

Virbac press pack 2020



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Focusing on animal health, from the beginning



Sébastien Huron
Chairman of the executive board
of the Virbac group



Founded in 1968 by a French veterinarian, Virbac offers a practical range of products and services to diagnose, prevent and treat the majority of pathologies, while improving the animals' quality of life.

"Animal health is at the crossroads of some considerable social, health and environmental challenges: fight against epizootics, food safety, human health, biodiversity... To provide an effective response to these challenges, Virbac, from its inception, has opted to remain independent, to be exclusively dedicated to animal health, and to innovate tirelessly.

Today we devote therefore our energy to developing treatments and vaccines for everyday animal infections, while taking into account emerging or hard-to-fight diseases on a global scale. This approach is key for food producing animals, as the world's needs for widely available high-quality meat and dairy products continue to grow. It's also vital for companion animals, to prolong and improve their quality of life and the well-being of their owners.

In the growing companion animal market, our approach is based, among

other things, on continuous development in the United States.

In food producing animals, our offer relies on the rational use of veterinary drugs and the development of preventative medicine through vaccination. Since 2012, the company has also initiated a major strategic change of direction in the aquaculture field, having assumed a majority holding (51%) in Centrovét in Chile, one of the few worldwide companies specialized in vaccines for farmed salmon. The production of proteins from aquaculture is indeed the prime source of animal protein worldwide, which explains the interest in this segment for Virbac.

Finally, in addition to the regular launch of new products, Virbac is backing its development with a comprehensive range that covers the majority of species and pathologies. It is doing all this by strengthening its

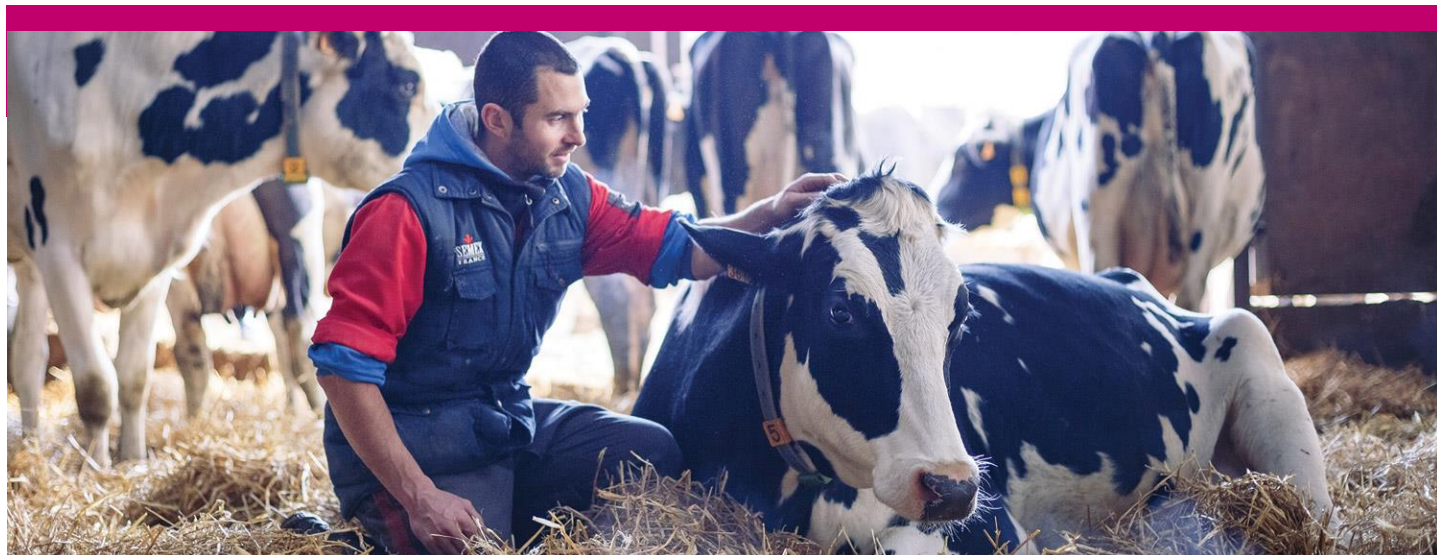
presence on the major markets, in developed and emerging countries alike, in order to contribute, day after day, to shape the future of animal health."

