PHIBRO ANIMAL HEALTH CORP
Form 424B4
April 14, 2014
TABLE OF CONTENTS
Filed Pursuant to Rule 424(b)(4)
Registration No. 333-194467
P R O S P E C T U S
12,745,392 Shares

Phibro Animal Health Corporation
Class A Common Stock

This is an initial public offering of shares of Class A common stock of Phibro Animal Health Corporation. We are offering 8,333,333 shares of our Class A common stock.
The selling stockholder is offering 4,412,059 shares of our Class A common stock. We will not receive any proceeds from the sale of shares by the selling stockholder.
Prior to this offering, there has been no public market for our Class A common stock. The initial public offering price per share of the Class A common stock will be $15.00. Our Class A common stock has been approved for listing on the NASDAQ Stock Market ("NASDAQ") under the symbol "PAHC." After the completion of this offering, certain of the holders of shares of our Class B common stock will hold interests representing a majority of our outstanding voting power. As a result, we will be a "controlled company" within the meaning of the corporate governance standards of NASDAQ.
Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.
We are an "emerging growth company," as that term is defined under the federal securities laws and, as such, may elect to comply with certain reduced public company reporting requirements.
Investing in our Class A common stock involves risks. See "Risk Factors" beginning on page 17.

	Per Share	Total
Price to public	$ 15.00	$ 191,180,880
Underwriting discounts (1)	$ 1.0125	$ 12,904,709
Proceeds, before expenses, to us	$ 13.9875	$ 116,562,495
Proceeds, before expenses to the selling stockholder	$ 13.9875	$ 61,713,675

(1)

- See also "Underwriting" beginning on page 151 for a full description of compensation in connection with this offering.

The underwriters have an option to purchase up to 1,911,808 additional shares from the selling stockholder at the initial public offering price, less the underwriting discount. The underwriters can exercise this option at any time and from time to time within 30 days from the date of this prospectus.
Delivery of the shares of Class A common stock will be made on or about April 16, 2014.

BofA Merrill Lynch	Morgan Stanley	Barclays
Guggenheim Securities	Macquarie Capital	Cantor Fitzgerald & Co.

The date of this prospectus is April 10, 2014.

TABLE OF CONTENTS

TABLE OF CONTENTS

	Page
PROSPECTUS SUMMARY	1
RISK FACTORS	17
FORWARD-LOOKING STATEMENTS	43
USE OF PROCEEDS	45
DIVIDEND POLICY	47
CAPITALIZATION	48
DILUTION	50
SELECTED CONSOLIDATED FINANCIAL AND OTHER DATA	52
MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS	56
BUSINESS	87
MANAGEMENT	119
EXECUTIVE COMPENSATION	125
PRINCIPAL AND SELLING STOCKHOLDERS	131
CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS	133
DESCRIPTION OF CERTAIN INDEBTEDNESS	135
DESCRIPTION OF CAPITAL STOCK	139
SHARES ELIGIBLE FOR FUTURE SALE	144
MATERIAL U.S. FEDERAL INCOME TAX CONSIDERATIONS FOR NON-U.S. HOLDERS	147
UNDERWRITING	151
LEGAL MATTERS	156
EXPERTS	156
WHERE YOU CAN FIND MORE INFORMATION	156
INDEX TO CONSOLIDATED FINANCIAL STATEMENTS	F-1

We have not and the underwriters have not authorized anyone to provide you with any information other than that contained in this prospectus or in any free writing prospectus prepared by or on behalf of us or to which we have referred you. We are offering to sell, and seeking offers to buy, shares of our common stock only in jurisdictions where such offers and sales are permitted. The information in this prospectus or any free writing prospectus is accurate only as of its date, regardless of its time of delivery or the time of any sale of shares of our common stock. Our business, financial condition, results of operations and prospects may have changed since that date.

TABLE OF CONTENTS

EMERGING GROWTH COMPANY STATUS

We are an “emerging growth company,” as defined in Section 2(a) of the Securities Act of 1933, or the Securities Act, as modified by the Jumpstart Our Business Startups Act of 2012 (the “JOBS Act”). As such, we are eligible to take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not “emerging growth companies.” These exemptions include, but are not limited to, not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act of 2002, as amended (“Section 404”), or the Sarbanes-Oxley Act, reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements, and exemptions from the requirements of holding a non-binding advisory vote on executive compensation and stockholder approval of any golden parachute payments not previously approved. We have not made a decision regarding whether to take advantage of all of these exemptions. If we do take advantage of any of these exemptions, we do not know if some investors will find our Class A common stock less attractive as a result. If some investors find our common stock less attractive, there may be a less active trading market for our Class A common stock and our stock price may be more volatile.

Pursuant to Section 102 of the JOBS Act, we have provided reduced executive compensation disclosure, including the elimination of compensation discussion and analysis.

In addition, Section 107 of the JOBS Act also provides that an “emerging growth company” can take advantage of the extended transition period provided in Section 7(a)(2)(B) of the Securities Act for complying with new or revised accounting standards. In other words, an emerging growth company can delay the adoption of certain accounting standards until those standards would otherwise apply to private companies. We intend to take advantage of the benefits of this extended transition period.

We could remain an emerging growth company for up to five years, or until the earliest of (a) the last day of the first fiscal year in which our annual gross revenues exceed $1 billion, (b) the date that we become a “large accelerated filer” as defined in Rule 12b-2 under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), which would occur if the market value of our Class A common stock that is held by non-affiliates exceeds $700 million as of the last business day of our most recently completed second fiscal quarter, or (c) the date on which we have issued more than $1 billion in non-convertible debt during the preceding three-year period.

