



H1 2024 RESULTS

13.09.2024

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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**.

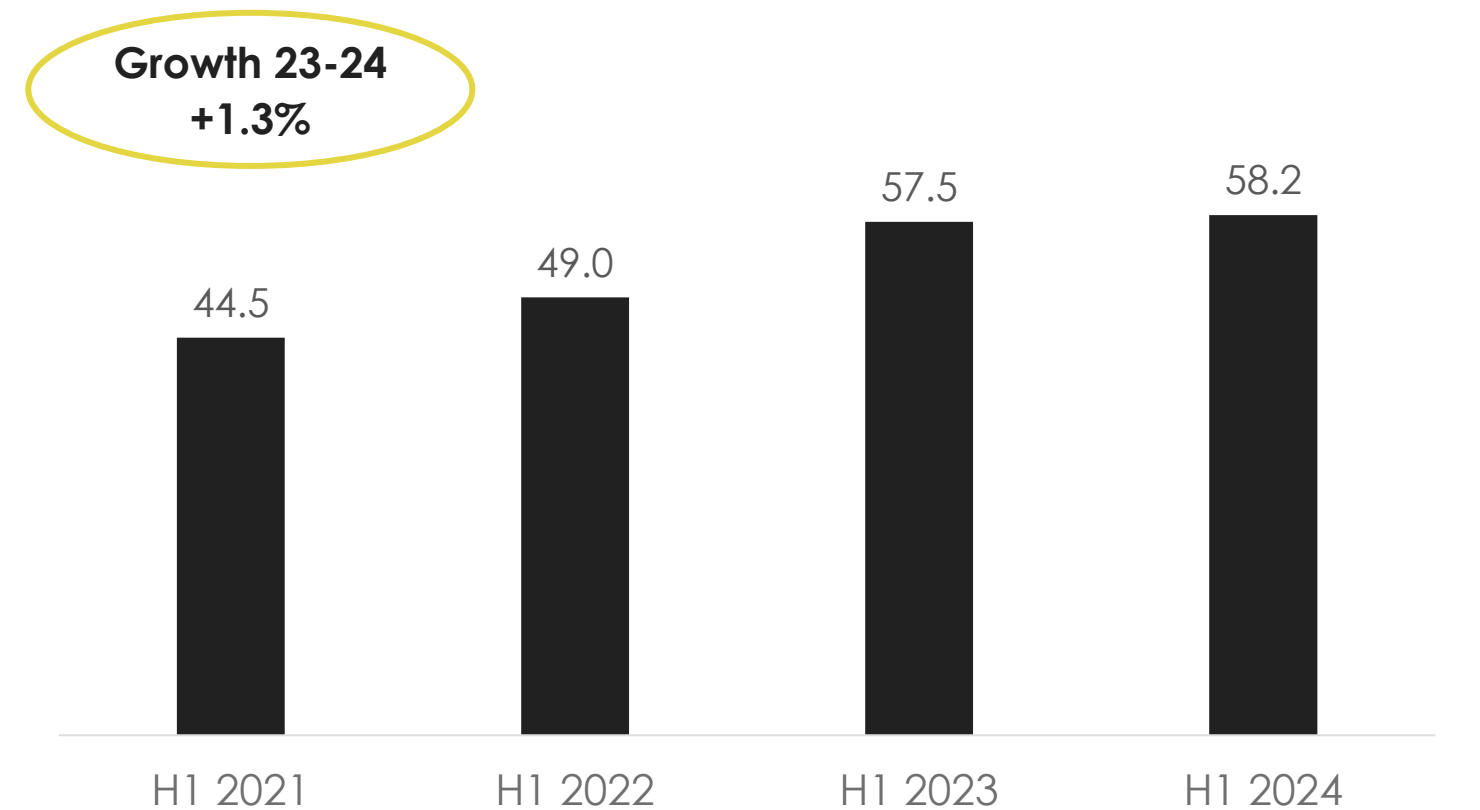
We help companies to
evolve their business in the
post-digital scenario

FINANCIAL HIGHLIGHTS

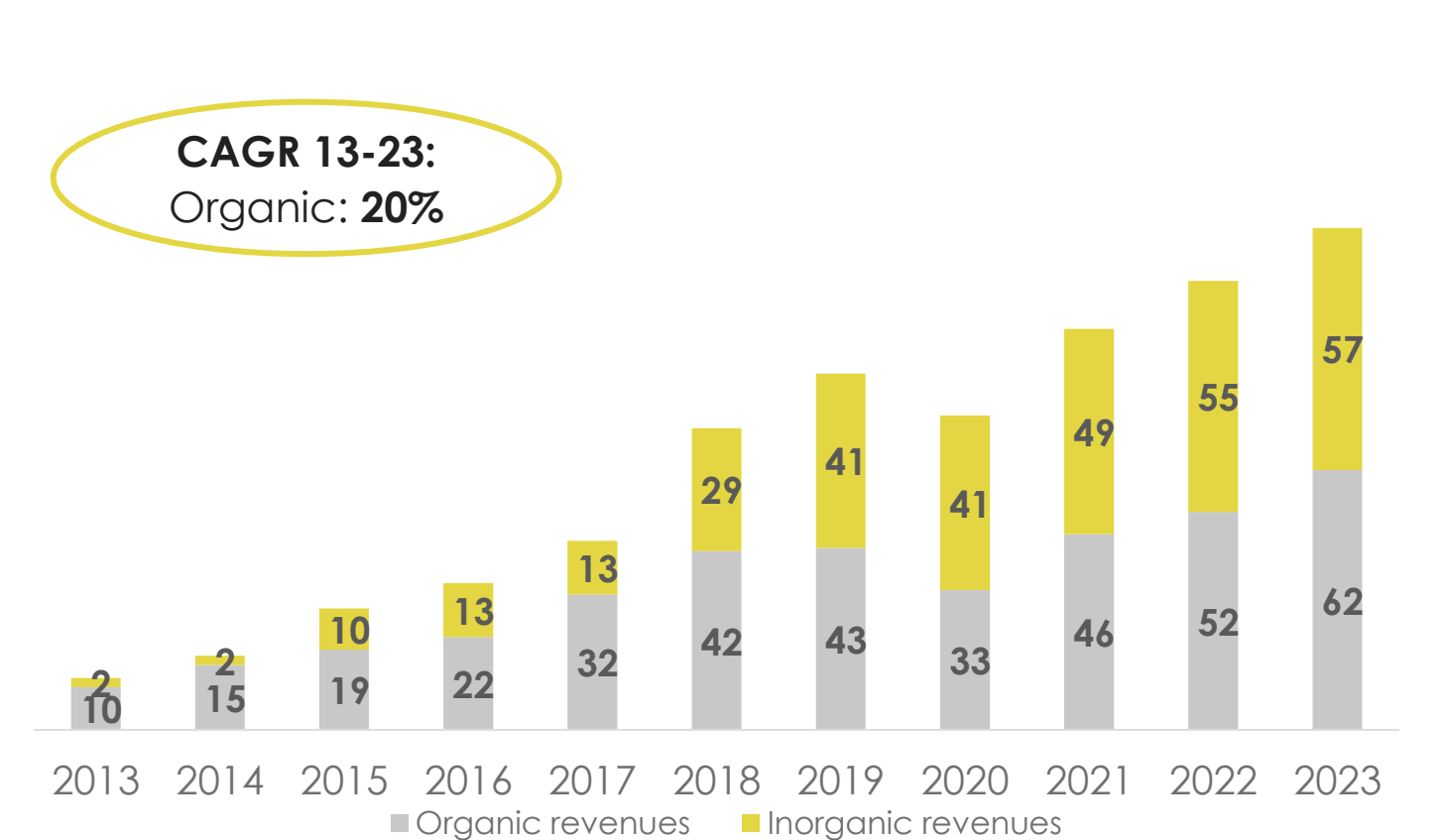
€M	H1 2024	H1 2023	
Turnover	58.24	57.48	> +1% vs. H1 2023, thanks to the contribution of the Italian companies of the Group.
Adj. EBITDA	4.76	5.98	> -20% vs. H1 2023. EBITDA Adj. margin at 8.2%, -2.2 pps vs. H1 2023 mainly due to the different sales mix.
Non-recurring costs	(2.11)	(0.67)	> +216% vs. H1 2023 due to one-off personnel costs mostly linked to the acceleration of the LTIP 2024 – 2026.
EBIT	0.02	3.00	> -99% vs. H1 2023, due to higher non-recurring and amortization costs following investments made starting from H2 '23.
EBT	(0.88)	2.09	> -142% vs. H1 2023, despite lower financial charges (-2% vs. H1 2023).
Group Net Income	(0.86)	1.41	> -161% vs. H1 2023.
Net Operating Cash Flow	2.33	3.56	> -1.2 €M vs. H1 2023 mainly due to lower Group Net Income and NWC dynamics.
NFP	-31.09	FY 2023 -31.77	> €M +0.68 since 31 December 2023.

