

18 July 2017



## Year end trading update

### *Strong full year performance with profits up over 20%*

Clinigen Group plc (AIM: CLIN, 'Clinigen' or the 'Group'), the global pharmaceutical and services company, today provides a trading update for the 12 months ended 30 June 2017.

#### Highlights

- Gross profit\* expected to be up 22% driven by a combination of organic growth across all operations, a full year's contribution from Link Healthcare and currency benefits
- Strong growth across Clinical Trial Services (CTS), Unlicensed Medicines, and Commercial Medicines
- Outstanding performance in Africa and Asia Pacific
- Dexrazoxane portfolio revitalisation significantly enhanced by positive CHMP\*\* opinion on Cardioxane and Totect US approval
- New simplified operating and reporting structure comprising CTS, Unlicensed Medicines and Commercial Medicines

#### Shaun Chilton, Group Chief Executive Officer of Clinigen Group said:

*"This has been another excellent year with all three operations, CTS, Unlicensed Medicines and Commercial Medicines performing strongly.*

*"We have made significant progress in our strategy to build scale and capability in high growth geographies in Africa and Asia Pacific. Now that Link's earn-out period has been completed, we will be able to further integrate and develop our complementary portfolio of businesses worldwide.*

*"Our priorities in the current financial year remain unchanged. We will drive organic growth across all parts of the Group and search for selective acquisitions to complement our existing offering and capabilities."*

#### Group performance

Overall the Group has traded in line with the Board's expectations and all operations are well positioned to drive good growth in the current financial year.

Following the completion of the Link earn-out and subsequent closer integration of Link into the Group, the performance of the business will be reported as three operations; CTS, Unlicensed Medicines, and Commercial Medicines. This structure reflects how Clinigen operates in practice and will allow the Group to better capitalise on our market leading positions and expanded geographical footprint.

Gross profit, viewed as the best measure of top line growth, is expected to increase by around 22% compared to last year, driven by organic growth across all operations, a full year's contribution from Link Healthcare ('Link') and currency benefits following the depreciation of Sterling.

Revenues increased around 7% excluding the effect of the change in mix in Managed Access towards programmes where the product is provided by the pharmaceutical client free of charge, and the termination of a large Global Access low margin commercial contract, which was inherited with the Idis acquisition. This revenue growth is lower than the growth in gross profit primarily due to the change in mix in CTS towards higher margin products and activity. Reported revenue decreased around 11%.

### CTS

CTS, representing around 19% of Group gross profits, delivered another year of excellent growth. It continues to add complementary services to the core business to respond to the increased demand from clients requiring more global and complex solutions.

### Unlicensed Medicines

Unlicensed Medicines, encompassing the Managed Access, Global Access and the unlicensed business within the Link division, represents around 42% of Group gross profit. This part of the business delivered strong growth with the highlight being outstanding growth in the Africa and Asia Pacific region.

### Commercial Medicines

Commercial Medicines, encompassing the Specialty Pharma division and the commercial business of the Link division, representing around 39% of Group gross profits, delivered another excellent year of progress.

Foscavir was an important driver of growth and Ethyol stepped up in the second half benefiting from the strategic partnership with Cumberland in the US. The Group's dexrazoxane portfolio comprising Cardioxane, Savene and Totect, performed as expected, with Totect achieving FDA approval in the final quarter in the US.

As announced in May 2017, a key development was the positive CHMP\*\* opinion to modify the current product information for Cardioxane. It is expected that the European Commission will accept the CHMP opinion and will issue its approval shortly. As a result of the approval, physicians will be able to consider use of Cardioxane in paediatric patients where high dose anthracycline therapy is planned. The approval is expected to step up usage of Cardioxane in the medium term and further demonstrates Clinigen's ability to revitalise acquired products.

Excellent progress was made in the Africa and Asia Pacific region, building sales from Link's existing commercial portfolio and from the strategy of converting unlicensed medicines to licensed medicines.

Group overheads are expected to increase in line with budget as the Group continues to strengthen the infrastructure and management team to support its long term growth ambitions. The implementation of the Group's ERP system, which will make the business more efficient and scalable, is progressing to plan.

