



FY16 Roadshow Presentation

12th September 2016

2016

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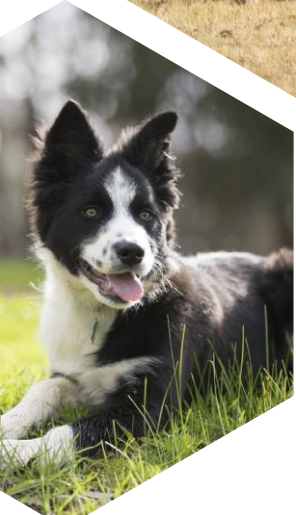
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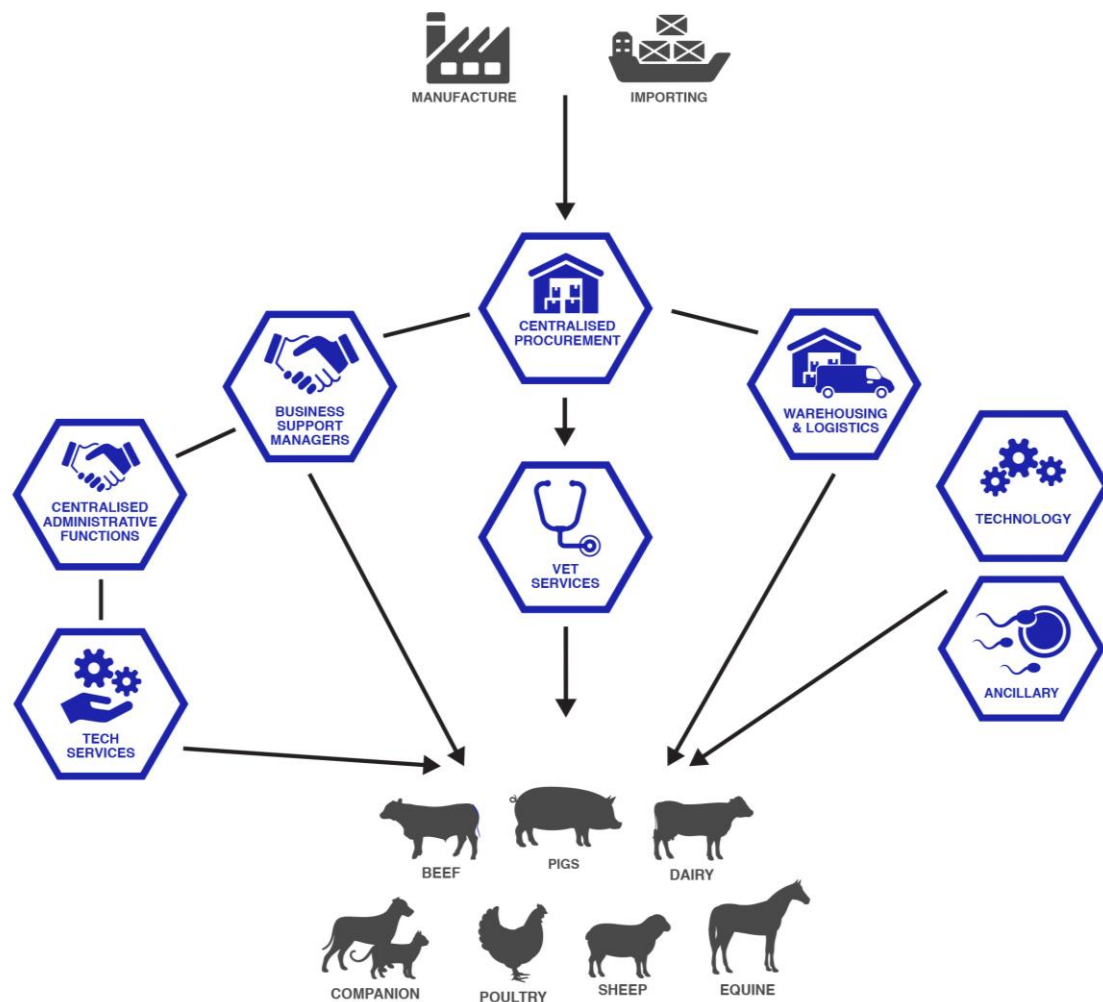
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FY16 Operational Highlights



