Interim Results for the six months ended 30 September 2021

24 November 2021

A leading global consultancy to the asset management, wealth management & insurance industries

Alpha

Presentation Team

Euan Fraser

Global Chief Executive Officer

John Paton

Chief Financial Officer

Nick Fienberg

Chief Commercial Officer

Agenda

Alpha

Key Highlights
Euan Fraser

Key Financials
John Paton

Market & Operating Review
Euan Fraser | Nick Fienberg

Outlook & Vision
Euan Fraser

Key Highlights

H1 22 Overview

The Group has performed very well in the first half with significant progress on strategic objectives

1. Strategically important **acquisition of Lionpoint** – performing well with integration progressing
2. Strong organic **net fee income growth** delivered across all regions – particularly in North America
3. Continued momentum and strategic hiring in **insurance consulting**
4. Key hires in North America **strengthen Axxsys** data and cloud capability
5. 13 **director additions**[1] – increasing the size and expertise of global team (H1 21: 8)
6. Addition of 57 **new client relationships**[1] (H1 21: 28)
7. The Group is **well positioned** to navigate inflationary pressures
8. **Robust pipeline** and **strong momentum** into H2 22

1. Director additions (referring to revenue-generating directors) and client relationships are on an organic basis in the 6-month period to 30 September 2021, i.e. excluding client and director additions from the acquisition of Lionpoint.

Key Financial Highlights[1]

Alpha

We continue to grow successfully our global business

Net Fee Income[2]

▲ 43.9%

H1 22: £68.4m

H1 21: £47.5m

Adjusted EBITDA[3]

▲ 52.5%

H1 22: £15.4m

H1 21: £10.1m

Adjusted Profit before Tax[4]

▲ 58.7%

H1 22: £14.4m

H1 21: £9.1m

Adjusted Cash Conversion[5]

▼

H1 22: 57.8%

H1 21: 177.5%

Adjusted Earnings per Share[6]

