

Phibro Animal Health (PAHC : US\$34.04)

Phibro Animal Health soars 109.8% in trailing year, outperforming 96% of the market

Phibro Animal Health Corporation, NASDAQ's 7th largest Pharmaceuticals company by market cap, soared US\$17.82 (or 109.8%) in the trailing 12 months to April 20, 2015 to close at US\$34.04. This means the stock has outperformed 96% of NASDAQ-listed stocks in the same period. Compared with the NASDAQ-100 Index which has risen 25.0% over the same period, this is a relative price increase of 84.8%. Average daily volume of 135,702 shares in the trailing year was 0.9 times average daily volume in the previous year. In the trailing 12 months the market cap has jumped US\$325.3 million.

Introduction with Trends

We are currently bullish on this stock in the short-term based on technical indicators, but are more bearish in the long-term based on fundamental metrics

What makes us most bullish on the stock is the following:

- The price to 200-day MAP ratio is 1.01, a bullish indicator.
- In the last three months the number of rises outnumbered falls 36:27 or 1.3:1.
- It is beating 86% of the market the past 6 months.
- The price to 50-day EMAP ratio is 1.0, a bullish indicator. The 50-day EMAP has increased to US\$33.66.

Stock Summary

52-Week Range	US\$15.02-US\$37.56
Sector	Pharmaceuticals
Market Cap	US\$593.8 million
Shares Outstanding	17,442,953
ISIN	US71742Q1067
Relative Strength (3 mo)	79

MCap: A Historical Perspective

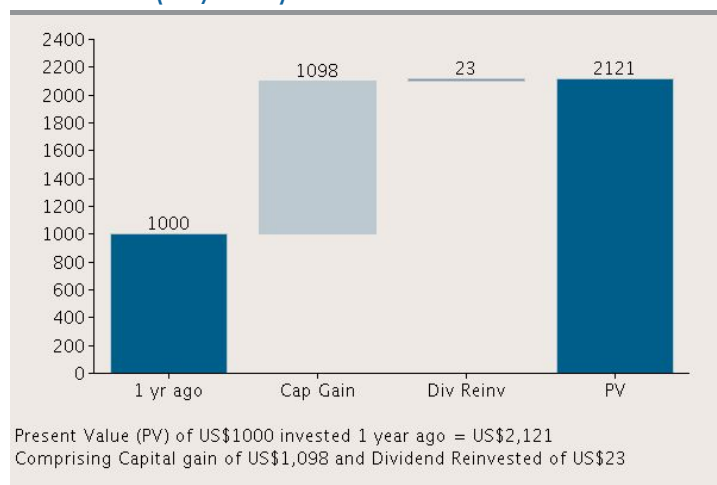
	Share Price (USD)	Market Cap (US\$)
Last	34.0	593.8 million
1 Year ago	15.9	275.5 million

Analysis

Bullish Signals

- Rises to Falls: In the last three months the number of rises outnumbered falls 36:27 or 1.3:1.
- In the NASDAQ market of 2,406 stocks and 1 unit traded today, the stock has a 6-month relative strength of 86 which means it is beating 86% of the market.
- A price rise combined with a high relative strength is a bullish signal.
- The price to 200-day MAP ratio is 1.01, a bullish indicator. In the past 200 days this ratio has exceeded 1.01, 131 times suggesting further upside. The 50-day MAP of US\$34.08 is higher than the 200-day MAP of US\$33.65, a bullish indicator. The 200-day MAP has increased to US\$33.65. An increase is another bullish indicator.
- The present value of US\$1,000 (PV1000) invested one year ago in Phibro Animal Health is US\$2,121, including a capital gain of US\$1,098 and dividend reinvested of US\$23.

PV1000 (1 year)



- The current short volume is 0.1 times its own historical average of 0.2%. It plummeted 65.2% from the previous day, plummeted 91.5% from a week ago and plummeted 85.5% from a month ago, a significant bullish indicator.

Undervaluation:

- The Q Ratio, defined by James Tobin as MCap divided by Total Assets, is 1.3. Compared with the rest of the market the stock is undervalued.

