



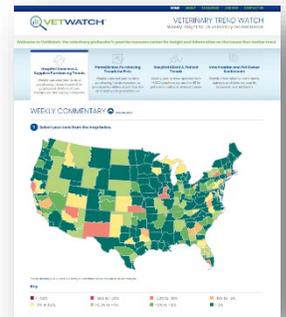
VetWatch Commentary For Week 45 - thru November 13, 2021

Overview:



Helping veterinary hospitals and the animal health industry stay on top of the ever-changing landscape being impacted by current events using real time data.

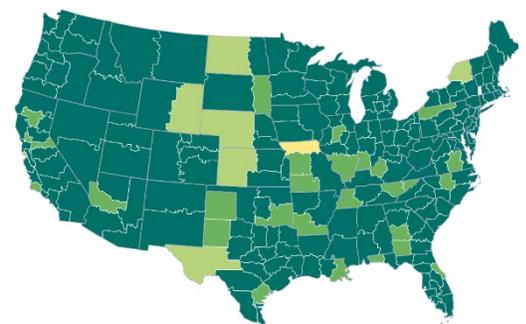
Animalytix has teamed up with NAVC, Animal Care Technologies, Circa Healthcare, M/A/R/C Research, Cleveland Research and Packaged Facts along with our sponsors to provide VetWatch and Vet Watch Insights. The goal of VetWatch is to deliver the critical information needed by practices and those supporting the veterinary profession to better assess the scope, velocity, and significance of developments in the veterinary care sector across the United States: www.vetwatch.com

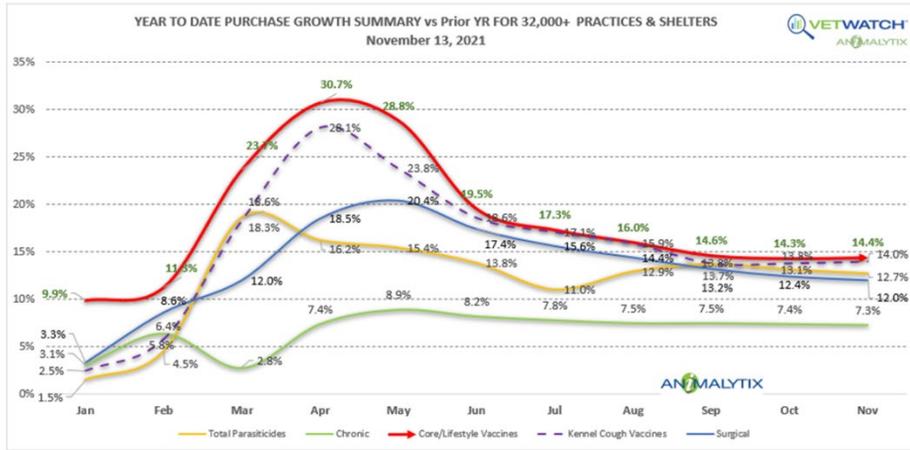


Hospital Vaccines, Supplies and Parasiticides Purchasing Trends

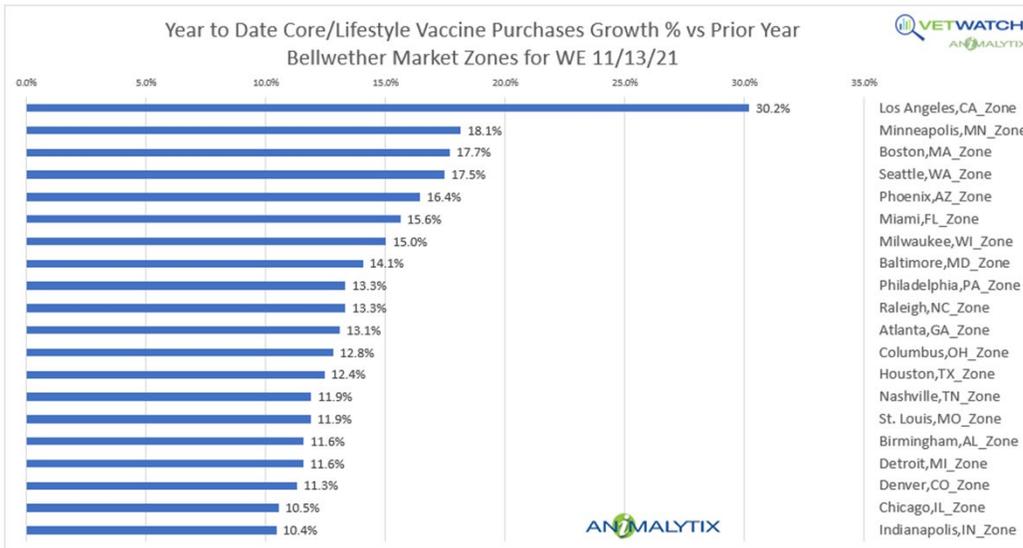
Weekly purchasing trends reported for practices & shelters of core therapeutic and supply categories.

