

## Phibro Animal Health (PAHC : US\$19.55)

### Phibro Animal Health jumps 20% in 2014, outperforming 84% of the market

Phibro Animal Health Corporation, NASDAQ's 45th largest consumer product/services company by market cap, has now jumped US\$3.31 (or 20.4%) year to date in 2014 to close at US\$19.55. This gain means the stock has outperformed 84% of NASDAQ-listed stocks in 2014. The volume YTD has been 0.4 times average trading of 180,562 shares. Compared with the NASDAQ-100 Index which has risen 9.8% YTD, this represents a relative price increase of 10.5%. In 2014 the market cap has jumped US\$73.7 million.

### Introduction

**We are currently bearish on this stock, both in the short-term based on technical indicators, as well as in the long-term based on fundamental metrics**

**There are some reasons why some in the market are more bullish on the stock:**

- The stock is oversold according to the Williams % R indicator of -95.0.

### Stock Summary

<b>Sector</b>	Consumer product/services
<b>Market Cap</b>	US\$341 million
<b>Shares Outstanding</b>	17,442,953

### MCap: A Historical Perspective

	Share Price (USD)	Market Cap (\$)
Last	19.6	341 million

## Analysis

### Bullish Signals

- The price is at a discount of 6.8% to the 1-month volume weighted average price of US\$20.97, which may appeal as a value proposition.
- The stock is oversold according to the Williams % R indicator of -95.0.

#### Other Bullish Signals:

### Bearish Signals

- In the last 20 trading sessions there has been a net decline of 15.4%; the stock has retreated ten times and the biggest one day decline was 7.1% on Jul 08.
- The current short volume is 4.8 times its own historical average of 0.02%.

#### Other Bearish Signals:

#### Bearish Indicators and Rank in Market:

Description	Value	Rank In Market
Volatility %	5.0	In Bottom Quartile
Price Change %	-3.2	In Bottom Quartile
Price/MAP50	0.63	In Bottom Quartile
Turnover in Quarter	US\$208.4 million	In Bottom 6%

## Note

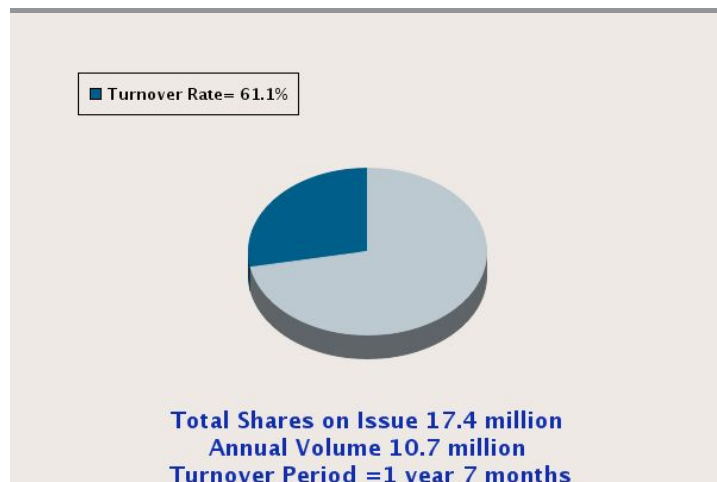
#### Neutral Indicators and Rank in Market:

Description	Value	Rank In Market
MCap	US\$341 million	In 3rd Quartile

## Insider Trades



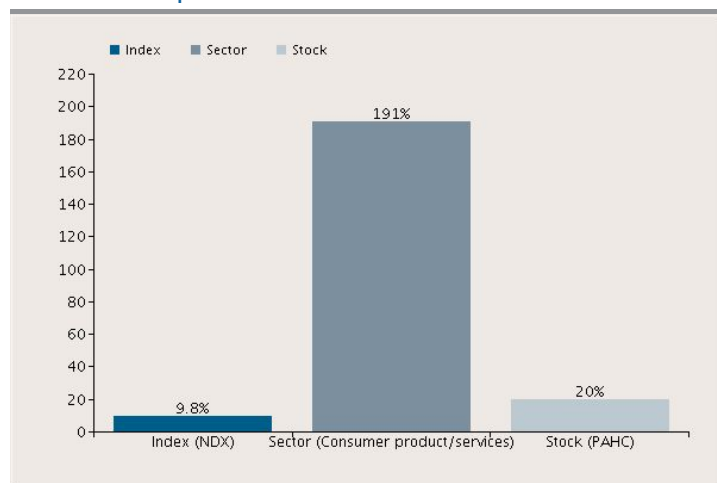
### Turnover Rate & Turnover Period



### Trailing 3 months

Turnover	US\$208.4 million
Volume	10,442,561
Volume Index (1 is avg)	0.9

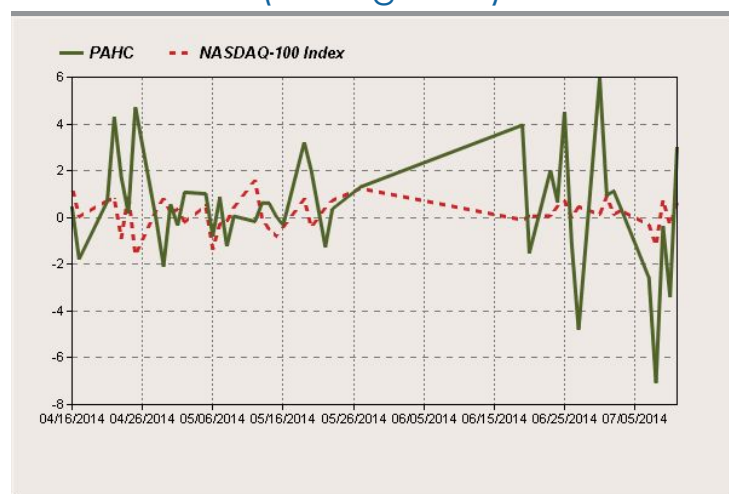
### YTD Comparison Stock Sector Index



## Price Volume Trend: Trailing Quarter



## Stock v Index (Trailing Year)



## Peer Group Analysis

Name	Last Price	Relative strength (6-months)	MCap (Millions)	PV \$1000 (1 yr)	Revenue (Millions)	Net Profit (Millions)	Sector sorting	
							Total Assets (Millions)	
Liberty Tax	33.9	95	426	1,907	160	20	199	
Turtle Beach	9.17	10	347	532	39	-10	4	
Phibro Animal Health	19.55	-	341	-	-	-	-	
China XD Plastics Company	6.21	89	302	1,515	1,104	126	1,076	
Vringo	3.32	-	285	-	1	-42	124	

## Recent Analyst Recommendations

Date	Brokerage	Action	Past Rating	Current Rating	Prev Target	Price Target
29-May-2014	Macquarie	Initiated Coverage	-	Outperform	-	23
06-May-2014	Bank of America	Initiated Coverage	-	Buy	-	-
06-May-2014	Cantor Fitzgerald	Initiated Coverage	-	Buy	-	26
06-May-2014	Guggenheim	Initiated Coverage	-	Buy	-	21
06-May-2014	Barclays	Initiated Coverage	Buy	Overweight	-	21
06-May-2014	Morgan Stanley	Initiated Coverage	-	Overweight	-	19

## 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](http://www.pahc.com).

### Regulatory Announcements

To view Recent Company Headlines, [click here](#)

May 13: Phibro Animal Health Corporation Reports Third Quarter Results

May 02: Phibro Animal Health Corporation to Host Webcast and Conference Call on March 2014 Quarterly Financial Results

April 24: Phibro Animal Health insider buys

April 16: Phibro Animal Health substantial shareholder sells

### Issued Capital

Based on 17,442,953 issued equity shares the market capitalisation is US\$341 million.



## Board and Management

**Jack Bendheim**  
CEO & President &  
Chairman

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**Richard Johnson**  
CFO

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**George Moffett**  
Managing Director

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**Daniel Bendheim**  
Director

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**Gerald Carlson**  
Director & Chief Operating  
Officer

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**Thomas Dagger**  
Corporate Secretary

## Financial Results (Quarterly)

31 March, 2014

### INCOME STATEMENT

Currency in Thousand of USD	2014-03-31	2013-03-31	Change %
Net sales	173,267	162,685	Up 6.5
Cost of goods sold	120,425	116,929	Up 3.0
Gross profit	52,842	45,756	Up 15.5
Selling, general and administrative expenses	35,520	31,295	Up 13.5
Operating income	17,322	14,461	Up 19.8
Interest expense	7,805	7,801	Up 0.1
Interest expense, shareholders	1,005	1,100	Down 8.6
	8,810	8,901	Down 1.0
Interest (income)	-66	-26	Deterioration 153.8
Foreign currency (gains) losses, net	275	838	Down 67.2
Other (income) expense, net		482	
	275	1,320	Down 79.2
Income before income taxes	8,303	4,266	Up 94.6
Provision (benefit) for income taxes	1,933	86	Up 2,147.7
Net income	6,370	4,180	Up 52.4
Net income per share - basic and diluted	21.0c	14.0c	Up 50.0
Weighted average number of shares:			
basic	30,458,000	30,458,000	Steady
diluted	30,657,000	30,458,000	Up 0.7
Dividends per share	0.36		
Weighted average number of shares	68,910	68,910	Steady

### BALANCE SHEET

Currency in Thousand of USD	2014-03-31	2013-06-30	Change %
ASSETS			
Cash and cash equivalents	10,979	27,369	Down 59.9
Accounts receivable, net	107,705	99,137	Up 8.6
Inventories	142,804	140,032	Up 2.0
Prepaid expenses and other current assets	31,159	29,848	Up 4.4
Total current assets	292,647	296,386	Down 1.3
Property, plant and equipment, net	107,211	104,422	Up 2.7
Intangibles, net	31,412	35,155	Down 10.6
Other assets	42,007	38,179	Up 10.0
Total assets	473,277	474,142	Down 0.2

## Financial Results (Quarterly) (continued)

31 March, 2014

LIABILITIES AND STOCKHOLDERS' DEFICIT			
Current portion of long-term debt	72	64	Up 12.5
Accounts payable	60,752	57,902	Up 4.9
Accrued expenses and other current liabilities	54,513	57,438	Down 5.1
Total current liabilities	115,337	115,404	Down 0.1
Domestic senior credit facility	42,500	34,000	Up 25.0
Long-term debt	297,933	297,666	Up 0.1
Long-term debt, shareholders	33,961	33,874	Up 0.3
Other liabilities	62,271	62,136	Up 0.2
Total liabilities	552,002	543,080	Up 1.6
Commitments and contingencies			
Common stock, par value 0.0001, 200,000,000 shares authorized; 76,910,000 shares issued and outstanding		7	Steady
Preferred stock, par value 1.00, 1,000,000 shares authorized; 0 shares issued and outstanding			
Paid-in capital	18,021	42,948	Down 58.0
Accumulated deficit	-79,606	-94,121	Reduced 15.4
Accumulated other comprehensive income (loss)	-17,147	-17,772	Reduced 3.5
Total stockholders' deficit	-78,725	-68,938	Deterioration 14.2
Total liabilities and stockholders' deficit	473,277	474,142	Down 0.2



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