



# H1 2021 RESULTS

July 29, 2021



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While Vetoquinol believes that its targets are reasonable, readers are reminded that these objectives are subject to risks and uncertainties, including those described in the “Risk factors” section of the Universal Registration Document.

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## FIRST HALF RESULTS BETTER THAN EXPECTED



**€255m**  
Group sales  
**+33.5%**  
(constant FX rates)



**€143m**  
Essentials sales  
**up +45.2%**  
(constant FX rates)



**€57m**  
EBIT  
before depr. of acq. assets  
**x2 vs H1 2020**



**€36m**  
Net income  
Group share  
**14.1% of sales**



**+€16m**  
Net cash  
(including IFRS 16)

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- 01** H1 2021 highlights
- 02** H1 2021 consolidated financial statements
- 03** Strategy and outlook

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# 01

## H1 2021 HIGHLIGHTS

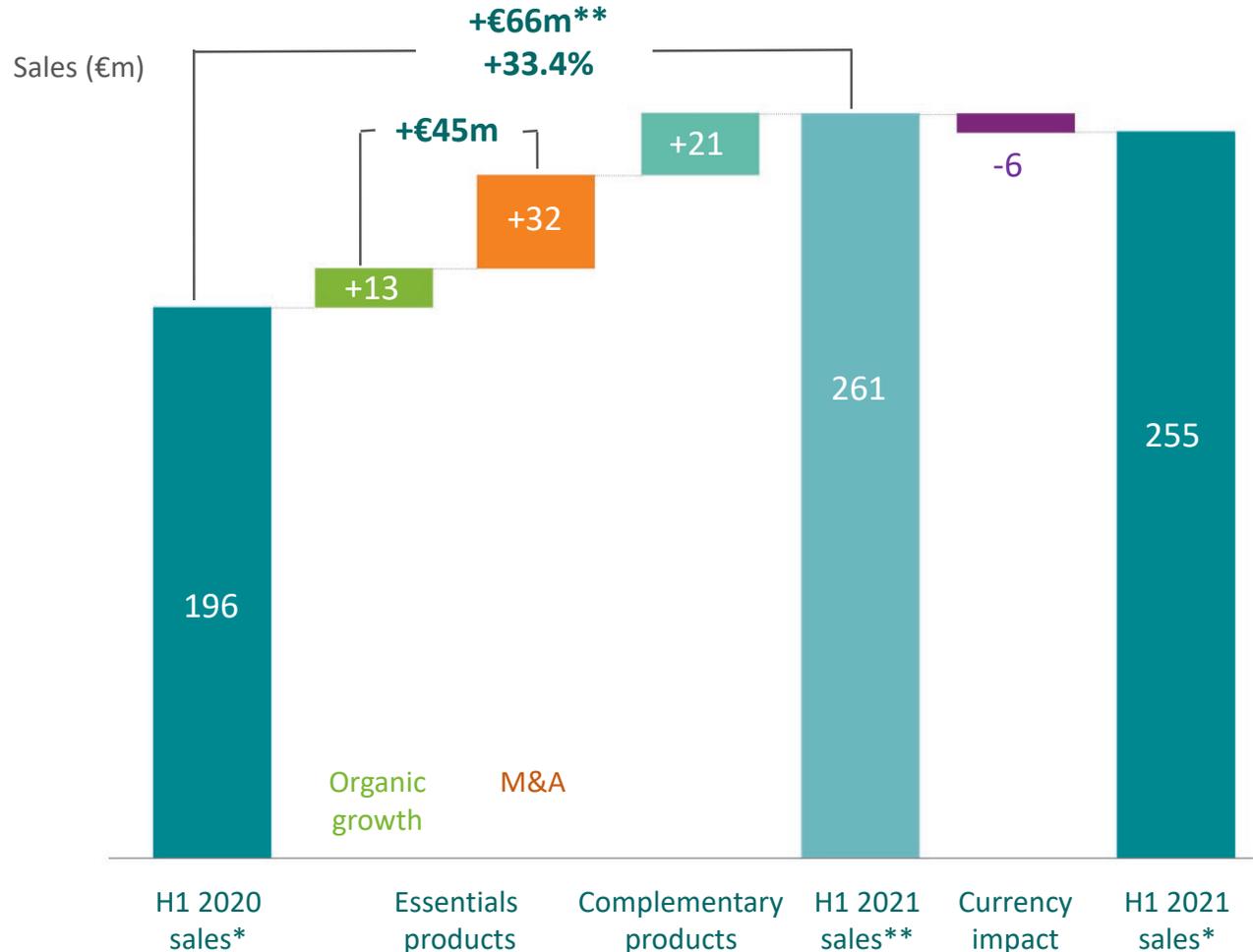
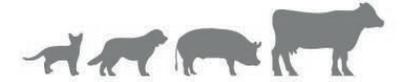
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# VERY STRONG SALES GROWTH IN H1 2021



