

Second Quarter 2025 Financial Results

August 5, 2025



zoetis

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, R&D costs; timing and likelihood of success; expectations regarding products, product approvals or products under development and expected timing of product launches; expectations regarding competing products; expectations regarding the timing and financial impact of divestitures; disruptions in our global supply chain; 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, dividend payments and share repurchases; foreign exchange rates, tax rate, tariffs 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 net income margin, adjusted EBITDA margin, adjusted diluted EPS, operational results (which excludes the impact of foreign exchange) and organic operational results (which exclude the impact of foreign exchange and certain acquisitions and divestitures), 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 and our other disclosures 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. Reconciliations of non-GAAP financial measures and the most directly comparable GAAP financial measures are available on the applicable slide or in the appendix to this presentation.

Presenters

Strategy and Business Update



Kristin Peck

Chief Executive Officer

Financial Performance



Wettey Joseph

Executive Vice President and Chief Financial Officer

Strong, Broad Based Q2 Performance

REVENUE

\$2.5B



8%

organic operational¹ YoY

4% Volume | 4% Price

ADJ. NET INCOME²

\$783M



10%

organic operational¹ YoY

ADJ. DILUTED EPS²

\$1.76



13%

organic operational¹ YoY

KEY HIGHLIGHTS

Strong growth across species and geographies, fueled by sustained demand for market-leading brands

Companion Animal portfolio grew 8% operationally,¹ driven by strong performance in Key Dermatology and Simparica franchise

Key Dermatology franchise grew 11% operationally³

Simparica franchise grew 17% operationally³

Livestock grew 6% on an organic operational basis¹ on stable long-term fundamentals and demand for our market leading solutions

Raising guidance based on strong first-half performance of 9% YTD growth on an organic operational basis¹

¹ Organic operational results (a non-GAAP financial measure) is defined as results excluding the impact of foreign exchange and certain acquisitions and divestitures.

² Adjusted net income and its components and adjusted diluted earnings per share (non-GAAP financial measures) are defined as reported net income and reported diluted earnings per share, excluding purchase accounting adjustments, acquisition and divestiture-related costs and certain significant items.

³ Operational results (a non-GAAP financial measure) is defined as results excluding the impact of foreign exchange

Advancements in Innovation



Simparica Trio®

Gained new label indications in Japan to prevent eyeworms and to prevent *Dipylidium caninum* (flea tapeworm) infections by killing *Ctenocephalides felis* vector fleas in treated dogs. With this approval, Simparica Trio is the only canine combination parasiticide indicated to prevent flea tapeworm infections, at the source, by killing vector fleas before transmission.



Solensia®

Received approval in South Korea for control of pain associated with osteoarthritis in cats.



Avian Influenza Vaccine, H5N2Subtype, Killed Virus

Received a conditional license in the U.S. for use in lactating dairy cattle.



Revolution® Plus

Received approval for an additional claim related to efficacy against *notoedres mangle* in Australia, and in the EU, received approval for an additional claim for the prevention of flea tapeworm infections by controlling fleas. The product also received approval in the Philippines.



Fostera® Gold PCV MH

Gained a new label claim in Brazil related to swine breeding herd safety and received approval in Australia for needle free administration to help prevent *Mycoplasma hyopneumoniae* and Porcine circovirus.



Suvaxyn® PRRS MLV

Received approval for needle-free microdose in the EU, a product that helps prevent porcine respiratory reproductive syndrome.

Second Quarter Segment Highlights

United States

U.S. SEGMENT REVENUE

\$1.4B

7% organic operational growth²
Year over Year (YOY)

