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Alpha Fin Markets Consulting plc
20 June 2024

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**Alpha Financial Markets Consulting plc**

("Alpha", the "Company" or the "Group")

**AUDITED RESULTS FOR THE YEAR ENDED 31 MARCH 2024**

Resilient performance in a more competitive market environment

Alpha Financial Markets Consulting plc (AIM:AFM), a leading global consultancy to the financial services industry, is pleased to report its audited results for the 12 months ended 31 March 2024 ("FY 24").

**Financial highlights**[1]

- Revenue increased by 3.0% to £235.5m (FY 23: £228.7m) and net fee income[2] increased by 2.8% to £233.6m (FY 23: £227.2m), mostly on an organic[3] basis. On a constant currency basis net fee income grew by 4.8%
- Gross profit was £78.3m (FY 23: £80.4m) with a 33.5% margin[2] (FY 23: 35.4%), reflecting lower average consultant utilisation, particularly across the Q2 summer months, and selective investment in growing the consultant team, alongside consistent consultant day rates and active management of variable costs
- Adjusted[2] EBITDA was £42.2m (FY 23: £46.6m), with a 18.0% margin (FY 23: 20.5%)
- Adjusted profit before tax was £38.5m (FY 23: £44.0m) and adjusted earnings per share was 24.90p (FY 23: 29.27p)
- On a statutory basis, profit before tax was £22.6m (FY 23: £25.8m) and basic earnings per share was 13.85p (FY 23: 15.82p), after deducting reduced adjusting items
- Adjusted cash generated from operations was £23.6m (FY 23: £46.2m) reflecting the relative size of prior year bonus payments compared to the Group's lower profitability and bonus accruals in the year, alongside good underlying working capital management
- Robust balance sheet maintained with a net cash balance of £29.4m (31 March 2023: £59.2m) and an undrawn £50.0m revolving credit facility at 31 March 2024
- Separately today, the Board announced the terms of the recommended cash offer to acquire Alpha by Actium Bidco (UK) Limited, a newly incorporated indirect subsidiary of certain funds managed by Bridgepoint Advisers Limited

| | *12 months to* **31 March 2024** | *12 months to* **31 March 2023** | **Change** |
|---|---|---|---|
| **Revenue** | **£235.5m** | £228.7m | 3.0% |
| **Gross profit** | **£78.3m** | £80.4m | (2.6%) |
| **Adjusted EBITDA** | **£42.2m** | £46.6m | (9.5%) |
| **Adjusted profit before tax** | **£38.5m** | £44.0m | (12.5%) |
| **Profit before tax** | **£22.6m** | £25.8m | (12.4%) |
| **Adjusted EPS** | **24.90p** | 29.27p | (14.9%) |
| **Basic EPS** | **13.85p** | 15.82p | (12.5%) |

**Operating highlights**

- Net fee income growth delivered by all geographic regions on a constant currency basis, in a challenging market environment
- Continued growth of client relationships in all global markets, with the Group adding 146 new clients and growing market share in the year
- The Group approached hiring selectively in FY 24, investing for current demand and future growth: consultant[4] headcount reached 1,000 (FY 23: 994)
- Addition of 15 new directors[5] to provide further expertise and reinforce the platform for growth, including new directors in important practice and sector offerings: Operations, Wealth and Alternatives
- Alpha continued to make good progress in a number of strategic growth areas: in North America, including

- Alpha continued to make good progress in a number of strategic growth areas: in North America, including the alternative investments consulting business, which has traded well; in launching an insurance consulting offering in North America, with the hiring of two specialist directors to support the development of the proposition locally; and in selective acquisitions with the integration of Shoreline[6] in the first half of the year, which consolidates Alpha's APAC presence
- First standalone Sustainability Report published, including Alpha's first public diversity target
- 2023 marked 20 years since Alpha was first established as a specialist consultancy to the financial services industry

**Outlook**

- Alpha has performed resiliently in a more competitive and challenging environment resulting from overcapacity in the global consulting market, with a longer sales cycle than typical
- This resilience is a testament to Alpha's excellent reputation, robust business model, very strong talent base, and a sector-focused proposition that continues to appeal to a diverse range of clients in multiple geographies
- We continue to invest in the business for future growth, while actively managing the cost base carefully
- Consultant utilisation incrementally ticked up through the final quarter of FY 24, reaching close to target levels by the end of the year overall, and maintaining this level into the early part of FY 25, albeit with further improvement required in certain areas of the business through the year
- We have seen higher sales wins in recent months and Alpha enters the new year with a strong and high quality pipeline of new business opportunities
- While there remains some uncertainty as the supply and demand dynamics continue to rebalance, the long-term structural drivers of growth will continue to drive demand for Alpha's services

**Commenting on the results, Luc Baqué, Chief Executive Officer, said:**

*"The Group's trading this year has been resilient, despite a more competitive and challenging market environment and a longer sales cycle. While the supply and demand dynamics continue to rebalance, the current market still faces certain challenges. However, with our unique value proposition, unrivalled consulting team and robust long-term structural growth drivers, we remain well positioned for the future and focused on our ambition to double the business again by 2028[7]."*

**Enquiries:**

| | |
|---|---|
| **Alpha Financial Markets Consulting plc**<br>Luc Baqué (*Chief Executive Officer*)<br>John Paton (*Chief Financial Officer*)<br>Georgina Sharley (*Company Secretary*) | +44 (0)20 7796 9300 |
| **Investec Bank plc - Nominated Adviser, Joint Corporate Broker**<br>Patrick Robb<br>James Rudd<br>St John Hunter | +44 (0)20 7597 4000 |
| **Berenberg - Joint Corporate Broker**<br>Toby Flaux<br>James Thompson<br>Alix Mecklenburg-Solodkoff | +44 (0)20 3207 7800 |
| **Camarco - Financial PR**<br>Ed Gascoigne-Pees<br>Phoebe Pugh | +44 (0)20 3757 4980 |

**Analyst Presentation:**

A presentation for analysts will be held today at 10:30 a.m. For further information, please contact Camarco at alphafmc@camarco.co.uk.

A copy of the presentation slides will be available on the company website (https://alphafmc.com/investors/reports-presentations/) following the meeting.

**About Alpha FMC:**

Headquartered in the UK and quoted on the Alternative Investment Market of the London Stock Exchange, Alpha is a leading global consultancy to the financial services industry.

Alpha combines highly specialist, sector-focussed management consulting and technology expertise to support the client transformation lifecycle. It has 1,000 consultants globally, operating from 17 client-facing offices[8] spanning the UK, North America, Europe and APAC.

[1] All financial and operating highlights relate to the year ended 31 March 2024 ("FY 24") and the comparative year ended 31 March 2023 ("FY 23") unless otherwise specified. All rounding and percentage change calculations are from the basis of the financial statements in £'000s

[2] The Group uses alternative performance measures ("APMs") to provide stakeholders further metrics to aid understanding of the underlying trading performance of the Group. Margins are expressed as a percentage of net fee income. Refer to note 3 for further details

[3] Organic net fee income growth excludes Shoreline, acquired during the year. Refer to note 3 for further information on the Group's APMs

[4] "Consultants" and "headcount" refer to fee-earning consultants at the year end: employed consultants plus utilised contractors in client-facing roles

[5] "Directors" refers to fee-generating directors at the year end. All director increases are presented as net. Alpha is progressively updating the director title to "partner" in some teams to better align to their roles in the consulting markets

[6] "Shoreline" refers to Shoreline Consulting Pty Ltd, Shoreline Consolidated Pty Ltd and their subsidiaries acquired by Alpha on 1 May 2023

[7] The statement that the Alpha Group's growth plan has an ambition to double the size of its business by 2028 is aspirational only and

The statement that the Alpha Group's growth plan has an ambition to double the size of its business by 2028 is aspirational only and should not be construed as a profit forecast within the meaning of the Takeover Code. There can be no certainty that Alpha will achieve its ambition, which is subject to various assumptions, risks and uncertainties that could cause Alpha's growth to differ materially from its expressed ambition

[8] The Group uses "office" to refer to a client-facing office location; that is, if there are multiple offices in one location, they will be counted as one office

**Chairman's report**

Having consistently achieved growth since AIM admission in 2017, the Group experienced increased competition in the global consulting market and a lengthened sales cycle in FY 24. Against this backdrop, Group net fee income increased 2.8% and 4.8% on a constant currency basis. Client wins and trading have incrementally improved in recent months with consultant utilisation approaching near target levels by the end of the year, and maintained at this level into the early part of FY 25. The Board views this as a resilient performance within the broader market landscape, reflecting the Group's robust business model, leading expertise and strong proposition.

Alpha's multi-boutique model, with its cross-selling framework across regions and sectors, and collaboration between management and technology consulting, is a key part of Alpha's growth strategy. The Group continued to invest selectively in the foundations that support this growth agenda and made progress in a number of key areas in the year.

The Group broadened and deepened its proposition, which will support the future scaling of the business. This included selective hires or internal promotions in all regions, key hires to further establish our insurance consulting offering in North America, and completing the acquisition of Shoreline to consolidate our offering in the APAC region.

Scaling up and rolling out our newer businesses, including alternatives and insurance consulting, continues to be one of our growth pillars as we aim to meet our 2028[9] strategic target. Our alternatives business, Lionpoint, saw increased demand across all regions, particularly in North America, growing the client base with 55 new client wins. North America remains a very exciting, strategic growth region for the Group and we grew headcount by 15 overall.

We continue to enhance and diversify our sector-specific offerings, in line with client demand and needs. We are proud that the Alpha offering now embeds technology consulting and a software business, in Aiviq, which adds depth to our delivery and cross-sell opportunity. To capitalise on the technology opportunities that we see in all our markets, both for standalone technology services projects and as part of major change programmes, we formalised a number of technology lead roles in our asset & wealth management and insurance consulting teams.

The Group ended the year well positioned, with a healthy net cash position of £29.4m (FY 23: £59.2m).

Since Alpha began over 20 years ago, it has been our outstanding staff that has helped establish and earn a global reputation for delivering challenging and complex projects to the highest standards. This year has been no exception and I want to take this opportunity to thank Alpha's people for their unwavering focus and excellent contributions in a challenging period. We believe that there are very exciting opportunities ahead for Alpha, with such a strong group of consultants and a culture that encourages and celebrates success for everyone.

**Governance and the Board**

The Board is dedicated to upholding the highest standards of corporate governance. We consider business ethics, integrity, and strong governance fundamental to reducing risk and securing long-term shareholder value. In recognition of the crucial role the Board has in overseeing and advancing the Group's ESG[10] efforts, the ESG Committee was formally established in the period, under the guidance of Jill May as Chair.

The ESG Committee's role is to maintain oversight of Alpha's ESG agenda, ensuring that the Group complies with regulatory requirements, meets the expectations of its stakeholders and positions the Group for long-term sustainable success. The Board intends to stay actively engaged with ESG across all relevant topics as they evolve and, to this end, we commenced a schedule of Board training, emphasising current and emerging areas of responsibility across all ESG-related topics.

