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<<Steve Dechert, Analyst, KeyBanc Capital Markets Inc.>>

Okay, good morning. My name is Steve Dechert with KeyBanc Capital Markets. I'm on the Healthcare Tech team. And today, we have Kristin Peck, CEO of Zoetis. Before we get going, if anyone would like to ask a question, you can do so in the webinar chat. But Kristin, just to kick things off, so you're guiding to 3.5% organic constant currency growth this year after doing 6% in 2025. Could you walk us through the puts and takes of the guidance, and which segments are expected to lead that growth?

<<Kristin Peck, Chief Executive Officer>>

Sure. Well, first, thanks for having me. It is great to be back. As we look at our guidance of a 3% to 5% organic operational revenue growth, what we'd say is, as always, it's really the diversity of our portfolio that will lead that. We don't think there's sort of one single factor that will drive that. As you think about that, there's our core therapeutic areas, both across derm, paras, and pain. As we mentioned before, we are expecting in 2026 for pain to return to growth. We think the growth across these three franchises will be led by paras this year, given some of the significant increase in competition across the derm portfolio overall. But we've got a broad portfolio beyond that. If you look at diagnostics, which is also continuing to perform well, as well as livestock, which has been really a bright spot.

Historically, livestock grows 2% to 4%. We've been growing mid to high single-digits the last three years in a row, and we expect to beat the market as well in livestock this year. So again, I would say is, the breadth of the portfolio as we look at that guide.

<<Steve Dechert, Analyst, KeyBanc Capital Markets Inc.>>

Okay, great. So just I wanted to touch on the volume versus price assumptions in your 2026 guide. How does this year compare to last year? Whatever you can tell us there.

<<Kristin Peck, Chief Executive Officer>>

Sure. Historically, as we look at our guides, we normally do somewhere between 2% to 3% in price and 2% to 3% in volume, and maybe incremental innovation on top of that. As we mentioned when we gave the guide, we're expecting somewhere between 2% to 3% in price and the rest in volume for the year. So that's how we're sort of thinking about the breakup. As you know, we've generally been able to take 2% to 3% in price beyond just innovative products, historically, and that's really both across our companion animal portfolio, as well as our livestock portfolio.

<<Steve Dechert, Analyst, KeyBanc Capital Markets Inc.>>

Got it. Okay, just I want to touch on Iran. We've had oil prices now at about \$100 for the last few days, I believe. We're in the third week of the conflict. I guess, I want to understand if this has any kind of impact on the logistical aspect of your business, any of your

manufacturing inputs, and then, if this were to go on for a prolonged period of time, maybe call it several months, what would that mean to Zoetis?

<<Kristin Peck, Chief Executive Officer>>

Sure. I mean, well, let me start with my heart goes out to my colleagues who are in the region today. My prayers remain that they all remain safe for that. Our sales for that region, as you probably see from our filings is less than 1%, so from a sales perspective, it's not a huge region for us. As your other question was around sort of manufacturing supply chain, we do not have any manufacturing facilities there. We do have some supply chain partners that are in the region that we're certainly watching. We really don't have any major shipments that goes through the Strait of Hormuz.

However, the shipping costs and air freight and sort of price of oil obviously would have an impact for all companies as we think about shipping, given we're a very global company. So we're continuing to watch that, and the impact would obviously depend on what that would be. And as you can look at our freight numbers to get a sense of what that might look like. But really, I would say the primary impact for us, materially will be in what a sustained increase in oil prices would be, but that would really only be affecting us on our freight costs.

<<Steve Dechert, Analyst, KeyBanc Capital Markets Inc.>>

Got it. Okay. We've seen the weakness in vet clinic visits for some time now, but we've seen strength in the spend number, up 6% in the fourth quarter. I just want to get a sense, from your perspective, how sustainable do you think that is, that clinics can continue to take price? I mean, presumably there's a limit on this and prices will have to level out at some point. Just – what's your view there?