Vertically Integrated Business Model



Product

- Procurement of animal pharmaceuticals, feed additives, equipment and genetics
- Exclusive distribution and private label products
- Wholesaling of veterinary and related products (Australia's largest veterinary wholesaler for production animals)

Warehousing/ Wholesale / Logistics

- Providing to own clinics and competitors
- In-house warehousing and logistics for order fulfilment

Business Support Managers

- Dedicated account managers working alongside vets to support sales model to end customers

Veterinary Services

- Contracted and non-contracted customer arrangements

Genetics

- Contracts with key breeders
- Specialised vet expertise to support sales

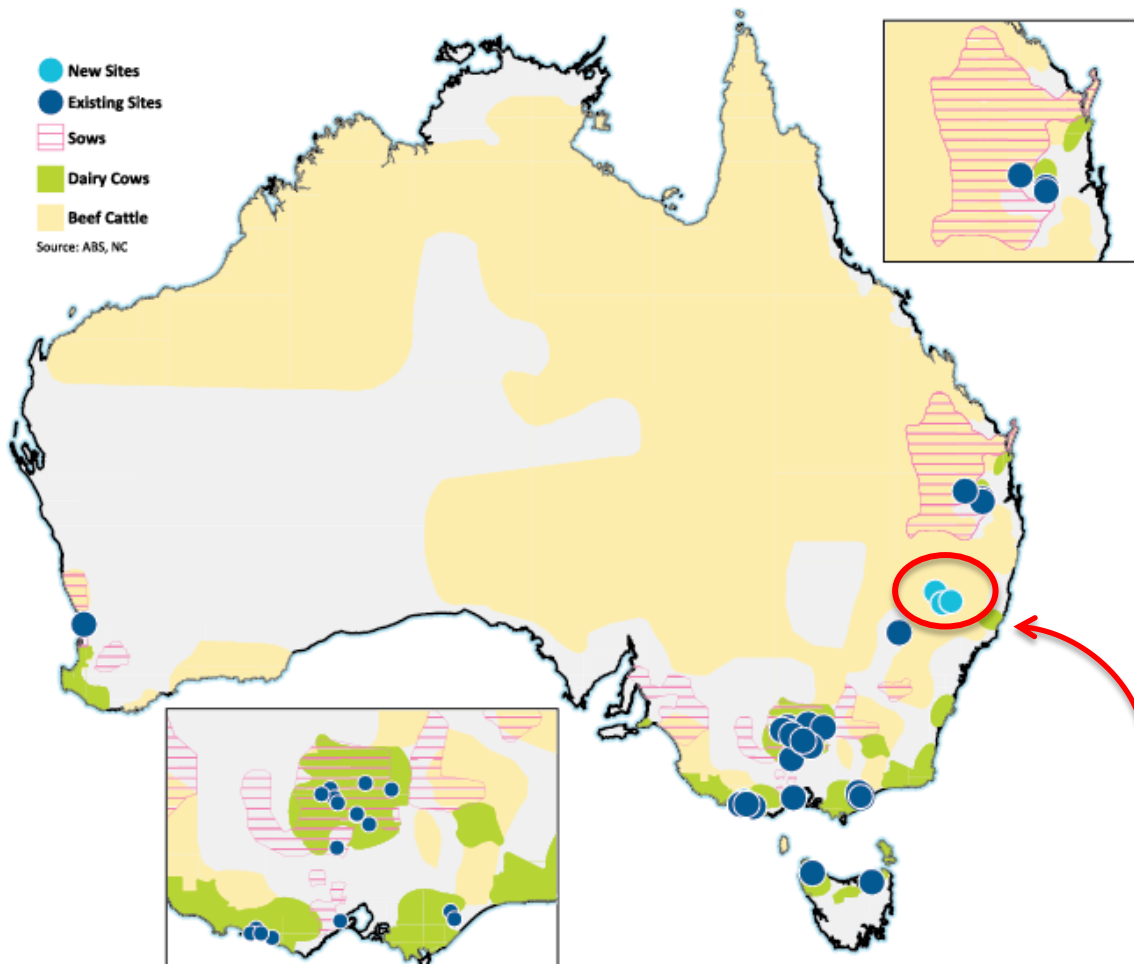
Technology

- Technology development and support for company interactions and solutions for customers

