ECO Animal Health Group

China weakness but profitability maintained

6 November 2026

In a trading update for the six months to 30 September, ECO Animal Health reports revenue of £33.0m, -15%YoY (H1 26: £39.0m), resulting from a decline in revenue from China/Japan, partially offset by overall 6%YoY growth elsewhere including over 50%YoY growth in South & South East Asia. Gross margin improved to c.52% (H1 26: 49.6%) whilst (adj.) EBITDA of c.£3.0m matched H1 26 (£2.96m), and cash stood at £24m (FY26: £25.5m). Of note, the first of the range of new products under development, ECOVAXXIN®MS, recorded initial EU sales. The Group expects FY27 revenue from the China/Japan region to be less than half of FY26 (FY26: £24.1m, 27.5% of total) resulting in overall revenue below market consensus of £89.6m. However, (adj.) EBITDA of £8.5m is expected to be broadly in line with consensus[1] (ED estimate £8.5m), as is EPS of 3.30p (ED estimate adj. dil. 3.3p).

- The Group reports that, as highlighted in July, pork prices in China remained weak resulting from an excess of supply and producer losses, with a consequent reduction in demand for animal health products. Data from the Chinese Ministry of Agriculture and Rural Affairs shows prices of 14.3–14.5 CNY/kg in late June; the November price was 15.49 CNY/kg. Overall, EAH notes that supply is adjusting to these lower prices with an 11%YoY reduction in the breeding sow herd in September; this adjustment provides the basis for an expected recovery in prices in 2027.
- First sales of ECOVAXXIN®MS vaccine against *Mycoplasma synoviae* were recorded following EU launch in July 2026. Contribution in H1 was 'modest', as expected, with uptake anticipated to accelerate as customers progress beyond initial trials.
- Despite the reduction in revenues, the expected further improvement in gross margins to c.52% is ahead of our outlook of 46.5%; the Group reports continued cost control.

Our (adj.) EBITDA outlook and Fair Value maintained

One consequence of the strong market presence and contribution to earnings of the Group's mainstay product, Aivlosin®, is exposure to general demand trends such as that exhibited in the latest China data. The Group has countered this impact through cost control, resulting in strong cash preservation. In particular, we note that the first of the range of new products under development, ECOVAXXIN®MS, has moved from 'late-stage development' towards contributing to earnings. Whilst we will review our FY27 revenue outlook, our (adj.) EBITDA and EPS outlook is maintained, as is our Fair Value of 180p/share.

Key financials and valuation metrics

Year to 31 March (£m)	2024A	2025A	2026A	2027E	2028E
Revenue	89.4	79.6	87.5	91.2	95.8
EBITDA (adj.)	8.0	7.3	8.5	8.5	9.4
Pre-Tax Profit (adj.)	4.0	3.5	5.8	5.2	6.4
EPS (rptd. basic)	1.5	2.5	3.3	3.1	5.2
EPS (adj. dil. p)	2.3	1.9	3.4	3.3	5.5
Net cash / (debt)	22.4	25.1	25.5	25.1	24.8
EV/EBITDA	4.8x	5.3x	4.6x	4.6x	4.1x
EV/Rev	0.4x	0.5x	0.4x	0.4x	0.4x
P/E	40.9x	49.5x	27.6x	29.2x	17.2x

Source: Company data. Equity Development estimates. [1] The Group notes: "As at 5 November 2026, the market consensus for revenue and adjusted EBITDA for the year ending 31 March 2027 are £89.6m and £8.5m respectively. Market consensus for earnings per share is understood to be 3.30p."

Company data

EPIC	EAH.L
Price (last close)	95p
52 weeks Hi/Lo	117p/80p
Market cap	£64m
ED Fair Value / share	180p
Net cash / (debt) 2026A	£25.5m

Share price, p



Source: Investing.com

Description

Founded in 1995, ECO Animal Health specialises in the development, registration and distribution of pharmaceutical products for animal health markets worldwide, notably bacterial infection and parasitic prevention for pigs, cattle, sheep and poultry. The Group addresses markets in China and the Far East, S&SE Asia, North America, Latin America and Europe, and derives c.90% of revenue from its enteric and respiratory antibiotic Aivlosin®.

