

Animal Health Awards 2020: A year of diagnostics, vaccines and a triple combo blockbuster



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The winners in the latest Animal Health Awards showed ingenuity and growth in a year of restrictions and uncertainty.

The victorious businesses include previous winners such as Zoetis, Merck Animal Health, Alivira Animal Health and Argenta, as well as new names such as Biotangents and Choong Ang Vaccine Laboratories. Rick DeLuca has also been commended for his leadership of Merck's animal health business.

The awards highlight innovation in the areas of pet antiparasitics, diagnostics, vaccines and digital technology – all key growth drivers for the animal health sector.

Importantly, the whole industry should be commended for its efforts in 2020 to keep animals healthy around the globe. Not only have businesses maintained their operations and provided a constant flow of products to the market, they have also lent a helping hand in the fight against COVID-19. Last year showed how invaluable insight into zoonotic diseases and vaccines can be.

This year's Animal Health Awards put a spotlight on innovation and growth made by companies of all sizes and from different geographies in calendar year 2020.

Best new companion animal product – Simparica Trio

Simparica Trio (sarolaner/moxidectin/pyrantel) was not only a [landmark new product](#) for Zoetis last year but it was a milestone for the animal health industry.

The chewable tablets are a once-monthly triple combination antiparasitic medication for dogs with, or at risk from, mixed external and internal parasitic infestations. In the US, Simparica Trio is the first three-in-one protection against heartworm disease, ticks, fleas, roundworms and hookworms in a single monthly chewable.

Zoetis pointed out Simparica Trio has [witnessed strong growth](#) and market penetration in its first year on the market. The firm has "high aspirations" for the product.

The company noted: "Zoetis is proud of its continuous innovation in the parasiticides market to meet the most pressing needs of veterinarians and pet owners. After screening several thousand molecules, Zoetis scientists discovered sarolaner – a member of the isoxazoline class – and in 2015 launched Simparica for the treatment of fleas, ticks and sarcoptic mange in dogs.

"Building on the trusted legacy of Simparica and leveraging sarolaner, Zoetis developed Simparica Trio which contains sarolaner, moxidectin and pyrantel for dogs. Moxidectin was chosen from among the macrocyclic lactones available based on its unique pharmacokinetic characteristics – potency, long half-life and lipophilicity. Zoetis scientists identified the optimal dose of moxidectin (24µg/kg body weight) against the major vascular nematodes of interest in dogs (*Dirofilaria immitis* and *Angiostrongylus vasorum*).

"The combination of moxidectin and pyrantel expands the activity spectrum of pyrantel against gastrointestinal nematodes to include the immature stages of hookworms, which is important in controlling environmental contamination and minimizing human exposure to this zoonotic parasite."

According to Zoetis chief financial officer Glenn David, Simparica Trio will between \$125 million and \$150 million in incremental revenues to fiscal 2020 – making the product an instant blockbuster in its first year on sale.

Zoetis added: "Even with the challenge of launching in major markets during a global pandemic, veterinarians have been incredibly receptive to learn how Simparica Trio can benefit pet owners and their dogs. We're finding that once a clinic has converted to Simparica Trio, the adoption level within the clinic is resulting in meaningful incremental market share. In the third quarter of 2020, Zoetis reported it had gained 6% market share in US parasiticides."

Best new food animal product – Nobilis Salenvac ETC

This award highlights the momentum MSD Animal Health is building in the food animal vaccine sector – it is the third time the firm has won this award in a row.

Nobilis Salenvac ETC is the first inactivated, intramuscular, two-dose trivalent **Salmonella** vaccine for poultry. According to MSD, it offers the broadest protection for layers and breeders against three different **Salmonella** serogroups (B, C and D). The new vaccine – launched in Europe during 2020 – was developed based on the need to control **Salmonella** serogroup C strains, which provide for broad **Salmonella** food safety control on poultry farms. There are no competitor vaccines on the market that includes **Salmonella** serogroup C.

MSD pointed out salmonellosis is one of the most frequently reported zoonotic diseases in humans, with poultry meat and eggs often identified as a potential source of infection.

Nobilis Salenvac ETC provides for the active immunization of chickens from six weeks of age to reduce colonization and fecal excretion of **S** Enteritidis (serogroup D), **S** Typhimurium and **S** Heidelberg (serogroup B), **S** Infantis, **S** Hadar and **S** Virchow (serogroup C). The onset of immunity is as early as four weeks after second vaccination and the duration of immunity is up to 90 weeks post-second vaccination.

