

M&A Update

Animal Health

September 2020

Key Highlights

M&A in the United States

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M&A in the Animal Health Sector

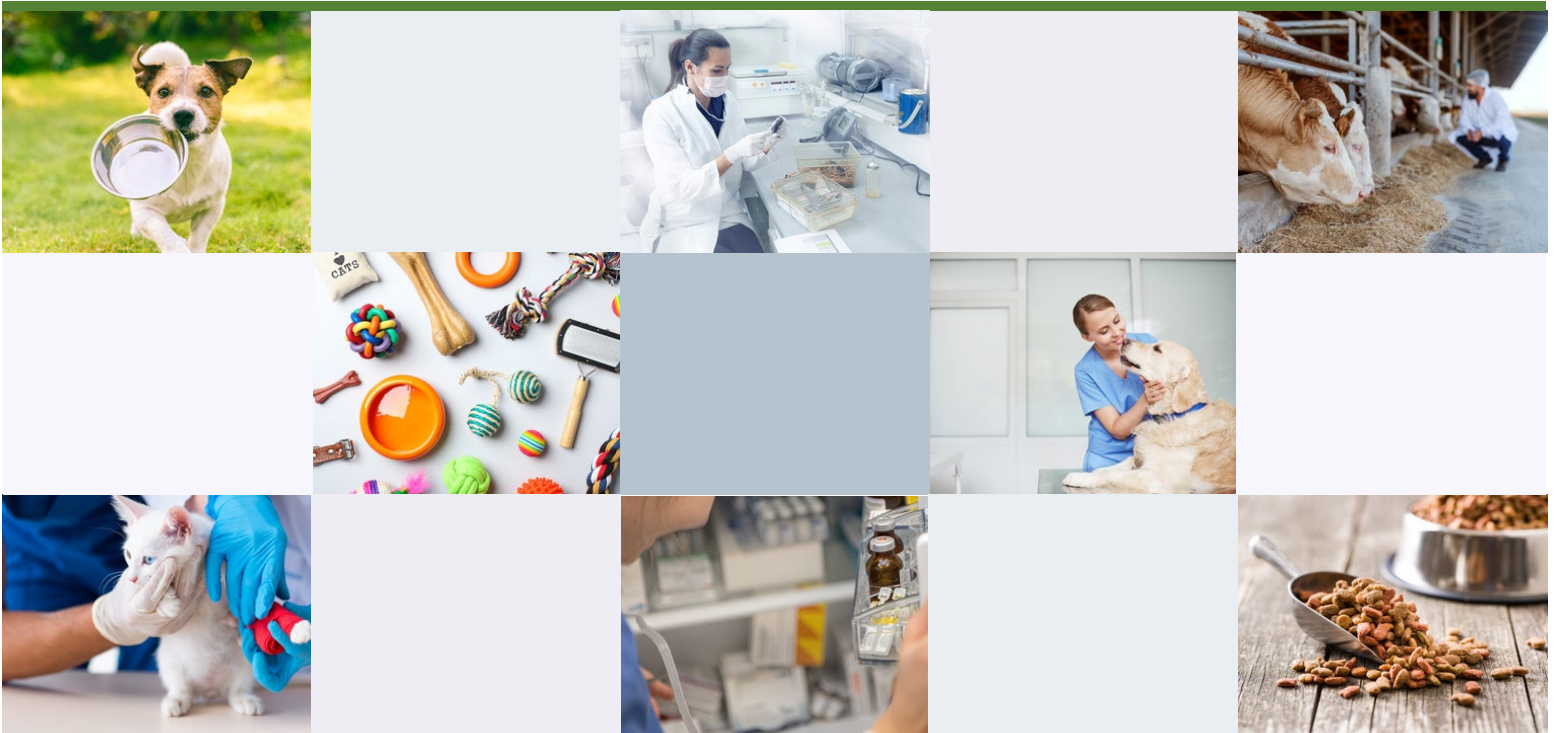
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Notable Transactions

