

# First Quarter 2026 Financial Results

May 7, 2026



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 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, tariffs, changes in tax regimes and laws any changes thereto; possible impacts of the Fiscal Year Alignment; 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](http://www.sec.gov), [www.zoetis.com](http://www.zoetis.com), or on request from Zoetis.

## Non-GAAP Financial Information

We use non-GAAP financial measures, such as adjusted net income, adjusted diluted earnings per share, operational results (which exclude 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 and our other disclosures 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 on the applicable slide or in the appendix to this presentation.

# Zoetis Q1 Performance

## REVENUE

**\$2.3B**



**0%**

organic operational<sup>1</sup>  
YoY

(2)% Volume | 2% Price

## ADJ. NET INCOME<sup>2</sup>

**\$646M**



**1%**

organic operational<sup>1</sup>  
YoY

## ADJ. DILUTED EPS<sup>2</sup>

**\$1.53**



**7%**

organic operational<sup>1</sup>  
YoY

## KEY HIGHLIGHTS

Companion Animal declined 4%, driven by increased pet owner price sensitivity and competitive pressures in key categories

Librela stabilized sequentially in the U.S.; Lenivia and Portela launched in certain European markets and Canada

Livestock delivered 12% growth across species and geographies, including price and volume

Diagnostics delivered 10% growth, driven by reference labs, chemistry and innovative technologies

Effective Jan. 1, 2026, eliminated one-month financial reporting lag for subsidiaries outside the U.S.; adjusted year-end for all to Dec. 31

<sup>1</sup>Organic operational results (a non-GAAP financial measure) is defined as results excluding the impact of foreign exchange and certain acquisitions and divestitures.

<sup>2</sup>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.

# Advancements in Innovation

Zoetis continued to advance innovation through lifecycle and geographic expansions in the quarter; Received its first major market approval for the year

Convenia®



An antibiotic for the treatment of bacterial skin infections and urinary tract infections for dogs, received approval for a new formulation in **Canada**, ahead of expected timeline.

Apoquel®  
Chewable



The first and only chewable treatment for the relief of allergic itch in dogs, received approval in **Thailand**.

ALPHA JECT®  
micro 4



The company's first fish vaccine approved in **Japan**, reinforcing the continued demand for fish as a protein.

Ketofen®



Approved in **Japan** for cattle pain management.

## Expected Approvals 2026

Next-Gen  
Chemistry Dx<sup>1</sup>



Long-Acting  
Cytoint



HVT-ND



Expected blockbusters<sup>2</sup>

<sup>1</sup> Completion of final validation expected in 2026

<sup>2</sup> A blockbuster has annual sales of at least \$100 million

# First Quarter Segment Highlights<sup>1</sup>

## United States

U.S. SEGMENT  
REVENUE

**\$1.1B**

8% decline  
Year over Year (YOY)

U.S. COMPANION ANIMAL  
REVENUE

**\$0.9B**

11% decline YOY

U.S. LIVESTOCK  
REVENUE

**\$0.2B**

7% growth YOY

## International

INT'L. SEGMENT  
REVENUE

**\$1.1B**

10% growth YOY

INT'L. COMPANION ANIMAL  
REVENUE

**\$0.7B**

7% growth YOY

INT'L. LIVESTOCK  
REVENUE

**\$0.5B**

14% growth YOY



<sup>1</sup>Growth calculations are provided on an organic operational basis (a non-GAAP financial measure) which excludes the impact of foreign exchange and certain significant acquisitions and divestitures, unless noted otherwise.

