

August 2019

32 Year History





1987

Founded by Norival Bonamichi and Jardel Massari.



2000

Entered into the pet market.



2005

Started the operations of the Cravinhos' production facility.

Winner of FINEP technological innovation award.



2007

Beginning of the biologicals program by start foot-and-mouth disease vaccine plant construction.



2011

Entered in foot-and-mouth disease vaccine market.

OFSA3
NOVO MERCADO
BM&FBOVESPA

2014

IPO



2018

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

Our portfolio

Products per Category

	% of net revenues	Production animals	Companion animals	International operations	Selected products
Vaccines	8.8%	4	-	Ourofino currently exports to 14 countries throughout the world	Ourovac Aftosa; Ourovac Clostridium
Antiparasitics	40.9%	23	3		Colosso FC30; Master LP
Antibiotics	17.6%	17	6		Ciprolac; Doxifin PS
Therapeutic	20.1%	21	11		Sincrocio; Dermotrat
Nutritional	2.4%	5	5		Enragold; Ractosuin
Others	10.2%	7	1		Herbalvet; Maxicam Gel
% of net revenues (2018)		78%	13%	9%	
# of products from current portfolio		77	26		

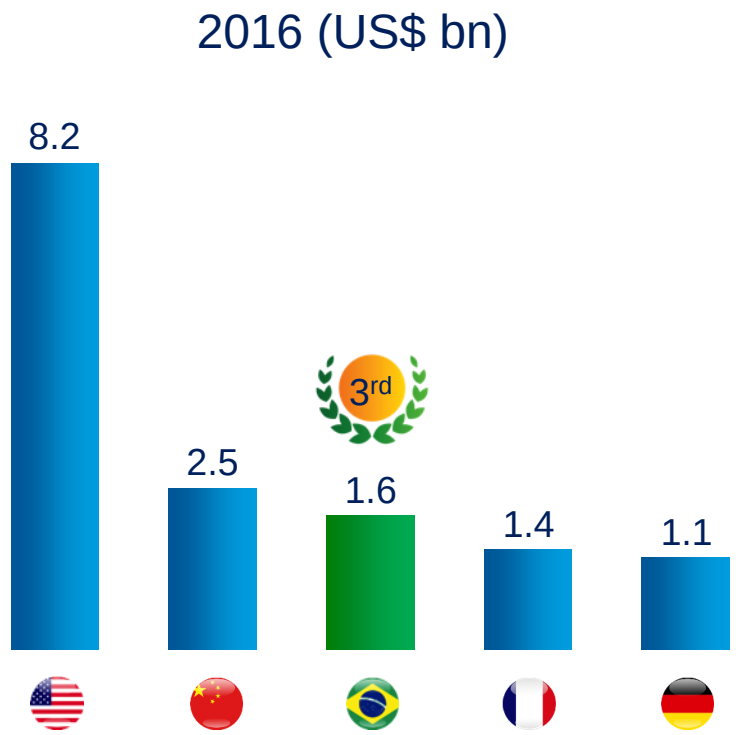


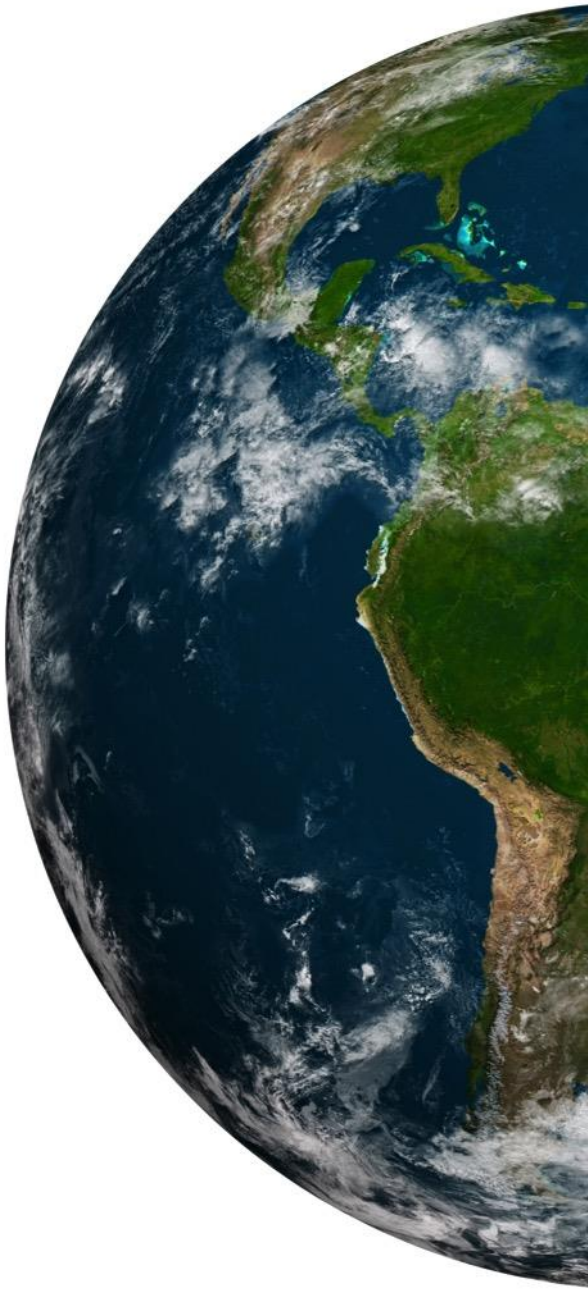





Source: Company information

Animal health global market

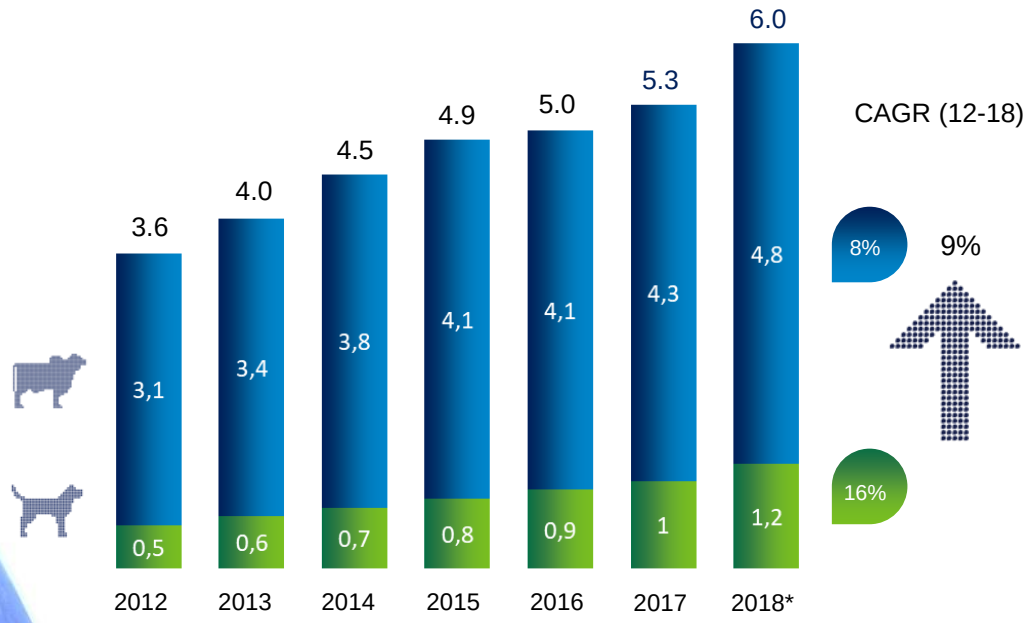




Source: Company information and SINDAN

Animal health in Brazil





Source: SINDAN

*Estimated by the company

Highlights