REVENUES

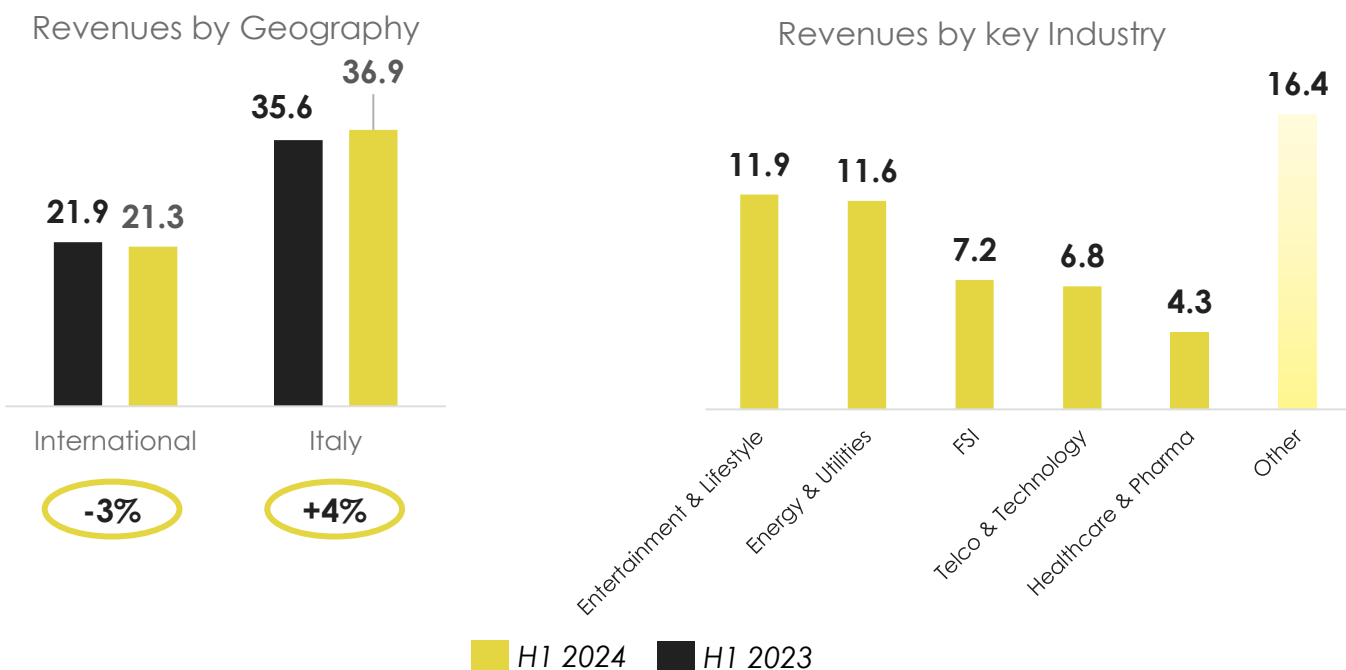
H1 REVENUES (€M) – IAS /IFRS



ALKEMY GROWTH EVOLUTION (€M) – IAS /IFRS



ALKEMY TURNOVER DEEP DIVE (€M)

