RNS Number : 6135C
Uniphar PLC
03 September 2024

**Uniphar plc**

**2024 Interim Results**

Uniphar plc, an international diversified healthcare services business, announces its half year results for the six months ending 30 June 2024 delivering EBITDA growth of 6.3% and gross profit growth in each of its three divisions.

## FINANCIAL HIGHLIGHTS

| | | | Growth | |
|---|---|---|---|---|
| **Six months ended 30 June[1]** | **2024 €'000** | 2023 €'000 | Reported | Constant currency[2] |
| Revenue | **1,367,578** | 1,239,582 | 10.3% | 10.1% |
| Gross profit | **206,697** | 187,992 | 9.9% | 9.7% |
| Uniphar Supply Chain & Retail | **95,291** | 88,189 | 8.1% | 8.1% |
| Uniphar Medtech | **53,515** | 51,760 | 3.4% | 3.0% |
| Uniphar Pharma | **57,891** | 48,043 | 20.5% | 20.1% |
| Gross profit margin (Group) % | **15.1%** | 15.2% | | |
| EBITDA[1,4] | **55,901** | 52,611 | 6.3% | 6.3% |
| Operating profit | **32,226** | 28,006 | 15.1% | 15.2% |
| Profit before tax excluding exceptional items | **23,430** | 22,800 | 2.8% | 3.0% |
| Net bank debt[1] | **(143,609)** | (178,045) | | |
| Basic EPS (cent) | **5.6** | 5.5 | 1.8% | |
| Adjusted EPS (cent)[1,4] | **8.1** | 8.0 | 1.3% | |

- Gross profit growth of 9.9% (7.4% organic[3]) reflecting growth across all divisions with Uniphar Pharma achieving organic gross profit growth of 20.2%.
- Continued strong gross profit margin of 15.1%.
- EBITDA growth of 6.3%, from €52.6m to €55.9m, reflecting the execution of our strategy in each division and continued innovation across the Group.
- Adjusted EPS of 8.1 cent (2023: 8.0 cent) reflective of strong EBITDA growth offset by higher financing costs in the period.
- Continuing strong free cash flow conversion of 144% with adjusted free cash flow conversion in line with our medium-term target.
- Robust liquidity with net bank debt of €143.6m at 30 June 2024 (December 2023: €149.9m) and leverage at 1.5x.
- The Board have declared an interim dividend of €0.0067 per ordinary share for the period to 30 June 2024 representing growth of 5% in the period (June 2023: €0.0064 per ordinary share).
- For the full year 2024, Uniphar expects organic gross profit growth across all divisions in line with medium-term targets and is well positioned to deliver on market expectations for the full year.

1. *Additional information is set out in Alternative Performance Measures (APMs) section.*
2. *Constant currency growth is calculated by applying the prior period's actual exchange rate to the current period's result.*
3. *Organic growth is calculated as the gross profit growth of the underlying business in the period adjusting for the contribution from prior period acquisitions and divestments to ensure a like-for-like comparison.*
4. *The definition of this APM was changed in 2023 to add back share-based payment expense as it is a non-cash expense with prior year comparatives updated accordingly.*

## STRATEGIC AND OPERATIONAL HIGHLIGHTS

- Strong performance in the period delivering gross profit growth across all divisions with continued progress towards our strategic objectives.

- Organic gross profit growth of 7.4% with growth achieved across all divisions:
  - **Uniphar Pharma**: 20.5% gross profit growth of which 20.2% is organic. This strong performance highlights our operational capabilities in the On Demand business coupled with an excellent performance in Pharma Services.
  - **Uniphar Supply Chain & Retail**: 8.1% gross profit growth of which 3.0% is organic. The division continues to perform well capitalising on robust market demand and our strong customer service offering.
  - **Uniphar Medtech**: 3.4% gross profit growth, all of which is delivered organically. This growth is delivered on the back of a very strong comparator in 2023 with full year growth for 2024 expected to be in line with medium-term targets.

- Robust cash flow performance with reported free cash flow conversion of 144%. When adjusted for temporary working capital benefits in June 2024, the adjusted free cash flow is within our target range of 60% - 70%

working capital benefits in June 2024, the adjusted free cash flow is within our target range of 60% - 70%. The favourable working capital timing benefits arise from the growth in the Pharma Services business unit that has led to an increase in prepayments on certain programmes.

- Net bank debt fell in the period to €143.6m from €149.9m in December 2023 representing a leverage multiple of 1.5x. The Group's strong Balance Sheet provides long-term strategic and financial flexibility with a revolving credit facility of €400m together with an additional uncommitted accordion facility of €150m.

- The new divisional structure announced in 2023 has enabled the divisions to capitalise on the attractive growth opportunities in our target markets and better align with our customers and stakeholders during this next phase of growth.

- M&A remains an objective of the Group in delivering its medium-term growth targets with the Group continuing to maintain an active pipeline of opportunities. The acquisition of the McCauleys Pharmacy Group was completed in 2023 and is now integrated into the Group, delivering expected synergies and elevating our retail pharmacy offering.

- The Group's strategic capital expenditure in a state-of-the-art distribution facility in Ireland in addition to the technology investment programme continue to progress well. Once completed, the investment will provide the infrastructure to meet growing market demands by doubling existing capacity levels and future proofing the market leading Supply Chain & Retail division whilst also enabling us to scale our global pharma platform.

- Sustainability remains a key focus for the Group and progress continues to be made across the five sustainability pillars that define our approach. SBTi targets have been validated in 2024 with our climate ambition of at least a 50% reduction in our absolute Scope 1 & 2 emissions by 2030.

**Ger Rabbette, Uniphar Group Chief Executive Officer said:**

*"Uniphar has delivered a strong first half, with gross profit growth of almost 10% year on year. We are seeing the benefit of the hard work we have put in recently to build the foundations for the next stage of growth. The strategic investments we are making in infrastructure and IT will further improve our ability to generate organic growth and give us a stronger platform for integrating and achieving synergies from new acquisitions. We are confident that we will achieve our ambitious target of €200m EBITDA in the medium-term."*

**Analyst presentation**

A conference call for investors and analysts will be held at 9am (BST), today, 3 September 2024. Analysts and investors who wish to participate should visit www.uniphar.ie to register.

A copy of the presentation and announcement will be available on our website at the time of the call.

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**Cautionary statement**

*This announcement contains certain projections and other forward-looking statements with respect to the financial condition, results of operations, businesses, and prospects of the Uniphar Group. These statements are based on current expectations and involve risk and uncertainty because they relate to events and depend upon circumstances that may or may not occur in the future. There are a number of factors which could cause actual results or* *that may or may not occur in the future. There are a number of factors which could cause actual results or developments to differ materially from those expressed or implied by these projections and forward-looking statements. Any of the assumptions underlying these projections and forward-looking statements could prove inaccurate or incorrect and therefore any results contemplated in the projections and forward-looking statements may not actually be achieved. Recipients are cautioned not to place undue reliance on any projections and forward-looking statements contained herein. Except as required by law or by any appropriate regulatory authority, the Uniphar Group undertakes no obligation to update or revise (publicly or otherwise) any projection or forward-looking statement, whether as a result of new information, future events or other circumstances.*

## About Uniphar plc

Headquartered in Dublin, Ireland, Uniphar is an international diversified healthcare services business servicing the requirements of more than 200 multinational pharmaceutical and medical technology manufacturers across three divisions - Uniphar Pharma, Uniphar Medtech and Uniphar Supply Chain & Retail. The Group is active in Europe, North America, APAC and MENA and delivers to 160+ countries.

The Company's vision is to improve patient access to pharmaco-medical products and treatments by enhancing connectivity between manufacturers and healthcare stakeholders. Uniphar represents a strong combination of scale, growth, and profitability.

**Uniphar Supply Chain & Retail**

Uniphar Supply Chain & Retail is the leading pharmaceutical wholesaler in Ireland with a growing symbol group offering of retail pharmacies. The Group's strategy for Uniphar Supply Chain & Retail is to grow our wholesale market share, our symbol group network and our own brand, in-licenced and consumer products portfolio.

**Uniphar Medtech**

Uniphar Medtech is a leading pan-European medical device distributor and solutions partner. The Group's strategy for Uniphar Medtech is to grow our service offering across Europe and expand our addressable market by serving new specialities and new manufacturers.

**Uniphar Pharma**

Uniphar Pharma operates a global business with high value services across the lifecycle of a pharmaceutical product. We enable pharma and biotech companies to bring innovative medicines to global markets and provide healthcare professionals with access to medicines they can't source through traditional channels. Our strategy is to build a leading platform to provide the specialist support and expertise needed to improve access to these medicines.

## Overview

Uniphar Group has delivered another strong performance in the first six months of 2024 achieving growth in gross profit and EBITDA. The Group grew gross profit by 9.9% which translated into EBITDA growth of 6.3%. The majority of the gross profit growth was achieved organically at 7.4% with the remainder due to acquisitions completed in the prior year. Importantly, the growth was achieved right across the Group with each division delivering organic gross profit growth.

Uniphar Pharma delivered an excellent performance with gross profit growth of 20.5% with both the On Demand and Pharma Services business units driving that growth. Uniphar Supply Chain & Retail achieved another robust performance with 8.1% gross profit growth. Excluding the impact of the McCauley Pharmacy Group acquisition, organic growth of 3.0% represents consistent growth across the division. Uniphar Medtech achieved 3.4% gross profit growth against a very strong comparator in the prior period and is confident of delivering growth in line with its medium-term target over the full year.

EBITDA has increased by 6.3% (€3.3m) to €55.9m (June 2023: €52.6m) reflecting primarily the organic growth achieved across all divisions in addition to the impact of the 2023 acquisitions. This growth at the gross profit level is partially offset with the continued investment in our teams, technology and new business opportunities which will support the delivery of the Group's medium-term objectives. Adjusted EPS of 8.1 cent is 0.1 cent (1.3%) ahead of June 2023 reflecting the increased operating profits arising from organic growth and acquisitions in the prior period partially offset by increased financing costs in the period.

Return on capital employed (ROCE) for the rolling 12-month period closed at 14.7% (June 2023: 14.7%) and is at the upper end of the Group's medium-term target of 12-15%. The reported ROCE is reflective of the investment in strategic capital expenditure that will deliver improved growth and returns in the medium term.

Technology and innovation have enabled the Group to achieve the strong market positions it has attained over recent years. Ongoing investment in technology is critical for the Group to remain the leader in our markets and deliver on our medium-term objectives. The previously announced investments in a new distribution facility in Ireland and technology upgrade programme will future proof our market leading Supply Chain and Retail division whilst enabling us to scale our Pharma platform. The project is progressing to plan with implementation scheduled to be delivered initially in a non-live environment which significantly reduces the risk on the programme.

The Group's Balance Sheet remains robust with net bank debt of €143.6m and leverage of 1.5x being well below the Group's medium-term target of not exceeding 2.5x. This strong cash performance includes the impact of favourable temporary cash flow timing movements arising from the growth in the Pharma Services business unit that has led to an increase in prepayments on certain programmes. The cash performance is notwithstanding the significant investment the Group made in strategic capital expenditure in the period. The Group's banking facility consists of a €400m revolving credit facility and €150m of an uncommitted accordion facility that supports a robust Balance Sheet to provide the Group with long-term strategic and financial flexibility.

