

# vimian™

Together, we improve animal health through  
science and technology for better lives

Q3 presentation  
November 2023



## Q3 highlights

- / Strong organic growth ahead of the industry
- / Improved cash flow from operating activities
- / Significantly higher net profit
- / Adjusted EBITA margin primarily reflects sales pattern in MedTech and mix effect from strong growth US Specialised Nutrition in Specialty Pharma

**13%**

Total revenue growth

**12%**

Organic revenue growth

**6%**

Adjusted EBITA growth

**22.9%**

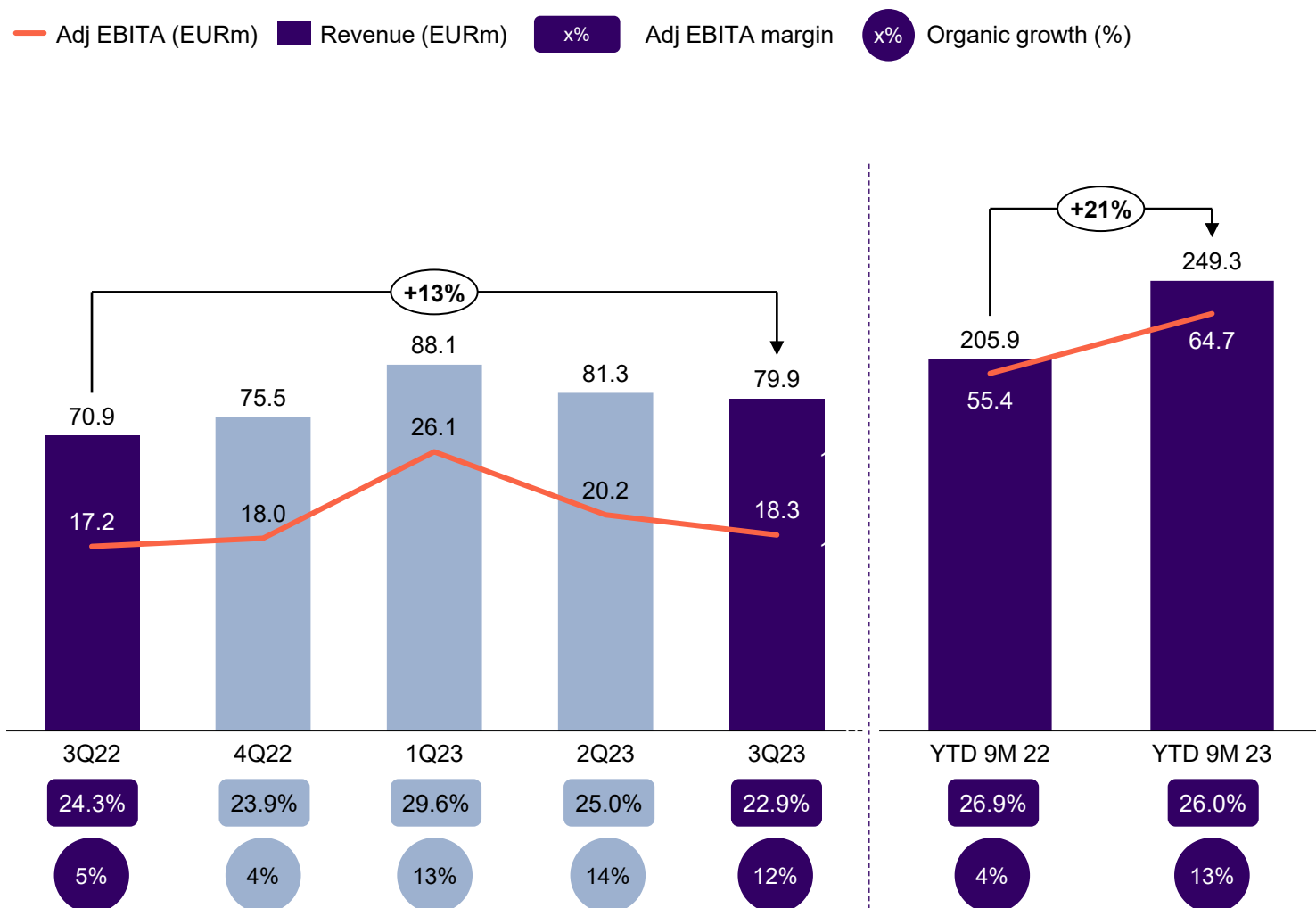