For the first time this year, Alpha is publishing metrics and information under the Task Force on Climate-related Financial Disclosures ("TCFD"). We have also published our first dedicated Sustainability Report, which sets out the Group's ESG progress to date, vision and roadmap. The report covers our focus on diversity and social responsibility, strong governance, and playing our part in protecting the environment. The Board is fully supportive of Alpha's first public diversity target and its ambition to identify and progress actions that foster inclusion and increase diversity across the Group. The enhanced disclosures and our ESG strategy provide us with the frameworks necessary for long-term sustainable growth.

The Board is committed to engaging with shareholders and understanding their expectations. To this end, we were pleased to have completed a consultation with investors regarding Alpha's FY 25 remuneration policy and have incorporated their feedback accordingly.

**Dividend**

In view of the recommended cash offer to acquire Alpha by Actium Bidco (UK) Limited ("Bidco"), a newly incorporated indirect subsidiary of certain funds managed by Bridgepoint Advisers Limited ("Bridgepoint"), the Board is not recommending a final dividend. If the acquisition does not complete, it is expected that the Board would declare a final dividend in respect of FY 24 at a later date.

**Outlook**

Although some challenges in the market environment remain, the Group saw an uptick in client wins and consultant utilisation in the last quarter of FY 24, with utilisation levels maintained into the start of FY 25. Long-term demand for our services remains robust and is underpinned by ongoing structural drivers: growth in assets under management and insurance policies, regulatory demand, cost pressures, client and societal expectations and technology breakthroughs.

With a strong and high quality sales pipeline, a compelling client proposition, market-leading consultants and clear strategic objectives, the Board remains confident in the Group's prospects.

**Ken Fry**
Chairman

20 June 2024

[9] The statement that the Alpha Group's growth plan has an ambition to double the size of its business by 2028 is aspirational only and should not be construed as a profit forecast within the meaning of the Takeover Code. There can be no certainty that Alpha will achieve its

ambition, which is subject to various assumptions, risks and uncertainties that could cause Alpha's growth to differ materially from its expressed ambition

[10] ESG refers to environment, social and governance matters and efforts

**Chief Executive Officer's report**

As previously reported, the Group saw increased competition in FY 24 due to overcapacity in the global consulting market. Alpha navigated this period well, ending the year with consultant utilisation at close to target levels. This resilient performance reflects the strength of our business model and the expertise of our people in addressing clients' needs and challenges, even during more uncertain periods.

While the sales cycle remains longer as the supply and demand dynamics continue to rebalance, the drivers for clients seeking Alpha's services remain prevalent, which is evidenced by our healthy global sales pipeline.

Despite the more challenging environment in FY 24, the strategic growth pillars that underpin our ambition remain consistent: further expansion in North America, the global scale-up and roll-out of Alpha's propositions, including alternatives and insurance consulting, and selective acquisitions.

**The year in review**

The Group achieved modest growth in net fee income, reflecting the resilience of the business model despite challenging market conditions. Throughout the year, the Group actively managed its cost base alongside utilisation and day rates, and continued to build its pipeline of new business opportunities. Market demand levels were slower to recover than first anticipated, and our actions to manage the business through this environment included a limited number of redundancies to support affected areas of the business. This was a very difficult decision, however it was one that we felt was commensurate with the levels of demand, and key to achieving more normal levels of utilisation and profitability.

As market conditions continued to rebalance, consultant utilisation rates improved through the final quarter, ending the year at close to target levels albeit FY 24 margins remained lower than historical levels overall. Gross profit was £78.3m (FY 23: £80.4m) reflecting lower average consultant utilisation, while maintaining consistent day rates and actively managing variable costs.

| | *12 months to* **31 March 2024** | *12 months to* **31 March 2023** | **Change** |
|---|---|---|---|
| **Net fee income** | | | |
| UK | **£91.2m** | £87.1m | 4.7% |
| North America | **£90.5m** | £91.1m | (0.6%) |
| Europe & APAC | **£51.9m** | £49.0m | 6.1% |
| **Year-end totals** | **£233.6m** | £227.2m | 2.8% |

| | *12 months to* **31 March 2024** | *12 months to* **31 March 2023** | **Change** |
|---|---|---|---|
| **Gross profit** | | | |
| UK | **£33.0m** | £35.0m | (5.8%) |
| North America | **£28.3m** | £30.0m | (5.6%) |
| Europe & APAC | **£17.0m** | £15.4m | 10.6% |
| **Year-end totals** | **£78.3m** | £80.4m | (2.6%) |

The UK region, which continues to attract clients and maintains a leading reputation, generated 4.7% organic net fee income growth to £91.2m (FY 23: £87.1m). The reduced gross profit margin of 36.2% (FY 23: 40.2%) reflects lower average consultant utilisation, partly offset by reduced variable costs and consistent consultant day rates on the previous year. During the year, we made selective hires as we invested for current demand and future growth. In addition to maintaining our graduate programme, which is a source of future talent, we were pleased to make a number of key director appointments. These included adding three experienced directors to support Alpha UK's wealth sector proposition, where we are working with many of the UK's top tier wealth managers and private banks.

Alpha's strategy includes rolling out its proposition to new clients and locations. After the year end, Alpha has launched a branch in Abu Dhabi, which is overseen by and will initially form part of the UK business. Abu Dhabi is an important financial centre, and this branch provides access to an area that is growing and transforming rapidly. We are delighted that our offering, including our Investments proposition and technology services, is already resonating well and attracting demand.

North America net fee income was £90.5m (FY 23: £91.1m) and up 3.8% on a constant currency basis. This resilient performance in a competitive market environment follows more than 50% average annual organic growth in the previous three years. A key pillar of our growth strategy, we continued to invest in our services and people in this very sizeable market, broadening and deepening our existing relationships and expanding our client base. We added 58 new clients in the region in FY 24, and at the year end the North America team had 357 consultants (FY 23: 342). We are pleased that our proposition there, which now encompasses three sectors (asset and wealth management, alternatives and insurance), is resonating so well and we are proud that Alpha has again ranked in "America's Best Management Consulting Firms" by Forbes and Statista. We remain confident in the significant market opportunity of North America, which is over eight[11] times the size of the UK.

Europe & APAC delivered net fee income growth of 6.1% to £51.9m (FY 23: £49.0m), of which 1.4% was organic. In line with our acquisition strategy, we welcomed Shoreline to the Group at the start of the year. With the integration complete, this boutique asset and wealth management consultancy reinforces our position in the APAC region. In Europe, we now have offices in seven financial centres and we were delighted to have been selected as a "#1 Consulting Firm" in asset management in France by Décideurs Magazine in the year. Across Europe & APAC, we continue to see a very strong opportunity for Alpha's combined proposition of management and technology consulting.

Alpha has continued to make progress on its strategic growth objectives, further cementing its position as a leading provider of specialist consulting services within the financial services industry. We have grown our global client base across the sectors that we service. Our global model, expertise and the alignment of our practices to our clients' sectors and core functions have again enabled us to deliver some of the most complex, challenging and defining projects in the industry.

Lionpoint, our alternatives consulting business, experienced another year of steady growth as our expertise and capabilities continue to resonate with private equity, credit, infrastructure, real estate and fund of funds clients. Traditional asset managers also continue to seek to expand their books of alternative investments, which brings a need for technology investment and operating model consolidation. Joint-offer opportunities between Lionpoint and our asset & wealth management consulting team therefore represent a significant driver for future growth.

Insurance consulting remains a strategic growth pillar for Alpha and we were delighted to complete on a goal to launch in the US in FY 24, appointing two senior directors to spearhead progress in that region. Both individuals have extensive industry experience and established networks, which we will leverage to establish the brand. In Europe, Alpha's insurance consulting business added new clients, reinforced its capabilities and expanded its team of deep sector experts.

We have continued to develop and align the Group's technology consulting capabilities and solutions with our management consulting proposition for each sector: asset and wealth management, alternatives and insurance. Our technology solutions and delivery teams possess unrivalled knowledge and expertise in the technology platforms and models utilised in those sectors, and we are delivering important strategic outcomes for our clients, focused on cost reduction, management insights, automation and efficiency, and scale-up.

**Acquisitions**

We were pleased to complete the acquisition of Shoreline in May 2023 to consolidate our offering in the APAC region. Selective acquisitions remain a strategic growth pillar for Alpha and we continue to review potential acquisition opportunities. Outline heads of terms have been agreed recently with two small bolt-on opportunities, which are currently subject to ongoing due diligence.

**Financial performance summary**

Group net fee income increased 2.8% to £233.6m (FY 23: £227.2m), mainly organically, and 4.8% on a constant currency basis.

Lower consultant utilisation and rising costs across a larger team, partly offset by reduced variable costs, resulted in reduced adjusted EBITDA on the previous year of £42.2m (FY 23: £46.6m) at an adjusted EBITDA margin of 18.0% (FY 23: 20.5%). The Group delivered a slightly improved margin in H2 compared to the first half as the market continues to rebalance supply and demand dynamics.

Adjusted profit before tax was £38.5m (FY 23: £44.0m), and adjusted earnings per share ("EPS") was 24.90p (FY 23: 29.27p).

On a statutory basis, revenue increased 3.0% to £235.5m (FY 23: £228.7m), operating profit decreased to £25.1m (FY 23: £28.6m) and profit before tax was £22.6m (FY 23: £25.8m). Basic EPS was 13.85p (FY 23: 15.82p).

The Group ends the period with increased sales wins and a strong pipeline of new business opportunities. This resilient performance, in the context of the competitive market conditions in FY 24, demonstrates the strength of Alpha's business model and client proposition. The Chief Financial Officer's report provides further information about the financial performance of the last 12 months.

**Our people**

As Alpha celebrated its 20$^{th}$ anniversary this financial year, we take pride in our team and our achievements. Alpha started life as a single sector consultancy in the UK. The Group now includes 1,000 consultants, in addition to its business operations staff, with offices in a number of locations across the globe.

In 20 years, one thing has remained consistent about Alpha's success: our people.

Our clients recognise the quality of our people and their exclusive sector-specific focus. It helps to define our proposition, but what makes us stand out as a market leading consulting firm is our global teams' unrelenting attention to delivering projects to the very highest standards. This has always been reflected in the high levels of repeat business and growth of our client base, and was evidenced by over 90% of revenue in the year being generated by existing clients. I am proud of Alpha's people every year, but this year has been exceptional for its challenges and I am particularly grateful for the focus on solving clients' needs and delivery excellence shown in this difficult market environment.

While we focus on identifying and attracting the right people to Alpha, it is also important that we can retain, nurture and develop the best consulting talent in the market. We constantly strive to ensure that we foster an inclusive and meritocratic culture that offers opportunities for progression and success, aided by a robust support system. We were delighted to have been nominated and to have won a place in the Top 10 Best Large Companies to Work For and as a Top 5 Consultancy to Work For by Best Companies, a leading employee engagement specialist in the UK.

