



# HY 2024 Results Presentation

**Nick Sedgwick, CEO**  
**Andrew Franklin, CFO**

30 September 2024



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# Contents

- 
- 01 H1 2024 Overview

---

  - 02 H1 2024 Results

---

  - 03 FY 2024 Outlook

---

  - 04 Key Brand Overview

---

  - 05 100 Day Observations

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  - 06 Appendices

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01

# H1 2024 Overview

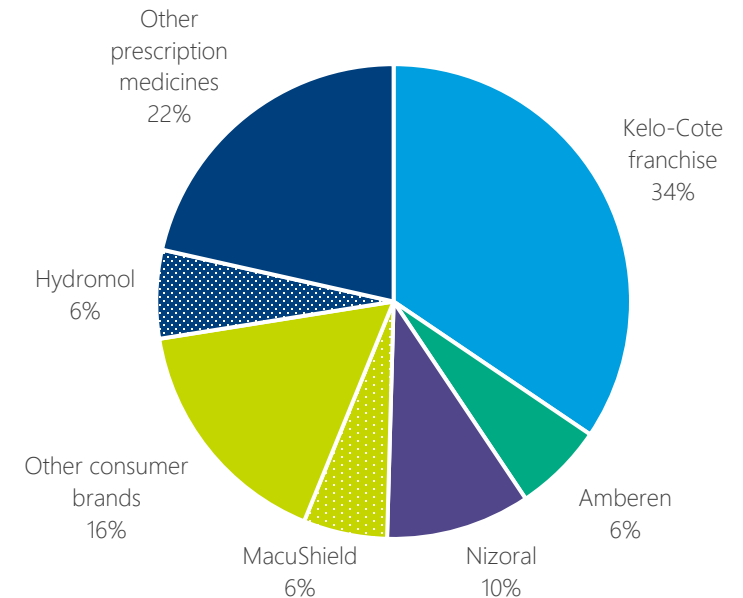
**Andrew Franklin, CFO**

# H1 2024 Overview

## On track to meet FY guidance

- 5% CER growth in Group see-through revenues
- Strong performance in Kelo-Cote on weak prior year comparator
- Nizoral revenues declined, as expected, due to stocking cycles
- Amberen revenues declined but remedial actions being implemented
- Other Consumer Healthcare brands performed well
- Prescription Medicines recovered due to full availability of stock
- Gross margin expansion supporting increased investment in marketing and innovation
- Robust free cash flow driving continued reduction in net debt

Group see through revenues (£84.8m)



# H1 2024 Overview

Positioning our business to deliver sustainable growth for the longer term

## Brand developments

- Continued progress from internal I&D
- 6% of consumer health revenues from products launched in the last 3 years, up from 2% in H1 23
- Three significant product launches in the period
  - Amberen Energy, Mood and Sleep gummy
  - MacuShield Omega 3
  - ScarAway Kids gel

## Operational developments

- ERP platform implemented in China
  - Completing the global roll-out of our single platform
- Published our second TCFD report for 2023
- Joined the UN Global Compact





02

# H1 2024 Results

# H1 2024 Results

## Key financials

### See-through Revenue\*

£84.8m

+3%

*Strong growth in consumer healthcare*

### See-through Gross Margin\*

59.8%

(H1 2023: 56.8%)

*Driven by favourable product mix*

### Underlying EBITDA

£19.1m

+6%

*Increased investment in sales and marketing*

### Underlying Profit Before Tax

£12.7m

+23%

*Lower finance costs due to FX gains*

### Underlying Basic EPS

1.80p

+14%

*Increase in underlying effective tax rate*

### Leverage

1.81x

(FY 2023: 2.05x)

