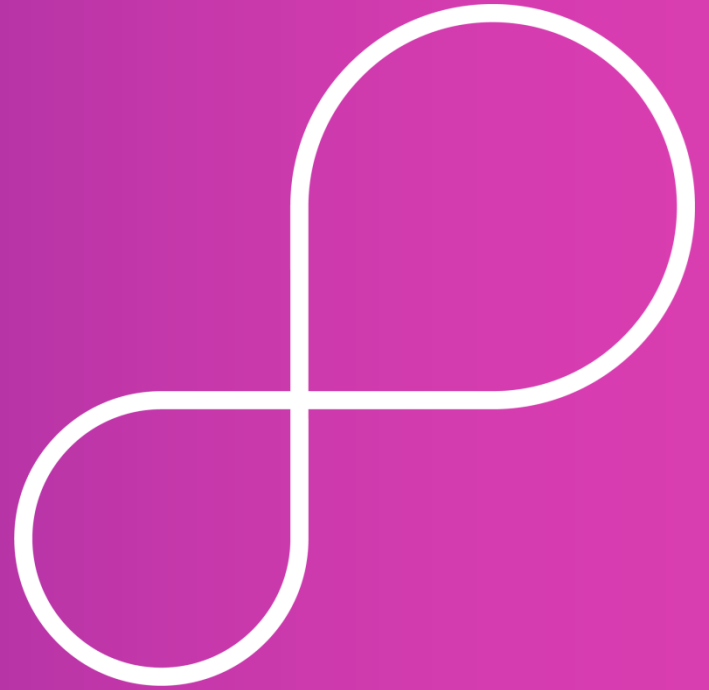


**Ourofino Day
2019**



Schedule

- Opening with the CEO
- 9M19 Results
- Animal health market and drivers
- Strategic planning
- Message from the CEO



A company with
the Purpose:

Reimagining
animal health.



Our Pillars

Integrated innovation

Engage and collaborate

Building and nurturing relationships

Our Personality



Agile and simple



Open and
collaborative



Entrepreneurial
attitude



Transparent and
engaging



Brazilian

Ourofino
Day 2019

Jardel Massari

CEO



5 years since the IPO

2014



IPO

2015



Intensification of our actions in the foreign market
Expansion of the customer base in Mexico
Acquisition of local distributor in Colombia

2016



Change of CEO and CFO
Founder's mentality
Structural changes

2017



Productivity actions (Falconi)
Management by indicators
Resumption of growth and profitability

2018



Delivery of the biological plant and the best year in the company's history

2019

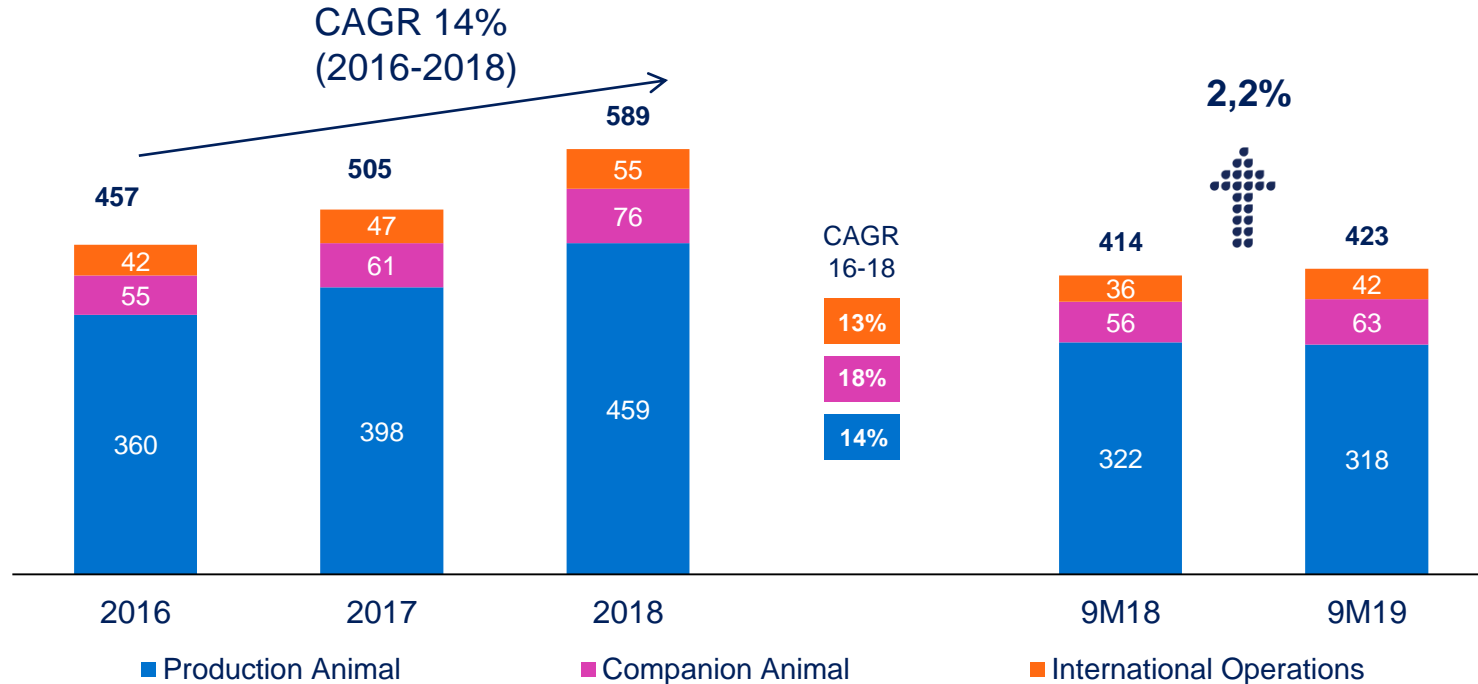


Launch of the first product of the biological platform

Changes that generated results

Resumption of revenue growth

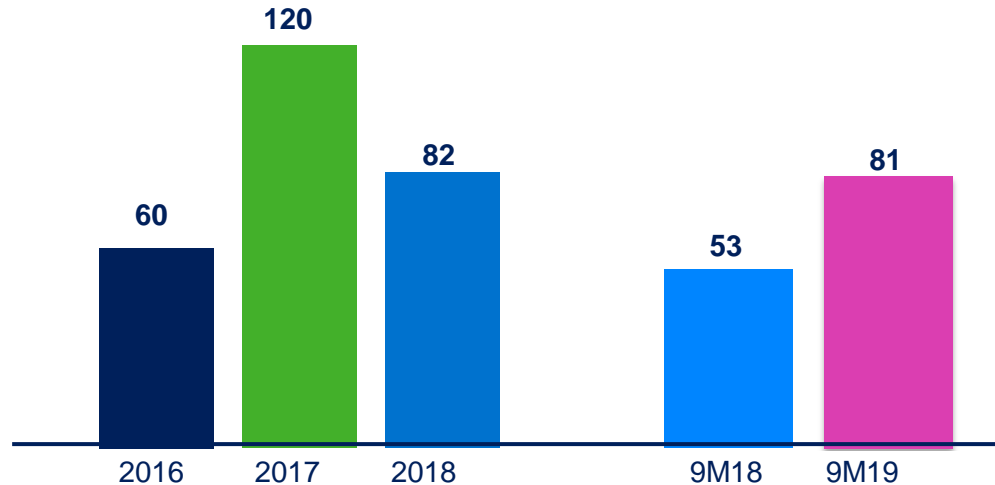
Net Revenue (in R\$ million)



