Alpha
Financial Markets Consulting

A leading global consultancy to the asset and wealth management industry

Interim Results for the six months ended 30 September 2018

21 November 2018

Presentation Team

Euan Fraser
Global Chief Executive Officer

- Has led Alpha as CEO since 2013
- During this period, the business has increased EBITDA almost seven-fold
- Has 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 February 2018
- Over 20 years' experience across corporate finance, banking and audit
- Qualified as a Chartered Accountant with KPMG
- Holds an Executive MBA
- Joined Alpha from HSBC, where he worked in both Global and Commercial Banking divisions, latterly as a Director in UK Banking

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Full year results presentation

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1. Key Highlights — Euan Fraser
2. Key Financials — John Paton
3. Market & Operating Review — Euan Fraser
4. Outlook — Euan Fraser

Alpha

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Key Highlights

Key Financial Highlights[1]

We continue to grow successfully our global business

Revenue	Adjusted EBITDA[2] (excl. FX gain)	Adjusted Operating Profit[3] (excl. FX gain)
↑ 35.5%	↑ 45.4%	↑ 46.8%
H1 19: £39.0m	**H1 19: £8.5m**	**H1 19: £8.4m**
H1 18: £28.7m	H1 18: £5.8m	H1 18: £5.7m

Adjusted Cash Conversion[4]	Pro forma Adjusted Earnings per Share[5] (excl. FX gain)	Interim Dividend per Share
↑	↑ 23.6%	↑ 29.1%
H1 19: 55.6%	**H1 19: 6.23p**	**H1 19: 1.91p**
H1 18: 1.7%	H1 18: 5.04p	H1 18: 1.48p

1. "H1 19": KPMG reviewed six months ended 30 September 2018; comparative period "H1 18": unaudited six months ended 30 September 2017. 2. Adjusted EBITDA is operating profit before interest, tax, depreciation, amortisation and other adjusting non-operational costs including acquisition costs, AIM admission costs, restructuring costs, earn-out costs and share-based payment charges. 3. Adjusted operating profit is adjusted EBITDA less depreciation. 4. Adjusted cash conversion is net cash from operating activities divided by adjusted operating profit. 5. Pro forma adjusted EPS is adjusted PAT over the weighted average number of shares in issue in the period; the comparative considers the number of shares in issue immediately prior to AIM admission.

Key Operational Highlights[1]

Delivering growth through global operations

Clients[2]

- Consulted to 252 clients
- Includes 80% of world's top 20 asset managers by AUM[3]
- Supporting some of the most complex and high-profile change projects in the industry

H1 18	FY 18	H1 19
227	241	252

Practices

- Launch of FinTech & Innovation
- Growth in scale of FY 18 launched practices: Alpha Data solutions (H2 18) and Digital (H1 18)
- Continued rollout of Alpha practices globally

H1 18	FY 18	H1 19
9	10	11

Offices

- Appointment of new CEO in Amsterdam office, covering the Netherlands and Nordics
- Strong performance from H1 18 launched office, Singapore

H1 18	FY 18	H1 19
9	9	9

Acquisitions

- FY 18 (in *H1 18) acquisition of TrackTwo delivering value
- Strong pipeline of new business and cross-selling opportunities
- Ongoing review of potential acquisitions

H1 18 *	FY 18	H1 19
1	1	–

Headcount[4]

