



RESILIENCE, LEADERSHIP & GROWTH IN ANIMAL HEALTH

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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, expectations regarding products, product approvals or products under development, expected timing of product launches, the impact of the coronavirus (COVID-19) pandemic and any recovery therefrom on our business, suppliers, 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 and dividend payments, 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 EBIT margin, adjusted R&D investment, normalized organic operational growth, organic operational growth, and operational results (which excludes the impact of foreign exchange) 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. Reconciliation of non-GAAP financial measures and GAAP financial measures are available in the appendix to this presentation.

ZOETIS: LEADING ANIMAL HEALTH ACROSS THE CONTINUUM OF CARE



- **Global leader in attractive \$40 billion market** with sustainable growth drivers and opportunities
- **Diverse and durable portfolio** with proven strength in **innovation**
- Track record of delivering **strong financial results** and **disciplined capital allocation**
- **Clear strategic priorities** to deliver continued **above-market growth** and **long-term value**

\$6.3B

2019 REVENUE

10%¹

2019
OPERATIONAL
REVENUE
GROWTH

30%²

AVERAGE
ANNUAL TOTAL
SHAREHOLDER
RETURN OVER
LAST 5 YEARS

100+

COUNTRIES
WHERE PRODUCTS
ARE SOLD

~300

NUMBER OF
PRODUCT LINES
ACROSS
8 SPECIES

13

NUMBER OF
PRODUCT LINES
WITH SALES OVER
\$100 MILLION
IN 2020

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

² Total Shareholder Return (TSR) represents the average annual total shareholder return between 1/1/16 and 12/31/20. Calculation assumes the reinvestment of dividends at the federal effective rate.

KEY COMPANION ANIMAL TRENDS SHAPING 2021



THEMES

MARKET EXPECTATIONS

ZOETIS FOCUS IN 2021

RISING PET OWNER INFLUENCE

- COVID-19 strengthening human-animal bond; rising health spend
- Demand for convenience and price transparency driving online sales

- Build market awareness for chronic pet diseases
- Increase investment in direct-to-consumer promotion for key products

CHANNEL EVOLUTION

- Retail growing in importance, with large online retailers expressing interest in animal health

- Continue to develop and strengthen retail capabilities

CONSOLIDATION INTO KEY ACCOUNTS

- Global key accounts seeking unified relationships
- Increasing sophistication raises expectations on pricing & service

- Be the partner of choice by expanding global strategic accounts

KEY LIVESTOCK TRENDS SHAPING 2021



THEMES

MARKET EXPECTATIONS

ZOETIS FOCUS IN 2021

RISING PROTEIN DEMAND VS. SUSTAINABILITY CONCERNS

- Rising demand for affordable, safe animal protein in Asia, LatAm
- Increased consumer expectations for more sustainable production practices

- Partner with customers to improve use of technology for increased productivity
- Emphasize disease prevention, more individualized animal care and novel therapeutics

TECHNOLOGY, DATA & ANALYTICS

- Increased use of sensors, data, genetics to improve productivity
- Broadened role of analytics and technology in clinical decisions and provision of services

- Accelerate portfolios in Diagnostics and precision livestock farming to address customer needs
- Strengthen workforce capabilities in data, digital and analytics

COVID-19 INDUSTRY RE-SHAPING

- Access to skilled labor a major global concern
- Access to customers may be limited

- Enhance connectivity for devices and capital equipment
- Expand capabilities and remote sales tools to serve customers

WORLDWIDE MARKET LEADER

WELL-POSITIONED TO DRIVE CONTINUED ABOVE-MARKET GROWTH¹ ACROSS ANIMAL HEALTH

2020 MARKET POSITION

BY SPECIES		BY PRODUCT CATEGORY		BY GEOGRAPHY	
Companion Animal	#1	Other Pharma ²	#1	North America	#1
Cattle	#1	Anti-Infectives	#1	Latin America	#1
Fish ³	#1	Medicated Feed Additives (MFA)	#2	Asia	#2
Swine	#2	Vaccines (Biologicals)	#3	Eastern Europe	#2
Poultry	#3	Parasiticides	#4	Western Europe	#3
				Rest of World	#3

Market Leader in Species Representing ~80% of Our Portfolio by Revenue⁴

¹ Vetnosis 2020 Q3 Update

² Includes pain, sedation, internal medicine, dermatology etc.

