
**Brakke Consulting's
Animal Health News & Notes for February 3, 2017**
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**KC ANIMAL HEALTH CORRIDOR
ANIMAL HEALTH INVESTMENT FORUM
NOW ACCEPTING PRESENTER APPLICATIONS**

The KC Animal Health Corridor is now accepting applications to present at the 2017 KC Animal Health Investment Forum on August 29 in Kansas City, Missouri.

Now in its ninth year, the Forum is one of the only opportunities in the world for early-stage companies in the animal health sector to present their vision, business plan and technology to potential investors.

The selection committee will consider companies that meet the following criteria:

- Seeking \$500,000 - \$20 million in funding
- Revenue projections of \$20 million within 5-7 years

Applications are due on April 14. To apply, go to <http://kcanimalhealth.thinkkc.com/account/login>.

For more information, contact Kimberly Young at young@thinkkc.com.

COMPANY EARNINGS RELEASES

- **Merck** announced financial results for the full year 2016. Animal Health sales were \$3.478 billion, an increase of 4%, including a 4% negative impact from foreign exchange. Sales growth in both periods was primarily driven by an increase in sales of companion animal products, particularly the Bravecto (fluralaner) line of products. *(company press release)*

- Eli Lilly and Company announced financial results for the full year 2016. Worldwide revenue for animal health division **Elanco** totaled \$3.158 billion, a decline of 1% compared with the full year 2015. Excluding the impact of foreign exchange rates, worldwide animal health revenue increased 1%. (*company press release*)
- **Norbrook Laboratories** reported results for the fiscal year ended August 1, 2016. The company recorded sales of GBP 239 million (\$300 million) for the year, an increase of 11% compared to the previous fiscal year. The company's profit before tax climbed from GBP 21.5 million in 2015 to GBP 35.5 million (\$44.5 million) in 2016. (*Animal Pharm*)
- **IDEXX Laboratories, Inc.** reported revenues for the full year 2016. Revenue of \$1.775 billion increased 11% on both a reported and organic basis. Net income was \$222 million, an increase of 16%. Companion Animal Group revenue was \$1.523 billion, an increase of 12%. (*company press release*)
- **Spectrum Brands Holdings, Inc.** reported results for the first quarter of fiscal 2017 ended January 1, 2017. The Global Pet Supplies segment reported net sales of \$194 million, a decline of 4% compared to the comparable prior-year period. Excluding the unfavorable impact of foreign exchange, organic net sales decreased 3%. (*company website*)

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

At Brasse Consulting we find the right person to fit your company's needs. We have an unequalled 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
- Terry Fritz at 336.312.0667

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COMPANY NEWS RELEASES

- **Jaguar Animal Health, Inc.** and **Elanco** announced an agreement to license, develop, and commercialize Canalevia, a Jaguar drug product candidate under investigation for treatment of acute and chemotherapy-induced diarrhea in dogs. The Agreement grants Elanco exclusive global rights to Canalevia. Jaguar will receive an upfront payment of \$1.5 million and additional payments upon achievement of certain milestones in an aggregate amount of up to \$61 million payable throughout the term of the agreement; product development expense reimbursement; and royalty payments on global sales. Jaguar retains the commercial responsibility for the chemotherapy-induced diarrhea indication of Canalevia in dogs. (*streetinsider.com*)

- **Zomedica Pharmaceuticals** Corp. announced that it opened its fourth Investigational New Animal Drug (INAD) application with the FDA-CVM for ZM-011 (fluoxetine), a transdermal behavioral medication to reduce inappropriate urination in cats. (*Globe Newswire*)
- **Innovetive Petcare** announced the acquisition of Sun Dog Cat Moon Veterinary Clinic in Johns Island, South Carolina, the group's eleventh practice. Sun Dog Cat Moon Veterinary Clinic combines traditional western veterinary services with Traditional Chinese Veterinary Medicine where appropriate for simple and cost-effective ways to manage chronic pain, arthritis, and other debilitating diseases. Financial terms were not disclosed. (*company press release*)
- The **North American Veterinary Community** (NAVC) announced that it has acquired **Veterinary Advantage** whose products will join the NAVC family as official publications of the NAVC. Financial terms were not disclosed. (*company press release*)

ANIMAL HEALTH NEWS

- **WORLD - POULTRY REFERENCE** The World Veterinary Poultry Association (WVPA) in association with **Ceva** announced the launch of a digital library resource on poultry veterinary medicine that enables users to search its base of poultry health articles by subject word or author name. The 1,000+ articles are sourced from the papers of respected journals and the presentations given at relevant international conferences. (*company press release*)
- **CHINA - TB RESEARCH** Researchers from the College of Veterinary Medicine at Northwest A&F University in Shaanxi, China, have successfully produced live cows with increased resistance to bovine tuberculosis. The researchers used a modified version of the CRISPR gene editing technology to insert a new gene into the cow genome, with no detected off-target effects on the animals' genetics. Results were published in the open-access journal *Genome Biology*. (*Feedstuffs*)

BRASSE CONSULTING, INC. 2017 INDUSTRY OVERVIEW REGISTRATION FOR OVERVIEWS AT NAVC AND WVC

Brasse Consulting is pleased to announce the 2017 Industry Overview. The 2017 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. These dates are:

- NAVC: **Monday, February 6, 2017**, 2:00 – 4:00 pm, Rosen Centre Hotel
- WVC: **Tuesday, March 7, 2017**, 2:00 – 4:00 pm, Four Seasons.

Online registration for the Industry Overview at NAVC closes at 11:00 am CST; after that please register on-site on Monday, February 6.

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BRASSE CONSULTING VIEWPOINT

The companies reporting results this week reflect some industry trends. IDEXX's revenue growth

in 2016 again demonstrates that the diagnostics category is growing faster than other product segments of the industry. Norbrook Labs' revenues reflect the increasing importance of generics in both the food and companion animal portions of the business. The Merck and Elanco revenues demonstrate the challenges large companies have with diverse portfolios around the world where currency becomes a significant factor in reporting financials.

If you've not already done so we encourage you to attend our 2017 Industry Overview that will be given at NAVC next Monday afternoon. In that two hour session we will address what we view as the leading drivers for growth of the industry in 2017 and beyond with more in-depth comments on the trends discussed briefly above.

We look forward to seeing many of you in Orlando next week.

Ron Brakke

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