<<Kristin Peck, Chief Executive Officer>>

Sure. I mean, I think clinics did take significant price in the sense of their visits and their services over the last few years, and that has definitely affected pet owner ability and willingness to spend. I think those price increases as you know were significantly above those of inflation. And this has really impacted as we've seen overall the vet visits. And really vet visits have not been lowered across every type of area, and I think that's important. The reason I say this is the sort of medicalization and humanization of pets remains a major theme. And if you look at when their dogs are actually getting sick or their cats, they're spending, if you look at VEG and some of the emergency care.

So their willingness to spend still exists, but the reluctance to commit to, sort of wellness care and some of that regular care, we've definitely seen that in the decline in visits both in wellness and in some of the therapeutic area visits. But as you mentioned, and I think to pay attention to, is there's still growth overall in spending at the vet clinic. I think it grew 6%, as we mentioned in the last quarter, which is still strong. And what that says is the humanization of pets, the human animal bond still remains strong. I think what pet owners are looking for is, some stabilization in that pricing. They're also looking to have a better expectation of what it's going to cost.

I think the other thing is most pet owners are millennials and Gen Z, and that surprise factor of how large that bill was, as they're right now trying to afford to buy their first home and

trying to pay off their student loans, has definitely been a struggle. And what I'm excited about and optimistic about is two things. One, that vets really get this challenge, and they're coming up with new value propositions, that are more attractive overall to pet owners. And second is we're going to see the aging of those COVID pets. And as they age, they're going to have more chronic problems. And if the pets are really coming in, and the vets can meet them where they need to be on value proposition, I think there's a lot of growth we can continue to see.

<<Steve Dechert, Analyst, KeyBanc Capital Markets Inc.>>

Okay. Yeah, you kind of mentioned this, but with brand loyalty being a big factor in animal health, can you talk about some of the reorder rate metrics you're seeing across your kind of big three products of Apoquel, Cytopoint, and Simparica Trio?

<<Kristin Peck, Chief Executive Officer>>

Yeah. I mean, I think one thing about animal health we've seen is, there's a significant first mover advantage. And we're grateful that we have that across, our dermatology, our parasitology, and our pain. One of the things we've mentioned for the last few years as you look at dermatology is how strong the reorder rates and the brand satisfaction have been in Apoquel as we've even tried to convert Apoquel customers to Apoquel Chewable, our beef-flavored chew. It's as you saw, it's taken us a lot more time to try to convert, what we have now is around 50% over to chew, and that really has speaks to the brand loyalty.

I think the move to retail, which we've been seeing growing at 20% to 30% over the last few years, has really driven also on autoship. And so autoship also, to your point on reorder rates, we're not seeing any change from a clinic perspective in those that are carrying our products. And I think our continued commitment to life cycle innovation from a film-coated tablet to a chew to an injectable to now a long-acting injectable that we're expecting approval on this year really speaks to the strength of our life cycle innovation and I think the commitment to the brands that our customers have. The customer satisfaction across these products remains incredibly high in the 80% to 90% across both our parasitology and our dermatology portfolio.

<<Steve Dechert, Analyst, KeyBanc Capital Markets Inc.>>

Okay. And then on Librela, you guys are doing work to have discussions with key opinion leaders to kind of change the viewpoint on that product. How is that going, I guess one? And then on a sequential basis throughout 2026, how should we think about the growth for Librela?

<<Kristin Peck, Chief Executive Officer>>

Yeah. I mean, we've been quite focused on a multipronged strategy to return Librela to growth. And that's first and foremost, focusing on the need to treat patients pain who have osteoarthritis, the severity of osteoarthritis and the need to treat that pain. It's also been focused on ensuring that veterinarians and specialists really understand the risk-benefit profile of our product and where it's appropriate to use. We're also really focused on ensuring that from a pet owner perspective that the great stories of so many of the pets that have had tremendous success and that risk-benefit profile at the pet owner level gets told. And lastly, investing in Phase 4 research. We think it's really important that some of the questions that

have been raised that there are third parties answering those questions. And we've started publishing that, as you know, in Q4 of last year, and we'll continue to publish studies throughout this year.