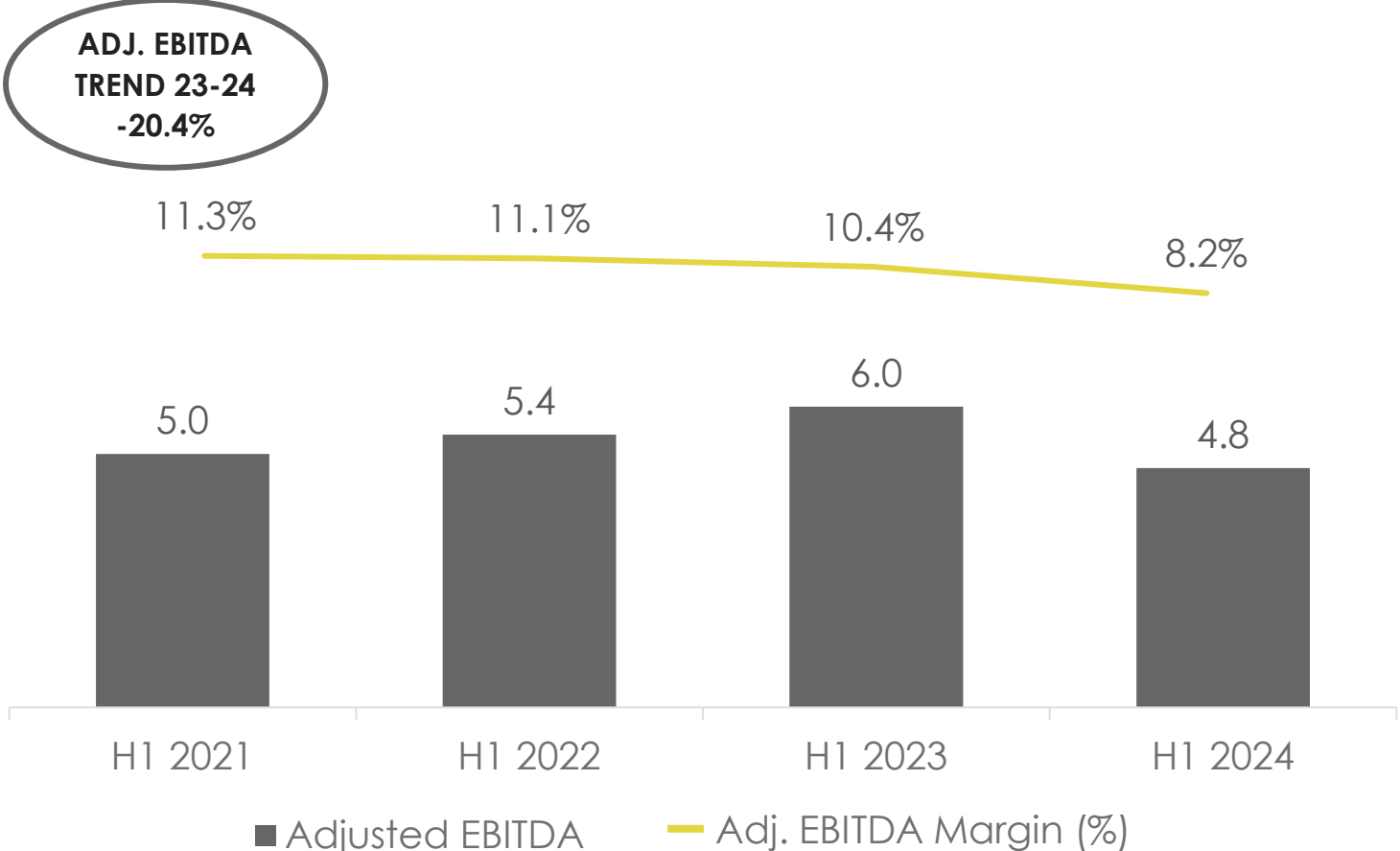


- › H1 2024 **revenues at €M 58.2**, +1% vs. H1 2023 (€M 57.5). The result is due to the positive performance of the Italian companies.
- › H1 2024 **Italian turnover at €M 36.9**, +4% vs. €M 35.6 in H1 2023. The growth is mainly due to the Go-to-Market department and to the first impact of the implementation of the new organizational structure.
- › **International revenues** in H1 2024 **at €M 21.3**, down by 3% vs. €M 21.9 in H1 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 53% of Group revenues for the quarter.

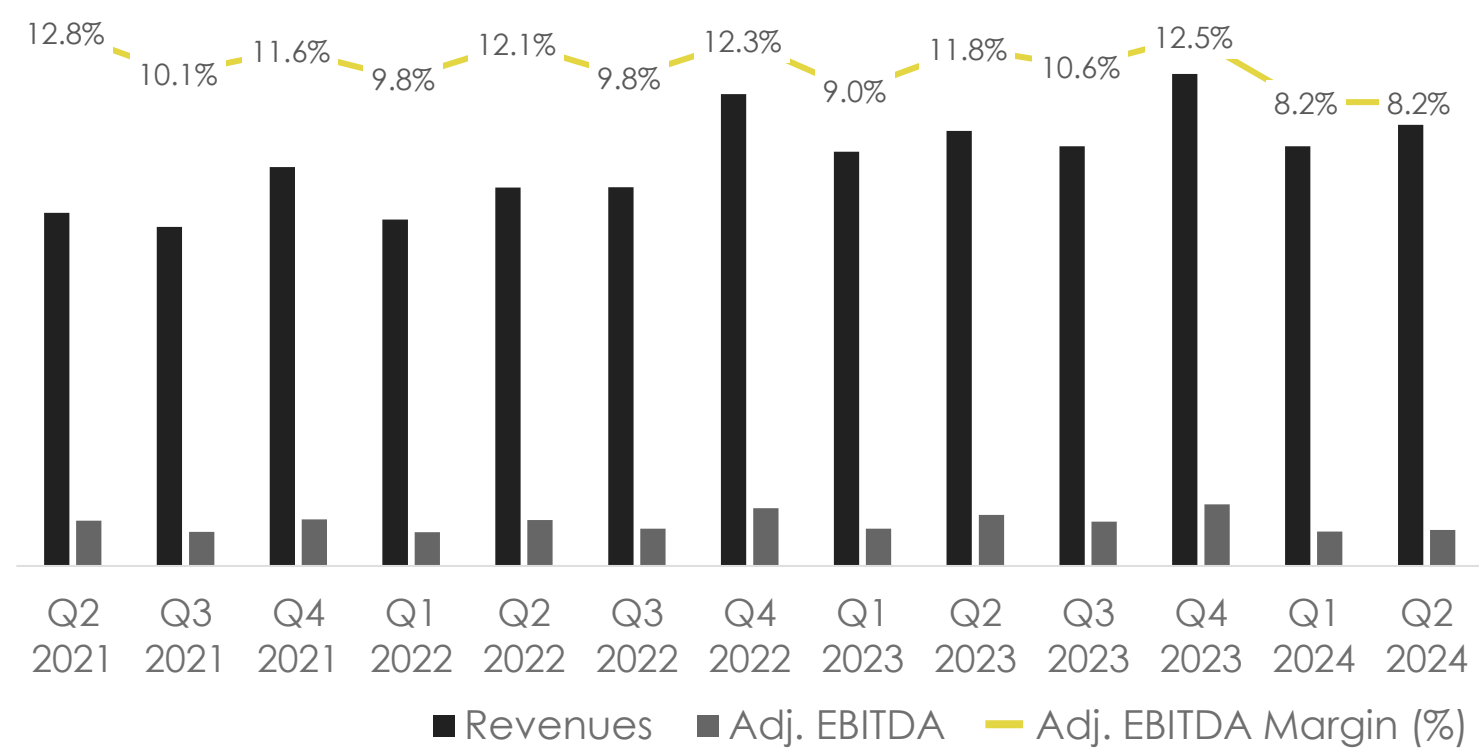
⁽¹⁾Revenues 2013-14-15-16 are Management estimates and are not audited, following the introductions of IFRS in 2018.

