
**Brakke Consulting's
Animal Health News & Notes for July 26, 2013**
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IN THE NEWS:

[Brakke Consulting news
strategic planning](#)

earnings news

[Abaxis](#)

[Ceva](#)

[Elanco](#)

[Hill's](#)

[IDEXX](#)

[Neogen](#)

[PetMed Express](#)

[VCA Antech](#)

[Vétoquinol](#)

other news

[Adisseo](#)

[BioHealth Solutions](#)

[Innovacyn](#)

[Purchasing Services Inc.](#)

[Trupanion](#)

[Vedco](#)

[Vets Plus](#)

**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 of various new product introductions and estimate the impact of various scenarios.
- Benchmarking various functions against company competitors in the larger markets, which might include sales force size, technical services and/or R&D spending vs. sales.

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

CORRECTION:

Last week's newsletter reported earnings news for **Eco Animal Health** that was incorrectly reported in the original source. The announcement should have stated that, rather than a net

loss for the year, Eco made a net profit of GBP 3.12 million in the latest year, up from GBP 2.63 million a year earlier.

COMPANY EARNINGS RELEASES

> Eli Lilly and Company announced financial results for the second quarter of 2013. Worldwide sales of animal health division **Elanco** were \$544 million, an increase of 6% compared with the second quarter of 2012. (*company press release*)

> **Ceva** reported results for the first half of 2013. Consolidated sales of the Ceva Group reached EUR 310 million (\$403 million), up by 2% (4% on the previous year at a constant perimeter and exchange rates). (*company website*)

> **Vétoquinol** announced results for the first quarter of 2013. The company posted sales of EUR 75.5 million (\$98 million) for the quarter, a decline of 2% compared to the first quarter of 2012. In Europe, where the market remains sluggish, Vétoquinol saw its sales drop by 3.2%. Asia Pacific and the Americas registered organic growth of 5.6% and 0.7% respectively. (*company website*)

> **IDEXX Laboratories, Inc.** reported results for the second quarter of 2013. Revenues for the quarter increased 5% to \$353 million. Net income for the quarter was \$56 million, a 5% increase compared to the the second quarter of 2012. Companion Animal Group ("CAG") revenues were \$296 million, an increase of 6%. (*company website*)

> **VCA Antech, Inc.** reported financial results for the second quarter of 2013. Revenue increased 6% to \$465 million. Net income increased 21% to \$41.7 million. Animal Hospital revenue in the second quarter of 2013 increased 7% to \$365 million, driven by acquisitions made in the past 12 months and same-store revenue growth of 1.3%. (*company press release*)

> **Abaxis, Inc.** reported financial results for the first fiscal quarter ended June 30, 2013. Total sales in the veterinary market were \$36.4 million, up 12% over last year's comparable quarter. Service revenues from Abaxis Veterinary Reference Laboratories (AVRL) were \$2.2 million, up 157% over last year's comparable quarter. (*MarketWatch.com*)

> Colgate-Palmolive Company reported results for the second quarter of 2013. **Hill's Pet Nutrition** net sales increased 3.5% to \$549 million. (*company website*)

> **Neogen Corporation** announced results for its 2013 fiscal year ended May 31. Net income for the year increased 21% from the previous year to \$27.2 million. Revenues increased 13% to \$208 million; Animal Safety revenues increased 9% to \$101 million, bolstered by Neogen's October 2012 acquisition of Macleod Pharmaceuticals. (*company press release*)

> **PetMed Express, Inc.** announced its financial results for its fiscal first quarter ended June 30, 2013. Net sales were \$74 million, an increase of 7.6% compared to the quarter ended June 30, 2012. Net income was \$4.8 million for the quarter, compared to net income of \$4.0 million for the quarter ended June 30, 2012. (*company website*)

COMPANY NEWS RELEASES

> **Innovacyn Inc.** announced the addition of a four-ounce Reptile Wound & Skin Care spray to its Vetericyn line of products. The immediate-acting, one-step product is non-toxic, steroid-free,

antibiotic-free, and does not contain alcohol or tea tree oils. The spray can be used on all reptiles of all ages. *(company press release)*

> **Vets Plus, Inc.** announced the addition of Soft Chews for Dogs to its PetsPrefer line. PetsPrefer Soft Chews are available in Joint, Probiotic, Calming, Skin & Coat, Breath, and Senior formulas. *(company press release)*

> **Vedco, Inc.** announced that they have entered into a multi-year supply agreement with **BioHealth Solutions**, the developer of RenAvast. RenAvast is a proprietary combination of naturally occurring amino acids and peptides providing nutritional support to both cats' and dogs' natural kidney functions. Vedco obtains both US and global distribution rights where Vedco distributors have a presence. *(company press release)*

> **Trupanion** announced that it has partnered with **Purchasing Services Inc. (PSI)**, a group purchasing organization (GPO), to bring more awareness of the benefits of pet insurance to PSI's more than 2,000 member hospitals. *(Vet Advantage)*

> EU **Adisseo** announced it has received marketing authorization from the European Commission for its Selisseo feed additive for use with all food animal species. The product uses the patented NutraSelen compound, a new L-selenomethionine precursor which, when absorbed by the body, is biotransformed into L-selenomethionine. *(Feedstuffs)*

AVMA ANNUAL CONVENTION CHICAGO, JULY 19-23, 2012

The American Veterinary Medical Association celebrated its 150th anniversary this week in Chicago at its Annual Convention. The convention hosted nearly 9,000 attendees, including 4,000 veterinarians and 1,400 exhibitors.

ANIMAL HEALTH NEWS

> **US - SALMONELLA GUIDANCE** The FDA released a new Compliance Policy Guide (CPG) regarding salmonella contamination in food for animals, creating a zero-tolerance standard for pet foods and a less-stringent risk-based standard for livestock feeds. Pet foods contaminated with salmonella pose a higher risk to human health due to the more frequent direct contact pet owners have with those products. *(Vet Advantage)*

> **US - PEDV DIAGNOSTICS** Researchers at the University of Minnesota have developed a PEDV rapid diagnostic test. Test results are known within 24 hours. Genetic material is also extracted from the samples, which can be tested and tracked to monitor PEDV spread. Samples including swine fecal swabs, saliva, serum, feed and fecal, intestinal and lung tissues can be tested. *(Feedstuffs)*

2013 KC Animal Health Investment Forum Tuesday, August 27, 2013 Kansas City Convention Center

The fifth annual KC Animal Health Investment Forum will feature more than a dozen presenting companies seeking business partnerships and opportunities. Hear about the latest up-and-coming pharmaceutical, biological and diagnostic innovations, with applications serving the companion animal, livestock, equine markets and more.

The event will be held Tuesday, August 27 from 7:30 a.m. to 5 p.m. at the Kansas City Convention Center Grand Ballroom.

Visit <http://www.kcanimalhealthforum.com/index.php/register-to-attend/> for full details and registration.

www.kcanimalhealth.com

BRAKKE CONSULTING VIEWPOINT

The second quarter reports for 2013 are flowing in and most reflect a less-than-robust marketplace. In some cases, if price increases were removed the revenue volume would at best be flat and maybe below prior year. At the AVMA convention this past week we found a generally positive attitude towards revenue for the full year but limited enthusiasm for a surge in business the second half.

Congratulations to the American Veterinary Management Association for a successful meeting in Chicago this past week. There were some excellent programs that were well attended by veterinarians and others. The AVMA deserves a lot of credit for its 150 years of service and support to the veterinary profession. What will the next 150 years be like for the organization and the profession?

Have a great weekend and stay cool!!

Ron Brakke

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