



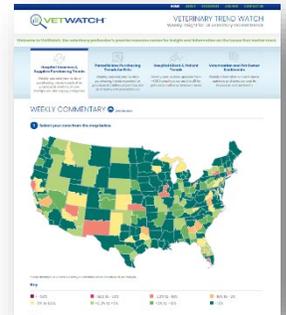
VetWatch™ Commentary For Week 24 - thru June 18, 2022

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.

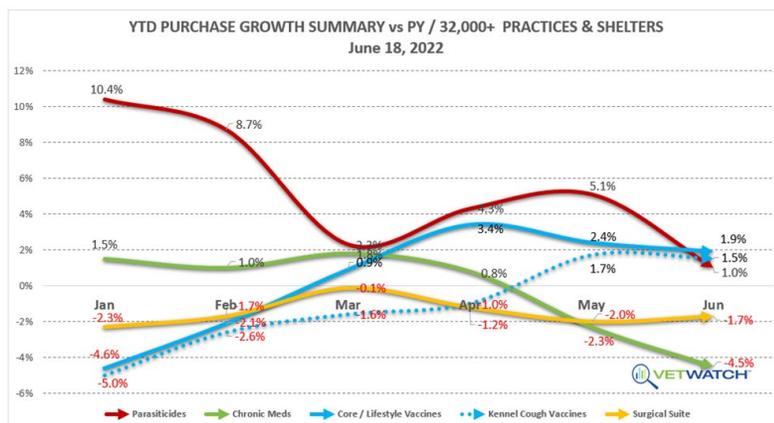
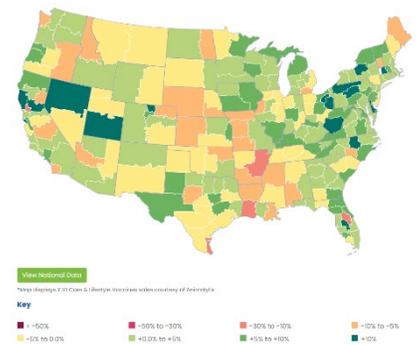
Animalytix has teamed up with NAVC, Animal Care Technologies, Circa Healthcare, M/A/R/C Research, and Packaged Facts along with our sponsors to provide VetWatch™ and Vet Watch™ Insights. The goal of VetWatch™ is to deliver the critical information needed by practices and those supporting the veterinary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



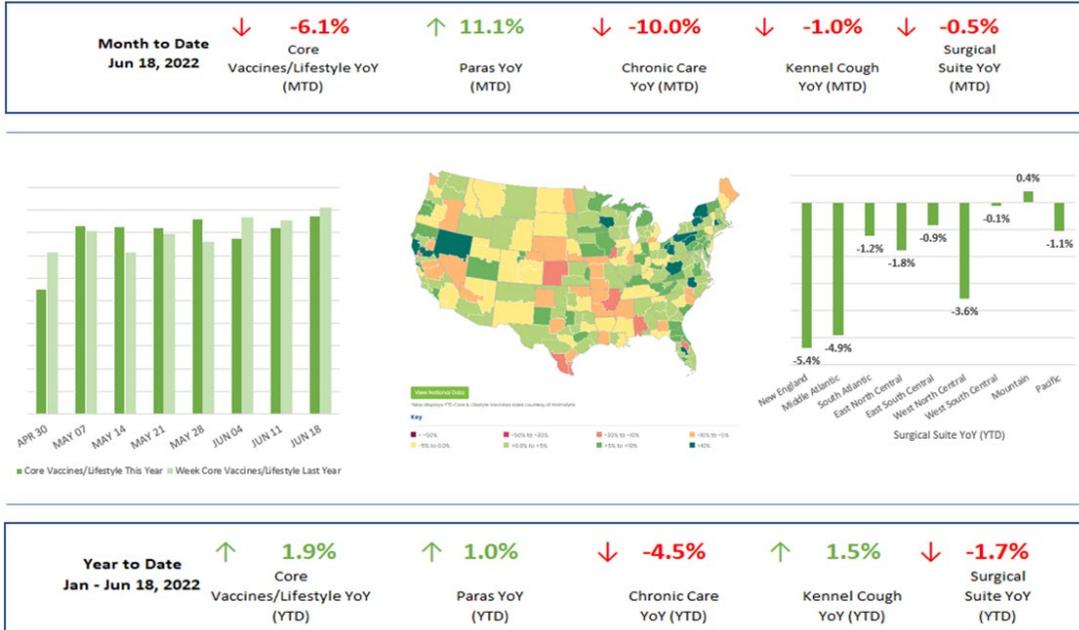
Hospital Vaccines, Supplies and Parasitocides Purchasing Trends

