
**Brakke Consulting's
Animal Health News & Notes for November 11, 2016**
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IN THE NEWS:

Brakke Consulting news

2016 US Flea Control & Heartworm Markets report – **pre-order now for discount**
Recruiting

earnings news

ImmuCell
Kindred Biosciences
Phibro

other news

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Bentley's Pet Stuff
Blue Buffalo
Boehringer Ingelheim
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Novatrans
Ovabrite
Pet Food Zoom
VSSI

**BRASSE CONSULTING, INC.
US FLEA CONTROL AND HEARTWORM MARKETS REPORT
ONE MORE WEEK FOR EARLY ORDER DISCOUNT**

Brakke Consulting will soon be publishing our 2016 report on the US Flea Control and Heartworm Markets. The report includes valuable information on the US market for small animal parasiticides including:

- Product descriptions, prices, and sales for the leading veterinary flea and heartworm products
- an overview of the veterinary and OTC flea control markets
- discussion of new flea and tick products, including Frontline Gold, Simparica, Bravecto topical solution, and the generic imidacloprid products
- 2016 survey of 300 veterinarians
- 2016 survey of 500 pet owners

The report on the US Flea Control & Heartworm Markets will be available for a purchase price of

\$6,995 if ordered by **WEDNESDAY, NOVEMBER 23**, and \$7,500 after that date.

Please contact Dr. Lynn Fondon at (972) 243-4033 or lfondon@brakkeconsulting.com to pre-order the report, or for more information visit our website at:

www.BrakkeConsulting.com

COMPANY EARNINGS RELEASES

- **Phibro Animal Health Corporation** announced its financial results for its first quarter ended September 30, 2016. Animal Health net sales were \$125 million, an increase of 4%. The growth was primarily due to volume increases in the nutritional specialty and vaccine product groups within the segment. Animal Health EBITDA was \$32.6 million, an increase of 4%. *(company press release)*
- **ImmuCell Corporation** announced financial results for the third quarter ended September 30, 2016. Product sales were \$2.0 million, a decline of 20% from the comparable prior-year period. Net income was \$35,000 compared to net income of \$351,000 in the third quarter of 2015. *(company press release)*
- **Kindred Biosciences, Inc.** announced financial results for the third quarter ended September 30, 2016. KindredBio reported a net loss of \$(5.7) million compared to a net loss of \$(7.1) million for the same period in 2015. As of September 30, 2016, KindredBio had \$62.5 million in cash, cash equivalents and investments. *(company website)*

COMPANY NEWS RELEASES

- The European Commission announced it has approved the acquisition of **Merial** by **Boehringer Ingelheim**, subject to conditions. To address concerns regarding product overlap and the potential for restraint of competition, the two companies offered to divest a number of Merial's marketed and pipeline products. The Commission concluded that the commitments addressed the identified competition concerns. *(New Europe)*
- **Nestlé Purina PetCare** and **Blue Buffalo** announced that they have reached a mutually agreeable settlement of the lawsuits pending between them, related to 2014 false advertising of pet food claims. The terms of the settlement are confidential. *(Petfood Industry)*
- **Evolve BioSystems** announced the launch of GlycoGuard, the first oral activated microbial gel for newborn foals. Glycoguard is a combination of two activated beneficial bacteria, *B. infantis* and *L. plantarum*, that work along with mare's milk to properly establish the intestinal microflora during the first few weeks of life. *(marketwired.com)*
- **Midmark** announced it has acquired **VSSI**, a manufacturer of veterinary practice equipment. Financial terms were not disclosed. *(company press release)*
- **Ovabrite**, a new subsidiary of Vital Farms, in partnership with Israel-based **Novatrans**, announced the introduction of TeraEgg. Ovabrite's TeraEgg detects gender and fertility in the chicken embryo development process, allowing hatcheries to remove male and infertile eggs before they enter incubation so they can be repurposed for human consumption rather than destroyed post-incubation. Product launch is expected in 2017. *(Feedstuffs.com)*