The firm stated: "Because of the addition of a serogroup C to the existing Nobilis Salenvac ETC vaccine, MSD Animal Health can offer the broadest protection than any other competitor product, which only has the combination of **S** Enteritidis and **S** Typhimurium."

The company has recently published results from laboratory efficacy studies that provide the basis of the **Salmonella** serovar cross-protection, as well as the safety and efficacy of the vaccine under field conditions. The conclusions of both studies showed the vaccine provides "significant protection against all three serogroups (B, C and D) by reducing shedding and organ invasion and this protection lasts up to 90 weeks post-second vaccination".

Best start-up – Biotangents

Start-ups around the world tried to keep their operations going in 2020, as lockdown restrictions made some working environments extremely difficult.

This year's award goes to a young business working to approach unmet needs in the area of diagnostics. Biotangents is developing [lab-quality molecular tests](#) for infectious diseases that can be used in the vet clinic and deliver results within two hours.

In 2020, Biotangents completed development of its first commercial product – AmpliSpec LAB BVD. It also initiated independent trials to generate validation data for this product and added a director of commercialization. In other R&D exploits, the company produced a blood sample nucleic acid extraction prototype and began development of a mastitis on-farm/in-clinic diagnostic.

The start-up also secured seed funding from CIEL to work with the Roslin Institute in identifying genes highly expressed during infection with mastitis. In addition, Biotangents secured funding from the Early-Stage Growth Challenge Fund and has its next series of investment scheduled for the second quarter of 2021.

The firm stated: "Biotangents combines machine learning bioinformatics, customizable biology workflows and advanced microfluidics to deliver the next generation of veterinary diagnostics for in-clinic/on-farm use. We aim to enhance the sustainability of livestock farming and enable vets and farmers to take rapid action to treat and prevent disease.

"We have developed Moduleic Sensing – a proprietary molecular diagnostic technology that detects specific nucleic acid

(DNA or RNA) sequences characteristic of a given disease. This forms the basis of our AmpliSpec products.

"Our AmpliSpec VET product line brings laboratory-quality molecular diagnostics to the farm and vet clinic in a simple-to-use, automated format. We can rapidly design tests for new disease targets to facilitate the responsible use of antimicrobials."

Best company in Europe – Vetoquinol

Vetoquinol becomes a first-time winner of this award after a year it displayed healthy growth in less than favorable market conditions. The firm is building momentum as it builds a more diverse portfolio and establishes a sound financial structure.

At the [nine-month stage of 2020](#), the French firm posted one of the highest sales increases (9.4%) among the industry's top players. This was followed recently by confirmation the company has recorded its [best annual sales growth](#) since 2015. In fact, has improved its topline increase over each of the last three years.

Vetoquinol was helped by two major factors last year – a surge in anticipatory spending ahead of COVID-19 lockdown restrictions and its acquisition of the [Drontal and Profender](#) brands from Elanco.

Drontal and Profender are spot-on and tablet de-wormer products for cats and dogs, originally developed by Bayer Animal Health. Vetoquinol has gained the rights to the products in the EU, UK and Australia. The firm pointed out the products applied an immediate boost to its financial performance.

Vetoquinol chief executive Matthieu Frechin said: "Despite the adverse impact of this exceptional and unprecedented health crisis, we have succeeded in continuing the roll-out of our strategic plan, underpinned by the strength of our essentials product portfolio, acquisitions, expense-management initiatives and the unflagging commitment shown by our employees.

"The acquisition of the Profender and Drontal products has enabled us to reach a major milestone in the execution of our strategy, with their initial integration into our essentials portfolio going ahead according to plan."

Notably, after nearly 15 years as a public company on the Euronext Paris, Vetoquinol's shares reached their highest ever valuation towards the end of 2020. This reflects the firm's upward trajectory and gives it a market capitalization of over €1 billion.

Best company in North America – IDEXX Laboratories

IDEXX Laboratories has been a standard bearer for veterinary diagnostics for many years and 2020 was no different.

The company maintained its constantly robust sales growth and saw its share price continue on its upward trajectory. After nine months of 2020, the firm's animal health [revenues were up by 10%](#) – more than any other billion-dollar business in the industry.

