Uniphar plc

2019 Interim Results

Uniphar plc a diversified healthcare services business announces its half year results for the six months ended 30 June 2019.

Financial Highlights

			Growth	
Six months ended 30 June[1]	**2019 €'000**	2018 €'000	Reported %	Constant Currency[2] %
Revenue	**800,564**	669,163	20%	20%
Gross profit	**82,996**	44,362	87%	87%
EBITDA	**26,819**	9,995	168%	168%
EBITDA excluding impact of IFRS 16[3]	**21,850**	9,995	119%	118%
Operating profit	**15,943**	1,075	1,383%	1,380%
Profit before tax excluding exceptional items	**13,806**	5,007	176%	175%
Net bank debt	**160,970**	66,630		
Basic EPS (cent)	**7.5**	(1.2)		
Adjusted EPS (cent)	**9.3**	3.6		

- Gross profit increase of 87% (7% on an organic basis).
- EBITDA[3] increase of 119%, from €10.0m to €21.9m.
- Adjusted EPS of 9.3 cent representing 157% year on year growth.
- Net bank debt of €161.0m, before gross IPO proceeds which completed on 17 July 2019 raising €139.4m.
- Return on capital employed for the period was 14.3%.

Strategic and Operational Highlights

- Strong gross profit growth across all 3 trading divisions, with 7% organic growth.
- 52% of gross profit from Growth Divisions: Commercial & Clinical and Product Access.
- IPO Complete: successful dual listing on 17 July 2019 on the Euronext Growth and AIM markets.
- Durbin Acquisition: key strategic acquisition of Durbin completed 31 July 2019[4].
- Geographic Growth: 60% of organic growth in growth divisions from UK and Europe.

1. Additional information in relation to Alternative Performance Measures (APM"s) are set out on pages 37 to 39.
2. Constant currency growth is calculated by applying the prior period's actual exchange rate to the current period's result.
3. IFRS 16 "Leases" was adopted from 1 January 2019. For comparative purposes, EBITDA has also been presented excluding the impact of the adoption of IFRS 16.
4. Durbin plc and Durbin Inc ("Durbin").

Ger Rabbette, Uniphar Group Chief Executive Officer said:

"Our results reflect a very strong performance for the first six months of 2019 which is in line with Board expectations, and positions us to deliver our full year 2019 plan. We have achieved 20% growth in revenue and an 87% increase in gross profit resulting in a 119% increase in EBITDA[1] over the same period in 2018.

Our Product Access and Commercial & Clinical divisions continue to be the key growth engines for the Group particularly in the UK and Benelux markets while Supply Chain & Retail saw strong volume growth in Ireland.

The successful IPO of Uniphar in July provides a platform for a steady growth trajectory and our subsequent acquisition of Durbin positions us well to become a global leader in the provision of product access solutions. We are on a firm footing for the second half of the year, going into 2020, and the next stage of our planned development in delivering our five year strategy."

Analyst presentation

A presentation for investors and analysts will be held by conference call at 9am, today, 17 September 2019. To register for the call please visit www.uniphar.ie.

A copy of the presentation and announcement are available on our website.

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1. *IFRS 16 "Leases" was adopted from 1 January 2019. For comparative purposes, EBITDA has also been presented excluding the impact of the adoption of IFRS 16. EBITDA including the impact of IFRS 16 increased by 168%.*

About Uniphar Group plc

Headquartered in Dublin, Ireland, Uniphar plc is a 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 2,000, the Group is active in Ireland, the UK, the Benelux and now the US following the acquisition of Durbin which completed in July 2019.

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.

The Group operates through three divisions:

- ***Commercial & Clinical***
  In Commercial & Clinical the Group provides sales, marketing & distribution solutions to pharmaceutical and medical device manufacturers on an outsourced basis. Active in Ireland, the UK and the Benelux, and targeting entry into the Nordics in 2019, the Group is seeking to grow with clients to establish a pan-European presence.

- ***Product Access***
  In Product Access the Group is growing two distinct service offerings: 1) sourcing and supplying unlicensed medicines to meet the needs of pharmacy customers ("On-Demand Access"); and 2) managing the release of speciality medicines for pharmaceutical manufacturers to specifically approved patient populations ("Exclusive Access"). The Group is currently active in Ireland and the UK. Following the completion of the Durbin acquisition, the Group now has the capability to provide product access solutions to more than 160 markets globally.

- ***Supply Chain & Retail***
  Uniphar is an established market leader in Ireland with over 50% of the wholesale market servicing retail pharmacy, supported by a network of 258 owned and franchised pharmacies. Supply Chain & Retail is an Irish only business for the Group, although the assets and infrastructure are utilised for the benefit of the growth divisions.

Cautionary statement

This announcement contains certain projections and other forward-looking statements with respect to the financial condition, results of operations, businesses and prospects of 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

The Group's vision is to improve patient access to pharmaco-medical products and treatments by enhancing connectivity between manufacturers and healthcare stakeholders.

In the first half of 2019, Uniphar has continued to deliver on its growth strategy with Commercial & Clinical and Product Access delivering over half of the Group's gross profit for the period. This represents significant progress since H1 of 2018 when both these divisions contributed 24% of gross profit.

The Uniphar platform seeks to provide Commercial & Clinical and Product Access solutions to meet the growing needs of pharmaceutical and medical device manufacturers across the lifecycle of their products and is underpinned by the following structural growth drivers:

- More complex manufacturer needs for commercialisation and distribution of speciality pharmaceutical and medical device products.
  - ✓ By 2023 speciality pharma is forecast to grow to 50% of total global pharma sales by value (from 11% in 1997, 43% in 2017)[1].
- Continued strong growth in outsourcing of non-core activities by manufacturers, including the commercialisation of speciality products and access to niche markets.
  - ✓ The European contract sales outsourcing market is forecast to grow from €1.6 billion in 2018 to €2.3 billion in 2022[2].
- Highly fragmented European market for the commercialisation and supply of pharmaceuticals and medical devices.
  - ✓ Individual country regulatory regimes and cultures (language etc.) make Europe a very challenging geography for manufacturers to serve.

Key to the delivery of this strategy has been;

1) the formation of a medical device operating unit within the Commercial & Clinical division;
2) the acquisitions of Sisk Healthcare, Macromed and Angiocare in 2018; and
3) the acquisition of Durbin in July 2019, a specialist supplier of pharmaceuticals with offices in the UK and the US.

The Group has strong established relationships with 7 of the top 10 pharma companies and 6 of the top 10 medical device companies. Following the completion of the Durbin acquisition, Uniphar has a workforce in excess of 2,000 across Europe and America and delivers to over 160 countries.

In the 6 months to 30 June 2019, Group revenues increased by 20% to €800.6m (2018: €669.2m). Gross profit increased by 86% to €82.4m (2018: €44.4m), driven by both organic growth and the acquisition of Sisk Healthcare and Angiocare in H2 of 2018 in the Commercial & Clinical division, and the acquisition of Bradley's Pharmacy Group in the Supply Chain & Retail division. These figures are stated excluding the adoption of IFRS 16 ("Leases"), which increases the Group's reported gross profit for the six months ended 30 June 2019 by €0.6m to €83.0m. The improvement in the Group's gross margin, from 7% to 10% is primarily driven by the strategy of expanding into higher growth, higher margin businesses, with the acquisitions completed during 2018, principally in the Commercial & Clinical division.

This has resulted in strong EBITDA performance of €21.9m (2018: €10.0m). These figures are stated excluding the adoption of IFRS 16 ("Leases"), which increases the Group's reported EBITDA for H1 2019 by €5.0m to €26.8m. Basic EPS is now 7.5 cent per share increasing from a loss per share of 1.2 cent in the six months ended 30 June 2018. Adjusted EPS increased by 157% to 9.3 cent per share (2018: 3.6 cent per share).

Return on capital employed ("ROCE") for the period was 14.3%, performing at the upper end of the Group's medium term target.

Net bank debt at the end of June was €161.0m (excluding lease obligations, which under IFRS 16 are now reported as a liability of €78.2m on the balance sheet). Adjusting this net bank debt for the IPO proceeds, Durbin consideration and IPO fees would reduce the net bank debt at the end of June to below €60m.

The strategic priority continues to be on expanding the Group's European commercial offering and developing its global Product Access capabilities to meet the increasing needs of speciality products and innovative medical technologies, to deliver the Group's strategy of doubling Group EBITDA over the 5-year period 2019 – 2023.

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1 IQVIA Institute, The Global Use of Medicine in 2019 and Outlook to 2023, Global Predictions.
2 Visiongain report on Global Pharma Contract Sales Market 2018-2028, from original data source in USD, excluding currency conversions.

Overview
continued

Current trading and outlook
In the first half of the year, the business has performed in line with the Board's expectation, with growth across all three divisions, reflecting the benefit from recent acquisitions and strong organic growth. Uniphar is well positioned to deliver an outcome for the full year 2019 in line with its plan.

Acquisitions and integration
Commercial & Clinical
Two strategic acquisitions – Sisk Healthcare and Angiocare – completed in the second half of 2018 in the Commercial & Clinical division. These acquisitions represented significant advancement of the Group's growth strategy.