## Vetoquinol outperforms the animal health market

A strong global market, up over 5% (Vetoquinol estimate)

Growth in Essentials products twice greater than Complementary products

Limited impact of Covid-19 on first-half business

\* Reported data  
\*\* At constant exchange rates

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Successful integration of Drontal® and Profender®

Acquisition of rights in Australia and Canada

Strong growth potential in Europe and worldwide

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## TWO NEW ESSENTIALS PRODUCT LAUNCHES



Innovative approach to managing pet wounds  
Launched in Europe in May 2021



Parasiticide against fleas, heartworm and intestinal parasites in pets  
First Vetoquinol parasiticide launched in the United States

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# STRONG GROWTH IN PROFIT AND TOTAL DELEVERAGING IN H1 2021



## Strong cash flow generation

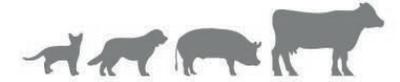
€110m loan repaid in advance

Company totally deleveraged at June 30, 2021

## EBIT doubled

Step-up of development of the product mix

H1 2021 EBIT/Sales > 20%



# 02

## H1 2021 CONSOLIDATED FINANCIAL STATEMENTS

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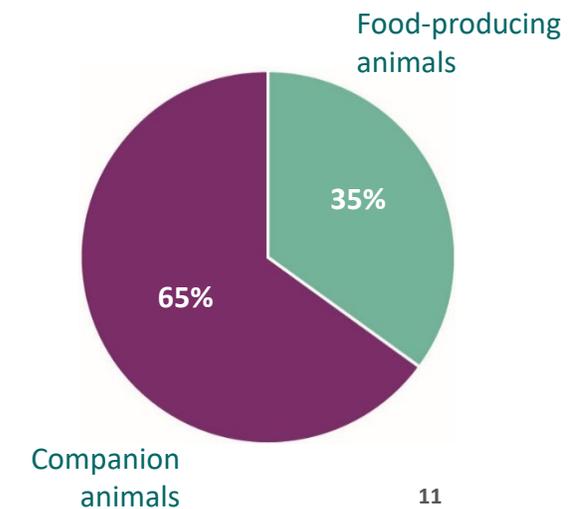
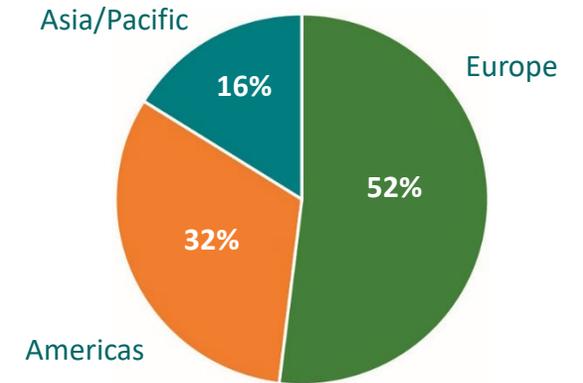
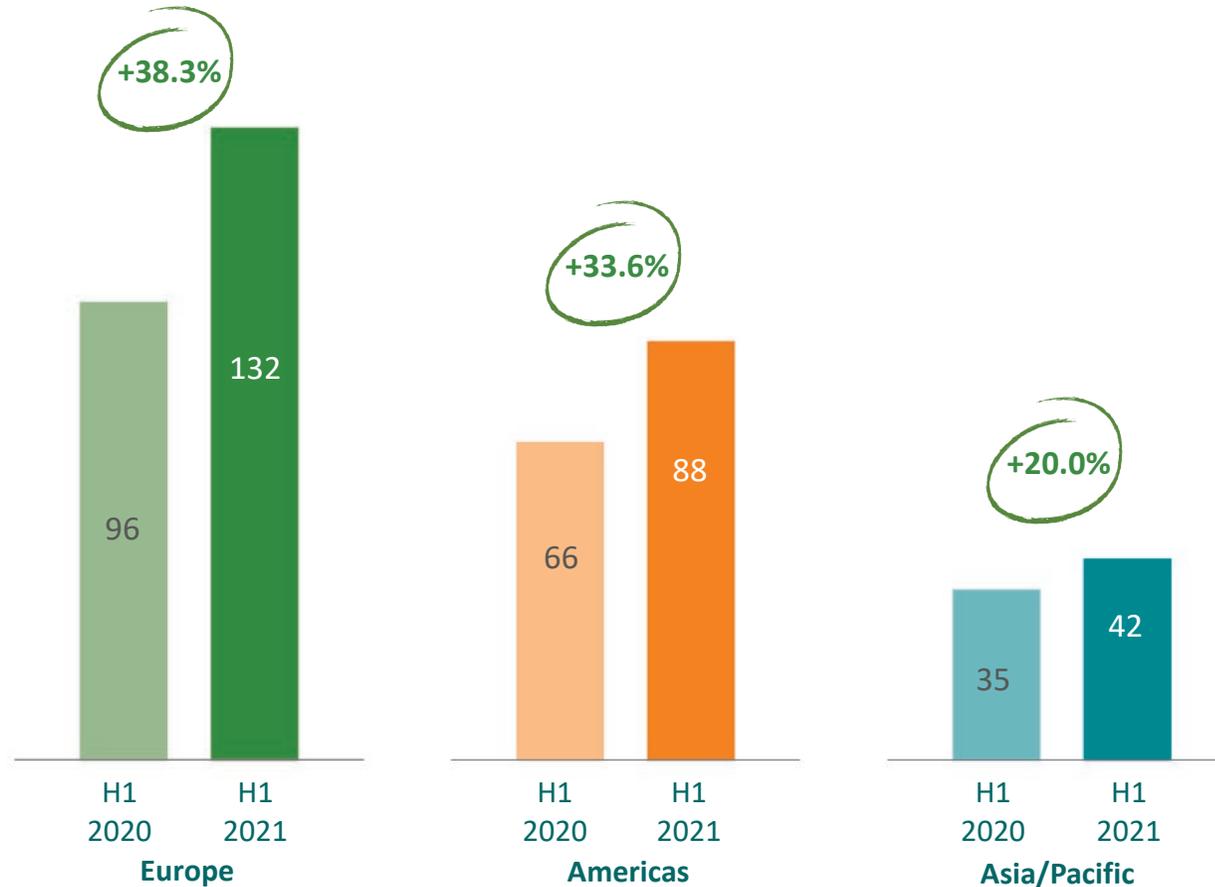
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# FIRST-HALF SALES GROWTH BY TERRITORIES