U.S. COMPANION ANIMAL REVENUE

\$1.2B

9% growth YOY

U.S. LIVESTOCK REVENUE

\$0.2B

2% organic operational² decline
YOY

International

INT'L. SEGMENT REVENUE

\$1.1B

9% organic operational
growth² YOY

INT'L. COMPANION ANIMAL REVENUE

\$0.6B

8% operational growth¹ YOY

INT'L. LIVESTOCK REVENUE

\$0.5B

10% organic operational
growth² YOY

Reported to Organic Operational Results

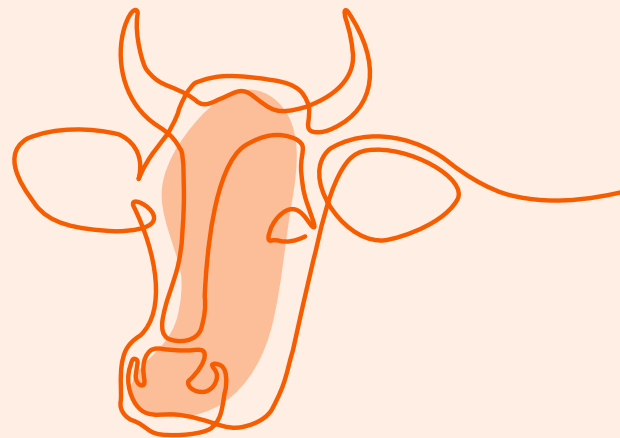
Understanding Second Quarter 2025 Underlying Results

	Second Quarter						
	2025	2024	Reported Change	Foreign Exchange	Operational ¹	Divestitures	Organic Operational ²
<i>(millions of dollars)</i>							
U.S.							
Companion animal	\$1,176	\$1,080	9%	—%	9%	—%	9%
Livestock	180	228	(21)%	—%	(21)%	(19)%	(2)%
	1,356	1,308	4%	—%	4%	(3)%	7%
International							
Companion animal	612	569	8%	—%	8%	—%	8%
Livestock	458	466	(2)%	(3)%	1%	(9)%	10%
	1,070	1,035	3%	(2)%	5%	(4)%	9%
Total							
Companion animal	1,788	1,649	8%	—%	8%	—%	8%
Livestock	638	694	(8)%	(2)%	(6)%	(12)%	6%
Contract manufacturing & human health	34	18	89%	(2)%	91%	—%	91%
	\$2,460	\$2,361	4%	(1)%	5%	(3)%	8%

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

² Organic operational results (a non-GAAP financial measure) excludes the impact of foreign exchange and divestitures.

Raising Our 2025 Outlook



Revenue

\$9,450M - \$9,600M

Prior guidance: \$9,425M - \$9,575M

Adj. Net Income¹

\$2,825M - \$2,875M

Prior guidance: \$2,775M - \$2,825M

Adj. Diluted EPS¹

\$6.30 - \$6.40

Prior guidance: \$6.20 - \$6.30

Organic Operational Growth²

6.5% - 8.0%

Revenue
Prior guidance: 6% - 8%

5.5% - 7.5%

Adj. Net Income¹
Prior guidance: 5% - 7%

Key Assumptions

Raise based on strong first-half performance and disciplined execution and cost management. Reflects currently enacted tariffs and assumptions on announced tariffs only.

Secular trends, including the human-animal bond and rising protein demand, continue to drive diverse growth across our portfolio.

Large untapped opportunity for our market-leading products, even with potential for new product entrants in the dermatology market in the 2nd half.

¹ Adjusted net income (ANI) and its components and adjusted diluted earnings per share (non-GAAP financial measures) are defined as reported net income and reported diluted earnings per share, excluding purchase accounting adjustments, acquisition and divestiture-related costs and certain significant items.

² Organic operational results (a non-GAAP financial measure) excludes the impact of foreign exchange and certain acquisitions and divestitures.

Simparica Franchise

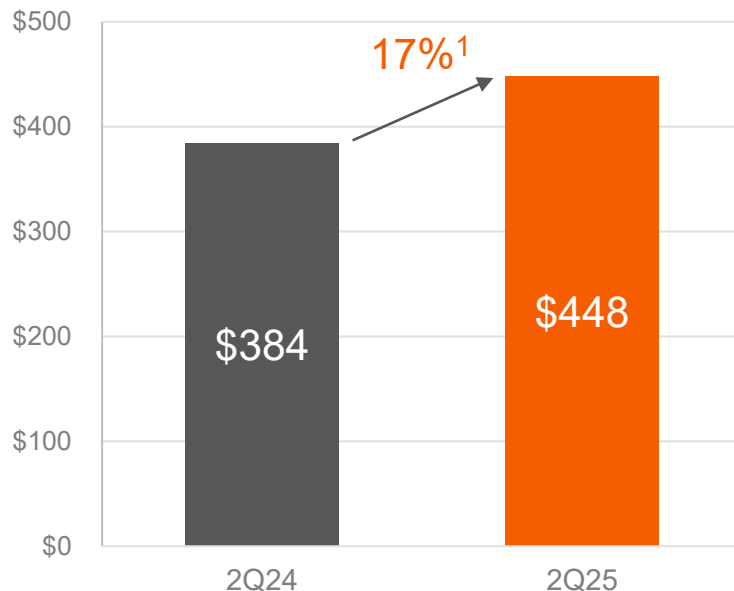
- Simparica franchise **grew 17%** operationally¹, fueled by ongoing shift toward triple-combinations, the fastest growing segment in animal health
- Growth propelled by **first-mover advantage**, strong **commercial relationships**, and **preferred position** with key veterinary partners
- Simparica Trio remains the **market-leading canine parasiticide in the U.S.**, and the trusted choice for vets and pet owners
 - Little to no patient share impact from competition in the U.S.
- Simparica and Simparica Trio were **the top-selling paras** in International markets
- Robust growth for both Simparica and Simparica Trio brands driving orals as the new standard of care in key international markets