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

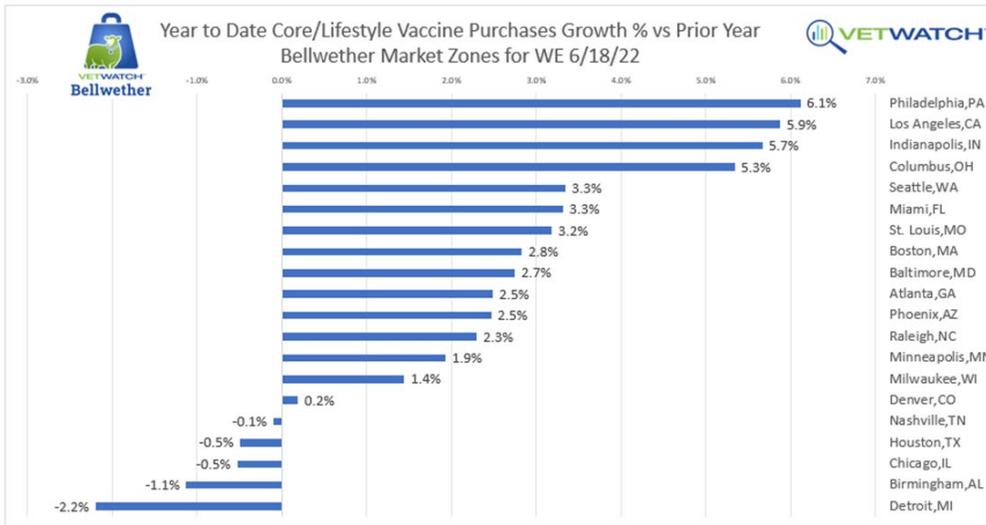
For the week ending June 18, 2022, year over year reporting showed changes from the previous week's results among the respective categories ranging from (-5.0%) to 0.2%. Core and Lifestyle vaccine indices for canine and feline patients were at +1.9% growth across the 32,000+ practices and shelter locations in the Animalytix Marketplace. YTD Kennel Cough vaccine purchases, which provide a measure of the pet mobility, were at +1.5%



growth. Purchases of chronic care medications and surgical consumables were (-4.5%) and (-1.7%) respectively while parasiticide growth is positive at +1.0% YTD compared to PYTD.



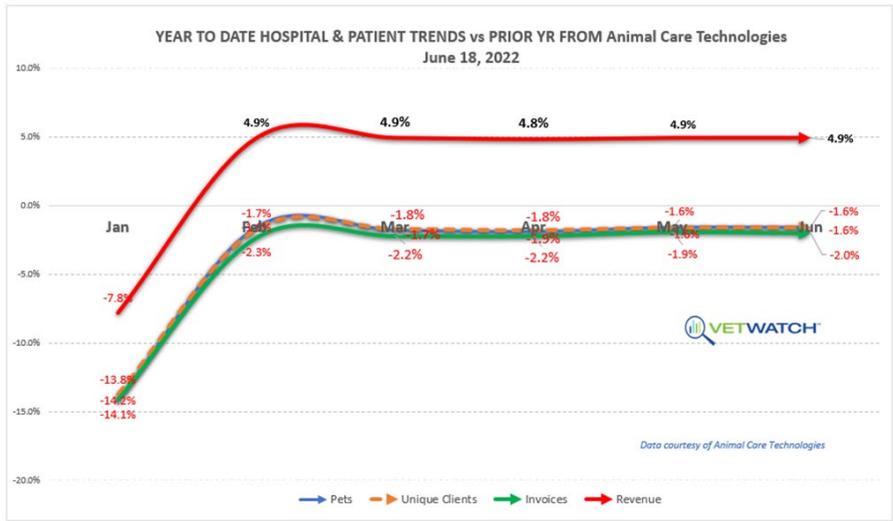
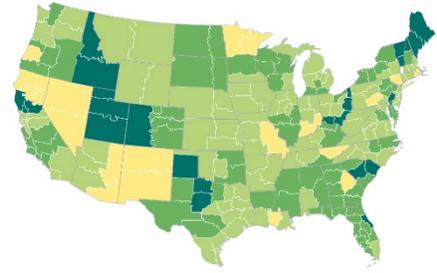
Among the VetWatch™ Bellwether reporting zones for Core/Lifestyle Vaccine Purchase growth vs PYTD, the Philadelphia, PA zone leads all markets with +6.1% growth. Growth for the Los Angeles, CA zone performance was notable at +5.9% while Detroit, MI was the laggard in the group at (-2.2%) growth vs PYTD.



Hospital Client and Patient Trends

Weekly updates from ~3,000 practices across the US for pet owner visit and revenue trends.

For the week ending June 18, 2022, aggregate YTD practice revenues are at +4.9% net growth versus YTD 2021 for the ~3,000 reporting practices. Period performance growth in unique patients(pets) was at (-1.6%). Unique client and invoice growth posted (-1.6%) and (-2.0%) growth respectively vs PYTD results.

