

*M&A Update*

## Animal Health

June 2021

# Key Highlights

*M&A in the United States*

Page 3

*M&A in the Animal Health Sector*

Page 4

*Notable Transactions*

Page 5

*Public Markets*

Page 6



# M&A in the United States

## Deal Activity & Valuations

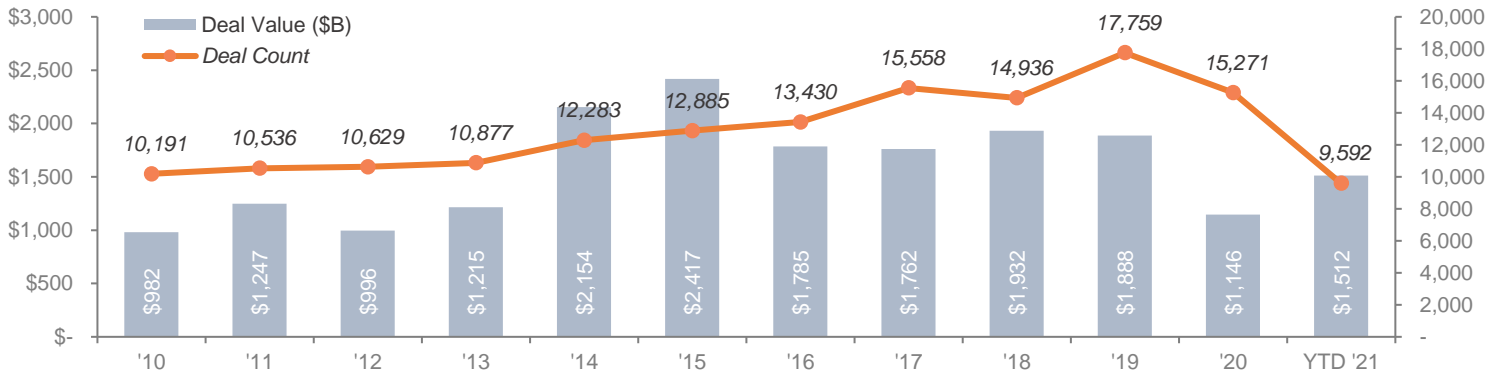
### Deal Activity

U.S. mergers and acquisitions activity in the first half of 2021 increased 36% on a year-over-year basis, reflecting a markedly different environment than the first half of 2020 when COVID-19 stalled transactions. Pent-up demand for transactions coupled with continued lower interest rates, an abundance of capital reserves and anticipated increases in tax rates resulted in a deal value record for the first six months of the year.

<b>9,592</b> M&A Deals	<b>\$1.5 Trillion</b> Deal Value
▲ 36% YoY growth	▲ 413% YoY growth