While in the last 12 months we have approached hiring selectively, reflecting the wider market environment, we are pleased to have grown our headcount of global consultants to 1,000 (FY 23: 994). We made 15 director appointments, including both strategic additions in all our regions and internal promotions, underscoring our ongoing investment in talent development and progression.

| | *As at* 31 March 2024 | *As at* 31 March 2023 | Change |
|---|---|---|---|
| **Consultant headcount** | | | |
| UK | **385** | 394 | *(2.3%)* |
| North America | **357** | 342 | *4.4%* |
| Europe & APAC | **258** | 258 | *-* |
| **Year-end totals** | **1,000** | 994 | *0.6%* |

**Sustainable growth**

At Alpha, we are focused on building a platform for long-term success and delivering outstanding outcomes for all our stakeholders. We nurture and safeguard a strong sustainability culture, which for us means commitments to diversity and inclusion, community impact work and our actions to address climate change.

In the last year, we have continued to develop our ESG frameworks and reporting disclosures. We recently published our first dedicated Sustainability Report, which explains Alpha's position and objectives, and the governance we use to apply and monitor them. I encourage you to read it to understand more about our focus on diversity and social responsibility, strong governance, and the part we want to play in the environment and combating climate change.

Diversity and inclusion is one of the most important focus areas for Alpha, now and as we grow the business. We can be a better employer and a better partner for our clients through the diversity of perspectives that our people bring, and we are on a journey to improving the diversity of our teams globally. We were delighted to announce our first public diversity target this year, for 25% of the global director team to be women or nonbinary in five years' time.

We are also very excited about the progress being made in the financial services sectors we operate in. We are proud that ESG is at the heart of Alpha's service offering and that we can support clients in adopting relevant and meaningful approaches. We look forward to sharing more about our developments and plans as they progress.

**Current trading and outlook**

Despite some uncertainty and ongoing challenges as the supply and demand dynamics in the global consulting market continue to rebalance, client demand remains robust, and consultant utilisation has improved through the last quarter of FY 24 and was maintained into the early part of FY 25. While further improvement in utilisation is required in certain areas of the business through FY 25, we enter the year with a strong new business opportunity pipeline, higher sales win levels and a healthy net cash position.

The long-term structural drivers of demand including growth in assets and insurance policies, regulatory demand, cost pressures, client and societal expectations, and technology breakthroughs continue to present significant growth opportunities for us.

We have continued to invest in our people, recognising their importance in our future growth. The trust and relationships that our people cultivate with our clients provide significant cross- and joint-selling opportunities between our sector-focused services. Our people and client relationships are cornerstones of our business model and organic growth ambitions.

We also continue to see and respond to the strategic growth drivers of North America and addressing the market opportunity in the newer sectors of insurance and alternatives. Our selective investments in people, the service proposition and our business model, make us well placed to capitalise on improving market conditions.

With the structural drivers of demand remaining in place, our market-leading consultants, and our highly compelling client proposition, we are well positioned for the future and remain focused on our ambition to double the business again by 2028[12].

**Luc Baqué**
Chief Executive Officer

20 June 2024

[11] Thinking Ahead Institute and Pensions & Investments, "The world's largest 500 asset managers" (October 2023)

[12] The statement that the Alpha Group's growth plan has an ambition to double the size of its business by 2028 is aspirational only and should not be construed as a profit forecast within the meaning of the Takeover Code. There can be no certainty that Alpha will achieve its ambition, which is subject to various assumptions, risks and uncertainties that could cause Alpha's growth to differ materially from its expressed ambition

## Chief Financial Officer's report

### Group results

Group performance has been resilient this year, navigating a more challenging and competitive market backdrop.

| | *12 months to* **31 March 2024** | *12 months to* **31 March 2023** | **Change** |
|---|---|---|---|
| Revenue | **£235.5m** | £228.7m | 3.0% |
| Net fee income | **£233.6m** | £227.2m | 2.8% |
| Gross profit | **£78.3m** | £80.4m | (2.6%) |
| Operating profit | **£25.1m** | £28.6m | (12.4%) |
| Adjusted EBITDA | **£42.2m** | £46.6m | (9.5%) |
| *Adjusted EBITDA margin* | ***18.0%*** | *20.5%* | (250 bps) |
| Adjusted profit before tax | **£38.5m** | £44.0m | (12.5%) |
| Profit before tax | **£22.6m** | £25.8m | (12.4%) |
| Adjusted EPS | **24.90p** | 29.27p | (14.9%) |
| Adjusted diluted EPS | **23.34p** | 27.37p | (14.7%) |
| Basic EPS | **13.85p** | 15.82p | (12.5%) |

### Revenue

In a more competitive market environment, the Group performed resiliently this year with net fee income up by 2.8% compared to the last financial year, and 4.8% on a constant currency basis, mostly organically. Revenue also grew 3.0%, including increased rechargeable expenses, compared to last year.

Overall, the Group's revenue and net fee income growth reflects ongoing client demand across a slightly larger global consulting team on average, set against the more competitive environment and longer sales cycles generally. We were pleased to maintain consistent consultant day rates overall, albeit at lower than target average consultant utilisation, particularly during the first half summer months. Allour geographic regions delivered net fee income growth on a constant currency basis in the year, with an inorganic contribution from the acquisition of Shoreline.

The Group's largest geographic region, the UK, delivered good 4.7% organic net fee income growth on last year. We continued to see robust client demand in our established practices, retaining our market-leading reputation and supporting some of the highest profile projects. This included substantial contributions from our asset and wealth management capabilities in Investments, Operations and Client & Digital, and UK Alternatives Consulting also delivering strongly, growing their headcount by over 20% to 78. Our newer UK insurance consulting team consolidated its position this year after strong growth in recent years. The UK ended the year with total headcount of 385, down 9 in the year including a small recent restructuring process given UK market conditions. Overall UK consultant utilisation ended the year below target utilisation levels, firming closer to target levels through the first quarter of FY 25.

Within the UK results, while Alpha's data and product solutions business, Aiviq, delivered flat revenue against last year, it also recently secured a major, new top-ten global asset management client, underscoring the market-leading Aiviq technology offering. We are delighted that Aiviq's proposition has been endorsed in this way alongside recognition from a FinTech Global Wealth Tech "Top 100" award in the year.

In North America, after almost doubling its top line in the previous year, FY 24 saw a flatter profile with net fee income growing 3.8% on a constant currency basis and easing 0.6% on a reported basis. Our alternative investments consulting business, Lionpoint, continued to trade well enjoying strong client demand and adding 47 new clients in the region. The North America business expanded its domestic client base, as well as successfully capturing client demand through a number of cross-selling opportunities with its existing clients, although it experienced some fee rate compression during the year. In line with the Group's selective approach to hiring in FY 24, headcount in North America increased by 15 consultants overall, including investing in the launch of our Insurance Consulting offering in North America with two senior team hires. North America witnessed the tougher market conditions earlier than the rest of the Group and has started FY 25 with the team well deployed, growing consultant numbers and a strong pipeline of interesting project opportunities.

Europe & APAC delivered the strongest regional growth in FY 24, with net fee income increasingby 6.9% on a constant currency basis and 6.1% overall. Organic net fee income growth was 1.4%, with some rates progression in Europe, plus the acquisition of Shoreline in APAC. Europe & APAC headcount remained flat overall, in line with the Group's selective hiring approach. The Europe & APAC region has started FY 25 well, with good utilisation being enjoyed across all teams.

Given the more challenging market conditions prevalent this year, the Group adopted a selective hiring approach, focused on growth areas, and the number of consultants reached 1,000 by the year end (FY 23: 994). Despite a selective approach to recruitment we remained committed to our well-established graduate programme, the future talent of the Group, welcoming a number of graduates through the year globally.

**Group profitability**

Group gross profit was £78.3m, £2.1m lower than the prior year (FY 23: £80.4m). Gross profit margin was 33.5% (FY 23: 35.4%), and consistent with H1. This primarily reflects reduced average consultant utilisation in the competitive market environment, alongside consistent day rates on average and increased costs from selective investment in growing our team while maintaining a competitive remuneration package, partly offset by active management of variable costs given performance. Utilisation levels were most affected through the second quarter's summer months, ticking up through H2, and reaching close to target levels of 70% to 75% on average globally towards the year end.

The UK business generated £2.0m less gross profit than last year, at 36.2% gross margin (FY 23: 40.2%), reflecting lower consultant utilisation levels than target and the previous year, particularly in the insurance consulting and asset & wealth management teams, alongside consistent day rates. North America's gross profit is also lower than last year by £1.7m, generating 31.3% margin (FY 23: 32.9%) reflecting good levels of average consultant utilisation, some day rate compression in the region given the competitive market, and a higher cost base accompanying North America team growth. This includes the establishment of an insurance consulting team in the region during the year. Europe & APAC grew gross profit to £17.0m (FY 23: £15.4m), with an improved margin of 32.7% (FY 23: 31.4%) reflecting good average consultant day rate progression in Europe, partly offset by an easing in utilisation, particularly in APAC. The North America gross margin saw the greatest currency headwind in the Group. On a constant currency basis, North America's gross margin would be broadly flat with the prior year.

Adjusted administration expenses, as detailed in note 3, increased by £2.3m to £36.1m in the year (FY 23: £33.8m). This increase mainly reflects investment in the Group's central team in the second half of the prior year and increased overall spend supporting the larger average consultant headcount base including further office space and IT licences, partially offset by lower recruitment spend in the year.

Including the adjusting items, which decreased against the prior year, administration expenses increased overall to £53.2m (FY 23: £51.7m) on a statutory basis. The adjusting items, set out in note 3, decreased in the year to £14.3m (FY 23: £15.8m), reflecting decreased earn-out and deferred consideration charges, share-based payment charges and intangible asset amortisation, partially offset by redundancy-related restructuring costs in the year.

The lower earn-out and deferred consideration charge of £1.1m (FY 23: £2.5m) reflects payments in the year and last year's net fair value increase in acquisition liabilities held. Further details on the earn-out and deferred consideration charges are set out in note 5. The share-based payment charge also reduced to £7.3m (FY 23: £8.0m), having updated the input assumptions to reflect FY 24's lower performance, Alpha's lower share price and share option vests in the period. Further details of the share-based payment charge and sensitivity analysis are set out in notes 3 and 10.

This year, the Group incurred £0.9m of restructuring costs, relating to the exit fees and costs involved in a small UK redundancy process. Acquisition and integration costs were £0.3m (FY 23: £0.3m) as the Shoreline team was successfully integrated into the Group during the first half. The acquired intangibles amortisation charge decreased against the prior year, reflecting some fully amortised intangibles, partly offset by the newly acquired Shoreline intangibles. Further detail of these adjusting items is set out in note 3.

The depreciation charge grew to £2.8m (FY 23: £1.9m) reflecting increased depreciation on a higher lease right-of-use asset. The amortisation of capitalised development costs was nil (FY 23: £0.2m) as the asset became fully amortised in the prior year.

