

A young girl with light brown hair is lying on a yellow tufted chair, wearing a green long-sleeved shirt and pink patterned pants. A tabby cat is curled up next to her, resting its head on her shoulder. The scene is warmly lit, suggesting an indoor setting.

Fourth Quarter and Full Year 2024 Financial Results

February 13, 2025

zoetis

Forward-Looking Statements

This presentation contains forward-looking statements, which reflect the current views of Zoetis with respect to: business plans or prospects, future operating or financial performance; future guidance, future operating models; R&D costs; timing and likelihood of success; expectations regarding products, product approvals or products under development and expected timing of product launches; expectations regarding competing products; expectations regarding the financial impact of divestitures; disruptions in our global supply chain; customers and employees; expectations regarding the performance of acquired companies and our ability to integrate new businesses; expectations regarding the financial impact of acquisitions; future use of cash, dividend payments and share repurchases; foreign exchange rates, tax rate and tax regimes and any changes thereto; and other future events.

These statements are not guarantees of future performance or actions. Forward-looking statements are subject to risks and uncertainties. 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. Zoetis 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 most recent Annual Report on Form 10-K, including in the sections thereof captioned "Forward-Looking Statements and Factors That May Affect Future Results" and "Item 1A. Risk Factors," in our Quarterly Reports on Form 10-Q and in our Current Reports on Form 8-K. These filings and subsequent filings are available online at www.sec.gov, www.zoetis.com, or on request from Zoetis.

Non-GAAP Financial Information

We use non-GAAP financial measures, such as adjusted net income, adjusted net income margin, adjusted EBIT margin, adjusted diluted EPS, operational results (which excludes the impact of foreign exchange) and organic operational results (which exclude the impact of foreign exchange and certain acquisitions and divestitures) to assess and analyze our results and trends and to make financial and operational decisions. 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 presentation should not be considered alternatives to measurements required by GAAP, such as net income, operating income, and revenue growth, 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. Reconciliations of non-GAAP financial measures and the most directly comparable GAAP financial measures are available in the appendix to this presentation.

Presenters



Strategy and Business Update

Kristin Peck
Chief Executive Officer



Financial Performance

Wettyeny Joseph
Executive Vice President and
Chief Financial Officer

Excellent Full Year 2024 Results

Revenue

\$9.3B

 **11%**

operationally¹ YoY
6% Price | 5% Volume

Adj. Net Income²

\$2.7B

 **15%**

operationally¹ YoY

Adj. Diluted EPS²

\$5.92

 **17%**

operationally¹ YoY

Key Highlights

Diverse, innovative portfolio, commercial excellence and differentiated execution

Simparica franchise revenue grew 28% operationally to \$1.4B

OA pain franchise grew 80% operationally, driven by continued adoption of transformative therapies

Key Dermatology franchise grew 17% operationally, a decade after creating the derm market

Momentum expected to continue in 2025, driven by key franchise performance and lifecycle innovation

¹ Operational results (a non-GAAP financial measure) is defined as results excluding the impact of foreign exchange.

² Adjusted net income and its components and adjusted diluted earnings per share (non-GAAP financial measures) are defined as reported net income and reported diluted earnings per share, excluding purchase accounting adjustments, acquisition and divestiture-related costs and certain significant items.

Investments for Growth

Advancements in Innovation in the Fourth Quarter



Simparica Trio®

Simparica Trio was approved in the U.S. for the treatment and control of *Haemaphysalis longicornis* (Asian longhorned tick) in dogs eight weeks of age and older weighing 2.8 pounds and greater. It now has the broadest tick coverage of any preventative in its class.



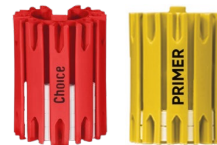
Revolution® Plus

Revolution Plus received approval in the U.S. and Canada for an additional claim on preventing flea tapeworm infection by controlling fleas. It was also approved in Brazil.



Librela®

Librela expanded geographically in Q4, receiving approval for use in El Salvador and South Korea.



Synovex® Choice and Primer

Synovex Choice and Synovex Primer were approved in the U.S. for an additional claim to increase rate of weight gain in growing beef steers and heifers on pasture.



Poulvac® IB Primer and QX

Poulvac IB Primer and Poulvac IB QX received EU approval for an association claim that includes cross protection against 793B and variant 2 strains of infectious Bronchitis virus (IBV).

Full Year 2024 Segment Highlights

United States

U.S. Segment Revenue

\$5.1B

11% growth Year over Year (YOY)

U.S. Companion Animal Revenue

\$4.1B

15% growth YOY

U.S. Livestock Revenue

\$1.0B

*1% decline YOY
(4% organic operational growth² YOY)*

International

Int'l. Segment Revenue

\$4.1B

10% operational growth¹ YOY

Int'l. Companion Animal Revenue

\$2.2B

13% operational growth¹ YOY

Int'l. Livestock Revenue

\$1.9B

8% operational growth¹ YOY

¹ Operational results (a non-GAAP financial measure) is defined as results excluding the impact of foreign exchange.

² Organic operational results (a non-GAAP financial measure) excludes the impact of foreign exchange and certain acquisitions and divestitures.