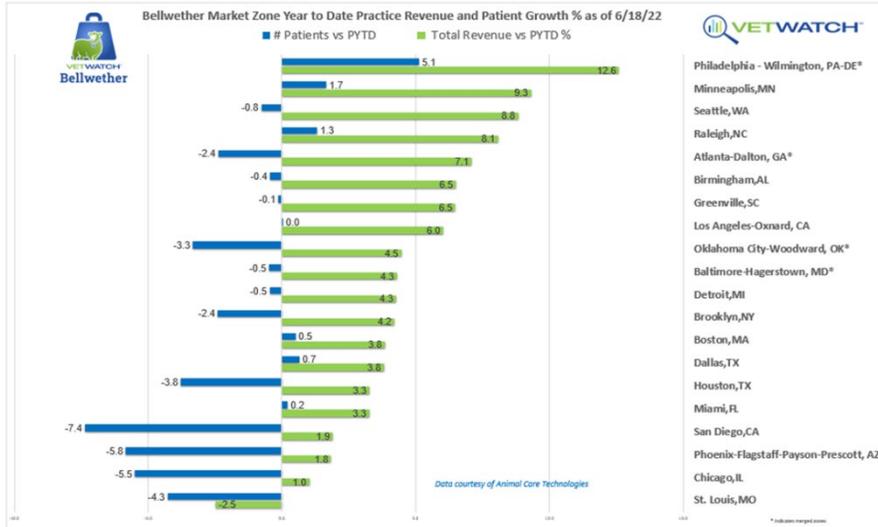


Month to Date Jun 18, 2022	↑ 0.7% Revenue YoY (MTD)	↓ -6.7% Invoices YoY (MTD)	↓ -7.0% Clients YoY (MTD)	↓ -7.3% Patients YoY (MTD)
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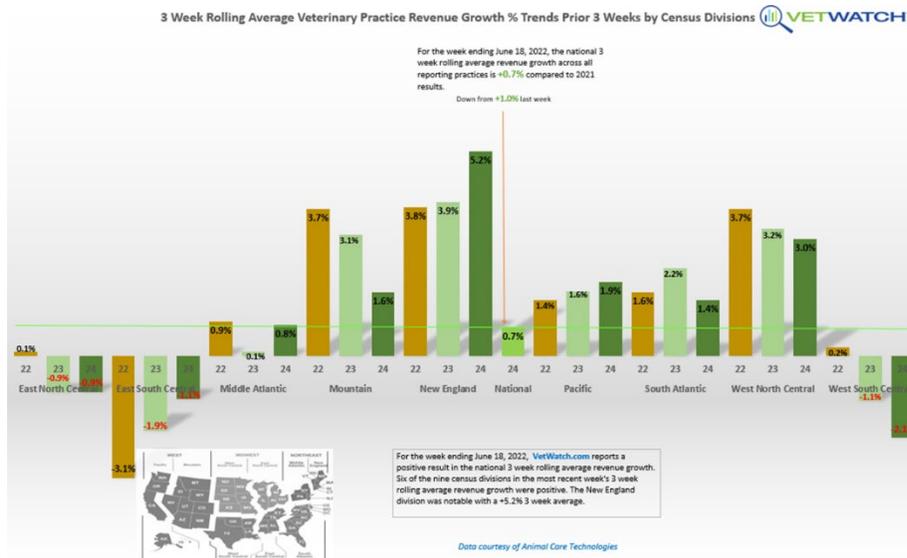


Year to Date Jan - Jun 18, 2022	↑ 4.9% Revenue YoY (YTD)	↓ -2.0% Invoices YoY (YTD)	↓ -1.6% Clients YoY (YTD)	↓ -1.6% Patients YoY (YTD)
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Among the listed “Bellwether” market zones, Philadelphia, PA lead with +12.6% YTD revenue growth while unique patient growth was at +5.1%. St. Louis, MO was notable among the laggard zones, finishing at (-2.5%) revenue growth and (-4.3%) growth in unique patients vs PYTD.



Following more current trends, the national 3-week rolling average for practice revenue growth was at +0.7%. Six of the nine Census Divisions posted positive revenue growth for the current rolling 3-week average. The rolling 3-week average revenue growth index is designed to provide a more immediate view of growth trends (e.g., market velocity). 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.

Packaged Facts reports on a variety of topics that impact pets and the veterinary industry from their U.S. Pet Market Outlook (March 2022) report, based on Fall 2021 MRI-Simmons National Consumer Studies.

Vets and Non-Medical Pet Services

Packaged Facts estimates that the veterinary share of key non-medical services ranges from a high of 28% for boarding to a low of 12% for training. Beyond the boarding services associated with medical procedures like pre- and post-surgery, hydration, observation, etc., many veterinarians offer non-medical boarding and kennel options. Grooming services similarly overlap into medical treatments, as is often the case with teeth cleaning and nail trimming, but relatively few clinics operate grooming salons onsite. Regular training classes are even less likely to occur in veterinary clinics and hospitals—arguably an opportunity missed, especially among Millennial/Gen Z dog owners.



Veterinary Share of Revenues for Selected Non-Medical Pet Care Services, 2021 (percent of total)	
Boarding	28%
Grooming	14%
Training	12%

Source: Packaged Facts, U.S. Pet Market Outlook (March 2022)

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Sponsors

