# Phibro Animal Health Corporation



*Company Overview*

*May 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

$799m Net Sales

$105m Adjusted EBITDA

Public company
Nasdaq: PAHC

*$ in millions*
*Net sales and Adjusted EBITDA reflect latest twelve months (LTM) ended March 31, 2021*



HEALTHY ANIMALS. HEALTHY FOOD. HEALTHY WORLD.®

Phibro ANIMAL HEALTH CORPORATION™

# 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

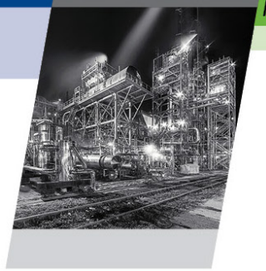
*Acquisitions complement strong organic growth*




**1946**
*Formed as Philipp Brothers Chemicals, Inc.*



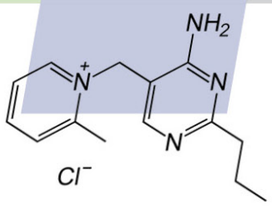
**1974**
*Acquired Koffolk, an Israeli animal nutrition business*



**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*

**$799m Net Sales**

**$105m Adjusted EBITDA**

## Mineral Nutrition
**$214m net sales**
**$16m Adjusted EBITDA**

***Trace minerals for animals***

## Animal Health
**$521m net sales**
**$124m Adjusted EBITDA**

***Poultry, swine, dairy, cattle, aquaculture***

## Performance Products
**$64m net sales**
**$8m Adjusted EBITDA**

***Specialty chemicals***

## Medicated Feed Additives and Other
**$311m net sales**

***Antimicrobials and Anticoccidials***

## Nutritional Specialties
**$137m net sales**

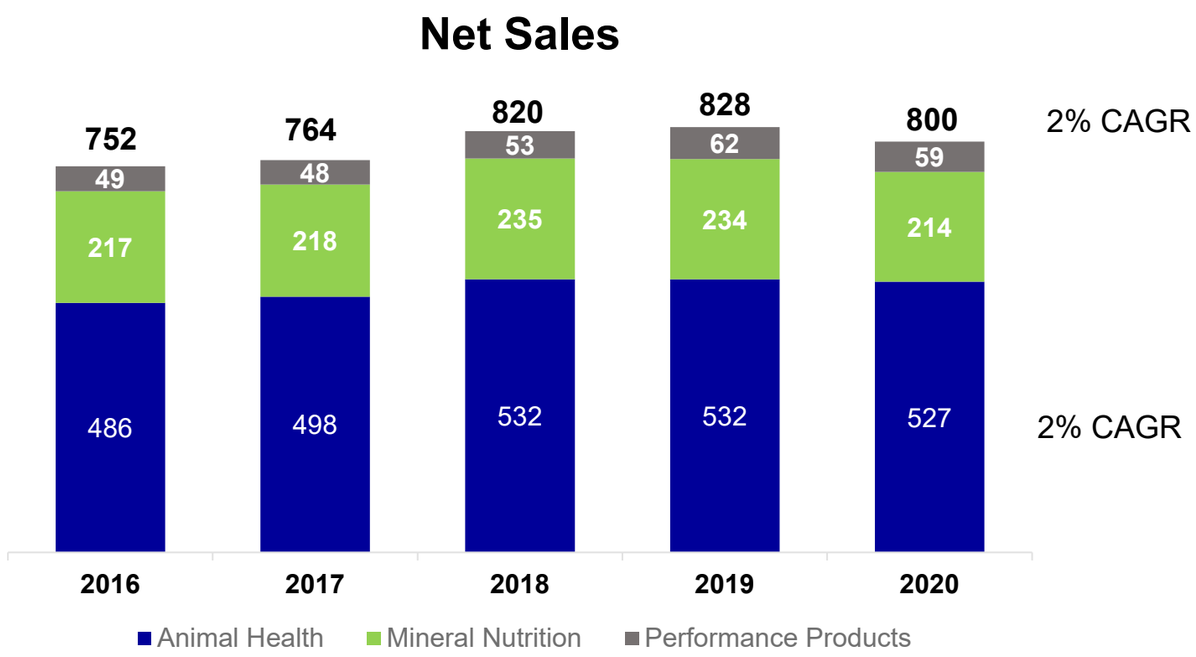
***Dairy and poultry***
***Improve health and performance***