Medicated Feed Additive Portfolio Divestiture

Transaction Summary

- On October 31, 2024, Zoetis completed the divestiture of its medicated feed additive product portfolio, certain water-soluble products and related assets (MFA divestiture) to Phibro Animal Health
- More than 30 product lines were divested in ~80 countries, including 6 manufacturing sites
- \$355 million of revenue divested with gross margins of ~35%
- Zoetis to present organic operational growth throughout 2025, excluding the impact of MFA portfolio revenue and foreign exchange
- Divested MFA to streamline our portfolio, enhance operational focus, and prioritize high-growth, high-value areas that align with long-term strategy
- Portion of proceeds to be strategically reinvested to drive innovation and expansion in key areas in livestock therapeutics
- Remaining proceeds will be used to support recently announced \$6 billion share repurchase program, reinforcing commitment to delivering sustainable shareholder value

2024 Revenue Attributable to Divested Portfolio

USD Millions	Q1 2024	Q2 2024	Q3 2024	Q4 2024	FY 2024
Total MFA Revenue*	\$92	\$87	\$111	\$65	\$355
U.S. Revenue	\$49	\$45	\$57	\$23	\$174
Int'l Revenue	\$43	\$42	\$54	\$42	\$181

*Includes revenue derived from the divested portfolio. A small percentage of this portfolio will continue to be sold by Zoetis in 2025, phasing out during the year, pursuant to the provision of limited transitional services to Phibro.

2025 Guidance

Revenue

\$9,225M - \$9,375M

Adj. Diluted EPS¹

\$6.00 - \$6.10

Key Assumptions

Demand for Key Franchises continues as strength of Human-Animal bond drives long tail for innovation; livestock to grow in-line with market post divestiture

Significant untapped opportunity for our market-leading products, despite potential new entrants in the dermatology market in the second half

Interest rates and ETR³ are 200 bps headwind to ANI growth; FX headwind of ~\$250M at revenue and ~\$50M ANI

Adj. Net Income¹

\$2,700M - \$2,750M

Organic Operational Growth²

6% - 8%

Revenue

6% - 8%

Adj. Net Income¹

¹ Adjusted net income (ANI) and its components and adjusted diluted earnings per share (non-GAAP financial measures) are defined as reported net income and reported diluted earnings per share, excluding purchase accounting adjustments, acquisition and divestiture-related costs and certain significant items.

² Organic operational results (a non-GAAP financial measure) excludes the impact of foreign exchange and certain acquisitions and divestitures.

³ ETR: Effective tax rate

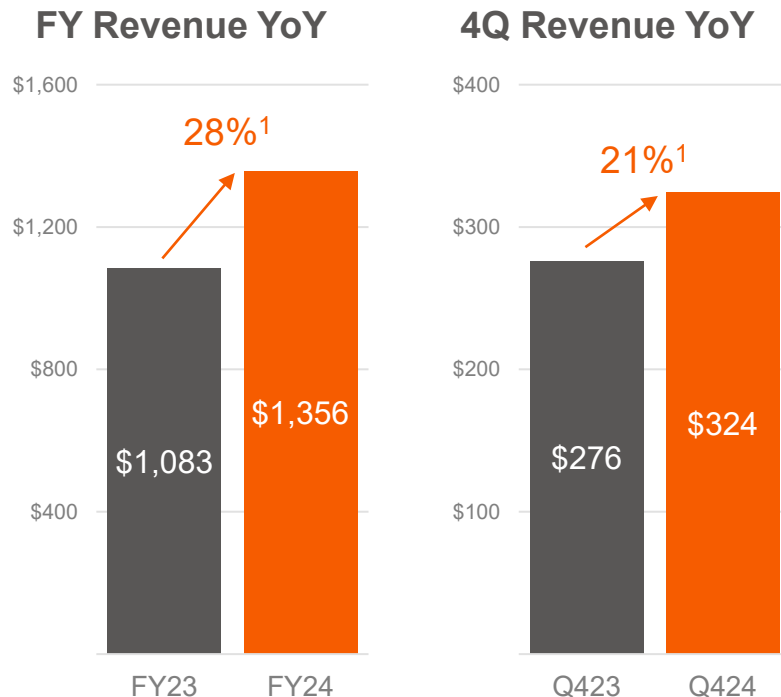
Simparica Franchise

- Simparica franchise **grew 28%** operationally in 2024
 - Nearly **\$1B in sales in the U.S.**
- Fueled by ongoing shift toward triple-combination treatments – the fastest growing segment in animal health
 - Triple-combination segment has grown **over 40% YoY** and projected to **more than double to \$4.5B** by 2028
 - **Over 50%** of puppies in the U.S. are now on triple combinations - a clear signal of the market's trajectory
- Simparica Trio is **the top-selling para** in retail, contributing to meaningfully higher compliance
- Simparica Trio **remains the market-leading canine parasiticide**, and the trusted choice for vets and pet owners

Simparica Franchise Revenue



(Millions of dollars)



¹ Operational results (a non-GAAP financial measure) is defined as results excluding the impact of foreign exchange.

