

# FY23 Interim Results Presentation

The Veterinary Perspective



**Dechra is a global specialist in veterinary pharmaceuticals and related products business.**

**Our expertise is in the development, manufacture and sales of high quality products exclusively for veterinarians worldwide.**

**Our Purpose is the sustainable improvement of global animal health and welfare.**

# H1 FY23 Highlights

## Strategic Highlights

- Robust performance against a normalising animal healthcare market
- Existing revenue growth in core markets of Europe and North America
- Strategic changes made in International division to help deliver future growth
- Strengthened portfolio in CAP and Equine
- Pipeline is stronger than ever as we invest in future novelty
- Two material business acquisitions completed with integration progressing well

## Financial Highlights

- Group revenue up 5.2% at CER or 13.5% at AER, against a very tough comparator
- Group underlying EBIT of £90.3 million and operating margin of 23.9%
- Increase in R&D expenditure to 7.0% of revenue as planned
- Underlying diluted EPS down (13.4)% at AER to 55.44 pence due to lower underlying PBT and dilutive impact of equity raise in July 2022
- Interim dividend increased 4.2% to 12.50 pence

# Financial Review

The Veterinary Perspective



# Underlying Financial Results

Robust performance against challenging comparatives from prior year

	Six months ended 31 December			
	2022 £m <sup>(1)</sup>	2021 £m <sup>(1)</sup>	Growth at AER <sup>(1)</sup>	Growth at CER <sup>(2)</sup>
<b>Revenue</b>	<b>377.4</b>	332.4	13.5%	5.2%
Underlying gross profit	<b>219.3</b>	189.2	15.9%	7.8%
Underlying gross profit %	<b>58.1%</b>	56.9%	120 bps	150 bps
<b>Underlying operating profit<sup>(3)</sup> pre-R&amp;D expenses</b>	<b>116.8</b>	107.4	8.8%	0.5%
R&D expenses	<b>(26.5)</b>	(13.5)	96.3%	81.5%
<b>Underlying operating profit<sup>(3)</sup> post-R&amp;D expenses</b>	<b>90.3</b>	93.9	(3.8)%	(11.2)%
Underlying EBIT %	<b>23.9%</b>	28.2%	(430) bps	(430) bps
Underlying profit before tax	<b>82.3</b>	90.5	(9.1)%	(16.5)%
<b>Underlying diluted EPS (pence)</b>	<b>55.44</b>	64.01	(13.4)%	(20.4)%
<b>Dividend per share (pence)<sup>(4)</sup></b>	<b>12.50</b>	12.00	4.2%	

(1) Actual Exchange Rate

(2) Constant Exchange Rate

(3) Includes £0.3 million of costs relating to cloud computing arrangements which have been expensed through the income statement

(4) Total number of issued shares at 31 December 2022 was 113,836,581

Underlying results exclude amortisation and impairment of acquired intangibles, acquisition expenses and subsequent integration costs, impairment of assets, transformational cloud computing costs, loss on extinguishment of debt, and fair value and other movements on contingent consideration.

# Revenue by Segment

## Growth in established Segments offset by strategic changes in International

Revenue	Six months ended 31 December		Growth at AER <sup>(1)</sup>	Growth at CER <sup>(2)</sup>
	2022 £m <sup>(1)</sup>	2021 £m <sup>(1)</sup>		
European Pharmaceuticals – Existing	164.9	162.8	1.3%	0.4%
North America Pharmaceuticals – Existing <sup>(3)</sup>	153.3	126.3	21.4%	4.8%
International Pharmaceuticals – Existing	42.6	43.3	(1.6)%	(9.0)%
<b>Total Existing</b>	<b>360.8</b>	<b>332.4</b>	<b>8.5%</b>	<b>0.9%</b>
European Pharmaceuticals – Acquisition	–	–	–	–
North America Pharmaceuticals – Acquisition <sup>(4)</sup>	16.6	–	–	–
International Pharmaceuticals – Acquisition	–	–	–	–
<b>Total Acquisition</b>	<b>16.6</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Group Total</b>	<b>377.4</b>	<b>332.4</b>	<b>13.5%</b>	<b>5.2%</b>

(1) Actual Exchange Rate

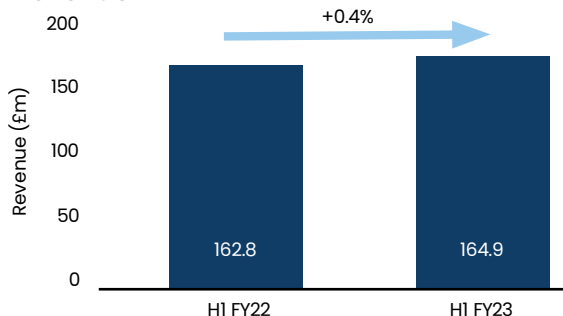
(2) Constant Exchange Rate

(3) Includes like-for-like sales for US product rights acquisitions made in the Prior Period

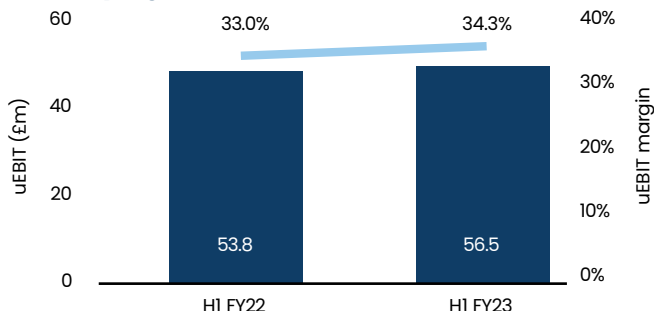
(4) Comprises Med-Pharmex (£13.4 million) and US product rights sales (£3.2 million) for which there is no comparative

# European Pharmaceuticals Segment

## Revenue



## Underlying EBIT



Note: Growth rates shown are at CER

## Revenue growth of 0.4% to £164.9 million

- Growth in all major European markets except the Netherlands
- Excluding contract manufacturing revenue, like-for-like growth was 1.9%

## Underlying EBIT growth of 4.3% to £56.5 million

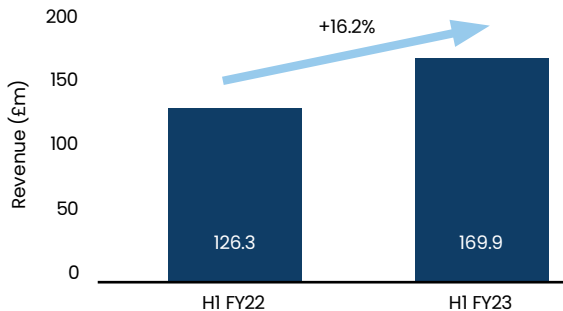
- Growth delivered despite inflationary pressures and prior year benefit from COVID-19 related savings in SG&A

## Underlying EBIT margin expansion of 130 bps to 34.3%

- Operating leverage from tight cost control and sales team effectiveness

# North American Pharmaceuticals Segment

## Revenue



## Revenue growth of 16.2% to £169.9 million

- Existing: 4.8% increase to £153.3 million
- Acquisition: £13.4 million contribution from Med-Pharmex plus £3.2 million from various Equine product rights acquired in prior year