▲ 40.9%

H1 22: 9.85p

H1 21: 6.99p

Interim Dividend per Share

▲ 38.1%

H1 22: 2.90p

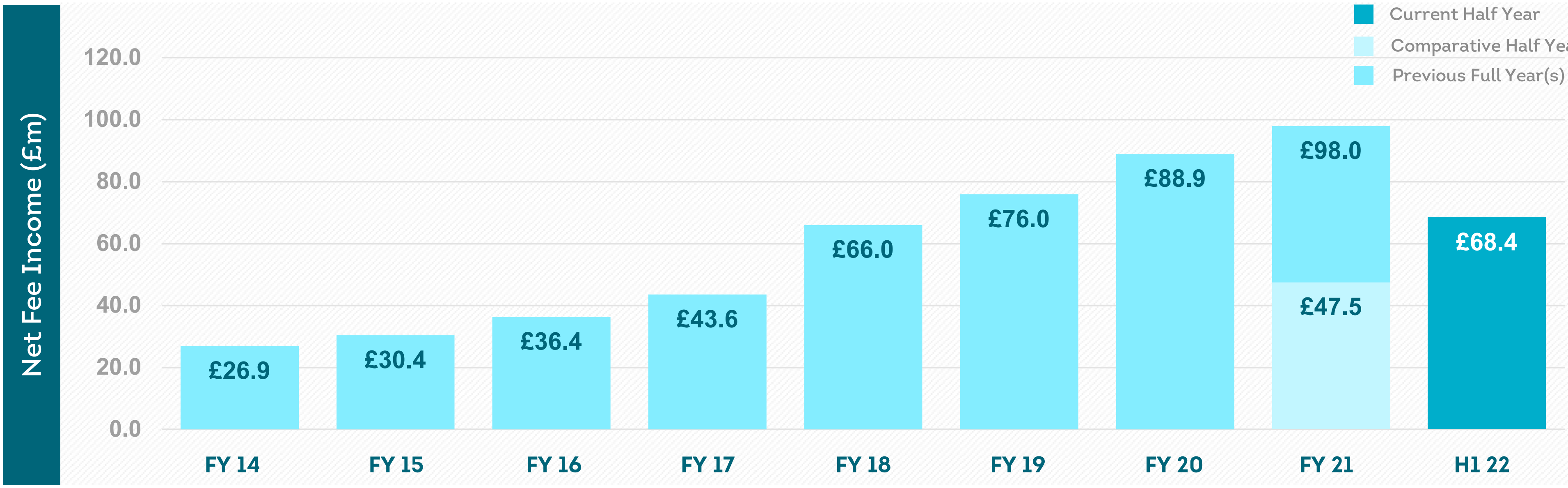
H1 21: 2.10p

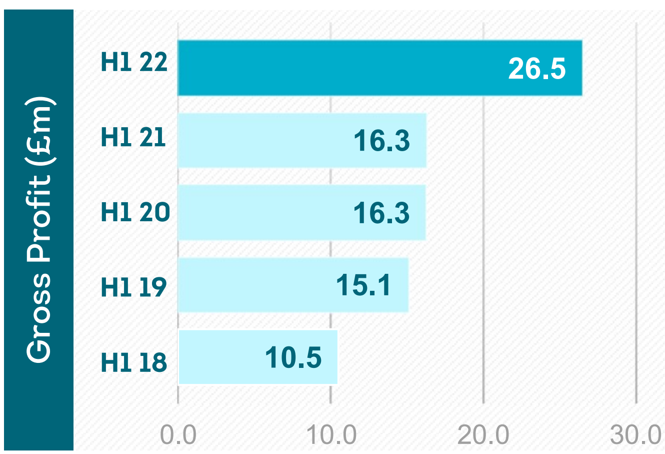
1. "H1 22" refers to 6-month period ended 30 Sep 2021. Comparative period references (H1 21) are to 6-month period ended 30 Sep 2020. All rounding and percentage change calculations are from the basis of the financial statements in £'000s. 2. Net fee income (NFI) is revenue net of incidental rechargeable expenses 3. Adjusted EBITDA is operating profit before interest, tax, depreciation, amortisation, foreign exchange and other adjusting non-operational costs such as acquisition and integration costs, earn-out and deferred consideration costs and share-based payment charges. 4. Adjusted profit before tax is adjusted EBITDA less depreciation, amortisation of capitalised development costs and underlying finance expenses. 5. Adjusted cash conversion is adjusted cash from operating activities divided by adjusted operating profit. Adjusted operating profit is adjusted EBITDA less depreciation and amortisation of capitalised development costs. 6. Adjusted EPS is adjusted PAT over the weighted average number of shares in issue in the period.

