
**Brakke Consulting's
Animal Health News & Notes for May 1, 2015**
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**ANIMAL AGRICULTURE ALLIANCE
2015 STAKEHOLDERS SUMMIT
MAY 6-7, 2015**

The Animal Agriculture Alliance's Annual Stakeholders Summit will be held May 6-7, 2015 in Kansas City, MO. This year's theme is "The Journey to Extraordinary". The event will explore animal agriculture's continuous efforts to embrace new technologies that will help feed a growing population while measuring sustainability, engage consumers in innovative ways to bridge the knowledge gap, and highlight initiatives that demonstrate agriculture's commitment to transparency.

For more information please visit www.animalagalliance.org/summit.

COMPANY EARNINGS RELEASES

> **Merck** announced financial results for the first quarter of 2015. Animal health sales were \$829 million, an increase of 2% including an 11% negative impact from foreign exchange. Growth was primarily driven by an increase in sales of companion animal products mainly from the continued launch of Bravecto. (*company website*)

> Sanofi reported financial results for the first quarter of 2015. Sales for animal health division **Merial** increased 14% to EUR 658 million (\$736 million). (*company website*)

> **Bayer** announced financial results for the first quarter of 2015. Animal health division sales were EUR 386 million (\$432 million), an increase of 17% compared to the first quarter of 2014 (+6% currency and portfolio adjusted). (*company website*)

> **IDEXX Laboratories**, Inc. reported revenues for the first quarter of 2015 of \$382 million, an increase of 6% compared to the prior year period. Impacts from the strengthening of the US dollar reduced reported revenue growth by 6%. Companion Animal Group revenues were \$325 million, an increase of 9%. Net income for the quarter was \$46.6 million, unchanged from the first quarter of the prior year. (*company website*)

> **Abaxis**, Inc. reported financial results for the fiscal year ended March 31, 2015. Revenues from continuing operations were \$203 million for fiscal 2015, up 25% year-over-year. Veterinary market revenues were \$164 million for fiscal 2015, up 25% year-over-year. The company reported net income from continuing operations of \$20.8 million for fiscal 2015, compared to \$16.2 million for the prior year. (*company press release*)

> **VCA** reported financial results for the first quarter ended March 31, 2015. Revenue increased 11% to \$500 million. Net income increased 12.5% to \$38.3 million. Animal Hospital revenue increased 12% to \$393 million; Laboratory revenue increased 6% to \$94 million. (*company press release*)

> **Avacta** announced results for the six months ended January 31, 2015. Revenues, all attributable to animal health, were GBP 730,000 (\$1.1 million), down 11% from a restated GBP 820,000 in the comparable period in the prior year. Pre-tax loss was (GBP 1.6 million) (\$2.46 million) compared to a loss of (GBP 568,000) a year ago. (*iii.co.uk*)

COMPANY NEWS RELEASES

> **Hill's Pet Nutrition** introduced Hill's Prescription Diet Metabolic + Mobility Canine and Metabolic + Urinary Feline, nutritional solutions to help treat common concurrent health conditions. Hill's two new products are based upon the nutrition of Hill's Prescription Diet Metabolic weight loss and weight maintenance diet. (*company press release*)

> **Nylabone Products** announced is recalling 1.69 oz. Puppy Starter Kit dog chews due to possible salmonella contamination. The recalled treat was distributed in stores nationwide, to Canada, and may have been purchased online. (*AVMASmartBrief - nbc26.tv*)

> **Vetrimax Products** announced the launch of Command Shampoo, formulated with sodium hypochlorite and salicylic acid to help relieve symptoms associated with atopic dermatitis in animals including inflammation, pruritus, odor, and infection. (*company press release*)

> **CareCredit** and **Vets First Choice** announced an exclusive agreement to give pet owners the opportunity to use the CareCredit healthcare credit card to pay for their online purchases of pet medicines and diet food products at more than 10,000 participating veterinary practice websites nationwide. The agreement marks CareCredit's first web-based card acceptance partnership. (*business wire*)

> **BRAZIL Nuscience Group**, the specialty division of the Royal Agrifirm Group, announced it has acquired Brazilian company **Nutrifarma**, a leading provider of premixes, concentrates, specialty feeds, additives and services. This acquisition provides Nuscience, a manufacturer of animal feed solutions in Europe, with a stronger foothold in the Brazilian market. Financial terms were not disclosed. (*Watt Agnet*)

ANIMAL HEALTH NEWS

> US - CATTLE DRUG USE GUIDELINES The American Association of Bovine Practitioners (AABP) has created "Drug Use Guidelines for Bovine Practice" to assist beef and dairy veterinarians in guiding appropriate, effective and legal drug use on cattle operations. Because of the complexity of the issue, a special AABP task force comprised of veterinary and pharmacology experts in the feedlot, cow/calf and dairy sectors has been crafting these guidelines over a three-year period. The guidelines can be found at http://www.aabp.org/resources/aabp_guidelines/druguseguidelines_2015-4-8-1.pdf . (Feedstuffs)

> US - DRUG RESIDUES IN MILK The FDA reported that it is seeking public comment on a risk assessment of drug residues in milk and milk products. The FDA is accepting public comments beginning on April 30, 2015. To electronically submit comments to the docket, visit <http://www.regulations.gov> and type FDA-2015-N-1305 in the search box. (Feedstuffs)

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BRASSE CONSULTING VIEWPOINT

Those companies reporting their first quarter revenues and profits for 2015 this week were for the most part impressive. As mentioned in prior newsletters, currency exchange will continue to be an important footnote to most of the larger companies' financial results this year. It is also interesting to note that most of the companies demonstrating higher-than-average revenues have new technologies in the companion animal parasite market.

We also want to encourage every animal health company involved in animal agricultural to send one or more representatives to the upcoming Animal Agricultural Alliance Summit in Kansas City on May 6 & 7. Since its founding, this alliance organization has been an important conduit and advocate on behalf of its members with consumers and anti-agriculture groups. The alliance has successfully educated many policymakers on the values of animal agriculture. It deserves your companies support!

Have a great weekend!!

Ron Brasse

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