



## INTERIM RESULTS FY2016

*Good first half performance across both businesses*

3 December 2015

Jon Glenn, CEO  
Richard Cotton, CFO

ONE SOURCE FITS ALL

FROM DRUG DEVELOPMENT  
TO DELIVERY DEVICES

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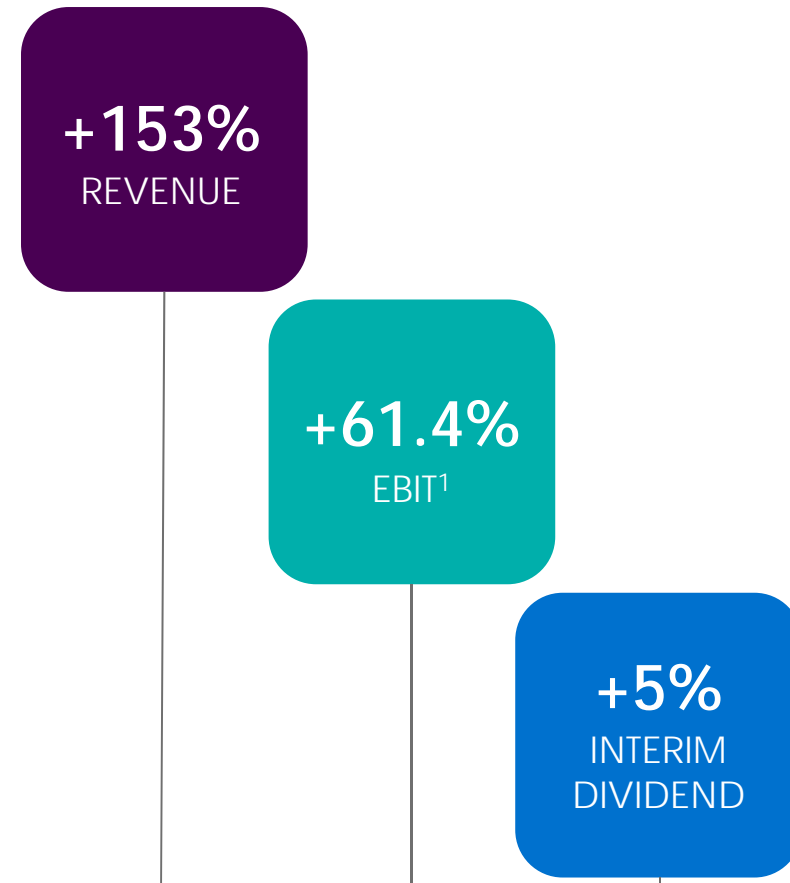
## AGENDA

- Highlights and Strategy
- Financial Review
- Joint Bespak / Aesica Commercial Activities
- Bespak:
  - Operational Review
  - Development Pipeline
  - Innovation
- Aesica:
  - Operational Review
  - Business Development and Innovation
- Summary and Outlook
  
- Appendix

# FINANCIAL HIGHLIGHTS

*Good revenue and EBIT growth*

- Revenue grew from £53.6m to £135.5m
  - Bespak +5.4% to £56.5m
  - Aesica £79.1m<sup>2</sup> (+2.3% vs H2 FY2015 at cc)
- EBIT<sup>1</sup> +61.4% to £16.5m
  - Bespak +13.1% to £11.5m
  - Aesica £4.9m<sup>2</sup> (+23.7% vs H2 FY2015 at cc)
- EBIT margin<sup>2</sup> uplift at Aesica of 100bps
- PBT<sup>1</sup> +45.8% to £14.1m
- Net debt of £95.3m (H1 FY2015: net cash £30.0m)
- Interim dividend<sup>1</sup> increased 5% to 6.75p (H1 FY2015: 6.43p)



<sup>1</sup> Before special items – special items includes amortisation of acquired intangible assets (£6.5m) and integration costs (£4.0m).

