Phibro Animal Health Corporation



Company Overview

February 2021

Important Information

Forward-Looking Statements

This communication contains forward-looking statements that are subject to risks and uncertainties. All statements other than statements of historical or current fact included in this report are forward-looking statements. Forward-looking statements discuss our current expectations and projections relating to our financial condition, results of operations, plans, objectives, future performance and business. You can identify forward-looking statements by the fact that they do not relate strictly to historical or current facts. These statements may include words such as “aim,” “anticipate,” “estimate,” “expect,” “forecast,” “outlook,” “potential,” “project,” “projection,” “plan,” “intend,” “seek,” “believe,” “may,” “could,” “would,” “will,” “should,” “can,” “can have,” “likely,” the negatives thereof and other words and terms of similar meaning in connection with any discussion of the timing or nature of future operating or financial performance or other events. These statements are not guarantees of future performance or actions. If one or more of these risks or uncertainties materialize, or if management’s underlying assumptions prove to be incorrect, actual results may differ materially from those contemplated by a forward-looking statement. Forward-looking statements speak only as of the date on which they are made. Phibro expressly disclaims any obligation to update or revise any forward-looking statement, whether as a result of new information, future events or otherwise. A further list and description of risks, uncertainties and other matters can be found in our Quarterly Report on Form 10-Q and Annual Report on Form 10-K, including in the sections thereof captioned “Forward-Looking Statements” and “Risk Factors.” These filings and subsequent filings are available online at www.sec.gov, www.pahc.com, or on request from Phibro.

Non-GAAP Financial Information

We use non-GAAP financial measures, such as adjusted EBITDA and adjusted net income, to assess and analyze our operational results and trends and to make financial and operational decisions. Management uses adjusted EBITDA as its primary operating measure. We report adjusted net income to portray the results of our operations prior to considering certain income statement elements. We believe these non-GAAP financial measures are also useful to investors because they provide greater transparency regarding our operating performance. The non-GAAP financial measures included in this communication should not be considered alternatives to measurements required by GAAP, such as net income, operating income and earnings per share, and should not be considered measures of liquidity. These non-GAAP financial measures are unlikely to be comparable with non-GAAP information provided by other companies. Reconciliation of non-GAAP financial measures and GAAP financial measures are included in the tables accompanying this communication and/or our Quarterly Report on Form 10-Q and Annual Report on Form 10-K.

Internet Posting of Information

We routinely post information that may be important to investors in the “Investors” section of our website at www.pahc.com. We encourage investors and potential investors to consult our website regularly for important information about us.

Phibro Animal Health Corporation

A global leader in animal health

Global animal health company focused on food animals

Dedicated to supporting growing worldwide demand for animal protein

Products and solutions enhance health, nutrition and productivity of animals

>75 countries to ~3,700 customers
59% United States
41% International

Manufacture ~70% of our animal health products

$806m Net Sales

$107m Adjusted EBITDA

Public company
Nasdaq: PAHC

$ in millions
Net sales and Adjusted EBITDA reflect latest twelve months (LTM) ended September 30, 2020

Core Competencies

Effective Solutions



Medicated Feed Additives
- Antibiotics
- Anticoccidials
- Antimicrobials
- Bloat Control
- Anthelmintics

Vaccines
- Fully Licensed
- Autogenous

- Poultry
- Swine
- Bovine
- Aqua

Nutritional Specialties
- Immune Modulators
- DCAD Solutions
- Yeast Solutions
- Mycotoxin Solutions
- Phytogenic Feed Additives
- DFM Solutions

MVP Adjuvants
- Oil-in-Water
- Polymers
- Custom

- Poultry
- Swine
- Bovine
- Aqua

Mineral Nutrition
- Trace and Macro Minerals
- Organic Trace Minerals
- Premixes
- Selenium Yeast
- Colorants
- Vitamin K

Ethanol Performance
- Antimicrobials
- Cleaning Products
- Process Aids
- Yeast

Plant Science
- Micro nutrients
- Microbial seed treatment
- Foliar and furrow application

The Factors Driving Demand for Our Products

Phibro Sees a Bright Outlook

- Global wealth and population growth drives animal protein demand
- Limited additional land and water for agriculture
- Food supply becoming global
- Consumer demand for safe, affordable food
- Responsible animal health and welfare



