

ECOVAXXIN[®] MG receives US safety validation

11 March 2026

Following the recent announcement of plans for commercialisation of ECOVAXXIN[®] MS (ED report 26 February ECOVAXXIN[®] 'MS commercialisation begins'), **ECO Animal Health announces that the United States Department of Agriculture (USDA) has delivered a favourable safety assessment of ECOVAXXIN[®] MG, the Company's live poultry vaccine targeting Mycoplasma gallisepticum. The USDA review and acceptance of ECOVAXXIN[®] MG safety data represents an important step towards securing marketing authorisation for the vaccine in the United States.**

This comprehensive risk assessment confirms that ECOVAXXIN[®] MG has satisfied the rigorous safety standards set by the USDA and paves the way for final regulatory submission in a process which is currently anticipated for late 2027.

The Group notes that, as part of the US registration requirements, ECOVAXXIN[®] MG was demonstrated to be safe not only for the target species (chickens) but also for non-target avian species including turkeys and quails. Importantly, the assessment process established that the Mycoplasma gallisepticum strain did not revert or increase in virulence after passage through chickens, thus confirming its stability.

Addressed by ECOVAXXIN[®] MG, Mycoplasma gallisepticum is a bacterial pathogen responsible for chronic respiratory disease in chickens and infectious sinusitis in turkeys (ECOVAXXIN[®] MS addresses Mycoplasma synoviae). The live strain of the bacteria used for ECOVAXXIN[®] MG is a naturally attenuated isolate shown to be safe for young chicks.

ECO Animal Health CEO David Hallas said: *"ECO is building a robust product portfolio to provide the poultry industry with safe and effective new vaccines against Mycoplasma infection. ECOVAXXIN[®] MS represented the Company's first step toward expanding its range of innovative vaccines across priority markets, with commercial launch expected later in 2026. The USDA favourable safety assessment of ECOVAXXIN[®] MG adds to the overall momentum of validation and progress towards commercialisation of the range of next-generation vaccines within the EAH development programme".*

EAH has estimated that ECOVAXXIN[®] MG has the potential to contribute peak revenue of c.£10.0m by 2036¹ as part of a portfolio of new products under development of which ECOVAXXIN[®] MG stands in the 'late stage', i.e. early contributor segment. The USDA safety approval acceptance adds further momentum to the path toward commercialisation for the vanguard of nine major products under development. **Our fair value remains at 153p / share.**

Key financials and valuation metrics

Yr to 31 March (£m)	2024A	2025A	2026E	2027E	2028E
Revenue	89.4	79.6	83.5	87.8	92.7
EBITDA (adj.)	8.0	7.3	8.0	8.6	9.1
Pre-Tax Profit (adj.)	4.0	3.5	4.2	4.7	5.5
EPS (rptd. basic)	1.5	2.5	2.4	2.9	3.3
EPS (adj. dil. p)	2.3	1.9	2.6	3.1	4.2
Net cash / (debt)	22.4	25.0	24.3	21.5	19.2
EV/EBITDA	5.7x	6.3x	5.7x	5.3x	5.0x
EV/Rev	0.5x	0.6x	0.5x	0.5x	0.5x
P/E	40.9x	49.5x	36.1x	30.6x	22.4x

Source: Company data. EDestimates.¹ Source: March 13 2025 Group R&D Day presentation, slide No. 74.

Company data

EPIC	EAH.L
Price (last close)	95p
52 weeks Hi/Lo	117p/50p
Market cap	£73m
ED Fair Value / share	153p
Net cash / (debt) H1 25A	£18.6m
Avg. daily volume (3m)	73,944

Share price, p



Source: Investing.com

Description

Founded in 1995, ECO Animal Health (EAH) 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®, for the treatment of enteric and respiratory diseases in pigs and poultry.

