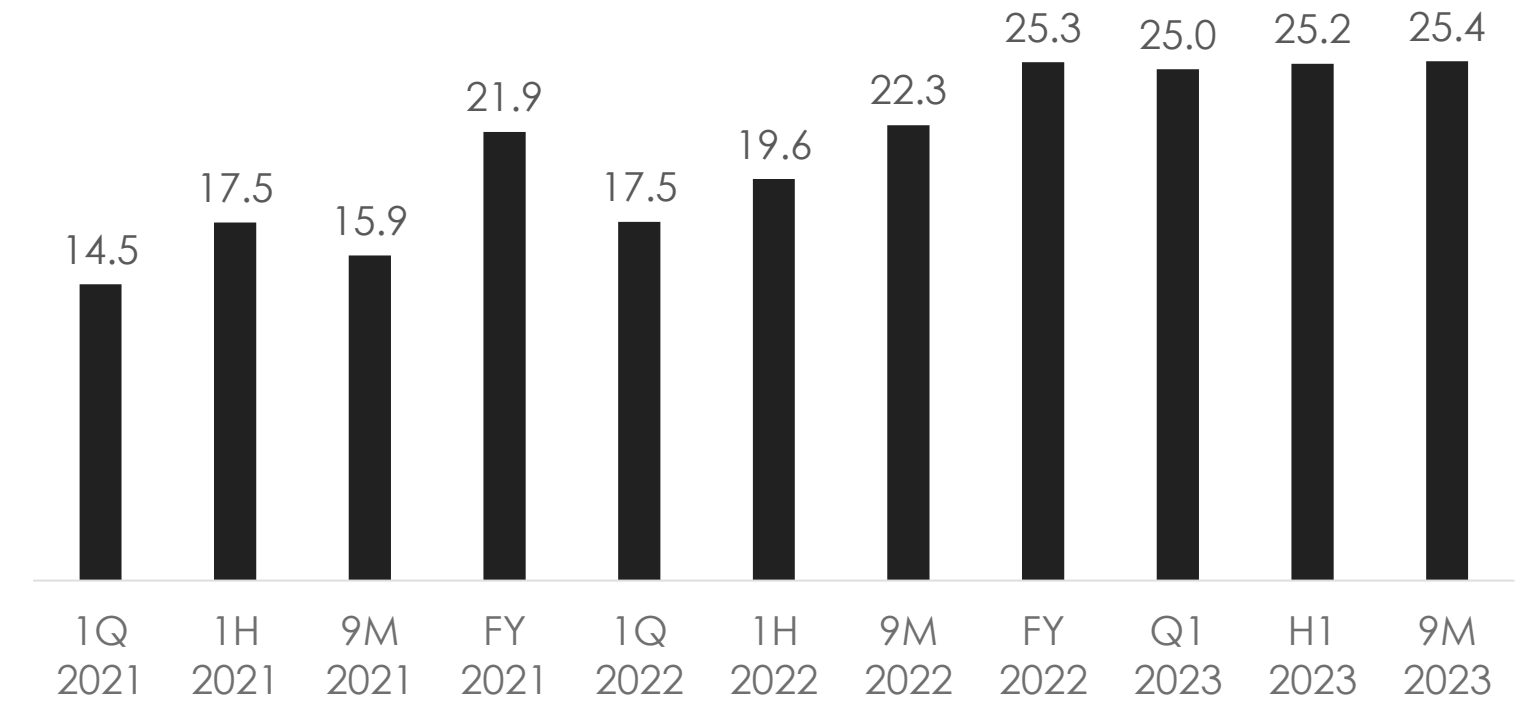


# NET TRADE WORKING CAPITAL DYNAMICS

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

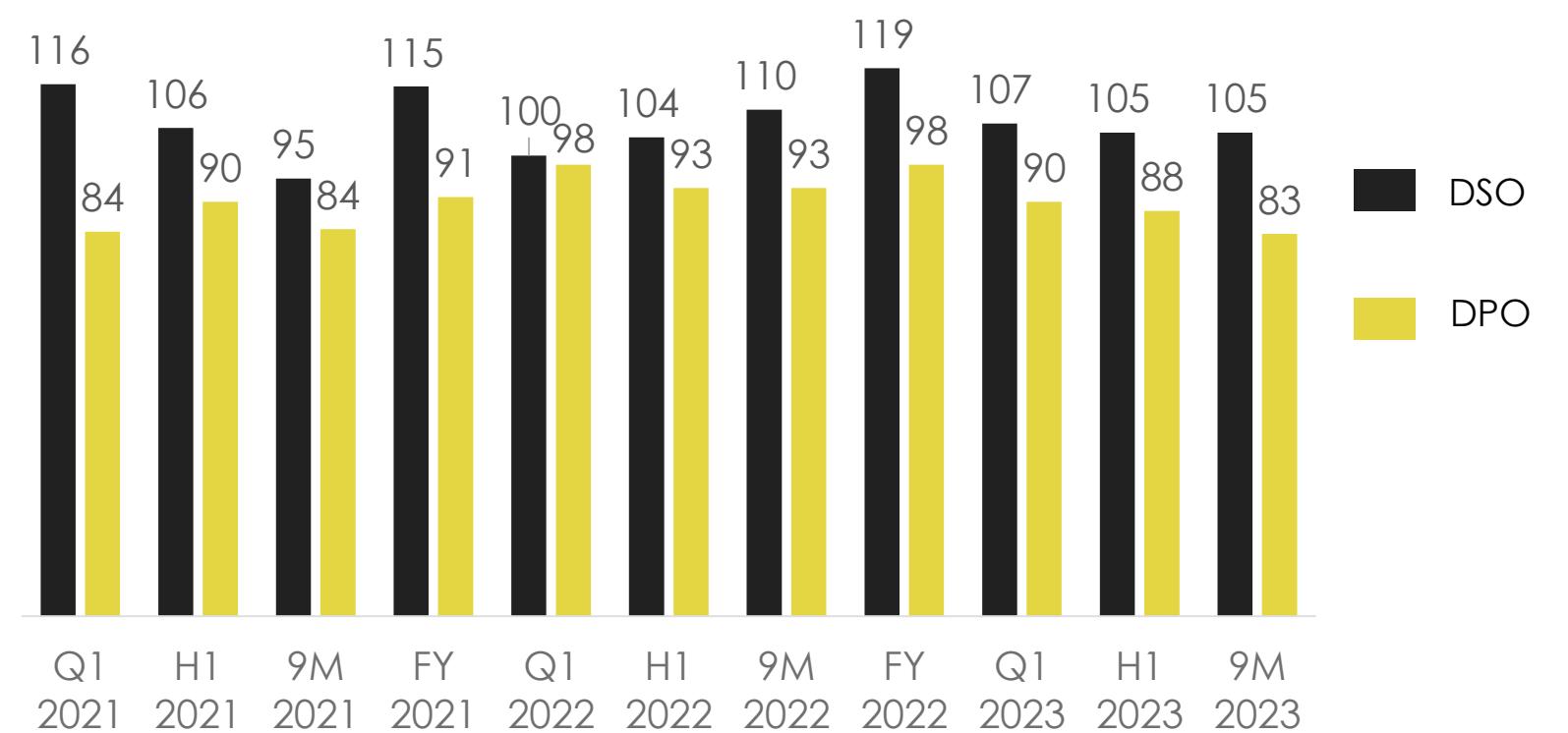


Net Trade Working Capital (€M)



- > **9M 2023 Net Trade Working capital is 14% higher than 9M 2022**, and its incidence over last 12 months' revenues was broadly in stable.
- > 9M 2023 cash generation from **Net Trade Working Capital** decrease (€M -0.3 million compared to €M 1.7 in 9M 2022), due to payables and receivables dynamics.
- > **9M 2023 DSO at 105, -5% vs. 9M 2022; 9M 2023 DPO at 83, -11% vs. 9M 2022.**

Cash Conversion Cycle Details (days)



