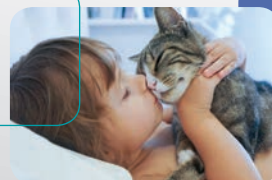




Norbrook[®]

2016/17

Business Review



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2016 Highlights

Financial Highlights:



Growth
in both farm (FAP) &
companion animal products (CAP)



FAP Sales
£197m
+8%

CAP Sales
£42m
+15%

Growth
in ALL
regions



Operational Highlights:

- ✓ Growth in all regions
- ✓ North American division sales up 16% to £66m
- ✓ Launched 5 new products (2 in US and 3 in EU)
- ✓ Good progress made on delivering our strategy
- ✓ Output in our main suites up circa. 15% in the last year
- ✓ Significant investment across the business, including strengthening our sales resources, upgrade of our IT backbone, and laboratory and operations infrastructure to support future growth
- ✓ Process improvements driving improved capability and customer responsiveness

Business Overview

Norbrook is a leading global provider of veterinary pharmaceuticals enhancing the health of farm and companion animals. Established in 1969 by the late Lord Ballyedmond in Newry, Northern Ireland we are an award-winning company and extremely proud to be one of the largest privately owned, veterinary pharmaceutical manufacturers in the world.

Our world class manufacturing facilities located in Newry, Republic of Ireland and Kenya are licensed by the leading Regulatory Authorities, including The US Food and Drug Administration (FDA), The European Medicines Agency (EMA) and the UK's Veterinary Medicines Directorate (VMD).

We make sterile and non-sterile products in a variety of dosage forms, including injectables, tablets, pour-ons, suspensions, and spot-ons. We also produce a number of Active Pharmaceutical Ingredients (APIs) for use in our own finished goods ensuring continuity of supply and aiding competitiveness.

Our portfolio of more than 300 trusted products includes antibiotics, anti-inflammatories, anthelmintics and intramammaries which are distributed in 120 countries through our Regional Sales Teams and a network of long standing distribution partners.

We have a history of product innovation and invest a significant portion of our revenue each year in Research and Development. We have a strong pipeline of products, a key growth driver for the company.

Nine
regional sales and marketing offices

100+
local distribution partners

120
countries with product exports

300+
product registrations

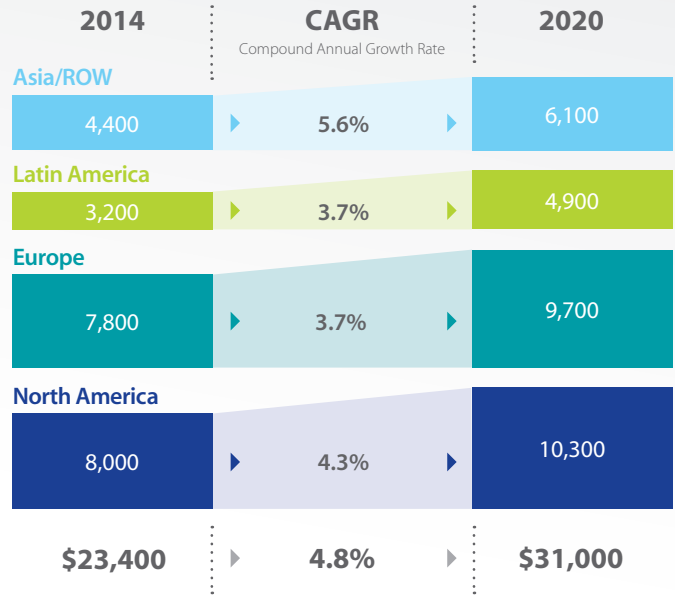


Our Market

Animal Health is a **\$23 billion** global market growing at **4 to 6% annually**