Other Bullish Signals:

% Growth Y.O.Y, Revenue & Net Profit



Also, the following criteria set by Benjamin Graham:

- "Current ratio of two or more"; current assets are 2.7 times current liabilities.

Bullish Indicators and Rank in Market:

Description	Value	Rank In Market
Relative Strength (6M)	86	In Top Quartile
Price Change %	2.0	In Top Quartile
Annual Revenue	US\$757.5 million	In Top Quartile

Bearish Signals

- In the last 20 trading sessions there has been a net decline of 4.6%; the stock has retreated eleven times and the biggest one day decline was 5.5% on Apr 02.
- The Moving Average Convergence Divergence (MACD) indicator of 12-day Exponential Moving Average (EMA) of 34.1 minus the 26-day EMA of 34.26 is negative suggesting a bearish signal. Both the 12-day EMA as well as the 26-day EMA are falling, another bearish signal.
- The Price/MAP of 1.01 for PAHC is lower than the Price/MAP for the NASDAQ-100 Index of 1.3.

Other Bearish Signals:

The stock has a score of merely 2 out of 9 set by Joseph Piotroski [pass mark ≥ 5]:

Improvement in current ratio from 2.6 to 2.7; improvement in gross margin [from 25.1% to 27.4%].

Analysis (continued)

Bearish Indicators and Rank in Market:

Description	Value	Rank In Market
Dividend Yield %	0.9%	In Bottom Quartile

Note

- It is at a discount of 9.4% to the 12-month high of US\$37.56 on 02 Mar, 2015. It is also at a premium of 126.6% to the 12-month low of US\$15.02 on 21 Apr, 2014.

Beta & Standard Deviation (SD)

The Beta of this stock is 0.8. A Beta lower than 1 suggests this is a low risk, low return stock with volatility less than that of the market.

SD is a statistical measure of deviation from the mean. The SD of 2.4% gives it a percentile rank of 53 meaning that 53% of stocks in the NASDAQ market are less volatile than this stock.

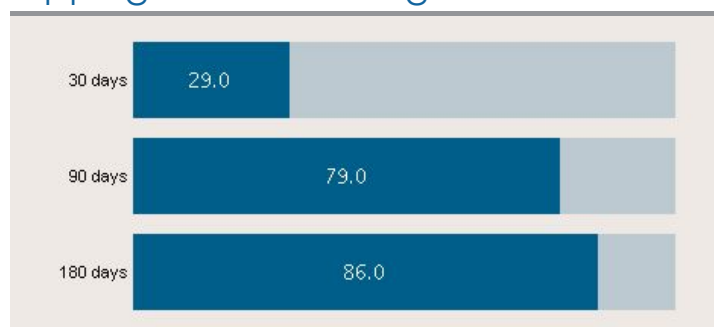
Neutral Indicators and Rank in Market:

Description	Value	Rank In Market
MCap	US\$593.8 million	In 2nd Quartile
Turnover in Quarter	US\$345.4 million	In 2nd Quartile

