Uniphar plc
2022 Preliminary Results

Uniphar plc, an international diversified healthcare services business, announces its full year results for the year ended 31 December 2022, delivering a strong performance with EBITDA growth of 13.4%, ROCE of 17.3% and year-end leverage of 1.0x.

FINANCIAL HIGHLIGHTS

			Growth	
Year ended 31 December	**2022 €'000**	2021 €'000	Reported %	Constant Currency[2] %
Revenue	**2,070,669**	1,943,149	6.6%	6.3%
Gross profit	**306,744**	274,497	11.7%	10.8%
Commercial & Clinical	**117,554**	104,398	12.6%	11.5%
Product Access	**50,178**	41,318	21.4%	18.2%
Supply Chain & Retail	**139,012**	128,781	7.9%	7.9%
Gross profit margin (Group)	**14.8%**	14.1%		
EBITDA[1]	**98,040**	86,481	13.4%	12.5%
Operating profit	**53,155**	45,147	17.7%	17.0%
Profit before tax excluding exceptional items	**57,900**	50,444	14.8%	14.0%
Net bank debt[1]	**(91,217)**	(48,297)		
Basic EPS (cent)	**16.7**	17.8		
Adjusted EPS (cent)[1]	**18.4**	16.2		

- Gross profit growth of 11.7% (5.7% organic[3]), reflecting a strong performance across all divisions with Supply Chain & Retail outperforming medium-term guidance.
- EBITDA growth of 13.4% to €98.0m (2021: €86.5m). The increase in EBITDA reflects the strong organic performance of the group, the benefit of acquisitions, and the investment in our people and infrastructure to support future growth.
- Adjusted EPS growth of 13.2% to 18.4 cent (2021: 16.2 cent).
- The Group continued to execute strategic and value accretive acquisitions with four announced in 2022. Total acquisition value, including potential deferred considerations, amounted to c.€185m for the period.
- Strong liquidity with net bank debt of €91.2m as at 31 December 2022 (2021: €48.3m), reported free cash flow conversion of 82.5% and leverage remaining low at 1.0x underpinning the Group's disciplined approach to capital allocation and cash conversion.
- Total dividend for the year of €4.8m (€0.017 per ordinary share) representing an increase of 5% year-on-year, including a €1.7m interim (€0.006 per ordinary share) dividend paid in October and a final dividend of €3.1m (€0.011 per ordinary share) subject to approval at the AGM.
- For 2023, Uniphar expects continued organic gross profit growth across all divisions and is well positioned to deliver on expectations.

1. *Additional information in relation to Alternative Performance Measures (APMs) are set out on pages 44 to 48.*
2. *Constant currency growth is calculated by applying the prior year's actual exchange rate to the current year's result.*
3. *Organic growth is calculated as the gross profit growth of the underlying business in the period adjusting for the contribution from prior period acquisitions and divestments to ensure a like-for-like comparison.*

STRATEGIC AND OPERATIONAL HIGHLIGHTS

- Our business performed strongly in 2022, leveraging the Group's scale, leading market positions and diverse platforms to mitigate continued macro-economic uncertainty and inflationary pressure.
- Strong organic gross profit growth across all divisions, with an outperformance in Supply Chain & Retail delivering 4.1%, Commercial & Clinical delivering 7.1% and Product Access delivering 7.0%.
- Increase in gross profit margin to 14.8% from 14.1%, driven by the full year impact of acquisitions completed in 2021 and the Group's continued focus on higher margin services.
- Successfully completed integration of 2021 acquisitions including CoRRect Medical GmbH, BESTMSLs Group, E4H and Devonshire Healthcare Services, which are delivering in line with expectations.
- During 2022, the Group announced four value accretive acquisitions. Three completed during the year, and the fourth, McCauley Pharmacy Group, completed on 31st January 2023:

    - *Commercial & Clinical Division:* Inspired Health ("Inspired"), headquartered in Boston, MA, is a healthcare insights and intelligence consultancy. Inspired's market research expertise will enable Uniphar to evolve its commercialisation offering to enhance its clients' competitiveness and improve healthcare delivery.
    - *Product Access Division:* Orspec Pharma ("Orspec"), an Australian-headquartered company with additional hubs in Singapore and New Zealand, specialises in the supply of unlicensed medicines and the delivery of Expanded Access Programs across APAC. BModesto Group ("BModesto"), headquartered in the Netherlands, is a healthcare services business focused on improving access to pharmaceutical and healthcare products across Europe. The BModesto and Orspec platforms further accelerates our strategy of becoming a global leader in providing access to ethically sourced unlicensed and difficult to source medicines and the delivery of 'Expanded Access Programs' on a global basis.
    - *Supply Chain & Retail*: McCauley Pharmacy Group ("McCauley"), headquartered in Dublin, is widely recognised as a leading provider of pharmacy and retail services in Ireland and a market leader in the delivery of health, wellbeing, and beauty products. McCauley's expertise in this sector, combined with its customer-focused digital platforms will further support Uniphar's consumer business.

- New five-year banking facility completed in August 2022. Three international banks, Barclays Bank, ING Bank and Citizens Bank joined the existing syndicate increasing the syndicate to seven banks. This new facility provides the platform to accelerate our ambitious growth strategy and acquisition pipeline.
- Strong cash flow performance with reported free cash flow conversion of 82.5%, demonstrating our continued focus on working capital management. When adjusted for the impact of temporary timing benefits, free cash flow conversion remains above our target range of 60-70%. Group leverage remains low at 1.0x.
- In the Commercial & Clinical division, the diversity of the MedTech portfolio ensured continued growth in the period. In C&C Pharma we have established medical affairs capability across Europe with local expertise covering Germany, Austria, Switzerland, France, Belgium, Luxembourg, Italy, Ireland and the UK, and near term plans to add Spain and Portugal.
- Product Access was awarded a number of US Expanded Access Programs (EAPs) representing a significant milestone in the continued geographic growth of the division. The division continues to target double-digit organic growth in gross profit over the medium term.
- The Supply Chain & Retail division commenced a strategic investment programme in an Irish-based distribution facility. This multi-year organic investment in a state-of-the-art facility will unlock further operational efficiencies and provide the infrastructure to meet growing market demands by doubling capacity levels and enhancing the division's market leading service offering.
- Sustainability and governance remain key objectives for the Group and progress was made across all five sustainability pillars. This was reflected in continued improvement in external sustainability rankings in 2022; Sustainalytics ranks Uniphar in the 1st percentile of global healthcare companies, our MSCI ESG rating improved to "AA" from "A", and our CDP rating "B" from "C".

Ger Rabbette, Uniphar Group Chief Executive Officer said:

"The Group performed strongly throughout 2022, making further progress against our financial and strategic objectives. Strong organic profit growth across all divisions contributed to 13.4% growth in EBITDA, 13.2% growth in adjusted EPS and a 17.3% ROCE. We also made key investments that will ensure continued, robust growth into 2023 and beyond.

In Commercial & Clinical we further enhanced our commercial offering, adding Medical Affairs capability in nine European markets and acquiring Inspired Health, an innovative market research company.

In Product Access, the acquisitions of BModesto and Orspec expands our reach in continental Europe and the APAC region and will further accelerate our growth towards market leadership in the provision of Unlicensed Medicines and the delivery of Expanded Access Programs globally.

In Supply Chain & Retail our strategic investment in a new distribution facility and the acquisition of McCauley will further improve our market leadership position and service offering.

We will continue to apply a disciplined approach to capital deployment both organically and through M&A where such investment accelerates our strategic plans and delivers a Return on Capital Employed within or above our targeted range of 12% - 15% within three years.

Uniphar is an ambitious organisation, and we are confident of delivering on expectations throughout 2023 and beyond. We remain firmly on track to achieve our strategic objective of doubling 2018 proforma EBITDA within 5 years of IPO."

Analyst presentation

A conference call for analysts and investors will be held at 9.00 am (GMT), today, 28th February 2023. To register for the call please visit www.uniphar.ie.

The details for the conference call are as follows: Ireland: +353 (0) 153 695 84, United Kingdom: +44 (0) 20 3936 2999, United States: +1 646 664 1960, all other locations +44 20 3936 2999.

Access code: 451907

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

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About Uniphar plc

Headquartered in Dublin, Ireland, the Uniphar Group is an international diversified healthcare services business servicing the requirements of more than 200 multinational pharmaceutical and medical technology manufacturers across three divisions - Commercial & Clinical, Product Access and Supply Chain & Retail. The Group is active in Europe, North America, APAC and MENA.

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

Commercial & Clinical

In Commercial & Clinical, the Group provides outsourced sales, marketing & distribution solutions to multinational pharmaceutical and medical device manufacturers. Active in Ireland, the UK, Benelux, the Nordics, Germany and the US, the Group is growing with its clients to provide pan-European solutions, with a targeted service offering in the US. Uniphar has built fully integrated digitally enabled customer centric solutions that are supported by our highly experienced and clinically trained teams, leveraging our digital technology and insights which allows us to deliver consistently exceptional outcomes for our clients.

Product Access

In Product Access, the Group is growing two distinct service offerings: 1) "On Demand", which are pharmacy led solutions for sourcing and supplying unlicensed medicines to meet the needs of both retail and hospital pharmacists; and 2) "Exclusive Access", which are manufacturer led solutions for controlling the release of speciality medicines for specifically approved patient populations in agreed markets. The Group currently delivers product access solutions on a global basis.

Supply Chain & Retail

Uniphar is an established market leader in Ireland with c. 53% market share in the wholesale/hospital market, supported by a network of 423 owned, franchised and symbol group pharmacies. The business supports the diverse customer base through the provision of strong service levels coupled with innovative commercial initiatives. Supply Chain & Retail is an Irish only business for the Group, although the manufacturer relationships and infrastructure are also utilised for the benefit of the Commercial & Clinical and Product Access divisions.

Cautionary statement

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

Overview

Uniphar has again delivered a strong performance with gross profit growth of 11.7% driven by organic growth of 5.7% combined with the benefit of value accretive acquisitions completed in 2021. Each division delivered organic growth, with a particularly strong result from Supply Chain & Retail. We continue to deliver on our growth strategy, building out our pan-European and global platforms for Commercial & Clinical and Product Access respectively, through acquisition and organic growth, while at the same time investing in our market leading Supply Chain & Retail division.

The positive trajectory of the Group's gross profit margin continued during the year increasing from 14.1% to 14.8% underpinned by our strategy of scaling and expanding into higher value, higher margin businesses.

EBITDA has increased by 13.4% (€11.5m) to €98.0m (2021: €86.5m), reflecting the strong organic gross profit growth across all divisions, the benefit of acquisitions, and the investment in our teams and our infrastructure for further growth. This has resulted in strong growth in adjusted EPS, increasing from 16.2 cent to 18.4 cent, delivering 13.2% growth.

ROCE outperformed our medium-term guidance in 2022 at 17.3% (2021: 17.6%), demonstrating our disciplined approach to capital allocation and our strong earnings growth. The investment made during 2022, both from a capital and acquisitions perspective, will deliver further benefits and growth in the coming years.

The Group continues to maintain its solid financial position, with a robust Balance Sheet, and excellent liquidity evident by the strong reported free cash flow of €80.9m reflecting a free cash flow conversion of 82.5%. When adjusted for the impact of temporary timing benefits, free cash flow conversion remains above our target range of 60-70%. The strong free cash flow performance is driven by continued focus on working capital management.

With a new five-year banking facility in place and the addition of three new international banking partners, Barclays Bank, ING Bank and Citizens Bank, joining the existing banking syndicate during the year, the Group is in a strong position to continue to invest in growth opportunities. Net bank debt was €91.2m (2021: €48.3m) and leverage remained low at 1.0x, providing a solid platform to support future growth and investment as opportunities arise.