Adjusted EBITA margin





# Continued strong organic growth of 12% in the third quarter

## Revenue and Adj. EBITA



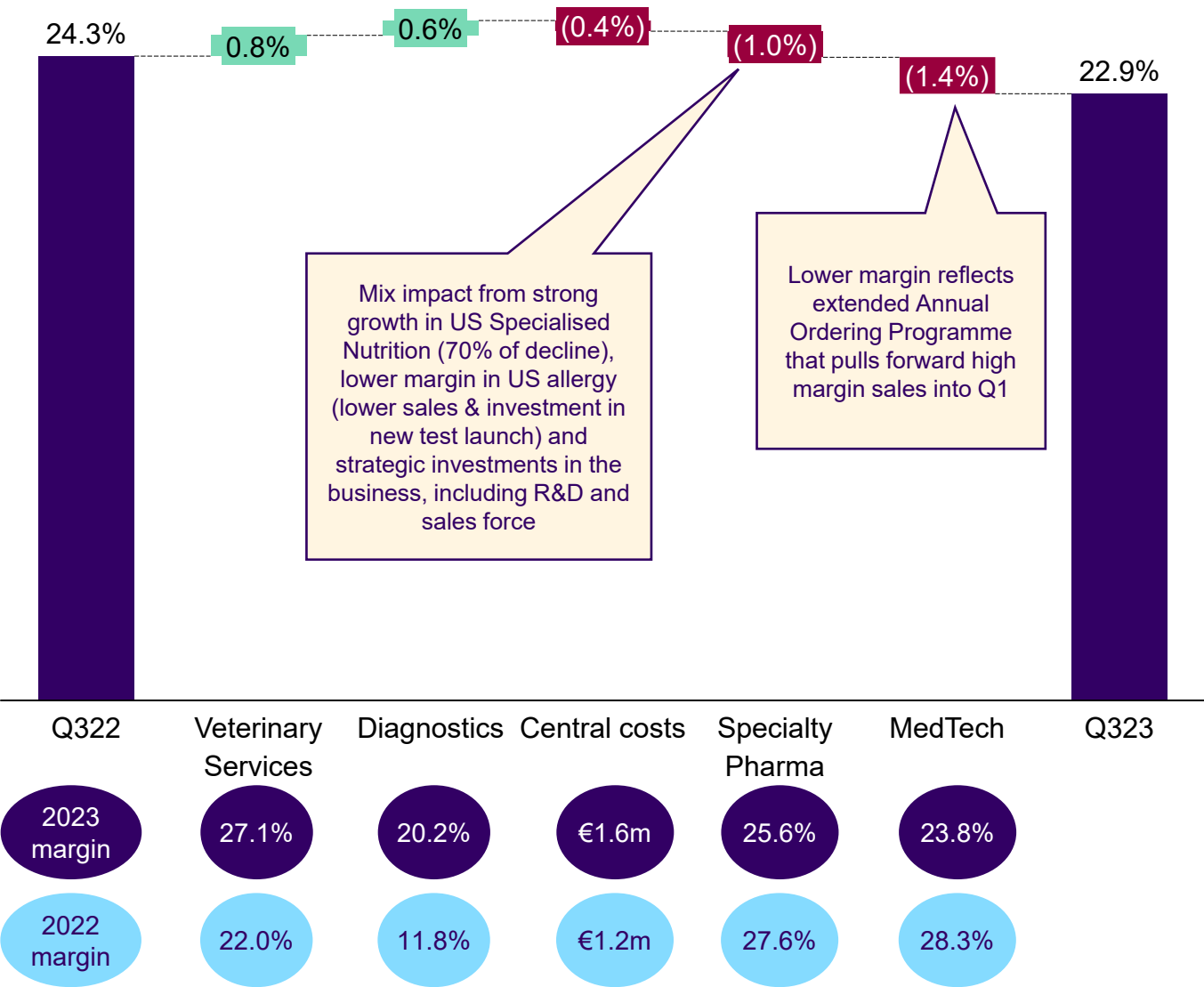
## Revenue development

- / Q3 strong organic growth of 12%
- / Specialty Pharma 18%, Veterinary Services 14%
- / YTD organic growth 13%, ahead of the animal health industry
- / Q3 contribution from acquisitions 7%
- / One small bolt-on acquisition closed in Q3
- / Q3 negative impact of 6% from currency movements



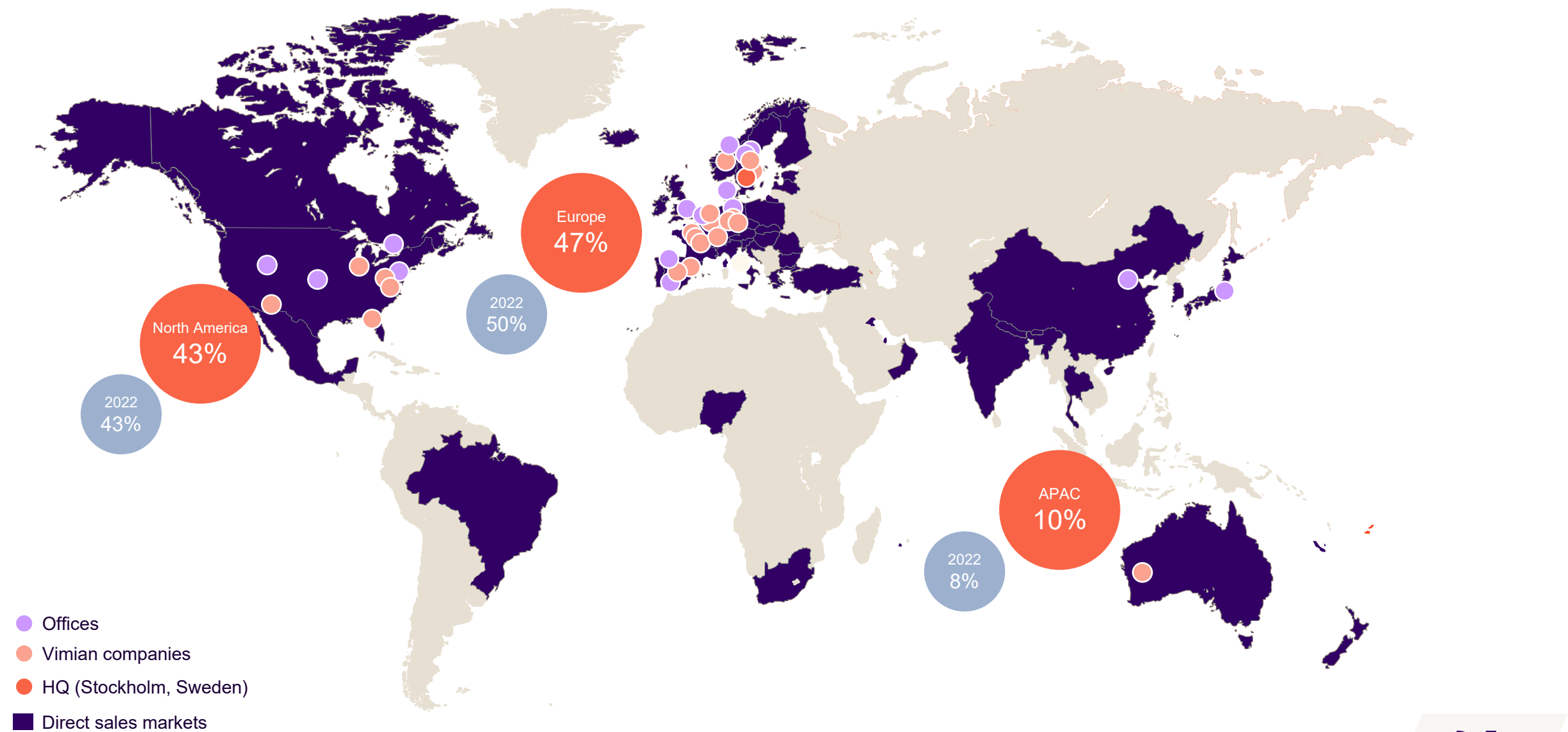
# Margin reflects sales pattern in MedTech, mix and investments in Specialty Pharma

