

A man in a white t-shirt and blue jeans is crouching on a dirt path, hugging a large brown dog. The scene is set at sunset, with the sun low on the horizon, creating a warm, golden glow. The background shows a field of tall grass and distant hills.

# Corporate Overview

November 2024

zoetis



# Our Purpose

---

To nurture the world and humankind by advancing care for animals.

# Our Vision

---

To be the most trusted and valued animal health company, shaping the future of animal care through our innovation, customer obsession and purpose-driven colleagues.

# Zoetis at a Glance

**70+**

Years of experience

## We provide:

Medicines, Vaccines,  
Diagnostics, Biodevices,  
Genetic tests &  
Precision animal health

**\$8.5B**  
Annual revenue

**7**  
Major product categories

**8**  
Core animal species

**100+**  
Countries where Zoetis  
products are sold

**24**  
Manufacturing sites

**66%**  
Revenue from  
companion  
animal products<sup>1</sup>

**34%**  
Revenue from  
livestock  
products<sup>1</sup>

**1,600**  
Approximate  
R&D colleagues

**4,100**  
Approximate  
field force members

**14,100**  
Approximate colleagues  
worldwide



Note: Facts and figures shown are as of Dec. 31, 2023

<sup>1</sup> Excludes revenue associated with Client Supply Services and Human Health, which represented 1% of total 2023 revenue.

# Our Executive Team



**Kristin Peck**  
Chief Executive Officer



**Nick Ashton**  
Executive Vice President and  
President, Global Manufacturing  
and Supply



**Jamie Brannan**  
Executive Vice President and  
Chief Commercial Officer



**Rimma Driscoll**  
Executive Vice President, Head  
of Global Strategy, Commercial  
and Business Development, and  
Global BioDevices



**Jeannette Ferran  
Astorga**  
Executive Vice President,  
Corporate Affairs,  
Communications and Chief  
Sustainability Officer



**Julie Fuller**  
Executive Vice President,  
Chief Human Resources  
Officer and Global  
Operations



**Wetteny Joseph**  
Executive Vice President and  
Chief Financial Officer



**Roxanne Lagano**  
Executive Vice President,  
General Counsel and Corporate  
Secretary



**Wafaa Mamilli**  
Transitioning Executive Vice  
President, Chief Digital &  
Technology Officer



**Rob Polzer**  
Executive Vice President and  
President, Research and  
Development



**Keith Sarbaugh**  
Executive Vice President and  
Chief Digital &  
Technology Officer

# Our Core Beliefs

They form the foundation of our culture

**Our colleagues  
make the difference**

**Always do  
the right thing**

**Customer obsessed**

**Run it like you own it**

**We are one Zoetis**

# Our Strategic Priorities



Lead through innovation across our diverse portfolio



Deliver an exceptional experience to delight our customers



Power our business through digital solutions and data insights



Support a workplace where our colleagues can thrive

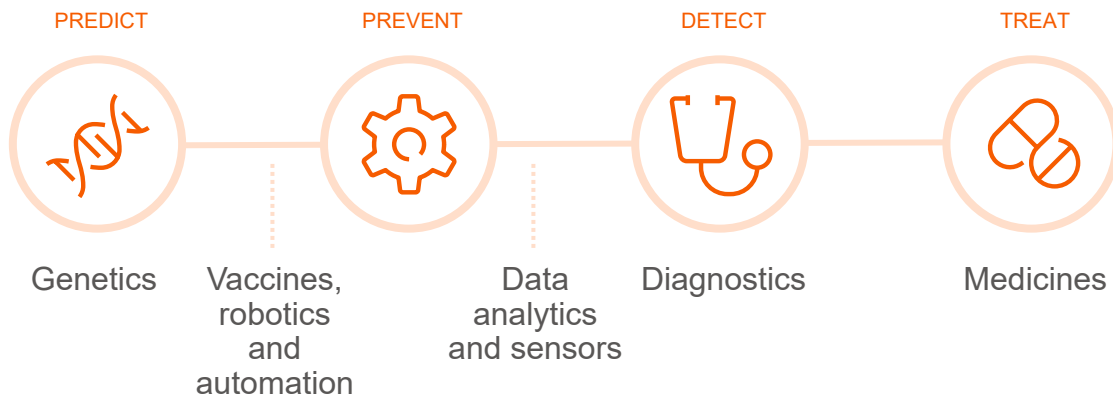
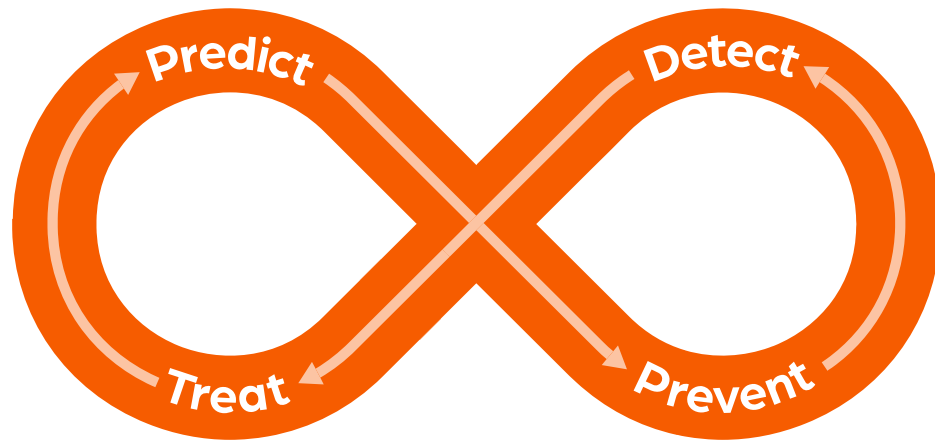