MARKET, RANKING AND OTHER INDUSTRY DATA

Unless otherwise indicated, information contained in this prospectus concerning our industry and the markets in which we operate, including our general expectations and market position, market opportunity and market share, is based on information from Vetnosis Limited (“Vetnosis”), a research and consulting firm specializing in global animal health and veterinary medicine, and management estimates. Vetnosis is a leading provider of research products, commercial information and analysis of the global animal health sector. The information from Vetnosis contained in this prospectus was not prepared by Vetnosis on our behalf. Management estimates are derived from publicly available information, our knowledge of our industry and assumptions based on such information and knowledge, which we believe to be reasonable. We believe these estimates are reasonable as of the date of this prospectus, or if an earlier date is specified, as of such earlier date. However, this information may prove to be inaccurate because of the method by which we obtained some of the data for our estimates or because this information is subject to change and cannot always be verified due to limits on the availability and reliability of independent sources, the voluntary nature of the data gathering process and other limitations and uncertainties inherent in any statistical survey of market shares. In addition, purchasing patterns and consumer preferences can and do change. As a result, you should be aware that market share, ranking and other similar data set forth in this prospectus, and estimates and beliefs based on such data, may not be reliable.

TRADEMARKS, SERVICE MARKS AND TRADE NAMES

The following trademarks and service marks used throughout this prospectus belong to, are licensed to, or are otherwise used by us in our business: Stafac ®; Eskalin ™; V-Max ®; Terramycin ®; Neo-Terramycin ®; Neo-TM ™; TM-50 ®; TM-100 ™; Mecadox ®; Nicarb ®; Boviprol ™; Bloat Guard ®; Aviax ®; Aviax II ™; Aviax Plus ™; Cox Banminth ®; Cerditac ™; Cerdimix ™; Rumatel ®; OmniGen-AF ®; Animate ®; Procreatin 7 ®; NutrafitoPlus ™; Chr Provia 6086 ™; Safmannan ®; Biosaf ®; AB20 ®; Lactrol ®; and TAbic ®.

TABLE OF CONTENTS

PROSPECTUS SUMMARY

The following summary highlights information appearing elsewhere in this prospectus. This summary does not contain all of the information you should consider before investing in our Class A common stock. You should read this entire prospectus carefully. In particular, you should read the sections entitled "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the consolidated financial statements and the related notes thereto included elsewhere in this prospectus. Some of the statements in this prospectus constitute forward-looking statements. See "Forward-Looking Statements."

In this prospectus, unless the context requires otherwise, references to "PAHC" refer to Phibro Animal Health Corporation, the issuer of the Class A common stock offered hereby, and references to "the Company," "we," "our," or "us" refer to PAHC and, as appropriate in the context, its consolidated subsidiaries.

Our Company

Phibro Animal Health Corporation is one of the leading animal health companies in the world and is dedicated to helping meet the growing demand for animal protein. We are a global diversified animal health and mineral nutrition company. For nearly 40 years we have been committed to providing livestock producers with value-based products and solutions to help them maintain and enhance the health and productivity of their animals. We sell more than 1,100 product presentations in over 65 countries to approximately 2,850 customers. We develop, manufacture and market products for a broad range of food animals including poultry, swine, beef and dairy cattle and aquaculture. Our products help prevent, control and treat diseases, enhance nutrition to help improve health and performance and contribute to balanced mineral nutrition.

We believe we are the only global company with an animal health business that concentrates exclusively on animals for human consumption and are one of the few global companies offering a comprehensive range of animal health and mineral nutrition products. We believe our key products such as Stafac ®, Nicarb ®, and OmniGen-AF ® ("OmniGen") enjoy strong brand name recognition and customer loyalty in the markets we serve. We believe our vaccines are recognized as a standard in efficacy against highly virulent disease challenges and our patented TAbic ® vaccine delivery technology provides superior convenience and logistical benefits over conventional glass bottles. The foundation of our product portfolio is based on several key proprietary molecules and formulations that are supported by additional complementary products, which help address important customer needs. As an example of our portfolio depth, we believe over 5.4 billion of the 8.5 billion broiler chickens produced in the United States in 2012 received at least one of our products.

We are further differentiated by our team of highly trained and dedicated professionals who provide technical service and support for our products and offer practical solutions to our customers. Within our Animal Health and Mineral Nutrition segments, utilizing both our sales, marketing and technical support organization of approximately 225 employees and a broad distribution network, we market our portfolio of more than 1,000 product presentations to livestock producers and veterinarians in over 65 countries. Technical support and research is an important aspect of our overall sales effort. Our global reach allows us to connect with key global customers at their corporate, regional and local decision-making levels, and we are implementing a strategy for working with our customers with the broadest and most complex needs by assigning a key account manager to have global responsibility for leading our sales, service, product supply and strategic relationship commitments to these customers (our "Global Key Account Strategy"). We believe our close contact with customers provides us with an in-depth understanding of their businesses and allows us to identify and develop products to address unmet customer needs, anticipate emerging trends and establish ourselves as trusted advisors to our customers.

We have focused our efforts in high value geographies (regions where the majority of livestock production is consolidated in large commercial farms) such as the United States, Brazil, China, Russia, Mexico, Australia, Turkey, Israel, Canada and Europe, and we believe we are well positioned to further accelerate our growth with our established network of sales, marketing and distribution professionals in emerging markets in Latin America, Asia Pacific, Europe and Africa.

