

ASX RELEASE

Apiam Animal Health Limited (ASX: AHX)

Q4 2019 Performance Update and Changes to Banking Facilities

Melbourne, July 10, 2019 – Apiam Animal Health Limited (**Apiam** or the **Company**) provides its performance update for Q4 2019.

In Apiam's Q3 Performance and Business Outlook (released 29 April 2019), the Company highlighted that there were a number of high revenue generating opportunities in the last part of the financial year across the dairy, feedlot and pig industries. However, these revenue generating opportunities were influenced by the timing of Autumn rainfall and temperature changes, and also by the recent drought conditions that impacted Australian farming and agricultural industries.

Gross Profit (unaudited) for Q4 2019 was \$14.4m, down 1.6% on Q4 2018. Revenue (unaudited) for Q4 2019 was \$28.8m, down 5.1% on Q4 2018. The Company estimates FY19 underlying EBITDA to be \$10.0m.

The conditions in Q4 were drier than expected in most of the regions that Apiam operates, particularly in early Autumn, and the late Autumn and early Winter rainfall was too late to positively impact Q4 earnings. Consequently, the Company's revenue in Q4 and second half of FY 2019 was softer than expected and was not typical of the phasing that has been observed in previous years.

Although Apiam's Q4 FY2019 earnings were softer than expected, the Company continues to execute on its strategy to provide high-value services and products leveraged across a growing animal footprint.

Apiam is also pleased to announce that it has entered into an agreement with its long-standing financier, National Australia Bank (NAB), to increase the Company's acquisition facility to \$39m, which is an increase of \$14m. The increase means Apiam now has \$25.9m available to deploy from its acquisition facility. As part of the facility increase, several restrictive covenants have been removed or revised, which will enable Apiam to utilise these available funds to execute on the Company's growth strategy.

"External factors had an impact on Apiam's Q4 and FY2019 financial results, however, the Company remains confident in its opportunities for growth in the year ahead, both organically and through targeted acquisitions supported by an expanded borrowing capacity." said Dr Chris Richards, Managing Director of Apiam.

– ENDS –

For further information, please contact:

Dr Chris Richards
Managing Director
Apiam Animal Health Limited
chris@apiam.com.au

Kyahn Williamson
WE Buchan
03 8866 1214
kwilliamson@buchanwe.com.au



27-33 Piper Lane, East Bendigo VIC 3550
PO Box 2388, Bendigo DC, VIC 3554
ACN: 604 961 024

(03) 5445 5999
enquiries@apiam.com.au
www.apiam.com.au

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.