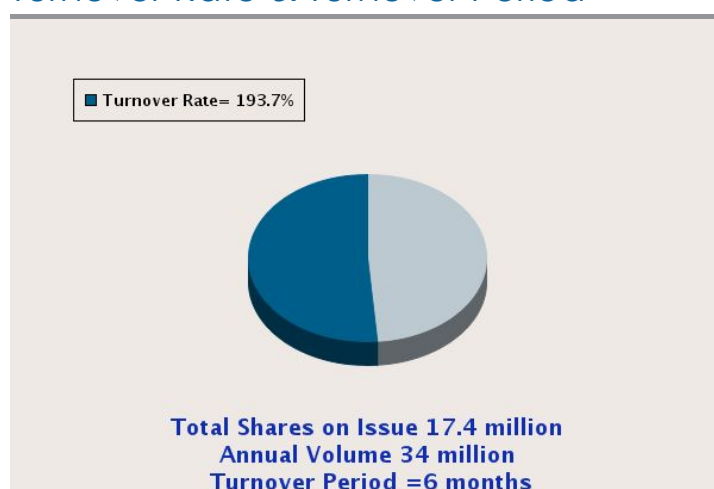
Insider Trades



Slipping Relative Strength



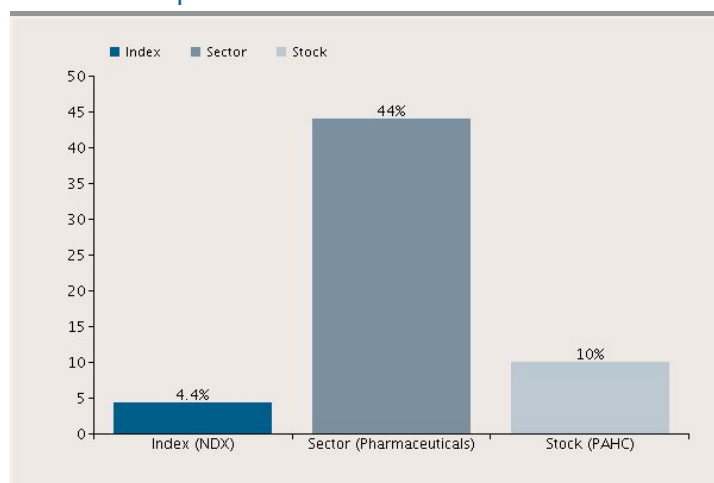
Turnover Rate & Turnover Period



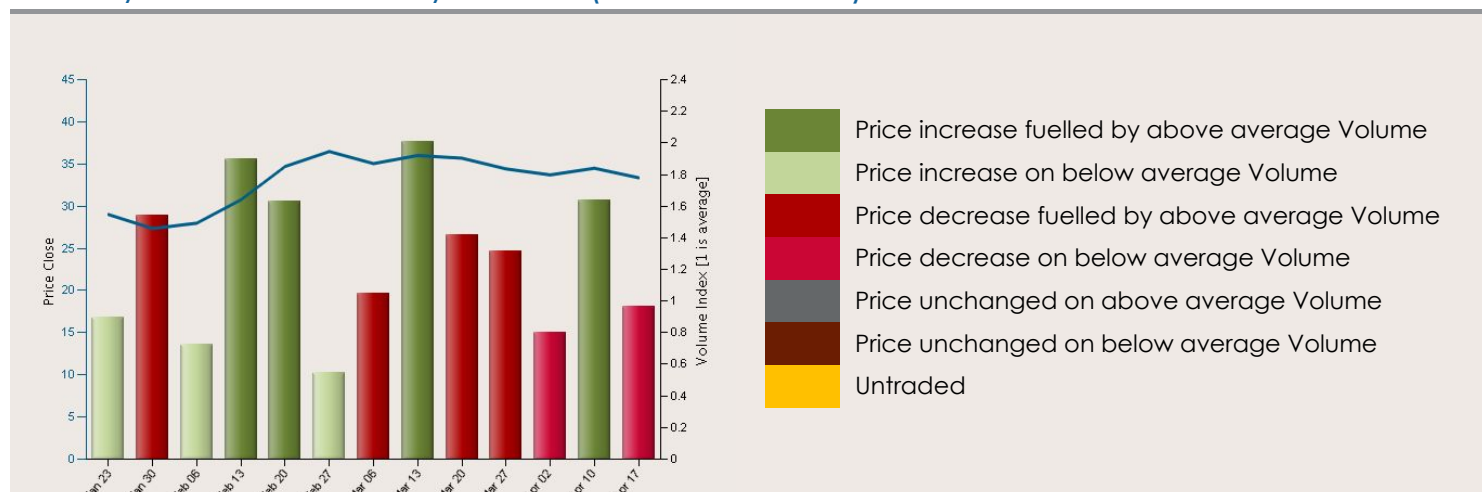
Trailing 3 months

Turnover	US\$345.4 million
Volume	10,422,851
Volume Index (1 is avg)	1.2

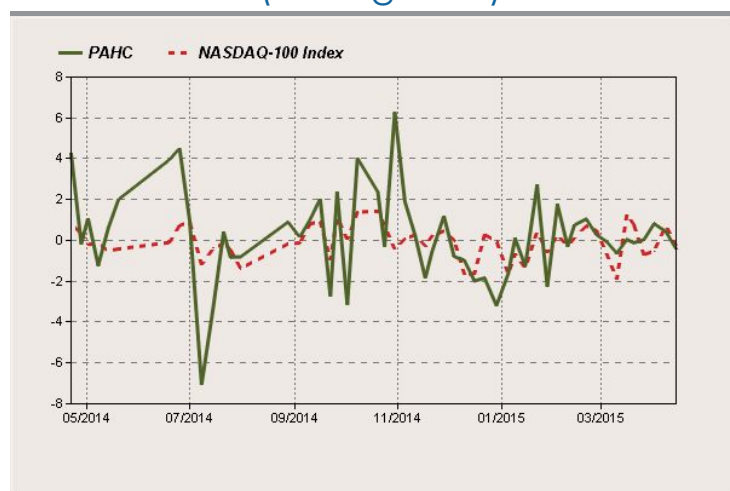
YTD Comparison Stock Sector Index



Weekly Price Volume Dynamics (Last 12 Weeks)



Stock v Index (Trailing Year)



Price/Moving Average Price [P/MAP]



Peer Group Analysis

Name	Last Price	Relative strength (6-months)	MCap (USD)	PV \$1000 (1 yr)	Revenue (USD)	Net Profit (USD)	Total Assets (USD)
Amphastar Pharmaceuticals	US\$15.11	87	673.4M	0	210.9M	(10.7M)	389.4M
Theravance Biopharma, Inc	US\$18.24	21	616.5M	0	11.7M	(237M)	337.8M
Rock Creek Pharmaceuticals	US\$3.0	1	605.2M	162	8.8M	(32.8M)	11M
Phibro Animal Health	US\$34.04	86	593.8M	2,098	757.5M	(3.1M)	472.3M
Advaxis	US\$20.0	100	544.2M	0	1.6M	(16.5M)	23.4M
Proqr Therapeutics B.V	US\$19.10	90	445.8M	0			
Vitae Pharmaceuticals	US\$14.11	98	308.6M	0	9.1M	(19.1M)	67.7M

Recent Analyst Recommendations