Brazil as the 3rd largest market with strong growth opportunities

Major animal protein producer being responsible for 50% of LATAM meat output

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

Population and income growth drive demand for meat and dairy

Lower availability of land puts pressure to increase productivity



Production Animals

Gap

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

+1.5x

Source: Company information, FAOstat, ABIEC, IBGE

Growth Drivers

Aging and growth of income driving demand for pets

Humanization of pets

Pets living longer



Companion Animals

Gap

	Pet population (million)	Total Pet Market (US$ Bi)	
	184	69.4	
	74	6.2	+11x

Source: Company information, IBGE (PNS - 2013), Abinpet 2017, APPA's annual report - 2017

High 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	• 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	• Fully operational plant • ~100 people in R&D • 36 products launched in the last 5 years



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



Source: Company information

Leading Position and Proven Ability to Gain Market Share

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

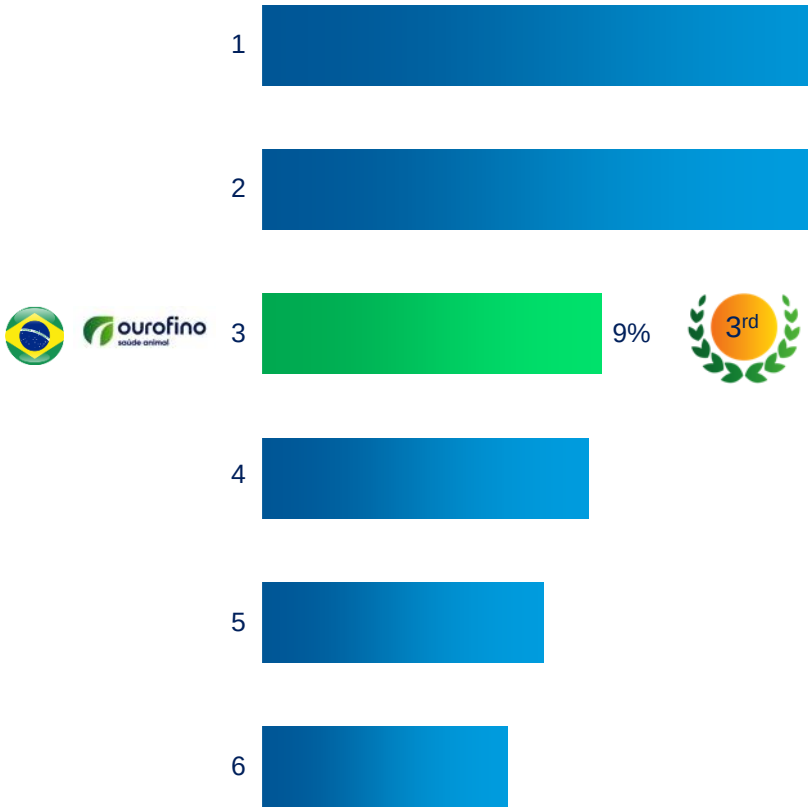
Highlights

Closer relationship with clients

- Direct sale to resellers in production animals
- Technical sales and educational programs

Customization via molecule combination and application methods

Brazilian Animal Health Ranking[1]



