Interim results for the six months ended 30 September 2023

23 November 2023

Resilient performance in a more competitive global consulting market

Alpha

A leading global consultancy to the financial services industry

Presentation Team

Luc Baqué

Chief Executive Officer

John Paton

Chief Financial Officer

Agenda

Alpha

Key Highlights
Luc Baqué

Key Financials
John Paton

Market Overview & Outlook
Luc Baqué

Key Highlights

Alpha

In a competitive market, the Group has performed resiliently while also making progress on its strategic objectives

1. Good organic **net fee income[1] growth** delivered in a challenging market environment
2. Maintained **consistent consultant day rates** and **sales wins** monthly, albeit at lower average utilisation levels
3. **38 consultants[2] added organically** (H1 23: 161) – mostly relating to committed graduates, alongside selective hiring in key growth areas
4. 9 **experienced directors[3] added** organically (H1 23: 9) – including promotions and three new hires in Alpha's Insurance Consulting business
5. Bolt-on **acquisition of Shoreline** consolidated Alpha's APAC presence – now the leading asset and wealth management consulting firm in that region
6. While **sentiment is improving**, the current market remains competitive as it rebalances and there is ongoing macroeconomic uncertainty
7. **Utilisation ticked up** from summer lows in September and further in October, closer to target levels. The Group expects this trend to continue through H2
8. Alpha enters H2 with a strong and high quality pipeline, and expects to deliver full year results **in line with current market expectations**

1. Net fee income (NFI) is revenue net of incidental rechargeable expenses. 2. "Consultants" and "headcount" refer to fee-earning consultants at the period end: employed consultants plus utilised contractors in client-facing roles. Total increase of 57, of which 19 was through acquisition. 3. "Directors" refers to fee-generating directors at the period end. All director increases are presented as net, including hiring and promotions in the period. Total increase of 15, of which 6 was through acquisition.

Key Highlights[1]

Reflecting on the financial performance for the six months ended 30 September 2023

Net Fee Income[2]	Gross Profit
+7.2%	Unchanged
H1 24: £114.8m	H1 24: £38.4m
H1 23: £107.0m	H1 23: £38.4m

Adjusted EBITDA[3]	Interim Dividend per Share
H1 24: £20.1m	H1 24: 3.70p
H1 23: £22.5m	H1 23: 3.70p

Strategic Highlights

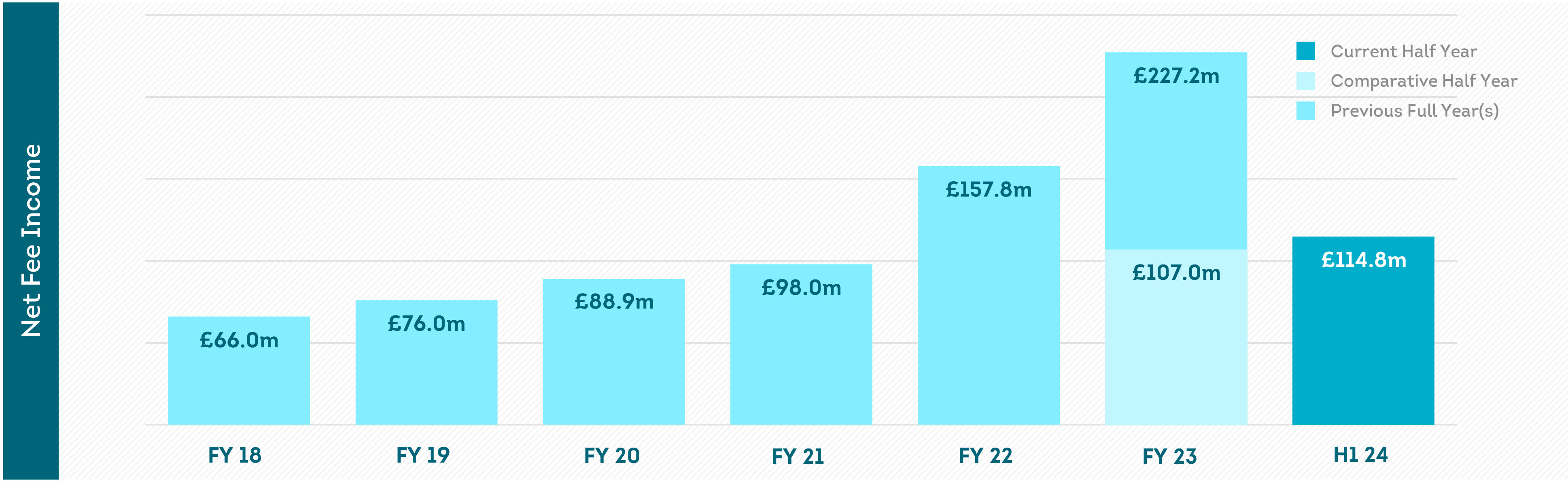
- **Net fee income growth** across all regions on a constant currency basis
- Maintaining **consistent consultant day rates** and sales wins monthly
- Utilisation below target levels, particularly in the summer months, **ticking up in September and into H2**
- Ongoing focus on the cost base with selective team investment for future growth
- **Consistent gross profit** against the comparative half
- **Adjusted EBITDA** principally reflects utilisation levels and increased costs across a larger team
- **Interim dividend maintained**

