February 2020



ourofino
saúde animal

33 year history



1987

Founded by Norival Bonamichi and Jardel Massari.



2000

Entered into the pet market.



2011

Entered in foot-and-mouth disease vaccine market.



2014

IPO

At the highest level of governance



2015

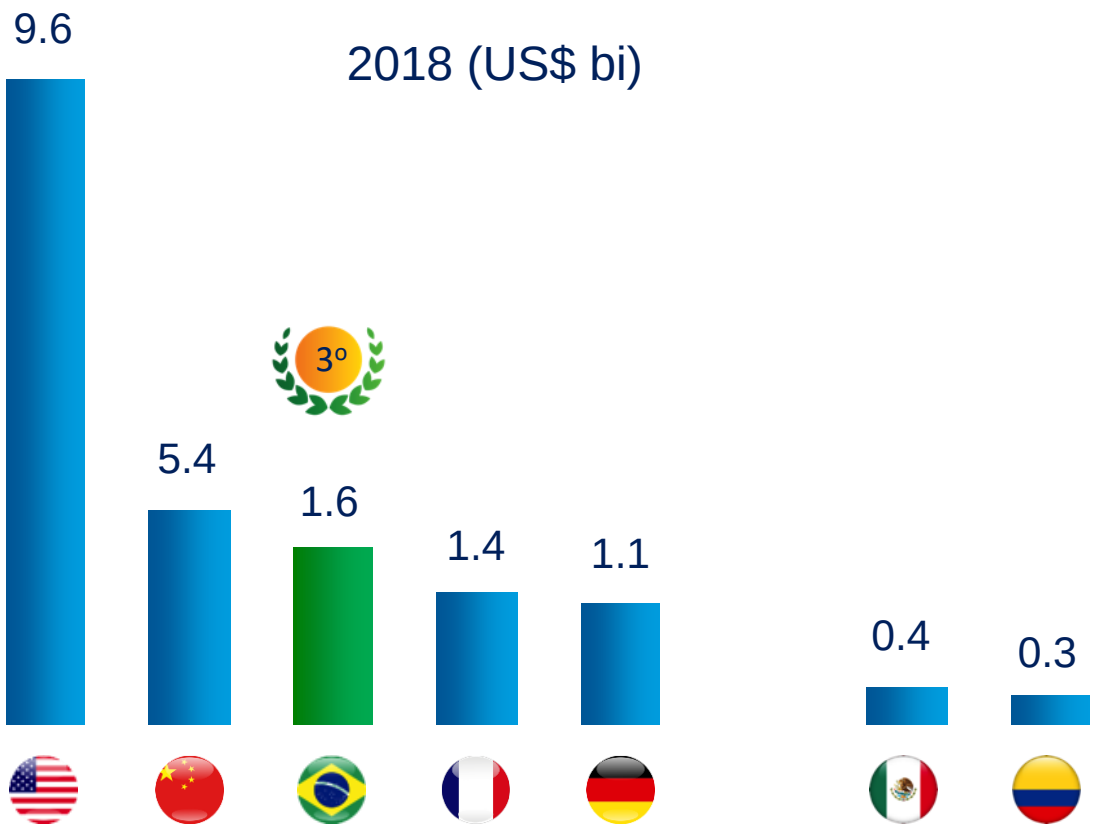
Intensification of actions abroad focusing on Mexico and Colombia

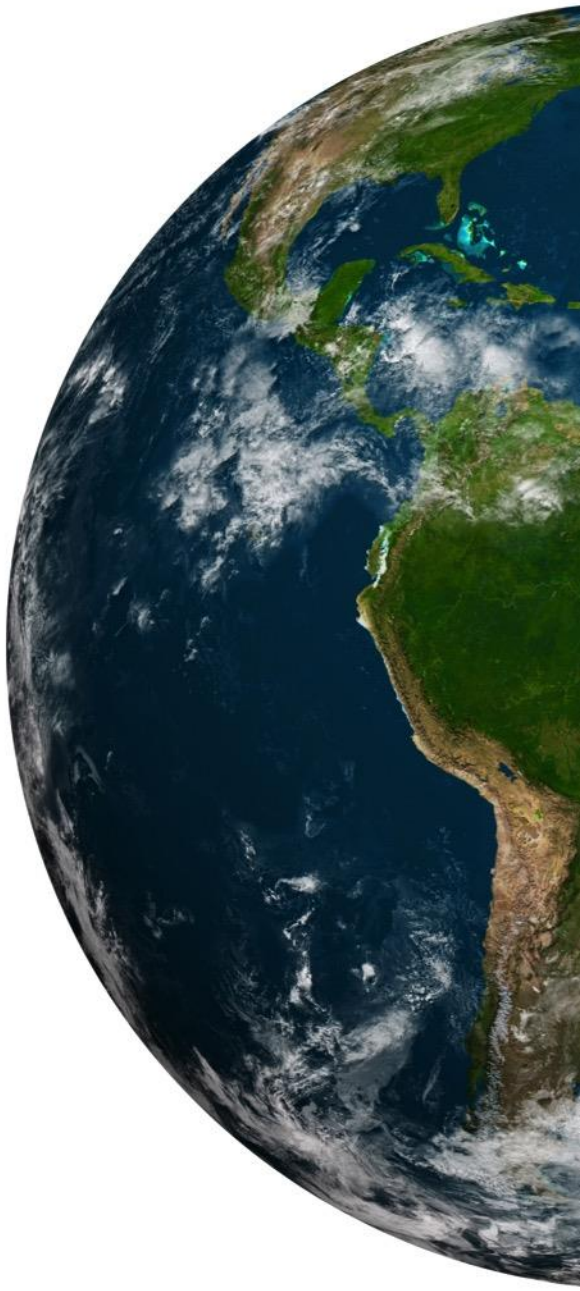


2018

Inauguration of biological plant and launch of the vaccine of circovirus.

Animal Health Global Market





Source: company information

Animal Health in Brazil



Market of
6 billion
reais (2018)