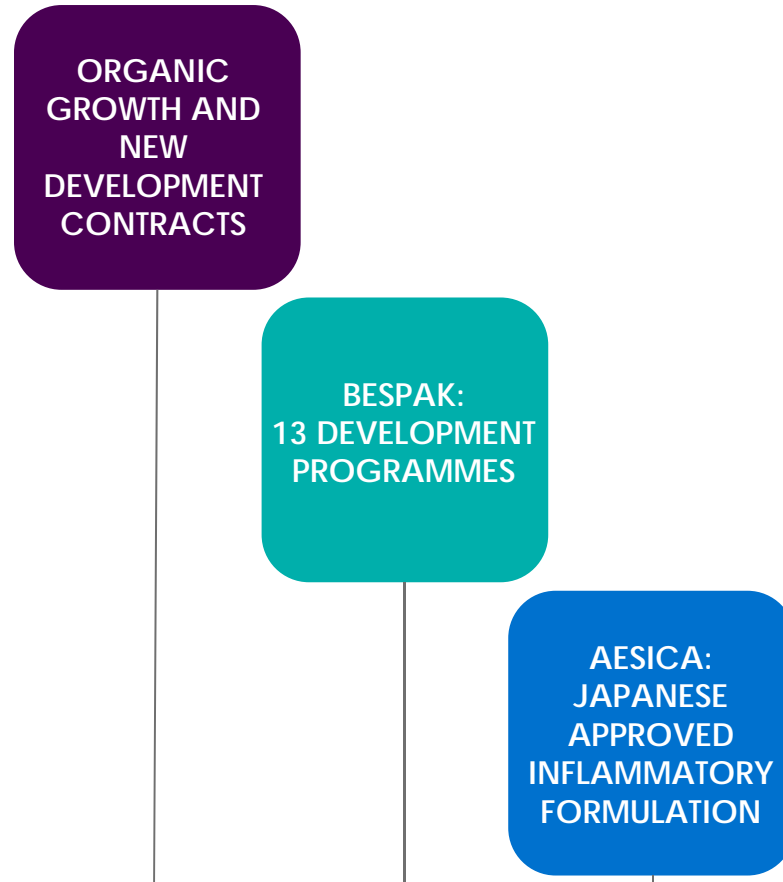
<sup>2</sup> Before special items

cc = constant currency

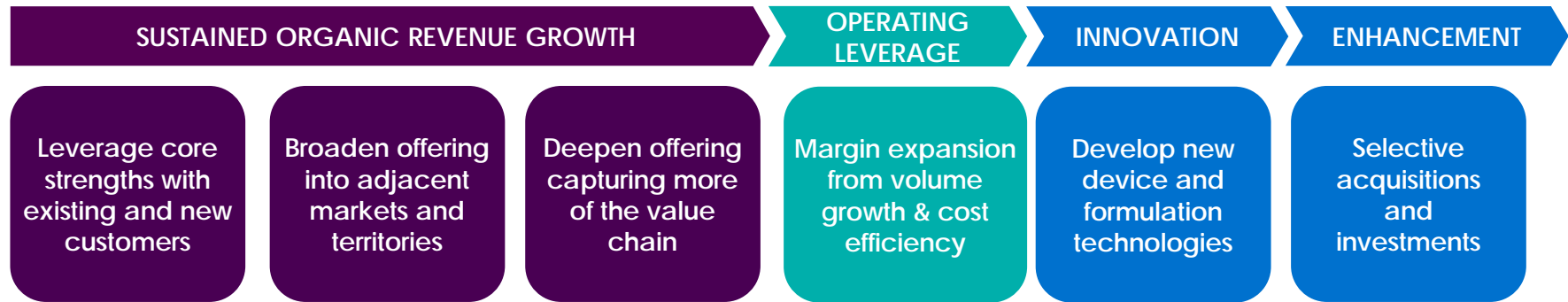
# OPERATIONAL HIGHLIGHTS

*Good first half performance in both businesses*

- Continued progress in existing organic development pipelines at both Bepak and Aesica
- New Bepak commercial supply agreement for Aeropharm
- First product manufactured on Aesica's semi-continuous manufacturing line approved and launched
- Launch of single source supply chain solution for drug and delivery device manufacturing services
- Commercial unveiling of Syrina<sup>®</sup> 2.25 compact auto injector



# STRATEGY FOR SUSTAINABLE GROWTH





# FINANCIAL REVIEW

ONE SOURCE FITS ALL

FROM DRUG DEVELOPMENT  
TO DELIVERY DEVICES



# INCOME STATEMENT H1 FY2016<sup>1</sup>

*Aesica acquisition bolsters revenues*

GBPm	H1 2016	H1 2015	Growth	%
Revenue from products and services	135.5	53.6	82.0	152.9
<b>EBIT before special items</b>	<b>16.5</b>	<b>10.2</b>	<b>6.3</b>	<b>61.4</b>
EBIT margin %	12.1%	19.0%		
Net finance costs	(2.4)	(0.5)	(1.8)	344.5
<b>Profit before tax and special items</b>	<b>14.1</b>	<b>9.7</b>	<b>4.4</b>	<b>45.8</b>
Taxation before special items	(2.7)	(1.5)	(1.2)	79.6
Tax rate %	18.8%	15.3%		
<b>Profit after tax before special items</b>	<b>11.4</b>	<b>8.2</b>	<b>3.3</b>	<b>39.7</b>
<b>Adjusted earnings per share<sup>2</sup></b>	<b>23.5p</b>	<b>24.8p</b>	<b>(1.3p)</b>	<b>(5.1)</b>

<sup>1</sup> information relates to continuing operations only.

<sup>2</sup> adjusted earnings per share for H1 FY2015 has been restated for the impact of the Rights Issue.



# SEGMENTAL ANALYSIS 1 – YOY COMPARATORS

*Continuing organic growth following acquisition*

	As reported	Growth	@ constant currency <sup>1</sup>	As reported
GBPm	H1 FY2016	%	H1 FY2015	H1 FY2015
<b>Revenue</b>	<b>135.5</b>	<b>152.9</b>	<b>53.6</b>	<b>53.6</b>
<i>Bespak</i>	56.5	5.4	53.6	53.6
<i>Aesica</i>	79.1	-	-	-
<b>EBIT (before special items)</b>	<b>16.5</b>	<b>61.4</b>	<b>10.2</b>	<b>10.2</b>
<i>Bespak</i>	11.5	13.1	10.2	10.2
<i>Aesica</i>	4.9	-	-	-
<b>EBIT margin %</b>	12.1%		19.0%	19.0%
<i>Bespak</i>	20.4%		19.0%	19.0%
<i>Aesica</i>	6.2%		-	-

<sup>1</sup> Performance restated for the average rates in H1 FY2016.