Adjusted EBITDA was £42.2m (FY 23: £46.6m) and adjusted EBITDA margin was 18.0% (FY 23: 20.5%), reflecting both the lower gross profit and the higher adjusted administration expenses. If no adjustment was made for the share-based payment charge, adjusted EBITDA for the period would be £34.8m (FY 23: £38.6m) and adjusted EBITDA margin would be 14.9% (FY 23: 17.0%). Operating profit was £25.1m (FY 23: £28.6m) after also charging increased depreciation.

**Currency**

Currency translation was a headwind on net fee income and profits during the year, particularly in North America. In the year, the pound sterling averaged USD 1.26 (FY 23: USD 1.21) and CAD 1.69 (FY 23: CAD 1.59), which, with some other smaller currency movements, resulted in an unfavourable net currency effect on net fee income of £4.4m and on gross profit of £1.3m. On a constant currency basis, North America net fee income would have grown 3.8% and Europe & APAC net fee income would have grown 6.9%.

Overall, the Group's net fee income would have grown 4.8% to £238.0m on this constant currency basis. Similarly, the Group's gross profit would have been £79.6m and would have reduced 0.9% on a constant currency basis.

**Net finance expenses**

Net finance expenses fell slightly to £2.5m (FY 23: £2.9m), primarily reflecting reduced non-underlying finance expenses relating to acquisition consideration discount unwinding, which decreased given acquisition-related payments in the period, as set out in note 5. This reduction was partially offset by increased underlying interest expenses reflecting refinancing fees on enlarging the Group's revolving credit facility ("RCF") and interest on periodic RCF drawings, plus additional lease costs.

Adjusted profit before tax was £38.5m (FY 23: £44.0m) after charging increased depreciation and net underlying finance expenses. Statutory pre-tax profit was £22.6m (FY 23: £25.8m). The larger decrease in adjusted profits as compared to statutory profits is driven by the lower level of adjusting items and non-underlying finance costs.

**Taxation**

The Group's taxation charge for the year was £6.7m (FY 23: £7.8m), reflecting the lower taxable profits and the blended tax rate of the increasingly international jurisdictions in which the Group operates. The Group's cash tax payment in the year was £7.6m (FY 23: £13.3m), reflecting increased prior year payments as the Group moved to a quarterly tax payment cycle in North America that year.

Adjusted profit after tax is shown after adjustments for the applicable tax on adjusting items as set out in note 3.

**Earnings per share**

Adjusted earnings per share ("EPS") was 24.90p per share (FY 23: 29.27p) and adjusted diluted EPS was 23.34p

Adjusted earnings per share ("EPS") was 24.90p per share (FY 23: 29.27p) and adjusted diluted EPS was 23.34p (FY 23: 27.37p), reflecting the adjusted profit after tax and the increased number of weighted average shares, which increased as a result of share option exercises in the current and prior periods, partly offset by the Group's purchase of shares into Alpha's employee benefit trust ("EBT"). After including the adjusting items, basic earnings per share was 13.85p (FY 23: 15.82p), while diluted EPS was 12.98p (FY 23: 14.79p), after including the dilutive effect of the share options awards outstanding.

As at 31 March 2024, 11,227,844 share options (FY 23: 9,996,040) remained outstanding, with FY 24 grants partly offset by some share options exercised and forfeited in the year. See note 10 for further detail.

**Cash flow and net funds**

Cash generated from operations was £20.4m (FY 23: £43.9m) and, after adjusting for employment-linked acquisition payments, acquisition, integration and restructuring costs, was £23.6m (FY 23: £46.2m).

Underlying working capital remains well managed, with debtor days within the typical range, albeit higher than the previous year. The overall operating cash generation in FY 24 primarily reflects profit share bonus payments relating to prior years, and their relative size compared to the Group's profitability this year. These bonus payments include both the payment of FY 23 profit share and the second tranche of deferred FY 22 bonus payments. These payments alongside the lower performance-adjusted bonus accruals in FY 24 result in an increased movement in working capital in the year. Adjusted cash conversion is similarly affected and was 60% (FY 23: 104%). We refined the definitions of adjusted cash generated from operations and adjusted cash conversion in FY 24 to exclude tax paid in the year, to allow for consistency in the calculation to exclude tax from both profits and operating cash flows in line with comparable companies, as detailed in note 3. Given the weightings and timings of bonus payments, we expect adjusted cash generated from operations and adjusted cash conversion to return to more normal levels in FY 25.

During FY 24, the Group made payments of £17.0m relating to deferred and contingent acquisition consideration principally as regards Lionpoint, including £1.8m of employment-linked amounts. Please see note 5 for further details.

The Group also provided £3.8m funding to Alpha's employee benefit trust ("EBT") to purchase 1,035,154 shares at the prevailing market share price, to hold for the satisfaction of future award vests. Alpha will likely fund the EBT further in the future to build the shares held in the EBT for the satisfaction of future share option exercises.

Net interest paid was £1.3m (FY 23: £0.5m), reflecting the higher cost of maintaining and periodically drawing the Group's enlarged RCF to manage the Group's ongoing currency requirements and RCF refinancing fees paid, partially offset by interest income from cash balances held.

The Group also capitalised expenditure of £0.3m in relation to the development of enhancements to Aiviq's client data and analytics software.

Dividends paid increased to £16.2m (FY 23: £12.8m), reflecting the Group's dividend policy and a consistent FY 24 interim dividend payment.

At the year end, the Group's cash position was £29.4m (FY 23: £59.2m). During the year, the Group refinanced and upscaled its RCF to a £50.0m facility to provide additional liquidity, and alongside the net cash position, provides Alpha further flexibility.

**Statement of financial position**

The Group's net assets at 31 March 2024 totalled £148.5m (FY 23: £149.3m). This movement principally arises from the retained profits net of dividends and other reserves movements including additional share-based payment reserves, offset by foreign exchange losses on overseas assets. The Group continues to maintain a strong financial position.

The Group's non-current assets movement principally results from ongoing amortisation and depreciation charges on intangible assets and right-of-use assets on leases, partly offset by goodwill and intangibles added as part of the Shoreline acquisition.

Working capital remains well managed. Trade and other receivables balances increased in FY 24 through the ongoing growth in the business. Debtor collections continued to be strong, albeit with debtor days increasing on the previous year's strong collections and closing balance.

Trade and other payables balances decreased, principally representing lower performance-adjusted bonus accruals and acquisition liabilities. The decrease in acquisition-related deferred consideration and earn-out liabilities reflects Lionpoint deferred and contingent consideration payments, partially offset by employment-linked consideration as well as the unwinding of discounting in the year, as disclosed in note 5.

As at 31 March 2024, the Company had 122,009,736 ordinary shares in issue (FY 23: 120,509,736), of which no shares were held in treasury and 7,537,366 shares were held in the Company's EBT to satisfy future option exercises (FY 23: 6,274,380).

**Dividends**

In view of the recommended cash offer to acquire Alpha by Bidco, a newly incorporated indirect subsidiary of certain funds managed by Bridgepoint, the Board is not recommending a final dividend. If the acquisition does not complete, it is expected that the Board would declare a final dividend in respect of FY 24 at a later date.

**Risk management and the year ahead**

The Group's risk management approach includes regular monitoring of macro-economic and end-market conditions and assessing the potential impacts across all business areas. In the risk management framework, which was reviewed during the year, the senior leadership team, including the Chief Executive Officer and me as Chief Financial Officer, has primary responsibility for keeping abreast of developments that may affect the implementation of the Group's strategy and financial performance. This entails identifying and agreeing the appropriate mitigating actions that should be taken and ensuring, as far as possible, that those actions are then executed by the senior management team. The Board as a whole oversees risk and, within that framework, considers the material risks that the Group faces and agrees on the principal risks and uncertainties. Alpha has a set of core Company values, which are embedded globally, that reflect the Group's ethical and responsible approach to operating and managing the business.

Alpha has navigated well through this more challenging year. While closely monitoring the ongoing market rebalancing, Alpha continues to enjoy a strong pipeline of new business opportunities and incrementally improving current trading. The structural drivers in the sectors in which we operate, which drive ongoing demand for Alpha's services, remain prevalent. We are confident in the quality of our people, our excellent market reputation, and business opportunities to extend the service offering, and therefore the Board looks forward to further progress ahead.

The Board has considered all of the above factors in its review of going concern and has been able to conclude the review positively. While cognisant of potential macro-economic risks and the more competitive environment, the Group's talented people, widening range of service offerings and international footprint, together with the long-term structural drivers, position the Group well.

**Summary and current trading**

In a more competitive market environment with a longer sales cycle, the Group performed resiliently in the year. The Group has grown net fee income, while maintaining consistent consultant day rates.

While the global consulting market continues to rebalance and present some challenges, a more positive market sentiment is returning, with improving sales wins over recent months. Utilisation rates ticked up in the final quarter of FY 24, close to target levels overall, maintaining this level into the early part of FY 25.

We are very confident in the quality of our people, our excellent market reputation, and business opportunities to extend the service offering for our clients further. Accordingly, the Group remains well positioned for the future.

**John Paton**
Chief Financial Officer

20 June 2024

## Consolidated statement of comprehensive income

For the year ended 31 March 2024

| | Note | Year ended 31 March 2024 £'000 | Year ended 31 March 2023 £'000 |
|---|---|---|---|
| **Continuing operations** | | | |
| **Revenue** | 2 | **235,471** | **228,717** |
| Rechargeable expenses | 2 | (1,846) | (1,562) |
| **Net fee income**[13] | 2 | **233,625** | **227,155** |
| Cost of sales | 2 | (155,328) | (146,796) |
| **Gross profit** | 2 | **78,297** | **80,359** |
| Administration expenses | | (53,219) | (51,723) |
| **Operating profit** | | **25,078** | **28,636** |
| Finance income | | 346 | 364 |
| Finance expense | | (2,854 | (3,229) |
| **Profit before tax** | | **22,570** | **25,771** |
| Taxation | | (6,723) | (7,810) |
| **Profit for the year** | | **15,847** | **17,961** |
| **Items that may be reclassified to profit or loss:** | | | |
| Foreign exchange differences on translation of foreign operations | | (1,966) | 3,510 |
| **Total other comprehensive income for the year** | | **(1,966)** | **3,510** |
| **Total comprehensive income for the year** | | **13,881** | **21,471** |
| Basic earnings per share (p) | 4 | 13.85 | 15.82 |
| Diluted earnings per share (p) | 4 | 12.98 | 14.79 |

[13] Net fee income, adjusted EBITDA and other alternative performance measures are defined and reconciled in note 3

## Consolidated statement of financial position

As at 31 March 2024

| | Note | As at 31 March 2024 £'000 | As at 31 March 2023 £'000 |
|---|---|---|---|
| **Assets** | | | |
| **Non-current assets** | | | |
| Goodwill | | 105,179 | 103,676 |
| Intangible fixed assets | | 25,073 | 27,588 |
| Property, plant and equipment | | 947 | 1,113 |
| Right-of-use assets | | 2,333 | 4,008 |
| Deferred tax assets | | 2,666 | 3,033 |
| Capitalised contract fulfilment costs | | 76 | 108 |
| **Total non-current assets** | | **136,274** | **139,526** |