- **Innovetive Petcare** announced the acquisition of its tenth veterinary practice with the company's acquisition of four Chisholm Trail Veterinary Clinics. Innovetive Petcare's holdings now include three specialty veterinary practices and seven general veterinary practices. Financial terms were not disclosed. (*company press release*)
- **Evonik** announced it has submitted a binding offer to the acquire a large fermentation methionine technology package from METabolic EXplorer (**METEX**). In addition to the methionine technology, Evonik will take over patents, essential bacteria strains, and the inoLa brand. The transaction also includes a license agreement for the continued use of base technology by METEX. Financial terms were not disclosed. (*Feed Enews*)
- **Bentley's Pet Stuff** announced it will acquire **Pet Food Zoom**, a Chicago-based pet food delivery service. Financial terms were not disclosed. (*Pet Age*)
- EU **Greveling Holding Netherlands** and **A&H Health Switzerland** announced an agreement to develop and commercialize **Creso Pharma's** cannabidiol (CBD)-rich hemp-derived nutraceutical products for the global pet care market. (*Finfeed.com*)

ANIMAL HEALTH NEWS

- **HUNGARY - AVIAN INFLUENZA** Hungary has reported a large outbreak of highly pathogenic avian influenza (HPAI) in the south eastern region of the country. The H5N8 outbreak resulted in the death of 2,374 turkeys with a susceptible flock of 10,200 likely to be culled by local animal health officials. A quarantine control area has been enforced and all affected farms disinfected. A vaccination strategy has not been implemented. (*Animal Pharm*)
- **US - SCREWWORM** The USDA is releasing more than 3 million sterile screwworm flies twice per week in order to quell the outbreak that has killed over 100 Key Deer in Florida before the disease spreads further. Florida has declared an agricultural state of emergency in Monroe County, the site of the outbreak. Since October 11, USDA response teams have carried out 87 releases at 25 sites in the Florida Keys. (*AVMA Smartbrief - BBC*)
- **US - ONE HEALTH** The American Veterinary Medical Association (AVMA) and American Academy of Pediatrics (AAP) announced the adoption of a joint statement: The Value of Professional Collaboration in Protecting the Health of People and Animals. Issued in honor of the inaugural "One Health Day" on Thursday, November 3, the medical groups outline potential opportunities for collaboration that would benefit their patients, families and communities. (*Vet Advantage*)
- **US - VETERINARY LOAN REPAYMENT** The USDA's National Institute of Food and Agriculture (NIFA) awarded more than \$4.3 million to 48 American veterinarians to help repay a portion of their veterinary school loans in return for serving in areas lacking sufficient veterinary resources critical to America's food safety, food security, and to the health and well-being of animals and humans. The awards, made through NIFA's Veterinary Medicine Loan Repayment Program, will fill shortage needs in 27 states. (*Vet Advantage*)

BRASSE CONSULTING, INC.
EXECUTIVE, SALES FORCE and TECHNICAL SERVICES RECRUITING

At Brakke Consulting we find the right person to fit your company's needs. We have an unequaled network in animal health, and unique insights into what veterinarians value in an animal health professional, including the sales rep attributes that correlate to higher sales volume.

As part of our executive recruiting services, we manage the entire process of identifying and recruiting top candidates, including:

- Developing metrics to help rank candidates
- Scheduling interviews and arranging for travel
- Maintaining communications with candidates throughout the process

For more information about our recruiting services, visit our website or call one of our consultants:

- John Mannhaupt at 972.243.4033
- David Goodnight at 830.285.1259

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BRAKKE CONSULTING VIEWPOINT

It appears from the news this week that the finalization of the Merial purchase by Boehringer Ingelheim is moving forward towards closing. Both companies have indicated for several months that the target date for closing was year-end 2016.

The other news this week follows the trends and stories of the past three or four years. Here are some examples: revenues for the larger companies remain in the range of 3% to 4% revenue growth; early-stage companies continue to burn cash trying to bring new technologies to the marketplace; large veterinary practices continue to be consolidated along with a number of smaller mergers in manufacturers. The good news is that there are still buyers for both new technology and smaller companies.

Today is Veteran's Day in the US. We'd like to thank all the men and women who have protected our freedoms and our country with their service.

Have a great weekend!

Ron Brakke

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