Key figures 2019

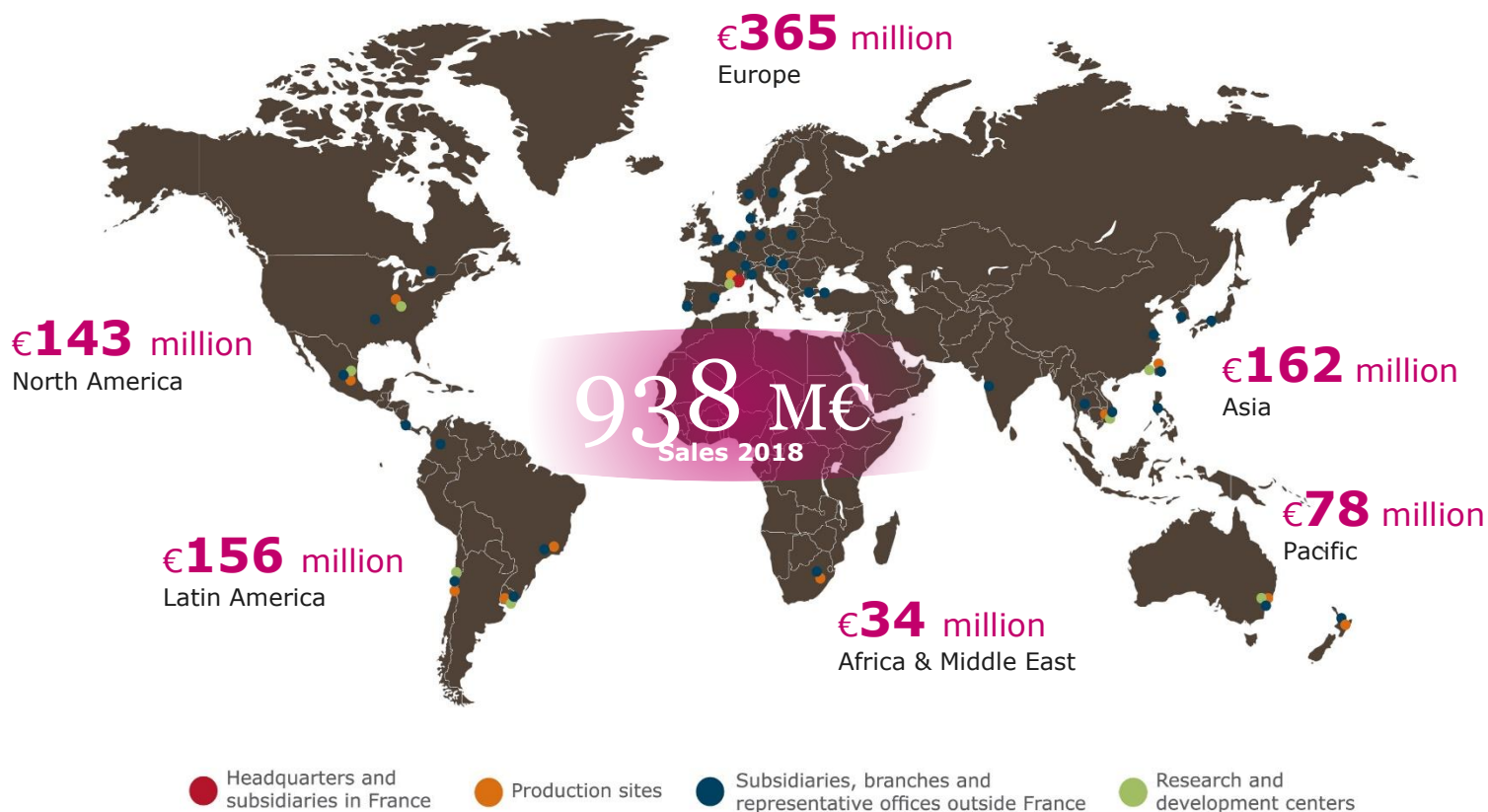
- Sales: €938 million (+6.6% at constant exchange rates and scope compared to 2018)
- Ranks 7th globally
- Present in more than 100 countries
- Sales subsidiaries in 33 countries (4,900 employees)
- Production sites in 10 countries and R&D centers on 5 continents