For the week ending November 13, 2021, year over year growth remains robust with a slight decline from the previous week’s report with each of the respective categories moving between (-0.5%) and (-0.1%) versus the previous week’s YTD results. The YTD Canine and Feline core vaccine purchasing indices were down by (-0.3%) at +14.4% across the 32,000+ practices and shelter locations in the Animalytix Marketplace. YTD Growth in Kennel Cough vaccine purchases, which provide a measure of the pet mobility, reflected a decrease of (-0.1%) versus the previous week’s results at +14.0%. Growth in YTD purchases of Surgical Suite consumables were down (-0.5%) at +12.0% while Chronic care medication purchases fell by (-0.4%) at +7.3%. Purchases of Parasiticides also moved down (-0.5%) from the prior week’s position at a robust +12.7% YTD growth. Overall, all segments continue in excellent positions versus 2020 sales volumes, suggesting continued strong recovery for the veterinary wellness and in-house pharmacy sectors.





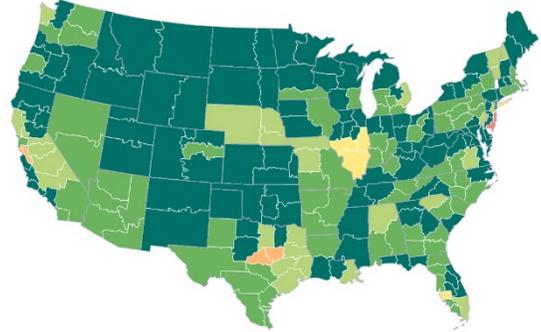
Among the “Bellwether” Vetalytix zones selected for routine reporting primarily based on the relative size of annual Core and Lifestyle vaccines purchases, all zones are posting positive results vs PY this week. The Los Angeles, CA zone leads with +30.2% growth YTD compared to 2020. The next highest zone is Minneapolis, MN at +18.1% YTD growth vs PY while Indianapolis, IN rounds out our “Bellwether” zones at the bottom with a very respectable +10.4% YTD growth. Annual Core and Lifestyle vaccine purchases were selected as the principal “Bellwether” metric given 50% or more of annual visits to a veterinary practice are associated with the administration of these products.



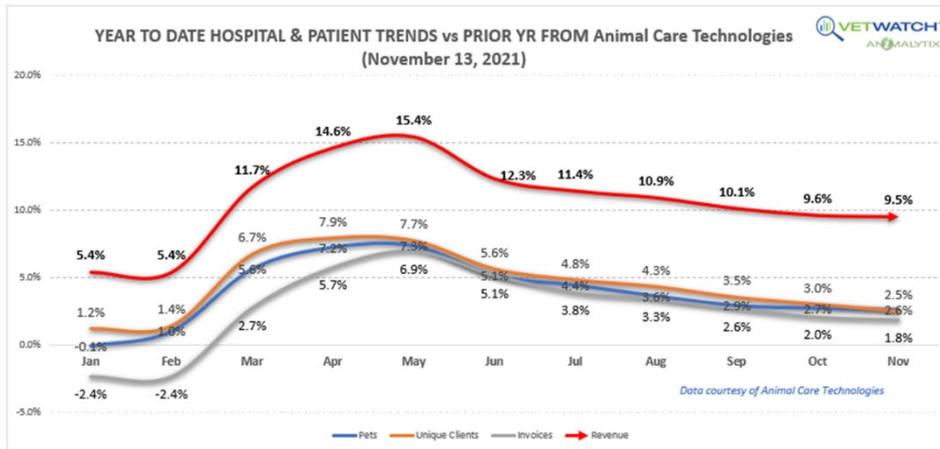
Hospital Client and Patient Trends

Weekly updates from ~4,000 practices across the US for pet owner visit and revenue trends.

