



FY 2023 RESULTS

28.03.2024

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.

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

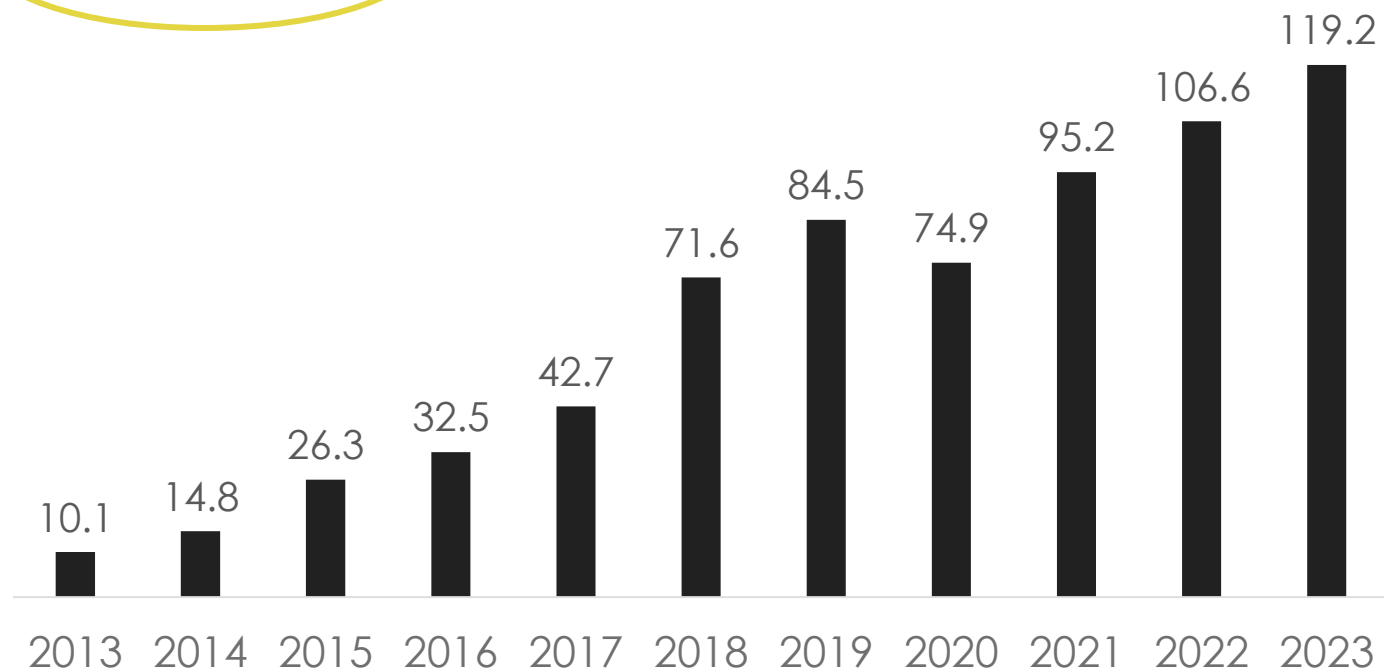
FINANCIAL HIGHLIGHTS

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

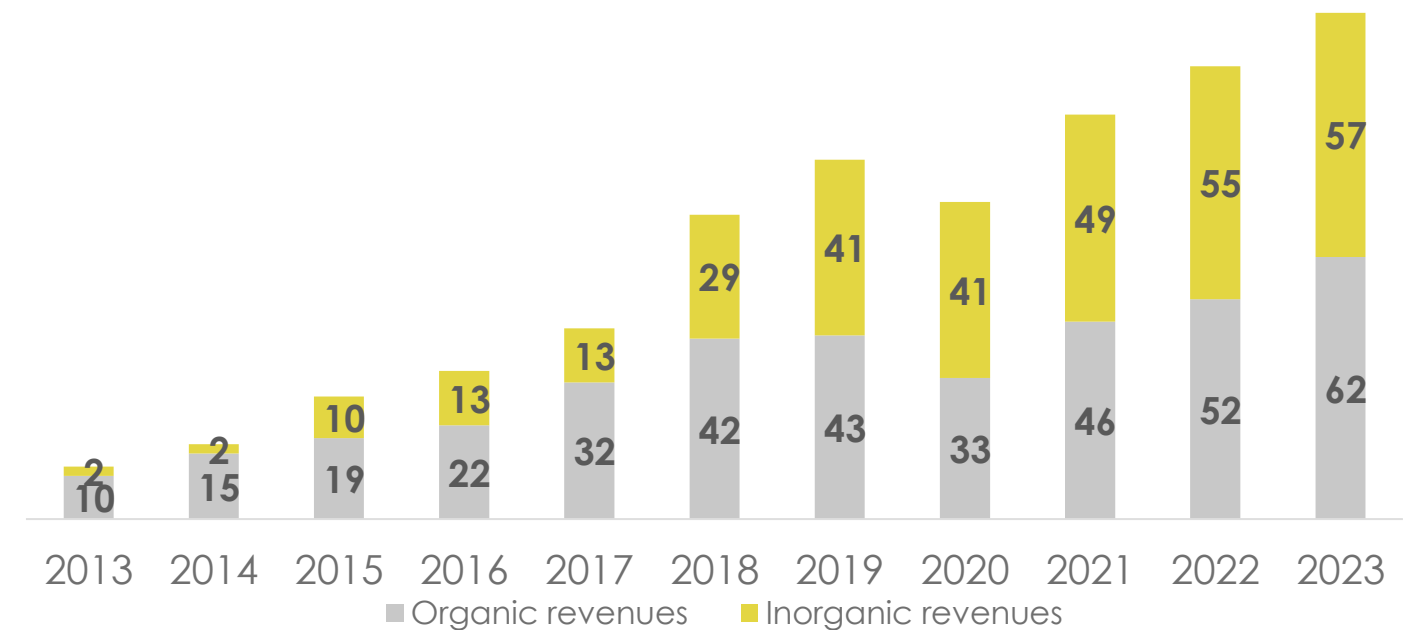
FY REVENUES (€M) – IAS /IFRS

CAGR 13-23
Overall: **28%**