Acting on health issues, all around the world

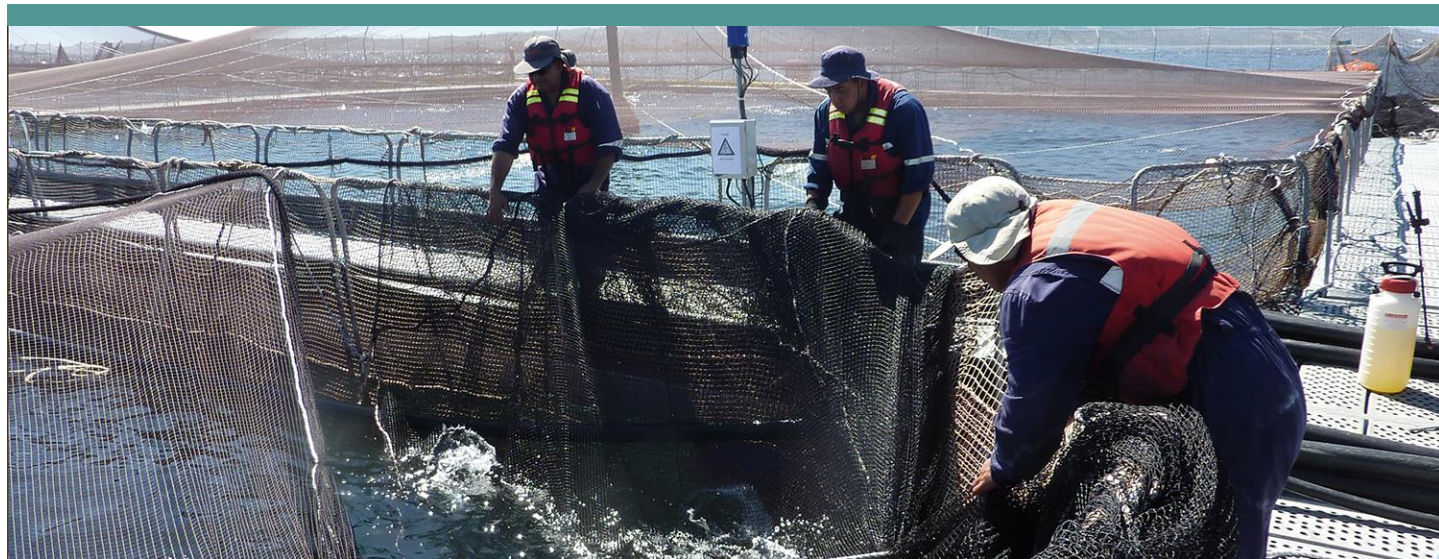


For more than 50 years, Virbac devotes its energy to the development of treatments and vaccines for everyday animal infections, while taking into account emerging or hard-to-fight diseases on a global scale.





Caring for animals, improving animal production



Simple to administer, easy to handle, supported by educational advice and services... every pharmaceutical and biological drug as every nutritional and diagnostic product is designed for optimal daily use.

- **Petfood:** developed with veterinarians, our high quality petfood range for dogs and cats meets the nutritional needs of these carnivores and helps to maintain their health and quality of life at each stage of life.

- **Dental hygiene:** our chews, oral hygiene rinses and dental kits help to prevent the risk of periodontal diseases, thanks to their scientifically-proven effectiveness against tartar, dental plaque and bad breath.

- **Reproduction:** for companion animals as well as food producing animals, we are developing innovative solutions for more responsible reproduction management that respects the animal's well-being.

- **Vaccines:** a pillar of proper prevention of infectious diseases affecting companion and food producing animals, our wide range of vaccines also prevents emerging diseases that are poorly treated or represent new outbreak risks.

- **Dermatology:** a pioneer in veterinary dermatology, we are continually improving our formulations to provide a wide range of innovative products suitable for the animal's skin.

- **Parasiticides:** internal and external parasites are disease vectors that can also impact humans. Our medical expertise and broad range of products allow us to promote

a responsible approach to parasiticide protection that takes the human-animal-environment balance into account worldwide.

