

UDG HEALTHCARE PLC

TRADING UPDATE

Strong first half of the financial year; update on COVID-19

15 April 2020: UDG Healthcare plc (“the Group”), a leading international provider of healthcare services, issues the following trading update for the first half of the financial year covering the period 1 October 2019 to 31 March 2020 together with an update on the impact of the COVID-19 outbreak.

Key updates:

- The health and wellbeing of our people and serving our clients remains the Group’s priority
- Strong H1 FY20, well ahead of prior year
- COVID-19 is expected to impact H2 FY20 performance
- Mitigation plan being implemented across the Group
- FY20 financial guidance withdrawn due to current uncertainty
- Interim dividend suspended
- Strong balance sheet and liquidity position

Brendan McAtamney, Chief Executive of UDG Healthcare commented:

“During this challenging period resulting from the outbreak of COVID-19, our focus first and foremost is on protecting the health and wellbeing of our people and serving our clients. I want to thank each and every one of our people for their ongoing hard work, dedication and commitment during this unprecedented situation.

UDG Healthcare is a well-diversified business and we have delivered a strong first half performance, driven by the performance of both Ashfield and Sharp. Our balance sheet remains robust and we are taking a number of decisive actions to support our people, our customers and the long-term future of our business.

We have confidence in the market fundamentals that underpin our business, and I have no doubt the actions we are taking now will ensure we emerge from this crisis well placed to deliver renewed strong growth over the medium term.”

First half trading to 31 March 2020

Group

The Group has made a strong start to the financial year with constant currency profit before tax for the six months to 31 March 2020 well ahead of the same period last year, reflecting good underlying growth and the benefit of acquisitions made in 2019.

Ashfield

Ashfield's operating profit was well ahead of the same period last year driven by good underlying growth and the benefit of acquisitions.

Communications and Advisory continued to perform strongly with operating profit well ahead of the same period last year driven by high single digit underlying operating profit growth and the benefit of acquisitions completed in 2019.

Commercial and Clinical's operating profit was in line with the same period last year.

Sharp

Sharp performed very strongly, delivering double digit underlying operating profit growth compared to the same period last year.

Response to COVID-19

Protecting the wellbeing of our people

Since the start of the COVID-19 outbreak, the Group's priority has been the health and wellbeing of our people and their families. The Group established a global response team in the initial stages of the outbreak comprising representatives across the Group and each of its divisions and business units allowing it to implement measures swiftly to protect colleagues.

Across all of our businesses, we have put in place additional health and safety measures to protect our people. At our Sharp sites, these measures include providing incremental personal protective equipment, additional cleaning and hygiene services and adapting shift patterns to enable required social distancing.

Continuing to deliver for our clients

Despite the impact of COVID-19 on activity and operations, our people have shown incredible commitment and dedication in light of the unprecedented challenges presented by this outbreak. As a result, the Group has continued to deliver for clients to the extent possible during this challenging time, aided by our significant investments in technology in recent years.

Within Ashfield, as a dynamic and technology-enabled business, we continue to serve our clients remotely where possible, although we have seen some project deferrals and cancellations. In-field based activities in Ashfield (particularly in our Meetings and Events business, field-based representatives, clinical educator business and audit services in STEM) are experiencing more significant disruption and reduced activity.

In Sharp, where we package critical and in some cases life-saving medicines for patients, the business has been categorised as essential and therefore continues to operate. While demand within Sharp remains very robust, temporary disruption to production schedules and capacity resulting from the additional health and safety

measures, along with workforce availability, is expected to reduce our efficiency and revenue.

Cost control measures implemented

The Group is actively adopting cost control measures to mitigate the potential negative impacts from COVID-19. These measures have included: the reduction of appropriate variable costs; tight control of discretionary expenditure; a recruitment freeze; reducing freelancer expenditure; and a temporary reduction in labour including reduced working hours and furloughing of employees.

The Board and Senior Executive Team have voluntarily agreed to take a 20% reduction in their respective fees and base salary for at least the next three months.

Balance sheet, liquidity and dividend

The Group has a robust financial position with a strong balance sheet and liquidity profile, with a net debt to EBITDA ratio of approximately 0.3x at 31 March 2020 (as defined by our debt agreements).

Having regard for all stakeholders' interests and the wider societal challenges, the Board has taken the decision to suspend an interim dividend for H1 FY20. The Board will keep this decision under review in the financial year as the effects of the COVID-19 outbreak become clearer.

Group outlook

As outlined, the Group delivered a strong trading performance for the six months to 31 March 2020. However, the Group expects lower activity levels than previously anticipated during the second half of FY20.

Given the ongoing uncertainty and near-term challenges presented by the COVID-19 outbreak, the Group is withdrawing its constant currency EPS guidance for FY20, which was announced in its Q1 trading update in January 2020.

Beyond this period of uncertainty arising from COVID-19, the Group's strong and diversified business, supplemented by excellent market fundamentals and its robust financial position, leaves it well placed to deliver renewed strong growth over the medium term.

Date of interim results

The Group expects to issue its full interim results for the six months to 31 March 2020 on Tuesday 19 May 2020.

This announcement contains inside information for the purposes of Article 7 of EU Regulation 596/2014.

For reference

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About UDG Healthcare plc:

UDG Healthcare plc (LON: UDG) is a leading international partner of choice delivering advisory, communication, commercial, clinical and packaging services to the healthcare industry, employing over 8,500 people with operations in 26 countries and delivering services in over 50 countries.

UDG Healthcare plc operates across two divisions: Ashfield and Sharp.

Ashfield is a global leader in advisory, communication, commercial and clinical services for the pharmaceutical and healthcare industries. 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 healthcare industries, operating from state-of-the-art facilities in the US and Europe.

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

Forward Looking Statements

Some statements in this announcement are or may be forward looking statements. In particular, any statements that express forecasts, expectations and projections with respect to future matters, including trends in results of operations, margins, growth rates, overall market trends, the impact of interest or exchange rates, the availability of financing, anticipated cost savings and synergies and the execution of the Group's strategy, are 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, because they relate to events and depend upon circumstances that will occur in the future. 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, health, security and business factors, as well as international, national and local conditions which 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. Any forward looking statements speak only as of the date they are made and, 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. Nothing in this document should be construed as a profit forecast. UDG Healthcare plc and its directors accept no liability to third parties.