Delivering Our Strategy

Our priorities for each Strategic Growth Driver and Enabler are clearly defined and communicated and are outlined in the table on pages 22 and 23. In this section of the Annual Report we describe the progress we have made towards achieving our strategic objectives.

Our Purpose
The sustainable improvement of animal health and welfare globally

Our Strategic Growth Drivers

**Pipeline Delivery**
**Our Objective**
Deliver our pipeline on time, at the right costs and with the expected returns. Refill the pipeline so that we get a constant flow of new products in future years.

**Portfolio Focus**
**Our Objective**
Maximise our revenue by increasing market penetration, focusing on targeted therapeutic sectors within CAP, Equine, FAP and Nutrition.

**Geographical Expansion**
**Our Objective**
Leverage our product portfolio into new geographic regions through distribution partners, in-country presence and new country product registrations.

**Acquisition**
**Our Objective**
Expand our geographical footprint and/or enhance our product portfolio through acquisition.

Link to our KPIs:
1. Revenue Growth
2. Underlying Diluted EPS Growth
3. Return on Capital Employed
4. Cash Conversion
5. New Product Revenue
6. Lost Time Accident Frequency Rate
7. Employee Turnover

Link to our Risks:
1. Market Risk
2. Competitor Risk
3. Product Development and Launch Risk
4. Supply Chain Risk
5. Regulatory Risk
6. Acquisition Risk
7. People Risk
8. Antimicrobials Regulatory Risk
9. Retention of People Risk
10. Climate Risk
### Our Progress in Numbers

#### 2021

<table>
<thead>
<tr>
<th>Category</th>
<th>2021 Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Product registrations</td>
<td>5,699</td>
</tr>
<tr>
<td>Countries distributed</td>
<td>68</td>
</tr>
<tr>
<td>Sales and Marketing</td>
<td>25</td>
</tr>
<tr>
<td>Manufacturing sites owned</td>
<td>7</td>
</tr>
<tr>
<td>Number of employees</td>
<td>1,975</td>
</tr>
</tbody>
</table>

#### 2020 Revenue £515.1m
- Acquisition of Ampharmco: Supports US manufacturing
- Acquisition of Mirataz: Expands our product portfolio

#### 2019 Revenue £481.8m
- Acquired a further 15% of Medical Ethics: Strengthens pipeline
- Acquired Venco: Access to Brazil and South American markets
- Acquired trade and assets of Caledonian: Access to equine products

#### 2018 Revenue £407.1m
- Acquired Le Vet: Adds to EU product portfolio
- Acquired AST Farma: Strengthens Dutch market position and provides direct-to-vet relationship

#### 2016 Revenue £247.6m
- Acquired Putney: Transformational US deal
- Acquired Apex: Access to Australian CAP market

#### 2014 Revenue £193.6m
- Commenced trading in Italy
- Acquired PSCP: US bolt-on

#### 2014
<table>
<thead>
<tr>
<th>Category</th>
<th>2014 Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Product registrations</td>
<td>1,327</td>
</tr>
<tr>
<td>Countries distributed</td>
<td>40</td>
</tr>
<tr>
<td>Sales and Marketing</td>
<td>13</td>
</tr>
<tr>
<td>Manufacturing sites owned</td>
<td>3</td>
</tr>
<tr>
<td>Number of employees</td>
<td>1,287</td>
</tr>
</tbody>
</table>
## Our Strategic Growth Drivers