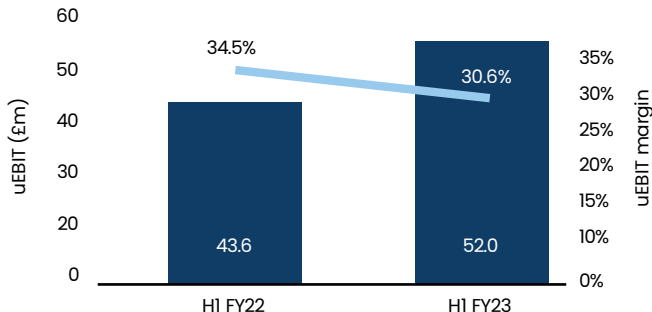
## Underlying EBIT growth of 2.3% to £52.0 million

- Existing: (1.1)% decrease to £50.3 million
- Acquisition: contributed £1.7 million

## Underlying EBIT margin

- Existing: decreased (190) bps due to investment in sales & marketing teams to underpin future growth ambitions
- Consolidated: (410) bps decrease to 30.6% due to up front investment in Med-Pharmex

## Underlying EBIT

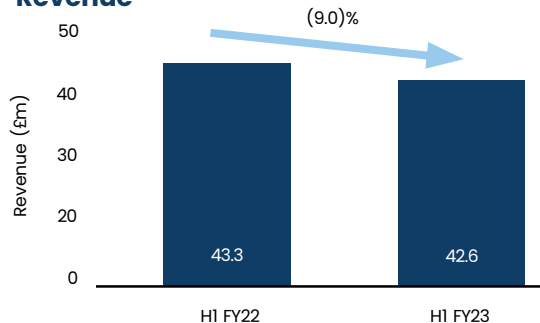


Note: Growth rates shown are at CER

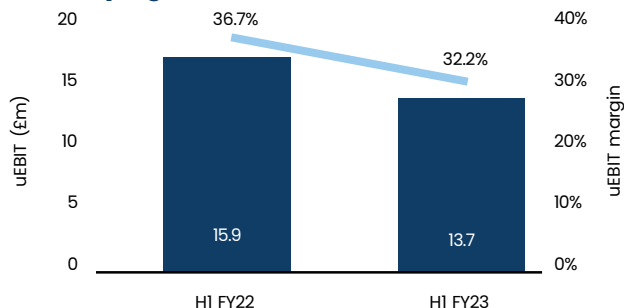


# International Pharmaceuticals Segment

## Revenue



## Underlying EBIT



Note: Growth rates shown are at CER

## Revenue down (9.0)% to £42.6 million

- Reflects impact of strategic changes in South Korea and Japan
- Like-for-like revenue growth excluding these territories was 3.4%

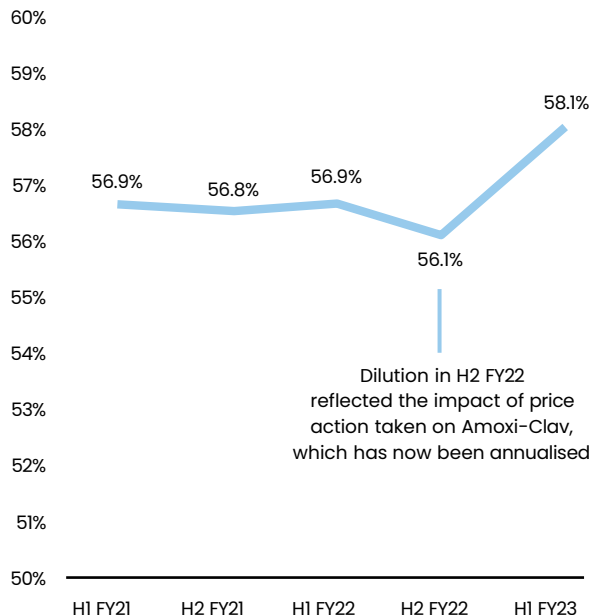
## Underlying EBIT of £13.7 million

- No revenue from South Korea but one off costs incurred to establish new subsidiary
- Expect growth in H2 now sales have re-commenced

## Underlying EBIT margin

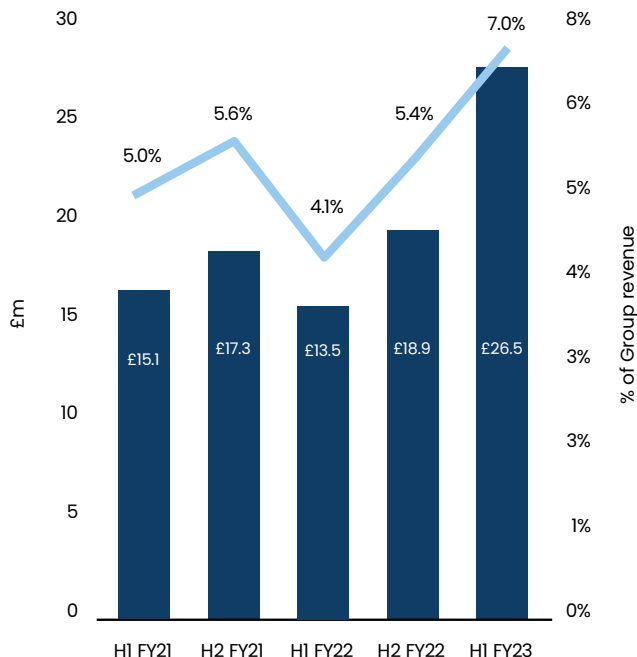
- Operating margin of 32.2%

# Underlying Gross Margin



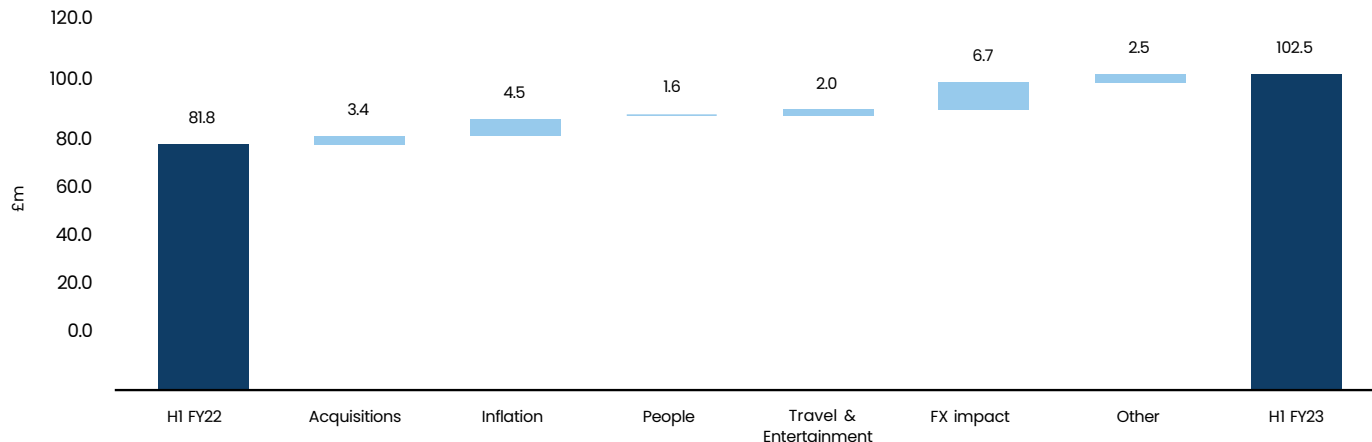
- Year-on-year Group gross margin expansion reflects a relatively stable product mix and benefit from price inflation
- Pricing action has helped to offset input cost inflation seen in raw materials and within operating expenses
- Continue to be agile in responding to a dynamic inflationary environment
- Continued growth of CAP, integration of Med-Pharmex and new novel product launches should all be supportive of gross margin moving forwards