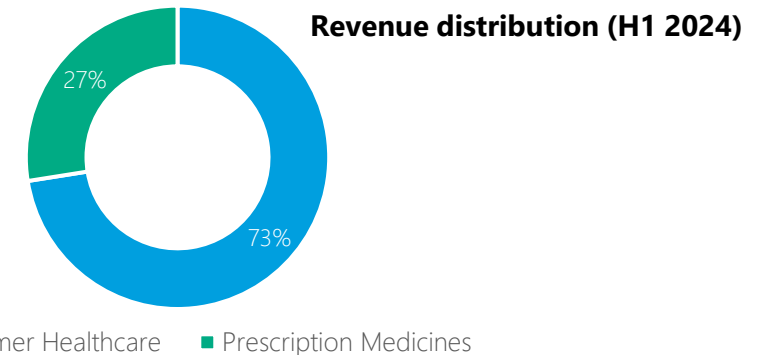
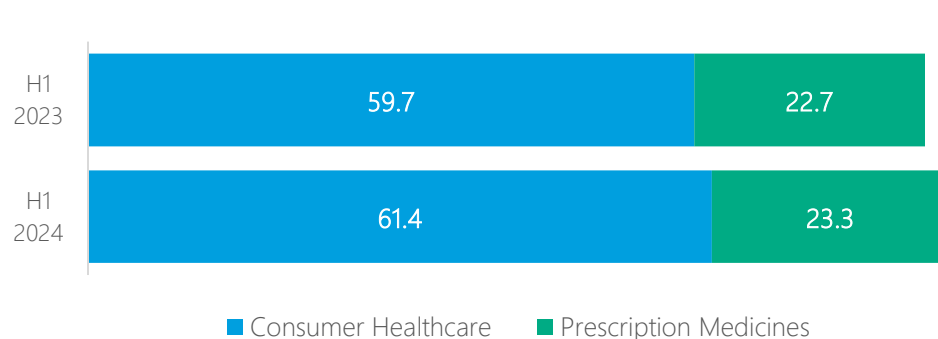
*Debt reduced through solid cash generation*



# Revenue in more detail

## Brand performance in H1 2024

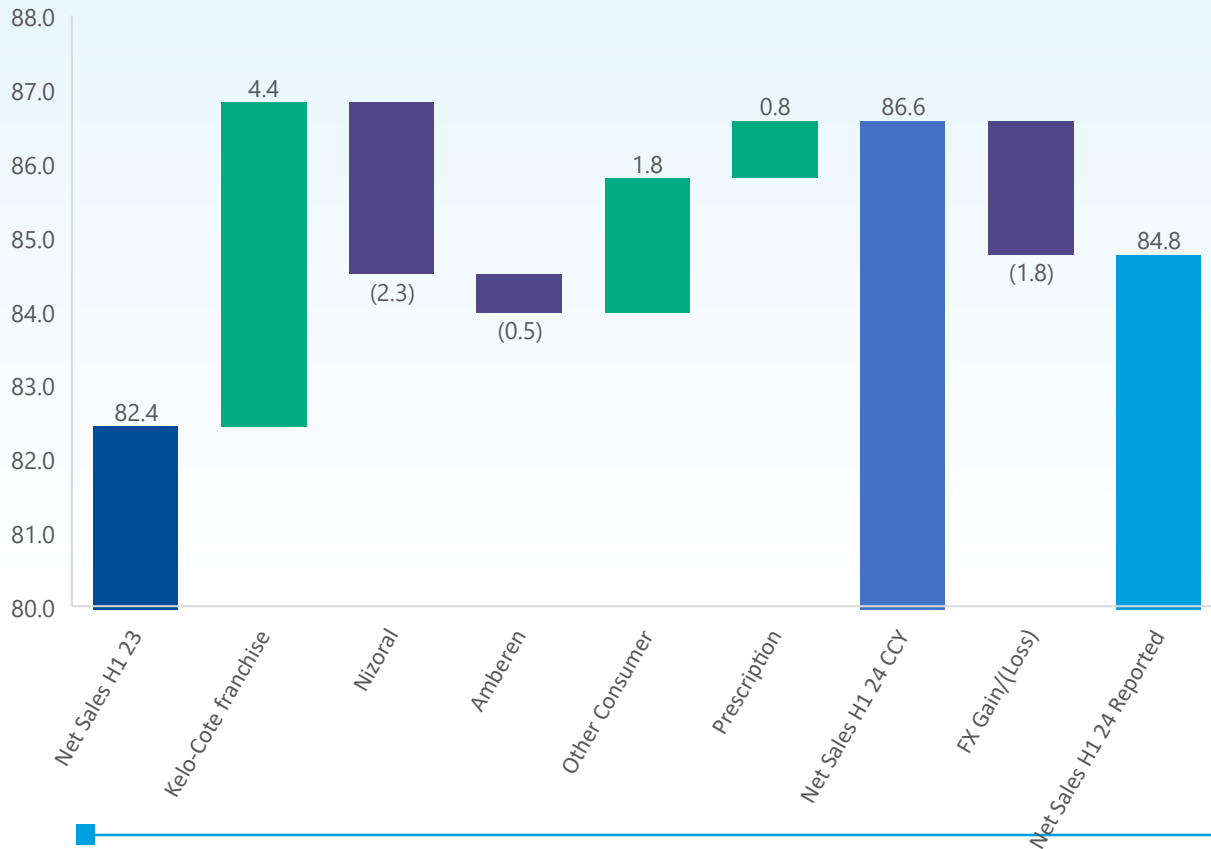
Unaudited six months ended 30 June	2024	2023	Change	Growth	CER growth
	£m	£m	£m	%	%
Kelo-Cote franchise	29.2	25.6	3.6	14%	18%
Nizoral*	8.3	11.1	-2.8	-25%	-21%
Amberen	5.2	5.9	-0.6	-11%	-9%
Other consumer brands	18.7	17.2	1.5	9%	9%
<b>Consumer Healthcare</b>	<b>61.4</b>	<b>59.7</b>	<b>1.7</b>	<b>3%</b>	<b>6%</b>
<b>Prescription Medicines</b>	<b>23.3</b>	<b>22.7</b>	<b>0.6</b>	<b>3%</b>	<b>3%</b>
<b>See-through revenue*</b>	<b>84.8</b>	<b>82.4</b>	<b>2.3</b>	<b>3%</b>	<b>5%</b>



