

# Virbac: sales grow by 5.5% in the third quarter

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**Virbac consolidated sales in the third quarter amounted to 213.7 M€, a +5.5% growth compared to the same period of 2014.** Like in the first half, this performance benefits from the favourable exchange rates evolution: at constant parities, growth during the third quarter reached +1.8%. On one hand business continues to benefit from the integration of the Sentinel brands in the United States and from the new products launched in Europe. On the other hand the activity in the U.S. is still penalized by the interruption of operations in the St. Louis (Missouri) manufacturing facility. Excluding Sentinel, sales recorded a -6.8% organic growth during this quarter, of which +3.2% outside of the United States, driven by a good performance in emerging countries such as India and Colombia along with Australia and Japan. This third quarter evolution appears lower than in the second quarter (+2.2%, of which +6.4% outside of the U.S.) due to heterogeneous bases for comparison both in the U.S. (Iverhart sales resuming last year in the third quarter; products available in St. Louis inventories sold this year during the second quarter) and in Europe (launch of new products in the third quarter last year).

**Year-to-date sales amount to 646.0 M€** compared to 569.0 M€ last year, a global increase of +13.5% over nine months, of which +5.8% at constant parities. At constant scope (excluding Sentinel), organic growth is -3.6% in total and +4.5% outside of the United States. All geographies have contributed positively to this evolution, with the exception of the U.S. on the legacy ranges (-59%), following the interruption of the manufacturing and deliveries from the St. Louis facility.

Conversely, the Sentinel range, which is not affected by the above event, reached nearly 72 million USD at the end of September, in line with the expectations. At the St. Louis facility, the implementation of the quality system improvement plan is progressing; manufacturing and sales are gradually resuming for the first products which have gone through the different validation steps. Among the major products, the batches of Iverhart Plus recently manufactured are due to be released and delivered to the market in the course of October.

**In terms of species,** the companion animals segment is growing by +18.2% thanks to the Sentinel contribution and the favourable exchange rates impact. However it is decreasing by -6.9% at constant scope, negatively impacted by the situation in the U.S. affiliate. Excluding this U.S. factor, organic growth is largely positive, +8.5%, thanks to the new products launched earlier in Europe, mainly the parasiticides for companion animals Effitix and Milpro, and to the new pet-food range introduced recently in France. The dermatology and reproduction ranges are contributing as well to this steady growth.

Business in the food producing animals segment is more moderate with a growth of +9.3%, of which +1.1% organically. The growth remains mainly driven by the emerging countries as well as the large markets such as Australia and New-Zealand, while in Europe the activity is declining in both the bovine and industrial sectors (swine and poultry) due to the decrease of sales of antibiotics in France.

## Key figures

NET REVENUE  
Nine months 2015

**646.0 M€**

TOTAL GROWTH  
**+13.5%**

GROWTH AT  
CONSTANT EXCHANGE RATES  
**+5.8%**

GROWTH AT CONSTANT  
SCOPE  
**-3.6%**  
**(+4.5% excl. the U.S.)**

Of which :  
COMPANION ANIMALS  
**-6.9%**  
**(+8.5% excl. the U.S.)**

FOOD PRODUCING ANIMALS  
**+1.1%**

CONSOLIDATED DATA Unaudited – in million Euros	2015	2014	% change	Evolution at constant exchange rates	Evolution at constant scope
Net revenue - 1 <sup>st</sup> quarter	211.4	180.5	+17.1%	+7.0%	-6.1%
Net revenue - 2 <sup>nd</sup> quarter	220.9	185.8	+18.9%	+9.0%	+2.2%
Net revenue - 3 <sup>rd</sup> quarter	213.7	202.7	+5.5%	+1.8%	-6.8%
<b>Net revenue – Year-to-date September</b>	<b>646.0</b>	<b>569.0</b>	<b>+13.5%</b>	<b>+5.8%</b>	<b>-3.6%</b>

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Shaping the future of animal health