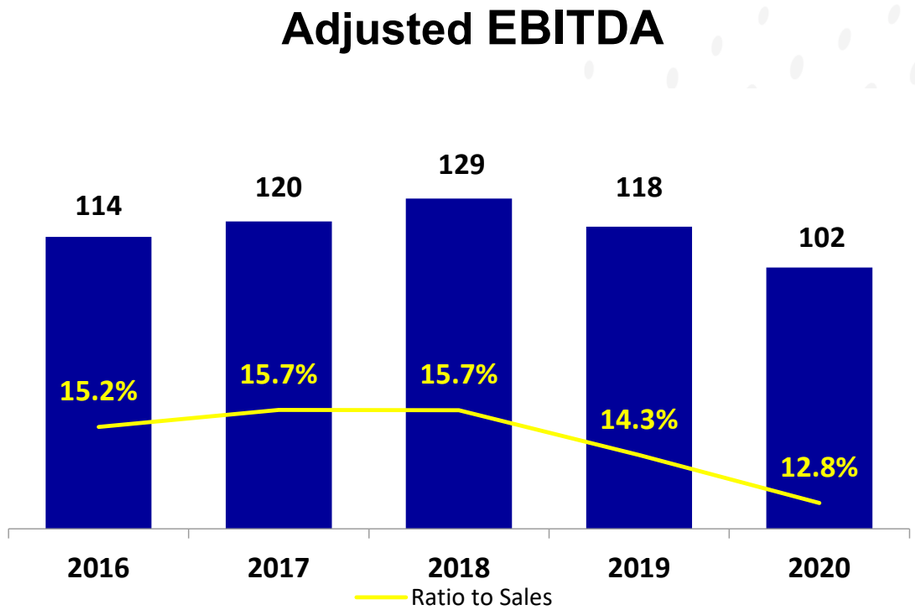
## Vaccines
**$73m net sales**

***Poultry and swine***
***Proprietary delivery technology***

*Net sales and Adjusted EBITDA reflect LTM ended March 31, 2021*
*Consolidated Adjusted EBITDA includes corporate overhead of $43m that is not included in segment Adjusted EBITDA. Certain amounts may reflect rounding.*

# Net Sales and Adjusted EBITDA



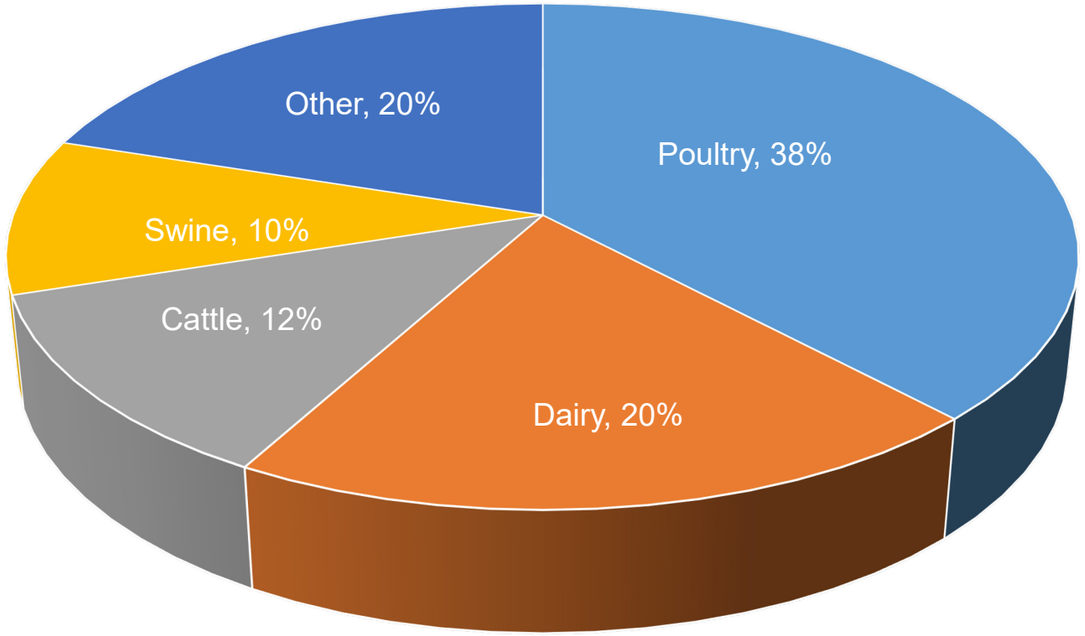




*$ in millions*
*Net sales and Adjusted EBITDA reflect fiscal year ended June 30*
*CAGR-compound annual growth rate*

