

2015 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

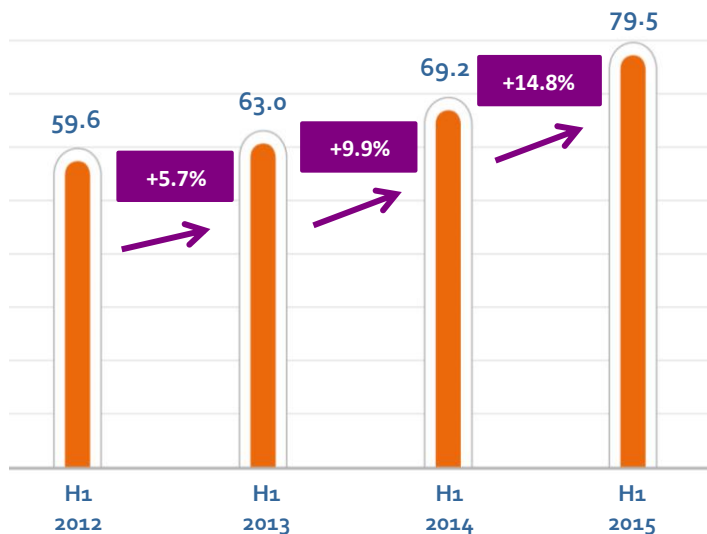
Vétoquinol's driving force

Strategy focused on reference products

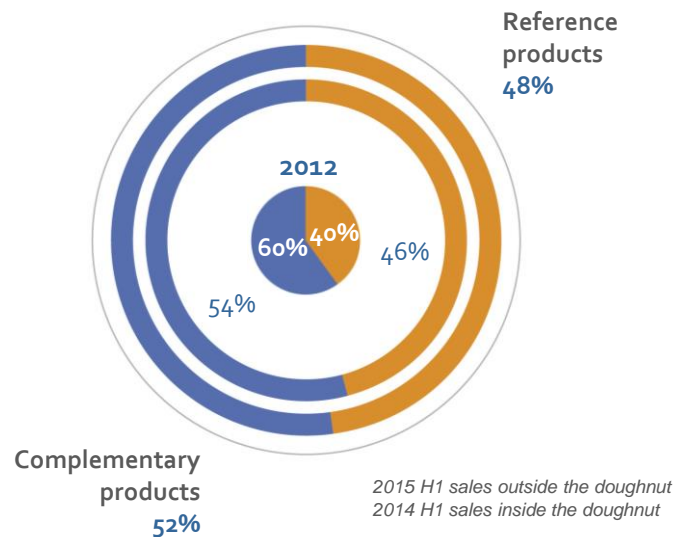
- Essential veterinary products for **daily use**
- Products with **worldwide application** available in our strategic countries
- Products concentrated in Vétoquinol's **fields of expertise**
- **Higher margin** products