³ Internal sales estimate based on distribution channels for moving annual total for Q3 2020

⁴ FY 2020

DIVERSE, DURABLE AND INNOVATIVE PORTFOLIO

Diversified
revenue streams
with top 10
products²
accounting for
**~40% of total
revenue**

Broad portfolio
with **~300 product
lines** across
8 species

Leading brands
including **13
blockbusters¹**
representing **more
than 1/3** of those
in the industry

Durable portfolio
with average
market life of top
24 product lines
and products at
~30 years³

**Continuous
innovation flow**
with **1,100+ new
products and
lifecycle
innovations**
introduced in the
last 5 years

**13
BLOCKBUSTERS¹**

 apoquel

 Cerenia

 CLAVAMOX



 CYTOPOINT

 Draxxin

 EXCEDE EOCENEL SPECTRAMAST
(Ceftiofur[®] product line)

 ProHeart

 Suvaxyn Fosterera.Gold
PCV

 RIMADYL

 Simparica Simparica TRIO

 stronghold revolution

 VETSCAN
Chemistry Analyzer

¹ A blockbuster is a product or product line that has \$100M or more in annual revenue. Blockbusters shown on this slide are as of 2020.

² Top products each contribute at least 1% of total revenue

³ Based on 2020 sales data. Market life refers to the number of years a product has been commercially available.

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KEY GROWTH PLATFORMS AND FOCUS

DRIVEN BY INNOVATION, EXPERTISE AND GLOBAL SCALE

SCIENCE-BASED INNOVATIONS

Parasiticides

Simparica TRIO

Monoclonal Antibodies

Librela
Bedinvetmab Injection

Solensia

NEW CATEGORY DEVELOPMENT AND EXPANSION

Dermatology

apoque

CYTOPOINT

Pain

Librela
Bedinvetmab Injection
RIMADYL

Solensia

ACQUISITIONS, ALLIANCES AND PARTNERSHIPS

Immunotherapies/mAbs



REGENERON

Digital and Data



PERFORMANCE
LIVESTOCK ANALYTICS

MARKET DEVELOPMENT AND EXPANSION

China



CLEAR STRATEGIC PRIORITIES TO CREATE LONG-TERM VALUE

ADVANCING OUR PRIORITIES IN 2020



DRIVE INNOVATIVE GROWTH

- Simparica Trio[®]
- Librela[®]
- Solensia[®]



ENHANCE CUSTOMER EXPERIENCE

- Delivered quality, reliable supply
- Connected with customers in more virtual ways



LEAD IN DIGITAL AND DATA ANALYTICS

- Vetscan Imagyst[™]
- Performance Livestock Analytics
- eCommerce Platforms



CULTIVATE A HIGH-PERFORMING ORGANIZATION

- High Colleague Engagement
- Diversity, Equity & Inclusion Journey
- COVID-19 Agility and Resilience