# R&D Expenditure



- Increase in spend of 290 bps from 4.1% to 7.0% of Group revenue
- R&D investment significantly higher year-on-year:
  - Underspend in H1 FY22 due to COVID-related delays to clinical studies
  - Spend in H1 FY23 relating to newly acquired pipeline from Piedmont Animal Health
- Spend includes £5.5 million on Akston, which remains on track for approval in 2026 for the dog diabetes product
- Expect R&D investment to be 7% to 8% of revenue in each of the next three financial years (FY23, FY24 & FY25)

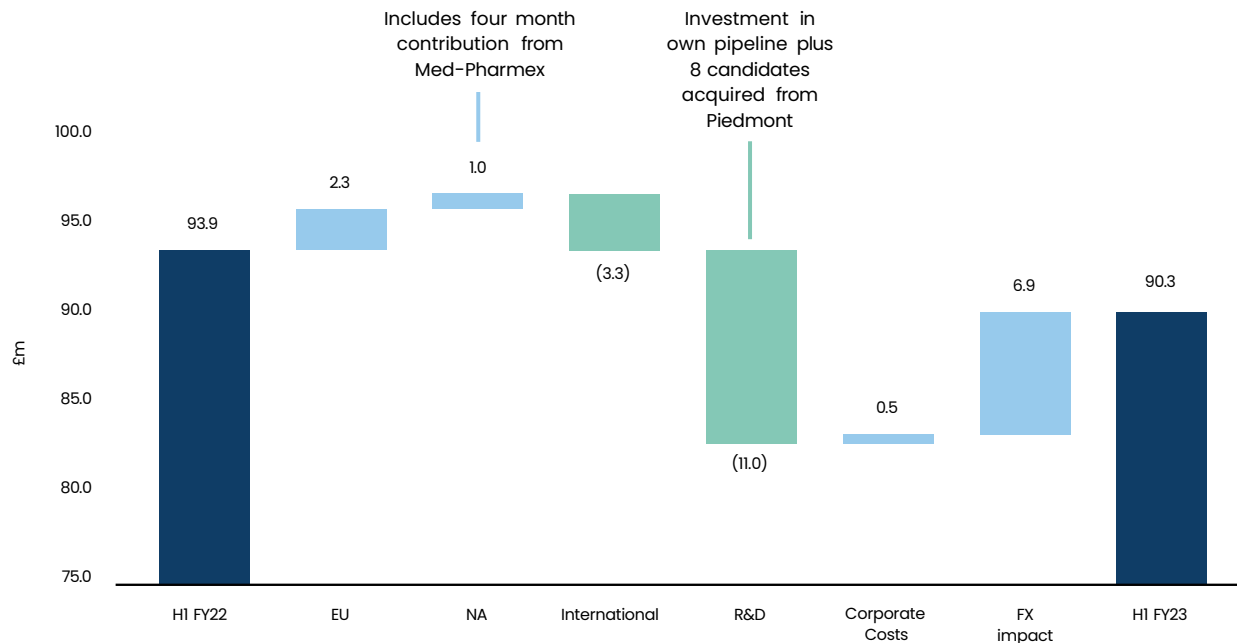
# Operating Cost Bridge



- People remain the largest component of SG&A costs:
  - Investment in US sales representatives and new team in South Korea
  - H2 FY23 will see the impact of annual salary increase effective from 1 Jan 2023, with a weighted average rise of 6.6%
- Inflation on underlying cost base (excluding people) is currently c.12% and largely passed on via price increases
- Energy costs relatively small
- Adverse FX impact of £6.7 million reflects the translational effect of USD denominated expenses

# Group Underlying EBIT Bridge

Underlying EBIT reflects trading performance plus increased investment in R&D



# Cash Flow

## Cash conversion reflects investment in additional stock cover

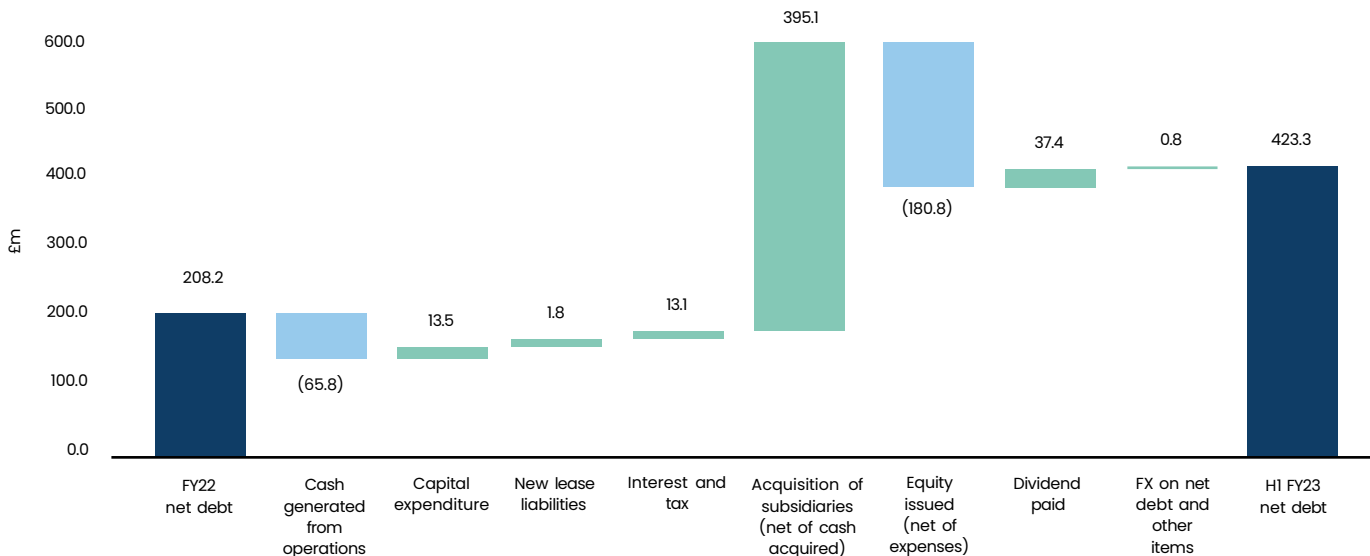
	Six months ended 31 December	
	2022 £m	2021 £m
Underlying operating profit	90.3	93.9
Depreciation and amortisation	8.6	7.4
Working capital	(28.8)	1.7
Other	1.8	0.3
<b>Net cash generated from operations before non-underlying items</b>	<b>71.9</b>	103.3
Non-underlying items	(6.1)	-
<b>Net cash generated from operations</b>	<b>65.8</b>	103.3
<b>Cash conversion<sup>(1)</sup> %</b>	<b>72.9%</b>	110.0%
<b>ROCE<sup>(2)</sup> %</b>	<b>15.1%</b>	19.8%

(1) Underlying cash conversion is defined as cash generated from operations before interest and taxation expressed as a percentage of underlying operating profit.

