

A young child with curly hair is shown in profile, leaning their head against a small, fluffy brown rabbit. The child is wearing a blue and white plaid shirt. The background is dark and out of focus.

Oaklins

MARKET OVERVIEW AND M&A ACTIVITY

# M&A Pet Care Report | Q3 2024

M&A advisory experts in the **pet care** industry

  
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# Oaklins is your trusted M&A advisor for transactions in the pet industry

- We have been active as an experienced M&A advisor for several years and can assist you with successions, divestments, acquisitions, and growth financing in the pet care industry
- In the past, renowned companies in the pet care industry were among our clients – e.g. manufacturers of pet food, online and stationary retailers of pet food and accessories, veterinary clinics, etc.
- Excellent relationships with key market players form the foundation for our deep market integration and grant us the ideal competitive position to find the most suitable partner for you and your business
- Thanks to our dedicated pet care experts around the globe, we deliver high-quality M&A advisory services across borders



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## Dedication and passion for high performance

**PROVITAL**  
 ANI first  
 has been acquired by  
**EMERAM**  
 CAPITAL PARTNERS  
 M&A SELL-SIDE  
 Consumer & Retail/Private Equity

**mp group**  
 has sold  
**ZOOLOGO**  
 to  
**Beiersdorf KÖMPF**  
 M&A SELL-SIDE  
 Consumer & Retail

**Dieren Dokters**  
 has been acquired by  
**vetPartners**  
 M&A SELL-SIDE  
 Consumer & Retail/Healthcare/Private Equity

**bio2**  
 has been acquired by  
**Alliando**  
 M&A SELL-SIDE  
 Consumer & Retail/Private Equity

**AGRIS**  
 has acquired  
**tibi**  
 M&A BUY-SIDE  
 Consumer & Retail

**Zoozeiss**  
 has been acquired by the  
 CEO  
 M&A SELL-SIDE  
 Consumer & Retail/Private Equity

**ihhs**  
 THE PET SUPERSTORE  
 has been acquired by  
**KESTER CAPITAL**  
 M&A SELL-SIDE  
 Consumer & Retail/Private Equity

**GIMBORN**  
 Gute Dinge Liebe  
 has been acquired by  
**HILLHOUSE CAPITAL**  
 M&A SELL-SIDE  
 Consumer & Retail/Food & Beverage/Private Equity

**Crane Group**  
 has acquired  
**Pet Paradise**  
 M&A BUY-SIDE  
 Consumer & Retail

# Introduction

## Key trends and growth drivers

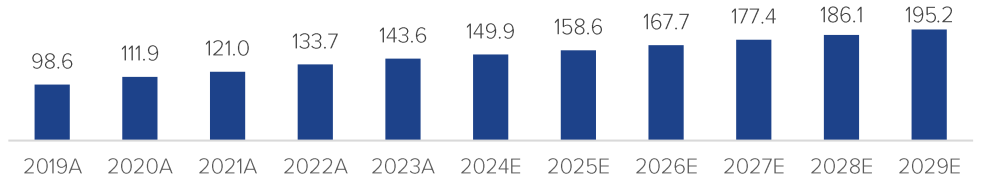
- 1  Pet owners increasingly see their animals as family members, driving demand for premium products
- 2  Pet snacks, especially for dogs, are a key driver of growth
- 3  Online shopping is transforming the pet food market by offering consumer convenience
- 4  Companies are expanding their offerings to evolving consumer preferences and needs

## Relevant recent market developments

- 1  Inflationary pressures led to a more pronounced price sensitivity of consumers and a reduced demand for pet accessories
- 2  Developments in the pet food sector remain stable, as it is less affected by inflation than pet accessories
- 3  The industry still experiences supply chain disruptions and it will be critical for companies to renegotiate prices

Source: Oaklins research, Statista  
 1 2019A-2023A    2 2024E-2029E

Global pet food market sales 2019A–2029E (in US\$ billion)




Global pet food market regional CAGRs


	Africa	Americas	Asia	Australia & Oceania	Europe	Total
Historical CAGR <sup>1</sup>	10%	10%	8%	3%	5%	8%
Future CAGR <sup>2</sup>	8%	4%	6%	3%	3%	4%

The global markets are experiencing a slowdown in average annual growth compared to previous years. Across all regions, the projected CAGR falls short of historical levels. While there is anticipation of continued growth in the future, it is expected to be less pronounced than in previous periods.


## Our segmentation of the pet market in this report



**Pet consumables and accessories**




**Pharmaceuticals**





**Veterinary services**


**Pet food**



**Pet accessories**







## Provital GmbH has been acquired by EMERAM Capital Partners

“Anifit has successfully convinced many dog and cat owners of the benefits of healthy and species-appropriate pet food over the past 23 years. We are excited to now have even greater opportunities and support through our partnership with EMERAM, enabling us to connect directly with more pet owners and introduce them to our food, treats and supplements.”

**DR. THOMAS BRANDNER**  
FORMER SHAREHOLDER,  
PROVITAL | ANIFIT

## Entrepreneurial succession: Dr. Thomas Brandner sells a majority stake in Provital to EMERAM

JUNE 2024

As part of his succession planning, Dr. Thomas Brandner has sold a majority stake in Provital GmbH to the private equity firm EMERAM Capital Partners. The transaction secures the future development and growth opportunities of the pet food company as EMERAM Capital Partners takes on ownership and acts as its strategic partner.

The Provital Group, consisting of Provital GmbH and TN Logistik GmbH, based in Taufkirchen, is Germany’s leading provider of premium pet food in a direct-to-consumer sales system. Provital GmbH specializes in natural, high-quality dog and cat food under the established brand Anifit, whose products are specifically tailored to the needs of quality-conscious pet owners. Over 2,000 expert advisors offer professional advice and maintain close customer relationships.