Advance sustainability in animal health for a better future



Perform with excellence and agility

# Innovating Across the Continuum of Care



# Diverse, Durable and Innovative Portfolio

Diversity across geographies,  
species and therapeutic areas  
drives steady performance

7

therapeutic  
areas

8

core species

15<sup>1</sup>

blockbusters

~30<sup>2</sup>

year average market life  
of key brands in portfolio

~300

product lines

>2,000

new products and lifecycle  
innovations introduced  
in last 10 years

<sup>1</sup> Number of blockbuster products with revenues of \$100M or more as of year-end 2023

<sup>2</sup> Market life refers to the number of years a product has been commercially available.



# Leading the industry across the Continuum of Care over 10 years with 15 blockbusters<sup>1</sup>

## ANTI-INFECTIVES



EXCEDE EOCENEL  
NAOCEL SPECTRAMAST



Draxxin



CLAVAMOX

## DERMATOLOGY



apoquel apoquel  
chewable



CYTOPOINT

## DIAGNOSTICS



VETSCAN

## PAIN AND SEDATION



Librela  
bedinvetmab



RIMADYL

## OTHER PHARM.



Cerenia

## PARASITICIDES



Simparica  
Simparica TRIO



stronghold  
revolution



ProHeart

## VACCINES



Suvaxyn  
Fostera Gold  
PCV



VANGUARD

# World Leader in Animal Health<sup>1</sup>

| By Species  | By Product Category                 | By Geography             | High Growth Franchise Areas <sup>3</sup> |
|---|-------------------------------------|--------------------------|--|
| Companion Animal <b>#1</b>  | Other Pharma <sup>2</sup> <b>#1</b> | North America <b>#1</b>  |  |
| Cattle <b>#1</b>  | Anti-Infectives <b>#1</b>           | Latin America <b>#1</b>  | Dermatology <b>#1</b>                    |
| Fish <sup>3</sup> <b>#1</b>   | Vaccines (Biologicals) <b>#3</b>    | Asia <b>#1</b>           | Pet Pain <b>#1</b>                       |
| Swine <b>#2</b>   | Diagnostics <sup>3</sup> <b>#3</b>  | Eastern Europe <b>#2</b> | Pet Parasiticides <b>#2</b>              |
| Market Leader in Species Representing ~90% of Our Portfolio by Revenue <sup>3</sup> | Parasiticides <b>#2</b>             | Western Europe <b>#2</b> |  |
| Poultry <b>#5</b>   |                                     |                          |  |