**Current assets**

| | | | |
|---|---|---|---|
| **Current assets** | | | |
| Trade and other receivables | 6 | 42,185 | 34,128 |
| Cash and cash equivalents | | 29,392 | 59,215 |
| **Total current assets** | | **71,577** | **93,343** |
| **Current liabilities** | | | |
| Trade and other payables | 7 | (46,373) | (60,539) |
| Provisions | | (3,308) | (3,326) |
| Corporation tax | | (1,526) | (1,321) |
| Lease liabilities | | (1,413) | (2,104) |
| **Total current liabilities** | | **(52,620)** | **(67,290)** |
| **Net current assets** | | **18,957** | **26,053** |
| **Non-current liabilities** | | | |
| Deferred tax liabilities | | (2,442) | (2,783) |
| Other non-current liabilities | 8 | (3,149) | (11,400) |
| Lease liabilities | | (1,147) | (2,057) |
| **Total non-current liabilities** | | **(6,738)** | **(16,240)** |
| **Net assets** | | **148,493** | **149,339** |
| **Equity** | | | |
| Issued share capital | 9 | 92 | 90 |
| Share premium | | 119,438 | 119,438 |
| Foreign exchange reserve | | 5,026 | 6,992 |
| Other reserves | | 18,777 | 17,258 |
| Retained earnings | | 5,160 | 5,561 |
| **Total shareholders' equity** | | **148,493** | **149,339** |

## Consolidated statement of cash flows

For the year ended 31 March 2024

| | Note | Year ended 31 March 2024 £'000 | Year ended 31 March 2023 £'000 |
|---|---|---|---|
| **Cash flows from operating activities:** | | | |
| Profit for the year | | 15,847 | 17,961 |
| Taxation | | 6,723 | 7,810 |
| Finance income | | (346) | (364) |
| Finance expenses | | 2,854 | 3,229 |
| Loss/(profit) from exchange rate movements on cash held | | 448 | (2,364) |
| Depreciation charge | | 2,769 | 1,933 |
| Profit on disposal of fixed assets | | (44) | (14) |
| Amortisation of intangible fixed assets | | 4,325 | 4,762 |
| Share-based payment charge | 10 | 6,663 | 7,023 |
| Increase/(decrease) in provisions | | 18 | (19) |
| Working capital adjustments: | | | |
| Increase in trade and other receivables | | (7,679) | (3,834) |
| (Decrease)/increase in trade and other payables | | (11,170) | 7,752 |
| **Cash generated from operations** | | **20,408** | **43,875** |
| Tax paid | | (7,633) | (13,285) |
| **Net cash generated from operating activities** | | **12,775** | **30,590** |
| **Cash flows from investing activities:** | | | |
| Interest received | | 346 | 364 |
| Acquisition consideration payments, including deferred and contingent, net of cash acquired | 5 | (16,981) | (20,829) |
| Purchase of intangible assets | | (311) | (319) |
| Purchase of property, plant and equipment, net of disposals | | (503) | (860) |
| **Net cash used in investing activities** | | **(17,449)** | **(21,644)** |
| **Cash flows from financing activities:** | | | |
| Net settlement of vested share options | | (457) | (343) |
| Purchase of own shares by the EBT | | (3,843) | (1,139) |
| Drawdown of revolving credit facility | | 10,150 | 12,500 |
| Repayment of revolving credit facility | | (10,150) | (12,500) |
| Interest and bank loan fees | | (1,254) | (482) |
| Principal lease liability payments | | (1,989) | (1,315) |
| Interest on lease liabilities | | (308) | (216) |
| Dividends paid | | [illegible] | [illegible] |

| | | |
|---|---|---|
| Dividends paid | (16,246) | (12,774) |
| **Net cash used in financing activities** | **(24,097)** | **(16,269)** |
| **Net decrease in cash and cash equivalents** | **(28,771)** | **(7,323)** |
| Cash and cash equivalents at beginning of the year | 59,215 | 63,516 |
| Effect of exchange rate movements on cash held | (1,052) | 3,022 |
| **Cash and cash equivalents at end of the year** | **29,392** | **59,215** |

**Consolidated statement of changes in equity**
For the year ended 31 March 2024

| | Issued share capital £'000 | Share premium £'000 | Foreign exchange reserve £'000 | Other reserves £'000 | Retained earnings £'000 | Total shareholders' equity £'000 |
|---|---|---|---|---|---|---|
| **As at 1 April 2022** | **89** | **119,438** | **3,482** | **9,361** | **375** | **132,745** |
| **Comprehensive income** | | | | | | |
| Profit for the year | - | - | - | - | 17,961 | 17,961 |
| Foreign exchange differences on translation of foreign operations | - | - | 3,510 | - | - | 3,510 |
| **Transactions with owners** | | | | | | |
| Shares issued (equity) | 1 | - | - | - | (1) | - |
| Purchase of own shares by the EBT | - | - | - | (1,139) | - | (1,139) |
| Share-based payment charge | - | - | - | 7,023 | - | 7,023 |
| Net settlement of vested share options | - | - | - | (343) | - | (343) |
| Current tax recognised in equity | - | - | - | 1,486 | - | 1,486 |
| Deferred tax recognised in equity | - | - | - | 870 | - | 870 |
| Dividends | - | - | - | - | (12,774) | (12,774) |
| **As at 31 March 2023** | **90** | **119,438** | **6,992** | **17,258** | **5,561** | **149,339** |
| **Comprehensive income** | | | | | | |
| Profit for the year | - | - | - | - | 15,847 | 15,847 |
| Foreign exchange differences on translation of foreign operations | - | - | (1,966) | - | - | (1,966) |
| **Transactions with owners** | | | | | | |
| Shares issued (equity) | 2 | - | - | - | (2) | - |
| Purchase of own shares by the EBT | - | - | - | (3,843) | - | (3,843) |
| Share-based payment charge | - | - | - | 6,663 | - | 6,663 |
| Net settlement of vested share options | - | - | - | (457) | - | (457) |
| Current tax recognised in equity | - | - | - | 569 | - | 569 |
| Deferred tax recognised in equity | - | - | - | (1,413) | - | (1,413) |
| Dividends | - | - | - | - | (16,246) | (16,246) |
| **As at 31 March 2024** | **92** | **119,438** | **5,026** | **18,777** | **5,160** | **148,493** |

**Issued share capital**

Issued share capital represents the nominal value of share capital subscribed.

**Share premium**

The share premium account is used to record the aggregate value of premiums paid when the Company's shares are issued at a premium, net of associated share issuance costs.

**Foreign exchange reserve**

The foreign exchange reserve represents exchange differences that arise on consolidation from the translation of the financial statements of foreign subsidiaries, including goodwill.

**Other reserves**

The other reserves represent the cumulative fair value of the IFRS 2 share-based payment charge recognised each year, associated current tax, deferred tax and net settlement of vested share options, equity-settled acquisition consideration reserves, and purchases of the Company's own shares by the employee benefit trust ("EBT").

**Retained earnings**

The retained earnings reserve represents cumulative net profits and losses recognised in the consolidated statement of comprehensive income less dividends paid.

## 1. Basis of preparation

The financial information set out above does not constitute the Group's statutory accounts for the years ended 31 March 2024 or 2023 but is derived from those accounts. Statutory accounts for the year ended 31 March 2023 have been delivered to the registrar of companies, and those for the year ended 31 March 2024 will be delivered in due course. The auditor has reported on those accounts; their reports were (i) unqualified, (ii) did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying their report, and (iii) did not contain a statement under section 498 (2) or (3) of the Companies Act 2006.

These condensed preliminary financial statements have been prepared in accordance with UK-adopted international accounting standards, in line with the Group's statutory accounts.

## 2. Segmental information

Group management has determined the operating segments by considering the segment information that is reported internally to the chief operating decision maker, the Board of Directors. For management purposes, the Group is currently organised into three geographical operating divisions: UK, North America and Europe & APAC, which allows the Board to evaluate the nature and financial effects of the business activities of the Group and the economic environments in which it operates.

The Group's operations all consist of one type: specialist consultancy and related services to the financial services industry. Revenues associated with software licensing arrangements were not significant in both the current and prior years. Therefore, the Directors consider that disaggregating revenue by operating segments is most relevant to depict how the nature, amount, timing and uncertainty of revenue and cash flows may be affected by economic factors.

| **FY24** | **UK** | **North America**[15] | **Europe & APAC**[16] | **Total** |
|---|---|---|---|---|
| | **£'000** | **£'000** | **£'000** | **£'000** |
| **Revenue** | **91,547** | **91,359** | **52,565** | **235,471** |
| Rechargeable expenses | (353) | (813) | (680) | (1,846) |
| **Net fee income** | **91,194** | **90,546** | **51,885** | **233,625** |
| Cost of sales | (58,190) | (62,219) | (34,919) | (155,328) |
| **Gross profit** | **33,004** | **28,327** | **16,966** | **78,297** |
| *Margin on net fee income[14] (%)* | *36.2%* | *31.3%* | *32.7%* | *33.5%* |

| **FY23** | **UK £'000** | **North America[15] £'000** | **Europe & APAC[16] £'000** | **Total £'000** |
|---|---|---|---|---|
| **Revenue** | **87,467** | **91,815** | **49,435** | **228,717** |
| Rechargeable expenses | (327) | (717) | (518) | (1,562) |
| **Net fee income** | **87,140** | **91,098** | **48,917** | **227,155** |
| Cost of sales | (52,117) | (61,104) | (33,575) | (146,796) |
| **Gross profit** | **35,023** | **29,994** | **15,342** | **80,359** |
| *Margin on net fee income[14] (%)* | *40.2%* | *32.9%* | *31.4%* | *35.4%* |

During the year, the Group did not have any customers that comprised more than 10% of the Group's revenues (FY 23: nil).

14 Margin on net fee income is gross profit expressed as a percentage of net fee income. Please refer to note 3 for further detail on the Group's APMS

15 Within North America, the United States generated revenue of £78.0m (FY 23: £77.1m) and Canada generated revenue of £13.4m (FY 23: £14.7m)

16 Within Europe & APAC, France is a material country and generated revenue of £20.1m (FY 23: £18.7m)

## 3. Reconciliations to alternative performance measures

Alpha uses alternative performance measures ("APMs") that are not defined under the requirements of IFRS. The APMs, including net fee income, margin on net fee income, adjusted EBITDA, adjusted profit before tax, adjusted EPS, adjusted cash generated from operations, adjusted cash conversion, organic net fee income growth and constant currency growth, are provided to allow stakeholders a further understanding of the underlying trading performance of the Group and aid comparability between accounting periods. These measures have been presented consistently across reporting periods. They are not considered a substitute for, or superior to, IFRS measures, and may not be comparable across other companies. The exclusion of adjusting items in the Group's APMs may result in adjusted profitability being materially higher when compared with the nearest equivalent statutory measures.

*Net fee income*

The Group disaggregates revenue into net fee income and expenses recharged to clients. Net fee income provides insight into the Group's productive output and is used by the Board to set budgets and measure performance. This APM is reconciled to revenue on the face of the consolidated statement of comprehensive income and by segment in note 2.

