Uniphar plc
2021 Interim Results

Uniphar plc, an international diversified healthcare services business announces its half year results for the six months ended 30 June 2021, delivering a strong performance with EBITDA growth of 36.2%.

FINANCIAL HIGHLIGHTS

Six months ended 30 June[1]	2021 €'000	2020 €'000	Growth: Reported	Growth: Constant currency[2]
Revenue	**964,867**	871,328	10.7%	10.8%
Gross profit	**134,290**	102,594	30.9%	31.2%
Commercial & Clinical	**53,446**	41,918	27.5%	27.1%
Product Access	**20,051**	15,235	31.6%	35.0%
Supply Chain & Retail	**60,793**	45,441	33.8%	33.8%
Gross profit margin (Group) %	**13.9%**	11.8%		
EBITDA[1]	**41,138**	30,210	36.2%	36.5%
Operating profit	**23,609**	20,051	17.7%	18.1%
Profit before tax excluding exceptional items	**23,766**	16,411	44.8%	45.2%
Net bank (debt)/cash[1]	**(30,341)**	1,386		
Basic EPS (cent)	**5.7**	4.9		
Adjusted EPS (cent)[1]	**7.1**	5.1		

- Gross profit growth of 30.9% (11.2% organic), strong performance across all divisions with Commercial & Clinical outperforming medium-term guidance, delivering 23.7% organic growth.
- Continued growth in gross profit margin from 11.8% to 13.9%, reflecting the expansion into higher margin opportunities.
- EBITDA growth of 36.2%, from €30.2m to €41.1m, driven by the strong performance of the Group, alongside increasing investment in operating overheads to support future growth.
- Adjusted EPS growth of 39.2%, from 5.1 cent to 7.1 cent.
- ROCE at 17.6%, reflecting the strong performance during the period.
- Robust capital structure, with continued strong liquidity, and leverage remaining low at 0.5x.
- The Board have declared an interim dividend of €1.5m (€0.0056 per ordinary share) for the period up to 30 June 2021.

1. *Additional information in relation to Alternative Performance Measures (APMs) are set out on pages 45 to 49.*
2. *Constant currency growth is calculated by applying the prior period's actual exchange rate to the current period's result.*

STRATEGIC AND OPERATIONAL HIGHLIGHTS

- The health, safety, and wellbeing of our teams remains the key priority as we continue to navigate through these uncertain and changing times.
- Across the Group, we continue to play a critical role during the Covid-19 pandemic ensuring continuity in the supply of medicines, medical devices, and related services to the healthcare sector.
- Gross profit growth across all trading divisions, with the Commercial & Clinical outperformance driven by strong momentum across both MedTech and Pharma business units.
- Increase in gross profit margin to 13.9% from 11.8% driven by the impact of acquisitions completed in 2020 and the Group's continued focus on higher margin services.
- Integration of 2020 acquisitions including the Hickey's Pharmacy Group, RRD International, Diligent Health Solutions and Innerstrength are progressing well and delivering expected benefits.
- Post period end, the Group completed two acquisitions in the Commercial & Clinical division:
    - CoRRect Medical GmbH, a German-headquartered Company, which specialises in the commercialisation and distribution of medical device products in the interventional cardiology sector across Germany and Switzerland. This acquisition continues to build on our pan-European offering, focusing on high value speciality therapeutic areas; and
    - BESTMSLs Group a New York-headquartered Group which provides outsourced Medical Affairs services including the provision of contract Medical Science Liaison ("MSL") teams, and innovative digital solutions. The acquisition increases Uniphar's presence in the strategically important US market and BESTMSLs Group will work alongside, and benefit from, our 2020 US acquisitions of Diligent Health Solutions and RRD International.
- Continued strong cash flow performance with reported free cash flow conversion of 69.6% with continued focus on working capital management, and leverage remaining low at 0.5x.
- Additional investment in our team to drive and support our growth with key roles including the appointment of a Chief People Officer (CPO) and a Chief Technology Officer (CTO).
- Our sustainability & governance strategy continues to be a key objective for the Group with good progress made including;
    - First full disclosure to Carbon Disclosure Project (CDP) submitted in July 2021; and
    - Board independence now in line with the UK Corporate Governance Code.

Ger Rabbette, Uniphar Group Chief Executive Officer said:

"*The Group has delivered strong results for H1 2021 with double digit organic gross profit growth and EBITDA growth of 36.2%. While all divisions have performed well, the Commercial & Clinical division has performed particularly strongly, outperforming against its medium-term guidance.*

Our two acquisitions, announced post period end, demonstrate our continued focus on identifying and executing compelling M&A opportunities which complement our organic growth, accelerate our strategic plans and meet or exceed our strict ROCE hurdles.

CoRRect Medical GmbH provides the Group with an acceleration in its organic entry into the highly attractive German MedTech Market, while New York based BESTMSLs Group broadens our pharma services offering through the provision of contract Medical Science Liaison ("MSL") teams and innovative digital solutions.

We remain confident and are on track to achieve our strategic objective of doubling 2018 pro-forma EBITDA within five years of IPO."

Analyst presentation

A conference call for investors and analysts will be held at 9am (BST), today, 1 September 2021. To register for the call please visit www.uniphar.ie.

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, Uniphar 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. With a workforce of more than 3,200, the Group is active in Ireland, the UK, the Benelux, the Nordics, Germany and the US.

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 sales, marketing & distribution solutions to multinational pharmaceutical and medical device manufacturers on an outsourced basis. Active in Ireland, the UK, the Benelux, the Nordics, Germany and the US, the Group is growing with its clients to provide pan-European solutions. Uniphar has built a fully integrated multi-channel solution that is 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 over 50% market share in the wholesale/hospital market, supported by a network of 373 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 utilised for the benefit of the growth divisions, Commercial & Clinical and Product Access.

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 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, 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's strong momentum has continued with the Group delivering double-digit organic gross profit growth of 11.2%, with organic gross profit growth in all divisions. We continue to deliver on our growth strategy, building out our pan-European and Global platforms for Commercial & Clinical and Product Access divisions respectively, through acquisition and organic growth, while at the same time investing in our Supply Chain & Retail division.

The growth in our gross profit margin from 11.8% to 13.9% is driven by our strategy of expanding organically and through M&A into higher growth, higher margin businesses. Overall gross profit increased by 30.9% during the period including 11.2% organic gross profit growth.

All earnings per share (EPS) measurements have increased during the period, with adjusted EPS increasing from 5.1 cent to 7.1 cent, delivering 39.2% growth.

EBITDA has increased by €10.9m (36.2%) to €41.1m (2020: €30.2m) benefiting from the increase in gross profit as a result of the outperformance in the Commercial & Clinical division together with strong growth in the Product Access and Supply Chain & Retail divisions and also includes the impact of the 2020 acquisitions for the full six months. This is partially offset by an increase in our cost base with investment in our teams and our infrastructure for further growth.

Return on capital employed (ROCE) for the rolling 12-month period increased to 17.6% up from 14.7%, reflecting both the increase in profit in the period driven by organic growth and strong performance from our 2020 acquisitions, as well as the Group's strong cash performance driven by continued strong working capital management. The investments made during 2020, 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 €28.2m reflecting a free cash flow conversion of 69.6%, which is at the top of our guided range. The strong free cash flow performance is driven by continued focus on working capital management.

With the addition of two new international banking partners, RBC, and HSBC joining the existing banking syndicate, the Group is in a strong position to continue to invest in growth opportunities. Net bank debt at 30 June 2021 was €30.3m (31 Dec 2020: €34.4m) and leverage remained low at 0.5x, 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, we continue to leverage our high-tech infrastructure and long-standing manufacturer relationships to grow our market share.

Sustainability & Governance

We have continued our focus on all five pillars of our Sustainability agenda during 2021. Some of our achievements include:

- Commenced a global employee listening exercise around the ''Future of Work'' to inform the strategic planning of how we operate in a post-pandemic world, demonstrating a commitment and investment in our People and Workplace;
- Submitted our first full disclosure to CDP in July 2021 and are engaging with our external consultants with a view to understanding our carbon emissions across Scope 1, Scope 2 and Scope 3 to enable us to set meaningful climate related targets;
- Our focus on Community has continued with the launch of our hugely successful Group-Wide Relay for Hope in aid of global cancer charities with an ambition to beat our success of last year; and
- Board independence is now in line with the UK Corporate Governance Code.

Current trading

In the first half of the year, the business has performed in line with the Board's expectations, with growth across all three divisions, reflecting strong organic growth and the benefit from recent acquisitions. The Group has delivered this through a robust business model, clear strategy, deep expertise across our chosen specialties, and our talented teams.

