



Unaudited interim Results – HY24

Delivery and Execution



Presentation Team

**Nichole
& Graham**



Presentation Team



CEO



Nichole Stella

- 18 years executive level experience in the Promo industry
- Track record of identifying & capitalizing on new revenue sources, launching products/services, and driving profitable growth
- Experienced AIM PLC CEO and board member
- Named to ASI's Power 50 List – Most Influential leaders in Promo Industry



CFO



Graham Feltham

- Qualified FCA with EY in 2000
- Experienced AIM PLC CFO and Board member
- Tech, Services, FMCG & Manufacturing Industry experience
- Private Equity experience including transactional
- Strategic Business Planning & Partnering and Raising Finance

Key Highlights - Financial

Driving the business forward at pace



Key Highlights – Financial

Group revenues

£11.8m

↑ **53.5%** (HY23: £7.7m)

Gross profit

£4.9m

↑ **24.8%** (HY23: £3.9m)

Group adjusted operating profit*

£1.1m

↑ **38.8%** (HY23: £0.8m)

Adjusted basic and diluted earnings per share**

0.71p

↑ **61.4%** (HY23: 0.44p)

Net Assets

£9.9m

↑ **£0.5m** (FY23: 9.4m)



*Adjusted for share-based payment charges, amortisation of intangible assets, depreciation of tangible assets and exceptional charges

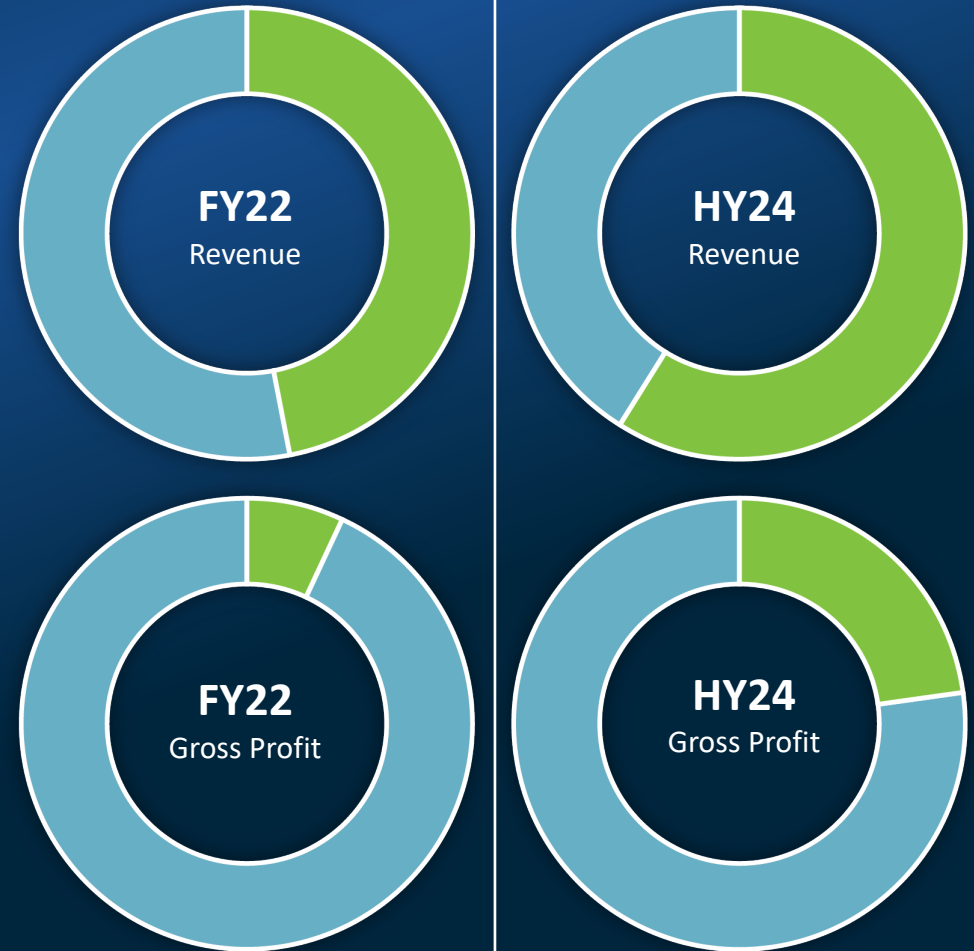
**Adjusted for share-based payment charges, amortisation of acquired intangible assets and exceptional charges

What's new?

- Delivered all new AMPs contracts with required structure to support future growth
- Growth in
 - ACS Affiliates driven by organic growth and Affiliate recruitment
 - Services from AIM members and VIP Vendors
 - Future opportunities across Merchanding pipeline and Services strategic partnerships

23%

↑ Merchanding Gross Profit as % of total
(HY23: £7%)



Industry we Serve

Big growth opportunities



Industry we Serve

The market for promotional products in the US alone is estimated to be worth more than **\$25.8 billion**.

(Source: ASI)



End Customer

Industry we Serve

It is highly fragmented with approximately **3,000 suppliers** and **23,000 distributors** serving a very broad customer base, spanning small businesses to large corporates and non-profit organisations.