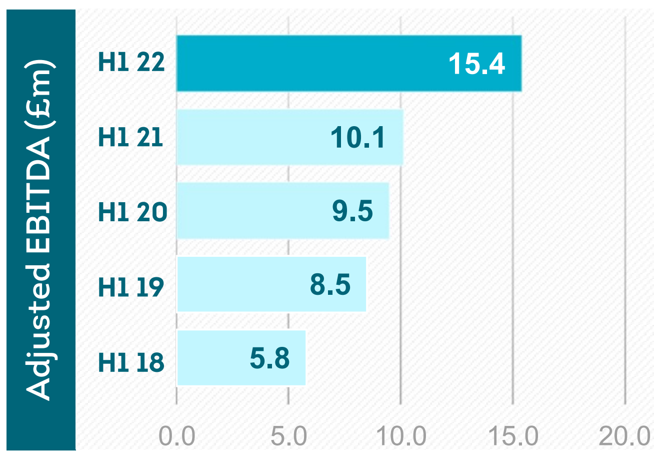
Key Financials

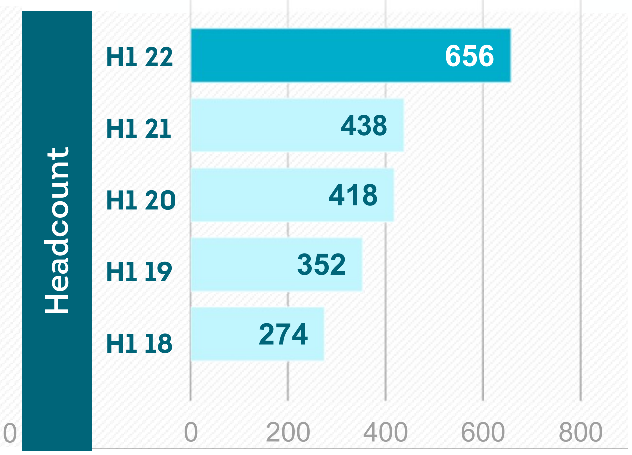
Key Performance Indicators

Historic track record









Group Income Statement

Alpha

Six months ended 30 September 2021

£'000	H1 22	H1 21	% change
Net fee income	**68,390**	**47,516**	**43.9%**
Cost of sales	(41,930)	(31,210)	
Gross profit	**26,460**	**16,306**	**62.3%**
Gross profit margin[1] %	*38.7%*	*34.3%*	
Adjusted administration expenses[2]	(11,023)	(6,185)	
Adjusted EBITDA	**15,437**	**10,121**	**52.5%**
Adjusted EBITDA margin[1] %	*22.6%*	*21.3%*	
Depreciation	(497)	(558)	
Amortisation of capitalised development costs	(301)	(306)	
Adjusted operating profit	**14,639**	**9,257**	**58.1%**
Net underlying interest	(205)	(159)	
Adjusted profit before tax	**14,434**	**9,098**	**58.7%**
Adjusting expense items	(9,171)	(4,233)	
Non-underlying interest	(1,032)	(409)	
Profit before tax	**4,231**	**4,456**	
Adjusted profit after tax	**10,743**	**7,055**	**52.3%**
Adjusted earnings per share (p)	**9.85**	**6.99**	**40.9%**
Adjusted diluted earnings per share (p)	9.34	6.67	40.0%
Interim dividend per share (p)	**2.90**	**2.10**	**38.1%**

Key Highlights

- Strong 21.7% organic net fee income growth plus Lionpoint's contribution; with an additional £2.2m NFI growth on a constant currency basis
- Gross profit margin improvement reflects strong utilisation and improving consultant fee rates globally
- Adjusted administration expenses reflect the addition of Lionpoint, increased recruitment, Group resource and returning discretionary spend
- Adjusted EBITDA margin of 22.6% returns close to pre-pandemic levels
- Effective tax rate ticks up with increased global contribution
- 2.90p interim dividend reflects Alpha's pay-out policy of c. 50% adjusted PAT per annum

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

Regional Performance

Alpha

Six months ended 30 September 2021

UK

Net Fee Income:
£32.5m ↑ 22.6%

Gross Profit:
£13.9m ↑ 34.4%

Gross Profit Margin:
42.7% (H1 21: 39.0%)

UK highlights:

- Good UK demand generating 14.0% organic NFI growth plus Lionpoint
- Strong progress from UK Insurance, Investments and Operations
- Gross margin reflects positive rates progression and good utilisation
- Strong H1 22 win rate momentum
- Healthy pipeline going into H2 22

North America

Net Fee Income:
£18.8m ↑ 143.2%

Gross Profit:
£6.5m ↑ 191.8%

Gross Profit Margin:
34.4% (H1 21: 28.7%)

North America highlights:

- North America NFI more than doubles including Lionpoint
- 46.6% organic NFI growth continues strong FY 21 momentum across an enlarged team
- Gross margin improvement reflects strong utilisation and good fee rate progression
- Strong H2 22 visibility and pipeline

Europe & APAC

Net Fee Income:
£17.1m ↑ 28.6%

Gross Profit:
£6.1m ↑ 62.1%

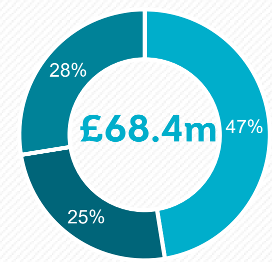
Gross Profit Margin:
35.8% (H1 21: 28.4%)

Europe & APAC highlights:

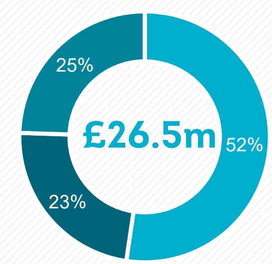
- Strong 22.6% organic NFI growth across a growing team
- Gross margin improvement delivered from strong utilisation across the region and good fee rate progression
- Continuing strong pipeline into H2 22

Regional Overview

Net Fee Income



Gross Profit



- UK
- North America
- Europe & APAC

Adjusting Expense Items

Non-recurring:

£'000	H1 22	H1 21
Acquisition costs	643	-
Integration costs	-	107
Total non-recurring costs	**643**	**107**

Non-underlying:

£'000	H1 22	H1 21
Amortisation of acquired intangibles	2,258	1,777
Share-based payments charge	2,357	719
Earn-out and deferred consideration	2,539	1,561
Loss on disposal of fixed assets	21	-
(Gains)/losses on foreign exchange	1,353	69
Total non-underlying operating costs	**8,528**	**4,126**
Total adjusting non-operating costs	**9,171**	**4,233**

