

Survey Finds Animal Care a Ripe Target for Private Equity, Even Amid COVID-19

Pet owners' love for their animals, along with the impact of COVID-19, are among the reasons decision-makers feel bullish about the future of private equity and animal care, according to a new survey of 100 industry leaders conducted by Katten.

The 2020 Private Equity in Animal Care Survey queried animal care operators and private equity representatives who participated in a private equity/animal care transaction over the past two years or expect to soon. The results reveal that what made animal care tempting for private equity before COVID-19 – low risk, good returns and relatively light regulation – began to resonate even more amid stay-at-home orders and perhaps a reevaluation of household priorities.

Despite its broad economic damage, the pandemic at least somewhat positively impacted 68 percent of private equity respondents' outlook when it comes to animal care, while 61 percent of animal care respondents have become more open to private equity since COVID-19 swept through the United States in March 2020.

Additionally, 90 percent of private equity respondents agreed that animal care is an attractive target, and 71 percent expect private equity transactions in the sector to increase over the next year – with more than one quarter saying the increase would exceed 10 percent.

The survey, conducted online in May, also found that for all respondents, therapeutics and diagnostics were the greatest investment opportunity over the next two years. Technological advances in animal care are expected to accelerate as a result of COVID-19 – which is likely why survey respondents point to

technology products for pet owners as an area ripe for investment.

Download the complete 2020 Private Equity in Animal Care report.