



AGC Sector Insights

# Animal Health Technology

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“ *The Animal Health Technology market is a fragmented market, with a number of small and medium-sized businesses competing alongside larger multinational corporations... businesses that are able to successfully navigate the fragmented market will be well-positioned to capitalize on the growth of the industry* ”  
– Brainy Insights

*Presented by:*  
**AGC Partners**

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**Ben Howe, Co-Founder, CEO**  
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Q3 2023

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2. Market Demand Drivers
3. Technology Overview and Company Landscape
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# Introduction to Animal Health Technology

*Spanning across three core segments, the Animal Health Technology market is benefiting from multiple tailwinds and growing rapidly. Coupled with a fragmented provider landscape currently led by diversified conglomerates, the market is primed for disruption*

It should come as no surprise that pet ownership, demand for veterinary services, and animal-derived commodity production are all at record highs. If you didn't personally adopt or buy a companion animal during the Covid pandemic, I suspect you know a couple people who did. Amid this backdrop, Animal Health Technology has demonstrated its potential to enhance the experience of pet ownership, optimize veterinary processes, improve the operations of livestock businesses, and improve the wellbeing of animals. The market for these technology solutions, encompassing a wide spectrum of applications from veterinary practice management and telehealth solutions to livestock monitoring and management and technology enabled dog walking services, is seeing rapid growth.

Demand for Animal Health Technology is being driven by five primary tailwinds: (1) a surging global pet population, (2) veterinary labor shortages, (3) increases in food demand, regulation, and the prevalence of animal-borne illnesses, (4) a post-COVID shift in sentiment towards remote telemedicine and mobile consultations, and (5) the larger presence of efficiency and growth-minded veterinary clinic consolidators. These tailwinds are both driving demand for, and shaping the development of, new technologies.

The Animal Health Technology Industry is currently led by diversified animal health companies where technology represents a small piece of their overall business, and there is no pure-play software 10,000 lb. gorilla. This combination of market dynamics has created a significant opportunity for growth stage technology companies to rapidly win market share and emerge as market leaders. AGC's Animal Health Technology landscape aims to capture platforms where software is a primary component, oftentimes deployed alongside connected devices and/or tech-enabled services. It includes 142 private companies and 6 sub-\$1B market cap public companies across three primary market segments: Veterinary, Livestock, and Consumer.

## AGC's Animal Health Tech Landscape

### Veterinary Tech

70

Companies

#### Subsegments:

- PMS Software
- Telehealth and Mobility
- Imaging
- Payments
- Appointment Scheduling
- EMR Software

### Consumer Tech

30

Companies

#### Subsegments:

- Pet Care
- Pet Sitting / Walking
- E-Commerce
- Telehealth and Mobility

### Livestock Tech

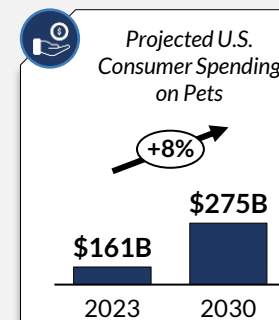
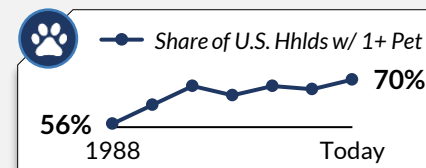
42

Companies

#### Subsegments:

- Livestock Monitoring / Management
- Operations Management

## Key Market Tailwinds for Animal Health Tech



**Supreme Court Preserves CA's Prop. 12 Humane Pig Confinement Law**

REUTERS May 11, 2023

**0.8**

Vets per 1K Dogs and Cats in the U.S. as a result of vet labor shortages

**\$45B**

Invested by vet clinic consolidators (2017-2022)

**vca** + **MARS** + **PetVet Care** + **KKR**



# Animal Health Tech Deal Volumes Demonstrate the Market's Resilience

*Despite the broader market turbulence, Animal Health Tech investments have proven resilient, and M&A deals are at all-time highs*

Growth investors have poured \$3B+ of capital into the Animal Health Technology space since the beginning of 2021, including several key raises YTD in 2023:

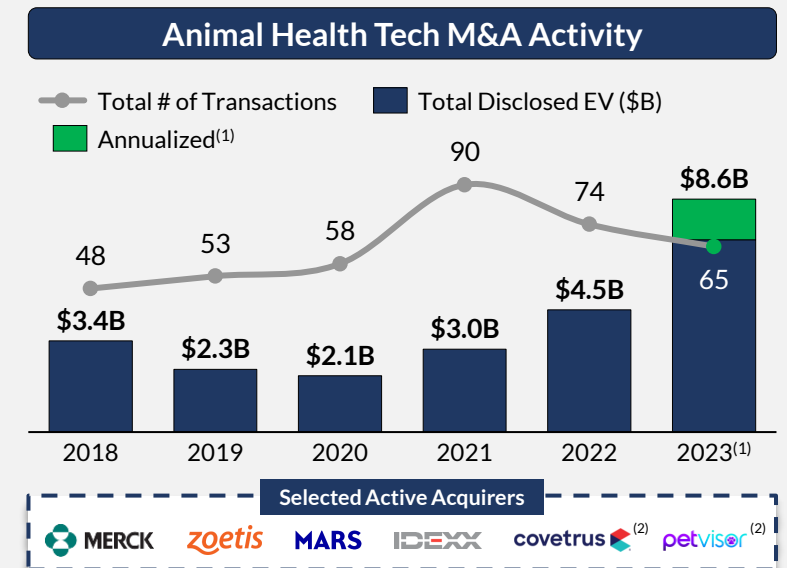
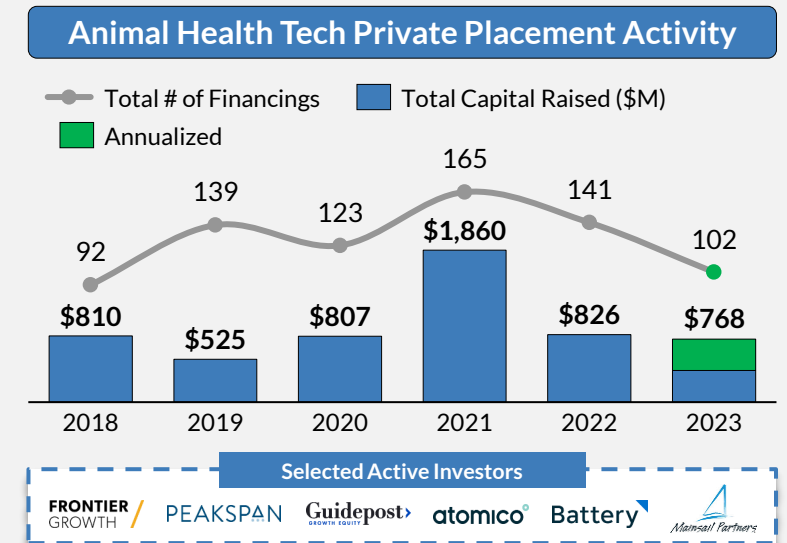
- Herd management platform Halter raised \$50M from Battery and Bessemer
- Veterinary payment solution Scratch fetched \$35M from Norwest
- Performance Livestock Analytics spun out of Zoetis and nabbed \$8M from Builders VC and Altaris

In parallel, the industry is experiencing consolidation as illustrated by the steady uptick in the disclosed value of M&A transactions since 2020.

- Halfway through 2023, deal value has already eclipsed last year's mark, driven by Mars' \$1.5B acquisition of Heska and EQT & ADIA's \$5.6B acquisition of Dechra
- Covetrus was taken private by CD&R and TPG in 2022 for \$4B
- The SPAC frenzy of 2020 and 2021 saw Rover and BarkBox ink deals at \$1B+ valuations

Strategics including Merck, Zoetis, Mars, and IDEXX have historically been the most active acquirers in the space, but as growth stage companies have matured and reached scale, PEs have grown increasingly interested. Evidenced by PetVisor and Covetrus, PEs are now placing their bets – a trend that is likely to continue. Additionally, veterinary clinic consolidation has occurred at a rapid clip over the last 5-10 years, orchestrated by PEs and strategics that are keen to spend on initiatives that will improve their clinics' long-term operating margins. While clinic consolidation is excluded from the M&A data shown, it has improved industry purchasing power and driven demand for technology.

In the public markets, there are 12 relevant companies that comprise the Animal Health Technology ecosystem. Five are valued over \$3B, though the largest of these players offer a diversified set of products, technology, and services.





# The Animal Health Tech Landscape is Currently Led by Diversified Corporations

*With no pure-play software companies dominating the ecosystem, the market is open for growth stage players to rapidly scale*

- The Animal Health Technology market is currently led by diversified multinational corporations that offer a broad array of products, including diagnostics products, pharmaceuticals, animal food, and software / technology solutions
- For these market leaders, technology typically represents a small percentage of total revenue
  - This suggests that the strategic focus of these companies is spread thin and more centered on their larger lines of business
- With their technology products, many of these players are tied up in efforts to convert their customers from legacy, on-prem solutions to more modern, cloud-based SaaS solutions
- These large strategics have increasingly looked to M&A to gain a better foothold in established and emerging technology markets
  - Examples of this include Mars' \$1.5B take-private of Heska and IDEXX's \$150M acquisition of ezyVet
- Given these market dynamics, there is large opening for growth stage, pure-play technology providers to win market share

## Largest Animal Health Tech Companies<sup>(1)</sup>



*Offers vet diagnostic products, equipment, PIMS and related software, and services*

Enterprise Value:	\$46B
TTM Revenue:	\$3.4B
% Tech Revenue:	12%



*Offers animal health pharmaceuticals, diagnostics, and herd mgmt. and vet communication solutions*

Enterprise Value:	\$84B
TTM Revenue:	\$8.1B
% Tech Revenue:	7%



*Offers vaccines, devices, and pharmaceutical medicines across both human and animal health*

Enterprise Value:	\$293B
TTM Revenue <sup>(2)</sup> :	\$5.6B
% Tech Revenue:	ND



*Offers confectionary goods, owns vet clinic chains and sells pet food; Heska provides diagnostic solutions, PMS and imaging software*

Enterprise Value:	ND
TTM Revenue <sup>(3)</sup> :	\$48B
% Tech Revenue:	<1%



*Offers animal health supplies, diagnostics and PMS software, and supply chain services to dental and animal health segments*

Enterprise Value:	\$3.5B
TTM Revenue <sup>(2)</sup> :	\$3.9B
% Tech Revenue:	4%



*Offers animal health PIMS solutions, prescription mgmt. and supply chain and financial services*

Enterprise Value:	\$4.0B
TTM Revenue <sup>(4)</sup> :	\$4.9B
% Tech Revenue:	22%

1) Includes animal health companies offering tech solutions with \$3B+ valuation, excluding eCommerce

2) TTM Revenue and % Tech calculated as a % of each company's Animal Health segment

3) TTM Revenue represents the combined revenue of both Mars and Heska

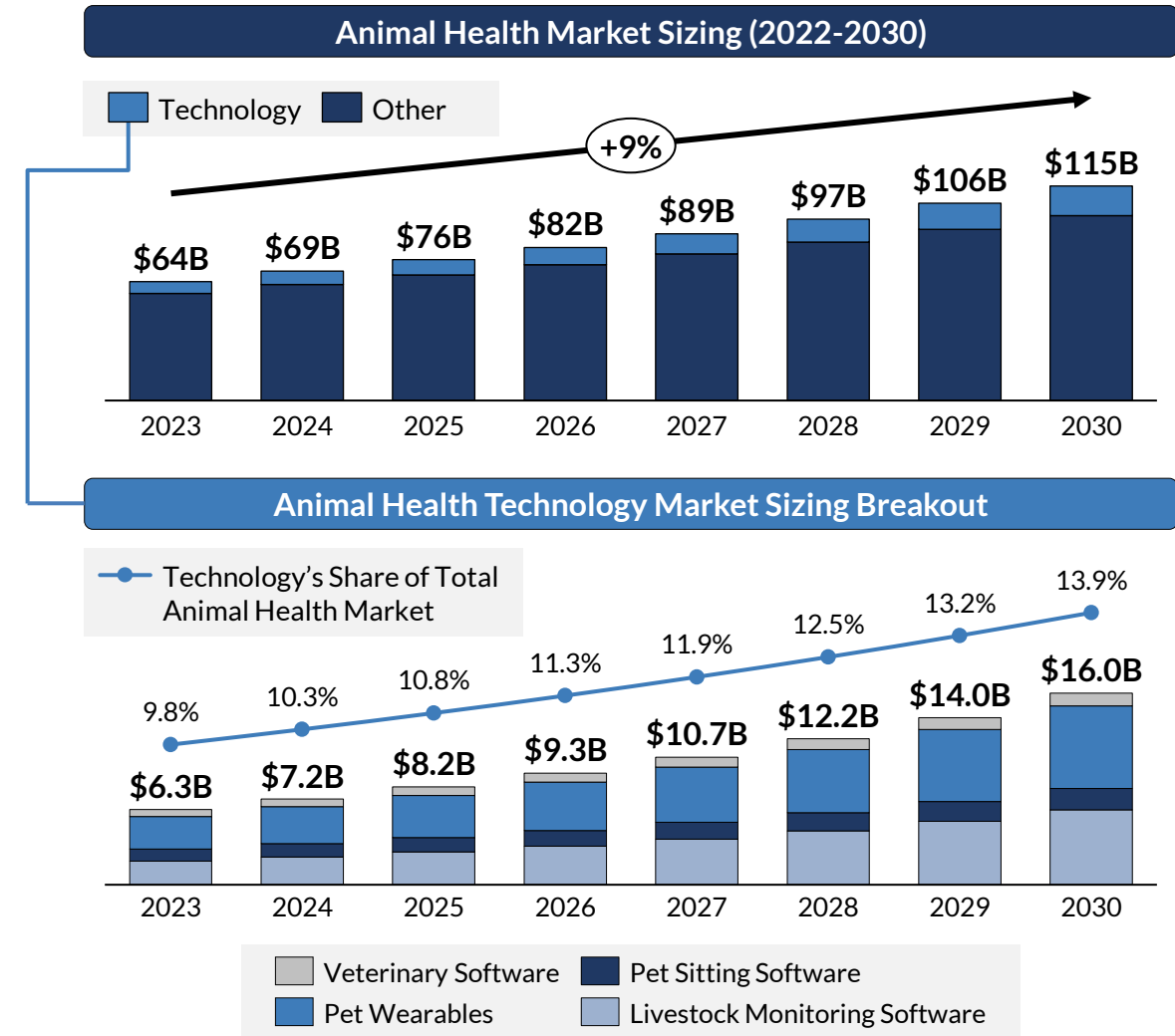
4) Assumes forecasted growth based on 2021 publicly available data. EV shown from CD&R/TPG take-private



