

October 31, 2020

Re: Current Economic Environment for Veterinarians in California – September 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 August 2020. **This letter looks at September 2020.**

We have also charted the results for 2016/2017/2018/2019/2020, 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 September 2020, as compared to September 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, September revenue was very strong for the California veterinary industry.

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Small animal general practices in Southern California saw their revenue increase 13% for the month, as compared to 2019. Factoring out price increases, revenue was up 10% for the month.

Small animal general practices in Northern California saw their revenue increase 11% for the month, as compared to 2019. Factoring out price increases, revenue was up 9% for the month.

Specialty, emergency and referral practices saw revenue continue to surge, increasing by 19%, as compared to the prior year. Factoring out price increases, revenue was up 14%.

The results for October 2020 are still being calculated. We will gather October 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,

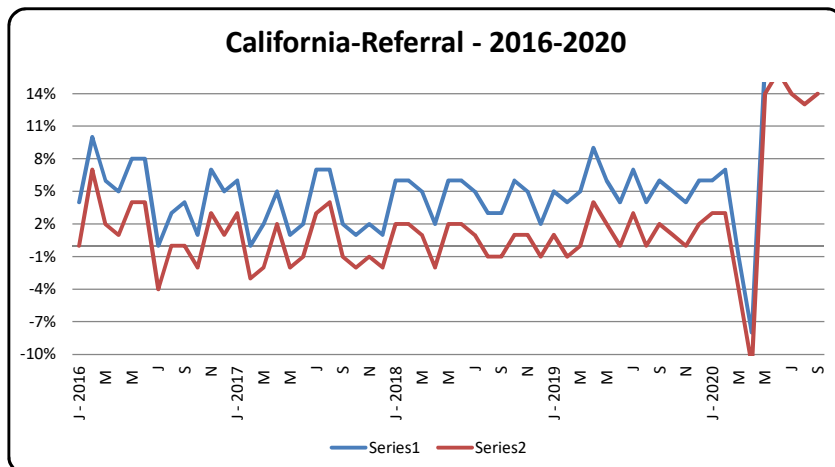
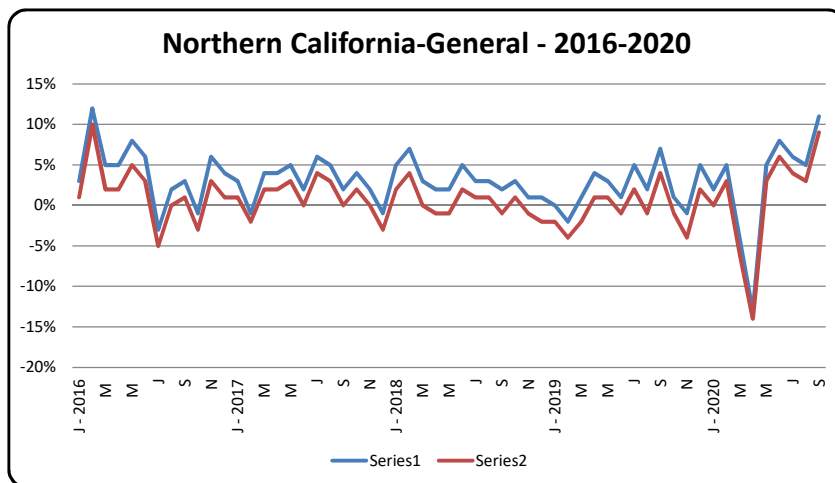
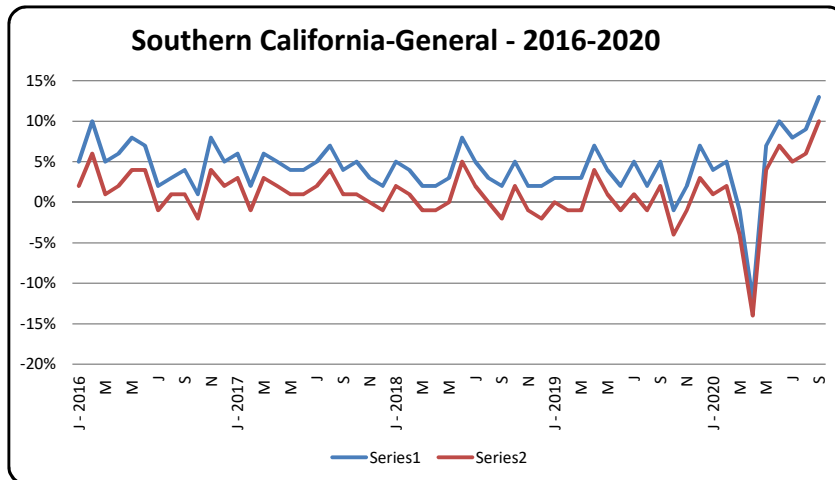


Tom A. McFerson, CPA, ABV

**Veterinary Practice Performance in California
September 2020**

	Gross Revenues			
	One Month Ended July 31, 2020	One Month Ended August 31, 2020	One Month Ended September 30, 2020	Year To Date September 30, 2020
<u>Small Animal - Southern California</u>				
Increase/(decrease) as compared to prior year	8.08%	9.07%	13.14%	5.10%
Increase/(decrease) as compared to prior year - adjusted for price increases	5.04%	6.00%	9.93%	2.05%
<u>Small Animal - Northern California</u>				
Increase/(decrease) as compared to prior year	5.79%	5.07%	11.03%	1.99%
Increase/(decrease) as compared to prior year - adjusted for price increases	3.69%	2.97%	9.46%	0.01%
<u>Specialty/Emergency - California</u>				
Increase/(decrease) as compared to prior year	18.16%	17.05%	18.68%	11.95%
Increase/(decrease) as compared to prior year - adjusted for price increases	13.99%	12.77%	14.44%	8.00%

Veterinary Practice Performance in California



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