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## Strong start to FY23 with Q1 revenue growth of 31.4%



Dear Apiam shareholders,

- Q1 FY23 revenue +31.4% (+4.5% LFL basis<sup>1</sup>) vs Q1 FY22
- Q1 FY23 gross profit +41.6% (+6.4% LFL basis<sup>1</sup>) vs Q1 FY22
- Positive like-for-like revenue and gross profit growth across both dairy & mixed animal business and pig & beef feedlot business
- New businesses acquired in FY22 delivered 11.1% revenue growth in Q1 FY23 under Apiam's ownership
- Gross Margin 65.5% vs 60.8% in PCP

As we have now completed the first quarter of FY23, I thought it would be an ideal time to provide a business update.

We are very pleased to report the Accelerated Growth strategy we are embarking on has delivered strong first quarter (Q1 FY23) results, not withstanding that Q1 is generally the lowest seasonal contributor to Apiam's performance.

A summary of our key Q1 FY23 metrics is set out below (unaudited basis).

|              | Q1<br>FY23<br>(\$M) | % vs<br>PCP | LFL <sup>1</sup><br>% vs<br>PCP |
|--------------|---------------------|-------------|---------------------------------|
| Sales        | 45.4                | +31.4%      | +4.5%                           |
| Gross profit | 29.7                | +41.6%      | +6.4%                           |

Excellent gross margin momentum continued in the period increasing to 65.5% in Q1 FY23 (up from 60.8% in the PCP).

Overall, the dairy & mixed animal segment continues to account for a growing share of our business and in Q1 FY23 contributed 76% of revenues. It brings with it the advantages of less-cyclical revenue streams and attractive margins.

We also see this segment as a key source of growth for the Company in the coming years, and our acquisitions to date in these markets are performing well with business acquired in FY22 delivering 11.1% revenue growth in Q1. Opportunities in regional veterinary markets continue to be significant.

From a segment performance perspective, both our dairy & mixed animal business and our pig & beef feedlot business have delivered like-for-like revenue and gross profit growth vs PCP, supported by a strengthening of industry conditions in the intensive animal sectors.

Last week, in-line with our stated strategies we announced the acquisition of Harradine & Associates, a long-established veterinary business in regional Western Australia.

This is the first acquisition since our IPO in this State and follows recent legislative changes to allow corporate ownership of veterinary businesses in Western Australia. We plan to execute further growth opportunities in this market moving forward. Details around this are discussed further on page 2.

We also remain firmly focused on delivering earnings leverage and cost efficiencies and we are pleased to be delivering improved results in this area in Q1 FY23.

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*(Message from Managing Director - continued from previous page)*

Our Annual General Meeting has been scheduled for Thursday 24 November, and will be held in Bendigo. We will provide shareholders further operational and financial updates at this time.

In the meantime, please do not hesitate to contact me via email at [chris@apiam.com.au](mailto:chris@apiam.com.au) if you have any further questions.

Regards,  
**Dr. Chris Richards,**  
Managing Director

## Proud partner of Geelong Cats



Apiam is proud to be a partner of the Geelong Cats and congratulate the team on their sensational 2022 Grand Final win.

Not only do we offer Geelong members great access to our Best Mates wellness program, Apiam's Executive leadership team collaborate with the Cats leadership team for education in areas such as management and leadership.

Check out this recent tour of our Cats' player themed Fur Life Vet clinic in Highton [here](#)

## WA expansion - acquisition of Harradine & Associates

Apiam has expanded in Western Australia, via the acquisition of Harradine & Associates announced last week.

Harradine and Associates operate 2 clinics - a companion animal and livestock clinic located in Bunbury and a companion animal clinic in Dalyellup - both fast growing regional locations approximately 170km south-west of Perth.

The business currently employs approximately 29 team members, including 9 veterinarians.

The acquisition represents Apiam's first acquisition in the WA market since the Company's IPO in 2015.

"This acquisition is an important expansion for us. We see strong growth potential in regional Western Australia, with opportunities to introduce new services and products into these veterinary markets", said Dr Chris Richards, Apiam's Managing Director.

### Changes to veterinary regulation in Western Australia:

New legislation to support modern veterinary service in Western Australia has recently been introduced.

*The Veterinary Practice Act 2021* and tranche one of the *Veterinary Practice Regulations 2022* commenced operation in June 2022, replacing the *Veterinary Surgeons Act 1960* and *Veterinary Surgeons Regulations 1979*.

