

\*\*\*\*\*

**Brakke Consulting's  
Animal Health News & Notes for February 10, 2017**  
*Copyright © Brakke Consulting, Inc.*

*Editor: Lynn Fondon DVM MBA*

\*\*\*\*\*

IN THE NEWS:

Brakke Consulting news  
2017 Overview at WVC  
Transaction assistance

earnings news

Central Garden & Pet  
Ceva  
ImmuCell  
Merial  
Orion  
Phibro  
Tyson Foods  
VCA

other news

AGL  
Argenta  
Compassion-First Pet Hospitals  
Elanco  
Hill's  
Iams  
Jaguar (Napo)  
Jaguar (Neonorm)  
Midmark  
NAVC  
Nestle Purina PetCare  
Samsung Electronics  
Syfrett Feed Company  
VetSuccess  
WellPet  
WHIMZEES

\*\*\*\*\*

**BRAKKE CONSULTING, INC.  
2017 INDUSTRY OVERVIEW  
REGISTRATION FOR OVERVIEW AT WVC**

Brakke Consulting is pleased to announce the 2017 Industry Overview. The 2017 US Animal Health Industry Overview will be presented at the Western Veterinary Conference in Las Vegas, Nevada:

- WVC: **Tuesday, March 7, 2017**, 2:00 – 4:00 pm, Four Seasons.

To register, go to [www.BrakkeConsulting.com](http://www.BrakkeConsulting.com) and scroll down to the “what’s new” area of the home page.

[www.BrakkeConsulting.com](http://www.BrakkeConsulting.com)

\*\*\*\*\*

## COMPANY EARNINGS RELEASES

- Sanofi reported results for the full year 2016. Sales of animal health division **Merial** were EUR 2.71 billion (\$2.85 billion), an increase of 8% compared to the prior year (+10% at constant exchange rates). Business operating income was EUR 707 million (\$745 million), an increase of 11%. *(company press release)*
- **Ceva Sante Animale** reported results for the full year 2016. Consolidated sales of the Ceva Group reached EUR 912 million (\$961 million) in 2016, an increase of 6% compared to 2015 (+10% at constant scope and exchange rate). The group made several major acquisitions across the globe in 2016. *(company press release)*
- **Phibro Animal Health** Corporation announced its financial results for its second quarter ended December 31, 2016. Animal Health net sales were \$124 million, an increase of 2% over the comparable prior-year period. The growth was primarily due to volume increases in the nutritional specialty and vaccine product groups within the segment; medicated feed additives and other declined 9%. *(company press release)*
- **Orion** reported results for the full year 2016. Animal health sales were EUR 77 million (\$81 million), which was flat compared to 2015. *(Animal Pharm)*
- **ImmuCell** Corporation announced unaudited financial results for the year ended December 31, 2016. Sales totaled \$9.5 million, a 7% decline compared to the previous year. Net income was \$508,000 compared to net income of \$1.2 million during the year ended December 31, 2015. *(company press release)*
- **Central Garden & Pet** Company announced financial results for its fiscal first quarter ended December 24, 2016. Net sales for the Pet segment increased 22% to \$304 million from the same period a year ago, driven by acquisitions and organic growth. Pet organic sales grew 6%. *(company website)*
- **VCA Inc.** reported financial results for the full year 2016. Revenues were \$2.52 billion, an increase of 18% compared to the prior year. Net income was \$217 million, an increase of 0.6%. Animal Hospital revenue was \$2.1 billion (+23%); Laboratory revenue was \$422 million (+7%). *(company press release)*
- **Tyson Foods** Inc. reported results for the first quarter of fiscal year 2017 ended December 31, 2016. Total sales were \$9.18 billion, a 2% increase over the same period a year ago. Net income of \$594 million million was up 29% year-over-year. Sales increased in the chicken and pork segments but declined in the beef segment. *(company website)*

\*\*\*\*\*

**BRAKKE CONSULTING, INC.**  
**TRANSACTION ASSISTANCE**

Buying, selling or merging? We can help!

Brakke Consulting assists many clients with mergers, acquisitions and divestitures. Our transaction experts can provide the insight, ability and contacts you need in the animal health, pet, veterinary and specialty chemicals markets. Please contact any of our offices for a confidential consultation.

[www.BrakkeConsulting.com](http://www.BrakkeConsulting.com)

