

- **Exceptional business momentum in the first half, with revenue up 16.1% at constant exchange rates**
- **Strong growth in adjusted current operating income<sup>1</sup>**
  - +3.4 points compared with 2023 to reach a record level at 21.4% of revenue
- **2024 targets confirmed**
  - Revenue growth expected between 7% and 9% at constant exchange rates and scope
  - Adjusted current operating income<sup>1</sup> expected to be around 16% compared with 15.1% in 2023

Press release issued on September 13, 2024 after market close at 5:45 p.m. CEST

CONSOLIDATED FIGURES AS AT JUNE 30 in € million			
	2024	2023	2024/2023 change
<b>Revenue</b>	<b>702.9</b>	<b>610.5</b>	<b>+15.1%</b>
			Change at constant exchange rates +16.1%
			Change at constant exchange rates and scope <sup>2</sup> +11.3%
<b>Adjusted current operating income<sup>1</sup></b>	<b>150.4</b>	<b>109.9</b>	<b>+36.9%</b>
	as a % of revenue 21.4%	18.0%	
	as a % of revenue at constant rates 21.3%		
Amortization of intangible assets arising from acquisitions	-1.7	-1.9	
<b>Current operating income</b>	<b>148.7</b>	<b>108.0</b>	<b>+37.7%</b>
Non-current income & expenses	-2,0	0,5	
<b>Operating income</b>	<b>146.7</b>	<b>108.5</b>	<b>+35.1%</b>
<b>Consolidated net income</b>	<b>94.9</b>	<b>74.8</b>	<b>+26.9%</b>
	Including net income - Group share 94.7	75.0	
<b>Shareholders' equity - Group Share</b>	<b>994.3</b>	<b>898.5</b>	<b>+10.7%</b>
<b>Net debt<sup>3</sup></b>	<b>254.9</b>	<b>-52,4<sup>4</sup></b>	<b>-</b>
<b>Operating cash flow before interest and taxes<sup>5</sup></b>	<b>172.6</b>	<b>132.4</b>	<b>+30.4%</b>

<sup>1</sup>adjusted current operating income corresponds to the "current operating income before amortization of assets arising from acquisitions"

<sup>2</sup>growth at constant exchange rates and scope corresponds to organic growth of sales, 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 previous financial year), and excluding material 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. This change is calculated on the actual scope of consolidation, including the impact of acquisitions (Globion and Sasaeah), for which the indicator in question is calculated on the basis of the previous year's exchange rate

<sup>3</sup>net debt corresponds to current (€187.3 million) and non-current (€187.4 million) financial liabilities as well as a lease obligation related to the application of IFRS 16 (€37 million), less the cash position and cash equivalents (€156.8 million) as published in the statement of financial position

<sup>4</sup>net cash position as of December 31, 2023

<sup>5</sup>operating cash flow corresponds to adjusted current operating income (€150.4 million) restated for items having no impact on the cash position as well as impact arising from asset disposal. This restates depreciation and amortization of fixed assets before acquisitions for €22.5 million (comprising €24.2 million in depreciation and amortization of fixed assets and provisions, and €-1.6 million in amortization of assets from acquisitions), as well as non-current income and expenses (€2 million), other non-cash income and expenses (€0.4 million), and impact of disposals (€1.3 million)

The accounts were audited by the statutory auditors and reviewed by the board of directors on September 13, 2024. The report of the statutory auditors is in the process of being issued. The statements and detailed presentation of the half-year results are available on the website at [corporate.virbac.com](http://corporate.virbac.com).



**In the first semester, our revenue amounted to €702.9 million** compared to €610.5 million in 2023, an overall change of +15.1%. Excluding currency effects, revenue rose significantly by +16.1%. The integration of recently acquired companies (Globion in India and Sasaeah in Japan) contributed +4.8 growth points. At constant exchange rates and scope, first-half organic growth reached +11.3%, favorably impacted by the concomitant increase in volumes and prices (price effect estimated at ~3.5 growth points) despite a slowdown in inflation. It should be noted that this half-year benefited from a favorable basis for comparison, due in particular to the increase in our production capacity for dog and cat vaccines since the beginning of the year.