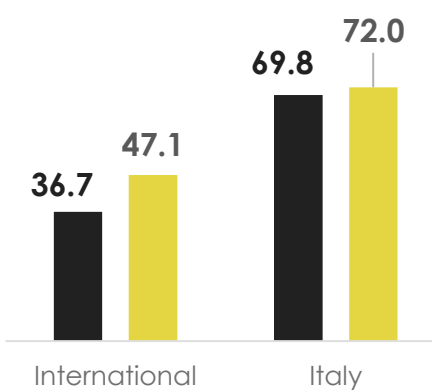
ALKEMY GROWTH EVOLUTION (€000) – IAS /IFRS

CAGR 13-23:
Organic: **20%**

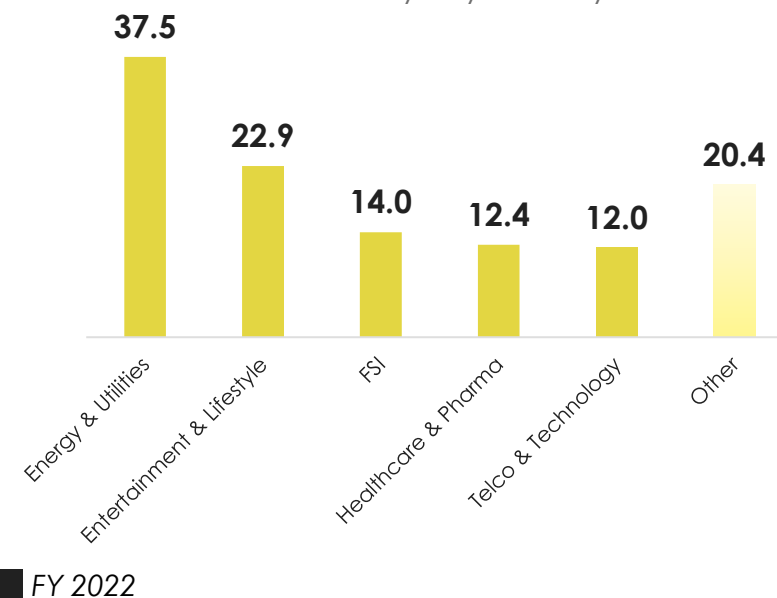


ALKEMY INTERNATIONAL TURNOVER & SPLIT BY INDUSTRY

Revenues by Geography



Revenues by key Industry



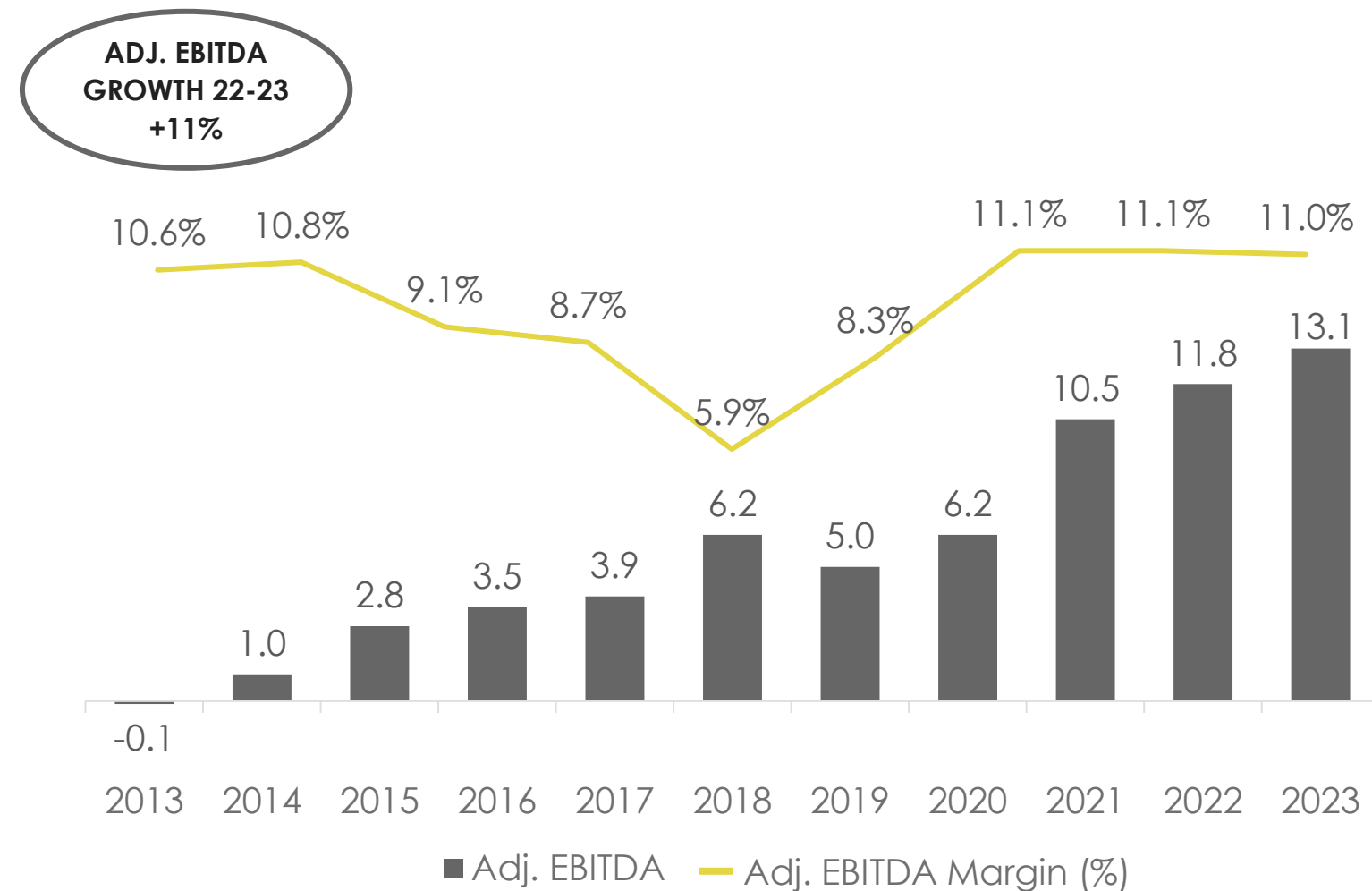
■ FY 2023 ■ FY 2022