The Group remains focused on delivering its medium-term targets outlined in 2023, specifically the ambition to double EBITDA to €200m over the period. These interim results represent progress towards that target and demonstrate the confidence and commitment of our people in achieving our medium-term objectives. Our management team have the track record of delivering on commitments and we are confident we have the right strategy, the best people and the market opportunity to continue to deliver for our stakeholders.

## Sustainability

Sustainability remains a key focus for the Group and a core principle of how we operate day-to-day. The Group has identified five sustainability pillars that define our approach and we continue to make progress against each of the pillars.

In April 2024 SBTi (Science Based Targets Initiative) validated the science-based greenhouse gas emissions reduction targets submitted by Uniphar plc to reduce absolute Scope 1 & 2 emissions by at least 50% by 2030. Furthermore, as part of our commitment to SBTi we have also submitted a target that over 70% of our suppliers (by emissions) covering purchased goods and services will have science-based targets for emissions by 2027. In order to achieve this, we have commenced an active supplier engagement programme in the period.

The Group's commitment to sustainability is reflected in our ongoing support of the 100 Million Trees project for the 2023/2024 planting season throughout Ireland. The Group also continues to focus on maintaining strong ratings from external rating agencies with our most recent ratings with CDP being "B" and MSCI being "AAA".

### Current trading

Uniphar enters the second half of this year with strong trading momentum remaining confident of delivering on current year EPS expectations with the Group continuing to perform in line with the Board's expectations.

## Outlook

Uniphar remains well positioned to achieve continued gross profit growth in each division in line with our medium-term targets and is confident of delivering on current market expectations for the full year.

The Group announced an ambitious target in 2023 to grow Group EBITDA to €200m over the medium-term. This target will be achieved through a combination of strong organic growth across each division complemented by earnings accretive M&A.

The medium-term targets for gross profit growth announced in 2023 also remain unchanged:
- Uniphar Pharma: Double digit
- Uniphar Medtech: High-single digit
- Uniphar Supply Chain & Retail: Low-single digit

Disciplined capital allocation remains a focus for the Group and M&A is expected to continue to play an important role in Uniphar's growth strategy. The Group has an active pipeline of acquisition opportunities to add further capability to our existing platform.

In addition to the headline EBITDA growth target, the Group's broader medium-term guidance is as follows:
- Target ROCE of 12% - 15%
- Adjusted free cash flow conversion of 60% - 70%
- Progressive dividend policy
- Net bank debt / EBITDA not to exceed 2.5x

### Acquisitions and integration update

Uniphar continues to evaluate potential acquisition opportunities and maintains an active pipeline of opportunities to further expand our capability and geographic reach. The Group maintains a disciplined approach to capital allocation and remains committed to ensuring capital is deployed in investments that deliver a Return on Capital Employed within our target range of 12% - 15% within three years.

### Strategic capital expenditure

Uniphar's track record of investment in technology has been a critical enabler of the Group's transformational growth journey to date. As previously announced, the Group has commenced a multi-year strategic investment programme in an Irish-based distribution facility together with the IT platform to maximise the efficiency of the facility. This facility will incorporate the latest technologies to enable the business to drive operational efficiencies and provide the infrastructure to double current capacity levels in the Supply Chain & Retail division. The IT investment will provide the foundation to future proof this market-leading division whilst enabling us to scale our global pharma platforms and is a key component in achieving our medium-term target of €200m EBITDA. The investment programme is progressing in line with plan.

### Principal Risks and Uncertainties

The Group's Risk Management Policy provides the framework to identify, assess, monitor, and manage the risks associated with the Group's business. It is designed to enable the Group to meet its business objectives by appropriately managing, rather than eliminating, these risks. The principal risks & uncertainties faced by the Group can be found in the 2023 Annual Report on pages 66 to 70. A copy of the Annual Report can be downloaded from our can be found in the 2023 Annual Report on pages [illegible]. A copy of the Annual Report can be downloaded from our website www.uniphar.ie.

## 2024 Highlights

The Group continues to ensure that the risk management framework is integrated in the day-to-day activities across the business. During the period ended 30 June 2024, the Group carried out the following:

- Reviewed the Group Risk Register, updating for all the key risks facing the Group at this time; and
- Performed a review of emerging and new risks, in particular economic and geopolitical risk.

The key principal risks and uncertainties faced by the Group are summarised as follows:

### Strategic Risks

- Economic and geopolitical risk - The global macroeconomic, regulatory, political, and legal environment may impact the markets in which we operate and in turn our client and supplier base. This may adversely affect the financial and operational results of the Group.
- M&A & strategic growth - Growth through acquisition and organic growth into both existing and new markets continues to remain a key strategy for the Group. Failure to integrate acquisitions successfully along with increased operational complexity in new markets may directly impact the Group's projected growth.
- Key personnel & succession planning - Failure to attract, retain and develop the skills and expertise of its people may adversely impact the Group's performance especially in constrained labour markets.
- Market perception & reputational risk - Failure to deliver in line with market expectations may result in reputational damage, impacting the Group's ability to achieve its strategic targets.
- Loss of competitive position - Failure of the Group to respond to any changes in the environment in which it operates may result in loss of market share, which may put pressure on profitability and margins.
- Environment & sustainability - The increasing global focus on environmental and sustainability governance is recognised by the Group, and by its stakeholders. Failure to appropriately assess, monitor and manage the Group's impact on the environment and the communities in which it operates may result in reputational damage, impacting the Group's ability to deliver results. Furthermore, failure to comply with mandatory reporting obligations may impact the Group's financial and operational results.
- Transformational project execution - The Group has embarked on several transformational projects that will provide the platform and capacity to grow over the coming years. Failure of the Group to effectively deliver such projects may result in cost overruns or reputational damage impacting the Group's ability to deliver strategic targets.

### Operational Risks

- Cybercrime - Failure to protect against the ongoing threat of a cyber-attack could lead to a breach in security, impacting operations, financial transactions, and sensitive information. The knock-on impact from an attack on one of our business partners is also an area of risk for the Group.
- IT systems - Digital capabilities are a specific strategic offering of Uniphar. Any interruption or downtime may have a negative impact on the Group's operations, financial, and competitive positions.
- Business interruption - External factors such as natural disasters, environmental hazard or industrial disputes may result in potential lost sales and loss of customer loyalty.
- Health & safety - Failure to implement and follow proper health and safety procedures may have adverse effects on employees or patients.
- Laws, regulations & compliance - Failure to operate under any of the stringent laws and regulations the Group is subject to could result in financial penalties, reputational damage and a risk to business operations.

### Financial Risks

- Foreign currency - The Group's reporting currency is Euro. Exposure to foreign currency is present in the normal course of business in respect of the Group's operations in jurisdictions outside of the Eurozone.
- Treasury - The Group is exposed to liquidity, interest rate and credit risks. The Group is exposed to increases in interest rates and credit risks arising from changes to economic conditions.

## Business Reviews

### Uniphar Supply Chain & Retail

| Six months ended 30 June | 2024 €'000 | 2023 €'000 | Growth Reported | Growth Constant currency |
|---|---|---|---|---|
| Revenue | **890,859** | 831,683 | 7.1% | 7.1% |
| Gross profit | **95,291** | 88,189 | 8.1% | 8.1% |
| Gross profit margin % | **10.7%** | 10.6% | | |

**Overview**

The Supply Chain & Retail division comprises of our pre-wholesale and wholesale pharmaceutical distribution business, with approximately 1,900 community pharmacy customers and a vertically integrated model with 430 owned, franchised or supported pharmacies. Uniphar holds c.54% of the current wholesale market share and is an essential part of the national health infrastructure in Ireland.

**H1 2024 performance**

The Supply Chain & Retail division provides a market-leading service offering and product range to our customers which is demonstrated by another period of growth. Each of the three components of the vertically integrated business grew in the period and continues to deliver on their objectives.

Key highlights from the period include:

- 8.1% growth in gross profit of which 3.0% is organic growth.
- Continued growth in gross profit margin to 10.7% (June 2023: 10.6%).
- Good category growth in high tech and GLP-1 medicines capitalising on product category trends.
- Continued strong growth across the retail estate as the largest retail operator in Ireland.
- First year of a multi-year strategic investment programme to expand capacity in the division progressing to plan.

**Supply Chain**
The Wholesale business supplies critical medicines to pharmacies and hospitals in Ireland efficiently, reliably and securely to positively impact the health of patients and their families. The business performed well in the period, growing gross profit as a result of volume growth in the market combined with market share growth. Medicine shortages continue to be a feature of the market but have stabilised compared to the challenges seen in recent years. The pre-wholesale business supports pharmaceutical manufacturers with tailored and innovative distribution solutions to bring their products to the Irish market. This business performed well in the period driven by the underlying patient demand for innovative products especially high tech and GLP-1 medicines.

**Retail**
Our Retail pharmacy business comprises 430 pharmacies that are owned, franchised or supported by the Group. The business operates across four brands - Hickeys, McCauleys, Allcare and Life Pharmacy - and together form the largest pharmacy group in Ireland. As a vertically integrated business the Group is focused on leveraging its supplier relationships to continue to deliver market leading product offerings to meet its patient and consumer needs. The retail pharmacy business performed well in the period against the backdrop of challenging consumer sentiment. The retail business continues its digital journal with a key focus on enabling customers to fulfil their evolving healthcare needs online in a simple and easy to use manner.

**Outlook**
Supply Chain & Retail has consistently delivered sustained growth and innovation in recent years. The division is well positioned to deliver on its medium-term objective of low single-digit organic gross profit growth both in the current year and over the medium-term.

## Uniphar Medtech

| Six months ended 30 June | **2024 €'000** | 2023 €'000 | Growth Reported | Growth Constant currency |
|---|---|---|---|---|
| Revenue | **132,545** | 128,835 | 2.9% | 2.5% |
| Gross profit | **53,515** | 51,760 | 3.4% | 3.0% |
| Gross profit margin % | **40.4%** | 40.2% | | |

### Overview
Uniphar Medtech is the partner of choice for manufacturers seeking to bring innovative Medtech products to market. The division provides full end-to-end expertise across sales, service, marketing, quality, compliance, regulatory and market access across a pan-European platform. Our business represents the majority of the world's top medical device manufacturers where over half our employees are clinically trained professionals. The business is headquartered in Ireland with a presence in 16 markets primarily across Europe together with a bespoke offering in the US.

### H1 2024 Performance
Uniphar Medtech delivered gross profit growth of 3.4% in H1 2024, all of which was organic. This growth builds on a strong comparative in the prior period which was driven by the timing of some significant capital equipment sales in the period.

Key highlights from the period include:
- Gross profit growth of 3.4% all of which was delivered organically.
- Consistent gross profit margin of 40.4% (June 2023: 40.2%).
- Increase in number of manufacturers represented in more than one geography to 73 (June 2023: 72).
- Continued growth driven through the integration of our wider European platform.
- Division currently operating across 16 countries primarily in Europe (June 23: 15 countries).

### Division review
Uniphar Medtech has expertise across a wide range of specialisms with market leading positions in interventional cardiology/radiology, orthopaedics, ophthalmology, minimally invasive surgery, diagnostic imaging and critical care. Uniphar Medtech holds long-standing exclusive distribution agreements with some of the world's pre-eminent manufacturers of medical devices.

The Medtech business continues to execute on its strategic growth objective by leveraging existing manufacturer relationships into new clinical specialities, markets and geographies. The division now operates under the common Uniphar Medtech brand and platform across Europe providing the structure to support our customers across the continent. The division recently established a presence in the US with a bespoke offering to support our customers who wish to expand into that market.

