



Friday, 16 September 2016

Dechra® Pharmaceuticals PLC
(Dechra, Company or the Group)

Proposed acquisition of Apex Laboratories Pty Ltd

Dechra is pleased to announce that it has agreed terms to acquire the business and assets of Apex Laboratories Pty Ltd ('Apex'), a privately owned veterinary pharmaceutical company which manufactures, markets and sells branded non-proprietary prescription and other related companion animal products in Australia and New Zealand (the 'Acquisition'). The Acquisition includes the purchase of Apex's manufacturing site. Apex is ultimately controlled by Mr Anthony McGloin who is a descendant of the founder of Apex.

The Acquisition will provide Dechra with direct access to the established and growing Australian companion animal product market which has c.4.2 million dogs and c.3.3 million cats¹, a market in which Dechra currently operates through partners. It will also offer a base from which to support and build Dechra's expansion in the Australasian and Asian regions.

Apex, which was established in 1962, is based in Somersby near Sydney, Australia, and employs 39 staff. For the year ended 30 June 2016, its reported revenues were AUS\$14.8 million (£8.4 million) and operating profit was AUS\$5.2 million (£3.0 million). Dechra is acquiring gross assets with a carrying value of AUS\$14.8 (£8.4 million) million at 30 June 2016.

Apex is currently managed by an experienced and technically skilled management team, who will be staying post completion to continue to run and manage the business.

The total consideration for the Acquisition, which is expected to complete on 14 October 2016, is AUS\$55.0 million (£31.3 million). This will be funded from the Group's own cash and debt resources. The acquisition is expected to be earnings enhancing in the first 12 months.

Commenting on the acquisition, Dechra's Chief Executive Officer, Ian Page said:

"We are delighted to expand our presence in the Australasian market through the acquisition of Apex which has a technically skilled and experienced team. Its portfolio offers a range of veterinary licensed products that are complementary to Dechra's offering, making the business a natural fit within Dechra's therapeutic portfolio. The facility produces a wide range of dosage forms and has capacity for growth. We believe that the combination of Dechra and Apex are well placed for continued growth in the Australasian and Asian veterinary pharmaceutical markets."

No statement in this announcement is intended to be a profit forecast, and no statement in this announcement should be interpreted to mean that earnings per share of the Company for the current or future financial years would necessarily match or exceed the historical published earnings per share of the Company.

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¹ Australian Veterinary Association

About Dechra

Stock Code: Full Listing (Pharmaceuticals): DPH

Dechra is an international specialist veterinary pharmaceuticals and related products business. Its expertise is in the development, manufacture and sales and marketing of high quality products exclusively for veterinarians worldwide. Dechra's business is unique as the majority of its products are used to treat medical conditions for which there is no other effective solution or have a clinical or dosing advantage over competitor products.

The Group's Preliminary results for the year ended 30 June 2016 were released on 5 September 2016. For more information, please visit: www.dechra.com.

Trademarks

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Market Abuse Regulation (MAR)

The information contained within this announcement may constitute inside information stipulated under the Market Abuse Regulation (EU) No. 596/2014. Upon the publication of this announcement via the Regulatory Information Service, this inside information is now considered to be in the public domain.