The Group continues to focus on its strategy of building a pan-European offering in our Commercial & Clinical division and a global offering in our Product Access division, both of which enhance our ability to develop new client relationships and achieve growth. In Supply Chain & Retail, our management team have a track record of outperforming the market. We will continue to leverage this valuable experience combined with our sophisticated digital tools, high-tech infrastructure, and long-standing manufacturer relationships to grow this division.

Sustainability

Uniphar recognise the importance of being an industry leader in operating in the most sustainable and socially responsible way possible and places a high priority on sustainability, sensitive to our impact on the planet, on our communities and on our people. Continuous development across our five pillars of sustainability is a key goal for the Board and the Management team. Progress on these pillars in 2022 was reflected in continued improvement in external sustainability rankings in 2022; Sustainalytics ranks Uniphar in the 1st percentile of global healthcare companies, our MSCI ESG rating improved to "AA" from "A", and our CDP rating "B" from "C".

During the year Uniphar launched its Unity@Uniphar initiative, an umbrella for inclusivity and uniting our workforce for common purposes within our business and the communities we operate in. Under the Community pillar, as well as facilitating and supporting many initiatives with local communities and charities, we ran two major fund-raising initiatives, Unity for Ukraine and Unity for Hope, working with our customers and suppliers to raise more than €1 million in funds and medical supplies to alleviate the continued humanitarian crisis in Ukraine and to support cancer charities around the world respectively. Our teams also made progress under our environmental pillar, improving our carbon foot-printing initiatives and focusing on ways to decarbonise our business. We completed our first Scope 3 assessment, highlighting the opportunity for a collaborative approach with our suppliers to reduce our collective impact on the environment.

Current trading and outlook

The Group has entered the year with strong momentum and is trading in-line with expectations. Whilst cost inflation and rising interest rates are a challenge, we remain well positioned to deliver organic gross profit growth across all divisions and to deliver on expectations for the full year.

The Group expects Product Access to return to double digit organic growth in gross profit in the second half of 2023 and our medium-term divisional guidance remains unchanged:

- Commercial & Clinical: Mid-single digit
- Product Access: Double-digit
- Supply Chain & Retail: Low-single digit

M&A will continue to play an important part in Uniphar's growth strategy, and we will continue to have a disciplined approach and manage an active pipeline of acquisition opportunities to add further scale and breadth to the existing platform.

We are confident we have the strategy, the market opportunity, the platform, the competitive edge, and the team in place to deliver on our target of doubling 2018 pro-forma EBITDA within five years from IPO.

Acquisitions and integration update

During 2022, the Group announced four value accretive acquisitions. Three completed during the year, and the fourth, McCauley Pharmacy Group, completed on 31st January 2023 following approval from the Irish Competition and Consumer Protection Commission (CCPC). These acquisitions are in line with our growth strategy and further increase our access to the US, European and APAC markets in addition to strengthening our digital capabilities and infrastructure.

Commercial & Clinical

Acquisition update

The acquisition of Inspired Health adds capability in healthcare insights and intelligence consultancy. Using innovative market research techniques, Inspired assists its life science clients to better understand physicians, patients, administrators, and payers. These insights are leveraged to assist clients optimise product innovation and commercialise their assets. Inspired's market research expertise enables Uniphar to evolve its commercialisation offering to enhance its clients' competitiveness and improve healthcare delivery.

Integration update

The 2021 acquisitions of CoRRect Medical, BESTMSLs Group and E4H have been fully integrated into the Commercial & Clinical division. CoRRect Medical specialise in the commercialisation and distribution of medical device products in the interventional cardiology sector across Germany & Switzerland. Uniphar have brought existing manufacturer relationships to the German and Swiss markets and have leveraged the highly experienced CoRRect management team and their local knowledge to launch a number of products, with more launches to come. BESTMSLs Group provides outsourced medical affairs services. In addition, The Doctors Channel, a digital platform, delivers expert medical information condensed into short streaming videos. Medical Affairs is a fast-growing market due to the increasing complexity, specialty, and cost of emerging pharmaceutical products. E4H offers a wide range of digital and communications solutions to the pharmaceutical industry, including brand and strategy commercialisation, digital development, omni-channel delivery, engagement, and data analysis. E4H enhances Uniphar's value proposition of creating a truly differentiated omni-channel offering for pharmaceutical clients looking to commercialise their brands across Europe.

Product Access

Acquisition update

The acquisition of Orspec adds distribution hubs in Australia, Singapore and New Zealand. Orspec specialises in the supply of unlicensed medicines and the delivery of Expanded Access Programs across APAC. This acquisition represents our first entrance into the APAC region. This was followed by the acquisition of BModesto, headquartered in the Netherlands. BModesto is focused on improving access to pharmaceutical and healthcare products across the Netherlands, Germany, the UK and Europe. Its service offering includes the distribution of medicines on both an exclusive and on-demand basis, clinical trial services, market authorisation holder and medical device distribution. The acquisitions of Orspec and BModesto further accelerates our strategy of becoming a global leader in providing access to ethically sourced unlicensed and difficult to source medicines and the delivery of 'Expanded Access Programs' on a global basis.

Integration update

We have integrated the 2021 acquisition of Devonshire Healthcare Services into our Product Access division. Devonshire provides access to unlicensed and difficult to source medicines across the MENA region to a broad variety of healthcare authorities, hospitals, and overseas ministries of health. Devonshire has enabled Uniphar to expand its global access into key hospitals in the MENA region, for the benefit of both its On Demand and Exclusive Access businesses.

Supply Chain & Retail

Acquisition update

McCauley Pharmacy Group, headquartered in Dublin, is widely recognised as a leading provider of pharmacy and retail services in Ireland and a market leader in the delivery of health, wellbeing, and beauty products. McCauley's expertise in this sector, combined with its customer-focused digital platforms will further support Uniphar's consumer business.

Principal Risks & Uncertainties

The Group's Risk Management Policy provides the framework to identify, assess, monitor, and manage the risks associated with the Group's business. It is designed to enable the Group to meet its business objectives by appropriately managing, rather than eliminating, these risks.

2022 Highlights

The Group continues to ensure that the Risk Management Framework is integrated in the day-to-day activities across the business. During the year ended 31 December 2022, the Group carried out the following:

- Reviewed the Group Risk Register, updating for all the key risks facing the Group at this time;
- Expanded some existing risks to include new factors such as climate change; and
- Continued to focus on Cybercrime related risks.

In addition to considering our current principal risks, emerging risks are also considered as part of our overall risk management processes. Management identifies, assesses, and manages new and emerging risks in the same way as the Group's principal risks. Emerging risks can arise in two ways for the Group. The risk can be newly identified as part of the ongoing risk management process in existence across the Group; or the risk may already be identified on the Group Risk Register, but its potential impact has changed leading to a reassessment.

Enhanced focus has been brought to key risk areas in 2022, including Cybercrime, Environment & Sustainability and the risk associated with Transformational Project Execution. We continue to monitor these key areas, and the impact they may have on the Group.

The key principal risks and uncertainties faced by the Group for the year ended 31 December 2022 are summarised as follows:

Strategic Risks

- Brexit - The post-Brexit environment poses several risks for the Group due to uncertainty and complexities as to the future fiscal and regulatory landscape in the UK. This may have a negative impact on supply and trade, however as the Group has traded through the initial Brexit uncertainty with Brexit plans in operation, this risk is deemed stable year-on-year. Brexit also has the potential to create market uncertainty and currency fluctuations which could impact the translation of our UK operations into the Group reporting currency.
- Acquisitions - Growth through acquisitions continues to remain a key strategy for the Group. Failure to identify, complete and integrate acquisitions successfully may directly impact the Group's projected growth.
- Economic & geopolitical risk - The global macroeconomic, regulatory, political, and legal environment may impact the markets in which we operate and in turn our client and supplier base. The ongoing war in Ukraine combined with rising interest rates, unprecedented cost inflation and supply chain challenges present increased risk for the Group. This may adversely affect the Group's financial and operational results.
- Key personnel & succession planning - Failure to attract, retain and develop the skills and expertise of its people may adversely impact the Group's performance.
- Market perception & reputational risk - Failure to deliver in line with market expectations may result in reputational damage, impacting the Group's ability to achieve its strategic targets.
- Loss of competitive position - Failure of the Group to respond to any changes in the environment in which it operates may result in loss of market share, which may put pressure on profitability and margins.
- Environment & sustainability - The increasing global focus on environmental and sustainability governance is recognised by the Group, and by its stakeholders. Failure to appropriately assess, monitor and manage the Group's impact on the environment and the communities in which it operates may result in reputational damage, impacting the Group's ability to deliver results.
- Transformational Project Execution – The Group is embarking on several transformational projects that will provide it with the platform and capacity to grow over the coming years. Significant transformational programmes bring inherent risk such as the inability to manage change in the organisation or to deliver projects within time and budget constraints.

Operational Risks

- Cybercrime - Failure to protect against the ongoing threat of a cyber-attack could lead to a breach in security, impacting operations, financial transactions, and sensitive information. The knock-on impact from an attack on one of our business partners is also an area of risk for the Group.
- IT systems - Digital capabilities are a specific strategic offering of Uniphar, interruption or downtime may have a negative impact on the Group's operations, financial, and competitive positions.
- Business interruption - External factors such as natural disasters, environmental hazard or industrial disputes may result in potential lost sales and loss of customer loyalty.
- Pandemic risk - The risk from Covid-19 has subsided in recent months but risk remains that other variants or pandemics may arise in future. Such a pandemic could severely impact our financial results or cause supply chain disruption that impacts the business and operations.
- Health & safety - Failure to implement and follow proper health and safety procedures may have adverse effects on employees or patients.
- Laws, regulations & compliance - Failure to operate under any of the stringent laws and regulations the Group is subject to could result in financial penalties, reputational damage, and a risk to business operations.

Financial Risks

- Foreign currency - The Group's reporting currency is Euro. Exposure to foreign currency is present in the normal course of business, together with the Group operating in jurisdictions outside of the Eurozone.
- Treasury - The Group is exposed to liquidity, interest rate and credit risks. The recent increases in interest rates impact the Group in increasing interest costs against outstanding borrowings.

Operational overview

Commercial & Clinical

			Growth	
Year ended 31 December	**2022 €'000**	2021 €'000	Reported	Constant currency
Revenue	306,766	299,908	2.3%	1.4%
Gross profit	117,554	104,398	12.6%	11.5%
Gross margin %	38.3%	34.8%	+350bps	

The Business

Commercial & Clinical provides outsourced sales, marketing, distribution and consultancy solutions to pharmaceutical and medical device manufacturers on a pan-European basis with a targeted service offering in the US. The division is focused on the commercialisation of speciality products to ensure that patients and their physicians are offered the best treatments for their conditions. The division has two business units, MedTech and Pharma, both of which are driven by the mission of ensuring patients have access to the treatments they need when they need them.

Highlights

Commercial & Clinical delivered a strong performance in 2022 with organic gross profit growth of 7.1% reinforcing our role as a trusted partner to our clients and customers. The result in 2022 builds on strong growth in the division in prior years. The acquisition of Inspired Health, a US based healthcare insights consultancy business enables the Pharma business unit to evolve its commercialisation offering to enhance its clients' competitiveness and improve healthcare delivery. The MedTech business unit continues to focus on providing fully integrated solutions for our clients who are bringing innovative medical technologies, including robotic surgery solutions, to the market.

Key performance highlights include:

- Gross profit growth of 12.6% achieved across the division, of which 7.1% was organic. Both MedTech and Pharma delivering double digit gross profit growth.
- Gross profit generated from outside Ireland represents c.60% of the divisional gross profit.
- Increase in the number of manufacturers represented in more than one geography to 77 (2021: 67).
- Medical affairs capability established in nine markets across Europe.
- Completion of the acquisition of Inspired Health which broadens our service offering into market research and insights.

MedTech

The Commercial & Clinical MedTech business unit offers a fully integrated solution for our clients in sales, marketing and distribution of medical devices across interventional cardiology/radiology, orthopaedics, ophthalmology, minimally invasive surgery, diagnostic imaging and critical care.