*Profit margins*

Margin on net fee income and adjusted EBITDA margin are calculated using gross profit and adjusted EBITDA, expressed as a percentage of net fee income. These represent the margin that the Group earns on its productive output, excluding nil or negligible margin expense recharge to clients over which the Group has limited control, and allows comparability of business output between periods. Such adjusted margins are used by senior management and the Board to assess the performance of the Group.

*Reconciliation of adjusted profit before tax, adjusted operating profit and adjusted EBITDA*

| | Note | FY 24<br>£'000 | FY 23<br>£'000 |
|---|---|---|---|
| **Profit before tax** | | **22,570** | **25,771** |
| Amortisation of acquired intangible assets | | 4,325 | 4,576 |
| Profit on disposal of fixed assets | | (44) | (14) |
| Share-based payment charge | 10 | 7,337 | 7,950 |
| Earn-out and deferred consideration[17] | 5 | 1,122 | 2,525 |
| Acquisition and integration costs | | 292 | 331 |
| Restructuring costs | | 945 | - |
| Foreign exchange losses | | 331 | 459 |
| Adjusting items | | 14,308 | 15,827 |
| Non-underlying finance expenses | | 1,621 | 2,417 |
| **Adjusted profit before tax** | | **38,499** | **44,015** |
| Net underlying finance expenses | | 887 | 448 |
| **Adjusted operating profit** | | **39,386** | **44,463** |
| Depreciation charge | | 2,769 | 1,933 |
| Amortisation of capitalised development costs | | - | 186 |
| **Adjusted EBITDA** | | **42,155** | **46,582** |
| *Adjusted EBITDA margin (%)* | | *18.0%* | *20.5%* |

[17] The earn-out and deferred consideration charge in the year comprises an employment-linked consideration charge of £1.1m, an associated social security charge of £0.1m, offset by a £0.1m fair value adjustment. Refer to note 5 for further details

*Adjusting items*

To assist in understanding the underlying performance of the Group and aid comparability between periods, management applies judgement to exclude certain expense items from the Group's APMs, which are deemed to warrant separate disclosure due to either their nature or size. Such adjusting items as described below are generally non-cash, non-recurring by nature or are acquisition related.

Amortisation of acquired intangible assets and profit or loss on disposal of fixed assets are treated as adjusting items to better reflect the underlying performance of the business, as they are non-cash items, principally relating to acquisitions.

The Group's share-based payment charge and related social security taxes are excluded from adjusted profit measures. This allows for better comparability between periods given the complexity of the assumptions underlying the calculation and the multi-year effect of mid-cycle changes to certain assumptions being adjusted for on a cumulative basis, sometimes resulting in material fluctuations in the charge between periods that are not reflective of the underlying operational performance of the business. The charge and related social security taxes are also subject to external factors, such as the Group's share price, over which the Directors have less day-to-day influence compared to other more directly controllable factors. This approach has been applied consistently across reporting periods. Note 10 sets out further details of the employee share-based payment charge calculation under IFRS 2.

The Group will continue to assess the status of this charge as an adjusting item in the Group's financial statements, considering the development of the charge, the Group and its remuneration policies. If no adjustment was made for the share-based payment charge, adjusted EBITDA for the period would be £34.8m (FY 23: £38.6m) and adjusted EBITDA margin would be 14.9% (FY 23: 17.0%).

As per note 5, the acquisitions of Shoreline in the year, and Lionpoint in FY 22, involved both deferred and contingent payments. Some of these acquisition payments are dependent on the ongoing employment of certain members of the respective senior management teams, and this element is expensed annually over several years until the date of payment. These costs have been treated as adjusting items as they are acquisition related, reflecting the acquisition terms rather than the Group's trading performance. Additionally, where there is a change to the expected future payments or discount rates, a fair value adjustment to the liability is recorded in the income statement. Whilst these acquisition-related costs will recur in the short term through the earn-out periods, the adjustment allows comparability of underlying productive output and operating performance of the Group across reporting periods.

Other acquisition and integration costs expensed in the year relate to the acquisition of Shoreline, including due diligence, legal fees and integration costs. Whilst further similar acquisition and integration costs could be incurred in the future, these costs are not directly attributable to the ongoing operational trading performance of the Group. The timing and amount of such costs may vary and treating these as an adjusting item allows comparability of the operating performance across reporting periods.

Restructuring costs in FY 24 relate to a specific UK-focused redundancy programme, which aims to support returning the business to more normal levels of utilisation and profitability, given the more competitive market environment. These costs are non-recurring and, therefore have been treated as an adjusting item to allow comparability of the underlying performance of the Group.

The impact of foreign currency volatility in translating local working capital and cash balances to their relevant functional currencies has been excluded from the calculation of adjusted profit measures on the basis that such exchange rate movements do not reflect the underlying trends or operational performance of the Group. The foreign exchange movements were immaterial in both the current and prior years.

*Non-underlying finance expenses*

In calculating adjusted profit before tax, unwinding of the discounted contingent and deferred acquisition consideration within finance expenses is considered non-underlying as these amounts relate to acquisition consideration, rather than the Group's underlying trading performance.

*Adjusted profit before tax*

Adjusted profit before tax is an APM calculated as profit before tax stated before adjusting items, including amortisation of acquired intangible assets, share-based payment charge, acquisition-related payments and costs, non-underlying finance expenses and other non-underlying expenses. This measure allows comparability of the Group's underlying performance, reflecting depreciation, amortisation of capitalised development costs and underlying finance expenses.

*Adjusted operating profit*

Adjusted operating profit is an APM defined by the Group as adjusted profit before tax before charging underlying finance expenses, including fees on bank loans and interest on lease liabilities. The Directors consider this metric alongside statutory operating profit to allow further understanding and comparability of the underlying operating performance of the Group between periods. This measure has been consistently used as the basis for adjusted cash conversion.

*Adjusted EBITDA*

Adjusted EBITDA is a commonly used operating measure, which is defined by the Group as adjusted operating profit stated before non-cash items, including amortisation of capitalised development costs and the depreciation charge. Adjusted EBITDA is a measure that is used by management and the Board to assess underlying trading performance across the Group, and forms the basis of the performance measures for aspects of remuneration, including consultant profit share and bonuses.

*Adjusted profit after tax*

Adjusted profit after tax is similarly used to allow a further understanding of the underlying performance of the Group. Adjusted profit after tax is stated before adjusting items and their associated tax effects. The associated tax effects are calculated by applying the relevant effective tax rate to the adjusting items. A nil effective tax rate has been applied to earn-out and deferred consideration, acquisition costs and non-underlying finance expenses totalling £3.0m as these items are treated as capital in nature and are therefore non-deductible for tax purposes. An overall effective tax rate of 26.0% has been applied to all other adjusting items totalling £12.9m, reflecting the tax rates in the geographical locations to which the items relate.

| | FY24<br>£'000 | FY23<br>£'000 |
|---|---|---|
| **Adjusted profit before tax** | **38,499** | **44,015** |
| Tax charge | (6,723) | (7,810) |
| Tax impact of adjusting items | (3,289) | (2,976) |
| **Adjusted profit after tax** | **28,487** | **33,229** |

*Adjusted earnings per share*

Adjusted earnings per share ("EPS") is calculated by dividing the adjusted profit after tax for the year attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year. Adjusted diluted EPS is calculated by dividing adjusted profit after tax by number of shares as above, adjusted for the impact of potentially dilutive ordinary shares. Potentially dilutive ordinary shares are only treated as dilutive when their conversion to ordinary shares would decrease EPS (or increase loss per share). Refer to note 4 for further detail.

| **Adjusted EPS** | **FY24** | **FY23** |
|---|---|---|
| Adjusted EPS (p) | 24.90 | 29.27 |
| Adjusted diluted EPS (p) | 23.34 | 27.37 |

*Reconciliation of adjusted administration expenses*

To express them on the same basis as the APMs described above, adjusted administration expenses are stated before adjusting items, depreciation and amortisation of capitalised development costs and are used by the Board to monitor the underlying administration expenses of the business in calculating adjusted EBITDA.

| | FY24<br>£'000 | FY23<br>£'000 |
|---|---|---|
| **Administration expenses** | **53,219** | **51,723** |
| Adjusting items | (14,308) | (15,827) |
| Depreciation charge | (2,769) | (1,933) |
| Amortisation of capitalised development costs | - | (186) |
| **Adjusted administration expenses** | **36,142** | **33,777** |

*Adjusted cash generated from operations*

Adjusted cash generated from operations excludes the operating cash flow impact of adjusting items, such as employment-linked acquisition payments and associated social security taxes, other acquisition and integration costs paid in the period, and restructuring costs. This is to reflect the Group's underlying operating cash flows on a consistent basis with adjusted profit measures.

| | FY24<br>£'000 | FY23[18]<br>£'000 |
|---|---|---|
| **Cash generated from operations** | **20,408** | **43,875** |
| Employment-linked acquisition payments[19] | 1,923 | 1,981 |
| Acquisition and integration costs | 292 | 331 |
| Restructuring costs | 945 | - |
| **Adjusted cash generated from operations** | **23,568** | **46,187** |

18 The Group has refined the definition of adjusted cash generated from operations to exclude tax paid in the year. This allows for greater

The Group has refined the definition of adjusted cash generated from operations to exclude tax paid in the year. This allows for greater consistency as adjusted operating profit, used as the denominator in the calculation for adjusted cash conversion, is before tax. Additionally, this approach is in line with comparable companies and allows ease of comparison against these companies. The FY 23 comparative has been restated on this new basis to allow for comparability between years

[19] Employment-linked acquisition payments of £1.9m comprises £1.8m of acquisition consideration classified as employment-linked and £0.1m of associated social security payments

*Adjusted cash conversion*

Cash conversion is stated as cash generated from operations expressed as a percentage of operating profit.

Adjusted cash conversion is stated as adjusted cash generated from operations expressed as a percentage of adjusted operating profit.

| | FY 24 | FY 23[20] |
|---|---|---|
| Cash conversion | 81% | 153% |
| Adjusted cash conversion | 60% | 104% |

[20] FY 23 cash conversion and adjusted cash conversion have been restated to exclude tax paid in the year, reflecting the Group's refined definition of adjusted cash generated from operations

*Organic net fee income growth*

Organic net fee income growth excludes net fee income from acquisitions in the 12 months following acquisition. Net fee income from any acquisition made in the period is excluded from organic growth. For acquisitions made part way through the comparative period, the current period's net fee income contribution is reduced to include only net fee income for the period following the acquisition anniversary, in order to compare organic growth on a like-for-like basis.

Organic net fee income growth of 1.8% (FY 23: 39.6%) for the current period represents FY 24 net fee income less £2.3m of net fee income attributable to Shoreline, treated as inorganic.

*Constant currency growth*

The Group operates in multiple jurisdictions and generates revenues and profits in various currencies. Results are translated on consolidation at the average foreign exchange rates prevailing in that period. These exchange rates vary from year to year, so the Group presents some of its results on a "constant currency" basis. This means that the current year's results have been retranslated using the average exchange rates from the prior year to allow for comparison of year-on-year results, eliminating the effects of changes in exchange rates.

