

Ourofino Day
2018

Kleber Gomes

CFO and IRO - Ourofino



Ourofino Day 2018

Results of 9M18



Year of superior growth

4 last quarters of strong revenue growth.

22%



1Q18

17%



2Q18

23%



3Q18

Summary of 2018



Gross margin reaches 57% during 3Q18 and 56% during 9M18.

SG&A dilution of 40% on 9M17 to 37% on 9M18.



EBITDA margin during 9M18 of 23% with total accumulated in 12 months of **BRL\$ 136 MM.**

Summary of 2018

Stable leverage
in 1,7x EBITDA.

Cost of total
gross debt 7%
p.y.

Debt profile of
2/3 in the long
term.

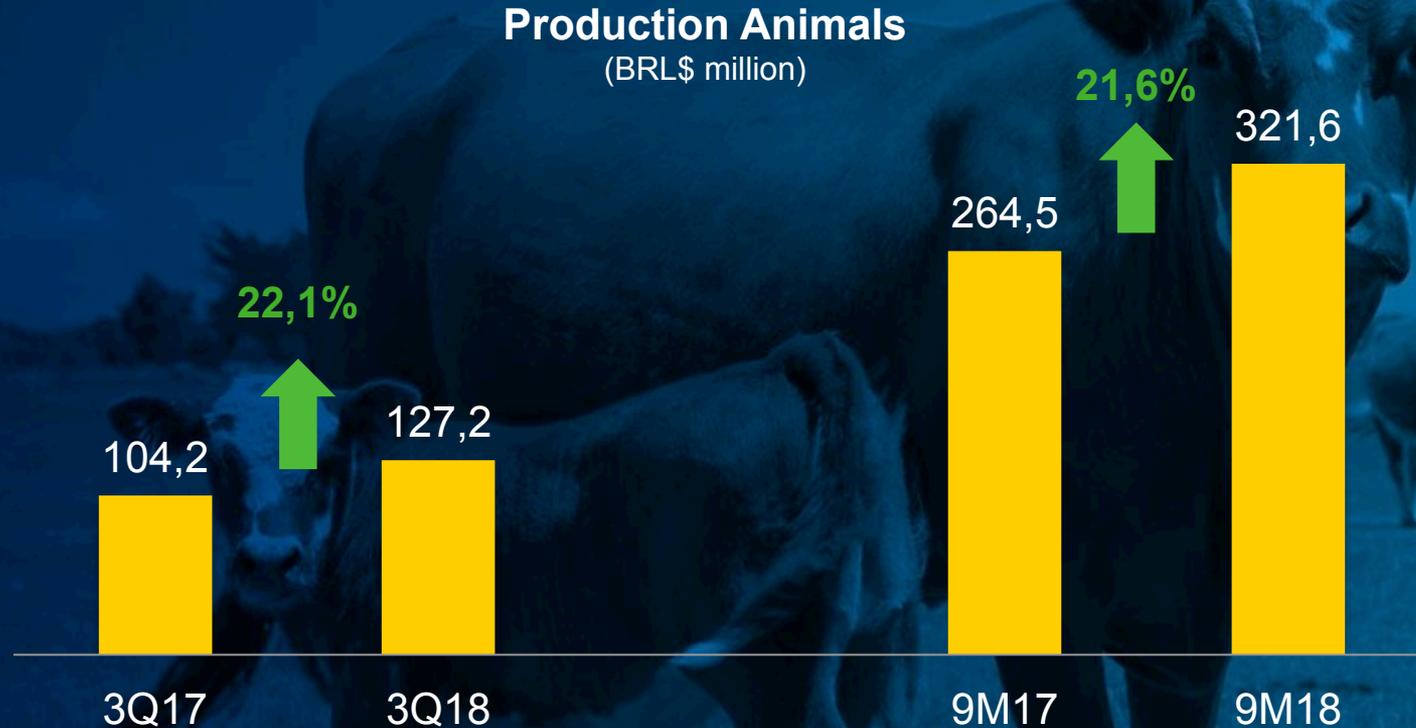
Summary of 2018

Year of consolidation of the
Company's principles.

Net Revenue

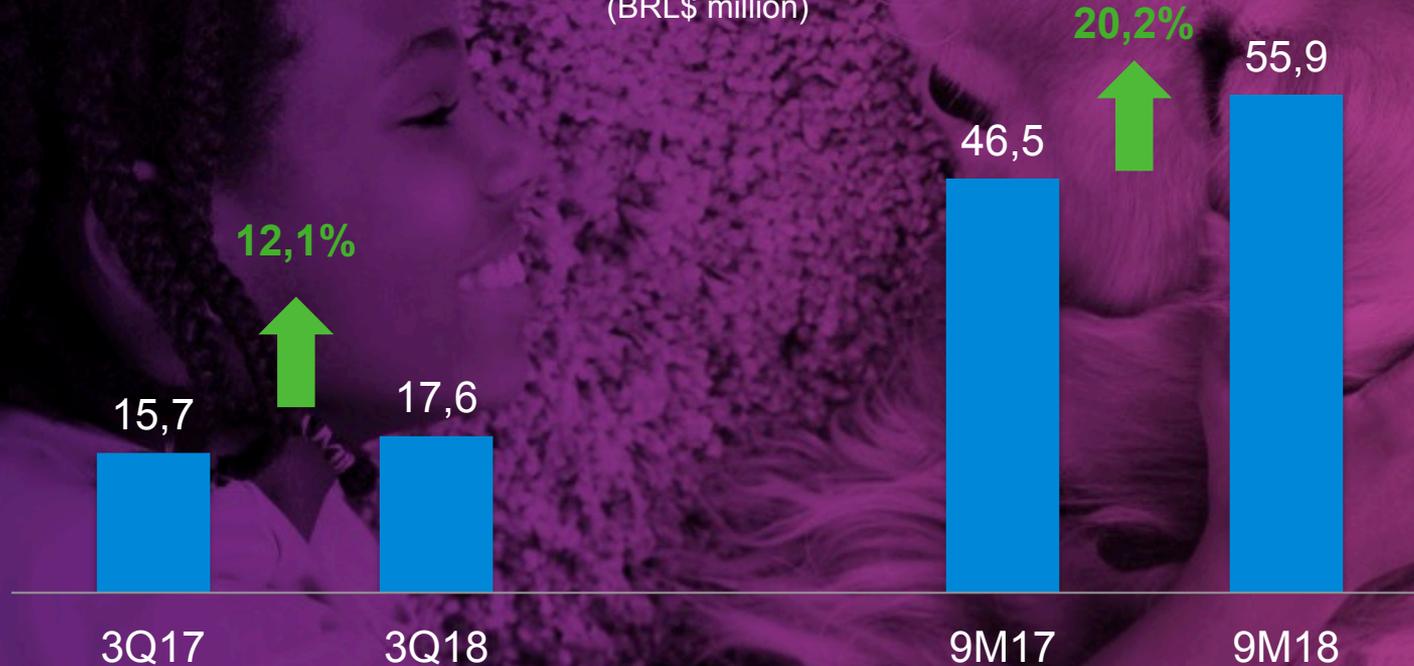


Net Revenue by Segment



Net Revenue by Segment

Companion Animals (BRL\$ million)

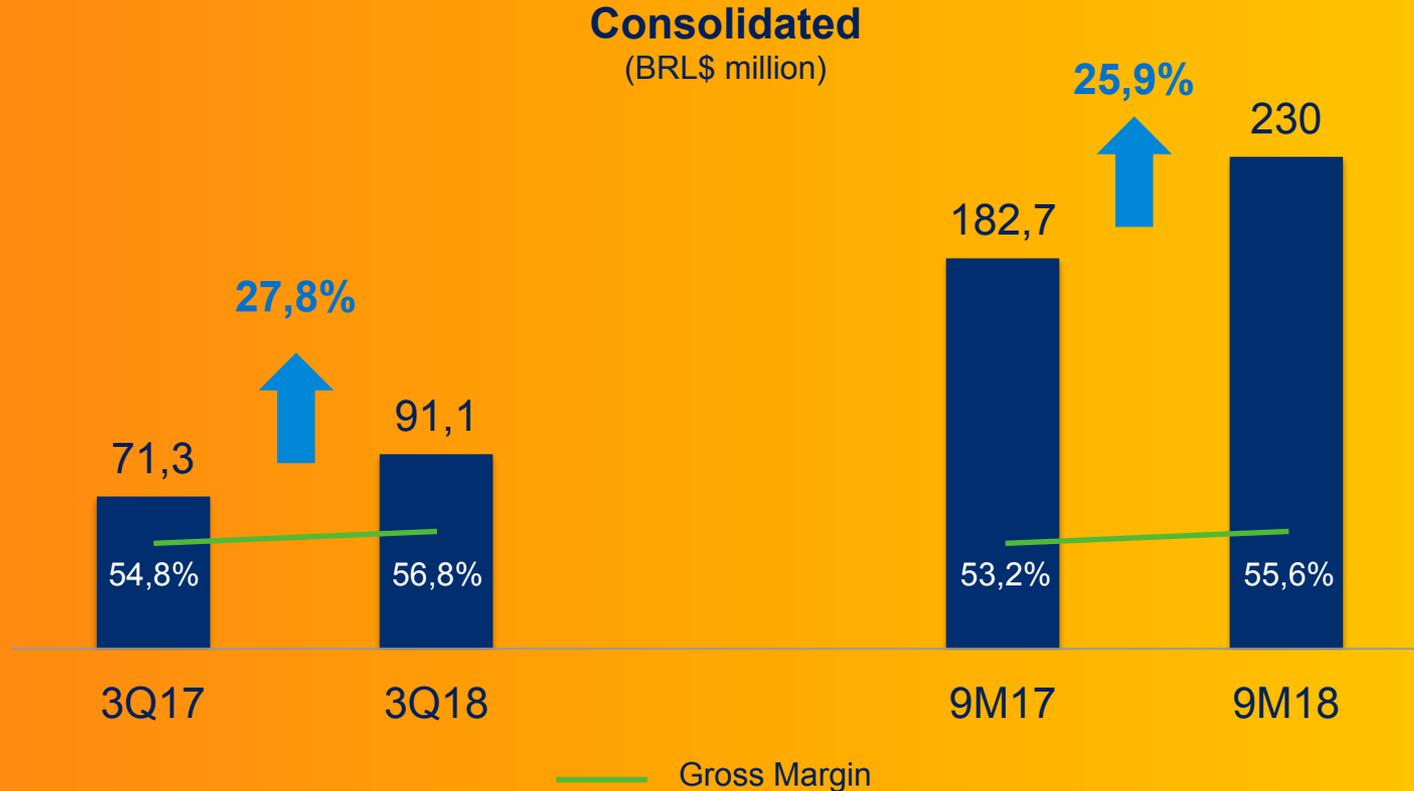


Net Revenue by Segment

International Operations (BRL\$ million)

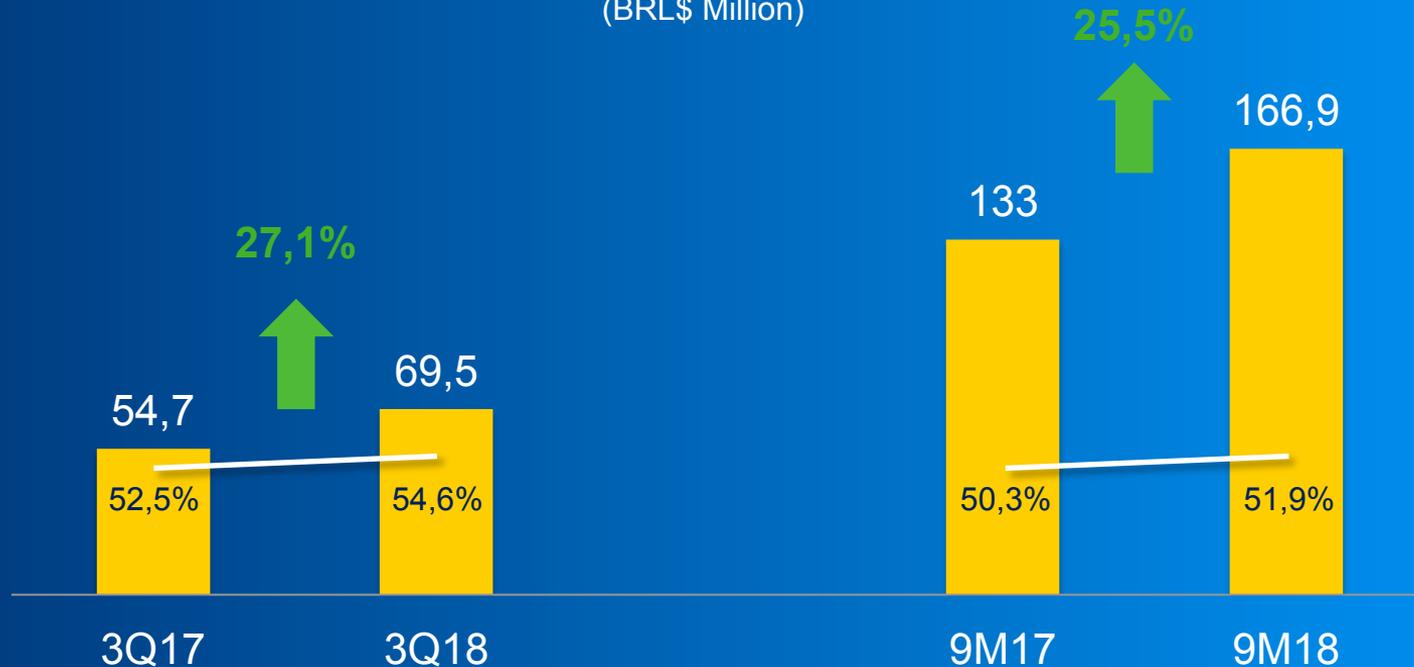


Gross Profit and Gross Margin



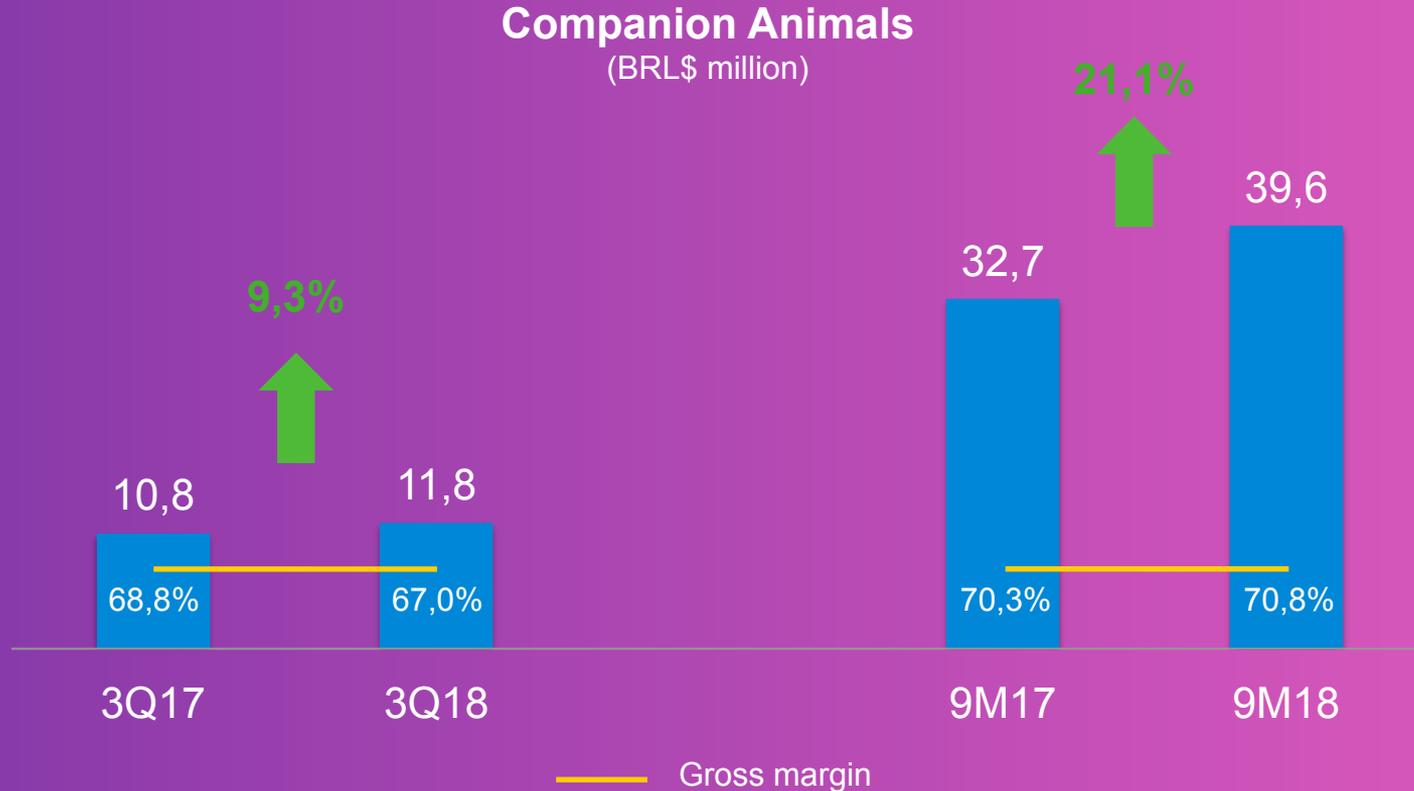
Gross Profit and Gross Margin by Segment

Production Animals (BRL\$ Million)



— Gross margin

Gross Profit and Gross Margin by Segment



Gross Profit and Gross Margin by Segment

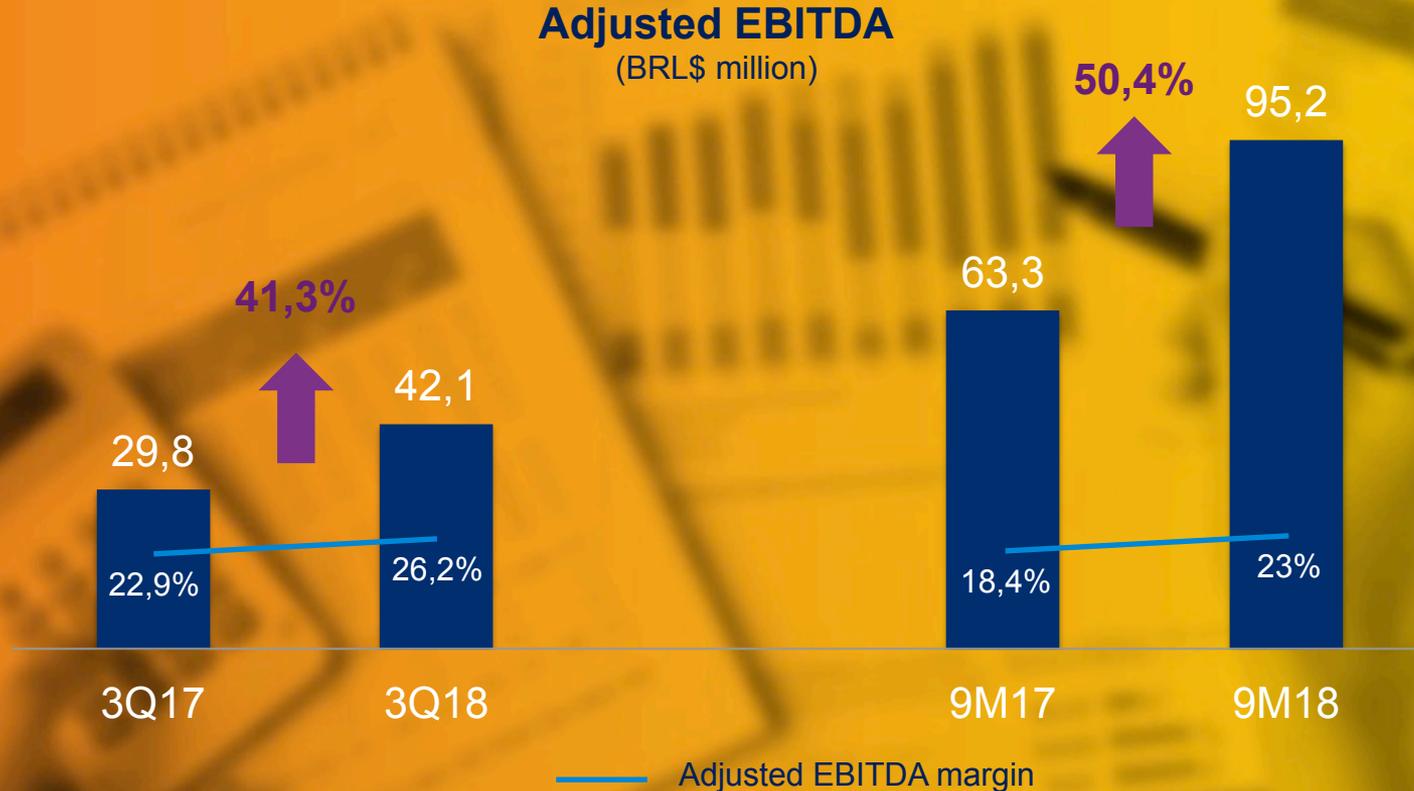


Financial Performance



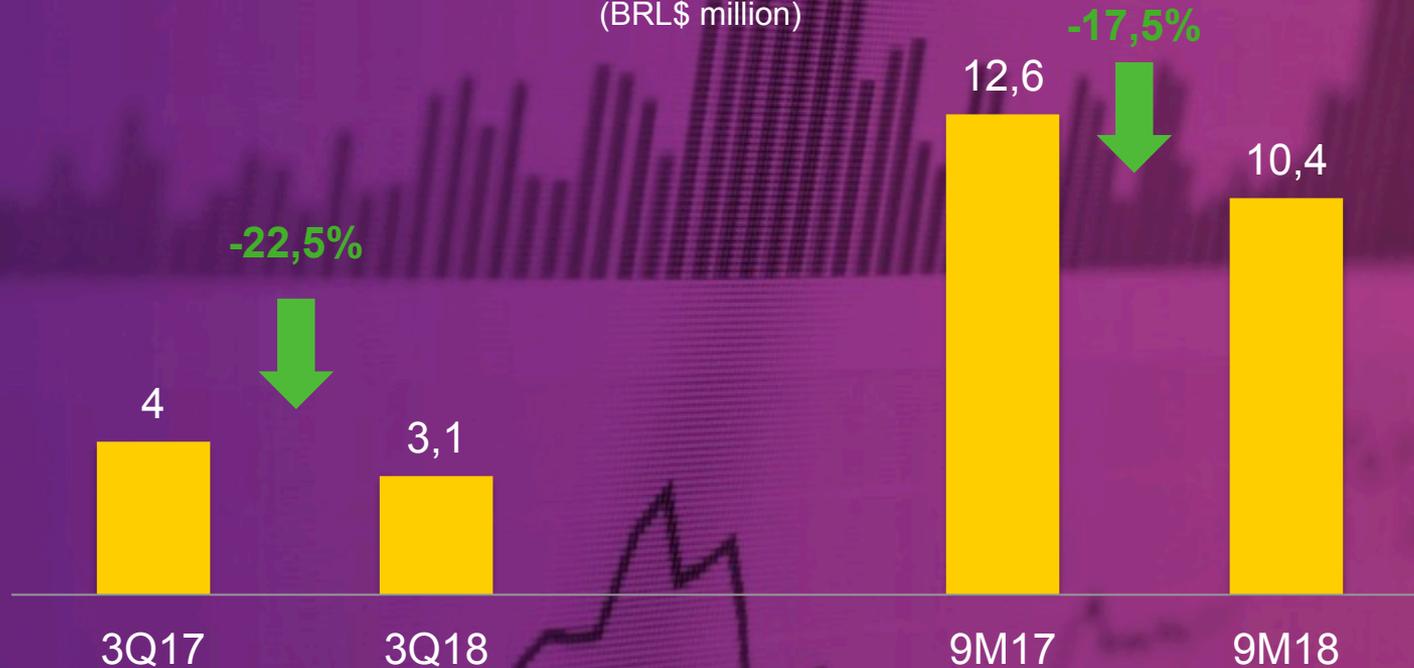
— Percentage over net revenue

Financial Performance



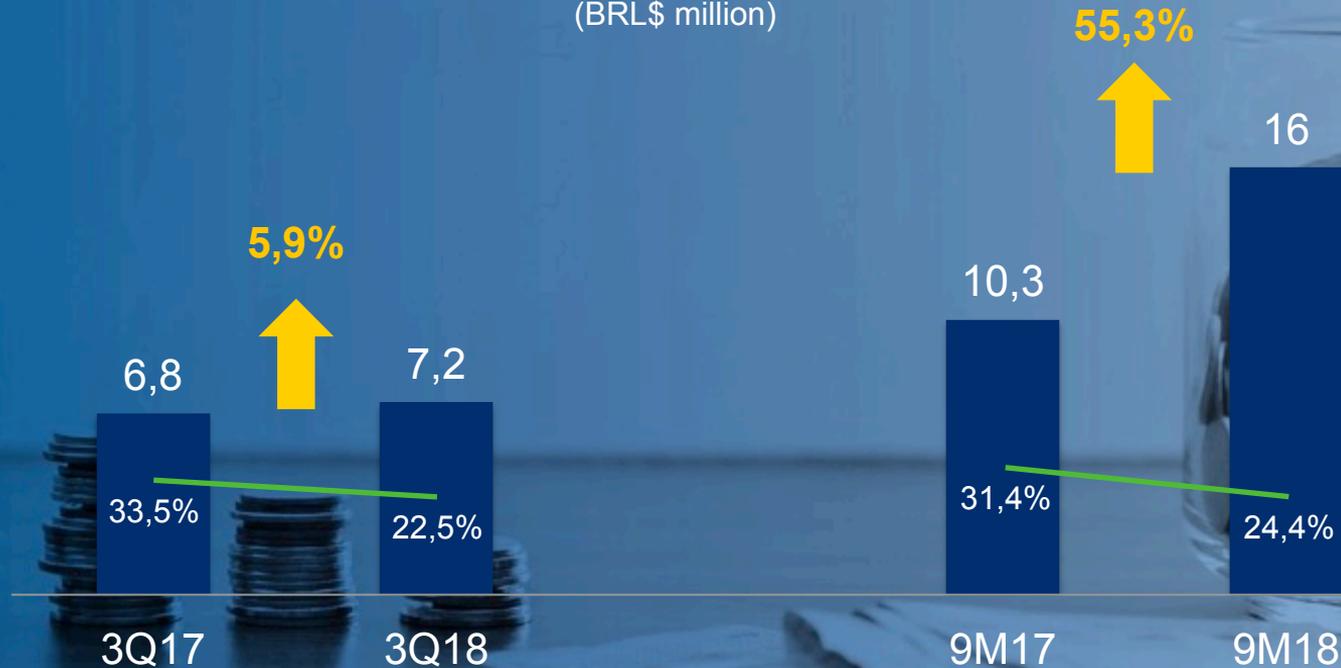
Financial Performance

Net Financial Expenditure (BRL\$ million)



Financial Performance

Income Tax and Social Contribution (BRL\$ million)



Percentage over Profit before IT and SC

Financial Performance

Net Profit (BRL\$ million)



— Net Margin

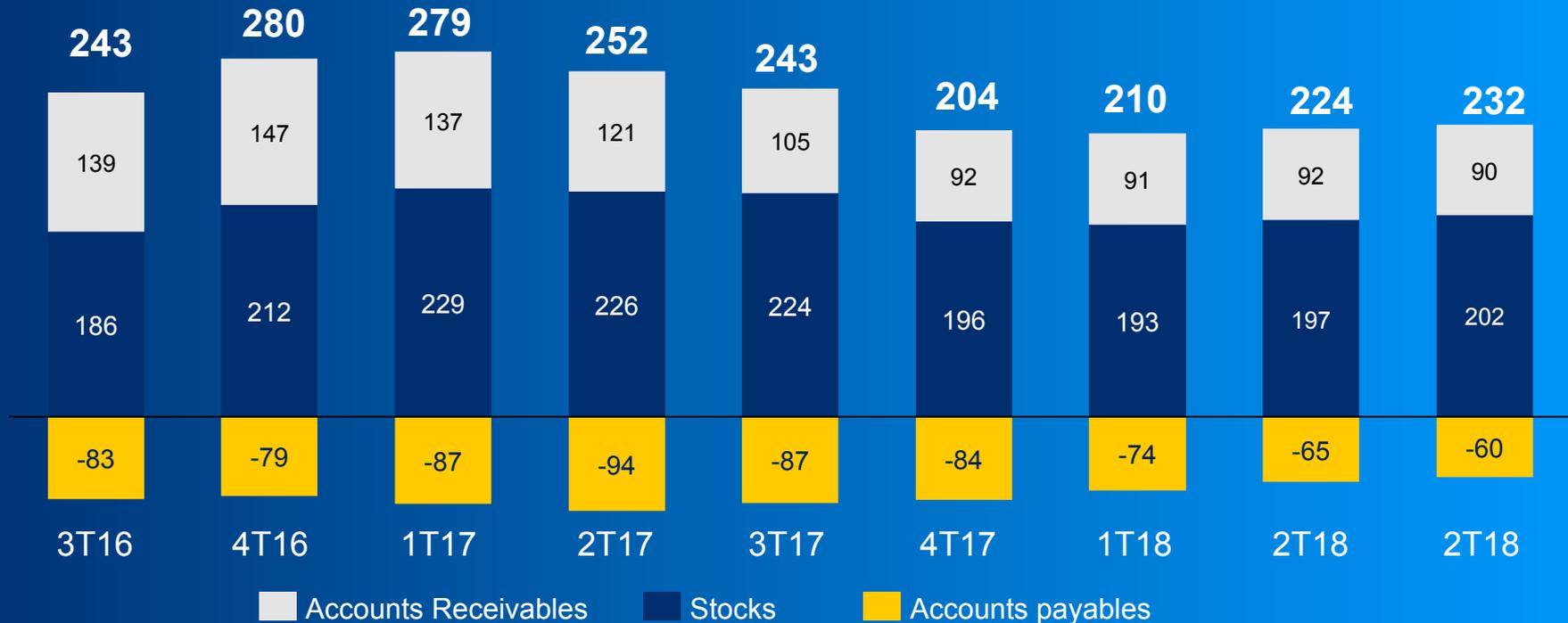
Indebtedness

Aging of Indebtedness¹ (R\$ milhões)

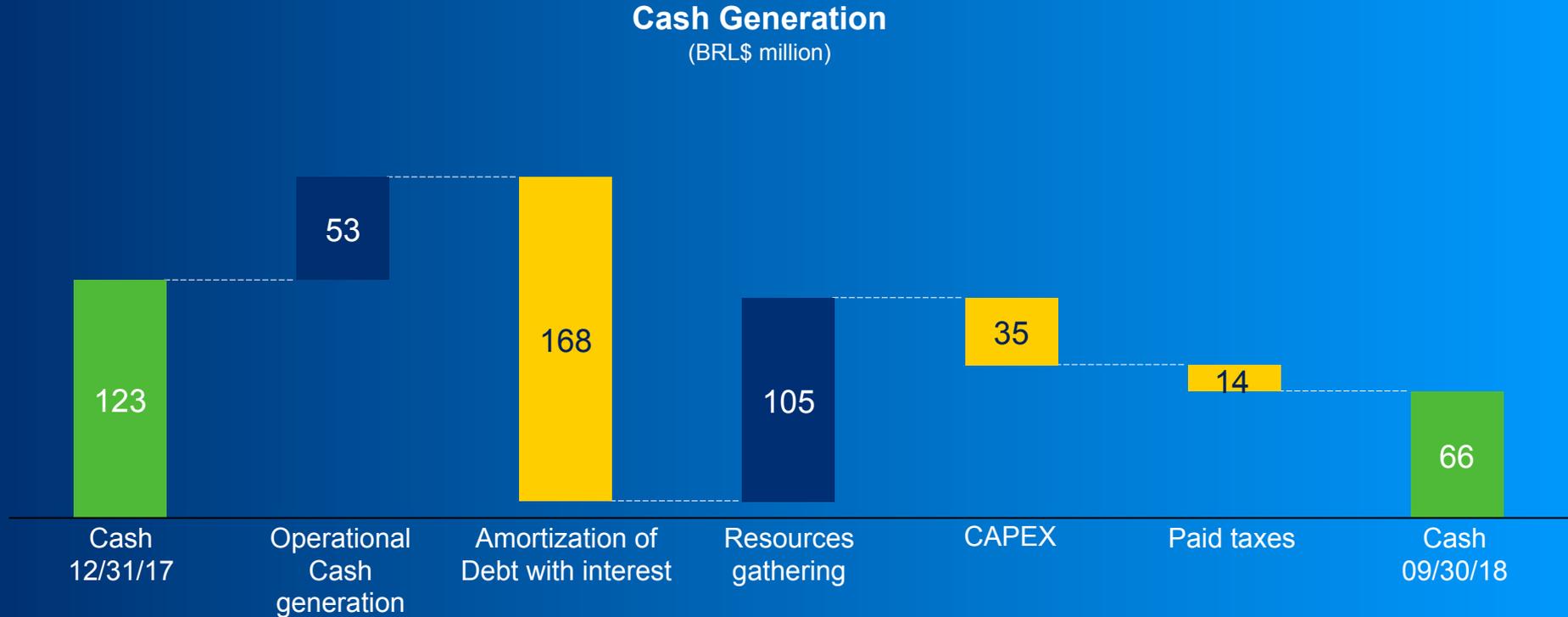


- Net Debt of BRL\$ 229 million.
- Position of cash of BRL\$ 66 million.
- Liberation of FINEP of R\$ 35 million 2018.

