



AGM Presentation

2023



Financial and operational review

AnproTM

Nature's Answer from **Anpario**

Revenue

↓ **1%**
-£0.3m

Adj. EBITDA

↓ **25%**
-£1.7m

Diluted adj. eps

16.7p
↓28%

Cash

13.6m
↓2.0m

Gross profit

↓ **13%**
-£2.1m

Profit after tax

↓ **29%**
-£1.4m

Total dividend

10.5p
↑5%

Net assets

41.3m
↑2.0m

Operational highlights

- ✓ Sales growth across Asia, Middle East & Africa (MEA) and the Americas, offset by a decrease in Europe.
- ✓ Implementation of sales price increases helped partial recovery in gross margins through H2.
- ✓ Mastercube™ pellet binder grew by 39%, driven by demand for natural products in aquaculture.
- ✓ pHorce® and Orego-Stim® combination presented at the International Poultry Scientific Forum in Georgia, USA for the prevention and control of necrotic enteritis.

Environmental, Social and Governance (ESG) highlights

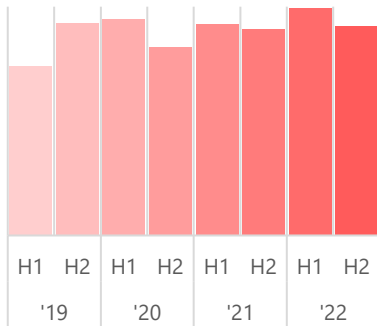
- ✓ Awarded ISO 14001 certification for Environmental Management Systems.
- ✓ 39% reduction in Carbon Intensity, a cumulative reduction since 2019 of 62%.
- ✓ Awarded the first ever King's Award for Enterprise for Sustainable Development.

Asia

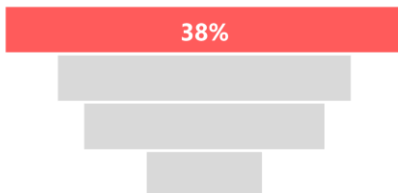
Sales variance

↑ **4%**

Sales trend



% of Group Sales

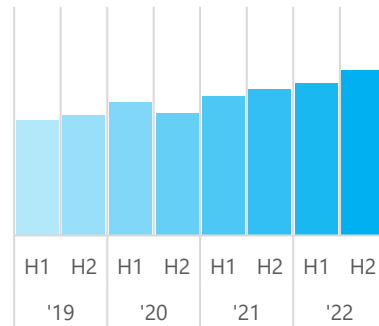


Americas

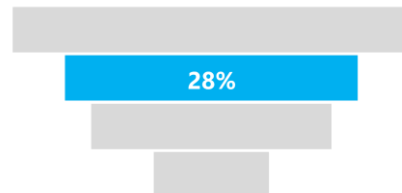
Sales variance

↑ **11%**

Sales trend



% of Group Sales

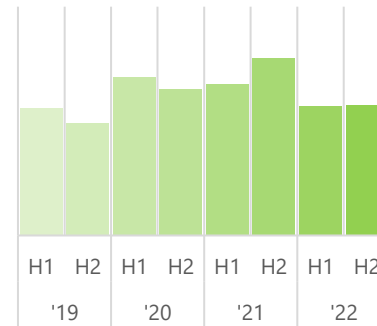


Europe

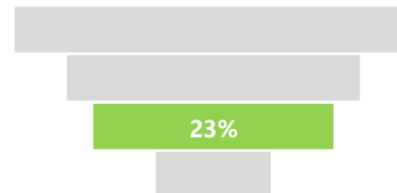
Sales variance

↓ **21%**

Sales trend



% of Group Sales

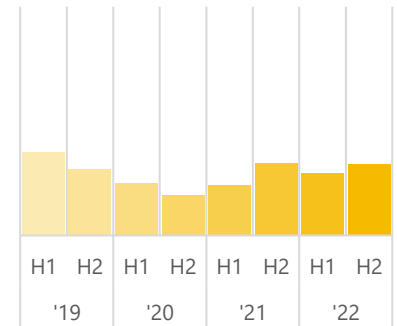


MEA

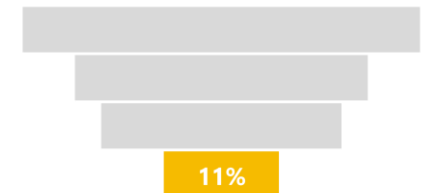
Sales variance

↑ **9%**

Sales trend



% of Group Sales



Income statement

£000	2022	var	var %	2021
Revenue	33,103	(264)	(1%)	33,367
Gross profit	14,136	(2,125)	(13%)	16,261
Gross margin	42.7%	(6.0%)		48.7%
Administrative expenses	(10,576)	34	(0%)	(10,610)
Operating profit	3,560	(2,091)	(37%)	5,651
Depr. & amort.	1,225	(48)	(4%)	1,273
Adjusting items	423	370		53
Adjusted ebitda	5,208	(1,769)	(25%)	6,977
Net finance income	121	71	142%	50
Profit before tax	3,681	(2,020)	(35%)	5,701
Diluted adjusted eps	16.67p	(6.34p)	(28%)	23.01p
Total dividend	10.50p	0.50p	5%	10.00p

Revenue and gross profit

- ✓ Revenues declined 1%, with sales growth in Americas, Asia and MEA being offset by large decline in Europe
- ✓ Overall volumes down 11%, mostly acid-based eubiotics (ABE)
- ✓ Gross profit was 13% lower due to margin pressures from Organic Acid and other cost increases; and sales mix changes, with lower Orego-Stim® volumes.