Currency translation had an impact on both net fee income and gross profit in the year, primarily in North America, as a result of a strengthening British pound sterling through the year. In the year, British pound sterling averaged USD 1.26 (FY 23: USD 1.21), and CAD 1.69 (FY 23: CAD 1.59), whilst it was flat against the euro at an average of €1.16 (FY 23: €1.16).

On a constant currency basis, Group net fee income would be £238.0m, which is growth of 4.8% overall. Similarly, North America net fee income would be £94.5m and Europe & APAC would be £52.3m which would be growth of 3.8% and 6.9% respectively.

On a similar basis the Group's gross profit would have been £79.6m representing a 0.9% decrease, as opposed to a 2.6% decrease on a reported basis.

## 4. Earnings per share and adjusted earnings per share

The Group presents basic and diluted earnings per share ("EPS"), on both a statutory and adjusted basis. Basic EPS is calculated by dividing the profit or loss for the year attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year. In the calculation of diluted EPS the Group applies the treasury share method to include the impact of potentially dilutive shares arising from the Group's share option plans.

In order to reconcile to the adjusted profit after tax, the same adjustments as set out in note 3 have been made to the Group's profit for the financial year. The profits and weighted average number of shares used in the calculations are set out below:

| | Note | FY 24 | FY 23 |
|---|---|---|---|
| **Basic and diluted EPS** | | | |
| Profit for the financial year (£'000) | | 15,847 | 17,961 |
| Weighted average number of ordinary shares in issue ('000) | | 114,398 | 113,531 |
| Number of dilutive shares ('000) | | 7,658 | 7,883 |
| Weighted average number of ordinary shares, including dilutive shares ('000) | | 122,056 | 121,414 |
| Basic EPS (p) | | 13.85 | 15.82 |
| Diluted EPS (p) | | 12.98 | 14.79 |
| **Adjusted EPS and adjusted diluted EPS** | | | |
| Adjusted profit after tax (£'000) | 3 | 28,487 | 33,229 |
| Weighted average number of ordinary shares in issue ('000) | | 114,398 | 113,531 |
| Number of dilutive shares ('000) | | 7,658 | 7,883 |
| Weighted average number of ordinary shares, including dilutive shares ('000) | | 122,056 | 121,414 |
| Adjusted EPS (p) | | 24.90 | 29.27 |
| Adjusted diluted EPS (p) | | 23.34 | 27.37 |

## 5. Acquisition of businesses

Acquisitions in the year

*Shoreline*

On 1 May 2023, the Group reached an agreement to acquire 100% of the issued share capital of Shoreline Consulting Pty Ltd and Shoreline Consolidated Pty Ltd and its subsidiaries (together, "Shoreline"), a boutique consultancy that provides services to the asset and wealth management sector in APAC, on a cash free, debt free basis. The

Directors consider that the acquisition enables Alpha to reinforce our position and take advantage of opportunities in the APAC region.

The maximum potential cash consideration payable by the Group pursuant to the acquisition agreement was AUD 13.0m (£6.8m), allocated between AUD 8.0m (£4.2m) non-contingent cash consideration and a contingent earn-out structure up to a maximum of AUD 5.0m (£2.6m), payable in several instalments.

Subsequent to the acquisition date, in light of market conditions and performance, an agreement with the founders was reached to modify the terms of the earn-out agreement. This agreement has reduced the maximum amount of earn-out consideration available from AUD 5.0m (£2.6m) to AUD 3.1m (£1.6m) with modified earn-out targets, payable in July 2026, 2027 and 2028.

The fair value of consideration recognised on the date of acquisition, excluding employment linked amounts, amounted to AUD 8.2m (£4.3m), of which AUD 4.5m (£2.4m) relates to initial cash consideration paid, AUD 0.2m (£0.1m) relates to additional amounts paid in the year in relation to completion working capital, AUD 2.4m (£1.2m) relates to deferred consideration, and AUD 1.1m (£0.6m) relates to discounted contingent consideration.

Initial consideration was funded from the Group's cash reserves, with any remaining deferred and contingent consideration amounts expected to be settled in cash, with the option to settle a portion of the deferred amounts in the Group's ordinary shares.

A summary of the purchase consideration, net assets acquired, identifiable intangible assets and goodwill is set out below. These fair values are determined by using established estimation techniques such as income-based discounted cash flow models.

| **Shoreline** | **Book values £'000** | **Fair value adjustments £'000** | **Values on acquisition £'000** |
|---|---|---|---|
| Acquiree's net assets at the acquisition date: | | | |
| Customer relationships | - | 1,729 | 1,729 |
| Trade and other receivables | 768 | - | 768 |
| Cash and cash equivalents | 92 | - | 92 |
| Trade and other payables | (636) | - | (636) |
| Deferred tax asset/(liability) | 54 | (432) | (378) |
| **Net identifiable assets acquired** | **278** | **1,297** | **1,575** |
| Cash consideration relating to business combination | | | 4,286 |
| **Goodwill on acquisition** | | | **2,711** |

Of the total maximum potential amounts payable, £0.9m was classified as employment-linked because these payments are conditional on the continuing employment of certain Shoreline employees. These employment-linked acquisition payments are expensed through profit or loss proportionately until the relevant payment date, based on the amounts expected to be paid, taking into consideration expected performance against earn-out targets. During the year, the Group has expensed £0.3m in relation to these employment-linked payments through the consolidated statement of comprehensive income, with £0.1m paid in the year.

Deferred and contingent consideration is discounted to fair value. Discount unwinding is recognised as a finance expense proportionately across the periods until final payment. During the year, £0.1m of discount unwinding was expensed as a non-underlying finance cost in relation to the Shoreline acquisition consideration.

A fair value adjustment of £0.1m was recognised in the consolidated statement of comprehensive income at 31 March 2024 to reflect the modified earn-out agreement and revised payment timings described above.

As consideration for the acquisition of Shoreline is payable in Australian dollars, foreign exchange gains and losses are recognised at each reporting date in relation to translating these liabilities into pound sterling. In the period, the Group recognised a small foreign exchange gain through other comprehensive income in relation to the re-translation of these liabilities.

As at 31 March 2024, a £2.1m liability is recorded, of which £0.9m is current and £1.2m is non-current.

Shoreline contributed £2.3m to the Group's revenue in the year and had an immaterial impact on the Group's profit after tax for the year from the date of acquisition to 31 March 2024. If the acquisition of Shoreline had been completed on 1 April 2023, Group revenues for the year would have been £235.7m with an immaterial impact on the Group profits after tax, without adjustment to amortisation assumptions.

Acquisition and integration costs of £0.3m related to the Shoreline acquisition are included within administration expenses as detailed in note 3.

*Acquisitions in previous years*

*Lionpoint*

As at 31 March 2023, the Group held a liability of £24.9m in relation to future deferred and contingent consideration payable for this acquisition.

Employment-linked acquisition payments are expensed through the income statement proportionately until FY 26. During the year, the Group has expensed £0.8m in relation to these employment-linked payments.

The deferred and contingent consideration is discounted to fair value. Discount unwinding is recognised as a finance cost proportionately across the periods until final payment. During the year, £1.5m of discount unwinding was expensed as a non-underlying finance cost in relation to the Lionpoint acquisition consideration.

During the year, the Group made deferred and contingent Lionpoint acquisition payments totalling £16.3m. Of these payments, £1.7m relates to employment-linked consideration, and is presented within cash from operating activities, with the remaining £14.6m presented within cash used in investing activities in the consolidated statement of cash flows.

As consideration for the acquisition of Lionpoint is payable in US dollars, foreign exchange differences are recognised at each reporting date in relation to translating these liabilities into pound sterling. In the year, the Group recognised a foreign exchange profit of £0.5m in relation to the re-translation of these liabilities.

As at 31 March 2024, a £10.4m liability is recorded, of which £10.1m is current and £0.3m is non-current.

The below table summarises the movements in the deferred and contingent consideration liabilities to 31 March 2024:

| | Shoreline | Lionpoint | Total |
|---|---|---|---|
| | £'000 | £'000 | £'000 |
| **Balance as at 1 April 2023** | - | 24,949 | **24,949** |
| Additions | 1,824 | - | **1,824** |
| Employment-linked consideration | 318 | 817 | **1,135** |
| Payments in the year[21] | (57) | (16,328) | **(16,385)** |
| Unwinding of discounting | 127 | 1,494 | **1,621** |
| Fair value adjustment | (72) | - | **(72)** |
| Foreign exchange gains | (36) | (522) | **(558)** |
| **Balance as at 31 March 2024** | **2,104** | **10,410** | **12,514** |
| Represented by: | | | |
| Current | 883 | 10,070 | **10,953** |
| Non-current | 1,221 | 340 | **1,561** |
| **Balance as at 31 March 2024** | **2,104** | **10,410** | **12,514** |

[21] Deferred and contingent acquisition payments of £16.4m includes £1.8m of employment-linked consideration, which is reported in net cash generated from operating activities in the consolidated statement of cash flows. Additionally, acquisition payments reported within cash flows from investing activities in the consolidated statement of cash flows includes £2.4m paid upon completion of the acquisition of Shoreline, net of cash acquired, which is not included in the table above

As at 31 March 2024, the Group held a total liability of £12.5m in relation to future deferred and contingent consideration payable for acquisitions. Of this liability at the balance sheet date, £2.4m relates to deferred consideration and the remaining £10.1m relates to contingent consideration. Within these deferred and contingent consideration liabilities, £1.9m relates to employment-linked amounts.

The fair value of acquisition earn-outs is no longer considered to be an area of significant estimation uncertainty given proximity to and more certainty around the Lionpoint final earn-out payment. The fair value of the earn-out liability held in relation of Shoreline is also not considered to have a material level of estimation uncertainty to the value of the liability held at 31 March 2024.

## 6. Trade and other receivables

| | FY 24 | FY 23 |
|---|---|---|
| | £'000 | £'000 |
| Amounts due within one year: | | |
| Trade receivables | 34,190 | 26,781 |
| Less: allowance for expected credit losses | (685) | (657) |
| **Trade receivables - net** | **33,505** | **26,124** |
| Other receivables | 1,080 | 1,194 |
| Capitalised contract fulfilment costs | 753 | 1,101 |
| Prepayments | 2,478 | 1,999 |
| Accrued income | 4,369 | 3,710 |
| **Total amounts due within one year** | **42,185** | **34,128** |

Trade receivables are non-interest bearing and generally have a 30- to 60-day term. Due to their short maturities, the carrying amount of trade and other receivables is a reasonable approximation of their fair value. Trade receivables have increased in the year through the ongoing growth of the business with higher debtor days at 53 days (FY 23: 43 days) against strong collections in the prior year.

