



## **FY 2023 RESULTS**

28.03.2024

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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 28%** (>3x the market), to move from the 23 starting resources to a team of over **900 people** and a turnover of **119M€** in 2023.

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 2021 was up to **+500%**.

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

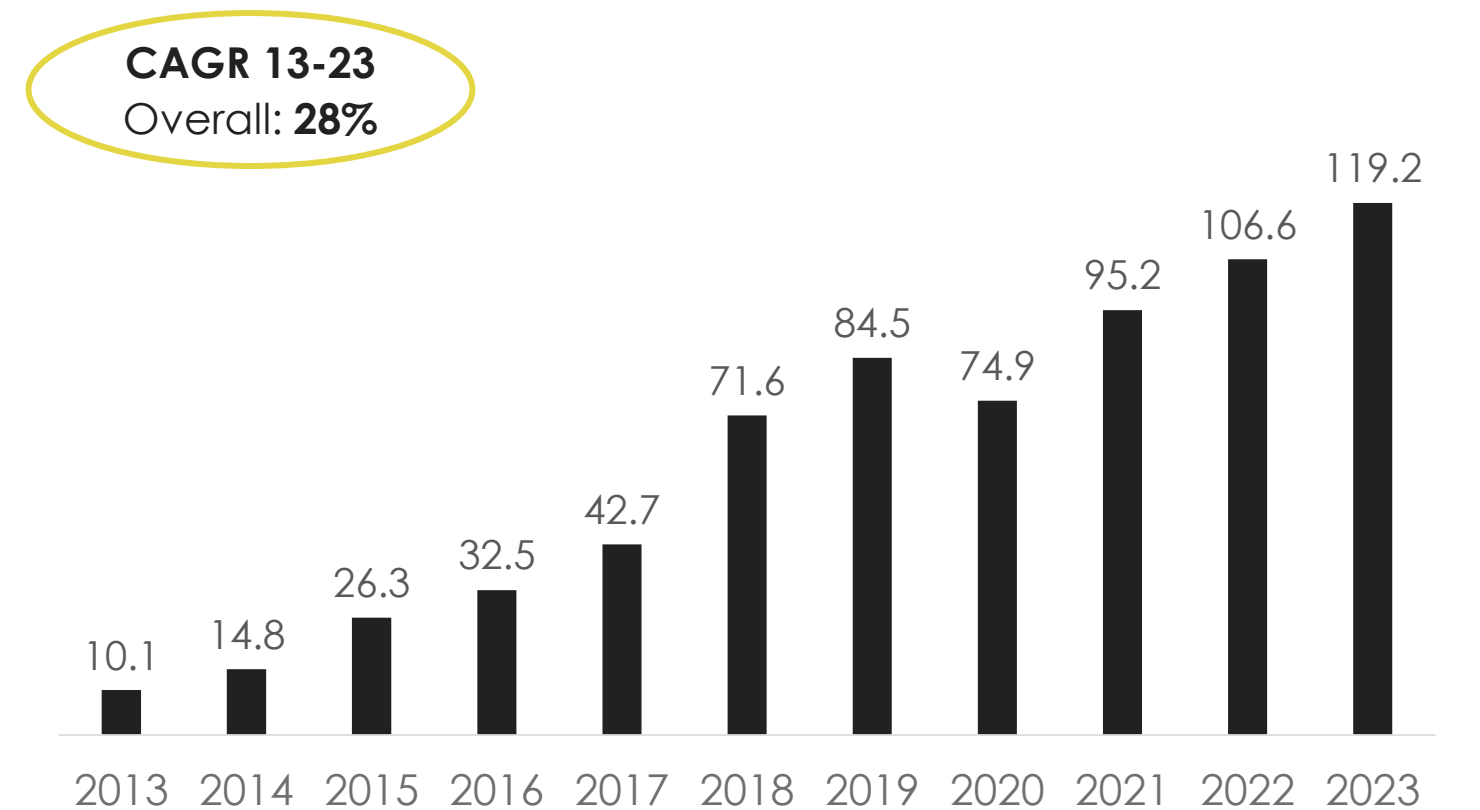
We help companies to  
evolve their business in the  
post-digital scenario

# FINANCIAL HIGHLIGHTS

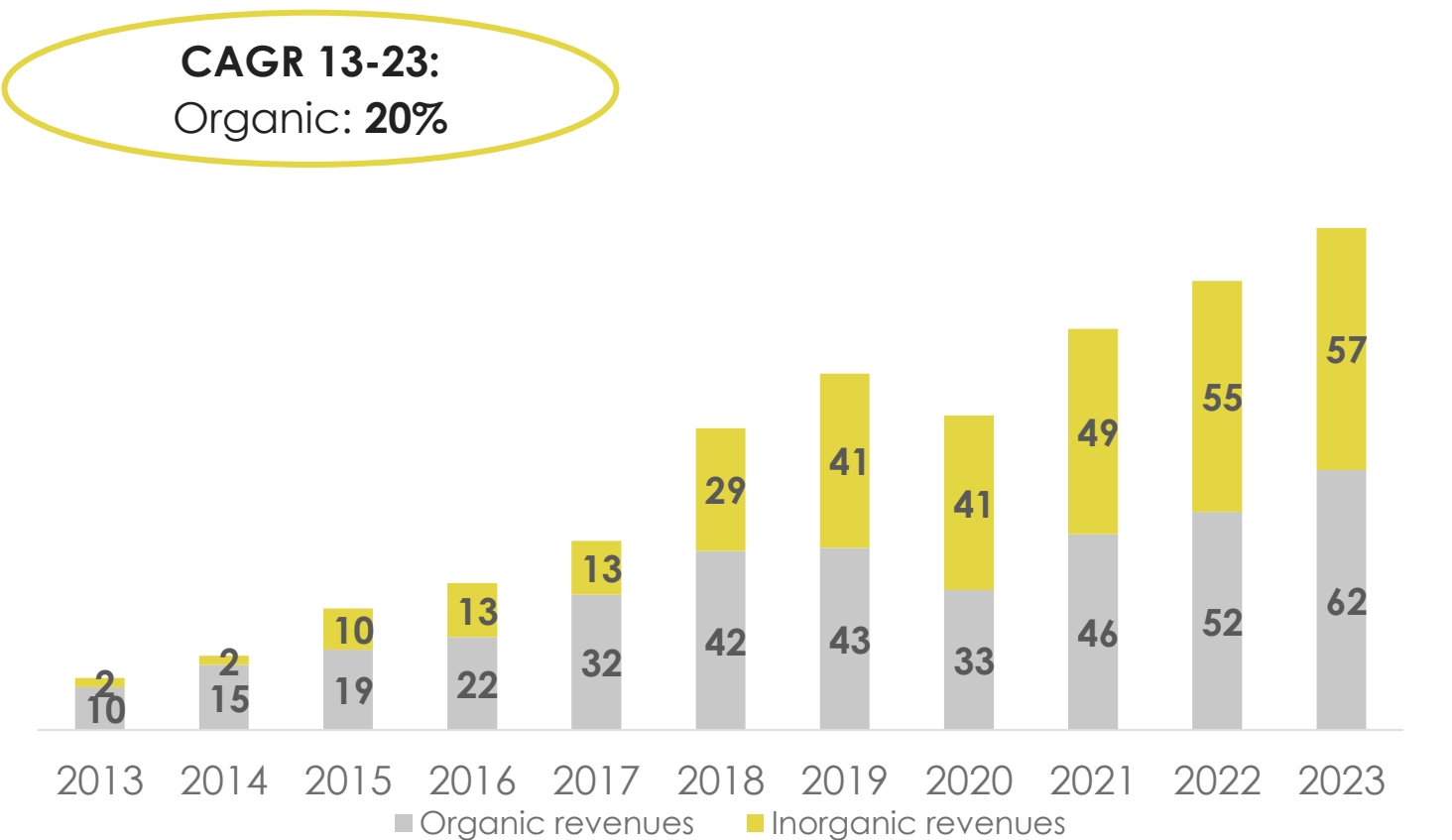
€M	FY 2023	FY 2022	
<b>Turnover</b>	<b>119.2</b>	<b>106.6</b>	> <b>+12% vs. FY 2022</b> , mainly thanks to change in Group perimeter.
<b>Adj. EBITDA</b>	<b>13.1</b>	<b>11.8</b>	> <b>+11% vs. FY 2022</b> . EBITDA Adj. margin flat (11.0%).
<b>EBIT</b>	<b>6.9</b>	<b>7.5</b>	> <b>-8% vs. FY 2022</b> . EBIT, mainly due to <b>higher amortization costs</b> due to investments made in H2 2022. EBIT margin at 5.8%, down from 7.0% in FY 2022.
<b>EBT</b>	<b>4.8</b>	<b>7.1</b>	> <b>-32% vs. FY 2022</b> , due to <b>higher financial charges</b> due to higher financial debt and increased interest rates.
<b>Group Net Income</b>	<b>3.5</b>	<b>5.6</b>	> <b>-37% vs. FY 2022</b>
<b>Operating Cash Flow</b>	<b>9.2</b>	<b>5.3</b>	> <b>+3.9 €M vs. FY 2022</b> mainly due to <b>higher non-cash adjustments, deferred income and NWC dynamics</b> .
<b>NFP</b>	<b>-31.8</b>	<b>-34.1</b>	> <b>€M +2.4 since 31 December 2022</b> mostly due to decrease in put option liabilities and higher cash, that more than offset the higher IFRS 16 financial payable and bank loans.