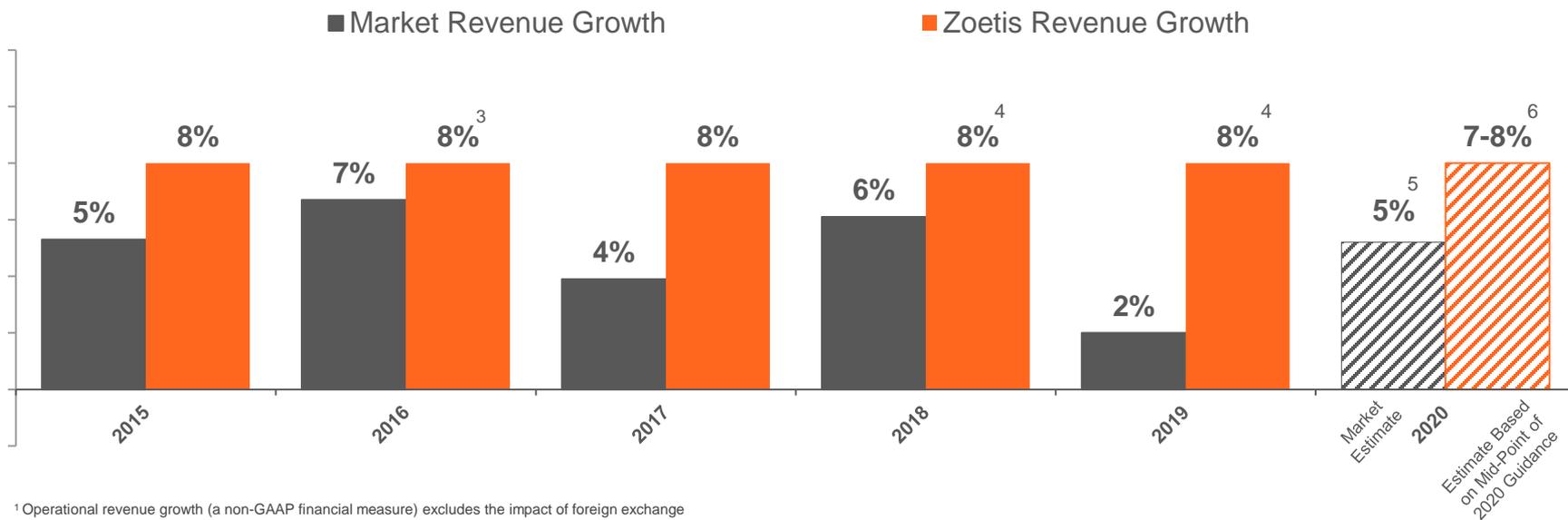


CHAMPION A HEALTHIER, MORE SUSTAINABLE FUTURE

- New Sustainability framework
- Shared ESG metrics

DELIVERING ABOVE-MARKET OPERATIONAL REVENUE GROWTH

OPERATIONAL REVENUE GROWTH¹ (VS. MARKET²)



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

² Vetnosix 2020 Executive's Guide March 2020

³ Normalized organic operational growth (a non-GAAP financial measure) excludes the impact of foreign exchange, operational efficiency initiative and acquisitions

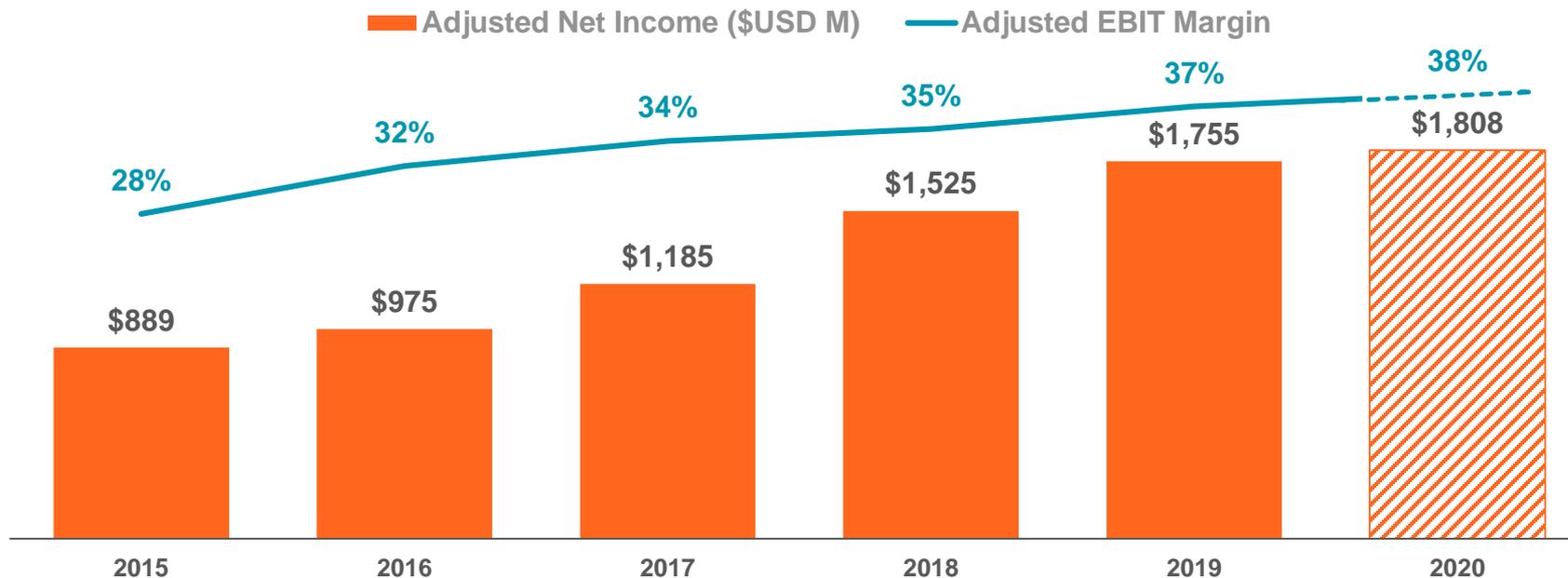
⁴ Organic operational growth (a non-GAAP financial measure) excludes the impact of the acquisition of Abaxis, as well as foreign exchange; if included, Zoetis 2018 and 2019 operational revenue growth was 10%.

