



Q1 2024 RESULTS

15.05.2024

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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**.

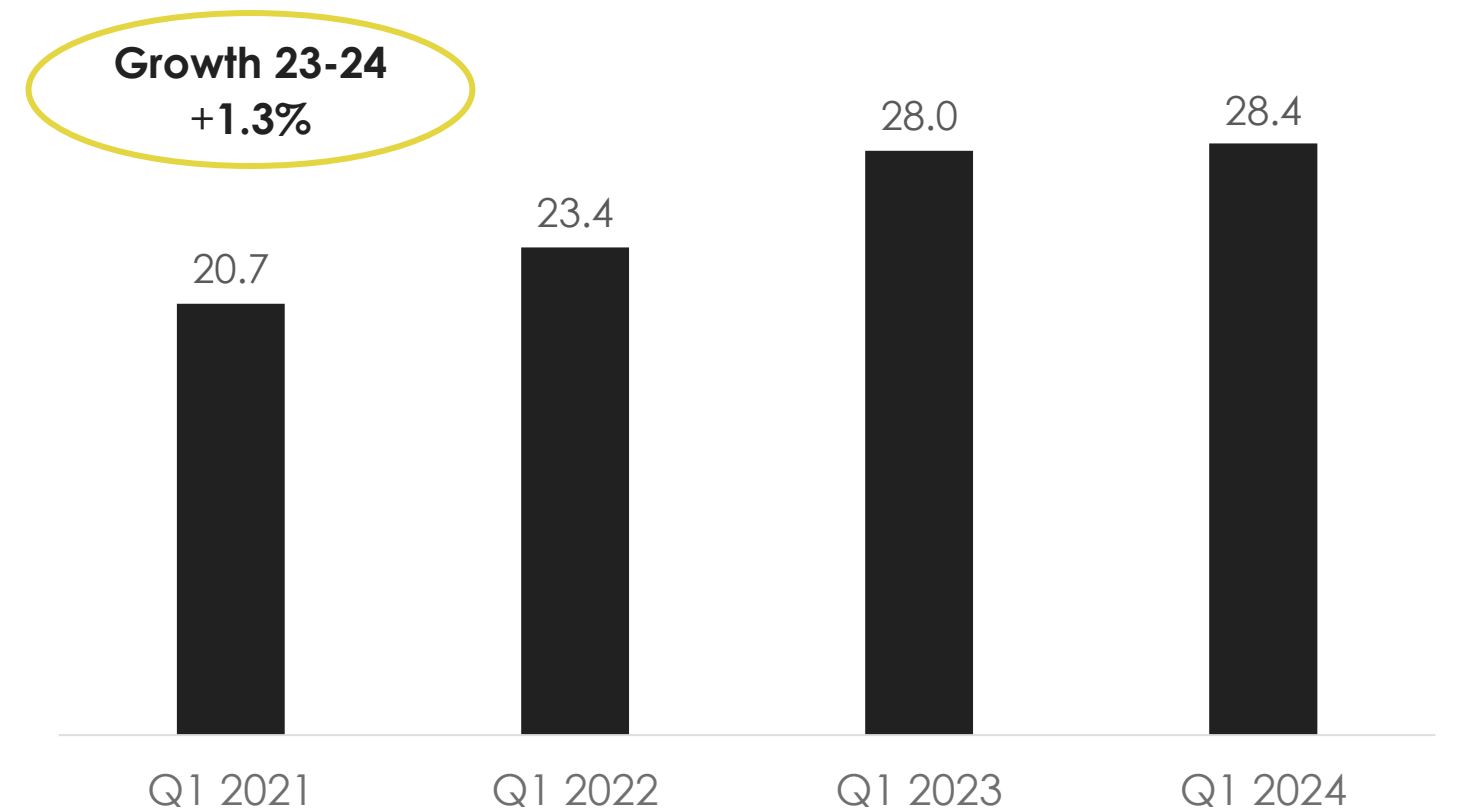
We help companies to
evolve their business in the
post-digital scenario

FINANCIAL HIGHLIGHTS

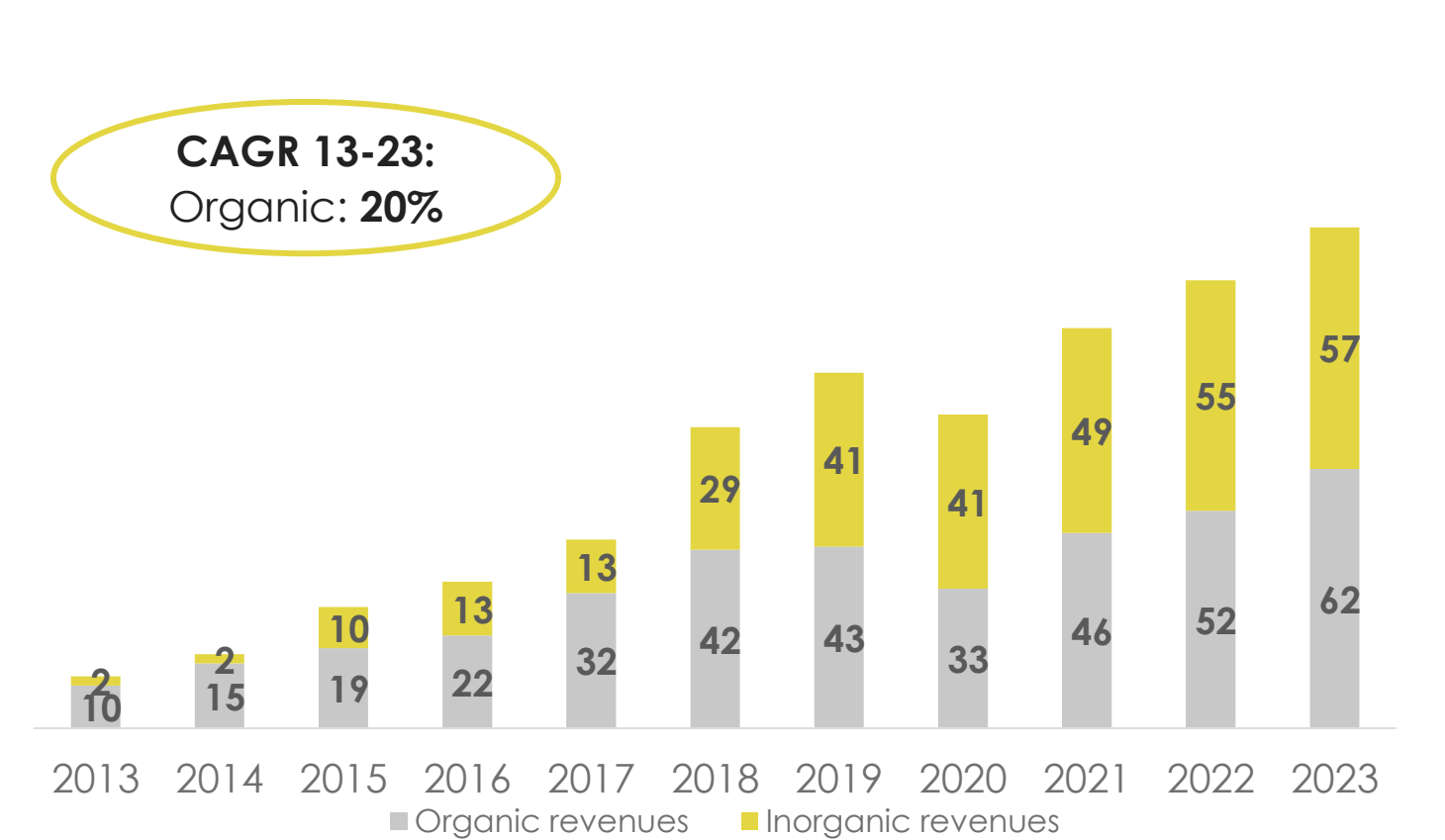
€M	Q1 2024	Q1 2023	
Turnover	28.4	28.0	> +1% vs. Q1 2023, thanks to the contribution of the Italian companies of the Group.
Adj. EBITDA	2.3	2.5	> -8% vs. Q1 2023. EBITDA Adj. margin at 8.2%, -0,8 pps vs. Q1 2023 mainly due to higher operating costs.
EBIT	0.9	1.3	> -33% vs. Q1 2023, due to higher amortization costs following higher investments made starting from H2 '23. EBIT margin at 3.1%, down from 4.7% in Q1 2023.
EBT	0.4	0.8	> -46% vs. Q1 2023, despite lower financial charges (-13% vs. Q1 2023).
Group Net Income	0.2	0.7	> -63% vs. Q1 2023, with higher tax rate (44% vs. 17% in Q1 2023), mostly due to accounting consolidation effects.
Net Operating Cash Flow	4.1	2.3	> +1.8 €M vs. Q1 2023 mainly due to NWC dynamics.
NFP	-28.7	FY 2023 -31.8	> €M +3.1 since 31 December 2023 as a consequence of the timely repayment of financial debt.

