



Audited Annual Results

Record Breaking Numbers



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

£18.8m

↑ **57.2%** (2022: £11.9m)

Gross profit

£8.6m

↑ **39.9%** (2022: £6.2m)

Group adjusted operating profit*

£2.0m

↑ **83.4%** (2022: £1.1m)

Basic and diluted earnings per share**

0.55p

↑ **293%** (2022: 0.14p)

Cash balance at year end

£1.2m

↑ **£0.3m** (2022: 0.9m)



*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

Who are we?

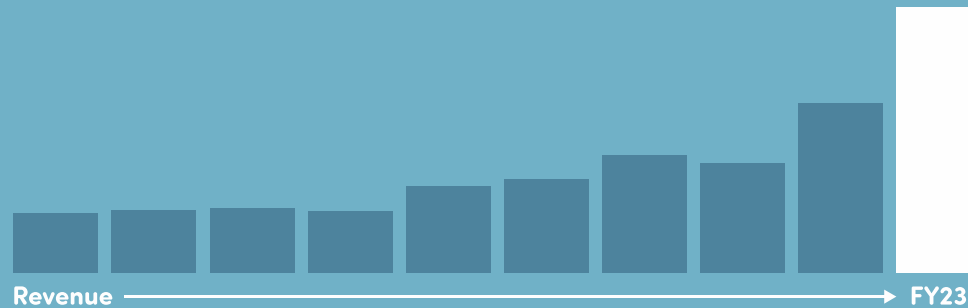
Diversified portfolio Group



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:



Marketing shoot for VIP Vendor

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.

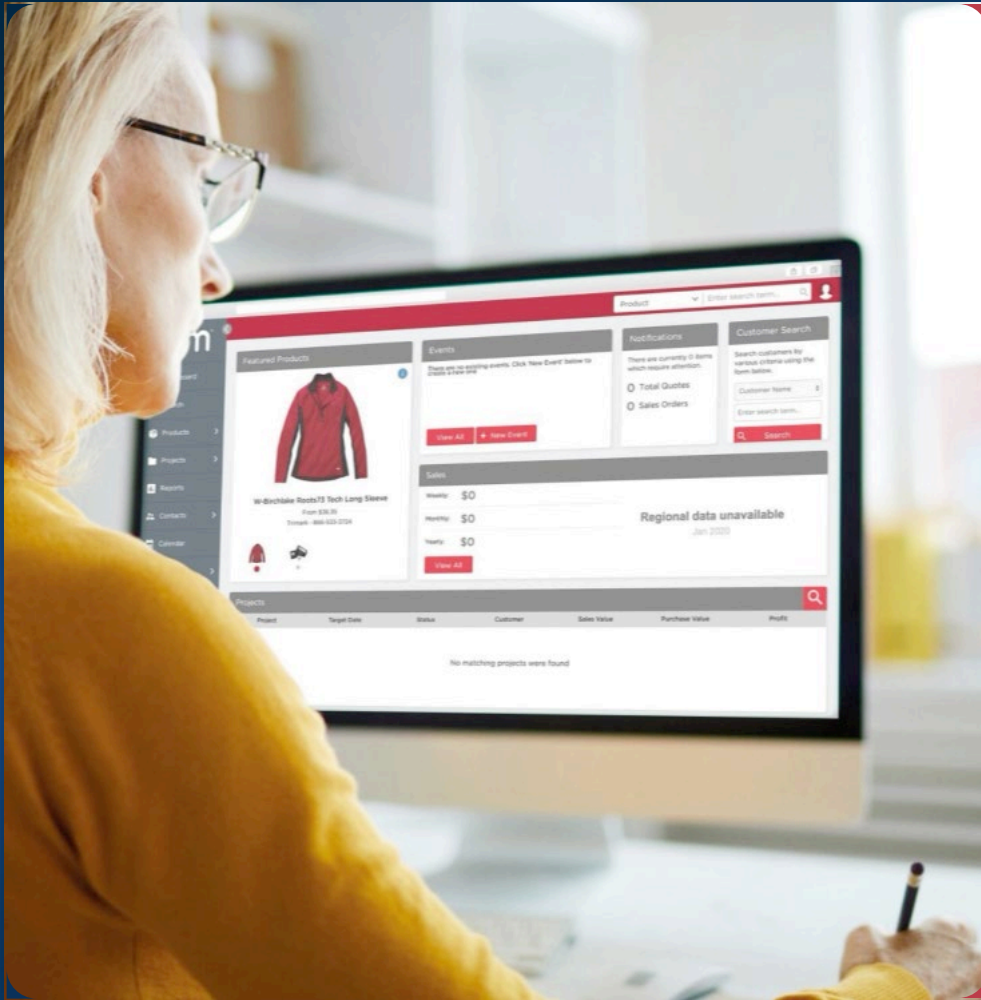


Merchandising

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.