IDEXX said the companion animal healthcare market has "continued to build on the sharp V-shaped recovery seen in the second quarter" with US veterinary practices experiencing strong demand due to "continued solid non-wellness visit growth, incremental growth from postponed wellness visits and an increase in new patient visits".

The firm has extended its multi-year powerful financial performance by consistently [adding to its portfolio](#) of products and services.

IDEXX highlighted the [favorable pet ownership trends](#) that COVID-19 kickstarted in 2020. Many pet owners are continuing to work from home during lockdown and are spending significantly more time with their companion animals. In turn, they are likely more attuned their pet's wellbeing – leading to higher practice visits.

Jay Mazelsky – president and chief executive – remarked: "Pandemic workflow procedures like curbside drop-off and the desire to take more a comprehensive healthcare approach may be supporting these promising trends. While we may see some moderation in these trends moving forward, these healthy dynamics reinforce a potential long-term positive

backdrop for diagnostics market growth.

"Increases in the use of diagnostic speak to the willingness of pet owners to prioritize care for the health and wellbeing of their family members even during times of economic uncertainty. It also reinforces the increasing role of services in the vet clinic business model, reflected in an accelerated shift in diagnostics as a percentage of practice revenues."

In 2020, IDEXX also worked on its multi-year strategy to scale its commercial footprint in targeted international markets. The firm strengthened its EU operating capabilities by moving into its core [European testing facility](#) in Germany.

Best company in Latin America – Biogénesis Bagó

Argentina's leading animal health business is a serial winner in this category due to the internationalization of its veterinary vaccines business.

Biogénesis Bagó stated: "The COVID-19 pandemic was, without any doubt, 2020's main challenge for society, governments and companies around the world. It is remarkable that taking this context into account, not only did Biogénesis Bagó manage to maintain its globalization strategy but has also achieved record growth for this year."

In fact, the company's sales are estimated to [reach \\$165 million](#) in 2020 – an increase of 20% year-on-year. International revenues are expected to grow 25%, with turnover in Asia improving 75%.

One of the most noteworthy milestones achieved by the firm in 2020 was its [17-year contract](#) with the USDA to supply antigens and foot-and-mouth disease (FMD) vaccines to the National Bank for Animal Vaccines and Veterinary Countermeasures.

Also last year, Biogénesis Bagó renewed an agreement that sees the firm continue to supply antigens for another 12 years to the North American FMD Vaccine Bank. This protects the US, Canada and Mexico against FMD outbreaks.

While Biogénesis Bagó is the largest animal health business based in Argentina, it has also become the eighth biggest in Brazil – sales here climbed 45% in 2020. The firm also claims to be a leader in Uruguay and Bolivia, while it also implemented a new strategy to induce growth in Mexico over the next three years. Biogénesis Bagó also opened new subsidiaries in Colombia and Paraguay last year, with teams working to grow these businesses.

In addition, the company began commercial activities in the Middle East last year. It started to export vaccines from its manufacturing site in Argentina.

"This new market is added to its presence in China, South Korea and Vietnam," the firm stated. "Thanks to its experience and consolidated work in the region, the company obtained new licenses for the FMD vaccine Bioaftogen in Kuwait and Vietnam in 2020."

Biogénesis Bagó is not only aiming to diversify its territories but also add to the species and product types it is involved in. In 2020, the company has launched a new business unit for companion animals in its domestic market.

Last year, the firm produced and delivered 36 million doses of rabies vaccine in record lead time. This was despite the constraints of COVID-19.

"This milestone represented an increase of 30 million doses produced against its historic performance, which allows the company to open new business opportunities for the next years in Latin America and Asia," Biogénesis Bagó remarked.

The firm's strong 2020 is just the first step of a five-year strategy, which it hopes can help it move into the animal health sector's top 20 rankings. The next geographic expansions on the company's horizon are Mongolia, Cambodia, Pakistan, Bangladesh and Myanmar, while Biogénesis Bagó hopes to enter the European market by 2025.

Best company Asia and Australasia – Choong Ang Vaccine Laboratories

Choong Ang Vaccine Laboratories (CAVAC) is the first Korean winner of this award. The firm's victory highlights innovation among one of the region's mid-sized players and strong growth in the Asian vaccine market.

Founded in 1968, CAVAC has developed and manufactures over 80 animal vaccines. The company said it saw robust sales growth of 9% to \$33 million in 2020, with "significantly improving" exports. The firm said it outperformed the other small and medium-sized veterinary vaccine manufacturers in South Korea during 2020.