Ourofino is the leading pure organic growth player in Brazil

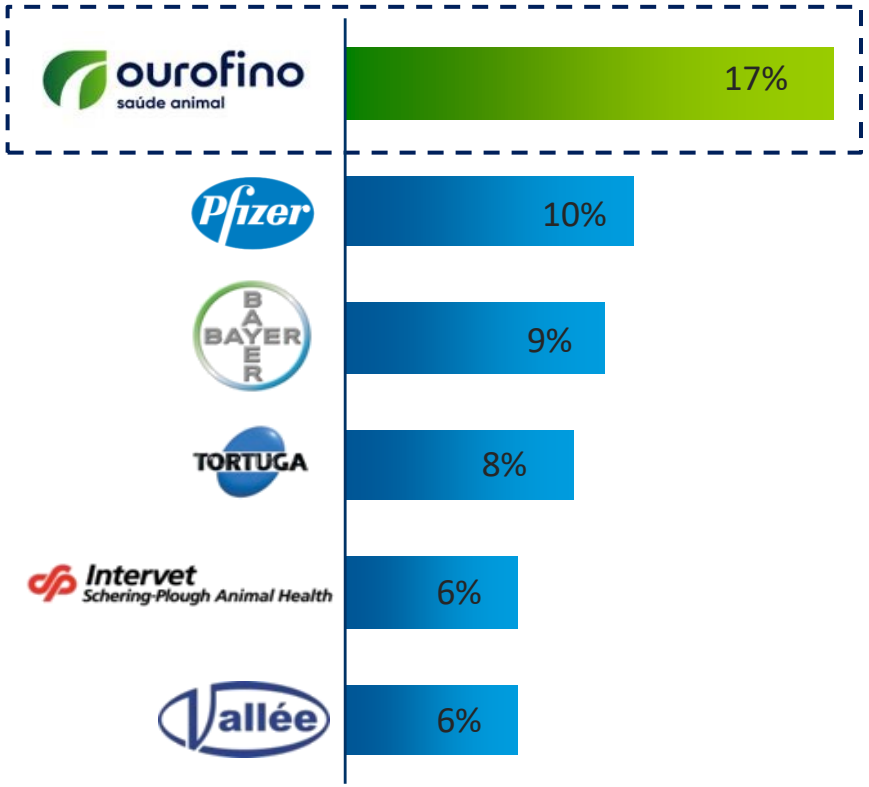
Source: SINDAN

[1] Based on revenues as of full year of 2018

Widely recognized brand

"Top-of-mind" brand in the market

Most admired company in the veterinary segment



ANIMAL PHARM
AWARD WINNER 2015

Animal Pharm award for best company – Latin and South America in 2015.

Source: Carta Capital magazine as of 2010

Widely recognized brand

Highly awarded company

Company achievements



Época magazine award for one of the greatest places to work in Brazil in 2005, 2008, 2009, 2010, 2011, 2012, 2013 and 2014



Exame magazine award for one of the 150 best places to work in Brazil in 2005, 2006, 2008, 2009, 2012, 2013 and 2014



Ourofino is recognized since 2000 by Fundação Abrinq as a company that supports child development



Anpei award for innovative approach



FINEP technology innovation award



Ernst & Young award for the top entrepeneur of the year

Diversified client base and broad distribution network

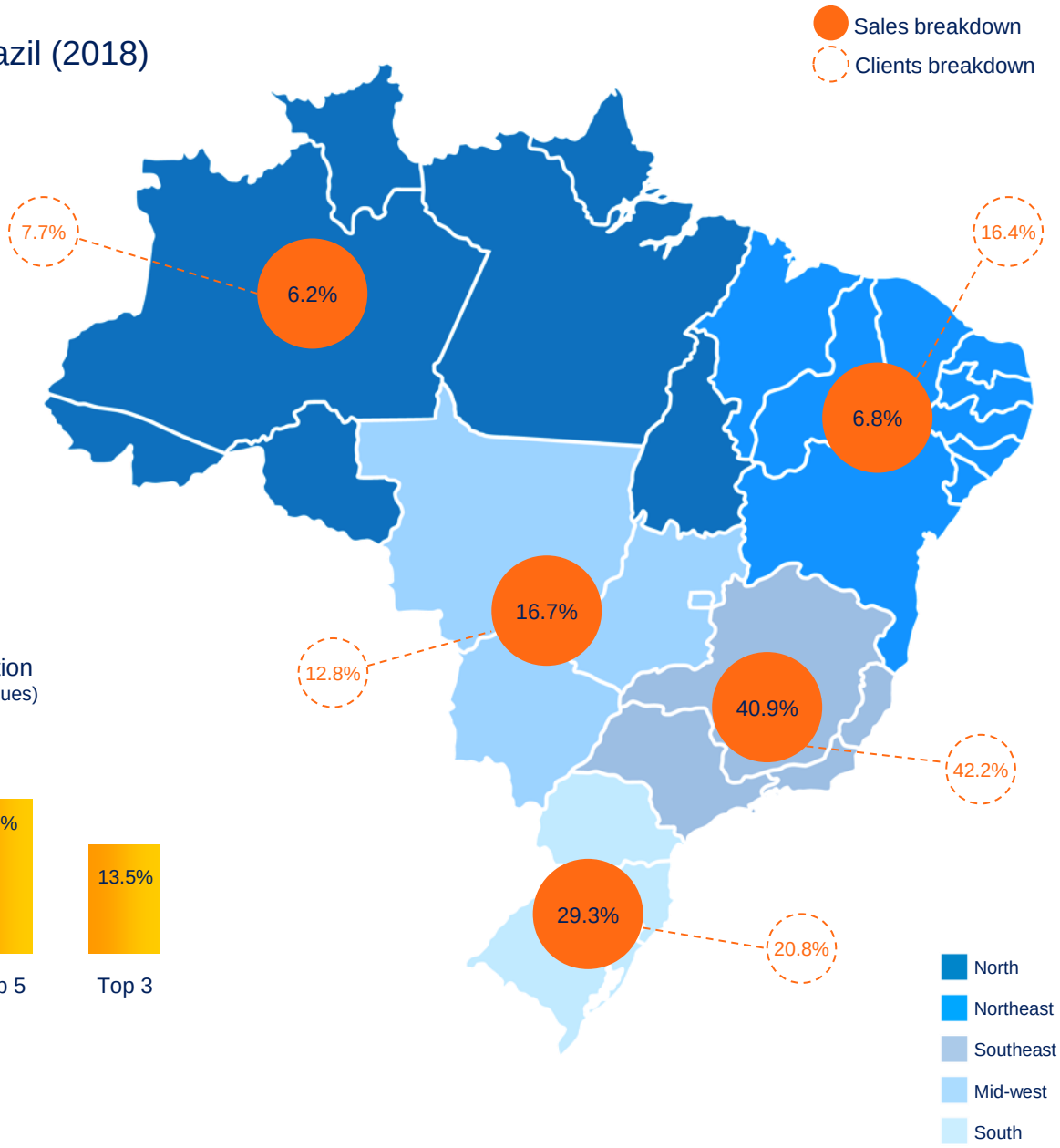


Scope of product portfolio coupled with strong customer relationships leads to one stop shopping for customers

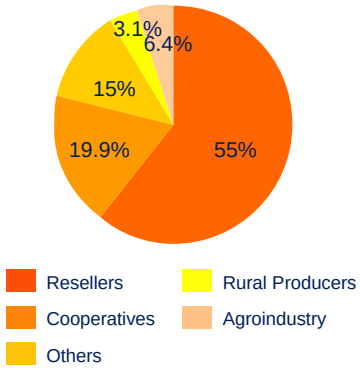
Production Animals

Sales and clients breakdown inside Brazil (2018)

