

Ergomed 2020 Trading Update

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PRESS RELEASE

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- **Adjusted EBITDA ahead of market expectations**
- **Total revenue growth 26.5% over 2019 (2020: £86.4 million vs 2019: £68.3 million)**
- **Strategic acquisitions in CRO and pharmacovigilance in the USA strengthen global specialist leadership**
- **CRO revenues returned to growth with H2 2020 up 11.2% over H1 2020**
- **PV revenues increased by 56% overall (30% organic) over 2019**
- **Forward visibility underpinned by strong order book up 53%**

Guildford, UK - 26 January 2021: 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 2020. The Company will provide further details of its performance for 2020 in its preliminary results announcement expected in March 2021.

Adjusted EBITDA ahead of expectations

Following the positive results for the first half of the year reported in September 2020, Ergomed continued to deliver strong year on year top-line growth and financial performance across the business and expects revenue for the year ended 31 December 2020 to be in line with current market expectations and adjusted EBITDA for the year ended 31 December 2020 to be ahead of current market expectations.

Significant US acquisitions completed

Ergomed completed the acquisitions of Ashfield Pharmacovigilance ("Ashfield PV") in January 2020 and MS Clinical Services, LLC ("MedSource") in December 2020, considerably strengthening its position in the key strategic market in the USA, the largest global pharmaceutical services market, adding over 60 new customers and 200 professional staff.

Strong trading and forward-looking order book

The positive trading performance seen in both Ergomed's pharmacovigilance ("PV") and its Clinical Research Organisation ("CRO") businesses during the first six months of the year has continued through to the year end and resulted in a strong order book at the start of 2021.

Revenues for 2020 are expected to be approximately £86.4 million (including £1.1 million revenues in MedSource in December 2020), an increase of 26.5% over prior year (2019: £68.3 million).

PV revenues increased by 56% overall to £55.1 million (2019: £35.4 million) and by 30% to £46.0 million on a like for like basis, excluding the impact of Ashfield PV (now PrimeVigilance USA).

CRO revenues were broadly flat for the full year at £31.3 million (including £1.1 million MedSource revenues), (2019: £32.9 million, including £1.6 million one-off arising from exceptional change orders). CRO revenues increased in H2 2020 on an organic basis to £15.9 million, up 11.2% over H1 2020 and up 15.2% over prior year (H1 2020: £14.3 million).

The strong revenues and continued focus on profitability in 2020 are expected to result in adjusted EBITDA^[1] for 2020 being ahead of current market expectations.

The PV and CRO order books have grown organically and been augmented by the acquisitions of Ashfield PV and MedSource. The total combined order book at 31 December 2020 is expected to be approximately £190 million, up 53% over prior year (2019: £124 million).

The Company continued to be debt-free at the year end with cash and equivalent balances of £18.9 million (2019: £14.3 million) and unutilised banking facilities of £30.0 million.

Current year outlook

The Company's outlook for 2021 is positive, bolstered by the strong order book and the acquisitions of Ashfield PV and MedSource. These

acquisitions considerably strengthen Ergomed's presence in the strategically important US market and globally, further enhancing growth potential in both the PV and CRO businesses.

Dr Miroslav Reljanović, Executive Chairman of Ergomed, said: *"In 2020 Ergomed demonstrated the resilience and robustness of our services business model, continuing our strong organic growth and completing key strategic acquisitions in the USA in both our pharmacovigilance and CRO businesses. Despite the global COVID-19 pandemic, Ergomed performed ahead of market expectations for the full year. We start 2021 from a position of considerable strength, in a robust financial and strategic position and with a strong order book to support our strategy of leadership as a pharmaceutical services specialist with a global presence."*

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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 an internationally recognised specialist expertise in orphan drug development, under PSR. For further information, visit: <http://ergomedplc.com>.

[1] Adjusted EBITDA is defined as profit before tax for the year, adding back finance costs, depreciation and amortisation, share-based payments, acquisition-related contingent consideration, change in fair value of contingent consideration, acquisition costs and exceptional items. Adjusted EBITDA is management's key financial metric for measuring ongoing operational profitability. This information is provided by RNS, the news service of the London Stock Exchange. RNS is approved by the Financial Conduct Authority to act as a Primary Information Provider in the United Kingdom. Terms and conditions relating to the use and distribution of this information may apply. For further information, please contact rns@lseg.com or visit www.rns.com.

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