# REVENUES

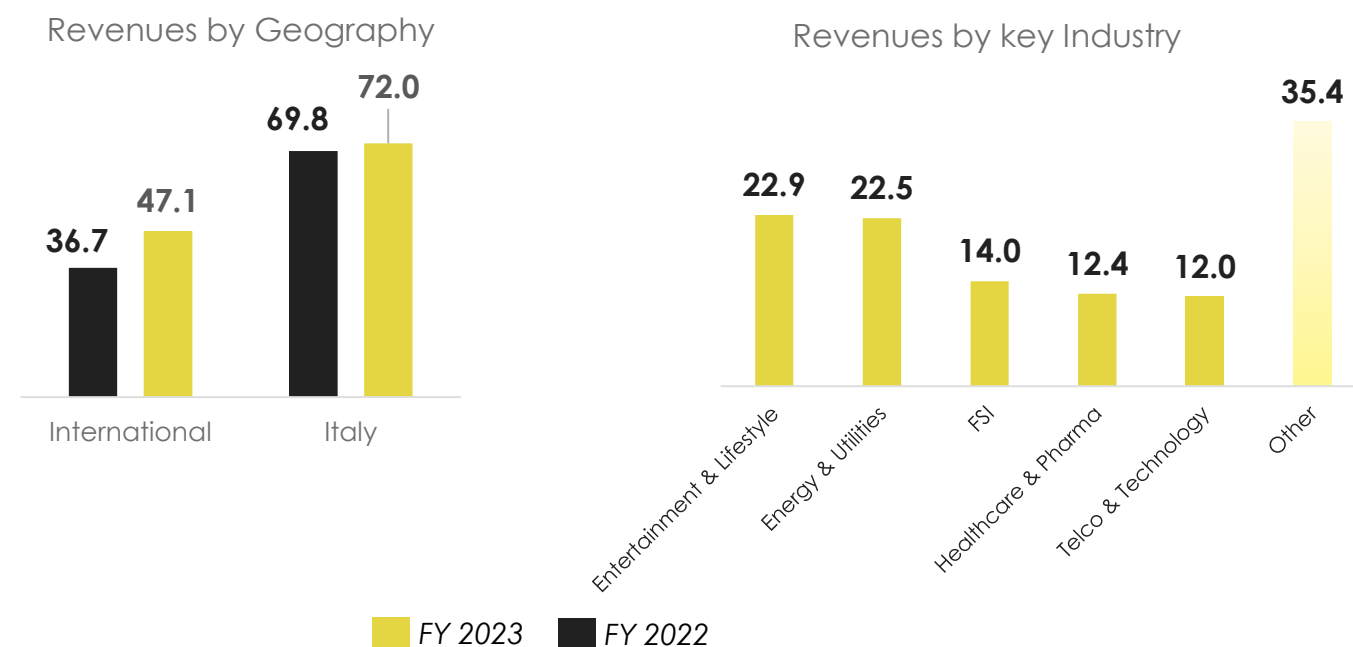
## FY REVENUES (€M) – IAS /IFRS



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



## ALKEMY INTERNATIONAL TURNOVER & SPLIT BY INDUSTRY

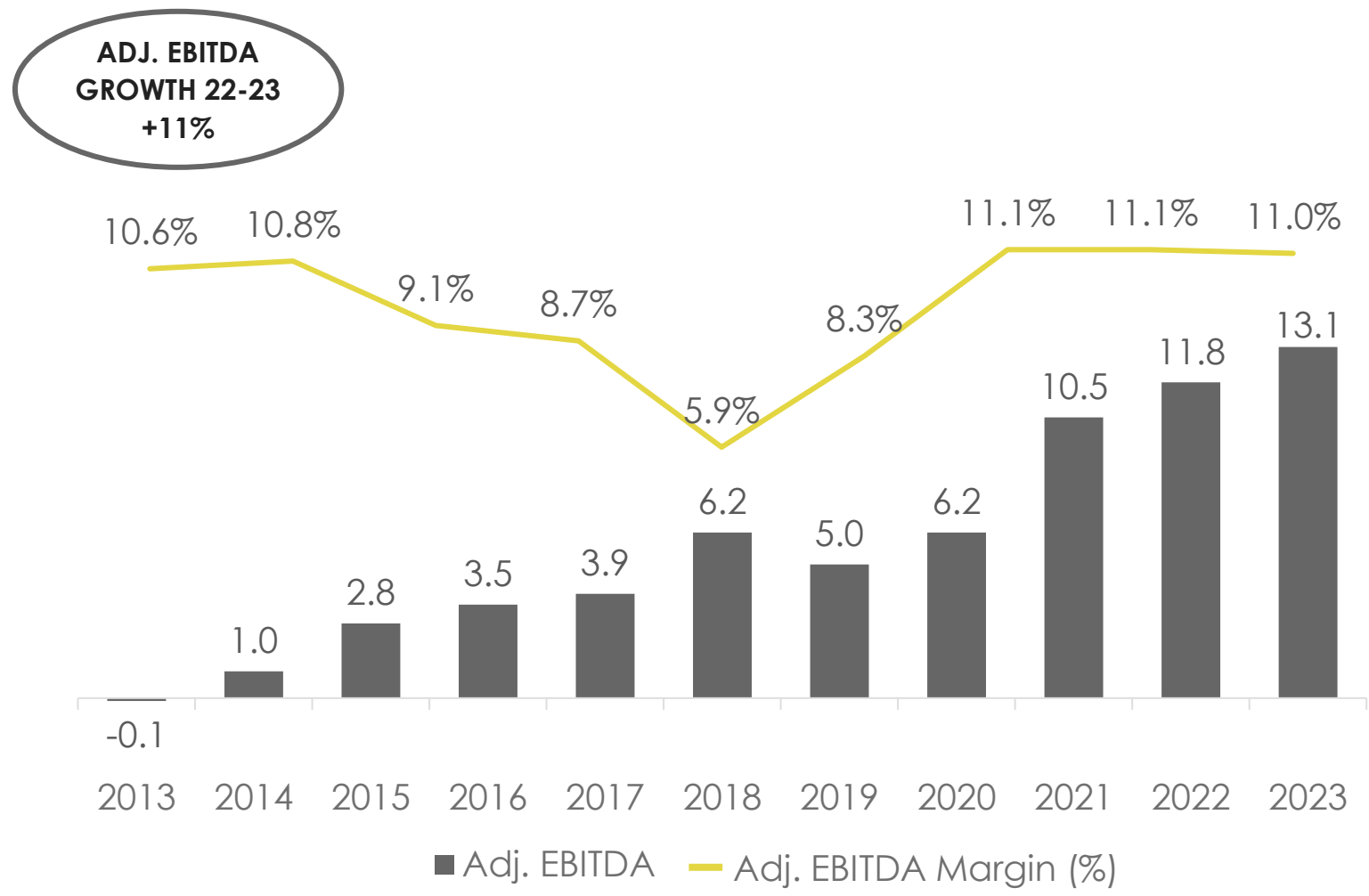


- › FY 2023 **revenues at €M 119.2**, +12% vs. FY 2022 (€M 106.6). The result is due mostly to the Group perimeter change.
- › FY 2023 **Italian turnover at €M 72.0**, +3% vs. €M 69.8 in FY 2022. The growth is mainly due to the focus on existing clients and Go-to-Market strategy.
