UDG Healthcare plc
Preliminary Announcement of Results
Year ended 30 September 2018
Solid performance drives 22% full-year constant currency EPS growth

27 November 2018: UDG Healthcare plc ("UDG Healthcare" or "Group"), a leading international healthcare services provider, announces its preliminary results for the year ended 30 September 2018, in which the Group continued to deliver strong EPS growth.

Financial Results

	IFRS based $'m	Adjustments[1] $'m	**Adjusted $'m**	**Increase on 2017 %**	**Constant currency Increase on 2017 %**
Continuing operations					
Revenue	1,315.2	-	**1,315.2**	**8**	**5**
Net revenue[2]	1,129.7	-	**1,129.7**	**10**	**6**
Operating profit	5.5	142.0	**147.5**	**14**	**12**
Profit before tax	8.4	130.4	**138.8**	**17**	**15**
Diluted earnings per share (EPS) (cent)	1.52	44.42	**45.94**	**24**	**22**
Dividend per share (cent)	16.00	-	**16.00**	**20**	**20**

	2018	**2017**
Net debt ($'m)	60.8	53.3
Net debt/annualised EBITDA (times)	0.34	0.32

Non-IFRS information
The Group reports certain financial measurements that are not required under International Financial Reporting Standards (IFRS) which represent the generally accepted accounting principles (GAAP) under which the Group reports. The Group believes that the presentation of these non-IFRS measurements provides useful supplemental information which, when viewed in conjunction with our IFRS financial information, provides investors with a more meaningful understanding of the underlying financial and operating performance of the Group and its divisions. These measurements are also used internally to evaluate the historical and planned future performance of the Group's operations and to measure executive management's performance based remuneration. **Reference to these performance measurements throughout this report are to the adjusted measurements unless otherwise stated and these adjusted measurements are explained on pages 30-34.**

[1] Adjusted operating profit, profit before tax and diluted EPS are stated before the amortisation of acquired intangible assets ($31.0m, pre-tax), transaction costs ($2.4m, pre-tax) and exceptional charges (operating charge $108.6m, pre-tax $97.1m and post-tax $85.8m) relating to the disposal and impairment of Aquilant ($90.7m charge), the Group's restructure of internal operating structures ($18.0m charge), deferred contingent consideration adjustments ($11.6m gain), net tax effect of these items ($1.5m gain), and an exceptional credit to deferred tax liabilities ($9.7m gain). See note 7.

[2] Net revenue represents gross revenue adjusted for revenue associated with pass-through costs, for which the Group does not earn a margin.

Financial highlights (Continuing Group)

- Adjusted diluted earnings per share[1] (EPS) increased by 24% (22% on a constant currency basis).
- Net revenue growth of 10% (6% on a constant currency basis) to $1,129.7 million.
- Adjusted operating profit[1] growth of 14% (12% on a constant currency basis) to $147.5 million. Underlying operating profit[2] grew by 7%, excluding the Future Fit programme and Aquilant.
    - Ashfield's adjusted operating profit[1] increased by 16% on a constant currency basis, benefiting from acquisitions
    - Sharp's adjusted operating profit[1] increased by 13% on a constant currency basis driven by very strong momentum in the US business as the year progressed.
- Adjusted net operating margin[3] increased to 13.1% from 12.6%.
- Adjusted profit before tax[1] increased by 17% (15% on a constant currency basis).
- Proposed 21% increase in final dividend to 11.75 $ cent per share, yielding a full year dividend increase of 20% to 16.00 $ cent per share.
- Net debt of $60.8 million at 30 September 2018 (0.34x net debt to annualised EBITDA).

Strategic & operating highlights

- Completed the acquisitions of Create NYC and SmartAnalyst in July 2018 for a combined consideration of up to $82.4 million.
- Completed the disposal of Aquilant in August 2018, concluding the Group's exit from its supply chain businesses.
- Ashfield's offering continues to shift towards more strategic, higher value services with Ashfield Communications & Advisory now accounting for 63% of Ashfield's operating profit, up from approximately 20% five years ago.
- Three Sharp facilities upgraded in the year, providing a strengthened platform for growth.
- Restructuring of internal operating structures completed, with a view to achieving greater flexibility, accountability and performance across the Group. An after tax restructuring charge of $14.4 million has been incurred as a consequence in 2018, with the benefits being reinvested into technology, infrastructure and a *STEM aXcellerate* growth programme.

Chief Executive's comment

Commenting on the performance, Chief Executive Officer, Brendan McAtamney said:

"The 2018 results reflect the continued execution of our strategy and another year of continued strong growth for the Group, with adjusted earnings per share growth of 24% (22% on a constant currency basis). Our two global platforms, Ashfield and Sharp, continued to drive earnings as we leveraged our leading market positions and sector expertise.

Ashfield Communications & Advisory, including the benefit of acquisitions, was the main driver of earnings growth supported by Sharp US, which delivered a particularly strong performance during the second half of the year. We are also pleased with the additions of Create NYC and SmartAnalyst into Ashfield as we continue to broaden the range of capabilities we offer our healthcare clients.

Looking ahead to 2019, we expect continued progress, both organically and through further strategic acquisitions. We expect good underlying profit growth in both Ashfield Communications & Advisory and Sharp, particularly in the US. In Ashfield Commercial & Clinical we will continue to diversify and differentiate our service offering, although in the short term we expect there to be some ongoing softness. As we have done in previous years we will also continue to invest in our talent, systems and infrastructure, to ensure we continue to have an effective platform for future sustainable growth."

[1] Before the amortisation of acquired intangible assets, transaction costs and exceptional items.
[2] Underlying growth is reported growth adjusted for the impact of currency translation movements and any acquisition or disposal activity.
[3] Operating margin as a percentage of net revenue. Net revenue represents gross revenue adjusted for revenue associated with pass-through costs, for which the Group does not earn a margin.

Group development and outlook

Corporate Development
The Group continued to make good progress from a corporate development perspective completing the acquisitions of Create NYC, an innovative communications agency, and SmartAnalyst, a strategic commercialisation consulting and analytics business, in July 2018 for a total combined consideration of up to $82.4 million. Both acquisitions are a strong fit strategically, expand the Group's capabilities, and complement the underlying growth profile of the business.

The Group also completed the disposal of Aquilant to H2 Equity Partners in August 2018. Aquilant represented approximately 4% of the Group's operating profit. Following the Group's disposal of United Drug in 2016, the disposal of Aquilant is the final step in the Group's exit from its supply chain businesses.

At the year end, the Group's net debt was $60.8 million (0.34x net debt to EBITDA), leaving it well placed to fund the continued inorganic development of our two global platforms, Ashfield and Sharp.

Ashfield Development
A key element of the Group's strategy is the continued expansion and development of Ashfield's service proposition. This strategy has transformed Ashfield from a tactical provider of field-based sales reps to a strategically focused business with a broad suite of end-to-end advisory, communication, commercial and clinical services. Ashfield Communications & Advisory now accounts for 63% of Ashfield's operating profit, up from approximately 20% five years ago. The acquisitions of Create NYC and SmartAnalyst further strengthen and expand Ashfield's capabilities towards more strategic, higher value services.

STEM aXcellerate
STEM was acquired in October 2016 and since then has delivered significant growth. STEM continues to see considerable opportunities to grow its core pharmaceutical customer base and in tandem expand its unique model into other adjacent healthcare markets which offer significant growth potential. This expansion programme, known as *STEM aXcellerate*, will be undertaken on a phased basis. While the Group is confident that *STEM aXcellerate* offers the potential for attractive financial returns, this expansion will also require considerable people investment which will impact on underlying profit growth rates in 2019.

Sharp Development
2018 marks the tenth anniversary of the acquisition by the Group of Sharp Packaging US. Since 2008, consistent growth has led to a near doubling of capacity, a doubling of the workforce and a significant increase in profitability.

Building on this trajectory, in 2018, three of Sharp's facilities were refurbished providing it with an excellent platform for future growth. This included Sharp's investment in its facility in Heerenveen, Netherlands, as well as its clinical facilities which continued to progress on schedule. When completed, these investments will allow Sharp Clinical the capacity to offer end-to-end clinical services both in the US and Europe.

Future Fit
The Future Fit programme was a significant focus in 2018, with *Workday* fully implemented and the implementation of *Oracle* well progressed. The previously communicated step-up in costs has moderated underlying profit growth by approximately $3.5 million in 2018, primarily in Ashfield.

The Group continues to invest in technologies and systems to deliver market-leading services and innovative solutions for its clients. These strategic investments include front-end client facing technologies such as *Health Cloud* and *Avature,* which help differentiate our Ashfield Commercial & Clinical business in particular. We will also continue to invest in support technologies such as the *Concur* expense system and IT security, along with the implementation as applicable of *Workday* and *Oracle* to our acquisitions. These ongoing investments will future-proof the fabric of the organisation and provide a solid foundation for the integration of newly acquired businesses, and the long-term sustainable growth of the Group.

Restructuring and Reinvestment Programme
The Group remains ambitious to continue the strong growth and development of its business. Following the considerable expansion in recent years both organically and inorganically, and the stated intention to focus on its two global growth platforms, Ashfield and Sharp, the Group has implemented a restructuring of its internal operating structures, with a view to achieving greater flexibility, accountability and performance. Furthermore, it will assist in taking advantage of the growing market opportunities in an evolving and increasingly complex healthcare industry.

An after tax restructuring charge of $14.4 million has been incurred as a consequence in 2018. The Group will reinvest the benefits gained from the restructuring into systems, infrastructure and the *STEM aXcellerate* programme.