Innovation is the Solution

The Evolution of Phibro

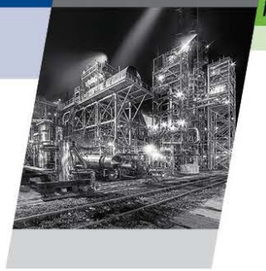
Acquisitions complement strong organic growth



1946
Formed as Philipp Brothers Chemicals, Inc.



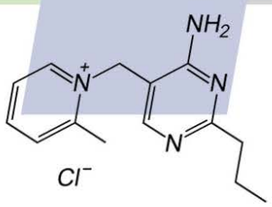
1974
Acquired Koffolk, an Israeli animal nutrition business



1980
Began nicarbazin manufacturing



1980
Acquired assets & established U.S. animal nutrition business, Prince Agri Products



1994
Began amprolium manufacturing



2000
Acquired global medicated feed additive business from Pfizer Inc.

2003
Changed corporate name to Phibro Animal Health Corporation



2009
Acquired Abic Laboratories, an Israel-based vaccine business

2009
Acquired Baltzell U.S. mineral nutrition business



2011
Acquired Animate® nutritional specialty product



HEALTHY ANIMALS. HEALTHY FOOD. HEALTHY WORLD.®

Phibro ANIMAL HEALTH CORPORATION™

The Evolution of Phibro

Acquisitions complement strong organic growth



Our Company

Summary

$806m Net Sales

$107m Adjusted EBITDA

Mineral Nutrition
$213m net sales
$14m Adjusted EBITDA

Trace minerals for animals

Animal Health
$533m net sales
$128m Adjusted EBITDA

Poultry, swine, dairy, cattle, aquaculture

Performance Products
$59m net sales
$6m Adjusted EBITDA

Specialty chemicals

Medicated Feed Additives and Other
$326m net sales

Antimicrobials and Anticoccidials

Nutritional Specialties
$131m net sales

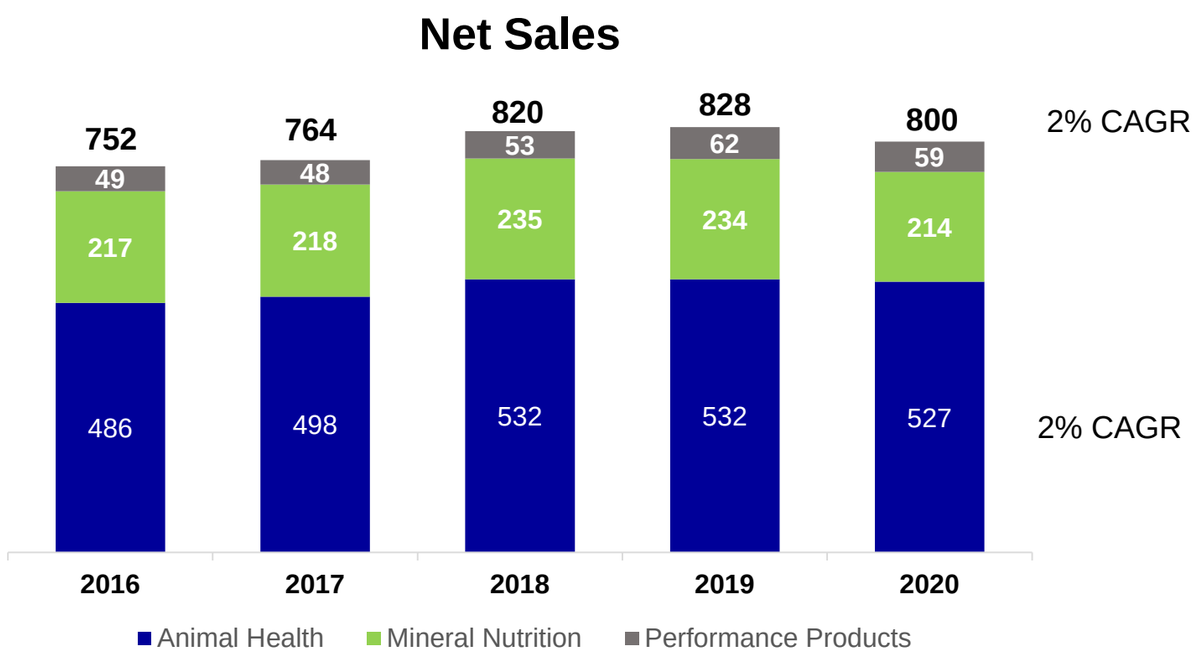
Dairy and poultry
Improve health and performance

