

ASX RELEASE

Apiam Animal Health Limited (ASX: AHX)

Revised FY23 trading update due to non-cash write-down to inventory value

Bendigo, 11 August 2023 – Apiam Animal Health Limited (**Apiam** or the **Company**) announced guidance on 1 August 2023 that it expected to record reported NPAT of \$3.9 million for the financial year ended 30 June 2023.

Further to that announcement and following receipt of new information as well as a consequent review of its business strategy, the Company expects to recognise a \$2.4 million provision for inventory, which will be a non-cash expense, and impact reported NPAT by \$1.7 million in FY23. The table below shows the revised trading update compared to that provided on the 1 August 2023.

Revised FY23 Trading update (unaudited basis)¹

\$M	FY23 unaudited (Revised)	FY23 unaudited (Aug 1, 2023)	FY22 reported
Revenue ²	192.8	192.8	157.2
Gross profit ³	125.3	125.3	97.4
EBITDA (underlying)	21.0	21.0	18.3
EBITA (underlying)	12.8	12.8	11.5
NPAT (underlying)	6.4	6.4	7.1
NPAT (reported)	2.3	3.9	4.6

Notes

¹ Underlying EBITDA, EBITA and NPAT are non IFRS measures and exclude one-off expenses and amortization.

² Excludes one-off revenue adjustment for deferred revenue relating to prior years +\$920K and reversal of earn-out no longer payable -\$190K.

³ Excludes inventory write-down expense of \$2.4 million relating to sanitiser and surface protectant products.

The write-down reflects provisioning for the inventory value of sanitiser and surface protectant products and has been made due to receipt of new regulatory information that identifies insurmountable barriers to making a registered claim on these products as a long-term disinfectant and market information that the products cannot be sold at a premium price without these registered claims against competing products in the Australian and USA veterinary markets.

While third-party university testing and field trials have supported the long-term efficacy of the products, revised advice received by the Company in relation to the regulatory process and market dynamics reflects the need for this provision.

The provision for this write-down is non-cash related and Apiam's liquidity position remains strong, with no impact on Apiam's banking covenants or headroom under its finance facilities.

Apiam will release its full year financial results to the ASX on Monday 28 August 2023.



27-33 Piper Lane East Bendigo 3550; PO Box 2388, Bendigo DC, Vic 3554
P: 03 5445 5999 E: enquiries@apiam.com.au W: apiam.com.au
ACN: 604 961 024

All financial information included in this trading update is unaudited and remains subject to further review and finalisation.

Apiam will release its full FY23 results to the ASX on Monday August 28th 2023.

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For further information, please contact:

Dr Chris Richards
Managing Director
Apiam Animal Health Limited
chris@apiam.com.au

Catherine Ross
Investor Relations
catherine.ross@apiam.com.au
0421 997 481

Authorisation

This announcement was authorised by the Chairman of Apiam Animal Health Limited.

About Apiam Animal Health Limited

Apiam Animal Health Limited is one of Australia's leading rural veterinary businesses made up of more than 80 veterinary clinic sites and additional ancillary business sites. The Company is supported by a strong team of highly experienced veterinarians and other dedicated professionals, employing more than 1000 employees. Apiam's vet clinics, production animal and allied businesses are spread Australia-wide reaching into many regional towns and fast-growing peri-urban areas.

Apiam Animal Health is committed to providing best in class care for its clients, the animals in their care and the communities where people live and work. The Company's purpose, to enrich the lives of animals, people and communities, is applied across all business operations from vet clinics to production animal consultancy, logistics and laboratory with vets and allied staff sharing expertise and specialist knowledge. Apiam is focused on meeting the needs of its clients and shaping the future of the industry to deliver best practice animal health and welfare at a local level and nationally.