

Fourth Quarter and Fiscal Year June 2015 Webcast and Conference Call September 10, 2015

Participant Dial In Numbers:

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Cautionary Statement



Forward-Looking Statements

This communication contains forward-looking statements that are subject to risks and uncertainties. All statements other than statements of historical or current fact included in this report are forward-looking statements. Forward-looking statements discuss our current expectations and projections relating to our financial condition, results of operations, plans, objectives, -future performance and business. 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. 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, 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

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.

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

Q4 Results – June 2015



- Consolidated sales
 - Animal Health volume growth
 - Mineral Nutrition volume growth offset by lower selling prices
 - Performance Products volume declines
- Gross profit +12%
 - Volume growth, product mix, reduced manufacturing costs from currencies
- SG&A +\$4m, or 11%
 - Ex-insurance loss last year
 - Animal Health selling, marketing, development
- Adjusted EBITDA +12%
- Adjusted diluted EPS
 - Growth in adjusted EBITDA
 - Favorable timing of income taxes

Consolidated					
For the three months ended June 30					
(in millions, except per share)	2015	2014	Change		
MFAs and other	\$ 84.2	\$ 87.2	\$ (3.0)	(3)%	
Nutritional specialties	21.6	16.3	5.2	32%	
Vaccines	11.7	10.6	1.1	10%	
Animal Health	117.4	114.1	3.3	3%	
Mineral Nutrition	55.6	54.9	0.7	1%	
Performance Products	11.9	14.7	(2.8)	(19)%	
Net sales	185.0	183.7	1.3	1%	
Gross profit	60.8	54.3	6.6	12%	
% of net sales	32.9%	29.5%			
SG&A	39.9	41.2	(1.3)	(3)%	
% of net sales	21.6%	22.4%			
Adjusted EBITDA	\$ 27.0	\$ 24.2	\$ 2.8	12%	
% of net sales	14.6%	13.2%			+140bps
Adjusted EPS	\$ 0.44	\$ 0.22	\$ 0.22	100%	

2014 adjusted EPS reflects the pro forma effects of the IPO and refinancing. Adjustments exclude intangible amortization expense, acquisition-related accrued compensation, loss on insurance claim, foreign currency gains or losses and acquisition-related accrued interest. Adjusted EPS reflects cash income taxes paid.

Animal Health

- Sales + 3%
 - Largely volume growth
 - Nutritional specialties: dairy focus in U.S.
 - Vaccines: volume growth; including MJB products
 - MFAs and other: International volumes down

Animal Health				
For the three months ended June 30				
<i>(in millions)</i>	2015	2014	Change	
MFAs and other	\$ 84.2	\$ 87.2	\$ (3.0)	(3)%
Nutritional specialties	21.6	16.3	5.2	32%
Vaccines	11.7	10.6	1.1	10%
Net sales	\$ 117.4	\$ 114.1	\$ 3.3	3%
Adjusted EBITDA	\$ 29.9	\$ 26.1	\$ 3.7	14%
<i>% of segment net sales</i>	25.4%	22.9%		+250bps

- Adjusted EBITDA +14%
 - EBITDA margin + 250bps
 - Gross profit growth: volumes, product mix and favorable manufacturing costs
 - Operating expense investments

Other Segments

- Mineral Nutrition
 - Volume growth offset by reduced selling prices due to commodity markets
 - Maintained operating margin
- Performance Products
 - Reduced industrial demand
- Corporate

For the three months ended June 30				
(in millions)	2015	2014	Change	
Mineral Nutrition				
Net sales	\$ 55.6	\$ 54.9	\$ 0.7	1%
Adjusted EBITDA	\$ 3.4	\$ 3.5	\$ (0.1)	(2)%
<i>% of segment net sales</i>	6.2%	6.4%		-020bps
Performance Products				
Net sales	\$ 11.9	\$ 14.7	\$ (2.8)	(19)%
Adjusted EBITDA	\$ 0.5	\$ 1.5	\$ (1.1)	(70)%
<i>% of segment net sales</i>	3.8%	10.4%		-660bps
Corporate				
Adjusted EBITDA	\$ (6.7)	\$ (6.9)	\$ 0.2	*

