



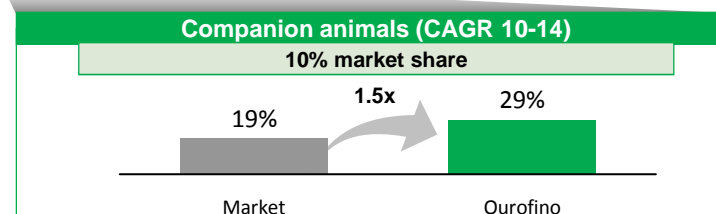
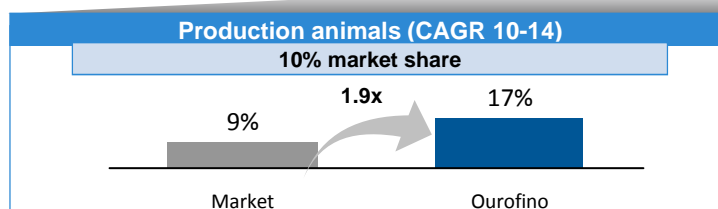
Ouro Fino Saúde Animal  
May 2016

# Ourofino: what we do

## A veterinary pharmaceutical company



		% of net revenues	Production animals	Companion animals	International operations	Selected products
Products per Category	Vaccines	9.7%	4	-	Ouro Fino currently exports to 13 countries throughout the world	Ourovac Aftosa, Ourovac Clostridium
	Antiparasitics	40.0%	23	6		Colosso FC30, NEOPet
	Antibiotics	20.3%	20	6		Ciprolac, Doxifin 50PS
	Therapeutic	16.6%	16	13		Sincrogest, Dermotrat
	Nutritional	3.1%	9	10		Enragold, Biocanis
	Others	10.3%	13	1		Herbalvet, MaxicamGel
% of net revenues (2015)			81%	12%	7%	
# of products from current portfolio 2015			85	36		



Source: Company information and SINDAN / Market share is based on the last available information which is december'14

# Ouro Fino Has a 28 Year History of Market Leadership



- Founded by Norival Bonamichi and Jardel Massari



- Started the operations of the Cravinhos' production facility
- Winner of FINEP technological innovation award



- 3rd largest animal health company in Brazil with 10% market share and sales of over R\$384mm