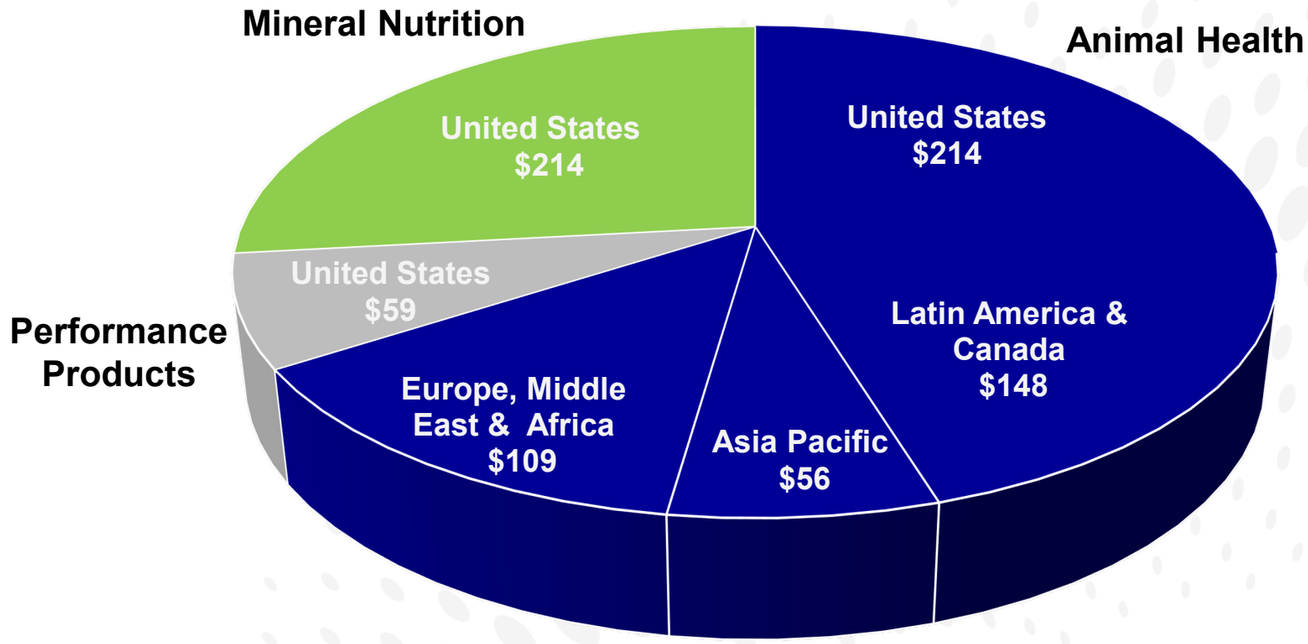
# Net Sales

*$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**

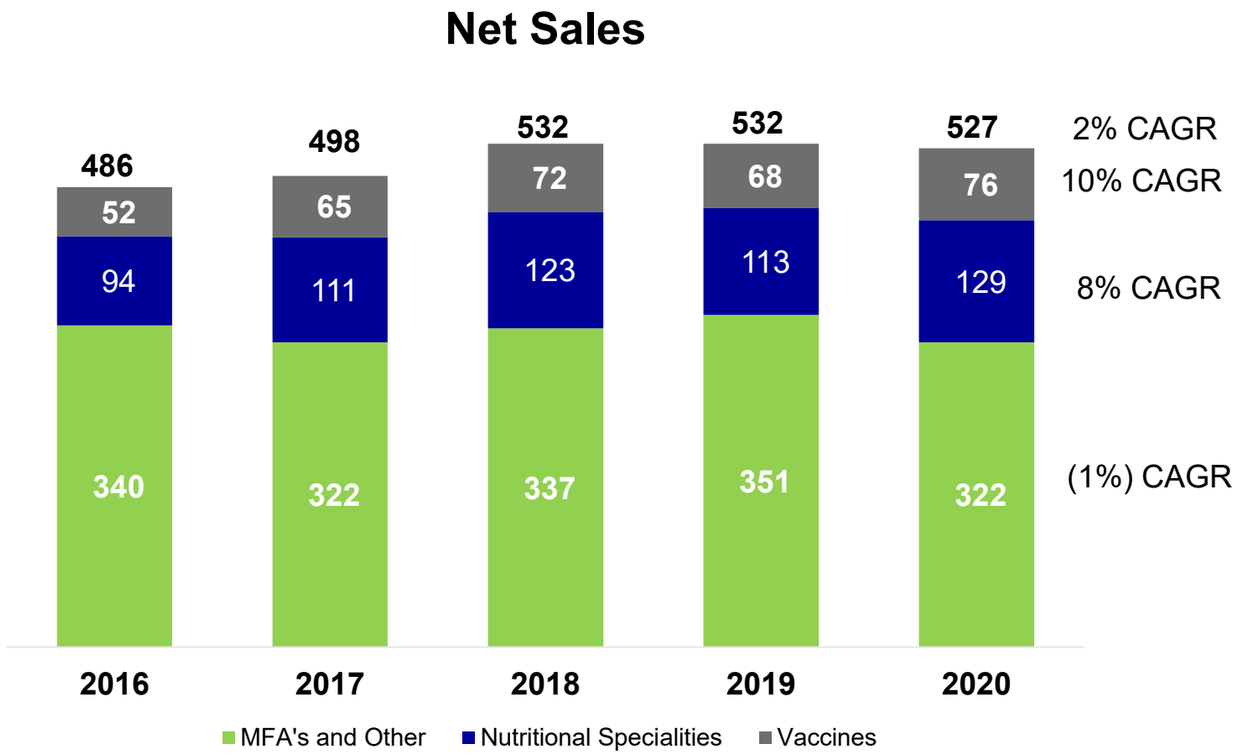
**59% of animal health sales are international**

