



2023 Half-Year Results

| September 7, 2023



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H1 2023 Key financial indicators



€256m Group sales
-5.4% reported data



€151m Essentials sales
59% of sales



€54m EBITDA*
20.9% of sales



€32m
Net income Group share
12.6% of sales

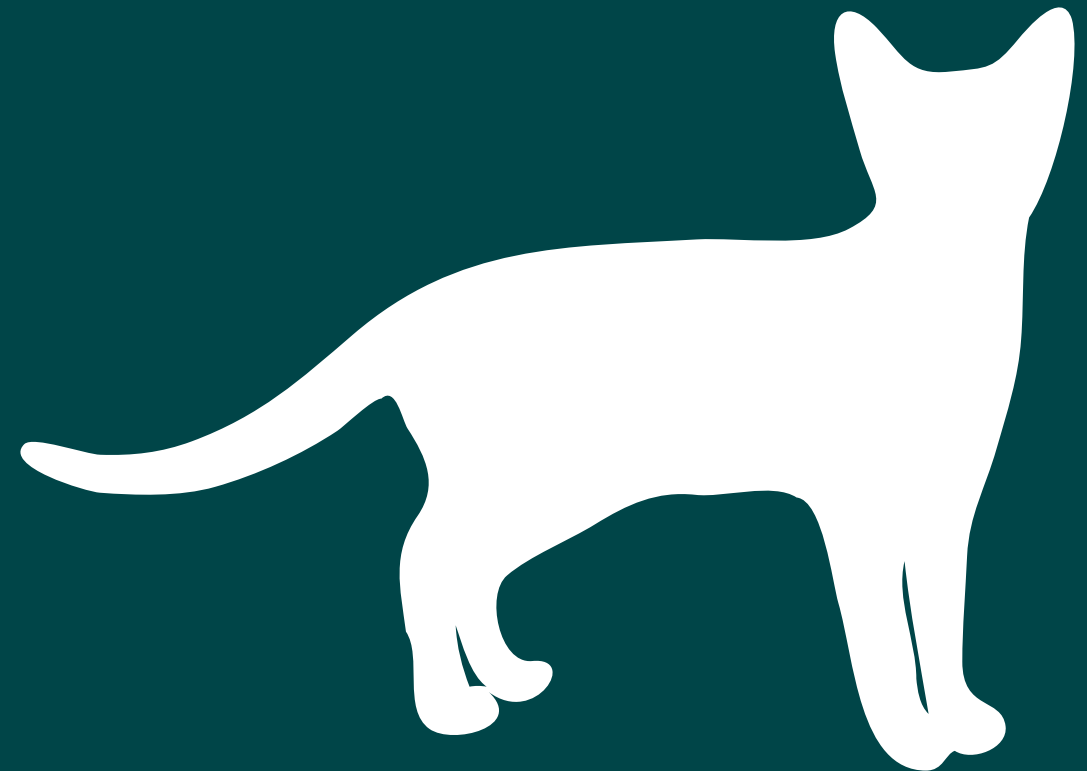