\*\*\*\*\*

## COMPANY NEWS RELEASES

- **Nestle Purina PetCare** announced the launch of ProPlan Veterinary Diets Neurocare. The therapeutic diet for dogs reduces seizures in epileptic dogs when fed as an adjunct to veterinary therapy. *(company announcement)*
- **AGL and Hill's Pet Nutrition** announced the launch of Vetrax, a breakthrough wearable pet monitoring system that provides round-the-clock behavioral information to help veterinarians diagnose and treat pets' underlying health conditions. *(company press release)*
- **Iams** announced the launch of Iams Oral Care Complete Cat Food. The product contains ideal calcium and mineral levels to help keep teeth and gums healthy, and has a unique larger, groovier and crunchier kibble, designed to help provide a deep clean that scrapes away plaque and tartar. *(PRNewswire)*
- **Jaguar Animal Health, Inc.** announced a binding agreement of terms to merge with Napo Pharmaceuticals, Inc. Napo will operate as a wholly-owned subsidiary of Jaguar, focused on human health. The binding financial terms of the merger include a 3-to-1 Napo-to-Jaguar value ratio to calculate the relative ownership of the combined entity. As of January 31, 2017, Napo owned approximately 19% of Jaguar's outstanding shares of common stock. *(company press release)*
- **Jaguar Animal Health, Inc.** announced that it has begun entry into the organic market with Neonorm Calf, following listing of Neonorm Calf with an organization that evaluates livestock products in accordance with the USDA National Organic Standards in New York state. Additionally, Jaguar is applying to have Neonorm Calf listed by the Organic Materials Review Institute (OMRI), an international nonprofit organization that determines which input products are allowed for use in organic production and processing. *(company press release)*
- **Midmark Animal Health** introduced the Cardell Insight Veterinary Monitor. The Insight line includes two new offerings: the 8014 blood pressure model and the 8015 blood pressure and pulse oximetry. *(company press release)*
- **Samsung Electronics** the launch of the PT10V, a portable veterinary clinical analyzer, in the US. The PT10V is the company's first compact veterinary device. *(Korea Times)*
- **WellPet** announced it has acquired **WHIMZEES**, a Netherlands-based maker of natural dental chews for dogs that entered the dental chew category in 2013. Financial terms were not disclosed. *(Pet Food Industry)*
- **Compassion-First Pet Hospitals** announced the addition of Animal Emergency & Specialty Center (AESC) located in Parker, Colorado and Upstate Veterinary Specialists (UVS) of Greenville, South Carolina and Asheville, North Carolina to its growing family of hospitals. Financial terms were not disclosed. *(company press release)*
- A civil complaint was filed by the US Department of Justice against **Syfrett Feed Company** Inc. of Okeechobee, Florida, and its officers to stop the adulteration and misbranding of

medicated animal feed in violation of the federal Food, Drug, and Cosmetic Act (FDCA). According to the complaint, the company's medicated animal feeds failed to list the name of the active drug ingredients on the label of the medicated animal feeds and failed to include adequate instructions for use on the labels of the medicated animal feeds. The complaint further alleges that the feed was not manufactured in conformity with current good manufacturing practices for medicated feeds. (FDA)

- **VetSuccess** announced the release of Retriever, an automated email program that helps practices "retrieve" their lapsing patients. Retriever consists of a series of three emails sent on behalf of individual VetSuccess member practices to the owners of lapsing patients who haven't had a transaction in the practice for 14, 16 and 18 months, encouraging them to bring their pet in for a wellness exam. (company press release)
- The North American Veterinary Community (**NAVC**) announced that starting in 2018, its flagship event, the NAVC Conference, will be known as the Veterinary Meeting & Expo, or VMX. (company press release)
- SCOTLAND **Argenta** announced an agreement to acquire the manufacturing facility and operations of **Elanco Animal Health** in Dundee, Scotland. The 80,000-square-foot Dundee facility will be Argenta's third manufacturing site globally, and the company's first operations in the EU. Elanco and Argenta also entered into a manufacturing and supply agreement for select Elanco animal health products. Financial terms of the deal were not disclosed. (company press release)

\*\*\*\*\*

## ANIMAL HEALTH NEWS

- US - CATTLE FEVER Texas A&M AgriLife experts reported that Texas cattle fever ticks are expanding their range with infestations detected in Live Oak, Willacy and Kleberg counties. As of Feb. 1, more than 500,000 acres in Texas are under various quarantines outside of the permanent quarantine zone. (Vet Advantage - Bovine Veterinarian)

\*\*\*\*\*

## NAVC CONFERENCE FEBRUARY 4 – 8, 2017 ORLANDO, FL

Over 17,000 veterinarians, technicians, students, exhibitors and others attended the NAVC Conference this week in Orlando, including nearly 7,000 veterinarians and 4,800 exhibitors. The conference, in its inaugural year at the Orange County Convention Center, offered over 1,200 veterinary continuing education sessions to choose from, including traditional lectures, hands-on laboratories, Masterclasses, clinical briefs, and more.

\*\*\*\*\*

## BRAKKE CONSULTING VIEWPOINT

A number of significant players in the industry reported their 2016 results this week. Several companies reported above-average industry growth because of acquisitions. One of the leading companies had a very positive year, even in the face of being acquired. Also, the largest publicly owned veterinary clinics group will become private during 2017. This latest transaction we believe will accelerate the roll-up of additional companion animal clinics into corporate groups. We discuss this activity in our 2017 Industry Overview.

It was great seeing many of you in Orlando earlier this week. It appears that NAVC in its new venue was a success for those participating. While there were mixed reactions to the change the new location made it relatively easy to meet daily walking goals for those into that activity. We hope each of you had a great meeting and we thank those that registered for our 2017 Industry Overview. The next presentation will be in Las Vegas at WVC on Tuesday, March 7th. We look forward to seeing you there.

Have a great weekend!

*Ron Brakke*

\*\*\*\*\*

Trouble viewing this newsletter? You can view it online at [www.BrakkeConsulting.com](http://www.BrakkeConsulting.com)

*This electronic newsletter is the sole property of Brakke Consulting, Inc.  
Any use of the contents herein should be approved by and appropriately attributed to Brakke Consulting, Inc.*

For more information about Brakke Consulting's services and syndicated studies, visit our website at [www.brakkeconsulting.com](http://www.brakkeconsulting.com).

Brakke Consulting, Inc.  
12005 Ford Rd., Suite 530  
Dallas, TX 75234 USA