Osteoarthritis (OA) Pain mAb Franchise

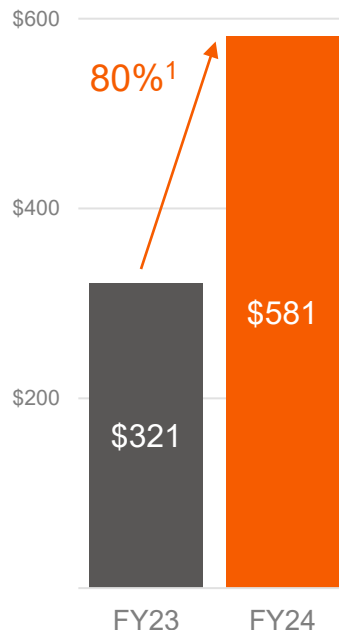
- OA pain franchise **grew 80%** operationally in 2024
- **Librela's U.S. launch is the most successful in our history**, cementing its blockbuster status in less than four quarters, and now the 4th largest product in our U.S. Petcare portfolio.
- **~25M doses** of Librela through the end of 2024
- ~40% of dogs suffer from OA at some point in their lifetime, signaling room for future growth
- Feline OA patients have **increased 70%**, since Solensia's launch in the U.S. two years ago

OA Pain mAb Franchise Revenue

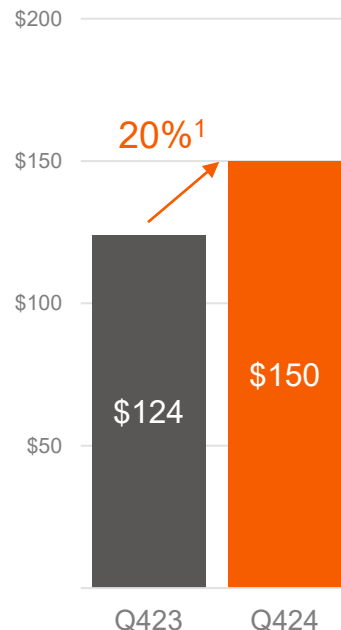


(Millions of dollars)

FY Revenue YoY



4Q Revenue YoY



¹ Operational results (a non-GAAP financial measure) is defined as results excluding the impact of foreign exchange.

Key Dermatology Franchise

- Key dermatology franchise **grew 17%** operationally for the year
- Posted **11% operational growth in Q4** – the first full quarter with competition and against Apoquel Chew launch in Q4 2023
- Alternative channels drive convenience and compliance; Apoquel is the top-selling derm product in retail in the U.S.
- Total addressable market is projected to grow to **\$2.5 billion** by 2028, an **11% CAGR**
- **20M** dogs worldwide remain untreated or undertreated, signaling potential for continued market expansion, driven by new patient growth

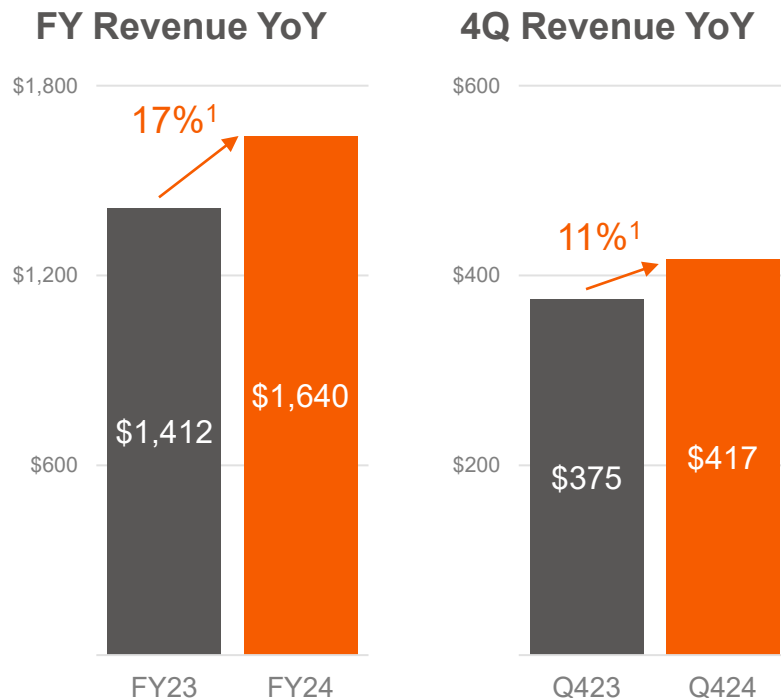
Key Derm Franchise Revenue

(Millions of dollars)





(oclacitinib chewable tablet)



11 ¹Operational results (a non-GAAP financial measure) is defined as results excluding the impact of foreign exchange.