Administrative expenses

- ✓ Administrative costs flat YoY at £10.6m
- ✓ Including non-recurring unsuccessful due diligence costs of £0.2m
- ✓ Lower incentive provisions, higher R&D staff capitalisation
- ✓ Travel and marketing costs fully normalised post-COVID

Profitability and tax

- ✓ Adjusted ebitda down £1.8m, PBT down £2.0m (after DD costs)

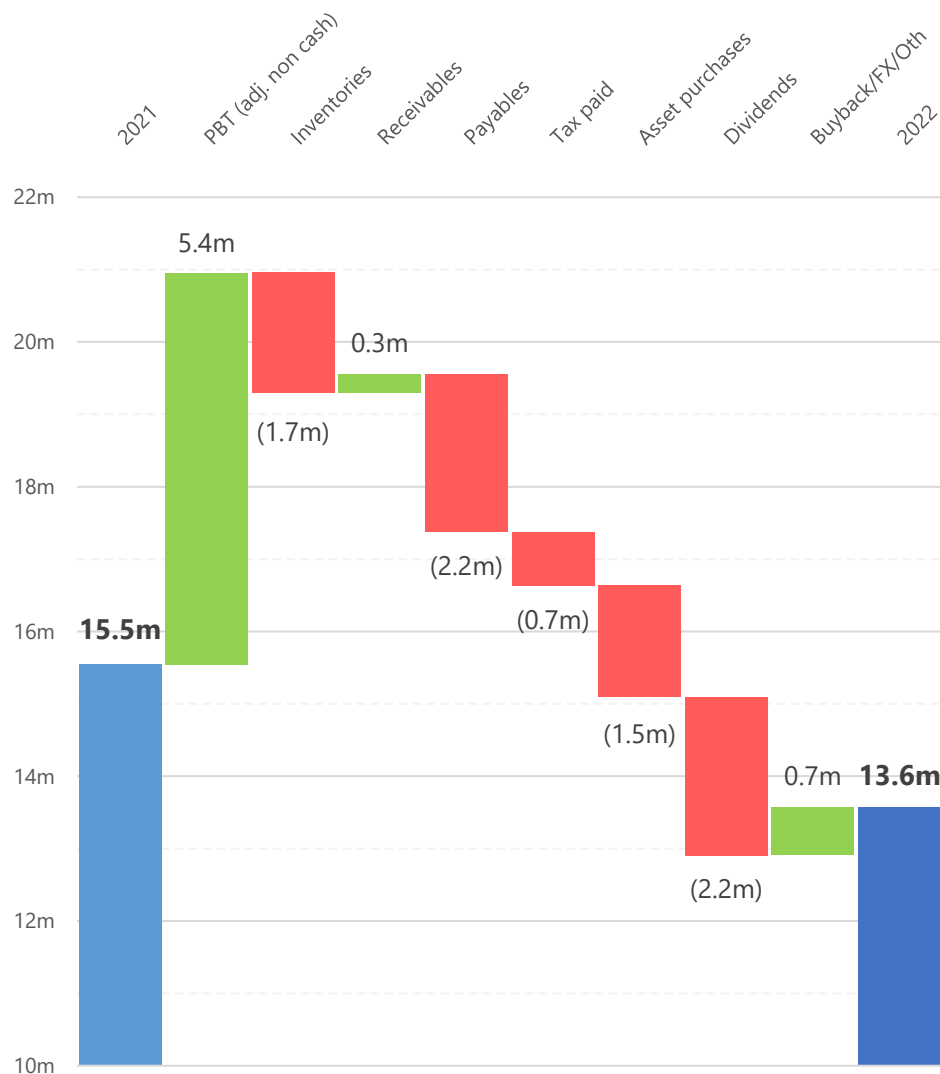
EPS and dividends

- ✓ Diluted adjusted eps down 28% to 16.67p
- ✓ Proposed final dividend of 7.35p, an increase of 5% for a full year dividend of 10.5p

Statement of financial position

£000	2022	var	2021
Intangible assets	11,375	80	11,295
Property, plant and equipment	4,864	261	4,603
Inventory	9,867	2,289	7,578
Trade and other receivables	7,003	130	6,873
Cash and equivalents	13,567	(1,978)	15,545
Trade and other payables	(3,983)	1,189	(5,172)
Derivative financial instruments	(1,289)	(1,571)	282
Tax (<i>net</i>)	(91)	607	(698)
Net Assets	41,311	1,009	40,302
Capital, premium and reserves	10,097	(108)	10,205
Retained earnings	31,214	1,117	30,097

Statement of cash flows



Inventories

- ✓ In part affected by inflation, but mainly related to an increase in raw materials stored at production site to manage and mitigate supply chain risks, as well as strategic buying of a key raw material.
- ✓ Levels of finished goods stockholding was flat YoY, with most subsidiaries reducing inventory days, however, these reductions were offset by increases in US to support further growth in sales of pHorce and Mexico following start of local sales.
- ✓ Availability is improving in the supply-chain alongside an improvement in logistics and as such we will continue to reduce both raw material and finished good holdings into 2023.

