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Zoetis, Inc. (ZTS)

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David Michael Steinberg

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MANAGEMENT DISCUSSION SECTION

David Michael Steinberg

Analyst, Jefferies LLC

Good morning, everyone, and thanks for participating in the Jefferies' Inaugural Pet Summit. I'm Dave Steinberg, specialty pharma analyst here at Jefferies. And we are delighted to have with us this morning the undisputed leader in the animal health care arena, Zoetis. Joining us for a fireside chat is Glenn David. You may recall, Glenn was most recently CFO of Zoetis, but because he was so successful, the CEO gave him a lot more work to do. Glenn is now Executive Vice President and Group President, International Operations, Aquaculture, BioDevices and Pet Insurance.

So, good morning, Glenn, and thanks so much for joining us.

Glenn C. David

Executive Vice President & Group President-International Operations, Aquaculture, BioDevices & Pet Insurance, Zoetis, Inc.

Good morning, Dave. It's great to be here.

David Michael Steinberg

Analyst, Jefferies LLC

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QUESTION AND ANSWER SECTION

David Michael Steinberg

Analyst, Jefferies LLC

Q

All right, Glenn, let's start with our first question. The company was able to shrug off much of the impact from the COVID-19 pandemic, particularly in the companion animal business. However, with the recent surge in cases due to the Delta variant, I thought I'd start off with one quick question relating to the pandemic and your current business. And specifically, have you seen any impact in volumes over, say, the past couple months in companion animal activity and that office visits or any shifts in livestock producer behavior?

Glenn C. David

Executive Vice President & Group President-International Operations, Aquaculture, BioDevices & Pet Insurance, Zoetis, Inc.

A

Yeah. Thanks for the question, Dave. We really haven't seen a big shift because of the Delta variant either on the companion animal's side or the livestock side. I think our customers have learned how to adapt during the pandemic and adapt their operations to different dynamics. So, we really haven't seen any significant shift in the last couple of months.

It is a very local issue. I happen to be on the phone with our general manager from Australia last night and they are more in full lockdown because of the Delta variant. But even in a market like that where it's more of a lockdown situation, again, our customers have adapted. The veterinary profession is still seeing pets and they've adapted their protocols to be able to still see sick animals. And so, the business still remains very consistent to what we've seen, again, on both the companion animal side and the livestock side.

David Michael Steinberg

Analyst, Jefferies LLC

Q

Great. So, Glenn, let's get right into the topic [indiscernible] (00:02:32), pets. Let's start at 20,000 feet with a macro perspective. What are you seeing in the companion animal end markets in terms of vet visit, spend per visit, pet acquisitions, et cetera?

Glenn C. David

Executive Vice President & Group President-International Operations, Aquaculture, BioDevices & Pet Insurance, Zoetis, Inc.

A

Yeah. So like you say, at 1,000-foot level and a macro level, we're seeing very strong dynamics in the companion animal business. We've talked for a number of quarters now about how visits are up and revenue per visit is up significantly. And while we do expect that to moderate over time, we haven't seen that happen yet. So, the dynamics still seem to be very strong. We think that's driven by a lot of what you're talking about in terms of increase in terms of pet adoptions. Also increase in the amount of time that pet owners are spending at home with their pets and they're able then to witness any different ailments the pet may have and then bring those pets to the clinic. So, we're seeing continued strong trends in that area. The other thing that we're seeing is a lot of the GenZ and millennials also increasing the adoption of pets, and those pet owners tend to spend more on their pets than baby boomers, for example. So, very strong dynamic supporting the significant growth that we're seeing in the companion animal business.

David Michael Steinberg

Analyst, Jefferies LLC

Q

Got it. And as the pandemic hopefully dissipates, just as a follow-up question, do you see some of these gains reverting to the means as more people go back to the office, or do you think we've seen a structural change whereby households continue to spend at these new higher pet levels – levels per pet?

Glenn C. David

Executive Vice President & Group President-International Operations, Aquaculture, BioDevices & Pet Insurance, Zoetis, Inc.

A

Yeah. So, we do think we've seen somewhat of a structural change. Now, like I said, we've seen double-digit revenue growth in terms of spend per visit, whereas in the past that used to be around 5% or so. So, we don't think we'll stay in the double-digit range, but we don't think we're going to revert back to the norm of 5% anytime soon either. So, we do think that again adoptions are up, the amount of money people are willing to spend on their pets, those dynamics we think will continue and support higher revenue per visit at the clinic level.