(2) ROCE is defined as underlying operating profit expressed as a percentage of the average of the opening and closing operating assets (excluding cash/debt and net tax liabilities)

# Net Debt Bridge

Leverage is 2.2x; expect to generate cash and reduce debt in second half





## Interest, Tax and Dividend

### Interest

- Net finance charge of £7.5 million
- Reflects the impact of a higher net debt balance and higher interest rates applied to the Revolving Credit Facility

### Taxation

- Group underlying effective tax rate (ETR) increased slightly to 23.3%
- Group underlying ETR is expected to remain at a similar level in H2 FY23

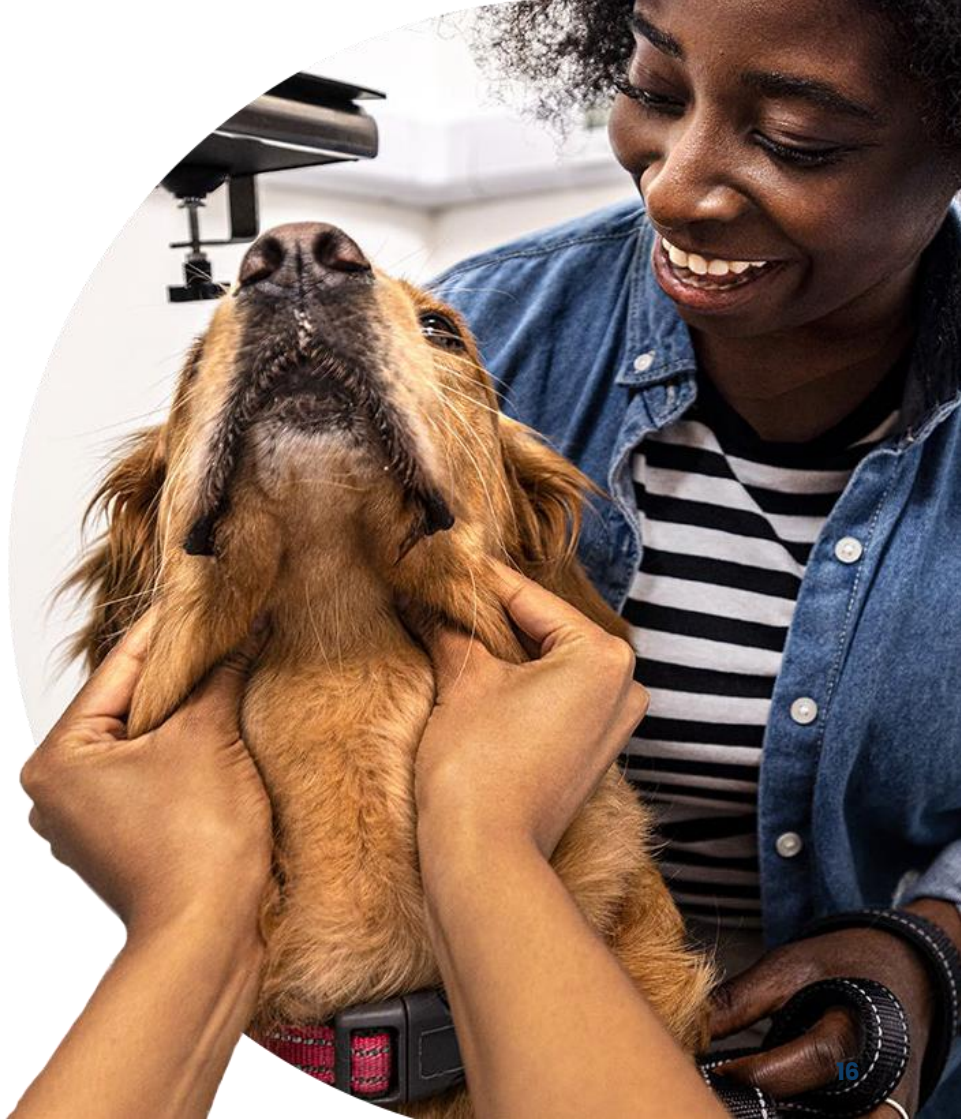
### Dividend

- Interim dividend increased by 4.2% to 12.50 pence per share (2022: 12.00 pence)
- Dividend cover on underlying diluted EPS of 2.5 times



# Strategic Review

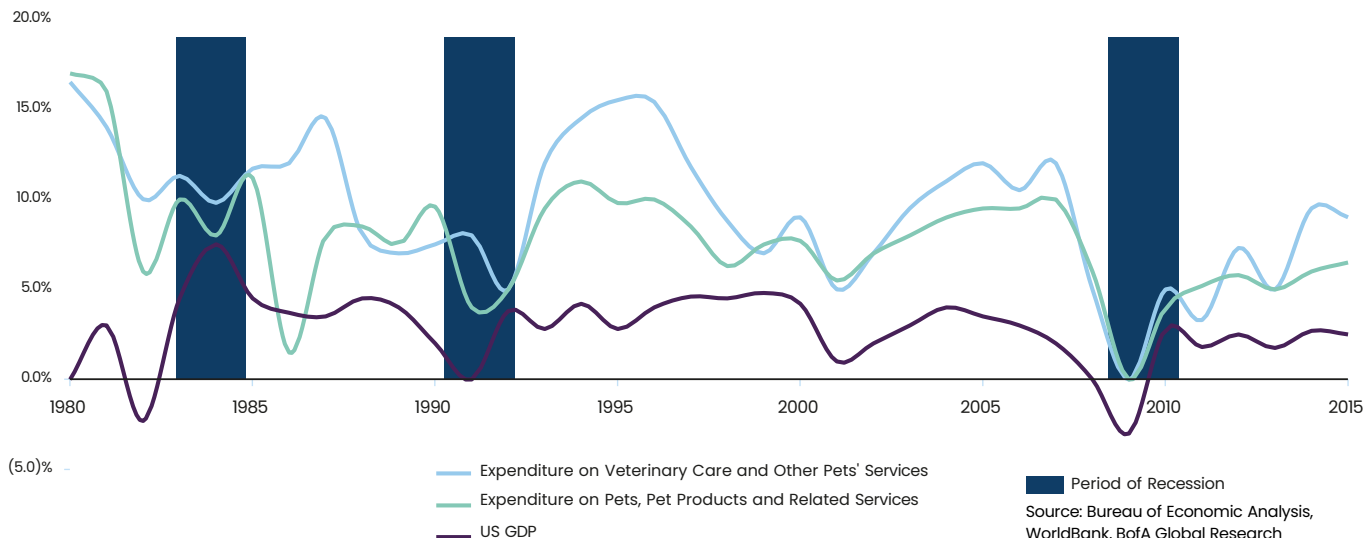
The Veterinary Perspective



# Global Financial Crisis Provides a Precedent for Resilience

The animal healthcare market has remained in growth during previous recessions

Within total veterinary care, Dechra portfolio is positioned at the more resilient end given largely non-discretionary nature of our prescription only medicines



# Structural Growth Drivers of the CAP Market

Long term trends remain intact and likely strengthened post pandemic

## Increasing pet population

- In both developed and emerging markets
- Driven by demographic trends such as ageing population and single/childless households
- Supported by widespread adoption of hybrid working arrangements
- Increased pet life expectancy driven by better nutrition and accessibility to treatments

