

For immediate release

29 July 2024



ALLIANCE PHARMA

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

Half Year Trading Update

**Strong revenue growth continues in Kelo-Cote
Board's expectations for Group's FY 2024 performance unchanged**

Alliance Pharma plc (AIM: APH), the international healthcare group, announces its trading update for the six months ended 30 June 2024 (the "Period"), ahead of the expected announcement of the Group's interim results in September 2024, with the Board's outlook for FY 2024 unchanged.

Revenue and profit summary

The Group delivered see-through¹ revenues of £84.8m in the Period (H1 23: £82.4m), up 2.8% versus the prior period and up 5.0% at constant exchange rates ("CER").

Consumer Healthcare revenues rose 5% CER to £61.4m with a particularly strong performance in the Kelo-Cote franchise, where revenues increased 18.4% CER to £29.2m (H1 23: £25.6m). As previously indicated at the FY 2023 results on 19 June 2024, Nizoral performance was impacted by destocking following a build in inventory in H1 23 ahead of a move to a new manufacturer. Consequently, Nizoral revenues were down 20.9% CER to £8.3m (H1 23: £11.1m) but are expected to recover to show strong growth in H2 24 (versus H2 23), boosted by new product launches. Amberen revenues declined 8.9% CER to £5.2m (H1 23: £5.9m) due to softer trading on Amazon and as the category continues to shift away from bricks and mortar. Other consumer healthcare revenues increased 8.9% CER to £18.7m (H1 23: £17.1m) with MacuShield up 16.0% CER to £4.8m.

Prescription medicine revenues grew 3.4% CER to £23.3m (H1 23: £22.7m) reflecting strong growth in Hydromol (up 9.6% CER to £5.1m) and a return to stock of certain products, including those brands impacted by the transition from the Medical Devices Directive to the Medical Devices Regulations.

Cash and debt

Solid free cash flow generation in the Period resulted in a continued reduction in net debt and Group leverage² (as at 30 June 2024) is anticipated to have fallen to below 2.0x (31 December 2023: 2.05x).

Outlook

We continue to expect Group revenues to build throughout H2, driving gross margin improvement which will be used to support further investment in marketing and innovation. The Board continues to anticipate that Group profitability in FY 2024 will be in line with FY 2023. Net debt and Group leverage are both expected to fall further in H2, reflecting the Group's strong cash generation.

Nick Sedgwick, Chief Executive Officer of Alliance, commented:

"I have enjoyed deepening my knowledge of Alliance since joining the business in mid May and am excited about our potential. My initial focus has been to streamline the Company's management structure, to accelerate decision making and to bring the consumer closer to the heart of the business, and I see further opportunity to deliver efficiency gains and capability improvements.

"I am pleased by the performance we delivered in H1 24 as we continue to see the benefits of our investment in both marketing and innovation. Our free cash flow is expected to build strongly throughout 2024, which we anticipate will enable us to reduce further our net debt and leverage by the end of the year.

"The Board's expectation for full year financial performance is unchanged and I look forward to presenting my refined strategy in Q4 this year."

Annual General Meeting

The Company's AGM will be held today at 10am at the offices of Burson Buchanan, 107 Cheapside, London, EC2V 6DN. A Result of AGM announcement will be issued following the meeting.

¹ See-through revenue includes sales from Nizoral™ as if they had been invoiced by Alliance as principal. For statutory accounting purposes the product margin relating to Nizoral sales made on an agency basis is included within Revenue, in line with IFRS 15.

² Adjusted net debt / enlarged Group EBITDA, calculated using pro forma EBITDA on a trailing 12-month basis

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About Alliance

Alliance Pharma plc (AIM: APH) is a growing consumer healthcare company. Our purpose is to empower people to make a positive difference to their health and wellbeing by making our trusted and proven brands available around the world.

We deliver organic growth through investing in our priority brands and channels, in related innovation, and through selective geographic expansion to increase the reach of our brands. Periodically, we may look to enhance our organic growth through selective, complementary acquisitions.

Headquartered in the UK, the Group employs around 290 people based in locations across Europe, North America, and the Asia Pacific region. By outsourcing our manufacturing and logistics we remain asset-light and focused on maximising the value we can bring, both to our stakeholders and to our brands.

For more information on Alliance, please visit our website: www.alliancepharmaceuticals.com

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