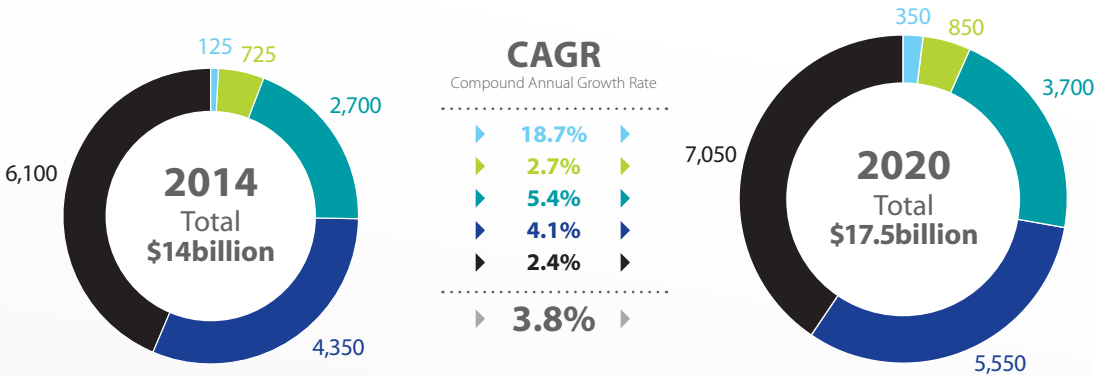
Global Animal Health Market by Geography (\$ millions)

Sector is dominated by US/EU, but emerging markets and new products are expected to drive growth.



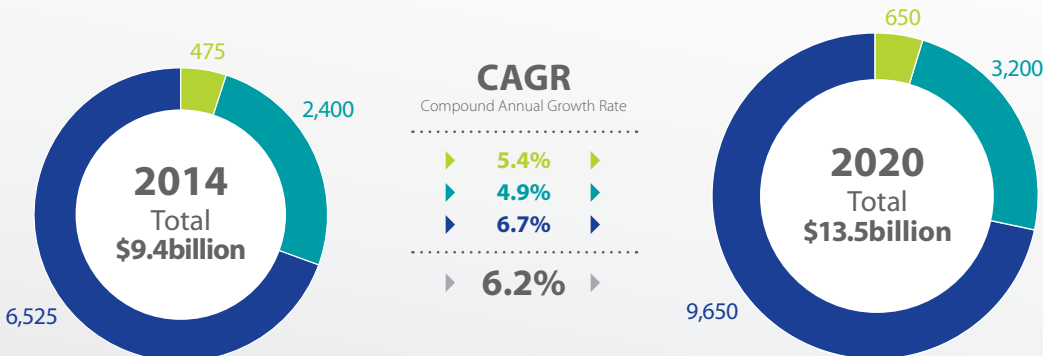
Strong Market Fundamentals

Farm Animal ● Aquaculture ● Sheep/Other ● Poultry ● Swine ● Cattle



- Growing global population
- Increasing incomes driving an increase in demand for animal protein (emerging markets)
- Drive in productivity improvements

Companion Animal ● Horse/Other ● Cats ● Dogs



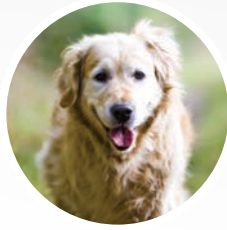
- Growing middle class and urbanisation
- Increased pet ownership
- Humanisation of pets
- Advancements in treatments