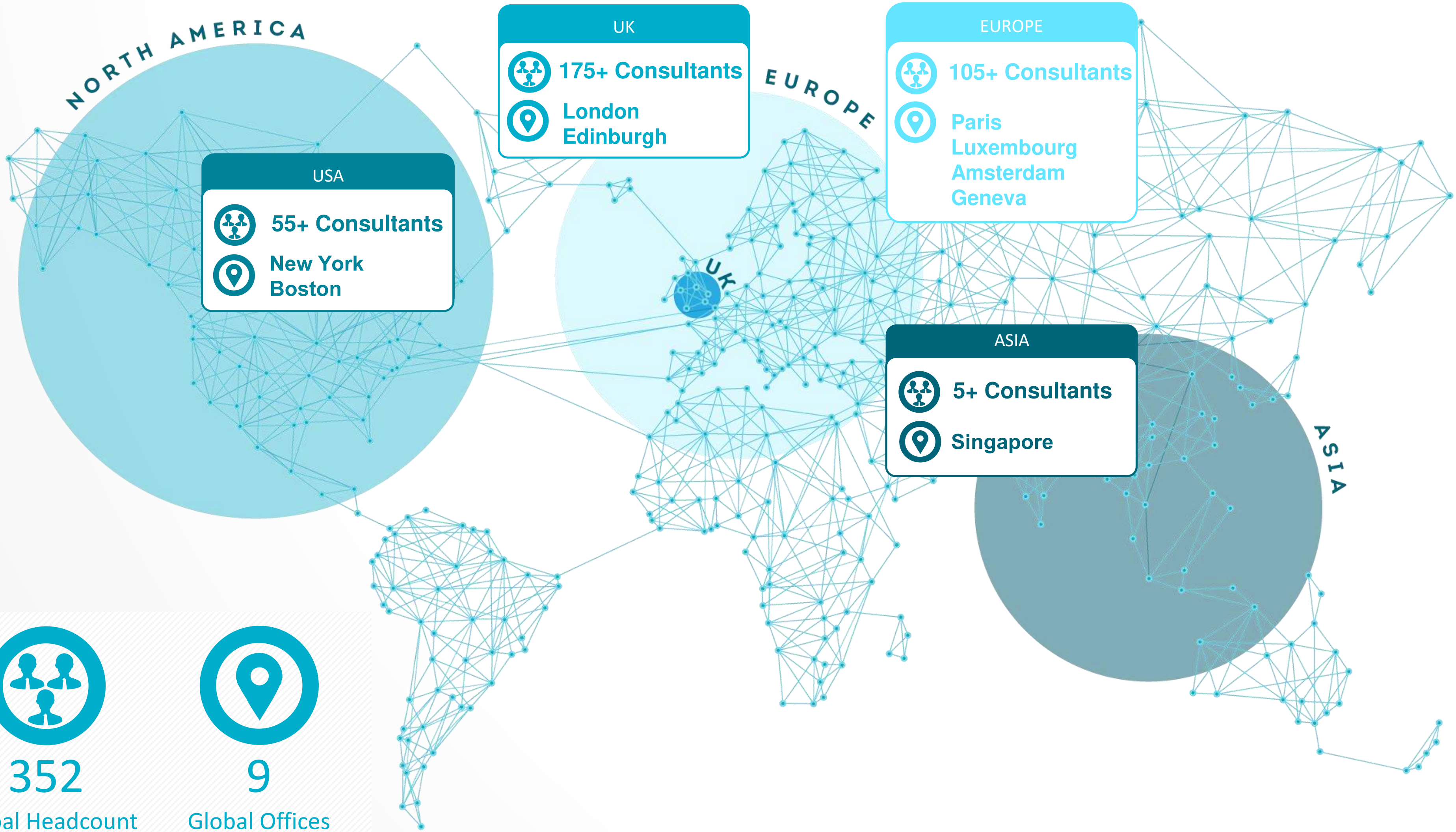
- Number of consultants increased by 28%[5]
- Addition of one director in Europe and promotion of one UK director
- Largest graduate intake since programme was launched in 2012, with inaugural US scheme

H1 18	FY 18	H1 19
274	305	352

1. All operational highlights figures are total numbers as at the end of the reporting period with the exception of acquisitions, which reflects the number of acquisitions undertaken in the reported period. 2. Client numbers are cumulative. 3. Investment & Pensions Europe 2018, "The Top 400 Asset Managers". 4. Except where noted, "headcount" and "consultants" refers to total fee generating consultants: employed consultants plus utilised contractors. 5. An amendment to the headcount figure in H1 18 results presentation of 285 to 274, which includes a change in method for calculating contractor headcount to provide better comparability to full-time consultants employed.