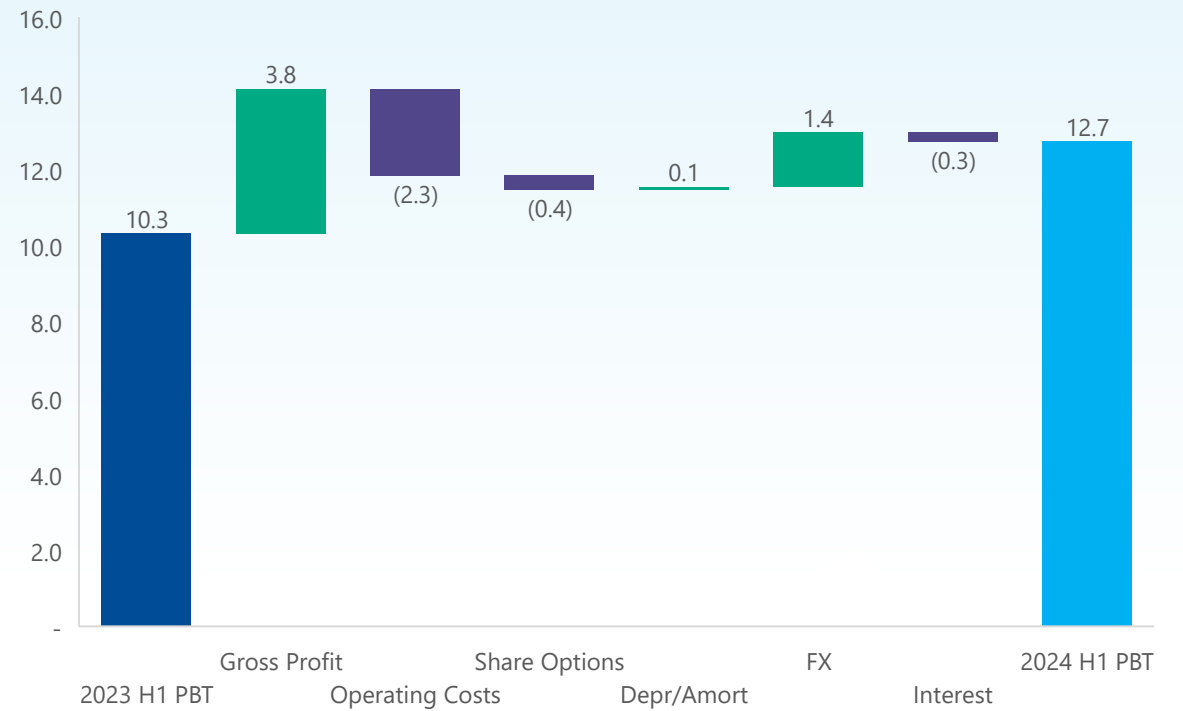
# H1 2024 Results

## Revenue and Underlying PBT development

Revenue movements (£m)