REVENUES

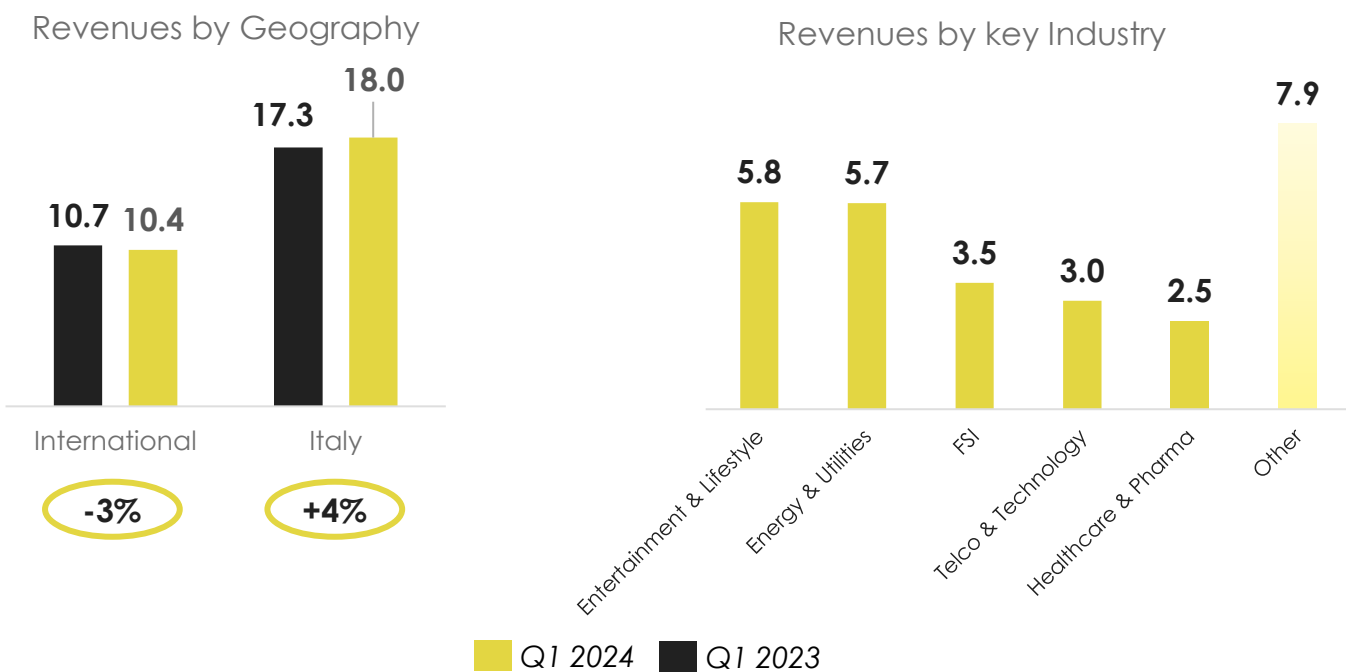
Q1 REVENUES (€M) – IAS /IFRS



ALKEMY GROWTH EVOLUTION (€M) – IAS /IFRS



ALKEMY TURNOVER DEEP DIVE (€M)

