

**First Quarter
September 2016
Webcast and Conference Call
November 10, 2016**

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 Quarterly Report on Form 10-Q and 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 and adjusted net income, 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 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 Quarterly Report on Form 10-Q and 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

Q1 Results – September 2016



- Consolidated sales slight increase

- Animal Health volume growth
- Mineral Nutrition commodity pricing

- Gross profit +3%

- Favorable mix
- Volumes
- Lower material costs
- Improved operating efficiencies

- SG&A +5%

- +2% excluding \$1.3 million costs for unsuccessful acquisition evaluation and negotiation

- Adjusted EBITDA +8%

- Adjusted diluted EPS +6%

- Sales growth and improved gross profit ratio
- Partial offset by SG&A growth and higher effective income tax rate

	Consolidated					
	2016		2015		Change	
For the three months ended September 30	<i>(in millions, except per share amounts and percentages)</i>					
Animal Health	\$ 124.5	\$ 120.1	\$ 4.4	4%		
Mineral Nutrition	51.6	54.5	(2.9)	(5)%		
Performance Products	11.9	12.5	(0.6)	(5)%		
Net sales	\$ 188.0	\$ 187.1	\$ 0.9	0%		
Gross profit	61.0	59.2	1.8	3%		
<i>% of net sales</i>	<i>32.4%</i>	<i>31.6%</i>				
SG&A	39.2	37.3	1.8	5%		
<i>% of net sales</i>	<i>20.8%</i>	<i>20.0%</i>				
Adjusted EBITDA	\$ 29.8	\$ 27.7	\$ 2.1	8%		
<i>% of net sales</i>	<i>15.9%</i>	<i>14.8%</i>				<i>+110bps</i>
Adjusted diluted EPS	\$0.36	\$0.34	\$ 0.02	6%		

Adjustments exclude acquisition-related intangible amortization expense, acquisition-related accrued compensation, acquisition-related transaction costs, foreign currency gains or losses and acquisition-related accrued interest. The adjusted provision for income taxes includes the income tax effect of pre-tax income adjustments and the elimination of non-recurring or discrete items.

Animal Health



- Sales +4%
 - Volume growth
 - Nutritional specialties: U.S. dairy and poultry products
 - Vaccines: volume growth including MVP products
 - MFAs and other: declines in medically important antibacterials in the U.S.; domestic growth in other products; Brazil decline due to economic conditions; growth in other international regions
- Adjusted EBITDA +4%
 - Gross profit growth
 - Modest operating expense increase

For the three months ended September 30	Animal Health			
	2016	2015	Change	
	<i>(in millions, except percentages)</i>			
MFAs and other	\$ 83.4	\$ 85.5	\$ (2.1)	(2)%
Nutritional specialties	26.3	22.4	3.9	18%
Vaccines	14.8	12.2	2.5	21%
Net sales	\$124.5	\$ 120.1	\$ 4.4	4%
Adjusted EBITDA	\$ 32.6	\$ 31.5	\$ 1.1	4%
<i>% of segment net sales</i>	<i>26.2%</i>	<i>26.2%</i>		<i>+000bps</i>

Other Segments



- Mineral Nutrition
 - Stable volumes; lower commodity pricing
 - Operating margin up
- Performance Products
 - Operating improvement on favorable sales mix and production costs
- Corporate
 - Increased compensation and benefit costs

	For the three months ended			
	2016	2015	Change	
	September 30			
	<i>(in millions, except percentages)</i>			
Mineral Nutrition				
Net sales	\$ 51.6	\$ 54.5	\$ (2.9)	(5)%
Adjusted EBITDA	\$ 4.0	\$ 3.2	\$ 0.8	26%
<i>% of segment net sales</i>	<i>7.7%</i>	<i>5.8%</i>		<i>+190bps</i>
Performance Products				
Net sales	\$ 11.9	\$ 12.5	\$ (0.6)	(5)%
Adjusted EBITDA	\$ 0.7	\$ 0.1	\$ 0.7	763%
<i>% of segment net sales</i>	<i>6.2%</i>	<i>0.7%</i>		<i>+550bps</i>
Corporate				
Adjusted EBITDA	\$ (7.5)	\$ (7.0)	\$ (0.5)	*

* Calculation not meaningful

Capitalization and Capital Allocation

September 30, 2016



- 3.0x leverage ratio at September 30, 2016
 - \$345 million total debt
 - \$116 million LTM adjusted EBITDA
- \$37 million cash on hand at September 30, 2016
- Net cash flow before financing was a \$16 million source of cash in the September 2016 quarter
- Quarterly dividend of \$0.10 per common share
 - \$3.9 million paid September 2016
 - \$3.9 million to be paid December 2016

Guidance



	Consolidated		
	For the years ended June 30		
<i>(in millions, except per share)</i>	2017 Guidance	2016	Growth
Net sales - Animal Health segment	\$ 495 - \$ 510	\$ 486	2% - 5%
Net sales	\$ 750 - \$ 770	\$ 752	(0)% - 2%
Adjusted EBITDA	\$ 116 - \$ 120	\$ 114	2% - 5%
ratio	15.5% 15.6%	15.2%	+30bps
Adjusted EPS	\$ 1.38 - \$ 1.45	\$ 1.43	(3)% - 1%

- We have reaffirmed our financial guidance for the fiscal year 2017 as initially presented in our August 29, 2016 press release. The guidance is shown in detail on the schedule included with the press release.

QUESTIONS AND ANSWERS



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