

ASX RELEASE

Apiam Animal Health Limited (ASX: AHX)

Apiam to present at Coffee Microcaps Morning Webinar Series

Melbourne, May 7, 2020 – Apiam Animal Health Limited (**Apiam** or the **Company**) today announced its Managing Director, Dr Chris Richards will present at the Coffee Microcaps Morning Webinar Series.

Coffee Microcaps provides a platform to connect ASX Microcaps companies from outside the resources and life sciences sector to present and connect with ASX microcap investors, both institutional and retail.

The webinar will be recorded and available for viewing on the [Coffee Microcaps YouTube Channel](#) 3 business days after the webinar.

Apiam's presentation for the investor conference is also attached to this announcement.

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For further information, please contact:

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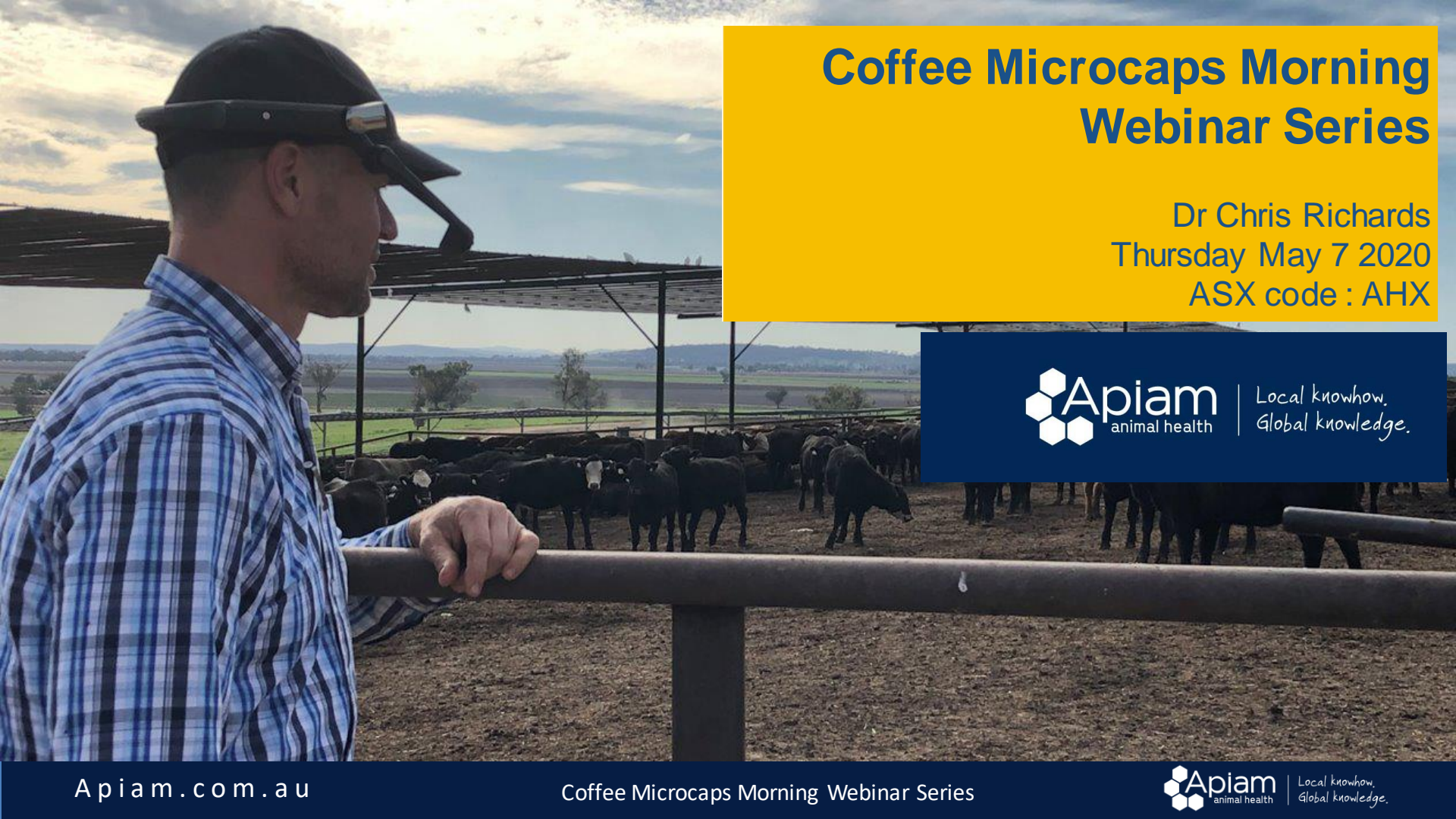
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Authorisation

This announcement was authorised by the Board of Directors of Apiam Animal Health Ltd.

