

ANIMAL HEALTH PERSPECTIVES ON INNOVATION FOOD AND AGRICULTURE

Rob Kelly
President International Operations
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, expectations regarding products, future use of cash and dividend payments, tax rate and tax regimes, changes in the tax regimes and laws in other jurisdictions, expectations regarding business development transactions, 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 Annual Report on Form 10-K for the fiscal year ended December 31, 2017, including in the sections thereof captioned "Forward-Looking Information 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

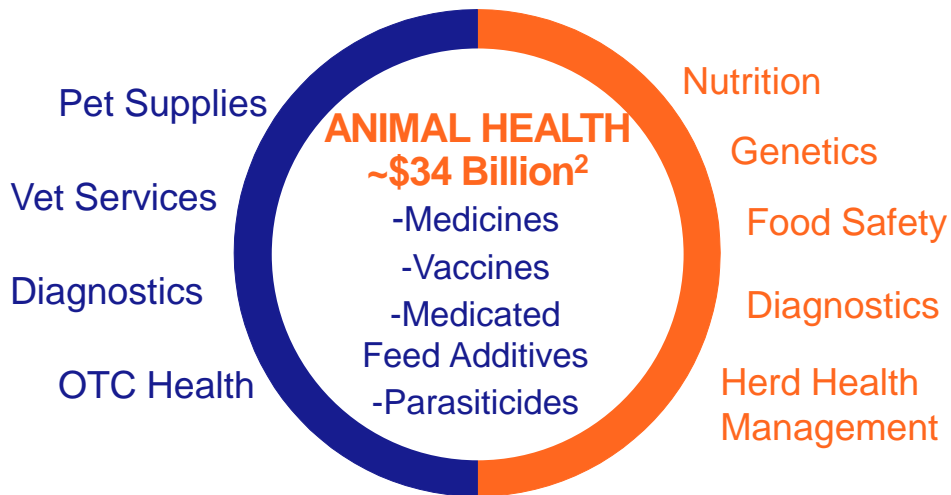
We use non-GAAP financial measures, such as adjusted net income, adjusted diluted earnings per share, operational results (which exclude the impact of foreign exchange), and free cash flow, to assess and analyze our operational results and trends and to make financial and operational decisions. We believe 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 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 our earnings release and are posted on our website at www.zoetis.com.

ANIMAL HEALTH INDUSTRY: STEADY, PREDICTABLE AND GROWING

AT THE CORE OF A
\$150+ BILLION¹ INDUSTRY

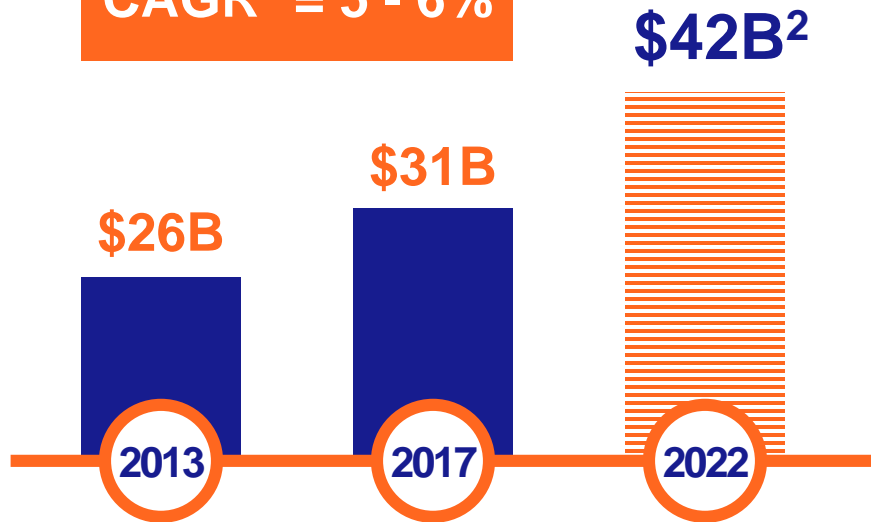
COMPANION ANIMALS

LIVESTOCK



ANIMAL HEALTH MARKET

CAGR³ = 5 - 6%



¹ Based on internal estimates

² Vetnosis 2018 forecast

³ Operational revenue growth is defined as revenue growth excluding the impact of foreign exchange