Simparica Franchise Revenue

(Millions of dollars)



2Q Revenue YoY



Key Dermatology Franchise

- Key dermatology franchise **grew revenue 11% operationally**¹
- **Comprehensive and differentiated portfolio** offers unmatched flexibility for pet owners
- Growth in international markets the result of an **expanding patient base and better compliance**
- **Retail strategy** continues to drive growth and compliance across Apoquel brands, where Apoquel remains the **top-selling derm product** in retail in the U.S.
- **Continued execution on our conversion strategy** in preparation for competitive launches
- **20M medicalized dogs** worldwide remain untreated or under treated, signaling potential for continued market expansion, driven by new patient growth

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

Key Derm Franchise Revenue

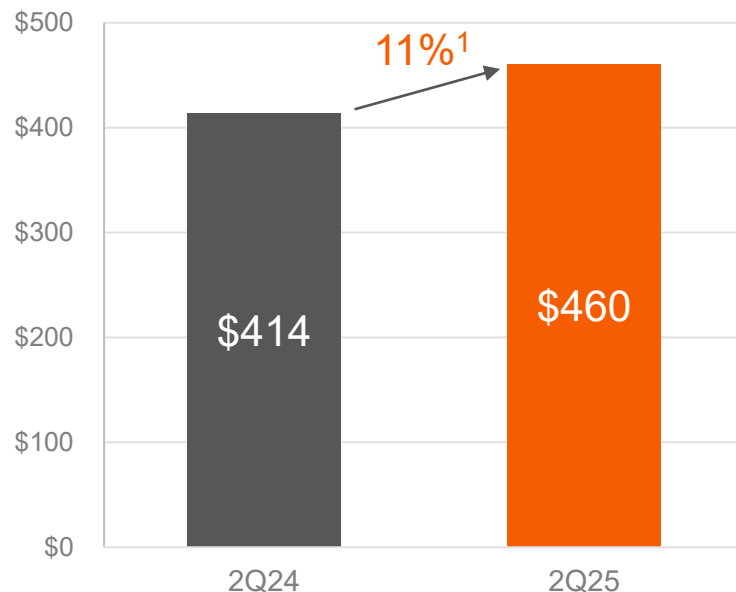
(Millions of dollars)

apoque^l
chewable
(oclacitinib chewable tablet)

apoque^l
oclacitinib

CYTOPOINT

2Q Revenue YoY



Osteoarthritis (OA) Pain mAb Franchise

- OA pain franchise revenue declined 4% operationally¹
- We continue to take deliberate steps to accelerate adoption by educating veterinarians and pet owners to ensure a clear understanding of the product benefit-risk profile
 - Expanding medical education for veterinarians
 - Investing in and planning to leverage post-launch studies
 - Engaging directly with pet owners to increase education
- More than 75% of U.S. patients – past and present – report being extremely or very satisfied with Librela
- We see significant potential for Librela and continue to be confident in its long-term potential