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Public Markets

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M&A in the United States

Deal Activity & Valuations

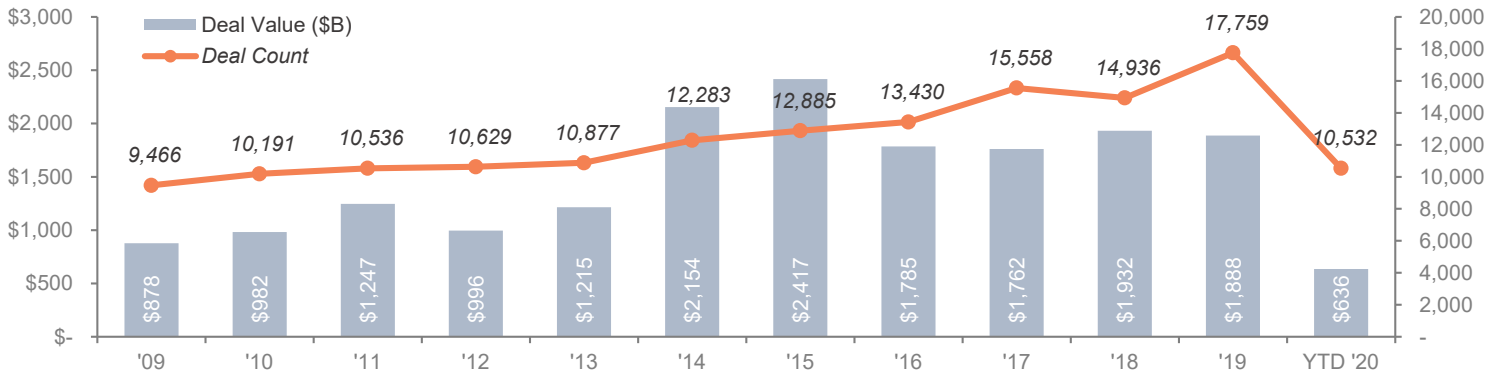
Deal Activity

Mergers and acquisitions activity through the end of the third quarter of 2020 fell 20% on a year-over-year basis as the economic effects of the coronavirus pandemic continue to influence deal activity in the United States. Additionally, total deal value continues to decline as acquirers have developed a more cautious approach to the deployment of capital, given the vast uncertainties surrounding the pandemic.