# Animal Health Technology is a Rapidly Growing, Multi-Billion Dollar Market

*The technology segment of the Animal Health market is poised for rapid growth, outpacing the broader industry with a 14% CAGR*

- The Global Animal Health market, currently valued at \$64 billion, is projected to surpass \$100 billion by 2029 with a CAGR of 9%
  - The largest components of the broader industry are services such as the manufacturing of medicines / vaccines, clinical visits, and food production
- The Animal Health Technology market, currently valued a \$6.3 billion, is expected to double by 2028 with a CAGR of 14%. This figure includes veterinary software, pet wearables, pet sitting / care platforms, and livestock monitoring software
  - Given the highly connected nature of their offerings, Pet Wearables includes the sale of hardware devices. Pet e-commerce, which alone is a \$20+ billion market, was not included in these figures
  - Veterinary software is a burgeoning opportunity as this technology delivers high ROI in the form of increased productivity, enhanced clinic efficiency, new customer acquisition, and better health outcomes for animals
- In terms of technological adoption, the Animal Health industry experienced relatively slower uptake and lags behind other major industries. However, adoption is accelerating
  - Animal Health Technology currently represents ~10% of the overall Animal Health market and is growing significantly faster than the services segment, putting it on track to gain an additional ~4% of market share by 2030
- Factors driving growth in the Animal Health Technology market include pet ownership increasing globally, vet clinic labor shortages, food demand and disease driving a greater focus on livestock health and efficiency, veterinarians leveraging telehealth, the consolidation of vet clinics, and intensifying regulatory requirements



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# Animal Health Technology Demand Drivers

*The segment is positioned for accelerating growth as a result of 5 primary tailwinds:*

## Key Market Tailwinds

1

### **Pet Ownership is Increasing Globally, Strengthening Demand for Pet Care**

- Average household spending per pet is anticipated to reach \$1,320 by 2025 and \$1,897 by 2030, fueled by younger generations and wealthy households increasingly owning pets

2

### **Concurrent with Rising Demand, Veterinary Clinics are Suffering from a Labor Shortage**

- The U.S. veterinary industry needs to add 41,000 vets by 2030 to meet companion Animal Healthcare demand – a significant challenge given the industry's historically slow minting of new vets and high turnover rates
- To make matters worse, the shortage is likely underreported given the exit and retirement rate of existing vets

3

### **Food Demand and Regulations are Driving a Greater Focus on Livestock Health and Farming Efficiency**

- Since COVID-19, the focus on disease outbreaks and animal borne diseases has risen significantly
- Farmers are increasingly adopting technology solutions to ensure that production meets increasing demand for animal proteins and livestock health is effectively monitored to stay in compliance with regulations

4

### **Veterinarians are Leveraging Telehealth to Bolster Pet Business**

- The COVID-19 pandemic has prompted increased willingness and acceptance of receiving medical advice or consultations digitally for companion animals
- There has been a 7.5x increase in the adoption of digital/remote consultations by veterinary practices since 2020

5

### **Consolidation of Veterinary Clinics is Necessitating Software to Achieve Financial and Operational Improvement**

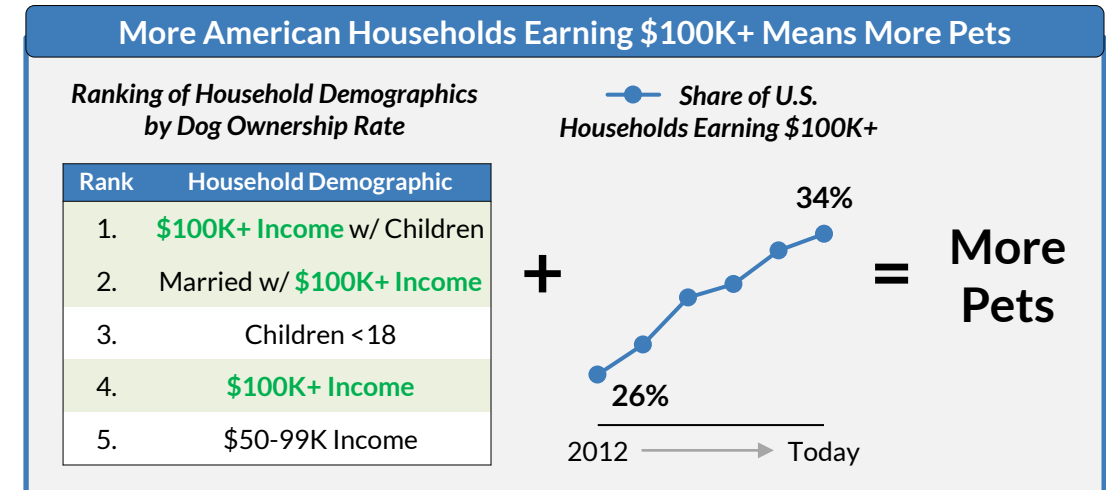
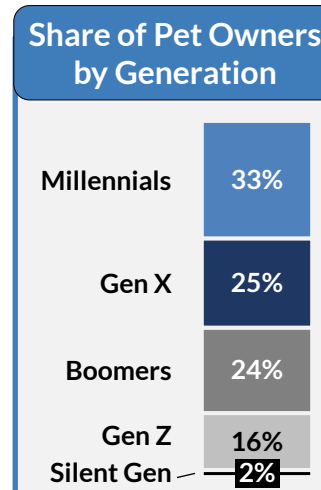
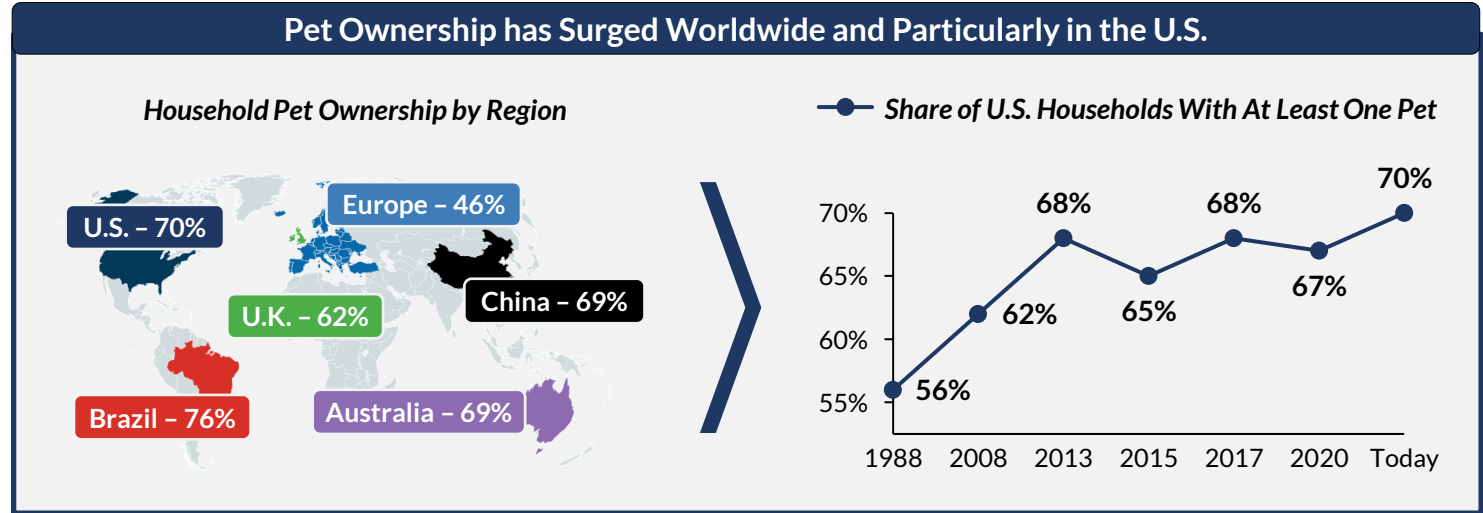
- The consolidation of privately owned clinics by strategics and PE firms has driven demand for enabling technology in response to operational and financial optimization efforts



# 1 Pet Populations Have Risen to Record Levels in the U.S. and Worldwide

*Macro and demographic shifts have fueled a surge in global pet ownership rates*

- Prevalence of pet ownership in the U.S. has surged over the last 30 years, with 70% of households owning at least one pet today compared to 56% in 1988. Meanwhile, the global pet population has crept into the billions, driven by strong ownership levels in China, Australia, Brazil, and throughout Europe
  - More than half of the global population is now estimated to have a pet as a part of their household
- The COVID-19 pandemic and subsequent lockdowns served as a significant catalyst for pet adoption, especially amongst younger generations (aged 18-34)
  - Millennials now account for one-third of all pet owners, and the Gen Z demographic is steadily growing, comprising 16% of pet owners
- In addition, the most likely demographic to own a pet in the U.S. – households with an annual income exceeding \$100K – now represent a higher share of all households than ever before at 34%
  - Of the five household demographics that own the most dogs, three earn \$100K+, making that income threshold a strong predictor of pet ownership. Therefore, as the share of U.S. households earning \$100K+ continues to increase, we can expect the pet population to follow

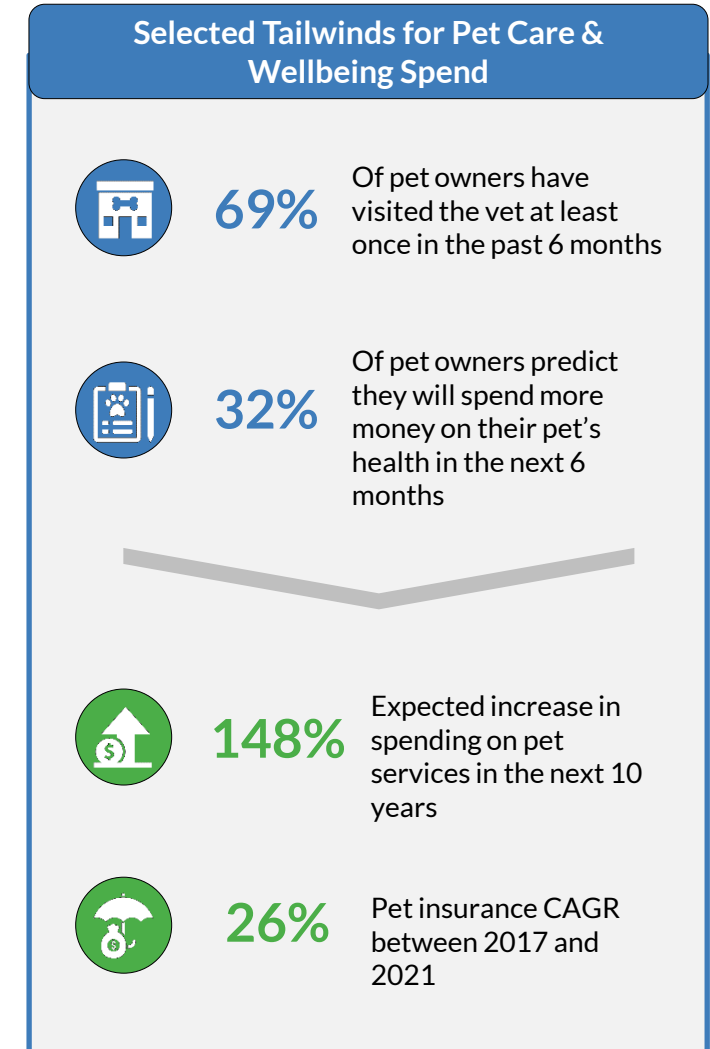
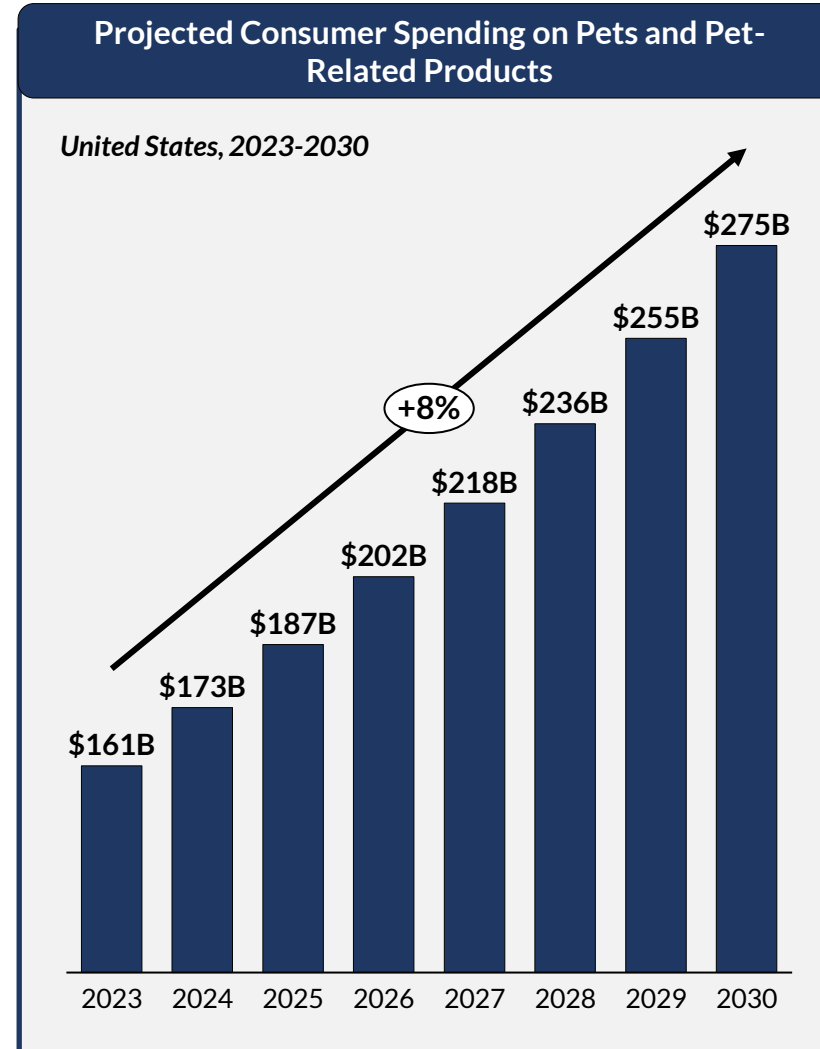