The company's domestic and export businesses were challenged by the impact of the coronavirus outbreak and the lingering ramifications of African swine fever (ASF) in Asia. Nevertheless, CAVAC's growth was fueled by strong export sales (+19%). In fact, the firm has reported a compound annual growth rate of 27% for its export revenues over the last 10 years.

In 2020, the company renovated its veterinary vaccine manufacturing facility in Daejeon under WHO-GMP and local standards. Additionally, CAVAC began constructing a new headquarters.

The firm pointed out its need to internationalize its business, due to the small size of the Korean market and the high competition with foreign players. CAVAC is also attempting to meet increasing demand for avian influenza and foot-and-mouth disease vaccines in Asia.

The company has been aggressively pursuing a strategy of increased exportation (it now sells its products to over 20 countries) and product diversification.

CAVAC has also set up a wide R&D network with universities in Korea, the US and Thailand, as well as national institutions. These partnerships have been focused on preventing ASF and porcine reproductive and respiratory syndrome.

Among the firm's new vaccines in 2020 were PED-X Live and SuiShot CSFV Marker-L. PED-X Live is the world's first oral genotype 2b porcine epidemic diarrhea virus vaccine, while SuiShot CSFV Marker-L I designed to provide better and safer immune response compared to conventional classical swine fever vaccines.

Best company in India/Middle East/Africa – Alivira Animal Health

For the second year in a row, Alivira Animal Health has secured this accolade. It is hard to ignore the impact Alivira and its parent company SeQuent Scientific is making in the animal health industry

As well as adding to its [product portfolio](#) and maintaining its [powerful sales growth](#), the big headline from the Mumbai-based company in 2020 was its [acquisition by the Carlyle Group](#) – an indicator of private equity's growing interest in the animal health industry.

SeQuent said Carlyle's global network and resources will be a catalyst for the firm's "next stage of growth and innovation".

Neeraj Bharadwaj – managing director of the Carlyle Asia Partners team – stated: "We see strong growth potential in the global animal health industry, including the livestock segment where SeQuent is operating, thanks to increasing demand for animal protein, rising awareness of food safety and growing disposable income."

Alivira is already the biggest animal health business headquartered in India. It is also moving ever closer to the global top 20 and will become the first ever Indian firm to enter animal health's elite. Integral to its rise up the standings has been the company's global headway with the expansion of its business. The next stage of the firm's growth will feature a greater presence in the US.

Another noticeable deal for SeQuent in 2020 was a [multi-year agreement with Zoetis](#), whereby it will market and distribute the latter's ruminant portfolio in India. SeQuent will sell 13 brands covering antibiotics, hormones, vaccines and parasiticides. The firm also added important [board expertise](#) and new [R&D capabilities](#) throughout the year.

Last year, Manish Gupta – the company's managing director – detailed [SeQuent's strategy for future growth](#) to IHS Markit Animal Health.

Visionary CEO – Rick DeLuca of Merck Animal Health

Rick DeLuca has been a widely recognized and well-respected key opinion leader in the animal health industry for some time. He has held worldwide responsibility for Merck's animal health business since 2011.

Under his leadership, Merck Animal Health has evolved significantly in recent years. An example of this is the company taking a [leading position](#) in animal health's burgeoning digital technology sector.

Merck stated: "Because of the strength and unwavering focus of Rick's vision, the company today offers one of the industry's most innovative portfolios, spanning products, solutions, devices, emerging technology and services for the prevention, treatment and control of diseases across all major companion animal and livestock species.

"The last 12 months marked another year of Rick creating new value in the industry with the addition of animal intelligence and other strategic initiatives, while continuing to drive consistent strong operational growth. Rick has taken great strides in building the company's business for the future with a view ranging from investment in early-stage ideas in research and technology to the breath of broad global manufacturing.

"He has shaped the company by providing a strong foundation of growth for people, early-stage development and partnership opportunities, restructuring and investing in R&D, geographic expansion, new capacity and capabilities and manufacturing excellence.

"Rick's vision and leadership of this business over the past year (and over a total of seven years) has created a company that continues to have robust growth with a strong and growing global presence."

Under his guidance, Merck's animal health business has become a [fast-growing entity](#) that leads in many of the industry's major species segments.

