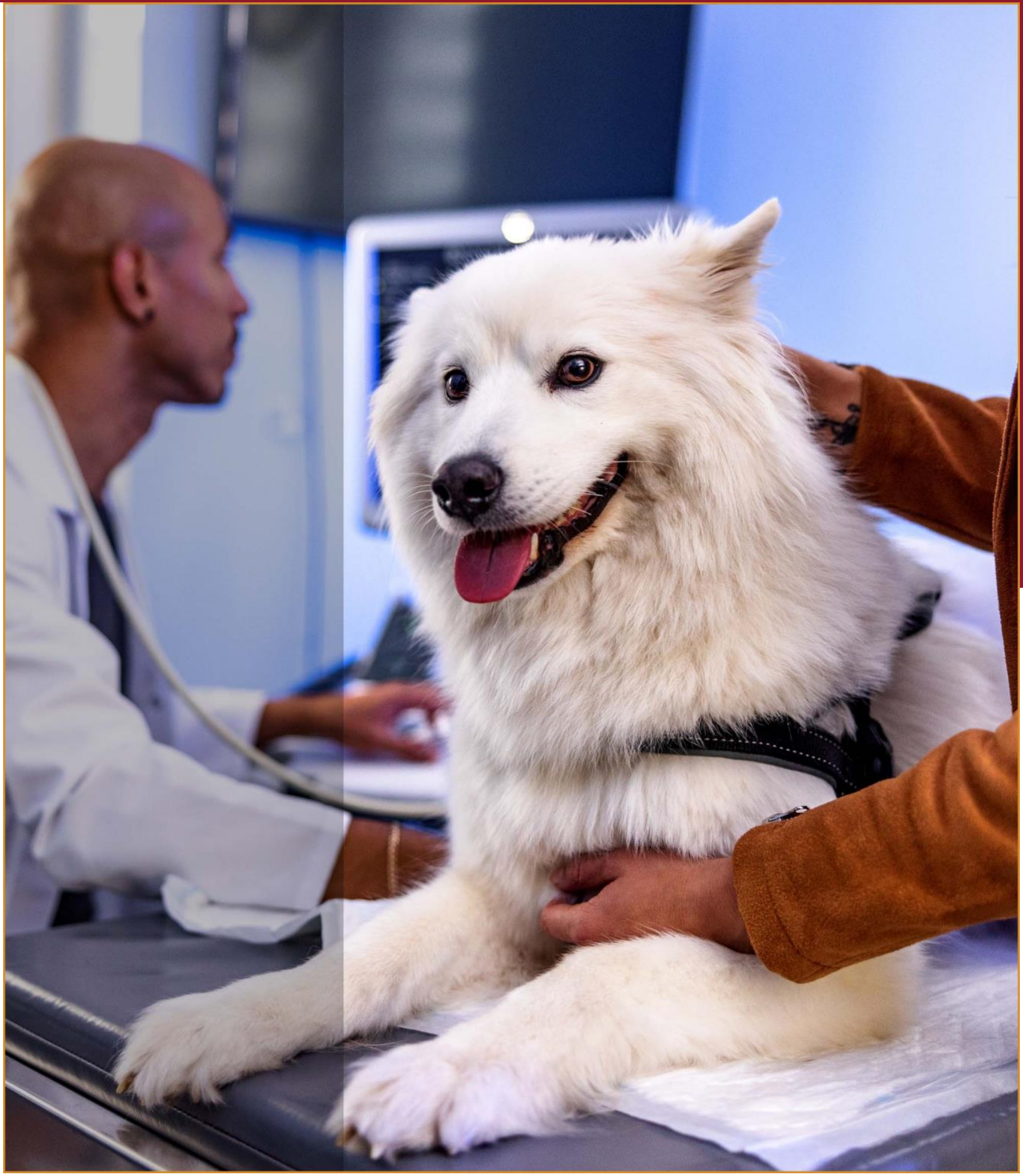
Animal Health

INDUSTRY REPORT

Spring | 2024



CREATING

M&A STRATEGIES

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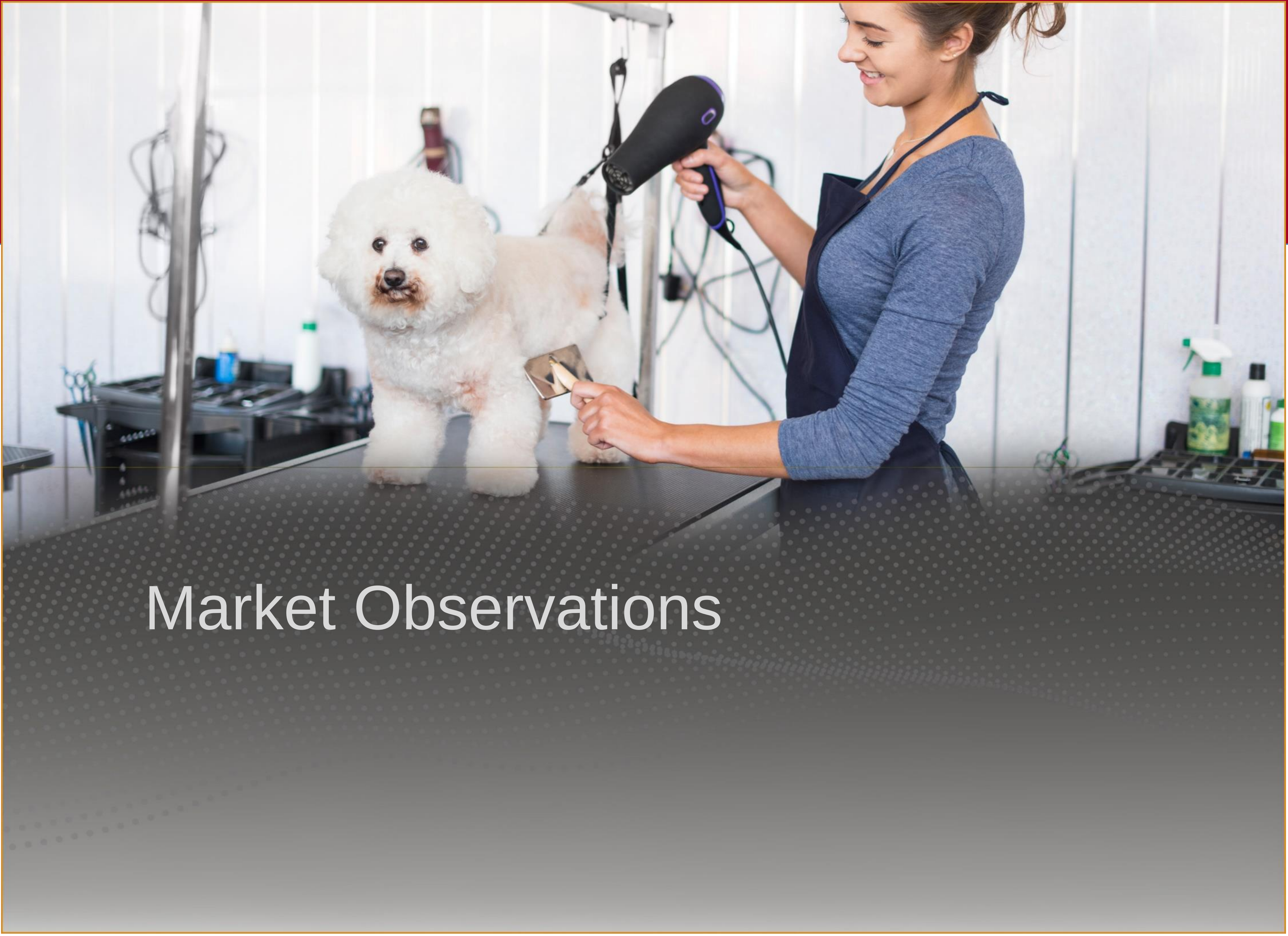


Market Observations

Market Summary

Animal Health Market

The animal health sector continues to represent an indispensable segment of the U.S. economy. Participants foster healthier animals, deeper human-pet bonds, and increased productivity. In 2023, robust demand for premium pet products and advanced veterinary services drove the category to a record $147.1 billion (U.S, all pet categories). This category was up 7.5% compared to last year and had an 11% CAGR from 2019 (source: APPA) further fueled by a wave of new pet acquisitions during Covid. According to Michigan State University, the pet industry had an overall economic contribution in 2023 of $303 billion, an increase of 16% from 2022. The industry has been proven to be incredibly recession resilient. According to the Animal Health Institute, the US animal health pharmaceutical market is a significant part of the pharma industry, making up about $9.9 billion, around 2% of the total pharmaceutical market. The humanization of pets, where animals are increasingly considered family members, continues to be one of the most powerful drivers of growth

Public Company Valuations

The CFAW Select Animal Health Index decreased by 3.4% in the first quarter of 2024, while it increased by 4.7% over the preceding 12 months. During the first quarter of 2024, the Pet Consumer Products and Services Index experienced the highest increase at 15.9%, whereas the Veterinary Services Index saw a decrease of 24.7%. Over the 12-month period, the Pet Consumer Products and Services Index recorded the highest return at 32.6%, while the Veterinary Services Index experienced the greatest decrease at 35.4%. Veterinary Diagnostics Index had the highest weighted average EBITDA multiple and revenue multiple of 37.1x and 10.6x, respectively. Veterinary Distribution Index, Pet Consumer Products & Services, Animal Pharmaceuticals & Medical Devices, Pet Retail, and Veterinary Services had weighted average revenue multiples of 0.5x, 1.7x, 6.2x, 1.4x, and 1.2x and weighted average EBITDA multiples of 8.9x, 28.7x, 20.3x, 18.0x and 7.6x, respectively.