The health, safety, and wellbeing of our teams continue to be the Group’s key priority as we navigate the ongoing challenges of the pandemic. The pandemic continues to emphasise the critical role Uniphar plays in the healthcare infrastructure. Our long-standing manufacturer relationships, together with exclusive distribution agreements, digitally enabled solutions, and the logistical infrastructure created across multiple locations, have enabled the Group to ensure continuity of services while meeting the needs of our customers. Despite the difficulties of the Covid-19 trading environment, Uniphar has created many opportunities for growth. These new opportunities coupled with our continued investment in M&A, digital solutions and diversity in our products and services has demonstrated the Group’s sustainable growth strategy and the resilience of our business which resulted in the Group delivering overall gross profit growth of 30.9% for the first six months of 2021.

As we deliver on our strategy and on the growth we promised, the business and management team are committed to maximising the full potential of our recent acquisitions and delivering long-term value for all our stakeholders.

Outlook

Uniphar remains confident in delivering on current year expectations and the Group’s medium-term organic gross profit growth targets at a divisional level remain 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

The acquisitions completed post period end are strategically important for the Group:

- CoRRect Medical GmbH accelerates the Group’s organic entry into the German market, the largest MedTech market in Europe (circa 25% of the European Market), further strengthening our pan-European presence across our chosen specialities and expanding our geographic footprint to grow our existing client base; and
- BESTMSLs Group provides outsourced medical affairs services including the provision of contract Medical Science Liaison (MSL) teams. The role MSLs play is becoming increasingly important across both late-stage clinical trials through to commercialisation. The acquisition increases Uniphar's presence in the strategically important US market & BESTMSLs Group will work alongside, and benefit from, our recent US acquisitions of Diligent Health Solutions and RRD International.

Commercial & Clinical

Integration update

The integration of Diligent Health Solutions into the Commercial & Clinical division is on track and has enhanced the division's ability to build connectivity between their clients and the key healthcare stakeholders with its best-in-class digital capabilities. Uniphar's focus is to enable these service offerings across the Commercial & Clinical and Product Access targeted geographies.

Product Access

Integration update

The integration of Innerstrength and RRD are progressing in line with our strategic plans. Innerstrength brings further digital expertise to the Group and gives the Group a platform to broaden our support services to the pharmaceutical industry around patient awareness and education to drive adherence. RRD introduced a highly experienced clinical team with deep US regulatory insights and will support Uniphar's delivery of US-based Exclusive Access Programmes (''EAPs''), marking an important milestone for the Group.

Supply Chain & Retail

Acquisition and integration update

Following the acquisition of the Hickey's Pharmacy Group in Q4 2020, Uniphar has continued to increase its pharmacy portfolio with one additional acquisition during the period and a further pharmacy acquired post period end. The two acquisitions are both long established community-based pharmacies, and both have a strong presence in our regional centres which complements Uniphar's existing footprint. The additional acquisitions bring the total number of retail pharmacies in the Uniphar supported network to 373.

The acquisitions are consistent with Uniphar's strategy in the Supply Chain & Retail division to leverage our high-tech wholesale distribution facilities, long-standing manufacturer relationships and scalable digital infrastructure, and to maintain market leadership in the Republic of Ireland by building on the best-in-class retail pharmacy support offering in the market for community pharmacists.

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. The principal risks & uncertainties faced by the Group can be found in the 2020 Annual Report on pages 27 to 32. A copy of the Annual Report can be downloaded from our website www.uniphar.ie.

2021 Highlights

The Group continues to ensure that the risk management framework is integrated in the day-to-day activities across the business. During the period ended 30 June 2021, the Group carried out the following:

- Review of the Group Risk Register, updating for all the key risks facing the Group at this time;
- Review of emerging and new risks, including the risk associated with environment & sustainability; and
- Enhanced focus on key risk areas in 2021 including Brexit, Covid-19 and Cybercrime related risks.

The key principal risks and uncertainties faced by the Group are summarised as follows:

Strategic Risks

- Brexit - The post-Brexit environment continues to pose several risks for the Group due to the uncertainty and complexities over the future fiscal and regulatory landscape in the UK. This may have a negative impact on supply and trade. 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. This may adversely affect the financial and operational results of the Group.
- Key personnel & succession planning - Failure to attract, retain and develop the skills and expertise of key individuals, 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 – Failure by the Group to respond effectively to any environmental issues/incidents, or breach of any environmental regulations can have a lasting impact on the environment and the community in which it operates. This may result in reputational damage and impact our ability to deliver results.

Operational Risks

- Covid-19 - Covid-19 and its implications continue to evolve and change. Business disruption arising from further waves and new variants of the Covid-19 virus may result in but is not limited to the following: supply chain disruption, postponement of certain elective surgeries, curtailment of travel and impact on staff.
- 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.
- 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.
- Business interruption - External factors such as, natural disasters, environmental hazard or industrial disputes may result in potential lost sales and loss of customer loyalty.
- 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.

Operational overview

Commercial & Clinical

Six months ended 30 June	**2021 €'000**	2020 €'000	Growth Reported	Growth Constant currency
Revenue	**157,816**	121,846	29.5%	29.2%
Gross profit	**53,446**	41,918	27.5%	27.1%
Gross profit margin %	**33.9%**	34.4%	(50)bps	

Overview

Commercial & Clinical provides outsourced sales, marketing and distribution solutions to pharmaceutical and medical device manufacturers on a pan-European basis. The division is focused on the commercialisation of speciality products for our manufacturer clients. With a workforce of over 1,500 across Europe and the US with the ability to serve 15 countries, this division delivers flexible commercial solutions ensuring our healthcare customers continue to gain access to critical information and products during the Covid-19 pandemic. Commercial & Clinical represents 39.8% of the Group's gross profit in the first half of 2021.

H1 2021 Performance

Commercial & Clinical delivered a very strong performance in H1 2021 with organic gross profit growth of 23.7% (0.1% H1 2020), reinforcing our role as a trusted partner to our clients and customers across Europe. The expertise and agility of our teams, our speciality focus, the diversity of our product portfolio and our multi-channel enabled sales teams ensured that the business delivered ahead of expectations for the first six months.

Key highlights from the six-month period include:

- Gross profit growth of 27.5% reported (23.7% organic).
- 59.9% of the division's gross profit is generated outside of Ireland.
- Increase in the number of clients represented in more than one geography to 59 (2020: 38).

MedTech

Our Commercial & Clinical MedTech offering provides 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.

As restrictive lockdown measures eased, we experienced increased activity in elective surgeries across all our geographies in H1 2021. The diversity of our MedTech portfolio has enabled continued strong organic growth during the pandemic with our critical care speciality, in particular, continuing to outperform during H1 2021. With the pandemic still a factor, and the risk of further waves, we continue to monitor the situation in all our markets, ensuring we are well placed to provide ongoing solutions for both our manufacturer clients and healthcare customers.

Our continued focus in expanding our geographic and client base means we are now active in 15 markets across Europe. The acquisition of CoRRect Medical in July 2021, with a significant presence in Germany and Switzerland, enhances our pan-European offering and further strengthens our interventional portfolio, providing further new opportunities to bring existing agencies to new markets.

Pharma

Our Pharma business unit focusses on providing insight-driven, multi-channel solutions for pharmaceutical partners. This allows Uniphar to engage with healthcare professionals with targeted information by utilising the channel that is most convenient for them.

Uniphar's Pharma business unit has continued to invest in digital technology to develop omni-channel sales solution capabilities with the goal of optimising commercial outcomes for our partners. This investment in our digital platforms has been of particular benefit during the Covid-19 pandemic, where face to face meetings have become more difficult and the structural shift towards digital communications has accelerated.

The integration of Diligent Health Solutions acquired in Q3 2020 is in line with our strategic plan, and its enhanced call centre services has allowed us to deliver compliant medical information programmes for our manufacturer clients. While US-based, our focus is to enable these patient centric service offerings across our Commercial & Clinical and Product Access targeted geographies.

The Group recently announced the completion of the acquisition of BESTMSLs, further enhancing Uniphar's presence and service offering. The company provides outsourced medical affairs services including the provision of contract Medical Science Liaison (MSL) teams, MSL recruiting, training, education and a range of innovative digital solutions for their pharma partners. The company leverages a suite of digital platforms and tools to deliver innovative solutions for their partners. The role MSLs play are becoming increasingly important across both late-stage clinical trials through to commercialisation.