# 1 As the Pet Population Rises, So Does Spending on Pet Care & Wellbeing

*Owners are spending more on their pets as they become more aware and understanding of their health needs*

- The rise in pet ownership has led to a significant increase in pet-related expenditures by owners
  - Spending on pets experienced an 11% increase during the pandemic and is projected to reach \$275B in the U.S. by 2030
  - Spending on pet care has proven very durable for pet owners, even as they make cuts in other spending categories
- While preventative care for animals has historically been overlooked, a shift in awareness has occurred in recent years, compelling owners to exhibit greater demand for wellness products and solutions
  - 69% of pet owners have visited a veterinary clinic in the last six months, and 32% anticipate spending more on their pet's health in the next six months
- In addition to preventative care, another notable driver is the specialization and humanization of pet care, which includes the emergence of specialty practices (such as oncology), increase in availability and use of surgical devices, and availability of non-surgical therapies (such as chemotherapy)





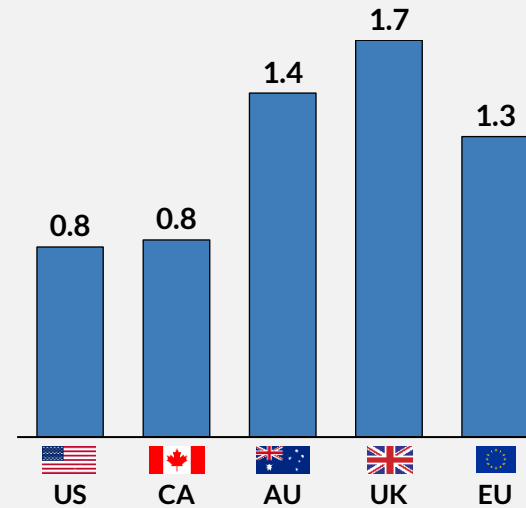
## 2 Veterinary Clinics are Suffering from a Labor Shortage Amidst Rising Demand

*Vet clinics are increasingly looking to technology to improve operational efficiencies and alleviate the strain on employees*

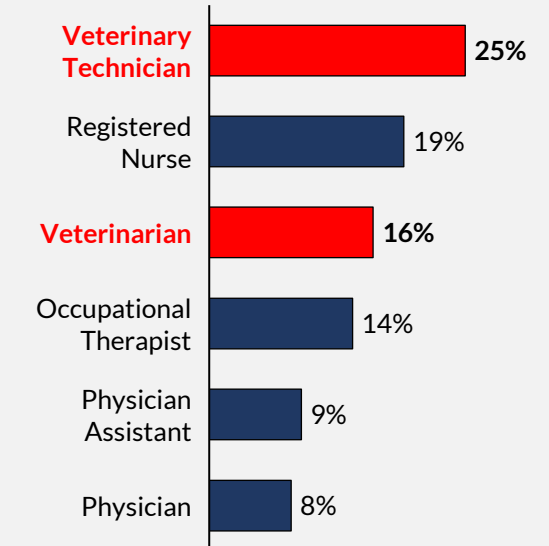
- The veterinary industry is currently facing a crisis due to a shortage of professionals, leading to an inability to meet the rising demand for services
  - Many clinics are experiencing strain on their resources and staff, with only 0.8 veterinary professionals available per 1,000 dogs and cats in the U.S.
- Mars Veterinary Health projects that 41K additional veterinarians will be needed in the U.S. by 2030 to meet rising demand
  - For context, the number of veterinarians in the U.S. currently stands at 124K and has grown 2.4% per year since 2015. **To meet demand by 2030, the growth rate would have to increase to 3.6% over the next seven years** – a seemingly insurmountable proposition
  - At the current growth rate of 2.4%, there will be a shortage of 15K veterinarians by 2030
- Evidence suggests that the veterinary shortage is actually being underreported
  - AVMA data implies that each year roughly 2,000 vets leave the profession, 3,000 vets retire, and some graduates of veterinary school elect to pursue alternate career paths; industry bodies may under-capture these metrics when calculating the shortage
- The shortage has significantly increased the workload for practicing veterinary professionals, resulting in a high turnover rate and increased costs for clinics
  - The turnover rate for vet techs and vets is significantly higher than their peers at 25% and 16%, respectively, and the cost of replacing a single staff member can amount to up to \$10K for a clinic
  - Various factors contribute to veterinarians leaving the profession, including poor work-life balance, burnout, toxic workplace culture, limited growth opportunities, work-related stress, and inadequate compensation
- **To address this shortage and growing demand, veterinary practices and clinics are increasingly relying on technology-enabled solutions to counter the lack of professionals, improve retention, and boost productivity**

### The Veterinarian Labor Shortage is at “Crisis” Levels in the U.S.

*Veterinary Professionals Per 1,000 Dogs and Cats*



### Veterinary Turnover Rates Exceed Other Areas of Medicine



### Stopping the Shortage will Require Record Growth in New Veterinarians

**41,000**

Additional veterinarians will be needed to meet the needs of companion Animal Healthcare by 2030

**30 Years**

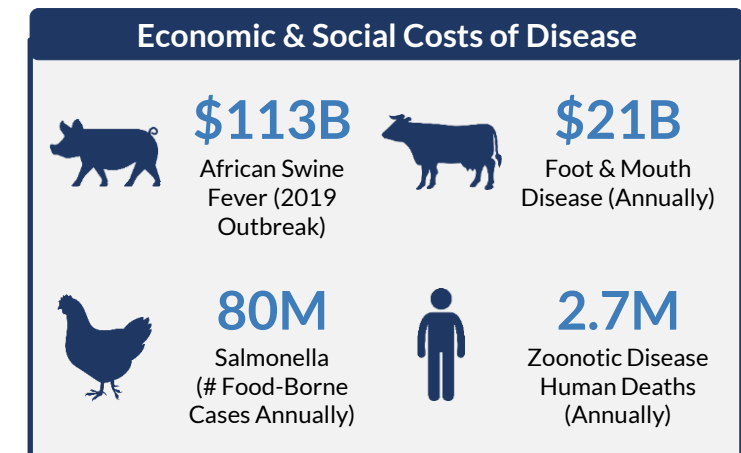
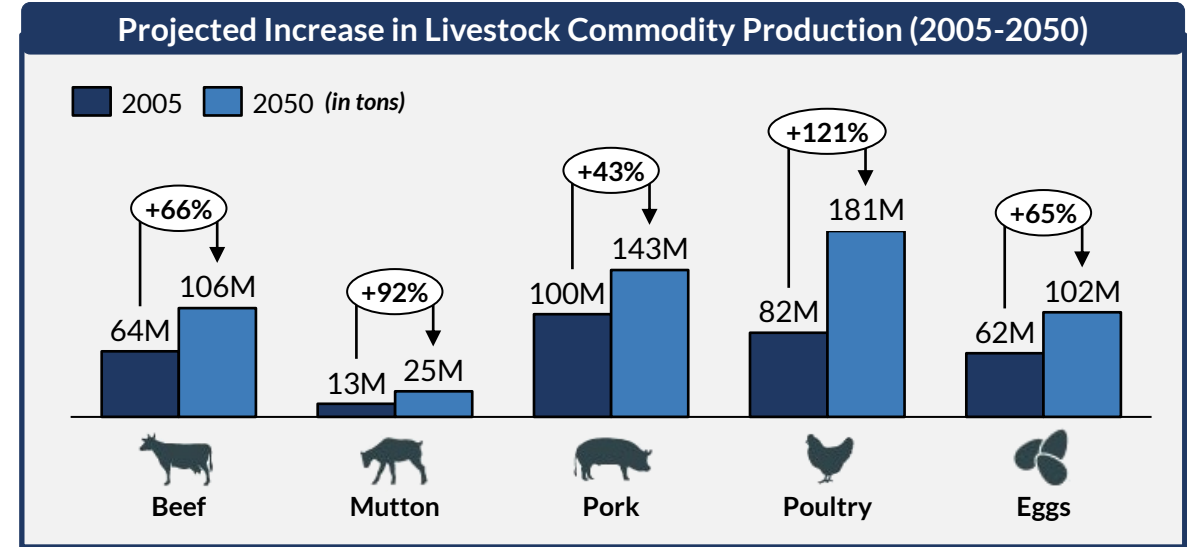
of graduates would be required to meet the 10-year industry need for credentialed veterinary technicians



### 3 Food Demand and Regulations are Driving a Greater Focus on Livestock Health...

*Monitoring livestock health is mission critical for farmers to optimize production, mitigate diseases, and comply with regulations*

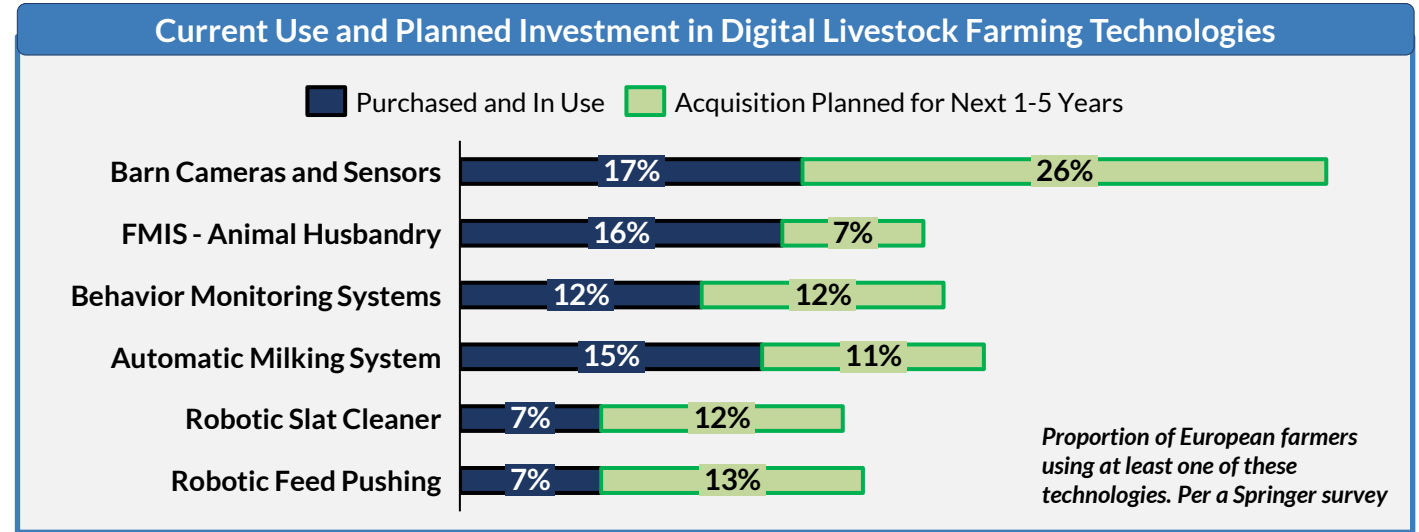
- The Food and Agriculture Organization of the United Nations estimates significant increases in food production across the board by 2050, including a 66% increase in beef production
  - While meat alternatives are increasing in popularity, meat production is still anticipated to grow dramatically in the future
  - The majority of the additional food demand will originate from low- and middle-income countries; food exports continue to be a growth driver
- Beef and poultry production levels are under pressure in 2023 due to increased input costs and a shift in consumer purchase habits towards lower cost food types
  - This is driving demand for technology that can improve production efficiency
- Post-COVID, the focus on preventing and containing animal borne diseases has increased, which has bolstered demand for technology used to monitor livestock health
  - Disease outbreaks in the livestock and meat sector continue to cause serious economic repercussions despite advancements in public health and veterinary medicine, leading to setbacks in imports, exports, and overall spending
- Increasing compliance and regulation is another key driver of the tech market, especially in the wake of California's Proposition 12
  - The state law imposed minimum square footage requirements on farm animal confinement and banned the sale of any animals that are confined below the threshold
  - In requiring farmers to adhere to stricter compliance standards, Proposition 12 and adjacent regulations have in turn necessitated greater levels of monitoring and data granularity – both of which can be facilitated by livestock monitoring wearables and software



### 3 ... and Efficiency in Farming and Commodity Production

*As demand for livestock produce increases, producers are adopting new technologies to stay ahead of the curve*

- In recent years, advancements in technology have revolutionized the agricultural industry and boosted efficiency across farming practices
  - Sensor technology, nutritional advancements, genetic improvements, and digital innovations are among the key areas driving enhanced productivity in the industry
- European and North American farmers are at the forefront of global AgTech adoption, with ~60% of farmers currently using or intending to adopt software solutions within the next two years
- Livestock management remains a relatively underserved use case of technology in 2023, but this is set to change as farmers have flagged *improving herd efficiency* as a top priority in 2023 and are making plans to bolster their livestock management operations with technology
  - Adoption of livestock behavior monitoring systems is projected to double in the next five years, and remote monitoring of animal health status through worn monitors is already very common in dairy and certain steps in beef production
  - Livestock production applications that track animal health information allow farmers to monitor reproductive status in herds (leading to increased yields and profitability), as well as dairy production, which is highly metricized per cow and requires stringent daily monitoring during milking and in the feed lot

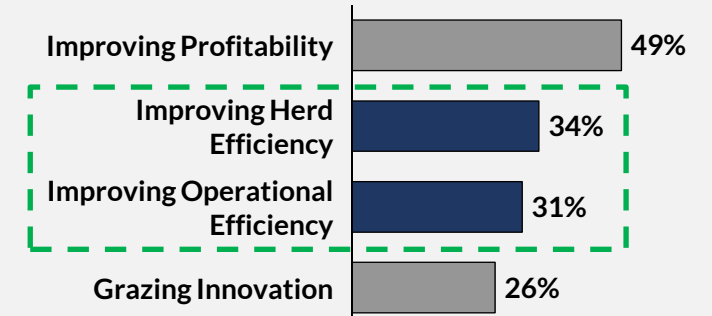


“ Better monitoring of Animal Health and growth conditions could produce **\$70B - \$90B** in value by 2030. ”

