

2024 HALF-YEAR RESULTS

Sales: € 264m (+3.2% as reported)

Essential products sales: €160m (+6.0% as reported)

Net income, Group share: €24m (9.0% of sales)

EBITDA: €45m (17.0% of sales)

Cash flow generation: €27m

The Board of Directors of Vetoquinol SA met on September 10, 2024 to review business activity and approve the financial statements for the first half of 2024. The auditors have released their first half limited review report.

Vetoquinol reported sales of €264 million for the first 6 months of FY 2024, up +3.2% on a reported basis. Further simplification of the Complementary products range resulted in a voluntary decline of around 1,6% in sales for the 1st half of FY 2024. The currency impact is insignificant (-0.3 M€) at the end of June 2024 vs. -2.0 M€ for the same period of FY 2023.

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Sales of Essential products totaled €160m, up +6.0% on a reported basis, and accounted for 61% of the Group's sales in H1 2024 vs. 59% in H1 2023. Essential products, the main driver of the Group's strategy, continues to lead Vetoquinol's development.

At June 30, 2024, almost all the Group's strategic countries were up from the first half 2023. This is the fruit of the ongoing work of our teams in the field. The Europe strategic territory grew by +5.0% on a reported basis, with the return of volume growth. This is the result of the sustained performance of Essentials products in the Group's first territory. The Asia/Pacific/Rest of World territory grew by 10.0% on a reported basis. The Americas, i.e. Canada, Brazil and Mexico, were also up. In the United States, on the other hand, the expected landing after several years of strong growth was harder than anticipated. This was due to a decline in inventories at American wholesalers, coupled with the temporary unavailability of a product range. These factors had a negative impact of -8.7% on sales in this territory.



Sales of products for companion animals (€188m) were up +3.8% on a reported basis and accounted for 71.2% of the group's total sales (vs. €181m in H1 2023). Farm animals products came to €76 million, up +1.8% on a reported basis (vs. €75 million in H1 2023).

Gross margin on purchases was 72.3%, slightly up on the H1 2023 figure. This trend is linked to the product mix, and in particular to the continued growth of Essential products, as well as to selling price increases of over +3%. These

factors offset the rise in purchasing costs for raw materials and outsourced manufacturing.

Other external purchases and expenses rose sharply by +20.8% (vs. -7.9% in H1 2023), i.e. +€10.3m without any significant currency impact, reflecting increased R&D and marketing expenditure (+€9.0m). Personnel costs were up +€4.3m, reflecting salary inflation applied in the Group. Total headcount is up slightly: 2,519 at June 30, 2024 vs. 2,497 at June 30, 2023.

Depreciation and amortization charges linked to IFRS 16 generated a depreciation charge of € -3.0 million vs. € -2.9 million at June 30, 2023.

EBIT before amortization of intangible assets acquired amounted to €38.5 million for the year ended June 30, 2024, representing 14.6% of total sales.

Group operating income recurring was €32 million (12.1% of sales).

Other operating income and expenses amounted to €1.1m, compared with €2.6m at June 30, 2023. This net income relates to the sale of an industrial site in Brazil. As a reminder, the net income of €2.6 million recorded at June 30, 2023 included a renegotiation of the acquisition price of Clarion (Brazilian subsidiary) and reflected an uncertain local macro-economic situation.

Income tax expense for H1 2024 was -€11.2m (vs. -€10.4m in H1 2023). The apparent tax rate was 32.0% (vs. 24.4% at end June 2023).

Vetoquinol's EBITDA stood at €45 million at June 30, 2024, (17.0% of sales). It has been impacted by the drop in business in the United States, by the increased pace of R&D spending (8.1% of sales vs. 6.9% of sales in H1 2023) to support the Group's development, and by the decision to commit a significant portion of the annual marketing budget in the first half of the year.

Net income for the Vetoquinol Group amounted to €24 million, or 9.0% of H1 2024 sales.

The Vetoquinol Group has an overall net cash position of €142 million, an increase of €12 million over the first 6 months of 2024.

The Vetoquinol Group has sound fundamentals (operating profitability, cash flow generation, solid shareholders' equity) to pursue its development strategy, and the means to finance its external growth ambitions.

The Half-Year Results 2024 presentation, as well as the first half financial report, are available on Vetoquinol website: <https://vetoquinol.com/fr/investisseurs>

Next publication: Q3 2024 sales, October 30, 2024 after market close

ABOUT VETOQUINOL

Vetoquinol is a leading international player in animal health, with operations in Europe, the Americas and Asia/Pacific.

Independent and a pure player, Vetoquinol innovates, develops and markets veterinary medicines and non-medicated products for farm animals (cattle, pigs) and companion animals (dogs, cats).

Since its foundation in 1933, Vetoquinol has combined innovation and geographic diversification. The strengthening of the product portfolio and acquisitions made in high-potential territories ensure hybrid growth for the Group. As of June 30, 2024, Vetoquinol employed 2,519 people.

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.

APPENDIX

SALES

€m	2024	2023	Change on a reported basis	Change at constant exchange rates
Q1 Sales	133,6	145,4	-8,1%	-8,0%
Q2 Sales	130,8	110,8	+18,0%	+17,8%
First semester sales	264,4	256,2	+3,2%	+3,1%

SUMMARY INCOME STATEMENT

€m	30/06/2024	30/06/2023	Variation
Total sales	264,4	256,2	+3,2%
<i>of which Essentials</i>	160,2	151,0	+6,0%
EBIT before depreciation of acquired assets	38,5	45,4	-15,1%
<i>in % of total sales</i>	14,6	17,7	
Net income Group share	23,8	32,2	-26,1%
<i>in % of total sales</i>	9,0	12,6	
EBITDA	45,0	59,7*	-24,6%
<i>in % of total sales</i>	17,0	23,3	

* Reported data including positive non-recurring impact in Brazil (+6.1 M€)

EBITDA RECONCILIATION

€m	30/06/2024	30/06/2023
Net income before equity method	23,8	32,2
Income tax expense	11,2	10,4
Net financial income/expense	(2,0)	(1,3)
Provisions recognized under non-recurring operating income and expenses	(1,0)	3,5
Provisions and write-backs	(2,9)	(0,7)
Depreciation and amortization (including IFRS 16)	15,9	15,5
EBITDA	45,0	59,7*

* Excluding the non-recurring impact of Brazil in H1 2023, EBITDA was €53.6m (21%).

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 farm animal 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, (IFRS 16 compliant)