



# 2022 HALF-YEAR RESULTS

September 15, 2022



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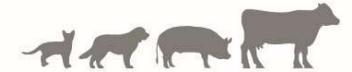
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- 01** H1 2022 Highlights
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- 03** Strategy and outlook



# 01

## H1 2022 HIGHLIGHTS

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## H1 2022 KEY FINANCIAL INDICATORS



**€271 m**  
Group sales  
**+2.0%**  
constant FX rates



**€154 m**  
Essentials sales  
**+6.8%**  
constant FX rates



**€52 m**  
EBIT  
before depr. of acq. assets  
**19.0%** of sales

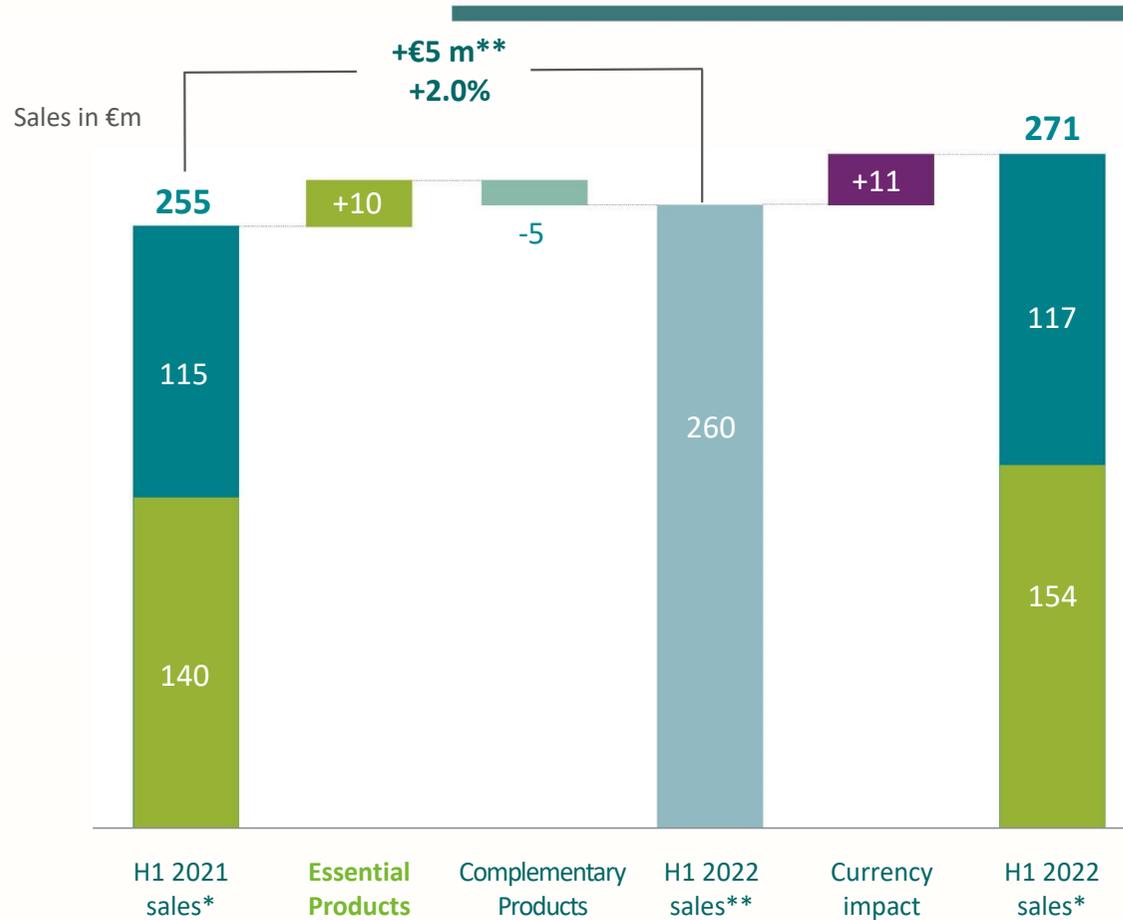


**€21 m**  
Net income  
Group share  
**7.9%** of sales



**€62 m**  
EBITDA  
**22.9%** of sales

# CONTINUED DEVELOPMENT



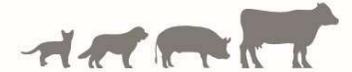
Reported growth: **+6.0%**

Growth in Essential products: **+9.8%** on a reported basis

Essential products: **56.8%** of H1 2022 sales

\* Reported data  
\*\* Constant FX rates

## THREE PROMISING LAUNCHES



### Felpreva®

Antiparasitic product: major innovation for cats and their owners and their owners with the creation of a global brand  
→ launch in Europe



