

Ergomed

Two key management changes

In a strategic move to support its business development plans and digitisation efforts, Ergomed has announced two senior appointments to its executive team. Michael Spiteri, a serving non-executive director at Ergomed, has been named as the chief transformation and technology officer (CTTO) and Jonathan Curtain has been appointed as deputy chief financial officer. Amid the sustainable and strong momentum in Ergomed's business in H122 despite market softness, we see that the new additions as underscoring the management's focus on business expansion and digital transformation.

Year end	Revenue (£m)	Adjusted EBITDA*(£m)	EPS* (p)	DPS (p)	P/E (x)	Yield (%)
12/20	86.4	19.4	23.8	0.0	55.6	N/A
12/21	118.6	25.4	41.3	0.0	32.1	N/A
12/22e	140.1	28.2	40.0	0.0	33.1	N/A
12/23e	156.5	31.7	45.9	0.0	28.8	N/A

Note: *PBT and EPS are normalised, excluding amortisation of acquired intangibles, exceptional items and share-based payments.

Both the new appointees come with detailed industry backgrounds, in the information technology and life sciences spaces, respectively. Michael Spiteri has assumed role of CTTO, stepping down from his existing role of non-executive director on the company's board. He brings over 30 years of experience in the IT sector and has been instrumental in developing Ergomed's technological/digital capabilities in his role as member of the board. With his appointment in an execution role, we anticipate further enhancement in digital transformation across the company's operations.

Jonathan Curtain brings 13 years of experience from ICON, a Nasdaq-listed contract research organization with a market cap of \$16bn, where he played a key role in the \$12bn acquisition of PRA Health Sciences by ICON in 2021. His most recent appointment with ICON was as senior vice president of corporate and commercial finance. We expect Ergomed to leverage his experience to support its strategic expansion plans.

As a recap, Ergomed recently released full H122 results indicating sustained strong momentum across both business segments despite the underlying biotech market softness. The 24.8% y-o-y revenue growth was supported by geographical expansion, forex tailwinds and a £4m contribution from the ADAMAS acquisition. The revenue growth translated into robust margins, which should benefit further from the consolidation of the higher-margin ADAMAS business. The order book continued to be strong (24.9% y-o-y growth), indicating a solid sales pipeline for the coming quarters.

Management change

Healthcare services

18 November 2022

Price 1,324p

Market cap £670m

Net cash (£m) at 30 June 2022 12.0

Shares in issue 50.1m

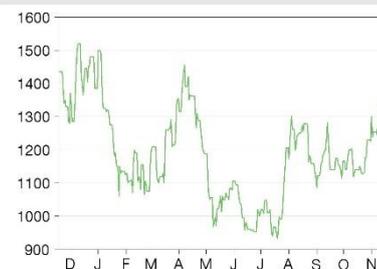
Free float 81%

Code ERGO

Primary exchange AIM

Secondary exchange Frankfurt Xetra

Share price performance



Business description

Ergomed is a global full-service contract research outsourcing business with a focus on the United States and the EU. It provides Phase I-III clinical services in addition to post-marketing pharmacovigilance services through its PrimeVigilance division. Ergomed is predominantly focused on oncology, orphan drugs, rare diseases and pharmacovigilance.

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