- › 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 **Energy & Utilities** and **Entertainment & Lifestyle** are 51% of total turnover, followed by **FSI, Healthcare & Pharma** and **Telco & Technology** (12%, 10% and 10% of Group turnover respectively).

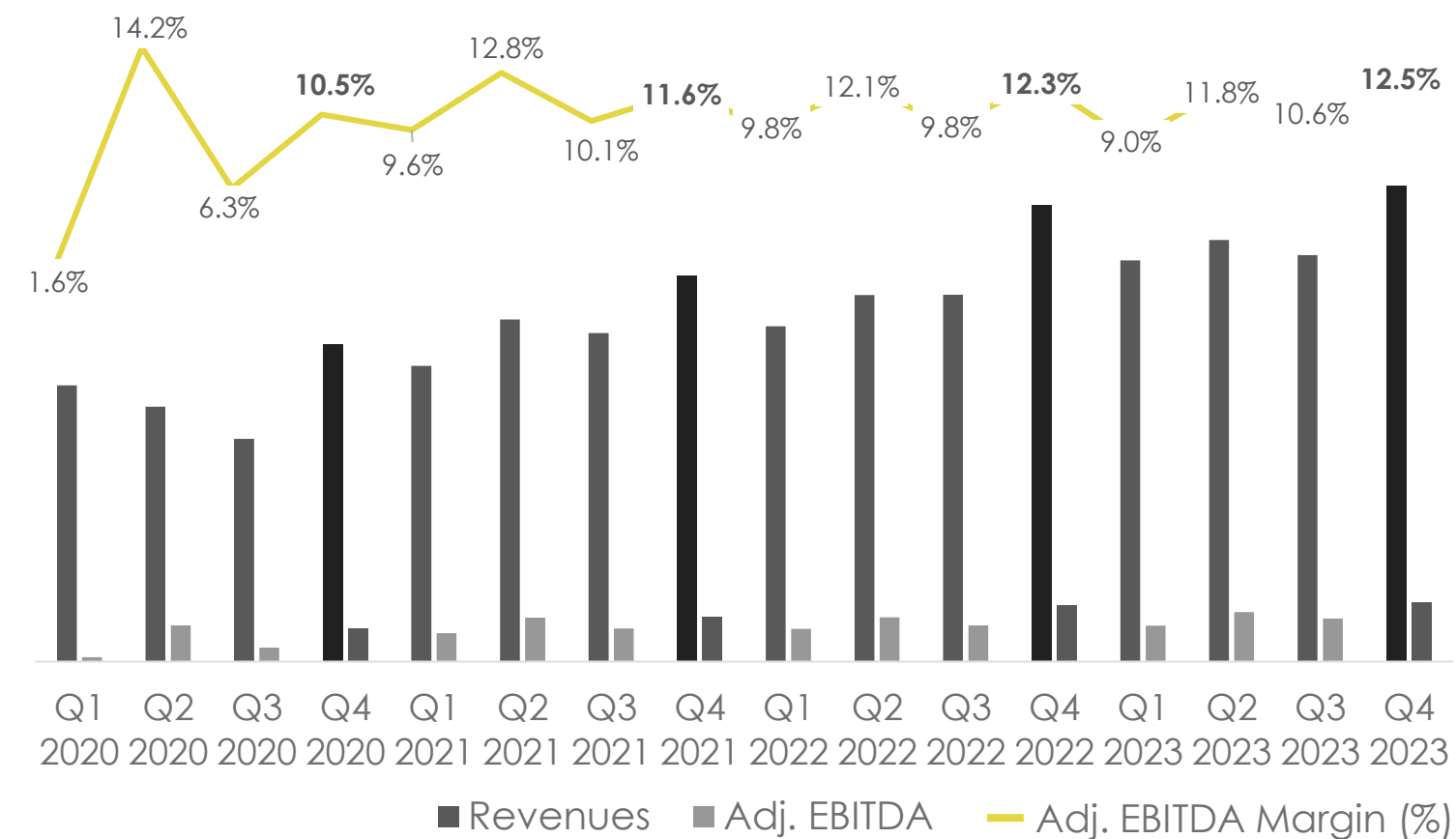
⁽¹⁾Revenues 2013-14-15-16 are Management estimates and are not audited, following the introductions of IFRS in 2018.