Date	Brokerage	Action	Past Rating	Current Rating	Prev Target	Price Target
01-Apr-2015	Macquarie	Downgrade	Outperform	Neutral	-	-
11-Feb-2015	Cantor Fitzgerald	Set Price Target	-	Buy	-	36
26-Jan-2015	Zacks	Upgrade	Neutral	Outperform	-	33.6

Reported Selling by Insiders

Insider	Date	Transaction Type	No. of Shares	Price, US\$	Value, US\$
Warras Dean J	Feb 17, 2015	Sold	4,000	31.9	127,600
Welch Daniel A	Feb 17, 2015	Sold	4,000	31.9	127,600
Dagger Thomas G	Feb 17, 2015	Sold	4,000	31.91	127,640

Company Overview

Activities

Phibro Animal Health Corporation manufactures and distributes agricultural chemicals and animal health products. The Company offers vaccines, anti-infectives, disinfectants, mineral premixes, medicated feed additives, antimicrobials, performance chemicals, and cosmetics. Phibro Animal Health markets its products globally

Further details can be found at
www.pahc.com.

Business Sector	Pharmaceuticals & Medical Research
Industry Group	Pharmaceuticals
Industry	Pharmaceuticals
Economic Sector	Healthcare

Ranking

Phibro Animal Health is placed 80/2416 in BSS News Bites's ranking of NASDAQ performers in the past year, a percentile ranking of 96%.

