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**Brakke Consulting's  
Animal Health News & Notes for May 12, 2017**  
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IN THE NEWS:

Brakke Consulting news  
Animalhealthjobs.com

earnings news

Aratana Therapeutics  
Henry Schein  
Hester Biosciences  
ImmuCell  
Krka  
Land O'Lakes  
Nexvet Biopharma  
Ouro Fino  
PetMed Express  
Phibro  
Tyson Foods  
Zomedica

other news

AgriLabs  
Agro BioSciences  
Animal Supply Company  
Arm & Hammer Animal Nutrition  
Calysta  
Ceva  
Crum & Forster Pet Insurance  
Hartville Pet Insurance  
Huvepharma (Corid)  
Huvepharma (Intrexion)  
Intrexon  
Laboratoire M2  
LADS Pet Supplies  
Merial  
NovaVive  
Oasmia Pharmaceutical  
Syfrett Feed Company  
TyraTech  
Zoetis (plant expansion)  
Zoetis (Gates grant)

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**ANIMALHEALTHJOBS.COM  
HIRING HOT SPOTS**

The hot spots this week are Portland, Maine and Kansas City. A sample of the management jobs available include:

Senior Associate, Regulatory Affairs - Portland, Maine  
Manager, Regulatory Affairs - Portland, Maine  
Director US Product Development - Portland, Maine or Kansas City  
Director Regulatory Affairs - KC  
Manager Regulatory Affairs - KC

But if you prefer a warmer climate, there is an R&D Project Manager position in Phoenix.

To view all our posted positions, go to  
[www.AnimalHealthJobs.com](http://www.AnimalHealthJobs.com)

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## COMPANY EARNINGS RELEASES

- **Phibro Animal Health Corporation** announced its financial results for its third quarter ended March 31, 2017. Animal Health net sales were \$121 million, an increase of 2% compared to the comparable prior-year period. The growth was primarily due to volume increases in the nutritional specialty and vaccine product groups within the segment. *(company press release)*
- **Ouro Fino Saúde Animal** announced results for the first quarter of 2017. Revenues for the period were R\$75.2 million (\$23.6 million), a 23% decline year-on-year. While revenues from its food animal division fell 28%, it recorded a 16% increase in sales from companion animal products. Adjusted EBITDA for the first quarter dropped 82% to R\$1.2 million (\$376,000). *(Animal Pharm)*
- **Krka** reported results for the first quarter of 2017. Sales of the firm's animal health products came to EUR 17.6 million (\$19.1 million), a decline of 19% compared to the first quarter of 2016. *(Animal Pharm)*
- **Hester Biosciences** reported results for the full year 2016. Annual sales INR 1232.2 million (\$19 million), an increase of 22% over the prior year. Net profit jumped 29% to INR 248.4 million (\$3.8 million). *(Animal Pharm)*
- **ImmuCell Corporation** announced unaudited financial results for the quarter ended March 31, 2017. Sales for the quarter totaled \$3.5 million, a 19% increase in comparison to the first quarter of 2016. Net income was \$584,000 during the first quarter of 2017 in comparison to net income of \$452,000 during the first quarter of 2016. *(company press release)*
- **Aratana Therapeutics, Inc.** announced its first quarter 2017 financial results. Total net revenues were \$3.8 million compared to revenues of \$172,000 in the first quarter of 2016. The net loss was \$(12.6) million compared to net loss of \$(18.1) million in the comparable prior year period. As of March 31, 2017, Aratana had approximately \$68.4 million in cash, cash equivalents, restricted cash and short-term investments. *(company press release)*
- **Nexvet Biopharma** announced financial results for the first quarter of 2017. Nexvet reported a net loss of \$(6.0) million which reflected one-off items, including \$1.0 million to Pfizer for a patent license and \$0.8 million in cost reduction costs, compared to \$(5.7) million for the three months ended March 31, 2016. As of March 31, 2017, Nexvet had cash of \$14.5 million. *(company website)*
- **Zomedica Pharmaceuticals Corp.** reported financial results for the three months ended March 31, 2017. Zomedica recorded net loss and comprehensive loss of \$(1.8) million compared to a loss of \$(931,642) for the three months ended March 31, 2016. Zomedica had cash of \$1.8 million as of March 31, 2017. *(P&Tcommunity.com)*