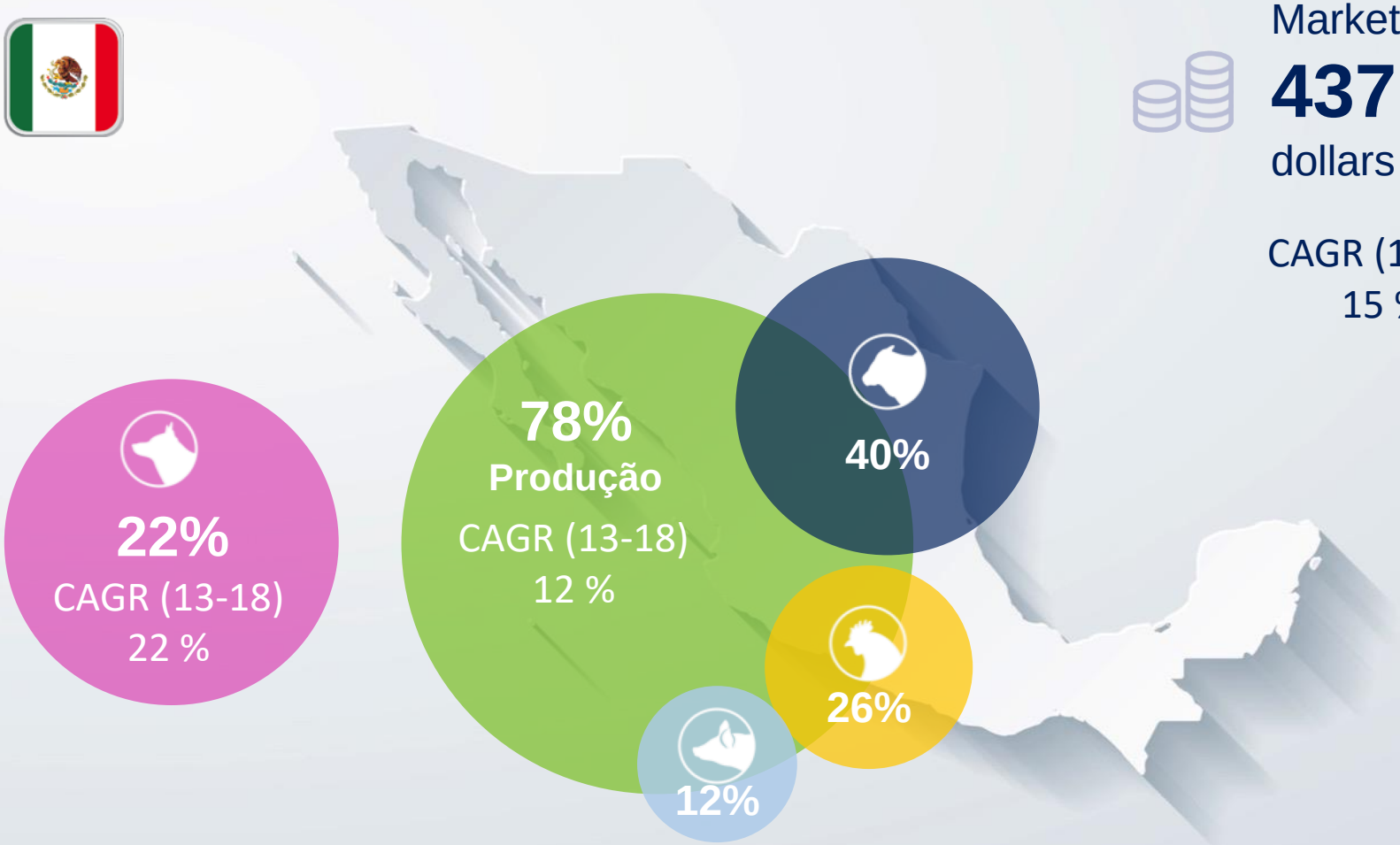
CAGR (13-18)
9 %

Source: Sindan

Animal Health in México

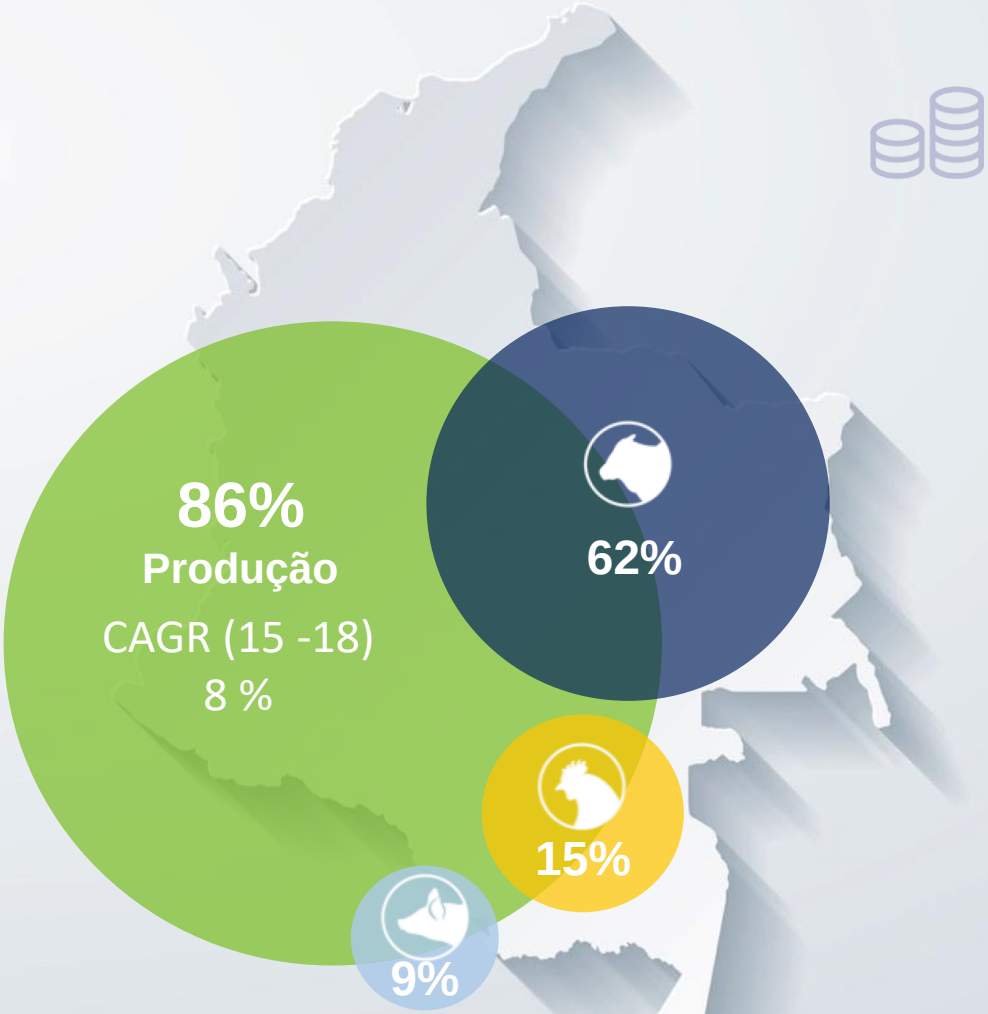
Market of
437 million
dollars (2018)

CAGR (13-18)
15 %



Source: Kleffmann

Animal Health in Colombia



Market of
251million
dollars (2018)

CAGR (15 -18)
8 %

Source:Aprovet e GMI (Global Marketing Information)

Highlights

Latin America is responsible for 17% of total meat production in the world. Brazil answers for 9%.

Markets still incipient in the use of animal health products

Growing need to improve animal productivity as a key driver of demand for animal health products

Source: company information, FAOstat

Growth Drivers



Production Animals

Population and income growth drive demand for meat and dairy

Lower availability of land puts pressure to increase productivity

Gap

	Animal age at slaughter (months)	Carcass weight (kg)	
	18	371	+1.5x
	36	249	

Source: company information, FAOstat, ABIEC, IBGE

Growth Drivers



Companion Animals

Humanization and growth in pet spends

Aging and growth of income driving demand for pets

Gap

	Pet population (million)	Total pet market (US$ Bi)	Health Expenditures and veterinary in the pet market (%)
	184	73	22,1%
	78	5	17,7%

Source: Abinpet, Euromonitor,

Our portfolio

Products per Category

	% of net revenues			
Vaccines	9,8%	4	-	
Antiparasitics	38,1%	20	3	Ourofino currently exports to 15 countries throughout the world
Antibiotics	17.6%	17	5	
Therapeutic	20.1%	14	11	
Nutritional	2.5%	4	5	
Others	10.7%	11	1	
% of net revenues (2019)		75%	14%	11%
# of products from current portfolio		70	25	

Source: company information

Our portfolio

Products per Category

Vaccines	Antiparasitics	Antibiotics	Therapeutic	Nutritional	Others

Products



Ourovac Aftosa



Fluatac DUO



Ciprolac



Sincrocio



Enragold



Herbalvet T.A.