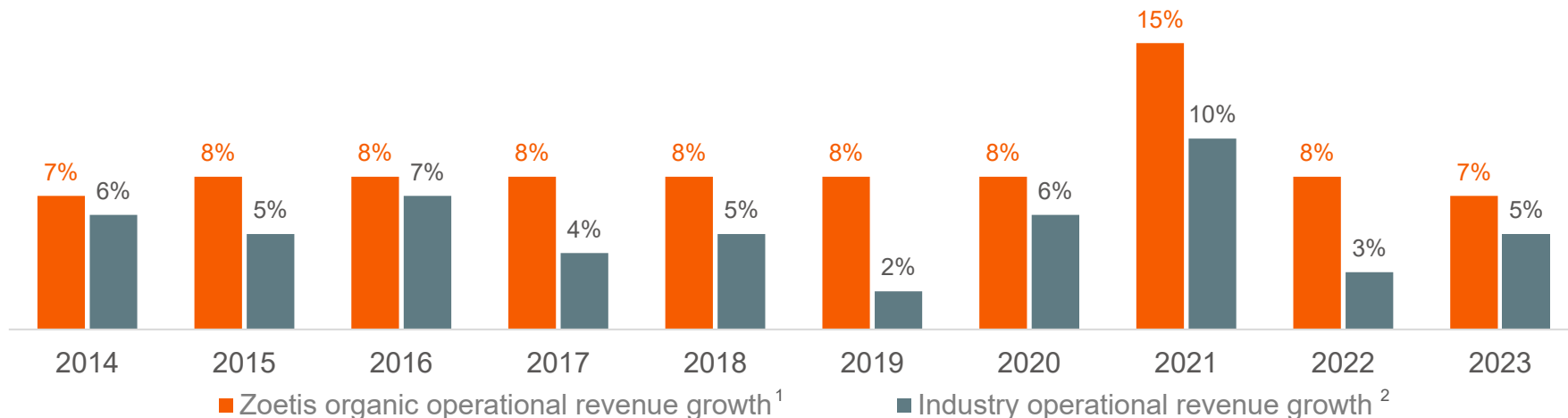
<sup>1</sup> Vetnosis Executive's Guide April 2023. Rankings are based on revenues.

<sup>2</sup> Includes pain, sedation, internal medicine, dermatology, etc.

<sup>3</sup> Zoetis internal estimates

# Proven track record of above-market operational revenue growth

Zoetis has consistently grown faster than the core animal health market



**8% Revenue CAGR** since our IPO in 2013 compared to **5%** for the Animal Health Industry<sup>3</sup>

<sup>1</sup> Organic operational growth (a non-GAAP financial measure) excludes the impact of foreign exchange, the impact of acquisitions and the operational efficiency initiative in 2016. Reconciliations of non-GAAP financial measures are available in the appendix to this presentation.

<sup>2</sup> Source: Vetnosis for historical core animal health market, including Zoetis from 2013 to 2022, excludes diagnostics, genetic tests, biodevices and precision animal health. Operational growth (a non-GAAP financial measure) excludes the impact of foreign exchange.

<sup>3</sup> Source: Vetnosis' estimated average annual growth rates from 2013 to 2022 in the core animal health market for Zoetis (~8%) as compared to estimates for the overall industry including Zoetis (~5%). Operational growth (a non-GAAP financial measure) excludes the impact of foreign exchange; 2023 core AH market growth is a Zoetis internal estimate.

# Zoetis revenue growth has outpaced U.S. vet clinic revenue and visits

- Solid vet clinic growth drivers saw spike in 2021 due to pandemic, now normalizing to pre-pandemic levels
- Clinic revenue growth has remained strong even with recent visit declines
- Outpaced both clinic revenue and visit growth driven by:
  - Innovation to gain share and expand the market
  - Focus on commercial excellence
  - Ability to serve customers in alternative channels
  - Diverse portfolio serving unmet needs

4-Year CAGR

8.6%<sup>1</sup>

Total Zoetis

13.8%<sup>1</sup>

Zoetis U.S.  
Companion  
Animal

8.1%<sup>2</sup>

U.S. Vet Clinic  
Revenue

0.4%<sup>2</sup>

U.S. Vet Clinic  
Visits

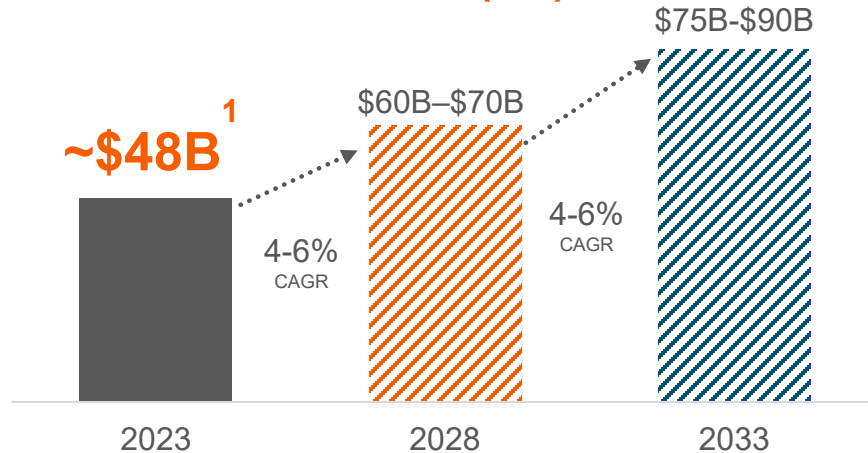
<sup>1</sup> Zoetis Sales Data full-year 2020 - 2023

