



Introduction to  
Dechra



**Improving Global  
Animal Health and Welfare**

**Dechra is a global specialist veterinary pharmaceuticals and related products business. Our expertise is in the development, manufacture, marketing and sales of high quality products exclusively for veterinarians worldwide.**

For more information please visit [www.dechra.com](http://www.dechra.com)

### Companion Animal Products (CAP)

Species: Dogs and cats.

Key therapeutic sectors: Endocrinology, dermatology, analgesia and anaesthesia, antibiotics, cardiovascular and critical care.



### Food producing Animal Products (FAP)

Species: Poultry, pigs and an increasing presence in cattle.

Key therapeutic sectors: Water soluble antibiotics, poultry vaccines, locomotion (lameness) and pain management.



### Equine

Species: Horses and ponies.

Key therapeutic sectors: Lameness and pain management.



### Nutrition

Species: Dogs and cats.

Key therapeutic sectors: Our pet diets are available to support the wellbeing of cats and dogs with numerous therapeutic conditions, such as allergies, obesity, heart and kidney disease.



# Contents

- The Veterinary Market
- Our History
- Strategy and Progress
- Financial Track Record



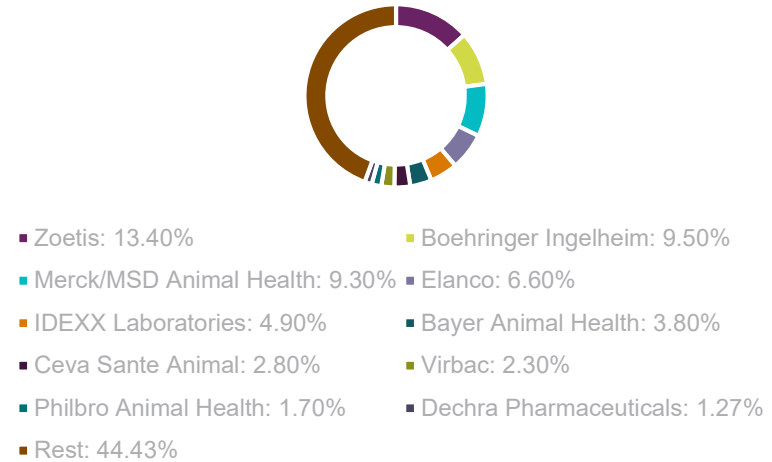
# The Animal Health Market

The Animal Health Market by Species



Source: Vetnosis Health for Animals (2018)

Market Share by Competitor 2019



Source: Animal Pharma 2020 & Grand View Research 2019  
Data as at 31 December 2019 except Dechra and Philbro (as at 30 June 2019)

# Sustainable Global Market Dynamics

## Companion Animal Products (CAP)

- Pet ownership increasing in developing countries
- Pet spending growing
- Increasing demand for new premium treatments and medicines
- Improved nutrition; longer life
- Generics do not devalue markets to the extent that generics do for human products
- Some pricing pressure from consolidating practice groups