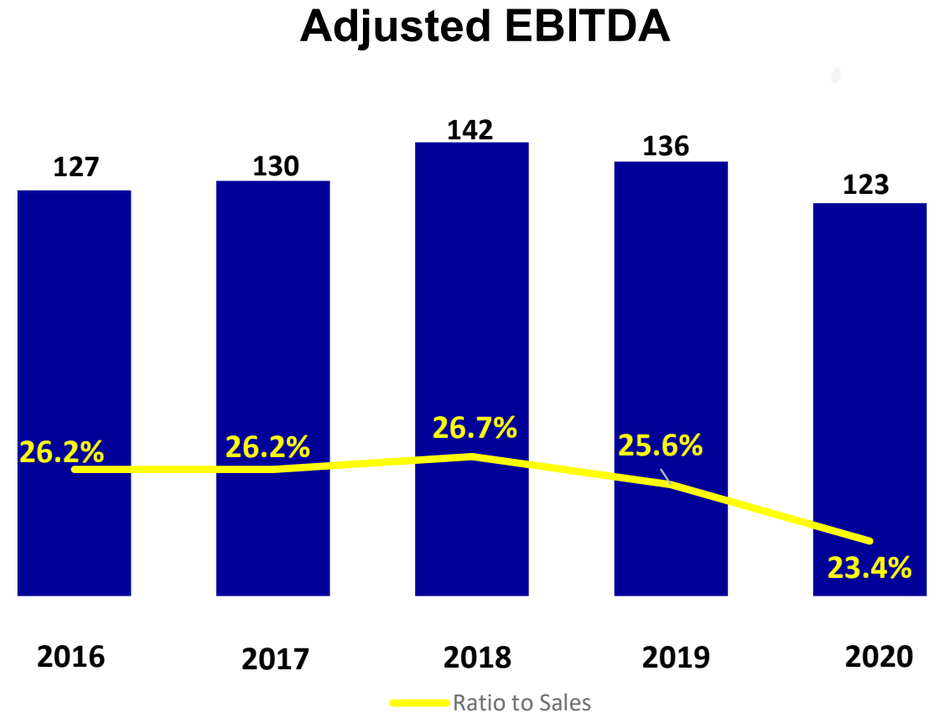
**Deploying additional field force to drive growth**

**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**

OmniGen™ PRO

Provia PRIME™

cellerate YEAST SOLUTIONS®

Animate®

Magni-Phi®

AB20®

## *OmniGen™ Pro*

| | |
|---|---|
| Description | ▪ Propriety formula of all natural ingredients and exclusive fermentation technologies<br>▪ Supports immune competence and the digestive microbiome in dairy cows<br>▪ Fed to >20% of U.S. and Canada dairy cows(1) |
| Benefits | Helps improve profitability by:<br>▪ Increase milk and component yield per cow<br>▪ Improve milk value<br>▪ Decrease discarded milk<br>▪ Reduce somatic cell counts<br>▪ Reduce medicine, labor and veterinary costs<br>▪ Reduce reproductive expenses<br>▪ Reduce involuntary culls |
| Product Strengths | ▪ Proprietary product with extensive IP<br>▪ 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<br>▪ Effervescent tablets in sterile blister packs<br>▪ Replaces glass bottles |
| Benefits | ▪ Provides superior convenience and logistical benefits over conventional glass bottles |
| Product Strengths | ▪ Proven, patented technology<br>▪ Co-exclusively licensed to global animal health company |

## *Tailor-Made®*

| | |
|---|---|
| Autogenous | ▪ State of the art diagnostic capabilities<br>▪ Custom-made using customer isolates<br>▪ 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**