⁵ Based on internal estimates.

⁶ Represents 2020 guidance range for organic operational revenue growth as provided in Q3 2020 earnings release issued on 11/5/20.

MARGIN EXPANSION AND ADJUSTED NET INCOME GROWTH FASTER THAN REVENUE

ADJUSTED NET INCOME AND ADJUSTED EBIT MARGIN¹

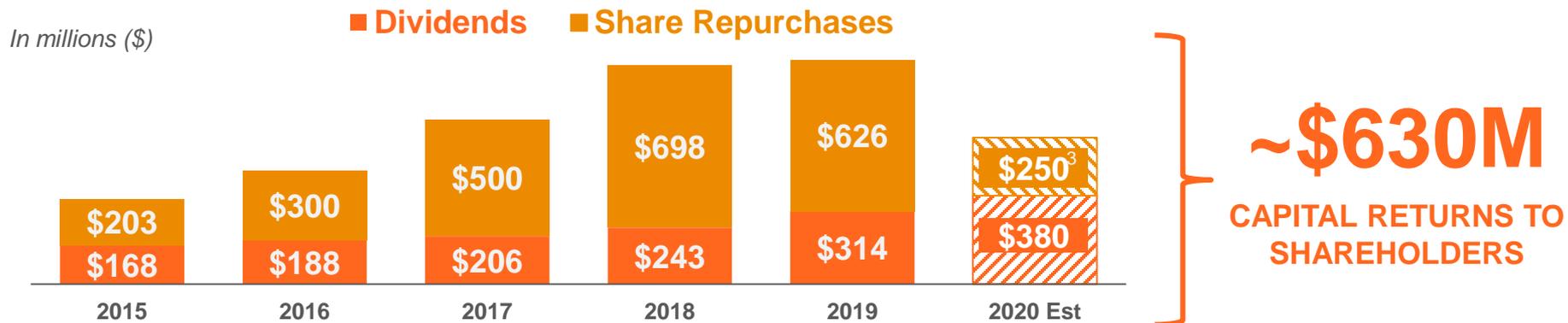


Estimate Based on Mid-Point of 2020 Guidance*

¹Adjusted net income (a non-GAAP financial measure) is defined as reported U.S. generally accepted accounting principle (GAAP) net income excluding purchase accounting adjustments, acquisition-related costs and certain significant items. Adjusted Earnings Before Interest and Taxes (EBIT) margin, a non-GAAP financial measure, excludes interest expense net of capitalized interest, interest income and adjusted income taxes (a non-GAAP measure).