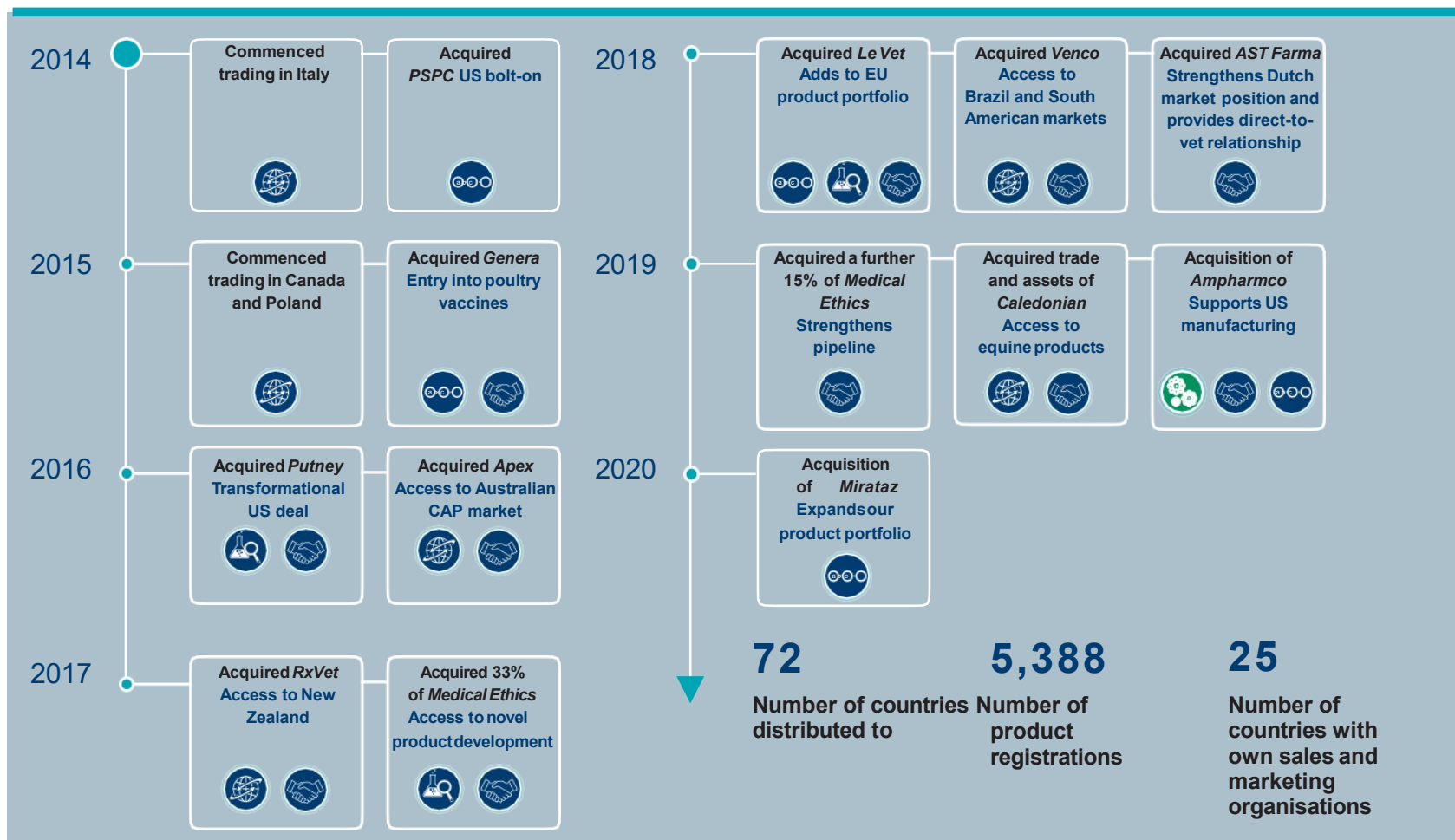


## Food producing Animal Products (FAP)

- Increased world demand for high quality animal protein and dairy products (7 billion people consume animal protein)
- Demand for healthier and more productive animals
- Increased use of vaccines
- Increased focus on animal welfare
- Some pricing pressure from professional farming groups

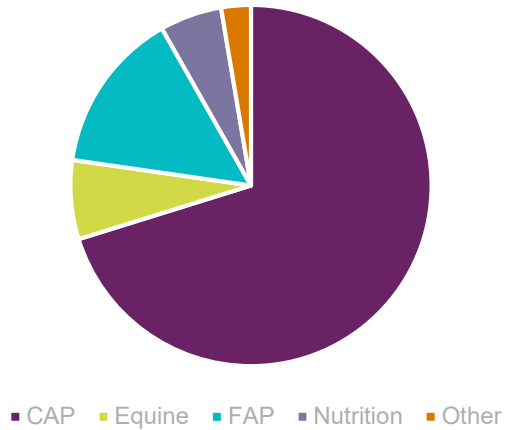


# Our History



# FY20 Sales Profile

Revenue by Product Category  
(at AER)