Continued Innovation Launching Across the Portfolio in 2025

Geographic Expansion

- Expanding Librela and Solensia
- Expanding Simparica Trio and Revolution Plus
- Expanding Apoquel Chewable
- Expanding key livestock vaccines

Lifecycle Innovation

- New Simparica, Simparica Trio, and Revolution Plus claims
- New Cytopoint allergic dermatitis claim in select markets
- New microdose and needle-free claims for swine vaccine portfolio
- New Vetscan Imagyst AI Masses indication

Core Portfolio Launches

- Launching poultry vector vaccines
- Launching Lawsonia swine vaccine

While Advancing Our Multi-Year Disruptive Innovation Roadmap

Expected approvals in the U.S. or a top 10 international market

0 – 12 months

Long-acting canine OA mAb



Long-acting feline OA mAb



HPAI poultry vaccine**



12 – 36 months

Long-acting canine Cytopoint**



Renal canine mAb therapy*



Oncology canine mAb therapies**



New canine parasiticides



Next gen Chemistry analyzer



HPAI cattle vaccine**



36 – 60 months

Derm expansion to feline and equine



Aqua DNA vaccines



Innovative delivery methods across key franchises and core



New Companion Animal & Livestock antimicrobial formulations and indications



Poultry parasite vaccines



Cardiology canine solution



Long-acting parasiticides



Our Continued Commitment to Value Creation

Key components of our three to five-year outlook



Grow revenue faster than the market

- Broaden existing key franchises
- Innovate and build new franchise opportunities
- Expand across attractive emerging markets
- Accelerate commercial excellence to take share

Grow annual revenue mid-to-high single digits²



Invest in innovation and growth capabilities

- Prioritize R&D investment in the highest ROIC¹ opportunities
- Transform the standard of care through innovative products
- Increase supply chain capabilities, capacity and agility
- Deliver greater value to vets, producers and pet owners

Drive ROIC¹ accretion²



Increase adjusted net income faster than revenue

- Expand revenue in higher margin product categories
- Leverage scale to drive bottom line performance
- Optimize and simplify to increase productivity and efficiency

Enable margin improvement²



Return excess capital to shareholders

- Reinvest in the business to drive growth
- Target strategic business development to enhance innovation
- Grow dividend above adjusted net income
- Continue systematic share buybacks

Maintain balance between investments and return of capital

Financial Results and Guidance

Income Statement Highlights

	Fourth Quarter		
	2024*	2023*	Change
Revenue	\$2,317	\$2,213	5%
Reported Net Income	581	525	11%
Reported Diluted Earnings Per Share	\$1.29	\$1.14	13%
Adjusted Net Income ¹	632	569	11%
Adjusted Diluted Earnings Per Share ^{1,2}	\$1.40	\$1.24	13%

* Millions of dollars, except per share data

¹ Adjusted net income and adjusted diluted earnings per share (non-GAAP financial measures) are defined as reported net income and reported diluted earnings per share, excluding purchase accounting adjustments, acquisition and divestiture-related costs and certain significant items.

² Adjusted diluted earnings per share increase of 13% includes a 1% favorable foreign exchange impact, and operational growth of 12%.

Income Statement Highlights

	Full Year		
	2024*	2023*	Change
Revenue	\$9,256	\$8,544	8%
Reported Net Income	2,486	2,344	6%
Reported Diluted Earnings Per Share	\$5.47	\$5.07	8%
Adjusted Net Income ¹	2,693	2,457	10%
Adjusted Diluted Earnings Per Share ^{1,2}	\$5.92	\$5.32	11%

* Millions of dollars, except per share data

¹ Adjusted net income and adjusted diluted earnings per share (non-GAAP financial measures) are defined as reported net income and reported diluted earnings per share, excluding purchase accounting adjustments, acquisition and divestiture-related costs and certain significant items.

² Adjusted diluted earnings per share increase of 11% includes a 6% unfavorable foreign exchange impact, and operational growth of 17%.

Adjusted Income Statement Highlights

	Fourth Quarter				
	2024*	2023*	Change	Foreign Exchange	Operational ¹
Revenue	\$2,317	\$2,213	5%	(1)%	6%
Adjusted Cost of Sales ²	706	727	(3)%	(6)%	3%
<i>as a percent of revenue³</i>	<i>30.5%</i>	<i>32.9%</i>	<i>NA</i>	<i>NA</i>	<i>NA</i>
Adjusted SG&A Expenses ²	619	562	10%	(1)%	11%
Adjusted R&D Expenses ²	186	174	7%	—%	7%
Adjusted Operating Expenses ⁴	809	741	9%	(1)%	10%
Effective Tax Rate on Adjusted Income ²	18.2%	18.8%	NA	NA	NA
Adjusted Net Income ²	\$632	\$569	11%	2%	9%

* Millions of dollars, NA – Not applicable

¹ Operational results (a non-GAAP financial measure) excludes the impact of foreign exchange.

² Adjusted net income and its components (non-GAAP financial measures) are defined as reported GAAP net income and its components, excluding purchase accounting adjustments, acquisition and divestiture-related costs and certain significant items. Adjusted cost of sales, adjusted selling, general and administrative (SG&A) expenses and adjusted research and development (R&D) expenses are income statement line items prepared on the same basis, and, therefore, components of the overall adjusted income measure. Effective tax rate on adjusted income (a non-GAAP financial measure) equals the adjusted provision for taxes on income (a non-GAAP financial measure) divided by adjusted income before provision for taxes on income (a non-GAAP financial measure).

³ Adjusted gross margin (a non-GAAP financial measure) was 69.5% in the fourth quarter of 2024 and 67.1% in the fourth quarter of 2023.