Next event

Interim Results - 30 November

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P&L

Year to 31 March (£m)	H1 25A	H2 25A	H1 26A	H2 26A	FY24A	FY25A	FY26A	FY27E	FY28E
Revenue	**33.2**	**46.4**	**39.4**	**48.1**	**89.4**	**79.6**	**87.5**	**91.2**	**95.8**
Gross	**13.4**	**22.6**	**19.6**	**22.9**	**37.7**	**35.9**	**42.5**	**42.4**	**44.5**
Margin	*40.3%*	*48.6%*	*49.6%*	*47.7%*	*42.1%*	*45.1%*	*48.6%*	*46.5%*	*46.5%*
COGS	(19.8)	(23.9)	(19.8)	(25.2)	(51.7)	(43.7)	(45.0)	(48.8)	(51.2)
Other income	0.1	0.0	0.1	0.0	0.1	0.1	0.1	0.0	0.0
R&D	(2.4)	(1.6)	(2.7)	(2.6)	(4.2)	(4.0)	(5.3)	(5.1)	(5.1)
Admin costs	(13.4)	(15.3)	(15.8)	(15.9)	(29.4)	(28.7)	(31.7)	(31.5)	(32.6)
Impairment/Other	1.0	(0.1)	0.0	0.0	(0.7)	1.0	0.0	0.0	0.0
Sum Op-ex	(14.5)	(17.1)	(18.4)	(18.4)	(34.1)	(31.6)	(36.8)	(37.0)	(38.1)
Sh-based payments	(0.2)	(0.2)	(0.3)	(0.1)	(0.4)	(0.4)	(0.3)	(0.4)	(0.4)
Forex	1.2	(0.4)	0.2	(0.3)	0.6	0.7	(0.2)	0.0	0.0
EBIT (rptd.)	(1.2)	5.5	1.2	4.6	3.5	4.3	5.7	5.5	6.4
EBIT (adj.)	**(2.0)**	**5.8**	**1.4**	**4.6**	**4.6**	**3.7**	**6.0**	**5.8**	**6.8**
Margin	*N.M.*	*12.5%*	*3.6%*	*9.6%*	*5.1%*	*4.7%*	*6.9%*	*6.4%*	*7.1%*
Amortisation	(0.6)	(0.6)	(0.6)	(0.6)	(1.2)	(1.2)	(1.1)	(1.3)	(1.3)
Depreciation RoU	(0.3)	(0.4)	(0.3)	(0.3)	(0.7)	(0.7)	(0.7)	(0.7)	(0.6)
Depreciation	(0.5)	(0.5)	(0.5)	(0.4)	(1.0)	(1.0)	(0.9)	(1.1)	(1.1)
EBITDA (rptd.)	1.3	6.5	2.7	5.5	6.9	7.9	8.2	8.5	9.4
EBITDA (adj)	**0.4**	**6.9**	**3.0**	**5.6**	**8.0**	**7.3**	**8.5**	**8.5**	**9.4**
Margin	*1.3%*	*14.8%*	*7.5%*	*11.6%*	*9.0%*	*9.2%*	*9.8%*	*9.4%*	*9.8%*
Financial income	0.1	0.1	0.0	0.0	0.2	0.1	0.1	0.1	0.1
Financial expense	(0.3)	(0.1)	(0.2)	(0.2)	(0.8)	(0.5)	(0.4)	(0.8)	(0.6)
Associate	0.0	0.0	0.0	(0.0)	0.1	0.1	0.0	0.1	0.1
PBT (rptd.)	(1.4)	5.4	1.1	4.4	3.0	4.0	5.4	4.8	6.0
PBT (adj.)	**(2.3)**	**5.7**	**1.3**	**4.4**	**4.0**	**3.5**	**5.8**	**5.2**	**6.4**
Tax	(0.3)	(1.0)	(0.3)	(1.4)	(1.0)	(1.4)	(1.8)	(1.3)	(1.5)
PAT (rptd.)	(1.8)	4.4	0.7	2.9	2.0	2.6	3.7	3.5	4.5
PAT (adj.)	(2.6)	4.7	1.0	3.0	3.1	2.1	4.0	3.9	4.9
Basic wtd. Av. shares (m)					67.7	67.6	67.2	67.2	67.2
Diluted wtd. av. shares (m)					69.1	69.4	69.5	69.5	69.5
EPS rptd. basic (p)					1.55	2.49	3.26	3.06	5.23
EPS rptd. dil. (p)					1.52	2.43	3.15	2.96	5.06
EPS adj. basic (p)					2.37	1.97	3.55	3.37	5.70
EPS adj. dil. (p)					**2.32**	**1.92**	**3.44**	**3.25**	**5.51**