Finance expenses:

£'000	H1 22	H1 21
Unwind of discounting on consideration	1,032	409
Total non-underlying finance costs	**1,032**	**409**

Key Highlights

- H1 22 non-recurring expenses relate to Lionpoint acquisition costs
- Acquired intangibles amortisation increases reflecting the Lionpoint acquisition
- IFRS 2 share-based payments charge increases with FY 22 awards in July, latest assumptions, including share price growth and relevant social security taxes
- H1 22 increase in earn-out and deferred consideration reflects the Lionpoint employment-linked acquisition payments, expensed in line with IFRS 3
- The FX loss mainly arose from the Lionpoint acquisition and USD:GBP volatility around the acquisition date
- Associated unwinding of discounted deferred and earn-out acquisition payments within finance expenses are also considered non-underlying

Group Balance Sheet

As at 30 September 2021

£'000	H1 22	FY 21	H1 21
Non-current assets	136,744	87,100	91,167
Trade receivables	22,823	16,119	17,927
Other receivables	4,821	1,819	1,879
Cash	40,032	34,012	32,536
Trade payables	(2,562)	(1,780)	(1,669)
Deferred income	(2,770)	(1,996)	(1,674)
Other payables	(44,790)	(25,561)	(32,158)
Deferred tax provision	(5,598)	(3,022)	(3,453)
Lease liabilities	(2,120)	(1,893)	(2,341)
Other non-current liabilities	(22,043)	(10,433)	(6,755)
Net assets	**124,537**	**94,365**	**95,459**
Issued share capital	89	80	79
Other reserves	125,983	93,440	92,165
Retained earnings	(3,937)	543	(171)
Foreign exchange reserve	2,402	302	3,386
Shareholders' equity	**124,537**	**94,365**	**95,459**

Key Highlights

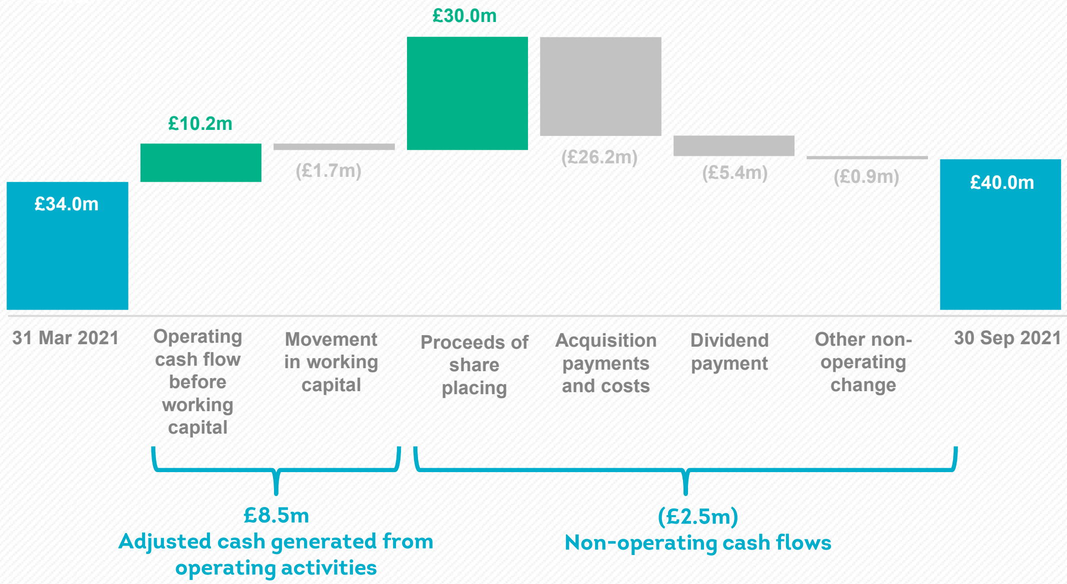
- Maintaining a strong H1 balance sheet
- Intangible assets reflect Lionpoint acquisition goodwill and intangible additions
- Working capital, after the addition of Lionpoint balances, remains well positioned; consistent debtor days compared to March 21
- Other payables reflects current element of acquisition deferred payments and a return to Alpha's profit share bonus summer payment cycle
- Deferred tax provision increases from both the Lionpoint acquisition and reflecting the future UK corporation tax rate increase
- Current and non-current liabilities include £18.8m and £20.7m respectively acquisition-related deferred consideration, including Lionpoint
- £20.0m RCF fully undrawn