Product Access

Six months ended 30 June	2021 €'000	2020 €'000	Growth Reported	 Constant currency
Revenue	**85,954**	93,050	(7.6%)	(6.8%)
Gross profit	**20,051**	15,235	31.6%	35.0%
Gross profit margin %	**23.3%**	16.4%	690bps	

Overview

Uniphar's Product Access division offers a bespoke distribution service that provides patients with worldwide access to unlicensed and speciality medicines. Our regulatory, digital and global supply chain expertise ensures seamless access to vital medicines. With an ability to deliver products to over 160 countries around the world, Uniphar has become a leading player in the delivery of managed access programmes, ensuring patients have rapid access to new treatments and therapies. Product Access represents 14.9% of the Group's gross profit in the first half of 2021.

H1 2021 Performance

Following a strong 2020, Product Access continued to deliver a positive gross profit growth of 31.6% to €20.1m in the first six months of 2021, with 14.7% organic gross profit growth. The reduction in revenue during the period reflects the planned discontinuation of a legacy contract with minimum gross profit contribution. We continue to invest heavily in our team to meet the growing needs of this market and now have a dedicated headcount of over 250 people focused on the delivery of our global offering.

Key highlights from the six-month period include:

- Gross profit margin % improvement to 23.3% with focus on higher margin opportunities.
- 63.6% of the division's gross profit is generated outside of Ireland.
- Strong organic gross profit growth of 14.7% driven mainly by our Exclusive Access business unit.
- Integration of RRD International is progressing well, with strong cross selling synergies identified.

Exclusive Access

Uniphar's administration of Expanded Access Programmes (EAPs) allow pharmaceutical companies to provide medicines to patients when a product has not yet been licensed in a jurisdiction, or has been licensed, but is not yet eligible for reimbursement by the relevant authority. The growth achieved has been driven by the implementation of business wins from 2020.

We continue to deliver our patient centric access solutions by leveraging our digital platform to create a differentiator value proposition. The acquisition of RRD International significantly enhances the Group's regulatory skillset and provides a vital US footprint to enable the delivery of global EAPs.

On Demand

The On Demand service offering provides access to unlicensed or difficult to source medicines. A team of pharmacy technicians and specialist colleagues consult with customers on their requirements, providing a value-added service to pharmacists and working with them to source medicines to offer solutions to their patients.

Uniphar is well positioned as a major supplier of unlicensed medicines to specialist importers around the globe. Our focus on expanding our market share across the UK has resulted in continued growth and we continue to focus on identifying additional customers across the globe to enhance our strong network for unlicensed medicines.

Supply Chain & Retail

Six months ended 30 June	2021 €’000	2020 €’000	Growth Reported	Growth Constant currency
Revenue	**721,097**	656,432	9.9%	9.9%
Gross profit	**60,793**	45,441	33.8%	33.8%
Gross profit margin %	**8.4%**	6.9%	150bps	

Overview

The Supply Chain & Retail division operates two business units 1) pre-wholesale and wholesale and 2) retail pharmacy. In pre-wholesale and wholesale, Uniphar operates in a highly concentrated Irish market. We are an established market leader in supply chain in Ireland with c.50% of the wholesale market servicing retail and hospital pharmacies, supported by a network of 373 owned and franchised pharmacies and symbol group members.

H1 2021 Performance

This division delivered 33.8% growth in reported gross profit for the period driven by the acquisition of the Hickey’s Pharmacy Group in Q4 2020. Organically, the division delivered a positive performance during the period, underpinned by organic gross profit growth of 1.1%.

Key highlights from the six-month period include:

- Increase in gross profit margin % from 6.9% to 8.4%.
- The acquisition of the 36 Hickey’s retail pharmacies is delivering the expected benefits as a result of operating under the Uniphar symbol group.
- Critical role played during the Covid-19 pandemic, ensuring continuity in the supply and distribution of much needed medicines to patients without disruption.

Pre-wholesale and wholesale

The business unit saw strong growth in volumes in H1 despite further lockdowns. Our advanced B2B digital solutions continues to grow as customers avail of this 24/7 service offering which further enhances our symbol group offering.

The ongoing investment in our infrastructure has ensured the continued satisfaction of our key clients across our pre-wholesale business unit resulting in a number of contract renewals in H1 2021.

Retail Pharmacy

Uniphar operate a network of 373 owned and franchised pharmacies through the Uniphar symbol group. Symbol group members are offered a range of both front and back-office support, such as procurement and regulatory and are supported on the ground by a strong dedicated team focused on enabling community pharmacies to compete with the larger and multi-national owned chains. Due to our scale, infrastructure and management expertise the integration of the 2020 acquisitions are progressing ahead of plan with identified synergies being delivered.

Similar to pre-wholesale and wholesale, our retail pharmacies saw continued market recovery despite further lockdowns. With revenues and footfall suppressed while lockdown measures and restrictions were in place, Q2 2021 has seen a slow recovery to more normalised levels as restrictions eased.

Financial Review

Summary financial performance

Six months ended 30 June	**2021 €'000**	2020 €'000	Growth Reported	Growth Constant currency
IFRS measures				
Revenue	**964,867**	871,328	10.7%	10.8%
Gross profit	**134,290**	102,594	30.9%	31.2%
Operating profit	**23,609**	20,051	17.7%	18.1%
Basic EPS (cent)	**5.7**	4.9		
Alternative performance measures				
Gross profit margin	**13.9%**	11.8%		
EBITDA	**41,138**	30,210	36.2%	36.5%
Adjusted EPS (cent)	**7.1**	5.1		
Net bank (debt)/cash	**(30,341)**	1,386		
Return on capital employed	**17.6%**	14.7%		

Revenue

Revenue grew by 10.7%, which was achieved through a combination of strong organic growth, driven by a strong performance in the Commercial & Clinical and Supply Chain & Retail divisions together with the impact of the 2020 acquisitions.

Gross profit

Gross profit has increased by 30.9%, which is due to the impact of the 2020 acquisitions for the first six months and a strong performance across all divisions in particular Commercial & Clinical. The Gross profit margin has also increased from 11.8% to 13.9%, the improvement in margin is primarily driven by the strategy of expanding into higher margin sectors and businesses, together with the impact of the acquisitions completed during 2020.

Divisional gross profit

Six months ended 30 June	**2021 €'000**	2020 €'000	Growth Reported	Growth Constant Currency
Commercial & Clinical	**53,446**	41,918	27.5%	27.1%
Product Access	**20,051**	15,235	31.6%	35.0%
Supply Chain & Retail	**60,793**	45,441	33.8%	33.8%
	134,290	102,594		

EBITDA

EBITDA has increased by €10.9m (36.2%) to €41.1m. The impact of the 2020 acquisitions together with strong organic gross profit growth, being the main drivers for the increase in EBITDA. This is partially offset by an increase in overheads, reflecting the investment to support future growth.

Exceptional items

Exceptional costs of €3.1m for the period, primarily relate to acquisition related costs including CoRRect Medical and BESTMSLs. The costs are partially offset by the net release of deferred contingent consideration, following a review of the expected performance against earn-out targets and contractual obligations. See note 3 for further details.

Earnings per share

Basic earnings per share increased from 4.9 cent to 5.7 cent. The increase in underlying earnings, is partially offset by an increase in the weighted average number of shares when compared to 2020. The weighted average number of shares in the first half of 2021 was 267,137,000 compared to 259,853,000 in the comparative period. The weighted average number of ordinary shares includes the effect of shares granted under the LTIP arrangement that have met the share price performance conditions during the period but will not vest until 31 December 2024.

The Group's adjusted earnings per share for the first half of 2021 was 7.1 cent (2020: 5.1 cent). Underlying adjusted earnings have increased by 43.0% from €13.3m in H1 2020 to €19.1m in H1 2021 driving growth. This is offset by an increase in the weighted average number of shares in issue during the period.

On a like for like basis, adjusted earnings per share increased from 5.0 cent to 7.1 cent which reflects the strong performance in the period. This is calculated by applying the weighted average number of shares as at June 2021 to both periods, to provide a more meaningful comparison.

Cash flow and net bank debt

H1 2021 delivered a strong cash performance, resulting in a free cash flow conversion of 69.6%, with the Group's net bank debt position being €30.3m (December 2020: net bank debt of €34.4m).

Six months ended 30 June	2021 €'000	2020 €'000
Net cash inflow/(outflow) from operating activities	**19,578**	(3,243)
Net cash outflow from investing activities	**(5,868)**	(9,956)
Net cash outflow from financing activities	**(2,869)**	(20,053)
Foreign currency translation movement	**1,104**	(806)
Increase/(decrease) in cash and cash equivalents in the period	**11,945**	(34,058)
Movement in restricted cash	**(3,097)**	(42)
Cash flow from movement in borrowings	**(4,770)**	8,864
Movement in net bank cash/(debt)	**4,078**	(25,236)

The Group is focused on strong working capital management, and this is reflected in the cash generated from operating activities of €19.6m. Trade and other receivables have increased due to strong sales growth across businesses which has also impacted trade and other payables at the end of the period. Free cash flow conversion for the period was 69.6% which is at the upper end of our medium-term free cash flow conversion target of 60-70%.