The Europe area (+12.3% at constant exchange rates and scope) accounted for almost half of the Group's organic growth, benefiting from a strong rebound in the dog and cat vaccine range, as well as increased demand for our petfood/pet care ranges. The excellent performance of North America (+22.2% at constant exchange rates and scope) benefited from both a favorable base effect (following distributors' destocking effect in early 2023) and sustained sales momentum on our specialty pet products. Latin America (+10.5% at constant exchange rates and scope) benefited from remarkable performances in Chile, Mexico and Central America, which more than offset the slight downturn in Uruguay and Brazil. India continues to fuel our expansion in the India, Middle East and Africa region (+9.6% at constant exchange rates and scope), and recorded a very significant increase (~20% at actual scope) thanks to the expansion of our portfolio following the acquisition of Globion's poultry vaccines. China and South-East Asian countries were behind our growth in Asia (+8.8% at constant exchange rates and scope). Despite a rebound in the second quarter, the Pacific region ended the half-year slightly down (-0.8% at constant exchange rates and scope), penalized by an unfavorable basis for comparison, as business at the start of 2023 benefited from a particularly favorable agricultural and climatic context (prices and herd stock increase).

**The current operating income before depreciation of assets arising from acquisitions** amounts to €150.4 million, up sharply versus 2023 (€109.9 million). This remarkable increase is due first and foremost to the improvement in our gross margin (+2.7 points), resulting from volume-driven sales growth and a price effect. In addition, we benefited from a base effect, the first half of 2023 being impacted by the under-absorption of our fixed costs linked to the production of our companion animal vaccines. Net expenses rose by €36.8 million, €8.4 million of which relates to the integration of Globion and Sasaeah. At constant scope, net expenses rose by €28.4 million, or 10.4%. This increase in our operating expenses stems mainly from marketing and travel costs in line with the growth in business, increased R&D investments, and higher personnel costs following the impact of salary increment and the strengthening of our workforce, mainly in R&D, sales and manufacturing functions. Our profitability thus continues to grow, with an improvement of 3.4 points to reach a record level of 21.4%. The integration of Globion and Sasaeah had a slightly accretive impact of around 0.5 point on Group profitability. It should be noted that the ratio of R&D expenditure to sales remained stable in the first half of 2024 compared with 2023, due to a phasing effect (an acceleration is expected in the second half of the year) and very strong sales growth momentum.

**Consolidated net income** stood at €94.9 million, up +26.9% compared to the same period in 2023. Other non-current income and expenses represented a net expense of €2.0 million. They include costs related to the acquisition of Sasaeah (-€4.7 million), partly offset by an asset disposal (€2.5 million) and the unused portion of a restructuring provision. Net financial expense amounted to -€4.8 million, compared with +€0.9 million as of June 30, 2023, a change mainly due to higher borrowing costs of €2.4 million, as well as higher foreign exchange losses (-€3.7 million) as a result of unhedged exposure in Chilean pesos and the currency's depreciation over the period. Lastly, the tax charge rose, mainly in line with business activity.

**Net income - Group share** amounted €94.7 million, up +26.2% compared to the first half of the previous year (€75.0 million).

**On the financial side**, our net debt stood at €254.9 million, up €307.3 million compared to December 31, 2023. In addition to the seasonal rise in our working capital requirements and the payment of dividends, this significant increase is due to the acquisition of Sasaeah in Japan on April 1 and the finalization of the buyout of minority interests in Globion, India, on June 21. It should be noted that following our request to activate the accordion clause in our syndicated contract, our banks' pool agreed to increase their commitment by €150 million, bringing the total commitment to €350 million. This syndicated contract has also been the subject of an amendment unanimously accepted by our banks, including a new accordion clause of €100 million, bringing the potential amount of our credit facility to €450 million.