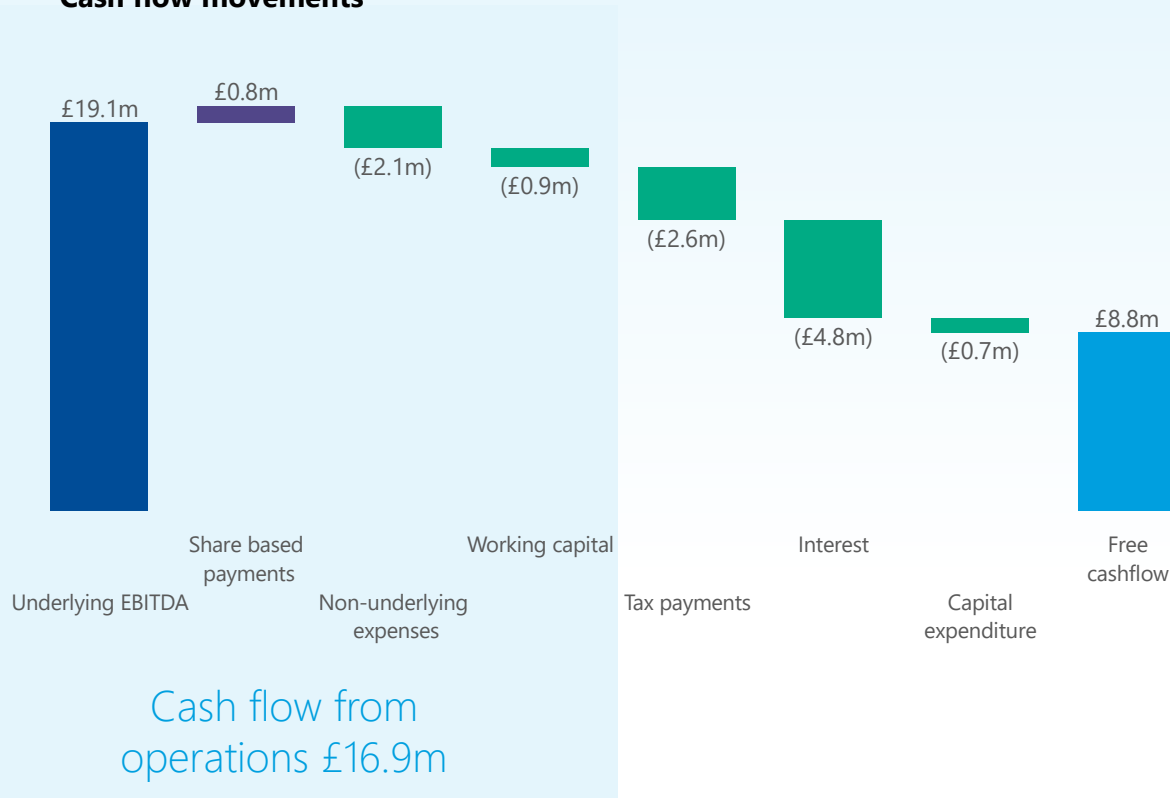
Underlying PBT movements (£m)



# H1 2024 Results

## Cash Flow, Net Debt & Leverage

### Cash flow movements



### Net debt movements





03

# FY 2024 Outlook

# FY 2024 Outlook

Continuing to invest to support future growth in the business

## Outlook for 2024

- Key brands well placed within their categories
- Increased investment in sales, marketing and innovation
- Continued investment in our People
- FY 2024 underlying profit expected to be in-line with FY 2023
- Focus on continued strong cash generation to drive leverage down to c.1.5x by end 2024



04

# Key Brand Overview

**Nick Sedgwick, CEO**





# Kelo-Cote franchise (including ScarAway)

#1 in the global silicone scar treatment market

- Current market size and position:
  - c.£400m global market
  - c. 11% market share
  - Strong market share gains in the US in Q2 24
- Achievements in H1 2024:
  - Launched ScarAway Kids in the US
  - Launched ScarAway Acne Gel in the US
- Outlook:
  - Move to smaller, more regular orders takes time
  - Mid-single digit revenue growth expected in FY 2024
  - Future growth from continued share gains in existing markets, entering new markets and further expansion of the product range



## Nizoral franchise (including Triatop)

Medicated anti-dandruff brand in APAC

- **Current market size and position:**
  - c.\$235m market in 2023 growing at 4%, but forecast to accelerate to 6% per annum <sup>(1)</sup>
  - Leading position in Australia, South Korea, Thailand and Japan
  - Second largest brand in China
- **Achievements in H1 2024:**
  - Launched Nizoral Derma Daily in Thailand, Taiwan, Singapore, Hong Kong and Malaysia
- **Outlook:**
  - New Head of Chinese business appointed
  - Further marketing investment planned



