SEPTEMBER 2021

Interim results

Jenny Winter, Chief Executive Officer
Chris Brewster, Chief Financial Officer

Animalcare GROUP

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Very strong H1 performance and strategic progress

Growth portfolio

Focused portfolio in key therapy areas in growing market segments

Innovative pipeline

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

Business development

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

Strong finances

Financial sustainability through revenue growth, cash conversion, EPS growth and EBITDA margin growth

Key leadership

Organisation for success; leadership strength and core capabilities

H1 highlights

Growth portfolio
- ✓ Increase in revenue generated by Top 40 products
- ✓ Improved gross margins across portfolio

Innovative pipeline
- ✓ Mix of prescription and OTC pipeline projects initiated

Business development
- ✓ Reduced net debt increases scope for M&A and pipeline deals

Strong finances
- ✓ Strong H1 driven by CA demand
- ✓ EBITDA, margins and cash conversion up
- ✓ Net debt further reduced

Key leadership
- ✓ Regional leadership model fully operational; supporting portfolio and growth strategy

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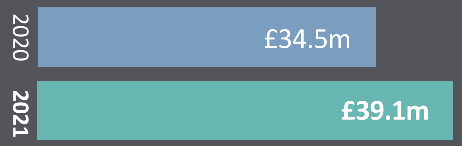
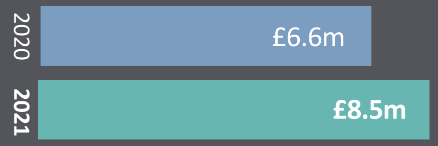
H1 2021 financial highlights

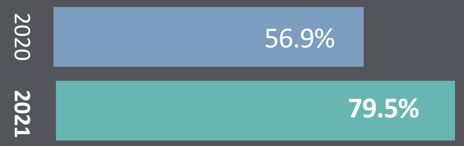
Revenue
£39.1m
↑13.3%



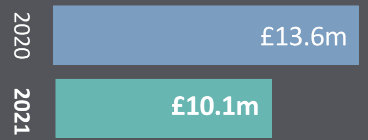
Underlying* EBITDA
£8.5m
↑28.3%



Underlying* cash conversion
79.5%



Net debt
£10.1m
↓£3.5m



Underlying EBITDA leverage ratio at 0.7 times

Ahead of expectations

Board confident that underlying EBITDA and basic EPS will be ahead of current market expectations for FY21