Our Regional Businesses at a Glance

We have consolidated our position as a leading global consultancy to the asset management industry



352
Global Headcount

9
Global Offices

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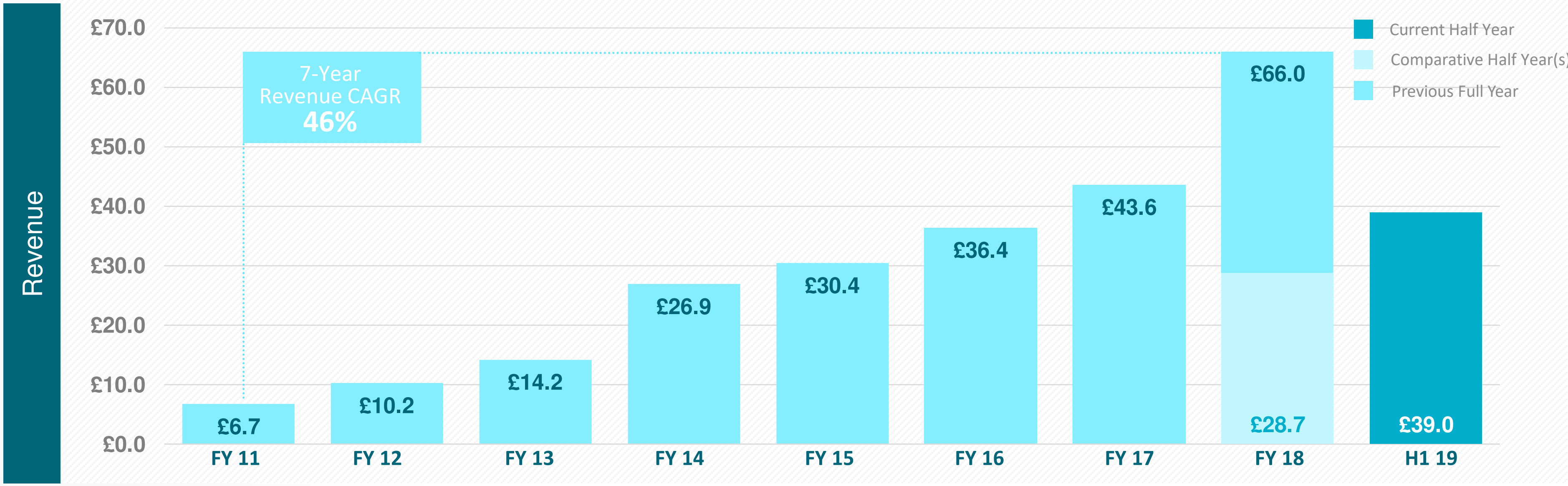
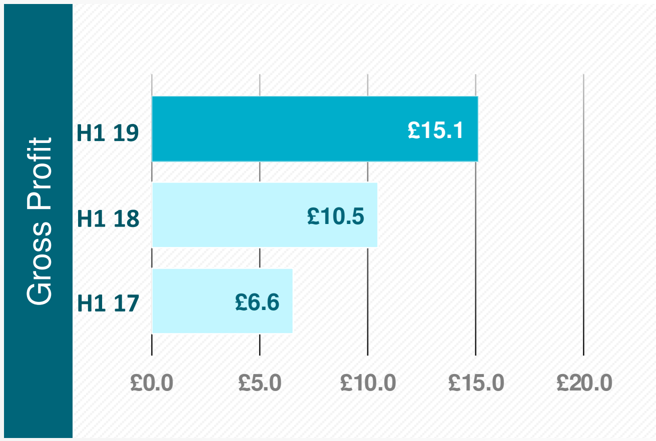
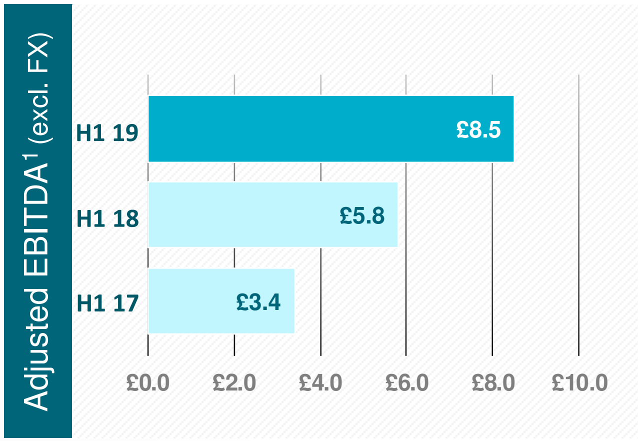
Key Financials