Financial Cycle



Indebtedness



Ourofino Day
2018

Renato Costa

Technical Scientific Director
ABHV - Animalia





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2018

Pet Market:

Characteristics and perspectives



A portrait of a middle-aged man with a shaved head, smiling warmly at the camera. He is wearing a white lab coat over a light blue and white striped collared shirt. The background is plain white. A yellow arrow-shaped banner is positioned across the lower part of the image, containing the text 'DR. RENATO COSTA'.

DR. RENATO COSTA

Pet Market

- Food, leash and bones.
- Bath and cough & accommodation.
- Medicines, vaccines and veterinarian services.

Pet Market

- Medicine sale x Veterinary services.
- Sources: Abinpet, IBGE, Ministério da Educação, CFMV, GS&MD, SPC - Brasil, Euromonitor e Statista.

Veterinary Medicine in Brazil

- 15% of veterinarians in the world.
- 130 thousand active vets.
- 348 universities of Vet Med.
- 10/16/2018 at 11h52.



Veterinary Medicine in Brazil

- 25% of the universities in the world
- USA (31) and Europe (95).
- 8.500 new vets per year.

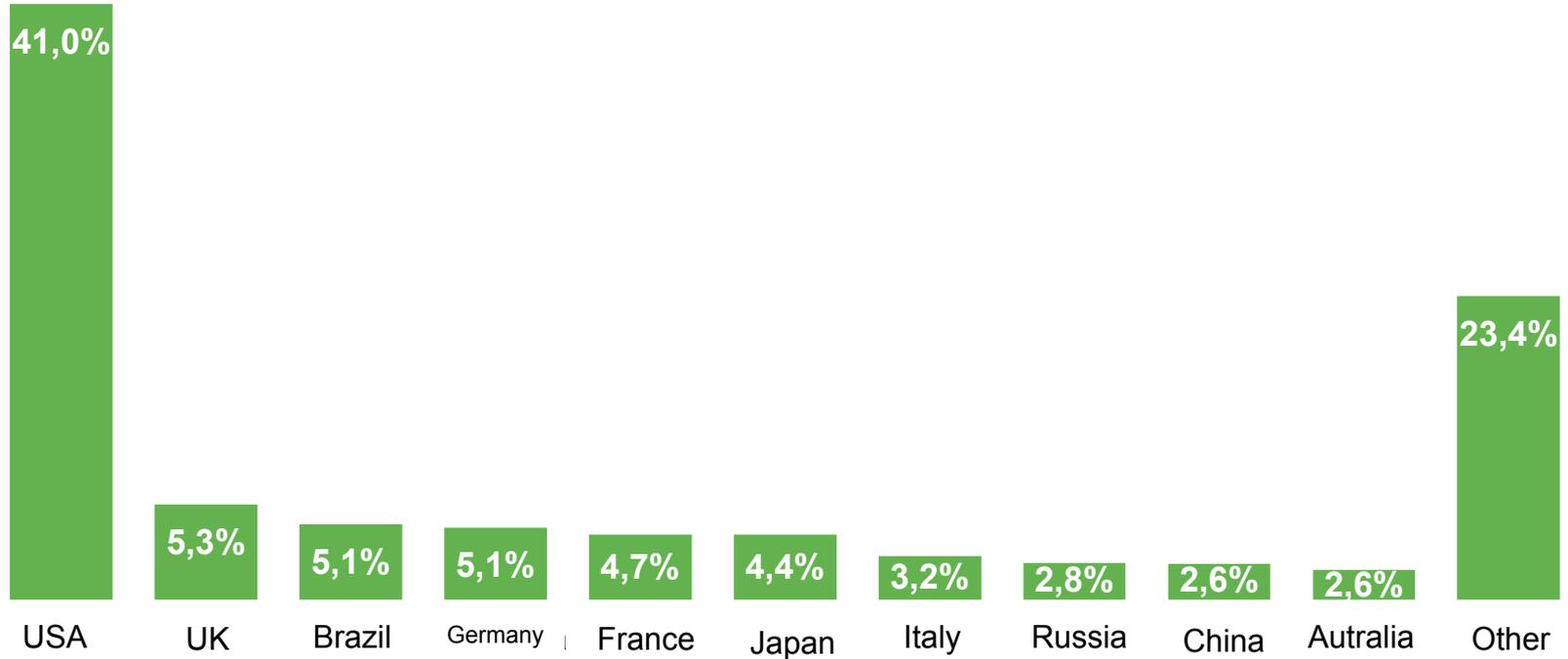




Brazilian Pet Market

- **130 millions of pets.**
- **52 millions** dogs and **22 millions** cats.
- **4° biggest (world) pets** population.
- **3° biggest** in revenue.

World Pet Market - 2017 (US\$ 119,5 bi)

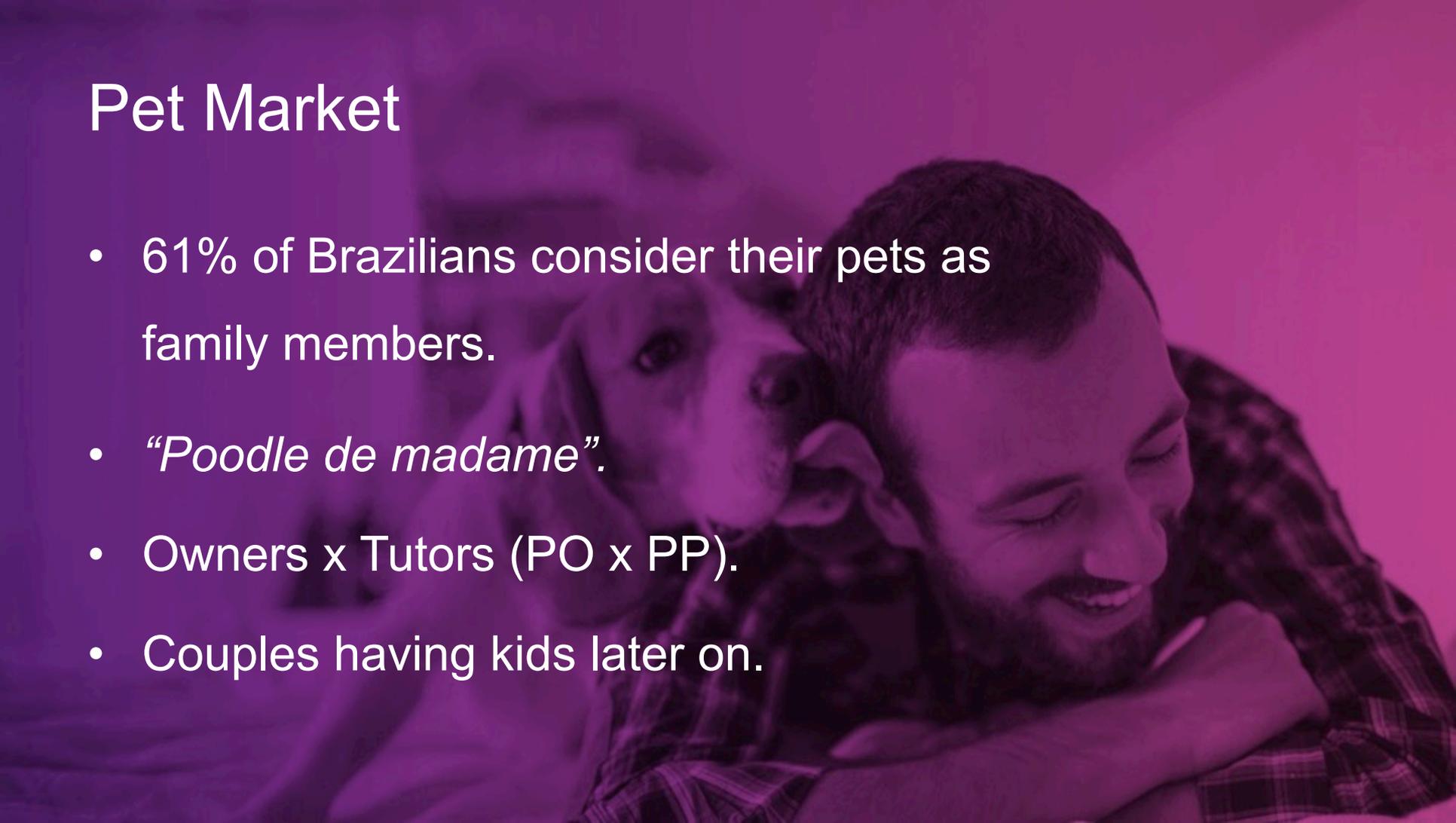


Pet Market

A photograph of a man with a beard, wearing a plaid shirt, smiling warmly. A dog is resting its head on his shoulder. The image is overlaid with a semi-transparent purple filter.

- Brazil 2017 = R\$ 20,3 bi.
- What, in fact, pushes this market?
- HUMAN-PET BOND.

Pet Market

A photograph of a man with a beard, wearing a plaid shirt, smiling and looking down. A dog is resting its head on his shoulder. The image has a purple tint.

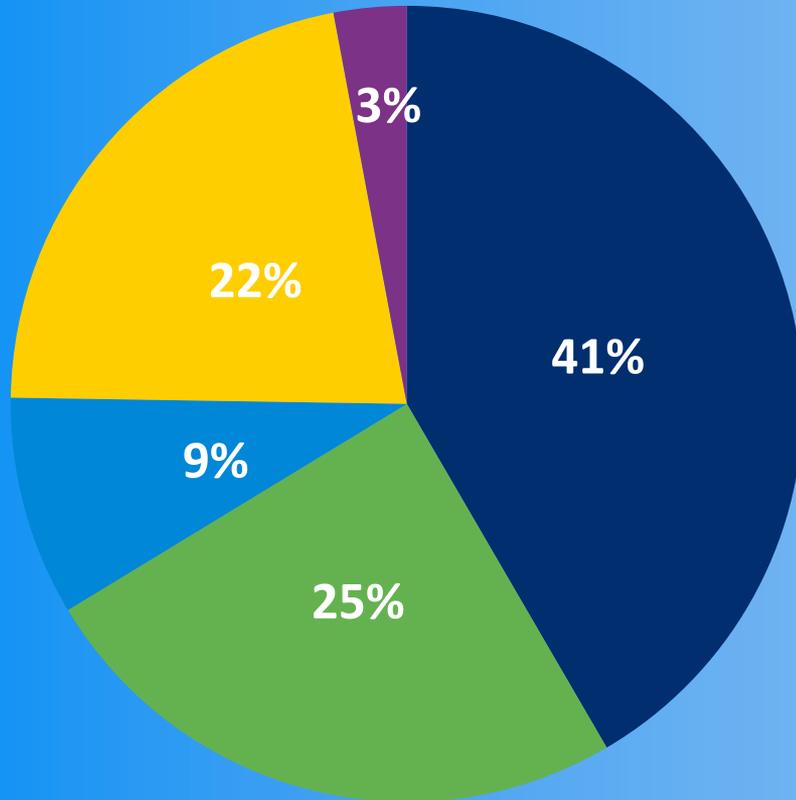
- 61% of Brazilians consider their pets as family members.
- *“Poodle de madame”*.
- Owners x Tutors (PO x PP).
- Couples having kids later on.

Investment in the pets' health

- With love and respect.
- Must be high, right?
- USA Pet Market X Brazil Pet Market.

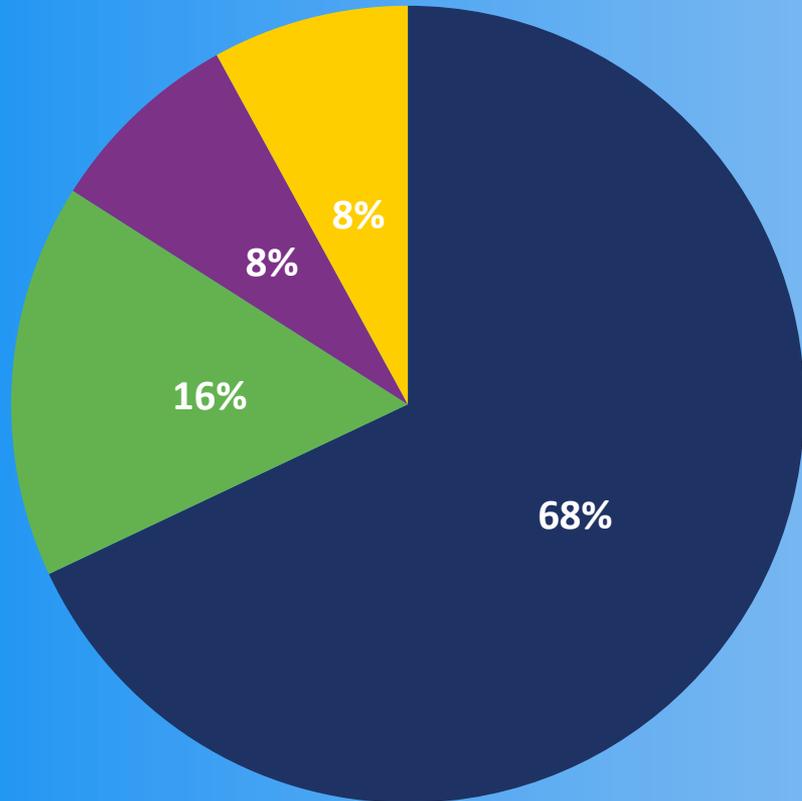


Pet Market- USA 2017 (US\$ 69,51 bi)



- Food
- Veterinary
- Bath & Cough, Accommodation
- Medicine
- Animals

Pet Market – Brazil 2017 (BRL\$ 20,3 bi)



■ Food

■ Vet + B&C + Accommodation

■ Accessories + Hygiene + Beauty

■ Medicine

Pet Market – Brazil 2010 (BRL\$ 12,7 bi)

- 66% Food.
- 13% Bath and Cough.
- 5% Medicine.

Pet Market – Brazil 2010 (BRL\$ 12,7 bi)

- 10% Accessories, hygiene and beauty .
- **6% Vet.**



Why so much difference?

- Especially in the veterinary case.
- Small business vision.
- Little prevention.

Why so much difference?

- *“Other pockets economists”*.
- Still have not understood the importance.

A photograph of a female veterinarian with blonde hair tied back, wearing a white lab coat and a stethoscope. She is smiling warmly and kissing a small dog on the nose. The dog is looking up at her. The entire image has a semi-transparent purple overlay.

What to expect from the pet market?

- Consolidation.
- Direct and indirect professionalization.
- Focus on Preventive Medicine (Tropical Prevention)



What to expect from the pet market?

- Apps.
- Technological Evolution (Blood count > Resonance).
- Older animals(+ Geriatric).

- With so many Pets in Brazil.
- With so many vets in the country.
- With so much love for the animals.



The perspective looks good!

- With so much heat.
- With so many technologies coming.
- With so many professionalization.



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2018

Verônica Martins

Pet Director- Ourofino



Faz bem cuidar
dessa relação



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Pet Veterinary Market and Ourofino Pet



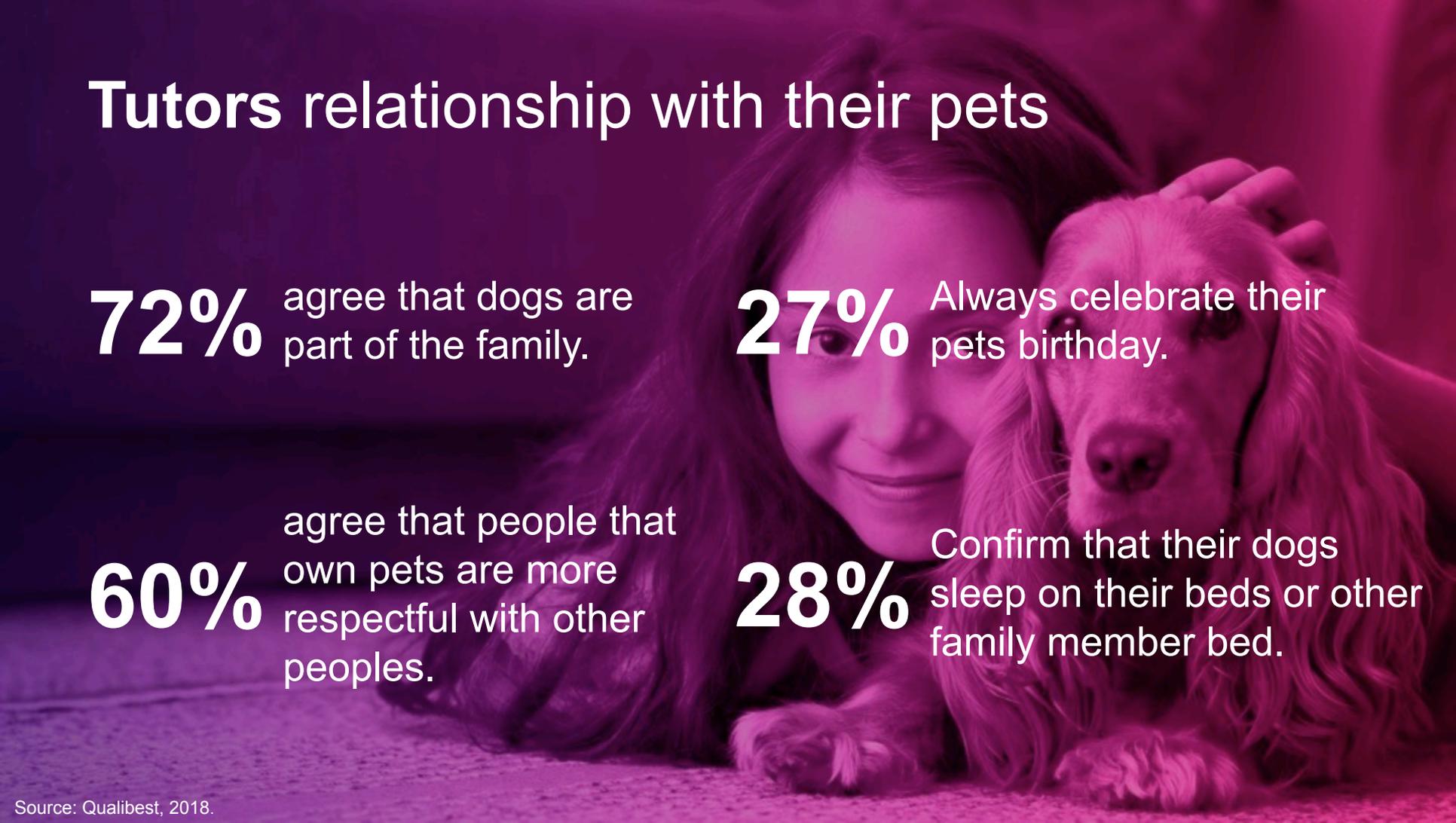
Brazilian Pet Market

- High growth potential for the next years.
- Brazilian Market x USA Market
- Low medicine index.
- Prevention x Treatment culture.
- Fragmented and Pulverized chain.
- Small and medium (family) business.
- Opportunities to improve business model .

Influencers of Pet Market



Tutors relationship with their pets

A woman with long dark hair is smiling and petting a light-colored dog with long ears. The background is a soft, out-of-focus indoor setting.

72% agree that dogs are part of the family.

27% Always celebrate their pets birthday.

60% agree that people that own pets are more respectful with other peoples.

28% Confirm that their dogs sleep on their beds or other family member bed.

General tendencies on the pet market

A blue-tinted photograph of a pug dog and a long-haired cat. The pug is in the upper half, looking slightly to the right. The long-haired cat is in the lower half, looking towards the camera. The background is a solid blue color.

- Significant rise in the cats population.
- Adoptions.
- Ownership more respectful = tutors.
- Sector professionalization: distribution, retail, services.

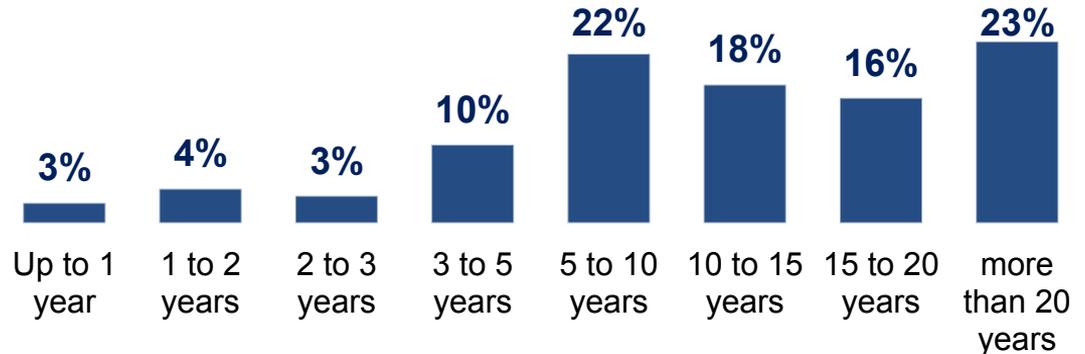
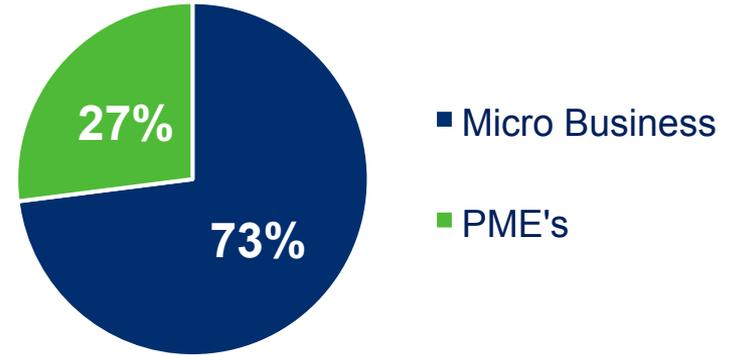
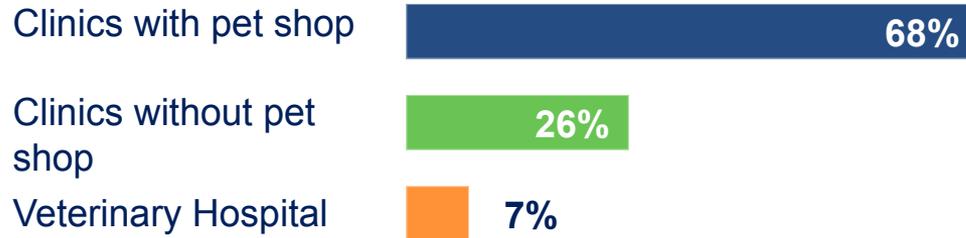
General tendencies on the pet market

A blue-tinted photograph of a pug dog and a long-haired cat. The pug is in the upper half, looking slightly to the right. The long-haired cat is in the lower half, looking directly at the camera.

- Veterinarians more motivated with adequate treatments and preventions.
- Pet's life expectative rising.
- New retail channels.

Establishments' profile of the sector

(activity, profile and life time)



43% of the establishments are active for less than 10 years

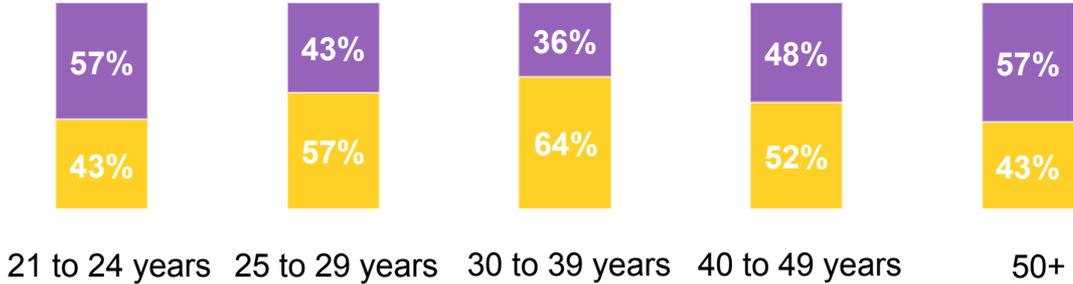
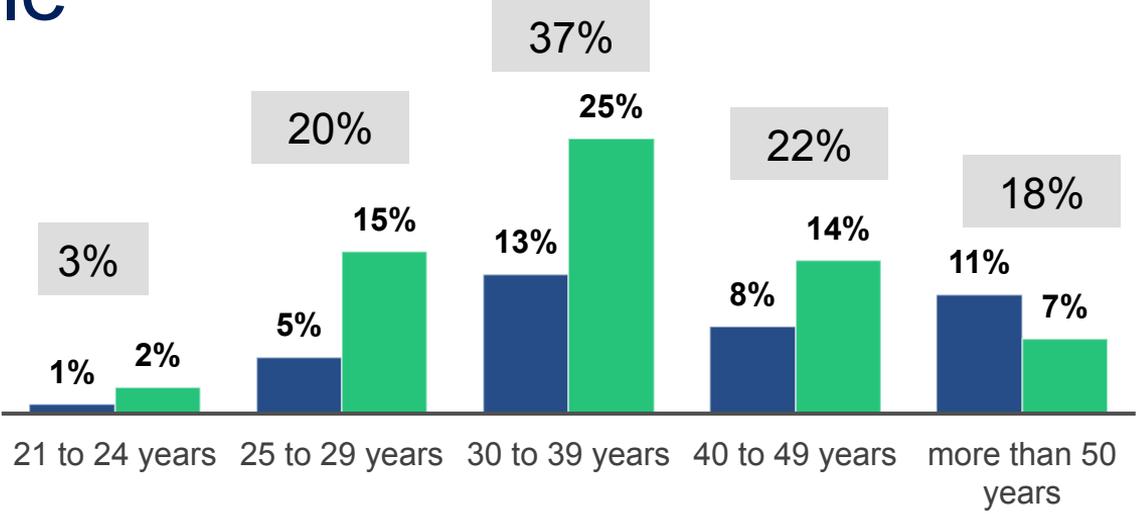
Veterinarians' Profile

(Sex, age and education)

Female
63%



Male
37%



Yes No

Ourofino Pet

- In the market since 2000.
- Actual portfolio with 58 skus.
- Line Profile:
 - Prescription: 2/3
 - OTC: 1/3

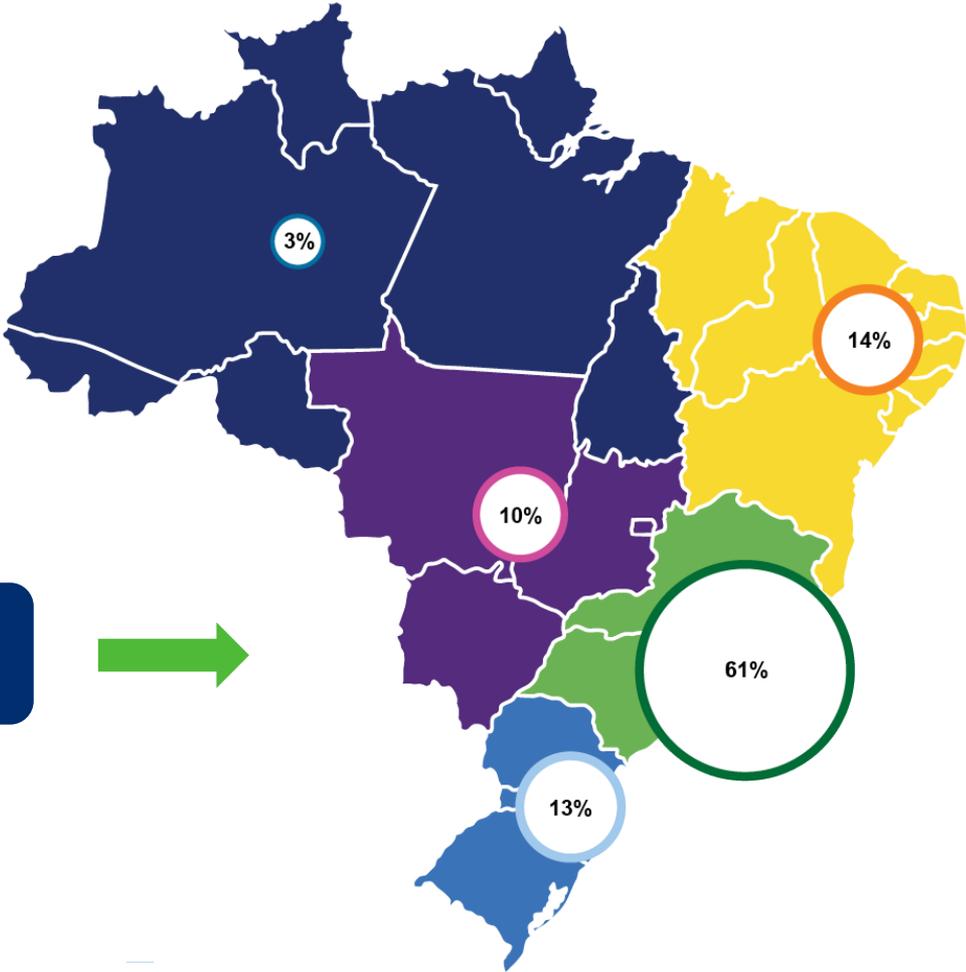


Distribution channel


43 Distributors




25 thousand PDVs



Source: SINDAN, 2018.

Pet Market Growth 1º sem 2018



Mkt Share
Participative
markets:

23,1%

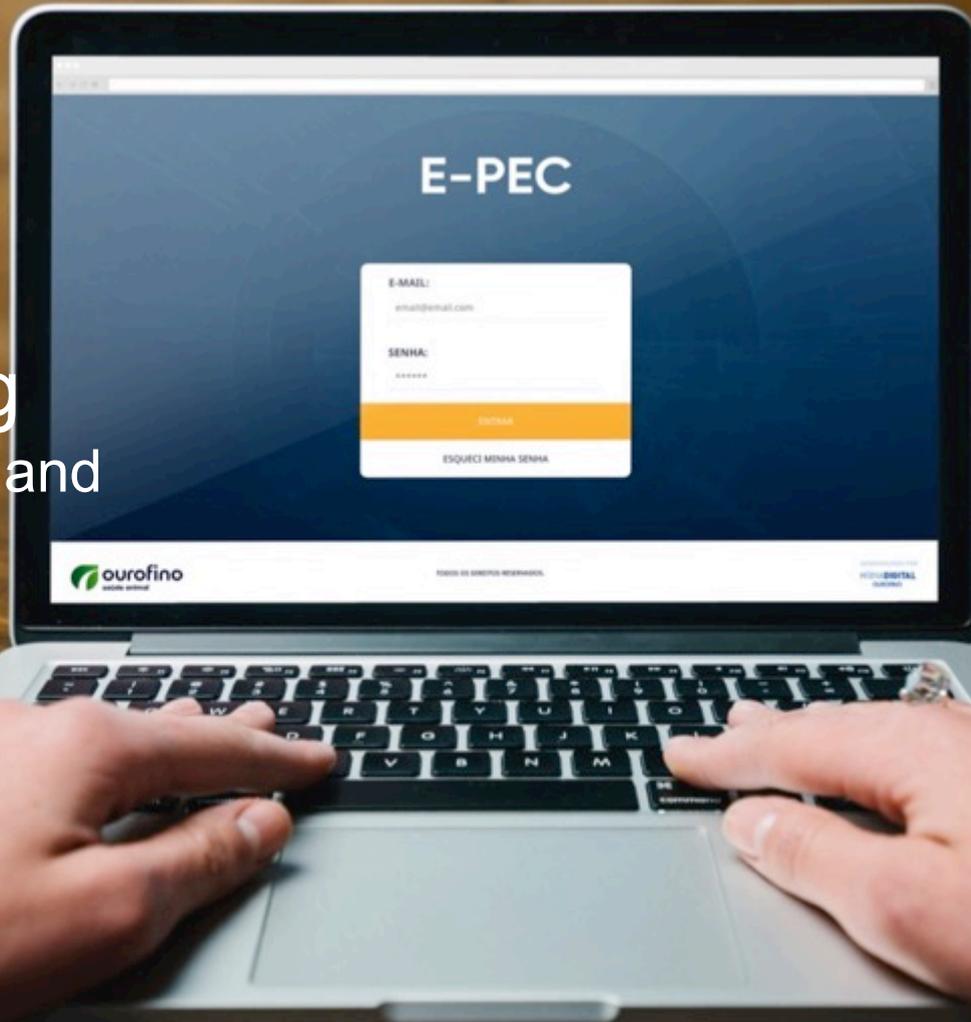
Macro Drivers for the Sales Strategy - 2018

- Distribution network development.
- Investment in the professionalization of many stakeholders of the sector.
- *Sell out effort intensification.*

ProPec
More than 32
thousand visits by
October/18



E-PEC Training
Monthly for all sales and
technical teams





Top Protection Days

In 2018, more than 2.6 thousand events organized



Diverse training sessions for the sector

3.2 thousand sessions were organized with 15.6 thousand participants



Fidelity Program: Premmia Pet

More than one thousand programs
negotiated in 2018



ongparaisodosfocinhos



picrimache

Parabéns Ourofino saúde animal! Além de ser uma excelente marca é tb solidária com esses incríveis animais que tanto amamos



Parabéns pela atitude de vcs!!!
A partir de agora, vou procurar sempre pelos produto da @ourofinosaudeanimal !!!!

