

Animal Health

INDUSTRY REPORT

Summer | 2023

CREATING
M&A STRATEGIES
FOR BUSINESS OWNERS

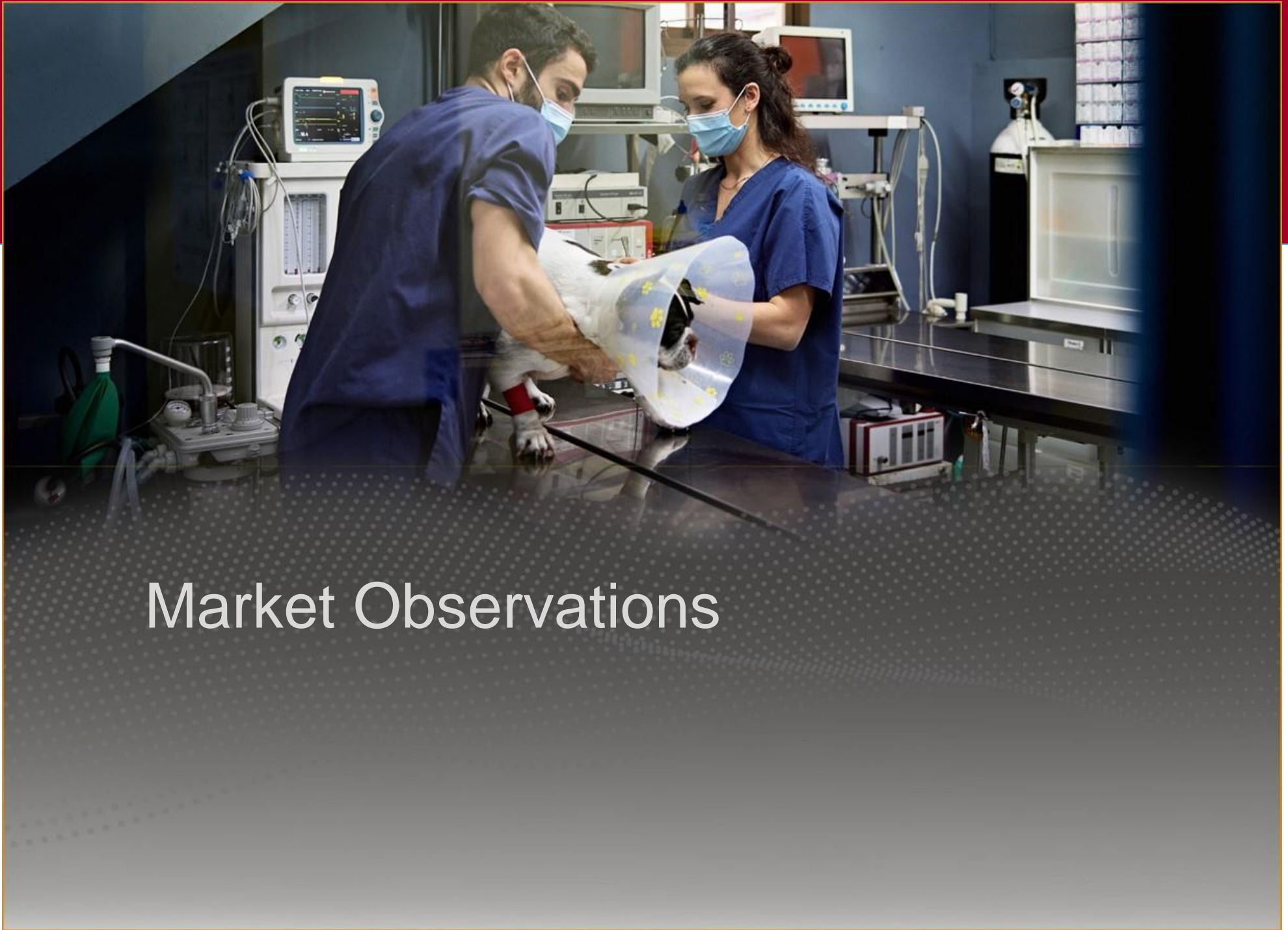
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Market Observations

Market Summary

Animal Health Market

Global Market Insights valued the **global pet care market at \$280 billion in 2022** and expected **2023 to grow 7.0% to around \$300 billion** with an **expectation of \$550 billion by 2032**. APPA's recent 2022 State of the Industry data touted that **US pet spending increased 11% to \$137 billion** and is **projected to rise ~5.0% to \$143.6 billion by the end of 2023**. Per APPA, the category with the highest growth was pet food and treats, estimated to grow 7.9% to \$62.7 billion. The higher growth rate in pet food and treats was supported by a survey finding that the **vast majority (75%) of pet owners are committed to maintaining the standard of their pet's diet**. The data also showed that **84% of consumers expect to spend as much or more in 2023** vs. 2022 for pet products and services. The Bloomberg Intelligence Pet Economy report anticipates similar growth rates driven by changes in consumer behavior, longer pet lifespan due to improved nutrition and preventive-care (drugs and diagnostics). These trends are expected to continue to fuel the growth of the pet care market for the next decade.

Public Company Valuations

The CFAW Select Animal Health Index has tracked closely with the S&P 500 in 2023, with both up, despite veterinary labor shortage, rising incidences of zoonotic diseases, increasing product development cost, and other external factors negatively affecting this industry. Two winners within the Animal Health Index in the first half of 2023 were IDEXX and Zoetis. Both **IDEXX and Zoetis beat the S&P 500** as their share prices increased by 23.7% and 16.5%, respectively, while the S&P 500 increased by 15.9%. IDEXX's and Zoetis's growth was driven by the expanding demand for animal health products, their unique market leadership positions in the veterinary industry, and their high profit margins. Conversely, though the pet food sector is expected to grow per the APPA, public valuations are less bullish, likely driven by lower margins exposing them to inflation and other external factors.

Veterinary Diagnostics had the highest weighted average revenue multiple and weighted average EBITDA multiple of 10.8x and 38.3x, respectively. Pet Consumer Products & Services, Animal Pharmaceuticals & Medical Devices, Pet Retail, and Veterinary Services had weighted average revenue multiples of 1.3x, 6.3x, 1.6x, and 1.9x and weighted average EBITDA multiples of 21.3x, 20.4x, 19.4x and 11.5x, respectively.

Mergers and Acquisitions

The pet healthcare M&A activity in the mid-year of 2023 is set to be driven by pet nutrition, continued demand for veterinary services and related technologies. For example, in June 2023, **Mars, Inc.**, shared it had **completed its acquisition of Heska Corporation**, an advanced veterinary diagnostic and product company based in Loveland, for \$120 per share. Heska will join Mars' Petcare division, complementing the division's Science & Diagnostic segment. Similarly, **BrightPet Nutrition Group acquired Raw Advantage Processing LLC** on June 20. According to BrightPet, the acquisition fortifies its position as a top freeze-dried and frozen raw pet food manufacturer, in terms of capacity. The industry also witnessed a flurry of PE deals. India-based Pet food brand – Drools, attracted an investment of \$60 million in June 2023 from consumer-focused private equity firm L Catterton. The continuing preference for high-quality and nutrient-enriched supplements as well as persisting professionalism is expected to keep inducing M&A transactions in the upcoming years.



The CFAW Select Animal Health Index has tracked closely with the S&P 500...

Industry Trends

Millennials and Gen Z are growing but do not count out Baby Boomers and Gen X yet

Gen Z & Millennials now represent half of pet owners for the **first time in US history** according to the American Pet Products Association's (APPA) 2023 National Pet Owners Survey. However, the **Baby Boomer and Gen X demographics still spend more** per pet owner according to a MarketWatch study that looked at data from the Bureau of Labor Statistics (BLS). Thus, **Baby Boomers and Gen X pet owners still account for over 60% of US pet spending**.