TABLE OF CONTENTS

In addition to animal health and mineral nutrition products, we manufacture and market specific ingredients for use in the personal care, automotive, industrial chemical and chemical catalyst industries.

For the fiscal year ended June 30, 2013, our net sales were \$653.2 million, our net income was \$24.9 million and our Adjusted EBITDA was \$75.8 million. For the six months ended December 31, 2013, our net sales were \$335.0 million, our net income was \$8.1 million and our Adjusted EBITDA was \$43.9 million. Our revenue stream is well-balanced and diversified by product, geography and customers, and our largest single customer (a distributor) represented approximately 8% of net sales for fiscal year 2013. We manage our business in three segments—Animal Health, Mineral Nutrition and Performance Products—each with its own dedicated management and sales team, for enhanced focus and accountability. Our Animal Health business contributed 59% of our net sales and 85% of our Adjusted EBITDA (excluding unallocated corporate costs) for fiscal year 2013, and we expect Animal Health will continue to be the key driver of our future growth. Our Mineral Nutrition business contributed 31% of our net sales and 12% of our Adjusted EBITDA (excluding unallocated corporate costs) for fiscal year 2013. Our Performance Products business contributed 10% of our net sales and 3% of our Adjusted EBITDA (excluding unallocated corporate costs) for fiscal year 2013. See “Summary Consolidated Financial and Other Data” for a reconciliation of Adjusted EBITDA to net income.

Animal Health Industry

The global livestock animal health sector represented approximately \$13.3 billion of sales in 2012, or approximately 60% of the global animal health medicines and vaccines market. Vetnosis projects the global livestock animal health market to grow at a compound annual rate of 6% between 2012 and 2017. We believe this growth will be driven by:

- global demographic trends such as population growth and increasing standards of living. As the global population continues to grow in size and improve in standard of living, it is forecast that people will consume an increasing amount of animal protein and dairy, both in the aggregate and on a per capita basis;
- increasingly scarce natural resources, such as water and arable land to support livestock, driving a need for improved efficiency of livestock producers;
- significant pressure on producers to improve productivity while navigating heightened food safety and biosecurity regulations; and
- changing producer dynamics as food supply becomes increasingly global. Producers in many of the largest emerging market countries are not able to meet the rapid growth in local demand, leading to increased global trade in protein, increased sophistication of producers and migration towards industrial scale production.

These factors put increasing economic and other pressures on producers to raise larger numbers of animals together, which in turn, increases bacterial and other disease pressures.

There is considerable scientific and regulatory debate concerning whether the use of antibiotics in livestock can increase the risk to humans who consume meat potentially containing antibiotic-resistant organisms. For example, the United States Food and Drug Administration (the “FDA”) recently announced a plan to help phase out the use of medically important antibiotics in livestock feed for growth promotion and/or feed efficiency purposes. However, the recent FDA guidance provides for continued use of antibiotics in food-producing animals for treatment, control and prevention of disease under the supervision of a veterinarian. We believe most rigorous analyses have shown that, when used properly, these products create little to no risk for humans. Furthermore, this risk must be balanced against the benefits of permitting the use of antibiotics in animals, which we believe include the prevention, control and treatment of disease for animal welfare, the preservation of scarce natural resources to reduce the impact of agriculture on the environment, the safety and sustainability of the food supply and the need to feed the world's growing population.

Business Segments

We believe our business is uniquely positioned to capitalize on both the local and global trends outlined. We manage our business in three segments—Animal Health, Mineral Nutrition and Performance Products.

TABLE OF CONTENTS

- Animal Health (Fiscal Year 2013 net sales of $384.9 million). Our Animal Health business develops, manufactures and markets more than 550 product presentations, including:

- antibacterials, which inhibit the growth of pathogenic bacteria that cause bacterial infections in animals; anticoccidials, which inhibit the growth of coccidia (parasites) that damage the intestinal tract of animals; and related products (medicinal feed additives (“MFAs”) and Other);

- nutritional specialty products, which enhance nutrition to help improve health and performance (Nutritional Specialties); and

- vaccines, which cause an increase in antibody levels against a specific virus or bacterium, thus preventing infection from viral or bacterial antigens (Vaccines).

- We believe the costs of our products are small relative to other livestock production costs, including feed, and offer high return on investments by improving overall animal health, resulting in improved production yields and economic outcomes for producers.

- Mineral Nutrition (Fiscal Year 2013 net sales of $203.2 million). Our Mineral Nutrition business manufactures and markets more than 450 formulations and concentrations of trace minerals such as zinc, manganese, copper, iron and other compounds, with a focus on customers in North America. Our customers use these products to fortify the daily feed requirements of their livestock diets and maintain an optimal balance of trace elements in their animals. Volume growth in the mineral nutrition sector is primarily driven by livestock production numbers, while pricing is based on costs of the underlying minerals.

- Performance Products (Fiscal Year 2013 net sales of $65.0 million). Our Performance Products business manufactures and markets a number of specialty ingredients for use in the personal care, automotive, industrial chemical and chemical catalyst industries, predominantly in the United States.

Competitive Strengths

We believe the following strengths create sustainable competitive advantages that will enable us to continue our growth as a leader in our industry:

- Products Aligned with Need for Increased Protein Production. Our key Animal Health products, including our MFAs, vaccines and nutritional specialty products, help prevent and manage disease outbreaks and enhance nutrition to help support natural defenses against diseases. These products are often critical to our customers' efficient production of healthy animals. As an example, our nutritional product offerings like OmniGen are used increasingly in the global dairy industry. In the United States, we estimate approximately 20% of the total 9 million dairy cow herd receive OmniGen.