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

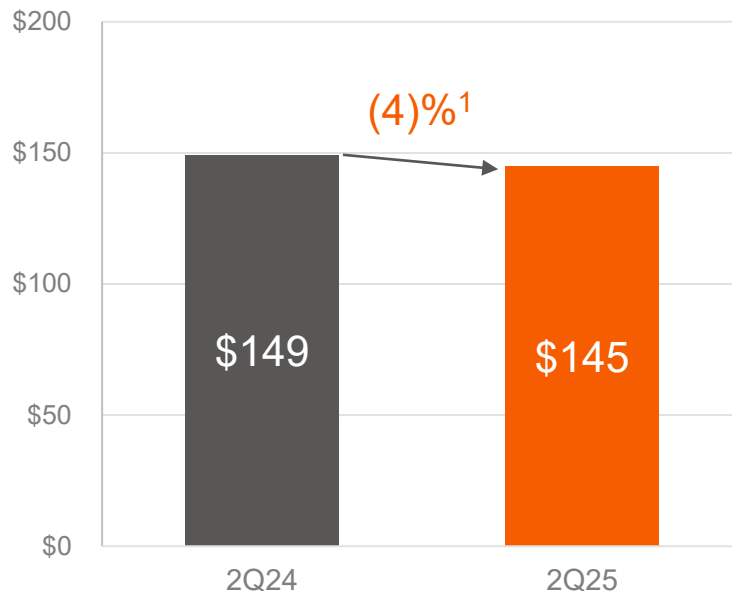
OA Pain mAb Franchise Revenue

(Millions of dollars)

Librela[®]
Bedinvetmab

Solensia[®]
Frunevetmab

2Q Revenue YoY



Livestock

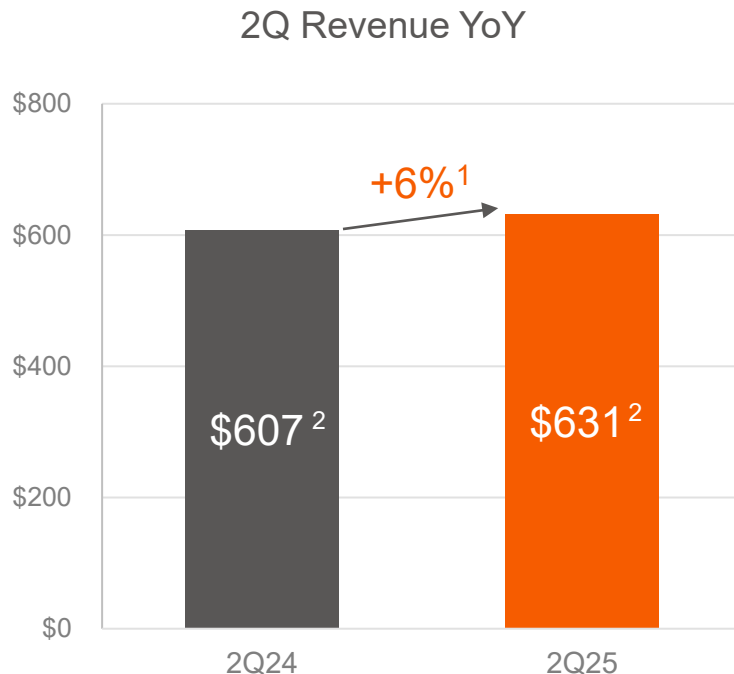
- Global livestock **revenue increased 6%** on an organic operational¹ basis in the second quarter
- **Outperforming** expectations for the first half of the year
 - Expect to outperform for the remainder of 2025
- **Five consecutive quarters of 5% plus** organic operational¹ growth
- **International livestock grew 10%** on an organic operational¹ basis
 - Strong performance across swine, fish, poultry and cattle
- Broader industry dynamics, including rising protein consumption, continue to reinforce the long-term fundamentals

¹ Organic operational results (a non-GAAP financial measure) excludes the impact of foreign exchange and divestitures.

² Livestock revenue shown excludes MFA revenue of \$87 million in 2Q24 and \$7M in 2Q25.

Livestock Revenue ex MFA

(Millions of dollars)



Financial Results and Guidance

Income Statement Highlights

	Second Quarter		
	2025	2024	Change
<i>(millions of dollars, except per share data)</i>			
Revenue	\$2,460	\$2,361	4%
Reported Net Income	718	624	15%
Reported Diluted Earnings Per Share	\$1.61	\$1.37	18%
Adjusted Net Income ¹	783	711	10%
Adjusted Diluted Earnings Per Share ¹	\$1.76	\$1.56	13%

¹ Adjusted net income and adjusted diluted earnings per share (non-GAAP financial measures) are defined as reported net income and reported diluted earnings per share, excluding purchase accounting adjustments, acquisition and divestiture-related costs and certain significant items.