- › **International revenues** in FY 2023 **at €M 47.1**, up by 28% vs. €M 36.7 in FY 2022, mainly due to change in Group perimeter and organic growth across all international subsidiaries.
- › Revenues generated by clients in the **Entertainment & Lifestyle** and **Energy & Utilities** are 38% of total turnover, followed by **FSI, Healthcare & Pharma** and **Telco & Technology** (12%, 10% and 10% of Group turnover respectively).

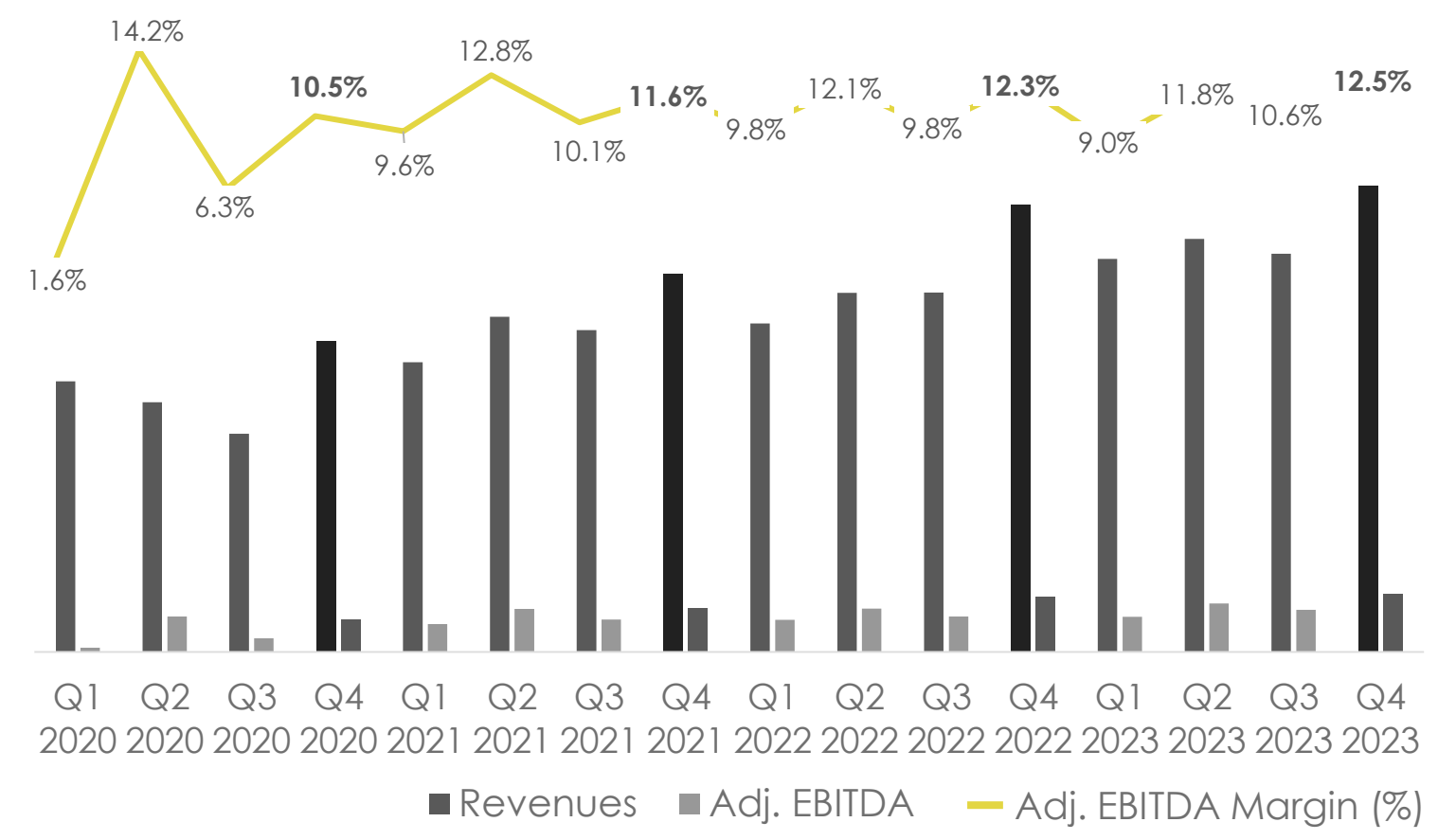
<sup>(1)</sup>Revenues 2013-14-15-16 are Management estimates and are not audited, following the introductions of IFRS in 2018.

