2020 annual revenue shows strong growth of +5.7% at constant exchange rates and scope (+3.2% at constant rates)

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KEY FIGURES			
Revenue in 2020 provisional	**Growth at constant exchange rates and scope** [1]	**Growth at constant exchange rates**	**Total growth**
€934.2 million	**+5.7%** of which **companion animals +5.5%** **food-producing animals +6.6%**	**+3.2%**	**-0.4%** **+1.8% excl. Sentinel**

[1] Growth at constant exchange rates and scope is the organic growth of sales, excluding the impact of exchange rate changes, by calculating the indicator for the financial year in question and that for the previous financial year on the basis of identical exchange rates (the exchange rate used is that in effect for the previous financial year), and excluding the impact of changes 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, and by excluding sales of Sentinel for the two financial years in question.

Quarterly consolidated revenue

Fourth-quarter revenue amounted to €220.3 million, representing growth at constant exchange rates and scope of +2.6% excluding Sentinel, (-8.6% at actual exchange rates and scope) compared to the same period in 2019. The strong depreciation of certain currencies, particularly the Brazilian real, Mexican peso, South African rand and rupee, weighed heavily on the quarter's performance.

All areas, with the exception of the United States, are growing at constant exchange rates compared with the same period in 2019. Growth for the quarter was led by Europe and Asia-Pacific, thanks to excellent performances by India, Australia, OTC Europe, Benelux, Germany, Italy, Spain and the United Kingdom, which has benefitted from the effect of a Brexit-related anticipation of purchases. Latin America grew slightly over the quarter mainly driven by the performance of Colombia and Mexico, which has offset the significant decline in Chile, especially in the antibiotics and parasiticides ranges after a sustained first semester. The United States posted a slight drop, excluding Sentinel, primarily linked to the decline in the dental range over the period. In terms of species, growth at constant exchange rates and scope of the food producing animal segment is driven by the range of products intended for cattle; while that of companion animals is carried in particular by the petfood and parasiticides ranges for dogs and cats.

Annual consolidated revenue

Over the year as a whole, revenue amounted to €934.2 million compared to €938.3 million for the same period in 2019, representing an overall increase of +1.8%, excluding Sentinel, (-0.4% at actual exchange rates and scope). Excluding the negative effect of exchange rates, revenue increased by +5.7%, excluding Sentinel, (+3.2% at constant rates and actual scope).

Fourth-quarter growth, excluding the impact of exchanges rates and scope, has provided a positive end to the year thanks to the resilience of the sector, the correct execution of our strategy, and the constant mobilization of Virbac teams. Overall, contributions at constant exchange rates are positive across the entire business, except for the United States, which has fallen slightly, excluding Sentinel, and the impact of the disruptions to dog and cat vaccines which generated a loss over the year. Europe and the Asia-Pacific region drove annual growth at +5.8% (+5.9% at constant rates), and +2.7% (+6.9% at constant rates) respectively, although one country was more affected by the health crisis (United Kingdom), whose under-performance is largely offset by the strong contributions of India, France, Benelux and China. Latin America grew -4.7% (+7.1% at constant rates), driven by the dynamism of Brazil, Mexico and Colombia over the period. Lastly, the United States grew by -15.1% (-14.3% at constant rates) mainly due to the divestment of the Sentinel ranges. Excluding Sentinel, growth at constant rates is -0.8%, mainly impacted by the withdrawal of the dental and antibiotics ranges.

In terms of species, the companion animals business grew overall by +0.4% at constant rates and +5.5%, excluding Sentinel (-1.6% at actual exchange rates and scope), essentially driven by double-digit growth in the petfood, specialty, dermatology and hygiene ranges, which compensated for the decline in vaccines, antibiotics and dental ranges. The food producing animals segment also recorded strong growth of +6.6% at constant rates (+0.4% at actual exchange rates and scope), mainly driven by the ruminant sector (+10.1% at constant rates); while aquaculture fell (-5.0% at constant rates) compared to the same period in 2019.