The net cash outflow from investing activities of €5.9m principally consisted of deferred and deferred contingent consideration payments of €2.2m, capital investment of €6.7m (including a new regional distribution facility, operational since May 2021), and acquisitions completed during the period of €0.5m. Offset by a receipt of €3.4m working capital adjustments relating to acquisitions completed in 2019.

The net cash outflow from financing activities of €2.9m was due to the repayment of borrowings, principal lease payments and the payment of dividends partially offset by the proceeds from borrowings and the movement of restricted cash into cash and cash equivalents.

Taxation

The increased tax charge of €3.0m to €5.4m in 2021 is reflective of overall additional profits across the Group and the increased contribution of profits from higher tax rate jurisdictions. The effective tax rate period on period has increased from 18.6% to 22.6%. The effective tax rate is calculated as the income tax charge for the period as a percentage of the profit before tax and exceptional items.

Foreign exchange

The Group's expansion into new geographies, and the continued growth in existing geographies operating outside of the Eurozone, results in the primary foreign exchange exposure for the Group being the translation of local Income Statements and Balance Sheets into Euro for Group reporting purposes.

On a constant currency basis, revenue increased by 10.8% (vs 10.7% reported growth), gross profit increased 31.2% (vs reported growth 30.9%) and operating profit increased by 18.1% (vs 17.7% reported growth).

	2021 Average	**2020 Average**
GBP	**0.8681**	0.8735
US Dollar	**1.2055**	1.1018
Swedish Krona	**10.129**	10.656

Return on capital employed (ROCE)

The Group's ROCE reached 17.6% in 2021 up from 14.7%, reflecting both an increase in profit in the period driven by organic growth and the strong performance from our 2020 acquisitions. The investment made during 2020, both from a capital and acquisitions perspective, will deliver further benefits and growth in the coming years.

Dividends

A final dividend of €4.2m relating to 2020 was paid in May 2021. Continuing with the Board's commitment to a progressive dividend policy, the Board declared a 2021 interim dividend of €1.5m (€0.0056 per ordinary share). It is proposed to pay the dividend on 11 October 2021 to ordinary shareholders on the Company's register on 17 September 2021.

In accordance with company law and IFRS, these dividends have not been provided for in the Balance Sheet at 30 June 2021.

Statement of Directors' responsibilities

The Directors confirm to the best of their knowledge that the condensed consolidated interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting, as adopted by the EU, and to the best of their knowledge and belief:

a) the condensed consolidated interim financial statements comprising the Condensed Consolidated Group Income Statement, the Condensed Consolidated Group Statement of Comprehensive Income, the Condensed Consolidated Group Balance Sheet, the Condensed Consolidated Group Cash Flow Statement, the Condensed Consolidated Group Statement of Changes in Equity and related notes have been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the EU, and are prepared in order to comply with the Euronext Growth Market Rule Book and AIM Rules for Companies;

b) the interim results include a fair review of the important events that have occurred during the first six months of the financial year, and their impact on the condensed consolidated interim financial statements for the half year ended 30 June 2021, and a description of the principal risks and uncertainties for the remaining six months.

Signed on behalf of the Board

M. Pratt G. Rabbette

31 August 2021

pwc

Independent review report to Uniphar Plc

Report on the condensed consolidated interim financial statements

Our conclusion

We have reviewed Uniphar plc's condensed consolidated interim financial statements (the "interim financial statements") in the 2021 Interim results of Uniphar plc for the six month period ended 30 June 2021. Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements are not prepared, in all material respects, in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the European Union.

What we have reviewed

The interim financial statements, comprise:

- the condensed consolidated group balance sheet as at 30 June 2021;
- the condensed consolidated group income statement and condensed consolidated group statement of Comprehensive Income for the period then ended;
- the condensed consolidated group cash flow statement for the period then ended;
- the condensed consolidated group statement of changes in equity for the period then ended; and
- the explanatory notes to the interim financial statements.

The interim financial statements included in the 2021 Interim results have been prepared in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the European Union.

As disclosed in note 1 to the interim financial statements, the financial reporting framework that has been applied in the preparation of the full annual financial statements of the Group is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Responsibilities for the interim financial statements and the review

Our responsibilities and those of the directors

The 2021 Interim results, including the interim financial statements, is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the interim financial statements in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the European Union.

Our responsibility is to express a conclusion on the interim financial statements in the 2021 Interim Results based on our review. This report, including the conclusion, has been prepared for and only for the Company for management purposes and for no other purpose. We do not, in giving this conclusion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What a review of interim financial statements involves

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Auditing Practices Board for use in the United Kingdom and Ireland. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (Ireland) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We have read the other information contained in the 2021 Interim results and considered whether it contains any apparent misstatements or material inconsistencies with the information in the interim financial statements.

PricewaterhouseCoopers
Chartered Accountants
31 August 2021
Dublin

Notes:

(a) The maintenance and integrity of the Uniphar plc website is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

(b) Legislation in the Republic of Ireland governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Condensed Consolidated Group Income Statement
for the six months ended 30 June 2021

	Notes	Six months ended 30 June 2021 Pre-exceptional (unaudited) €'000	Six months ended 30 June 2021 Exceptional (note 3) (unaudited) €'000	Six months ended 30 June 2021 Total (unaudited) €'000	Six months ended 30 June 2020 Pre-exceptional (unaudited) €'000	Six months ended 30 June 2020 Exceptional (note 3) (unaudited) €'000	Six months ended 30 June 2020 Total (unaudited) €'000
Revenue	2	964,867	-	964,867	871,328	-	871,328
Cost of sales		(830,577)	-	(830,577)	(768,734)	-	(768,734)
Gross profit		134,290	-	134,290	102,594	-	102,594
Selling and distribution costs		(29,434)	-	(29,434)	(27,708)	-	(27,708)
Administrative expenses		(76,653)	(4,680)	(81,333)	(54,292)	(583)	(54,875)
Other operating income		86	-	86	40	-	40
Operating profit		28,289	(4,680)	23,609	20,634	(583)	20,051
Finance cost	4	(4,523)	1,623	(2,900)	(4,223)	-	(4,223)
Profit before tax		23,766	(3,057)	20,709	16,411	(583)	15,828
Income tax expense		(5,381)	-	(5,381)	(3,045)	-	(3,045)
Profit for the financial period		18,385	(3,057)	15,328	13,366	(583)	12,783
Attributable to:							
Owners of the parent				15,348			12,695
Non-controlling interests				(20)			88
Profit for the financial period				15,328			12,783
Attributable to:							
Continuing operations				15,328			12,783
Profit for the financial period				15,328			12,783
Earnings per ordinary share (in cent):							
Continuing operations				5.7			4.9
Basic and diluted earnings per share (in cent)	5			5.7			4.9

Condensed Consolidated Group Statement of Comprehensive Income
for the six months ended 30 June 2021

	Notes	30 June 2021 (unaudited) €'000	30 June 2020 (unaudited) €'000
Profit for the financial period		15,328	12,783
Other comprehensive income/(expense)			
Items that may be reclassified to the Income Statement:			
Unrealised foreign currency translation adjustments		3,995	(5,039)
Items that will not be reclassified to the Income Statement:			
Actuarial gain/(loss) in respect of defined benefit pension schemes	9	41	(205)
Deferred tax credit on defined benefit pension schemes		-	26
Total comprehensive income for the financial period		19,364	7,565
Attributable to:			
Owners of the parent		19,384	7,477
Non-controlling interests		(20)	88
Total comprehensive income for the financial period		19,364	7,565
Attributable to:			
Continuing operations		19,364	7,565
Total comprehensive income for the financial period		19,364	7,565