Safesui



Master LP



Celesperin



Dermotrat



Ractosuin



Maxicam Gel

Source: company information

Products





Evol

Broad-spectrum endectocide for cattle; its formulation is based on ivermectin and albendazole sulfoxide

Products



Regepil

Treatment and healing of general, chronic and localized wounds



Products



Resolutor

Antibiotic prescribed for the quick treatment of respiratory diseases in animals



Products





Fluatac DUO

Complete solution against internal and external parasites in a single application.

Leading Position and Proven Ability to Gain Market Share

Ourofino plays a key role in the animal health market, being the largest local player.



Source: SINDAN
1 Based on revenues as of full year of 2018

Productivity solutions targeting the Brazilian climate and herd

Taurus herd

Typical of colder climates

Confinement: intensive livestock

Prevalence of respiratory diseases



Zebu herd

Tropical weather.

Open pasture: extensive livestock

Prevalence of parasitic diseases

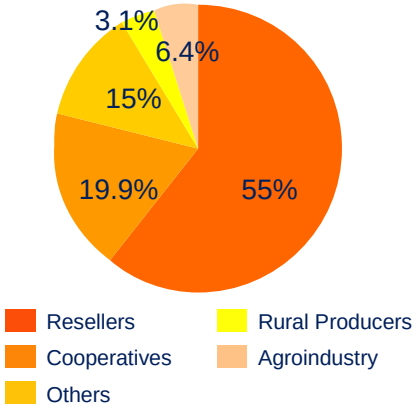


Production Animals

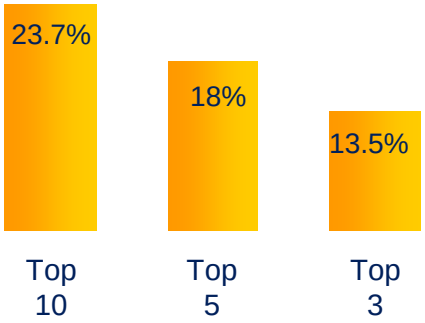
Sales and clients breakdown inside Brazil (2018)



Client breakdown
(% of 2018 net revenues)



Client concentration
(% of 2018 net revenues)



Source: Company information

Production animals

Differentiated distribution model



Competitors



Distributors



Resellers

ourofino saúde animal



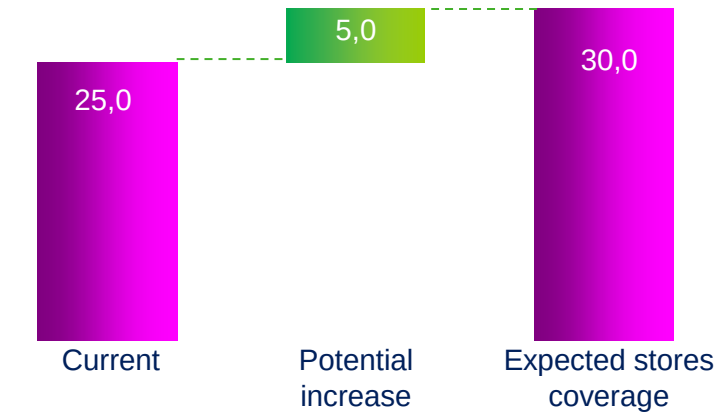
Resellers

Diversified client base and broad distribution network

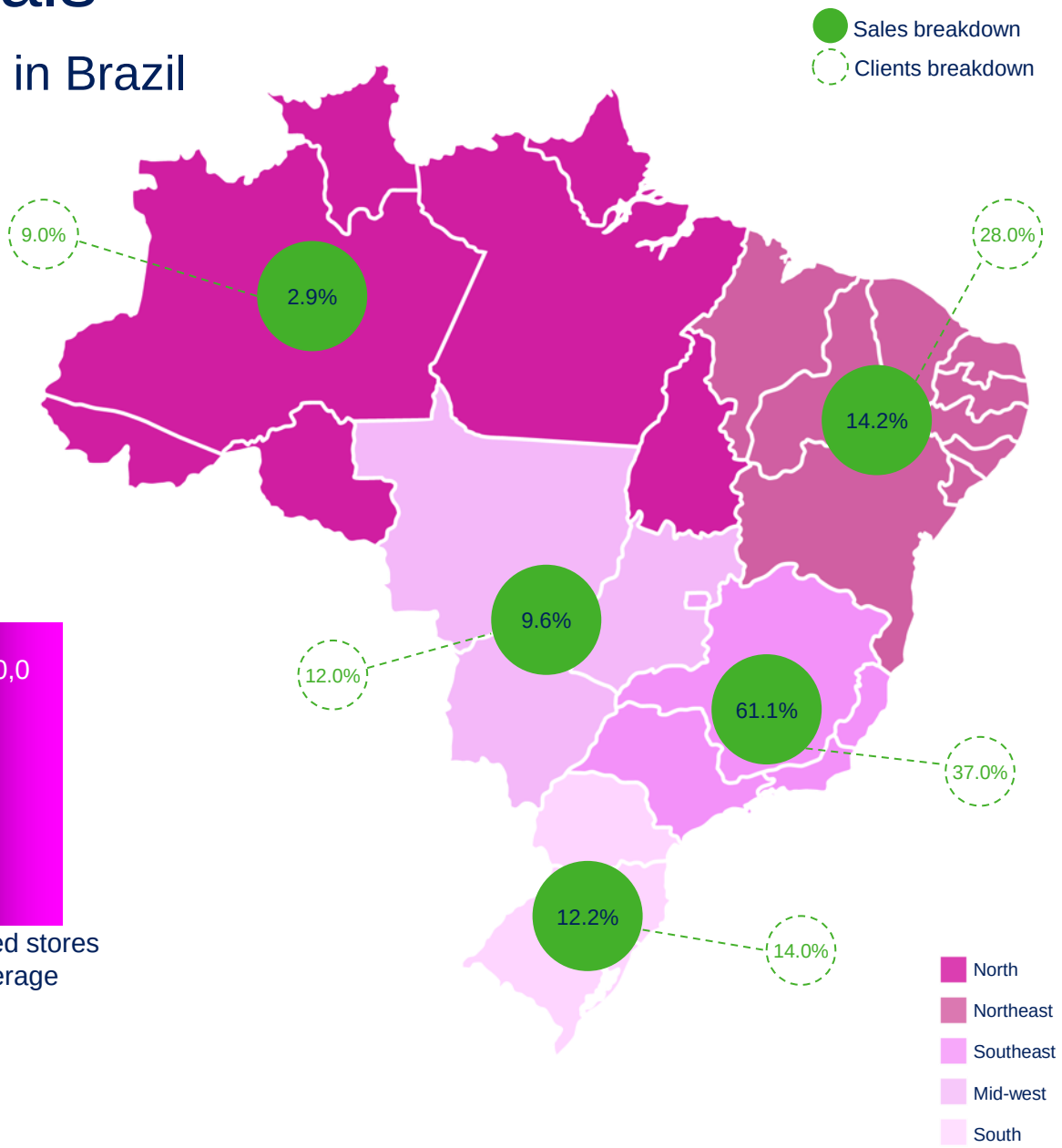
Companion animals

Sales and client breakdown in Brazil (2018)