Changes that generated results

Resumption of Cash Generation

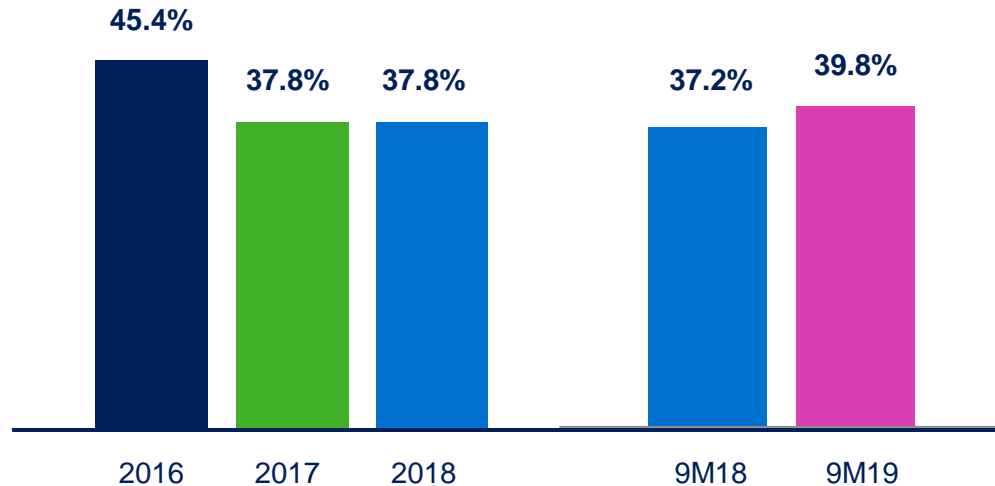
Cash Generation (in R\$ million)



Changes that generated results

Control of general administrative expenses*

Expenses by revenue (%)



*Adjusted for non-recurring events.



- 3rd largest animal health company in Brazil (Sindan)
- Brand and products recognized in the market
- Robust and diversified portfolio
- Broad market access
- Customers loyal to the brand
- Market with expressive potential in Production and Companion animals

The company's next steps

Strategic planning

Strategic planning

- Mapping trends and uncertainties in the animal health market
- Diagnosis of the Company's growth opportunities and improved profitability
- Selection of priority strategic drivers, to change levels in the next 5 years

Strategic Planning

Historic

2010

Monitor
Deloitte.

Decision on which lines of business to focus on and what to say no

2014

BCG

Decision to expand market coverage via biological and internationalize the Company

2019

EY



PARTHENON

Strategy revalidation and change of execution mindset

Path

**+ 50
interviews**
with
Directors and
Board

**13 self-assessment
workshops,**
involving directors,
management and
coordination

+ 4.500
consulting
hours

Path



**Company
Diagnosis**



**Market analysis
and
definition of
future scenarios**



**Strategic
alternatives**



**Design of
action plans**

Our strategic positioning

Ourofino 2.0

Broad portfolio company, multispecies, with an incremental innovation strategy

Focus on the commercial approach of selling productivity to the field and enhancing the customer experience

Ourofino 2.0 in practice

- Expansion of the portfolio and market coverage
- Accelerating international growth
- Development of new business
- Digitization and innovation
- Optimization of the commercial approach (segmentation, pricing, review of commercial policy ..)

Ourofino 2.0 in practice

21 strategic initiatives in 6 pillars

- Governance and organization
- Research, development and innovation
- Transactions and new business
- International expansion
- Go-to-market
- Operational efficiency

Creation of the transformation office

Ourofino 2.0 – Transformation Office

- Inspiring transformation
- Monitor the progress of initiatives
- Guide execution
- Inform the evolution to the CEO and Board

Ourofino
Day 2019

Kleber Gomes

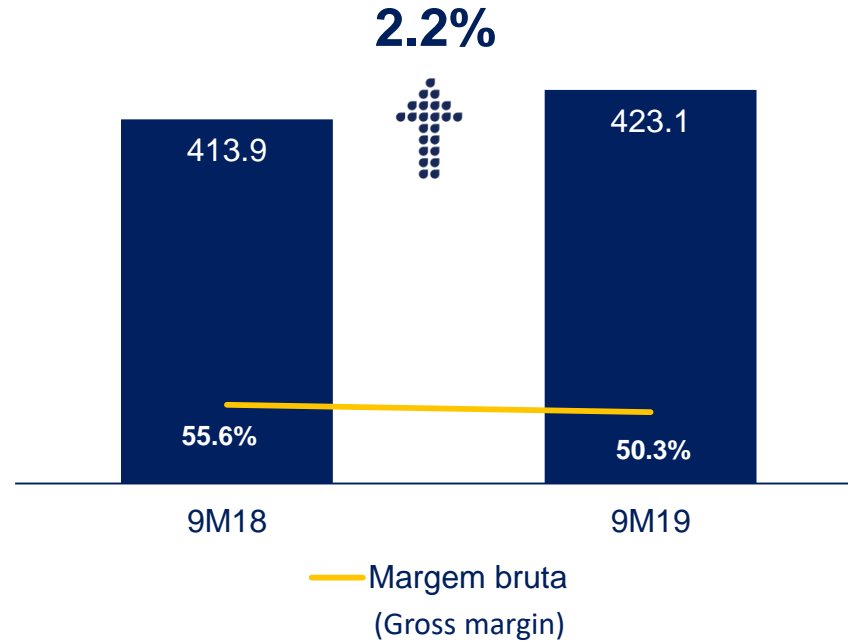
Vice president



Financial performance - 9M19

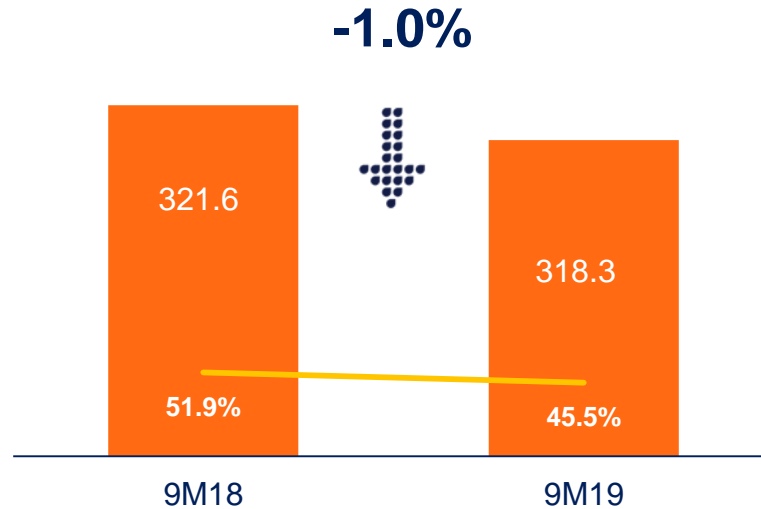
Consolidated

Net Revenue and Gross Margin



Production Animals

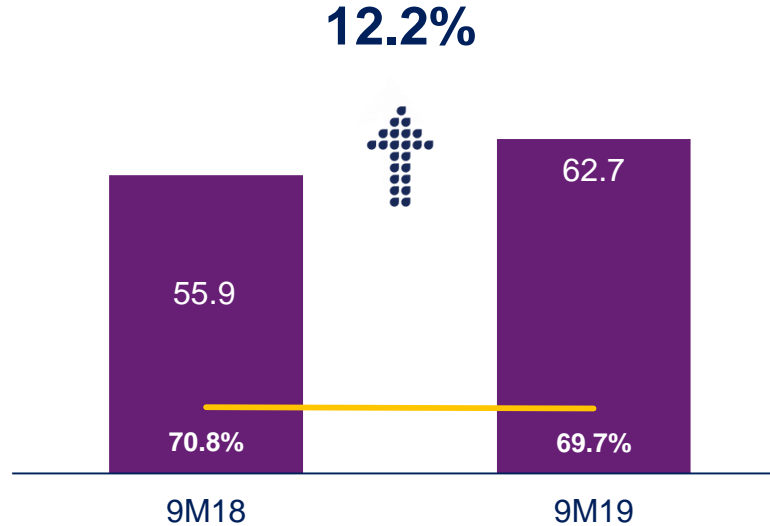
Net Revenue and Gross Margin



— Margem bruta para animais de produção
(Gross margin for production animals)

