

## ASX RELEASE

# Apiam Animal Health Limited (ASX: AHX)

## Apiam releases FY2018 results - Operating cost leverage driving strong underlying EBITDA growth

**Melbourne, August 27, 2018** – Apiam Animal Health Limited (**Apiam** or the **Company**) today released its financial results for the 12 months to 30 June 2018 (FY2018).

The key highlights from Apiam's FY2018 results are:

- Revenue of \$106.6 million in FY2018 (+8.8% vs pc; \$98.0 million in FY2017) with like for like growth in each animal division
- Revenue growth excluding the impact of acquisitions (+4.0% in FY2018 vs pc)
- Underlying EBITDA of \$9.8 million in FY2018 (+17.2% vs pc; \$8.3 million in FY2017) as operating cost leverage being delivered <sup>1</sup>
- Major investment in corporate infrastructure over FY2017-18 driving early stage efficiencies
- Underlying NPAT of \$4.4 million (+1.0% vs pc; \$4.3 million in FY2017) <sup>1</sup>
- Strong uplift in operating cash flow to \$9.2 million in FY2018 (+\$7.5M vs pc)
- Acquisition strategy continues with the acquisition of three businesses completed in FY2018 (comprised of five clinics)
- Business development initiatives & exciting opportunities in product distribution and new markets to drive continued growth
- Leveraging key business drivers across Apiam's growing animal footprint to be a strategic focus in FY2019
- Final dividend of 0.8 cents per share, fully franked. Total dividend for FY2018 of 1.6 cents per share

Apiam's Managing Director, Dr Chris Richards, said:

*"Apiam has delivered another year of solid revenue growth, with underlying revenue growth delivered in each of our animal divisions. The strong uplift in our underlying EBITDA margin reflects that our vertically integrated strategy is working, and that our corporate operating infrastructure is now beginning to deliver early stage cost efficiencies and savings as the business grows. We have also generated strong cash flows over the period which are funding our continued re-investment in business growth, particularly our acquisitions and capital expenditure program."*

*"The business is well placed to deliver additional revenue and earnings growth in FY2019, particularly as further operating cost leverage flows through. Leveraging key business drivers and a focus on business development initiatives such as bolt-on acquisitions and expanded product distribution are expected to drive new revenue streams in the year ahead. Successful execution of our business strategies are expected to result in improving shareholder value, by maintaining high cash conversion, improving return on capital and delivering growth to the reported NPAT line".*

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<sup>1</sup> Underlying EBITDA and NPAT exclude reversal of contingent consideration of \$1.25M recorded as other income in FY17 & one-off acquisition, integration & corporate restructuring expenses totalling \$1.6M in FY2018 and \$1.0M in FY2017 (tax effected where applicable at NPAT level)

## FY2018 conference call details

Investors are invited to join a conference call hosted by Managing Director Chris Richards and CFO Matt White at 11am AEST on Monday 27<sup>th</sup> August, 2018.

To access the call please use the dial in details below.

### Conference ID: 413064

<b>Australia Toll Free:</b>	<b>1 800 558 698</b>
<b>Alternate Australia Toll Free:</b>	1 800 809 971
<b>Australia Local:</b>	02 9007 3187
<b>New Zealand Toll Free:</b>	<b>0800 453 055</b>
<b>NZ Local (Auckland):</b>	09 929 1687
<b>NZ Local (Wellington):</b>	04 974 7738
<b>NZ Local (Christchurch):</b>	03 974 2632
<b>China Wide:</b>	4001 200 659
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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.