EMERAM Capital Partners is an independent investment firm for mid-sized companies based in the German-speaking region. Its sector focus includes technology and software, value-added services and non-discretionary consumers.

PROVITAL



has been acquired by

EMERAM  
CAPITAL PARTNERS

M&A SELL-SIDE

Consumer & Retail/Private Equity

## Provital GmbH has been acquired by EMERAM Capital Partners

Extracts from the interview with Dr. Sven Oleownik, Partner at EMERAM and Dr. Thomas Brandner, Shareholder of Provital

**Mr. Frien: Dr. Oleownik, could you tell us a bit about how it feels to have just acquired this company?**

Dr. Oleownik: It was a fantastic start. We had been closely involved with the pet food market and had a lot of experience in our team with multilevel marketing, and we found this business model particularly appealing. Additionally, the situation was very promising: it was rapidly growing, highly profitable, and we had a succession plan that Dr. Brandner was able to explain to us very convincingly. [...] From day one, we saw it as a fantastic fit, and everything has gone very well, laying a solid foundation for us.

**Mr. Frien: Dr. Brandner, during the negotiation process, did you ever feel that EMERAM and you wouldn't come together?**

Dr. Brandner: It was a really intense phase, and it pushed me to my limits. I often came home thinking, "I hope this is over soon, no matter how it turns out." It was very exhausting and intense because we had not only EMERAM in the due diligence process but also others, which added to the pressure. [...] It should be clear to anyone looking to sell their company that the due diligence phase is truly a demanding time. [...]

**Mr. Frien: Dr. Brandner, with regard to the key growth drivers: Did you gain any new insights, or were these already on your radar for the coming years if you had continued on your own?**

Dr. Brandner: There are many ideas, and we bring some in, as do the consultants and EMERAM. These ideas are now being analyzed: what can be easily implemented, what has a significant impact, and these ideas are then put into action together. [...]



Listen to the full latest episode of the "What's up Corporate Finance?" podcast with Sebastian Frien to get first-hand insights into the background of this deal and the future plans for Provital. The podcast is in German.

The interviewees:  
Dr. Sven Oleownik, Partner at EMERAM and  
Dr. Thomas Brandner, Shareholder of Provital



CLICK HERE



## Unlocking the potential of Germany's pet food market

Pet food is a very stable and, therefore, reliable market with continuous growth. This makes the sector attractive to investors of various kinds – private equity firms, family offices and, of course, investors from the pet segment such as the Scandinavian “Partners in Petfood” and meat industry such as “Westfleisch”. In 2023, approx. 19 million households in Germany, or 45% of all homes, own pets. This includes 16 million cats and 11 million dogs, as the most common pets. The pet population is increasing slowly in the long run, driving the German pet food and pet hygiene products market to approx. € 6 billion.

This article offers an overview of the pet food market in Germany, its trends, value chain, and potential growth areas, shedding light on why it is attractive for investors.

### Market landscape

Key insights, characterizing the German pet food market:

- 1 **Increasing sales & slightly growing pet population:** Pet food sales rose at a yearly average of 9% between 2020 and 2022, while the pet population in Germany has shown a long-term growth trend of 1.5% p.a. since 2015. This indicates that growth in recent years is mainly driven by either price increases or a higher share of premium pet food sold or both.
- 2 **Focus on dogs and cats:** Dogs and cats account for 68% of all German pets but represent 95% of pet food sales by value – not surprising, though, in view of their appetite compared to pet birds or fish, for example. Focusing on dog and cat food allows companies to tap into the largest market segment.
- 3 **Wet food & snacks lead growth:** Wet food and snacks each account for one-third of the dog food market, both contributing significantly to its growth. In contrast, wet food represents nearly two-thirds of cat food sales and serves as the primary driver of growth in this category.
- 4 **Return to moderate growth after Covid:** The market is projected to return to a steady annual growth rate of 4%, as key drivers continue to generate demand and inflationary pressures ease.

## About maconda

### – The Business Model Experts

maconda is an independent consulting firm. We help our clients to enhance their company value and assist them during commercial transactions as well as in restructuring situations. We are committed to a pragmatic process tailored to our customers' needs. Banks recognise our expertise in conducting complex commercial due diligence assessments, where we are one of the most active providers in the German-speaking region.

We possess extensive sector knowledge in consumer goods, food industry, packaging, retail, wholesale, e-commerce, and B2B & B2C services. For references on projects involving pet food, meat products, frozen food, and food supplements, please reach out to us.

## Key trends and growth drivers

Several trends are shaping the future of Germany's pet food market:

### Humanisation & premiumisation:

Pet owners increasingly see their animals as family members, driving demand for premium products that reflect human food standards, with an emphasis on high-quality ingredients and health benefits.

### Snacks:

Pet snacks, especially for dogs, are a key driver of growth. These products serve not only as treats but also as supplements and rewards. They offer high profit margins for manufacturers due to their comparatively higher sales prices.

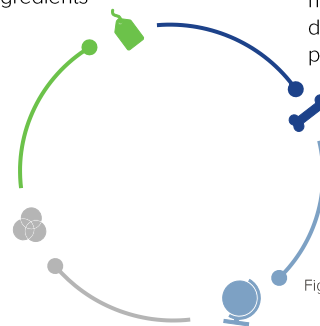


Fig. 1: Overview of pet food market trends

### Product diversification:

Companies are expanding their offerings to include health-focused supplements, gourmet treats, and eco-friendly options in response to evolving consumer preferences and needs.

