Week of June 2, 2026 . Companion Animal . North America

Animal Health Intelligence *Report*

The companion animal market did not slow down. It split.

What Q1 2026 is really telling the industry.

+15%	-8%	25%	$21B
Elanco Q1 revenue	Zoetis US comp animal	Feline US vet visits	Unrealized feline TAM

Inside this report:

- Market Picture . Where the market stands as Q2 closes out
- Competitive Signals . Befrena rollout. Zoetis Q2 watch. Numelvi launch.
- Category Spotlight . Companion animal parasiticides spring season
- Data Point of the Week . The $21B feline gap
- Strategic Watch . The move to prepare for before end of Q2

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Where the market stands as Q2 closes out

Q1 2026 earnings results became available in early May. We are now in the final stretch of Q2 with those results fully digested. The story from Q1 has not changed. Two companies grew materially. Two declined. The difference was not market conditions. It was product vintage.

+15%

Elanco Q1 revenue year over year. Guidance raised on every metric.

Elanco Q1 2026 Earnings, May 6 2026

-8%

Zoetis US companion animal revenue year over year. Full year guidance cut.

Zoetis Q1 2026 Earnings, May 7 2026

+1%

Companion animal clinic clients in Ontario Canada. First positive in 12 months.

OVMA Veterinary Activity Index, April 2026

On the Ontario data:

The +1% figure comes from the Ontario Veterinary Medical Association (OVMA) Veterinary Activity Index, tracking companion animal practices across Ontario, Canada. Ontario historically tracks US trends with a short lag. Revenue per visit was also up 3%, mirroring the US Q1 pattern.

Patient volumes remain soft but are no longer deteriorating. Revenue per visit continues to grow. The market is finding a new baseline at lower volume and higher spend per appointment.

SECTION 2 . COMPETITIVE SIGNALS

Three moves to know this week

Elanco . Dermatology . Now

Befrena rollout is underway.

The IL-31 monoclonal antibody with 6 to 8 week dosing has KOL shipments complete and clinic orders secured. This is Elanco's direct answer to Cytopoint on convenience. The prescription conversation is happening in clinics right now. Practices not yet approached will be in the next 60 days.

Elanco Q1 2026 Earnings, May 6 2026

Zoetis . Dermatology . Watch Q2

US dermatology fell 13% to $215M in Q1.

Four premium brands now competing for the same prescription position simultaneously. Zoetis management flagged Q2 commercial execution as their primary lever. Watch for pricing moves, bundled portfolio offers, or rebate expansion in the next 60 days. When Zoetis moves on Apoquel or Cytopoint pricing it affects every derm brand at the same time.

Zoetis Q1 2026 Earnings, May 7 2026

Merck Animal Health . Dermatology . Spring Launch

Numelvi is in market.

The first and only second-generation oral JAK1 inhibitor (atinvicitinib) received FDA approval February 25, 2026 and launched nationally this spring. Four branded products competing for the same derm prescription is a first for this category. The clinic committing to a first-line derm product this quarter is unlikely to revisit that decision for 2 to 3 years.

Merck Animal Health Press Release, Feb 25 2026 . merck.com

SECTION 3 . CATEGORY SPOTLIGHT . COMPANION ANIMAL PARASITICIDES

Q2 and Q3 are when the year is won or lost in parasite prevention

Spring is the peak season for canine parasite prevention. The clinic prescription decisions made between now and September determine the full-year revenue split across every parasiticide brand.

Zoetis . Simparica

Simparica US was down 8% in Q1 to $238M. Still the largest individual parasiticide brand in the US market. Losing dispensing share in clinics that have added newer combination products. Newer products give vets a clinical reason to switch.

Zoetis Q1 2026 Earnings, May 7 2026

Elanco . Credelio Quattro

40%+ US clinic penetration. 53% dispensing share in clinics that carry it. Growing in a flat market because it addresses a real clinical need. Broader spectrum coverage in a single monthly product. Vets prescribing one product instead of two is a direct compliance and convenience win.

Elanco Q1 2026 Earnings, May 6 2026

SECTION 4 . DATA POINT OF THE WEEK . FELINE COMPANION ANIMAL

The number that should be in every Q3 planning deck

33%

of cats receive annual vet care in the US versus 71% of dogs. The gap represents $21B in unrealized feline veterinary revenue.

CATalyst Council Feline Market Insights Vol. V, Feb 2026

25%

of all US vet visits are now feline. A record after 12 consecutive quarters of outperformance.

CATalyst Council, Feb 2026

The move to prepare for before end of Q2

The Move to Watch Before End of Q2

Zoetis signalled Q2 commercial execution as their primary response to Q1 underperformance. That language in an earnings call typically comes before a pricing adjustment, a bundled portfolio offer, or rebate expansion at the clinic level. When Zoetis moves on Apoquel or Cytopoint pricing it affects the entire derm competitive set simultaneously. Every brand with a derm product needs a documented response position ready before that move comes, not after. The window to prepare is the next 30 days.

Source: Zoetis Q1 2026 Earnings Call, May 7 2026

Three things to do before Q3:

- Document your response position for a Zoetis Apoquel or Cytopoint pricing move. Do this now, not when the announcement lands.
- Get your derm rep into every clinic that has not yet committed to a first-line derm prescription. The window closes at the end of Q2.
- Review your feline prescription strategy. Cats are 25% of US vet visits and growing. Most portfolios are not reflecting that.

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