David Michael Steinberg

Analyst, Jefferies LLC

Q

Great. So, let's move down to 1,000 feet and discuss some of your key franchises. No question, Glenn, Simparica Trio has been a star. Last quarter, it's only its fifth [ph] on the (00:04:56) market sales were annualizing over \$550 million. You've obviously spent quite a bit on DTC and I imagine the company is pleased with its ROI on that investment. But besides that, what would you say are the key factors besides such a strong start for Trio?

Glenn C. David

Executive Vice President & Group President-International Operations, Aquaculture, BioDevices & Pet Insurance, Zoetis, Inc.

A

Yes. So, I think there are a number of factors. And to your point, they were very pleased with the performance that we've seen with Simparica Trio, particularly when you consider the fact that we launched the brand right in the hit of the pandemic. And the team has done a tremendous job with the launch.

You mentioned the DTC. We invested very heavily, very early in that DTC platform, particularly knowing the challenges with COVID-19 and knowing that our field force wouldn't necessarily be able to have in-person visits at that point in time. But also then the execution of the field force has been terrific, again considering the challenge of COVID-19 to really drive adoption within the vet clinic as well. And look, we are the first in terms of the triple product in the US in particular and that's given us a good head start and we've seen good compliance, good – continuation of usage of the product. Also, making sure that the product is available in any channel that the pet owner wants to receive the product has been critical for our success as well. So, really just off to a very strong start with Trio.

And equally important, Simparica continues to perform very well as well. The cannibalization has been less than we anticipated. And then in certain markets where heartworm isn't very prevalent, we've seen very strong performance in Simparica, markets like Brazil for example really have a leadership position with Simparica or Simparic as it's called in Brazil and the performance has been very strong there.

David Michael Steinberg

Analyst, Jefferies LLC

Q

Got it. And I know you just said that cannibalization you've seen is better than what you expected. But how much of the Trio business is actually competitive share capture and how much of it is pure market expansion? Could you elucidate?

Glenn C. David

Executive Vice President & Group President-International Operations, Aquaculture, BioDevices & Pet Insurance, Zoetis, Inc.

A

Yeah. So, it's a mix of all of that. A, market expansion, bringing people that may have been using OTC products such as topicals or collars back to the veterinary market using the triple combination for Trio. Also share capture from other orals such as Bravecto, NexGard where we continue to gain share and then also new pets coming in, starting off on Simparica Trio. So, we're seeing adoption come from a number of different areas with Simparica Trio and we continue to see strong growth. So, very pleased with the sources of growth and the sources where we're able to get business for Simparica Trio. And as I mentioned also very pleased that the cannibalization of Simparica has been less than we anticipated.

David Michael Steinberg

Analyst, Jefferies LLC

Q

Thanks. And just a couple of follow-up questions on Simparica. I assume it's safe to say that it will soon become your largest product. Can you offer a peak sales forecast for us, Glenn? And then secondly, what about future competition? I know that you initially had forecasted the first competitor this year. And then on your quarterly calls, you've now shifted that to the right, I believe, three separate times. So to that end, why do you think it's been more difficult than initially thought for competition? And when competition finally arrives, how should we think about how this might alter the growth trajectory for Trio?

Glenn C. David

Executive Vice President & Group President-International Operations, Aquaculture, BioDevices & Pet Insurance, Zoetis, Inc.

A

Sure. So, I'll try to address all the points in the question there. So first of all, in terms of Trio becoming the largest product in our portfolio, I'll say it has some strong competition with Apoquel, right? Apoquel has done over \$650 million last year. We expect that to grow this year. So, it definitely has a high bar to hit to become the number one product in our portfolio. But we're very excited about the level of penetration we've seen to date and the growth that we expect to see from the product.

We haven't given a peak sales forecast for Trio because, to your point, timing of competition is somewhat uncertain as we've continued to shift that date out. Challenges that our competitors have, hard to say exactly, but we think it's probably related to the fact that in the US you need to prove 100% heartworm protection which we were able to achieve for Simparica Trio.

Once competition comes, we still see an ability to continue to grow Simparica Trio. And I think if you look at the initial orals with NexGard, Bravecto, Simparica, all of those products continue to grow even with the additional competition because they're able to continue to bring business back to the vet clinic from the other channels as well as just the strong dynamics that we're seeing in the companion animal market. So, we do think that there'll be continued opportunity for market expansion as new competition comes into the triple segment.

