

Phibro Animal Health Corporation

2017 Health Care Conference

May 18, 2017

Bank of America Merrill Lynch

HEALTHY ANIMALS. HEALTHY FOOD. HEALTHY WORLD.®

Phibro ANIMAL HEALTH AND NUTRITION™

Cautionary Statements

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,” “believe,” “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.

A Global Leader in Animal Health

- Global animal health company concentrating on food animals
- Dedicated to helping meet the growing worldwide demand for animal protein
- Value-based products and solutions to enhance health, nutrition and productivity
- Sell >1,400 product presentations in >65 countries to ~3,000 customers
- Net sales of $759 million and Adjusted EBITDA of $119 million
- Nasdaq listed public company
  - $1.3 billion market cap; $1.6 billion enterprise value

Net sales and Adjusted EBITDA reflect LTM (latest twelve months) ended March 31, 2017
Market cap and enterprise value are approximate as of May 15, 2017

Our Company

$759mm Net Sales
$119mm Adjusted EBITDA

Mineral Nutrition

$216mm Net Sales
$17mm Adjusted EBITDA

Trace minerals for animals

Animal Health

$495mm Net Sales
$130mm Adjusted EBITDA

Poultry, swine, dairy, cattle, aquaculture

Performance Products

$48mm Net Sales
$2mm Adjusted EBITDA

Specialty chemicals; personal care/ industrial markets

Medicated Feed Additives & Other

$324mm Net Sales

Antibacterials
Anticoccidials

Nutritional Specialties

$108mm Net Sales

Dairy and poultry portfolio
Improve health and performance

Vaccines

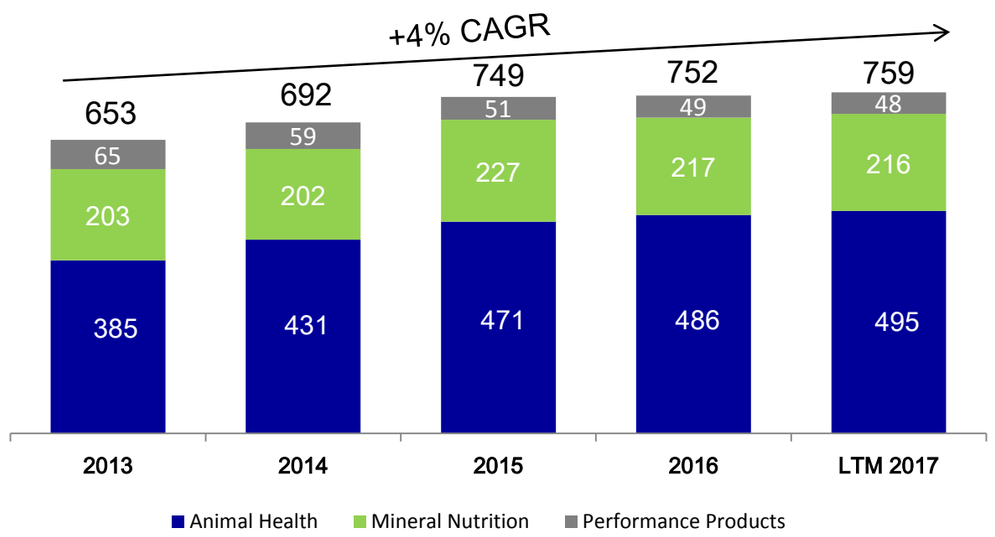
$64mm Net Sales

Poultry and swine
Proprietary delivery technology

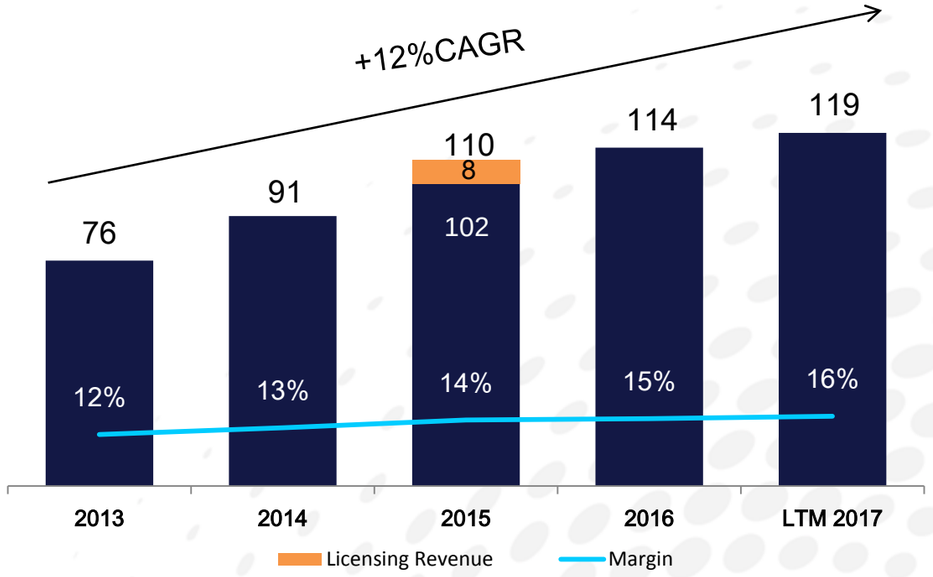
Net sales and Adjusted EBITDA reflect LTM ended March 31, 2017
Consolidated Adjusted EBITDA includes corporate overhead of $30mm that is not included in the segment breakdown of Adjusted EBITDA.