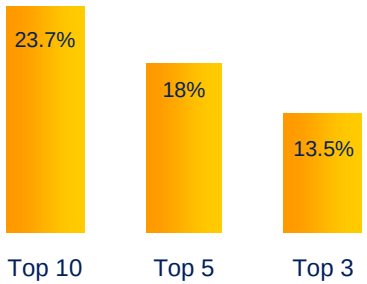




Client breakdown
(% of 2018 net revenues)



Client concentration
(% of 2018 net revenues)

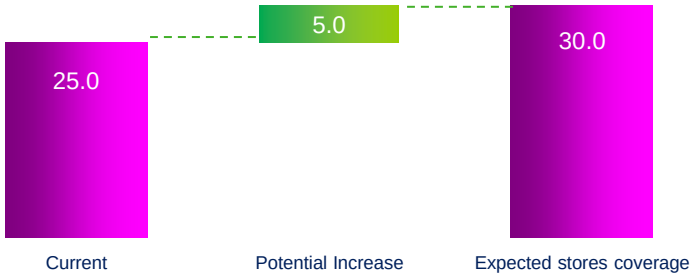


Source: Company information

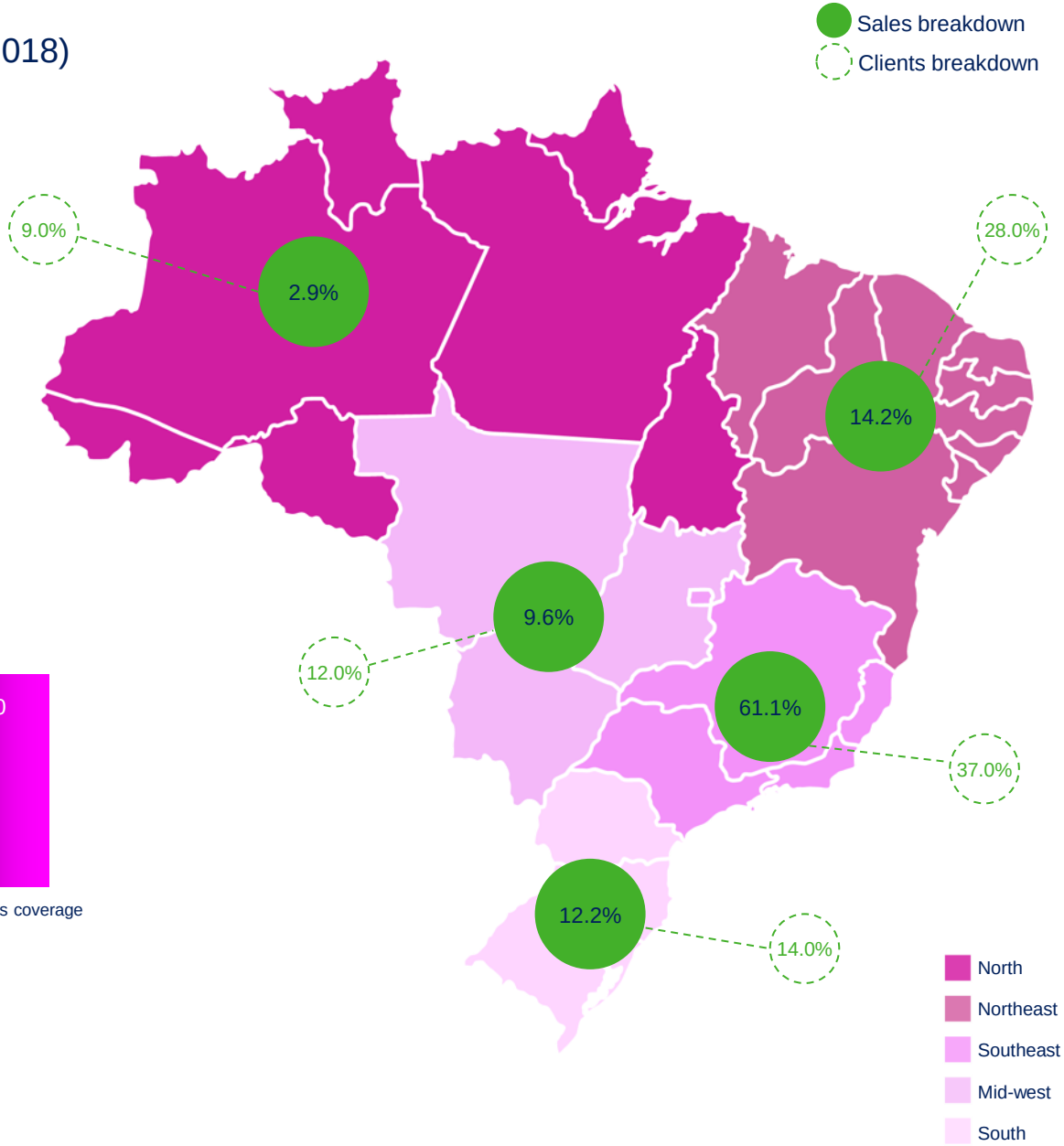
Companion animals

Sales and client breakdown in Brazil (2018)





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



Source: Company information

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

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



R$ 102 mm of R&D investments in the last 3 years, an average of 6.5% of net revenues invested every year