Condensed Consolidated Group Balance Sheet
as at 30 June 2021

	Notes	30 June 2021 (unaudited) €'000	31 December 2020 (audited) €'000
ASSETS			
Non-current assets			
Intangible assets	7	383,740	375,369
Property, plant and equipment	8	150,368	153,730
Financial assets - Investments in equity instruments		25	25
Deferred tax asset		4,578	4,524
Other receivables		1,029	1,097
Employee benefit surplus	9	-	12
Total non-current assets		539,740	534,757
Current assets			
Assets held for sale	10	1,950	2,300
Inventory		116,211	115,566
Trade and other receivables		143,935	125,026
Cash and cash equivalents		72,355	60,410
Restricted cash		-	3,097
Total current assets		334,451	306,399
Total assets		874,191	841,156
EQUITY			
Capital and reserves			
Called up share capital presented as equity	11	21,841	21,841
Share premium		176,501	176,501
Other reserves		2,895	(1,100)
Retained earnings		16,405	5,218
Attributable to owners		217,642	202,460
Attributable to non-controlling interests		55	75
Total equity		217,697	202,535
LIABILITIES			
Non-current liabilities			
Borrowings	12	100,613	95,615
Provisions	13	82,067	82,438
Lease obligations	14	106,912	107,203
Other non-current payables		4,308	4,604
Total non-current liabilities		293,900	289,860
Current liabilities			
Borrowings	12	2,083	2,311
Lease obligations	14	12,779	13,334
Trade and other payables		347,732	333,116
Total current liabilities		362,594	348,761
Total liabilities		656,494	638,621
Total equity and liabilities		874,191	841,156

Condensed Consolidated Group Cash Flow Statement
for the six months ended 30 June 2021

	Notes	30 June 2021 (unaudited) €'000	30 June 2020 (unaudited) €'000
Operating activities			
Cash inflow from operating activities	16	26,075	2,168
Interest paid		(1,461)	(1,467)
Interest paid on lease liabilities	14	(1,866)	(1,428)
Corporation tax payments		(3,170)	(2,516)
Net cash inflow/(outflow) from operating activities		19,578	(3,243)
Investing activities			
Payments to acquire property, plant and equipment - Maintenance		(2,166)	(3,080)
Payments to acquire property, plant and equipment - Strategic projects		(1,480)	(4,683)
Receipts from disposal of property, plant and equipment		-	51
Receipts from disposal of assets held for sale	10	350	5,685
Payments to acquire intangible assets - Maintenance		(3,061)	(398)
Payments to acquire subsidiary undertakings		(520)	(3,318)
Net working capital receipts from subsidiary undertakings		3,428	-
(Debt)/cash acquired on acquisition of subsidiary undertakings		(367)	36
Payment of deferred and deferred contingent consideration		(2,227)	(4,604)
Receipt of deferred consideration receivable		175	355
Net cash outflow from investing activities		(5,868)	(9,956)
Financing activities			
Proceeds from borrowings		19,000	-
Repayments of borrowings		(14,230)	(8,864)
Movement in restricted cash		3,097	42
Payment of dividends	6	(4,202)	(1,993)
Payment of facility termination fee		-	(5,000)
Principal element of lease payments		(6,534)	(4,238)
Net cash outflow from financing activities		(2,869)	(20,053)
Increase/(decrease) in cash and cash equivalents in the period		10,841	(33,252)
Foreign currency translation of cash and cash equivalents		1,104	(806)
Opening balance cash and cash equivalents		60,410	114,040
Closing balance cash and cash equivalents	15	72,355	79,982

Condensed Consolidated Group Statement of Changes in Equity
for the six months ended 30 June 2021

	Share capital	Share premium	Foreign currency translation reserve	Revaluation reserve	Capital redemption reserve	Retained earnings	Attributable to non-controlling interests	Total shareholders' equity
	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
At 1 January 2020	21,841	176,501	2,704	700	60	(20,601)	(285)	180,920
Profit for the financial period	-	-	-	-	-	12,695	88	12,783
Other comprehensive (expense):								
Re-measurement loss on pensions (net of tax)	-	-	-	-	-	(179)	-	(179)
Movement in foreign currency translation reserve	-	-	(5,039)	-	-	-	-	(5,039)
Transactions recognised directly in equity:								
Non-controlling interest on acquisition of subsidiary	-	-	-	-	-	-	98	98
Acquisition of non-controlling interest	-	-	-	-	-	(556)	556	-
Dividends paid	-	-	-	-	-	(1,993)	-	(1,993)
At 30 June 2020 (unaudited)	21,841	176,501	(2,335)	700	60	(10,634)	457	186,590
At 1 January 2021	21,841	176,501	(1,860)	700	60	5,218	75	202,535
Profit for the financial period	-	-	-	-	-	15,348	(20)	15,328
Other comprehensive income:								
Re-measurement gain on pensions (net of tax)	-	-	-	-	-	41	-	41
Movement in foreign currency translation reserve	-	-	3,995	-	-	-	-	3,995
Transactions recognised directly in equity:								
Dividends paid	-	-	-	-	-	(4,202)	-	(4,202)
At 30 June 2021 (unaudited)	21,841	176,501	2,135	700	60	16,405	55	217,697

Notes to the Consolidated Financial Statements
1. General information

Basis of preparation

The condensed consolidated interim financial statements of Uniphar plc and its subsidiaries (the 'Group') have been prepared in accordance with IAS 34, Interim Financial Reporting, as endorsed by the European Union.

The financial information in the condensed consolidated financial statements has been prepared on a basis consistent with that adopted for the year ended 31 December 2020. The accounting policies applied in the interim financial statements are the same as those applied in the 2020 Annual Report.

The Group's auditors have reviewed, not audited the condensed consolidated interim financial statements contained in this report. These interim financial statements are prepared in order to comply with the Euronext Growth Market Rule Book and AIM Rules for Companies and are not statutory financial statements as they do not include all of the information required for full annual financial statements and should be read in conjunction with the Uniphar Group Annual Report (statutory financial statements) for the year ended 31 December 2020. The audit report on those statutory financial statements was unqualified and did not contain any matters to which attention was drawn by way of emphasis.

The preparation of interim financial statements in compliance with IAS 34 requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the interim financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. The areas involving a high degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in the Group's Annual Report for the year ended 31 December 2020 in note 1 on pages 132 to 133.

The Group's interim financial statements are prepared for the six-month period ended 30 June 2021. The interim 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.

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.

Uniphar plays a significant role in the healthcare sector, ensuring continuity in the supply and distribution of much needed medicines, medical devices, and related services.

The Group has a robust capital structure with strong liquidity at the end of June 2021, supported into the future by the banking facility with a remaining term of 4 years (with two options to extend by a further 1 year). This continues to provide a solid platform for the Group to deal with the disruption caused by the Covid-19 pandemic.

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 interim financial statements. As a result, the Directors consider that it is appropriate to continue to adopt the going concern basis in preparing the interim financial statements.

New Standards, Amendments, and Interpretations

The Group has applied the following standard and amendment for the first time for their annual reporting period commencing 1 January 2021:

- Interest Rate Benchmark Reform Phase 2 - amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16.

The amendment listed above did not have any significant impact on the amounts recognised in prior periods or the interim financial statements of the Group.

New Standards and Interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2021 reporting periods and have not been adopted by the Group. These standards are not expected to have a material impact in the current or future reporting periods and on foreseeable future transactions.

2. Revenue

	2021 €'000	2020 €'000
Revenue	964,867	871,328

	2021 €'000	2020 €'000
Commercial & Clinical - MedTech	112,082	93,842
Commercial & Clinical - Pharma	45,734	28,004
Commercial & Clinical	157,816	121,846
Product Access	85,954	93,050
Supply Chain & Retail	721,097	656,432
Total Revenue	964,867	871,328

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 other European countries and the US 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.

	2021 €'000	2020 €'000
Ireland	815,259	730,530
UK	91,842	94,950
Rest of the World	57,766	45,848
	964,867	871,328

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 multi-channel account management 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 Ireland and the UK. Exclusive Access provides bespoke distribution partnerships to pharmaceutical partners for key brands, with new programmes focused on speciality pharmaceutical products. Delivering a unique patient support programme that allows healthcare professionals to connect with patients, on a global basis; and

- Supply Chain & Retail provides both pre-wholesale distribution 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.

Operating segments results

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

	Commercial & Clinical	Product Access	Supply Chain & Retail	Total
	Six months ended 30 June 2021			
	€'000	€'000	€'000	€'000
Revenue	157,816	85,954	721,097	964,867
Gross profit	53,446	20,051	60,793	134,290
	Six months ended 30 June 2020			
	€'000	€'000	€'000	€'000
Revenue	121,846	93,050	656,432	871,328
Gross profit	41,918	15,235	45,441	102,594

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

3. Exceptional charge

	2021 €'000	2020 €'000
Acquisition costs including professional fees	1,938	957
Acquisition integration costs	250	-
Redundancy and restructuring costs	920	570
Defined benefit pension scheme settlement loss and closure costs	558	488
Foreign exchange revaluation of deferred contingent consideration	1,014	(1,432)
Exceptional charge recognised in operating profit	4,680	583
Decrease in deferred contingent consideration	(1,623)	-
Exceptional credit recognised in finance costs	(1,623)	-
Total Exceptional Costs	3,057	583

Acquisition costs including professional fees
Acquisition costs including professional fees incurred during 2021 are primarily relating to costs relating to acquisitions disclosed in note 19.