With that said, as time progresses, Millennials and Gen Z pet owners will likely earn more income, become the majority demography, and spend the most. Thus, **Millennials and Gen Z pet owners' needs will continue to shape the future of the industry**. Current trends that appeal to Millennial and Gen Z pet owners and may continue to grow include advanced veterinary care, high quality pet food, online shopping, non-vet Pet Services such as pet health insurance, groomers, walkers, and pet technologies.

The Veterinary diagnostics market has changed with recent acquisitions by Mars

The **\$7.3BN Global Veterinary Diagnostics Market is likely to be transformed** as a result of two recent acquisitions by Mars. First, **Mars' acquired Heska**, which helps complement Mars' Reference laboratory offering under Antech. Mars now can offer Veterinarians a complete comprehensive Veterinary diagnostic portfolio which includes both the Veterinary Reference laboratory services and a complete point-of-care Veterinary diagnostics equipment platform to better compete with the likes of IDEXX and Zoetis. Next, **Mars expanded their reference laboratory further and acquired SYNLAB Vet**, a European provider of veterinary laboratory diagnostics, from SYNLAB Group. This acquisition helps Mars expand their Reference laboratory business globally to help pets around the world.

These recent changes help **Mars join IDEXX and Zoetis at the top of a \$7.3BN Veterinary Diagnostics Market** where all three are strongly positioned to grow with the expected rise in global pet ownership and the trend of pet owners wanting high quality care for their pets. **Veterinary Diagnostics is one of the fastest growing sectors within the Veterinary care** market as an integral component of veterinary services. As animals are unable to directly communicate with us, Veterinary diagnostics provide data to Veterinarians to help detect diseases early, monitor chronic conditions, help in treatment planning, and more.



Pet services consolidation

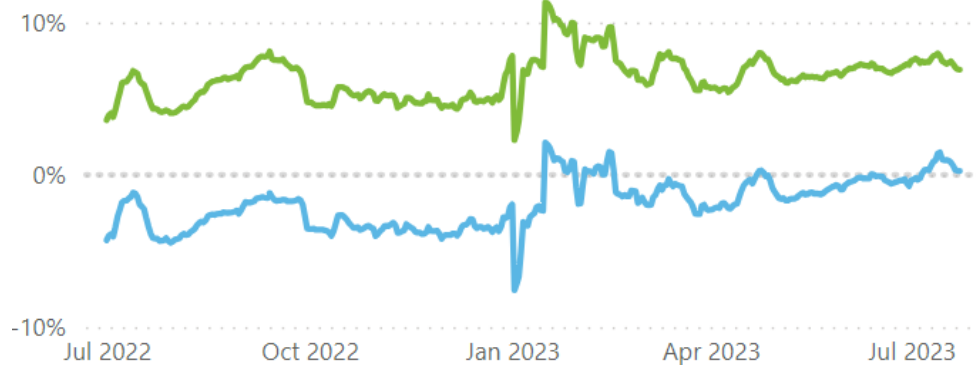
The **Global Pet Services market is expected to grow rapidly at ~9.21% annually** and is **estimated to be >\$27BN by the end of 2023** according to Grand View Research. The rapid growth appears to be **enticing numerous acquirers** in this space. This year we saw **Wag! complete their acquisition of Dog Food Advisor** from Clicks and Traffic LLC, and pet services consolidators such as **Destination Pet and Pet Resort Hospitality Group are continuing to expand** by acquiring non-vet pet services companies, such as walkers, groomers, day care centers, etc.

Veterinary Services Tracker

Last 12 Months

Growth in Revenue and Visits

● Revenue YoY (14-Day Rolling) ● Visits YoY (14-Day Rolling)



6.4%

Revenue YoY

-2.0%

Visits YoY



With shortage in professional service providers, veterinary visits are stabilizing with revenue growing 6.4% YoY

Significant News

New report links pet ownership with human health care savings

DVM 360, June 08, 2023

"A new economic report commissioned by the Human Animal Bond Research Institute (HABRI) examined the health care cost savings associated with pet ownership in the United States. Overall, the report found that pet ownership could save the United States health care system \$22.7 billion annually..."

[Read More >](#)

German medical firm SYNLAB sells vet business to Mars

GlobalPETS, Aug 18, 2023

"SYNLAB Vet will join the portfolio of Mars Petcare, integrating their services across veterinary health and diagnostics, nutrition, innovation, and technology..."

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Walmart enters the pet healthcare space

GlobalPETS, June 20, 2023

"Walmart recently signed a deal with Pawp, a pet telehealth provider, to offer telemedicine services to Walmart+ members. This will allow members to benefit from video and text veterinary services via Pawp for a year. ."

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San Francisco startup Fuzzy shuts down after raising \$80 million

Coverager, June 18, 2023

"Fuzzy , a vet care startup founded in 2016, is no longer active. Its site and mobile apps have been taken down and ..."

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Digitail Raises \$11M To Scale All-in-one Petcare Platform Serving Veterinarians And Pet Parents

VetClick, January 12, 2023

"Digitail, a platform that automates much of the admin veterinarians spend so much time on, freeing them to devote more resources and attention on providing the best care to pets, today announces the closure of a \$11 million Series A funding round..."

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Industry Metrics

Industry Financial Data and Ratios

NAICs 3111 - Animal Food Manufacturing

Financial Metric	Last12 Mo	2022	2021
Current Ratio	2.29	2.47	2.99
Gross Profit Margin	30.88%	29.90%	29.74%
Net Profit Margin	4.00%	4.30%	6.60%
Accounts Receivable Days	31.47	32.89	32.98
Accounts Payable Days	33.49	34.41	35.6
Debt-to-Equity Ratio	2.25	2.14	2.14
Return on Equity	33.86%	35.39%	42.25%
Sales Growth	26.83%	26.05%	23.50%
Profit Growth	9.32%	28.70%	50.52%

NAICs 453910 - Pet and Pet Supplies Stores

Financial Metric	Last12 Mo	2022	2021
Current Ratio	3.7	3.92	3.95
Gross Profit Margin	48.80%	48.62%	39.60%
Net Profit Margin	0.52%	0.76%	1.16%
Accounts Receivable Days	9.43	9.33	7.5
Accounts Payable Days	10.86	13.96	29.13
Debt-to-Equity Ratio	2.44	2.41	2.49
Return on Equity	53.25%	60.54%	44.81%
Sales Growth	3.50%	3.50%	19.81%
Profit Growth	-22.06%	-22.06%	10.66%

NAICs 541940 - Veterinary Services

Financial Metric	Last12 Mo	2022	2021
Current Ratio	5.41	5.8	5.31
Gross Profit Margin	78.28%	79.60%	79.18%
Net Profit Margin	11.00%	12.17%	13.21%
Accounts Receivable Days	6.03	5.63	5.26
Accounts Payable Days	16.67	14.56	16.06
Debt-to-Equity Ratio	2.19	2.11	2.67
Return on Equity	73.29%	75.71%	81.00%
Sales Growth	8.75%	9.21%	17.90%
Profit Growth	-6.49%	-2.98%	37.40%

NAICs 812910 - Pet Care [except Veterinary] Services

Financial Metric	Last12 Mo	2022	2021
Current Ratio	6.48	6.86	7.11
Gross Profit Margin	92.38%	92.86%	92.27%
Net Profit Margin	-1.42%	3.60%	17.11%
Accounts Receivable Days	0.01	0.01	0.03
Accounts Payable Days	16.87	17.38	8.05
Debt-to-Equity Ratio	2.94	3.5	2.93
Return on Equity	48.21%	52.03%	64.97%
Sales Growth	25.85%	27.72%	41.75%
Profit Growth	-3.60%	-7.46%	57.75%

Source: Profit Cents



Transaction Highlights

Notable Transactions Vet Services



In June 2023, **Destination Pet LLC** acquired **Pet Palace Enterprises LLC** for an undisclosed amount. The acquisition complements to the services offered by Destination Pet LLC. Founded in 2006 by Mr. Brian Hudock, Pet Palace Enterprises LLC continues to operate its Pet Care services in Columbus, Ohio, United States. Pet Palace Enterprises LLC currently has approximately 500 employees.