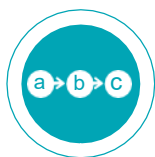


Sales by Region



# Our Strategy

To continue to develop our position as a global, high margin, cash generative, veterinary pharmaceuticals and related products business by:



## **Portfolio Focus**

Maximising revenue from our existing portfolio



## **Pipeline Delivery**

Innovation, development and registration of new products



## **Geographic Expansion**

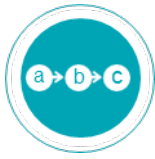
Expanding our international footprint



## **Acquisition**

Acquiring complementary businesses





# Portfolio Focus

- Current portfolio continues to grow
- Clear focus on therapeutic sectors
- Market leading position in endocrinology, dermatology and pain management
- Education provides new market opportunities
- Key brands' market penetration not yet maximised
- Ability to leverage the strong Dechra brand

Strategy in Action

**Portfolio Focus**

Maximise our revenue by increasing market penetration focusing on targeted therapeutic sectors

**3** Languages  
**22,000** Downloads

Dechra



# Pipeline Delivery

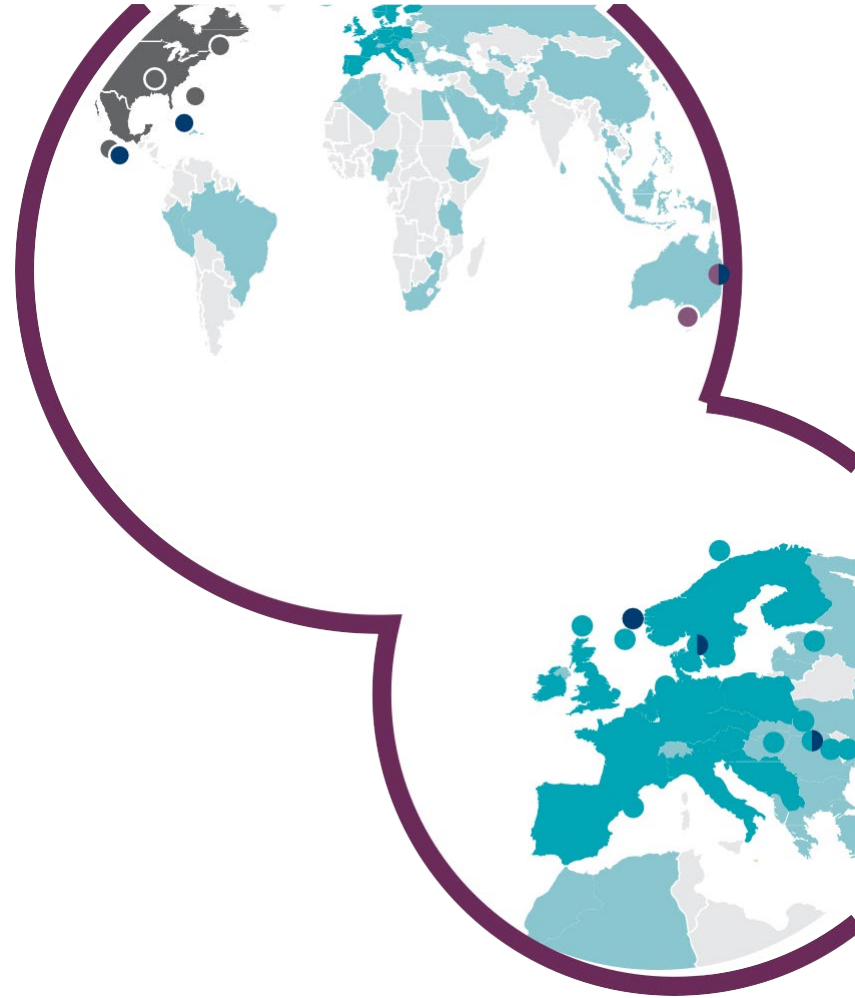
- Proven long term track record of delivery
- Recent approvals received on major novel, generic and vaccine products
- Currently 37 projects in the product development pipeline
- Registration activity on existing products into new markets
- New opportunities being explored
- Licence agreements with Vetcare Ltd and Akston Biosciences
- Global FAP opportunity with Tri-Solfen