David Michael Steinberg

Analyst, Jefferies LLC

Q

Great. Thanks, Glenn. So, let's turn to your dermatology franchise. You just mentioned Apoquel being your largest product. Both Apoquel and Cytoint have been on a tear. Your derm business now exceeds \$1 billion in annual revenues. What would you point to the key reasons for the strong growth? And what about competition? When do you see that emerging?

Glenn C. David

Executive Vice President & Group President-International Operations, Aquaculture, BioDevices & Pet Insurance, Zoetis, Inc.

A

Yeah. So in terms of reasons for the strong growth, we've brought two very safe and efficacious products into the marketplace and we've invested significantly behind those products from a DTC perspective, from a field force

perspective as well. And the response that we've seen from pets and pet owners and veterinarians in terms of the efficacy and safety of these products has been incredibly positive. So, we'll continue to invest to drive growth in these products, and we do think there is opportunity for continued growth.

Obviously, the US is the biggest portion of our business in derm. But even in the US, about 40% of pets that suffer from atopic dermatitis remain untreated and steroids still have a fairly large portion of the market. So, we do think there's opportunity in the US for continued growth.

And then when you look outside of the US, which currently if you look at the break out of sales globally, it's about two-thirds US, one-third outside of the US yet there are more medicalized dogs that suffer from atopic dermatitis outside of the US. So, we think there's large opportunities there. And in my role, one of the things I'm really looking to do is to look to drive additional growth for our dermatology portfolio there.

We are doing unbranded advertising now internationally as well to drive additional growth, in the markets where we are allowed to do branded DTC, we'll do that as well. So, while the portfolio is performing incredibly well, as you mentioned, we'll exceed \$1 billion in revenue this year, we do expect to be able to drive continued growth in that portfolio. In terms of competition, we expect competition also, all these expectations, probably second half of 2022 similar to what we would expect for Trio, but again the timing is hard to predict, as you know, competition doesn't necessary disclose timing. But similar to the parasiticide market, we do think that it's a large market that has room for market expansion as well once competition comes.

David Michael Steinberg

Analyst, Jefferies LLC

Q

Okay. Great. So, let's turn to your next set of launches. There's quite a bit of excitement in the community about your next introduction, specifically around monoclonal antibody pain products, Librela and Solensia for osteoarthritis in cats and dogs. Glenn, they've been launched in various EU countries. On the Q2 call, management noted that the earlier results have exceeded expectations. I know it's extremely early in the rollout there, but as Head of the International Division, could you give us a bit more granularity on why you're pleased with the launch thus far?

Glenn C. David

Executive Vice President & Group President-International Operations, Aquaculture, BioDevices & Pet Insurance, Zoetis, Inc.

A

Yes. So, like you said, we've seen very positive response to the launch of both Librela and Solensia. We're a little further along in Librela that launched earlier. We're in the early experience phase and moving out of the early experience phase for Solensia. But the response from pet owners has been very positive to these products in terms of the improvement that they're seeing in the quality of life of their pets. And then, therefore, the quality of life for the pet owner as well.

So, very positive experience, strong reorder rates as well and strong demand signals coming from the veterinary clinics. So, this is a large market that we think we're bringing significant innovation to and we'll be able to drive significant growth in the market as well. We've mentioned in the past that we expect these products to be blockbusters globally. I think the earlier experience that we're having so far just reaffirms our confidence that this will be very significant products and significantly exceed blockbuster status for Librela and Solensia globally.

David Michael Steinberg

Analyst, Jefferies LLC

Q

Okay. And how should we think about the trajectories both in the EU and the US? Would you assume a similar trajectory or when it reaches the US, would it be a much sharper uptake given what we've seen in some of the other products?

Glenn C. David

Executive Vice President & Group President-International Operations, Aquaculture, BioDevices & Pet Insurance, Zoetis, Inc.

A

Yes. Actually, we typically do see more rapid uptake in the US for some newer products. That has been our history in the past. And part of that is driven by the resources and tools that the US is able to use such as direct-to-consumer – branded direct-to-consumer advertising for many of these products. However, we've seen a very rapid uptake in international for Librela. And as I mentioned, we're a little later on in Solensia. So, we would expect then a very rapid uptake in the US as well once these products are launched.

David Michael Steinberg

Analyst, Jefferies LLC

Q

Got it. And just speaking of uptake, Glenn, how should we think about uptake of these products relative to your other injectable products like Apoquel and Cytopoint in the US market? And any key learnings from the Cytopoint experience or Apoquel experience you can leverage? And on that point, are there any indicators to inform how you see the ultimate market opportunities for these two novel pain products?