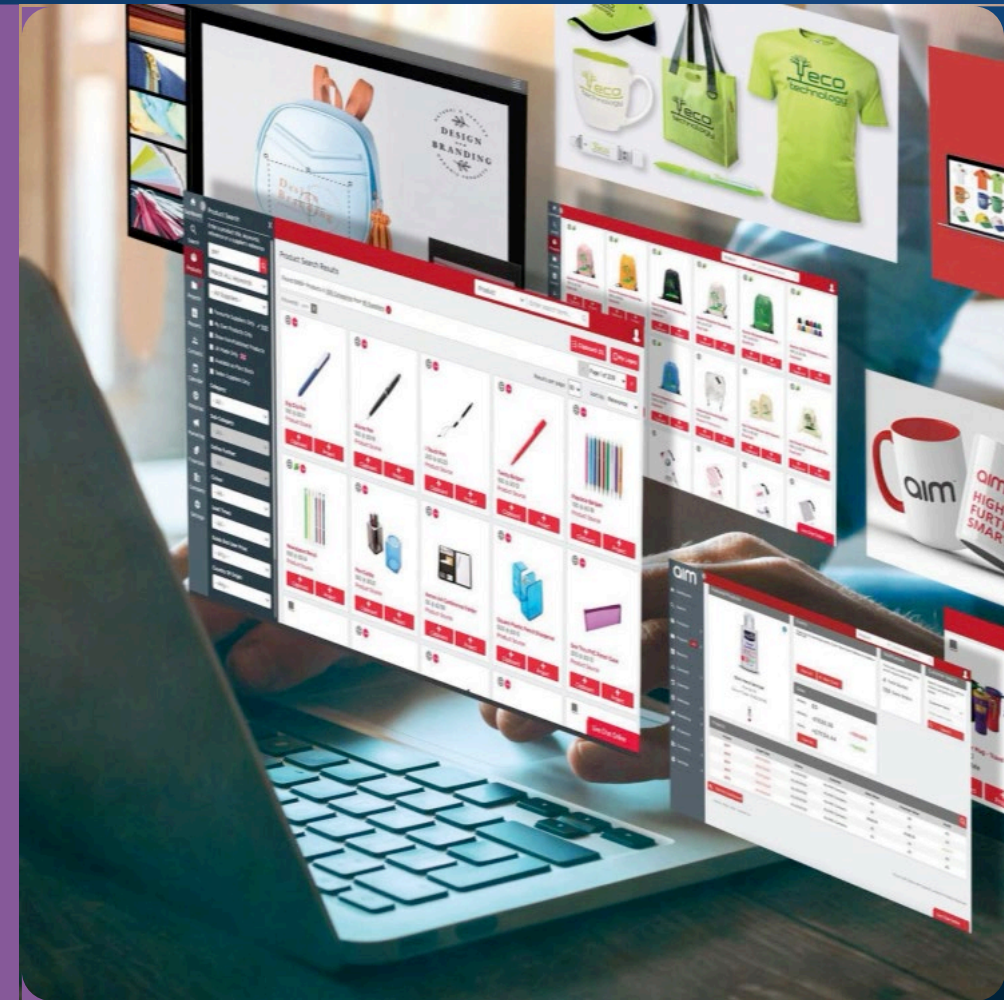
What's new?



- Via our AMPs we identified, targeted, and seized a significant opportunity in the higher-education space.
- Successfully launched our Gear Shop solution.
- We expanded our pipeline and collaborated closely with our course material partner. The offering of combined specialisms and enhanced services proved disruptive within the Educational/Collegiate markets.

What's new?

- Group delivered significant multi-year contract wins and maintained an ever-growing pipeline.
- Continued expansion and delivery of our Gear Shop technology solutions, marketing tools, supply chain know-how and innovative retail experiences across the US markets will remain a primary and growing focus within the Groups business model.