Sustained growth of reference products

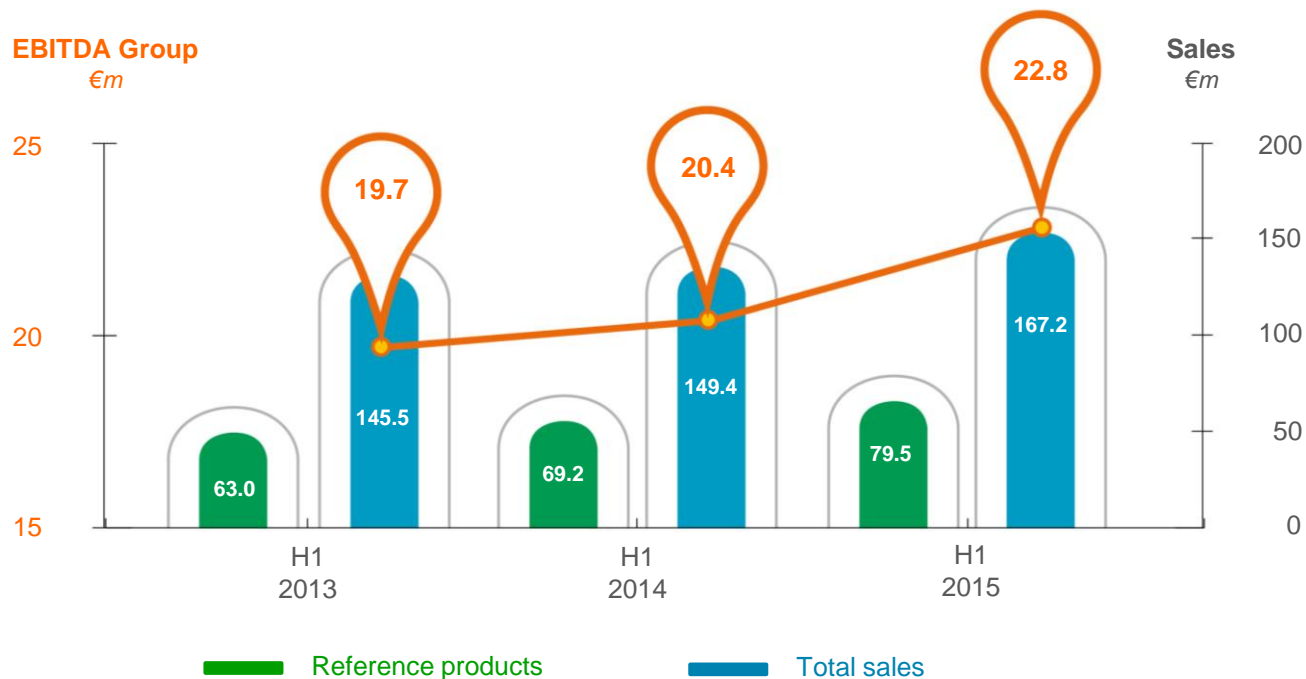
Half year revenue from reference products
reported data (€m)



Breakdown of half year revenue from reference products



Strong momentum from business drivers



Mastering of the Anti-infective evolution

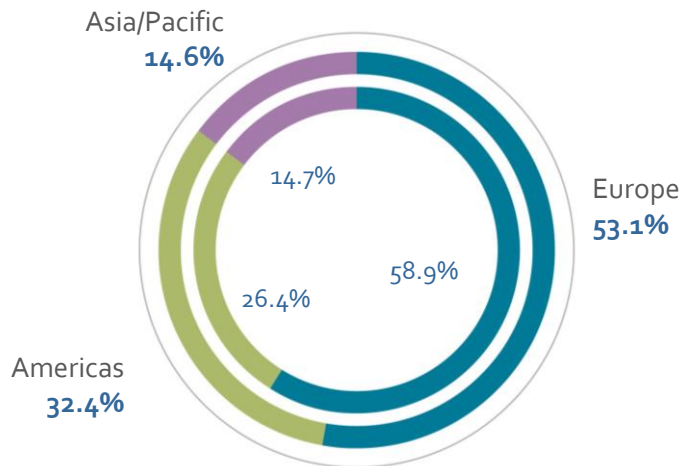
- Anti-infectives, **a changing market segment**
 - European legislation imposes restrictions
 - An essential area for animal health
- Anti-infectives, **developments anticipated by Vétoquinol**
 - Diversifying to other therapeutical domains
 - Launch of new anti-infective treatments such as Forcyl®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

