

\*\*\*\*\*

**Brakke Consulting's  
Animal Health News & Notes for May 13, 2016**  
Copyright © Brakke Consulting, Inc.

*Editor: Lynn Fondon DVM MBA*

\*\*\*\*\*

IN THE NEWS:

Brakke Consulting news  
[Animal Health Industry Overview webinar](#)  
[Market research](#)

earnings news  
[Balchem](#)  
[Hester Biosciences](#)  
[ImmuCell](#)  
[Jaguar Animal Health](#)  
[Ouro Fino](#)  
[PetMed Express](#)  
[Phibro](#)  
[Premier Veterinary Group](#)  
[Trupanion](#)

other news  
[Animal Health Care of Marlboro](#)  
[Balchem](#)  
[BASF](#)  
[Blackwood Pet Food](#)  
[BrightPet Nutrition Group](#)  
[Compassion-First Pet Hospitals](#)  
[InVivo](#)  
[Lallemand](#)  
[Merial](#)  
[Nutritech International](#)  
[Ohio Pet Foods](#)  
[Parnell](#)  
[Popular Feedmill Corporation](#)  
[Southern Tier Pet Nutrition](#)  
[Virbac](#)  
[Vitec Nutrition](#)

\*\*\*\*\*

**BRAKKE CONSULTING, INC.  
US ANIMAL HEALTH INDUSTRY WEBINAR  
MAY 25, 2016  
REGISTRATION ENDS FRIDAY, MAY 20**

Brakke Consulting, Inc. will present a two-hour webinar entitled "The U.S. Animal Health Industry" on Wednesday, May 25 from 11 am - 1 pm CDT.

Presented by senior consultants John Volk and Cary Christensen, DVM, the two-hour presentation will include a review of industry performance over the last year, comments on leading companies, plus current issues impacting industry and the veterinary profession. The webinar will also provide insights on factors affecting both the food animal market and companion

animal market and key findings from several recent studies. The webinar is interactive; participants will have the opportunity to ask questions.

The cost of registering for the webinar is \$385 per person. The deadline for registering is Friday, May 20.

To register, go to [www.BrakkeConsulting.com](http://www.BrakkeConsulting.com) and scroll down to the "What's new" area.

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

\*\*\*\*\*

## COMPANY EARNINGS RELEASES

> **Phibro Animal Health** Corporation announced financial results for its third quarter ended March 31, 2016. Animal Health net sales were \$118 million, a 1% increase over the prior-year period (+3% excluding \$2.0 million of vaccine licensing milestone revenue in the prior-year). *(company press release)*

> **Ouro Fino Saúde Animal** reported results for the first quarter of 2015. Quarterly sales reached R\$98 million (\$112 million), a 13% increase over the prior-year quarter. The company reported an adjusted loss of R\$(1.8) million (\$2.1 million) compared to a profit of R\$7.5 million in the first quarter of 2015. *(Animal Pharm)*

> **ImmuCell Corporation** announced financial results for its first quarter ended March 31, 2016. Total sales of \$3 million decreased by 4% compared to the first quarter of 2015. Net income was \$452,000 compared to net income of \$479,000 during first quarter 2015. *(company press release)*

> **Hester Biosciences** reported results for the full year 2015. Sales were INR 1 billion (\$15 million), a 12% improvement over the prior year. The company's net profit for the year increased by 37% to around INR 192 million. *(Animal Pharm)*

> **Jaguar Animal Health** reported results for the first quarter of 2016. Revenues were \$38,000 compared to revenues of \$62,000 in the comparable prior-year period. Net loss was \$(4.0) million compared to a net loss of \$(3.9) million in the comparable prior-year period. The company had cash and cash equivalents of \$7.2 million as of March 31, 2016. *(company website)*

> **PetMed Express, Inc.** announced its financial results for the fiscal year ended March 31, 2016. Net sales were \$235 million, an increase of 2% compared to the prior year. Excluding a one-time charge for an IT-related discontinued project in the quarter ended September 30, 2014, net income for the fiscal year was \$20.6 million, an increase to net income of 11%. *(Globe newswire)*

> **Balchem Corporation** reported results for the first quarter of 2016. The Animal Nutrition & Health segment sales were \$39 million, a decrease of 8% (+7% in volumes) compared to the prior year quarter. The reduced sales were primarily due to lower average selling prices for products in the monogastric markets, as well as an unfavorable product mix, particularly for ruminant products. *(company website)*

> **Trupanion, Inc.** announced financial results for the first quarter ended March 31, 2016. Total revenue was \$42.7 million, an increase of 28% compared to the first quarter of 2015. Total enrolled pets (including pets from our other business segment) was 307,298 at quarter-end, up 25% over the prior year period. Net loss was \$(2.6) million, compared to a net loss of \$(4.9) million in the first quarter of 2015. *(company website)*

> **Premier Veterinary Group** PLC reported financial results for the first half of its financial year ended March 31, 2016. Revenue for the period was GBP 1.4 million (\$2.0 million), up from GBP 1.1 million. Due to a GBP 4.1 million gain on disposal, total comprehensive profit for the period was GBP 3.2 million (\$4.6 million), compared to a loss of GBP(373,000) a year earlier. (*LSE.co.uk*)

\*\*\*\*\*

## COMPANY NEWS RELEASES

> **Merial** announced the imminent launch of Frontline Gold for Dogs and Cats. Frontline Gold contains pyriproxyfen in addition to fipronil and (s)-methoprene. (*Trends*)