Glenn C. David

Executive Vice President & Group President-International Operations, Aquaculture, BioDevices & Pet Insurance, Zoetis, Inc.

A

Yeah. So, I think the experience that we've had with Cytopoint and the experience that our customers have had with Cytopoint definitely helps in terms of the adoption curve for Librela and Solensia having had experienced with an injectable monoclonal antibody obviously for dermatitis. But that experience, I think, does lend itself to pain as well and how to administer that in the clinic, how to convince pet owners, as well the benefits and then also the duration of efficacy that we've seen in the dermatology space, obviously similar to what we're expecting from pain as well. So I do think that the experience that they've had with Cytopoint should help lead. And I think we're seeing that internationally to a more rapid uptake for Librela and Solensia.

David Michael Steinberg

Analyst, Jefferies LLC

Q

Got it. So let's turn to diagnostics. This is a fast-growing segment within animal health care and the company entered it in a big way recently via the Abaxis acquisition. How has that business been trending? And could you comment on the Vetscan Imagyst rollout thus far?

Glenn C. David

Executive Vice President & Group President-International Operations, Aquaculture, BioDevices & Pet Insurance, Zoetis, Inc.

A

Yeah. So the diagnostics business has been trending very well in 2021. In 2019 and 2020, we made many significant investments in the diagnostic portfolio to support the future growth, improving our connectivity to the PIM system, also integrating our diagnostics business into our core SAP platform so that then we could provide one offering to the customer across diagnostics, pharmaceuticals and other areas as well. And what we've seen in the first half of the year, globally, our diagnostics business is up 42% operationally, so really strong performance. And we want to build off that momentum as we move forward.

The Imagyst platform has been a contributor to that growth and has been very well received for our bio customers for the simplicity of it as well as the advantage of the AI technology. And we expect that we'll be able to extend our Imagyst platform beyond just fecal, and we think that will provide significant growth not only in the short term, but

in the medium and long term as well. So we're off to a very strong start with Imagyst. We've launched it in most of our – we're beginning to launch into more of the English-speaking markets as well, and we've extended it to other languages. So we're really excited about the global launch for Imagyst as a platform as well.

David Michael Steinberg

Analyst, Jefferies LLC

Q

Right. And just staying on with Imagyst, what sort of reception have you had from veterinarians? And – because I understand it's fairly high capital cost per office, any issues with that cost? And how are the vets handling that?

Glenn C. David

Executive Vice President & Group President-International Operations, Aquaculture, BioDevices & Pet Insurance, Zoetis, Inc.

A

Yeah. So we haven't seen that being a barrier. We do believe that it's competitively priced to other options in the marketplace. And obviously, similar to what we do with many of our other diagnostics products, we offer many different flexible payment options for our veterinary customers as well. So we haven't seen that be a significant barrier. And again, I think the response to the technology has been very positive as well.

David Michael Steinberg

Analyst, Jefferies LLC

Q

Got it. Okay. So I know, Glenn, we're here today to discuss pets and companion animals, however, livestock is a big part of your business. And while the pet business has performed exceedingly well, the livestock business has not for a number of reasons. To that end, I have one question on livestock. Specifically, with innovation being a key to reviving market growth, when should we start seeing some of the fruits of your various R&D programs? And what might be a couple of key product focus areas for this innovation in livestock?

Glenn C. David

Executive Vice President & Group President-International Operations, Aquaculture, BioDevices & Pet Insurance, Zoetis, Inc.

A

Sure. So I mean, overall, when you look at our livestock business, if you look at the first half, we have grown 6% in the first half in our livestock business, and with responsibility for the international markets. The international markets in livestock, first half of the year, actually grew 13%. So we are seeing strong performance in livestock in certain markets such as China and Brazil. And obviously, this year, we have the headwind of the Draxxin LOE obviously posing a challenge to our company in particular.

We do see livestock as a business over the long term growing in that 4% to 5% range from a market perspective that we've typically seen. We think there are a number of areas that will bring innovation to the marketplace, A, bringing vector vaccines for poultry, also swine vaccine. So we're actually in the launch – launching a number of swine vaccines in China right now as well which we think will drive growth.

We also see monoclonal antibodies as a platform for future growth as we extend that to the livestock area of the business. And as I mentioned, markets like China and Brazil continuing to bring innovation and driving growth of those markets. Again, because of our global nature, our global scale and our diversity, we are able to drive growth in livestock on a global basis because of some of the rapidly growing markets offsetting some of the challenges that we're seeing from the Draxxin LOE.