- **Diagnostics:** designed to facilitate in-clinic diagnostics, our tests provide immediate, reliable detection of key infectious and parasitic diseases, as well as biomarker measurement.

- **Antibiotics:** thanks to the efforts of our formulation development teams, we provide veterinarians and farmers with antibiotics designed to meet their needs as part of responsible antibiotic therapy.

- **Aquaculture:** we provide aquaculture producers worldwide with a wide range of products to prevent and treat key bacterial and viral diseases affecting farms, along with major innovations, including oral vaccination.

- **And also:** we explore all veterinary medicine fields to provide solutions that improve care and farming practices on a daily basis worldwide: anesthesia, geriatrics, behavior, electronic identification, injectable micronutrients, etc.

A full range of services

Combined with its products, Virbac has developed a full range of services: technical and scientific supports; national and international congresses, webcast conferences; clinical audit, coaching, management training; diagnostics assistance software, animal monitoring tool... These are all tools and programs designed to help veterinarians and farmers in enhancing their medical expertise, growing their activity or even improving their customer relations.



Companion animals: a privileged partnership with veterinarians



Virbac devotes today to companion animals an important part of its commercial efforts and R&D investments.

- Dogs, cats, horses and new companion animals (rodents, birds, reptiles, etc.) represent more than 40%* of the global veterinary market.
- Virbac derives 59% of its sales in this segment.
- The keys to performance on this market are ability to innovate, breadth of range and communication with professionals and animal owners, who have a growing influence on purchase behavior.
- A pioneer in the booming companion animal segment, the company now devotes a major part of its sales efforts and of its research & development investments to this segment. Moreover, Virbac occupies positions of leadership in several segments (vaccines, dermatology, dental, electronic identification and reproduction) and also offers an innovative range on high-volume markets (internal/external parasitocides and dog/cat nutrition).
- Virbac made a notable breakthrough in the petfood market with the launch of a new range of hyperpremium petfood, Veterinary HPM.

*Virbac internal source

Virbac completely revised the classic nutritional approach to develop foods with more protein and fewer carbohydrates, much closer to the natural carnivorous diet of dogs and cats. Virbac launched first the preventive range to maintain good health for dogs and cats depending on their age. In November 2016, Veterinary HPM Adult Small & Toy was described by the French independent consumer association UFC-Que Choisir as one of the "best choices" among the twenty complete dog foods tested. In 2017, Virbac launches the therapeutic range to help dogs and cats suffering from various diseases to recover a good health.

- Founded on proximity, the Virbac marketing model is underlain by outstanding knowledge of its customers (monitoring of requirements, focus groups, immersion in the field, satisfaction surveys, etc.). Through a personalized relationship (availability, advice, service culture, etc.), Virbac offers its customers a winner-winner partnership: support during the development of their technical, marketing and administrative activity, as well as management.

Main product categories*

- **51% of the market: external parasitocides and wormers.**
Key Virbac products: Effitix, Iverhart Max, Milpro and Equimax.
- **14% of the market: vaccines.**
Key Virbac products: CaniLeish and the ranges Canigen, Feligen and Leucogen.
- **7% of the market: antibiotics.**
Key Virbac product: Rilexine.
- **28% of the market: anti-inflammatories, cardiology specialties, dermatology, ophthalmology, auricular products, dentistry, anesthetics and other pharmaceutical products.**
Key Virbac products: Suprelorin, Soloxine, Easotic, Epiotic, Cyclavance, Cortavance, shampoo range, dental hygiene range and Zoletil.

Medicines or products mentioned in this document can be not authorized or not marketed in all the countries including France.



Food producing animals: a **dynamic** development



On the food producing animal market, Virbac wishes to grow its positions thanks to an approach based mainly on product differentiation to meet the farmers' needs in terms of economic performance, practicality and quality.