And based that on, that's why we said we did see signs of stabilization in Q4, as we mentioned in the Q4 earnings call, and we are expecting a return to growth in 2026. We noted that will be in the back end. Our comps in the first half of the year and the first part of the year remain very strong as you look at sort of what the rhythm of the numbers was in 2025. So that's really what we're watching for. We remain really close with all of our regulators, making sure we share all the data and making sure that we update labels where appropriate so the best understanding of the risk-benefit profile of the product is understood.

<<Steve Dechert, Analyst, KeyBanc Capital Markets Inc.>>

Okay. We think about 2026 is kind of – we could characterize it as maybe like an air pocket, so to speak. But beyond 2026, which therapeutic areas do you think gets you back to that, maybe, high single-digit type growth rate that Zoetis has normally seen? Is it parasiticides, dermatology, pain? Or is it maybe one of these newer categories of oncology, cardiology or renal?

<<Kristin Peck, Chief Executive Officer>>

Sure. I mean, I think as you mentioned, as we look into 2026, we are facing sort of an unprecedented competitive pressure in some of our core therapeutic areas that we have in the market now. But we're also really excited to start to be driving the new products such as our long-acting pain products for dogs, cats, Lenivia and Portela. We are expecting approval of long-acting Cytosol, which I think will be exciting to continue to grow that franchise. Also approval on a new chemistry platform, which will be critical to our growth in diagnostics. And that's really what we're focused on as we think about 2026.

So I think as you think about the next few years, once we get past some of the competitive pressure that we feel this year, we do see some of those core franchises, obviously, being a significant contributor to growth in the future. But what we're really excited about is sort of the new waves of innovation. As we mentioned on our innovation webcast, in December. As you look at renal, which will be the next major approval in 2027, that is the largest single unmet need in animal health. We think that market is somewhere between \$3 billion to \$4 billion. It's a market where there's really just no product today. And we're excited, as we mentioned, that we'll be bringing multiple molecules to the market there.

The first one really focusing on being able to prevent the damage that happens to your kidneys early on in the disease. So that's a product that is more of a chronic product you take. We'll also be looking at biomarkers and diagnostics there, as well as looking at some products that will really treat some of the symptoms that occur later in the disease. So again, we're talking about building franchises, not just one product but there, but that's a \$3 billion to \$4 billion market. We're behind that.

You'll also see oncology, which we're super excited about. We'll have two molecules we mentioned there for both lymphoma, the first one and then melanoma. The melanoma molecule can also be used for other cancer types. So melanoma will be the first approval for there. We're also really excited there as well for biomarkers and diagnostics to continue to grow that space. We also have cardiology, anxiety, obesity. So as you think about the unmet

medical need across animal health and then the breadth and depth of our portfolio, as you saw from the innovation webcast, we've got 12 potential blockbusters that we highlighted in that webcast.

So I think what's really exciting about the future is there's not just one source of growth, there are multiple sources of growth, both from the core diverse portfolio we have today, as well as in the future. And that doesn't even include some of the long-acting pairs that we'll have that you saw on innovation webcast, some of the new vaccines that you'll see, as well as our focus more and more on genetics and livestock as well.

<<Steve Dechert, Analyst, KeyBanc Capital Markets Inc.>>

Okay. One more on the oncology, cardiology, renal products that are in development. I mean I'm assuming – and maybe I'm wrong about this, but I'm assuming that those are going to be kind of more higher price point type products. And I guess I'm just wondering how do we square that with the budgets that we're seeing from the millennial, Gen Z populations that are kind of having a tighter wallet right now? I mean I get it's not – it won't be for a couple of years really until – or at least a couple of years until those products are released. But how do we square those two things as those come out?

<<Kristin Peck, Chief Executive Officer>>

Sure. I mean, as we talked about a little earlier, Steve, I think there's still the human animal bond and the medicalization of dogs, and the aging population, which I think as you think about the timing of these products will be really important. At the same time, we really do have to pay attention to the value that these products bring for our pet owners, and we need to price them based on the value that they provide.

I think as you've seen, we've been able to bring highly innovative monoclonal antibodies to a self-pay market before. And I think we're going to take all the learnings we've seen over the last few years on both the dynamics in the pet care space, the dynamics as we think about launching a lot of these long-acting therapies, which, to your point, will be more expensive upfront. How do we price those? How do we think about that value proposition from the pet owner perspective?

