

# UDG HEALTHCARE PLC

## FIRST QUARTER TRADING UPDATE

### Good start to the financial year and full year guidance issued

30 January 2018

UDG Healthcare plc (“the Group”), a leading international provider of healthcare services, issues the following trading update covering the period from 1 October to 31 December 2017. The Group will hold its Annual General Meeting in Dublin at 12.00pm today.

#### **First Quarter to 31 December 2017**

##### Group

The Group has made a good start to the financial year with profit before tax for the quarter to 31 December 2017 well ahead of the same quarter last year, aided by recent acquisitions.

##### Ashfield

Ashfield’s operating profit was significantly ahead of the same quarter last year, driven by underlying growth and the benefit of acquisitions completed in FY17.

The acquisitions completed during the second half of FY17 (Sellxpert, Vynamic, Cambridge BioMarketing and MicroMass Communications) are together performing in line with expectations.

##### Sharp

As anticipated, Sharp’s operating profit was behind the same quarter last year as the unusually high churn evident in the US commercial business during the second half of FY17 carried through into the first quarter of FY18, and as extensive September 2017 hurricane damage in Puerto Rico disrupted manufacturing schedules at a number of our clients in subsequent months.

Both factors are expected to abate as the year progresses and the performance of Sharp US is expected to improve during the second half of 2018, driven by an improving business activity pipeline with both new and existing clients.

Sharp Europe continues to demonstrate positive trading momentum and was profitable during the first quarter of the year.

##### Aquilant

Aquilant’s operating profit was in line with the same quarter last year.

## **US Tax Changes**

The Group has undertaken a preliminary review of the recently enacted US tax reform legislation.

Given that the US accounts for a significant proportion of total earnings, the Group expects that the reduction in the headline US federal corporate tax rate from 35% to 21% will have a beneficial impact with effect from 1 January 2018. Based on our preliminary analysis, the effective Group tax rate for FY18 is expected to be 4% lower than previously anticipated at approximately 19%.

The Group continues to review all of the provisions of the legislation to determine the full impact in the coming years and expects to provide a further update when it reports its FY18 interim results on Tuesday, 22 May 2018.

## **Group Outlook & Development**

Based on the Group's performance during the first quarter of the financial year and the taxation benefit outlined above, the Group expects constant currency adjusted diluted earnings per share (EPS)<sup>1</sup> for the year to 30 September 2018 to be between 18% to 21% ahead of last year's EPS of US\$ 37.1c.

The Group expects that given the additional Future Fit operating costs during the first half of the year and the phasing of Sharp's growth, FY18 underlying profit growth will be largely delivered during the second half of the year.

The average FY17 exchange rates were US\$1 = £0.7891 and €0.9047. Based on exchange rates prevailing during the first quarter, the Group does not expect foreign exchange to have a material impact in FY18.

The Group remains active from a corporate development perspective and its strong balance sheet leaves it well placed to execute further strategic acquisition opportunities as they arise.

<sup>1</sup> Before the amortisation of acquired intangible assets, transaction costs and exceptional items

## **Investor Event**

The Group will hold an event for analysts and investors in the US on the 20 and 21 February 2018 at its Sharp facility in Allentown, Pennsylvania and its Ashfield facility in Fort Washington, Pennsylvania.

Further information and registration is available via the Group's website [www.udghealthcare.com](http://www.udghealthcare.com) or by contacting [udghealthcare@powerscourt-group.com](mailto:udghealthcare@powerscourt-group.com).

## **Date for Interim Results**

The Group will issue its interim results for the six months to 31 March 2018 on Tuesday 22 May 2018.

## **Conference Call**

UDG Healthcare plc will host a conference call for investors and analysts at 9.00am (GMT) today, Tuesday 30 January 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

A playback facility will be available for seven days on +44 (0) 20 8196 1998. The access code for the replay will be 8908246#.

## **Forward Looking Statements**

Some statements in this announcement are or may be forward looking statements. They represent expectations for the Group's business, including statements that relate to the Group's future prospects, developments and strategies, and involve risks and uncertainties both general and specific. The Group has based these forward-looking statements on assumptions regarding present and future strategies of the Group and the environment in which it will operate in the future. However, because they involve known and unknown risks, uncertainties and other factors including but not limited to general economic, political, financial and business factors, which in some cases are beyond the Group's control, actual results, performance, operations or achievements expressed or implied by such forward looking statements may differ materially from those expressed or implied by such forward-looking statements and accordingly you should not rely on these forward looking statements in making investment decisions. Except as required by applicable law or regulation, neither the Group nor any other party intends to update or revise these forward-looking statements after the date these statements are published, whether as a result of new information, future events or otherwise.

### **For reference:**

#### **Investors and Analysts:**

Alan Ralph  
CFO  
UDG Healthcare plc  
Tel: + 353-1-468-9000

Keith Byrne  
Head of IR, Strategy & Corporate Communications  
UDG Healthcare plc  
Tel: + 353-1-468-9000

Business / Financial media:  
Lisa Kavanagh / Jack Hickey  
Powerscourt  
Tel: + 44-207-250-1446

### **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 over 9,000 people with operations in 24 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 in the US and Europe.

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)