McKinsey & Company

#### Efficiency is a Top Priority for Farmers in 2023

*Represents top priorities for farmers globally, surveyed by AgriWebb*



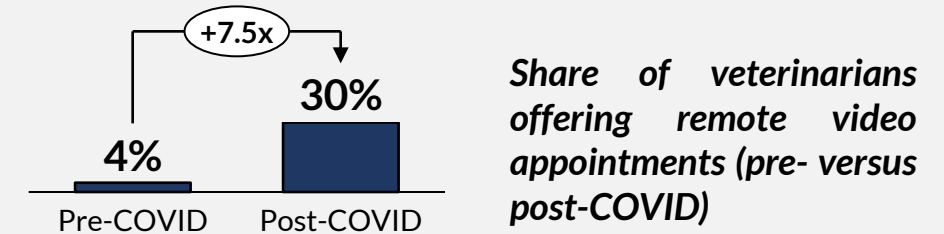


## 4 Veterinarians are Leveraging Telehealth to Bolster Pet Business

*Telehealth's use cases have extended to Animal Health, allowing veterinarians to connect with pets and owners digitally*

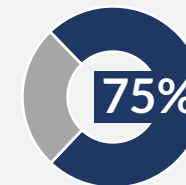
- The COVID-19 pandemic prompted a significant increase in the adoption of digital/remote consultations by veterinary practices, with 30% of veterinarians leveraging remote video appointments post-COVID compared to 4% before
  - The global veterinary telehealth market (currently valued at ~\$150M) is projected to grow at a 17% CAGR through 2030
- The transition to telemedicine has been largely well-received by pet owners, with 75% expressing they were 'satisfied' or 'extremely satisfied' following a telemedicine consultation, and dog owners expressing a willingness to pay an additional \$38 for telehealth visits above the cost of an in-person visit
  - For pet owners, this additional willingness to pay stems from the technology's utility in delivering rural health care, eliminating the need to transport animals (which are often shy, nervous or large), being cost-and time-effective, and for improving health outcomes – specifically reductions in hospitalization, readmissions, and mortality
- For practitioners, increasing delivery of veterinary services telephonically allows them to meet increasing client demands, reduce staff fatigue, and boost efficiency, revenue, and client retention
  - Veterinarians leveraging telehealth reduced client turnover by 3% as compared to the industry average, which is 13%
- While telehealth has grown increasingly prevalent in companion animal health, adoption remains low on the livestock side. This is because USDA regulations still largely require in-person visits and signed documentation certifying that a vet has seen the animal in person
  - Wearables that facilitate the remote monitoring and collection of health information will therefore remain the technology of choice for livestock, as they can trigger and supplement in-person visits

### Telemedicine is Here to Stay in the Veterinary Market Post-COVID



17%

**Projected growth rate of the global veterinary telehealth market through 2030**



**Share of pet owners surveyed that are 'satisfied' or 'extremely satisfied' following a telemedicine consultation**



**Dog owners' additional willingness to pay for a telemedicine consultation with their regular veterinarian (versus in-person)**





## 5 Consolidation of Veterinary Clinics is Spurring Adoption of VetTech

*PE and strategic investment in the industry are driving increased adoption of veterinary technology solutions*

- Platform consolidation of veterinary practices has abounded in the past decade, driven by strategic acquisitions and private equity roll-ups
  - From 2017 to 2022, investment in veterinary practices reached a total value of \$45B
  - Private equity backers such as Shore Capital Partners and KKR have used their platforms to collectively consolidate over 1,000 veterinary facilities
  - Mars' strategic acquisition of VCA animal hospitals for \$9.1B brought its total practice count to roughly 2,000
  - With roughly 30,000 veterinary practices in the US, platforms are increasingly transforming the veterinary landscape, creating new opportunities for vertically targeted services
- PE and strategic consolidation trends are driving increased demand for veterinary technology as platforms search for new strategies to improve margins and increase efficiency
  - Historically, major barriers to technology adoption have included capital constraints and a lack of technological sophistication at the customer
- As consolidators continue to expand their influence and invest in initiatives to improve long-term operating margins, demand for veterinary technology across applications will continue to grow

### Select Veterinary Consolidators



Partner  
Locations: **1,400+**

Year  
Founded: **1996**

Backed By:



Partner  
Locations: **~2000**

Year  
Founded: **1986**

Backed By:



Partner  
Locations: **~660**

Year  
Founded: **2017**

Backed By:



Partner  
Locations: **~400**

Year  
Founded: **2012**

Backed By:



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# The Robust Landscape of Animal Health Technology Companies

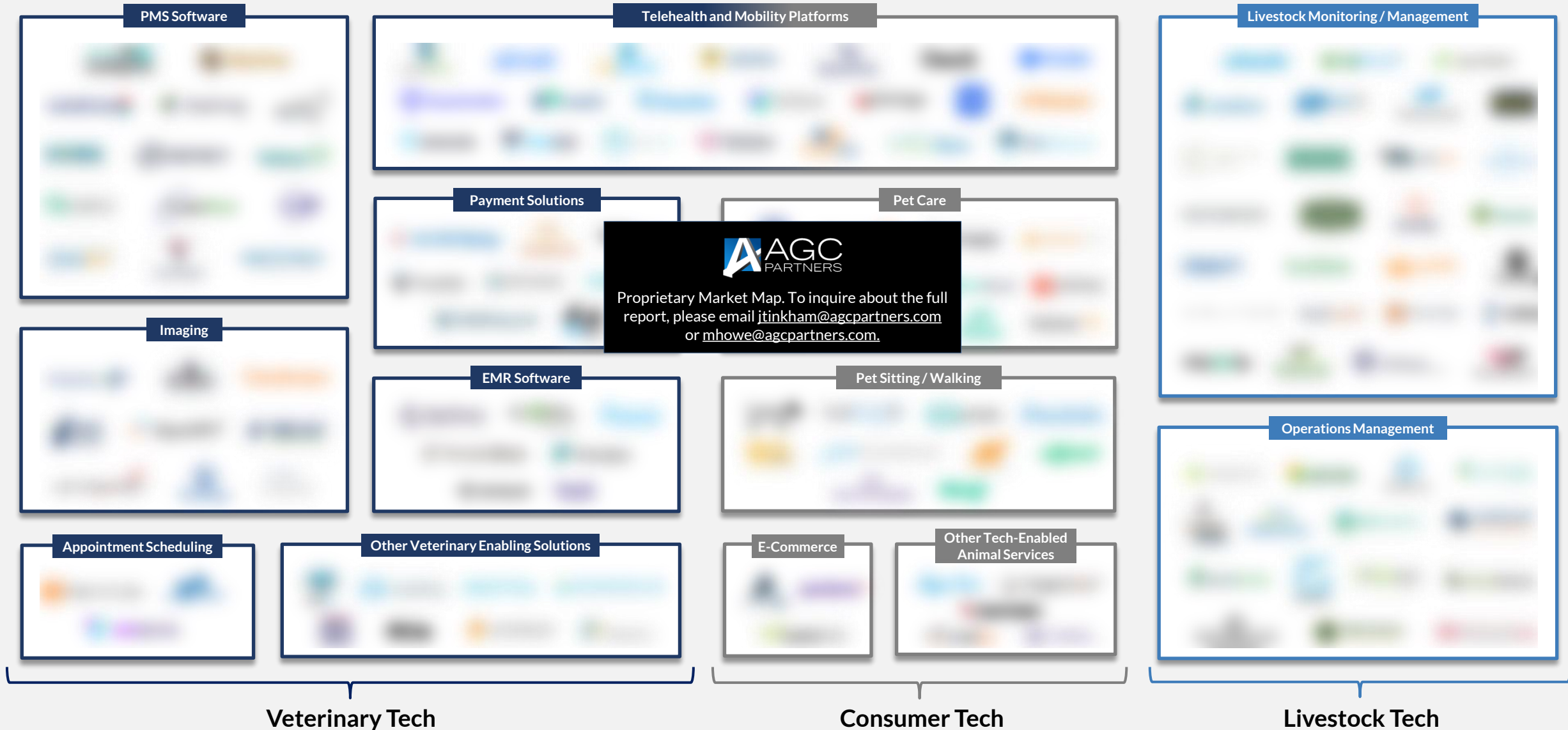
*For the purposes of this report, we focused on technology where software was a primary component of the platform, oftentimes deployed alongside connected devices and/or tech-enabled services*

1 Veterinary	1 Veterinary (cont.)	2 Consumer
<div><b>Telehealth and Mobility Platforms</b> <i>Solutions Include:</i> Online consultations, appointment management, mobile veterinary solutions, and enabling technology such as video and audio tools</div> <div><b>Imaging</b> <i>Solutions Include:</i> Mobile and diagnostic imaging solutions, AI-assisted imaging diagnostics, image archiving and mgmt, and imaging workflow</div> <div><b>Appointment Scheduling</b> <i>Solutions Include:</i> Automated reminders and alerts, online and mobile booking, calendar synching, and digital calendars</div> <div><b>Payment Solutions</b> <i>Solutions Include:</i> client-facing payment applications, secure transfers, financing solutions, projections and reporting, and payment processing</div> <div><b>Other Veterinary Enabling Solutions</b> <i>Solutions Include:</i> Compliance software, collaboration platforms, voice-to-text reporting, and patient management</div>	<div><b>EMR Software</b> <i>Solutions Include:</i> Store, track and maintain electronic health records, instant access to global veterinary information, and data sharing</div> <div><b>Practice Management Software</b> <i>Solutions Include:</i> These more comprehensive platforms typically include components of many other VetTech categories, most commonly Appointment Scheduling, EMR, Payments, Client Communications, and Business Reporting</div>	<div><b>Pet Care</b> <i>Solutions Include:</i> At home solutions, research platforms, personalized data and plans, and medicine management/tracking</div> <div><b>Pet Sitting / Walking</b> <i>Solutions Include:</i> Marketplaces connecting owners with sitters and walkers, community platforms, ratings and reviewing systems, and management software for sitters and walkers</div> <div><b>E-Commerce</b> <i>Solutions Include:</i> online retailers, marketing platforms, product comparison and recommendation tools, stock management, and item analytics/forecasting</div> <div><b>Other Tech-Enabled Animal Services</b> <i>Solutions Include:</i> Community platforms, animal marketplaces, animal grooming software, pet-monitoring software, and pet end of life tools</div>
	3 Livestock	
	<div><b>Livestock Monitoring / Management</b> <i>Solutions Include:</i> Livestock health monitoring, productivity / efficiency tools, quality and disease traceability, location tracking, safety / security and yield management</div> <div><b>Operations Management</b> <i>Solutions Include:</i> Back-office operations, resource planning, finance management, and sustainability tools</div>	



# AGC's Animal Health Technology Landscape

The technology landscape is broken down into 3 primary market segments: Veterinary, Consumer, and Livestock



Note: This is a representative universe that includes select private companies under 500 employees and select public companies under \$1B in market cap. If your company is not featured, feel free to email John Tinkham ([jtinkham@agcpartners.com](mailto:jtinkham@agcpartners.com)) or Michael Howe ([mhowe@agcpartners.com](mailto:mhowe@agcpartners.com)) for consideration.



# Veterinary Technology Deep Dive

*PMS platforms bundle multiple capabilities such as payments, EMR and appointment scheduling into a single platform, whereas single solution providers deliver incremental capabilities or more targeted / robust functionality*

## Practice Management Software (PMS)

- PMS platforms consolidate payment and billings solutions, digitized medical records, scheduling technologies, business reporting, and other veterinary technology capabilities in a single platform
  - PMS providers position their comprehensive platforms as more user friendly and affordable than bundling multiple point-solutions
  - The PMS market is bifurcated between smaller pure-play SaaS companies and technology divisions within the largest, multi-national animal health companies (ie. EzyVet / IDEXX)

## Typical Bundled PMS Capabilities



## Individual Solution Providers

- Individual solution providers offer targeted and robust capabilities for specific technology applications, resulting in more advanced offerings
  - Many veterinary clinics adopt a hybrid approach to veterinary technology, selecting a single PMS provider and, alongside them, deploying advanced individual solution providers



**Appointment Scheduling Software:** Enables clinics and practices to efficiently schedule, manage, and book appointments online, resulting in reduced wait times and streamlined scheduling processes

- Research finds 26% of online appointments are scheduled for the same or the following day, significantly reducing the occurrence of last-minute conflicts or double bookings



**Payment Solutions:** Provide veterinarians with tools to efficiently manage invoicing / billing, and benefit end-customers via the digitization of payment processes

- These payment platforms aim to enhance bill transparency and payment convenience for pet owners, and often include payment plans / installment options



**EMR Software:** Provides a centralized platform for storing and organizing all patient-related information, including medical history, lab and imaging results, vaccination records, and prescriptions

- EMR software optimizes clinic workflows by automating routine, data-intensive administrative tasks and making historical health data more readily available



# Mobility Focused Tech is Disrupting How Vet Services are Delivered

Telehealth and Mobility Platforms are rapidly gaining popularity with dual-sided platforms facing both vets and consumers

