



Phibro
ANIMAL HEALTH
CORPORATION

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Third Quarter - March 2015 Webcast and Conference Call May 12, 2015

Participant Dial-in Numbers

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Cautionary Statements

Forward-Looking Statements

This communication contains forward-looking statements, which reflect Phibro's current views with respect to business plans or prospects, future operating or financial performance, expectations regarding future use of cash and dividend payments, and other future events. You can identify forward-looking statements by the fact that they do not relate strictly to historical or current facts. These statements may include words such as "aim," "anticipate," "believe," "estimate," "expect," "forecast," "outlook," "potential," "project," "projection," "plan," "intend," "seek," "believe," "may," "could," "would," "will," "should," "can," "can have," "likely," the negatives thereof and other words and terms of similar meaning in connection with any discussion of the timing or nature of future operating or financial performance or other 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. Phibro 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 Annual Report on Form 10-K and our Quarterly Report on Form 10-Q, including in the sections thereof captioned "Forward-Looking Statements" and "Risk Factors." These filings and subsequent filings are available online at www.sec.gov, www.pahc.com, or on request from Phibro.

Non-GAAP Financial Information

Non-GAAP Financial Information: We use non-GAAP financial measures, such as adjusted EBITDA, adjusted net income and pro forma adjusted diluted earnings per share, to assess and analyze our operational results and trends and to make financial and operational decisions. Management uses adjusted EBITDA as its primary operating measure. We report Adjusted Net Income to portray the results of our operations prior to considering certain income statement elements. We report pro forma adjusted diluted earnings per share to reflect the pro forma effects of the IPO and refinancing on all periods presented. 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 communication should not be considered alternatives to measurements required by GAAP, such as net income, operating income, and earnings per share, 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 included in the tables accompanying this communication and/or our Annual Report on Form 10-K and our Quarterly Report on Form 10-Q.

Internet Posting of Information

We routinely post information that may be important to investors in the "Investors" section of our website at www.pahc.com. We encourage investors and potential investors to consult our website regularly for important information about us.



Participants

Jack Bendheim

Chairman, President, Chief Executive Officer

Richard Johnson

Chief Financial Officer



Overview

- Sales and earnings growth
 - Animal Health
 - Mineral Nutrition

Q3 Results – March 2015

- Consolidated sales +8%
 - +7% ex-licensing
 - Animal Health +9%
 - Mineral Nutrition +15%
 - Performance Products -18%
 - \$2 million final licensing milestone in Q3
- Gross profit +12%
 - +8% ex-licensing
- SG&A +5%
- Adjusted EBITDA +23%
 - +14% ex-licensing
- Adjusted diluted EPS of \$0.41

Consolidated					
For the three months ended March 31					
<i>(in millions, except per share)</i>	2015	2014	Change		
MFAs and other	\$ 83.4	\$ 81.4	\$ 2.0	2%	
Nutritional specialties	19.8	16.2	3.7	23%	
Vaccines	14.1	10.2	3.9	38%	
Animal Health	117.3	107.8	9.5	9%	
Mineral Nutrition	57.3	49.9	7.4	15%	
Performance Products	12.8	15.6	(2.7)	(18)%	
Net sales	187.5	173.3	14.2	8%	
Gross profit	59.1	52.8	6.3	12%	
<i>% of net sales</i>	31.5%	30.5%			
SG&A	37.3	35.5	1.8	5%	
<i>% of net sales</i>	19.9%	20.5%			
Adjusted EBITDA	\$ 27.5	\$ 22.4	\$ 5.1	23%	
<i>% of net sales</i>	14.7%	13.0%		+170bps	
Adjusted EPS	\$ 0.41	\$ 0.36	\$ 0.05	14%	

2014 adjusted EPS reflects the pro forma effects of the IPO and refinancing. Adjustments exclude intangible amortization expense, stock-based compensation expense and foreign currency gains or losses. Adjusted EPS reflects cash income taxes paid.

- Sales +9%
 - +7% ex-licensing
 - Largely volume growth
 - MFAs and other: U.S. and Latin America
 - Nutritional specialties: dairy focus in U.S.
 - Vaccines: volume growth; +19% ex-licensing; U.S. initiatives; small MJB benefit

- Adjusted EBITDA +16%

- +8% ex-licensing; 24.0% ebitda margin
- Gross profit growth primarily due to volumes and favorable production costs
- Moderate operating expense investment behind growth initiatives

Animal Health					
For the three months ended March 31					
	(in millions)	2015	2014	Change	
MFAs and other		\$ 83.4	\$ 81.4	\$ 2.0	2%
Nutritional specialties		19.8	16.2	3.7	23%
Vaccines		14.1	10.2	3.9	38%
Net sales		\$ 117.3	\$ 107.8	\$ 9.5	9%
Adjusted EBITDA		\$ 29.6	\$ 25.5	\$ 4.1	16%
	<i>% of segment net sales</i>	25.2%	23.7%		+150bps



Other Segments

- Mineral Nutrition
 - Primarily volume growth
 - Margins improved on increased demand
- Performance Products
 - Reduced industrial demand
- Corporate
 - Slight increase; steady run rate

For the three months ended March 31				
(in millions)	2015	2014	Change	
Mineral Nutrition				
Net sales	\$ 57.3	\$ 49.9	\$ 7.4	15%
Adjusted EBITDA	\$ 3.8	\$ 2.8	\$ 1.0	34%
<i>% of segment net sales</i>	6.6%	5.6%		+100bps
Performance Products				
Net sales	\$ 12.8	\$ 15.6	\$ (2.7)	(18)%
Adjusted EBITDA	\$ 1.0	\$ 0.9	\$ 0.1	10%
<i>% of segment net sales</i>	7.7%	5.8%		+190bps
Corporate				
Adjusted EBITDA	\$ (6.9)	\$ (6.8)	\$ (0.1)	*

* Calculation not meaningful



Capitalization and Capital Allocation

March 31, 2015

- 2.7x leverage ratio
 - \$288 million total debt
 - \$107 million LTM adjusted EBITDA
- \$21 million cash on hand
- \$6 million net cash flow before financing for the quarter
 - Funded \$10 million MJB transaction
- Financing activities
 - \$3.9 million quarterly dividend
 - \$1.3 million debt reduction and other, net
- Dividend declared
 - \$0.10 per common share
 - Payable June 24, 2015



Guidance

	Consolidated		
	For the years ended June 30		
	Guidance		
<i>(in millions, except per share)</i>	2015 Year	2014 Year	Change
Net sales	\$ 749 - \$ 754	\$ 692	8% - 9%
Adjusted EBITDA	\$ 109 - \$ 110	\$ 91	20% - 21%
Adjusted EPS	\$ 1.65 - \$ 1.67	\$ 1.22	35% - 37%

- For the balance of the year: (i) Animal Health slower growth rate as some ex-U.S. customers have delayed or reduced purchases due to the strong U.S. dollar and (ii) Mineral Nutrition net sales to be approximately even with last year, due to the overlap with strong net sales last year.
- 2015 year includes \$8 million milestone revenues and profit, including \$4 million originally expected in 2016. 2016 licensing revenue will be royalty based; expect less than \$1 million.



Questions and Answers



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