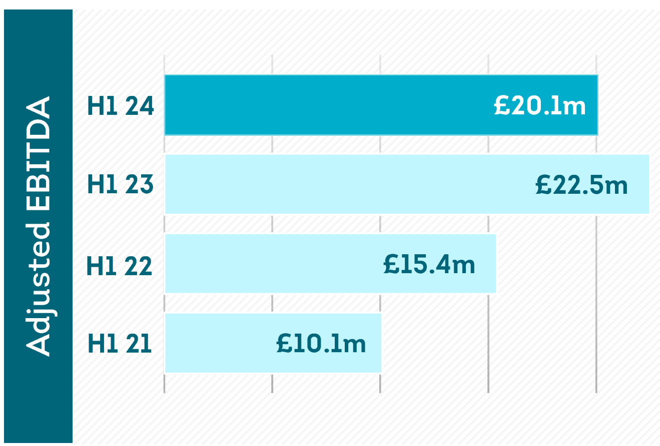
1. "H1 24" highlights refer to the 6-month period ended 30 Sep 2023. Comparative period references ("H1 23") are to the 6-month period ended 30 Sep 2022. All rounding and percentage change calculations are from the basis of the financial statements in £'000s. 2. Net fee income (NFI) is revenue net of incidental rechargeable expenses. 3. Adjusted EBITDA is operating profit before interest, tax, depreciation, amortisation and other adjusting non-operational costs such as acquisition and integration costs and earn-out and deferred consideration costs, as well as share-based payment charges and foreign exchange.