## Humanisation of pets

- Pets increasingly regarded as a member of the family therefore having high levels of compassion
- Higher disposable incomes in emerging middle classes supports willingness to spend “whatever it takes” to ensure wellbeing of their pet
- Growing awareness of the mental and physical health benefits of pet ownership

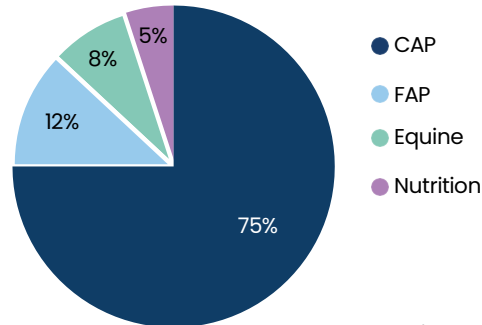
## Growing awareness and knowledge

- Ongoing education increases awareness of diseases and available products/treatments
- Allows veterinarians to manage increasingly complex conditions
- Pets with chronic conditions are typically under-diagnosed and under-treated

## Greater innovation and choice

- New technologies allow veterinarians to offer pet owners a wider range of treatment options
- Advancements in delivery systems such as sprays, liquids and chews make administration easier

# Revenue Profile Remains Weighted Towards CAP



	Six months ended 31 December	
	2022 £m	Growth at CER
CAP	281.6	5.2%
FAP	43.8	6.1%
Equine	32.0	23.9%
<b>Subtotal Pharmaceuticals</b>	<b>357.4</b>	<b>6.8%</b>
Nutrition	17.6	(4.9)%
Other	2.4	(54.1)%
<b>Total</b>	<b>377.4</b>	<b>5.2%</b>

## CAP

- Growth delivered in most therapeutic areas, in particular anaesthesia & analgesics and internal medicine
- Zenalpha® contributed £1.3 million following launch in prior year

## FAP

- Solid performance overall
- Med-Pharmex portfolio has provided entry to US market

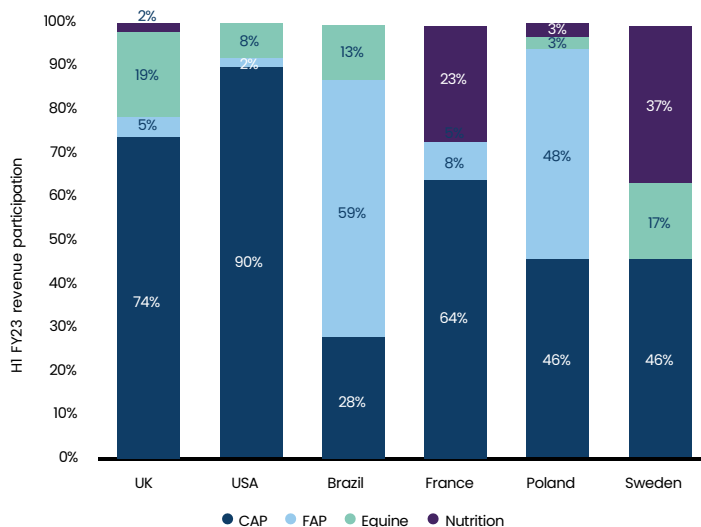
## Equine

- Benefit from product acquisitions made in the prior year, plus Med-Pharmex portfolio
- Recently approved Zycosan® should contribute from H2 FY23

## Nutrition

- Remains an attractive revenue stream despite short term impact from South Korea and Japan

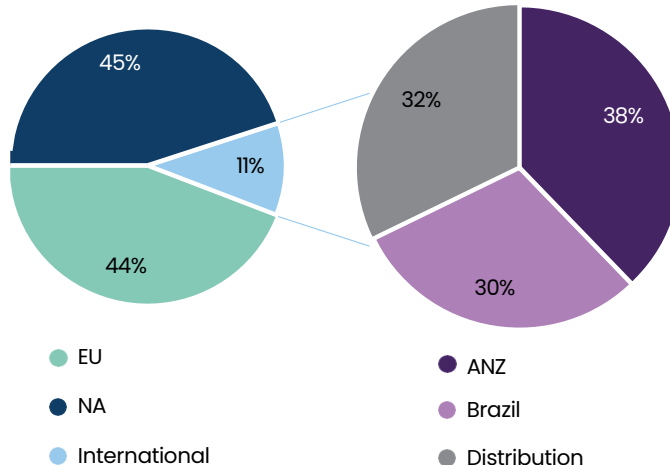
# Significant Opportunities for Further Growth Across Territories



- Revenue profile differs by territory depending on underlying market dynamics and the maturity of Dechra operations
- Opportunities to grow market share in categories currently underweight
- Changes will be achieved slowly given the time taken to register products in each country
- Not all products suit all markets due to the time and cost associated with filing older dossiers in new territories
- Education, increasing brand awareness and leveraging our novel portfolio remain crucial to success

# International Division has Significant Growth Potential

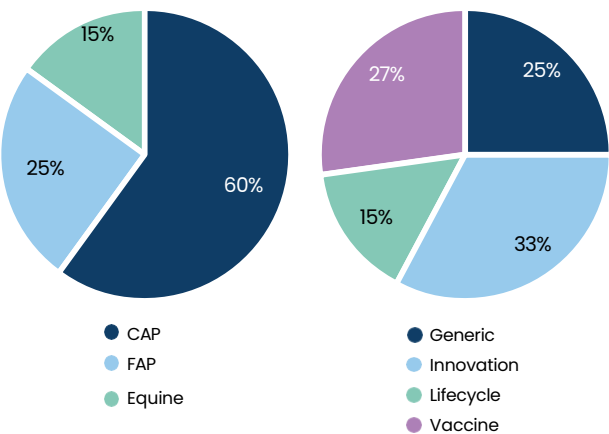
## Sales in H1 FY23



- International division now disclosed separately
- Includes more established markets such as ANZ and Brazil, plus a number of smaller emerging markets
- Established own sales and marketing business unit in South Korea with revenue commenced in H2 FY23
- Ongoing proactive registration of carefully selected products in new territories to extend geographical reach
- Distribution business remains important to achieving critical mass

# Overview of Current Pipeline

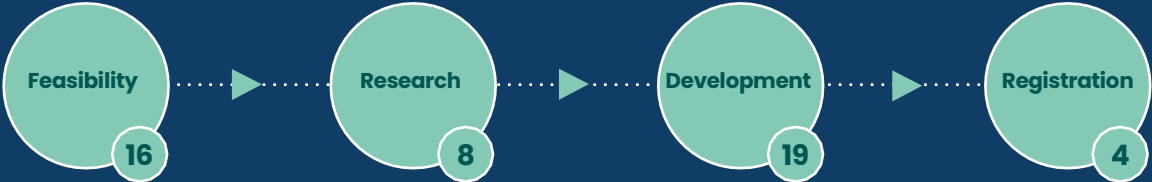
Pipeline by number of projects



Pipeline is weighted towards innovative CAP products

Therapeutic area	# projects <sup>1</sup>
Analgesic & Anaesthesia	5
Anti-infective	5
Anti-inflammatory	1
Cardiology	1
Dermatology	6
Endocrinology	9
Internal Medicine	5
Locomotion	1
Vaccines	12
Other	2
<b>TOTAL</b>	<b>47</b>