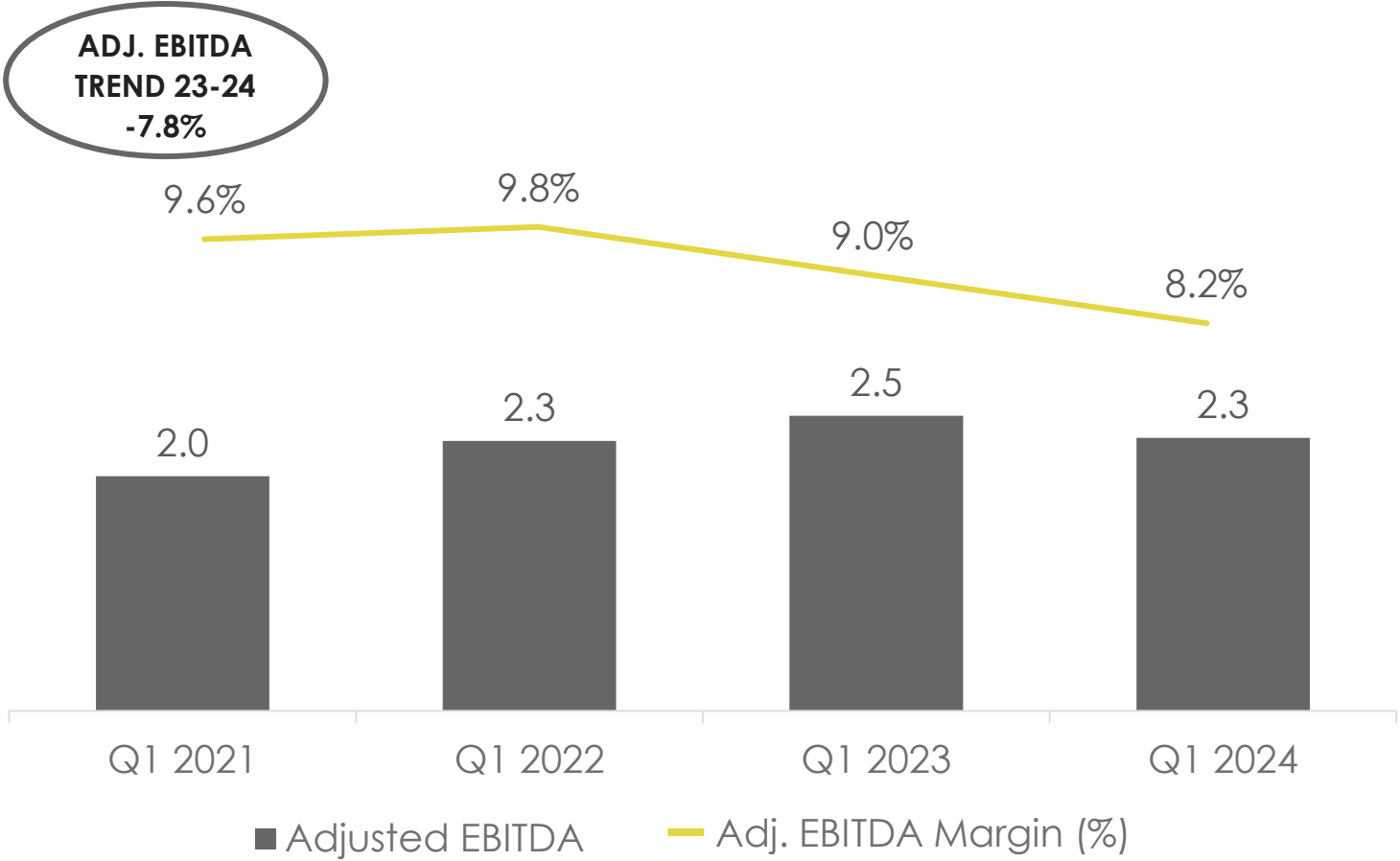


- › Q1 2024 **revenues at €M 28.4**, +1% vs. Q1 2023 (€M 28.0). The result is due to the positive performance of the Italian companies.
- › Q1 2024 **Italian turnover at €M 18.0**, +4% vs. €M 17.3 in Q1 2023. The growth is mainly due to the focus on the expansion of the client base of the Go-to-Market department.
- › **International revenues** in Q1 2024 **at €M 10.4**, down by 3% vs. €M 10.7 in Q1 2023, mainly due to the negative performance of Alkemy Iberia and the Mexican subsidiaries.
- › Revenues generated by clients in the **Entertainment & Lifestyle, Energy & Utilities** and **FSI** generated 61% of Group revenues for the quarter.

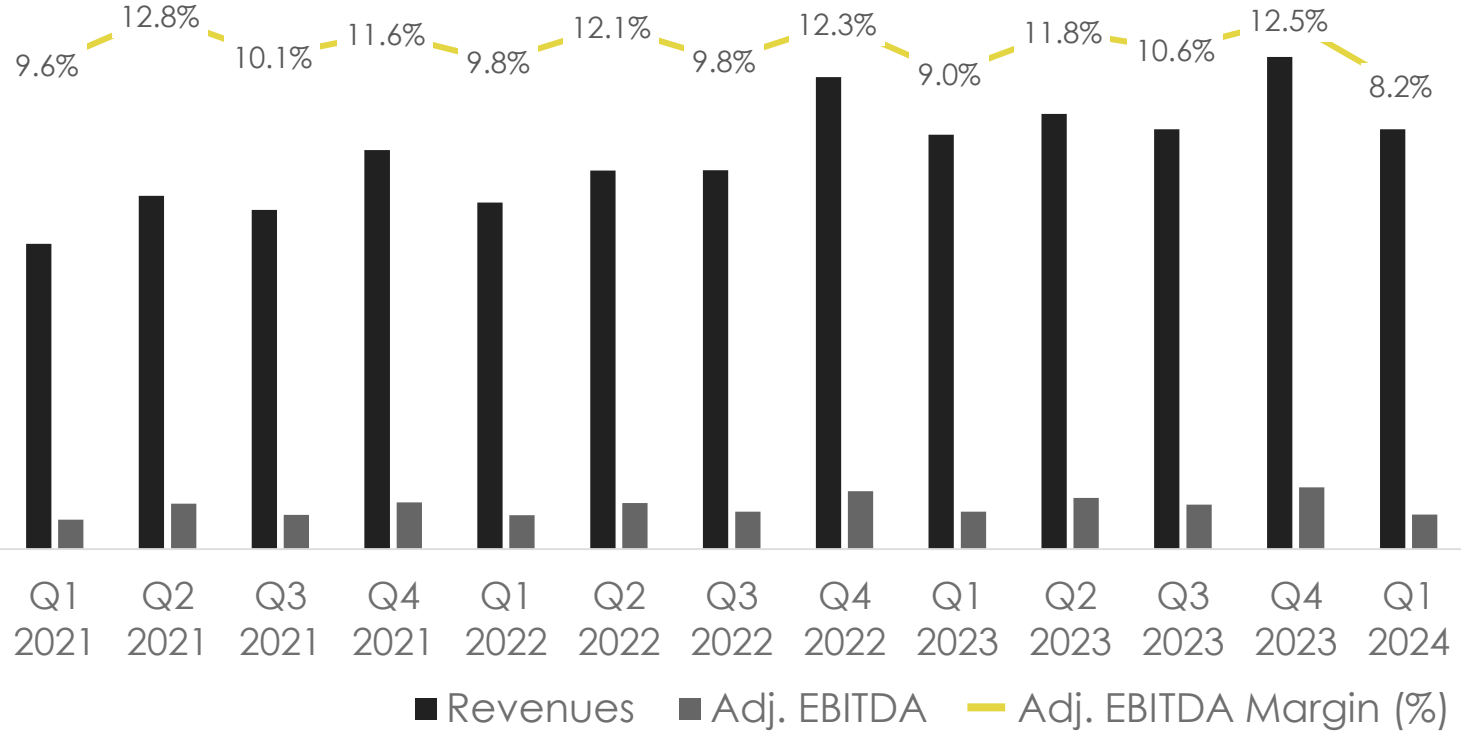
⁽¹⁾Revenues 2013-14-15-16 are Management estimates and are not audited, following the introductions of IFRS in 2018.

