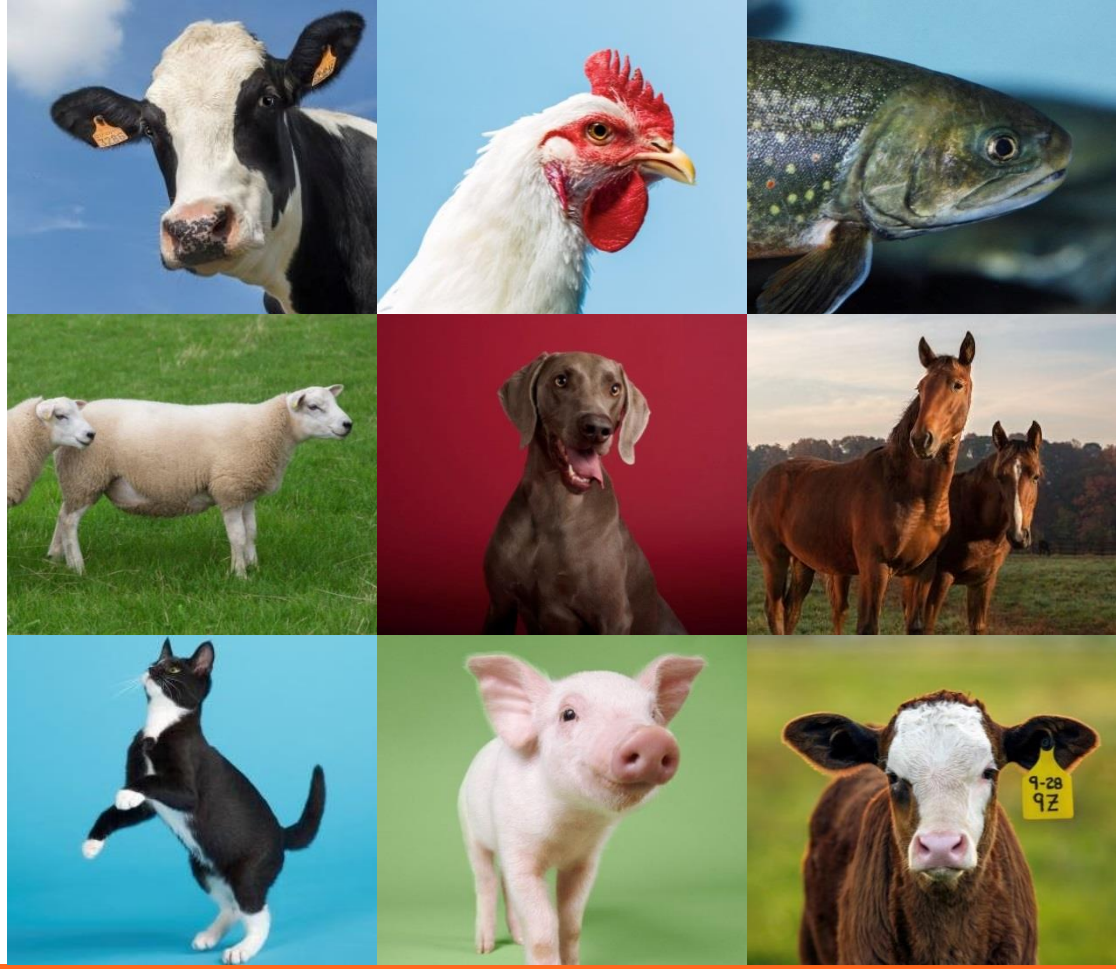
LEADING ANIMAL HEALTH ACROSS THE CONTINUUM OF CARE



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27 MANUFACTURING SITES

8 CORE ANIMAL SPECIES



$6.3 BILLION
ANNUAL REVENUE



APPROXIMATE R&D COLLEAGUES
1,100

300 APPROXIMATE NUMBER OF PRODUCT LINES

WE PROVIDE
- MEDICINES
- VACCINES
- DIAGNOSTICS
- GENETIC TESTS
- BIODEVICES
- PRECISION LIVESTOCK FARMING



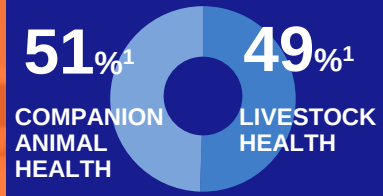
65+ YEARS OF EXPERIENCE

7 MAJOR PRODUCT CATEGORIES

MARKET PRESENCE IN
100+ COUNTRIES

APPROXIMATE COLLEAGUES WORLDWIDE
10,600

OUR FOCUS



3,200 APPROXIMATE FIELD FORCE MEMBERS

Note: Facts and figures shown are as of Dec. 31, 2019 | [1]Excludes revenue associated with Client Supply Services, which represented 1% of total 2019 revenue.

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ZOETIS VISION AND STRATEGY

VISION

REIMAGINING ANIMAL HEALTH

Across the Continuum of Care

STRATEGIC PRIORITIES

Drive Innovative Growth	Enhance Customer Experience	Lead in Digital and Data Analytics	Cultivate a High-performing Organization	Champion a Healthier, More Sustainable Future
FOCUS AREAS				
• Deliver innovative products across the continuum of care • Capitalize on emerging growth opportunities	• Provide personalized and integrated solutions that differentiate Zoetis • Make it easier and more valuable to do business with us	• Develop new digital and data analytics solutions for customers • Advance and scale internal digital and technology capabilities	• Drive operational excellence and agility • Attract, develop and retain top talent with a high-performing culture	• Promote a safe and sustainable global food supply and environment • Increase access to animal care globally

CORE BELIEFS