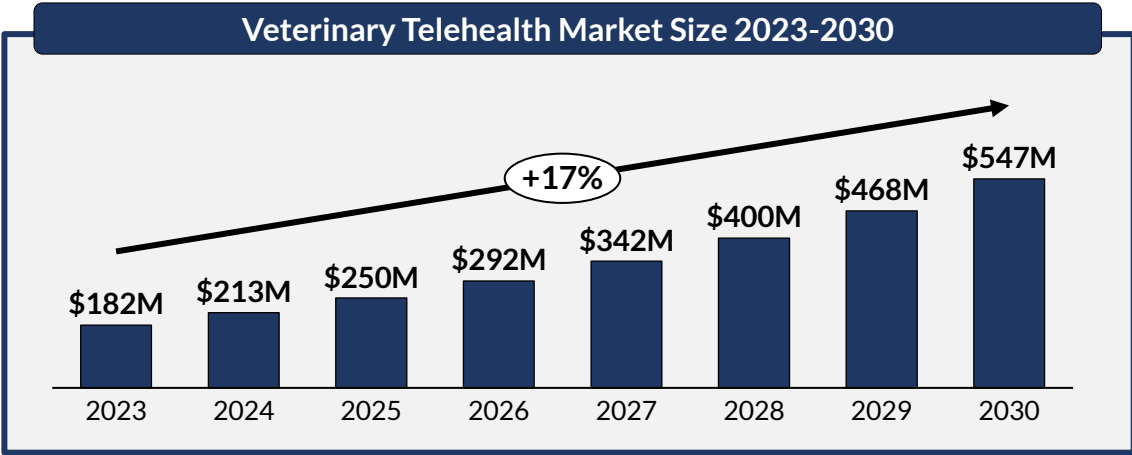
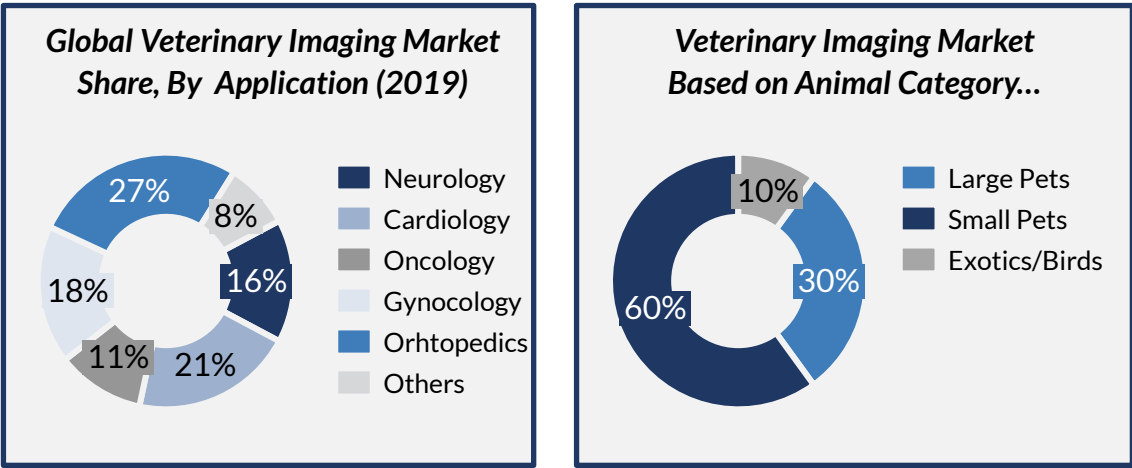
## Veterinary Imaging

- The veterinary imaging market, which includes both software and hardware, is growing roughly 6% Y/Y
  - While hardware makes up the largest component of the market, software’s ability to automate veterinary processes makes it an irreplaceable component of the imaging ecosystem
- Portable and handheld imaging devices provide veterinarians with the ability to perform imaging in non-clinical settings, increasing accessibility and convenience for both veterinarians and pet owners

## Telehealth and Mobility Platforms

- Veterinary telehealth and mobility platforms and marketplaces are gaining popularity; these technologies face both veterinary and consumer end-users
- Traditional veterinary practices are seeking to implement telehealth and mobility systems due to their convenience and changing lifestyle choices of vet professionals
  - The market is expected to further “Uberize” with appointment driven healthcare delivered through multiple integrated channels including remote monitoring, telehealth, and in home check ups, to name a few
- In 2023, the veterinary telehealth market is valued at \$182M and is expected to grow at a CAGR of 17% through 2030
- Pet owner demand for veterinary services is expected to outpace the physical presences of current pet clinics, and the lack of new veterinary practices is expected to drive additional demand for these solutions

## Global Veterinary Imaging Market







# Consumer Technology Deep Dive

Platforms catered to companion pet owners offer capabilities that drive pet-care convivence, quality and the availability of services

## Pet Care

- Pet care platforms, available online and through mobile applications, offer a wide range of services and products to enhance the pet ownership experience. These platforms aim to simplify and improve various aspects of pet care, including training, meal planning, information resources, and insurance options
- The increasing ownership of pets by younger generations has driven the demand for pet care technology solutions. Pet owners seek personalized solutions, with 43% of consumers considering personalized advertisements to be crucial to their purchasing decisions
- Overall pet healthcare expenditure in the United States currently exceeds \$140 billion and is projected to surpass \$275 billion by 2030
  - This substantial market growth presents a significant opportunity for software companies to enter and take share of the broader industry

## Pet Sitting / Walking

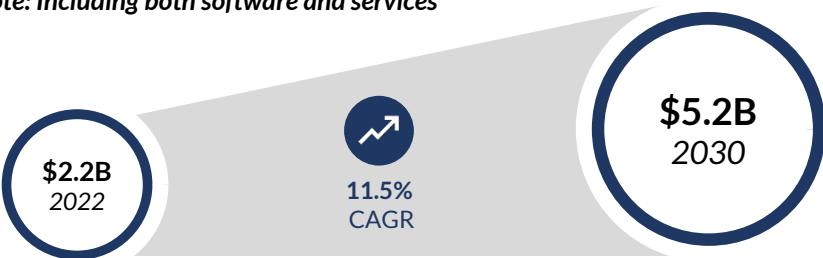
- These solutions offer a convenient and trustworthy means for pet owners to connect with professional pet sitters or dog walkers, enabling them to find reliable individuals to care for their pets
- The pet sitting/walking market is currently valued at \$2.2 billion, and it is projected to experience a compound annual growth rate of 11.5%, reaching a value of \$5.2 billion by 2030
- There has been a notable shift towards mobile app adoption in the industry, with both pet owners and pet sitters/walkers preferring the convenience of accessing services and managing bookings through their smartphones
- Data-driven platforms are gaining popularity as they provide valuable insights into pet behavior, activity levels, health trends, and personalized care recommendations. These platforms promote a holistic approach to pet care by offering comprehensive information and guidance

## US Consumer Spending on Pet Care, 2022 - 2030



## Global Pet Sitting Market, 2022 - 2030

Note: Including both software and services



## Selected Pet Sitting / Walking Companies





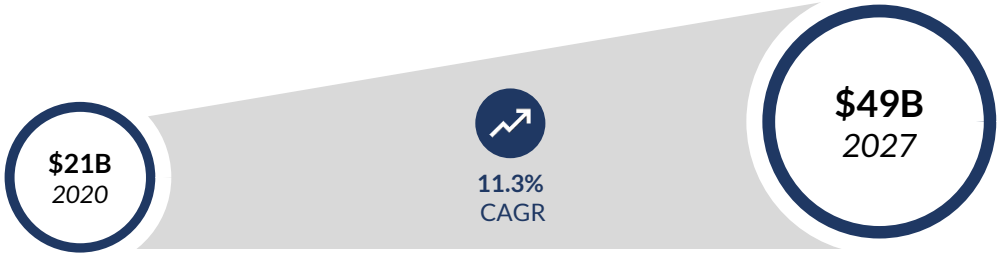
# Pet E-Commerce is a Massive Consumer Market

*Pet products comprise some of the largest e-commerce categories and are set to continue growing rapidly*

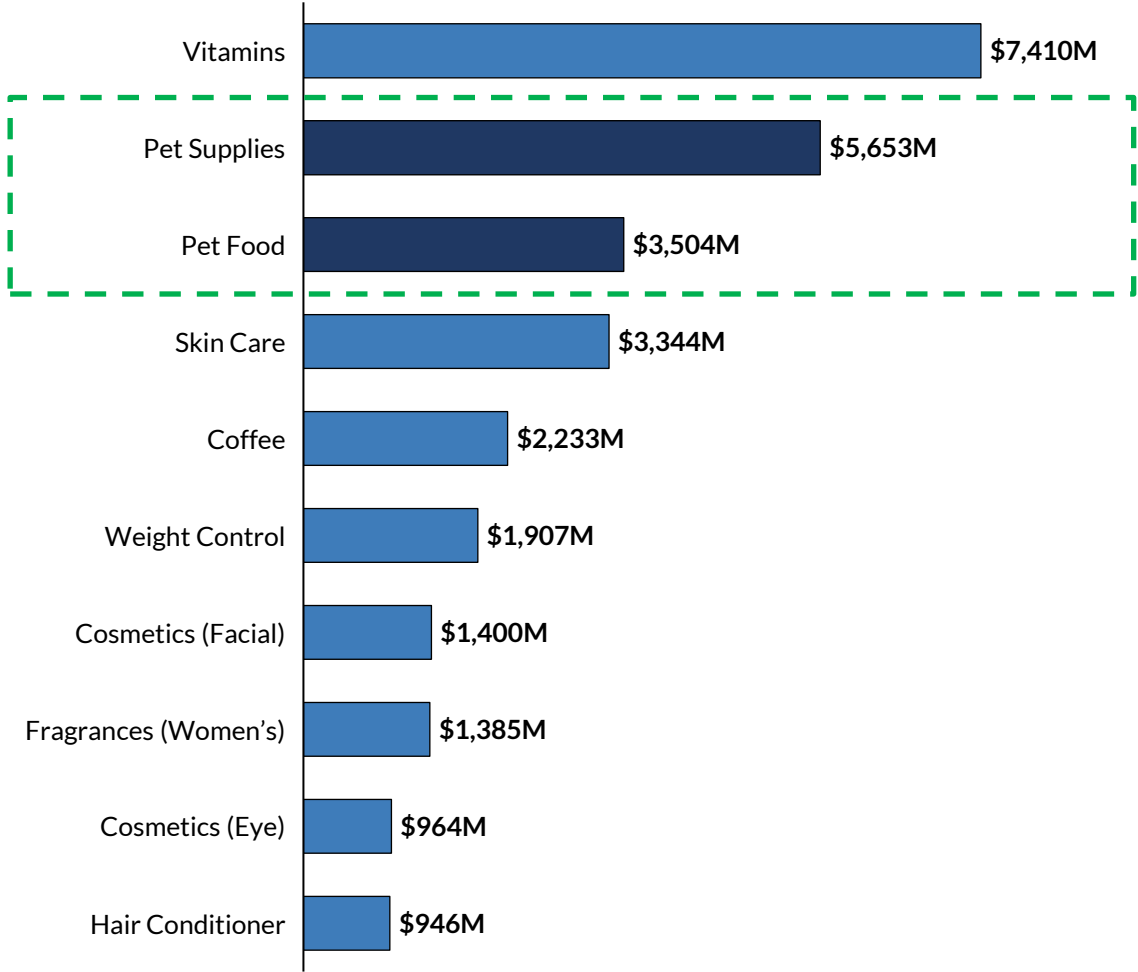
## E-commerce

- E-commerce platforms serve as a bridge between pet owners and suppliers, offering a convenient platform for browsing and purchasing pet-related items
  - The growing number of pet owners has led to increased demand for pet food, products, and supplies purchased online. Pet supplies and food account for the second and third largest e-commerce categories, respectively
  - Humanization is likewise a factor in the continued growth of specialty food products, which are often sold online / direct-to-consumer
- Recent industry success has resulted in several major players, such as Chewy and Petco, going public within the past four years
- Despite recent growth, there is still significant untapped potential as only 13% of pet sales currently occur online
  - As the younger generation adopts more pets, the portion of pet-related products purchased online is expected to expand dramatically

## Pet Care E-Commerce Market Size, 2020-2027



## Top US E-commerce CPG Categories



# Livestock Technology Deep Dive

Enhanced oversight on both livestock and farm operations via technology solutions is boosting efficiency and productivity

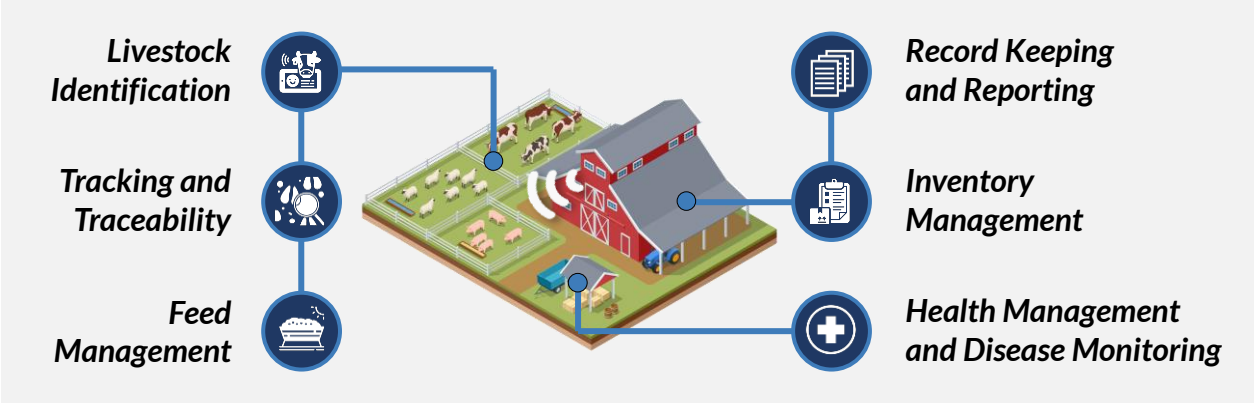
## Livestock Monitoring / Management

- These solutions provide comprehensive data collection and analysis encompassing various aspects of a livestock farm, including location management, feed management, disease monitoring, climate monitoring, breeding rates, and feed tracking providing a detailed overview of livestock health and actions
  - The hardware segment currently holds the majority share, accounting for over 35% of the revenue in this market, but the software segment is projected to experience a higher growth over the next decade
- Hardware's inclusion in SaaS complicates and fragments livestock management due to upfront costs and unfamiliarity from software companies.
  - Falling hardware costs and continued AI advancements signal a shift towards all-inclusive subscriptions and pure-play software solutions in this market segment

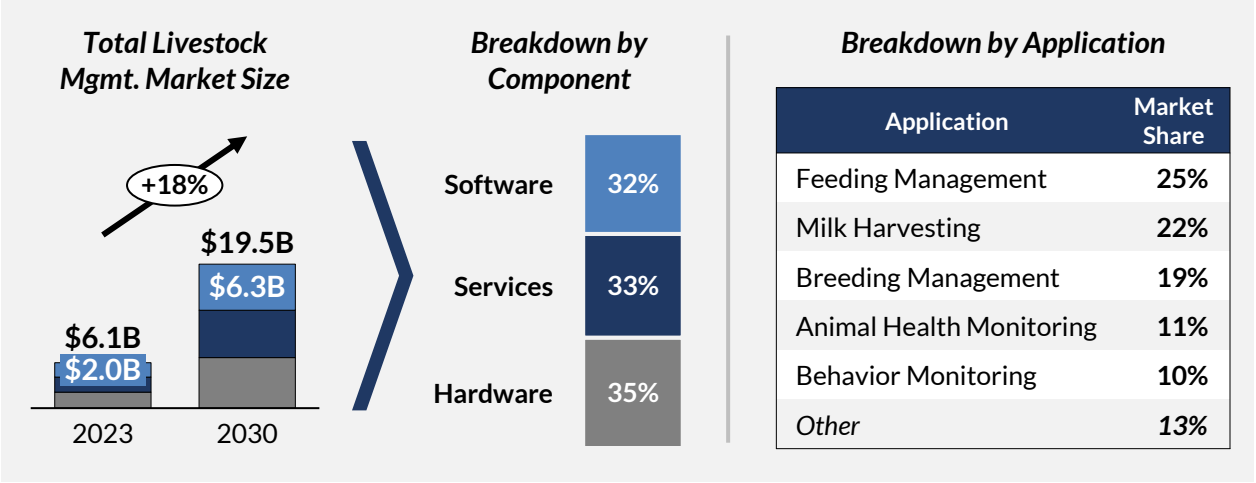
## Operations Management

- Operations Management software assists farmers in recording, tracking, and managing back-end tasks, resulting in streamlined operations. These solutions automate time-consuming activities such as resource planning, finance management, supply chain operations, and legal/compliance requirements
  - In the past three years, 74% of farmers have experienced a rise in the amount of farm administration required
  - Implementing these solutions enables farmers to save time and money by establishing more efficient end-to-end processes