Outlook

As anticipated and in line with our roadmap, the “current operating profit before depreciation of assets arising from acquisitions” to “revenue” ratio should benefit from the favorable impact of the activity in the past year, as well as the non-recurring impact related to the very sharp reduction in expenditure (in connection with the health restrictions linked to Covid-19), and should be around 14% at constant exchange rates and at actual scope in 2020 (the exchange rates should have a negative impact on this ratio estimated at around -0.7 pt).

It should be noted that the July 1 divestment of the Sentinel brands, for which we will continue to manufacture the Sentinel Spectrum product at our US site in Bridgeton, is expected to result in revenue decrease of approximately $55 million and a decrease in the *EBITA*[2] to revenue ratio of approximately 3 points on a pro forma full-year basis. Across 2020, the impact on the *EBITA* to revenue ratio should be limited to around 1 point, given good Sentinel sales, which represented revenue of $39 million in the first half of the year.

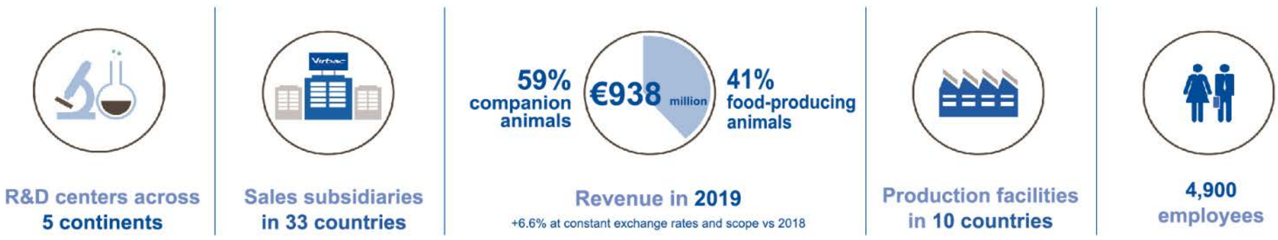
From a financial standpoint, the divestment of Sentinel for a total of $410 million resulted in a positive net cash position. Lines of credit drawn in US dollars were repaid, and most of our financing (which essentially matures in 2022,) was retained to cover potential working capital requirements, external growth operations or other projects.

In line with the execution of our strategic plan, we anticipate, in 2021, a revenue growth at constant rates and scope of between 3% and 5% (i.e. between 0% and 2% at constant rates and actual scope), as well as a ratio of “current operating profit before depreciation of assets arising from acquisitions” to “revenue” which should be between 10% and 12% at constant exchange rates. Finally, as indicated in September 2020, we are entering a transition phase over the period 2021-2022. Our Capex level could be around €60 million per year over these two financial years. However, we remain vigilant to the evolution of the pandemic in the coming months and the impacts on our business.

CONSOLIDATED DATA Unaudited figures - in millions of euros	2020	2019	Growth	Growth at constant exchange rates [1]	Growth at constant exchange rates and scope [1]
Revenue for 1st quarter	247.7	217.5	+13.9%	+14.3%	+14.3%
Revenue for 2nd quarter	230.6	246.2	-6.4%	-3.3%	-3.3%
Revenue for 3rd quarter	235.6	233.5	+0.9%	+6.8%	+11.1%
Revenue for 4th quarter	220.3	241.1	-8,6%	-3.5%	+2.6%
Annual revenue	**934.2**	**938.3**	**-0.4%**	**+3.2%**	**+5.7%**
Revenue excluding Sentinel	**894.5**	**878.5**	**+1.8%**	**+5.7%**	**+5.7%**

[2]*EBITA: Current operating profit before depreciations of assets arising from acquisitions.*

A lifelong commitment to animal health
Virbac offers veterinarians, farmers and pet owners in more than 100 countries a practical range of products and services for diagnosing, preventing and treating the majority of diseases while improving quality of life for animals. With these innovative solutions covering more than 50 species, Virbac contributes day after day to shaping the future of animal heal



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