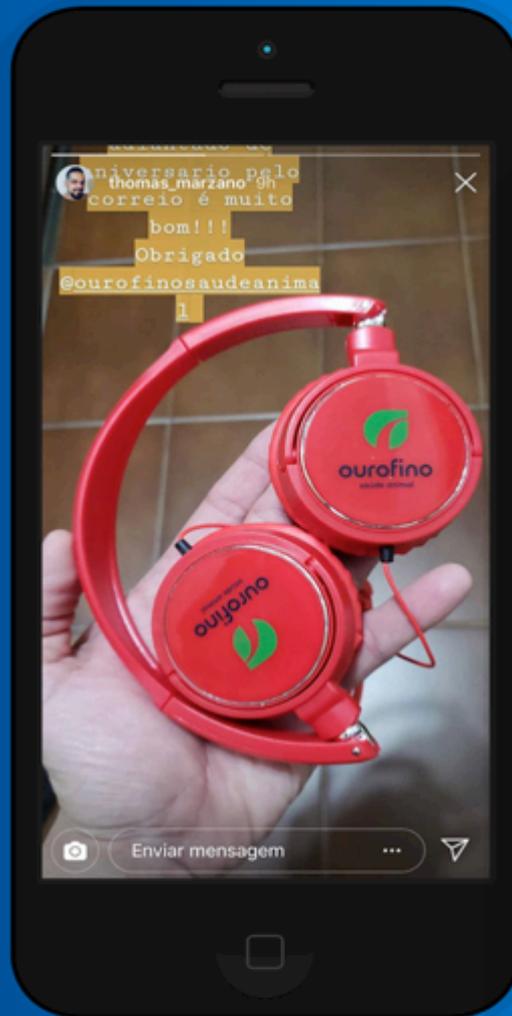


Team-work with NPOs

Digital Influencers
Most important digital
influencers in pet market
in Brazil



Vip Marketing
2 thousand people
registered and
active during 2018





Incentive Program for Clinical Improvement

University Program

50 Universities
registered all over
Brazil



Actions for the final consumer



Actions for the final consumer

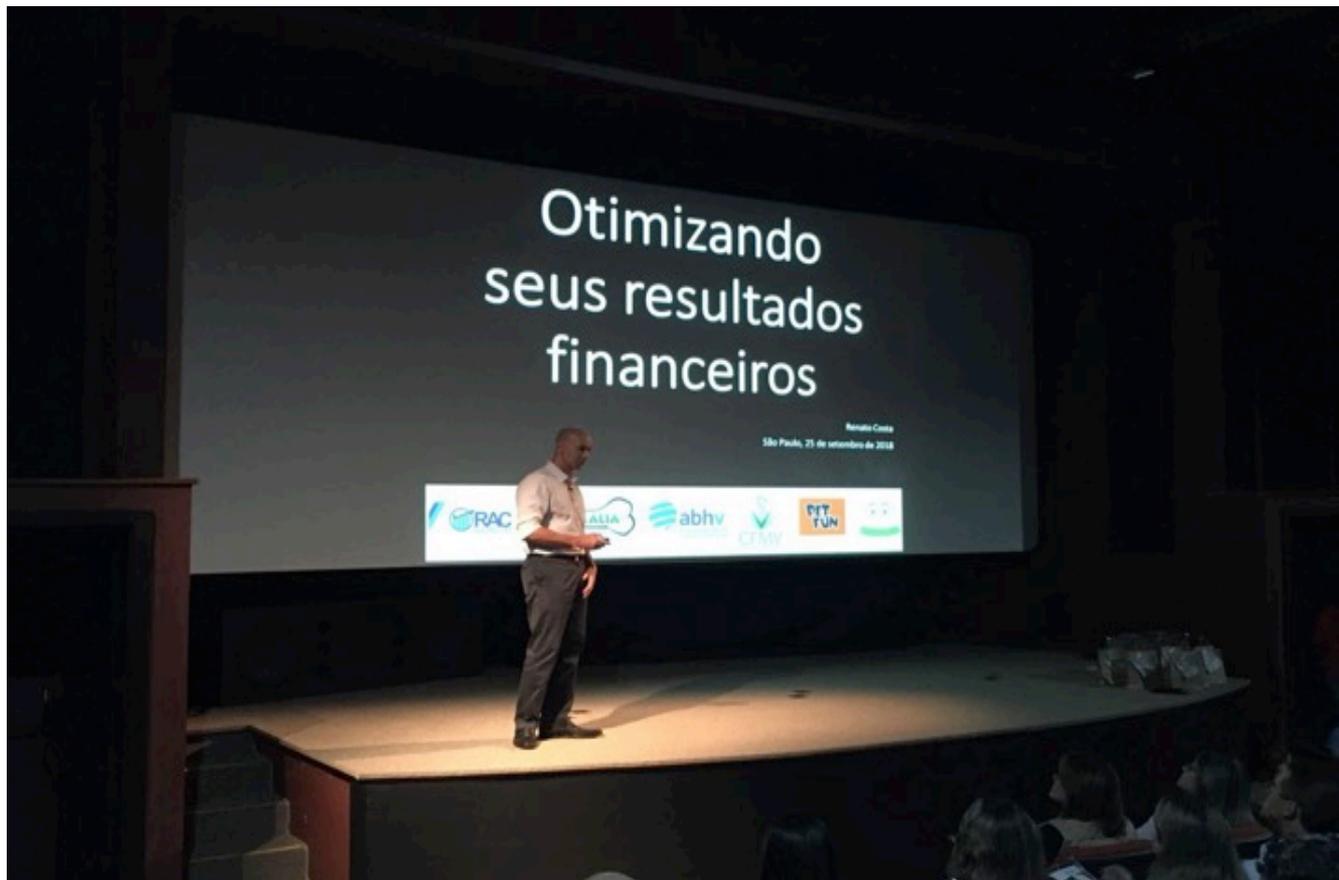


Actions for the final consumer



Knowledge program

More than 20 events
all over Brazil in 2018

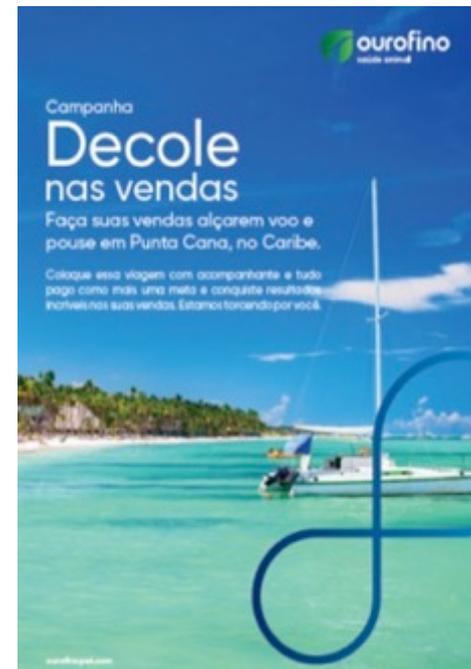




Diverse
campaigns

Sales Incentives Campaign

Sales and Technical teams



Influencers Meeting



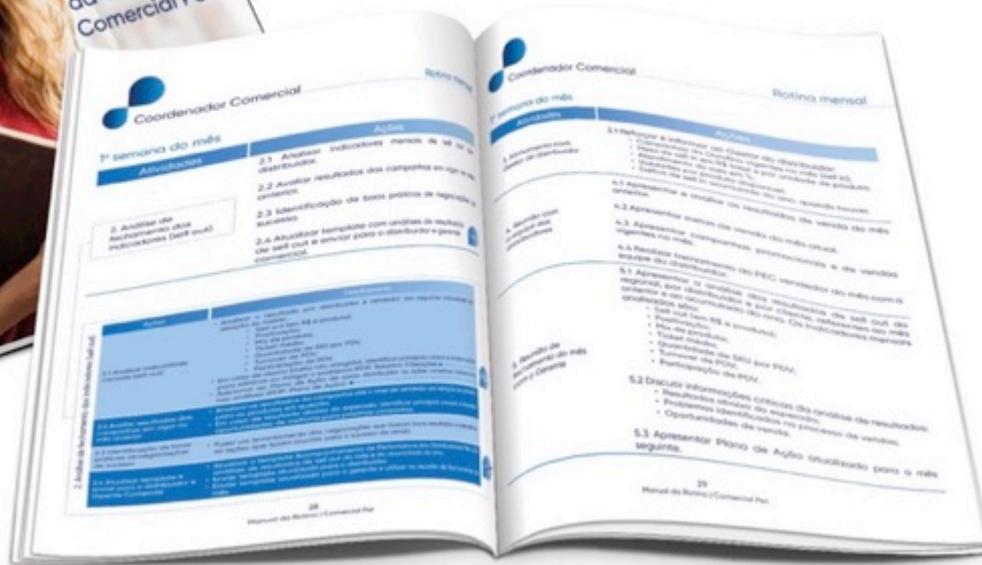


Influencers Meeting

Participation in the market events



Work Routine Manuals for the Sales Team



Brazil



Mexico e Colombia



Factory visits
More than 100 people
in 2018





In 2016 and 2017, Ourofino was elected the strongest brand in veterinary medicine and drugs market in Brazil.

Source: CVA Solution 2017 e 2017.



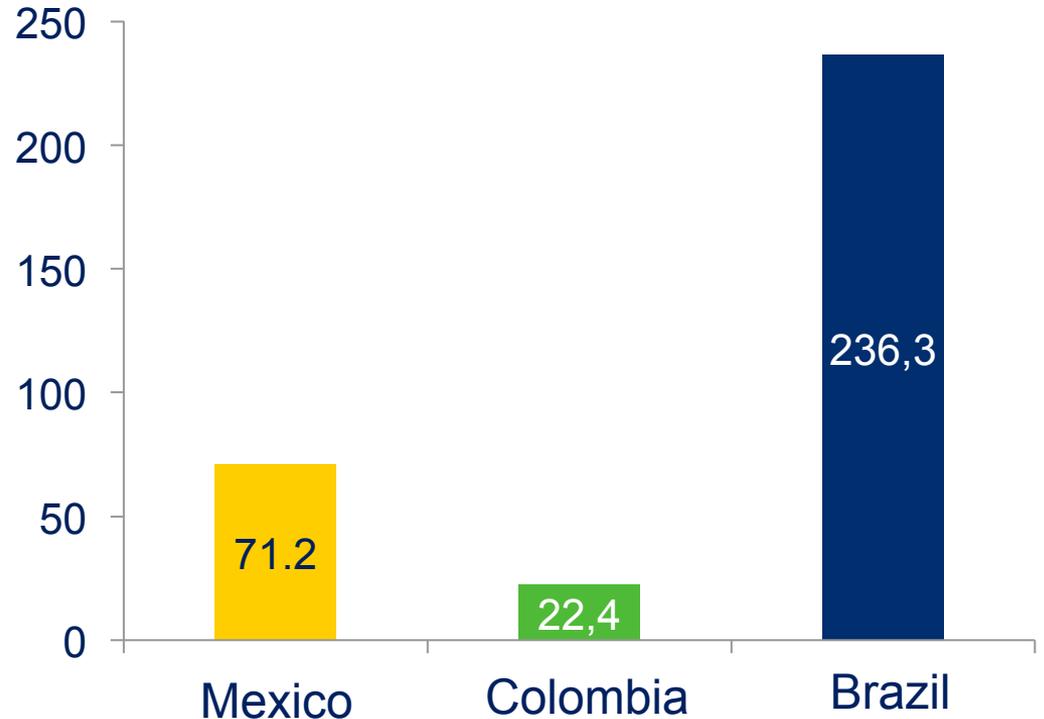
2018, Top of Mind
and most prescript
brand between vet
doctors.

Source: H2R Pesquisas

Pet Internationalization

- Mexico e Colombia.
- Replicate Brazil's work: sell out culture and investing in the sector development.
- Proper team and locals distributors.

Medicine and Drugs Market Pet/Country – US\$



Source: SINDAN, Aprovet e Kleffman 2018, .

Macro Objective for the next years

- Continuous process for brand development
- Enhance portfolio in segments where the firm is not active and replicate actual Marketing Model.
- Research of new commercial platforms.
- Research of other retail services.

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Trevelin

Foreign Commercial Director
Ourofino

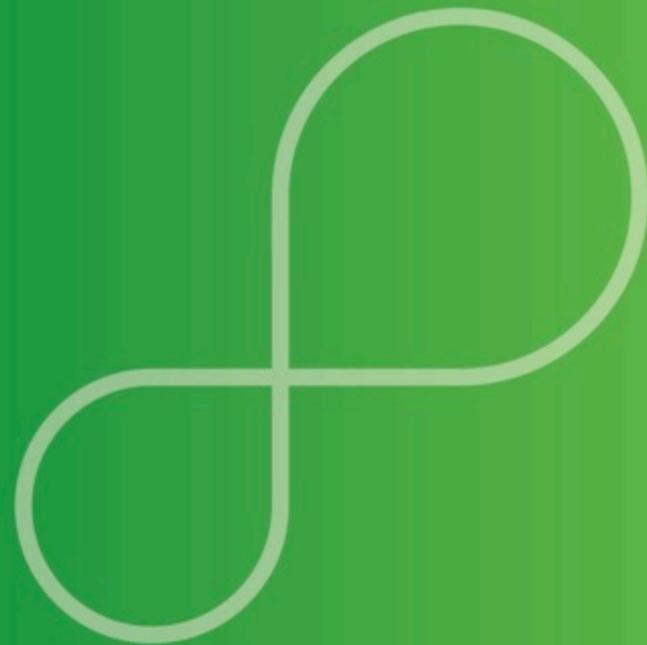


Internationalization Project



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Commercial Strategy International Operations



Contextualization

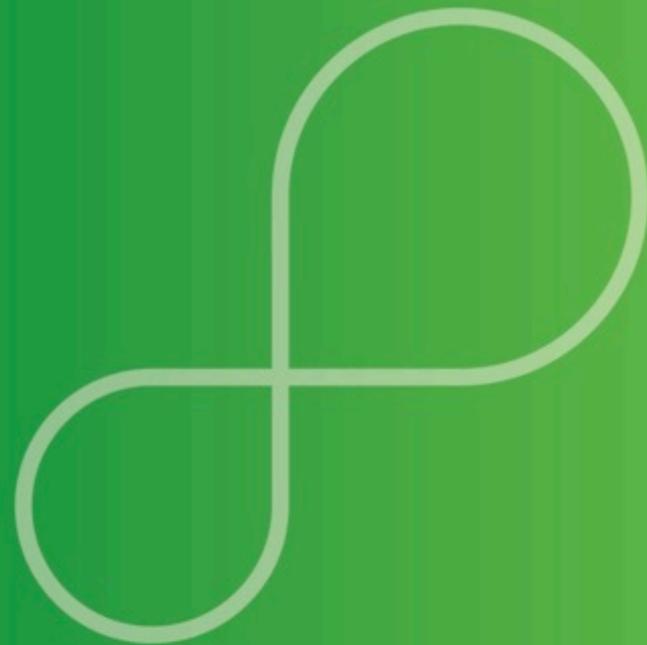
- **Internationalization** as one of the principal **growth pillars** of the firm.
- Strategic definition: develop more relevant markets: **Mexico e Colombia** – proper structure.

Contextualization

- **Business Plan** – 5 year vision approved by Administration Board for both countries.
- **Plan Status:** growth.

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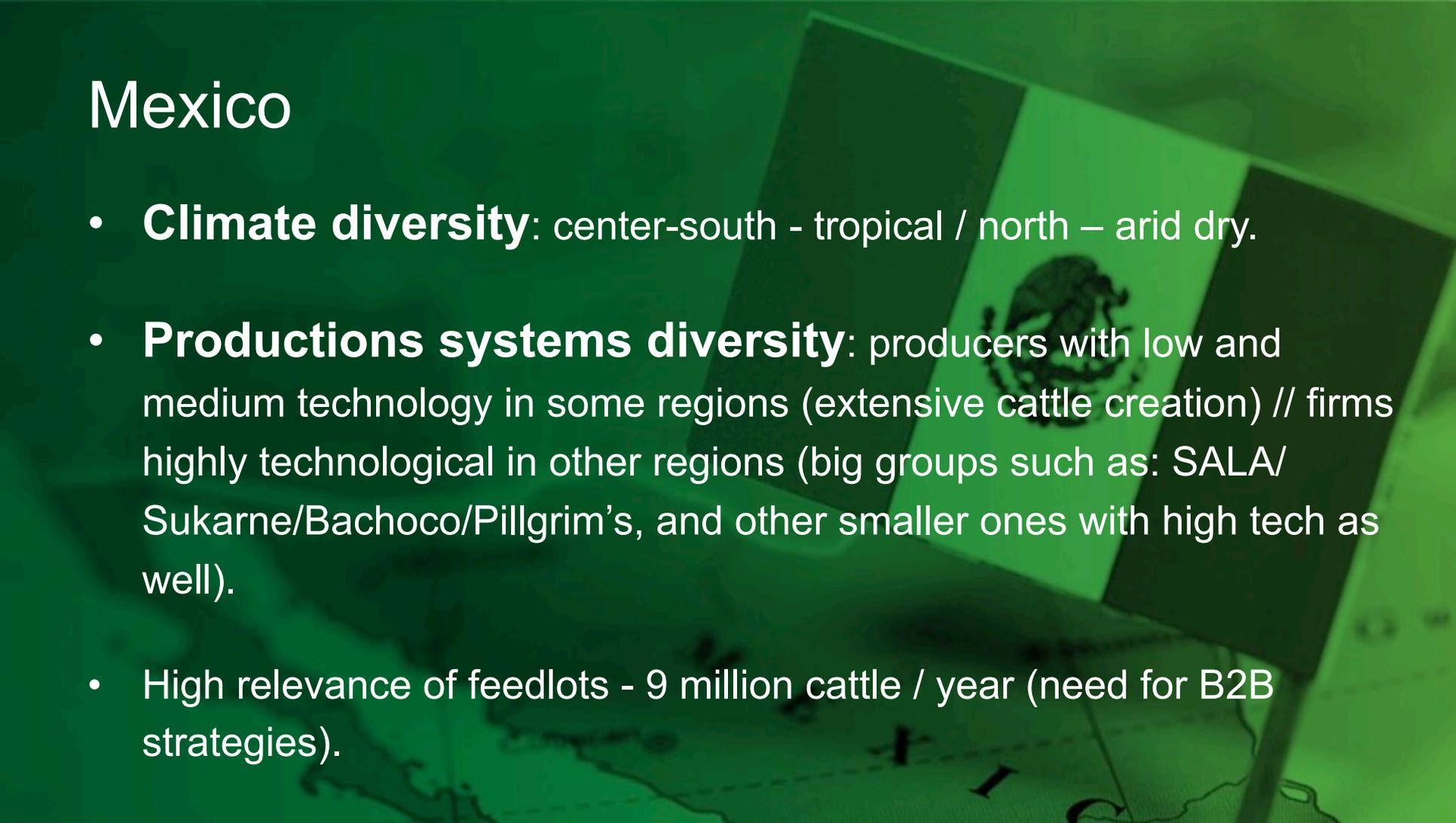
Mexico



Mexico

- **2nd biggest vet market** in Latin America: US\$ 380 million (source: Vetnosis).
- 3rd biggest cattle herd of Latin America: 34 million heads (FAO 2016).
- Concentrated area of pasture: 30% is located in 3 states.
- Technological influenced by USA.
- 7th largest bovine meat producer in the world (1.9 mil ton) (FAO 2016).
- 14th world milk producer (11.6 mil ton) (FAO 2016).
- Model of commercialization: market access through distribution chanel.

Mexico

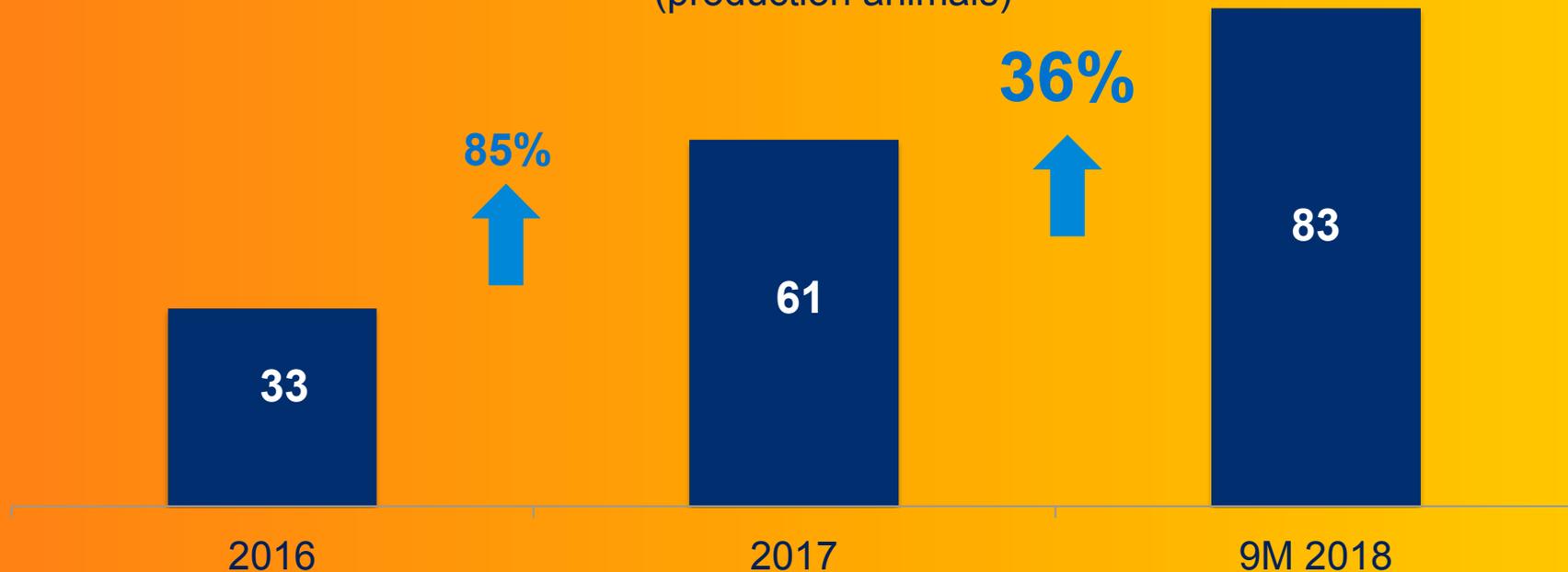
The background of the slide is a dark green color. It features a faint, semi-transparent image of the Mexican flag (green, white, and red vertical stripes with the national coat of arms in the center) and a map of Mexico. The word 'MEXICO' is visible in large, light-colored letters across the bottom of the map.

- **Climate diversity:** center-south - tropical / north – arid dry.
- **Productions systems diversity:** producers with low and medium technology in some regions (extensive cattle creation) // firms highly technological in other regions (big groups such as: SALA/ Sukarne/Bachoco/Pillgrim's, and other smaller ones with high tech as well).
- High relevance of feedlots - 9 million cattle / year (need for B2B strategies).

Mexico: clients base increment

Business model – distribution

Number of active clients
(production animals)



Mexico: launches



From left to right: patent flyer communicating a new launch Product Evol being highlighted in one of the specialized magazines.

ourofino.mx

Evol

Exclusiva tecnología que combina dos activos, ahora patentada.

El mercado ya sabe que la combinación de dos principios activos de EVOL, llamada *Dual Blend* y *Dual Protection*, promueve más protección para todas las fases del rebaño. La novedad es que acabamos de recibir la concesión de la patente de esa tecnología. Más que nunca, podemos decir que EVOL trae el avance tecnológico que la ganadería exige.

Dual Blend
Dual Protection

Tecnología patentada




ourofino salud animal

NOV-DIC 2018

REVISTA SEMESTRAL

Cebú Mexican

Órgano oficial de difusión de la Asociación Mexicana de Criadores de Cebú

NUEVO




Sulfóxido de Albendazol e Ivermectina

- ✓ Céstodos
- ✓ Nemátodos
- ✓ Tremátodos (*Fasciola hepatica*)
- ✓ Ectoparásitos (garrapatas)



ourofino salud animal



QUE OFRECEN LA LECHE DE VACA Y LAS LECHE ARTIFICIALES

Factores a considerar al vacunar

- X Exposición Nacional de Ganado Gyr
- Nopal, opción forrajera
- La leptospirosis bovina



International Symposium of Bovine Reproduction at Guadalajara (launch of Sincro eCG)
July 2018



International Congress of Meat
Mexico City - March 2018



International Congress of Meat Mexico City - March 2018

Mexico

The background of the slide is a dark green color. It features a semi-transparent image of the Mexican flag, which consists of three vertical stripes of green, white, and red, with the national coat of arms in the center. Below the flag, there is a faint map of Mexico with the word 'MEXICO' visible in large, spaced-out letters.

2017: company that grew the most in the market **23%**. (Infarvet-Kleffman)

9M 2018: **38%** - local currency

50% - BRL\$

Ourofino Day 2018

Colombia



Colômbia

- **3rd largest vet market in Latin America. USD 270 millions** (Vetnosis).
- 4th biggest cattle herd in Latin America. 22 millions of heads (FAO 2016).
- Cattle breeding in its large part, extensive, with predominance of zebuine genetics - similar to Brazil.
- Pulverization: many small properties.
- 18th world producer of bovine meat (800 mil ton) – FAO 2016.
- 26th world producer of milk (5 mil ton) – FAO 2016.

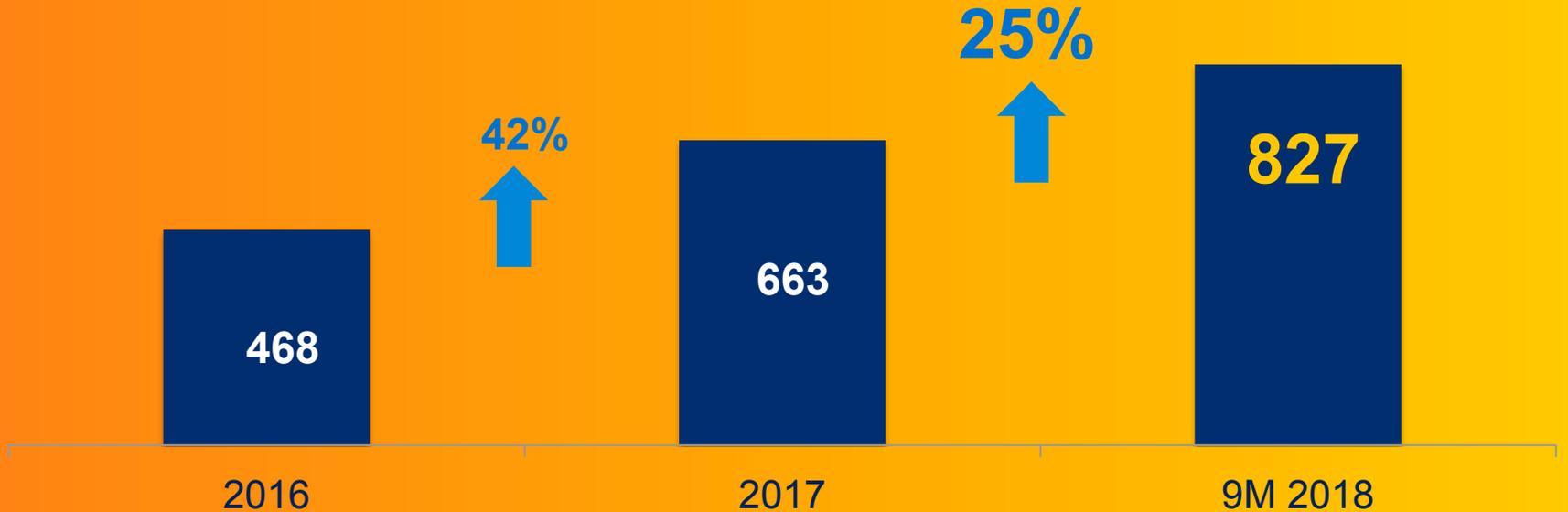
Colombia

- **Commercial Model.**
- Retail.
- Hybrid of retail-distribution.
- Vaccination against foot-and-mouth disease.
- Climate and production similarities.



Colombia: clients base increment

Business Model- Resales
Number of Active Clients
(production animals)



Colombia: launches



www.ourofino.com

Evol

La evolución de los endectocidas.