<sup>1</sup> As of 31-Jan-23



# Update on Selected Pipeline Projects

Project	Status	Peak sales potential considerations
<b>Tri-Solfen</b> (FAP welfare)	<ul style="list-style-type: none"><li>Sterile manufacturing process for EU product progressing</li><li>Working with FDA on registration pathways for different species and claims of interest</li></ul>	<ul style="list-style-type: none"><li>Pig castration alone represents a significant addressable market globally</li><li>Other use cases difficult to quantify but likely attractive to Dechra as animal welfare becomes stronger market driver</li></ul>
<b>Piedmont</b>	<ul style="list-style-type: none"><li>All dossier sections submitted to FDA for product candidate 1 (cat antibiotic). Approval expected early 2024</li><li>Pivotal field efficacy study ongoing for product candidate 2 (dermatology)</li></ul>	<ul style="list-style-type: none"><li>&gt;\$40m combined for candidates 1 and 2</li></ul>
<b>Laverdia</b> (Dog oncology)	<ul style="list-style-type: none"><li>Conditional approval in US until 2026</li><li>Field efficacy study expected to complete in 2024</li></ul>	<ul style="list-style-type: none"><li>Current canine lymphoma cases have &lt;20% treatment rate due to prohibitive expense and unwanted side effects, both of which are mitigated by this alternative oral treatment</li></ul>
<b>Akston</b> (CAP diabetes)	<ul style="list-style-type: none"><li>API scale-up and final drug product development progressing</li><li>Dose and dosing regimes are being refined ahead of pivotal efficacy studies</li></ul>	<ul style="list-style-type: none"><li>Existing products (twice daily injection) have annual sales of &gt;\$100m globally</li><li>Expect to take share and grow total addressable market as greater convenience and attractiveness (being once weekly only) should improve compliance</li></ul>

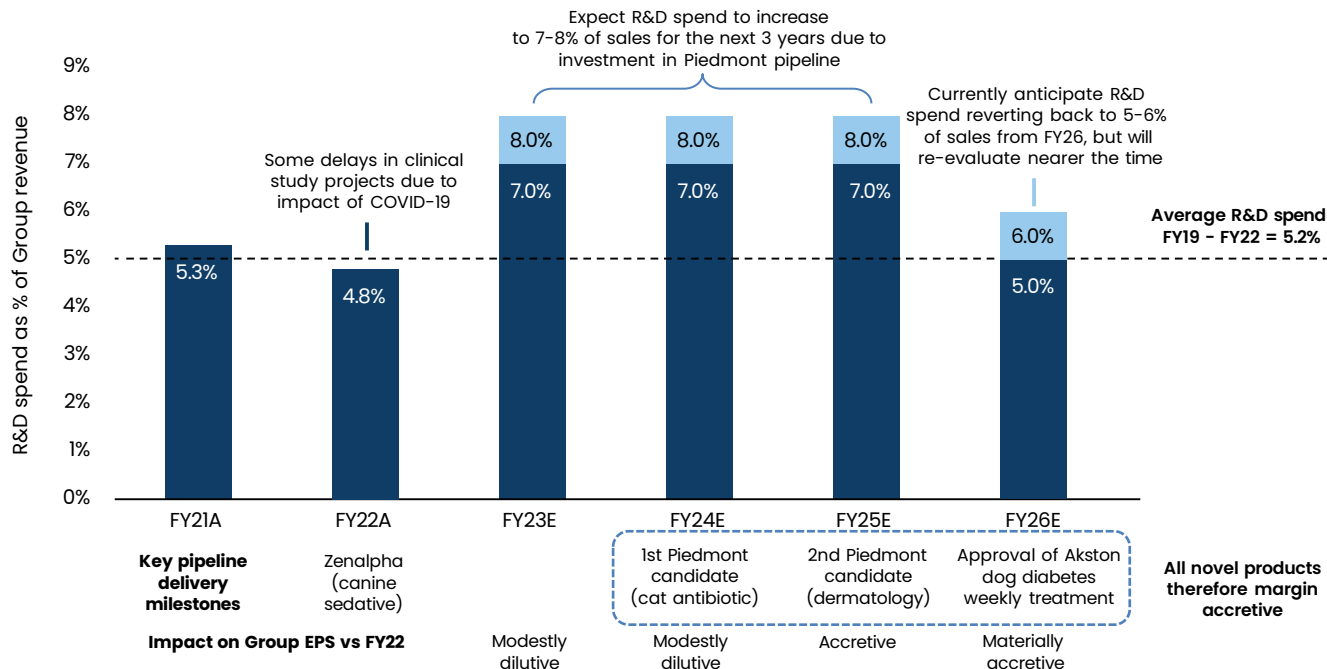


# Pipeline Achievements in H1 FY23



- Launch of Zenalpha® in Europe
  - A novel canine sedative and analgesic for global markets
- Three new product approvals
  - **US:** Zycosan® pentosan polysulfate sodium injection for horses
  - **Europe:** Meloxicam flavored tablets for dogs and Flubendazole oral suspension for food producing animals
- Three further submissions and one project progressed into full development

# Increasing Investment in R&D to Deliver Greater Novelty





## Update on Recent Acquisitions

### **Piedmont Animal Health**

- Two near term candidates remain on track for launch in FY24 and FY25
- Investment also continues in other pipeline projects
- New colleagues committed to Dechra

### **Med-Pharmex**

- Day-to-day integration largely complete
- Accelerated planned CAPEX investment to utilise better the manufacturing site
- Disintermediation to take place in a phased approach over the next 12-18 months
- Plan to retain existing distribution model for those products where we currently lack scale or expertise e.g FAP

# Strategic Enablers



## Technology

- Rollout of Veeva and Oracle IT projects remain on track
- Focus on leveraging Salesforce platform to drive improved performance
- Continue to enhance IT capabilities to improve efficiencies and support future growth



## People

- Appointed Geeta Gopalan as Non-Executive Director and future Chair of Remuneration Committee
- Weighted average pay rise of 6.6% to support colleagues through macro-economic challenges



## Supply Chain

- Remains robust with good continuity of supply throughout the period
- Approximately 48% of all volumes sold are produced internally across eight manufacturing sites
- Aim to increase this over time, supported by better utilisation of Med-Pharmex capacity



## ESG

- Science Based Targets submitted to SBTi; approval expected later in 2023
- Internal engagement through #ActNow Sprint Relay
- Included in Sustainalytics' 2023 Top Rated ESG companies list

# Outlook

- Market has returned to more normalised growth rates
- Pricing an important driver of near term revenue growth
- Sales re-commenced in South Korea
- Integration of acquisitions progressing well, with investment in Med-Pharmex brought forward
- Zenalpha® and Zycosan® recently launched
- Pipeline is stronger than ever, underpinned by increased investment in R&D
- IT and back office infrastructure continue to be strengthened
- Future growth opportunities in emerging markets such as Eastern Europe, Latin America and Asia

**Dechra operates within a resilient animal healthcare market and has a strong track record of outperforming; we remain confident in our future growth prospects**