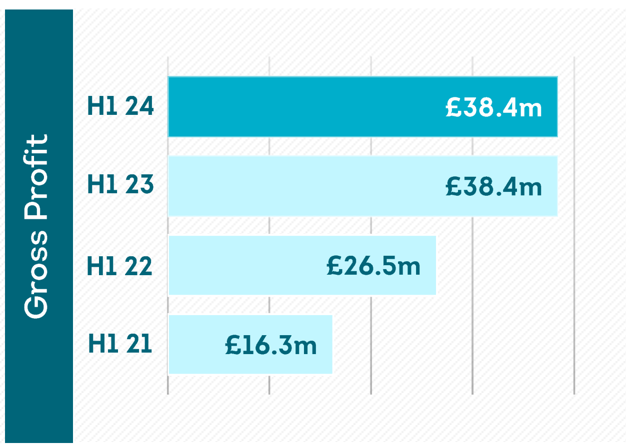
Key Financials

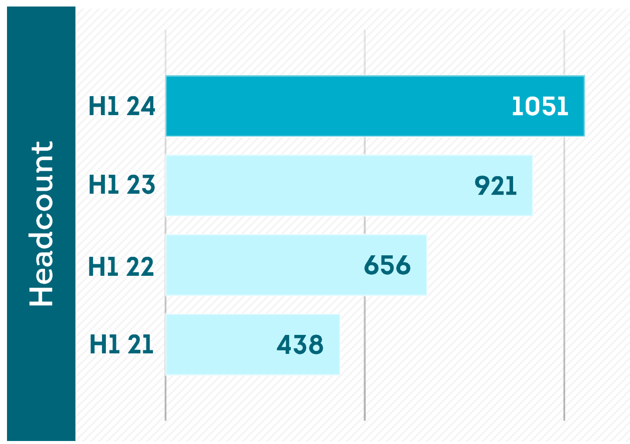
Key Performance Indicators

Historic track record









Group Income Statement

Six months ended 30 September 2023

£'000	H1 24	H1 23	% change
Net fee income	**114,760**	**107,016**	**7.2%**
Cost of sales	(76,324)	(68,573)	
Gross profit	**38,436**	**38,443**	**0.0%**
Gross profit margin[1]%	*33.5%*	*35.9%*	
Adjusted administration expenses[2]	(18,315)	(15,962)	
Adjusted EBITDA	**20,121**	**22,481**	**(10.5%)**
Adjusted EBITDA margin[1]%	*17.5%*	*21.0%*	
Depreciation	(1,474)	(898)	
Amortisation of capitalised development costs	-	(151)	
Adjusted operating profit	**18,647**	**21,432**	**(13.0%)**
Net underlying interest	(288)	(182)	
Adjusted profit before tax	**18,359**	**21,250**	**(13.6%)**
Adjusting expense items	(6,631)	(5,668)	
Non-underlying interest	(883)	(1,383)	
Profit before tax	**10,845**	**14,199**	
Adjusted profit after tax	**13,502**	**15,909**	**(15.1%)**
Adjusted EPS (p)	**11.81**	**14.09**	**(16.2%)**
Adjusted diluted EPS (p)	11.09	13.23	**(16.2%)**
Interim dividend per share (p)	**3.70**	**3.70**	

Key Highlights

- **Good 7.2% net fee income growth**, mainly organically and 8.5% in constant currency
- **Gross margin** reflects average consultant utilisation below target levels in the current competitive environment, alongside consistent average fee rates globally as well as continued selective team investment and appropriately managed variable costs
- **Adjusted administration expenses** reflect last year's Group central team investment run-rate, supporting a larger consulting team, alongside appropriately managed spend overall
- **Adjusted EBITDA** margin of 17.5% mainly reflects the lower H1 consultant utilisation
- **Effective tax rate** of 26.5% continues to tick up
- **Adjusted EPS** and **adjusted diluted EPS** both reflect adjusted profit after tax levels and increased shares from option vests
- **Maintained interim dividend of 3.70p declared**, reflecting pay-out policy of c. 50% adjusted profit after tax annually

1. Margins are calculated on net fee income. 2. Adjusted administration expenses are stated before depreciation, amortisation, foreign exchange and other adjusting non-operational costs including acquisition and integration costs and earn-out and deferred consideration costs, as well as share-based payment charges.

Regional Performance

Six months ended 30 September 2023

UK

Net Fee Income:
£45.4m ↑ 14.1%

Gross Profit:
£16.2m ↑ 0.7%

Gross Profit Margin:
35.6% (H1 23: 40.4%)

UK highlights:

- **Good UK client demand** generating 14.1% organic NFI growth
- **Strong progress** from the newer Insurance Consulting and alternatives businesses, as well as **ongoing contributions** from the established practices
- **Gross margin** reflects lower average consultant utilisation, while investing for future growth, alongside consistent consultant day rates and managing variable costs
- Going into H2 24 with **improving utilisation** and a **good opportunity pipeline**

North America

Net Fee Income:
£43.8m ↓ (1.1%)

Gross Profit:
£13.6m ↓ (10.9%)

Gross Profit Margin:
31.1% (H1 23: 34.5%)

North America highlights:

