

Managing Director's Address Annual General Meeting

21 November 2024



APIAM'S BUSINESS TODAY



CLINICAL VET SERVICES

- Formerly named Dairy & Mixed Animal segment
- Companion & mixed animal veterinary clinic services
- Business-to-Consumer model (B2C)
- 78% of FY24 Group revenue

B2C



INTENSIVE ANIMAL VET SERVICES

- Includes Beef Feedlot & Pigs segments
- Services commercial feedlot & piggery operators
- Business-to-Business model (B2B)
- 22% of FY24 Group revenue

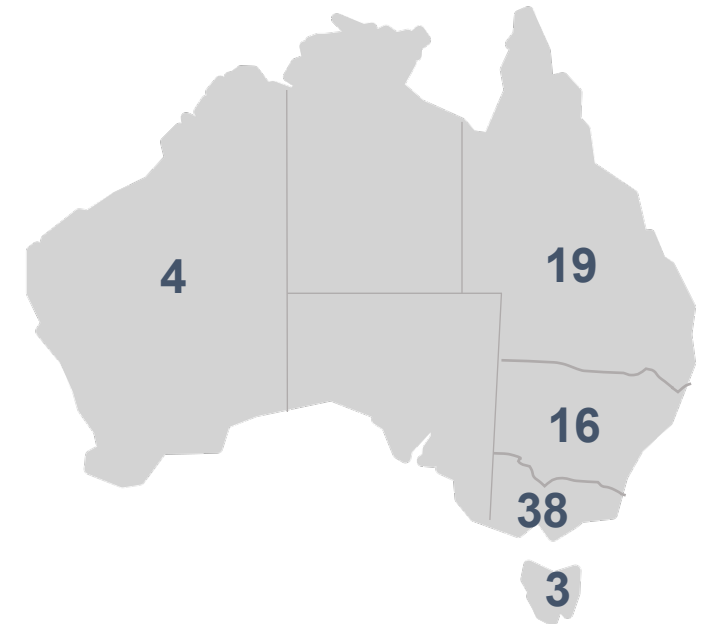
B2B

80
CLINICS



330
VETERINARIANS

APIAM'S RURAL & REGIONAL CLINIC NETWORK BY STATE

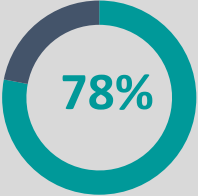


CLINICAL VET SERVICES

COMPANION & MIXED ANIMAL VETERINARY CLINIC SERVICES

Companion animal / pet, equine & farm
services clients

Clinical Vet Services
% of FY24 revenue



B2C
model



- Full-range of veterinary services & products required for animal health & well-being
- Most clinics providing emergency services and procedures typical of referral services
- Serviced via Apiam’s extensive clinic network including flagship “Fur Life Vet” brand
- Several dedicated equine-only emergency and specialist referral hospitals
- Offer subscription-based Best Mates wellness program for routine & preventative health services
- Product sales - prescription products (pharmacy) & retail

