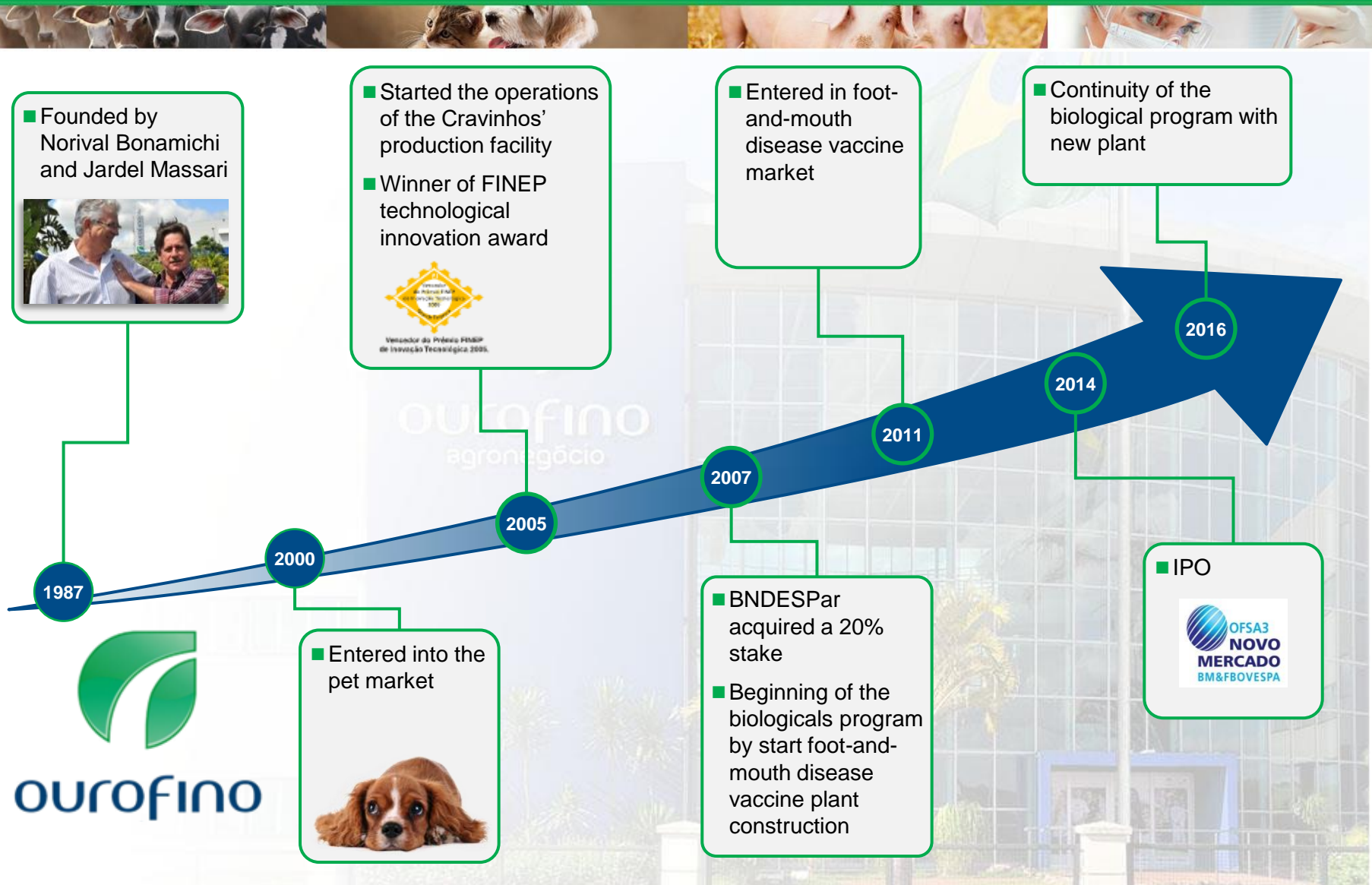






















Ourofino Saúde Animal
March 2017

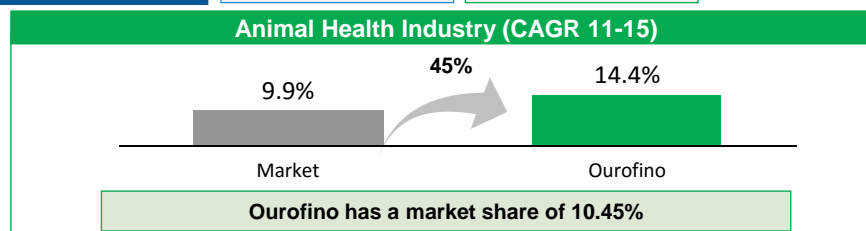
29 Year History



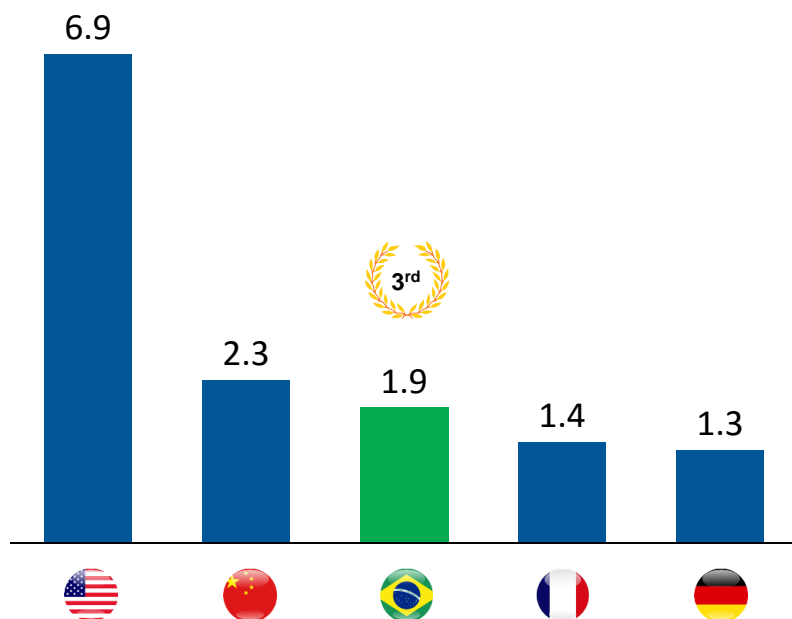
What we do

A veterinary pharmaceutical company

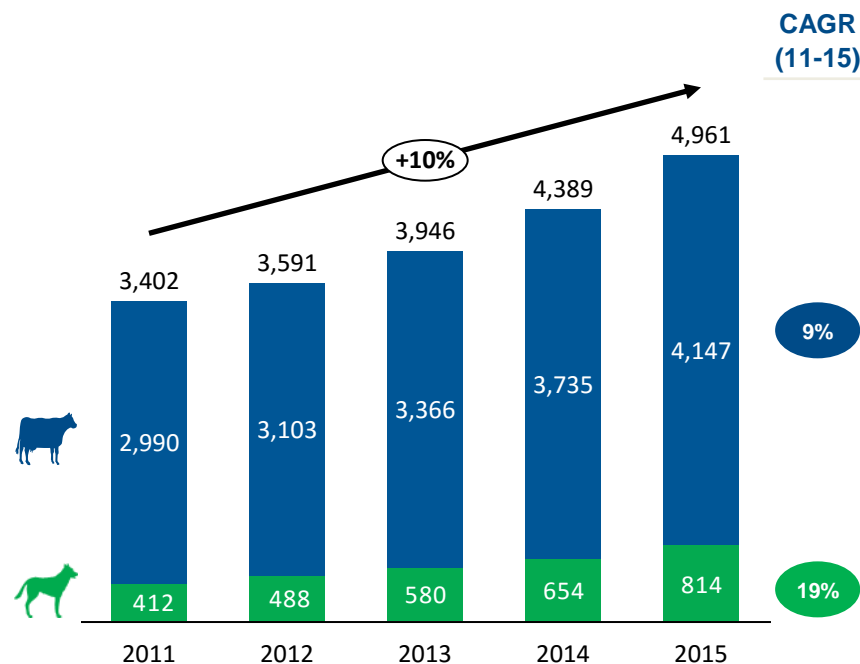
		% of net revenues	Production animals	Companion animals	International operations	Selected products
Products per Category	Vaccines	9.7% 	4	-	Ouro Fino currently exports to 14 countries throughout the world	  Ourovac Aftosa Ourovac Clostridium
	Antiparasitics	40.0% 	21	4		  Colosso FC30 Master LP
	Antibiotics	20.3% 	18	6		  Ciprolac Doxifin PS
	Therapeutic	16.6% 	16	11		  Sincrocio Dermotrat
	Nutritional	3.1% 	8	3		  Enragold Ractosuín
	Others	10.3% 	12	2		  Herbalvet MaxicamGel
% of net revenues (2015)			81%	12%	7%	
# of products from current portfolio 2016			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