- North America NFI remains **broadly consistent** on the comparative half; **up 2.1% on a constant currency basis**
- **Gross margin** primarily reflects lower average consultant utilisation overall, while managing variable costs
- Enter H2 24 with **improving utilisation, good visibility and a strong opportunity pipeline**

Europe & APAC

Net Fee Income:
£25.6m ↑ 11.6%

Gross Profit:
£8.6m ↑ 21.8%

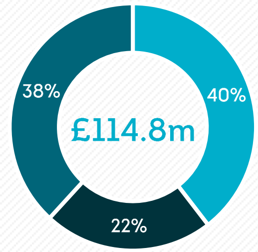
Gross Profit Margin:
33.8% (H1 23: 30.9%)

Europe & APAC highlights:

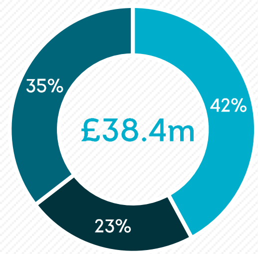
- **Good 6.7% organic NFI growth**, plus the Shoreline contribution
- **Strong performance** from Insurance Consulting and alternatives businesses
- **Gross margin improvement** reflects some fee rate progression and the management of variable costs, offset by lower average consultant utilisation
- Enter H2 24 with **improving utilisation**, and a **growing and strong pipeline**

Regional Overview

Net Fee Income



Gross Profit



- UK
- North America
- Europe & APAC

Adjusting Expense Items

Six months ended 30 September 2023

Non-recurring expenses:

£'000	H1 24	H1 23
Acquisition and integration costs	247	-
Total non-recurring costs	**247**	**-**

Non-underlying expenses:

£'000	H1 24	H1 23
Amortisation of acquired intangibles	2,012	2,356
Share-based payment charge[1]	3,737	4,091
Earn-out and deferred consideration	729	(316)
Loss on disposal of fixed assets	12	-
Foreign exchange gains	(106)	(463)
Total non-underlying adjusting costs	**6,384**	**5,668**
Total adjusting items	**6,631**	**5,668**

Finance expenses:

£'000	H1 24	H1 23
Unwinding of discounted consideration	883	1,383
Total non-underlying finance costs	**883**	**1,383**

1. If no adjustment were made for the share-based payment charge, adjusted EBITDA for the six-month period would be £16.4m (H1 23: £18.4m).

Key Highlights

- Acquisition and integration costs relate to **Shoreline**
- **Decreased acquired intangibles amortisation** reflects some fully amortised intangibles, partly offset by Shoreline additions
- **IFRS 2 share-based payment charge** reflects updated assumptions, including share price and vesting levels
- **Earn-out and deferred consideration** reflects employment-linked acquisition consideration, with H1 23 including a fair value adjustment
- **FX** in H1 23 was acquisition related and, in H1 24, there was an immaterial gain on foreign currency balances
- Associated **unwinding of discounted deferred and earn-out consideration** from the acquisitions is also considered non-underlying within finance expenses

Group Balance Sheet

Alpha

As at 30 September 2023

£'000	H1 24	FY 23	H1 23
Non-current assets	141,309	139,526	142,466
Trade receivables	32,715	26,124	31,981
Other receivables	9,666	8,004	9,714
Cash and cash equivalents	26,236	59,215	47,764
Trade payables	(3,891)	(5,156)	(4,851)
Other payables	(28,404)	(39,356)	(33,995)
Corporation tax	(1,195)	(1,321)	(3,226)
Deferred tax liability	(3,065)	(2,783)	(3,765)
Interest bearing loans & borrowings	(10,150)	-	(7,477)
Provisions	(3,326)	(3,326)	(3,433)
Earn-out and deferred consideration	(11,792)	(24,949)	(23,686)
Lease liabilities	(3,910)	(4,161)	(2,013)
Other non-current liabilities	(1,097)	(2,478)	(1,534)
Net assets	**143,096**	**149,339**	**147,945**
Issued share capital	92	90	90
Retained earnings	774	5,561	2,105
Other reserves	142,230	143,688	145,750
Shareholders' equity	**143,096**	**149,339**	**147,945**