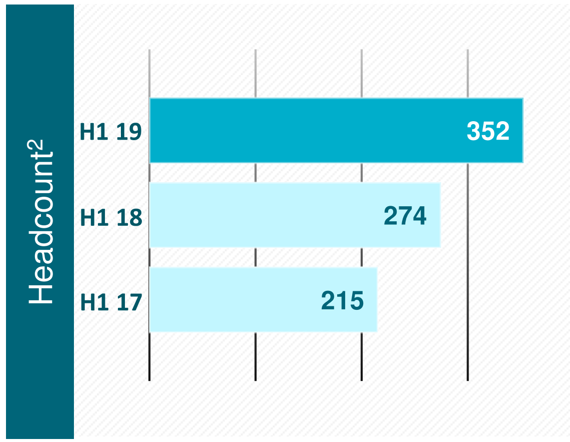
Key Performance Indicators

Historic track record









1. Adjusted EBITDA is operating profit before interest, tax, depreciation, amortisation and other adjusting non-operational costs including acquisition costs, AIM admission costs, restructuring costs, earn-out costs and share-based payment charges. 2. Headcount refers to total fee generating consultants: employed consultants plus utilised contractors.

Group Income Statement

Six months ended 30 September

£'000	H1 19	H1 18	% change
Revenue	**38,957**	**28,746**	**35.5%**
Gross profit	15,145	10,492	44.3%
Gross profit margin %	*38.9%*	*36.5%*	
Administration expenses[1]	(6,656)	(4,654)	
Adjusted EBITDA[2] (excl. FX)	**8,489**	**5,838**	**45.4%**
Adjusted EBITDA (excl. FX) margin %	*21.8%*	*20.3%*	
Depreciation	(126)	(143)	
Adjusted operating profit (excl. FX)	**8,363**	**5,695**	**46.8%**
Adjusting expense items	(1,956)	(2,893)	
Foreign exchange gains/ (losses)	357	-	
Operating profit	**6,764**	**2,802**	**141.4%**
Interest	(28)	(3,906)	
Profit / (loss) before tax	**6,736**	**(1,104)**	
Adjusted profit after tax (excl. FX)	**6,339**	**4,028**	**57.4%**
Pro forma adjusted earnings per share[3]	6.23p	5.04p	23.6%
Dividend per share - Interim	1.91p	1.48p	29.1%

