

VetPartnersTM

For the good of the profession.

A NONPROFIT ASSOCIATION OF VETERINARY BUSINESS SPECIALISTS
Marketing | HR | Valuation | Finance | Legal | Practice Management | and more

VetPartners.org

*INSIGHTS AND
TRENDS IN
CORPORATE
CONSOLIDATION*

PANEL

Greg O'Brien
O'Brien Veterinary
Group

Eric Smith
National Veterinary
Associates

David Strauss
PetWell Partners

Trey Cutler
The Cutler Law Firm
Moderator

Consolidator

North America Locations

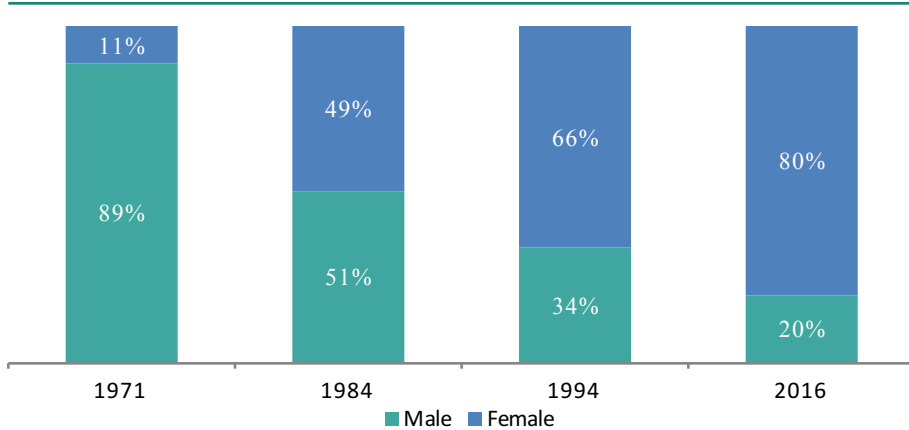
Banfield *	1009+
VCA (includes AVC-Canada)	818+
Pet Partners	87
CAPNA	84
Blue Pearl	67
Legacy Vet (a division of Banfield)	9
National Veterinary Associates	511
VetCor	300
Pathway Partners	170
PetVet	155
Blue River PetCare	82
Southern Veterinary Partners (SVP)	65
Community Veterinary Partners (CVP)	56
Veterinary Practice Partners (VPP)	53
Compassion First (VSNA)	38
PetWell Partners	35
Midwest Veterinary Partners (MVP)	33
Lakefield Veterinary Group	32
Mavana (Equine)	28
Animal Dermatology Clinic (ADC)	27
WellHaven Pet Health	26
Vital Pet	25
Heartland Veterinary Partners	25
MedVet	24
Vets Pets	23
Alliance Animal Health	22
Ethos	17
People, Pets & Vets (PPV)	16
Innovetive Petcare	14
O'Brien Veterinary Group	13
American Veterinary Group	12

Owned by Mars

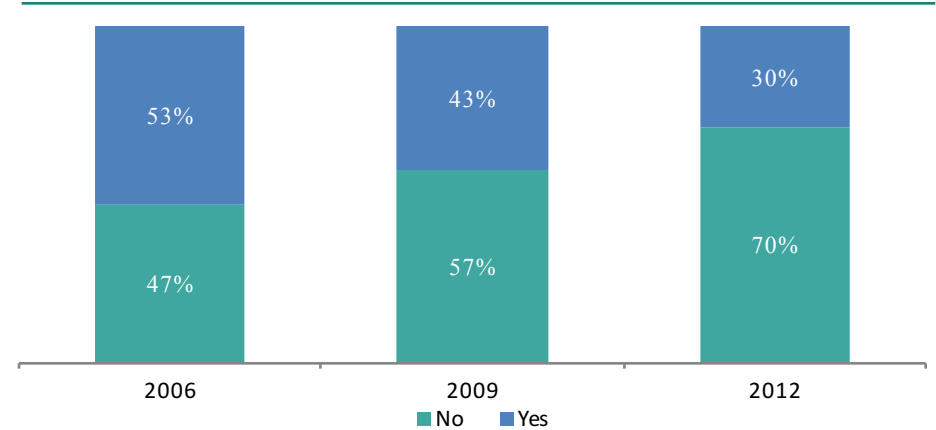
Natural and Generational Evolution of Veterinarians