## Year over year development of adjusted EBITA margin



- / Gross margin 67.5% (68.7%)
- / Excluding mix impact from GlobalOne, gross margin is stable at ~72%
- / Adjusted EBITA margin 22.9% reflects sales pattern in MedTech as well as mix and investments in Specialty Pharma
- / We remain committed to margin expansion and continue our efforts in the coming quarters

# Strong global footprint, 43% of LTM revenue from North America



\* Revenue split based on LTM reported revenues

# Strong track record since 2016

- / Global niches with unmet medical needs, untapped white space
- / Growth driven both by organic initiatives and continuous M&A
- / Multiple organic growth initiatives underway and synergy potential

Revenue CAGR

**71%**

2018–Q323 PF

Adj. EBITA CAGR

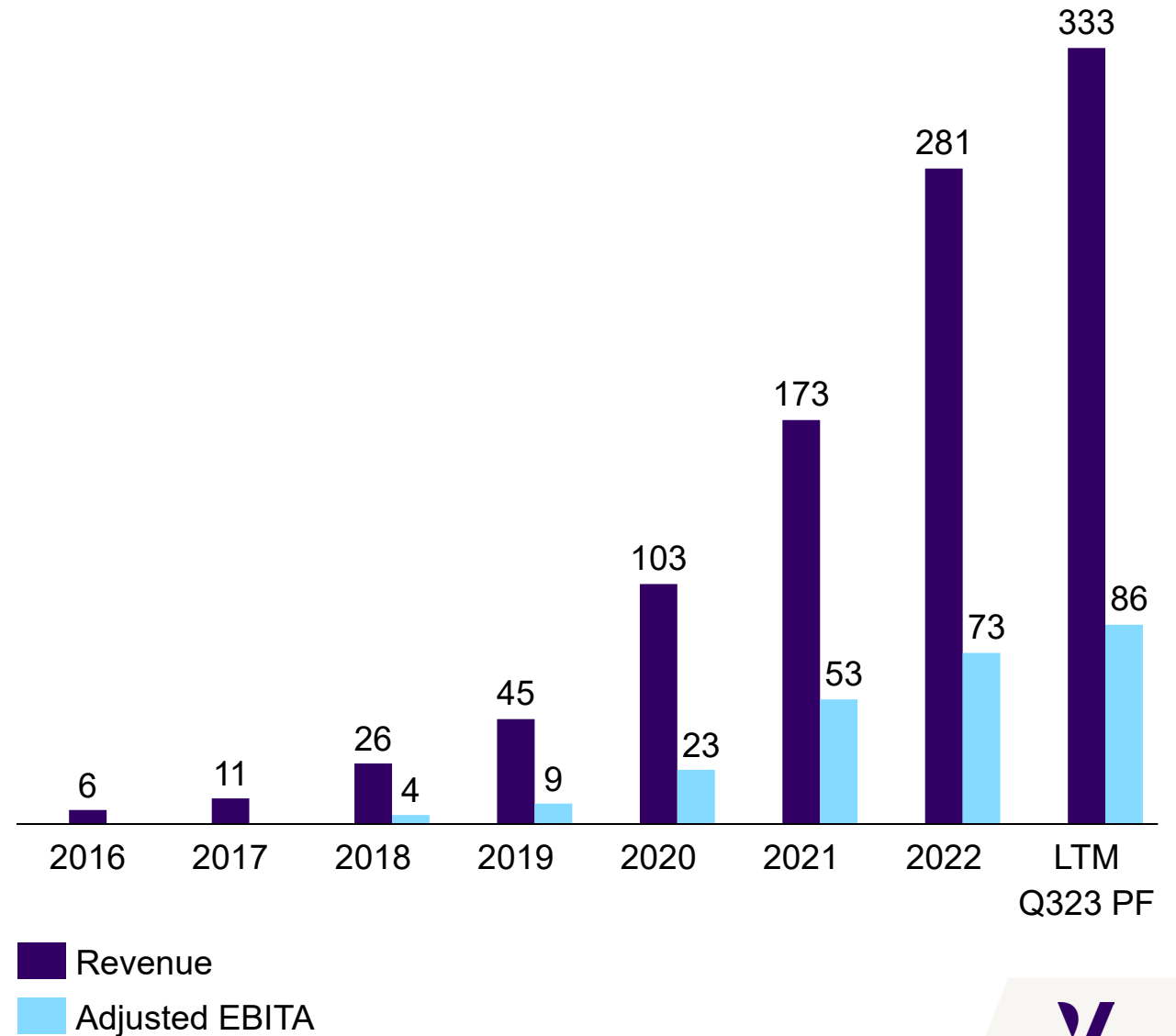
**92%**

2018–Q323 PF

Adj. EBITA margin

**25.7%**

LTM Q323 PF





## Specialty Pharma

- / Strong organic growth 18%, double-digit growth in Specialty Pharmaceuticals, Specialised Nutrition and Dermatology
- / Double-digit growth in Allergy Test & Treatments in Europe
- / High commercial activity with 15 congresses of which two as main sponsor
- / Initiating further efficiencies across European operations