Total distributors: 41



# of Pet stores covered ('000 stores)
(As of Dec 2017)



Source: Company information

High Entry Barriers

Entry Barriers in the Sector	Ourofino's Main Strengths
Products • Complete portfolio of products • Products customized for Brazil	Approximately 100 products Flexibility to produce different types of formulas, dosages and application methods
Distribution / Sales Nationwide and efficient distribution network Well trained sales force with a solid network of clients	Presence in all Brazilian states More than 4,500 clients across Brazil and internationally
Brand • Track record • Customer loyalty	32 year track record



Fonte: informações internas

Entry Barriers

Entry barriers in the sector	Ourofino's main strengths
Regulatory Framework for Manufacturing Process Guidance for the inspection of veterinary products and manufacturers' facilities	**State of the art industrial facilities** Plants that meet Brazilian authorities' regulatory requirements and are also fully compliant with international standards
Product Registration Need operating plant to apply for a new registration 4 years, on average, to have a new product registered	**Know-how in product development** Fully operational plant 36 products launched in the last 5 years

Fonte: informações internas

State-of-the-art production facilities

The largest production facility of animal health products in Brazil

Highway Anhanguera, 298km
Cravinhos (SP)



1 Headquarters

2 Laboratory for quality control and R&D

3 Pharmaceuticals production facilitiy

4 Warehouse / shipping facilitiy

5 Animal defensives production facility

6 Hormones production facilities

7 Foot-and-mouth vaccine production facilities

8 Biological QC and general vaccines production facility

State-of-the-art production facilities



One of the most modern plants in the veterinary segment



Designed to be able to comply with top international standards for quality certification: US FDA, GMP and EMEA



Advanced IT system (SAP) implemented

Beginning of operations in the biological plant

February 2019 – First sales of the new vaccine



Expertise in product development with best-in-class R&D practices

R$ 110 mm of R&D investments in the last 3 years, an average of 6.5% of net revenues invested every year

Ourofino has its own internal research center to lead clinical studies and field experiments established in our farm

Open innovation model: transformation of ideas into products and having strong relationships with innovation powerhouses

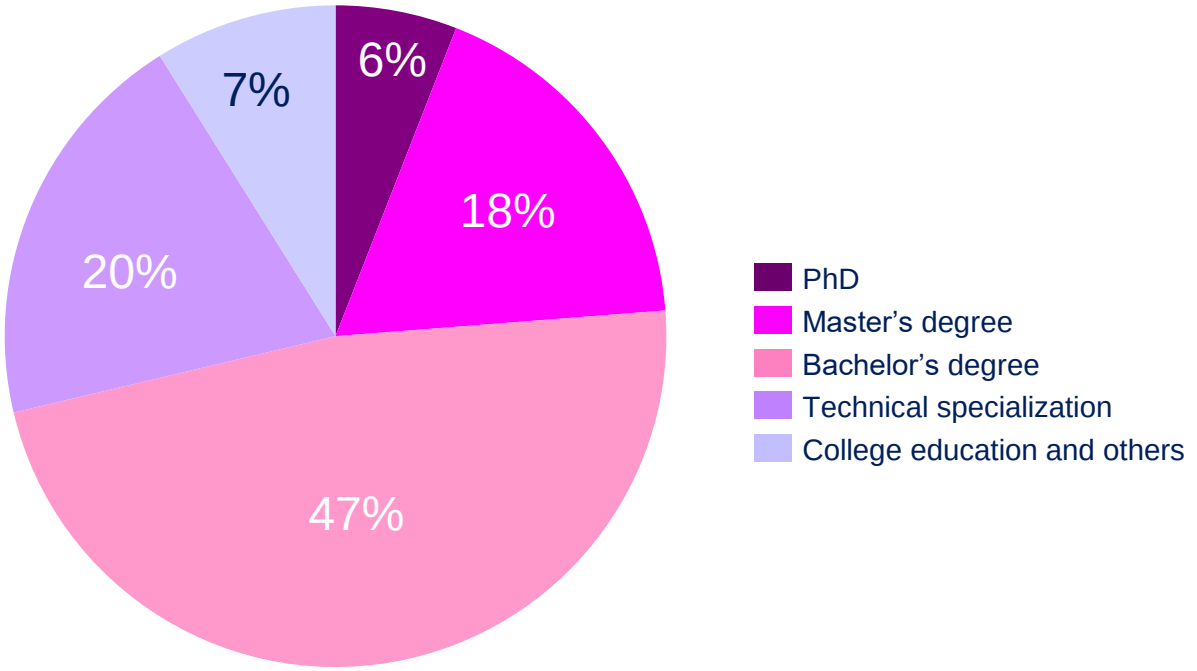
R&D team with more than a 100 highly capacitated employees