## Selected Capabilities of Livestock Management Software



## Software Represents One-Third of the Total Livestock Monitoring Market



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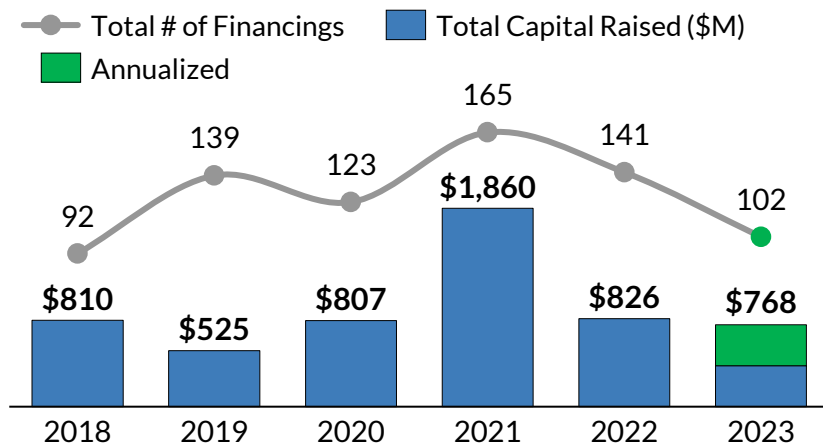
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- 
1. Executive Summary
  2. Market Demand Drivers
  3. Technology Overview and Company Landscape
  4. Private Placements, M&A and Public Comps
  5. AGC Credentials





# Animal Health Tech Private Placements Show Resilience

## Animal Health Tech PP Activity (\$ in Millions)



## Notable Investors



## Selected Notable Financings

Date	Investment	Size (\$M)	Series	Lead Investor(s)
Jan-18	Wag!	\$300	Series D	SoftBank
Sep-22	covetrus	250	PIPE	Clayton Dubilier & Rice
Jun-21	BARK BOX	200	PIPE	Fidelity Investments
Dec-21	VETCOVE	150	Series A	Thrive Capital
May-21	nordhealth	146	PE Growth	Luxor Capital, Paradigm Capital Group
Mar-23	HALTER	50	Series C	Battery, Bessemer Venture Partners
Nov-22	BetterVet	40	Series A	Alta Partners
Feb-23	scratch	35	Series C	NORWEST
May-21	tractive	35	Series A	Guidepost
May-23	TeleVet	32	Series B	ND
May-23	airvet	15	Late VC	Mountain Group Partners
Jan-23	DIGITAL	11	Series A	atomico
Jul-23	PERFORMANCE LIVESTOCK ANALYTICS	8	Late VC	builders
Nov-22	INSTINCT	ND	Late VC	Mainsail Partners
Apr-21	PetDesk	ND	PE Growth	FRONTIER GROWTH, PEAKSPAN

## Selected Observations

- Total financing value peaked at \$1.9B across 165 deals in 2021, headlined by BarkBox's \$200M PIPE to support its SPAC transaction, VetCove's \$150M Series A led by Thrive Capital, and NordHealth's \$146M PE Growth round to support its IPO
- Heightened investor interest in the space is evidenced by financing volumes increasing 80% from 2018 to 2021, and total capital raised remaining in-line with pre-COVID levels in 2023 despite the broader tech market slowdown
- Notable raises YTD in 2023 include Halter (a herd management platform), Scratch (a payment solution for vets), TeleVet (a vet communication and workflow platform), AirVet (a pet care application to connect pet owners and vets), Digitail (an all-in-one vet software platform), and Performance Livestock Analytics, a precision livestock platform that spun out of Zoetis in July
- Growth Equity investors have been important drivers of activity in this space, with players such as Guidepost, Mainsail, Frontier Growth, and PeakSpan leading the charge in deploying capital across companies in the industry



# PEs are Sparking Consolidation in the Animal Health Tech Market

## Commentary

- PE firms are starting to play a more significant role in consolidating the Animal Health technology market through buy-and-build strategies
- Two notable platforms currently impacting this market are PetVisor and Covetrus. PetVisor, backed by PeakSpan and Frontier Growth, delivers a product suite comprised of five acquired companies, while Covetrus offers a PMS and was taken private by CD&R in late 2022
- Other PE platforms to watch include CDPQ-backed Datamars, which just acquired pet tracking application Kippy in May, and IVC Evidensia, which is backed by a consortium of prominent tech PEs and acquired Vetup in 2021
- The Animal Health Software market is still in its early stages, but PE firms are now recognizing its potential and starting to build out their platforms to capitalize on the emerging opportunities

## Selected Acquisitive PE Platforms

PE

Platform

Representative Acquisitions

PEAKSPAN  
FRONTIER  
GROWTH

petvisor

Platform that offers today's veterinarians a suite of mobile-enabled tools to help them better communicate with, serve, and retain clients

PetDesk

vetstoria

whiskercloud

GROOMER.IO

kontak

CLAYTON  
DUBILIER  
& RICE

TPG

covetrus

Henry Schein and Vets First Choice merged to become Covetrus in 2019. Developer of veterinary practice management software intended to empower veterinary practice partners to drive improved health and financial outcomes

vetsfirstchoice

metamorphosis

Next2Vet

vcp

VMG

## Other PE Platforms to Watch

PE

Platform

Rep. Acquisition

CDPQ

DATAMARS

Kippy®  
May-23

IEQT  
Berkshire  
Partners  
MUBADALA

IVC EVIDENSIA

Vetup  
veterinary software  
Sep-21

LLR

DaySmart

VETTER  
SOFTWARE  
Feb-21

AQUILINE  
CAPITAL PARTNERS LLC

ClearCourse

ASSISI VETERINARY SYSTEM  
Aug-20

GI PARTNERS

TOGETHER  
WORK

revelation  
pets  
Feb-20

ROCKBRIDGE  
GROWTH EQUITY

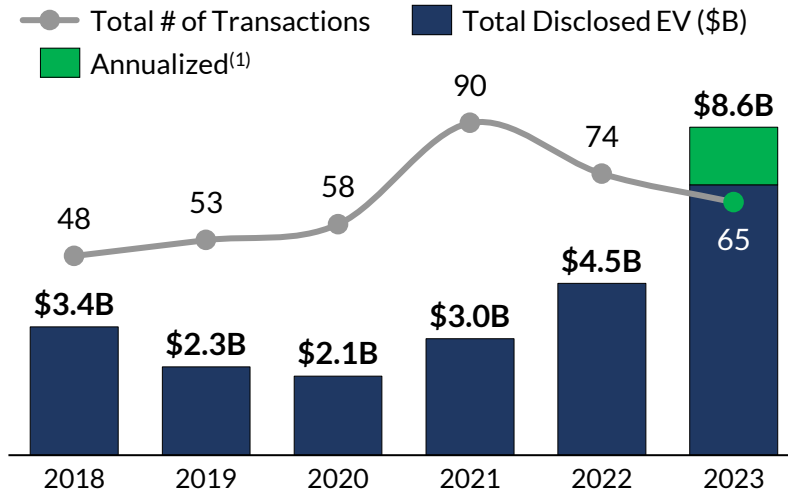
PROSITES

LIFE LEARN  
ANIMAL HEALTH  
Jul-21



# Animal Health Tech M&A Reaching All-Time Highs

## Animal Health Tech M&A Activity (\$ in Billions)



## Selected Observations

- Animal Health Tech M&A deal value ramped from \$2.1B in 2020 to \$4.5B in 2022 on the crest of the SPAC wave (Wag!, Rover, and BarkBox) and Covetrus' take-private
- YTD in 2023, we have already seen over \$7B in deal value, comprised mostly of Mars' \$1.5B acquisition of Heska and Dechra's \$5.6B announced buyout – both in the month of June
- Despite the broader tech market slowdown, deal volume has held steadily above pre-COVID levels, signaling strong PE and strategic interest in the segment

## Selected Notable Acquisitions

Date	Target	Acquirer	Target Business Description	EV (\$M)	EV/Rev
Jun-23	BLUE RABBIT	wedgewood PARTNERS GROUP	Veterinary prescription management and pharmacy solutions	ND	ND
Jun-23	Dechra Veterinary Products	IEQT ADIA	Specialist veterinary pharmaceuticals and related products provider	\$5,575	6.2x
Jun-23	HESKA	MARS	Diversified veterinary technology provider	1,500	5.9x
Sep-22	covetrus	GLANTZ PUBLISHER & SIEG TPG	Practice management software provider	4,000	0.9x
Aug-22	Wag! (2)	CHW Acquisition Corp	On-demand dog walking platform	350	7.6x
Jan-22	VetZ	HESKA	Practice management software provider	48	ND
Jul-21	Rover (2)	NEBULA CARAVEL	Marketplace connecting dog and cat parents with pet sitters and walkers	1,570	24.9x
Jul-21	vcp	covetrus	Veterinary wellness plan administration platform	85	ND
Jun-21	ezyVet	IDEXX	Practice management software provider	157	5.2x
Dec-20	BARK-BOX (2)	northern star	Dog-centric e-commerce company	1,670	4.4x
Apr-20	PERFORMANCE LIVESTOCK ANALYTICS	zoetis	Livestock analytics software platform	140	70.0x
Apr-19	Allflex	MERCK	Livestock identification technology provider	2,300	5.7x



# Selected Active Acquirers (2018 – Q2 2023)

Acquirer	Number of Acquisitions	Notable Transaction	Representative Acquisitions
<b>MERCK</b>	21	Apr-19 – Allflex USA (\$2.3B)	
<b>zoetis</b>	15	Aug-20 – Performance Livestock Analytics (\$140M)	
<b>MARS</b>	13	Jun-23 – Heska (\$1.5B)	
<b>HESKA</b>	8	Jan-22 – Vetz (\$48M)	
<b>IDEXX</b>	6	Jun-21 – EzyVet (\$157M)	
<b>covetrus</b>	6	Jul-21 – VCP (\$85M)	
<b>Dechra</b>	5	Aug-22 – Med-Pharmex (\$260M)	
<b>Rover</b>	4	Jan-19 – DogBuddy (ND)	

## Other Acquirers to Watch

**nordhealth**

**chewy**

**petco**

**BARK-BOX**

**Wag!**

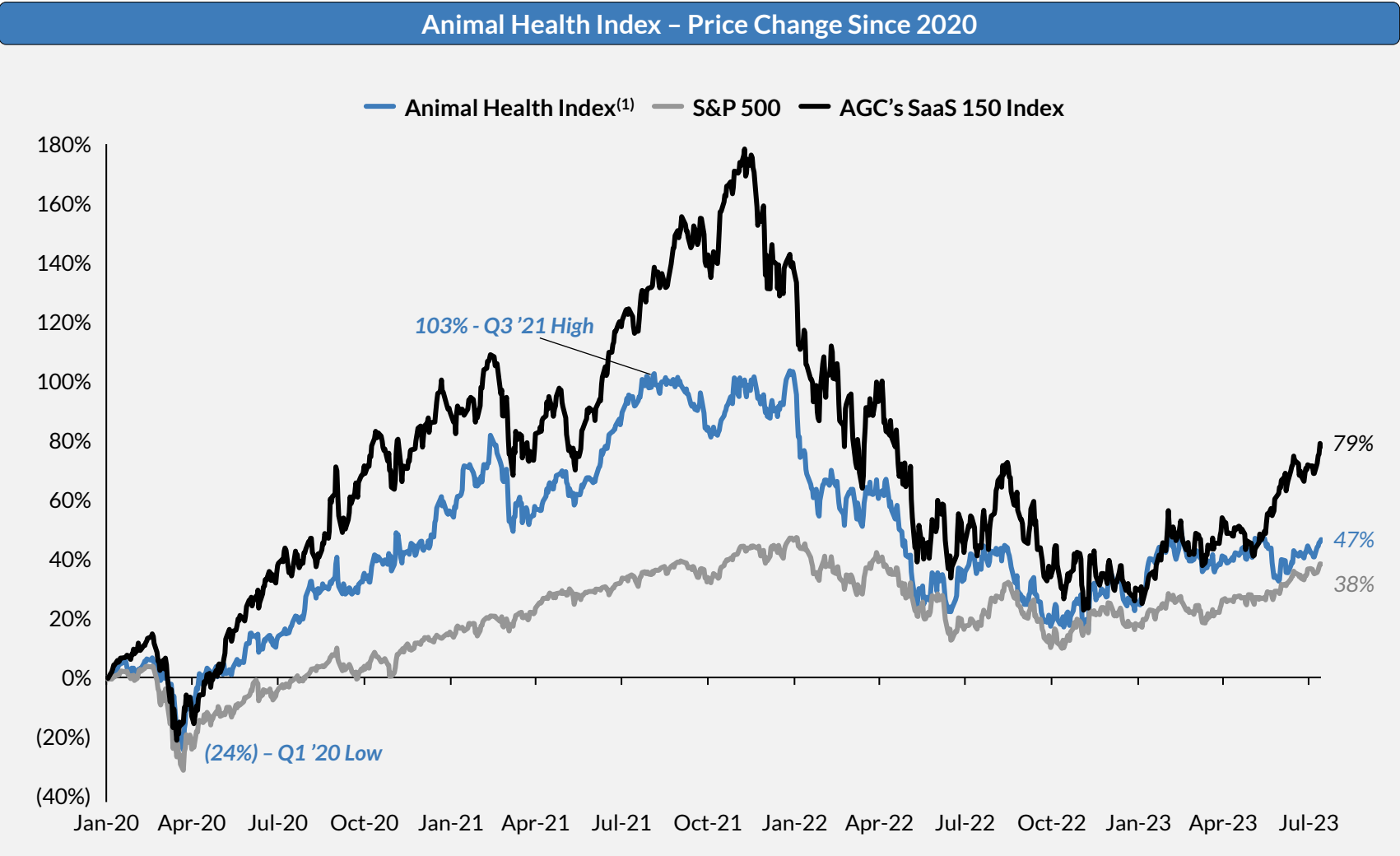




# Public Animal Health Tech Comps Back In Line With S&P 500

Since their peak in 2021, the stock performance of Animal Health Technology companies has fallen, but remains higher than the S&P 500

- Selected Observations
- Public Animal Health stocks experienced a significant surge in value, reaching their peak in August 2021, growing over 100% since their COVID low in March 2020
  - Animal Health stocks significantly outperformed the S&P 500 over the same period
  - However, starting from January 2022, the industry witnessed a decline in line with the broader market. This decline was influenced by concerns related to interest rates, inflation, and overall economic downturn, leading to lower valuations across the high-growth stock sector
  - Despite the decline, the Animal Health Index remains relatively strong at 47% value expansion since Jan'20, which is still outperforming the S&P 500 at 38%
  - In contrast, AGC's SaaS 150 Index, which was at a similar level as the Animal Health Index at the beginning of the year, has experienced a recent surge causing it to break away and reach 79% value expansion



Source: Pitchbook, 451 Research. Note: Pricing as of 7/14/23 market close.