Both companies are performing ahead of the prior year, with greatest growth occurring in UK and European Markets.

Product Access
In the Product Access division, the Group completed the acquisition of Durbin on 31 July 2019. Durbin is a highly strategic acquisition for the Group and provides a platform for Uniphar to become a leading global player in the provision of On-Demand and Exclusive Access services. Durbin has approximately 45 years' experience in shipping unlicensed and hard-to-find medicines and has built up significant global capability in managing access programmes for pharmaceutical manufacturers.

The Group's Product Access business now comprises of more than 170 employees, supplying in excess of 5 million units to more than 160 countries on an annual basis and with managed access programmes for 36 global manufacturers, from offices in Ireland, the UK and the US.

With the acquisition now completed, the integration and implementation of the growth strategy is progressing well.

Supply Chain & Retail
In 2018, the Group acquired the Bradley's Pharmacy Group chain of 19 retail pharmacies. These pharmacies are being integrated into the Group's existing pharmacy network, and 17 have now been rebranded under the Group's Allcare brand, with the rebranding of the remaining two stores in progress. These pharmacies have achieved strong gross profit growth year on year, demonstrating the collective strength which the Uniphar Symbol Group brings to pharmacies under its management.

On 14 August 2019, the Group completed the acquisition of 15 Inischem retail pharmacies which operates under the Allcare brand throughout the Republic of Ireland.

Uniphar IPO
The Group successfully listed on the AIM and Euronext Growth markets of the London Stock Exchange and Euronext Dublin, respectively on 17 July 2019. The IPO price was set at €1.15 per share, and the market capitalisation on the day of Admission was approximately €310m. The total gross proceeds from the IPO of €139.4m will enable the implementation of the Group's medium term strategy.

Operational overview

Commercial & Clinical Services

Six months ended 30 June	**2019 €'000**	2018 €'000	Growth %
Revenue	**98,062**	21,699	352%
Gross Profit*	**37,222**	5,814	540%
Gross Profit Margin	**38%**	27%	1,116bps

* The adoption of IFRS 16 'Leases' from 1 January 2019 has resulted in an increase in reported gross profit of €0.6m

The focus in Commercial & Clinical is to buildout a pan-European service offering from the present footprint in Ireland, the UK and the Benelux.

The division represented 45% of the Group's gross profit for the period (2018: 13%).

Revenue has increased by 352% to €98.1m (2018: €21.7m), gross profit increased by 540% to €37.2m (2018; €5.8m). This is driven by strong organic growth across the division and the acquisitions of Sisk Healthcare and Angiocare in H2 2018. 45% of the Commercial & Clinical division's gross profit was generated in the UK and Europe.

The division has a workforce of more than 800, active in Ireland, the UK and the Benelux supporting more than 200 brands for 70 key pharmaco-medical manufacturer clients.

Commercial & Clinical Medtech

C&C Medtech provides a fully integrated solution to our clients across sales, marketing and distribution of medical devices. The Sisk Healthcare and Angiocare acquisitions have been integrated into the Commercial & Clinical division and are performing well. The division added over 10 new medtech principals during the period. The Group has represented 90% of it's top 20 clients in this division for more than nine years.

C&C Medtech is focussed on building in-depth therapeutic expertise across several high market opportunities including; Interventional Cardiology, Orthopaedics, Opthalmics, Endoscopy, General and Plastic Surgery and Diagnostic Imaging. It continues to grow its pan-European business through its Amsterdam office, both organically and through bolt on acquisitions, with expansion into the Nordics targeted for Q4 2019.

Commercial & Clinical Pharma

C&C Pharma is an insights driven organisation with a workforce of over 450 across UK, Ireland and Benelux, caring for over 100 brands on behalf of 50+ multinational clients.

The digitally enabled multi-channel account management system allows the Group to capitalise on each sales representative interacting with health care professionals ("HCPs") in their preferred communications medium, which leads to richer interactions and better outcomes.

Gross profit for the period grew organically by 5%. The total outsourced heads increased by c.50 year on year to greater than 450, with 80% of the growth achieved in the UK. The Group's CSO operating model achieved 15% gross profit growth, with digitally enabled multi-channel account management contributing 42% gross profit growth to this.

Operational overview
continued

Product Access Services

Six months ended 30 June	**2019 €'000**	2018 €'000	Growth %
Revenue	**51,418**	31,416	64%
Gross Profit	**5,921**	4,697	26%
Gross Profit Margin	**12%**	15%	(344bps)

In Product Access the Group has ambitions to become a global leader in the provision of On-Demand and Exclusive Access services. The completion of the Durbin acquisition establishes the Group's global footprint to pursue this objective. The increased capability to offer Product Access services with a global reach will significantly strengthen the Group's European Commercial & Clinical solutions with both emerging and established pharmaco-medical clients.

Uniphar's ability to offer both Product Access and Commercial & Clinical solutions to manage speciality products across the entire lifecycle of a product is an attractive feature for clients.

The core focus of the Exclusive Access business remains on 'Key Specialities and Orphan Drugs'. There is a strong pipeline of new Exclusive Access opportunities to convert to revenue growth.

The Product Access division represented 7% of the Group's gross profit for the period (2018: 11%). Gross profit increased by 26% year on year, but its proportion to the Group's gross profit is reduced due to the significant increase in gross profit in our other growth division of Commercial & Clinical.

Revenue has increased by 64% to €51.4m (2018: €31.4m), gross profit increased by 26% to €5.9m (2018: €4.7m). The strong growth is driven by organic growth including the addition of a new exclusive access agreement for an oncology therapy.

All figures above are as reported in the financial statements and as such do not include Durbin as this acquisition completed on 31 July 2019. For illustrative purposes, if revenue for Durbin was included for the period this would increase the 2019 Revenue to in excess of €80m[1] for the six months ended 30 June 2019.

Most recent new Managed Access Programs ("MAP") awarded:

1) Global MAP for Zolgensma (Novartis), which is a gene therapy treatment.
2) Global MAP for a Medicinal Cannabis treatment.
3) European MAP for an epilepsy therapy Early Access Program across Europe.

Following the acquisition of Durbin the Group's Product Access business will now comprise of a workforce of more than 170, supplying more than 5 million units to more than 160 countries on an annual basis and will manage access programmes for 36 global manufacturers, from offices in Ireland, the UK and the US.

Uniphar's digital platform has over 29,000 patients enrolled and has over 6,000 products available for retail and hospital pharmacy customers to order online.

1 Based on unaudited management information from Durbin for period prior to acquisition

Operational overview
continued

Supply Chain & Retail Services

Six months ended 30 June	**2019 €'000**	2018 €'000	Growth %
Revenue	**651,084**	616,048	6%
Gross Profit	**39,853**	33,851	18%
Gross Profit Margin	**6%**	5%	63bps

The Group's strategy for Supply Chain & Retail is to continue to leverage its high-tech distribution facilities, longstanding manufacturer relationships and scalable digital infrastructure to maintain market leadership in Ireland, while supporting increasing service levels and managing continued operational and financial efficiency within this division.

The division represented 48% of the Group's gross profit for the period (2018: 76%).

Revenue has increased by 6% to €651.1m (2018: €616.0m), with an improvement in gross margin driving an increase in gross profit of 18% to €39.9m (2018: €33.9m). The growth is driven by organic growth in addition to the growth from the acquisition of the Bradley's Pharmacy Group.

The Group provides an essential national service supplying medicines to pharmacies and hospitals in Ireland. The Group has built on its market leader position with a workforce of close to 1,000 and 160,000 sq. ft. of high tech distribution centres. Volumes in the wholesale division grew 12% year on year, out performing the market, and increasing our market share.

In the Retail part of the division, the Bradley's Pharmacy Group is being successfully integrated into our existing pharmacy network, with 17 stores now operating under the Allcare brand with the rebranding of the remaining two stores underway. Following the acquisition of the 15 Inischem pharmacies, which was completed on 14 August 2019, the Group owns and operates 57 pharmacies.

The total number of pharmacies supported by the Symbol network (including Allcare and Life brands) increased by 23 to 258. The Symbol Group enables community pharmacists to compete with the larger and multi-national owned chains. The Group will be launching Life eCommerce in Q3 2019, that will provide an online sales channel for customers to purchase from the Life group. Revenue generated online increased by 40% year on year for the six months ending 30 June 2019.

Financial Review

Summary financial performance

Six months ended 30 June	**2019** **€'000**	2018 €'000	Growth Reported %	Growth Constant Currency %
Revenue	**800,564**	669,163	20%	20%
Gross Profit	**82,996**	44,362	87%	87%
Gross Margin	**10.4%**	6.6%		
EBITDA	**26,819**	9,995	168%	168%
EBITDA (excluding impact of IFRS 16)	**21,850**	9,995	119%	118%
Operating profit	**15,943**	1,075	1,383%	1,380%
Net bank debt	**160,970**	66,630		
Net debt	**239,183**	66,630		
Basic EPS (cent)	**7.5**	(1.2)		
Adjusted EPS (cent)	**9.3**	3.6		

Revenue
The Group achieved strong growth in revenue across all three of our trading divisions during the six months ended 30 June 2019. Acquisitions completed during the second half of 2018, Sisk Healthcare, Angiocare and Bradleys Pharmacy Group, contributed strongly to this performance with these businesses achieving revenues of €86.1m in the first half of the year.