R&D and Marketing teams mapping the trends in the animal health industry

Expertise in product development with best-in-class R&D practices

Focus in education profile in order to get maximum R&D results

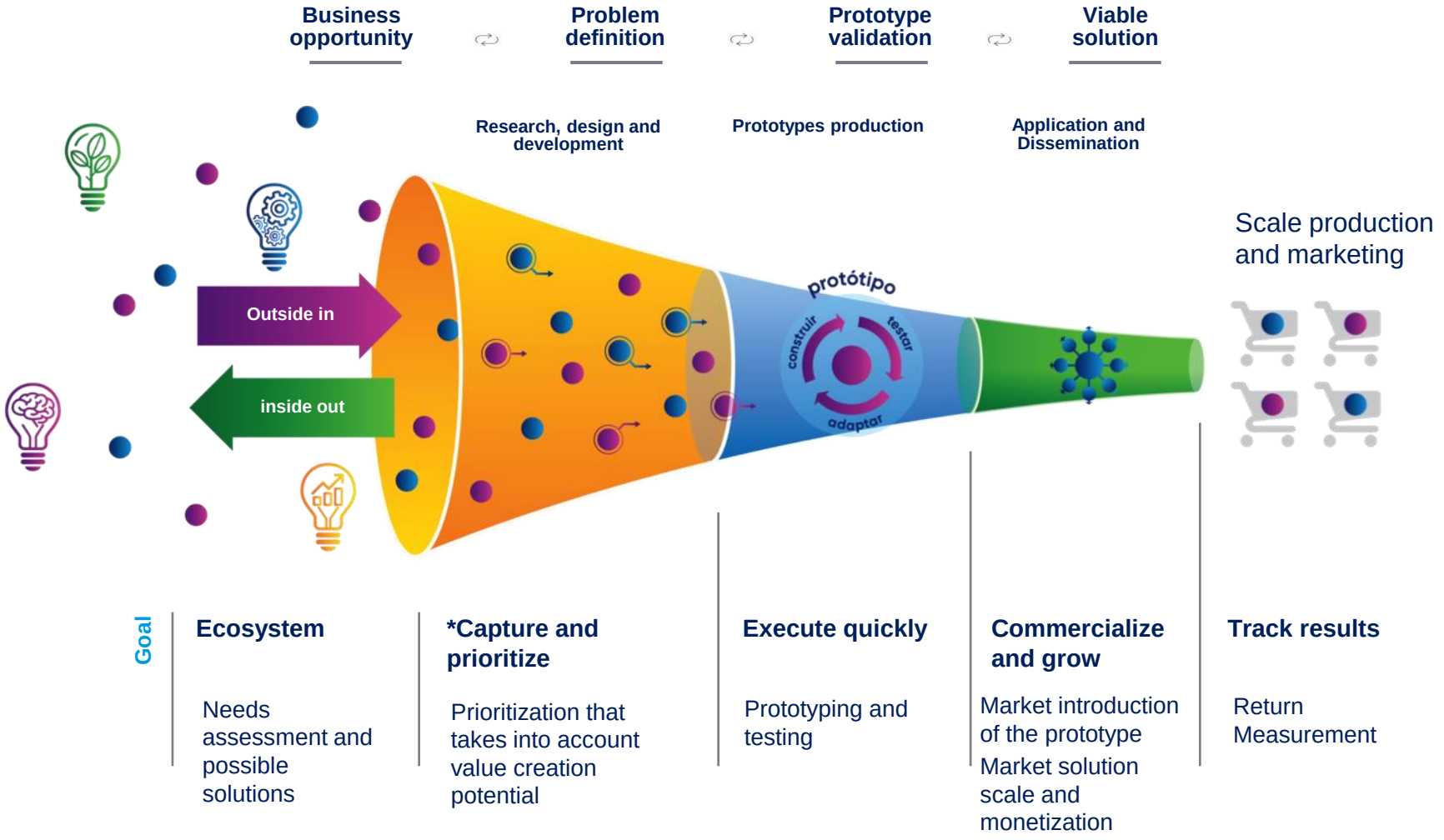
Education profile of the R&D team



Fonte: informações internas

Open innovation and strategic portfolio management

Evaluation between internal and external options to enable the desired solution



Fonte: informações internas

Expertise in product development coupled with relationships drive

Dedicated farm for product experiments and for training on artificial insemination protocol



Launches in 2019

First recombinant circovirus vaccine (PCV2b) carrying antigen 2b in the world. Also effective against 2a and 2d.

Segment:

Swine

Therapeutic Class:

Biological



Multiplying unforgettable moments is what drives this relationship.

Ativi 40 mg is a dietary supplement for dogs and cats used for the supplementation of collagen and the minerals: copper, zinc, manganese and selenium. These components provide nutritional support to the metabolism of joint structure construction. It has in its formulation the exclusive and patented type II collagen (UC-II®).



Segment:

Pet

Therapeutic Class:

Supplement

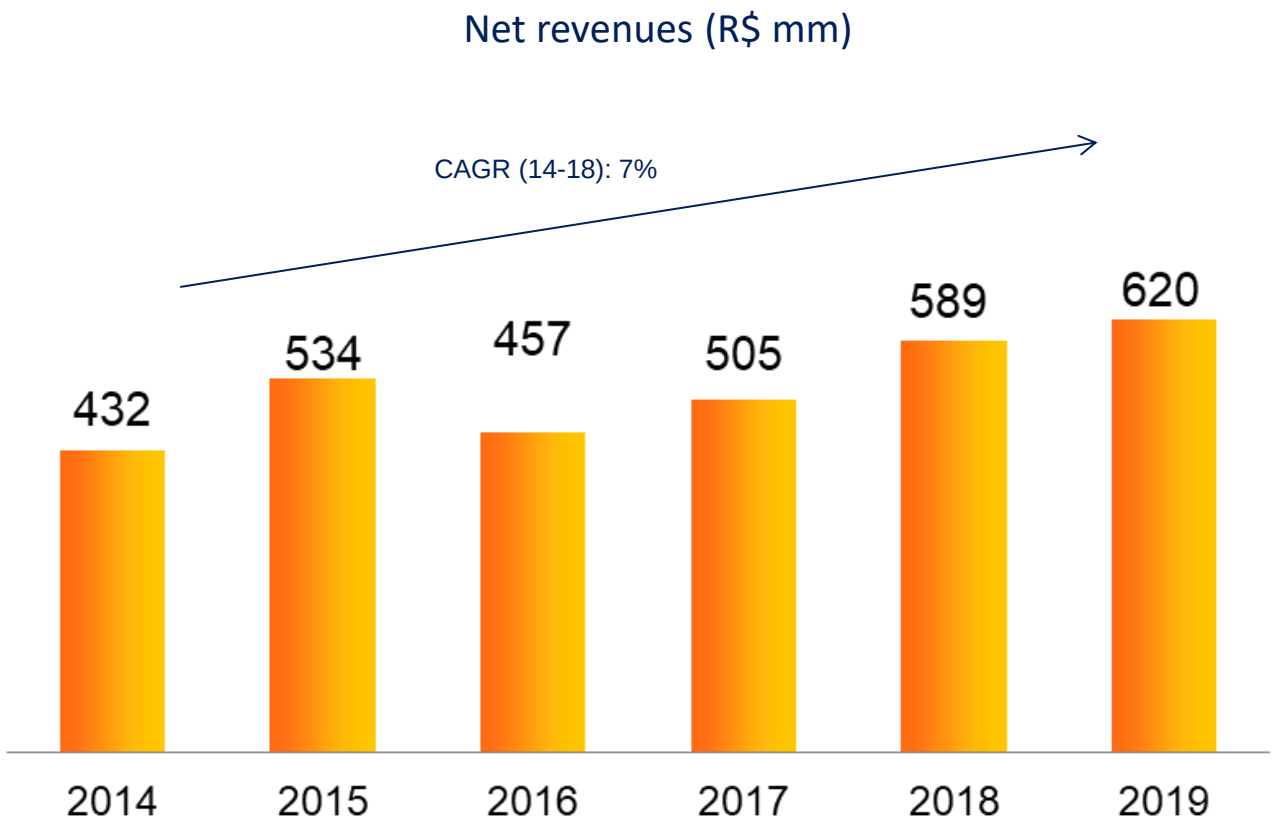
UC-II® e UC-II® são marcas registradas da Lonza ou de suas afiliadas.

