

## ASX ANNOUNCEMENT

### APIAM ANIMAL HEALTH

#### FY2016 PRELIMINARY FULL YEAR RESULTS SUPPLEMENTARY INFORMATION

**30 August 2016, Bendigo.** Apium Animal Health Limited (ASX:AHX) ('Apium' or the 'Company') has released the following supplementary information which should be read in conjunction with the FY2016 preliminary full year results issued on 26 August 2016.

#### Reconciliation of the Statutory Results to Pro-forma EBITDA

The reconciliation that has previously been provided in the AHX prospectus (*page 60 in Table 4.0: Reconciliation of the Statutory Forecast to Pro-forma EBITDA*) forecast an earnings before interest, tax, depreciation and amortization (EBITDA) of \$5.934m for the statutory forecast trading period. This trading period commenced on 1 November 2015 when the Chris Richards Group was acquired and included the subsequent acquisition of 9 veterinary clinics on 10 December 2015.

Table 1 below is a comparison between the reconciled statutory results and the prospectus pro-forma forecast for the period of trading, on a basis that is consistent with the reconciliation in the prospectus. The EBITDA of \$5.835m is closely aligned with the pro-forma EBITDA of \$5.934m for the same period.

Table 1: FY16 Financial Results Summary comparison of Actual to Pro-forma for period of trading				
\$'000				
Trading Period	Actual	Pro-forma Forecast	Fav/ (Unfav.) Variance	%
<b>Revenue</b>	<b>54,097</b>	<b>48,569</b>	<b>5,528</b>	<b>11.4%</b>
<b>Gross Profit</b>	<b>25,330</b>	<b>23,948</b>	<b>1,382</b>	<b>5.8%</b>
GM	46.8%	49.3%		
<b>Expenses</b>				
Employment costs	13,968	12,694	(1,274)	(10.0%)
General expenses	4,117	4,279	162	3.8%
Utilities	1,410	1,041	(369)	(35.4%)
<b>Operating Expenses</b>	<b>19,495</b>	<b>18,014</b>	<b>(1,481)</b>	<b>(8.2%)</b>
<b>EBITDA (before one-off expenses)</b>	<b>5,835</b>	<b>5,934</b>	<b>(99)</b>	<b>-1.7%</b>
*IPO insurance & Bonuses	327	473	146	30.9%
Integration expenses	451	500	49	9.8%
<b>Total Integration and other one-off expenses</b>	<b>778</b>	<b>973</b>	<b>195</b>	<b>20.1%</b>
IPO costs	2,934	3,143	209	6.6%
<b>Total expenses</b>	<b>23,207</b>	<b>22,130</b>	<b>(1,077)</b>	<b>(4.9%)</b>
<b>EBITDA</b>	<b>2,123</b>	<b>1,818</b>	<b>305</b>	<b>16.8%</b>

\*IPO insurance & bonuses reclassified from operating expense to one-off expenses in line with **Table 4.0: Reconciliation of the Statutory Forecast to Pro-forma EBITDA** in the prospectus.

Table 2 below is a bridge to the comparison of the full year prospectus pro-forma EBITDA on a basis that is consistent with the reconciliation in the prospectus. The bridged result of \$12.127m is closely aligned to the Pro-forma forecast of \$12.226m.

Table 2: Bridge from Statutory EBITDA to FY16 full year Prospectus pro-forma EBITDA				
\$'000	Bridged Result	Pro-forma Forecast	Fav/ (Unfav.) Variance	%
FY16 Statutory before one off adjustments	5,835	5,934	(99)	(1.7%)
*Cost of sales	336	336	-	-
Pro-forma EBITDA attributed to period before completion	5,956	5,956	-	-
<b>FY16 Pro-forma</b>	<b>12,127</b>	<b>12,226</b>	<b>(99)</b>	<b>(0.8%)</b>

\*Adjustment to Cost of sales as a result of anticipated delay to commencement of procurement savings in the prospectus statutory forecast in line with **Table 4.0: Reconciliation of the Statutory Forecast to Pro-forma EBITDA** in the prospectus.

Apium Animal Health will undertake an investor roadshow in Melbourne and Sydney the week commencing 12<sup>th</sup> September 2016, hosted by Shaw and Partners and Bell Potter.

ENDS

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## About Apium

Apium 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. Apium 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.