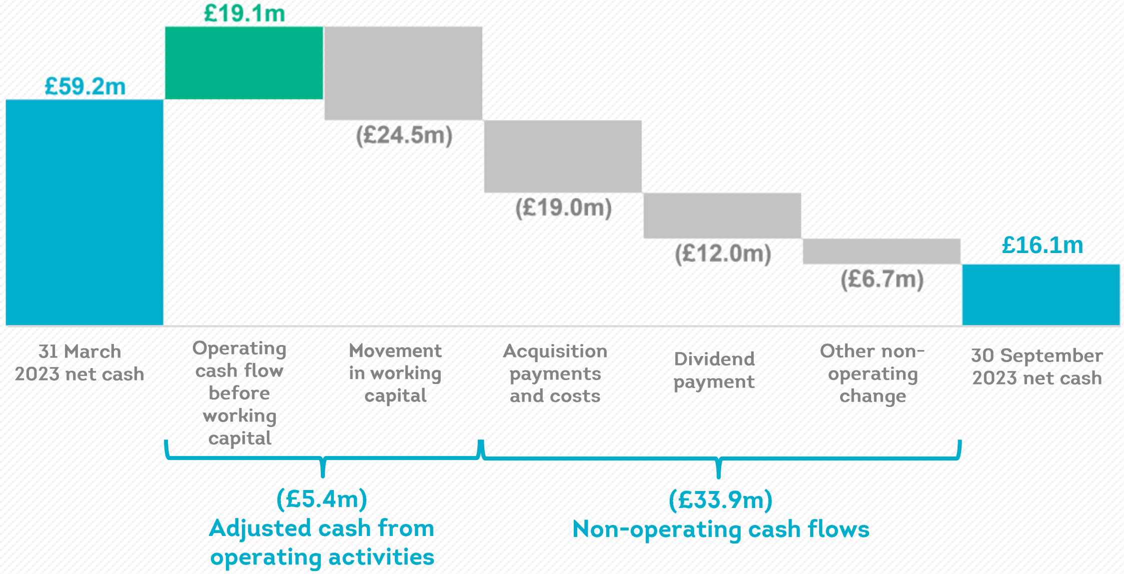
Key Highlights

- **Maintaining a strong balance sheet** with £16.1m net cash, having paid acquisition and acquisition-related amounts of £19.0m in H1 24
- Intangible assets and goodwill increase with **Shoreline and FX gains**
- Working capital remains **well positioned**; debtor days similar to H1 23
- **Other receivables** reflect increased prepayments given timing of annual renewals
- **Other payables** reflect typical payment timings and team profit share bonus accruals in line with performance
- Earn-out and deferred liabilities significantly decrease **with £16.4m paid in H1 24**
- **£50.0m RCF part-drawn** temporarily to assist with managing currency requirements in the half

Alpha

Six months ended 30 September 2023

Adjusted cash flow bridge:



Illustrative reconciliation of adjusted cash conversion[1]:

Movements to ‘normalised’[3] adjusted cash conversion	
H1 24 ‘normalised’ cash conversion	**24%**
Effect of profit share and bonus timing on working capital	(48%)
Other working capital timing effect	(5%)
H1 24 reported adjusted cash conversion	**(29%)**

Key Highlights

- Alpha **typically pays material cash items in H1** annually, e.g. bonuses
- Underlying working capital management maintained
- **Adjusted operating cash outflow** reflects the normal H1 timing of payments and their relative weighting to first half profitability
- The increase in the movement in working capital against H1 23 is almost **entirely profit share-related**
- **Acquisition payments** include £16.5m2 for Lionpoint, the £2.3m Shoreline completion payment and £0.2m of acquisition and integration cost
- **FY 23 final dividend** paid in September
- **Other non-operating cash flows** include **£3.8m EBT purchase** of own shares
- **Adjusted cash conversion** for the full year is estimated to be approximately 50%, given the expected weighting of H2 trading

1. Adjusted cash conversion is adjusted cash from operating activities divided by adjusted operating profit. Adjusted cash from operating activities excludes any employment-linked acquisition payments, treated as operating cash flows under IFRS. 2. Of the £16.5m Lionpoint acquisition payments, £16.3m relates to deferred and contingent consideration payments, with £1.7m being employment-linked, and £0.2m relates to additional associated social security payments. 3. ‘Normalised’ adjusted cash conversion provides an illustration of a more typical movement in working capital, to exclude the more pronounced H1 working capital movement caused by the relative size of profit share payments compared to H1 profit share accruals in H1 24.