Group Cash Flow

Alpha

Six months ended 30 September 2021

Cash flow bridge:



Reconciliation to adjusted cash generated from operating activities:

£'000	H1 22	H1 21
Net cash generated from operating activities	5,970	15,285
Employment-linked consideration	1,848	1,146
Acquisition costs	643	-
Adjusted cash generated from operating activities	**8,461**	**16,431**
Cash conversion	109.2%	304.2%
Adjusted cash conversion[1]	57.8%	**177.5%**

Key Highlights

- Adjusted cash conversion is within the historic pre-COVID 55-70% H1 cash conversion range, after returning profit share bonus payments to H1
- H1 21 cash conversion benefitted from c. £7.0m of COVID-related deferrals
- Underlying working capital management maintained
- £30.0m net proceeds from c. 9.0% share placing
- Acquisition payments[2] include £25.6m Lionpoint acquisition payments and final £2.1m Axxsys deferred payment
- Payment of FY 21 final dividend in September

1. Adjusted cash conversion is adjusted cash from operating activities divided by adjusted operating profit. Adjusted cash generated from operating activities excludes any employment-linked acquisition payments and acquisition costs, treated as operating cashflows under IFRS. 2. £26.2m acquisition payments include £25.6m for Lionpoint, including £0.7m deferred payments, less £2.1m of cash acquired, plus the final £2.1m Axxsys deferred payment and £0.6m of Lionpoint acquisition-related costs.

Market & Operating Review

Alpha

In the Spotlight: Lionpoint

LIONPOINT

Alpha

The Lionpoint acquisition consolidates Alpha's position as a leading global consultancy, by incorporating strong capability in the fast-growing alternatives client segment

SUCCESSFUL ACQUISITION

- Lionpoint acquisition was completed in May 2021 with strong support from shareholders and successful raising of £30.0m net proceeds
- Lionpoint is a leading provider of consulting and implementation services to the alternatives investment market – the fastest growing asset class globally
- Trading is good and there is a strong opportunity pipeline

RAPID MOBILISATION OF INTEGRATION ACTIVITIES

- Integration programme has been rapidly mobilised – including joint workstreams focussing on operations, communication and collaboration
- Integration of the Lionpoint team has been smooth – and the team has also grown substantially since acquisition. The operational and systems integration of Lionpoint is well progressed

MAJOR GLOBAL REVENUE POTENTIAL

- Significant commercial synergies between Alpha and Lionpoint client bases and services
- Lionpoint is well established in North America, complementing Alpha's service offering and enhancing the Group's North America footprint
- Acquisition is expected to be significantly accretive to earnings in first financial year of ownership, at comparable margins

Outlook & Vision

A strong business performance in H1 22

Alpha delivered strong financial performance, growth across all regions and further strategic progress

Further growth of the business

- **Strong growth** in both net fee income and adjusted EBITDA compared to H1 21
- Geographic growth achieved **across all regions**, including significant further progress in **North America**
- Demonstrating the strength of Alpha's broadening and deepening **service proposition** and a successful **business development capability**
- Financially well positioned with a **robust balance sheet**

A market-leading reputation

- Alpha has **invested further in the business**, adding directors[1] and investing in its service offering to meet demand
- Continuing to build on a global reputation for **project delivery excellence**
- Winning new projects and new clients, and **growing market share** against our competitors
- Carrying **strong momentum** into H2 22 and beyond

Delivering on our strategic objectives

- The **Lionpoint acquisition** expands Alpha's alternatives presence and doubles the North America team size – with the business performing well and the integration progressing smoothly
- **North America business** continues to grow – both organically and inorganically through the acquisition of Lionpoint. **Director team**[1] in North America increased by 5 in H1 22 overall
- Excellent progress around **insurance consulting** proposition, including a new director general insurance and specialty hire
- Continued strong momentum and client demand behind the **ESG & Responsible Investment practice**

THE BOARD EXPECTS TO DELIVER FULL-YEAR RESULTS AHEAD OF MARKET EXPECTATIONS

1. Director additions (referring to revenue-generating directors) are on an organic basis in the 6-month period to 30 September 2021, i.e. excluding director additions from the acquisition of Lionpoint.