# SEGMENTAL ANALYSIS 2 – SEQUENTIAL COMPARATORS

*Operating leverage from revenue growth*

<b>GBPm</b>	<b>As reported H1 FY2016</b>	<b>Growth %</b>	<b>@ constant currency <sup>1</sup> H2 FY2015</b>	<b>As reported H1 FY2015</b>
<b>Revenue</b>	<b>135.5</b>	<b>4.7</b>	<b>129.5</b>	<b>53.6</b>
<i>Bespak</i>	56.5	8.2	52.2	53.6
<i>Aesica</i>	79.1	2.3	77.3	-
<b>EBIT (before special items)</b>	<b>16.5</b>	<b>12.1</b>	<b>14.7</b>	<b>10.2</b>
<i>Bespak</i>	11.5	7.8	10.7	10.2
<i>Aesica</i>	4.9	23.7	4.0	-
<b>Operating margin</b>	12.1%		11.3%	19.0%
<i>Bespak</i>	20.4%		20.5%	19.0%
<i>Aesica</i>	6.2%		5.2%	-

<sup>1</sup> Performance restated for the average rates in H1 FY2016.

# CURRENCY RATES

	<b>€ : £1</b>			
<b>Euro rate assumptions</b>	H1 FY2016	FY2015	Acquisition to 30 Apr15	Acquisition (12 Nov14)
Period end exchange rate	1.40	1.39		1.20
Average exchange rate	1.39	1.29	1.33	
Current spot (30 November 2015)	1.42			
Planned	1.40			

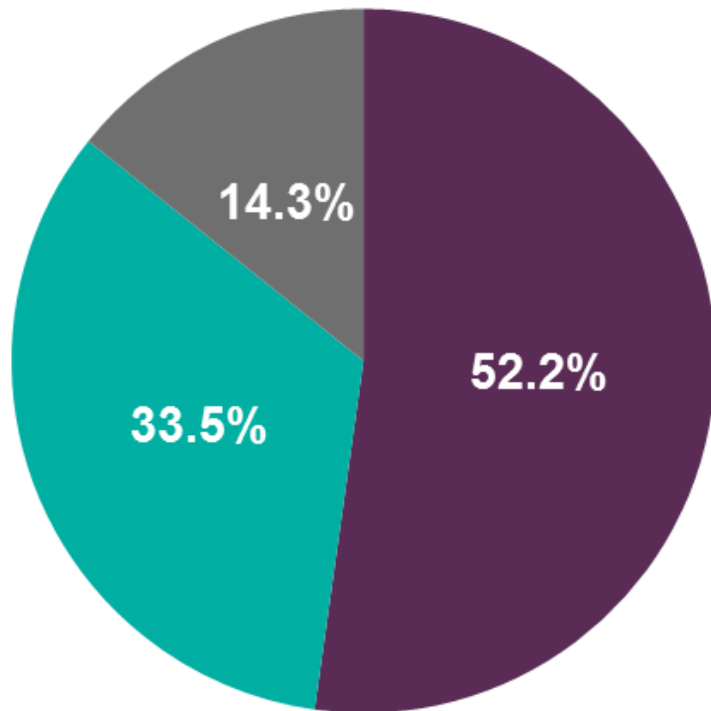
<b>1c movement in foreign currency has following effect:</b>	<b>£m</b>
Revenue <sup>1</sup>	0.7
EBIT <sup>1</sup>	0.1

<sup>1</sup> currency sensitivity in a full financial year.