# Reported to Organic Operational Results

## Understanding First Quarter 2026 Underlying Results

### First Quarter

<i>(millions of dollars)</i>	2026	2025	Reported Change	Foreign Exchange	Operational <sup>1</sup>	Divestitures	Organic Operational <sup>2</sup>
<b>U.S.</b>							
Companion animal	\$865	\$973	(11)%	—%	(11)%	—%	(11)%
Livestock	225	210	7%	—%	7%	—%	7%
	1,090	1,183	(8)%	—%	(8)%	—%	(8)%
<b>International</b>							
Companion animal	654	568	15%	8%	7%	—%	7%
Livestock	495	417	19%	7%	12%	(2)%	14%
	1,149	985	17%	8%	9%	(1)%	10%
<b>Total</b>							
Companion animal	1,519	1,541	(1)%	3%	(4)%	—%	(4)%
Livestock	720	627	15%	5%	10%	(2)%	12%
Contract manufacturing & human health	23	30	(23)%	1%	(24)%	—%	(24)%
	<b>\$2,262</b>	<b>\$2,198</b>	3%	4%	(1)%	(1)%	—%

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

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

# Fiscal Year Alignment

**Effective January 1, 2026**, Zoetis eliminated the one-month financial reporting lag by its subsidiaries operating outside of the U.S. and adjusted its year-end for all subsidiaries to December 31 (the "Fiscal Year Alignment").

- Zoetis has retroactively applied the new accounting principle to prior financial statement periods, which will allow for a comparison of the financial results to historical operations.
- For additional information on the Fiscal Year Alignment, including the recast of certain line items for the quarterly periods of 2025 and annual periods of 2024 and 2025, refer to the presentation of supplemental financial information on our website at <https://investor.zoetis.com/financials/quarterly-results>

**First quarter 2026** revenue in the International Segment was positively impacted by approximately \$100 million that shifted from Q4 2025 to early 2026 as a result of the company's Fiscal Year Alignment. This approximately \$100 million impact was driven by:

- The timing of price increases in certain international markets referenced in the company's full-year 2025 results;
- Delayed processing of customer orders referenced in the company's full-year 2025 results; and
- Differences in the performance of the business when comparing Q4 2025 to a stronger Q4 2024.

# Revised 2026 Guidance



Revenue

**\$9,680M - \$9,960M**

Adj. Net Income<sup>1</sup>

**\$2,870M - \$2,950M**

Adj. Diluted EPS<sup>1</sup>

**\$6.85 - \$7.00**

Organic Operational Growth<sup>2</sup>

**2.0% - 5.0%**

**2.0% - 6.0%**

Revenue

Adj. Net Income<sup>1</sup>

## KEY ASSUMPTIONS

Our guidance is now incorporating the Fiscal Year Alignment for subsidiaries outside the U.S. effective Jan 1, 2026; adjusted year-end for all to Dec. 31

Captures current macro-pricing pressures and competitive headwinds, particularly on Companion Animal in developed markets, including the U.S.

Reflects sharpened commercial execution and cost management initiatives.

<sup>1</sup> 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.

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

# Taking Action to Maintain Leadership & Drive Growth



## Sharpening Commercial Execution

Targeted DTC activity, simplifying point-of-sale choices, ensuring convenient, authorized access across clinics, retail, and home delivery

In Livestock, reinforcing supply continuity to ensure demand is not constrained by availability



## Accelerating Science-to-Scale Innovation

Shortening time from approval to launch and translating that into growth



## External Business Development Opportunities

Strategic pursuit of opportunities to unlock new sources of growth over time



## Capital Allocation & Cost Management

Comprehensive cost and productivity program to drive operational efficiencies

# Simparica Franchise

- Simparica franchise revenue **declined 1%**<sup>1</sup>
- U.S. impacted by **softer vet clinic traffic, lower compliance trends, and a more competitive market backdrop**
- Despite a **modest year over year decline** in share resulting from increased competition and promotional activity, **our share in the clinic has improved sequentially** versus the second half of last year
- **Simparica Trio remains the market leading canine parasiticide** in the U.S., with puppy share well above patient share
- Internationally, **Simparica Trio continues to redefine the standard of care**, driving the continued shift toward oral paras across key markets