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

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



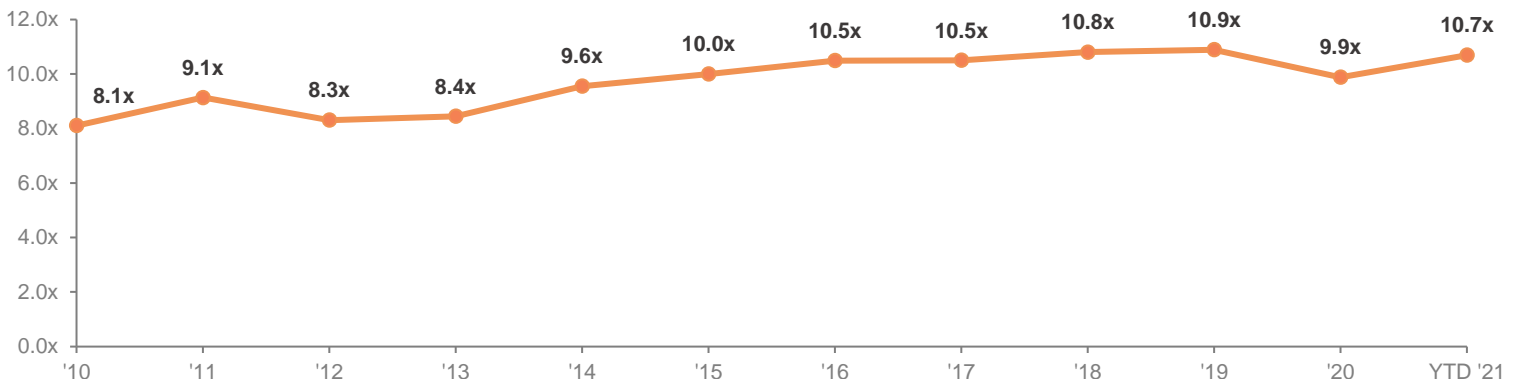
### Valuations

COVID-19 caused a significant drop in both M&A activity as well as overall valuations throughout 2020. However, due to a number of market factors, valuations bounced back in late 2020 and has remained elevated in 2021. Attractive assets that have been less impacted by COVID-19 or have a strong growth projection as the economy rebounds are demanding high valuations. Additionally, public market valuations have increased as more money is invested into the equity markets.

<b>10.7x</b>	<b>10.7x</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 June 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