The strength of the MedTech business unit is in the diversity of our portfolio across market leading and innovative brands and the depth of relationships with customers and manufacturers. The business continues to focus on bringing the latest MedTech innovation to customers with robotic surgical technology being a focus area in 2022. Robotic technology is increasingly being recognised for its precision and accuracy in surgery that can result in improved patient outcomes with resulting efficiencies for healthcare providers. Our clients rely on the expertise of our teams to support them in transitioning to new technologies and ensuring they are achieving the optimum benefits from the products we supply. Many of our teams are clinically trained and our clients trust these peer-to-peer relationships when making investment decisions.

Relationships are at the centre of MedTech and the business focusses on expanding relationships with manufacturers across multiple geographies. This drives the geographic growth of the division and the business is now active in 15 markets and we represent 77 manufacturers across more than one geography (67 in 2021). In late 2022 the division commenced development of a US based facility in North Carolina. Due to become operational in mid-2023, the facility will provide distribution and support services to clients in the US.

Pharma

The Pharma business unit supports pharmaceutical partners in driving the commercialisation of their products by leveraging data, insights and marketing solutions to deliver targeted omni-channel programmes. The pharmaceutical industry is dynamic and constantly changing as manufacturers develop innovative therapies and seek new methods of commercialising them.

The Pharma industry has traditionally focussed on in-person engagement with healthcare professionals (HCPs) as the principal means of communication. The Covid-19 pandemic forced a rapid rethink in the sales and marketing strategies of pharma companies as in-person engagement was no longer possible. Our Pharma business unit has supported our clients with digital engagement solutions in recent years and it is now clear that the future is a hybrid of digital and in-person engagement. HCPs are increasingly seeking information that is customised to their interests, delivered in a convenient medium at a time of their choice rather than mass marketing.

Uniphar's Pharma business unit has built the capability in recent years to support our clients in this changed environment. Our BestMSLs business offers expert medical information condensed into short streaming videos through The Doctors Channel and hosts immersive three-dimensional events online through The Island platform. The 2021 acquisition of E4H has further enhanced our ability to deliver targeted digital marketing content. The Pharma business unit offers a truly differentiated omni-channel solution to clients to enable them to achieve the commercialisation objectives.

We have also recently established a medical affairs capability across Europe with local expertise covering Germany, Austria, Switzerland, France, Belgium, Luxembourg, Italy, Ireland and the UK, and near-term plans to add Spain and Portugal. This experienced team has launch experience in Rare Disease, Immunology, Oncology, Haematology, Neurology, Vaccines and Paediatrics and will support clients launching therapies in European markets that address unmet needs and deliver the best quality of care for patients.

The acquisition of Inspired Health in 2022 increases Uniphar's capability to offer market research and commercialisation insights to pharmaceutical and MedTech manufacturers and further deepens our presence in the strategically important US market. Inspired Health uses innovative market research techniques to assist its clients to better understand physicians, patients, administrators and payors. The acquisition enhances Uniphar's commercialisation offering to clients and complements our recent US acquisitions of BestMSLs, Diligent Health Solutions and RRD International.

Outlook

The strong performance of the Commercial & Clinical division demonstrates the inherent strength of its product offering and the diversity of its portfolio. The division continues to focus on growing our long-standing manufacturer relationships into new geographies. Innovation plays an important role in the continued growth of the division and supporting the deployment of surgical robotics will drive future growth in MedTech while digital engagement technologies and consultancy services provide growth opportunities in the Pharma business unit.

Product Access

Year ended 31 December	**2022 €'000**	2021 €'000	Growth Reported	Growth Constant currency
Revenue	206,868	157,152	31.6%	30.0%
Gross profit	50,178	41,318	21.4%	18.2%
Gross profit margin	24.3%	26.3%	-200bps	

The Business

The Product Access division is focused on ensuring equitable access to medicines for patients. We partner with manufacturers to provide global reach and world class execution to get their medicines to the patients that need them, with many of these being early stage, high tech or otherwise difficult to source medicines. Our deep industry knowledge and experience coupled with our digital capabilities enables us to navigate the complex regulatory, logistical and clinical challenges to get medicines to wherever they are needed around the world. The Product Access division has two business units, On Demand and Exclusive Access.

Highlights

Product Access delivered strong gross profit growth of 21.4% in 2022, of which 7.0% was organic. The division made continued progress across several strategic initiatives. The acquisitions of Orspec Pharma and BModesto significantly broadens our geographic reach and capability into continental Europe and APAC. In Exclusive Access, wins in the US and in innovative areas such as cell and gene therapies reinforce our market leading proposition.

Key performance highlights include:

- 21.4% gross profit growth achieved across the division.
- 10 new exclusive agreements (EAPs) onboarded in the year.
- A number of US EAPs awarded during 2022 representing a significant milestone in the division's geographic expansion.
- Completion of the acquisitions of Orspec Pharma and BModesto Group significantly expanding our geographic reach and capability.

On Demand

The On Demand business is a leading supplier of unlicensed and difficult to source medicines to healthcare providers globally. The increase in the geographic footprint of the business continued in 2022. The acquisition of BModesto Group, which expands our reach in continental Europe, the acquisition of Orspec Pharma, which provides access to the APAC markets, in addition to the 2021 acquisition of Devonshire Healthcare services, which gives us direct access to MENA, provides a platform to continue the global growth strategy. The business was well positioned to respond to the global supply chain challenges experienced in 2022 that resulted in certain medicines being in short supply. We worked across multiple geographies and leveraged relationships with manufacturers to ensure continuity of supply during 2022.

BModesto Group will play an important role in further scaling our European presence and the acquisition gives us a well-located facility in the Netherlands from which to supply mainland Europe. The BModesto Group provides a wide range of services including the distribution of medicines on both an exclusive and on-demand basis, clinical trial services, market authorisation holder and medical device distribution. The acquisition of Orspec Pharma, headquartered in Australia, provides the Group with its first physical presence in Asia Pacific. Orspec Pharma specialises in the supply of unlicensed medicines and the delivery of EAP's across the Asia region from its locations in Australia, New Zealand and Singapore.

Exclusive Access

Expanded Access Programs (EAPs) are increasingly being seen as a valuable step in the drug approval and commercialisation process to both manufacturers and patients. Patients gain access to innovative medicines that may not be available to them through other routes enabling better patient outcomes. EAPs are used to obtain greater knowledge and understanding of the patient, medicine and market while enabling the manufacturer to refine and target their commercialisation strategy.

Uniphar's unique combination of innovative technology, global distribution capabilities and passionate and experienced people make us a compelling proposition in global EAP delivery. The Uniphi technology platform has been developed in recent years and combines patient enrolment with personalised patient education.

The Exclusive Access business unit has performed well during 2022 and builds on the momentum achieved in prior years. Investments in the division in recent years have expanded the capabilities we offer our clients and we have built a strong reputation in therapeutic areas such as Gene Therapy, Oncology, Neurology and CAR T-cell Therapy and Transplant.

Winning multiple US-based Expanded Access Programs represents a significant milestone in the division's continued geographic growth. While the bulk of growth continues to be from emerging and mid-size biotech firms, the division continues to focus on attracting EAPs from innovators of all sizes as our reputation for operational excellence and investment in scalable infrastructure continues to grow in the market.

Outlook

Covid-19 disruption over the last three years has led to short-term product development headwinds, product launch deferrals and business development interruption. While these factors have been a challenge, drug development pipelines remain strong and will ultimately result in additional opportunities for the division in the medium term. The division is targeting a return to double digit organic growth in gross profit in the second half of 2023. Our recent acquisitions give us a stronger and enlarged On Demand business and also enhances the attractiveness of our EAP offering by expanding our global reach. The strength of our integrated model is in our ability to leverage relationships and infrastructure in other business areas and for other customers. The acquisitions completed in the year offer considerable cross-selling opportunities with other business areas. We see 2023 as a year of continued development of our On Demand and Exclusive Access offerings with continued investment in digital technology and scalable infrastructure.

Supply Chain & Retail

			Growth	
Year ended 31 December	**2022 €'000**	2021 €'000	Reported	Constant currency
Revenue	1,557,035	1,486,089	4.8%	4.8%
Gross profit	139,012	128,781	7.9%	7.9%
Gross profit margin	8.9%	8.7%	+20bps	

The Business

The Supply Chain & Retail division ensures critical medications are supplied to pharmacies and hospitals in Ireland every day through an efficient, timely and secure supply chain. The Supply Chain & Retail division comprises of our pre-wholesale and wholesale pharmaceutical distribution business together with a vertically integrated retail offering. Our Retail offering has c.1,850 community pharmacy customers of which 386 (prior to the acquisition of McCauley Pharmacy Group) are owned, franchised or supported pharmacies. Uniphar holds c.53% of the wholesale market share and c.60% hospital market share and is an essential component of the national health infrastructure in Ireland.

Highlights

The Supply Chain & Retail division delivered an outstanding performance in 2022 with growth achieved in both volume and market share. The proposed acquisition of Navi Group, which was announced in 2021, will no longer proceed to completion as it has not been cleared by the CCPC. Navi Group has been a longstanding partner of Uniphar and both parties will continue to work closely together to support our shared base of independent community pharmacies. The acquisition of the McCauley Pharmacy Group, completed in January 2023, further enhances our presence in the Irish retail market.

Key performance highlights include:

- 7.9% growth in gross profit of which 4.1% is organic growth.
- Commencement of development of our new state-of-the-art distribution centre in Dublin.
- Acquisition of the McCauley Pharmacy Group completed in January 2023.
- 7% growth in consumer product offering with our agency brands and own brands performing strongly.

Wholesale

The Wholesale business delivered a very strong performance in the year, with the main business activity continuing to be centred around the provision of prescription and OTC (Over the Counter) products to meet the core demand from our pharmacy customers. Our consumer products offering continued to grow with the ongoing expansion and development of the range of products and brands available, which is an important element in offering our customers a "one stop shop" for all their pharmacy needs.

Shortages of medicines proved to be a challenge during 2022 across Europe as manufacturers experienced supply chain disruption and unprecedented inflationary pressures. Product shortages cause operational challenges for wholesalers as safety stock levels reduced and demand needed to be fairly allocated. Whilst we are dependent on manufacturers to supply product, our operational infrastructure proved capable of rapidly delivering product into the system as quickly and fairly as possible.

During 2022, we commenced investment in a new state-of-the-art distribution facility in Dublin that will double existing capacity levels. This expanded capacity will enable us to deliver on our Pharmacy of the Future strategy and, together with investment in innovative digital solutions, will accelerate our ability to support our customers to achieve a fully connected pharmacy.

Pre-wholesale

Our pre-wholesale distribution business is a trusted partner of key principal manufacturers who benefit from our innovative solutions tailored to their business needs. Growth was achieved in the year from a combination of both underlying market and business growth. We are supporting our manufacturer partners in navigating the ongoing Brexit impacts such as new routes to market. For products continuing to be imported from the UK, we work in partnership with the manufacturers to ensure the relevant licences and procedures are in place to ensure the smooth flow of products.

A new four-year IPHA (Irish Pharmaceutical Healthcare Association) agreement came into effect in 2022 and brought with it market price changes across our client manufacturer portfolios as we see the growing penetration of biosimilar products and specific manufacturer products going off patent.

We enter 2023 in a strong position with contract renewals completed with a number of our long-standing manufacturers and new business opportunities being progressed with some key client partners.

Retail

2022 has been a strong year for our retail pharmacy business despite the inflationary challenges being experienced. Across our three retail brands the business has enjoyed strong volume growth in both dispensed items and consumer retail with Over The Counter volume in particular being exceptionally strong during 2022.