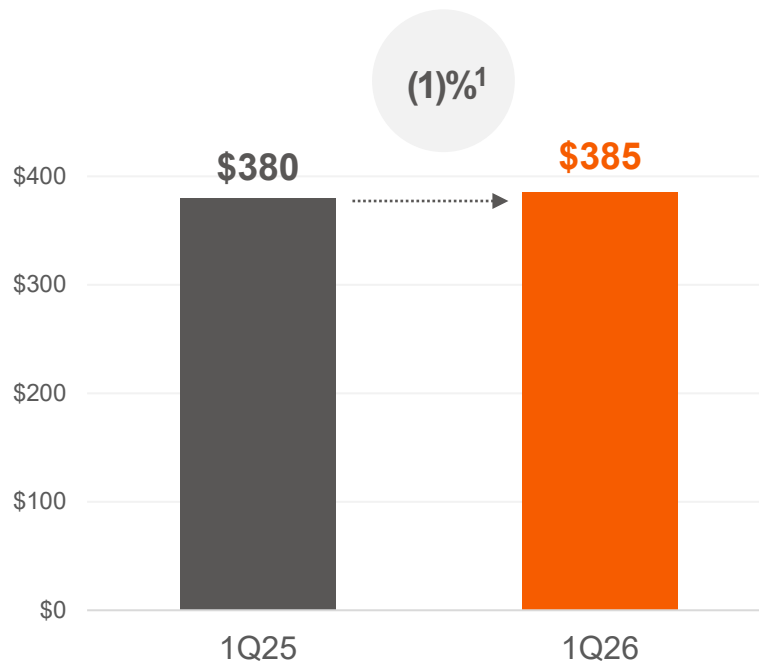
<sup>1</sup> Organic operational results (a non-GAAP financial measure) is defined as results excluding the impact of foreign exchange and certain acquisitions and divestitures.

## Simparica Franchise Revenue

(Millions of dollars)



### 1Q Revenue YoY



# Key Dermatology Franchise

- Key dermatology franchise revenue declined **11%**<sup>1</sup>
- Pet owner **price sensitivity and competition** had a compounding effect on performance in the quarter
- Fewer patient visits are driving lower prescription volumes, impacting new patient starts and ongoing compliance
- Long-acting **Cytopoint** remains on track for a 2026 U.S. approval
- **20M medicalized dogs** worldwide remain untreated or under-treated, signaling potential for continued market expansion, driven by new patient growth

<sup>1</sup> Organic operational results (a non-GAAP financial measure) is defined as results excluding the impact of foreign exchange and certain acquisitions and divestitures.

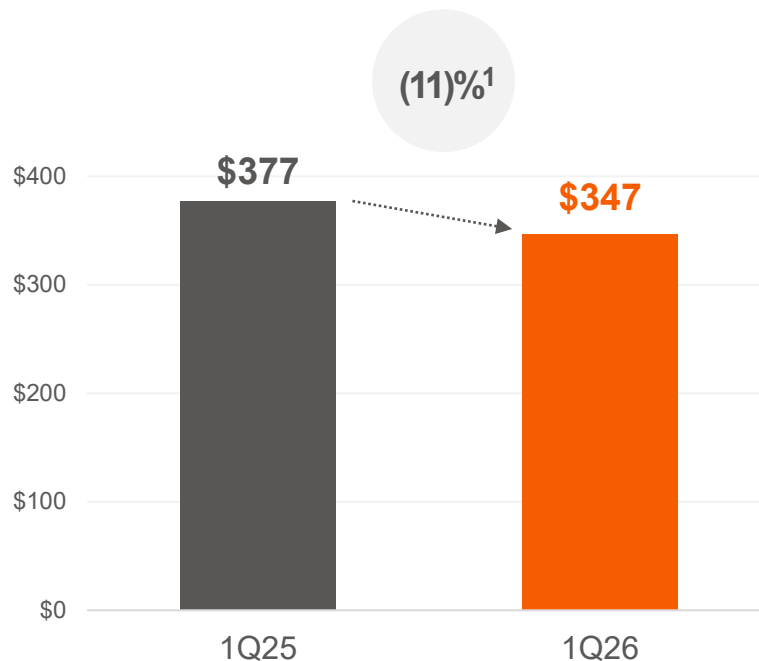
## Key Derm Franchise Revenue

(Millions of dollars)