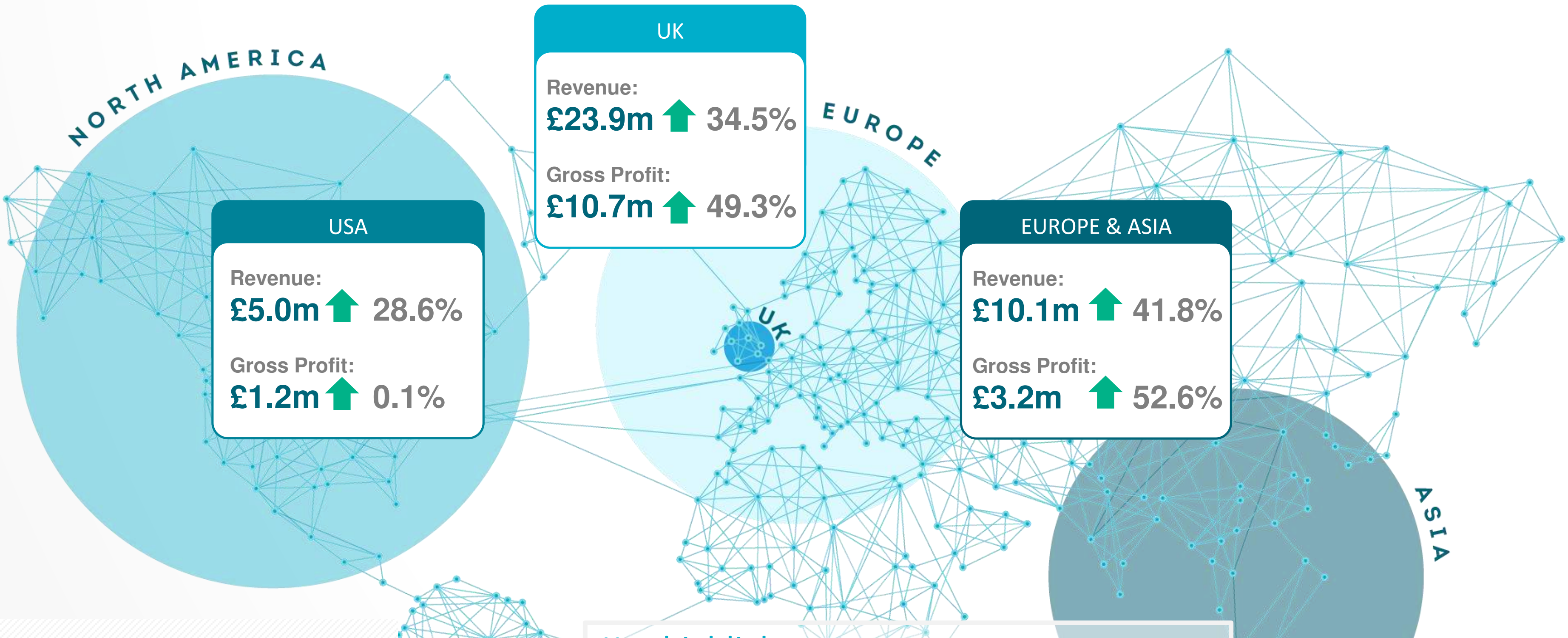
Key highlights:

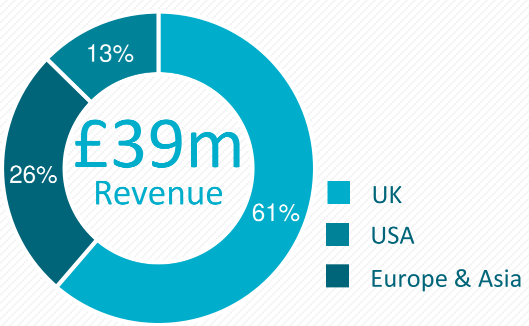
- Good H1 performance compared to strong prior period
- Strong 35.5% organic revenue growth; 35.2% constant FX
- Gross profit margins improved 240 bps on comparable utilisation to H1 18
- Administration expenses fully invested
- Adjusted EBITDA margin (excl. FX) continued to improve to 21.8%
- Financing costs reflect post AIM admission structure
- Proforma adjusted EPS reflects adjusted earnings and capital structure
- Dividend recommendation in line with 50% pay-out policy, on an adjusted PAT basis

1. Before non-operating costs including foreign exchange movements, acquisition costs, AIM admission costs, restructuring costs, earn-out costs and share-based payment charges. 2. Adjusted EBITDA is operating profit before interest, tax, depreciation, amortisation and other adjusting non-operational costs including acquisition costs, AIM admission costs, restructuring costs, earn-out costs and share-based payment charges. 3. Pro forma adjusted EPS is adjusted PAT over the weighted average number of shares in issue in the period; the comparative considers the number of shares in issue immediately prior to AIM admission.