# Amberen

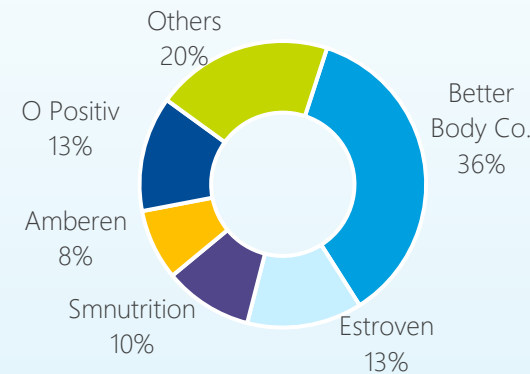
## Menopause symptom relief

- Current market size and position:
  - c.\$200m US market size
  - Category shifting from bricks and mortar (B&M) to e-commerce
  - Amberen gaining share on Amazon in Q2 2024, Better Body Co losing share
- Achievements in H1 2024:
  - Launched Energy, Mood and Sleep gummy
  - Increased share of Buy Box on Amazon in certain SKUs
- Outlook:
  - New Head of North America business brings significant Vitamin, Minerals and Supplements experience
  - Conducting an in-depth review of the US business

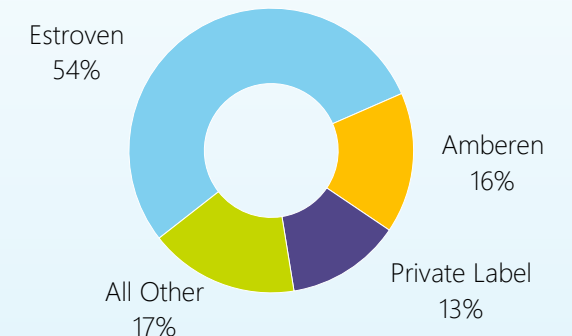


US menopause supplement value market share Q2 2024

Amazon<sup>(1)</sup>



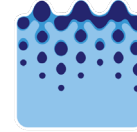
Bricks & Mortar<sup>(2)</sup>



# Other brands with geographic expansion opportunity



- Eye health supplement
- Currently sold in 21 countries, majority of sales in UK
- £4.8m revenue in H1 2024, +16% CER
- Market leader in UK
- Expanding geographic reach across EMEA with DTC campaigns
- MacuShield Omega 3 launched in H1 2024



Hydromol®



- Emollient for treatment of eczema
- £5.1m revenue in H1 2024, +9.6% CER
- No.3 player with 7% value share of a UK market worth £130m
- Opportunity to reposition brand in OTC market
- Further range extensions possible, with a greater focus on cosmetic use



