



KEY LEADERSHIP

Organisation for success; leadership strength and core capabilities

Attract, retain and develop talented people

Key initiatives

- Strengthen leadership capabilities
- Align reward to performance
- One-team culture
- Drive effective communication and collaboration
- Improve diversity

Progress

- Sandra Single joined SET as Strategic Product and Portfolio Director
- Embedded “High Challenge, High Support” leadership programme and implemented “Pioneering Professional” talent management process
- Annual mean employee engagement score of 3.88 (2021: 3.96)
- Wellbeing programme uptake in line with expectations

2023 Priorities

- Implement actions from employee engagement survey
- New Global People Portal intranet launched to improve two-way communication

LINKS TO RISKS



LINKS TO KPIS



Organisation for growth

Key initiatives

- Create an organisation to drive sustainable and profitable growth

Progress

- Senior Executive Team (SET) focused on delivery
- Roll out of our own-branded commercial excellence programme, supported by Group-wide CRM implementation

2023 Priorities

- Evolve and align the organisation to the external market and internal opportunities to maximise effectiveness and efficiencies in order to scale profitability
- Sustain strong momentum in embedding commercial excellence across all markets

LINKS TO RISKS



LINKS TO KPIS



RISKS KEY

- A** Market risk
- B** Competitor risk
- C** Portfolio risk
- D** Product development risk
- E** Financing/Treasury risk
- F** Foreign exchange translation risk
- G** Supply chain risk
- H** IT systems and cyber security risk
- I** Regulatory risk
- J** People risk

KPI KEY

- 1** Revenue growth
- 2** Underlying cash conversion
- 3** Basic underlying earning per share (“EPS”)
- 4** Underlying EBITDA margin
- 5** New product revenue
- 6** Net debt to underlying EBITDA leverage
- 7** Employee engagement

Our Strategy CONTINUED

GROWTH PORTFOLIO

Focused portfolio in key therapy areas in growing market segments

Focus on existing core brands that generate sustainable growth and margins

Key initiatives

- Improve quality of portfolio; focus on smaller number of bigger-selling, higher-margin brands

Progress

- Focus on Top 40 products contributed to strengthened gross margins
- Daxocox is now a Top 10 selling Animalcare product and we have successfully launched the Plaqtiv+ range

2023 Priorities

- Drive growth in Companion Animals and maintain strong presence in Production Animals
- Continued focus on bigger-selling, higher-margin products
- Further investment in product launch capability

LINKS TO RISKS



LINKS TO KPIS



BUSINESS DEVELOPMENT

Work with partners to build a pipeline of products that meets our criteria for growth

In-license or acquire products and develop network partnerships

Key initiatives

- In-license or acquire innovative pipeline or market-ready products
- Establish Animalcare as partner of choice, especially for companies selling into Europe
- Build partnerships to exploit growing global markets

Progress

- Ongoing distribution partnership with Virbac for Daxocox extended to additional markets globally
- UK Identibase business continues to develop and grow post carve out with focus on services centred around pet protection

2023 Priorities

- Continue to pursue value-creating partnerships and in-licensing opportunities

LINKS TO RISKS



LINKS TO KPIS



INNOVATIVE PIPELINE

Building a pipeline of novel and differentiated products

Launch new products and develop differentiated and innovative pipeline of products for the future

Key initiatives

- Strengthen internal pipeline of differentiated products through partnerships, in-licensing and acquisitions
- Prioritise and accelerate in-house R&D projects

Progress

- Research collaboration with Orthros Medical progressing well – focus on lead candidates and new indications for the VHH antibody technology
- Daxocox clinical studies in new indications on track

2023 Priorities

- Continued development of lead indications for the Orthros technology including initiation of clinical programmes
- Pursue potential additional indications for the Orthros technology

LINKS TO RISKS



LINKS TO KPIS



 For **strategy and risks key** please see **page 11**