



Annual revenue strongly growth of +9.6% at comparable exchange rates and scope (+14.3% at real rates), driven by exceptional business activity in the fourth quarter

Press release issued on January 18, 2023 after market close

KEY FIGURES

Annual Revenue 2022	Growth at constant exchange rates and scope ¹	Growth at constant exchange rates	Overall change
€1,216.1M	+9.6% of which companion animals +11.9% food-producing animals +6.9%	+9.6%	+14.3%

¹ 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's), 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.

Quarterly consolidated revenue

Our revenue in the fourth quarter amounted to €294.9 million, up +19.7% compared to the same period in 2021. At constant exchange rates, revenue growth was +15.9%. All areas except Latin America, penalized by the downturn in Chile, saw very good double-digit growth over the period. It should be noted that the quarter has a very favorable base effect compared to the same period in 2021, as well as inventory effects linked on the one hand to anticipated price increases, which may have an impact on the first quarter 2023, and on the other hand to the launch of the new ranges, particularly in the USA. Europe (+13.4% at constant rates), Asia Pacific (+19.9% at constant rates), and the United States (+38.6% at constant rates) were the biggest contributors in the quarter. Performance in these regions is driven in particular by five countries (the United States, Australia, the United Kingdom, France and India) which generate 75% of quarterly growth. Finally, Latin America (+1.8% at constant exchange rates) was strongly impacted by Chile, which saw a sharp slowdown in sales in the quarter due to the decline in sales on antibiotic and parasitic products for salmon, following the suspension by the Chilean maritime authority of the marketing authorization of a parasiticide product for its distribution.

In terms of species, the companion animals segment was the main driver of growth (+17.7% at constant rates), particularly in sales of petfood, specialties, the dental range and vaccines, thanks to the reduction in out-of-stock levels and late deliveries in December. The food-producing animals segment is also growing (+9.1% at constant rates), driven by sales of parasiticide and nutritional products for cattle.

Annual consolidated revenue

Our annual revenue amounted to €1,216.1 million, compared with €1,064 million, representing an overall increase of +14.3% compared with the same period in 2021. Adjusted for the favorable impact of exchange rates, revenue shows growth of +9.6%. This growth benefited, in part, from a favorable baseline effect representing 0.4 point of growth in revenue, attributable to new products acquired starting in the second quarter of 2021.

The successful execution of our strategic plan, supported by the constant commitment of our teams, has enabled us to consolidate our annual organic growth in all areas, despite the slowdown in the market. In Asia Pacific, growth at real exchange rates came to +18.5% (+13.9% at constant exchange rates), India and Australia continue to drive growth from the area, thanks to products for cattle, representing approximately 80% of the area's growth. In Europe, revenue is growing at +6.2% at real rates (+5.8% at constant rates). The main contributors to this performance are the United Kingdom, France, Turkey, Italy, and Spain. The area is supported by the strong dynamism of the companion animals ranges (in particular petfood, specialties, and vaccines), which compensated for the decline in the antibiotic ranges for food-producing animals. In the United States, business grew by +30.2% (+15.7% at constant exchange rates). It benefits from sustained sales on new products launched in 2021 (Clomicalm and Itrafungol) and those launched in early 2022 (petfood, and Tulissin for the food-producing animals segment), as well as good performances in the dental, specialties (Movoflex, Stelfonta), and dermatology ranges. Finally, in Latin America, business grew by +17.1% at real rates (+5.6% at constant exchange rates), thanks in particular to the contribution of Mexico and Brazil, which offset the downturn in Chile.

In terms of species, revenue in the companion animals segment grew overall by +15.9% at real rates (+11.9% at constant rates), mainly driven by very good double-digit growth in the petfood, specialties and dental ranges, as well as a significant contribution from vaccines. The food-producing animals segment also posted growth of +12.3% at real rates (+6.9% at constant exchange rates), driven by the ruminant sector (+12.5% at constant rates), which compensates for the decline in the swine-poultry (-2.7% at constant rates) and aquaculture (-16.0% at constant rates) segments compared to the same period of 2021. This was mainly due to lower sales of vaccines and the suspension of the marketing of the parasiticide product mentioned above.

Outlook

The exceptional performance of the last quarter, which was unexpected in a market experiencing a sharp downturn, allows us to slightly exceed the top of our revenue range in 2022. We now anticipate a ratio of "current operating income before depreciation of assets from acquisitions" to "revenues" that should be around 15% at constant exchange rates, and our debt relief should be around €35 million excluding dividends, at constant scope and exchange rates.

For 2023, we can confirm the content of our press release of last December, namely a ratio of "current operating income before depreciation of assets from acquisitions" to "revenues" that should be between 13% and 14% at constant exchange rates, with growth in revenue at constant rates and scope expected to be between 4% and 6%. This deterioration in our adjusted EBIT ratio is primarily the result of our voluntary acceleration of R&D investments to revenue since early 2022, representing in 2023 ~+2 percentage points compared to 2021 and +~1 percentage point compared to 2022, and the expected effects of inflation in

2023. In addition, our cash position is expected to remain constant at the end of 2023 compared to the end of 2022, taking into account the capital expenditure planned over the period, estimated at around 100 million euros, the acceleration of R&D, and excluding any acquisitions.

CONSOLIDATED FIGURES Non-audited figures in millions of euros	2022	2021	Growth	Growth at constant exchange rates ¹	Growth at constant exchange rates and scope ¹
First-quarter revenue	318.1	266.5	+19.3%	+16.2%	+16.2%
Second-quarter revenue	298.3	262.9	+13.5%	+7.8%	+7.8%
Third-quarter revenue	304.8	288.2	+5.8%	-0.2%	-0.2%
Fourth-quarter revenue	294.9	246.4	+19.7%	+15.9%	+15.9%
Annual revenue	1,216.1	1,064.0	+14.3%	+9.6%	+9.6%

A lifelong commitment to the health of animals

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 for the health of animals together.



**5,100
EMPLOYEES**
+4.4% compared to 2020



**SALES
SUBSIDIARIES
IN 33 COUNTRIES**

**59%
COMPANION
ANIMALS**



1064 MC

**41%
FOOD
PRODUCING
ANIMALS**

**SALES
2021
6th WORLDWIDE**

Ranking of veterinary drug manufacturers
+18.4% at constant exchange rates and scope compared to 2020



**PRODUCTION
SITES
IN 10 COUNTRIES**



**R&D
CENTERS ON
5 CONTINENTS**