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

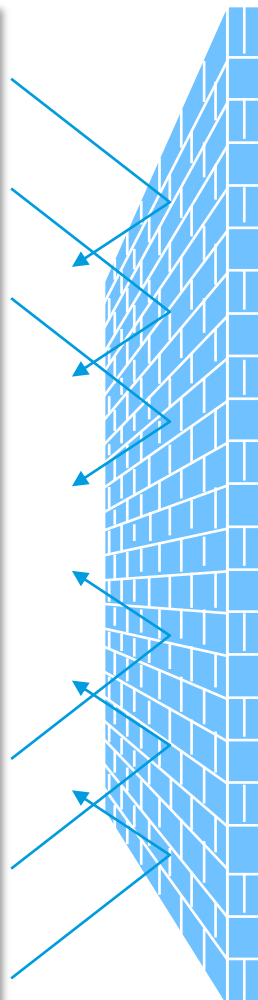


74

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
- 39 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

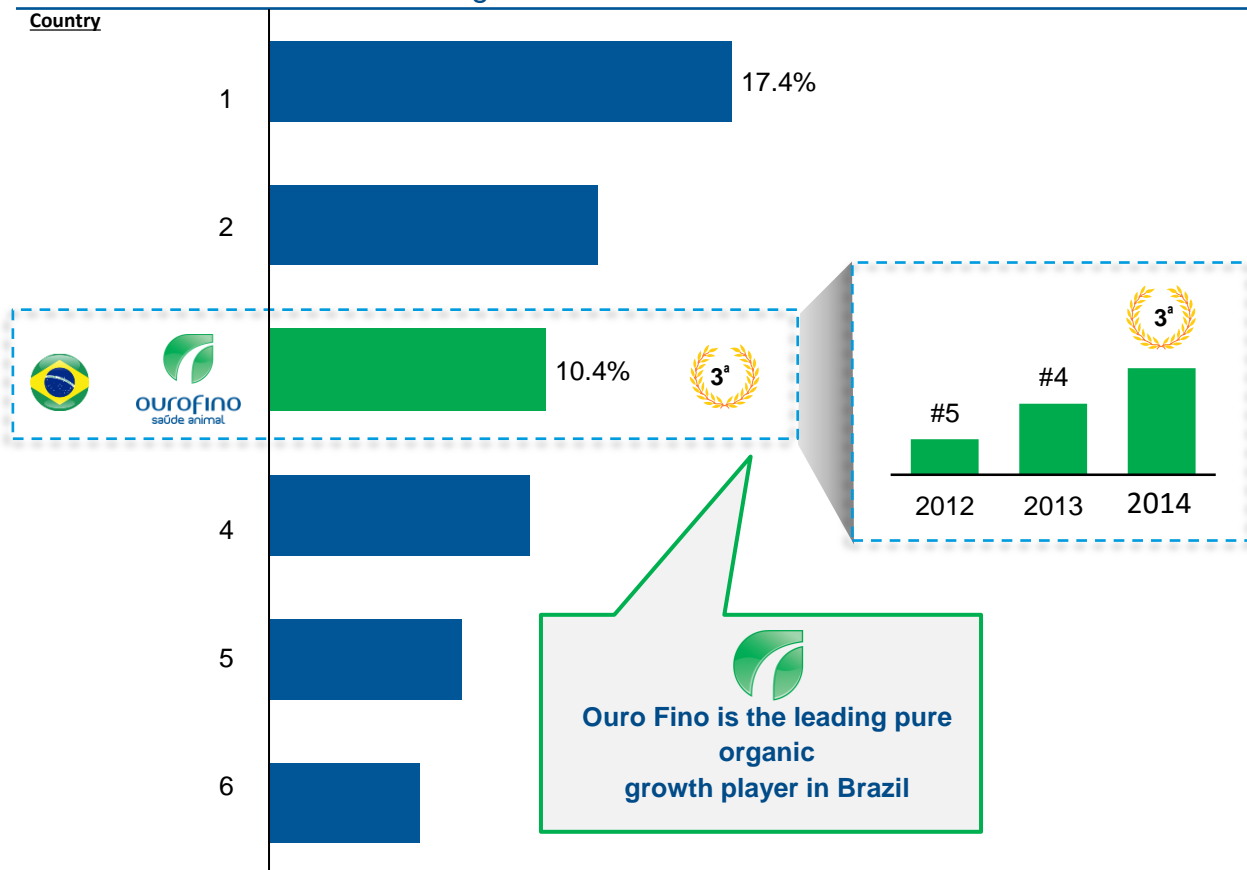
Highlights

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

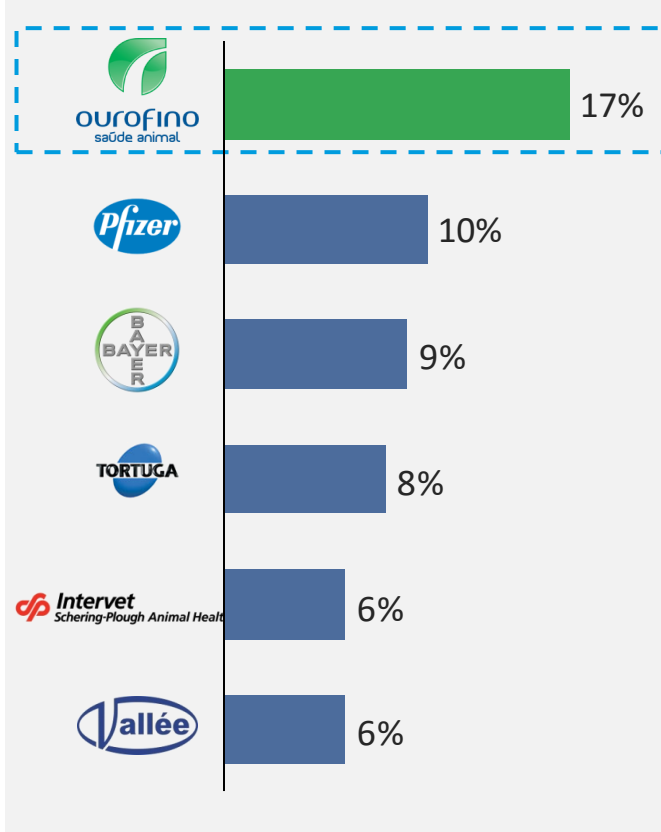


Widely recognized brand

“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

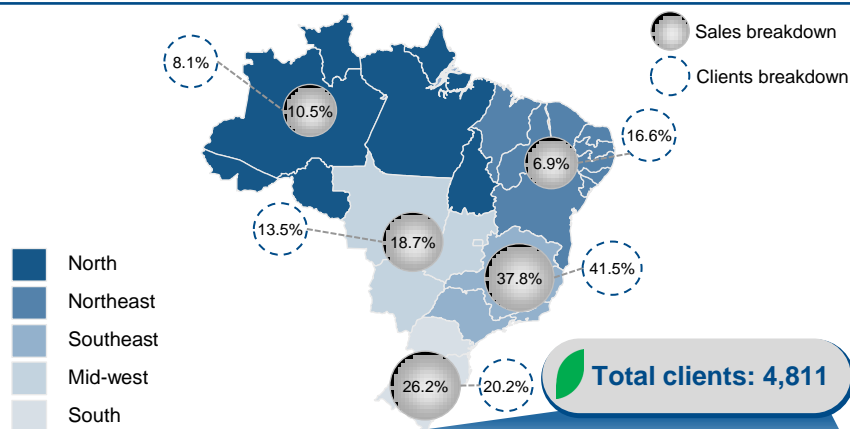