In May 2023, **VetPartners Ltd**, a portfolio company of BC Partners Ltd, acquired **DGN Holding BV**, also known as Dierenartsen Groep Nederland, and a portfolio company of Standard Investment Management BV, for an undisclosed amount. The acquisition strengthens the business capabilities of VetPartners Ltd, which brings 26 veterinary clinics across the Netherlands. Following the transaction, DGN's chief operating officer, Mischa Weijers, would lead the company. DGN Holding BV is located in Hoogwoud, Noord-Holland, The Netherlands and provides veterinary services.



In April 2023, **Altano Gruppe GmbH** acquired **Avanti Equine Veterinary Partners LLC** for an undisclosed amount. The transaction complements the business operations of Altano Gruppe GmbH. Founded in 2017, Avanti Equine Veterinary Partners LLC is located in Columbus, North Carolina, United States and provides equine veterinary care services. It currently has more than 140 employees and over 50 veterinarians.



In April 2023, **Veterinary Practice Partners LLC**, a portfolio company of **Audax Private Equity** acquired **Caring Hands Animal Hospital** for an undisclosed amount. The acquisition expands Veterinary Practice Partners LLC's portfolio of services. Founded by Dr. Michelle Vitulli, Caring Hands Animal Hospital is located in United States and offers treatment and medical care for animals.



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Select M&A Transactions Vet Services

Status	Date	Target Name	Acquirer Name	Enterprise Value (MM)	Target Country
Completed	05/22/23	Midwest Veterinary Services, Inc.	Argenta Ltd.	NA	United States
Completed	04/18/23	Play All Day Doggie Daycare & Hotel LLC	Pet Resort Hospitality Group, Inc.	NA	United States
Completed	04/06/23	Avanti Equine Veterinary Partners LLC	Altano Gruppe GmbH	NA	United States
Completed	04/06/23	Caring Hands Animal Hospital, Inc.	Audax Private Equity; Veterinary Practice Partners LLC	NA	United States
Completed	04/05/23	All Creatures Veterinary Group	VetPartners Ltd.	NA	Ireland
Completed	04/05/23	Avondale Veterinary Hospital	VetPartners Ltd.	NA	Ireland
Completed	04/05/23	Avondale Veterinary Ltd.	VetPartners Ltd.	NA	Ireland
Completed	04/05/23	Riverview Veterinary Group	VetPartners Ltd.	NA	Ireland
Completed	03/31/23	Hyndland Street Veterinary Clinic Ltd.	VetPartners Ltd.	NA	United Kingdom
Completed	03/15/23	Stanhope Park Veterinary Hospital Ltd.	CVC Advisers Ltd.; Medivet Group Ltd.	NA	United Kingdom
Completed	03/15/23	The Oxford Cat Clinic Ltd.	CVC Advisers Ltd.; Medivet Group Ltd.	NA	United Kingdom
Completed	03/07/23	Komoro Dobutsu Byoin YK	Watahan Home-AID Co Ltd	NA	Japan
Completed	03/01/23	Glamorgan Animal Clinic	VCA Canada Animal Hospitals	NA	Canada
Completed	02/28/23	My Pet's Vets Leigh Ltd.	Linnaeus Group Ltd.	NA	United Kingdom
Completed	02/13/23	DierenDokters BV	VetPartners Ltd.	NA	Netherlands
Completed	02/02/23	Olde Towne Animal Hospital	Veterinary Practice Partners	NA	United States
Completed	02/02/23	Archway Veterinary Centre Ltd.	Archway Veterinary Centre Ltd. /Private Group/	NA	United Kingdom
Completed	02/02/23	Walkers & Sitters	Axholme Cattery Ltd /Private Group/	NA	United Kingdom
Completed	01/30/23	Eden Veterinary Clinic	Apiam Animal Health Ltd.	NA	Australia
Completed	01/30/23	Merimbula Veterinary Clinic	Apiam Animal Health Ltd.	NA	United States

(\$ in millions) Source: Factset & CFA research

Notable Transactions Vet Products



In June 2023, Pet food and treat manufacturer **BrightPet Nutrition Group** has announced the acquisition of **Raw Advantage**, a producer of freeze-dried and frozen raw pet food. BrightPet's acquisition is strategic as it allows the company to cater to the growing demand for premium freeze-dried and frozen raw pet food and treats while strengthening its position as a trusted and innovative provider of pet nutrition products in the West Coast.



In June 2023, **Swedish investment company EQT**, a private equity firm that focuses on healthcare, technology services, and industrial technology as its primary sectors, was set to take over veterinary drug producer **Dechra Pharmaceuticals** for **£4.46 billion (\$5.58B/€5.19B)**. Other sectors Dechra highlighted were its dog and cat nutrition products, which comprise 5.1% of its total revenue.



In April 2023, **Mars, Inc.** announced the **\$1.3 billion** acquisition of **Heska Corp**, a Veterinary Diagnostics company. The strategic acquisition allows Mars to provide veterinarians with a complete point-of-care veterinary diagnostic platform to compliment their current reference laboratory offering under their Antech brand.



In January 2023, **Wag Labs Inc**, a subsidiary of **Wag! Group Co**, acquired Clicks & Traffic LLC, doing business as **Dog Food Advisor**, for **\$9 million** in cash. The acquisition complements Wag! Group Co's business strategies. Founded in 2008 and led by Mike Sagman, Clicks & Traffic LLC is located in Williamsburg, Virginia, United States and provides pet insurance options and expert pet advice services.