One of the biggest challenges for the sector as a whole has been staffing with pharmacists, technicians and retail staff being difficult to recruit and retain, with a consequential impact on pharmacist locum costs being a particular challenge. Despite this, our retail stores continued to deliver for their customers, supporting them with courtesy, expertise and kindness. In recognition of this tremendous work within the community all three retail brands received a number of national retail awards throughout 2022.

In September 2022, Uniphar announced the acquisition of the McCauley Pharmacy group, with the acquisition completing in January 2023. McCauley's have been a close partner of the Group for over 50 years and this strategic investment will add 37 retail pharmacies to the Uniphar network bringing with it a market leading retail chain along with a growing online business. The McCauley Pharmacy Group is widely regarded as a leading brand across health, wellbeing and beauty, and their expertise and advanced digital offering will complement our fast-growing consumer business in the Supply Chain & Retail division.

Outlook

This division offers significant benefits to the Group's overall capabilities through our high-tech distribution facilities, our scalable digital infrastructure, our long-standing manufacturer relationships and our highly skilled people, who have deep insights into the healthcare eco-system. The acquisition of the McCauley Pharmacy Group and the development of our new Dublin distribution facility will create the platform and capacity for the division to facilitate growth in the future. While the division is present in Ireland today, the Group continues to review other markets where the successful Irish model may be replicable.

Summary financial performance

Year ended 31 December	2022 €'000	2021 €'000	Growth Reported	Growth Constant currency
IFRS measures				
Revenue	2,070,669	1,943,149	6.6%	6.3%
Gross profit	306,744	274,497	11.7%	10.8%
Operating profit	53,155	45,147	17.7%	17.0%
Basic EPS (cent)	16.7	17.8		
Alternative performance measures				
Gross profit margin	14.8%	14.1%		
EBITDA	98,040	86,481	13.4%	12.5%
EBITDA %	4.7%	4.5%		
Adjusted EPS (cent)	18.4	16.2		
Net bank debt	(91,217)	(48,297)		
Return on capital employed	17.3%	17.6%		

Revenue
Revenue exceeded €2bn increasing by 6.6% in the year (6.3% constant currency). The increase was evident across all three divisions and further supported by acquisitions in each of the divisions, with a particularly strong performance in the Supply Chain & Retail division.

Gross profit
Gross profit growth of 11.7% (10.8% constant currency) was achieved in the year through a mix of 5.7% organic growth in addition to the contribution from acquisitions. Growth was achieved across each of the divisions with a particularly strong performance in the Supply Chain & Retail division driven by strong market demand. The Commercial & Clinical division's result was driven by a strong demand for MedTech products, while Product Access delivered a solid performance in a market that is still recovering from the impacts of the pandemic. Gross profit margin has increased from 14.1% to 14.8% reflecting a shift towards higher margin sectors and businesses. In 2022, 32% (2021: 32%) of the Group's gross profit was generated outside of Ireland reflecting the ongoing expansion of the Group's Commercial & Clinical and Product Access divisions into new regions.

Divisional gross profit

Year ended 31 December	2022 €'000	2021 €'000	Growth Reported	Growth Constant Currency	Growth Organic
Commercial & Clinical	117,554	104,398	12.6%	11.5%	7.1%
Product Access	50,178	41,318	21.4%	18.2%	7.0%
Supply Chain & Retail	139,012	128,781	7.9%	7.9%	4.1%
	306,744	274,497	11.7%	10.8%	5.7%

EBITDA
EBITDA increased by €11.5m to €98.0m which represents growth of 13.4% in the year (constant currency 12.5%). 2022 saw unprecedented global inflationary challenges, the EBITDA growth reflects not only organic gross profit growth and the impact of recent acquisitions but also strong cost management to ensure the business remains competitive.

Exceptional items

Pre-tax exceptional items in the year amounted to a charge of €3.2m before tax (2021: €5.4m credit). This includes costs of €16.4m primarily relating to acquisition, integration, redundancy, and restructuring costs. This was offset by a release of deferred contingent consideration of €12.1m following a review of the expected performance against earn-out targets and contractual obligations and a further €1.4m relating to a revision in discount rates associated with deferred contingent consideration to reflect the present value of the future contingent liabilities. In addition there was the release of refinancing costs relating to the 2020 banking facility of €0.3m. Further details can be found on Note 4 in the financial statements.

Earnings per share

Basic earnings per share reduced from 17.8 cent to 16.7 cent in 2022. The decrease is primarily as a result of an increase in exceptional costs in 2022 when compared to 2021. The weighted average number of shares marginally increased in 2022 reflecting the impact of LTIP shares on which performance conditions were satisfied.

Adjusted earnings per share is calculated after adjusting for amortisation of acquisition related intangibles and exceptional costs. The Group's adjusted earnings per share for 2022 was 18.4 cent (2021: 16.2 cent). Underlying earnings have increased by 14.3% from €43.8m in 2021 to €50.1m in 2022. This was partially offset by a 1.1% impact of an increase in the weighted average number of shares in issue compared to 2021.

Cash flow and net bank debt

The Group delivered a strong cash performance during the year, with a free cash flow conversion of 82.5% and a net bank debt position of €91.2m (2021: €48.3m).

Year ended 31 December	**2022 €'000**	2021 €'000
Net cash inflow from operating activities	82,831	52,177
Net cash outflow from investing activities	(106,332)	(49,658)
Net cash inflow from financing activities	50,405	13,259
Foreign currency translation movement	(1,225)	1,837
Increase in cash and cash equivalents in the year	25,679	17,615
Movement in restricted cash	-	(3,097)
Non-cash movement in borrowings	14,423	350
Cash flow from movement in borrowings	(83,022)	(28,746)
Movement in net bank debt	(42,920)	(13,878)

The Group continues to maintain a strong focus on working capital management and this is reflected in the cash generated from operating activities of €82.8m. Free cash flow conversion for the period was 82.5% which exceeds the medium-term free cash flow conversion target of 60-70%.

The net cash outflow from investing activities of €106.3m principally consisted of acquisitions completed during the year of €67.2m (net of cash acquired), capital investment of €19.9m, deferred and deferred contingent consideration payments of €9.3m and repayment of debt acquired on acquisition of €9.4m.

The net cash inflow from financing activities of €50.4m was due to a net increase in borrowings offset by principal lease payments and the payment of dividends.

Debt refinancing

The Group refinanced its debt facility in August 2022 and entered a new five year arrangement (with two options to extend by a further one year) which more than doubled the revolving credit facility to €400m with an additional uncommitted accordion facility of €150m. Three new international banks Barclays bank, ING Bank and Citizens bank joined the existing syndicate with a total of seven participating banks in the renewed facility. Net bank debt was €91.2m (2021: €48.3m) at year end and leverage remained low at 1.0x. The expanded facility combined with the low leverage provides the Group with the platform to support future growth and investment.

Taxation

The Group's tax charge has increased by €1.3m to €9.0m driven largely by the growth in pre-exceptional profits of the Group. The effective tax rate before exceptional items has increased from 16.8% to 17.4% reflective of the contribution of profits from higher tax jurisdictions outside of Ireland. The effective tax rate is calculated as the pre-exceptional income tax charge for the year as a percentage of the profit before tax and exceptional items.

Currency exposure

The Group continues to expand into new geographies which, together with the continued growth in existing geographies outside of the Eurozone results in a foreign exchange exposure for the Group being the translation of local income statements and balance sheets into Euro for consolidation purposes.

On a constant currency basis, revenue increased by 6.3% vs 6.6% reported growth, gross profit increased 10.8% vs 11.7% reported growth and operating profit increased by 17.0% vs 17.7% reported growth.

	2022 Average	2021 Average
GBP	0.852	0.860
US Dollar	1.051	1.182
Swedish Krona	10.623	10.145

Return on capital employed (ROCE)

Group ROCE in 2022 of 17.3% (2021: 17.6%) is slightly lower than prior year reflecting the impact of prior and current year acquisitions as the Group continues to expand into new geographies and higher value businesses. The investments made during 2022 are performing well and will deliver further benefits and growth in the coming years.

Details on how this was calculated are included in the APMs section on pages 44 to 48.

Dividends

The Board remains committed to a progressive dividend policy as stated at the time of the IPO. The Directors are proposing a final dividend of €3.1m (€0.011 per ordinary share), subject to approval at the Company's AGM. It is proposed to pay the dividend on 16 May 2023 to ordinary shareholders on the Company's register at 5pm on 21 April 2023. Together with the interim dividend of €1.7m (€0.006 per ordinary share) paid in October 2022 this brings the total dividend for the year to €4.8m (€0.017 per ordinary share) representing an increase of 4.8% on 2021.

Group Income Statement
for the year ended 31 December 2022

	Notes	2022 Pre-exceptional €'000	2022 Exceptional (note 3) €'000	2022 Total €'000	2021 Pre-exceptional €'000	2021 Exceptional (note 3) €'000	2021 Total €'000
Revenue	2	2,070,669	-	2,070,669	1,943,149	-	1,943,149
Cost of sales		(1,763,925)	-	(1,763,925)	(1,668,652)	-	(1,668,652)
Gross profit		306,744	-	306,744	274,497	-	274,497
Selling and distribution costs		(70,055)	-	(70,055)	(60,712)	-	(60,712)
Administrative expenses		(167,275)	(16,415)	(183,690)	(154,471)	(14,404)	(168,875)
Other operating income		156	-	156	237	-	237
Operating profit		69,570	(16,415)	53,155	59,551	(14,404)	45,147
Finance (cost)/income	4	(11,670)	13,191	1,521	(9,107)	19,761	10,654
Profit before tax		57,900	(3,224)	54,676	50,444	5,357	55,801
Income tax expense		(10,076)	1,106	(8,970)	(8,456)	777	(7,679)
Profit for the financial year		47,824	(2,118)	45,706	41,988	6,134	48,122
Attributable to:							
Owners of the parent				45,587			48,077
Non-controlling interests				119			45
Profit for the financial year				45,706			48,122
Attributable to:							
Continuing operations				45,706			48,122
Profit for the financial year				45,706			48,122
Earnings per ordinary share (in cent):							
Continuing operations				16.7			17.8
Basic and diluted earnings per share (in cent)	5			**16.7**			17.8

Group Statement of Comprehensive Income
for the year ended 31 December 2022

	2022 €'000	2021 €'000
Profit for the financial year	45,706	48,122
Other comprehensive income		
Items that may be reclassified to the Income Statement:		
Unrealised foreign currency translation adjustments	(3,356)	6,464
Items that will not be reclassified to the Income Statement:		
Actuarial loss in respect of defined benefit pension schemes	-	(9)
Total comprehensive income for the financial year	42,350	54,577
Attributable to:		
Owners of the parent	42,231	54,532
Non-controlling interests	119	45
Total comprehensive income for the financial year	42,350	54,577
Attributable to:		
Continuing operations	42,350	54,577
Total comprehensive income for the financial year	42,350	54,577

Group Balance Sheet
as at 31 December 2022

ASSETS	Notes	2022 €'000	2021 €'000
Non-current assets			
Intangible assets - goodwill	7	482,981	423,643
Intangible assets - other assets	7	24,459	22,968
Property, plant and equipment, and right-of-use assets	8	166,628	152,491
Financial assets - Investments in equity instruments		25	25
Deferred tax asset		9,020	1,734
Other receivables		509	388
Total non-current assets		683,622	601,249
Current assets			
Inventory		157,656	112,407
Trade and other receivables		164,212	151,778
Cash and cash equivalents		103,704	78,025
Assets held for sale	10	1,600	1,600
Total current assets		427,172	343,810
Total assets		1,110,794	945,059
EQUITY			
Capital and reserves			
Called up share capital presented as equity	11	21,841	21,841
Share premium		176,501	176,501
Share based payment reserve		718	183
Other reserves		2,008	5,364
Retained earnings		88,476	47,555
Attributable to owners		289,544	251,444
Attributable to non-controlling interests		239	120
Total equity		289,783	251,564
LIABILITIES			
Non-current liabilities			
Borrowings	12	187,431	124,601
Provisions	13	94,060	90,401
Lease obligations	14	105,919	104,720
Total non-current liabilities		387,410	319,722
Current liabilities			
Borrowings	12	7,490	1,721
Lease obligations	14	14,315	14,358
Trade and other payables		407,206	357,694
Corporation tax		4,590	-
Total current liabilities		433,601	373,773
Total liabilities		821,011	693,495
Total equity and liabilities		1,110,794	945,059

