

hVIVO plc
("hVIVO", the "Company" or the "Group")

Trading update

Record H1 revenue and EBITDA margin

hVIVO plc (AIM & Euronext: HVO) a fast-growing specialist contract research organisation (CRO) and world leader in testing infectious and respiratory disease products using human challenge clinical trials, provides a trading update for the six-month period ended 30 June 2024.

Highlights

- Revenue of £35.6 million, 30.6% higher than H1 2023 (£27.3 million). The Board remains confident in delivering on market expectations for the full year
- EBITDA margin of c.24% (H1 2023: 19.1%)
- Cash of £37.1 million as at 30 June 2024 (30 June 2023: £31.3 million)
- Weighted contracted orderbook of £71 million as at 30 June 2024 (30 June 2023: £78 million), post-delivery of a record £35.6 million in revenues in H1 2024
- Quarantine facility in Canary Wharf now fully operational providing the foundation and capacity for future growth
- Full year revenue guidance of £62 million reaffirmed with full year EBITDA margins anticipated to be at the upper end of market expectations

Strong operational delivery drives revenue and margin growth

The Group expects to report first half revenues of £35.6 million representing 30.6% revenue growth on H1 2023. This was driven by exceptional operational delivery across the Group, particularly a record number of volunteer inoculations across multiple studies and a variety of challenge models running simultaneously.

hVIVO's services continue to be in high demand across several different challenge models. During the period the Group was able to utilise its three quarantine facilities to deliver a number of projects ahead of schedule which provided a boost to revenues and margins. This has contributed to a H1 revenue weighting for 2024, from July 2024 the Group will solely operate from its Canary Wharf quarantine site.

The Group expects to report H1 2024 EBITDA margins of c.24% (H1 2023: 19.1%), due to enhanced operational efficiencies, good utilisation of the overlapping quarantine facilities, and continued improvement in FluCamp delivery. The increase in margins is a positive indicator of the margin achievable in the medium term for the business with the Canary Wharf site expected to deliver improved operational efficiencies. The Group's cash position as at 30 June 2024 was £37.1 million (30 June 2023: £31.3 million) following the payment of its annual dividend to shareholders of c.£1.4 million in May 2024.

Orderbook provides visibility into 2025

The Company's weighted contracted orderbook stood at £71 million as at 30 June 2024 (30 June 2023: £78 million), with 100% of FY 2024 revenue guidance already contracted and good visibility into 2025. The orderbook value as at 30 June 2024 reflects the exceptional operational delivery of £35.6 million revenue in H1 2024, including the acceleration of several projects contributing to a faster conversion of contracted work versus previous periods. hVIVO has a broad pipeline of live opportunities, including a number in advanced stages, making the Group well-positioned to increase its weighted orderbook going forward.

Outlook

The move to the new facility in Canary Wharf positions the Group for growth with increased quarantine capacity and containment level 3 (CL-3) capability. This enables hVIVO to broaden its core human challenge trial offering to include new pathogen models. The Group continues to focus on diversifying its service offering which it expects to positively impact its growth and margins by improving staff utilisation and leveraging its in-house expertise, existing facilities and capabilities. These services include Phase II and Phase III field studies, volunteer recruitment services, and standalone LAB services (including BSL-3 level capability). The Group recently announced its largest field study contract to date where hVIVO was selected as the sole UK clinical site for this multicentre study to enrol up to 1,000 volunteers.

The Group reaffirms its full year revenue guidance of £62 million and anticipates that EBITDA margins will be at the upper end of market expectations on the basis of the strong performance in the first half of 2024 and full visibility for the remainder of the year. Its organic growth strategy is also underpinning the Group's medium-term revenue target of £100 million by 2028, the majority of which is expected to be achieved through sustained organic growth complemented by small, strategic bolt on acquisitions.

Yamin 'Mo' Khan, Chief Executive Officer of hVIVO, said: "The results of H1 2024 reflect the hard work, flexibility and commitment of the team. During a period of significant activity including the build-out and move to a new facility, we have not only materially increased our revenue but also further improved our margins. The concurrent running of three different facilities helped to boost our revenues for H1 2024, creating an expected H1 2024 weighting.

"We have full visibility over our expected 2024 revenues and continue to deliver on our sustainable growth strategy. The orderbook remains strong in spite of record revenue delivery in H1 2024. The recent Omicron characterisation study contract and the award of our largest field study to date are two key sales highlights for H1 2024. In addition, the current sales pipeline includes several advanced stage opportunities that we expect to convert in the coming months.

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"The outlook for hVIVO is positive as we welcomed our first volunteers into our new facility at Canary Wharf - the world's largest human challenge trial unit. I believe we have laid the foundations for strong performance in the months and years ahead."

Capital Markets Event

The Group is holding a Capital Markets Event at the Company's new state-of-the-art facility in Canary Wharf today at 10.00 am - 12.30 pm (BST). The event will focus on the capabilities of the world's largest human challenge trial unit and how it will enhance and broaden hVIVO's services, as well as covering the Group's trading update.

Analysts, institutional investors and media are welcome to attend the in-person event. Due to restrictions on numbers, it will not be possible for all interested parties to attend in-person, however, a live webcast will be available on the Company's website for retail investors and others to view the presentations [here](#).

To register your interest for the event or webcast, please contact Walbrook PR on +44 20 7933 8780 or email hvivo@walbrookpr.com. A recording of the presentation will be made available on the Company's website after the event.

For further information please contact:

hVIVO plc +44 (0) 20 7756 1300
Yamin 'Mo' Khan, Chief Executive Officer
Stephen Pinkerton, Chief Financial Officer

Cavendish Capital Markets Limited (Nominated Adviser and Joint Broker) +44 (0) 20 7220 0500
Geoff Nash, Charlie Beeson, Nigel Birks, Harriet Ward

Peel Hunt LLP (Joint Broker) +44 (0)20 7418 8900
James Steel, Dr Christopher Golden

Davy (Euronext Growth Adviser and Joint Broker) +353 (0) 1 679 6363
Anthony Farrell, Niall Gilchrist

Walbrook PR (Financial PR & IR) +44 (0) 20 7933 8780 or hvivo@walbrookpr.com
Stephanie Cuthbert / Phillip Marriage / +44 (0) 7796 794 663 / +44 (0) 7867 984 082 /
Louis Ashe-Jepson +44 (0) 7747 515 393

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Notes to Editors

About hVIVO

[hVIVO plc](#) (ticker: HVO) is a fast growing specialist contract research organisation (CRO) and the world leader in testing infectious and respiratory disease vaccines and therapeutics using human challenge clinical trials. The Group provides end-to-end early clinical development services to its large, established and growing repeat client base, which includes four of the top 10 largest global biopharma companies.

The Group's fast-growing services business includes a unique portfolio of 11 human challenge models, with a number of new models under development, to test a broad range of infectious and respiratory disease products. The Group has world class challenge agent manufacturing capabilities, specialist drug development and clinical consultancy services via its Venn Life Sciences brand, and a lab offering via its hLAB brand, which includes virology, immunology biomarker and molecular testing. The Group also offers additional clinical field trial services such as patient recruitment and clinical trial site services.

hVIVO runs challenge trials in London - its new state-of-the-art facilities in Canary Wharf opened in 2024 and is the world's largest commercial human challenge trial unit, with highly specialised on-site virology and immunology laboratories, and an outpatient unit. To recruit volunteers / patients for its studies, the Group leverages its unique clinical trial recruitment capability via its [FluCamp](#) volunteer screening facilities in London and Manchester.

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