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



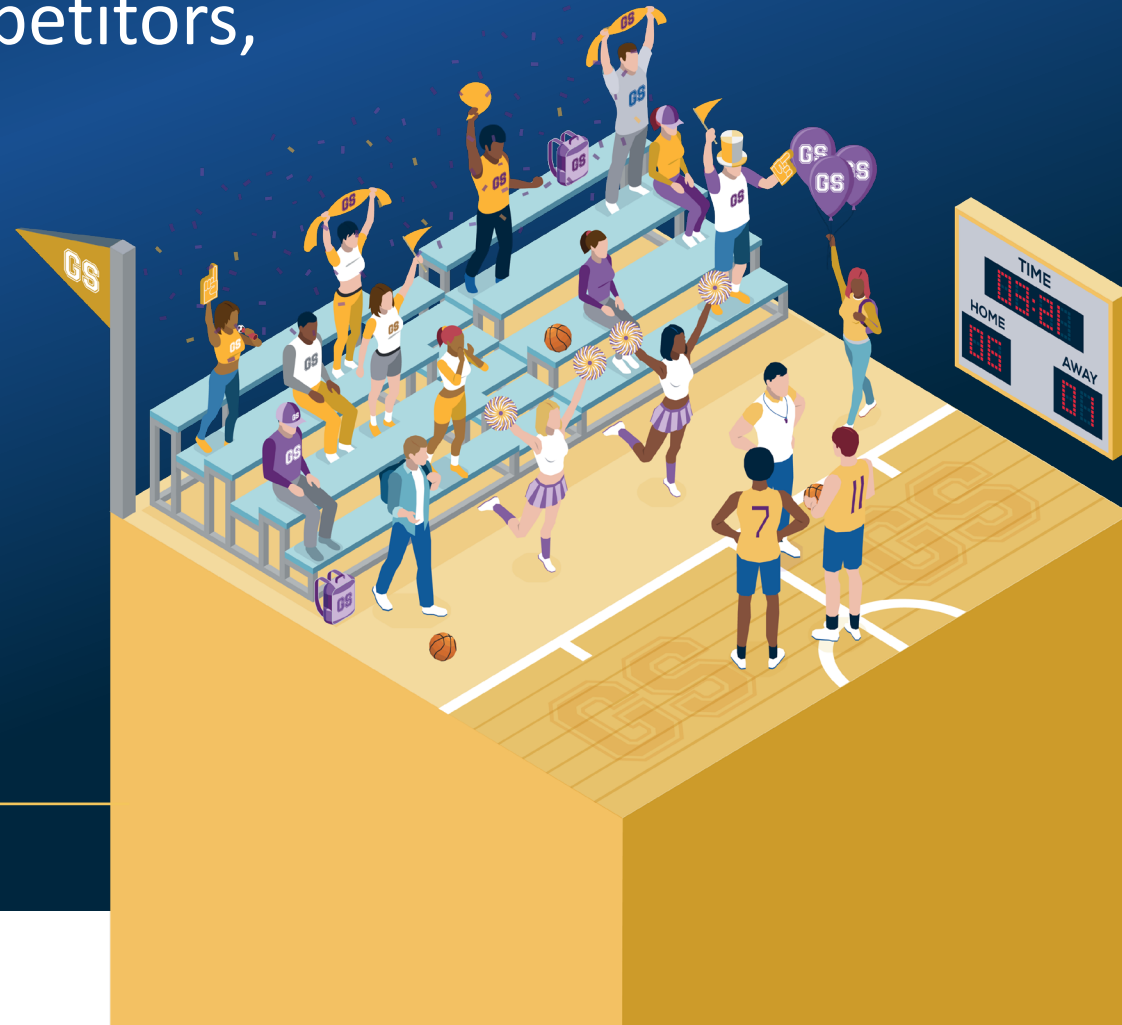
Industry we Serve

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