Regulatory Announcements

Conferences/Exhibitions

April 06: Events Calendar: Phibro Animal Health Corporation to Host Webcast and Conference Call on March 2015 Quarterly Financial Results

[News Story]TEANECK, N.J., April 6, 2015 Phibro Animal Health Corporation (Nasdaq:PAHC) will host a webcast and conference call to review third quarter financial results. A news release containing quarterly results is expected to be issued after the market closes on Monday, May 11, 2015.

Details for the webcast and conference call: Date: Tuesday, May 12, 2015 Time: 9:00 AM EDT Location:
<http://investors.pahc.com>

U.S.
[For more details click here.](#)

Conferences/Exhibitions

April 06: Events Calendar: Phibro Animal Health Corporation to Participate in Bank of America Merrill Lynch 2015 Health Care Conference

[News Story]TEANECK, N.J., April 6, 2015 Phibro Animal Health Corporation (Nasdaq:PAHC) Chairman, President and Chief Executive Officer Jack Bendheim and Chief Financial Officer Richard Johnson will address financial analysts and investors at the Bank of America Merrill Lynch 2015 Health Care Conference.

When: Wednesday, May 13, 2015

Time: 3:00 PM PDT

Location: Encore at the Wynn Las Vegas, Nevada
Presentation: Visit <http://investors.pahc.com>

The presentation will be available concurrent with the live presentation.

Source: Nasdaq Stock Exchange
[For more details click here.](#)

Financial Results

February 10: Phibro Animal Health Corporation Reports Second Quarter

[News Story] TEANECK, N.J., Feb. 10, 2015 Phibro Animal Health Corporation (Nasdaq:PAHC) today announced its financial results for its second quarter ended December 31, 2014.

Highlights for the December 2014 quarter (compared to the December 2013 quarter)

- Net sales of \$189 million, an increase of 9%
- Adjusted EBITDA of \$25 million, an increase of 12%
- Adjusted diluted EPS of \$0.35

COMMENTARY

Commenting on the quarter, Jack Bendheim, Phibro's Chairman, President and Chief Executive Officer, said, "Our Animal Health and Mineral Nutrition businesses continued their sales and earnings growth, resulting in another quarter of solid performance.

[For more details click here.](#)

Dividend

February 09: Phibro Animal Health announces dividend
Phibro Animal Health today announced a quarterly dividend of 10.0c per share. The record date is March 04, 2015 and it is payable on March 25, 2015.

Company Overview (continued)

Key Developments

January 26: Phibro Animal Health Corporation Announces Licensing Agreement With Merial for Phibro's Vaccine Delivery Technology

[News Story] TEANECK, N.J., Jan. 26, 2015 Phibro Animal Health Corporation (Nasdaq:PAHC) today announced it has entered into a long-term global license arrangement with Merial SAS (Lyon, France) to share in the use of Phibro's vaccine delivery technology for use in animal vaccines. The agreement was signed in 2012 and is being announced today following Merial's receipt of marketing authorization in France for an avian vaccine product utilizing the licensed technology.

The patented technology utilizes an innovative effervescent tablet that contains a freeze-dried sterile vaccine virus, packaged in sealed aluminum blister packages.

[For more details click here.](#)

Key Developments

January 22: Phibro Animal Health Corporation Announces Entry Into Collaboration Agreement, License Agreement and Intellectual Property Acquisition Agreement

[News Story] TEANECK, N.J., Jan. 22, 2015 Phibro Animal Health Corporation ("Phibro") (Nasdaq:PAHC) today announced it has acquired exclusive North American distribution rights for vaccines using MJ Biologicals, Inc.'s ("MJB") vaccine technologies focused on the swine industry and additional vaccines that Phibro and MJB intend to develop, pursuant to a collaboration and distribution agreement.

[For more details click here.](#)

Conferences/Exhibitions

January 07: Phibro Animal Health Corporation to Host Webcast and Conference Call on December 2014 Quarterly Financial Results

[News Story] TEANECK, N.J., Jan. 7, 2015 Phibro Animal Health Corporation (Nasdaq:PAHC) will host a webcast and conference call to review second quarter financial results. A news release containing quarterly results is expected to be issued after the market closes on Tuesday, February 10, 2015.