# Adj. EBITDA

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



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



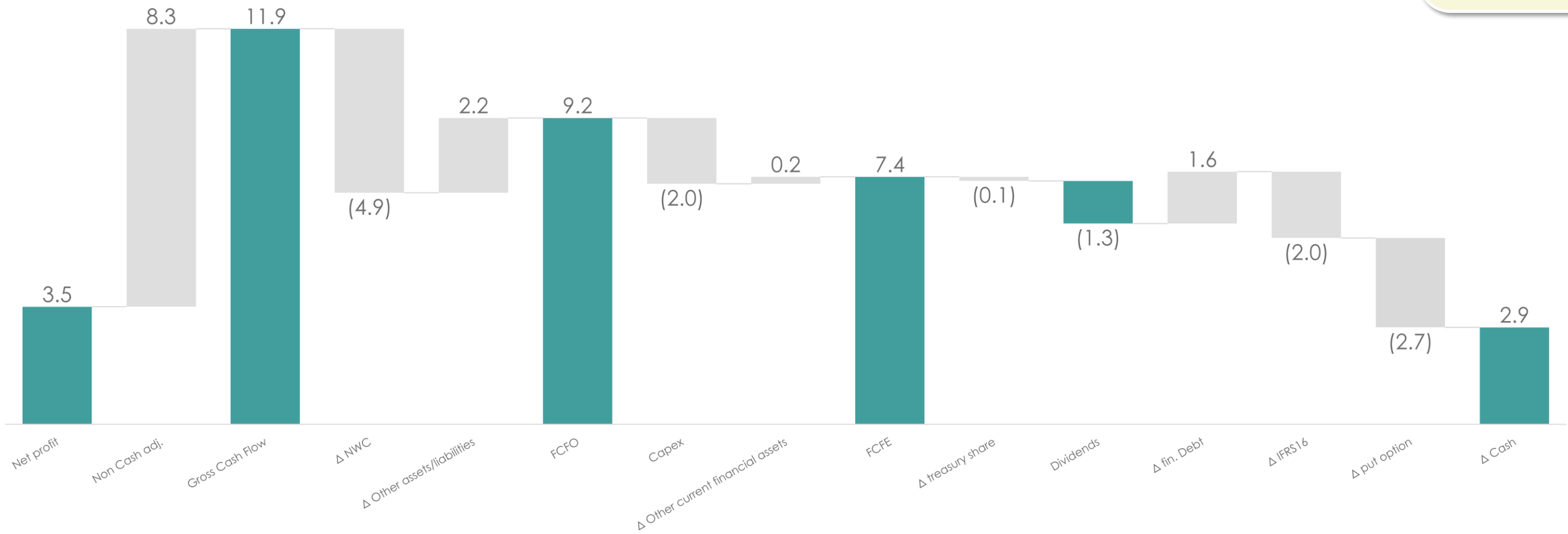
- > **FY 2023 Adj. EBITDA is €M 13.1, +11% compared to FY 2022 of €M 11.8.**
- > **EBITDA Adj. Margin<sup>1</sup> is 11.0% in FY 2023, in line with FY 2022.**
- > **Quarterly flattening trend of the Adj. EBITDA Margin successfully continues.**

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

# CASH FLOW

FY 2023 Cash Flow generation - (€000)

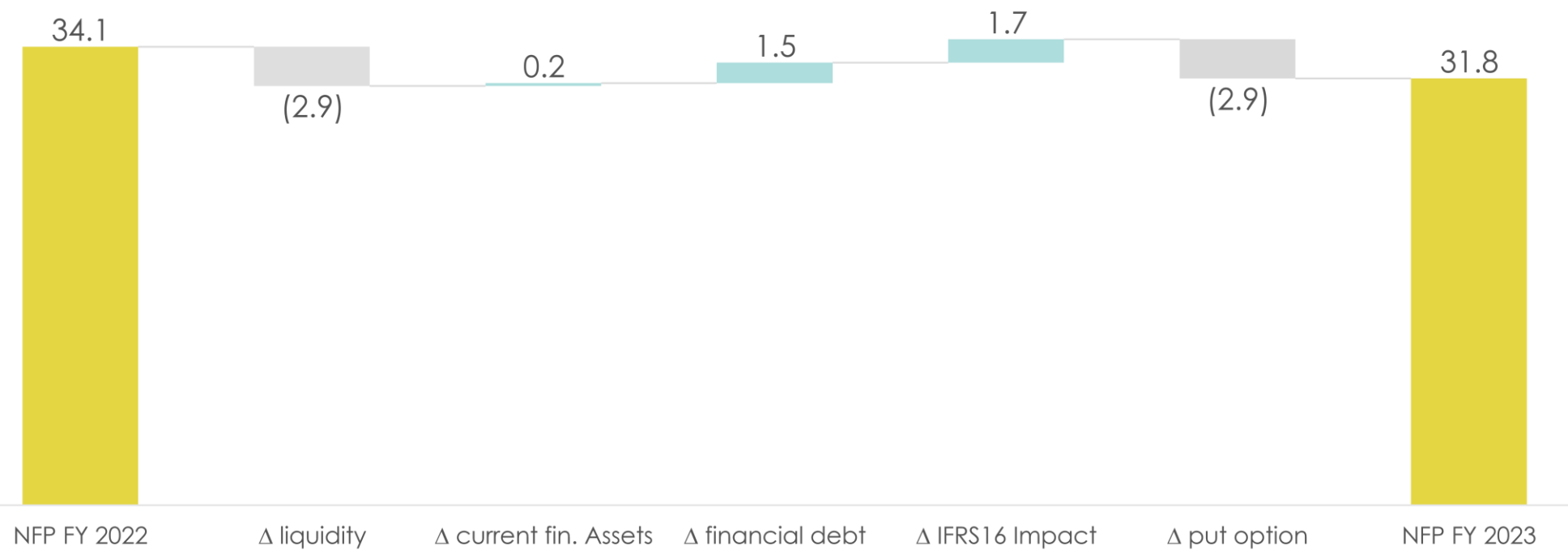
Initial Cash	9.1 €M
Delta Cash	+2.9 €M
Final Cash	12.0 €M



- › **FY 2023 Gross Cash Flow at €M 11.9**, +3% YoY thanks to **higher non-cash adjustments**.
- › **FCFO at €M 9.2**, equal to **70% of Adj. EBITDA**, +75% compared to FY 2022.
- › **Capex -22%** compared to FY 2022 and equal to **2% of revenues**.
- › **Change in cash over 2023 is €M +2.9**,.