Companion animals

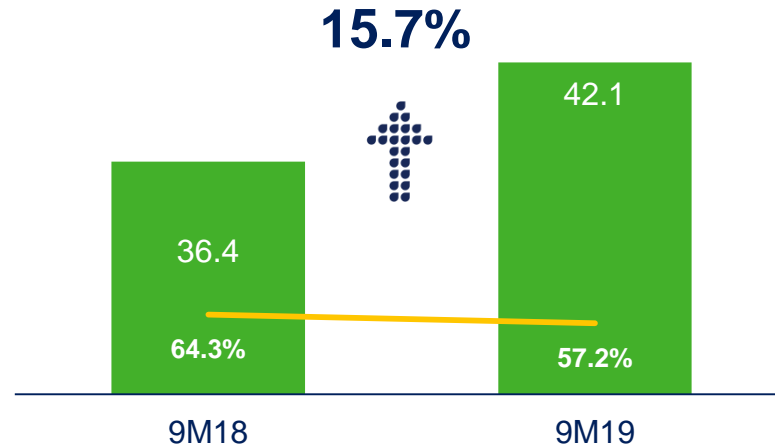
Net Revenue and Gross Margin



— Margem bruta para animais de companhia
(Gross margin for Companion Animals)

International Operation

Net Revenue and Gross Margin



— Margem bruta para operações internacionais
(Gross margin for International Operations)



↑ 18%



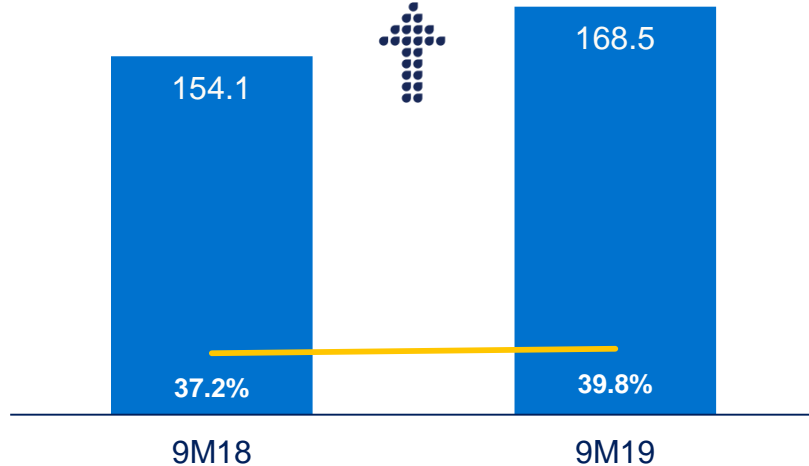
↑ 22%



↑ 5%

SG&A – Selling, general and administrative expenses

9.3%



— Percentuais sobre receita líquida
(Percentages on net revenue)

Allocation of R&D in expenses:

R\$ 10.5
millions in
9M18



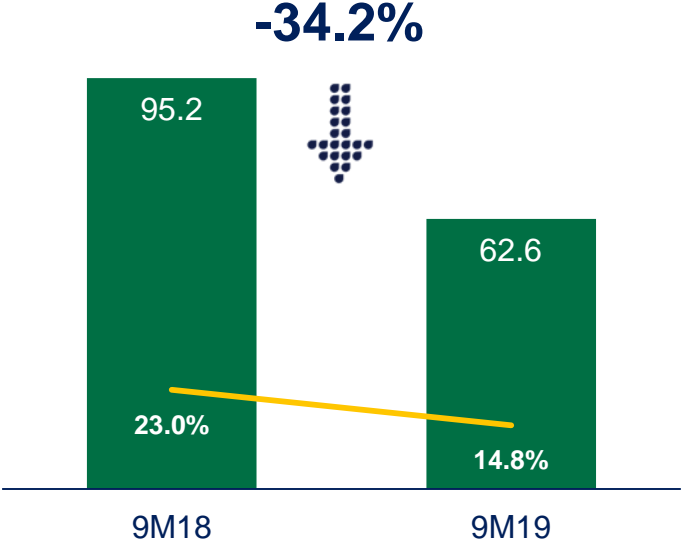
R\$ 19.5
millions in
9M19

Other expenses:



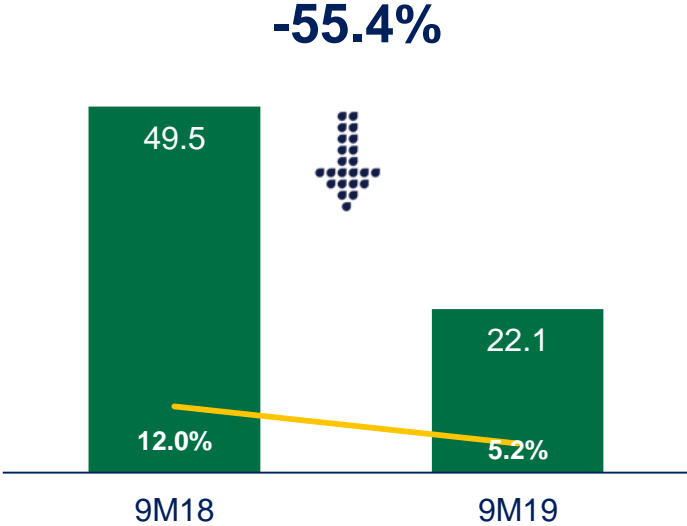
3.5%

Adjusted EBITDA



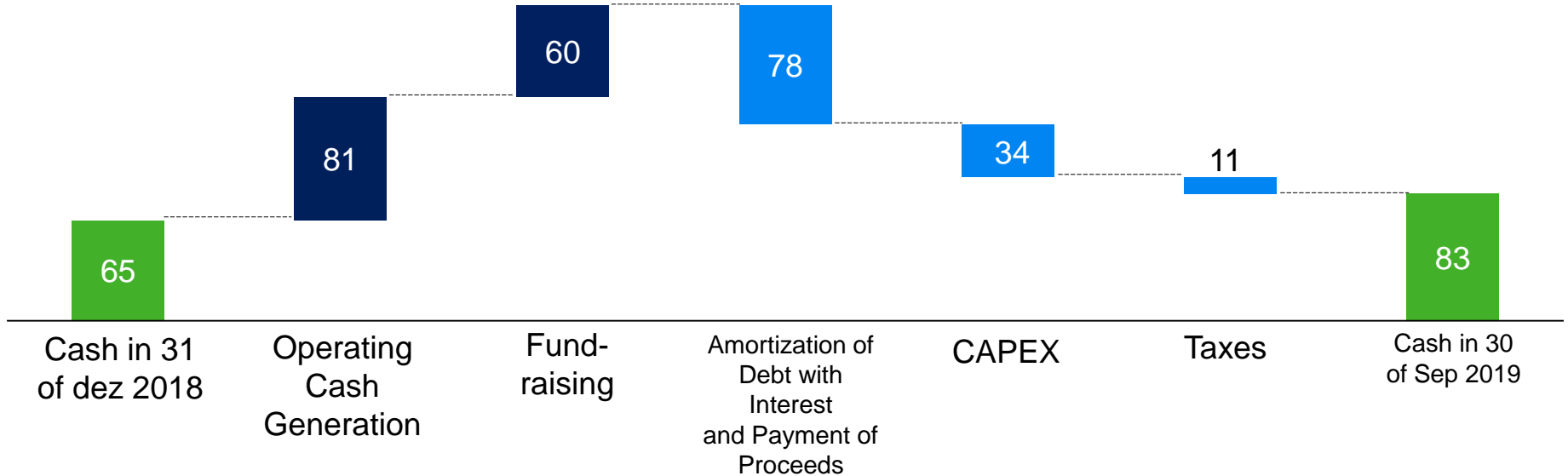
— Margem EBITDA Ajustado
(Adjusted Ebitda margins)

Adjusted Net Income



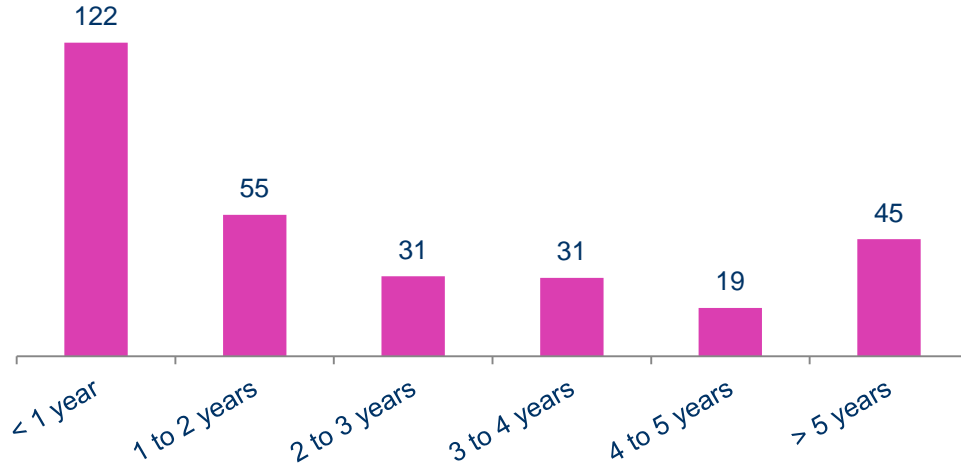
— Margem de lucro
(Adjusted Net Income Margins)

Cash generation and net debt

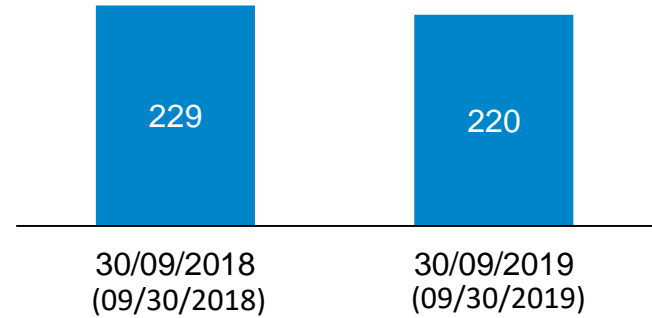


Indebtedness

Aging of indebtedness

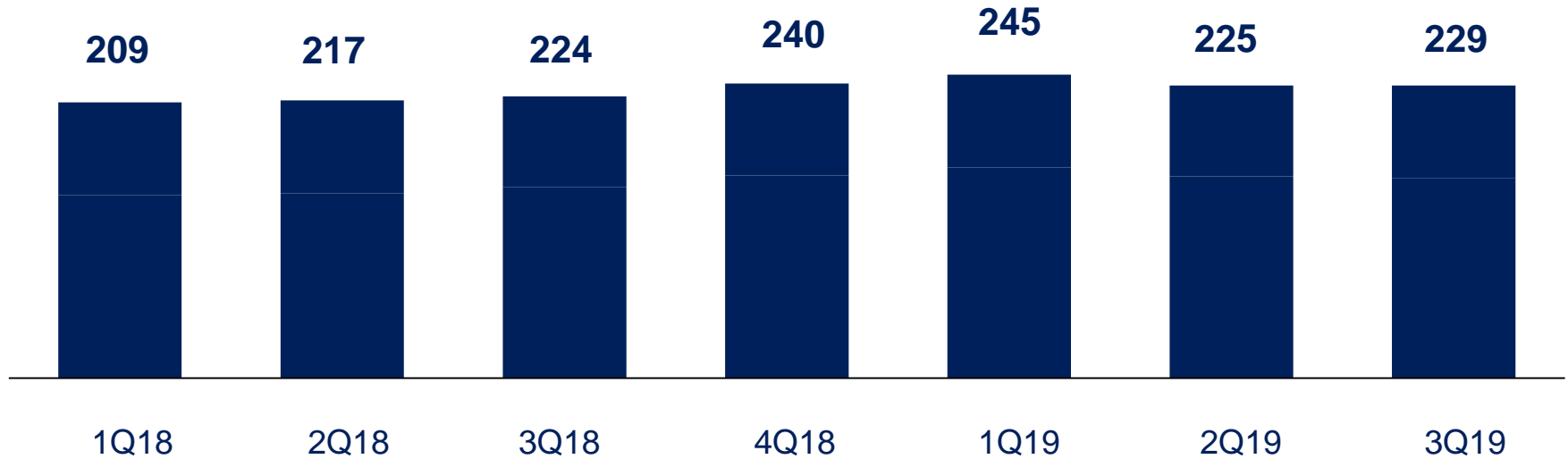


Net debt



4.2% Net debt

Financial cycle in days



Animal Health Market

Market

Global - Projections



CAGR
(2018-2024)