OUR COLLEAGUES MAKE THE DIFFERENCE | ALWAYS DO THE RIGHT THING | CUSTOMER OBSESSED | RUN IT LIKE YOU OWN IT | WE ARE ONE ZOETIS

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ZOETIS: LEADING ANIMAL HEALTH ACROSS THE CONTINUUM OF CARE

- **Global leader in an attractive 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%
OPERATIONAL REVENUE GROWTH[1]

+336%
TOTAL SHAREHOLDER RETURN SINCE IPO THOUGH DEC. 31, 2019[3]

45
COUNTRIES WITH DIRECT PRESENCE

~300
NUMBER OF PRODUCT LINES ACROSS 8 SPECIES

1,100+
NEW PRODUCTS & LIFECYCLE INNOVATIONS INTRODUCED IN THE LAST 5 YEARS

[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 total return between 2/1/13 (first day of ZTS trading) and 12/31/19; if the IPO date of 1/31/13 were used, TSR would be 420%. Calculation does not include reinvestment of dividends.

DIVERSE, DURABLE AND INNOVATIVE PORTFOLIO
DRIVEN BY CONTINUOUS PRODUCT AND LIFECYCLE INNOVATION

- **Broad** portfolio with **~300 product lines** across **8 species**
- **Leading** brands including **13 blockbusters**[1] representing **more than 1/3** of those in the industry
- **Diversified** revenue streams with top 10 products[2] accounting for **~40% of total revenue**
- **Durable** portfolio with average market life of top 24 product lines and products at **~29 years**[3]
- **Continuous innovation flow** with **1,100+ new products and lifecycle innovations** introduced in the last 5 years

13 BLOCKBUSTERS[1]

apoquel
Cerenia
CLAVAMOX
convenia
CYTOPOINT
Draxxin
EXCEDE EQUENEL SPECTRAMAST
(Ceftiofur® product line)
Fostera Gold PCV
SUVAXYN
ProHeart®
RIMADYL®
Simparica
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 2019.
[2] Top products each contribute at least 1% of total revenue
[3] Based on 2019 sales data. Market life refers to the number of years a product has been commercially available.