Strategic Aim

In November 2020, we outlined our ambition to double the business over a four-year timeframe – one year in, we have made strong progress to meet this ambition

> The strategic aim is to double the business from 2020 to 2024

> Underpinned by structural drivers creating strong tailwinds in the industry

GROWTH IN AUM

There is long-term growth in global AUM and the scale of the Group's addressable market is forecast to expand further

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

Strategic Growth Progress

Alpha

- ✓ We are pleased with the strong progress that we have made against our **aim to double the business** over four years from November 2020
- ✓ The Group continues to see **significant growth opportunities** to achieve that strategic ambition
- ✓ Whilst we anticipate some inflationary pressures and normalising utilisation and costs, these will be balanced by continuing **strong structural growth drivers**

VISION

1. INCREASE THE OFFERING
2. STRONG MARGINS
3. DOUBLE THE BUSINESS

GEOGRAPHIC EXPANSION

- Continued dynamic expansion in **NORTH AMERICA**
- Growth and consolidation in **EUROPE** and **the UK**
- Strategic expansion across **APAC**

STRATEGIC ACQUISITIONS

- Successful integration of **AXXSYS and OBSIDIAN**
- Integration of **LIONPOINT** progressing well
- Healthy **ACQUISITION PIPELINE** to complement organic growth

PRACTICES & VERTICALS

- Roadmap to further develop **INSURANCE** vertical
- Further **EXPANSION and GEOGRAPHIC ROLL-OUT** of business practices globally

PRODUCT & TECHNOLOGY OFFERINGS

- **ALPHA DATA SOLUTIONS** (ADS)
- Appointment of new **HEAD OF ADS**
- **ALPHA TECHNOLOGY SERVICES** (ATS)

DOUBLE THE BUSINESS OVER FOUR YEARS

Q&A

Appendices

Presentation Team Bios

Alpha

Euan Fraser

Global Chief Executive Officer

- Has led Alpha as CEO since 2013
- During this period, the business has increased EBITDA ten-fold
- Led the business through two successful private equity transactions and a public listing
- Alpha UK CEO from 2011 to 2015
- Over 20 years' financial services experience in both consulting and industry at Merrill Lynch
- Qualified as a chartered accountant with KPMG

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
- Latterly at HSBC, he was a director within UK Banking

