

Q2-2019 Veterinary Services Update



Market Update

Driven by increased consumer spending and favorable market growth, the veterinary services market continues to be an area of focus for both private equity investors and publicly traded companies. The second quarter began with RiverGlade Capital's first investment into the veterinary services market with CityVet, a leading veterinary services platform operating through a network of 13 facilities across Texas and Colorado. Following RiverGlade's investment, JAB Holding Company (JAB) announced their second acquisition of 2019 in agreeing to acquire National Veterinary Associates (NVA), one of the world's largest veterinary service organizations which operates over 600 hospitals across the United States and abroad. The completion and successful integration of NVA makes JAB one of the largest veterinary service consolidators, competing directly beside the heavily acquisitive Mars, Incorporated. Additionally, within the Animal Health Products vertical, Elanco Animal Health agreed to acquire Aratana Therapeutics for \$245 million and PetIQ has agreed to acquire Perrigo Animal Health for \$185 million. As private equity investors continue to search for partnership opportunities within the veterinary service market, add-on acquisition activity is expected to outpace new market entrants as investors continue to deploy a buy and build strategy.

Publicly Announced Transactions



Select Transactions:

| Month | Acquirer | Target | Target Subsector | Target Headquarters | Locations |
|------------|-----------------------------------|-------------------------------------|-------------------------------------|--------------------------|-----------|
| April 2019 | RiverGlade Capital | CityVet | Veterinary Animal Hospital & Clinic | Dallas, Texas | 13 |
| April 2019 | Elanco Animal Health (NYSE: ELAN) | Aratana Therapeutics (Nasdaq: PETX) | Animal Health Products | Leawood, Kansas | 1 |
| May 2019 | PetIQ (Nasdaq: PETQ) | Perrigo Animal Health | Animal Health Products | Dublin, Ireland | 1 |
| June 2019 | JAB Holding Company | National Veterinary Associates | Veterinary Animal Hospital & Clinic | Agoura Hills, California | 670 |

Provident Industry Coverage Team

Ajeya Shekar
Vice President
ashekar@providenthp.com
(617) 226-4251

Kyle Daly
Analyst
kdaly@providenthp.com
(617) 226-4299