

# UDG HEALTHCARE PLC

## THIRD QUARTER TRADING UPDATE

### **Continued growth and full year guidance increased following recent acquisitions**

#### **3 August 2017**

UDG Healthcare plc (“the Group”), a leading international provider of healthcare services, issues the following trading update covering the period from 1 April 2017 to 30 June 2017.

#### **Quarter to 30 June 2017**

Group trading performance for the quarter to 30 June 2017 has been good with revenue and adjusted profit before tax\* ahead of the same quarter last year.

#### **Ashfield**

Ashfield is ahead of the same quarter last year, with growth across both the Commercial & Clinical and Communications parts of the business. Trading benefited from the October 2016 acquisition of STEM which continued to perform well during the quarter.

In July 2017, the Group announced the acquisitions of Vynamic, a US-based healthcare consultancy firm and Cambridge BioMarketing, a US-based healthcare communications business, in addition to receiving competition authority approval for the acquisition of Sellxpert, a German contract sales outsourcing business.

#### **Sharp**

Sharp traded in line with the same quarter last year.

US legislation requires the mandatory serialisation of prescription medicines from November 2017. In June 2017, the U.S. Food and Drug Administration (FDA) announced a one year delay in enforcement of those requirements until November 2018 to provide additional time to comply and avoid supply disruptions. Sharp continues to actively engage with its clients to ensure that they are ready for the new deadline, however, the enforcement delay has slowed the pace of take up of its serialisation services.

As previously announced in April 2017, Sharp acquired a pharmaceutical packaging facility in Bethlehem, Pennsylvania, from Daiichi Sankyo to provide additional capacity across both commercial and clinical trial packaging. Over the next 18 months Sharp’s US clinical business will relocate to this larger, state-of-the-art facility to offer clients an integrated clinical development, packaging and distribution service, located in one facility.

Sharp Europe continued to improve during the quarter driven by increased activity levels from new and existing clients.

### Aquilant

Aquilant's underlying operating profit was ahead of the same quarter last year.

### **Nine months to 30 June 2017**

Group revenue and adjusted profit before tax\* for the nine months to 30 June 2017 are in line with expectations and well ahead of the prior year. Growth has been driven by a combination of underlying growth and the benefit of acquisitions, moderated by a foreign exchange headwind on the translation of non-US profits.

### **Group Outlook & Development**

The Group has been very active from a corporate development perspective since the start of the financial year, committing \$200m to the acquisitions of STEM, Sellxpert, Vynamic, Cambridge BioMarketing and a US packaging facility. The Group's strong balance sheet leaves it well positioned to continue executing strategic acquisition opportunities to complement its existing growth platforms and generate good returns.

As part of the Group's Future Fit initiatives to invest in scalable infrastructure across HR, Finance and IT to support continued delivery of sustainable future growth, the Group launched its Human Resource Information System, *Workday* in April 2017. The implementation of Ashfield's new *Oracle* finance system has now commenced and is expected to complete in late 2018. The roll-out of both systems will result in additional operating costs, which will impact the Group during the second half of this financial year and subsequent years.

Based on the Group's recent acquisitions of Vynamic and Cambridge BioMarketing, the Group is increasing its guidance for constant currency adjusted diluted earnings per share (EPS)\* for the year to 30 September 2017 from a range of 15% to 18% previously, to be between 17% and 19% ahead of last year (FY16 continuing Group EPS of US\$ 31.8c (Euro: 28.6c)).

### **Date for Preliminary Results**

The Group expects to issue its preliminary results for the twelve months to 30 September 2017 on Tuesday 28<sup>th</sup> November 2017.

## **Conference Call**

UDG Healthcare plc will host a conference call for investors and analysts at 8.30am (BST) today, Thursday 3<sup>rd</sup> August to discuss this statement. The dial-in details are as follows:

Standard International Access: +44 (0) 20 3003 2666

UK Toll Free: 0808 109 0700

Ireland: +353 (0) 1 436 0959

Password: UDG Healthcare

A playback facility will be available for seven days on +44 (0) 20 8196 1998. The access code for the replay will be 4912553#.

\* Before the amortisation of acquired intangible assets, transaction costs and exceptional items

## **Forward Looking Statements**

This announcement contains certain forward-looking statements, beliefs or opinions, including statements with respect to the Company's business, financial condition and results of operations. By their nature these statements involve risk and uncertainty because they relate to events and depend on circumstances that may or may not occur in the future. These statements reflect the reasonable beliefs and expectations of the Company, are made in good faith and are based on the information available to the Company at the date of this announcement. However, a number of factors, including known and unknown risks, uncertainties and other factors, which are in some cases beyond the Company's control, could cause actual results and developments to differ materially from those expressed or implied by the forward-looking statements.

### **For reference:**

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#### **About UDG Healthcare plc:**

UDG Healthcare plc (LON: UDG) is a leading international partner of choice delivering commercial, clinical, communications and packaging services to the healthcare industry, employing almost 8,000 people with operations in 23 countries and delivering services in over 50 countries.

UDG Healthcare plc operates across three divisions: Ashfield, Sharp and Aquilant.

Ashfield is a global leader in commercialisation services for the pharmaceutical and healthcare industry, operating across two broad areas of activity: commercial & clinical services, and communications services. It focuses on supporting healthcare professionals and patients at all stages of the product life cycle. The division provides field and contact centre sales teams, healthcare communications, patient support, audit, advisory, medical information and event management services to over 300 healthcare companies.

Sharp is a global leader in contract commercial packaging and clinical trial packaging services for the pharmaceutical and biotechnology industries, operating from state of the art facilities across the US and Europe. Sharp is also a world leader in 'Track and Trace' serialisation services. Serialisation requires all prescription drugs to have a unique serial code for authentication, traceability and improved safety.

Aquilant is a leading provider of outsourced sales, marketing, distribution and engineering services to the medical and scientific sectors in the UK, Ireland and the Netherlands.

The company is listed on the London Stock Exchange and is a constituent of the FTSE 250.

For more information please go to: [www.udghealthcare.com](http://www.udghealthcare.com)