Net Sales and Adjusted EBITDA

Net Sales



Adjusted EBITDA

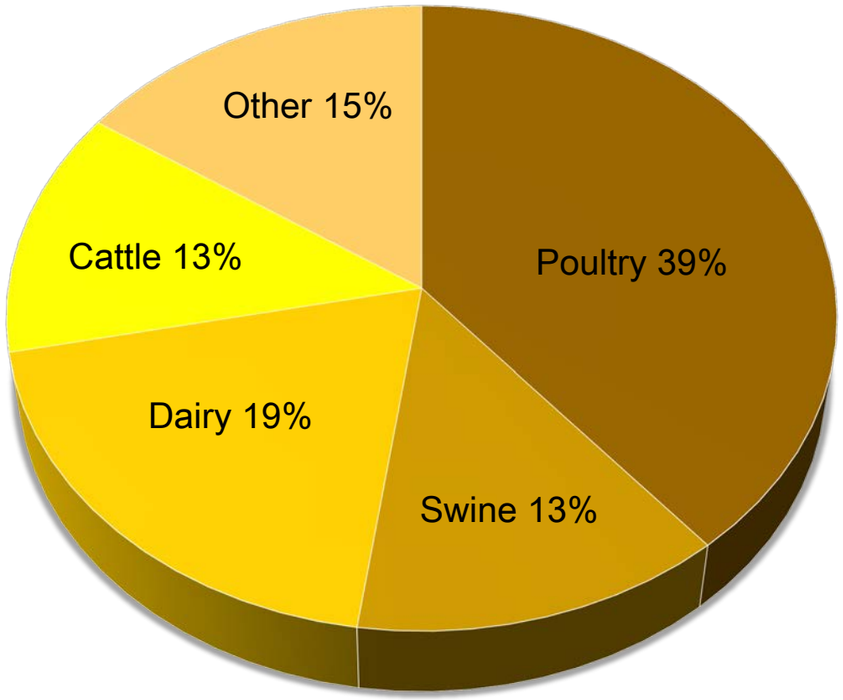


$ in millions

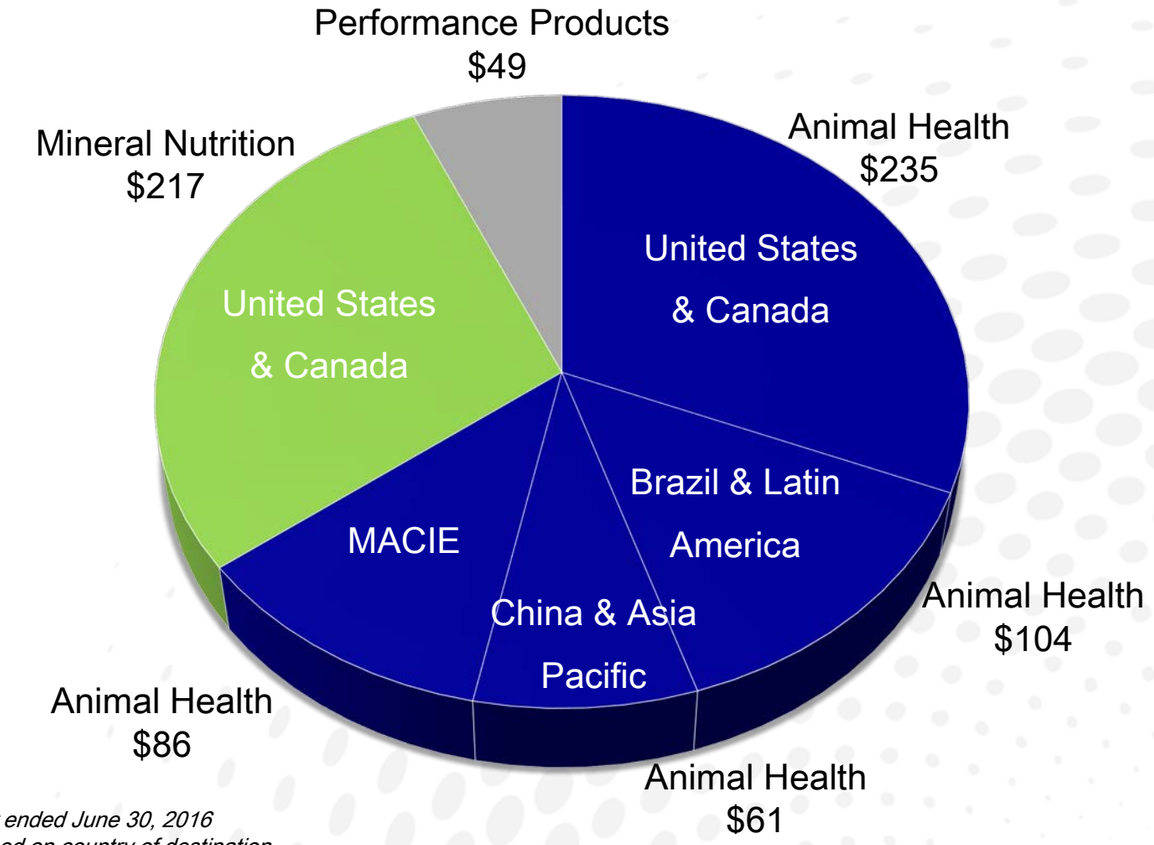
Net sales and Adjusted EBITDA reflect fiscal year ended June 30, except LTM (latest twelve months) ended March 31, 2017

Net Sales

Species



Regions



$ in millions
Net Sales reflect fiscal year ended June 30, 2016
Net sales by region are based on country of destination
Mineral Nutrition includes $5 for Brazil and Latin America
Performance Products includes $3 for MACIE

Phibro's Competitive Strengths

- Strong participation in key macro trends
  - Products aligned with need for increased protein production
  - Global presence with infrastructure in high growth regions
  - Leading positions in high growth segments
- Products and capabilities to drive customers' success
  - Products economically important to our customers' success
  - Diversified and complementary product portfolio
  - Strong brand loyalty
  - Experienced sales and technical staff
  - Experienced management team, with significant animal health history