⁴ Adjusted operating expenses (a non-GAAP financial measure) of \$809 million in the fourth quarter of 2024 and \$741 million in the fourth quarter of 2023 includes adjusted amortization of intangible assets of \$4 million and \$5 million in the fourth quarter of 2024 and 2023, respectively.

Adjusted Income Statement Highlights

	Full Year				
	2024*	2023*	Change	Foreign Exchange	Operational ¹
Revenue	\$9,256	\$8,544	8%	(3)%	11%
Adjusted Cost of Sales ²	2,714	2,548	7%	(1)%	8%
<i>as a percent of revenue³</i>	29.3%	29.8%	NA	NA	N/A
Adjusted SG&A Expenses ²	2,301	2,130	8%	(1)%	9%
Adjusted R&D Expenses ²	684	613	12%	—%	12%
Adjusted Operating Expenses ⁴	3,003	2,765	9%	(1)%	10%
Effective Tax Rate on Adjusted Income ²	19.8%	20.1%	NA	NA	NA
Adjusted Net Income ²	\$2,693	\$2,457	10%	(5)%	15%

* Millions of dollars, NA – Not applicable

¹ Operational results (a non-GAAP financial measure) excludes the impact of foreign exchange.

² Adjusted net income and its components (non-GAAP financial measures) are defined as reported GAAP net income and its components, excluding purchase accounting adjustments, acquisition and divestiture-related costs and certain significant items. Adjusted cost of sales, adjusted selling, general and administrative (SG&A) expenses and adjusted research and development (R&D) expenses are income statement line items prepared on the same basis, and, therefore, components of the overall adjusted income measure. Effective tax rate on adjusted income (a non-GAAP financial measure) equals the adjusted provision for taxes on income (a non-GAAP financial measure) divided by adjusted income before provision for taxes on income (a non-GAAP financial measure).

³ Adjusted gross margin (a non-GAAP financial measure) was 70.7% in 2024 and 70.2% in 2023.

⁴ Adjusted operating expenses (a non-GAAP financial measure) of \$3,003 million in 2024 and \$2,765 million in 2023 includes adjusted amortization of intangible assets of \$18 million in 2024 and \$22 million in 2023.

U.S. Segment Performance

	Fourth Quarter		
	2024*	2023*	Change
Revenue	\$1,257	\$1,211	4%
Companion Animal	1,008	941	7%
Livestock	249	270	(8)%
Cost of Sales	229	255	(10)%
Gross Profit	1,028	956	8%
<i>Gross Margin</i>	81.8%	78.9%	NA
Operating Expenses	212	184	15%
Other (Income)/Deductions-net	(3)	6	**
Earnings ¹	\$819	\$766	7%

* Millions of dollars, NA – Not applicable

** Calculation not meaningful

¹ Defined as income before provision for taxes on income.

U.S. Segment Performance

	Full Year		
	2024*	2023*	Change
Revenue	\$5,074	\$4,555	11%
Companion Animal	4,054	3,529	15%
Livestock	1,020	1,026	(1)%
Cost of Sales	936	900	4%
Gross Profit	4,138	3,655	13%
<i>Gross Margin</i>	81.6%	80.2%	NA
Operating Expenses	805	786	2%
Other (Income)/Deductions-net	(3)	6	**
Earnings ¹	\$3,336	\$2,863	17%

* Millions of dollars, NA – Not applicable

** Calculation not meaningful

¹ Defined as income before provision for taxes on income.

International Segment Performance

	Fourth Quarter				
	2024*	2023*	Change	Foreign Exchange	Operational ¹
Revenue	\$1,039	\$982	6%	(4)%	10%
Companion Animal	562	507	11%	(2)%	13%
Livestock	477	475	—%	(6)%	6%
Cost of Sales	336	322	4%	(3)%	7%
Gross Profit	703	660	7%	(4)%	11%
<i>Gross Margin</i>	67.7%	67.2%	NA	NA	NA
Operating Expenses	180	165	9%	(4)%	13%
Other (Income)/Deductions-net	—	1	**	**	**
Earnings ²	\$523	\$494	6%	(4)%	10%

* Millions of dollars, NA – Not applicable,

** Calculation not meaningful

¹ Operational results (a non-GAAP financial measure) excludes the impact of foreign exchange.

² Defined as income before provision for taxes on income.

International Segment Performance

	Full Year				
	2024*	2023*	Change	Foreign Exchange	Operational ¹
Revenue	\$4,102	\$3,911	5%	(5)%	10%
Companion Animal	2,224	2,047	9%	(4)%	13%
Livestock	1,878	1,864	1%	(7)%	8%
Cost of Sales	1,312	1,234	6%	(3)%	9%
Gross Profit	2,790	2,677	4%	(7)%	11%
<i>Gross Margin</i>	68.0%	68.4%	NA	NA	NA
Operating Expenses	671	638	5%	(4)%	9%
Other (Income)/Deductions-net	1	2	(50)%	(81)%	31%
Earnings ²	\$2,118	\$2,037	4%	(7)%	11%

* Millions of dollars, NA – Not applicable,

** Calculation not meaningful

¹ Operational results (a non-GAAP financial measure) excludes the impact of foreign exchange.

² Defined as income before provision for taxes on income.