Evol es un producto único y completo, que llegó para acompañar la evolución de la ganadería. Una verdadera innovación, con formulación exclusiva (ivermectina + sulfato de albendazol), que trae Clonido Salbut Animal.




tel: (4) 366 1929

DeCARNE

La revista de la cadena cárnica

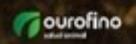


Los mercados orientan la producción

www.ourofino.com

Más eficiencia en la reproducción

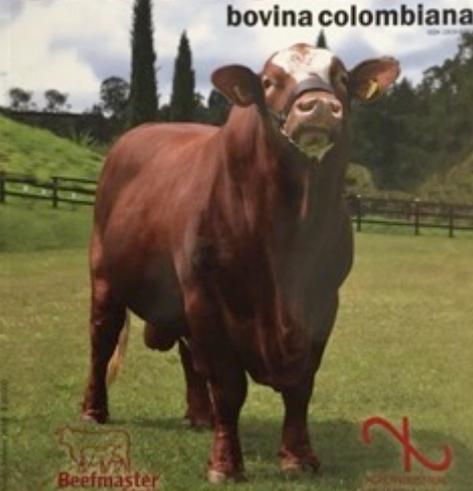
Ourofino posee las soluciones ideales para el ganado. Una línea completa para aumentar el desempeño reproductivo de su ganado y obtener mayores ganancias todo el tiempo.

tel: (4) 366 1929

Genética

bovina colombiana



Beefmaster

www.revistageneticaboliviana.com

revistageneticaboliviana

revistageneticaboliviana

Magazine advertisement EVOL - Colombia

Magazine advertisement Reprodução - Colombia

Launch Event – Evol Colombia

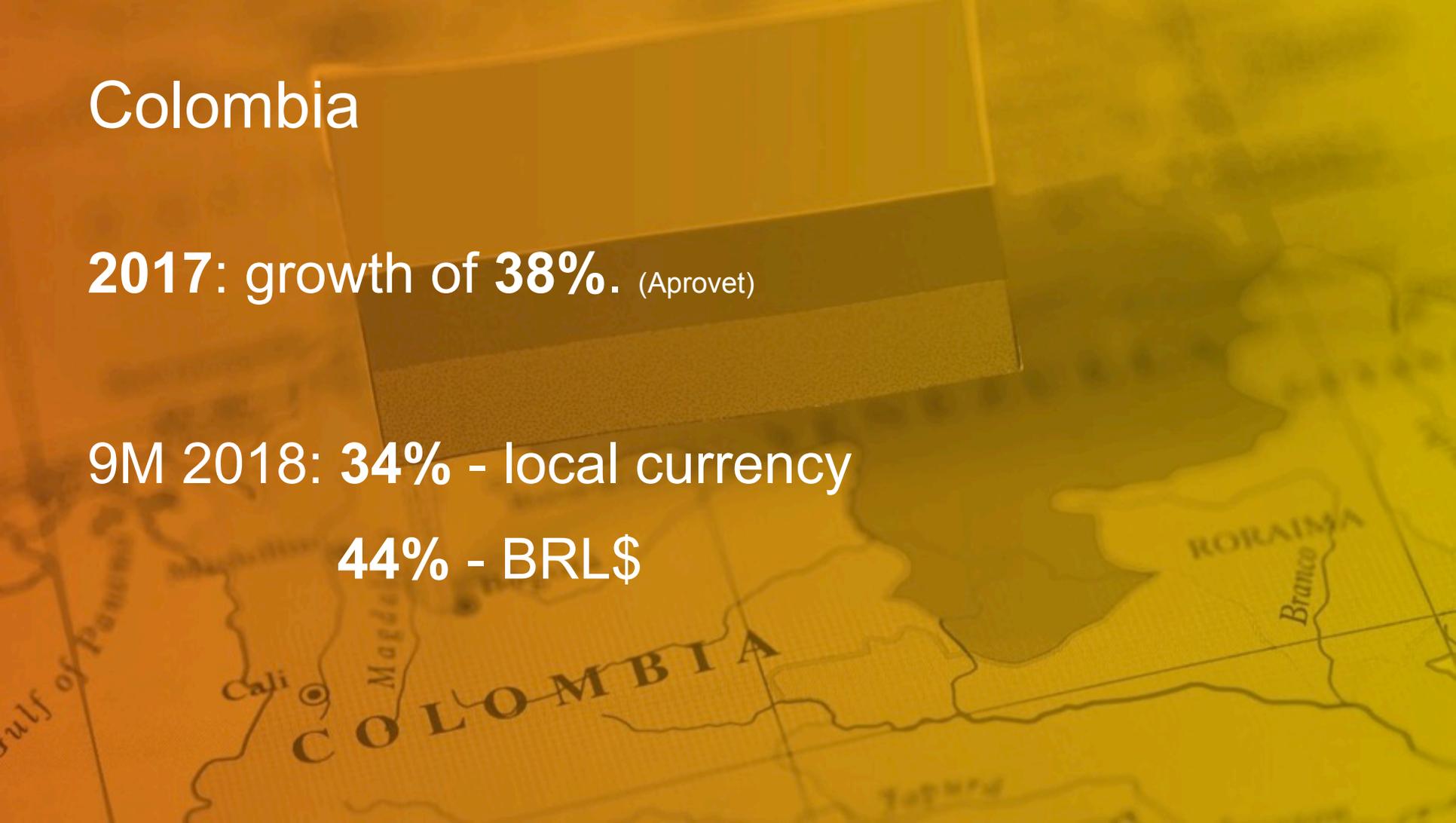


Colombia

2017: growth of 38%. (Aprovet)

9M 2018: 34% - local currency

44% - BRL\$



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International Operations – other markets



International Operations:



- **Development of commercial partners** that identify and have **commitment** with Oufoino's line.
- **Internationalization.**

International Operations: launches



- **Evol**
- **Sincro eCG**
- **Lactofur**
- **Meloxifin**





Day at field: Evol launch | **Honduras**

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Maurício Palma Nogueira

Agronomist Engineer
Athenagro



Maurício Palma Nogueira

- Agronomist Engineer;
- Partner Director of Athenagro;
- Project coordinator of “Rally da Pecuária – Uma viagem pelo Brasil que Produz”.
- Analise tendencies for the production of meat market.
- 57.3 thousand kilometers in 11 states.



(JBS)

Phibro
ANIMAL HEALTH CORPORATION


oufino
saúde animal



Volkswagen



OCP

 **CORTEVA**
agriscience
Divisão Agrícola do DowDuPont

 **Santander**

WWW.RALLYDAPECUARIA.COM.BR

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The new step of Brazilian livestock



Recent steps of Brazilian livestock

A photograph of two white cows standing in a grassy field. The cows are facing right. The background shows a line of trees and a fence. The entire image has a blue color cast.

Expansion step: 1940 to 1994

The natives movement to the country side is stimulated by the land occupation that enable the livestock, only viable activity in a context of no infrastructure.

Recent steps of Brazilian livestock

A blue-tinted photograph of two cows in a field. The cows are in the foreground, facing right. The background shows a line of trees and a fence. The overall scene is a rural landscape.

Step of consumption: 1994 to 2008

Together with the hyperinflation control, the excess of not productive and aged animals starts to be consumed. This period is not favorable to the producers that focus on technology, because the consumption of the excess stock is prioritized.

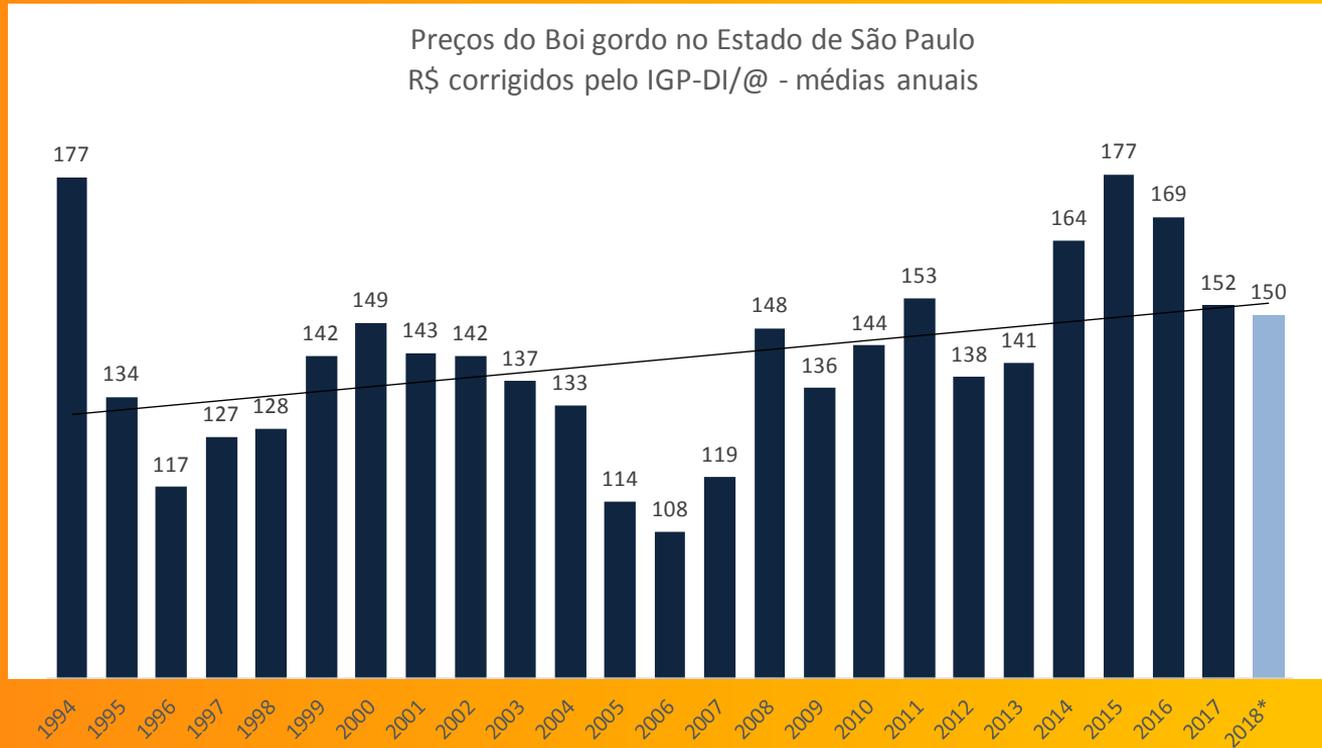
Recent steps of Brazilian livestock

A photograph of two white cows standing in a grassy field. The cows are facing right. The background shows a line of trees and a fence. The entire image has a blue color cast.

Step of consolidation: 2008 to 2015

Probable adjustment of productivity, with the livestock adapting to a more mature market demand, either internal and external demand. Increase in the confinement, modernization of the productive chain, more exportations and adjustment of prices.

Real prices



Source: Athenagro, dados do Cepea

New step, from 2015 to today



- Supply of animals for slaughter more related to the productivity of the productive system;
- Trend of more frequent and less intense price cycles;

New step, from 2015 to today



- Intolerance grows towards non-productive actions
- Exclusion of not so much technological producers, independent of the cattle size.

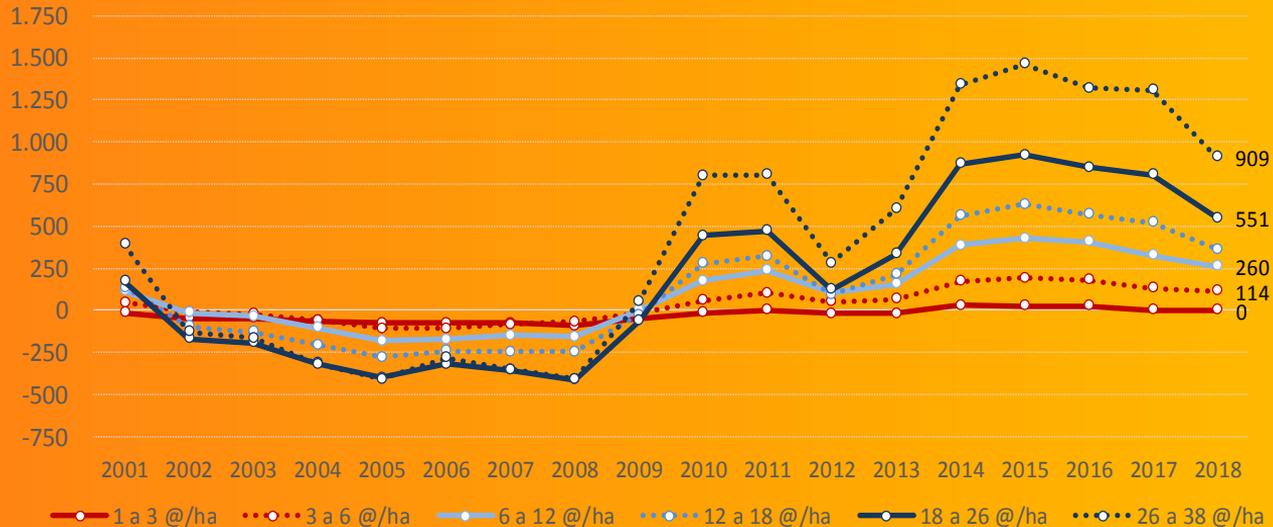
New step, from 2015 to today

A photograph of a large herd of cattle in a metal-fenced enclosure, overlaid with a green tint. The cattle are packed closely together, and the scene is viewed through the metal bars of the enclosure. The background shows a structure with a roof, possibly a barn or a covered walkway.

- Initially the concentration occurs in the livestock and sales. In a second moment, the land will also concentrate towards the more productive properties.

Difference of profit between high and low tech-properties

Evolution of results oer technology level –
BRL\$ adjusted by IGP-DI/ha/year – complete cycle



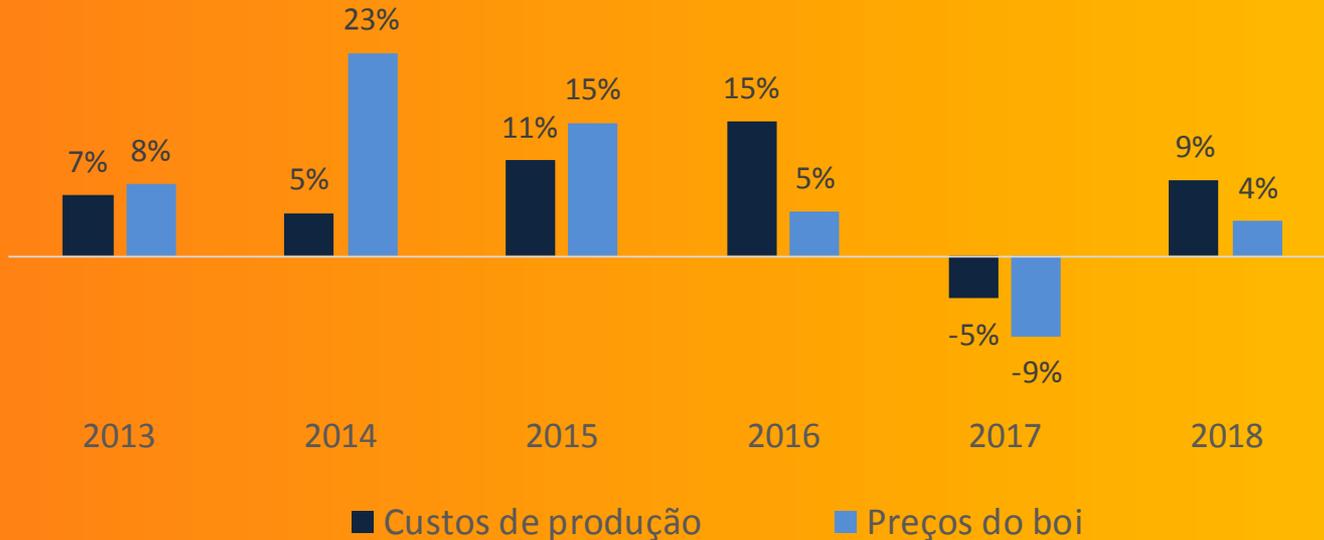
Higher yields allow for more consistent economic results even in periods of falling prices, as the case between 2016 and 2018.

Situation from 2002 to 2008 should not occur again in livestock.

Source: Athenagro

Costs and prices

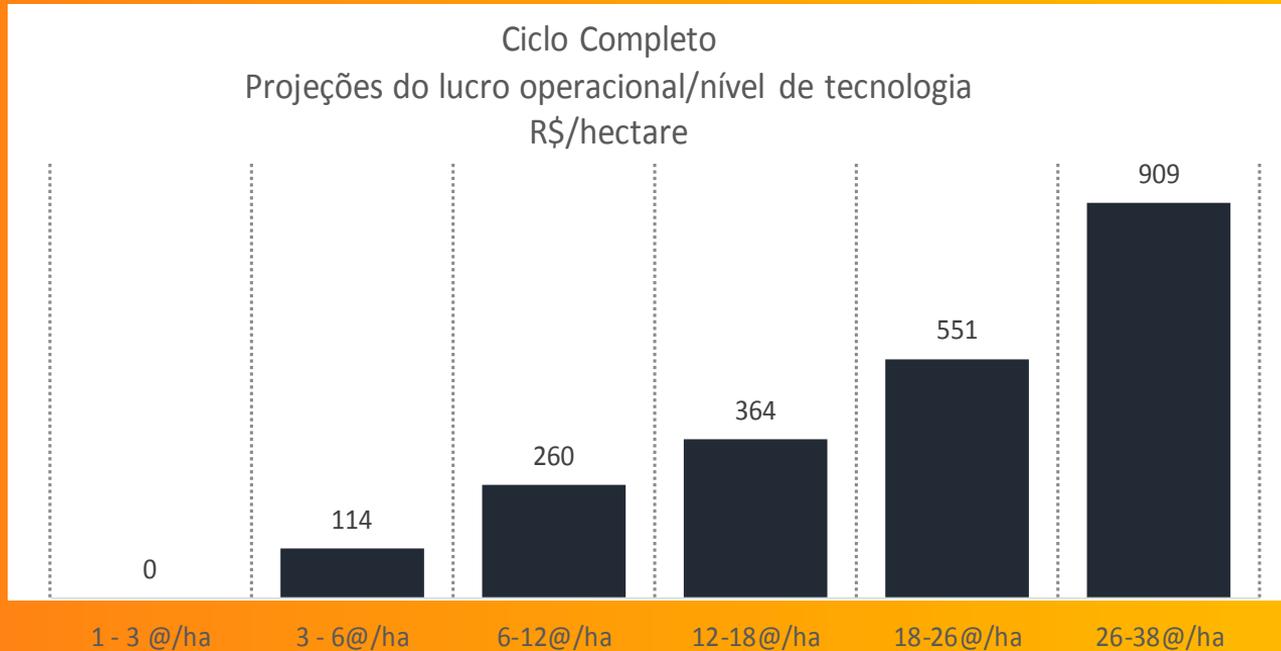
Average evolution of cattle prices and production costs in beef cattle in periods of one year



In 2018 will complete three years of profit margins reduction in beef cattle Brazilian farms.

Even with prices rising, the costs grew proportionally.

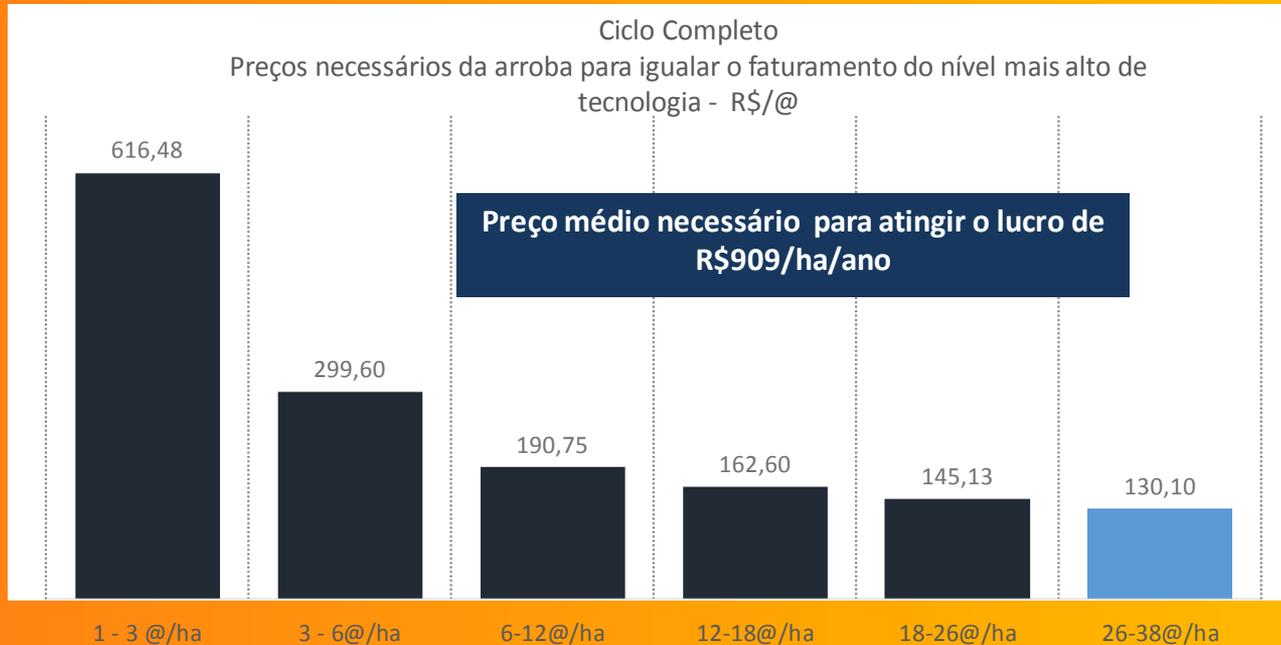
Results and technological dependence



The situation is critical for low-tech producers who, over the years, will not be able to afford to produce, opening space for the growth of the more technically advanced.

A complete cycle property with more than 18 @ / ha / year, is already competitively financial with grain production.

Prices will be adjusted to the more productive

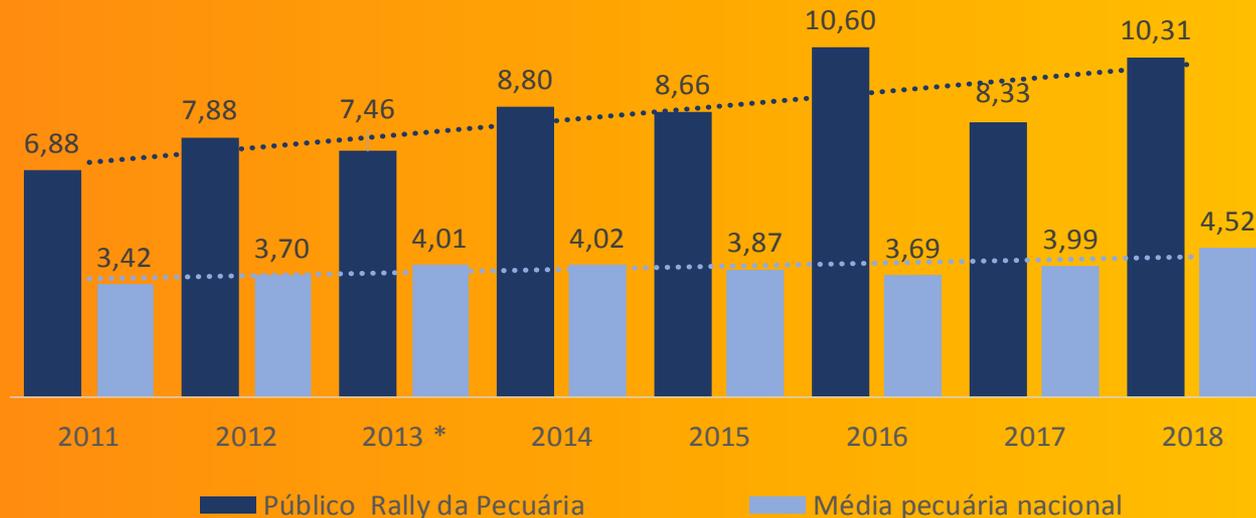


The greater the share of high-tech producers in sales, the greater the tendency for prices to adapt to this reality.

Low productivity gradually disappears from commercial production.

Tendency of productivity confirmed during the “Rally da Pecuária”

Productivity evolution in the medium public of the “Rally da Pecuária” and national average.



Source: Rally da Pecuária

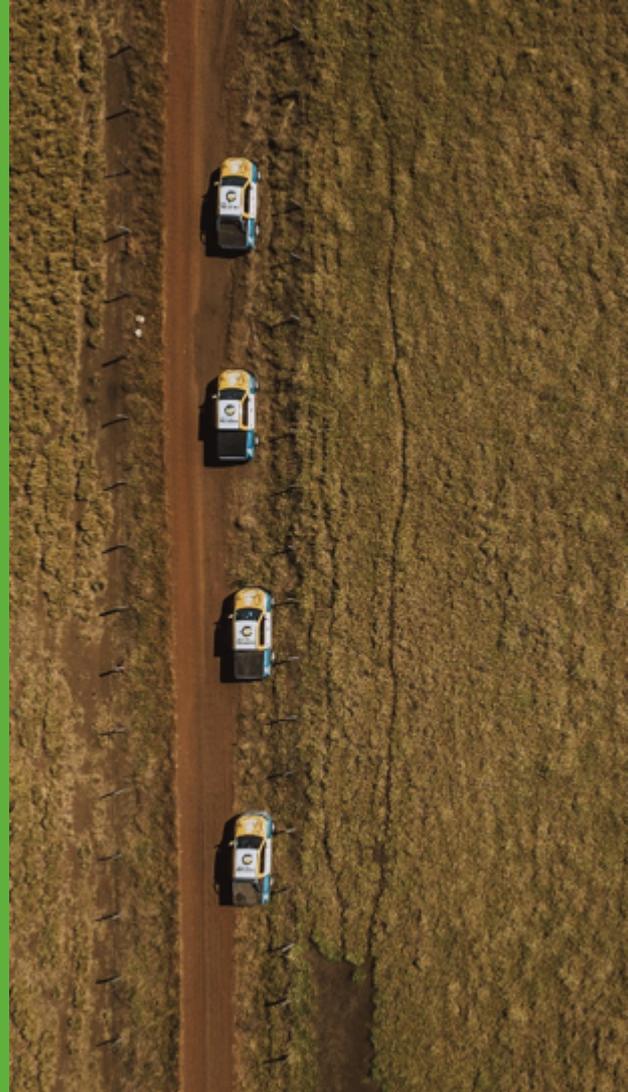
* Research conducted with the producers outside the race.

Rally da Pecuária 2018

It is a private technical expedition with the objective of improve the base knowledge of the field and producers.

In 2018:

- 57.000 km traveled
- 1.130 submitted questionnaires
- 12 officials events
- 30 productivities workshops
- Total public: 2.200
- 128 visited farms
- 158 sampled pastures

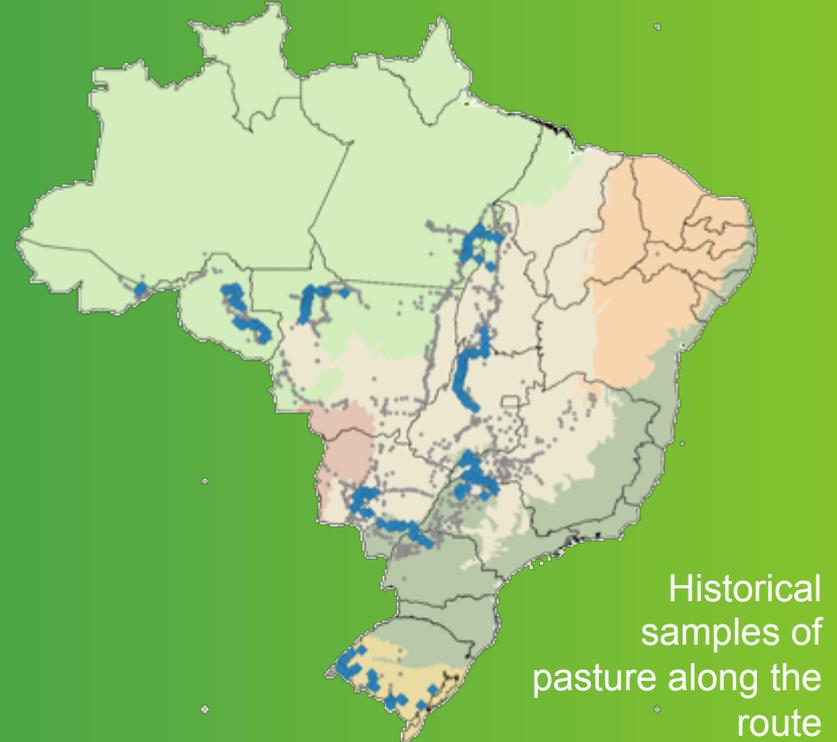


Rally da Pecuária 2018

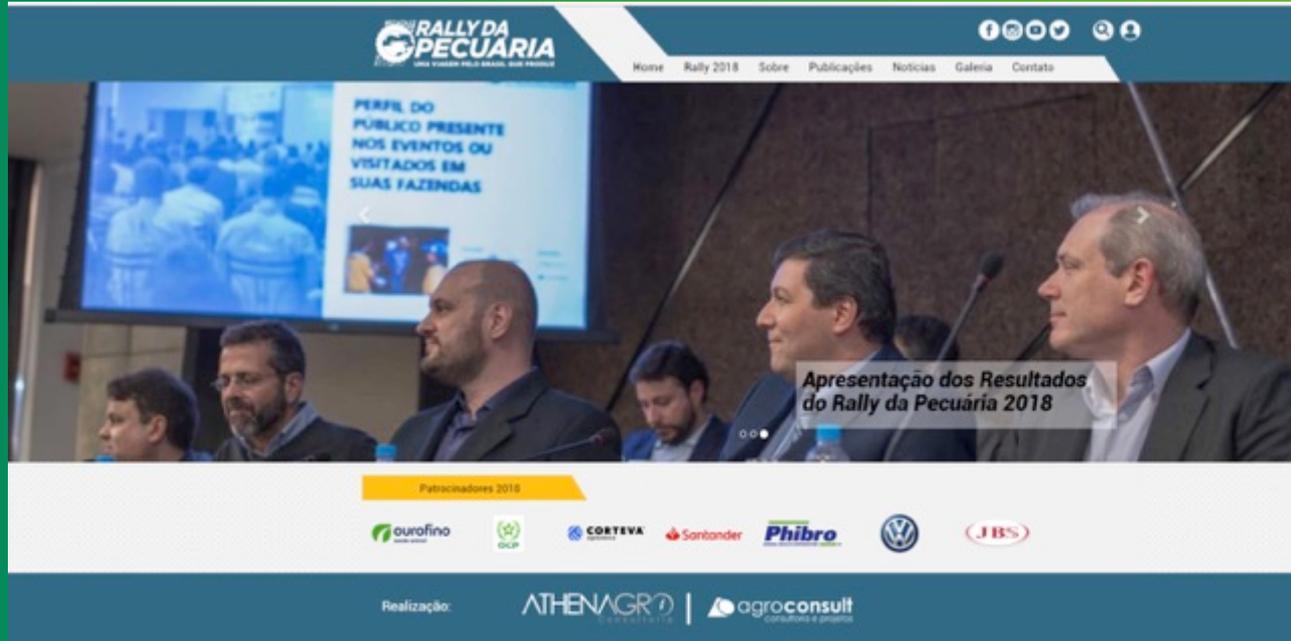
Public that were directly impacted by social media and e-mails:

- 15.600 producers
- Around 30 millions of animals
- 21 millions of pasture hectare
- 3.000 technicians

In 8 editions, 15.3 million cattle ranchers participated in the events and around 5.8 thousand questionnaires were completed;



Rally da Pecuária 2018



Ourofino was one of the 7 sponsors of 2018 edition

Rally da Pecuária 2018



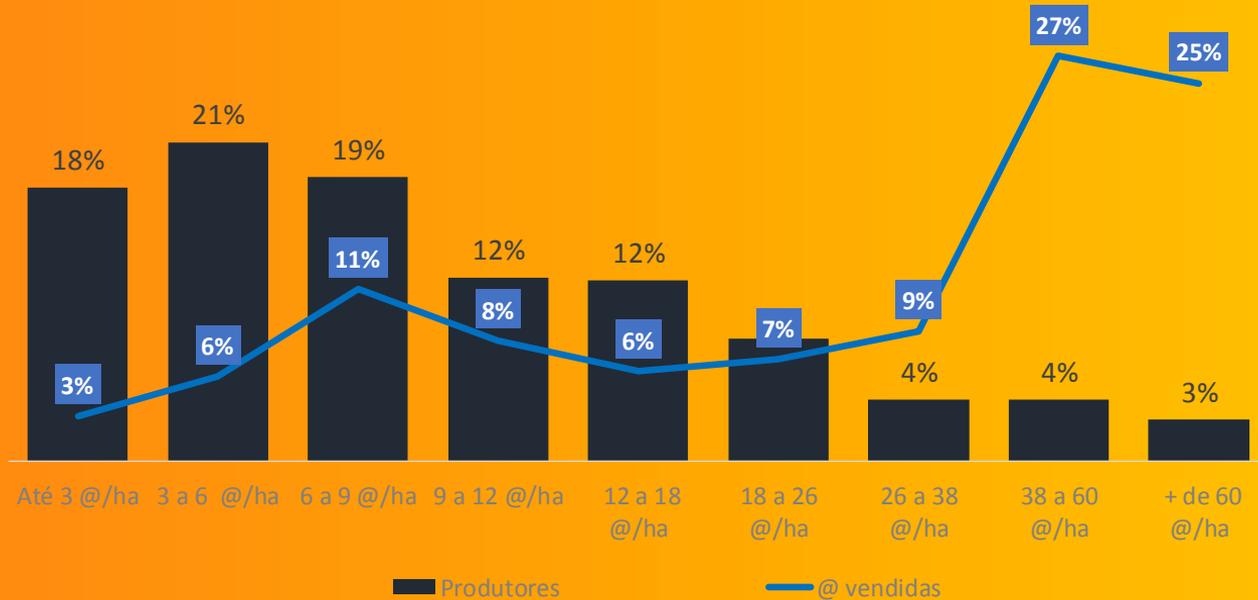
Rally da Pecuária 2018



Producers and sales by level of productivity

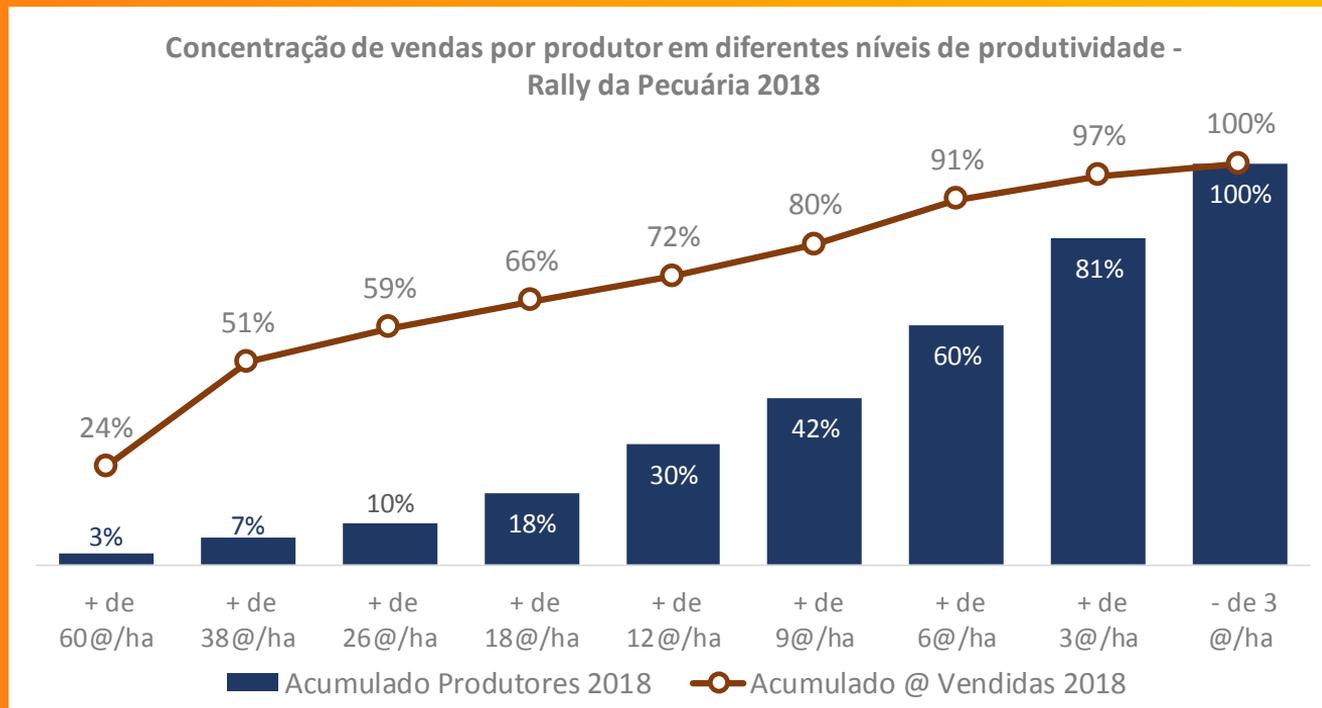
2018 public distribution by levels of productivity