# NET FINANCIAL POSITION BRIDGE AND DETAILS

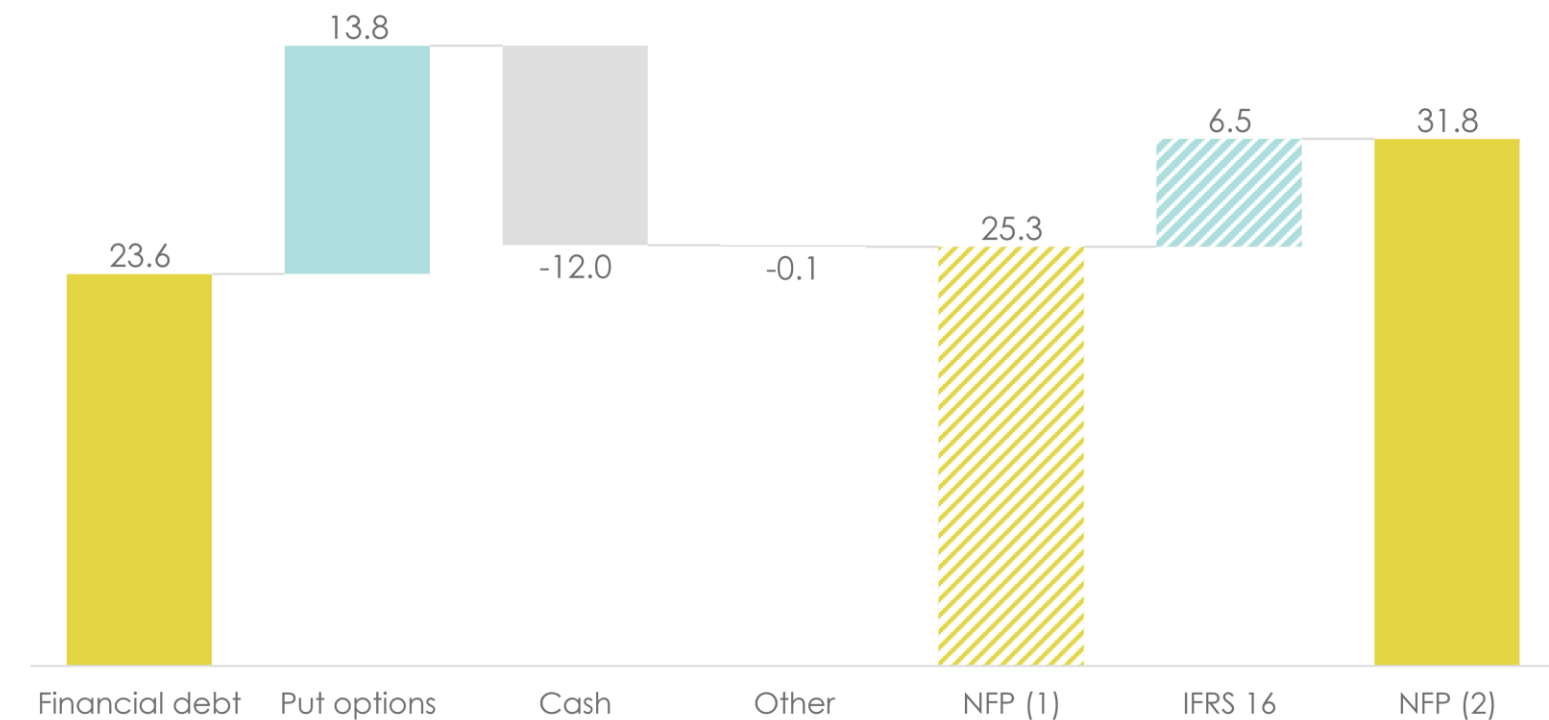
## Net Financial Position Bridge FY 2023 (€M)



- > **Gross debt** is composed by **€M 23.6 of financial debt** (of which €M 12.0 LT, €M 11.6 ST), **€M 13.8 put options liabilities** deriving from M&A (of which €M 4.2 ST) and €M 6.5 IFRS16 financial leases.
- > **FY 2023 NFP (1) ex IFRS16 is €M 25.3.**
- > **FY 2023 cash and equivalents is €M 12.0.**

- > **Net Financial Position** NFP (2) at December 31<sup>st</sup> 2023 increased by €M 2.4 compared to €M -34.1 at December 31<sup>st</sup>, 2022.
- > **Variation** is mainly due to: (i) decrease in put option liabilities (€M 2.9), (ii) increase in bank loans (€M -1.5), (iii) IFRS 16 impact (€M -1.7), (iv) increase in liquidity on bank accounts (€M 2.9).

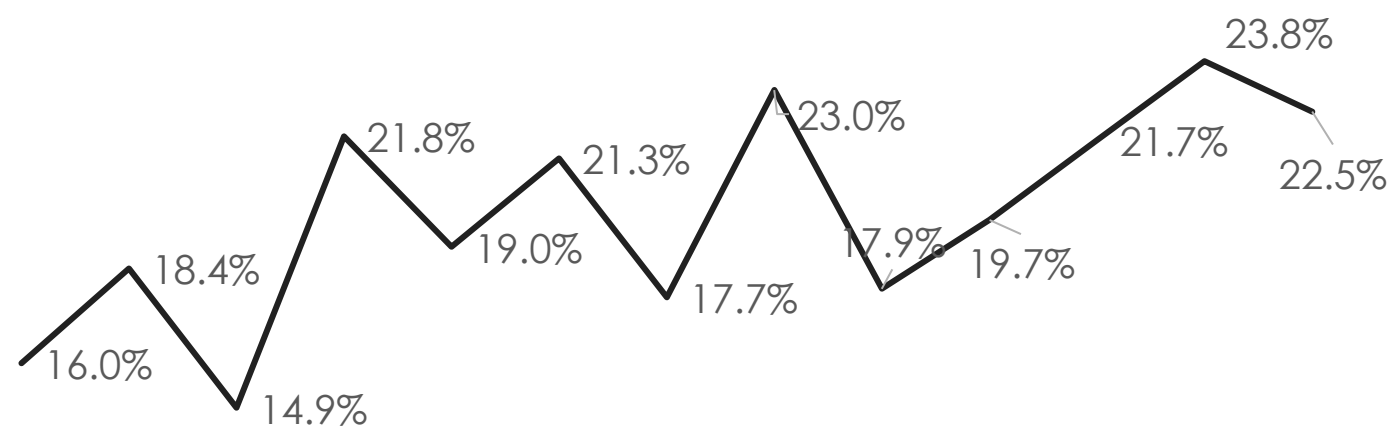
## Net Financial Position Break Down FY 2023 (€M)