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.



Coffee Microcaps Morning Webinar Series

Dr Chris Richards
Thursday May 7 2020
ASX code : AHX

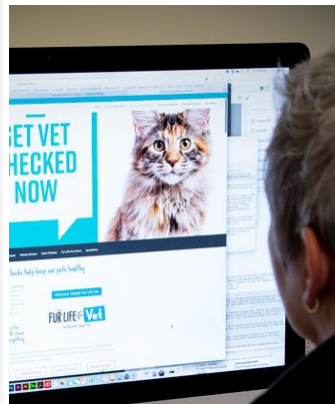


Local knowhow.
Global knowledge.

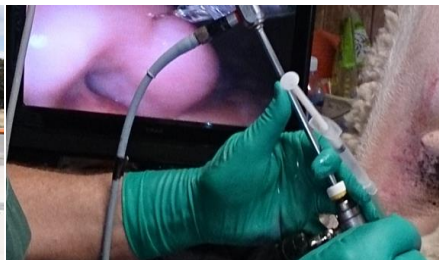
Apium Animal Health – company snapshot

- ✓ Unique established veterinary group that listed in December 2015 to fund acquisition of some of Australia's largest rural veterinary practices
- ✓ Diversified & robust business model with a rural and regional focus
 - vertically integrated model across entire animal health value chain
 - 46 locations across large production animal areas of Australia
 - servicing whole spectrum of production & companion animals
 - new complementary and high-growth opportunities such as Zoono disinfectant product distribution, ProDairy consulting & specialised diagnostics
- ✓ Successfully executing 3-year plan to build process & capacity, grow animal numbers and leverage products and services across large footprint
- ✓ Strong long-term industry outlook for regional production & companion animal sectors
- ✓ Attractive financial profile with revenue growth, gross margin expansion and strong operating cash flows

AHX : snapshot	A\$
Share price (1 May 2020)	0.47
Market cap (1 May 2020)	\$54.8M
Revenue (FY19)	111.7
EBITDA underlying (FY19)	10.0
NPAT underlying (FY19)	4.0
Net debt (as at 31 Dec 2019)	35.9M
Ownership by Board & Mgt	~ 28%