Adjusted Income Statement Highlights

(millions of dollars)	Second Quarter				
	2025	2024	Change	Foreign Exchange	Operational ¹
Revenue	\$2,460	\$2,361	4%	(1)%	5%
Adjusted Cost of Sales ²	647	667	(3)%	(6)%	3%
as a percent of revenue ³	26.3%	28.3%	NA	NA	NA
Adjusted SG&A Expenses ²	605	578	5%	(1)%	6%
Adjusted R&D Expenses ²	171	171	—%	(1)%	1%
Adjusted Operating Expenses ⁴	781	753	4%	(1)%	5%
Effective Tax Rate on Adjusted Income ²	20.3%	20.1%	NA	NA	NA
Adjusted Net Income ²	\$783	\$711	10%	3%	7%

NA – Not applicable

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

² Adjusted net income and its components (non-GAAP financial measures) are defined as reported GAAP net income and its components, excluding purchase accounting adjustments, acquisition and divestiture-related costs and certain significant items. Adjusted cost of sales, adjusted selling, general and administrative (SG&A) expenses and adjusted research and development (R&D) expenses are income statement line items prepared on the same basis, and, therefore, components of the overall adjusted income measure. Effective tax rate on adjusted income (a non-GAAP financial measure) equals the adjusted provision for taxes on income (a non-GAAP financial measure) divided by adjusted income before provision for taxes on income (a non-GAAP financial measure).

³ Adjusted gross margin (a non-GAAP financial measure) was 73.7% in the second quarter of 2025 and 71.7% in the second quarter of 2024.

⁴ Adjusted operating expenses (a non-GAAP financial measure) of \$781 million in the second quarter of 2025 and \$753 million in the second quarter of 2024 includes adjusted amortization of intangible assets of \$5 million and \$4 million in the second quarter of 2025 and 2024, respectively.

U.S. Segment Performance

	Second Quarter		
	2025	2024	Change
<i>(millions of dollars)</i>			
Revenue	\$1,356	\$1,308	4%
Companion Animal	1,176	1,080	9%
Livestock	180	228	(21)%
Cost of Sales	208	232	(10)%
Gross Profit	1,148	1,076	7%
<i>Gross Margin</i>	84.7%	82.3%	NA
Operating Expenses	218	204	7%
Other (Income)/Deductions-net	—	—	**
Earnings ¹	\$930	\$872	7%

NA – Not applicable, **Calculation not meaningful

¹ Defined as income before provision for taxes on income.

International Segment Performance

(millions of dollars)	Second Quarter				
	2025	2024	Change	Foreign Exchange	Operational ¹
Revenue	\$1,070	\$1,035	3%	(2)%	5%
Companion Animal	612	569	8%	—%	8%
Livestock	458	466	(2)%	(3)%	1%
Cost of Sales	314	342	(8)%	(9)%	1%
Gross Profit	756	693	9%	2%	7%
Gross Margin	70.7%	67.0%	NA	NA	NA
Operating Expenses	173	175	(1)%	(3)%	2%
Other (Income)/Deductions-net	—	—	**	**	**
Earnings ²	\$583	\$518	13%	5%	8%

NA – Not applicable, **Calculation not meaningful

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

² Defined as income before provision for taxes on income.

International Segment Performance

(millions of dollars)	Second Quarter				
	2025	2024	Change	Foreign Exchange	Operational ¹
Total International	\$1,070	\$1,035	3%	(2)%	5%
Australia	83	83	—%	(4)%	4%
Brazil	93	99	(6)%	(11)%	5%
Canada	73	75	(3)%	(3)%	—%
Chile	36	31	16%	(3)%	19%
China	72	68	6%	—%	6%
France	33	34	(3)%	3%	(6)%
Germany	58	58	—%	1%	(1)%
Italy	38	36	6%	4%	2%
Japan	45	39	15%	5%	10%
Mexico	38	46	(17)%	(17)%	—%
Spain	37	33	12%	4%	8%
United Kingdom	77	73	5%	4%	1%
Other Developed Markets	162	138	17%	2%	15%
Other Emerging Markets	225	222	1%	(1)%	2%

¹ Operational results (a non-GAAP financial measure) excludes the impact of foreign exchange.
 Note: operational revenue results is not reflective of organic operational results.