	2016	Animal Pharm award for best company – Latin and South America in 2015.
	2005 to 2014	Época magazine award for one of the greatest places to work in Brazil in 2005, 2008, 2009, 2010, 2011, 2012, 2013 and 2014
	2005 to 2014	Exame magazine award for one of the 150 best places to work in Brazil in 2005, 2006, 2008, 2009, 2012, 2013 and 2014
	2009	Anpei award for innovative approach
	2005	FINEP technology innovation award
	2004	Ernst & Young award for the top entrepreneur of the year
	Since 2000	Ouro Fino is recognized since 2000 by Fundação Abrinq as a company that supports child development

Diversified client base and broad distribution network

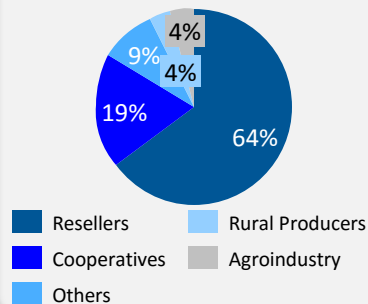
Scope of product portfolio coupled with strong customer relationships leads to one stop shopping for customers

Production animals

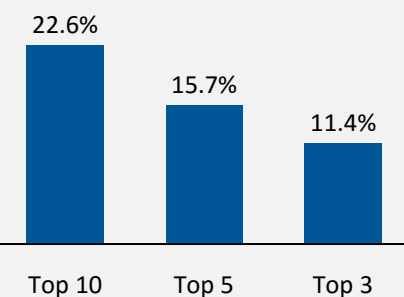
Sales and clients breakdown in Brazil (2015)



Client breakdown
(% of 2015A net revenues)

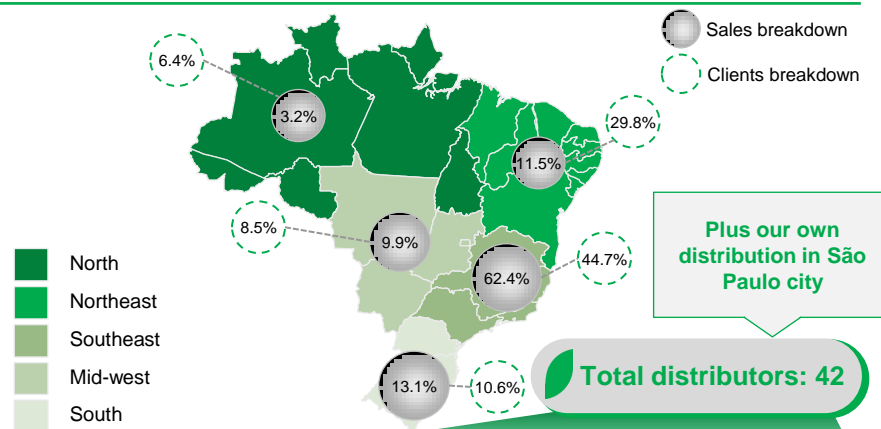


Client concentration
(% of 2015A net revenues)

