

2022 HALF YEAR RESULTS

Additional information on the Group's strategy

Following the conference call organised on 15 September 2022 to present its half-year results, Vetoquinol would like to provide some additional information on the strategy implemented and its outlook.

The two previous strategic plans have enabled Vetoquinol to move from being a laboratory mainly specialised in anti-infectives to a multi-specialist with a targeted range of "Essential" products. Between 2011 and 2021, this focus strategy has enabled the company to increase the number of products with sales of over €5 million, to almost double its turnover, and to increase its profitability by more than 600 basis points, even reaching an EBITDA margin of 22.9% in 2021, an exceptional year. "Ambition 2026" continues and accentuates the changes brought about by the two previous plans by focusing even more on the markets and products that are the most promising for the Group.

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This plan is based on three major axes.

- **To develop international brands** as a priority, focusing on three animal species (dogs, cats and cattle), certain therapeutic segments and the most important markets in which the laboratory is established.

- **Putting the customer at the heart of the offer**

Vetoquinol focuses its offer from 6 therapeutic classes to 4 strategic segments (Antiparasitic, Mobility, Dermatology and Dairy Cows), and adopts an organisation that allows for decentralised decision-making closer to the customer.

- **Valuing and strengthening cultural differences**

A family-owned laboratory founded almost 90 years ago, Vetoquinol is characterised by its long-term vision, the importance it places on people and its commitment to corporate responsibility.

In terms of financial performance, this plan aims to achieve average sales growth above the market average and a high level of profitability, within an EBITDA margin corridor around 20%.

This corridor concept is necessary because the results of this plan will be progressive and non-linear. The implementation of this plan will result in an increase in R&D and marketing expenses related to the launch of new global brands. A special effort will also be made in Brazil to bring it in line with the Group's overall performance. Investments will increase from the historical annual average of €15 million to €25 million over the next three years.



2022/2023, a necessary prudence

The global context and the particular situation of animal health call for caution over the next 18 months. After two years of strong activity, an indirect consequence of Covid-19 on the development of pets, the growth of the business is returning to a more normal rhythm. Over the medium term, animal health should gradually return to its cruising speed.

More generally, animal health, like most other sectors, is affected by the consequences of the Ukrainian crisis and high inflation. A certain number of expenses should increase, including personnel costs and energy costs as well as raw material costs. The increase in energy prices should have a limited effect on the laboratory's accounts given their weight. Due to the volatility of the context, forecasts are difficult to make in this area and the laboratory will not publish any.

A replay of the conference held on Thursday 15 September as well as the supporting document are available in the investor section of Vetoquinol's website.

Next update: Q3 2022 sales, October 12th, 2022 after market close

ABOUT VETOQUINOL

Vetoquinol is a leading global animal health company that supplies drugs and non-medicinal products for the farm animals (cattle and pigs) and pet (dogs and cats) markets. As an independent pure player, Vetoquinol designs, develops and sells veterinary drugs and non-medicinal products in Europe, the Americas and the Asia Pacific region. Since its foundation in 1933, Vetoquinol has pursued a strategy combining innovation with geographical diversification. The Group's hybrid growth is driven by the reinforcement of its product portfolio coupled with acquisitions in high potential growth markets. Vetoquinol employed 2,621 people as of June 30th, 2022.

Vetoquinol has been listed on Euronext Paris since 2006 (symbol: VETO).
The Vetoquinol share is eligible for the French PEA and PEA-PME personal equity plans.