(1) Animal Health Index consists of companies listed on following slide.



# Public Animal Health Tech Comps – Detail

(\$ in millions) Company	Description	EV / Revenue		EV / EBITDA		Rule of 40		Revenue Growth		Revenue 2023E	EBITDA 2023E	Gross Margin 2023E	EBITDA Margin		One-Year Stock	EV
		2023E	2022E	2023E	2022E	2023E	2022E	'23E / '22E	22E / '21A				2023E	2022E		
<b>zoetis</b>	Manufacturer of animal health products, including anti-infectives, vaccines, parasiticides, diagnostics and related technologies.	9.8x	10.4x	22.6x	24.0x	50%	47%	7%	4%	8,632	3,721	70%	43%	43%	(1%)	84,205
<b>IDEXX</b>	Developer and distributor of products and services for the veterinary market.	12.5x	13.6x	37.7x	44.4x	42%	35%	9%	5%	3,673	1,214	60%	33%	31%	45%	45,773
<b>chewy</b>	Operator of an online pet food retail platform intended to make the process of finding pet food easy.	1.6x	1.8x	67.1x	NM	15%	24%	13%	24%	10,035	238	32%	2%	0%	(11%)	15,935
<b>petco</b>	Retailer of pet and veterinary products intended to provide a complete resource for pet health and wellness at one place.	0.9x	0.9x	9.0x	10.6x	13%	27%	4%	18%	6,025	579	41%	10%	9%	(37%)	5,228
<b>PATTERSON COMPANIES, INC.</b>	Provider of animal health care products, services and software.	0.5x	0.5x	10.5x	9.9x	4%	15%	(1%)	10%	6,412	337	22%	5%	5%	6%	3,525
<b>vimian</b>	Consolidator of animal health companies with particular unmet needs and sustainable above-market growth potential.	3.9x	4.7x	12.9x	23.0x	50%	65%	20%	44%	355	107	73%	30%	20%	(35%)	1,383
<b>PETIQ Smarter Pet Health</b>	Manufacturer and distributor of health and wellness products for dogs and cats.	0.9x	1.0x	10.1x	9.2x	16%	9%	7%	(1%)	990	89	23%	9%	11%	(10%)	904
<b>Rover</b>	Developer of a pet care platform designed to connect pet owners with sitters and walkers.	3.2x	3.9x	21.3x	NM	38%	49%	23%	58%	214	32	76%	15%	(10%)	26%	687
<b>BARKBOX</b>	Operator of a dog-centric company intended to offer playstyle-specific toys, treats, and food for pets.	0.4x	0.4x	NM	NM	(1%)	23%	5%	34%	530	(31)	57%	(6%)	(11%)	1%	208
<b>PetMeds America's Most Trusted Pet Pharmacy</b>	Provider of animal health services through a pet pharmacy.	0.7x	0.7x	10.4x	6.2x	2%	(1%)	(5%)	(12%)	261	18	32%	7%	11%	(38%)	184
<b>nordhealth</b>	Operator of a cloud-based healthcare SaaS company intended to serve digital healthcare.	3.9x	4.7x	NM	NM	14%	20%	21%	36%	39	(3)	85%	(7%)	(16%)	9%	152
<b>Wag!</b>	Developer of a dog-walking mobile application designed to connect with experienced and certified dog walkers instantly on the phone.	1.0x	1.5x	NM	NM	51%	165%	50%	173%	83	0	93%	0%	(8%)	(79%)	81
Median:		1.3x	1.6x	12.9x	10.6x	16%	25%	8%	21%	\$760	\$98	58%	8%	7%	(6%)	\$1,143

(a) Based on closing stock prices on July 14, 2023

(b) Negative values for EV/EBITDA listed as NM

(c) 2022 Revenue and EBITDA values are based off TTM Revenue and EBITDA as of July 14, 2023

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# AGC is Powering Through the Headwinds



## Grinding it out in '23

- 15 deals closed already
- Another 8 under LOI
- 35 active engagements



510 closed deals makes AGC the top SaaS advisor and #1 in Tech



## Building in downturn

- 20 Partners and hiring
- 7 new hires in Q1
- 14 more in Q2



## Nearly doubled business in '21

- Another record year in '22
- '23 will be tough, but a great building year for a big '24

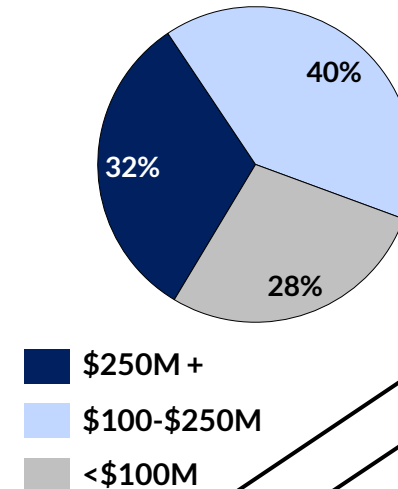
## 451 Research 12-Year SaaS Rankings<sup>(1)</sup>

	Firm	# Trans.
1.	AGC PARTNERS	178
2.	William Blair	157
3.	RAYMOND JAMES	117
4.	HOULIHAN LOKEY	94
5.	cg/Canaccord Genuity	89

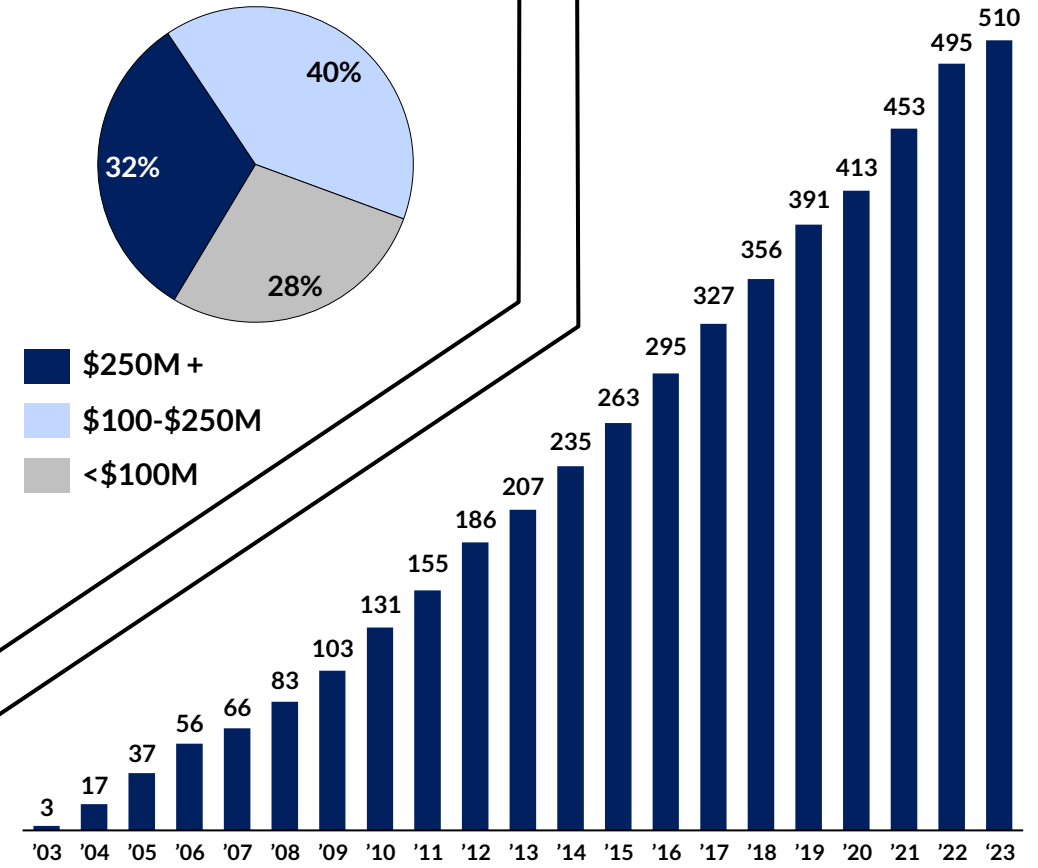
## Top Sell-Side Tech Deal Makers in 2019-23 YTD<sup>(2)</sup>

	Firm	# Trans.
1.	AGC Partners	121
2.	Canaccord Genuity	95
3.	Houlihan Lokey	91
4.	William Blair	88
5.	Raymond James	85

## AGC Deals by Enterprise Value Breakout



## AGC Cumulative Deal Count Since 2003



(1) 451 Research deal count based on all SaaS related Sell-Side transactions since 2010. Excludes co-managed deals.

(2) 451 Research deal count based on all disclosed technology related Sell-Side transactions from 2019-2023 YTD. Excludes co-managed deals.



# AGC's Leading Animal Health Technology Team



**John Tinkham**  
*Principal*

John is a Principal at AGC Partners based out of the firm's Chicago office. John joined AGC in 2013 and has closed roughly 30 transactions. He has led deal teams across a variety of technology industries including HCIT, Environmental Software, Cybersecurity, Vertical Software, and Tech-Enabled Services. Prior to AGC, John worked in public finance at the City of Chicago Treasurer's office.

John holds an M.B.A. in Finance from Northwestern's Kellogg School of Management and a B.A. in Economics from Colgate University, where he was also a member of the football team.



**Ben Howe**  
*CEO*

Ben is Founder and Chief Executive Officer of AGC Partners. He is Chairman of Excel Academy and served on the board of Portsmouth Abbey School and the advisory board of Trinity College. In over 36 years as an investment banker, he has completed roughly 500 transactions. Prior to AGC, he served as Head of Technology Investment Banking for the East Coast and Europe at Montgomery Securities, and as Managing Director, Head of M&A and Executive Committee Member at SG Cowen Securities. He began his investment banking career in the late 80's with First Boston and Smith Barney.

Ben holds a B.A. in Economics from Trinity College and an M.S. in Accounting from The Stern School of Business at NYU.



**Michael Howe**  
*Partner*

Michael is a Partner at AGC Partners in the firm's New York office. Prior to joining AGC, Michael worked in the M&A Group at Moelis & Co.

Recent transaction experience includes People Data Labs' growth financing by Craft Ventures, the sale of InstaClustr to NetApp, Riviera Partners' investment from Insight Partners, and the sale of ComplySci, a Vista Equity Portfolio Company, to K1 Investment Management.

Michael holds a B.A. in Economics with a minor in Financial Economics from Vanderbilt University.



# AGC's Leading HCIT & Life Sciences Franchise

## HCIT Deep Dives



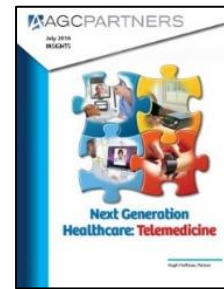
2022 HCIT Market Update



Telehealth: The Future of Healthcare



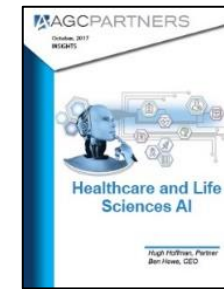
Real-Time Hospital



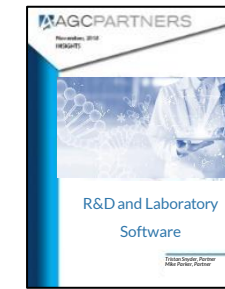
NextGen Telemedicine



Healthcare IoT



Healthcare & Life Sciences AI



R&D and Laboratory Software



Healthcare Payments



Dental Tech: Dentistry Moves to the Digital World

## Recent HCIT Deals

**KEYEDIN**  
Sold to  
**Sciforma**  
A portfolio company of  
**STG**  
Advisor to  
Keyedin Solutions  
AGCPARTNERS

**SKIN MEDICALS**  
Sold to  
**APOTHECO PHARMACY GROUP**  
A portfolio company of  
**Wauod Capital**  
Advisor to Skin  
Medicals  
AGCPARTNERS

**LifeImage**  
Sold to  
**Intelerad**  
A portfolio company of  
**Hg**  
Advisor to Life Image  
AGCPARTNERS

**circle**  
CARDIOVASCULAR  
IMAGING  
Sold to  
**THOMABRAVO**  
Advisor to Circle  
Cardiovascular  
AGCPARTNERS

**HealthWyse**  
Sold to  
**casamba**  
Advisor to HealthWyse  
AGCPARTNERS

**harmony**  
INFORMATION SYSTEMS  
Sold to  
**WellSky**  
Advisor to Harmony  
AGCPARTNERS

**BLUE WILLOW**  
Systems  
Sold to  
**PHILIPS**  
Advisor to Blue  
Willow Systems  
AGCPARTNERS

**Bernoulli**  
Sold to  
**capsule**  
Advisor to Bernoulli  
AGCPARTNERS

**MEDLIMINAL**  
Sold to  
**FEIR PARTNERS**  
Advisor to Medliminal  
AGCPARTNERS

**HealthBridge**  
Financed by  
**4490**  
VENTURES  
Advisor to HealthBridge  
AGCPARTNERS

**patientNOW**  
Financed by  
**PSG**  
PROVIDENCE  
STRATEGIC  
GROWTH  
**BLUE STAR**  
INNOVATION PARTNERS  
Advisor to PatientNOW  
AGCPARTNERS