Drivers of Phibro's Growth

Increasing Wealth, Population, Protein Consumption

Limited Natural Resources

Food Supply Becoming Global

Producer Productivity Pressure





Animal Health and Animal Welfare

Animal Health Segment

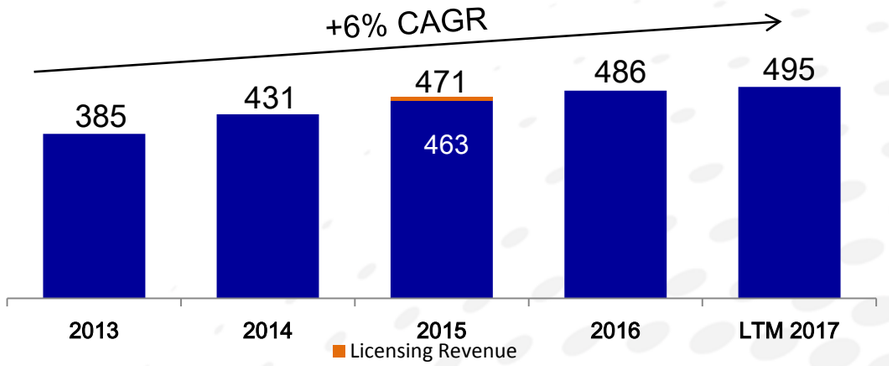
Animal Health Segment

Overview

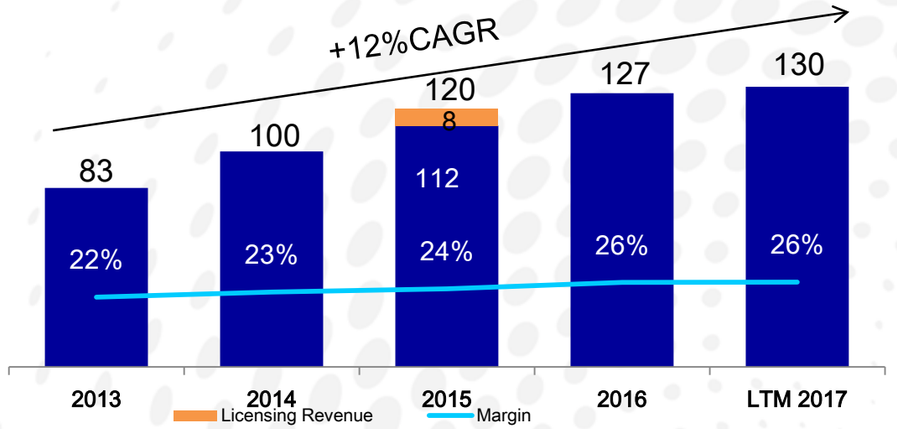
Animal Health Segment Highlights

- 60% of 8.8 billion U.S. broiler chickens receive Phibro product(s)(1)
- 25% of 10mm U.S. and Canada dairy cows use *OmniGen*(1)
- 53% of Phibro's sales are ex-U.S. & Canada
- Highly diversified customer base
- Products drive value creation for customers
- Deploying additional field force to drive growth
- International expansion including Southeast Asia and Latin America
- Record of strong revenue growth and margin expansion

Net Sales



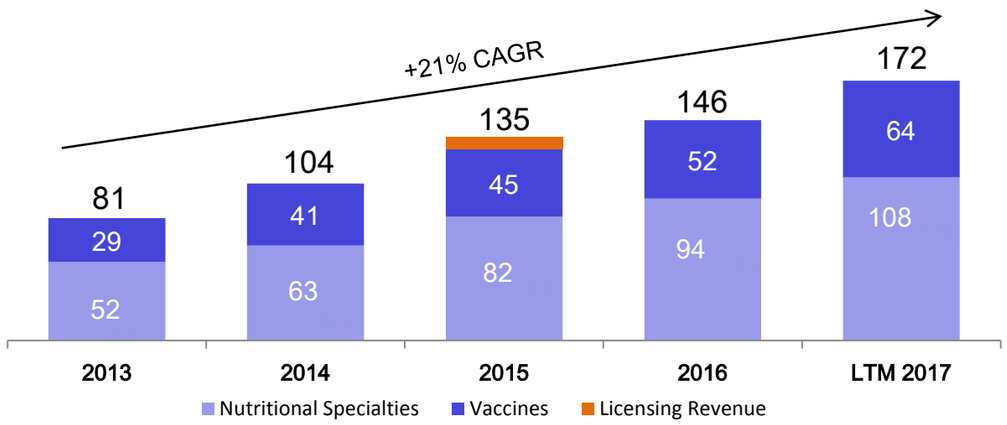
Adjusted EBITDA



$ in millions
Net sales and Adjusted EBITDA reflect fiscal year ended June 30, except LTM ended March 31, 2017
(1) Phibro management estimate