### Outlook
The outlook for the Medtech division is strong as the business is well positioned to capitalise on the structural growth drivers in the industry. The first half of 2024 witnessed a number of key new deals being signed along with continued investment to drive future growth across all key markets. The division is confident of achieving its medium-term target of high-single digit organic gross profit growth and of delivering such growth in the current year.

## Uniphar Pharma

| Six months ended 30 June | **2024 €'000** | 2023 €'000 | Growth Reported | Growth Constant currency |
|---|---|---|---|---|
| Revenue | **344,174** | 279,064 | 23.3% | 22.6% |
| Gross profit | **57,891** | 48,043 | 20.5% | 20.1% |

| | | |
|---|---|---|
| Gross profit margin % | **16.8%** | 17.2% |

**Overview**
Uniphar Pharma is a global business that provides integrated high value services across the lifecycle of a pharmaceutical product. The business works with pharma and biotech companies to meet the challenges of today's healthcare market, whether it is bringing innovative medicines to global markets or providing healthcare professionals with access to medicines they cannot source through traditional channels.

**H1 2024 Performance**
Uniphar Pharma delivered very strong gross profit growth of 20.5%, with strong performances in both the On Demand and Pharma Services business units driven by market demand in addition to new business wins.

Key highlights from the period include:
- Strong gross profit growth of 20.5% of which 20.2% is organic growth.
- Expanded Access Programs (EAPs) continue to be a source of growth with 9 new EAPs awarded in the period and 98 in total.
- Growth in the On Demand business has been strong driven by demand for unlicenced, difficult to source and short supply medicines.
- The division continues to expand internationally with 70% of the division's gross profit generated outside of Ireland.

**On Demand**
The On Demand business is a leading supplier of unlicenced, difficult to source and short supply medicines to healthcare professionals globally. The business delivered a very strong performance in the period by effectively servicing customer demand for medicines that they were unable to source through traditional service channels. The business continues to expand its global platform and leverage its global sourcing capabilities. A focus for the business for the remainder of 2024 is to continue to expand its footprint into new European markets through the platform provided by the BModesto acquisition and the deep logistics knowledge from our Supply Chain & Retail division.

**Pharma Services**
Pharma Services focuses on meeting the needs of global pharma and biotech companies in bringing their innovative products to markets and patients around the world. Expanded Access Programs (EAPs) continue to demonstrate growth in both the number of EAPs and the scale and scope of existing programmes. The Pharma Services business also saw a number of new contracts awarded to provide bespoke service solutions to clients with the division continuing to gain good momentum in its commercialisation services pipeline. The Group's new purpose-built facility in North Carolina is now operational offering a range of services including clinical trial product sourcing and supply.

**Outlook**
Uniphar Pharma was reorganised and rebranded in 2023 and the integrated service offering has been well received by customers. The division's target over the medium-term is to deliver double digit organic gross profit growth and the performance in H1 2024 highlights the opportunity for the division. The division is confident of delivering organic gross profit growth for the full year in line with its medium-term target.

## Financial Review
### Summary financial performance

| | | | Growth | |
|---|---|---|---|---|
| **Six months ended 30 June** | **2024 €'000** | 2023 €'000 | Reported | Constant currency |
| ***IFRS measures*** | | | | |
| Revenue | **1,367,578** | 1,239,582 | 10.3% | 10.1% |
| Gross profit | **206,697** | 187,992 | 9.9% | 9.7% |
| Operating profit | **32,226** | 28,006 | 15.1% | 15.2% |
| Basic EPS (cent) | **5.6** | 5.5 | | |
| ***Alternative performance measures*** | | | | |
| Gross profit margin | **15.1%** | 15.2% | | |
| EBITDA | **55,901** | 52,611 | 6.3% | 6.3% |
| Adjusted EPS (cent) | **8.1** | 8.0 | | |
| Net bank debt | **(143,609)** | (178,045) | | |
| Return on capital employed | **14.7%** | 14.7% | | |

**Revenue and Gross Profit**
Revenue increased by 10.3% which was achieved through organic growth across the three divisions complemented by the full period impact of acquisitions completed in the prior year. Gross profit grew by 9.9% in the period with Gross profit margin remaining broadly consistent at 15.1%.

*Divisional gross profit*

| | | | Growth | |
|---|---|---|---|---|
| **Six months ended 30 June** | **2024 €'000** | 2023 €'000 | Reported | Constant Currency |
| Uniphar Supply Chain & Retail | **95,291** | 88,189 | 8.1% | 8.1% |
| Uniphar Medtech | **53,515** | 51,760 | 3.4% | 3.0% |
| Uniphar Pharma | **57,891** | 48,043 | 20.5% | 20.1% |
| | **206,697** | 187,992 | 9.9% | 9.7% |

### EBITDA

EBITDA has increased by €3.3m (6.3%) to €55.9m. This is driven by the organic growth in revenue and gross profit together with the impact of the acquisitions completed in the past year. Overheads have increased as a result of increased investment in people, technology and new business streams building the platform for the Group's next phase of growth.

### Exceptional items

Exceptional costs amounted to €3.9m for the period and primarily relate to redundancy and restructuring costs (€2.0m), professional fees associated with acquisitions (€1.2m), loss on disposal of businesses and assets (€0.4m), strategic business transformation costs (€0.3m), acquisition integration costs (€0.3m) and other costs (€0.1m). These costs are offset by an exceptional income tax expense credit (€0.4m). Further details are provided in note 3.

### Earnings per share

Basic earnings per share increased from 5.5 cent to 5.6 cent. The increase in earnings is primarily due to an increase in the profit attributable to owners of €0.4m in the period. The weighted average number of shares in the period is 273,015,000 (June 2023: 272,815,000). The weighted average number of ordinary shares in 2023 includes the effect of shares granted under the LTIP arrangement that have met the share price performance conditions but will not vest until 31 December 2024.

Adjusted earnings per share has increased from 8.0 cent to 8.1 cent reflecting the increased operating profits arising from organic growth and acquisitions in the prior period partially offset by increased financing costs in the period.

On a like for like basis, adjusted earnings per share increased from 8.0 cent to 8.1 cent by applying the weighted average number of shares as at June 2024 to both periods.

### Cash flow and net bank debt

Reported free cash flow conversion in the six months to 30 June 2024 was 143.8% (June 2023: 25.1%) reflecting temporary favourable working capital positions in 2024 arising from the timings of prepayments in the Uniphar Pharma division. The Group's net bank debt amounted to €143.6m at June 2024 reflecting a decrease from December 2023 of €6.3m primarily driven by favourable working capital movements offset by investments in strategic capital expenditure programmes in the period. During 2023, the Group exercised an option to purchase a property it leases in Citywest, Dublin which will result in an outflow of €31.2m once it proceeds to completion later in the year.

| **Six months ended 30 June** | **2024 €'000** | 2023 €'000 |
|---|---|---|
| Net cash inflow/(outflow) from operating activities | **64,527** | (12,996) |
| Net cash outflow from investing activities | **(44,053)** | (62,829) |
| Net cash (outflow)/inflow from financing activities | **(10,818)** | 27,585 |
| Foreign currency translation movement | **696** | 194 |
| **Increase/(Decrease) in cash and cash equivalents in the period** | **10,352** | (48,046) |
| Movement in restricted cash | **6** | - |
| Non-cash movement in borrowings | **(1,530)** | - |
| Cash flow from movement in borrowings | **(2,490)** | (38,782) |
| **Movement in net bank debt** | **6,338** | (86,828) |

The cash inflow from operating activities of €64.5m in 2024 is reflective of the underlying profitability of the business supported by significant temporary favourable working capital movements as outlined above partly offset by higher levels of interest payments compared to 2023. When adjusted for the temporary timing positions, the adjusted free cash flow is within our target range of 60-70%.

The net cash outflow from investing activities of €44.1m primarily consists of capital investments (€35.4m) and payment of deferred contingent consideration (€8.6m). Of the capital investments, €28.7m is strategic in nature primarily relating to the strategic investment in a new distribution facility and ERP system.

The net cash outflow from financing activities of €10.8m is primarily due to outflows of lease principal payments (€9.6m) and dividend payments (€3.2m) offset by net inflows from borrowings and invoice discounting facilities of €2.5m.

### Taxation

The tax expense excluding exceptional items in the period is €4.2m and equates to an effective tax rate of 17.8%. This compares to an expense of €4.0m in the same period last year with an effective tax rate of 17.5%. The increase in the effective tax rate of 0.3% is reflective of the mix of financial performance in different tax jurisdictions. The effective tax rate is calculated as the income tax charge for the period as a percentage of the profit before tax and exceptional items.

### Foreign exchange

The Group's expansion into new geographies, and the continued growth in existing geographies operating outside of the Eurozone, results in the primary foreign exchange exposure for the Group being the translation of local Income Statements and Balance Sheets into Euro for Group reporting purposes.

On a constant currency basis, revenue increased by 10.1% (vs 10.3% reported growth), gross profit increased 9.7% (vs reported growth 9.9%) and operating profit increased by 15.2% (vs 15.1% reported growth).

| | **H1 2024 Average** | H1 2023 Average |
|---|---|---|
| GBP | **0.8546** | 0.8764 |
| US Dollar | **1.0812** | 1.0804 |
| Australian Dollar | **1.6420** | 1.5977 |
| [illegible] | [illegible] | [illegible] |

| | | |
|---|---|---|
| Swedish Krona | **11.389** | 11.326 |

**Return on capital employed**
Return on capital employed for the rolling 12-month period closed at 14.7% (June 2023: 14.7%) performing in line with the Group's medium-term target. The reduction of 0.5% since December 2023 (15.2%) reflects the increased investment by the Group in strategic capital expenditure that will deliver growth to the Group in the medium term.

**Dividends**
A final dividend of €3.2m relating to 2023 was paid in May 2024. The Board has committed to a progressive dividend policy and, reflective of this, a 2024 interim dividend of €0.0067 per ordinary share has been declared. It is proposed to pay the dividend on 4 October 2024 to ordinary shareholders on the Company's register on 13 September 2024.

In accordance with company law and IFRS, these dividends have not been provided for in the Balance Sheet at 30 June 2024.

## Statement of Directors' responsibilities

The Directors confirm to the best of their knowledge that the condensed consolidated interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting, as adopted by the EU, and to the best of their knowledge and belief:

a) the condensed consolidated interim financial statements comprising the Condensed Consolidated Group Income Statement, the Condensed Consolidated Group Statement of Comprehensive Income, the Condensed Consolidated Group Balance Sheet, the Condensed Consolidated Group Statement of Changes in Equity and the Condensed Consolidated Group Cash Flow Statement and related notes have been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the EU, and are prepared in order to comply with the Euronext Growth Market Rule Book and AIM Rules for Companies;

b) the interim results include a fair review of the important events that have occurred during the first six months of the financial year and their impact on the condensed consolidated interim financial statements for the half year ended 30 June 2024.

On behalf of the Board

M. Pratt G. Rabbette

2 September 2024

pwc

# *Independent review report to Uniphar plc*

## Report on the condensed consolidated interim financial statements

### Our conclusion

We have reviewed Uniphar plc's condensed consolidated interim financial statements (the "interim financial statements") in the 2024 Interim results of Uniphar plc for the six month period ended 30 June 2024 (the "period").

Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements are not prepared, in all material respects, in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the European Union.