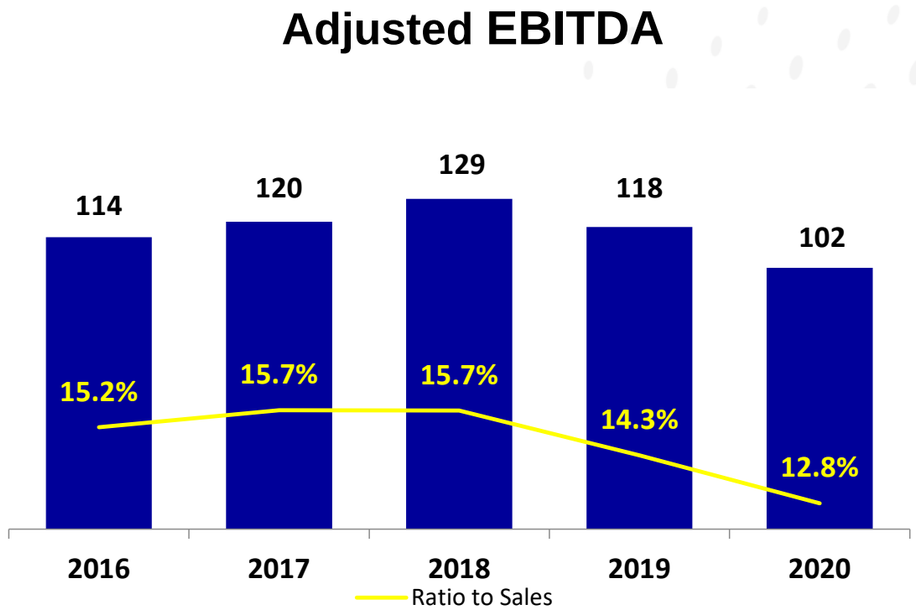
Vaccines
$76m net sales

Poultry and swine
Proprietary delivery technology

Net sales and Adjusted EBITDA reflect LTM ended September 30, 2020
Consolidated Adjusted EBITDA includes corporate overhead of $41m that is not included in segment Adjusted EBITDA. Certain amounts may reflect rounding.