I think we've continued to do this from the first launch in monoclonal antibodies years ago, where most people thought that will never work in animal health, you'll never do that in self-pay. And I think continuing to pay attention to the pet owner and to the vet and what that value proposition. Obviously, we have not decided the pricing of those future portfolio. But you can, I'm sure, imagine that we're going to be learning from what we see today, especially as we see some of the first competition in some of those spaces for monoclonal antibodies this year.

<<Steve Dechert, Analyst, KeyBanc Capital Markets Inc.>>

Okay. You mentioned the long-acting pain products. You're also doing long-acting Cytopoint later this year. Can you talk about the demand for these long-acting products? Like what do pet owners – or what will do you expect them to like more about than your existing products in the same categories?

<<Kristin Peck, Chief Executive Officer>>

Sure. I mean I first want to focus on the fact that as we think about any of our key therapeutic areas or products, the value that life cycle management has and extending the life and the growth of our products. We've continued to do that, obviously, as you've seen just with Apoquel and Apoquel Chewable. And I do think as you think about adding long-acting, it adds a significant life to these franchises, but also value to both the vet and the pet owner.

And as you think about that, I think from a pet owner perspective, it's really the convenience and the compliance you get with one visit and one shot for three months. And so again, when we were talking about that value proposition a little earlier, that means they don't have to pay for three visit fees and three injection fees. So there's also – there's a convenience. I don't have to come 3 times. So for some, that will be just make their lives easier because they were already on a Librela, or Solensia or a Cytoint.

But there's also a lot of people that just don't choose these therapies because they just – they work full time or they're busy. And the thought of coming in every month just is too challenging to them to be perfectly frank. And so we think what these long-acting therapies do is extend the category to patients who might not have already taken the product. It will increase compliance because instead of 12 shots, I only need four shots to get a full year. So we're also expecting that it will increase months on therapy as well as extend the lifecycle of our brands and of our franchises overall. So, we are obviously, paying attention to what that price point will be for our customers. But we really do think long acting will be really helpful in expanding those – the target market as well as increasing compliance.

<<Steve Dechert, Analyst, KeyBanc Capital Markets Inc.>>

Okay. Maybe just one on the TAM sizes of those newer categories. They're maybe on the smaller side of derm and parasiticide. I mean, do you think the TAM sizes of oncology, cardiology, renal, they have the opportunity to maybe get larger as we kind of develop more products in those spaces?

<<Kristin Peck, Chief Executive Officer>>

Yes. I think they definitely do. When we put out a total addressable market for any of our products, It is based on the actual molecules we have now and our understanding of those molecules, as well as what we see as the market potential, which really is limited right now by the diagnostic rate for some of these diseases. And so I do think some of these TAMs could increase as the diagnostic rate for those diseases increase. I'll give you an example.

In oncology, there's not a lot of impetus today to be testing for some of these cancers because even if you tested, there is no therapy. But once you actually know there's a therapy, will vets test more often? And I think this is as you think about growing these TAMs, also as we get for some of these molecules, more cancers we can treat on each molecule that will continue to expand the market.

And even as we think about our first one, which is the largest, renal, which we believe will be a \$3 billion to \$4 billion market, but there's a lot of different factors as we think about what that market is. The earlier we can diagnose dogs and cats with renal disease, the bigger that market becomes. But that's really limited today by the diagnosis rate and the diagnostics out

there to sense that. Again, it's critical in renal disease that you are treating before the damage to the kidney happens, because that's irreversible once that damage occurs.

And so we think we could continue to expand that market if we could continue to expand the diagnostic rate earlier in the disease and both the prevalence of that diagnostics as well as the accuracy of those to make sure that we can treat those dogs. Well, then obviously, Steve, have to talk about what that value proposition is, you go earlier in a disease to treat an animal and the commitment that would take. But we're really excited by that challenge.

And I think one of the real uniqueness of Zoetis is we're not just a therapeutics company, we're also a diagnostics company. So we are looking at companion biomarkers and diagnostics that we can run. And look, if we find a biomarker that can diagnose that disease much earlier, we could hand that out for free with everyone – every – more than 5-year-old dog or cat who goes in for our reference lab testing, things like that.