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

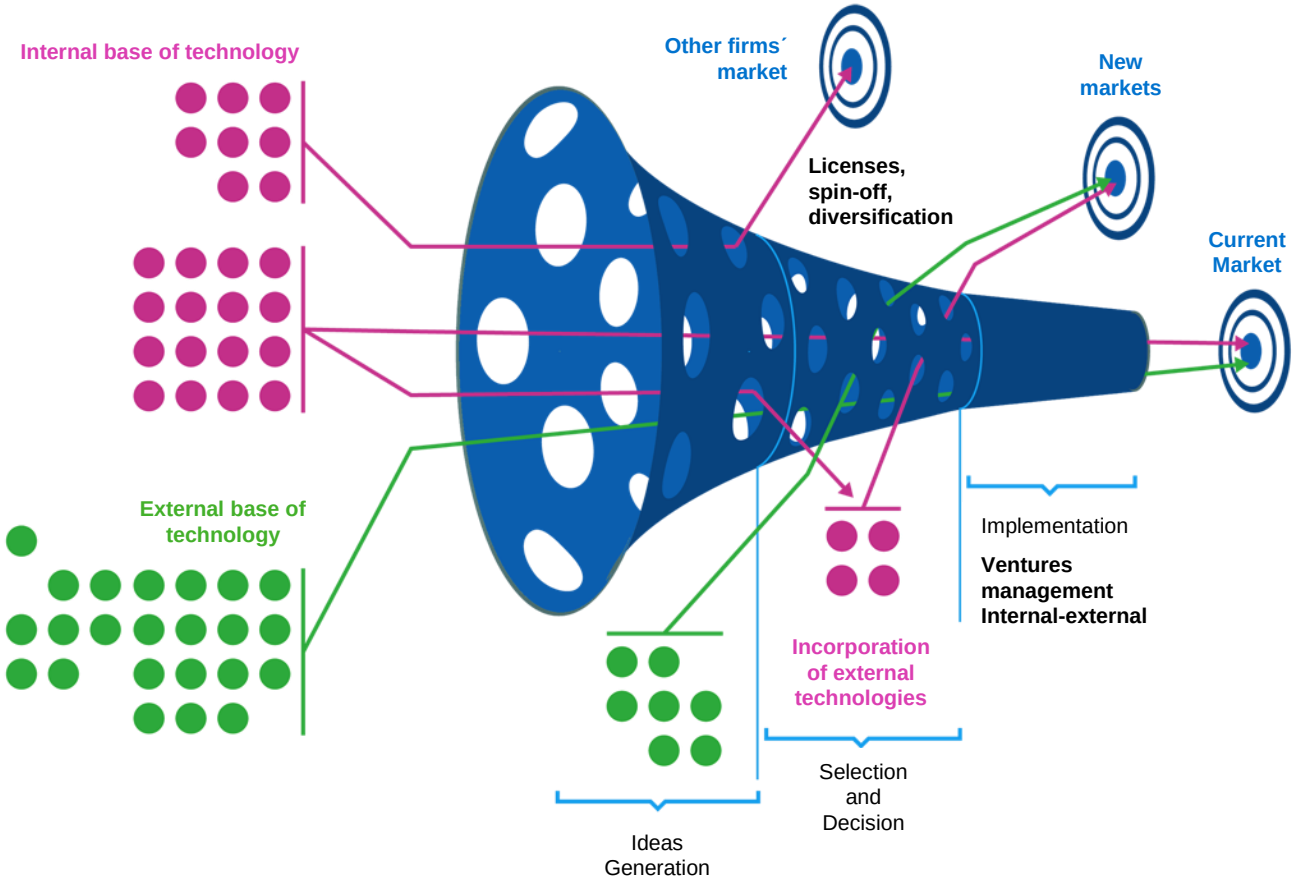
R&D team with more than a 100 highly capacitated employees

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

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

RD&I processes

Open Innovation[1]

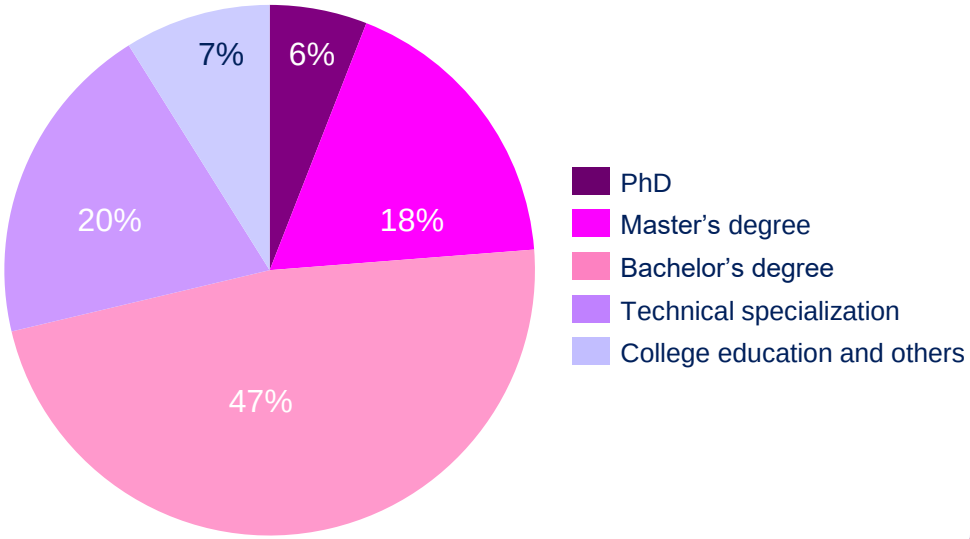


1 – Adapted from Chesbrough, 2003

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



Source: Company information

Expertise in product development coupled with relationships drive

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



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

Beginning of operations in the biological plant

February 2019 –First sales of the new vaccine



Safesui Circovírus

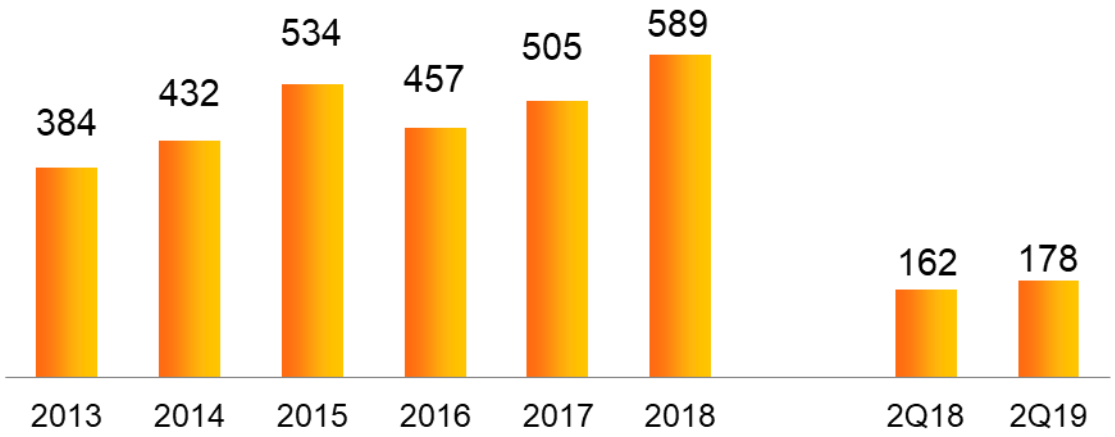
First recombinant vaccine against circovirosis (PCV2b) carrying 2b antigen in the world. Also effective against 2a and 2d.

