

ANIMALCARE GROUP PLC

(the “Company” or the “Group”)

Trading update and Notice of 2020 Full Year Results

21 January 2021. Animalcare Group plc (AIM: ANCR), the international animal health business, provides the following unaudited trading update for the 12 months ended 31 December 2020. Full year results are due to be published on 30 March 2021.

Highlights

- Group trading performance demonstrates resilience in face of COVID-19 pandemic
- Revenues and earnings ahead of market expectations
- Cash conversion rate significantly improved in second half
- Net debt further reduced, down 23% year-on-year to approximately £13.6 million at year end

Trading overview

Revenues and earnings for the full year were ahead of market expectations. Despite significant disruption to the animal health market caused by COVID-19, 2020 revenues were £70.5 million (2019: £71.1 million), a decline of 0.7% year-on-year (2.0% decline at CER). Reflecting government counter measures and the adjustments made by the Group and veterinary customers over the course of the pandemic, revenues for the six months to the end of December were ahead of the prior year with sales up 3.0% to £36.0 million (2019: £35.0 million).

As projected, cash conversion improved in the second half of the year as the Group’s stock profile returned nearer to historic levels. We expect average cash conversion for 2019 and 2020 combined to be above 100% of Underlying EBITDA, demonstrating our ability to generate strong and sustained levels of cash.

We further reduced net debt to approximately £13.6 million at the end of 2020, largely as a result of the second half improvement in cash conversion. This equates to a year-on-year reduction in net debt of 23% compared to £17.8 million as at 31 December 2019. The Group’s improving financial position provides capacity for further investment in business development and pipeline opportunities that support our long-term growth strategy.

Commercial developments

Kevin Cole has been appointed President and CEO of STEM Animal Health Inc., the subsidiary created from the recently formed joint venture with Canada-based Kane Biotech Inc. Kevin will focus on building STEM Animal Health Inc. into a globally recognised brand in biofilm-targeting technology with an emphasis on developing sales channels and penetrating the growing companion animal sector. The Group expects to launch biofilm products across its markets in the second half of 2021.

Animalcare's novel COX-2 inhibitor (E-6087) for treatment of pain in dogs continues to make progress through the regulatory process. Plans for a launch across markets in the second half of 2021, subject to approval, are well advanced.

Jenny Winter, Chief Executive Officer commented: "Animalcare's resilience and agility came to the fore in 2020. Our trading performance during the continuing COVID-19 threat has further strengthened the Group, enabling us to continue investment in our long-term growth strategy. We asked our colleagues to rise to these challenges and I am proud of what they have delivered."

This announcement contains inside information for the purposes of Article 7 of Regulation (EU) No 596/2014.

About Animalcare

Animalcare Group PLC is a UK AIM-listed international veterinary sales and marketing organisation. Animalcare operates in seven countries and exports to approximately 32 countries in Europe and a further 16 worldwide. The Group is focused on bringing new and innovative products to market through its own development pipeline, partnerships and via acquisition.

For more information about Animalcare, please visit www.animalcaregroup.com or contact:

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