Net Sales and Adjusted EBITDA



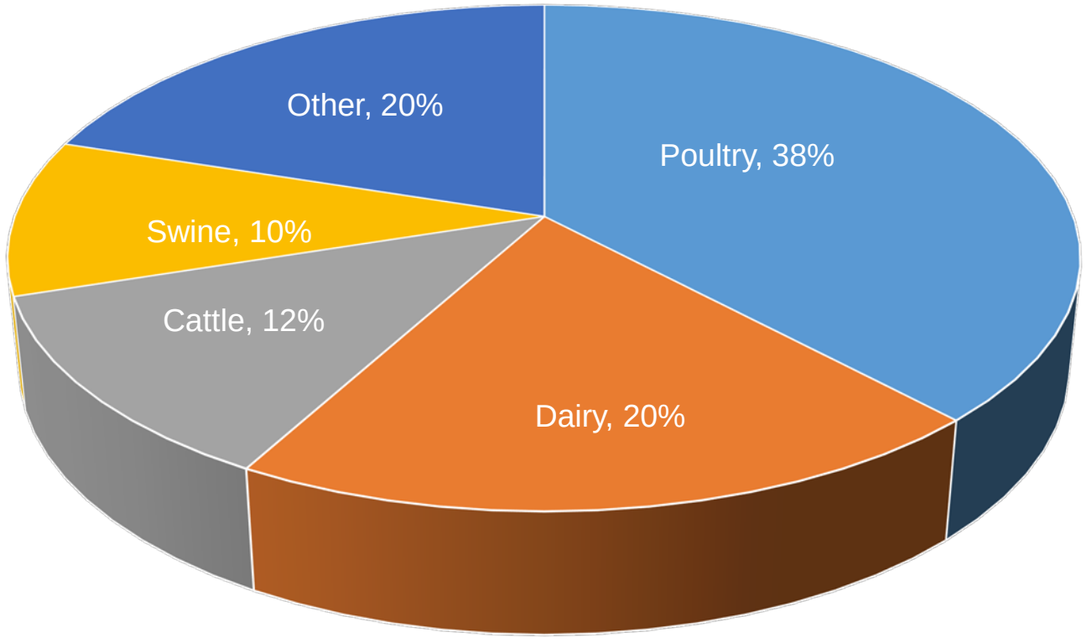


$ in millions
Net sales and Adjusted EBITDA reflect fiscal year ended June 30
CAGR-compound annual growth rate

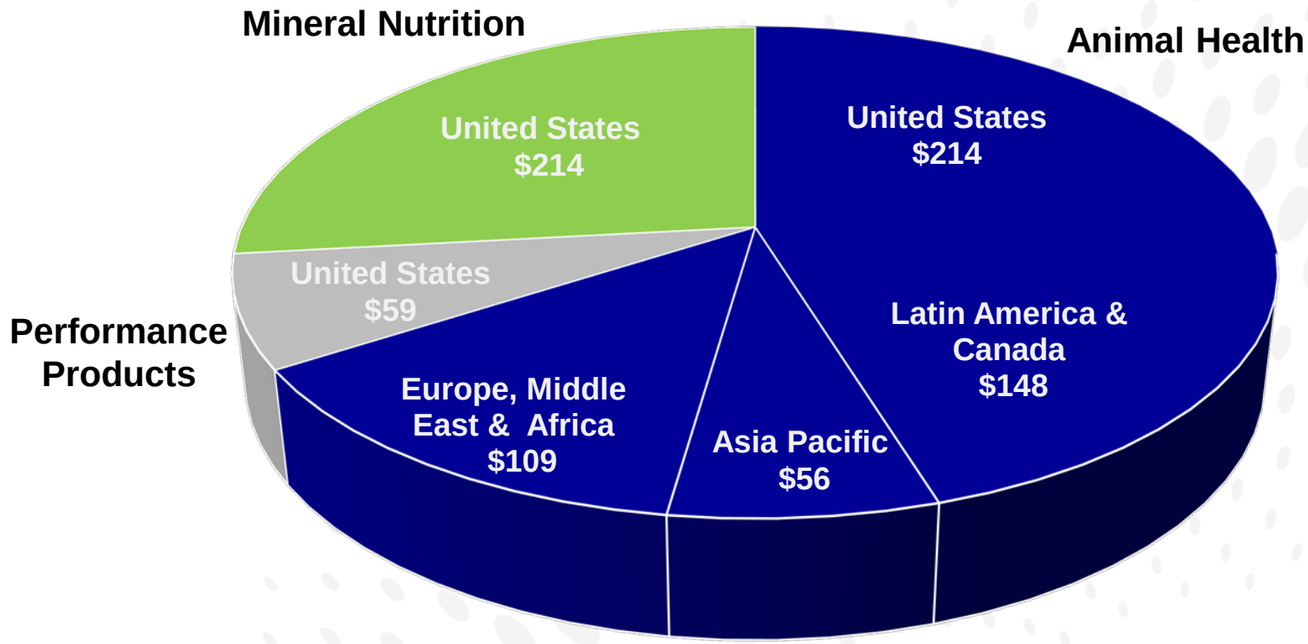
Net Sales

$800 million

Species



Regions



$ in millions
Net Sales reflect fiscal year ended June 30, 2020

Net sales by region are based on country of destination.
Mineral Nutrition includes $9 for Latin America and Canada.
Performance Products includes $2 for Latin America & Canada, $3 for Europe, Middle East & Africa and $1 for Asia Pacific.