Gross profit
The increase in revenues, coupled with significant growth of 374 basis points in our gross margin, contributed to 87% growth in our gross profit during the period (7% on an organic basis). The improvement in our gross margin is primarily driven by our strategy of expanding into higher growth, higher margin businesses, with the acquisitions completed during 2018, principally in our Commercial & Clinical division.

Earnings before interest, tax, depreciation and amortisation (EBITDA)
Our continued expansion into higher margin businesses through acquisitions completed in 2018, and the impact of the adoption of IFRS 16 resulted in growth of 168% in EBITDA during the first half of the year. The adoption of IFRS 16 resulted in an increase in EBITDA of €5.0m due to the removal of operating lease expenses from cost of sales and operating expenses, which is now replaced in the Income Statement by depreciation and interest charges.

Exceptional items
Exceptional costs incurred during the six month period of €2.2m relate to professional fees including acquisition costs of €1.8m primarily due to costs associated with the acquisitions of Durbin, and the acquisition of 15 Inischem pharmacies, which completed in July and August 2019 respectively. Redundancy costs of €0.3m were incurred during 2019 primarily relating to redundancy costs associated with acquisitions completed during 2018.

Impact of IFRS 16 'Leases'
IFRS 16 is effective for annual periods beginning on or after 1 January 2019. The Group has applied IFRS 16 from its effective date using the cumulative catch up approach. The adoption of IFRS 16 has resulted in cost of sales reducing by €0.6m, and operating expenses reducing by €4.4m for the six month period, as the Group previously recognised operating lease expenses in either cost of sales or operating expenses depending on the nature of the lease.

Depreciation and finance costs as currently reported in the Group Income Statement have increased by €4.5m and €1.2m respectively, as under the new Standard the right-of-use asset has been capitalised and is now being depreciated over the term of the lease with an associated finance cost applied annually to the lease liability.

On adoption at 1 January 2019, a right-of-use asset of €80.9m has been recognised in the Group Balance Sheet included within property, plant and equipment, with a corresponding lease liability recognised for this amount in the Group Balance Sheet.

Financial Review
continued

Cash flow and net debt
At 30 June 2019, net bank debt was €161.0m, increasing from €152.9m at 31 December 2018. The increase of €8.1m reflects, cash generated from operating activities €2.1m (including investment in working capital of €17.7m) and proceeds from the issuance of shares of €0.5m, offset by capital expenditure of €2.7m, payment of €2.5m relating to the facility termination fee, payment of deposit relating to the acquisition of Durbin of €1.1m, payment of deferred consideration of €0.7m, lease principle payments of €3.7m, to fund the strong growth across all three trading divisions.

IPO on AIM and Euronext Growth
The Group successfully listed on the AIM and Euronext Growth markets of the London Stock Exchange and Euronext Dublin on 17 July 2019. As part of the placing, 117,391,304 new ordinary shares were issued by the Company, at a listing price of €1.15 per share, resulting in gross share proceeds from the issuance of these ordinary shares of €135.0m. Market capitalisation on the day of Admission was approximately €310m.

Subsequently, on 16 August, the over-allotment option was exercised in respect of 3,818,004 ordinary shares in the Company, resulting in an additional €4.4m of gross proceeds being received by the Company, bringing the total gross proceeds from the placing to €139.4m, with IPO related costs being approximately €11.3m.

Principal risks and uncertainties facing the business
The Group faces a number of risks which, if they arise, could affect its ability to achieve its strategic objectives. As with any business, risk assessment and the implementation of mitigating actions and controls are vital to successfully achieving the Group’s strategy. The Board is responsible for determining the nature of these risks and ensuring appropriate mitigating actions are in place to manage them.

The principle risks and uncertainties faced by the Group, remain those set out in our Admission Document dated 12 July 2019 on pages 44 to 54. A copy of our Admission Document can be obtained from our website, www.uniphar.ie.

Condensed Consolidated Group Income Statement

for the six months ended 30 June 2019

	Notes	Six months ended 30 June 2019 Pre exceptional (unaudited) €'000	Six months ended 30 June 2019 Exceptional (note 3) (unaudited) €'000	Six months ended 30 June 2019 Total (unaudited) €'000	Six months ended 30 June 2018 Pre exceptional (unaudited) €'000	Six months ended 30 June 2018 Exceptional (note 3) (unaudited) €'000	Six months ended 30 June 2018 Total (unaudited) €'000
Revenue	2	**800,564**	**–**	**800,564**	669,163	–	669,163
Cost of sales		**(717,568)**	**–**	**(717,568)**	(624,801)	–	(624,801)
Gross profit		**82,996**	**–**	**82,996**	44,362	–	44,362
Selling and distribution costs		**(24,569)**	**–**	**(24,569)**	(12,470)	–	(12,470)
Administrative expenses		**(40,396)**	**(2,189)**	**(42,585)**	(25,131)	(6,403)	(31,534)
Other operating income		**101**	**–**	**101**	92	625	717
Operating profit		**18,132**	**(2,189)**	**15,943**	6,853	(5,778)	1,075
Finance cost	4	**(4,326)**	**–**	**(4,326)**	(1,846)	–	(1,846)
Profit/(loss) before tax		**13,806**	**(2,189)**	**11,617**	5,007	(5,778)	(771)
Income tax expense		**(2,594)**	**–**	**(2,594)**	(672)	–	(672)
Profit/(loss) for the financial period		**11,212**	**(2,189)**	**9,023**	4,335	(5,778)	(1,443)
Attributable to owners				**8,977**			(1,480)
Attributable to non-controlling interests	16			**46**			37
				9,023			(1,443)
Profit/(loss) attributable to:							
– Continuing operations				**9,023**			(1,443)
Earnings per ordinary share (in cent):	6						
– Basic and diluted – continuing operations				**7.5**			(1.2)
Basic and diluted earnings per share (in cent)				**7.5**			(1.2)

Condensed Consolidated Group Statement of Comprehensive Income

for the six months ended 30 June 2019

	Notes	**30 June 2019 (unaudited) €'000**	30 June 2018 (unaudited) €'000
Profit/(loss) for the financial period		**9,023**	(1,443)
Other comprehensive (expense)/income			
Items that may be reclassified to the Income Statement:			
Unrealised foreign currency translation adjustments		**107**	16
Items that will not be reclassified to the Income Statement:			
Actuarial (loss)/gain in respect of pension scheme		**(383)**	188
Deferred tax on Group defined benefit pension schemes		**48**	(129)
Total comprehensive income/(expense) relating to the period		**8,795**	(1,368)
Total comprehensive income/(expense) relating to the period			
Attributable to owners		**8,749**	(1,405)
Attributable to non-controlling interests	16	**46**	37
		8,795	(1,368)
Total comprehensive income/(expense) attributable to:			
– Continuing operations		**8,795**	(1,368)

Condensed Consolidated Group Balance Sheet

as at 30 June 2019

	Notes	30 June 2019 (unaudited) €'000	31 December 2018 (audited) €'000
ASSETS			
Non-current assets			
Intangible assets	7	**206,221**	206,978
Property, plant and equipment	8	**99,975**	23,141
Deferred tax asset		**6,741**	7,103
Other receivables		**2,384**	2,106
Employee benefit surplus	11	**668**	439
Financial assets – Investments in equity instruments		**25**	25
Financial assets – Long term receivables		**5,500**	5,500
		321,514	245,292
Current assets			
Properties held for sale	9	**4,000**	4,000
Inventory		**91,016**	76,070
Trade and other receivables		**183,871**	170,659
Cash and cash equivalents		**5,938**	10,539
Restricted cash		**2,354**	2,352
		287,179	263,620
Total assets		**608,693**	508,912
EQUITY			
Capital and reserves			
Called up share capital presented as equity	10	**9,870**	9,413
Share premium		**22,489**	22,489
Other reserves		**(244)**	(351)
Retained earnings		**(23,348)**	(31,990)
Attributable to owners		**8,767**	(439)
Attributable to non-controlling interests	16	**(134)**	(180)
Total equity		**8,633**	(619)
LIABILITIES			
Non-current liabilities			
Borrowings		**77,476**	84,018
Provisions	12	**50,599**	52,142
Derivative financial instruments	15	**27,586**	27,586
Lease obligations		**72,248**	—
Facility termination fee	15	**2,663**	5,122
		230,572	168,868
Current liabilities			
Borrowings		**91,786**	81,753
Trade and other payables		**269,237**	256,410
Lease obligations		**5,965**	—
Facility termination fee	15	**2,500**	2,500
		369,488	340,663
Total liabilities		**600,060**	509,531
Total equity and liabilities		**608,693**	508,912