US Market



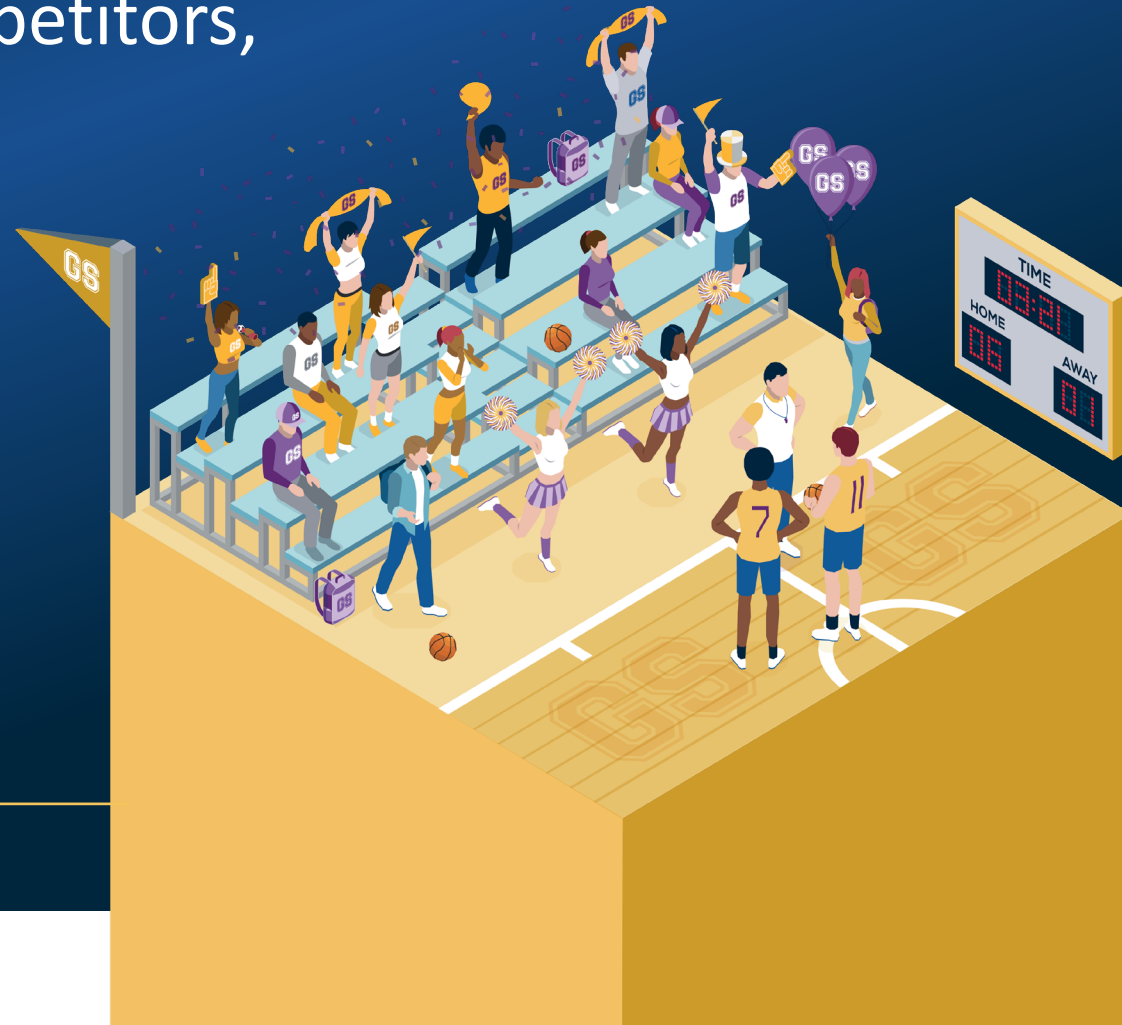
Industry we Serve

The retail higher-education / collegiate markets is estimated to be valued at **\$12 billion**, with 2 primary legacy competitors, providing the disruptive **Gear Shops** great growth opportunity.

GS GEAR SHOP



End Customer



Industry we Serve

Combined the Group has an addressable market size of nearly **\$40billion**.



How do we serve?