Adj. EBITDA

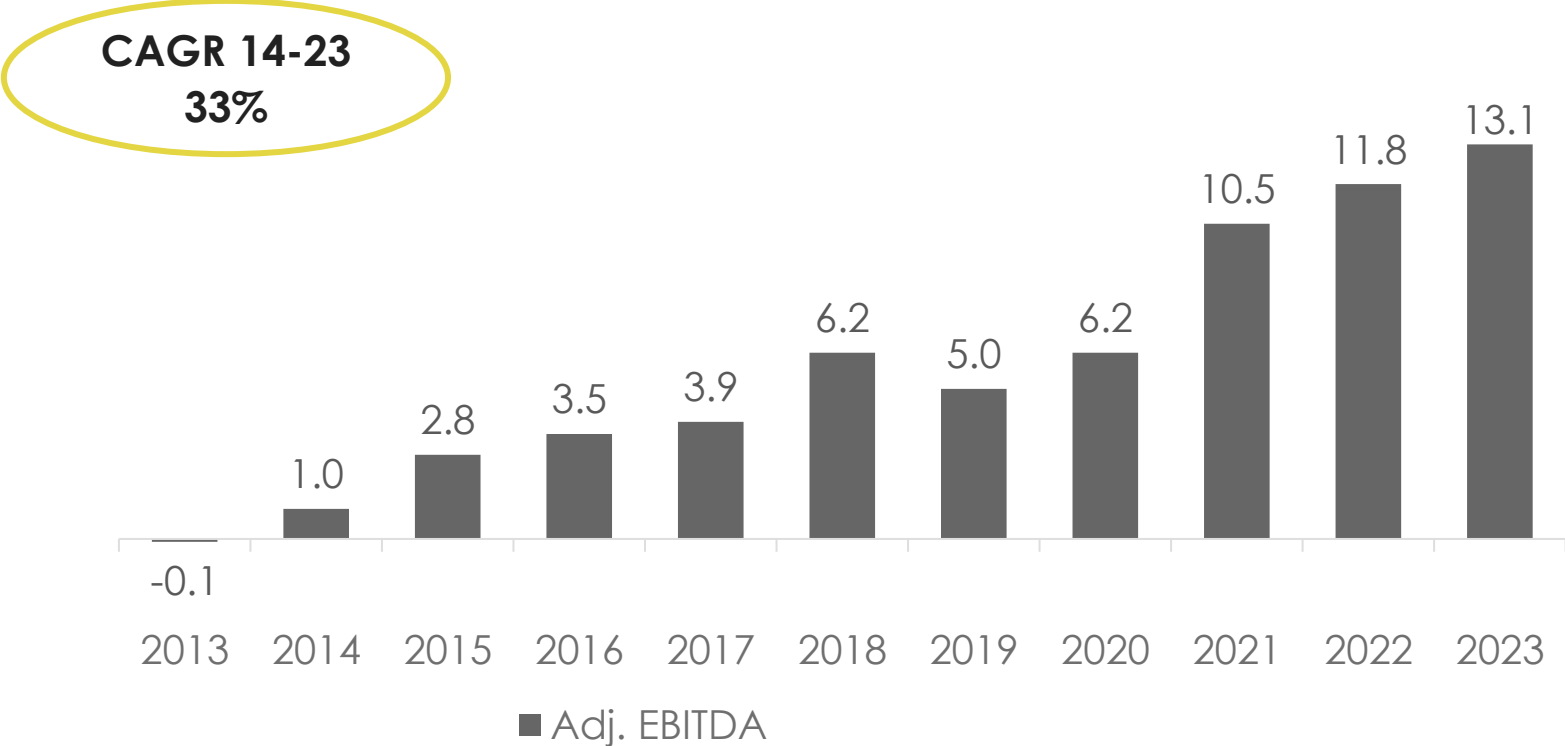
Q1 ALKEMY Adj. EBITDA (€M) – IAS/IFRS⁽¹⁾ & MARGIN (%)



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



FY ALKEMY Adj. EBITDA (€M) – IAS/IFRS



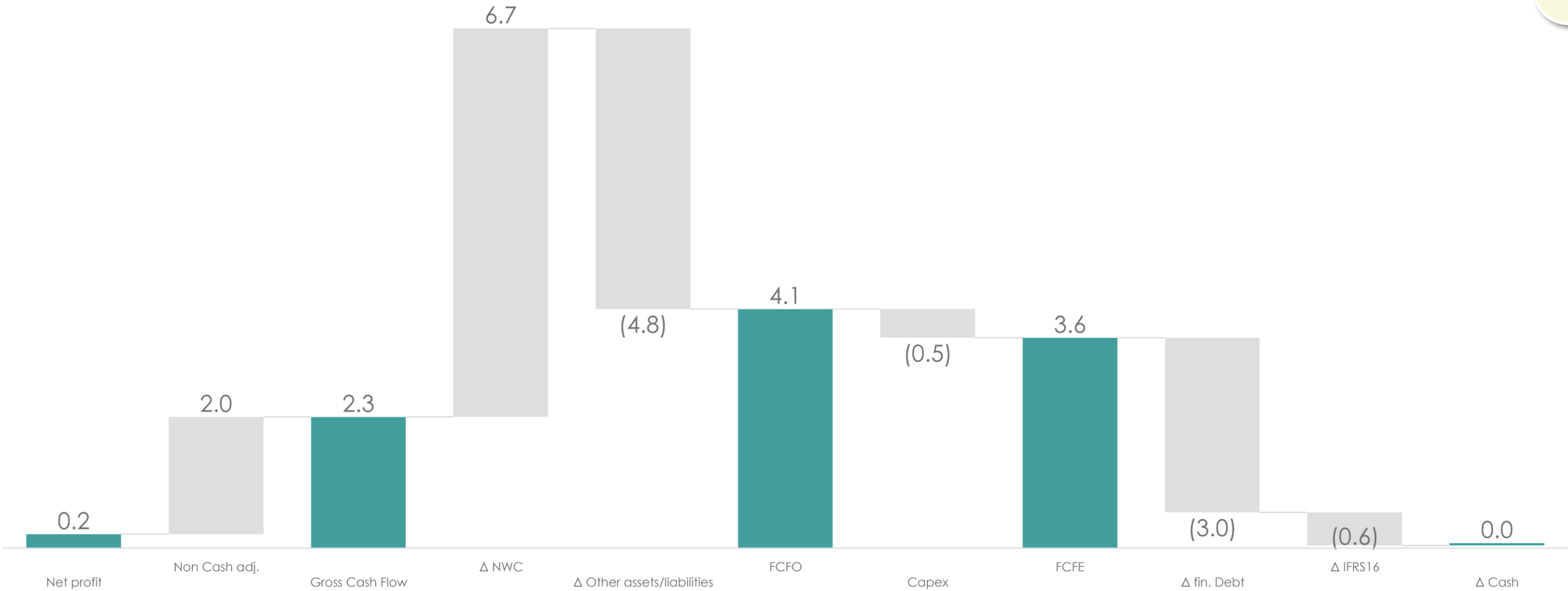
- › **Q1 2024 Adjusted EBITDA is €M 2.3**, -8% compared to Q1 2023 (€M 2.5).
- › **Q1 2024 Adjusted EBITDA margin is 8.2%**, -0.8 pps compared to Q1 2023 (9.0%), mainly due to higher operating costs.