Animal Health

Business Segment



Animal Health

Highlights

Products drive value creation for customers

Record of revenue growth and margin expansion

Highly diversified customer base

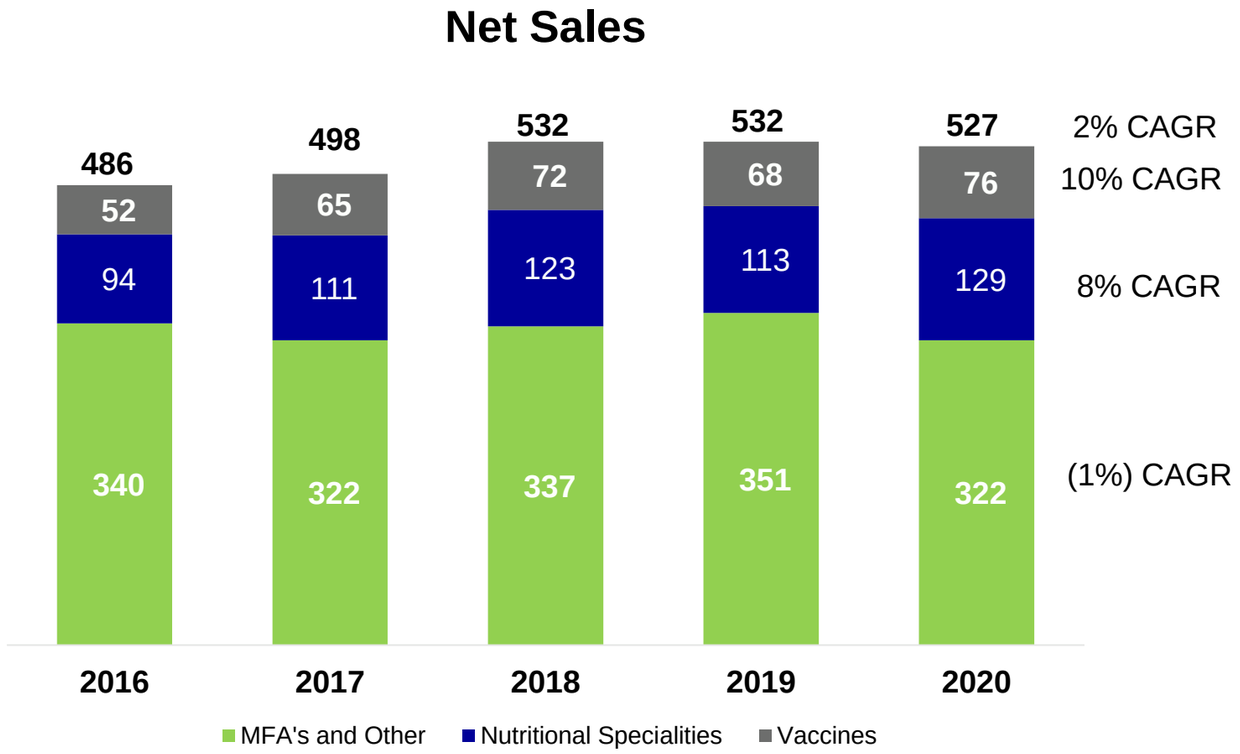
59% of animal health sales are international

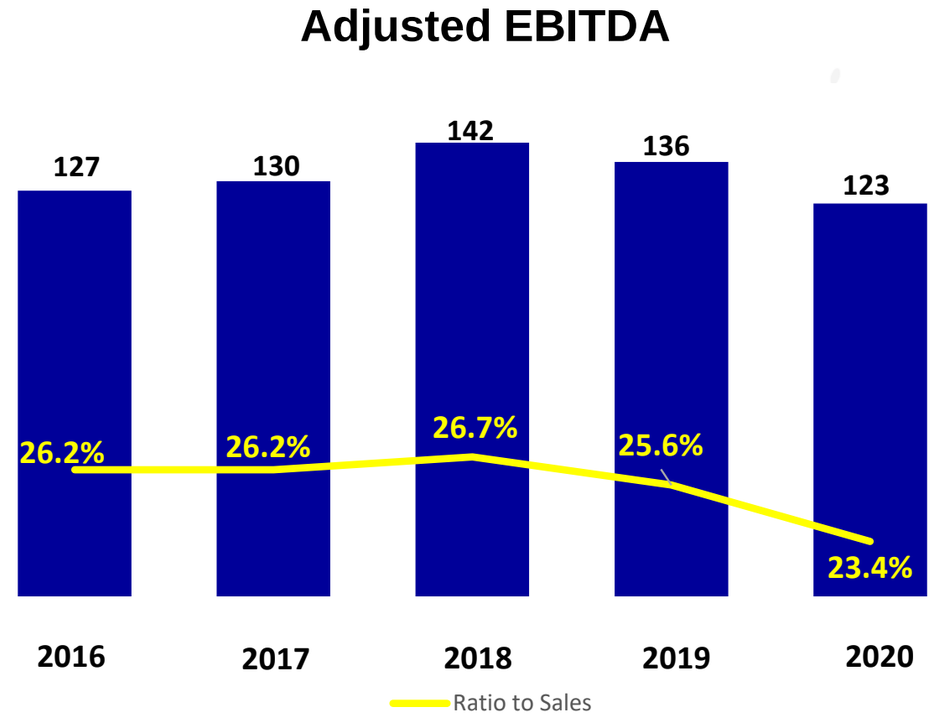
Deploying additional field force to drive growth