Consolidation is expected to be driven by a powerful demographic shift (age of owners, male / female mix, etc.) and a declining propensity / aspiration to own a practice as well as the economic disadvantages of a single-site hospital

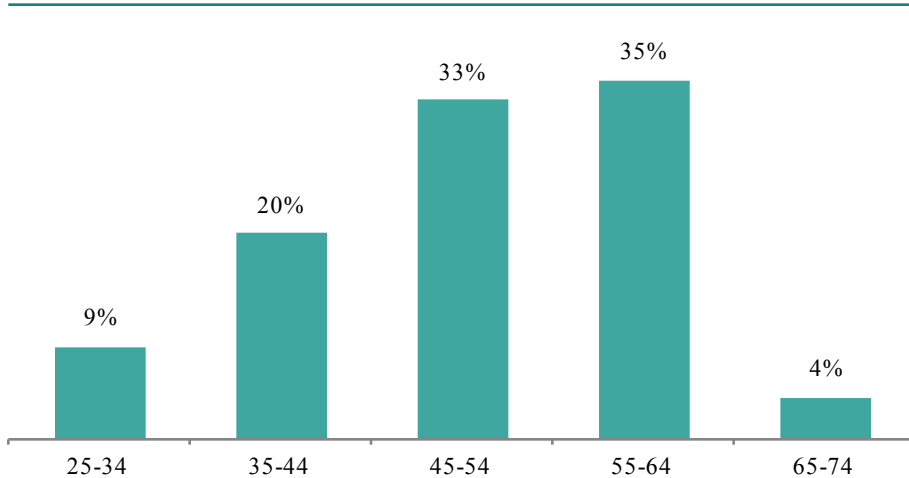
Significant Demographic Shift Among Veterinarians
New Graduate Demographics



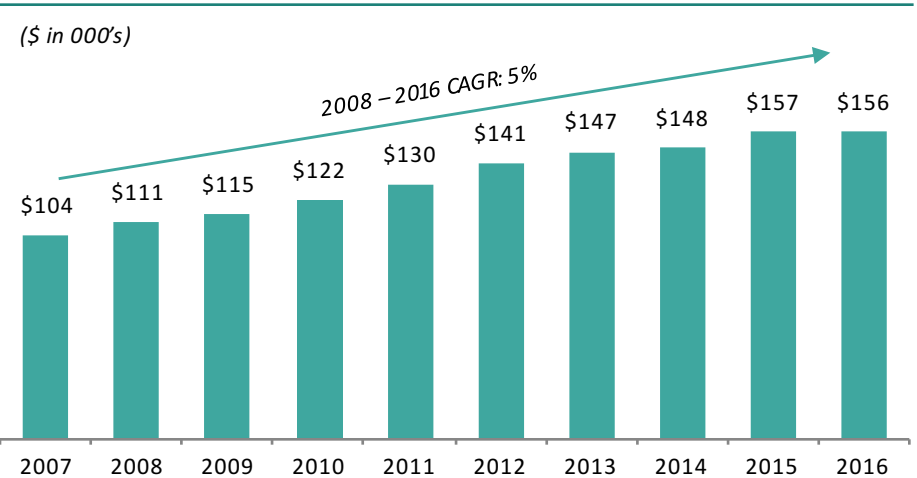
Practice Ownership Aspirations Declining
Q: Is veterinary practice ownership one of your aspirations?



Hospital Owners Aging
Age of Veterinary Hospital Owners



New Vets Graduate with Significant Indebtedness
Average Debt for Recent Graduates



AVMA VETERINARY CAREER CENTER SEASONALLY ADJUSTED MONTHLY NUMBER OF JOBS AND APPLICANTS



Source: AVMA VCC

From JAVMA 12/15/08

A Baseball Framework for Sector Maturation (*Harris Williams 2018*)

Innings 1-3

- Mix of independent and small, newly created sponsor-backed platforms
- Early stage M&A activity paired with de novo strategy to complement growth
- Investment in
 - Management
 - Basic infrastructure



Innings 4-6

- Focus on building scalable platforms
- Invest in infrastructure to support rapid expansion
- Bolster management teams
- Drive operational improvements
- Dramatically improve the relative growth rate

Innings 7-9

- Generally only a few large platforms in the space
- Organic growth initiatives
- Leverage scale to maximize portfolio
- Optimization gains
- Shift focus towards improving the customer experience

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