
**Brakke Consulting's
Animal Health News & Notes for May 23, 2014**
Copyright © Brakke Consulting, Inc.

Editor: Lynn Fondon DVM MBA

IN THE NEWS:

[Brakke Consulting news](#)
[Strategic planning](#)

[earnings news](#)
[Patterson Veterinary Supply](#)
[PetSmart](#)
[SkyStar Bio-Pharmaceutical](#)

[other news](#)
[Bio-Nutrition](#)
[Centaur](#)
[Dechra](#)
[DermaZoo](#)
[DRE Veterinary](#)
[Hallmarq Veterinary Imaging](#)
[Henry Schein](#)
[Kinetic Technologies](#)
[Merck](#) (Bravecto)
[Merck](#) (Porceptal)
[Merial](#) (NexGuard)
[Merial](#) (MDPV vaccine)
[Parnell](#)
[Petco](#)
[PetPace](#)
[Precision Science](#)
[PSPC](#)
[SmartPak](#)
[Valneva](#)
[Zinpro](#)

**BRAKKE CONSULTING, INC.
STRATEGIC PLANNING SERVICES**

Brakke 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 and impact 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.

www.BrakkeConsulting.com

COMPANY EARNINGS RELEASES

> **Patterson Companies**, Inc. reported results for the fiscal year ended April 26, 2014. Veterinary Supply sales for the year were \$1.2 billion, an increase of 59% compared to the prior year due primarily to the acquisition of NVS in August 2013. (*WSJ.com*)

> **PetSmart**, Inc. announced financial results for the first quarter of 2014. Net sales for the first quarter of 2014 increased 1% to \$1.7 billion. Comparable store sales, or sales in stores open at least one year, including online sales, fell 0.6%. Services sales, which are included in net sales, grew 5% to \$200 million. Net income increased 1% to \$104 million. (*company website*)

> **Skystar Bio-Pharmaceutical** reported results for the first quarter of 2014. Total revenue increased 24% year on year to \$6.8 million compared to the prior year first quarter. The company's gross profit increased 9% to \$2.8 million. (*Animal Pharm*)

COMPANY NEWS RELEASES

> **Merck Animal Health** announced the FDA's approval of Bravecto (fluralaner) chewable tablets for dogs. Bravecto quickly and effectively kills fleas and multiple tick species for 12 weeks in a single dose (eight weeks against *Amblyomma americanum* ticks). Bravecto is available only through veterinarians. (*company press release*)

> **Merial** announced that NexGard (afoxolaner) Chewables is now FDA-approved to kill two additional species of ticks – the black-legged (deer) tick (*Ixodes scapularis*) and the Lone star tick (*Amblyomma americanum*). (*company press release*)

> **Henry Schein**, Inc. announced that its US Animal Health business has entered into an agreement to acquire an approximate 60% ownership position in **SmartPak**. SmartPak had sales in 2013 of approximately \$105 million and expands Henry Schein's product and service offering to the equine community. As part of this transaction, Oak Hill Capital Partners and SmartPak's existing management team will own SmartPak's remaining equity. Financial terms of the transaction were not disclosed. (*WSJ.com*)

> **Dechra Pharmaceuticals** PLC announced the acquisition of the trade and assets of **PSPC** Inc. for a consideration of up to \$10 million (\$8.5 million in cash and \$1.5 million contingent upon the successful registration of a new product). Dechra will also pay a royalty on total net sales. PSPC's principal product is Phycox, a patented joint supplement. (*Wall Street Journal*)

> **Parnell Pharmaceuticals Holdings** announced it has filed an Initial Public Offering with the SEC to raise up to \$58 million. The Australia-based company, which reported sales of \$12 million for the 12 months ended March 31, 2014, plans to list on the NASDAQ under the symbol PARN. (*NASDAQ.com*)

> **DermaZoo Pharma** LLC announced the release of TrisOphtho Eye Wipes for dogs, cat and horses. The wipes contain a patent pending formula which includes EDTA, tromethamine, and chlorhexidine, and are indicated for prevention and removal of tear stains, helping to reduce odor and infection around the eye, and for routine cleansing. (*company press release*)

> **Kinetic Technologies** announced the launch of Kinetic Vet EquiShield IBH Spray, a soothing anesthetic spray with antiseptic and anti-inflammatory properties featuring the active ingredients chlorhexidine gluconate, pramoxine HCl, citronella oil and hydrocortisone. (*company press release*)