*Mid-point of 2020 guidance range for adjusted net income of \$1,790 million to \$1,825 million as provided in Q3 2020 earnings release issued on 11/5/20.

CAPITAL ALLOCATION FOCUSED ON DRIVING GROWTH AND SHAREHOLDER RETURNS



¹Adjusted R&D investment represents adjusted R&D expense guidance midpoint as provided in Q3 2020 earnings release issued on 11/5/20. Represents adjusted research and development expense (a non-GAAP financial measure), which is defined as reported U.S. generally accepted accounting principles (GAAP) research and development expense excluding purchase accounting adjustments, acquisition-related costs and certain significant items.

²Based on 2020 estimates

³Suspended share repurchase in Q2 2020, in order to preserve liquidity as a result of the COVID-19 pandemic

DELIVERING ON OUR LONG-TERM VALUE PROPOSITION TO SHAREHOLDERS



Grow Revenue in Line with or Faster than the Market



Grow Adjusted Net Income Faster than Revenue



Invest in Innovation and Targeted Growth Opportunities



Return Excess Capital to Shareholders

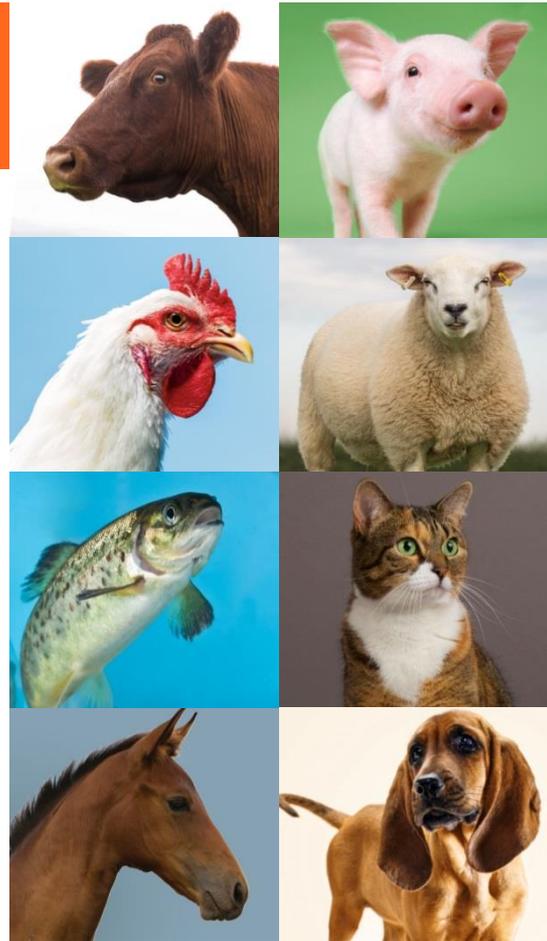
RESILIENCY

STABILITY

INNOVATION

KEY TAKEAWAYS

- Our major **catalysts for growth in 2021** are:
 - Strength in **petcare**
 - **Expansion in markets** outside the U.S.
 - Acceleration of our **diagnostics portfolio**
- Our **performance** over the last year has **reaffirmed** we are a **strong market leader** in an **essential industry** with the **portfolio, focus and financials to endure and excel** even in challenging times.



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RECONCILIATION OF REPORTED REVENUE GROWTH TO NON-GAAP FINANCIAL MEASURES

<i>in USD millions</i>	2014	2015	Change	Foreign Exchange	Operational Growth ¹				
Revenue	4,785	4,765	-	(8)%	8%				
<i>in USD millions</i>	2015	2016	Change	Foreign Exchange	Operational Growth ¹	Acquisitions ²	Organic Operational Growth ³	Operational Efficiency Initiative ⁴	Normalized Organic Operational Growth ⁵
Revenue	4,765	4,888	3%	(2)%	5%	2%	3%	(5)%	8%
<i>in USD millions</i>	2016	2017	Change	Foreign Exchange	Operational Growth ¹				
Revenue	4,888	5,307	9%	1%	8%				
<i>in USD millions</i>	2017	2018	Change	Foreign Exchange	Operational Growth ¹	Acquisitions ²	Organic Operational Growth ³		
Revenue	5,307	5,825	10%	-	10%	2%	8%		
<i>in USD millions</i>	2018	2019	Change	Foreign Exchange	Operational Growth ¹	Acquisitions ²	Organic Operational Growth ³		
Revenue	5,825	6,260	7%	(3)%	10%	2%	8%		

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

² 2016 includes PHARMAQ, Abbott Animal Health, Syntex, KL Products, Inc., and Scandinavian Micro Biodevices; 2018 and 2019 only include Abaxis.

