

## ASX Release

### Apium Animal Health Limited

(ASX: AHX)

## Apium increases acquisition facility to align with strategic growth plans

**Melbourne, 22 December 2017** – Apium Animal Health Limited (**Apium**) is pleased to announce that it has negotiated an increase to its Acquisition Facility provided by NAB.

The Bank has increased the Company's Acquisition Facility by \$15 million to a total of \$25 million. The increased Acquisition Facility will provide the Company with greater flexibility to pursue strategic acquisitions when the opportunity arises.

Dr Chris Richards, Apium's Managing Director, said of the amendments "We have proactively worked with our bank to ensure we continue to have a debt facility in place that aligns with our growth strategy. Specifically, this change will enable us to fund the establishment of new greenfield clinics, as part of our proposed alliance with PETstock (announced to the ASX on 1 November 2017), which we expect to be a strong contributor to future earnings. Whilst we now have an increased Acquisition Facility in place, our debt strategy remains focused on reducing operating leverage over time."

In line with the increase to this facility, the Company has also amended its banking covenants. The amended covenants provide the Company with increased flexibility for working capital and debt funding requirements as it executes its strategy.

#### Key changes to Apium's banking covenant:

- The maximum gearing ratio, financial indebtedness to equity plus financial indebtedness, will remain at 35%.
- The maximum operating leverage ratio, financial indebtedness to EBITDA, has been increased from 3.5 to 4 until 31 December 2018 after which it will revert to 3.5. EBITDA excludes integration and acquisition expenses.
- The minimum interest cover ratio, EBITA to gross interest expense, will revert from 5 times. EBIT to 5 times EBITA.

-Ends-

#### For further information, please contact:

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## **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.