



**FIRST HALF  
RESULTS**

Thursday, July 30, 2015

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# 2015 First half key figures



**€167.2m**

**Sales**  
*up 11.9%*



**€79.5m**

**revenue from reference  
products**  
*up 14.8%*



**€16.1m**

**EBIT**  
*up 7.5%*



**€22.8m**

**EBITDA**  
*up 11.9%*

# Animal health, a steadily growing industry

- A still buoyant market worth around **\$24bn**
- **Strong fundamentals**
  - Expansion of pet and livestock markets
  - Growth across all regions

# REFERENCE PRODUCTS

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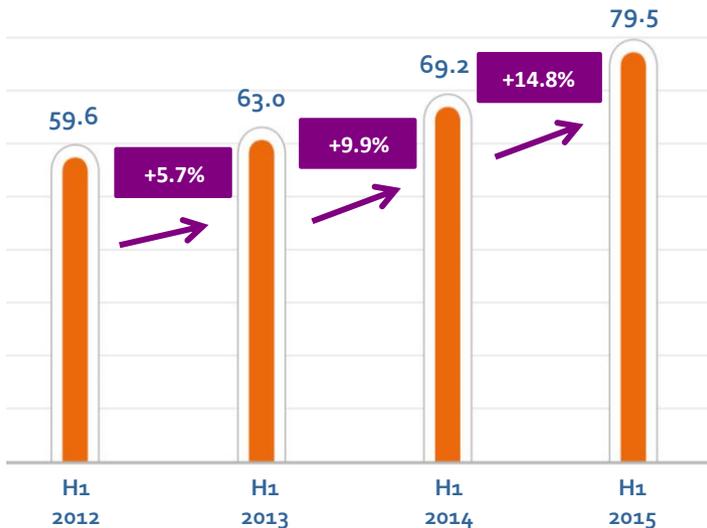
Vétoquinol's driving force

# Strategy focused on reference products

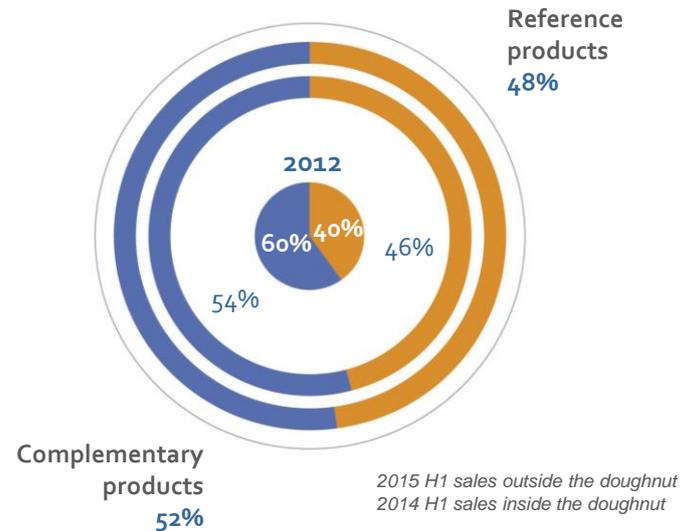
- Essential veterinary products for **daily use**
- Products with **worldwide application** available in our strategic countries
- Products concentrated in Vétoquinol's **fields of expertise**
- **Higher margin** products