Nick Fienberg

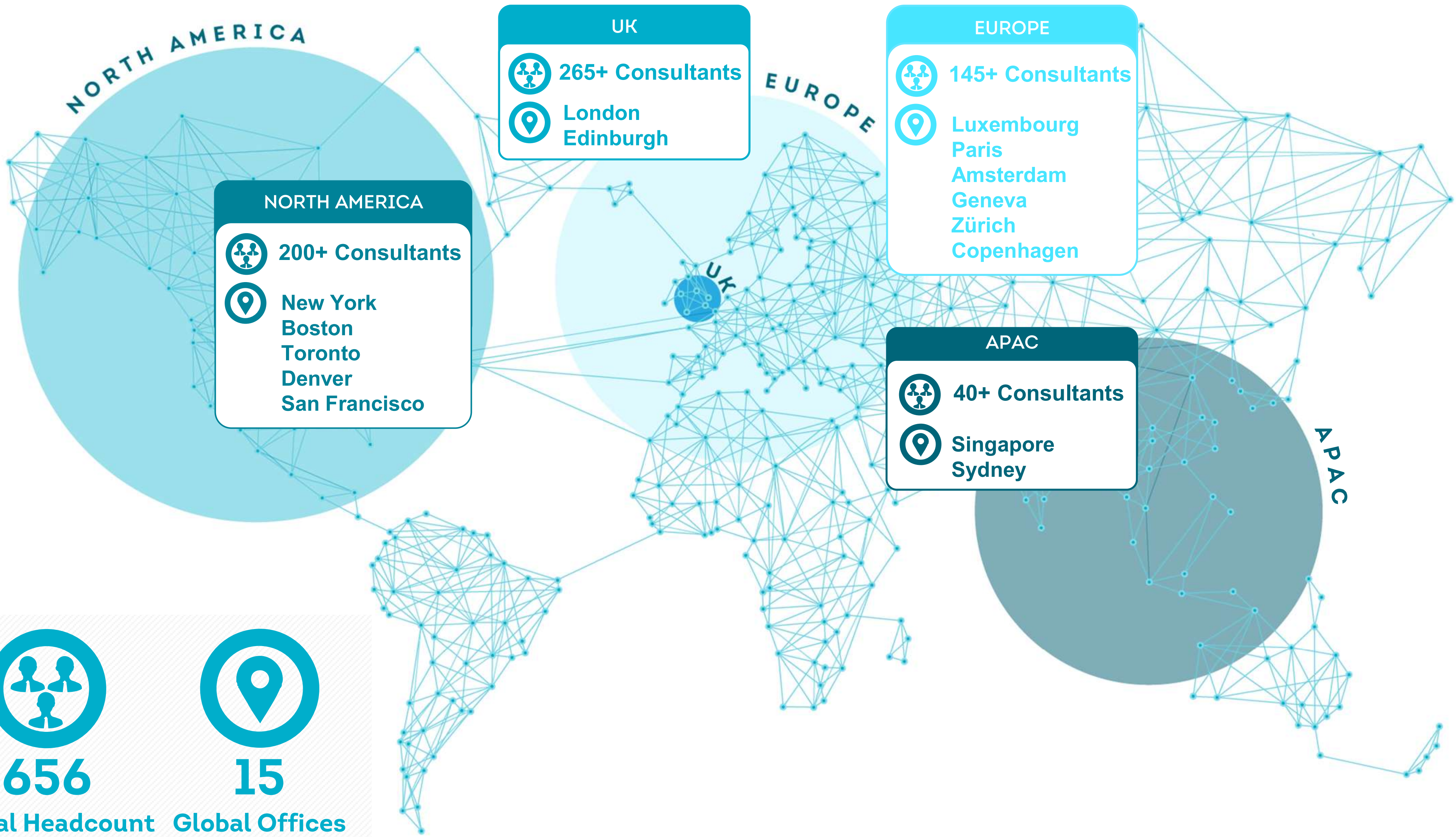
Chief Commercial Officer

- Joined Alpha in 2004
- Over 20 years' experience in asset management consulting
- Alpha CCO since October 2018, following four years in the Alpha director team
- Specialist in operational outsourcing and large-scale implementation programmes
- Manages acquisitions and innovation at Alpha, and oversees Alpha's global commercial terms

Our Regional Businesses at a Glance

Alpha

Consolidating our position as a leading global consultancy to the asset management, wealth management and insurance industries



656
Global Headcount

15
Global Offices

Key Alpha Differentiators

Our clients recognise the quality and experience of our people

We attract and retain the highest calibre individuals in the industry

Industry reputation as a leading consultancy meaning candidates actively approach Alpha

Open, diverse and inclusive environment delivered through a dedicated support programme

Invaluable experience through working on impactful, industry defining projects

Market-leading compensation package, including differentiating profit share

Unique culture placing People at the heart of the Alpha business

Running the business by encouraging all employees to take an active part in the business management of the company

Comprehensive training and development, building consulting skills and industry knowledge

Management incentivisation focussing on celebrating success and reward to retain and incentivise director and senior team

What our clients say…

"Alpha's greatest strength is having **good people**, and with Alpha you can be **sure of what you are getting**"
Director, global asset manager

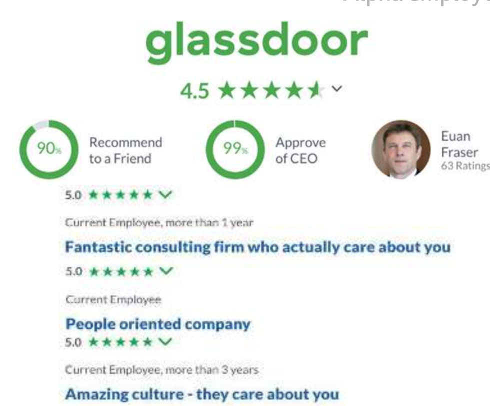
"Alpha has one of the **highest quality of people** I have seen"
COO, service provider

"I've **never heard a consultancy partner spoken about more positively** across such a broad variety of business partners than Alpha, and that includes our strategy and Big 4 consultants" President, global asset manager

What our employees say…

"The culture at Alpha is what makes it **unique and a great place to work.** Everyone is focused on being a **true team player** both within their project team and the wider company"
Alpha employee

"Alpha is special because of the **high calibre of its people, its organisational honesty, the unrelenting focus on delivering client value, the commercial astuteness of its market proposition** and, most importantly, the sense of **kinship and camaraderie**"
Alpha employee