Tax
The Group had an effective tax rate for the year of 17.1% down from 22.2% in 2017. This reflects the benefit from the reduction in US federal corporate tax rates from 1 January 2018 along with the benefit of a number of other gains during the second half of the year. The Group expects an effective tax rate of approximately 18% for 2019, reflecting the full-year impact of US tax reforms.

Outlook

For 2019, we expect the 2018 trends to continue, with good underlying profit growth from Ashfield Communications & Advisory and Sharp, and weaker conditions continuing in Ashfield Commercial & Clinical. The reported growth will also be impacted by planned investments, including the *STEM aXcellerate* programme.

In line with previous practice, the Group will provide formal 2019 guidance in January 2019 as part of its First Quarter Trading Update.

With overall market conditions remaining favourable, the Group is well positioned to deliver sustainable future growth in line with our existing medium term underling operating profit guidance. In addition, the Group retains substantial financial flexibility to supplement that underlying growth with further strategic acquisitions.

Review of Operations

Ashfield

	2018 $’m	2017 $’m	*Actual Growth*	*Underlying Growth*[2]
Gross revenue				
Commercial & Clinical	**597.5**	604.7	*(1%)*	*(7%)*
Communications & Advisory	**323.9**	216.7	*49%*	*8%*
Total gross revenue	**921.4**	821.4	*12%*	*(3%)*
Net revenue[1]				
Commercial & Clinical	**448.2**	442.3	*1%*	*(6%)*
Communications & Advisory	**287.7**	187.8	*53%*	*10%*
Total net revenue	**735.9**	630.1	*17%*	*(1%)*
Operating profit				
Commercial & Clinical	**36.3**	38.6	*(6%)*	*(10%)*
Communications & Advisory	**62.1**	43.0	*44%*	*10%*
Total operating profit	**98.4**	81.6	*21%*	*0%*
Operating margin				
Operating margin (on gross revenue)	**10.7%**	9.9%		
Net operating margin (on net revenue)	**13.4%**	12.9%		

[1] Net revenue represents gross revenue adjusted for revenue associated with pass-through costs, for which the Group does not earn a margin. There are no pass-through costs in Sharp.

[2] Underlying growth adjusts for the impact of currency translation movements and any acquisition or disposal activity.

Ashfield delivered a robust financial performance during the year, driven by the benefit of acquisitions, and good underlying momentum in Communications & Advisory, offset by challenges in the Commercial & Clinical business. Net revenue was up 17% to $735.9 million and operating profit was up 21% to $98.4 million.

Ashfield’s underlying net revenue and underlying operating profit were broadly flat year on year, after adjusting for the impact of currency translation movements and the contribution of acquisitions. As expected, Ashfield incurred approximately $3.5 million additional operating costs during the year related to the Future Fit investments – the business generated approximately 5% underlying operating profit growth during the year before these additional costs.

Net operating margin increased to 13.4% from 12.9% reflecting the continued strong momentum from the higher margin Communications & Advisory business.

Ashfield Communications & Advisory accounted for 63% of Ashfield’s operating profit in 2018, up from 53% in 2017. Net revenue increased by 53%, 10% on an underlying basis, and operating profit increased by 44%, 10% on an underlying basis. Underlying operating profit increased by 13%, excluding the impact of additional Future Fit costs. Growth was driven by a combination of good underlying growth and the benefit of acquisitions completed in 2017 and 2018. While the Group expects these strong underlying growth dynamics to continue in 2019, reported growth will be tempered by planned investments, including *STEM aXcellerate.*

Ashfield Commercial & Clinical experienced a challenging year with underlying net revenues declining by 6% and underlying operating profit declining by 10% (5% decline excluding Future Fit costs). The decline was driven by a combination of factors including the timing of contract activity levels and fewer new business development opportunities during the second half of the year. As previously indicated, we expect these challenging conditions to continue in 2019. The market continues to evolve with a clear shift from the development of primary care products towards specialty care. Ashfield’s diversified geographic and service mix leaves it well placed to benefit from the growth in specialty medicines and rise in the demand for more sophisticated multichannel solutions.

The outlook for Ashfield over the medium term remains positive, as the business diversifies its service offering and adds complementary capabilities to meet the evolving needs of its client base.

Sharp

	2018 $'m	2017 $'m	*Actual Growth*	*Underlying Growth*[1]
Revenue				
US	**267.7**	254.0	*5%*	*5%*
Europe	**43.4**	48.1	*(10%)*	*(17%)*
Total revenue	**311.1**	302.1	*3%*	*1%*
Operating profit/(loss)				
US	**46.9**	40.9	*15%*	*15%*
Europe	**(1.1)**	0.4	-	-
Total operating profit	**45.8**	41.3	*11%*	*11%*
Operating margin %	**14.7%**	13.7%		

[1] *Underlying growth adjusts for the impact of currency translation movements and any acquisition or disposal activity.*

Sharp delivered a strong financial performance for the year, driven by improving momentum in Sharp US during the second half, offset by a lower than anticipated performance in Sharp Europe. Revenue was up 3% to $311.1 million and operating profit was up 11% to $45.8 million. Operating margins increased to 14.7% from 13.7%.

After a challenging start to 2018, Sharp US generated substantial underlying operating profit during the second half of the year to deliver underlying operating profit growth of 15% for the full year. This has been driven by growth in demand for the secondary packaging of biotech injectable products, as well as with traditional packaging formats (bottles, blister packs, etc.).

Sharp Europe generated an operating loss of $1.1 million during the year due to activity levels with some clients being lower than previously anticipated.

Sharp Clinical successfully completed phase one of its expansion project in the US by relocating to its newly renovated facility at Bethlehem. The second significant investment in Sharp Clinical was the construction and fit out of our state-of-the-art facility in Wales, UK. The site is now fully operational for packaging and logistics services with analytical, manufacturing and interactive response technology services to follow by 2020. These investments will allow Sharp Clinical to continue its clinical supply chain optimisation strategy by offering end-to-end services, formulation to logistics, all within one facility in both the US and Europe.

Based on the current activity levels and the strong pipeline of new business, Sharp remains well positioned to deliver double-digit underlying operating profit growth over the medium term.

Analyst presentation
A presentation for investors and analysts will be held at the London Stock Exchange at 8.30 GMT today, 27 November 2018. If you wish to attend, please contact Powerscourt at the details below. Alternatively, to dial into the conference call or webcast, the details are as follows:

Audio webcast
https://edge.media-server.com/m6/p/njnoc85w

Conference call
UK number: +44-330-336-9105
Ireland number: + 353-1-246-5638
US number: +1-929-477-0448
Participant code: 7295026

If you wish to ask questions, please do so via the conference call.

A replay of the audio webcast can be accessed via the same webcast link above.

For further information, please contact:

Investors and Analysts:
Keith Byrne
SVP, 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 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 information
This announcement contains certain forward-looking statements, beliefs or opinions, including statements with respect to the Company's business, financial condition and results of operations. By their nature these statements involve risk and uncertainty because they relate to events and depend on circumstances that may or may not occur in the future. These statements reflect the reasonable beliefs and expectations of the Company, are made in good faith and are based on the information available to the Company at the date of this announcement. However, a number of factors, including known and unknown risks, uncertainties and other factors, which are in some cases beyond the Company’s control, could cause actual results and developments to differ materially from those expressed or implied by the forward looking statements.

Finance Review

for the year ended 30 September 2018

Revenue

Revenue of $1,315.2 million for the year was 8% ahead of 2017 (5% on a constant currency basis). Ashfield increased revenue by 12% and Sharp increased revenue by 3%. Group underlying revenue declined by 2%, excluding the impact of foreign exchange, acquisitions and disposals.

Adjusted operating profit

Adjusted operating profit of $147.5m was 14% ahead (12% on a constant current basis) of 2017.

Adjusted net operating margin

The adjusted net operating margin for the year of 13.1% was an increase on the 12.6% margin reported in 2017. The positive margin effect of acquisitions and higher revenue growth in the higher margin businesses more than offset the impact of additional Future Fit operating costs.

Adjusted profit before tax

Net interest costs, pre-exceptional items, for the year of $8.7 million are 16% lower than 2017, which is as a result of the repayment of guaranteed senior unsecured notes in September 2017. This delivered an adjusted profit before tax of $138.8 million which is 17% ahead of 2017 (15% on a constant currency basis).

Taxation

The effective taxation rate has decreased from 22.2% in 2017 to 17.1% in 2018 following the enactment of the US Tax Cuts and Jobs Act, along with the benefit of a number of other gains during the second half of the year.

Adjusted diluted earnings per share

Adjusted earnings per share (EPS) is 24% ahead (22% on a constant currency basis) of 2017 at 45.94 $ cent. Underlying EPS increased by 11% excluding the benefit of acquisitions completed in 2017 and during the year and favourable currency movements.

Exceptional items

The Group incurred an exceptional charge of $85.8 million after tax for the year.

A goodwill impairment charge of $57.6 million was recognised in the six month period to 31 March 2018 in relation to Aquilant, partially offset by an exceptional gain of $8.9 million relating to the exit of two Aquilant clients in the year. A tax charge of $1.0 million was incurred in relation to these items. On 8 August 2018 the Group completed the disposal of Aquilant which resulted in a loss on disposal of $41.9 million.

A charge of $18.0 million was incurred in relation to restructuring costs. The charge primarily relates to redundancy and onerous lease costs incurred as part of the restructuring of the Group's internal operating structures. A tax credit of $3.6 million was incurred in relation to these items.

Following the enactment of the US Tax Cuts and Jobs Act, the Group recognised an exceptional tax gain of $9.7 million in the income statement arising on the one-off remeasurement of certain US tax liabilities.

Deferred contingent consideration of $11.6 million in respect of Cambridge BioMarketing, MicroMass Communications and Sellxpert was released in the year following review of expected performance against earn-out targets. A tax charge of $1.0 million was incurred in relation to these items.