### E-commerce growth:

Online shopping is transforming the pet food market by offering consumers convenience through subscription services and doorstep delivery for routine purchases. It is the strongest growing distribution channel, expected to reach over 20% market share within the next five years.



## The value chain and distribution channels

The value chain for pet food is complex and involves several key steps. Primary raw materials – sourced from domestic slaughterhouses, mills, and importers – are processed either by a company’s own manufacturing facilities or contract manufacturers. Contract manufacturers produce both their own branded products and private-label products for among others large retail chains. They are highly specialized and capable of providing any pet food quality after adapting their production process to the recipe. Premium products are becoming more common, also through many smaller suppliers and sub-brands. The finished products are distributed through various channels, which primarily differ by price focus and range of products offered. Pure e-commerce players, specialized pet retailers, direct sales players and other channels each play a role in the final stage of the value chain:

- 1 Pure e-commerce:** Online retailers like Zooplus and Amazon gain market share with competitive pricing and the broadest product selection, focusing on budget-friendly options. Their ability to offer subscription services and home delivery enhances convenience for consumers.
- 2 Specialized pet retailers:** Companies like Fressnapf offer a very broad range of products, including several private labels, mostly in the medium and premium price segments (e.g., premium private labels of Fressnapf like Select Gold). These retailers currently dominate the market and, in many cases emphasize customer service.
- 3 Direct sales players:** Players like Provital focus on premium offerings and maintain a narrower product range. Their business model emphasizes intensive customer consultation through trained sales agents, appealing to consumers seeking high-quality and health-oriented pet food.
- 4 Other channels:** Food retailers like supermarkets and hypermarkets, discounters, drugstores, and DIY chains typically feature a smaller selection of pet food products. These stores primarily stock low to medium-priced items, often private-label products. Discounters are particularly known for their minimal product range and competitive pricing strategies.

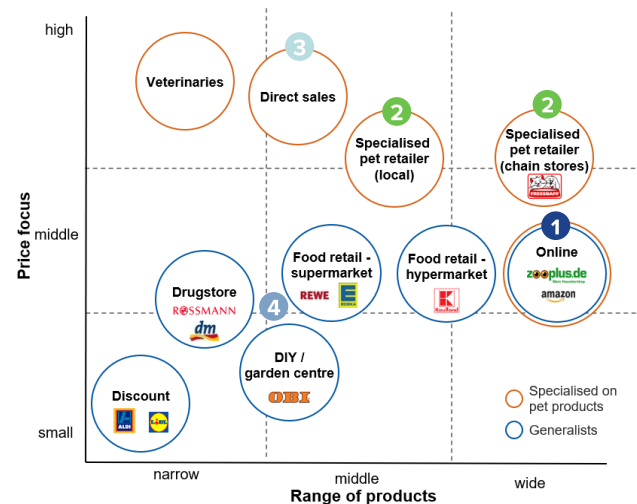


Fig. 2: Distribution channels for pet food in Germany

In 2022, most sales were generated through specialized pet retailers (30%), food retailers (20%), and pure e-commerce players (17%). The strongest growth, likely in the double digits until 2027, is anticipated in e-commerce, but also niche channels like direct sales players are expected to grow strongly while other channels will show rather moderate growth.

## Growth areas and investment potential

To capture future growth, companies must embrace e-commerce as an essential distribution channel, ensuring a seamless online experience for customers. This approach also enables better leveraging of customer data to generate insights for more personalised marketing.

Additionally, companies focus on increasing their snack offerings and diversifying their product range with high-margin private label products in growth segments, such as premium wet food and speciality products. For dog food, it is particularly important to emphasise products with a high meat proportion.

Investors can also explore buy & build strategies, consolidating smaller local champions to form larger, more competitive players in the market. Additionally, vertical integration by owning both the contract manufacturer and the sales channels can significantly enhance bargaining power and create synergies, such as improved supply chain efficiency, reduced costs, and better control over product quality. Finally, expanding into neighbouring countries presents further growth opportunities.

### About the authors



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Principal at maconda

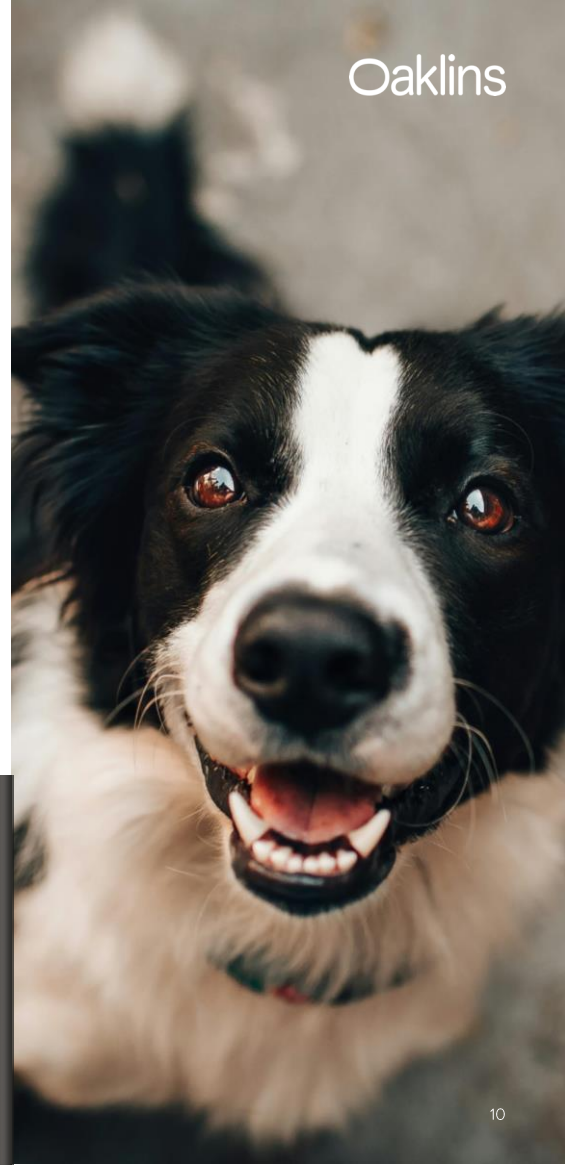
Bertram Stähler has been a consultant for over 19 years, specializing in analysis, strategy, and M&A projects across various industries. He studied Geography in Bonn and, in his free time, enjoys music with his wife or works on own DIY projects.