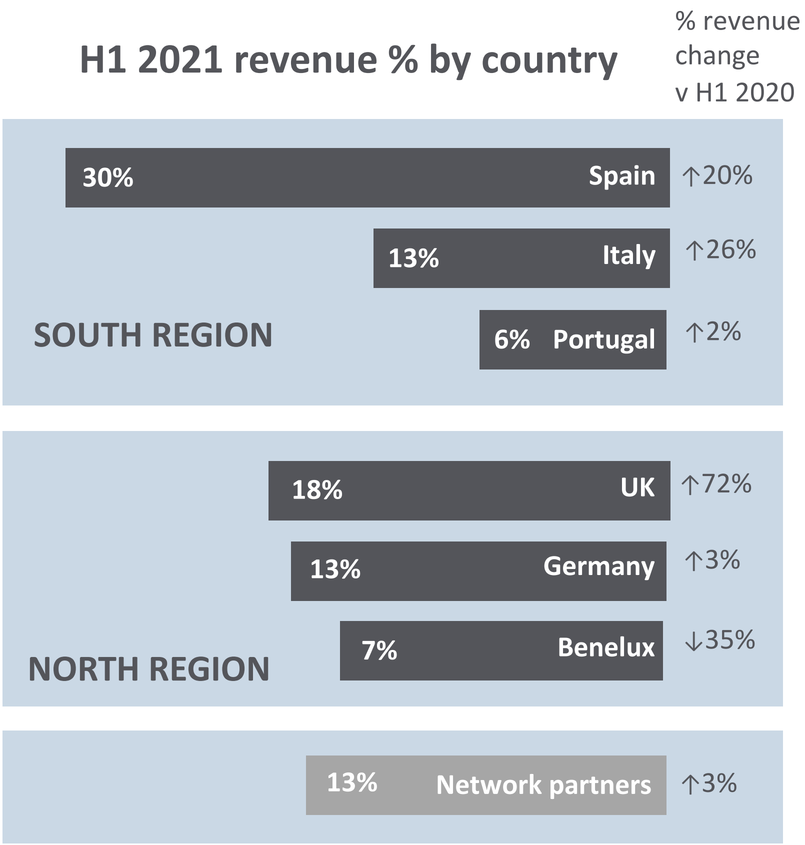
2021 interim dividend

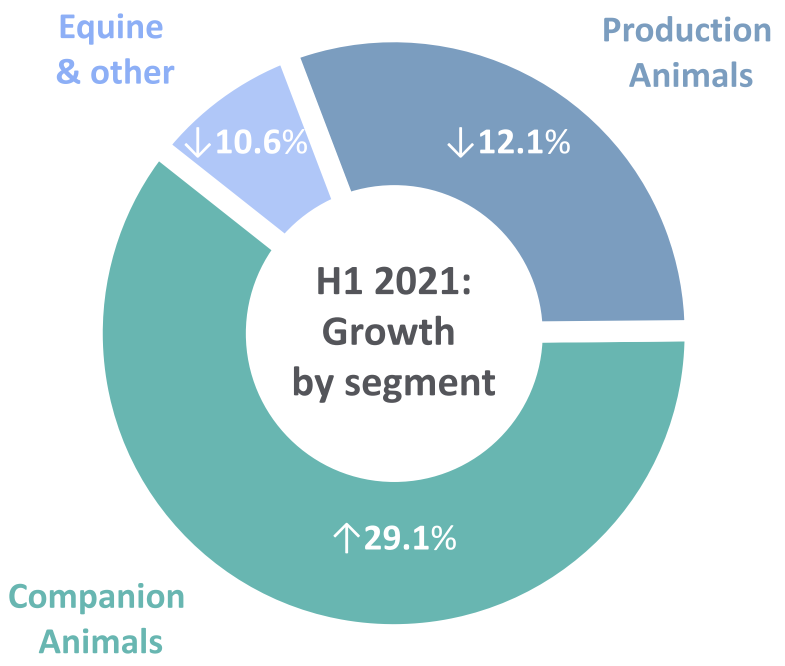
Board declares 2.0 pence per share dividend payment

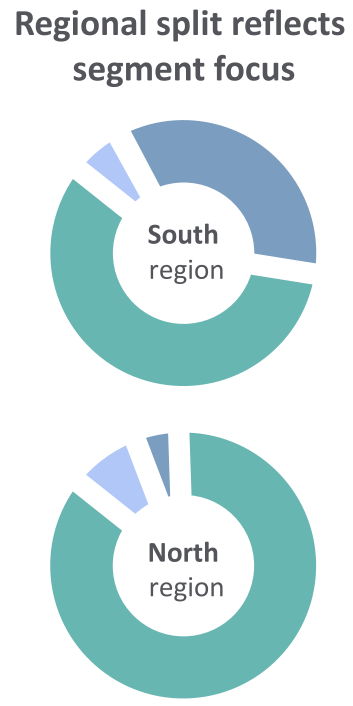
* Underlying measures are before the effect of non-underlying items which excludes fair value adjustments on acquired inventory, amortisation of acquired intangibles and acquisition and integration costs.

Resurgent Companion Animals driving growth in H1

New regional model facilitates management focus on relevant market segments







Strong balance sheet underpins growth strategy

Strong cash conversion reduces net debt to target level

2019	2020	2021		2022	2023
£23.6m	**£17.8m**	**£13.6m**	**£10.1m**	**£7.6m**	
2.0x *underlying EBITDA*	***1.4x*** *underlying EBITDA*	***1.1x*** *underlying EBITDA*	***0.7x*** *underlying EBITDA*		

1-2x

Strong balance sheet supports
- M&A activity
- Pipeline investment

Target 1-2x *net debt to underlying EBITDA* range

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Delivering growth from our portfolio