## Outlook

We confirm our revised forecasts: in line with our press release of July 8, 2024, at constant exchange rates and scope, we confirm revenue growth between 7% and 9%, and an adjusted Ebit<sup>7</sup> ratio of around 16%. The contribution of recent external growth operations<sup>8</sup> is expected to be around +5.5 growth points on revenue, with a slightly accretive impact on Group profitability. At constant exchange rates and scope, revenue growth is therefore expected to be between 12.5% and 14.5%. Besides, excluding acquisitions, our cash position should improve by €60 million.

<sup>7</sup>Current operating income before amortization of assets arising from acquisitions"

<sup>8</sup>acquisitions of Globion in India and Sasaeah in Japan



We will hold a virtual analyst meeting on Monday, September 16, 2024 at 2:00 p.m. (Paris time - CEST).

Information for participants:

Webcast access link: <https://bit.ly/4caYWSu>

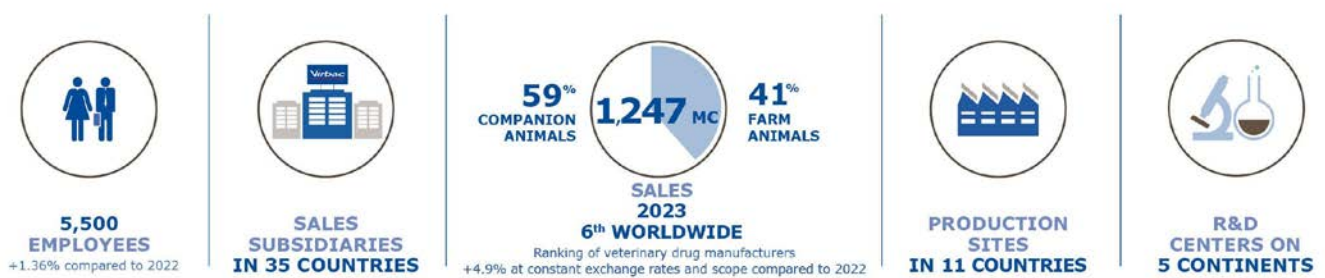
This access link is available on the corporate.virbac.com site, under the heading "financial press releases." This link allows participants to access the live and/or archived version of the webcast.

You can ask questions via *chat* (text) directly during the webcast or after watching the replay at the following email address: [finances@virbac.com](mailto:finances@virbac.com).

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### Focusing on animal health, from the beginning

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 to diagnose, prevent and treat the majority of pathologies. Every day, we are committed to improving animals' quality of life and to shaping together the future of animal health.



## APPENDIXES

### 1. Statement of financial position

in € thousand	2024.06	2023.12
Goodwill	314,259	165,372
Intangible assets	185,151	185,109
Tangible assets	345,232	268,016
Right of use	35,905	32,940
Other financial assets	13,593	6,243
Share in companies accounted for by the equity method	4,722	4,244
Deferred tax assets	20,078	22,323
<b>Non-current assets</b>	<b>918,941</b>	<b>684,246</b>
Inventories and work in progress	407,125	339,663
Trade receivables	222,597	167,977
Other financial assets	4,421	2,636
Other receivables	86,291	85,302
Cash and cash equivalents	156,857	175,906
<b>Current assets</b>	<b>877,291</b>	<b>771,484</b>
Assets classified as held for sale	-	-
<b>Assets</b>	<b>1,796,232</b>	<b>1,455,730</b>
Share capital	10,573	10,573
Reserves attributable to the owners of the parent company	983,678	889,728
<b>Equity attributable to the owners of the parent company</b>	<b>994,251</b>	<b>900,301</b>
Non-controlling interests	-9	9,616
<b>Equity</b>	<b>994,241</b>	<b>909,917</b>
Deferred tax liabilities	34,153	31,560
Provisions for employee benefits	14,002	19,606
Other provisions	6,866	7,299
Lease obligation	25,752	25,001
Other financial liabilities	187,424	40,689
Other payables	3,167	22,612
<b>Non-current liabilities</b>	<b>271,364</b>	<b>146,767</b>
Other provisions	1,422	2,309
Trade payables	149,776	149,629
Lease obligation	11,295	10,144
Other financial liabilities	187,325	47,709
Other payables	180,808	189,256
<b>Current liabilities</b>	<b>530,626</b>	<b>399,047</b>
<b>Liabilities</b>	<b>1,796,232</b>	<b>1,455,730</b>