# Sustained growth of reference products

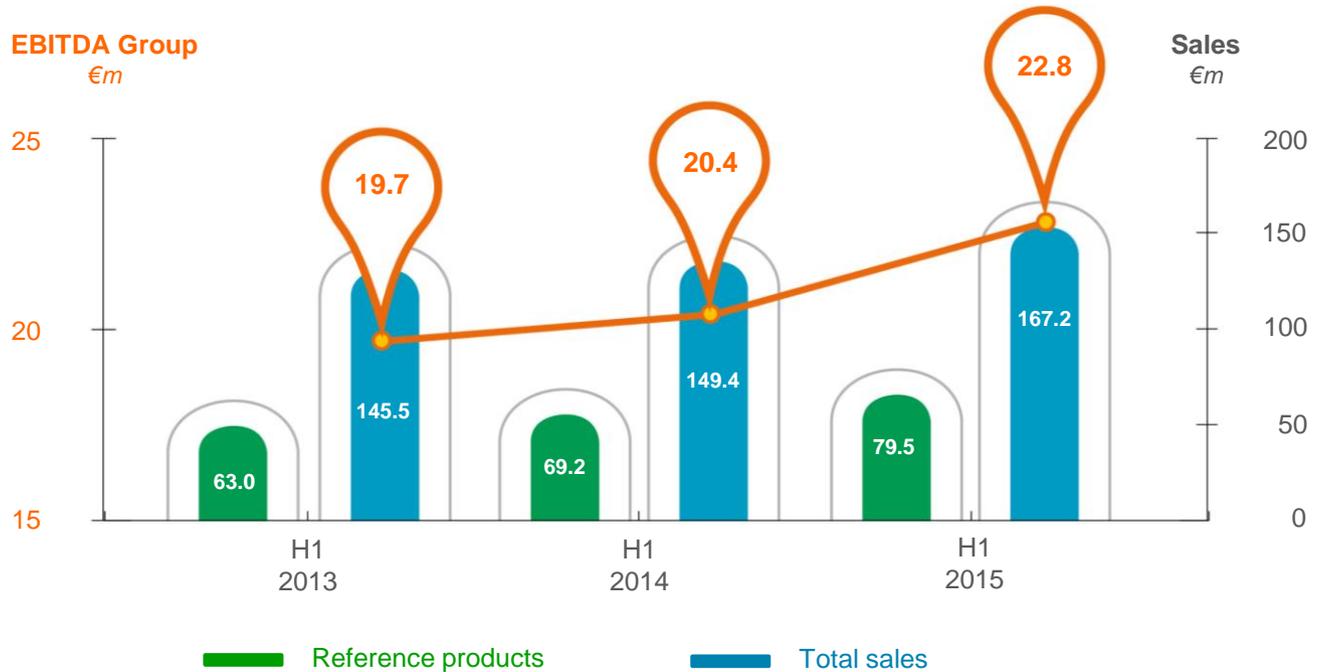
Half year revenue from reference products  
*reported data (€m)*



Breakdown of half year revenue from reference products



# Strong momentum from business drivers



# Mastering of the Anti-infective evolution

- Anti-infectives, **a changing market segment**
  - European legislation imposes restrictions
  - An essential area for animal health
- Anti-infectives, **developments anticipated by Vétoquinol**
  - Diversifying to other therapeutical domains
  - Launch of new anti-infective treatments such as Forcyl®
  - Research into alternative treatments for infectious diseases

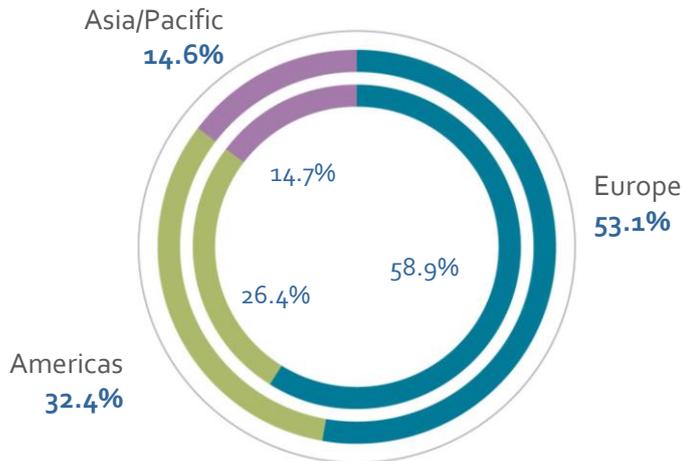
# HIGHER EARNINGS

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All financial indicators are up