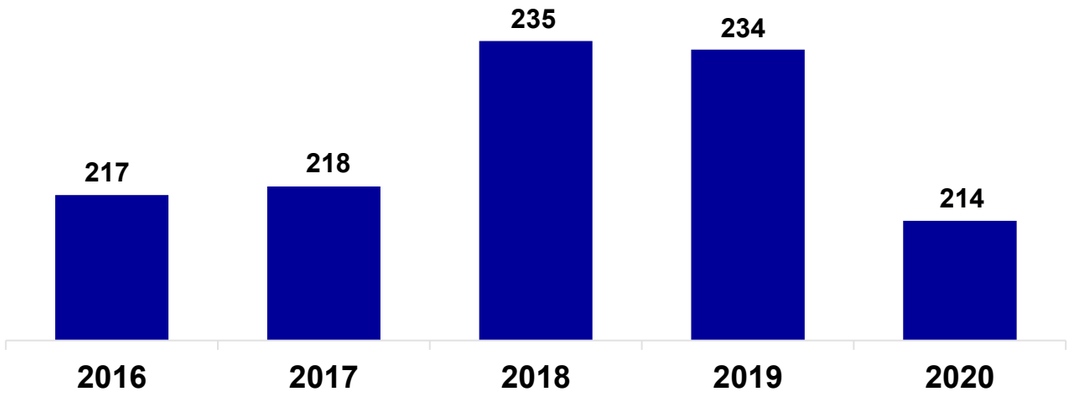
Banminth® Rumatel® Safe. Effective. Convenient. Bloat Guard®

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

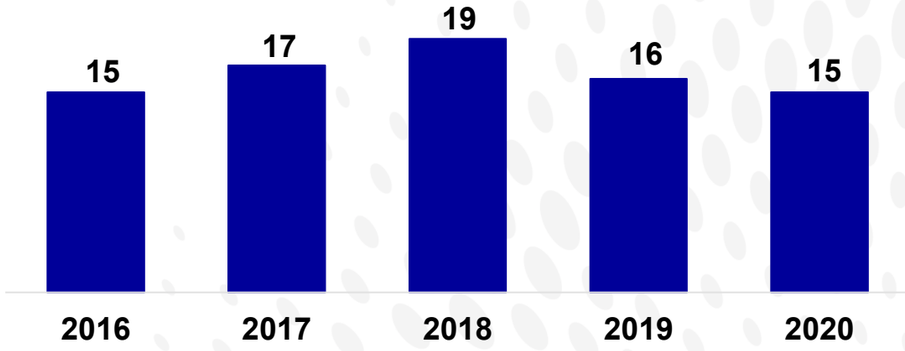
# Mineral Nutrition Segment

# 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

# Pet Business Update

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

| | |
|---|---|
| **In Line** | ▪ Rejensa™<br>▪ 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<br>▪ Estimated Addressable Market* for pet joint supplements in the US: $625 million |
| **In Development** | ▪ **Novel Lyme vaccine delivery system**<br>▪ Development progress slowed due to COVID-19, but work is expected to re-start in fiscal year 2022<br>▪ Estimated Addressable Market* for Lyme disease vaccines for dogs in the US: $80 million<br>▪ **Dermacare**<br>▪ Licensed a novel early-stage atopic dermatitis compound<br>▪ Approximately $1 million of licensing and development costs are included in year-to-date SG&A<br>▪ Estimated Addressable Market* for atopic dermatitis in dogs worldwide: $1 billion |
| **Under Evaluation** | ▪ **Oral Care (cats and dogs)**<br>▪ Evaluating a novel early-stage approach for oral care<br>▪ 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**

# Financial Guidance

*Fourth Quarter and Fiscal Year 2021*

*$ in millions, except per share data*

| | Q4 Guidance | | YTD Q3 | Fiscal Year 2021 Guidance | |
|---|---|---|---|---|---|
| | Low | High | Actual | Low | High |
| **Consolidated** | | | | | |
| Net Sales | $213.0 | $217.0 | $613.1 | $826.1 | $830.1 |
| Net Income | $ 11.1 | $ 12.1 | $ 37.3 | $ 48.4 | $ 49.4 |
| Diluted EPS | $ 0.28 | $ 0.30 | $ 0.92 | $ 1.20 | $ 1.22 |
| Adj. EBITDA | $ 27.0 | $ 29.0 | $ 80.9 | $107.9 | $109.9 |
| Adj. Net Income | $ 12.1 | $ 13.1 | $ 38.6 | $ 50.7 | $ 51.7 |
| Adj. Diluted EPS | $ 0.30 | $ 0.32 | $ 0.95 | $ 1.25 | $ 1.27 |

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