



FY16 Investor Presentation

26th August 2016

2016

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FY16 Financial Results

Revenue

\$54.1m

Up \$5.5m from FY16 statutory forecast of \$48.6m



EBITDA

\$2.1m

Up \$0.3m vs FY16 prospectus statutory forecast



NPBT

\$1.1m

up 94.5% vs FY16 statutory prospectus forecast



Revenue Growth vs Forecast
Up 11.4%

EBITDA Growth vs Forecast
Up 16.8%



Share Price ⁽¹⁾
c\$1.80

Up c80% from prospectus issue price of \$1.00



(1) Share price on 26th August 2016

FY16 Operational Highlights



FY16 Operational Highlights



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Exceeded prospectus forecasts to achieve \$54.1m revenue and \$2.1m EBITDA
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Executing our growth strategy through organic growth of the 12 acquired vet businesses, plus recently announced acquisition of QVG
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Integration process continuing on track - Finance, Human Resources, Business Support, Communication platform, Business Growth, Procurement
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Economies of scale being achieved in product procurement and delivery
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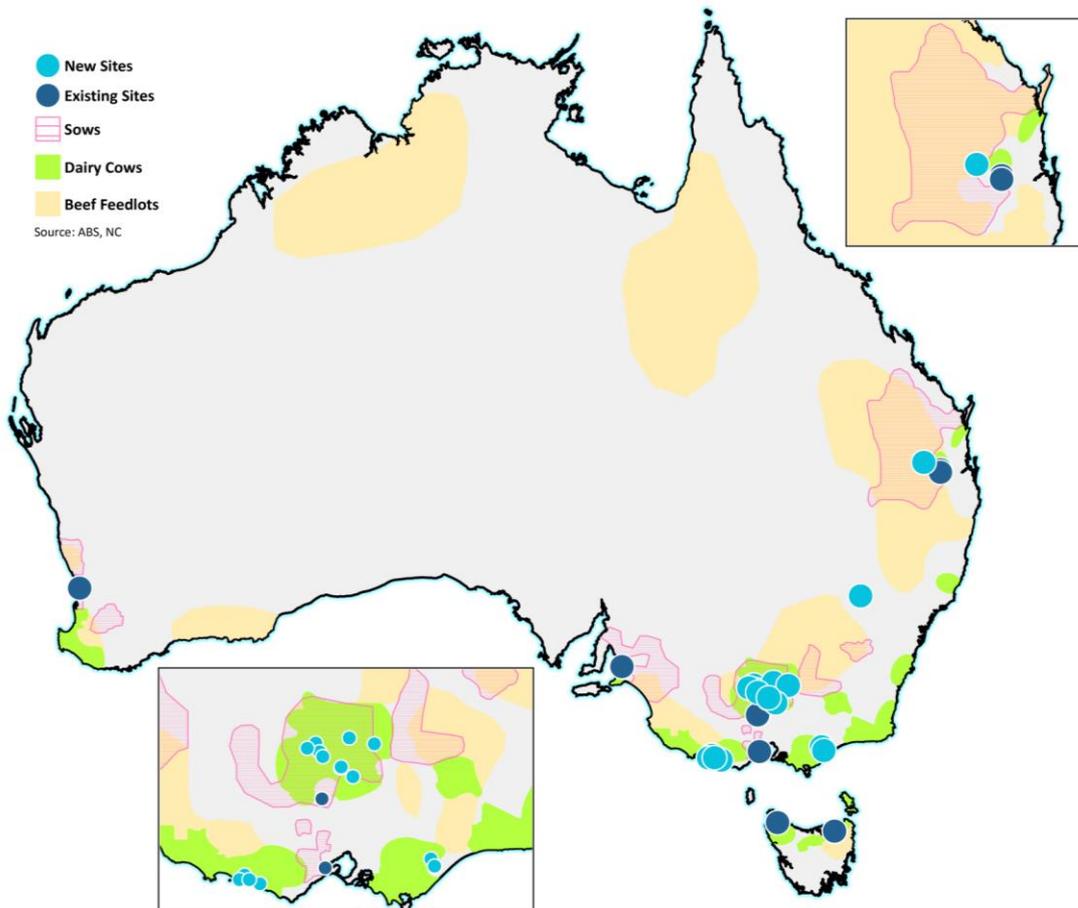
Business model being applied through key account managers and veterinary program development support
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Initiating new services and product opportunities through establishment of Veterinary Services Advisory Committees

Vertically Integrated Business Model Across the Animal Health Value Chain

Segment	Businesses	Activities and Geographic Locations
Veterinary Consulting		<ul style="list-style-type: none"> • 12 leading Production Animals and Regional Mixed Animal practices • 26 clinics strategically located across Victoria, Tasmania, Queensland, Western Australia and New South Wales • Over 110 veterinarians, including many leading specialists in their fields of expertise
Products		<ul style="list-style-type: none"> • Centralised procurement and wholesaling of animal pharmaceuticals, nutritional supplements and equipment • In-house warehousing and logistics services to deliver products to veterinary clinics and end-point customers • Warehouses in Bendigo, Toowoomba, Welshpool and Smithton • 18 vehicle fleet with an estimated 65% of goods delivered via in-house capabilities
Ancillary & Support		<ul style="list-style-type: none"> • Genetics sourcing, sales and related services • Services to producers of industry quality assurance programs, including major national super market standards as third party (food chain) auditors