€31m
Free cash flow

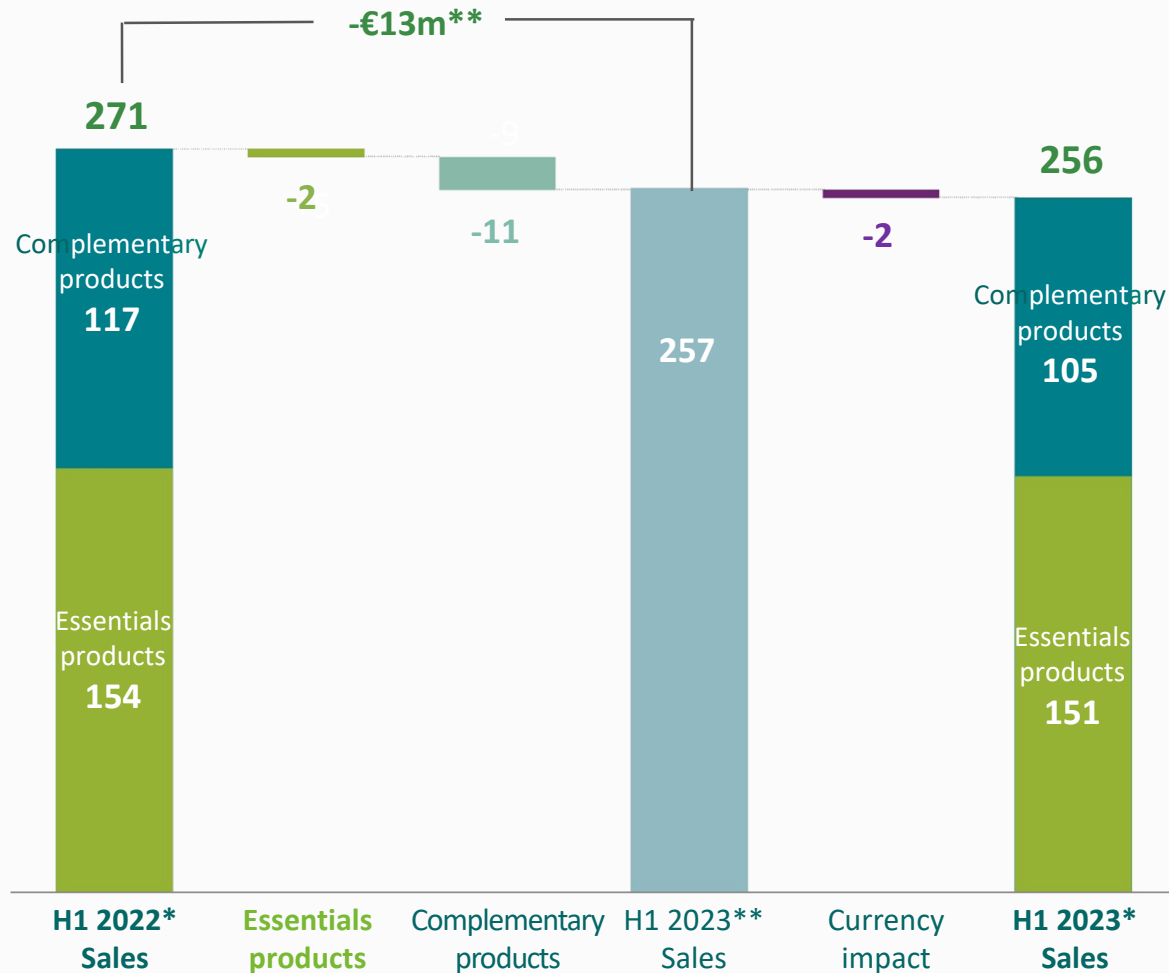
** restated for non-recurring items in Brazil*



H1 2023 Highlights



1st half 2023 sales



► Price-driven market in H1 2023

► Vetoquinol

- Reported growth: **-5.4%**
- Organic growth: **-4.6%**
- Essentials products: **-1.1%** at constant exchange rates