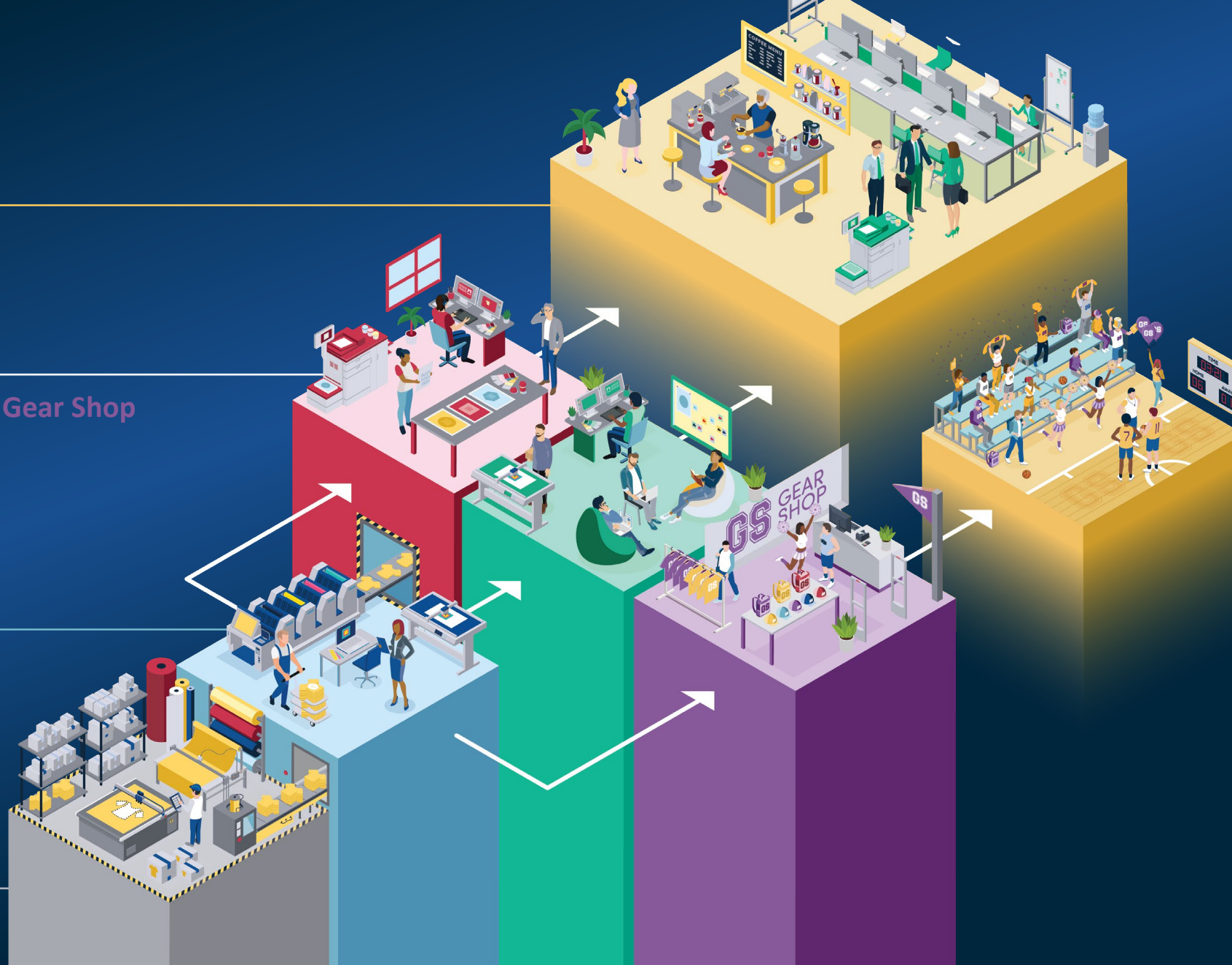
End Customers

Distributor Sales

Members / Affiliates / Gear Shop

Supplier

Overseas
Manufacturer



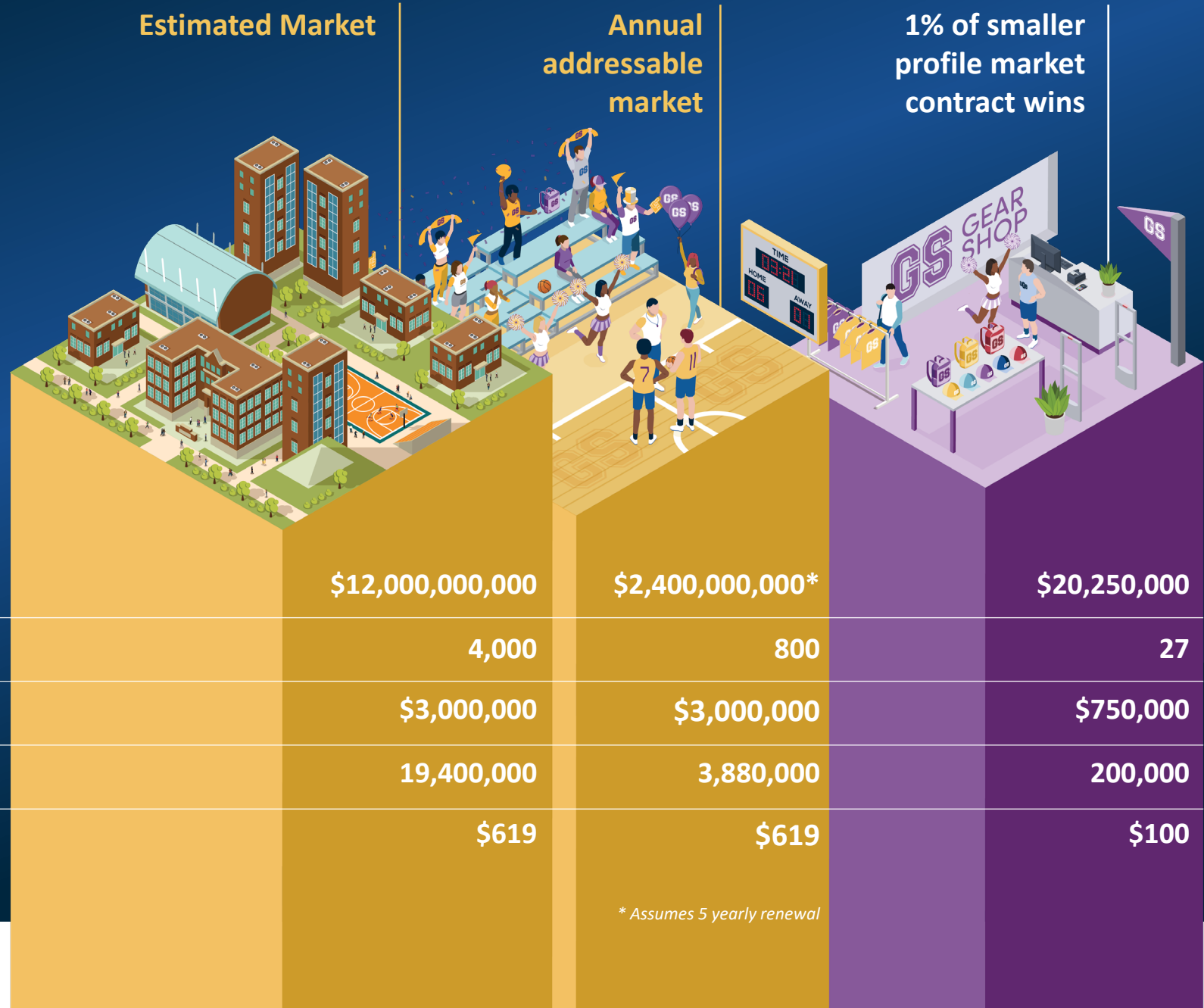
Market size and context



Estimated Market

Annual addressable market

1% of smaller profile market contract wins



Market

Colleges & Universities

Average Store

Enrolment

Per Student

* Assumes 5 yearly renewal

Who are we?

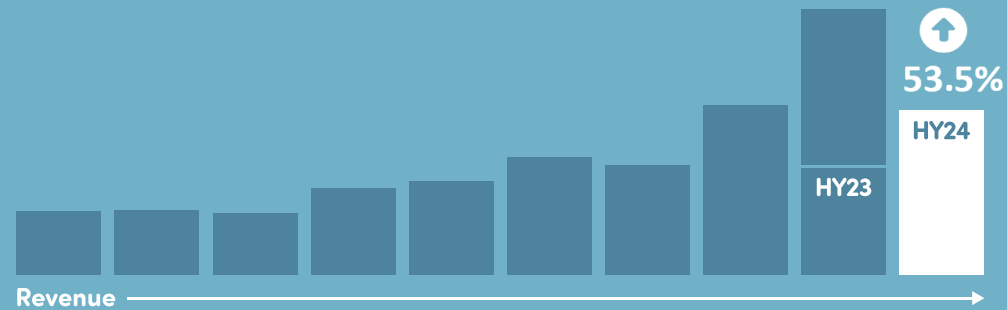
Diversified portfolio Group



Who are we?

Altitude is a diversified portfolio Group that is the **leading end-to-end solutions provider** for branded merchandise across a variety of sectors from the corporate promotional products industry and print vertical markets to the higher-education sector.

Ten Year Record:



Who are we?

We deliver products and services in two distinct areas

Services

Services focuses on operating distributor/vendor networks in the promotional products industry comprising of technology and software applications, marketing services, membership subscriptions and preferred partner programmes.

