Clinigen Group plc
Half Year Results for the period ended 31 December 2013

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Delivering
the right drug to
the right patient at
the right time

CLINIGEN

Key highlights

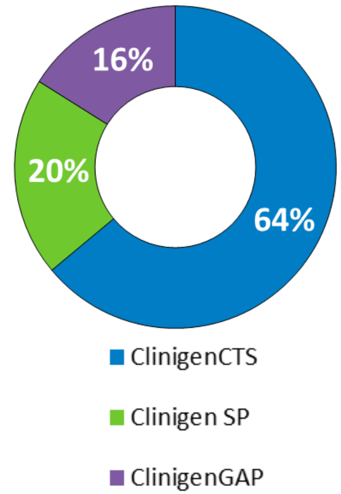
- Operations
  - CTS gross margin improved to 16.5% (H1FY13: 12.9%)
  - GAP significant sales growth, up 256%; strong gross profit growth, up 146%
  - SP sales up 22%* driven by the addition of Cardioxane® and underlying volume growth in Foscavir®
- Underlying** EBITDA up 20% to £12.5m (H1FY13: £10.5m)
- Underlying** pre-tax profit 12% higher at £10.9m (H1FY13: £9.7m)
- Underlying** earnings per share up 7.8% to 9.7p (H1FY13: 9.0p)
- Cash generation continues to be strong: cash and cash equivalents at 31 December 2013 were £16.8m, up from £11.3m at 30 June 2013
- Interim dividend of 1p per share

*H1 last year included circa £3m of Foscavir stock fill for the US market which is masking a 3% volume increase in Foscavir supply and some pricing benefits from several markets.
**Underlying earnings excludes share based payments and related costs, and one off exceptional costs in FY13 arising as a result of IPO

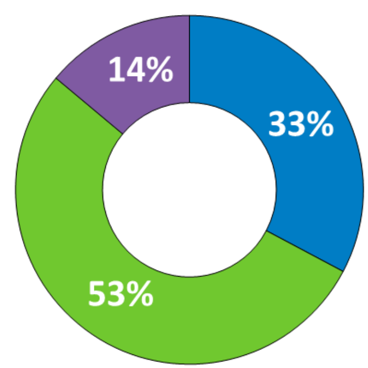
Income statement

£m Six months ended 31 December	2013	2012	Year Ended 30 June 2013
Clinigen CTS	39.5	45.1	87.8
Clinigen GAP	9.9	2.8	10.5
Clinigen SP	12.4	13.1	24.3
Sales	**61.8**	**61.0**	**122.6**
Growth (%) (underlying)	*1.2% (6.5%)*		
Clinigen CTS	6.5	5.8	11.4
Clinigen GAP	2.8	1.1	3.9
Clinigen SP	10.6	10.2	19.8
Gross profit	**19.9**	**17.1**	**35.1**
Growth (%)	*16.4%*		
Gross profit margin (%)	*32.2%*	*28.0%*	*28.6%*
Overheads**	**(7.4)**	**(6.6)**	**(12.7)**
EBITDA**	**12.5**	**10.5**	**22.4**
Margin (%)	*20.3%*	*17.2%*	*18.3%*
Profit after tax (published)	7.2	2.3	11.3
Profit after tax (underlying)**	8.0	7.5	15.3

H1 2014 Revenue (£61.8m)



H1 2014 Gross profit (£19.9m)



**Underlying earnings excludes share based payments and related costs, and one off exceptional costs in FY13 arising as a result of IPO

Reconciliation for EBITDA to PAT

	Underlying		Reported	
	6 months ended 31 Dec 2013	6 months ended 31 Dec 2012	6 months ended 31 Dec 2013	6 months ended 31 Dec 2012
	£'000	£'000	£'000	£'000
Underlying EBITDA	12,546	10,458	12,546	10,458
Interest expense	(77)	(56)	(77)	(56)
Depreciation and amortisation	(1,603)	(722)	(1,603)	(722)
Underlying PBT	10,866	9,680	10,866	9,680
Share based payment charge	-	-	(1,264)	(2,061)
One off IPO costs	-	-	-	(3,964)
PBT	10,866	9,680	9,602	3,655
Taxation (underlying)	(2,831)	(2,227)	(2,831)	(2,227)
Taxation (non-underlying)	-	-	415	900
PAT	8,035	7,453	7,186	2,328

Group balance sheet

- Goodwill/intangibles - acquisition of Foscavir, Cardioxane, CTS Ltd and in-licence of Vibativ
- Working capital-light operating model
- Increase in receivables due to credit terms now being given to key new and existing CTS large customers
- £5.5m net increase in cash to £16.8m
- £20m debt facility in place (RCF) until August 2015
- Final guaranteed payment to Novartis of $11m (£7m) for Cardioxane due 25 March 2014

£m Six months ended 31 December	2013	2012	30 June 2013
Property, plant and equipment	1.0	0.5	0.7
Goodwill & other intangible assets	38.0	14.7	38.9
Deferred tax asset	1.5	5.1	2.0
Total non-current assets	**40.5**	**20.3**	**41.6**
Inventories	3.9	1.7	3.1
Trade and other receivables	27.0	18.5	22.7
Cash and cash equivalents	16.8	22.3	11.3
Total current assets	**47.7**	**42.5**	**37.1**
Total assets	**88.2**	**62.8**	**78.7**
Trade and other payables	(31.0)	(19.2)	(27.8)
Corporation tax liability	-	-	-
Provisions	-	(0.9)	-
Total current liabilities	**(31.0)**	**(20.1)**	**(27.8)**
Loans and borrowings	-	-	-
Total non-current liabilities	**-**	**-**	**-**
Total liabilities	**(31.0)**	**(20.1)**	**(27.8)**
Total equity	**57.2**	**42.6**	**50.9**