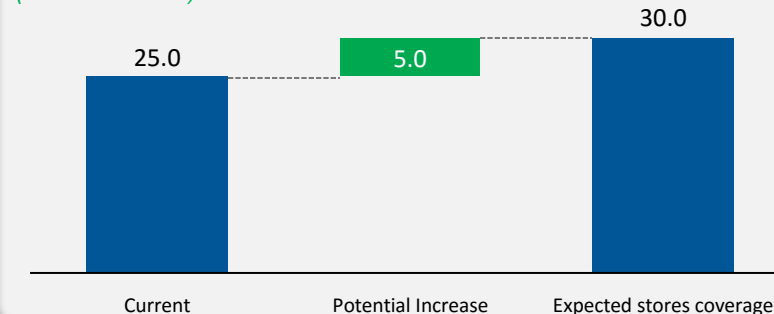


Companion animals

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



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

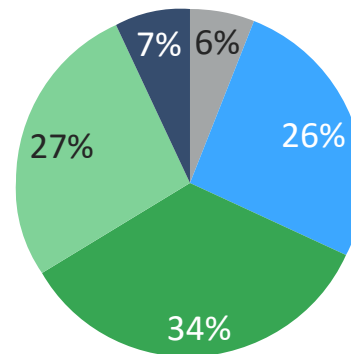
- R\$ 86 mm of R&D investments in the last 3 years, an average of 6% of net revenues invested every year
- Grupo Ouro Fino has its own internal research center to lead clinical studies and field experiments
- R&D team with over 113 highly capacitated employees
- Open innovation model: transformation 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



- PhD
- Master's degree
- Bachelor's degree
- Technical specialization
- College education and others



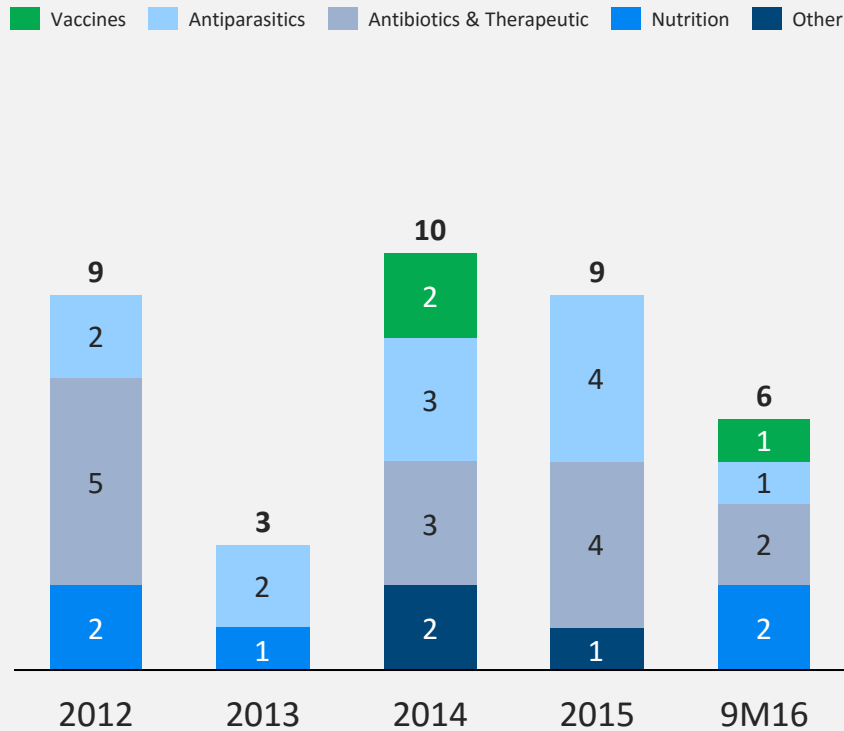
Dedicated farm for product experiments



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

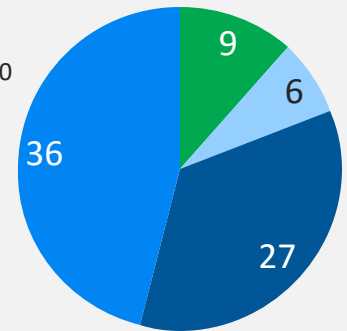
Products launched



37 products launched in the last 5 years

Expected launching schedule

- Launched in 2015
- Launched in 9M16
- To be launched until 2019
- To be launched starting 2020