Group Cash Flow Statement
for the year ended 31 December 2022

	Notes	2022 €'000	2021 €'000
Operating activities			
Cash inflow from operating activities	16	82,704	68,376
Proceeds from non-recourse financing		15,000	-
Payment of deferred contingent consideration		-	(1,250)
Interest paid		(5,197)	(3,118)
Interest paid on lease liabilities	14	(3,644)	(3,772)
Corporation tax payments		(6,032)	(8,059)
Net cash inflow from operating activities		82,831	52,177
Investing activities			
Payments to acquire property, plant and equipment - Maintenance		(8,299)	(8,795)
Payments to acquire property, plant and equipment - Strategic projects		(5,657)	(1,730)
Receipts from disposal of property, plant and equipment		128	35
Payments to acquire intangible assets - Maintenance		(3,448)	(3,904)
Payments to acquire intangible assets - Strategic projects		(2,517)	-
Receipts from disposal of assets held for sale	10	-	350
Payments to acquire subsidiary undertakings (net of cash acquired)		(67,248)	(26,567)
Repayment of debt acquired on acquisition of subsidiary undertakings		(9,420)	(352)
(Payments)/receipts on prior year acquisitions		(937)	3,428
Payment of deferred and deferred contingent consideration		(9,282)	(12,323)
Receipt of deferred consideration receivable		348	200
Net cash outflow from investing activities		(106,332)	(49,658)
Financing activities			
Proceeds from borrowings		98,174	42,692
Repayments of borrowings		(19,769)	(13,946)
Decrease in invoice discounting facilities		(9,806)	-
Movement in restricted cash		-	3,097
Payment of dividends		(4,666)	(5,731)
Principal element of lease payments		(13,192)	(12,853)
Acquisition of further equity in subsidiaries		(336)	-
Net cash inflow from financing activities		50,405	13,259
Increase in cash and cash equivalents in the year		26,904	15,778
Foreign currency translation of cash and cash equivalents		(1,225)	1,837
Opening balance cash and cash equivalents		78,025	60,410
Closing balance cash and cash equivalents	15	103,704	78,025

Group Statement of Changes in Equity
for the year ended 31 December 2022

	Share capital €'000	Share premium €'000	Share based payment reserve €'000	Foreign currency translation reserve €'000	Revaluation reserve €'000	Capital redemption reserve €'000	Retained earnings €'000	Attributable to non-controlling interests €'000	Total shareholders' equity €'000
At 1 January 2021	21,841	176,501	-	(1,860)	700	60	5,218	75	202,535
Profit for the financial year	-	-	-	-	-	-	48,077	45	48,122
Other comprehensive income/(expense):									
Re-measurement loss on pensions (net of tax)	-	-	-	-	-	-	(9)	-	(9)
Movement in foreign currency translation reserve	-	-	-	6,464	-	-	-	-	6,464
Transactions recognised directly in equity:									
Movement in share based payment reserve	-	-	183	-	-	-	-	-	183
Dividends paid	-	-	-	-	-	-	(5,731)	-	(5,731)
At 31 December 2021	21,841	176,501	183	4,604	700	60	47,555	120	251,564
At 1 January 2022	21,841	176,501	183	4,604	700	60	47,555	120	251,564
Profit for the financial year	-	-	-	-	-	-	45,587	119	45,706
Other comprehensive income/(expense):									
Movement in foreign currency translation reserve	-	-	-	(3,356)	-	-	-	-	(3,356)
Transactions recognised directly in equity:									
Movement in share based payment reserve	-	-	535	-	-	-	-	-	535
Dividends paid	-	-	-	-	-	-	(4,666)	-	(4,666)
At 31 December 2022	21,841	176,501	718	1,248	700	60	88,476	239	289,783

ACCOUNTING POLICIES

Notes to the Consolidated Financial Statements

1. General information

Basis of preparation

The 2022 financial statements have been audited, with an unqualified audit report and have been approved by the Board of Directors. The financial information set out in this document does not constitute full statutory financial statements but has been derived from the Group financial statements for the year ended 31 December 2022. In accordance with the AIM and Euronext Growth Rules the consolidated financial statements of Uniphar plc and its subsidiaries (the 'Group') have been prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations issued by the IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS, as adopted by the EU. The consolidated financial statements comply with IFRS as issued by the International Accounting Standards Board (IASB), as adopted by the EU and as applied in accordance with the Companies Acts 2014.

The financial information in the consolidated financial statements has been prepared on a basis consistent with that adopted for the year ended 31 December 2022.

The Group's consolidated financial statements are prepared for the year ended 31 December 2022. The consolidated financial statements incorporate the Company and all of its subsidiary undertakings. A subsidiary undertaking is consolidated by reference to whether the Group has control over the subsidiary undertaking. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity.

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

The statutory financial statements will be filed with the Companies Registration Office in line with the Annual Return date.

Going Concern

The Directors have made appropriate enquiries and carried out a thorough review of the Group's forecasts, projections, and available banking facilities, taking account of possible changes in trading performance and considering business risk.

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

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

New Standards, Amendments, and Interpretations

The Group has applied the following standards and amendments for the first time for their annual reporting period commencing 1 January 2022:

- Amendments to IFRS3, 'Business combinations' reference to the conceptual framework
- Amendments to IAS 16, 'Property, plant and equipment' proceeds before intended use
- Amendments to IAS 37, 'Provisions, contingent liabilities and contingent assets' cost of fulfilling a contract
- Annual improvements to IFRS standards 2018-2020

ACCOUNTING POLICIES

These amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

The following accounting standards and interpretations have been published that are not mandatory for 31 December 2022 reporting periods and have not been early adopted by the Group:

- Amendments to IAS 1, 'Presentation of financial statements', on classification of liabilities
- Amendments to IAS 1 and IFRS Practice Statement 2 – Disclosure of Accounting Policies
- Amendments to IAS 8, Definition of Accounting Estimate
- Amendments to IAS 12, Deferred tax related to assets and liabilities arising from a single transaction
- IFRS 17 Insurance Contracts
- Amendments to IFRS 16, Lease Liability in a Sale and Leaseback
- Amendments to IAS 1, Non-current Liabilities with Covenants

These standards are not expected to have a material impact in the current or future reporting periods and on foreseeable future transactions.

NOTES TO THE FINANCIAL STATEMENTS

2. Revenue

	2022 €'000	2021 €'000
Revenue	2,070,669	1,943,149

Segmental information

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

Geographical analysis

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

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

	2022 €'000	2021 €'000
Ireland	1,765,064	1,672,158
UK	142,157	161,714
Rest of the World	163,448	109,277
	2,070,669	1,943,149

Operating segments

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

The Group operates with three divisions, being, Commercial & Clinical, Product Access, and Supply Chain & Retail. These divisions align to the Group's operational and financial management structures:

- Commercial & Clinical provide outsourced services, specifically sales, marketing and multichannel account management to pharmaco-medical manufacturers, and distribution and support services to medical device manufacturers. Uniphar offer a fully integrated digitally enabled customer centric solution that is supported through market data, insights and digital programmes. We integrate these programmes with our supply chain and distribution capability to provide a full end-to-end service to manufacturers;

- Product Access consists of two service offerings, being: On Demand and Exclusive Access. On Demand provides access to pharmaco-medical products and treatments, by developing valuable relationships and interactions between manufacturers and other healthcare stakeholders. This business operates in both the retail and hospital markets in the Irish, UK, European, APAC and MENA markets. Exclusive Access provides bespoke distribution partnerships to pharmaceutical partners around key brands, with new programs focused on speciality pharmaceutical products. Delivering a unique patient support program that allows healthcare professionals to connect with patients, on a global basis; and

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

NOTES TO THE FINANCIAL STATEMENTS

Operating segments results

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

	2022 Commercial & Clinical €'000	2022 Product Access €'000	2022 Supply Chain & Retail €'000	2022 Total €'000
Revenue	306,766	206,868	1,557,035	2,070,669
Gross profit	117,554	50,178	139,012	306,744

	2021 Commercial & Clinical €'000	2021 Product Access €'000	2021 Supply Chain & Retail €'000	2021 Total €'000
Revenue	299,908	157,152	1,486,089	1,943,149
Gross profit	104,398	41,318	128,781	274,497

The Commercial & Clinical revenue of €306,766,000 (2021: €299,908,000) consists of revenue derived from MedTech of €233,203,000 (2021: €208,137,000) and Pharma of €73,563,000 (2021: €91,771,000).

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

3. Exceptional income/(charge)

	2022 €'000	2021 €'000
Professional fees including acquisition costs	(6,607)	(3,339)
Redundancy and restructuring costs	(6,165)	(4,610)
Acquisition integration costs	(3,337)	(2,295)
Settlement loss on closure of defined benefit pension scheme	-	(211)
Foreign exchange revaluation of deferred contingent consideration	-	(1,373)
Cessation of supplier contracts – recovery/(inventory write off)	115	(1,754)
Other exceptional costs	(421)	(822)
Exceptional charge recognised in operating profit	(16,415)	(14,404)
Decrease in deferred contingent consideration	12,030	19,761
Decrease in deferred acquisition consideration	109	-
Change in discount rates on deferred contingent consideration	1,405	-
Refinancing costs impairment	(353)	-
Exceptional credit recognised in finance cost	13,191	19,761
Exceptional credit recognised in income tax	1,106	777
Total exceptional (charge)/income	(2,118)	6,134

Professional fees including acquisition costs

Professional fees including acquisition costs relate to costs incurred in relation to acquisitions and include third party fees.

NOTES TO THE FINANCIAL STATEMENTS

Redundancy & Restructuring:
Redundancy and restructuring costs are primarily redundancy and ex gratia termination costs arising on reorganisations and recent acquisitions.

Acquisition integration costs:
Acquisition integration costs relate to professional fees incurred on the integration of recent acquisitions into the expanded Group and payments made to staff agreed as part of the RRD International acquisition which are not classified as consideration.

Cessation of supplier contracts:
Cessation of specific MedTech supplier contracts in 2021 relating to the supply of PPE and decontamination equipment giving rise to inventory write offs. A portion of this write off was recovered in 2022 resulting in a credit to the Income Statement.

Deferred and deferred contingent consideration:
Deferred contingent consideration relates to a release of €12,030,000 following a review of expected performance against earn out contractual targets in relation to Diligent Health Solutions (€6,530,000) and EPS Group (€5,500,000).

In the prior year, deferred contingent consideration relates to a release of €21,739,000 following a review of expected performance against earn out contractual targets in relation to the Durbin Group, and a release of €2,853,000 due to the completion of the earnout period and contractual terms in relation to the Sisk Healthcare Group. In addition, a provision of €4,831,000 has been recognised in respect of increased deferred contingent consideration payable in relation to the EPS Group.

Change in discount rates on deferred contingent consideration

The deferred contingent consideration liability at 31 December 2022 has been revised using updated discount rates reflecting an increase in the discount rate applied to compute the present value of the liability resulting in a credit of €1,405,000 to the Income Statement.

Refinancing costs

The Group entered a new and enlarged borrowing facility in August 2022 ahead of the expiration of the previous facility. As the previous facility has been superseded, the remaining fees capitalised in respect of it have been charged to the Income Statement in the year.