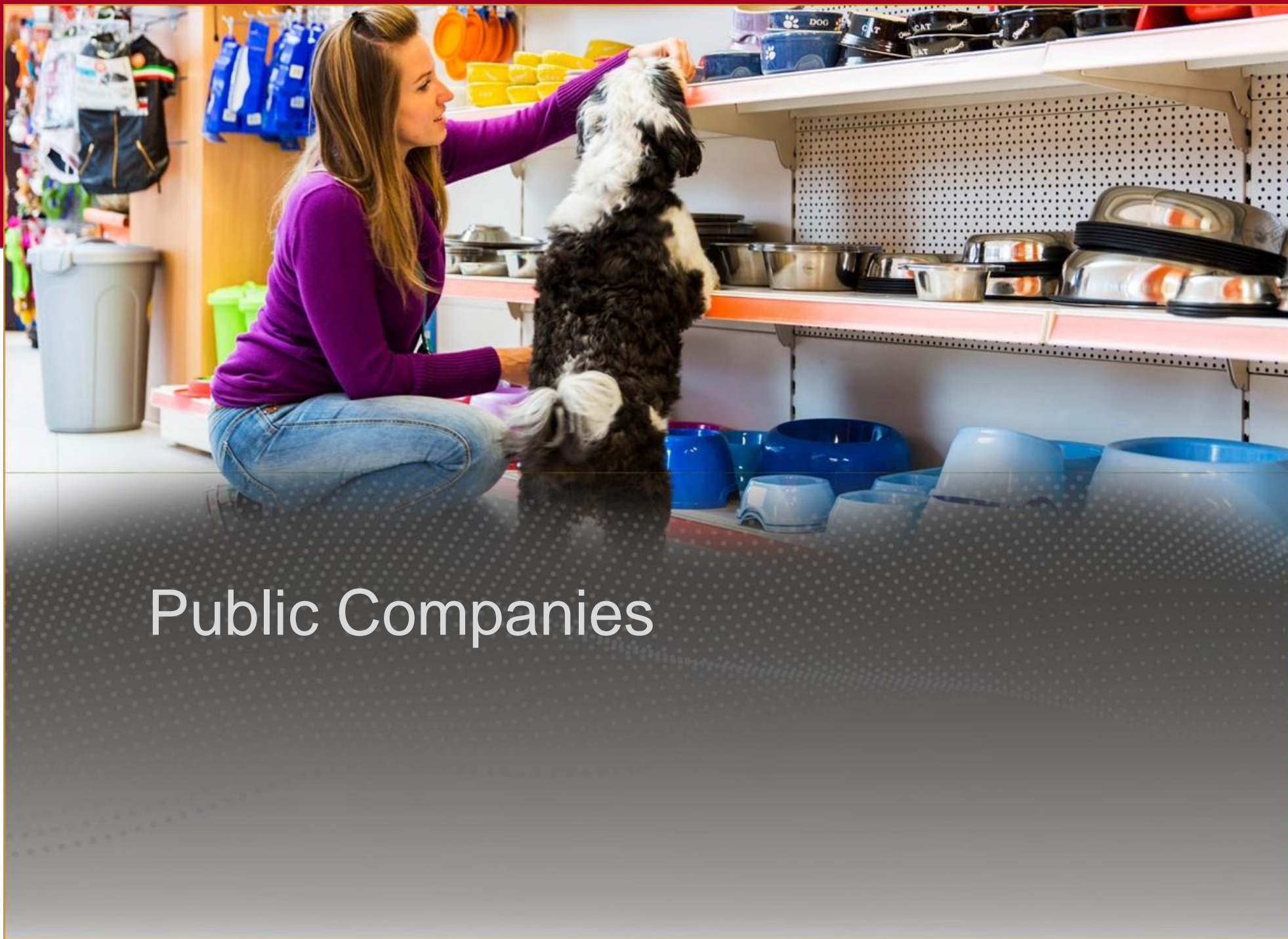


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Select M&A Transactions Vet Products

Status	Date	Target Name	Acquirer Name	Enterprise Value (MM)	Target Country
Completed	06/21/23	Three Dog Bakery LLC /Consumer Products Division/	Topspin Management LLC	NA	United States
Completed	06/20/23	Raw Advantage Processing LLC	A&M Capital Advisors LP; BrightPet Nutrition Group LLC	NA	United States
Completed	06/15/23	Vet-Histo	Cerba Vet SAS	NA	France
Completed	06/14/23	Blue Rabbit Ventures, Inc.	Wedgewood Village Pharmacy LLC	NA	United States
Completed	05/26/23	Petvet.Ai	HomeLife Media LLC	NA	United States
Completed	04/30/23	Zoolyx NV	Equine Care Group NV	NA	Belgium
Completed	04/26/23	Herbonis Animal Health GmbH	IK Partners Ltd.; Innov AD NV	NA	Switzerland
Completed	04/20/23	Vetnique Labs LLC	Gryphon Investors, LLC	NA	United States
Completed	04/18/23	PsiBufet	Dogmates Ltd.	NA	Poland
Completed	04/05/23	Petschauer Insurance	Summit Partners LP; GI Manager LP; Patriot Growth Insurance Services LLC	NA	United States
Completed	04/04/23	CaptainVet SAS	Pinnacle Pet Group Ltd.	NA	France
Completed	04/04/23	HD Assurances SAS	Pinnacle Pet Group Ltd.	NA	France
Completed	04/03/23	Heska Corp.	Mars, Inc.	1,294.36	United States
Completed	04/03/23	Premium Pet Food Suomi Oy	Musti Group Oyj	NA	Finland
Completed	03/21/23	Canidae Pet Food Co.	Natural Balance Pet Foods, Inc.; Nexus Capital Management LP	NA	United States
Completed	03/08/23	Viking Blues Pty Ltd.	Vimian Group AB	44.78	Australia
Completed	02/28/23	Rocco & Roxie	PetIQ	26.5	United States
Completed	02/16/23	Wet Noses, Inc.	Beach Point Capital Management LP; Wet Noses, Inc. /Private Group/	NA	United States
Completed	02/08/23	The JM Smucker Co /Ainsworth Pet Nutrition	Post Holdings, Inc.	1,209.06	United States
Completed	02/07/23	Red Collar Pet Foods	Nestle Purina PetCare	NA	United States

(\$ in millions) Source: Factset & CFA research

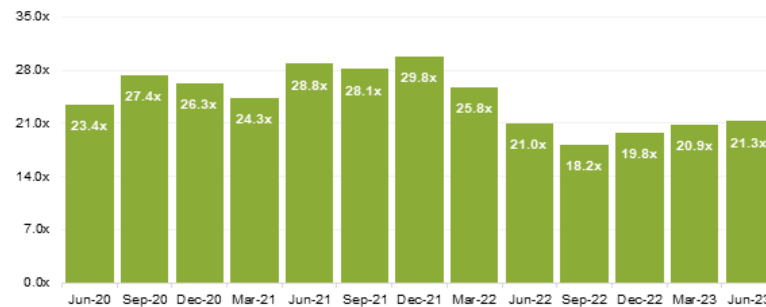


Public Companies

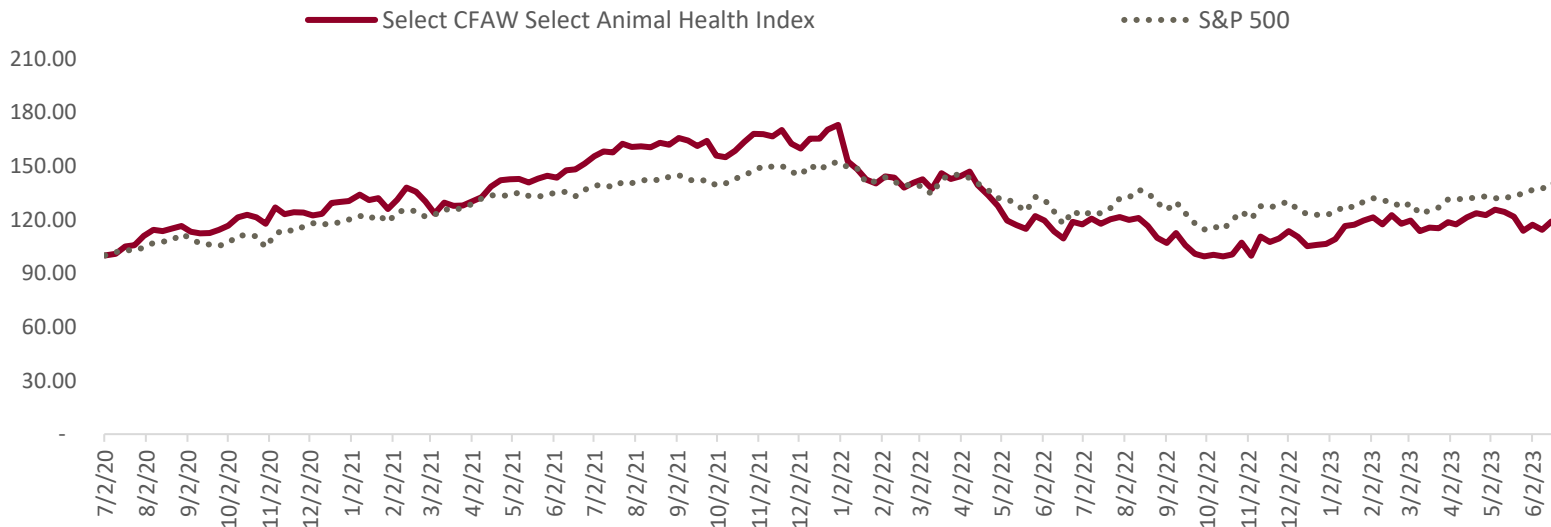
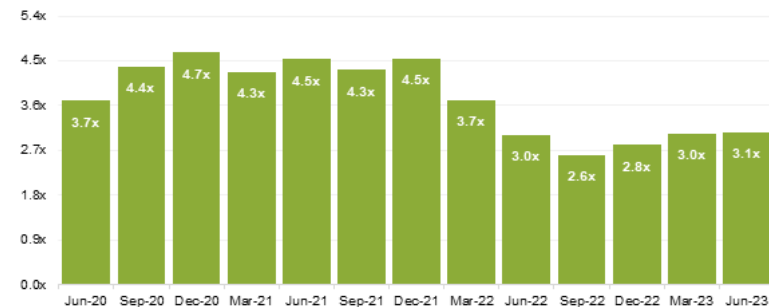
Industry Performance