Market Overview & Outlook

A Resilient Performance in H1 24

Alpha produced a resilient financial performance, delivering net fee income growth while making good strategic progress

Resilient trading performance

- In the current competitive market environment, the Group **performed resiliently** in the first half
- **Growth achieved across all regions** – growing net fee income on a constant currency basis
- **Maintained consistent consultant day rates** and sales wins monthly, albeit at lower average utilisation levels
- Managed the cost base appropriately, while **selectively investing for future growth**
- Financially well positioned with a **robust balance sheet**

Progress on strategic objectives

- **Three Insurance Consulting directors** added in the first half, including two in North America – adding **further specialist expertise** and positioning for future growth
- **Continued selective investment** in our people – adding 38 consultants organically across all regions in the first half, including 23 in North America
- **Shoreline acquisition consolidates** Alpha's APAC presence – with the integration successfully completed in the first half

Outlook

Alpha continues to expect to deliver full year results in line with current market expectations

Near-term sentiment

- While **sentiment is improving**, the current market remains competitive as it rebalances and there is ongoing macroeconomic uncertainty
- **Utilisation ticked up** from summer lows in September and further in October, closer to target levels. The Group expects this trend to continue through H2
- We enter H2 24 with **a strong and high quality pipeline** of new business opportunities, supporting our current expectation for a **strong end to the year**
- Therefore, the Board **reiterates guidance for the full year**

Long-term opportunity

- The long-term market drivers that underpin **demand for Alpha's services remain very strong**
- The scale of the **Group's addressable markets** is **broad, diverse, global** and forecast to grow significantly
- Alpha's **specialist proposition and unrivalled team** continue to drive client demand for Alpha's services
- Ongoing dialogue across a range of **acquisition opportunities**

WE ARE CONFIDENT IN OUR ABILITY TO DOUBLE THE BUSINESS AGAIN BY 2028

Structural Drivers Supporting our 2028 Growth Ambitions

In March 2023, we outlined our ambition to double the business over a five-year timeframe

> The strategic aim is to **double the business** from 2023 to 2028

> Very robust structural trends continue to create **strong growth drivers** in our industries

GROWTH IN ASSETS & INSURANCE POLICIES

The scale of the Group's addressable markets is forecast to expand significantly

REGULATORY DEMAND

Our clients are navigating an increasingly complicated regulatory and legislative landscape

COST PRESSURES

Continued focus on costs and drive to maintain operating margins

CLIENT & SOCIETAL EXPECTATIONS

Increased client and market focus on ESG and digital experience

TECHNOLOGY BREAKTHROUGHS

Create opportunity for our clients to make significant gains in efficiency

> These **dominant drivers support demand** for Alpha's leading proposition and should mean that the Group is **well positioned to achieve its 2028 ambition**

Q&A

Appendices

Alpha

Presentation Team Biographies

Luc Baqué
Chief Executive Officer

- CEO of Alpha since 2023
- Global Head of Asset & Wealth Management Consulting, Alpha from 2020 to 2023
- Joined Alpha in 2010; Head of Europe 2015 to 2020 and Head of France from 2010 to 2015
- Holds a Master Degree in Engineering from Ecole Centrale and completed an Executive Program at the Stanford University Graduate School of Business
- Prior to Alpha, Head of Change Management for UBS Wealth Management in France