Producers and sales of “arroba” over total



Source: Rally da Pecuária

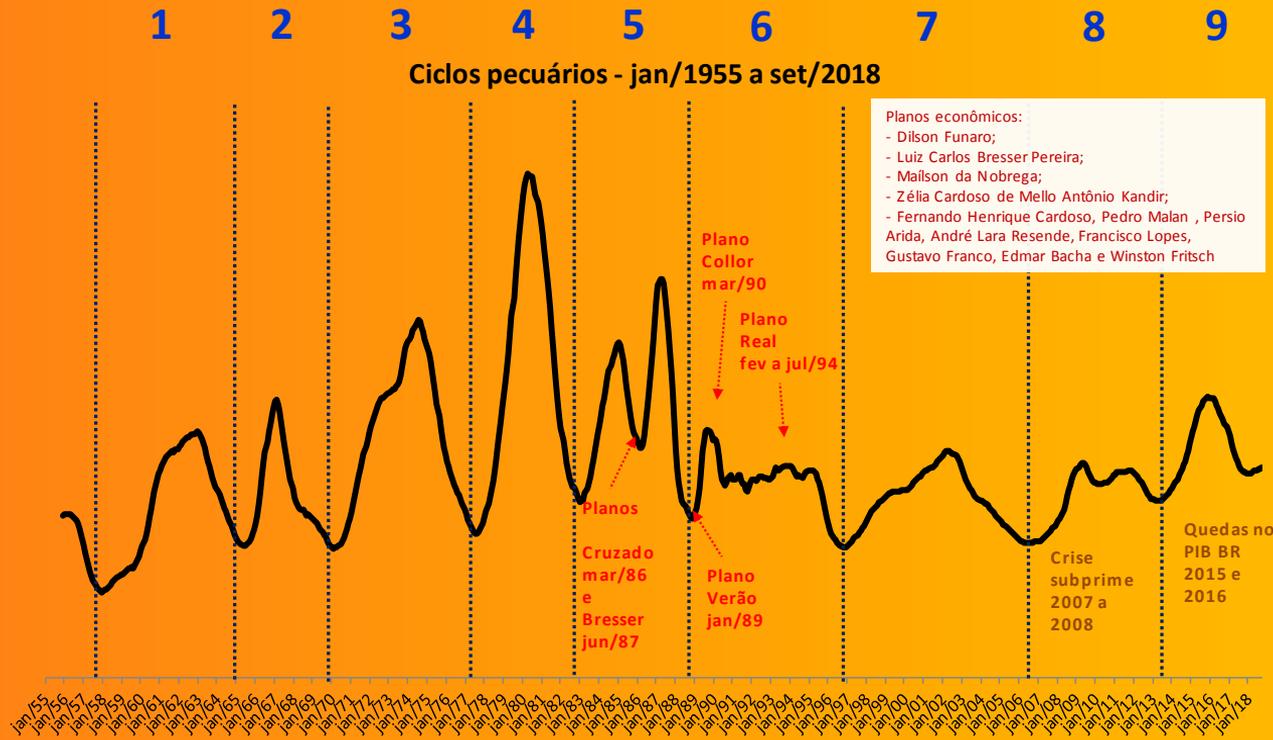
Concentration of sales by level of productivity



Even in a public with a productivity profile 2.5 times above the national average, the concentration is evident.

Group with similar or better competitiveness than grain production, sells 66% of the “arroba” of this sample.

Livestock cycle Ciclo is high

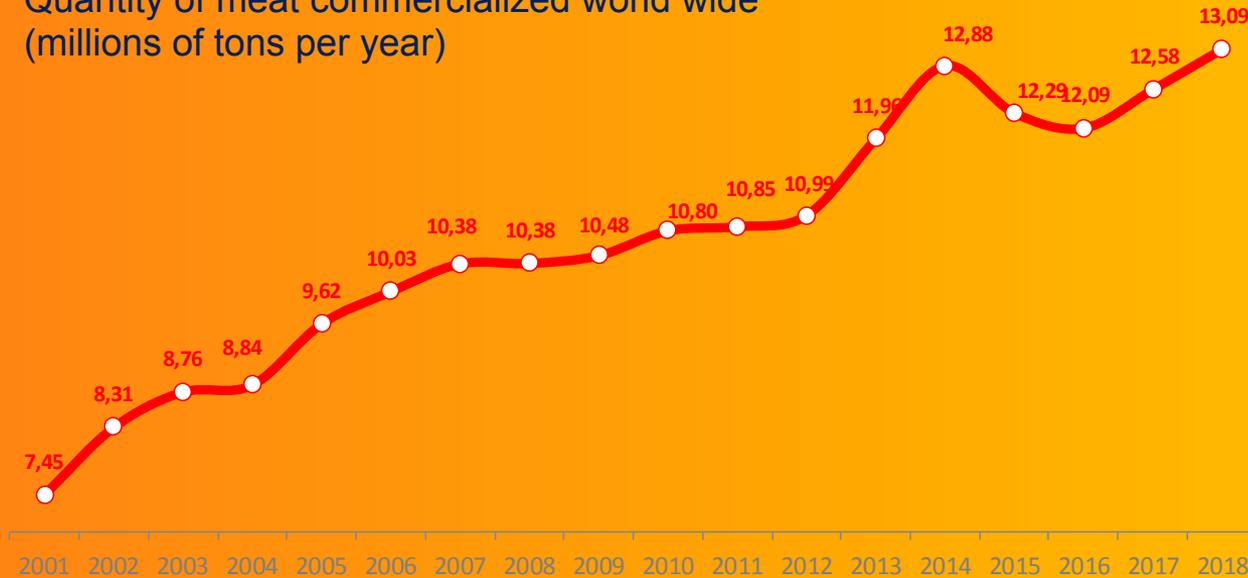


The upward cycle of livestock will further favor the more technology-intensive producers.

The gains will be in scale, while low-tech producers, despite high prices, will have few animals to sell expensive per unit area.

International Market

Quantity of meat commercialized world wide
(millions of tons per year)



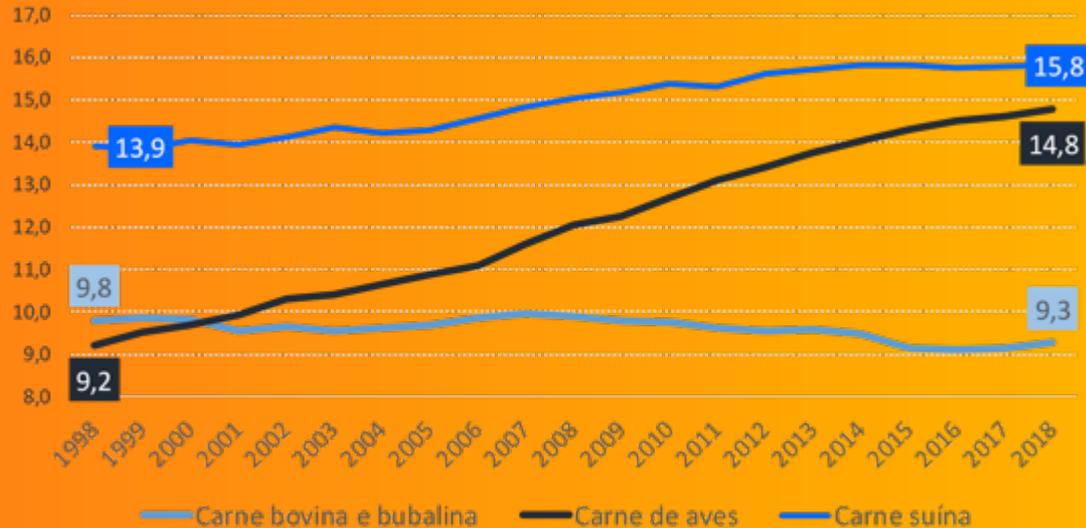
Global beef trade has been increasing over the years.

main players are Brazil, India, Australia and the United States.

India, with land and industrial difficulties, would be the greatest threat to Brazilian hegemony in this market.

External sales potential

World availability of meat evolution per capita
kg/year/person



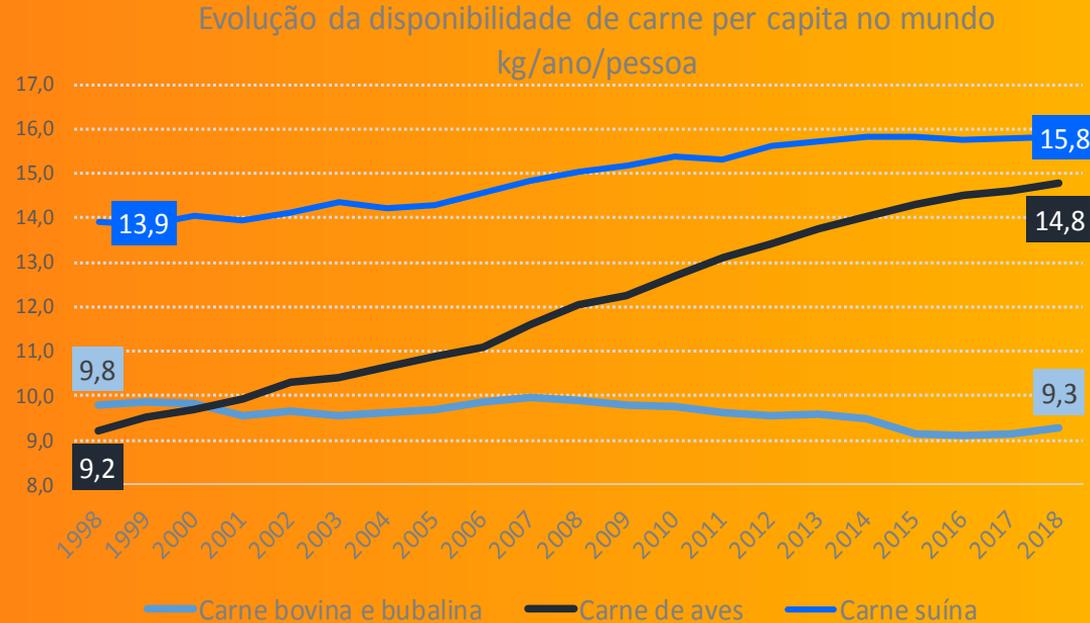
Source: Athenagro, dados FAO/
USDA

In the beef consumption projections, the Brazilian tropical production system has not yet been "tested."

Consumption of beef per capita only evolved by the price of meat produced in temperate environment.

As Brazilian production - at lower costs and prices than the world average - advances, the trend is that beef consumption per capita will increase.

External sales potential



Every eventual rise in the Brazilian production will have potential market to consume it.

Source: Athenagro, dados FAO/
USDA

Summary

A photograph of a herd of white cattle, possibly in a field or farm setting, with a semi-transparent blue overlay covering the entire image. The cattle are of various breeds, some with horns, and are looking in different directions. The blue overlay is uniform in color and opacity, creating a monochromatic effect.

New productive dynamics of Brazilian cattle farming favors the service and technological sector, since livestock farming is moving towards a reality similar to agriculture.

Summary

A photograph of a herd of white cows in a field, overlaid with a blue tint. The cows are looking in various directions, and the background shows some green foliage.

Long-term scenario is extremely favorable to Brazilian beef production. The greatest differential in Brazil is the feasibility of producing calves at increasingly competitive costs, in view of the favorable tropical environment.

Summary

A photograph of a herd of white cattle, possibly in a field or pasture, with a semi-transparent blue overlay covering the entire image. The cattle are of various breeds, some with horns, and are looking in different directions. The blue overlay is uniform in color and opacity, creating a monochromatic effect over the natural scene.

Short-term scenario is also positive. The reality of previous years of slaughtering females allows us to project two to three years of positive prices for national beef cattle.

An aerial photograph of a vast herd of cattle grazing in a field, overlaid with a blue tint. The herd is spread across the landscape, with some animals in the foreground and others receding into the distance. The text is overlaid on the left side of the image.

Brazil, future's mayn responsible for the beef production

- Projection of world population growth of more than 10 billions until 2050
- Opportunity for Brazil to increase supply of animal protein in the world





Mato Grosso, Brazil

- Largest cattle producer state in the country.

Mato Grosso, Brasil

- North Region/
MT: principal
producer region
in the state.





Ourofino Day
2018

José Leandro O. Peres

Agronomist Engineer/Manager
JP Agropecuária



Ourofino Day
2018

PONTAL System



History

- Year 2000 – Beginning/arrival.
- Degraded properties.
- Focus.
- Projects.
- Observation.



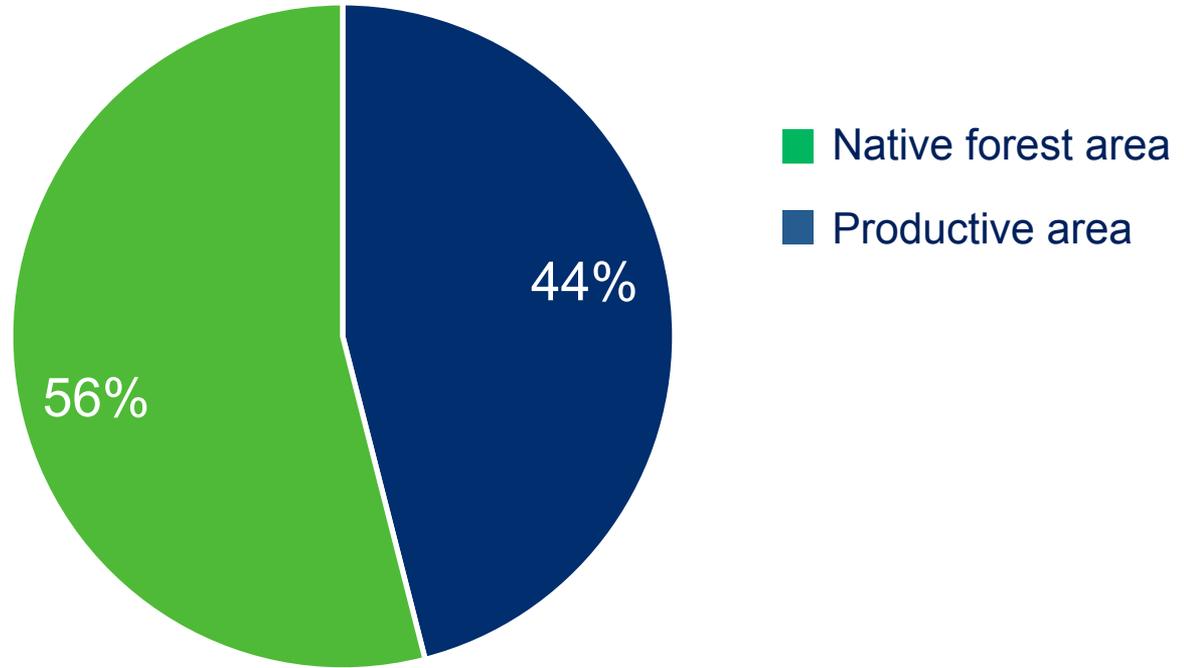
History

- Year 2004 – Agricultural introduction.
- Year 2010 – ILP.
- Year 2014 – EMI.
- Year 2018 – URT Embrapa.



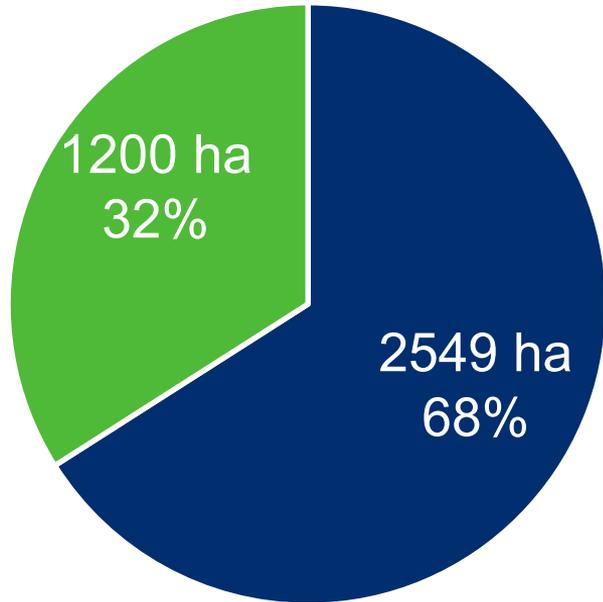
Production System– Faz. Pontal

Total area– 8.554 ha



Production System – Faz. Pontal

Productive area– 46%



■ Grain area

■ Pasture area

Agricultural Area



■ Soil and silage coverage

■ ILP

JP Agropecuária - Cattle

FAZ. PONTAL	7.247 animals (5.177,14 U.A)
FAZ. FLOR DA SERRA	2.039 animals(1.398,77 U.A)
TOTAL	9.286 ANIMALS (6.575,91 U.A)



Pontal System

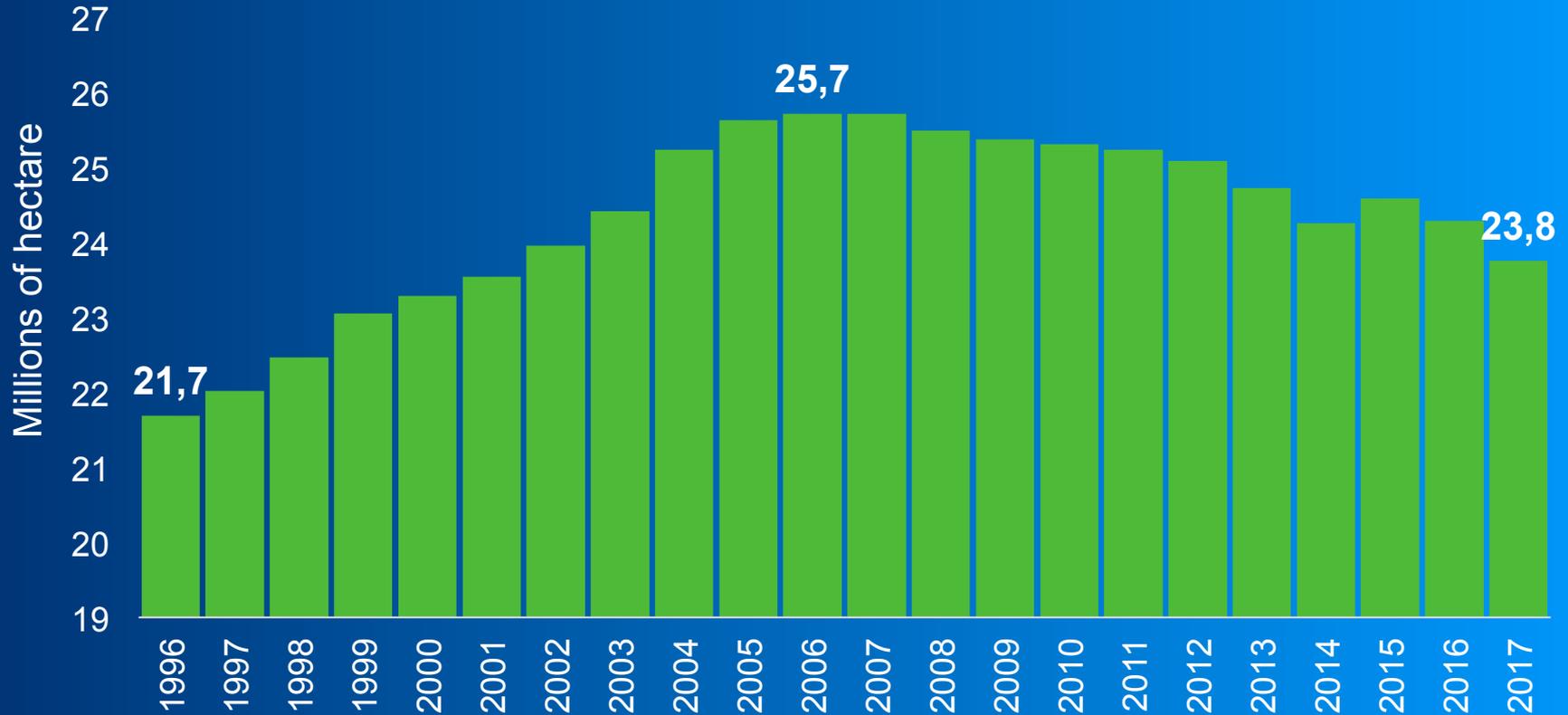
- **G**estão de **P**astagem (Pasture Management) = **GP**
- **I**ntegração **L**avoura-**P**ecuária (Agriculture-Livestock Integration) = **ILP**
- **E**stação de **M**onta **I**nvertida (Monta Invertida Station) = **EMI**



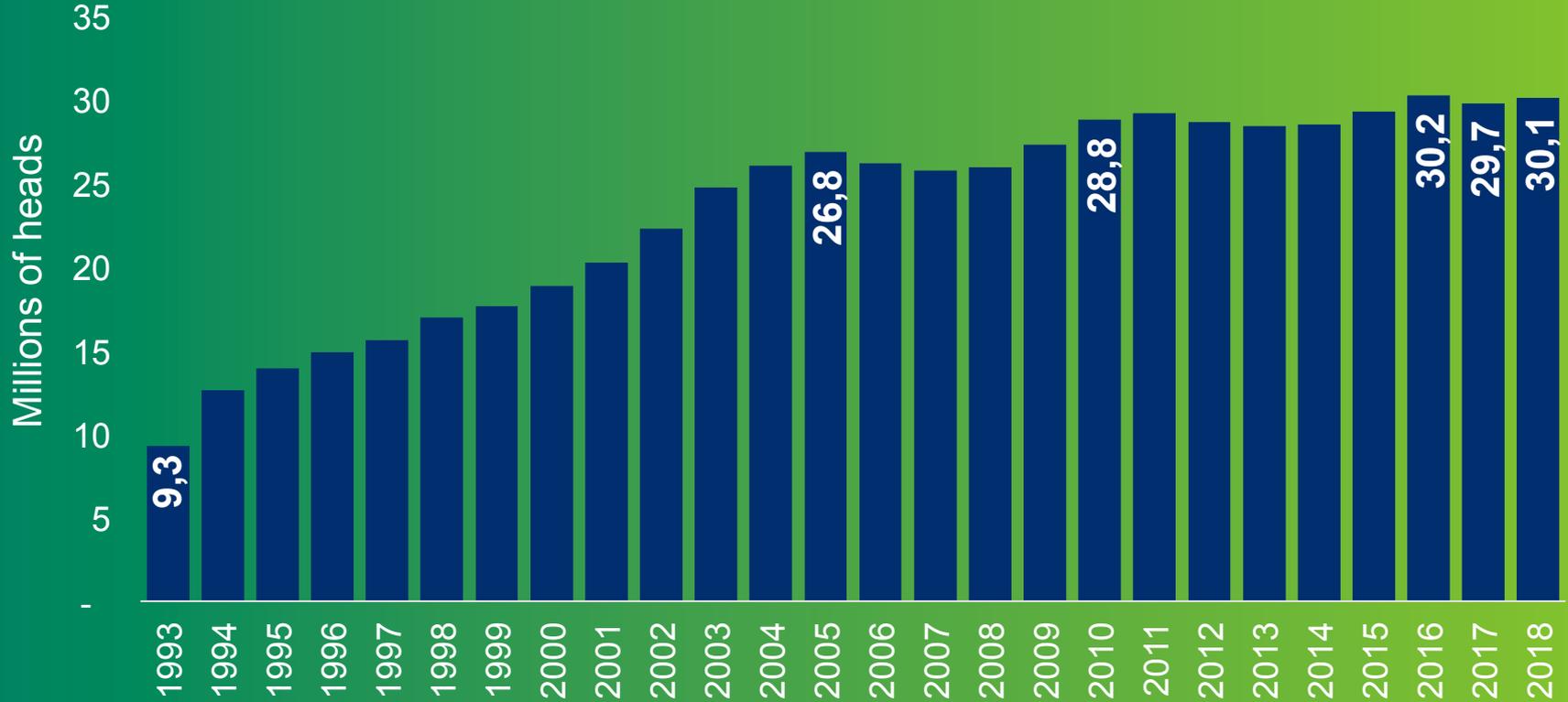
Pasture Management

- Efficient pasture management (rotational system).
- Sustainable dry (decrease from 40% to 50% the conventional pasture capacity).
- ILP + Semi + Confinement.

Pasture area at Mato Grosso



Cattle evolution at Mato Grosso





Source: personal achieve



Source: personal achieve

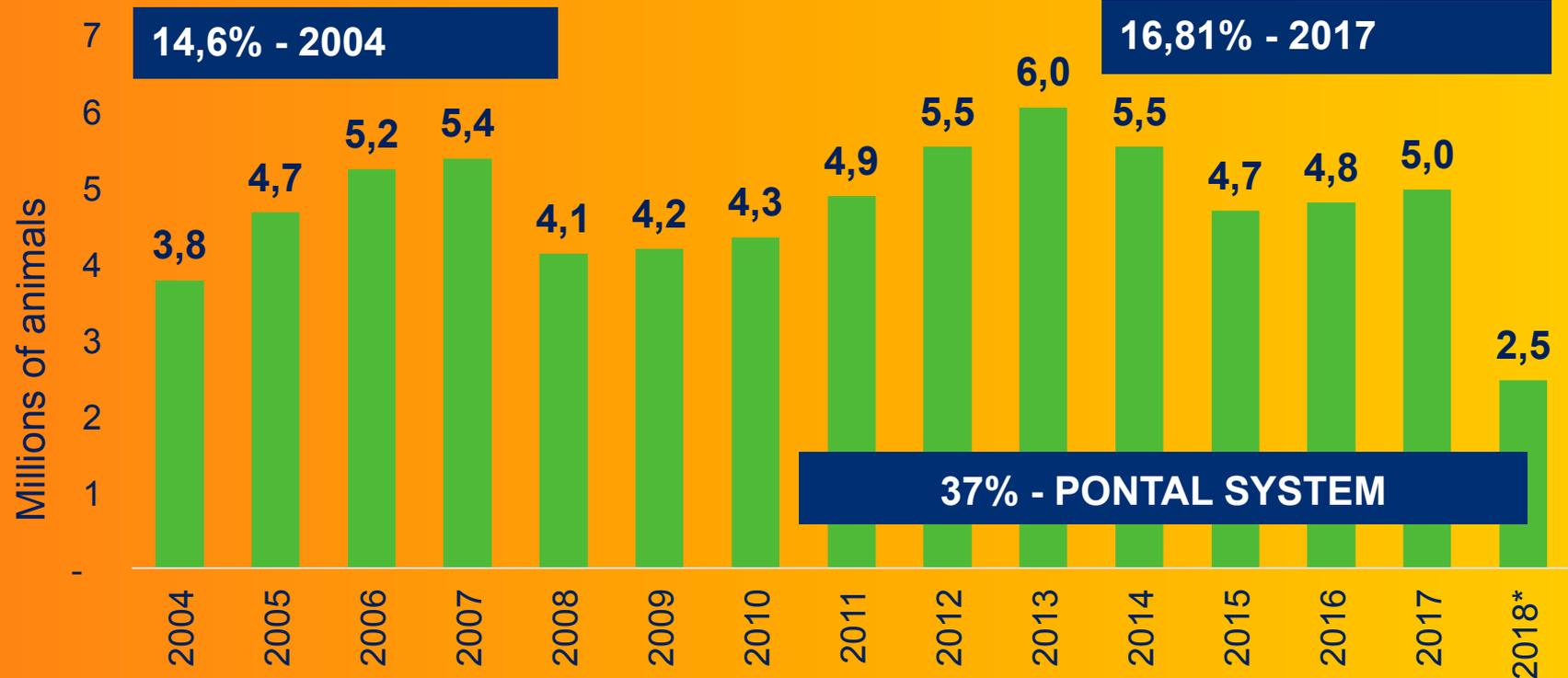


Source: personal achieve



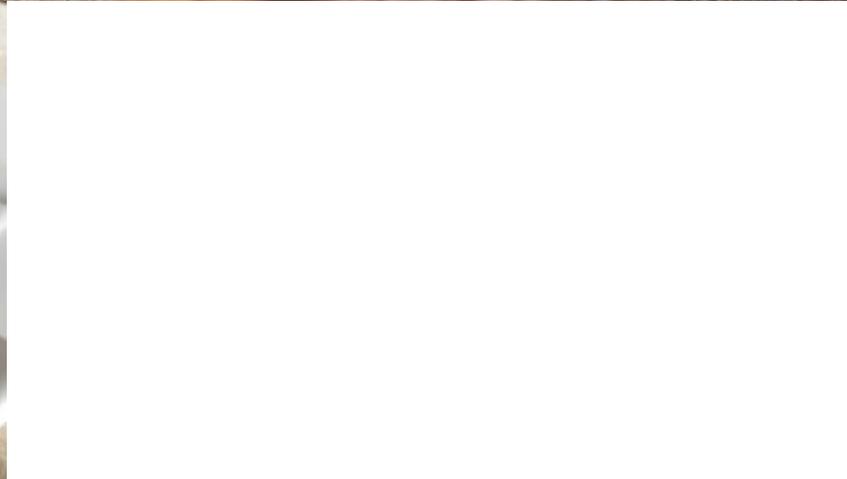
Source: personal achieve

Cattle slaughter at Mato Grosso









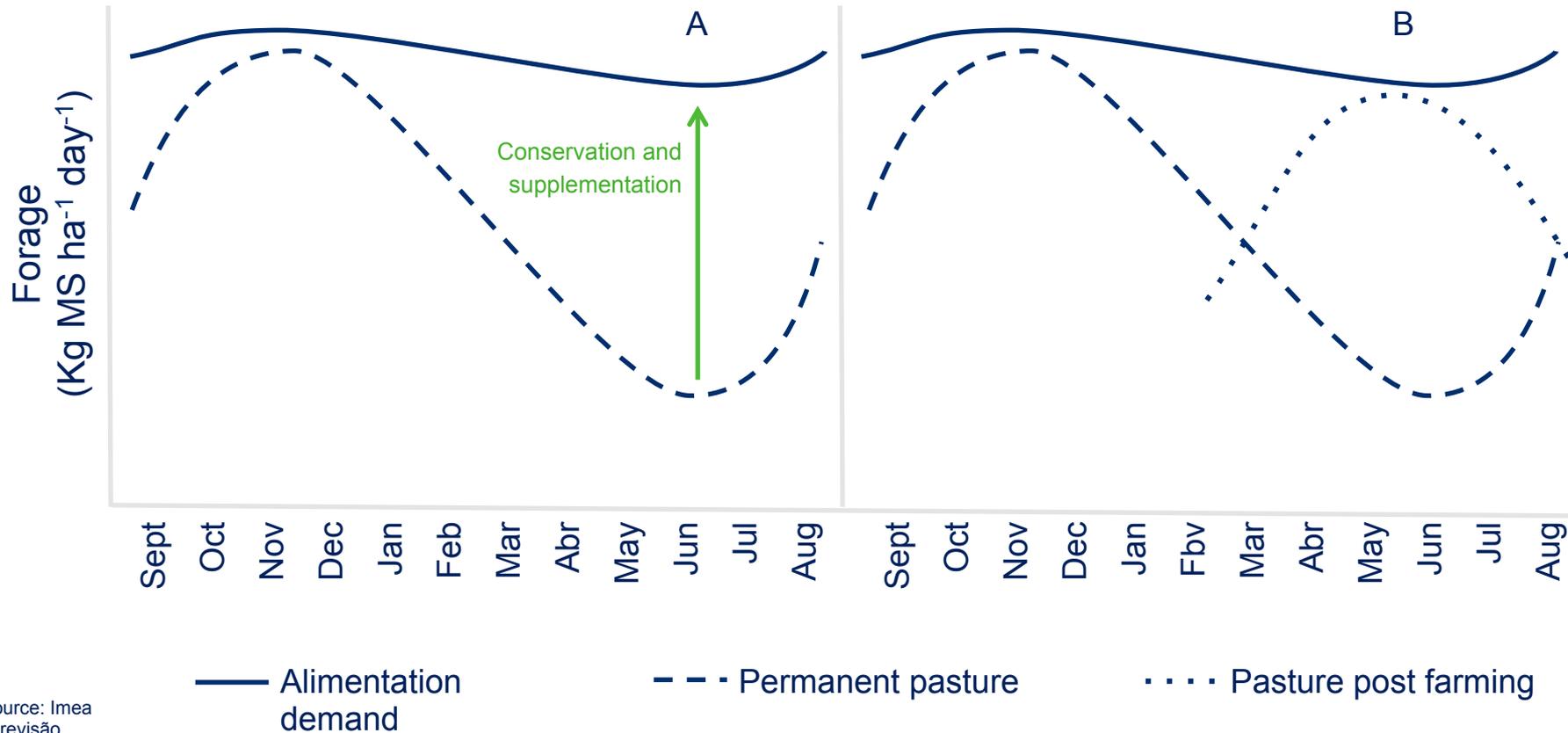
ILP – Vision of ILP through a cattle rancher

- Productive potential
- Capacity maximum through varieties
- Pasture longevity.
- Pasture area with quality.