•

- Global Presence with Existing Infrastructure in Key High-Growth Markets. We have an established direct presence in many important emerging markets, and we believe we are a leader in many of the emerging markets in which we operate. Our existing operations in 14 countries and established sales, marketing and distribution network in over 65 countries, provide us with opportunities to take advantage of global growth opportunities. Outside of the United States, our global footprint reaches to key high growth regions (regions where the livestock production growth rate is expected to be higher than the average global growth rate) including Brazil and other countries in South America, China, India and Asia/Pacific, Russia and former members of the Commonwealth of Independent States ("CIS") countries, Mexico, Turkey, Australia, Canada and South Africa and other countries in Africa. We are planning to establish additional sales and technical offices in key developing regions such as Latin America and Asia, where protein consumption is expected to nearly double by 2050. Our operations in countries outside of the United States contributed approximately 37% of our revenues for the year ended June 30, 2013. According to an IMS Industry Market Survey, we were the fastest growing animal health company in Brazil in 2012.

TABLE OF CONTENTS

- Leading Positions in High Growth Sub-sectors of the Animal Health Market. We are a global leader in the development, manufacture and commercialization of MFA products for the animal health market, a sector that, according to Vetnosis, is projected to grow at a compound annual rate of approximately 5.3% between 2012 and 2017. Measured by revenues, we were the 3rd largest business in the MFA sector in 2012. We believe we are well positioned in the fastest growing food animal species segments of the animal health market with significant presence in poultry and swine, which are projected by Vetnosis to grow globally at compound annual rates between 2012 and 2017 of 6.2% and 6.6%, respectively.

- Diversified and Complementary Product Portfolio with Strong Brand Name Recognition. We market products across the three largest livestock species (poultry, cattle and swine) and the major product categories (MFAs, vaccines and nutritional specialty products). We believe our diversity of species and product categories enhances our sales mix and lowers our sales concentration risk. The complementary nature of our Animal Health and Mineral Nutrition portfolio provides us with unique cross-selling opportunities that can be used to gain access to new customers or deepen our relationships with existing customers. We believe we have strong brand name recognition for Phibro and our Animal Health and Mineral Nutrition products.

- Experienced Sales Force and Technical Support Staff with Strong, Consultative Customer Relationships. Within our Animal Health and Mineral Nutrition segments, utilizing both sales, marketing and technical support organization of approximately 225 employees and a broad distribution network, we market our portfolio of more than 1,000 product presentations to livestock producers and veterinarians in over 65 countries. We interact with customers at both their corporate and operating levels, which we believe allows us to develop an in-depth understanding of their needs, and are implementing a Global Key Account Strategy for working with our customers with the broadest and most complex needs. We believe our frequent and close interactions with our customers help us to establish a trusted advisor relationship. We believe the challenges facing our customers will continue to evolve as commercial agricultural food production continues to grow. We believe our strong customer relationships will put us in a position to introduce new products and applications that best address our customers' still unmet or emerging needs.

- Products That Make Important Contributions to Our Customers' Success. We believe our products are critical to the health and performance of our customers' livestock, and typically represent a relatively small percentage of their total end-product cost. We believe many livestock producers target at least $3 of expected savings for every $1 spent on animal health products. Our customers' data collection systems are generally sophisticated and are able to measure multiple inputs and results and translate those results into the economic benefit provided. For example, an ongoing project involving studies at 427 dairies in the United States with more than 270,000 cows demonstrated that using our OmniGen-AF nutritional specialty product resulted in a 23% reduction in total herd death loss and significant reductions in cows delivered to the hospital pen, as well as reductions in cases of ketosis, mastitis, metritis and retained fetal membrane. The studies also showed use of OmniGen resulted in increased milk production and higher quality milk, as measured by a decrease in somatic cell count (a standard measure of milk quality). These effects result in significant economic benefits to the producers. Despite their meaningful benefits in animal health outcomes and producer economics, our products typically represent a small portion of total animal production costs. As such, we believe our products represent a key component of value creation for our customers.

•

- Experienced, Committed Employees and Management Team. We have a diverse and highly skilled team of animal health professionals, including technical and field service personnel located in key countries throughout the world. These individuals have extensive field experience and are vital to helping us maintain and grow our business. Our field team consists of more than 180 people, a substantial portion of whom have more than 20 years of experience in the animal health industry and many of whom have been with us for more than 10 years. We have a strong management team with a proven track record of success at both the corporate and operating levels. The executive management team has diverse backgrounds and an average of approximately 17 years of experience in the animal health industry.

- Track Record of Growth and Significant Cash Flow Generation. Over the past three years, we have demonstrated an ability to grow our revenues and to grow our profitability at a rate that meaningfully exceeds our revenue growth. Our total net sales and Adjusted EBITDA grew at compound annual growth rates ("CAGRs") of 2.8% and 14.4%, respectively, from fiscal year 2011 to fiscal year 2013. Our Adjusted EBITDA margin improved 220 basis points ("bps"), growing from 9.4% in fiscal year 2011 to 11.6% in fiscal year 2013. Our Animal Health segment was the principal driver of the strong growth and margin expansion. Animal Health net sales and Adjusted EBITDA grew at CAGRs of 5.6% and 17.5%, respectively, from fiscal year 2011 to fiscal year 2013. Animal Health's Adjusted EBITDA margin improved 420 bps, growing from 17.4% in fiscal year 2011 to 21.6% in fiscal year 2013. See "Summary Consolidated Financial and Other Data" for a reconciliation of Adjusted EBITDA to net income.