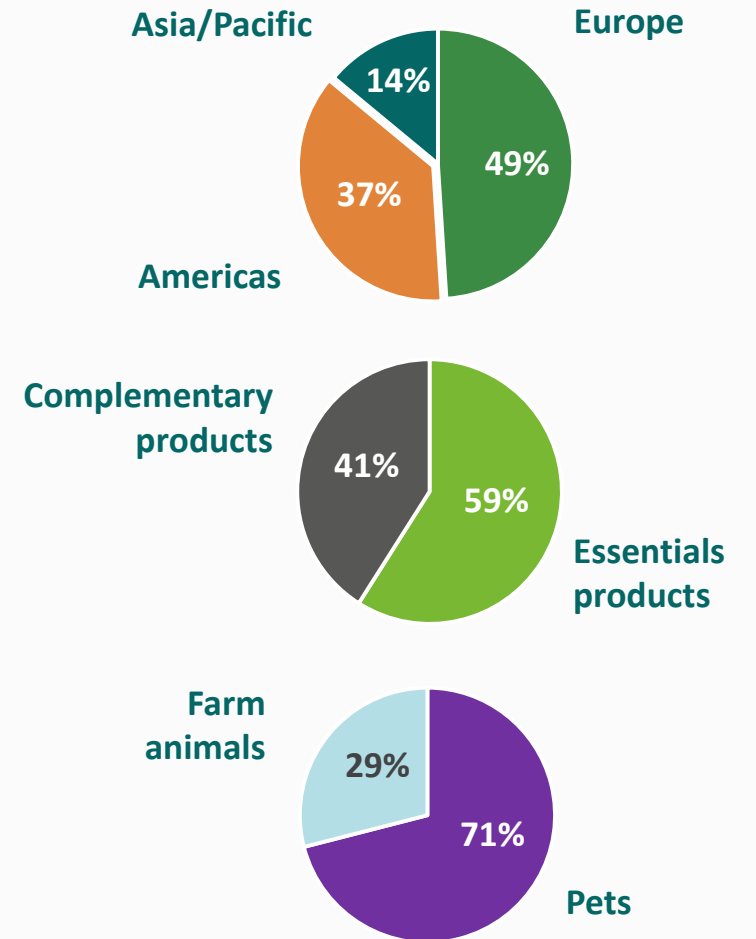
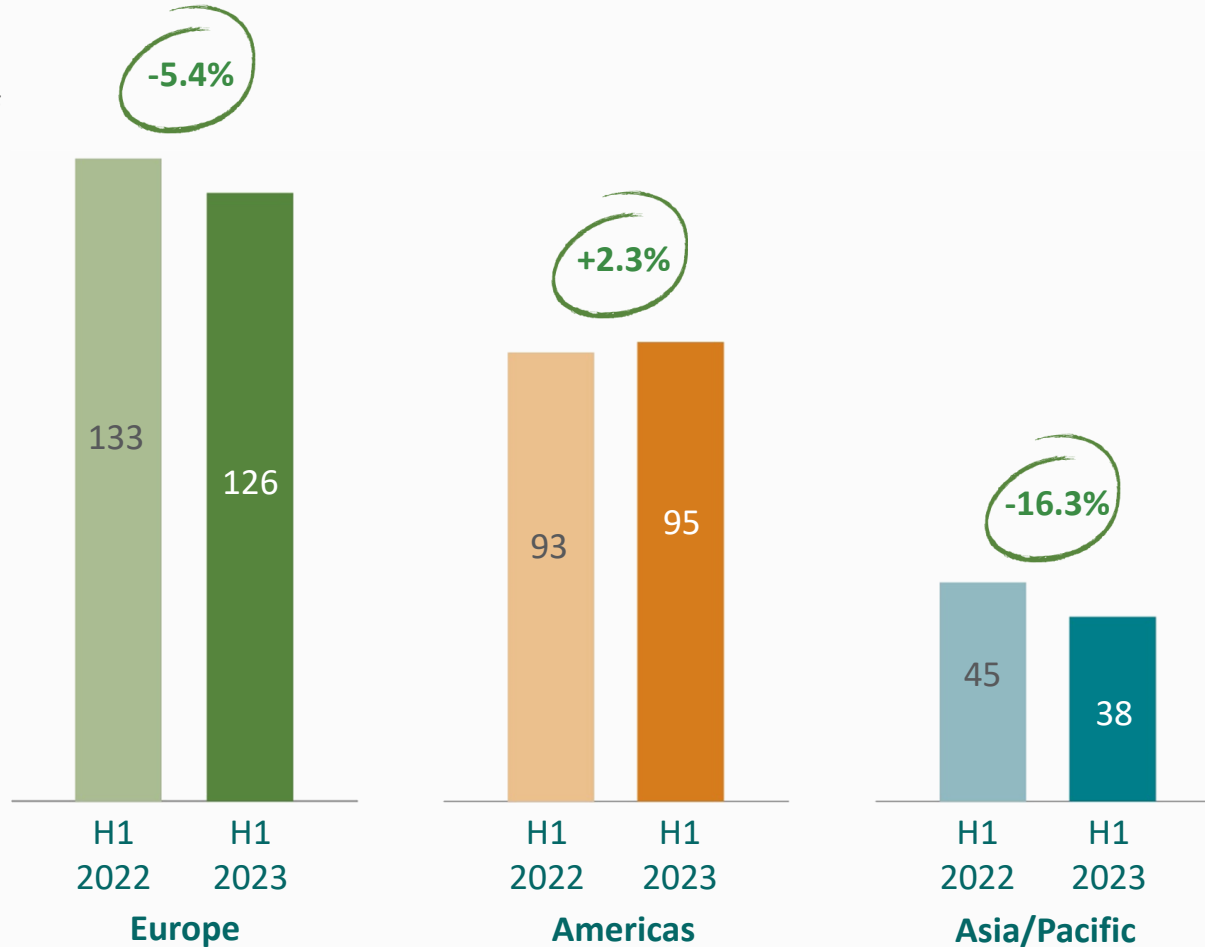
* Reported data

** at constant exchange rates

Half-year sales by territory: constricted



Sales (€m)
At constant exchange rates



Successful launch of new products



► Felpreva®

- Unique long-lasting parasiticide product for cats
- Broad spectrum of action against major internal parasites
- Reinforcement of the laboratory's antiparasitic offering
- Commercial success in Europe since 2022 launch

► Simplera®

- US launch
- Ear solution for dogs
- In-clinic administration
- Effective treatment for up to 30 days with 1 single dose



Successful structural transformations



► Objectives of the new ERP

- Harmonize all Group subsidiaries
- Simplify and automate business practices
- Support laboratory development
- Meet customers' supply chain expectations

