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**Brakke Consulting's  
Animal Health News & Notes for February 26, 2015**  
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**BRAKKE CONSULTING, INC.  
THE CHANGING PET OWNERSHIP STUDY**

Brakke Consulting and Trone Brand Energy will be publishing our newest report, The Changing Pet Ownership study, in the next two months.

The data, obtained from a survey of over 2,500 pet owners, is rich with valuable insight. Topics in the report include the following and more:

- Pet Ownership Stability
- Barriers to Ownership
- Type of Pet Desired
- Price vs. Convenience Sensitivities
- Veterinary Trust, Loyalty and Frequency
- Dynamics of Pet Expenditures

There is still time to purchase the report! Purchasers will be invited to attend a preview of the findings during Western Veterinary Conference on Tuesday, March 8. For more information, contact Dr. David Goodnight at [DGoodnight@BrakkeConsulting.com](mailto:DGoodnight@BrakkeConsulting.com)

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

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## COMPANY EARNINGS RELEASES

> **Bayer** reported results for the full year 2015. Animal Health sales were EUR 1,490 million (\$1,628 million), an increase of 13% (+5% currency and portfolio adjusted). (*company website*)

> **Dechra** reported financial results for the first six months of fiscal year 2016 ended December 31. Revenue was GBP 111 million (\$164 million), an increase of 10% compared to the comparable period in the prior year (+15% at constant exchange rates). Total profit for the period was GBP 11.1 million (\$16.5 million), an increase of 7% compared to the comparable prior-year period. (*company website*)

> **Parnell Pharmaceuticals Holdings Ltd** announced financial results for the year ended December 31, 2015. Total revenues were \$13.2 million, an increase of 58% (of which 7 percentage points related to a favorable exchange variance), over the same period in 2014. Net loss after tax was \$(13.7) million compared to a net loss of \$(14.3) million for the same period in 2014. (*GlobeNewsWire.com*)

> Patterson Companies, Inc. reported results for its fiscal third quarter ended January 30, 2016. Sales for **Patterson Animal Health** more than doubled to \$750 million. Sales from Animal Health International, Inc. added \$407 million to the Animal Health segment during the quarter. Excluding the contribution from Animal Health International, Inc. and accounting for normalized changes in veterinary diagnostic manufacturer relationships, segment sales improved 6% on a constant currency basis, led by an 11% increase in the US. (*Business Wire*)

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### **2016 INDUSTRY OVERVIEW REGISTRATION FOR WVC IS NOW OPEN LAST WEEK TO PRE-REGISTER!**

Brakke Consulting is pleased to announce the 2016 Industry Overview, featuring consultants Ron Brakke, John Volk, and Dr. Cary Christensen. The 2016 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.

WVC: Tuesday, March 8, 2:00 – 4:00 pm, Four Seasons.

Online registration for the Industry Overview at the WVC is now open.

To register, go to [www.brakkeconsulting.com](http://www.brakkeconsulting.com) and scroll down to the "What's New" box. The price is \$385 per person for online registration; **online registration ends March 4 at 2:00 pm Central time**. Onsite registration is \$425.

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## COMPANY NEWS RELEASES

> **Zoetis** Inc. announced that the FDA has approved once-monthly Simparica (sarolaner) Chewables to kill adult fleas and prevent flea infestations, as well as treat and control tick infestations due to the Lone Star tick, the Gulf Coast tick, the American dog tick, and the brown dog tick. Simparica is approved for use in dogs 6 months of age or older and weighing 2.8 pounds or more. Zoetis expects to make Simparica available to veterinarians and pet owners in March 2016. (*company press release*)

> **C.J. Foods Inc.**, a provider of specialty dry pet food manufacturing services for super premium pet food brands in the US, has acquired **Day Six Pet Nutrition**, which also specializes in manufacturing specialty dry pet food brands. Financial terms were not disclosed. (*Petfoodindustry.com*)

> **Kodo Inc.** announced that it has purchased the North American Precise brands and ANF brands from **Texas Farm Products Company**. Kodo has owned and represented these brands outside of Canada and the USA since 2007, and has utilized Texas Farm Products Company, as its US-based pet food manufacturer. This relationship will continue with the brands being made by Texas Farm Products. Financial terms were not disclosed. (*Pets International*)

> Belgian firm **Versele-Laga n.v.** announced it has acquired US company **Goldenfeast Inc.**, a specialized producer of a selection of premium gourmet super food mixtures, mainly for exotic birds. Financial terms were not disclosed. (*Pets International*)

> EU **Zoetis** announced that the European Committee for Medicinal Products for Veterinary Use (CVMP) adopted a consensus positive opinion for an extension of the existing marketing authorization for Poulvac E. coli, concerning the addition of turkeys to its indications. The product was originally launched in Europe in 2012. (*Animal Pharm*)

> EU **Ceva** announced the EU launch of Velactis (cabergoline), the first approved product to induce dry-off in dairy cows. Velactis is administered intramuscularly and is designed to reduce milk production safely; decrease udder pressure; cut milk leakage; and help improve udder health and welfare of dairy cows. (*Animal Pharm*)

> MIDDLE EAST **Alltech** announced it has opened a new regional head office in Dubai in the United Arab Emirates (UAE) to expand its business in the Arabian Gulf States. The company will offer its services of detoxifying feed with anti-mycotoxin products, as well as protein management plus the use of trace minerals. (*Animal Pharm*)

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## **ANIMAL HEALTH NEWS**

> US - CANINE GENETICS A study of samples in the Cornell Veterinary Biobank investigated 180,000 DNA sequences at known loci and identified areas associated with hip and elbow dysplasias, idiopathic epilepsy, lymphoma, mast cell tumor, granulomatous colitis and phenotypic traits such as fur length and shedding. The researchers expect to be able to identify genetic risk factors for most major diseases. (*AVMA SmartBrief - Cornell Chronicle*)

> US - CANINE CCD GENETICS Researchers at Cummings School of Veterinary Medicine at Tufts University and the University of Massachusetts Medical School have identified genetic pathways that exacerbate severity of canine compulsive disorder in Doberman Pinschers, a discovery that could lead to better therapies for obsessive compulsive disorder in people. The discovery is published in the *International Journal of Applied Research in Veterinary Medicine*. (*Medicalxpress.com*)

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## **BRASSE CONSULTING, INC. STRATEGIC PLANNING ASSISTANCE**

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
- Benchmarking various functions against company competitors

Through strategic planning, Brakke 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**

We are reaching the end of the financial reports by animal health companies for 2015. While it was not a breakout year, 2015 did provide revenue increases in some important product segments. The last few years the animal health market has proven to be a consistent growth area both in revenue and profits for companies and investors. We believe this will continue for the foreseeable future with a negative bump in the road every now and then.

Our 30 years of observing the industry as a leading consulting firm has allowed us insights into trends that manufacturers and distributors need to stay abreast of in order to continue above average industry growth. We believe our new "Changing Pet Ownership Study" provides actionable information that companies will be able to utilize to modify their marketing and sales efforts now and in the future to increase revenues. If you'd like more information on this new study please return to the information on the study above. We look forward to providing you and your management team with any additional information on the study you need.

Have a great weekend!

*Ron Brakke*

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