Safesui has been sold since February



Financial Highlights

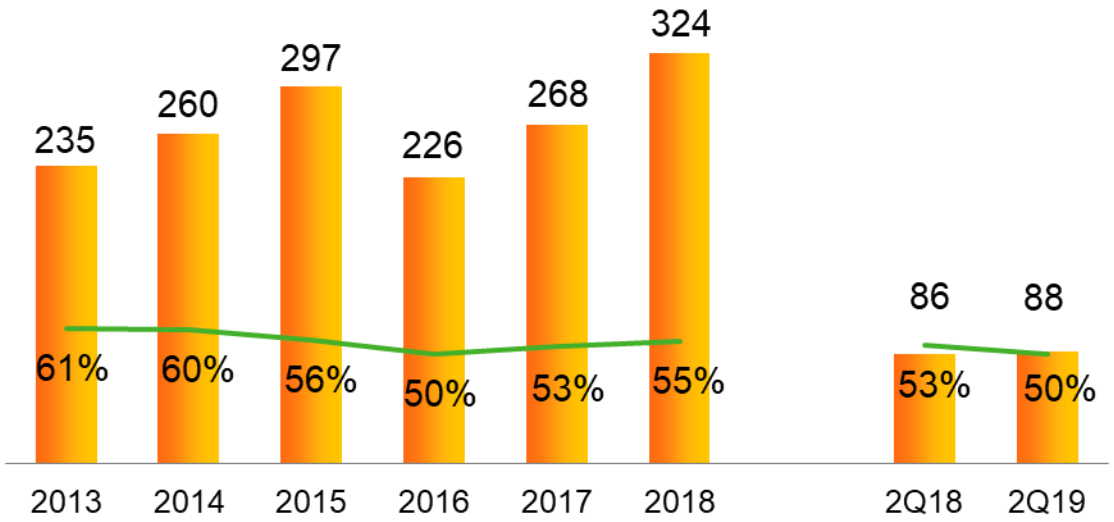
Net revenues (R$ mm)



Source: Company information

Financial Highlights

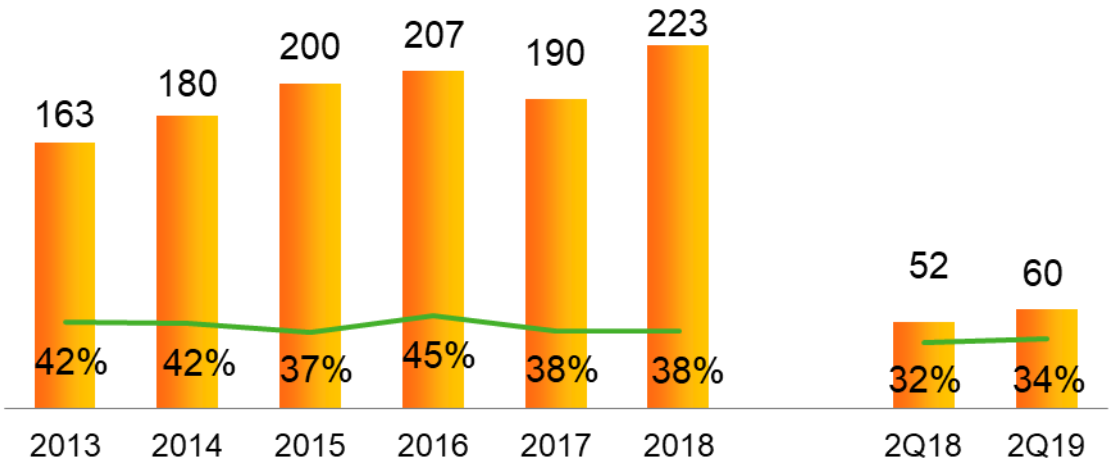
Gross profit (R$ mm) and margin



Source: Company information

Financial Highlights

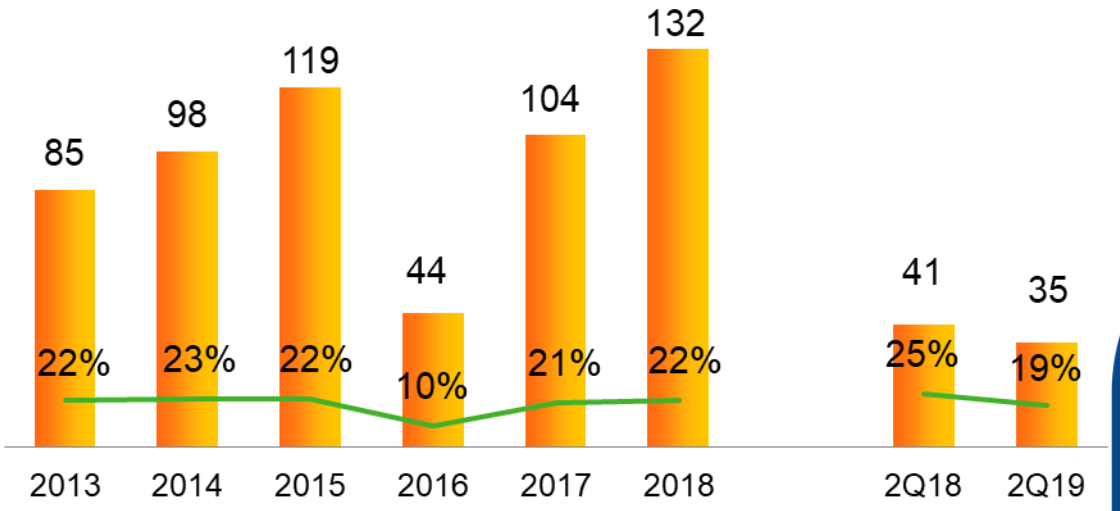
SG&A (R$ mm) and percentage on net revenue



