

## Milestone poultry vaccine submission

3 March 2025

Eco Animal Health reports that it has submitted a key Market Authorisation Application (MAA) to the European Medicines Agency (EMA), with supporting documentation, for its ECOVAXXIN<sup>®</sup>MS, *Mycoplasma synoviae*, vaccine. This represents an important step towards commercialisation for ECOVAXXIN<sup>®</sup>MS, one of nine major new vaccines under development. This is a process which we expect to be replicated and as CEO David Hallas notes, this “represents a pivotal moment for ECO”. Significantly, the Group continues to submit technical data to the US Department of Agriculture (USDA) for both ECOVAXXIN<sup>®</sup> *Mycoplasma synoviae* and ECOVAXXIN<sup>®</sup> *Mycoplasma gallisepticum* (MG), and expects to gain marketing approval in the US, subject to dossier review, *at about the same time as in Europe*.

## The transition to a new generation of products gathers pace

The MAA submission (see: [www.ema.europa.eu](http://www.ema.europa.eu)) was achieved ahead of schedule. In a process which is expected to take approximately 18 months, once granted Market Authorisation<sup>1</sup> is valid across the EU and in Iceland, Norway and Lichtenstein. *Mycoplasma synoviae* (MS) is a respiratory and joint infection in poultry which results in reduced (5-10%) egg production, up to 10% decreased hatchability and up to a 4% increase in broiler mortality<sup>2</sup>. It is difficult to detect before the infection becomes established in poultry colonies, resulting in potentially widespread impact across farms. ECOVAXXIN<sup>®</sup>MS is one of nine flagship products under development on a pathway extending into the 2030s<sup>3</sup>. As we have noted (see Equity Development 28<sup>th</sup> November 2024 report, ‘[FY25 interims point to a stronger second half](#)’) Eco Animal Health has the financial resources (based on Aivlosin<sup>®</sup> as a mature, highly cash-generative product) and technical processes to bring new products to commercial reality. **The MAA submission represents significant ratification of this programme.**

## Capital Markets Day – 13<sup>th</sup> March

The forthcoming Capital Markets Day offers the Group the opportunity to update on progress in product development and remind investors of the rigorous processes developed to continually evaluate the results of R&D innovation, derisking the various stages towards full commercialisation. Our outlook at this stage remains unchanged, indicating a Fair Value/share range of 97p – 102p. However, this development focuses renewed attention on the medium- to long-term value the Group can establish through the pipeline of new product development, a subject worthy of further evaluation.

### Company Data

EPIC	EAH.L
Price (last close)	60p
52 weeks Hi/Lo	135p/57p
Market cap	£41m
ED Fair Value/share	97 - 102p
Proforma net cash	£22.4m

### 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 disease, bacterial infection and parasitic prevention for pigs, cattle, sheep and poultry.

The Group addresses markets in China and the Far East, SE Asia, North America, Latin America and Europe, and derives c.90% of revenue from its enteric and respiratory antibiotic Aivlosin<sup>®</sup>, for the treatment of diseases in pigs and poultry.

### Next event

Capital Markets Day  
13 March 2025

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## Earnings outlook

Yr to 31 March (£m)	2022	2023	2024	2025E	2026E
Revenue	82.2	85.3	89.4	84.3	85.3
EBITDA (adj.)	5.4	7.2	8.0	7.2	7.5
Pre-Tax Profit (adj.)	3.8	4.8	4.0	4.0	4.3
EPS (rptd. basic)	(1.01)	1.49	1.55	2.47	1.27
EPS (adj. dil. p)	2.47	1.66	2.32	1.08	1.42
Net debt / (cash)	(14.3)	(21.7)	(22.4)	(18.4)	(17.9)
EV/EBITDA	4.1x	3.1x	2.8x	3.1x	3.0x
EV/Rev	0.27x	0.26x	0.25x	0.27x	0.26x

Source: Company data. Equity Development estimates. <sup>1</sup>See: [ema.europa.eu/marketing-authorisation](http://ema.europa.eu/marketing-authorisation). <sup>2</sup> Eco Anima: Health citing Yadav et al., “Insights on *Mycoplasma gallisepticum* and *Mycoplasma synoviae* in poultry: a systematic review, *Animal Biotechnology*”, 2021. <sup>3</sup> For poultry: ECOVAXXIN<sup>®</sup>MS, necrotic enteritis mAb (monoclonal), ECO MVV NDIBD multivalent vaccine, CoximAb vaccine against coccidiosis (monoclonal), anti-parasitic (redmite); for swine: ECOVAXXIN<sup>®</sup> PCV-2 Mh/MHYO, bivalent vaccine, PRRSvmAb, swine vaccine (monoclonal), ECOflor injectable florfenicol anti-infective.

