



Excellent revenue growth of 21.2% at the end of September at comparable exchange rates and scope (+16.4% at constant rates and real scope), driven by a very solid third-quarter performance again in all areas

Press release issued on October 18, 2021 after market close

KEY FIGURES			
Revenue Year-to-date September 30, 2021	At constant exchange rates and scope ¹	Growth adjusted at constant exchange rates	Overall change
€817.7 million	+21.2% including companion animals +24.3% food producing animals +15.0%	+16.4%	+14.5% +19.3% excl. Sentinel

¹ Change at constant exchange rates and scope corresponds to organic growth of sales, excluding exchange rate variations, 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's), and excluding change in scope, calculating the indicator for the financial year in question on the basis of the scope of consolidation for the previous year, and excluding sales of Sentinel, a product that was sold on July 1, 2020, over the first two half-years in question.

Quarterly consolidated revenue

Our third-quarter revenue reached €288.2 million, or a steep 22.4% increase with respect to the same period in 2020. At constant exchange rates, growth was +21%, mainly driven by the remarkable performance of Europe and the United States and the good performance of other areas, particularly Chile, which experienced a rebound and growth during the quarter. In Europe, all countries contributed to our growth, particularly the United Kingdom, France, the area's export activity, Germany and Benelux, which performed exceptionally well in the companion animal segment (vaccines, petfood, and specialty products). The United States saw very strong growth during the quarter, particularly thanks to dental, specialties and parasiticides ranges and to the contribution of recently launched products (Clomicalm, Itrafungol, iVet petfood, Milbehart, etc.). Latin America benefited from Chile's performance, which contributed half of the area's growth during the quarter, and from the strong momentum in Brazil and Mexico. Finally, in Asia-Pacific, Australia drives most of the quarter's growth, thanks to products for ruminants (vaccines, parasiticides and food supplements). India, China and Japan are down during the period after very strong growth during the first half of the year, and there is a very unfavorable baseline effect for India, compared to the third quarter of 2020.

Cumulative consolidated revenue at the end of September

Our revenue through to the end of September was €817.7 million, compared with €713.9 million, representing an overall increase of 19.3% excluding Sentinel (+14.5% at real scope) compared with the same period in 2020. Excluding the unfavorable impact of exchange rates, revenue rose by 21.2% excluding Sentinel (+16.4% at real scope).

All areas had double-digit organic growth at the end of September, reflecting both the sector's momentum and the very successful execution of our strategic plan—thanks largely to the ongoing commitment of our teams. In Europe, revenue grew 19.2% at real rates (+19.2% at constant rates). The main contributors to this performance were France, the United Kingdom, Export activities, Benelux, Germany, Italy and Spain, driven by a strong momentum in the companion animal ranges (particularly the specialty ranges, petfood, and the rebound in vaccines). In Asia-Pacific, real-rate growth was 17.4% (+18.1% at constant exchange rates). India continues to drive the area's growth, alone accounting for over half; Australia, New Zealand and South Africa also had a hand in the area's strong growth. In the United States, business excluding Sentinel grew by 36.5% (+46.2% at constant exchange rates). It benefited from sustained sales across all product lines, including Sentinel Spectrum contract manufacturing for Merck, specialty products, parasiticides, the dental range and, finally recently launched products (Clomicalm, Senegy, Itrafungol and Stelfonta). In Latin America, apart from Chile, business grew by 20.9% at real rates (+26.5% at constant exchange rates), thanks in particular to strong contributions from Brazil and Mexico. Finally, in Chile, the good third-quarter performance helped to reduce the drop in revenue, which is now only -4.5% at real rates (-0.7% at constant rates).

In terms of species, the companion animal business grew by 24.3% overall at constant exchange rates excluding Sentinel (+12.0% at real exchange rates and scope), essentially driven by the remarkable double-digit growth of the specialty ranges (including Clomicalm, Movoflex, Stelfonta), petfood, parasiticides, dermatology and dental products, and by the rebound of the vaccine range for dogs and cats, compared with the same period in 2020. It should be noted that Clomicalm and Itrafungol, which were acquired in March 2021, and the iVet US petfood range, acquired in July 2021, represented approximately €10 million in sales during the period. The food producing animals segment also posted significant growth of 15.0% at constant rates (+13.5% at real exchange rates), thanks to the ruminant sector (+19.7% at constant rates), the swine-poultry products (+5.7% at constant rates), and the aquaculture sector, which posted slight growth thanks to its performance in the last quarter (+1.6% at constant rates), when compared to the same period in 2020.

Outlook

We are now anticipating like-for-like revenue growth (excluding the impact of the Sentinel sale) of 16% to 18% (or 13% to 15% at constant exchange rates and real scope), and a ratio of "current operating profit before depreciation of assets arising from acquisitions" over "revenue" of around 16% at constant exchange rates. For the record, we estimate that the impact of products acquired from Elanco (Clomicalm and Itrafungol) and from iVet (US petfood) could represent approximately 1.5 percentage points of revenue growth. We also anticipate an unfavorable impact of exchange rates on revenue of approximately €10 million

associated with currency depreciation. Debt relief should be around €60 million for the year at constant scope and exchange rates.

So far, the health crisis has not had an overly negative impact on the animal health sector, but, as explained in our previous releases, we have implemented a set of measures and day-to-day monitoring to prevent and limit its potential impact. In addition, our overall presence in terms of geographical areas and species, our highly diversified product portfolio, our varied distribution channels, the high responsiveness and adaptability of our teams, and the robustness of our financial situation are key assets to face the consequences of this pandemic. However, we are remaining vigilant to changes in logistics and sourcing costs in the coming months and are well placed to address them.

CONSOLIDATED FIGURES Non-audited figures in millions of euros	2021	2020	Growth	Growth at constant exchange rates ¹	Growth at constant exchange rates and scope of consolidation ¹
First-quarter revenue	266.5	247.7	+7.6%	+12.3%	+22.6%
Second-quarter revenue	262.9	230.6	+14.0%	+15.8%	+20.0%
Third-quarter revenue	288.2	235.6	+22.4%	+21.0%	+21.0%
Revenue at the end of September	817.7	713.9	+14.5%	+16.4%	+21.2%
Revenue excluding Sentinel	810.1	678.8	+19.3%	+21.2%	+21.2%

A lifelong commitment to animal health

At Virbac, we make innovative solutions available 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 can 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.



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