**18%**

Organic growth

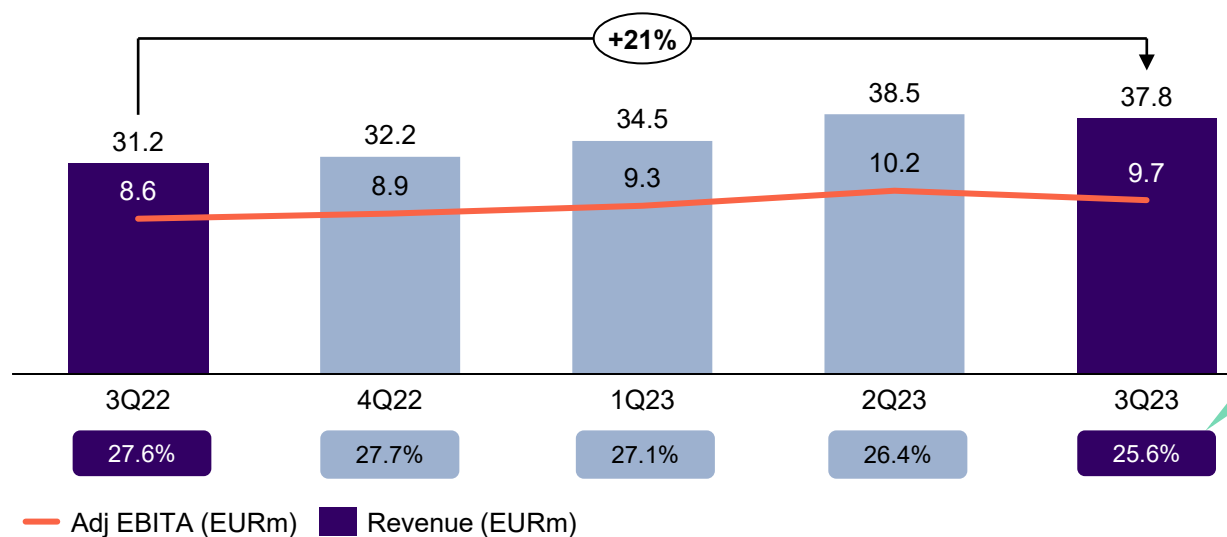
**12%**

Adj. EBITA growth

**-2.1pp**

Adj. EBITA margin

### Revenue and Adj. EBITA



Mix impact from strong growth in US Specialised Nutrition (70% of decline), lower margin in US allergy (lower sales & investment in new test launch) and strategic investments in the business, including R&D and sales force







## MedTech

- / Slow growth reflects sales pattern in the US with extended AOP and small buildup of backorders
- / High single-digit growth in Europe and APAC
- / 13% organic growth YTD reflects positive underlying momentum
- / Continued efforts to optimise supply chain and right-size inventory levels