### Imoxi®

Parasiticide product: ready-to-use topical solution with broad spectrum formula → US launch



### Phovia®

Disruptive and innovative dermatological product for dogs and cats → worldwide launch



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## FELPREVA<sup>®</sup>, PARASITICIDE INNOVATION FOR CATS



### Benefits of the new Felpreva<sup>®</sup> parasiticide product

- "Spot on" format
- Frequency of administration (quarterly)
- Broader spectrum of action
- Strong innovation

### Promising launch

- Creation of a global brand
- November 2021: European MA
- 2022: launch in Europe





## Deployment of a new ERP

Harmonize the whole group

Simplify and automate business practices

Support the Group's development

## Final phase of the AUCAPI project

Upgrade and increase production capacity of injectable product lines

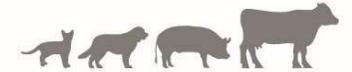
→ €25 m over several years

Increase in inventory as of June 30, 2022

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# 02

## H1 2022 CONSOLIDATED FINANCIAL STATEMENTS

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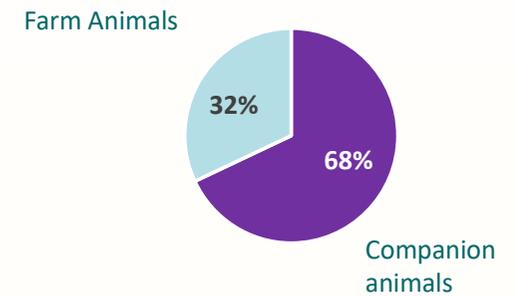
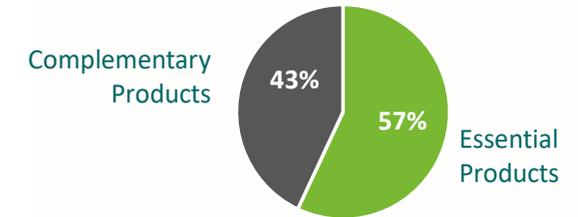
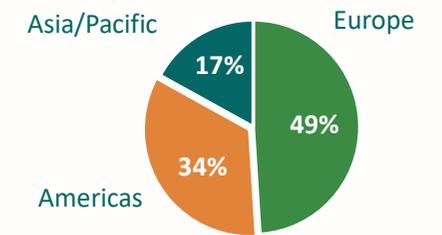
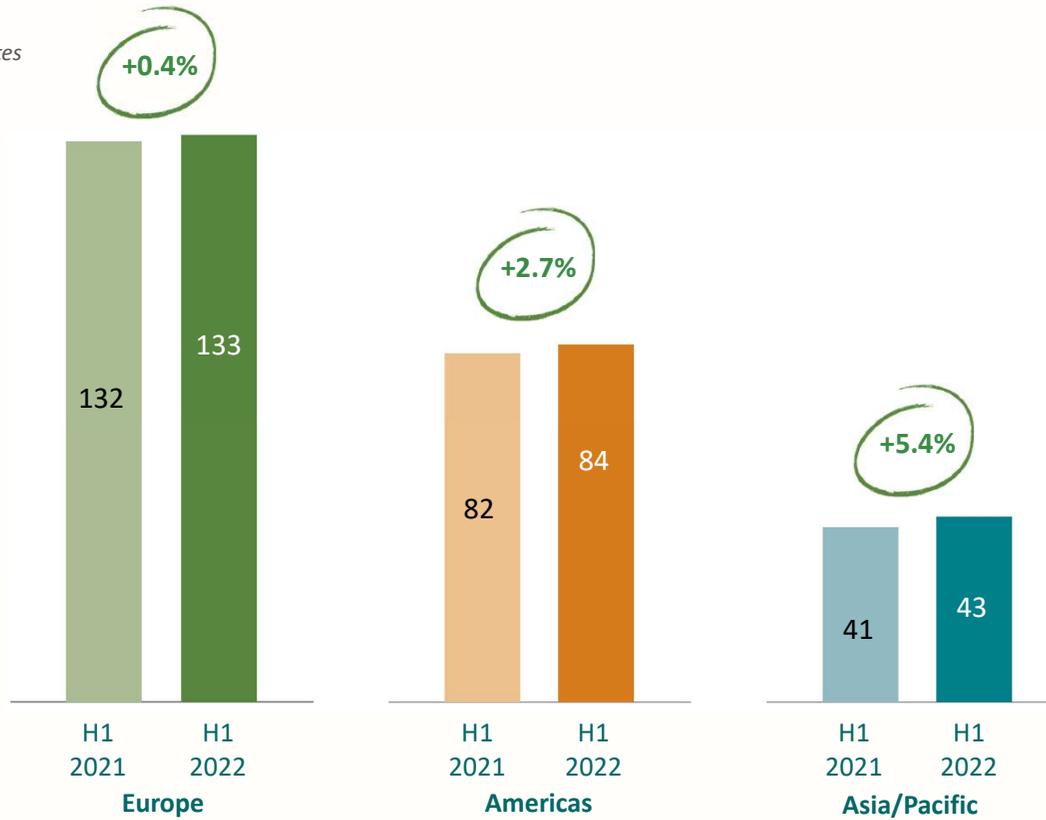
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# H1 2022 SALES