Source: Jefferies 2015



Our Strategy

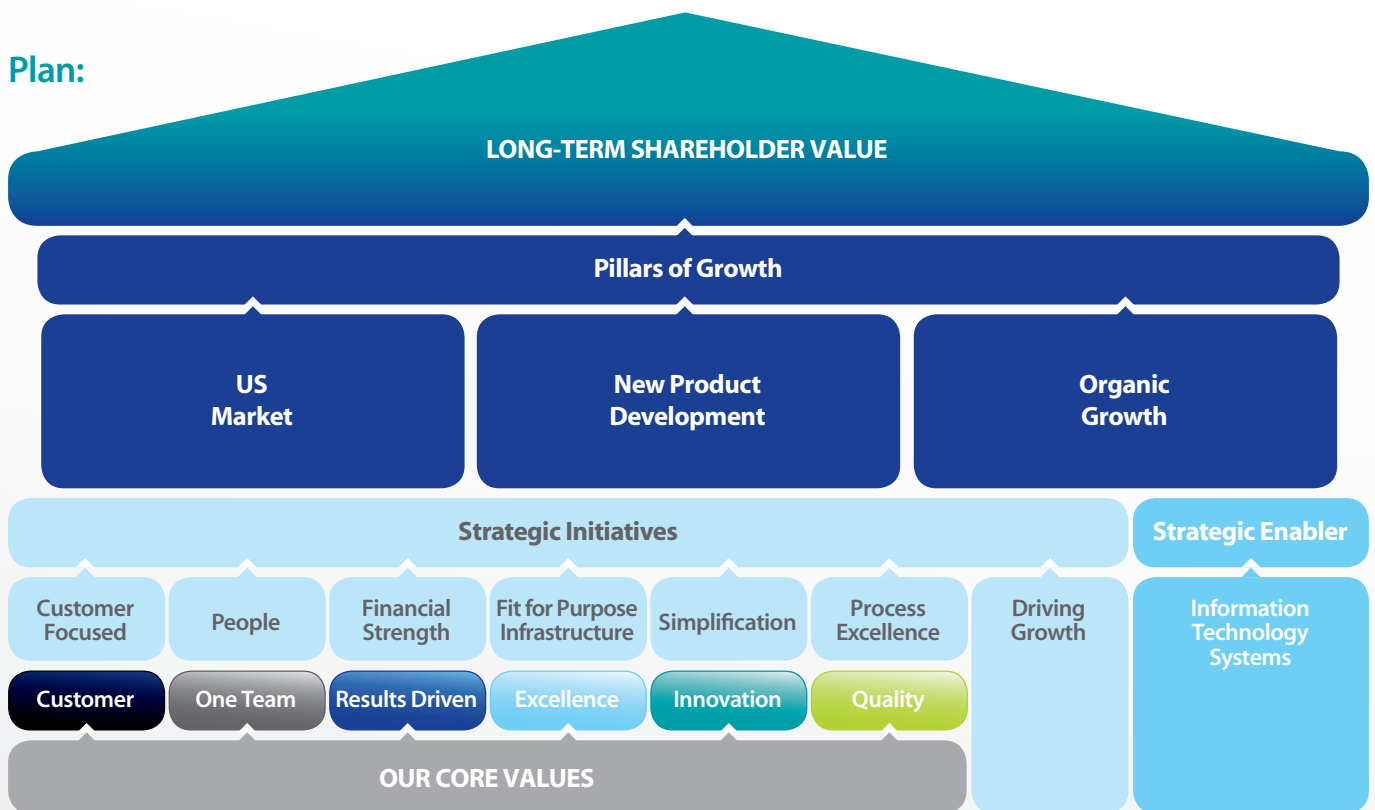
Our Vision: Be a world class global provider of veterinary pharmaceuticals enhancing the health of farm & companion animals



Approach:

- To be the first to market with generic veterinary pharmaceutical products with customer-focused unique selling points
- To balance the portfolio of farm to companion animal products in line with the market
- To drive significant growth in all markets and sectors particularly through new product development
- To drive organic growth through sales excellence and investment in long-term sustainable business partnerships

Plan:



Our Strategy is underpinned by our six Core Values which shape our culture and behaviours

Business Performance

FY16

to
£239m

11%
Revenue Growth

Growth

in both farm (FAP) & companion animal products (CAP)



FAP Sales
£197m
+8%

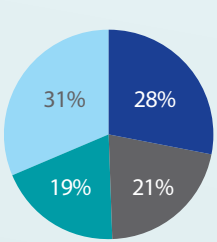
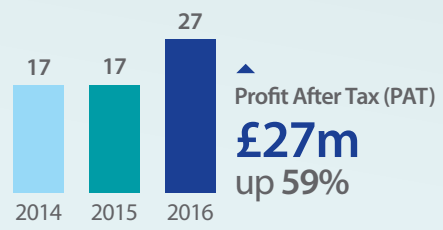
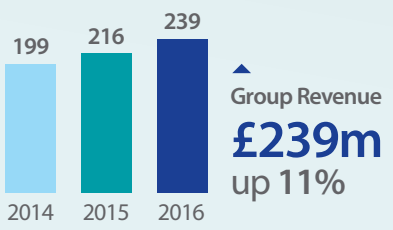
CAP Sales
£42m
+15%

Growth
in ALL
regions

Norbrook in the Market:

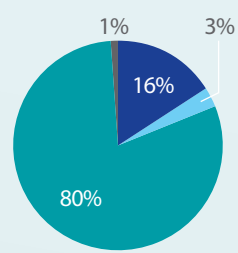
- ✓ 2016 Revenue £239m
- ✓ Growth for FY16 higher than market average, 11% compared to 4-6%
- ✓ In the top 15 global companies