Source: Company information

Financial Highlights

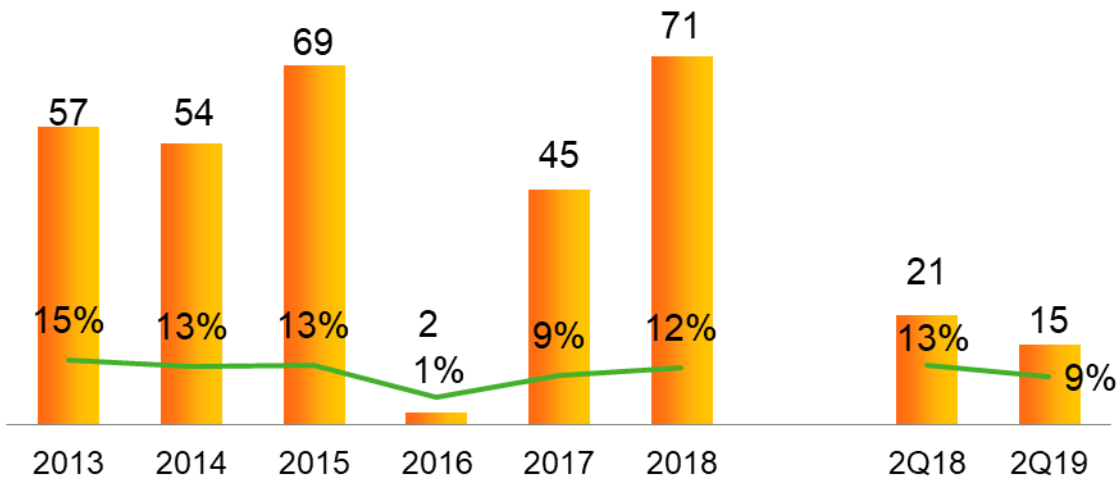
Adjusted EBITDA (R$ mm) and margin



Source: Company information

Financial Highlights

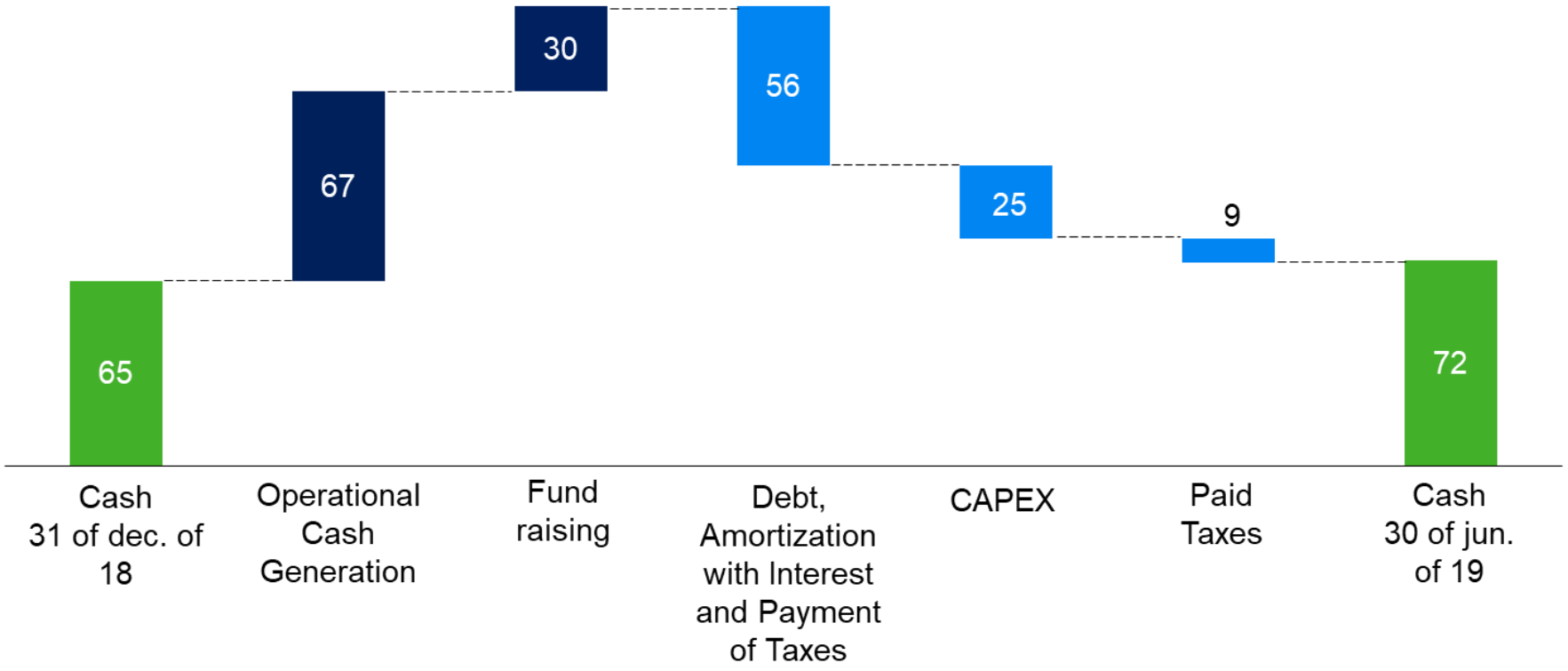
Adjusted profit (R$ mm) and margin



Source: Company information

Financial Highlights

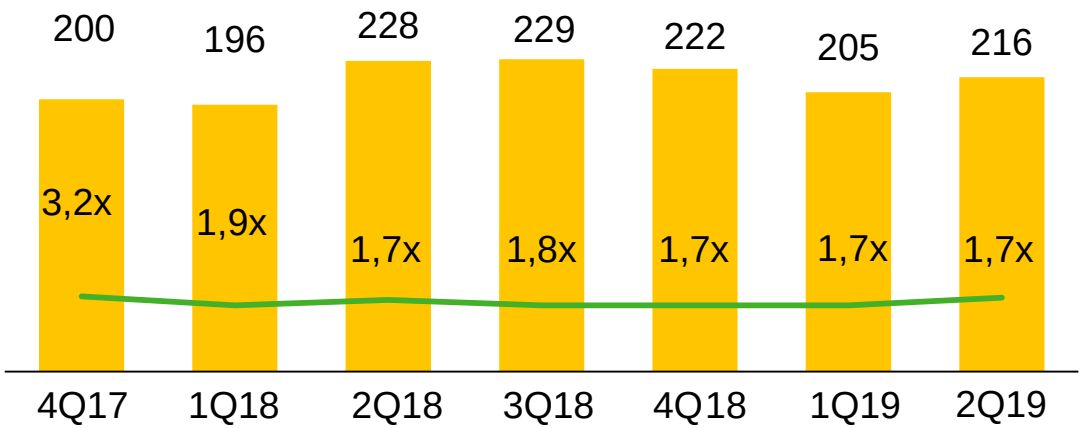
Cash position (R$ mm)



