

2022 ANNUAL RESULTS

Annual sales: €540m (up 3.6% as reported)

Essentials sales: €304m (up 4.5% as reported)

EBIT before depreciation of acquired assets: €99m (18.3% of sales)

Net income - Group share: €48m (8.9% of sales)

EBITDA: €118m (21.9% of sales)

Free cash-flow: €63m

Matthieu Frechin, CEO of Vetoquinol, said: " In 2022, the global animal health market returned to a pre-pandemic growth level; in this context we have demonstrated our agility and consolidated our financial performance. This is why we remain confident in our ability to deploy our strategic plan "Ambition 2026" and to continue our sustainable and profitable development."

FOR MORE INFORMATION,
CONTACT:

VETOQUINOL

Investor Relations

Fanny Toillon

Tel.: +33 (0)3 84 62 59 88

relations.investisseurs@vetoquinol.com

KEIMA COMMUNICATION

Investor & Media Relations

Emmanuel Dovern

Tel.: +33 (0)1 56 43 44 63

emmanuel.dovern@keima.fr



The Board of Directors of Vetoquinol SA met on 21 March 2023 to review the business and close the accounts for the year ended 31 December 2022. The audit procedures are currently being finalised by the Statutory Auditors.

Vetoquinol has reported sales of €540m for the 2022 financial year, up 3.6% on a reported basis and down -0.8% at constant exchange rates.

The laboratory's best performing activities were those at the heart of the strategic plan: Essential products and the companion animals segment, which posted growth of 4.5% and 9.1% respectively on a reported basis. Sales of companion animal products represented 68% of total Vetoquinol sales; sales of farm animals amounted to €174m, down -6.4% on a reported basis.

The strategic territories of the Americas and Asia/Pacific grew by 11.3% and 9.6% respectively on a reported basis at 31 December 2022. In the Americas, Vetoquinol's performance in the US was solid, reinforced by a strong positive currency effect against the Euro, Sales in Europe decreased by 3.6% on a reported basis, mainly due to a declining farm animal antibiotics market.

For the full year 2022, Vetoquinol recorded positive foreign exchange impacts of €23m (+4.4%), mainly due to the rise of the US dollar.

Gross margin on purchases was 70.6%, down 0.7 point compared to the same period in 2021, due to translation impact in consolidation (-3 points), partially offset by a positive product mix due to the integration of Drontal® and Profender® products as well as higher selling prices.

The results for the financial year 2022 are also impacted by a production activity lower than the laboratory's so-called normal activity.

Other purchases and external expenses rose slightly (+1.2%) and increased by €1.3 million, mainly due to the launch in Europe of Felpreva®, a new disruptive antiparasitic solution for cats, and the resumption of travel, leading to an increase in mission and reception expenses.

Personnel expenses increased by +3.3%, i.e. +€4.8 million compared to the previous year.

Depreciation and amortization charges related to the application of IFRS 16 resulted in a depreciation charge of €5.7m compared with €5.2m at the end of December 2021.

The successful upgrade of the main sterile injectables site in Lure means that Vetoquinol now has new production capacity to support future developments.

2022 EBIT before amortization of intangible assets arising from acquisitions was €98.6m, down -€2.2m from 2021; it represented 18.3% of 2022 sales.

Depreciation of assets from acquisitions amounted to €14.1m, the same amount as at the end of December 2021 mainly consisting of the depreciation of assets related to the Drontal® and Profender® products.

Group EBIT was €84.6m (15.7% of sales), down -€2.2m from €86.8m in 2021.

The apparent tax rate was 34.0% (vs. 27.5% at the end of December 2021). Adjusted for the impairment of goodwill in Brazil, (9.5M€) the apparent tax rate was 29.7%.

EBITDA was €118.0m at 31 December 2022, or 21.9% of sales.

Vetoquinol's Net income was €48.0m, or 8.9% of sales in 2022, after taking into account non-recurring items of €10.6m.

The Vetoquinol Group had a net positive cash position of €76.3m up €22.7m from 2021. IFRS 16 debt amounted to €13.9m at the end of 2022 vs. €11.3m at the end of 2021. The Group has a solid financial structure (sound cash position, no debt) to pursue its growth strategy through the deployment of its new strategic plan "Ambition 2026" and has the means to finance its external growth ambitions.

The Board of Directors will propose a dividend of €0.80 per share to the Annual General Meeting of Shareholders on May 25, 2023.

The replay of the video conference and the presentation of the 2022 Annual Results are available on the laboratory's website: <https://vetoquinol.com/en/investors>

Next update: Q1 2023 Sales, April 19, 2023 after market close

Vetoquinol will release both its first semester sales and financial results on September 7th 2023. Accordingly the release initially planned for July 19th 2023 is cancelled.

ABOUT VETOQUINOL

Vetoquinol is a leading global animal health company that supplies drugs and non-medicinal products for the farm animals (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 2,521 people as of December 31st, 2022.

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 | 2022 | 2021 | Change (reported data) | Change (constant exchange rates) |
|-------------------|------------|------------|------------------------------|---|
| Q1 Sales | 135 | 128 | +5.5% | +2.2% |
| Q2 Sales | 136 | 127 | +6.7% | +1.8% |
| Q3 Sales | 134 | 132 | +1.4% | -4.5% |
| Q4 Sales | 135 | 134 | +0.9% | -2.4% |
| 2022 Sales | 540 | 521 | +3.6% | -0.8% |

SUMMARY INCOME STATEMENT

| €m | 12/31/2022 | 12/31/2021 | Change |
|--|--------------|--------------|---------------|
| Total sales | 539.8 | 521.3 | +3.6% |
| <i>of which Essentials</i> | 304.1 | 291.0 | +4.5% |
| EBIT before depreciation of acquired assets | 98.6 | 100.8 | -2.2% |
| <i>% of total sales</i> | 18.3 | 19.3 | |
| Net income Group share | 48.0 | 62.9 | -23.7% |
| <i>% of total sales</i> | 12.1 | 12.1 | |
| EBITDA | 118.0 | 119.3 | -1.1% |
| <i>% of total sales</i> | 21.9 | 22.9 | |

CALCULATION OF EBITDA

| €m | 12/31/2022 | 12/31/2021 |
|--|--------------|--------------|
| Net income before equity method | 48.0 | 62.7 |
| Income tax expense | 24.7 | 23.8 |
| Net financial income/expense | 1.3 | (0.2) |
| Provisions recorded under non-recurring operating income and expenses | 10.4 | (0.8) |
| Provisions and write-backs | 2.1 | 1.0 |
| Depreciation and amortization (including IFRS 16) | 31.5 | 32.9 |
| EBITDA | 118.0 | 119.3 |

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.