2019: Strategic Planning

Ourofino as a company with a wide portfolio, multispecies and a incremental innovation strategy



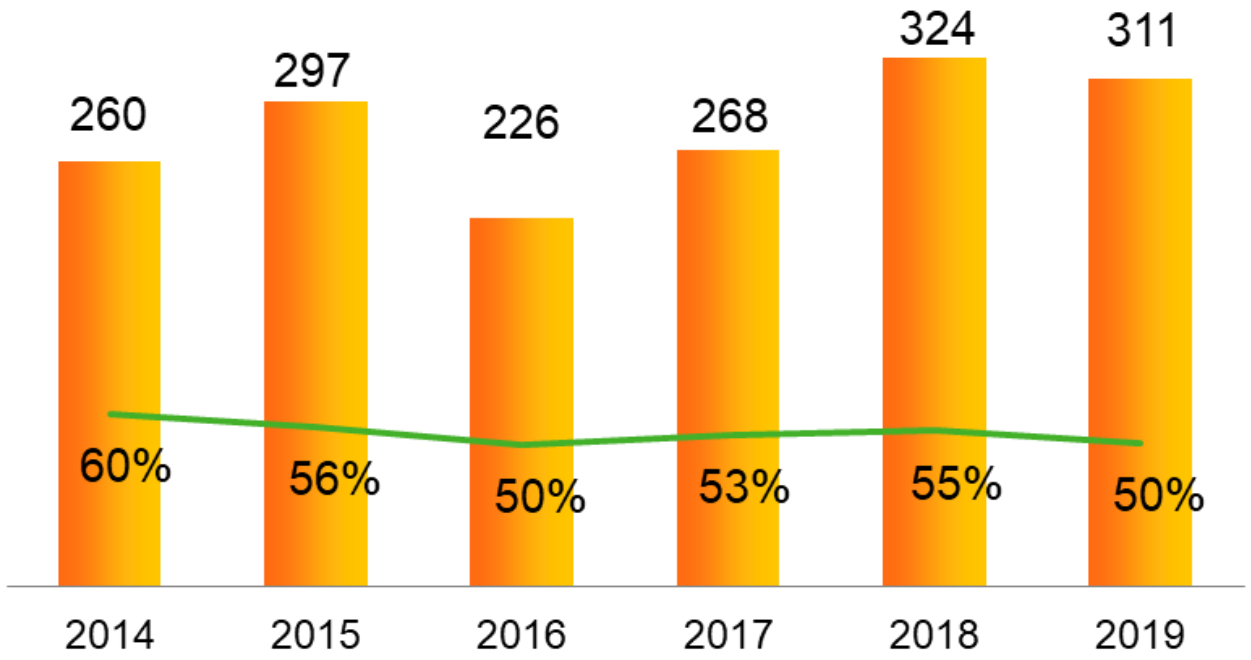
Financial Highlights



Source: Company information

Financial Highlights

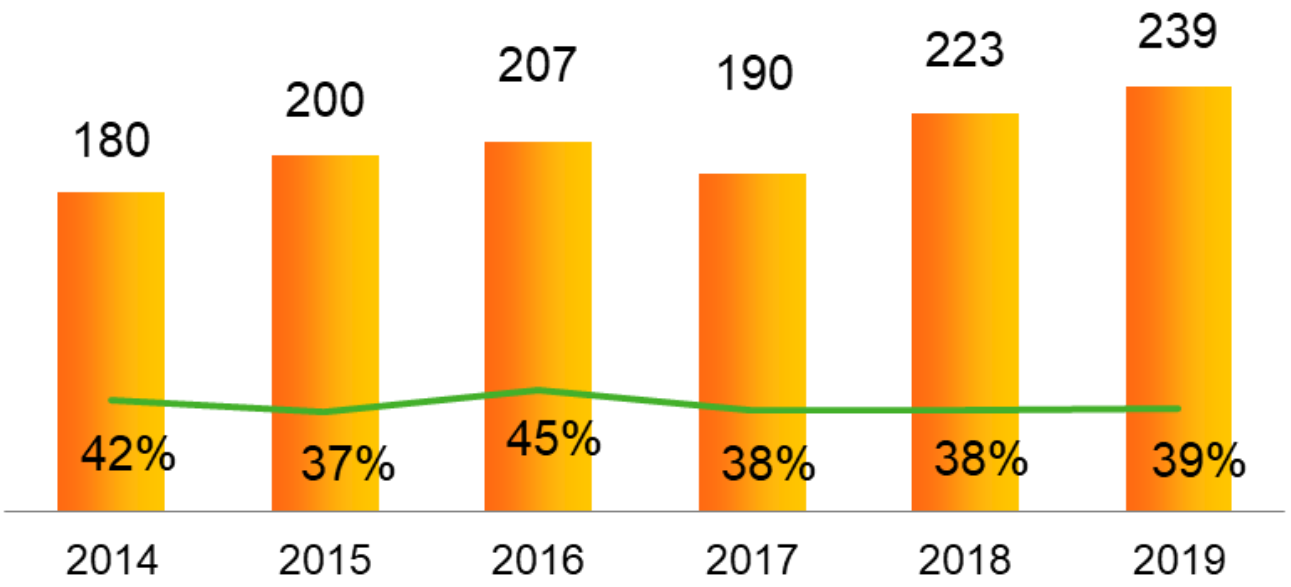
Gross profit (R$ mm) and margin



Source: Company information

Financial Highlights

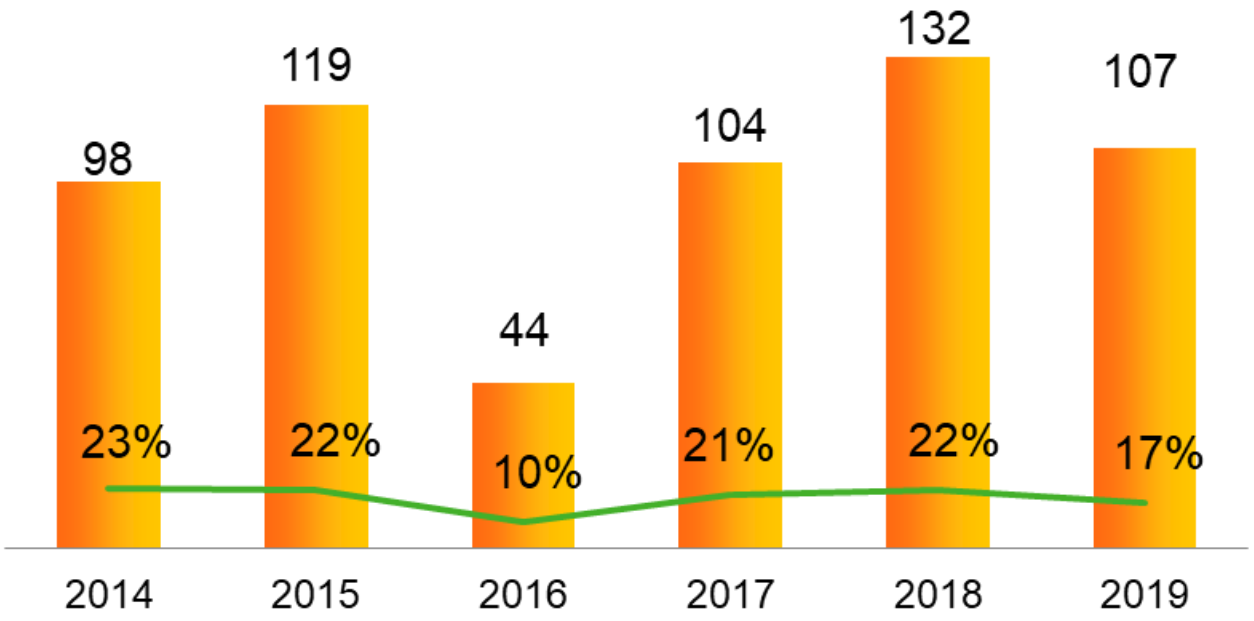
SG&A (R$ mm) and percentage on net revenue