> “
>
> *Pet Consumer Products and Services grew 15.9%*

Mergers and Acquisitions

According to a report by Capstone, the pet market's growth has been fueled by a surge in M&A activity, rising 10.8% year over year from 102 deals in 2022 to 113 in 2023. Strategic buyers led the charge with a 50% increase (63 deals in 2023 versus 42 in the prior year), capturing 67.3% of deal volume, with financial buyers representing 32.7%. Add-on acquisitions decreased while select sponsors continued to pursue platform investments, rising from 11 deals in 2022 to 19 in 2023. Capstone predicts robust deal volume in 2024, driven by growth in pet products, services, and CPG markets. Public strategics and large CPG players are entering the space. Highly active segments with intense M&A activity as observed by CFA at this time include: pet boarding and daycare facilities, veterinary specialty and emergency centers, B2B software as a service (SaaS) solutions, monoclonal antibodies. We also expect a significant acceleration of the "consolidation of consolidators" trend whereby groups of primary care veterinary hospitals join forces to take advantage of scale opportunities, in a more buyer-friendly context.

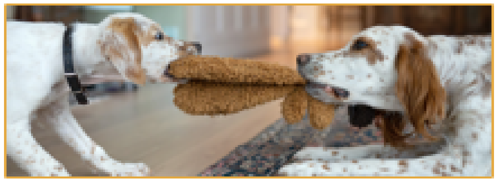
Industry Trends

Advancements in AI-driven Tools Revolutionize Veterinary Medicine

AI-driven tools are emerging as transformative forces in veterinary medicine, revolutionizing disease detection and treatment for animals, along with practice efficiencies. In diagnostics, by harnessing machine learning and data analytics, these tools offer precise, rapid diagnoses, enhancing animal health outcomes and reshaping veterinary practices. Key to AI's impact is its ability to facilitate early disease detection, minimizing human errors and enabling veterinarians to devise more effective treatment strategies, thus ensuring optimal animal care. Major players like Royal Canin, in collaboration with GekkoVet, are investing in digital solutions to aid veterinary diagnosis and pet care management. Similarly, Idexx Laboratories has pioneered a computerized method for interpreting diagnostic tests, streamlining clinical support and treatment planning. Modern Animal, a rapidly growing group of practices, is rolling out new tools to its practitoners. In academia, University of California, Davis, and UF Health's College of Veterinary Medicine are leveraging AI to identify disease patterns and develop advanced diagnostic platforms. Veterinary practice management solutions increasingly utilize AI to deliver practice efficiencies, such as faster creation of medical notes and client-facing reports, simplified client intake, and more. Digitail, an emerging veterinary practice management system touts its AI Assistant as a major accelerator of practice performance. Similarly, specialized offerings such as Talkatoo, Vetskribe, or Scribenote hope to free veterinary staff from paperwork and overtime.

Monoclonal Antibodies: A platform of Innovation for Animal Health

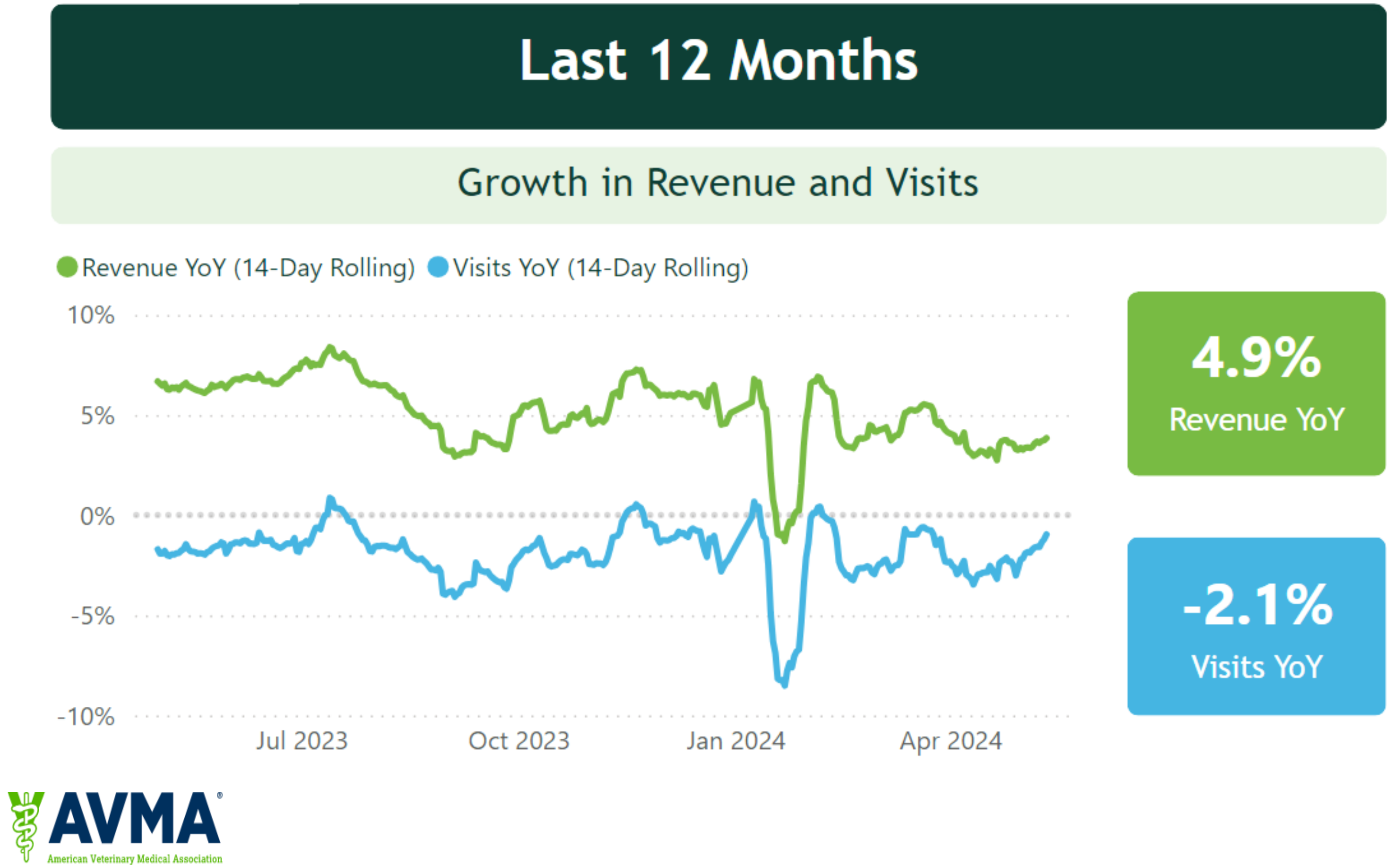
Monoclonal antibodies, traditionally utilized in human medicine to treat infections, autoimmune disorders, cancer, and other conditions, have recently seen significant innovation for canine and feline applications. This category has emerged as a prolific source of innovation. Zoetis has strategically acquired several companies, including NexVet in 2017, and PetMedix and Adivo (a CFA client) in 2023, successfully launching groundbreaking therapeutic solutions in major categories such as allergy (Cytopoint) and osteoarthritis pain (Solensia and Librela). Similarly, Elanco acquired the monoclonal antibody company Kindred BioScience in 2022, and subsequently launched the Canine Parvovirus Monoclonal Antibody (CPMA), the first USDA-conditionally approved, one-dose treatment for parvovirus. Earlier this year, CEVA Animal Health, the largest French animal health company, acquired ScoutBio, aiming to leverage advancements in monoclonal antibodies and gene therapy for chronic pet diseases. The sector anticipates further monoclonal therapeutic innovations in the coming years, reflecting the growing emphasis on advanced, targeted treatments in animal health.