International Segment Performance

	Fourth Quarter				
	2024*	2023*	Change	Foreign Exchange	Operational ¹
Total International	\$1,039	\$982	6%	(4)%	10%
Australia	80	75	7%	5%	2%
Brazil	113	117	(3)%	(13)%	10%
Canada	75	72	4%	(1)%	5%
Chile	30	31	(3)%	(2)%	(1)%
China	65	65	—%	1%	(1)%
France	45	40	13%	3%	10%
Germany	59	54	9%	2%	7%
Italy	34	34	—%	2%	(2)%
Japan	38	38	—%	1%	(1)%
Mexico	40	43	(7)%	(11)%	4%
Spain	30	28	7%	(1)%	8%
United Kingdom	84	68	24%	7%	17%
Other Developed Markets	151	138	9%	1%	8%
Other Emerging Markets	195	179	9%	(17)%	26%

* Millions of dollars

¹ Operational results (a non-GAAP financial measure) excludes the impact of foreign exchange.

International Segment Performance

	Full Year				
	2024*	2023*	Change	Foreign Exchange	Operational ¹
Total International	\$4,102	\$3,911	5%	(5)%	10%
Australia	319	323	(1)%	—%	(1)%
Brazil	414	393	5%	(6)%	11%
Canada	277	255	9%	(1)%	10%
Chile	123	140	(12)%	(4)%	(8)%
China	270	320	(16)%	(2)%	(14)%
France	156	142	10%	1%	9%
Germany	225	202	11%	1%	10%
Italy	129	121	7%	1%	6%
Japan	147	158	(7)%	(7)%	—%
Mexico	169	162	4%	(1)%	5%
Spain	130	122	7%	1%	6%
United Kingdom	314	277	13%	3%	10%
Other Developed Markets	564	512	10%	—%	10%
Other Emerging Markets	865	784	10%	(22)%	32%

* Millions of dollars

¹ Operational results (a non-GAAP financial measure) excludes the impact of foreign exchange.

Financial Guidance

Selected Line Items (millions of dollars, except per share amounts)

	Full Year 2025
Revenue	\$9,225 to \$9,375
<i>Operational growth</i> ¹	2% to 4%
<i>Organic operational growth</i> ²	6% to 8%
Adjusted cost of sales as a percentage of revenue ³	Approximately 28.0%
Adjusted SG&A expenses ³	\$2,300 to \$2,350
Adjusted R&D expenses ³	\$680 to \$690
Adjusted interest expense and other (income)/deductions-net ³	Approximately \$200
Effective tax rate on adjusted income ³	Approximately 21%
Adjusted diluted EPS ³	\$6.00 to \$6.10
Adjusted net income ²	\$2,700 to \$2,750
<i>Operational growth</i> ^{1,3}	2% to 4%
<i>Organic operational growth</i> ^{2,3}	6% to 8%
Certain significant items and acquisition-related costs ⁵	Approximately \$30
Reported diluted EPS	\$5.70 to \$5.80

The guidance reflects foreign exchange rates as of late January 2025 and includes the assumed impacts as a result of fluctuations in foreign exchange rates relative to the U.S. dollar compared to weighted average foreign exchange rates from 2024, as noted above.

¹ Operational results (a non-GAAP financial measure) excludes the impact of foreign exchange.

² Organic operational results (a non-GAAP financial measure) excludes the impact of foreign exchange and certain acquisitions and divestitures.

³ Adjusted net income and its components and adjusted diluted EPS are defined as reported GAAP net income and its components and reported diluted EPS excluding purchase accounting adjustments, acquisition and divestiture-related costs and certain significant items. Adjusted cost of sales, adjusted selling, general and administrative (SG&A) expenses, adjusted research and development (R&D) expenses, and adjusted interest expense and other (income)/deductions-net are income statement line items prepared on the same basis, and, therefore, components of the overall adjusted income measure. Effective tax rate on adjusted income (a non-GAAP financial measure) equals the adjusted provision for taxes on income (a non-GAAP financial measure) divided by adjusted income before provision for taxes on income (a non-GAAP financial measure). Adjusted net income and its components, adjusted diluted EPS, and the effective tax rate on adjusted net income, are presented solely to permit investors to more fully understand how management assesses performance. Adjusted net income and its components and adjusted diluted EPS are not, and should not be viewed as, substitutes for U.S. GAAP net income and its components and diluted EPS.

⁴ We do not provide a reconciliation of forward-looking non-GAAP adjusted net income operational growth to the most directly comparable GAAP reported financial measure because we are unable to calculate with reasonable certainty the foreign exchange impact of unusual gains and losses, acquisition-related expenses, potential future asset impairments and other certain significant items, without unreasonable effort. The foreign exchange impacts of these items are uncertain, depend on various factors, and could have a material impact on GAAP reported results for the guidance period.

⁵ Primarily includes certain nonrecurring (income)/costs, net related to divestitures, acquisitions and other charges.