- 1-year IPO
- Biological factory – in line with schedule



1987



ourofino

2000

- Ouro Fino entered into the pet market



2005

- BNDESPar acquired 20% interest in Ouro Fino's holding company



2007

2011

- Started the biologicals program

2013

2014

- IPO of Ourofino Saúde Animal

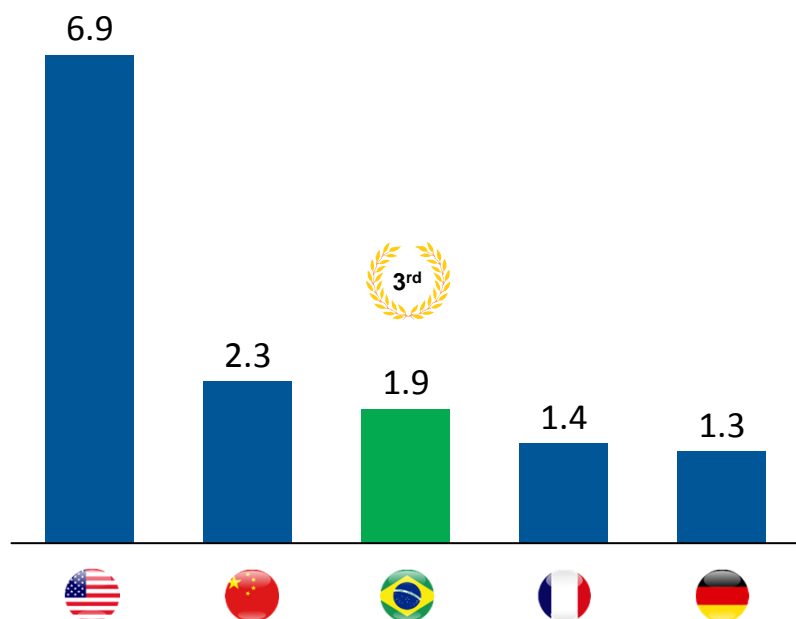


2015

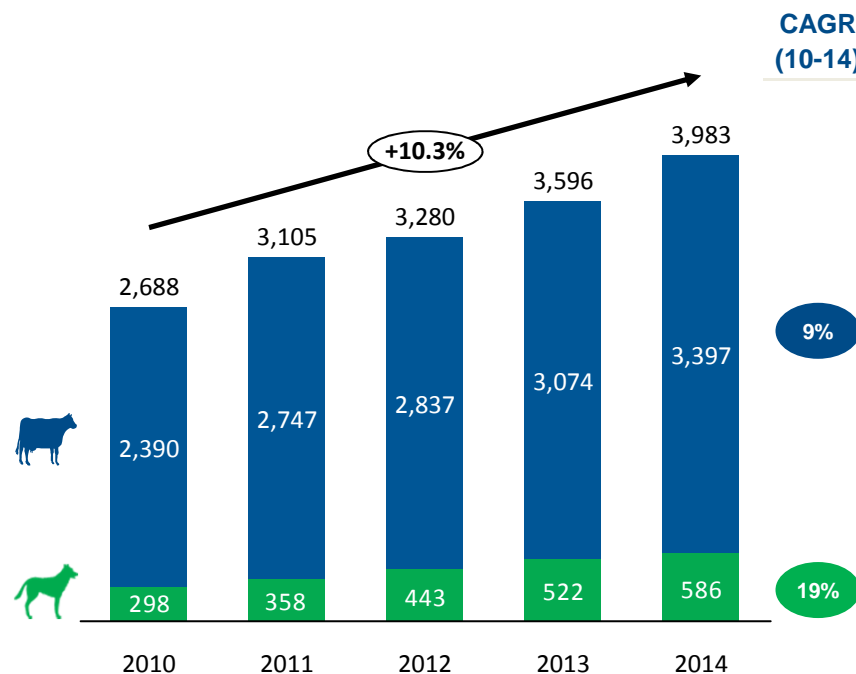
# Market Overview



Global (US\$ bn) – 2014E



Brazil (R\$ mm)



## Highlights

### Brazil as the 3<sup>rd</sup> largest market with strong growth opportunities

Major animal protein producer

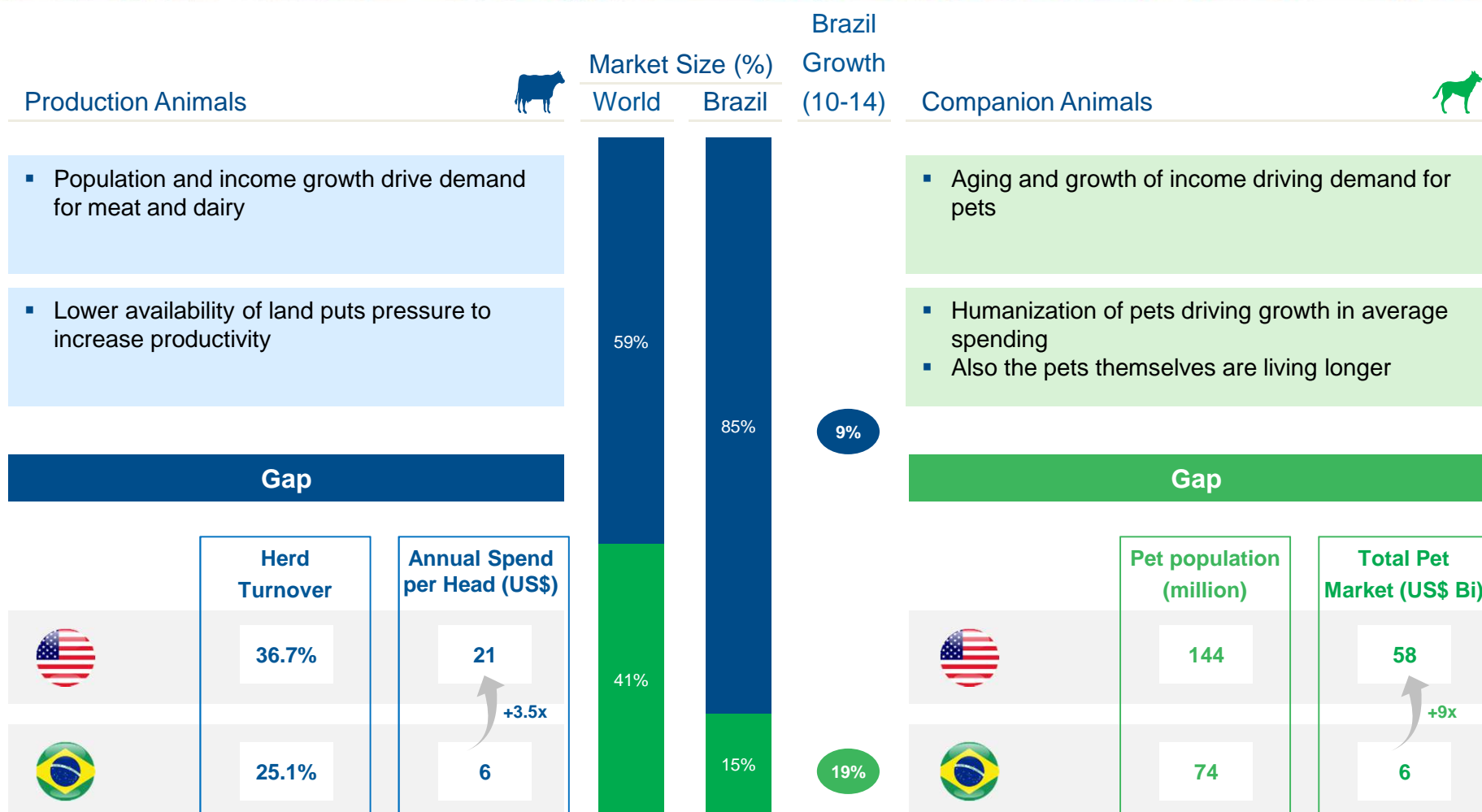
Still incipient in the use of animal health products

Growing need to improve animal productivity as a key driver of demand for animal health products