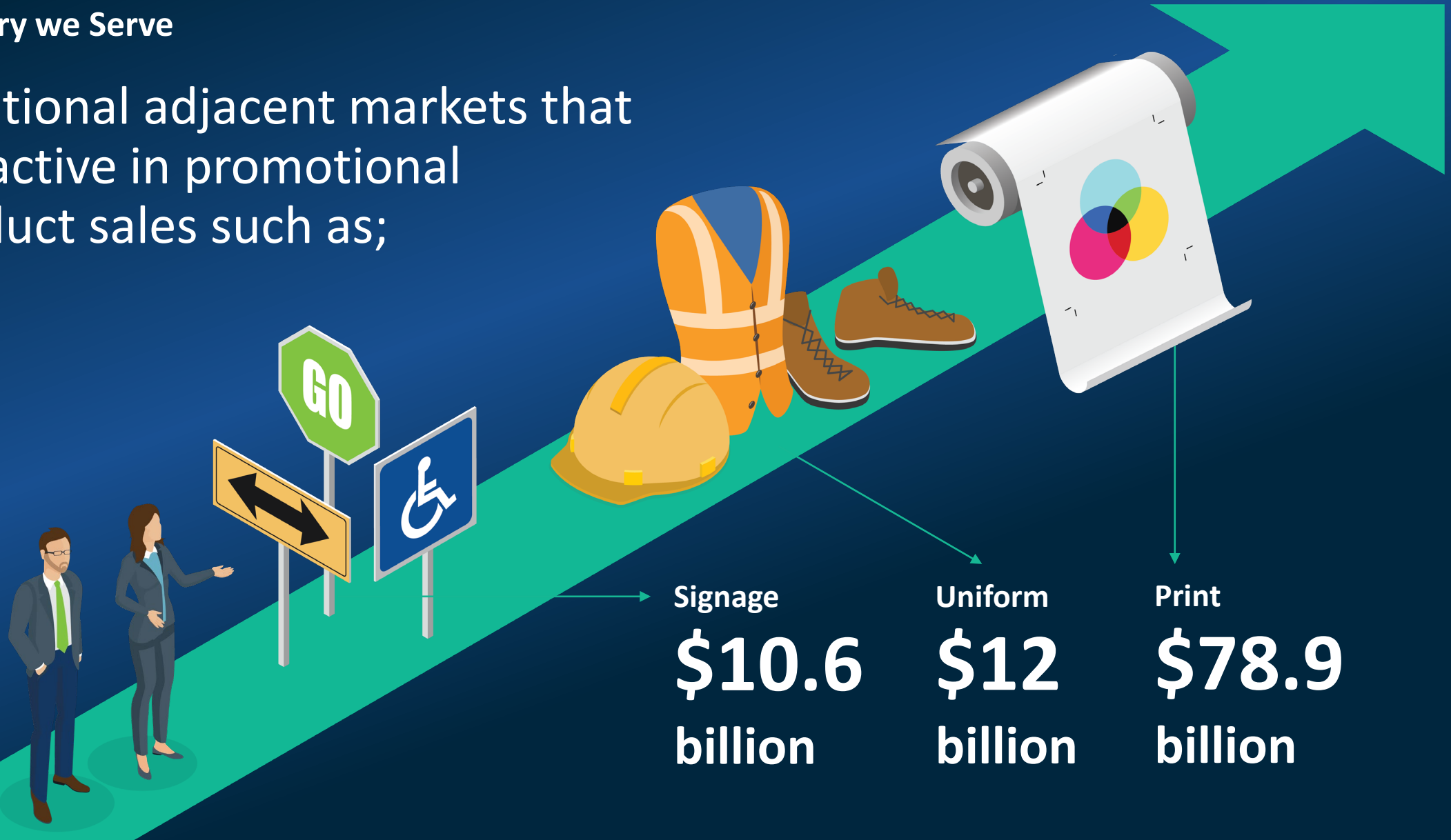
Industry we Serve

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



Industry we Serve

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



How do we serve?

