
**Brakke Consulting's
Animal Health News & Notes for January 27, 2017**
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IN THE NEWS:

Brakke Consulting news

Industry Overview – **online NAVC registration ends Feb. 2**
Strategic Planning

earnings news

Abaxis
Benchmark Holdings
Hill's
PetMed Express
Vetoquinol

other news

AquaBounty Technologies
Aratana
Biogal Galed Labs
Ceva
CytoSorbents
Elanco
Henry Schein
Neogen
Northwind Distributing
Oasmia Pharmaceutical
Phillips Pet Food and Supplies
SenesTech
Tecnew
Toray Industries
Vet Innovations
Willowcroft Pharm

**BRAKKE CONSULTING, INC.
2017 INDUSTRY OVERVIEW
REGISTRATION FOR OVERVIEWS AT NAVC AND WVC**
Online registration ends February 2!

Brakke Consulting is pleased to announce the 2017 Industry Overview. The 2017 US Animal Health Industry Overview will be presented twice this winter - once at the North American Veterinary Conference in Orlando, Florida and once at the Western Veterinary Conference in Las Vegas, Nevada. These dates are:

- NAVC: **Monday, February 6, 2017**, 2:00 – 4:00 pm, Rosen Centre Hotel
- WVC: **Tuesday, March 7, 2017**, 2:00 – 4:00 pm, Four Seasons.

Registration for the Industry Overview is now open. Seating is limited this year, so register early!

To register, go to www.brakkeconsulting.com and scroll down to the "What's New" box. The price

is \$395 per person for online registration through February 2; late registration is \$450.

www.BrakkeConsulting.com

COMPANY EARNINGS RELEASES

- **Vetoquinol Group** reported results for the full year 2016. Sales were EUR 350 million (\$350 million), an increase of 2%. (+4% currency adjusted). Growth was driven by strong performances in the Americas and Asia Pacific, which posted respective like-for-like growth rates of 9% and 13%. (*company website*)
- Colgate-Palmolive Company reported results for the full year 2016. Sales for **Hill's Pet Nutrition** were \$2.26 billion, an increase of 2.5% compared to the prior year. (*company press release*)
- **Abaxis, Inc.** reported financial results for the third fiscal quarter ended December 31, 2016. Veterinary market revenues were \$43 million, up 6% over last year's comparable quarter. Total company revenues from continuing operations were \$53 million, flat compared to last year's comparable quarter; net income was \$6.8 million, a decline of 14%. (*PRNewswire*)
- **PetMed Express**, Inc. announced its financial results for the quarter ended December 31, 2016. Net sales were \$53 million, an increase of 4% compared to the comparable prior-year period. Net income for the quarter was \$4.8 million, a 1% decrease. (*company website*)
- **Benchmark Holdings** reported results for the fiscal year ended September 30, 2016. Annual revenues were GBP 109 million (\$131 million), an increase of 150% over the prior fiscal year. The company benefitted from its 2015 purchase of INVE Aquaculture as well as the acquisition of a Colombian shrimp breeding genetics firm. Aside from the contribution of acquisitions, like-for-like revenues grew 20% to GBP 30 million. (*Animal Pharm*)

COMPANY NEWS RELEASES

- **Elanco Animal Health** and **Aratana Therapeutics**, Inc. announced the launch of Galliprant (grapiprant tablets), a first-in-class piroxicam (a non-COX-inhibiting prostaglandin receptor antagonist), for once-daily use in dogs with osteoarthritis. (*company press release*)
- **Ceva Animal Health** announced the availability of GleptoForte (gleptoferron injection), an FDA-approved injectable iron solution of gleptoferron to prevent and treat anemia due to iron deficiency in baby pigs. (*Animal.agwired.com*)
- **Neogen Corporation** announced that it had terminated its agreement with **SenesTech Incorporated** related to the manufacturing and marketing of a rodenticide being developed by SenesTech. The two firms had worked together since 2014, prior to the time when the SenesTech product was approved by the U.S. EPA. (*company press release*)
- **Oasmia Pharmaceutical AB** announced that it plans to move all of the Company's veterinary assets, including Paccal Vet and Doxophos Vet, to the US for further development and commercialization efforts. Oasmia also announced that it has withdrawn its current label for Paccal Vet-CA1, which is conditionally approved in the US, and plans to conduct a new study using a lower dose to reduce side effects and improve comfort for companion animals. (*Streetinsider.com*)

