

Virbac: sales grow by 3.2% at the end of September at constant rates

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Virbac consolidated sales in the third quarter amounted to 216.3 M€, a +1.2% growth compared to the same period of 2015. As in previous quarters, the exchange rate impact remains unfavorable; at constant exchange rates the growth of the quarter is + 2.3%, of which 2.2% of organic growth. Growth is driven by the United States that show an overall increase of + 14% at comparable exchange rates over the quarter, although the recovery is slower than expected. This growth reflects a gradual rebound of historical ranges, which offsets the slight erosion of the Sentinel range in the third quarter. The regions Asia Pacific and Latin America (except Chile) contribute to the dynamic growth with increases of respectively + 6% and + 12% at constant rates, thanks to the sustained level of activity in India, China, Mexico and Brazil. Europe is stable, after a strong growth in the first half. Conversely, aquaculture is down sharply over the quarter (-24%) due to lower sales of antibiotics in Chile.

Year-to-date sales amount to 646.2 M€ compared to 646.0 M€ last year, Virbac's activity remained stable over nine months. Excluding the unfavorable impact of exchange rates, growth was 3.2%, of which 3.1% of organic growth. All regions showed positive trends with the exception of Chile. In the United States, the historical ranges, in particular dentals and dermatology, continue to progress. The Sentinel range was down due to the unfavorable base effect in the first quarter (storage in 2015 due to the change of distribution strategy), and increased competition on the internal parasiticides segment, in slight decline. Europe posted strong growth at + 4.5% at comparable rates, in particular due to sustained

activity in France thanks to the recent launches of parasiticides for companion animals and a favorable base effect related to weak sales of antibiotics in 2015, and the continued performance of the UK since the beginning of the year. In other regions, emerging countries benefit organic growth.

In terms of species, the companion animals segment is growing by +3.6% in cumulated value at the end of September. At comparable exchange rates and perimeter, revenue grew by +5.8%. This good performance is due to the gradual recovery in sales of historical products in the United States and the rise of new products recently launched in Europe, in particular the parasiticides for companion animals Effitix and Milpro, and the new petfood range. Dentals, dermatology and hygiene ranges also contribute to this level of growth.

Business in the food producing animals segment is declining by -4.3%, however it is stable at constant rates and perimeter. The segment was strongly impacted by the situation in Chile. Apart from aquaculture, both bovine and industrial (swine and poultry) sectors posted organic growth respectively of + 6.0% and + 0.7%. The growth is driven particularly by emerging countries mainly India, Brazil and China, as well as New Zealand, while activity in Europe is declining in the industrial sector (swine and poultry).

Key figures

NET REVENUE
Nine months 2016
646.2 M€

TOTAL GROWTH
+0.0%

GROWTH AT
CONSTANT EXCHANGE RATES
+3.2%

GROWTH AT CONSTANT
SCOPE
+3.1%

Of which :
COMPANION ANIMALS
+5.8%

FOOD PRODUCING ANIMALS
+0.0%

CONSOLIDATED DATA <i>Unaudited – in million Euros</i>	2016	2015	% change	Evolution at constant exchange rates	Evolution at constant scope
Net revenue - 1 st quarter	211.4	211.4	+0.0%	+3.4%	+3.3%
Net revenue - 2 nd quarter	218.5	220.9	-1.1%	+3.9%	+3.7%
Net revenue - 3 rd quarter	216.3	213.7	+1.2%	+2.3%	+2.2%
Net revenue – Year-to-date September	646.2	646.0	+0.0%	+3.2%	+3.1%

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