Financial Guidance

Selected Line Items (millions of dollars, except per share amounts)	Full Year 2025 as of August 5, 2025	Full Year 2025 as of May 6, 2025 (Prior Guidance)
Revenue	\$9,450 to \$9,600	\$9,425 to \$9,575
<i>Organic operational growth¹</i>	6.5% to 8.0%	6% to 8%
Adjusted cost of sales as a percentage of revenue ²	Approximately 28.0%	Approximately 28.5%
Adjusted SG&A expenses ²	\$2,355 to \$2,405	\$2,340 to \$2,390
Adjusted R&D expenses ²	\$690 to \$700	\$690 to \$700
Adjusted interest expense and other (income)/deductions-net ²	Approximately \$170	Approximately \$180
Effective tax rate on adjusted income ²	Approximately 21%	Approximately 21%
Adjusted diluted EPS ²	\$6.30 to \$6.40	\$6.20 to \$6.30
Adjusted net income ² <i>Organic operational growth^{1,3}</i>	\$2,825 to \$2,875 5.5% to 7.5%	\$2,775 to \$2,825 5% to 7%
Certain significant items and acquisition and divestiture-related costs ⁴	Approximately \$75	Approximately \$45
Reported diluted EPS	\$5.90 to \$6.00	\$5.85 to \$5.95

The guidance reflects foreign exchange rates as of late July and includes the assumed impacts as a result of fluctuations in foreign exchange rates relative to the U.S. dollar compared to weighted average foreign exchange rates from 2024, as noted above.

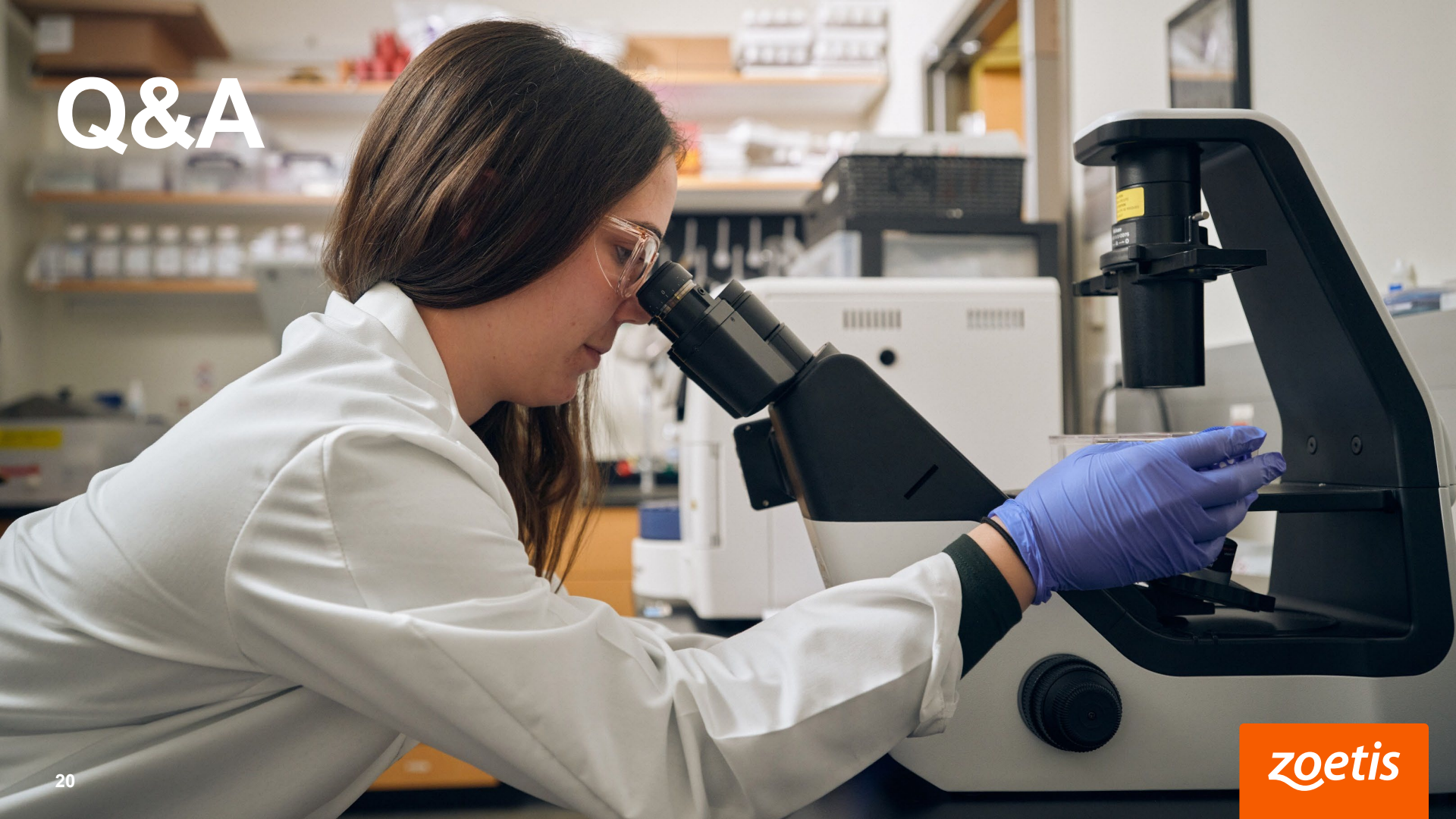
¹ Organic operational results (a non-GAAP financial measure) excludes the impact of foreign exchange and certain acquisitions and divestitures.