Condensed Consolidated Group Cash Flow Statement

for the six months ended 30 June 2019

	Notes	**30 June 2019 (unaudited) €'000**	30 June 2018 (unaudited) €'000
Operating activities			
Cash inflow/(outflow) from operating activities	14	**7,005**	(13,095)
Interest paid		**(2,161)**	(1,075)
Interest paid on lease liabilities		**(1,233)**	—
Corporation tax payments		**(1,528)**	—
Net cash inflow/(outflow) from operating activities		**2,083**	(14,170)
Investing activities			
Payments to acquire property, plant and equipment		**(2,358)**	(339)
Receipts from disposal of property, plant and equipment		**30**	4,131
Payments to acquire intangible assets	7	**(322)**	(304)
Proceeds from disposal of subsidiary undertakings		**—**	394
Cash transferred on disposal of subsidiary undertakings		**—**	(218)
Payments to acquire subsidiary undertakings		**—**	(2,983)
Payment of deposit to acquire subsidiary undertakings		**(1,134)**	—
Payment of deferred and deferred contingent consideration		**(706)**	(1,909)
Receipt of deferred consideration receivable		**95**	—
Net cash (outflow) from investing activities		**(4,395)**	(1,228)
Financing activities			
Issue of partly paid share capital	10	**17**	231
Proceeds from calling of unpaid element of partly paid share capital	10	**440**	—
Repayments of borrowings		**—**	(4,359)
Net increase in invoice discounting facilities		**3,491**	22,210
Principle element of lease payments		**(3,737)**	—
Payment of facility termination fee	15	**(2,500)**	(2,500)
Net cash (outflow)/inflow from financing activities		**(2,289)**	15,582
(Decrease)/increase in cash and cash equivalents in the period		**(4,601)**	184
Opening balance cash and cash equivalents		**10,539**	1,188
Closing balance cash and cash equivalents		**5,938**	1,372

Condensed Consolidated Group Statement of Changes in Equity

for the six months ended 30 June 2019

	Note	Share capital €'000	Share premium €'000	Foreign currency translation reserve €'000	Revaluation reserve €'000	Capital redemption reserve €'000	Retained earnings €'000	Attributable to non-controlling interests €'000	Total shareholders' equity €'000
At 1 January 2018		9,055	20,675	(797)	1,400	60	(40,844)	(271)	(10,722)
(Loss)/profit for the financial period		—	—	—	—	—	(1,480)	37	(1,443)
Other comprehensive income/(expense):									
Re-measurement gain on pensions (net of tax)		—	—	—	—	—	59	—	59
Movement in foreign currency translation reserve		—	—	16	—	—	—	—	16
Transactions recognised directly in equity:									
Issue of partly paid share capital		231	—	—	—	—	—	—	231
Non-controlling interest of acquired net assets	16	—	—	—	—	—	—	42	42
Transfer of revaluation reserve		—	—	—	(700)	—	700	—	—
At 30 June 2018 (unaudited)		9,286	20,675	(781)	700	60	(41,565)	(192)	(11,817)
At 1 January 2019		9,413	22,489	(1,111)	700	60	(31,990)	(180)	(619)
Profit for the financial period		—	—	—	—	—	8,977	46	9,023
Other comprehensive income/(expense):									
Re-measurement loss on pensions (net of tax)		—	—	—	—	—	(335)	—	(335)
Movement in foreign currency translation reserve		—	—	107	—	—	—	—	107
Transactions recognised directly in equity:									
Issue of fully paid share capital	10	440	—	—	—	—	—	—	440
Issue of partly paid share capital	10	17	—	—	—	—	—	—	17
At 30 June 2019 (unaudited)		9,870	22,489	(1,004)	700	60	(23,348)	(134)	8,633

Notes to the Condensed Interim Financial Statements

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 2018. With the exception of our accounting policy for leases under IFRS 16 which is detailed in note 1, the accounting policies applied in the interim financial statements are the same as those applied in the 2018 Annual Report.

The Group's auditors have 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 Markets 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 2018. 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. With the exception of the adoption of IFRS 16 "Leases" which is discussed in note 1, 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 2018 in note 1 on pages 52 and 53.

The Group's interim financial statements are prepared for the six month period ended 30 June 2019. 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.

The interim financial statements have been prepared on a going concern basis which assumes that the Group will continue in current operational existence for the foreseeable future. The directors have in conjunction with their bankers agreed a credit facility which will allow the Group to meet its obligations as they fall due. In July 2019, the Group successfully listed on the AIM and Euronext Growth Markets of the London Stock Exchange and Euronext Dublin respectively. As part of the Admission, gross proceeds of €139.4m was raised.

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.

New Standards, Amendments and Interpretations

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning on or after 1 January 2019 and have been applied in preparing these interim financial statements. None of these have had a significant effect on the interim financial statements of the Group, except for the adoption of IFRS 16. This is the first set of the Group's financial statements where IFRS 16 has been applied. Changes to significant accounting policies are described in note 1.

Notes to the Condensed Interim Financial Statements
continued

1 Changes in significant accounting policies

IFRS 16, published in January 2016 and effective on 1 January 2019, replaces the existing guidance in IAS 17 'Leases'. IFRS 16 eliminates the classification of leases as either operating leases or finance leases. It introduces a single lessee accounting model, which requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months and depreciation of lease assets separately from interest on lease liabilities in the income statement. The Group has applied the cumulative catch up approach and as a result there was no retrospective adjustment required.

The Group has assessed the impact on its interim financial statements resulting from the application of IFRS 16. The adoption of this new standard at 1 January 2019 had a material impact on the Group Income Statement and Balance Sheet as follows:

Income Statement

The adoption of IFRS 16 has resulted in cost of sales reducing by €0.6m, and operating expenses reducing by €4.4m for the six month period, as the Group previously recognised operating lease expenses in either cost of sales or operating expenses (depending on the nature of the lease).

Depreciation and finance costs as currently reported in the Group Income Statement have increased by €4.5m and €1.2m respectively, as under the new Standard the right-of-use asset has been capitalised and is now being depreciated over the term of the lease with an associated finance cost applied annually to the lease liability.

Balance Sheet

At the transition date the Group has assessed all lease commitments outstanding at that date and applied the appropriate discount rate to calculate the present value of the lease commitment. The Group adopted IFRS 16 by applying the cumulative catch up approach as permitted by the Standard.

The Group has entered into operating leases for a range of assets, including property, plant and equipment and motor vehicles. The Group has elected to apply the recognition exemption for both short-term and low-value leases.

On adoption of IFRS 16 at 1 January 2019, a right-of-use asset of €80.9m has been recognised in the Group Balance Sheet included within property, plant and equipment, with a corresponding lease liability recognised for this amount in the Group Balance Sheet.

2019 Accounting policy under IFRS 16

The Group leases various properties, equipment and motor vehicles. Rental contracts are typically made for fixed periods of 1 to 30 years but may have extension options as described below. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the right-of-use asset's useful life on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate
- amounts expected to be payable by the lessee under residual value guarantees
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease, if that rate can be determined, or the Group's incremental borrowing rate, which is calculated using a portfolio approach, based on the nature of the lease.

Notes to the Condensed Interim Financial Statements
continued

The Group applied the following practical expedients when applying IFRS 16 to leases previously classified as operating leases under IAS 17:

- Excluded initial direct costs from measuring the right-of-use asset at the date of initial application
- Used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Extension and termination options are included in a number of property and equipment leases across the Group. These terms are used to maximise operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT-equipment, small items of office furniture, and in-store equipment in our retail pharmacies.

Notes to the Condensed Interim Financial Statements
continued

The following table summarises the impact of the adoption of IFRS 16 on the Condensed Consolidated Group Balance Sheet as at 1 January 2019:

Impact on the Condensed Consolidated Group Balance Sheet as at 1 January 2019 (unaudited)

	As reported 31 December 2018 €'000	IFRS 16 impact €'000	Adjusted Opening Balance Sheet €'000
ASSETS			
Non-current assets			
Intangible assets	206,978	—	206,978
Property, plant and equipment	23,141	80,863	104,004
Deferred tax asset	7,103	—	7,103
Other receivables	2,106	—	2,106
Employee benefit surplus	439	—	439
Financial assets – Investments in equity instruments	25	—	25
Financial assets – Long term receivables	5,500	—	5,500
	245,292	80,863	326,155
Current assets			
Properties held for sale	4,000	—	4,000
Inventory	76,070	—	76,070
Trade and other receivables	170,659	—	170,659
Cash and cash equivalents	10,539	—	10,539
Restricted cash	2,352	—	2,352
	263,620	—	263,620
Total assets	508,912	80,863	589,775
EQUITY			
Capital and reserves			
Called up share capital presented as equity	9,413	—	9,413
Share premium	22,489	—	22,489
Other reserves	(351)	—	(351)
Retained earnings	(31,990)	—	(31,990)
Attributable to owners	(439)	—	(439)
Attributable to non-controlling interests	(180)	—	(180)
Total equity	(619)	—	(619)
LIABILITIES			
Non-current liabilities			
Borrowings	84,018	—	84,018
Provisions	52,142	—	52,142
Derivative financial instruments	27,586	—	27,586
Lease obligations	—	74,618	74,618
Facility termination fee	5,122	—	5,122
	168,868	74,618	243,486
Current liabilities			
Borrowings	81,753	—	81,753
Trade and other payables	256,410	—	256,410
Lease obligations	—	6,245	6,245
Facility termination fee	2,500	—	2,500
	340,663	6,245	346,908
Total liabilities	509,531	80,863	590,394
Total equity and liabilities	508,912	80,863	589,775