Disposal of Aquilant

On 8 August 2018 the Group completed the disposal of Aquilant which resulted in a loss on disposal of $41.9 million. The total proceeds receivable by the Group are expected to be $23.0 million and related costs of disposals were $1.7 million. In line with the Group's strategy, proceeds from the transaction will be used to fund the continued development of the Group's higher growth and higher margin Ashfield and Sharp businesses.

Aquilant contributed $82.7 million of revenue (full year 2017 $96.3 million) and $3.3 million of operating profit (full year 2017 $6.4 million) to the Group for the year.

Foreign exchange

The Group operates in 26 countries, with its primary foreign exchange exposure being the translation of local income statements and balance sheets into US dollar for Group reporting purposes. The re-translation of overseas profits to US dollar has increased constant currency EPS growth of 22% to a reported EPS growth rate of 24%, which is primarily due to the strength in Sterling in 2018 versus 2017.

The average 2018 exchange rates were $1: £0.7436 and $1: €0.8403 (2017 $1:£0.7891 and $1:€0.9047).

Cash flow

The following table displays cash flow information for the years ended 30 September 2018 and 2017:

	2018 $'000	2017 $'000
Net cash inflow from operating activities	**102,516**	107,778
Net cash outflow from investing activities	**(76,323)**	(262,864)
Net cash outflow from financing activities	**(33,063)**	(91,373)
Net change in cash and cash equivalents	**(6,870)**	(246,459)
Effect of exchange rate changes on cash and cash equivalents	**(500)**	5,199
Cash and cash equivalents at beginning of year	**187,469**	428,729
Cash and cash equivalents end of year	**180,099**	187,469

Net cash inflow from operating activities

The net cash inflow from operating activities was $102.5 million (2017: $107.8 million).

	2018 $'000	2017 $'000
Adjusted EBITDA	**181,790**	156,886
Interest paid	**(9,682)**	(10,608)
Income taxes paid	**(18,107)**	(14,522)
Working capital increase	**(50,350)**	(19,269)
Other cash outflows	**(1,135)**	(4,709)
Net cash inflow from operating activities	**102,516**	107,778

Working capital increased by $50.4 million (2017: $19.3 million). The increase in working capital was due to the growth in the business, the reversal of favourable timing inflows during 2017, and temporary cashflow delays arising from the implementation of *Oracle* under the Future Fit programme. Other cash outflows of $1.1 million relates to transaction costs paid of $5.3 million partially offset by an exceptional items inflow of $4.2 million. This consisted of an $8.9 million inflow relating to Aquilant receipts from agency terminations, offset by a $4.6 million outflow relating to the Group's restructuring.

Net cash outflow from investing activities

Net cash outflow from investing activities was $76.3 million, compared to $262.9 million in 2017. This decrease was principally due to reduced outflows on acquisitions. During 2018, $39.6 million was invested in property, plant and equipment. This included investment in Sharp's facilities, in particular the investments in Sharp Clinical's sites in the US and UK, and its commercial packaging facility in the Netherlands. Computer software outflows of $21.0 million included investments in Future Fit, which will enable our businesses to grow in an efficient manner. The Group invested $33.5 million on the acquisition of subsidiaries, which represented the initial consideration for the acquisitions of Create NYC and SmartAnalyst, while additionally $5.9 million was paid in deferred contingent consideration associated with prior year acquisitions. Offsetting these outflows, a net cash inflow of $21.0 million was received on the disposal of Aquilant.

Net cash outflow from financing activities

Net cash outflow from financing activities decreased by $58.3 million to $33.1 million, from $91.4 million in 2017, principally due to the repayment of guaranteed senior unsecured notes in September 2017. During 2018, dividend payments of $34.7 million were made relating to the final 2017 dividend and the 2018 interim dividend.

Balance sheet

Net debt at the end of the year was $60.8 million ($180.1 million cash and $240.9 million debt). The net debt to annualised EBITDA ratio is 0.34 times debt (2017: 0.32 times debt) and net interest is covered 22.0 times (2017: 16.3 times) by annualised EBITDA. Financial covenants in our principal debt facilities are based on net debt to EBITDA being less than 3.5 times and EBITDA interest cover being greater than three times.

The Group has retained its long-term private placement debt as it expects to make acquisitions and other capital investments in the coming years. At 30 September 2018, the Group also had $255.7 million of undrawn overdraft and loan facilities.

Return on capital employed (ROCE)

The Group's ROCE was 12.7%, compared to 12.8% in 2017. Details on how this was calculated are on page 33.

Dividends

The directors are proposing a final dividend of 11.75 $ cent per share representing an increase of 21% on the 2017 final dividend of 9.72 $ cent per share. This represents 20% growth in the total dividend for the year to 16.00 $ cent per share. This continues the Group's 30 year history of consistently increasing dividends.

Subject to shareholder approval at the Company's Annual General Meeting, the proposed final dividend of 11.75 $ cent per share will be paid on 4 February 2019 to ordinary shareholders on the Company's register at 5.00 p.m. on 11 January 2019.

Investor relations
UDG Healthcare's executive management team spend a significant amount of time meeting with shareholders and the international financial community. We have invested in dedicated investor relations resources and are focused on increasing the awareness of the Company among the investor and analyst community.

The Group maintains continuous engagement with its shareholders during the year (apart from when the Group is in a close period), specifically following the release of our interim and preliminary results, and at the time of major developments including M&A transactions. The Group continues to ensure that a broad geographic base of institutional investors is reached through participation in roadshows, attendance at conferences and investor events. During 2018, the UDG Healthcare senior management team conducted over 220 institutional investor one-on-one meetings and participated at twelve investor conferences, including five in the US.

Additionally, the Group hosted a successful two day Capital Markets event at its US facilities in Fort Washington, PA (Ashfield) and Allentown, PA (Sharp) in February 2018. In addition to various presentations during the event, attendees were given tours of the facilities and met with the wider Ashfield and Sharp senior management teams. The event was attended by the Group's CEO, CFO and Chairman.

The number of independent equity analysts covering the Group increased to thirteen during the year (from ten) reflecting the continued growing interest in UDG Healthcare from the equity markets.

The Board of Directors considers it important to understand the views of shareholders and receive regular updates on investor perceptions.

Our website www.udghealthcare.com, is the primary method of communication for the majority of our shareholders. We publish our annual report, preliminary results and other public announcements on our website. In addition, details of our conference calls and presentations are available through our website.

Our investor relations department provides a point of contact for shareholders and full contact details are set out in the investor relations section of our website. Shareholders can also submit an information request through the shareholder services section of our website.

Group Income Statement

for the year ended 30 September 2018

	Notes	Year ended 30 September 2018			
		Pre-exceptional items $'000	**Exceptional items (Note 7) $'000**	**Total 30 September 2018 $'000**	**Year ended 30 September 2017 $'000**
Revenue	3	**1,315,186**	**-**	**1,315,186**	1,219,755
Cost of sales		**(927,877)**	**(5,706)**	**(933,583)**	(871,909)
Gross profit		**387,309**	**(5,706)**	**381,603**	347,846
Selling and distribution expenses		**(217,475)**	**(11,042)**	**(228,517)**	(192,536)
Administration expenses		**(17,250)**	**(1,214)**	**(18,464)**	(23,313)
Other operating expenses		**(37,037)**	**(99,550)**	**(136,587)**	(25,450)
Other operating income		**-**	**8,882**	**8,882**	-
Transaction costs		**(2,374)**	**-**	**(2,374)**	(4,028)
Share of joint ventures' profit after tax	4	**958**	**-**	**958**	667
Operating profit		**114,131**	**(108,630)**	**5,501**	103,186
Finance income	5	**5,235**	**11,576**	**16,811**	18,905
Finance expense	5	**(13,926)**	**-**	**(13,926)**	(29,257)
Profit before tax		**105,440**	**(97,054)**	**8,386**	92,834
Income tax expense		**(15,792)**	**11,263**	**(4,529)**	(20,976)
Profit for the financial year		**89,648**	**(85,791)**	**3,857**	71,858
Profit attributable to:					
Owners of the parent		**89,586**	**(85,791)**	**3,795**	71,858
Non-controlling interest		**62**	**-**	**62**	-
		89,648	**(85,791)**	**3,857**	71,858
Earnings per ordinary share:					
Basic earnings per share - cent	8			**1.53c**	28.97c
Diluted earnings per share - cent	8			**1.52c**	28.83c

Group Statement of Comprehensive Income

for the year ended 30 September 2018

	Notes		2018 $'000		2017 $'000
Profit for the financial year			**3,857**		71,858
Other comprehensive income/(expense):					
Items that will not be reclassified to profit or loss:					
Remeasurement gain on Group defined benefit schemes	15		**2,422**		11,098
Deferred tax on Group defined benefit schemes					
- Pre-exceptional item		**(187)**		(599)	
- Exceptional item		**408**		-	
			221		(599)
			2,643		10,499
Items that may be reclassified subsequently to profit or loss:					
Foreign currency translation adjustment	12		**(5,466)**		10,109
Reclassification on loss of control of subsidiary undertakings	12		**33,383**		-
Group cash flow hedges:					
- Effective portion of cash flow hedges – movement into reserve		**(433)**		(15,271)	
- Effective portion of cash flow hedges – movement out of reserve		**(3,032)**		14,865	
Effective portion of cash flow hedges	12		**(3,465)**		(406)
- Movement in deferred tax – movement into reserve		**54**		1,909	
- Movement in deferred tax – movement out of reserve		**379**		(1,858)	
Net movement in deferred tax	12		**433**		51
			24,885		9,754
Total other comprehensive income			**27,528**		20,253
Total comprehensive income for the financial year			**31,385**		92,111
Total comprehensive income attributable to:					
Owners of the parent			**31,323**		92,111
Non-controlling interests			**62**		-
			31,385		92,111