> **Virbac** announced the launch of the CET OraStrip dental diagnostic test to detect periodontal infection in dogs. (*Animal Pharm*)

> **BASF** and **Balchem** Corporation announced that they are working together to bring next generation feed efficiency and health products to the North American swine industry. The first offering from this alliance will be launched at World Pork Expo in June 2016. (*NationalHogFarmer.com*)

> **Parnell Pharmaceuticals Holdings** Ltd. announced the pricing of an underwritten public offering of 2,550,000 of its ordinary shares for \$4,207,500. In addition, Parnell has granted the underwriters a 30-day option to purchase up to an aggregate of 382,500 additional ordinary shares at the public offering price. The offering is expected to close on May 17, 2016, subject to customary closing conditions. (*Globenewswire*)

> **Blackwood Pet Food**, together with contract manufacturers **Ohio Pet Foods** and **Southern Tier Pet Nutrition**, has partnered with private investment firm Graham Partners to create **BrightPet Nutrition Group**. This new partnership will make BrightPet a leading developer and manufacturer of premium and super-premium pet foods and treats, serving US and international markets. (*PetFoodIndustry.com*)

> **Compassion-First Pet Hospitals** announced the addition of **Animal Health Care of Marlboro** in Englishtown, New Jersey to its growing family of veterinary hospitals in the Northeast. Financial terms were not disclosed. (*company press release*)

> **NEW ZEALAND Nutritech International** and **Lallemand NZ** Ltd (trading as **Vitec Nutrition**) announced plans to merge as of June 1, 2016. The merged business will be called Nutritech International Limited and will remain majority controlled and owned by its New Zealand based management team and shareholders, with Lallemand Animal Nutrition having a minority strategic shareholding. Nutritech produces a range of equine products, including electrolytes, toxin binders, detox and gut products, and a natural calmer. (*Horsetalk.co.nz*)

> **PHILIPPINES InVivo NSA** announced it has acquired **Popular Feedmill Corporation** in the Philippines. The company produces approximately 150,000 tonnes of pig, poultry, aquaculture, and pet feed per year. Financial terms were not disclosed. (*Wattagnet.com*)

\*\*\*\*\*

## ANIMAL HEALTH NEWS

> **US - DIAGNOSTICS** The University of Pennsylvania School of Veterinary Medicine partnered with imaging company 4DDI to develop an imaging device that can collect 2D and 3D CT scans, X-rays and fluoroscopy data from a standing, unsedated horse. The system, called Equimagine,

relies on rotating robotic arms that move around the patient. (AVMA SmartBrief- Digital Trends)

> US - ANTIMICROBIAL USE The FDA finalized a rule that revises its annual reporting requirements for drug sponsors of all antimicrobials sold or distributed for use in animals intended for human consumption or food-producing animals. Companies are now required to provide estimates of sales broken down by major food-producing species (cattle, swine, chickens and turkeys) in addition to the overall estimates they already submit on the amount of antimicrobial drugs they sell or distribute for use in food-producing animals. (Feedstuffs)

> US - LIVESTOCK OWNERSHIP Senator Chuck Grassley (R., Iowa) introduced legislation to ban packer ownership of livestock after he said he is seeing continued consolidation within the livestock industry. The bill contains four exceptions to the ban for: an arrangement entered into within seven days before slaughter of the livestock by a packer; a cooperative or entity owned by a cooperative; a packer that is not subject to mandatory price reporting laws; or a packer that owns one livestock processing plant. Grassley introduced similar versions of the packer ban in previous sessions of Congress. (Feedstuffs)

\*\*\*\*\*

**BRAKKE CONSULTING, INC.  
MARKET RESEARCH**

Depend on Brakke Consulting to build a market study to meet your company's needs, whether it is:

- Assessing the feasibility of a new product or technology
- Identifying the opinions and trends of veterinarians, pet owners or producers
- Determining the current market for products

With our in-house database of veterinarians and the ability to custom-tailor surveys of a wide variety of target audiences, we provide reliable insights into this unique industry. We also produce multi-client reports in a number of high-interest animal health market areas. For more information, see our website or call our Dallas office at 972-243-4033.

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

\*\*\*\*\*

**BRAKKE CONSULTING VIEWPOINT**

Several of the companies reporting this week are struggling in the revenue area in what appears to us to be a reasonably strong market. The recent smaller IPO companies are finding it difficult to generate investor interest in their current or future revenue models to support their stock price. The cost of bringing new products to market has always been challenging and has become even more difficult the past few years. What will happen to a number of these companies and other newer companies if early stage investment in animal health drops off?

We also noted that the leading pet products internet company had a challenging 2015. The competition for filling pet owners' product orders on the internet has become a crowded area. Many veterinarians are getting back in the game by developing and expanding their pharmacy business either internally or through third-party pharmacy suppliers. There are actions veterinarians can take to protect and expand their pharmacy business.

Have a great weekend!

Ron Brakke

\*\*\*\*\*

Trouble viewing this newsletter? You can view it online at [www.BrakkeConsulting.com](http://www.BrakkeConsulting.com)

*This electronic newsletter is the sole property of Brakke Consulting, Inc.  
Any use of the contents herein should be approved by and appropriately attributed to Brakke Consulting, Inc.*

For more information about Brakke Consulting's services and syndicated studies, visit our website at [www.brakkeconsulting.com](http://www.brakkeconsulting.com).

Brakke Consulting, Inc.  
12005 Ford Rd., Suite 530  
Dallas, TX 75234 USA