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

Q1 2024 CASH FLOW

Q1 2024 Cash Flow generation - (€000)

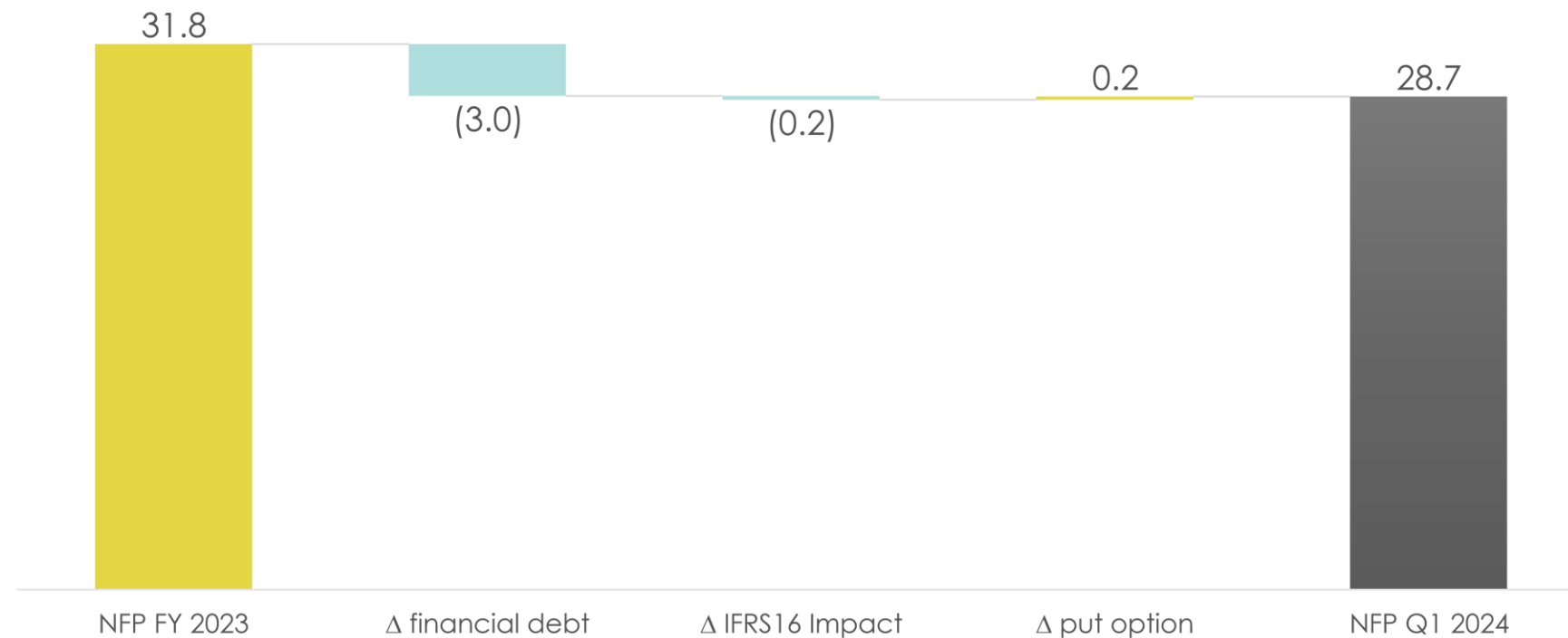
Initial Cash	12.0 €M
Delta Cash	0.0 €M
Final Cash	12.0 €M



- › **Q1 2024 Gross Cash Flow at €M 2.3**, in line with Q1 2023, mainly due to **higher non-cash adjustment**.
- › **FCFO at €M 4.1**, equal to almost **2x Adj. EBITDA**, +82% compared to Q1 2023 due to net working capital dynamics.
- › **Capex in line with Q1 2023** and equal to **2% of revenues**.
- › **Cash over Q1 2024 is flat** due to higher FCFE and an increase in the change in financial debt compared to Q1 2023.

NET FINANCIAL POSITION BRIDGE AND DETAILS

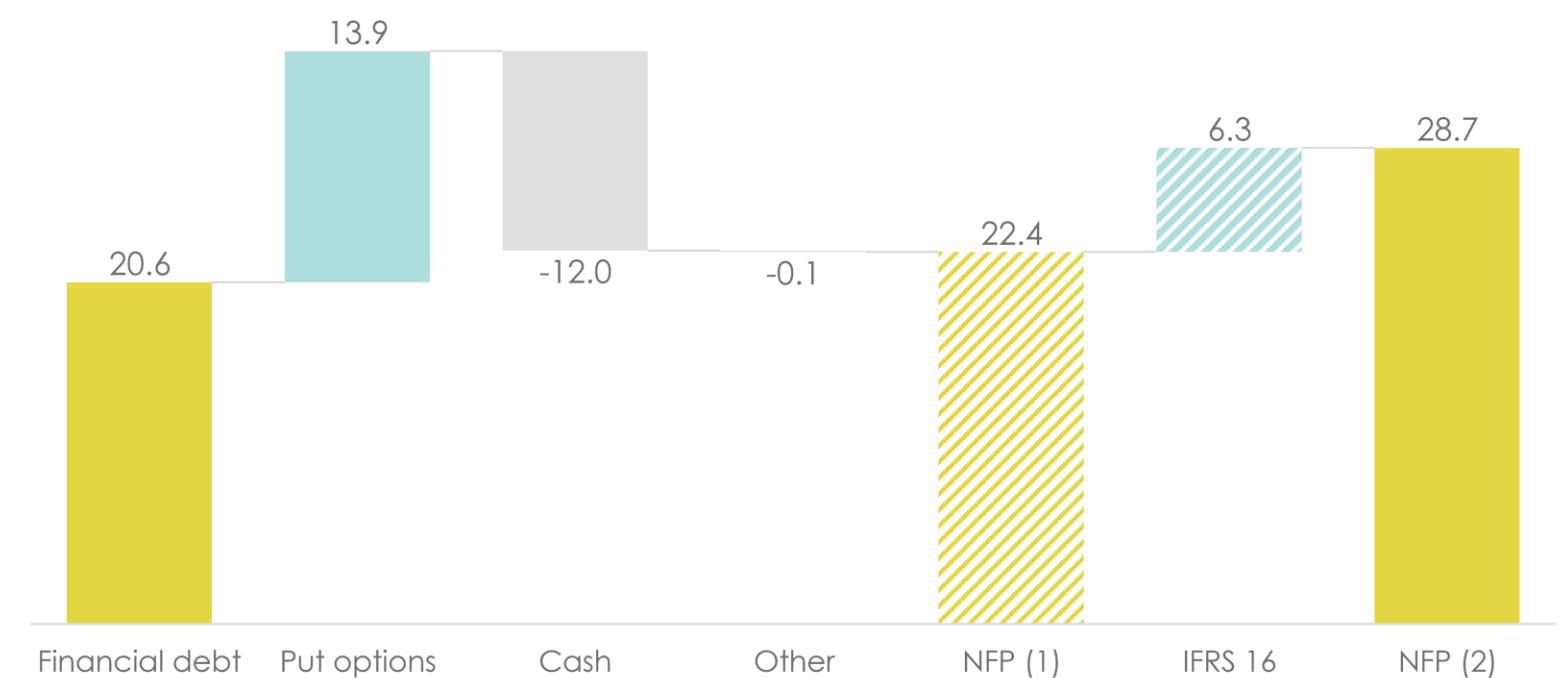
Net Financial Position Bridge Q1 2024 (€M)