HIGHER EARNINGS

All financial indicators are up

2015 H1 sales: €167.2m

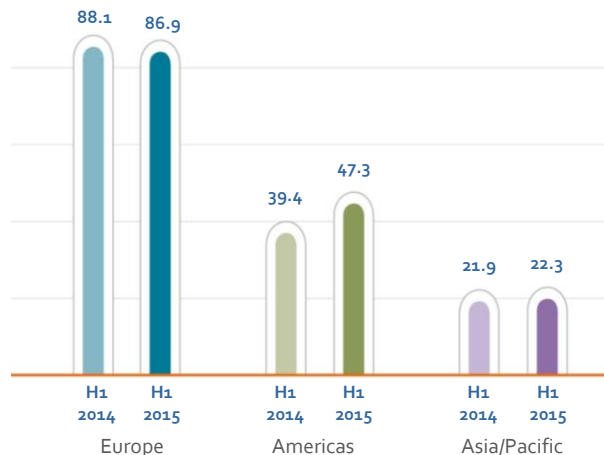
Reported data



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
Sales	167.2		149.4		+11.9%
Gross margin	109.7	65.6	99.5	66.6	+10.2%
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%
EBIT	16.1	9.6	15.0	10.0	+7.5%
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%
Net income - Group share	12.4	7.4	10.4	6.9	+19.8%
EBITDA	22.8	13.7	20.4	13.6	+11.9%

Cash flow Statement

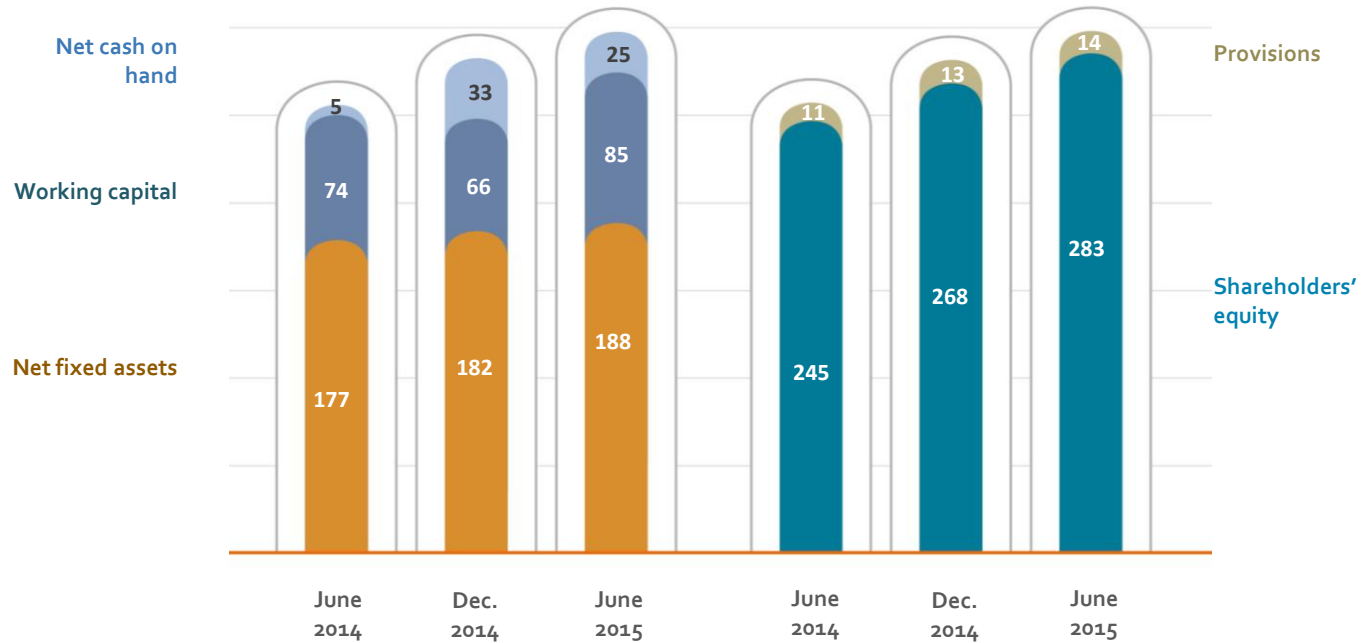
€m	June 30, 2015	June 30, 2014
Net income	12.4	10.4
Free cash flow before cost of net debt and tax	24.4	20.1
Cash flow from operating activities	4.1	7.4
Cash flow from investing activities	(8.9)	(44.9)
Cash flow from financing activities	(14.0)	26.4
Change in cash and cash equivalents	(17.6)	(10.7)

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
Working capital	84,9	74,1

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

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

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
 - Vétquinol 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
