

Market Update

Despite a slowdown in consolidation activity across the veterinary services sector in the latter half of 2022, primarily driven by macroeconomic headwinds and uncertain market conditions, the sector continues to exhibit strong valuation multiples relative to other healthcare services sub-verticals. Service providers continually benefit from a large and growing population of pets, aided by continued employee preference for COVID-aided work from home arrangements, providing ample headwinds to support continued growth in this market. An estimated 70%+ of US households own a pet, with growing “humanization” contributing to increased spend on veterinary services. As the US faces an uncertain economic outlook in 2023, the veterinary services sector could see an uptick in investor interest due to its status as more recession proof than other sectors.

Despite the fury of M&A activity over the last 3-5 years, there remains 20k+ independent veterinary practices nationwide, exhibiting the fragmentation in this market and persistent opportunity for private equity backed platforms to consolidate veterinary care to benefit from a broader market footprint and increased economies of scale.

Select Transactions



November 2022

AmeriVet Veterinary Partners, a San Antonio, TX based veterinary practice backed by large-cap private equity fund AEA Investors, has acquired Northeast Veterinary Partners (“NVP”). NVP exhibits a meaningful footprint in Northern New England with 14 clinics across Maine, Massachusetts, New Hampshire and Vermont.

The acquisition marks the first time in AmeriVet’s history that it has purchased another veterinary services consolidator, creating a combined organization with a national footprint and meaningful economies of scale. AmeriVet was anticipating expanding to over 200+ locations and \$375M revenue by 2022 year-end. The combined platform has clear sightline to continue that growth into 2023 as the Company looks to build upon its inorganic growth playbook to push into new geographies.



December 2022

Small Door Veterinary, an innovative, membership model based veterinary provider, completed a \$40M Series B fundraising led by an undisclosed, publicly-traded private equity firm and a consortium of other investors including C&S Family Capital and FS Investors. The deal marks a shift in the veterinary M&A landscape away from traditional platforms and towards tech-enabled, innovative organizations that are well-positioned to succeed in the next generation of animal care.

Small Door currently generates ~\$10M revenue across its 5 locations spread across the Northeast, with plans to open another 5 locations in the next several months. The Company’s membership model has gained favor with pet owners due to its expedited process allowing appointments to be scheduled faster than at traditional veterinary offices at a flat rate.

Provident Industry Coverage Team

Dustin Thompson
Director

dthompson@providenthp.com
(617) 226-4267

Brendan Schroeder
Associate

bschroeder@providenthp.com
(617) 226-4207