**4%**

Organic growth

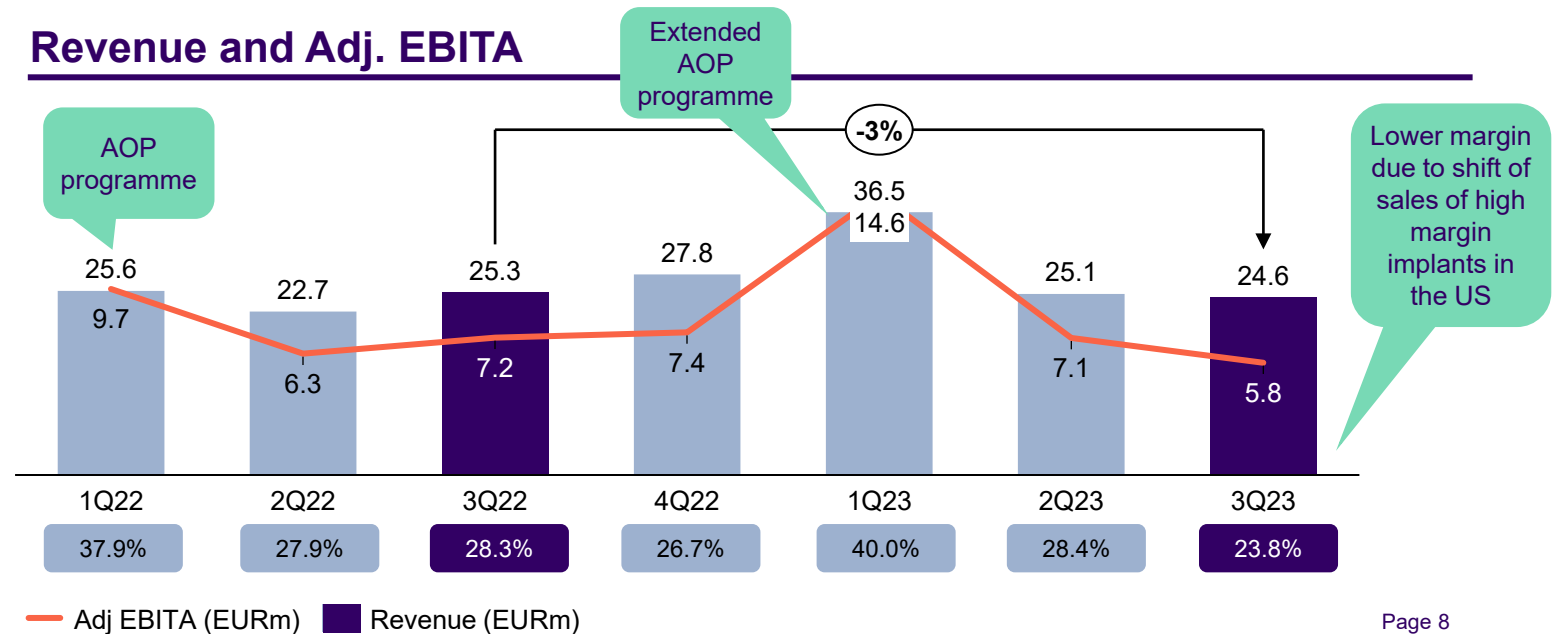
**-18%**

Adj. EBITA decline

**-4.5pp**

Adj. EBITA margin

### Revenue and Adj. EBITA







## Veterinary Services

- / Strong organic growth with positive momentum in key geographies
- / High recruitment pace with 620 new members and good conversion to higher membership tiers
- / Digital expertise leveraged across the Group for shared CRM and data warehouse

**14%**

Organic growth

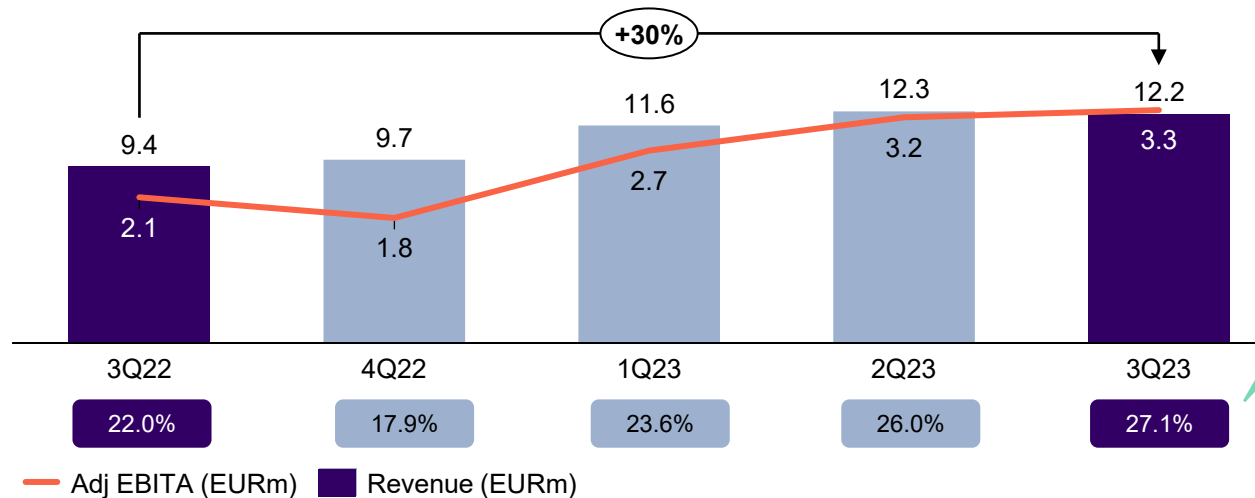
**60%**

Adj. EBITA growth

**+5.2pp**

Adj. EBITA margin

## Revenue and Adj. EBITA



Continued  
margin  
improvement





## Diagnostics

- / Solid organic growth of 9%, well ahead of the livestock market
- / Cost program finalised. Robust margin compared to livestock peers
- / Progressing innovations targeting companion animal diagnostics, ramping up investments over the next year