Source: maconda



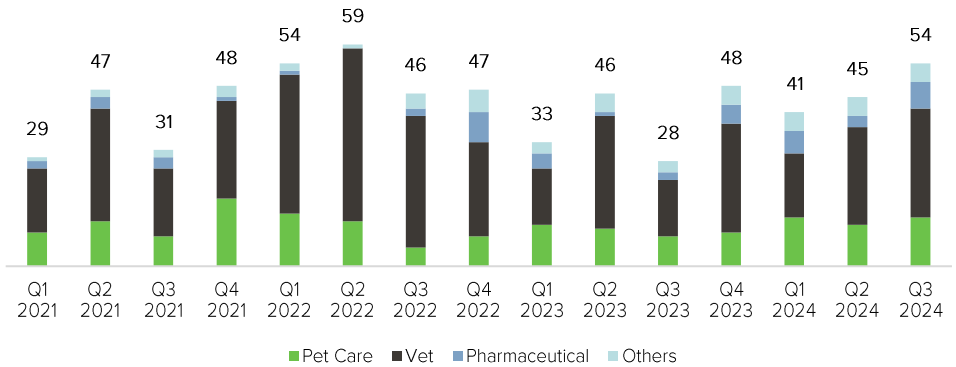
**Alexander Totsis**  
Strategy Consultant at maconda

Alexander Totsis specializes in data analysis and supports maconda in various projects. He studied Economics at Imperial College London and Business at the University of Manchester. In his free time, he's training for an Ironman and learning Italian and French.

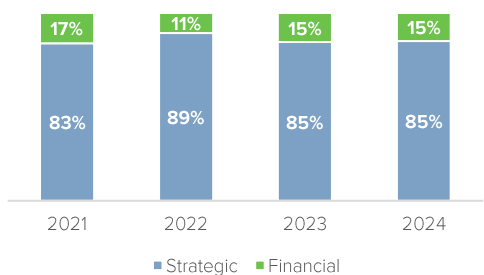


# M&A Activity

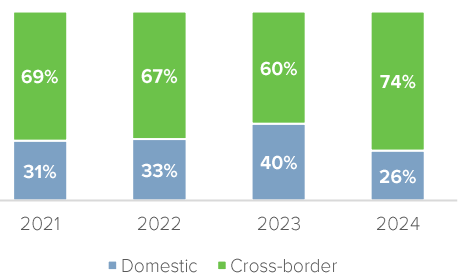
Number of global pet care transactions per quarter



Strategic vs. financial buyers



Domestic vs. cross-border



## Domination of cross-border transactions

- There has been consistently strong demand for companies across the entire pet care industry over the years with a significant increase in the number of transactions of 20% from Q2 2024 to Q3 2024.
- Strong demand is particularly noticeable in the veterinary and pet care segments, where buy-and-build strategies can be effectively applied.
- Strategic players lead M&A activity in the overall pet care market, driven by inorganic growth strategies aimed at capturing market share. These buyers also benefit from synergies in expertise and product expansion.
- It's important to note that some strategic buyers are backed by financial investors. In such cases, these platform companies are counted as strategic buyers in the statistics, which leads to a slight inconsistency in the data's accuracy.
- Cross-border transactions continue to dominate in the pet care market, fueled by opportunities for accelerated growth and entry into new markets.
- There has been a marked increase in demand for companies located in low-cost production countries, particularly in Eastern Europe.

Source: Mergermarket as of September 30<sup>th</sup>, 2024

## Motivation for M&A transactions

"As a research-oriented company, we are very excited about the potential of Saiba Animal Health's ground-breaking technology platform, which could lead to more specific and longer-lasting therapeutic successes for chronic diseases in pets compared to previous approaches."

**Eric Haaksma**, Head of Global Innovation, Animal Health at Boehringer Ingelheim

"As the largest and most successful veterinary network in Germany, TPP (Tierarzt Plus) offers an excellent platform for future growth and development. We look forward to combining our strong experience in the sector with the expertise of TPP's founders and an outstanding management team to grow the business even further."