## Financial data

### P&L

Year to 31 March (£m)	H1 23	H2 23	H1 24	H2 24	H1 25	FY23	FY24	FY25E	FY26E
China & Japan	8.5	17.9	9.7	15.0	8.2	26.4	24.7	21.0	21.2
N America	6.5	8.7	8.2	10.3	8.6	15.2	18.5	18.7	18.9
S & SE Asia	7.4	9.4	7.7	9.7	5.1	16.8	17.4	15.7	15.9
LatAm	7.9	10.2	7.7	12.2	8.3	18.1	19.9	20.1	20.3
Europe	2.9	3.2	3.5	3.0	2.1	6.1	6.5	6.5	6.6
RoW/UK	1.7	1.1	1.2	1.3	0.9	2.8	2.5	2.4	2.4
<b>Revenue</b>	<b>34.9</b>	<b>50.5</b>	<b>38.0</b>	<b>51.4</b>	<b>33.2</b>	<b>85.3</b>	<b>89.4</b>	<b>84.3</b>	<b>85.3</b>
<b>Gross</b>	<b>15.8</b>	<b>22.6</b>	<b>15.5</b>	<b>22.2</b>	<b>13.4</b>	<b>38.4</b>	<b>37.7</b>	<b>33.7</b>	<b>38.0</b>
<i>Margin</i>	<i>45.3%</i>	<i>44.8%</i>	<i>40.8%</i>	<i>43.1%</i>	<i>40.3%</i>	<i>45.0%</i>	<i>42.1%</i>	<i>40.0%</i>	<i>44.5%</i>
COGS	(19.1)	(27.9)	(22.5)	(29.2)	(19.8)	(46.9)	(51.7)	(50.6)	(47.3)
Other income	0.2	0.1	0.0	0.0	0.1	0.4	0.1	0.1	0.0
R&D	(2.9)	(3.0)	(2.1)	(2.1)	(2.4)	(5.9)	(4.2)	(5.2)	(5.0)
Admin	(10.0)	(17.8)	(14.0)	(15.4)	(13.4)	(27.9)	(29.4)	(24.4)	(28.0)
Impairment/Other	0.0	0.0	0.0	(0.7)	1.0	0.0	(0.7)	1.0	0.0
Sum Op-ex	(12.7)	(20.7)	(16.1)	(18.1)	(14.5)	(33.4)	(34.1)	(28.4)	(33.4)
Sh-based payments	(0.2)	(0.2)	(0.3)	(0.1)	(0.2)	(0.4)	(0.4)	(0.4)	(0.4)
Forex	(2.6)	2.1	(0.2)	0.8	1.2	(0.5)	0.6	0.0	0.0
EBIT (rptd.)	3.1	1.9	(0.6)	4.1	(1.2)	4.9	3.5	5.3	4.6
<b>EBIT (adj.)</b>	<b>3.3</b>	<b>2.1</b>	<b>(0.3)</b>	<b>4.9</b>	<b>(2.0)</b>	<b>5.4</b>	<b>4.6</b>	<b>4.7</b>	<b>5.0</b>