Adj. EBITDA

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



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

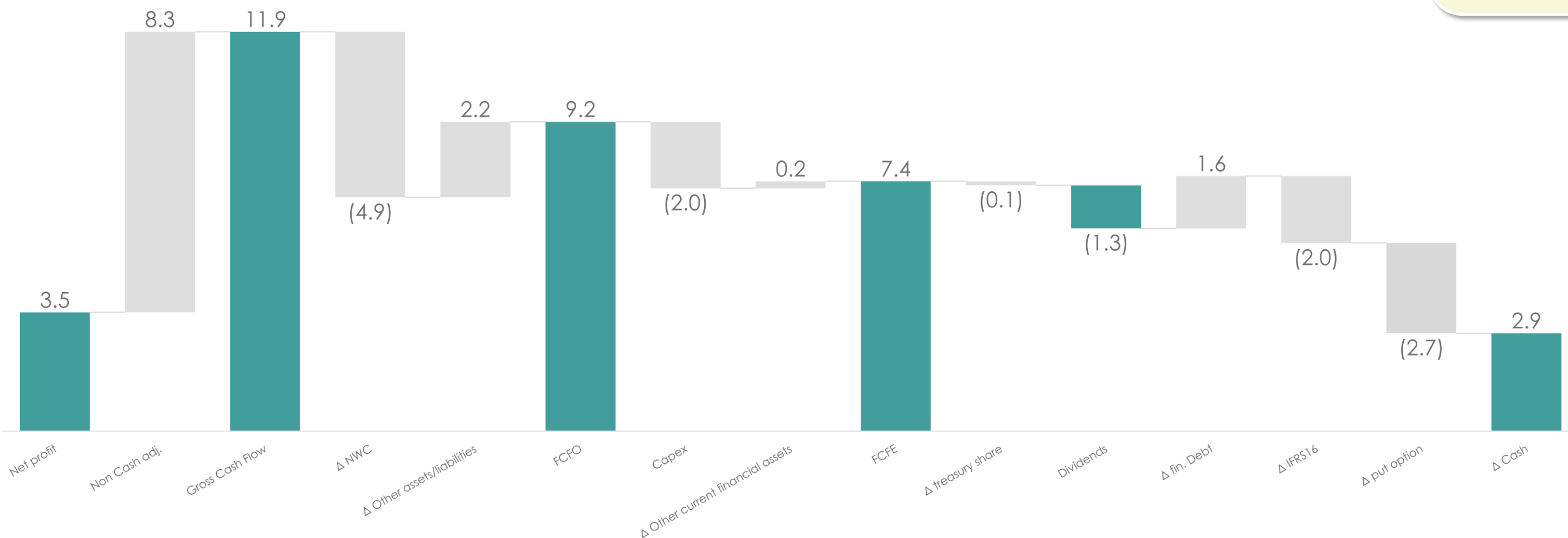


- › **FY 2023 Adj. EBITDA is €M 13.1**, +11% compared to FY 2022 of €M 11.8.
- › **EBITDA Adj. Margin¹ is 11.0% in FY 2023**, in line with FY 2022.
- › **Quarterly flattening trend of the Adj. EBITDA Margin** successfully continues.

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

CASH FLOW

FY 2023 Cash Flow generation - (€000)

