

Q1-2017 Veterinary Industry Update



Market Update

Veterinary medicine has begun to undergo significant consolidation over the past several quarters as large networks of veterinary clinics and hospitals continue to expand by offering support in back office functions, marketing, and other non-clinical facets to owners of independent practices. While total transaction volume was relatively light in the first quarter of 2017 compared with recent quarters, a landmark transaction was announced in Mars, Inc.'s acquisition of VCA, Inc., which will combine the two largest U.S. operators of veterinary clinics and hospitals. In addition, another veterinary practice management company accepted an equity investment, as PetWell Partners LLC raised \$12.6 million in January to assist expansionary efforts.



SELECT TRANSACTIONS:

Month	Acquirer	Target Company	Details
March 2017	VetCor	Fishing Creek Veterinary Clinic & Berwick Veterinary Care Center	VetCor, a portfolio company of Harvest Partners and Cressey & Co., has partnered with Fishing Creek Veterinary Clinic and Berwick Veterinary Care Center. Both practices are located in the Columbia County, Pennsylvania area and were founded by Dr. John Shonis.
February 2017	Innovative Petcare	Sun Dog Cat Moon Veterinary Clinic	Innovative Petcare, a private equity-backed network of veterinary clinics and hospitals, has expanded into South Carolina through the acquisition of Sun Dog Cat Moon Veterinary Clinic. Through this acquisition, Innovative Petcare, which is a portfolio company of private equity firm prospect partners, now operates through 11 sites throughout the U.S.
January 2017	Southern Veterinary Partners	Murrayville Veterinary Clinic & Inman Park Animal Hospital	Southern Veterinary Partners, a veterinarian owned and operated regional network of animal hospitals, expanded their geographic footprint to Georgia by acquiring Murrayville Veterinary Clinic and Inman Park Animal Hospital. These two additions mark the 17th and 18th hospitals to join the network of animal hospitals at Southern Veterinary Partners.
January 2017	Undisclosed Investors	PetWell Partners LLC	PetWell Partners LLC (PetWell), a Houston-based veterinary practice management company, has raised \$12.6 million in equity capital from a variety of high net worth investors. PetWell's current market footprint includes approximately 20 facilities in three states, however, each partner clinic and hospital retains its brand name and culture. Prior to this most recent round of funding, the Company had raised \$9.6 million in funds.
January 2017	Mars Inc.	VCA Inc. (Nasdaq: WOOF)	Mars Inc. has announced its intent to acquire VCA Inc. (VCA), which will bring together the two largest providers of veterinary services in the United States. The transaction will add VCA's national network of veterinary hospitals and clinics to the Mars, Inc. family of companies that currently includes Banfield Pet Hospitals, BluePearl, and Pet Partners. This deal has been valued at \$93 per share, which translates to a total enterprise value of \$9.1 billion.