

Alliance Pharma PLC

02:01 05 Apr 2019

Alliance Pharma hints at further acquisitions as it gets off to a good start in 2019

- Star brands boost 2018 revenues
- Good start to 2019 with trading in line with expectations
- Further acquisitions eyed

What Alliance Pharma does:

Alliance Pharma PLC (LON:APH) is an AIM traded company that focuses on the acquisition and licensing of pharmaceutical and healthcare products.

Over the past 20 years the group has made 35 acquisitions, which include healthcare and pharma businesses, and rights to products.

Alliance has five so-called "star" brands, which are managed and marketed centrally and sold internationally.

These brands include: Lice treatment Vamousse; Kelo-cote, a scar reduction product; MacuShield, a supplement recommended by eye experts; anti-fungal shampoo Nizoral; and Xonvea, a pregnancy nausea treatment.

Inflection points:

- In the year to 31 December 2018, statutory turnover was up 16% to £118.2mIn while the "see-through" figure was ahead 22% at £124mIn, boosted by a robust performance by Kelo-cote and a contribution from recently acquired Nizoral. Like-for-like revenues, which strip out the impact of recent purchases, were up 4%.
- Overseas sales exceeded surpassed domestic revenues in 2018 for the first time ever.
- The integration of Nizoral, a Johnson & Johnson medicated shampoo, for which Alliance acquired the Asia-Pacific rights last June for £60mIn, is progressing well and traded in line with expectations last year.
- Underlying earnings (EBITDA) rose 19% to £32.4mIn last year, while free cash flow was strong at £16.1mIn
- Alliance hiked its total 2018 dividend 10% to 0.977p, giving a total of 1.464p. The payout was covered more than three-times by underlying earnings.
- Chief executive Peter Butterfield has hinted at further acquisitions as the group looks to deploy its strong cash flow to further develop the business.

Blue Sky:

Butterfield said the company has started 2019 well-positioned for growth after a strong performance in 2018.

"The acquisition of Nizoral and the continued strong performance of Kelo-cote leave us well-placed to leverage opportunities for further organic growth, particularly in the fast-growing Asia Pacific region, and we are currently scaling-up our local infrastructure and resources to facilitate this," he said.

Price: 76.705p

Market Cap: £402.12M

1 Year Share Price Graph



Share Information

Code: APH

Listing: ISE

52 week High Low
102.50p 59.20p

Sector: Pharma & Biotech

Website: alliancepharmaceuticals.com

Company Synopsis:

Alliance is a publicly owned international pharmaceutical company listed on AIM, part of the London Stock Exchange. We started trading in 1998 and have grown strongly to an annual turnover over £100 million. At the heart of our business sits a diverse team of dedicated, enthusiastic and experienced professionals who are committed to providing much needed medicines around the world.

Author:

Proactive Investors Ltd

+44 (0)207 989 0813

action@proactiveinvestors.com

He added: "Trading in 2019 has started well and the group is trading in line with expectations for the full year.

"Our strong cash generation in 2019 and planned increase in debt facilities mean that, as the year progresses, we will be well-placed to continue to invest in our international star brands to drive expected strong organic growth, supplemented by targeted acquisitions to take advantage of operational leverage and to enhance our geographical reach."

Proactive Investors facilitate the largest global investor network across 4 continents in 4 languages. With a team of analysts, journalists & professional investors Proactive produce independent coverage on 1000's of companies across every sector for private investors, private client brokers, fund managers and international investor communities.

Contact us +44 (0)207 989 0813 action@proactiveinvestors.com

No investment advice

Proactive Investors is a publisher and is not registered with or authorised by the Financial Conduct Authority (FCA). You understand and agree that no content published constitutes a recommendation that any particular security, portfolio of securities, transaction, or investment strategy is suitable or advisable for any specific person. You further understand that none of the information providers or their affiliates will advise you personally concerning the nature, potential, advisability, value or suitability of any particular security, portfolio of securities, transaction, investment strategy, or other matter.

You understand that the Site may contain opinions from time to time with regard to securities mentioned in other products, including company related products, and that those opinions may be different from those obtained by using another product related to the Company. You understand and agree that contributors may write about securities in which they or their firms have a position, and that they may trade such securities for their own account. In cases where the position is held at the time of publication and such position is known to the Company, appropriate disclosure is made. However, you understand and agree that at the time of any transaction that you make, one or more contributors may have a position in the securities written about. You understand that price and other data is supplied by sources believed to be reliable, that the calculations herein are made using such data, and that neither such data nor such calculations are guaranteed by these sources, the Company, the information providers or any other person or entity, and may not be complete or accurate.

From time to time, reference may be made in our marketing materials to prior articles and opinions we have published. These references may be selective, may reference only a portion of an article or recommendation, and are likely not to be current. As markets change continuously, previously published information and data may not be current and should not be relied upon.