## 2. Statement of cash flow

in € thousand	2024.06	2023.06
<b>Consolidated result for the period</b>	<b>94,881</b>	<b>74,773</b>
Elimination of share from companies' profit accounted for by the equity method	-350	-424
Elimination of depreciations & provisions	24,217	22,384
Elimination of deferred tax change	3,273	151
Elimination of gains and losses on disposals	1,321	737
Other income and expenses with no cash impact	-7,201	-5,219
<b>Net cash flow</b>	<b>116,140</b>	<b>92,402</b>
Net financial interests paid	2,464	28
Income tax accrued for the period	43,879	34,701
<b>Net cash flow before financial interests &amp; income tax</b>	<b>162,484</b>	<b>127,131</b>
Effect of net change in inventories	-25,816	-9,202
Effect of net change in trade receivables	-33,903	-28,675
Effect of net change in trade payables	-6,850	-13,088
Income tax paid	-20,666	-32,554
Effect of net change in other receivables and payables	-38,659	-27,083
<b>Effect of change in working capital requirements</b>	<b>-125,894</b>	<b>-110,602</b>
<b>Net cash flow generated by operating activities</b>	<b>36,591</b>	<b>16,529</b>
Acquisitions of intangible assets	-5,401	-6,975
Acquisitions of tangible assets	-21,801	-15,402
Disposals of intangible and tangible assets	100	107
Change in financial assets	-1,263	616
Change in debts relative to acquisitions	-3,301	-925
Acquisitions of subsidiaries or activities	-335,580	-10,098
Disposals of subsidiaries or activities	-	-
Dividends received	-	475
<b>Net cash flow allocated to investing activities</b>	<b>-367,245</b>	<b>-32,201</b>
Dividends paid to the owners of the parent company	-11,054	-11,165
Dividends paid to the non-controlling interests	-2	19
Change in treasury shares	-	231
Transactions between the Group and owners of non-controlling interests	-17,614	-
Increase/decrease of capital	-	-
Cash investments	-	-
Debt issuance	321,727	75,479
Repayments of debt	-30,327	-19,429
Repayments of lease obligation	-5,983	-5,750
Net financial interests paid	-2,464	-28
<b>Net cash flow from financing activities</b>	<b>254,283</b>	<b>39,358</b>
<b>Change in cash position</b>	<b>-76,371</b>	<b>23,686</b>

### 3. [Reconciliation tables for alternative performance indicators](#)

#### 3.1. Net debt

in € thousand	2024.06	2023.12
Loans	362,666	82,448
Bank overdrafts	3,963	2,517
Accrued interests not yet matured	52	31
Lease obligation [IFRS16]	37,047	35,145
Employee profit sharing	785	1,156
Currency and interest rate derivatives	3,326	2,196
Other	3,957	50
<b>Other financial liabilities</b>	<b>411,797</b>	<b>123,543</b>
Cash	127,798	79,294
Cash equivalents	29,059	96,611
<b>Cash &amp; cash equivalents</b>	<b>156,857</b>	<b>175,906</b>
<b>Net financial debt</b>	<b>254,939</b>	<b>-52,362</b>

#### 3.2. Operating cash flow before interest and taxes

in € thousand	2024.06	2023.06
<b>Current operating profit before depreciation of assets arising from acquisitions</b>	<b>150,353</b>	<b>109,865</b>
Elimination of depreciations & provisions	22,566	21,045
Elimination of gains and losses on disposals	1,321	737
Other income & expenses with no cash impact	393	704
<b>Current operating cash flow</b>	<b>174,633</b>	<b>132,351</b>
Other non-current income & expenses	0	0
<b>Operating cash flow before interest and taxes</b>	<b>174,633</b>	<b>132,351</b>