Sales in €m  
constant FX rates



## INCOME STATEMENT



€m	30/06/2022	% of sales	30/06/2021	% of sales	Change in €m
Sales	270.8		255.3		+15.4
Gross margin on purchases	195.2	72.1	183.8	72.0	+11.5
External expenses	(54.0)	(19.9)	(42.7)	(16.7)	(11.3)
Personnel expenses	(78.1)	(28.8)	(72.3)	(28.3)	(5.8)
Taxes and duties	(3.8)	(1.4)	(3.4)	(1.3)	(0.4)
Other income and expenses	2.7	1.0	2.1	0.8	+0.6
Depreciation, amortization and provisions	(10.6)	(3.9)	(10.7)	(4.2)	+0.1
<b>EBIT before depreciation of acquired assets</b>	<b>51,5</b>	<b>19.0</b>	<b>56.9</b>	<b>22.3</b>	<b>(5.3)</b>
Amortization of intangible assets arising from acquisitions	(7.1)	(2.6)	(6.5)	(2.5)	(0.6)
<b>EBIT</b>	<b>44.4</b>	<b>16.4</b>	<b>50.4</b>	<b>19.7</b>	<b>(6.0)</b>

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## INCOME STATEMENT (CONTINUED)



€m	30/06/2022	% of sales	30/06/2021	% of sales	Change in €m
EBIT	44.4	16.4	50.4	19.7	(6.0)
Non-recurring operating income and expenses	(9.3)*	(3.4)	(0.2)	ns	(9.1)
<b>Operating income</b>	<b>35.1</b>	<b>13.0</b>	<b>50.2</b>	<b>19.7</b>	<b>(15.1)</b>
Financial result	(0.6)	(0.2)	0.3	0.1	(0.9)
Income before tax	34.5	12.8	50.5	19.8	(16.0)
Income tax	(13.1)	(4.9)	(14.4)	(5.6)	1.2
Earnings/(loss) of associates	0	ns	0	ns	0
<b>Net income, Group share</b>	<b>21.4</b>	<b>7.9</b>	<b>36.2</b>	<b>14.2</b>	<b>(14.8)</b>
<b>EBITDA</b>	<b>62.0</b>	<b>22.9</b>	<b>67.5</b>	<b>26.4</b>	<b>(5.5)</b>

\* Impairment Brazil

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In M€	30/06/2022	30/06/2021
<b>Net income before equity method</b>	<b>21.4</b>	<b>36.2</b>
Income tax expense	13.1	14.4
Financial income (expense)	0.6	(0.3)
Provisions recorded under non-recurring operating income and expenses	9.1	0.1
Charges and reversals of provisions	1.8	0.7
Depreciation and amortization	13.2	13.9
Depreciation and amortization – IFRS 16	2.7	2.6
<b>EBITDA</b>	<b>62.0</b>	<b>67.5</b>
<i>of sales</i>	<b>22.9%</b>	<b>26.4%</b>

## CASH FLOW



€m	30/06/2022	30/06/2021
<b>Consolidated net result</b>	<b>21.4</b>	<b>36.2</b>
Free cash flow before net cost of debt and tax	60.4	67.6
Cash flows from operating activities	(12.3)	31.7
Cash flows from investing activities	(7.4)	(12.6)
Cash flows from financing activities	(12.0)	(118.3)
Impact of foreign exchange variations	2.1	1.8
<b>Change in cash and cash equivalents</b>	<b>(29.5)</b>	<b>(97.3)</b>

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## WORKING CAPITAL



€m	30/06/2022	31/12/2021	30/06/2021
Inventories	126.0	111.6	106.4
Trade and other receivables	105.1	87.2	92.5
Trade and other payables	(119.5)	(140.8)	(118.0)
Other net working capital	5.1	(1.4)	(4.8)
<b>Working capital</b>	<b>116.7</b>	<b>56.6</b>	<b>76.1</b>
<b>Working capital in days (per due date)</b>	<b>76 days</b>	<b>40 days</b>	<b>55 days</b>