So I think we have multiple ways of expanding these markets. And so you – so to your point, we have evolved those TAMs over the last few years as we get to know our molecules and what those labels will be, but also as we think about the diagnostic rate for those diseases.

<<Steve Dechert, Analyst, KeyBanc Capital Markets Inc.>>

Okay, amazing. On livestock growth, so you did 8% consolidated in 2025, and 10% of that was international. I just – can you get a sense of maybe how sustainable that growth is in 2026? What you're expecting this year? I know you guys don't guide to it specifically, but maybe just some commentary around it. And then there's been a ton of talk about protein demand. Your viewpoints on where that's coming from in your outlook. Thanks.

<<Kristin Peck, Chief Executive Officer>>

Sure. I mean, as you know, historically livestock has grown in the animal health sector around 2% to 4% per year. And what I'd start is what drives that growth in general. What drives that growth is, more people entering the middle class across the globe. As you enter the middle class, you generally speaking eat more protein. And so the second factor is just a growing global population.

And as you look at the population, we believe by 2050 you're going to need 50% to 70% more protein produced in order to meet both the growing population as well as the increased need of that population gets to the middle class of protein consumption. And then if you double-click and say, well, where is that primarily coming from? The fastest-growing protein sources today are poultry, fish, and pork.

And again, this is a very global business as you saw. We see obviously significant growth in the U.S., but significant growth outside the U.S. That's, again, as we talked about where some of that population growth is, as well as some of that growth into the middle class. And I think the focus, as you then look into Zoetis is, we want to be where the future consumer wants their protein, which is we've sold out of our medicated feed, out of business, and we're really focusing on our preventatives or vaccines and our genetics portfolio.

Our genetics portfolio is really focused on helping poultry producers breed animals that will be both healthier and more productive. So, less likely to catch – get a disease. So definitely

healthier, which lowers their overall costs. Be able to be more productive. So on the dairy side, can produce more milk, et cetera, or on the livestock side, better traits overall for the marketing of that animal. So we're really excited of what those two are doing.

And I think as you look at our growth versus some of our competitors, that's there. And we remain confident that livestock will continue to be a significant contributor to our growth in the years to come, just because I think those macro dynamics driving it remain strong. But I'd also double-click for a second on just, we always talked a lot about protein consumption in emerging markets and the growing population.

But as you even look at developed markets these days, the growth of GLP-1s, the protein consumption is increasing all over the place. If you go out to dinner with anyone, they're talking about how much protein they consume a day and how they're going to get a new drink. And I just was at dinner last night and someone was talking about a new drink from fairlife with 42 grams of protein. That is animal-based protein that they're all consuming.

And I think this will continue to be even in developed markets, which is why I remain confident in both the U.S. and Europe and some of the developed markets of that increasing focus on growing overall our livestock business, given the increasing demand for protein across the globe.

<<Steve Dechert, Analyst, KeyBanc Capital Markets Inc.>>

Yes. Yes, Starbucks has protein coffee now.

<<Kristin Peck, Chief Executive Officer>>

I know. I mean, we never thought you'd see it in coffee, exactly.

<<Steve Dechert, Analyst, KeyBanc Capital Markets Inc.>>

I guess, just to follow up on that, though, I mean, are you placing more of a weight you think on the GLP-1 side of it, or is it more still on just growing emerging market populations?

<<Kristin Peck, Chief Executive Officer>>

I would say it's all the above is what I'd say. Our focus is really on meeting the needs of our customers and then supporting the growth that we see. And I think, look, the – I believe the overall macro trends that will be most important, number one is going to be a growing population and two will be moving into the middle class as we think about overall.

I mean, protein consumption has always been important. There's probably more of a focus and we'll decide whether based on these new nutrition guidelines that brought beef back up to the top of that thing and whole milk, whether that really stays, I'm not sure that's the biggest driver to be frank, of overall demand.