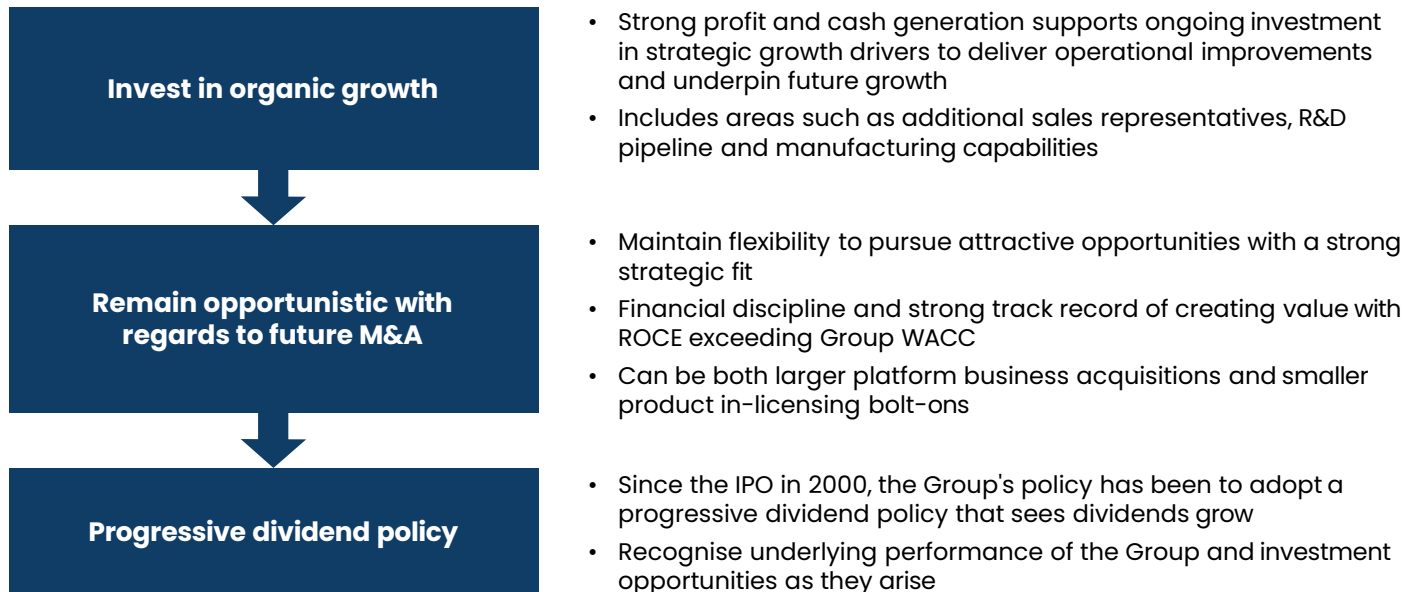
# Question & Answer

The Veterinary Perspective



# Appendices

# Capital Allocation Framework



**Maintain net debt: adjusted EBITDA leverage of 1-2x in the medium term (pre-IFRS16)**



# Currency Exposure

- Group is exposed to both translational and transactional impact of foreign currencies, in particular USD and EUR

	Average Rates		% change
	H1 FY23	H1 FY22	
£/€	<b>1.1593</b>	1.1744	(1.3)%
£/\$	<b>1.1750</b>	1.3635	(13.8)%

**Euro €:** A 1% variation in £/€ impacts underlying diluted EPS by approximately +/- 0.5%

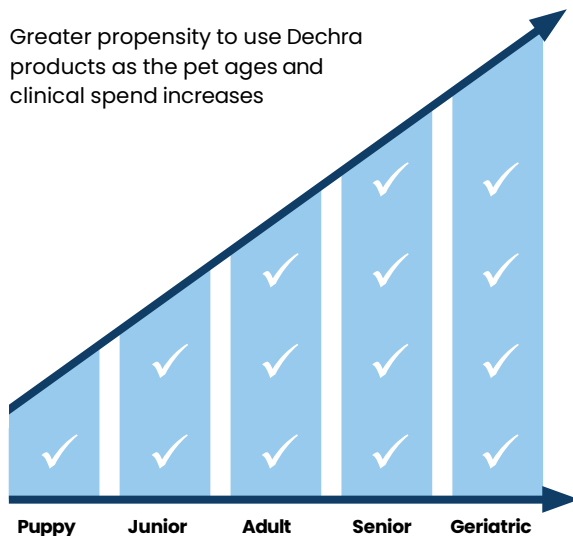
**US \$:** A 1% variation in £/\$ impacts underlying diluted EPS by approximately +/- 0.6%

- Current exchange rates are c. £/€ 1.1371 and £/\$ 1.2103 (22 February 2023)
- If these exchange rates had applied throughout the period, the underlying diluted EPS would be approximately 1.0% lower



# A Broad CAP Portfolio Used Across All Life Stages

Greater propensity to use Dechra products as the pet ages and clinical spend increases



## Example Dechra therapy area

Endocrinology

Ophthalmology

Dermatology

Anaesthetics & Analgesics

**Increasing pet  
life expectancy**

+

**Higher number  
of pets**

=

**Long term  
growth driver**

# Broad Portfolio Helps Mitigate Risk of Genericisation

- Only three products generated >£50m in FY22
- Dechra portfolio is relatively unattractive to new generic entrants due to:
  - Small batch manufacturing requirements
  - Cost to develop new drugs
  - Lack of sales & marketing function leads to loss of margin to distributors
  - Lack of in-house manufacturing capabilities necessitate use of third party CMOs
  - Difficulty in obtaining FDA approval
- Marketing authorisation for novel drugs provide protection even without patents
  - 10 years in EU; 7 years in US
- Innovation and product lifecycle management remain important defence strategies

## Case Study: Felimazole

- Novel treatment for hyperthyroidism in cats
- First launched in April 2002 in UK
- Generic competitor product (Vidalta) entered the market in 2008
- Lost market share, but grew sales overall due to increased awareness amongst veterinarians of the condition and treatment options



# Strong Track Record of Pipeline Delivery

## In-house development by Dechra

- Experienced team of scientists led by recently appointed CSO Patrick Meeus
- Focus on new novel products and lifecycle management
- R&D spend is development of existing molecules rather than research in biologics
- **Recent examples:** Zenalpha® (novel canine sedative) launched in H2 FY22; Zycosan® (novel treatment for equine lameness) approved in H1 FY23

## Acquisition of later stage pipeline

- Considered when there is a strong strategic fit and complementary to existing pipeline
- Provides opportunity to de-risk future pipeline delivery by adding near and mid term candidates
- **Recent example:** Piedmont Animal Health represents an attractive pipeline of 8 novel CAP products, two of which are near term with combined annual peak sales potential of >\$40 million