4.1%

2018

USD 32
billions

2024

USD 40
billions

Growing market

Technological advancements



Population growth



Increasing income in
emerging countries



Animal protein consumption



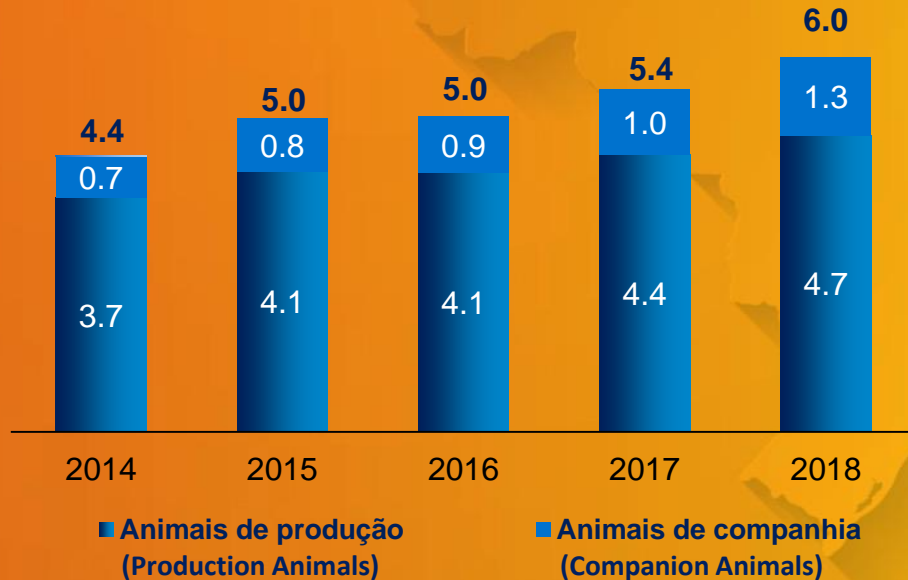
Increase and humanization of pets



Market

Brazil - 5% of the global animal health market

In billions R\$



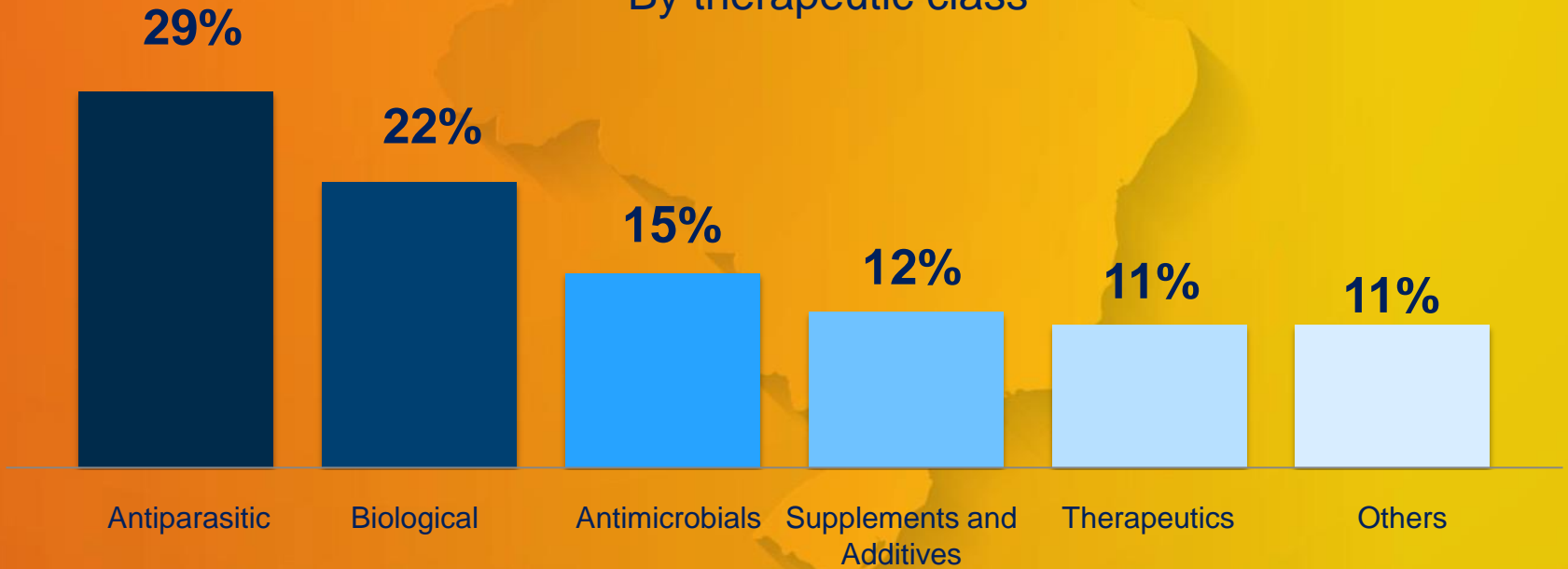
CAGR
(12-18)