**Flor Kassai**, Partner and Head of Buyout, Inflexion

### Selected transactions with European participation in the pet market

Date <sup>1)</sup>	Target	HQ	Deal description	Buyer	HQ
SEP 2024	STERKLINIEK dierenartsen		Independent Vetcare Ltd, a provider of veterinary services, has acquired Sterkliniek Dierenartsen Emmen, a provider of veterinary services.	ivc Independent Vetcare	
SEP 2024	Saiba Animal Health		Boehringer Ingelheim, the biopharmaceutical subsidiary of CH Boehringer Sohn AG & Co KG, has acquired Saiba Animal Health AG, a company specializing in novel therapeutics for chronic diseases in pets.	Boehringer Ingelheim	
SEP 2024	PetCo saiba petcare		VAFO Praha sro, a manufacturer of dog food, has acquired a majority stake in PetCo GmbH, the Austria based retailer of pet foods.	Vafo	
AUG 2024	PETMAN		Nutriment Co, a provider and manufacturer of natural pet food has acquired Petman, a German pet food manufacturer with a focus on BARF products.	THE NUTRIMENT COMPANY	
JUL 2024	Tierarzt Plus Partner		Inflexion Private Equity Partners LLP, the private equity firm has acquired an undisclosed stake in Tierarzt Plus GmbH, a provider of veterinary services.	inflexion	
JUL 2024	CAMON Easi Care petcare		Croci SpA, a provider of pet accessories, has acquired Camon SpA, a company specializing in pet health and lifestyle accessories.	CROCI SPA QUALITY & SERVICE FOR PETS	
JUL 2024	Invetx		Dechra Pharmaceuticals Ltd, a manufacturer of pharmaceuticals and veterinary equipment and products has acquired Invetx Inc, an animal health biopharmaceutical company.	Dechra	
JUL 2024	Lintbells		Vetnique Labs LLC, a manufacturer of specialty pet products, has acquired Lintbells Ltd, the United Kingdom based producer of nutritional supplements for pets.	Vetnique LABS	



Pet consumables



Veterinary



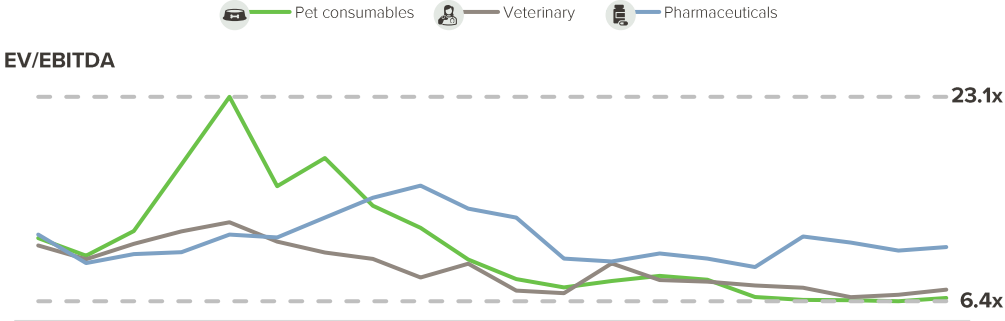
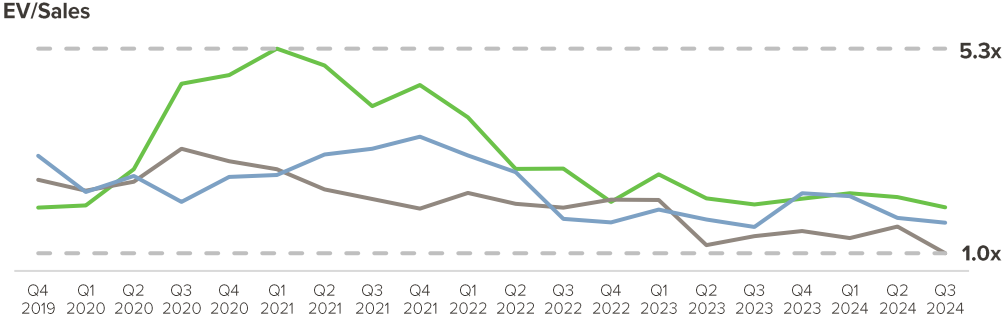
Pharmaceutical

<sup>1)</sup> Announced or closing date

Source: Mergermarket as of September 30<sup>th</sup>, 2024

# Valuation trends

## Valuation of comparable companies (Q4 2019 – Q3 2024)



\* Excluding outliers and negative values  
 Source: Capital IQ as of September 30<sup>th</sup>, 2024

## Valuation of listed companies in the pet care market

- The comparable company analysis reflects twelve companies active in the pet consumables market, five companies active in the veterinary market and four companies active in the pharmaceutical market.
- EV/Sales and EV/EBITDA multiples for the veterinary and pharmaceutical sectors remained relatively stable during the last five years, while the pet consumables sector exhibited significant volatility, particularly in the EV/Sales ratio.
- One likely reason for this volatility in pet consumables could be shifting consumer behavior, as after the COVID-19 high in 2020, inflationary pressures made price sensitivity more pronounced, leading to fluctuations in valuation multiples.
- Recent quarters show a general decline in multiples across all sectors, likely influenced by macroeconomic factors such as rising interest rates, inflation, and supply chain disruptions.
- These lower valuation levels create an attractive opportunity for acquisitions, fostering a favorable environment for buy-side M&A activity.