Adj. EBITDA

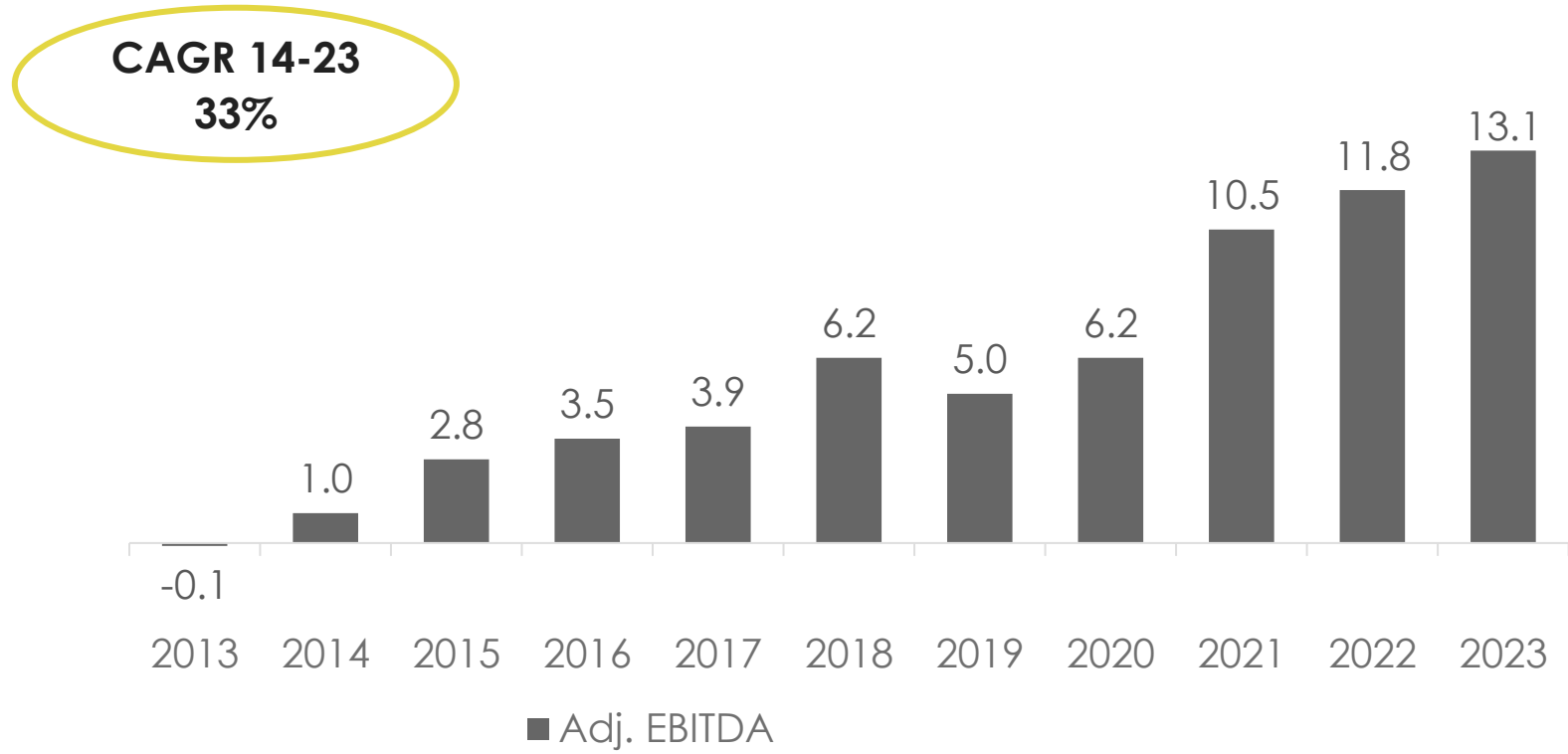
H1 ALKEMY Adj. EBITDA (€M) – IAS/IFRS⁽¹⁾ & MARGIN (%)



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



FY ALKEMY Adj. EBITDA (€M) – IAS/IFRS



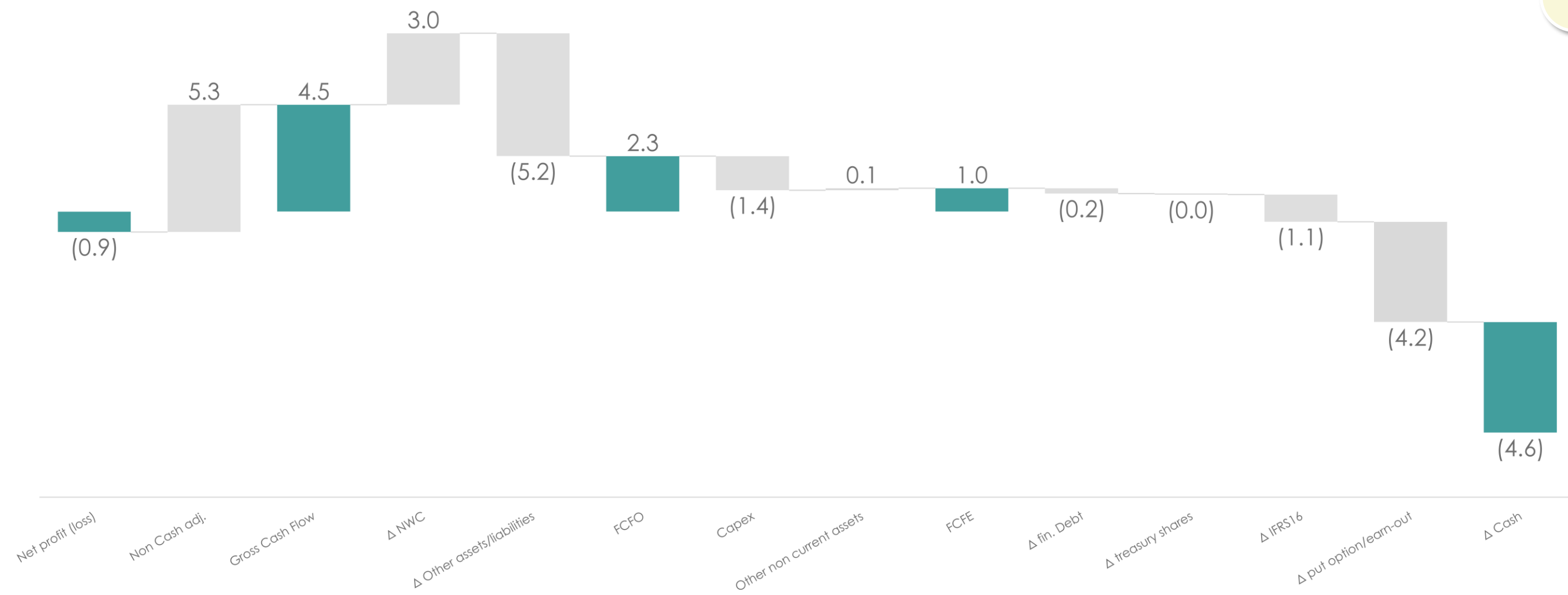
- > **H1 2024 Adjusted EBITDA is €M 4.8**, -20% compared to H1 2023 (€M 6.0).
- > **H1 2024 Adjusted EBITDA margin is 8.2%**, -2.2 pps compared to H1 2023 (10.4%), mainly due to the different sales mix.

