

Q3-2020 Veterinary Services Update

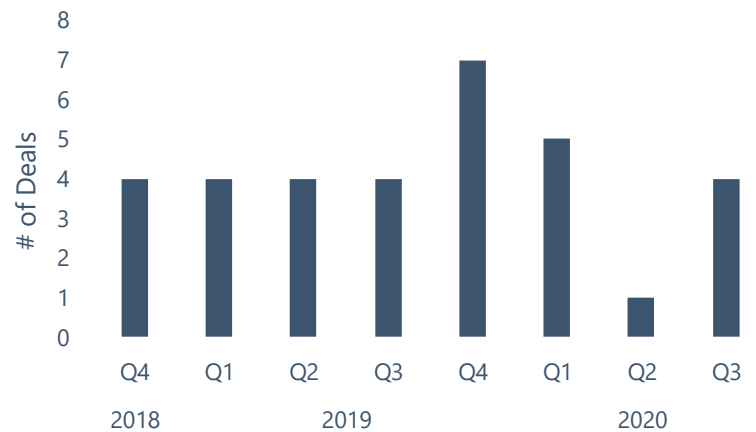
Market Update

Transaction activity in the veterinary services sector has seen a healthy recovery after deal volume stalled earlier in 2020 due to COVID-19 and mandatory stay-at-home orders across the country. The subdued impact of COVID-19 has confirmed the long-held beliefs that the veterinary services sector is one of the more resilient sectors to turbulent economic conditions. Increased pet ownership coupled with many Americans continuing to work from home has created a surge in wellness visits and surgical procedures for many veterinarians.

There were several significant transactions that took place during the third quarter, most notable was Berkshire Partners acquisition of VetStrategy with a deal value of over \$1.4 billion. Compassion-First expanded their presence in the Northeastern U.S. with their acquisition of Long Island Veterinary Specialists, further solidifying their presence across 12 states with 43 specialty and emergency veterinary hospitals. PetVet Care Centers, backed by KKR, announced a definitive agreement to

acquire MAVANA, Inc. MAVANA, which was founded in 2016 through a merger of 21 mixed animal veterinary practices, has expanded to provide services across 34 facilities in 13 states. With MAVANA's existing shareholder base rolling over a significant portion of capital, PetVet's presence will expand to over 270 locally-branded animal hospitals. Trilantic Capital Management announced a minority investment in Rarebreed Veterinary Partners, a technology-enabled veterinary services platform based out of Portland, Maine. Despite general pandemic concerns in the public markets, Provident expects to see stable transaction activity in the veterinary service sector throughout the remainder of 2020.

Publicly Announced Transaction Activity



Select Transactions:

Month	Acquirer	Target	Target Subsector	Target Headquarters	Locations
September	Trilantic Capital Management L.P.	Rarebreed Veterinary Partners	Veterinary Animal Hospital & Clinic	Portland, Maine	17
August	Compassion-First Pet Hospitals	Long Island Veterinary Specialists	Veterinary Animal Hospital & Clinic	Long Island, New York	1
August	PetVet Care Centers	MAVANA, Inc.	Veterinary Animal Hospital & Clinic	Las Vegas, Nevada	34
July	Berkshire Partners	VetStrategy	Veterinary Animal Hospital & Clinic	Woodbridge, Ontario	160+

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