Regional Performance

Six months ended 30 September 2018





Key highlights:

- Continued growth across all regions
- US business increased revenue and domestic client base
- Good performance from recently launched offices in Switzerland and Singapore
- Full period contribution from H1 18 acquired business TrackTwo

1. All rounding and percentage change calculations are from the basis of the financial statements in £'000s

Adjusting Expense Items

Six months ended 30 September

Non-recurring:

£'000	H1 19	H1 18
AIM admission costs	-	1,298
US restructuring & secondment costs	-	238
Acquisition costs	-	48
Total non-recurring costs	-	1,584

Non-underlying:

£'000	H1 19	H1 18
Amortisation	1,270	1,115
Share-based payments charge	386	-
Earn-out consideration	295	196
Loss on disposal of fixed assets	5	(2)
Total non-underlying operating costs	**1,956**	**1,309**
Total adjusting non-operating costs	**1,956**	**2,893**

Key highlights:

- No non-recurring expenses in the period
- The comparative period includes one-off AIM admission costs, TrackTwo acquisition expenses and a specific successful US restructuring
- Non-underlying expenses include management and employee share-based payments IFRS 2 charge
- TrackTwo earn-out payments expensed per IFRS 3
- FX unrealised gain separated from trading results

Group Balance Sheet

As at 30 September

£'000	H1 19	H1 18	FY18[1]
Non-current assets	74,783	77,235	75,936
Trade receivables	19,107	14,652	17,851
Accrued income	3,381	2,771	2,743
Other receivables	1,182	715	648
Cash	10,628	4,508	9,774
Trade payables	(1,331)	(1,481)	(2,362)
Deferred income	(1,185)	(1,092)	(989)
Other payables	(18,575)	(9,699)	(17,270)
Deferred tax provision	(3,215)	(4,117)	(3,401)
Other non-current liabilities	(454)	(90,261)	(277)
Net Assets	**84,321**	**(6,769)**	**82,653**
Issued share capital	76	-	77
Other reserves	90,110	86	89,663
Retained earnings	(5,431)	(6,633)	(6,677)
Foreign exchange reserve	(434)	(222)	(410)
Shareholders' Equity	**84,321**	**(6,769)**	**82,653**

Key highlights:

- No impairment of non-current assets
- Working capital improvements in the period
- Debt free capital structure post-AIM admission; strong £10.6m closing net cash position
- Undrawn £5.0m committed revolving credit facility in place since AIM admission
- Recapitalised balance sheet on AIM admission

1. Balance sheet as at 31 March 2018 (audited FY18) used as comparative period per IAS.34 para. 20

Group Cashflow

Six months ended 30 September

£'000	H1 19	H1 18
Operating profit	**6,764**	**2,802**
Non-cash items	2,082	1,452
Net movement in working capital	(3,363)	(3,464)
Income taxes paid	(634)	(691)
Net cash from operating activities	**4,849**	**99**
Adjusted cash conversion rate %[1]	*55.6%*	*1.7%*
Investments	(82)	-
Capex	(167)	(125)
Cost relating to acquisitions	-	(2,049)
Net cash used in investing activities	**(249)**	**(2,174)**
Loans & preference shares repaid	-	(770)
Interest paid	(22)	(777)
Dividends paid	(3,749)	-
Net cash from financing activities	**(3,771)**	**(1,547)**
Net increase in cash & equivalents	**829**	**(3,662)**
Exchange rate fluctuations on cash	25	107
Net cash / (debt) at start of year	9,774	8,023
Net cash / (debt) at end of year	**10,628**	**4,508**

Key highlights:

- Improved 55.6% adjusted operating cashflow conversion after FY 18 profit share payments in H1 19
- 360 SalesVista product enhancement programme investment
- FY 18 final dividend paid post Annual General Meeting in September 2018
- Improved period end cash position

1. Adjusted cash conversion is net cash from operating activities divided by adjusted operating profit.

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Market & Operating Review

Proposition & Capabilities

Structural drivers of market change

Our clients are confronted with a series of key structural drivers...