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P&L

Year to 31 March (£m)	H1 25A	H2 25A	H1 26A	FY24A	FY25A	FY26E	FY27E	FY28E
Revenue	33.2	57.8	39.4	89.4	79.6	83.5	87.8	92.7
Gross	13.4	22.6	19.6	37.7	35.9	37.8	39.9	42.2
<i>Margin</i>	<i>40.3%</i>	<i>39.0%</i>	<i>49.6%</i>	<i>42.1%</i>	<i>45.1%</i>	<i>45.3%</i>	<i>45.5%</i>	<i>45.5%</i>
COGS	(19.8)	(35.3)	(19.8)	(51.7)	(43.7)	(45.7)	(47.8)	(50.5)
Other income	0.1	0.0	0.1	0.1	0.1	0.0	0.0	0.0
R&D	(2.4)	(1.6)	(2.7)	(4.2)	(4.0)	(5.0)	(5.5)	(6.0)
Admin	(13.4)	(15.3)	(15.8)	(29.4)	(28.7)	(28.0)	(29.3)	(30.2)
Impairment/Other	1.0	(0.1)	0.0	(0.7)	1.0	0.0	0.0	0.0
Sum Op-ex	(14.5)	(17.1)	(18.4)	(34.1)	(31.6)	(33.4)	(35.2)	(37.2)
Sh-based payments	(0.2)	(0.2)	(0.3)	(0.4)	(0.4)	(0.4)	(0.4)	(1.0)
Forex	1.2	(0.4)	0.2	0.6	0.7	0.0	0.0	0.0
EBIT (rptd.)	(1.2)	5.5	1.2	3.5	4.3	4.5	4.8	5.0
EBIT (adj.)	(2.0)	5.8	2.4	4.6	3.7	4.8	5.1	6.0
<i>Margin</i>	<i>N.M.</i>	<i>10.0%</i>	<i>6.0%</i>	<i>5.1%</i>	<i>4.7%</i>	<i>5.8%</i>	<i>5.8%</i>	<i>6.5%</i>
Amortisation	(0.6)	(0.6)	(0.6)	(1.2)	(1.2)	(1.4)	(1.6)	(1.5)
Amortisation RoU	(0.3)	(0.4)	(0.3)	(0.7)	(0.7)	(0.7)	(0.7)	(0.6)
Depreciation	(0.5)	(0.5)	(0.5)	(1.0)	(1.0)	(1.1)	(1.2)	(1.0)
EBITDA (rptd.)	1.3	6.5	2.7	6.9	7.9	7.6	8.3	8.1
EBITDA (adj.)	0.4	6.9	3.0	8.0	7.3	8.0	8.6	9.1
<i>Margin</i>	<i>1.3%</i>	<i>11.8%</i>	<i>7.5%</i>	<i>9.0%</i>	<i>9.2%</i>	<i>9.6%</i>	<i>9.8%</i>	<i>9.8%</i>
Financial income	0.1	0.1	0.0	0.2	0.1	0.1	0.1	0.1
Financial expense	(0.3)	(0.1)	(0.2)	(0.8)	(0.5)	(0.8)	(0.6)	(0.6)
Associate	0.0	0.0	0.0	0.1	0.1	0.1	0.1	0.1
PBT (rptd.)	(1.4)	5.4	1.1	3.0	4.0	3.8	4.3	4.5
PBT (adj.)	(2.3)	5.7	2.3	4.0	3.5	4.2	4.7	5.5
Tax	(0.3)	(1.0)	(0.3)	(1.0)	(1.4)	(1.0)	(1.2)	(1.3)
PAT (rptd.)	(1.8)	4.4	0.7	2.0	2.6	2.8	3.2	3.3
PAT (adj.)	(2.6)	4.7	1.9	3.1	2.1	3.1	3.5	4.3
Basic wtd. Av. shares (m)				67.7	67.6	67.6	67.6	67.6
Diluted wtd. av. shares (m)				69.1	69.4	69.4	69.4	69.4
EPS rptd. basic (p)				1.55	2.49	2.40	2.87	3.34
EPS rptd. dil. (p)				1.52	2.43	2.34	2.80	3.25
EPS adj. basic (p)				2.37	1.97	2.70	3.19	4.36
EPS adj. dil. (p)				2.32	1.92	2.63	3.10	4.25

Source: Company data. Equity Development estimates.

Cashflow

Year to 31 March (£m)	H1 25A	H2 25A	H1 26A	FY24A	FY25A	FY26E	FY27E	FY28E
PBT (rptd.)	(1.4)	5.4	1.1	3.0	4.0	3.8	4.3	4.5
Finance (net)	0.3	0.1	0.1	0.6	0.3	0.7	0.5	0.5
Forex	1.2	(0.4)	0.2	0.6	0.7	0.0	0.0	0.0
Amortisation	0.6	0.6	0.6	1.2	1.2	1.4	1.6	1.5
Amortisation RoU	0.3	0.4	0.3	0.7	0.7	0.7	0.7	0.6
Depreciation	0.5	0.5	0.5	1.0	1.0	1.1	1.2	1.0
Impairment/Other	0.0	(1.0)	0.0	0.1	(1.0)	0.0	0.0	0.0
Associate	(0.0)	(0.0)	(0.0)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)
Sh-based payments	0.2	0.2	0.3	0.4	0.4	0.4	0.4	1.0
Other	(0.7)	0.7	0.0	0.3	0.0	0.0	0.0	0.0
Operating Cash Flow	0.8	6.5	3.0	7.7	7.3	8.0	8.6	9.1
(Inc)/Dec inventories	(0.2)	2.2	(1.4)	4.7	2.1	(1.5)	(0.8)	(0.9)
(Inc)/Dec receivables	5.3	(1.1)	5.1	(5.0)	4.2	2.2	(1.3)	(1.5)
Inc/(Dec) payables	(5.6)	4.2	(6.7)	2.5	(1.3)	(0.2)	0.8	0.9
Provisions	(0.3)	0.2	0.3	0.6	(0.1)	(0.1)	(0.1)	(0.1)
Ch working capital	(0.8)	5.6	(2.8)	2.8	4.9	0.5	(1.5)	(1.7)
Cash from operations	(0.0)	12.2	0.2	10.5	12.2	8.4	7.1	7.4
Interest paid	(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)	(0.6)	(1.5)	(1.4)	(1.2)	(1.2)
Net from operations	0.5	10.0	(1.1)	9.4	10.5	7.1	5.9	6.2
PPE	(0.1)	(0.3)	(0.1)	(0.5)	(0.4)	(0.4)	(0.5)	(0.6)
Sale of PPE/operations	0.4	(0.1)	0.0	1.1	0.3	0.0	0.0	0.0
Capitalised R&D	(1.8)	(2.9)	(1.9)	(4.1)	(4.6)	(3.5)	(4.0)	(4.4)
Finance	0.1	0.1	0.0	0.2	0.1	0.1	0.1	0.1
Net used in investing	(1.4)	(3.2)	(1.9)	(3.4)	(4.6)	(3.8)	(4.4)	(4.8)
Net OpFCF	(0.9)	6.8	(3.0)	6.0	5.9	3.3	1.5	1.4
Shares issued	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Interest on leases	(0.2)	(0.0)	(0.1)	(0.3)	(0.3)	(0.4)	(0.5)	(0.1)
Leases	(0.3)	(0.4)	(0.4)	(0.6)	(0.6)	(0.8)	(0.8)	(0.4)
Dividends	(1.1)	0.0	(2.5)	(2.8)	(1.1)	(2.8)	(3.0)	(3.2)
Net cash from financing	(1.6)	(0.4)	(2.9)	(3.7)	(2.0)	(4.0)	(4.3)	(3.7)
Net increase in cash	(2.5)	6.4	(5.9)	2.3	3.9	(0.7)	(2.8)	(2.3)
Cash start	22.4	18.3	25.0	21.7	22.4	25.0	24.3	21.5
Forex	(1.6)	0.3	(0.4)	(1.6)	(1.3)	0.0	0.0	0.0
Cash end	18.3	25.1	18.6	22.4	25.0	24.3	21.5	19.2

