Audited preliminary results for the 12 months ended 31 March 2024

20 June 2024

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

Key Highlights
Luc Baqué

Key Financials
John Paton

Market Overview & Outlook
Luc Baqué

Key Highlights

FY 24 Overview

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

1. **Net fee income[1] growth** delivered across all the Group's regions on a constant currency basis
2. Maintained **consistent consultant day rates** and a **strong pipeline**, albeit at lower average utilisation levels
3. Selective hiring in key growth areas, with **15 experienced directors[2] added** (FY 23: 13), including internal promotions
4. Launch of insurance consulting in North America with two new senior directors appointed to lead the proposition
5. Continued expansion of Alpha's alternatives capability across management and technology consulting through the Lionpoint team
6. Bolt-on **acquisition of Shoreline** consolidated Alpha's APAC presence, bringing 36 new client relationships to the Group
7. Despite ongoing challenges as the consulting market continues to rebalance, Alpha remains focused on its aim of doubling the business again by 2028[3]
8. Today, the Group has also announced a recommended cash offer from Bridgepoint for 505 pence per share to acquire Alpha

1. Net fee income (NFI) is revenue net of incidental rechargeable expenses. 2. "Directors" refers to fee-generating directors at the year end. All director increases are presented as net, including hiring and promotions in the year. 3. The statement that the Alpha Group's growth plan has an ambition to double the size of its business by 2028 is aspirational only and should not be construed as a profit forecast within the meaning of the Takeover Code. There can be no certainty that Alpha will achieve its ambition, which is subject to various assumptions, risks and uncertainties that could cause Alpha's growth to differ materially from its expressed ambition.

Key Highlights[1]

Alpha

Reflecting on the financial performance for the year ended 31 March 2024

Net Fee Income[2]	Gross Profit
FY 24: £233.6m	**FY 24: £78.3m**
FY 23: £227.2m	FY 23: £80.4m

Adjusted EBITDA[3]	Net Cash
FY 24: £42.2m	**FY 24: £29.4m**
FY 23: £46.6m	FY 23: £59.2m

Strategic Highlights

- **Net fee income growth** delivered by all geographic regions on a constant currency basis
- Maintained **consistent consultant day rates** and a strong pipeline
- Lower consultant average utilisation, particularly across the Q2 summer months, **reaching near target utilisation levels** by the end of the year
- **Gross profit** reflects lower average consultant utilisation and selective investment in the consultant team, and active management of variable costs
- **Adjusted EBITDA margin of 18.0%** (FY 23: 20.5%)
- **Robust balance sheet**, with £29.4m net cash and the undrawn £50.0m revolving credit facility providing further flexibility

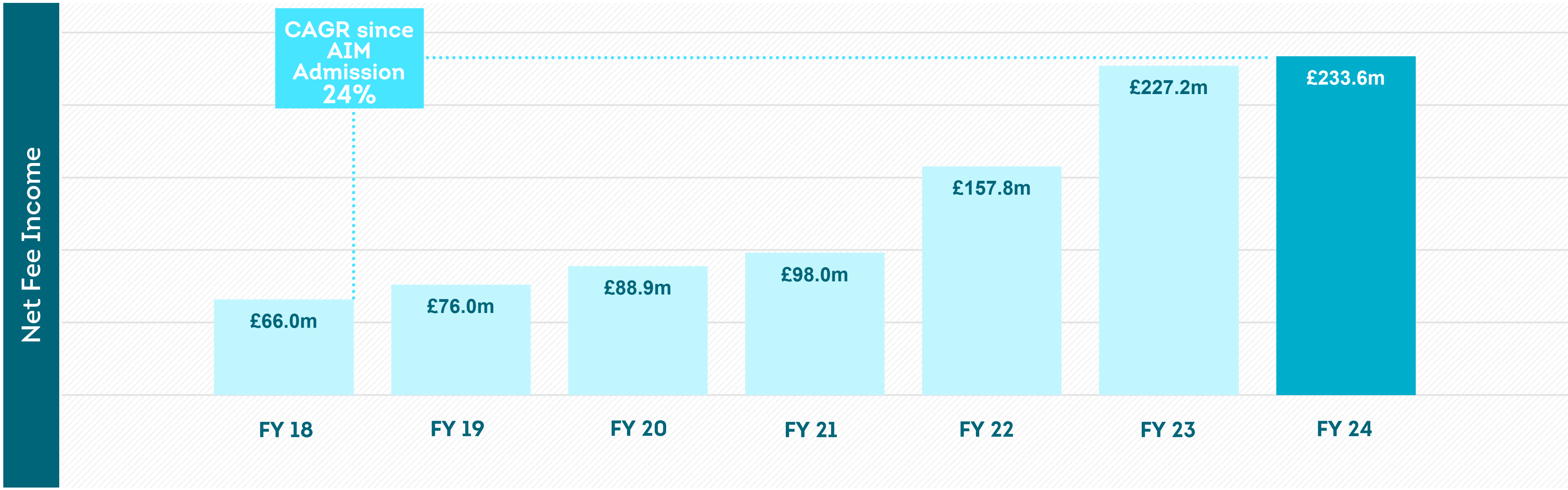
1. "FY 24" highlights refer to the year ended 31 March 2024. Comparative year references ("FY 23") are to the year ended 31 March 2023. All rounding and percentage change calculations are from the basis of the financial statements in £'000s. 2. Net fee income (NFI) is revenue net of incidental rechargeable expenses. 3. Adjusted EBITDA is operating profit before interest, tax, depreciation, amortisation and other adjusting non-operational costs such as acquisition and integration costs, restructuring costs and earn-out and deferred consideration costs, as well as share-based payment charges and foreign exchange.