Group Statement of Changes in Equity

for the year ended 30 September 2018

	Equity share capital $'000	Share premium $'000	Retained earnings $'000	Other reserves (Note 12) $'000	Attributable to owners of the parent $'000	Non-controlling interest $'000	**Total equity $'000**
At 1 October 2017	**14,620**	**196,496**	**836,087**	**(166,656)**	**880,547**	**109**	**880,656**
Profit for the financial year	-	-	3,795	-	3,795	62	**3,857**
Other comprehensive income/(expense):							
Effective portion of cash flow hedges	-	-	-	(3,465)	(3,465)	-	**(3,465)**
Deferred tax on cash flow hedges	-	-	-	433	433	-	**433**
Translation adjustment	-	-	-	(5,466)	(5,466)	-	**(5,466)**
Reclassification on loss of control of subsidiary undertakings	-	-	-	33,383	33,383	-	**33,383**
Remeasurement gain on defined benefit schemes	-	-	2,422	-	2,422	-	**2,422**
Deferred tax on defined benefit schemes	-	-	221	-	221	-	**221**
Total comprehensive income for the year	**-**	**-**	**6,438**	**24,885**	**31,323**	**62**	**31,385**
Transactions with shareholders:							
New shares issued	23	1,341	-	-	1,364	-	**1,364**
Share-based payment expense	-	-	-	6,643	6,643	-	**6,643**
Dividends paid to equity holders	-	-	(34,705)	-	(34,705)	-	**(34,705)**
Release from share-based payment reserve	-	-	827	(827)	-	-	**-**
At 30 September 2018	**14,643**	**197,837**	**808,647**	**(135,955)**	**885,172**	**171**	**885,343**

for the year ended 30 September 2017

	Equity share capital $'000	Share premium $'000	Retained earnings $'000	Other reserves (Note 12) $'000	Attributable to owners of the parent $'000	Non-controlling interest $'000	Total equity $'000
At 1 October 2016	14,535	187,355	784,432	(179,446)	806,876	-	806,876
Profit for the financial year	-	-	71,858	-	71,858	-	71,858
Other comprehensive income/(expense):							
Effective portion of cash flow hedges	-	-	-	(406)	(406)	-	(406)
Deferred tax on cash flow hedges	-	-	-	51	51	-	51
Translation adjustment	-	-	-	10,109	10,109	-	10,109
Remeasurement gain on defined benefit schemes	-	-	11,098	-	11,098	-	11,098
Deferred tax on defined benefit schemes	-	-	(599)	-	(599)	-	(599)
Total comprehensive income for the year	-	-	82,357	9,754	92,111	-	92,111
Transactions with shareholders:							
New shares issued	46	3,129	-	-	3,175	-	3,175
Issued in business combination	39	6,012	-	-	6,051	-	6,051
Share-based payment expense	-	-	-	3,613	3,613	-	3,613
Dividends paid to equity holders	-	-	(31,279)	-	(31,279)	-	(31,279)
Release from share-based payment reserve	-	-	577	(577)	-	-	-
Non-controlling interest arising on acquisition	-	-	-	-	-	109	109
At 30 September 2017	14,620	196,496	836,087	(166,656)	880,547	109	880,656

Group Balance Sheet
as at 30 September 2018

	Note	2018 $'000	2017 $'000
ASSETS			
Non-current			
Property, plant and equipment	9	**179,593**	168,403
Goodwill	10	**515,954**	542,554
Intangible assets	10	**241,538**	227,617
Investment in joint ventures and associates	10	**9,729**	8,838
Derivative financial instruments	11	**330**	1,302
Deferred income tax assets		**5,272**	4,025
Employee benefits	15	**12,935**	12,379
Total non-current assets		**965,351**	965,118
Current			
Inventories		**31,248**	55,060
Trade and other receivables		**347,192**	307,388
Cash and cash equivalents	11	**180,099**	187,469
Current income tax assets		**793**	2,464
Derivative financial instruments	11	**2,474**	2,450
Total current assets		**561,806**	554,831
Total assets		**1,527,157**	1,519,949
EQUITY			
Equity share capital		**14,643**	14,620
Share premium		**197,837**	196,496
Other reserves	12	**(135,955)**	(166,656)
Retained earnings		**808,647**	836,087
Equity attributable to owners of the parent		**885,172**	880,547
Non-controlling interest		**171**	109
Total equity		**885,343**	880,656
LIABILITIES			
Non-current			
Interest-bearing loans and borrowings	11	**243,099**	244,077
Other payables		**5,451**	-
Provisions	13	**68,900**	58,470
Employee benefits	15	**-**	3,162
Deferred income tax liabilities		**45,225**	54,279
Derivative financial instruments	11	**319**	352
Total non-current liabilities		**362,994**	360,340
Current			
Interest-bearing loans and borrowings	11	**272**	58
Trade and other payables		**225,526**	248,145
Current income tax liabilities		**13,477**	16,845
Provisions	13	**39,545**	13,905
Total current liabilities		**278,820**	278,953
Total liabilities		**641,814**	639,293
Total equity and liabilities		**1,527,157**	1,519,949

Group Cash Flow Statement

for the year ended 30 September 2018

	2018 $'000	2017 $'000
Cash flow from operating activities		
Profit before tax	**8,386**	92,834
Finance income	**(5,235)**	(18,905)
Finance expense	**13,926**	29,257
Exceptional items	**97,054**	-
Operating profit	**114,131**	103,186
Share of joint ventures' profit after tax	**(958)**	(667)
Transaction costs	**2,374**	4,028
Depreciation charge	**24,477**	21,221
(Profit)/loss on disposal of property, plant and equipment	**(340)**	55
Amortisation of intangible assets	**37,037**	25,450
Share-based payment expense	**5,069**	3,613
Decrease in inventories	**4,529**	1,893
Increase in trade and other receivables	**(53,361)**	(24,612)
(Decrease)/increase in trade payables, provisions and other payables	**(1,518)**	3,450
Exceptional items received/(paid)	**4,228**	(165)
Transaction costs paid	**(5,363)**	(4,544)
Cash generated from operations	**130,305**	132,908
Interest paid	**(9,682)**	(10,608)
Income taxes paid	**(18,107)**	(14,522)
Net cash inflow from operating activities	**102,516**	107,778
Cash flows from investing activities		
Interest received	**1,662**	1,044
Purchase of property, plant and equipment	**(39,580)**	(29,466)
Proceeds from disposal of property, plant and equipment	**986**	146
Investment in intangible assets – computer software	**(21,047)**	(21,884)
Acquisitions of subsidiaries (net of cash and cash equivalents acquired)	**(33,479)**	(198,439)
Deferred contingent consideration paid	**(5,911)**	(14,265)
Disposal of subsidiary undertakings (net of cash and cash equivalents disposed)	**21,046**	-
Net cash outflow from investing activities	**(76,323)**	(262,864)
Cash flows from financing activities		
Proceeds from issue of shares (including share premium thereon)	**1,364**	3,175
Repayments of interest-bearing loans and borrowings	**(2,118)**	(63,266)
Proceeds from interest-bearing loans and borrowings	**2,507**	-
Repayments of finance leases	**(111)**	(3)
Dividends paid to equity holders of the Company	**(34,705)**	(31,279)
Net cash outflow from financing activities	**(33,063)**	(91,373)
Net decrease in cash and cash equivalents	**(6,870)**	(246,459)
Translation adjustment	**(500)**	5,199
Cash and cash equivalents at beginning of year	**187,469**	428,729
Cash and cash equivalents at end of year	**180,099**	187,469
Cash and cash equivalents is comprised of:		
Cash at bank and short term deposits	**180,099**	187,469

1. Reporting entity

UDG Healthcare plc (the 'Company') and its subsidiaries (together the 'Group') delivers advisory, communications, commercial, clinical and packaging services to the healthcare industry. The Company is a public limited company whose shares are publicly traded. It is incorporated and domiciled in Ireland. The address of its registered office is 20 Riverwalk, Citywest Business Campus, Citywest, Dublin 24, Ireland. The preliminary consolidated financial information for the year ended 30 September 2018 is for the Company, its subsidiaries and the Group's interest in joint ventures and associates.

2. Basis of preparation and accounting policies

This announcement has been prepared on the basis of the results and financial position that the directors expect will be reflected in the audited statutory accounts when these are completed. The financial information presented in this report has been prepared in accordance with the Group's accounting policies under International Financial Reporting Standards ('IFRS') issued by the International Accounting Standards Board ('IASB') as adopted by the European Union ('EU'); and those parts of the Companies Act 2014 applicable to companies reporting under IFRS. Full details of the accounting policies adopted by the Group are contained in the consolidated financial statements included in the Group's 2017 Annual Report, which is available on the Group's website; www.udghealthcare.com.

The accounting policies adopted are consistent with those of the previous year. There are no new IFRS standards or amendments effective from 1 October 2017 which had a material effect on the financial information included in this report. A number of new accounting standards will become effective for the Group in future periods. These will be outlined in the consolidated financial statements contained in the Group's Annual Report for the year ended 30 September 2018.

The financial information presented herein does not represent full statutory financial statements that are required by Section 347 of the Companies Act, 2014 to be annexed to the annual return of the Company. The financial information does not include all the information and disclosures required in the annual financial statements. The statutory financial statements for the year ended 30 September 2017 have been annexed to the annual return and filed with the Irish Registrar of Companies. The audit report on those statutory financial statements was unqualified and did not contain any matters to which attention was drawn by way of emphasis. The statutory financial statements for the year ended 30 September 2018 will be annexed to the next annual return of the Company and filed with the Registrar of Companies.