³ Organic operational revenue growth (a non-GAAP financial measure) excludes the impact of acquisitions, as well as foreign exchange.

⁴ Includes product rationalizations, business model changes, and the impact of the Venezuela business reduction.

⁵ Normalized organic operational revenue growth (a non-GAAP financial measure) excludes the impact of foreign exchange, the impact of acquisitions, and the operational efficiency initiative.

RECONCILIATION OF GAAP REPORTED NET INCOME TO ADJUSTED NET INCOME

2015 – 2019

<i>in USD millions</i>	2015	2016	2017	2018	2019
Net Income attributable to Zoetis ¹	\$339	\$821	\$864	\$1,428	\$1,500
Purchase Accounting Adjustments ²	39	60	51	119	156
Acquisition-Related Costs ³	22	4	7	50	36
Certain Significant Items ⁴	489	90	263	(72)	63
Adjusted Net Income attributable to Zoetis ⁵	\$889	\$975	\$1,185	\$1,525	\$1,755

¹ As reported under U.S. generally accepted accounting principles (GAAP).

² Purchase accounting adjustments represent expenses incurred associated with the amortization of fair value adjustments to inventory, intangible assets and property, plant and equipment.

³ Acquisition-related costs represent costs associated with acquiring and integrating newly-acquired businesses, such as transaction costs and integration costs.

⁴ Certain significant items comprise substantive, unusual items that, either as a result of their nature or size, would not be expected to occur as part of our normal business on a regular basis, such as restructuring charges and implementation costs associated with our cost-reduction/productivity initiatives that are not associated with an acquisition, certain asset impairment charges, certain legal and commercial settlements and the impact of divestiture-related gains and losses.

⁵ Adjusted Net Income (a non-GAAP financial measure) is defined as reported U.S. GAAP net income excluding purchase accounting adjustments, acquisition-related costs and certain significant items. The adjusted net income measure is not, and should be not be, viewed as a substitute for U.S. GAAP net income. Non-GAAP adjusted net income is presented solely to permit investors to more fully understand how management assesses performance.

RECONCILIATION OF ADJUSTED NET INCOME TO ADJUSTED EBIT

2015 – 2019

<i>in USD millions</i>	2015	2016	2017	2018	2019
Adjusted Net Income attributable to Zoetis	\$889	\$975	\$1,185	\$1,525	\$1,755
Net (loss)/ income attributable to noncontrolling interests	-	(2)	(2)	(4)	-
Adjusted Net Income Before Allocation to Noncontrolling Interests ¹	\$889	\$973	\$1,183	\$1,521	\$1,755
Interest Expense ²	124	166	175	206	223
Interest Income ²	(6)	(8)	(13)	(31)	(37)
Income Taxes ²	326	415	465	351	390
Adjusted EBIT ³	\$1,333	\$1,546	\$1,810	\$2,047	\$2,331
<i>% of revenue⁴</i>	<i>28.0%</i>	<i>31.6%</i>	<i>34.1%</i>	<i>35.1%</i>	<i>37.2%</i>

¹ Adjusted Net Income Before Allocation to Noncontrolling Interests (a non-GAAP financial measure) is defined as reported U.S. GAAP net income before allocation to noncontrolling interests excluding purchase accounting adjustments, acquisition-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, excludes interest expense net of capitalized interest, interest income and adjusted income taxes (a non-GAAP measure)

⁴ Adjusted EBIT margin (a non-GAAP financial measure).