

Ergomed 2021 Trading Update

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PRESS RELEASE

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***Robust operational execution in 2021 delivers excellent financial results
Successful strategic positioning creates platform for further growth***

- ***Adjusted EBITDA^[1] ahead of market expectations***
- ***Total revenue growth of 37.3% over 2020 to £118.6 million (up 44.3% in constant currency^[2])***
- ***Robust order book growth, up 24.2% to £240 million, providing excellent visibility into 2022 and beyond***
- ***Further strong US growth with revenues up 59.5% (up 71.0% in constant currency), with strengthened US strategic presence driven by prior year acquisitions***
- ***Strong cash generation, cash increased £12.2 million to £31.2 million and debt free***

Guildford, UK - 25 January 2022: 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 2021. The Company will provide further details of its performance for 2021 in its preliminary results announcement expected in March 2022.

Adjusted EBITDA ahead of expectations

Adjusted EBITDA for the year ended 31 December 2021 is expected to be ahead of current market expectations, reflecting the excellent operational execution and profit focus delivered across the business.

Revenue growth and strategic development of robust US platform: strongly positioned for continued growth

Revenue in the key strategic market of the US grew 59.5% over prior year on a reported basis (up 71.0% on a constant currency basis). This revenue growth, combined with the addition of a number of key senior industry leaders into the US management team and ongoing investment in employment, builds on acquisitions in the US in prior years which are now fully integrated. With these developments, Ergomed is delivering on its strategy to position the business for further expansion in the US market, the largest pharmaceutical services market globally.

Strong trading and forward-looking order book

The excellent trading performance seen in both Ergomed's Pharmacovigilance ("PV") and Clinical Research Organisation ("CRO") businesses during the first half of 2021 continued through to the year end and resulted in a strong order book at the start of 2022.

Revenues for 2021 are expected to be approximately £118.6 million on a reported basis, an increase of 37.3% over prior year (2020: £86.4 million), achieving market expectations despite continuing FX headwinds. On a constant currency basis revenues are expected to be £124.7 million, an increase of 44.3% over 2020.

The CRO division, including MedSource acquired in December 2020, saw total revenue increase by 85.6% from £31.3 million in 2020 to £58.1 million in 2021 (up 97.4% in constant currency). Excluding MedSource, the CRO division revenue increased by 26.2% from £30.2 million in 2020 to £38.1 million in 2021 on a reported basis and by 33.4% to £40.3 million on a constant currency basis.

The PV division saw revenues increase by 9.8% overall to £60.5 million (2020: £55.1 million) on a reported basis and by 14.2% to £62.9 million on a constant currency basis.

The strong revenue growth and continued focus on profitability in 2021 are expected to result in adjusted EBITDA for 2021 being ahead of current market expectations.

Strong order book provides excellent forward visibility

Both the PV and CRO order books have shown robust growth during 2021. The total combined order book at 31 December 2021 is expected to be approximately £240 million, up 24.2% (2020: £193 million), providing excellent visibility of contracted revenues for 2022 and later years.

The Company continued to be strongly cash generative and debt-free, with cash and equivalent balances of £31.2 million up £12.2 million (2019: £19.0 million) and unutilised banking facilities of £30.0 million.

Current year outlook

The Company's outlook for 2022 is positive. Ergomed is strongly positioned in the resilient and fast-growing rare disease, oncology and pharmacovigilance sectors, now has a significant presence in the largest pharmaceutical market globally in the US and is delivering excellent operational execution across the entire business.

Dr Miroslav Reljanović, Executive Chairman of Ergomed, said:

"Ergomed has delivered another outstanding year operationally and financially, with results ahead of market expectations. Our further significant organic growth demonstrates the strength of our positioning in our key markets and was augmented by the contribution of our latest successfully integrated acquisitions, particularly in the US. We start 2022 with an exceptionally strong platform - a robust order book, a track record of delivery and an offering that demonstrably meets the needs of a growing market. Ergomed is firmly positioned for further growth, both organically and through M&A, via geographic expansion and broadening of our service offering. We remain extremely confident in our future as a leading global provider of specialist pharmaceutical services."

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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 and a full range of high-quality clinical research and trial management services under the Ergomed brand (CRO). 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, change in fair value of contingent consideration, acquisition costs and exceptional items.

2 - Constant currency growth is calculated by restating 2021 performance using 2020 exchange rates.

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