

*M&A Update*

## Animal Health

Q3 2021

# Key Highlights

*M&A in the United States*

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*M&A in the Animal Health Sector*

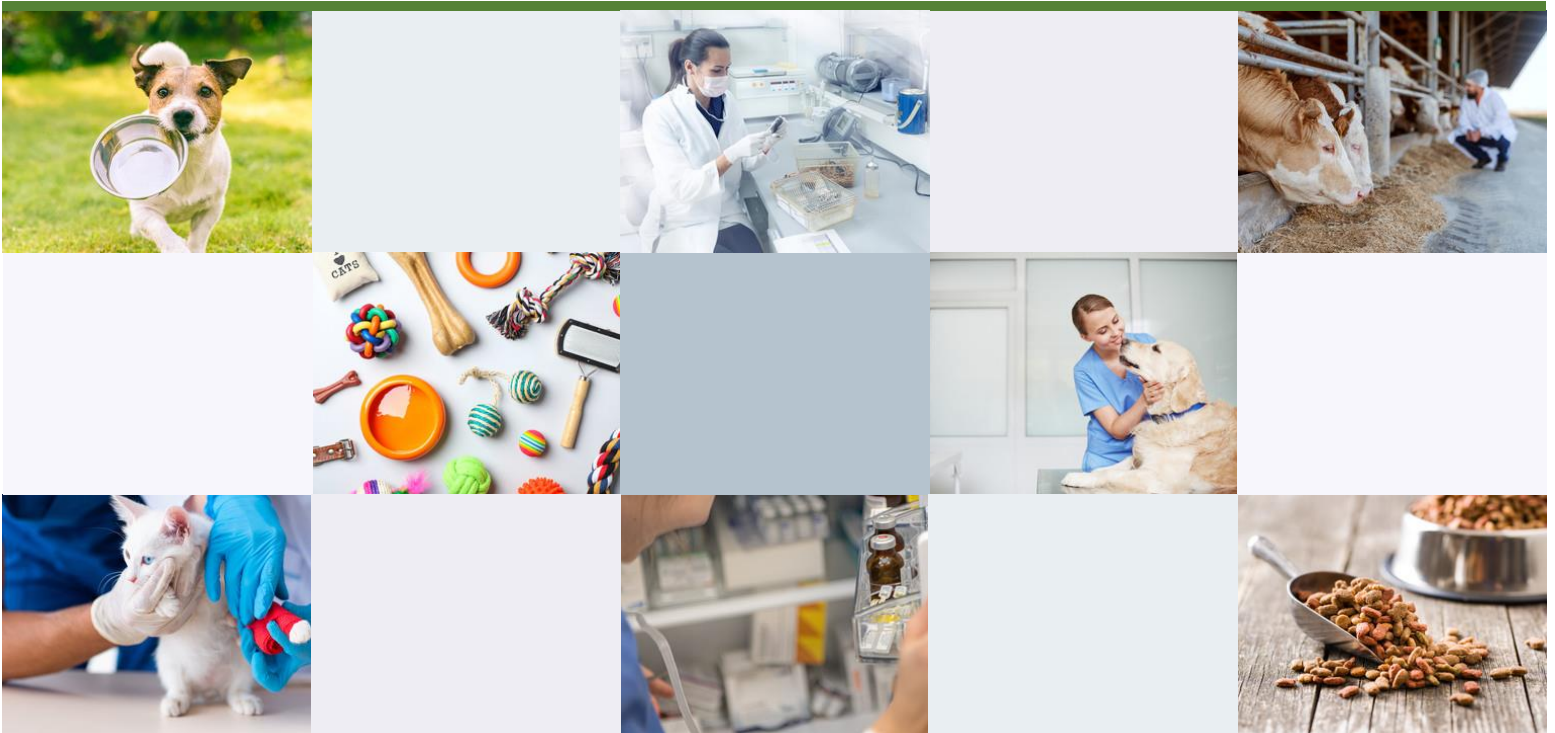
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*Notable Transactions*