Notes to the Condensed Interim Financial Statements
continued

The following tables summarise the impact of the adoption of IFRS 16 on the Condensed Consolidated Group Income Statement for the six month period ended 30 June 2019, the Condensed Consolidated Group Balance Sheet as at 30 June 2019, and the Condensed Consolidated Group Cash Flow Statement for the six month period ended 30 June 2019:

Impact on the Condensed Consolidated Group Income Statement for the six months ended 30 June 2019 (unaudited)

	Without adoption of IFRS 16 €'000	IFRS 16 impact €'000	As reported €'000
Revenue	800,564	—	800,564
Cost of sales	(718,120)	552	(717,568)
Gross profit	82,444	552	82,996
Selling and distribution costs	(24,569)	—	(24,569)
Administrative expenses	(42,546)	(39)	(42,585)
Other operating income	101	—	101
Operating profit	15,430	513	15,943
Finance cost	(3,093)	(1,233)	(4,326)
Profit before tax	12,337	(720)	11,617
Income tax expense	(2,594)	—	(2,594)
Profit for the financial period	9,743	(720)	9,023
Attributable to owners	9,697	—	8,977
Attributable to non-controlling interests	46	—	46
	9,743	(720)	9,023
Profit attributable to:			
— Continuing operations	9,743	(720)	9,023
Earnings per ordinary share (in cent):			
— Basic and diluted – continuing operations	8.1	(0.6)	7.5
Basic and diluted earnings per share (in cent)	8.1	(0.6)	7.5

Notes to the Condensed Interim Financial Statements
continued

Impact on the Condensed Consolidated Group Balance Sheet as at 30 June 2019 (unaudited)

	Without adoption of IFRS 16 €'000	IFRS 16 impact €'000	As reported €'000
ASSETS			
Non-current assets			
Intangible assets	206,221	—	206,221
Property, plant and equipment	22,482	77,493	99,975
Deferred tax asset	6,741	—	6,741
Other receivables	2,384	—	2,384
Employee benefit surplus	668	—	668
Financial assets – Investments in equity instruments	25	—	25
Financial assets – Long term receivables	5,500	—	5,500
	244,021	77,493	321,514
Current assets			
Properties held for sale	4,000	—	4,000
Inventory	91,016	—	91,016
Trade and other receivables	183,871	—	183,871
Cash and cash equivalents	5,938	—	5,938
Restricted cash	2,354	—	2,354
	287,179	—	287,179
Total assets	531,200	77,493	608,693
EQUITY			
Capital and reserves			
Called up share capital presented as equity	9,870	—	9,870
Share premium	22,489	—	22,489
Other reserves	(244)	—	(244)
Retained earnings	(22,628)	(720)	(23,348)
Attributable to owners	9,487	(720)	8,767
Attributable to non-controlling interests	(134)	—	(134)
Total equity	9,353	(720)	8,633
LIABILITIES			
Non-current liabilities			
Borrowings	77,476	—	77,476
Provisions	50,599	—	50,599
Derivative financial instruments	27,586	—	27,586
Lease obligations	—	72,248	72,248
Facility termination fee	2,663	—	2,663
	158,324	72,248	230,572
Current liabilities			
Borrowings	91,786	—	91,786
Trade and other payables	269,237	—	269,237
Lease obligations	—	5,965	5,965
Facility termination fee	2,500	—	2,500
	363,523	5,965	369,488
Total liabilities	521,847	78,213	600,060
Total equity and liabilities	531,200	77,493	608,693

Notes to the Condensed Interim Financial Statements
continued

Impact on the Condensed Consolidated Group Cash Flow Statement for the six months ended 30 June 2019 (unaudited)

	Without adoption of IFRS 16 €'000	IFRS 16 impact €'000	As reported €'000
Operating activities			
Cash (outflow)/inflow from operating activities	2,035	4,970	7,005
Interest paid	(2,161)	—	(2,161)
Interest paid on lease liabilities	—	(1,233)	(1,233)
Corporation tax payments	(1,528)	—	(1,528)
Net cash inflow/(outflow) from operating activities	(1,654)	3,737	2,083
Investing activities			
Payments to acquire property, plant and equipment	(2,358)	—	(2,358)
Receipts from disposal of property, plant and equipment	30	—	30
Payments to acquire intangible assets	(322)	—	(322)
Payment of deposit to acquire subsidiary undertakings	(1,134)	—	(1,134)
Payment of deferred and deferred contingent consideration	(706)	—	(706)
Receipt of deferred consideration receivable	95	—	95
Net cash (outflow) from investing activities	(4,395)	—	(4,395)
Financing activities			
Issue of partly paid share capital	17	—	17
Proceeds from calling of unpaid element of partly paid share capital	440	—	440
Net increase in invoice discounting facilities	3,491	—	3,491
Principle element of lease payments	—	(3,737)	(3,737)
Payment of facility termination fee	(2,500)	—	(2,500)
Net cash (outflow)/inflow from financing activities	1,448	(3,737)	(2,289)
Decrease in cash and cash equivalents in the period	(4,601)	—	(4,601)
Opening balance cash and cash equivalents	10,539	—	10,539
Closing balance cash and cash equivalents	5,938	—	5,938

Notes to the Condensed Interim Financial Statements
continued

2 Revenue

	30 June 2019 €'000	30 June 2018 €'000
Revenue	**800,564**	669,163

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 United Kingdom. The Group also operates in other European countries 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.

	30 June 2019 €'000	30 June 2018 €'000
Ireland	**721,368**	638,291
UK	**72,845**	30,457
Other European Countries	**6,351**	415
	800,564	669,163

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.

Commercial & Clinical Services – This division incorporates Angiocare B.V., Clinical Cube Limited, Macromed (UK) Limited, Outico Limited, Point of Care Health Services Limited, Sisk Healthcare Group, Star Medical Limited, Star Medical Contracts Limited and Unisource Pharma Services Ireland Limited. The focus of the division is the provision of outsourced commercial and clinical services to pharmaco-medical manufacturers and other healthcare operators, real world data analytics, brand fostering and the sale and distribution of medical devices. The segment consists of two operating units: Pharma Services and Medical Device Services.

Pharma Services
Provides a fully integrated multi-channel account management solution that is supported through market data, insights and digital programmes. Integrating these innovative programmes with our supply chain and distribution capability gives us a unique competitive advantage. Delivers high quality, flexible multichannel account managers/nurses, who work with all healthcare stakeholders using true multi-channel methodologies, including face to face meetings when required.

Medical Device Services
In 2018, we acquired the Sisk Healthcare Group which is a well established medical device company operating in the Irish and UK markets. Macromed (UK) Limited and Angiocare B.V. were also acquired in 2018 operating in the UK and Benelux region, and enables the Group to provide a medical device services infrastructure on a pan-European basis. Delivering a fully integrated sales, marketing and distribution capability, with best-in-class clinical staff, superior product knowledge and strong relationships with leading manufacturers.

Product Access Services – This division incorporates Dialachemist Limited, OstomySource and PharmaSource with the aim to add value throughout the supply chain by offering services including the supply of unlicensed medicines. The segment consists of two operating units: On-Demand Access and Exclusive Access.

On-Demand Access
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 both the Irish and UK markets.

Notes to the Condensed Interim Financial Statements
continued

Exclusive Access
Provides bespoke distribution partnerships to pharmaceutical partners around key brands, with new programmes focused on speciality pharmaceutical products. Delivering a unique patient support programme that allows nurses and other healthcare professionals to connect with patients.

Supply Chain & Retail Services - The Supply Chain & Retail Services division provides both pre-wholesale distribution and wholesale distribution of pharmaceutical, healthcare and animal health products to pharmacies, hospitals and veterinary surgeons in Ireland. The business supports the diverse customer base through the provision of strong service levels coupled with innovative commercial initiatives. In addition, the business provides services and supports that help independent community pharmacies to compete more effectively in an increasingly difficult environment and runs a network of Uniphar owned pharmacies under the Life and Allcare brands.

	Commercial & Clinical Services	**Product Access Services**	**Supply Chain & Retail Services**	**Total**
	Six months ended 30 June 2019			
	€'000	**€'000**	**€'000**	**€'000**
Revenue	**98,062**	**51,418**	**651,084**	**800,564**
Gross profit	**37,222**	**5,921**	**39,853**	**82,996**
	Six months ended 30 June 2018			
	€'000	€'000	€'000	€'000
Revenue	21,699	31,416	616,048	669,163
Gross profit	5,814	4,697	33,851	44,362

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

3 Exceptional charge

	30 June 2019 €'000	30 June 2018 €'000
Professional fees including acquisition costs	**(1,842)**	(4,618)
Redundancy costs	**(347)**	—
Exceptional charge from investment in IPOS network	**—**	(601)
Other exceptional charges	**—**	(1,184)
Profit on disposal of property, plant and equipment	**—**	177
Profit on disposal of subsidiary undertakings	**—**	448
Exceptional charge	**(2,189)**	(5,778)

Professional fees including acquisition costs:
Professional fees including acquisition costs incurred during 2019 are primarily relating to costs associated with the acquisitions of Durbin, and the acquisition of 15 Inischem pharmacies, which completed in July and August 2019 respectively (see note 17). Professional fees including acquisition costs incurred during 2018 primarily related to costs associated with the acquisitions of Sisk Healthcare Group, Macromed (UK) Limited, and Angiocare B.V.

