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**Brakke Consulting's  
Animal Health News & Notes for August 7, 2015**  
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**COMPANY EARNINGS RELEASES**

> **Zoetis** reported results for the second quarter of 2015. The company reported revenue of \$1.2 billion for the second quarter of 2015, an increase of 1% compared to the second quarter of 2014. (+11% excluding the impact of foreign exchange). The net loss for the second quarter of 2015 was \$(37) million, which includes \$263 million in pre-tax charges related to the company's previously announced comprehensive operational efficiency initiative. Adjusted net income for the second quarter of 2015 was \$216 million, an increase of 14%. (*Business wire*)

> **Boehringer Ingelheim** reported results for the first half of 2015. In the Animal Health business, Boehringer Ingelheim achieved revenues of EUR 662 million (\$734 million), an increase of 23% (currency-adjusted growth of 11%). (*company website*)

> **Spectrum Brands Holdings, Inc.** reported fiscal 2015 third quarter results for the period ended June 28, 2015. The Global Pet Supplies segment reported net sales of \$208 million, an increase of 37% compared to last year. The increase was due to acquisition-related revenues of \$66 million. Excluding the negative impact of foreign exchange as well as the acquisition revenues, fiscal 2015 third quarter net sales declined 1%. (*company website*)

> **Central Garden & Pet Company** announced financial results for its fiscal third quarter ended June 27, 2015. Third quarter sales for the Pet segment increased 5% from the same period a year ago to \$238 million. (*company website*)

> **Balchem Corporation** reported results for the quarter ended June 30, 2015. The Animal Nutrition & Health segment sales of \$42 million decreased 4% compared to the prior year comparable quarter, but increased 2.4% foreign currency-adjusted. (*CNNMoney*)

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**2015 KC Animal Health Investment Forum**  
**Tuesday, September 1, 2015**  
**Kansas City Convention Center**

The seventh 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, and equine markets as well as the overall animal health industry.

The event will be held Tuesday, September 1st from 7:30 a.m. to 5 p.m. at the Kansas City Convention Center Grand Ballroom.

Visit <http://www.eventbrite.com/e/kc-animal-health-corridor-investment-forum-2015-tickets-16992760805> to register.

Visit <http://kcanimalhealth.thinkkc.com/events/investment-forum> for full event details.

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**COMPANY NEWS RELEASES**

> **Zoetis Inc.** announced that the USDA has granted the company a conditional license for Canine Atopic Dermatitis Immunotherapeutic, a novel antibody therapy to help reduce clinical signs associated with atopic dermatitis in dogs. This novel therapy contains an antibody that specifically targets and neutralizes interleukin-31 (IL-31), a key protein that is responsible for sending the itch signal to the brain. It will be available in a ready-to-use, sterile liquid administered as a once-monthly subcutaneous injection. (*company press release*)

> **Elanco** announced the launch of Osumnia (florfenicol/terbinafine/betamethasone acetate), a topical treatment for canine otitis externa. (*PRNewswire*)

> The FDA announced the approval of **Norbrook Labs'** Abbreviated New Animal Drug Application (ANADA) for Norfenicol (florfenicol) generic injectable antibiotic for the treatment of bovine respiratory disease and interdigital phlegmon (foot rot) in beef and non-lactating dairy cattle. (*FDA*)

> The FDA announced the approval of **Akorn Animal Health's** Abbreviated New Animal Drug Application (ANADA) for Neomycin/Polymyxin B/Bacitracin Zinc Ophthalmic Ointment for use in dogs and cats. (*FDA*)

> The FDA announced the approval of **Orkeo USA's** Abbreviated New Animal Drug Application (ANADA) for Loncor 300 (florfenicol) generic injectable antibiotic for the treatment of bovine respiratory disease and interdigital phlegmon (foot rot) in beef and non-lactating dairy cattle. (*FDA*)

> **Silver Lake Research Corp.** announced the launch of RapidBac Vet, the first point-of-care rapid immunoassay for detection of Gram-positive and Gram-negative bacteria in urine. RapidBac Vet requires no instrumentation and results appear in less than 20 minutes to rule in or rule out canine urinary tract infections. (*company press release*)

> **Hartville Pet Insurance Group** announced it has signed a new strategic partnership with Target. Hartville will offer pet health insurance plans underwritten by United States Fire Insurance Company to visitors on the Target.com website, who will then be redirected to a new "Hartville Pet Insurance Presented By Target" website starting in late August. (*Vet Advantage*)

> CROATIA **Dechra Pharmaceuticals** PLC announced the signing of a conditional share purchase agreement to acquire a 63.3% holding (equivalent to 69% voting rights) in **Genera d.d.** ("Genera"), a Croatian listed pharmaceutical business. Dechra is offering EUR 23.66 per share, which is equivalent to EUR 51.4 million (\$56 million) for the entire share capital on a cash free debt free basis. Genera is the oldest and largest manufacturer of animal health products in the Republic of Croatia; in 2014 Genera reported revenues of EUR 28.4 million (\$31 million). (*PRNewswire*)

> ISRAEL **Braasch Biotech** has been granted a patent in Israel covering its vaccines for treatment of growth hormone (GH), insulin-like growth factor one (IGF-1) deficiencies and obesity. The patent provides claims for the treatment of GH and IGF-1 deficiencies, and therapeutic treatment for obesity in pets and humans. The firm's vaccine technologies are founded on specific immunological responses to somatostatin – a hormone which can inhibit the secretion of some other hormones – to negate its counter-regulatory effects on GH and IGF-1. (*Animal Pharm*)

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## **ANIMAL HEALTH NEWS**

> US - FDA REGULATIONS The FDA has issued a final guidance for industry, "Use of Nanomaterials in Food for Animals," which is intended to assist industry and other stakeholders in identifying potential issues related to safety or regulatory status of food for animals containing nanomaterials or otherwise involving the application of nanotechnology. (*FDA*)

> US - RETAIL PUPPY SALES District Judge David Campbell upheld a Phoenix, Arizona ordinance preventing pet shops from selling pets from breeders in an effort to curb puppy mills. The store Puppies 'N Love challenged the ban, saying it ensures its animals are from reputable breeders, but the court said the ban is constitutional. Chicago, Los Angeles, San Diego and Austin, Texas, also have placed restrictions on the sale of pets in an effort to thwart puppy mills. (*American City Business Journals, Arizona Daily Star, Associated Press*)

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## **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.

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## **BRAKKE CONSULTING VIEWPOINT**

This week's news includes a number of quarterly reports which reflect strength in the market depending on the types of products sold and the location of the company. All of the companies mentioned participate in international markets thus need adjustments for foreign currency variations to properly reflect revenue growth versus prior year. When coupled with both acquisitions and divestitures, the estimation of actual revenue results is challenging.

We also noted that here in the US there were a number of generic drug approvals along with some new product introductions. The market continues to be extremely competitive in a number of product categories in both companion and food animal. Feedback from the marketplace the past few weeks indicates that the flea/tick/heartworm products are experiencing strong growth in all channels. It's always helpful when the largest product categories are growing.

If you've not already signed up for the KC Animal Health Investment Forum mentioned earlier in this newsletter we would encourage you to do so.

Stay cool and have a great weekend!!

*Ron Brakke*

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