Cashflow

Year to 31 March (£m)	H1 25A	H2 25A	H1 26A	H2 26A	FY24A	FY25A	FY26A	FY27E	FY28E
PBT (rptd.)	(1.4)	5.4	1.1	4.4	3.0	4.0	5.4	4.8	6.0
Finance (net)	0.3	0.1	0.1	0.2	0.6	0.3	0.3	0.7	0.5
Forex	1.2	(0.4)	0.2	(0.3)	0.6	0.7	(0.2)	0.0	0.0
Amortisation	0.6	0.6	0.6	0.6	1.2	1.2	1.1	1.3	1.3
Depreciation RoU	0.3	0.4	0.3	0.3	0.7	0.7	0.7	0.7	0.6
Depreciation	0.5	0.5	0.5	0.4	1.0	1.0	0.9	1.1	1.1
Impairment/Other	0.0	(1.0)	0.0	0.0	0.1	(1.0)	0.0	0.0	0.0
Associate	(0.0)	(0.0)	(0.0)	0.0	(0.1)	(0.1)	(0.0)	(0.1)	(0.1)
Sh-based payments	0.2	0.2	0.3	0.1	0.4	0.4	0.3	0.4	0.4
Other	(0.7)	0.7	0.0	0.0	0.3	0.0	0.0	0.0	0.0
Operating Cash Flow	**0.8**	**6.5**	**3.0**	**5.6**	**7.7**	**7.3**	**8.5**	**8.9**	**9.8**
(Inc)/Dec inventories	(0.2)	2.2	(1.4)	2.7	4.7	2.1	1.2	(2.7)	(0.0)
(Inc)/Dec receivables	5.3	(1.1)	5.1	0.9	(5.0)	4.2	6.0	(2.3)	(0.8)
Inc/(Dec) payables	(5.6)	4.2	(6.7)	1.2	2.5	(1.3)	(5.5)	5.8	0.1
Provisions	(0.3)	0.2	0.3	(0.4)	0.6	(0.1)	(0.1)	(0.1)	(0.1)
Ch working capital	(0.8)	5.6	(2.8)	4.4	2.8	4.9	1.6	0.6	(0.8)
Cash from operations	**(0.0)**	**12.2**	**0.2**	**9.9**	**10.5**	**12.2**	**10.1**	**9.5**	**9.0**
Interest paid	(0.1)	(0.1)	(0.1)	0.1	(0.5)	(0.2)	(0.0)	0.0	0.0
Tax (paid)/received	0.6	(2.1)	(1.1)	(1.3)	(0.6)	(1.5)	(2.5)	(1.2)	(1.3)
Net from operations	0.5	10.0	(1.1)	8.7	9.4	10.5	7.7	8.3	7.7
PPE	(0.1)	(0.3)	(0.1)	(0.1)	(0.5)	(0.4)	(0.2)	(0.5)	(0.6)
Sale of PPE/operations	0.4	(0.1)	0.0	0.0	1.1	0.3	0.0	0.0	0.0
Capitalised R&D	(1.8)	(2.9)	(1.9)	(1.7)	(4.1)	(4.6)	(3.6)	(4.0)	(4.0)
Finance	0.1	0.1	0.0	0.0	0.2	0.1	0.1	0.1	0.1
Net used in investing	(1.4)	(3.2)	(1.9)	(1.8)	(3.4)	(4.6)	(3.7)	(4.4)	(4.5)
Net OpFCF	**(0.9)**	**6.8**	**(3.0)**	**6.9**	**6.0**	**5.9**	**4.0**	**3.9**	**3.3**
Shares issued	0.0	0.0	0.0	(0.8)	0.0	0.0	(0.8)	0.0	0.0
Interest on leases	(0.2)	(0.0)	(0.1)	(0.2)	(0.3)	(0.3)	(0.3)	(0.5)	(0.1)
Leases	(0.3)	(0.4)	(0.4)	(0.3)	(0.6)	(0.6)	(0.7)	(0.8)	(0.4)
Dividends	(1.1)	0.0	(2.5)	0.0	(2.8)	(1.1)	(2.5)	(3.0)	(3.0)
Net cash from financing	(1.6)	(0.4)	(2.9)	(1.3)	(3.7)	(2.0)	(4.2)	(4.3)	(3.5)
Net increase in cash	**(2.5)**	**6.4**	**(5.9)**	**5.7**	**2.3**	**3.9**	**(0.2)**	**(0.4)**	**(0.3)**
Cash start	22.4	18.3	25.1	18.7	21.7	22.4	25.1	25.5	25.1
Forex	(1.6)	0.3	(0.4)	1.1	(1.6)	(1.3)	0.7	0.0	0.0
Cash end	**18.3**	**25.1**	**18.7**	**25.5**	**22.4**	**25.1**	**25.5**	**25.1**	**24.8**