The interim financial statements, comprise:

- the Condensed Consolidated Group Balance Sheet as at 30 June 2024;
- the Condensed Consolidated Group Income Statement for the period then ended;
- the Condensed Consolidated Group Statement of Comprehensive Income for the period then ended;
- the Condensed Consolidated Group Cash Flow Statement for the period then ended;
- the Condensed Consolidated Group Statement of Changes in Equity for the period then ended; and

(a) the explanatory notes to the interim financial statements.

The interim financial statements included in the 2024 Interim results have been prepared in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the European Union.

As disclosed in note 1 to the interim financial statements, the financial reporting framework that has been applied in the preparation of the full annual financial statements of the group is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Standards (IFRSs) as adopted by the European Union.

## Basis for conclusion

We conducted our review in accordance with International Standard on Review Engagements (Ireland) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' ("ISRE (Ireland) 2410") issued for use in Ireland. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (Ireland) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We have read the other information contained in the 2024 Interim results and considered whether it contains any apparent misstatements or material inconsistencies with the information in the interim financial statements.

## Conclusions relating to going concern

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis for conclusion section of this report, nothing has come to our attention to suggest that the directors have inappropriately adopted the going concern basis of accounting or that the directors have identified material uncertainties relating to going concern that are not appropriately disclosed.

This conclusion is based on the review procedures performed in accordance with ISRE (Ireland) 2410. However future events or conditions may cause the group to cease to continue as a going concern.

## Responsibilities for the interim financial statements and the review

*Our responsibilities and those of the directors*

The 2024 Interim results, including the interim financial statements, is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the 2024 Interim results in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the European Union. In preparing the 2024 Interim results including the interim financial statements, the directors are responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or to cease operations, or have no realistic alternative but to do so.

Our responsibility is to express a conclusion on the interim financial statements in the 2024 Interim results based on our review. Our conclusion, including our Conclusions relating to going concern, is based on procedures that are less extensive than audit procedures, as described in the Basis for conclusion paragraph of this report. This report, including the conclusion, has been prepared for and only for the company for management purposes and for no other purpose. We do not, in giving this conclusion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

PricewaterhouseCoopers
Chartered Accountants
2 September 2024
Dublin

Notes:

The maintenance and integrity of the Uniphar plc's website is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

(b) Legislation in the Republic of Ireland governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

## Condensed Consolidated Group Income Statement
**for the six months ended 30 June 2024**

| | | **Six months ended 30 June 2024** | | | **Six months ended 30 June 2023** | | |
|---|---|---|---|---|---|---|---|
| | | **Pre-exceptional** | **Exceptional (Note 3)** | **Total** | Pre-exceptional | Exceptional (Note 3) | Total |
| | | **Unaudited** | **Unaudited** | **Unaudited** | Unaudited | Unaudited | Unaudited |
| | Notes | **€'000** | **€'000** | **€'000** | €'000 | €'000 | €'000 |
| **Revenue** | 2 | **1,367,578** | **-** | **1,367,578** | 1,239,582 | - | 1,239,582 |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Cost of sales | | **(1,160,881)** | **-** | **(1,160,881)** | (1,051,590) | - | (1,051,590) |
| **Gross profit** | | **206,697** | **-** | **206,697** | 187,992 | - | 187,992 |
| Selling and distribution costs | | **(40,369)** | **-** | **(40,369)** | (38,912) | - | (38,912) |
| Administrative expenses | | **(130,153)** | **(3,842)** | **(133,995)** | (115,177) | (4,643) | (119,820) |
| Other operating income / (expense) | | **272** | **(379)** | **(107)** | 166 | (1,420) | (1,254) |
| **Operating profit** | | **36,447** | **(4,221)** | **32,226** | 34,069 | (6,063) | 28,006 |
| Finance cost | 4 | **(13,870)** | **-** | **(13,870)** | (11,439) | 1,654 | (9,785) |
| Finance income | 4 | **853** | **-** | **853** | 170 | - | 170 |
| **Profit before tax** | | **23,430** | **(4,221)** | **19,209** | 22,800 | (4,409) | 18,391 |
| Income tax expense | 5 | **(4,180)** | **357** | **(3,823)** | (3,987) | 615 | (3,372) |
| **Profit for the financial period** | | **19,250** | **(3,864)** | **15,386** | 18,813 | (3,794) | 15,019 |
| ***Attributable to:*** | | | | | | | |
| Owners of the parent | | | | **15,371** | | | 15,012 |
| Non-controlling interests | | | | **15** | | | 7 |
| **Profit for the financial period** | | | | **15,386** | | | 15,019 |
| **Basic and diluted earnings per share (in cent)** | 6 | | | **5.6** | | | 5.5 |

## Condensed Consolidated Group Statement of Comprehensive Income
**for the six months ended 30 June 2024**

| | **Six months ended 30 June 2024 Unaudited €'000** | Six months ended 30 June 2023 Unaudited €'000 |
|---|---|---|
| **Profit for the financial period** | **15,386** | 15,019 |
| **Other comprehensive income:** | | |
| *Items that may be reclassified to the Income Statement:* | | |
| Unrealised foreign currency translation adjustments | **2,957** | 943 |
| **Total comprehensive income for the financial period** | **18,343** | 15,962 |
| ***Attributable to:*** | | |
| Owners of the parent | **18,328** | 15,955 |
| Non-controlling interests | **15** | 7 |
| **Total comprehensive income for the financial period** | **18,343** | 15,962 |

## Condensed Consolidated Group Balance Sheet
**as at 30 June 2024**

| | Notes | **30 June 2024 Unaudited €'000** | 31 December 2023 Audited €'000 |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | | |
| Intangible assets - goodwill | 8 | **521,581** | 517,087 |
| Intangible assets - other assets | 8 | **51,953** | 44,565 |
| Property, plant and equipment, and right-of-use assets | 9 | **251,038** | 206,700 |
| Financial assets - Investments in equity instruments | | **25** | 25 |
| Deferred tax asset | 5 | **15,145** | 11,792 |
| Other receivables | | **1,284** | 1,458 |
| **Total non-current assets** | | **841,026** | 781,627 |
| **Current assets** | | | |
| Inventories | | **197,839** | 184,549 |
| Trade and other receivables | | **287,239** | 237,560 |
| Cash and cash equivalents | | **96,004** | 85,652 |
| Restricted Cash | | **179** | 173 |
| **Total current assets** | | **581,261** | 507,934 |
| **Total assets** | | **1,422,287** | 1,289,561 |

| | | | |
|---|---|---|---|
| **EQUITY** | | | |
| **Capital and reserves** | | | |
| Called up share capital presented as equity | 10 | **21,841** | 21,841 |
| Share premium | | **176,501** | 176,501 |
| Share based payment reserve | | **5,014** | 3,542 |
| Other reserves | | **5,662** | 2,705 |
| Retained earnings | | **141,041** | 128,213 |
| **Attributable to owners** | | **350,059** | 332,802 |
| Attributable to non-controlling interests | 11 | **128** | 818 |
| **Total equity** | | **350,187** | 333,620 |
| | | | |
| **LIABILITIES** | | | |
| **Non-current liabilities** | | | |
| Borrowings | 12 | **239,184** | 222,604 |
| Deferred contingent consideration | 13 | **27,698** | 31,538 |
| Provisions | | **1,777** | 1,752 |
| Lease obligations | 14 | **158,394** | 126,083 |
| **Total non-current liabilities** | | **427,053** | 381,977 |
| | | | |
| **Current liabilities** | | | |
| Borrowings | 12 | **608** | 13,168 |
| Deferred contingent consideration | 13 | **40,791** | 43,523 |
| Lease obligations | 14 | **20,051** | 20,134 |
| Trade and other payables | | **577,787** | 490,283 |
| Corporation tax | | **5,810** | 6,856 |
| **Total current liabilities** | | **645,047** | 573,964 |
| **Total liabilities** | | **1,072,100** | 955,941 |
| **Total equity and liabilities** | | **1,422,287** | 1,289,561 |

## Condensed Consolidated Group Statement of Changes in Equity
**for the six months ended 30 June 2024**

| | | | | Other Reserves | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Share capital | Share premium | Share based payment reserve | Foreign currency translation reserve | Revaluation reserve | Capital redemption reserve | Retained earnings | Attributable to non-controlling interests | Total Equity |
| | €000 | €000 | €000 | €000 | €000 | €000 | €000 | €000 | €000 |
| At 1 January 2023 | 21,841 | 176,501 | 718 | 1,248 | 700 | 60 | 88,476 | 239 | 289,783 |
| Profit for the financial period | - | - | - | - | - | - | 15,012 | 7 | 15,019 |
| *Other comprehensive income:* | | | | | | | | | |
| Movement in foreign currency translation reserve | - | - | - | 943 | - | - | - | - | 943 |
| *Transactions recognised directly in equity:* | | | | | | | | | |
| Movements in share-based payment reserve | - | - | 1,485 | - | - | - | - | - | 1,485 |
| Dividends paid (Note 7) | - | - | - | - | - | - | (3,085) | - | (3,085) |
| **At 30 June 2023 Unaudited** | 21,841 | 176,501 | 2,203 | 2,191 | 700 | 60 | 100,403 | 246 | 304,145 |
| At 1 January 2024 | **21,841** | **176,501** | **3,542** | **1,945** | **700** | **60** | **128,213** | **818** | **333,620** |
| Profit for the financial period | **-** | **-** | **-** | **-** | **-** | **-** | **15,371** | **15** | **15,386** |
| *Other comprehensive income:* | | | | | | | | | |
| Movement in foreign currency translation reserve | **-** | **-** | **-** | **2,957** | **-** | **-** | **-** | **-** | **2,957** |
| *Transactions recognised directly in equity:* | | | | | | | | | |
| Movements in share-based | **-** | **-** | **1,472** | **-** | **-** | **-** | **-** | **-** | **1,472** |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| payment reserve | | | | | | | | | |
| Purchase of non-controlling interest (Note 11) | - | - | - | - | - | - | 705 | (705) | - |
| Dividends paid (Note 7) | - | - | - | - | - | - | (3,248) | - | (3,248) |
| **At 30 June 2024 Unaudited** | **21,841** | **176,501** | **5,014** | **4,902** | **700** | **60** | **141,041** | **128** | **350,187** |

## Condensed Consolidated Group Cash Flow Statement
**for the six months ended 30 June 2024**

| | Notes | **Six months ended 30 June 2024 Unaudited €'000** | Six months ended 30 June 2023 Unaudited €'000 |
|---|---|---|---|
| **Operating activities** | | | |
| Cash inflow from operating activities | 15 | **84,262** | 3,770 |
| Interest paid | | **(9,763)** | (7,059) |
| Interest received | | **853** | 170 |
| Interest paid on lease liabilities | 14 | **(2,903)** | (2,308) |
| Corporation tax payments | | **(7,922)** | (7,569) |
| **Net cash inflow/(outflow) from operating activities** | | **64,527** | (12,996) |
| **Investing activities** | | | |
| Payments to acquire property, plant and equipment - Maintenance | | **(4,320)** | (2,426) |
| Payments to acquire property, plant and equipment - Strategic projects | | **(19,073)** | (7,379) |
| Receipts from disposal of property, plant and equipment | | **44** | 1,061 |
| Receipts from disposal of businesses (net of cash disposed and disposal expenses) | | **75** | 745 |
| Payments to acquire intangible assets - Maintenance | | **(2,368)** | (1,209) |
| Payments to acquire intangible assets - Strategic projects | | **(9,630)** | (2,990) |
| Payments to acquire subsidiary undertakings (net of cash acquired) | | **-** | (23,369) |
| Repayment of debt acquired on acquisition of subsidiary undertakings | | **-** | (22,664) |
| Payments on prior year acquisitions | | **(157)** | (561) |
| Payment of deferred and deferred contingent consideration | | **(8,624)** | (4,137) |
| Receipt of deferred consideration receivable | | **-** | 100 |
| **Net cash outflow from investing activities** | | **(44,053)** | (62,829) |
| **Financing activities** | | | |
| Proceeds from borrowings | | **15,050** | 30,000 |
| Repayments of borrowings | | **-** | (434) |
| (Decrease)/Increase in invoice discounting facilities | | **(12,560)** | 9,216 |
| Movement in restricted cash | | **(6)** | - |
| Payment of dividends | 7 | **(3,248)** | (3,085) |
| Acquisition of further equity in subsidiaries | | **(470)** | - |
| Principal element of lease payments | 14 | **(9,584)** | (8,112) |
| **Net cash (outflow)/inflow from financing activities** | | **(10,818)** | 27,585 |
| Increase/(Decrease) in cash and cash equivalents in the period | | **9,656** | (48,240) |
| Foreign currency translation of cash and cash equivalents | | **696** | 194 |
| Opening balance cash and cash equivalents | | **85,652** | 103,704 |
| **Closing balance cash and cash equivalents** | 16 | **96,004** | 55,658 |

## Notes to the Consolidated Financial Statements
### 1. General information

**Basis of preparation**

The condensed consolidated interim financial statements of Uniphar plc and its subsidiaries (the 'Group') have been prepared in accordance with IAS 34, Interim Financial Reporting, as endorsed by the European Union.