John Paton
Chief Financial Officer

- Joined Alpha as CFO in 2018
- Over 20 years' experience across corporate finance, banking and audit
- Qualified as a chartered accountant with KPMG
- Holds an Executive MBA
- Prior to Alpha, worked at HSBC in both Global and Commercial Banking divisions

Our Investment Case

A Strong Track Record

- History of achieving strong growth in net fee income, cash generation and profitability
- Generated attractive returns since IPO
- **28%** net fee income CAGR from IPO to FY 23

The Best Talent

- We attract, develop and retain the highest calibre consultants
- Allowing us to achieve rapid organic growth and low rates of attrition
- **245%** growth in consultants since IPO

The Best Culture

- Very strong people culture
- An environment where people feel passionate about their work, colleagues, communities and clients
- Ranked 9th in the UK's Best Large Companies to Work For

The Growth Opportunity

- The industries in which we operate are forecast to grow strongly
- Long-term structural growth drivers underpin client need for support across our services
- Aim to **double** the business by 2028

The Best Expertise

- We are highly specialist in the sectors that we focus on – unlike many of the competition
- Led by an experienced, passionate and incentivised management team
- **330%** growth in directors since IPO

The Best Service

- Strong reputation for delivering complex projects to the highest standard
- Focus on delivery excellence
- Brings significant repeat business and cross-sell opportunity
- **303%** growth in client relationships since IPO

A selection of the recognition for Alpha's talent, expertise, culture and service:

THE UK'S TOP 10 BEST LARGE COMPANIES TO WORK FOR 2023

GOLD 2022 ecovadis Sustainability Rating

PRIVATE EQUITY WIRE EUROPEAN AWARDS 2023 – Best Technology Advisory Firm

Awarded to Lionpoint (2023)