Source: Vetnosis and SINDAN

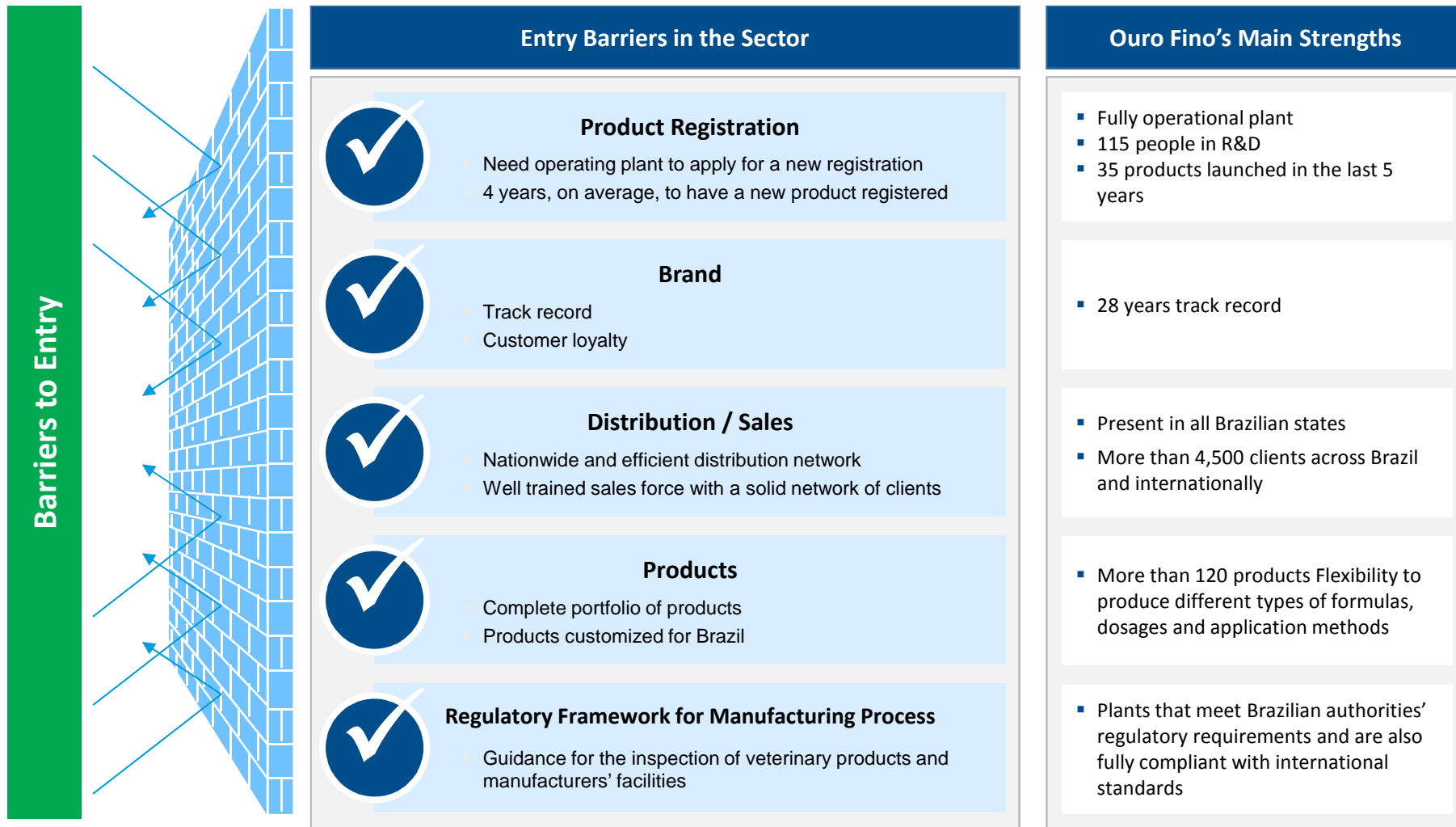


# Growth Drivers



Source: Company information

# High Entry Barriers



Source: Company information

# Leading Position and Proven Ability to Gain Market Share



Ouro Fino plays a key role in the animal health market, being the largest local player