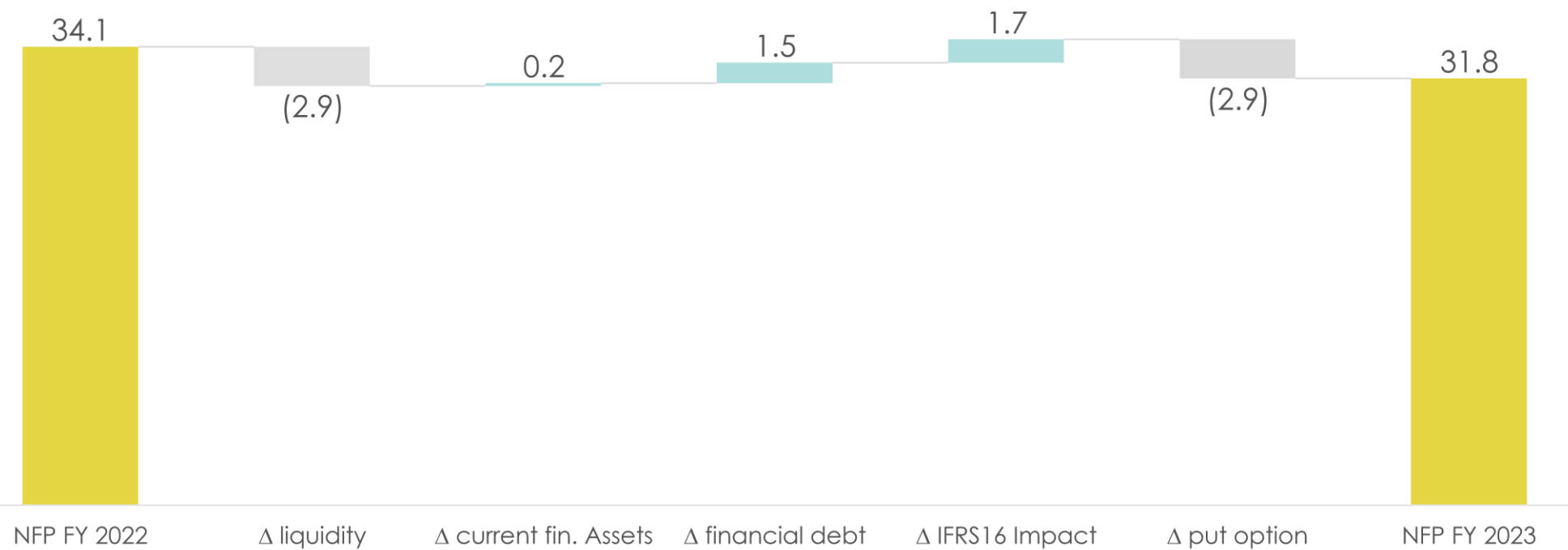


Initial Cash	9.1 €M
Delta Cash	+2.9 €M
Final Cash	12.0 €M

- › **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

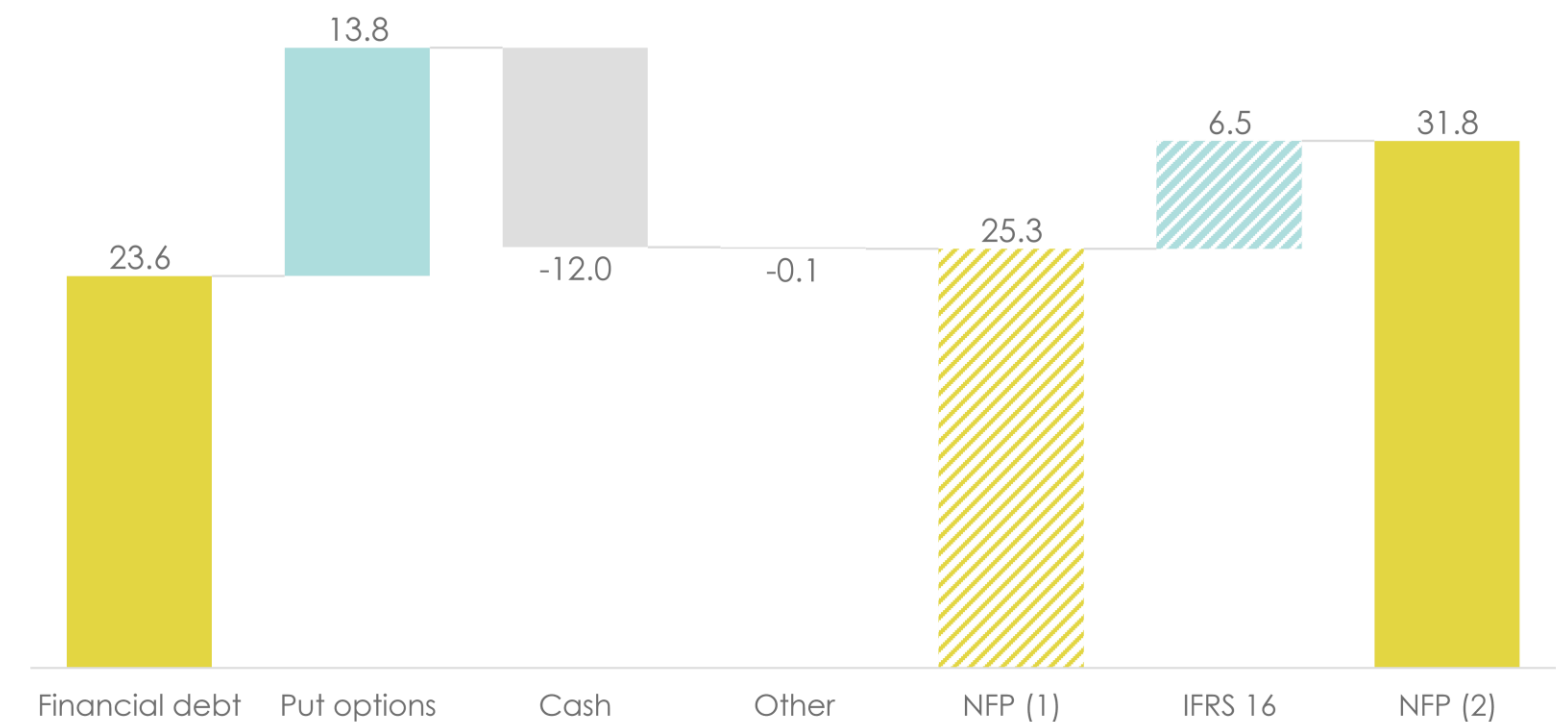
Net Financial Position Bridge FY 2023 (€M)



- › **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**.