² Adjusted net income and its components and adjusted diluted EPS are defined as reported GAAP net income and its components and reported diluted EPS excluding purchase accounting adjustments, acquisition and divestiture-related costs and certain significant items. Adjusted cost of sales, adjusted selling, general and administrative (SG&A) expenses, adjusted research and development (R&D) expenses, and adjusted interest expense and other (income)/deductions-net are income statement line items prepared on the same basis, and, therefore, components of the overall adjusted income measure. Effective tax rate on adjusted income (a non-GAAP financial measure) equals the adjusted provision for taxes on income (a non-GAAP financial measure) divided by adjusted income before provision for taxes on income (a non-GAAP financial measure). Adjusted net income and its components, adjusted diluted EPS, and the effective tax rate on adjusted net income, are presented solely to permit investors to more fully understand how management assesses performance. Adjusted net income and its components and adjusted diluted EPS are not, and should not be viewed as, substitutes for U.S. GAAP net income and its components and diluted EPS.

³ We do not provide a reconciliation of forward-looking non-GAAP adjusted net income operational growth to the most directly comparable GAAP reported financial measure because we are unable to calculate with reasonable certainty the foreign exchange impact of unusual gains and losses, acquisition-related expenses, potential future asset impairments and other certain significant items, without unreasonable effort. The foreign exchange impacts of these items are uncertain, depend on various factors, and could have a material impact on GAAP reported results for the guidance period.

⁴ Primarily includes certain nonrecurring (income)/costs, net related to divestitures, acquisitions and other charges.

Q&A



Appendix



Reconciliation Of Reported Growth To Non-GAAP Financial Measures

(millions of dollars)	Second Quarter				
	2025	2024	Change	Foreign Exchange	Operational ¹
Revenue by Product Category					
Key Dermatology	\$460	\$414	11%	—%	11%
Key Dermatology (<i>international</i>)	153	131	17%	2%	15%
OA Pain mAbs	145	149	(3)%	1%	(4)%
OA Pain mAbs (<i>international</i>)	83	79	5%	1%	4%
Revenue by Product					
Simparica franchise	448	384	17%	—%	17%
Simparica franchise (<i>international</i>)	119	104	14%	(2)%	16%
Simparica (<i>international</i>)	64	59	8%	(4)%	12%
Simparica Trio	358	299	20%	—%	20%
Simparica Trio (<i>international</i>)	55	45	22%	—%	22%
Librela	109	116	(6)%	1%	(7)%
Librela (<i>international</i>)	64	63	2%	1%	1%
Solensia (<i>international</i>)	19	16	19%	2%	17%

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

Reconciliation Of GAAP To Non-GAAP Financial Measures

Reported Results to Organic Operational Results

(millions of dollars, except per share data)	Second Quarter						
	2025	2024	Change	Foreign Exchange	Operational ¹	Divestitures	Organic Operational ²
Adjusted net income	\$783	\$711	10%	3%	7%	(3)%	10%
Adjusted diluted EPS	1.76	1.56	13%	4%	9%	(4)%	13%

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

² Organic operational results (a non-GAAP financial measure) excludes the impact of foreign exchange and divestitures.

zoetis