International expansion

- **Southeast Asia**
- **South America**
- **EU27**

Animal Health Segment





$ in millions
Net sales and Adjusted EBITDA reflect fiscal year ended June 30
CAGR-compound annual growth rate

Nutritional Specialties

Key Products

- **Solutions for changing customer needs**
- **Products help improve health and performance**
- **Focus on dairy, poultry, swine and aqua**

ProVia PRIME™

OmniGen™ PRO

cellerate YEAST SOLUTIONS®

Animate®

Magni-Phi®

AB20®

OmniGen™ Pro

Description	▪ Propriety formula of all natural ingredients and exclusive fermentation technologies ▪ Supports immune competence and the digestive microbiome in dairy cows ▪ Fed to >20% of U.S. and Canada dairy cows(1)
Benefits	Helps improve profitability by: ▪ Increase milk and component yield per cow ▪ Improve milk value ▪ Decrease discarded milk ▪ Reduce somatic cell counts ▪ Reduce medicine, labor and veterinary costs ▪ Reduce reproductive expenses ▪ Reduce involuntary culls
Product Strengths	▪ Proprietary product with extensive IP ▪ Investments in sales force / manufacturing infrastructure to drive growth

(1) *Phibro management estimate*

Vaccines

Key Products

- **Poultry, swine, bovine and aqua vaccines**

MB-1 IBD

TAbic®

Phivax® ChickPak

Tailor-Made®

CUSTOMIZED PRRSV PROTECTION MJPRRS® Technology

KoVax

pHi-Tech™ VACCINATION MANAGEMENT

TAbic®

Description	▪ Technology for formulation / delivery of vaccines ▪ Effervescent tablets in sterile blister packs ▪ Replaces glass bottles
Benefits	▪ Provides superior convenience and logistical benefits over conventional glass bottles
Product Strengths	▪ Proven, patented technology ▪ Co-exclusively licensed to global animal health company

Tailor-Made®

Autogenous	▪ State of the art diagnostic capabilities ▪ Custom-made using customer isolates ▪ Differentiated platform technology

Medicated Feed Additives (MFAs)

Key Products

Antimicrobials

V-Max® Stafac® Mecadox®

Terramycin® Neo-Terramycin®

Anticoccidials

Aviax® Nicarb® Aviax Plus®

Coxistac® The Original AMPROLIUM® A Quality Product of Phibro Animal Health

Anthelmintics and Rumen Function

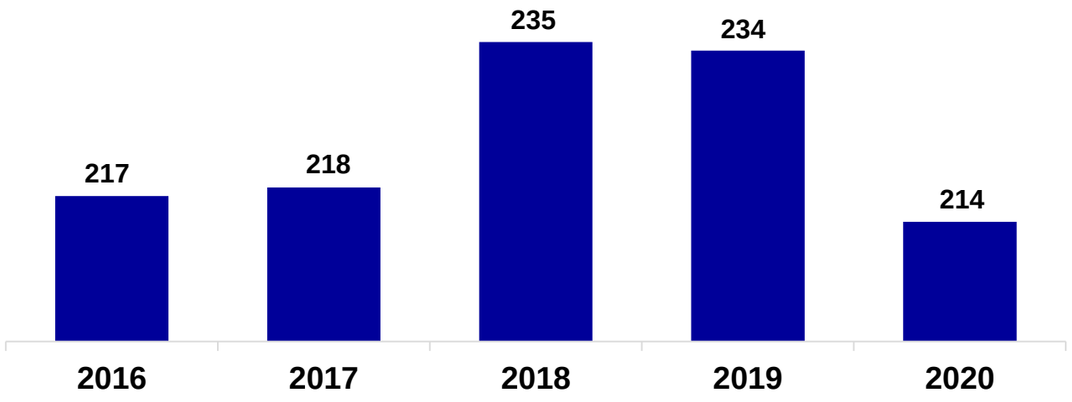
Banminth® Rumatel® Safe. Effective. Convenient. Bloat Guard®

