

Virbac : sales grow by 18.1% in the first half

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Virbac consolidated revenue in the second quarter amounted to €221.1 million, a +19.0% growth compared to the same period of last year. Like in the previous quarter, this performance has been strengthened by the favourable evolution of exchange rates: at constant parities, growth during this quarter has reached +9.2%. It has been driven on one hand by the addition of the Sentinel brand acquired early this year, and on the other hand by a good level of organic growth (+6.6%) outside of the United States, which are impacted by the interruption of operations in the St. Louis (Missouri) manufacturing facility. Due to this factor, organic growth during this quarter has been reduced to +2.3%, to be compared with -6.1% in the first quarter.

Year-to-date, first-half sales have reached €432.5 million compared to €366.3 million in the same period of 2014, a +18.1% increase globally. Apart from the favourable exchange rates impact, growth has reached + 8.1%.

The integration of the Sentinel range, acquired in the United States in January, contributed to this performance. With sales of close to USD50 million it is progressing according to plans.

Excluding Sentinel, Group net sales record a -1.8% organic growth in this first half due to the important decline of the business in the U.S. affiliate (-52%) following the interruption of manufacturing and deliveries from its St. Louis facility early this year. The implementation of the quality system improvement plan and the validation procedures initiated accordingly are progressing; manufacturing of certain ranges has restarted in the course of the second quarter and gradual resumption of productions will spread over the second half

of the year for an important number of products, as announced recently.

Outside of the United States, organic growth remained steady in the first half at a good level of +5.3%. This positive trend is due to the ramp-up of products launched recently in Europe, in particular the parasiticides for companion animals Milpro and Effitix, and to the good performance of products used for food producing animals in the emerging markets. With the exception of France, where sales have declined due to distributors destocking antibiotic products after the temporary increase observed in late 2014, sales in the rest of Europe recorded a good growth: +6.9% overall at constant exchange rates. In the other regions of the world, organic growth stayed at a significant level in the emerging countries (+9.8%) and at a good level in large markets such as Australia, New Zealand and Japan.

In terms of species, sales in the companion animals segment have increased globally by +22.2% with the addition of Sentinel and the favourable exchange rates. This means nevertheless a -5.6% decrease at constant rates and perimeter, due to the difficulties in the United States. Excluding the United States, organic growth in this segment has reached +7.1% thanks to the new products launched in Europe and to the good evolution in general of product ranges such as dermatology and reproduction.

Business in the food producing animal segment recorded a + 13.8% growth in total, of which +3.0% at constant rates and perimeter. This evolution is coming from the bovine sector and aquaculture, while the industrial sector (swine and poultry) remained stable globally.

Key figures

NET REVENUE
FIRST HALF 2015
Estimate

€432.5 M

TOTAL GROWTH
+18.1%

GROWTH AT CONSTANT
EXCHANGE RATES
+8.1%

GROWTH AT CONSTANT
SCOPE
-1.8%
(+5.3% excl. the U.S.)

Of which :

COMPANION ANIMALS
-5.6%
(+7.1% excl. the U.S.)

FOOD PRODUCING ANIMALS
+3.0%

CONSOLIDATED DATA <i>Unaudited - in million Euros</i>	2015	2014	% change	Evolution at constant exchange rates	Evolution at constant scope
Net revenue - 1 st quarter	211.4	180.5	+17.1%	+7.0%	-6.1%
Net revenue - 2 nd quarter	221.1	185.8	+19.0%	+9.2%	+2.3%
Net revenue - 1st half	432.5	366.3	+18.1%	+8.1%	-1.8%

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