## Valuation of comparable companies in the pet care industry

Consumables		Valuation								Operating metrics											
		EV/Sales				EV/EBITDA				Revenue growth				Gross margin				EBITDA margin			
Company name	HQ	2020A	2021A	2022A	2023A	2020A	2021A	2022A	2023A	2020A	2021A	2022A	2023A	2020A	2021A	2022A	2023A	2020A	2021A	2022A	2023A
Agroland Business System S.A.		NM	1.1x	0.6x	0.6x	NM	25.4x	14.5x	10.9x	41.2%	15.2%	28.9%	NM	24.6%	22.1%	20.0%	NM	7.4%	6.0%	4.3%	NM
BARK, Inc.		NM	1.2x	0.4x	0.2x	NM	NM	NM	NM	17.2%	68.8%	34.0%	5.5%	60.4%	59.7%	55.6%	57.6%	-11.2%	-4.8%	-18.0%	-9.9%
Boqii Holding Limited		7.3x	0.7x	0.2x	0.1x	NM	NM	NM	NM	-4.2%	31.3%	17.4%	-8.0%	20.6%	18.5%	20.5%	21.4%	-16.9%	-19.7%	-11.0%	-5.1%
Central Garden & Pet Company		0.8x	1.1x	0.9x	1.0x	7.3x	9.3x	7.6x	8.3x	13.1%	22.6%	1.1%	-0.9%	29.6%	29.4%	29.7%	28.9%	9.4%	10.0%	10.2%	9.7%
Chewy, Inc.		5.7x	2.8x	1.6x	0.9x	NM	NM	NM	NM	37.2%	47.4%	25.5%	12.8%	23.6%	25.5%	26.6%	28.0%	-4.8%	-0.9%	-0.4%	1.2%
Hangzhou Tianyuan Pet Products		NM	NM	1.7x	1.1x	NM	NM	23.7x	17.3x	38.3%	27.9%	1.7%	NM	20.4%	18.2%	19.6%	NM	10.9%	8.6%	8.9%	NM
Musti Group Oyj		3.2x	3.4x	1.7x	2.4x	20.9x	20.1x	10.1x	14.0x	15.3%	19.9%	14.7%	8.9%	43.8%	45.7%	46.4%	45.7%	10.1%	11.5%	11.1%	11.2%
Pet Center Comércio e Participações		6.0x	4.1x	1.4x	0.9x	32.4x	24.7x	10.2x	6.6x	45.7%	46.0%	35.1%	NM	48.3%	48.3%	47.6%	NM	12.5%	11.2%	8.5%	NM
Pet Valu Holdings Ltd.		NM	4.1x	3.6x	2.6x	NM	19.7x	NM	13.6x	13.1%	19.7%	22.6%	NM	42.1%	42.5%	41.9%	NM	17.7%	18.4%	18.6%	NM
Petgo Corporation		NM	NM	0.2x	0.2x	NM	NM	NM	8.4x	NM	16.3%	2.1%	3.9%	25.3%	27.3%	26.7%	28.4%	NM	NM	1.9%	2.5%
Pets at Home Group Plc		2.4x	2.1x	1.3x	1.3x	12.5x	11.6x	7.5x	8.3x	10.2%	7.9%	15.3%	6.6%	49.0%	49.0%	49.1%	48.0%	13.1%	10.6%	12.9%	12.1%
Yantai China Pet Foods Co. Ltd.		5.3x	3.5x	2.2x	2.4x	44.0x	37.7x	27.2x	21.1x	30.1%	29.1%	12.7%	15.4%	24.2%	19.7%	19.1%	26.0%	12.2%	8.2%	7.1%	12.8%
<b>Average</b>		<b>4.4x</b>	<b>2.4x</b>	<b>1.3x</b>	<b>1.1x</b>	<b>23.4x</b>	<b>21.2x</b>	<b>14.4x</b>	<b>12.1x</b>	<b>23.4%</b>	<b>29.3%</b>	<b>17.6%</b>	<b>5.5%</b>	<b>34.3%</b>	<b>33.8%</b>	<b>33.6%</b>	<b>35.5%</b>	<b>5.5%</b>	<b>5.4%</b>	<b>4.5%</b>	<b>4.3%</b>
<b>Median</b>		<b>5.3x</b>	<b>2.5x</b>	<b>1.4x</b>	<b>1.0x</b>	<b>20.9x</b>	<b>20.1x</b>	<b>10.2x</b>	<b>10.9x</b>	<b>17.2%</b>	<b>25.2%</b>	<b>16.3%</b>	<b>6.0%</b>	<b>27.4%</b>	<b>28.4%</b>	<b>28.2%</b>	<b>28.6%</b>	<b>10.1%</b>	<b>8.6%</b>	<b>7.8%</b>	<b>6.1%</b>

## Valuation of comparable companies in the pet care industry

Veterinary		Valuation								Operating metrics											
		EV/Sales				EV/EBITDA				Revenue growth				Gross margin				EBITDA margin			
Company name	HQ	2020A	2021A	2022A	2023A	2020A	2021A	2022A	2023A	2020A	2021A	2022A	2023A	2020A	2021A	2022A	2023A	2020A	2021A	2022A	2023A
Asia Vets Holdings Ltd.		NM	0.2x	NM	NM	NM	1.8x	NM	NM	13.5%	-29.1%	-21.0%	NM	42.8%	37.2%	35.0%	NM	8.9%	-11.4%	-20.0%	NM
CVS Group plc		2.9x	3.4x	2.7x	2.3x	19.0x	20.0x	16.9x	12.3x	5.2%	19.2%	8.6%	6.3%	39.8%	43.5%	43.1%	43.8%	11.9%	14.4%	13.6%	17.5%
Japan Animal Referral Medical Center		2.6x	2.1x	2.5x	1.8x	11.4x	10.1x	9.6x	8.3x	6.7%	4.1%	4.6%	30.0%	36.9%	34.9%	37.1%	37.2%	23.7%	22.0%	22.9%	25.6%
Petco Health and Wellness Company		0.0x	1.4x	0.9x	0.6x	0.0x	8.0x	5.6x	4.4x	1.0%	11.0%	18.0%	3.9%	43.0%	42.8%	41.9%	40.2%	7.1%	7.8%	8.0%	7.0%
PetMed Express, Inc.		1.8x	1.4x	1.0x	0.4x	13.9x	12.0x	11.9x	NM	0.2%	6.8%	-10.3%	-5.8%	28.6%	27.8%	28.3%	27.6%	11.7%	10.9%	9.9%	4.1%