# 9M 2023 P&L – IAS/IFRS

## Consolidated Profit & Loss

Profit and Loss (€000) - IAS/IFRS	9M 2022	9M 2023
<b>Revenues</b>	<b>74,660</b>	<b>85,874</b>
Service costs, consum. & goods	(34,449)	(36,938)
- of which non-recurrent	(169)	(22)
Personnel	(32,732)	(40,754)
- of which non-recurrent	(256)	(772)
<b>Adj. EBITDA</b>	<b>7,904</b>	<b>8,976</b>
% Revenues	10.6%	10.5%
<b>EBITDA</b>	<b>7,479</b>	<b>8,182</b>
% Revenues	10.0%	9.5%
D&A	(2,160)	(3,050)
Bad debts/ claims/ provisions	(210)	(356)
<b>EBIT</b>	<b>5,109</b>	<b>4,776</b>
% Revenues	6.8%	5.6%
Financial charges	(123)	(1,511)
<b>EBT</b>	<b>4,986</b>	<b>3,265</b>
Taxes	(1,351)	(912)
% Tax rate	27.1%	27.9%
<b>Net Profit (Loss)</b>	<b>3,635</b>	<b>2,353</b>
% Revenues	4.9%	2.7%
o/w Minorities	(5)	(23)
<b>o/w Group Net Profit (Loss)</b>	<b>3,640</b>	<b>2,376</b>

- › 9M 2023 **Revenues** at **€M 85.9, up by 15%** compared to €M 74.7 of 9M 2022. The increase is mostly related to the change in the Group perimeter. **Italian revenues up by 5%** YoY, mainly related to the focus on the existing client base. **Foreign turnover up by 36%**, thanks to the inclusion of InnoCV in the Group perimeter and to the performance of foreign subsidiaries.
- › **Adj. Operative costs** increased (impact on revenues at 90% in line with 9M 2022). **Services costs** increased by 8% YoY but **reduced the impact on revenues by 3.1 pps**. **Personnel costs** increased incidence on revenues by 3.6 pps compared to 9M 2022, due to the higher average FTE for the period (from 783 in 9M 2022 to 940 in 9M 2023), mainly due to the change in Group perimeter.
- › 9M 2023 **Adj. EBITDA** at €M 9.0, +14% compared to €M 7.9 in 9M 2022, with Adj. EBITDA margin at 10.5%, broadly in line with 9M 2022 (10.6%).
- › 9M 2023 **EBIT** is equal to €M 4.8, -7% compared to €M 5.1 in 9M 2022, mostly due to higher D&A linked to investments made in 2022, and to higher non-recurrent costs mainly driven by personnel one-offs.
- › 9M 2023 **EBT** at €M 3.3, -35% compared to €M 5.0 in 9M 2022, mainly because of higher financial charges due to higher financial debts and higher interest rates.
- › **Group Net Profit** is €M 2.4 -35% vs €M 3.6 in 9M 2022. Taxes for the period declined due to lower net profit.

# 9M 2023 BALANCE SHEET – IAS/ IFRS

## Consolidated Balance Sheet

Balance Sheet (€000) - IAS/IFRS	FY 2022	9M 2023
Tangible assets	2,209	2,066
Intangible assets	6,567	8,644
-Of which rights of use (IFRS16)	4,633	6,622
Goodwill	54,868	54,867
Financial assets	3,066	2,927
<b>Fixed Assets</b>	<b>66,710</b>	<b>68,504</b>
Inventories	-	-
Trade Receivables	41,541	39,036
Trade Payables	(16,217)	(13,661)
<b>Net Trade Working Capital</b>	<b>25,324</b>	<b>25,375</b>
Other Current Assets	4,076	5,740
Other Current Liabilities	(13,032)	(12,719)
Employees' leaving entitlement	(5,543)	(6,306)
<b>Total Capital Invested</b>	<b>77,535</b>	<b>80,594</b>
<b>Total Equity</b>	<b>43,406</b>	<b>46,128</b>
o/w Group Equity	43,007	45,752
o/w Minorities	399	376
Cash & current financial assets	(9,406)	(9,323)
Bank Debts	22,104	23,008
Put Option Liabilities	16,661	14,010
<b>Net Financial Position ex-IFRS 16</b>	<b>29,359</b>	<b>27,695</b>
Other Financial Debts (IFRS16)	4,770	6,771
<b>Net Debt (Cash)</b>	<b>34,129</b>	<b>34,466</b>
<b>Total Funds</b>	<b>77,535</b>	<b>80,594</b>