## FINANCIAL STRUCTURE



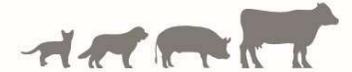
€m



\* Including IFRS 16: €11 million

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# 03

## STRATEGY AND OUTLOOK

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## ACCELERATION OF THE DEVELOPMENT



**2011**

Essentials: **36%** of sales  
4 products Turnover > 5 m  
SALES: **€284 m**  
EBITDA: **14.0%**

**2012-2016**

**EXCELLENCE** 2016



**2017-2021**



IN MOTION



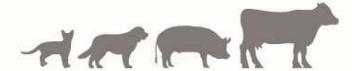
**2021**

Essentials: **57%** of sales  
21 products Sales > €5 m  
SALES: **€521 m**  
EBITDA: **22.9%**



**AMBITION2026**  
new dimension, same DNA

**CONTINUES AND ACCENTUATES THE CHANGES  
IMPLEMENTED IN THE TWO PREVIOUS PLANS**



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## INCREASE THE FOCUS OF THE LABORATORY

→ Develop global brands (change of scale)

Focus on 3 target species

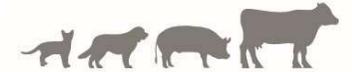
Pets: **dogs** and **cats**

Farm animals: **cattle**

Focus on certain therapeutic classes

Focus on the major markets where the Group is present

Rationalise the portfolio of complementary products



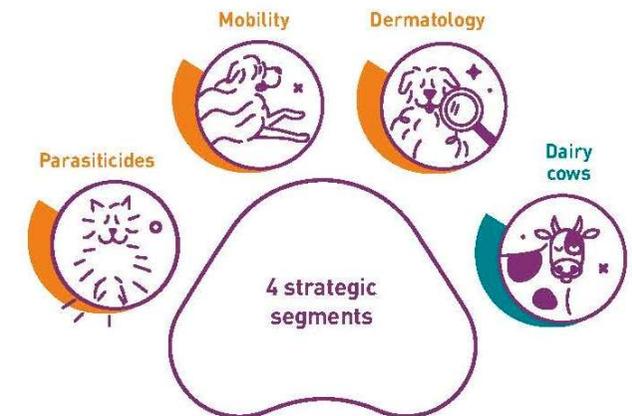
## PUT THE CUSTOMER AT THE HEART OF THE OFFER

→ Strengthen the privileged relationship with veterinarians, breeders and pet owners in a market that is becoming increasingly concentrated

Move from 6 therapeutic classes to **4 strategic segments** while maintaining a multi-specialist approach

Adapt the matrix organization to be closer to customers

Accelerate innovation to strengthen differentiation

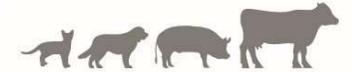




## 3<sup>RD</sup> PILLAR OF THE STRATEGIC PLAN



**AMBITION2026**  
new dimension, same DNA



### TO VALUE AND REINFORCE CULTURAL DIFFERENCES

→ Capitalize on Vetoquinol's unique family DNA among the world's leading laboratories

#### 3 differentiating values

- **Focusing on the long term:** Vetoquinol will celebrate its 90<sup>th</sup> anniversary in 2023
- **People at the heart of the project:** Priority given to the responsibility and agility of teams
- **A commitment to Corporate Responsibility :** CSR, one of the central projects of the strategic plan

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### Impact of the conflict in Ukraine

Low direct exposure to the Russian-Ukrainian conflict

- **No direct presence (subsidiary, establishment, plant, workforce)**
- **Activity in Russia and Ukraine < 1% of Group revenues**
- **Few purchases made from these 2 countries**

Impacted like the rest of the economy by the indirect consequences of this crisis

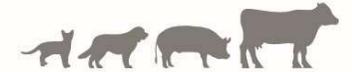
- **Inflation of raw material purchase costs, energy costs and logistics costs**

### Consequences on 2022 outlook

Reduced visibility accentuated by the post-Covid landing making forecasts challenging



## OUTLOOK



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### Main actions for the second half of 2022

Continuation of the Essentials product launch program

Deployment of the new Ambition 2026 strategic plan

Monitoring of targeted external growth opportunities

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## FINANCIAL COMMUNICATION AGENDA



October 12, 2022 Sales 3<sup>rd</sup> quarter 2022 (after market)

January 18, 2023 Annual sales 2022 (after trading)

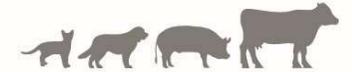
Animal health laboratory listed on Euronext Paris since 2006  
ISIN code: FR0004186856 - Mnemonic code: VETO - Compartment A  
Vetoquinol is eligible for PEA and PEA-PME

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AT YOUR DISPOSAL



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# Questions and answers

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