The financial information in the condensed interim consolidated financial statements has been prepared on a basis consistent with that adopted for the year ended 31 December 2023. The accounting policies applied in the interim financial statements are the same as those applied in the 2023 Annual Report.

The Group's auditors have reviewed, not audited, the condensed consolidated interim financial statements contained in this report. These interim financial statements are prepared in order to comply with the Euronext Growth Market Rule Book and AIM Rules for Companies and are not statutory financial statements as they do not include all of the information required for full annual financial statements and should be read in conjunction with the Uniphar Group Annual Report (statutory financial statements) for the year ended 31 December 2023. The audit report on those statutory financial statements was unqualified and did not contain any matters to which attention was drawn by way of emphasis.

The preparation of interim financial statements in compliance with IAS 34 requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the interim financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. The areas involving a high degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in the Group's Annual Report for the year ended 31 December 2023 in note 1 on pages 148 to 149.

The Group's interim financial statements are prepared for the six-month period ended 30 June 2024. The interim financial statements incorporate the Company and all of its subsidiary undertakings. A subsidiary undertaking is consolidated by reference to whether the Group has control over the subsidiary undertaking. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity.

Uniphar plc is incorporated in the Republic of Ireland under registration number 224324 with a registered office at 4045 Kingswood Road, Citywest Business Park, Co. Dublin, D24 V06K.

### Going Concern

The Group Condensed Consolidated Interim Financial Statements have been prepared on the going concern basis of accounting. The Directors have made appropriate enquiries and carried out a thorough review of the Group's forecasts, projections, and available banking facilities taking account of committed outflows including deferred contingent consideration and committed capital expenditure. Consideration was also given to possible changes in trading performance and potential business risk. The forecasts indicate significant liquidity headroom will be maintained above the Group's borrowing facilities and applicable financial covenants will be met throughout the period.

The Group has a robust capital structure with strong liquidity, supported into the future by the banking facility, with a remaining term extending to August 2027 (with an option to extend by a further one year). The Group renewed and expanded its banking facility during 2022, to provide it with the platform to fund continued growth.

Having regard to the factors outlined above, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future, being a period of 12 months from the date of approval of these interim financial statements. As a result, the Directors consider that it is appropriate to continue to adopt the going concern basis in preparing the interim financial statements.

### New Standards, Amendments, and Interpretations

The following standards and interpretations are effective for the Group from 1 January 2024 but do not have a material effect on the results or financial position of the Group:

- Classification of Liabilities as Current or Non-current and Non-current liabilities with covenants - Amendments to IAS 1
- Supplier finance arrangements - Amendments to IAS 7 and IFRS 7
- Lease Liability in a Sale and Leaseback - Amendments to IFRS 16

### New Standards and Interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2024 reporting periods and have not been adopted by the Group. These standards are not expected to have a material effect on the results or financial position of the Group.

## 2. Revenue

| | **2024 €'000** | 2023 €000 |
|---|---|---|
| Revenue | **1,367,578** | 1,239,582 |

| | **2024 €'000** | 2023 €000 |
|---|---|---|
| Uniphar Supply Chain & Retail | **890,859** | 831,683 |
| Uniphar Medtech | **132,545** | 128,835 |
| Uniphar Pharma | **344,174** | 279,064 |
| **Total Revenue** | **1,367,578** | 1,239,582 |

***Segmental information***

Segmental information is presented in respect of the Group's geographical regions and operating segments. The operating segments are based on the Group's management and internal reporting structures.

***Geographical analysis***

The Group operates in three principal geographical regions being the Republic of Ireland, the Netherlands and the UK. The Group also operates in several other European countries, the US and Asia Pacific region which are not material for separate identification.

The following is a geographical analysis presented in accordance with IFRS 8 "Operating Segments" which requires disclosure of information about the country of domicile (Ireland) and countries with material revenue.

| | **2024 €'000** | 2023 €000 |
|---|---|---|

| | | |
|---|---|---|
| Ireland | **1,018,715** | 947,387 |
| UK | **133,326** | 74,455 |
| The Netherlands | **112,373** | 117,775 |
| Rest of the World (ROW) | **103,164** | 99,965 |
| | **1,367,578** | 1,239,582 |

***Operating segments***
IFRS 8 "Operating Segments" requires the reporting information for operating segments to reflect the Group's management structure and the way the financial information is regularly reviewed by the Group's Chief Operating Decision Maker (CODM), which the Group has defined as the Board of Directors.

The Group operates with three divisions: Uniphar Supply Chain & Retail, Uniphar Medtech and Uniphar Pharma. These divisions align to the Group's operational and financial management structures:

- Uniphar Supply Chain & Retail provides both pre-wholesale and wholesale distribution of pharmaceutical, healthcare and animal health products to pharmacies, hospitals and veterinary surgeons in Ireland. Uniphar operates a network of pharmacies under the Life, Allcare, Hickey's and McCauleys brands. Additionally, through the extended Uniphar symbol group, the business provides services and supports that help independent community pharmacies to compete more effectively;

- Uniphar Medtech provides outsourced services, specifically sales, distribution and support services to medical device manufacturers. The business is headquartered in Ireland with a presence in 16 markets primarily across Europe; and

- Uniphar Pharma operates a global business with high value services across the lifecycle of a pharmaceutical product. The business enables pharma and biotech companies to bring innovative medicines to global markets and provide healthcare professionals with access to medicines they cannot source through traditional channels. Our strategy is to build a leading platform to provide the specialist support and expertise needed to improve access to these medicines. The division operates through its On Demand and Pharma Services business units.

***Operating segments results***
The Group evaluates performance of the operational segments on the basis of gross profit from operations.

| | Uniphar Medtech | Uniphar Pharma | Uniphar Supply Chain & Retail | Total |
|---|---|---|---|---|
| | **Six months ended 30 June 2024** | | | |
| | **€'000** | **€'000** | **€'000** | **€'000** |
| Revenue | **132,545** | **344,174** | **890,859** | **1,367,578** |
| Gross profit | **53,515** | **57,891** | **95,291** | **206,697** |
| | **Six months ended 30 June 2023** | | | |
| | €'000 | €'000 | €'000 | €'000 |
| Revenue | 128,835 | 279,064 | 831,683 | 1,239,582 |
| Gross profit | 51,760 | 48,043 | 88,189 | 187,992 |

Assets and liabilities are reported to the Board at a Group level and are not reported on a segmental basis.

## 3. Exceptional charge

| | **2024** | 2023 |
|---|---|---|
| | **€'000** | €'000 |
| Professional fees including acquisition costs | **1,167** | 824 |
| Acquisition integration costs | **248** | 1,729 |
| Redundancy and restructuring costs | **2,026** | 1,007 |
| Strategic business transformation | **295** | 860 |
| Loss on disposal of businesses and assets | **379** | 1,420 |
| Other exceptional costs | **106** | 223 |
| **Exceptional charge recognised in operating profit** | **4,221** | 6,063 |
| Decrease in deferred contingent consideration | **-** | (1,654) |
| **Exceptional credit recognised in finance costs** | **-** | (1,654) |
| **Exceptional credit recognised in income tax expense** | **(357)** | (615) |
| **Total exceptional charge** | **3,864** | 3,794 |

***Professional fees including acquisition costs***
Professional fees including acquisition costs are primarily costs relating to recent acquisitions together with costs incurred on transactions under consideration in the period.

***Acquisition integration costs***
Acquisition integration costs primarily relate to costs incurred on the integration of recent acquisitions into the expanded Group. They also include professional fees relating to specialist industry and market insights to optimise the integration of recent acquisitions.

***Redundancy and restructuring costs***

Redundancy and restructuring costs include redundancy, ex-gratia and termination costs and other costs arising on reorganisations and recent acquisitions.

***Strategic business transformation***

Strategic business transformation are costs incurred associated with reorganising and establishing a strategic presence in the US market. The costs include initial setup costs, relocation costs and a long-term incentive plan associated with building a strategically significant business in the US market.

***Loss on disposal of businesses and assets***

On 1 March 2024 the Group disposed of 100% of the share capital of Duffy's Medical Hall Limited which traded as a retail pharmacy resulting in a loss on disposal of €379,000. In the period to 30 June 2023, the Group disposed of three retail pharmacy businesses along with a property asset resulting in a combined loss on disposal of €1,420,000.

***Exceptional credit recognised in income tax***

The tax credit recognised in the tax expense is the tax impact of the components of the Exceptional charge listed above.

## 4. Finance cost and Finance income

| | **2024** | 2023 |
|---|---|---|
| | **€'000** | €'000 |
| **Finance income** | | |
| Interest income | **(853)** | (170) |
| | **(853)** | (170) |
| | | |
| **Finance cost** | | |
| Interest on lease obligations | **2,903** | 2,308 |
| Interest payable on borrowings and invoice discounting facilities | **9,791** | 7,633 |
| Fair value adjustment to deferred and deferred contingent consideration | **961** | 1,283 |
| Amortisation of refinancing transaction fees | **215** | 215 |
| Finance cost before exceptional credit | **13,870** | 11,439 |
| | | |
| Decrease in fair value of deferred contingent consideration (note 3) | **-** | (1,654) |
| Exceptional credit recognised in finance cost | **-** | (1,654) |
| | **13,017** | 9,615 |

Finance costs do not include capitalised borrowing costs of €1,096,000 (2023: €187,000) on qualifying assets (Notes 8 and 9). Interest is capitalised at the Group's weighted average interest rate for the period.

## 5. Taxation

***Income tax expense***

Income tax expense is recognised based on management's estimate of the weighted average effective income tax rate expected for the full financial year taking into account financial performance in the various tax jurisdictions that the Group operates in. The effective income tax rate before exceptional items for the period ended 30 June 2024 is 17.8% (2023: 17.5%).