1. **Growth in Global AUM**
2. **Cost Pressures**
3. **Regulatory Demands**

The focus of our clients' responses is varied and includes…

- Process Automation
- M&A
- Operating Model Change
- Geographic Exit / Entry
- Client Book of Record Production
- Technical Change
- Fund Re-Domiciling
- Fintech Market Review
- Product Rationalisation
- Client Experience
- Operational Outsourcing
- Sales Effectiveness
- Digital Proposition

… Alpha supports clients through all stages of their response.

Strategy & Advisory

Alpha understands the industry macro-drivers and supports clients in translating these into tangible change initiatives

Planning & Selection

Alpha helps clients to prioritise these change initiatives and create achievable, risk-managed plans

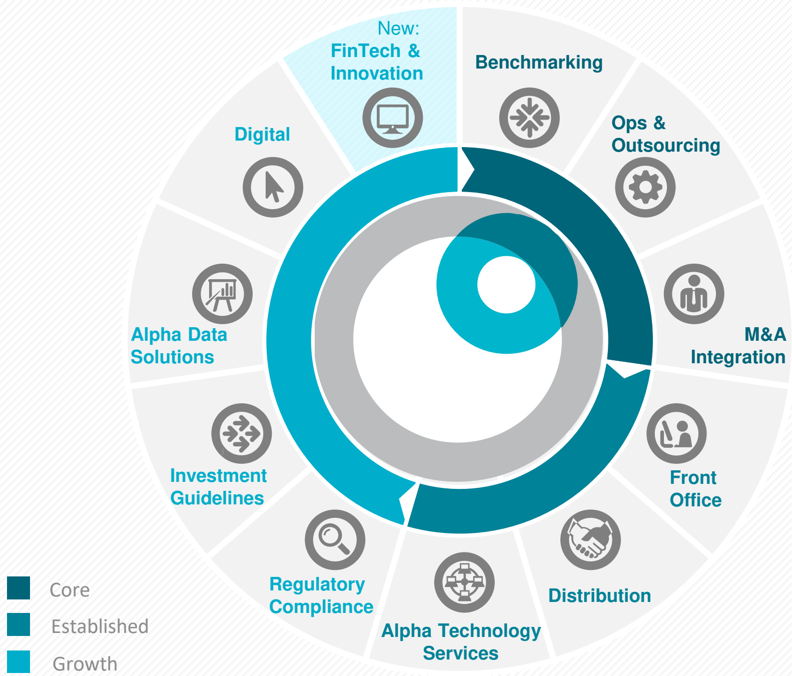
Implementation

Alpha leads or supports the execution of these change initiatives, often focused on the most "mission-critical" programmes

How We Meet Client Demand

Comprehensive service offering

Alpha delivers specialist skills across 11 practice areas



… supported by a unique blend of insight and expertise:

- **Subject matter expertise**. Focusing exclusively on asset and wealth management, we provide relevant, up-to-date industry knowledge and experience
- **Delivery excellence**. Our robust consulting and project management expertise extends across the asset and wealth management value chain
- **Proven approach**. We bring together deep industry experience, relevant methodologies and significant proprietary data to provide our clients comprehensive value outcomes

We support the most complex and important delivery and change projects for our clients

Revenue Visibility		
Major Programmes	£2m+, typically multi-region	
Large Programmes	£1m to £2m, single or multi-region	
Smaller Projects	Up to £1m, typically single-region	

Key Alpha Differentiators

Our clients recognise the quality and experience of our people

We attract and retain the highest calibre individuals in the industry

The most talented consultants in the industry join Alpha for:

- **Industry reputation** as a leading consultancy meaning candidates actively approach Alpha
- **Invaluable experience** through working on impactful, industry defining projects
- **Unique culture** placing people at the heart of the Alpha business
- **Open, diverse and inclusive environment** delivered through a dedicated support programme
- **Market-leading compensation package**, including differentiating profit share
- **Sharing success**, with employees offered equity and a management incentive plan for directors
- **Comprehensive training and development,** building consulting skills and industry knowledge

Our people deliver unrivalled outcomes to clients

Alpha's successful talent management approach provides the foundation upon which we offer the following differentiators:

- **High performing team** bringing indispensable experience and personal credentials to the corporate proposition
- **Focussed proposition** with unparalleled insights in implementing responsive strategies for clients
- **Industry track record** with a strong reputation for successfully delivering business critical change
- **Global presence** for serving our expanding client base and delivering large cross border programmes
- **IP and benchmark data** grown over 15 years, offering unique intelligence on how our clients run their businesses

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

Agenda

Outlook

Platform for Growth

We look forward to building on our success while continuing to invest in people, practices and geographies

Compelling financial performance

- Continued **strong growth** in H1 19
- A **globally well positioned business** with increasing scale in UK, Europe and US, and developing focus in Asia
- **Evolving service proposition** through strengthening and deepening of the practice structure

Delivering through exceptional talent

- Ongoing **investment in people** to support growth aspirations and ensure clients receive highest quality of service
- Expanding the depth of **our management team** through the hiring of one and promotion of a second director
- Constantly reviewing our market-leading proposition for attracting and retaining **outstanding consulting talent**

Client demand led expansion

- We know the market, understand the structural drivers of change and **respond effectively to demand**
- Considerable **opportunities for expansion in new services and jurisdictions**
- Pursuing growth based upon creation of **new practices and roll-out** of existing practices globally

Positive outlook

- **Good pipeline of new business** alongside a bolt-on **acquisition strategy**
- **Structural market drivers** including AUM growth, fee pressure and regulatory change inform ongoing demand
- Board is confident that the **business will deliver slightly ahead of expectations** for the full year

Appendices

Regional Breakdown

£'000	H1 19	H1 18	FY18
UK	23,888	17,759	40,020
US	4,939	3,841	9,036
Europe & Asia	10,130	7,146	16,953
Revenue	**38,957**	**28,746**	**66,009**
UK	10,707	7,170	17,034
US	1,203	1,202	2,683
Europe & Asia	3,235	2,120	5,544
Gross Profit	**15,145**	**10,492**	**25,261**

Notes:

- The Group is currently organised into three geographical operating divisions: UK, US, Europe & Asia

Basic and Adjusted Earnings per Share

	H1 19	H1 18
Profit after tax (£'000)	4,995	(1,915)
Weighted average number of ordinary shares (£'000)	101,723	79,842
Weighted average number of ordinary shares, including dilutive shares (£'000)	103,886	79,842
Basic EPS (p)[1]	**4.91**	**(2.40)**
Diluted EPS (p)[2]	**4.81**	**(2.40)**
Adjusted profit after tax (excl. FX) (£'000)	6,339	4,028
Pro forma adjusted basic EPS[3] (excl. FX) (p)	**6.23**	**5.04**
Pro forma adjusted diluted EPS[4] (excl. FX) (p)	**6.10**	**5.04**

Notes:

- Basic and diluted earnings per share data is presented, both adjusted and unadjusted for the Group's ordinary shares
- Potential ordinary shares are only treated as dilutive when their conversion to ordinary shares would decrease EPS (or increase loss per share)
- There were 3.2 million potentially dilutive ordinary shares for the H1 19 period

1. Basic EPS is calculated by dividing the loss for the year by the normalised weighted average ordinary shares outstanding in the year. 2. Due to the loss in the comparative period, comparative ordinary shares were not diluted when calculating diluted EPS. 3. Pro forma adjusted basic EPS is adjusted PAT over the weighted average number of shares in issue in the period; the comparative considers the number of shares in issue immediately prior to AIM admission. 4. Pro forma adjusted diluted EPS takes into account the weighted average number of dilutive shares outstanding in the period.

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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.

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