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DURABLE AND DIVERSE PORTFOLIO

PLANNING FOR A CONTINUOUS FLOW OF PRODUCTS



The average age of our top 24 products is approx. 29 years[1]

[1] *Based on 2019 sales data. Age refers to the number of years a product has been commercially available. Top products each contribute at least 1% of total revenue.*

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OUR COMPETITIVE ADVANTAGES

1. Leadership in Innovation
2. Direct Access to Customers
3. High Quality Manufacturing & Supply
4. Diverse Global Portfolio
5. Track Record of Execution
6. Results-Driven Culture
7. Financial Strength and Investment Focus



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INNOVATING ACROSS THE CONTINUUM OF CARE

Data
Analytics
& Sensors

Vaccines, Robotics
& Automation

Diagnostics



Genetics

Medicines

HIGH-QUALITY PRODUCTS, DELIVERED BY OUR WORLD-CLASS MANUFACTURING OPERATIONS

EXCELLENCE IN QUALITY

BREADTH OF EXPERTISE

RELIABLE SUPPLY

SPEED TO MARKET

COST/EFFICIENCY IMPROVEMENTS



NOTE: *Sites shown are as of Dec. 31, 2019*

WORLDWIDE MARKET LEADER

WELL-POSITIONED TO DRIVE CONTINUED ABOVE-MARKET GROWTH[1] ACROSS ANIMAL HEALTH

2019 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
Swine	#1	Medicated Feed Additives (MFA)	#2	Asia	#2
Fish[3]	#1	Vaccines (Biologicals)	#3	Eastern Europe	#2
Poultry	#3	Parasiticides	#4	Western Europe	#3
				Rest of World	#3

Market Leader in Species Representing ~90% of Our Portfolio by Revenue[4]

[1] Vetnosis 2020 Executive's Guide March 2020
[2] Includes pain, sedation, internal medicine, dermatology etc.
[3] Internal sales estimate based on distribution channels for FY 2019
[4] FY 2019

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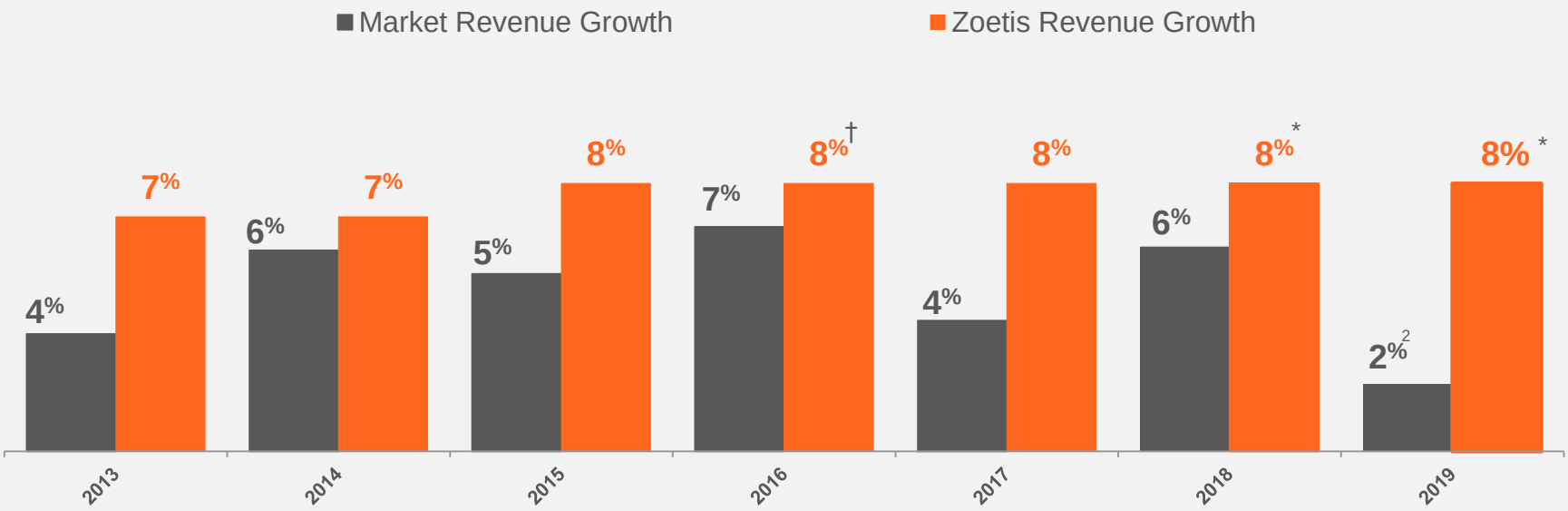
DELIVERING SUSTAINED ABOVE-MARKET OPERATIONAL REVENUE GROWTH

