

Chair's Statement



"We have navigated a year of significant change and continue to have an exciting future ahead."

Alison Platt
Non-Executive Chair

Introduction

Welcome to our 2023 Annual Report, which will be the last before the Company transfers to private ownership following the approval by shareholders on 20 July 2023 to accept the offer of £38.75 per share from Freya Bidco Limited, a newly formed company to be indirectly owned by (i) EQT X EUR SCSp and EQT X USD SCSp, each represented by its manager (gérant) EQT Fund Management S.à r.l. (collectively referred to as EQT) and (ii) Luxinva S.A.

The 2023 financial year was incredibly eventful. A year that began with a refinancing of debt facilities and equity raise to help fund the acquisitions of Piedmont Animal Health, Inc and Med-Pharmex Holdings, Inc then saw unprecedented industry-wide changes within the US wholesaler channel at the turn of the calendar year, which later extended to the UK market. Although the animal health market remains highly resilient, it has not been completely immune to the macroeconomic challenges posed by the ongoing cost of living crisis, creating a more unpredictable environment in some of our major European markets in particular.

Focused on implementing Dechra's five year plan, the Board's agenda centred on integrating both US acquisitions, the planned uplift in investment in R&D and navigating the significant market dynamics that were outside of our control. In the midst of this the Board was approached by EQT who signalled their desire to buy the business. After some weeks of negotiation, we indicated that we were minded to recommend the offer, and subsequently granted EQT access to undertake due diligence. This involved considerable additional work by Dechra's management team and I want to take this opportunity, on behalf of the Board, to express my thanks for their tireless efforts in guiding the transaction through to a successful conclusion.

Board Changes

Following ten years as a Non-Executive Director at Dechra, Ishbel Macpherson stepped down from the Board on 22 June 2023. Ishbel's contribution to the Board over that time has been outstanding and on behalf of the Board I would like to thank her for her tenure, including the additional time committed to enable us to appoint a replacement Non-Executive Director and Remuneration Committee Chair.

We were delighted that Geeta Gopalan joined as a Non-Executive Director on 1 January 2023, later succeeding Ishbel as Remuneration Committee Chair on 1 March 2023.

Diversity

Dechra is committed to building high performing diverse teams at all levels in the organisation. We have long been cognisant of the ongoing requirements regarding diversity targets for listed businesses, and highlighted last year our intention to address these as part of the succession plan for our Remuneration Chair. Following the appointment of Geeta as noted above, we now have one director from a minority ethnic background and have maintained 37.5% female representation on the Board.

Sustainability

Dechra places great importance on our ability to positively impact the animals, people and areas of our planet touched by our operations. As you will see throughout this Report we have further integrated our Sustainability strategy within our business and corporate reporting, illustrating the extent to which it is woven within the fabric of the Group. Tangible examples of this include our commitment to a Living Wage globally, particularly pertinent this year as employees navigate rising inflation and other cost of living pressures, and our ambitious carbon emission reduction plans which have been submitted to the Science Based Targets initiative.

Looking Ahead

Throughout all of the events noted above and many more besides, our Values and Culture have shone through. Dechra remains a special business with special people. Along with the rest of the Non-Executive Directors, I will step down from the Board once the business has transferred to private ownership believing that it is well positioned to continue its sustainable growth strategy and has an exciting future ahead.

Alison Platt
Non-Executive Chair
12 October 2023