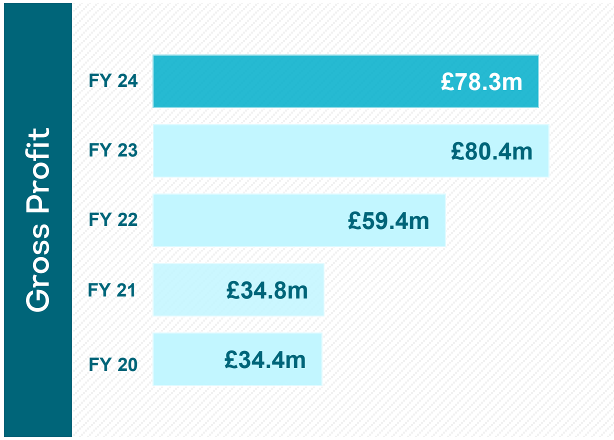
Key Financials

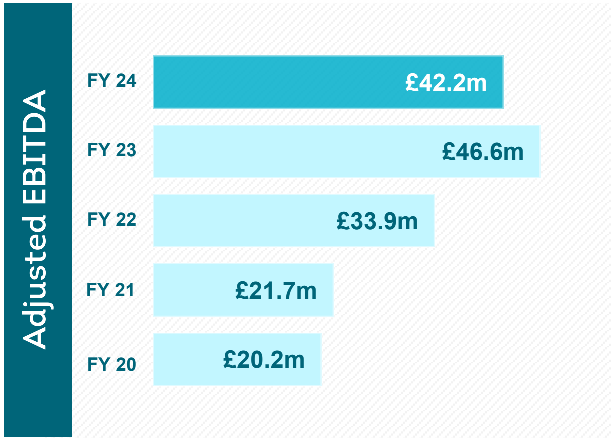
Key Performance Indicators

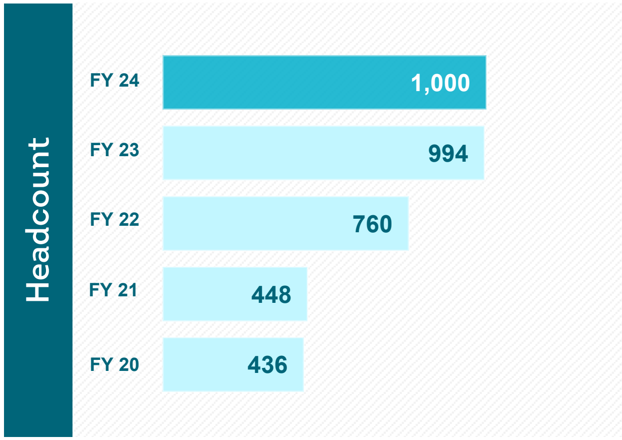
Historic track record

Current full year
Previous full years









Group Income Statement

Year ended 31 March 2024

£'000	FY 24	FY 23	% change
Net fee income	**233,625**	**227,155**	**2.8%**
Cost of sales	(155,328)	(146,796)	
Gross profit	**78,297**	**80,359**	**(2.6%)**
Gross profit margin[1]%	*33.5%*	*35.4%*	
Adjusted administration expenses[2]	(36,142)	(33,777)	
Adjusted EBITDA	**42,155**	**46,582**	**(9.5%)**
Adjusted EBITDA margin[1]%	*18.0%*	*20.5%*	
Depreciation charge	(2,769)	(1,933)	
Amortisation of capitalised development costs	-	(186)	
Adjusted operating profit	**39,386**	**44,463**	**(11.4%)**
Net underlying finance expenses	(887)	(448)	
Adjusted profit before tax	**38,499**	**44,015**	**(12.5%)**
Adjusting items	(14,308)	(15,827)	
Non-underlying finance expenses	(1,621)	(2,417)	
Profit before tax	**22,570**	**25,771**	**(12.4%)**
Adjusted profit after tax	**28,487**	**33,229**	**(14.3%)**
Adjusted EPS (p)	**24.90**	**29.27**	**(14.9%)**
Adjusted diluted EPS (p)	23.34	27.37	(14.7%)
Total dividend per share (p)	**3.70**	**14.20**	

Key Highlights

- **Net fee income grew 2.8%**, mainly organically and 4.8% in constant currency
- **Gross margin** reflects lower average consultant utilisation, alongside consistent average fee rates globally, selective team investment and appropriately managed variable costs
- **Adjusted administration expenses** reflect full year run-rate of last year's Group central team investment, alongside increased overall spend supporting a larger consulting team on average
- **Adjusted EBITDA** margin of 18.0% mainly reflects lower FY 24 consultant utilisation and the overall cost base
- **Effective tax rate** of 26.0% continues to tick up, as expected
- **Both EPS** measures reflect profit levels and increased shares from option vests
- **The Board is not recommending a final dividend at this stage, given the recommended cash offer for Alpha**

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 restructuring, acquisition and integration costs and earn-out and deferred consideration costs, as well as share-based payment charges.