3 Year Performance Revenue Split



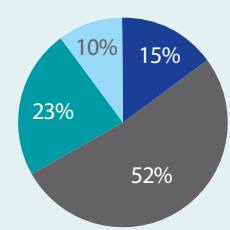
Revenue Split by Region

- North America
- UK & Ireland
- Europe
- Rest of World



Product Class

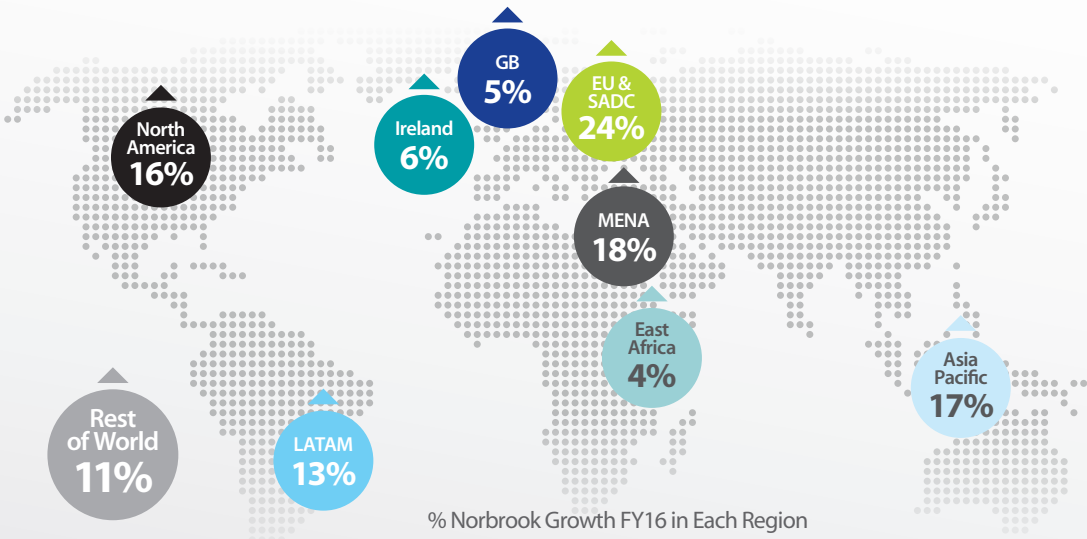
- Companion Animal
- Equine
- Farm Animal
- API / Other



Therapeutic Class

- Anti-inflammatory
- Anti-microbial
- Anti-parasitic
- Other - Miscellaneous

2016 Strong Organic Growth in All Regions:



% Norbrook Growth FY16 in Each Region

Global footprint
– 80% of our revenue is now generated outside the UK



Delivering our Strategy



We have made significant progress in the last year on improving the underlying business and changing the way we operate. This is to drive increased efficiency and productivity across the organisation. Through our focus on seven Strategic Initiatives we have targeted areas of the business for investment, simplification and process improvement to position the company for its next phase of growth.

7 Deliver our global growth strategy

We will drive increased market share for us and our partners through continued investment in New Product Development and our sales and marketing capability.



6 Maintain a strong company funded by an effective financial model

Through investment in business intelligence capability and our improved IT backbone, we are challenging the business to exceed commitments and drive an efficient and effective financial model.



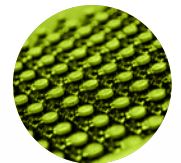
5 Hire, train and retain the best people

We have begun to engage our people as One Team. We are enhancing leadership and management behaviours in line with our Values and we are continually investing to ensure a safe working environment.



4 Simplify our business and be experts in our core skills

We have begun to harmonise our portfolio to help drive efficiency and reduce complexity across the business, enabling us to focus our resources on products / categories that deliver a greater return, both for Norbrook and our partners.



3 Ensure excellence in quality and process

We have invested in our Quality Management System and laboratory infrastructure to enhance efficiency and drive continuous improvement in our customer delivery performance.



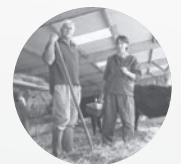
2 Maintain and invest in a fit for purpose infrastructure

We are investing for growth, with a £35m capital programme committed through FY16/17. See page 9.



1 Deliver excellent service to our Customers

We have implemented a number of supply chain innovations in the last year focused on improving our delivery performance and reducing our product lead times.



Focus on



Infrastructure & Investment

There has been significant investment across the business in the last 12 months with more than 60 Capital Projects ongoing or recently completed.

