PRESS
RELEASE

Lure
March 24th, 2022

2021 ANNUAL RESULTS
ALL FINANCIAL INDICATORS UP

Annual sales: €521m (up 21.9% as reported)
Essentials sales: €296m (up 34.0% as reported)
EBIT before depreciation of acquired assets: €101m (up 54.5%)
Net income - Group share: €63m (up 226.9%)

Matthieu Frechin, CEO of Vetoquinol, said: *"In 10 years, our laboratory has shifted its portfolio towards higher value-added products and improved its risk profile.*
This good performance in fiscal year 2021 is in line with our plan for a sustainable and profitable growth in a solid animal health market.
At the beginning of this year, we remain cautious in the face of the current conflict and inflationary pressure."

At its meeting on March 22th, 2022, the Vetoquinol S.A. Board of Directors reviewed the Group results and approved the 2021 financial statements. The audit of these financial statements is being finalized by the Auditors.

Vetoquinol laboratory recorded sales of €521 million for the year 2021, up 21.9% as reported and up 22.3% at constant exchange rates.

At the end of December 2021, sales of Essential products amounted to €296 million, up 33.3% at constant exchange rates. Essential products continued to deliver profitable growth, driven by the ongoing development of the existing portfolio and by the contribution of acquired parasiticides products. Essential products accounted for 56.7% of the 2021 laboratory's sales (2020: 51.6%).

Sales of companion animal products amounted to €335 million and represented 64% of total Vetoquinol sales. They increased by 30.4% as reported and at constant exchange rates. Sales of farm animals products amounted to €186 million, up 9.2% as reported and up 10.0% at constant exchange rates.

All strategic territories grew at constant exchange rates in 2021: +23.5% in Europe, +22.6% in the Americas and +18.0% in Asia/Pacific.

For the year 2021, the Group recorded a negative currency impact of €1 million (-0.3%), mainly due to the decrease of the Brazilian Real and the US and Canadian Dollar.

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Gross margin on purchases was 71.3%, up 1.3 point compared to the same period in 2020, due in particular to sustained industrial activity. The impact of exchange rate fluctuations related to the consolidation of the accounts was negligible in fiscal year 2021 (vs. -€6.8m in 2020).

Other purchases and external expenses increased by €24.9 million, mainly due to a sharp rise in marketing and advertising costs in the second half of 2021 in line with the preparation of a major campaign to launch new Essentials products. Vetoquinol also received a €4.0 million settlement payment at the end of 2021 following the resolution of a dispute.

Personnel expenses rose by 13.4%, i.e. €17.4 million, due to the full-year effect of the reinforcement of the teams involved in the Drontal® and Profender® activities, and to salary increases.

Depreciation and amortization charges related to the application of IFRS 16 resulted in a depreciation charge of €5.2 million, compared with €4.9 million at end December 2020.

EBIT before depreciation of acquired intangible assets rose sharply to €100.8 million, up €35.6 million for the year ending December 31, 2021, compared with €65.3 million at December 31, 2020. This sharp increase is the result of a strong growth in revenues and margins on purchases consumed, as well as the growing share of Essential products in the product mix.

Depreciation and amortization of assets from acquisitions amounted to €14.1 million, compared with €9.1 million at the end of December 2020. The increase is mainly due to the full year effect in 2021 of the amortization of acquired parasiticides products (€8.7m vs. €3.6m in 2020).

Group EBIT was €86.7m (16.6% of revenues), up €30.6m from €56.2m in 2020.

The apparent tax rate was 25.2% (vs. 30.4% at end December 2020).

EBITDA increased €35.4 million to €119.3 million at December 31, 2021, driven by the continued growth momentum of Essential products and improved operating profitability.

Vetoquinol's Net income was €62.9 million, compared with €19.2 million for fiscal year 2020.

Cash flow from operating activities amounted to €89.7 million at December 31, 2021. This strong cash generation enabled Vetoquinol to prepay the €110 million loan taken out in July 2020 to finance the acquisition of parasiticides products. The Group's overall net cash position was €53.6 million (including IFRS 16) at the end of December 2021, an increase of €49.0 million. Vetoquinol is debt-free at the end of 2021. This solid cash flow generation gives Vetoquinol the means to actively pursue its growth strategy.

The Board of Directors will propose a dividend of €0.80 per share to the Annual General Meeting of Shareholders on May 19th, 2022.

Geopolitical risk - Russian-Ukrainian conflict

Since February 2022, the war in Ukraine has been an event that has direct and indirect repercussions on the world economy. At this stage of the conflict, Vetoquinol has low exposure for the following reasons:

- The laboratory has no direct presence (subsidiary, branch, plant, workforce) in these two countries.
- Sales in Russia and Ukraine are less than 1% of Group sales.
- Net trade receivables are less than 1% of total receivables.
- Few purchases are made from these two countries.

Covid-19 health situation as of March 24th, 2022

The Vetoquinol laboratory continues to rigorously manage the health situation related to Covid-19 and works to guarantee the safety and health of its employees, while aiming to develop industrial activity, the Group's projects and the quality of service to its customers.

Next update: Q1 2022 sales, April 13th, 2022 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.
Vetoquinol employed 2,546 people as of December 31th, 2021.
Vetoquinol has been listed on Euronext Paris since 2006 (symbol: VETO).
The Vetoquinol share is eligible for the French PEA and PEA-PME personal equity plans.

ANNEX

SALES

€m	**2021**	**2020**	***Change (reported data)***	*Change (constant exchange rates)*	*Organic growth*
Q1 sales	**127.9**	**103.4**	*+23.8%*	*+28.3%*	*+11.7%*
Q2 sales	**127.4**	**92.7**	*+37.3%*	*+39.2%*	*+23.8%*
Q3 sales	**132.3**	**114.4**	*+15.7%*	*+14.3%*	*+10.0%*
Q4 sales	**133.7**	**117.0**	*+14.3%*	*+11.3%*	*+11.3%*
Annual sales	**521.3**	**427.5**	*+21.9%*	*+22.3%*	*+13.7%*

SUMMARY INCOME STATEMENT

€m	**12/31/2021**	**12/31/2020**	*Change*
Total sales	**521.3**	**427.5**	*+21.9%*
of which Essentials	*295.6*	*220.6*	*+34.0%*
EBIT before depreciation of acquired assets	**100.8**	**65.3**	*+54.5%*
% of total sales	*19.3*	*15.3*	
Net income Group share	**62.9**	**19.2**	*+226.9%*
% of total sales	*12.1*	*4.5*	
EBITDA	**119.3**	**83.9**	*+42.2%*
% of total sales	*22.9*	*19.6*	

CALCULATION OF EBITDA

€m	**12/31/2021**	**12/31/2020**
Net income before equity method	**62.7**	**18.9**
Income tax expense	**23.8**	16.6
Net financial income/expense	**(0.2)**	1.5
Provisions recorded under non-recurring operating income and expenses	**(0.8)**	19.5
Provisions and write-backs	**1.0**	1.4
Depreciation and amortization (including IFRS 16)	**32.9**	25.9
EBITDA	**119.3**	**83.9**

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 (LFL) growth: Year-on-year sales growth in terms of volume and/or price at constant consolidation scope and exchange rates.

EBIT before amortization of acquired assets: This KPI isolates the non-cash impact of depreciation charges on intangible assets arising from mergers and acquisitions.

Net cash: Cash and cash equivalents less bank overdrafts and borrowings, pursuant to IFRS 16.

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