- **Revenue up 4.9%, enabling market share gains despite difficulties in 2023**

- **2023 operating profitability[1] at an all-time high of 23.2% of revenue**
  - **Up 0.4 points compared to 2022**

- **Strong *momentum* expected in 2024**
  - **Expected revenue growth of 4% to 6% at constant exchange rates and scope**
  - **Operating profitability[1] expected to rise by 0,5 point**

Public release on March 19, 2023 after market close at 5:45 p.m. CET

CONSOLIDATED FIGURES AS OF DECEMBER 31 in millions of €	2023	2022 restated[6]	2023/2022 change
Revenue	**1 246.9**	**1 216.2**	**+2.5%**
Change at constant exchange rates and scope[2]			*+4.9%*
Current operating profit, before R&D and amortization of assets arising from acquisitions	**287.1**	**276.9**	**+3.7%**
Change at constant exchange rates			*+6.8%*
as a % of revenue	*23.0%*	*22.8%*	
as a % of revenue at constant rates	*23.2%*		
Current operating profit, before amortization of assets arising from acquisitions[3]	**188.1**	**186.6**	**+0.8%**
as a % of revenue	*15.1%*	*15.3%*	
as a % of revenue at constant rates	*15.3%*		
Amortization of intangible assets from acquisitions	3.3	3.7	
Current operating income	**184.9**	**182.8**	**+1.1%**
Non-recurring (expenses) and income	-0.9	-3.3	
Operating income	**184.0**	**179.5**	**+2.5%**
Consolidated net income	**121.1**	**121.3**	**-0.2%**
Including net income - Group share	121.3	121.9	
Shareholders' equity - Group share	**900.3**	**839.6**	**+7.2%**
Net cash[4]	**52.4**	**79.4**	**-34.0%**
Operating cash flow before interest and taxes[5]	**235.1**	**229.9**	**+2.3%**

[1]ratio of current operating income before R&D and depreciation of assets arising from acquisitions to revenue
[2]change at constant exchange rates and scope corresponds to the 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 one from the previous financial year), and excluding 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. It should be noted that the impact on revenue growth resulting from the integration of GS Partners (acquisition of our distributor in the Czech Republic closed in May) and Globion (acquisition in India closed in November), representing only 0.3 points of growth, is considered non-material and therefore consolidation scope was not restated
[3]current operating income, before depreciation of assets arising from acquisitions, reflects current income adjusted for the impact of allowances for depreciation of intangible assets resulting from acquisition transactions
[4]net cash corresponds to current (€47.7 million) and non-current (€40.7 million) financial liabilities as well as a lease obligation related to the application of IFRS 16 (€35.1 million), less the cash position and cash equivalents (€175.9 million) as published in the statement of financial position
[5]operating cash flow corresponds to operating income (€184.0 million) restated for items having no impact on the cash position and impacts related to disposals. The following items are adjusted: fixed asset depreciation and impairments (€46.7 million), provisions for risks and charges (€1.6 million), provisions related to employee benefits (-€0.6 million), and other expenses and income without any impact on the cash position (€1.4 million), and impacts related to disposals (+€2.0 million)
[6]non-material impact of restatement linked to IAS 12 amendment relating to deferred tax assets and liabilities - see full note in the half-year financial report

The accounts were audited by the statutory auditors and examined by the board of directors on March 15, 2023. The report of the statutory auditors is in the process of being issued. The statements and detailed presentation of annual income are available on the corporate site at corporate.virbac.com.

Thanks to the exceptional commitment of our teams around the world, we achieved annual revenue of €1,246.9 million, compared with €1,216.2 million, representing an overall change of +2.5% compared with the same period in 2022, and a +4.9% growth at constant exchange rates. The impact on revenue growth resulting from the integration of GS Partners (acquisition of our distributor in the Czech Republic closed in May) and Globion (acquisition in India closed in November) is only 0.3 points. Excluding these two acquisitions, growth at constant rates would have been +4.6%. Against a backdrop of normalizing market growth, this performance demonstrates the resilience of our business model, which was significantly challenged by two intrinsic and unfavorable one-off effects during the year. As a reminder, these were a temporary limitation of our production capacities for companion animal vaccines, and a cyber attack on June 19 which forced us to shut down plants for several weeks. In terms of geography, Europe (+5.8% at constant rates) and Asia/Pacific (+4.0% at constant rates) remain the main areas driving our organic growth *momentum* over the year. Growth in Europe was mainly driven by France (+6.9% at constant rates), Northern Europe and Southern Europe (respectively +4.0% and +4.9% at constant rates), as well as by Turkey, where business volume more than doubled compared with 2022. In Asia/Pacific, the main contributors were India (+6.1% at constant rates), followed by Australia and New Zealand (respectively +4.9% and +6.7% at constant rates), offsetting the drop observed in China (-10.8% at constant rates), while business in Southeast Asia remained stable. In Latin America (+4.9% at constant rates), we observed very good growth dynamics in all our subsidiaries (with double digit growth in Mexico and Brazil), with the exception of Chile which, despite a significant rebound in the second half (+20% at constant exchange rates), posted a drop for the full year due to a sharp decline in the first half (-32% at constant exchange rates), especially in antibiotics. Our revenue in the United States rose by +3.5% at constant rates, despite a year-long distributors' destocking effect.