Details for the webcast and conference call: Date: Wednesday, February 11, 2015 Time: 9:00 AM EST Location: <http://investors.pahc.com> U.S.

[For more details click here.](#)

8-K people news

November 12: Phibro Animal Health Elects 2 Directors

Phibro Animal Health (PAHC) held its Annual General Meeting on November 10, 2014. According to an SEC filing under Section 8-K Item 5.07 the following directors were elected:

Daniel M. Bendheim
Sam Gejdenson

October 08: Ken Hanau - Phibro Animal Health director resigns 09 October 2014

Ken Hanau has resigned from Phibro Animal Health as Director. The resignation takes effect from Oct 08, 2014.

8-K other news

February 10: Phibro Animal Health: Results of Operations and Financial Condition

[News Story]

http://www.buysellsignals.net/hbn/8kviewer.jsp?doc=_Archives_edgar_data_1069899_000157104915000942_0001571049-15-000942.txt

Source: 8-K United States Securities and Exchange Commission

January 22: Phibro Animal Health: Entry into a Material Definitive Agreement

[News Story]

http://www.buysellsignals.net/hbn/8kviewer.jsp?doc=_Archives_edgar_data_1069899_000157104915000350_0001571049-15-000350.txt

Source: 8-K United States Securities and Exchange Commission

November 10: Phibro Animal Health: Other Events

[News Story]

http://www.buysellsignals.net/hbn/8kviewer.jsp?doc=_Archives_edgar_data_1069899_000157104914006074_0001571049-14-006074.txt

Source: 8-K United States Securities and Exchange Commission

September 16: Phibro Animal Health: Results of Operations and Financial Condition

[News Story]

http://www.buysellsignals.net/hbn/8kviewer.jsp?doc=_Archives_edgar_data_1069899_000157104914004637_0001571049-14-004637.txt

Source: 8-K United States Securities and Exchange Commission

July 28: Phibro Animal Health: Other Events

[News Story]

http://www.buysellsignals.net/hbn/8kviewer.jsp?doc=_Archives_edgar_data_1069899_000157104914003299_0001571049-14-003299.txt

Source: 8-K United States Securities and Exchange Commission

Company Overview (continued)

Issued Capital

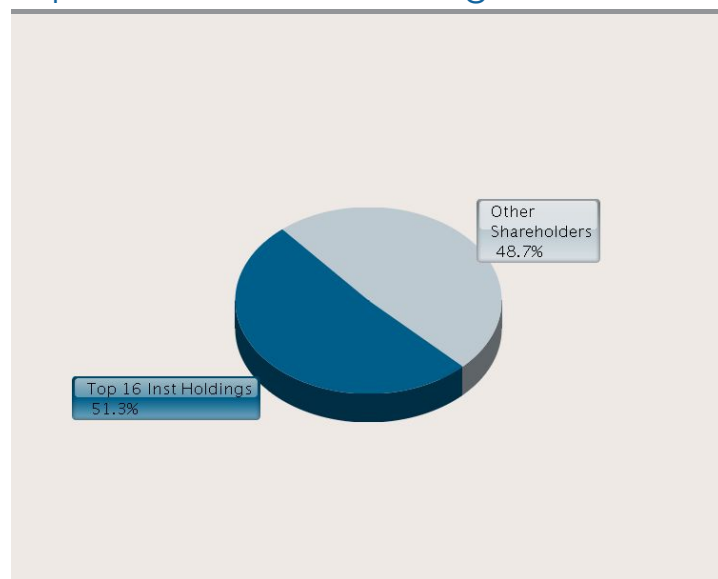
Based on 17,442,953 issued equity shares the market capitalisation is US\$593.8 million. It is NASDAQ's 2nd largest Pharmaceuticals company by assets.

The top sixteen shareholders hold 51.3% of the issued capital leaving a float of 48.7%.