<i>Margin</i>	<i>9.3%</i>	<i>4.2%</i>	<i>N.M.</i>	<i>9.5%</i>	<i>N.M.</i>	<i>6.3%</i>	<i>5.1%</i>	<i>5.6%</i>	<i>5.8%</i>
Amortisation	(0.5)	(0.5)	(0.5)	(0.6)	(0.6)	(1.1)	(1.2)	(1.2)	(1.1)
Amortisation RoU	(0.2)	(0.3)	(0.2)	(0.5)	(0.3)	(0.5)	(0.7)	(0.7)	(0.7)
Depreciation	(0.2)	(0.6)	(0.5)	(0.5)	(0.5)	(0.8)	(1.0)	(0.7)	(0.8)
EBITDA (rptd.)	1.5	5.3	0.4	6.5	1.3	6.8	6.9	7.9	7.2
<b>EBITDA (adj)</b>	<b>1.7</b>	<b>5.6</b>	<b>0.7</b>	<b>7.3</b>	<b>0.4</b>	<b>7.2</b>	<b>8.0</b>	<b>7.2</b>	<b>7.5</b>
<i>Margin</i>	<i>4.8%</i>	<i>11.0%</i>	<i>1.9%</i>	<i>14.1%</i>	<i>1.3%</i>	<i>8.5%</i>	<i>9.0%</i>	<i>8.6%</i>	<i>8.8%</i>
Financial income	0.0	0.1	0.1	0.1	0.1	0.1	0.2	0.1	0.1
Financial expense	(0.1)	(0.5)	(0.2)	(0.6)	(0.3)	(0.7)	(0.8)	(0.8)	(0.8)
Associate	0.1	(0.0)	0.0	0.0	0.0	0.0	0.1	0.1	0.1
PBT (rptd.)	3.0	1.4	(0.6)	3.6	(1.4)	4.4	3.0	4.7	4.0
<b>PBT (adj.)</b>	<b>3.2</b>	<b>1.6</b>	<b>(0.3)</b>	<b>4.3</b>	<b>(2.3)</b>	<b>4.8</b>	<b>4.0</b>	<b>4.0</b>	<b>4.3</b>
Tax	(0.9)	(0.4)	(0.6)	(0.4)	(0.3)	(1.3)	(1.0)	(1.0)	(1.1)
PAT (rptd.)	2.1	1.0	(1.2)	3.2	(1.8)	3.1	2.0	3.7	2.9
<b>PAT (adj.)</b>	<b>2.3</b>	<b>1.2</b>	<b>(0.9)</b>	<b>4.0</b>	<b>(2.6)</b>	<b>3.5</b>	<b>3.1</b>	<b>3.0</b>	<b>3.2</b>
Basic wtd. Av. shares (m)						67.7	67.7	67.7	67.7
Diluted wtd. av. shares (m)						68.6	69.1	67.7	67.7
EPS rptd. basic (p)						1.49	1.55	2.47	1.27
EPS rptd. dil. (p)						1.47	1.52	2.47	1.27
EPS adj. basic (p)						1.68	2.37	1.08	1.42
<b>EPS adj. dil. (p)</b>						<b>1.66</b>	<b>2.32</b>	<b>1.08</b>	<b>1.42</b>