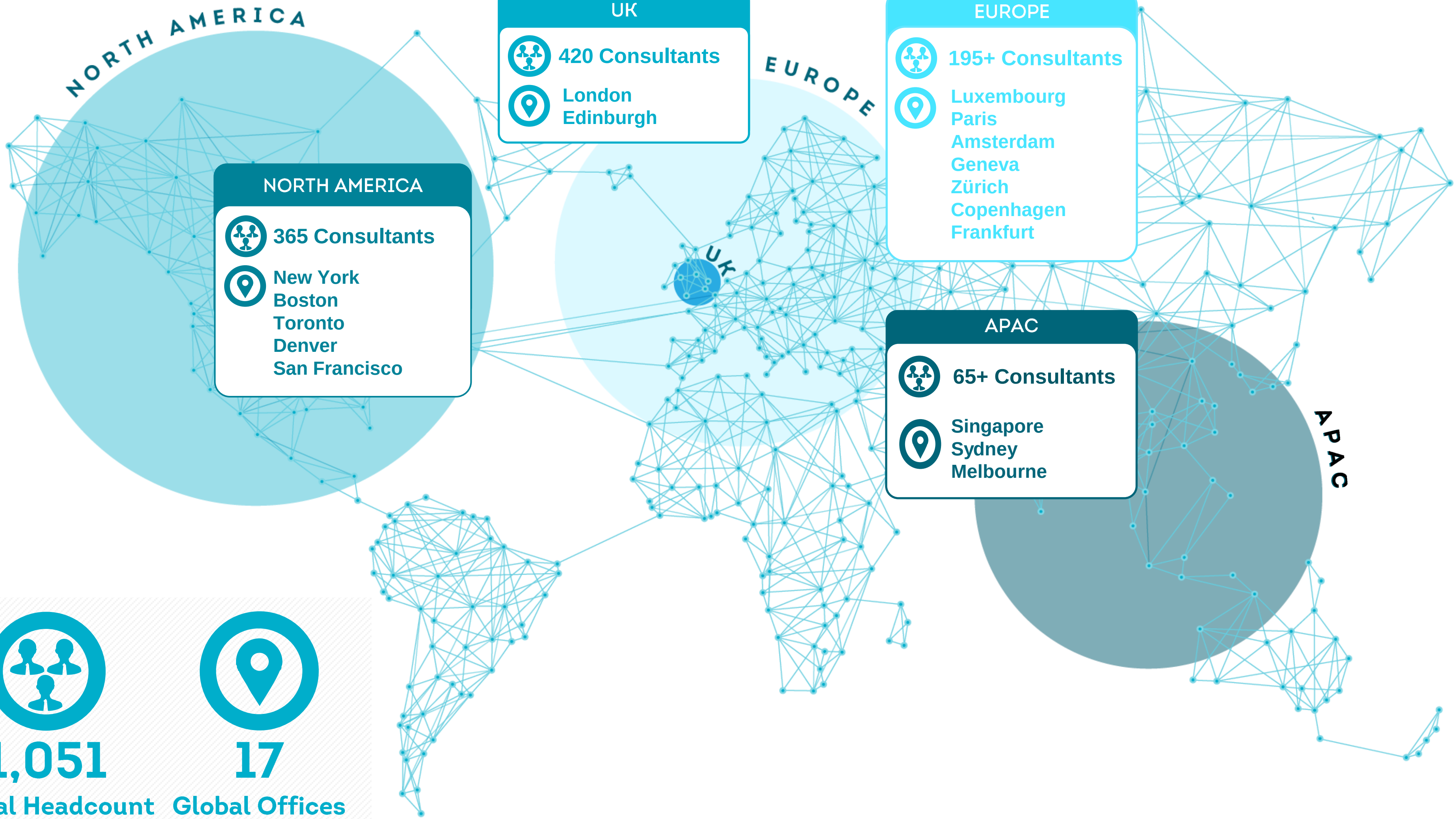
glassdoor 4.2

DÉCIDEURS MAGAZINE

Selected No. 1 Consulting Firm in "Asset Management" in France by Décideurs Magazine 2023

Our Regional Businesses at a Glance

A leading global consultancy to the financial services industry



UK

420 Consultants

London
Edinburgh

EUROPE

195+ Consultants

Luxembourg
Paris
Amsterdam
Geneva
Zürich
Copenhagen
Frankfurt

NORTH AMERICA

365 Consultants

New York
Boston
Toronto
Denver
San Francisco

APAC

65+ Consultants

Singapore
Sydney
Melbourne

1,051 Global Headcount

17 Global Offices

Alpha

Forward-looking statements

This presentation may contain and the Company may make verbal statements containing "forward-looking statements" with respect to certain of the Company's plans and its current goals and expectations relating to its future financial condition, performance, strategic initiatives, objectives and results. Forward-looking statements sometimes use words such as "aim", "anticipate", "target", "expect", "estimate", "intend", "plan", "goal", "believe", "seek", "may", "could", "outlook" or other words of similar meaning. By their nature, all forward-looking statements involve risk and uncertainty because they relate to future events and circumstances which are beyond the control of the Company, including amongst other things, UK domestic and global economic business conditions, market-related risks such as fluctuations in interest rates and exchange rates, the policies and actions of governmental and regulatory authorities, the effect of competition, inflation, deflation, the timing effect and other uncertainties of future acquisitions or combinations within relevant industries, the effect of tax and other legislation and other regulations in the jurisdictions in which the Company and its respective affiliates operate, the effect of volatility in the equity, capital and credit markets on the Company's profitability and ability to access capital and credit, a decline in the Company's credit ratings; the effect of operational risks; and the loss of key personnel. As a result, the actual future financial condition, performance and results of the Company may differ materially from the plans, goals and expectations set forth in any forward-looking statements. Any forward-looking statements made herein by or on behalf of the Company speak only as of the date they are made. Except as required by applicable law or regulation, the Company expressly disclaims any obligation or undertaking to publish any updates or revisions to any forward-looking statements contained in this presentation to reflect any changes in the Company's expectations with regard thereto or any changes in events, conditions or circumstances on which any such statement is based.

No statement in this presentation is intended to be a profit forecast, and no statement in this presentation should be interpreted to mean that earnings per share of the Company for the current or future financial years would necessarily match or exceed the historical published earnings per share of the Company.

Please refer to accompanying RNS announcement for further details.