Current operating income before depreciation of assets arising from acquisitions amounted to €188.1 million, up compared to 2022 (€186.6 million). Boosted by an estimated ~+5% price effect coupled with a more favorable product mix, our organic growth led to an increase of gross margin in absolute value. Our operating expenses increased in line with our sales growth. This increase is visible in personnel costs, due to the impact of salary increases and the strengthening of organizations. The significant increase in R&D expenditures reflects our commitment to accelerate investments in this crucial area. Our operating margin continues to improve: at the end of December 2023 and at constant exchange rates, before R&D and amortization of assets arising from acquisitions, our current operating profit ratio to revenue is up by 0.4 points to reach a record level of 23.2%.

Consolidated net income was €121.1 million, stable compared with the same period in 2022. Net financial expenses increased by €6.7 million due to the depreciation of certain currencies as well as, to a lesser extent, a rising cost of net financial debt. Conversely, the tax charge decreased in absolute terms, reflecting a base effect (2022 had recorded non-recurring tax provisions) as well as a favorable country-mix effect in 2023.

Net income - Group share amounted to €121.3 million in 2023, stable compared with the previous year (€121.9 million).

On the financial front, our net cash position stood at €52.4 million at the end of December 2023, compared to €79.4 million at the end of December 2022. This decrease of our net cash position over the year is mainly due to an increase in our capital expenditure, with, among others, the closing of two acquisitions (GS Partners and Globion) for around €55 million[7], as well as the impact of the share buyback program for around €20 million.

Outlook

In 2024, at constant exchange rates and scope, we expect a ratio of "current operating income before depreciation of assets resulting from acquisitions" (Ebit adjusted) to "revenue" around 15% with growth in revenue estimated at this stage to be between 4% and 6%. As announced in our previous communications, this level of profitability takes into account a deliberate further acceleration in our R&D investments, representing nearly +0.5 points as a percentage of revenue compared with 2023. We reaffirm our ambition to achieve an Ebit adjusted ratio of 20% by 2030: in this respect, we plan over the next few years to gradually restore our R&D investments to the Group's normative and historical level, with a ratio of R&D investments to revenue around 2.0 percentage points below 2024 level.

In addition, excluding any acquisitions, our cash position is expected to improve by €30 million, given the expected investments over the period, estimated to be around €100 million and considering the acceleration of our efforts in R&D.

Finally, at the next shareholders' general meeting, a net dividend per share of €1.32 will be recommended for distribution for the 2023 fiscal year.

[7] *includes net cash of acquired companies*

ANALYSTS' PRESENTATION – VIRBAC

We will hold an analysts meeting on Wednesday, March 20, 2024 at 2:30 p.m. (Paris time - *CET*) in the Édouard VII Business Center's auditorium, 23 square Édouard VII 75009 Paris (France).

Participants may arrive 15 minutes before the start of the meeting.

You may also attend the meeting using the webcast (audio + slides) available via the link below.

Information for participants:

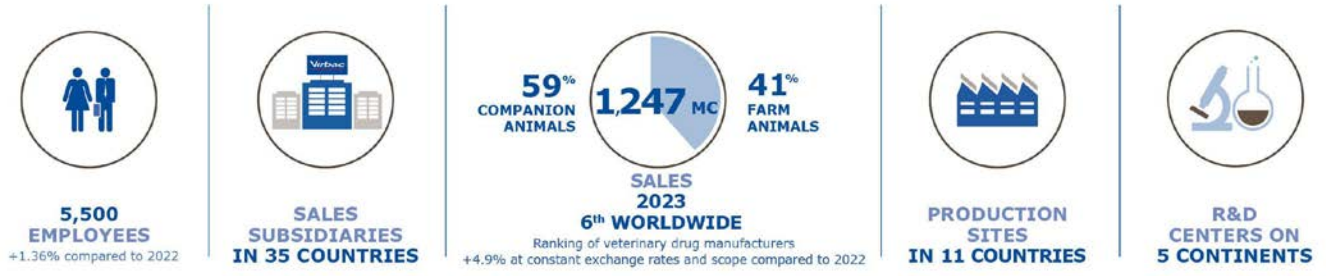
Webcast access link: **https://bit.ly/42gMcGl**

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

You will be able to ask questions via *chat* (text) directly during the webcast or after watching the *replay* via the following email address: finances@virbac.com.

A lifelong commitment to animal health

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 us to 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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