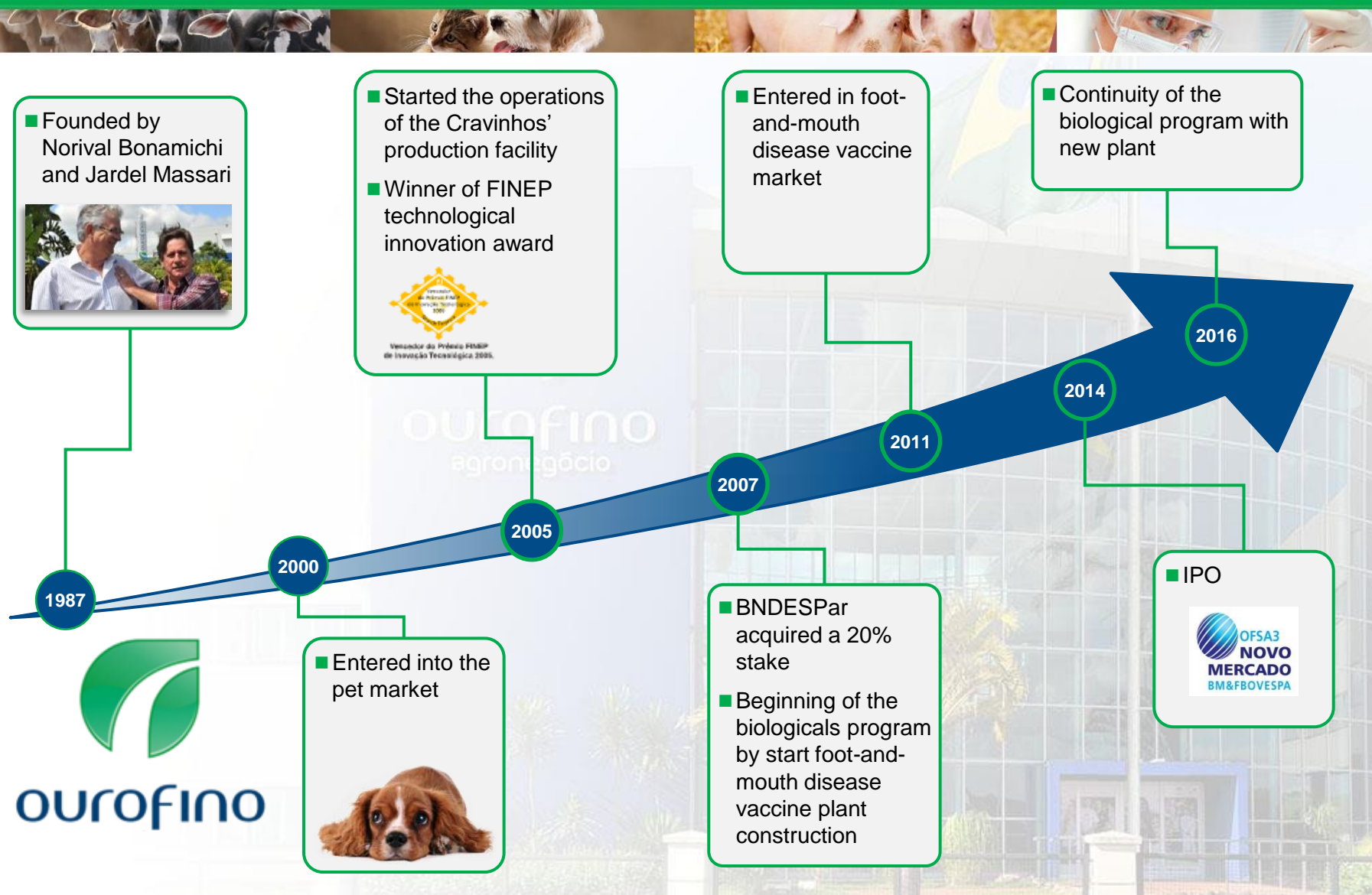






















Ourofino Saúde Animal
Abril 2017

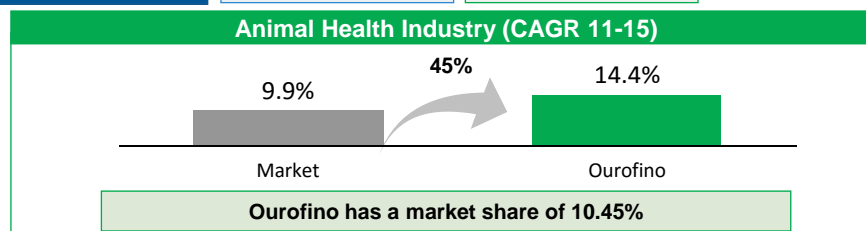
29 Year History



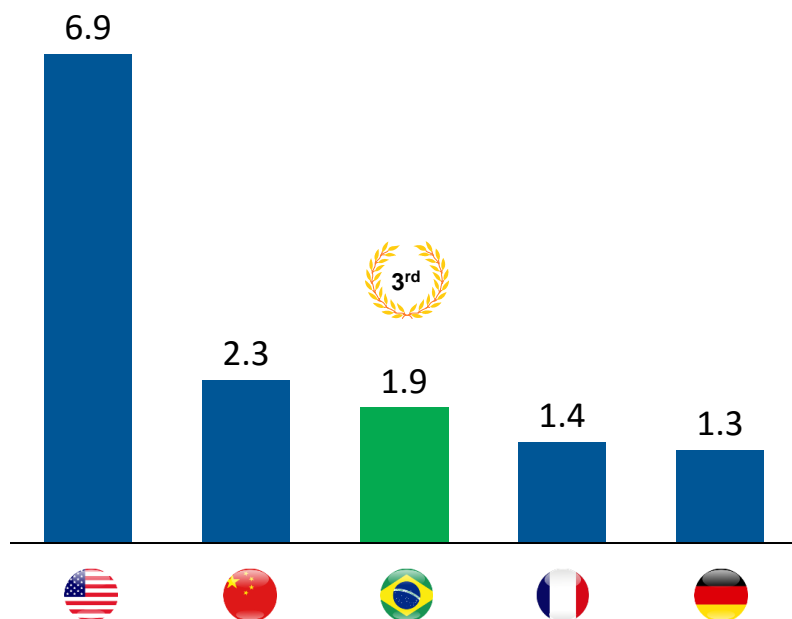
What we do

A veterinary pharmaceutical company

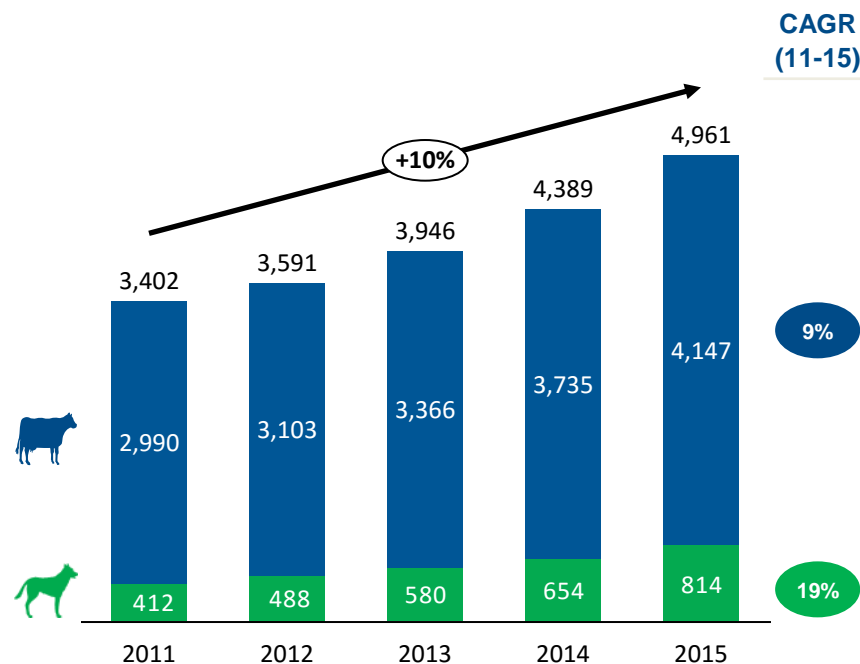
		% of net revenues	Production animals	Companion animals	International operations	Selected products
Products per Category	Vaccines	6.6% 	4	-	Ouro Fino currently exports to 14 countries throughout the world	  Ourovac Aftosa Ourovac Clostridium
	Antiparasitics	40.0% 	21	4		  Colosso FC30 Master LP
	Antibiotics	19.6% 	18	6		  Ciprolac Doxifin PS
	Therapeutic	20.9% 	16	11		  Sincrocio Dermotrat
	Nutritional	2.9% 	8	3		  Enragold Ractosuín
	Others	9.9% 	12	2		  Herbalvet MaxicamGel
% of net revenues (2016)			79%	12%	9%	
# of products from current portfolio 2017			79	26		