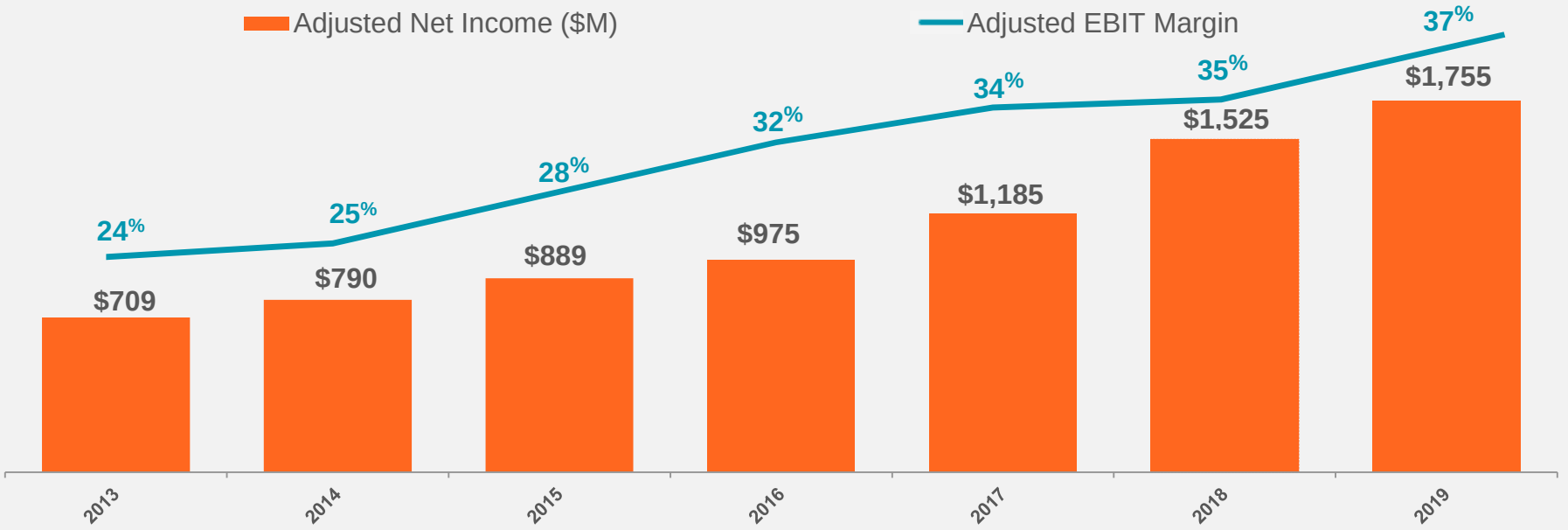
OPERATIONAL REVENUE GROWTH[1] *(VS. MARKET[2])*



[1] Operational revenue growth (a non-GAAP financial measure) excludes the impact of foreign exchange
[2] Vetnosis 2020 Executive's Guide March 2020
† Normalized organic operational growth (a non-GAAP financial measure) excludes the impact of foreign exchange, operational efficiency initiative and acquisitions
* Organic operational growth (a non-GAAP financial measure) excludes the impact of the acquisition of Abaxis, as well as foreign exchange; if included, Zoetis 2019 operational revenue growth is 10%.

MARGIN EXPANSION AND ADJUSTED NET INCOME GROWTH FASTER THAN REVENUE

ADJUSTED NET INCOME AND ADJUSTED EBIT MARGIN[1]



[1]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, includes interest expense net of capitalized interest, interest income and adjusted income taxes (a non-GAAP measure). Based on 2019 estimates.