**9%**

Organic growth

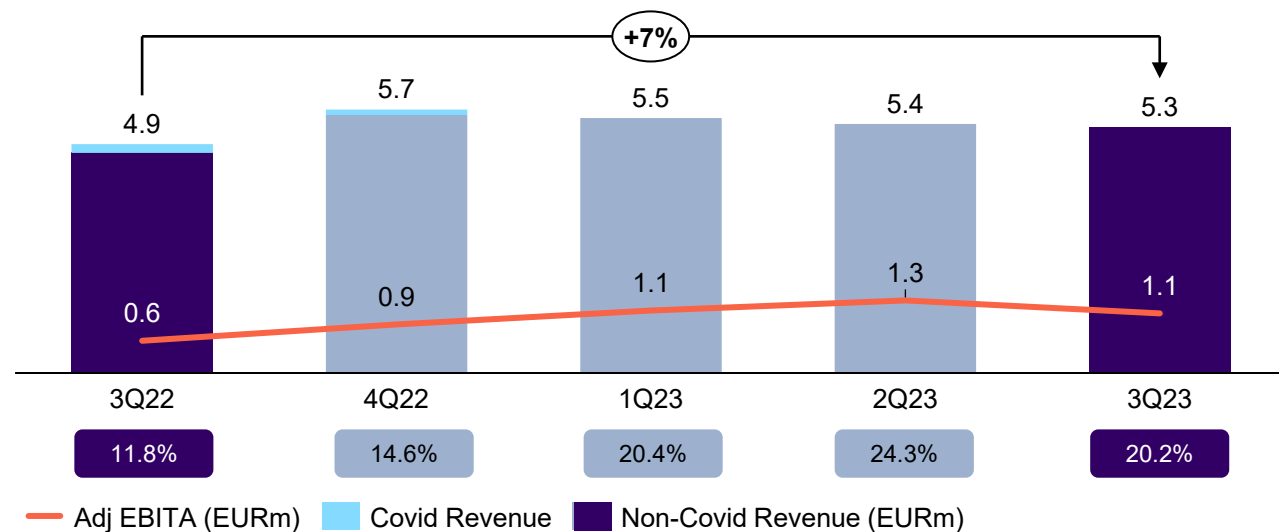
**85%**

Adj. EBITA  
growth

**+8.5pp**

Adj. EBITA margin

### Revenue and Adj. EBITA



# Quarterly ESG highlights

- / Established carbon reduction plan for Scope 1&2 - in line with Science Based Targets and Paris Agreement
- / Process ongoing to uncover Scope 3 emissions
- / New Chief of People onboard per 1<sup>st</sup> November – focus on leadership and overall employee experience







# Third Quarter Financials

EUR m	Q3 2022 July – September	Q3 2023 July – September	YTD 2022 January – September	YTD 2023 January – September
<b>Adjusted EBITA</b>	<b>17.2</b>	<b>18.3</b>	<b>55.4</b>	<b>64.7</b>
Adjusted EBITA margin (%)	24.3%	22.9%	26.9%	26.0%
Non-recurring items	-3.6	-2.6	-14.1	-9.6
PPA related amortisation	-4.8	-5.8	-13.5	-16.5
<b>Operating profit (EBIT)</b>	<b>8.8</b>	<b>9.9</b>	<b>27.9</b>	<b>38.6</b>
EBIT margin (%)	12.5%	12.4%	13.6%	15.5%
Net financial items	-9.4	-0.1	-8.5	-11.8
Profit before tax	-0.6	9.8	19.4	25.8
Tax	-1.0	-2.2	-5.5	-9.5
<b>Profit for the period</b>	<b>-1.6</b>	<b>7.6</b>	<b>13.8</b>	<b>16.3</b>

## Q3 Income Statement below EBIT

/ Q3 EBIT +12% to EUR 9.9m (8.8), margin 12.4%

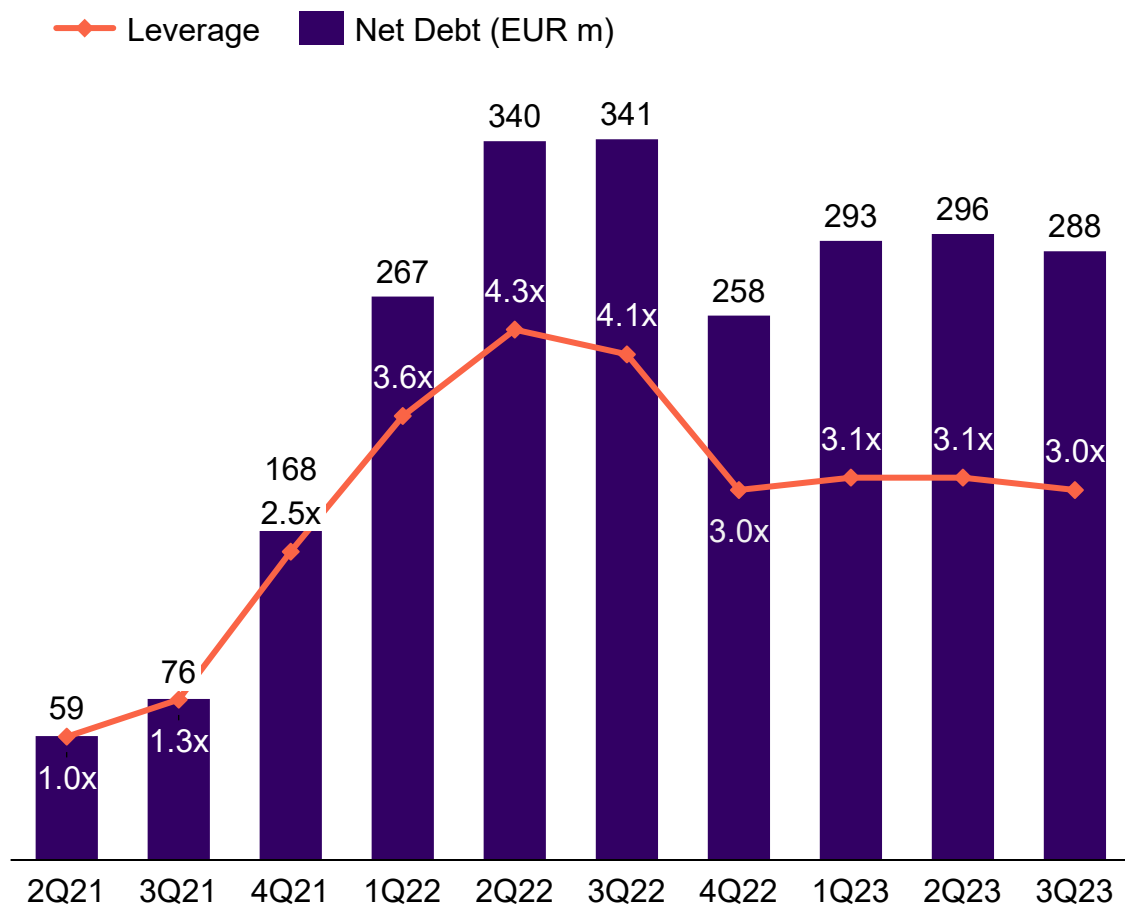
/ Lower amount of non-recurring items EUR -2.6m (-3.6)

