Apiam Animal Health

FY25 Results

27 August 2025

FY25 FINANCIAL SNAPSHOT

REVENUE

$207.6m

▲1.4% vs FY24

EBITDA
(reported)

$25.8m

▲5.2% vs FY24

EBITDA
(underlying[1], pre AASB 16)

$21.0m

▲3.2% vs FY24

NPAT
(reported, after impairment)

$0.8m

▼(83.1)% vs FY24

Notes:
1. *Underlying EBITDA is a non-IFRS measures and excludes one-off acquisition, integration & restructuring costs*

FY25 SUMMARY

- **Group revenues affected by underperformance in Clinical Vet Services segment**
  - Clinical Vet Services revenue (2.2)% vs FY24
  - Intensive Animal Veterinary services +13.1% vs FY24

- **Modest uplift in Group earnings; with some cost efficiencies realised**

- **Strategic Reset Program implemented in Q4; focussed on driving improved earnings performance in clinic network + reducing Head Office cost**

- **Divestment of several underperforming assets; impairment loss of $4.5M (pre-tax)**

- **Non-Binding Indicative Proposal received from Adamantem Capital to acquire Apiam at $0.88 per share (less dividends or returns of capital), subject to conditions**

NON-BINDING INDICATIVE PROPOSAL RECEIVED FROM ADAMANTEM CAPITAL

- Apiam has entered into a process deed with Adamantem Capital in respect of a non-binding indicative proposal to acquire the Company by way of a scheme of arrangement for $0.88 cash per share (less any dividends or returns of capital made prior to implementation of the scheme of arrangement) (Proposal)

- Following the declaration of the FY25 final dividend of 1.0 cent per share, the cash offer price under the Proposal has been adjusted to $0.87 cash per share (less any further dividends or returns of capital made prior to implementation of the scheme of arrangement)

- If the transaction proceeds, the Board will consider declaring a special dividend which would further reduce the offer price but which may deliver additional value via franking credits

- Adamantem has been granted a period of exclusivity to undertake due diligence and to negotiate agree and execute a binding scheme implementation deed (SID)

- Independent Board Committee intends, subject to an acceptable SID being agreed, to unanimously recommend the Proposal, in the absence of a superior proposal and subject to an independent expert concluding, and continuing to conclude, that the transaction is in the best interests of Apiam shareholders

- There is no certainty that the Proposal will result in a binding transaction and share holders will be kept updated in accordance with continuous disclosure obligations

CLINICAL VET SERVICES SEGMENT PERFORMANCE – FY25

(2.2%)

Segment revenue growth

- *Companion & mixed animal clinics*: Revenue +1.1% vs FY24
  - Growth performance varied across clinics – some continue to perform very strongly
  - Reduction in high-end speciality procedures weighed on revenue growth (cost-of-living impacts)
- *ACE Laboratories Diagnostics*: Revenue ↓54.7% given pause in Chinese market demand for dairy heifers. Remaining business represents a stable, recurring revenue stream with strong customer diversification
- *Equine Clinics*: Revenue ↓5.4% with softening in equine markets & reduced thoroughbred breeding numbers
- Dairy revenues in-line with pcp

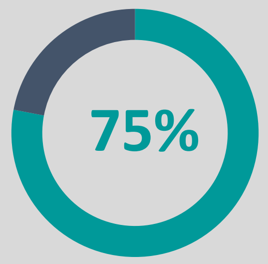
(3.0%)

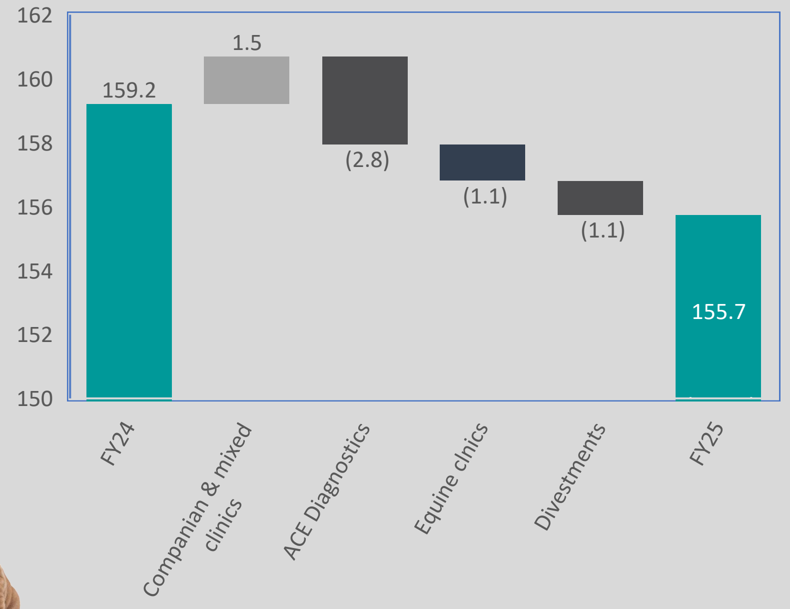
Segment operating expense reduction

- Focus on cost control during period; inclusive of divestment of two clinics

+1.0%

Segment EBIT[1] growth





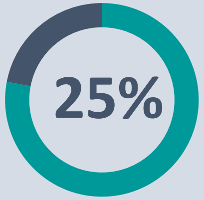
Notes:
1. Before Head Office cost allocation