Ebb and flow of veterinary relief

During the pandemic, many veterinarians started offering relief services either part-time as a way to augment their income and increase their surgical and internal medicine experience, or full-time. This trend contributed to opposing and yet self-reinforcing phenomena: while creating a vibrant and accessible source of part-time talent to fill schedule gaps, it also increased the turnover and recruiting challenges of corporately owned and independent veterinary hospitals. Relief work provides DVMs with flexibility in their schedules, increased revenue per day worked, and ability to boost their experience levels by practicing at multiple hospitals. However, it also comes with unforeseen challenges: variable income, more unpredictable schedules, and most importantly a lesser sense of connection to clients and colleagues and diminished ability to follow a pet's full medical history. As a result, many relief veterinarians are now seeking alternatives. In many cases this results in DVMs returning to traditional employment with a veterinary practice. However, and as an alternative, many of these relief veterinarians are now starting new "de novo" brick-and-mortar and mobile veterinary hospitals. Part-time relief work provides them with a source of income as they engage in the risks and opportunities of entrepreneurship. With many hospitals now owned by veterinary consolidators, this provides DVMs with an avenue towards building equity in a practice of their own. In a world of high demand for veterinary services, and challenged commercial real estate sector, this is an exciting trend that CFA's animal health team is watching closely.

Veterinary Services Tracker



Revenue is growing 4.9% YoY even with visits are down 2.1%

Significant News

UK vet firms Pets at Home, CVS tumble as watchdog begins market review

September 7, 2023, Reuters

"Shares in British veterinary services firms Pets at Home (PETSP.L), opens new tab and CVS Group (CVSG.L), opens new tab plunged on Thursday, after the UK's antitrust watchdog launched a review into the market amid concerns that pet owners might not be getting a good deal."

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Zoetis officially launches 2 FDA approved drugs in the US veterinary market

October 11, 2023, DVM 360

"Officials with the FDA approved bedinvetmab injection (Librela; Zoetis) for the control of pain associated with osteoarthritis (OA) in dogs on May 5, 2023. This prescription drug was the first monoclonal antibody (mAb) the FDA has approved for use in dogs. Oclacitinib chewable tablets (Apoquel Chewable; Zoetis) were approved by the FDA on June 13, 2023 for the control of pruritus associated with allergic dermatitis and atopic dermatitis in dogs aged 1 year or older. This tablet was the first chewable treatment for the control of allergic itch and inflammation in dogs available in the US. Both veterinary drugs are now available for prescription by veterinarians in the US."

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Urgent care clinics starting to enter veterinary profession

October 11, 2023, AVMA

"When a pet needs emergency medical care that doesn't rise to the level of life-saving intervention, the owner typically has a few options. They could schedule the soonest available appointment with the family veterinarian or take the animal to the nearest veterinary emergency hospital, for example."

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Veterinary profession heading in right direction with mental health

January 22, 2024, AVMA

"The veterinary profession has come a long way in the nearly seven years since the first major study came out on veterinary mental health, wellbeing, and burnout. The stigma around mental health issues has lessened, more people who need it are seeking help, and more resources are available to create psychologically safe workplaces."

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Industry Metrics

Industry Financial Data and Ratios

NAICs 3111 - Animal Food Manufacturing

Financial Metric	Last12Mo	2023	2022
Current Ratio	3.98	2.99	2.54
Gross Profit Margin	33.06%	35.81%	29.33%
Net Profit Margin	9.19%	10.62%	4.24%
Accounts Receivable Days	33.5	31.46	32.35
Accounts Payable Days	26.39	32.17	34.21
Debt-to-Equity Ratio	1.71	1.99	2.18
Return on Equity	48.97%	57.08%	34.25%
Sales Growth	24.87%	24.90%	23.32%
Profit Growth	93.83%	72.64%	30.42%

NAICs 453910 - Pet and Pet Supplies Stores

Financial Metric	Last12Mo	2023	2022
Current Ratio	2.01	2.6	4.61
Gross Profit Margin	42.07%	45.00%	46.61%
Net Profit Margin	1.90%	4.70%	1.31%
Accounts Receivable Days	21.06	16.77	9.19
Accounts Payable Days	16.36	15.21	14.19
Debt-to-Equity Ratio	2.69	2.14	2.63
Return on Equity	62.97%	73.06%	52.49%
Sales Growth	--	--	3.95%
Profit Growth	--	--	-23.22%

NAICs 541940 - Veterinary Services

Financial Metric	Last12Mo	2023	2022
Current Ratio	4.81	4.65	5.49
Gross Profit Margin	83.13%	80.49%	78.79%
Net Profit Margin	12.15%	9.59%	11.64%
Accounts Receivable Days	9.02	7.38	5.94
Accounts Payable Days	20.27	22.65	14.07
Debt-to-Equity Ratio	2.05	2.06	2.25
Return on Equity	63.95%	58.27%	75.79%
Sales Growth	16.38%	15.51%	10.56%
Profit Growth	21.85%	10.14%	-4.71%

NAICs 812910 – Pet Care [except Veterinary] Services

Financial Metric	Last12Mo	2023	2022
Current Ratio	7.28	6.58	6.68
Gross Profit Margin	97.00%	94.26%	92.55%
Net Profit Margin	-5.88%	-6.56%	6.06%
Accounts Receivable Days	0	0	0.01
Accounts Payable Days	3.93	12.23	14.77
Debt-to-Equity Ratio	0.85	1.34	3.4
Return on Equity	-4.75%	20.24%	49.33%
Sales Growth	46.19%	39.25%	25.63%
Profit Growth	34.29%	75.57%	8.29%

Source: Profit Cents

Transaction Highlights

Notable Transactions Vet Services

In March 2024, **Independence Pet Holdings, Inc.** ("IPH"), a leading multi-brand, multi-channel pet insurance provider, and Synchrony (NYSE:SYF), a premiere consumer financial services company, today that IPH has completed the acquisition of **Pets Best Insurance Services, LLC** ("Pets Best") from Synchrony. Synchrony received a portion of the consideration as an equity investment in IPH. This investment was accompanied by a commitment to enter into a commercial agreement with IPH. Both actions aim to expand IPH's activities in the pet industry and enable Synchrony and IPH to capitalize on synergies between Synchrony's CareCredit health and wellness credit card and IPH's products in the pet insurance industry.

In January 2024, **Trivest Partners ("Trivest")**, Queens Court Capital ("Queens Court") and **Pet Resort Hospitality Group** ("PRHG"), announced the addition of five leading pet resort brands to the company's portfolio, bringing the total number of pet resorts across the company to 17. The new brands in the portfolio include: Meadowlake Pet Resort and Training Center (Houston, TX), a two unit resort owned and operated by industry veteran Carroll Ray for over 20 years; Olde Towne Pet Resorts (DC) with three high-end facilities and a well-staffed analytics and operations group; Playtime Pet Resort (Philadelphia, PA) with two luxury locations servicing Philadelphia's Main Line clientele; Paws 'n' Rec (Tampa, FL) with four locations all built in the last three years and a unique membership model; and Williamsburg Pet Hotel and Suites (St. Louis, MO), a third-generation owned and operated family business.

In January 2024, **Destination Pet**, a leading national pet care provider, acquired **Roscoe's Bed + Bark,** a dog daycare, boarding and grooming service provider. Founded in 2015 and based in Portland, Maine, Roscoe's Bed + Bark has an excellent reputation offering 24/7/365 supervised dog daycare, sleepovers, and grooming services in its 13,300 sq. ft. facility, equipped with air conditioning, heating, and a high purification filter system including UV light purification, ensuring dog safety in extreme weather conditions.

In October 2023, Varsity Healthcare Partners, a lower middle market healthcare services private equity investment firm, announced that it completed its strategic growth investment with VetEvolve, a general veterinary care platform with 32 clinics throughout the U.S. Mid-Atlantic region. Their partnership will help VetEvolve's management team extend its regional presence and expand the Company into new geographies. Nick Lodestro, Co-Founder and CEO of VetEvolve, will continue to lead the company to new heights with Varsity Healthcare Partners' support.