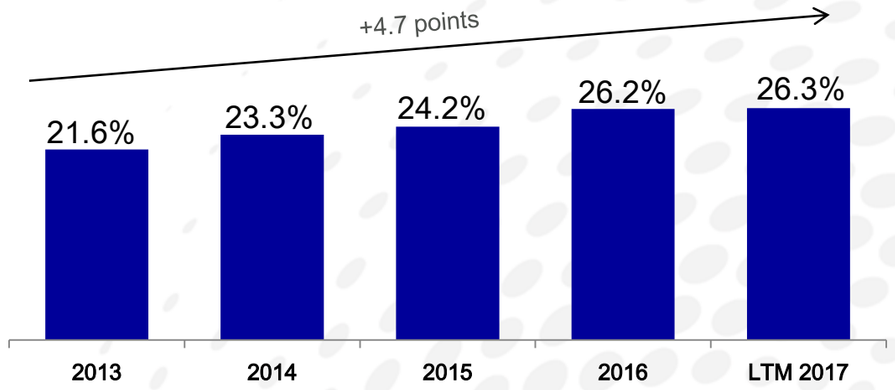
Diversification and Expanding Margins

Nutritional Specialties and Vaccines Net Sales



- CAGR at > 21%
- 35% of Animal Health segment's current sales

Animal Health Segment Operating Margin



- Expanding margins
- Favorable product mix, manufacturing cost efficiencies and leverage on operating expenses

Net sales and operating margins reflect fiscal year ended June 30, except LTM ended March 31, 2017

Nutritional Specialties

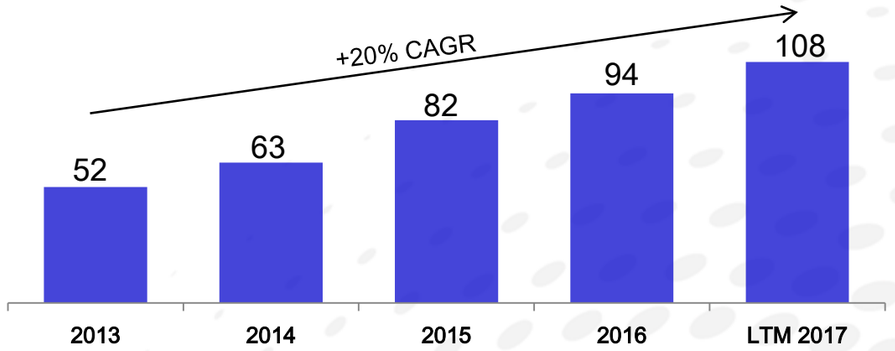
Animal Health Segment

Key Products

- Solutions for changing customer demands
- Products help improve health and performance
- Focus on dairy and poultry

OmniGen-AF® Advanced Formula | cellerate™ YEAST SOLUTIONS | AB20® | Magni-Phi™ | Animate®

Net Sales



Key Proprietary Product – *OmniGen-AF®*

Description	▪ Non-antibiotic immune enhancer for Dairy Cows ▪ Used by ~25% of the 10mm dairy cows in the U.S. and Canada(1)
Value Proposition	▪ Results in fewer metabolic disorders plus more and better quality milk(2) ▪ 23% reduction in total herd death loss(2)
Product Strengths	▪ Proprietary product with extensive IP ▪ Investments in sales force / manufacturing infrastructure to drive growth

Growth Opportunities

- Add additional products
- Expand species applications
- Grow poultry and dairy penetration
- Penetrate international markets

$ in millions
Net sales reflect fiscal year ended June 30, except LTM ended March 31, 2017
(1) Phibro management estimate
(2) Based on studies at > 750 dairies in the US with > 470,000 cows