Regional Performance

Year ended 31 March 2024

UK

Net Fee Income:
£91.2m ↑ 4.7%

Gross Profit:
£33.0m ↓ 5.8%

Gross Profit Margin:
36.2% (FY 23: 40.2%)

UK highlights:

- **Good UK client demand** generating 4.7% organic NFI growth
- **Strong progress** from the newer alternatives business, 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 active cost management
- **Maintaining consultant utilisation** levels and a **good opportunity pipeline** into FY 25

North America

Net Fee Income:
£90.5m ↓ (0.6%)

Gross Profit:
£28.3m ↓ (5.6%)

Gross Profit Margin:
31.3% (FY 23: 32.9%)

North America highlights:

- North America NFI remains **broadly consistent** on the comparative year; **up 3.8% on a constant currency basis**, all organically
- **Gross margin** primarily reflects some fee rate compression, alongside good consultant utilisation overall while managing variable costs
- North America starts FY 25 with a **strong visibility and opportunity pipeline and** the team well deployed

Europe & APAC

Net Fee Income:
£51.9m ↑ 6.1%

Gross Profit:
£17.0m ↑ 10.6%

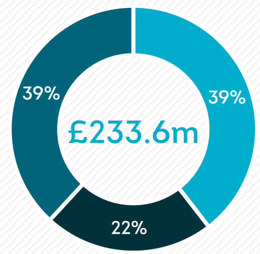
Gross Profit Margin:
32.7% (FY 23: 31.4%)

Europe & APAC highlights:

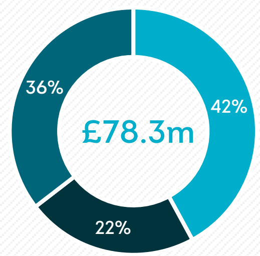
- **1.4% organic NFI growth**, plus the Shoreline contribution
- **Strong performance** from the French insurance and alternatives businesses
- **Gross margin improvement** reflects improved average fee rates and the management of variable costs, part offset by lower average consultant utilisation
- Started FY 25 well with **firming utilisation overall**, and a **growing pipeline**

Regional Overview

Net Fee Income



Gross Profit



- UK
- North America
- Europe & APAC

Adjusting Expense Items

Year ended 31 March 2024

Non-recurring expenses:

£'000	FY 24	FY 23
Acquisition and integration costs	292	331
Restructuring costs	945	-
Total non-recurring costs	**1,237**	**331**

Non-underlying expenses:

£'000	FY 24	FY 23
Amortisation of acquired intangibles	4,325	4,576
Share-based payment charge[1]	7,337	7,950
Earn-out and deferred consideration	1,122	2,525
Profit on disposal of fixed assets	(44)	(14)
Losses on foreign exchange	331	459
Total non-underlying adjusting costs	**13,071**	**15,496**
Total adjusting non-operating costs	**14,308**	**15,827**

