
**Brakke Consulting's
Animal Health News & Notes for November 3, 2017**
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IN THE NEWS:

Brakke Consulting news

2017 Flea Control & Heartworm Markets report
Multiclient studies

earnings news

Aratana Therapeutics
Heska
Hill's Pet Nutrition
IDEXX
Merck
Orion
Zoetis

other news

Advanced Animal Hospital Group
CannPal Animal Therapeutics
Cargill
Ceva
Cutting Edge Laser Technologies
Heska – Element COAG
Heska - PetVetCare
Integral Animal Nutrition
Man's Best Friend Therapeutics
Midwest Veterinary Partners
Patterson
PetVetCare Centers
Progressive Pet Animal Hospitals
Purina Animal Nutrition
Synthetic Genomics
VetPronto
Vetted
Zoetis

BRAKKE CONSULTING, INC.
2017 US FLEA CONTROL AND HEARTWORM MARKETS REPORT
PREORDER NOW



Are you on top of the trends in the largest market segment in companion animal health? Brakke Consulting will soon be publishing our 2017 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, tick and heartworm products
- an overview of the veterinary and OTC flea control markets
- discussion of new flea and tick products
- 2017 survey of 300 veterinarians
- 2017 survey of 500 pet owners

The report on the US Flea Control & Heartworm Markets will be available for a purchase price of \$7,250 if ordered by **WEDNESDAY, NOVEMBER 22**, and \$7,750 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

- **Zoetis** Inc. reported its financial results for the third quarter of 2017. The company reported revenue of \$1.3 billion, an increase of 9% compared with the third quarter of 2016. Net income was \$298 million, an increase of 25% on a reported basis. (*company press release*)
- **Merck** announced financial results for the third quarter of 2017. Animal Health sales totaled \$1.0 billion for the third quarter of 2017, an increase of 16% compared with the third quarter of 2016, including a 2% positive impact from foreign exchange. Growth was driven by sales increases in companion animal products, primarily Bravecto and companion animal vaccines. The positive impact of the Vallée S.A. acquisition, which closed in March, also contributed to growth. (*company press release*)
- **IDEXX Laboratories**, Inc. reported financial results for the third quarter of 2017. Revenues were \$492 million, an increase of 10% compared to the prior year period. Net income was \$70.5 million compared to net income of \$56.5 million in the comparable prior-year period. Companion Animal Group revenue was \$427 million, an increase of 11%. (*company press release*)

- Colgate-Palmolive Company reported financial results for the third quarter of 2017. **Hill's Pet Nutrition's** net sales were \$573 million, an increase of 2% compared to the third quarter of 2016. *(company press release)*
- **Heska Corporation** reported financial results for its third quarter ended September 30, 2017. Revenue was \$31.4 million, a decline of 6% compared to the third quarter of 2016. Core Companion Animal Health segment revenue increased 1% in the third quarter of 2017 to \$26.7 million. Net income attributable to Heska Corporation was \$3.1 million compared to \$3.3 million in the third quarter of 2016. *(company website)*
- **Orion** reported results for the third quarter of 2017. Animal health sales totaled EUR 14.8 million (\$17.2 million), a decrease of 4% from the third quarter last year. *(Animal Pharm)*
- **Aratana Therapeutics, Inc.** announced its third quarter 2017 financial results. Aratana reported total net revenues of \$6.2 million and a net loss of \$(8.9) million in the third quarter of 2017, compared to net revenues of \$40,000 and a net loss of \$(13.4) million in the third quarter of 2016. *(company press release)*

