

ASX RELEASE

Apiam Animal Health Limited (ASX: AHX)

Q1 FY24 performance update

Bendigo, October 19, 2023 – Apiam Animal Health Limited (**Apiam** or the **Company**) today announced an update on the Company's performance for the quarter ended 30 September 2023 (Q1 FY24).

Revenue for the period remained resilient increasing to \$51.4 million, a 13.1% uplift on Q1 FY23, the prior corresponding period (PCP).

Solid trading was delivered across all business segments, with a strong Q1 FY24 growth performance seen in the Company's beef feedlot segment as the effect from El Niño weather conditions saw increased animal numbers across Apiam's feedlot client base. This trend is expected to continue for the remainder of FY24.

The Company's gross profit increased 14.9% (vs PCP) to \$34.2 million with operating EBITDA growth reflecting the cost benefits from Apiam's restructuring & redundancy program executed over the past few months.

Apiam advised in August 2023 that costs savings expected from its restructuring & redundancy program undertaken in June 2023 are expected to reduce operating expenses in FY24 by \$2.6 million on an annualised basis.

Dr Chris Richards, Apiam's Managing Director said "We have delivered a resilient and solid start for the first quarter and continue to focus on our business strategies that we outlined to shareholders at the time of our full year results in August. Revenue opportunities remain strong as demand for non-discretionary veterinary services continues across regional and rural Australia. We are working closely with our clinics to optimise their operating earnings margin contribution to the Group and see this driving further growth in H1 FY24."

Apiam continues to focus on generating strong free cash flows and maintaining an appropriate balance between debt management and growth investment. In H1 FY24, Management are also highly focused on growing revenue and extracting further synergies from acquisitions made over FY22 & FY23. To support this, the Company has slowed down the rate of acquisitions with only one additional clinic having been acquired in Q1 FY24 (\$3.6 acquisition cost).

The Company does not expect to complete any further acquisitions in H1 FY24.

Further financial update at Annual General Meeting

Apiam's Annual General Meeting (AGM) will be held on 23 November 2023.

At this time, Apiam will provide a financial trading update for the first four months of trading (July – October 2023).

Further details around the AGM will be provided to shareholders directly via email and will also be lodged with the ASX.

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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 Board of Directors 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 staff. 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.