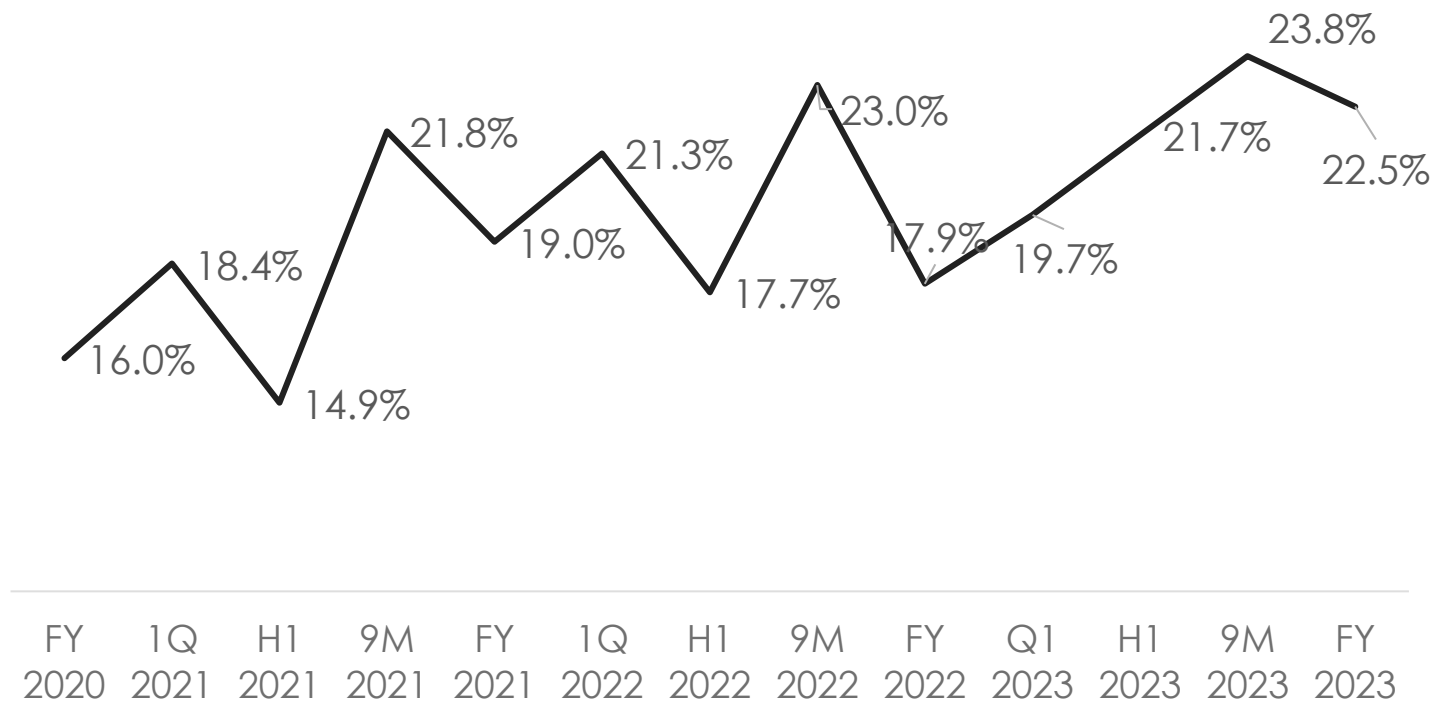
- › **Net Financial Position** NFP (2) at December 31st 2023 increased by €M 2.4 compared to €M -34.1 at December 31st, 2022.
- › **Variation** is mainly due to: (i) decrease in put option liabilities (€M 2.9), (ii) increase in bank loans (€M -1.5), (iii) IFRS 16 impact (€M -1.7), (iv) increase in liquidity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

Net Financial Position Break Down FY 2023 (€M)

