

Investment Profile

1. High performing cash generative business with strong growth potential & regular dividend
2. Significant barriers to entry, only established player in fast-growing HCT market
3. £100m revenue target by 2028 achievable via organic growth and small strategic bolt-on acquisitions
4. £80m weighted orderbook provides strong visibility on future revenues
5. State-of-the-art new facility to enhance revenue potential and margins
6. Diversified and established client base, exclusive service provider to Big Pharma

Share Information

Ticker	HVO
Share Price	26.3p
Shares in issue	680m
Market Cap	£178.6m
12m Hi/Low	31.5/12.2p

(Source: The London Stock Exchange, March 2024)

12-Month Share Price



(Source: The London Stock Exchange, March 2024)

Major Shareholders (as of March 2024)

Name	%
JPMorgan Asset Management	5.05
Canaccord Genuity Wealth Management	3.19
Cathal Friel	3.11
Allan Rankin	3.04

(Source: company website)

Company Overview

hVIVO plc (ticker: HVO) is a rapidly growing specialist contract research organisation (CRO) and the world leader in testing infectious and respiratory disease vaccines and therapeutics using human challenge clinical trials (HCTs). 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. hVIVO provides HCT services and world class challenge agent manufacturing, with volunteer recruitment services via FluCamp and specialist drug development and clinical consultancy services via Venn Life Sciences, and laboratory services via its hLAB brand, which includes virology, immunology biomarker and molecular testing. FluCamp also offers additional clinical field trial services such as patient recruitment and clinical trial site services.

Challenge Trials: A Long Term Growth Trend

hVIVO is the only global CRO focused on the delivery of human challenge trials, with its heritage dating back to the 1940s Common Cold Unit, and is spearheading a long term growth trend in the HCT market. HCTs, where volunteers are deliberately inoculated with a virus to test a vaccine or antiviral, are an increasingly recognised way of de-risking later stage clinical development for Big Pharma and biotech companies, and hVIVO is seeing growing client demand for larger cohorts to gain insights into optimal dosing for later phase trials. HCTs have several fundamental advantages compared with traditional field trials which are driving their regular inclusion in the clinical development pathway:

1. **Faster turnaround times:** HCTs enable companies to gain rapid efficacy data within 10-12 months, compared to 2-3 years in field studies.
2. **Lower cost:** HCTs require fewer volunteers than field trials (10s vs 1000s). This means HCTs cost much less to infect the same number of volunteers and gain the same efficacy data.
3. **Guaranteed infection rates:** Field studies rely on volunteers being infected with the correct pathogen in the population, which becomes difficult when incidence of the disease is low in the population. HCTs deliberately challenge all volunteers with a pathogen, guaranteeing a high infection rate.

Increasing Number of Active HCTs



Increasing Number of Volunteer Inoculations per HCT per year





Optimised Business Model

Delivering Record Financial Performance	£56.0m Revenue ¹ 2022: £48.5m	c.22% EBITDA Margin 2022: 18.7%	£37.0m Cash Balance at 31 Dec 2023
Exceptional Operational Execution	9 Active Human Challenge Trials in 2023	100% Increase in Completed Lab Assays	140k+ FluCamp Leads Generated in 2023
Scaling & Driving Efficiencies	New Facility Canary Wharf: Opening H1 24	New Models hMPV & Flu B	New Services Lab, Site, Recruitment
Well Positioned for Future Growth	£62m FY24 Revenue Guidance ²	£80m Weighted Contracted Orderbook (31 Dec 2023)	£100m Target Revenue by 2028

The Company has optimised its business model to drive significant operational improvements and efficiencies combined with disciplined capital allocation to deliver record growth and sustainable profitability. The Group is debt free, has a robust net working capital, and has structured its contracts to be cash flow positive. All challenge trial contracts include a non-refundable quarantine booking fee, with milestone payments that are set to forward fund the next phase of the challenge trial.

New Expanded State-of-the-Art Facility

hVIVO is moving to a new expanded purpose built facility in Q1/ Q2 2024, largely funded by its clients. The move will significantly boost hVIVO's revenue capabilities and improve profit margins by enabling the Company to run more concurrent studies. Importantly, it will support the Company as it targets £100m in revenue by 2028.

50 quarantine bedrooms with potential to increase to 70

Larger virology and immunology lab

Outpatient unit to facilitate Phase II and III field trials

Corporate Offices

- 10-year lease, 5-year break
- Reduced aggregate rent per sq ft
- Rent cap in place
- >30% more usable space

Plumbers Row and Manchester FluCamp screening facilities and outpatient unit will continue to serve as convenient locations for prospective volunteers

L25
Outpatient Unit & Quarantine Facility

L24
Lab Complex & Corporate Offices

Meet hVIVO

You can view the latest Company presentation and register to receive future presentations by signing up with **Investor Meet Company** [here](#).

Key Dates

- Jan'24:** Trading update
- April'24:** Full year results
- May'24:** AGM
- June'24:** Move to expanded facility completes
- Jul'24:** Trading update
- Sept'24:** Interim results

Experienced Management Team

hVIVO is led by CEO Yamin 'Mo' Khan, who joined the Company in 2021 as an NED before being appointed CEO in February 2022. Mo has over 25 years of experience in clinical research and the CRO industry.



At Pharm-Olam, he played a pivotal role in growing the company from a niche clinical monitoring business to a global full-service CRO, which was sold in 2017 delivering substantial returns to shareholders. Since being appointed CEO in 2022,

Mo has successfully built upon the strong profitable foundations and has focused the business on maximising growth from its core human challenge trial offering, particularly on growing the Company's orderbook to provide sustainable long term revenue growth. This strong foundation has resulted in consecutive periods of record revenue and profit.

Stephen Pinkerton, CFO of hVIVO, has over 25 years experience in senior financial positions. Stephen has worked at the Company for over seven years and has helped transform hVIVO's financial reporting, monthly accounts and forecasting. As well as this, he has been instrumental in improving pricing and margins by developing pricing models for contracts that range in value from £2m to £15m. Prior to hVIVO, Stephen spent eleven years at Thomson Reuters and is a fully qualified Chartered Accountant.



Scan this QR code for important links



Analyst Consensus as of March 2024 (Source: Factset)

Target price: 33.58p	Dec'22 (Actual)	DEC'23 (Est.)	DEC'24 (Est.)	DEC'25 (Est.)
Sales (£m)	50.7	56.0	61.4	67.1
EBITDA (£m)	9.1	10.6	12.8	13.9
PBT (£m)	6.7	9.6	9.4	11.1
EPS (p)	0.9	1.35	1.30	1.43