Redundancy and restructuring costs
These costs include restructuring and reorganisation costs relating to recent acquisitions and other Group entities.

Deferred contingent consideration
Deferred contingent consideration includes a €6,457,000 release following a review of expected performance against earn-out and contractual targets. €4,834,000 has been recognised in respect of additional deferred contingent consideration payable as a result of a revision to its expected performance against previous expectations.

Foreign exchange revaluation on deferred contingent consideration
A loss of €1,014,000 was recognised on the foreign exchange revaluation of deferred contingent consideration payable on the acquisition of Durbin.

4. Finance cost

	2021	2020
	€'000	€'000
Interest on lease obligations	1,866	1,428
Interest payable on borrowings and non-recourse costs	1,479	1,479
Fair value adjustment on deferred and deferred contingent consideration	1,074	1,148
Amortisation on refinancing transaction fees	121	111
Interest expense from pension scheme liabilities	-	2
Interest receivable	(17)	(13)
Other fair value adjustments	-	68
Finance cost before exceptional credit	4,523	4,223
Decrease in deferred contingent consideration	(1,623)	-
Exceptional credit recognised in finance cost	(1,623)	-
Total Finance cost	2,900	4,223

5. Earnings per share

Basic earnings per share and diluted earnings per share for the six months ended 30 June have been calculated by reference to the following:

	2021	2020
Profit for the financial period attributable to owners (€'000)	15,348	12,695
Weighted average number of shares ('000)	267,137	259,853
Earnings per ordinary share (in cent):		
- Basic	5.7	4.9
- Diluted	5.7	4.9

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

	2021 €'000	2020 €'000
Profit for the financial period attributable to owners	15,348	12,695
Exceptional charge (note 3)	3,057	583
Amortisation of acquisition related intangibles (note 7)	673	60
Profit after tax excluding exceptional items and the amortisation of acquisition related intangibles	19,078	13,338
Weighted average number of shares in issue in the period (000's)	267,137	259,853
Adjusted basic and diluted earnings per ordinary share (in cent)	7.1	5.1

The weighted average number of ordinary shares includes the effect of shares granted under the LTIP arrangement that have met the share price performance conditions during the period but will not vest until 31 December 2024.

6. Dividends

A final dividend of €4.2m relating to 2020 was paid in May 2021. Continuing with the Board's commitment to a progressive dividend policy, the Board declared a 2021 interim dividend of €1.5m (€0.0056 per ordinary share). It is proposed to pay the dividend on 11 October 2021 to ordinary shareholders in the Company's register on 17 September 2021.

In accordance with company law and IFRS, these dividends have not been provided for in the Balance Sheet at 30 June 2021.

7. Intangible assets

	Computer software €'000	Trademark €'000	Goodwill €'000	Technology asset €'000	Brand name €'000	Total €'000
Cost						
At 1 January 2021	30,168	153	377,863	723	11,238	420,145
Foreign exchange movement	21	-	4,361	-	-	4,382
Acquisitions	-	-	995	-	-	995
Additions	4,959	-	-	-	-	4,959
Disposals/retirements	(156)	-	-	-	-	(156)
Reclassification	28	-	-	-	-	28
At 30 June 2021	35,020	153	383,219	723	11,238	430,353
Amortisation						
At 1 January 2021	25,666	122	18,709	188	91	44,776
Amortisation	1,301	15	-	111	562	1,989
Disposals/retirements	(152)	-	-	-	-	(152)
At 30 June 2021	26,815	137	18,709	299	653	46,613
Net book amounts						
At 31 December 2020	4,502	31	359,154	535	11,147	375,369
At 30 June 2021	8,205	16	364,510	424	10,585	383,740
Intangible assets	6,496	16	364,510	424	10,585	382,031
Right-of-use assets	1,709	-	-	-	-	1,709
At 30 June 2021	8,205	16	364,510	424	10,585	383,740

Impairment testing of goodwill

Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. An impairment loss is recognised for the amount by which the carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (CGUs).

The impairment testing of goodwill at the reporting date has been performed due to the economic uncertainty presented by Covid-19 even though there were no impairment indicators. The impairment testing was based on the key assumptions disclosed in the 2020 Annual Report, updated to include the latest available Group reforecasts performed. There was no material change to the conclusions reached at 31 December 2020, following the updated assessment at 30 June 2021, with no impairments recognised during the period to 30 June 2021 (2020: €nil).

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

	Land and buildings €'000	Leasehold improvements €'000	Plant and equipment €'000	Fixtures and fittings €'000	Computer equipment €'000	Motor vehicles €'000	Instruments €'000	Total €'000
Cost								
At 1 January 2021	130,211	9,776	29,281	11,526	5,549	7,480	3,847	197,670
Foreign exchange movement	365	35	110	111	23	109	-	753
Additions	1,117	48	1,949	484	270	1,775	1,053	6,696
Acquisitions	671	-	-	-	15	-	-	686
Disposals/retirements	(191)	(4)	(501)	(93)	(141)	(1,096)	(399)	(2,425)
Reclassification	-	3,941	(4,176)	89	118	-	-	(28)
At 30 June 2021	132,173	13,796	26,663	12,117	5,834	8,268	4,501	203,352
Accumulated depreciation								
At 1 January 2021	15,073	1,961	14,304	4,238	3,489	3,139	1,736	43,940
Foreign exchange movement	135	19	52	53	17	50	-	326
Charge for the period	5,473	488	1,416	868	443	1,377	795	10,860
Disposals/retirements	(47)	-	(498)	(82)	(134)	(993)	(388)	(2,142)
At 30 June 2021	20,634	2,468	15,274	5,077	3,815	3,573	2,143	52,984
Net book value								
At 31 December 2020	115,138	7,815	14,977	7,288	2,060	4,341	2,111	153,730
At 30 June 2021	111,539	11,328	11,389	7,040	2,019	4,695	2,358	150,368
Reconciliation to Balance Sheet								
Property, plant and equipment	5,084	11,328	10,563	7,040	2,019	107	2,358	38,499
Right-of-use assets	106,455	-	826	-	-	4,588	-	111,869
Net book value at 30 June 2021	111,539	11,328	11,389	7,040	2,019	4,695	2,358	150,368

Included in property, plant and equipment are assets under construction to the net book value of €660,000 (2020: €8,600,000). Depreciation has not commenced on these assets.

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 three defined contribution schemes and are secured by contributions by the Group to separate trustee administered pension funds in the Republic of Ireland. A settlement loss of €261,000 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 schemes were:

- The Cahill May Roberts Limited Contributory Pension Plan (wound up in March 2021)
- The Whelehan Group Pension Scheme (wound up in January 2020)

The pension charge for the period is €1,829,000 (2020: €1,741,000) comprising current service cost of €nil (2020: €nil) and defined contribution scheme costs of €1,829,000 (2020: €1,741,000). The net interest expense resulting from the scheme surplus/deficit is €nil (2020: net interest expense of €2,000).

Financial instruments held by the defined benefit schemes

At year ended 31 December 2020 the scheme assets were invested in a diversified portfolio that consisted primarily of equity and debt securities. Scheme assets did not include any of Uniphar plc's own financial instruments, nor any property occupied by Uniphar plc. The fair value of the scheme's assets at the Balance Sheet date are shown as follows:

	30 June 2021 €'000	31 December 2020 €'000
Equities - Investments in quoted active markets	-	2,573
Bonds - Investments in quoted active markets	-	6,855
Cash	-	70
Other	-	2,199
Fair value of the scheme assets	-	11,697

Principal actuarial assumptions at the Balance Sheet date

The main financial assumptions used were:

	30 June 2021	31 December 2020
Rate of increase in pensionable salaries	-	0.0% - 2.5%
Rate of increase in pensions in payment	-	0.0%
Discount rate	-	0.7%
Inflation rate	-	1.2%

The following amounts at the Balance Sheet dates were measured in accordance with the requirements of IAS 19:

	30 June 2021 €'000	31 December 2020 €'000
Present value of scheme liabilities	-	(11,685)
Fair value of scheme assets	-	11,697
Pension asset resulting from employee benefit obligation	-	12

	Pension assets €'000	Pension liabilities €'000	Pension surplus €'000
Movement in scheme assets and liabilities			
At 1 January 2021	11,697	(11,685)	12
Settlement loss	-	(261)	(261)
Employer contributions paid	208	-	208
Interest on scheme liabilities	-	(7)	(7)
Interest on scheme assets	7	-	7
Actuarial (loss)/gain in current period	(103)	144	41
Benefits (paid)/settled	(11,809)	11,809	-
At 30 June 2021	-	-	-

10. Assets held for sale

	Properties €'000	Other assets €'000	Total €'000
At 1 January 2021	2,300	-	2,300
Disposals	(350)	-	(350)
At 30 June 2021	1,950	-	1,950

During 2021, the Group disposed of a property which was previously acquired as part of the Bradley's Pharmacy Group with a value of €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 a 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.