- > **Gross debt** is composed by **€M 20.6 of financial debt** (of which €M 10.9 LT, €M 9.7 ST), **€M 13.9 put options and earn-out liabilities** deriving from M&A (of which €M 4.3 ST) and €M 6.3 IFRS 16 financial leases.
- > **Q1 2024 NFP (1) ex IFRS16 is €M 22.4.**
- > **Q1 2024 cash and equivalents is €M 12.0.**

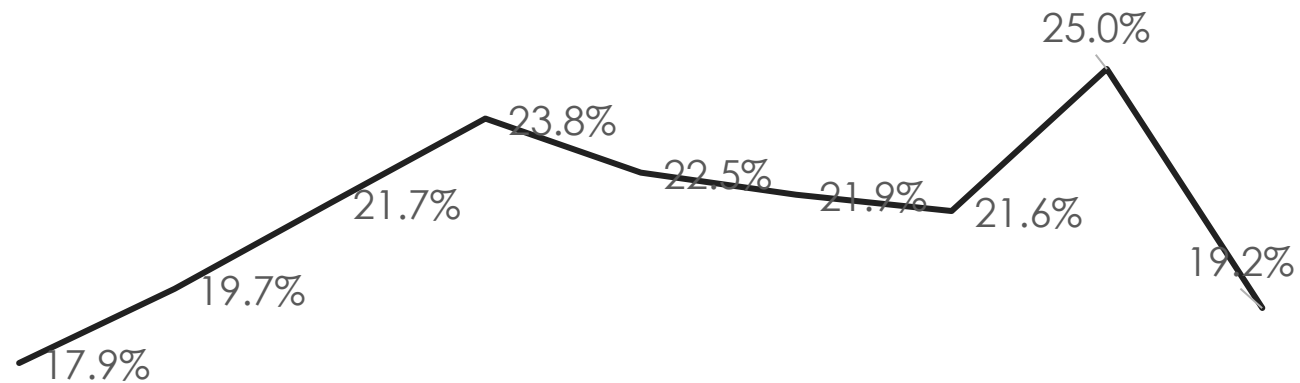
- > **Net Financial Position** NFP (2) at March 31st 2024 improved by €M 3.1 compared to €M -31.8 at December 31st, 2023.
- > **Variation** is mainly due to: (i) decrease in bank loans (€M 3.0), (ii) IFRS 16 impact (€M +0.2), (iii) increase in put option and earn-out liabilities (€M -0.2).

Net Financial Position Break Down Q1 2024 (€M)



