



H1 2017 Results

Conference Call

July 27, 2017

www.vetoquinol.com

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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 annual Registration Document.

1.

H1 2017 highlights



H1 2017 key figures

Group sales
€175.7m
up 2.0%
up 0.6% LFL

Reference products
€80.8m
up 6.9%
up 6.1% LFL

EBIT
€20.6m
up 0.4%

Net income -
Group share
€14.4m
up 6.5%

Net cash
€75.7m
down €2.4m

H1 2017 highlights

- › Return to growth in Q2
 - Q2 2017 sales: up 3.6% as reported, up 2.6% like-for-like
 - Q1 2017 sales: up 0.4% as reported, down 1.4% like-for-like

- › Continued growth of reference products
 - H1 2017 sales: up 6.9% as reported, up 6.1% like-for-like

- › Strong performances in the Americas and Asia Pacific
 - Americas: up 8.4% as reported, up 4.6% like-for-like
 - Asia Pacific: up 12.2% as reported, up 9.1% like-for-like

- › Europe flat in the second quarter, still impacted by antibiotics

H1 2017 highlights

- › Acquisition of VetCom-pharma on March 22, 2017
 - Austrian company founded in 1998
 - Acquisition of new drugs:
 - › Reprocine[®] /Longacton[®] and Oextracton[®]
 - › Species: cattle and pigs
 - › Expansion of the reproduction product range



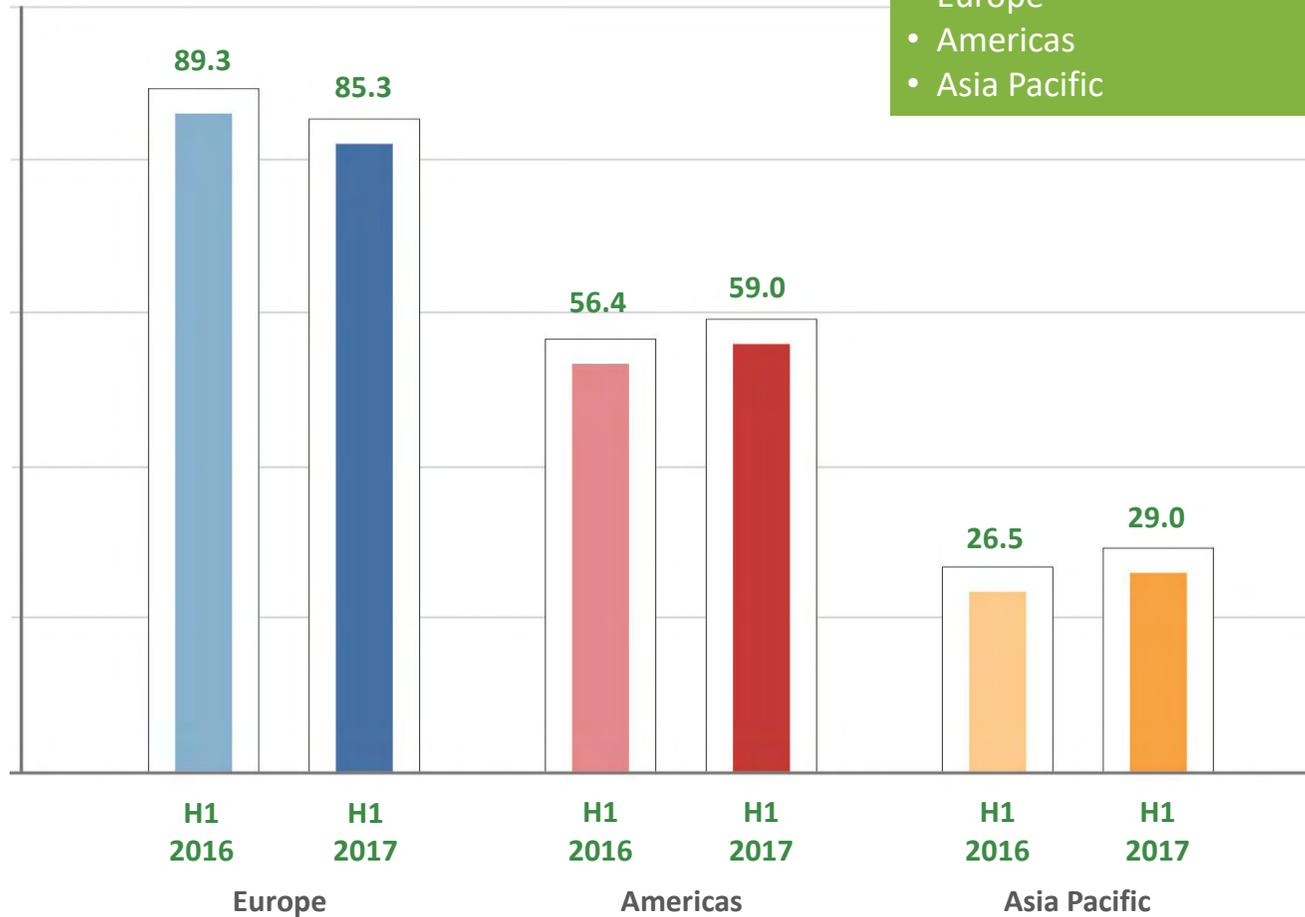
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H1 2017 financial statements