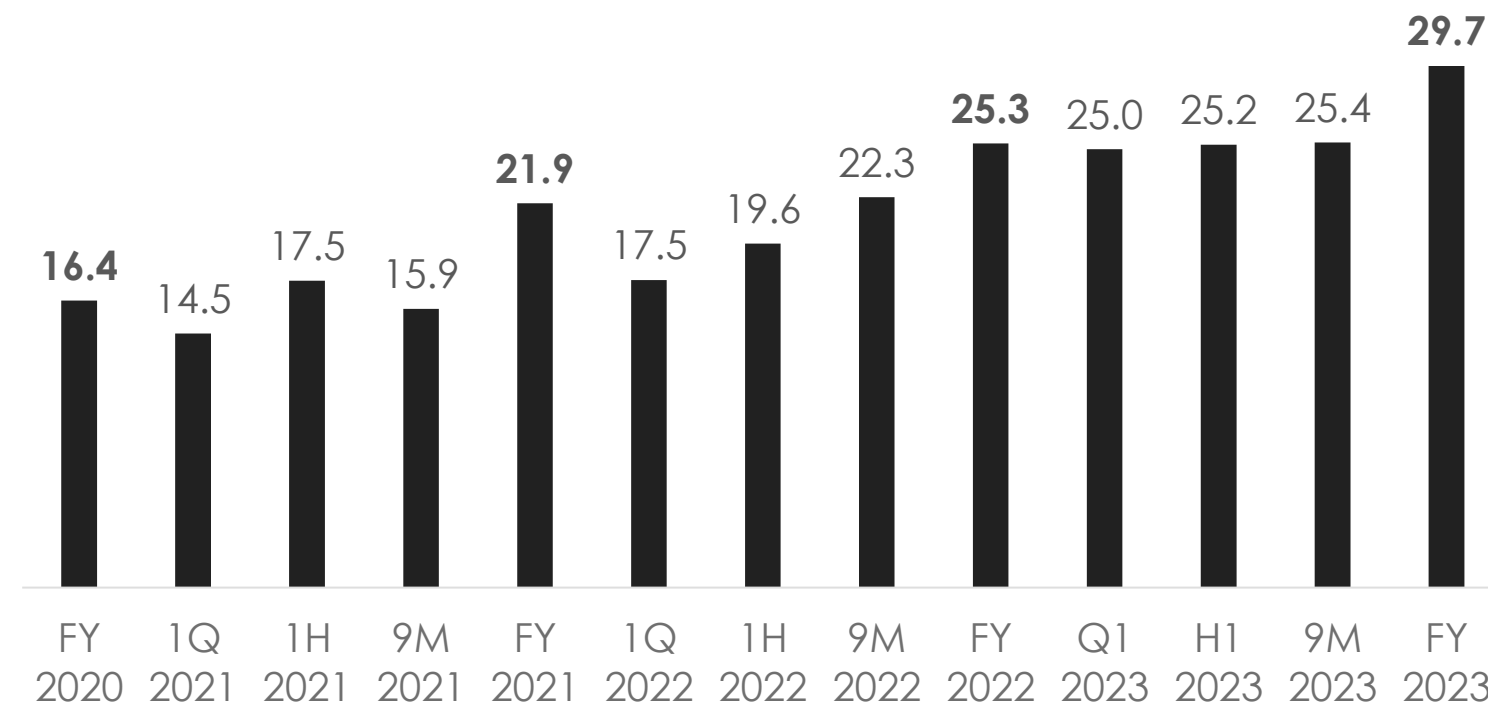
# NET TRADE WORKING CAPITAL DYNAMICS

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



FY 2020 1Q 2021 H1 2021 9M 2021 FY 2021 1Q 2022 H1 2022 9M 2022 FY 2022 Q1 2023 H1 2023 9M 2023 FY 2023

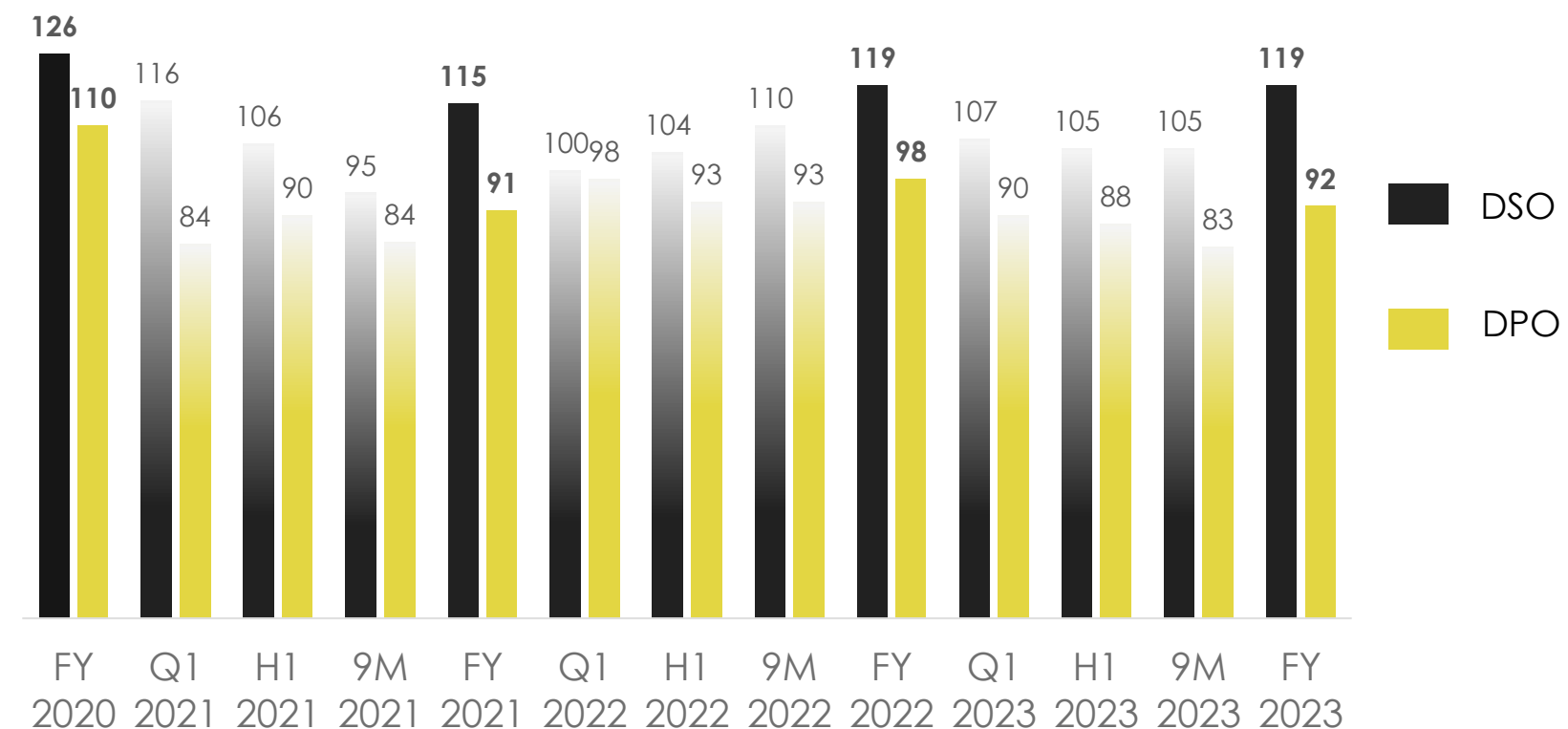
Net Trade Working Capital (€M)



FY 2020 1Q 2021 1H 2021 9M 2021 FY 2021 1Q 2022 1H 2022 9M 2022 FY 2022 Q1 2023 H1 2023 9M 2023 FY 2023

- > **FY 2023 Net Trade Working capital is 17% higher than FY 2022.**
- > Cash absorption from **Net Trade Working Capital** decrease (€M -4.9 million compared to €M -1.6 in FY 2022), due to payables and receivables dynamics.
- > **FY 2023 DSO at 119**, flat vs. FY 2022; **FY 2023 DPO -6%** vs. FY 2022.

