

ASX RELEASE

Apiam Animal Health Limited (ASX: AHX)

Modest revenue & earnings growth in FY25; Strategic Reset Program underway

- Group revenues (+1.4%) affected by underperformance in Clinical Vet Services; Intensive Animal Veterinary services performed strongly
- Modest uplift in Group earnings (EBITDA +5.2%); with some cost efficiencies realised
- Divestment of two underperforming businesses; impairment loss of \$4.5M in H1 FY25
- New Interim Managing Director, Mr Bruce Dixon appointed 5 June 2025
- Strategic Reset Program underway to improve core clinical vet operations & shareholder returns;
 - Business Improvement Team established
 - Clinic Performance Oversight Intensified
 - “Right-size” Head Office
- Final FY25 dividend of 1.0 cent per share
- Non-Binding Indicative Proposal received from Adamantem Capital to acquire Apiam at \$0.88 per share (less any dividends or returns of capital); subject to conditions

Bendigo August 27, 2025 – Apiam Animal Health Limited (**Apiam** or the **Company**) today released its financial results for the twelve-months ended 30 June 2025 (FY25). While the Group delivered modest growth, overall performance was below the Company’s expectations.

Revenue in the Clinical Vet Services segment declined relative to the prior corresponding period (pcp), driven by reduced equine revenues and the cessation of dairy cattle exports to China early in FY25. The latter had a material impact on diagnostic revenue from ACE Laboratories, which operates within the Clinical Vet Services segment. Overall, however the Clinical Vet Services segment did deliver cost efficiencies and a reduction in operating costs in FY25.

The Intensive Animal Veterinary Services segments (beef feedlot & pigs) delivered double-digit revenue and earnings growth.

Following a strategic review of underperforming businesses and assets, the Board of Directors made the decision in H1 FY25 to divest NSW-based Agnes Banks Equine Clinic (ABEC). This business had undergone significant restructuring and required considerable management time and intervention during FY24. The divestment was completed in March 2025. An associated impairment loss of \$4.5 million (pre-tax) is recognised in the Company’s FY25 accounts.

During the period, Apiam’s Board also appointed a new Managing Director. Mr Bruce Dixon commenced in the role on an Interim basis, effective as of 5 June 2025, succeeding Dr Chris Richards. Since his appointment in Q4 FY25, Mr Dixon has implemented a Strategic Reset Program, with associated initiatives already being rolled out across the Company.

FY25 financial summary (\$M)	FY25A	FY24A	% chg.
Revenue	207.6	204.8	1.4%
EBITDA (reported)	25.8	24.5	5.2%
EBITDA (underlying) (pre AASB 16 adj.) ¹	21.0	20.3	3.2%
NPAT (reported)	0.8	4.9	(83.1)%

Notes

1. Underlying EBITDA (pre AASB 16 adjustments) is a non-IFRS measure and excludes one-off acquisition & integration expenses.

Financial review

Group revenue in FY25 grew 1.4% to \$207.6 million (FY24: \$204.8 million), with Apiam's growth performance in Intensive Animal Veterinary Services offsetting reduced revenue in its Clinical Veterinary Services segment.

Gross profit growth of 0.2% to \$137.6 million in FY25, was lower than in previous periods and reflects the impact of Apiam's Intensive Animal Veterinary Services accounting for 25% of Group revenue in the period compared to 22% in FY24.

Operating costs were controlled and some leverage in operating expenses across the clinic network was realised. Further redundancies and restructuring has occurred in June & July 2025 with the associated cost savings to be realised fully in FY26.

EBITDA grew 5.2% to \$25.8 million (FY24: \$24.5 million) benefiting from realisation of some operating efficiencies and the strong contribution from the Intensive Animal veterinary operations over the period.

Following the impact of the \$4.5 million impairment loss charge associated with ABEC, Apiam's reported NPAT was \$0.8 million, an 83.1% reduction from \$4.9 million in FY24.

Net debt as at 30 June 2025 was \$63.1 million, down from \$66.8 million as at 30 June 2024¹. The Company's operating leverage ratio has reduced from 2.6x as at the end of FY24 to 2.3x at the end of FY25. The Company's operating leverage banking covenant requirement remains at 3.5x and is based on net debt / EBITDA (underlying).

Segment performance

Clinical Vet Services segment

Reported revenue from Apiam's Clinical Vet Services segment fell 2.2% in FY25, reflecting the impact of various factors.

The Company's companion and mixed animal clinics increased revenue by 1.1% vs pcp – this reflects mixed results across the clinic network. Some clinics delivered very strong results, whilst the lower-performing clinics weighed revenue growth down.

Offsetting this was the significant reduction in revenues from ACE Laboratories Diagnostics which experienced a 54.7% decline in revenue, primarily due to the suspension of dairy heifer exports to China early in the period, significantly reducing ACE Laboratories revenue. Despite this, the remaining diagnostics business continues to provide stable, recurring revenue, supported by a diverse customer base.

Revenue reductions in Apiam's equine clinics—down 5.4% in FY25 vs pcp—also weighed on the performance of the Clinical Vet Services segment. This decline reflected broader equine market softening and a contraction in thoroughbred breeding activity across key regions. Dairy revenues were in-line with FY24.

From an earnings perspective, cost efficiencies were realised in clinics in FY25 with operating expenses in the Clinical Vet Services segment down 3.0% compared to pcp. This result reflects the impact of tighter cost control, redundancies in some clinic support roles undertaken in December 2024 as well as the benefit of two of the business divestments in H2 FY25.

