

ASX RELEASE

Apiam Animal Health Limited (ASX: AHX)

Apiam releases Q4 FY20 Trading Update - Resilient business results with 31.1% NPAT growth in FY20

Bendigo, July 23, 2020 – Apiam Animal Health Limited (**Apiam** or the **Company**) today released a performance update for the fourth quarter of FY20 (Q4 FY20) and the financial year ending 30 June 2020 (FY20). A strong performance across Apiam's business has delivered continued revenue growth and a material uplift in profit, with FY20 Net Profit After Tax (unaudited)¹ increasing 31.1% (vs FY19).

Revenue for Q4 FY20 was \$30.9 million, up 7.3% on Q4 FY19, the prior comparative period (PCP), driven by a number of factors including strong growth across the dairy and companion animal segment assisted by new business initiatives such as the Best Mates & ProDairy programs, which were both implemented at the beginning of FY20.

Gross profit increased in Q4 FY20 to \$16.5 million (+14.4% on PCP) as a result of greater efficiencies at the clinic level. Apiam's Practice Management System, rolled out over the course of FY19 and early FY20, has been an important driver of gross margin improvement across all quarters.

Revenue for FY20 increased 5.9% to \$118.3 million (FY19: \$111.7 million), underpinned by Apiam's diversified customer segments, broad offering and acquisitions made during the period.

Improved gross margins in combination with focused cost management in FY20 has delivered a 23.3% increase in Underlying EBIT² to \$8.4 million (FY19: \$6.8 million) and a 31.1% increase in Net Profit After Tax to \$4.2 million¹ (FY19: \$3.2 million).

Dr Chris Richards, Apiam's Managing Director said "we are satisfied with the results for the full year FY20, and particularly for the second half. This is testament to the resilient revenue model we have worked hard to build over the last few years, and the investment we have made in company infrastructure to deliver efficiencies."

"Our business model, which remains focussed on animal health and wellbeing in regional and rural areas, has proved solid in the face of the broader economic challenges posed by the COVID-19 pandemic. Additionally, our strategic focus on expanding Apiam's product and service offering has continued to deliver growth opportunities over the period."

The Company's audited financial results for FY20 are expected to be released on Monday 24 August 2020.

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¹ Based on preliminary unaudited accounts

² Underlying EBIT excludes one-off restructuring, acquisition and integration expenses

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Authorisation

This announcement was authorised by the Board of Directors of Apiam Animal Health Limited.

About Apiam Animal Health Limited

Apiam Animal Health is positioned in the Australian market as a vertically integrated animal health business providing a range of products and services to Production and Mixed animals. Apiam Animal Health's strategy is to service Production and Mixed animals throughout their lifecycle, including the provision of veterinary services, ancillary services, genetics, wholesale and retail of related products, together with technical services related to food-chain security.