Top 10 Shareholders

Name of Shareholder	No. of Shares	% Held
Fmr Llc	2,547,207	14.6
Wellington Management Group Llp	1,597,385	9.16
Vanguard Group Inc	1,000,677	5.74
Lazard Asset Management Llc	766,908	4.4
First Investors Management Co Inc	650,500	3.73
Franklin Resources Inc	462,300	2.65
Janus Capital Management Llc	330,392	1.89
D. E. Shaw & Co. Inc.	329,219	1.89
Northern Trust Corp	262,347	1.5
Harvest Capital Strategies Llc	195,000	1.12
Total	8,141,935	46.68

Top 16 Institutional Holdings





Board and Management

Jack Bendheim
CEO & President &
Chairman

Richard Johnson
CFO

George Moffett
Managing Director

Daniel Bendheim
Director

Gerald Carlson
Director & Chief Operating
Officer

Thomas Dagger
Corporate Secretary

Daniel Welch
Senior Vice President-
Human Resources

Financial Results (Annual)

30 June, 2014

INCOME STATEMENT

Currency in Thousand of USD	2014-06-30	2013-06-30	Change %
Net sales	691,914	653,151	Up 5.9
Cost of goods sold	484,139	474,187	Up 2.1
Gross profit	207,775	178,964	Up 16.1
Selling, general and administrative expenses	143,981	122,233	Up 17.8
Operating income	63,794	56,731	Up 12.4
Interest expense	29,889	31,383	Down 4.8
Interest expense, stockholders	3,192	4,388	Down 27.3
Interest (income)	-119	-142	Reduced 16.2
Foreign currency (gains) losses, net	1,753	3,103	Down 43.5
Loss on extinguishment of debt	22,771		
Other (income) expense, net		151	
Income before income taxes	6,308	17,848	Down 64.7
Provision (benefit) for income taxes	9,435	-7,043	Recovery
Net income (loss)	-3,127	24,891	Deterioration
Net income (loss) per share-basic and diluted	-10.0c	82.0c	Deterioration
Weighted average common shares outstanding-basic and diluted	32,193,000	30,458,000	Up 5.7

BALANCE SHEET

Currency in Thousand of USD	2014-06-30	2013-06-30	Change %
ASSETS			
Cash and cash equivalents	11,821	27,369	Down 56.8
Accounts receivable, net	113,858	99,137	Up 14.8
Inventories, net	143,184	140,032	Up 2.3
Prepaid expenses and other current assets	30,426	29,848	Up 1.9
Total current assets	299,289	296,386	Up 1.0
Property, plant and equipment, net	109,159	104,422	Up 4.5
Intangibles, net	29,803	35,155	Down 15.2
Other assets	34,072	38,179	Down 10.8
Total assets	472,323	474,142	Down 0.4
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)			
Current portion of long-term debt	2,969	64	Up 4,539.1
Accounts payable	59,608	57,902	Up 2.9
Accrued expenses and other current liabilities	49,861	57,438	Down 13.2
Total current liabilities	112,438	115,404	Down 2.6
Revolving credit facility		34,000	
Long-term debt	286,422	297,666	Down 3.8
Long-term debt, stockholders		33,874	
Other liabilities	58,314	62,136	Down 6.2
Total liabilities	457,174	543,080	Down 15.8
Commitments and contingencies			

Financial Results (Annual) (continued)

30 June, 2014

Common stock, par value 0.0001; 300,000,000 Class A shares authorized,

17,442,953 shares issued and outstanding; 30,000,000 Class B shares 4 7 Down 42.9
authorized, 21,348,600 shares issued and outstanding

Preferred stock, par value 0.0001; 16,000,000 shares authorized, no shares issued and outstanding

Paid-in capital	132,453	42,948	Up 208.4
Accumulated deficit	-97,248	-94,121	Deterioration 3.3
Accumulated other comprehensive income (loss)	-20,060	-17,772	Deterioration 12.9
Total stockholders' equity (deficit)	15,149	-68,938	Recovery
Total liabilities and stockholders' equity (deficit)	472,323	474,142	Down 0.4