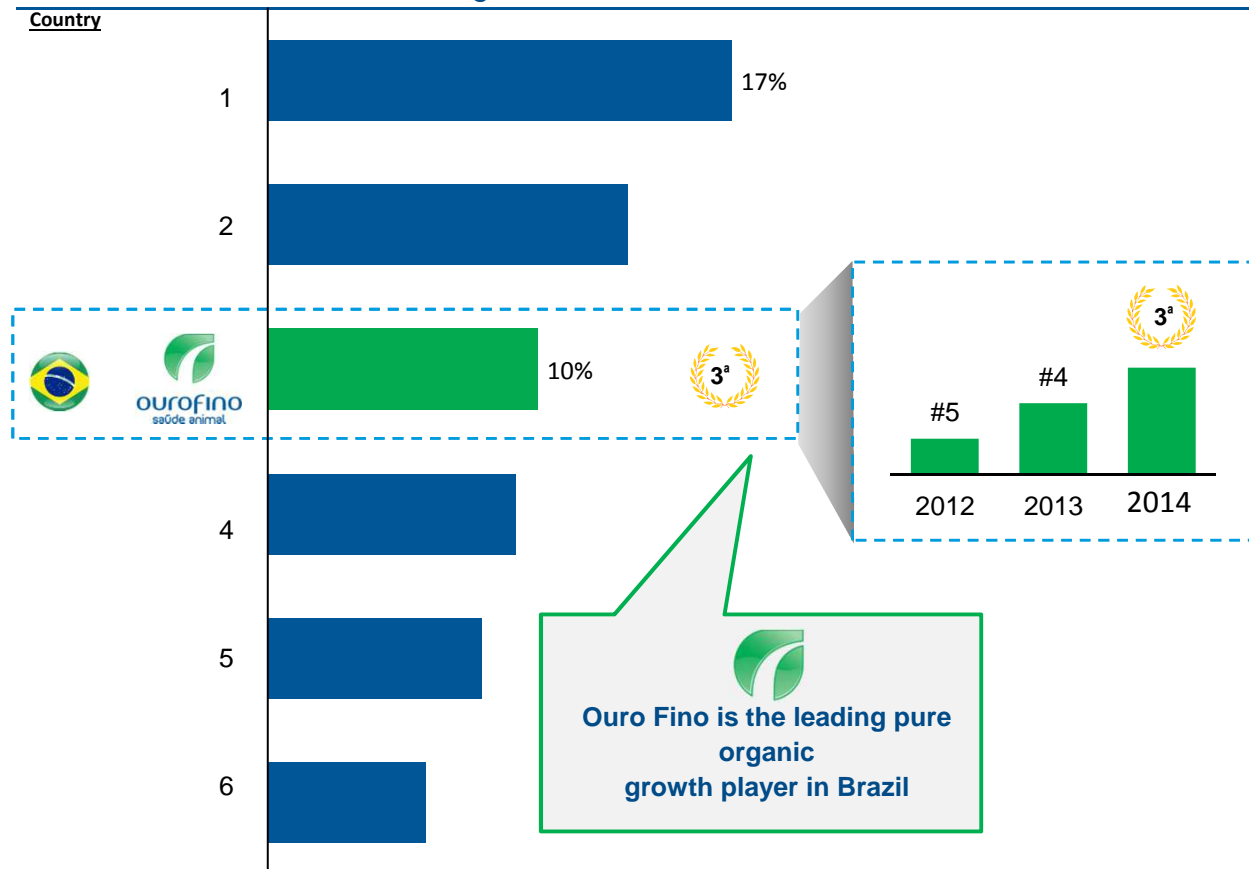
## Highlights

### Closer relationship with clients

- Direct sale to resellers – No distribution
- Technical sales and educational distribution

### Customization via molecule combination and application methods

## Brazilian Animal Health Ranking<sup>1</sup>



Source: SINDAN

<sup>1</sup> Based on revenues as of year 2014

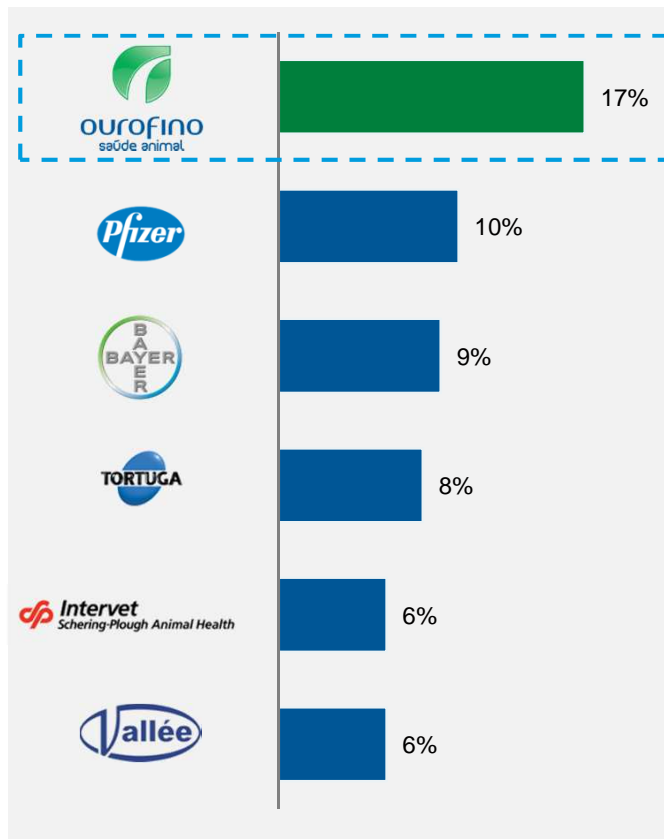
# Widely recognized brand



**“Top-of-mind” brand in the market, widely recognized by customers, competitors and suppliers and a highly awarded company**

Brand recognition in the Brazilian Animal Health sector

## Most admired company in the veterinary segment



Source: Carta Capital magazine as of 2010

## Recent company achievements

		Animal Pharm award for best company – Latin and South America.
		Época magazine award for one of the greatest places to work in Brazil in 2005, 2008, 2009, 2010, 2011, 2012, 2013 and 2014
		Exame magazine award for one of the 150 best places to work in Brazil in 2005, 2006, 2008, 2009, 2012, 2013 and 2014
		Anpei award for innovative approach
		FINEP technology innovation award
		Ernst & Young award for the top entrepreneur of the year
		Ouro Fino is recognized since 2000 by Fundação Abrinq as a company that supports child development



