

Q4-2018 Veterinary Services Update



Market Update

The veterinary services market continues to see increased interest from private equity investors looking to deploy a “buy-and-build” strategy. Heavy market fragmentation coupled with private pay revenue streams and a low-risk business model has attracted many investors looking to scale quickly by acquiring independent, regional practices. Despite historically high valuations, the sector continues to see an inflow of private capital from new investors. New market entrants have begun creating new investment opportunities by opening their own practice and expanding de novo. Provident expects to see increased consolidation activity throughout 2019 as many independent practices begin to explore the opportunities available to them through a partnership with a private equity investor or private equity backed consolidator.

Publicly Announced Transactions



Select Transactions:

Month	Acquirer	Target	Target Subsector	Target Headquarters	Locations
December 2018	Southern Veterinary Partners /Shore Capital Partners	Dodd Animal Hospital	Veterinary Hospital	San Antonio, Texas	1
December 2018	Henry Schein, Inc. (Nasdaq: HSIC)	Vets First Choice	Technology-Enabled Practice Software	Melville, NY	25
November 2018	Chicago Pacific Founders	SAGE Centers for Veterinary Specialty and Emergency Care	Veterinary Animal Hospital & Clinic	Campbell, CA	4
November 2018	Southern Veterinary Partners /Shore Capital Partners	Vestavia Animal Clinic	Veterinary Clinic	Vestavia, AL	1
October 2018	Independent Vetcare	Derbyshire Veterinary Services	Veterinary Clinic	Derbyshire, U.K.	3

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