Q&A



Appendix



Reconciliation Of Reported Growth To Non-GAAP Financial Measures

	Full year ended December 31,				
	2024*	2023*	Change	Foreign Exchange	Operational ¹
Revenue by Product Category					
OA Pain mAbs	\$581	\$321	81%	1%	80%
Key Dermatology	1,640	1,412	16%	(1)%	17%
Key Dermatology (<i>international</i>)	551	475	16%	(2)%	18%
OA Pain mAbs (<i>international</i>)	310	230	35%	1%	34%
Revenue by Product					
Simparica franchise	\$1,356	\$1,083	25%	(3)%	28%
Simparica franchise (<i>international</i>)	357	292	22%	(10)%	32%
Simparica (<i>international</i>)	212	188	13%	(16)%	29%
Simparica Trio (<i>international</i>)	145	105	38%	(1)%	39%
Librela (<i>international</i>)	246	185	33%	—%	33%
Solensia (<i>international</i>)	64	45	42%	3%	39%

* Millions of dollars

¹ Operational results (a non-GAAP financial measure) excludes the impact of foreign exchange.

Reconciliation Of Reported Growth To Non-GAAP Financial Measures

	Fourth Quarter ended December 31,				
	2024*	2023*	Change	Foreign Exchange	Operational ¹
Revenue by Product Category					
Key Dermatology	\$417	\$375	11%	—%	11%
Key Dermatology (<i>international</i>)	147	123	20%	1%	19%
OA Pain mAbs	150	124	21%	1%	20%
OA Pain mAbs (<i>international</i>)	79	66	20%	2%	18%
Diagnostics (<i>companion animal</i>)	96	87	10%	—%	10%
Revenue by Product					
Simparica franchise	324	276	17%	(4)%	21%
Simparica franchise (<i>international</i>)	84	72	17%	(15)%	32%
Simparica (<i>international</i>)	53	48	10%	(23)%	33%
Simparica Trio (<i>international</i>)	31	23	35%	5%	30%
Librela (<i>international</i>)	62	53	17%	2%	15%
Solensia (<i>international</i>)	17	13	31%	3%	28%

* Millions of dollars

¹ Operational results (a non-GAAP financial measure) excludes the impact of foreign exchange.

Reconciliation Of GAAP To Non-GAAP Financial Measures

Reported Revenue Growth to Organic Operational Growth

	Full year ended December 31,						
	2024*	2023*	Change	Foreign Exchange	Operational ¹	Divestitures	Organic Operational Growth ²
Livestock	\$2,898	\$2,890	—%	(5)%	5%	(2)%	7%
Livestock (U.S.)	1,020	1,026	(1)%	—%	(1)%	(7)%	6%

	Fourth quarter ended December 31,						
	2024*	2023*	Change	Foreign Exchange	Operational ¹	Divestitures	Organic Operational Growth ²
Total company	\$2,317	\$2,213	5%	(1)%	6%	(3)%	9%
Livestock	726	745	(3)%	(4)%	1%	(7)%	8%
Total U.S.	1,257	1,211	4%	—%	4%	(4)%	8%
Livestock (U.S.)	249	270	(8)%	—%	(8)%	(20)%	12%

* Millions of dollars

¹ Operational results (a non-GAAP financial measure) excludes the impact of foreign exchange.

² Organic operational results (a non-GAAP financial measure) excludes the impact of foreign exchange and divestitures.

Reconciliation Of Adjusted Net Income To Adjusted EBIT

<i>Dollars in millions</i>	2022	2023	2024
Adjusted net income attributable to Zoetis ¹	\$2,297	\$2,457	\$2,693
Interest expense ²	221	239	225
Interest income ²	(50)	(103)	(106)
Income taxes ²	583	618	667
Adjusted EBIT ³	\$3,051	\$3,211	\$3,479
<i>% of revenue⁴</i>	37.8%	37.6%	37.6%

¹ Adjusted net income attributable to Zoetis (a non-GAAP financial measure) is defined as reported U.S. GAAP net income attributable to Zoetis excluding purchase accounting adjustments, acquisition and divestiture-related costs and certain significant items.

² As included in adjusted net income.

³ Adjusted Earnings Before Interest and Taxes (EBIT) (a non-GAAP financial measure) is defined as adjusted net income attributable to Zoetis excluding (i) interest expense and interest income and (ii) income taxes (all as included in adjusted net income).

⁴ Adjusted EBIT margin (a non-GAAP financial measure) is defined as EBIT expressed as a percentage of revenue.

Reconciliation Of GAAP Reported To Non-GAAP Adjusted Information

2024

in USD millions, except per share data

	GAAP ¹ Reported	Purchase Accounting	Acquisition and Divestiture-Related Costs	Certain Significant Items	Non-GAAP Adjusted ²
Cost of sales	\$2,719	\$(4)	\$—	\$(1)	\$2,714
Gross profit	6,537	4	—	1	6,542
Selling, general and administrative expenses	2,318	(11)	—	(6)	2,301
Research and development expenses	686	(2)	—	—	684
Amortization of intangible assets	141	(123)	—	—	18
Total operating expenses	3,145	(136)	—	(6)	3,003
Restructuring charges and certain acquisition-related costs	53	—	(18)	(35)	—
Other (income)/deductions—net	(19)	—	—	(37)	(56)
Income before provision for taxes on income	3,133	140	18	79	3,370
Provision for taxes on income	637	31	4	(5)	667
Net income before allocation to noncontrolling interests	2,496	109	14	84	2,703
Net income attributable to Zoetis	2,486	109	14	84	2,693
Earnings per common share attributable to Zoetis - diluted	\$5.47	\$0.24	\$0.03	\$0.18	\$5.92

¹ U.S. generally accepted accounting principles

² Non-GAAP adjusted net income is defined as reported U.S. GAAP net income excluding purchase accounting adjustments, acquisition and divestiture-related costs and certain significant items. The adjusted net income measure and its components are not, and should not be viewed as, substitutes for U.S. GAAP net income and its components. Non-GAAP adjusted net income and its components are presented solely to permit investors to more fully understand how management assesses performance.

