

Market Update

The veterinary services space continues to exhibit consistent trends of consolidation driven by a sizeable and rapidly growing pet population. Recent M&A activity within the industry has been characterized by the acquisitions of single-site, multi-vet care centers and hospitals by large platforms or strategic consolidators. The second quarter of 2022 was no exception as several small providers were targets of private equity rollup initiatives. With access to freely deployable private capital, these platforms continue to acquire small industry participants as they chase national scale.

While the frequency of single-site add-on acquisitions has accelerated over the last few years, a recent large-scale add-on caught the attention of the Federal Trade Commission. National Veterinary Associates' June acquisition of SAGE Veterinary Centers resulted in the FTC ordering the group to divest several of its assets due to anti-competitive market share in certain regions. Although the deal was met by reluctance, Provident is confident that deal volume within veterinary space will sustain its growth on the heels of increased demand for veterinary services and rising pet ownership rates.

Select Transactions

Date	Target	Acquirer	Sponsor	Target HQ	Deal Description
June			Revelstoke Partners	MA	In an acquisition of Vet's Best Friend, Rarebreed gained an additional 47 clinics on the East Coast, making it one of the nation's largest veterinary platforms
June			JAB Holding Co.	CA	NVA's acquisition of SAGE Veterinary Services adds an additional 16 clinics to the group's 1,150 location arsenal, building market share along the West Coast and Texas while strengthening its emergency care capabilities
May			KKR	MI	PetVet's acquisition of Snider Veterinary Services expands the platform's Midwest presence with an additional veterinary hospital serviced by three DVMs (Doctor of Veterinary Medicine) in Michigan
May			N/A	CA	In acquiring Vet's Here, BetterVet made its largest corporate transaction to date, providing additional mobile veterinary care services Southern California

Notable Transaction



In late June, Rarebreed announced its acquisition of Vet's Best Friend. The Massachusetts based veterinary group adds 47 new clinics to the Rarebreed portfolio, now consisting of 71 total service centers. The acquisition cements Rarebreed as a dominant veterinary solutions provider along the East Coast, and as one of the largest groups in the nation. Rarebreed and Vet's Best Friend operate on highly aligned missions to provide superior financial and developmental support for the veterinarians and professionals that run their animal clinics and hospitals.

Since both veterinary groups were platforms for Revelstoke Capital Partners previously, the providers will mesh seamlessly under the Rarebreed umbrella as they work to streamline back-office and administrative functions. Provident expects the Rarebreed team to continually entertain single and multi-site add-on acquisition opportunities over the next several years to maintain its current positioning.

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