Redundancy costs:
Redundancy costs incurred during 2019 primarily relate to redundancy costs associated with acquisitions completed during 2018.

Notes to the Condensed Interim Financial Statements
continued

Other exceptional charges:
Other exceptional costs of €1,184,000 in 2018 were associated with the review of the Group's structure. This charge included costs associated with the reorganisation of the Group structure including, the expansion of the Group across the Benelux region through Uniphar Europe and Star Medical B.V., and the integration of completed acquisitions into the Group of €694,000 and costs associated with warehouse closure of €216,000. There were also other exceptional costs of €274,000.

4 Finance cost

	30 June 2019 €'000	30 June 2018 €'000
Interest payable on borrowings repayable within five years	**2,118**	1,286
Fair value adjustment to deferred and deferred contingent consideration on investments	**811**	455
Fair value adjustment on facility termination fee	**41**	111
Amortisation of re-financing transaction fees	**141**	—
Net interest (income)/expense from pension scheme liabilities	**(8)**	13
Interest receivable	**(10)**	(19)
Interest on lease obligations	**1,233**	—
	4,326	1,846

5 Dividends

There were no dividends paid in the current six month period ended 30 June 2019, or the comparative period ended 30 June 2018.

6 Earnings per share

	30 June 2019 €'000	30 June 2018 €'000
Earnings per share and fully diluted earnings per share have been calculated by reference to the following:		
Profit/(loss) for the financial period attributable to owners	**8,977**	(1,480)
Weighted average number of shares ('000)	**119,861**	118,460

	Six months ended 30 June 2019		
	Continuing	**Acquisitions**	**Total**
Earnings (€'000)	**8,977**	**—**	**8,977**
Earnings per ordinary share (in cent):			
— Basic	**7.5**	**—**	**7.5**
— Diluted	**7.5**	**—**	**7.5**

	Six months ended 30 June 2018		
	Continuing	Acquisitions	Total
Earnings (€'000)	(1,793)	313	(1,480)
Earnings per ordinary share (in cent):			
— Basic	(1.5)	0.3	(1.2)
— Diluted	(1.5)	0.3	(1.2)

Notes to the Condensed Interim Financial Statements
continued

	30 June 2019 €'000	30 June 2018 €'000
Adjusted earnings per share has been calculated by reference to the following:		
Profit/(loss) for the financial period attributable to owners	**8,977**	(1,480)
Professional fees including acquisition costs	**1,842**	4,618
Redundancy costs	**347**	—
Exceptional charge from investment in IPOS network (note 3)	**—**	601
Other exceptional charges (note 3)	**—**	1,184
Profit on disposal of subsidiary undertakings (note 3)	**—**	(177)
Profit on disposal of property, plant and equipment (note 3)	**—**	(448)
Profit after tax excluding exceptional and other one-off items	**11,166**	4,298
Weighted average number of shares in issue in the period (000's)	**119,861**	118,460
Adjusted basic and diluted earnings per ordinary share (in cent)	**9.3**	3.6

7 Intangible assets

	Computer software €'000	Trademark €'000	Goodwill €'000	Total €'000
Cost				
At 1 January 2019	32,310	153	218,926	251,389
Foreign exchange movements	1	—	161	162
Additions	322	—	—	322
Disposals/retirements	(66)	—	—	(66)
At 30 June 2019	32,567	153	219,087	251,807
Amortisation				
At 1 January 2019	25,642	60	18,709	44,411
Foreign exchange movements	2	—	—	2
Amortisation	1,223	16	—	1,239
Disposals/retirements	(66)	—	—	(66)
At 30 June 2019	26,801	76	18,709	45,586
Net book amounts				
At 31 December 2018	6,668	93	200,217	206,978
At 30 June 2019	5,766	77	200,378	206,221

Notes to the Condensed Interim Financial Statements
continued

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

	Freehold land and buildings €'000	Leasehold improve-ments €'000	Plant and equipment €'000	Fixtures and fittings €'000	Computer equipment €'000	Motor vehicles €'000	Instruments €'000	Total €'000
Cost								
At 31 December 2018	5,599	8,993	17,536	5,440	4,496	153	2,273	44,490
Adoption of IFRS 16	75,547	—	1,269	—	—	4,047	—	80,863
At 1 January 2019	81,146	8,993	18,805	5,440	4,496	4,200	2,273	125,353
Foreign exchange movement	13	4	4	2	10	2	—	35
Additions	7	14	958	75	474	864	1,021	3,413
Disposals	(33)	(785)	(36)	(367)	(407)	(322)	(321)	(2,271)
At 30 June 2019	81,133	8,226	19,731	5,150	4,573	4,744	2,973	126,530
Accumulated depreciation								
At 1 January 2019	1,330	1,316	11,640	3,293	3,507	127	136	21,349
Foreign exchange movement	(8)	3	—	1	9	(8)	—	(3)
Charge for the period	2,940	320	1,392	318	311	1,357	810	7,448
Disposals/retirements	(33)	(785)	(36)	(367)	(407)	(317)	(294)	(2,239)
At 30 June 2019	4,229	854	12,996	3,245	3,420	1,159	652	26,555
Net book amounts								
At 31 December 2018	4,269	7,677	5,896	2,147	989	26	2,137	23,141
At 30 June 2019	76,904	7,372	6,735	1,905	1,153	3,585	2,321	99,975
Reconciliation to Balance Sheet								
Property, plant & equipment	4,203	7,372	5,517	1,905	1,153	11	2,321	22,482
Right-of-use assets	72,701	—	1,218	—	—	3,574	—	77,493
Net book value at 30 June 2019	76,904	7,372	6,735	1,905	1,153	3,585	2,321	99,975

Notes to the Condensed Interim Financial Statements
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9 Properties held for sale

	€'000
At 1 January 2019 and 30 June 2019	4,000

During 2018, a number of properties were acquired on completion of the acquisition of Bradley's Pharmacy Group. These properties are presented in the balance sheet at the lower of their carrying amount and fair value less any costs to sell. Uniphar plc acquired Bradley's Pharmacy Group from examinership in November 2018, and in accordance with the application of the examinership scheme arrangement acquired non-recourse borrowings of €4,000,000 which are secured by these properties.

Properties held for sale are available for immediate sale in their present condition subject to terms that are usual and customary for properties of this nature. The individual properties are being actively marketed and the Group is committed to its plan to sell these properties in an orderly manner.

10 Called up share capital

	€'000
Authorised share capital at 30 June 2019:	
300 million (2018: 240 million) ordinary shares of 8c each	24,000
16 million "A" ordinary shares of 8c each	1,280
	25,280
Movement in the period in issued share capital	
Allotted, called up and fully paid presented as equity	
At 1 January 2019 – 112,838,580 ordinary shares of 8c each	9,027
Fully called during the period – 7,322,318 ordinary shares of 8c each	586
At 30 June 2019 – 120,160,898 ordinary shares of 8c each	9,613
Allotted, called up and partly paid presented as equity	
At 1 January 2019 – 19,315,951 ordinary shares of 8c each	386
Issued during the period – 868,607 ordinary shares of 8c each	17
Fully called during the period – 7,322,318 ordinary shares of 8c each	(146)
At 30 June 2019 – 12,862,240 ordinary shares of 8c each	257
Total allotted share capital:	
At 31 December 2018 – 132,154,511 ordinary shares of 8c each	9,413
At 30 June 2019 – 133,023,138 ordinary shares of 8c each	9,870

There are no "A" ordinary shares in Uniphar plc issued at 30 June 2019, 31 December 2018, or 30 June 2018.

Allotted, called up and partly paid shares are represented by issues to the Senior Management Team under the Uniphar Executive Share Incentive Scheme.

In June 2019, following the passing of a resolution at the Annual General Meeting, the authorised share capital of the Company was increased from €20,480,000 divided into 240,000,000 ordinary shares of 8c each and 16,000,000 "A" ordinary shares of 8c each, to €25,280,000 divided into 300,000,000 ordinary shares of 8c each and 16,000,000 "A" ordinary shares of 8c each.

During 2019, the following transactions took place:

- The conditions for vesting associated with 7,022,318 shares were met and the Company called €0.06 being the amount unpaid on each share. These shares are now fully paid and the Company received €422,000 in share proceeds (fully paid shares amounting to €562,000 less amount previously partly paid of €140,000).
- In May 2019, 750,000 ordinary shares were issued as partly paid at €0.02 per share under the Uniphar Executive Share Incentive Scheme.

Notes to the Condensed Interim Financial Statements
continued

- In June 2019, a further 118,607 ordinary shares were issued as partly paid at €0.02 per share under the Uniphar Executive Share Incentive Scheme. Collectively, the Company received €17,000 in proceeds associated with both share issues.
- In June 2019, the Company made a call in respect of unpaid share capital, being an amount of €0.06 per share, on 300,000 issued but not fully paid ordinary shares. These shares while remaining subject to vesting conditions are now fully paid. The Company received €18,000 as a result of the call, which when aggregated with the €0.02 originally paid up on each of those shares, gives a total paid up amount in respect of those shares of €24,000.