3. Segmental analysis

The Group's operations are divided into the following operating segments each of which operates in a distinct sector of the healthcare services market:

Ashfield - Ashfield is a global leader in commercialisation services for the pharmaceutical and healthcare industry, operating across three broad areas of activity: advisory, communications and commercial & clinical 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 - 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 - During the year, the Group disposed of Aquilant (Note 6). 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 segmental analysis of the business corresponds with the Group's organisational structure and the Group's internal reporting for the purpose of managing the business and assessing performance as reviewed by the Group's Chief Operating Decision Maker (CODM), which the Group has defined as Brendan McAtamney (Chief Executive Officer). The amount of revenue and operating profit by segment is as follows:

3. Segmental analysis (continued)

	2018 $'000	2017 $'000
Revenue		
Ashfield	**921,406**	821,412
Sharp	**311,073**	302,076
Aquilant	**82,707**	96,267
	1,315,186	1,219,755
Operating profit before amortisation of acquired intangibles, transaction costs and exceptional items		
Ashfield	**98,451**	81,567
Sharp	**45,775**	41,304
Aquilant	**3,280**	6,409
Adjusted operating profit	**147,506**	129,280
Amortisation of acquired intangibles	**(31,001)**	(22,066)
Transaction costs	**(2,374)**	(4,028)
Exceptional items	**(108,630)**	-
Operating profit	**5,501**	103,186
Finance income	**16,811**	18,905
Finance expense	**(13,926)**	(29,257)
Profit before tax	**8,386**	92,834
Income tax expense	**(4,529)**	(20,976)
Profit after tax for the year	**3,857**	71,858

Geographical analysis of revenue

	2018 $'000	2017 $'000
Republic of Ireland	**38,724**	42,178
United Kingdom	**305,677**	318,934
North America	**715,792**	629,001
Rest of World	**254,993**	229,642
	1,315,186	1,219,755

4. Share of joint ventures' profit after tax

	2018 $'000	2017 $'000
Revenue	**66,271**	61,883
Expenses, inclusive of tax	**(64,355)**	(60,549)
Profit after tax	**1,916**	1,334
Group's equity interest	**49.99%**	49.99%
Group's share of profit after tax	**958**	667

5. Finance income and expense

	2018 $'000	2017 $'000
Finance income		
Income arising from cash deposits	**1,763**	1,057
Fair value adjustment to guaranteed senior unsecured loan notes	**213**	2,840
Foreign currency gain on retranslation of guaranteed senior unsecured loan notes	**3,032**	14,865
Ineffective portion of cash flow hedges	**-**	76
Net finance income on defined benefit pensions	**227**	67
	5,235	18,905
Finance expense		
Interest on overdrafts	**(95)**	(46)
Interest on bank loans and other loans:		
-wholly repayable within 5 years	**(7,510)**	(5,482)
-wholly repayable after 5 years	**(1,997)**	(5,641)
Interest on finance leases	**(3)**	(3)
Unwinding of discount on provisions	**(840)**	(380)
Fair value adjustments to fair value hedges	**(213)**	(2,840)
Fair value of cash flow hedges transferred to equity	**(3,032)**	(14,865)
Ineffective portion of cash flow hedges	**(236)**	-
	(13,926)	(29,257)
Net finance expense, pre-exceptional items	**(8,691)**	(10,352)
Finance income relating to exceptional items	**11,576**	-
Net finance income/(expense)	**2,885**	(10,352)

6. Disposal of subsidiaries

On 8 August 2018 the Group completed the disposal of Aquilant. The following tables summarise the consideration received, loss on disposal and the net cash flow arising on the disposal:

	2018 $'000
Consideration	
Cash consideration received	**22,389**
Deferred consideration	**580**
Total consideration received	**22,969**
Assets and liabilities disposed of	
Property, plant and equipment	**3,871**
Goodwill	**7,703**
Deferred tax assets	**333**
Inventories	**18,923**
Trade and other receivables	**16,266**
Trade and other payables	**(18,634)**
Cash and cash equivalents	**1,343**
Net assets disposed of	**29,805**
Loss on disposal	
Total consideration received	**22,969**
Net assets disposed of	**(29,805)**
Recycling of foreign currency translation reserve on disposal	**(33,383)**
Disposal costs	**(1,683)**
Net loss on disposal of subsidiaries	**(41,902)**
Net cash flow from disposal of subsidiaries	
Cash and cash equivalents received	**22,389**
Cash and cash equivalents disposed of	**(1,343)**
Net cash inflow from disposal of subsidiaries	**21,046**

The cash inflow from disposal of subsidiaries is presented within cash flows from investing activities in the Group Cash flow Statement.

6. Disposal of subsidiaries (continued)

The net loss on disposal is presented as an exceptional item (Note 7) within other operating expenses. The net loss on disposal includes the recycling of the foreign currency translation reserve of $33,383,000. This is the cumulative foreign translation difference arising from the translation of the net assets of Aquilant denominated in Euro and Sterling to US dollars in each reporting period. As these exchange differences were previously recognised in the Group's other comprehensive income and the foreign exchange reserve, this charge has a nil impact on shareholder's equity and the Group's adjusted diluted EPS.

An impairment charge of $57,648,000 on the carrying value of goodwill in relation to Aquilant arose in the six month period to 31 March 2018 as previously disclosed in the 2018 interim results. This is presented as an exceptional item in Note 7.

7. Exceptional items

Exceptional items are those which, in management's judgement, should be disclosed separately by virtue of their nature or amount. These exceptional items are separately presented in the Income Statement caption to which they relate. An analysis of exceptional items is disclosed below.

		2018 $'000
Contract terminations	(a)	**(8,882)**
Impairment of goodwill	(b)	**57,648**
Loss on disposal of subsidiary	(c)	**41,902**
Restructuring costs and other	(d)	**14,536**
Onerous lease	(e)	**2,924**
Impairment of property, plant and equipment	(f)	**502**
Net operating exceptional items		**108,630**
Deferred contingent consideration	(g)	**(11,576)**
Net exceptional items before taxation		**97,054**
Exceptional items tax credit		**(1,548)**
Deferred tax	(h)	**(9,715)**
Net exceptional items after taxation		**85,791**

(a) Contract termination

On 22 December 2017, Aquilant exited the VSI contract for a consideration of $10,135,000 in respect of the contract termination to include certain assets of the trade including stock. On 29 March 2018, Aquilant exited the Link contract and received consideration of $4,930,000 in respect of the contract termination to include certain assets of the trade. Exiting these contracts included the transfer of stock and other assets of $5,658,000 and resulted in restructuring costs of $525,000, primarily relating to redundancy costs. The total exceptional cash inflow net of costs and net of stock transferred in the year was $8,865,000 and the expected total net cash inflow is $9,021,000. A tax charge of $1,010,000 was incurred in relation to these items.

(b) Impairment of goodwill

A goodwill impairment charge of $57,648,000 arose during the six month period to 31 March 2018, as the Group wrote down the carrying value of goodwill in relation to Aquilant. This impairment resulted from the loss of contracts in the period, and an anticipated reduction in future earnings and resultant cashflows from the lower base. Aquilant was subsequently disposed of on 8 August 2018, see note 6 for further details.

(c) Loss on disposal of subsidiary

On 8 August 2018 the Group announced the disposal of Aquilant and incurred a loss on disposal of $41,902,000 which is detailed in note 6.

(d) Restructuring costs and other

During the year, the Group implemented a restructuring of its internal operating structures in Ashfield and Sharp, with a view to achieving greater flexibility, accountability and performance. Restructuring costs and other includes redundancy costs of $12,623,000 and accelerated share-based payment expense of $1,574,000. The balance of $339,000 relates to other costs associated with the restructuring.

7. Exceptional items (continued)

(e) Onerous lease

Onerous lease costs were incurred in relation to the exit of leased properties as a consequence of the organisation restructuring during the year.

(f) Impairment of property, plant and equipment

Impairment of property, plant and equipment arose due to the exit of properties as a result of the realignment of the Group's structure.

(g) Deferred contingent consideration

Deferred contingent consideration relates to $3,469,000 in respect of Cambridge BioMarketing, $5,250,000 in respect of MicroMass Communications and $2,857,000 in respect of Sellxpert. These amounts were released in the year following a review of expected performance against earn-out targets. A deferred tax charge of $1,005,000 arose as a result of the release of contingent consideration presented within exceptional item tax line.

(h) Deferred tax

The exceptional credit to the income statement of $9,715,000 reflects the one-off benefit of a reduction in the Group's deferred tax liabilities following the enactment of the US Tax Cuts and Jobs Act. A credit of $408,000 also arises in the statement of comprehensive income as a further consequence of this legislation.