# 2015 H1 sales: €167.2m

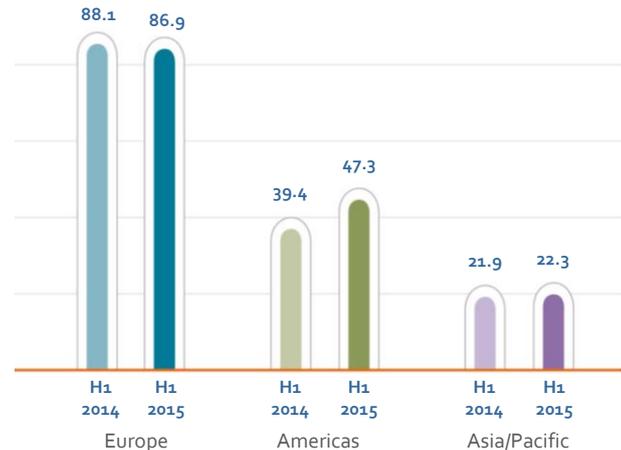
## Reported data



2015 H1 sales outside the doughnut  
2014 H1 sales inside the doughnut

## At constant exchange rates

2015 H1 sales: €156.5m (up 4.7%)



### Regional results

- Europe -1.3%
- Americas +19.9%
- Asia/Pacific +1.7%

# Income statement

€m	June 30, 2015	% of sales	June 30, 2014	% of sales	Δ
<b>Sales</b>	<b>167.2</b>		<b>149.4</b>		<b>+11.9%</b>
<b>Gross margin</b>	<b>109.7</b>	<b>65.6</b>	<b>99.5</b>	<b>66.6</b>	<b>+10.2%</b>
External expenses	(33.8)	(20.2)	(31.7)	(21.2)	+6.7%
Personnel expenses	(52.4)	(31.4)	(47.2)	(31.6)	+10.9%
Taxes and duties	(2.9)	(1.7)	(2.4)	(1.6)	+19.9%
Other income and expenses	2.4	1.4	2.8	1.9	-16.6%
Depreciation, amortization and provisions	(6.8)	(4.1)	(6.1)	(4.1)	+12.6%
<b>EBIT</b>	<b>16.1</b>	<b>9.6</b>	<b>15.0</b>	<b>10.0</b>	<b>+7.5%</b>
Operating income	16.0	9.6	14.3	9.6	+11.6%
Financial income (expense)	1.9	1.1	0.5	0.3	+307.0%
Income before tax	17.9	10.7	14.8	9.9	+20.8%
Corporate income tax	(5.5)	(3.3)	(4.4)	(3.0)	+23.4%
<b>Net income - Group share</b>	<b>12.4</b>	<b>7.4</b>	<b>10.4</b>	<b>6.9</b>	<b>+19.8%</b>
<b>EBITDA</b>	<b>22.8</b>	<b>13.7</b>	<b>20.4</b>	<b>13.6</b>	<b>+11.9%</b>

