

Virbac completes divestment of U.S. Rights to SENTINEL® brands to MSD Animal Health

Carros, France – public release dated July 2, 2020

Virbac, today announced the successful completion of its divestment of the U.S. rights to its parasiticides for dogs: SENTINEL® FLAVOR TABS® and SENTINEL® SPECTRUM® to MSD Animal Health, a division of Merck & Co., Inc., Kenilworth, N.J., USA (NYSE:MRK). The consideration received for the transaction amounted to approximately US \$400 million, subject to customary closing adjustments, settled in cash.

Under the terms of the agreement, Virbac has divested a combination of rights and titles for the United States on SENTINEL® FLAVOR TABS® and SENTINEL® SPECTRUM® and will continue to manufacture SENTINEL® SPECTRUM® at the Bridgeton, Missouri site for the next ten years.

For Virbac, this transaction is a unique opportunity to rebalance its North American portfolio, and focus on products and segments where we can create and extract more value through a better competitive advantage. At the same time, it enables a significant deleveraging of the Group and bolsters our flexibility for external growth with a focus on the U.S. market, which continues to be strategic for Virbac on a long-term basis.

“Our objective is to leverage the benefit of this transaction by better focusing on the rest of our existing portfolio and on our new product launches” said François Fournier, CEO & President, Virbac North America.

The financial impacts of this divestment, to Virbac’s revenue and operating profit before depreciation of intangible assets arising from acquisitions (“Ebita”), are estimated (on a full year *pro forma* basis) to be a decrease in revenue of approximately US \$55 million and around 3 points in the ratio of Ebita to revenue.

Focusing on animal health from the beginning

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 health.



R&D
CENTERS ON
5 CONTINENTS



SALES
SUBSIDIARIES
IN 33 COUNTRIES

59%
COMPANION
ANIMALS



SALES
2019

41%
FOOD
PRODUCING
ANIMALS

+6.6% at constant exchange rates and scope compared to 2018



PRODUCTION
SITES
IN 10 COUNTRIES



4,900
EMPLOYEES



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About MSD Animal Health

For more than a century, MSD, a leading global biopharmaceutical company, has been inventing for life, bringing forward medicines and vaccines for many of the world's most challenging diseases. MSD Animal Health, a division of Merck & Co., Inc., Kenilworth, N.J., USA, is the global animal health business unit of MSD. Through its commitment to The Science of Healthier Animals®, MSD Animal Health offers veterinarians, farmers, pet owners and governments one of the widest ranges of veterinary pharmaceuticals, vaccines and health management solutions and services as well as an extensive suite of digitally connected identification, traceability and monitoring products. MSD Animal Health is dedicated to preserving and improving the health, well-being and performance of animals and the people who care for them. It invests extensively in dynamic and comprehensive R&D resources and a modern, global supply chain. MSD Animal Health is present in more than 50 countries, while its products are available in some 150 markets. For more information, visit www.msd-animal-health.com/ or connect with us on [LinkedIn](#) and [Twitter](#).