Scientific

A new laboratory block on the Armagh Road site in Newry has recently been completed. This comprises state of the art facilities with laboratories for API, raw material, finished goods and stability testing. These facilities will be replicated at the Station Works site in Newry in 2017.

Operations

There has been significant investment in our manufacturing suites with upgrades and expansion across the sites including current production and packaging facilities at our manufacturing site in Monaghan, Ireland and upgrades to our API facilities.

IT

We have also invested in our Global IT Infrastructure Project. This comprises updates and increased integration of our global network as well as enhanced resilience, security, performance and business continuity to offer a solid platform to support the growth of the company going forward.

Supply Chain

We have invested in a Demand Planning System and a new Customer Services Centre. We are moving to a 50 week per annum operation.



We are investing for growth with a commitment of £35 million in capital expenditure in FY16/17

New Product Development

Norbrook aims to provide a balanced portfolio of veterinary pharmaceutical products to our customers and end users; vets, farmers and pet owners. Our focus is on developing significant veterinary products, being first generic to market where possible, and providing features and benefits that differentiate our product offering.

We have a focused portfolio of products in our pipeline which will support the achievement of our strategic objectives.



Highlights

5 new products in the last 12 months

2 in the US



3 in the EU



3 in the FA sector



2 in the CA sector



10 new products in the pipeline in the next **two** years ...



One Team



Norbrook's Leadership Team is headed up by Liam Nagle, CEO. Each Leadership Team member has responsibility for a different function and its people within the company.

Leadership Team



Liam Nagle
CEO



Kieran Hayes
Executive Assistant to the CEO



Lillian Cromie
Director of Science



Cathy Coulter
Director of Quality



JP McGrath
Finance Director



Martin Murdock
Company Secretary and
Director of Legal Affairs



Denise Collins
HR Director



Dominic O'Meara
Supply Chain Director

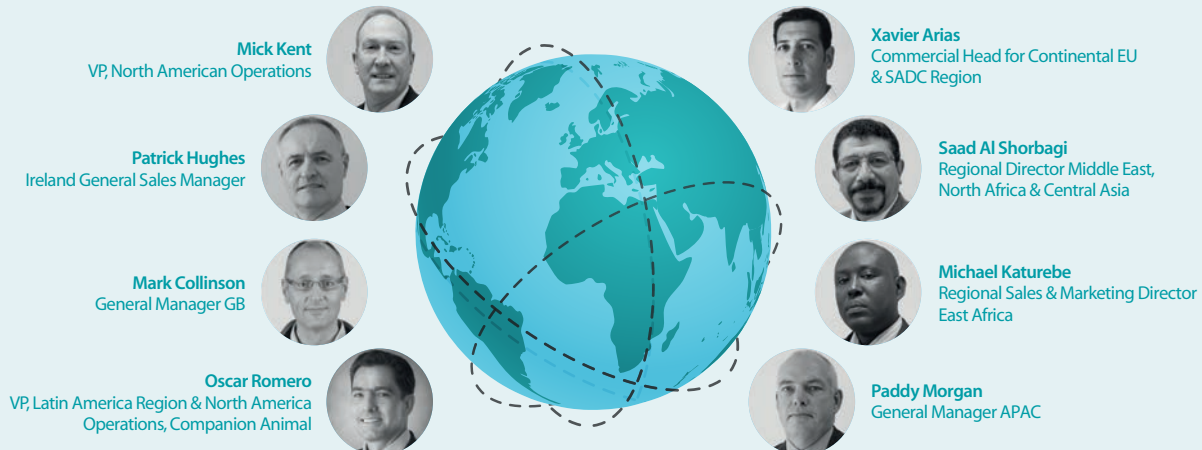


Richard Palmer
Global Head of Sales
and Marketing



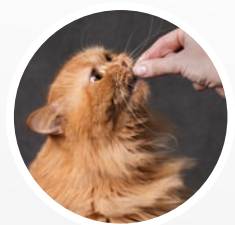
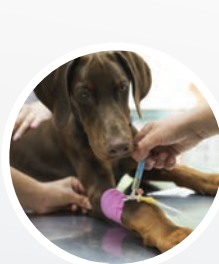
Paschal Phelan
Director of Operations

Regional Sales and Marketing Leadership



We have a global sales team who strive to create winning partnerships with our customers and who are responsive to their needs and requirements.

All our employees are part of one global team. We seek to attract and retain employees who aspire to our Vision, share the company Values and feel part of the One Team culture.





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