But I think an increasing focus on health and wellness and an aging population, to be honest, Steve, I think that is more of the trend. As you look at the need for protein consumption as people age and more and more as the demographics in a lot of these developed markets, you're seeing an aging population that is putting more focus on maintaining muscle mass as

they age to protect their health and wellness. So I think a focus more and more on health and wellness is going to continue to support that overall. But I think the largest trends will certainly be the growing population and then moving into the middle class.

<<Steve Dechert, Analyst, KeyBanc Capital Markets Inc.>>

Okay. Got it. You guys have made some changes to your field team here in 2026. Can you just kind of give us an overview of what's going on there? And then, where should we see that impact your OpEx this year?

<<Kristin Peck, Chief Executive Officer>>

Sure. Our focus overall when we did the restructuring of our go-to-market teams in the U.S. was looking at sort of where's our future portfolio going. So as we talked about earlier in this conversation, a lot of that's going into more specialty products and chronic products, as well as the need as you do that to make sure that we are ensuring that we have the right conversations with vets and more and more on the specialist side. And what we chose to do is combine our corporate field force with our regular GP field force. And what we – by doing that, we both increased reach and frequency. So we had in the same city, someone seeing our corporates and someone seeing our local independent GPs, which meant each of those people were driving further to get to their core number of customers. By consolidating, we needed fewer people, and they could see more people more often. And with those savings, we really – what we did was invest in bringing in more professional service vets.

So as you bring in more specialty monoclonal antibody products, the vets really want more scientific conversations, more vet-to-vet conversations. As we talked about those Phase 4 studies that we've been doing currently in our pain portfolio, we'll be thinking about Phase 4 studies across all of our portfolio. So the really thought is, as we think about the growth of the company going forward, more and more in some of these chronic more specialty type products, we felt it was important that we had greater reach and frequency at the sales rep basis, but as importantly, that we spent more on bringing professional service vets into the field to have more vet-to-vet conversations. And so that was really the focus of the go-to-market, increase reach and frequency, add more vets to be having more vet-to-vet conversations. So I don't think you'll see any significant change in the sort of overall cost. This wasn't – we reallocated some of the cost savings by consolidating the field forces and investing in more specialty and medical education overall for our vets and our specialists.

<<Steve Dechert, Analyst, KeyBanc Capital Markets Inc.>>

Okay. Got it. So I want to ask this one around AI. I mean we cover a handful of these AI drug discovery companies where they're really saving a lot of money in the discovery process where they're able to come up with candidates or targets much faster than more traditional methods. Is that being applied in the animal health space currently? If not, are you looking at it? Or if you are, to what degree is it being used?

<<Kristin Peck, Chief Executive Officer>>

Yes. I think we're really excited to have been the leader in this in the animal health space. We started investing, as you probably might have heard about year and a half ago, two years ago, and that was – we focused on golden use cases. And our first ones were actually in R&D in

both one, early discovery, which is looking at picking targets. And then second golden use case we are focusing on is in once we have a target, what is the right molecule to actually address that target?

And I think what makes Zoetis unique is that as we think about leveraging those tools, those AI tools, we have, I think, the most unique data sets of anybody else because we're not – we don't just have all the clinical trial data that we have and all the research that's public that anyone has. We also have all of the genetics that nobody else has. As you think of between our base pod and our livestock genetics, we have all the genetic data to better pick a target as well as to pick the molecule against it. We also have the most data from a diagnostics perspective.

So whereas I think we were probably one of the earliest in the leader in leveraging those tools in each space, I think our ability to get value out of that and really incremental value. And the way we see the potential of leveraging AI across both early discovery and research isn't just in speed as you talked about. It's in the quality, we think, of the molecule you're ultimately going to select, that it's going to have fewer off-target side effects. We're looking at what it would do from a COGS perspective, the safety and efficacy of that. So we're super excited at both the speed, and we're already seeing that value today. But we're also excited to really be leveraging that to make sure that we create better molecules that are safer and more efficacious with less sort of off-target effects.