ILP – Vision of ILP through a cattle rancher

- Pasture priority: primiparous and recreation (rep./prod.).
- Approximately : + 5 sc of soy per ha “(consorciado forrageira + nabo forrageiro + lab-lab)”.
- Provides EMI.

ILP



ILP

An aerial photograph of a vast soybean field during harvest. The field is divided into long, straight rows of golden-brown crops. In the foreground, a black metal structure, likely part of a combine harvester, is visible. The background shows a line of trees under a cloudy sky.

Soy: harvest
01/25 - 03/15

ILP

Forage truck: plantation
(25th of Jan – 15th of March)



ILP

Harvest days: 03/20 – 10/31







Source: private archive

ILP

Soy: plantation
(15th of Oct – 15th of Nov)





Source: private archive

EMI – Estação de Monta Invertida (Monta Invertida Station)

Advantages:

- Period of weaning.
- Productive and reproductive efficiency.
- ECC cow recovery.
- Cows discards 1st semester at low cost / strategic for drought.

EMI – Estação de Monta Invertida (Monta Invertida Station)

Advantages:

- Better marketing calves (1st half technical / 2nd opportunity).
- Calves farm / intensive rearing (meat - reproductive), taking advantage of the potential of the waters + ILP (grazing system + nutrition).

Advantages

May
30kg

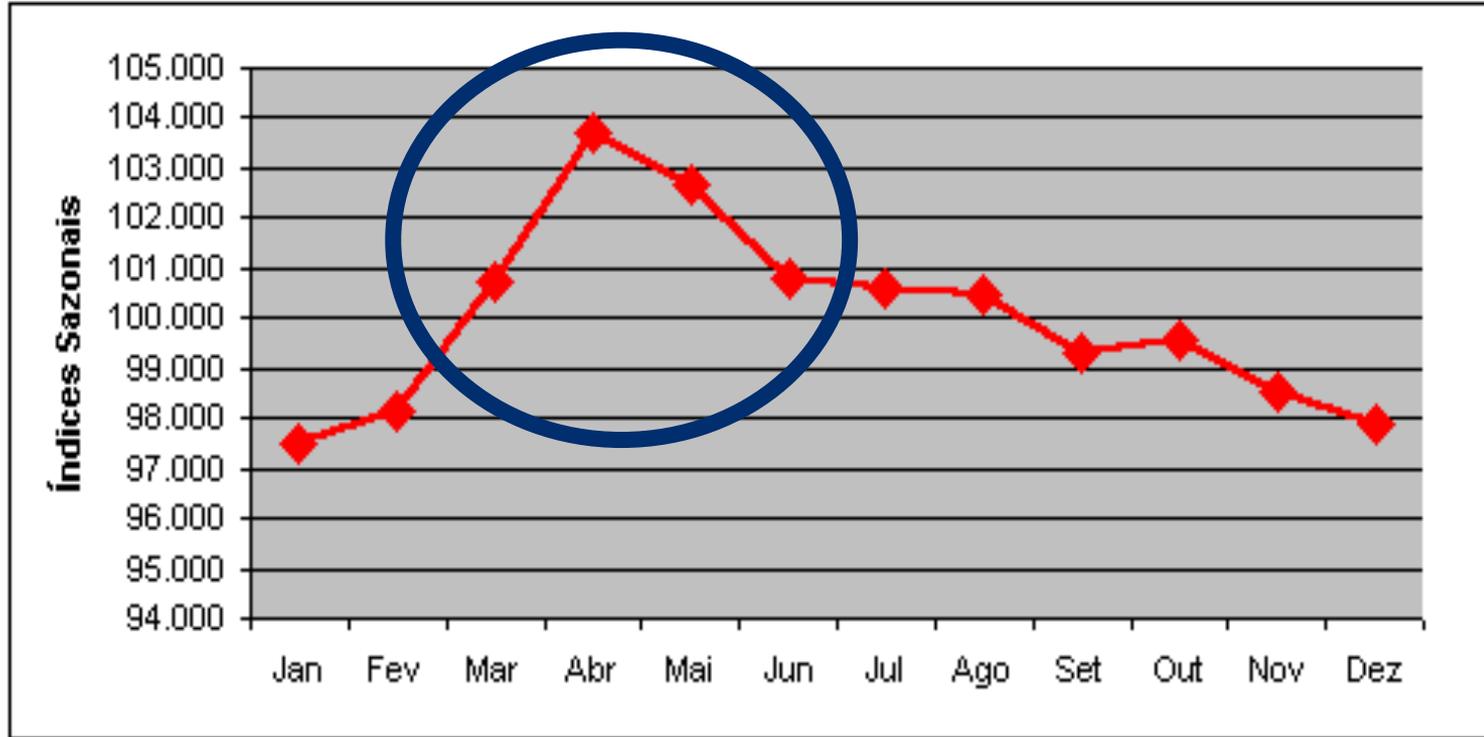


February
260kg



Young Animals

Advantages



Advantages

May
30kg



February
260kg



August
420kg



October
510kg



Breeding



Rearing



Confinement



Inverted Station

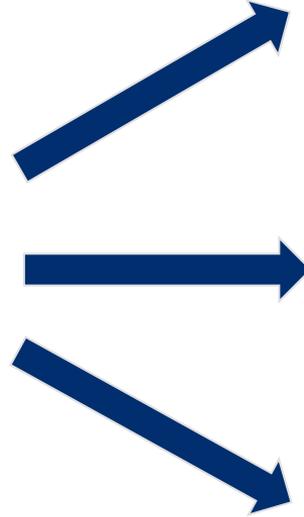
May
30kg



February
260kg



Breeding





Source: private archive



Source: private archive



Source: private archive



Source: private archive



Source: private archive

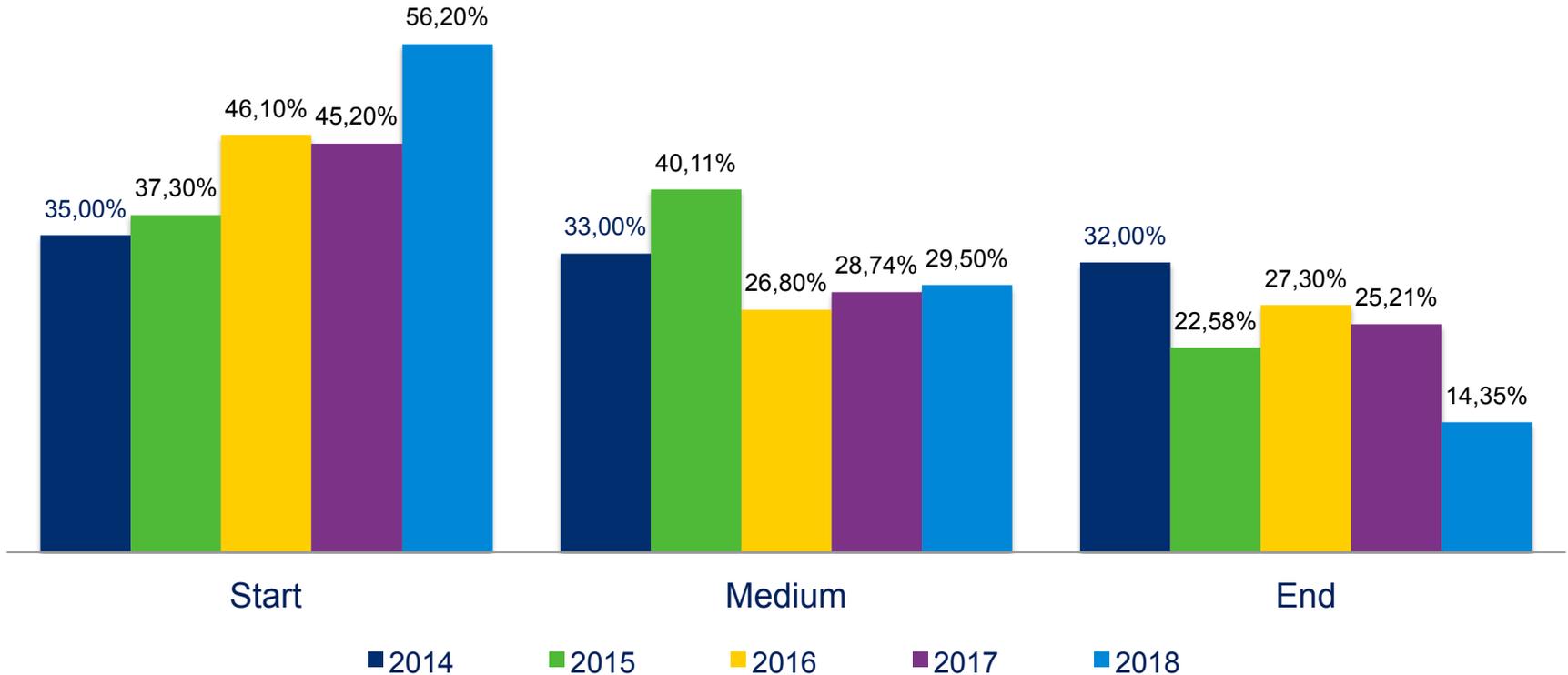
EMI – Estação de Monta Invertida (Monta Invertida Station)

Advantages:

- IATF (lots / corral without mud / negotiation protocols, service providers).

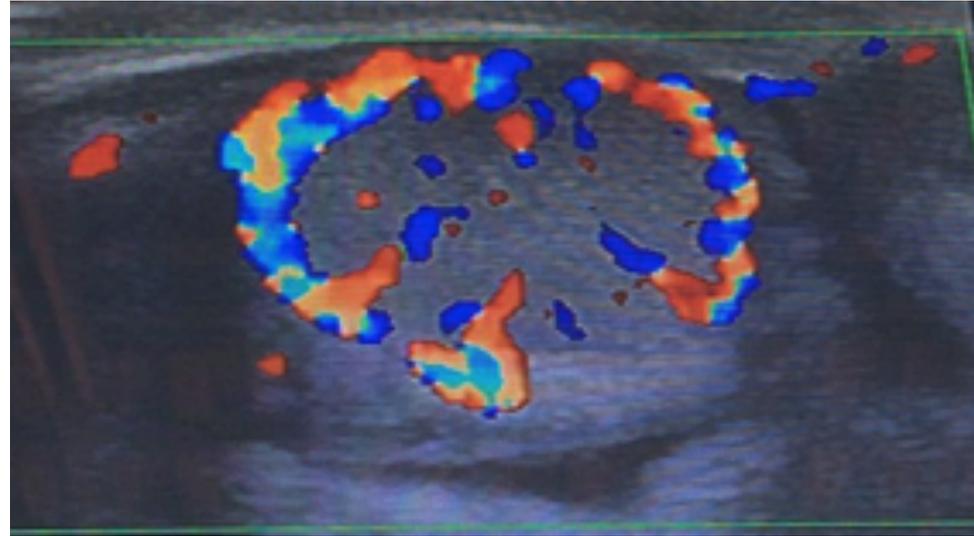
Pregnancy Distribution

Services Distribution

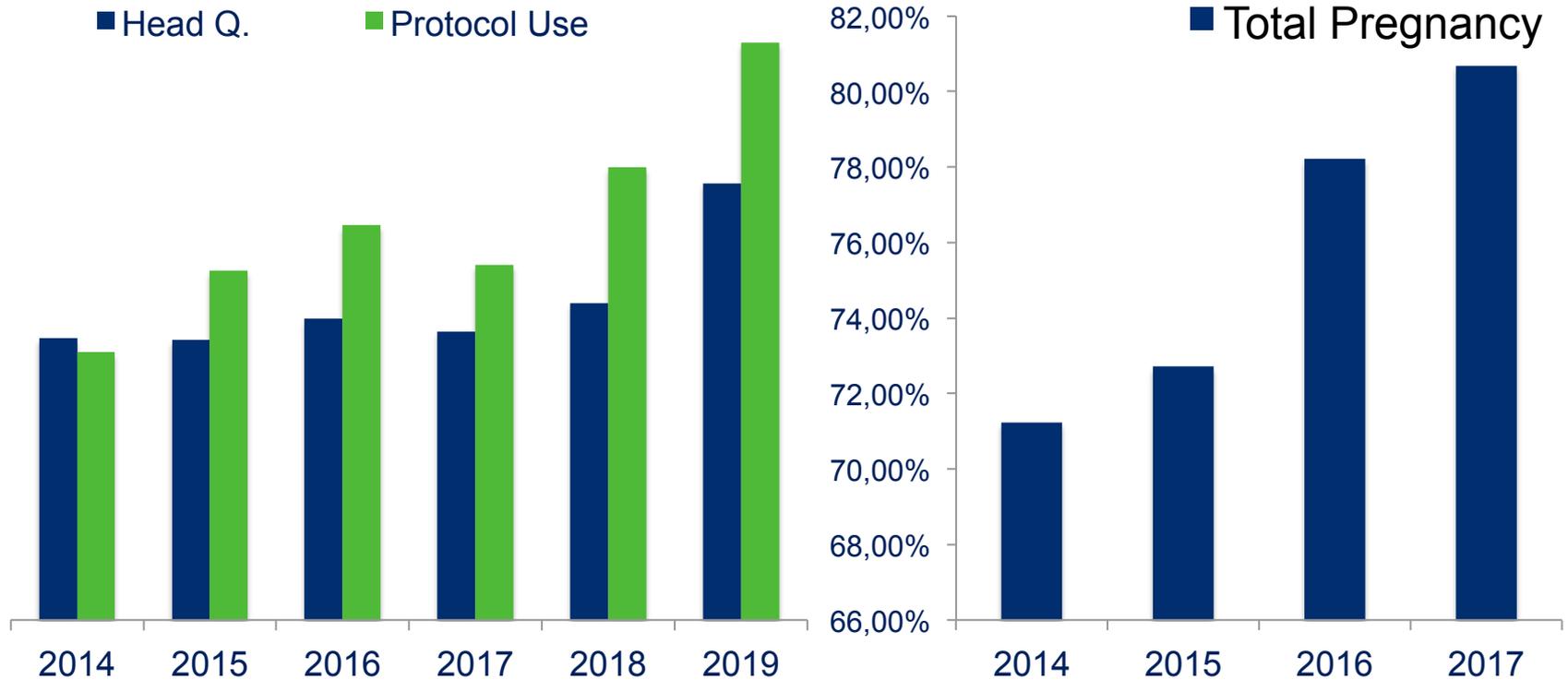


Doppler

- Diagnosis within 22 days.
- 2 IATF in 24 days.
- Improves the pregnancy distribution.
- Better profitability.



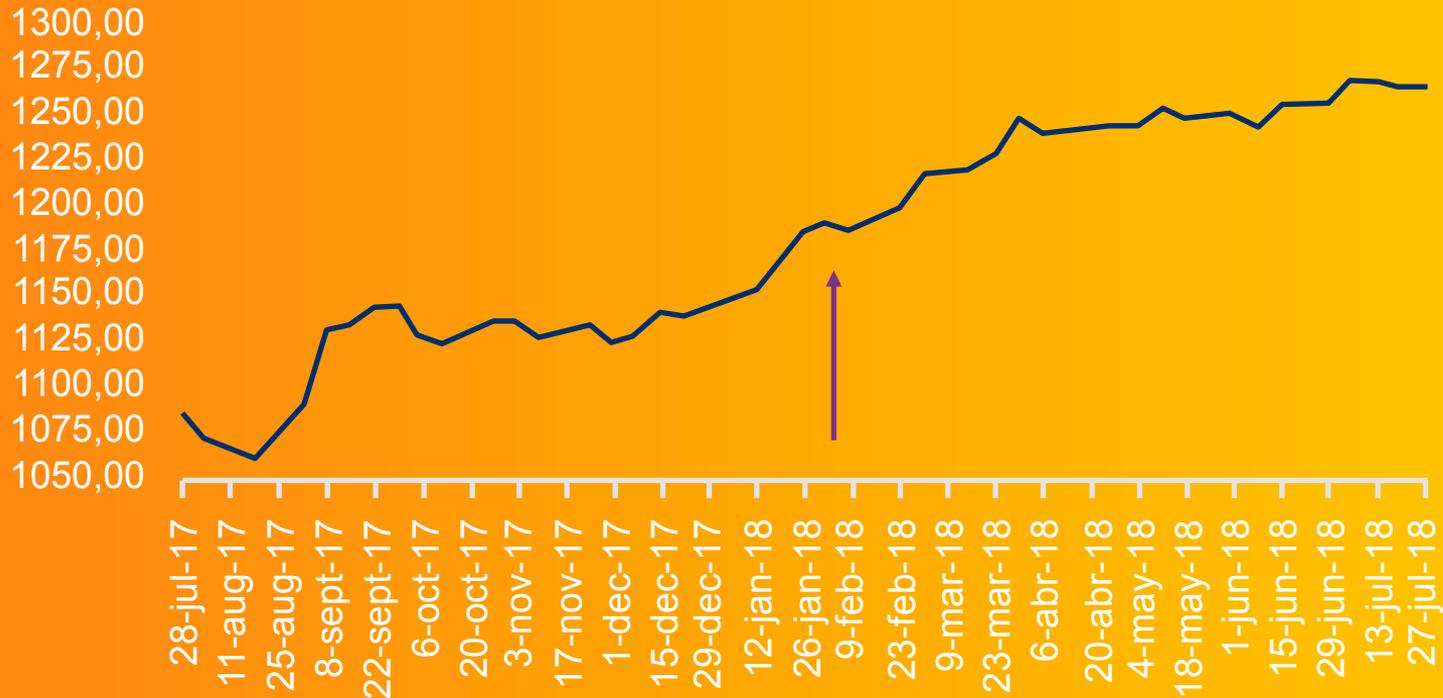
Breeding intensification



GP + ILP + EMI
=
Pontal System



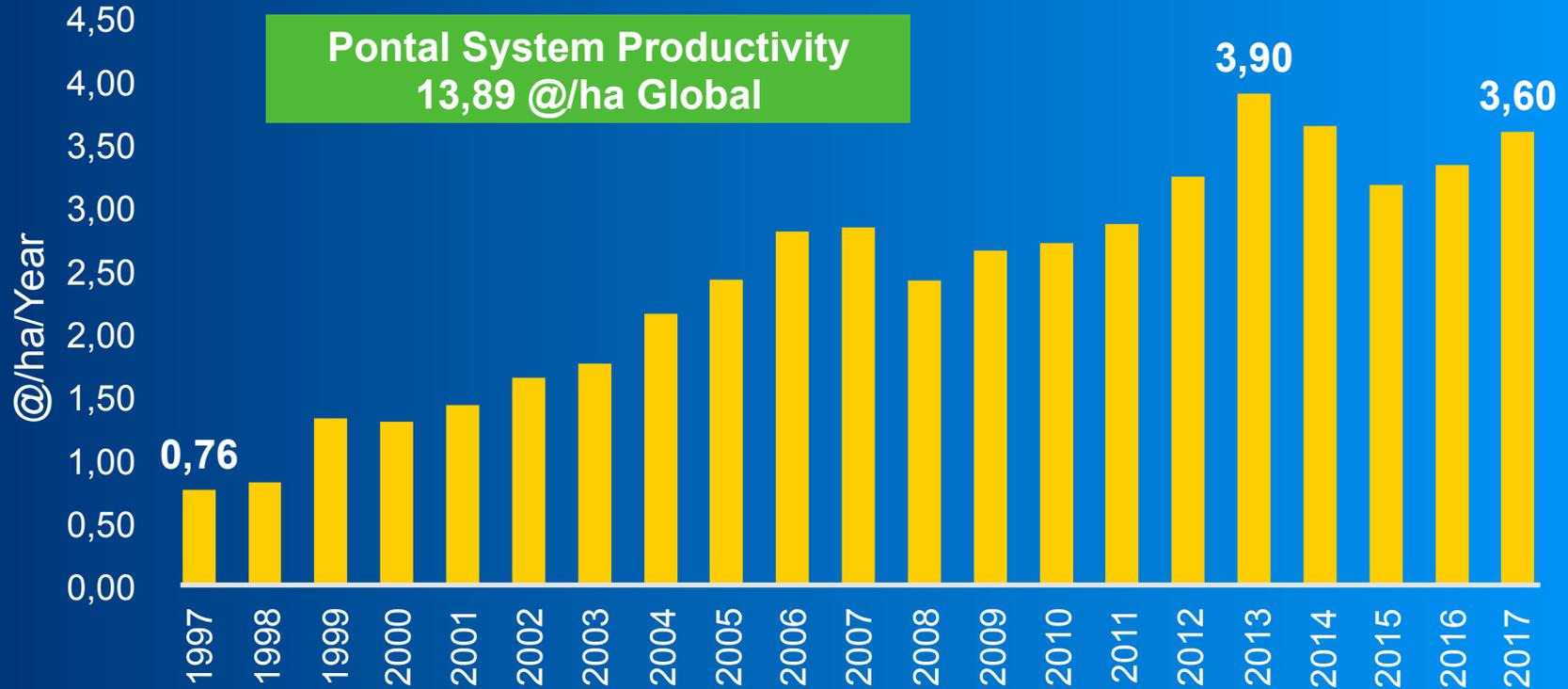
12 month calve price indicator in Mato Grosso (BRL\$/head)



Fat Ox price in Mato Grosso



Bovine farming productivity in Mato Grosso



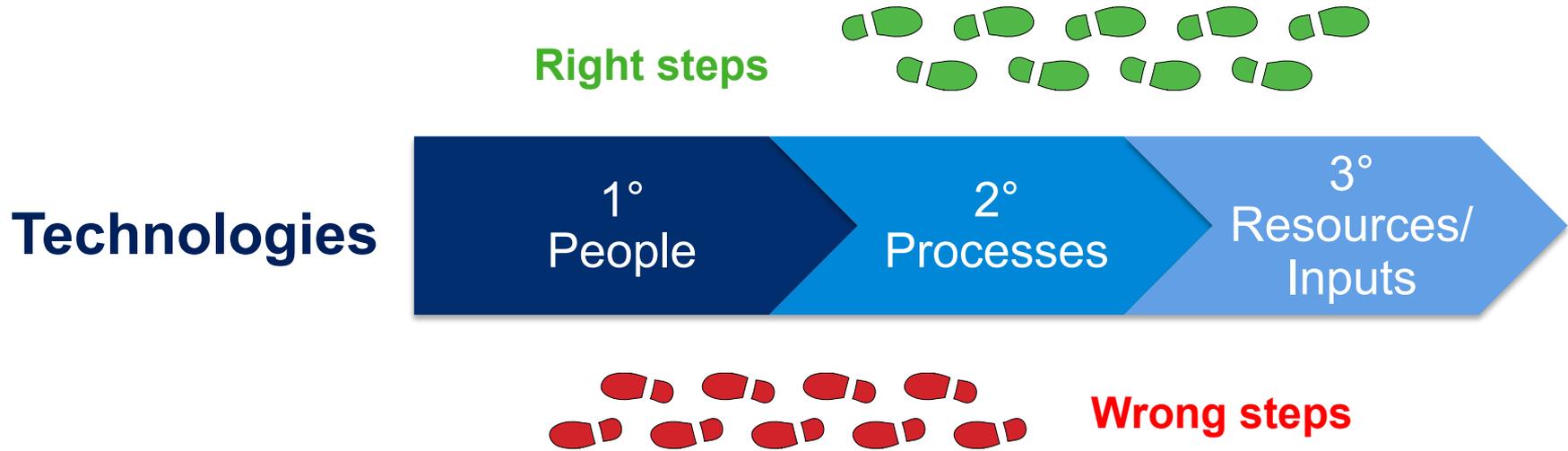


Source: private achieve





Intensification



The input is coadjuvant, not the protagonist.

Acknowledgments:

- Our team.
- Ourofino.
- Ricardo Surjus (Reproduction Management).
- ILPF – EMBRAPA / IMEA (Sinop).
- Bellman (Animal Nutrition).
- Lagoa da Serra / Tulipa Agrop. (Genetic Improvement).
- VPJ / Frigobom (Refrigerators partners).
- Gasparim (Seeds).
- Gerente de Pasto (Grazing Management).



Ourofino Day
2018

Carlos Calzada

Commercial Director
Production Animals





Perspectives for Protein Production
Vision for 2017-2027



15.8 million
of tons produced



growth of 23%
comparing to 2016



5.7 millions
of liquid tons exported



growth of 31% comparing to
2016



4.7 millions
of tons produced



growth of 27%
comparing to 2016



952 thousand
of liquid tons exported



growth of 30% comparing to
2016



11.2 millions

tons of meat produced

↑ growth of 11% comparing
to 2016



2.0 millions

**of liquid tons exported of
bovine meat**

↑ growth of 53% comparing to
2016



Bovine herd

237.4 millions

heads of slaughter cattle 2027

↑ growth of 9% comparing to
2016



46.2 billions
of litter of milk produced

↑ growth of 37%



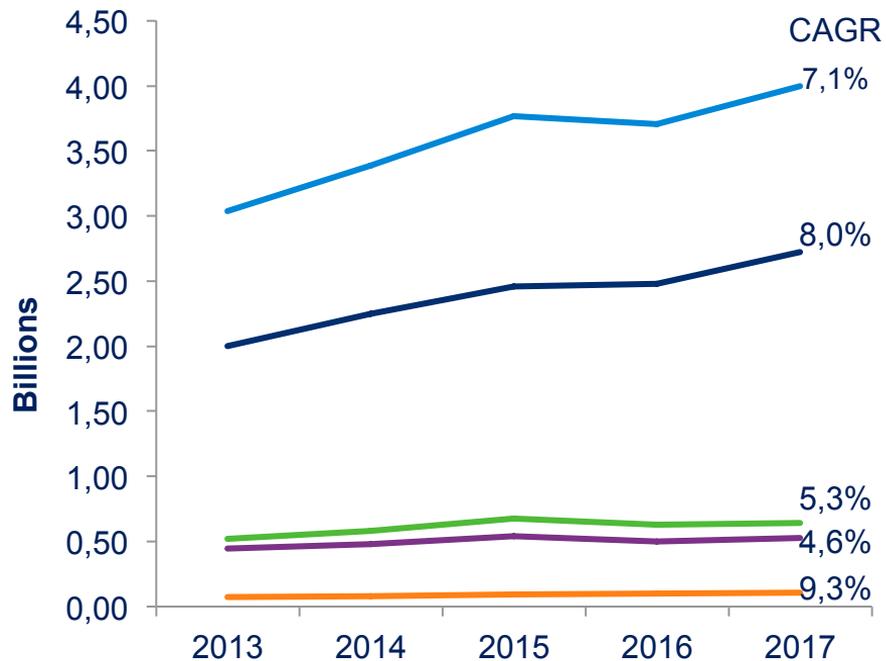
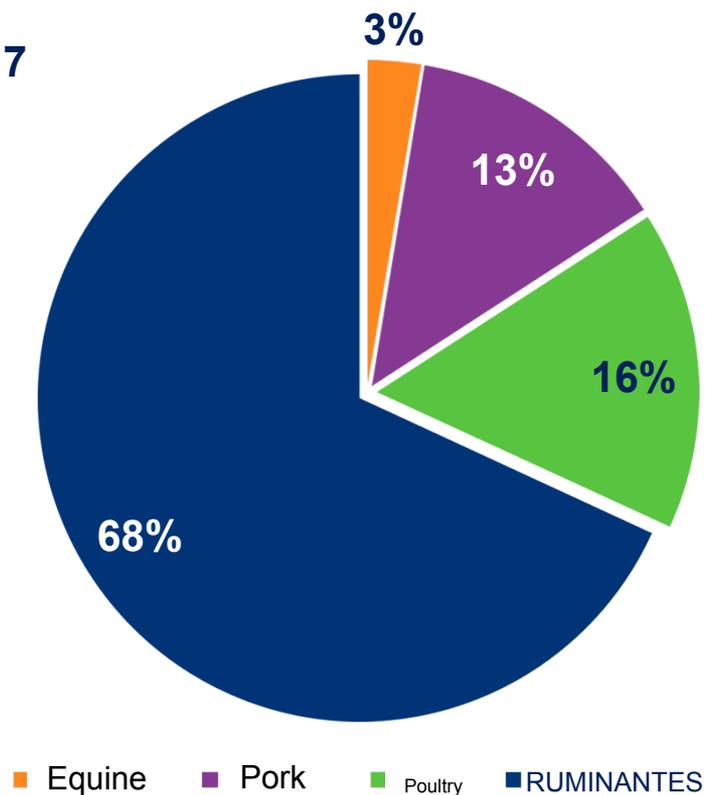
20.4 milhões