***OECD Pillar Two model***

The Group is within the scope of the OECD Pillar Two model rules which was enacted into Irish law on 18 December 2023 applying to accounting periods beginning on or after 1 January 2024. The Group will fall within the scope of Pillar Two legislation for the year ended 31 December 2024. Under the new legislation, groups will be liable to assess their effective tax rate (according to complex new rules) in each jurisdiction that they operate. If the effective tax rate in any jurisdiction is less than the 15% minimum rate, top-up taxes will be payable although they may be mitigated by certain safe harbour exemptions. Calculated effective tax rates can exceed a tax jurisdiction's statutory tax rate on account of items of accounting expenditure that do not qualify for tax deduction. The Group continues to monitor changes in tax law and is not expecting to pay top up taxes in the period ending 31 December 2024. The IASB issued amendments to IAS 12 in "International Tax Reform - Pillar Two Model Rules" in May 2023, providing an exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes. The Group continues to apply the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes.

***Deferred tax asset***

The movement in the deferred tax asset primarily reflects the Group's expected utilisation of tax losses associated with the parent company, Retail pharmacy and Pharma division businesses in Ireland and overseas. Carried forward tax losses can be used to shelter future taxable profits in the same business. In certain tax jurisdictions, current year tax losses can be surrendered to other tax profitable Group companies in the same tax jurisdiction at the time of tax return filing. The Directors expect that the Group's net deferred tax asset will be recoverable against future taxable income over the medium term.

## 6. Earnings per share

Basic and diluted earnings per share for the six months ended 30 June have been calculated by reference to the following:

| | **2024** | 2023 |
|---|---|---|
| Profit for the financial period attributable to owners (€'000) | **15,371** | 15,012 |

| | | |
|---|---|---|
| Weighted average number of shares ('000) | **273,015** | 272,815 |
| Earnings per ordinary share (in cent): | | |
| - Basic | **5.6** | 5.5 |
| - Diluted | **5.6** | 5.5 |

Adjusted earnings per share has been calculated by reference to the following:

| | **2024** **€'000** | 2023 €'000 |
|---|---|---|
| Profit for the financial period attributable to owners | **15,371** | 15,012 |
| Exceptional charge recognised in operating profit (note 3) | **4,221** | 6,063 |
| Exceptional credit recognised in finance costs (note 3) | **-** | (1,654) |
| Exceptional credit recognised in income tax (note 3) | **(357)** | (615) |
| Tax credit on acquisition related intangibles | **(190)** | (174) |
| Share-based payments | **1,472** | 1,485 |
| Amortisation of acquisition related intangibles (note 8) | **1,706** | 1,636 |
| **Profit after tax excluding exceptional items** | **22,223** | 21,753 |
| Weighted average number of shares in issue in the period (000's) | **273,015** | 272,815 |
| **Adjusted basic and diluted earnings per ordinary share (in cent)** | **8.1** | 8.0 |

The weighted average number of ordinary shares in 2023 includes the effect of shares granted under the LTIP arrangement that have met the share price performance conditions during the period but will not vest until 31 December 2024.

## 7. Dividends

A final dividend of €3.2m (€0.0119 per ordinary share) relating to 2023 was declared and paid in May 2024 (May 2023: €3.1m). Continuing with the Board's commitment to a progressive dividend policy, the Board declared a 2024 interim dividend of €0.0067 per ordinary share. It is proposed to pay the dividend on 4 October 2024 to ordinary shareholders on the Company's register on 13 September 2024.

In accordance with company law and IFRS, these dividends have not been provided for in the Balance Sheet at 30 June 2024.

## 8. Intangible assets

| | **Computer software €'000** | **Trademark & licences €'000** | **Goodwill €'000** | **Technology assets €'000** | **Brand Names €'000** | **Customer Relationships €'000** | **Total €'000** |
|---|---|---|---|---|---|---|---|
| **Cost** | | | | | | | |
| At 1 January 2024 | **54,718** | **204** | **535,796** | **3,432** | **22,185** | **3,207** | **619,542** |
| FX movement | **40** | **(1)** | **4,806** | **85** | **-** | **103** | **5,033** |
| Additions | **10,181** | **-** | **-** | **-** | **-** | **-** | **10,181** |
| Disposals/retirements | **(136)** | **-** | **(312)** | **-** | **-** | **-** | **(448)** |
| At 30 June 2024 | **64,803** | **203** | **540,290** | **3,517** | **22,185** | **3,310** | **634,308** |
| **Accumulated Amortisation** | | | | | | | |
| At 1 January 2024 | **30,676** | **164** | **18,709** | **1,844** | **4,466** | **2,031** | **57,890** |
| FX movement | **9** | **(1)** | **-** | **39** | **-** | **69** | **116** |
| Amortisation | **1,192** | **6** | **-** | **269** | **1,109** | **328** | **2,904** |
| Disposals/retirements | **(136)** | **-** | **-** | **-** | **-** | **-** | **(136)** |
| At 30 June 2024 | **31,741** | **169** | **18,709** | **2,152** | **5,575** | **2,428** | **60,774** |
| **Net book amounts** | | | | | | | |
| At 31 December 2023 | 24,042 | 40 | 517,087 | 1,588 | 17,719 | 1,176 | 561,652 |
| At 30 June 2024 | **33,062** | **34** | **521,581** | **1,365** | **16,610** | **882** | **573,534** |

Included in intangible assets are assets under construction with a net book value of €25,220,000 (31 December 2023: €16,663,000). Amortisation has not commenced on these assets.

| **Reconciliation to Balance Sheet** | **30 June 2024 €'000** | 31 December 2023 €'000 |
|---|---|---|
| Intangible assets- goodwill | **521,581** | 517,087 |
| Intangible assets- other assets | **51,953** | 44,565 |
| **Intangible assets total** | **573,534** | 561,652 |

**Impairment testing of goodwill**

**Impairment testing of goodwill**

Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. An impairment loss is recognised for the amount by which the carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (CGUs).

There is no material change to the circumstances that existed at 31 December 2023 and consequently no impairment indicators were identified. The Group's annual impairment assessment will be performed at 31 December 2024.

## 9. Property, plant and equipment, and right-of-use assets

| | Land and buildings €'000 | Leasehold improvements €'000 | Plant and equipment €'000 | Fixtures and fittings €'000 | Computer equipment €'000 | Motor vehicles €'000 | Instruments €'000 | Total €'000 |
|---|---|---|---|---|---|---|---|---|
| **Cost** | | | | | | | | |
| At 1 January 2024 | 182,562 | 26,538 | 54,447 | 15,337 | 8,389 | 8,238 | 7,731 | 303,242 |
| Foreign exchange movement | 493 | 106 | 149 | 82 | 21 | 39 | - | 890 |
| Additions | 40,794 | 5,350 | 10,006 | 460 | 1,314 | 1,164 | 501 | 59,589 |
| Disposals/retirements | (1,259) | (294) | (942) | (742) | (1,585) | (1,448) | (172) | (6,442) |
| At 30 June 2024 | **222,590** | **31,700** | **63,660** | **15,137** | **8,139** | **7,993** | **8,060** | **357,279** |
| **Accumulated depreciation** | | | | | | | | |
| At 1 January 2024 | 48,358 | 7,782 | 20,121 | 6,924 | 4,990 | 3,464 | 4,903 | 96,542 |
| Foreign exchange movement | 174 | 16 | 57 | 61 | 4 | 15 | - | 327 |
| Charge for the period | 8,476 | 1,012 | 1,525 | 1,078 | 698 | 1,360 | 929 | 15,078 |
| Disposals/retirements | (805) | (258) | (919) | (733) | (1,568) | (1,270) | (153) | (5,706) |
| At 30 June 2024 | **56,203** | **8,552** | **20,784** | **7,330** | **4,124** | **3,569** | **5,679** | **106,241** |
| **Net book value** | | | | | | | | |
| At 31 December 2023 | 134,204 | 18,756 | 34,326 | 8,413 | 3,399 | 4,774 | 2,828 | 206,700 |
| At 30 June 2024 | **166,387** | **23,148** | **42,876** | **7,807** | **4,015** | **4,424** | **2,381** | **251,038** |
| **Reconciliation to Balance Sheet** | | | | | | | | |
| Property, plant and equipment | 7,149 | 23,148 | 42,788 | 7,807 | 4,015 | 422 | 2,381 | 87,710 |
| Right-of-use assets | 159,238 | - | 88 | - | - | 4,002 | - | 163,328 |
| Net book value at 30 June 2024 | **166,387** | **23,148** | **42,876** | **7,807** | **4,015** | **4,424** | **2,381** | **251,038** |

Included in property, plant and equipment are assets under construction to the net book value of €39,942,000 (31 December 2023: €23,703,000). Depreciation has not commenced on these assets.

## 10. Called up share capital presented as equity

| | 30 June 2024 €'000 |
|---|---|
| **Authorised:** | |
| 453.2 million (31 December 2023: 453.2 million) ordinary shares of 8c each | **36,256** |
| 16.0 million (31 December 2023: 16.0 million) "A" ordinary shares of 8c each | **1,280** |
| | **37,536** |

| **Movement in the period in issued share capital presented as equity** | **30 June 2024 €'000** |
|---|---|
| **Allotted, called up and fully paid ordinary shares** | |
| At 1 January - 273,015,254 ordinary shares of 8c each | **21,841** |
| At 30 June - 273,015,254 ordinary shares of 8c each | **21,841** |
| **Total allotted share capital:** | |
| At 30 June - 273,015,254 (31 December 2023: 273,015,254) ordinary shares | **21,841** |

## 11. Non-controlling interests

Non-controlling interests own the following stakes in the issued ordinary share capital of the entities set out below at 30 June 2024:

- 1.0% Innerstrength Limited
- 5.05% Macromed (UK) Limited.

On 14 February 2024, the Group acquired the remaining 20% shareholding in Dialachemist Limited resulting in the entity becoming a wholly owned subsidiary of the Group.

## 12. Borrowings

Bank loans are repayable in the following periods:

| | 30 June 2024 €'000 | 31 December 2023 €000 |
|---|---|---|
| Amounts falling due within one year | **608** | 13,168 |
| Amounts falling due between one and five years | **239,184** | 222,604 |
| | **239,792** | 235,772 |

The Group's total bank loans at 30 June 2024 were €239,792,000 (31 December 2023: €235,772,000). Borrowing under invoice discounting (recourse) as at the balance sheet date was €608,000 (31 December 2023: €13,168,000).

The Group's bank debt facility comprises a revolving credit facility of up to €400,000,000 with an additional uncommitted accordion facility of €150,000,000. This facility runs for five years to August 2027 with an option to extend by a further one year with repayment of all loans due on termination of the facility.

At 30 June 2024, the Group's revolving credit facility loans in use were subject to an interest margin of +1.9% (December 2023: +1.9%) on inter-bank interest rates (EURIBOR, GBP SONIA and USD SOFR).

**Bank security**
Bank overdrafts (including invoice discounting) and bank loans of €239,792,000 (31 December 2023: €235,772,000) are secured by cross guarantees and fixed and floating charges from the Company and certain subsidiary undertakings.