Regional Breakdown

£'000	H1 22	H1 21	% change
UK	32,429	26,457	22.6%
North America	18,832	7,742	143.2%
Europe & APAC	17,129	13,317	28.6%
Net fee income	**68,390**	**47,516**	**43.9%**
UK	13,852	10,306	34.4%
North America	6,483	2,222	191.8%
Europe & APAC	6,125	3,778	62.1%
Gross profit	**26,460**	**16,306**	**62.3%**
UK	42.7%	39.0%	
North America	34.4%	28.7%	
Europe & APAC	35.8%	28.4%	
Gross profit margin[1]	**38.7%**	**34.3%**	

Notes

- The Group is currently organised into three geographic operating segments: UK, North America, Europe & APAC
- The Lionpoint acquisition has been allocated to these reporting segments as appropriate
- Gross margins improved in all regions reflecting strong consultant utilisation levels and an improving fee rate environment globally

1. Margins are calculated on net fee income.

Basic and Adjusted Earnings per Share

£'000	H1 22	H1 21
Profit after tax	953	2,975
Weighted average number of ordinary shares	109,040	100,905
Weighted average number of ordinary shares, including potentially dilutive shares	114,989	105,820
Basic EPS (p)[1]	**0.87p**	**2.95p**
Diluted EPS (p)[2]	**0.83p**	**2.81p**
Adjusted profit after tax	10,743	7,055
Weighted average number of ordinary shares	109,040	100,905
Weighted average number of ordinary shares, including potentially dilutive shares	114,989	105,820
Adjusted basic EPS[3] (p)	**9.85p**	**6.99p**
Adjusted diluted EPS[4] (p)	**9.34p**	**6.67p**

Notes

- Basic and diluted earnings per share is presented, both on adjusted and statutory basis
- Potential ordinary shares are only treated as dilutive when their conversion to ordinary shares would decrease EPS
- There were 5.9 million potentially dilutive ordinary shares at 30 September 2021
- Alpha's management incentive plan anticipates performance-related dilution of up to 10% of issued share capital

1. Basic EPS is calculated by dividing the profit for the period by the weighted average number of ordinary shares outstanding in the period. 2. Diluted EPS considers the weighted average number of dilutive shares outstanding in the period. 3. Adjusted basic EPS is adjusted PAT over the weighted average number of shares in issue in the period. 4. Adjusted diluted EPS considers the weighted average number of dilutive shares outstanding in the period.

Group Cash Flow

£'000	H1 22	H1 21
Operating profit	**5,468**	**5,024**
Non-cash items	4,749	3,279
Net movement in working capital	(1,587)	7,931
Income taxes paid	(2,660)	(949)
Net cash from operating activities	**5,970**	**15,285**
Adjusted cash conversion rate[1] %	**57.8%**	**177.5%**
Interest received	1	-
Capex	(204)	(143)
Acquisition related costs, net of cash acquired	(23,796)	(2,752)
Net cash used in investing activities	**(23,999)**	**(2,895)**
Issue of share capital	30,049	1
Purchase of own shares by the EBT	(187)	-
Repayment of revolving credit facility	-	(5,000)
Interest paid	(199)	(340)
Dividends paid	(5,431)	-
Lease liability payments	(400)	(473)
Net cash from financing activities	**23,832**	**(5,812)**
Net movement in cash and equivalents	**5,803**	**6,578**
Exchange rate fluctuations on cash	217	(38)
Cash and equivalents at start of year	34,012	25,996
Cash and equivalents at end of year	**40,032**	**32,536**

Notes

- Adjusted cash conversion is within the historic pre-COVID 55-70% H1 cash conversion range, after returning profit share bonus payments to H1
- H1 21 cash conversion benefitted from c. £7.0m of COVID-related deferrals
- Underlying working capital management maintained
- £30.0m net proceeds from c. 9.0% share placing
- Acquisition payments[2] include £25.6m Lionpoint acquisition payments and final £2.1m Axxsys deferred payment
- Payment of FY 21 final dividend in September

1. Adjusted cash conversion is adjusted cash from operating activities divided by adjusted operating profit. Adjusted cash generated from operating activities excludes any employment-linked acquisition payments and acquisition costs, treated as operating cashflows under IFRS. 2. £23.8m acquisition payments include £25.6m for Lionpoint, less £2.1m of cash acquired, plus the final £2.1m Axxsys deferred payment, stated net of £1.8m employment-linked payments.

Caution Statement

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.