CFAW Select Animal Health Index

CFAW Select Animal Health Index | Weighted Average EBITDA Multiples



CFAW Select Animal Health Index | Weighted Average Revenue Multiples

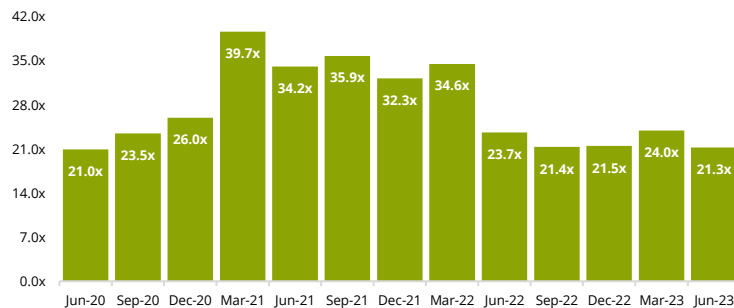


Source: FactSet

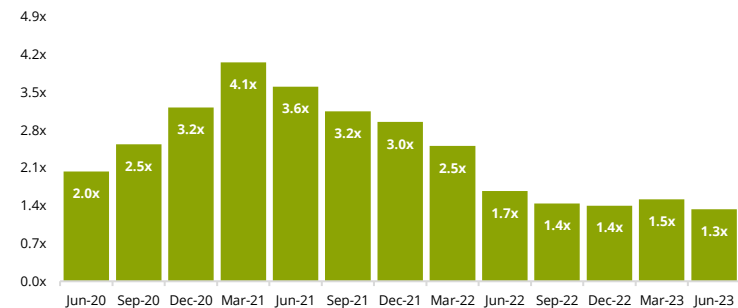
Public Comparables

Pet Consumer Products and Services

Pet Consumer Products and Services | Weighted Average EBITDA Multiples



Pet Consumer Products and Services | Weighted Average Revenue Multiples



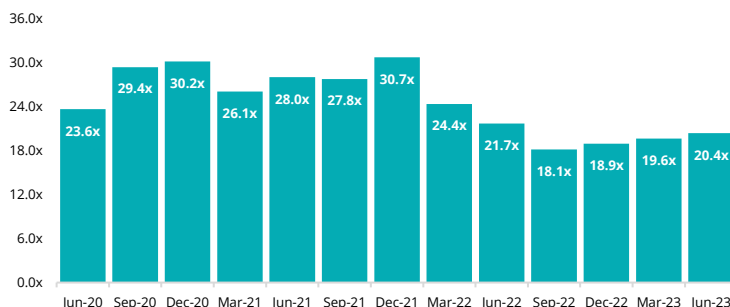
Company	Share	Shares	Market	Enterprise	Revenues	EBITDA	Enterprise Value /	
\$USD in Millions	Price	O/S	Cap	Value	(LTM)	(LTM)	Revenues	EBITDA
Anicom Holdings, Inc.	\$4.34	81	\$353	\$215	\$381-		0.6x	
BARK Inc Class A	\$1.33	179	\$238	\$202	\$525	(\$41)	0.4x	NM
Central Garden & Pet Company Class A	\$36.46	41	\$1,495	\$3,107	\$3,267	\$353	1.0x	8.8x
Freshpet Inc	\$65.81	48	\$3,172	\$3,209	\$668	(\$6)	4.8x	NM
PetIQ, Inc. Class A	\$15.17	29	\$443	\$832	\$999	\$83	0.8x	10.0x
Rover Group, Inc. Class A	\$4.91	182	\$893	\$659	\$202	\$14	3.3x	45.9x
Swedencare AB	\$3.52	159	\$559	\$711	\$197	\$39	3.6x	18.3x
Trupanion, Inc.	\$19.68	41	\$814	\$813	\$1,007-		0.8x	
Wag! Group Co.	\$2.10	39	\$81	\$85	\$95	(\$29)	0.9x	NM
Weighted Average							1.3x	21.3x

Source: FactSet

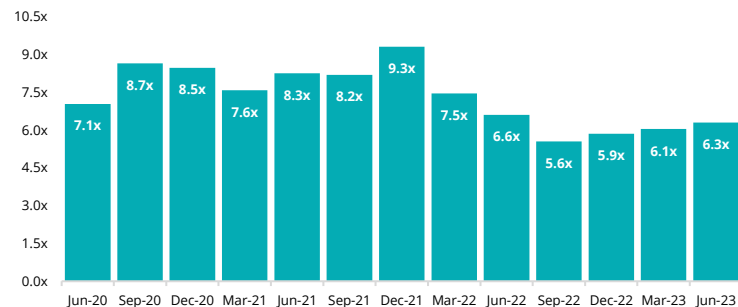
Public Comparables

Animal Pharmaceuticals and Medical Devices

Animal Pharmaceuticals and Medical Devices | Weighted Average EBITDA Multiples



Animal Pharmaceuticals and Medical Devices | Weighted Average Revenue Multiples



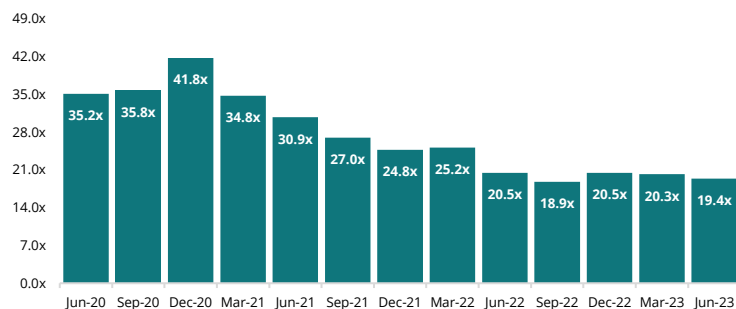
Company \$USD in Millions	Share Price	Shares O/S	Market Cap	Enterprise Value	Revenues (TMT)	EBITDA (TMT)	Enterprise Value /	
							Revenues	EBITDA
Animalcare Group PLC	\$2.31	60	\$139	\$145	\$88	\$16	1.6x	9.2x
Dechra Pharmaceuticals PLC	\$46.86	114	\$5,337	\$5,846	\$895	\$231	6.5x	25.3x
Eagle Veterinary Technology Co.Ltd.	\$4.06	13	\$51	\$50	\$34	\$3	1.5x	15.2x
ECO Animal Health Group plc	\$1.30	68	\$88	\$82	\$103	\$9	0.8x	9.2x
Elanco Animal Health, Inc.	\$10.06	493	\$4,956	\$10,650	\$4,323	\$1,030	2.5x	10.3x
Hester Biosciences Limited	\$20.97	9	\$178	\$211	\$37	\$7	5.7x	29.9x
ImmuCell Corporation	\$5.00	8	\$39	\$52	\$16	(\$3)	3.3x	NM
Instituto Rosenbusch SA Class B	\$0.09	43	\$4	\$5	\$11	\$3	0.5x	2.1x
Jaguar Health, Inc.	\$0.52	19	\$10	\$33	\$11	(\$32)	3.0x	NM
Ouro Fino Saude Animal Participacoes SA	\$5.60	54	\$302	\$330	\$194	\$34	1.7x	9.8x
Phibro Animal Health Corporation Class A	\$13.70	20	\$279	\$995	\$978	\$114	1.0x	8.8x
PetVivo Holdings Inc	\$1.97	13	\$26	\$24	\$1	(\$10)	25.1x	NM
Vetoquinol SA	\$99.72	12	\$1,185	\$1,098	\$567	\$117	1.9x	9.4x
Virbac SA	\$295.12	8	\$2,496	\$2,399	\$1,265	\$228	1.9x	10.5x
Vimian Group AB	\$2.37	438	\$1,037	\$1,411	\$331	\$96	4.3x	14.7x
Zoetis, Inc. Class A	\$172.21	460	\$79,271	\$84,370	\$8,222	\$3,450	10.3x	24.5x
Weighted Average							6.3x	20.4x