Sales (€m)  
At constant exchange rates



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# INCOME STATEMENT



€m	06/30/2021	% sales	06/30/2020	% sales	Change
Sales	255.3		196.1		+30.2%
Gross margin on purchases	183.8	72.0	141.6	72.2	+29.7%
External expenses	(42.7)	(16.7)	(37.1)	(18.9)	+15.2%
Personnel expenses	(72.3)	(28.3)	(65.4)	(33.4)	+10.4%
Taxes and duties	(3.4)	(1.3)	(3.4)	(1.7)	+0.8%
Other income and expenses	2.1	0.8	1.6	0.8	+35.6%
Depreciation, amortization and provisions	(10.7)	(4.2)	(9.3)	(4.7)	+14.9%
<b>EBIT before depreciation of acquired assets</b>	<b>56.9</b>	<b>22.3</b>	<b>28.0</b>	<b>14.3</b>	<b>+102.9%</b>
Amortization of intangible assets arising from acquisitions	(6.5)	(2.5)	(3.7)	(1.9)	+76.1%
<b>EBIT</b>	<b>50.4</b>	<b>19.7</b>	<b>24.4</b>	<b>12.4</b>	<b>+106.9%</b>

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## INCOME STATEMENT (CONTINUED)



€m	06/30/2021	% sales	06/30/2020	% sales	Change
EBIT	50.4	19.7	24.4	12.4	+106.9%
Non-recurring operating income and expenses	(0.2)	n/a	(1.4)	n/a	-88.6%
<b>Operating income</b>	<b>50.2</b>	<b>19.7</b>	<b>22.9</b>	<b>11.7</b>	<b>+119.2%</b>
Net financial items	0.3	0.1	(0.5)	(0.3)	-157.6%
Income before tax	50.5	19.8	22.4	11.4	+125.3%
Income tax	(14.4)	(5.6)	(7.6)	(3.9)	+89.5%
Earnings/(loss) of associates	0	n/a	0.1	n/a	n/a
<b>Net income Group share</b>	<b>36.2</b>	<b>14.2</b>	<b>15.1</b>	<b>7.6</b>	<b>+140.5%</b>
<b>EBITDA*</b>	<b>67.5</b>	<b>26.4</b>	<b>38.0</b>	<b>19.4</b>	<b>+77.6%</b>

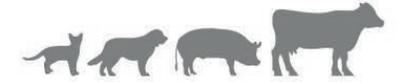
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\* see EBITDA reconciliation attached

## CASH FLOW



€m	06/30/2021	06/30/2020
<b>Consolidated net income</b>	<b>36.2</b>	<b>15.0</b>
Free cash flow before net cost of debt and tax	67.6	38.2
Cash flow from operating activities	31.7	30.8
Cash flow used by investing activities	(12.6)	(5.4)
Cash flow from/used by financing activities	(118.3)	(7.4)
<b>Change in cash and cash equivalents</b>	<b>(97.3)</b>	<b>17.2</b>

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## WORKING CAPITAL



€m	06/30/2021	12/31/2020	06/30/2020
Inventories	106.4	85.5	84.2
Trade and other receivables	92.5	88.6	81.2
Trade and other payables	(118.0)	(116.0)	(88.8)
Other net working capital	(4.8)	(2.7)	(0.5)
<b>Working capital</b>	<b>76.1</b>	<b>55.4</b>	<b>76.8</b>

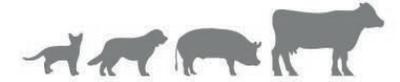
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<b>In number of days (by due date)</b>	<b>55</b>	<b>47</b>	<b>74</b>
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# STRENGTHENED FINANCIAL POSITION



€m



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IFRS 16 liabilities of €12.6m



# 03

## STRATEGY AND OUTLOOK

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## 2012/2021 - TWO SUCCESSFUL STRATEGIC PLANS TO TRANSFORM VETOQUINOL



### EXCELLENCE<sup>2016</sup>

Creation of a unique range of Essentials products for pet owners and breeders, launched in 16 strategic countries