 **Global (US\$ bn) – 2014E**



 **Brazil (R\$ mm)**



Highlights

Brazil as the 3rd 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



Production Animals



Market Size (%)

World	Brazil
59%	16%

Brazil
Growth
(11-15)

Companion Animals



- Population and income growth drive demand for meat and dairy
- Lower availability of land puts pressure to increase productivity

- Aging and growth of income driving demand for pets
- Humanization of pets driving growth in average spending
- Also the pets themselves are living longer

Gap

Gap

Herd
Turnover

Annual Spend
per Head (US\$)



36.7%

21

+3.5x



25.1%

6

59%

41%

84%

16%

9%

19%

Pet population
(million)

Total Pet
Market (US\$ Bi)



144

60.3

+11x

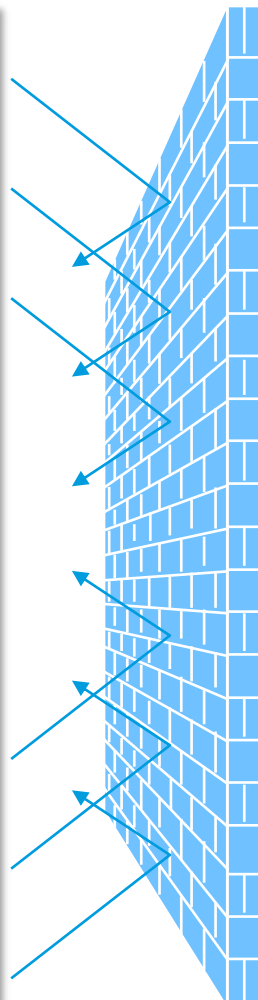


74

5.4



Barriers to Entry



Entry Barriers in the Sector



Product Registration

- Need operating plant to apply for a new registration
- 4 years, on average, to have a new product registered



Brand

- Track record
- Customer loyalty



Distribution / Sales

- Nationwide and efficient distribution network
- Well trained sales force with a solid network of clients



Products

- Complete portfolio of products
- Products customized for Brazil



Regulatory Framework for Manufacturing Process

- Guidance for the inspection of veterinary products and manufacturers' facilities

Ouro Fino's Main Strengths

- Fully operational plant
- 113 people in R&D
- 40 products launched in the last 5 years

- 29 years track record

- Present in all Brazilian states
- More than 4,500 clients across Brazil and internationally

- Approximately 100 products Flexibility to produce different types of formulas, dosages and application methods

- Plants that meet Brazilian authorities' regulatory requirements and are also fully compliant with international standards