CYTOPOINT

### 1Q Revenue YoY



# Osteoarthritis (OA) Pain mAb Franchise

- **Revenue declined 8%<sup>1</sup>**, driven by Librela and partially offset by growth in Solensia
- U.S. Librela sales have stabilized sequentially, a meaningful indicator of improving dynamics and confidence
- **Over 34 million doses of Librela have been distributed** globally since our launch in 2021, representing extensive real-world clinical experience
- Continued portfolio expansion with the **launches of Lenivia and Portela in select International markets**

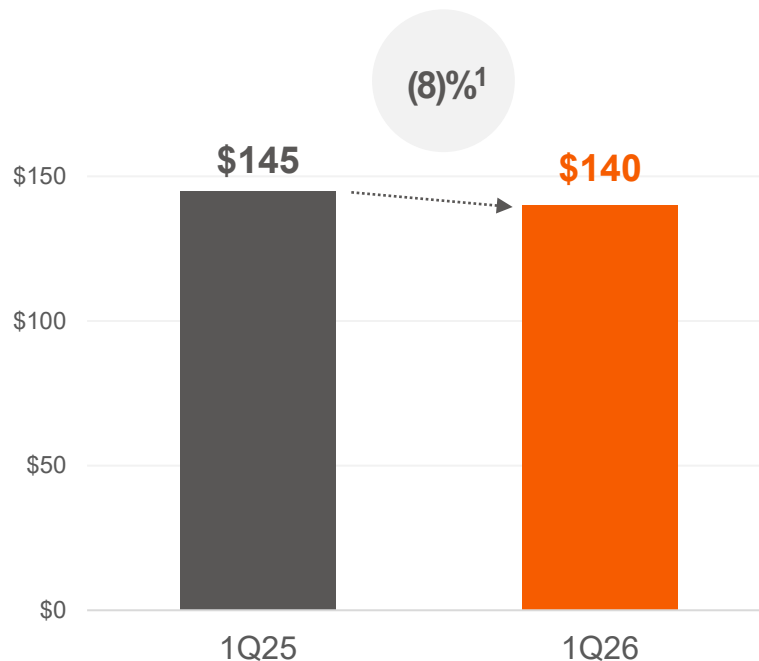
<sup>1</sup> Organic operational results (a non-GAAP financial measure) is defined as results excluding the impact of foreign exchange and certain acquisitions and divestitures.

## OA Pain mAb Franchise Revenue

(Millions of dollars)



### 1Q Revenue YoY



# Companion Animal Diagnostics

- Companion Animal diagnostics **revenue grew 10%<sup>1</sup>**
- **International was a clear standout**, reflecting **strong geographic expansion and increasing adoption** of diagnostic tools in markets where the standard of care continues to evolve
- Growth was **driven by our reference labs** and innovative franchises including **Vetscan Imagyst and Opticell**
- Spending remains **resilient** in areas tied to **urgent care and diagnostics**