The following table provides a reconciliation of the exceptional costs to the Group Income Statement:

	Cost of sales $'000	Selling and distribution expenses $'000	Administration expenses $'000	Other operating expenses $'000	Other operating income $'000	Finance income $'000	**Total exceptional items $'000**
Contract terminations	-	-	-	-	(8,882)		**(8,882)**
Impairment of goodwill	-	-	-	57,648	-	-	**57,648**
Loss on disposal of subsidiary	-	-	-	41,902	-	-	**41,902**
Restructuring costs and other	3,366	9,956	1,214	-	-	-	**14,536**
Onerous lease	1,990	934	-	-	-	-	**2,924**
Impairment of property, plant and equipment	350	152	-	-	-	-	**502**
Deferred contingent consideration	-	-	-	-	-	(11,576)	**(11,576)**
Net exceptional items before taxation	**5,706**	**11,042**	**1,214**	**99,550**	**(8,882)**	**(11,576)**	**97,054**
Exceptional items tax credit							**(1,548)**
Deferred tax							**(9,715)**
Net exceptional items after taxation							**85,791**

8. Earnings per ordinary share

	Total 2018 $'000	Total 2017 $'000
Profit attributable to the owners of the parent	**3,795**	71,858
Adjustment for amortisation of acquired intangible assets (net of tax)	**23,287**	16,996
Adjustment for transaction costs (net of tax)	**2,194**	3,658
Adjustment for exceptional items (net of tax)	**85,791**	-
Adjusted profit attributable to owners of the parent	**115,067**	92,512

	2018 Number of shares	2017 Number of shares
Weighted average number of shares	**248,517,745**	248,001,114
Number of dilutive shares under option	**1,947,043**	1,238,273
Weighted average number of shares, including share options	**250,464,788**	249,239,387

	2018	2017
Basic earnings per share – $ cent	**1.53**	28.97
Diluted earnings per share – $ cent	**1.52**	28.83
Adjusted basic earnings per share – $ cent[1]	**46.30**	37.30
Adjusted diluted earnings per share – $ cent[1]	**45.94**	37.12

[1] Adjusted profit attributable to equity holders of the parent from continuing operations is stated before the amortisation of acquired intangible assets ($23.3m, net of tax), transaction costs ($2.2m, net of tax), loss on disposal of Aquilant ($41.9m) and other exceptional items ($43.9m, net of tax).

Non–GAAP information

The Group reports certain financial measurements that are not required under International Financial Reporting Standards (IFRS) which represent the generally accepted accounting principles (GAAP) under which the Group reports. The Group believes that the presentation of these non–GAAP measurements provides useful supplemental information which, when viewed in conjunction with our IFRS financial information, provides investors with a more meaningful understanding of the underlying financial and operating performance of the Group and its divisions. These measurements are also used internally to evaluate the historical and planned future performance of the Group's operations and to measure executive management's performance based remuneration.

Treasury shares have been excluded from the weighted average number of shares in issue used in the calculation of earnings per share. 1,357,684 (2017: 2,567,081) anti–dilutive share options have been excluded from the calculation of diluted earnings per share.

The average market value of the Company's shares for the purposes of calculating the dilutive effect of share options was based on quoted market prices for the year.

9. Property, plant and equipment

	Land and buildings $'000	Plant and equipment $'000	Motor vehicles $'000	Computer equipment $'000	Assets under construction $'000	**2018 Total $'000**
Year ended 30 September 2018						
Opening net book amount	76,463	80,564	271	10,014	1,091	168,403
Additions in the year	3,637	17,016	6	1,962	19,849	42,470
Arising on acquisition	-	70	-	108	-	178
Depreciation	(5,412)	(13,727)	(45)	(5,293)	-	(24,477)
Impairment	(502)	(188)	-	-	-	(690)
Disposals in year	(355)	(4,033)	(24)	(668)	-	(5,080)
Reclassifications	(1,778)	2,521	(55)	55	(743)	-
Translation adjustment	(522)	(549)	(1)	(139)	-	(1,211)
At 30 September 2018	**71,531**	**81,674**	**152**	**6,039**	**20,197**	**179,593**
At 30 September 2018						
Cost or deemed cost	104,783	160,280	331	25,332	20,197	310,923
Accumulated depreciation	(33,252)	(78,606)	(179)	(19,293)	-	(131,330)
Net book amount	**71,531**	**81,674**	**152**	**6,039**	**20,197**	**179,593**

10. Movement in goodwill, intangible assets and investment in joint ventures and associates

	Goodwill $'000	**Intangible assets $'000**	**Investment in joint ventures and associates $'000**
Balance at 1 October 2017	542,554	227,617	8,838
Investment in computer software	-	21,047	-
Amortisation of acquired intangible assets	-	(31,001)	-
Amortisation of computer software	-	(6,036)	-
Impairment charge	(57,648)	-	-
Disposals in year	(7,703)	-	-
Arising on acquisitions – computer software	-	9	-
Arising on acquisitions	42,041	32,772	-
Share of joint ventures' profit after tax	-	-	958
Translation adjustment	(3,290)	(2,870)	(67)
At 30 September 2018	**515,954**	**241,538**	**9,729**

11. Net debt

	2018 $'000	2017 $'000
Current assets		
Cash and cash equivalents	**180,099**	187,469
Derivative financial instruments	**2,474**	2,450
Non-current assets		
Derivative financial instruments	**330**	1,302
Current liabilities		
Interest bearing loans	**(227)**	72
Finance leases	**(45)**	(130)
Non-current liabilities		
Interest bearing loans	**(243,091)**	(244,043)
Finance leases	**(8)**	(34)
Derivative financial instruments	**(319)**	(352)
Net debt at 30 September	**(60,787)**	(53,266)

12. Other reserves

	Cash flow hedge $'000	Share-based payment $'000	Foreign exchange $'000	Treasury shares $'000	Capital redemption reserve $'000	**Total $'000**
At 1 October 2017	(12,854)	8,992	(155,465)	(7,676)	347	**(166,656)**
Effective portion of cash flow hedges	(3,465)	-	-	-	-	**(3,465)**
Deferred tax on cash flow hedges	433	-	-	-	-	**433**
Share-based payment expense	-	6,643	-	-	-	**6,643**
Release from share-based payment reserve	-	(827)	-	-	-	**(827)**
Translation adjustment	-	-	(5,466)	-	-	**(5,466)**
Reclassification on loss of control of subsidiary undertakings	-	-	33,383	-	-	**33,383**
At 30 September 2018	**(15,886)**	**14,808**	**(127,548)**	**(7,676)**	**347**	**(135,955)**

	Cash flow hedge $'000	Share-based payment $'000	Foreign exchange $'000	Treasury shares $'000	Capital redemption reserve $'000	Total $'000
At 1 October 2016	(12,499)	5,956	(165,574)	(7,676)	347	(179,446)
Effective portion of cash flow hedges	(406)			-	-	(406)
Deferred tax on cash flow hedges	51	-	-	-	-	51
Share-based payment expense	-	3,613	-	-	-	3,613
Release from share-based payment reserve	-	(577)	-	-	-	(577)
Translation adjustment	-	-	10,109	-	-	10,109
At 30 September 2017	(12,854)	8,992	(155,465)	(7,676)	347	(166,656)

13. Provisions

	Deferred contingent consideration $'000	Onerous leases $'000	Restructuring and other costs $'000	**2018 Total $'000**	2017 Total $'000
At the beginning of the year	71,878	324	173	**72,375**	16,067
(Release)/charge to income statement	(11,576)	2,924	12,962	**4,310**	-
Arising on acquisitions	42,408	-	-	**42,408**	65,939
Utilised during the year	(5,911)	(331)	(4,306)	**(10,548)**	(14,430)
Unwinding of discount	840	-	-	**840**	380
Measurement period adjustment	-	-	-	**-**	999
Translation adjustment	(724)	(21)	(195)	**(940)**	3,420
At end of year	**96,915**	**2,896**	**8,634**	**108,445**	72,375
Non-current	67,409	1,455	36	**68,900**	58,470
Current	29,506	1,441	8,598	**39,545**	13,905
Total	**96,915**	**2,896**	**8,634**	**108,445**	72,375

14. Acquisition of subsidiary undertakings

On 1 July 2018, the Group acquired 100% of the issued share capital of Create NYC LLC, an innovative New York-based healthcare creative communications agency, offering the tactical execution of sales and marketing materials for its international pharmaceutical clients. Create NYC's offering comprises a unique, disruptive model which gives its clients high impact, on-demand flexible marketing support with a flat fee structure. The acquisition of Create NYC is in line with Ashfield's strategy to expand into areas of differentiated but aligned adjacencies to its core scientific communication capabilities. The combination of Create NYC with Ashfield Healthcare Communications provides the opportunity to diversify Create NYC's client base and expand internationally.

The Group acquired 100% of SmartAnalyst Inc on 1 July 2018. SmartAnalyst is a US-based strategic consulting and analytics business focused on the pharmaceutical and biotech sector with operations in New York, London and Gurgaon, India. The acquisition of SmartAnalyst is in line with Ashfield's strategy to expand its advisory service proposition for its healthcare clients. Ashfield will provide leverage and opportunities to grow SmartAnalyst's customer base outside the US through Ashfield's global business.

The provisional fair value of the assets and liabilities acquired in the year ended 30 September 2018 are set out below:

	Create NYC $'000	SmartAnalyst $'000	Total $'000
Property, plant and equipment	5	173	**178**
Intangible assets – arising on acquisition	23,030	9,742	**32,772**
Intangible assets – computer software	-	9	**9**
Deferred tax assets	-	49	**49**
Trade and other receivables	3,046	3,524	**6,570**
Trade and other payables	(738)	(2,509)	**(3,247)**
Current tax liabilities	-	(50)	**(50)**
Deferred tax liabilities	-	(2,435)	**(2,435)**
Cash acquired	3,533	7,748	**11,281**
Net assets acquired	28,876	16,251	**45,127**
Goodwill	27,928	14,113	**42,041**
Consideration	**56,804**	**30,364**	**87,168**
Satisfied by:			
Cash consideration	20,044	24,716	**44,760**
Deferred contingent consideration	36,760	5,648	**42,408**
Total consideration	**56,804**	**30,364**	**87,168**
Net cash outflow - arising on acquisitions			
Cash consideration	20,044	24,716	**44,760**
Less: Cash and cash equivalents	(3,533)	(7,748)	**(11,281)**
Net cash outflow	**16,511**	**16,968**	**33,479**

The intangible assets arising on the acquisitions primarily relate to the trade names, customer relationships, and customer contracts.

The total transaction related costs for completed and aborted acquisitions amounts to $2,374,000. These are presented separately in the Group Income Statement.

