

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.

Link to our KPIs:

- 1
- 2
- 3
- 4
- 5

Link to our Risks:

- 2
- 3
- 4
- 5
- 9
- 10



Portfolio Focus

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

Link to our KPIs:

- 1
- 2
- 3
- 4
- 5

Link to our Risks:

- 1
- 2
- 4
- 5
- 8
- 9
- 10



Geographical Expansion

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

Link to our KPIs:

- 1
- 2
- 3
- 4
- 5

Link to our Risks:

- 2
- 5
- 7
- 8



Acquisition

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

Link to our KPIs:

- 1
- 2
- 3
- 4
- 5


Link to our Risks:

- 6
- 7

Our Strategic Enablers Support the Execution of Our Strategy



Manufacturing and Supply Chain



People



Technology



ESG

- Link to our KPIs:**
- 1
 - 2
 - 3
 - 4
 - 5
 - 6
 - 7

- Link to our Risks:**
- 4
 - 7
 - 9
 - 10

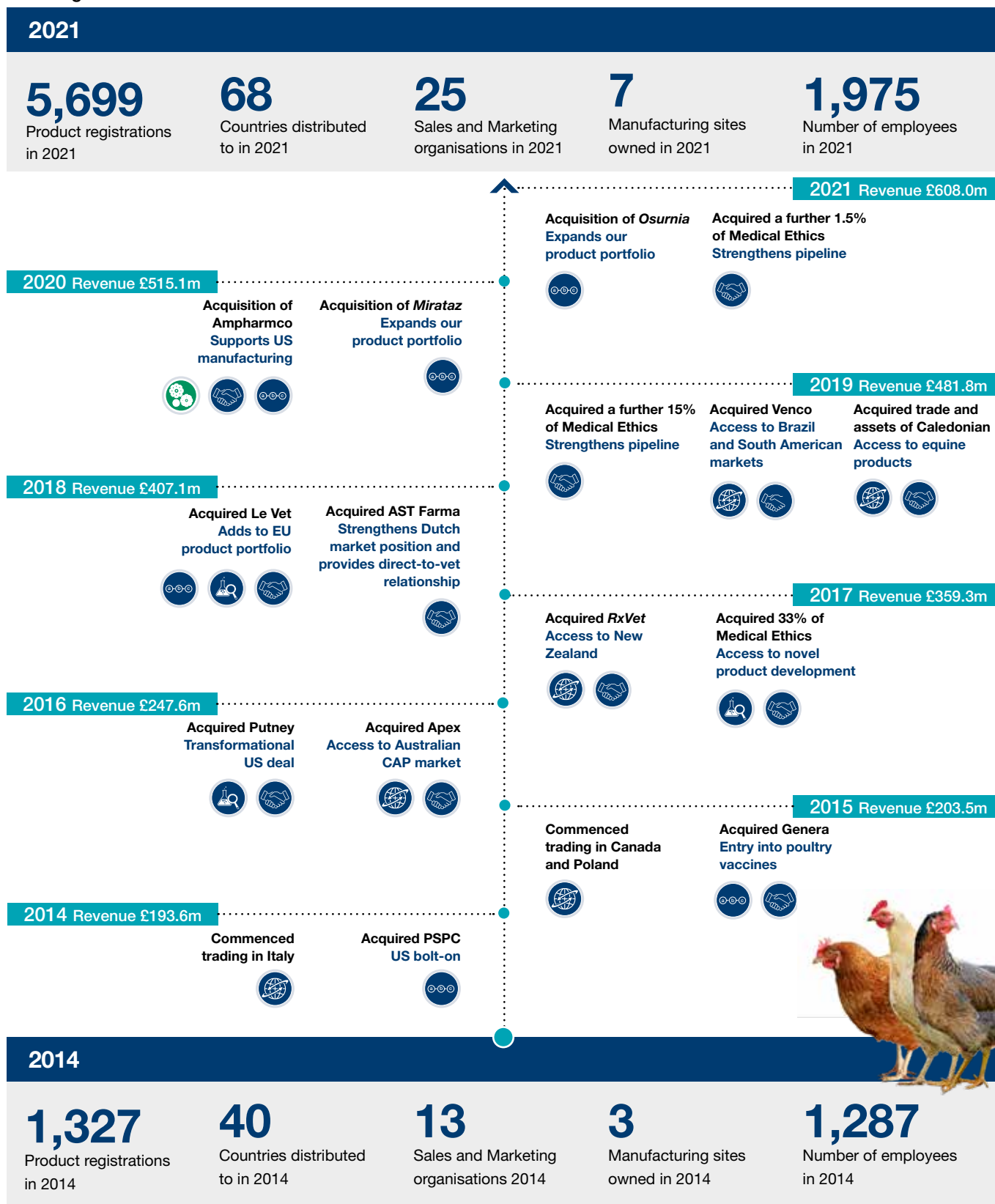
Key to KPIs:

- 1 Revenue Growth
- 5 New Product Revenue
- 2 Underlying Diluted EPS Growth
- 6 Lost Time Accident Frequency Rate
- 3 Return on Capital Employed
- 7 Employee Turnover
- 4 Cash Conversion

Key to 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



Delivering Our Strategy continued

Our Strategic Growth Drivers



Pipeline Delivery

Our Achievements

2017

- Signed Animal Ethics licensing agreement, and building pipeline of other in-licensing opportunities
- Vaccines development strategy defined as new opportunities identified
- Amoxi-Clav tablet development completed

2018

- Two further poultry vaccines registered in EU: Avishield® IBH120 and ND B1
- Launch of further Amoxi-Clav dose sizes to complete range for the USA market
- Progress in co-development licensing opportunities

2019

- Entered into a number of licensing agreements, including a novel canine sedative and an equine gastrointestinal product
- A number of novel and generic registrations in EU, Mexico and rest of world
- 15 Le Vet pipeline product launches

2020

- Marboquin tablets, a CAP antibiotic, approved in USA
- Cosacthen® approved in 23 EU territories and Canada
- Akston proof of concept study commenced

Our Progress

2021

- Favourable results on Akston dog and cat proof of concept studies
- Entered into licensing and supply agreement for Akston cat
- Mirataz® launched in EU and registered in Canada



Portfolio Focus

Our Achievements

2017

- Strong CAP and Equine growth continuing across the Group, FAP returned to growth
- Enlarged NA business growth due to unblocking of Putney distribution channels
- Increased effective use of tools in EU and NA

2018

- Strong growth in European FAP following antibiotic product alignment and range additions
- Leveraging CAP product success to increase penetration across Group
- Continued EU growth in Equine from market penetration and range addition

2019

- Moved key Le Vet products from distributors to Dechra companies to generate significant synergies through retention of full margin and enhancing sales focus
- FAP growth accelerating against a backdrop of declining antibiotic markets

2020

- Delivered growth across all key therapeutic sectors through educational focus
- Continued to generate significant synergies from AST Farma and Le Vet acquisition

Our Progress

2021

- Completed Le Vet disintermediation with final products brought back in-house in Belgium
- Second consecutive year of strong growth in all key therapeutics areas



Geographical Expansion

Our Achievements

2017

- Several international product registrations achieved
- Established Dechra Veterinary Products (DVP) International business
- Commenced appointment of the DVP International team

2018

- Over 80 new country registrations of existing portfolio products
- Acquisition of RxVet expanded our presence in New Zealand
- Successful establishment of the DVP International team

2019

- Expanded into Latin America via the acquisition of Laboratorios Vencofarma do Brasil Ltda (Venco)
- 43 Product registrations across Israel, South Korea, Macau, Macedonia, Malaysia, Malta, Namibia, Serbia, Ukraine, UAE and Zambia

2020

- 34 product registrations across Indonesia, South Korea, Myanmar, Nicaragua, Oman, Tanzania, Thailand, UAE, Uruguay and Vietnam
- Key endocrine brands Vetoryl®, Felimazole® and Zycortal® being brought back in-house in Australia and progressing through the fast track process in Brazil

Our Progress

2021

- Internationally received 38 approvals for key brands in new countries
- Tri-Solfen® provides a meaningful FAP presence in the Australian and New Zealand market
- Launched Vetoryl in Brazil and gained registrations for Felimazole and Zycortal



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 *Osumia*, 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%

Our Strategic Enablers



Manufacturing and Supply Chain



People



Technology



ESG

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

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