



Cascade Investment Advisors, Inc.

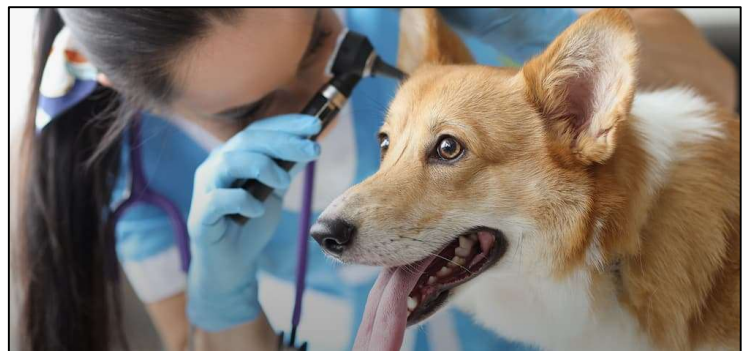
Get to Know Your Stock: Zoetis Inc.

Zoetis Inc. is a relatively new company (in a manner of speaking). The company was spun off from Pfizer back in 2012, but traces its roots to the 1950s, when Pfizer discovered a drug they would sell as “Terramycin,” an antibiotic that proved its worth in keeping livestock healthy, effectively opening the doors to the animal health industry for Pfizer.

In 1988, Pfizer restructured its animal-health segment, creatively naming it “*Pfizer Animal Health*.” The newly christened segment would evolve from livestock therapeutics into a global provider of vaccines and other medicines, as well as diagnostic and genetic technologies for farm animals, as well as our own fuzzy companions. The 1990s and early 2000s would see the company engage in a spree of acquisitions, refining its ability to compete with peers involved in genetic and diagnostic bio-tech, and diversifying its reach in the sector. These acquisitions included Norden Laboratories & CSL Animal Health. New talent and facilities resulted in novel medicines like Dectomax, Rimadyl, and Clavamox.

A few short years later, the tide reversed, as Pfizer decided to spin-off its entire animal health segment into an independent company. The new company was named Zoetis, borrowing from the Greek “Zoe,” meaning “life.” The first phase of the spin-off was an initial public offering representing about 20% of Zoetis’ value, conducted in early 2013. The transaction raised about \$2.2 billion in the second-largest spin-off of that time, (top honors go to AbbVie, which was sold by Abbott Laboratories only a month earlier!). Then in the fall of 2013, Pfizer issued the remainder of its interest in a stock swap to shareholders. From that point, Zoetis would reaffirm its mission to focus purely on animal health, while drawing from its 60-year legacy built inside the labs at Pfizer.

Since becoming an independent company, Zoetis embarked on its own acquisition spree, packing in around 14 animal-health laboratories and businesses. Its incremental portfolio includes more than 20 animal-health products, in addition to its old standbys. The company operates in more than 100 countries.



Most recently, Zoetis has actively tested its mettle against blights in the real world. In 2024, the company received temporary, special permission from the US government to deploy its avian flu vaccine after nearly 70 people in close proximity to flocks contracted the virus. It has also established an international division researching and deploying solutions against zoonotic diseases worldwide.

If you’ve ever had a pet, Zoetis has been your unnoticed partner, helping to keep your furry or feathered creatures comfortable. Newly introduced medications for osteoarthritis in dogs and cats; intensive research untangling the puzzle of kidney disease in our pets; and the promise of genetic discoveries all augment the approach Zoetis has developed over decades dedicated to animal well-being.