<b>Average</b>		<b>1.8x</b>	<b>1.7x</b>	<b>1.8x</b>	<b>1.3x</b>	<b>11.1x</b>	<b>10.4x</b>	<b>11.0x</b>	<b>8.3x</b>	<b>5.3%</b>	<b>2.4%</b>	<b>0.0%</b>	<b>8.6%</b>	<b>38.2%</b>	<b>37.2%</b>	<b>37.1%</b>	<b>37.2%</b>	<b>12.6%</b>	<b>8.7%</b>	<b>6.9%</b>	<b>13.5%</b>
<b>Median</b>		<b>2.2x</b>	<b>1.4x</b>	<b>1.7x</b>	<b>1.2x</b>	<b>12.7x</b>	<b>10.1x</b>	<b>10.8x</b>	<b>8.3x</b>	<b>5.2%</b>	<b>6.8%</b>	<b>4.6%</b>	<b>5.1%</b>	<b>39.8%</b>	<b>37.2%</b>	<b>37.1%</b>	<b>38.7%</b>	<b>11.7%</b>	<b>10.9%</b>	<b>9.9%</b>	<b>12.2%</b>

Pharmaceuticals		Valuation								Operating metrics											
		EV/Sales				EV/EBITDA				Revenue growth				Gross margin				EBITDA margin			
Company name	HQ	2020A	2021A	2022A	2023A	2020A	2021A	2022A	2023A	2020A	2021A	2022A	2023A	2020A	2021A	2022A	2023A	2020A	2021A	2022A	2023A
Phibro Animal Health Corporation		1.4x	1.4x	1.0x	0.9x	9.9x	10.2x	7.5x	8.7x	-3.3%	4.1%	13.1%	3.8%	32.1%	32.6%	30.3%	30.5%	12.3%	12.7%	11.7%	10.7%
Vetoquinol SA		2.2x	3.2x	1.9x	2.1x	12.1x	13.9x	9.5x	9.3x	7.9%	21.9%	3.6%	-1.9%	54.6%	56.1%	55.2%	55.1%	17.7%	20.6%	20.1%	18.7%
Virbac SA		2.5x	3.6x	1.7x	2.5x	13.2x	18.6x	8.4x	13.3x	-0.4%	13.9%	14.3%	2.5%	66.1%	66.2%	65.4%	65.2%	17.1%	19.0%	18.0%	17.8%
Orion Oyj		4.7x	5.0x	5.3x	4.8x	14.3x	17.9x	14.5x	20.9x	2.6%	-3.4%	28.8%	-11.3%	59.7%	57.0%	63.5%	55.3%	30.7%	27.1%	35.9%	23.9%

<b>Average</b>		<b>2.7x</b>	<b>3.3x</b>	<b>2.5x</b>	<b>2.6x</b>	<b>12.4x</b>	<b>15.2x</b>	<b>10.0x</b>	<b>13.1x</b>	<b>1.7%</b>	<b>9.1%</b>	<b>14.9%</b>	<b>-1.7%</b>	<b>53.1%</b>	<b>53.0%</b>	<b>53.6%</b>	<b>51.5%</b>	<b>19.5%</b>	<b>19.9%</b>	<b>21.4%</b>	<b>17.8%</b>
<b>Median</b>		<b>2.3x</b>	<b>3.4x</b>	<b>1.8x</b>	<b>2.3x</b>	<b>12.6x</b>	<b>15.9x</b>	<b>8.9x</b>	<b>11.3x</b>	<b>1.1%</b>	<b>9.0%</b>	<b>13.7%</b>	<b>0.3%</b>	<b>57.2%</b>	<b>56.6%</b>	<b>59.4%</b>	<b>55.2%</b>	<b>17.4%</b>	<b>19.8%</b>	<b>19.0%</b>	<b>18.3%</b>

## Oaklins case study

mp group gmbh has sold Zoologo Holding GmbH & Co. KG to Kömpf GmbH & Co. KG

### Seller – our client

mp group is one of the leading players in the German pet food market and focuses on stationary and online retail. The group has 1,200 employees and operates more than 25 Kölle-Zoo stationary specialized retailers in Germany and Austria, with a focus on pets, pet food and pet accessories.

### Target

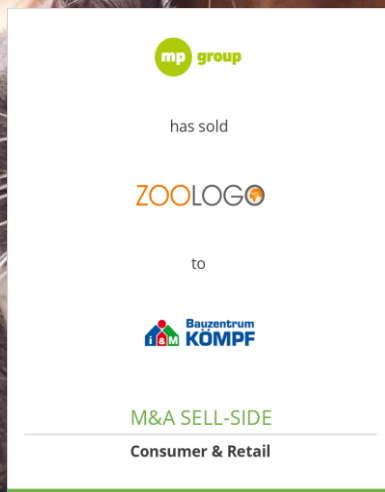
Established in 2015, Zoologo Holding is an e-commerce specialist for pet food and petcare. The company offers over 15,000 items from more than 500 premium brands through its online shops ZOOLOGO and petotal.


### Buyer

Kömpf operates in several construction markets, focusing on building materials, DIY stores and garden centers. Next to the stationary retail, the company is also active in the e-commerce segment via its own webshop.


### Transaction details

mp group has sold its e-commerce subsidiary focusing on third party brands Zoologo to Kömpf.




 mp group

has sold

 ZOOLOGO

to

 Bauzentrum  
KÖMPF

M&A SELL-SIDE

Consumer & Retail






## Conclusion

The European pet food market is poised for stable growth, with a projected CAGR of 4% between 2024E and 2029E. During this period, the global market is expected to expand from a total size of \$149.9 billion to \$195.2 billion. Dogs and cats are expected to continue to account for the largest share of the pet food industry.

The growth can be attributed to ongoing market trends such as humanization, premiumization and an increasing eco-consciousness. These trends have increased consumers' willingness to pay for their pets, resulting in the production of higher quality products with healthier ingredients. In addition, pet food companies are placing greater emphasis on marketing and e-commerce channels to meet the evolving needs of pet owners. Brands adopting green practices and transparent sourcing are gaining favor, as pet owners align their values with their pets' care.

