



## Annual revenue growth of +4.9% thanks to record fourth-quarter activity at +11.5%

Press release issued on January 17, 2024 after market close at 5:45pm CET

KEY FIGURES			
Annual Revenue 2023	Growth at constant exchange rates and scope <sup>1</sup>	Growth at constant exchange rates	Overall change
<b>€1,246.9 million</b>	<b>+4.9%</b> of which companion animals <b>+3.5%</b> farm animals <b>+6.7%</b>	<b>+4.9%</b>	<b>+2.5%</b>

<sup>1</sup>growth at constant exchange rates and scope corresponds to organic growth of revenue, excluding exchange rate variations, by calculating the indicator for the financial year in question and the indicator for the previous financial year on the basis of identical exchange rates (the exchange rate used is the one from the previous financial year), and excluding change in scope, by calculating the indicator for the financial year in question on the basis of the scope of consolidation for the previous financial year. It should be noted that the impact on revenue growth resulting from the integration of GS Partners (acquisition of our distributor in the Czech Republic closed in May) and Globion (acquisition in India closed in November), representing only 0.3 points of growth, is considered non-material and therefore consolidation scope was not restated.

### Quarterly consolidated revenue

Our fourth-quarter revenue amounted €321.7 million, up +9.1% compared to the same period in 2022. Adjusted for the unfavorable impact of exchange rates, our revenue reached a record level of €329 million, in strong progression by +11.5%. It should be noted that this increase includes a +0.9% impact related to the integration of Globion (India), which acquisition was finalized in November, such impact has not been restated for materiality reasons. This growth reflects the Group's sustained business momentum, driven by the outstanding commitment of our teams around the world. All geographies contributed to this momentum, with Europe and Latin America accounting for almost 75% of overall organic growth achieved during the quarter. In Europe, growth of +11.6% at constant rates was mainly driven by the performance of the United Kingdom (+20.7% at constant rates), fuelled by strong growth in our dog and cat parasiticides products, and Northern Europe (+8.1% at constant rates), as well as by the double-digit growth in our petfood range, particularly in Turkey and France. Latin America closed the quarter with a growth of +24.0% at constant rates, thanks to the remarkable performance of Brazil (+35.6% at constant rates), where our companion animal products are on the rise, and the contribution of Mexico and Central American countries (+19% at constant rates), whereas Chile (+24.9% at constant rates) benefited from a rebound linked to strong demand for a parasiticide product for salmon. North America was also up by +14.7%, benefiting from strong sales momentum in our companion animal ranges, particularly dermatology products. Asia/Pacific region grew by +2.3% at constant rates, with contrasting trends over the quarter. India (+13.7% at constant rates) and South-East Asia (+8.8% at constant rates) compensated for the drop in revenue observed on the one hand in Australia (-18.1% at constant rates), where 2023 had been so far marked by a very favorable agricultural context (climate, prices and herd stock increases), and on the other hand in China (-16.4% at constant rates) due to a base effect subsequent to a very good last quarter in 2022.

This remarkable performance in the last quarter of 2023 is reflected in both our business segments. Thanks to the momentum of our petfood, specialties, dental and dermatology ranges, which achieved double-digit growth, the companion animal segment grew by +10.9% at constant rates. On the farm animal segment, we achieved growth of +12.5% at constant rates, all our ranges by species recorded significant progressions, particularly in the aquaculture and ruminant segments.