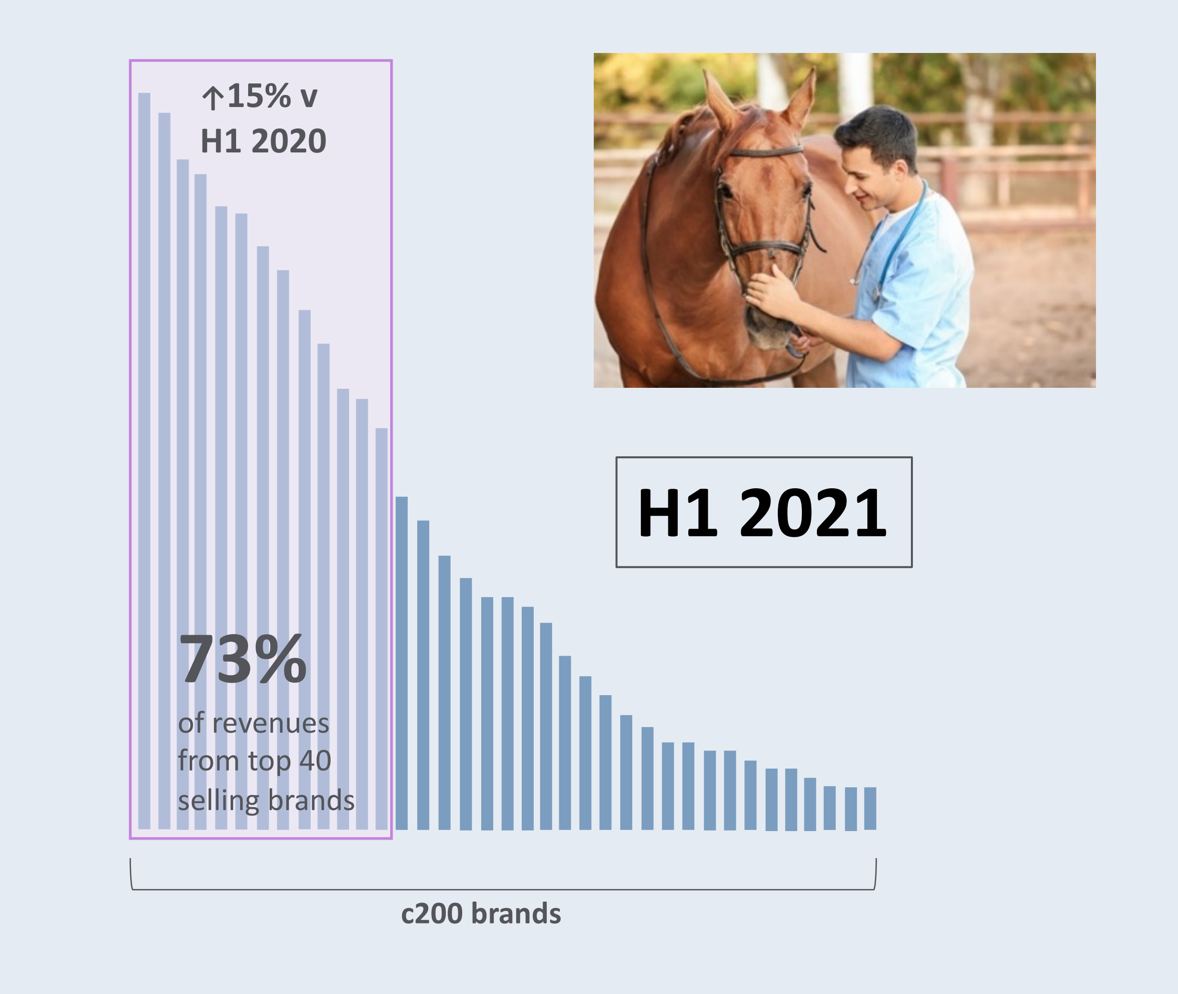
Smaller number of higher selling, higher margin products increases management focus and impact of sales and marketing activity

↑15%

Increase in revenue generated by **top 40 selling products** in H1 2021

Increase in gross margin in H1 2021 benefiting from continued focus on brands with **higher growth and margin potential**

↑2.6%



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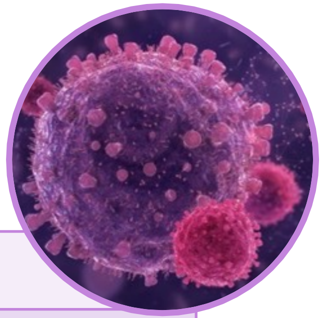
Building pipeline to drive growth

Initiating mix of prescription and non-prescription development projects

Prescription Medicines

DAXOCOX
Pre-clinical Equine pain management Injectable form (metabolite)
Market Expansion (life cycle management) Pain management New markets – US, Canada, Australia and NZ as priority. New dose strengths
Market support studies Data versus competitors

Non-prescription Medicines



STEM and MICROBIOME
Oral Hygiene Toothpaste, water additive spray. STEM
“Scoot” Gut health
“Acute” Diarrhoea
“Clean” Ear cleaner

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Summary and outlook

Summary

- Very strong H1 driven by Companion Animal demand
- EBITDA and EPS benefit from revenue leverage
- Reduced net debt increases scope for BD investment
- Product portfolio delivers margin and Top 40 growth
- Pipeline focus on mix of prescription and OTC projects
- Regional leadership model supports growth strategy

Outlook

- Favourable trading conditions continue into second half
- Group confident that underlying EBITDA and basic EPS will be ahead of current market expectations for FY 2021

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