INTENSIVE ANIMAL VET SERVICES SEGMENT PERFORMANCE – FY25

IMPROVED INDUSTRY CONDITIONS DRIVING STRONG FY25 PERFORMANCE

Feedlot + Pigs segment % growth vs PCP	FY23	FY24	FY25
Revenue	(4.1)%	+2.3%	+13.1%
EBIT[1]			+14.9%

Intensive Animal Vet Services
% of FY25 Group revenue



- Improved underlying industry conditions across both beef feedlot & pig sectors in FY25
  - Beef feedlot revenue +18.6% vs FY24
  - Pigs revenue +9.0% vs FY24
- Feedlot cycle expected to remain strong into FY26 with record production & exports forecast – US herd remains in rebuilding phase *(refer Meat & Livestock Australia, March 2025 update)*

Notes:
1. *Before Head Office cost allocation*

Strategic Reset Program Initiatives Q4 FY25

Business Improvement Team: Multi-Disciplinary Clinic Support Group Established

- Team launched to focus on clinic performance to ensure delivery of high standards of care to patients (team includes high performing vets and business managers from the business)
- Tasked with ensuring clinic leadership is equipped to deliver on financial metrics

Clinic Performance Oversight Intensified

- Operational KPI's monitored with greater frequency and accountability at individual clinic level
- Initial focus to work with lower-quartile performance clinics to drive revenue growth

"Right-size" Head Office

- Clinics to take on greater responsibility for operations
- Additional Head Office redundancies in June & July 2025, delivering $1.5M in annualised operating expense savings into FY26

Foundation for FY26 Growth Strategy

Strategic reset to improve financial performance & shareholder returns

FY25 Financial Summary

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FY25 P&L SUMMARY

Reported P&L Summary ($m)	FY25A	FY24A	Variance	%
Total revenue	207.6	204.8	2.8	1.4%
Cost of goods sold	(70.0)	(67.5)	(2.5)	3.7%
Gross profit[1]	**137.6**	**137.3**	**0.3**	**0.2%**
Operating expenses	(111.8)	(112.8)	1.0	(0.9)%
EBITDA	**25.8**	**24.5**	**1.3**	**5.2%**
Depreciation ROU assets	(5.5)	(5.0)	(0.4)	8.5%
Depreciation & amortisation	(7.3)	(7.0)	(0.4)	5.1%
EBIT	**13.0**	**12.5**	**0.5**	**3.9%**
Impairment loss	(4.5)	0.0	(4.5)	nm
Interest	(5.6)	(5.5)	(0.1)	2.2%
Tax	(2.0)	(2.2)	0.2	(7.3)%
Other (incl. minorities)	0.0	0.1	(0.1)	(153.1)%
Reported NPAT	**0.8**	**4.9**	**(4.1)**	**(83.1)%**
Earnings per share (cents)	**0.46**	**2.76**	**(2.30)**	**(83.4)%**
EBITDA (underlying, pre AASB 16)[2]	**21.0**	**20.3**	**0.6**	**3.2%**
Gross Margin	**66.3%**	**67.0%**		

- **Revenue +1.4%:** modest growth amid challenges in Clinical Vet Services segment
- **Gross profit +0.2%:** gross margin impacted as Intensive Animal Veterinary Services accounted for larger share of revenue vs FY24
- **Operating expenses (0.9)%:**
  - operating expenses in Clinical Vet Services (3.0)%;
  - Additional redundancies & restructuring undertaken in Head Office in June-July 2025 with full benefits to be realised in FY26
- **Reported EBITDA +5.2%**
- **Underlying EBITDA pre AASB 16 +3.2%**
- **Reported NPAT (83.1)%** affected by $4.5M impairment loss associated with divestment of underperforming NSW equine business (Agnes Banks Equine Centre)

Notes:
1. *Gross profit is a non-IFRS measure and only considers the cost of inventory associated with product revenue. It does not consider any cost of services associated with service revenue*
2. *Underlying earnings are non-IFRS measures and exclude one-off acquisition, integration & restructuring costs*

FY25 EBITDA adjustments

EBITDA (underlying, pre AASB 16 reconciliation)

($M)	FY25	FY24	Chg.	%
Reported EBITDA	25.8	24.5	1.3	5.2%
Add (+) one-off expenses	1.4	1.1	0.3	24.6%
Less (-) AASB16 lease adjustments	(6.2)	(5.3)	(0.9)	16.9%
Underlying EBITDA (pre AASB 16)	21.0	20.3	0.6	3.2%
Underlying EBITDA (pre AASB 16) **margin** (%)	10.1%	9.9%		