* Calculation not meaningful

Fiscal Year – June 2015

- Consolidated sales
 - Animal Health volume growth and \$8m vaccine licensing milestone revenues
 - Mineral Nutrition primarily volume growth
 - Performance Products volume declines
- Gross profit +14%
 - Volume growth, product mix, vaccine licensing and reduced manufacturing costs from currencies
- SG&A +\$10m, or 7%
 - Ex-insurance loss last year
 - Animal Health selling, marketing, development
 - Public company increased costs
- Adjusted EBITDA +21%
 - +13% ex-vaccine licensing
- Adjusted diluted EPS
 - Growth in adjusted EBITDA

Consolidated				
For the years ended June 30				
<i>(in millions, except per share)</i>	2015	2014	Change	
MFAs and other	\$ 335.7	\$ 326.6	\$ 9.2	3%
Nutritional specialties	81.7	63.1	18.6	30%
Vaccines	53.4	41.4	11.9	29%
Animal Health	470.8	431.1	39.7	9%
Mineral Nutrition	227.1	201.6	25.5	13%
Performance Products	50.7	59.3	(8.6)	(14)%
Net sales	748.6	691.9	56.7	8%
Gross profit	236.4	207.8	28.6	14%
<i>% of net sales</i>	31.6%	30.0%		
SG&A	148.7	144.0	4.7	3%
<i>% of net sales</i>	19.9%	20.8%		
Adjusted EBITDA	\$ 110.0	\$ 90.6	\$ 19.4	21%
<i>% of net sales</i>	14.7%	13.1%		+160bps
Adjusted EPS	\$ 1.72	\$ 1.22	\$ 0.50	41%

2014 adjusted EPS reflects the pro forma effects of the IPO and refinancing. Adjustments exclude intangible amortization expense, acquisition-related accrued compensation, loss on insurance claim, foreign currency gains or losses and acquisition-related accrued interest. Adjusted EPS reflects cash income taxes paid.

Capitalization and Capital Allocation

June 30, 2015



- 2.6x leverage ratio
 - \$290 million total debt
 - \$110 million LTM adjusted EBITDA
- \$29 million cash on hand
- \$10 million net cash flow before financing for the quarter
 - After funding \$5 million acquisition activity
- Dividend
 - \$3.9 million quarterly dividend paid June 2015
 - \$3.9 million quarterly dividend to be paid September 2015

Guidance

Consolidated					
For the years ended June 30					
<i>(in millions, except per share)</i>	2016 Guidance	2015 ex-licensing	Growth ⁽¹⁾	2015 reported	Growth
Net sales	\$ 780 - \$ 800	\$ 741	5% - 8%	\$ 749	4% - 7%
Adjusted EBITDA	\$ 113 - \$ 117	\$ 102	11% - 15%	\$ 110	3% - 6%
ratio	14.5% 14.6%	13.8%	+70bps	14.7%	nm
Adjusted EPS	\$ 1.65 - \$ 1.75	\$ 1.52	9% - 15%	\$ 1.72	(4)% - 2%

⁽¹⁾ Excludes \$8 million of vaccine licensing milestone revenues and income included in the 2015 reported results

- Animal Health expected revenues +7% to +11%, most of the total growth. Nutritional specialties and vaccines expected to grow at double-digits; MFAs and other expected to grow in the mid-single digits. Mineral Nutrition revenues expected to grow in the low single digits. Performance Products revenues expected to decline slightly.

Guidance (cont'd)

- Operating margins expected to expand
 - Favorable business and product mix
 - Favorable currency benefits on manufacturing costs
 - Continuing improvements to operating leverage
- Quarterly results are expected to grow at similar rates as our full year expectations (ex- vaccine licensing)
 - Lower growth rates earlier in the year and increased growth rates later in the year
- We expect cash income taxes of \$13 – \$14 million
- Expect positive cash flows
 - Capital expenditures are expected to be approximately \$35 million
 - Any positive cash flow could support potential acquisition activity
- We realized the final \$8 million of vaccine licensing milestone revenues and income in fiscal year 2015. Beginning in fiscal year 2016 and for approximately a ten-year term, we will earn royalties based on a low single-digit percentage of the licensee's product sales utilizing the technology. The royalties are subject to annual minimums. We expect less than \$1 million in fiscal year 2016, primarily in the second half.

QUESTIONS AND ANSWERS



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