Source: FactSet

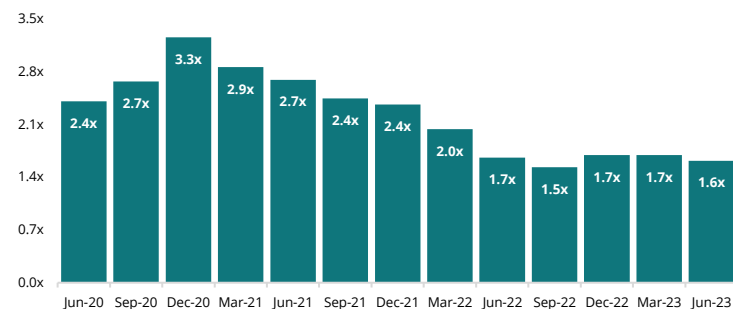
Public Comparables

Pet Retail

Pet Retail | Weighted Average EBITDA Multiples



Pet Retail | Weighted Average Revenue Multiples



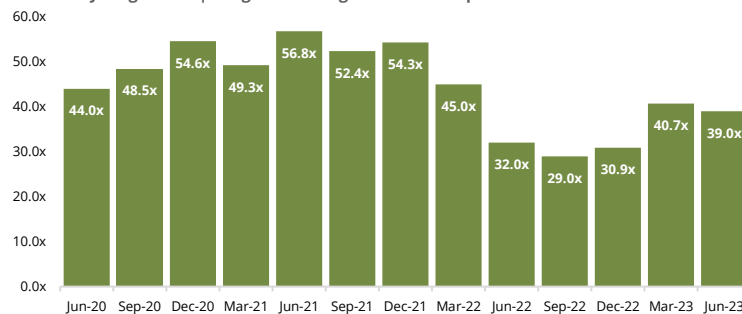
Company \$USD in Millions	Share Price	Shares O/S	Market Cap	Enterprise Value	Revenues (LTM)	EBITDA (LTM)	Enterprise Value /	
							Revenues	EBITDA
Boqii Holding Ltd. Sponsored ADR Class A	\$1.67	13	\$21	\$35	\$159	(\$5)	0.2x	NM
Chewy, Inc. Class A	\$39.47	116	\$4,588	\$16,596	\$10,455	\$201	1.6x	82.6x
Musti Group Oyj	\$19.52	34	\$655	\$813	\$436	\$72	1.9x	11.2x
Pet Valu Holdings Ltd.	\$22.97	71	\$1,632	\$2,133	\$760	\$153	2.8x	14.0x
Pet Center Comercio e Participacoes	\$1.36	462	\$631	\$837	\$598	\$86	1.4x	9.7x
Petco Health & Wellness Company, Inc. Class A	\$8.90	229	\$2,040	\$5,257	\$6,116	\$437	0.9x	12.0x
PetMed Express, Inc.	\$13.79	21	\$292	\$232	\$265	(\$2)	0.9x	NM
Tractor Supply Company	\$221.10	109	\$24,057	\$28,337	\$14,761	\$1,851	1.9x	15.3x
Weighted Average							1.6x	19.4x

Source: FactSet

Public Comparables

Veterinary Diagnostics

Veterinary Diagnostics | Weighted Average EBITDA Multiples



Veterinary Diagnostics | Weighted Average Revenue Multiples



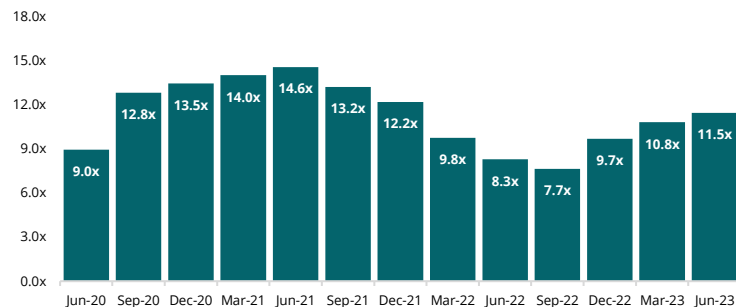
Company \$USD in Millions	Share Price	Shares O/S	Market Cap	Enterprise Value	Revenues (LTM)	EBITDA (LTM)	Enterprise Value /	
							Revenues	EBITDA
BioNote, Inc.	\$3.45	102	\$352	(\$125)	\$100	(\$22)	NM	5.6x
IDEXX Laboratories, Inc.	\$502.23	83	\$41,691	\$42,735	\$3,514	\$1,147	12.2x	37.2x
Neogen Corp	\$21.75	216	\$4,705	\$5,355	\$822	\$126	6.5x	42.5x
Zomedica Corp	\$0.20	980	\$196	\$67	\$23	(\$21)	3.0x	NM
Weighted Average							10.8x	39.0x