Resilient vet services portfolio with high growth opportunities

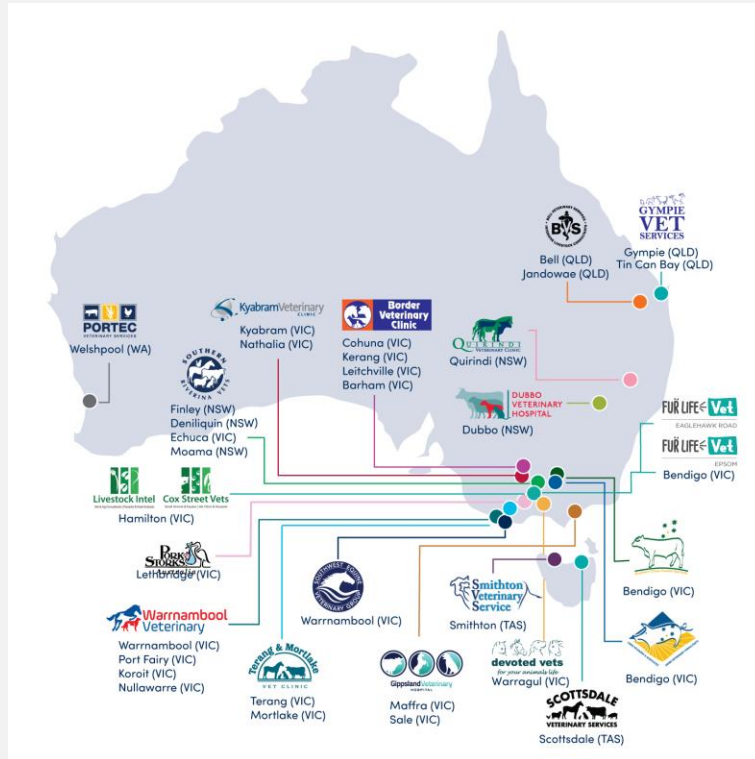


Veterinary Services	Product sales	Genetics & Ancillary	International export
<ul style="list-style-type: none"> Veterinary, animal well-being and production services Service the whole animal spectrum – beef feedlot, pigs, dairy and companion animals (including equine) 46 clinics locations JV with PETstock for some companion animal clinics Employ over 150 veterinarians and technicians 	<ul style="list-style-type: none"> Veterinary service programs supported by technical products In-house warehousing and logistics services Product distribution agreements including Zoono disinfectant technology agreement Private label products Integrated online platform 	<ul style="list-style-type: none"> Genetics sourcing, sales and related consulting services Quality assurance services to including biosecurity and food safety plans Diagnostic lab services & autogenous vaccines Sheep consulting & parasitology diagnostics 	<ul style="list-style-type: none"> Veterinary consulting services provided in 10+ countries Development of new markets for year-round genetic services US Joint Venture for distribution of specialised swine products Chinese sheep genetics, consultancy and export agreement Autogenous vaccine export opportunities

Core veterinary business

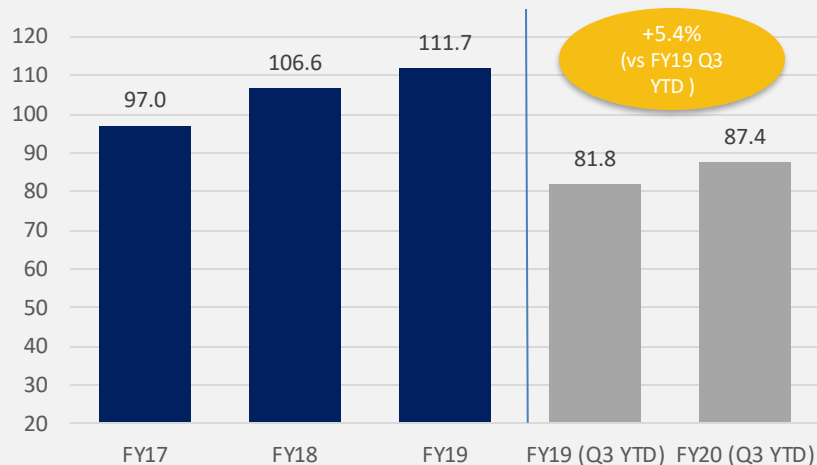
High growth complementary business initiatives

Diversified geographic exposure

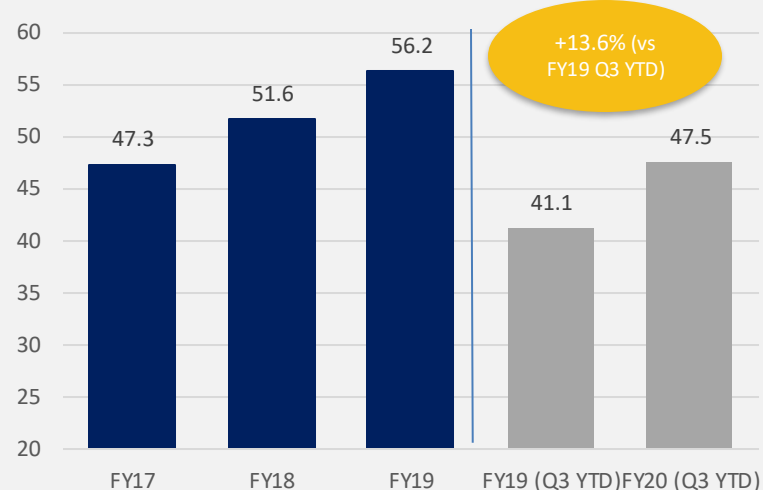


Financial performance across key metrics

Revenue (\$m) - (FY17 – FY20 YTD)



Gross profit (\$m) - (FY17 – FY20 YTD)



- Resilient revenue growth over past 3 years despite challenging industry conditions in many agricultural areas
- Targeted change in Apiam business mix to focus on higher value products & services driving strong gross margin improvement in face of broader industry challenges
- FY20 YTD (up to 31 March) performing strongly as new product and service lines delivering growth in face of COVID-19 challenges, as well as recent improvements in underlying agricultural conditions

LEVERAGING PERFORMANCE

Strategic Focus



Operation process & capacity

- ✓ Integrated systems
- ✓ Roll-out of practice management systems



Animal numbers

- ✓ Business unit synergies
- ✓ Acquisition pipeline
- ✓ Satellite clinic program



Services, product range & margins

- ✓ Private label strategy
- ✓ New products
- ✓ New service programs

Building the foundations

Gaining efficiencies

Leveraging performance

Service & product range expansion in FY20

July 2019

Launch of BestMates Wellness Program (recurring revenue model)



August 2019

Launch of ProDairy consultancy program



October 2019

Acquisition of ACE Laboratory Services (highly specialized service offering)



March 2020

COVID-19 business continuity product & service extensions

December 2019

Acquisition of Grampians Animal Health (includes specialised sheep consulting services)



November 2019

Entered into new distribution agreement with Zoono Animal Health for Zoono (ASX: ZNO) disinfectant nanotechnology



November 2019

Acquisition of Devoted Vets at Warragul Vic.