Uniphar plc acquired Bradley's Pharmacy Group from examinership in November 2018, and in accordance with the application of the examinership scheme of arrangement acquired non-recourse borrowings which are secured by this property.

11. Called up share capital presented as equity

	2021 €'000
Authorised:	
453.2 million (2020: 453.2 million) ordinary shares of 8c each	36,256
16.0 million (2020: 16.0 million) "A" ordinary shares of 8c each	1,280
	37,536

Movement in the period 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 30 June - 273,015,254 ordinary shares of 8c each	21,841
Total allotted share capital:	
At 30 June - 273,015,254 (2020: 273,015,254) ordinary shares	21,841

12. Borrowings

Bank loans are repayable in the following periods after 30 June:

	30 June 2021 €'000	31 December 2020 €'000
Amounts falling due within one year	2,083	2,311
Amounts falling due between one and five years	100,613	95,615
	102,696	97,926

The Group's total bank loans at 30 June 2021 were €102,696,000 (2020: €97,926,000). Bank loans falling due within one year include €1,950,000 (2020: €2,300,000) arising on the acquisition of the Bradley's Pharmacy Group which are secured by property acquired on the acquisition which are classified as held for sale. Following the disposal of this property the loan is required to be repaid (note 10).

At 30 June, the Group's revolving credit facility loans in use were subject to an interest rate of Euribor +1.5% (2020: the Group's term loans were subject to Euribor +1.5%).

Bank security

Bank overdrafts (including invoice discounting) and bank loans of €102,696,000 (2020: €97,926,000) are secured by cross guarantees and fixed and floating charges from the Company and certain subsidiary undertakings.

Of the total facilities, invoice discounting with recourse to the Company, are secured by way of assignment of book debts to the bank.

13. Provisions

	Deferred contingent consideration €'000	Lease dilapidation €'000	Warranty provision €'000	Total €'000
At 1 January 2021	81,865	523	50	82,438
Charge to Income Statement	4,834	-	58	4,892
Unwinding of discount	1,042	-	-	1,042
Utilised during the period	(1,917)	(22)	-	(1,939)
Released during the period	(6,457)	-	-	(6,457)
Foreign currency movement	2,088	-	3	2,091
At 30 June 2021	81,455	501	111	82,067

Deferred contingent consideration

Deferred contingent consideration represents the present value of deferred contingent consideration which would become payable based on pre-defined profit thresholds being met. During the period payments of €1,917,000 were made in respect of prior periods acquisitions. Deferred contingent consideration of €6,457,000 in respect of prior year acquisitions were released in the period following a review of expected performance against earn-out targets. As part of this review, separately an increase of €4,834,000 was also recorded in respect of prior period acquisitions.

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 2042.

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.

14. Leases

(i) Amounts recognised in the Balance Sheet

The Balance Sheet shows the following amounts relating to leases:

	30 June 2021 €'000	31 December 2020 €'000
Right-of-use assets:		
Buildings	106,455	109,967
Plant and equipment	826	927
Motor vehicles	4,588	4,207
Computer Software	1,709	-
Net book value of right-of-use assets	113,578	115,101

	30 June 2021 €'000	31 December 2020 €'000
Lease liabilities:		
Current	12,779	13,334
Non-current	106,912	107,203
Total lease liabilities	119,691	120,537

Right-of-use assets are included in the lines ‘intangible assets’ and ‘Property, plant and equipment’ on the Balance Sheet, and are presented in note 7 and 8.

Additions to the right-of-use assets during the period ended 30 June 2021 were €4,948,000 (2020: €7,948,000).

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:

	30 June 2021 €'000	30 June 2020 €'000
Depreciation charge of right-of-use assets:		
Buildings	5,368	3,556
Plant and equipment	277	272
Motor vehicles	1,349	1,193
Computer Software	190	-
	7,184	5,021
Interest on lease obligations (note 4)	1,866	1,428

15. Analysis of net debt

	30 June 2021 €'000	31 December 2020 €'000	30 June 2020 €'000
Cash and cash equivalents	72,355	60,410	79,982
Restricted cash	-	3,097	2,100
	72,355	63,507	82,082
Bank loans repayable within one year	(2,083)	(2,311)	(21,124)
Bank loans payable after one year	(100,613)	(95,615)	(59,572)
Bank loans	(102,696)	(97,926)	(80,696)
Net bank (debt)/cash	(30,341)	(34,419)	1,386
Current lease obligations	(12,779)	(13,334)	(9,767)
Non-current lease obligations	(106,912)	(107,203)	(81,939)
Lease obligations	(119,691)	(120,537)	(91,706)
Net debt	(150,032)	(154,956)	(90,320)

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

	30 June 2021 €'000	30 June 2020 €'000
Operating profit before exceptional items	28,289	20,634
Cash related exceptional items	(7,305)	(7,474)
	20,984	13,160
Depreciation	10,860	8,404
Amortisation of intangible assets	1,989	1,172
Increase in inventory	(561)	(14,515)
(Increase)/decrease in receivables	(22,479)	2,846
Increase/(decrease) in payables	14,744	(8,952)
Foreign currency translation adjustments	538	53
Cash inflow from operating activities	26,075	2,168

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				
30 June 2021:				
Investments in equity instruments	25	-	25	25
Trade and other receivables **	-	130,419	130,419	130,441
Deferred consideration receivable	-	461	461	479
Cash and cash equivalents	-	72,355	72,355	72,355
	25	203,235	203,260	203,300

* 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				
30 June 2021:				
Borrowings	-	102,696	102,696	110,713
Deferred acquisition consideration	-	4,244	4,244	4,362
Trade and other payables ****	-	204,132	204,132	204,132
Deferred contingent consideration	81,455	-	81,455	81,455
Lease liabilities	-	119,691	119,691	119,691
	81,455	430,763	512,218	520,353

*** 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).

Long-term receivables

The fair value of long-term receivables is determined by discounting future cash flows at market rates of interest at the period end.

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.

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 six months, the nominal amount is deemed to reflect fair value. For loans with repricing dates of greater than six 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 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 2020.

The significant unobservable inputs are:
- Pre-defined profit thresholds which have not been disclosed due to their commercial sensitivities; and
- Risk adjusted discount rate of between 2% and 4% (2020: between 2 and 4%).

For the fair value of deferred contingent consideration, a 1% increase in the risk adjusted discount rate at 30 June 2021, holding the other inputs constant would reduce the fair value of the deferred contingent consideration by €1.4m. A 1% decrease in the risk adjusted discount rate would result in an increase of €1.4m 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 30 June 2021				
Investments in equity instruments	-	-	25	25
Deferred contingent consideration	-	-	(81,455)	(81,455)
	-	-	(81,430)	(81,430)

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.

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 period ended 30 June 2021:

	Shares in unlisted companies €'000	Deferred contingent consideration €'000	Total €'000
At 1 January 2021	25	(81,865)	(81,840)
Utilised during the period	-	1,917	1,917
Charge to Income Statement*	-	(4,834)	(4,834)
Unwinding of discount*	-	(1,042)	(1,042)
Released during the period*	-	6,457	6,457
Foreign currency movement	-	(2,088)	(2,088)
At 30 June 2021	25	(81,455)	(81,430)

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

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. The condensed 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 2020 Annual Report.

18. Acquisitions of subsidiary undertakings

A key strategy of the Group is to expand into higher growth, higher margin sectors and businesses. In line with this strategy, the Group completed the following acquisitions during the financial period:

- **Hudson Park Athlone Limited**
  The Group acquired 100% of the issued share capital of Hudson Park Athlone Limited, in February 2021. Hudson Park Athlone Limited currently operates an independent retail pharmacy in Ireland.

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 business 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 initial assignment of fair values to net assets acquired has been performed on a provisional basis in respect of the acquisition completed during 2021, due to its recent acquisition date. 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 12-month period from the date of acquisition will be disclosable in the 2021 Annual Report as stipulated by IFRS 3, Business Combinations.

The acquisition completed in 2021 has contributed €0.5m to revenue and €0.2m of gross profit for the period since the date of acquisition. The proforma revenue and operating profit for the Group for the period ended 30 June 2021 would have been €965m and €135m respectively had the acquisitions been completed at the start of the current reporting period.