Growth Strategies

We are committed to maintaining the health of animals and bringing solutions to our customers who raise and care for them. We intend to continue to grow our business by pursuing the following core strategies:

- Continue Our Expansion into High-Growth Emerging Markets. We believe our global presence and existing infrastructure puts us in a strong position to take advantage of the rise in global demand for animal protein. Key drivers of revenue expansion for our MFA product line stem from industry growth trends in emerging markets, including protein demand growth and producer demand for effective and sophisticated products to manage their production. We believe the rapid growth of protein consumption in emerging markets will present us with opportunities to gain new customers and expand our relationships with our existing customers. Furthermore, we believe consolidation and greater sophistication of livestock producers in emerging markets will drive adoption of our products as producers seek to achieve greater benefits of scale and technology. In addition to implementation of our Global Key Account Strategy, we plan to expand our local sales teams to enable us to introduce a greater number of products and increase our sales penetration. We believe our local sales teams will facilitate enhanced and frequent customer interaction and will allow us to more efficiently develop new products and applications in response to the needs of our customers.

- Leverage Proprietary Vaccine Technologies to Increase Sales in Poultry. We have developed TAbic ®, an innovative and proprietary delivery platform for vaccines. TAbic ® is a patented platform technology for formulation and delivery of vaccines in effervescent tablets, packaged in sealed aluminum blister packages. The technology replaces the conventional glass bottles commonly used today and offers significant advantages, including transport and storage requirements, customer handling and disposal. We believe that we are well-positioned to increase vaccine sales in key emerging markets such as Brazil and other countries in South America, China, India and Asia/Pacific, Europe, Russia and former CIS countries, Mexico, Turkey, Australia, Israel, and South Africa and other countries in Africa. We recently were named the exclusive distributor of Epitopix's autogenous vaccines for chickens in the United States, which contain proprietary Sideophore Receptors and Porins (SRP ®) technology and provide us entry into the United States vaccine business.

•

- Continue Our Growth of Nutritional Specialties, Including Cross-Selling with Other Products in Our Animal Health and Mineral Nutrition Portfolio. We estimate OmniGen has achieved over 20% penetration into the total 9 million U.S. dairy cow herd and is poised for additional U.S. growth. We have in the last year launched OmniGen in several European countries and Brazil, focused on our target segment of progressive industrial producers (industrial producers who practice modern dairy production techniques) representing approximately 15 million dairy cows in Europe and almost 2 million dairy cows in Brazil. In the rapidly growing progressive

TABLE OF CONTENTS

industrial dairy segment in China, which has approximately 5 million dairy cows, we are working on obtaining regulatory approval for OmniGen. We believe we can leverage our MFAs and Vaccine businesses to drive increased sales of OmniGen, Animate ® and other nutritional specialty products in the United States, European, Brazilian, Chinese and other high growth dairy markets. In addition, in the U.S. we have successfully leveraged our significant presence to market our innovative Animal Health products to the same customers that buy our Mineral Nutrition products. Our sales professionals already employ these cross-selling techniques and we believe there is opportunity to further leverage these relationships and increase our sales penetration across all of our product categories.

- Transition to a Direct Sales Model in Key Markets. We believe our historical direct sales model in the United States and other countries has helped us gain high penetration and provides us with a superior return on investment compared with the use of third party distributors. We believe direct interactions help us better support and educate our customers regarding disease awareness, which in turn encourages them to adopt new and more sophisticated animal health solutions, including the use of our MFAs, vaccines and nutritional specialty products. In addition, this model enables us to have direct involvement with the regulatory approval process in these countries, which in our experience has allowed us to be more successful in obtaining regulatory approvals on a more timely basis. In countries such as Brazil, China, Turkey and South Africa, we have also successfully completed the transition to a direct sales and/or demand creation and service model where the increasing breadth of our product portfolio has made it economically attractive. Over time, we plan to transition to a direct sales and technical service model in a number of emerging markets for our Animal Health business.

- Enhance Gross Profit through Product Mix and Recent Investments in Manufacturing Capacity. Our Animal Health segment has higher gross profit margins than the Mineral Nutrition and Performance Products segments. We expect our Animal Health segment will continue to grow faster than the Mineral Nutrition and Performance Products segments, which will lead to further opportunities for margin expansion. Our recent capital expenditure program has reduced our manufacturing costs for proprietary products and substantially expanded our manufacturing capacity. We believe our manufacturing capacity will allow us to enter new market segments at attractive margins where other higher-cost animal health companies will be at a competitive disadvantage.

- Deliver New Product Innovation Through Focused Research & Development Investment. We will continue to invest in research and development (“R&D”) to deliver innovation and to create further uses and applications for our products. We will also continue to invest in our pipeline of product development initiatives to support the growth of our Animal Health products including new indications for use of our existing products in current and additional species.

- Remain a Partner of Choice for New Products and Technologies. In addition to in-house development, we believe we are well positioned to remain a desirable company for developers of new products and technologies to work with in commercialization, marketing and distribution of products based on our experience and successful track record. We believe our global sales and marketing reach and strong reputation make us an attractive candidate for distribution/licensing agreements. We intend to continue to expand the scope of our existing partnerships by collaborating on new products and technologies that can add value to our customers, just as our significant presence in the Mineral Nutrition business and routine contact with the entire supply chain helped us to identify and bring in-house promising nutritional specialty products such as OmniGen and Animate ®. We also intend to continue to grow our business through focused acquisitions, asset and technology purchases, in-licensing transactions and new strategic partnerships.