COMPANY NEWS RELEASES

- **Heska Corporation** announced the release of the new Element COAG Veterinary Analyzer. The compact bench top analyzer - developed and manufactured by **Zoetis** - delivers coagulation and blood typing parameters. *(Sys-con.com)*
- **Synthetic Genomics, Inc.** announced that it has entered into a collaboration with **Ceva Santé Animale** to utilize Synthetic Genomics' next-generation synthetic RNA replicon platform to develop vaccines for livestock. Financial terms were not disclosed. *(PRNewswire)*
- **Heska Corporation** announced an agreement to supply over 100 **PetVetCare Centers** veterinary hospitals with in-house laboratory diagnostic equipment and supplies through 2024, which may be extended by the Parties. *(PRnewswire)*
- **Cutting Edge Laser Technologies** announced an exclusive distribution partnership with **Patterson Veterinary**, to distribute the MLS (Multiwave Locked System) therapy lasers and surgical lasers throughout the US. *(PRNewswire)*
- **Purina Animal Nutrition** announced the launch of a line of gastric support products for horses. Outlast Gastric Support Supplement, Race Ready GT, and Ultium Gastric Care horse feeds are formulated with a seaweed-derived blend of calcium and magnesium that allow for a greater buffering capacity to support gastric health and proper pH. *(Veterinary Practice News)*
- The Wistar Institute and **Man's Best Friend Therapeutics Inc. (MBFT)** announced that they are entering into an exclusive license agreement for the advancement of immunotherapeutic vaccines for companion and domestic animals based on technology created at Wistar. Financial terms were not disclosed. *(Newswise.com)*
- Shore Capital Partners announced the recapitalization of **Advanced Animal Hospital Group** and **Progressive Pet Animal Hospitals** and merger of the respective businesses to form **Midwest Veterinary Partners**. MVP has 22 companion animal general practice veterinary clinics in Michigan, Wisconsin, and Illinois. Financial terms were not disclosed. *(Business Wire)*

- **Vetted**, an on-demand veterinary startup based in California, announced it is acquiring **VetPronto**, another on-demand veterinary startup with a presence in San Francisco, San Diego, Atlanta, DC, Chicago, NYC and Baltimore. The deal will double Vetted's customer base to around 10,000. Financial terms were not disclosed. (*Techcrunch.com*)
- BRAZIL **Cargill** announced an agreement to acquire **Integral Animal Nutrition (IAN)**, a cattle feed producer in Brazil with net revenue of BRL80 million (US\$25 million) per year. IAN's products include Free Choice Minerals and premixes. Financial terms were not disclosed. (*Feed enews*)
- AUSTRALIA **CannPal Animal Therapeutics Ltd** announced it has been granted an authorization to possess and supply cannabis for scientific research by the New South Wales Ministry of Health, allowing CannPal to apply for permits to import cannabis for the clinical trials planned for early 2018. CannPal is researching the benefits of medical cannabis for companion animals. (*Proactiveinvestors.com.au*)

ANIMAL HEALTH NEWS

- US - EQUINE HEALTH PLAN The American Horse Council (AHC), in conjunction with the American Association of Equine Practitioners (AAEP), the USDA and state animal health officials, has announced the launch of the "National Equine Health Plan" (NEHP). The goals of the NEHP are to protect the health and welfare of the US equine population, facilitate the continued interstate and international movement of horses and their products, ensure the availability of regulatory services and protect the economic continuity of business in the equine industry. The "National Equine Health Plan" (NEHP) is now available at www.equinediseasecc.org/national-equine-health-plan. (*Feedstuffs*)

BRASSE CONSULTING, INC. MARKET RESEARCH REPORTS

Brasse Consulting is an industry leader in timely market research on topics of high interest to stakeholders in the animal health, pet and veterinary markets. Reports published in the past year include:

- US Flea Control and Heartworm Markets (annual report coming in December)
- Distributor Effectiveness Study (biannual report coming in December)
- Equine Mega Study IV (coming in January 2018)
- US Companion Animal Veterinary Technical Services Study (biannual report coming in March 2018)
- Pain Management Products for Dogs and Cats (annual report)
- New Strategies for Health and Performance in US Livestock and Poultry Production
- Manufacturer Sales Force Effectiveness Study (biannual report)
- US Veterinary Generic Drugs Market

Prices for reports vary. For more information about these or other reports, visit our website at <http://www.brakkeconsulting.com/multi-client-studies.aspx> or contact us at info@BrakkeConsulting.com.

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BRAKKE CONSULTING VIEWPOINT

This week's lesson is the benefit of size. Three large companies reported nice revenue increases for the third quarter. Two of them reported earnings that increased even faster than revenues. Meanwhile, the more modest Heska had a bit of a set back after a spectacular second quarter, if anyone remembers. Maybe that is why your broker is always pushing large companies, no matter what their P/E ratio is. Another thing to look for in earnings reports is the impact of foreign exchange. Past reports were full of the negative effects of foreign exchange. Now that the US dollar has softened, will it get the same attention? Otherwise, this week was a bit light on news. The trend toward consolidation, this time in livestock nutrition and small animal clinics, continues.

Have a great weekend.

*John Mannhaupt
Dallas*

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