<sup>2</sup> Kynetec Data

# Animal health poised for strong, sustainable growth

Innovation and market expansion are increasing opportunities

## Expected Market Growth (\$B)<sup>1</sup>



## Key market drivers in the next 5-10 years

- Increasing medicalization
- Growing human-animal bond
- Innovating to treat chronic diseases and improve wellness
- Expanding global population and animal protein demand
- Advancing sustainable animal agriculture

# Growth opportunities for animal health

A woman in athletic wear is running a dog on a dirt path in a rural landscape at sunset. The scene is captured from a low angle, showing the woman's legs and the dog's tail as they move away from the camera. The sky is a mix of blue and orange, with a few clouds. In the background, there are rolling hills and some buildings.

Essential demand for protein and petcare in the world today

Recession-resistant nature of Animal Health

Unmet need for animal care and increases in medicalization

Pet owners willingness to pay for treatment and care

More investment in sustainable animal agriculture practices



86% of pet owners would pay whatever it takes if their pet needed extensive veterinary care.<sup>1</sup>

KEY TRENDS IN PETCARE

# The Human-Animal Bond

Pet owners are prioritizing health and wellness of their animals

- **Gen-Z and Millennials** are fueling the humanization of pets
- **High income households** often have more than one pet and are more willing to spend during a down economy
- When faced with a 20% decrease in budget, **pet owners will not spend less on their pets.**<sup>2</sup>

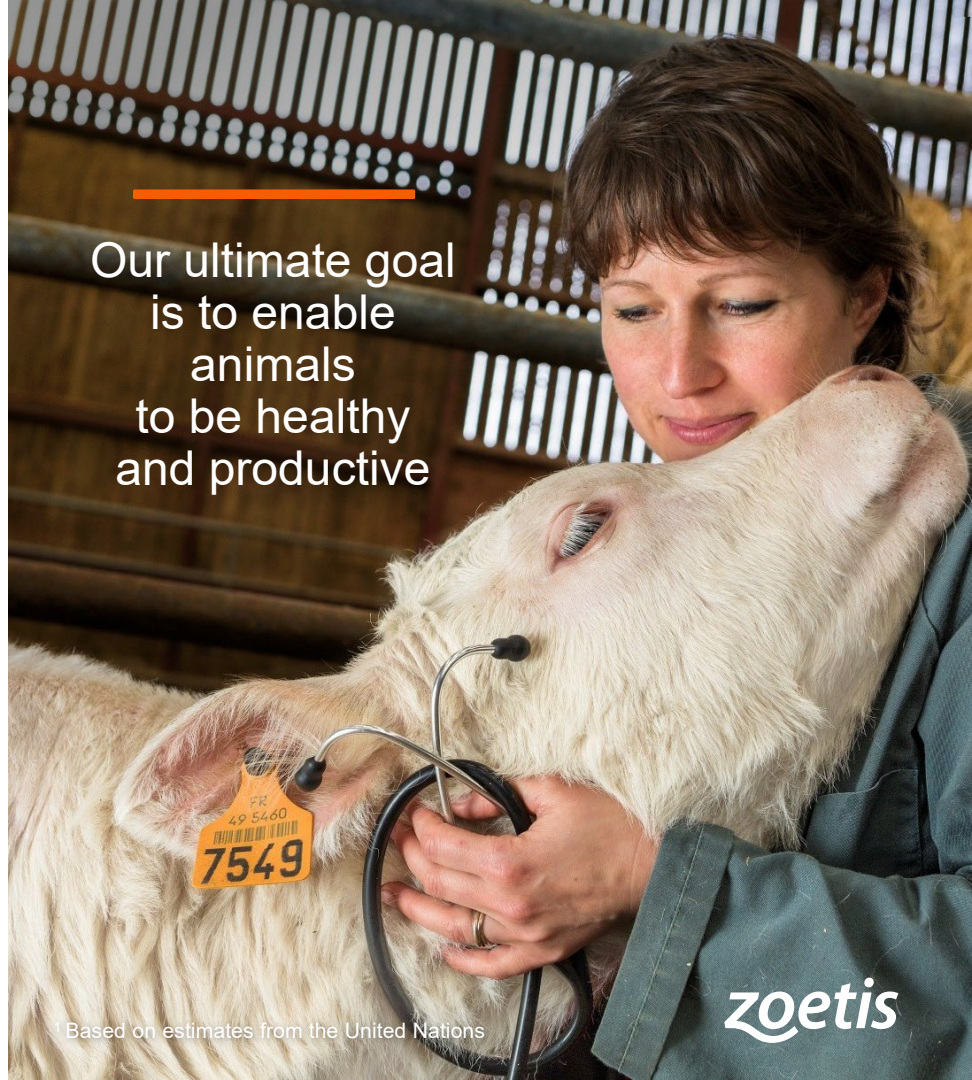
<sup>1</sup> International Survey of Pet Owners and Veterinarians from HABRI/Zoetis. Published January 2022.