TABLE OF CONTENTS

Risk Factors

An investment in our Class A common stock involves a high degree of risk. Any of the factors set forth under “Risk Factors” may limit our ability to successfully execute our business strategy. You should carefully consider all of the information set forth in this prospectus and, in particular, should evaluate the specific factors set forth under “Risk Factors” in deciding whether to invest in our Class A common stock. Among these important risks are the following:

- an expansion of the regulatory restrictions on the use of antibacterials in food-producing animals could result in a decrease in our revenues;
- a material portion of our sales and gross profits are generated by antibacterials and other related products;
- we face competition in each of our markets from a number of large and small companies, some of which have greater financial, R&D, production and other resources than we have;
- outbreaks of animal diseases could significantly reduce demand for our products;
- perceived adverse effects on human health linked to the consumption of food derived from animals that utilize our products could cause a decline in the sales of such products;
- our business may be negatively affected by weather conditions and the availability of natural resources;
- our business is subject to risk based on customer exposure to rising costs and reduced customer income;
- the continuing trend toward consolidation of certain customer groups as well as the emergence of large buying groups could negatively affect our sales volume and prices of our products;
- advances in veterinary medical practices and animal health technologies could negatively affect demand for our products;
- the misuse or extra-label use of our products may harm our reputation or result in financial or other damages;

•

- our multiple class structure and the concentration of our voting power with certain of our stockholders will limit your ability to influence corporate matters, and conflicts of interest between certain of our stockholders and us or other investors could arise in the future;

•

- anti-takeover provisions in our charter documents and Delaware law might discourage or delay acquisition attempts for us that you might consider favorable; and

•

- following the offering, we will be classified as a controlled company" and, as a result, will qualify for, and intend to rely on, exemptions from certain corporate governance requirements. You will not have the same protections afforded to stockholders of companies that are subject to such requirements.

Recent Developments

Dividend

On February 26, 2014, the Board of Directors approved a $25 million pro rata dividend to be distributed to the existing holders of common shares of the Company (the "Dividend"). On February 28, 2014, we paid the Dividend to the existing holders of common shares of the Company.

Domestic Senior Credit Facility Amendment

On February 28, 2014, we amended our existing domestic senior credit facility (the "Domestic Senior Credit Facility") to permit the Dividend.

TABLE OF CONTENTS

Refinancing

Concurrently with and conditioned upon completion of this offering, we expect to enter into a $100 million revolving credit facility (the "2014 Revolving Credit Facility") and $290 million senior secured term loan facility (the "2014 Senior Secured Term Loan Facility," together with the 2014 Revolving Credit Facility, the "New Credit Facilities"). The 2014 Revolving Credit Facility is expected to have an interest rate of 2.75% plus LIBOR. The 2014 Senior Secured Term Loan Facility is expected to have an interest rate of 3.00% plus LIBOR, with a LIBOR floor of 1.00%. The maturity date of the 2014 Revolving Credit Facility and the maturity date of the 2014 Senior Secured Term Loan Facility are expected to be the fifth and seventh anniversaries of the closing date of the New Credit Facilities, respectively. The foregoing terms are not final and will depend upon the results of negotiations with lenders. See "Description of Certain Indebtedness." A portion of the proceeds from the New Credit Facilities, together with the net proceeds of this offering, will be used to repay in full our 9.25% senior notes due July 1, 2018, the amounts currently outstanding under the term loan payable to Mayflower, the term loan payable to BFI and the Domestic Senior Credit Facility and pay fees and expenses. The Domestic Senior Credit Facility will be terminated following such repayment. The resulting estimated annual interest savings are expected to be $20.8 million. We will record a loss on extinguishment of debt of approximately $24.1 million upon repayment of our existing debt. See also "Use of Proceeds" and "Capitalization."

Our Corporate Information

We are organized in Delaware. BFI Co., LLC ("BFI"), a Bendheim family investment vehicle, and Mayflower Limited Partnership ("Mayflower"), a limited partnership that is managed by 3i Investments plc and advised by 3i Corporation, and whose sole limited partner is 3i Group plc, the ultimate parent company of both 3i Investments plc and 3i Corporation, are our controlling stockholders and, as of December 31, 2013, owned approximately 70.1% and 29.9% of our outstanding equity interests, respectively. Our principal executive offices are located at Glenpointe Centre East, 3rd Floor, 300 Frank W. Burr Boulevard, Suite 21, Teaneck, New Jersey 07666-6712. Our telephone number is (201) 329-7300. The address of our website is www.pahc.com. The information contained on our website does not constitute a part of this prospectus.

TABLE OF CONTENTS

Organizational Structure

The chart below illustrates our corporate structure upon completion of this offering. For additional information concerning our stockholders, see “—Principal Stockholders” below.

(1)

- PAHC is a holding company and an operating company that includes the U.S. operations of a significant portion of our Animal Health and Performance Products businesses. Certain insignificant and indirect subsidiaries of PAHC are not shown for the sake of simplicity.

(2)

- Owns operating subsidiaries in Brazil, Mexico, Turkey, Hong Kong, South Africa, Canada and other international markets.

Principal Stockholders

After the consummation of this offering, 100% of our Class B common stock, representing approximately 92.4% of our voting power, will be held by BFI and approximately 26.9% of our Class A common stock, representing approximately 2.1% of our voting power, will be held by Mayflower.

BFI is a Bendheim family investment vehicle, formed as a limited liability company, owned by Jack C. Bendheim, his wife, their children and their spouses and trusts for their benefit and the benefit of his grandchildren. Mr. Bendheim has sole authority to vote the common stock of PAHC owned by BFI.