- The medicines for food producing animal market (swine and poultry, ruminants and fish) represents nearly 50%* of the global veterinary market.
- Virbac derives 41% of its sales in this segment.
- This market, in which stringent regulatory restraints prevail, is characterized by regular growth, associated in particular with the rise in animal protein requirements globally, especially in the emerging countries.
- The company is already extensively represented in the major antibiotic and parasiticide segments.
- Virbac wishes to grow its positions thanks to a strategy based mainly on product differentiation to meet the farmers' needs in terms of economic performance, practicality and quality. Therefore its portfolio comprises both generics and differentiated products not only on account of their user-friendliness but also of their combination of active ingredients. Objective: to make it simpler for farmers to implement individual or collective treatments, thanks to products whose user-friendliness and/or formulation are expedient to therapeutic efficacy and/or safe use.
- The Virbac strategy is also tied up with the rational use of veterinary medication and positions Virbac in the development of preventive medicine (via vaccination).
- Following a number of external growth operations, Virbac is therefore now the holder of vaccines for ruminants and swine. Virbac provides a preventive solution in several Asian countries against porcine circovirus, a virus responsible for significant losses in farms. Developed by the Virbac teams with the genotype predominant in most regions of the world, this vaccine helps limit the impact of this disease in one of the world's most important swine production areas.
- Moreover, end of 2012, the acquisition of a majority stake in Centrovet (51%), a major aquaculture player, has allowed Virbac to initiate a major strategic change of direction in the oral vaccination of farmed salmon. Thanks to this acquisition, Virbac has padded out its range aimed at salmon-producing countries, especially Norway, Chile and Canada.

Main product categories*

- **40% of the market: vaccines**
Key Virbac products: the ranges Singvac, Cydectin Websters, Lepto 3 way, Bovisan, Clostrisan, Suigen Cholera, PCV2 and App Pm vaccines, SRS, IPN and ISA aquaculture oral vaccines.
- **24% of the market: antibiotics** (intramammary, injectable and oral).
Key Virbac products: Virbactan DC, Rilexine LC/DC, Mastitar, Penclox in intramammary vaccines, Readycef/Citius, Shotaflo/Maxflo, Shotapen, Multibio injectable, Fortius, Suramox/Stabox Premix and oral soluble powders...
- **19% of the market: parasiticides**
Key Virbac products: the ranges Virbamec (pour-on, injectable, Platinum, F...) and Cydectin, oral wormers (Oxfenil, Prodose, Flukare), pour-on (Deltanil, Néoprnil)...
- **17% of the market: anti-inflammatories, reproduction, anesthetics, metabolism and other specialities**
Key Virbac products: Multimin, Diaproof, Enerlyte Plus, Ostovet, Calgophos, Virbagest, Prosolvin, Cyclix...

*Virbac internal source



Innovating together

in the service of **veterinary medicine**



Established in key territories, Virbac product innovation teams from all over the world collaborate with each other, while developing external partnerships.

- Whatever the target species, Virbac has a specific innovative model based on both technological advances and listening to the customers.

- Unlike human health, innovation in veterinary medicine is not only generated by basic research. Virbac has therefore always focused its investments and the work of its R&D teams on applied

research and development by promoting synergies between on-the-field teams and researchers.

- The company possesses extensive professional expertise, especially in formulation, which enables it to develop original formulations that optimize treatment safety and efficacy while amplifying their compliance.

- In addition to innovation from Virbac R&D teams around the world, the company regularly develops external partnerships with biotechnological companies, universities and research laboratories. The company also leads an active business development policy, both commercial and technological (a source of future innovative R&D products).





More than 50 years of innovation



Founded on both technological advances and listening to the customers, Virbac innovation aims to improve the treatment of animal diseases and facilitate veterinary practice.

- **2019 : first vaccine for genotype 2d swine circovirus**
- **2018: first dental technology** that fights both the oral and digestive causes of bad breath in dogs
- **2017: first analyzer in veterinarian clinics in Europe** that makes it possible to simultaneously measure four biomarkers in dogs (CPSE, progesterone, T4, cortisol)
- **2016: first veterinary dermatological technology** to stimulate endogenous antimicrobial peptides and limit microbe adherence.
- **2015: first injectable for cattle** in Europe combining ceftiofur and ketoprofen.
- **2013: first antiviral and antibacterial oral vaccines** for salmon, given in the food.
- **2011: first vaccine** against canine leishmaniosis in Europe.
- **2009: first auricular treatment for otitis in dogs** combining miconazole, gentamicin and hydrocortisone aceponate.
- **2008: first deslorelin-based implant** for the induction of temporary infertility in male dogs.
- **2007: first broad spectrum chewable** anthelmintic in the United States for use in dogs to prevent canine heartworm disease and for the treatment and control of roundworms, hookworms and tapeworms.