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

H1 2024 CASH FLOW

H1 2024 Cash Flow generation - (€000)

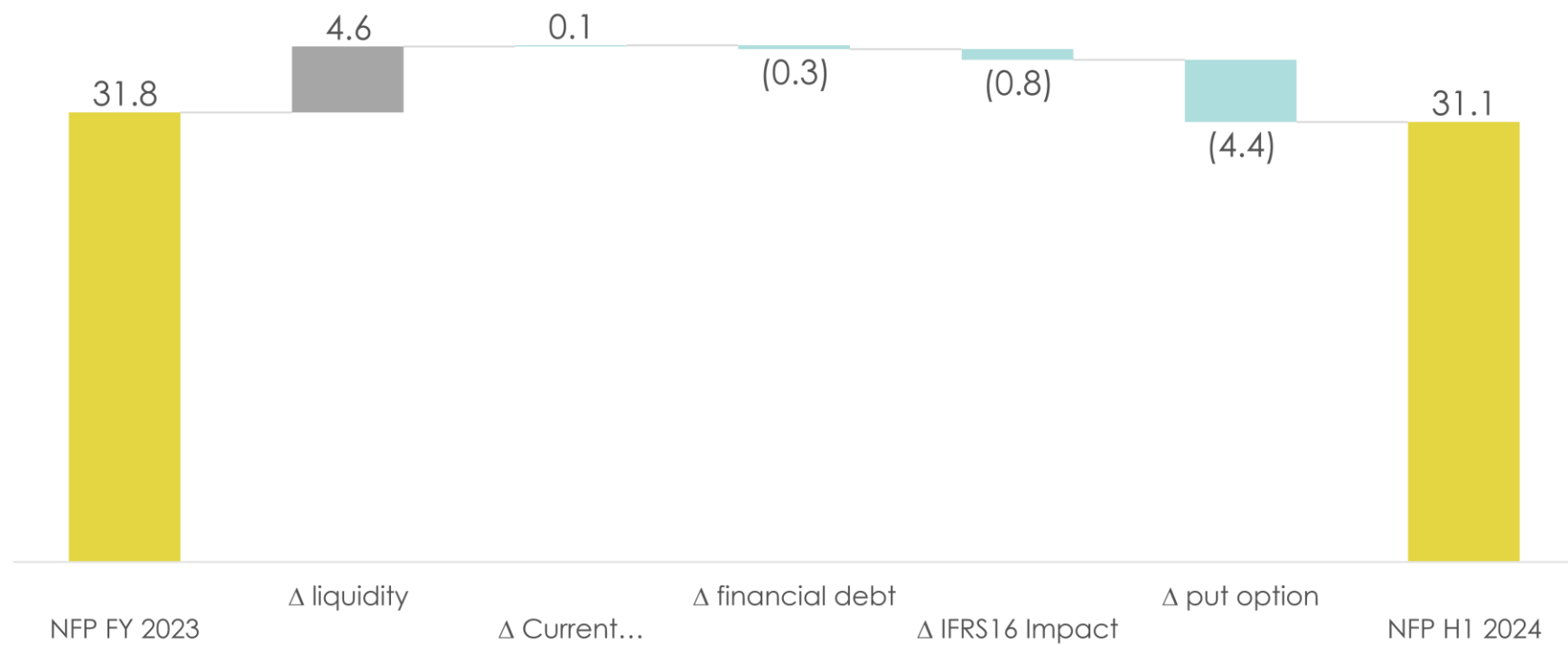
Initial Cash	12.0 €M
Delta Cash	-4.6 €M
Final Cash	7.4 €M



- › **H1 2024 Gross Cash Flow at €M 4.5**, €M -0.9 compared to H1 2023, mainly due to **lower Net Profit (Loss)** for the period.
- › **H1 FCFO at €M 2.3**, equal to almost **49% Adj. EBITDA**, -35% compared to H1 2023 due to net working capital dynamics and the net loss for the period.
- › **H1 2024 Capex at €M1.4**, +30% compared to H1 2023 and equal to **2% of revenues**.
- › **Change in cash over H1 2024 is €M -4.6** mostly related to the change in put options and earn-out related to the exercise of the option for the acquisition of an additional 14% stake in Xcc Srl share capital and to the payment of the first tranche of the earn-out to the former partners of Innocv Solutions S.L.. Both circumstances happened in Q2 2024.

NET FINANCIAL POSITION BRIDGE AND DETAILS

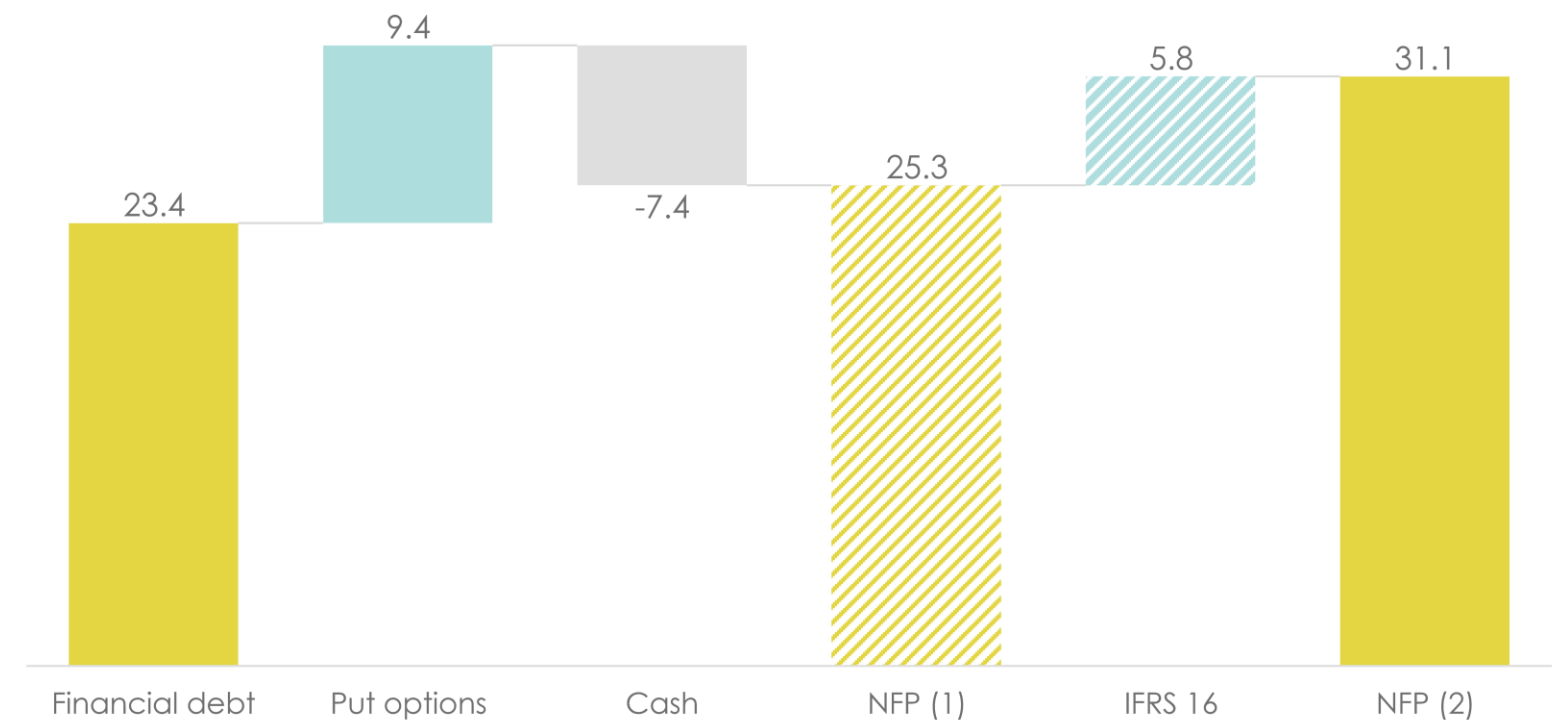
Net Financial Position Bridge H1 2024 (€M)



- > **Gross debt** is composed by **€M 23.4 of financial debt** (of which €M 14.0 LT, €M 9.4 ST), **€M 9.4 put options and earn-out liabilities** deriving from M&A (of which none ST) and €M 5.8 IFRS 16 financial leases.
- > **H1 2024 NFP (1) ex IFRS16** is **€M 25.3**.
- > **H1 2024 cash and equivalents** is **€M 7.4**.