Select M&A Transactions Vet Services

Date	Target Name	Acquirer Name	Enterprise Value (MM)	Target Country
06-Mar-2024	Pets Best Insurance Services LLC	Independence Pet Holdings, Inc.	750.00	United States
04-Mar-2024	Centro Veterinario Madrid Norte SLP	IVC Evidensia Assets SLU	-	Spain
30-Jan-2024	Williamsburg Pet Hotel & Suites, Inc.	Trivest Partners LP; Queens Court Capital Management LLC; Pet Resort Hospitality Group, Inc.	-	United States
30-Jan-2024	Olde Towne Pet Resort Springfield LLC	Pet Resort Hospitality Group, Inc.	-	United States
30-Jan-2024	Playtime Pet Resorts LLC	Pet Resort Hospitality Group, Inc.	-	United States
30-Jan-2024	Paws 'n' Rec	Pet Resort Hospitality Group, Inc.	-	United States
30-Jan-2024	Meadowlake Pet Resort & Traning Center	Pet Resort Hospitality Group, Inc.	-	United States
02-Jan-2024	Roscoe's Bed & Bark, LLC	Destination Pet LLC	-	United States
31-Dec-2023	Gancevic Veterina doo	Provectus Capital Partners doo; Vetti Group doo	-	Croatia
05-Dec-2023	AniCura Gliwicka Przychodnia Weterynaryjna	AniCura AB	-	Poland
02-Dec-2023	Eville & Jones Holdings Ltd.	Phenna Group Holdings Ltd.	-	United Kingdom
20-Nov-2023	Roberto veterinarijos klinika UAB	Invalda INVL /Private Equity/; Lazdyneliu veterinarijos klinika UAB	-	Lithuania
17-Oct-2023	VetEvolve VA LLC	Varsity Management Co. LP	-	United States
12-Oct-2023	Garston Veterinary Group	Linnaeus Group Ltd.	-	United Kingdom

Source: Factset & CFA research

Notable Transactions Vet Products

In April 2024, **Zoetis Inc.**, the world's leading animal health company, and **Phibro Animal Health Corporation**, a leading global animal health and nutrition company, announced they entered into a definitive agreement where Phibro Animal Health will acquire Zoetis' medicated feed additive product portfolio for $350 million. The transaction is expected to close in the second half of 2024. The product portfolio is comprised of 37+ product lines and six manufacturing sites.

In February 2024, **Merck Animal Health**, the animal health division of Merck & Co, announced that it has signed a definitive agreement to acquire the aqua business from **Elanco Animal Health Incorporated**, a global leader in animal health products and services. The $1.3 billion aqua portfolio consists of innovative medicines and vaccines, nutritionals and supplements for aquatic animals, two aqua manufacturing facilities in Canada and Vietnam, and a research facility in Chile. The acquisition is expected to close by mid-2024. This acquisition will further expand Merck Animal Health's aqua business as this is the 4th aqua business acquisition since 2019.

In January 2024, **Ceva Sante Animale** (Ceva), a top 5 global animal health company, announced the acquisition of **Scout Bio**, a cutting-edge pet therapeutics company with a pipeline of monoclonal antibodies and gene therapy developments that will address chronic diseases in pets. This strategic acquisition is expected to accelerate Ceva's biotherapeutic innovation.

In September 2023, **Zoetis Inc.**, the world's leading animal health company, has announced its acquisition of **adivo GmbH**, a leading advanced pharmaceutical research company that develops animal-specific therapeutic antibodies using two innovative and patent-protected technology platforms for the de novo identification of species-specific antibody drug candidates with high effectivity, high developability and low risk of immunogenicity. The acquisition of adivo provides Zoetis with access to technological know-how as well as to existing species-specific antibody libraries and opens up the possibility for Zoetis to develop numerous novel veterinary products. Corporate Finance Associates Worldwide (CFAW) and its partner DMF Group, Frankfurt were the exclusive sell-side advisors to adivo GmbH on this deal.

In August 2023, **Domes Pharma**, a family-owned animal health pharmaceutical company, announced its acquisition of **SentrX Animal Care**, the manufacturer of ophthalmology products that utilize BioHAnce™, a patented crosslinked Hyaluronic Acid technology. This acquisition expands Domes Pharma's global leadership in veterinary ophthalmology and creates a launching pad for this therapeutic products in North America. Corporate Finance Associates Worldwide (CFAW) was the exclusive sell-side advisors to SentrX Animal Care on this deal.

Select M&A Transactions Vet Products

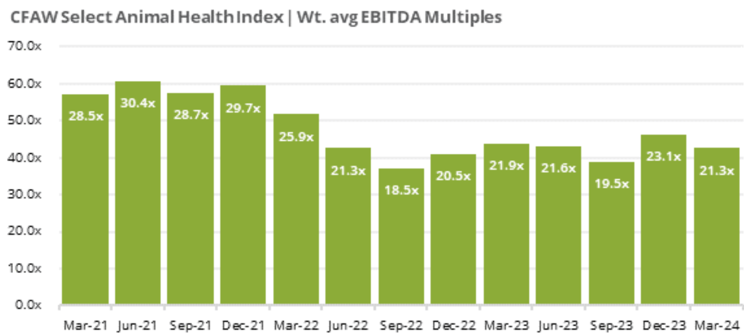
Date	Target Name	Acquirer Name	Enterprise Value (MM)	Target Country
28-Apr-2024	Zoetis Inc. [Medicated feed additive product portfolio]	Phibro	350.00	United States
01-Apr-2024	Sasaeah Pharmaceutical Co., Ltd.	Virbac SA	304.40	Japan
19-Mar-2024	PupBox, Inc.	FabFitFun, Inc.	-	United States
05-Mar-2024	BioResource International, Inc.	Novus International, Inc.	-	United States
29-Feb-2024	Devenish Nutrition LLC	Easy Bio USA, Inc.	69.87	United States
13-Feb-2024	Comtag Technologies ULC	FRS Herdwatch Ltd.	-	Ireland
05-Feb-2024	Elanco [Aqua business]	Merck Animal Health	1,300.00	United States
31-Jan-2024	Adorapet Comercio Servico E Fabricacao De Alimentos Para Anima	Upper Dog Comercial Ltda.	8.05	Brazil
31-Jan-2024	Dagsmark Petfood Oy	VAFO Group as	-	Finland
28-Jan-2024	Chanelle Pharma Group Ltd.	Exponent Private Equity LLP	325.88	Ireland
25-Jan-2024	Scout Bio, Inc.	Ceva Santé Animale SA	-	United States
11-Jan-2024	Thunderbrook Equestrian Ltd.	Stimulan BV	-	United Kingdom
29-Dec-2023	Heska Corp.	Veterinary Pharmaceutical Solutions	-	United States
22-Dec-2023	VetBiotek, Inc.	Nextmune AB	-	United States
16-Oct-2023	Shepherd Veterinary Software LLC	MWI Veterinary Supply Co.	-	United States
15-Sep-2023	adivo GmbH	Zoetis	-	Germany
16-Aug-2023	Sentrx Animal Care	Domes Pharma	-	United States