H1 2017 sales at constant exchange rates: €173.3m

€m



Like-for-like growth per territory

- Europe -4.4%
- Americas +4.6%
- Asia Pacific +9.1%

Income statement

€m	H1 2017	% of sales	H1 2016	% of sales	Change
Sales	175.7		172.2		+2.0%
Gross margin on purchases	120.8	68.8	116.8	67.8	+3.4%
External expenses	(37.0)	(21.1)	(34.5)	(20.1)	+7.0%
Personnel expenses	(57.7)	(32.8)	(54.9)	(31.8)	+5.1%
Taxes and duties	(2.8)	(1.6)	(2.8)	(1.6)	+2.0%
Other income and expenses	3.0	1.7	2.8	1.6	+5.7%
Depreciation, amortization and provisions	(5.7)	(3.2)	(6.9)	(4.0)	-17.8%
EBIT	20.6	11.7	20.5	11.9	+0.4%
Operating income	20.6	11.7	19.9	11.6	+3.3%
Net financial income/(expense)	(1.3)	(0.8)	(0.7)	(0.4)	+91.8%
Pre-tax income	19.3	11.0	19.3	11.2	+0.2%
Income tax	(4.8)	(2.7)	(5.7)	(3.3)	-15.3%
Earnings/(loss) of associates	(0.1)	n/a	(0.1)	n/a	n/a
Net income - Group share	14.4	8.2	13.5	7.8	+6.5%
EBITDA	26.0	14.8	27.4	15.9	-5.3%

Calculation of EBITDA

€m	H1 2017	H1 2016
Net income excl. earnings of associates	14.5	13.5
Income tax expense	4.8	5.7
Net financial income	1.3	0.7
Provisions recorded under non-recurring operating income and expenses	0.0	0.6
Provisions and write-backs	(0.8)	0.3
Depreciation and amortization	6.2	6.6
EBITDA	26.0	27.4

Cash flow

€m	H1 2017	H1 2016
Net income - Group share	14.4	13.5
Free cash flow before net cost of debt and tax	25.1	26.7
Cash flow from operating activities	11.5	14.1
Cash flow used by investing activities	(8.1)	(7.8)
Cash flow used by financing activities	(9.6)	(9.5)
Change in cash and cash equivalents	(7.0)	(3.6)

Working capital

€m	6/30/2017	6/30/2016
Inventories	73.7	72.1
Trade and other receivables	70.1	61.8
Trade and other payables	(69.8)	(63.3)
Other working capital	4.0	7.2
Working capital	78.0	77.8

	6/30/2017	6/30/2016
In number of days (by due date)	78.9	82.6

Financial structure

€m



Solid fundamentals

- › Strong cash generation
 - EBITDA of **€26.0m**

- › Sound financial structure
 - Shareholders' equity of **€320.1m**
 - Net cash of **€75.7m**

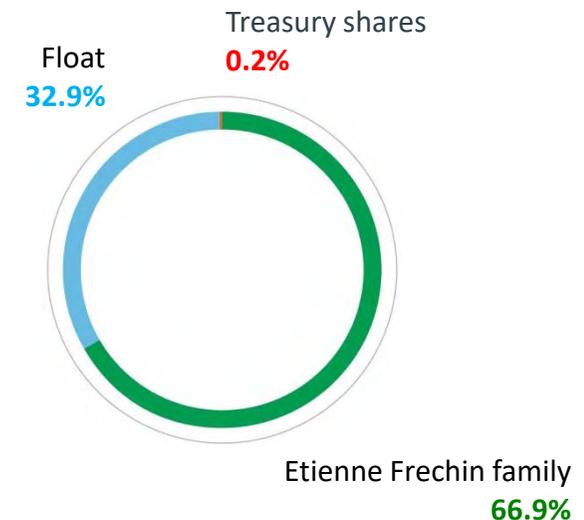
- › Large borrowing capacity
 - Targeted acquisition program
 - Ambitions confirmed
 - Financial partners engaged