10,532 M&A Deals	\$0.6 Trillion Deal Value
▼ 20% YoY decline	▼ 55% YoY decline

Total M&A Deal Volume & Value in the United States

\$ in Billions; Year to date through September 30, 2020



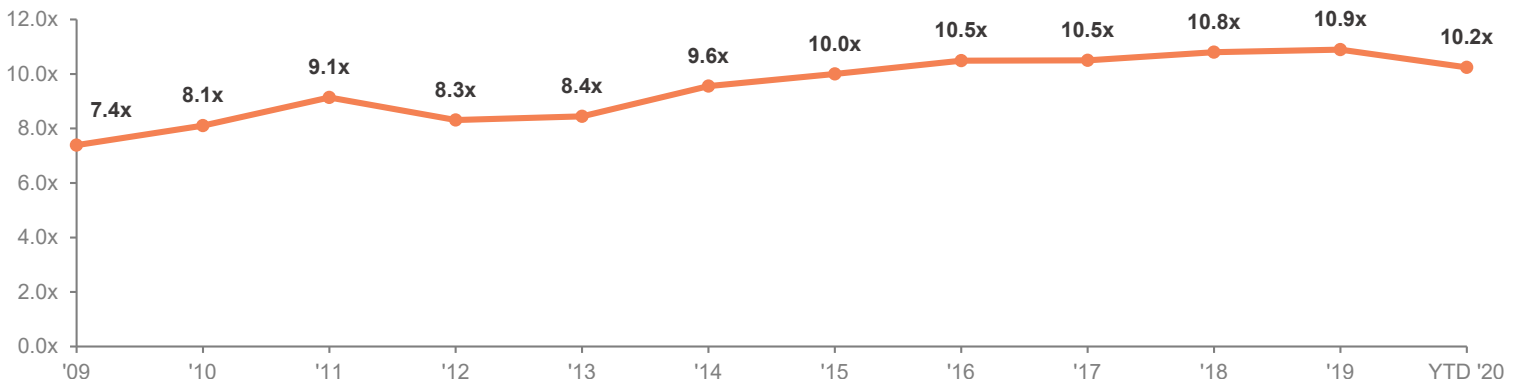
Valuations

Given the complexity of accurately valuing assets in the current coronavirus environment as well as the overall uncertainty surrounding the market, acquirers have creatively modified transaction structures resulting in less cash at close while maintaining relatively high valuation multiples.

10.2x	10.5x
Current Median EV / EBITDA	5-Year Median EV / EBITDA

Median Enterprise Value (EV) / EBITDA Valuation Multiple

Only includes transactions with disclosed financial terms; Year to date through September 30, 2020



Sources: S&P Capital IQ, Pitchbook, IMAA Institute, CCCA Research

Definitions: YoY = Year-over-year; Enterprise Value = Market Cap + Debt - Cash; EBITDA = Earnings Before Interest, Taxes, Depreciation & Amortization