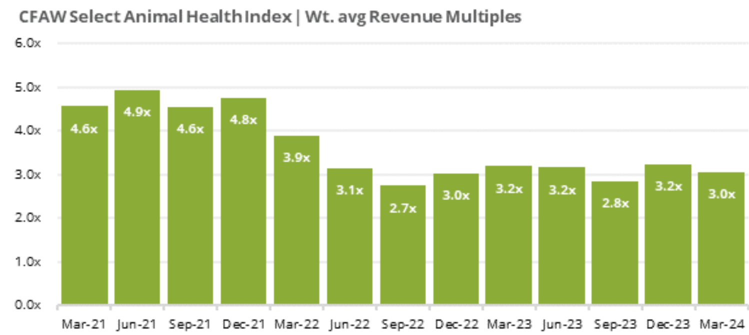
Source: Factset & CFA research

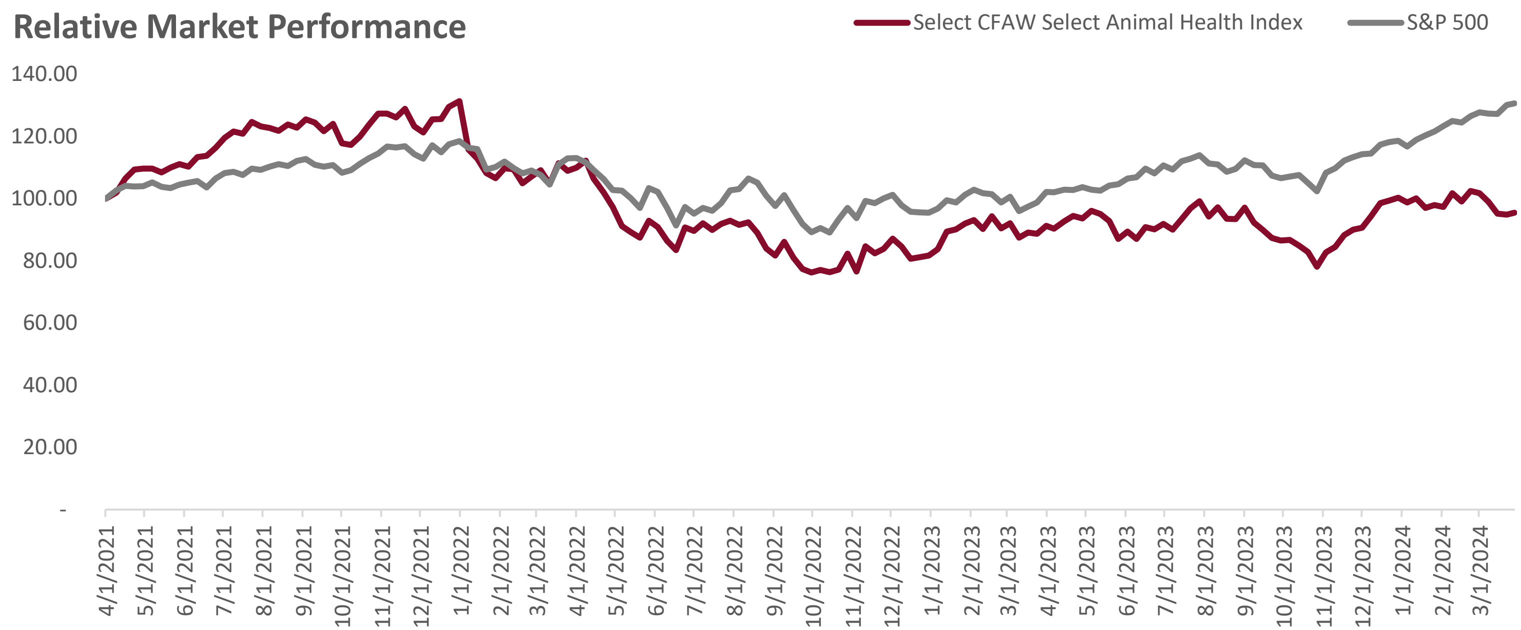
Public Companies

Industry Performance

CFAW Select Animal Health Index





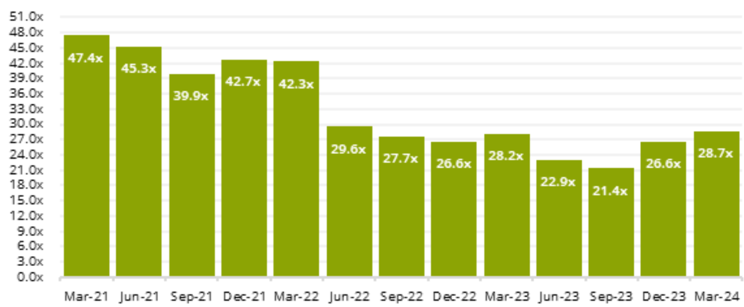


Source: FactSet

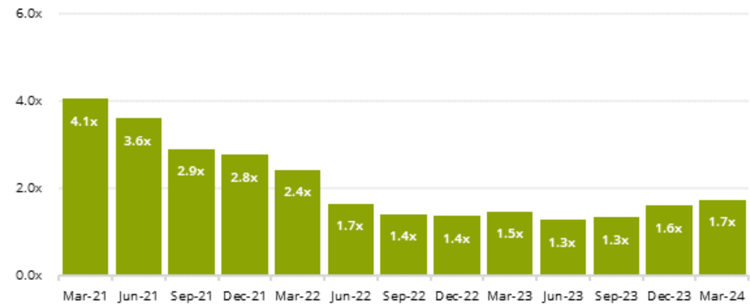
Public Comparables

Pet Consumer Products and Services

Pet Consumer Products and Services | Wt. avg EBITDA Multiples



Pet Consumer Products and Services | Wt. avg Revenue Multiples

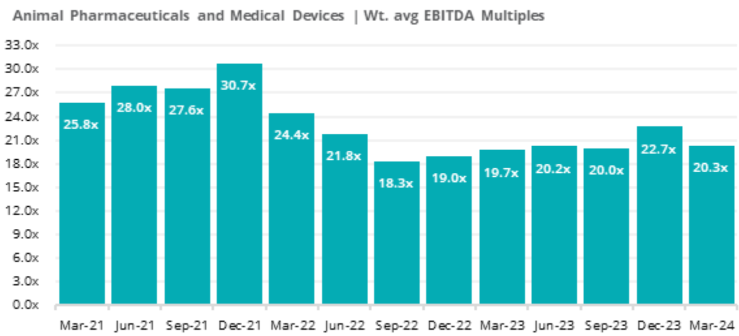


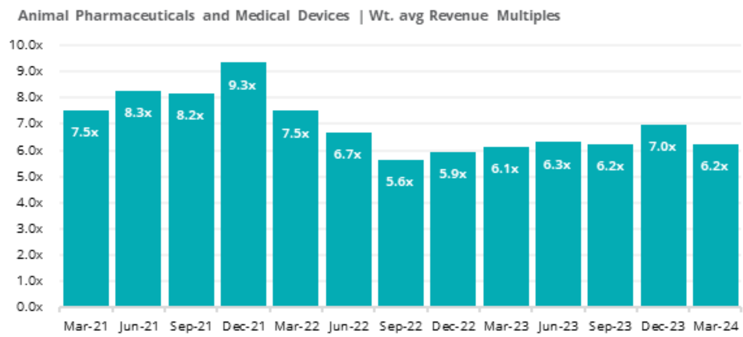
FactSet Identifier	Company $USD in Millions	Share Price	Shares O/S (MM)	Market Cap	Enterprise Value (MM)	Revenues (LTM)	EBITDA (LTM)	Enterprise Value / Revenues	Enterprise Value / EBITDA
8715-JP	Anicom Holdings, Inc.	$3.82	$81.31	$310.53	$216.05	$384.63	-	0.56x	
BARK-US	BARK Inc Class A	$1.24	$177.18	$219.70	$177.45	$494.72	($35.78)	0.36x	NM
CENTA-US	Central Garden & Pet Company Class A	$36.92	$51.37	$1,896.74	$3,324.78	$3,316.95	$346.34	1.00x	9.60x
FRPT-US	Freshpet Inc	$115.86	$48.29	$5,595.18	$5,723.36	$766.90	$28.78	7.46x	198.88x
PETQ-US	PetIQ, Inc. Class A	$18.28	$29.19	$533.55	$887.44	$1,101.96	$104.59	0.81x	8.49x
SECARE-SE	Swedencare AB	$5.98	$158.73	$949.19	$1,088.69	-	-		
TRUP-US	Trupanion, Inc.	$27.61	$41.81	$1,154.51	$1,135.94	$1,108.61	-	1.02x	
PET-USA	Wag! Group Co.	$1.98	$40.34	$79.88	$88.70	$83.92	($2.73)	1.06x	NM
Wt. Avg								**1.7x**	**28.7x**

Source: FactSet

Public Comparables

Animal Pharmaceuticals and Medical Devices



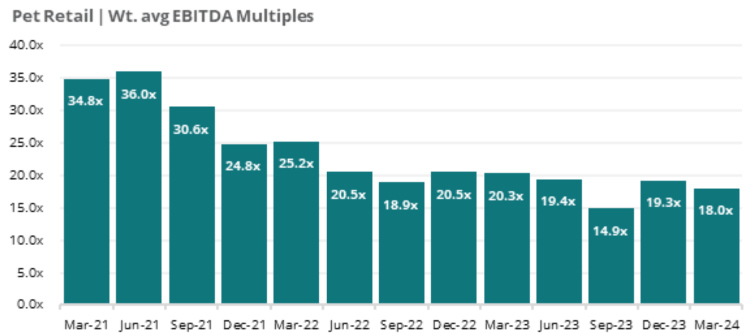


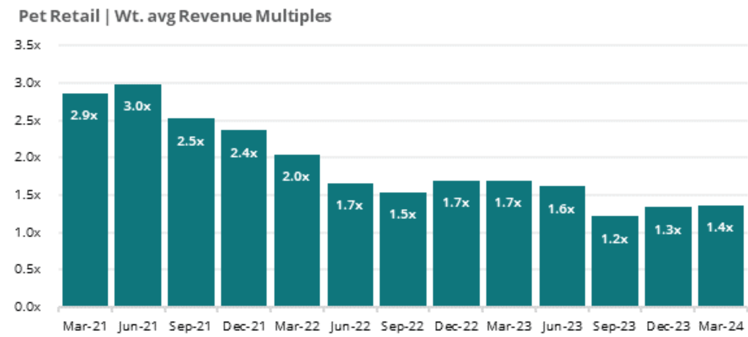
FactSet Identifier	Company $USD in Millions	Share Price	Shares O/S (MM)	Market Cap	Enterprise Value (MM)	Revenues (LTM)	EBITDA (LTM)	Enterprise Value / Revenues	Enterprise Value / EBITDA
ANCR-GB	Animalcare Group PLC	$2.65	$60.11	$159.46	$161.03	$85.83	$14.78	1.88x	10.89x
044960-KR	Eagle Veterinary Technology Co.Ltd.	$3.87	$12.64	$48.92	$48.64	$32.75	$3.35	1.49x	14.53x
EAH-GB	ECO Animal Health Group plc	$1.08	$67.74	$73.17	$64.15	$108.40	$8.35	0.59x	7.69x
ELAN-US	Elanco Animal Health, Inc.	$16.28	$492.97	$8,025.55	$13,589.55	$4,417.00	$1,020.00	3.08x	13.32x
524669-IN	Hester Biosciences Limited	$16.66	$8.51	$141.70	$174.04	$35.42	$6.12	4.91x	28.45x
ICCC-US	ImmuCell Corporation	$5.30	$7.75	$41.08	$56.79	$17.47	($3.03)	3.25x	NM
ROSE-AR	Instituto Rosenbusch SA Class B	$0.14	$42.58	$5.79	$6.80	$15.38	$0.60	0.44x	11.24x
JAGX-US	Jaguar Health, Inc.	$0.09	$276.22	$24.83	$37.14	$9.76	($31.53)	3.80x	NM
OFSA3-BR	Ouro Fino Saude Animal Participacoes SA	$4.99	$53.95	$269.45	$294.88	$188.85	$27.89	1.56x	10.57x
PAHC-US	Phibro Animal Health Corporation Class A	$12.93	$20.34	$262.96	$944.31	$982.01	$92.65	0.96x	10.19x
PETV-US	PetVivo Holdings Inc	$1.07	$16.77	$17.94	$19.26	$1.07	($10.35)	18.05x	NM
VETO-FR	Vetoquinol SA	$107.46	$11.88	$1,276.83	$1,179.91	$560.25	$110.98	2.11x	10.63x
VIRP-FR	Virbac SA	$373.68	$8.46	$3,160.59	$3,077.92	$1,290.92	$225.05	2.38x	13.68x
VIMIAN-OME	Vimian Group AB	$3.04	$509.54	$1,548.75	$1,740.50	$358.64	$90.76	4.85x	19.18x
ZTS-US	Zoetis, Inc. Class A	$169.21	$457.36	$77,389.79	$82,316.34	$8,544.00	$3,560.00	9.63x	23.12x
Wt. Avg								**6.2x**	**20.3x**