► Final phase of Aucapi project

- Modernize and increase production capacity of injectable product lines



A solid business model



► Agility and team mobilization

- Cooperation
- Innovation

► Product mix

- Essentials products
- New product launches
- Portfolio rationalization

► Management

- Cost control
- Cash management





H1 2023 Consolidated financial statements



Appropriate management of the income statement



| €m | 06/30/2023 | % of sales | 06/30/2022 | % of sales | Change |
|---|--------------|---------------|--------------|---------------|---------------|
| Sales | 256.2 | | 270.8 | | |
| Gross margin on purchases | 184.8 | 72.1 | 195.2 | 72.1 | -5.4% |
| External expenses | (49.7) | (19.4) | (54.0) | (19.9) | |
| Personnel expenses | (80.4) | (31.4) | (78.1) | (28.8) | |
| Taxes and duties | (4.0) | (1.6) | (3.8) | (1.4) | |
| Other income and expenses | 2.9 | 1.1 | 2.7 | 1.0 | |
| Depreciation, amortization and provisions | (8.1) | (3.2) | (10.6) | (3.9) | |
| EBIT before depreciation of acquired assets | 45.4 | 17.7 | 51.5 | 19.0 | -11.9% |
| Amortization of intangible assets arising from acquisitions | (6.6) | (2.6) | (7.1) | (2.6) | |
| EBIT | 38.8 | 15.1 | 44.4 | 16.4 | -12.7% |

➔ Expense control in a period of inflation

Appropriate management of the income statement (continued)



| €m | 06/30/2023 | % of sales | 06/30/2022 | % of sales | Change |
|---|-------------|---------------|-------------|---------------|---------------|
| EBIT | 38.8 | 15.1 | 44.4 | 16.4 | |
| Non-recurring operating income and expenses * | 2.6 | 1.0 | (9.3) | (3.4) | |
| Operating income | 41.4 | 16.1 | 35.1 | 13.0 | +17.7% |
| Financial result | 1.3 | 0.5 | (0.6) | (0.2) | |
| Income before tax | 42.7 | 16.7 | 34.5 | 12.8 | |
| Income tax | (10.4) | (4.1) | (13.1) | (4.9) | |
| Net income, Group share | 32.2 | 12.6 | 21.4 | 7.9 | +50.6% |
| EBITDA | 59.7 | 23.3 | 62.0 | 22.9 | -3.7% |

* Purchase price reduction in Brazil

EBITDA : sound profitability level



| €m | 06/30/2023 | 06/30/2022 |
|---|-------------|-------------|
| Net income before equity method | 32.2 | 21.4 |
| Income tax expense | 10.4 | 13.1 |
| Financial income (expense) | (1.3) | 0.6 |
| Provisions recorded under non-recurring operating income and expenses | 3.5 | 9.1 |
| Charges and reversals of provisions | (0.7) | 1.8 |
| Depreciation and amortization | 15.5 | 15.9 |
| Depreciation and amortization – IFRS 16 | 59.7 | 62.0 |
| EBITDA | 23.3 | 22.9 |

➔ EBITDA at 20.9%, excluding favorable cash impact of Brazil price reduction (€6.1m)

Continued improvement in cash flow



| €m | 06/30/2023 | 06/30/2022 |
|--|-------------|---------------|
| Consolidated net result | 32.2 | 21.4 |
| Free cash flow before net cost of debt and tax | 61.6 | 60.4 |
| Cash flows from operating activities | 30.8 | (12.3) |
| Cash flows from investing activities | (9.6) | (7.4) |
| Cash flows from financing activities | (13.9) | (12.0) |
| Impact of foreign exchange variations | (1.6) | 2.1 |
| Change in cash and cash equivalents | 5.8 | (29.5) |