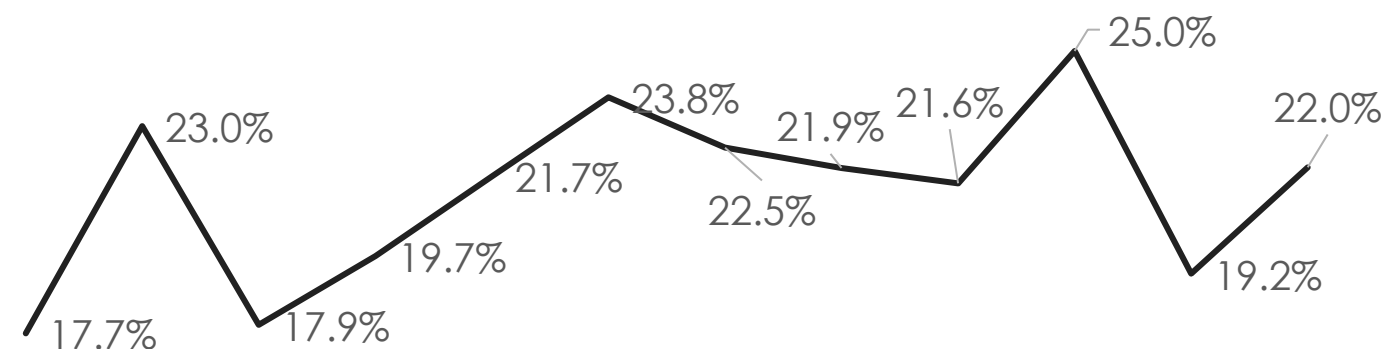
- > **Net Financial Position** NFP (2) at June 30th 2024 improved by €M 0.7 compared to €M -31.8 at December 31st, 2023.
- > **Variation** is mainly due to: (i) change in cash and cash equivalents (€M -4.6), (ii) decrease in put option and earn-out liabilities (€M +4.4), (iii) decrease in bank loans (€M +0.3), (iv) decrease in financial debt for rights of use (€M +0.8).

Net Financial Position Break Down H1 2024 (€M)