<sup>2</sup> Zoetis Market Research, Dec. 2022

# Healthy Animals Meeting Protein Demand

The global population is growing, leading to increased demand for animal protein sources

- **Nearly 2 billion more mouths to feed by 2050** (*Global pop. of 9.7 billion in 2050<sup>1</sup>*)
- Lack of relevant protein alternatives
- Limited **resources** and **climate concerns** are increasing need for **sustainable production** of meat, milk, fish and eggs

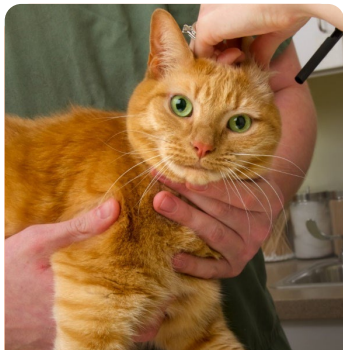


Our ultimate goal is to enable animals to be healthy and productive



# 2024 Key Growth Catalysts

Building on our progress to drive future growth



Pet  
Parasiticides



Key  
Dermatology



Pain

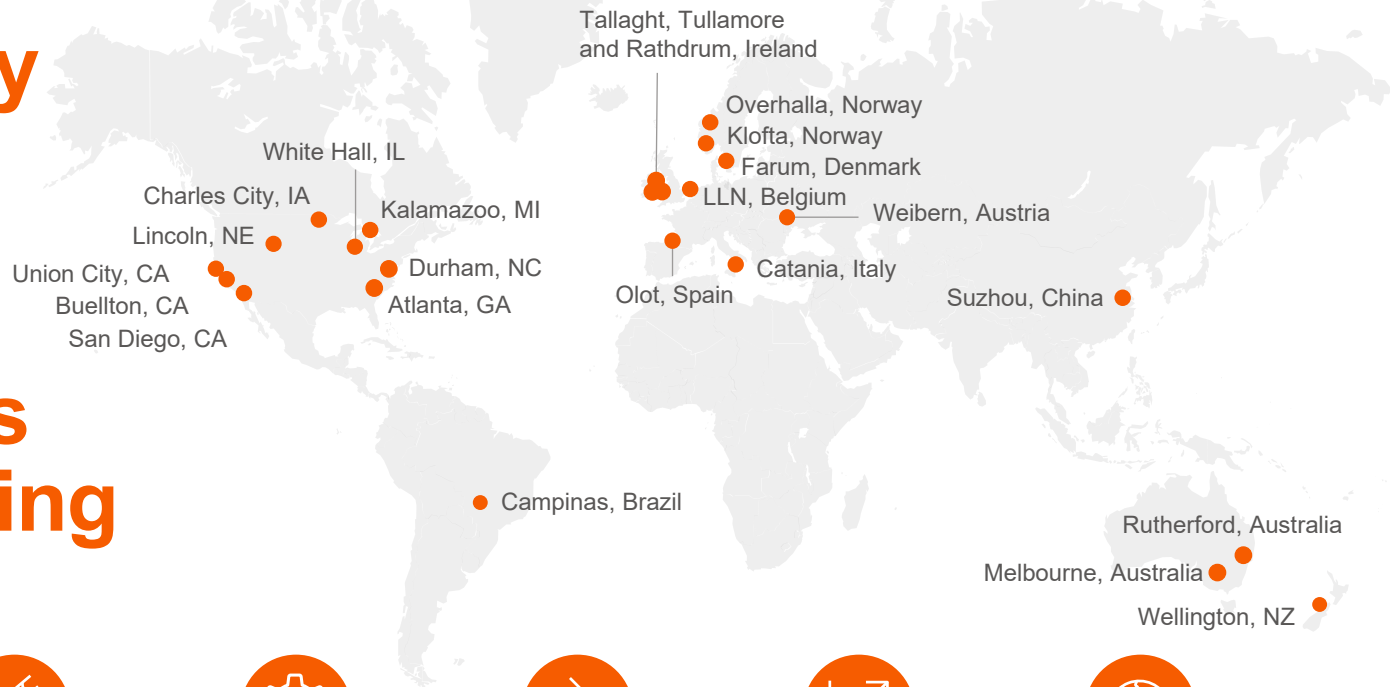


Diagnostics



Emerging  
Markets

# High-Quality Products, Delivered by Our World-Class Manufacturing Operations



Excellence in quality



Breadth of expertise



Reliable supply



Speed to market



Cost/efficiency improvements

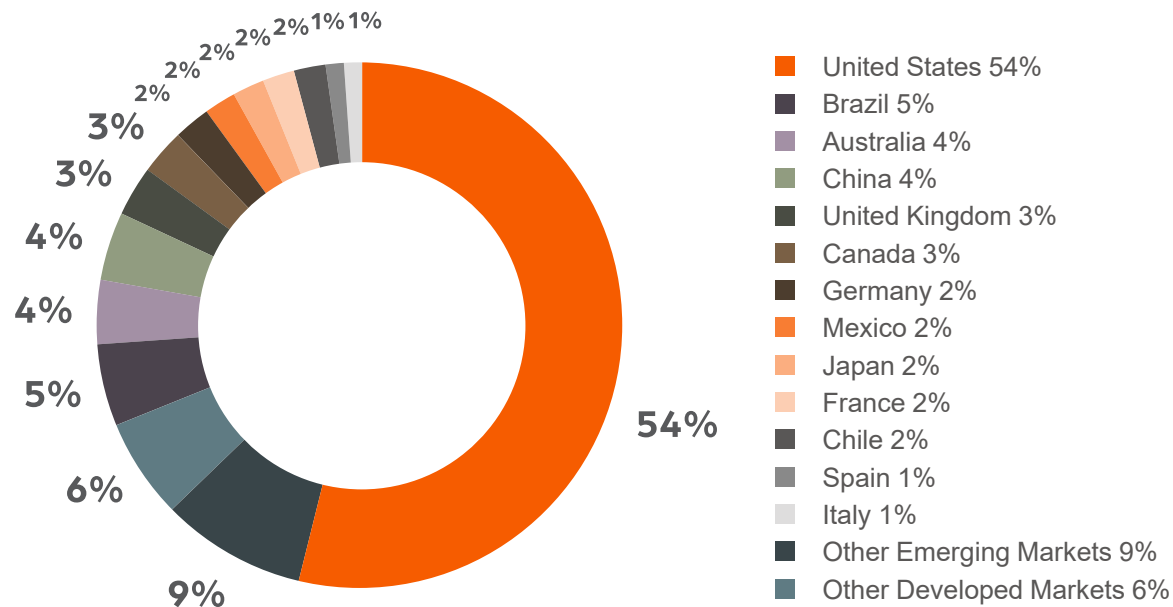


Carbon neutrality & renewable energy

# Global Leadership, Scale and Scope

Zoetis combines the local presence and knowledge necessary to serve the unique needs of individual customers with the global reach and resources essential to help advance animal health globally.