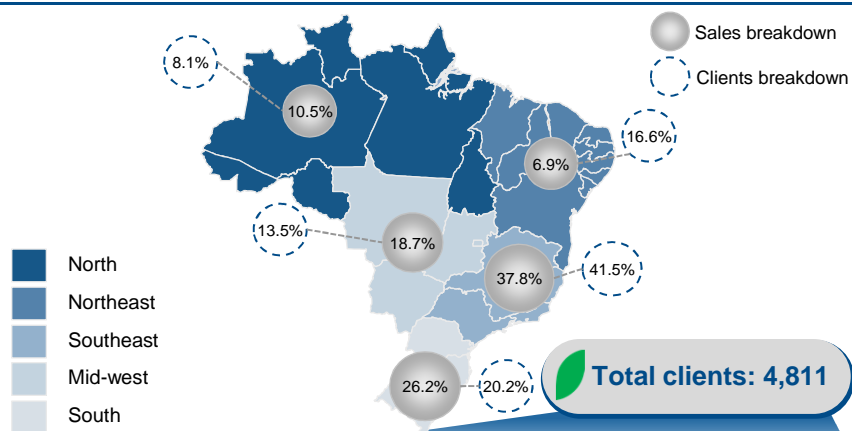
# Diversified client base and broad distribution network



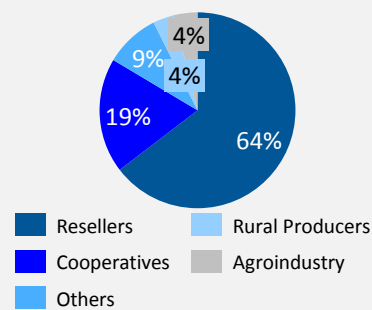
Scope of product portfolio coupled with strong customer relationships leads to one stop shopping for customers

## Production animals

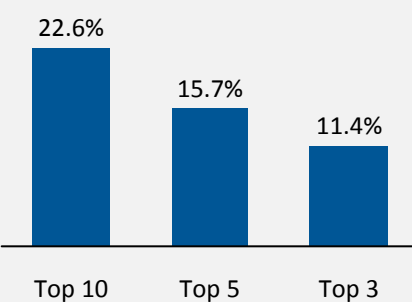
Sales and clients breakdown in Brazil (2015)



Client breakdown  
(% of 2015A net revenues)

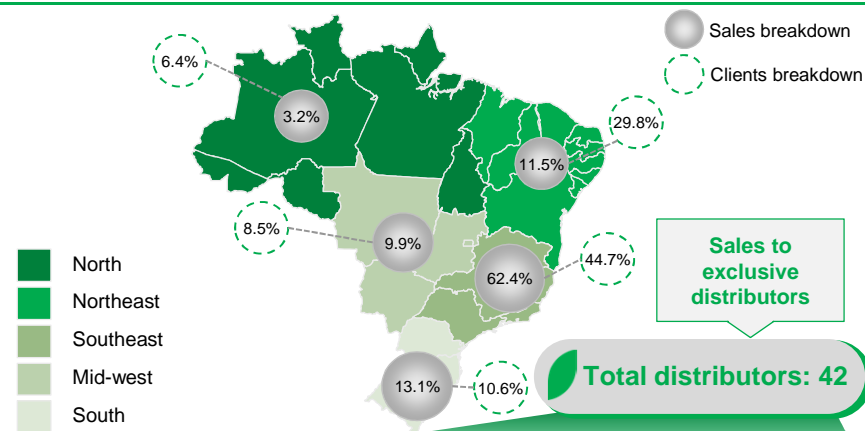


Client concentration  
(% of 2015A net revenues)

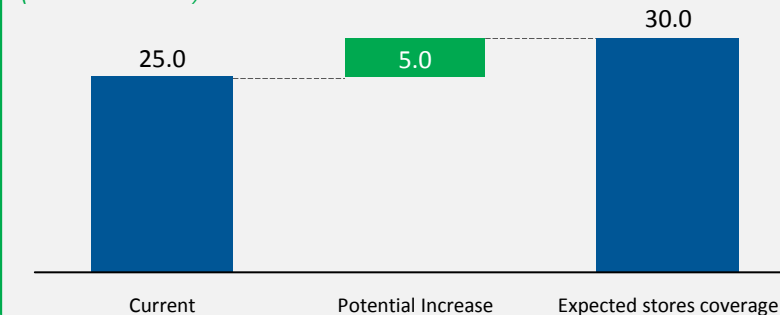


## Companion animals

Sales and client breakdown in Brazil (2015)



# of PET stores covered ('000 stores)  
(As of Dec 2015)



# State-of-the-art production facilities



## The largest production facility of animal health products in Brazil



Higway Anhanguera, KM298 – Cravinhos / SP

- 1 Headquarters
- 2 Laboratory for quality control and R&D
- 3 Pharmaceuticals production facilities
- 4 Warehouse / shipping facilities
- 5 Animal defensives production facilities
- 6 Hormones production facilities
- 7 Foot-and-mouth vaccine production facilities
- 8 Biological QC and future general vaccines production facilities

One of the most modern plants in the veterinary segment

Compliance with top national and international standards for quality certification: US FDA, MAPA, GMP and EM