Vetoquinol, an independent family-owned Group

- › **10-year** listing on NYSE Euronext Paris
- › Share price growth since Jan. 2016: **up 24%**



Shareholders at December 31, 2016



- › Share included in new NYSE Euronext “Family Business” index
- › Dividend of **€0.43** per share, i.e. a payout ratio of **18.3%**

Vetoquinol, a responsible Group

- › Vetoquinol ranked **No. 1 listed SME** for CSR commitment in the 2016 Gaia Index

- › Confirmed eligibility for the **PEA-PME** personal equity plan



Outlook

- › Ongoing investment
 - Increase in R&D initiatives
 - Growth in reference product sales
 - Expansion of the sales force in the United States

- › Ambitious CAPEX program

- › Sales and earnings growth

- › Continued decline of antibiotics sales in Europe

- › Proactive strategy of acquisitions and portfolio expansion

2017 reporting timetable

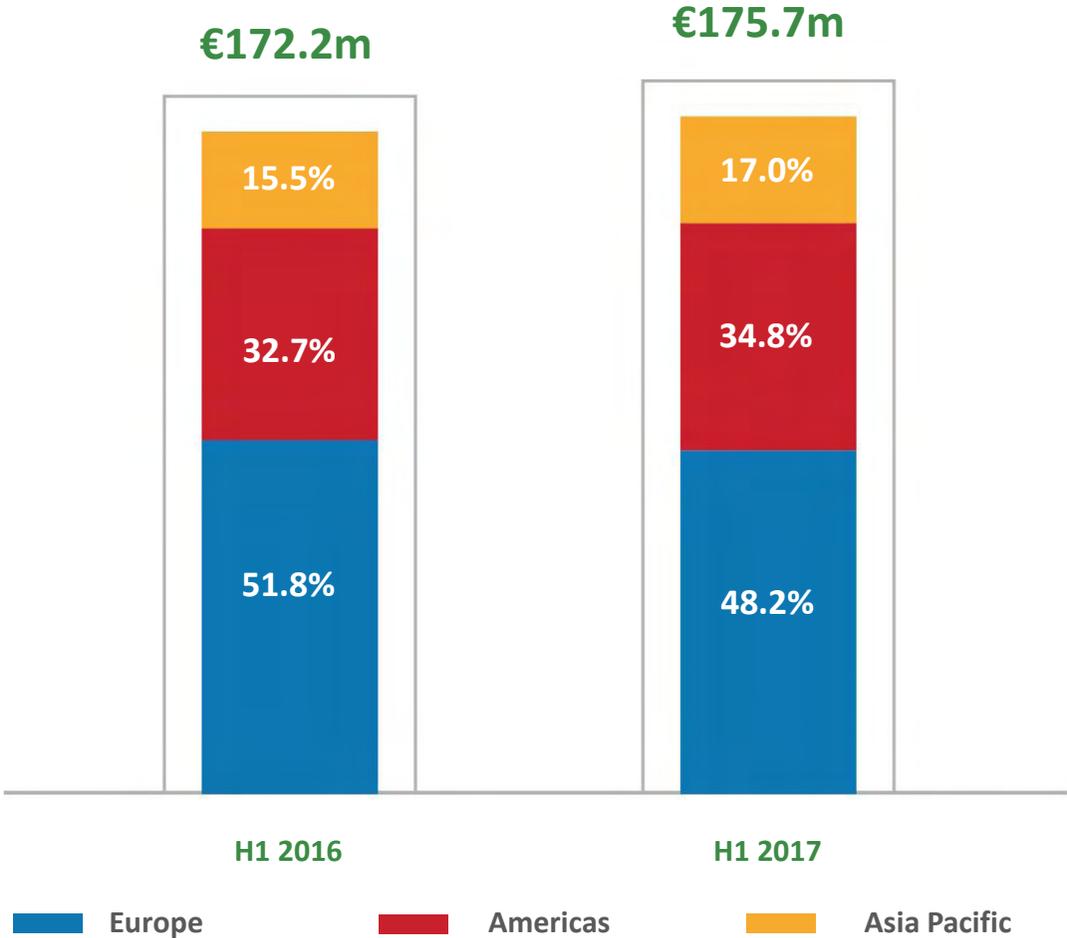
- › September 27, 2017 Investor meeting, Paris (morning)
- › October 17, 2017 Q3 2017 sales (after market close)
- › January 23, 2018 2017 full-year sales (after market close)

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Questions & Answers



H1 2017 sales at constant exchange rates: €175.7m





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