→ MEDICINE

→ SURGERY

→ WELLNESS PROGRAMS

→ REPRODUCTION

→ TELEHEALTH

→ DIAGNOSTIC LABORATORIES

→ PET AND EQUINE DENTALS

→ REHABILITATION

→ HERD HEALTH PROGRAMS

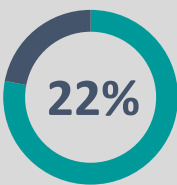
→ PHARMACY

FUR LIFE **Vet**
BEST MATES
Total Care for your pet

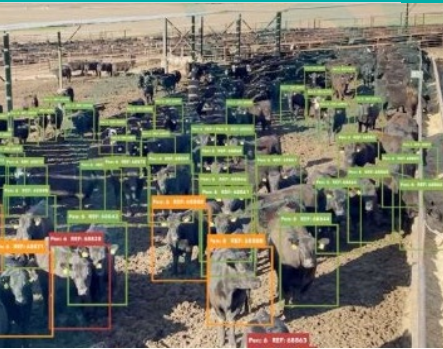
INTENSIVE ANIMAL VET SERVICES

BEEF FEEDLOT & PIGS
Commercial feedlot & pig customers

Intensive Animal Vet Services
% of FY24 revenue

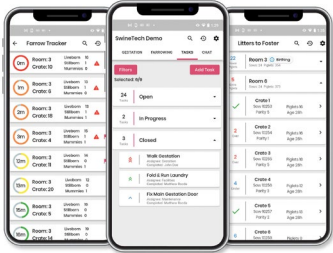
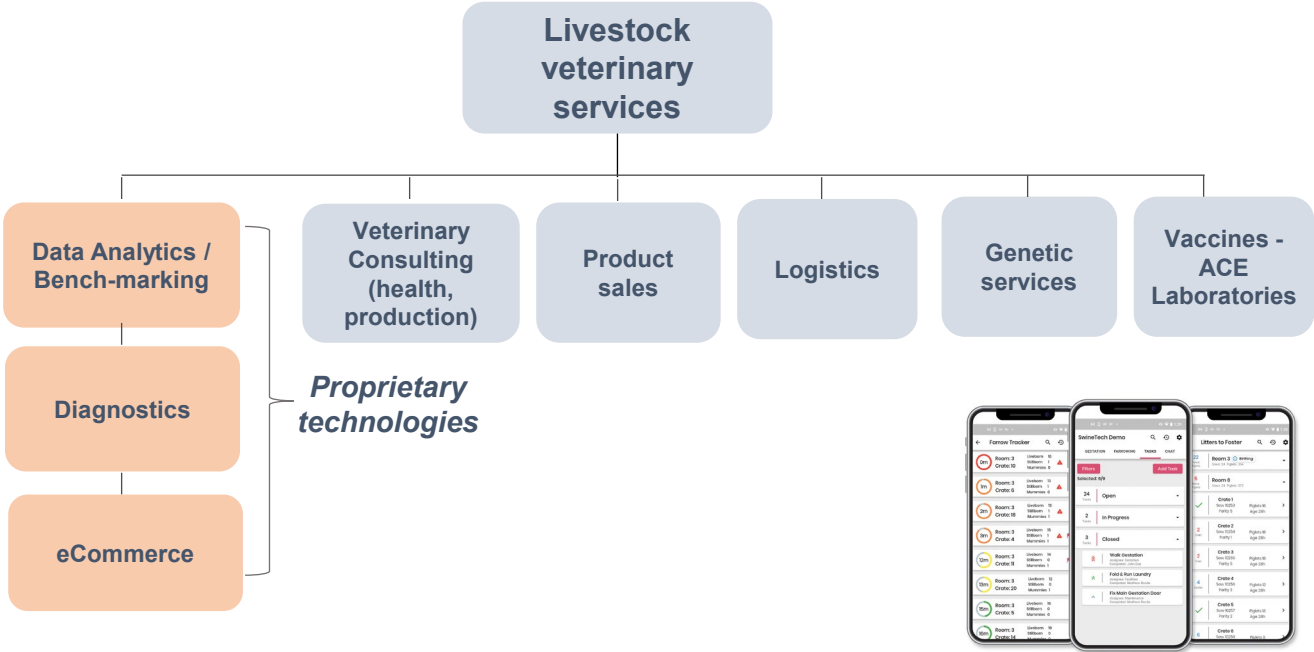


B2B
model



TECHNOLOGY & DATA ANALYTICS DRIVE APIAM'S SERVICE AND PRODUCT OFFERING:

- Veterinary consulting services
- Advanced diagnostics
- Genetics
- Specialised product sales
- Logistics
- Custom vaccines
- Biosecurity



FY24 PERFORMANCE UPDATE



Resilient revenues despite broader economic and cost-of-living issues; supported by a diversified veterinary model



Earnings growth strategy implemented

- improved operating model and clinic efficiencies
- operating leverage & further synergies extracted from acquisitions
- cost-saving programs implemented across the business delivering improved earnings margins



Strong cash flows being applied to resumption of dividend, debt reduction and organic growth initiatives



FY24 RESULTS SUMMARY

Revenue¹
\$204.8m
+6.2% vs pcp

Gross profit
(underlying)¹
\$137.3m
+9.6% vs pcp

EBITDA
(underlying,
pre AASB 16)^{1,2,3}
\$20.3m
+22.3% vs pcp

EBITA
(underlying)^{1,3}
\$15.8m
+23.2% vs pcp

NPATA
(underlying)^{1,3}
\$7.2m
+12.3% vs pcp

Operating cash
flow
\$18.9m
+8.5% vs pcp

- Resilient revenue growth
- *Like-For-Like (LFL)* Group revenue (0.5)% excluding four restructured clinics in Clinical Vet Services segment
- Operating leverage with *LFL* Group opex (2.5)% despite inflationary environment
- Surplus cash flow applied to debt reduction & organic growth initiatives
- Net debt of \$66.8M (end of FY24) vs \$71.1M (end of H1 FY24)
- Final dividend of 1.0 cps (in-line with H1 FY24)

Notes:

1. Underlying earnings are non-IFRS measures and exclude one-off acquisition, integration & restructuring costs (tax effected where applicable at NPAT level). Growth rates based on FY23 financials that exclude one-off revenue adjustment for deferred revenue relating to prior years +\$920K, reversal of income from earn-out no longer payable \$(190)K and inventory write-down expense of \$2.4M
2. EBITDA after adjusting for lease expense (pre AASB 16 lease adjustments)
3. Earnings are also presented on a pre-amortisation basis to provide a more accurate reflection of Apiam's operational performance by excluding the effects of acquired intangibles asset amortisation expense

SEGMENT SUMMARY- FY24



CLINICAL VET SERVICES SEGMENT

+7.4%

Reported segment growth FY24

(1.6)%

LFL segment growth FY24¹

+4.5%

Acquisitions avg. revenue growth²

- Resilient revenue despite broader economic and cost-of-living issues
- COVID pets in healthy young adult stage of lifecycle (lowest vet spend between 2-4 years of life)
- Best Mates members +32.4% in FY24
- Vet-supported management model driving improved earnings margins
- Ramp-up of 4 greenfield clinics supporting additional organic growth
- ProDairy model continues to expand market penetration



INTENSIVE ANIMAL VET SERVICES SEGMENTS

Feedlot + Pigs segment performance % growth vs PCP	FY22	FY23	FY24
Revenue (reported & LFL)	(6.5)%	(4.1)%	+2.3%
Gross profit ¹ (reported & LFL)	1.5%	(5.4)%	+10.1%

Drivers of improved segment revenue in FY24:

- Improved industry conditions across livestock sectors
- Beef feedlot segment has experienced strong revenue growth since Q2 FY24

Drivers of improved segment earnings in FY24:



Transition to higher value veterinary services in FY24



Increased use of data analytics to enhance & grow consulting services



New vaccines & product technologies deployed

Notes:

- ¹ LFL refers to like-for-like (or ex-acquisition performance) and adjusted to exclude acquisitions that have not contributed a full 12-months of trading in FY24 or FY23. Excludes four clinics undergoing significant restructure
- ² Average revenue growth n FY24 across seven acquisitions completed since 1 July 2022

FY25 YTD TRADING (Jul – Oct)

Resilient revenue performance continuing into FY25 despite cost-of-living and broader economic challenges

\$M ¹	FY25 YTD (Jul-Oct)	FY24 YTD (Jul-Oct)	% chg
Revenue	70.2	69.8	+0.5%
Gross profit	46.7	46.9	-0.4%
Operating expenses	38.3	38.3	+0.1%
EBITDA (underlying)	8.4	8.6	-2.9%
EBITDA (underlying, pre AASB 16)	6.6	7.1	-6.2%

- Strong results from core companion and mixed animal clinics & beef feedlot segment
- Group revenue & earnings growth impacted in FY25 YTD by:
 - One equine clinic that continues to be significantly restructured and is a key management focus
 - ACE Laboratories diagnostic revenues significantly reduced over period given Chinese market demand for dairy heifers has paused (due to milk oversupply in local markets)
 - **Excluding these impacts, Group revenue +3.7% in FY25 YTD**
- Larger revenue contribution from Intensive Animal segments in FY25 YTD (vs pcp) impacting gross margin
- Strong cost control with opex tracking in-line with prior period



FY25 YTD TRADING (Jul – Oct) (continued)

Core veterinary businesses continue to perform in-line with expectations



Clinical Vet Services Segment FY25 YTD

- Segment revenue growth FY25 YTD: +1.9% vs pcp¹
- Companion, mixed animal & dairy revenue growth FY25 YTD: +3.3% vs pcp
- Companion animal revenues withstanding cost-of-living and COVID-19 animal life-stage challenges
- Softening in equine markets with reduced horse breeding numbers



Intensive Animal Vet Services Segment FY25 YTD

- Segment revenue growth FY25 YTD : +12.1% vs pcp
- Beef feedlot revenues continue to grow strongly since Q2 FY24



Notes:

¹ Adjusted to exclude revenues from one clinic that continues to be restructured and ACE diagnostics revenue from primary producer export of dairy cattle to China (refer slide 8 for further information)

ACE LABORATORIES DRIVING INNOVATION & GROWTH

Acquisition of ACE Laboratories in FY20 and subsequent investment is driving strong growth opportunities across both Clinical Vet Services and Intensive Animal businesses



Vaccines

- Permit approval of four new vaccines - *Histophilus somni*, *Moraxella sp.*, *Mycoplasma bovis*, *Japanese Encephalitis virus*
- Development of the *Japanese Encephalitis* vaccine in collaboration with La Trobe University
- Next Generation Gene Sequencing technology adopted to enhance vaccine efficacy



Enhanced Intensive Animal Vet business offering

- Antimicrobial Resistance monitoring
- Development and commercialisation of unique diagnostic testing to enhance pathogen detection, epidemiology and vaccine candidates