- **Henry Schein, Inc.** reported record first quarter financial results. Animal Health sales were \$813 million, an increase of 5.4%, consisting of 8.1% growth in local currencies and a 2.7% decline related to foreign currency exchange. (*company press release*)
- **PetMed Express, Inc.** announced its financial results for the fiscal year ended March 31, 2017. Net sales were \$249 million, an increase of 6% compared to the prior year. Net income for the fiscal year was \$23.8 million, an increase of 16%. (*company website*)
- **Land O'Lakes Inc.** reported results for the first quarter of 2017. Net sales were \$3.7 billion, an increase of 3% over the comparable prior-year quarter. Net earnings were \$110 million compared to net earnings of \$104 million in 2016. (*company website*)
- **Tyson Foods** reported results for its fiscal second quarter 2017. Sales were \$9.1 billion, down 1% from the comparable prior-year period. Adjusted operating income was \$623 million, down from \$704 million in the second quarter of 2016. (*company website*)

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## COMPANY NEWS RELEASES

- **Zoetis Inc.** announced plans to spend about \$64.5 million over the next three years to expand its manufacturing capabilities in Kalamazoo, Michigan and increase production of chewable tablet medicines for pets. (*Mlive.com*)
- **Huvepharma** announced it has acquired the Corid (amprolium) line of products from **Merial**. Financial terms were not disclosed. (*Animal Pharm*)
- **Huvepharma** and **Intrexon Corporation** announced they have entered into a research collaboration agreement. The collaboration represents the first commercial application of Intrexon's proprietary fungal expression platform to produce a new animal feed enzyme developed by Huvepharma. (*Gurufocus.com*)
- **AgriLabs** announced it has received a U.S. patent for ENABL adjuvant technology and its use as a delivery system for the DNA vaccines the company is developing. The patent covers a broad range of adjuvant compositions and methods for human and animal health. (*Bovinevetonline.com*)
- **Oasmia Pharmaceutical AB** announced it has made a decision to move all of Oasmia's veterinary assets, including Paccal Vet and Doxophos Vet, to a wholly owned subsidiary in the US. The Company has appointed New York-based advisors to evaluate potential financial and strategic alternatives for the veterinary business, including private placement, public offering of the common stock in the US subsidiary and strategic collaborations within the veterinary field. (*Globe Newswire*)
- **NovaVive Inc.** announced the launch of Immunocidin Equine for treatment of equine sarcoid tumors. (*company press release*)
- **TyraTech** announced plans to split itself into two standalone entities focusing separately on animal health and human health. Both businesses will initially remain 100% owned by Tyratech. TyraTech recently entered the market with PureScience and Outsmart insect control products for livestock and horses. (*Animal Pharm*)
- **Animal Supply Company (ASC)** announced it has acquired the assets of **LADS Pet Supplies**. LADS will operate as a separate division of ASC and will continue to service customers as LADS Pet Supplies. Financial terms were not disclosed. (*Pet Business*)