Intensive Animal Veterinary Services (pig & beef feedlot segments)

A strong turnaround in underlying industry conditions, particularly in the beef feedlot segment, has driven strong revenue growth in Apiam's Intensive Animal Veterinary segments in FY25. Overall, revenue for the beef feedlot and pig segments increased 13.1% in FY25 following a 2.3% increase in the pcp (FY24).

Earnings growth from both Intensive Animal segments was also strong in FY25 in-line with stronger revenues.

¹ Borrowings include \$4.1M of equipment bank finance (reported under lease liability) for purposes of net debt calculation as at 31 Jun 2025 (FY24: \$4.3M)

Strategic Business Reset Program

Following the appointment of Mr Bruce Dixon in June 2025, Apiam has undertaken a Strategic Reset Program, with a number of business initiatives being introduced to improve the performance of the core clinic operations in FY26. A Business Improvement team focussed on multi-disciplinary clinic support has been established. The team—comprising veterinarians who have previously run successful clinics and experienced business managers—was formed to ensure the delivery of consistently high standards of care and to support clinic leaders in achieving target financial outcomes.

In parallel, clinic performance oversight has been intensified, with operational KPIs now monitored more frequently and with greater accountability at the clinic level. Initially this will be focused on supporting lower-quartile performing clinics to drive revenue uplift and improve EBITDA margins. Additionally, the Program has also been “right-sizing” Head Office, with clinics required to assume greater operational responsibility. Redundancies have occurred in a number of Head Office areas across June and July 2025 and these are expected to deliver \$1.5 million in annualised cost savings from FY26 onward.

Divestments

Apiam completed the divestment of several underperforming assets in FY25.

The decision was made to divest Agnes Banks Equine Clinic (ABEC) which was acquired by Apiam in 2021 but has not performed in line with expectations in recent years. This business was sold in March 2025 and a \$4.5 million (pre-tax) impairment charge relating to this divestment has been realised in Apiam's FY25 financial results.

During the period, Apiam's Board also made the decision to divest an underperforming greenfield clinic in Hastings (VIC) and to exit the Company's US Joint Venture. The financial impacts relating to the exit from the US Joint Venture are expected to be minimal and the Hastings clinic was sold for a small profit.

Overall, it is estimated that the divestment of ABEC and the Hastings clinic will reduce Group revenue by approximately \$2.3 million and EBIT will increase by approximately \$1 million on an annualised basis (based on H1 FY25 performance).

Dividend

In-line with the first half, the Board has declared a fully franked final dividend of 1.0 cent per share, taking total dividends for the financial year to 2.0 cents per share. Apiam's dividend reinvestment plan will not be offered in respect of the final dividend.

Receipt of Non-Binding, Indicative Proposal

Apiam has entered into a Process Deed with an entity controlled by Adamantem Capital Management Pty Ltd (Adamantem) in respect of a non-binding indicative proposal to acquire all of the shares in Apiam by way of a scheme of arrangement for \$0.88 cash per share, less any dividends or returns of capital made prior to implementation of the scheme of arrangement (Proposal).

As announced to the ASX on 25 August 2025, Adamantem has been granted a period of exclusivity under the Process Deed to undertake due diligence and the parties will work towards agreeing and executing a binding scheme implementation deed (SID).

The members of Apiam's Independent Board Committee (IBC) intend, subject to entry into an acceptable SID for the proposed transaction with Adamantem (Transaction), to unanimously recommend that Apiam shareholders vote in favour of, and to vote or procure that any ordinary shares in Apiam in which they have a relevant interest are voted in favour of, the scheme of arrangement in relation to the proposed Transaction in the absence of a superior proposal and subject to an independent expert concluding, and continuing to conclude, that the transaction is in the best interests of Apiam shareholders.

The Proposal remains subject to conditions and there is no certainty that the Proposal will result in a binding transaction. The Independent Board Committee will continue to keep shareholders updated in accordance with the Company's continuous disclosure obligations.

For further details relating to the Proposal refer to the Company's announcements lodged with the ASX on 18 August 2025 and 25 August 2025.

Business Outlook

The animal health and veterinary services industries continue to benefit from strong and favourable market dynamics. Increased demand for pet and animal care and advancements in veterinary technologies are expected to continue to underpin market opportunities and provide a solid foundation for long-term industry growth. Additionally heightened market demand is expected within the next three years as the record number of new COVID-pets acquired between FY20-FY21 begin to reach middle and senior years.

To capitalise on these trends and to grow the business more profitably, Apiam has commenced the implementation and roll-out of its Strategic Reset Program and this is expected to deliver better revenue and earnings outcomes in FY26.

Key priorities of the Program include driving revenue growth across the Clinical Veterinary Services segment, enhancing earnings margins across the Group and finding cost savings and efficiencies in Head Office operations.

FY 25 results investor webinar

Investors are invited to join a conference call hosted by Interim Managing Director, Mr Bruce Dixon and CFO Matt White at 09:00am AEST on 27 August 2025.

To access the call please use the zoom link below:

https://apiam.zoom.us/webinar/register/WN_5mqrijwQoqe9umYtpLNQg

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Authorisation

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

About Apiam Animal Health Limited

Apiam Animal Health is committed to providing best in class care for its clients, the animals in their care and the communities where people live and work. The Company's purpose, to enrich the lives of animals, people and communities, is applied across all business operations from vet clinics to production animal consultancy, logistics and laboratory with vets and allied staff sharing expertise and specialist knowledge. Apiam is focused on meeting the needs of its clients and shaping the future of the industry to deliver best practice animal health and welfare at a local level and nationally.