

Phibro Animal Health Corporation



Webcast and
Conference Call

February 6, 2025

U.S. toll-free
+1.888.330.2022

International toll
+1.365.977.0051

Conference ID:
3927884

Financial Results

Fiscal Year 2025

Second Quarter Ended December 31, 2024

Important Information



Cautionary Statement Regarding Forward-Looking Statements

This communication contains forward-looking statements that are subject to risks and uncertainties, including with respect to any future debt and leverage levels. All statements other than statements of historical or current fact included in this presentation 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,” “believe,” “estimate,” “expect,” “forecast,” “outlook,” “potential,” “project,” “projection,” “plan,” “intend,” “seek,” “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 Measures

We use non-GAAP financial measures, such as adjusted EBITDA, adjusted net income, adjusted diluted EPS and free cash flow 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 presentation 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 may not 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 presentation and/or our Quarterly Report on Form 10-Q and Annual Report on Form 10-K. Reported results are presented in accordance with GAAP, whereas adjusted results are GAAP results adjusted to exclude a) acquisition-related items, including intangible amortization, cost of goods sold and transaction costs, b) unusual, non-operational or non-recurring items, including stock-based compensation and restructuring costs, c) other (income) expense as separately reported in the consolidated statements of operations, including foreign currency (gains) losses, net and d) income tax effects related to pre-tax adjustments and unusual or non-recurring income tax items.

We are not providing a reconciliation of forward-looking guidance of non-GAAP financial measures to the most directly comparable GAAP financial measures because of the uncertainty regarding, and the potential variability of, certain of the items required for a reconciliation; accordingly, a reconciliation of the non-GAAP financial measure to the corresponding GAAP financial measure is not available without reasonable effort. These items are uncertain, depend on various factors and may have a material impact on our future GAAP results.

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.

This presentation is a supplement to, and should be read in conjunction with, Phibro Animal Health Corporation’s earnings release for the quarter ended December 31, 2024.

Key Themes



Continued Sales Momentum

Q2 Total Consolidated sales and adjusted EBITDA growth of 24% and 64%

Sales growth

- *Animal Health +33%*
- *Mineral Nutrition +3%*
- *Performance Products +7%*

Q2 Total Consolidated sales and adjusted EBITDA growth on Legacy Business of 9% and 23%

Note: New MFA Business Adj. EBITDA is an estimate and includes only expenses dedicated to the New MFA business

Strong Growth in Animal Health

Q2 Total Animal Health sales and adjusted EBITDA growth of 33% and 48%

Sales growth

- *Vaccines +12%*
- *MFAs and other +47%*
- *Nutritional specialties 11%*

Q2 Animal Health Legacy Business sales and adjusted EBITDA growth of 11% and 17%

- *Vaccines +12%*
- *MFAs and other +11%*
- *Nutritional specialties 11%*

Note: New MFA Business Adj. EBITDA is an estimate and includes only expenses dedicated to the New MFA business

FY2025 Full Year Guidance (Including Zoetis MFA)

2025 guidance

- *Net sales of \$1.250 billion to \$1.300 billion*
- *Adjusted EBITDA of \$172 million to \$180 million*
- *Adjusted EPS of \$1.87 to \$2.01*
- *GAAP EPS \$0.96 to \$1.11*

Financial Performance - Consolidated

Second Quarter, Year-on-Year comparison



\$ in millions, except per share data

	Q2 FY24	Q2 FY25	YOY %Δ
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Consolidated

Net Sales	\$ 249.9	\$ 309.3	24%
Net Income	\$ 1.3	\$ 3.2	150%
Diluted EPS	\$ 0.03	\$ 0.08	149%
Adjusted EBITDA	\$ 29.5	\$ 48.2	64%
Adjusted Net Income	\$ 13.5	\$ 21.9	63%
Adjusted Diluted EPS	\$ 0.33	\$ 0.54	64%

- Year-On-Year % changes are in comparison to the same period of the prior fiscal year
- Adjusted results adjust GAAP results for one-off items, acquisition-related items and other (income) expense, including foreign currency (gains) losses.