2007: first corticoid spray with targeted action for dermatitis in dogs thanks to hydrocortisone aceponate.

- **2003: first injectable** combination of zeranol and an endectocide, for cattle.
- **2001: first veterinary interferon** for dogs and cats in Europe.
- **1996: first oral gel wormer for horses** combining ivermectin and praziquantel.
- **1995: first coated amoxicillin in a medicinal premix** for treating respiratory diseases in pigs and poultry.
- **1991: first oral anti-rabies vaccine** for foxes in Europe obtained by selective double mutation.
- **1988: first genetically engineered vaccine** against feline leukemia, a disease caused by a retrovirus affecting the immune system.
- **1986: new slow-release intraruminal device (bolus)** to prevent parasitic infestations in cattle.
- **1981: first homologous vaccine** against canine parvovirus.
- **1977: first cephalosporin** in veterinary medicine, in France, available for dogs, cats and cattle.
- **1970: first insecticide collar** for dogs, produced by extrusion.

Ensuring the highest quality standards for those who care for animals

With very flexible industrial facilities and production plants on five continents, Virbac is able to produce and market a broad range of products that meet the highest international standards. To safeguard its supply, maintain a high level of quality throughout the production chain and guarantee the safety of our products, we also rely on a network of suppliers and contract manufacturers selected according to stringent criteria.



Making responsible choices for a sustainable future



We have always been fully aware of our major role in animal health and, more broadly, in the protection of living. This is the full meaning of our commitments shared today with our stakeholders, who are themselves increasingly sensitive to responsible corporate choices for a sustainable future.

• **Innovating responsibly**

In a context of a high variability of pathologies, user expectations and regulations depending on the countries and times, innovating for the benefit of animal health and respect for animal welfare is a major issue, now more than ever. To make this a reality, Virbac is working on two priority areas: animal studies and the reduction of antibiotic use through the development of prevention methods, especially through vaccination.

• **Strengthening employee engagement**

At Virbac, the organizational model relies above all on the people who are at the heart of the company and behind its major decisions. Objective: to preserve this pillar of corporate culture while adapting operational modes to globalization, market evolution and the changes that are introduced by new technologies. To do this, Virbac is focusing its efforts on well-being at work and on recognition, safety and social dialogue, rewarding performance and individual skill development, internal professional and geographical mobility, and fostering an environment that's conducive

to diversity and equal treatment among employees.

• **Ensuring the quality of products and services**

Virbac's mission to create, manufacture, and sell veterinary medicines puts the company at the heart of the food chain and the ecosystem, whereby the health of all living beings on Earth is understood to be intrinsically linked. To control its potential impact on this environment, Virbac meets the highest applicable quality-safety-effectiveness standards through an organization dedicated to controlling the level of regulatory compliance (at all stages of the product life cycle) at both Group and partner sites.

• **Protecting the environment**

Improving the quality of life of animals by reducing the environmental imprint of all of its activities: this is Virbac's goal. The Group is committed to preserving the planet's resources by optimizing consumption in its manufacturing processes and reducing common and industrial waste as well as emissions that stem from its activities.

Commitments

- **33%** Biology R&D expenditure share
- **65%** Positive opinion on the company (Trust Index Great Place to Work 2018)
- **100%** Sites supported by the quality standard
- **-5.2%** Reduction in gas and electricity consumption in the past three years

With more than 80 transparency indicators, our CSR report is GRI-compliant, the international benchmark for sustainability reporting.



Virbac foundation: animal health at the heart of ecosystems' health

As part of its mission to raise public awareness on animal health, Virbac has been supporting for three years a One Health programme in the Gonarezhou national park in Zimbabwe. The Virbac foundation is currently working on the roll-out of new actions.



Experiencing a unique human adventure



Virbac is a growing company that offers real development opportunities. Joining the company means taking part in a unique human adventure in which the engagement of each individual contributes to make animal health progress.