COVID-19 business continuity

Comprehensive response to COVID-19 to ensure continuity to meet client needs

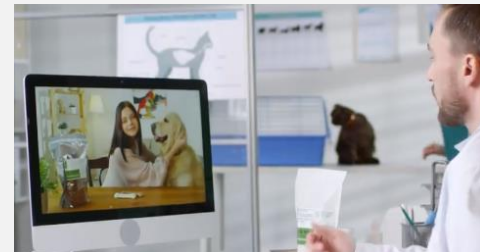
Companion animal services

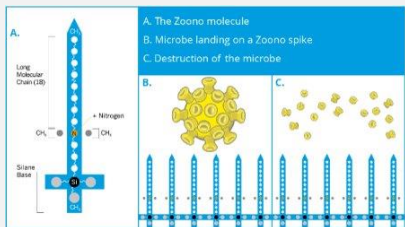
- Implementation of strict clinic guidelines & protocol steps with new service offerings
- Modified clinic service
- Kerbside service
- Telemedicine service (launched in April)
www.furlifevet.com.au
- Home service (in emergency settings only)

Agricultural & livestock services

- Deployment of a new remote consulting technology (live-stream)
- Allows vets to visually inspect health of herds in conjunction with farm personnel (allowing distance)
- Assists with on-going monitoring on a more efficient basis
- Expect to be on-going in the industry, particularly for large production animal customers

Companion animal clinics continued to trade strongly in March and April 2020, reflective of the success of implemented response





Proprietary sanitizer and disinfectant, effective against COVID-19

- Exclusive distribution agreement for use in livestock, agriculture and veterinary in Australia and US
- Provides ongoing mechanical activity for up to 30 days with over 150 tests by third-party laboratories world-wide for human and animal use
- Demonstrated effectiveness against bacteria and viruses including COVID-19, H1N1 influenza, African Swine Fever (99.99% efficacy)
- Offer range of products including the Z-71 Microbe Shield which can be applied to surfaces via fogging or spraying
- TGA approved in Australia for COVID-19, bacteria and germs on hard surfaces

Surge in demand with broadening applications & geographies

- Strong interest from pig, poultry and veterinary industries resulting in material contribution from launch of product sales in March FY20.
- Successful trials in USA pig industry with effective prevention against porcine epidemic diarrhea virus (PEDv) outbreaks in endemic nursery sites (porcine coronavirus)
- Registration and distribution partners in Vietnam and Philippines on track for Q1FY2021
- New customers & applications since COVID-19 outbreak have included veterinary clinics, offices, equine facilities, pet food plants, feed mills, vehicles, and pet stores.

ProDairy consultancy & product supply service

Innovative subscription model offering dairy farmers an end-to-end service:



Animal Health Programs



Staff Training

Direct ordering capability

Risk management & planning



Performance analysis reports

Client Assistance Programs

- Full marketing campaign was launched in April 2020 across targeted radio, social media and television
- ~10% of Victoria's dairy cows are subscribed to the program
- Strategy to increase market penetration in Apiam's other geographic areas

**Designed for
Dairy Farmers.**

**Delivered by
Dairy Vets.**



For us it has been very educational. We are doing culture milk samples on the farm now so we are using less antibiotics than we used to. And we are making further savings on the products that we are buying. I'd recommend ProDairy to anyone who has a decent sized cow herd.

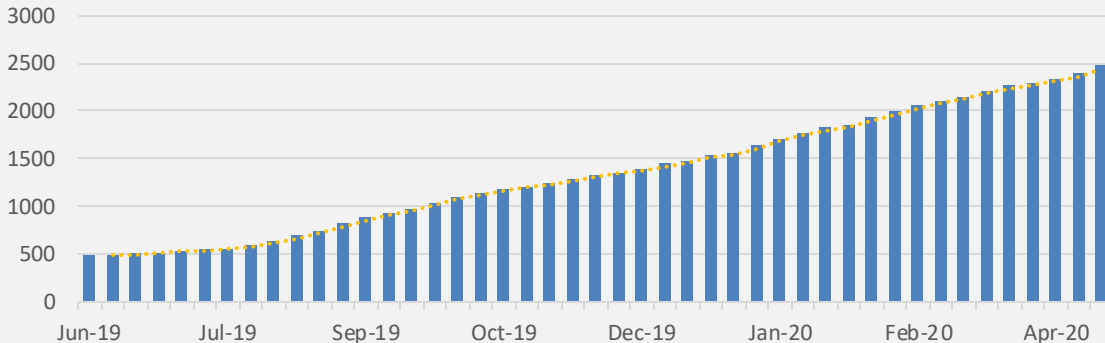
Con Glennen
Third Generation South West Victorian Farmer

