

Q2-2018 Veterinary Services Update



Market Update

Veterinary Services has continued to remain an area of interest for many investors looking to deploy a “buy and build” strategy. Due to heavy market fragmentation, investors can quickly gain scale by leveraging capital resources from private equity investors to acquire emergency, specialty and general practices. Despite increasing investor interest, there are only a few quality platforms in the sector creating high valuations for operators of a sizeable practice. Southern Veterinary Partners was the most active group this quarter completing two investments during the month of May. We continue to see an evolving number of new consolidators emerging as the available options for veterinarian shareholders seeking improved infrastructure and personal liquidity drives transaction trends forward throughout the remainder of 2018.

Select Transactions:

Private Equity-Backed Consolidators

Company	Private Equity Partner
American Veterinary Group	LatticeWork Capital Management
Community Veterinary Partners	Cortec Group
Innovetive Petcare	Prospect Partners
MedVet Associates	Stonehenge Partners
Southern Veterinary Partners	Shore Capital Partners
National Veterinary Associates	Ares Management
Pathway Partners	Morgan Stanley Private Equity
PetVet Care Centers	KKR & Co.
VetCor	Cressey & Co., Harvest Partners, Oak Hill Capital
Veterinary Practice Partners	Pamlico Capital

Month	Acquirer	Target	Buyer – Private Equity Partner	Target Headquarters	Total Locations
May 2018	Southern Veterinary Partners	Tender Paws Animal Hospital	Shore Capital Partners	Conroe, Texas	1
May 2018	Southern Veterinary Partners	Crossroads Animal Hospital	Shore Capital Partners	Newnan, Georgia	1
May 2018	Zoetis, Inc.	Abaxis, Inc.	N/A	Union City, California	4
June 2018	Mars Petcare's Veterinary Health Group	The Linnaeus Group	N/A	Shirley, United Kingdom	87
June 2018	Oak Hill Capital	VetCor Group Holdings	Cressey & Co. and Harvest Partners	Tampa, Florida	272

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