# Cash flow Statement

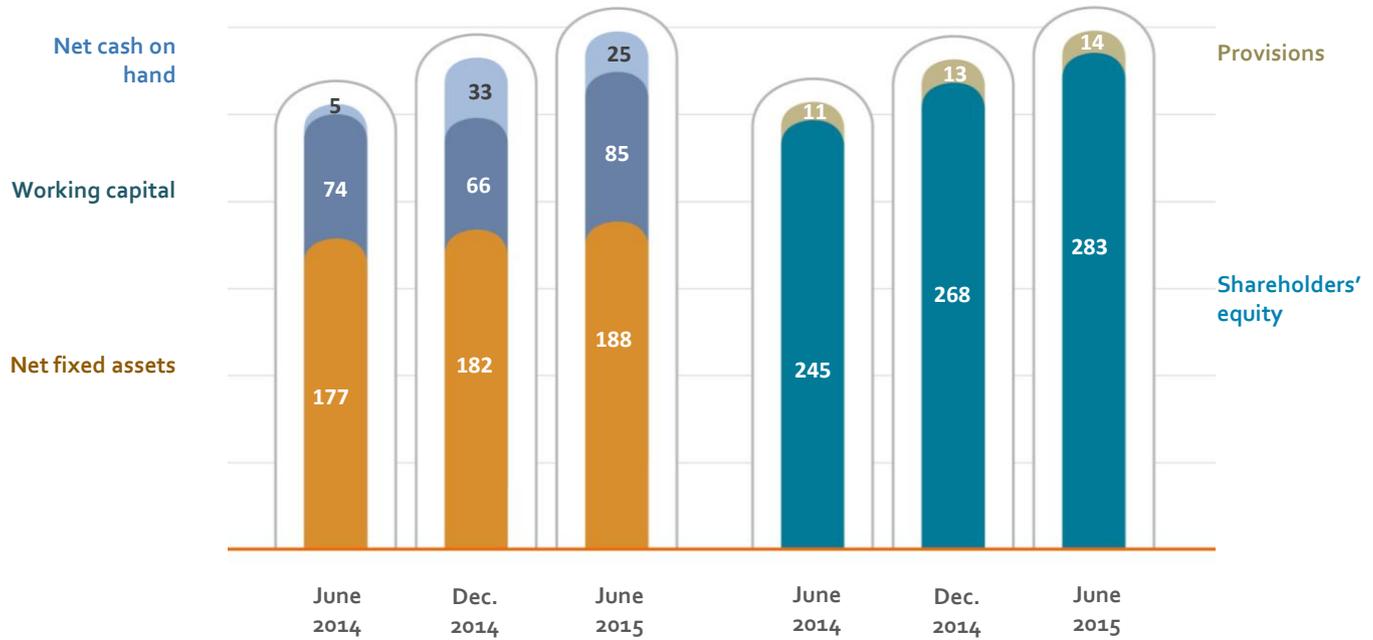
€m	June 30, 2015	June 30, 2014
Net income	12.4	10.4
Free cash flow before cost of net debt and tax	24.4	20.1
Cash flow from operating activities	4.1	7.4
Cash flow from investing activities	(8.9)	(44.9)
Cash flow from financing activities	(14.0)	26.4
<b>Change in cash and cash equivalents</b>	<b>(17.6)</b>	<b>(10.7)</b>

# Working capital

€m	June 30, 2015	June 30, 2014
Inventories	77,7	71,1
Trade and other receivables	66,5	64,2
Trade and other payables	(64,2)	(61,6)
Other working capital	5,0	0,4
<b>Working capital</b>	<b>84,9</b>	<b>74,1</b>

In number of days (by due date)	June 30, 2015	June 30, 2014
<b>Working capital</b>	<b>90.0</b>	<b>88.6</b>

# Strong balance sheet



# Strong financial fundamentals

- **Strong cash flow generation**
- Net cash on hand **€25.1 m**
- Shareholders' equity **€283.4m** as of June 30, 2015
- **Large borrowing capacity** for a targeted acquisition program

# LAUNCHES OF REFERENCE PRODUCTS

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The range of reference products continues to grow

# Several product launches over the next 18 months

Species	Market	Targeted Territory	Potential
	Cardiology-nephrology	World	
	Dairy	Europe	
	Neonatal	Europe	
	Otology	World	

# The reference products: our ambition

- **Developing** the existing base
  - Global reach
  - Marketing and sales investment
- **Launching new** products
- **Sourcing future** products
  - Vétoquinol R&D
  - Acquisitions

# Outlook

- **Launch of new** reference products
- **Growing contribution** from reference products
- **Growth in revenue** and earnings

# Reporting timetable

- Q3 Sales **October 22, 2015** (after market close)
- 2015 Annual Sales **January 21, 2016** (after market close)

# QUESTIONS AND ANSWERS

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