Source: FactSet

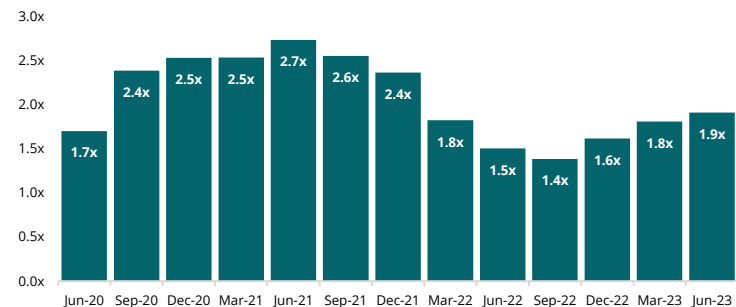
Public Comparables

Veterinary Services

Veterinary Services | Weighted Average EBITDA Multiples



Veterinary Services | Weighted Average Revenue Multiples



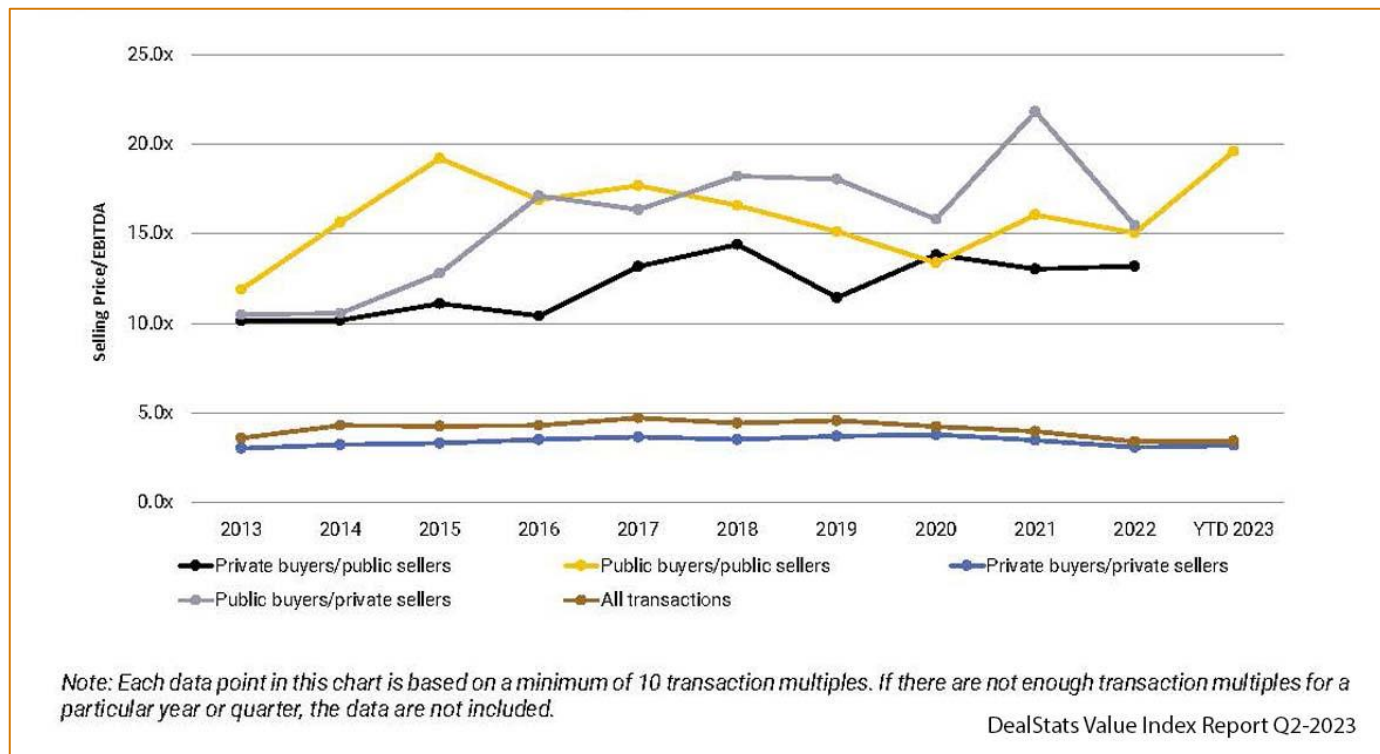
Company \$USD in Millions	Share Price	Shares O/S	Market Cap	Enterprise Value	Revenues (LTM)	EBITDA (LTM)	Enterprise Value /	
							Revenues	EBITDA
Apiam Animal Health Ltd.	\$0.34	180	\$61	\$120	\$122	\$14	1.0x	8.8x
CVS Group plc	\$25.16	71	\$1,797	\$1,982	\$710	\$125	2.8x	15.9x
Japan Animal Referral Medical Center Co., Ltd.	\$12.56	3	\$36	\$51	\$28	\$7	1.8x	7.8x
Pets At Home Group Plc	\$4.79	479	\$2,295	\$2,736	\$1,690	\$282	1.6x	9.7x
Weighted Average							1.9x	11.5x

Source: FactSet

Public vs. Private Comparables

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.





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.



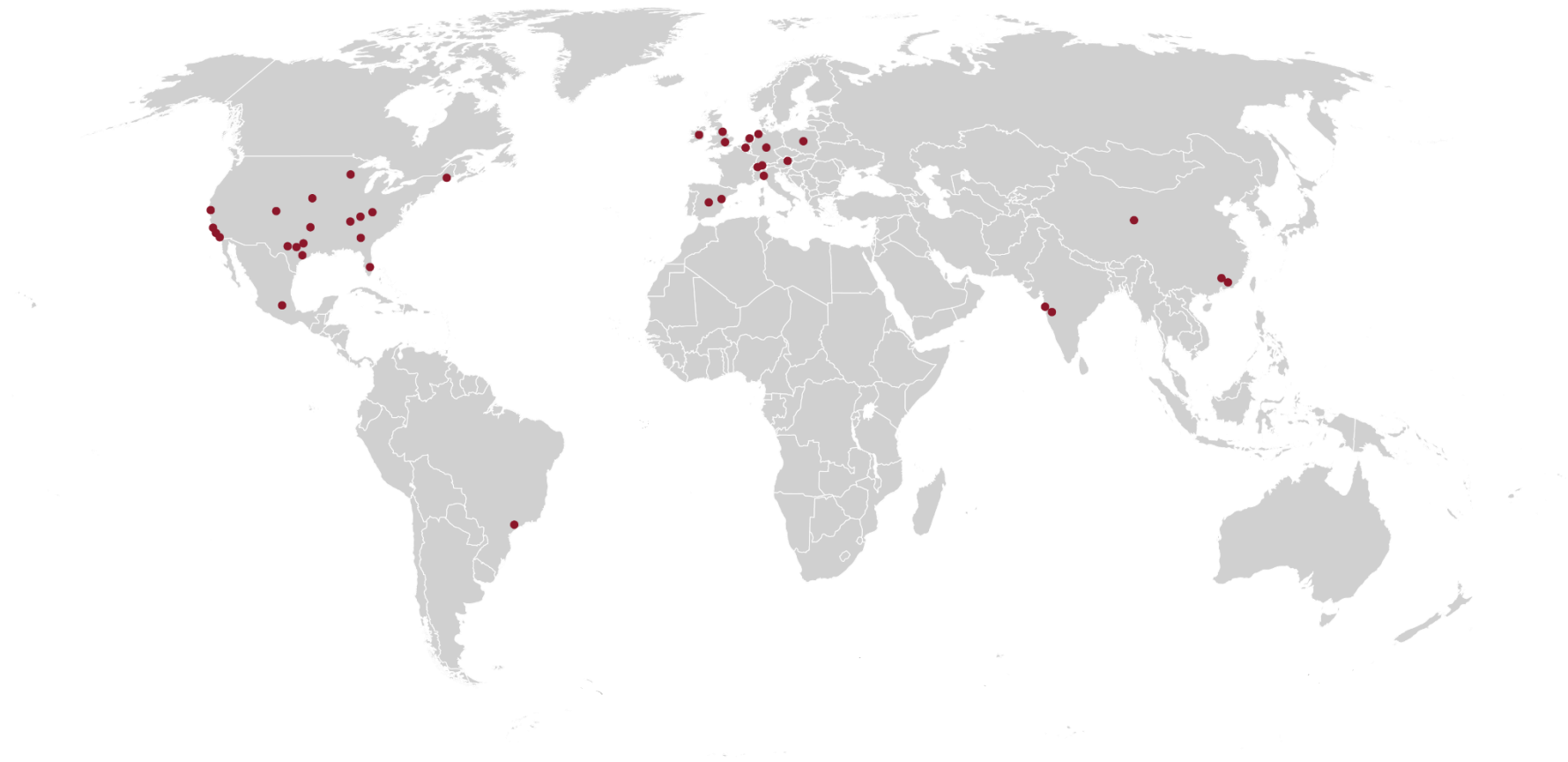
Business Valuation

"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.