- Primarily M&A in Specialty Pharma and legal costs in MedTech

/ Net financial items of EUR -0.1m (-9.4)

- Financing costs EUR -5.1m – interest rate 6.3%
- Contingent considerations EUR -0.4m – quarterly discounting impact offset by positive impact from probability adjustments
- Positive FX impact EUR 5.4m

/ Tax EUR -2.2m



## Net Debt and Leverage

/ Net debt per 30 September 2023 EUR 287.9m

/ Cash and cash equivalents EUR 49.3m

/ Net Debt / LTM Pro-forma EBITDA 3.0x at target level

/ Net debt not impacted by settlement payment in US patent dispute – payment USD 70m Q223. Receivable on balance sheet re-classified as a “non-current” receivable



## Current trading and update

- / High single digit growth in October – acceleration of sales in MedTech as pull-forward effect abates
- / Continued efforts to deliver margin expansion
- / Mix effect from strong growth in US Specialised Nutrition and effect of investments prevail for the remainder of 2023
- / Legal process to retrieve compensation for US litigation is ongoing





# Eye on patient, mind on innovation

Nextmune deep-dive



NOVEMBER 8, 2023

# Transformation since IPO



## Nextmune at IPO



EUR 56 mm in L12M reported sales



3 therapeutic areas



Europe-tilted business



Emerging R&D pipeline, lifecycle management



Veterinary B2B legacy, emerging D2C



10x mindset, founder's mentality, decentralized

## Nextmune today



EUR 143 mm in L12M reported sales



4 therapeutic areas



Even split EU & US, new platform in AUS



Innovative R&D pipeline



Veterinary B2B legacy, multi-channel capabilities



10x mindset, founder's mentality, decentralized

>2x

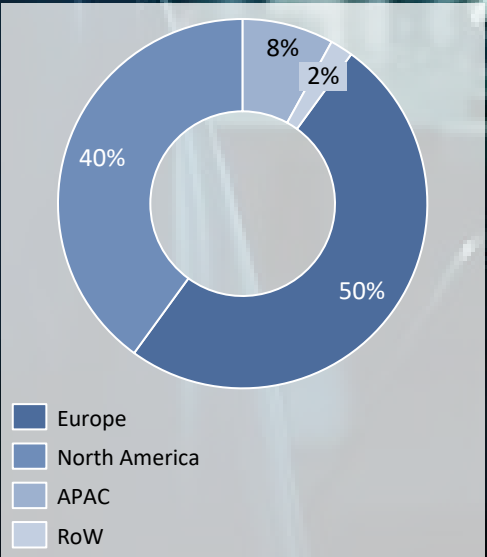
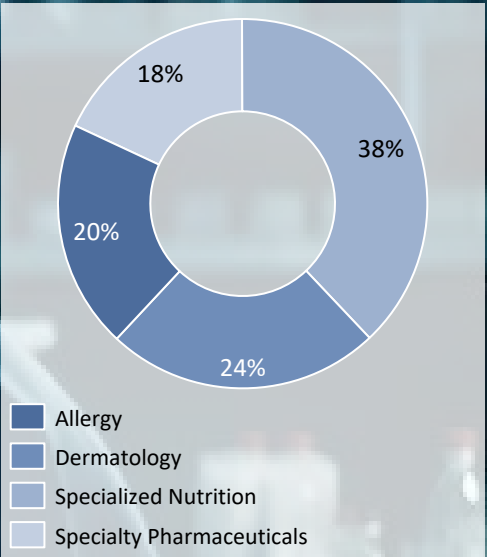
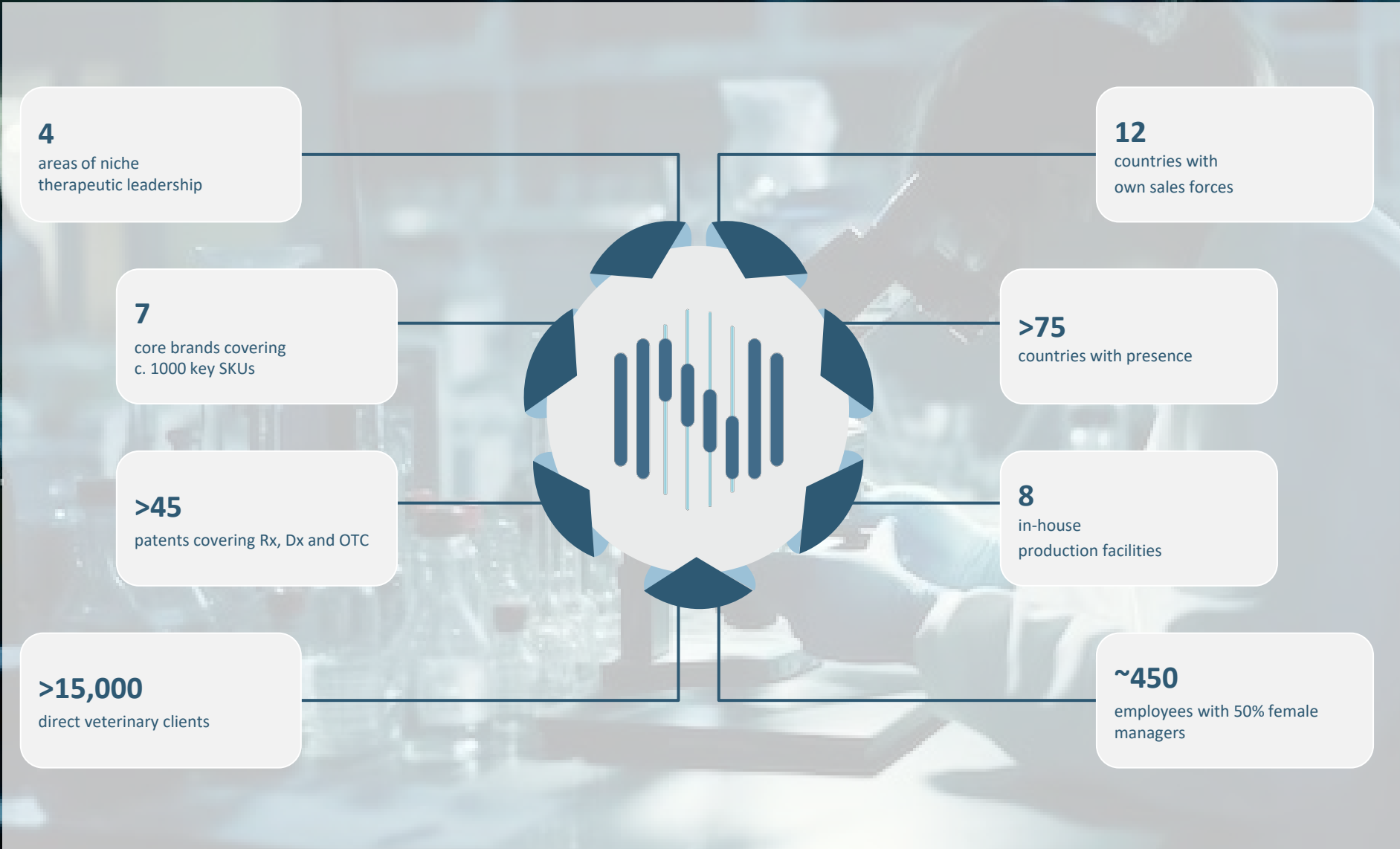
total revenue growth since IPO