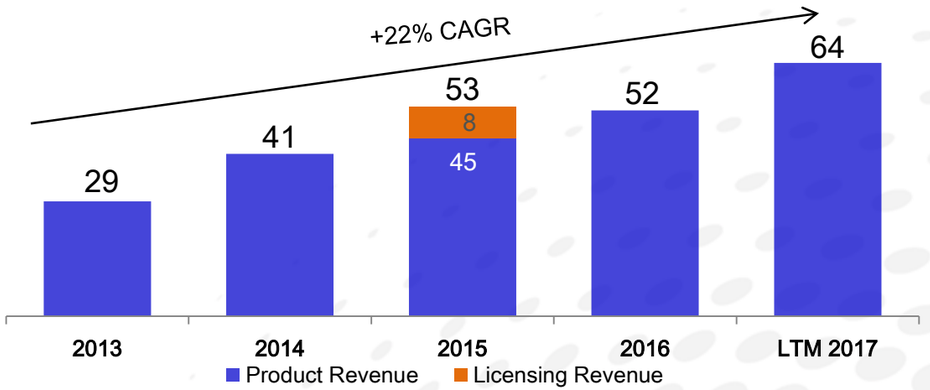
Vaccines

Animal Health Segment

Key Products

- Poultry and swine vaccines

Net Sales



Key Proprietary Product - *TAbic*®

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

Growth Opportunities

- Drive share gains through strain development and formulation / delivery technology
- Penetrate U.S. swine segment
- Penetrate U.S. with *Epitopix*'s autogenous vaccines for chickens
- Grow sales of *TAbic*
- Increase vaccine sales in key emerging geographies such as Brazil and South America, China, Russia and CIS, Turkey and South Africa

$ in millions
Net sales reflect fiscal year ended June 30, except LTM ended March 31, 2017

MFAs and Other

Animal Health Segment

Key Products

- Antibacterials

V-Max®

Stafac®

Neo-Terramycin®
(neomycin-oxytetracycline)

Terramycin®

Mecadox®

- Anticoccidials

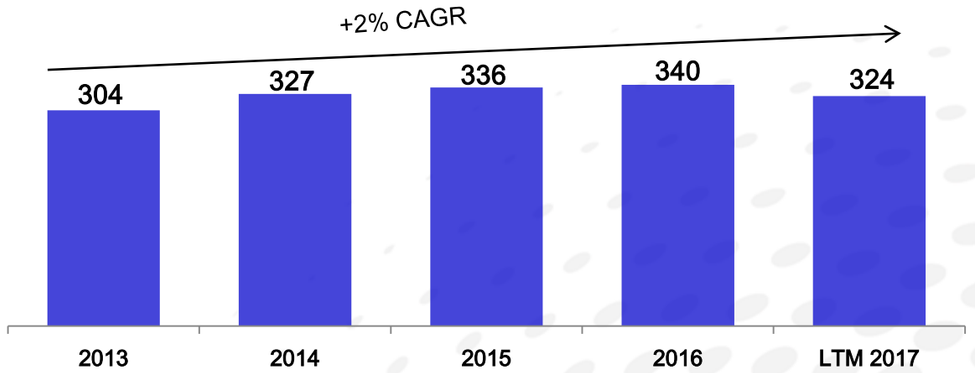
The Original AMPROLIUM®
A Quality Product of Phibro Animal Health

Nicarb®
(nicarbazin)

AVIAX®

- Ethanol processing aids

Net Sales



Key Proprietary Product - Virginiamycin

Description	▪ Remedy for range of bacterial infections and enteric diseases ▪ Effective in multiple species, including poultry, swine and cattle
Value Proposition	▪ Allows producers to rear healthy animals ▪ Provides attractive return on investment
Product Strengths	▪ Extensive IP in form of manufacturing know-how ▪ Approved in over 25 countries; over 85 product registrations

Growth Opportunities

- Growth in emerging markets, e.g. Brazil, China, driven by overall protein demand growth and producer demand for effective / sophisticated products to manage their production
- Expand product applications, e.g. Brazil
- Increase size of local sales teams to enable introduction of a greater number of products and increased sales penetration