## 13. Deferred contingent consideration

| | 2024 €'000 |
|---|---|
| At 1 January 2024 | **75,061** |
| Unwinding of discount | **961** |
| Utilised during the period | **(8,994)** |
| Foreign currency movement | **1,461** |
| **At 30 June 2024** | **68,489** |
| Current | **40,791** |
| Non-current | **27,698** |
| **Total deferred contingent consideration** | **68,489** |

Deferred contingent consideration represents the present value of deferred contingent acquisition consideration which will become payable based on pre-defined performance thresholds being met. The deferred contingent consideration liability at 30 June 2024 is €68,489,000 (2023: €75,061,000). Significant judgement is exercised in determining the liability indicating that the final liability may be significantly different to the amount provided. In the event of the maximum earnout being achieved, an additional provision of €70,292,000 would be required at 30 June 2024. Equally, a significantly smaller liability than that estimated could arise.

## 14. Leases

*(i) Amounts recognised in the Balance Sheet*

The Balance Sheet shows the following amounts relating to leases:

| | 30 June 2024 €'000 | 31 December 2023 €000 |
|---|---|---|
| ***Right-of-use assets:*** | | |
| Buildings | **159,238** | 126,899 |
| Plant and equipment | **88** | 139 |
| Motor vehicles | **4,002** | 4,280 |
| **Net book value of right-of-use assets** | **163,328** | 131,318 |
| ***Lease liabilities:*** | | |
| Current | **20,051** | 20,134 |
| Non-current | **158,394** | 126,083 |
| **Total lease liabilities** | **178,445** | 146,217 |

Right-of-use assets are included in the line 'Property, plant and equipment' on the Balance Sheet and are presented in note 9.

Additions to the right-of-use assets during the period ended 30 June 2024 were €41,994,000 (30 June 2023:

€2,608,000). In March 2024, the Group entered a 20-year lease agreement with a capitalised value of €37.9m for a property in Greenogue, Dublin for the new Supply Chain & Retail distribution facility.

Lease liabilities are presented separately on the face of the Balance Sheet.

*(ii) Amounts recognised in the Income Statement:*

The Income Statement shows the following amounts relating to leases:

| | **Six months ended 30 June 2024 €'000** | Six months ended 30 June 2023 €000 |
|---|---|---|
| Buildings | **8,292** | 7,113 |
| Plant and equipment | **88** | 95 |
| Motor vehicles | **1,285** | 1,090 |
| **Right-of-use assets depreciation charge** | **9,665** | 8,298 |
| Computer Software | **-** | 190 |
| **Right-of-use assets amortisation charge** | **-** | 190 |
| Interest on lease obligations (note 4) | **2,903** | 2,308 |
| Principal repayments | **9,584** | 8,112 |
| **Total cash outflow in respect of leases** | **12,487** | 10,420 |

## 15. Reconciliation of operating profit to cash flow from operating activities

| | **Six months ended 30 June 2024 €'000** | Six months ended 30 June 2023 €000 |
|---|---|---|
| Operating profit before exceptional items | **36,447** | 34,069 |
| Cash related exceptional items | **(2,361)** | (12,145) |
| | **34,086** | 21,924 |
| Depreciation | **15,078** | 13,816 |
| Amortisation of intangible assets | **2,904** | 3,241 |
| Increase in inventories | **(13,415)** | (8,114) |
| Increase in receivables | **(49,456)** | (44,298) |
| Increase in payables | **93,951** | 15,357 |
| Share based payment expense | **1,472** | 1,485 |
| Foreign currency translation adjustments | **(358)** | 359 |
| **Cash inflow from operating activities** | **84,262** | 3,770 |

## 16. Analysis of net debt

| | **30 June 2024 €'000** | 31 December 2023 €000 | 30 June 2023 €000 |
|---|---|---|---|
| Cash and cash equivalents | **96,004** | 85,652 | 55,658 |
| Restricted cash | **179** | 173 | - |
| **Total cash** | **96,183** | 85,825 | 55,658 |
| Bank loans repayable within one year | **(608)** | (13,168) | (16,706) |
| Bank loans payable after one year | **(239,184)** | (222,604) | (216,997) |
| Bank loans | **(239,792)** | (235,772) | (233,703) |
| **Net bank debt** | **(143,609)** | (149,947) | (178,045) |
| Current lease obligations (note 14) | **(20,051)** | (20,134) | (15,364) |
| Non-current lease obligations (note 14) | **(158,394)** | (126,083) | (123,487) |
| Lease obligations | **(178,445)** | (146,217) | (138,851) |
| **Net debt** | **(322,054)** | (296,164) | (316,896) |

## 17. Financial instruments

*Financial instruments by category*
The accounting policies for financial instruments have been applied to the line items below:

| | **Financial assets at FVOCI*** | **Financial assets at amortised** | **Total** | **Fair value** |
|---|---|---|---|---|

| | FVOCI* | amortised cost | | |
|---|---|---|---|---|
| | €'000 | €'000 | €'000 | €'000 |
| **Financial assets** | | | | |
| *30 June 2024:* | | | | |
| Investments in equity instruments | 25 | - | 25 | 25 |
| Trade and other receivables ** | - | 254,958 | 254,958 | 254,964 |
| Cash and cash equivalents | - | 96,004 | 96,004 | 96,004 |
| Restricted cash | - | 179 | 179 | 179 |
| | 25 | 351,141 | 351,166 | 351,172 |

* Fair value through other comprehensive income.
** Excluding prepayments and accrued income.

| | Financial liabilities at FVTPL*** | Financial liabilities at amortised cost | Total | Fair value |
|---|---|---|---|---|
| | €'000 | €'000 | €'000 | €'000 |
| **Financial liabilities** | | | | |
| *30 June 2024:* | | | | |
| Borrowings | - | 239,792 | 239,792 | 239,792 |
| Trade and other payables **** | - | 413,682 | 413,682 | 413,682 |
| Deferred contingent consideration | 68,489 | - | 68,489 | 68,489 |
| Lease liabilities | - | 178,445 | 178,445 | 178,445 |
| | 68,489 | 831,919 | 900,408 | 900,408 |

*** Fair value through profit and loss.
**** Excluding non-financial liabilities.

**Measurement of fair values**
In the preparation of the financial statements, the Group finance department, which reports directly to the Chief Financial Officer (CFO), reviews and determines the major methods and assumptions used in estimating the fair values of the financial assets and liabilities which are set out below:

***Investments in equity instruments***
Investments in equity instruments are measured at fair value through other comprehensive income (FVOCI).

***Trade and other receivables/trade and other payables***
For receivables and payables with a remaining life of less than 12 months or demand balances, the carrying value less impairment provision where appropriate, is deemed to reflect fair value. The fair value of long-term receivables is determined by discounting future cash flows at market rates of interest at the period end.

***Cash and cash equivalents, including short-term bank deposits***
For short-term bank deposits and cash and cash equivalents, all of which have a maturity of less than three months, the carrying amount is deemed to reflect fair value.

***Interest-bearing loans and borrowings***
For floating rate interest-bearing loans and borrowings with a contractual repricing date of less than six months, the nominal amount is deemed to reflect fair value. For loans with repricing dates of greater than six months, the fair value is calculated based on the present value of the expected future principal and interest cash flows discounted at appropriate market interest rates (level 2) effective at the Balance Sheet date and adjusted for movements in credit spreads.

***Deferred contingent consideration***
The fair value of the deferred contingent consideration is calculated by discounting the expected future payment to the present value. The expected future payment represents the deferred contingent consideration which would become payable based on pre-defined performance thresholds being met and is calculated based on management's best estimates of the expected future cash outflows using current budget forecasts. The provision for deferred contingent consideration is principally in respect of acquisitions completed from 2018 to 2022.

The significant unobservable inputs are:
- Expected future profit forecasts which have not been disclosed due to their commercial sensitivities; and
- Risk adjusted discount rate of between 2.5% and 4% (2023: between 2.5% and 4%).

For the fair value of deferred contingent consideration, a 1% increase in the risk adjusted discount rate at 30 June 2024, holding the other inputs constant would reduce the fair value of the deferred contingent consideration by €0.6m. A 1% decrease in the risk adjusted discount rate would result in an increase of €0.6m in the fair value of the deferred contingent consideration.

**Fair value hierarchy**
The following table sets out the fair value hierarchy for financial instruments which are measured at fair value.

| | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| | €'000 | €'000 | €'000 | €'000 |
| **Recurring fair value measurements** | | | | |
| *At 30 June 2024* | | | | |
| Investments in equity instruments | - | - | 25 | 25 |
| Deferred contingent consideration | - | - | (68,489) | (68,489) |

| | | | | |
|---|---|---|---|---|
| Deferred contingent consideration | | | (68,464) | (68,464) |
| | **-** | **-** | **(68,464)** | **(68,464)** |

There were no transfers between the fair value levels for recurring fair value measurements during the period. The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

**Level 1:** The fair value of financial instruments traded in active markets is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

**Level 2:** The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

**Fair value measurements using significant unobservable inputs (level 3)**
The following table presents the changes in level 3 items for the period ended 30 June 2024:

| | Shares in unlisted companies €'000 | Deferred contingent consideration €'000 | Total €'000 |
|---|---|---|---|
| At 1 January 2024 | 25 | (75,061) | (75,036) |
| Utilised during the period | - | 8,994 | 8,994 |
| Unwinding of discount* | - | (961) | (961) |
| Foreign currency movement | - | (1,461) | (1,461) |
| **At 30 June 2024** | **25** | **(68,489)** | **(68,464)** |

* These amounts have been charged to the Income Statement in finance income/costs.

**Financial risk management**
The Group's operations expose it to various financial risks. The Group has a risk management programme in place which seeks to limit the impact of these risks on the financial performance of the Group and it is the Group's policy to manage these risks in a non-speculative manner.

The Group has exposure to the following risks from its use of financial instruments: credit risk, liquidity risk, currency risk, interest risk and price risk. The condensed consolidated financial statements do not include all financial risk management information and disclosures required in the annual financial statements; they should be read in conjunction with the Group's 2023 Annual Report.

## 18. Acquisitions of subsidiary undertakings

**2023 Acquisitions**
The initial assessment of the fair values of the major classes of assets acquired and liabilities assumed in respect of the acquisitions which were completed in 2023 were performed on a provisional basis (with the exception of McCauley Pharmacy Group which was finalised in 2023). The fair values attributable to the assets and liabilities of these acquisitions remain provisional with the exception of Pivot Digital Health which was completed within the measurement period. There were no fair value adjustments made to the comparative figures during the subsequent reporting window within the measurement period imposed by IFRS 3.

## 19. Events after the reporting period

On 18 July 2024, the Group reached agreement to acquire the remaining shareholding in Innerstrength Limited which increases the Group's shareholding from 99.0% to 100.0%.

There have been no other material events subsequent to 30 June 2024 that would require adjustment to or disclosure in this report.

## 20. Approval by the Board of Directors

The Directors approved the interim financial statements on 2 September 2024.

## Additional Information

**ALTERNATIVE PERFORMANCE MEASURES**
The Group reports certain financial measurements that are not required under IFRS. These key alternative performance measures (APMs) represent additional measures in assessing performance and for reporting both internally, and to shareholders and other external users. The Group believes that the presentation of these APMs provides useful supplemental information which, when viewed in conjunction with IFRS financial information, provides stakeholders with a more meaningful understanding of the underlying financial and operating performance of the Group and its divisions. These measurements are also used internally to evaluate the historical and planned future performance of the Group's operations.

During 2023, the Group amended the definition of EBITDA and Adjusted earnings per share to add back share-based

During 2023, the Group amended the definition of EBITDA and Adjusted earnings per share to add back share-based payment expense. Share-based payment expense is a non-cash expense arising from the grant of share-based awards to employees. This change enhances the understanding and comparability of the financial statements as such non-cash expenses may not correlate to the underlying performance of the business.