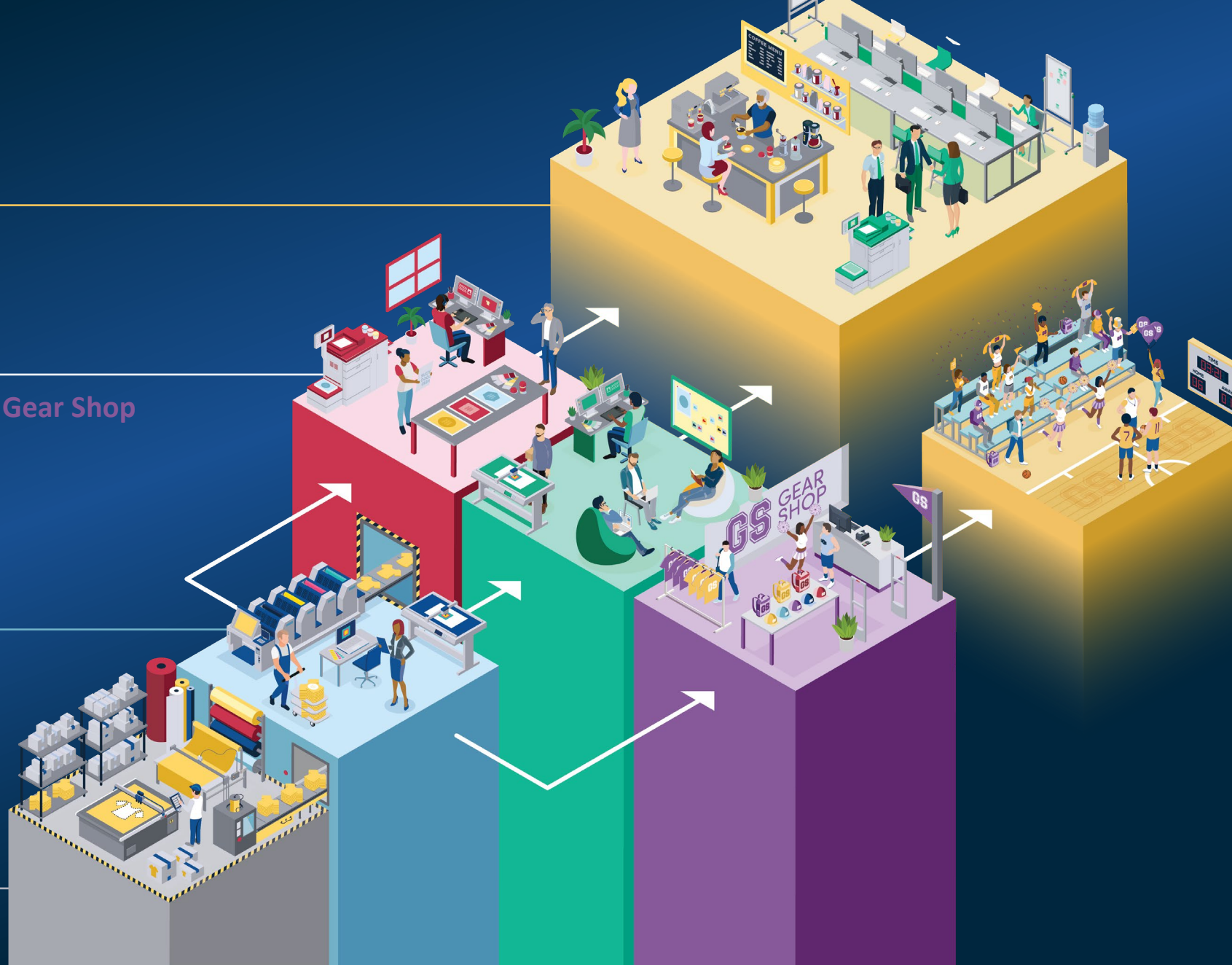
End Customers

Distributor Sales

Members / Affiliates / Gear Shop

Supplier

Overseas
Manufacturer



How we make money

Efficiency & Scale



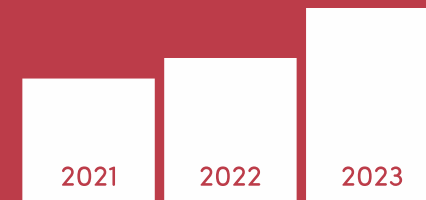
How we make money

 **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
2023: £8.5m - 35%

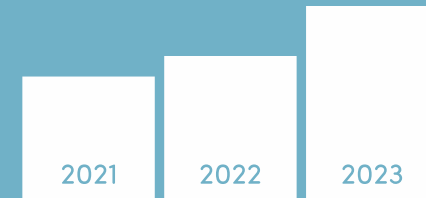
How we make money

 **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
2023: £8.5m - 35%

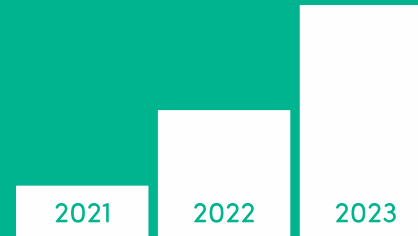
How we make money

Merchanted 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



Merchandising Revenue
2023: £10.2m - 82%

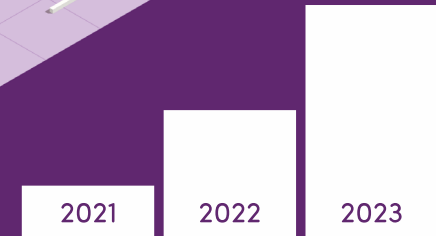
How we make money

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
2023: £10.2m - 82%

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 complaint 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