of heads 2027

↑ growth of 4% comparing to
2016

Species

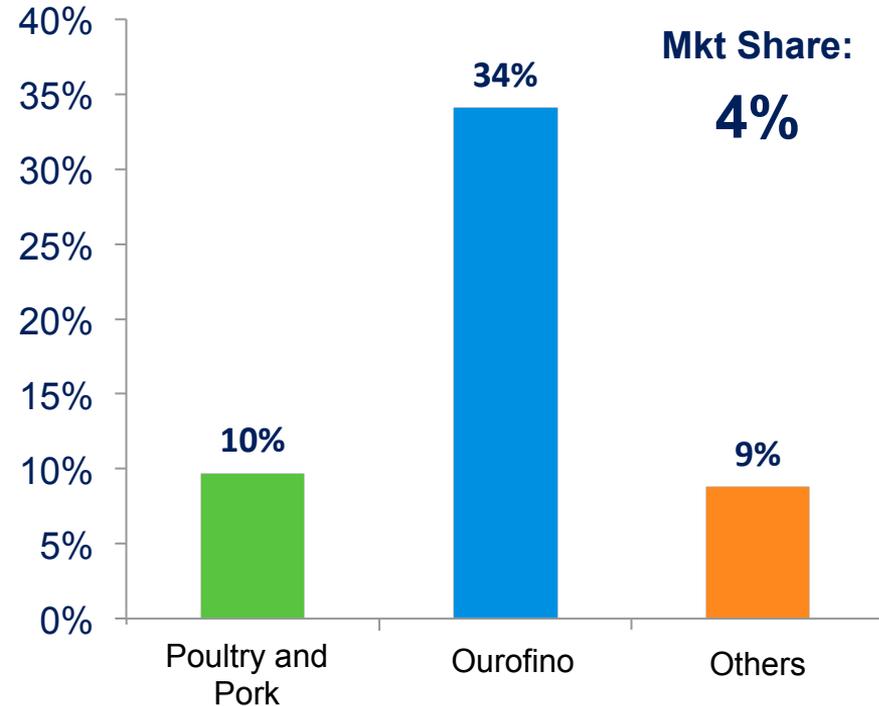
2017



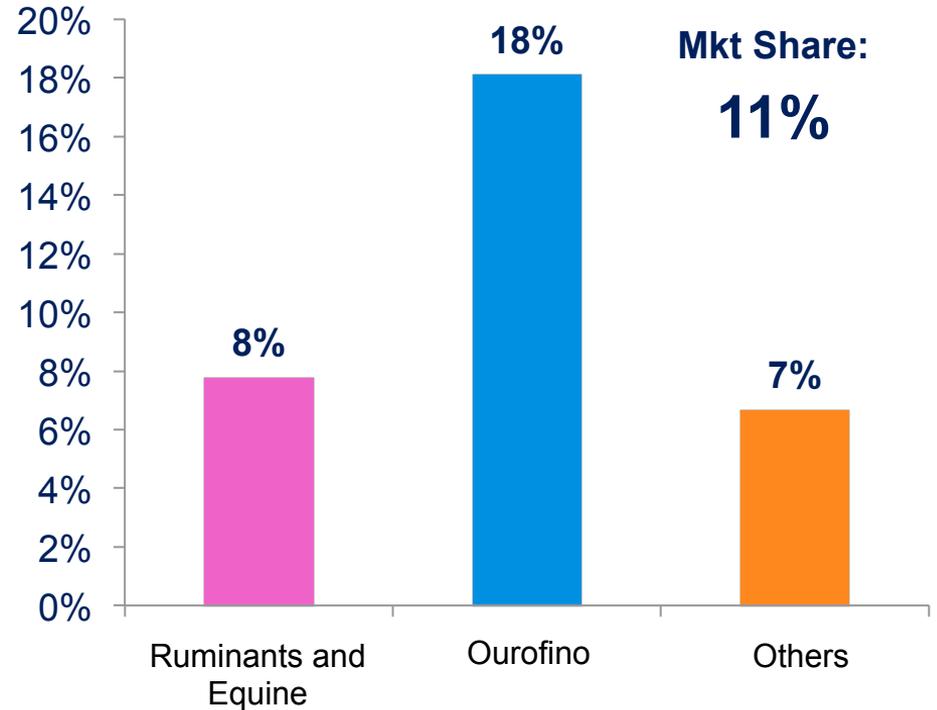
Evolution and Market Share 6M2018

Source: SINDAN

Poultry and Pork



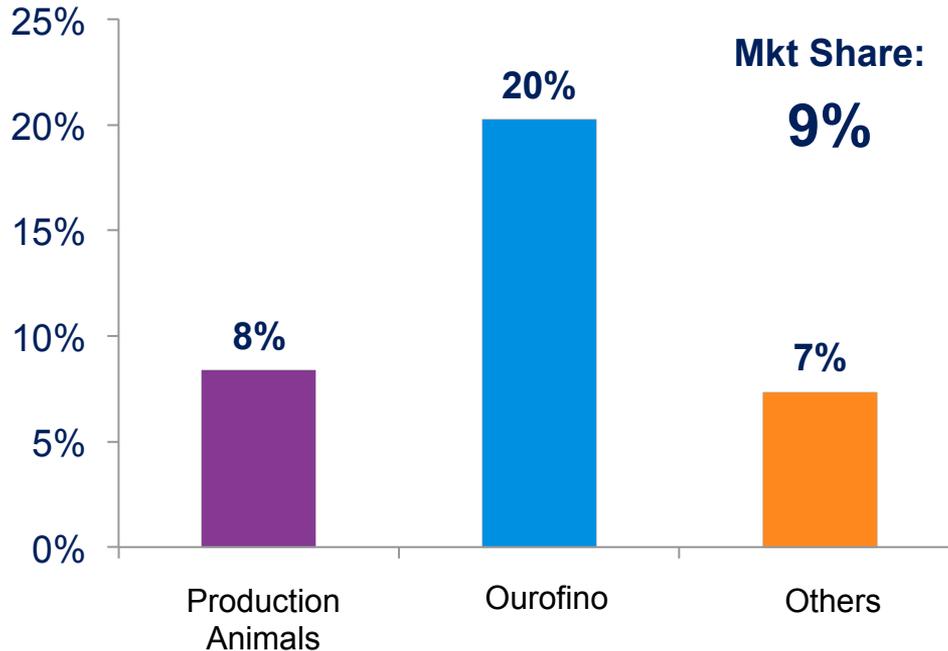
Ruminants and Equine



Evolution and Market Share 6M2018

Source: SINDAN 18

Production Animals

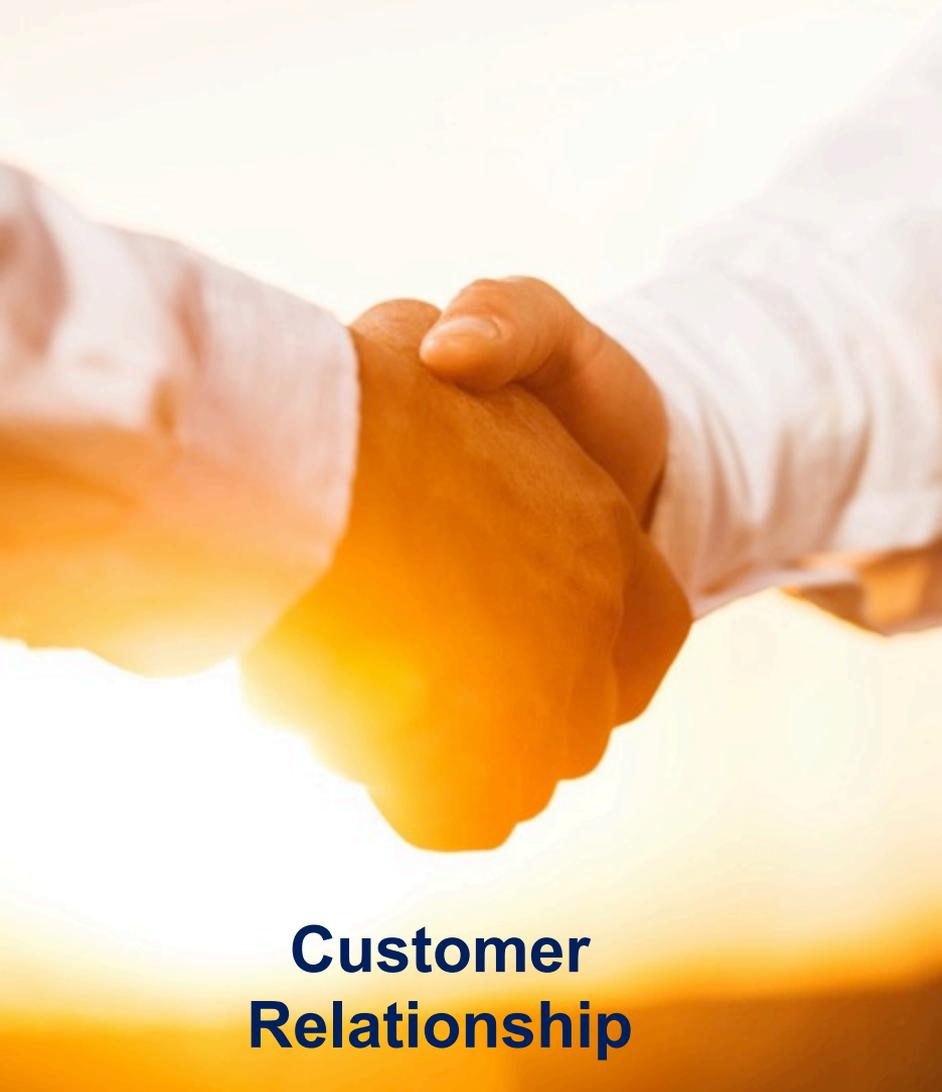


Participative Mkt Share

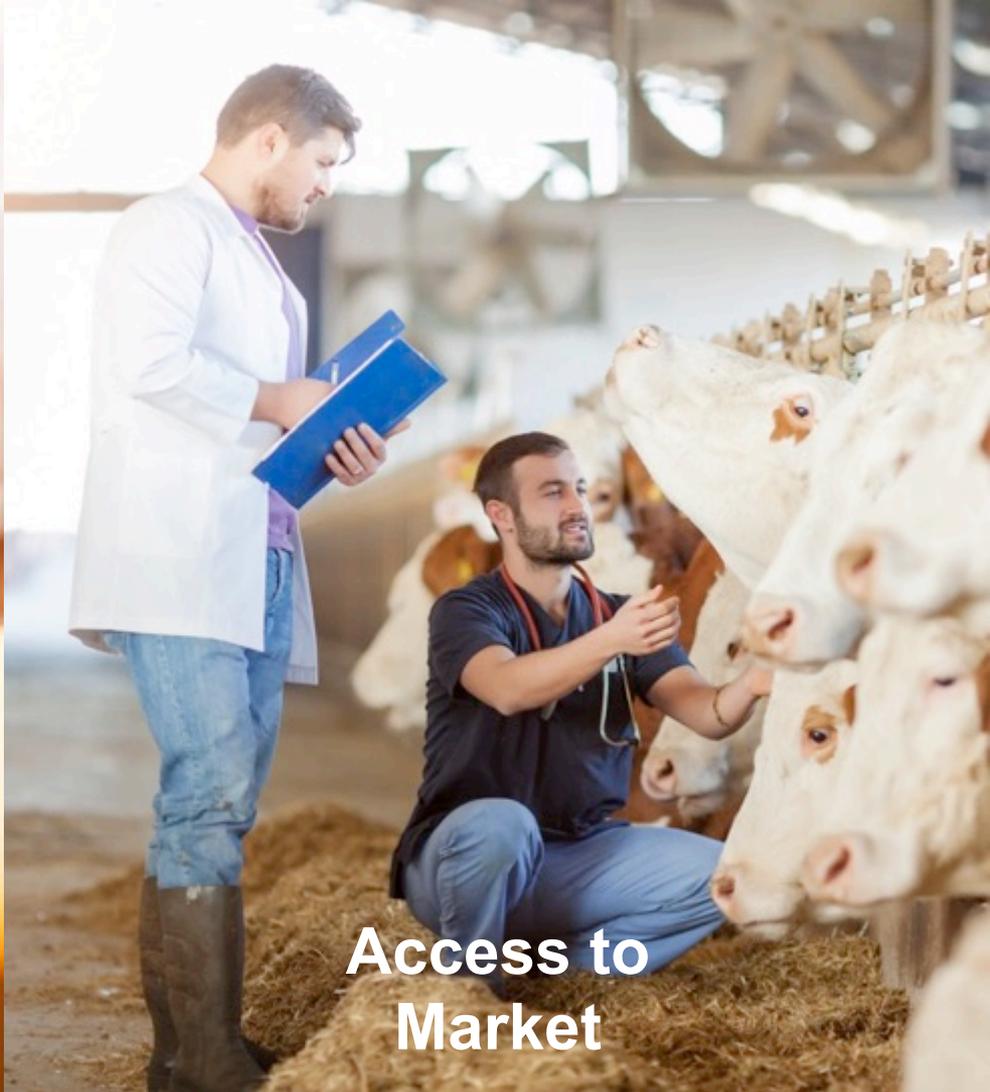
Production Animals: **15%**
Poultry and Pork: **14%**
Big Animals: **15%**

**What make us
different?**





**Customer
Relationship**



**Access to
Market**

1020 Clients in Relationship Programs

Aliança Program

420 clients – distribution channel

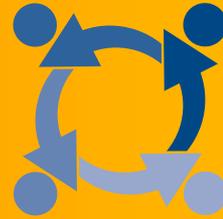
Gold Client Program

596 cattle rancher clients

Abrangente Program

4 agro-industries in 103 units

- Relation that goes beyond the sales of products.
- It brings people together, improves processes, and brings economic benefits to both companies.
- Trainings with leaders.
- High performance.



Abrangente

Pessoas e Processos
em Perfeita Sinergia.

**Enriches
the human
factor**

Abrangente Program



BRF:

- 30 Technical Trainings
- 480 Technicians and Integrators
- 10 units participated
- 400 people were developed

Aurora:

- 11 units participated
- 517 people developed

JBS:

- 29 Technical training
- 380 Extensionals

Sales Strength

6.355
clients



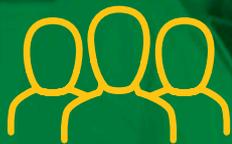
85
Sellers



41 mil
visits

9M 2018

Demand Strength



80 Technical consultants



13 mil registered farms



27 mil visits to U.P.



2 mil workshops and training sessions



25% of the demand together
with the final customer

9M 2018

Segmentation of the Productive Units (U.P.)

2,555,333 Rural properties with cattle

99% of the Brazilian cities

415 thousand milk producers

35.6 thousand produce more than 500 liters/day

433.458 establishments represent 78% of the slaughter

40% of the national cattle are producers up to 500 animals



CANAL DO BOI

NET

Claro^o-tv



Parabolic antenna



28 millions
of houses with parabolic antennas

80 millions
of people reached

Total Impression:
6,000 magazines



Magazine Ourofino at the Field

One of the most important communication
channel with the clients

Present in the most important social media

Facebook
88.362 likes

Twitter
8.653
Followers

Instagram
22.469 followers

LinkedIn
60.798
followers

Youtube
61.250
subscribers

32.772.724
visualizations



Return Facebook

 Ourofino Saúde Animal fez uma transmissão ao vivo. ...
Publicado por Talissa Berchieri [?] · 15 de outubro às 19:00 ·  

Palestra - Controle de carrapatos em bovinos



8.910
Pessoas alcançadas

1.064
Envolvimentos

[Impulsionar publicação](#)

   129

66 comentários 44 compartilhamentos
2,1 mil visualizações

Client in the USA reaches us to receive more information about tick control for your farm in Brazil.
Cattle: Santa Gertrudes

Campaign: “Leite é Bom com Tudo”

Goal:

Encourage the milk consumption to generate businesses along the productive chain.

Facebook
Leite é Bom com Tudo
56.045 Followers





Every day, Ourofino opens its doors to visitants, partners, stakeholders in general, to visit and see its production site.

761 visitants in 2018
(jan to oct)

Experimental Farm Ourofino



Training and Development Head Quarters



Commitment to the farmer
development and the improvement
of the sector.

Merchandising
Point of sales





Colosso

A marca que
oferece um colosso
de resultados.



ourofino
saude animal

Merchandising
Point of sales



Breakfast
Point of sales



Technical Meetings



Technical visits to farms



Meetings with the producers



Labor development

Performance Tests



Ciprolac Vaca Seca e Sellat

Os poderosos
da Ourofino
em protocolo
de secagem.



Business Fairs

 **ourofino**
saúde animal



A evolução da
endectocida

Evol é um potestivo
de fórmula exclusiva de



Exhibitions



ourfrescodeanimal.com

Dia de Campo
Fazenda Frankanna

Bem-vir

CHR. HANSEN

Improving food & health

Day in the field



ourofino
agronegócio

House Ourofino
ExpoZebu



ourofino
saúde animal

House Ourofino
“Milk city”



Expointer

Ourofino Day
2018

José Ricardo Garla de Mayo

PD&I Director



Ourofino Day 2018

PD&I

Guidelines.
Structure.
Processes.
Results.



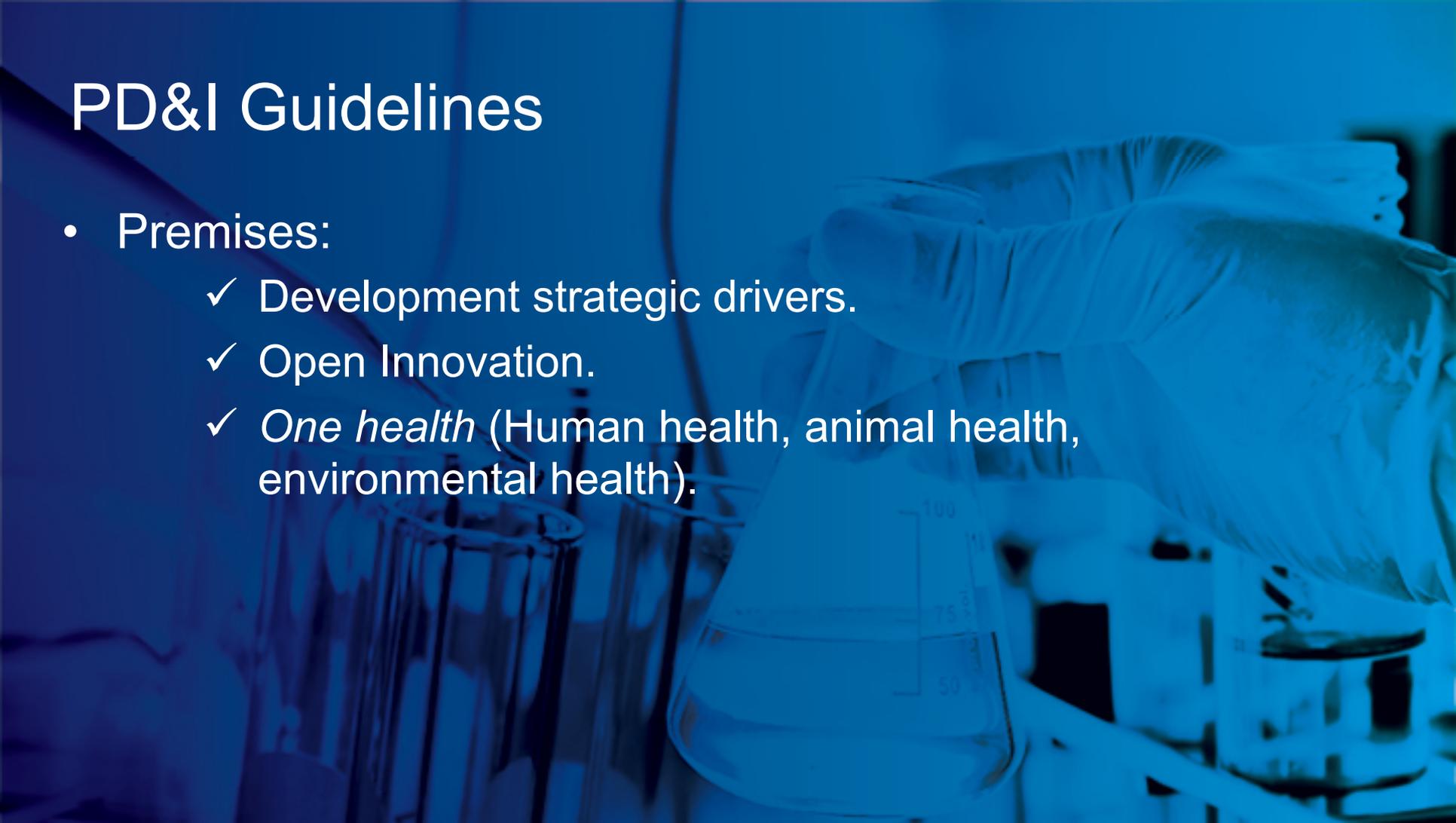
PD&I Guidelines



PD&I Guidelines

- Our vision is to *Reimagine Animal Health* through the research and development of integrated solutions to meet the needs of the markets, with a future vision for different species, being therefore linked to the trends and drivers that influence them, guaranteeing the development and sustainability of Ourofino.

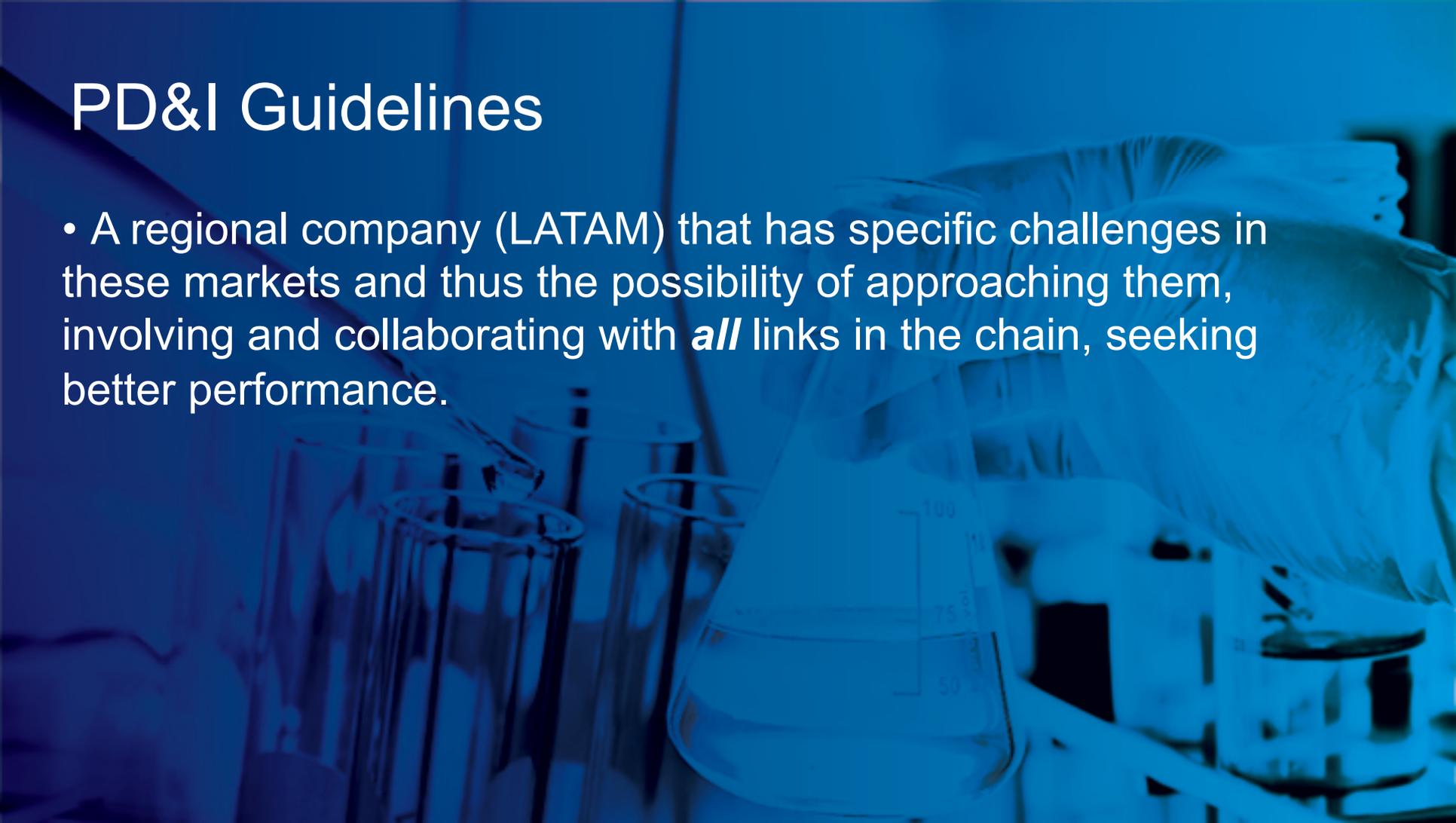
PD&I Guidelines



- Premises:
 - ✓ Development strategic drivers.
 - ✓ Open Innovation.
 - ✓ *One health* (Human health, animal health, environmental health).

PD&I Guidelines

- A regional company (LATAM) that has specific challenges in these markets and thus the possibility of approaching them, involving and collaborating with *all* links in the chain, seeking better performance.



PD&I Guidelines

S	W	O	T
Research local bases for local problems.	Necessity of better internal activities performance.	Product differentiation and agile decision making.	Possible lack of research lines and structure for the local market.

PD&I Guidelines

ex. Ripicephalus spp (ticks)

Distribution in the intertropical areas.

Biggest productive problem in Latin America.

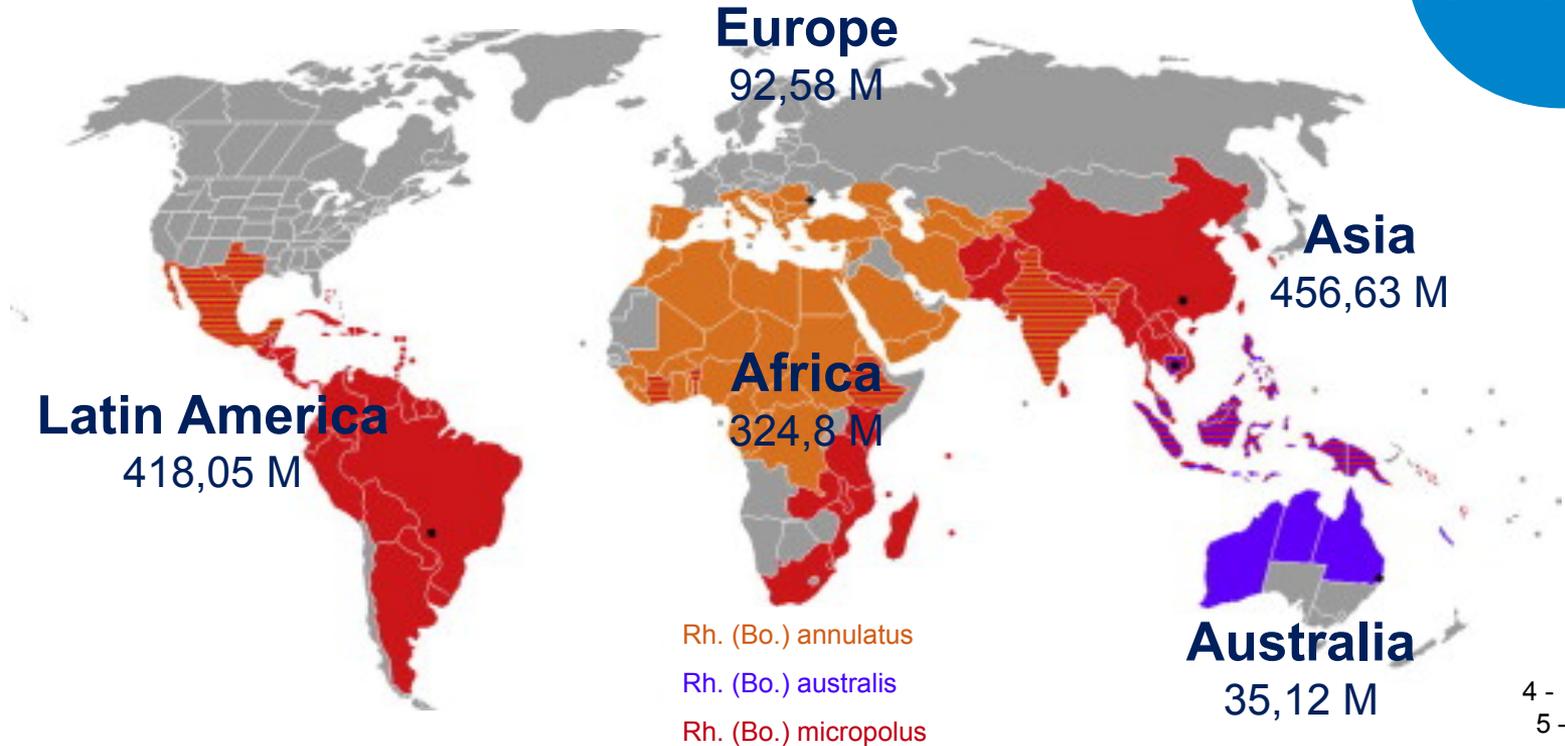
Climate influence on parasites and products.

Represents U.S. \$ 3.24¹ billion of productive losses and 31% of the cattle market².

PD&I Guidelines

ex. Ripicephalus spp (ticks)^{3,4}

Market
Share 25%⁵



3 – OIE, 2018
4 - FAOstat, 2018
5 – Sindan, 2018

A scientist wearing a white lab coat and a surgical mask is working in a laboratory. The scientist is leaning over a table, using a pipette to transfer liquid into several petri dishes. To the right, a microscope is visible. The entire scene is overlaid with a semi-transparent green filter. The text 'PD&I Structure' is written in white on the left side of the image.

PD&I Structure

PD&I Structure

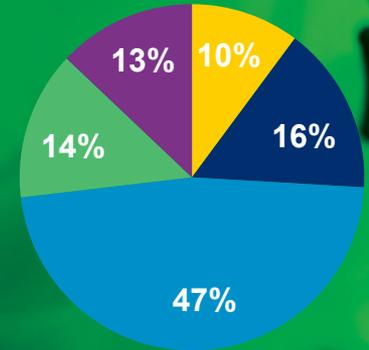
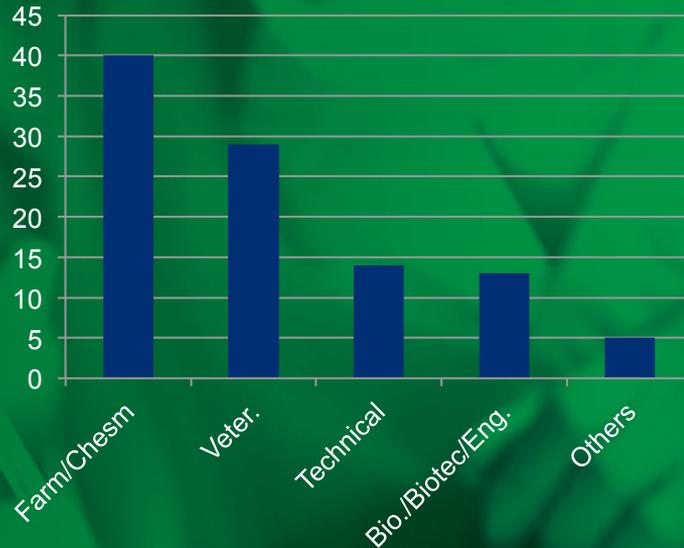
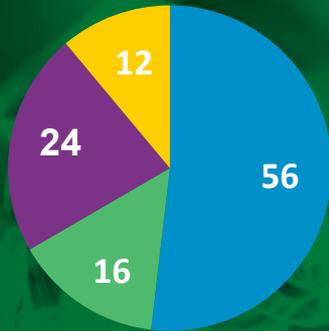
A scientist wearing a white lab coat and safety glasses is working in a laboratory. They are using a pipette to transfer liquid into several petri dishes. In the foreground, there are several test tubes in a rack. The background shows a microscope and other laboratory equipment. The entire image has a green tint.

People

- A multidisciplinary team composed of 108 professionals highly qualified to meet research, development and regulatory demands.

PD&I Structure

People⁵



- PDI Biológico e Farmacêutico
- Regulatório
- Pesquisa e Estudos Clínicos
- Prospecção/ PMO / Novos Negócios

- PhD
- Master
- Undergraduate
- Post Graduation Latu Sensu
- Other (Technical)

PD&I Structure

Research centers

- Research and development centers focused on meeting internal demands



Pharmaceutical



Biological



Biotechnological



Clinical Center



PD&I Processes

PD&I Processes

Open Innovation

- A robust and structured process with the objective of guaranteeing the evolution of the projects through subsequent analysis (Stage-Gates⁶), considering the interaction with external agents (Open Innovation⁷).
- This process is controlled by the internal structure of Project Management (PMO), with intrinsic relation to the project "parents" (MKT).