None of these APMs should be considered as an alternative to financial measurements derived in accordance with IFRS. The APMs can have limitations as analytical tools and should not be considered in isolation or as a substitute for an analysis of results as reported under IFRS.

The principal APMs used by the Group, together with reconciliations where the APMs are not readily identifiable from the financial statements, are as follows:

| | **Definition** | **Why we measure it** |
|---|---|---|
| **EBITDA** | Earnings before exceptional items, net finance expense, income tax expense, depreciation, intangible assets amortisation and share-based payment expense. | EBITDA provides management with an assessment of the underlying trading performance of the Group and excludes transactions that are not reflective of the ongoing operations of the business, allowing comparison of the trading performance of the business across periods and/or with other businesses. |
| **&** | | |
| **Adjusted EBITDA** | Earnings before exceptional items, net finance expense, income tax expense, depreciation, intangible assets amortisation and share-based payment expense, adjusted for the impact of IFRS 16 and the pro-forma EBITDA of acquisitions. | Adjusted EBITDA is used for leverage calculations. |
| **Net bank debt** | Net bank debt represents the net total of current and non-current borrowings, cash and cash equivalents, and restricted cash as presented in the Group Balance Sheet. | Net bank debt is used by management as an input into the Group's current leverage which management will consider when evaluating investment opportunities, potential acquisitions, and internal resource allocation. |
| **Net debt** | Net debt represents the total of net bank debt, plus current and non-current lease obligations as presented in the Group Balance Sheet. | Net debt is used by management as it gives a complete picture of the Group's debt including the impact of lease liabilities recognised under IFRS 16. |
| **Leverage** | Net bank debt divided by adjusted EBITDA for the period. | Leverage is used by management to evaluate the Group's ability to cover its debts. This allows management to assess the ability of the company to use debt as a mechanism to facilitate growth. |
| **Adjusted Operating Profit** | This comprises of operating profit as reported in the Group Income Statement before amortisation of acquired intangible assets and exceptional items (if any). | Adjusted operating profit is used to assess the underlying operating performance excluding the impact of non-operational items. This is a key measure used by management to evaluate the businesses operating performance. |
| **Adjusted earnings per share** | This comprises of profit for the financial period attributable to owners of the parent as reported in the Group Income Statement before exceptional items (if any), amortisation of acquisition related intangibles (and tax thereon) and share-based payment expense, divided by the weighted average number of shares in issue in the period. | Adjusted EPS is used to assess the after-tax underlying performance of the business in combination with the impact of capital structure actions on the share base. This is a key measure used by management to evaluate the businesses operating performance, generate future operating plans, and make strategic decisions. |
| **&** | | |
| **Like for Like adjusted earnings per share** | Like for like adjusted earnings per share is calculated for both the current and prior period by dividing the profit of the relevant period attributable to owners of the parent as reported in the Group Income Statement before exceptional items (if any) and amortisation of acquisition related intangibles and share-based payment expense, by the weighted average number of shares in issue in the current period. | Like for like adjusted EPS is used to assess the after-tax underlying performance of the business assuming a constant share base. |
| **Free cash flow conversion** | Free cash flow conversion calculated as EBITDA, less investment in working capital, less maintenance capital expenditure, less foreign exchange translation adjustment, divided by EBITDA. | Free cash flow represents the funds generated from the Group's ongoing operations. These funds are available for reinvestment, and for future acquisitions as part of the Group's growth strategy. A high level of free cash flow conversion is key to maintaining a strong, liquid Balance Sheet. |
| **Return on capital employed (ROCE)** | ROCE is calculated as the 12 months rolling operating profit before the impact of exceptional costs and amortisation of acquisition related intangibles, expressed as a percentage of the adjusted average capital employed for the same period. The average capital employed is adjusted to ensure the capital employed of acquisitions completed during the period are appropriately time apportioned. | This measure allows management to monitor business performance, review potential investment opportunities and the allocation of internal resources. |

## EBITDA

| | | Six months ended/as at 30 June 2024 €'000 | Six months ended/as at 30 June 2023 €'000 |
|---|---|---|---|
| Operating profit | *Income Statement* | **32,226** | 28,006 |
| Exceptional charge recognised in operating profit | *Note 3* | **4,221** | 6,063 |
| Amortisation | *Note 8* | **2,904** | 3,241 |
| Depreciation | *Note 9* | **15,078** | 13,816 |
| Share-based payment expense | | **1,472** | 1,485 |
| **EBITDA** | | **55,901** | 52,611 |
| Adjust for the impact of IFRS 16 | | **(12,127)** | (10,421) |
| Pro-forma EBITDA of acquisitions | | **-** | 33 |
| **Adjusted EBITDA** | | **43,774** | 42,223 |

## Net bank debt

| | | 30 June 2024 €'000 | 31 December 2023 €'000 | 30 June 2023 €'000 |
|---|---|---|---|---|
| Cash and cash equivalents | *Balance Sheet* | **96,004** | 85,652 | 55,658 |
| Restricted cash | *Balance Sheet* | **179** | 173 | - |
| Bank loans repayable within one year | *Balance Sheet* | **(608)** | (13,168) | (16,706) |
| Bank loans payable after one year | *Balance Sheet* | **(239,184)** | (222,604) | (216,997) |
| **Net bank debt** | | **(143,609)** | (149,947) | (178,045) |

## Net debt

| | | 30 June 2024 €'000 | 31 December 2023 €'000 | 30 June 2023 €'000 |
|---|---|---|---|---|
| Net bank debt | *APMs* | **(143,609)** | (149,947) | (178,045) |
| Current lease obligations | *Balance Sheet* | **(20,051)** | (20,134) | (15,364) |
| Non-current lease obligations | *Balance Sheet* | **(158,394)** | (126,083) | (123,487) |
| **Net debt** | | **(322,054)** | (296,164) | (316,896) |

## Leverage

| | | 30 June 2024 €'000 | 31 December 2023 €'000 | 30 June 2023 €'000 |
|---|---|---|---|---|
| Net bank debt | *APMs* | **(143,609)** | (149,947) | (178,045) |
| Rolling 12 months adjusted EBITDA | | **96,171** | 94,862 | 92,988 |
| **Leverage (times)** | | **1.5** | 1.6 | 1.9 |

## Adjusted operating profit

| | | 30 June 2024 €'000 | 30 June 2023 €'000 |
|---|---|---|---|
| Operating profit | *Income Statement* | **32,226** | 28,006 |
| Amortisation of acquisition related intangibles | *Note 8* | **1,706** | 1,636 |
| Exceptional charge recognised in operating profit | *Note 3* | **4,221** | 6,063 |
| **Adjusted operating profit** | | **38,153** | 35,705 |

## Adjusted earnings per share

| | Six months ended 30 June 2024 €'000 | Six months ended 30 June 2023 €'000 |
|---|---|---|
| Adjusted earnings per share has been calculated by reference to the following: | | |
| Profit for the financial period attributable to owners | **15,371** | 15,012 |
| Exceptional charge recognised in operating profit (note 3) | **4,221** | 6,063 |
| Exceptional credit recognised in finance costs (note 3) | **-** | (1,654) |
| Exceptional credit recognised in income tax (note 3) | **(357)** | (615) |
| Tax credit on acquisition related intangibles | **(190)** | (174) |
| Amortisation of acquisition related intangibles (note 8) | **1,706** | 1,636 |
| Share-based payments expense | **1,472** | 1,485 |

| | | |
|---|---|---|
| **Profit after tax excluding exceptional items** | **22,223** | 21,753 |
| | | |
| Weighted average number of shares in issue in the period (000's) | **273,015** | 272,815 |
| **Adjusted basic and diluted earnings per ordinary share (in cent)** | **8.1** | 8.0 |
| | | |
| Like for like weighted average number of shares (000's) | **273,015** | 273,015 |
| **Like for like adjusted earnings per ordinary share (in cent)** | **8.1** | 8.0 |

### Free cash flow conversion

| | | **Six months ended 30 June 2024 €'000** | Year ended 31 December 2023 €000 | Six months ended 30 June 2023 €000 |
|---|---|---|---|---|
| EBITDA | *APMs* | **55,901** | 115,985 | 52,611 |
| Increase in inventories | *Note 15* | **(13,415)** | (16,868) | (8,114) |
| Increase in receivables | *Note 15* | **(49,456)** | (67,073) | (44,298) |
| Increase in payables | *Note 15* | **93,951** | 67,717 | 15,357 |
| Foreign currency translation adjustments | *Note 15* | **(358)** | 172 | 359 |
| Payments to acquire property, plant and equipment - maintenance | *Cash Flow* | **(4,320)** | (7,192) | (2,426) |
| Payments to acquire intangible assets - maintenance | *Cash Flow* | **(2,368)** | (3,771) | (1,209) |
| Settlement of acquired financial liabilities* | | **450** | 2,068 | 938 |
| Free cash flow | | **80,385** | 91,038 | 13,218 |
| | | | | |
| EBITDA | | **55,901** | 115,985 | 52,611 |
| **Free cash flow conversion** | | **143.8%** | 78.5% | 25.1% |

*The adjustment to free cash flow ensures that payments made after an acquisition to settle loans with former shareholders of acquired companies, or other similar financial liabilities, are excluded from the movement in payables in the free cash flow conversion calculation.

### Return on capital employed

| | **30 June 2024 €'000** | 30 June 2023 €000 | 30 June 2022 €000 |
|---|---|---|---|
| Rolling 12 months operating profit | **71,928** | 56,084 | 46,616 |
| Adjustment for 12 months exceptional costs | **8,205** | 16,694 | 15,508 |
| Acquisition related 12 months intangible amortisation | **3,411** | 2,921 | 2,813 |
| Adjusted 12 months rolling operating profit | **83,544** | 75,699 | 64,937 |
| | | | |
| Total equity | **350,187** | 304,146 | 263,569 |
| Net bank debt | **143,609** | 178,045 | 73,807 |
| Deferred contingent consideration | **68,489** | 85,987 | 89,971 |
| Deferred consideration payable | **-** | 100 | 3,977 |
| Total capital employed | **562,285** | 568,278 | 431,324 |
| | | | |
| Average capital employed | **565,282** | 499,801 | |
| Adjustment for acquisitions (note A / B below) | **1,158** | 14,258 | |
| Adjusted average capital employed | **566,440** | 514,059 | |
| **Return on capital employed** | **14.7%** | 14.7% | |

| ***Note A: Adjustment for acquisitions (2024)*** | Capital employed €000 | Completion Date | Adjustment €000 |
|---|---|---|---|
| Acquisitions completed during 2023 | 6,375 | Various | 1,158 |
| Adjustment for acquisitions | | | 1,158 |

| ***Note B: Adjustment for acquisitions (2023)*** | Capital employed €000 | Completion Date | Adjustment €000 |
|---|---|---|---|
| McCauley Pharmacy Group | 49,407 | Feb-23 | (4,117) |
| BModesto Group | 41,901 | Nov-22 | 6,984 |
| Other acquisitions completed during 2022 and 2023 | 33,532 | Various | 11,391 |
| Adjustment for acquisitions | | | 14,258 |

The adjustment ensures that the capital employed of acquisitions completed during the period are appropriately time apportioned to align with the corresponding periods for adjusted operating profit. The adjustment includes cash consideration, deferred and deferred contingent consideration, debt acquired, cash acquired, and any cash impact of shareholder loans or other similar financial liabilities repaid post-acquisition.



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