Mayflower is a Jersey limited partnership that is managed by 3i Investments plc, and advised by 3i Corporation, and whose sole limited partner is 3i Group plc, the ultimate parent company of both 3i Investments plc and 3i Corporation.

TABLE OF CONTENTS

The Offering
Issuer
Phibro Animal Health Corporation.
Class A common stock offered by us
8,333,333 shares.
Class A common stock offered by Mayflower, the selling stockholder
4,412,059 shares.
Underwriters' option to purchase additional shares
The selling stockholder has granted the underwriters a 30-day option to purchase up to an additional 1,911,808 shares at the public offering price less underwriting discounts.
Class A common stock to be outstanding immediately after completion of this offering
Immediately following the consummation of this offering, we will have 17,442,953 shares of Class A common stock outstanding, after giving effect to the 0.442-for-1 stock split and reclassification of our common stock to take place immediately prior to the completion of this offering.
Class B common stock to be outstanding immediately after completion of this offering
Immediately following the consummation of this offering, we will have 21,348,600 shares of Class B common stock outstanding, after giving effect to the 0.442-for-1 stock split and reclassification of our common stock to take place immediately prior to the completion of this offering.
Use of proceeds
We estimate that the proceeds to us from this offering, after deducting estimated underwriting discounts and offering expenses payable by us, will be approximately $114.2 million.
We will not receive any of the proceeds from the selling stockholder's sale of shares in this offering. See "Use of Proceeds" and "Principal and Selling Stockholders."
We intend to use the net proceeds from the sale of Class A common stock by us in this offering to repay certain of our outstanding indebtedness, to pay related fees and expenses and for general corporate purposes. For additional information, see "Use of Proceeds."
An affiliate of Merrill Lynch, Pierce, Fenner & Smith Incorporated is the Administrative Agent with respect to our Domestic Senior Credit Facility. In addition, an affiliate of Merrill Lynch, Pierce, Fenner & Smith Incorporated is a lender under our Domestic Senior Credit Facility and will receive its respective share of any repayment by us of amounts outstanding under our Domestic Senior Credit Facility with the net proceeds of this offering. See "Use of Proceeds" and "Underwriting—Other Relationships."

TABLE OF CONTENTS

Principal stockholders

Upon completion of this offering, BFI will beneficially own a controlling interest in us. We currently intend to avail ourselves of the controlled company exemption under the corporate governance rules of NASDAQ.

Voting Rights

Each share of our Class A common stock entitles its holder to one vote on all matters to be voted on by stockholders generally.

The shares of Class B common stock have economic rights identical to the shares of Class A common stock and will entitle the holders to 10 votes per share on all matters to be voted on by stockholders generally. We expect that immediately following this offering, the outstanding shares of Class B common stock will together entitle the holders thereof to 92.4% of the voting power of our outstanding common stock.

Holders of our Class A common stock and our Class B common stock will vote together as a single class on all matters presented to our stockholders for their vote or approval, except as otherwise required by applicable law.

Conversion of Class B common stock

Each share of Class B common stock is convertible at any time at the option of the holder into one share of Class A common stock. In addition, each share of Class B common stock will convert automatically into one share of Class A common stock upon any transfer, whether or not for value, except for certain transfers by and among BFI, its affiliates and certain Bendheim family members, as described in the amended and restated certificate of incorporation. In addition, all shares of Class B common stock will automatically convert to shares of Class A common stock when the outstanding shares of Class B common stock and Class A common stock held by BFI, its affiliates and certain Bendheim family members, together, is less than 15% of the total outstanding shares of Class A common stock and Class B common stock, taken as a single class. See “Description of Capital Stock.”

Dividend policy

We intend to pay regular quarterly dividends to holders of our Class A common stock out of assets legally available for this purpose. While any future determination as to whether to pay dividends will be at the discretion of our Board of Directors, we currently anticipate distributing an aggregate of approximately $15 million per year to holders of our Class A and Class B common stock, to be paid quarterly, beginning in our fiscal year 2015. Any future determination to pay dividends will also be subject to compliance with covenants in our current and future agreements governing our indebtedness, and will depend upon our

TABLE OF CONTENTS

results of operations, financial condition, capital requirements and other factors that our Board of Directors deems relevant. For additional information, see "Dividend Policy."
Proposed symbol for trading
on NASDAQ
"PAHC."
Risk factors
For a discussion of risks relating to our company, our business and an investment in our Class A common stock, see "Risk Factors" and all other information set forth in this prospectus before investing in our Class A common stock.
Unless otherwise indicated, all information in this prospectus relating to the number of shares of Class A common stock and Class B common stock to be outstanding immediately after this offering:

- assumes the effectiveness of our amended and restated certificate of incorporation and amended and restated bylaws, which we will adopt prior to the completion of this offering;

- is based on the number of shares outstanding after giving effect to a 0.442-for-1 split and reclassification of our common stock into Class A and Class B common stock, which we will complete immediately prior to the consummation of this offering;

- excludes 1,498,380 shares of Class A common stock issuable upon the exercise of outstanding stock options, and 386,750 shares of Class B common stock issuable upon the exercise of the outstanding BFI Warrant (as described in "Description of Certain Indebtedness"), at a weighted average exercise price of $11.83 per share; and

- assumes no exercise by the underwriters of their option to purchase up to 1,911,808 additional shares from the selling stockholder.