9%

Market

Brazil

By therapeutic class

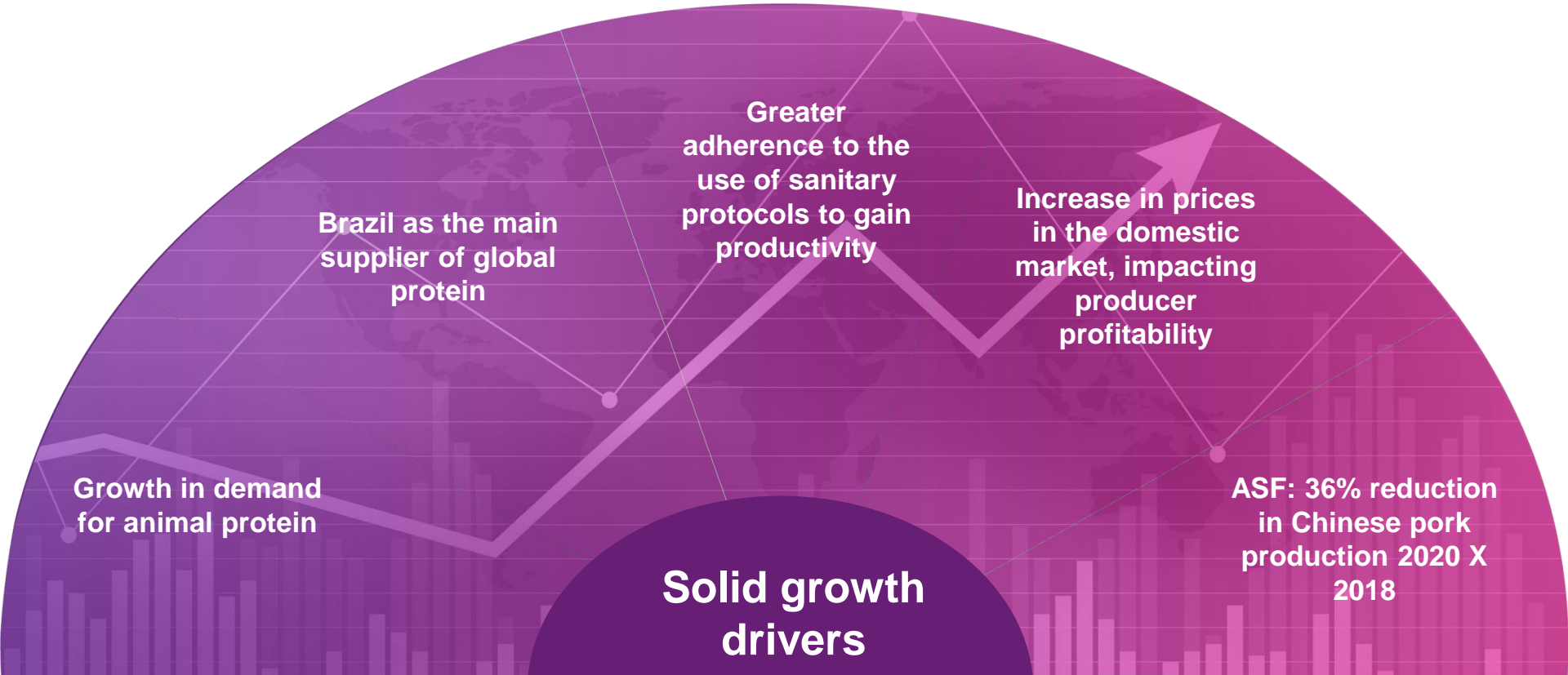


Growth Drivers Production Animals



Market

Production animals



Market

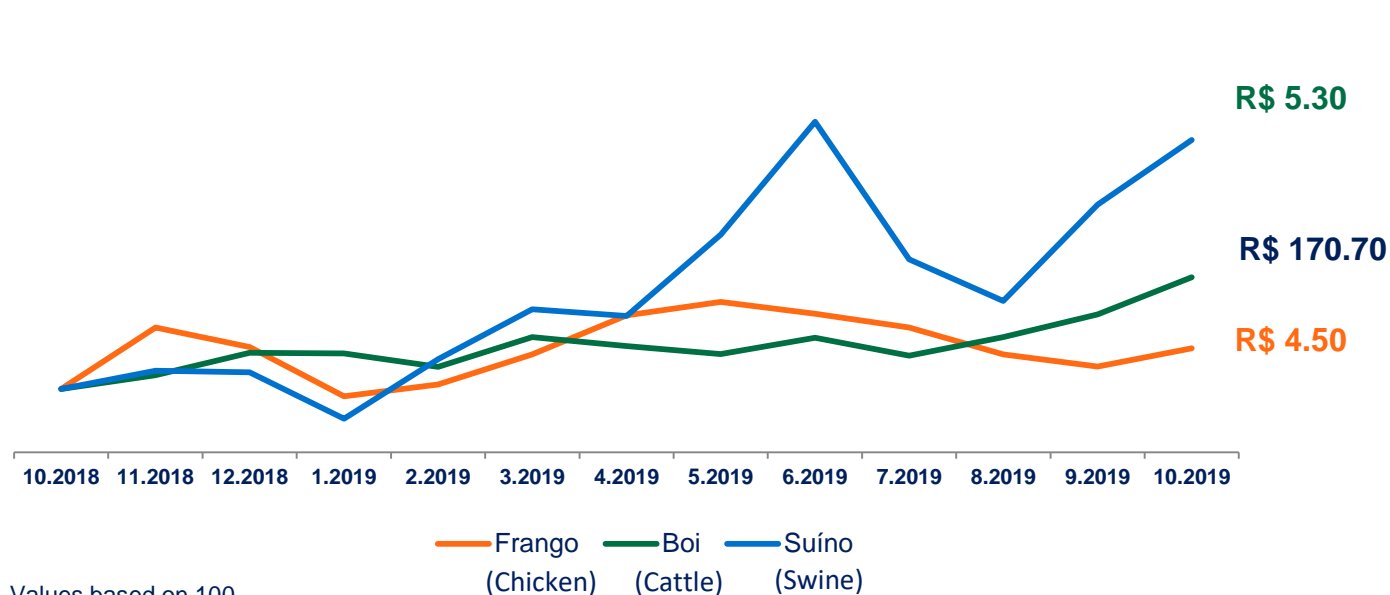
Production animals Growth drivers

Head expenses with animal health products (2017) (USD)



Evolution of beef prices and exports

Production animals - Positive moment



Values based on 100.

Fat cattle price given at sign.

Price of chicken and pork in kilograms.



6.4%
of increase



17.6%
of increase



39.3%
of increase

Growth Drivers Companion Animals



Growth drivers

Humanization of Pets

Health and well-being:
humanization makes owners
more concerned with health
and disease prevention



Growth drivers

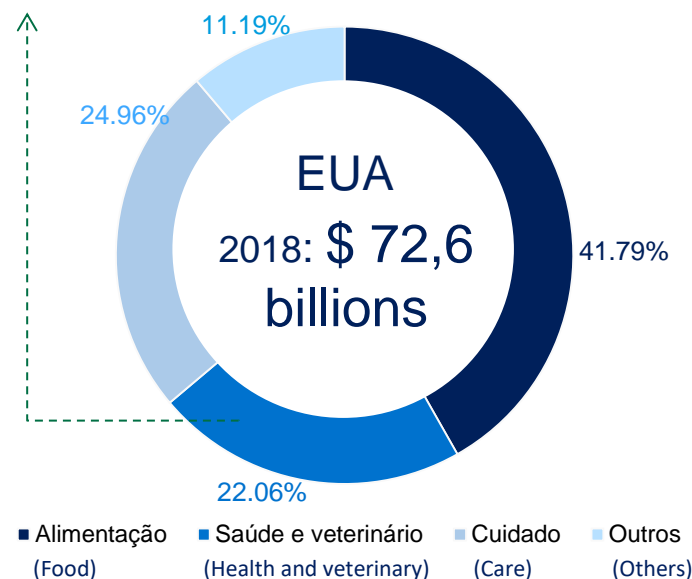
Brazil

Animal health spending in Brazil and the United States

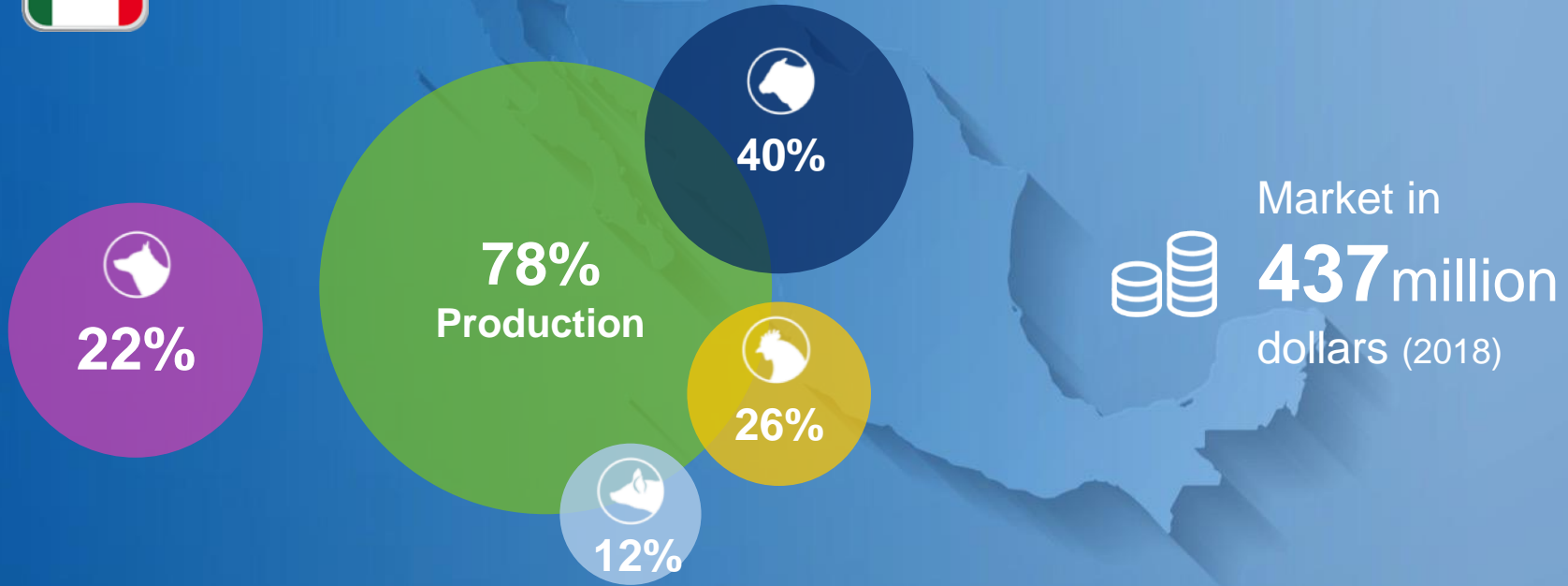
Brazil Growth
2017/2018:



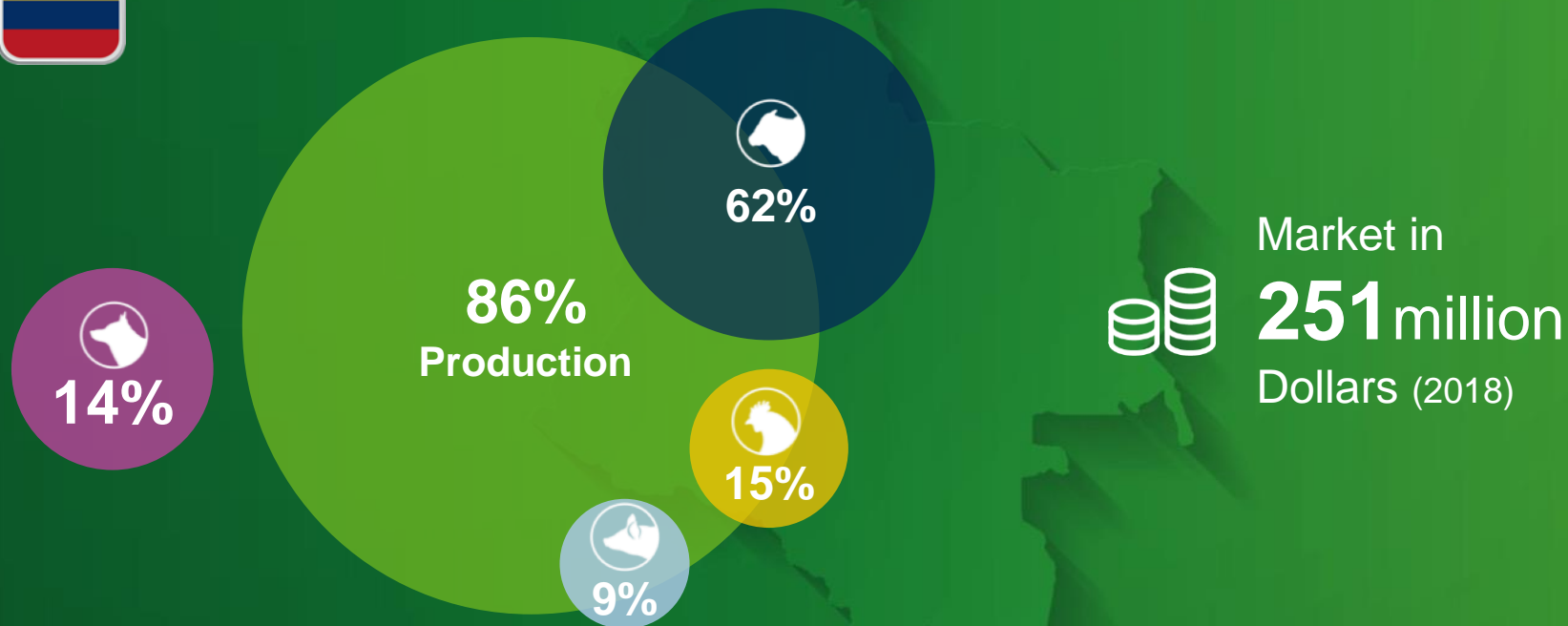
→ **17.7% vs 22.1%**



Market - Mexico














Market - Colombia



Changing market

The future of the industry will be shaped by changes in the line of care, consumption habits, production methods and in the relationship with the customer accelerated by innovation agents

Future of Animal Health	
Increased regulatory requirement	 
Transformation of RD&I	 
Evolution of animal protein consumption	
Transformation of experience	 
Humanization and increased spending on Pet	
Increased productivity in the field	
Care line innovation	 

**How do we prepare to
capture market growth and
continue to deliver value?**



Strategic planning

Path



**Strategic
alternatives**

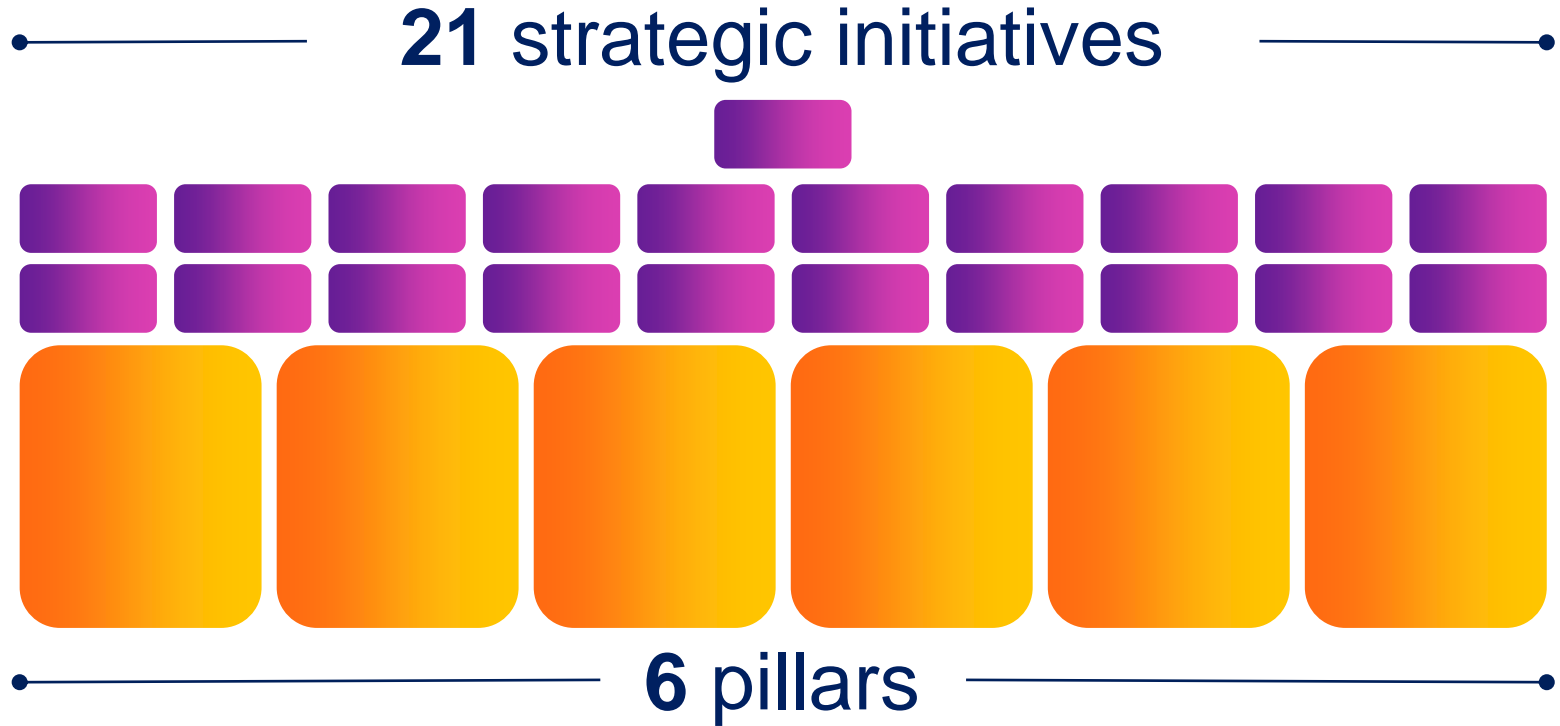
**Ourofino
2.0**

Strategic Positioning

Ourofino 2.0

Implementation
Strategic planning

Implementation - Strategic Planning



Implementation - Strategic Planning



Ourofino 2.0 Strategy

Strategic Transformation Office



Research, Development and Innovation

- Integrated innovation
- Strategic portfolio management
- PDI Governance
- Portfolio expansion:
 - - Cattle
 - - Pigs
 - - Pets
- Development of biological platform (pipeline / products)