<table>
<thead>
<tr>
<th>Pipeline Delivery</th>
<th>Portfolio Focus</th>
<th>Geographical Expansion</th>
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</thead>
<tbody>
<tr>
<td><strong>Our Achievements</strong></td>
<td><strong>Our Achievements</strong></td>
<td><strong>Our Achievements</strong></td>
</tr>
<tr>
<td>2017</td>
<td>2017</td>
<td>2017</td>
</tr>
<tr>
<td>• Signed Animal Ethics licensing agreement, and building pipeline of other in-licensing opportunities</td>
<td>• Strong CAP and Equine growth continuing across the Group, FAP returned to growth</td>
<td>• Several international product registrations achieved</td>
</tr>
<tr>
<td>• Vaccines development strategy defined as new opportunities identified</td>
<td>• Enlarged NA business growth due to unblocking of Putney distribution channels</td>
<td>• Established Dechra Veterinary Products (DVP) International business</td>
</tr>
<tr>
<td>• Amoxiclave tablet development completed</td>
<td>• Increased effective use of tools in EU and NA</td>
<td>• Commenced appointment of the DVP International team</td>
</tr>
<tr>
<td><strong>2018</strong></td>
<td><strong>2018</strong></td>
<td><strong>2018</strong></td>
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<tr>
<td>• Two further poultry vaccines registered in EU: Avilshield® IBH120 and ND B1</td>
<td>• Strong growth in European FAP following antibiotic product alignment and range additions</td>
<td>• Over 80 new country registrations of existing portfolio products</td>
</tr>
<tr>
<td>• Launch of further Amoxiclave dose sizes to complete range for the USA market</td>
<td>• Leveraging CAP product success to increase penetration across Group</td>
<td>• Acquisition of RxVet expanded our presence in New Zealand</td>
</tr>
<tr>
<td>• Progress in co-development licensing opportunities</td>
<td>• Continued EU growth in Equine from market penetration and range addition</td>
<td>• Successful establishment of the DVP International team</td>
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<tr>
<td><strong>2019</strong></td>
<td><strong>2019</strong></td>
<td><strong>2019</strong></td>
</tr>
<tr>
<td>• Entered into a number of licensing agreements, including a novel canine sedative and an equine gastrointestinal product</td>
<td>• Move key Le Vet products from distributors to Dechra companies to generate significant synergies through retention of full margin and enhancing sales focus</td>
<td>• Expanded into Latin America via the acquisition of Laboratorios Vencofarma do Brasil Ltda (Venco)</td>
</tr>
<tr>
<td>• A number of novel and generic registrations in EU, Mexico and rest of world</td>
<td>• FAP growth accelerating against a backdrop of declining antibiotic markets</td>
<td>• 43 Product registrations across Israel, South Korea, Macau, Macedonia, Malaysia, Malta, Namibia, Serbia, Ukraine, UAE and Zambia</td>
</tr>
<tr>
<td>• 15 Le Vet pipeline product launches</td>
<td>• Delivered growth across all key therapeutic sectors through educational focus</td>
<td>• 2020</td>
</tr>
<tr>
<td><strong>2020</strong></td>
<td><strong>2020</strong></td>
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<tr>
<td>• Marboquin tablets, a CAP antibiotic, approved in USA</td>
<td>• Continued to generate significant synergies from AST Farma and Le Vet acquisition</td>
<td>• 34 product registrations across Indonesia, South Korea, Myanmar, Nicaragua, Oman, Tanzania, Thailand, UAE, Uruguay and Vietnam</td>
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<tr>
<td>• Cosacthen® approved in 23 EU territories and Canada</td>
<td></td>
<td>• Key endocrine brands Vetoryl®, Felimazole® and Zycortal® being brought back in-house in Australia and progressing through the fast track process in Brazil</td>
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<tr>
<td>• Akston proof of concept study commenced</td>
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<tr>
<td><strong>Our Progress</strong></td>
<td><strong>Our Progress</strong></td>
<td><strong>Our Progress</strong></td>
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<tr>
<td><strong>2021</strong></td>
<td><strong>2021</strong></td>
<td><strong>2021</strong></td>
</tr>
<tr>
<td>• Favourable results on Akston dog and cat proof of concept studies</td>
<td>• Completed Le Vet disintermediation with final products brought back in-house in Belgium</td>
<td>• Internationally received 38 approvals for key brands in new countries</td>
</tr>
<tr>
<td>• Entered into licensing and supply agreement for Akston cat</td>
<td>• Second consecutive year of strong growth in all key therapeutics areas</td>
<td>• Tri-Solfen® provides a meaningful FAP presence in the Australian and New Zealand market</td>
</tr>
<tr>
<td>• Mirataz® launched in EU and registered in Canada</td>
<td></td>
<td>• Launched Vetoryl® in Brazil and gained registrations for Felimazole and Zycortal</td>
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</tbody>
</table>
Our Strategic Enablers