- One–off expenses include one-off acquisition, integration & restructuring costs
- In FY25 these costs included restructuring ($0.8M) and completion of the Practice Management System upgrade ($0.4M)

Notes:
1. *Gross profit is a non-IFRS measure and only considers the cost of inventory associated with product revenue. It does not consider any cost of services associated with service revenue*
2. *Underlying earnings are non-IFRS measures and exclude one-off acquisition, integration & restructuring costs (tax effected where applicable at NPATA level)*

BALANCE SHEET

Stable and in-line with prior period

$m	30 June 2025A	30 Jun 2024A
Cash	2.5	1.8
Trade & receivables	12.9	13.4
Inventories	15.4	15.1
Property, plant & equipment	54.3	51.0
Intangibles	162.9	167.6
Other assets	7.8	6.9
TOTAL ASSETS	**255.8**	**255.8**
Borrowings	61.5	64.3
Trade & other payables	13.6	12.9
Lease liability	41.1	37.5
Provision & other liabilities	18.6	19.1
TOTAL LIABILITIES	**134.7**	**133.7**
NET ASSETS	**121.1**	**122.0**

Notes:

1. *Borrowings include $4.1M of equipment bank finance (reported under lease liability) for purposes of net debt calculation as at 30 Jun 2025 (FY24: $4.3M)*

Key movements:

- Working capital well managed with a focus on operating cash flow
- Intangibles impairment reflects divestment of NSW-based equine clinic

Borrowings & net debt:

- Net debt of $63.1M[1] vs $66.8M as at 30 June 2024
- Operating leverage ratio 2.3x vs 2.6x as at 31 December 2024 (covenant of 3.5x net debt / underlying EBITDA)

CASH FLOW & DIVIDEND

Cash conversion above Management target of 100%

Statutory cashflows $m	FY25A	FY24A
Net cash provided by operating activities	**17.6**	**18.9**
Acquisition of subsidiary, net of cash	(0.3)	(6.3)
Payments for property, plant and equipment	(5.9)	(4.8)
Payments for Intangible assets	(0.9)	(0.1)
Other	0.9	0.2
Net cash used in investing activities	**(6.3)**	**(10.9)**
Net changes in financing	(1.4)	(2.0)
Dividends paid to shareholders	(2.6)	(1.3)
Repayment of lease liabilities	(6.6)	(6.0)
Proceeds from share issue	0.0	0.0
Other	0.0	0.0
Net cash inflow from financing activities	**(10.6)**	**(9.4)**
Net change in cash and cash equivalents	**0.8**	**(1.4)**

Cashflow Conversion $m	FY25A	FY24A
Underlying EBITDA (pre AASB 16 lease adjustment)	**21.0**	**20.3**
Net cash inflow from operating activities (less AASB 16 lease reclassification impact)	12.5	13.9
Add back:		
One-off expense paid	1.4	1.1
Interest paid	5.6	5.5
Income tax paid	3.4	3.5
Underlying cashflow before tax & interest:	**22.9**	**24.0**
Conversion	**109.4%**	**118.1%**

- Operating cash flow generation remains resilient
- Strong working capital management
- Property, plant & equipment spend inclusive of ACE Laboratories vaccine lab expansion ($2.0M)

FINAL FY25 DIVIDEND

- Board has declared a final dividend of 1.0 cent (Record Date 3 September 2025; Payment Date 25 September 2025)
- Total dividends declared for FY25 financial year of 2 cents per share (fully franked)
- Apiam's DRP will not be offered for the FY25 final dividend

Strategy & outlook

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ORGANIC GROWTH STRATEGY – FY26

CLINICAL VET SERVICES
GROWTH DRIVERS IN FY26

- Strategic Reset Program
  - Business Improvement Team
  - Clinic-Level Performance Oversight Intensified
  - Head Office Cost Reduction
- Capturing expected companion animal revenue acceleration from COVID-pets entering mid-life stage in FY26 - FY28
- Continue to grow service programs – Best Mates and ProDairy

INTENSIVE ANIMAL VET SERVICES
GROWTH DRIVERS IN FY26

- Leverage in-house & 3rd party software technology to improve client production and profitability
- Continue to partner with third-party pharmaceutical Companies to bring leading products to market
- Further growth of vaccine business

OUTLOOK FOR FY26

- Animal health & veterinary services industries continue to benefit from favourable market dynamics
- Implementation and roll-out of Strategic Reset Program to:
  - Drive revenue growth across Clinical Vet Services segment
  - Enhance operating efficiencies across Group
  - “Right-size” Head Office costs
- Strategic Reset Program will be core business focus for FY26
- Surplus cash flows to be applied to debt reduction
- Apiam’s Independent Board Committee will continue to update shareholders of all material developments related to the Non-Binding Indicative Proposal in accordance with continuous disclosure obligations

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Board Authorisation

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