#### IN MOTION

Step-up of the Excellence 2016 strategic plan

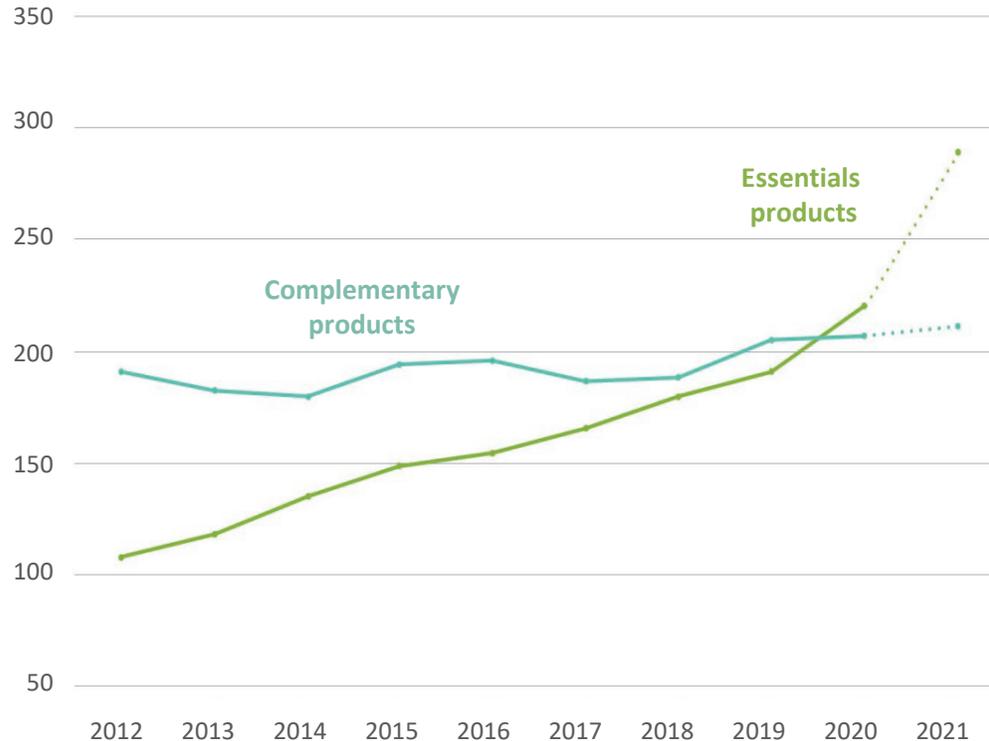
#### → Targeted strategy

- 4 species
- 6 areas of expertise
- 3 territories

# VETOQUINOL, A RESTRUCTURED PRODUCT PORTFOLIO



Change in Essentials/Complementary sales in €m



**Essentials products driving the Company's strategy**

**Rebalancing of therapeutic domains**

Ramp-up of parasitology

**More than 15 Essentials products launched in 2012-2021**

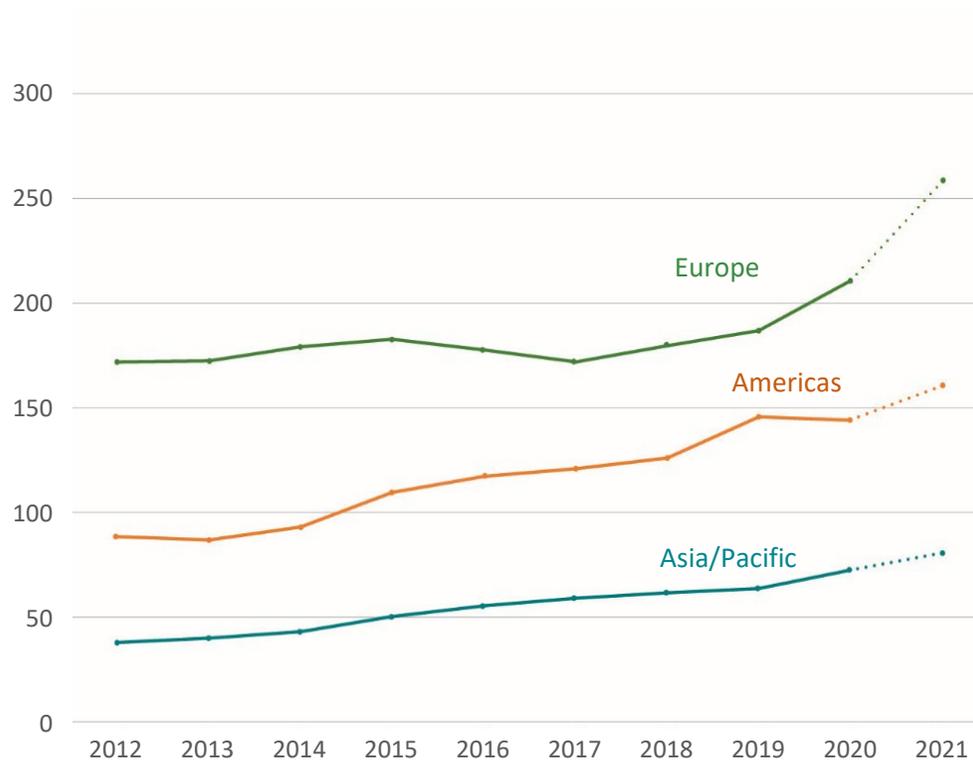
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Breakdown of sales by region in €m



**Present on the main animal health markets**

**USA**

No. 1 market with strong development potential

**Brazil**

Ramp-up

**Europe**

The Group's domestic market offering solid opportunities

**Asia/Pacific**

Growth driver

# VETOQUINOL: OUR EMPLOYEES ONE OF THE 3 KEY PILLARS OF OUR STRATEGY



## Competencies ramp-up and internationalization of teams

**10%** increase in headcount in 2020/2021 with close to **79%** of teams trained in 2020

**70%** of headcount outside France

Workplace accident rate/hours worked **divided by 3** in just 2 years

The Covid-19 health crisis demonstrated the teams' agility and flexibility



## A SUSTAINABLE VISION FOR THE GROUP



**A family-run and independent laboratory that innovates, develops and markets veterinary drugs and non-medicinal products**

Since its creation in 1933, Vetoquinol has:

- Combined innovation and international expansion
- Strengthened its product portfolio
- Completed successful acquisitions