Virginiamycin	
Description	▪ Remedy for range of bacterial infections and enteric diseases ▪ Effective in multiple species, including poultry, swine and cattle
Benefits	▪ Allows producers to maintain healthy animals ▪ Humane management of animals
Product Strengths	▪ Not absorbed from gastrointestinal tract ▪ Approved in over 25 countries; over 85 product registrations

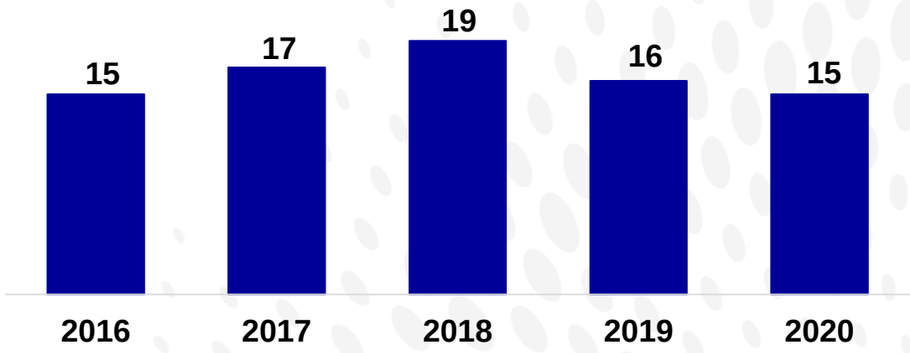
Mineral Nutrition Segment

Mineral Nutrition Segment

Net Sales



Adjusted EBITDA



$ in millions
Net sales and Adjusted EBITDA reflect fiscal year ended June 30

Mineral Nutrition

Key Products

We develop and manufacture custom trace mineral pre-mix blends to meet each customer's specifications

- **Trace and macro mineral products including copper, zinc, cobalt, iron, selenium, manganese, magnesium, iodine, others**
- **Organic trace minerals**
- **Fortifies and maintains an optimal balance of minerals in the diet**
- **Volume growth driven by livestock production numbers, with pricing based on costs of the underlying minerals**
- **North America focused**
- **Cross-sell with animal health portfolio**

Gem Stone®

Vistore™

Pet Business Update

Continuing to identify opportunities in the multi-billion dollar pet business

In Line	▪ Rejensa™ ▪ Although COVID-19 has limited access to clinics, sales doubled in the last six months versus prior six months, and we are confident we will continue to penetrate the market ▪ Estimated Addressable Market* for pet joint supplements in the US: $625 million
In Development	▪ **Novel Lyme vaccine delivery system** ▪ Development progress slowed due to COVID-19, but work is expected to re-start in fiscal year 2022 ▪ Estimated Addressable Market* for Lyme disease vaccines for dogs in the US: $80 million ▪ **Dermacare** ▪ Licensed a novel early-stage atopic dermatitis compound ▪ Approximately $1 million of licensing and development costs are included in year-to-date SG&A ▪ Estimated Addressable Market* for atopic dermatitis in dogs worldwide: $1 billion
Under Evaluation	▪ **Oral Care (cats and dogs)** ▪ Evaluating a novel early-stage approach for oral care ▪ Estimated Addressable Market* for oral care in cats and dogs worldwide: $2 billion

** Estimated Addressable Market is management's estimate derived from publicly available information, our knowledge of our industry and assumptions based on such information and knowledge. We believe these estimates are reasonable, however, they may prove to be inaccurate.*

Phibro’s Strengths

Summary

Products aligned with need for increased protein production

Products economically important to our customers’ success

Global presence and leading positions in high growth markets

Promote animal health and welfare

Diversified and complementary product portfolio; strong brand loyalty

Experienced sales and technical staff and management team

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