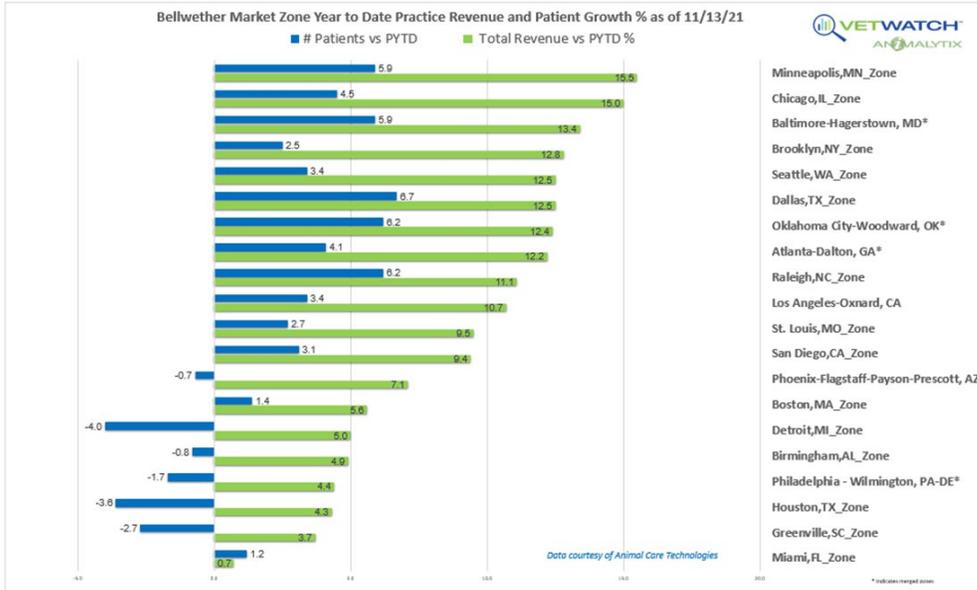
For the week ending November 13, 2021, aggregate YTD practice revenues decreased slightly at +9.5% net growth versus YTD 2020 for the ~4,000 reporting practices. The YTD growth in unique patients(pets) was at +2.6%, while unique client growth was at +2.5% both down (-0.1%) vs 2020 YTD. Invoice growth finished down (-0.3%) at +1.8% YTD vs 2020 YTD totals.



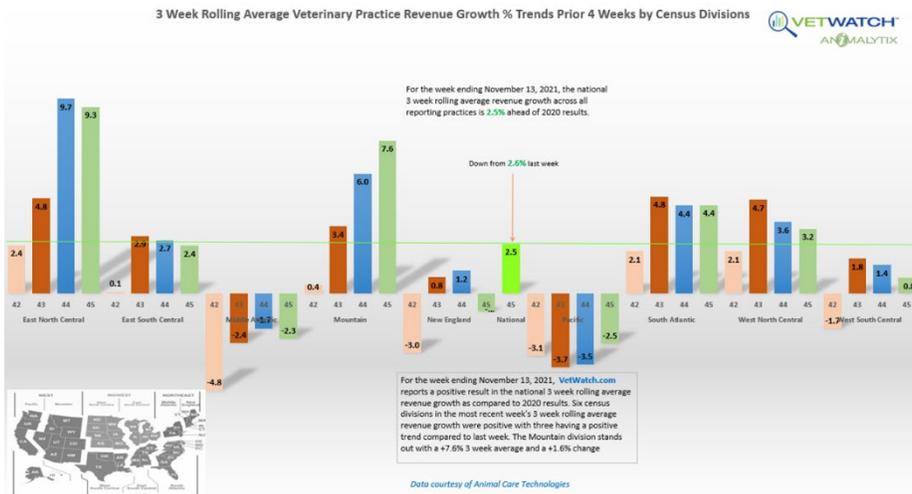
Map displays YTD total hospital revenue courtesy of Animal Care Technologies
*Indicates Merged Zone Group



Among the leading “Bellwether” market zones, the Minneapolis, MN zone lead with +15.5% in YTD revenue growth and +5.0% growth in unique patients. Most notable among the lagging zones was the Miami, FL market which finished at +0.7% revenue growth and +1.2% growth in unique patients YTD compared to 2020.



Following more current trends, the national 3-week rolling average for practice revenue growth moved down to a positive +2.5%. Six census divisions posted positive results for the 3-week average revenue growth rates this week with three divisions showing positive movement over last week. The Mountain division is notable for the most recent 3-week period with an average revenue growth of +7.6% up +1.6% over prior week. The rolling 3-week average revenue growth index is designed to provide a view of relative robustness of growth trends (e.g., market velocity) for each reporting zone. A positive value indicates rolling revenue growth vs the prior year reported 3-week period.