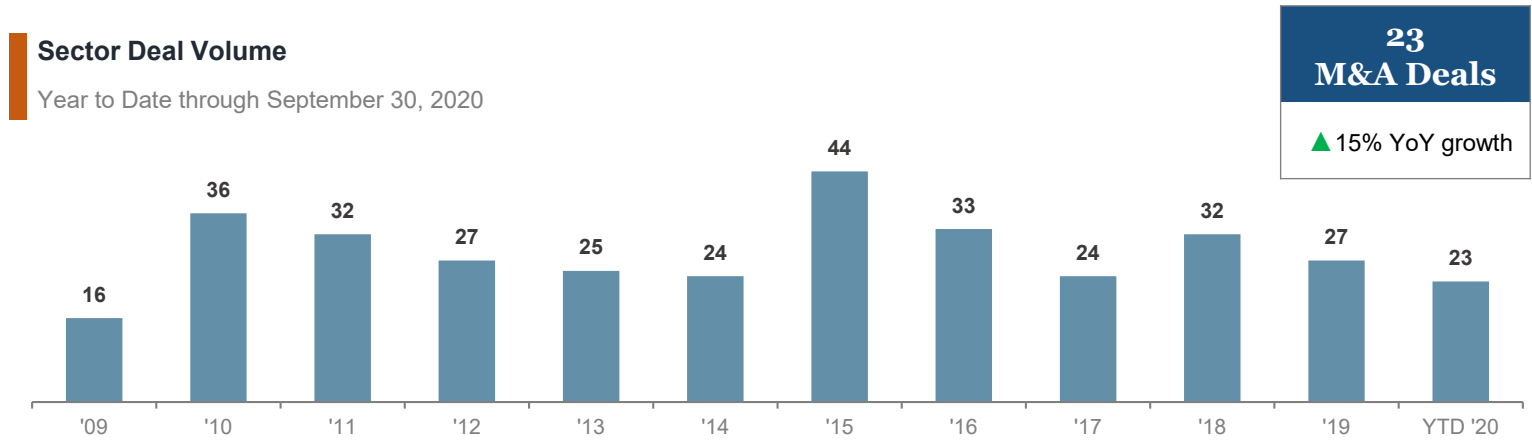
M&A in the Animal Health Sector

Sector Snapshot

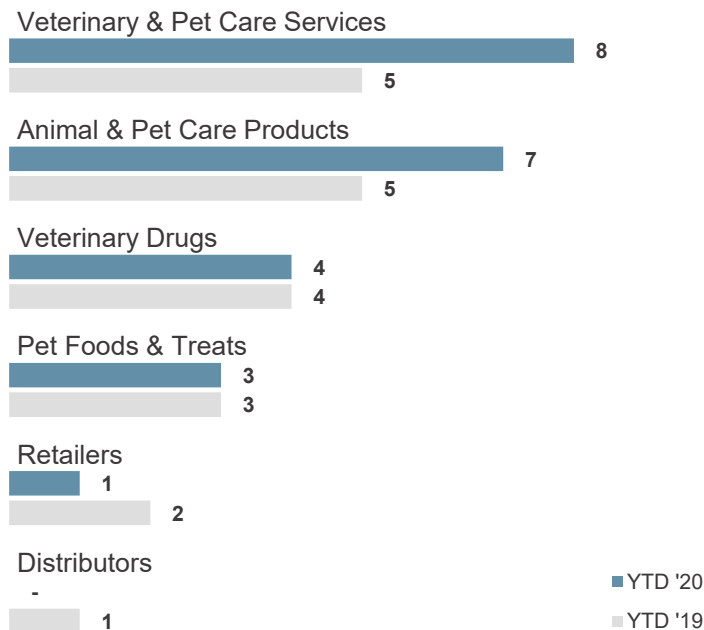
Industries in the U.S. Animal Health Sector

Animal Health, Care & Food Products	Veterinary & Pet Care Services
<ul style="list-style-type: none"> Veterinary Drugs Online & Store Retailers Distributors 	<ul style="list-style-type: none"> Animal & Pet Care Products Pet Foods & Treats Veterinary Services Veterinary Equipment

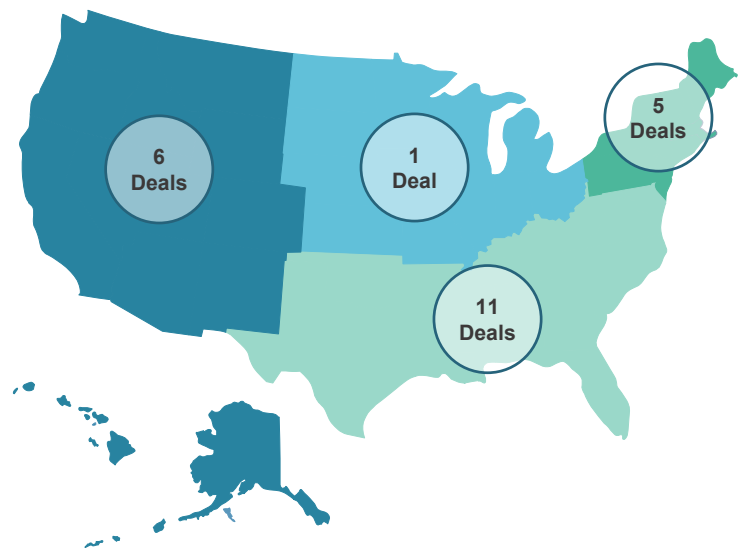
Sector M&A Deal Volume



M&A Deal Volume by Industry



M&A Deal Volume by U.S. Region



Sources: S&P Capital IQ, Pitchbook, IMAA Institute, CCCA Research
Definitions: YoY = Year-over-year