Advanced IT system (SAP) implemented

Source: Company information

# Expertise in product development with best-in-class R&D practices

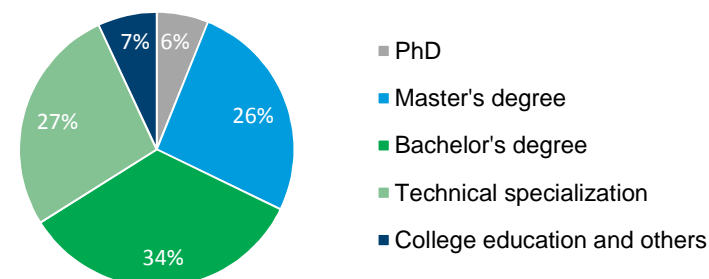


## Partnerships to advance research programs and drive new business opportunities

- R\$ 86 mm of R&D investments in the last 3 years, an average of 6% of net revenues invested every year
- Grupo Ouro Fino has its own internal research center to lead clinical studies and field experiments
- R&D team with over 115 highly capacitated employees
- Open innovation model: transformation of ideas into products
- R&D and Marketing teams mapping the trends in the animal health industry



### Education profile of the R&D team



### Strong relationship with innovation powerhouses



### Dedicated farm for product experiments



Source: Company information

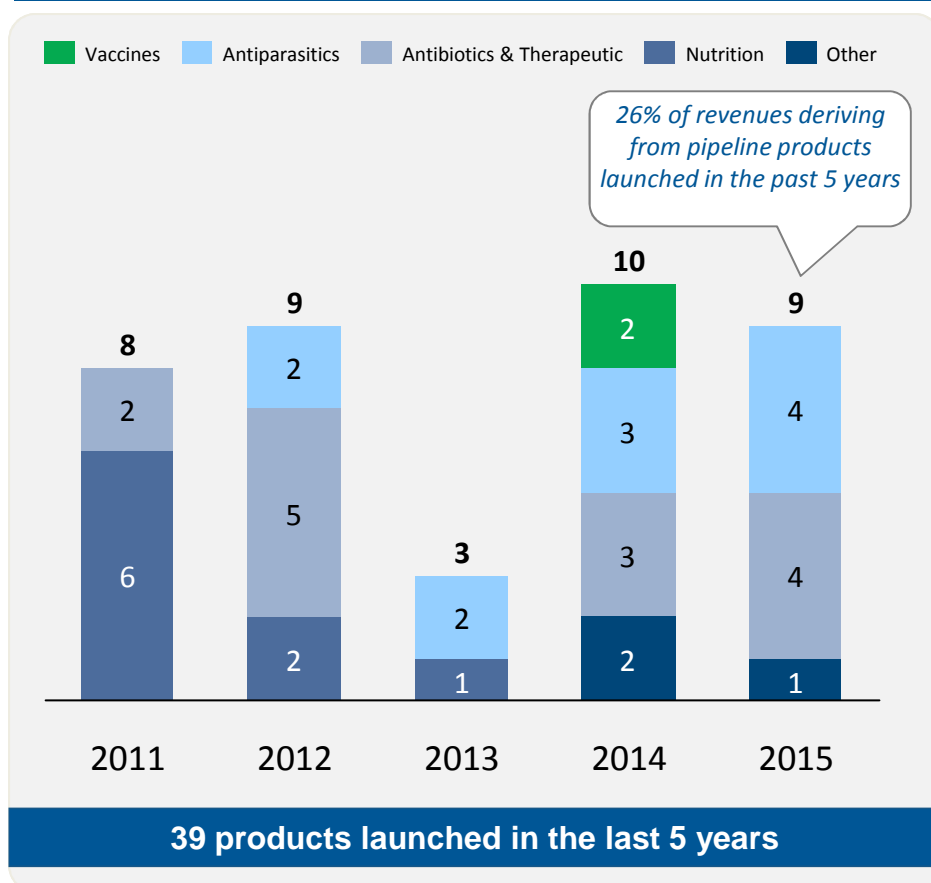


# Expertise in product development with best-in-class R&D practices

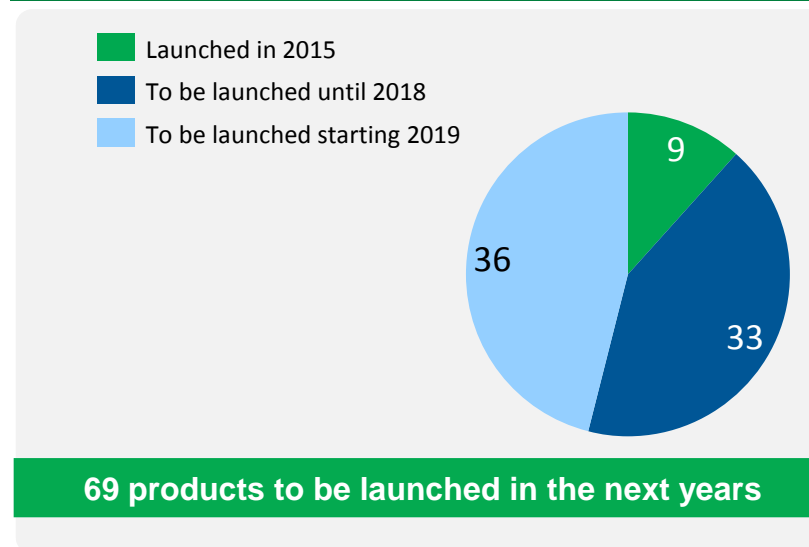


With an extensive pipeline of innovative products, Ourofino is well positioned to continue its accelerated growth path

