



## Ergomed 2022 Trading Update

***Strong performance in 2022 delivering excellent financial results in line with expectations***

***Board changes***

- ***Revenue growth of 22.5% over 2021 to £145.3 million***
- ***Adjusted EBITDA<sup>1</sup> in line with market expectations***
- ***Order book growth of 23.1% provides strong revenue visibility***
- ***Strong cash generation to £19.1 million and debt free***
- ***Michael Spiteri appointed Chief Transformation and Technology Officer***
- ***Jonathan Curtain to be appointed new CFO, Richard Barfield to retire***

**Guildford, UK – 25 January 2023:** Ergomed plc (LSE: ERGO) (“Ergomed” or the “Company”), a company focused on providing specialised services to the pharmaceutical industry, announces a trading update for the year ended 31 December 2022. The Company will provide further details of its performance for 2022 in its preliminary results announcement expected in March 2023.

### **Strong trading with revenue growth in line with expectations**

Both Ergomed’s pharmacovigilance (“PV”) and clinical research organisation (“CRO”) businesses, as well as the ADAMAS business acquired in February 2022, continued to trade strongly through to the year end. As a result, revenue for 2022 is expected to be approximately £145.3 million, an increase of 22.5% over prior year (2021: £118.6 million), in line with market expectations (up 14.5% in constant currency).

The CRO division saw total revenue increase by 22.9% from £58.1 million in 2021 to £71.4 million in 2022 (up 14.7% in constant currency). This included service fee revenue up 27.3% to £50.8 million (2021: £39.9 million) (up 18.9% in constant currency).

The PV division saw total revenue increase by 22.2% from £60.5 million in 2021 to £73.9 million in 2022 (up 14.3% in constant currency).

### **Adjusted EBITDA in line with expectations**

Adjusted EBITDA for the year ended 31 December 2022 is expected to be in line with current market expectations, reflecting the strong operational performance delivered in both the existing clinical research and pharmacovigilance businesses and in the ADAMAS business acquired in February 2022.

### **Strong order book provides excellent forward visibility**

Ergomed’s consolidated PV, CRO and ADAMAS order book has grown strongly during 2022 to an expected total level of around £295.0 million, an increase of 23.1% over the full year (2021: £239.7 million). The order book continues to highlight Ergomed’s growing presence in its key markets as well as the resilience of the sectors in which it operates, and provides strong visibility of revenue for 2023 and later years.



## **ADAMAS acquisition and integration**

The Company acquired ADAMAS on 9 February 2022 for a net cash consideration of £24.2 million. The business has been successfully integrated with significant synergistic benefits and has achieved its financial expectations for 2022.

## **Cash and debt**

The Company continued to be strongly cash generative, with cash and equivalent balances of £19.1 million, after payment of £24.2 million net cash for the ADAMAS acquisition (2021: £31.2 million). Ergomed is debt free and has unutilised banking facilities of £80.0 million.

## **Board and Senior Executive Changes**

We have continued to strengthen the Board and Senior Executive Team with key appointments during the second half of 2022.

Michael Spiteri transitioned to the role of Chief Transformation and Technology Officer in November 2022, having formerly been a Non-Executive Director. Michael will lead the implementation of new market-leading technology solutions, both to enhance Ergomed's overall services to clients as well as to increase efficiencies in the delivery of those services.

The Board appointed John Dawson CBE and Anne Whitaker as Non-Executive Directors in March and June 2022 respectively. John, formerly Chief Executive Officer of Oxford Biomedica plc, was appointed as Senior Independent Director in December 2022. Both John and Anne have extensive life sciences industry experience, including UK-listed healthcare and pharmaceutical services companies.

Richard Barfield has informed the Board of his intention to retire on 3 February 2023, following which he will cease to be a Director. Jonathan Curtain will be appointed as Chief Financial Officer. The Company intends to appoint Jonathan as an Executive Director of the Board of Ergomed plc on 3 February 2023. A separate Stock Exchange announcement has been released this morning with further details.

## **Current year outlook**

The Company enters 2023 with a positive outlook. Ergomed continues to take market share and enjoy a resilient position in the fast-growing rare disease, oncology and pharmacovigilance sectors, and bolstered its offering during the year with the ADAMAS acquisition which has a strong position in the specialist audit and testing market. With a strong global presence, including in the largest pharmaceutical market globally in the US, the Company continues to deliver excellent operational execution across the entire business.

## **Dr Miroslav Reljanović, Executive Chairman of Ergomed, said:**

*“Ergomed has delivered another year of operational and financial excellence, with strong revenue growth and adjusted EBITDA in line with market expectations. The successful integration of ADAMAS has further endorsed our acquisition strategy and our continued significant organic growth demonstrates our ability to excel in meeting the needs of our customers. With a strengthened Board and senior executive team and robust order book, Ergomed is firmly positioned for further growth both organically and through M&A. We are confident in our future as a leading global provider of specialist pharmaceutical services underpinned by market-leading technology, and look forward enthusiastically to the coming year.”*

<sup>1</sup> Adjusted EBITDA is defined as profit before tax for the year, adding back finance costs, depreciation and amortisation, share-based payments, change in fair value of contingent consideration, acquisition costs and exceptional items.

**ENDS**



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## About Ergomed plc

Ergomed provides specialist services to the pharmaceutical industry spanning all phases of clinical development, post-approval pharmacovigilance and medical information. Ergomed's fast-growing services business includes an industry-leading suite of specialist pharmacovigilance (PV) solutions, integrated under the PrimeVigilance brand, a full range of high-quality clinical research and trial management services under the Ergomed brand (CRO) and mission-critical regulatory compliance and consulting services under the ADAMAS brand. For further information, visit: <http://ergomedplc.com>.