

GROWTH IN ALL FINANCIAL INDICATORS IN 2018

ESSENTIALS PRODUCTS SALES: €179.4M (UP 9.1% AT CONSTANT EXCHANGE RATES)

NET INCOME GROUP SHARE €36.3M (UP 4.0%)

At its meeting on March 19, 2019, the Vetoquinol S.A. Board of Directors reviewed the Group results and approved the audited 2018 financial statements.

Vetoquinol posted 2018 sales of €367.9 million, up 5.8% at constant exchange rates and up 3.2% as reported compared to the previous year. For the 2018 financial year Group sales increased across all territories (Europe: +2.9%, Americas: +8.7% and Asia/Pacific: +8.6% all at constant exchange rates).

Essentials products, the Group's primary growth drivers, earned sales of €179.4 million at end December 2018, increasing by 9.1% at constant exchange rates and by 7.3% as reported. They account for 48.8% of Group sales in 2018, up from 46.9% in 2017 and are growing steadily in the companion animal and livestock markets. In the Americas and Asia/Pacific, Essentials products rose by more than 10% compared to 2017.

2018 KEY FIGURES

Total sales

€367.9m

**up 5.8% at constant
exchange rates**

Essentials sales

€179.4m

**up 9.1% at constant
exchange rates**

EBIT

€48.4m (13.2% of sales)

Net income - Group share

€36.3m (up 4.0%)

** at constant exchange rates*

Sales of companion animal products came to €204.8 million, up 4.0% as reported and up 6.1% at constant exchange rates, driven in part by launches of Sonotix[®] and Zylkene[®] Chew. At the same time, livestock product sales, at €163.1 million, increased 2.2% as reported and 5.5% at constant exchange rates.

Vetoquinol Group's EBIT rose 5.3% to €48.4 million (up from €46 million in 2017) or 13.2% of sales.

The profit margin on purchases consumed increased by 1 point, despite the increase in the price of raw materials consumed; it benefited from the positive developments in the product mix with the increase of Essentials products contribution to Vetoquinol sales and the streamlining of certain products with low margins. Other purchases and external expenses increased by 7.7%, while staff costs rose by 3.9%, mainly due to rising salaries and a moderate headcount increase. R&D expenditure at €26.4 million represent 7.2% of sales

Net financial items for the 2018 financial year (income of €0.4m compared to an expense of €2.4m for 2017) results

principally from other financial income and expenses.

Income tax expense is up €3.8 million compared to the previous year. The Group had benefited in 2017 from a positive windfall effect (a payout under a legal claim, US tax reform, unrealized currency losses and the earnings mix between the Group's subsidiaries). The effective tax rate is 25.1% compared to 19.3% at the end of December 2017.

EBITDA came to €60.4 million or 16.4% of sales.

Net income Group share amounted to €36.3 million, up 4.0%.

As of December 31, 2018, Vetoquinol held net cash of €111.0 million, up €13.5 million from the previous year-end.

The figures set out in this press release take into account application of IFRS15 "Revenue from Contracts with Customers". In order to produce accurate comparisons, the Group performed an adjustment of its 2017 figures, which resulted in a €4.4 million increase in sales at the end of December 2017 and an equal increase in expenditure. This restatement has no impact on the Group's EBIT in 2017.

The Board of Directors will propose a dividend of €0.48 per share, up from €0.43 in the previous year, to the shareholders' general meeting on Tuesday, May 21, 2019.

Vetoquinol CEO Matthieu Frechin said: *The increase in our results in 2018 confirms the successful execution of our strategic plan. We remain focused on developing our portfolio in our 6 strategic segments and on our target species. We are continuing our initiatives to build partnerships in biotechnology and digital domains.*

Vetoquinol has confirmed its eligibility for the French PEA-PME personal equity plan, in accordance with Decree no. 2014-283 of March 4, 2014 implementing Article 70 of the 2014 Finance Act no. 2013-1278 of December 29, 2013, which established the conditions for companies' eligibility for the plan.

Next update: Q1 2019 sales, April 17, 2019 after market close

About Vetoquinol

Vetoquinol is a leading global player in the animal health sector with a presence in Europe, the Americas and the Asia-Pacific region.

As an independent pure player, Vetoquinol designs, develops and sells veterinary drugs and non-medicinal products intended for the livestock (cattle and pigs) and for pet (dogs and cats) markets.

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 employs 2,132 people as at December 31, 2018.

Vetoquinol has been listed on Euronext Paris since 2006 (symbol: VETO).

For further information, go to: www.vetoquinol.com.

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APPENDIX

Summary income statement

| <i>€m</i> | | 2018 | 2017 | Change |
|---------------------------------|----------------------------|--------------|--------------|--------------|
| Total sales | | 367.9 | 356.6 | +3.2% |
| | <i>of which Essentials</i> | 179.4 | 165.4 | +7.3% |
| EBIT | | 48.4 | 46.0 | +5.3% |
| | <i>% of total sales</i> | 13.2% | 12.9% | |
| Net income - Group share | | 36.3 | 34.8 | +4.0% |
| | <i>% of total sales</i> | 9.9% | 9.8% | |
| EBITDA | | 60.4 | 57.4 | +5.2% |
| | <i>% of total sales</i> | 16.4% | 16.1% | |

Calculation of EBITDA

| <i>€m</i> | 2018 | 2017 |
|---|--------------|--------------|
| Net income excl. earnings of associates | 36.9 | 35.0 |
| Income tax expense | 12.2 | 8.4 |
| Net financial items | (0.4) | 2.3 |
| Provisions recorded under non-recurring operating income and expenses | (0.8) | (0.4) |
| Provisions and write-backs | 0.1 | (0.1) |
| Depreciation and amortization | 12.8 | 12.2 |
| EBITDA | 60.4 | 57.4 |

ALTERNATIVE PERFORMANCE INDICATORS

Vetoquinol Group management considers that these indicators, which are not defined by IFRS, provide additional information that is relevant for shareholders seeking to analyze underlying trends and Group performance and financial position. They are used by management for performance analysis.

Essentials products: The products referred to as “Essentials” comprise veterinary drugs and non-medical products sold by the Vetoquinol Group. They are existing or potential market-leading products designed to meet the daily requirements of vets in the companion animal or livestock sector. They are intended for sale worldwide and their scale effect improves their economic performance.

Constant exchange rates: Application of the previous period’s exchange rates to the current financial year, all other things remaining equal.

Like-for-like growth: Year-on-year sales growth in terms of volume and/or price at constant exchange rates.

Net cash: Cash and cash equivalents less bank overdrafts and borrowings.