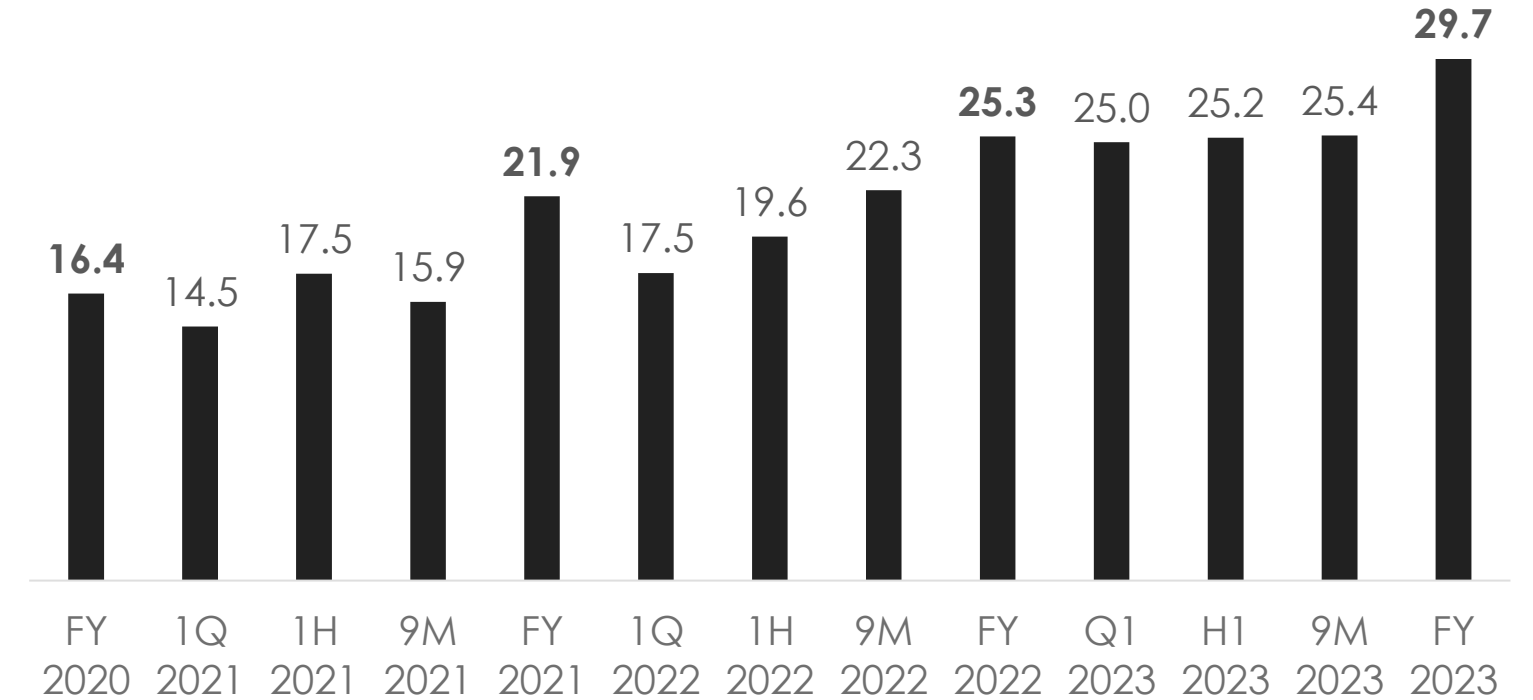


NET TRADE WORKING CAPITAL DYNAMICS

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

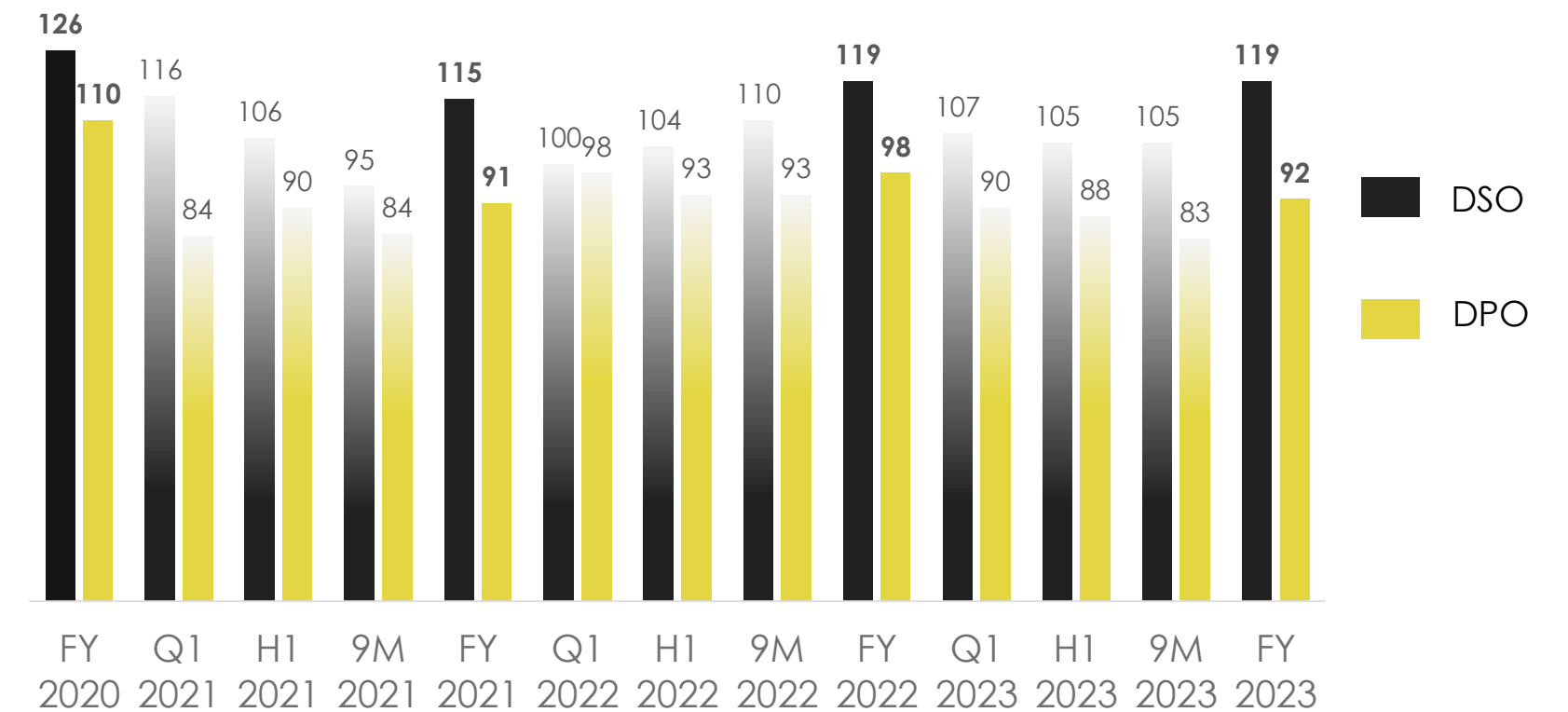


Net Trade Working Capital (€M)



- > **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 2023 P&L – IAS/IFRS

Consolidated Profit & Loss

Profit and Loss (€000) - IAS/IFRS	FY 2022	FY 2023
Revenues	106,574	119,158
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)
Adj. EBITDA	11,821	13,143
% Revenues	11.1%	11.0%
EBITDA	11,069	11,917
% Revenues	10.4%	10.0%
D&A	(3,226)	(4,189)
Bad debts/ claims/ provisions	(337)	(839)
EBIT	7,506	6,889
% Revenues	7.0%	5.8%
Financial charges	(408)	(2,050)
EBT	7,098	4,839
Taxes	(1,484)	(1,304)
% Tax rate	21.1%	26.9%
Net Profit (Loss)	5,614	3,535
% Revenues	5.3%	3.0%
o/w Minorities	31	72
o/w Group Net Profit (Loss)	5,583	3,463

- › 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
o/w rights of use (IFRS16)	4,633	6,274
Goodwill	54,868	54,871
Financial assets	3,066	2,363
Fixed Assets	66,710	67,526
Inventories	-	-
Trade Receivables	41,541	45,929
Trade Payables	(16,217)	(16,196)
Net Trade Working Capital	25,324	29,733
Other Current Assets	4,076	4,728
Other Current Liabilities	(13,032)	(16,042)
Employees' leaving entitlement	(5,543)	(6,477)
Total Capital Invested	77,535	79,468
Total Equity	43,406	47,716
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
Net Financial Position ex-IFRS 16	29,359	25,246
Other Financial Debts (IFRS16)	4,770	6,506
Net Debt (Cash)	34,129	31,752
Total Funds	77,535	79,468

