

May 20, 2020

Re: Current Economic Environment for Veterinarians in California – April 2020

Dear Friends and Colleagues,

Given the current state of the economy, we thought it would be a useful service to our clients, colleagues, and friends to track how the veterinary industry is performing throughout California. The previous letters reported the results for October 2008 through March 2020. **This letter looks at April 2020.**

We have also charted the results for 2016/2017/2018/2020, following this letter.

We are currently tracking monthly revenue numbers for **one-hundred and seventy-five practices**. We have segregated these practices into three classes: Small Animal – Southern California (up to and including Bakersfield), Small Animal – Northern California, and Specialty, Emergency & Referral.

The results are attached to this letter. We are tracking:

- How our industry performed during the month of April 2020, as compared to April 2019.
- How our industry performed 2020 year-to-date combined, as compared to 2019.
- How the above numbers look after removing any price increases in 2020. This gives us the true growth/decline of these practices.

According to our numbers, April revenue dropped substantially for the veterinary industry in California.

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Small animal general practices in Southern California saw their revenue decrease 12% for the month, as compared to 2019. Factoring out price increases, revenue was down 14% for the month.

Small animal general practices in Northern California saw their revenue decrease 13% for the month, as compared to 2019. Factoring out price increases, revenue was down 14% for the month.

Specialty, emergency and referral practices saw revenue drop about 8%, as compared to the prior year. Factoring out price increases, revenue was down 11%.

The results for May 2020 are still being calculated. We will gather May 2020 data, and once it has been analyzed will send you the results.

The more veterinary practices that we include in our sample, the more accurate a picture we can paint of what is happening economically, so if you know of any practice owners who might like to take part, please let us know. Financial data can be submitted directly to us via our website www.gattomcferson.com. Once they have shared information, they would be added to distribution list. All information will be kept strictly confidential.

Results will also be posted on our website.

Please let us know if you have any questions or comments on the above information.

Sincerely,

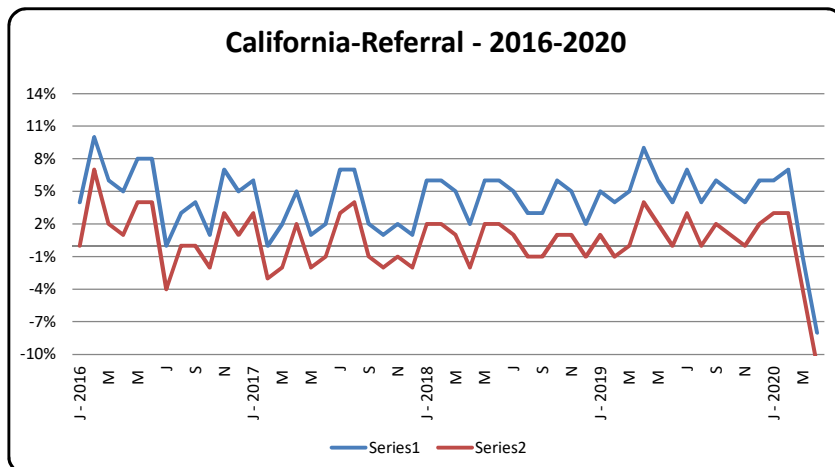
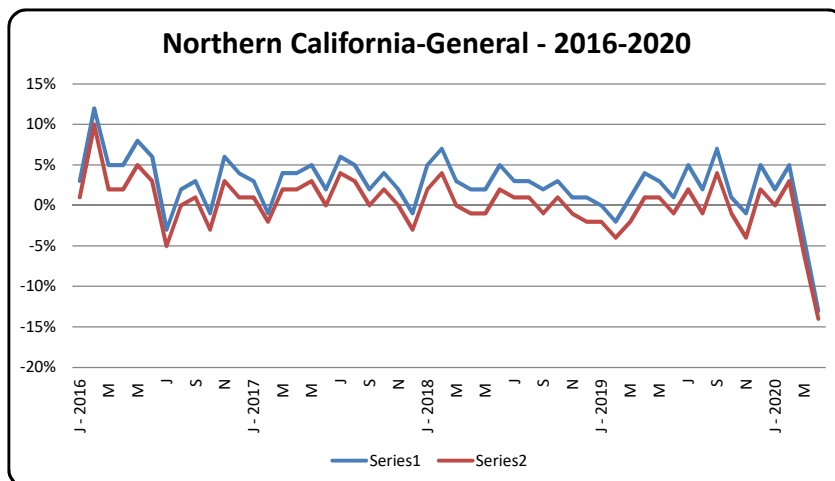
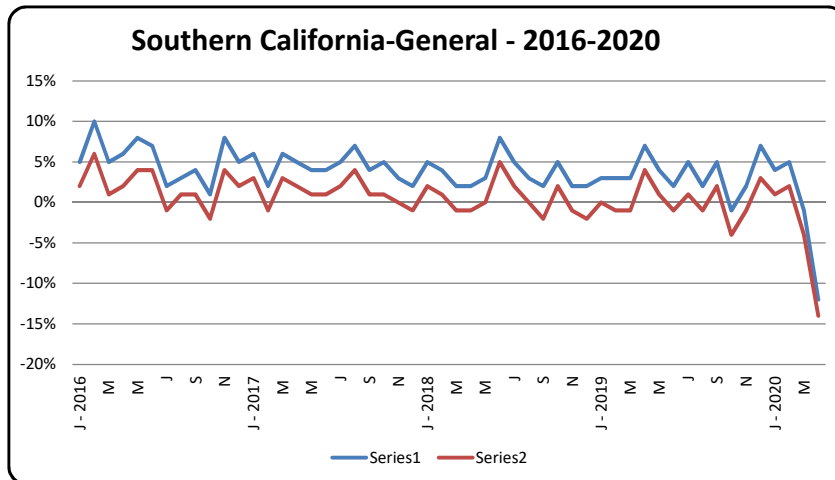


Tom A. McFerson, CPA, ABV

**Veterinary Practice Performance in California
April 2020**

| | Gross Revenues | | | |
|---|---|--------------------------------------|--------------------------------------|-----------------------------------|
| | One Month Ended February 29, 2020 | One Month Ended March 31, 2020 | One Month Ended April 30, 2020 | Year To Date April 30, 2020 |
| <u>Small Animal - Southern California</u> | | | | |
| Increase/(decrease) as compared to prior year | 4.77% | -1.29% | -11.74% | -1.34% |
| Increase/(decrease) as compared to prior year - adjusted for price increases | 1.70% | -4.05% | -14.29% | -4.17% |
| <u>Small Animal - Northern California</u> | | | | |
| Increase/(decrease) as compared to prior year | 4.81% | -4.11% | -12.68% | -2.07% |
| Increase/(decrease) as compared to prior year - adjusted for price increases | 2.67% | -6.08% | -14.42% | -4.05% |
| <u>Specialty/Emergency - California</u> | | | | |
| Increase/(decrease) as compared to prior year | 6.94% | -0.65% | -7.67% | 2.73% |
| Increase/(decrease) as compared to prior year - adjusted for price increases | 3.04% | -4.11% | -11.10% | -0.91% |

Veterinary Practice Performance in California



Veterinary Practice Performance in California