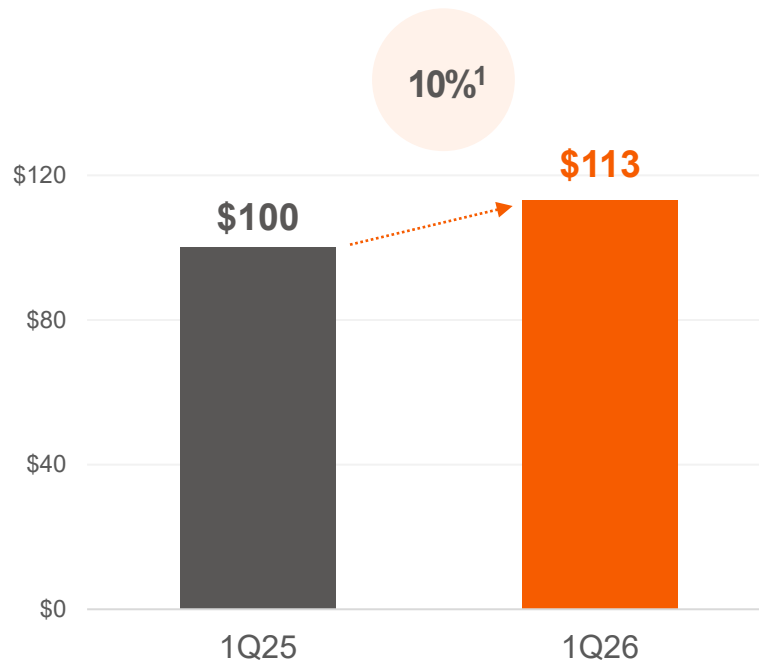
<sup>1</sup>Organic operational results (a non-GAAP financial measure) is defined as results excluding the impact of foreign exchange and certain acquisitions and divestitures.

## Companion Animal Diagnostics Revenue

(Millions of dollars)



### 1Q Revenue YoY



# Livestock

- **Revenue increased 12%<sup>1</sup>**, with broad-based growth across geographies and species, driven by both price and volume
- **Favorable underlying market conditions** supported by strong global protein demand
- U.S. performance driven by strong producer profitability in **U.S. beef cattle** and disease outbreak in **U.S. poultry**
- International performance benefited from **strong end-market demand, supply recovery and the timing of price increases**

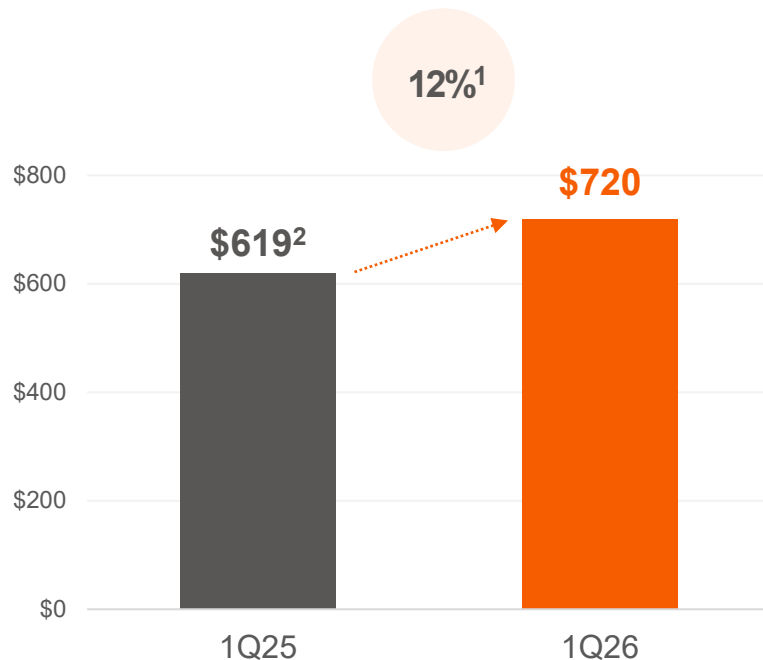
<sup>1</sup> Organic operational results (a non-GAAP financial measure) excludes the impact of foreign exchange and certain acquisitions and divestitures.

<sup>2</sup> Livestock revenue shown excludes MFA revenue of \$8 million in 1Q25.

## Livestock Revenue ex MFA

(Millions of dollars)

### 1Q Revenue YoY



# Financial Results and Guidance

# Income Statement Highlights

## First Quarter

<i>(millions of dollars, except per share data)</i>	2026	2025	Change
Revenue	\$2,262	\$2,198	3%
Reported Net Income	601	602	—%
Reported Diluted Earnings Per Share	\$1.42	\$1.34	6%
Adjusted Net Income <sup>1</sup>	646	633	2%
Adjusted Diluted Earnings Per Share <sup>1</sup>	\$1.53	\$1.41	9%

<sup>1</sup> 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.