- **Willowcroft Pharm** announced the availability of Laminil (sodium cromoglycate), an anti-inflammatory treatment for laminitis. (*DVM360*)
- **Phillips Pet Food and Supplies** announced an agreement to purchase **Northwind Distributing**. The acquisition allows Phillips to expand their existing customer and brand portfolio presence in Montana, Idaho and Utah. Financial terms were not disclosed. (*Pet Business*)
- **CytoSorbents Corporation** announced the marketing launch and commercial availability of the VetResQ sorbent cartridge, a broad spectrum blood purification adsorber designed to help treat inflammation and toxic injury in animals with critical illnesses. VetResQ is compatible with standard hemodialysis, continuous renal replacement therapy (CRRT), and hemoperfusion blood pumps. (*Yahoo finance*)
- **Vet Innovations**, Inc. announced the launch of PortionPro Rx, the only veterinary-grade medical device that automatically dispenses portion-controlled food to a specific pet while preventing access by all others. This multi-pet feeding solution integrates Pet Field Communications, Vet Innovations' patented radio frequency identification (RFID) technology, to identify individual pets and control access to food. (*company press release*)
- **AquaBounty Technologies**, developer of a commercial genetically enhanced salmon, has listed on the Nasdaq under the symbol 'AQB'. The firm is also listed on the London Stock Exchange's Alternative Investment Market under the symbol 'ABTU'. The US FDA approved the sale of AquaAdvantage Salmon in November 2015. (*Animal Pharm*)
- BRAZIL **Henry Schein**, Inc. announced a 51% ownership investment in **Tecnew**, a leading distributor of animal health products in the State of Rio de Janeiro, Brazil. Tecnew is a privately held, entrepreneurial company with 2016 sales of approximately \$24 million. The completion of this investment marks Henry Schein's entrance into the animal health distribution market in South America. Financial terms of the transaction were not disclosed. (*company press release*)
- JAPAN **Toray Industries** Inc. announced it has received approval to make and sell Rapros, the first drug to help limit the deterioration in kidney function in cats, rather than just ameliorating the symptoms of the disease, according to the company. The oral product will be available in Japan in April. (*AVMA Smartbrief - Bloomberg*)
- JAPAN **Biogal Galed Labs** announced that Canine VacciCheck has been approved by the Ministry of Agriculture, Forestry and Fisheries (MAFF) in Japan. Canine VacciCheck is a novel "in-house" kit intended to evaluate the amount of antibodies present for the core vaccines (Canine Infectious Hepatitis-Adenovirus Type 2, Canine Parvovirus, and Canine Distemper Virus). (*company press release*)

ANIMAL HEALTH NEWS

- ITALY - AVIAN INFLUENZA Italian authorities ordered the cull of some 20,000 turkeys, after an outbreak of highly pathogenic H5N8 avian influenza was confirmed in a farm in the northeast of the country. Of the 20,500 turkeys overall at risk in the commercial farm, some 6,000 were infected, and 600 died of the virus. A strict sanitary surveillance zone was imposed around the affected farm. (*Globaltimes.cn*)

- US - CWD The Texas Animal Health Commission reported that chronic wasting disease has been detected in a hunter-harvested 1 1/2 –year-old white-tailed buck submitted for sampling in Medina County, Texas. This marks the first confirmed case of CWD in a free-ranging Texas whitetail deer. (*agency press release*)
- SWEDEN - FELINE DIABETES A recent study conducted by researchers at the Swedish University of Agricultural Sciences found an increased risk of diabetes mellitus (Type 2) in normal-weight cats that consume a dry food diet. The researchers found that while obesity is a very important and prominent risk factor for diabetes mellitus in cats, there is also an increased risk of diabetes among normal-weight cats consuming a dry food diet. The study, “Environmental Risk Factors for Diabetes Mellitus in Cats,” will be published in the January/February digital issue of the *Journal of Veterinary Internal Medicine (JVIM)*. (*Veterinary Practice News*)
- US – VETERINARY PRACTICE MANAGEMENT Veterinary Study Groups (VSG), the umbrella organization for the Veterinary Management Groups (VMG) operating throughout the United States and Canada, announced it has surpassed 900 practices. These practices are owned by nearly 700 veterinarians operating predominantly within the small animal and equine segments of the US profession. (*Vet Advantage*)

**BRASSE CONSULTING, INC.
STRATEGIC PLANNING SERVICES**

Brasse Consulting is an excellent resource for your company’s strategic planning. Some of the services we offer include:

- Reviewing revenue estimates and success probability of your product pipeline
- Reviewing the timing of various new product introductions and estimate the impact of various scenarios
- Benchmarking various functions against company competitors in the larger markets

Through strategic planning, Brasse Consulting can help improve the likelihood of success for your company’s future endeavors.

Contact us for professional assistance in any of these areas.

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BRASSE CONSULTING VIEWPOINT

This week’s news covers a number of strategic moves both in the US and international markets by several companies. Additionally, a number of new products will be introduced at the upcoming NAVC meeting in Orlando. Almost all of these products have been a number of years in development to reach the point of introduction.

This week I have been visiting animal shelters in the Dallas area. I’ve been impressed by the size and quality of these facilities, the quality of the pet care they are providing and the number of pets they are serving in their operations. As has been pointed out in Brasse studies the number of pets being adopted from these facilities continues to increase. This is a growing part of the pet business that companies should not overlook.

We hope to see many of you at our Annual Industry Overview session in Orlando on Monday, February 6th. If you've not already booked your seat at this event we recommend you do so while we still have room to accommodate you.

Have a great weekend!

Ron Brakke

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