63 products to be launched in the next years



Significant room for growth

of biologicals

Launched Products in 2016

6 products launched in 9M2016

3rd quarter



Mgold 20

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

Category

Nutritional
(Production animals)



Mgold 40

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

Category

Nutritional
(Production animals)

2nd quarter



Evol

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

Category

Endectocide
(Production animals)



Nulli

Tramadol-based oral analgesic for dogs and cats

Category

Therapeutic
(Companion Animals)

1st quarter



Resolutor

Antibiotic prescribed for the quick treatment of respiratory diseases in animals

Category

Antimicrobial
(Production animals)



Orovac Raiva

Vaccine against rabies in cattle

Category

Biological
(Production animals)



January/2016

December/2016

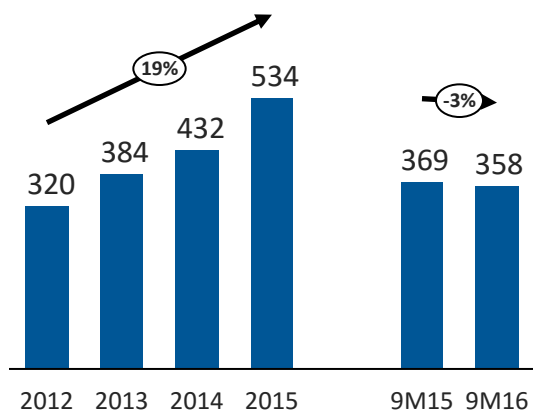


Development and register of products are being carried out

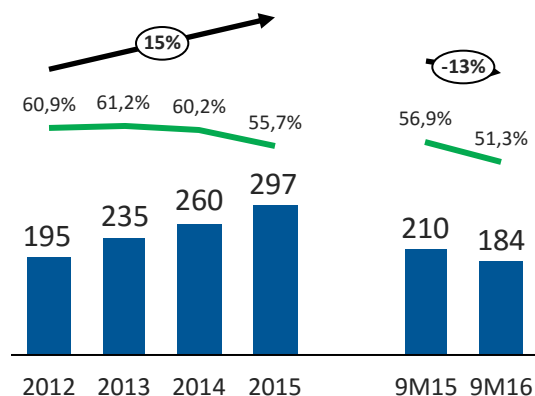
Financial Highlights



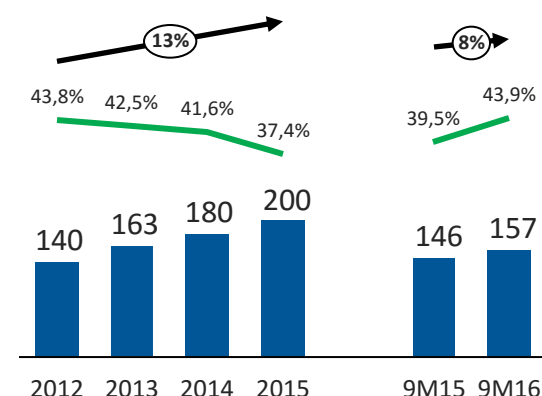
Consolidated net revenues (R\$m)