Cash flow performance was significantly stronger in the second half of the year. As a result, net debt has decreased to around £35 million as at 30 June 2017 from £70.9 million as at 31 December 2016. It is estimated that the deferred cash consideration on the Link acquisition, payable in October 2017, will be in the region of £40m.

The Group expects to publish its final results for the year ended 30 June 2017 on Thursday 28 September 2017.

\*Gross profit growth rate includes Clinigen's share of the South Africa Joint Venture and exclude the impact of the release of the fair valuation of inventory acquired with Idis and Link Healthcare. Under IFRS, the Joint Venture is excluded from revenue, gross profit and profit before tax and the Group's share of the Joint Venture's profit after tax is included in the Profit and Loss Account as 'other income'. The release of the fair value element of inventories is included in the non-underlying costs of the Group.

\*\*The Committee for Medicinal Products for Human Use (CHMP) is the European Medicines Agency's (EMA) committee responsible for human medicines.

- Ends -

### **Conference call**

Shaun Chilton, CEO and Martin Abell, CFO will host an analyst call at 8.30am on Tuesday, 18 July 2017. Call details available upon request from [clinigen@instinctif.com](mailto:clinigen@instinctif.com).

An audio replay file will be made available shortly afterwards on the Group's website: [www.clinigengroup.com](http://www.clinigengroup.com).

### **Contact Details**

#### **Clinigen Group plc**

Tel: +44 (0) 1283 495010

Shaun Chilton, Group Chief Executive Officer

Martin Abell, Group Chief Financial Officer

Matt Parrish, Head of Investor Relations

#### **Numis Securities Limited**

Tel: +44 (0) 20 7260 1000

Michael Meade / Freddie Barnfield (Nominated Adviser)

James Black / Tom Ballard (Corporate Broking)

#### **RBC Capital Markets – Joint Broker**

Tel: +44 (0) 20 7653 4000

Marcus Jackson / Elliot Thomas / Jack Wood

#### **Instinctif Partners – Media Relations**

Tel: +44 (0) 20 7457 2020

Melanie Toyne-Sewell / Alex Shaw / Deborah Bell

Email: [clinigen@instinctif.com](mailto:clinigen@instinctif.com)

### **About Clinigen Group**

Clinigen Group plc (AIM: CLIN) is a global pharmaceutical and services company with a unique combination of businesses focused on providing access to medicines. Its mission is to deliver the right medicine to the right patient at the right time through three areas of global medicine supply; clinical trial, unlicensed and licenced medicines.

### **Clinical Trial Services**

Clinigen is the global market leader in the specialist supply and management of quality-assured comparator medicines and services to clinical trials and Investigator Initiated Trials.

### **Unlicensed Medicines**

Clinigen is the global leader in ethically sourcing and supplying unlicensed medicines to hospital pharmacists and physicians for patients with a high unmet medical need. The Group manages early access programmes to innovative new medicines and provides on demand access globally to medicines which remain unlicensed at the point of care.

### **Commercial Medicines**

The Group acquires global rights to niche hospital only and critical care products, revitalising these assets around the world and returning them back to sustained growth. The Group also provides access to licensed and branded generic medicines in the Africa and Asia Pacific region.

For more information on Clinigen, please visit [www.clinigengroup.com](http://www.clinigengroup.com)

### **Cautionary statement**

*This announcement contains certain projections and other forward-looking statements with respect to the financial condition, results of operations, businesses and prospects of Clinigen Group plc. These statements are based on current expectations and involve risk and uncertainty because they relate to events and depend upon circumstances that may or may not occur in the future. There are a number of factors which could cause actual results or developments to differ materially from those expressed or implied by these forward-looking statements. Any of the assumptions underlying these forward-looking statements could prove inaccurate or incorrect and therefore any results contemplated in the forward-looking statements may not actually be achieved. Recipients are cautioned not to place undue reliance on any forward-looking statements contained herein. Except as required by law, Clinigen undertakes no obligation to update or revise (publicly or otherwise) any forward-looking statement, whether as a result of new information, future events or other circumstances.*

*The information contained in this statement has not been audited and may be subject to further review.*