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

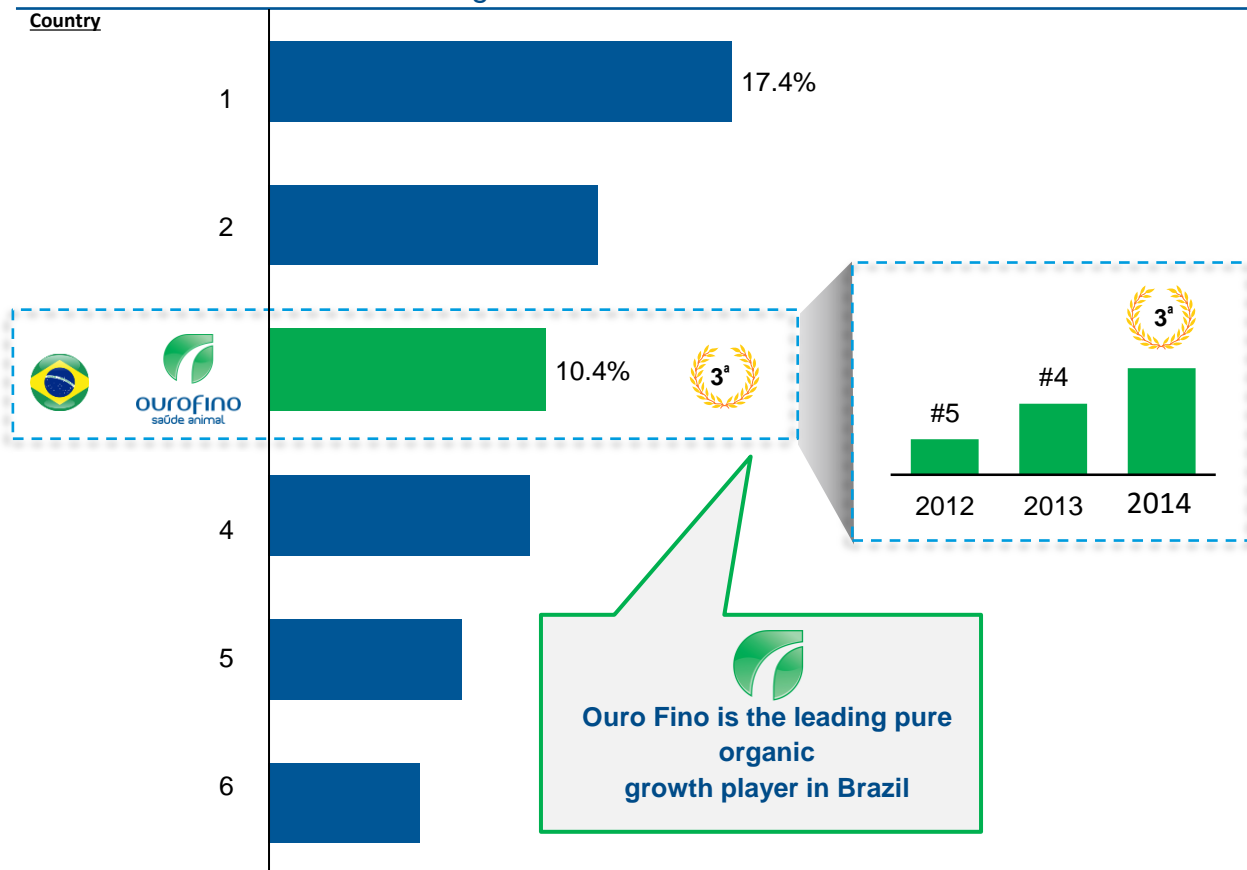
Highlights

Closer relationship with clients

- Direct sale to resellers in production animals
- Technical sales and educational programs