11 Employee benefit obligations

The pension entitlements of employees, including executive directors, arise under two defined benefit schemes and two defined contribution schemes and are secured by contributions by the Group to separately administered pension funds in the Republic of Ireland. The Uniphar Superannuation Scheme wound up with an effective date of 1 October 2018. The assets of the scheme were distributed in line with members chosen options and no assets or liabilities remain. Any former members of this scheme still employed by the Group were offered membership of the Uniphar Group Retirement Benefits Scheme for future service benefits.

The defined benefit schemes at 30 June 2019 are:

- The Cahill May Roberts Limited Contributory Pension Plan
- The Whelehan Group Pension Scheme

The pension charge for the period is €1,286,000 (2018: €499,000) comprising current service cost of €22,000 (2018: €nil) and defined contribution scheme costs of €1,264,000 (2018: €499,000). The net finance income resulting from the scheme surplus/deficit is €8,000 (2018: expense of €13,000).

Financial instruments held by the defined benefit schemes

The scheme assets are invested in a diversified portfolio that consisted primarily of equity and debt securities. Scheme assets do not include any of Uniphar plc's own financial instruments, nor any property occupied by the Group. The fair value of the schemes' assets at the Balance Sheet date are as follows:

	30 June 2019 €'000	31 December 2018 €'000
Equities – Investments in quoted active markets	4,843	6,702
Bonds – Investments in quoted active markets	15,010	12,101
Cash	248	125
Other	2,085	2,223
	22,186	21,151

	30 June 2019 %	31 December 2018 %
Principal actuarial assumptions at the Balance Sheet date		
The main financial assumptions used were:		
Rate of increase in pensionable salaries	0.00% – 2.50%	0.00% – 2.50%
Rate of increase in pensions in payment	0.00%	0.00%
Discount rate	1.25%	1.95%
Inflation rate	1.50%	1.50%

Investigations have been carried out within the past three years into the mortality experience of the Group's major schemes. These investigations concluded that the current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement at age 65 are 21.4 (2018: 21.5) years for males and 23.9 (2018: 24.0) years for females.

Notes to the Condensed Interim Financial Statements
continued

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

	30 June 2019 €'000	31 December 2018 €'000
Present value of scheme liabilities	**(21,518)**	(20,712)
Fair value of scheme assets	**22,186**	21,151
Pension asset/(liability) resulting from employee benefit obligations	**668**	439

	Pension assets €'000	Pension liabilities €'000
Movement in scheme assets and liabilities		
At 1 January 2019	21,151	(20,712)
Current service cost	—	(22)
Employer contributions paid	626	—
Interest on scheme liabilities	—	(192)
Interest on scheme assets	200	—
Actuarial (loss)/gain in current period	2,132	(2,515)
Benefits (paid)/settled	(1,923)	1,923
At 30 June 2019	22,186	(21,518)

12 Provisions

	Deferred contingent consideration €'000	Lease dilapidation €'000	Warranty provision €'000	Total €'000
At 1 January 2019	51,811	269	62	52,142
Unwinding of discount	815	—	—	815
Utilised during the period	(706)	(27)	(6)	(739)
Reclassification to deferred consideration	(1,760)	—	—	(1,760)
Foreign currency movement	140	—	1	141
At 30 June 2019	50,300	242	57	50,599

Deferred contingent consideration

Deferred contingent consideration represents the present value of deferred contingent acquisition consideration which would become payable based on pre-defined profit thresholds being met. During the period payments of €706,000 were made in respect of prior acquisitions. Deferred contingent consideration relating to the acquisition of Outico Limited is no longer contingent on the pre-defined performance thresholds being satisfied and consequently has been reclassified to deferred consideration.

The balance at 30 June 2019 relates to the following acquisitions:

- Dialachemist Limited (2015)
- Murray's Medical Equipment Limited (2016)
- Clinical Pyramid Limited (2017)
- Macromed (UK) Limited (2018)
- Sisk Healthcare Group (2018)
- Angiocare B.V. (2018)

Notes to the Condensed Interim Financial Statements
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The balance at 31 December 2018 related to the following acquisitions:

- Dialachemist Limited (2015)
- Murray's Medical Equipment Limited (2016)
- Outico Limited (2017)
- Clinical Pyramid Limited (2017)
- Macromed (UK) Limited (2018)
- Sisk Healthcare Group (2018)
- Angiocare B.V. (2018)

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.

13 Analysis of net debt

	30 June 2019 €'000	31 December 2018 €'000	30 June 2018 €'000
Cash and cash equivalents	**5,938**	10,539	1,372
Restricted cash	**2,354**	2,352	2,142
	8,292	12,891	3,514
Bank loans repayable within one year	**(91,786)**	(81,753)	(64,291)
Bank loans payable after one year	**(77,476)**	(84,018)	(5,853)
Bank loans	**(169,262)**	(165,771)	(70,144)
Net bank debt	**(160,970)**	(152,880)	(66,630)
Current lease obligations	**(5,965)**	—	—
Non-current lease obligations	**(72,248)**	—	—
Lease obligations	**(78,213)**	—	—
Net debt	**(239,183)**	(152,880)	(66,630)

14 Reconciliation of operating profit to cash flow from operating activities

	30 June 2019 €'000	30 June 2018 €'000
Operating profit before exceptional items	**18,132**	6,853
Cash related exceptional items	**(2,151)**	(2,344)
	15,981	4,509
Depreciation	**7,448**	1,818
Amortisation of intangible assets	**1,239**	1,324
Increase in inventory	**(14,946)**	(612)
Increase in receivables	**(12,451)**	(22,484)
Increase in payables	**9,694**	2,328
Foreign currency translation adjustments	**40**	22
Cash inflow/(outflow) from operating activities	**7,005**	(13,095)

Notes to the Condensed Interim Financial Statements
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15 Financial instruments

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

	Financial assets at FVOCI* €'000	Financial assets at amortised cost €'000	Total €'000	Fair value €'000
Financial assets				
30 June 2019:				
Investments in equity instruments	25	—	25	25
Long term receivables	—	5,500	5,500	5,500
Trade and other receivables**	—	169,263	169,263	169,263
Deferred consideration receivable	—	1,540	1,540	1,540
Cash and cash equivalents	—	5,938	5,938	5,938
Restricted cash	—	2,354	2,354	2,354
	25	184,595	184,620	184,620

* Fair value through Other Comprehensive Income.

** Excluding prepayments and accrued income.

	Financial liabilities at FVTPL*** €'000	Financial liabilities at amortised cost €'000	Total €'000	Fair value €'000
Financial liabilities				
30 June 2019:				
Borrowings	—	169,262	169,262	169,262
Deferred acquisition consideration	—	7,281	7,281	7,281
Trade and other payables****	—	150,741	150,741	150,741
Facility termination fee	5,163	—	5,163	5,163
Deferred contingent consideration	50,300	—	50,300	50,300
Derivative financial instruments	27,586	—	27,586	27,586
	83,049	327,284	410,333	410,333

*** 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.

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

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

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

Deferred contingent consideration
The fair value of the deferred contingent consideration is calculated by discounting the expected future payment to the present value. The expected future payment represents the deferred contingent acquisition consideration which would become payable based on pre-defined profit thresholds being met and is calculated based on management's best estimates of the expected future cash outflows using current budget forecasts. The provision for deferred contingent consideration is principally in respect of acquisitions completed from 2015 to 2018.

The significant unobservable inputs are:

- Pre-defined profit thresholds which have not been disclosed due to their commercial sensitivities
- Risk adjusted discount rate of 3% (2018: 3%)

For the fair value of deferred contingent consideration, a 1% increase in the risk adjusted discount rate at 30 June 2019, holding the other inputs constant would reduce the fair value of the deferred contingent consideration by €0.7m. A 1% decrease in the risk adjusted discount rate would result in an increase of €0.7m in the fair value of the deferred contingent consideration.

Derivative financial instruments
The derivative financial instruments represent share warrants that were issued to the previous shareholders of Sisk Healthcare Group on the completion of the acquisition of Sisk Healthcare Group. This share warrant grants the right to subscribe for 18,782,808 ordinary shares in Uniphar plc with a nominal value of €0.08 each. The share warrant must be exercised within a five-year period from the date of completion of the acquisition, or alternatively the share warrant will be settled through a cash termination payment. The fair value attributable to the share warrant is calculated based on management's best estimate of the weighted probability of each of the possible outcomes.

Facility termination fee
The facility termination fee has a carrying value and respective fair value of €5,163,000 (31 December 2018: €7,622,000).

As part of the funding of the acquisition of Cahill May Roberts in 2013, a share warrant was issued to participating banks, granting the right to subscribe for 10% of the entire fully diluted issued share capital of the Company at the time of subscription, at any time up until 30 June 2018. During 2017, the share warrant holders surrendered all of their equity rights in return for an agreed facility termination fee payable by the company of €10,000,000. As the share warrant was cancelled at the date of issuance of the facility termination fee, the share warrants have a carrying value of €nil and a respective fair value of €nil.