Balance sheet

Year to 31 March (£m)	H1 25A	H1 26A	FY24A	FY25A	FY26A	FY27E	FY28E
Intangibles Net	39.6	43.2	38.4	41.8	44.3	47.0	49.7
PPE net	4.3	4.0	4.8	4.0	3.4	2.8	2.3
RoU Assets Net	3.3	4.7	3.7	3.4	4.5	4.7	3.0
Property Investments	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Investments	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Deferred Tax	1.3	1.1	1.4	1.1	1.5	1.5	1.5
Sum Fixed Assets	**48.8**	**53.3**	**48.5**	**50.7**	**54.1**	**56.3**	**56.8**
Inventories	16.7	16.0	17.0	14.6	13.5	16.2	16.3
Trade receivables	26.8	24.0	32.2	28.5	24.0	26.2	27.0
Tax assets, other	1.2	2.5	3.2	1.9	1.6	2.5	2.5
Cash, Equivalents	18.3	18.7	22.4	25.1	25.5	25.1	24.8
Sum Current Assets	**63.0**	**61.1**	**74.7**	**70.0**	**64.6**	**70.1**	**70.6**
Total Assets	111.7	114.5	123.3	120.7	118.6	126.3	127.4
Trade payables	(10.8)	(9.8)	(17.4)	(15.1)	(11.9)	(17.7)	(17.8)
Provisions	(5.1)	(5.5)	(5.9)	(5.0)	(5.4)	(5.4)	(5.4)
Tax, Other	(0.9)	(1.1)	(2.0)	(1.7)	(1.5)	(1.5)	(1.5)
Dividends	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.5)	(0.5)
Sum Current Liabilities	**(16.9)**	**(16.4)**	**(25.2)**	**(21.8)**	**(18.9)**	**(25.1)**	**(25.2)**
Total Assets less CL	94.9	98.1	98.0	98.9	99.7	101.3	102.1
Deferred tax	(1.3)	(0.9)	(1.3)	(0.9)	(0.0)	(0.0)	(0.0)
Leases	(3.1)	(4.3)	(3.4)	(3.2)	(4.2)	(3.4)	(3.4)
Sum Long-term liabilities	**(4.4)**	**(5.2)**	**(4.7)**	**(4.0)**	**(4.2)**	**(3.4)**	**(3.4)**
Total liabilities	(21.2)	(21.6)	(29.9)	(25.8)	(23.1)	(28.5)	(28.6)
Net Assets	90.5	92.9	93.4	94.8	95.6	97.9	98.7
Share Capital	3.4	3.4	3.4	3.4	3.4	3.4	3.4
Share Premium	63.3	63.3	63.3	63.3	63.3	65.1	67.5
Reserves	1.2	0.5	1.6	0.9	0.2	0.2	0.2
Retained earnings	14.3	17.8	15.8	17.9	20.2	20.7	19.3
Non-controlling interests	8.3	7.6	9.7	9.3	8.4	8.4	8.4
Equity	**90.5**	**92.9**	**93.4**	**94.8**	**95.6**	**97.9**	**98.7**
Net cash / (debt) pre IFRS16	18.3	18.7	22.4	25.1	25.5	25.1	24.8
Net cash / (debt) IFRS16	15.2	14.4	19.0	21.9	21.3	21.7	21.4

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