

2019 annual revenue shows strong growth of +6.6% at constant exchange rates

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KEY FIGURES

Revenue in 2019 Provisional	Total growth	Growth at constant exchange rates	Growth at constant exchange rates and scope ¹
€938.2 million	+8.0%	+6.6%	+6.6% of which companion animals +9.5% production animals +2.4%

¹ Growth at constant exchange rates and scope represents the organic growth in sales excluding variations in exchange rates obtained by calculating the indicator for both the current and previous year on the basis of identical exchange rates (the exchange rate is the same one used for the previous year), and excluding changes in scope by calculating the indicator for the current year on the basis of the scope for the previous year.

Quarterly consolidated revenue

Group revenue for the fourth quarter reached €240.9 million, an increase of +2.7% at actual exchange rates and +1.6% excluding the positive impact of exchange rates. This represents the Group's ninth consecutive quarter of growth at constant rates. Growth for the quarter was led predominantly by Europe and Latin America, which benefited from the positive impact of sustained business in France, Northern Europe, Brazil and Mexico. The United States was below last year in ex-Virbac sales in the quarter, however, following exceptionally high growth in the third quarter. Sales in the Asia Pacific region declined in the last quarter of 2019 compared to the same period in 2018, primarily due to the setbacks in Australia caused by weather conditions and fires. Finally, in terms of product ranges, growth was mainly led by products of the companion animal segment such as petfood, specialty products, and the dental range, which achieved double-digit growth. However, products for bovines and aquaculture also contributed to the quarter's performance.

Cumulative annual revenue

Revenue rose to €938.2 million compared to €868.9 million for the same period in 2018, representing an overall increase of +8.0%. Adjusted for the positive impact of exchange rates, particularly the American dollar, the Mexican peso and the Indian rupee, revenue showed growth of +6.6%.

All regions contributed to sustained growth in 2019 compared to the same period in 2018. In the United States, the business grew by +18.8% at actual exchange rates (+13.6% at constant exchange rates), bolstered by a significant base effect noted at the end of June, related to inventory reductions of Sentinel in distribution during the first half of 2018, which had affected ex-Virbac sales. Excluding this stock effect, ex-Virbac sales in the United States grew by around 7% (Sentinel decline compensated by the buoyancy of the dental, antibiotic and specialty ranges).

The Group's growth outside the United States was significantly higher at actual exchange rates (+6.2%) and at constant exchange rates (+5.4%). In Europe, revenue surged thanks to an excellent performance at the end of the year resulting in solid annual growth of +5.4% at actual rates (+5.2% at constant rates). The main contributors to this performance were Northern European countries (including Germany and the United Kingdom), France, which achieved strong results in the last quarter, and Spain, which compensated for Italy's withdrawal. In the Asia Pacific region, growth at actual exchange rates was +5.7% (+4.0% at constant exchange rates). Growth was very strong in China and Japan, with India achieving more moderate growth, whilst, Australia and New Zealand ended the year down compared to 2018. In Latin America, excluding Chile, the business grew by +11.1% at actual exchange rates (+9.7% at constant exchange rates), reflecting strong contributions by Brazil and Mexico. Finally, in Chile, the business achieved healthy growth of +6.7% at actual exchange rates (+4.5% at constant exchange rates), mainly fueled by sales of parasiticides and injectable vaccines for salmon.

In terms of species, revenue in the companion animal segment grew overall by +11.3% at actual rates (+9.5% at constant rates), buoyed by strong performances across all ranges (petfood, dental, specialty, parasiticide). The food producing animal segment showed more moderate growth of +3.4% at actual rates (+2.4% at constant rates). The aquaculture sector grew by +9.1% at constant rates, while the ruminant sector grew by +2.6% at constant rates, thanks to sales of bovine vaccines and food supplements for cattle, and finally, the industrial farming sector (swine and poultry) showed a downturn of -2.4% at constant rates, mainly impacted by new regulations governing the prescription of antibiotics in Italy.

Outlook

In 2019, the ratio of "current operating profit before depreciation of assets arising from acquisitions" to "revenue", is expected to increase by around 3 points at constant exchange rates compared to 2018 (2.5 points excluding exceptional items). From a financial perspective, rigorous control of capital employed should allow further debt relief of about €80 million at constant rates for the year.

For 2020, the Group anticipates revenue growth at constant rates of between 4% and 6%, and an increase in the ratio of “current operating profit before depreciation of assets arising from acquisitions” to “revenue”, of around 0.5 point at constant exchange rates compared to 2019 (1 point excluding exceptional items).

CONSOLIDATED DATA Unaudited figures - in millions of euros	2019	2018	Growth	Growth at constant exchange rates ¹	Growth at constant exchange rates and scope ¹
Revenue for 1 st quarter	217.5	193.5	+12.4%	+10.9%	+10.9%
Revenue for 2 nd quarter	246.2	236.5	+4.1%	+3.1%	+3.1%
Revenue for 3 rd quarter	233.6	204.3	+14.3%	+12.2%	+12.2%
Revenue for 4 th quarter	240.9	234.6	+2.7%	+1.6%	+1.6%
Annual revenue	938.2	868.9	+8.0%	+6.6%	+6.6%

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 health.



**R&D
CENTERS ON
5 CONTINENTS**



**SALES
SUBSIDIARIES IN
33 COUNTRIES**

**58%
COMPANION
ANIMALS**



**REVENUE
2018**

up 4.5% at constant exchange rates and scope, compared to 2017

**42%
FOOD
PRODUCING
ANIMALS**



**PRODUCTION
FACILITIES IN
10 COUNTRIES**



**4,900
EMPLOYEES**

up 1.4% from 2017