M&A in the Animal Health Sector

Notable Deals & Buyer Mix

Notable Deals

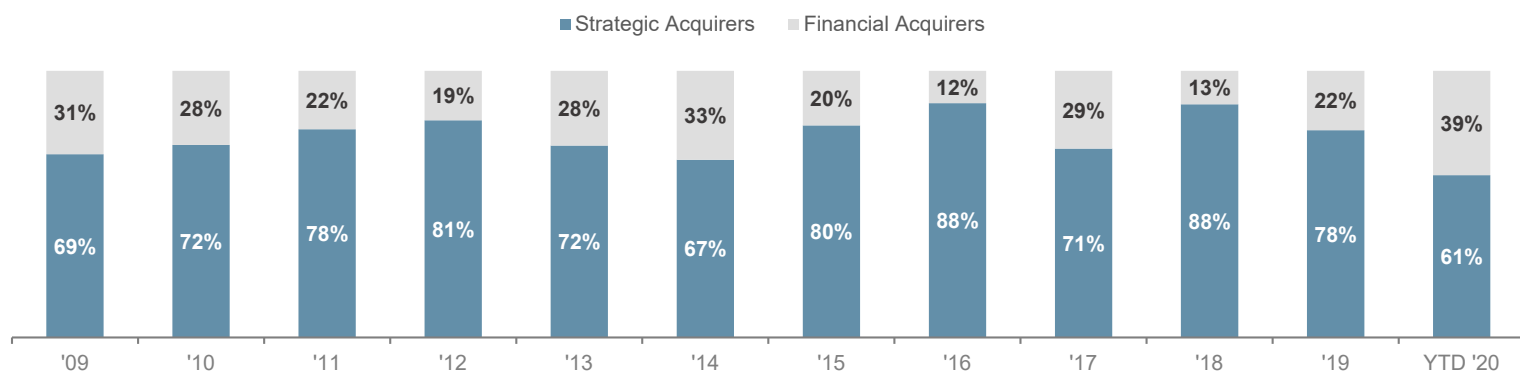
Date	Company	Acquirer	Enterprise Value (EV) (\$ in MM)	Implied EV / Revenue	Implied EV / EBITDA
Sep 2020	Ultimate Medical Services, Inc.	Wolfgang Capital Limited	-	-	-
Aug 2020	Higdon Outdoors LLC	Clearview Capital, L.P.; Vertikal Brands, LLC	-	-	-
Aug 2020	Pet Qwerks, Inc.	Doskocil Manufacturing Company, Inc.	-	-	-
Aug 2020	Doggie Dailies, LLC	Manna Pro Products, LLC	-	-	-
Aug 2020	Long Island Veterinary Specialists, PLLC	Compassion-First Pet Hospitals	-	-	-
Jun 2020	Veterinary Orthopedic Implants	Fidelio Capital	-	-	-
Apr 2020	Pathway Vet Alliance LLC	TSG Consumer Partners LLC; Morgan Stanley Private Equity	-	-	-
Mar 2020	BioMedtrix, LLC	Fidelio Capital	-	-	-
Mar 2020	Pharmabbie Inc	Friulchem S.p.A. (BIT:FCM)	\$12	-	-
Feb 2020	Promika, LLC	Manna Pro Products, LLC	-	-	-

Note: This table includes only a sample of relevant transactions in the context of M&A activity in the sector. It is not meant to be all-inclusive.

Buyer Mix

Share of Acquisitions

% of Acquisitions by Strategic and Financial Acquirers



Sources: S&P Capital IQ, Pitchbook, IMAA Institute, CCCA Research

Definitions: Enterprise Value = Market Cap + Debt – Cash; EBITDA = Earnings Before Interest, Taxes, Depreciation & Amortization