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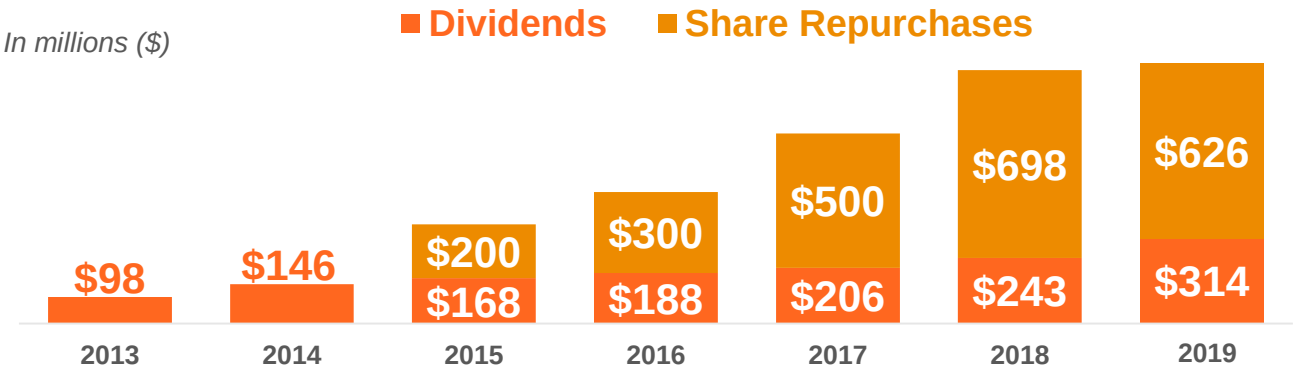
CAPITAL ALLOCATION FOCUSED ON DRIVING GROWTH AND SHAREHOLDER RETURNS

2019

~$455M[1] Adjusted R&D Investment + **~$460M** Capital Expenditures + **~$195M** Business Development = **~$1.1B**

INTERNAL & EXTERNAL INVESTMENTS

In millions ($)



~$940M

CAPITAL RETURNS TO SHAREHOLDERS

[1]Adjusted R&D investment 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.

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DELIVERING ON OUR LONG-TERM VALUE PROPOSITION TO SHAREHOLDERS



GROW REVENUE IN LINE WITH OR FASTER THAN THE MARKET



GROW ADJUSTED NET INCOME[1] FASTER THAN REVENUE



INVEST IN INNOVATION AND TARGETED GROWTH OPPORTUNITIES



RETURN EXCESS CAPITAL TO SHAREHOLDERS

[1]Adjusted Net Income is a non-GAAP measure and defined as the corresponding reported U.S. generally accepted accounting principles (GAAP) income statement line item, excluding purchase accounting adjustments, acquisition-related costs and certain significant items. The adjusted net income measure is not, and should not be, viewed as a substitute for U.S. GAAP reported net income attributable to Zoetis.

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ANIMAL HEALTH IS AN ATTRACTIVE MARKET WITH SUSTAINABLE GROWTH DRIVERS

$40+ BILLION ADDRESSABLE MARKET OPPORTUNITY[1]

ADDRESSABLE MARKET SEGMENTS

TRADITIONAL	EXPANDING
• Medicines[2] • Vaccines • Parasiticides • Medicated Feed Additives	• Diagnostics • BioDevices • Genetics • Precision Livestock Farming
4%-6% Annual Growth	**Double-Digit Annual Growth**

PREDICT → **PREVENT** → **DETECT** → **TREAT**

PREDICTABLE AND SUSTAINABLE GROWTH DRIVERS

- Growing global population
- Rising middle class
- Increasing humanization of pets
- Growing protein consumption
- Increasing demand for animal care across species

[1] Vetnosis Executive's Guide March 2020 and internal estimates
[2] Medicines includes Anti-Infectives and Other Pharma

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KEY TRENDS SHAPING THE FUTURE OF ANIMAL HEALTH

LIVESTOCK



Productivity and efficiency needs	Labor shortages	Precision livestock farming
Emerging infectious diseases	Environmental sustainability	Food safety and animal welfare

COMPANION ANIMALS



Humanization of pets	Specialty care	Pet owner engagement
New care delivery models	Innovative sales channels	Vet practice consolidation

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