

Q1 2020 SALES €103.4 MILLION (UP 13.7%)

Vetoquinol Group sales for Q1 2020 amounted to €103.4 million, up 13.7% as reported and up 13.4% at constant exchange rates. This strong growth was driven by a brisk start to the period and a surge in business towards the end of the quarter due to distributor stockbuilding in some countries to forestall potential stock-outs affecting veterinary clinics or manufacturers during lockdown.

Q1 2020 KEY FIGURES

Total Group sales

€103.4 million

up 13.4%

at constant exchange rates

Essentials sales

€53.4 million

up 17.9%

at constant exchange rates

Net cash

> €100 million*

* excluding IFRS 16

Q1 sales of Essentials products, the driving force behind Vetoquinol's strategy, totaled €53.4 million, up 17.9% at constant exchange rates. Essentials products accounted for 51.6% of Group sales in Q1 2020.

Sales of companion animal products came to €60.1 million and accounted for 58.1% of total Vetoquinol sales, up 15.1% at constant exchange rates. Sales of livestock products came to €43.3 million, up 10.9% at constant exchange rates.

All Vetoquinol Group strategic territories posted growth in Q1 2020, with the Americas up 23.4%, Europe up 11.0% and Asia Pacific up 3.2% at constant exchange rates. Americas sales were partly driven by external growth in Brazil following the Clarion acquisition closed in April 2019.

As of March 31, 2020, total net cash amounted to over €100 million (excluding the impact of IFRS 16), supplemented by an unused overdraft facility of over €15 million. The Group's financial structure remains strong and enables it to deal with the impact of the Covid-19 health crisis and finalize the acquisition of the Drontal® and Profender® product ranges from Elanco.

Covid-19 pandemic, April 15, 2020 update

Vetoquinol has set up a crisis management system in order to implement the required emergency measures via a three-stage process.

- 1- Protection of Vetoquinol employees via communication and reminders of preventive reflexes, adapted work organization including global introduction of work-at-home arrangements for all eligible posts, and two-week quarantine for employees who may have been in contact with confirmed cases of contamination. These measures have enabled Vetoquinol to preserve the health of its employees and keep all laboratory operations running at a high level of production thanks to the commitment shown by the entire workforce.
- 2- Measures to protect laboratory operations and jobs in the event of a significant decline in business. This means temporarily adapting laboratory operation via targeted priority choices and measures and operating cost reductions during the crisis. For this purpose, Vetoquinol has applied for the business financial assistance provided by some governments.

- 3- Preparation for the end of the health crisis to ensure swift resumption of laboratory operations in order to meet market requirements once normal demand for veterinary drugs is restored.

Vetoquinol CEO Matthieu Frechin said: *“The current worldwide health crisis is an exceptional and unprecedented situation from all points of view. After a strong first quarter driven by the measures we adopted to ensure continued supply of our drugs to the market, we expect sales to fall in the second quarter, especially in the companion animal segment. Meanwhile, our teams will continue to prepare to integrate the Drontal® and Profender® product ranges in the second half of 2020. Throughout this crisis, our laboratory has remained operational so that we can continue to fulfill our public health duty by providing care for livestock and pets. As far as resources permit, we have managed to provide masks, overalls and hydroalcoholic gel to medical establishments located near our production facilities. This continuity of care embodies the contribution made by our Company to face the challenges of the Covid-19 pandemic.”*

€m	2020	2019	Change (reported data)	Change (constant exchange rates)	Change (LFL)
Q1 sales - total	103.4	90.9	+13.7%	+13.4%	+10.5%
Q1 sales - Essentials	53.4	45.1	+18.2%	+17.9%	+17.9%

* Subject to approval by the competent authorities and release of the usual pre-conditional clauses.

Next update: Shareholders meeting, May 26, 2020 after market close

About Vetoquinol

Vetoquinol is a leading global animal health company that supplies drugs and non-medicinal products for the livestock (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. At December 31 2019 Vetoquinol employs 2,372 people.

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

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

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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.