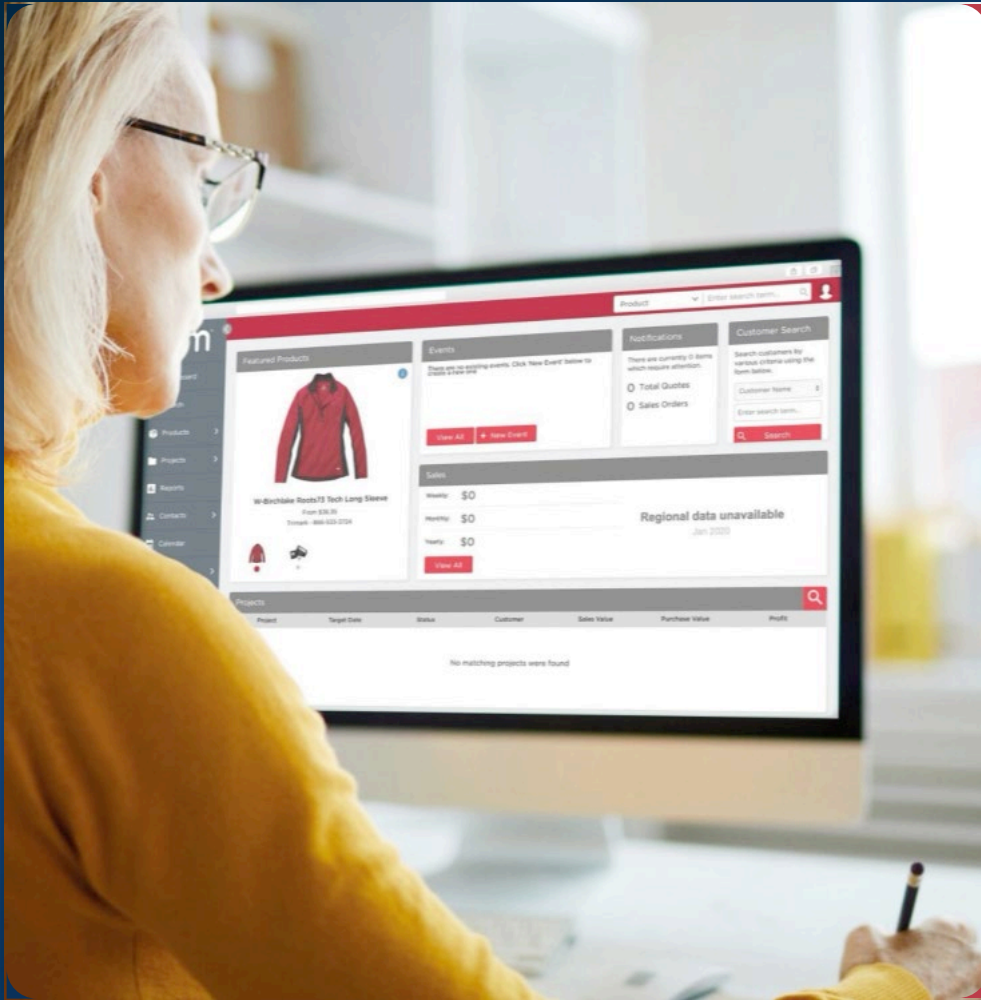


Merchandising

Merchandising focuses on the sale of promotional products and includes our Affiliates and Adjacent Market Programmes.



Who are we?



Technology is at our core

- Proprietary platforms
- Product search engines
- Order management tools
- Design applications
- E-commerce

– Artificial Intelligence (AI) presents great opportunity to deliver new tools to drive efficiency and scale.

How we make money

Efficiency & Scale



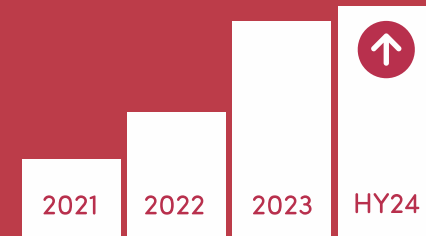
How we make money

 **Services** **Members**

- Preferred Partner pricing benefits
- Freight programmes and shipping discounts
- Community & networking opportunities
- Education & professional development
- Expanded marketing services, products and tools

How we make money: The Group derives subscription fee revenue from providing a broad range of services to distributors including supplier relations services, negotiated group discounts, events and exhibitions, catalogues, artwork services and marketing programmes.

 **Subscription fees**



Service Revenue
HY24: £4.1m +7%

How we make money

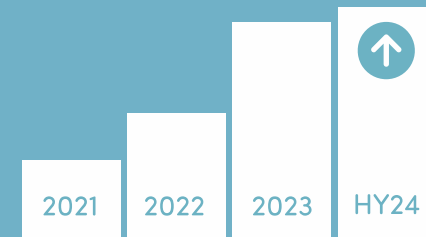
 **Services Preferred Partners**

- Top level visibility across our marketplace product search engine
- Preferred technology integration opportunities
- Guaranteed participation in publications, catalogues, educational product programmes and merchandise campaigns
- Expanded access to AIM community via social media, events



How we make money: The Group derives revenue through gross transaction fees on orders through our supplier network, vendors and other service providers in return for providing marketing services and promotion of those suppliers to distributors. Revenues from this source reflect the value of the resulting purchase orders placed with preferred partners by distributors.

 **Service fees**



Service Revenue
HY24: £4.1m +7%

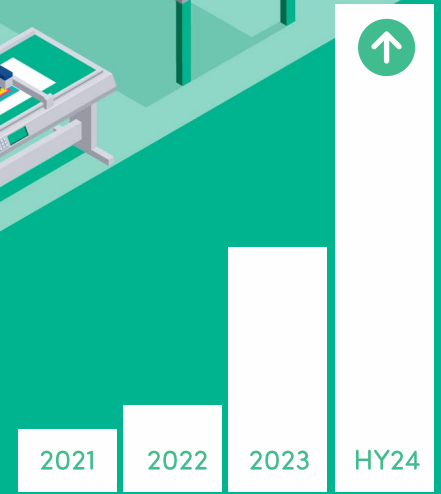
How we make money

Merchancing Affiliates

- Enables Affiliates to focus on sales activities, which is their skillset, and to become part of a corporate business driving growth and profitability, which is our skillset, which helps them exceed their stand-alone potential
- Full utilisation of technology is both advantageous and mandatory
- Provides scalable expansion and growth back to the Group

How we make money: The Group derives revenue from the sale of promotional products which is procured via our affiliates, who act as our sales agents. Along with our dedicated team our Affiliates utilise our technology, preferred partner network, efficient processes and financial expertise to deliver increased sales levels and profitability.