Vertically Integrated Business Model Across the Animal Health Value Chain

Segment	Businesses	Activities and Geographic Locations
Veterinary Consulting	          	<ul style="list-style-type: none"> • 13 leading Production Animals and Regional Mixed Animal practices • 29 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 • 21 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 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

Recent Quirindi Vet Group acquisition

FY16 Operational Highlights



Delivering prospectus statutory forecasts to achieve \$54.1m revenue and \$2.1m EBITDA (underlying EBITDA of \$5.8m)



Executing our growth strategy through organic growth of the 12 acquired vet businesses, plus recently announced acquisition of QVG



Integration process continuing on track - Finance, Human Resources, Communication platform, Business Growth and Procurement



Economies of scale being achieved in product procurement and delivery



Business model being applied through key account managers and veterinary program development support



Initiating new services and product opportunities through establishment of Veterinary Services Advisory Committees

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 being 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:

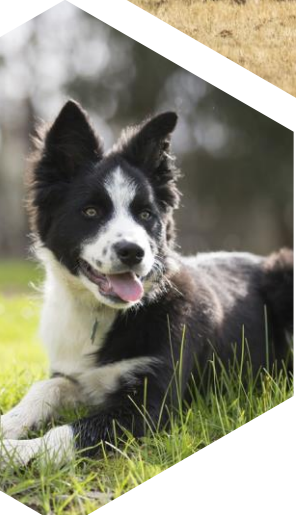
- Apiam entered into agreement to acquire Quirindi Vet Group for \$11.57m (Settled 1 Sept 2016)
- Consideration 70% cash / 30% scrip
- Expected to be earnings accretive
- Quirindi principals have entered into employment contracts with Apiam subject to restraint conditions & share escrow
- Consistent 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 Statutory Financial Results

Revenue
\$54.1m

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

EBITDA
\$2.1m

Up \$0.3m vs FY16 prospectus
statutory forecast

NPBT
\$1.1m

Up 94.5% vs FY16 prospectus
statutory forecast

Revenue
Growth 11.4%
Statutory result vs prospectus
statutory forecast



Share price up
71% since
IPO¹

Notes:

1. AHX share price at completion of trading on 9th September 2016

FY16 – Statutory Results

FY16 \$m	Actual	Prospectus	Change (%)
Revenue	54.1	48.6	11.4%
Gross profit	25.3	23.9	5.8%
Employment expenses	(14.0)	(12.7)	10.0%
Other operating expenses	(5.5)	(5.3)	3.8%
Total operating expense	(19.5)	(18.0)	8.2%
Underlying EBITDA	5.8	5.9	(1.7%)
Other integration / IPO expenses	(3.7)	(4.1)	(9.8%)
EBITDA	2.1	1.8	16.8%
Depreciation	(0.6)	(0.7)	(15.5%)
EBIT	1.5	1.1	38.7%
Finance expense	(0.4)	(0.5)	(18.8%)
Net Profit Before Tax	1.1	0.6	94.5%
Income tax expense	(1.0)	(0.2)	NM
Net Profit After Tax	0.1	0.4	(75.7%)
- Non-controlling interest	0.05	0.05	(11.5%)
- Apiam Shareholders	0.05	0.35	(85.0%)
Gross Margin	46.8%	49.3%	
EBITDA Margin	3.9%	3.7%	
EBIT Margin	2.8%	2.2%	

Revenue

- Significant growth in product sales for pig category (contributed approx. 60% of the favourability).
- Balance coming from earlier settlement of nine acquired clinics.