Veterinarian and Pet Owner Sentiments

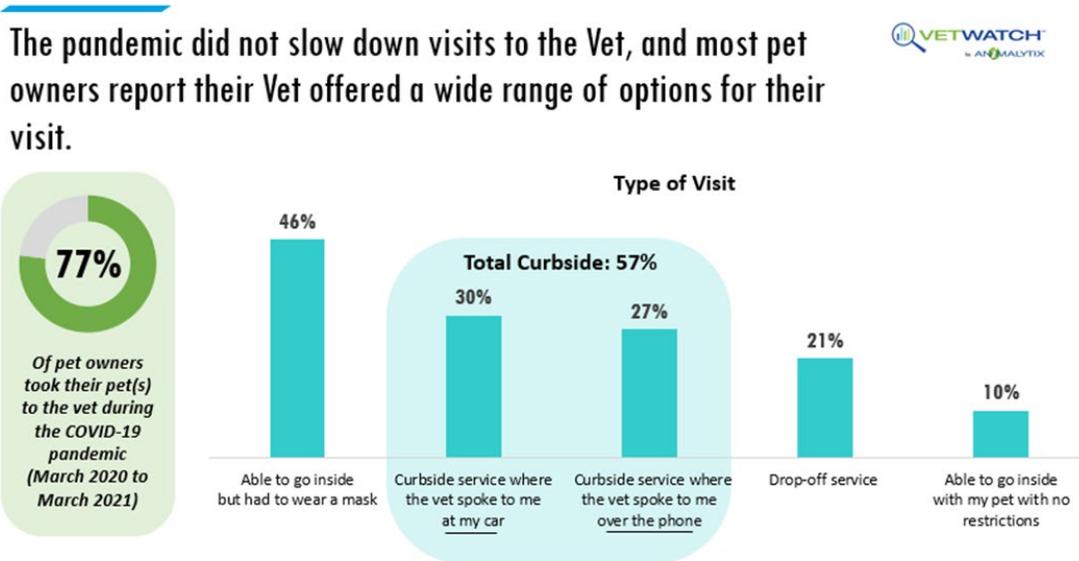
Weekly insights as reported by veterinarians and pet owners sourced from M/A/R/C Research, Cleveland research Company, and Packaged Facts.

M/A/R/C Research has conducted multiple online surveys among US pet owners to better understand the impact of the COVID-19 health crisis on the animal health industry. For a recent presentation, M/A/R/C research conducted research to provide a deep dive into curb-side & telemedicine perceptions.

M/A/R/C conducted an online survey among 1,000 pet owners and 100 veterinarians between August 9-16, 2021.

The pandemic did not slow down visits to the Vet, and most pet owners report their Vet offered a wide range of options for their visit with 77% of pet owners having taken their pets to the vet during COVID-19.

57% of pet owners utilize some form of curbside visit and 21% used drop off service. 56% were able to make an inside visit with 10% saying they did so with no mask restrictions. Vet’s ingenuity and flexibility during this time paid off with positive responses from pet owners.



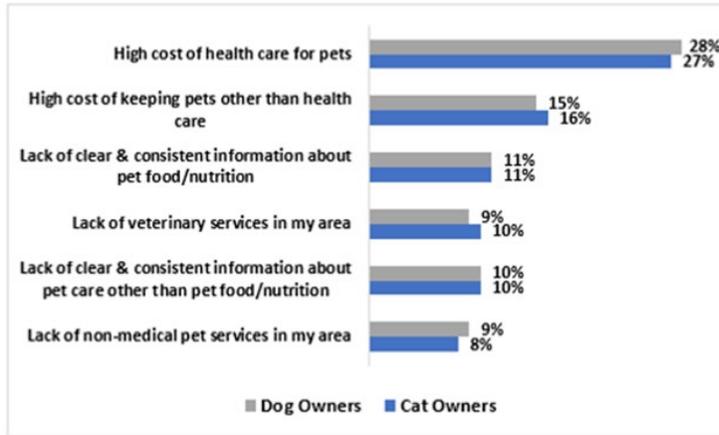
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Packaged Facts tracks the competition for pet care mindshare finding that veterinarians remain the source of pet care information most valued by pet owners, as confirmed by Packaged Facts' February 2021 Survey of Pet Owners - Psychographics About Veterinary Care Services.

Packaged Facts' February 2021 shows over a fourth of cat or dog owners (27%-28%) identifying the high cost of health care for pets as a significant challenge they've faced in the last 12 months—such that health care costs are by far the top challenge faced.



Significant Challenges to Pet Ownership in Last 12 Months, 2021
(percent of cat or dog owners)



Source: Packaged Facts February 2021 Survey of Pet Owners



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