The fair value of contingent consideration recognised at the date of acquisition is calculated by discounting the expected future payments to present value at the acquisition date. In general, for contingent consideration to become payable, pre-defined profit thresholds must be met. On an undiscounted basis, the future payments for which the Group may be liable in respect of current year acquisitions ranges from nil to $47,378,000.

Acquisitions completed during the year contributed revenue of $7,430,000 and profit for the year of $210,000 for the period from date of acquisition until 30 September 2018. The proforma revenue and profit of the Group for the year ended 30 September 2018 would have been $1,336,483,000 and $3,018,000 respectively had the acquisitions taken place at the start of the reporting period. The proforma results for the year includes the estimate of tax expense and amortisation of intangible assets recognised on acquisition.

15. Employee benefits

	2018	2017
	$'000	$'000
At the beginning of the year	**9,217**	(6,503)
Current service cost	**(3,033)**	(2,387)
Settlement gain	**1,588**	2,728
Interest	**227**	67
Contributions paid	**2,578**	4,218
Remeasurement gain	**2,422**	11,098
Translation adjustment	**(64)**	(4)
At end of year	**12,935**	9,217
Employee benefit asset	**12,935**	12,379
Employee benefit liability	**-**	(3,162)
Total	**12,935**	9,217

As set out in the consolidated financial statements for the year ended 30 September 2017, the Group operates a number of defined benefit pension schemes which are funded by the payments of contribution to separately administered trust funds. The employee benefit asset includes both the United States pension scheme and the Republic of Ireland (ROI) pension schemes, while the employee benefit liability in the prior year relates to the ROI pension schemes. The ROI schemes have a remeasurement gain in the current year which comprises of higher than expected returns on plan assets and changes in the assumptions used to measure liabilities of the plan. The US scheme has a remeasurement gain in the year arising from a higher than expected return on plan assets, and a change in financial assumptions. In the ROI schemes, there is no longer a salary increase assumption due to the accrual of pension benefits ceasing from 1 December 2015.

During the current and prior year, a general offer was made to the members of the ROI schemes to transfer their accrued benefits from the schemes in exchange for a fixed monetary amount. Acceptance of the offer was at the discretion of individual members and resulted in a settlement gain of $1,588,000 (2017: $2,728,000).

The principal assumptions and associated changes are as follows:

	Republic of Ireland Schemes			**United States Scheme**		
	2018	2017	2016	**2018**	2017	2016
Rate of increase in salaries	**n/a**	n/a	n/a	**2.75-4.00%**	2.75-4.00%	2.75-4.00%
Rate of increase in pensions	**0-1.60%**	0-1.65%	0-1.50%	**0.00%**	0.00%	0.00%
Inflation rate	**1.60%**	1.65%	1.50%	**2.75%**	2.75%	2.75%
Discount rate	**2.00%**	2.05%	1.25%	**4.10%**	3.60%	3.30%

16. Financial instruments

The fair values of financial assets and financial liabilities, together with the carrying amounts in the consolidated balance sheet at 30 September 2018, are as follows:

	Carrying value $'000	Fair value $'000
Financial assets		
Trade and other receivables	318,339	318,339
Derivative financial assets	2,804	2,804
Cash and cash equivalents	180,099	180,099
	501,242	**501,242**
Financial liabilities		
Trade and other payables	163,646	163,646
Derivative financial liabilities	319	319
Interest-bearing loans and borrowings	243,318	247,088
Finance lease liabilities	53	53
Deferred contingent consideration	96,915	96,915
	504,251	**508,021**

Trade and other receivables/payables

For receivables and payables, the carrying value less impairment provision is deemed to reflect fair value where appropriate.

Cash and cash equivalents

For cash and cash equivalents, the nominal amount is deemed to reflect fair value.

Interest-bearing loans and borrowings

The fair value of interest-bearing loans and borrowings is based on the fair value of the expected future principal and interest cash flows discounted at interest rates effective at the balance sheet date and adjusted for movements in credit spreads.

Finance lease liabilities

For finance lease liabilities, the fair value is the present value of future cash flows discounted at current market rates.

Valuation techniques and significant unobservable inputs

Fair value hierarchy of assets and liabilities measured at fair value

The Group has adopted the following fair value hierarchy in relation to its financial instruments that are carried in the balance sheet at fair value as at the year end:

• Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;

• Level 2 – inputs, other than quoted prices included within Level 1, that are observable for the asset or liability either directly (as prices) or indirectly (derived from prices); and

• Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

16. Financial instruments (continued)

The following table sets out the fair value of all financial assets and liabilities that are measured at fair value:

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Assets measured at fair value				
Designated as hedging instruments				
Cross currency interest rate swaps	-	2,804	-	2,804
	-	**2,804**	**-**	**2,804**
Liabilities measured at fair value				
At fair value through profit or loss				
Deferred contingent consideration	-	-	96,915	96,915
Designated as hedging instruments				
Cross currency interest rate swaps	-	319	-	319
	-	**319**	**96,915**	**97,234**

Summary of derivatives:

	Amount of financial assets/liabilities as presented in the balance sheet $000	**Related amounts not offset in the balance sheet $'000**	**2018 Net $'000**	Amount of financial assets/liabilities as presented in the balance sheet $'000	Related amounts not offset in the balance sheet $'000	2017 Net $'000
Derivative financial assets	**2,804**	**-**	**2,804**	3,752	-	3,752
Derivative financial liabilities	**319**	**-**	**319**	352	-	352

All derivatives entered into by the Group are included in Level 2 of the fair value hierarchy and consist of cross currency interest rates swaps. The fair values of cross currency interest rate swaps are calculated as the present value of the estimated future cash flows based on the terms and maturity of each contract and using forward currency rates and market interest rates as applicable for a similar instrument at the measurement date. Fair values reflect the credit risk of the instrument and include, where appropriate, adjustments to take account of the credit risk of the Group entity and counterparty.

Deferred contingent consideration

Deferred contingent consideration is included in Level 3 of the fair value hierarchy. Details of the movement in the year are included in note 13. The fair value is determined considering the expected payment, discounted to present value using a risk adjusted discount rate. The expected payment is determined separately in respect of each individual earn-out agreement taking into consideration the expected level of profitability of each acquisition. The provision for deferred contingent consideration is principally in respect of acquisitions completed during 2012, 2016, 2017 and 2018.

The significant unobservable inputs are:

- forecast weighted average EBIT growth rate 24% (2017: 26%); and
- risk adjusted discount rate 0.02% – 2.75% (2017: 0.02% - 1.55%). The increase is principally due to the increase in US base rates.

16. Financial instruments (continued)

Inter–relationship between significant unobservable inputs and fair value measurement:
The estimated fair value would increase/(decrease) if:
- the EBIT growth rate was higher/(lower); and
- the risk adjusted discount rate was lower/(higher).

For the fair value of deferred contingent consideration, a reasonably possible change to one of the significant unobservable inputs at 30 September 2018, holding the other inputs constant, would have the following effects:

	Increase $'000	**Decrease $000**
Effect of change in assumption on income statement		
Annual EBIT growth rate (1% movement)	134	(134)
Risk-adjusted discount rate (1% movement)	655	(522)

Financial ratios

Financial covenants in our principal debt facilities are based on net debt to EBITDA being less than 3.5 times and EBITDA interest cover being greater than three times.

	2018 Times	2017 Times
Net debt to annualised EBITDA	0.34	0.32
Annualised EBITDA interest cover	22.0	16.3

17. Dividends

The Board has proposed a final dividend of 11.75 $ cent per share which gives a total dividend of 16.00 $ cent for 2018. This dividend has not been provided for in the balance sheet at 30 September 2018 as there was no present obligation to pay the dividend at year end. During the financial year, the final dividend for 2017 (9.72 $ cent per share) and the interim dividend for 2018 (4.25 $ cent per share) were paid giving rise to a reduction in shareholders' funds of $34,705,000.

18. Foreign currency

The principal exchange rates used in translating sterling and dollar balance sheets and income statements were as follows:

	2018	2017
	$1=Stg£	$1=Stg£
Balance sheet (closing rate)	0.7635	0.7469
Income statement (average rate)	0.7436	0.7891
	$1=Euro€	$1=Euro€
Balance sheet (closing rate)	0.8604	0.8470
Income statement (average rate)	0.8403	0.9047

19. Related parties .

The Group trades in the normal course of business with its joint venture undertakings. The aggregate value of these transactions is not material in the context of the Group's financial results.

The Group has provided a loan to Magir Limited, the Group's joint venture investment, gross of interest, of Stg £11,371,000 (2017: Stg £10,997,000).

IAS 24 Related Party Disclosures requires the disclosure of compensation paid to the Group's key management personnel. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group. UDG Healthcare classifies directors, the Company Secretary and members of its senior executive team as key management personnel. The senior executive team is the body of senior executives that formulates business strategy along with the directors, follows through on the implementation of that strategy and directs and controls the activities of the Group on a day to day basis.

Key management personnel receive compensation in the form of short-term employee benefits, post-employment benefits and equity compensation benefits. Key management personnel received total compensation of $12,593,000 for the year ended 30 September 2018 (2017: $10,587,000).

20. Capital commitments

Capital expenditure authorised but not contracted for amounted to $8,502,000 (2017: $18,900,000) at the balance sheet date.

21. Contingent liabilities

The Group is subject to various claims that arise in the ordinary course of business. During the year, the Group received a claim from McKesson arising from its purchase of United Drug from the Group in 2016. At present, while the Group continues to engage with McKesson to investigate the claim, the merit of the claim, likely outcome, timing and potential impact on the Group cannot be determined. Accordingly, and as a result of these uncertainties, the Group cannot make any assessment of the likely outcome, or estimate the financial effect of any such claim as at the date of approval of the financial statements.

22. Events after the balance sheet date

There have been no significant events after the balance sheet date which require disclosure.