- › **Net Invested Capital** at €M 80.6 (€M 77.5 in FY 2022) consisted of approx. € 25.4 million of **Net Trade Working Capital** (€M 25.3 in FY 2022), €M 68.5 of fixed assets (€M 66.7 FY 2022) of which €M 54.9 of **Goodwill** (in line with FY 2022) and €M 6.6 of **IFRS 16 rights of use** (€M 4.6 in FY 2022).
- › **Shareholders' equity** increased in the period by €M 2.7 since 31 Dec. 2022 (+6%), mainly due to the positive result of the period (€M +2.4).
- › **Net Financial Position** at September 30<sup>th</sup>, 2023, negative by €M -34.5 (ante-IFRS 16 at €M -27.7) declining by €M -0.4 compared to FY 2022. The **variation** is mainly due to: (i) increase in **bank loans**, as a net impact of additional debt linked to the perfectioning of the acquisition of the remaining 49% of DGI, and instalments repaid in the period (€M -0.9); (ii) **IFRS 16** impact (€M -2.0); (iii) decrease in **put options and earn out** (€M +2,7).

# 9M 2023 CASH FLOW GENERATION – IAS/IFRS

## Consolidated Cash Flow

Cash Flow Statement (€000) - IAS/IFRS	9M 2022	9M 2023
<b>Net Profit (Loss)</b>	<b>3,635</b>	<b>2,353</b>
Adjustments (cash tax, interest and other)	1,474	2,423
Non-cash items	2,645	3,382
<b>Gross Cash Flow</b>	<b>7,754</b>	<b>8,158</b>
Change in trade receivables	1,507	2,188
Change in trade payables	183	(2,457)
<b>Total change in NTWC</b>	<b>1,690</b>	<b>(269)</b>
Total change in other asset/liabilities	(5,791)	(1,988)
<b>Operating Cash Flow</b>	<b>3,653</b>	<b>5,901</b>
Capex	(1,690)	(1,470)
Other non-current assets	1,735	207
<b>Free Cash Flow before Acquisition</b>	<b>3,698</b>	<b>4,638</b>
Acquisitions	(4,361)	-
<b>Free Cash Flow</b>	<b>(663)</b>	<b>4,638</b>
Change in treasury shares	(435)	(120)
Dividends to minorities	(542)	(1,016)
Change in bank & fin. Debts	4,644	819
IFRS 16 effect	(1,244)	(1,513)
Changes in Equity	-	-
Changes on other financial assets	-	-
Change in put/options	(2,672)	(2,686)
<b>Change in Cash</b>	<b>(912)</b>	<b>122</b>
Initial Cash	10,458	9,115
Final Cash	9,546	9,237

- › 9M 2023 **Gross Cash Flow** at **€M 8.2**, €M +0.4 vs. €M 7.8 in 9M 2022.
- › 9M 2023 **Net operating cash flow** at **€M 5.9** compared to €M 3.7 of 9M 2022. The increase of €M 2.2 is mainly related to higher non-cash adjustments, lower deferred income and Net Working Capital dynamics.
- › 9M 2023 Ordinary **Capex** of the period is €M 1.5 compared to €M 1.7 of 9M 2022, and stable at 2% of Revenues. 9M 2023 **Free Cash Flow** is equal to **€M 4.7**, compared to €M -0.7 in 9M 2022.
- › **Total change in cash** for the period was **€M +0.1** compared to -€M 0.9 in 9M 2022.