## In-licensing of individual products

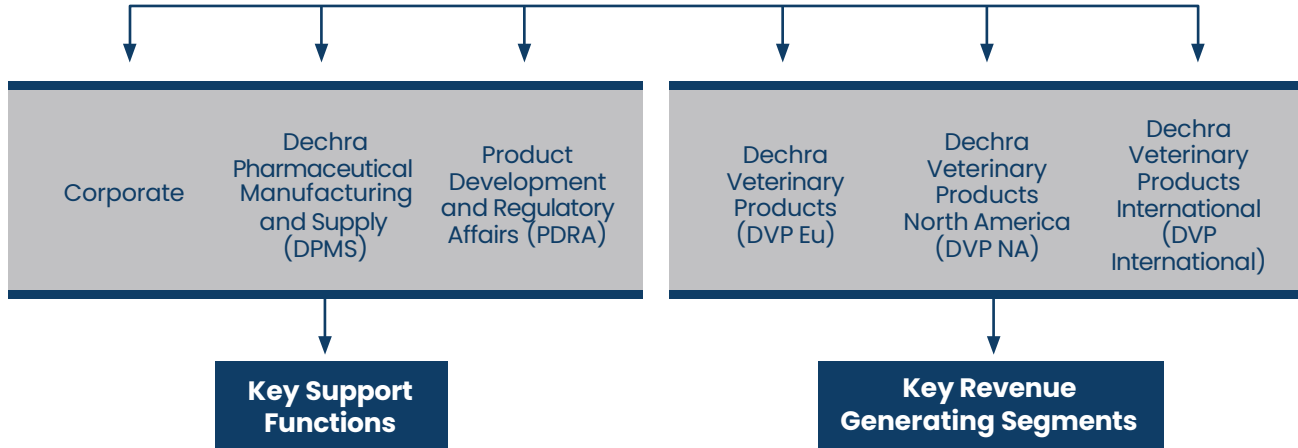
- Smaller in scale but expands portfolio and/or geographical footprint
- Used for both products already registered and those where process is ongoing (in which case consideration paid is heavily contingent)
- **Recent examples:** Laverdia® (FY22), Osurnia® and Tri-Solfen® (both FY21) and Mirataz® (FY20) represent a range of product acquisitions at varying stages of commercialisation

# Creating Value from Previous Acquisitions

- All acquisitions appraised using a variety of financial and non-financial KPIs
- Thorough pre and post deal diligence performed by cross-departmental teams with previous experience of acquisition and integration
- **Guiding principle:** any acquisition must deliver against one of the three organic strategic growth drivers of Portfolio Focus, Geographical Expansion or Pipeline Delivery

	Ampharmco (USA, 2019)	Vencopharma (Brazil, 2018)	AST/LeVet (Netherlands, 2018)	Apex (Australasia, 2016)	Putney (USA, 2016)
Organic sales growth	✓	✓	✓	✓	✓
Synergy opportunity	✓		✓	✓	✓
Broadens portfolio	✓	✓	✓	✓	✓
Entry into new markets		✓	✓	✓	
Enhanced pipeline			✓		✓
Manufacturing capabilities	✓	✓		✓	

# Our Structure



# Key Support Functions

## Manufacturing & Supply

- Following the acquisition of Med-Pharmex in August 2022, now have a total of eight sites located globally
  - Main sites located in Skipton (UK), Pomona (US) Bladel (Netherlands), Zagreb (Croatia) and Londrina (Brazil)
  - Smaller sites in Melbourne (US), Fort Worth (US) and Sydney (Australia)
- Approximately 48% of volume is now manufactured internally, with the remaining 52% supplied via a network of Contract Manufacturing Organisations (CMOs)
- Internally manufacture a wide range of dosage forms
- Infrastructure supplemented by own distribution centres in five sites across EU and ANZ plus third party logistics providers in North America and Brazil
- 710 employees across all sites at FY22

## PDRA

- Provides expertise in product innovation, formulation, clinical trials and regulatory affairs for the Dechra Group
- Laboratories located in UK, Netherlands and Croatia with teams also located in US, Australia and Brazil
- Proven track record of pipeline delivery
- Main activities centre around
  - Developing and licensing new novel and generic products
  - Maintaining existing licences across all products already sold
- R&D spend is predominantly oriented towards development rather than research
  - Expect R&D investment to be between 7% and 8% of Group revenue in FY23 to FY25 inclusive
- Global team of 190 employees at FY22

# Divisional Comparison

	Europe	North America	International
<b>Group revenue participation<sup>(1)</sup></b>	44%	45%	11%
<b>Species</b>	CAP, FAP and Equine	CAP, FAP and Equine	CAP, FAP and Equine (but not in every market)
<b>Specialist nutrition</b>	Yes	No	Yes
<b>Market positioning</b>	Leading brands in both niche and generic markets		Increased regulatory focus to accelerate product approvals
<b>Infrastructure</b>	Mature	Ongoing investment	Recently established structure
<b>Geographical footprint<sup>(2)</sup></b>	39 European countries	10 countries including US, Canada, Mexico	39 countries globally
<b>Manufacturing sites</b>	UK, Croatia & Netherlands	Florida, Texas & California	Australia & Brazil
<b>PDRA team</b>	UK, Croatia & Netherlands	US, Canada, Mexico	Australia & Brazil
<b>Number of employees<sup>(3)</sup></b>	561	275	360

(1) In the six months ended 31 December 2022.

(2) Products marketed and sold either via own sales and marketing business unit or via distributors. Number of countries correct as of 30 June 2022.

(3) As of 30 June 2022.



## 5 Year Revenue Track Record – Divisional Split

Six months ended 31 December <sup>(1)</sup>	2022 £m	2021 £m	2020 £m	2019 £m	2018 £m
European Pharmaceuticals	164.9	162.8	159.3	130.5	127.6
North American Pharmaceuticals	169.9	126.3	104.2	88.9	88.6
International Pharmaceuticals	42.6	43.3	36.3	29.1	15.1
<b>Total Group Revenue</b>	<b>377.4</b>	<b>332.4</b>	<b>299.8</b>	<b>248.5</b>	<b>231.4</b>

Twelve months ended 30 June <sup>(1)</sup>	2022 £m	2021 £m	2020 £m	2019 £m	2018 £m
European Pharmaceuticals	323.2	315.8	264.0	258.8	224.4
North American Pharmaceuticals	275.1	219.4	191.7	177.8	148.4
International Pharmaceuticals	83.5	72.8	59.4	45.2	34.3
<b>Total Group Revenue</b>	<b>681.8</b>	<b>608.0</b>	<b>515.1</b>	<b>481.8</b>	<b>407.1</b>

(1) All at Actual Exchange Rate

# Glossary

**AER:** Actual Exchange Rate

**CAP:** Companion Animal Products

**CER:** Constant Exchange Rate

**CVMP:** Committee for Veterinary Medicinal Products

**EBITDA:** Earnings before interest, tax, depreciation and amortisation

**EPS:** Earnings Per Share

**ERP:** Enterprise Resource Planning

**Eu:** Europe

**FAP:** Food producing Animal Products

**FX:** Foreign Exchange

**IFRS:** International Financial Reporting Standards

**NA:** North America

**ROCE:** Return on Capital Employed

**Underlying results:** excluding items associated with areas such as: amortisation of acquired intangibles; downward remeasurement where there is not an intangible asset and accounting for the passage of time in respect of contingent considerations; impairment of assets; cloud computing arrangement costs; expenses relating to acquisition and subsequent integration activities; rationalisation of the manufacturing organisation; loss on extinguishment of debt; and the revaluation of deferred tax balances following substantial tax legislation changes.



# Forward-Looking Statements

This document contains certain forward-looking statements which reflect the knowledge and information available to the Company during the preparation and up to the publication of this document. By their very nature, these statements depend upon circumstances and relate to events that may occur in the future and thereby involve a degree of uncertainty. Therefore, nothing in this document should be construed as a profit forecast by the Company.

## Trademarks

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# The Veterinary Perspective