Payables

- ✓ Payment of outstanding CAPEX projects at the end of the PY
- ✓ Lower accruals, mainly incentive provisions which were also paid for last year's performance

CAPEX

- ✓ Production CAPEX £0.8m, mostly outstanding projects from prior year, on-site storage, solar panels, tote-delivery system
- ✓ IP £0.1m, R&D £0.6m

Tax

- ✓ Paid £0.7m, also have £0.8m tax asset, including amounts related to patent box claim reductions



Product & Sales channel development



Building the platform

- ✓ Focus since 2016 has been on establishing presence and operations in key markets.
- ✓ Establishing Subsidiaries, product registrations and employing more regional sales resource.
- ✓ This has given us a strong geographical diversity and better understanding of local markets and opportunities.

Critical mass

- ✓ We now have a global platform on which to build further presence and increase our sales resource to achieve critical mass in key specific countries.
- ✓ The focus is to go-deeper in each market, starting with UK, US and other specific targets in wider Americas and Asia region.

CRM

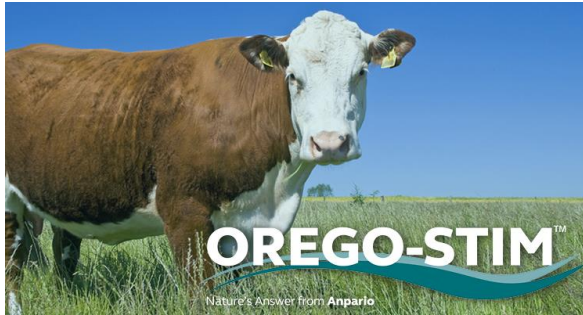
- ✓ Being implemented currently with phased rollout from Q2.
- ✓ To improve sales management processes and support further market penetration.

Territories

- ✓ Americas and Asia will be key to future market growth and we will exploit these opportunities using our global platform.
- ✓ Americas due to their strong position in energy and agricultural commodities.
- ✓ Asia due to its large population and rising income levels.
- ✓ Europe will likely continue to take a lead position in terms of changing of regulation and moving away from harmful chemicals and towards Anpario's environmentally sustainable solutions such as Orego-Stim[®], Optomega[®] Algae, pHorce[®] and Mastercube[™].

Species

- ✓ Historically focused on poultry and swine, 80% of sales.
- ✓ Aquaculture and Ruminant product development and trials are now started to generate momentum.
- ✓ Species diversification will reduce reliance on single species, especially at challenging times as seen currently with Avian Influenza and African Swine Fever.



Orego-Stim® in Ruminant

- ✓ Grant of Orego-Stim® patent related to reducing Antimicrobial resistance in calves in late 2021.
- ✓ Following which there has been increased up-take for this application, with excellent customer feedback.



Orego-Stim® Forte

- ✓ Continued commercial launch and rollout of Orego-Stim® Forte for the aquaculture market.
- ✓ 100% natural product.
- ✓ Fully water soluble and designed for use either in feed or on farm.
- ✓ Can inhibit Vibrio species growth after 48 hours in the absence of antibiotics, performing as well as Florfenicol a commonly used antibiotic in aquaculture



Optomega® Algae

- ✓ Gaining traction in both dairy and poultry sectors following its launch last year.
- ✓ Now investigating how the product can reduce greenhouse gas emissions and farm carbon footprint.
- ✓ Will increasingly become a focus if a plan to introduce the taxation of livestock emissions in New Zealand are introduced elsewhere.

AnproTM

Nature's Answer from **Anpario**

- ✓ 2023 has started weaker than anticipated, at similar levels to Q4 2022.
- ✓ This reflects the current and continued challenges facing global agriculture of high input costs, notably feed, affecting the profitability of farmers and leading to a reduction in animals.
- ✓ Avian Influenza, evident for the first time across the world, will also inevitably affect feed volumes and ability to interact with customers due to restricted movement.
- ✓ We expect the Group's performance to improve as some of the challenges dissipate and inflation reduces.
- ✓ Focus for growth is currently on aquaculture and ruminant markets, with recently recruited sales personnel we should start to deliver new business with these opportunities.
- ✓ Continued focus on our 'Produce More for Less' campaign to highlight our products ability to increase efficiency and improve feed quality at a time when input costs are high.
- ✓ Industry growth drivers are still intact.

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