Source: Company data. Equity Development estimates.

## Cashflow

Year to 31 March (£m)	H1 23	H2 23	H1 24	H2 24	H1 25	FY23	FY24	FY25E	FY26E
PBT (rptd.)	3.0	1.4	(0.6)	3.6	(1.4)	4.4	3.0	4.7	4.0
Finance (net)	0.1	0.5	0.1	0.5	0.3	0.6	0.6	0.7	0.7
Forex	(2.6)	2.1	(0.2)	0.8	1.2	(0.5)	0.6	0.0	0.0
Amortisation	0.5	0.5	0.5	0.6	0.6	1.1	1.2	1.2	1.1
Amortisation RoU	0.2	0.3	0.2	0.5	0.3	0.5	0.7	0.7	0.7
Depreciation	0.2	0.7	0.5	0.5	0.5	0.8	1.0	0.7	0.8
Impairment/Other	0.0	0.0	0.0	0.1	0.0	0.0	0.1	(1.0)	0.0
Associate	(0.1)	0.0	(0.0)	(0.0)	(0.0)	(0.0)	(0.1)	(0.1)	(0.1)
Share-based payments	0.2	0.2	0.3	0.1	0.2	0.4	0.4	0.4	0.4
Other	(0.0)	0.0	0.0	0.3	(0.7)	(0.0)	0.3	0.0	0.0
<b>Operating Cash Flow</b>	<b>1.6</b>	<b>5.6</b>	<b>0.7</b>	<b>7.0</b>	<b>0.8</b>	<b>7.2</b>	<b>7.7</b>	<b>7.2</b>	<b>7.5</b>
<b>Working capital</b>									
(Inc)/Dec inventories	(1.7)	9.4	2.5	2.2	(0.2)	7.8	4.7	(6.1)	2.1
(Inc)/Dec receivables	4.2	(4.9)	2.3	(7.3)	5.3	(0.7)	(5.0)	6.8	2.0
Inc/(Dec) payables	(1.6)	4.3	(0.8)	3.2	(5.6)	2.7	2.5	(1.0)	0.2
Provisions	0.5	0.9	0.0	0.5	(0.3)	1.4	0.6	0.5	0.5
Ch working capital	1.4	9.8	4.1	(1.3)	(0.8)	11.2	2.8	0.1	4.8
<b>Cash from operations</b>	<b>3.0</b>	<b>15.4</b>	<b>4.8</b>	<b>5.7</b>	<b>(0.0)</b>	<b>18.4</b>	<b>10.5</b>	<b>7.4</b>	<b>12.4</b>
Interest paid	(0.1)	(0.4)	(0.0)	(0.5)	(0.1)	(0.5)	(0.5)	(0.5)	0.0
Tax (paid)/received	(1.0)	(1.0)	(0.1)	(0.5)	0.6	(2.1)	(0.6)	(1.0)	(1.0)
Net from operations	1.9	14.0	4.7	4.7	0.5	15.9	9.4	5.9	11.3
<b>Investing activities</b>									
PPE	(1.3)	(2.3)	(0.4)	(0.1)	(0.1)	(3.6)	(0.5)	(0.6)	(0.6)
Sale of PPE/operations	0.0	0.0	0.5	0.5	0.4	0.0	1.1	0.0	0.0
Capitalised R&D	(1.3)	(1.1)	(1.5)	(2.6)	(1.8)	(2.4)	(4.1)	(5.0)	(4.8)
Finance	0.0	0.1	0.1	0.1	0.1	0.1	0.2	0.2	0.2
Net used in investing	(2.5)	(3.4)	(1.3)	(2.1)	(1.4)	(5.9)	(3.4)	(5.4)	(5.3)
<b>Net OpFCF</b>	<b>(0.6)</b>	<b>10.7</b>	<b>3.4</b>	<b>2.6</b>	<b>(0.9)</b>	<b>10.0</b>	<b>6.0</b>	<b>0.5</b>	<b>6.1</b>
<b>Financing activities</b>									
Shares issued	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Interest on leases	(0.1)	(0.1)	(0.2)	(0.1)	(0.2)	(0.2)	(0.3)	(0.1)	(0.1)
Leases	(0.2)	(0.2)	(0.1)	(0.5)	(0.3)	(0.4)	(0.6)	(0.4)	(0.4)
Dividends	(1.8)	0.0	(2.8)	0.0	(1.1)	(1.8)	(2.8)	(4.0)	(6.0)
Net cash from financing	(2.1)	(0.3)	(3.1)	(0.6)	(1.6)	(2.4)	(3.7)	(4.5)	(6.5)
<b>Net increase in cash</b>	<b>(2.7)</b>	<b>10.4</b>	<b>0.3</b>	<b>2.0</b>	<b>(2.5)</b>	<b>7.6</b>	<b>2.3</b>	<b>(4.0)</b>	<b>(0.5)</b>
Cash start	14.3	12.9	21.7	21.1	22.4	14.3	21.7	22.4	18.4
Forex	1.3	(1.6)	(0.8)	(0.8)	(1.6)	(0.3)	(1.6)	0.0	0.0
<b>Cash end</b>	<b>12.9</b>	<b>21.7</b>	<b>21.1</b>	<b>22.4</b>	<b>18.3</b>	<b>21.7</b>	<b>22.4</b>	<b>18.4</b>	<b>17.9</b>

Source: Company data. Equity Development estimates.