In order to maintain a competitive edge in this market, companies must consistently meet the growing demand for premium and eco-conscious pet food and cultivate strong brand loyalty among consumers. With these trends in mind, the pet food industry is well-positioned for continuous growth and innovation in the years ahead.

## Market trends

-  Pet snacks, which serve as supplements and rewards, are a key driver of growth
-  Online shopping is transforming the pet food market by offering consumer convenience
-  Companies are expanding their product offerings to evolving consumer preferences and needs

There is a high demand for veterinary and pet care companies, where buy-and-build strategies can be effectively applied



Strategic buyers benefit from synergies in expertise and product expansion, which leads to enhanced diversification






## M&A activity

Cross-border transactions dominate the pet care market, with high demand for targets in low-cost production countries



## Deal drivers

-  Shifting consumer behavior leads to fluctuations in valuation multiples within the pet consumables sector
-  There is significant consolidation in the veterinary clinic segment, as various companies pursue buy-and-build strategies
-  In the pharmaceutical sector, there is particularly high demand for targets with significant know-how and innovation potential

The demand for veterinary practices and chains is expected to persist until a significant consolidation within the market is realized



Targets from the "Others" sector, such as pet crematories, grooming services, or pet insurances, could also become attractive to buyers




## Outlook

Sustained trends like humanization will continue to fuel market growth




## Oaklins' pet publications and further information are available online on our dedicated pet industry page

To explore our latest reports containing insights on industry trends and valuations, simply follow the QR codes or links, or visit us at [oaklins.com/de](https://oaklins.com/de).



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MARKET OVERVIEW AND M&A ACTIVITY

**Vegan pet food**

M&A advisory experts in the pet care industry

## Industry expertise in the pet industry

Oaklins' industry experts regularly analyze the pet market and share their insights on current market developments, M&A activities and valuation trends in various segments of the food industry.

Are you excited about the pet care industry? We are! And about M&A.



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## About Oaklins

### **Deep local roots, global commitment**

Oaklins brings you opportunities from across the world and we meet you with our expertise wherever you are.

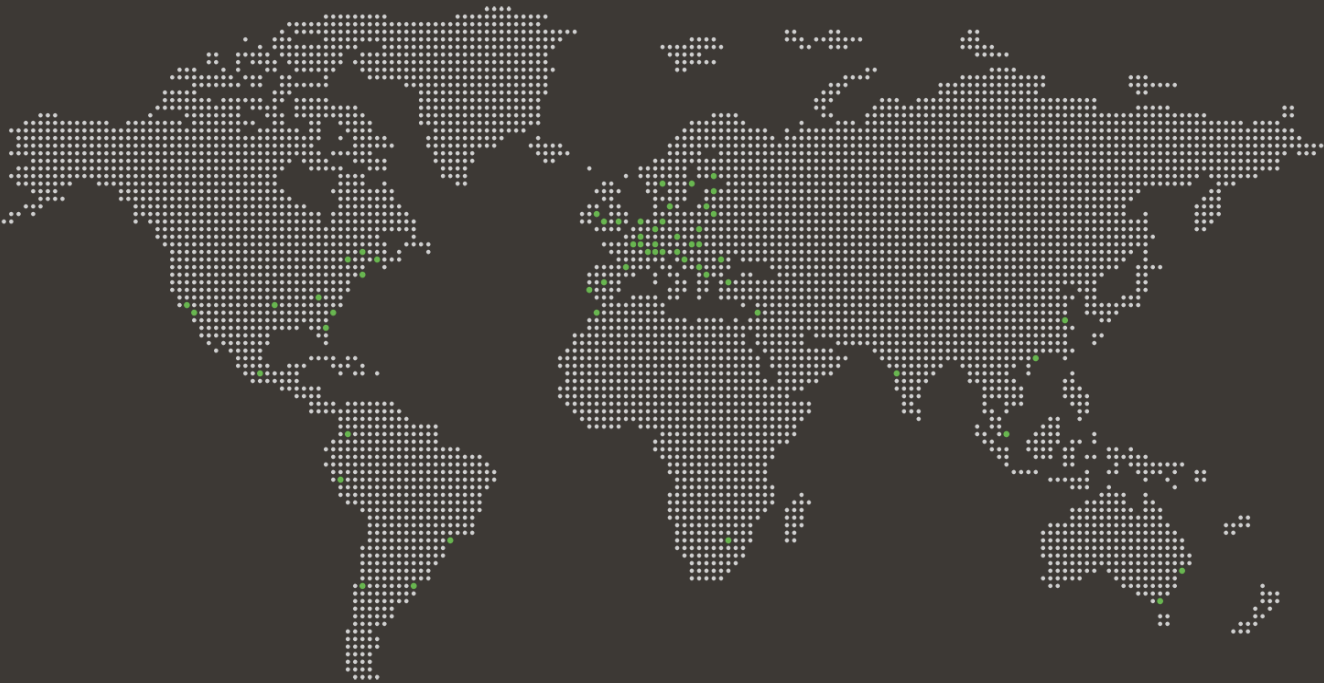
Oaklins offers a comprehensive range of services:

- M&A sell-side advisory
- M&A buy-side advisory
- Growth equity and equity capital markets advisory
- Debt advisory

Oaklins is the world's most experienced mid-market M&A advisor, with over 800 professionals globally and dedicated industry teams in more than 40 countries. We have closed 1,700 transactions in the past five years.

If mergers, acquisitions, or divestitures of businesses or business units are part of your strategy, we would welcome the opportunity to exchange ideas with you.

# Global reach



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