Source: Company information

Financial Highlights

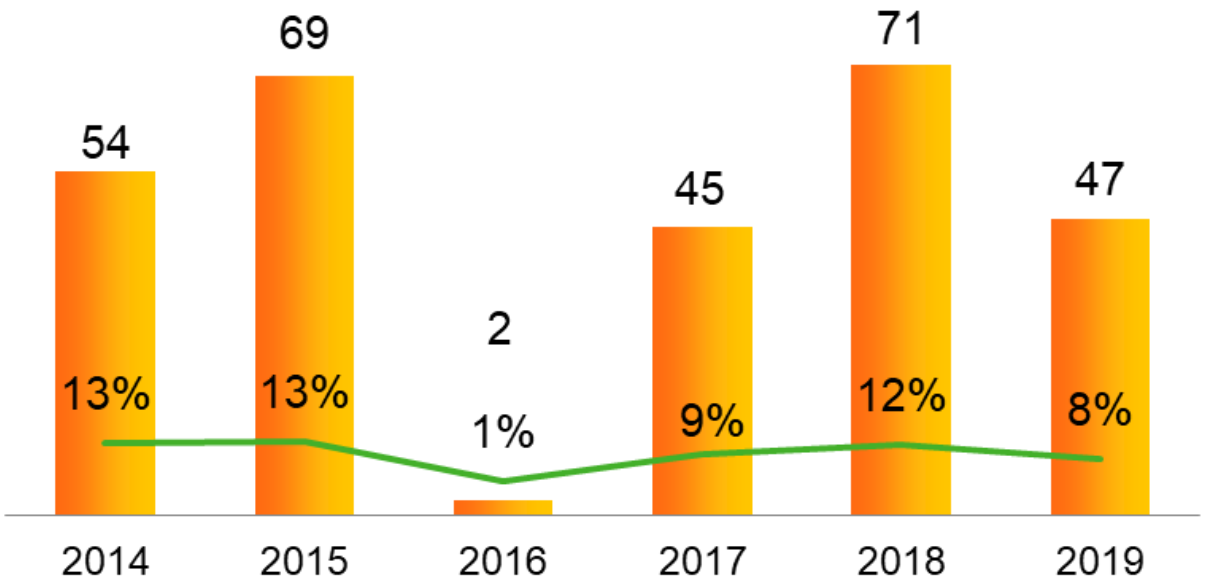
Adjusted EBITDA (R$ mm) and margin



Source: Company information

Financial Highlights

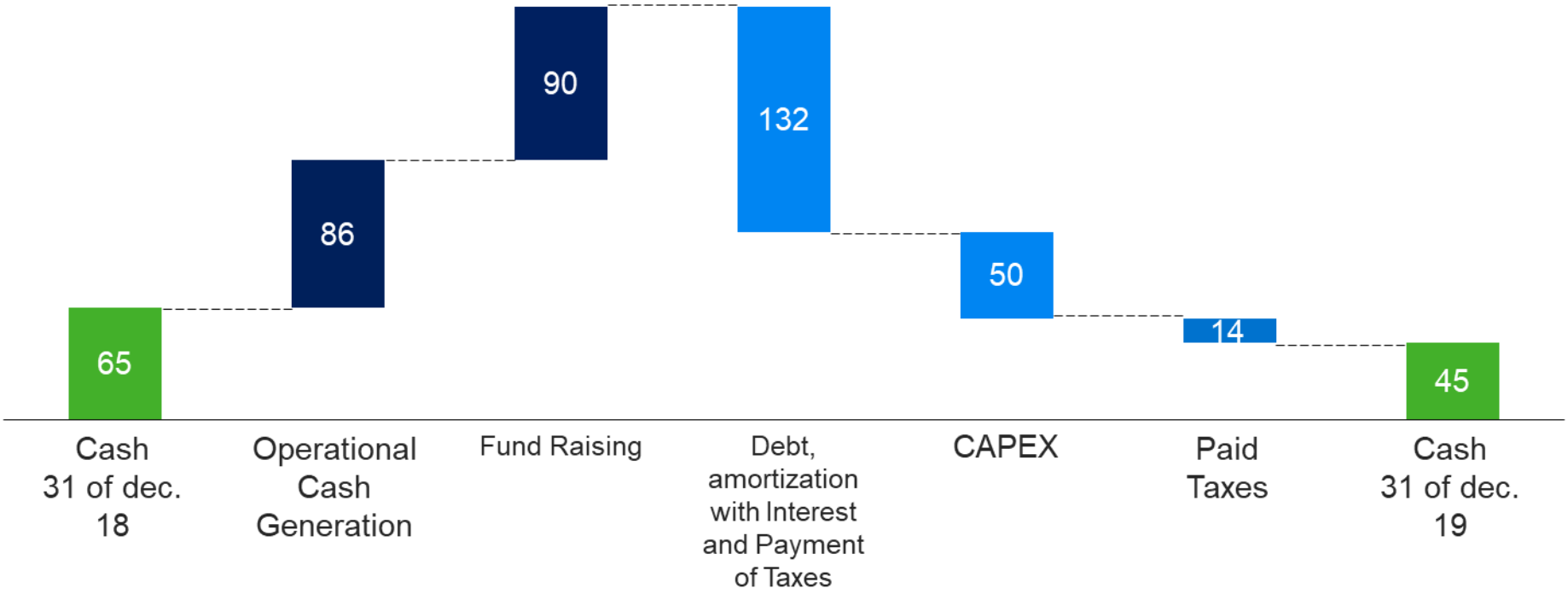
Adjusted profit (R$ mm) and margin



Source: Company information

Financial Highlights

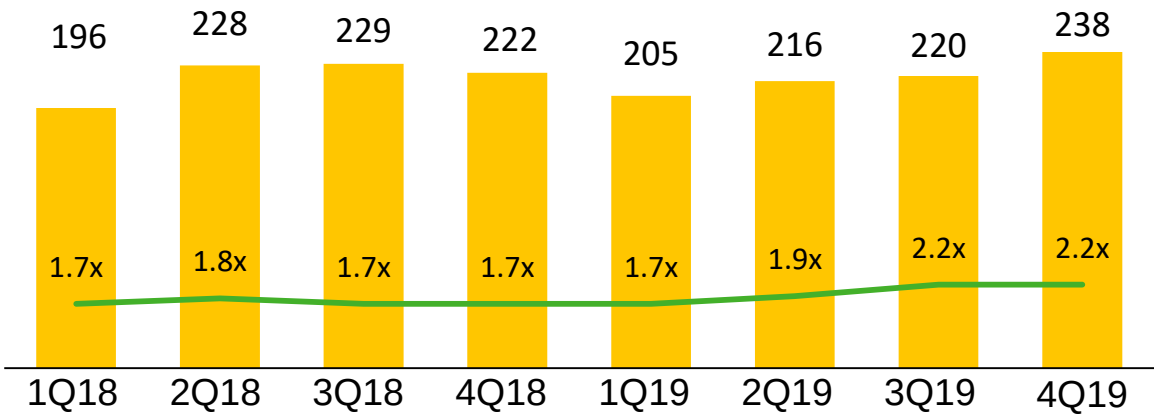
Cash position (R$ mm)



Source: Company information

Financial Highlights

Net debt (R$ mm) and leverage (net debt/LTM EBITDA)