## Balance sheet

Year to 31 March (£m)	H1 23	H2 23	H1 24	H2 24	H1 25	FY23	FY24	FY25E	FY26E
<b>Fixed Assets</b>									
Intangibles Net	35.1	35.6	36.6	38.4	39.6	35.6	38.4	42.2	45.9
PPE net	4.8	6.1	5.8	4.8	4.3	6.1	4.8	4.7	4.5
RoU Assets Net	1.6	4.3	3.9	3.7	3.3	4.3	3.7	7.5	13.4
Property Investments	0.2	0.0	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	0.3	0.3
Deferred Tax	0.5	0.6	0.6	1.4	1.3	0.6	1.4	1.4	1.4
<b>Sum Fixed Assets</b>	<b>42.5</b>	<b>46.8</b>	<b>47.2</b>	<b>48.5</b>	<b>48.8</b>	<b>46.8</b>	<b>48.5</b>	<b>56.1</b>	<b>65.4</b>
<b>Current Assets</b>									
Inventories	32.9	22.4	19.5	17.0	16.7	22.4	17.0	23.1	21.0
Trade receivables	24.8	26.9	25.7	32.2	26.8	26.9	32.2	25.4	23.4
Tax assets, other	2.4	3.6	2.3	3.2	1.2	3.6	3.2	0.0	0.0
Cash, Equivalents	12.9	21.7	21.1	22.4	18.3	21.7	22.4	18.4	17.9
<b>Sum Current Assets</b>	<b>73.0</b>	<b>74.5</b>	<b>68.7</b>	<b>74.7</b>	<b>63.0</b>	<b>74.5</b>	<b>74.7</b>	<b>66.9</b>	<b>62.3</b>
Total Assets	115.5	121.3	115.9	123.3	111.7	121.3	123.3	123.0	127.8
<b>Current Liabilities</b>									
Trade payables	(13.2)	(14.5)	(15.0)	(17.4)	(10.8)	(14.5)	(17.4)	(16.4)	(16.6)
Provisions	(4.5)	(5.2)	(5.3)	(5.9)	(5.1)	(5.2)	(5.9)	(5.9)	(5.9)
Tax, Other	(0.9)	(2.4)	(1.2)	(2.0)	(0.9)	(2.4)	(2.0)	(2.0)	(2.0)
Dividends	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	0.0	0.0
<b>Sum Current Liabilities</b>	<b>(18.7)</b>	<b>(22.2)</b>	<b>(21.6)</b>	<b>(25.2)</b>	<b>(16.9)</b>	<b>(22.2)</b>	<b>(25.2)</b>	<b>(24.2)</b>	<b>(24.4)</b>
Total Assets less CL	96.8	99.1	94.3	98.0	94.9	99.1	98.0	98.8	103.4
<b>Long-term Liabilities</b>									
Deferred tax	0.0	0.0	(3.2)	(1.3)	(1.3)	0.0	(1.3)	(1.3)	(1.3)
Leases	(1.7)	(3.6)	0.0	(3.4)	(3.1)	(3.6)	(3.4)	(3.4)	(3.4)
<b>Sum Long-term liabilities</b>	<b>(1.7)</b>	<b>(3.6)</b>	<b>(3.2)</b>	<b>(4.7)</b>	<b>(4.4)</b>	<b>(3.6)</b>	<b>(4.7)</b>	<b>(4.7)</b>	<b>(4.7)</b>
Total liabilities	(20.4)	(25.8)	(24.8)	(29.9)	(21.2)	(25.8)	(29.9)	(28.9)	(29.1)
Net Assets	95.1	95.6	91.1	93.4	90.5	95.6	93.4	94.1	98.7
<b>Capital &amp; Reserves</b>									
Share Capital	3.4	3.4	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	63.3	63.3	60.0	61.7
Reserves	3.1	2.6	1.9	1.6	1.2	2.6	1.6	1.6	1.6
Retained earnings	13.9	13.9	12.9	15.8	14.3	13.9	15.8	19.5	22.4
Non-controlling interests	11.4	12.3	9.0	9.7	8.3	12.3	9.7	9.7	9.7
<b>Equity</b>	<b>95.1</b>	<b>95.6</b>	<b>90.6</b>	<b>93.4</b>	<b>90.5</b>	<b>95.6</b>	<b>93.4</b>	<b>94.1</b>	<b>98.7</b>
Net debt / (cash) pre IFRS16	(12.9)	(21.7)	(21.1)	(22.4)	(18.3)	(21.7)	(22.4)	(18.4)	(17.9)
Net debt / (cash) IFRS16	(11.2)	(18.1)	(21.1)	(19.0)	(15.2)	(18.1)	(19.0)	(15.0)	(14.5)

Source: Company data. Equity Development estimates.

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