- To continuously improve our contribution to animal health, we must be productive and able to adapt to an ever-changing environment. In addition, continually developing our skills, innovation and initiative are essential to creating value for veterinarians, farmers and animal owners. This is why at Virbac, at every level of the company, our teams enjoy great autonomy and a work environment that allows them to express their creativity.

- Against this landscape, we strive to expand while remaining a company with a human scale that is true to its values.

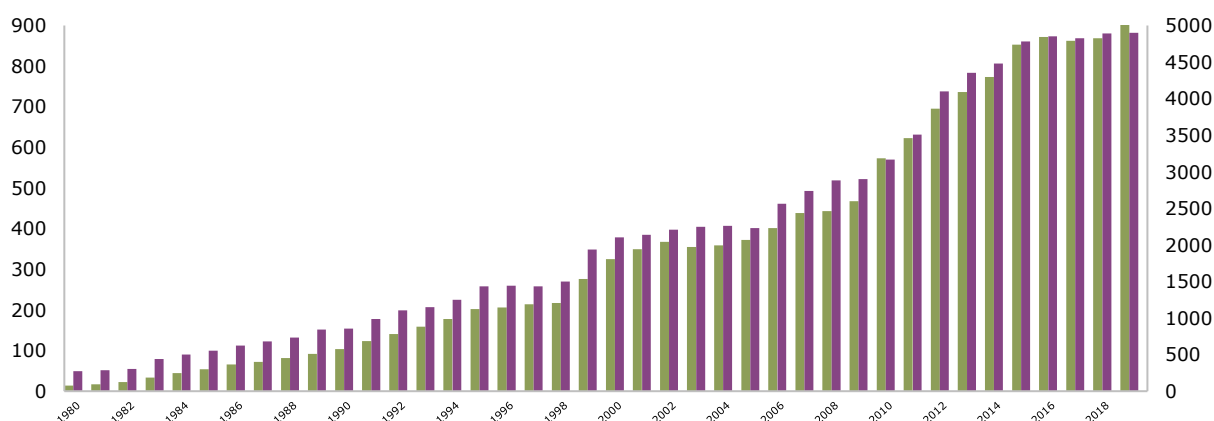
Virbac is a great place to work. Our attention to each other is apparent in the personalized work environment that is provided throughout their careers in the company. Moreover, with our international presence and diversity of professions, we offer genuine development and evolution opportunities.

- For more than 50 years, Virbac teams have included men and women from very different cultures, all united by the same engagement, in a company where the quality of human relations plays a major role in serving animal health.

2019 key figures

- Workforce: **4,900** employees
- **100** professions dedicated to animal health
- **82%**: pay ratio between women and men (leaders)
- **6%**: annual workforce growth for 10 years
- **45%** worldwide leaders and managers are women
- **2.8** training days per collaborator and per year

Average annual workforce and sales growth since 1980





Corporate governance: the supervisory board



Comprising seven members including three independent members, the supervisory board ensures the permanent control of the management of the executive board, the regular review of the accounts and of all major projects and investments.



First line (from left to right)

- **Marie-Hélène Dick-Madelpuech**, chairwoman
- **Solène Madelpuech**, member
- **Sylvie Gueguen**, employee representative
- **Pierre Madelpuech**, vice-chairman

Second line (from left to right)

- **Olivier Bohuon**, independent member
- **Philippe Capron**, independent member
- **Cyrille Petit**, independent member

- **Xavier Yon**, non-voting advisor

Stock market and shareholder structure

- Listed in Paris Stock Exchange since 1985 (NYSE Euronext)
- Shareholding: 49.7% Dick family / 50.3% public
- 63.4% of voting rights held by the founder's family



Corporate governance: the executive board



Virbac is a public limited company with an executive board and supervisory board whose headquarters is located in Carros (France). Comprising three members, the executive board is responsible for the company's strategic and operational management.



• **Sébastien Huron**
Chairman of the executive board
(since 2017)

Doctor of veterinary medicine
Member of the executive board
since 2012



• **Christian Karst**
General manager and executive
vice-president Corporate Development

Doctor of veterinary medicine
Member of the executive board
since 1996



• **Habib Ramdani**
Group chief financial officer

Member of the executive board
since 2016