## Products launched



## Expected launching schedule












**Significant room for growth**  
**of biologicals**

Source: Company information

# Launched Products in 2015



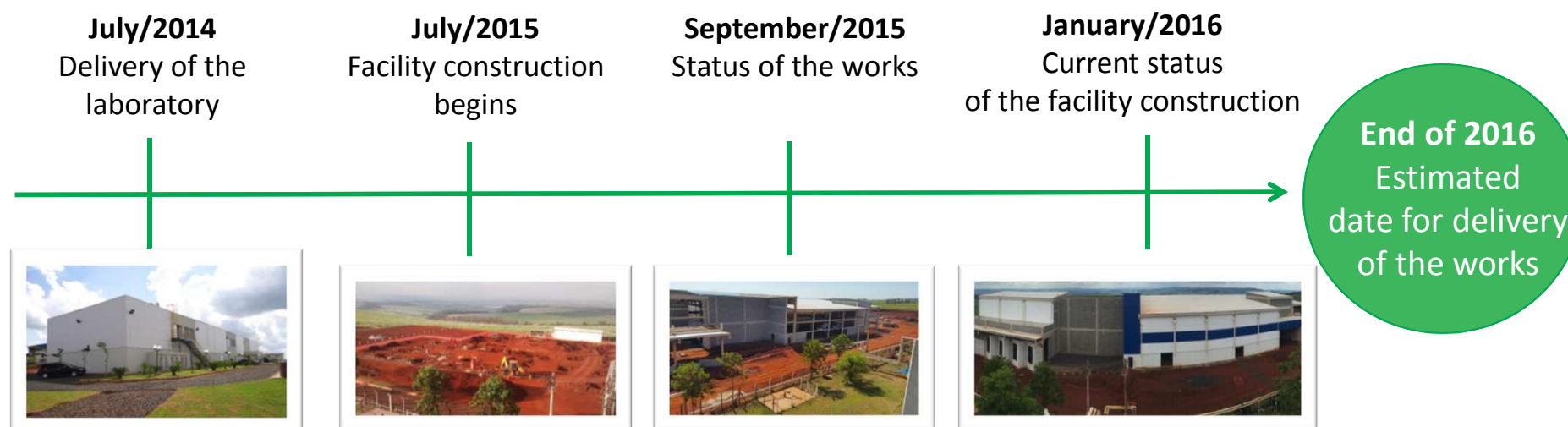
## 9 products launched in 2015

	Category		Category
 <p><b>Voss Performa</b> Eprinomectin-based broad-spectrum endectocide for cattle</p>	Parasiticide Production Animals	 <p><b>Doxifin Tabs</b> Doxycycline-based palatable antimicrobial for dogs and cats</p>	Antimicrobial Companion Animals
 <p><b>Enfrent</b> Prescribed for the treatment and prevention of parasitic sadness in cattle</p>	Parasiticide Production Animals	 <p><b>Isocox</b> Support in the treatment of a disease called black diarrhea</p>	Others Production Animals
 <p><b>Lactofur</b> For the treatment of severe infections in dairy and beef cattle and swine</p>	Antimicrobial Production Animals	 <p><b>Trissulfin SID</b> Prescribed for the treatment of infections in canine</p>	Therapeutic Companion Animals
 <p><b>Ciprolac – Dry Cow</b> For the prevention and healing of mastitis (mammary gland infection) in the dry period, for the cows to produce more milk of a better quality</p>	Antimicrobial Production Animals	 <p><b>Superhion</b> Ectoparasite for protecting cattle against ticks, horn fly and screwworm.</p>	Parasiticide Production Animals
 <p><b>Colosso Avicultura</b> For control of specific type of poultry lice and mealworm beetle.</p>	Parasiticide Production Animals		





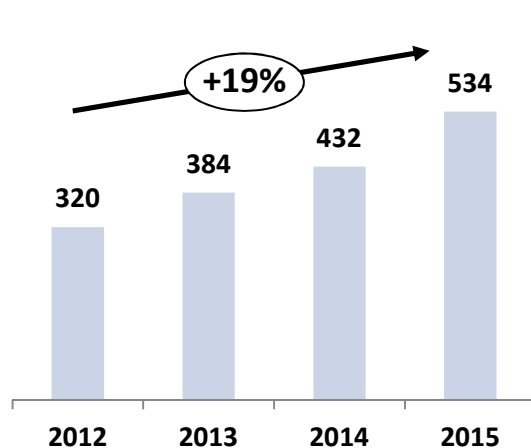
## Construction Schedule



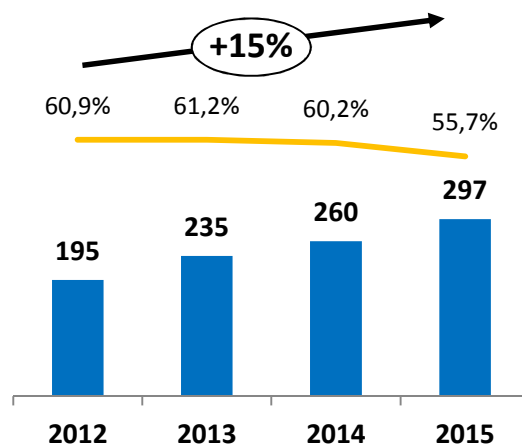
**DEVELOPMENT AND REGISTRATION OF PRODUCTS**

# Growth with healthy margins

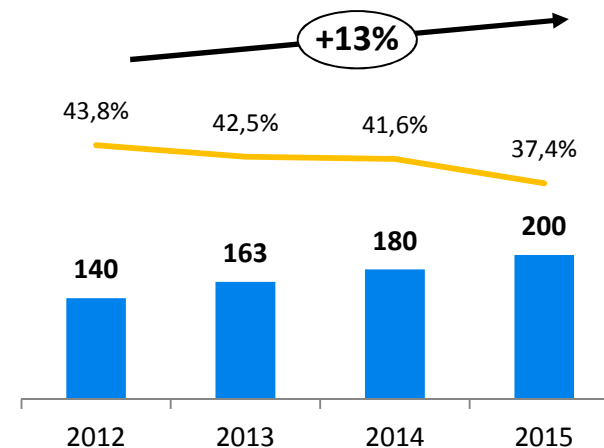
Consolidated net revenues (R\$mm)