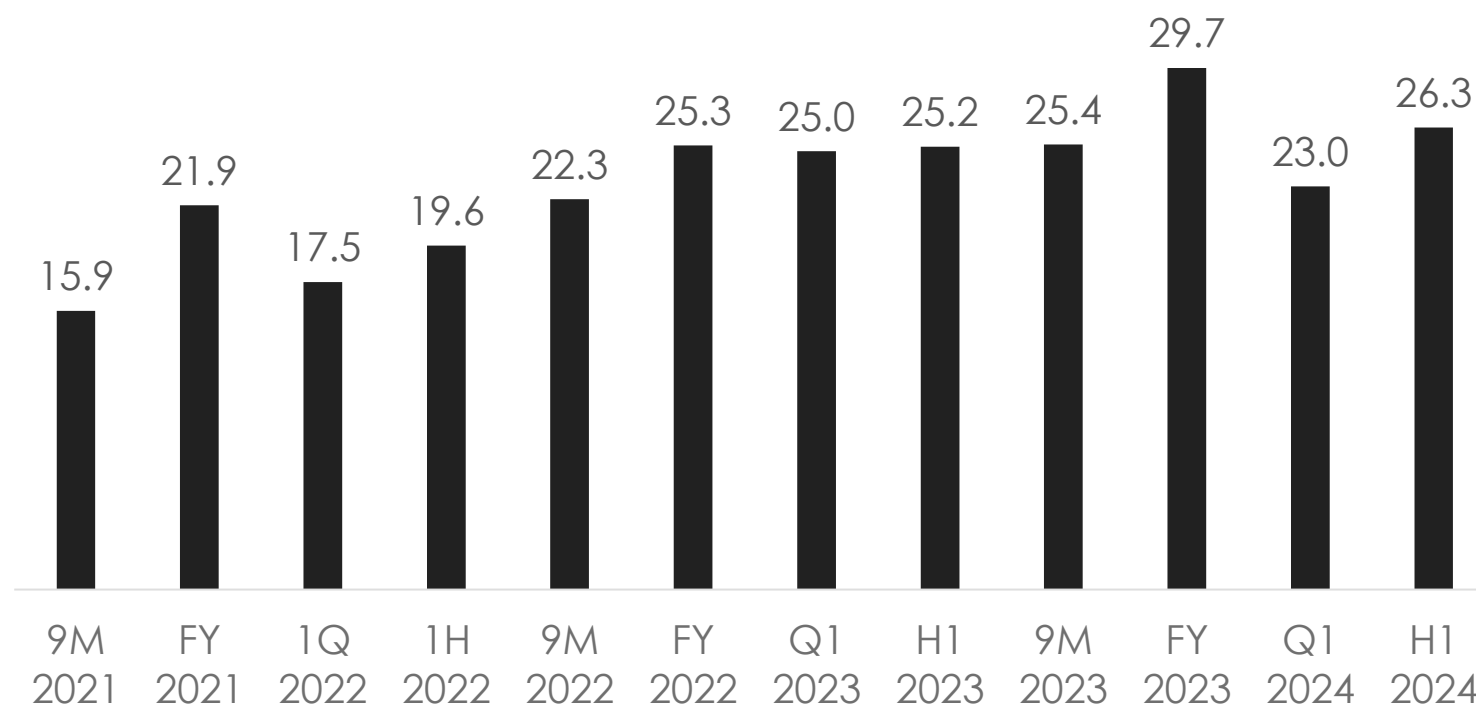
NET TRADE WORKING CAPITAL DYNAMICS

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



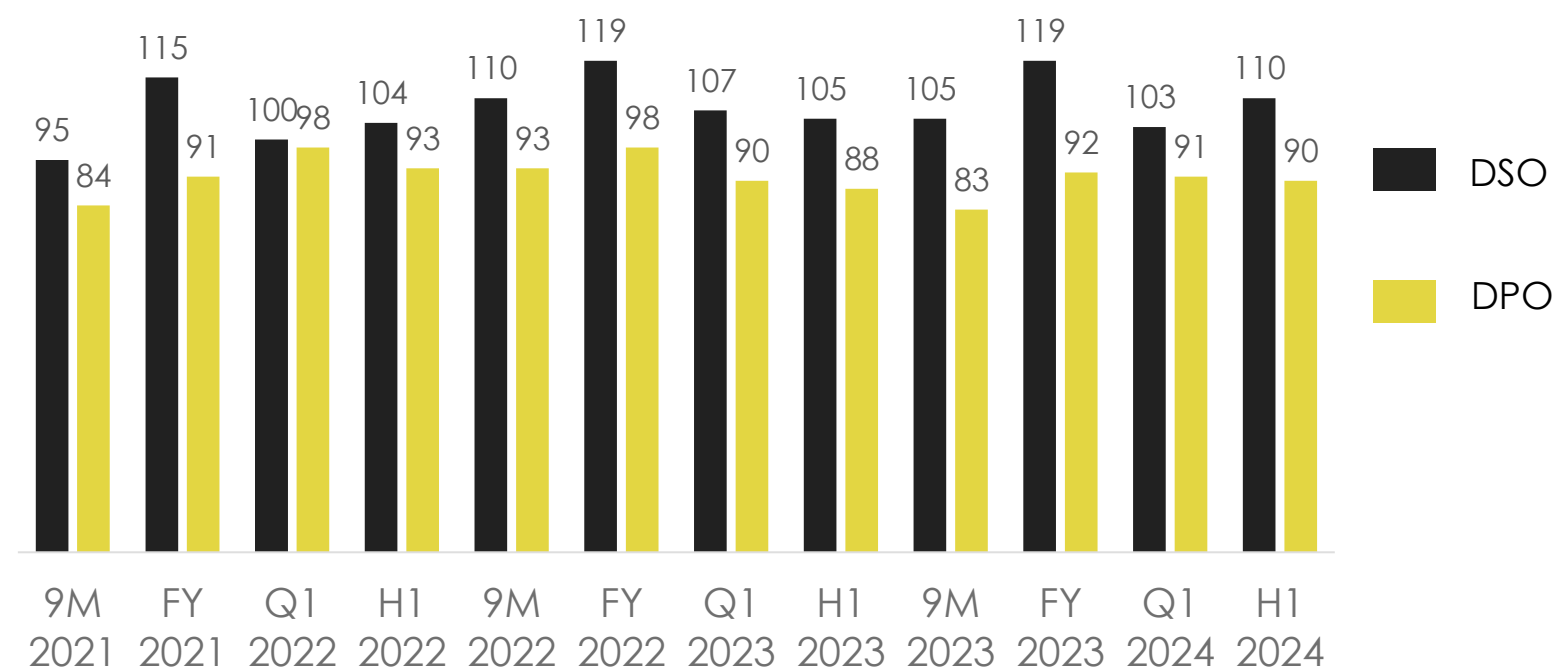
9M 2021 FY 2021 1Q 2022 H1 2022 9M 2022 FY 2022 Q1 2023 H1 2023 9M 2023 FY 2023 Q1 2024 H1 2024

Net Trade Working Capital (€M)



9M 2021 FY 2021 1Q 2022 H1 2022 9M 2022 FY 2022 Q1 2023 H1 2023 9M 2023 FY 2023 Q1 2024 H1 2024

Cash Conversion Cycle Details (days)



9M 2021 FY 2021 Q1 2022 H1 2022 9M 2022 FY 2022 Q1 2023 H1 2023 9M 2023 FY 2023 Q1 2024 H1 2024

- > **H1 2024 Net Trade Working capital is +4% compared to H1 2023**, and its incidence over last 12 months' revenues increased by 0.1 pps.
- > H1 2024 cash generation from **Net Trade Working Capital** increase (€M 3.0 million compared to €M -0.1 in H1 2023), due to payables and receivables dynamics.
- > **H1 2024 DSO at 110**, +5% vs. H1 2023; **H1 2024 DPO at 90** +2% vs. H1 2023.

H1 2024 P&L – IAS/IFRS

Consolidated Profit & Loss

Profit and Loss (€000) - IAS/IFRS	H1 2023	H1 2024
Revenues	57,477	58,237
Service costs, consum. & goods	(24,151)	(26,283)
- of which non-recurrent	(13)	(46)
Personnel	(28,015)	(29,303)
- of which non-recurrent	(655)	(2,062)
Adj. EBITDA	5,979	4,759
% Revenues	10.4%	8.2%
EBITDA	5,311	2,651
% Revenues	9.2%	4.6%
D&A	(1,979)	(2,207)
Bad debts/ claims/ provisions	(327)	(426)
EBIT	3,005	18
% Revenues	5.2%	0.0%
Financial charges	(915)	(896)
EBT	2,090	(878)
Taxes	(681)	23
% Tax rate	32.6%	2.6%
Net Profit (Loss)	1,409	(855)
% Revenues	2.5%	-1.5%
o/w Minorities	(18)	2
o/w Group Net Profit (Loss)	1,427	(857)

- › H1 2024 **Revenues** at **€M 58.2**, up by 1% compared to €M 57.5 in H1 2023. **Italian revenues up by 4%** YoY, mainly as a consequence of 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 by +4% compared to H1 2023, with an impact on revenues at 92%, +2.5 pps compared to H1 2023. **Adj. Services costs** increased by 9% YoY, and **increased the impact on revenues by 3.1 pps**. **Adj. Personnel costs** slightly decreased incidence on revenues by 0.8 pps compared to H1 2023 with a lower FTE average count for the period (from 934 in H1 2023 to 903 in H1 2024),
- › **Non-recurrent operative costs** increased by 216% due to one-off costs mostly related to the acceleration of the Long-Term Incentive Plan 2024 - 2026.
- › H1 2024 **Adj. EBITDA** at €M 4.8, -20% compared to €M 6.0 in H1 2023, with Adj. EBITDA margin at 8.2%, -2.2 pps compared to H1 2023 (10.4%), due to the different sales mix.
- › H1 2024 **EBIT** is equal to €M 0.02, compared to €M 3.0 in H1 2023, mostly due to higher investments made starting from H2 2023 and to the impact of one-off costs.
- › H1 2024 **EBT** at €M -0.9, -142% compared to €M 2.1 in H1 2023.
- › **Group Net Profit** is €M -0.9 -161% vs €M 1.4 in H1 2023.

H1 2024 BALANCE SHEET – IAS/ IFRS

Consolidated Balance Sheet

Balance Sheet (€000) - IAS/IFRS	FY 2023	H1 2024
Tangible assets	8,213	7,445
<i>o/w rights of use (IFRS16)</i>	6,274	5,511
Intangible assets	2,079	2,461
Goodwill	54,871	54,870
Financial assets	2,363	2,803
Fixed Assets	67,526	67,579
Inventories	-	-
Trade Receivables	45,929	42,082
Trade Payables	(16,196)	(15,745)
Net Trade Working Capital	29,733	26,337
Other Current Assets	4,749	6,509
Other Current Liabilities	(16,042)	(15,370)
Employees' leaving entitlement	(6,477)	(6,655)
Total Capital Invested	79,489	78,400
Total Equity	47,716	47,307
o/w Group Equity	47,243	46,833
o/w Minorities	473	474
Cash & current financial assets	(12,115)	(7,386)
Bank Debts	23,627	23,356
Put Option Liabilities	13,755	9,373
Net Financial Position ex-IFRS 16	25,267	25,343
Other Financial Debts (IFRS16)	6,506	5,750
Net Debt (Cash)	31,773	31,093
Total Funds	79,489	78,400

- › **Net Invested Capital** at €M 78.4 (€M 79.5 in FY 2023) consisted of approx. € 26.3 million of **Net Trade Working Capital** (€M 29.7 FY 2023), €M 67.6 of fixed assets (€M 67.5 FY 2023) of which €M 54.9 of **Goodwill** (in line with FY 2023) and €M 5.5 of IFRS 16 **rights of use** (€M 6.3 in FY 2023).
- › **Shareholders' equity** declined in the period by €M 0.4 since 31 Dec. 2023, mainly due to the negative result of the period (€M -0.9).
- › **Net Financial Position** at June 30th, 2024, negative by €M -31.1 (ante-IFRS 16 at €M -25.3) improving by €M 0.7 compared to FY 2023. The **variation** is mainly due to the balancing of the decline of cash and current financial assets (€M -4.7) and the release of put options and earn-out liabilities (€M +4.4).