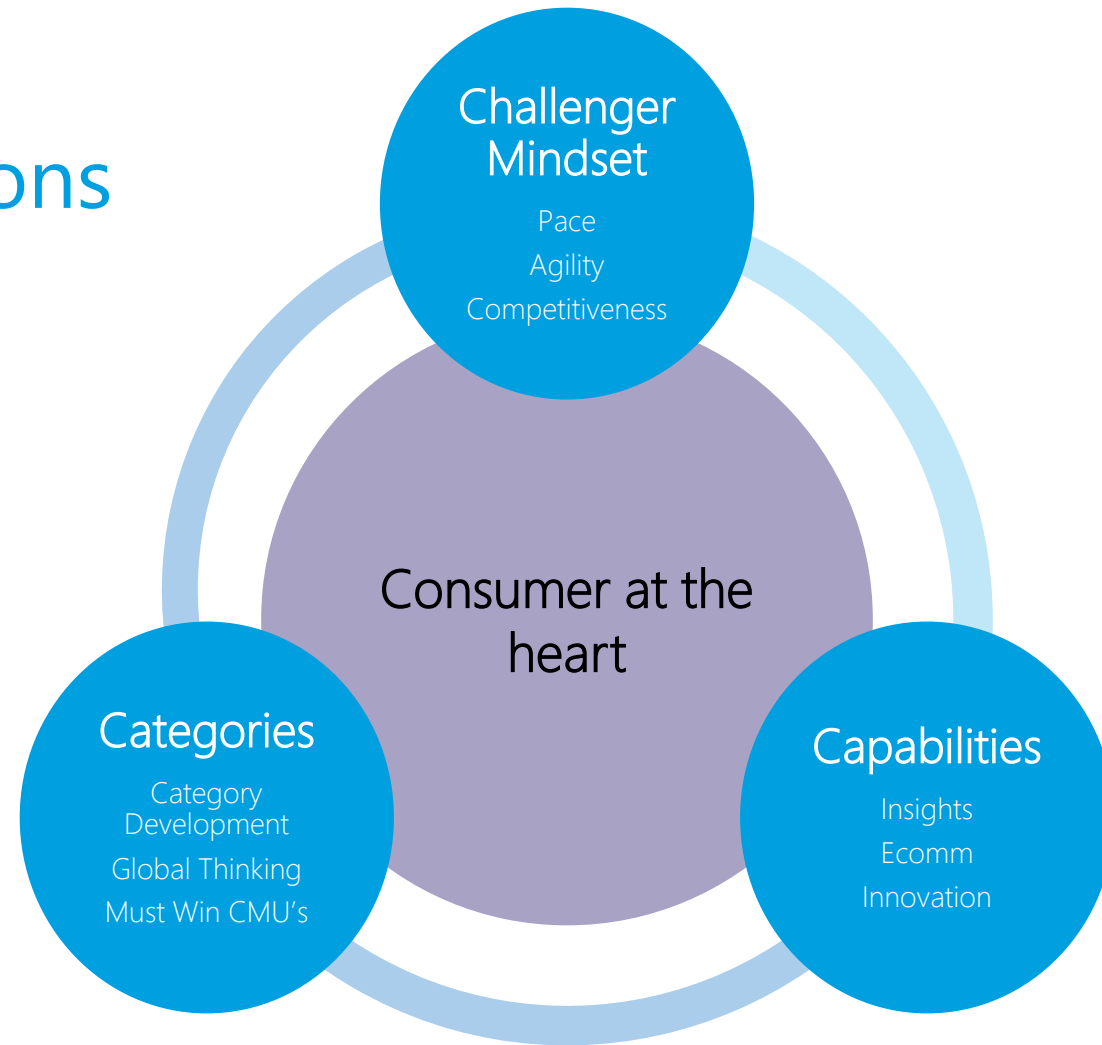


05

# 100 Day Observations

**Nick Sedgwick, CEO**

# Initial observations



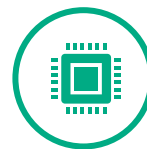
## Examples of implementation



Bring markets and marketing closer to decision makers



China as a standalone region



Developing a consumer insights function



eCommerce and Digital Marketing CoE



# A clear strategy to become a powerful growth platform

 **Vision** >>>

To be a **high performing** Consumer Healthcare company, built on a portfolio of **leading, trusted & proven brands**

 **Ambition** >>>

**Delivering predictable organic growth,** ahead of market, and strong EBITDA expansion

 **Strategy** >>>

 Growing the core & building scale

 Inorganic growth

 **Priorities** >>>

Build consumer centricity

Simplify

Become fully global

Gain scale through acquisition

 **Growth Drivers** >>>

Penetration  
Innovation  
E-comm

Reduce cost

Geo expansion

M&A

 **Capabilities** >>>

Customer and category focused organisation

Challenger Mindset

Rooted in science & innovation

Reinforced commercial execution

Efficient global footprint



Thank you



06

# Appendices

# H1 2024 Results

## Summary Income Statement (underlying)

Six months ended 30 June	2024	2023	Movement
Underlying results	£m	£m	%
See-through revenue*	84.8	82.4	3%
Gross profit	50.7	46.9	8%
Gross profit %	59.8%	56.8%	2.9%
Operating expenses	(30.7)	(28.4)	8%
Share-based payments	(0.8)	(0.5)	81%
<b>EBITDA</b>	<b>19.1</b>	<b>18.0</b>	<b>6%</b>
EBITDA %	22.5%	21.8%	0.8%
Depreciation & underlying amortisation	(1.6)	(1.7)	(5%)
<b>EBIT</b>	<b>17.5</b>	<b>16.3</b>	<b>8%</b>
Financing costs	(4.8)	(6.0)	(20%)
<b>Profit Before Tax</b>	<b>12.7</b>	<b>10.3</b>	<b>23%</b>
PBT %	15.0%	12.5%	2.5%
<b>Profit After Tax</b>	<b>9.8</b>	<b>8.5</b>	<b>14%</b>
<b>Basic EPS</b>	<b>1.80p</b>	<b>1.58p</b>	<b>14%</b>
<b>Diluted EPS</b>	<b>1.79p</b>	<b>1.58p</b>	<b>14%</b>