### Annual consolidated revenue

At the end of December 2023, our annual revenue amounted €1,246.9 million compared with €1,216.2 million, representing an overall change of +2.5% compared with the same period in 2022, and a +4.9% growth at constant exchange rates. The impact on revenue growth resulting from the integration of GS Partners (acquisition of our distributor in the Czech Republic closed in May) and Globion (acquisition in India closed in November) is only 0.3 points. Excluding these two acquisitions, growth at constant rates would have been +4.6%. Against a backdrop of normalizing market growth, this performance demonstrates the resilience of our business model, which was significantly challenged by two intrinsic and unfavorable one-off effects during the year. As a reminder, these were a temporary limitation of our production capacities for companion animal vaccines, and a cyber attack on June 19 which forced us to shut down plants for several weeks. Europe (+5.8% at constant rates) and Asia/Pacific (+4.0% at constant rates) remain the main areas driving our organic growth momentum over the year. Growth in Europe was mainly driven by France (+6.9% at constant rates), Northern Europe and Southern Europe (respectively +4.0% and +4.9% at constant rates), as well as by Turkey, where business volume more than doubled compared with 2022. In Asia/Pacific, the main contributors were India (+6.1% at constant rates), followed by Australia and New Zealand (respectively +4.9% and +6.7% at constant rates), offsetting the drop observed in China (-10.8% at constant rates), while business in Southeast Asia remained stable. In Latin America (+4.9% at constant rates), we observed very good growth dynamics in all our subsidiaries, with the exception of Chile which, despite a rebound in the second semester, continues to be penalized by the sharp slowdown in our aquaculture business observed in the first semester, particularly in antibiotics and vaccines. Our revenue in the United States rose by +3.5% at constant rates, despite a year-long distributors' destocking effect.



**In terms of species**, despite a drop in sales on dog and cat vaccine range (which was out of stock throughout the year) and a decline in parasiticides, the companion animal segment grew by +3.5% at constant rates, driven by the performance of our petfood, specialties and dermatology ranges. The farm animal segment posted a more pronounced growth of +6.7% at constant rates, driven by both ruminants (+7.8% at constant rates) and pigs (+13.1% at constant rates).

## Outlook

In line with our press release dated December 19, 2023, at constant rates, our ratio of "current operating income before amortization of assets resulting from acquisitions" (Ebit adjusted) to "revenue" is expected around 15%. Excluding acquisitions and the impact of the share buyback plan, our net cash position should improve by around €50 million compared with the end of December 2022.

For the year 2024, we confirm our revenue growth target between 4% and 6% at constant rates and scope, as well as a ratio of "current operating income before amortization of assets resulting from acquisitions" (Ebit adjusted) to "revenue" around 15% at constant exchange rates. As announced in our previous communications, this level of profitability takes into account a deliberate further acceleration in our R&D investments, representing almost +0.5 points as a percentage of revenue compared with 2023.

We reaffirm our ambition to achieve an Ebit adjusted ratio of 20% by 2030: in this respect, we plan over the next few years to gradually restore our R&D investments to the Group's normative and historical level, with a ratio of R&D investments to revenue around 2.0 percentage points below 2024 level.

CONSOLIDATED FIGURES Non-audited figures in millions of euros	2023	2022	Growth	Growth at constant exchange rates <sup>1</sup>	Growth at constant exchange rates and scope <sup>1</sup>
First quarter revenue	314.8	318.0	-1.0%	-1.3%	-1.3%
Second-quarter revenue	295.7	298.3	-0.9%	+2.1%	+2.1%
Third-quarter revenue	314.8	304.9	+3.3%	+7.8%	+7.8%
Fourth-quarter revenue	321.7	295.0	+9.1%	+11.5%	+10.6%
<b>Annual Revenue</b>	<b>1 246.9</b>	<b>1 216.2</b>	<b>+2.5%</b>	<b>+4.9%</b>	<b>+4.6%</b>

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## A lifelong commitment to animal health

At Virbac, we provide innovative solutions to veterinarians, farmers and animal owners in more than 100 countries around the world. Covering more than 50 species, our range of products and services enables us to diagnose, prevent and treat the majority of pathologies. Every day, we are committed to improving the quality of life of animals and to shaping the future of animal health together.



**5,400  
EMPLOYEES**  
+5.2% compared to 2021



**SALES  
SUBSIDIARIES  
IN 33 COUNTRIES**



**SALES  
2022  
6<sup>th</sup> WORLDWIDE**  
Ranking of veterinary drug manufacturers  
+9.6% at constant exchange rates and scope compared to 2021



**PRODUCTION  
SITES  
IN 10 COUNTRIES**



**R&D  
CENTERS ON  
5 CONTINENTS**