Procurement sales



Merchancing Revenue
HY24: £7.7m +100%

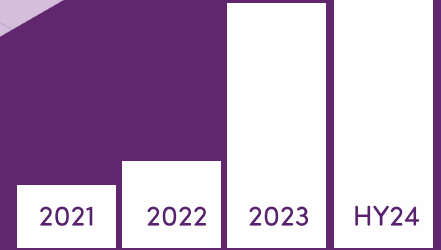
How we make money

Merchancing Adjacent Markets

- Provides specialist expertise on branded merchandise with access to full product ranges from our preferred partners
- Provides e-commerce, marketing solutions and modern/innovative spaces to drive brand awareness and community engagement
- In specialised partnership, seamlessly delivers a single Gear Shop solution, delivering both branded merchandise with course materials and text books

How we make money: The Group derives revenue from long term contracts that require an initial up-front investment and specialist licensing via successful integration of our technology and marketing solutions and from the sale of branded merchandise through adjacent higher-education / collegiate markets.

Procurement sales



Merchancing Revenue
HY24: £7.7m +100%

How we make money

Technology At our core

- **Efficiency** – providing an intuitive online ordering experience for buyers coupled with the back-end technology stack to support the quick fulfilment of orders for branded merchandise
- **Effectiveness** – ensuring product / inventory availability whenever and wherever you are, with 24/7/365 uptime and a mobile first approach
- **Experience** – delivering the right experience and high degree of satisfaction for members, affiliates, partners, and end-buyers
- **Trust** – providing a compliant and reliable service from start to finish

How we make money: The Group derives SaaS technology fee revenue for marketplace access, e-commerce solutions and its proprietary ERP system.

Subscription fees



What have we been up to

Expansion & Innovation



What have we been up to



Strong financial health

Build trust & track record for future growth



Investment in great people

Build talent & teams geared for expansion



Investment in pipeline & partnerships

Build prospects & pipeline for market share growth



Gearing for greater efficiency

Deliver scalability for us & customers to drive profitability



Strengthen core relationships

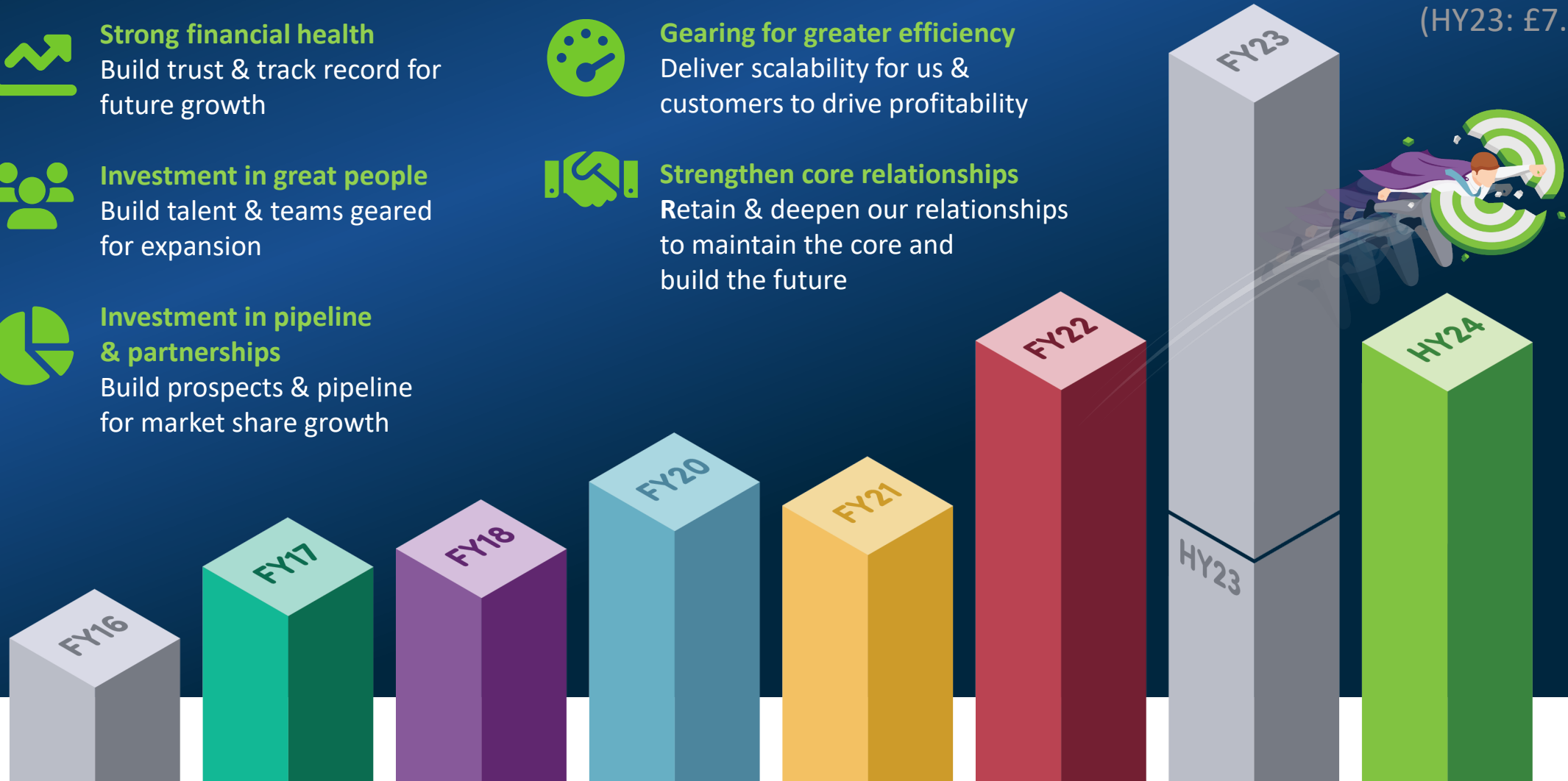
Retain & deepen our relationships to maintain the core and build the future