4. Finance cost/(income)

	2022 €'000	2021 €'000
Interest on lease obligations	3,644	3,772
Interest payable on borrowings and non-recourse financing	5,646	3,154
Fair value adjustment to deferred and deferred contingent consideration	2,137	1,915
Amortisation of refinancing transaction fees	339	303
Interest receivable	(96)	(37)
Finance cost before exceptional credit	11,670	9,107
Decrease in fair value deferred contingent consideration (note 3)	(13,544)	(19,761)
Refinancing costs (note 3)	353	-
Exceptional credit recognised in finance cost	(13,191)	(19,761)
Total finance (income)/cost	(1,521)	(10,654)

Finance costs do not include capitalised borrowing costs of €66,000 (2021: €nil) on qualifying assets (note 7 and 8). Interest is capitalised at the Group's weighted average interest rate for the period 2.1% (2021: nil).

NOTES TO THE FINANCIAL STATEMENTS

5. Earnings per share

Basic and diluted earnings per share have been calculated by reference to the following:

	2022	2021
Profit for the financial year attributable to owners (€'000)	45,587	48,077
Weighted average number of shares ('000)	272,557	269,752
Earnings per ordinary share (in cent):		
- Basic	16.7	17.8
- Diluted	16.7	17.8

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

	2022 €'000	2021 €'000
Profit for the financial year attributable to owners	45,587	48,077
Exceptional charge recognised in operating profit (note 3)	16,415	14,404
Exceptional credit recognised in finance costs (note 3)	(13,191)	(19,761)
Exceptional credit recognised in income tax	(1,106)	(777)
Tax credit on acquisition related intangibles	(329)	(207)
Amortisation of acquisition related intangibles	2,708	2,063
Profit after tax excluding exceptional items	50,084	43,799
Weighted average number of shares in issue in the year (000's)	272,557	269,752
Adjusted basic and diluted earnings per ordinary share (in cent)	18.4	16.2

The weighted average number of ordinary shares includes the effect of 6,543,620 shares (2022: 2,822,264 on a weighted basis) (2021: 6,218,620 shares (3,663,023 on a weighted basis)) granted under the LTIP that have met the share price performance conditions, but will not vest until 31 December 2024. There is no impact on the weighted average number of ordinary shares granted under new senior management share option schemes in the year (2021: 16,964 shares).

6. Dividends

The Directors have proposed a final dividend of €3.1m (€0.011 per ordinary share), subject to approval at the AGM. This results in a total shareholders dividend of €4.8m (€0.017 per ordinary share) in respect of the year ended 31 December 2022 as the Board declared and paid a 2022 interim dividend of €1.7m (€0.006 per ordinary share). If approved, the proposed dividend will be paid on 16 May 2023 to ordinary shareholders on the Company's register on 21 April 2023. This dividend has not been provided for in the Balance Sheet at 31 December 2022, as there was no present obligation to pay the dividend at year end.

A final dividend of €3.0m (€0.011 per ordinary share) relating to 2021 was paid in May 2022.

NOTES TO THE FINANCIAL STATEMENTS

7. Intangible assets

	Computer software €'000	Trademark & licences €'000	Goodwill €'000	Technology asset €'000	Brand name €'000	Customer Relationships €'000	Total €'000
Cost							
At 1 January 2022	36,180	153	442,352	2,914	11,238	3,126	495,963
FX movement	(36)	-	(1,509)	133	-	196	(1,216)
Acquisitions (note 18)	328	36	60,847	-	-	-	61,211
Additions	5,965	-	-	-	-	-	5,965
Disposals/retirements	(490)	-	-	-	-	-	(490)
At 31 December 2022	41,947	189	501,690	3,047	11,238	3,322	561,433
Amortisation							
At 1 January 2022	28,127	153	18,709	419	1,215	729	49,352
FX movement	(9)	-	-	(10)	-	36	17
Amortisation	2,405	1	-	910	1,124	674	5,114
Disposals/retirements	(490)	-	-	-	-	-	(490)
At 31 December 2022	30,033	154	18,709	1,319	2,339	1,439	53,993
Net book amounts							
At 31 December 2021	8,053	-	423,643	2,495	10,023	2,397	446,611
At 31 December 2022	11,914	35	482,981	1,728	8,899	1,883	507,440
Intangible assets	10,775	35	482,981	1,728	8,899	1,883	506,301
Right-of-use assets	1,139	-	-	-	-	-	1,139
At 31 December 2022	11,914	35	482,981	1,728	8,899	1,883	507,440

Included in the cost of additions for 2022 is €9,000 (2021: €nil) incurred in respect of borrowing cost capitalised into Computer Software.

NOTES TO THE FINANCIAL STATEMENTS

8. Property, plant and equipment, and right-of-use assets

	Freehold land and buildings	Leasehold improvements	Plant and equipment	Fixtures and fittings	Computer equipment	Motor vehicles	Instruments	Total
	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Cost								
At 1 January 2022	135,705	14,149	29,620	13,045	7,099	8,336	5,012	212,966
Foreign exchange movement	(409)	(37)	(122)	(119)	(6)	(103)	-	(796)
Additions	5,951	2,084	11,260	2,378	956	2,059	2,121	26,809
Acquisitions (note 18)	10,195	-	661	312	18	489	-	11,675
Disposals/retirements	(1,770)	(13)	(1,757)	(1,424)	(1,325)	(2,956)	(565)	(9,810)
At 31 December 2022	149,672	16,183	39,662	14,192	6,742	7,825	6,568	240,844
Accumulated depreciation								
At 1 January 2022	24,930	3,139	15,843	5,847	4,271	4,052	2,393	60,475
Foreign exchange movement	(150)	(24)	(100)	(82)	(15)	(53)	-	(424)
Charge for the year	11,334	1,520	3,396	1,884	1,116	2,487	1,619	23,356
Disposals/retirements	(1,557)	(13)	(1,742)	(1,404)	(1,275)	(2,635)	(565)	(9,191)
At 31 December 2022	34,557	4,622	17,397	6,245	4,097	3,851	3,447	74,216
Net book amounts								
At 31 December 2021	110,775	11,010	13,777	7,198	2,828	4,284	2,619	152,491
At 31 December 2022	115,115	11,561	22,265	7,947	2,645	3,974	3,121	166,628
Property, plant & equipment	7,847	11,561	21,987	7,947	2,645	533	3,121	55,641
Right-of-use assets	107,268	-	278	-	-	3,441	-	110,987
Net book value at 31 December 2022	115,115	11,561	22,265	7,947	2,645	3,974	3,121	166,628

Included in property, plant and equipment are assets under construction with a net book value of €10,708,000 (2021: €1,555,000). Depreciation has not commenced on these assets.

Included in the cost of additions for 2022 is €57,000 (2021: €nil) incurred in respect of borrowing costs capitalised into assets.

NOTES TO THE FINANCIAL STATEMENTS

9. Employee benefit surplus

The remaining defined benefit plan was wound up in March 2021, the pension entitlements of employees, including Executive Directors, now arise under a number of defined contribution schemes and are secured by contributions by the Group to separate trustee administered pension funds. In 2021, a settlement loss of €211,000 was recognised on the closure of the Cahill May Roberts Group Pension Scheme. The assets of the scheme were distributed in line with members chosen options and no assets or liabilities remain.

The defined benefit scheme was:

- The Cahill May Roberts Limited Contributory Pension Plan (wound up in March 2021)

The pension charge for the year is €4,058,000 (2021: €4,313,000) which relates to the defined contribution schemes.

10. Assets held for sale

	Properties €'000	Total €'000
At 1 January 2022	1,600	1,600
At 31 December 2022	1,600	1,600

During 2022, the Group disposed of €nil (2021: €350,000) of property which were previously held for sale. There was no impairment on the value of the remaining property (2021: €350,000) nor was there a corresponding write down of the associated bank borrowings (2021: €350,000). The remaining property held for sale is available for immediate sale in its present condition subject to terms that are usual and customary for property of this nature. The property is being actively marketed and the Group is committed to its plan to sell this property in an orderly manner.

11. Called up share capital presented as equity

	2022 €'000
Authorised:	
453.2 million (2021: 453.2 million) ordinary shares of 8c each	36,256
16.0 million (2021: 16.0 million) "A" ordinary shares of 8c each	1,280
	37,536
Movement in the year in issued share capital presented as equity	
Allotted, called up and fully paid ordinary shares	
At 1 January - 273,015,254 ordinary shares of 8c each	21,841
At 31 December - 273,015,254 ordinary shares of 8c each	21,841
Total allotted share capital:	
At 31 December - 273,015,254 (2021: 273,015,254) ordinary shares	21,841

There have been no changes to the authorised or issued share capital in either 2022 or 2021.

NOTES TO THE FINANCIAL STATEMENTS

12. Borrowings

Bank loans are repayable in the following periods after 31 December:

	2022 €'000	2021 €'000
Amounts falling due within one year	7,490	1,721
Amounts falling due between one and five years	187,431	124,601
	194,921	126,322

The Group's total bank loans at 31 December 2022 were €194,921,000 (2021: €126,322,000). Borrowing under invoice discounting (recourse) as at the balance sheet date was €5,890,000 (2021: €Nil). Bank loans falling due within one year include €1,600,000 (2021: €1,600,000) of loans arising on the acquisition of Bradley's Pharmacy Group which are secured by properties acquired on the acquisition which are classified as held for sale. Following the disposal of these properties these loans are required to be repaid (note 10).

The Group entered into a new facility in August 2022. The total loan value of the revolving credit facility available for use within this agreement is €400,000,000, with an additional uncommitted accordion facility of €150,000,000. This facility runs for five years to 2027 with two options to extend by a further one year with repayment of all loans on termination of the facility in August 2027.

At 31 December 2022, the Group's revolving credit facility loans in use were at an interest margin of +1.5% (2021: +1.5%) on inter-bank interest rates (EURIBOR, GBP SONIA and USD SOFR).

Bank security
Bank overdrafts (including invoice discounting) and bank loans of €194,921,000 (2021: €126,322,000) are secured by cross guarantees and fixed and floating charges from the Company and certain subsidiary undertakings.

NOTES TO THE FINANCIAL STATEMENTS

13. Provisions

	Deferred contingent consideration	Lease dilapidation	Warranty provision	Other	Total
	€'000	€'000	€'000	€'000	€'000
At 1 January 2022	88,918	523	77	883	90,401
Recognised during the year	-	-	64	1,665	1,729
Unwinding of discount	2,073	-	-	-	2,073
Arising on acquisition	17,519	-	-	-	17,519
Utilised during the year	(5,127)	-	-	(952)	(6,079)
Released during the year	(12,030)	(35)	-	-	(12,065)
Change in discount rate	(1,405)	-	-	-	(1,405)
Foreign currency movement	1,850	-	(8)	45	1,887
At 31 December 2022	91,798	488	133	1,641	94,060

Deferred contingent consideration

Deferred contingent consideration represents the present value of deferred contingent acquisition consideration which would become payable based on pre-defined profit thresholds being met. During the year payments of €5,127,000 (2021: €13,283,000) were made in respect of prior year acquisitions. Deferred contingent consideration of €12,030,000 (2021: €24,592,000) in respect of prior year acquisitions were released in the year following a review of expected performance against earn-out targets. The discount rates used to discount the provisions to present value were updated at 31 December 2022 resulting in a credit of €1,405,000 being recognised as an exceptional item in the 2022 Income Statement (2021: €nil). Further details on the measurement of deferred contingent consideration is provided in note 17.

Lease dilapidation

The lease dilapidation provision covers the cost of reinstating certain Group properties at the end of the lease term. This is based on the terms of the individual leases which set out the conditions relating to the return of property. The timing of the outflows will match the ending of the relevant leases with various dates up to 2049.

Warranty provision

The warranty provision relates to a product warranty provided to customers on certain medical devices. The estimated cost of the warranty is provided for upon recognition of the sale of the product. The costs are estimated based on actual historical experience of expenses incurred and on estimated future expenses related to current sales and are updated periodically. Actual warranty costs are charged against the warranty provision.

Other

Other provisions relate to a management retention bonus payable in relation to the acquisition of RRD International, LLC in 2020.

