

# Sales in the first quarter 2016: return to organic growth

Public release – April 13th, 2016

Virbac consolidated sales in the first quarter amounted to 211.4 M€, a level identical to that of the same period of 2015, due to a negative exchange rate impact. At constant parities, the growth reaches +3.4% positively driven by good performance in Europe, Asia-Pacific and Latin America.

In the United States, the activity is globally declining in the first quarter -3.4% (-6.1% at constant rates), due to an unfavorable base effect on sales of the Sentinel range compared to the first quarter 2015. In order to meet the demand of distributors, over 30 % of 2015 annual sales were made in the first quarter following the acquisition that took place in the beginning of the year. The business strategy of the Group is indeed entirely focused on distributors, whereas previously Sentinel sales were both direct and made through distributors. This base effect should gradually subside during the remainder of 2016. Conversely, the legacy business shows a significant growth compared to last year (+79%), thanks to the gradual resumption of deliveries of Iverhart Plus, which is expected to accelerate in the coming months, and the rebound of the other lines including dermatology and dentals. The U.S. subsidiary is still waiting for the next FDA inspection of the St. Louis site, whose date is not yet known.

In other geographies, the Group achieved a good start to the year. The activity grew strongly in Europe + 6.0% (+ 6.6 % at

constant exchange rates), thanks to the contribution of new parasiticide products for companion animals recently launched. France has also benefited from a favorable base effect due to the negative impact of a new regulation ("Loi d'Avenir") on antibiotic sales early 2015. Growth was again strong in emerging countries including China, India, Brazil and Colombia. The performance was also good in important markets such as Australia and New Zealand.

In terms of species, sales in the companion animals segment were up 3.8 % at constant exchange rates, mainly driven by good performance especially on dermatology, vaccines, specialties and nutrition ranges.

In the food producing animals segment, organic growth reached +2.6% with contrasting trends between the two major sectors: ruminants and industrial (pigs and poultry) that are growing, and aquaculture which is declining due to a particular sanitary situation in Chile (salmon mortality caused by algae invasion).



## Key figures

NET REVENUE

1<sup>st</sup> quarter 2016

**211.4 M€**

TOTAL GROWTH

**+0.0%**

GROWTH AT  
CONSTANT EXCHANGE RATES

**+3.4%**

GROWTH AT CONSTANT  
SCOPE

**+3.3%**

Of which :

COMPANION ANIMALS

**+3.8%**

FOOD PRODUCING ANIMALS

**+2.6%**