**SnapGene**  
Sold to  
**GraphPad**  
A portfolio company of  
**INSIGHT**  
PARTNERS  
Advisor to SnapGene  
AGCPARTNERS

**RamSoft**  
INNOVATORS IN WEB RADIOLOGY  
has received a strategic growth capital  
investment from  
**RE**  
INVESTMENT  
PARTNERS  
and  
**LEVEL EQUITY**  
Advisor to RamSoft  
AGCPARTNERS

**DENTAL INTELLIGENCE**  
Financed by  
**PSG**  
PROVIDENCE  
STRATEGIC  
GROWTH  
**BLUE STAR**  
INNOVATION PARTNERS  
Advisor to Dental  
Intelligence  
AGCPARTNERS

**greenphire**  
A Portfolio Company of  
**Riverside**  
Sold to  
**THOMABRAVO**  
Advisor to Greenphire  
AGCPARTNERS

**EXOSTAR**  
Sold to  
**THOMABRAVO**  
Advisor to Exostar  
AGCPARTNERS

**RevenueWell**  
Sold to  
**MARLIN EQUITY**  
PARTNERS  
Advisor to Marlin  
AGCPARTNERS

**PRIMORDIAL**  
Sold to  
**NUANCE**  
Advisor to Primordial  
AGCPARTNERS

**labarchives**  
Research Notebook  
Sold to  
**dotmatics**  
knowledge solutions  
A portfolio company of  
**INSIGHT**  
PARTNERS  
Advisor to Labarchives  
AGCPARTNERS

**AVENTURA**  
Sold to  
**PHILIPS**  
Advisor to Aventura  
AGCPARTNERS

**TWSG**  
The White Stone Group, Inc.  
Sold to  
**MEA | NEA**  
**AKKR**  
-MELAKA  
Advisor to TWSG  
AGCPARTNERS

**QuantiaMD**  
Sold to  
**MERCK**  
**Pi**  
Physicians Interactive  
Advisor to QuantiaMD  
AGCPARTNERS

# Delivering Premium Results For HCIT / Life Sciences Companies



## Client

## CEO Feedback

## Buyer



### **The AGC team worked tirelessly...**

"The AGC team worked tirelessly to drive an efficient process that optimized the outcome for our investors and team. AGC's understanding of the opportunity ahead of us and knowledge in the space were crucial factors in achieving such a successful result. With their thoughtful strategic guidance, we aligned ourselves with the right investment process to support our growth ambitions and the achievement of our company's mission."

- Greg Ogrodnick, CEO, Circle CVI  
Circle Cardiovascular Imaging sold to Thoma Bravo



### **The AGC team provided crucial insight...**

"The AGC team provided crucial insight, diligence, and effort to move through one of the most challenging processes I've had the pleasure to work on. This process would not have started nor would it have finished successfully without AGC. Not sure what I'm going to be doing with all the time I'm not engaged with the AGC team now - so I'll look forward to my next seat and bringing you in to help me there too."

- Matthew Michela, CEO, Life Image  
Life Image sold to Intelera, a portfolio company of Hg



### **Exceeded shareholder expectations...**

"The AGC team were instrumental in driving a premium outcome for LabArchives that exceeded shareholder expectations. Their depth of experience in the scientific software ecosystem is unparalleled, and they truly developed a masterful understanding of our business and positioned the story to maximize success."

- Matt Dunie, CEO, LabArchives  
LabArchives sold to Insightful Science, a portfolio company of Insight Partners



### **AGC Partners' continuous commitment...**

"We have greatly appreciated AGC Partners' continuous commitment to Greenphire over the past several years and their work during our process. Hugh Hoffman's expertise and knowledge, not only in Clinical Trials but across the broader ecosystem of Life Sciences Technology and HCIT, was highly valuable in the positioning of Greenphire for our successful outcome."

- Joe Manning, Senior Partner, The Riverside Company  
Greenphire sold to Thoma Bravo



### **Worked harder than anyone I had ever seen...**

"For many closely-held business owners, the sale of the company or a large capital round is one of the biggest decisions we will ever make. Selecting AGC Partners without question was the best decision I made in the entire process. They became part of my team and worked harder than anyone I had ever seen. AGC got smart about who we are, and the "why" behind what we are doing, and the opportunities for us in the future."

- Weston Lunsford, CEO, Dental Intelligence  
Dental Intelligence financed by PSG and Blue Star Innovation Partners



# AGC Is All About The Results



#	Client	Investor / Buyer	Value
1.	instaclustr	NetApp®	\$500M+ EV Sale
2.	PANZURA	Kayne Anderson Capital Advisors, L.P.  CIBC	\$80M Raise
3.	prosperoware	LITERA  Hg	ND
4.	Credly	Pearson	\$220M EV Sale
5.	Tempo origo.	DIVERSIS CAPITAL	\$600M EV Sale
6.	People Data Labs	CRAFT	\$45M Raise
7.	circle CARDIOVASCULAR IMAGING	THOMABRAVO	ND
8.	apryse (fka PDFTRON)	THOMABRAVO	ND
9.	TASKTOP	planview  TPG  TA ASSOCIATES	ND
10.	apryse (fka PDFTRON)	THOMABRAVO  iText	ND
11.	Security Platform	Google	ND
12.	LEVEL access JMI	ESSENTIAL ACCESSIBILITY  KKR	ND

60

Deals Closed Since 2022

9x

Median Revenue Multiple in '22 and '23

#	Client	Investor / Buyer	Value
13.	greenphire	THOMABRAVO	\$1B+ EV Sale
14.	Poca	IFS  Hg  TA  IEQT	ND
15.	labarchives Better Science	InsightfulScience  INSIGHT PARTNERS	ND
16.	ordergrove™	PRIMUS	\$100M Raise
17.	ActivTrak	SAPPHIRE VENTURES	\$50M Raise
18.	chaos	TA ASSOCIATES  LEA PARTNERS	ND
19.	crossinx	unifiedpost	\$120M EV Sale
20.	Flōify	Porch	\$100M EV Sale
21.	FILES .COM	RIVERWOOD CAPITAL	\$47M Raise
22.	Perceptyx	TCV	ND
23.	Buildium®	REALPAGE  Sumeru	\$580M EV Sale
24.	P R O M O N	GROCAPITAL	ND

Note: Apryse acquired iText. All other clients were sell-side engagements.

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# Deep Domain Knowledge: ~225 Market Leading Private Tech Sector Reports



## Partner Led From Start to Finish

- ~225 industry thought pieces published by AGC Partners covering Vertical Software, Cyber Security, Infrastructure, Internet, HCIT, FinTech, and **60+ subsectors**
- Partner-led and authored, with 6-person AGC research team working on perfecting each piece, going deep on the market, TAM, key trends, challenges, M&A and financings activity
- Developed and implemented over 18 years proprietary processes and procedures that will typically unearth **200-300 leading private companies** in each sector

## Industry Leading Research Covering the Most Coveted Private Sectors of Technology



### Vertical Software

Automotive  
Building / Engineering  
CRM / CXM  
C-Suite  
Education  
Food/Restaurant  
GovTech  
Healthcare  
HR Tech  
Insurance  
Legal  
Public Sector  
Real Estate  
Travel & Leisure



### Cyber Security

APT  
CASB  
Cybersecurity  
Endpoint  
IAM  
IOT / SCADA  
Network  
Security Orchestration  
Security Services  
Threat Intelligence  
User Behavior Analytics  
Vulnerability



### Infrastructure

AI  
BI / Analytics  
Big Data  
Cloud Computing  
Communication  
Data Center  
DevOps  
Energy & Industrial  
ERP / Supply Chain  
Internet of Things  
IT Services  
Mobility Solutions  
Smart Cities  
Storage



### Internet

AdTech  
Augmented Reality  
Consumer  
E-Commerce  
Food Tech  
Gaming  
Internet  
Marketplaces  
MarTech  
Mobile  
Social  
Retail  
Virtual Reality



### HCIT

Clinical Decision Support  
Clinical Trials  
Dental Solutions  
EHR  
Genomics Data Mgmt.  
HIS  
Payer Solutions  
Pharma Analytics  
PMS  
Precision Medicine  
RCM / Payment Solutions  
Telehealth



### FinTech & Payments

Blockchain  
Digital Lending  
FinTech Market Updates  
Mobile App Monetization  
Mobile Money  
Payments  
Remittance / Money Transfer

## Selected Recent Partner-Authored Whitepapers



### Tech PE Year-End Report

The COVID spending boom, now bust, will continue to dampen revenue growth and valuations in 2023. Amidst slowing tech capital markets and macroeconomic headwinds, we analyze what a solid SaaS company is worth today.



### Quarterly Tech Update

Tech PE funds dominate the deal activity in early 2023 with 62% of all deal value for announced deals in the first quarter. With strategies remaining cautious and IPOs shut down, the easiest path to liquidity has become the PE or the PE portco.



### Construction Tech

Construction tech is once again on the cusp of broader-based adoption. The result has been renewed investment and M&A interest across the ecosystem as new challengers are formed and legacy solutions providers look to modernize.



### Cyber Risk Insurance

Cyber attacks are becoming increasingly common and sophisticated, posing a significant risk to businesses of all sizes. In order to protect against the ramifications of an attack, organizations are opting to take out cyber risk insurance policies.



### Work Software

Work Software M&A and growth capital markets are finding a new cadence in 2023 after blossoming to record highs post-COVID. Software remains mission critical for HR leaders that face persistent macro headwinds and intense competition for talent.



### C Suite

The pandemic forced businesses to leverage available technologies to replace manual processes and the results were very compelling, with productivity increasing to levels not seen in some time.

# The Best Middle-Market Growth Technology Conferences Globally

## Premier Global Technology Conferences

- AGC Partners is one of the only investment banks to hold middle-market industry conferences solely focused on driving relationships among strategic acquirers, PEs, and emerging private growth companies spanning all major tech sectors. At our San Francisco conference in April '23, we had over 2,000 one-on-ones
- Offers insights from leaders in their respective industries and direct engagement with the most active investors in the space
- Includes 500+ early and growth stage technology companies (revenues \$5-\$100M+ ARR) and 600+ private equity firms and strategic acquirers
- High caliber panels and 30-minute pre-arranged one-on-one meetings lead to hundreds of new leads, several new engagements, and drive the marketing efforts for pre-engaged clients



## Testimonials



"We achieved in one single day the **equivalent of 2+ weeks** of prospecting work"



"Excellent and **highly productive** event; AGC gathers the most relevant group of companies and PE/VC investors in one place"



"Superb event and opportunity for entrepreneurs to **tell their story to the investor community**"

## Conference Final KPIs



### London (March 2023)

**275**  
Total  
Attendees

**100**  
Fast-Growing  
Private Tech Companies

**1,100**  
1-On-1  
Meetings

**100**  
Leading Tech PE and  
Growth Investors and  
Strategics



### San Francisco (April 2023)

**750**  
Total  
Attendees

**250**  
Fast-Growing  
Private Tech Companies

**4**  
Keynote  
Presentations

**2,000**  
1-On-1  
Meetings

**225**  
Leading Tech PE and  
Growth Investors and  
Strategics

**5**  
Panel Discussions  
with Industry  
Experts



### Toronto (June 2023)

**280**  
Total  
Attendees

**75**  
Fast-Growing  
Private Tech Companies

**900**  
1-On-1  
Meetings

**120**  
Leading Tech PE and Growth  
Investors and Strategics



### Boston (October 2022)

**725**  
Total  
Attendees

**225**  
Fast-Growing  
Private Tech Companies

**2,250**  
1-On-1  
Meetings

**250**  
Leading Tech PE and Growth  
Investors and Strategics

# CEO & Buyer Testimonials



"The AGC team's **deep understanding of the market and strong relationships** with both investors and buyers facilitated exceptional market engagement and a fantastic outcome for our Company."

Peter Lilley, Co-Founder & CEO | **instaclustr**



"The AGC team did a terrific job in a challenging market. **They put their client first, serving as clear, transparent and trusted strategic advisor** throughout the process."

Kevin Frick, Partner | **Serent**  
CAPITAL



"Deals of this scale and complexity necessitate both strong tactical execution and sage counsel on nuanced issues – **AGC provided both!**"

Ben Levin, CEO | **LEVEL EQUITY**



"Their team was **smart, creative, responsive and dedicated** throughout both the equity and debt fund raising processes."

Jill Stelfox, CEO and Refounder | **PANZURA**



"In a tough, competitive market, their **execution is A+** and their **integrity is even higher.**"

A.J. Rohde, Senior Partner | **THOMABRAVO**



"Partnering with AGC was absolutely the right decision for us. **Their approach is aggressive, transparent with no wasted cycles.** We couldn't be more thrilled with the result."

Will Hunsinger, CEO | **Riviera**  
PARTNERS



"The AGC team understood our unique value proposition and drove interest from dozens of potential buyers. We are thankful for their **around-the-clock persistence and creative, hands-on approach** to maximizing value."

Greg Coleman, CEO | **tubular**



"It was essential that our banker could fundamentally understand the Promon technology and offering. **AGC quickly gained such understanding...**which ultimately will lead to a timely and satisfactory transaction."

Gustaf Sahlman, CEO | **PROMON**



"**The AGC team was simply extraordinary.** They dig in, roll up their sleeves, and work hard."

Jim Quagliaroli, Co-Founder, Managing Partner | **SILVERSMITH**



"The AGC team were exceptional partners. We are very grateful for their invaluable advice, quick action and 'always-on' approach. **They take a very complicated process and manage it with incredible precision.**"

Barry Kelly, CEO | **Thought**  
INDUSTRIES



Note: This document is for information and discussion purposes only, and it is intended for institutional and sophisticated investors. This document is based upon sources believed to be reliable; however, we do not guarantee the sources' accuracy. Unless otherwise indicated, AGC does not believe that the information contained herein is sufficient to serve as the basis of an investment decision. There can be no assurance that the statements, estimates or forecasts (if any) will be achieved and actual results may be materially different. The testimonials contained herein may not be representative of the experience of other customers or clients. Testimonials are no guarantee of future performance or success. This is not a solicitation of an offer of any kind. To learn more about the company/companies that is/are the subject of this document, contact one of persons named herein.