In the period to 30 June 2021, the Group incurred acquisition costs of €1.9m relating to acquisitions completed after the period end (2020: €1.0m). These have been included in administrative expenses in the Group Income Statement.

2020 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 2020 were performed on a provisional basis. The fair values attributable to the assets and liabilities of these acquisitions remain provisional with the exception of Innerstrength Limited which was purchased in March 2020. 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 2020, together with the adjustments made in 2021 to those carrying values to arrive at the revised fair values are as follows:

	Hickey's	Others	Provisional fair value of 2020 acquisitions	Measurement period adjustment	Total
	€'000	€'000	€'000	€'000	€'000
ASSETS					
Non-current assets					
Intangible assets	11,238	723	11,961	-	11,961
Property, plant and equipment	28,539	2,397	30,936	-	30,936
	39,777	3,120	42,897	-	42,897
Current assets					
Inventory	5,832	181	6,013	-	6,013
Trade and other receivables	5,509	4,765	10,274	(170)	10,104
Restricted cash	-	1,027	1,027	-	1,027
Cash and cash equivalents	5,928	1,761	7,689	-	7,689
	17,269	7,734	25,003	(170)	24,833
Total assets	57,046	10,854	67,900	(170)	67,730
LIABILITIES					
Non-current liabilities					
Lease liabilities	24,223	1,337	25,560	-	25,560
Other non-current liabilities	-	536	536	-	536
Provisions	360	-	360	-	360
Deferred tax liabilities	697	-	697	-	697
	25,280	1,873	27,153	-	27,153
Current liabilities					
Lease liabilities	3,847	648	4,495	-	4,495
Bank borrowings	16,800	-	16,800	-	16,800
Trade and other payables	12,379	6,690	19,069	-	19,069
	33,026	7,338	40,364	-	40,364
Total liabilities	58,306	9,211	67,517	-	67,517
Identifiable net assets/(liabilities) acquired	(1,260)	1,643	383	(170)	213
Non-controlling interest arising on acquisition	-	(96)	(96)	-	(96)
Group share of net assets/(liabilities) acquired	(1,260)	1,547	287	(170)	117
Goodwill arising on acquisition	44,816	46,019	90,835	871	91,706
Consideration	43,556	47,566	91,122	701	91,823

19. Post balance sheet events

On 20 and 30 July 2021, the Group reached agreements to complete the acquisitions of CoRRect Medical GmbH and the BESTMSLs Group. These acquisitions are consistent with the Group's strategy and accelerates entry into the German market and increases Uniphar's presence and offering in the strategically important US market respectively.

As these are recent acquisitions, the fair values of the major classes of assets acquired and liabilities assumed will be disclosed in the 2021 Group Annual Report as the initial accounting for these business combinations are incomplete at the time of issuing our interim financial statements.

On the 26 August 2021, the Royal Bank of Canada and HSBC Continental Europe joined the existing banking syndicate, increasing from 3 to 5 the number of banks participating in the Group facility. The addition of these two banks further strengthens the banking platform to support the Group's future growth and investment.

There have been no other material events subsequent to 30 June 2021 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 2020, these amendments were within the measurement period imposed by IFRS 3.

21. Approval by the Board of Directors

The Directors approved the interim financial statements on 31 August 2021.

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)/cash	Net bank (debt)/cash 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)/cash 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)/cash divided by the rolling 12 months 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 earnings per share	This comprises of profit for the financial 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, divided by the weighted average number of shares in issue in the period.	Adjusted EPS is used to assess the after-tax underlying performance of the business in combination with the impact of capital 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.

	Definition	Why we measure it
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, foreign currency translation adjustments and adjusted for settlement of acquired liabilities, 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

		30 June 2021 €'000	30 June 2020 €'000
Operating profit	*Income Statement*	23,609	20,051
Exceptional charge recognised in operating profit	*Note 3*	4,680	583
Depreciation	*Note 8*	10,860	8,404
Amortisation	*Note 7*	1,989	1,172
EBITDA		41,138	30,210
Adjust for the impact of IFRS 16		(8,400)	(5,667)
Pro-forma EBITDA of acquisitions		6	(159)
Adjusted EBITDA		32,744	24,384

Net bank (debt)/cash

		30 June 2021 €'000	31 December 2020 €'000	30 June 2020 €'000
Cash and cash equivalents	*Balance Sheet*	72,355	60,410	79,982
Restricted cash	*Balance Sheet*	-	3,097	2,100
Bank loans repayable within one year	*Balance Sheet*	(2,083)	(2,311)	(21,124)
Bank loans payable after one year	*Balance Sheet*	(100,613)	(95,615)	(59,572)
Net bank (debt)/cash		(30,341)	(34,419)	1,386

Net debt

		30 June 2021 €'000	31 December 2020 €'000	30 June 2020 €'000
Net bank (debt)/cash	*APMs*	(30,341)	(34,419)	1,386
Current lease obligations	*Balance Sheet*	(12,779)	(13,334)	(9,767)
Non-current lease obligations	*Balance Sheet*	(106,912)	(107,203)	(81,939)
Net debt		(150,032)	(154,956)	(90,320)

Leverage

		30 June 2021 €'000	31 December 2020 €'000	30 June 2020 €'000
Net bank (debt)/cash	*APMs*	(30,341)	(34,419)	1,386
Rolling 12 months adjusted EBITDA		65,988	61,515	51,173
Leverage (times)		(0.5)	(0.6)	0.03

Adjusted earnings per share

	30 June 2021 €'000	30 June 2020 €'000
Adjusted earnings per share has been calculated by reference to the following:		
Profit for the financial period attributable to owners	15,348	12,695
Amortisation of acquisition related intangibles	673	60
Exceptional charge recognised in operating profit (note 3)	3,057	583
Profit after tax excluding exceptional items	19,078	13,338
Weighted average number of shares in issue in the period (000's)	267,137	259,853
Adjusted basic and diluted earnings per ordinary share (in cent)	7.1	5.1
Like for like weighted average number of shares (000's)	267,137	267,137
Like for like adjusted earnings per ordinary share (in cent)	7.1	5.0

Free cash flow conversion

		30 June 2021 €'000	31 December 2020 €'000	30 June 2020 €'000
EBITDA	*APMs*	41,138	66,713	30,210
Increase in inventory	*Note 16*	(561)	(11,868)	(14,515)
(Increase)/decrease in receivables	*Note 16*	(22,479)	8,789	2,846
Increase/(decrease) in payables	*Note 16*	14,744	13,554	(8,952)
Foreign currency translation adjustments	*Note 16*	538	(56)	53
Payments to acquire property, plant and equipment – maintenance	*Cash Flow*	(2,166)	(6,487)	(3,080)
Payments to acquire intangible assets	*Cash Flow*	(3,061)	(1,412)	(398)
Free cash flow		28,153	69,233	6,164
Adjustment for settlement of acquired financial liabilities*		487	4,788	-
Adjusted free cash flow		28,640	74,021	6,164
EBITDA		41,138	66,713	30,210
Free cash flow conversion		69.6%	111.0%	20.4%

*****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.

Return on capital employed

	30 June 2021 €'000	30 June 2020 €'000	30 June 2019 €'000
Rolling 12 months operating profit	43,503	32,315	30,694
Adjustment for rolling 12 months exceptional costs	10,871	10,437	3,665
Acquisition related rolling 12 months intangible amortisation	897	60	-
Adjusted 12 months rolling operating profit	55,271	42,812	34,359
Total equity	217,697	186,590	8,633
Net bank debt/(cash)	30,341	(1,386)	160,970
Derivative financial instruments	-	-	27,586
Facility termination fee	-	-	5,163
Deferred contingent consideration	81,455	77,102	50,300
Deferred consideration payable	4,244	6,072	7,281
Total capital employed	333,737	268,378	259,933
Average capital employed	301,058	264,156	
Adjustment for acquisitions (note A / B below)	12,406	26,950	
Adjusted average capital employed	313,464	291,106	
Return on capital employed	17.6%	14.7%	

Note A: Adjustment for acquisitions (2021)	Capital employed €'000	Completion Date	Adjustment €'000
Hickeys	54,428	Nov-20	4,536
Other acquisitions	45,506	Various	7,870
Adjustment for acquisitions			12,406

Note B: Adjustment for acquisitions (2020)	Capital employed €'000	Completion Date	Adjustment €'000
Durbin Group	42,159	Jul-19	17,566
Other acquisitions	43,238	Various	9,384
Adjustment for acquisitions			26,950

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.