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# M&A in the United States

## Deal Activity & Valuations

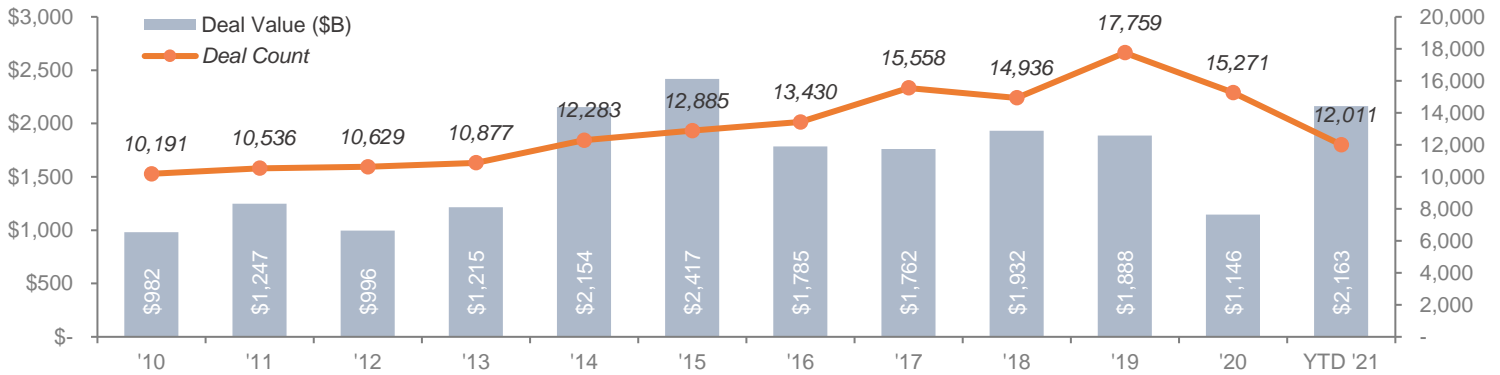
### Deal Activity

Aided by continued low interest rates, a surplus of capital reserves, and looming tax increases on capital gains, U.S. mergers and acquisitions activity through Q3 2021 increased 13% on a year-over-year basis. The M&A market for the first nine months of 2021 are trending towards a record setting year for both deal volume and transaction value as both strategic and financial buyers compete for acquisitions.

<b>12,011</b> <b>M&amp;A Deals</b>	<b>\$2.2 Trillion</b> <b>Deal Value</b>
▲ 13% YoY growth	▲ 238% YoY growth

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

\$ in Billions; Year to date through September 30, 2021



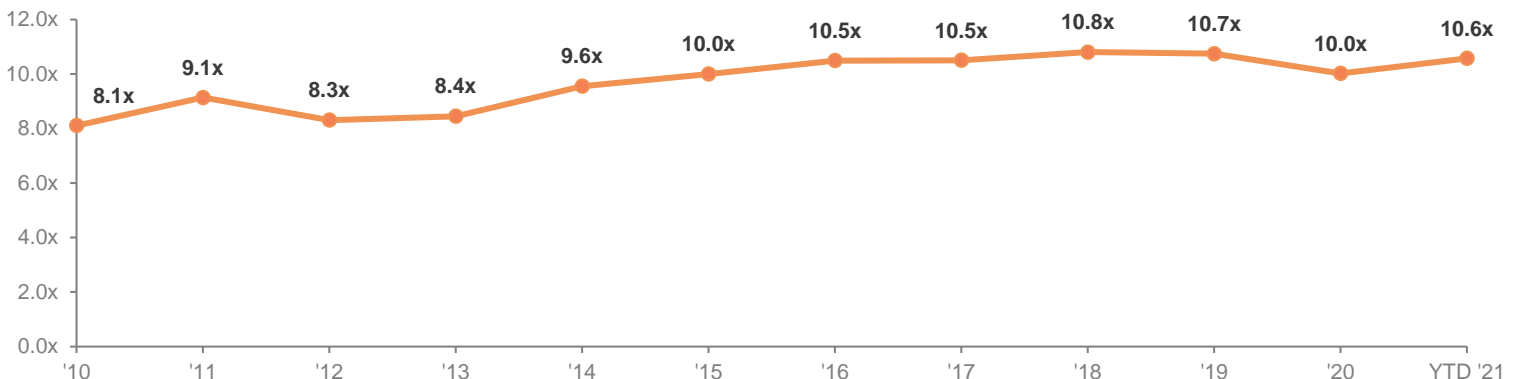
### Valuations

Median EV / EBITDA multiples for transactions in the United States have remained strong throughout 2021. Increased competition between strategic and financial buyers for attractive assets are commanding high valuations. Public market valuations have skyrocketed as money has continued to pour into equity markets. Undeployed capital coupled with “post-pandemic” business model adjustments will lead companies to further pursue M&A options.