In 2020, the company carried on a key theme that has drawn attention in past years by further adding to its Merck Animal Health Intelligence operating unit – a business focused on animal monitoring, identification and traceability through digital technology.

The firm added: "Rick's strategic vision has led Merck Animal Health's global business to be at the convergence reshaping the animal health industry beyond vaccines and medicines to reflect the convergence of biopharmaceuticals and technology. There are integrated and holistic solutions the company has developed due to Rick's foresight to embrace the potential of technology to optimize customer operations around the world and improve the health and well-being of animals and the people who care for them.

"Over the past year, Merck Animal Health, under Rick's leadership, is pioneering industry change through the use of animal data intelligence and advanced digital technology solutions to advance animal health and wellbeing of companion animals and livestock. The company has made targeted acquisitions and investments in companies that combine animal science and math in a diverse portfolio of digitally connected identification, traceability and monitoring products that offer a high degree of technological sophistication."

Merck said Mr DeLuca has also championed landmark studies for veterinarian wellness and has established the company's Animal Health Diversity and Inclusion Steering Committee.

Best services company – Argenta

In 2020, Argenta not only continued to work on a considerable number of R&D projects and expand the services that it offers but it also attracted [significant private equity investment](#) from KKR.

KKR's investment will help Argenta further advance its contract development and manufacturing organization business, as well as build "global leadership positions within chosen markets, with a particular focus on growth in the US and Europe".

The major share investment from KKR is not only a massive boost for Argenta but a signal that major private equity players are taking a serious look at the animal health sector. The deal also highlights the attractiveness of the services and contract research segment of the veterinary medicines world.

As well as sealing the KKR deal, Argenta last year expanded its services portfolio with regulatory affairs and data management offerings. It also built on its existing patient recruitment services. The business also brought its [US contract research business AlcheraBio](#) under the global Argenta brand.

In terms of the company's core work, Argenta released well in excess of 1,000 batches of GMP animal health products from three manufacturing sites with a global on-time delivery performance of 90%. It worked on 85 R&D projects – lending expertise in clinical research, licensing, regulatory affairs, data management, proof-of-concept and stability studies, and pharmaceutical sciences. As part of these projects, Argenta signed five license agreements for its own drug delivery technologies.

The firm's chief executive Ben Russell stated: "2020 represented a year of enormous change for the animal health industry and particularly for Argenta, as we continued to develop our business and deliver to customers through the talent, resilience and courage of our team under trying circumstances.

"Despite the crisis, Argenta's revenues grew in 2020 and our company remains profitable, resilient and ambitious. We are working on continued growth and continued expansion in 2021 but always around our core customer service business."

Judging panel

This year's judging panel featured global experts with skillsets from various parts of the animal health sector. The judging panel included:

Amanda Curtis Burkhardt – an independent animal health consultant at her company Nutriapeutics Consulting, with over seven years of laboratory experience domestically and internationally in various scientific fields. She has started consulting with other scientists, entrepreneurs and innovators in evaluating technologies for start-up opportunities, as well as the creation, protection and commercialization of intellectual property.

Dr Karen Padgett – the founder of US-based animal health consultancy Unfenced. Dr Padgett spent 26 years with Hill's Pet Nutrition, serving as director of global business development, chief of the firm's veterinary business channel and national sales director for the Vet Channel. More recently, she was chief operating officer at Ceva Animal Health.

Matthias Hofer – the managing partner at Stonehaven Consulting. He has around 20 years of experience in the animal health industry. Between 2009 and 2013, he led the global aqua health business at Novartis Animal Health. After that, he was global leader of emerging business at Elanco and a member of the firm's global executive committee.

Dr Sandeep Juneja – the managing partner of HyPro Foods in Mumbai. He also runs consultancy business Animal Health India. He has previously worked in senior management for Boehringer Ingelheim Animal Health India, Bayer Animal Health in Mumbai and Fort Dodge Animal Health in Chennai. His career in animal health exceeds 20 years.

Wolfgang Müller – an executive consultant and alliance partner at Pawlik Consultants. He previously spent over 20 years at Bayer Animal Health, working in several senior roles across the globe.

IHS Markit's head of animal health **Joseph Harvey** is also a member of the judging panel. IHS Markit Animal Health's team of analysts, correspondents and internal consultants also contributed to the judging of the awards.

Analyst Contact Details: Joseph Harvey