David Michael Steinberg

Analyst, Jefferies LLC

Q

Got it. And you touched on swine flu. Still a big issue. Where do you see that particularly in China? And also, you've talked in the past about the industrialization of pig farms and how most of them are still a little mom-and-

pop operations and the company can really benefit from this industrialization. Where are we – in a 9-inning game, where are we with that industrialization? How do you see – how big a business could that be for you?

Glenn C. David

Executive Vice President & Group President-International Operations, Aquaculture, BioDevices & Pet Insurance, Zoetis, Inc.

A

Yeah. So COVID-19 actually really accelerated that industrialization. And we've benefited from that significantly over the last number of quarters as we've seen a significant shift from more of the backyard production to larger producers. And it's the larger producers that really use them – the majority of our products. So – whereas if I was to call it, where we may have been in the third-inning prior to COVID-19, we probably quickly moved to the seventh-inning after post-COVID-19.

One of the challenges that we're seeing right now, though, is because of that increase in production that we've seen in the large produces, we've seen that the price of pork in China has dropped significantly in the last few months even as supply has caught up very rapidly. So we have seen that be a bit of a challenge to the livestock and swine business in China in the last number of months.

But from a long-term dynamic perspective, the shifts to more of the backyard – from the backyard producers to the larger producers will be very positive for us in the broader animal health industry, particularly with multinational companies that have much better relationships and presence with the larger producers.

David Michael Steinberg

Analyst, Jefferies LLC

Q

Got it. Okay. And just touching on innovation, the company – I guess, the first question is in the pharmaceutical industry, everyone discloses their pipeline obviously because there are patents. But in animal health, no one really knows what's in anyone's pipeline. You've disclosed lots and lots that you have X number of projects. But why is it that the company won't allow people to look under the hood and look at what's there which will, in theory, could help the multiple and help with long-term thinking about the company? Why is it that it's so secretive?

Glenn C. David

Executive Vice President & Group President-International Operations, Aquaculture, BioDevices & Pet Insurance, Zoetis, Inc.

A

Yeah. So we are one of the few publicly traded animal health companies. And many other companies are either private or part of a larger organizations that do not disclose their pipeline. So it's really from a competitive perspective that we choose not to disclose our pipeline until products would be coming very close to launch, similar to the discussion we were having earlier where we really don't have great visibility into when we're going to see a competition for Trio or for dermatology. It's because competition does not disclose. So it would put us in a competitive disadvantage to disclose our time lines for product launches.

I think the one thing I'll say to that, though, is I think we've demonstrated a very strong history of innovation and very high productivity coming out of our R&D investments. So hopefully, that gives investors confidence in terms of our leadership position in innovation and the strength of our R&D organization as well as the broader group to bring new innovation to the market that's really meeting unmet needs as well as our balance across life cycle enhancements as well.

When you look at our R&D spend, it's split pretty evenly between life cycle enhancements and new product innovation. And it's those life cycle enhancements that really allow us to defend our portfolio once competition comes or once generic competition comes into the marketplace.

David Michael Steinberg

Analyst, Jefferies LLC



Right. Well, that's a perfect segue into the next question which is, Glenn, it seems like every year despite your growing size, Zoetis exceeds segment market growth and continues to roll out innovative disruptive products that seemingly are far ahead of your competition. And as such, it looks like others really haven't been able to keep up with your innovation.

Why is this? Is it the culture at Zoetis? The fact that many competitors are buried inside large pharma companies? The fact that you just pointed out which – that many are private companies or other factors? Why is it that you always seem to be ahead of the curve when you do have some formidable competition?

Glenn C. David

Executive Vice President & Group President-International Operations, Aquaculture, BioDevices & Pet Insurance, Zoetis, Inc.



Yeah. I think it's a number of factors, David. So, A, we have a best-in-class R&D team, right? I think that's the first factor. So very fortunate and proud of our R&D colleagues and what they're consistently able to deliver. I think the other thing that really distinguishes us is the process that we have in terms of working across our interconnected capabilities across commercial, manufacturing and R&D. So we started very early on in the process, working with our commercial colleagues across the globe to understand what are the unmet needs in the marketplace and then partnering with our R&D colleagues to bring forward solutions to those unmet needs.