H1 2024 CASH FLOW GENERATION – IAS/IFRS

Consolidated Cash Flow

Cash Flow Statement (€000) - IAS/IFRS	H1 2023	H1 2024
Net Profit (Loss)	1,409	(855)
Adjustments (cash tax, interest and other)	1,596	873
Non-cash items	2,237	4,474
Gross Cash Flow	5,242	4,492
Change in trade receivables	1,757	3,446
Change in trade payables	(1,895)	(448)
Total change in NTWC	(138)	2,998
Total change in other asset/liabilities	(1,545)	(5,161)
Operating Cash Flow	3,559	2,329
Capex	(1,103)	(1,433)
Other non-current assets	2	84
Free Cash Flow before Acquisition	2,458	980
Acquisitions	-	-
Free Cash Flow	2,458	980
Change in treasury shares	(120)	(43)
Dividends to minorities	(749)	-
Change in bank & fin. Debts	(3,665)	(222)
IFRS 16 effect	(987)	(1,143)
Changes in Equity	-	-
Changes on other financial assets	-	-
Change in put/options	(40)	(4,215)
Change in Cash	(3,103)	(4,643)
Initial Cash	9,115	12,029
Final Cash	6,012	7,386

- › H1 2024 **Gross Cash Flow** at **€M 4.5**, -14.3% compared to €M 5.2 in H1 2023, mainly due to the net loss recorded in H1 2024.
- › H1 2024 **Operating cash flow** at **€M 2.3** compared to €M 3.6 of H1 2023. The decline of €M 1.3 is mainly related to the lower result of the period and Net Working Capital dynamics.
- › H1 2024 Ordinary **Capex** of the period is €M 1.4, +29.9% compared to €M 1.1 in H1 2023. H1 2024 **Free Cash Flow** is equal to **€M 1.0**, declining vs. €M 2.5 in H1 2023, due to lower operating cash flow.
- › **Total change in cash** for the period was **equal to €M -4.6** compared to €M -3.1 in H1 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.
- > With regards to **Adj. EBITDA margins**, we expect an extension to H2 2024 of the dynamics that impacted 2024, with a flat trend of the overall profitability of 2024 due to the impact of the sales mix.
- > The **positive impacts** from the new organizational structure, of some ongoing operational initiatives and the hiring of new sales manager with a high seniority in H2 will be shown **starting from 2025**.

A PUBLIC COMPANY LISTED ON EURONEXT STAR MILAN

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Market

- Borsa Italiana, Euronext STAR Milan

Specialist

- Intermonte

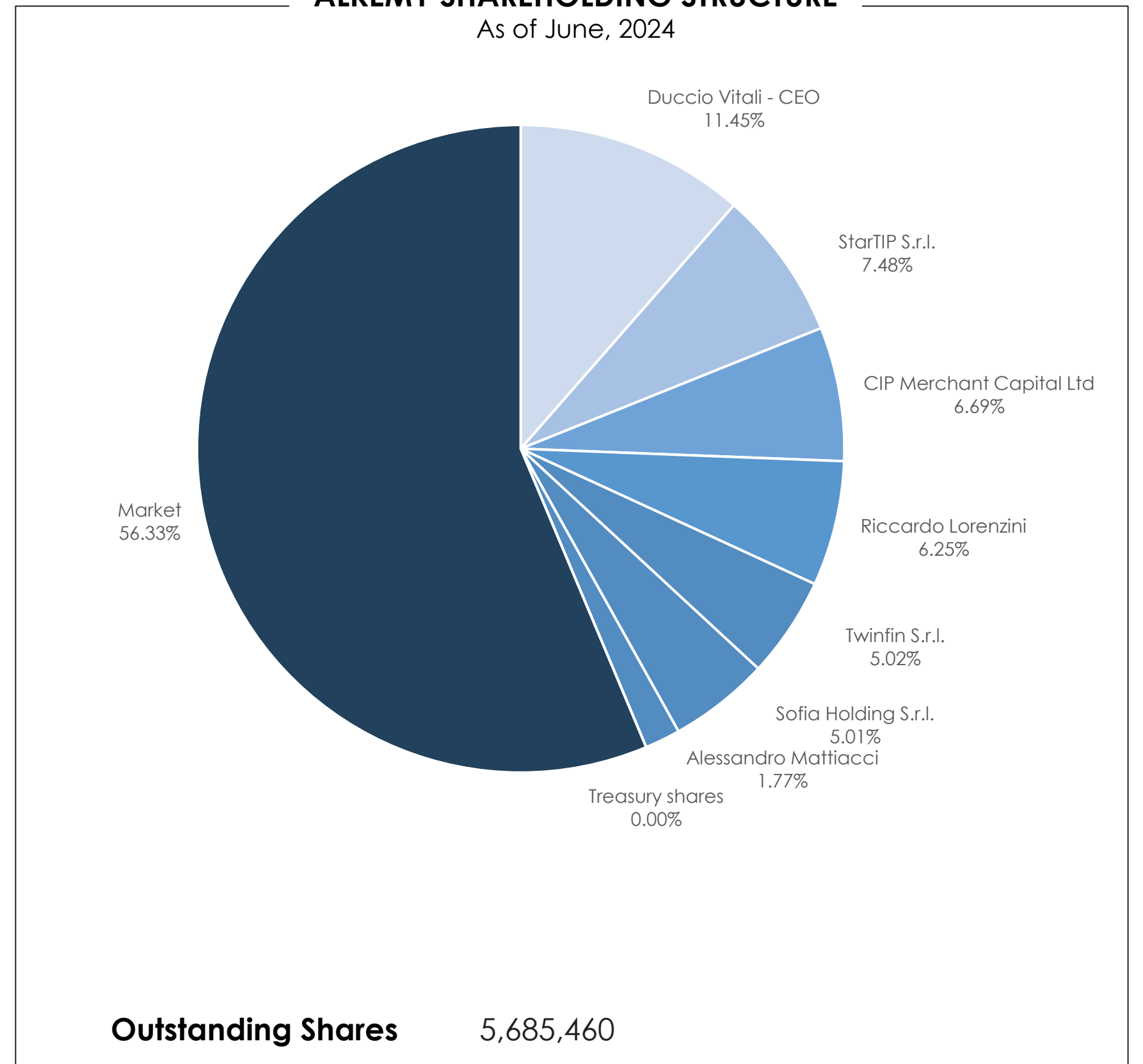
Analyst Coverage

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ALKEMY SHAREHOLDING STRUCTURE

As of June, 2024



OUR 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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