Group cash flow

- Capex for head office refurbishment and intangibles; Cliniport software
- Strong cash generation of £8.6m from operations
- Increase in working capital due to CTS credit terms and inventory for new SP products
- Dividend policy :
  - Interim and final dividend payments 1:2
  - Interim dividend 1.0p per share

£m Six months ended 31 December	2013	2012	30 June 2013
Profit after tax	7.2	2.3	11.3
Add: Corporation tax	2.4	1.3	3.2
Interest paid	0.1	0.1	0.1
D&A	1.6	0.7	1.9
Share based payment expense	0.6	2.1	2.3
Loss on disposal of PP&E	-	-	-
(Increase)/decrease in NWC	(3.7)	4.6	1.7
(**Increase**) in provisions	-	-	(0.9)
Income taxes (paid)/received	0.4	(0.8)	(1.3)
Net cash flows from operating activities	**8.6**	**10.3**	**18.3**
Purchase of PP&E	(0.6)	(0.2)	(0.4)
Purchase of intangibles	(0.4)	-	(18.3)
Purchase of own shares	(0.3)	-	-
Net cash used in investing activities	**(1.3)**	**(0.2)**	**(18.7)**
Interest paid	(0.1)	(0.1)	(0.1)
Loan repayments	-	(1.6)	(1.6)
Dividends	(1.7)	-	(0.5)
Issue of shares	-	8.7	8.7
Net cash used in financing activities	**(1.8)**	**7.0**	**6.5**
Total cash flows	**5.5**	**17.1**	**6.1**

- Main revenue generator, 64% of Group revenues
- Gross profit up 12.4% with significantly improved GM of 16.5%, partly driven by improved sourcing and terms
- Sales down as prior year benefitted from a small number of large anti-viral study sales (£24m) at low margin
- Current exclusive supply agreements extended and new agreements expected H2
- New service developments – direct to site and technical solutions

- Continued significant sales growth, up 256%
- Strong gross profit performance, up 146%
- Sanofi's Campath and BTG programs showing good growth
- Astellas' enzalutamide oncology early access program has been very successful and will close earlier than planned during CY14
- New programs, such as Eisai's Fycompa, starting in H2 will replace enzalutamide contribution

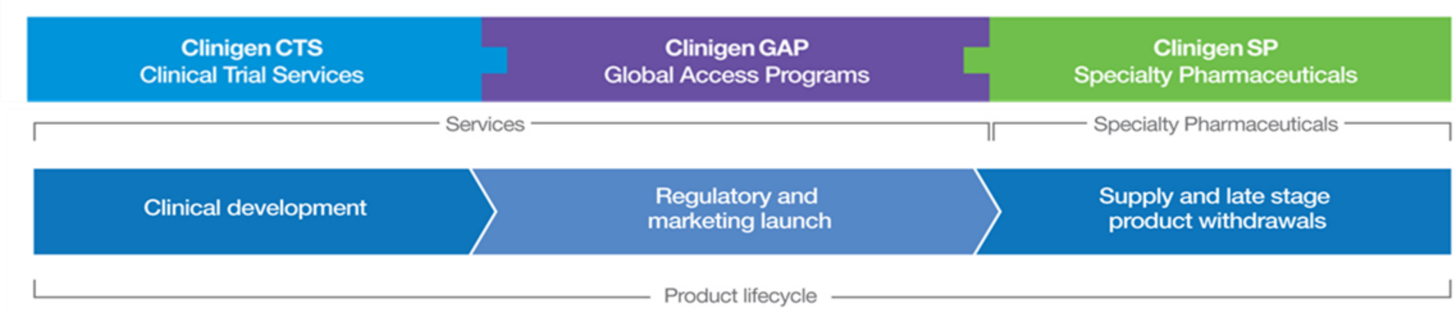
- Foscavir
  - Prior year one-off US pipeline fill (£3m)
  - Underlying volume growth 3%, levelling out at 1-3% per annum
  - Price increases in key markets and BMT indication now approved in five markets
  - License application made in South Korea

- Cardioxane
  - Sales of £1.8m in the period
  - EU MAs all transferred; other key markets on schedule

- Vibativ
  - GAP program now live
  - Positive CHMP opinion and EU suspension expected to be lifted in H2 FY14

- Acquisition / in-licensing pipeline healthy; some expected to convert CY14

Clinigen – position and capabilities



Management of licensed and unlicensed products gives huge synergies between GAP and SP

- No other specialty pharmaceutical companies have this capability
- Clinigen demonstrates its capabilities with GAP programs for its own products; 12.5% of Foscavir sales come from unlicensed territories
- The only global specialist player in the CTS market and one of only two in GAP

Clinigen is global, delivering medicines to more than 55 countries through its international hub and spoke logistics network

Current trading and outlook

- A good start to FY14 in line with expectations
- CTS - lumpy, margins improved
- GAP - expect significant growth year on year
- SP - new product integrations on track
  - acquisition of products expected in CY14