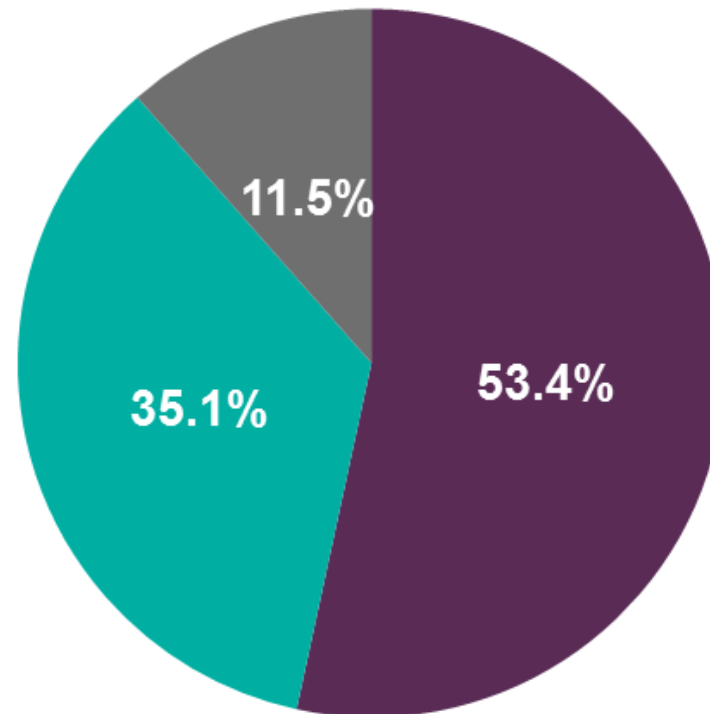
# BESPAK – H1 FY2016 REVENUE BY PRODUCT ANALYSIS

*Growth drives further diversification in product revenues*

Product Revenues – H1 FY 2016



Product Revenues – H1 FY 2015



- Respiratory - MDI
- Respiratory - DPI
- Other

# CASH FLOW STATEMENT H1 FY2016<sup>1</sup>

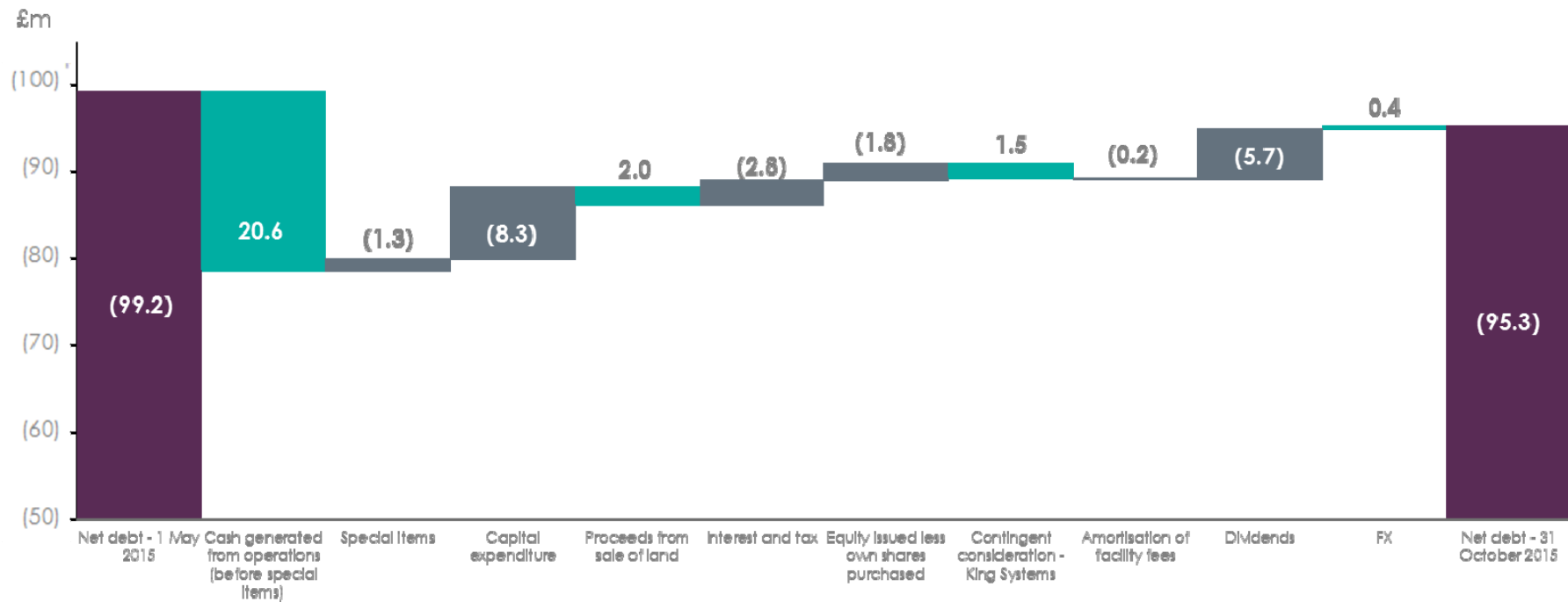
*Strong cashflow from operations*

GBPm	H1 FY 2016	H1 FY 2015	Growth	%
<b>Operating profit (before special items)</b>	<b>16.5</b>	<b>10.2</b>		
Depreciation & amortisation	5.0	2.8		
<b>EBITDA</b>	<b>21.5</b>	<b>13.0</b>	8.5	65.7
EBITDA %	18.0%	24.2%		
Working capital	(1.5)	(2.7)		
Share based payments & other	0.6	0.8		
<b>Cash generated from operations (before special items)</b>	<b>20.6</b>	<b>11.1</b>	9.5	85.3
Special items	(1.3)	(0.1)		
<b>Cash generated from operations</b>	<b>19.3</b>	<b>11.1</b>	8.2	74.5
<b>Operating cash flow conversion</b>	<b>117%</b>	<b>108%</b>		
<b>Total working capital to proforma sales</b>	<b>5.6%</b>	<b>14.9%</b>		

<sup>1</sup> information relates to continuing operations only.