Gross Margin

- Impacted by increase of lower margin pig product sales
- Phasing in of procurement savings

Employment

- Higher costs due mainly to early settlement of the clinics but also includes additional resources in HR, Finance and IT to support the integration.

Income Tax expense

- Income tax expense was impacted by permanent non-deductible items related to stamp duty and employee share based payments representing \$2.2m in one-off charges.

Trading 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.

FY16 – Underlying Results Reconciliation

FY16 \$m	Actual	Prospectus	Change (%)
Statutory EBITDA	2.1	1.8	16.8%
Add back one-off Expenses:			
Other integration / IPO expenses	3.7	4.1	(9.8%)
Underlying EBITDA	5.8	5.9	(1.7%)
Depreciation	(0.6)	(0.7)	(15.5%)
Underlying EBIT	5.2	5.2	0.3%
Finance expense	(0.4)	(0.5)	(18.8%)
Underlying Net Profit Before Tax	4.8	4.7	2.5%
Income tax expense	(1.4)	(1.4)	2.5%
Underlying Net Profit After Tax	3.4	3.3	2.5%
Gross Margin	46.8%	49.3%	
EBITDA margin	10.8%	12.2%	
EBIT margin	9.6%	10.7%	

Integration & IPO expenses

- Expenses related to integration of the acquired clinic's, acquisition and advisory costs, IPO insurance and IPO bonuses.

Income tax expense

- Income tax expense after adjustment for the impact of one-off expenses and permanent non-deductible items

Underlying EBITDA Margin

- Impacted by lower gross margin and employment costs (Refer prior page).

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.

Balance Sheet (30 June 2016)

Debt

- \$16.0m drawn of \$35.3m debt facility as at June 2016.
- Gearing ratio is 25.7% at 30 June 2016.
- QVG acquisition partially funded via incremental draw-down of \$8.1m on acquisition facility after balance date.
- We have sufficient capacity to fund near term growth opportunities and investment requirements

Deferred consideration

- \$1.3m relating to earn-out associated with acquisition of two clinics. Expected to be paid out of operating cashflow in FY17 subject to meeting agreed targets.

Balance Sheet FY2016	\$m
Assets	
Current Assets	
Cash and cash equivalents	2.1
Trade and other receivables	13.2
Inventories	10.2
Other current assets	0.4
Total current assets	25.9
Non-current assets	
Property, plant & equipment	4.5
Intangible assets	44.7
Deferred tax assets	3.0
Total non-current assets	52.2
Total Assets	78.1
Liabilities	
Current liabilities	
Trade & other payables	9.5
Current tax liabilities	1.4
Borrowings	4.1
Provisions	3.5
Other current liabilities	1.2
Current liabilities	19.7
Non-current liabilities	
Borrowings	11.9
Provisions	0.2
Total Non-current liabilities	12.1
Total Liabilities	31.8
Net assets	46.3

FY16 Cashflow Statement

FY16 \$m	Statutory	Add back One-off cashflows	Underlying cashflow
EBITDA	2.1	3.7	5.8
Net cash used in operating activities	(1.2)	2.1	0.9
Ungeared pre-tax cashflows:			
Add back:			
Interest expense	0.4		0.4
Income tax Paid	1.2		1.2
	0.4	2.1	2.5
Conversion	21%		44%

Underlying cash conversion:

- Ratio impacted by increase in working capital associated with acquisition of initial clinics
- This is a one-off impact and will improve over time

One-off cashflows:

- One off cashflows refer to cash impact of integration and IPO costs incurred

FY16 Statutory Cashflows \$m	Actual	Prospectus	Change (%)
EBITDA	2.1	1.8	16.8%
Net cash used in operating activities	(1.2)	(1.9)	(35.1%)
Acquisition of subsidiaries, net of cash	(24.1)	(24.7)	(2.4%)
Restructure of group entities, net of cash	(0.6)	(0.4)	46.4%
Purchases of property, plant and equipment	(0.3)	(0.9)	(67.1%)
Purchases of intangible assets	(0.1)		
Net cash used in investing activities	(25.1)	(26.0)	(3.5%)
Proceeds from issue of share capital	23.0	23.0	0.0%
Borrowings	8.4	8.4	0.2%
Share issue transaction costs	(3.0)	(3.9)	(23.5%)
Net cash inflow from financing activities	28.4	27.5	3.4%
Net change in cash and cash equivalents	2.1	(0.4)	588.8%

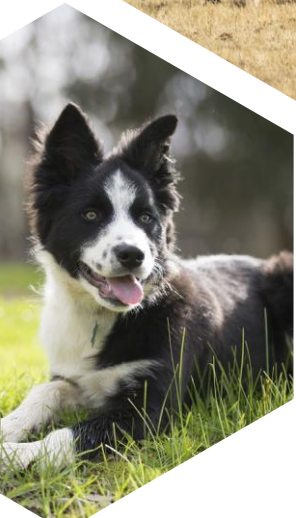
Statutory cashflows:

- Reflect acquisition of initial clinics including one off transaction costs and impact of working capital (as above)

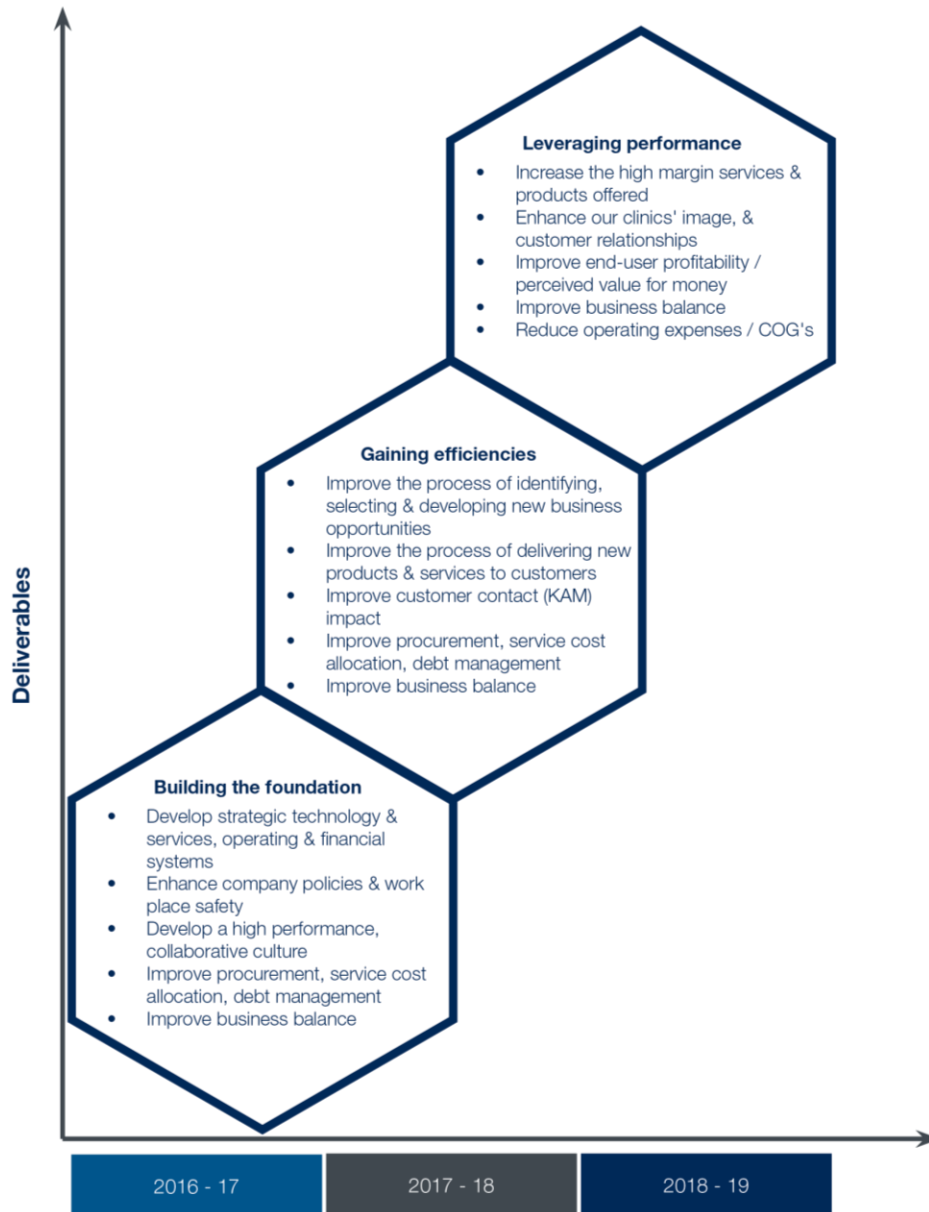
Net change in cash ahead of prospectus forecast:

- Out performance of revenues including cash from operating activities (Favourable variance \$0.7m)
- Lower acquisitions and finance charges (favourable variance of \$1.7m)

Outlook



Strategic Roadmap: Three Year Plan



Strategic Plan : **Four Key Themes**

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

- **High performance team**
- **Clinical leadership and operational excellence**
- **Customer focus**
- **Innovation**

Building the
foundation (2016/17)

Gaining efficiencies
(2017/18)

Leveraging the
performance (2018/19)

Strategic Theme: High Performance Team

- Retain and leverage intellectual capacity within the business
- Expert knowledge exchange and collaboration across Company
- Focused investment in people and culture:
 - Accelerated Graduate Program
 - Employee Assistance Program (EAP)
 - Intranet development and deployment
 - Veterinary Services Advisory Committees
 - Practice Managers Advisory Committee
 - People Streme HR Platform development



Accelerated Graduate Program in place



Collaborative approach to knowledge dissemination and service development



Strategic Theme: **Clinical Leadership & Operational Excellence**

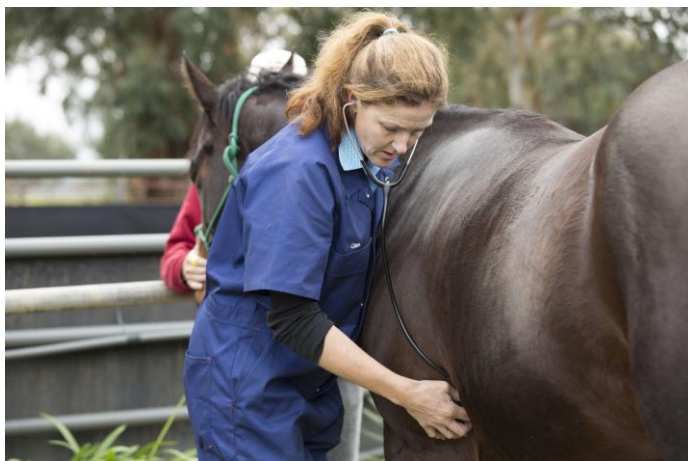
- Development of integrated systems and processes that improve efficiencies, reduce risk and provide a safe working environment
- Scoping of finance and practice management integrated platform (ERP and PMS)
- Development of Standards of Care program
- Knowledge exchange and upskilling of employees on new services



New service training to provide calf disbudding surgery under general anaesthetic, optimising animal welfare across the group

Strategic Theme: **Customer Focus**

- Develop new services to meet the current and future client needs
- Develop strategic technology, services and operating and financial systems
- Focus on impact of Key Account Management teams, improve delivery of products & services
- Improve end-user profitability



Expanded equine service for Northern Victoria



Key Account Managers being phased in to support acquisition clinics

Strategic Theme: Innovation

- Development of software tools to meet customers current and future needs
- Development of new services and programs that provide growth opportunities and/or improve systems and efficiencies for Apium.
- **Be Sure.** Our platform to provide consistency, scalability and recognition of high quality, professional approaches that deliver valuable service offerings.