Integration into Clinical Vet Services

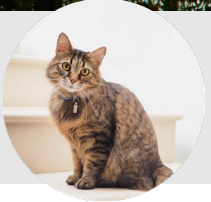
- Clinics leverage offering for disease testing & surveillance
- Expansion of the pasture and grain feed testing services



Current vaccine expansion project underway:

- Victorian State Government *Regional Jobs Fund* awarded Apiam a grant of \$700K to build new vaccine laboratory
- Locally produced autogenous (custom) vaccines to fill a critical gap in Australia's animal health market
- Laboratory planning and construction plans approved
- Adoption of new production technologies
- Modular construction to align with sales growth
- Project expected to complete Jan 2027

ORGANIC GROWTH STRATEGY INITIATIVES - FY25 UPDATE



CLINICAL VET SERVICES GROWTH DRIVERS IN FY25

- Working towards all clinics in network meeting Group target margins. Continue to work to resolve issues in one clinic with significant restructuring requirements
- Preparing clinics for expected increase in companion animal visits as COVID-pets enter mid-life in FY26
- Relaunched successful Best Mates program to extend to 'whole-of-life' program and provide monthly payment plans
- Further ramp-up of greenfield sites & recently restructured clinics now on-track
- Rolled out new (prescription only) 'once yearly' paralysis tick & flea prevention product across companion animal base
- Launch of ProLivestock program and further expansion of ProDairy program into existing and new regions



INTENSIVE ANIMAL VET SERVICES GROWTH DRIVERS IN FY25

- Leverage investment made in software technology across livestock customer base
- Extend use of data analysis to enhance disease surveillance
- Continued the commercialisation of third-party software technologies to improve client production and profitability
- Rolled out a unique third-party pharmaceutical technology to enhance reproduction performance in the pig industry
- Focus on further growth of vaccine business including expansion of vaccine laboratory to meet future demands from existing and new vaccines.

OUTLOOK

LOOKING AHEAD

- **Veterinary services remains resilient in rural and regional locations**
 - Supported by Apiam's diversified Clinical Vet Services (B2C) and Intensive Animal Vet Services (B2B) model
- **Management remain focused on driving both revenue opportunities + further efficiencies at clinic level**
- **Surplus cash flows to be applied to debt management and growth initiatives**
- **Company continues to monitor the market for strategic acquisitions subject to return on capital thresholds**

Disclaimer

DISCLAIMER

The information presented to you by Apiam Animal Health Limited ACN 604 961 024 (**Company**) in this presentation and any related documents (together, **Materials**) has been prepared for information purposes only and is not an offer or invitation to acquire or dispose of shares in the Company, nor shall it be relied on in connection with any investment decision.

NO FINANCIAL ADVICE

The information contained in the Materials has been prepared without taking into account the investment objectives, financial situation or particular needs of any particular person. Nothing in the Materials constitutes as financial advice. Before making any investment decision, you should consider, with or without the assistance of a financial advisor, whether an investment is appropriate in light of your particular investment needs, objective and financial circumstances.

NO LIABILITY

The Company has prepared the Materials based on information available to it at the time of preparation, from sources believed to be reliable and subject to the qualifications in the Materials. To the maximum extent permitted by law, the Company, its related bodies corporate and their respective officers, employees, representatives, agents or advisers accept no responsibility or liability for the contents of the Materials. No representation or warranty, express or implied, is made as to the fairness, accuracy, adequacy, validity, correctness or completeness of the information, opinions and conclusions contained in the Materials.

PAST PERFORMANCE

Past performance information contained in the Materials is given for illustration purposes only and should not be relied upon as (and is not) an indication of future performance. Actual results could differ materially from those referred to in the Materials.

FORWARD LOOKING STATEMENTS

The Materials contain certain 'forward looking statements'. These statements involve known and unknown risks, uncertainties, assumptions and other important factors that could cause the actual results, performance or achievement of the Company to be materially different from future results, performance or achievements expressed or implied by those statements.

These statements reflect views only as of the date of the Materials. The actual results of the Company may differ materially from the anticipated results, performance or achievement expressed, projected or implied by these forward looking statements. Subject to any obligations under the Corporations Act, the Company disclaims any obligation to disseminate any updates or revision to any forward looking statement to reflect any change in expectations in relation to those statements or any change in circumstances, events or conditions on which any of those statements are based.

While the Company believes that the expectations reflected in the forward looking statements in the Materials are reasonable, neither the Company nor any other person gives any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward looking statements in the Materials will actually occur and you are cautioned not to place undue reliance on any forward looking statements.

Board Authorisation

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