Reconciliation Of GAAP Reported To Non-GAAP Adjusted Information

2023

in USD millions, except per share data

	GAAP ¹ Reported	Purchase Accounting	Acquisition and Divestiture-Related Costs	Certain Significant Items	Non-GAAP Adjusted ²
Cost of sales	\$2,561	\$(10)	\$—	\$(3)	\$2,548
Gross profit	5,983	10	—	3	5,996
Selling, general and administrative expenses	2,151	(21)	—	—	2,130
Research and development expenses	614	(1)	—	—	613
Amortization of intangible assets	149	(127)	—	—	22
Total operating expenses	2,914	(149)	—	—	2,765
Restructuring charges and certain acquisition-related costs	53	—	(9)	(44)	—
Other (income)/deductions—net	(159)	—	—	80	(79)
Income before provision for taxes on income	2,936	159	9	(33)	3,071
Provision for taxes on income	596	32	2	(12)	618
Net income before allocation to noncontrolling interests	2,340	127	7	(21)	2,453
Net income attributable to Zoetis	2,344	127	7	(21)	2,457
Earnings per common share attributable to Zoetis - diluted	\$5.07	\$0.28	\$0.02	\$(0.05)	\$5.32

¹ U.S. generally accepted accounting principles

² Non-GAAP adjusted net income is defined as reported U.S. GAAP net income excluding purchase accounting adjustments, acquisition and divestiture-related costs and certain significant items. The adjusted net income measure and its components are not, and should not be viewed as, substitutes for U.S. GAAP net income and its components. Non-GAAP adjusted net income and its components are presented solely to permit investors to more fully understand how management assesses performance.

Reconciliation Of GAAP Reported To Non-GAAP Adjusted Information

2022

in USD millions, except per share data

	GAAP ¹ Reported	Purchase Accounting	Acquisition and Divestiture-Related Costs	Certain Significant Items	Non-GAAP Adjusted ²
Cost of sales	\$2,454	\$(6)	\$—	\$(8)	\$2,440
Gross profit	5,626	6	—	8	5,640
Selling, general and administrative expenses	2,009	(29)	—	—	1,980
Research and development expenses	539	(1)	—	—	538
Amortization of intangible assets	150	(124)	—	—	26
Total operating expenses	2,698	(154)	—	—	2,544
Restructuring charges and certain acquisition-related costs	11	—	(5)	(6)	—
Other (income)/deductions—net	40	—	—	(42)	(2)
Income before provision for taxes on income	2,656	160	5	56	2,877
Provision for taxes on income	545	40	1	(3)	583
Net income before allocation to noncontrolling interests	2,111	120	4	59	2,294
Net income attributable to Zoetis	2,114	120	4	59	2,297
Earnings per common share attributable to Zoetis - diluted	\$4.49	\$0.26	\$0.01	\$0.12	\$4.88

¹ U.S. generally accepted accounting principles

² Non-GAAP adjusted net income is defined as reported U.S. GAAP net income excluding purchase accounting adjustments, acquisition and divestiture-related costs and certain significant items. The adjusted net income measure and its components are not, and should not be viewed as, substitutes for U.S. GAAP net income and its components. Non-GAAP adjusted net income and its components are presented solely to permit investors to more fully understand how management assesses performance.

Reconciliation Of Adjusted Net Income Growth To Non-GAAP Financial Measures

<i>Dollars in millions</i>	Adjusted Net Income ¹	Change From Prior Year	Foreign Exchange	Operational ²
2022	\$2,297	3%	(8)%	11%
2023	\$2,457	7%	—%	7%
2024	\$2,693	10%	(5)%	15%

¹ Adjusted net income (a non-GAAP financial measure) is defined as reported U.S. generally accepted accounting principles (GAAP) net income, excluding purchase accounting adjustments, acquisition and divestiture-related costs and certain significant items.

² Operational results (a non-GAAP financial measure) excludes the impact of foreign exchange.

Reconciliation Of GAAP To Non-GAAP Financial Measures

Reported Revenue Growth to Organic Operational Growth

<i>Dollars in millions</i>	Revenue	Change From Prior Year	Foreign Exchange	Operational ¹	Divestitures	Organic Operational Growth ²
2022	\$8,080	4%	(4)%	8%	—%	8%
2023	\$8,544	6%	(1)%	7%	—%	7%
2024	\$9,256	8%	(3)%	11%	(1)%	12%

¹ Operational results (a non-GAAP financial measure) excludes the impact of foreign exchange.

² Organic operational results (a non-GAAP financial measure) excludes the impact of foreign exchange and divestitures.

zoetis