$ in millions
Net sales reflect fiscal year ended June 30, except LTM ended March 31, 2017

Mineral Nutrition Segment

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Phibro ANIMAL HEALTH AND NUTRITION™

Mineral Nutrition Segment

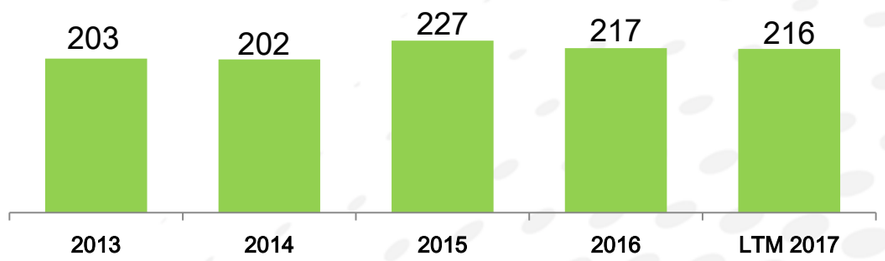
Key Products

- Trace or macro mineral products including copper, zinc, cobalt, iron, selenium, manganese, magnesium, iodine and molybdenum
- Customers use these products to fortify the daily feed requirements of their livestock and maintain an optimal balance of minerals in the diet
- Volume growth driven by livestock production numbers, with pricing based on costs of the underlying minerals
- U.S. focused

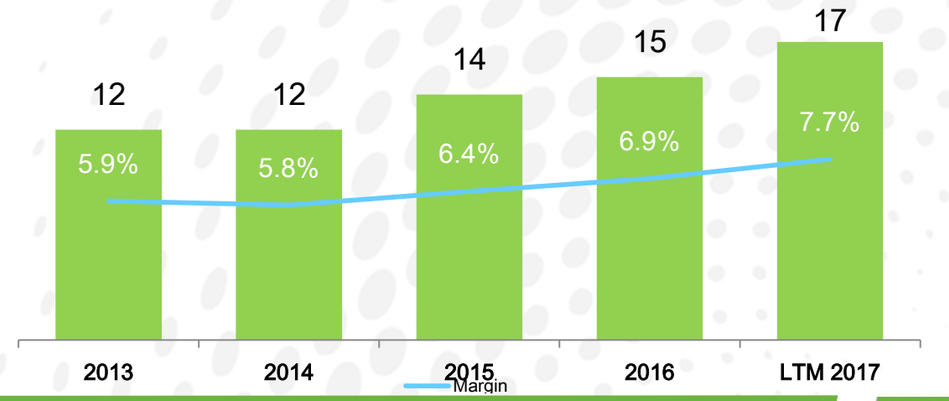
Growth Opportunities

- Cross-sell with Animal Health portfolio
- Routine contact with broad livestock industry allows us to identify and bring in-house promising nutritional specialty products