# H1 2024 Results

## Reconciliation of underlying PAT to reported PAT

Six months ended 30 June	2024	2023	Movement
	£m	£m	%
<b>Underlying Profit Before Tax</b>	<b>12.7</b>	<b>10.3</b>	<b>23.3%</b>
Tax	(3.0)	(1.8)	
<i>Effective tax rate</i>	<b>23.4%</b>	<b>17.3%</b>	
<b>Underlying Profit After Tax</b>	<b>9.8</b>	<b>8.5</b>	<b>14.3%</b>
Non-underlying items:			
Amortisation of acquired intangible	(3.2)	(3.1)	
Impairment of intangible assets	(1.5)	-	
Legal and professional expenditure	(1.0)	(1.0)	
Restructuring costs	(0.9)	-	
Other	(0.2)	-	
	<b>(6.8)</b>	<b>(4.1)</b>	
Tax	<b>1.7</b>	<b>0.7</b>	
	<b>(5.1)</b>	<b>(3.4)</b>	
<b>Reported Profit After Tax</b>	<b>4.7</b>	<b>5.1</b>	<b>(8.7%)</b>
<b>Reported Profit Before Tax</b>	<b>5.9</b>	<b>6.2</b>	<b>(4.7%)</b>
Reported Tax	(1.3)	(1.1)	
<i>Effective tax rate</i>	<b>(21.5%)</b>	<b>(18.1%)</b>	
<b>Reported Profit After Tax</b>	<b>4.7</b>	<b>5.1</b>	<b>(8.7%)</b>

# H1 2024 Results

## Summarised Balance Sheet

<b>As at:</b>	<b>30-Jun-24</b>	<b>31-Dec-23</b>	<b>Movement</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
Goodwill and Intangibles	<b>294.3</b>	<b>300.0</b>	<b>(5.8)</b>
Working capital	<b>44.1</b>	<b>43.4</b>	<b>0.8</b>
Corporation tax	<b>(1.4)</b>	<b>(2.5)</b>	<b>1.0</b>
Deferred tax (net)	<b>(32.8)</b>	<b>(33.2)</b>	<b>0.4</b>
Provisions	<b>(0.6)</b>	<b>(0.6)</b>	<b>0.1</b>
Other net assets	<b>2.4</b>	<b>2.1</b>	<b>0.4</b>
	<b>306.1</b>	<b>309.1</b>	<b>(3.0)</b>
<b>Net debt</b>	<b>(83.2)</b>	<b>(91.2)</b>	<b>8.0</b>
<b>Net assets</b>	<b>222.9</b>	<b>217.9</b>	<b>5.0</b>



# Technical guidance – 2024

- Share based payments - c. £1m - £2m
- Depreciation and underlying amortisation - c. £3m - £4m
- Interest cost- c. £9m - £10m
- Underlying effective corporation tax rate of 25% versus 22% in 2023
- Capex – c. £1m - £2m
- Net bank debt – c. £65m - £75m

# Senior Leadership Team



**Nick  
Sedgwick**

Chief Executive  
Officer

Joined 2024



**Andrew  
Franklin**

Chief Financial  
Officer

Joined 2015



**Julie Skinner**

Chief People Officer

Joined 2023



**Alex  
Duggan**

Chief Commercial  
and Corporate  
Development Officer

Joined 2014



**Chris  
Chrysanthou**

General Counsel

Joined 2017

For more details see: <https://www.alliancepharmaceuticals.com/about-us/our-leadership-team/>

# Board of Directors



**Nick Sedgwick**  
(CEO)



**Andrew Franklin**  
(CFO)



**Camillo Pane**

Independent Non-Executive Chair

Joined 2024



**Richard Jones**

Senior Independent Non-Executive Director

Joined 2019



**Kristof Neiryndck**

Independent Non-executive Director

Joined 2021



**Martin Sutherland**

Independent Non-executive Director

Joined 2023



**Eva Lotta Sjöstedt**

Independent Non-executive Director

Joined 2023



**Richard McKenzie**

Independent Non-executive Director

Joined 2023

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