14. Leases

(i) Amounts recognised in the Balance Sheet

As at 31 December, the Balance Sheet shows the following amounts relating to leases:

	2022	2021
	€'000	€'000
Right-of-use assets:		
Buildings	107,268	105,766
Plant and equipment	278	686
Motor vehicles	3,441	4,196
Computer software	1,139	1,519
Net book value of right-of-use assets	112,126	112,167

Lease liabilities:		
Current	14,315	14,358
Non-current	105,919	104,720
Total lease liabilities	120,234	119,078

Right-of-use assets are included in the lines 'Intangible assets' and 'Property, plant and equipment, and right-of-use assets' on the Balance Sheet, and are presented in notes 7 and 8.

Additions to the right-of-use assets during the year ended 31 December 2022 were €7,961,000 (2021: €9,519,000).

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

(ii) Amounts recognised in the Income Statement:

The Income Statement shows the following amounts relating to leases:

	2022	2021
	€'000	€'000
Depreciation/amortisation charge on right-of-use assets:		
Buildings	11,131	10,657
Plant and equipment	414	548
Motor vehicles	2,434	2,660
Right-of-use assets depreciation charge	13,979	13,865
Computer software	380	380
Right-of-use assets amortisation charge	380	380
Interest on lease obligations (note 4)	3,644	3,772
Principal repayments	13,192	12,853
Total cash outflow in respect of leases	16,836	16,625

NOTES TO THE FINANCIAL STATEMENTS

15. Analysis of net debt

	2022 €'000	2021 €'000
Cash and cash equivalents	103,704	78,025
	103,704	78,025
Bank loans repayable within one year	(7,490)	(1,721)
Bank loans payable after one year	(187,431)	(124,601)
Bank loans	(194,921)	(126,322)
Net bank debt	(91,217)	(48,297)
Lease obligations	(120,234)	(119,078)
Net debt	(211,451)	(167,375)

16. Reconciliation of operating profit to cash flow from operating activities

	2022 €'000	2021 €'000
Operating profit before operating exceptional items	69,570	59,551
Cash related exceptional items	(7,768)	(9,072)
	61,802	50,479
Depreciation	23,356	22,225
Amortisation of intangible assets	5,114	4,705
(Increase)/decrease in inventory	(15,130)	3,726
Decrease/(increase) in receivables	2,934	(26,169)
Increase in payables	2,700	13,205
Share based payment expense	535	183
Foreign currency translation adjustments	1,393	22
Cash inflow from operating activities	82,704	68,376

NOTES TO THE FINANCIAL STATEMENTS

17. Financial instruments

Financial instruments by category

The accounting policies for financial instruments have been applied to the line items below:

	Financial assets at FVOCI*	Financial assets at amortised cost	Total	Fair value
	€'000	€'000	€'000	€'000
Financial assets				
31 December 2022:				
Investments in equity instruments	25	-	25	25
Trade and other receivables **	-	146,814	146,814	146,823
Deferred consideration receivable	-	100	100	100
Cash and cash equivalents	-	103,704	103,704	103,704
	25	250,618	250,643	250,652

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

	Financial liabilities at FVTPL***	Financial liabilities at amortised cost	Total	Fair value
	€'000	€'000	€'000	€'000
Financial liabilities				
31 December 2022:				
Borrowings	-	194,921	194,921	194,921
Deferred acquisition consideration	-	523	523	523
Trade and other payables ****	-	236,238	236,238	236,238
Deferred contingent consideration	91,798	-	91,798	91,798
Lease liabilities	-	120,234	120,234	120,234
	91,798	551,916	643,714	643,714

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

Measurement of fair values

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

Investments in equity instruments

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

Trade and other receivables/trade and other payables

For receivables and payables with a remaining life of less than 12 months or demand balances, the carrying value less impairment provision where appropriate, is deemed to reflect fair value.

NOTES TO THE FINANCIAL STATEMENTS

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

Interest-bearing loans and borrowings
For floating rate interest-bearing loans and borrowings with a contractual repricing date of less than 6 months, the nominal amount is deemed to reflect fair value. For loans with repricing dates of greater than 6 months, the fair value is calculated based on the present value of the expected future principal and interest cash flows discounted at appropriate market interest rates (level 2) effective at the Balance Sheet date and adjusted for movements in credit spreads.

Deferred acquisition consideration
Discounted cash flow method was used to capture the present value of the expected future economic benefits that will flow out of the Group arising from the deferred acquisition consideration.

Deferred contingent consideration
The fair value of the deferred contingent consideration is calculated by discounting the expected future payment to the present value. The expected future payment represents the deferred contingent acquisition consideration which would become payable based on pre-defined profit thresholds being met and is calculated based on management's best estimates of the expected future cash outflows using current budget forecasts. The provision for deferred contingent consideration is principally in respect of acquisitions completed from 2015 to 2022.

The significant unobservable inputs are:
- Expected future profit forecasts which have not been disclosed due to their commercial sensitivities; and
- Risk adjusted discount rate of between 2.5% and 4% (2021: 2% and 3%).

For the fair value of deferred contingent consideration, a 1% increase in the risk adjusted discount rate at 31 December 2022, holding the other inputs constant would reduce the fair value of the deferred contingent consideration by €1.5m. A 1% decrease in the risk adjusted discount rate would result in an increase of €1.5m in the fair value of the deferred contingent consideration.

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

	Level 1 €'000	Level 2 €'000	Level 3 €'000	Total €'000
Recurring fair value measurements				
At 31 December 2022				
Investments in equity instruments	-	-	25	25
Deferred contingent consideration	-	-	(91,798)	(91,798)
	-	-	(91,773)	(91,773)

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

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

NOTES TO THE FINANCIAL STATEMENTS

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

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

Fair value measurements using significant unobservable inputs (level 3)
The following table presents the changes in level 3 items for the year ended 31 December 2022:

	Shares in unlisted companies €'000	Deferred contingent consideration €'000	Total €'000
At 1 January 2022	25	(88,918)	(88,893)
Utilised during the year	-	5,127	5,127
Changes in discount rate*	-	1,405	1,405
Unwinding of discount*	-	(2,073)	(2,073)
Arising on acquisition	-	(17,519)	(17,519)
Released during the year *	-	12,030	12,030
Foreign currency movement	-	(1,850)	(1,850)
At 31 December 2022	25	(91,798)	(91,773)

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

Deferred contingent consideration is provided based on management's assessment of the fair value of the liability taking into account the expected profitability of the acquisition. The maximum amount of additional Deferred contingent consideration not provided for in the financial statements is €60,300,000 assuming the acquisitions satisfy all performance conditions as set out in their acquisition.

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

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

Under the terms of the invoice discounting non-recourse agreement, the Group has transferred substantially all credit risk and control of certain trade receivables. The balance of the facility as at 31 December 2022 is €111,765,000 (2021: €94,118,000). During the year ended 31 December 2022, the Group increased its non-recourse facility by €15,000,000 (2021: €nil). The Group has recognised an asset within trade and other receivables of €16,765,000 (2021: €14,118,000), being the fair value of the amount receivable from the financial institutions, representing 15% of the trade receivables transferred to the financial institutions in accordance with the terms of the receivables purchase arrangement. Total interest expense associated with this receivables purchase agreement during the year ended 31 December 2022 was €1,866,000 (2021: €1,296,000).

NOTES TO THE FINANCIAL STATEMENTS

18. Acquisitions of subsidiary undertakings and business assets

A key strategy of the Group is to expand into higher growth sectors and extend the capabilities the Group can offer our clients. In line with this strategy, the Group completed the following acquisitions during the financial year:

- **Chansey Holdings Limited & Edenmore Pharmacy Limited**
  The Group acquired 100% of the ordinary share capital of Chansey Holdings Limited & Edenmore Pharmacy Limited in January 2022 for consideration of €4,356,000. Chansey Holdings Limited & Edenmore Pharmacy Limited currently operates three independent retail pharmacies in Ireland.

- **Boxted Limited**
  The Group acquired 100% of the ordinary share capital of Boxted Limited in February 2022 for consideration of €1,716,000. Boxted Limited currently operates an independent retail pharmacy in Ireland.

- **Dr Hauschka Limited**
  The Group acquired 100% of the ordinary share capital of Dr Hauschka Limited in March 2022 for consideration of €1,541,000. Dr Hauschka Limited is a distributor of skincare products to pharmacies and health stores in Ireland.

- **Lanesra Pharmacy Limited**
  The Group acquired 100% of the ordinary share capital of Lanesra Pharmacy Limited in May 2022 for consideration of €4,339,000. Lanesra Pharmacy Limited currently operates an independent retail pharmacy in Ireland.

- **Mainarch Limited**
  The Group acquired 100% of the ordinary share capital of Mainarch Limited in June 2022 for consideration of €1,980,000. Mainarch Limited currently operates an independent retail pharmacy in Ireland.

- **Orpsec Pharma Group**
  The Group acquired 100% of the ordinary share capital of Orspec Pharma Pty Limited in August 2022 for consideration of €6,664,000 of which €454,000 is deferred and €3,836,000 is deferred and contingent on agreed targets being met. Orspec Pharma, an Australia headquartered company, supplies pharmaceutical products across the Asia Pacific region with locations in Australia, New Zealand and Singapore.

- **Inspired Health**
  The Group acquired 100% of the membership interests of Inspired Insight, LLC in September 2022 for a consideration of €25,504,000 of which €7,087,000 is deferred and contingent on agreed targets being met. Inspired Health, a United States based company, is an innovation, sales and marketing consultancy business inspired by insight and data.

- **BModesto Group**
  The Group acquired 85% of the ordinary share capital of BModesto Vastgoed B.V. in November 2022 and, on the same date, entered into a put and call option which would enable the Group to acquire the remaining 15% stake in exchange for cash consideration. This has been accounted under the anticipated acquisition method with the combined 100% recognised as acquired from November 2022. Acquisition consideration recognised amounted to €41,901,000 of which €6,596,000 is payable based on agreed targets being met in respect of the put and call option on the remaining 15% shareholding. BModesto Group, a Netherlands headquartered company, provides a range of services to healthcare companies, pharmacies and hospitals including pharmaceutical product supply, clinical trial services and medical device distribution.

- **Young’s Pharmacy**
  The Group acquired the trade and assets of Young’s Pharmacy in December 2022 for consideration of €1,363,000. Young’s Pharmacy operates as an independent retail pharmacy in Ireland.

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Goodwill is attributable to the future economic benefits arising from assets which are not capable of being individually identified and separately recognised. The significant factors giving rise to the goodwill include the value of the teams within the businesses acquired, the enhancement of the competitive position of the Group in the marketplace and the strategic premium paid by Uniphar Group to create the combined Group.

The fair value of the deferred and contingent consideration recognised at the date of acquisition is calculated by discounting the expected future payment to present value at the acquisition date. In general, for deferred contingent consideration to become payable, pre-defined profit thresholds must be exceeded. On an undiscounted basis, the future payments for which the Group may be liable in respect of acquisitions completed in the current year range from €0.4m to €48.9m.

The initial assignment of fair values to net assets acquired has been performed on a provisional basis in respect of the acquisitions completed during 2022, due to their recent acquisition dates. The Group has 12 months from the date of acquisition to finalise the fair value of the assets/liabilities acquired, and any amendments to these fair values within the twelve-month period from the date of acquisition will be disclosable in the 2023 Annual Report as stipulated by IFRS 3, Business Combinations.

The acquisitions completed in 2022 have contributed €61.4m to revenue and €11.2m of gross profit for the year since the date of acquisition. The proforma revenue and operating profit for the Group for the year ended 31 December 2022 would have been €2,360m and €63m respectively had the acquisitions been completed at the start of the current reporting year.