- Church & Dwight Co. Inc., the parent company of **Arm & Hammer Animal Nutrition**, announced it has acquired **Agro BioSciences Inc.**, a microbial biotechnology company with an innovative platform to provide novel, science-based products for animal and agricultural production. Financial terms were not disclosed. *(Feedstuffs)*
- **Calysta** announced has secured \$40 million in series D funding to advance the production and marketing of its radical FeedKind food animal nutrition. FeedKind protein is a natural, sustainable, and traceable feed ingredient that is produced via a natural fermentation. *(Animal Pharm)*
- Crum & Forster announced that the company's pet insurance division, **Hartville Pet Insurance Group**, has been rebranded as **Crum & Forster Pet Insurance Group**. Crum & Forster Pet Insurance Group will continue providing the brands known to pet parents, including ASPCA Pet Health Insurance and Hartville Pet Insurance. *(company press release)*
- The Florida US District Court entered a consent decree of permanent injunction between the US and **Syfrett Feed Company Inc.** and its officers. Over the course of three inspections of the company's facility in 2014, 2015 and 2016, the FDA documented multiple violations of the current good manufacturing practice (cGMP) regulations for medicated feeds. The consent decree prohibits Syfrett Feed from processing, manufacturing, preparing, packing and distributing the medicated animal feed it produces until the defendants hire an expert to ensure that they are following all cGMP regulations in the manufacture of medicated feed and until the FDA provides Syfrett Feed with written permission that they may resume the manufacture and distribution of their medicated feed. *(FDA)*
- AFRICA The Bill & Melinda Gates Foundation announced a grant to **Zoetis** of \$14.4 million over three years to develop veterinary diagnostic networks and animal health infrastructure in Ethiopia, Nigeria and Uganda. Zoetis will carry out an initiative called African Livestock Productivity and Health Advancement (ALPHA) to collaborate with governmental authorities, local veterinary associations, national and international non-governmental organizations, farmer associations and the private sector to "maximize its ability to positively impact the region". *(Animal Pharm)*
- UK **Ceva Animal Health** announced the UK launch of Assure Ewe, a subsidized testing scheme to assist practitioners identify the cause of enzootic abortion on-farm. Blood samples should be collected from six ewes, with full farm and vet details also supplied. Upon results, Ceva says it will share information with the participating veterinary surgeon to discuss with the farmer. *(VetSurgeon.com)*
- CANADA **Laboratoire M2** announced the closing of a C\$4.6 million Series B financing round. The funds will primarily be used to accelerate international commercial expansion of THYMOX as a disinfectant for animal health and crop protection, and into institutional and retail markets. *(company press release)*

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## ANIMAL HEALTH NEWS

- UK - AVIAN INFLUENZA UK authorities have confirmed a new case of H5N8 avian influenza in chickens, in a small backyard flock of chickens in Lancashire. The flock is estimated to contain around 30 birds, some of which died with the rest being culled. *(Animal Pharm)*
- MEXICO - AVIAN INFLUENZA The OIE has reported a large outbreak of highly pathogenic H7N3 avian influenza (HPAI) on two chicken farms in central western Mexico. 10 positive

cases identified out of a total susceptible flock of 151,100 birds. All chickens will likely be culled and chicken movements in Jalisco have been prohibited and farm premises disinfected. A vaccination strategy has not been implemented. (*Animal Pharm*)

- CHINA - BEEF IMPORTS Ending a nearly 14-year hiatus, the US announced that following one more round of technical consultations between the US and China, China will begin -- as soon as possible, but no later than July 16 -- importing US beef on conditions consistent with international food safety and animal health standards and consistent with the 1999 Agricultural Cooperation Agreement. (*Feedstuffs*)
- EU - BSE RULES The EU reported that it is relaxing some of the rules put in place to guard against bovine spongiform encephalopathy (BSE) via a new regulation covering the import of products derived from cattle, sheep and goats. Published in the bloc's official journal recently, the document amends model certificates for imports of live animals and fresh and minced meat, while also adjusting rules for bovine products such as gelatin and collagen. (*Animal Pharm*)
- US - USDA REORGANIZATION The US Secretary of Agriculture announced plans to make changes at the USDA to better suit domestic and international programs with the creation of a new undersecretary for trade and realigning current agencies into new mission areas. A reduction in USDA workforce is not part of the reorganization plan. The action represents the first time the department has undergone a significant reshuffling since 1994. (*Feedstuffs*)

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## **BRAKKE CONSULTING VIEWPOINT**

A couple of items caught my eye in the news this week. The first was the mix of positive and negative revenue and earnings reports. Those manufacturing companies reporting had revenue increases in low single digits, while those in distribution or internet retailing had revenue increases in high single digits. As suggested in prior newsletters, pet owners continue to expand their use of the internet to acquire products and services.

The second area of interest was the number of stories related to new technologies in the nutritional feed additive area. Nutrition technology research is accelerating in an effort to fill the gap created with the reduced use of antibiotics in food animal production. The decline in the use of antibiotics by large branded food companies is occurring at a more rapid pace than many predicted which is impacting those companies serving the product area.

Have a great weekend!

*Ron Brakke*

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