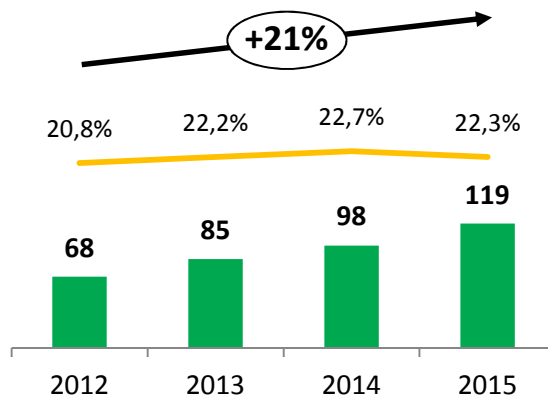
Gross profit (R\$mm) and margin



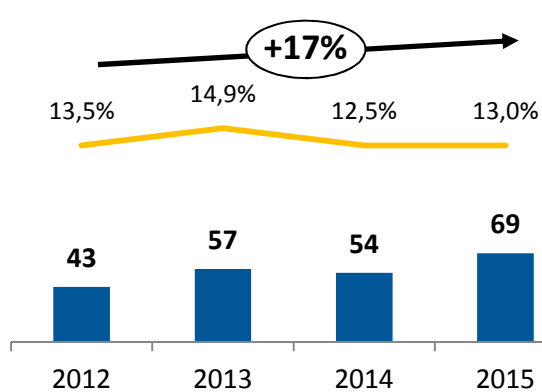
SG&A (R\$mm) percentage on net revenue



EBITDA (R\$mm) and margin



Net profit (R\$mm) and margin

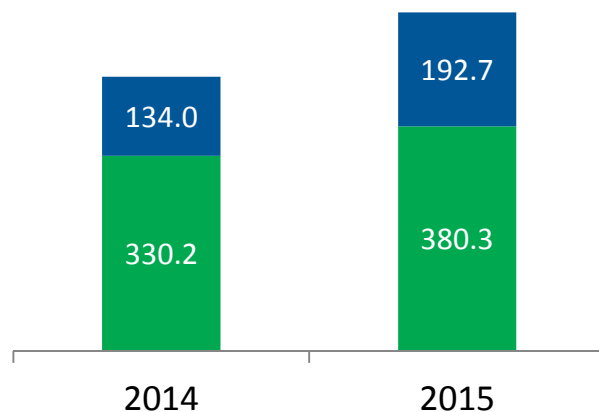


**High cash flow  
predictability**

# Net debt and CAPEX



Net Debt x Equity  
(R\$ mm)

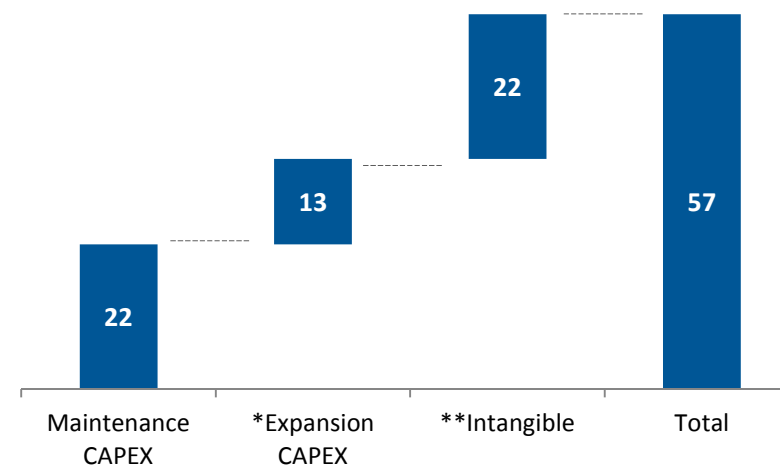


■ Net Debt ■ Equity

Net debt / Equity	<b>0.41x</b>	<b>0.51x</b>
Net Debt / Adjusted EBITDA	<b>1.37x</b>	<b>1.62x</b>
Average cost of debt (in December) <sup>2</sup>	<b>7.54%</b>	<b>7.98%</b>

<sup>2</sup> Average cost calculated taking into account derivative financial instruments for hedging purposes.  
Source: Company information

CAPEX in 2015  
(R\$ mm)



\*Mainly the Biological Center of Technology  
\*\*mostly R&D

- In December 2014 we entered into a new loan agreement with FINEP:
  - R\$ 106 million
  - There is still the remaining R\$ 64 million of the FINEP signed facility ready for investment consumption

# Ouro Fino's Long Term Strategy