Source: Company data. Equity Development estimates.

Balance Sheet

Year to 31 March (£m)	H1 25A	H2 25A	H1 26A	FY24A	FY25A	FY26E	FY27E	FY28E
Intangibles Net	39.6	41.8	43.2	38.4	41.8	43.9	46.3	49.2
PPE net	4.3	4.0	3.6	4.8	4.0	3.3	2.6	2.2
RoU Assets Net	3.3	3.4	4.7	3.7	3.4	6.7	10.3	13.4
Property Investments	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
Deferred Tax	1.3	1.1	1.1	1.4	1.1	1.1	1.1	1.0
Sum Fixed Assets	48.8	50.7	52.9	48.5	50.7	55.4	60.7	66.2
Inventories	16.7	14.6	16.0	17.0	14.6	16.0	16.8	17.8
Trade receivables	26.8	28.5	24.0	32.2	28.5	26.3	27.6	29.2
Tax assets, other	1.2	1.9	2.5	3.2	1.9	0.0	0.0	0.0
Cash, Equivalents	18.3	25.0	18.6	22.4	25.0	24.3	21.5	19.2
Sum Current Assets	63.0	69.9	61.1	74.7	69.9	66.6	66.0	66.2
Total Assets	111.7	120.6	114.0	123.3	120.6	122.0	126.7	132.4
Trade payables	(10.8)	(15.1)	(9.8)	(17.4)	(15.1)	(14.9)	(15.6)	(16.5)
Provisions	(5.1)	(5.0)	(5.5)	(5.9)	(5.0)	(5.0)	(5.0)	(5.0)
Tax, Other	(0.9)	(1.7)	(1.1)	(2.0)	(1.7)	(1.7)	(1.7)	(1.7)
Dividends	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.5)	(0.5)	(0.5)
Sum Current Liabilities	(16.9)	(21.8)	(16.4)	(25.2)	(21.8)	(22.1)	(22.8)	(23.7)
Total Assets less CL	94.9	98.8	97.6	98.0	98.8	99.9	103.9	108.7
Deferred tax	(1.3)	(0.9)	(0.9)	(1.3)	(0.9)	(0.9)	(0.9)	(0.9)
Leases	(3.1)	(3.2)	(4.3)	(3.4)	(3.2)	(3.4)	(3.4)	(3.4)
Sum Long-term liabilities	(4.4)	(4.0)	(5.2)	(4.7)	(4.0)	(4.3)	(4.3)	(4.3)
Total liabilities	(21.2)	(25.8)	(21.6)	(29.9)	(25.8)	(26.3)	(27.1)	(28.0)
Net Assets	90.5	94.8	92.4	93.4	94.8	95.7	99.6	104.4
Share Capital	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	61.4	62.2	63.8
Reserves	1.2	0.9	0.5	1.6	0.9	0.9	0.9	0.9
Retained earnings	14.3	17.9	17.8	15.8	17.9	20.7	23.8	27.1
Non-controlling interests	8.3	9.3	7.6	9.7	9.3	9.3	9.3	9.3
Equity	90.5	94.8	92.4	93.4	94.8	95.7	99.6	104.4
Net cash / (debt) pre IFRS16	18.3	25.0	18.6	22.4	25.0	24.3	21.5	19.2
Net cash / (debt) IFRS16	15.2	21.8	14.3	19.0	21.8	20.9	18.1	15.8

Source: Company data. Equity Development estimates.

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