53.5%



£11.8m

(HY23: £7.7m)



What's new?

Pipeline, partnerships & priorities

- AMPs - off to a flying start
- Extend AIM partnerships
- Systems and automation
- Operational gearing focus



Growing ACS Affiliate model - Merchanting

- Delivered 10% ACS affiliate growth to reach \$15m
- Organic growth of c13% from existing affiliates



Delivered all AMPs contracts Merchanting

- Transition programme delivered on time
- Hired- Regional management team
- Hired - Central operations team
- Hired- Procurement team
- 15 live contracts > \$7m gross annualised revenue



Grown Services in developed market

- Grown Services 7% from membership, upsell and supplier transactional revenue
- Delivered phase 1 of Fully promoted partnership
- Expansion of technology services to Canada



What's new? Campus stores expansion



Kern, California



ACU, Texas



St. John Fisher University, New York

A Selection of Our Brand Partners



IGLOO[®]

Lenovo

Zephyr[®]

MV[®]
SPORT

Blue
84

Champion



H HERFF JONES[®]

Financials

How we've performed



Group Performance

Group revenues

£11.8m

↑ 53.5% (HY23: £7.7m)

Adjusted basic earnings per share**

0.71p

↑ 61.4% (HY23: 0.44p)

	Unaudited 6 months 30 Sep 2023 £'000	Audited 12 months 31 Mar 2023 £'000	Unaudited 6 months 30 Sep 2022 £'000
Revenue	11.8	18.8	7.7
Gross Profit	4.9	8.6	3.9
GP%	41.8%	45.9%	51.5%
Operating profit before share based payment charges, depreciation, amortisation and exceptional charges	1.1	2.0	0.8
Share based payments	(0.3)	(0.5)	(0.2)
Amortisation and depreciation	(0.6)	(1.1)	(0.6)
Exceptional charges	(0.1)	(0.1)	(0.1)
Total administrative expenses	(4.8)	(8.4)	(4.0)
Operating profit/(loss)	0.1	0.2	(0.1)
Profit /(loss) attributable to the equity shareholders of the Company	0.0	0.4	(0.1)
Adjusted** profit before tax	0.5	0.9	0.2

Numbers presented subject to rounding

Segmental performance

**HY23 Services
revenue**

£4.12m

↑ **7.0%** (HY23: £3.85m)

**HY23 Merchenting
revenue**

£7.65m

↑ **100%** (HY23: £3.82m)

	HY24 £'000	FY23 £'000	HY23 £'000
Services			
Turnover	4.12	8.52	3.85
Cost of Sales	(0.31)	(0.80)	(0.25)
Gross Profit	3.81	7.72	3.60
Gross Profit Margin %	92.5%	90.6%	93.5%
Merchanting			
Turnover	7.65	10.23	3.82
Cost of Sales	(6.53)	(9.35)	(3.47)
Gross Profit	1.11	0.89	0.35
Gross Profit Margin %	14.6%	8.7%	9.0%
Group			
Turnover	11.77	18.76	7.67
Cost of Sales	(6.85)	(10.16)	(3.72)
Gross Profit	4.92	8.60	3.94
Gross Profit Margin %	41.8%	45.9%	51.4%
Adjusted Operating Profit/(Loss)* before central costs	1.81	3.60	1.50
Central costs	(0.75)	(1.64)	(0.74)
Adjusted Operating Profit/(Loss)*	1.06	1.96	0.76

*Numbers presented subject to rounding
Percentages calculated from unrounded numbers*

Cash Performance

Investment in Working capital and Capex

£1.8m

↑ **£1.1m**
(HY23: £0.7m)

Undrawn facility at 30 Sept 2023

\$1.4m

↑ (HY23: \$0.7m)