## 7. Trade and other payables

| | Note | FY 24 | FY 23 |
|---|---|---|---|
| | | £'000 | £'000 |
| Trade payables | | 4,400 | 5,156 |
| Accruals | | 18,929 | 29,880 |
| Deferred income | | 1,756 | 796 |
| Social security tax on share options | 10 | 2,075 | 1,669 |
| Taxation and social security | | 5,731 | 4,734 |
| Other payables | | 2,529 | 2,277 |
| Earn-out and deferred consideration | 5 | 10,953 | 16,027 |
| **Total amounts owed within one year** | | **46,373** | **60,539** |

Trade payables comprise amounts outstanding for trade purchases and ongoing costs. The Directors consider that the carrying amount of trade and other payables is a reasonable approximation of their fair value. The Group's trade payables payment policy is to provide payment within the agreed terms, which is generally 30 days from the date of receipt of invoice.

The decrease in accruals reflects the payment in the year of both the FY 23 profit share and the second tranche of deferred FY 22 payments, as well as a lower performance-adjusted bonus accrual amounts for FY 24.

deferred FY 22 payments, as well as a lower performance adjusted bonus accrual amounts for FY 24.

The earn-out and deferred consideration liability comprises the amounts due within one year relating to the Lionpoint and Shoreline acquisitions. Refer to note 5 for further detail.

### 8. Other non-current liabilities

| | Note | FY 24 £'000 | FY 23 £'000 |
|---|---|---|---|
| Earn-out and deferred consideration | 5 | 1,561 | 8,922 |
| Deferred income | | 156 | 213 |
| Social security tax on share options | 10 | 1,432 | 1,640 |
| Other non-current liabilities | | - | 625 |
| **Total amounts owed after one year** | | **3,149** | **11,400** |

Earn-out and deferred consideration relates to future deferred and contingent earn-out payments to be made for the acquisition of Lionpoint and Shoreline. Given the passage of time, the third Lionpoint deferred and contingent consideration payments now fall due within 12 months from the balance sheet date. Refer to note 5 for further detail.

Deferred income recognises contract liabilities arising from the Group's revenue-generating activities relating to payments received in advance of performance delivered under a contract. Deferred income recognised as non-current entirely relates to contracts held within the Aiviq business, where revenue is sometimes recognised over a contractual licence period of greater than one year.

Other non-current liabilities fell to nil in the year as the remaining deferred element of FY 23 bonuses for certain directors and senior management globally now falls due within 12 months from the reporting date.

### 9. Called up share capital

| | FY 24 Number | FY 23 Number |
|---|---|---|
| **Allotted, called up and fully paid** | | |
| Ordinary 0.075p shares (1 vote per share) | 122,009,736 | 120,509,736 |

| | FY 24 £ | FY 23 £ |
|---|---|---|
| **Allotted, called up and fully paid** | | |
| Ordinary 0.075p shares (1 vote per share) | 91,507 | 90,382 |

*Movements in share capital during the year ended 31 March 2024:*

| | | £ |
|---|---|---|
| Balance as at 1 April 2023<br>120,509,736 ordinary shares of 0.075p each | | 90,382 |
| Issued shares | (i) | 1,125 |
| **Balance as at 31 March 2024**<br>**122,009,736 ordinary shares of 0.075p each** | | **91,507** |

(i) During the year, a total of 1,500,000 ordinary shares were issued by the Group, all of which were issued to the employee benefit trust ("EBT") for future satisfaction of share option awards.

*Alpha employee benefit trust*

The Group held 7,537,366 (FY 23: 6,274,380) shares in the EBT, comprising shares held to satisfy share options granted under its joint share ownership plan ("JSOP") or unallocated ordinary shares to satisfy share options granted under the Group's other share option plans. The EBT has waived all dividend and voting rights in respect of these shares. Therefore, the number of shares with exercisable voting rights at 31 March 2024 was 114,472,370 (FY 23: 114,235,356).

During the year, 1,500,000 ordinary shares were transferred by the Company to the EBT for potential future satisfaction of share incentive plans through the issuance of new shares at nominal value. Further, the EBT purchased a total of 1,035,154 shares from the market in the year for a total of £3.8m, which was funded by the Group and is accounted for as a deduction from other reserves.

In the year, 1,272,168 shares held in the EBT were utilised for employee share option exercises.

*Treasury shares*

The Group held nil (FY 23: nil) shares in treasury.

### 10. Share-based payments

The Group has adopted a globally consistent share incentive plan approach, which is implemented using efficient jurisdiction specific plans, as appropriate.

*The management incentive plan*

The Group has a management incentive plan ("MIP") to retain and incentivise directors and senior management. The MIP consists of four parts: part A of which will enable the granting of enterprise management incentive and non-tax advantaged options to acquire shares; part B of which will enable the awarding of JSOPs; part C of which will enable the awarding of restricted stock units ("RSUs") for participants in the US; and part D of which will enable the awarding of RSUs in France (together the "options").

In prior years, the majority of options granted to certain directors and senior management of the Group were subject to the fulfilment of three or more of the following performance conditions: (a) the Group achieving adjusted EPS growth of 15.0% or more to trigger a maximum award, or 10.0% to trigger a 66% award, with a linear application of awards between these levels; (b) the Group achieving a total shareholder return ("TSR") over three years in excess of the between these levels; (b) the Group achieving a total shareholder return ("TSR") over three years in excess of the mean TSR delivered by a peer group of comparable companies; (c) personal adherence to corporate values and risk policy; and (d) specific business unit EBITDA, or other personal targets and goals.

As disclosed last year, the Remuneration Committee approved performance conditions for FY 23 awards, which further modified the adjusted EPS growth range set out above to reflect the growth of the Group since AIM admission. The criteria for these share incentive awards to certain directors and senior management of the Group, depending on the individual and their role, include: (a) the Group achieving adjusted EPS growth of 11.25% or more to trigger a maximum award, or 7.5% to trigger a 66% award, with a linear application of awards between these levels; (b) personal adherence to corporate values and risk policy; and (c) specific business unit EBITDA, or other personal targets and goals. These criteria were also applied to FY 24 awards granted in the year.

Awards to senior management also contain a market condition requiring the Group to achieve a TSR over three years in excess of the mean TSR delivered by a peer group of comparable companies.

MIP awards have either nominal or minimal exercise price payable in order to acquire shares pursuant to options. MIP awards have either three- or four-year vesting periods from the date of grant and are usually equity settled.

*The employee incentive plan*

In addition to the MIP, the Board has previously put in place a medium-term employee incentive plan ("EIP"). Under the EIP, a broad base of the Group's employees has been granted share options or share awards over a small number of shares. The EIP is structured as is most appropriate under the local tax, legal and regulatory rules in the key jurisdictions and therefore varies between those jurisdictions. No EIP awards were made in the current or prior years.

*Movements in the year*

During the year ended 31 March 2024, a total of 2,805,590 share option and award grants were made to employees and senior management (FY 23: 3,153,014). The weighted average of the estimated fair values of these options awarded in the year is £3.23 per share (FY 23: £3.14).

During the year 3,231,673 MIP and EIP awards vested following the satisfaction of performance conditions. The performance conditions relating to EPS growth and total shareholder return exceeding a basket of comparable companies over three years to the vesting date were met in full and the relevant local regional or individual budgetary performance conditions were met in full or part, in their respective year of grant. Of these vested awards, 1,148,787 have been exercised, with a further 229,798 awards that vested in previous periods also exercised in the year. Of these total 1,378,585 options exercised, the Group settled 1,272,168 through shares transferred from the Group's EBT, with a further 106,417 options retained for net tax settlement. The weighted average share price at the date of these exercises was £3.80.

During the year, 195,201 share options were forfeited or as a result of leavers before vesting.

Of the 2,129,394 share options exercisable at the year end, 2,082,886 share options vested in the year. The remaining vested award holders have a further six to seven-year period, from the date of vesting, in which to exercise their vested awards.

Details of the share option awards made are as follows:

| | **FY 24 Number of share options** |
|---|---|
| Outstanding at the beginning of the year | 9,996,040 |
| Granted during the year | 2,805,590 |
| Exercised during the year | (1,378,585) |
| Forfeited during the year | (195,201) |
| Expired during the year | - |
| **Outstanding at the year end** | **11,227,844** |
| **Exercisable at the year end** | **2,129,394** |

The weighted average exercise price for all options outstanding in both the current and prior years was nominal. The options outstanding as at 31 March 2024 had a weighted average remaining contractual life of 1.2 years (FY 23: 1.7 years).

During the year ended 31 March 2024, options were granted in July 2023 and January 2024 to certain employees and senior management.

MIP share options with an external market condition were valued at award using the Monte Carlo option pricing model. The model simulates a variety of possible results, across 10,000 iterations for each of the options, by substituting a range of values for any factor that has inherent uncertainty over a number of scenarios using a different set of random values from the probability functions. The model takes any market-based performance conditions into account and adjusts the fair value of the options based on the likelihood of meeting the stated vesting conditions.

MIP share options without external market conditions and EIP share options were valued at award using a Black-Scholes model.

The inputs to these models in the period were as follows:

| | **FY 24** |
|---|---|
| Weighted average share price at grant date | £3.98 |
| Exercise price | Nominal |
| Volatility | 26.42% |
| Weighted average share option life | 4 years |
| Risk free rate | 4.93% |
| Expected dividend yield | 3.00% |

Volatility is calculated based on the relative rate at which Alpha's share price moves up and down. It is derived from calculating the annualised standard deviation of the daily changes in share price. The expected expense calculated in the model has been adjusted, based on management's best estimate, for the effects of non-market-based performance conditions and employee attrition.

The Group recognised a total expense of £7.3m (FY 23: £8.0m) in the current year, comprising £6.7m (FY 23: £7.0m) in relation to equity-settled share-based payments, and £0.6m (FY 23: £1.0m) relating to relevant social security taxes.

Given the more challenging market environment and the Group's performance in FY 24, in April 2024, the

Remuneration Committee considered the vesting of FY 24 awards to Executive Directors and senior management of the Group. It was determined that the overall vesting levels of the FY 24 share options awards would be significantly lower than FY 23. This has been reflected in the calculation of the share-based payment charge in the year as well as the associated social security costs.

The combined carrying value of current and non-current liabilities relating to social security tax on share options as at 31 March 2024 is £3.5m (FY 23: £3.3m) of which £2.1m was current and £1.4m was non-current. A £0.6m charge was recognised in the consolidated statement of comprehensive income in the year, offset by £0.4m of payments. Assumptions associated with the calculation of the social security tax liability due on vesting of share options include an estimation of the forward-looking share price at the vesting date based on analyst research and applicable future tax rates. For these purposes, the share price is updated at each reporting period to reflect historical trends, and is assumed to grow in line with the estimated future performance of the business.

If the estimated future share price assumption were to increase by 30%, the social security costs in the period would increase by £0.4m. Were the share price assumption to reduce by 30% the charge would reduce by £0.4m.

If the estimated number of share options expected to forfeit annually were to decrease by 3% for all outstanding share options, the share-based payment charge in the year would increase by £0.7m. If estimated annual forfeits were to increase by 3%, the charge in the year would reduce by £0.7m.

-ENDS-