Notes to the Condensed Interim Financial Statements
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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 2019				
Investments in equity instruments				
— Shares in unlisted companies	—	—	25	25
Facility termination fee (before tax asset)	—	—	(5,163)	(5,163)
Deferred contingent consideration	—	—	(50,300)	(50,300)
Derivative financial instrument	—	—	(27,586)	(27,586)
	—	—	(83,024)	(83,024)
At 31 December 2018				
Investments in equity instruments				
— Shares in unlisted companies	—	—	25	25
Facility termination fee (before tax asset)	—	—	(7,622)	(7,622)
Deferred contingent consideration	—	—	(51,811)	(51,811)
Derivative financial instrument	—	—	(27,586)	(27,586)
	—	—	(86,994)	(86,994)

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 half-year ended 30 June 2019:

	Shares in unlisted companies €'000	Facility termination fee €'000	Deferred contingent consideration €'000	Derivative financial instrument €'000	Total €'000
At 1 January 2019	25	(7,622)	(51,811)	(27,586)	(86,994)
Payments	—	2,500	706	—	3,206
Unwinding of discount (note 4)	—	(41)	(815)	—	(856)
Reclassification	—	—	1,760	—	1,760
Foreign currency	—	—	(140)	—	(140)
At 30 June 2019	25	(5,163)	(50,300)	(27,586)	(83,024)

Notes to the Condensed Interim Financial Statements
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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 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 interim financial statements do not include all financial risk management information and disclosures required in the annual financial statements; they should be read in conjunction with the Group's Annual Report for the year ended 31 December 2018. There have been no changes to the risk management processes or in any risk management policies since the year end.

16 Non-controlling interests

	2019 €'000	2018 €'000
At 1 January	**(180)**	(271)
Share of post-acquisition profits	**46**	37
Acquisitions	**—**	42
At 30 June	**(134)**	(192)

Non-controlling interests own the following stakes in the issued ordinary share capital of the entities set out below:

- 25.0% Citywest Healthcare Limited
- 20.0% Dialachemist Limited
- 26.6% IPOS Holding 97 Limited
- 10.7% Outico Limited
- 30.0% Clinical Pyramid Limited
- 5.05% Macromed (UK) Limited

The share of current period post acquisition profits/losses relates to Outico Limited, Clinical Pyramid Limited, Dialachemist Limited and Macromed (UK) Limited.

17 Post balance sheet events

Non adjusting events

Acquisition of Inischem Pharmacies and Durbin
In December 2018, Uniphar reached an agreement to purchase 15 Inischem retail pharmacies under the "Allcare" brand throughout the Republic of Ireland for cash consideration of €5.5m. The acquisition was subject to an approval process by the Irish Competition and Consumer Protection Commission. The approval of the acquisition by the Irish Competition and Consumer Protection Commission was received on 1 February 2019, and the acquisition was completed in August 2019.

In May 2019, Uniphar reached an agreement to purchase Durbin plc and Durbin inc. ("Durbin"). Durbin currently operates in the United Kingdom and the United States, in the wholesaling and international sales of pharmaceuticals, medical equipment and medical supplies to healthcare professionals in over 160 countries. The total consideration including deferred contingent consideration, is up to a maximum of £60m. The acquisition was completed in July 2019.

Due to the short time frame between the completion date of the acquisitions of 15 Inischem pharmacies and Durbin, and the date of issuance of this report, it was not possible to reliably estimate the fair value of assets and liabilities or the goodwill amount associated with the completed acquisitions. These acquisitions will be accounted for as acquisitions in the 2019 financial statements.

Exercise of derivative financial instrument
In July 2019, the derivative financial instrument with a fair value of €27.6m was exercised. This represents share warrants that were issued to the previous shareholders of Sisk Healthcare Group on the completion of the acquisition of Sisk Healthcare Group. The exercise of the share warrant resulted in the issuance of 18,782,808 ordinary shares in Uniphar plc. On issuance of the shares attaching to the warrant, a gain of €1.8m was realised, and this gain will be recorded in exceptional costs in the second half of the year.

Call in respect of all unpaid share capital

In July 2019, the Company made a call in respect of all unpaid share capital, being an amount of €0.06 per share, on the 12,862,240 issued but not fully paid ordinary shares. These shares, while remaining subject to vesting conditions, are now fully paid. The Company received €771,734 as a result of the call, which when aggregated with the €0.02 originally paid up on each of those shares, gives a total paid up amount in respect of those shares of €1,028,979.

Successful listing on the AIM and Euronext Growth markets of the London Stock Exchange and Euronext Dublin

The Group successfully listed on the AIM and Euronext Growth markets of the London Stock Exchange and Euronext Dublin respectively on 17 July 2019. As part of the placing, 117,391,304 new ordinary shares were issued by the Company, at a listing price of €1.15 per share, resulting in gross proceeds from the issuance of these ordinary shares of €135.0m. Market capitalisation on the day of Admission was approximately €310m.

Subsequently, on 16 August, the over-allotment option was exercised in respect of 3,818,004 ordinary shares in the Company, resulting in an additional €4.4m of gross proceeds being received by the Company, bringing the total gross proceeds from the placing to €139.4m.

18 Approval of interim financial statements

The directors approved the interim financial statements on 16 September 2019.

Additional Information

Alternative Performance Measures (APMs)

The Group reports certain financial measurements that are not required under IFRS. These key 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:

EBITDA

Earnings before exceptional items, net finance expense, income tax expense, depreciation and intangible assets amortisation.

For comparative purposes, EBITDA excluding the impact of IFRS 16 is presented, which is calculated in 2019 by adding back the operating lease charges which are removed from the Income Statement under IFRS 16.

		30 June 2019 €'000	30 June 2018 €'000
Operating profit	*Income Statement*	**15,943**	1,075
Exceptional items	*Note 3*	**2,189**	5,778
Depreciation	*Note 8*	**7,448**	1,818
Amortisation of computer software	*Note 7*	**1,223**	1,260
Amortisation of trademark	*Note 7*	**16**	64
EBITDA		**26,819**	9,995
Operating lease charges		**(4,969)**	—
EBITDA excluding impact of IFRS 16		**21,850**	9,995

Net bank debt

Net bank debt represents the net total of current and non-current borrowings, cash and cash equivalents, and restricted cash as presented in the Group Balance Sheet.

		30 June 2019 €'000	30 June 2018 €'000
Cash and cash equivalents	*Balance Sheet*	**5,938**	1,372
Restricted cash	*Balance Sheet*	**2,354**	2,142
Bank loans repayable within one year	*Balance Sheet*	**(91,786)**	(64,291)
Bank loans payable after one year	*Balance Sheet*	**(77,476)**	(5,853)
Net bank debt		**(160,970)**	(66,630)

Additional Information
continued

Net debt

Net debt represents the net total of net bank debt, plus current and non-current lease obligations as presented in the Group Balance Sheet.

		30 June 2019 €'000	30 June 2018 €'000
Net bank debt	*Balance Sheet*	**(160,970)**	(66,630)
Current lease obligations	*Balance Sheet*	**(5,965)**	—
Non-current lease obligations	*Balance Sheet*	**(72,248)**	—
Net debt		**(239,183)**	(66,630)

Adjusted earnings per share

This comprises of profit/(loss) for the financial year attributable to owners of the parent as reported in the Group Income Statement before exceptional items (if any), divided by the weighted average number of shares in issue in the year.

	30 June 2019 €'000	30 June 2018 €'000
Profit/(loss) for the financial year attributable to owners	**8,977**	(1,480)
Professional fees including acquisition costs (note 3)	**1,842**	4,618
Redundancy costs (note 3)	**347**	—
Exceptional charge from investment in IPOS network (note 3)	**—**	601
Other exceptional charges (note 3)	**—**	1,184
Profit on disposal of subsidiary undertakings (note 3)	**—**	(177)
Profit on disposal of property, plant and equipment (note 3)	**—**	(448)
Profit after tax excluding exceptional and other one-off items	**11,166**	4,298
Weighted average number of shares in issue in the year (000's)	**119,861**	118,460
Adjusted earnings per ordinary share (in cent)	**9.3**	3.6

Additional Information
continued

Return on capital employed

ROCE is calculated as the adjusted 12 months rolling operating profit excluding the impact of the adoption of IFRS 16, 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 in the calculation of the average capital employed.

	30 June 2018 €'000	**30 June 2019 €'000**
Rolling 12 months operating profit		**30,181**
Adjustment for exceptional costs		**3,665**
Adjusted 12 months rolling operating profit		**33,846**
Total equity	(11,817)	**8,633**
Net bank debt	66,630	**160,970**
Derivative financial instruments	—	**27,586**
Facility termination fee	7,622	**5,163**
Deferred contingent consideration	14,296	**50,300**
Deferred consideration payable	5,660	**7,281**
Total capital employed	82,391	**259,933**
Average capital employed		**171,162**
Adjustment for acquisitions (note A below)		**65,612**
Adjusted average capital employed		**236,774**
Return on capital employed		**14.3%**

Note A: Adjustment for acquisitions

	Consideration €'000	Completion Date	Adjustment €'000
Angiocare B.V.	9,557	July 2018	4,778
Sisk Healthcare Group	146,004	Aug 2018	60,834
Bradley's Pharmacy Group	10,500	Dec 2018	—
Adjustment for acquisitions			65,612