- Combined the long-term vision of a family-run business with the expectations of financial markets



## **2021 - A successful year ahead**

Double-digit growth in sales and EBIT

Major program of Essentials product launches

## **2022 - Sustained growth momentum**

Focus on Essentials products, key driver of the strategy

Confirmed commitment to creating financial and non-financial value

Enhanced capacity for external growth

## UPCOMING FINANCIAL RELEASES



**October 14, 2021** Q3 2021 sales (after market close)

**January 20, 2022** 2021 full-year sales (after market close)

### Vetoquinol on the stock market

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

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HERE TO HELP



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# Questions and Answers

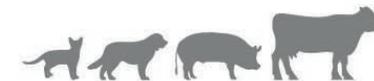
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## EBITDA: WEALTH CREATION



€m	06/30/2021	06/30/2020
<b>Net income before equity method</b>	<b>36.2</b>	<b>14.8</b>
Income tax expense	14.4	7.6
Net financial items	(0.3)	0.5
Provisions recorded under non-recurring operating income and expenses	0.1	2.1
Provisions and write-backs	0.7	0.3
Depreciation and amortization	13.9	10.2
Depreciation - IFRS	2.6	2.4
<b>EBITDA</b>	<b>67.5</b>	<b>38.0</b>

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AUTRICHE | RÉPUBLIQUE TCHÈQUE | SUÈDE | ÉTATS-UNIS | CANADA | MEXIQUE | BRÉSIL | INDE | CORÉE DU SUD | CHINE |  
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