# CASH / (DEBT) EVOLUTION

*Net Debt lower*



# TAX AND DIVIDEND

*Confidence in Group reflected in dividend increase*

## Tax

- Effective tax rate from continuing operations before special items for the period increased to 18.8% (H1 FY2015: 15.3%) mainly due to the effect of European earnings from Germany and Italy at higher rates
- Business continues to benefit from the UK government's favourable manufacturing and development tax policy - consistent with OECD's BEPS<sup>1</sup> Action Plan
  - Patent Box regime
  - Research and Development Expenditure Credit (RDEC)

## Dividend

- Interim dividend increased by 5.0% to 6.75p / share (H1 FY2015: 6.43p)
- Reflects Board's confidence in current performance, growth prospects and investment opportunities
  - Also considers Cover, Yield and Cashflow
- As previously announced, dividend policy to pay dividends with cover 2 to 3x adj. EPS

<sup>1</sup> BEPS - Base Erosion and Profit Shifting



# OTHER FINANCIAL ITEMS

## Special items

- £10.5m (H1 FY2015: £2.4m)
  - £6.5m amortisation of intangible assets (H1 FY2015: £0.4m) from acquisitions of Medical House (£0.4m) and Aesica (£6.1m)
  - As previously highlighted, £4.0m of planned Aesica integration and reorganisation programmes, including employee severance and other costs (£2.7m) and relocation related costs (£1.3m); further costs of up to £3.0m are expected in H2 as programmes complete in line with previous guidance

## Pension scheme

- IAS19 pension valuation – deficit £21.0m
  - Bepak scheme deficit £18.1m (FY2015: £17.8m)
- German and Italian Aesica schemes valued at deficit of £2.9m
- Bepak scheme's last triennial actuarial valuation at 30 April 2014 agreed at deficit of £13.8m – deficit recovery contributions of £1.5m p.a. until 2028

## Bank facilities

- Net debt of £95.3m at period end (H1 FY2015: net cash £30.0m)
- Total facilities: £155.9m<sup>1</sup> banking facility and further £65m available under accordion - undrawn facilities of £47.5m<sup>1</sup> at period end
- Operating comfortably within covenants with ample facility headroom

<sup>1</sup> Calculated using FX at 31 October 2015



# JOINT BESPAK / AESICA COMMERCIAL ACTIVITIES

ONE SOURCE FITS ALL

FROM DRUG DEVELOPMENT  
TO DELIVERY DEVICES

# JOINT BESPAC / AESICA COMMERCIAL ACTIVITIES

## *Encouraging customer engagement*

- The industry's first single source supply chain solution for drug and delivery device development, formulation, manufacturing and packaging
- Core objectives:
  - Harness cross selling opportunities
  - Secure development and manufacturing opportunities for combined formulation and device services
- Commercial teams working very closely to secure combined drug formulation / manufacturing and device development / manufacturing contracts
  - Multiple joint customer meetings
  - Encouraging customer reaction
- Cross selling introductions continue to lead to firm enquiries in a variety of device opportunities for Bepak, for both customer and Bepak IP platforms

# JOINT BESPAK / AESICA COMMERCIAL ACTIVITIES

*Rebranding rolled out across the Group*

- Joint Aesica / Bepak stand at CpHI (Madrid) – Oct 2015
  - Largest event globally for CDMO industry
- Significant enquiries and interest from existing, and new, customers
- Group model and re-branding launched





BESPAK:  
OPERATIONAL  
REVIEW,  
DEVELOPMENT  
PIPELINE AND  
INNOVATION

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# BESPAK OPERATIONAL HIGHLIGHTS

*Continued progress and further new opportunities*

## Chiesi NEXThaler®

- Continued growth and market penetration

## Dr. Reddy's Autoinjector

- Generic sumatriptan: launched Feb 2014
- Sales continue to grow strongly

## MDI

- Strong performance – revenue up 3.1%

## Service Revenue +33.5%

- Significant service activity
- Driven by 13 development programmes

## New commercial supply contract – VAL050

- Aeropharm GmbH, a Sandoz company
- Significant multi-year commercial supply agreement awarded in Nov 2015
- Proprietary pMDI valve and actuator



# BESPAK'S DEVELOPMENT PORTFOLIO – 13 PROGRAMMES

Project	Description	Customer	Status
VAL310	Easifill primeless valve	US Pharma	Awaiting regulatory approval
INJ570	Auto injector	Global Pharma	Awaiting regulatory approval
VAL020	MDI valve	Global Pharma	Stability trials complete
DEV200	Nicotine delivery	Nicoventures	Awaiting launch
POC010	POC test cartridge	Atlas Genetics	Awaiting CE marking
NAS020	Nasal device	Global Generic	Formulation change; brief under review
DEV610	DPI	Global Pharma	On schedule, launch still expected H2'16
NAS030	Nasal device	Pharma Co.	Early stage programme
INJ600	PatchPump® for Treprostinil	SteadyMed Therapeutics	Good progress made NDA submission planned H1'16
INJ650	ASI® Autoinjector	Global Generic	Continuing progress
INJ700	Lila Mix® Injector	Pharma Co.	Continuing progress
IDC300	Oral IDC	Pharma Co.	Good progress
VAL050	pMDI valve / actuator	Aeropharm	New contract award