## Commentary

- Accelerated organic growth
- Used M&A selectively to reach objectives
- Strengthened Specialized Nutrition
- Entered customized Specialty Pharmaceuticals
- Reach full potential for offering
- Achieve economies of scale
- Direct market access
- R&D 'moonshots' in place
- >100 products in development pipeline
- Touch all market constituents
- Convenient online ordering (vet and B2C), efficiency
- Gear organization and culture towards growth by empowerment, accountability and "energy"


























# Our business in a nutshell (1 / 2)

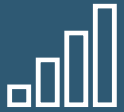


# Our business in a nutshell (2 / 2)



	Allergy 	Specialty Pharmaceu 	Dermatology 	Specialized Nutrition 
Characteristics	Tailored name-patient pharmaceuticals and diagnostics for veterinary channel		Pharmaceuticals and OTC for veterinary, pet specialty retail, retail and online	
Description	Diagnostics and treatments to treat root-cause of allergy	Specialty medicine with innovative formulas	Topical solutions to treat infections and protect the skin	Specialized nutrition for specific conditions and general health
Category	Dx, Rx (veterinary)	Rx (veterinary)	Rx, Rx OTC (veterinary), OTC (B2C, retail)	Rx, Rx OTC (veterinary), OTC (B2C, retail)
Offering	>30 SKUs	> 500 core SKUs	>130 SKUs	>300 SKUs
Operations	>90% own production	>100% own production	>60% own production	Fully outsourced
Brands	 		 	 
Go to market	     		12 markets with own sales force      	

# Four-pronged growth strategy



**Capture significant  
white space**



**Drive innovation  
and product  
development**



**Ensure full product  
availability in  
all geographies and  
channels**



**Unlock best practices  
and efficiencies**



# What is our potential?

‘White space’, product innovation and geographic expansion

## Allergy

**1-in-6**



dogs suffers from allergy, the most common chronic illness

- ✓ Underdiagnosed and undertreated condition
- ✓ Test-and-treat market model creating lock-in-effect -> recurring revenue
- ✓ Leading global player in allergy

Innovative R&D pipeline, exploit ‘white space’



## Specialty Pharmaceuticals

**10%**



of all US scripts are for specialty pharmaceuticals

- ✓ Short time-to-market for innovative and high-quality medicine
- ✓ High-margin business, particularly in batching
- ✓ Market leader in the UK, EU and AUS

New innovations, further build and penetrate existing markets



## Dermatology

**1-in-5**



clinic visits related to dermatological issues

- ✓ Shift-away from antibiotics to Rx OTC
- ✓ Regulations allow for swift time to market
- ✓ Strong brand equity and EU footprint

Direct go-to-market in EU big-5, access new channels



## Specialized Nutrition

**EUR 2 bn**



addressable market in North America and EU

- ✓ Increased focus on preventive care
- ✓ Multi-channel market opportunities
- ✓ Niche market leadership

New products, account and channel expansion in existing markets



# A strong platform for profitable, cash-generative growth



Doubled in size since IPO, healthy momentum

**>2x**

total revenue growth since IPO

Attractive industry with structural growth

**>6%**

CAGR 2005-2020 in the US

Multi-pronged growth strategy

**>15%**

organic growth YTD

Operational leverage from robust infrastructure in place

**12**

direct go-to-market country organizations, efficient corporate functions

## January-September highlights

- / Strong organic growth ahead of the industry
- / Net profit up 18% vs previous year
- / Adj EBITA margin less impacted by sales pattern in MedTech
- / Cash flow from operating activities EUR 19.9m\*. Positive net cash flow EUR 6m
- / Net debt reduced by EUR 8.2m, leverage at target level 3.0x

**21%**

Total revenue growth

**13%**

Organic revenue growth

**17%**

Adjusted EBITA growth

**26.0%**

Adjusted EBITA margin



# Q&A