CASH FLOW

Currency in Thousand of USD	2014-06-30	2013-06-30	Change %
OPERATING ACTIVITIES			
Net income (loss) Adjustments to reconcile net income (loss) to net cash provided (used) by operating activities:	-3,127	24,891	Deterioration
Depreciation and amortization	21,453	19,023	Up 12.8
Amortization of deferred financing costs	1,021	1,366	Down 25.3
Amortization of imputed interest and debt discount	427	560	Down 23.8
Deferred income taxes	1,289	-12,035	Recovery
Foreign currency (gains) losses, net	1,429	2,887	Down 50.5
Other	-538	-1,438	Reduced 62.6
Loss on extinguishment of debt	22,771		
Payment of premiums and costs on extinguished debt	-17,205		
Changes in operating assets and liabilities:			
Accounts receivable, net	-14,683	-729	Deterioration 1,914.1
Inventories, net	-3,186	-25,106	Reduced 87.3
Prepaid expenses and other current assets	-31	-6,526	Reduced 99.5
Other assets	5,103	-363	Recovery
Accounts payable	1,682	-6,601	Recovery
Accrued interest	-13,813	33	Deterioration
Accrued expenses and other liabilities	-3,304	5,475	Deterioration
Net cash provided (used) by operating activities	-712	1,437	Deterioration
INVESTING ACTIVITIES			
Capital expenditures	-19,846	-19,947	Reduced 0.5
Business acquisitions		-18,692	
Other	434	281	Up 54.4
Net cash provided (used) by investing activities	-19,412	-38,358	Reduced 49.4

Financial Results (Annual) (continued)

30 June, 2014

FINANCING ACTIVITIES

Borrowings under the domestic senior and revolving credit facility	175,500	75,000	Up 134.0
Repayments of the domestic senior and revolving credit facility	-209,500	-55,000	Deterioration 280.9
Proceeds from long-term debt	289,275		
Payments of long-term debt, capital leases and other	-335,374	-5,201	Deterioration 6,348.3
Debt issuance costs	-4,551	-924	Deterioration 392.5
Proceeds from common stock issued	114,429		
Dividends paid	-25,000	-3,000	Deterioration 733.3
Net cash provided (used) by financing activities	4,779	10,875	Down 56.1
Effect of exchange rate changes on cash	-203	-485	Reduced 58.1
Net increase (decrease) in cash and cash equivalents	-15,548	-26,531	Reduced 41.4
Cash and cash equivalents at beginning of period	27,369	53,900	Down 49.2
Cash and cash equivalents at end of period	11,821	27,369	Down 56.8

EBITDA AND MARGINS

	2014-06-30	2013-06-30
Gross Profit Margin %	27.43	25.1
Earnings from Cont. Ops. Margin %	4.78	6.9
Net Income Margin %	-0.41	3.49

PERFORMANCE RATIOS

	2014-06-30	2013-06-30	Change %
Return on Assets (%)	-0.66	5.25	Deterioration
Total debt to net tangible assets (%)		-32.6	
Total Liabilities to Operating Cash Flow	-642.1	377.93	Deterioration
Total Liabilities/Total Assets	0.97	1.15	Down 15.5
Interest Cover	1.21	1.57	Down 22.8
Current Ratio	2.66	2.57	Up 3.6

Financial Results (Annual) (continued)

30 June, 2014

PER SHARE FIGURES

	2014-06-30	2013-06-30	Change %
Revenue from operating activities	US\$21.49	US\$21.44	Up 0.2
EBIT	US\$1.12	US\$1.62	Down 30.4
Cash	36.72c	89.86c	Down 59.1
Working Capital	US\$5.80	US\$5.94	Down 2.3
Shareholders' Funds	47.06c	-226.34c	Recovery
Total Liabilities	US\$14.20	US\$17.83	Down 20.4
Total Assets	US\$14.67	US\$15.57	Down 5.8
Current Debt	9.22c	0.21c	
Non Current Debt		US\$1.11	
Total Debt		US\$1.11	
Net Tangible Assets	-45.52c	-341.76c	Reduced 86.7
EPS Final	-10.0c	82.0c	Deterioration

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