# BESPAK INNOVATION

*Injectables see significant interest from several pharma companies*

- Commercialisation of Syrina<sup>®</sup>, Vapoursoft<sup>®</sup> and Lila<sup>®</sup> ranges
  - Significant interest from several pharma companies with injectable drug portfolios and a number of major biotech companies
  - Syrina<sup>®</sup>/Vapoursoft<sup>®</sup> - two early stage development programmes
  - Lila Mix<sup>®</sup> and Duo<sup>®</sup> - two development programmes, including INJ700
  - Lapas<sup>®</sup>/Vapoursoft<sup>®</sup> - one early stage development programme
- Commercial launch of Syrina<sup>®</sup> 2.25 auto injector at Nov 2015 PDA Europe conference
  - Utilises standard 2.25ml pre-filled syringe - targeting biologics market



**Syrina** | S  
2.25



# AESICA: OPERATIONAL REVIEW AND INNOVATION

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# AESICA OPERATIONAL REVIEW

*Organic revenue and improved operational performance yields operating leverage*

## **Operations**

- Growth in revenue and EBIT
- Improved operating margin
  - Reduction in lower margin business
  - Operating leverage from additional revenue and improved operating performance

## **Finished Dose Manufacturing**

- Brought to market a product manufactured using the first semi-continuous processing line and technology installed at a CDMO
  - Product now approved and launched in first major market
  - Other market launches expected to follow over next 24 months

## **API**

- Continued strong position in the global flurbiprofen market
- Working with a leading Japanese pharma company to provide the active ingredient for an anti-inflammatory formulation containing S+flurbiprofen in a topical patch
- Patch has now received marketing approval in Japan for the indication of osteoarthritis
- Currently supplying API for launch stock build under a new long term supply agreement
- Demand for the new formulation expected to grow steadily from 2016

# AESICA INTEGRATION AND REORGANISATION

## *Going to plan*

- Concluding integration - restructuring in Germany on schedule and plan
- Implemented cell-based manufacturing process at Monheim
  - Operational performance improvement
- Relocating Formulation Development from Nottingham to refurbished premises at Queenborough
  - Provide a stronger link between formulation development and finished dose manufacturing
  - Enhanced leverage of Queenborough infrastructure

# AESICA'S NEW INTEGRATED SUPPLY CHAIN MANAGEMENT SERVICE

*Positive market feedback*

- Unveiled an innovative new approach and business model that solves multiple supply chain challenges at once
- Aesica takes on the management of other CDMOs, whilst serving as the single, central point of customer contact
  - Model enables Aesica to reduce the number of CDMOs which the end customer previously had to manage
- Helps meet the increasing demand from pharma customers for solutions that improve, streamline and significantly simplify their supply chains
  - Model helps customers to lower costs, reduce risk and to be faster to market
- Positive market feedback

# AESICA BUSINESS DEVELOPMENT

*Focussed on development and manufacturing services*

- Broadly two pools of business development: Development services and manufacturing services - some overlap
  - Development services: Applying know-how in API / formulation development
  - Manufacturing services: Applying Aesica's process technology and know-how to specific drug manufacturing opportunities
- Aesica's commercial team is focused on a growing pipeline of API / formulation development and manufacturing opportunities
- There is significant contractual and commercial confidentiality as to identity of specific projects and contracts



# SUMMARY AND OUTLOOK

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FROM DRUG DEVELOPMENT  
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## SUMMARY AND OUTLOOK

*Board confident of Group meeting its expectations*

- Continued progress on revenue and EBIT growth at both Bepak and Aesica
- Deepened Group capabilities, enabling cross-selling and a broader integrated service offering
- Encouraged by number of customer discussions and enthusiastic engagement from market for our broader combined offering
- Focus on organic development but will continue to consider and evaluate acquisitions / investment opportunities to grow shareholder value
- Strong and growing pipeline of opportunities to drive organic growth
- Following a good first half performance, Board is confident of the Group meeting its expectations for the full year