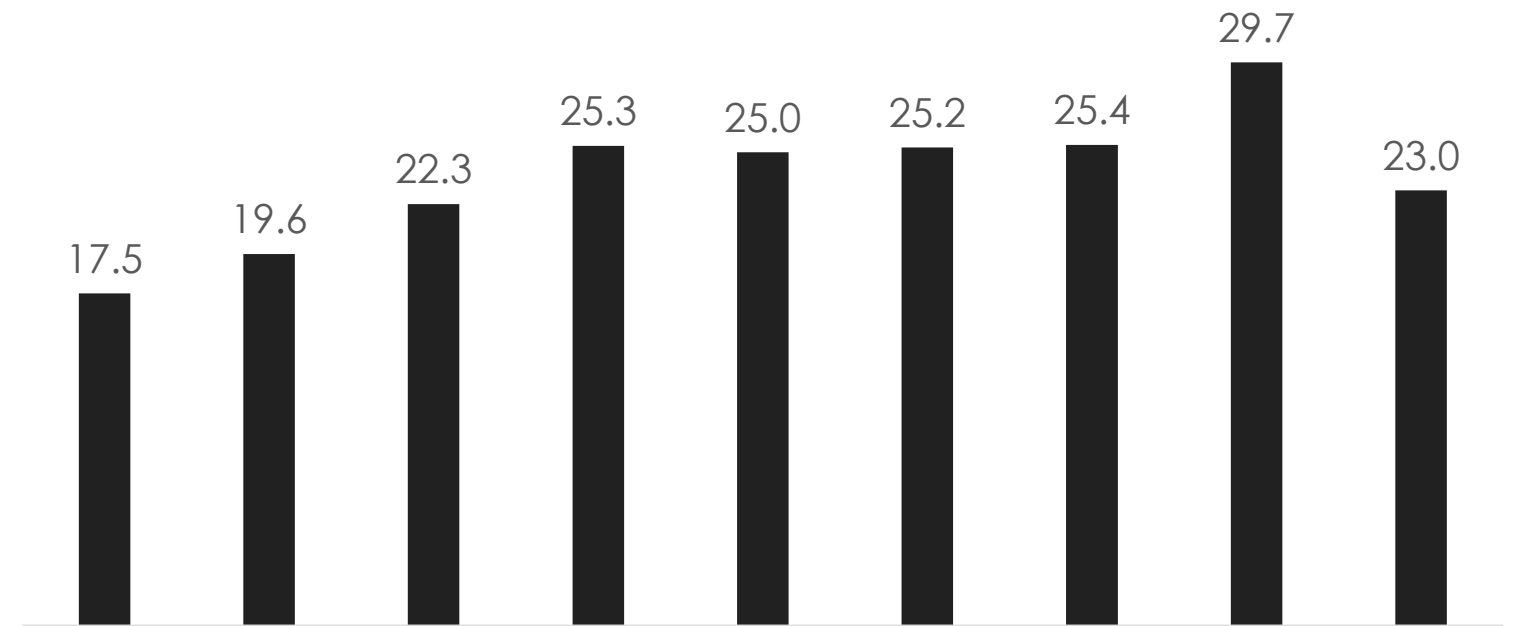
NET TRADE WORKING CAPITAL DYNAMICS

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



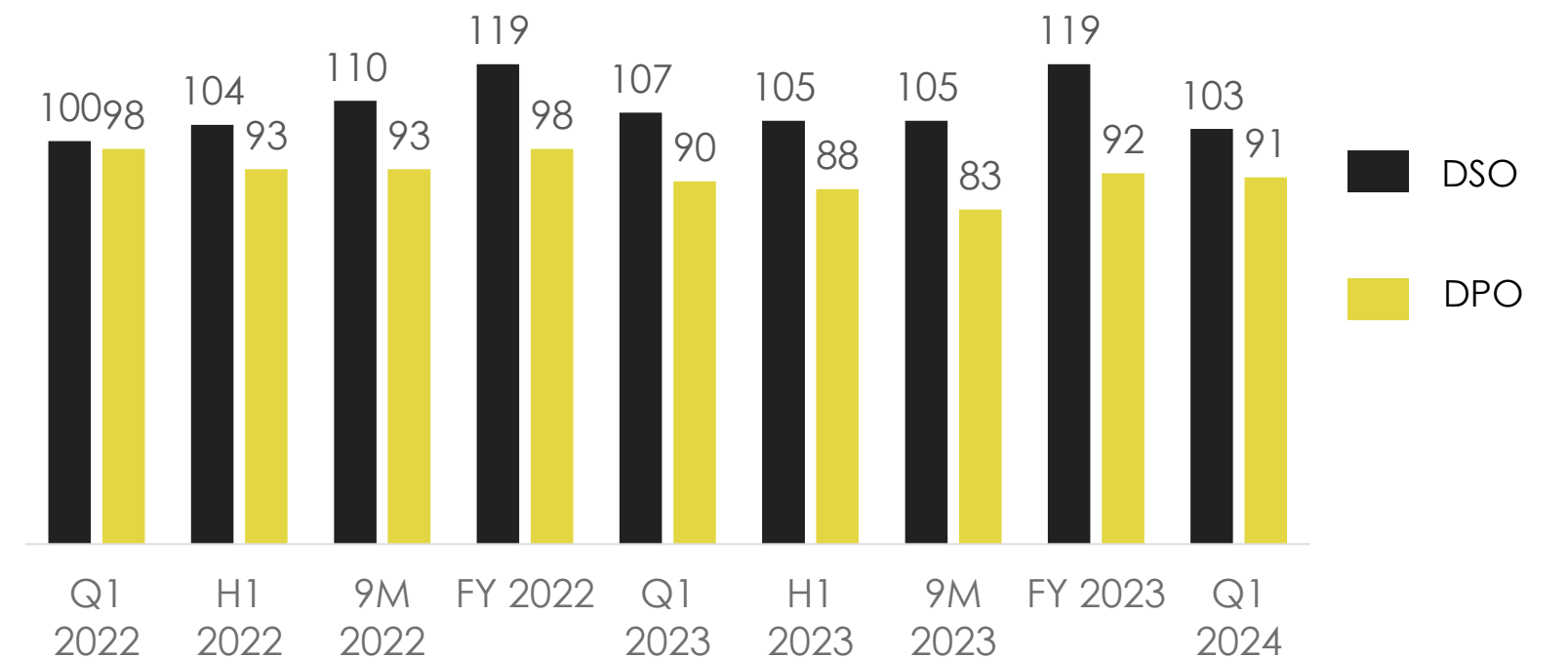
1Q 2022 H1 2022 9M 2022 FY 2022 Q1 2023 H1 2023 9M 2023 FY 2023 Q1 2024

Net Trade Working Capital (€M)



1Q 2022 H1 2022 9M 2022 FY 2022 Q1 2023 H1 2023 9M 2023 FY 2023 Q1 2024

Cash Conversion Cycle Details (days)



- > **Q1 2024 Net Trade Working capital is -8% compared to Q1 2023**, and its incidence over last 12 months' revenues declined by 3.3 pps.
- > Q1 2024 cash generation from **Net Trade Working Capital** increase (€M 6.7 million compared to €M 0.1 in Q1 2023), due to payables and receivables dynamics.
- > **Q1 2024 DSO at 103**, -4% vs. Q1 2023; **Q1 2024 DPO at 91** broadly in line with Q1 2023.

Q1 2024 P&L – IAS/IFRS

Consolidated Profit & Loss

Profit and Loss (€000) - IAS/IFRS	Q1 2023	Q1 2024
Revenues	28,034	28,397
Service costs, consum. & goods	(11,792)	(12,728)
- of which non-recurrent	(4)	(37)
Personnel	(14,002)	(13,427)
- of which non-recurrent	(272)	(41)
Adj. EBITDA	2,516	2,320
% Revenues	9.0%	8.2%
EBITDA	2,240	2,242
% Revenues	8.0%	7.9%
D&A	(923)	(1,208)
Bad debts/ claims/ provisions	(13)	(156)
EBIT	1,304	878
% Revenues	4.7%	3.1%
Financial charges	(520)	(451)
EBT	784	427
Taxes	(134)	(189)
% Tax rate	17.1%	44.3%
Net Profit (Loss)	650	238
% Revenues	2.3%	0.8%
o/w Minorities	5	19
o/w Group Net Profit (Loss)	645	219

- Q1 2024 **Revenues** at **€M 28.4**, up by 1% compared to €M 28.0 of Q1 2023. The growth is fully organic. **Italian revenues up by 4%** YoY, mainly related to the activities of the Go-to-Market division. **Foreign turnover down by 3%**, due to the performance recorded by Alkemy Iberia and the Mexican subsidiaries, that more than offset the positive performance recorded by all other foreign companies.
- Adj. Operative costs** increased in line with revenues (impact on revenues at 92% flat vs. Q1 2023). **Services costs** increased by 8% YoY, and **increased the impact on revenues by 2.8 pps**. **Personnel costs** decreased incidence on revenues by 2.7 pps compared to Q1 2023, with a flat FTE average count for the period (from 926 in Q1 2023 to 922 in Q1 2024).
- Q1 2024 **Adj. EBITDA** at €M 2.3, -8% compared to €M 2.5 in Q1 2023, with Adj. EBITDA margin at 8.2%, -0.8 pps compared to Q1 2023 (9.0%).
- Q1 2024 **EBIT** is equal to €M 0.9, -33% compared to €M 1.3 in Q1 2023, mostly due to higher investments made starting from H2 2023.
- Q1 2024 **EBT** at €M 0.4, -46% compared to €M 0.8 in Q1 2023.
- Group Net Profit** is €M 0.2 -63% vs €M 0.7 in Q1 2023. Taxes for the period increased due to consolidation effects that will be diluted over the course of the FY.

Q1 2024 BALANCE SHEET – IAS/ IFRS

Consolidated Balance Sheet

Balance Sheet (€000) - IAS/IFRS	FY 2023	Q1 2024
Tangible assets	1,939	1,875
Intangible assets	8,353	8,051
<i>o/w rights of use (IFRS16)</i>	6,274	6,056
Goodwill	54,871	54,869
Financial assets	2,363	2,384
Fixed Assets	67,526	67,179
Inventories	-	-
Trade Receivables	45,929	38,545
Trade Payables	(16,196)	(15,565)
Net Trade Working Capital	29,733	22,980
Other Current Assets	4,728	5,786
Other Current Liabilities	(16,042)	(12,825)
Employees' leaving entitlement	(6,477)	(6,397)
Total Capital Invested	79,468	76,723
Total Equity	47,716	48,058
o/w Group Equity	47,243	47,567
o/w Minorities	473	491
Cash & current financial assets	(12,136)	(12,157)
Bank Debts	23,627	20,600
Put Option Liabilities	13,755	13,939
Net Financial Position ex-IFRS 16	25,246	22,382
Other Financial Debts (IFRS16)	6,506	6,283
Net Debt (Cash)	31,752	28,665
Total Funds	79,468	76,723

- › **Net Invested Capital** at €M 76.6 (€M 79.5 in FY 2023) consisted of approx. € 23.0 million of **Net Trade Working Capital** (€M 29.7 FY 2023), €M 67.2 of fixed assets (€M 67.5 FY 2023) of which €M 54.9 of **Goodwill** (in line with FY 2023) and €M 6.1 of IFRS 16 **rights of use** (€M 6.3 in FY 2023).
- › **Shareholders' equity** increased in the period by €M 0.3 since 31 Dec. 2023 (+1%), mainly due to the positive result of the period (€M +0.2).
- › **Net Financial Position** at March 31st, 2024, negative by €M -28.7 (ante-IFRS 16 at €M -22.4) improving by €M 3.1 compared to FY 2023. The **variation** is mainly due to the decrease in **bank loans** (€M -3.0).