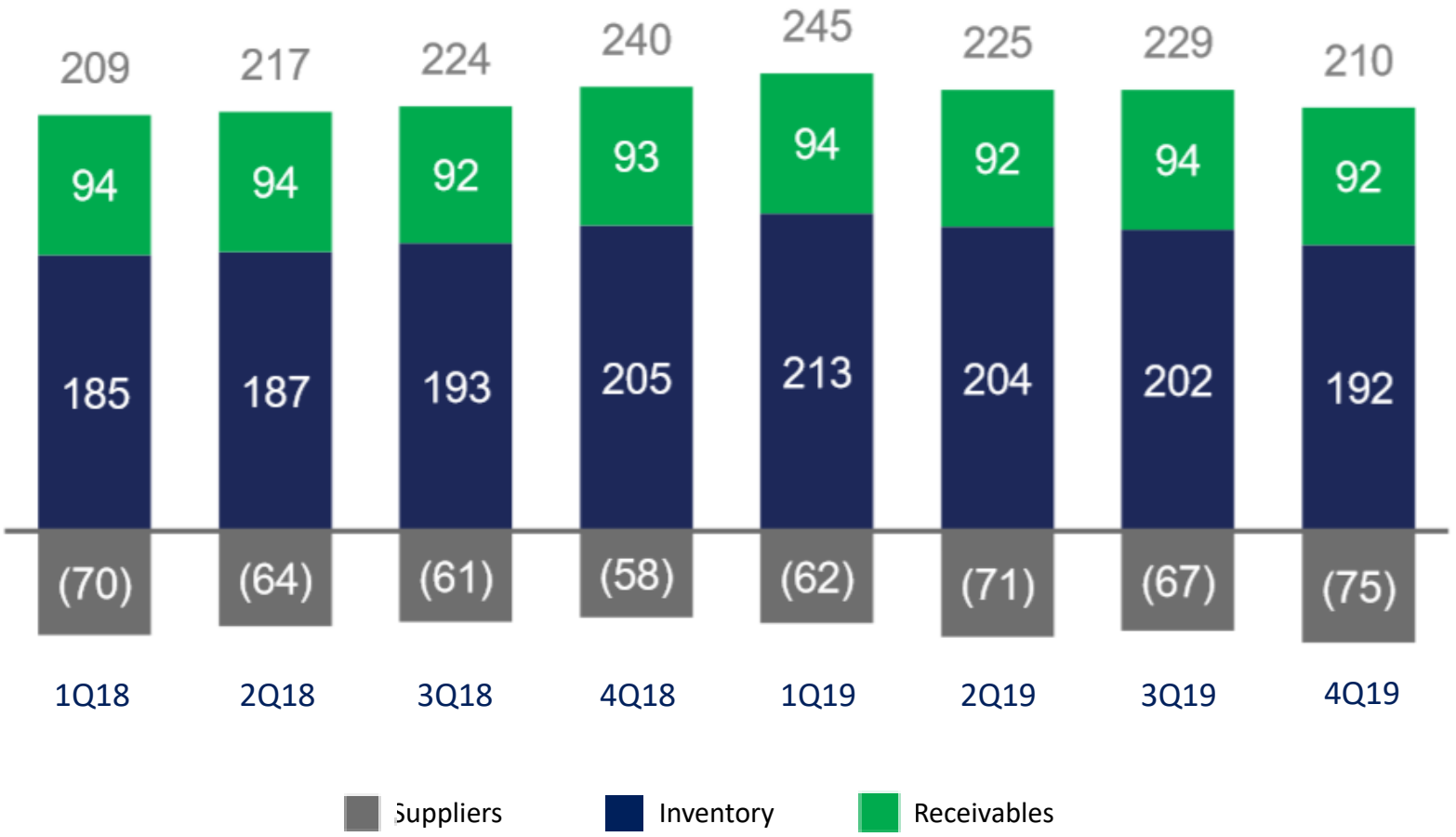


Average cost of debt (year)

7.1%	7.1%	7.0%	7.2%	7.3%	7.0%	6.6%	5.9%

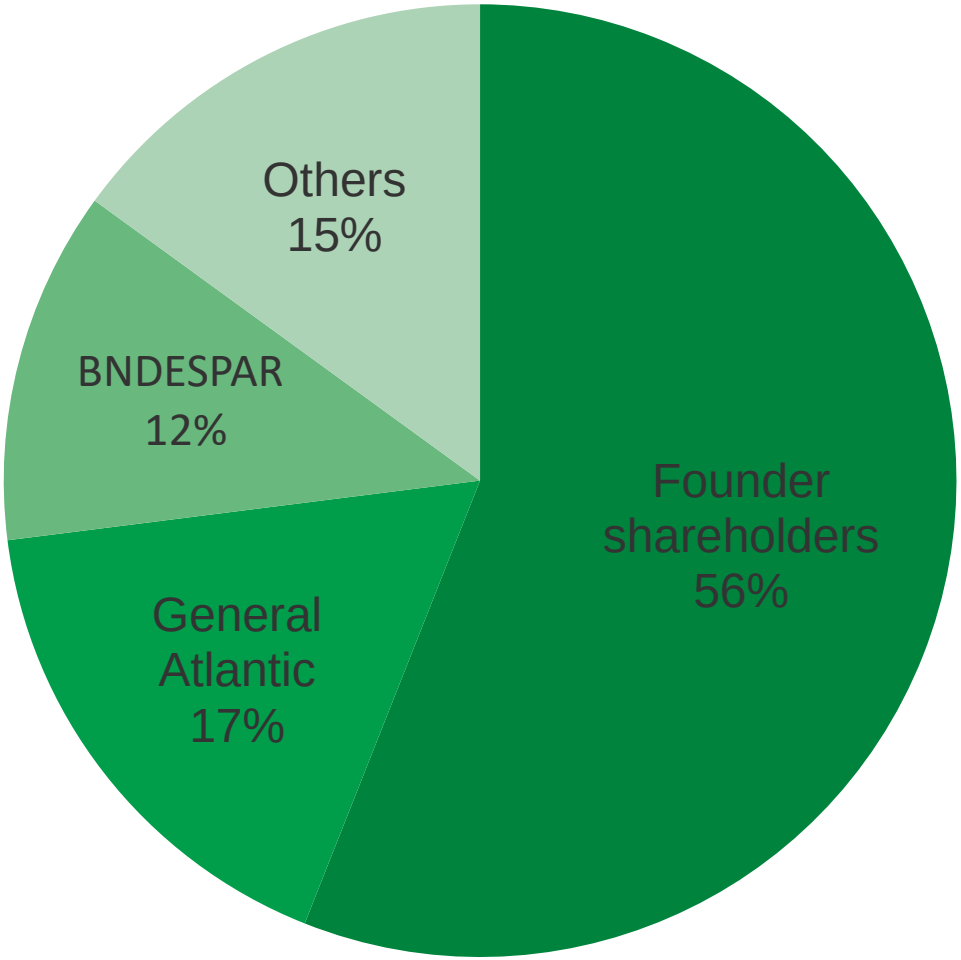
Source: Company information

Financial Highlights



Source: Company information
*On LTM basis and average of quarter balance sheets from the last 4 quarters

Ownership Breakdown



Fonte: informações internas

Highlights

Leading position in the attractive Brazilian animal health market.

Unique combination of a widely recognized brand, diversified client base and wide distribution network.

Strong corporate governance and a best-in-class management team.

Expertise in product development with best-in-class R&D practices and extensive pipeline.

State-of-the-art production facilities.