- › **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 31st, 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
Net Profit (Loss)	5,614	3,535
Adjustments (cash tax, interest and other)	1,892	3,354
Non-cash items	4,081	4,994
Gross Cash Flow	11,587	11,883
Change in inventories	-	-
Change in trade receivables	(3,642)	(5,001)
Change in trade payables	2,046	76
Total change in NTWC	(1,596)	(4,925)
Total change in other asset/liabilities	(4,723)	2,247
Operating Cash Flow	5,268	9,205
Capex	(2,542)	(1,977)
Other non-current assets	1,737	208
Free Cash Flow before Acquisition	4,463	7,436
Acquisitions	(4,361)	-
Free Cash Flow	102	7,436
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)
Change in Cash	(1,343)	2,914
Initial Cash	10,458	9,115
Final Cash	9,115	12,029

- › 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 expectation 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

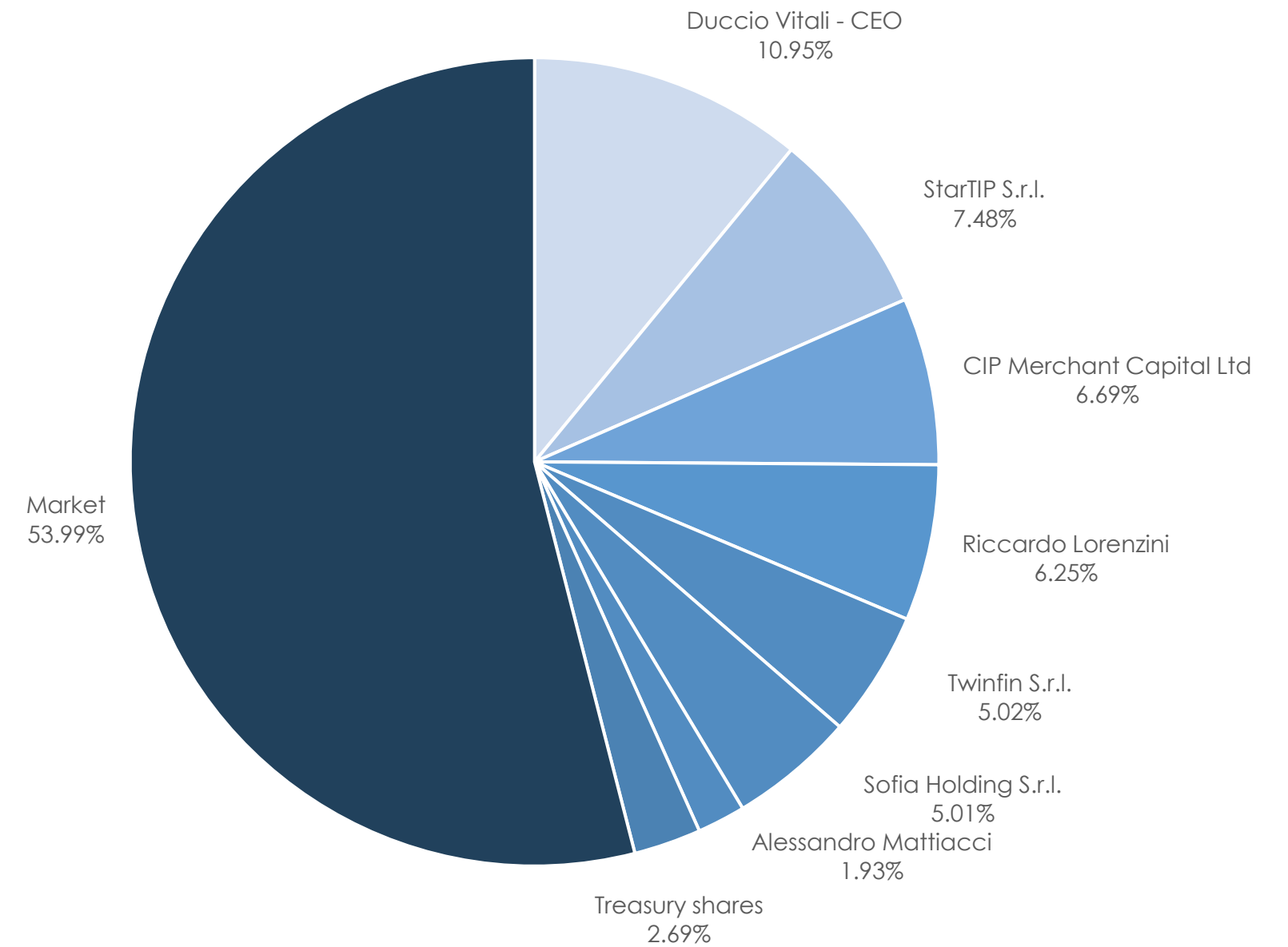
Analyst Coverage

- Intermonte
- Banca Imi
- Mediobanca



ALKEMY SHAREHOLDING STRUCTURE

As of March 2024



Outstanding Shares 5,685,460

A SOLID CORPORATE GOVERNANCE



BOARD OF DIRECTORS		BOARD OF STATUTORY AUDITORS	
Chairman	Alessandro Mattiacci	Chairman	Gabriele Gualeni
Chief Executive Officer	Duccio Vitali	Standing Auditor	Mauro Dario Bontempelli
Director	Riccardo Lorenzini	Standing Auditor	Daniela Bruno
Director	Massimo Canturi	Alternate Auditor	Marco Garrone
Independent Director	Giulia Bianchi Frangipane	Alternate Auditor	Mara Sartori
Independent Director	Ada Villa		
Independent Director	Serenella Sala		

• The Board of Directors, the Board of Statutory Auditors and the Independent Audit Firm were appointed by the Shareholders' Meeting on April 26, 2022.



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