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THE WORLD DEPENDS ON ANIMALS

3 POWERFUL TRENDS CREATE A GROWING DEMAND FOR ANIMAL HEALTH



**POPULATION
GROWTH**



**A GROWING
MIDDLE CLASS**



**INCREASING
URBANIZATION**

A GROWING NEED FOR ANIMAL HEALTH

ESTIMATED RISE IN PET MEDICALIZATION¹ AND PROTEIN CONSUMPTION BY 2026

43M
more dogs
treated



18M
more cats
treated



9M
more horses
treated



12%
more meat²



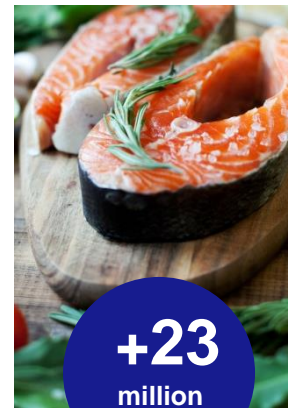
+37
million
tonnes

21%
more milk³



+171
million
tonnes

30%
more farmed fish⁴



+23
million
tonnes

Source: Vetnosis
¹Medicalization=CAGR of Treatable Units

Source: OECD Food & Agriculture Organisation, 2016-2026 projections
² Includes beef, veal, pork, poultry and sheep
³ Includes milk production for all dairy products
⁴ Farmed fish production

KEY TRENDS IN ANIMAL HEALTH

NEW OPPORTUNITIES FOR INNOVATION AND PARTNERSHIPS

1



Enhanced focus on
livestock productivity &
disease detection

2



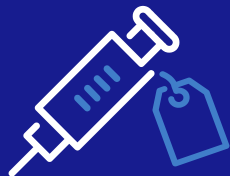
Continuing
customer evolution

3



Greater pet owner &
consumer influence

4



Rising value of innovation

5



Growth in
developing markets

6



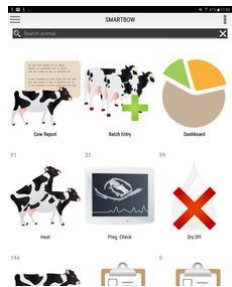
Data & digital
enablement

OUR CUSTOMERS ARE SEEKING INNOVATIVE DIGITAL SOLUTIONS TO MEET THEIR NEEDS



LIVESTOCK

Productivity, labor, regulatory and environmental pressures



Health tools



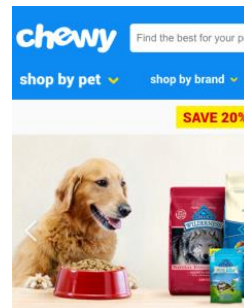
Workflow tools



Production tools



Telemedicine



eCommerce



Remote monitoring



COMPANION ANIMAL

Shifting channels and pet owner influence

INNOVATING ACROSS THE CONTINUUM OF CARE

PREDICT

PREVENT

DETECT

TREAT



GENETICS



VACCINES,
ROBOTICS &
AUTOMATION



DATA
ANALYTICS
& SENSORS



DIAGNOSTICS



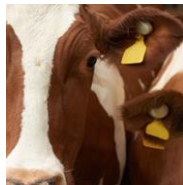
MEDICINES

INTERNAL CAPABILITIES COMPLEMENTED WITH EXTERNAL PARTNERSHIPS

EXAMPLE OF INTEGRATED APPROACH FOR DAIRY CATTLE



Effective vaccination & diagnostic test kits make it easier for farmers to work with their veterinarians to **prevent** and **detect** diseases

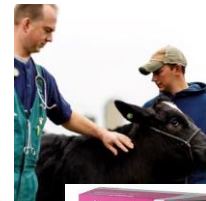


Radio frequency tags & data analytics for real-time localization, heat **detection** and health monitoring

SMARTBOW



Genetic testing to **predict** traits for good reproductive performance & health



Responsible use of antibiotics to **treat** post-partum infections



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