Finance expenses:

£'000	FY 24	FY 23
Unwinding of discounted consideration	1,621	2,417
Total non-underlying finance costs	**1,621**	**2,417**

Key Highlights

- Acquisition and integration costs relate to **Shoreline**
- **Restructuring costs** relate to a limited number of UK-focussed redundancies given market conditions
- **Decreased acquired intangibles amortisation** reflects some fully amortised intangibles, partly offset by Shoreline additions
- **IFRS 2 share-based payment charge** reflects updated assumptions, including lower share price and vesting levels given FY 24 performance
- **Earn-out and deferred consideration** reflects employment-linked acquisition consideration expensed in line with IFRS 3
- Associated **unwinding of discounted deferred and earn-out consideration** from the acquisitions is also considered non-underlying within finance expenses

1. If no adjustment were made for the share-based payment charge, adjusted EBITDA for the year would be £34.8m (FY 23: £38.6m).

Group Balance Sheet

As at 31 March 2024

£'000	FY 24	FY 23
Non-current assets	136,274	139,526
Trade receivables	33,505	26,124
Other receivables	8,680	8,004
Cash and cash equivalents	29,392	59,215
Trade payables	(4,400)	(5,156)
Other payables	(34,328)	(42,682)
Corporation tax	(1,526)	(1,321)
Deferred tax liabilities	(2,442)	(2,783)
Earn-out & deferred consideration	(12,514)	(24,949)
Lease liabilities	(2,560)	(4,161)
Other non-current liabilities	(1,588)	(2,478)
Net assets	**148,493**	**149,339**
Issued share capital	92	90
Retained earnings	5,160	5,561
Other reserves	143,241	143,688
Shareholders' equity	**148,493**	**149,339**

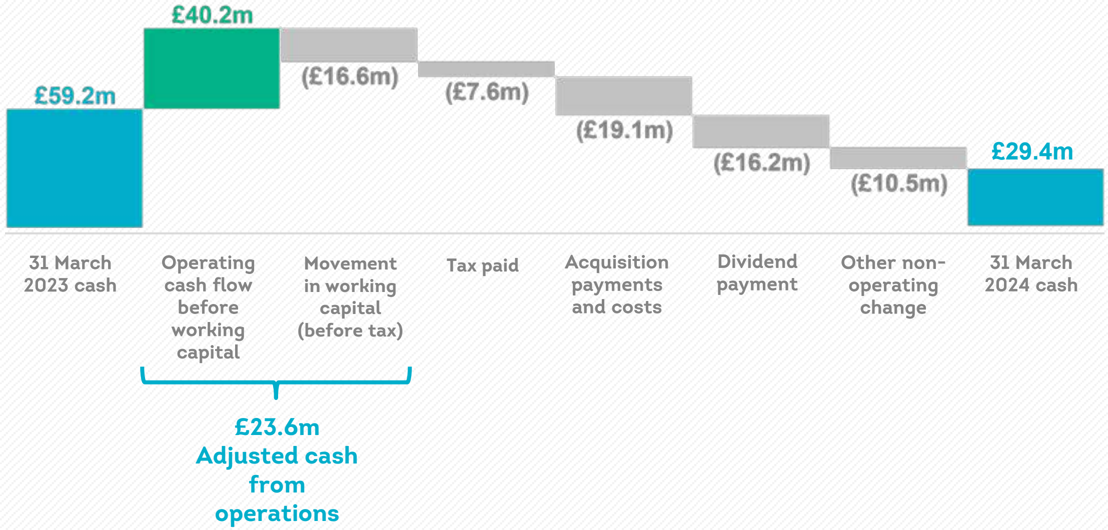
Key Highlights

- **Maintaining a strong balance sheet** with £29.4m net cash, having paid acquisition-related amounts of £19.2m
- Intangible assets and goodwill decrease with the **Shoreline** addition **offset by FX losses and certain fully amortised intangibles**
- **Working capital remains well managed;** with debtor days within the typical range, albeit higher than FY 23
- **Other receivables** reflect a small accrued income movement from project timings, and **other payables** principally represent lower performance-adjusted bonus accruals
- Earn-out and deferred liabilities significantly decreased **with £19.1m paid in FY 24**
- **£50.0m RCF fully available** at 31 March 2024

Group Cash Flow

Year ended 31 March 2024

Adjusted cash flow bridge:



Illustrative reconciliation of adjusted cash conversion[1]:

Movements to "normalised"[2] adjusted cash conversion	
FY 24 "normalised" cash conversion	**90%**
Effect of profit share and bonus timing on working capital	(30%)
FY 24 reported adjusted cash conversion	**60%**

Key Highlights

- **60% FY 24 adjusted cash conversion**, in line with guidance at H1
- **Good underlying working capital management** maintained, albeit debtors widen within the normal range
- Operating cash generation primarily reflects the **movement in working capital**. This mostly relates to prior year profit share bonus payments and their relative size compared to FY 24 profits, alongside lower FY 24 performance-adjusted bonus accruals
- **Acquisition payments** include £16.4m[3] for Lionpoint, £2.4m for Shoreline, net of cash acquired, and £0.3m of acquisition and integration costs
- **FY 23 final dividend** paid in September and FY 24 interim dividend paid in December
- **Other non-operating cash flows** include **£3.8m EBT purchase** of own shares and £0.9m of restructuring costs

1. Adjusted cash conversion is adjusted cash from operations divided by adjusted operating profit. Adjusted cash from operations excludes tax, restructuring costs, acquisition and integration costs, and any employment-linked acquisition payments, treated as operating cash flows under IFRS. 2. "Normalised" adjusted cash conversion provides an illustration of a more typical movement in working capital, to exclude the more pronounced FY 24 working capital movement caused by the relative size of prior year profit share payments and lower performance-adjusted FY 24 bonus accruals. 3. Of the £16.4m Lionpoint acquisition payments, £16.3m relates to deferred and contingent consideration payments, with £1.7m being employment-linked, and £0.1m relates to additional associated social security payments.

Market Overview & Outlook

A Resilient Performance in FY 24

Alpha

Alpha performed resiliently, delivering net fee income growth while also making good progress on its strategic objectives

Resilient trading performance

- Against a more competitive market environment, the Group **performed resiliently**
- **Growth achieved across all regions** – growing net fee income on a constant currency basis
- **Maintained consistent consultant day rates** and **a strong pipeline**, 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 and net cash position**

Progress on strategic objectives

- **Launch of insurance consulting in North America,** with the hiring of two specialist directors to support the development of the proposition locally
- **Continued selective investment** in our people adding **further specialist expertise** in important practice and sector offerings: Operations, Wealth and Alternatives
- **Shoreline acquisition consolidates** Alpha's APAC presence – with the integration successfully completed in the year

Structural Drivers Supporting our 2028 Growth Ambitions[1]

Alpha

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[1]

> 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 targeting its 2028 ambition[1]**

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

Outlook

Alpha is well positioned for future growth, with strong long-term structural drivers of demand

Near-term sentiment

- There remains some uncertainty as the supply and demand dynamics in the consulting market continue to rebalance, which the **Group monitors carefully**
- Alpha's **resilient performance** in FY 24 is a testament to its excellent reputation, robust business model and strong talent base
- The sector-focused proposition continues to appeal to a range of clients in multiple geographies, resulting in a **strong pipeline**
- **Sales wins** and **consultant utilisation** ticked up through the final quarter of FY 24, **reaching near target levels** by the end of the year, and this level has been maintained into the early part of FY 25
- The **balance sheet remains robust** with close to £30m net cash

Long-term opportunity

- The long-term market drivers that underpin **demand for Alpha's services remain 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 active **acquisition opportunities**
- Alpha's strategic direction remains unchanged – to **double the business again by 2028**[1]

WE REMAIN FOCUSED ON DOUBLING THE BUSINESS AGAIN BY 2028[1]

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

Q&A

Appendices

Alpha

Presentation Team Biographies

Luc Baqué
Chief Executive Officer

- CEO of Alpha since 2023
- Global Head of Asset & Wealth Management Consulting 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

Alpha

A Strong Track Record

- History of achieving strong growth in net fee income, cash generation and profitability
- Generated attractive returns since IPO
- **23.5%** net fee income CAGR since AIM admission

The Best Talent

- We attract, develop and retain the highest calibre consultants
- Allowing us to achieve rapid organic growth and low rates of attrition
- **227.9%** growth in consultants since AIM admission

The Best Culture

- Very strong people culture
- An environment where people feel passionate about their work, colleagues, communities and clients
- Ranked as one of 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[1]

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
- **329.6%** growth in directors since AIM admission

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
- **309.5%** growth in client relationships since AIM admission