The Act was developed with ongoing feedback from the profession and broader community, which signaled the need for a more balanced & modern statute, aligned with interstate approaches to compliance and regulation of veterinary practice.

Among many changes, such as recognising veterinary nursing as a registered profession, the legislation now provides for corporate ownership of veterinary practices.

[Read full ASX release here](#)





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# Introducing Apiam's new Non-Executive Director, Ms Evonne Collier



## Tell us about your professional career to date?

I was in the corporate world for 25 years with blue-chip multinational companies in Marketing, Innovation and Transformation roles. For the past 11 years, I have been a professional Director working across a portfolio of high growth, scale-up businesses in a variety of sectors.

## What attracted you to the Board of Apiam?

Apiam is a people and culture focused business which is a great start. Chris and the team are also demonstrating the Apiam business model is scalable as evidenced by profitable growth. Also, Andrew and the Board are very experienced and credentialed Directors.

## How do you think your skills and experience will benefit Apiam?

I have been a Director for highly acquisitive companies such as ASX-listed Think Childcare and 1300SMILES in which integration benefits were a priority. Plus, I spent five years leading the Sales/Key Account, Marketing and Digital Channel teams at Novartis Animal Health.

## Where do you see the biggest growth opportunities for the Company over the next 5 years?

Continuing to invest in the amazing talent at Apiam and continuing to execute the Accelerated Growth strategy with excellence; Expanding Apiam's geographic footprint; Leveraging the existing infrastructure to support organic and acquisitive growth initiatives.

## What do you like to do in your spare time?

My spare time is spent with my family doing a games or movie night, finding new recipes for my slow cooker, exercising (I've just started boxing lessons) and reading (mostly non-fiction but have bought a few recommended fiction titles recently).



## Senior Apiam veterinarian wins prestigious award

Dr Charlie Blackwood, the Clinical Lead from our Port Fairy clinic has recently been awarded the prestigious **Melbourne Royal Show Presidents Medal 2022**.

This medal was awarded "for exceptional and dedicated veterinary service and advice for the Melbourne Royal Show Agricultural competitions for more than 35 years"

Charlie has always been heavily involved in providing the veterinary services to the Melbourne Royal show. Each year Charlie would head off to Melbourne and stay onsite at the show.

Charlie is a highly valued member of Apiam's leadership team having been with Apiam since our IPO in 2015. Not only is he a highly experienced and skilled veterinarian he is a Board member of our South-West Equine Veterinary Services JV and has contributed greatly to driving strategic growth across his clinic area as well as Apiam's business more broadly.

This is a major achievement and a recognition of Charlie's leading contribution to our industry. Congratulations and thank you for all your hard work and dedication Charlie!





## Ausbiz / ASX Future Focus: Showcasing AU Megatrends (13 October 2022)

Apiam's Managing Director, Dr Chris Richards met with Ausbiz host Nadine Blayney, as part of the Ausbiz / ASX Investor showcase.

This was a virtual event showcasing ASX-listed Companies expected to benefit from future demographic shifts and technological advancement.

Watch the interview at the link  
[Ausbiz showcase](#)



## FY22 investor presentation (29 August 2022)

To learn more about Apiam's full year performance for the year ended 30 June 2022 click here  
[AHX investor presentation](#)

## Gippsland clinic goes from strength to strength

Apiam's Gippsland Veterinary Hospital, located in Victoria's Gippsland region, is an example of the success that our Company's Accelerated Growth strategy targeting mixed and companion animals is delivering.

Ten years ago, Apiam's Gippsland clinic revenues were derived 70% from its dairy clients and 30% from companion animals. Today, this revenue mix has reversed, with 70% of revenues now derived from companion and mixed animals. This is not because the clinic's dairy revenues have reduced, rather because of rapid growth in the revenues being derived from companion services.

Over this time the Gippsland clinic has doubled in its footprint, adding an additional 600sqm in purpose-built facility with specialised and highly sought-after diagnostic and rehabilitation equipment such as a CT machine and a hydrotherapy treadmill. As one of the only clinics in the region providing after hours services, the clinic services a large area with clients coming from up to 200km away for care of their animals. This has enabled the practice to capture significant growth in animal numbers, as regional animal owners continue to desire the availability of high levels of companion animal care at all times.

The Gippsland veterinary team also enjoy the work / life balance benefits of being able to share the after-hours load and consult together on complex cases. This, enables the provision of higher-quality veterinary services to the local community. Well done to the team on delivering this considerable growth!