<b>10.6x</b>	<b>10.6x</b>
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, 2021



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 Drugs
- Online & Store Retailers
- Distributors
- Animal & Pet Care Products
- Pet Foods & Treats

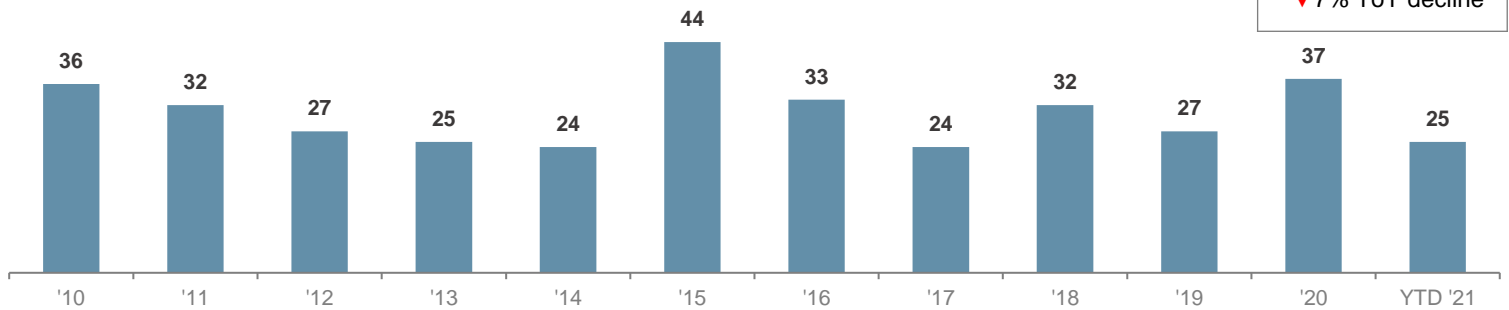
#### Veterinary & Pet Care Services

- Veterinary Services
- Veterinary Equipment

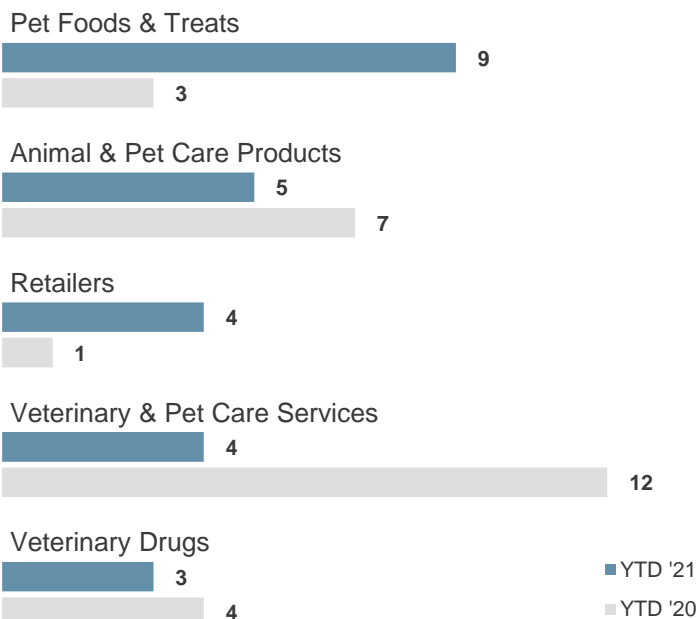
### Sector M&A Deal Volume

#### Sector Deal Volume

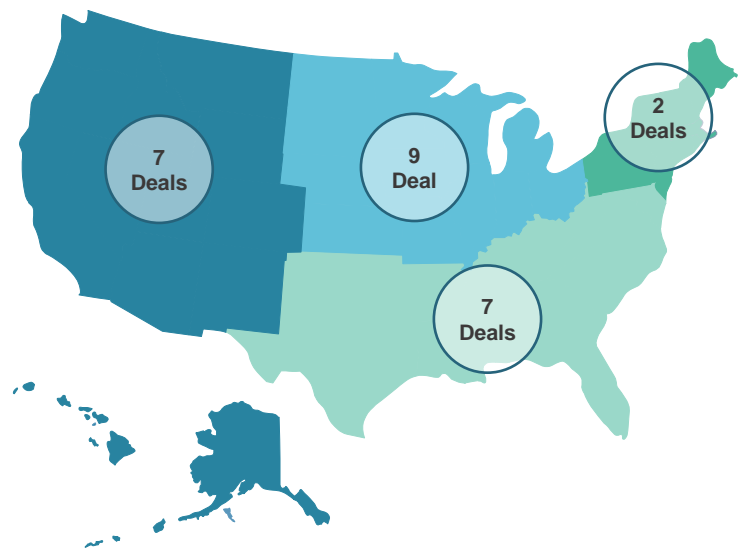
Year to Date through September 30, 2021



### 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

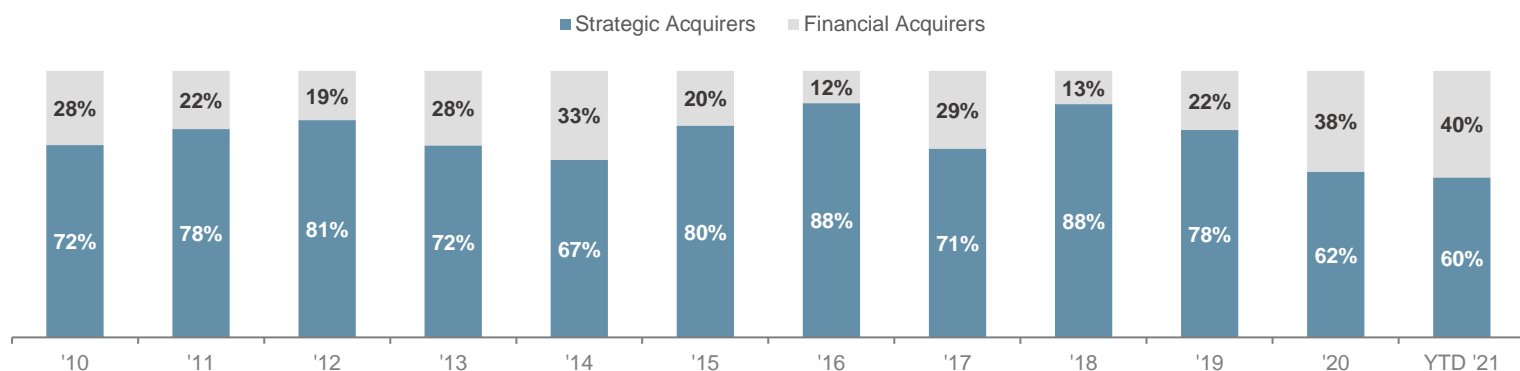
Date	Company	Acquirer	Enterprise Value (EV) (\$ in MM)	Implied EV / Revenue	Implied EV / EBITDA
Sep 2021	Smiths Medical, Inc.	ICU Medical, Inc. (NasdaqGS:ICUI)	\$2,558	-	-
Sep 2021	Worldwise, Inc.	A&M Capital Opportunities Fund	-	-	-
Sep 2021	CAPInnoVet, Inc.	Neogen Corporation (NasdaqGS:NEOG)	-	-	-
Sep 2021	Schroer Manufacturing Company	Midmark Corporation	-	-	-
Sep 2021	Doskocil Manufacturing Company, Inc.	Platinum Equity, LLC	-	-	-
Sep 2021	Animal Allergy & Dermatology Center of Central TX	Animal Dermatology Group, Inc.	-	-	-
Aug 2021	Muenster Milling Co., Inc.	Kainos Capital LP	-	-	-
Aug 2021	Whitebridge Pet Brands	NXMH B.V.B.A	-	-	-
Jul 2021	PetHonesty LLC	Vestar Capital Partners, LLC	-	-	-
Jun 2021	Vetio	Swedencare AB (publ) (OM:SECARE)	\$181	5.6x	27.9x

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

27.1x