> **Centaur Animal Health** announced the availability of QuikCal Calcium Boluses for dairy cattle. The bolus features a unique patented delivery system that allows for its easy, safe administration to the cow and rapid release of both calcium chloride and calcium propionate to provide quick blood serum levels of calcium as well as sustained absorption over time. *(PRNewswire)*

> **Precision Science** announced it has acquired **Bio-Nutrition's** soft chew formulation capabilities. The technology adds to Precision Science's existing range of contract manufacturing formulation and packaging options. Financial terms were not disclosed. *(company press release)*

> **Petco** announced it will stop carrying China-made dog and cat treats at its more than 1,300 store locations nationwide by the end of 2014. Petco will continue to carry a broad selection of USA-made products, as well as treats and chews from other regions of the world, including New Zealand, Australia and South America. *(company website)*

> **DRE Veterinary** announced the addition of the DRE Waveline VS, a portable multi-parameter vital signs monitor for use with dogs, cats and other animals. *(DigitalJournal)*

> **Hallmarq Veterinary Imaging** announced the introduction of PetVet MRI, only high-field MRI system specifically designed for use in companion animals. *(PRWeb)*

> **PetPace** announced the launch of a new smart collar that allows owners and veterinarians to monitor dogs and cats' health 24 hours a day. PetPace's smart collar has incorporated miniature sensors that monitor pets vital signs, activity patterns, and other physiologic and behavior parameters. If any cause for concern is detected an alert is generated to designated recipients. The collars cost \$150 to purchase and the service is provided for \$15 a month. *(PRWeb)*

> EU **Merck Animal Health** (MSD Animal Health) announced the European launch of Porceptal (buserelin acetate), which induces ovulation in pigs 30 to 33 hours after application. Porceptal is administered via intra-muscular or subcutaneous injection. *(Animal Pharm)*

> EU **Valneva SE** announced the first-ever marketing approval in Europe for a vaccine produced in the EB66 cell line. The marketing authorization was granted by the European Medicines Agency (EMA) for the prevention of Muscovy Duck Parvovirus (MDPV). The product will be marketed by **Merial**. *(company press release, Animal Pharm)*

> CHINA **Zinpro** Corp. announced that it will manufacture three new high-concentration spray-dried products for the animal feed market in China: AvailaZn 170, AvailaMn 150 and AvailaFe 150. These will be the first products manufactured at the Zinpro facility in Wuxi, China. The company has exported products to China for more than 15 years and built this new facility to better serve its customers and support the growth of its business in this market. *(Feedstuffs)*

ANIMAL HEALTH NEWS

> US - MUMS The FDA announced that, following a reassessment, it will continue using the same "small numbers of animals" in a major species to determine whether an intended use of a new animal drug in a major species of animal qualifies as a minor use. *(FDA)*

> US - JERKY TREATS Pet jerky treats, mostly imported from China, are now linked to three human illnesses in addition to the more than 1,000 dog deaths and 4,800 dog illnesses reported. The FDA said it still can't identify a specific cause for the illnesses and deaths, in spite of seven years of testing and investigation. The FDA plans to join with the Centers for Disease Control and

Prevention to launch a study similar to epidemiological traceback investigations used with people, comparing foods eaten by sick dogs with foods eaten by pets that did not get sick.
(*PetFoodIndustry.com*)

BRASSE CONSULTING VIEWPOINT

There was a lot of activity this week by a number of companies. The in-licensing and/or purchasing of small companies for their technologies continues at a steady pace. A couple of the transactions involve nutritional supplements with special characteristics. As has been reported in a number of different studies, nutritional supplements continue to gain favor with animal owners. At the current pace, it will not be too long before there are more joint supplement products than there are joints to treat!! The flea and tick market will become a bit more interesting with additional products and claims being approved by the FDA. Now the industry needs a good flea and tick season to reduce the inventory being placed or already in retail outlets.

We want to wish each of our subscribers in the US an enjoyable and safe Memorial Day Weekend.

Ron Brasse

Trouble viewing this newsletter? You can view it online at www.BrasseConsulting.com

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

For more information about Brasse Consulting's services and syndicated studies, visit our website at www.brasseconsulting.com.

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