Geographical Distribution in large production animal areas



- Apiam Animal Health services:
 - the pig industry with clinics in Bendigo, Toowoomba and Perth;
 - the beef cattle feedlot industry with clinics located in the major feedlot areas of Queensland, Victoria and southern New South Wales; and
 - the dairy industry with clinics located in the four main dairy regions of Victoria (Western District, Gippsland, Goulburn Valley and Murray regions), Tasmania (North West and North East regions), southern New South Wales and Queensland (South Burnett)
- Scope for further penetration in existing regions and growth into new/adjacent geographies

Executing Prospectus growth strategies: progress update

Application of vertically integrated model



- Implementation of centralised support functions progressed (particularly finance, business support)
- Group buying / procurement processes implemented
- Consolidation of IT systems scoped (standardised platform for ERP and Practice Management System)

Enhanced product sales



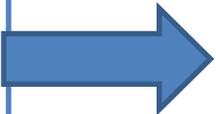
- Focused on expansion of non-prescription product sales across the group & capturing increased share of clients total animal health spend
- Business support managers were phased in

Client focus



- New corporate client relationships established
- Vet Services Advisory Committee established to develop value-added services for clients
- Platforms to improve client interactions developed
- Retained key customers

Acquisition growth



- Quirindi Vet Group acquisition announced in Aug 2016
- Consistent with Apiam's strategy of complementary acquisitions that deliver a compelling strategic and financial rationale
- Strong acquisition pipeline identified

QVG Acquisition

Transaction overview:

- Apiam entered into agreement to acquire Quirindi Vet Group for \$11.57m (19 August 2016)
- Consideration 70% cash / 30% scrip
- Expected to be earnings accretive
- Quirindi principals have entered into employment contracts with Apiam subject to restraint conditions & share escrow
- Consistent with complementary acquisition strategy as detailed in IPO prospectus
- Strengthens Apiam's position in the beef feedlot industry, expands genetics business & presence in rural NSW
- Increases geographical diversification



Quirindi Vet Group overview :

- One of Australia's largest rural veterinary groups
- Located in Liverpool Plains, NSW
- Business services:
 - veterinary services to large beef production systems throughout Australia (Quirindi Feedlot Services)
 - Equine reproductive services at custom built centre near Scone, NSW
 - Livestock and companion practice in Quirindi
- Revenue of \$12.2m in FY16

FY16 Financial Performance



FY16 Financial Reporting Period

- The FY16 statutory results include:
- from 1 November 2015, the trading of Chris Richards Group businesses and 3 clinics in which Chris Richards Group had a majority equity interest; and
- from 10 December 2015, the trading of the nine (9) other clinics acquired.
- The FY16 prospectus statutory forecast is based on Chris Richards Group trading from the 1 November 2015 and the nine (9) acquired clinics trading from 1 January 2016.

FY16 - Exceeding Prospectus Forecast

Apium Animal Health has successfully executed on its commitment in delivering and exceeding the Prospectus Forecast



\$m	FY16 Actual Statutory	FY16 Prospectus Statutory Forecast	Act v Forecast Variance %
Revenue	54.1	48.6⁽¹⁾	+11.4%
Gross profit	25.3	23.9	+5.8%
EBITDA⁽¹⁾	2.1	1.8	+16.8%
NPBT	1.1	0.5	+94.5%
EBIT⁽¹⁾	1.5	1.1	+38.7%

⁽¹⁾ This amount differs from prospectus forecast due to rebates paid to customers having been re-classed from operating expense to revenue. Results are shown before excluding non-controlling interests of \$0.042m

Key Metrics Exceeded

FY16	Actual statutory (A\$'M)	Prospectus statutory (A\$'M)	Chg (%)
Revenue	54.1	48.6	+ 11.4%
Gross profit	25.3	23.9	+ 5.8%
Employment expenses	(14.2)	(13.0)	+ 9.2%
Other operating expenses	(5.7)	(5.5)	+ 2.7%
Other integration / IPO expenses	(3.4)	(3.6)	(7.1%)
EBITDA	2.1	1.8	+ 16.8%
EBIT	1.5	1.1	+38.7%
Net Profit Before Tax	1.1	0.5	+94.5%