## INTERIM RESULTS FY2016

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# APPENDIX

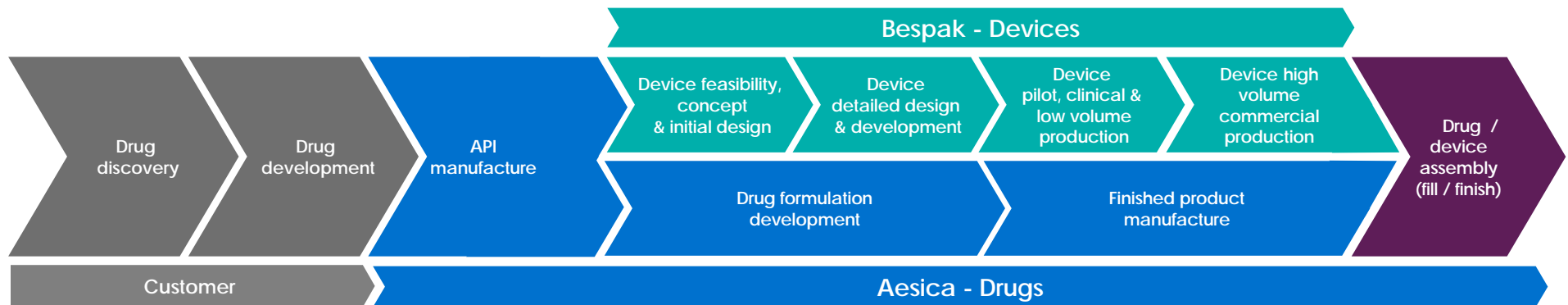
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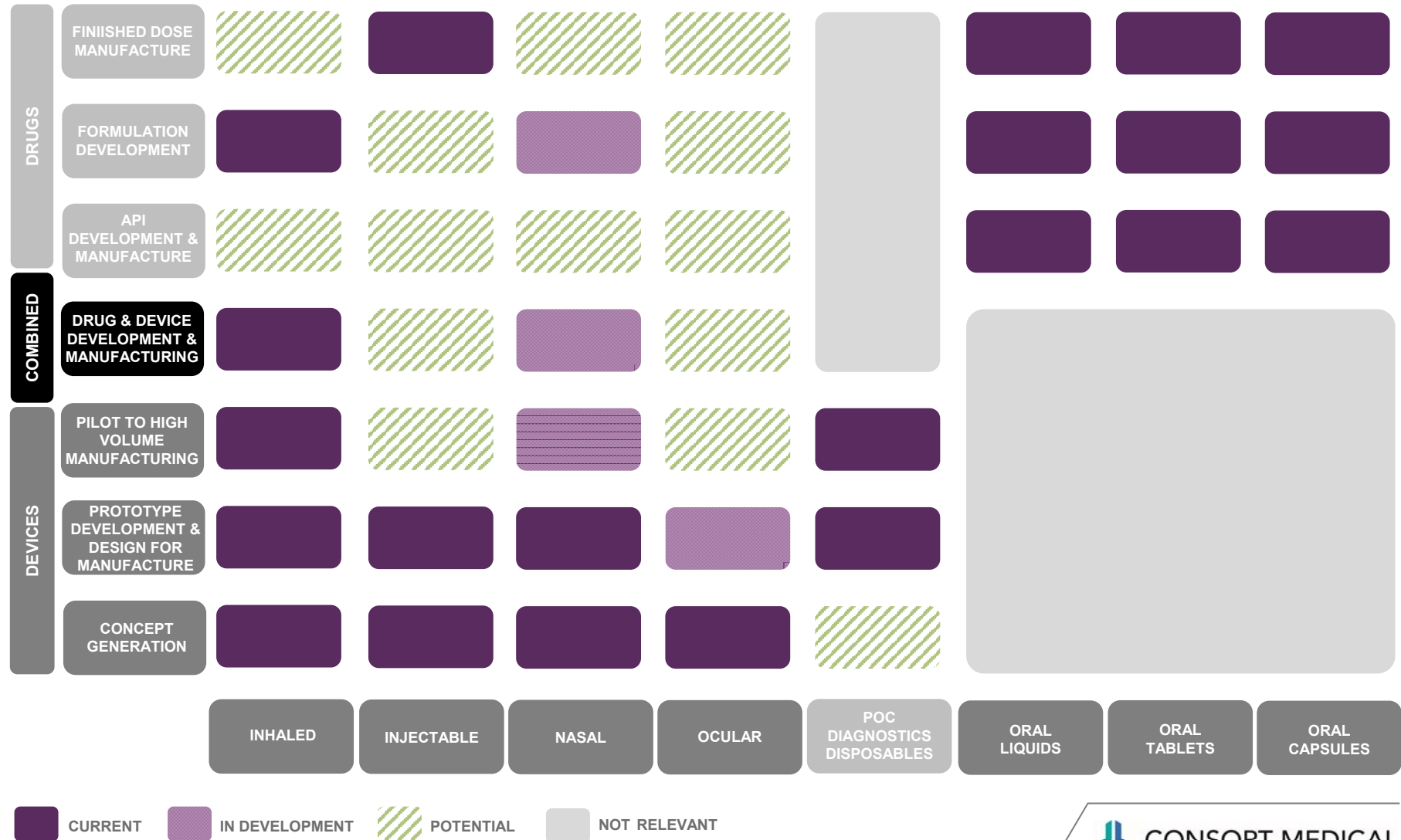
# CONSORT MEDICAL AT A GLANCE – SINGLE SOURCE MANUFACTURING

*A leading global single source pharma services drug and delivery device company*