## Revenue by market<sup>1</sup>

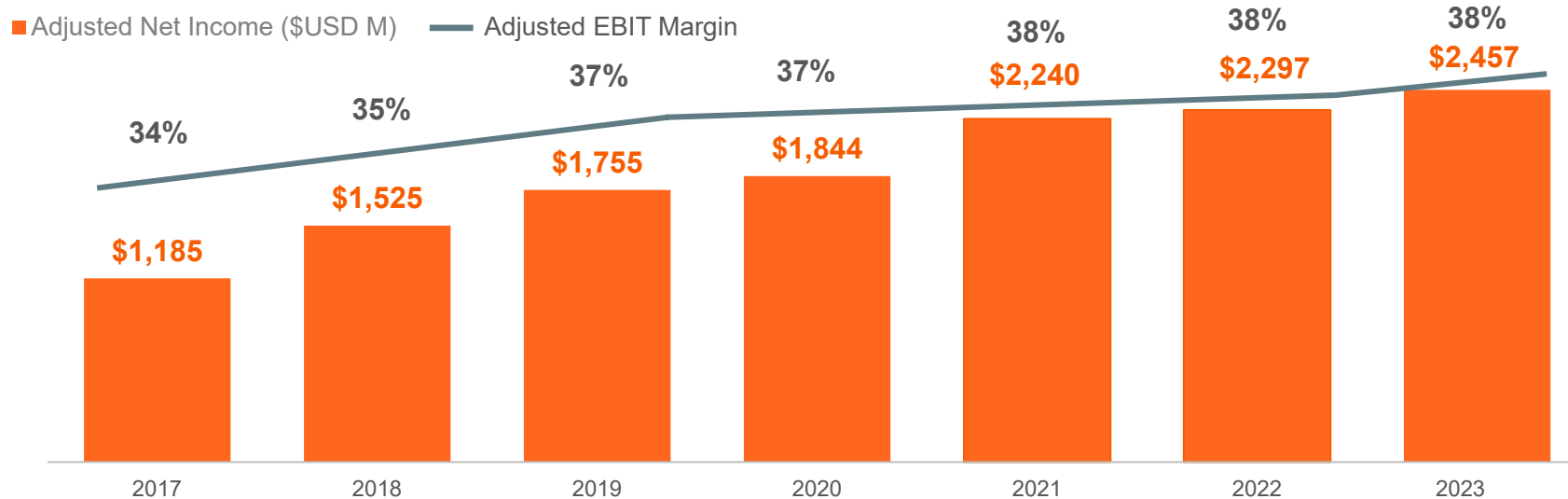


Note: Based on 2023 revenue

<sup>1</sup> Excludes revenue associated with Client Supply Services and Human Health, which represented 1% of total 2023 revenue

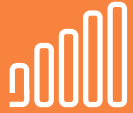
# Margin Expansion and Adjusted Net Income Growth Faster than Revenue

Adjusted net income and adjusted EBIT margin<sup>1</sup>



<sup>1</sup> Adjusted 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). Reconciliations of non-GAAP financial measures are available in the appendix to this presentation.

# Delivering On Our Long-Term Value Proposition to Shareholders



—

**Grow revenue faster than the market**



—

**Invest in innovation and growth capabilities**



—

**Increase adjusted net income faster than revenue**



—

**Return excess capital to shareholders**

# Award-Winning Culture and Workplace



# Our Sustainability Strategy

Long range goals supporting Communities, Animals and the Planet — and the United Nations' Sustainable Development Goals (SDGs)

COMMUNITIES



## Care and Collaboration

We support and partner with our colleagues, communities and the people who care for animals. We achieve more by working together toward our common goals.

ANIMALS



## Innovation in Animal Health

We use our expertise in animal health to solve sustainability challenges facing animals and people.

PLANET



## The Drive to Protect Our Planet

We steward resources responsibly and minimize our impact, as we deliver products and services that advance the health of animals.

# 2023 Sustainability Progress



## COMMUNITIES

### Care and Collaboration

Supporting our colleagues, communities and people who care for animals

- To ensure colleagues feel valued and supported, we've continued our dedicated focus on diversity, equity and inclusion (DE&I)
- Received eight awards for workplace inclusion
- Zoetis Foundation supported 28 initiatives impacting 19 countries totaling \$8.3M in grants to advance opportunities for veterinarians and farmers around the world
- Zoetis colleagues around the world gave their time to causes that matter to them, logging 16,611 hours of volunteer work and nearing our goal of 20,000 hours annually



## ANIMALS

### Innovation in Animal Health

Using our expertise in animal health to solve sustainability challenges facing animals and people.

- Launched innovative products in key sustainability opportunity areas including diagnostics, vaccines and parasiticides
- Expanded our innovative treatments for OA pain to additional markets
- Expanded our innovation capabilities through external innovations
- Helped combat emerging infectious diseases by supporting endangered species programs protection



## PLANET

### The Drive to Protect Our Planet

Stewarding resources responsibly and minimizing our impact

- Completed 38 energy related carbon abatement projects at our sites in 2023
- Sourced over 30% of our total electricity needs from renewable electricity
- Installed on-site solar arrays at seven facilities moving us toward 100% renewable electricity by 2030
- Replaced plastic with paperboard for our rabies vaccine packages at one of our largest manufacturing sites