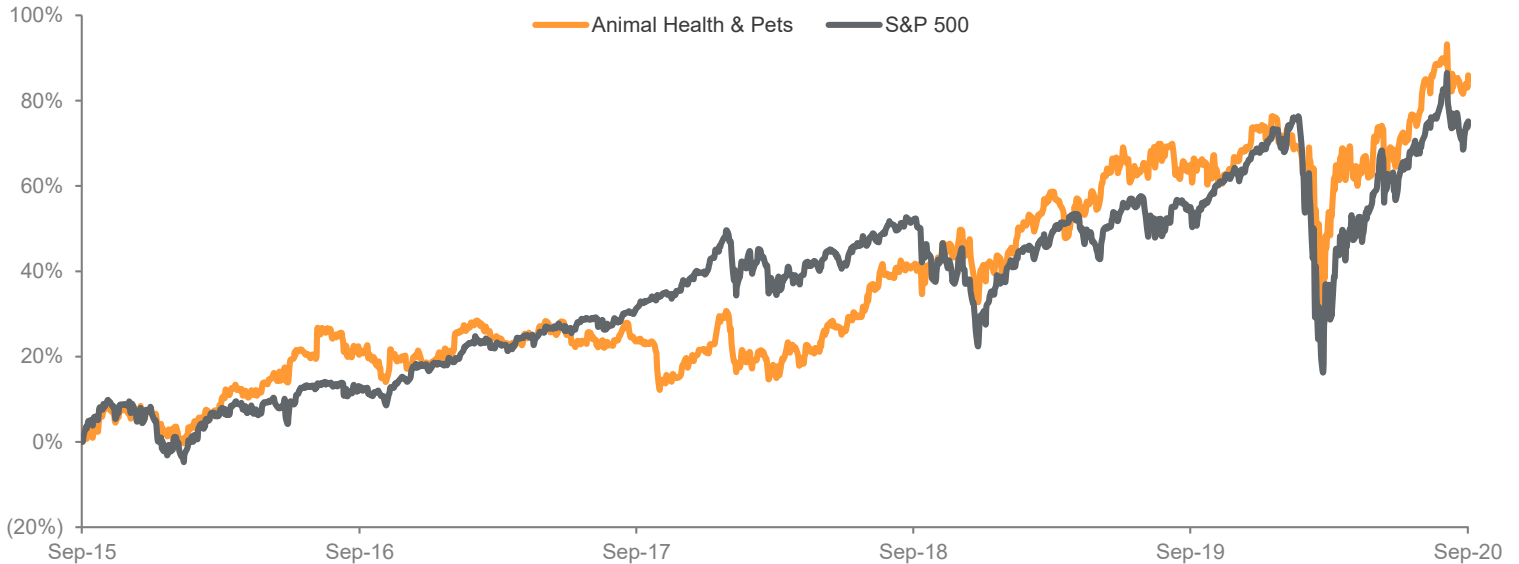
Public Companies in the Animal Health Sector

Performance & Valuations

Sector Performance

Return vs. S&P 500

Last 5 Years



Valuations

Enterprise Value / LTM EBITDA

Median of Publicly Traded Companies

Veterinary & Pet Care Services



Veterinary Drugs



Retailers



Pet Foods & Treats



Animal & Pet Care Products



Enterprise Value / NTM EBITDA

Median of Publicly Traded Companies

Veterinary & Pet Care Services



Retailers



Animal & Pet Care Products



Pet Foods & Treats



Veterinary Drugs



Sources: S&P Capital IQ, Pitchbook, IMAA Institute, CCCA Research

Definitions: Enterprise Value = Market Cap + Debt - Cash; EBITDA = Earnings Before Interest, Taxes, Depreciation & Amortization; LTM = Last Twelve Months; NTM = Next Twelve Months

CC Capital Advisors

Firm Overview

Who We Are

CC Capital Advisors is a boutique investment banking firm providing mergers and acquisitions, capital raising and strategic advisory services to middle market clients. Our experienced team of committed advisors combines long-standing transaction experience to provide independent and uncompromised services to achieve our clients' objectives.

Who We Serve

We tailor our services to a broad base of clients, including entrepreneurs, family-owned businesses, private and public corporations, family offices, private equity and venture capital investors. Clients have repeatedly chosen us as trusted advisors and partners because of our quality advice, ability to execute transactions and client-first philosophy.

What We Do

Mergers & Acquisitions	Capital Raising Advisory	Strategic Advisory
<ul style="list-style-type: none">Sales of privately-held companiesBuy-side acquisitionsMinority buyoutsCorporate subsidiary divestituresPrivate equity and venture capital portfolio divestitures	<ul style="list-style-type: none">Senior secured and unsecured debtMezzanine capitalGrowth equity capitalRecapitalizationsPrivate placements of institutional capital	<ul style="list-style-type: none">Business valuationsFairness opinionsStrategic options assessmentOwnership transition planningCorporate reorganizations

Why Clients Choose Us

100+ Years	Collective investment banking experience of our team	\$7 Billion	Completed transaction experience of our team
Midwest Values	Integrity, experience and commitment are our core values	\$1 Billion	Completed transaction value in the last five years
Global Reach	We represent clients across the world	20+ Deals	Number of transactions closed since 2017

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