	Unaudited 6 months 30 Sep 2023 £'000	Audited 12 months 31 Mar 2023 £'000	Unaudited 6 months 30 Sep 2022 £'000
Operating cash flow before changes in working capital	1,059	1,957	763
Movement in inventory	(669)	(339)	(55)
Movement in trade and other receivables	(218)	(1,532)	(175)
Movement in trade and other payables	38	1,426	(90)
Changes in working capital	(849)	(445)	(320)
Net operating cash flow before exceptional items	210	1,512	443
Net operating cash flow activities after exceptional items	141	1,428	367
Net cash flow from operating activities	115	1,572	367
Net cash flow from investing activities	(954)	(1,105)	(391)
Net cash flow from financing activities	109	(247)	(136)
Net increase/(decrease) in cash and cash equivalents	(730)	220	(160)
Cash and cash equivalents at the beginning of the period	1,173	902	902
Cash and cash equivalents at the end of the period	441	1,173	814

Numbers presented subject to rounding

Financial Position

Net Assets

£9.89m

↑ £0.5m (FY23: £9.43m)

Inventory

£1.05m

↑ £1.04m (HY23: £0.01m)

	Unaudited 6 months 30 Sep 2023 £'000	Audited 12 months 31 Mar 2023 £'000	Unaudited 6 months 30 Sep 2022 £'000
Non-current assets			
Property, plant & equipment	266	202	137
Right of use assets	437	471	667
Goodwill & Intangibles	5,945	5,586	3,219
Deferred tax	400	458	467
Total non-current assets	7,048	6,717	7,104
Current assets			
Inventory	1,054	361	93
Trade and other receivables	5,645	5,521	4,654
Corporate tax receivable	218	91	59
Total current assets	7,358	7,146	5,620
Total assets	14,406	13,863	12,724
Current liabilities			
Revolving facility	(213)	-	-
Trade and other payables	(3,514)	(3,699)	(2,341)
Net current assets	3,631	3,447	3,279
Non-current liabilities			
Deferred tax liabilities	(268)	(347)	(374)
Lease Liabilities	(525)	(386)	(521)
Total non-current liabilities	(793)	(733)	(895)
Total liabilities	(4,520)	(4,432)	(3,236)
Net assets	9,886	9,431	9,488
Total equity attributable to equity holders of the parent	9,886	9,431	9,488

Numbers presented subject to rounding

Outlook

Build on strength



Outlook

“The first half of our current financial year has been a period of intense focus and hard work, achieving significant expansion for the Group. I am very proud of the team and their continued attention to growth and delivery. This continuous upward momentum and successful entry into new verticals, especially during challenging macro-economic times, is a testament to the entire team’s talent, care, and commitment. We remain focused on both scaling through new contract awards and gearing the business for long-term success. Revenue and adjusted operating profit is in line with market expectations, which we believe is a strong position given the current macro-economic environment in addition to gaining experience and building brand reputation within a new market. The Group is well placed for continued accelerated future growth, and the Board is confident in the long-term success of the business. It is very pleasing to note that the momentum we showed in the first half of the year has continued into this period and we look forward to updating shareholders in the New Year.”*

Nichole Stella



Thank you

Questions & Discussions



Unaudited Interim Results

Appendix

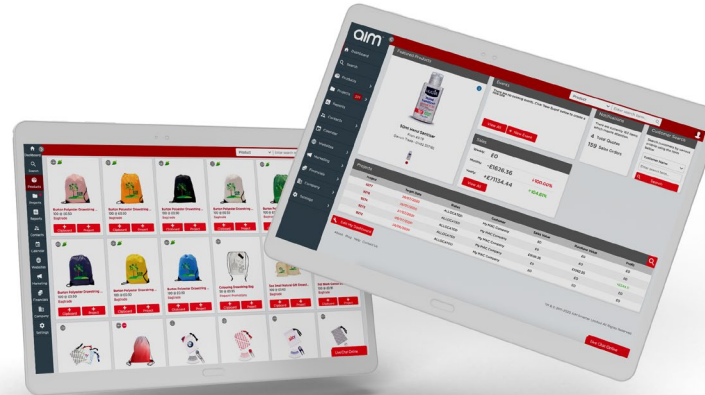
Social Responsibility

We recognise the importance of social responsibility and strive to make a positive impact on the communities and environments in which we operate. Our initiatives are guided by the following principles:

-  **Prioritize Employee Well-being:**
Healthy work environment / work-life balance, invest in professional development / career advancement.
-  **Commitment to Diversity and Inclusion:**
Cultivate leaders and create a collaborative and inclusive environment throughout the AIM network.
-  **Community Engagement & Giving Back at our core:**
Funding student scholarships, targeted fundraising and supportive of non-profit caring institutions.
-  **Trusted Governance:**
Adopt the Quoted Companies Alliance's Corporate Governance Code, crucial to long-term success.
-  **Environmental Sustainability:**
Our ecological footprint is low digital first approach, reduce travel and encourages recycling.
-  **Protecting Customer Privacy and Data Protection:**
Critical importance so implemented several initiatives to ensure the security of customer information.
-  **Highest standards of Ethical Business Practices:**
Adhere to laws and regulations, promote fair competition, maintain transparency with customers, partners and stakeholders.



Driving Efficiency with Integrations



Industry we Serve

Additional adjacent markets that are active in promotional product sales such as;