Transactions and new business

- Partnerships and transactions
- Entry into existing unexploited subsegments

International expansion

- International expansion:
 - - Mexico
 - - Colombia
 - - Second wave of expansion in other countries

Go-To-Market

- Segmentation and relationship strategy for Production
- Relationship and relationship strategy for Pets
- Relationship platform
- Pricing improvement

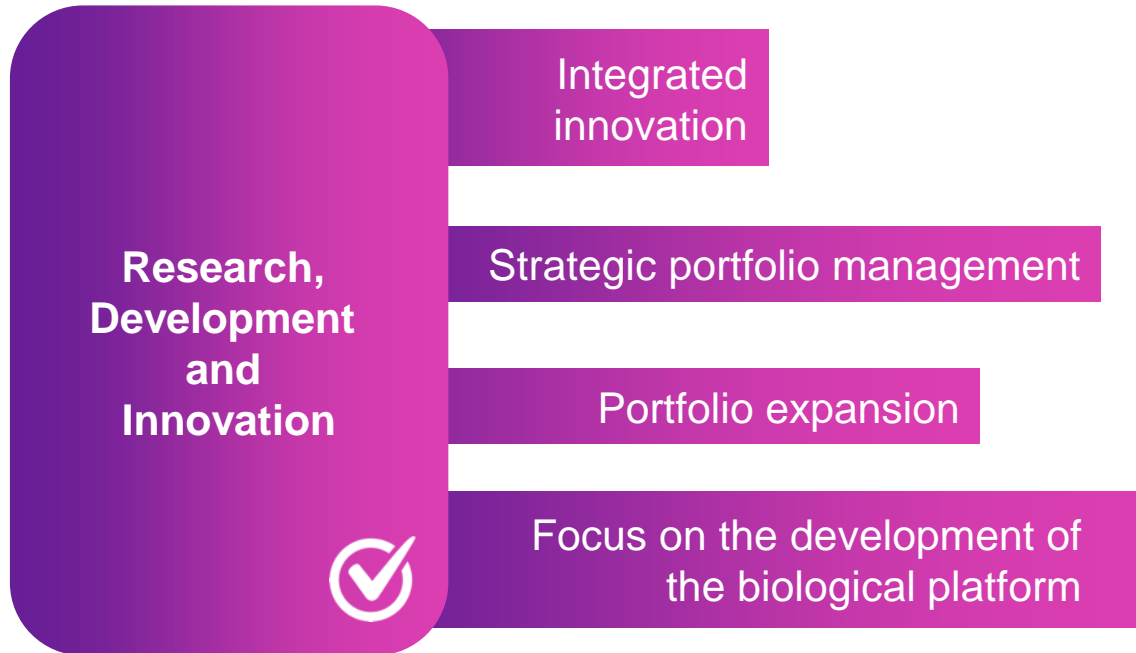
Operational efficiency

- S&OP Project
- Lean Project

Governance and Organization

- Improving the role of the board
- Organizational culture
- Organizational structure
- Development of the biological platform

Implementation - Strategic Planning



Implementation - Strategic Planning



Implementation - Strategic Planning



Mexico and Colombia portfolio review

Strategy for accelerating market penetration in Mexico and Colombia

Mexico and Colombia tactical expansion plan



65 products



64 products

Implementation - Strategic Planning

International
expansion

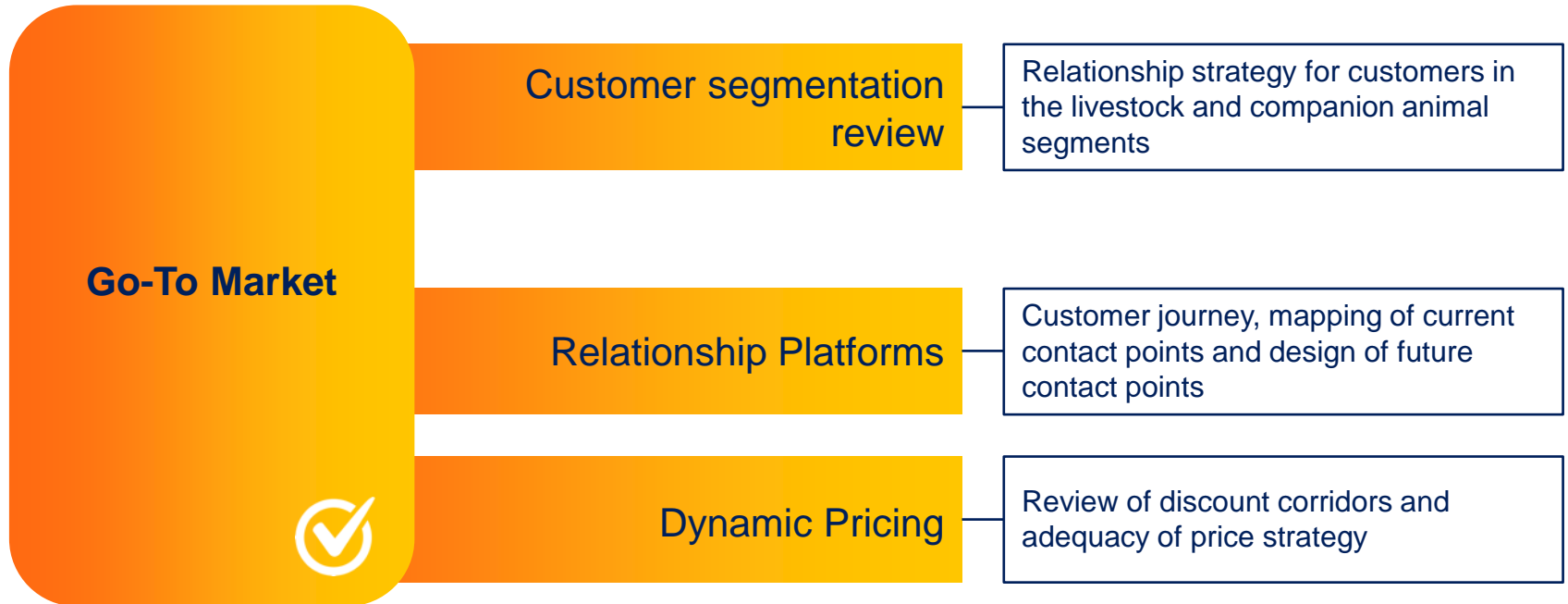


Evaluation of the
possibility of
expansion in other
LATAM countries

Study of
desirable
markets

Tactical plan for
expanding
operations

Implementation - Strategic Planning



Implementation - Strategic Planning

Go-To-Market



Customer
segmentation in
clusters

Definition of the focused
communication and
marketing strategy

More effective
pricing policy

Positive impact on
margin and sales

Implementation - Strategic Planning



Improvement of processes with greater efficiency and assertiveness in production

Ourofino
Day 2019

Jardel Massari

CEO



Implementation – Strategic Planning

(100 day plan)



New organizational structure: alignment of the Board's vision and senior management

**Innovative
solution**

**Management
focus for
products**

**Culture of open
innovation**

New growth
cycle, supported
by:



Customer focus

Sign affixed to
all meeting
rooms of our
company.



**Lembre-se:
Nosso Cliente raramente
está nesta sala.**

Remember: Our customer is rarely in this room.