➔ Strong cash generation compared with 2022



Improvement of working capital in first-half 2023



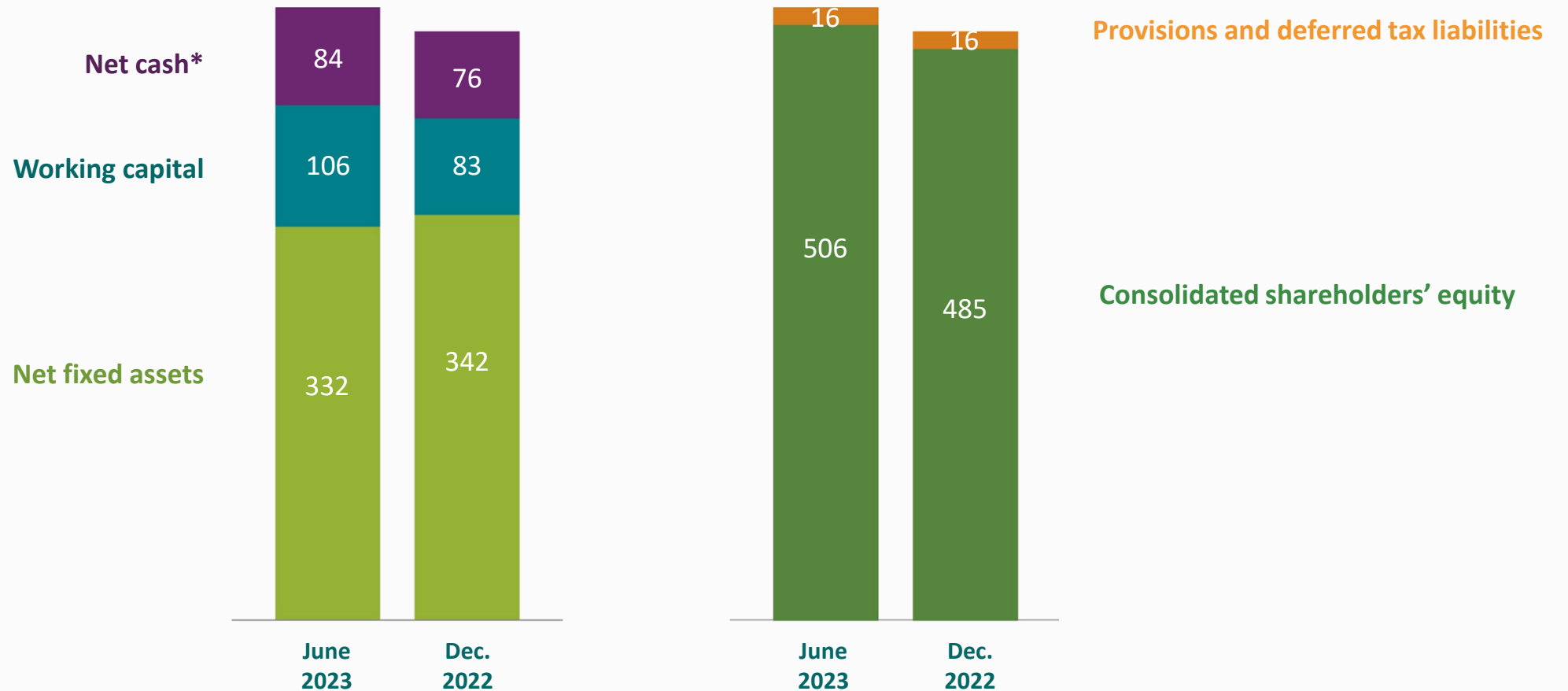
| €m | 06/30/2023 | 12/31/2022 | 06/30/2022 |
|--|----------------|----------------|----------------|
| Inventories | 116.1 | 116.1 | 126.0 |
| Trade and other receivables | 91.2 | 85.4 | 105.1 |
| Trade and other payables | (107.2) | (125.9) | (119.5) |
| Other net working capital | 5.5 | 7.9 | 5.1 |
| Working capital | 105.6 | 83.4 | 116.7 |
| Working capital (days of sales) | 74 days | 56 days | 78 days |

➔ Ongoing inventory management

Robust, debt-free financial structure



€m



* Including IFRS 16: €13,4m

Vetoquinol, solid fundamentals



- ▶ Operating profitability H1 2023
 - **21%** EBITDA excluding non-recurring items*
- ▶ Cash-flow generation over 6 months: **+€31m**
- ▶ Working capital reduction: **-€11m vs June 2022**
- ▶ Sound financial structure
 - Shareholders Equity of **€506m, up €21m** vs. Dec. 2022
 - Ability to finance external growth ambitions

* *Brazil purchase price reduction*



Strategy and outlook



Vetoquinol, a long-term vision



**To be the most responsive animal health company
where employees, experts, partners and customers
create together customized
solutions for a better planet.**

Vetoquinol, a 90-year-old family laboratory





- ▶ Normalization of global animal health market

- ▶ Better 2nd half expected

- ▶ Development of Essentials products
 - New product launches
 - Ramp-up of launches
 - Territory extension

- ▶ Long-term profitable growth ambition

Financial communication agenda



- ▶ **October 26, 2023** Q3 2023 Sales (after market close)

- ▶ **January 17, 2024** 2023 Annual Sales (after market close)

Animal health company listed on Euronext Paris since 2006
ISIN code: FR0004186856 - symbol: VETO
The Vetoquinol share is eligible for the French PEA and PEA-PME personal equity plan.



Questions and answers



90 years in animal health, a future to build together

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