# Adjusted Income Statement Highlights

## First Quarter

<i>(millions of dollars)</i>	2026	2025	Change	Foreign Exchange	Operational <sup>1</sup>
Revenue	\$2,262	\$2,198	3%	4%	(1)%
Adjusted Cost of Sales <sup>2</sup>	638	617	3%	8%	(5)%
<i>as a percent of revenue<sup>3</sup></i>	28.2%	28.1%	NA	NA	NA
Adjusted SG&A Expenses <sup>2</sup>	585	565	4%	3%	1%
Adjusted R&D Expenses <sup>2</sup>	179	162	10%	1%	9%
Adjusted Operating Expenses <sup>4</sup>	768	731	5%	2%	3%
Effective Tax Rate on Adjusted Income <sup>2</sup>	20.7%	21.9%	NA	NA	NA
Adjusted Net Income <sup>2</sup>	\$646	\$633	2%	1%	1%

NA – Not applicable

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

<sup>2</sup> 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).

<sup>3</sup> Adjusted gross margin (a non-GAAP financial measure) was 71.8% in the first quarter of 2026 and 71.9% in the first quarter of 2025.

<sup>4</sup> Adjusted operating expenses (a non-GAAP financial measure) of \$768 million in the first quarter of 2026 and \$731 million in the first quarter of 2025 includes adjusted amortization of intangible assets of \$4 million in the first quarter of 2026 and 2025.

# U.S. Segment Performance

## First Quarter

<i>(millions of dollars)</i>	2026	2025	Change
Revenue	\$1,090	\$1,183	(8)%
Companion Animal	865	973	(11)%
Livestock	225	210	7%
Cost of Sales	194	199	(3)%
Gross Profit	896	984	(9)%
<i>Gross Margin</i>	82.2%	83.2%	NA
Operating Expenses	199	205	(3)%
Other (Income)/Deductions-net	—	—	**
Earnings <sup>1</sup>	\$697	\$779	(11)%

NA – Not applicable, \*\*Calculation not meaningful

<sup>1</sup> Defined as income before provision for taxes on income.

# International Segment Performance

## First Quarter

<i>(millions of dollars)</i>	2026	2025	Change	Foreign Exchange	Operational <sup>1</sup>
Revenue	\$1,149	\$985	17%	8%	9%
Companion Animal	654	568	15%	8%	7%
Livestock	495	417	19%	7%	12%
Cost of Sales	334	295	13%	10%	3%
Gross Profit	815	690	18%	7%	11%
<i>Gross Margin</i>	70.9%	70.1%	NA	NA	NA
Operating Expenses	175	163	7%	7%	—%
Other (Income)/Deductions-net	1	—	**	**	**
Earnings <sup>2</sup>	\$639	\$527	21%	6%	15%

NA – Not applicable, \*\*Calculation not meaningful

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

<sup>2</sup> Defined as income before provision for taxes on income.

# International Segment Performance

## First Quarter

<i>(millions of dollars)</i>	2026	2025	Change	Foreign Exchange	Operational <sup>1</sup>
<b>Total International</b>	<b>\$1,149</b>	<b>\$985</b>	<b>17%</b>	<b>8%</b>	<b>9%</b>
Australia	89	79	13%	11%	2%
Brazil	90	81	11%	12%	(1)%
Canada	73	70	4%	4%	—%
Chile	38	35	9%	6%	3%
China	63	55	15%	5%	10%
France	37	39	(5)%	9%	(14)%
Germany	59	55	7%	11%	(4)%
Italy	39	30	30%	16%	14%
Japan	35	32	9%	(4)%	13%
Mexico	48	35	37%	17%	20%
Spain	40	29	38%	16%	22%
United Kingdom	78	74	5%	7%	(2)%
Other Developed Markets	169	133	27%	11%	16%
Other Emerging Markets	291	238	22%	3%	19%

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

Note: operational revenue results is not reflective of organic operational results.