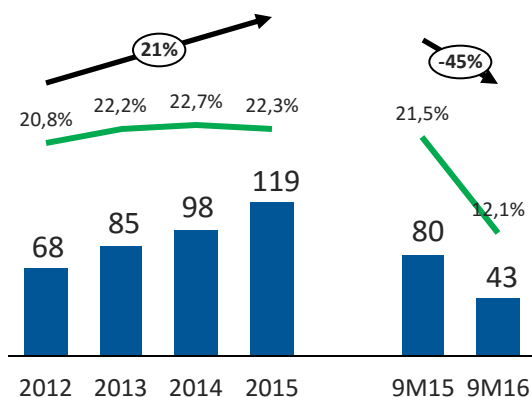
Gross profit (R\$m) and margin



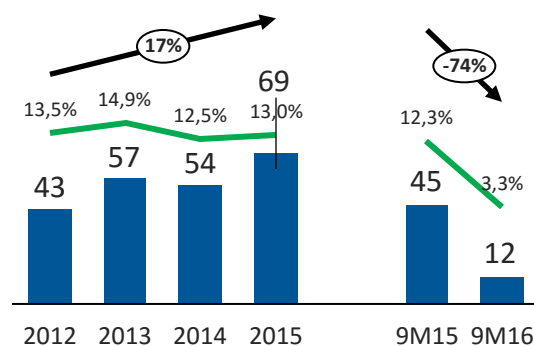
SG&A (R\$m) percentage on net revenue



EBITDA (R\$m) and margin

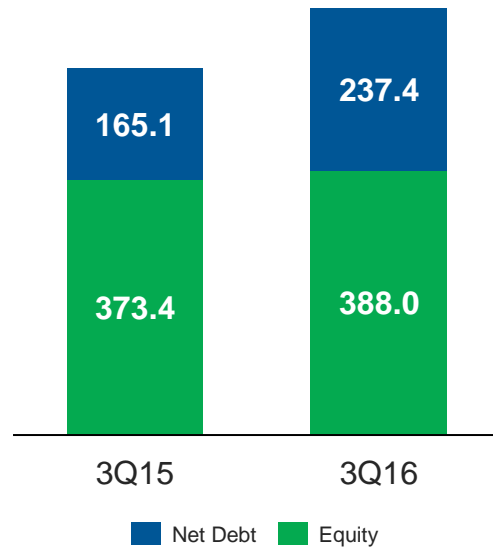


Net profit (R\$m) and margin



Net debt and CAPEX

Net Debt x Equity (R\$ mm)



Net Debt.¹ / Adjusted
EBITDA

1.48x

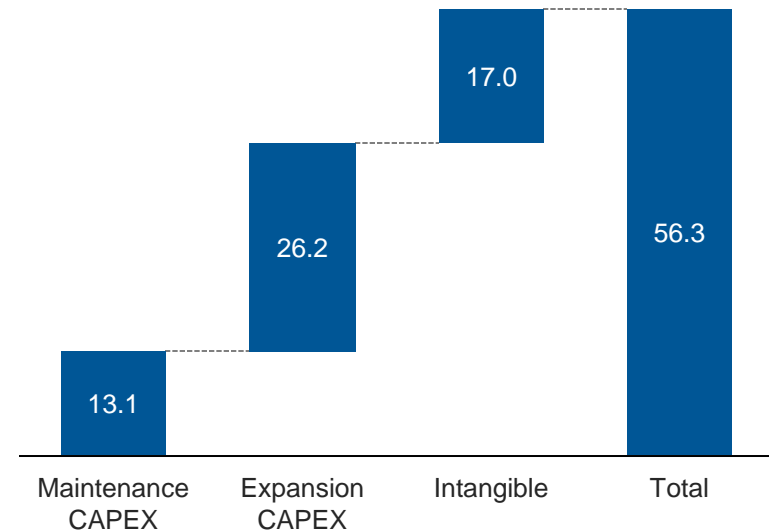
2.95x

Average interest on
debt in sep 30¹

6.75%

9.61%

CAPEX in 9M16 (R\$ mm)



- FINEP line:

- R\$ 106 MM already disbursed with R\$ 42 MM in 4Q16
- Fixed interest rate of 4.5% per year in Brazilian Reais

- For 4Q16 the average interest should improve as well as debt profile