Be Sure

The first 4 months of a calves life will influence it's production potential forever.
Be Sure to get it right.

(878) 4603 1315 (878) 4603 2700 (878) 4603 1100 (878) 4603 1177 (878) 4603 2304
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Heavy heifers are healthy heifers

Be Sure of Correct Weight
This heifer program is a proactive approach to managing the requirements of your dairy heifers.
Well grown heifers that reach their mating target weights prior to joining perform better reproductively, produce more milk and have increased longevity in the milking herd.
A investment in heifers is an investment in your herds future.
Be sure to achieve your correct weight goals!

Spot Drench Test

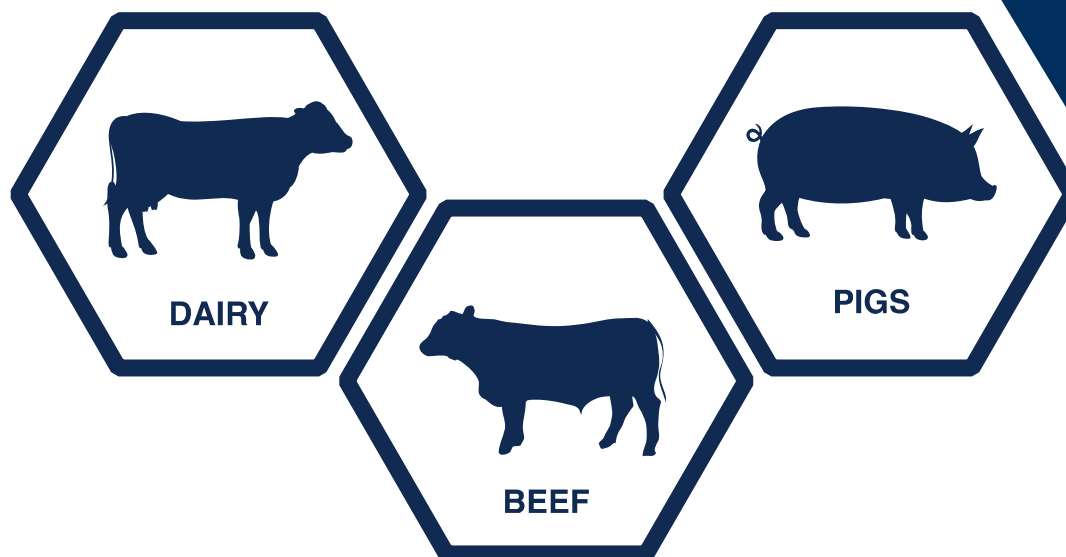
Do you know which species of worms are affecting your cattle and if your drenching strategy is providing effective control?
Knowing how effective your drenches are on your property & which worms to treat are pivotal in developing a drench strategy.
A drench test will provide the answers.

Benefits:
Understanding the effectiveness of your cattle drench is critical for preventing unnecessary productivity losses and understanding if drench resistance is developing in your herd.
A Spot Drench Test is a simple way to get the full picture, and can be performed during your next planned drenching. It will provide the following:

- Confidence your drench is effective
- Knowledge of the parasite species affecting your cattle
- Check for drench resistance present in the herd
- Information to develop a more effective drench program
- Control drenching and application methods
- Benchmark for future testing

Easy:
A Spot Test is simple to perform and only requires a small number of animals to have a fecal sample collected at the time of drenching, and again 14 days later. The testing doesn't take long and is highly rewarding.

Industry Outlook for FY17



Dairy

- Changes in industry dynamics to create opportunities.
- Domestic sales for Australian dairy products showed volume growth last 12 months¹.
- Global market price in rising phase.