Net Sales



Adjusted EBITDA

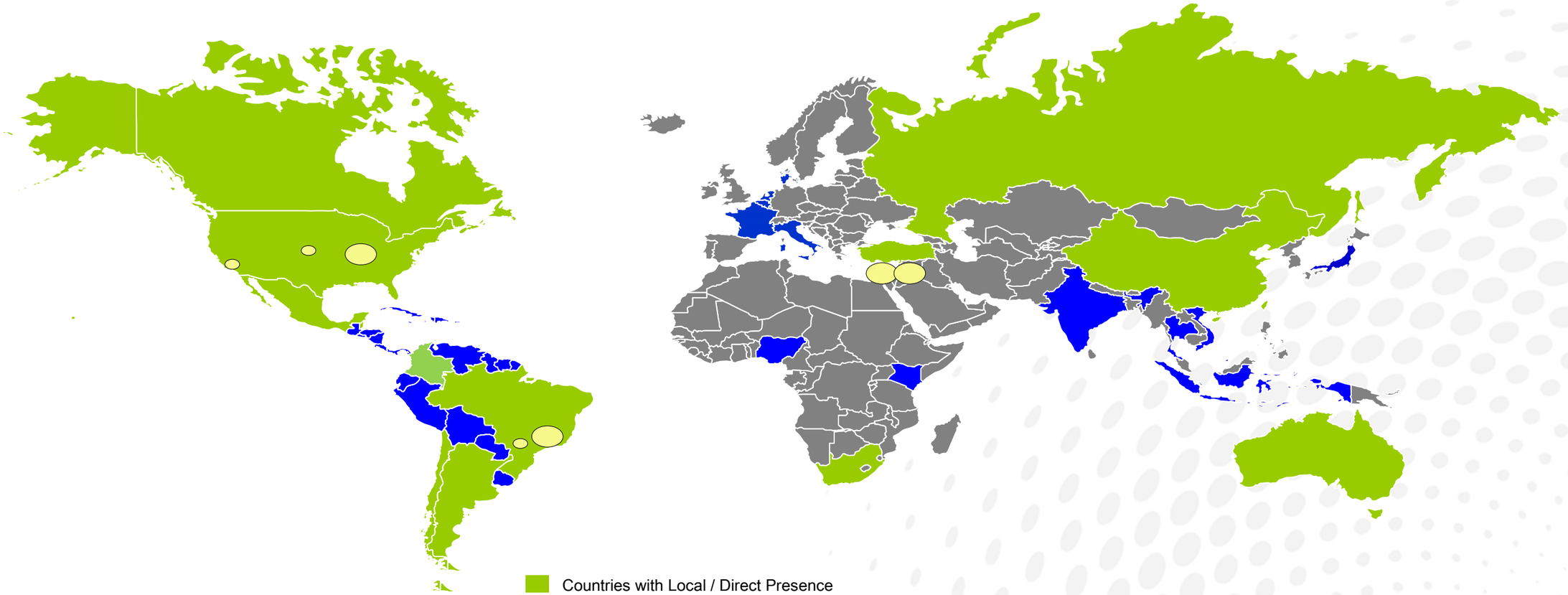


$ in millions
Net sales reflect fiscal year ended June 30, except LTM ended March 31, 2017

Our Competitive Strengths & Growth Strategies

Global Presence with Infrastructure in Key Growth Geographies

Direct Presence in 14 Countries and Distribution Network Covering 65 Countries



HEALTHY ANIMALS. HEALTHY FOOD. HEALTHY WORLD.®

Phibro ANIMAL HEALTH AND NUTRITION™

Specialized Sales Force and Technical Staff

- Sales force interacts with customers at corporate and producer level
- Frequent and close interactions
- Technical support and research personnel important contributors to sales efforts
- Strong customer relationships will best position us to respond to customers' unmet or emerging needs

Phibro Statistics	
Total Employees	>1,300
Sales, Marketing and Technical Support	>300
Field Service, Quality Control and Quality Assurance	>130
Number of Countries in Phibro's Distribution Network	>65

Phibro's Competitive Strengths

- Strong participation in key macro trends
  - ✓ Products aligned with need for increased protein production
  - ✓ Global presence with infrastructure in high growth markets
  - ✓ Leading positions in high growth markets
- Products and capabilities to drive customers' success
  - ✓ Products economically important to our customers' success
  - ✓ Diversified and complementary product portfolio
  - ✓ Strong brand loyalty
  - ✓ Experienced sales and technical staff
  - ✓ Experienced management team, with significant animal health history
- Examples
  - Nutritional specialties in dairy and poultry; increased U.S. penetration and international expansion
  - Vaccines in emerging markets and U.S. poultry and swine
  - New product applications in cattle; emerging markets, especially Brazil
  - MFA scale in global poultry

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Phibro; Healthy Animals. Healthy Food. Healthy World.; *OmniGen-AF; Animate; Gemstone; AB20; Magni-Phi; Stafac; Terramycin; Neo-Terramycin; TM; Mecadox; Nicarb; Aviax; Lactrol; TAbic; MJPRRS; Cellerate Yeast Solutions; PAQ-Gro; V-Max;* and other product names referred to herein are registered trademarks owned by or licensed to Phibro Animal Health Corporation and its affiliates.