Financials

How we've performed



Group Performance

	Year ended 31 March 2023 £m	Year ended 31 March 2022 £m	Change £m	Change %
Revenue	18.8	11.9	6.9	57% ↑
Gross Profit	8.6	6.2	2.4	40% ↑
Adjusted operating profit	2.0	1.1	0.9	82% ↑
Operating profit/(loss)	0.2	(0.1)	0.3	300% ↑
Adjusted profit before tax	0.9	0.1	0.8	800% ↑
Profit for the year	0.4	0.1	0.3	300% ↑
EPS - Basic (pence)	0.55p	0.14p	0.41p	293% ↑
Adjusted EPS - (pence)	1.63p	0.48p	1.15p	240% ↑

Group Performance

		Year ended 31 March 2023 £m	Year ended 31 March 2022 £m	Change £m
Services	Turnover	8.52	6.31	2.21
	Cost of Sales	(0.81)	(0.56)	(0.25)
	Gross Profit	7.71	5.75	1.96
	Gross Profit Margin %	90%	91%	
Merchanting	Turnover	10.24	5.63	4.61
	Cost of Sales	(9.35)	(5.23)	(4.12)
	Gross Profit	0.89	0.40	0.49
	Gross Profit Margin %	9%	7%	
Group	Turnover	18.76	11.94	6.82
	Cost of Sales	(10.16)	(5.79)	(4.37)
	Gross Profit	8.60	6.15	2.45
	Gross Profit Margin %	46%	52%	
Adjusted Operating Profit/(Loss)* before central costs		3.60	2.32	1.28
Central costs		(1.64)	(1.25)	(0.39)
Adjusted Operating Profit/(Loss)*		1.96	1.07	0.89

Financial Position

	Year End 2023 31 March £m	Year End 2022 31 March £m	Change
Total non-current assets	6.72	6.44	0.28
Current assets			
Inventory	0.36	0.03	0.33
Trade and other receivables	5.52	3.88	1.65
Corporation Tax Receivable	0.09	0.04	0.05
Cash and cash equivalents	1.17	0.90	0.27
Total current assets	7.15	4.85	2.30
Total assets	13.86	11.29	2.58
Current liabilities			
Trade and other payables	(3.70)	(2.28)	(1.42)
Net current assets	3.45	2.57	0.88
Non current liabilities	(0.73)	(0.90)	0.17
Total liabilities	(4.43)	(3.18)	(1.25)
Net assets	9.43	8.11	1.33

Cash Performance

	Year End 2023 31 March £m	Year End 2022 31 March £m	Change
Operating cash flow before changes in working capital	1.96	1.07	0.89
Movement in inventory	(0.34)	-	(0.34)
Movement in trade and other receivables	(1.53)	(1.40)	(0.13)
Movement in trade and other payables	1.43	(0.10)	1.53
Changes in working capital	(0.44)	(1.50)	1.06
Exceptional items	(0.08)	(0.18)	0.10
Net cash flow from operating activities after exceptional items	1.44	(0.61)	2.05
Income tax received	0.14	0.41	(0.27)
Net cash flow from operating activities	1.58	(0.20)	1.78
Net cash flow from investing in operations	(1.11)	(0.85)	(0.25)
Net cash flow from financing activities	(0.25)	(0.16)	(0.08)
Net increase/(decrease) in cash and cash equivalents	0.22	(1.21)	1.43

Outlook

Our Aspirations



Outlook

- Preferred Partner service revenues grew by 21.5% in the US compared to reported 11.4%-15.6% Industry distributor sales growth reflecting a healthy, active membership network
- New ACS Merchanting affiliates doubling expected annualised revenue signed during the year with full year impact in FY24
- Significant new adjacent market contracts won and expected to start transacting by September 2023 with further investment in pipeline for continued scalable growth
- The Group remains debt free with an increased facility to support growth
- The Board is confident that the Group will deliver substantial growth for FY24 and win further material contracts for future years



Our Aspirations

We retain our high growth ambitions and are confident in our ability to substantially scale and expand the business. The Management team continues to be focused on scalable growth in the new financial year and accelerated compounding future growth. We are focused delivery and committed to achieving our aspirations to build a **\$100 million** business.



Thank you

Questions & Discussions