Beef

- Beef consumption expected to experience strong growth due to changing consumer preferences².
- Cattle prices surge on strong winter rainfall and expected to remain high for rest of 2016³.
- Anticipated softening in feedlot throughput in FY17 but capacity being built for future growth expectations

Pigs

- Pig meat production continued growth by increasing 4 percent from June '15⁴.
- Grain feed prices; 2 year low⁵.
- Baconer & Porker prices - 6 year high⁵.
- Robust industry expansion to meet future pork demand

Positioning Apiam for growth

Two main avenues for growth:

Organic

- Optimise the business to enhance services and respond to industry trends
- Creation of VSACs to deliver new service programs to meet industry needs
- Apply Key Account Manager service model to enhance client offering
- Recruit skills and knowledge that drive business expansion

Acquisitions

- Fragmented sector provides opportunity for further consolidation
- Strong acquisition pipeline
- Achieve greater business balance through synergistic acquisitions
- Rigorous selection criteria to ensure targets align with Apiam's objectives and growth model



Positioning Apiam for growth

Up to \$3.5m to be invested in people and systems in FY17

Building the platform that will deliver benefits for the next 5-10 years

Investment required:

- Implement Enterprise Resource Planning and Practice Management System
 - Fully integrated and consolidated across the business
- Deliver People Streme human resource platform
 - Drive development of employees, encourage high performance culture
- Strengthen Business Support Network
- Recruit essential skills and capacity to support growth
 - VSACs, Key Account Managers
 - Resources to drive organic and acquisition growth
- Acquisition costs

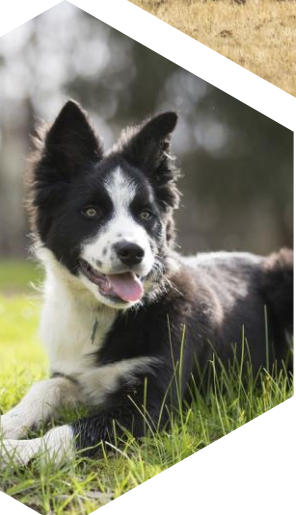


Summary

- Strong economic outlook for production animal sector – domestic and global
- Vertically integrated business across entire animal health value chain
- Large and growing footprint across key animal production areas
- Dedicated client focus delivering trusted services and products
- Delivering on growth plans through acquisitions and integration
- Three-year strategy for growth developed and underway
- Focus on optimising the business to expedite growth and capitalise on favourable sector outlook



Appendices



EBITDA Bridge from FY16 Underlying Statutory results to FY16 Full Year Pro-forma Prospectus

FY16 Statutory results \$m	Actual	Prospectus	Fav / (Unfav.) Variance	Change (%)
Revenue	54.1	48.6	5.5	11.4%
Gross profit	25.3	23.9	(1.4)	5.8%
Employment expenses	(14.0)	(12.7)	(1.3)	10.0%
Other operating expenses	(5.5)	(5.3)	(0.2)	3.8%
Total operating expense	(19.5)	(18.0)	(1.5)	8.2%
Underlying EBITDA	5.8	5.9	(0.1)	(1.7%)
*IPO insurance and bonuses	0.3	0.5	0.2	(30.9%)
Integration expenses	0.5	0.5	0.0	(9.8%)
IPO Costs	2.9	3.1	0.2	(20.1%)
Total one-off expense	3.7	4.1	0.4	(9.8%)
EBITDA	2.1	1.8	0.3	16.8%

FY16 Full Year Bridge \$m	Bridged Result	Pro-forma Prospectus	Fav / (Unfav.) Variance	Change (%)
FY16 Underlying Statutory EBITDA	5.8	5.9	(0.1)	(1.7%)
*Cost of sales	0.3	0.3		
Pro-forma EBITDA attributed to period before completion	6.0	6.0		9.8%
FY16 Pro-forma EBITDA	12.1	12.2	(0.1)	(0.8%)

FY16 Full Year Bridge is a bridge to the comparison of the full year prospectus pro-forma EBITDA on a basis that is consistent with **Table 4.0: Reconciliation of the Statutory Forecast to Pro-forma EBITDA** in the prospectus.

*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** in the prospectus.