Source: Company information

Financial Highlights

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

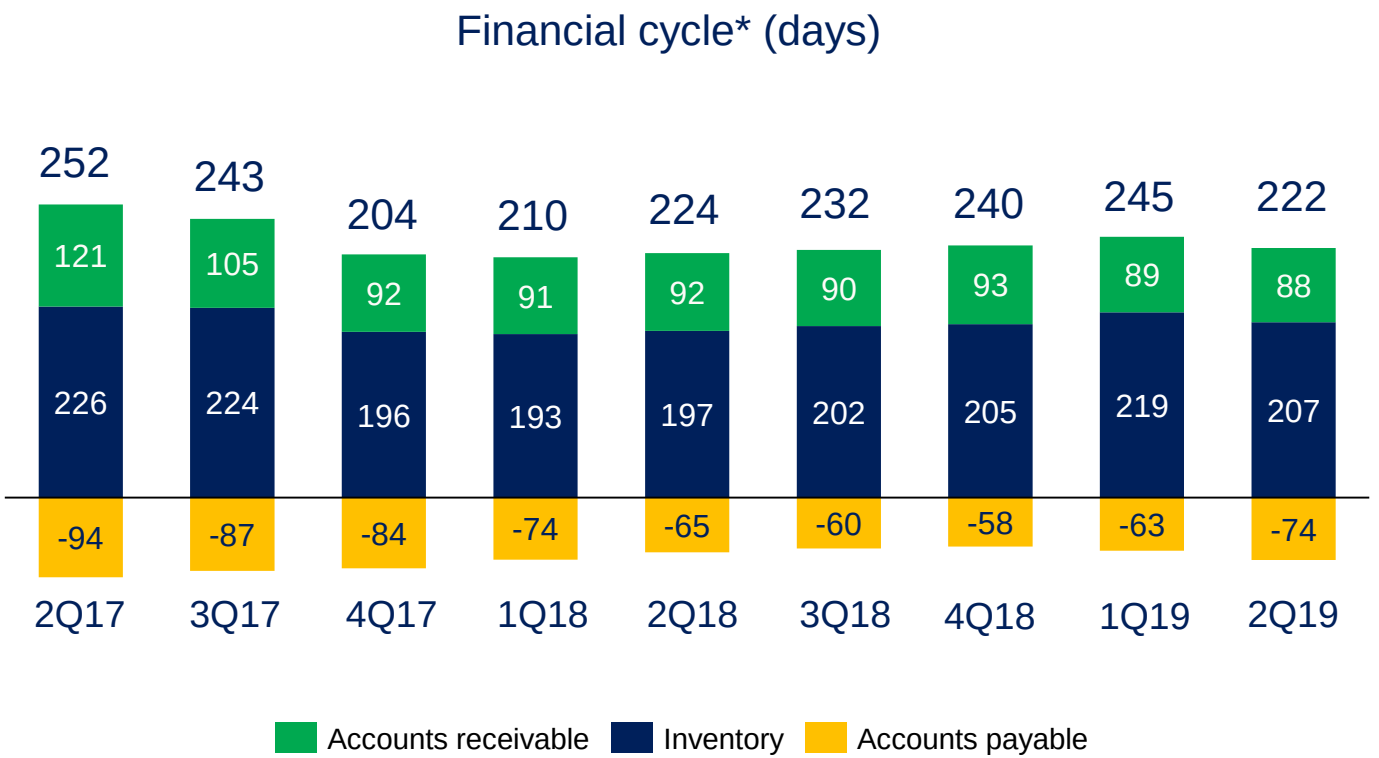


Average cost of debt (year)

6,8%	7,1%	7,1%	7,0%	7,2%	7,3%	7,0%

Source: Company information

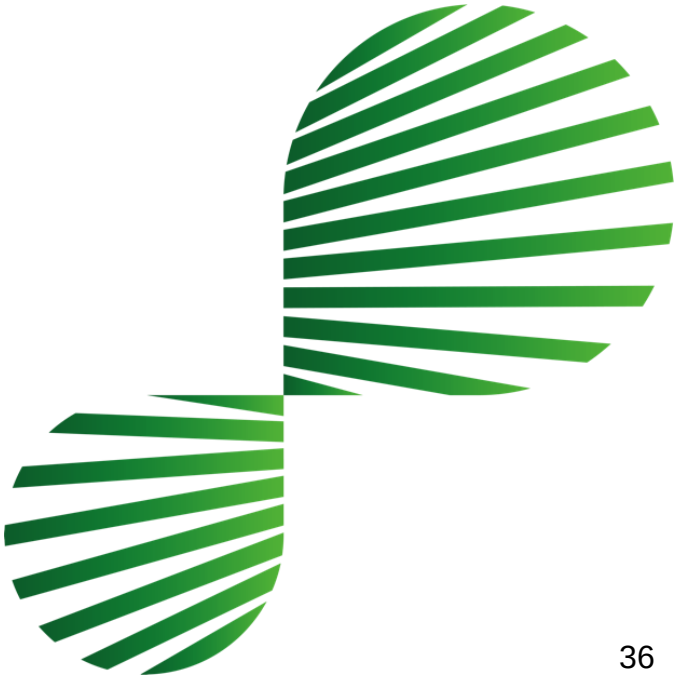
Financial Highlights



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

Ownership Breakdown

- Founder Shareholders 56%
- General Atlantic 17%
- BNDESPAR 12%
- Others 15%



Source: Company information

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.