Source: FactSet

Public Comparables

Pet Retail



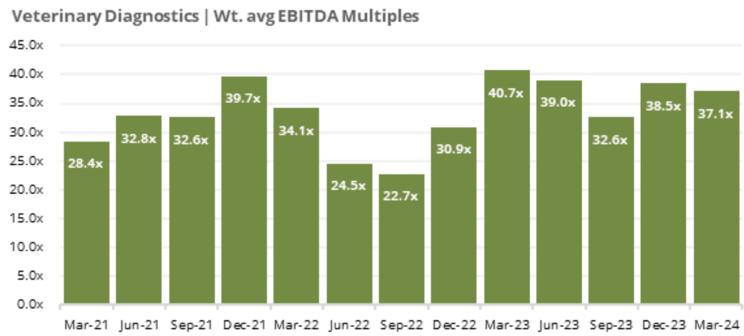


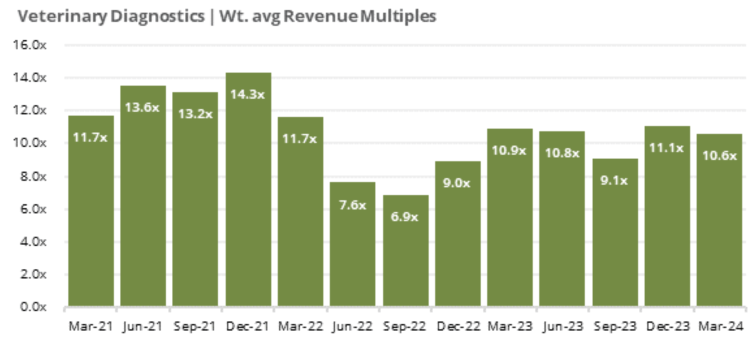
FactSet Identifier	Company $USD in Millions	Share Price	Shares O/S (MM)	Market Cap	Enterprise Value (MM)	Revenues (LTM)	EBITDA (LTM)	Enterprise Value / Revenues	Enterprise Value / EBITDA
BQ-US	Boqii Holding Ltd. Sponsored ADR Class A	$0.24	$3.85	$0.94	$5.29	-	-		
CHWY-US	Chewy, Inc. Class A	$15.91	$136.05	$2,164.59	$6,342.28	$11,147.72	$115.08	0.57x	55.11x
MUSTI-FI	Musti Group Oyj	$26.98	$33.54	$904.73	$1,050.25	$465.96	$74.41	2.25x	14.11x
PET-TSE	Pet Valu Holdings Ltd.	$23.40	$71.46	$1,671.94	$2,209.39	$782.31	$163.84	2.82x	13.49x
PETZ3-BR	Pet Center Comercio e Participacoes	$0.87	$462.52	$401.95	$607.37	$635.30	$88.49	0.96x	6.86x
WOOF-US	Petco Health & Wellness Company, Inc. Class A	$2.28	$231.79	$528.47	$3,504.07	$6,255.28	$280.89	0.56x	12.48x
PETS-US	PetMed Express, Inc.	$4.79	$21.15	$101.30	$53.57	$276.97	($3.98)	0.19x	NM
TSCO-US	Tractor Supply Company	$261.72	$107.92	$28,243.91	$32,882.95	$14,555.74	$1,871.96	2.26x	17.57x
Wt. Avg								**1.4x**	**18.0x**

Source: FactSet

Public Comparables

Veterinary Diagnostics



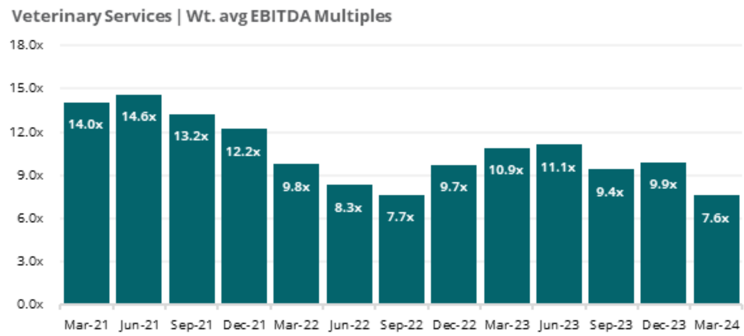


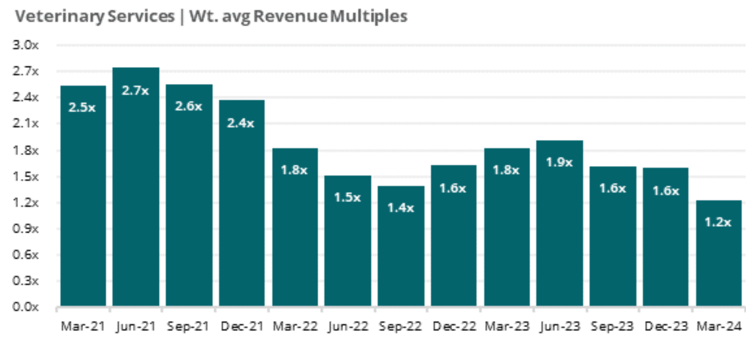
FactSet Identifier	Company $USD in Millions	Share Price	Shares O/S (MM)	Market Cap	Enterprise Value (MM)	Revenues (LTM)	EBITDA (LTM)	Enterprise Value / Revenues	Enterprise Value / EBITDA
377740-KR	BioNote, Inc.	$3.19	$101.98	$325.73	$18.99	$68.94	($29.82)	0.28x	NM
IDXX-US	IDEXX Laboratories, Inc.	$539.93	$83.09	$44,862.45	$45,475.88	$3,660.95	$1,207.42	12.42x	37.66x
NEOG	Neogen Corp	$15.78	$216.61	$3,418.07	$4,139.80	$929.24	$187.43	4.46x	22.09x
ZOM-US	Zomedica Corp	$0.15	$979.95	$142.97	$55.21	$25.19	($25.29)	2.19x	NM
Wt. Avg								**10.6x**	**37.1x**

Source: FactSet

Public Comparables

Veterinary Services





FactSet Identifier	**Company** $USD in Millions	**Share Price**	**Shares O/S (MM)**	**Market Cap**	**Enterprise Value (MM)**	**Revenues (LTM)**	**EBITDA (LTM)**	**Enterprise Value /**	
								Revenues	**EBITDA**
AHX-AU	Apiam Animal Health Ltd.	$0.23	$181.44	$42.61	$112.14	$134.35	$13.16	0.83x	8.52x
CVSG-GB	CVS Group plc	$12.32	$71.72	$883.37	$1,182.09	$797.92	$154.88	1.48x	7.63x
6039-JP	Japan Animal Referral Medical Center Co., Ltd.	$12.88	$2.86	$36.83	$53.03	$28.97	$6.50	1.83x	8.16x
PETS-GB	Pets At Home Group Plc	$3.39	$467.91	$1,586.48	$2,028.33	$1,789.43	$269.67	1.13x	7.52x
Wt. Avg								**1.2x**	**7.6x**