Veterinary Drugs

16.3x

Retailers

11.7x

Pet Foods & Treats

11.3x

Animal & Pet Care Products

10.5x

#### Enterprise Value / NTM EBITDA

Median of Publicly Traded Companies

Veterinary & Pet Care Services

25.5x

Retailers

14.7x

Veterinary Drugs

14.7x

Pet Foods & Treats

13.1x

Animal & Pet Care Products

10.6x

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"><li>Sales of privately-held companies</li><li>Buy-side acquisitions</li><li>Minority buyouts</li><li>Corporate subsidiary divestitures</li><li>Private equity and venture capital portfolio divestitures</li></ul>	<ul style="list-style-type: none"><li>Senior secured and unsecured debt</li><li>Mezzanine capital</li><li>Growth equity capital</li><li>Recapitalizations</li><li>Private placements of institutional capital</li></ul>	<ul style="list-style-type: none"><li>Business valuations</li><li>Strategic options assessment</li><li>Ownership transition planning</li><li>Corporate reorganizations</li></ul>

### Why Clients Choose Us

<b>100+ Years</b>	Collective investment banking experience of our team	<b>\$7 Billion</b>	Completed transaction experience of our team
<b>Midwest Values</b>	Integrity, experience and commitment are our core values	<b>\$400+ Million</b>	Completed transaction value in the last 12 months
<b>Global Reach</b>	We represent clients across the world	<b>30+ Deals</b>	Number of transactions closed since 2017

### Contact Our Team

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