Unless otherwise indicated, all share amounts in this prospectus relating to warrants and stock options and their related exercise prices have been adjusted to give effect to the 0.442-for-1 stock split and reclassification of our common stock to take place immediately prior to the completion of this offering.

TABLE OF CONTENTS

Summary Consolidated Financial and Other Data

The following table presents our summary consolidated financial data and certain other financial data. The balance sheet data as of June 30, 2013 and 2012 and the results of operations data and cash flows data for the years ended June 30, 2013, 2012 and 2011 have been derived from our audited consolidated financial statements, which are included elsewhere in this prospectus. The balance sheet data as of December 31, 2013 and the results of operations data and cash flows data for the six months ended December 31, 2013 and 2012 have been derived from our unaudited interim consolidated financial statements included elsewhere in this prospectus, and which, in the opinion of management, include all adjustments, consisting only of normal recurring adjustments, necessary for a fair statement of the results for the unaudited interim periods. Operating results for the six months ended December 31, 2013 are not necessarily indicative of the results that may be expected for the fiscal year ending June 30, 2014.

The consolidated financial and other data presented below should be read in conjunction with our audited consolidated financial statements and the related notes thereto and our unaudited interim consolidated financial statements and the related notes thereto, included elsewhere in this prospectus, and the section entitled “Management’s Discussion and Analysis of Financial Condition and Results of Operations.” Our historical consolidated financial and other data may not be indicative of our future performance.

(in thousands, except per share amounts)	**Six months ended**		**Fiscal year ended**		
	December 31, 2013	**December 31, 2012**	**June 30, 2013**	**June 30, 2012**	**June 30, 2011**
Results of operations data					
Net sales	$ 334,970	$ 326,265	$ 653,151	$ 654,101	$ 618,333
Cost of goods sold	234,302	241,213	474,187	489,962	471,668
Gross profit	100,668	85,052	178,964	164,139	146,665
Selling, general and administrative expenses	67,253	57,687	122,233	114,814	105,429
Operating income	33,415	27,365	56,731	49,325	41,236
Interest expense (1)	17,566	17,862	35,771	35,700	34,595
Interest (income)	(112)	(82)	(142)	(281)	(307)
Foreign currency (gains) losses, net	1,813	294	3,103	1,192	(5,758)
Other (income) expense, net (2)	—	46	151	(400)	593
Loss on extinguishment of debt	—	—	—	—	20,002
Income (loss) before income taxes	14,148	9,245	17,848	13,114	(7,889)

	Six months ended		Fiscal year ended		
Provision (benefit) for income taxes	6,003	(5,487)	(7,043)	6,138	5,033
Net income (loss) (3)	$ 8,145	$ 14,732	$ 24,891	$ 6,976	$ (12,922)
Net income (loss) per share – basic and diluted	$ 0.12	$ 0.21	$ 0.36	$ 0.10	$ (0.19)
Weighted average number of shares – basic and diluted	68,910	68,910	68,910	68,910	68,910
Pro forma net income per share (unaudited) – basic and diluted (4)	$ 0.27		$ 0.82		
Pro forma weighted average number of shares (unaudited) – basic and diluted (4)	30,458		30,458		
Other financial data					
EBITDA (5)	$ 42,095	$ 36,343	$ 72,500	$ 66,060	$ 43,095
Adjusted EBITDA (5)	43,908	36,683	75,754	66,852	57,932
Cash provided (used) by operating activities	16,397	(2,002)	415	31,882	(4,680)
Capital expenditures (6)	9,765	9,640	19,947	14,824	21,635

TABLE OF CONTENTS

(in thousands)	As of December 31, 2013	June 30, 2013	As of June 30, 2012
Balance sheet data			
Cash and cash equivalents (7)	$ 30,474	$ 27,369	$ 53,900
Working capital (8)	159,421	153,677	127,472
Total assets	480,828	474,142	440,908
Total debt (9)	363,821	365,604	350,121
Long-term debt and other liabilities	421,726	427,676	403,271
Total shareholders' deficit	(63,528)	(68,938)	(88,228)

(1)

- Interest expense for the fiscal years ended June 30, 2013, 2012 and 2011 includes amortization of deferred financing fees of $1,366, $1,418 and $1,405, respectively, and amortization of imputed interest and debt discount of $1,060, $1,382 and $1,787, respectively. Interest expense for the six months ended December 31, 2013 and 2012 includes amortization of deferred financing fees of $530 and $705, respectively, and amortization of imputed interest and debt discount of $256 and $602, respectively.

(2)

- Other (income) expense, net consists of items we consider non-operating in nature, including certain non-income tax costs, equity income or expense from an investment and the loss on the sale of an immaterial business.

(3)

- The table below reconciles net income (loss) to comprehensive income (loss).

(in thousands)	Six months ended December 31, 2013	Six months ended December 31, 2012	Fiscal year ended June 30, 2013	Fiscal year ended June 30, 2012	Fiscal year ended June 30, 2011
Net income (loss)	$ 8,145	$ 14,732	$ 24,891	$6,976	$(12,922)
Other comprehensive income (loss):					
Fair value of derivative instruments	137	418	(222)	(841)	58
Foreign currency translation adjustment	(3,135)	(468)	(5,968)	(15,077)	2,940
Unrecognized net pension gains (losses)	429	619	5,390	(10,413)	1,014
Tax (provision) benefit on other comprehensive income (loss)	(221)	(394)	(2,016)	—	(358)

	Six months ended		Fiscal year ended		
Comprehensive income (loss)	$ 5,355	$ 14,907	$ 22,075	$(19,355)	$(9,268)