And then, we also worked very early on with our manufacturing colleagues to make sure that we'll have the right investments to make sure that we can produce those products effectively once they come to the market. So I think it's a combination of the strength of our R&D colleagues as well as those interconnected capabilities across the organization and willingness to also invest in those opportunities as well.

I'll also add that we also have many partnerships externally as well. And we're not solely relying on our internal capabilities to bring innovation to the marketplace.

David Michael Steinberg

Analyst, Jefferies LLC



Right. And I want to get to capital deployment in a second, but one other question. You don't discuss your pipeline for reasons you just discussed. But what – so what do you think is the most underappreciated – what do you think is most underappreciated by investors regarding Zoetis? Is it the productivity of R&D or diversity, other? What would you highlight as the most underappreciated asset of the company?

Glenn C. David

Executive Vice President & Group President-International Operations, Aquaculture, BioDevices & Pet Insurance, Zoetis, Inc.



Yeah. I think there are a few things. As you mentioned, the productivity of our R&D, I think, distinguishes Zoetis. I think also the diversity and the resiliency of our product portfolio. The diversity, obviously, across therapeutic area, across geography, across species, that really reduces the risk to our income and revenue because we are very balanced, and if anything happens in any particular species, there's generally an offset in other species.

And then I think COVID really showed the resiliency of our business and our portfolio the way that we've been able to grow in companion animal as well as livestock during the COVID pandemic. So if you build that – if you start to build that resiliency into your forecast for longer term growth, I think that is underappreciated by the broader community.

David Michael Steinberg

Analyst, Jefferies LLC



Thanks. So let's touch now on capital deployment. Beyond internal investments in R&D and continues build out of the reference lab diagnostic business, what are your priorities, Glenn? And any thoughts on buybacks versus paying down debt?

Glenn C. David

Executive Vice President & Group President-International Operations, Aquaculture, BioDevices & Pet Insurance, Zoetis, Inc.



Yeah. So our priorities remain the same. And to your point, it starts with our internal investments. And you mentioned R&D, but also many other areas that we're investing as well. Manufacturing is a key area of investment right now as we are supporting rapid revenue growth across many different products and platforms. The other areas was within commercial in terms of direct-to-consumer advertising and also some field force expansions of markets where we're seeing very rapid growth in our companion animal business, in particular.

As you mentioned, we'll look to do business development. We announced the acquisition of Jurox as one of our latest ones, which brings us additional scale in a key market such as Australia. And then we will look to return excess capital to our shareholders.

And in terms of preference between paying down debt, buybacks, we have enough capital that we can do many different things in terms of we've increased our dividend significantly. We've returned to share repurchase as well. And from a debt perspective, we'll continue to stay within that 2.5 to 3 ratio in terms of gross debt. But that won't be – we won't hold to that necessarily for – it doesn't have to be every month that we're in that range. If we happen to be below or above at any particular time, that's okay. And we'll look to do that over an extended period of time.

David Michael Steinberg

Analyst, Jefferies LLC



Great. And we have one minute left. One final question from the audience which gets us right back to the beginning which is on pet adoptions. There's some theory – there are multiple theories on why adoptions are up so much. I know a lot of SPCAs were cleaned out of pets. Is it because the [indiscernible] (00:29:38) would say because the pets were recycled from owners who gave them up during the pandemic or, in fact, are ownership – is pet adoption way up because people are working from home and a lot of people are lonely, not being able to go out in the world and therefore bringing in more pets? What – do you have any answers on that or is it just still unclear?

Glenn C. David

Executive Vice President & Group President-International Operations, Aquaculture, BioDevices & Pet Insurance, Zoetis, Inc.



Yeah. So I mean, I think, our view would be more of the latter that people are spending more time at home. It gives them greater flexibility to take care of pets. The other thing that we're seeing is many single-pet households have become multiple-pet households as well. Again, because of that more – people having more time at home, more time to take care of the pets. So that's also a dynamic that we've seen very strong during the pandemic. It's not just first-time pet owners. It's a lot of pet owners taking in more pets as part of the family as well.

David Michael Steinberg

Analyst, Jefferies LLC

Got it. All right. We're out of time. That was true up and down view of Zoetis and the animal health waterfront, particularly companion animals. Glenn, thanks so much for joining us today. And everyone on the line, thanks for listening in, and I hope you have a great day. Thanks a lot.

Glenn C. David

Executive Vice President & Group President-International Operations, Aquaculture, BioDevices & Pet Insurance, Zoetis, Inc.

Thanks so much, David.

David Michael Steinberg

Analyst, Jefferies LLC

Okay. Take care.

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