*zoetis*

[www.zoetis.com](http://www.zoetis.com)

# Appendix

Non-GAAP Financial Measures  
Disclosure and Reconciliations



# 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 Growth <sup>1</sup> | Acquisitions | Operational Efficiency Initiative <sup>2</sup> | Organic Operational Growth <sup>3</sup> |
|------------------------------|---------|------------------------|------------------|---------------------------------|--------------|--|---|
| 2014                         | \$4,785 | 5%                     | (2)%             | 7%                              |              |  |   |
| 2015                         | \$4,765 | —%                     | (8)%             | 8%                              |              |  |   |
| 2016                         | \$4,888 | 3%                     | (2)%             | 5%                              | 2%           | (5)%   | 8%                                      |
| 2017                         | \$5,307 | 9%                     | 1%               | 8%                              |              |  |   |
| 2018                         | \$5,825 | 10%                    | —%               | 10%                             | 2%           |  | 8%                                      |
| 2019                         | \$6,260 | 7%                     | (3)%             | 10%                             | 2%           |  | 8%                                      |
| 2020                         | \$6,675 | 7%                     | (2)%             | 9%                              | 1%           |  | 8%                                      |
| 2021                         | \$7,776 | 16%                    | 1%               | 15%                             |              |  |   |
| 2022                         | \$8,080 | 4%                     | (4)%             | 8%                              |              |  |   |
| 2023                         | \$8,544 | 6%                     | (1)%             | 7%                              |              |  |   |

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

<sup>2</sup> Includes product and market rationalizations, as part of the operational efficiency initiative

<sup>3</sup> Organic operational growth (a non-GAAP financial measure) excludes the impact of foreign exchange and acquisitions, and in 2016, called Normalized Organic Operational Growth, also excluded the operational efficiency initiative

# Reconciliation Of GAAP To Non-GAAP Financial Measures

## Reported Net Income to Adjusted Net Income Margin

| <i>(Dollars in millions)</i>                            | 2017    | 2018    | 2019    | 2020    | 2021    | 2022    | 2023    |
|---|---------|---------|---------|---------|---------|---------|---------|
| Net income attributable to Zoetis <sup>1</sup>          | \$864   | \$1,428 | \$1,500 | \$1,638 | \$2,037 | \$2,114 | \$2,344 |
| Purchase accounting adjustments-net of tax <sup>2</sup> | 51      | 119     | 156     | 142     | 136     | 120     | 127     |
| Acquisition-related costs-net of tax <sup>3</sup>       | 7       | 50      | 36      | 19      | 10      | 4       | 7       |
| Certain significant items-net of tax <sup>4</sup>       | 263     | (72)    | 63      | 45      | 57      | 59      | (21)    |
| Adjusted net income attributable to Zoetis <sup>5</sup> | \$1,185 | \$1,525 | \$1,755 | \$1,844 | \$2,240 | \$2,297 | \$2,457 |

<sup>1</sup> As reported under U.S. generally accepted accounting principles (GAAP).

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

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

<sup>4</sup> 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.

<sup>5</sup> 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 GAAP To Non-GAAP Financial Measures

## Adjusted Net Income to Adjusted EBIT as a % of Revenue

| <i>(Dollars in millions)</i>                            | 2017       | 2018       | 2019       | 2020       | 2021       | 2022       | 2023       |
|---|------------|------------|------------|------------|------------|------------|------------|
| Adjusted Net Income attributable to Zoetis <sup>1</sup> | \$1,185    | \$1,525    | \$1,755    | \$1,844    | \$2,240    | \$2,297    | \$2,457    |
| Interest Expense <sup>2</sup>                           | 175        | 206        | 223        | 231        | 224        | 221        | 239        |
| Interest Income <sup>2</sup>                            | (13)       | (31)       | (37)       | (12)       | (6)        | (50)       | (103)      |
| Income Taxes <sup>2</sup>                               | 465        | 351        | 390        | 413        | 511        | 583        | 618        |
| Adjusted EBIT <sup>3</sup>                              | \$1,812    | \$2,051    | \$2,331    | \$2,476    | \$2,969    | \$3,051    | \$3,211    |
| <b>% of revenue<sup>4</sup></b>                         | <b>34%</b> | <b>35%</b> | <b>37%</b> | <b>37%</b> | <b>38%</b> | <b>38%</b> | <b>38%</b> |

<sup>1</sup> 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-related costs and certain significant items.

<sup>2</sup> As included in adjusted net income.

<sup>3</sup> 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).

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