Customization via molecule combination and application methods

Brazilian Animal Health Ranking¹

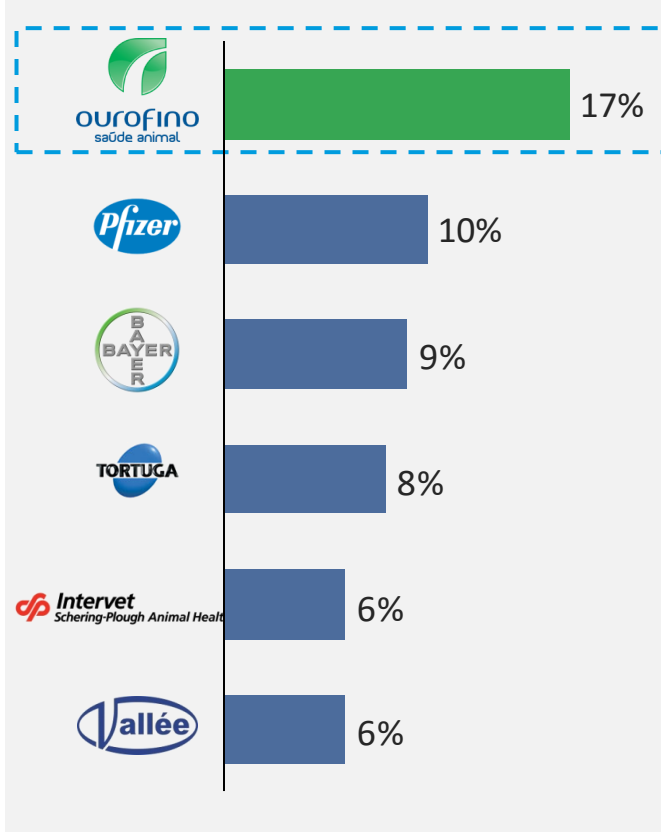


Widely recognized brand

“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

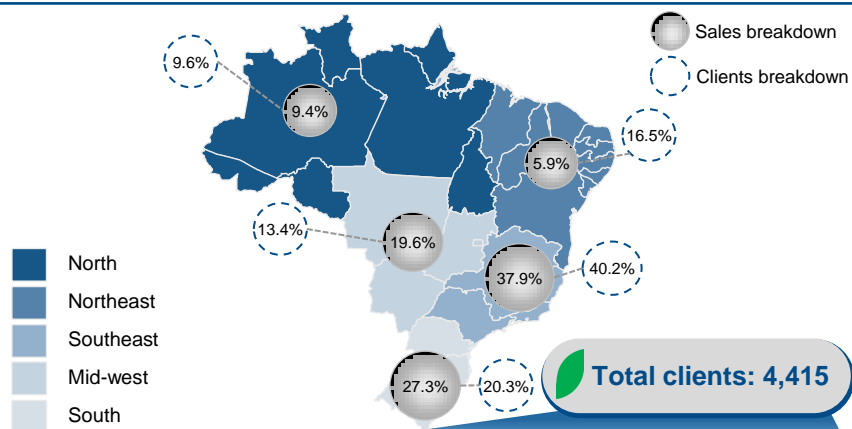
		Animal Pharm award for best company – Latin and South America in 2015.
		Época magazine award for one of the greatest places to work in Brazil in 2005, 2008, 2009, 2010, 2011, 2012, 2013 and 2014
		Exame magazine award for one of the 150 best places to work in Brazil in 2005, 2006, 2008, 2009, 2012, 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

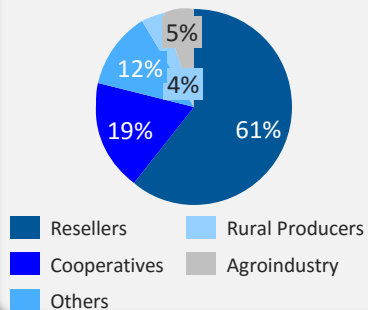
Scope of product portfolio coupled with strong customer relationships leads to one stop shopping for customers

Production animals

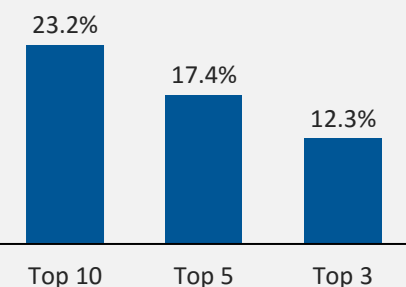
Sales and clients breakdown in Brazil (2016)



Client breakdown
(% of 2016 net revenues)

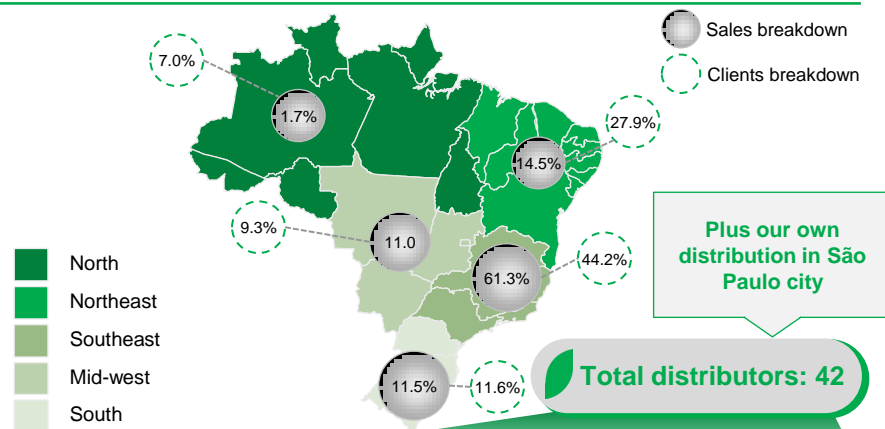


Client concentration
(% of 2016 net revenues)