Cash Conversion Cycle Details (days)



FY 2020 Q1 2021 H1 2021 9M 2021 FY 2021 Q1 2022 H1 2022 9M 2022 FY 2022 Q1 2023 H1 2023 9M 2023 FY 2023

# FY 2023 P&L – IAS/IFRS

## Consolidated Profit & Loss

Profit and Loss (€000) - IAS/IFRS	FY 2022	FY 2023
<b>Revenues</b>	<b>106,574</b>	<b>119,158</b>
Service costs, consum. & goods	(49,440)	(52,567)
- of which non-recurrent	(293)	(39)
Personnel	(46,065)	(54,674)
- of which non-recurrent	(459)	(1,187)
<b>Adj. EBITDA</b>	<b>11,821</b>	<b>13,143</b>
% Revenues	11.1%	11.0%
<b>EBITDA</b>	<b>11,069</b>	<b>11,917</b>
% Revenues	10.4%	10.0%
D&A	(3,226)	(4,189)
Bad debts/ claims/ provisions	(337)	(839)
<b>EBIT</b>	<b>7,506</b>	<b>6,889</b>
% Revenues	7.0%	5.8%
Financial charges	(408)	(2,050)
<b>EBT</b>	<b>7,098</b>	<b>4,839</b>
Taxes	(1,484)	(1,304)
% Tax rate	21.1%	26.9%
<b>Net Profit (Loss)</b>	<b>5,614</b>	<b>3,535</b>
% Revenues	5.3%	3.0%
o/w Minorities	31	72
<b>o/w Group Net Profit (Loss)</b>	<b>5,583</b>	<b>3,463</b>

- › FY 2023 **Revenues** at **€M 119.2**, up by 12% compared to €M 106.6 of FY 2022. The increase is mostly related to the change in the Group perimeter. **Italian revenues up by 3%** YoY, due to the focus on the existing client base. **Foreign turnover up by 28%**, mainly thanks to the inclusion of InnoCV in the Group perimeter paired with organic growth of all foreign subsidiaries.
- › **Adj. Operative costs** increased (89% of total revenues, flat compared to FY 2022). **Services costs** increased by 6% YoY, but **reduced the impact on revenues by 2.3 pps**. **Personnel costs** increased incidence on revenues by 2.7 pps compared to FY 2022, due to the higher average FTE for the period (from 809 in 2022 to 936 in 2023), due also to the Group perimeter change.
- › FY 2023 **Adj. EBITDA** at €M 13.1 +11% compared to €M 11.8 in FY 2022, with Adj. EBITDA margin in line with FY 2022 (**Adj. EBITDA margin at 11.0%**).
- › FY 2023 **EBIT** is equal to €M 6.9 -8% compared to €M 7.5 in FY 2022, mostly due to higher D&A linked to investments made in H2 2022, and to higher non-recurrent costs mostly related to personnel. EBIT margin at 5.8%.
- › FY 2023 **EBT** at €M 4.8, -32% compared to €M 7.1 in FY 2022, mostly due to higher financial charges due to increased financial debts and higher interest rates.
- › **Group Net Profit** is €M 3.5 -37% vs €M 5.6 in FY 2022.

# FY 2023 BALANCE SHEET – IAS/ IFRS

## Consolidated Balance Sheet

Balance Sheet (€000) - IAS/IFRS	FY 2022	FY 2023
Tangible assets	2,209	1,939
Intangible assets	6,567	8,353
<i>o/w rights of use (IFRS16)</i>	4,633	6,274
Goodwill	54,868	54,871
Financial assets	3,066	2,363
<b>Fixed Assets</b>	<b>66,710</b>	<b>67,526</b>
Inventories	-	-
Trade Receivables	41,541	45,929
Trade Payables	(16,217)	(16,196)
<b>Net Trade Working Capital</b>	<b>25,324</b>	<b>29,733</b>
Other Current Assets	4,076	4,728
Other Current Liabilities	(13,032)	(16,042)
Employees' leaving entitlement	(5,543)	(6,477)
<b>Total Capital Invested</b>	<b>77,535</b>	<b>79,468</b>
<b>Total Equity</b>	<b>43,406</b>	<b>47,716</b>
o/w Group Equity	43,007	47,243
o/w Minorities	399	473
Cash & current financial assets	(9,406)	(12,136)
Bank Debts	22,104	23,627
Put Option Liabilities	16,661	13,755
<b>Net Financial Position ex-IFRS 16</b>	<b>29,359</b>	<b>25,246</b>
Other Financial Debts (IFRS16)	4,770	6,506
<b>Net Debt (Cash)</b>	<b>34,129</b>	<b>31,752</b>
<b>Total Funds</b>	<b>77,535</b>	<b>79,468</b>

- › **Total Capital Invested** at €M 79.5 (€M 77.5 in FY 2022) consisted of approx. € 29.7 million of **Net Trade Working Capital** (€M 25.3 FY 2022), €M 67.5 of fixed assets (€M 66.7 FY 2022) of which €M 54.9 of **Goodwill** (€M 54.9 in FY 2022) and €M 6.3 of IFRS 16 **rights of use** (€M 4.6 in FY 2022).
- › **Shareholders' equity** increased in the period by €M 4.3 since 31 Dec. 2022 (+10%), mainly due to the positive result of the period (€M +3.5).
- › **Net Financial Position** at December 31<sup>st</sup>, 2023, negative by €M -31.8 (ante-IFRS 16 at €M -25.3) increasing by €M +2.4 compared to FY 2022. The **variation** is mainly due to: (i) **IFRS 16** impact (-€M 1.7); (ii) increase in **bank loans** (€M -1.5); (iii) decrease of current financial assets (€M -0.2); (iv) decrease in **put options liabilities and earn-out** linked to acquisitions (€M +2.9); (iv) increase in **cash and cash equivalents** (€M +2.9).

