# Key Performance Indicators

#### **KPI** and **Definition Relevance to Strategy** Performance Commentary Dechra's existing business grew by 6.4% in EU Pharmaceuticals (excluding **Revenue Growth** third party contract manufacturing which declined), and by 3.0% in NA Year-on-year CER sales growth Pharmaceuticals. including new products and A key driver of our strategy is to excluding revenue from acquired deliver sustainable sales growth businesses. through delivering our pipeline, maximising our existing portfolio and expanding geographically. This includes a 0.4% increase in underlying **Underlying Diluted** operating profit, further improved by lower **EPS Growth** net finance costs attributable to foreign exchange gains and a lower tax charge Underlying profit after tax divided driven by tax rate impact of a change in by the diluted average number of geographical mix of profit. Underlying diluted EPS is a key shares, calculated on the same indicator of our performance basis as note 11 to the Accounts. and the return we generate for our stakeholders. It is one of the performance conditions of the LTIP. There was a small decline in ROCE **Return on Capital** during the year. The reduction is due to **Employed** the increased investments in acquisitions during the year without the corresponding Underlying operating profit increase in underlying operating profit in expressed as a percentage the period. This still exceeds our target As we look to grow the business, of the average of the opening of 15%. it is important that we use our and closing operating assets **20bps** capital efficiently to generate (excluding cash/debt and net tax returns superior to our cost liabilities). of capital in the medium to long term. It underpins the performance conditions of the LTIP. Cash conversion increased sharply during the year as a result of strong cash **Cash Conversion** collection in quarter four following the sales spike in quarter three. Cash generated from operations before tax and interest payments Our stated aim is to be a cash as a percentage of underlying generative business. Cash operating profit. 1440bps generation supports investment in the pipeline, acquisition and people.

#### **KPI** and **Definition**

#### Performance

#### Commentary

#### Relevance to Strategy



#### **New Product Revenue**

Revenue from new products as a percentage of total Group revenue. A new product is defined as any molecule launched in the last five financial vears.



New product revenues reflect the strong market penetration of products launched in the year to 30 June 2020 and the previous four years.







This measure shows the delivery of revenue in each year from new products launched in the prior five years, on a rolling basis. It shows the performance of our R&D and sales and marketing organisations when launching newly developed or in-licensed products.



#### **Lost Time Accident Frequency Rate** (LTAFR)

All accidents resulting in the absence or inability of employees to conduct the full range of their normal working activities for a period of more than three working days after the day when the incident occurred, normalised per 100,000 hours worked.



The LTAFR decreased from 0.21 to 0.17. None of these incidents resulted in a work-related fatality or disability.



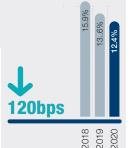


The safety of our employees is core to everything we do. We are committed to a strong culture of safety in all our workplaces.



#### **Employee Turnover**

Number of leavers during the period as a percentage of the average total number of employees in the period.



We saw a decrease in employee turnover in the period despite operating in competitive markets.



Attracting and retaining the best employees is critical to the successful execution of our strategy.

#### **Key to Strategic Growth Drivers:**







Acquisition

## **Key to Strategic Enablers**





Manufacturing and Supply Chain

### Key



Long Term Incentive Plan (LTIP) performance condition

Stock Code: DPH 35