Best Mates companion animal program

Wellness program to drive recurring growth in animal services

- Whole of life health and wellness program drives loyalty
- Successful targeted clinic launch program in July 2019 has been expanded in FY20 across company footprint
- Average member growth of 17.7% per month since launch with strong growth continuing through March & April despite COVID-19
- Members pay an annual subscription charge

Best Mate members (# weekly)



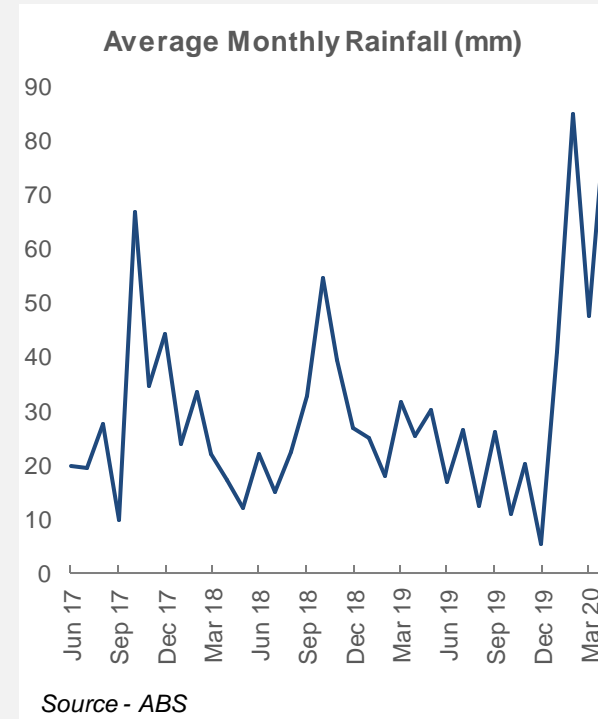
FUR LIFE Vet
BEST MATES
Total Care for your pet

The advertisement features a photograph of an elderly couple smiling next to a golden retriever. Below the photo are six circular icons representing various pet care services: a syringe, a dog house, a dog on a leash, a person with a dog, a microscope, and a tooth. The text below the icons reads: "FurLife Vet's preventative and protective healthcare program designed to keep your pet healthier and happier for longer."

Aplam animal health | VISIT: [FURLIFEVET.COM.AU/BESTMATES](https://www.furlifevet.com.au/bestmates) | **FUR LIFE Vet** healthy pets. happy lives.

Summary & outlook

- **Apiam is delivering growth in core business as agricultural conditions improve**
 - Recent rainfall and improved commodity prices across all segments are positive for H2 FY20 outlook
 - Global shortage of meat protein supporting growth in animal numbers
- **New business lines delivering strong financial contributions, as improved animal biosecurity practices and COVID-19 business practices has increased**
- **Acquisitions made in H1 FY20 performing in-line with expectations**
- **Strong Q3 FY20 performance**
 - Q3 FY20 (Jan-Mar) revenue +16.2% (vs pcp) & gross profit +29.5% (vs pcp)
 - Q3 FY20 YTD (Jul-Mar) revenue +5.4% (vs pcp) & gross profit +13.4% (vs pcp)
- **Apiam expect to deliver EBIT growth in H2 FY20 (vs H1 FY20)**
- **Dividend paid for H1FY20**



Apiam investment highlights



Robust and diversified business model underpinning growth across market cycles



High growth & complementary business initiatives introduced in areas of consulting, diagnostics and innovative product technologies



Strong cash generation in place to enable Apiam's growth strategy & maintenance of dividends



Highly experienced Board & Management team



Favourable long-term industry outlook for Australia's production and companion animal sectors



A photograph of a large pig and three piglets in a field. The large pig is in the center-right, looking towards the camera. It has a light-colored body with dark patches on its face and legs. Three smaller piglets are in the foreground, also looking towards the camera. They are in a grassy field with some dark soil. In the background, there are some white structures and trees under a clear sky.

THANK YOU

Disclaimer

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