So we're really excited seeing that progress across those. And then leveraging those tools to even better understand, Steve, the molecules we have in the market today. If we can help both vets and pet owners better understand who's going to be the best responder to Cytopoint? As you know, with any product, some animals are generally more successful than others and some people are. Well, what if we can better predict, which people or which animals? So we're super excited, and I spent a lot of time in the last week or two with the FDA, with Dr. Tim Schell, who runs the Center for Veterinary Medicine, to better understand how we can start to leverage some of this real-world data as well as some of this AI-generated data to be able to really be able to market on some of this.

Today, I may know this, but I'm not actually yet allowed to say it. So it's really working with our regulators to get more value out of our future portfolio, but also out of the portfolio that I have today, and actually just improve the safety and efficacy of our portfolio. So we're very excited at what we think AI can do certainly across our R&D portfolio, and not to mention how we've been leveraging it on the commercial side as well.

<<Steve Dechert, Analyst, KeyBanc Capital Markets Inc.>>

Great. Perfect. We've had a pretty long winter here to start out 2026. I guess just specifically on the parasiticide market. Any impact there just from a seasonality standpoint?

<<Kristin Peck, Chief Executive Officer>>

Well, winter is not normally the highest season, as you know, for our paras portfolio that tends to be more of a Q2, Q3. As we look at the visit data, which I know a lot of you and other analysts have been talking about, we've definitely seen significant weather impacts in Q1 for our business and most businesses overall. But paras is generally not probably the business you see the strongest in Q1, but we have seen weather impacts certainly from the

cold, the snow, the tornadoes, the winds, you name it, it's been – depending on where you live in this country, the fires, it has been a challenging Q1 from a weather forecast, which is obviously, as you've seen, people have witnessed that, obviously, in the overall vet visits, et cetera.

<<Steve Dechert, Analyst, KeyBanc Capital Markets Inc.>>

Got it. Maybe just to wrap it up here. There's been a lot of new competition coming into the market, specifically on the derm side with [indiscernible] (0:29:50), Zenrelia, you also have Quattro parasiticide market or outside. And then there's another monoclonal antibody product coming out later this year. I guess just 2030 kind of – how do you see the market share of your existing products in those spaces? Where do you see those by then? What's your outlook?

<<Kristin Peck, Chief Executive Officer>>

Yes. I mean, look, we're very confident in the franchises we've built, as we talked about today and the loyalty and importantly, in the customer satisfaction of that portfolio. If you look at like Apoquel, as we talked about, I mean, significant customer satisfaction in the high 80s to 90s across Apoquel, Apoquel Chewable. So as competitors launch with film-coated tablets, or not even film-coated tablets, what they're competing against is a beef flavored chew that's got over 11 years to 12 years of safety and efficacy data with really strong overall customer satisfaction. So we're very confident in the safety and efficacy of our portfolio.

Look, when people launch, whether it's in paras or in derm, they're going to launch with much lower prices than they're going to be able to sustain. They're going to flood the market as we expect. And so that's going to be there. But one thing that's always made Animal Health unique, but more importantly, Zoetis and the brands that we've built and the franchises we have, is the durability of those franchises over time. Even with competition, even – look at Simparica, which continues to grow, even though we've added Simparica Trio. These are meaningful brands that the consumers ask for by name. And I think as we look into the future, as we look in 2030, we're really excited to continue to see the growth in our core franchises.

And then to add to those core franchises, new ones in therapeutic areas we're not even addressing today. What I think has been the two biggest parts of Zoetis' strength since we IPO-ed back in 2013 is really focusing more and more on the diversity and breadth of our portfolio. We always talk about the leading franchises because sometimes they're the leaders of growth, but really the breadth and depth of that. And secondly, Zoetis' ability to find new markets, to innovate in really disruptive ways. And we think as you look across our therapeutic portfolio, our diagnostics portfolio and our genetics portfolio, we're really excited to continue to do that. And we believe the combination of both of those is what will drive our growth from 2030 and beyond.

<<Steve Dechert, Analyst, KeyBanc Capital Markets Inc.>>

Okay. I think we can leave it there. Kristin, thank you so much for joining us.

<<Kristin Peck, Chief Executive Officer>>

Thanks for having me. Good to see you all. Thanks, Steve.

<<Steve Dechert, Analyst, KeyBanc Capital Markets Inc.>>

Bye.