The provisional fair value of the assets and liabilities acquired as part of the acquisitions completed during the financial year are set out below:

NOTES TO THE FINANCIAL STATEMENTS

	BModesto €'000	Others €'000	Total €'000
ASSETS			
Non-current assets			
Intangible assets	364	-	364
Property, plant and equipment	4,089	366	4,455
Property, plant and equipment – Right of use assets	1,118	6,102	7,220
Deferred tax asset	207	6,550	6,757
	5,778	13,018	18,796
Current assets			
Inventory	28,821	1,298	30,119
Trade and other receivables	27,853	3,337	31,190
Cash and cash equivalents	-	3,295	3,295
	56,674	7,930	64,604
Total assets	62,452	20,948	83,400
LIABILITIES			
Non-current liabilities			
Lease liabilities	874	5,447	6,321
	874	5,447	6,321
Current liabilities			
Lease liabilities	243	656	899
Trade and other payables	19,264	4,220	23,484
Bank loans	23,570	273	23,843
	43,077	5,149	48,226
Total liabilities	43,951	10,596	54,547
Identifiable net assets acquired	18,501	10,352	28,853
Non-controlling interest arising on acquisition	-	-	-
Group share of net assets acquired	18,501	10,352	28,853
Goodwill arising on acquisition	23,400	37,447	60,847
Consideration	41,901	47,799	89,700

The acquisition in the 2022 financial year of BModesto Group has been determined to be a substantial transaction and separate disclosure of the fair values of the identifiable assets and liabilities has therefore been made. None of the remaining business combinations completed during the period were considered sufficiently material to warrant separate disclosure of the fair values attributable to those combinations.

The gross contractual value of the trade and other receivables as at the respective dates of acquisition amounted to €31.8m. The fair value of these receivables is €31.2m, all of which is expected to be recoverable, and is inclusive of an aggregate impairment provision of €0.6m. In 2022, the Group incurred acquisition costs of €6.6m (2021: €3.3m). These have been included in administrative expenses in the Group Income Statement.

2021 Acquisitions

The initial assessment of the fair values of the major classes of assets acquired and liabilities assumed in respect of the acquisitions which were completed in 2021 was performed on a provisional basis. The fair values attributable to the assets and liabilities of these acquisitions have now been finalised. The amendments to these fair values were made to the comparative figures during the subsequent reporting window within the measurement period imposed by IFRS 3. The provisional fair value of these assets and liabilities recorded at 31 December 2021, together with the adjustments made to those carrying values to arrive at the final fair values are detailed in the Annual Report.

NOTES TO THE FINANCIAL STATEMENTS

19. Post balance sheet events

On 31 January 2023, the Group acquired 100% of the issued share capital of LXV Remedies Holdings Limited which trades as the McCauley's Pharmacy Group. This acquisition was announced in September 2022 but was subject to clearance by the Competition and Consumer Protection Commission (CCPC) at 31 December 2022. McCauley Pharmacy Group is a leading provider of pharmacy and retail services in Ireland and comprises 37 retail pharmacies at the time of acquisition. Due to the short time frame between the completion date of the acquisition of McCauley's Pharmacy Group, and the date of issuance of this report, it was not possible to reliably estimate the fair value of assets and liabilities or the goodwill amount associated with the completed acquisition. This acquisition will be accounted for as an acquisition in the 2023 financial statements.

There have been no other material events subsequent to 31 December 2022 that would require adjustment to or disclosure in this report.

20. Comparative amounts

The comparative amounts have been updated for amendments to the fair value of assets and liabilities acquired during 2021, these amendments were within the measurement period imposed by
IFRS 3.

21. Approval by the Board of Directors

The preliminary results announcement was approved by the Board of Directors on 27 February 2023.

NOTES TO THE FINANCIAL STATEMENTS

Additional Information

ALTERNATIVE PERFORMANCE MEASURES

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

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

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

	Definition	Why we measure it
EBITDA **&** **Adjusted EBITDA**	Earnings before exceptional items, net finance expense, income tax expense, depreciation, and intangible assets amortisation. Earnings before exceptional items, net finance expense, income tax expense, depreciation, and intangible assets amortisation, adjusted for the impact of IFRS 16 and the pro-forma EBITDA of acquisitions.	EBITDA provides management with an assessment of the underlying trading performance of the Group and excludes transactions that are not reflective of the ongoing operations of the business, allowing comparison of the trading performance of the business across periods and/or with other businesses. Adjusted EBITDA is used for leverage calculations.
Net bank debt	Net bank debt represents the net total of current and non-current borrowings, cash and cash equivalents, and restricted cash as presented in the Group Balance Sheet.	Net bank debt is used by management as it gives a summary of the Group's current leverage which management will consider when evaluating investment opportunities, potential acquisitions, and internal resource allocation.
Net debt	Net debt represents the total of net bank debt, plus current and non-current lease obligations as presented in the Group Balance Sheet.	Net debt is used by management as it gives a complete picture of the Group's debt including the impact of lease liabilities recognised under IFRS 16.
Leverage	Net bank debt divided by adjusted EBITDA for the period.	Leverage is used by management to evaluate the group's ability to cover its debts. This allows management to assess the ability for the company to use debt as a mechanism to facilitate growth.
Adjusted Operating Profit	This comprises of operating profit as reported in the Group Income Statement before amortisation of acquired intangible assets and exceptional items (if any).	Adjusted operating profit is used to assess the underlying operating performance excluding the impact of non-operational items. This is a key measure used by management to evaluate the businesses operating performance.
Adjusted earnings per share	This comprises of profit for the financial period attributable to owners of the parent as reported in the Group Income Statement	Adjusted EPS is used to assess the after-tax underlying performance of the business in combination with the impact of capital

NOTES TO THE FINANCIAL STATEMENTS

	Definition	Why we measure it
	before exceptional items (if any) and amortisation of acquisition related intangibles, divided by the weighted average number of shares in issue in the period.	structure actions on the share base. This is a key measure used by management to evaluate the businesses operating performance, generate future operating plans, and make strategic decisions.
Like for Like adjusted earnings per share	Like for like adjusted earnings per share is calculated for both the current and prior period by dividing the profit of the relevant period attributable to owners of the parent as reported in the Group Income Statement before exceptional items (if any) and amortisation of acquisition related intangibles, by the weighted average number of shares in issue in the current period.	Like for like adjusted EPS is used to assess the after-tax underlying performance of the business assuming a constant share base.
Free cash flow conversion	Free cash flow conversion calculated as EBITDA, less investment in working capital, less maintenance capital expenditure, less foreign exchange translation adjustment, divided by EBITDA.	Free cash flow represents the funds generated from the Group's ongoing operations. These funds are available for reinvestment, and for future acquisitions as part of the Group's growth strategy. A high level of free cash flow conversion is key to maintaining a strong, liquid Balance Sheet.
Return on capital employed	ROCE is calculated as the 12 months rolling operating profit before the impact of exceptional costs and amortisation of acquisition related intangibles, expressed as a percentage of the adjusted average capital employed for the same period. The average capital employed is adjusted to ensure the capital employed of acquisitions completed during the period are appropriately time apportioned.	This measure allows management to monitor business performance, review potential investment opportunities and the allocation of internal resources.

EBITDA

		2022 €'000	2021 €'000
Operating profit	*Income Statement*	53,155	45,147
Exceptional charge recognised in operating profit	*Note 3*	16,415	14,404
Depreciation	*Note 8*	23,356	22,225
Amortisation	*Note 7*	5,114	4,705
EBITDA		98,040	86,481
Adjust for the impact of IFRS 16		(16,837)	(16,625)
Pro-forma EBITDA of acquisitions		10,167	1,847
Adjusted EBITDA		91,370	71,703

NOTES TO THE FINANCIAL STATEMENTS

Net bank debt

		2022 €'000	2021 €'000
Cash and cash equivalents	*Balance Sheet*	103,704	78,025
Bank loans repayable within one year	*Balance Sheet*	(7,490)	(1,721)
Bank loans payable after one year	*Balance Sheet*	(187,431)	(124,601)
Net bank debt		(91,217)	(48,297)

Net debt

		2022 €'000	2021 €'000
Net bank debt	*Alternative Performance Measures*	(91,217)	(48,297)
Current lease obligations	*Balance Sheet*	(14,315)	(14,358)
Non-current lease obligations	*Balance Sheet*	(105,919)	(104,720)
Net debt		(211,451)	(167,375)

Leverage

		2022 €'000	2021 €'000
Net bank debt	*Alternative Performance Measures*	(91,217)	(48,297)
Adjusted EBITDA	*Alternative Performance Measures*	91,370	71,703
Leverage (times)		1.0	0.7

Adjusted operating profit

		2022 €'000	2021 €'000
Operating profit	*Income Statement*	53,155	45,147
Amortisation of acquisition related intangibles		2,708	2,063
Exceptional charge recognised in operating profit	*Note 3*	16,415	14,404
Adjusted operating profit		72,278	61,614

NOTES TO THE FINANCIAL STATEMENTS

Adjusted earnings per share

	2022 €'000	2021 €'000
Adjusted earnings per share has been calculated by reference to the following:		
Profit for the financial year attributable to owners	45,587	48,077
Exceptional charge recognised in operating profit (note 3)	16,415	14,404
Exceptional credit recognised in finance costs (note 3)	(13,191)	(19,761)
Exceptional credit recognised in income tax (note 3)	(1,106)	(777)
Amortisation of acquisition related intangibles	2,708	2,063
Tax credit on acquisition related intangibles	(329)	(207)
Profit after tax excluding exceptional items	50,084	43,799
Weighted average number of shares in issue in the year (000's)	272,557	269,752
Adjusted basic and diluted earnings per ordinary share (in cent)	18.4	16.2
Like for like weighted average number of shares (000's)	272,557	272,557
Like for like adjusted earnings per ordinary share (in cent)	18.4	16.1

Free cash flow conversion

		2022 €'000	2021 €'000
EBITDA	*APMs*	98,040	86,481
(Increase)/decrease in inventory	*Note 16*	(15,130)	3,726
Decrease/(increase) in receivables	*Note 16*	2,934	(26,169)
Increase in payables	*Note 16*	2,700	13,205
Share based payment expense	*Note 16*	535	183
Foreign currency translation adjustments	*Note 16*	1,393	22
Payments to acquire property, plant and equipment - Maintenance	*Cash Flow Statement*	(8,299)	(8,795)
Payments to acquire intangible assets - Maintenance	*Cash Flow Statement*	(3,448)	(3,904)
Free cash flow		78,725	64,749
Adjustment for settlement of acquired financial liabilities*		2,138	1,513
		80,863	66,262
EBITDA		98,040	86,481
Free cash flow conversion		82.5%	76.6%

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

NOTES TO THE FINANCIAL STATEMENTS

Return on capital employed

	2022 €'000	2021 €'000	2020 €'000
Rolling 12 months operating profit	53,155	45,147	
Adjustment for exceptional costs	16,415	14,404	
Acquisition related intangible amortisation	2,708	2,063	
Adjusted 12 months rolling operating profit	72,278	61,614	
Total equity	289,783	251,564	202,535
Net bank debt/(cash)	91,217	48,297	34,419
Deferred contingent consideration	91,798	88,918	86,195
Deferred consideration payable	523	4,295	4,461
Total capital employed	473,321	393,074	327,610
Average capital employed	433,198	360,342	
Adjustment for acquisitions (note A / B below)	(15,552)	(9,384)	
Adjusted average capital employed	417,646	350,958	
Return on capital employed	17.3%	17.6%	

Note A: Adjustment for acquisitions (2022)	Capital employed €'000	Completion Date	Adjustment €'000
BModesto Group	41,901	November 2022	(13,967)
Other acquisitions completed during 2022	47,464	Various	(1,585)
Adjustment for acquisitions during 2022			(15,552)

Note B: Adjustment for acquisitions (2021)	Capital employed €'000	Completion Date	Adjustment €'000
BESTMSLs Group	22,966	July 2021	(1,914)
Other acquisitions completed during 2021	18,967	Various	(7,470)
Adjustment for acquisitions			(9,384)

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