Financial Performance – Animal Health Legacy vs. New MFA

Second Quarter, Year-on-Year comparison



\$ in millions

	Q2 FY24	Q2 FY25 Legacy	YOY %Δ	Q2 FY25 New MFA	Q2 FY25 Total	YOY %Δ
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Animal Health

Net Sales	\$ 173.1	\$ 192.7	11%	\$ 36.7	\$ 229.4	33%
MFAs & other	101.9	113.6	11%	36.7	150.3	47%
Nutritional specialties	41.4	45.9	11%	N/A	45.9	11%
Vaccines	29.7	33.2	12%	N/A	33.2	12%
Adj. EBITDA	\$ 39.3	\$ 46.2	17%	\$ 12.0	\$ 58.2	48%
Adj. EBITDA Margin	22.7%	24.0%	+130 bps	32.6%	25.4%	+270 bps

Note: New MFA Business Adj. EBITDA is an estimate and includes only expenses dedicated to the New MFA business

- Year-On-Year % changes are in comparison to the same period of the prior fiscal year
- Adjusted results adjust GAAP results for one-off items, acquisition-related items and other (income) expense, including foreign currency (gains) losses.

Financial Performance – Other Segments

Second Quarter, Year-on-Year comparison



\$ in millions

	Q2 FY24	Q2 FY25	YOY %Δ
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Mineral Nutrition

Net Sales	\$ 61.3	\$ 63.3	3%
Adj. EBITDA	\$ 3.5	\$ 5.7	63%
Adj. EBITDA Margin	5.7%	9.0%	+330 bps

Performance Products

Net Sales	\$ 15.5	\$ 16.6	7%
Adj. EBITDA	\$ 0.8	\$ 1.9	131%
Adj. EBITDA Margin	5.3%	11.4%	+610 bps

Corporate

Adj. EBITDA	\$ (14.2)	\$ (17.6)	(24%)
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- Year-On-Year % changes are in comparison to the same period of the prior fiscal year
- Adjusted results adjust GAAP results for one-off items, acquisition-related items and other (income) expense, including foreign currency (gains) losses.

Key Capitalization Metrics

December 31, 2024

Free Cash Flow ⁽¹⁾	Free cash flow was \$15 million for the TTM -- positive cash from operating activities of \$55 million, less capital expenditures of \$(40) million. Cash and cash equivalents of \$67 million
Leverage ⁽²⁾	3.1x gross leverage ratio; \$760 million total debt / \$242 million TTM adjusted EBITDA 2.9x net leverage ratio; \$693 million debt / \$242 million TTM adjusted EBITDA
Dividend	Quarterly dividend of \$0.12 per share; \$4.9 million dividend paid
Interest Rates	\$300 million of debt at fixed interest rate of 0.51% + margin through June 2025. An additional \$150 million of debt at fixed interest rate of 3.18% + margin through September 2029.

⁽¹⁾ Free cash flow equals cash flow from operating activities less capital expenditures TTM: trailing twelve months

⁽²⁾ Includes Adjusted EBITDA for the ten months ended October 31, 2024 from the Zoetis Medicated Feed Additive portfolio, certain water-soluble products and related assets from Zoetis, Inc acquired on October 31, 2024.

Financial Guidance – Phibro

Fiscal Year 2025



\$ in millions, except earnings per share (EPS) data

	FY 2024	FY 2025		FY 2025	
	Actual	Previous Legacy Only		Updated Includes Zoetis	
		Low	High	Low	High
Consolidated					
Net Sales	\$ 1,018	\$ 1,050	\$ 1,100	\$ 1,250	\$ 1,300
Net Income	\$ 2	\$ 36	\$ 42	\$ 39	\$ 45
Diluted EPS	\$ 0.06	\$ 0.89	\$ 1.04	\$ 0.96	\$ 1.11
Adjusted EBITDA	\$ 111	\$ 124	\$ 132	\$ 172	\$ 180
Adjusted Net Income	\$ 48	\$ 55	\$ 60	\$ 76	\$ 82
Adjusted Diluted EPS	\$ 1.19	\$ 1.34	\$ 1.48	\$ 1.87	\$ 2.01
Adjusted Effective Tax Rate Range	26.9%	24.0%	26.0%	~ 25%	



Q&A