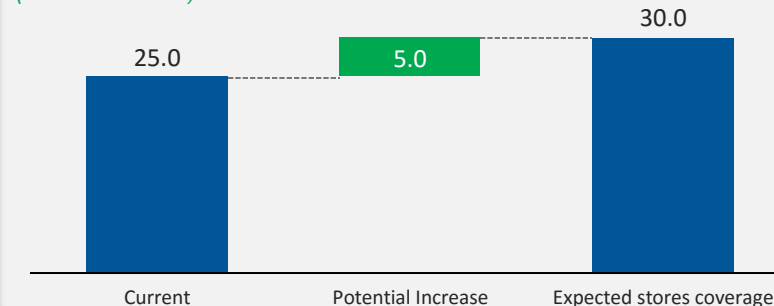


Companion animals

Sales and client breakdown in Brazil (2016)



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



Highway Anhanguera, 298km – Cravinhos / SP

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

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

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

Partnerships to advance research programs and drive new business opportunities

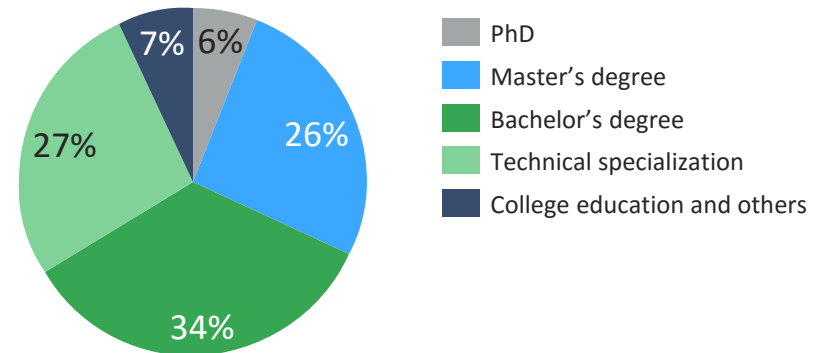
- R\$ 95 mm of R&D investments in the last 3 years, an average of 6.7% of net revenues invested every year
- Grupo Ouro Fino has its own internal research center to lead clinical studies and field experiments
- R&D team with 113 highly capacitated employees
- Open innovation model: transformation of ideas into products
- R&D and Marketing teams mapping the trends in the animal health industry