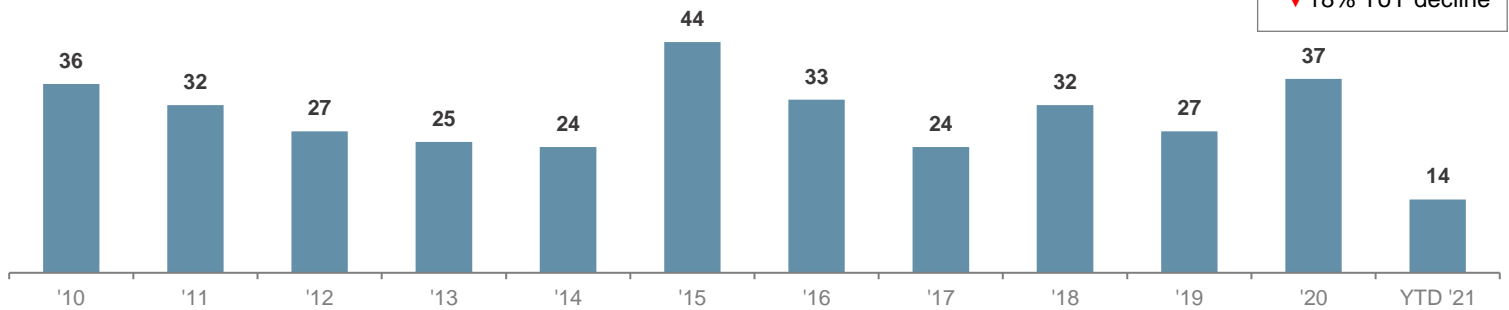
#### Veterinary & Pet Care Services

- Veterinary Services
- Veterinary Equipment

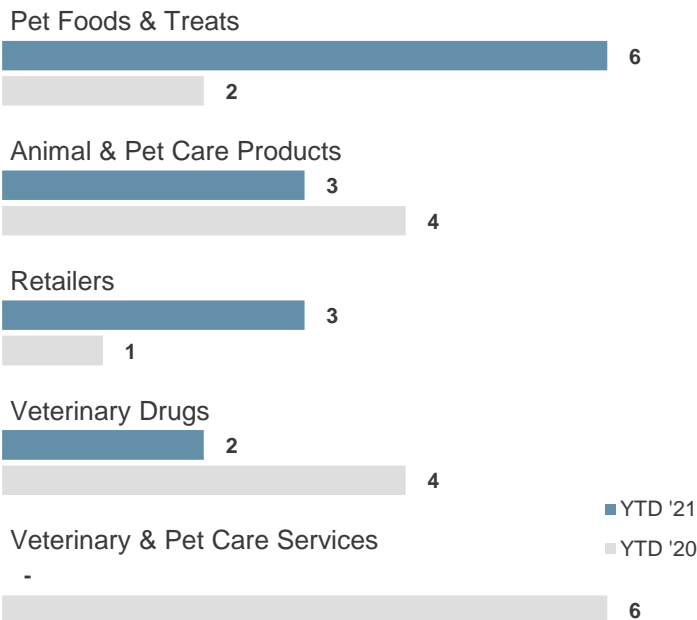
### Sector M&A Deal Volume

#### Sector Deal Volume

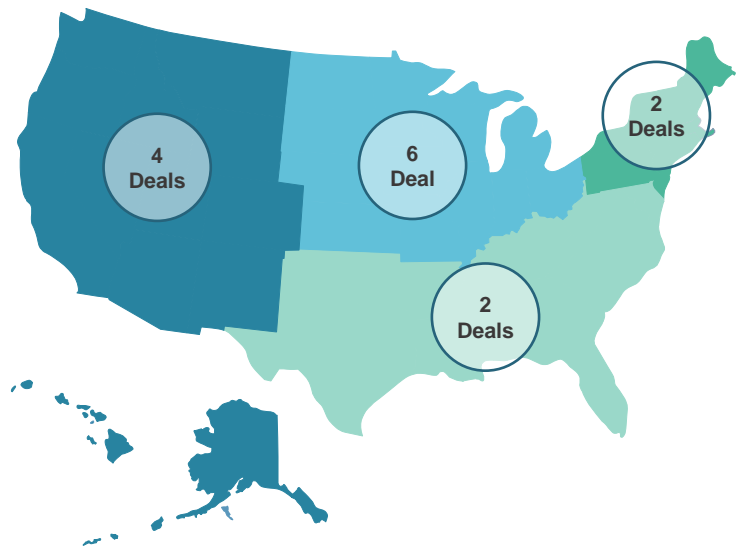
Year to Date through June 30, 2021



### 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

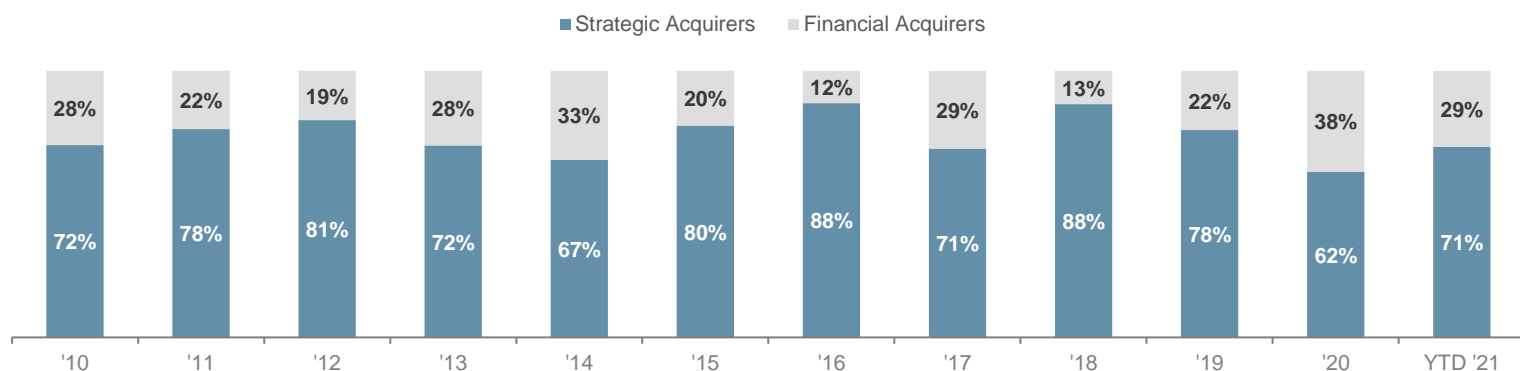
Date	Company	Acquirer	Enterprise Value (EV) (\$ in MM)	Implied EV / Revenue	Implied EV / EBITDA
Jan 2021	MiracleCorp Products Corp.	BrightPet Nutrition Group, LLC	-	-	-
Jan 2021	DailyLifeCBD	Link Reservations Inc. (OTCPK:LRSV)	-	-	-
Jan 2021	Pet Supplies Plus, LLC	Franchise Group, Inc. (NasdaqGM:FRG)	\$700	-	-
Mar 2021	Grizzly Pet Products, LLC	Whitebridge Pet Brands	-	-	-
Apr 2021	Custom Veterinary Services, Inc.	Align Capital Partners, LP	-	-	-
Apr 2021	Premium Nutritional Products, Inc.	Manna Pro Products, LLC	-	-	-
Apr 2021	Best Friends by Sheri	TSG Consumer Partners LLC; Morgan Stanley Private Equity	-	-	-
May 2021	Nulo, Inc.	Apax Partners LLP	-	-	-
May 2021	Tyson Pet Products, Inc.	General Mills, Inc. (NYSE:GIS)	\$1,200	5.0x	-
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

