
**Brakke Consulting's
Animal Health News & Notes for February 24, 2017**
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**BRAKKE CONSULTING, INC.
2017 INDUSTRY OVERVIEW
REGISTRATION FOR OVERVIEW AT WVC
ONLINE REGISTRATION ENDS FRIDAY!**

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 and scroll down to the “what’s new” area of the home page. **Online registration ends Friday, March 3**; after that time please register on-site.

www.BrakkeConsulting.com

COMPANY EARNINGS RELEASES

- **Bayer** reported the results for the full year 2016. Sales of the Animal Health business were EUR 1.52 billion (\$1.60 billion), an increase of 2% (+5% currency & portfolio adj.). (*company website*)
- **Henry Schein** reported full year 2016 financial results. Animal Health sales were \$3.25 billion, an 11% increase compared to 2015. North American Animal Health sales were \$1.68 billion, a 16% increase compared to the prior year. (*company press release*)
- Patterson Companies, Inc. results for its fiscal third quarter ended January 28, 2017. Reported net sales for **Patterson Animal Health** were \$763 million, an increase of 2% from the comparable period last year (+5% percent on a constant currency basis). (*company website*)
- The **J. M. Smucker Company** announced results for the third quarter of its 2017 fiscal year ended January 31, 2017. The Pet Foods segment sales were \$551 million, a decline of 4% compared to the comparable prior-year quarter. Segment profit increased 2% to \$126 million. (*company website*)
- **Ebos Group** reported results for the the six months ended Dec. 31, 2016. Animal care revenue was up 6% percent to NZ\$216 million (US\$150 million); earnings increased 11% to NZ\$21.1 million (\$14.7 million). Ebos owns several Australia- and New Zealand-based animal health and pet businesses. (*Business.scoop.co.nz*)
- **Avivagen** Inc. announced its results for the first quarter ending January 31, 2017. Total revenues for the quarter were \$62,337. The first quarter loss was \$(1) million. Avivagen had cash and cash equivalents of \$5.5 million as of January 31, 2017. (*company press release*)

COMPANY NEWS RELEASES

- The FDA announced the approval of Dironan (melarsomine dihydrochloride), the first generic drug to treat heartworm disease in dogs. The application for Dironan is sponsored by **Anzac Animal Health**, LLC and distributed by **Zoetis**, Inc. (*FDA*)
- **Ceva Animal Health** announced the launch of Cevac IBron, a poultry vaccine labeled to combat the Georgia strains of infectious bronchitis virus (IBV) in poultry. Cevac IBron can be used in healthy chickens one day of age or older. (*Animal Pharm*)
- **VetStem Biopharma** announced the opening of its GMP cell therapy manufacturing facility at its headquarters laboratory in Poway, California. According to the company, it is the first dedicated veterinary-specific cell therapy facility in the US. (*PRweb*)
- **BuddyRest Pet Products** announced it has acquired the PetNV brand from **Envision**. Financial terms were not disclosed. (*Pet Business*)
- **Maple Leaf Foods** announced a definitive agreement with Brynwood Partners VI LP to acquire Lightlife Foods Inc., a leading manufacturer and brand of refrigerated plant-based protein foods in the US, for \$140 million and related costs. Lightlife reported 2016 sales of approximately \$40 million and has a 38% market share in the U.S. refrigerated plant protein market. (*Feedstuffs*)

- EU The European Medicines Agency's Committee for Medicinal Products for Veterinary Use (CVMP) has recommended marketing authorization for **Zoetis'** Cytopoint monoclonal antibody for treatment of canine atopic dermatitis. The product would be the first approved veterinary monoclonal antibody (mAb) on the European market. (*Animal Pharm*)
- CHINA **Ceva Santé Animale** and Chinese company **EBVAC** announced a joint-venture agreement to create a new business, Ceva EBVAC, focused on the Chinese swine sector. Ceva will hold the majority of shares in the new partnership. (*company press release*)
- INDIA Cipla announced plans to sell its animal health business, **Cipla Vet**, in order to concentrate on the human Brazilian and Chinese markets. (*Moneycontrol.com*)

ANIMAL HEALTH NEWS

- US - LEPTOSPIROSIS Arizona is warning pet owners to vaccinate their dogs against leptospirosis, citing a continued increase in the number of dogs diagnosed with leptospirosis. (*Animal Pharm*)
- US - GENE THERAPY Researchers at the University of Washington Medicine Institute for Stem Cell & Regenerative Medicine have shown that gene therapy may restore muscle strength and prolong the lives of dogs with the genetic disease myotubular myopathy (MTM). Diseased dogs treated with a single infusion of the corrective therapy were indistinguishable from normal animals one year later. The findings were published online in *Molecular Therapy*. (*Feedstuffs*)

BRASSE CONSULTING, INC.
UNDERSTANDING THE OVER-THE-COUNTER MARKET

Whether your business is considering the OTC channels for new business opportunities or you have been distributing in the OTC channels for years, Brasse Consulting's team can provide significant and quality assistance to businesses seeking to learn more about the details of the OTC channels of distribution. If you are looking for meaningful insights into the OTC channels, the trends found there, and the opportunities that exist, contact Joel Adamson at jadamson@brasseconsulting.com.

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BRASSE CONSULTING VIEWPOINT

With this week's news most of the public animal health companies have now reported results for 2016. It is interesting to compare the revenue reports of the manufacturers with distribution. Distribution revenue growth year over year has been higher than most manufacturers are reporting. We believe this difference is mainly because of the broader product mix of distribution versus manufacturing.

While it is taking time to reach full commercialization, there are two articles this week related to cell and gene therapy. Will these technologies reach commercialization at a cost that will allow for broad utilization?

If you'd like to learn more about what we think are the business drivers in animal health for 2017 and forward, we suggest that you register for our 2017 Animal Health Industry Overview at WVC on March 7th. There are still a few spots available.

Have a great weekend!!

Ron Brakke

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