# OUTLOOK

- > The war in Ukraine, the beginning of the conflict in Israel, the inflation trends and the following monetary policy are having 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 cost and interest rates inflation, with possible repercussions on the purchase of the services offered by the Group.
- > Considering the results achieved in 9M 2023, 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

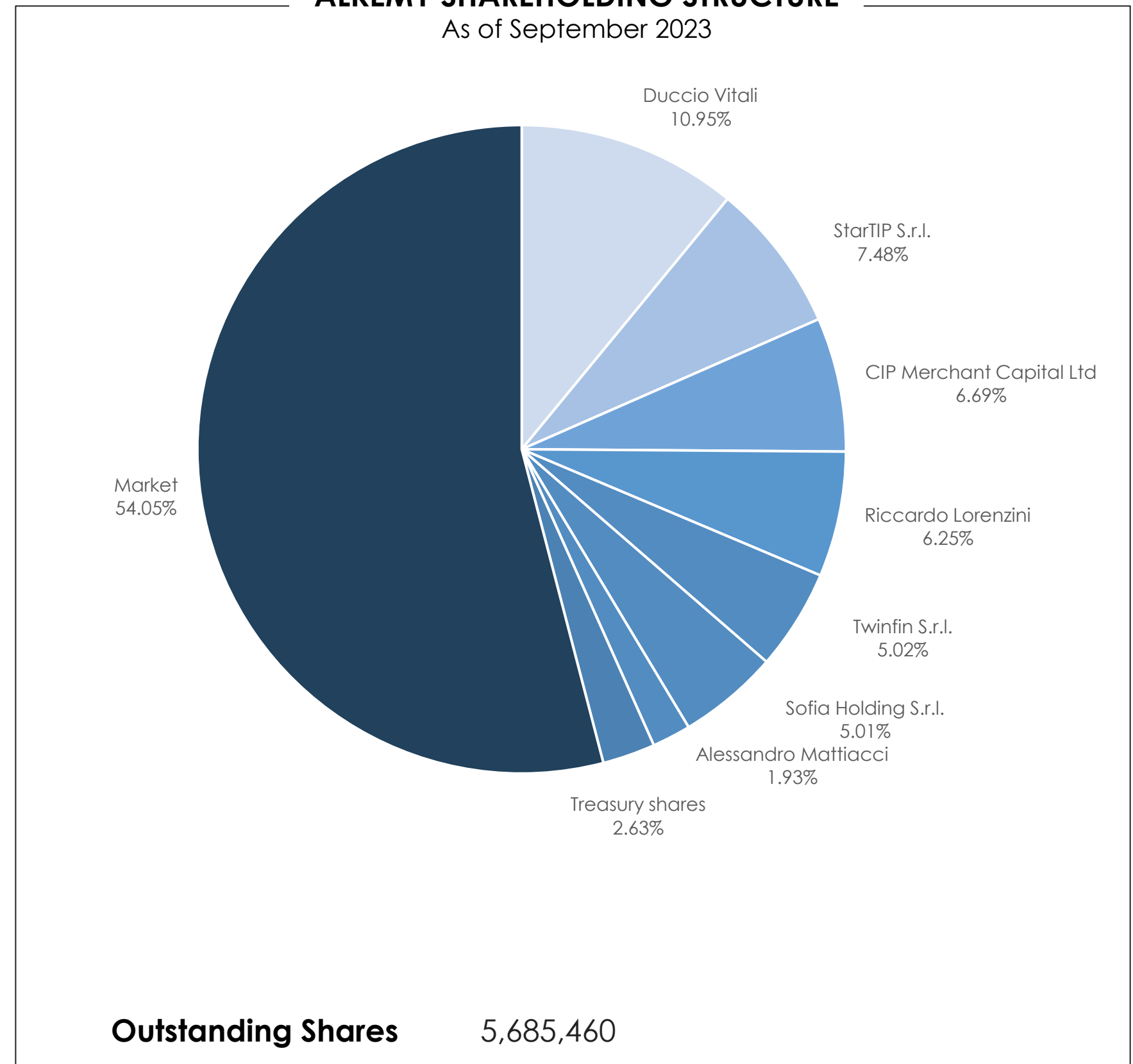
## Analyst Coverage

- Intermonte
- Intesa Sanpaolo
- Mediobanca



## ALKEMY SHAREHOLDING STRUCTURE

As of September 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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