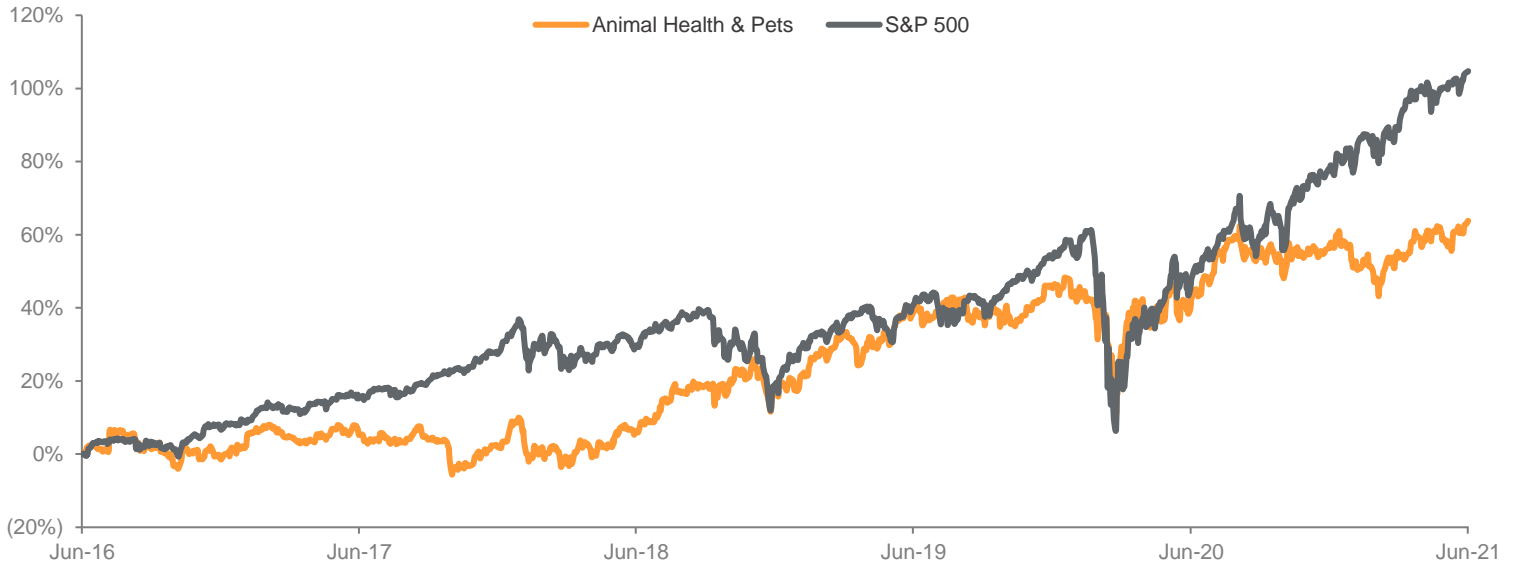
# Public Companies in the Animal Health Sector

## 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



##### Veterinary Drugs



##### Retailers



##### Pet Foods & Treats



##### Animal & Pet Care Products



#### Enterprise Value / NTM EBITDA

Median of Publicly Traded Companies

##### Veterinary & Pet Care Services



##### Veterinary Drugs



##### Animal & Pet Care Products



##### Retailers



##### Pet Foods & Treats



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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