# Geographical Expansion

- Increasing area of focus
- Sales through own subsidiaries and marketing partners
- Own branded sales and marketing expansion continues organically: Canada, Poland, Austria, and through acquisition: Brazil, Australia and New Zealand
- All recently entered countries delivering growth
- Dedicated resource for international registrations





# Acquisition

- Nice to have, not need to have
- Increase footprint, create synergies or add new technical or product capabilities (or any combination)
- 19 acquisitions in 20 years all integrated to expectations
- 6 acquisitions in past 24 months all on track
- 48% share in Medical Ethics Pty Ltd
- Acquisition of Mirataz and Osumia





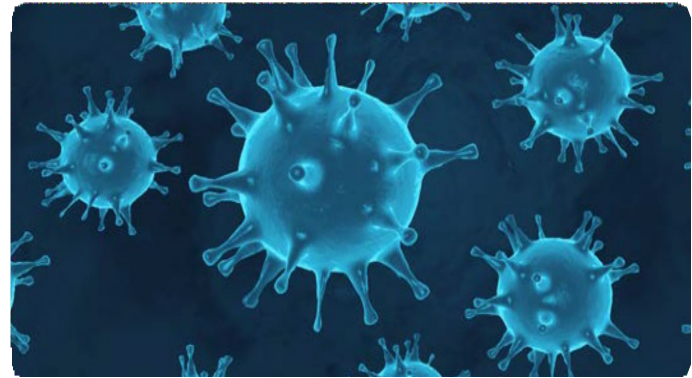
# FY20 Acquisition

- Busy year for M&A and Dechra has continued to deliver against its acquisition strategy
- During the 2020 financial year, the Company completed:
  - Mirataz® (£34.9 million)
  - Medical Ethics (increased investment of £7.6 million)
  - Ampharmco (£24.3 million)
- Completed Osumnia® in July 2020 (£107.4 million)
- All transactions have been integrated and all are performing to plan and expect to see full benefit in 2021
- 5% Equity Raising in June 2020

# Covid-19

## *Operations continued throughout a difficult year*

- Successfully remained operational across the business throughout the epidemic
- No employees furloughed in any country:
  - Job security
  - Enhanced loyalty
  - Innovative ways of working
- Sad loss of Group Manufacturing & Supply Chain Director; Simon Francis
- Market performance by country varies
- Strategy to focus on essential and chronic medicines has served us well



# ESG Strategy

## *Committed to sustainable development*

- Our Purpose is the sustainable improvement of global animal health and welfare
- We have chosen to link our strategy to the United Nations Sustainable Development Goals (SDG's)
- This provides a framework for activities we were already doing
- We identified three SDG's as being most material to Our Business, Our People and Our Environment



Quality  
Education



Decent Work and  
Economic Growth



Responsible  
Consumption and  
Production

- We are in the process of gathering additional data to set new targets
- More detailed information is included in our Annual Report and is available on the dedicated sustainability section of our website



Our People



Our Environment



Our Business



Our Community

# Summary

- 22 consecutive years of strong growth
- Highly cash generative
- Proven delivery of strategy
- Excellent, experienced management team
- Sustainable market dynamics
- Good future growth prospects







  
**Dechra**  
Pharmaceuticals PLC

Appendices

# Glossary

**AER:** Actual Exchange Rate

**CAP:** Companion Animal Products

**CER:** Constant Exchange Rate

**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

**NCI:** Non Controlling Interest

**ROCE:** Return on Capital Employed

**Underlying results:** excludes items associated with areas such as amortisation and related costs of acquired intangibles, impairment of investments, remeasurement and other movements on deferred and contingent consideration, non-cash inventory adjustments, rationalisation of manufacturing organisation costs, rationalisation and acquisition expenses, loss on extinguishment of debt and taxation credits

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.

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