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

SILVER 2023 ecovadis Sustainability Rating

PRIVATE EQUITY WIRE EUROPEAN AWARDS 2023 Best Technology Advisory Firm

Awarded to Lionpoint (2023)

glassdoor 4.0

DÉCIDEURS MAGAZINE

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

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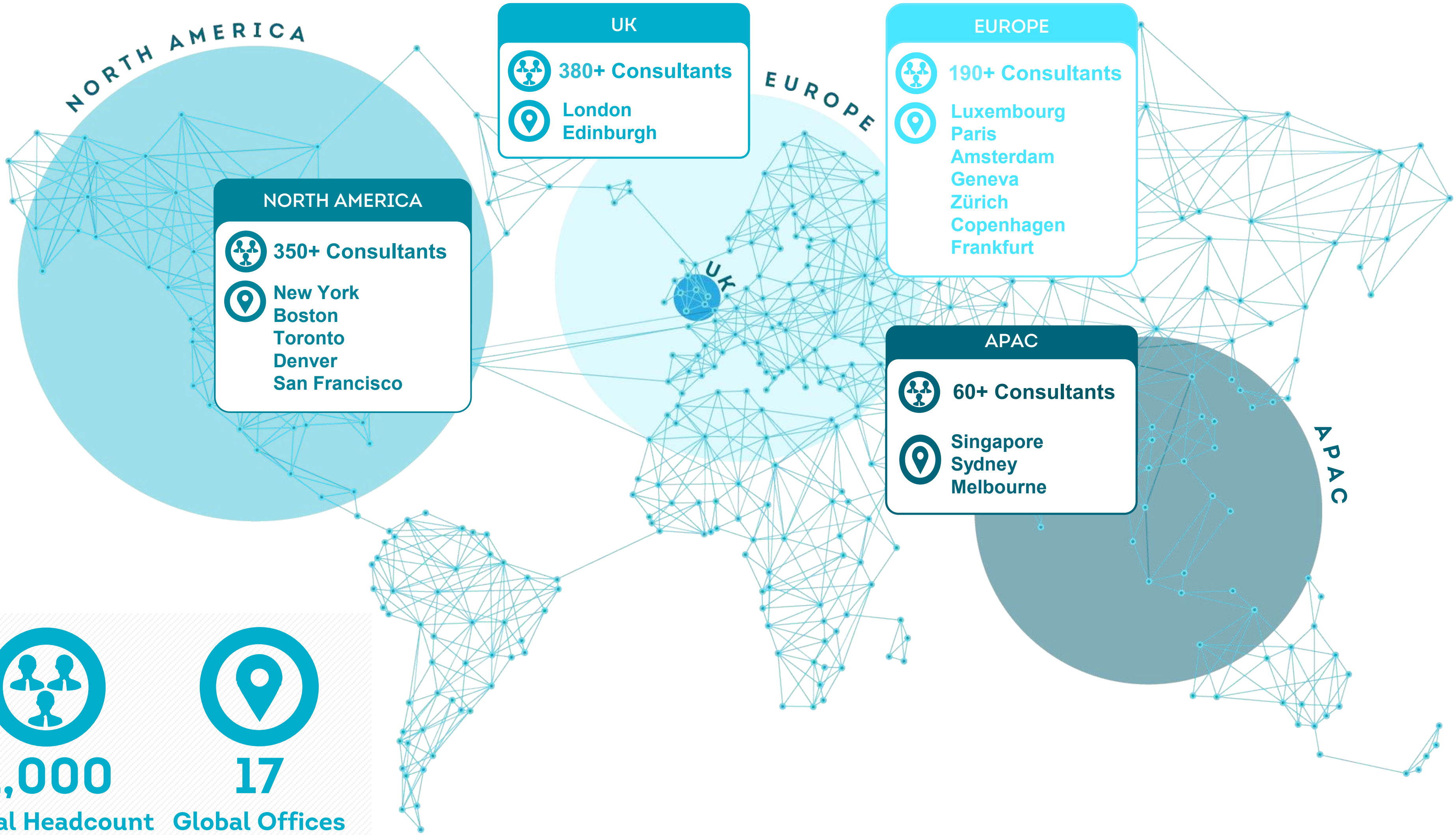
Our Regional Businesses at a Glance

Alpha

A leading global consultancy to the financial services industry



1,000
Global Headcount

17
Global Offices

Alpha

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Please refer to accompanying RNS announcements for further details of Alpha's results for the year ended 31 March 2024 and the recommended cash offer by Bridgepoint to acquire Alpha.