**Acquisition**

**Our Achievements**

2017
- Acquisition of Apex, opening up new bridgehead into Australasia and South East Asia
- Acquisition of 33% of Medical Ethics Pty Ltd provides the Group with secure access to novel therapeutic areas/ product development

2018
- Acquisition and successful integration of RxVet, expanding our presence in New Zealand
- Acquisition and successful initial integration of AST Farma and Le Vet, providing transformation in EU Pharmaceuticals’ portfolio and pipeline

2019
- Acquisition and successful integration of Venco
- Acquisition of trade and assets of Caledonian Holdings Ltd in New Zealand strengthening market position in Equine

2020
- Acquisition of an additional 15% of Medical Ethics Pty Ltd
- Acquisition of Ampharmco LLC in Fort Worth, Texas, a FDA registered facility
- Acquisition of worldwide rights and assets of Mirataz, a transdermal medication for cats

**Our Progress**

2021
- Acquisition of worldwide rights and assets of Osurnia, a long acting treatment of otitis externa in dogs
- Acquisition of the Australian and New Zealand marketing rights for Tri-Solfen®, completing our global rights to this novel product
- Acquisition of an additional 1.5% of Medical Ethics Pty Ltd taking our holding to 49.5%

**People**

**Our Achievements**

2017
- Developed new Manufacturing and Supply Chain strategy
- Ongoing progress in Oracle deployment
- IT user hardware standardised across the Group

2018
- Progress made in Manufacturing remodelling strategy in Zagreb and Bladel
- 12 months without a lost time accident
- Completion of employee engagement survey
- Successful implementation of the Oracle project in DVP EU

2019
- Appointment of additional Non-Executive Director and Group Manufacturing & Supply Director
- Investment in manufacturing and packaging at Skipton, a new solid dose facility in Zagreb and an upgrade to the Bladel sterile facility
- Oracle ERP embedded

2020
- Appointment of Non-Executive Director and Chief Financial Officer
- Restructured Product Development team and created new position of Chief Scientific Officer
- Remedied internal supply issues

**Technology**

**Our Achievements**

2017
- Successful implementation of the Oracle project in DVP EU
- Progress made in Manufacturing remodelling strategy in Zagreb and Bladel
- 12 months without a lost time accident
- Completion of employee engagement survey

2018
- Ongoing progress in Oracle deployment
- IT user hardware standardised across the Group

2019
- Development of Science Based Targets
- Progress made in Manufacturing remodelling strategy in Zagreb and Bladel

2020
- Appointment of additional Non-Executive Director and Group Manufacturing & Supply Director
- Investment in manufacturing and packaging at Skipton, a new solid dose facility in Zagreb and an upgrade to the Bladel sterile facility
- Oracle ERP embedded

**ESG**

**Our Achievements**

2017
- Ongoing progress in Oracle deployment
- IT user hardware standardised across the Group

2018
- Successful implementation of the Oracle project in DVP EU

2019
- Development of Science Based Targets
- Progress made in Manufacturing remodelling strategy in Zagreb and Bladel

2020
- Appointment of additional Non-Executive Director and Group Manufacturing & Supply Director
- Investment in manufacturing and packaging at Skipton, a new solid dose facility in Zagreb and an upgrade to the Bladel sterile facility
- Oracle ERP embedded

**Our Progress**

2021
- Appointment of Non-Executive Director, Group Manufacturing & Supply Director and Group Sustainability Director
- Improvements to supply chain and ongoing technical transfer of Dechra products into Zagreb facility
- Academy for veterinarians and veterinary nurses voted best in class in industry
- Received accreditation from Great Place to Work as ‘best place to work’
- Committed to Business Ambition for 1.5 degrees centigrade reduction and the development of Science Based Targets
- Roll out of our global employee wellbeing programme branded Thrive