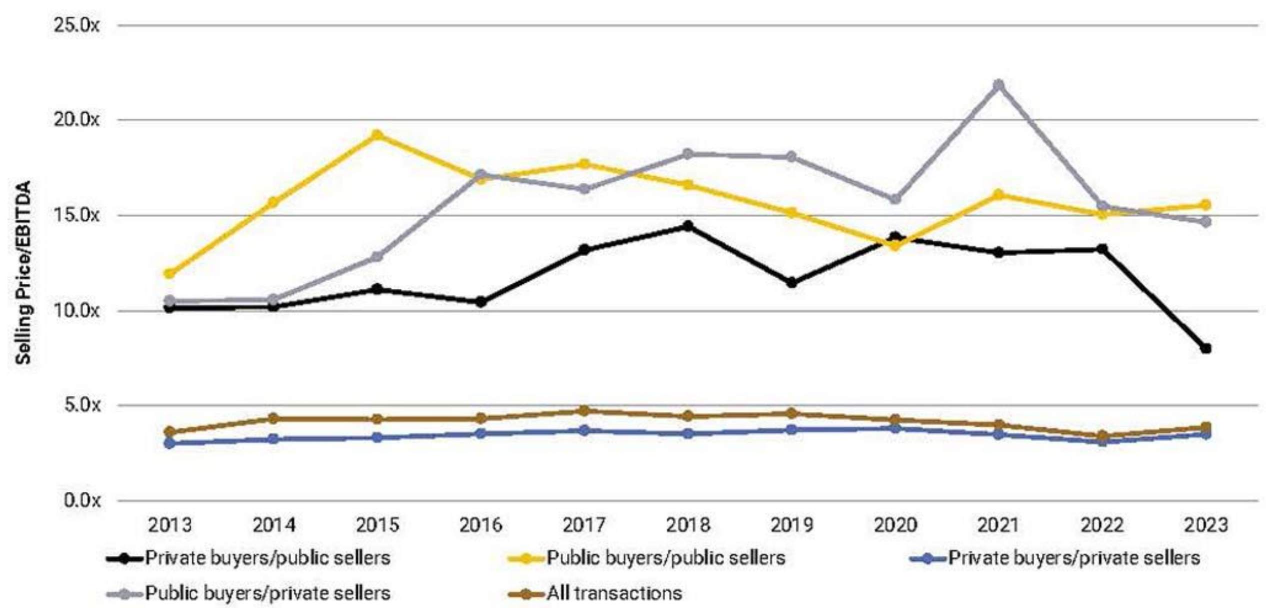
Source: FactSet

Public vs. Private Comparables

Valuation Premiums Can Be Considerable

Regardless of industry, publicly traded companies often trade at premium valuations to privately held companies. This is reflected in M&A transactions and can lead to unrealistic value expectations for some business owners. The chart below illustrates this variance and shows that the variance has been both long term and growing.

Transactions between private buyer and private seller tend to be small by comparison and thus do not benefit from a "size" premium that is associated with transactions in general. While this chart does not breakout private equity transactions, our analysis indicates those transactions usually fall between public and private and move closer to public as size increases.



Note: Each data point in this chart is based on a minimum of 10 transaction multiples. If there are not enough transaction multiples for a particular year or quarter, the data are not included.

DealStats Value Index Report Q1-2024

CFA Overview

About CFA

Who We Are / What We Do

Corporate Finance Associates (CFA) is an independent international investment banking firm serving middle-market businesses. For over 60 years Corporate Finance Associates has been advocating on behalf of business owners who are restructuring a company, either through divestiture, merger, acquisition or recapitalization. Combining the knowledge and leverage of a larger bank with the customer focused detail of a boutique firm, from inception to completion, our senior principals provide hands-on expertise to clients buying, selling or recapitalizing a business.

This Animal Health Industry Practice Group was established to draw on the experience of CFA advisors, many of whom as former business owners and CEOs, have first-hand knowledge and have completed many transactions in this industry. Working with your local CFA representative, you can be sure that the collective wealth of knowledge is available to every CFA client.

Sell-Side Advisory

Whether as a divestiture strategy or a recapitalization strategy selling all or part of a business requires equal parts creative thinking, critical analysis, expert advice, sound planning and flawless execution. Having the right team of investment banking professionals working for you is critical to ensure success.

Capital Markets

Our commitment to remaining independent from any investment or lending affiliates ensures that we deliver unbiased guidance. It also promotes maximum competition among lending sources, helping to fully leverage value for our clients. Our role is to help you raise the type of capital that best fits your needs.

Buy-Side Advisory

Growth through acquisition is a complex process. It involves strategy, planning, critical analysis, coordination and negotiation. When you want to take advantage of the fast growth offered by a consolidation or roll-up, CFA's broad reach, sources of financing and efficient closings can help you achieve your business growth goals.

Financial Advisory

Now that you have made the decision to raise capital for your business, choosing the right investment banker is critical. Whether you are buying out a partner, financing an acquisition or seeking growth capital, CFA is the right choice to help you achieve your financing goals

Exit Planning

Every business will ultimately undergo a transfer via sale or merger, a charitable donation, a transfer to a child or relative or even bankruptcy, liquidation or death. Every ownership transfer carries with it a unique set of consequences and the best consequences usually begin with a clearly defined exit plan.

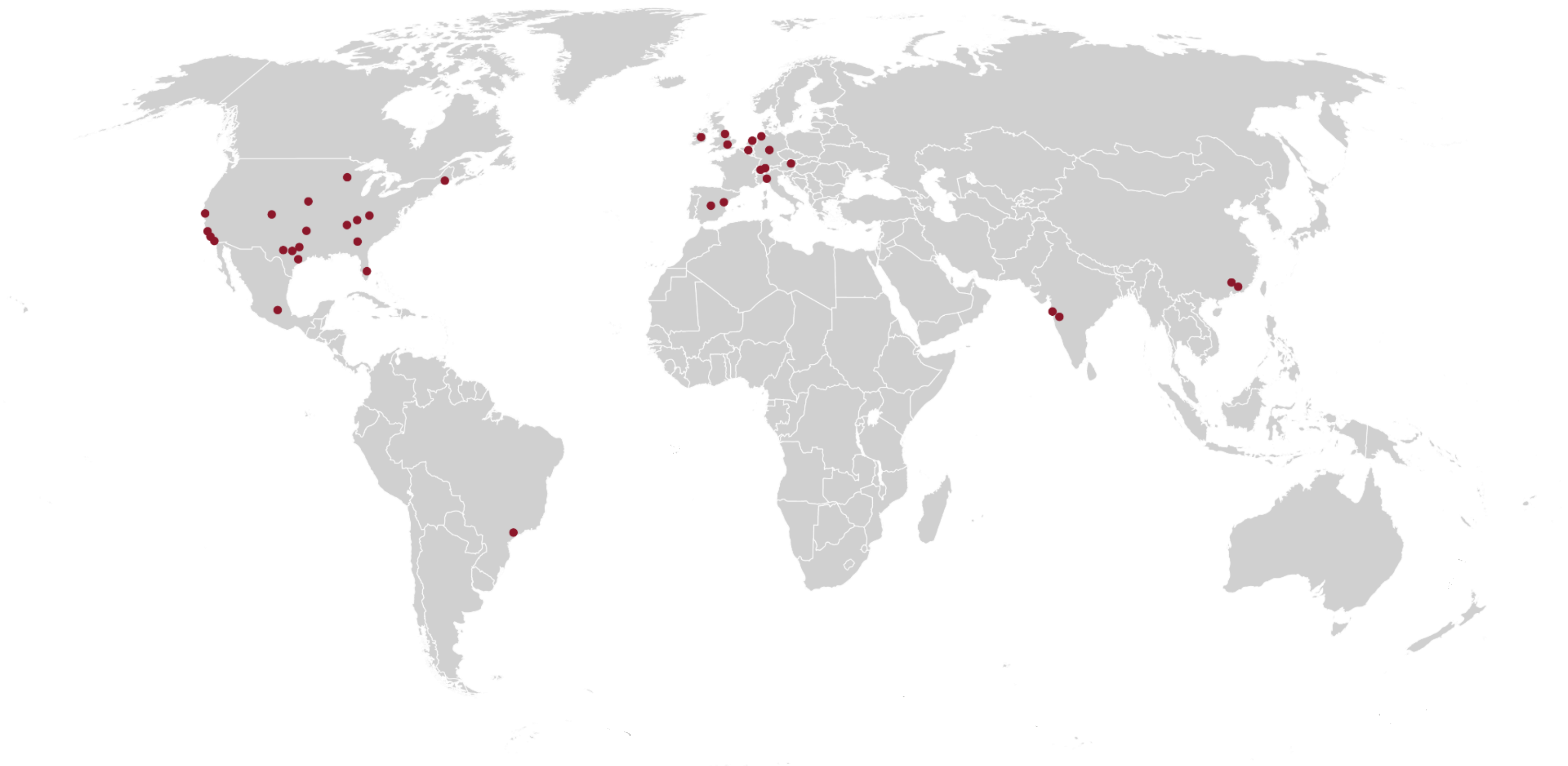
Business Valuation

"What is my business worth" is a question we often hear from business owners contemplating a business sale, merger or recapitalization. Answering this question depends on many factors, including the business valuation methods that are employed in the calculation.