Strong relationship with innovation powerhouses



Education profile of the R&D team



Dedicated farm for product experiments

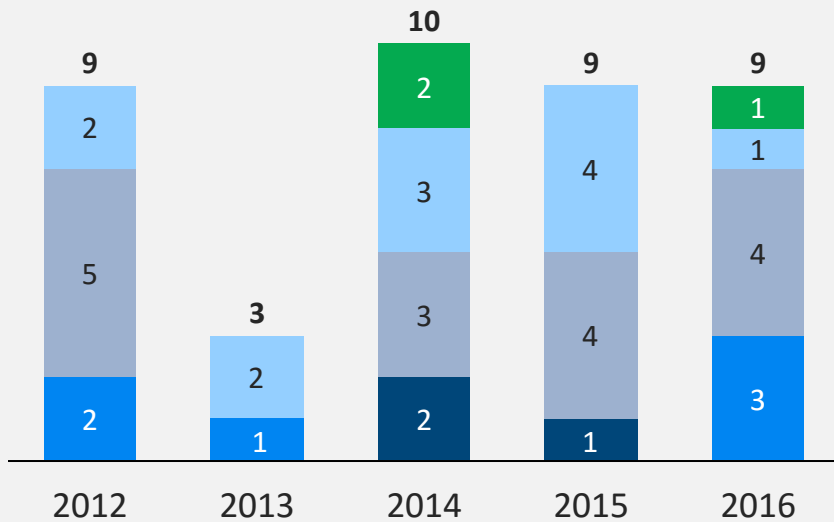


Expertise in product development with best-in-class R&D practices

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

Products launched

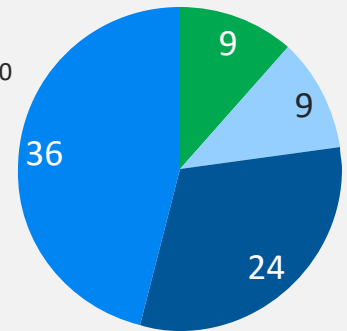
Vaccines Antiparasitics Antibiotics & Therapeutic Nutrition Other



40 products launched in the last 5 years

Expected launching schedule

Launched in 2015
Launched in 2016
To be launched until 2019
To be launched starting 2020



60 products to be launched in the next years



Significant room for growth

of biologicals

Launched Products in 2016

9 products launched in 2016



Gallipro

Probiotic additive that helps to maintain the equilibrium of the intestinal flora of animals. For improvement of the feed efficiency of poultry



Nicargold

Maximizes the zootechnical performance of poultry by controlling the challenges of coccidiosis.



Saligold

Salinomycin-based granular product. Maximizes the zootechnical performance of poultry by controlling the challenges of coccidiosis



Mgold 20

20% of monensin, safely and effectively prevents coccidiosis in broilers and replacement pullets, with zero-day withdrawal time.



Mgold 40

Prevents coccidiosis in broilers and replacement pullets and maximizes the zootechnical performance of poultry and zero-day withdrawal time.



Evol

Broad-spectrum endectocide for cattle; its formulation is based on ivermectin and albendazole sulfoxide



Nulli

Tramadol-based oral analgesic for dogs and cats



Resolutor

Antibiotic prescribed for the quick treatment of respiratory diseases in animals



Ourovac Raiva

Vaccine against rabies in cattle



July/2015

December/2016

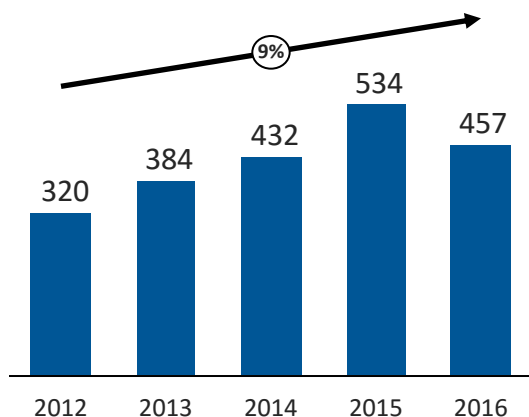


Development and register of products are being carried out

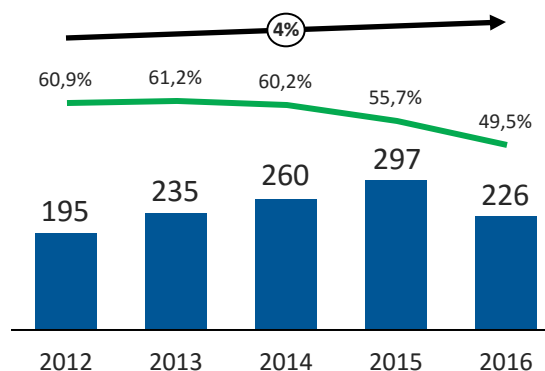
Financial Highlights



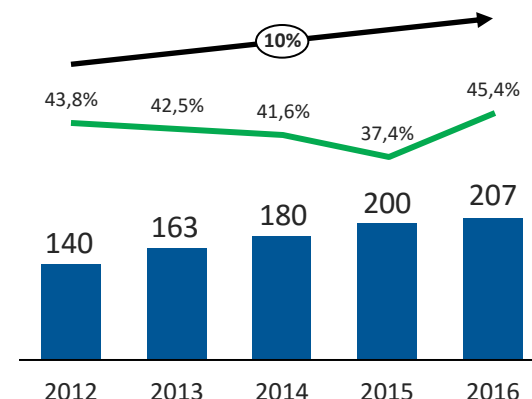
Consolidated net revenues (R\$mm)