23. Going concern

The directors believe that the Company and the Group as a whole have adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the preliminary announcement.

24. Board approval

This announcement was approved by the Board of Directors of UDG Healthcare plc on 26 November 2018.

Additional Information

Key performance indicators and non-IFRS performance measures

The Group reports certain financial measurements that are not required under International Financial Reporting Standards (IFRS) which represent the generally accepted accounting principles (GAAP) under which the Group reports. The Group believes that the presentation of these non-IFRS measurements provides useful supplemental information which, when viewed in conjunction with IFRS financial information, provides stakeholders with a more meaningful understanding of the underlying financial and operating performance of the Group and its divisions. These measurements are also used internally to evaluate the historical and planned future performance of the Group's operations and to measure executive management's performance based remuneration.

None of the non-IFRS measurements should be considered as an alternative to financial measures derived in accordance with IFRS. The non-IFRS measurements can have limitations as analytical tools and should not be considered in isolation or as a substitute for an analysis of results as reported under IFRS.

The principal non-IFRS measurements used by the Group, together with reconciliations where the non-IFRS measures are not readily identifiable from the Financial Statements, are as follows:

Net revenue

Definition

This comprises of gross revenue as reported in the Group Income Statement, adjusted for revenue associated with pass–through costs for which the Group does not earn a margin.

Calculation		**2018 $'000**	2017 $'000
Revenue	Income Statement	**1,315,186**	1,219,755
Pass – through revenue		**(185,494)**	(191,269)
Net revenue		**1,129,692**	1,028,486

Adjusted operating profit

Definition

This comprises of operating profit as reported in the Group Income Statement before amortisation of acquired intangible assets, transaction costs and exceptional items (if any).

Calculation		**2018 $'000**	2017 $'000
Operating profit	Income Statement	**5,501**	103,186
Transaction costs	Income Statement	**2,374**	4,028
Amortisation of acquired intangible assets	Note 10	**31,001**	22,066
Exceptional items	Note 7	**108,630**	-
Adjusted operating profit		**147,506**	129,280

Adjusted profit before tax

Definition

This comprises profit before tax as reported in the Group Income Statement before amortisation of acquired intangible assets, transaction costs and exceptional items (if any).

Calculation		**2018 $'000**	2017 $'000
Profit before tax	Income Statement	**8,386**	92,834
Transaction costs	Income Statement	**2,374**	4,028
Amortisation of acquired intangible assets	Note 10	**31,001**	22,066
Exceptional items	Note 7	**97,054**	-
Adjusted profit before tax		**138,815**	118,928

Additional Information (continued)

Adjusted operating margin

Definition
Measures the adjusted operating profit as a percentage of revenue.

Calculation		**2018 $'000**	2017 $'000
Adjusted operating profit	Per above	**147,506**	129,280
Revenue	Income Statement	**1,315,186**	1,219,755
Adjusted operating margin		**11.2%**	10.6%

Adjusted net operating margin

Definition
Measures the adjusted operating profit as a percentage of net revenue.

Calculation		**2018 $'000**	2017 $'000
Adjusted operating profit	Per above	**147,506**	129,280
Net revenue	Per above	**1,129,692**	1,028,486
Adjusted net operating margin		**13.1%**	12.6%

Adjusted effective tax rate

Definition
The Group adjusted effective tax rate expresses the income tax expense adjusted for the tax impact of exceptional items, transaction costs and the amortisation of acquired intangible assets as a percentage of adjusted profit before tax.

Calculation		**2018 $'000**	2017 $'000
Tax charge	Income Statement	**4,529**	20,976
Tax relief with respect to transaction costs		**180**	370
Deferred tax credit with respect to acquired intangible amortisation		**7,715**	5,070
Tax relief with respect to exceptional items	Note 7	**1,548**	-
Deferred tax credit associated with the US Tax Cuts and Jobs Act	Note 7	**9,715**	-
Income tax expense before exceptional, transaction costs and deferred tax attaching to amortisation of acquired intangible assets		**23,687**	26,416
Adjusted profit before tax	Per above	**138,815**	118,928
Adjusted effective tax rate		**17.1%**	22.2%

Additional Information (continued)

Adjusted and annualised EBITDA

Definition

Adjusted EBITDA is included as a new performance measure in 2018 as it is used internally for performance management and is also a useful supplemental measure for external stakeholders. Adjusted EBITDA is adjusted operating profit (operating profit before amortisation of acquired intangible assets, transaction costs and exceptional items) before depreciation, share-based payment expense, amortisation of computer software, the share of joint venture profits and profit/(loss) on disposal of property, plant and equipment.

The annualised EBITDA used for debt covenant compliance purposes, amends adjusted EBITDA to include the annualisation of the EBITDA for acquisitions and exclude share-based payment expense, transaction costs and the EBITDA of completed disposals.

Calculation		**2018 $'000**	2017 $'000
Operating profit	Income Statement	**5,501**	103,186
Exceptional items	Note 7	**108,630**	-
Transaction costs	Income Statement	**2,374**	4,028
Amortisation of acquired intangible assets	Note 10	**31,001**	22,066
Adjusted operating profit		**147,506**	129,280
Share-based payment expense	Cash Flow Statement	**5,069**	3,613
Depreciation	Cash Flow Statement	**24,477**	21,221
Amortisation of computer software	Note 10	**6,036**	3,384
Joint venture profit share	Income Statement	**(958)**	(667)
(Profit)/loss on disposal of property, plant and equipment	Cash Flow Statement	**(340)**	55
Adjusted EBITDA		**181,790**	156,886
Share-based payment expense	Cash Flow Statement	**(5,069)**	(3,613)
Transaction costs		**(2,374)**	(4,028)
EBITDA of completed disposals		**(2,845)**	-
Annualised EBITDA of acquisitions[1]		**6,079**	14,827
Annualised EBITDA		**177,581**	164,072

[1] Includes EBITDA for acquisitions which were not part of the Group for the full financial year.

Financial ratios

Definition

The net debt to EBITDA and EBITDA interest cover ratios disclosed in note 16 are calculated using annualised EBITDA and adjusted net finance expense (net finance expense excluding interest on pension scheme obligations and the unwinding of discount on provisions, see note 5). Net debt represents the net total of current and non-current borrowings, current and non-current derivative financial instruments and cash and cash equivalents as presented in the Group Balance Sheet and is calculated in note 11.

Additional Information (continued)

Return on capital employed (ROCE)

Definition
ROCE is the adjusted operating profit expressed as a percentage of the Group's net assets employed. Net assets employed is the average of the opening and closing net assets in the year excluding net debt adjusted for the historical amortisation of acquired intangible assets and restructuring charges.

Calculation		**2018 $'000**	2017 $'000
Net assets	Balance Sheet	**885,343**	880,656
Net debt	Note 11	**60,787**	53,266
Assets before net debt		**946,130**	933,922
Historical intangible amortisation		**189,206**	176,997
Historical restructuring costs		**38,365**	47,494
Total capital employed		**1,173,701**	1,158,413
Average total capital employed		**1,166,057**	1,006,869
Adjusted operating profit	Per above	**147,506**	129,280
Return on capital employed		**12.7%**	12.8%

Constant currency

Definition
The translation of foreign denominated earnings can be impacted by movements in foreign exchange rates versus US dollars, the Group's presentation currency. In order to present a better reflection of underlying performance in the year, the Group retranslates foreign denominated prior year earnings at current year exchange rates.

	Year ended 30 September 2018	Year ended 30 September 2017
Revenue - constant currency	**$'000**	$'000
Revenue	**1,315,186**	1,219,755
Currency impact	**-**	37,176
Revenue - constant currency	**1,315,186**	1,256,931
Revenue - constant currency increase on 2017	**58,255**	
Revenue - constant currency increase on 2017 %	**5%**	
Net revenue - constant currency	**$'000**	$'000
Net revenue	**1,129,692**	1,028,486
Currency impact	**-**	32,340
Net revenue - constant currency	**1,129,692**	1,060,826
Net revenue - constant currency increase on 2017	**68,866**	
Net revenue - constant currency increase on 2017 %	**6%**	
Adjusted operating profit - constant currency	**$'000**	$'000
Adjusted operating profit	**147,506**	129,280
Currency impact	**-**	2,812
Adjusted operating profit - constant currency	**147,506**	132,092
Adjusted operating profit - constant currency increase on 2017	**15,414**	
Adjusted operating profit - constant currency increase on 2017 %	**12%**	

Additional Information (continued)

Adjusted profit before tax - constant currency	$'000	$'000
Adjusted profit before tax	**138,815**	118,928
Currency impact	**-**	2,019
Adjusted profit before tax - constant currency	**138,815**	120,947
Adjusted profit before tax - constant currency increase on 2017	**17,868**	
Adjusted profit before tax - constant currency increase on 2017 %	**15%**	

Adjusted diluted earnings per share ('EPS') - constant currency	$'000	$'000
Adjusted profit attributable to owners of the parent	**115,067**	92,512
Currency impact	**-**	1,737
Adjusted profit attributable to owners of the parent - constant currency	**115,067**	94,249
Weighted average number of shares used in diluted EPS calculation	**250,464,788**	249,239,387
Adjusted diluted EPS - constant currency (cent)	**45.94**	37.81
Adjusted diluted EPS - constant currency increase on 2017 (cent)	**8.13**	
Adjusted diluted EPS - constant currency increase on 2017 %	**22%**	

The dividend per share constant currency increase on 2017 percentage disclosed is the same as actual percentage increase in dividend per share as this is based on the disclosed US dollars dividend per share.

Measurements removed from the additional information section that are shown elsewhere in the preliminary announcement are as follows:

- Adjusted diluted earnings per share – this measurement is shown in note 8