<p><b>Market Drivers</b></p> <ul style="list-style-type: none"> <li>• Increased pharma outsourcing</li> <li>• Pharma seeking fewer, deeper, broader CDMO partnerships</li> <li>• Growth of generics &amp; biologics</li> <li>• Drug/device combination products</li> <li>• Growth of emerging markets' demand</li> </ul>	<p><b>Competencies</b></p> <ol style="list-style-type: none"> <li>1. Device Innovation, Development &amp; Manufacturing</li> <li>2. Finished Dose Development and Formulation (FDD)</li> <li>3. Finished Dose Manufacturing (FDM)</li> <li>4. API Manufacturing (API)</li> </ol>	<p><b>Customers</b></p> <p>Pharma companies including:</p> <ul style="list-style-type: none"> <li>• Boehringer Ingelheim</li> <li>• Chiesi</li> <li>• Dr. Reddy's</li> <li>• GSK</li> <li>• J&amp;J (Noramco)</li> <li>• Merck</li> <li>• Teva</li> <li>• UCB</li> </ul>	<p><b>Facilities</b></p> <table border="0"> <tr><td>Cambridge</td><td>UK</td></tr> <tr><td>Cramlington</td><td>UK</td></tr> <tr><td>King's Lynn</td><td>UK</td></tr> <tr><td>Milton Keynes</td><td>UK</td></tr> <tr><td>Nelson</td><td>UK</td></tr> <tr><td>Queenborough</td><td>UK</td></tr> <tr><td>Monheim</td><td>GER</td></tr> <tr><td>Zwickau</td><td>GER</td></tr> <tr><td>Planezza</td><td>IT</td></tr> </table>	Cambridge	UK	Cramlington	UK	King's Lynn	UK	Milton Keynes	UK	Nelson	UK	Queenborough	UK	Monheim	GER	Zwickau	GER	Planezza	IT
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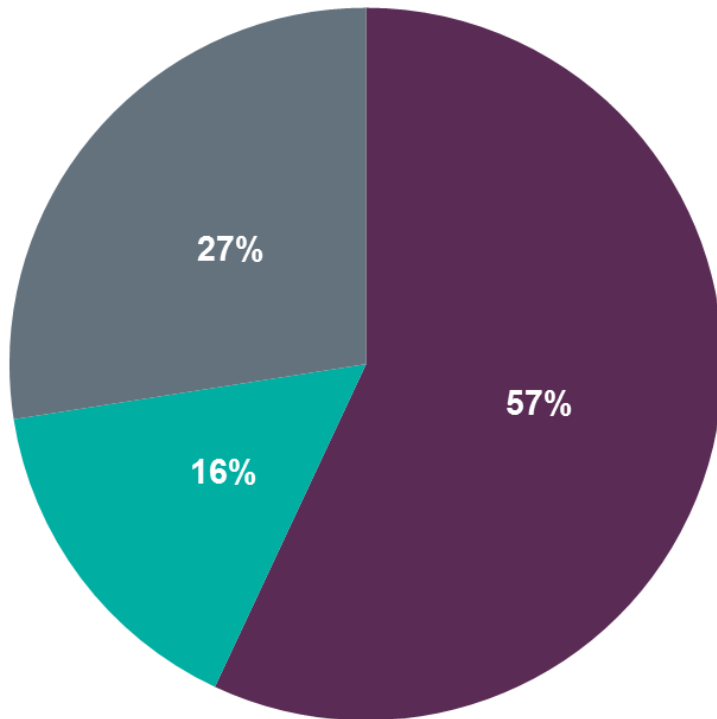
# CONSORT MEDICAL'S INTEGRATED PHARMA SERVICES OFFERING



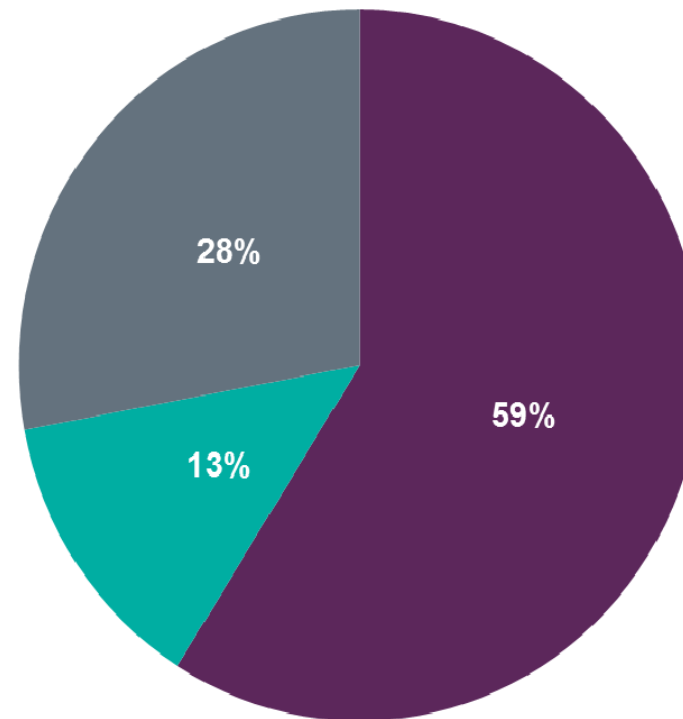
CURRENT
  IN DEVELOPMENT
  POTENTIAL
  NOT RELEVANT

# GROUP CUSTOMERS – H1 FY2016 DIVISIONAL ANALYSIS

## Customer Dependency – H1 FY 2016



## Customer Dependency – H1 FY 2015



- Top 5
- Top 10
- Others

# GROUP CUSTOMERS – H1 FY2016 DIVISIONAL ANALYSIS

Top 20 customers, by number - H1 2016