# Revised Financial Guidance

Based on current operating environment and presentation of financials for Fiscal Year Alignment

Selected Line Items (millions of dollars, except per share amounts)	Full Year 2026 as of May 7, 2026
Revenue <i>Organic operational growth</i> <sup>1</sup>	\$9,680 to \$9,960 2% to 5%
Adjusted cost of sales as a percentage of revenue <sup>2</sup>	Approximately 28.5%
Adjusted SG&A expenses <sup>2</sup>	\$2,350 to \$2,400
Adjusted R&D expenses <sup>2</sup>	\$735 to \$745
Adjusted interest expense and other (income)/deductions-net <sup>2</sup>	Approximately \$215
Effective tax rate on adjusted income <sup>2</sup>	Approximately 20.5%
Adjusted diluted EPS <sup>2</sup>	\$6.85 to \$7.00
Adjusted net income <sup>2</sup> <i>Organic operational growth</i> <sup>1,3</sup>	\$2,870 to \$2,950 2% to 6%
Certain significant items and acquisition and divestiture-related costs <sup>4</sup>	Approximately \$100
Reported diluted EPS	\$6.35 to \$6.50

The guidance reflects foreign exchange rates as of April 24, 2026 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 2025, as noted above.

<sup>1</sup> Organic operational results (a non-GAAP financial measure) excludes the impact of foreign exchange and certain acquisitions and divestitures.

<sup>2</sup> 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.

<sup>3</sup> 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.

<sup>4</sup> Primarily includes certain nonrecurring (income)/costs, net related to acquisitions, divestitures and other charges.

# Q&A



# Appendix



# Reconciliation Of Reported Growth To Non-GAAP Financial Measures

First Quarter

<i>(millions of dollars)</i>	2026	2025	Change	Foreign Exchange	Operational <sup>1</sup>	Divestitures	Organic Operational <sup>2</sup>
<b>Revenue by Product Category</b>							
Key Dermatology	347	377	(8)%	3%	(11)%	—%	(11)%
Key Dermatology <i>(international)</i>	131	128	2%	7%	(5)%	—%	(5)%
OA Pain mAbs	140	145	(3)%	5%	(8)%	—%	(8)%
OA Pain mAbs <i>(international)</i>	85	80	6%	8%	(2)%	—%	(2)%
Companion animal diagnostics	113	100	13%	3%	10%	—%	10%
Small animal vaccines <i>(international)</i>	93	77	21%	8%	13%	—%	13%
<b>International</b>							
Librela	101	109	(7)%	6%	(13)%	—%	(13)%
Librela <i>(international)</i>	64	62	3%	10%	(7)%	—%	(7)%
Solensia	39	35	11%	5%	6%	—%	6%
Solensia <i>(international)</i>	21	18	17%	7%	10%	—%	10%
Simparica franchise	385	380	1%	2%	(1)%	—%	(1)%
Simparica franchise <i>(international)</i>	147	120	23%	9%	14%	—%	14%
Simparica Trio	297	295	1%	2%	(1)%	—%	(1)%
Simparica Trio <i>(international)</i>	76	55	38%	9%	29%	—%	29%
Simparica	88	85	4%	7%	(3)%	—%	(3)%
Simparica <i>(international)</i>	71	65	9%	9%	—%	—%	—%

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

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

# Reconciliation Of GAAP To Non-GAAP Financial Measures

## Reported Results to Organic Operational Results

### First Quarter

<i>(millions of dollars, except per share data)</i>	2026	2025	Change	Foreign Exchange	Operational <sup>1</sup>	Divestitures	Organic Operational <sup>2</sup>
Adjusted diluted EPS	1.53	1.41	9%	2%	7%	—%	7%

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

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

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