Local Service, Global Reach

Where We Are

With offices across the USA and in Austria, Belgium, Brazil, Germany, Hong Kong, India, Ireland, Italy, Mexico, Netherlands, Spain, Switzerland and the United Kingdom providing middle-market companies with a wide range of M&A, financial advisory services and access to capital resources.



Delivering Results

Drive

Making it Happen

Beyond taking initiative, the CFA team embodies a competitive spirit. It is manifested in our drive to find new opportunities to get the job done. We believe that persistence and tenacity are positive values. They guide us in our work for you.

Creativity

Fresh Solutions

We achieve superior results by interpreting information differently from others in our industry. In today's market it is not enough to follow precedents; one must build on the firm's foundation and produce creative solutions through imaginative and original work.

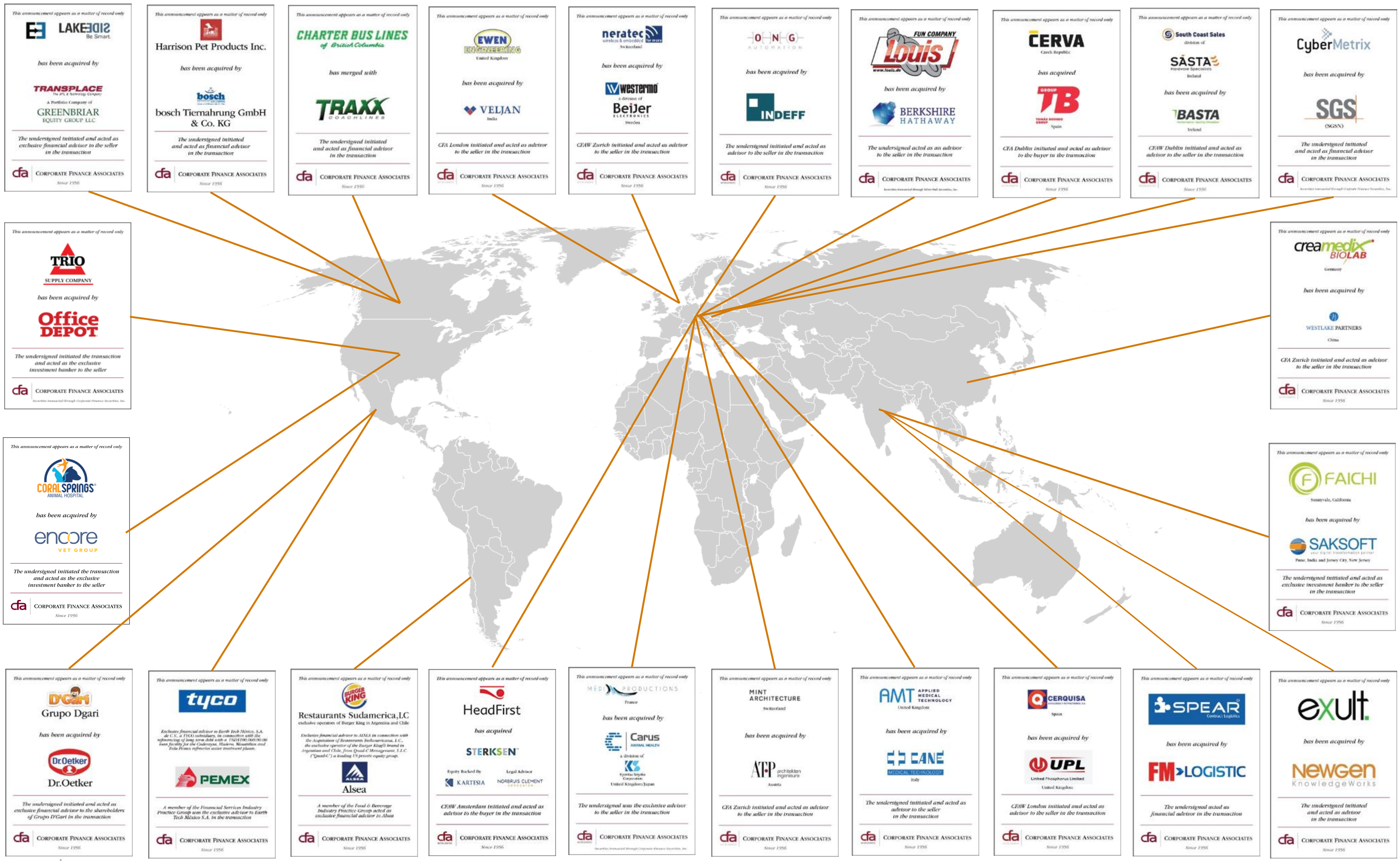
Knowledge

Sorting Out Noise

We serve you best when we work across external and internal boundaries and use our collective knowledge from national and international offices to manage the outcome of complex transactions in your favor.

Founded in 1956 • 70 Managing Directors • 37 Offices Worldwide • Billions in M&A Transactions

Worldwide Transactions



Industry Practice Groups

Animal Health

The Animal Health practice group is a multi-disciplinary team of investment banking advisors within Corporate Finance Associates. Collectively, the Animal Health Practice Group advises companies in all sectors of the animal health industry regarding mergers, acquisitions, recapitalizations, and financial resources. This Practice Group is comprised of advisors with extensive experience working with companies in the animal health industry. We specialize in advising middle market companies in the following sectors:

- Veterinary Services and Pet Care
- Veterinary Diagnostics
- Pet Pharmaceuticals and Medical Devices
- Pet / Vet Software as a Service (SaaS) solutions
- Pet Consumer Products and Services
- Online, retail and distribution channels

Whether you want to acquire, merge, sell, or finance, let CFA's industry knowledge, international resources and proven dealmaking skills work for you. We research, identify, qualify, advocate, negotiate and help steer you through the mine fields of due diligence to maximize your value and secure your objective.

Aerospace/Defense/Government
Agriculture
Animal Health
Business Services
Chemicals and Plastics
Commercial Real Estate
Consumer Retail
Energy
Engineering/Construction
Financial Services & FinTech
Food/Beverage
Healthcare/Life Sciences
Industrials
Metal Fabrication
Print/Packaging
Semiconductors
Technology/Media/Telecom
Transportation/Logistics/Supply Chain
Wholesale Distribution

Recent Industry Transactions

This announcement appears as a matter of record only

sentrx Animal Care

has been acquired by

GROUPE DP DÔMES PHARMA

The undersigned initiated the transaction and acted as the exclusive investment banker to the seller

cfa WORLDWIDE | CORPORATE FINANCE ASSOCIATES

Securities transacted through Corporate Finance Securities, Inc.

This announcement appears as a matter of record only

zoetis

Parsippany, New Jersey
(NYSE: ZTS)

has acquired 100% of the shares of

adivo

Puchheim, Germany

CFAW Los Angeles and CFAW Frankfurt acted jointly as exclusive M&A advisors to adivo GmbH

cfa | CORPORATE FINANCE ASSOCIATES | DMF Capital

Securities transacted through Corporate Finance Securities, Inc.

This announcement appears as a matter of record only

Certain assets of

PetDx

have been acquired by

a leading animal health company (undisclosed)

The undersigned initiated and acted as exclusive advisor to the seller in the transaction

cfa WORLDWIDE | CORPORATE FINANCE ASSOCIATES

Since 1956

This announcement appears as a matter of record only

United Pet Care

has been acquired by

GELMAN BROTHERS FAMILY INVESTMENT OFFICE

The undersigned initiated the transaction and acted as the exclusive investment banker to the seller

cfa | CORPORATE FINANCE ASSOCIATES

Since 1956

This announcement appears as a matter of record only

Dundee Animal Hospital
Caring for Your Best Friend

has been acquired by

Community Veterinary Partners

The undersigned initiated the transaction and acted as the exclusive investment banker to the seller

cfa WORLDWIDE | CORPORATE FINANCE ASSOCIATES

Securities transacted through Corporate Finance Securities, Inc.

This announcement appears as a matter of record only

CORAL SPRINGS® ANIMAL HOSPITAL

has been acquired by

encore VET GROUP

The undersigned initiated the transaction and acted as the exclusive investment banker to the seller

cfa | CORPORATE FINANCE ASSOCIATES

Since 1956

This announcement appears as a matter of record only

Shepherd®

has been acquired by

Pet Assure®

The undersigned initiated the transaction and acted as the exclusive investment banker to the seller

cfa | CORPORATE FINANCE ASSOCIATES

Since 1956

This announcement appears as a matter of record only

gingr

has been acquired by

TOGETHER WORK

The undersigned initiated and acted as financial advisor in the transaction

cfa | CORPORATE FINANCE ASSOCIATES

Securities transacted through Corporate Finance Securities, Inc.