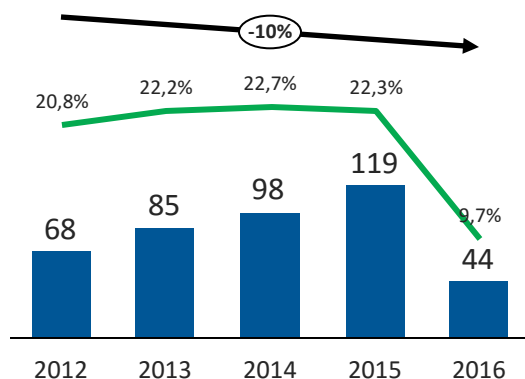
Gross profit (R\$mm) and margin



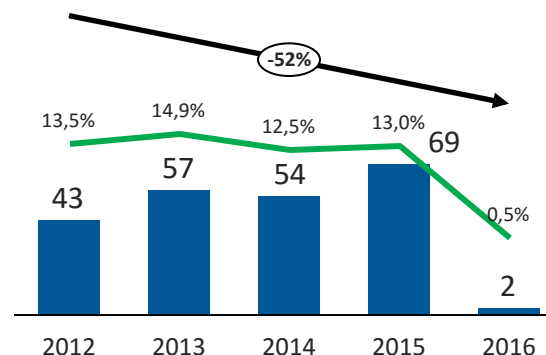
SG&A (R\$mm) percentage on net revenue



EBITDA (R\$mm) and margin

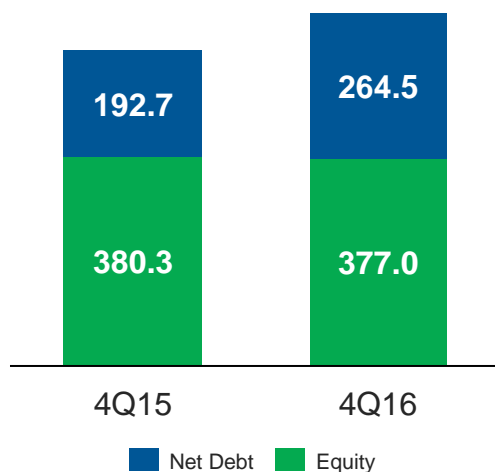


Net profit (R\$mm) and margin

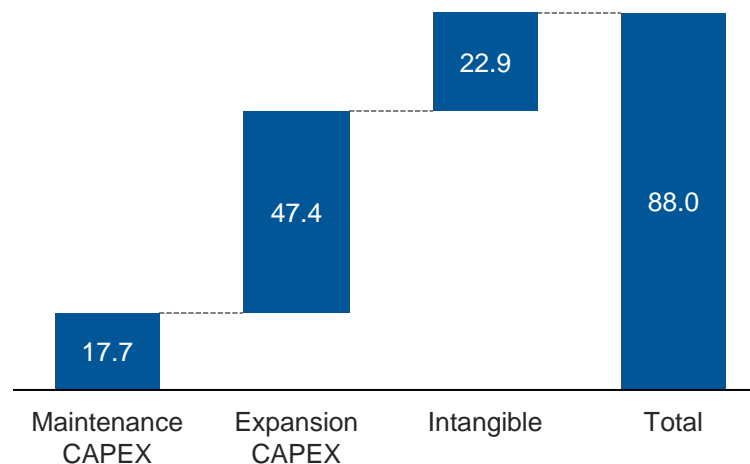


Net debt and CAPEX

Net Debt x Equity (R\$ mm)



CAPEX in 2016 (R\$ mm)



**Net Debt.¹ /
Adjusted EBITDA**

1.62x

5.96x

**Average interest on
debt in dec 31st ¹**

7.98%

8.80%

1. New vaccine plant CAPEX finished
 - Only residual disbursements expected for 2017
2. Cash flow should also improve this year due to adjustments on receivables terms since September/16
 - Next step to enhance cash flow is to reduce inventory levels
3. BNDES loan approved and it is in signing process
 - R\$ 33 million
4. New FINEP agreement under approval process