# FY 2023 CASH FLOW GENERATION – IAS/IFRS

## Consolidated Cash Flow

Cash Flow Statement (€000) - IAS/IFRS	FY 2022	FY 2023
<b>Net Profit (Loss)</b>	<b>5,614</b>	<b>3,535</b>
Adjustments (cash tax, interest and other)	1,892	3,354
Non-cash items	4,081	4,994
<b>Gross Cash Flow</b>	<b>11,587</b>	<b>11,883</b>
Change in inventories	-	-
Change in trade receivables	(3,642)	(5,001)
Change in trade payables	2,046	76
<b>Total change in NTWC</b>	<b>(1,596)</b>	<b>(4,925)</b>
Total change in other asset/liabilities	(4,723)	2,247
<b>Operating Cash Flow</b>	<b>5,268</b>	<b>9,205</b>
Capex	(2,542)	(1,977)
Other non-current assets	1,737	208
<b>Free Cash Flow before Acquisition</b>	<b>4,463</b>	<b>7,436</b>
Acquisitions	(4,361)	-
<b>Free Cash Flow</b>	<b>102</b>	<b>7,436</b>
Change in treasury shares	(435)	(120)
Dividends to minorities	(613)	(1,283)
Change in bank & fin. Debts	4,050	1,560
IFRS 16 effect	(1,714)	(1,993)
Changes in Equity	-	-
Changes on other financial assets	-	-
Change in put/options	(2,733)	(2,686)
<b>Change in Cash</b>	<b>(1,343)</b>	<b>2,914</b>
Initial Cash	<b>10,458</b>	<b>9,115</b>
Final Cash	<b>9,115</b>	<b>12,029</b>

- › FY 2023 **Gross Cash Flow** at **€M 11.9**, compared to €M 11.6 in FY 2022. The increase is mostly due to non-cash adjustments.
- › FY 2023 **Operating cash flow** at **€M 9.2** compared to €M 5.3 of FY 2022. The increase of €M 3.9 is mainly related to higher non-cash adjustments, higher deferred income and Net Working Capital dynamics.
- › Ordinary **Capex** of the period is €M 2.0 compared to €M 2.5 of FY 2022. FY 2023 **Free Cash Flow before Acquisitions** is equal to **€M 7.4**, increasing vs. €M 4.5 in FY 2022.
- › FY 2023 **Free Cash Flow** is **€M 7.4**, compared to €M 0.1 in FY 2022.
- › Total change in **cash** for the period was **€M +2.9** compared to -€M 1.3 in FY 2022.

# OUTLOOK

- > The **outlook for 2024 is still influenced by exogenous factors** such as the war in Ukraine, the outbreak of the Israeli-Palestinian conflict, inflation and monetary policy. This situation of widespread uncertainty has significant impacts on companies' expectations which are not always positive.
- > **At present, limited impact has been recorded on Alkemy Group clients**, except for some that are more impacted by the consequences of inflation, with therefore possible repercussions on the purchase of services offered by the Group.
- > Considering the results achieved in 2023, barring the occurrence of further aggravating events, currently not foreseeable, **it is confirmed that the Group's expectations are positive, with an expected continuation of organic growth both with regards to revenues and margins**, mainly as a result of the new commercial and operational organization of Alkemy S.p.A., the positive effects of which will be visible starting from H2 2024.

# 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

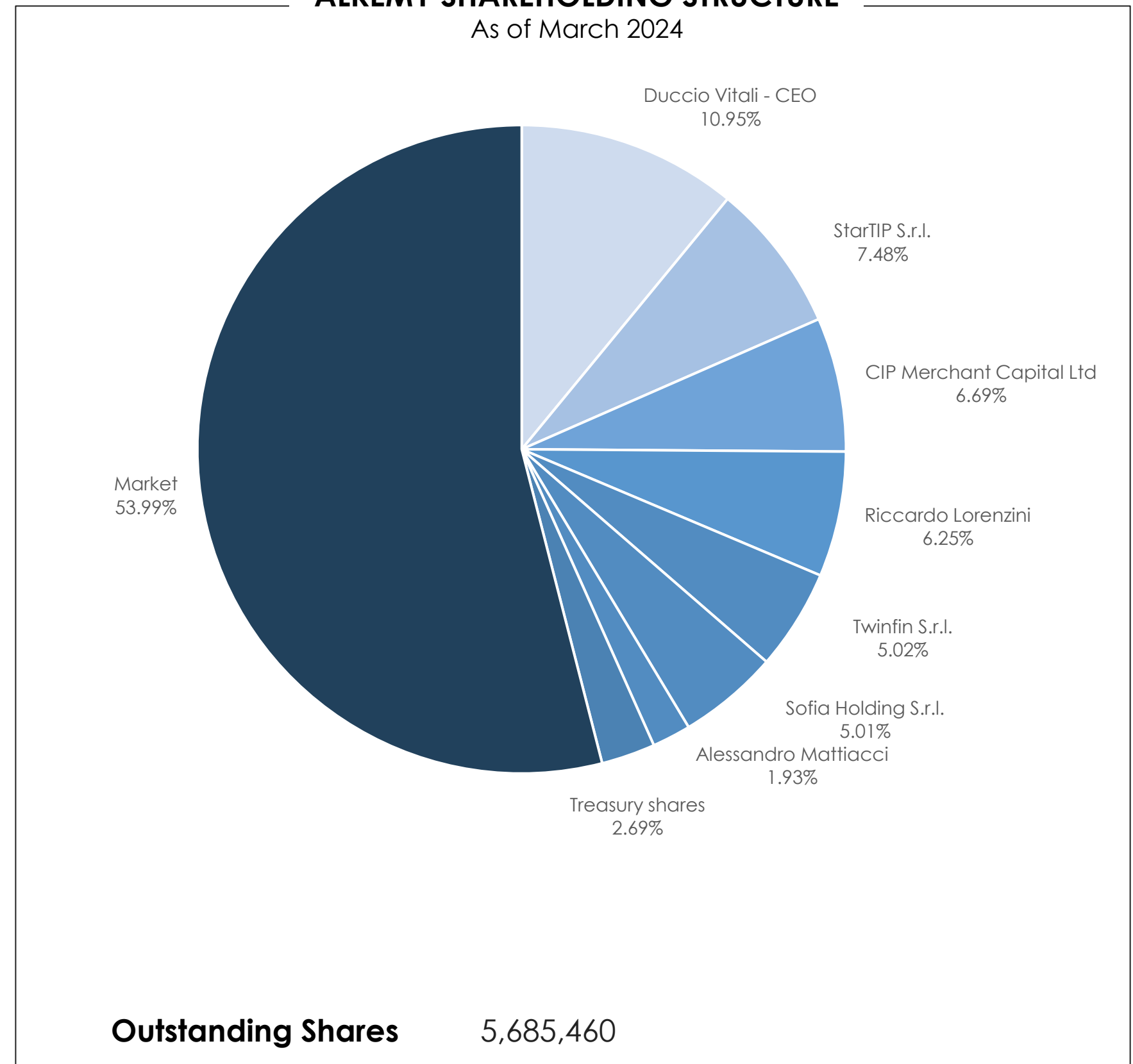
## Analyst Coverage

- Intermonte
- Banca Imi
- Mediobanca



## ALKEMY SHAREHOLDING STRUCTURE

As of March 2024



# 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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