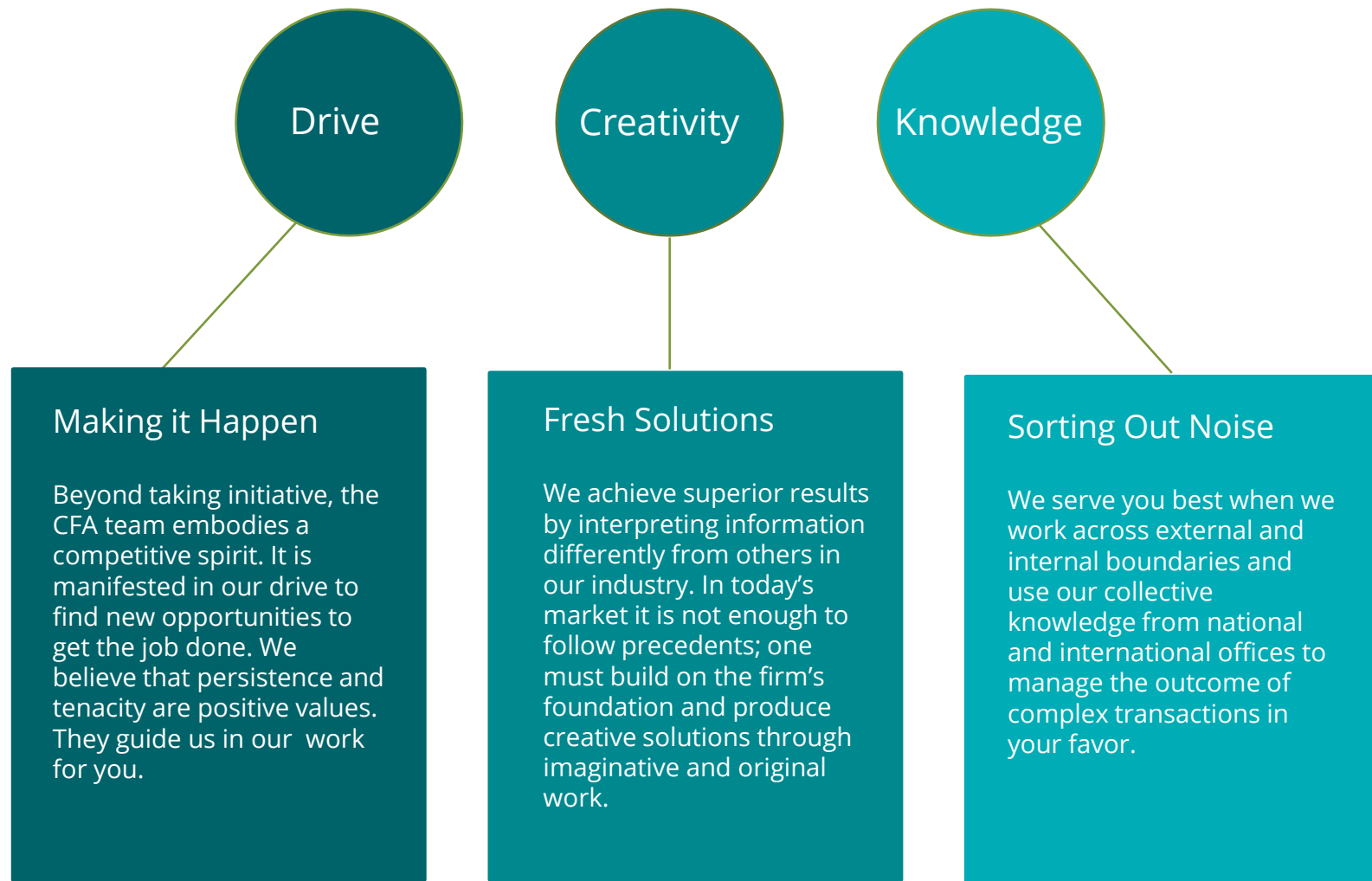
Local Service, Global Reach

Where We Are

With offices across the USA and in Austria, Belgium, Brazil, Germany, Hong Kong, India, Ireland, Italy, Mexico, Netherlands, Poland, 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.

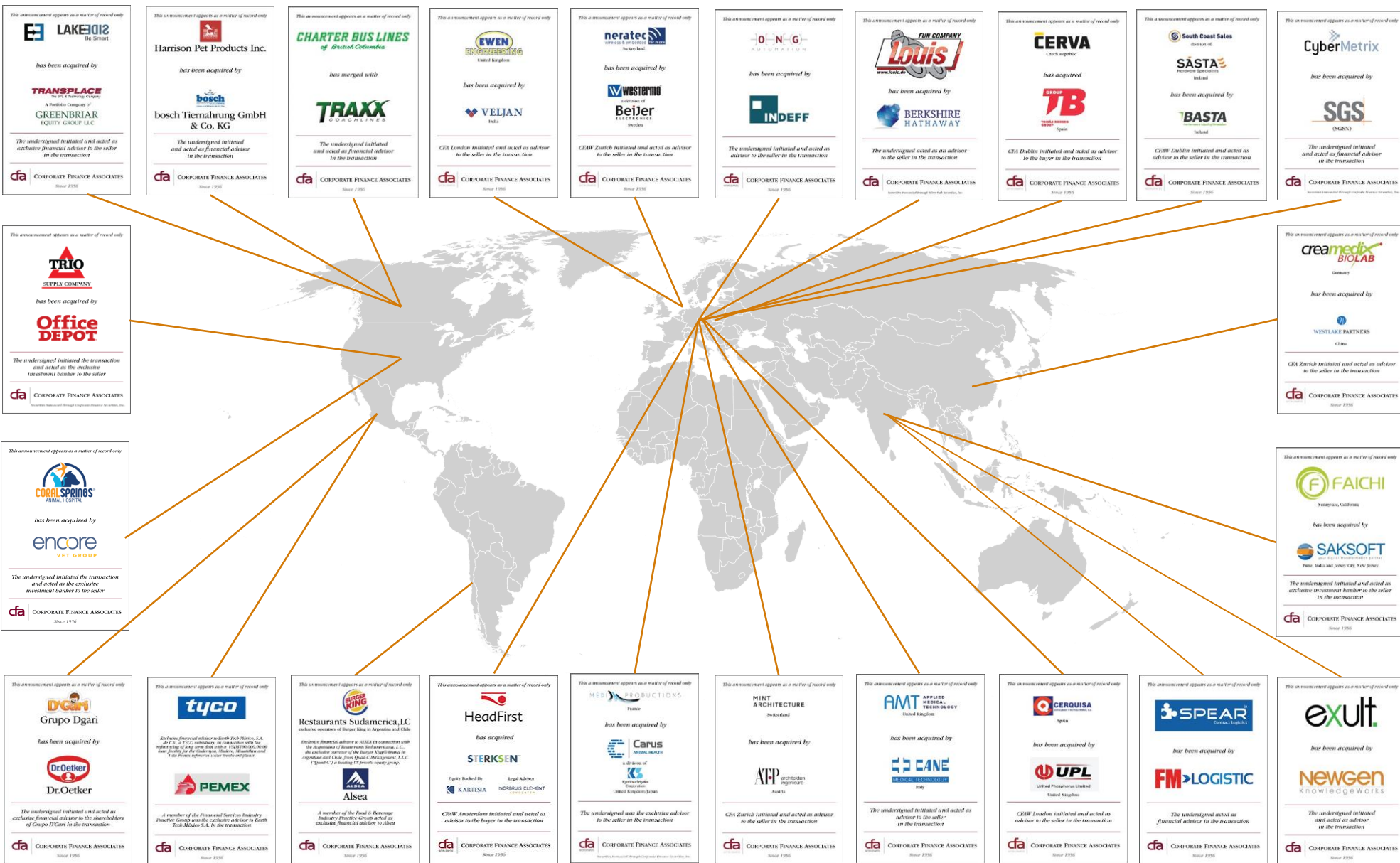


Delivering Results



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
- Veterinary Diagnostics
- Pet Pharmaceuticals and Medical Devices
- Pet Consumer Products and Services
- Retail
- Distribution

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
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



has been acquired by



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



Securities transacted through Corporate Finance Securities, Inc.

This announcement appears as a matter of record only



has been acquired by



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



Since 1956

This announcement appears as a matter of record only



has been acquired by



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



Since 1956

This announcement appears as a matter of record only



has received an investment from



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



Securities transacted through Corporate Finance Securities, Inc.

This announcement appears as a matter of record only



has been acquired by



The undersigned initiated and acted as financial advisor in the transaction



Securities transacted through Corporate Finance Securities, Inc.

This announcement appears as a matter of record only



has been acquired by



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



Since 1956

This announcement appears as a matter of record only



Harrison Pet Products Inc.

has been acquired by



bosch Tiernahrung GmbH & Co. KG

The undersigned initiated and acted as financial advisor in the transaction



Since 1956

This announcement appears as a matter of record only



has been acquired by

Private Investor

The undersigned initiated and acted as financial advisor in the transaction



Since 1956