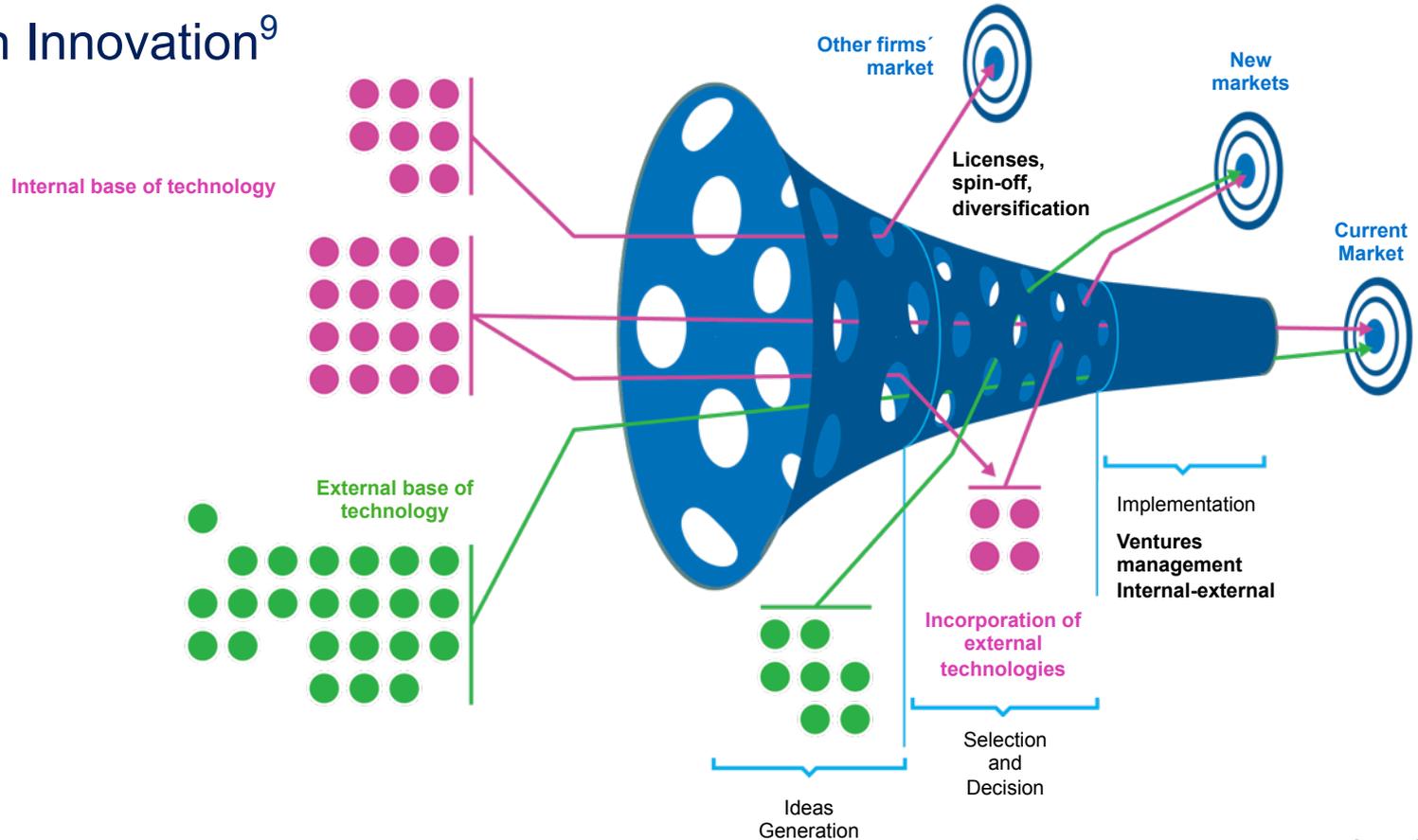
PD&I Processes

Open Innovation

- Open innovation increases the permeability of the company's boundaries in the process of research, development and commerce. This concept is based on the abundance of knowledge scenario, where once conceived the innovation must be readily used by the company that holds it to generate value.
- The possibility of reducing time-to-marketing⁸ is also relevant.

PD&I Processes

Open Innovation⁹



PD&I Processes

Prospection

- Identification;
- Initial Research
- Evaluation Committee.

Research

- Formula development;
- Methodologies development;
- Pre-clinical studies;
- Experimental stability.

Register process

- Stability study;
- Clinical studies;
- Dossier preparation.

Launch

- Preparation;
- Production of initial batches;
- Commercialization.



Conception

- Scope definition;
- Bibliographic Research;
- Materials research;
- Provider qualification;
- Contract formalization;
- IP evaluation.

Pilot

- Preparation;
- Processes transparency;
- 3 batches production;
- Analytical Validation;
- PIE and IP evaluation and valuation

Regulatory matters

- Regulatory analysis (MAPA).

PD&I Processes

Prospection

Kansas City Animal Health



World Vaccine Congress



Bio International Convention

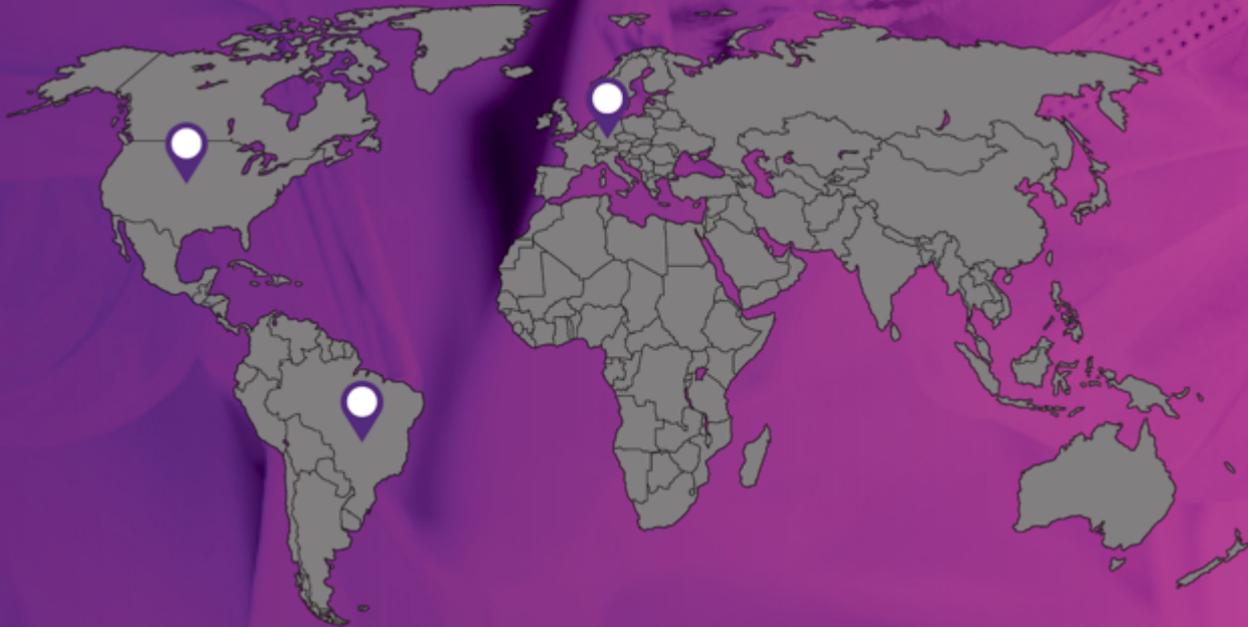


Animal Health Investment



PD&I Processes

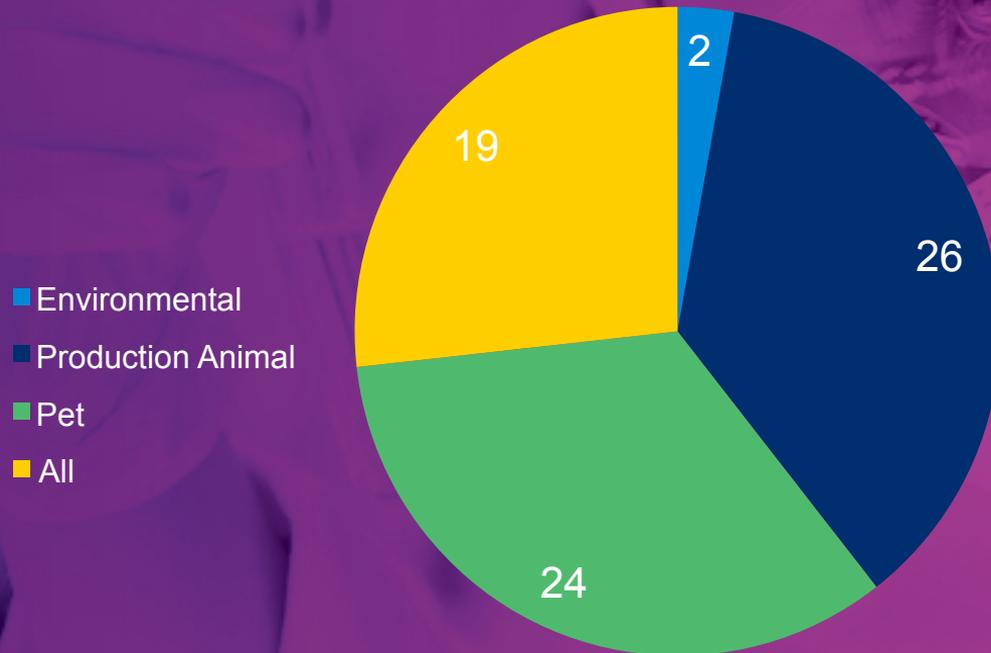
External prospection consultants
(USA, Europe and Brazil)



PD&I Processes

Prospection

Opportunities prospected and evaluated
2018 (Jan-Out)¹⁰



PD&I Processes

Open Innovation

Event focused on bringing start-ups to create value together with the firm

ourofino.saudeanimal.com

2ª Rodada Empreendedora Ourofino

Chamada aberta para startups com foco em produtos ou serviços para animais de produção e pet.

Oportunidade única para gerar negócios com uma das principais empresas de saúde animal do Brasil. As 10 melhores startups serão selecionadas para participar.

Acesse o link abaixo e inscreva-se até 15 de outubro.

<http://bit.ly/RodadaEmpreendedoraOurofino>

Parceria



Realização



PD&I¹¹ Performance



Embrapa | Empresa Brasileira de Pesquisa Agropecuária
Ministério da Agricultura, Pecuária e Abastecimento

A Embrapa | Soluções Tecnológicas | Biblioteca | Projetos | Cursos e Eventos | Notícias | Multimídia | Acesso à Informação

Notícias / Busca de Notícias / Embrapa assina contrato para desenvolvimento de vacina da pasteurella e lança nova versão do Custo Fácil

Notícias

25/09/18 | Pesquisa, Desenvolvimento e Inovação

Embrapa assina contrato para desenvolvimento de vacina da pasteurella e lança nova versão do Custo Fácil

[Tweeter](#) [Compartilhar 0](#) [G+](#) [Email](#)



No próximo dia 26 de setembro, às 18h30, a Embrapa Suínos e Aves reunirá, em seu estande institucional na **PorkExpo 2018**, em Foz do Iguaçu/PR, convidados e parceiros para uma solenidade de assinatura de parceria e de lançamento de aplicativo. Na ocasião, a chefe geral da Embrapa Suínos e Aves, a pesquisadora Janice Zanella, e o representante da Ouro Fino farão a assinatura do contrato de parceria que estabelece o desenvolvimento e comercialização de uma vacina de uso veterinário para controle da pasteurelose suína causada pela PmA.

A Embrapa desenvolveu um protótipo de vacina, que deve ser finalizada pela Ouro Fino, e que vai atuar no foco da doença, ou seja, no controle do agente (PmA). A escolha da empresa ocorreu por meio de edital público, aberto em fevereiro deste ano, que previa a seleção de uma empresa para co-desenvolvimento e comercialização de vacina de uso exclusivo veterinário para controle da pasteurelose suína causada pela PmA.

Strategic partners for co-development of solutions applied to the target market.

PD&I¹¹ Performance



The screenshot shows the Sumitomo Corporation website with a navigation bar at the top containing links for Apps, Animal Pharm, KC animal health, Journal of Dairy Science, Inova | Home, eSocial, Condominio - Gmail, SAP - Aprovações de, Partnership Opportun, and Research | Research. Below the navigation bar is a search bar with the text "Go to Sumitomo Corporation Site." and a language selector set to "English". The main header features the Sumitomo Corporation logo, "Japan (HQ)", and language options for Japanese and English, along with a "Select Region" button. A secondary navigation bar includes "About Us", "Our Business", "News", "Sustainability", and "Investor Relations". The main content area displays a news article titled "Strategic Partnership Formed in Brazil for the Veterinary Medicine Business".

Sumitomo Corporation (Head Office: Chiyoda-ku, Tokyo; Representative Director, President and Chief Executive Officer: Masayuki Hyodo) has entered a letter of intent to form a strategic partnership with Ourofino Saúde Animal (Head Office: Cravinhos, São Paulo, Brazil; Representative: Jardel Massari), a Brazilian veterinary medicine manufacturer, for the joint evaluation and exploration of businesses opportunities in the veterinary medicine sector in Brazil.

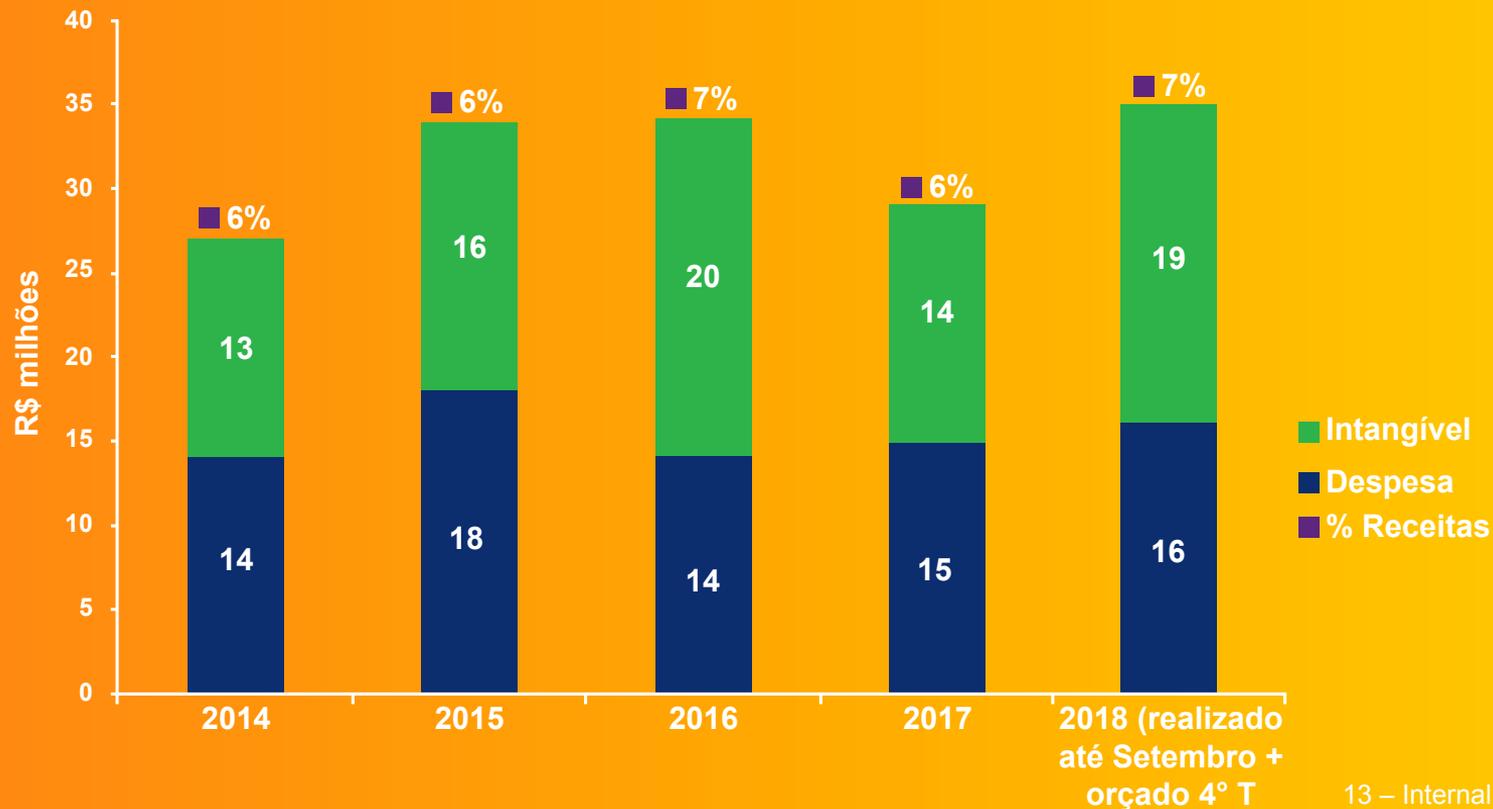
Sumitomo Corporation will discuss with Ourofino the sale of Japan-made veterinary medicines and licensing of manufacturing technologies to Ourofino, as well as the supply of veterinary medicine ingredients to the company. Sumitomo Corporation will thereby contribute to the spread of high-quality veterinary medicines in Brazil and also help Japanese companies to start related businesses in South America.

Brazil is the world's leading livestock country, with the number of cattle being the world's largest and the numbers of pigs and chickens the world's third- and fourth-largest, respectively. In the future, the importance of the country as a livestock exporter will rise with an increase in demand for meat caused by the growth of the world's population.

PD&I Results

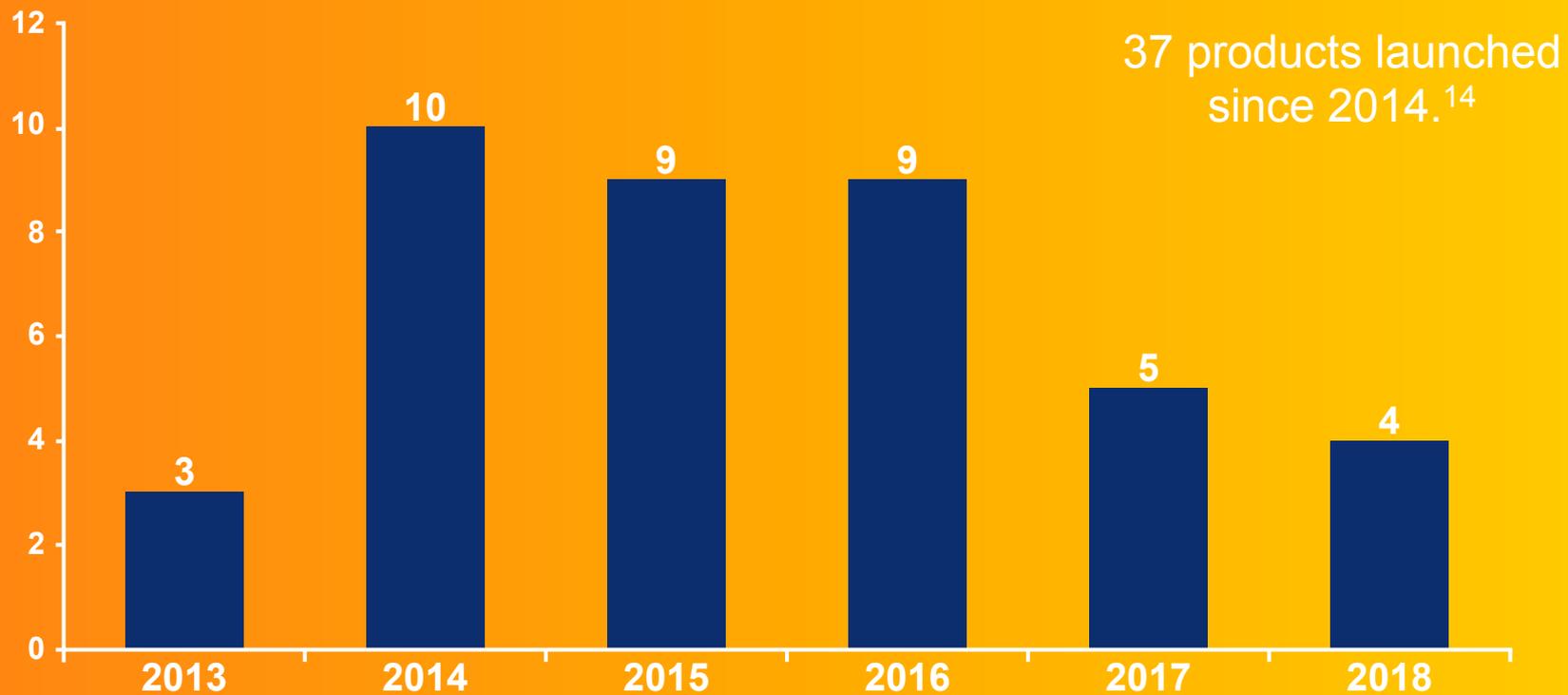


PD&I¹³ Results



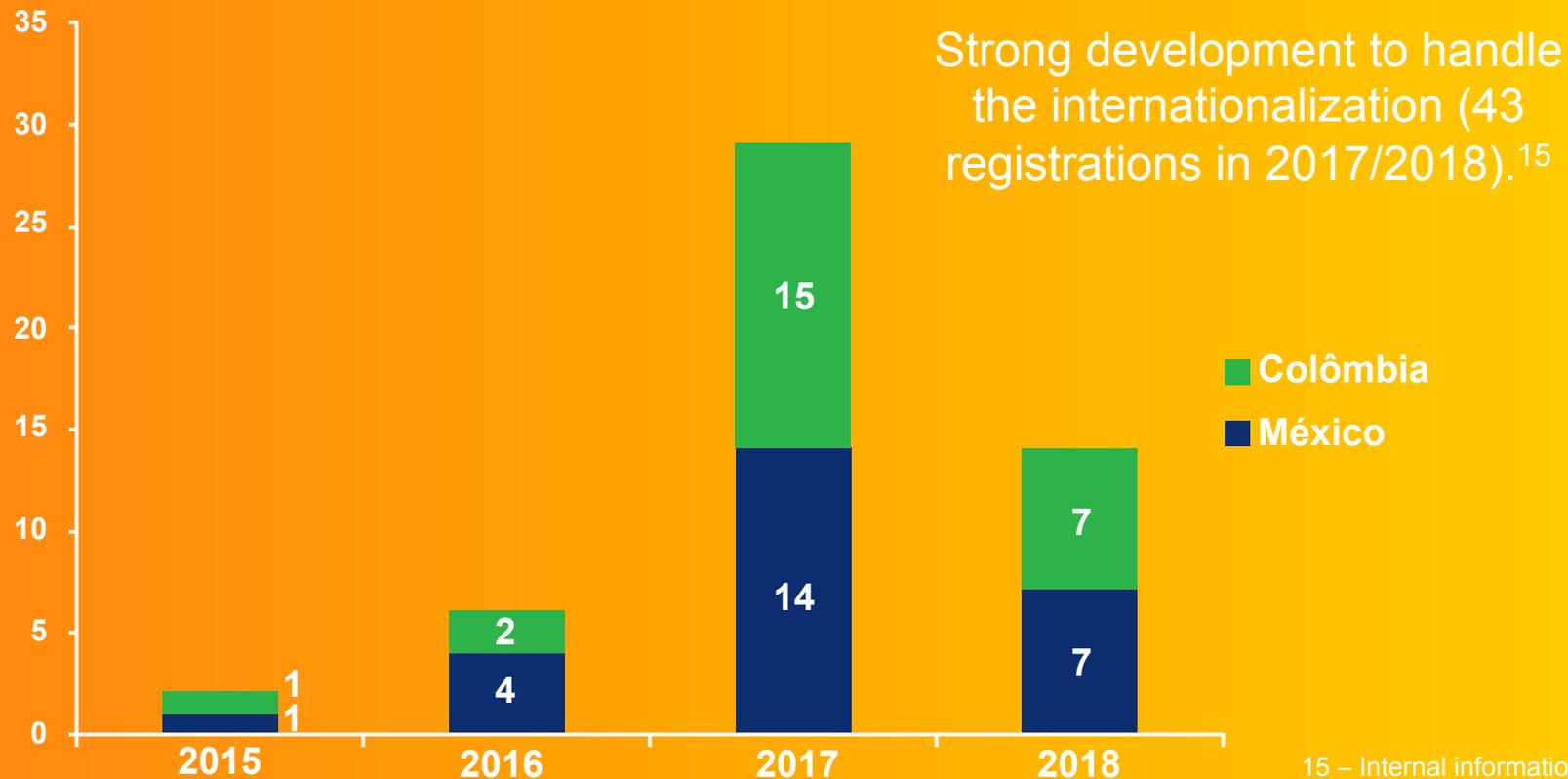
PD&I Results

Lauches - Brazil



PD&I Results

Deferments Mexico e Colombia



PD&I Results



New
Patent



REPÚBLICA FEDERATIVA DO BRASIL
MINISTÉRIO DA INDÚSTRIA, COMÉRCIO EXTERIOR E SERVIÇOS
INSTITUTO NACIONAL DA PROPRIEDADE INDUSTRIAL



CARTA PATENTE Nº BR 102013031277-0

O INSTITUTO NACIONAL DA PROPRIEDADE INDUSTRIAL concede a presente PATENTE DE INVENÇÃO, que outorga ao seu titular a propriedade da invenção caracterizada neste título, em todo o território nacional, garantindo os direitos dela decorrentes, previstos na legislação em vigor.

(21) Número do Depósito: BR 102013031277-0

(22) Data do Depósito: 05/12/2013

(43) Data da Publicação do Pedido: 10/11/2015

(51) Classificação Internacional: A61K 31/4168; A61K 31/7048; A61P 33/10

(54) Título: PROCESSO PARA PREPARAR UMA SUSPENSÃO ANTI-HELMÍNTICA E SUSPENSÃO ANTI-HELMÍNTICA INJETÁVEL

(73) Titular: OURO FINO SAÚDE ANIMAL PARTICIPAÇÕES S.A.. Endereço: Rodovia Anhanguera, SP330, Km 298, Bloco C, 2º andar, Sala CCS 210, Distrito Industrial, Cravinhos, SP, BRASIL(BR). 14140-000

PD&I Results

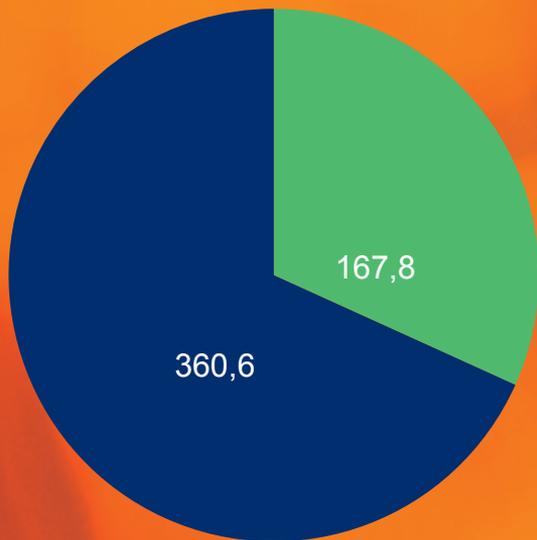


- Biological projects for different species will give the company the possibility to cover 23.8% of the total Brazilian veterinary market, being these products based on several technologies (innovative and conventional).

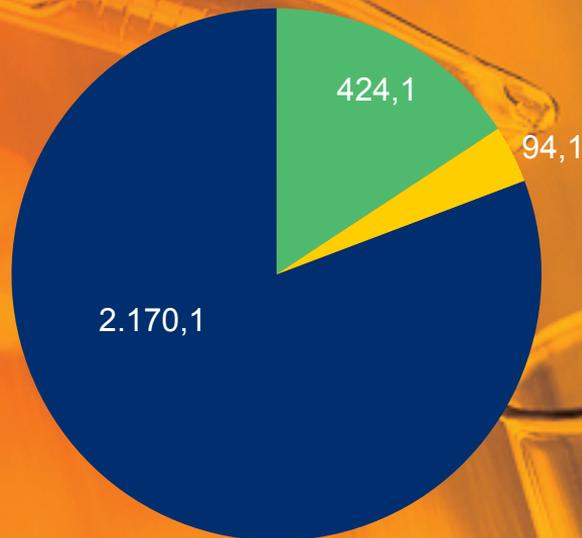
PD&I Results

Market coverage – Bio¹⁶ Projects

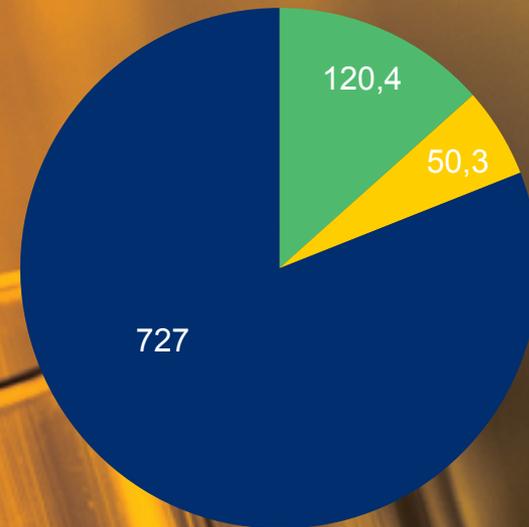
Pork



Bonive



PET



■ Cobertura ■ Outras vacinas ■ Farmaceuticos

PD&I Results

Safesui

Inovação, eficácia e segurança aplicadas à sua produção.

Save the date

21/11/2018

Evento exclusivo com
Dra. Tanja Opriessnig
em Ribeirão Preto.



New
Vaccine

Ourofino Day
2018

Jardel Massari

President and CEO



Guidelines to the team



Passion



Purpose



Profit



Our results in 2018

- Sustainable and profitable growth.
- Focus on short, medium and long term strategic indicators.

Our results in 2018

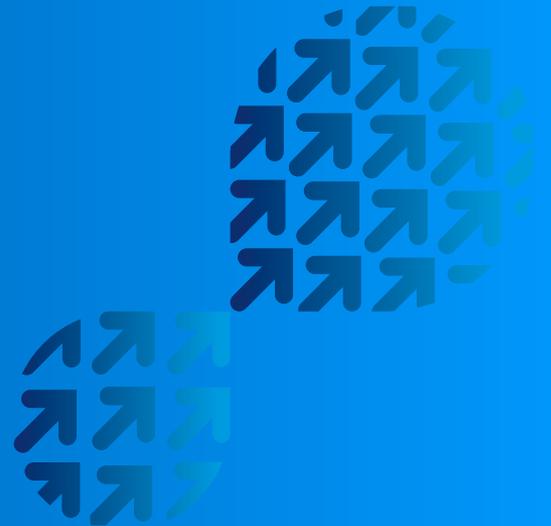
- Productivity program

- ✓ Lean Factory.
- ✓ PDCA Methodology.
- ✓ People development.



Business strategy

Reimagining Animal Health is our purpose and thus, we engage our employees, customers and market.



Business strategy

Market growth through the strength of the Ourofino brand, differentiated penetration strategies with a focus on demand generation across all business units.



High management responsibilities

- Commitment with the purpose.
- New strategic planning for new growth cycle.
- PDI open to the world.
- Differentiated products.
- **People valorization.**



Director HR Plan

It is essential to keep moving to generate value through motivated people.

Long Term Vision

- Continued growth supported by biological and internationalization.
- Continue expansion in the main animal production markets - Brazil, Mexico and Colombia that are protagonists now and in the future, still under-qualified.
- To increase the participation of companion animals, with portfolio expansion, in line with market trends and its great potential for growth.



Permanent vision

- Founder's Mentality.
- People engaged with our purpose, pillars and personality.
- Generate value with sustainability.
- Take care of our customer in a charming way.
- Strengthening of the front line.
- Governance.

Vaccine Launch

Safesui Circovírus

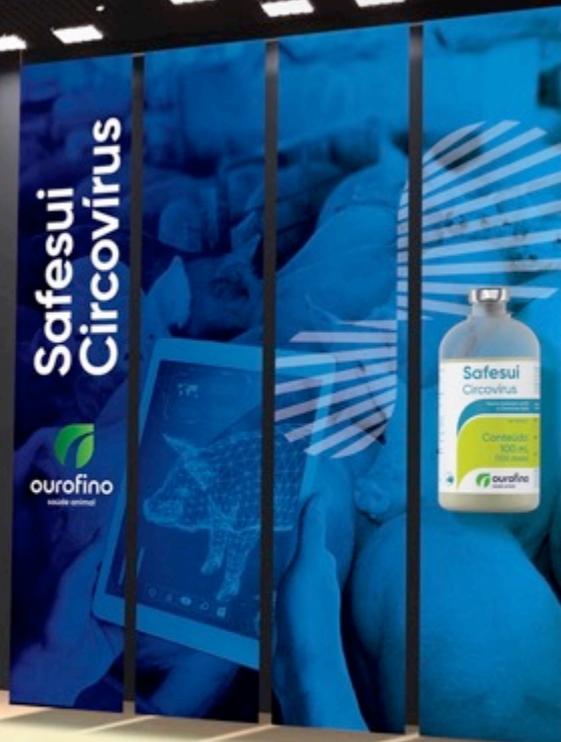
The definition of the vaccine against circoviruses has been updated.

- Recombinant technology.
- The first PCV2b vaccine in Brazil.
- Protection may be effective against the advanced and prevalent forms of the virus compared to PCV2a vaccines.
- Prolonged action with gradual release of antigen and stimulates the immune system of the swine.



Launch day – Technical Event

- 21th of November, 2018.
- Guests: 70 influencers.



Focus on the client

Sign attached to
every meeting
room inside the
firm.



Thank you.