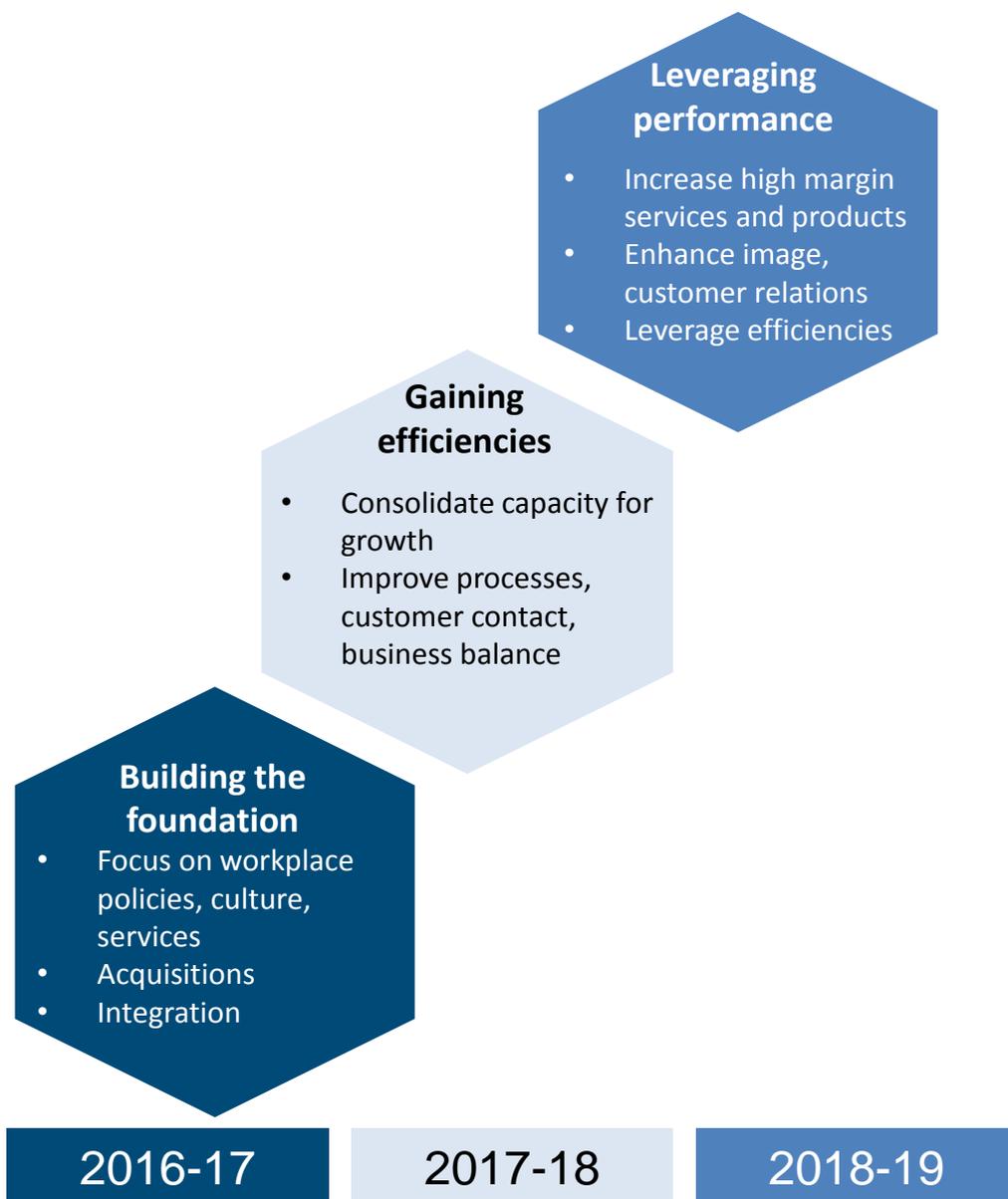
Comments:

- Vertically integrated model yielding results & driving strong revenue growth
- Gross margin impacted by growth in wholesale sales (lower margin products) & phasing in of procurement synergies
- Actual tax expense significantly higher than prospectus forecast due to one-off items (stamp duty on acquisitions & treatment of share based payments expense related to the IPO)

Outlook



Strategic Roadmap: Three Year Plan



Extend OUR position as the **LEADING** provider of expert veterinary, production, well-being & genetics services to the expanding production animal and mixed animal sectors **THROUGHOUT** their lifecycle

Strategic Plan : Four Key Themes

Apiam's three year plan has been based on four key themes that will be the underlying drivers of growth for the company

Customer focus:

- Develop strategic technology, services, operating and financial systems
- Establish Apiam as a trusted service provider
- Focus on impact of Key Account Management teams, improve delivery of products & services
- Improve end-user profitability

High performance, collaborative culture

- Retain and leverage intellectual capacity within the business
- Enhance clinic's image, customer relationships and value proposition

Operational excellence / clinical leadership:

- Development of integrated systems and processes that improve efficiencies, reduce risk and provide a safe working environment

Innovation

- Develop new services and programs that provide growth opportunities and/or improve systems and efficiencies for Apiam

Building the foundation
(2016/17)

Gaining efficiencies
(2017/18)

Leveraging the
performance (2018/19)

Outlook and Priorities for FY17

Industry Outlook

- Dairy – changes in industry dynamics
- Buoyant pig industry
- Positive beef outlooks
- Excellent start to season of inputs for grain fed livestock production

Our Priorities

- Complete the integration of the acquisition businesses
- Accelerate our investment in systems and resources to provide the solid foundation required for further acquisitions and growth plans
- Increase the business balance through acquisition and organic growth
- Continue to leverage on expert knowledge across the group by delivering new services and programs
- Capitalise on changing industry dynamics in production systems and potential opportunities for Apiam

Questions?