Q1 2024 CASH FLOW GENERATION – IAS/IFRS

Consolidated Cash Flow

Cash Flow Statement (€000) - IAS/IFRS	Q1 2023	Q1 2024
Net Profit (Loss)	650	238
Adjustments (cash tax, interest and other)	654	640
Non-cash items	976	1,374
Gross Cash Flow	2,280	2,252
Change in trade receivables	2,384	7,241
Change in trade payables	(2,235)	(569)
Total change in NTWC	149	6,672
Total change in other asset/liabilities	(170)	(4,818)
Operating Cash Flow	2,259	4,106
Capex	(492)	(495)
Other non-current assets	-	-
Free Cash Flow before Acquisition	1,767	3,611
Acquisitions	-	-
Free Cash Flow	1,767	3,611
Change in treasury shares	-	(43)
Dividends to minorities	(214)	-
Change in bank & fin. Debts	(1,773)	(2,998)
IFRS 16 effect	(476)	(570)
Changes in Equity	-	-
Changes on other financial assets	-	-
Change in put/options	(40)	-
Change in Cash	(736)	-
Initial Cash	9,115	12.029
Final Cash	8,379	12.029

- › Q1 2024 **Gross Cash Flow** at **€M 2.3**, bradly in line with €M 2.3 in Q1 2023.
- › Q1 2024 **Operating cash flow** at **€M 4.1** compared to €M 2.3 of Q1 2023. The increase of €M 1.8 is mainly related to Net Working Capital dynamics.
- › Q1 2024 Ordinary **Capex** of the period is €M 0.5, flat compared to €M 0.5 of Q1 2023. Q1 2024 **Free Cash Flow** is equal to **€M 3.6**, increasing vs. €M 1.8 in Q1 2023, due to higher operating cash flow.
- › **Total change in cash** for the period was **null** compared to €M -0.7 in Q1 2023.

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, with the current visibility on the evolution of the business over the next few months we expect a **further moderate growth in revenues** for the Group, in particular **in the second half of the year**.
- > With regards to **Adj. EBITDA margins**, we expect a further **moderate contraction over the next quarter**, due both to the different competence mix in the revenues and to the impact of the higher personnel cost following the renewal of the collective bargain agreement, impacting from last April. **A first partial recovery in margins is expected in H2 2024**, following the full deployment of the new commercial organization in Italy.

A PUBLIC COMPANY LISTED ON EURONEXT STAR MILAN

Issuer & Tickers

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- REUTERS ALK.MI | BLOOMBERG ALK.IM

Market

- Borsa Italiana, Euronext STAR Milan

Specialist

- Intermonte

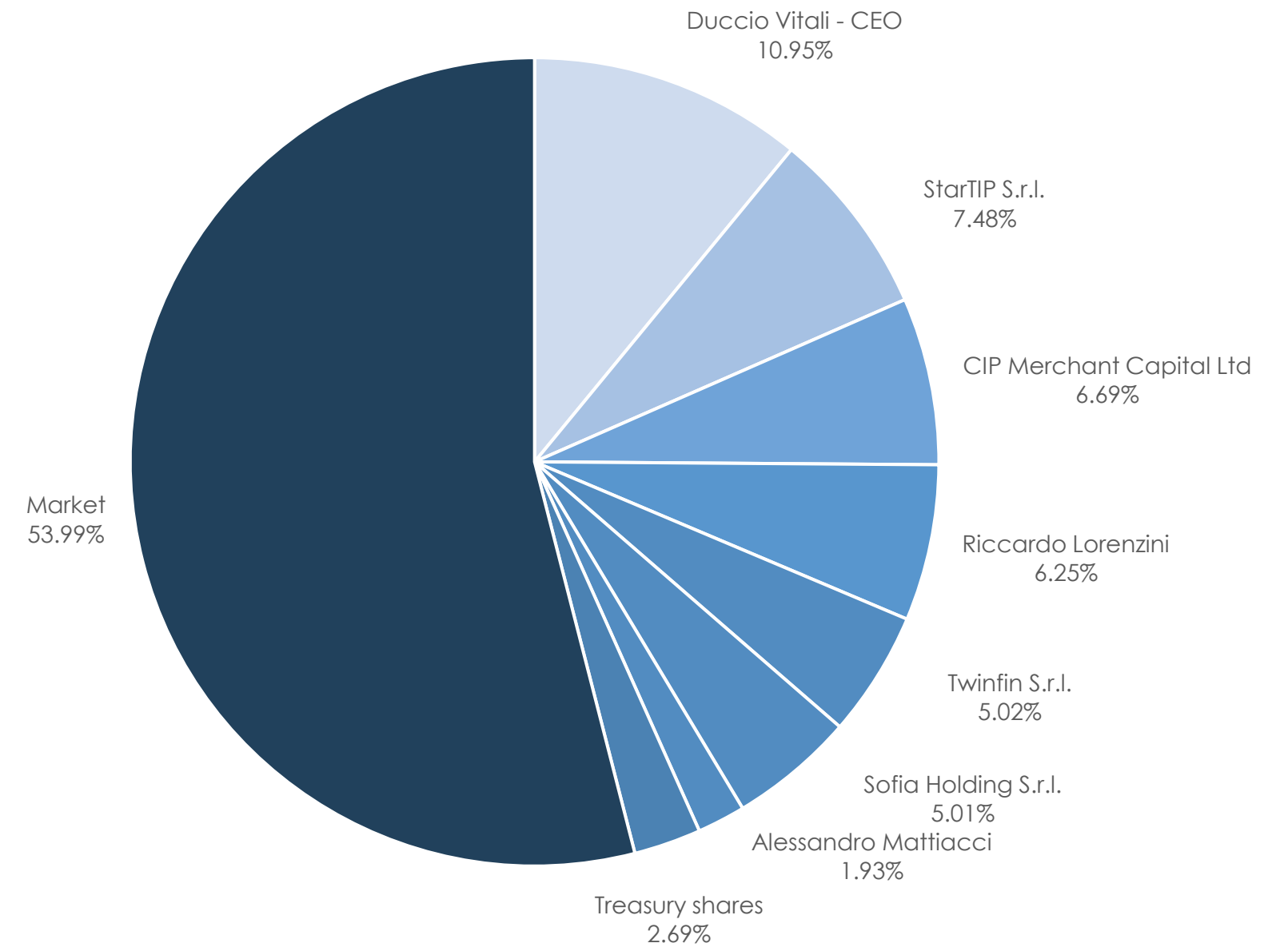
Analyst Coverage

- Intermonte
- Intesa Sanpaolo
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ALKEMY SHAREHOLDING STRUCTURE

As of April, 2024



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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INVESTOR RELATIONS
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