

Global Animal Health

Preventive & Curative Care Markets

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M&A Insight



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“Animal health remains a resilient and growing market, driven by strong fundamentals and long-term demand.

As curative and preventive clusters evolve, strategic players are leveraging both to unlock value, balancing innovation with cash generation. Leading companies are doing both, using M&A and innovation to drive strategic differentiation across species and product types.

Valuations continue to hold at attractive multiples, reflecting investor confidence in the sector’s structural strength and future upside.”

Key Findings

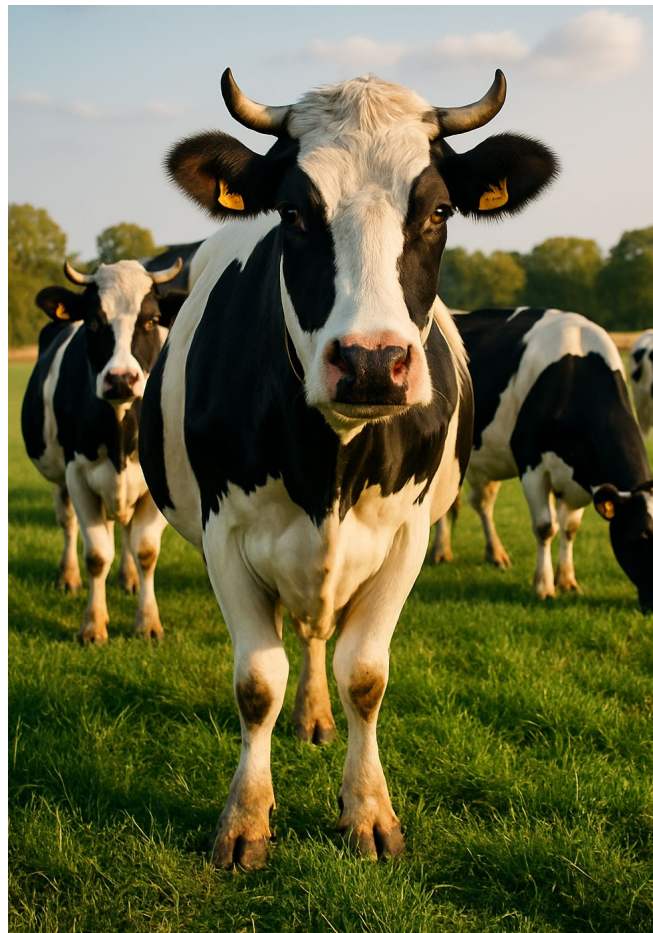
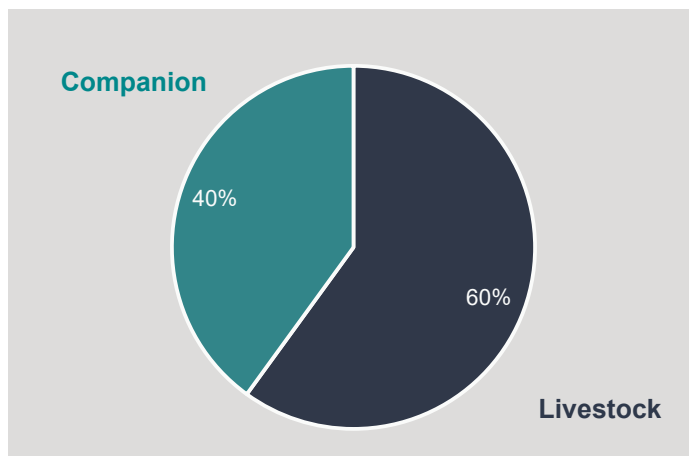
- The global animal health industry remains a resilient and fast-evolving sector, valued at approximately USD 58.7 billion in 2023 and projected to grow at a CAGR of 7.2% through 2030.
- Supported by long-term demand drivers, regulatory momentum, climate change impact, and advancing innovation, the industry is strategically divided into curative and preventive clusters each playing a distinct but complementary role. Curative products remain essential for acute disease treatment and continue to generate strong cash flows, while preventive solutions are attracting increasing attention from leading players, driven by innovation in vaccines, diagnostics, and nutrition, and offering further upside potential.
- As the market evolves, strategic and financial investors are actively deploying capital across both clusters, and leading players are adapting through targeted M&A, portfolio optimization, and expanded go-to-market models.
- Transaction activity in the animal health sector remains strong, driven by continued interest from both strategic players and financial sponsors seeking high-quality investment opportunities. Europe and North America continue to lead as the most active regions.
- Valuations in the animal health space remain attractive, typically in the double-digit EBITDA multiple range. Strategic players and financial investors are willing to pay premium prices for companies with niche and innovative offerings, strong product portfolios, global reach, or high margins.
- Companies can create long-term value by balancing cash-generating curative portfolios with innovation-led preventive platforms. Key strategies include selective M&A, product reformulation, expansion into adjacent capabilities like diagnostics, and portfolio optimization across species and product formats.

Market Composition & Outlook

A resilient USD 59b market poised for continued growth

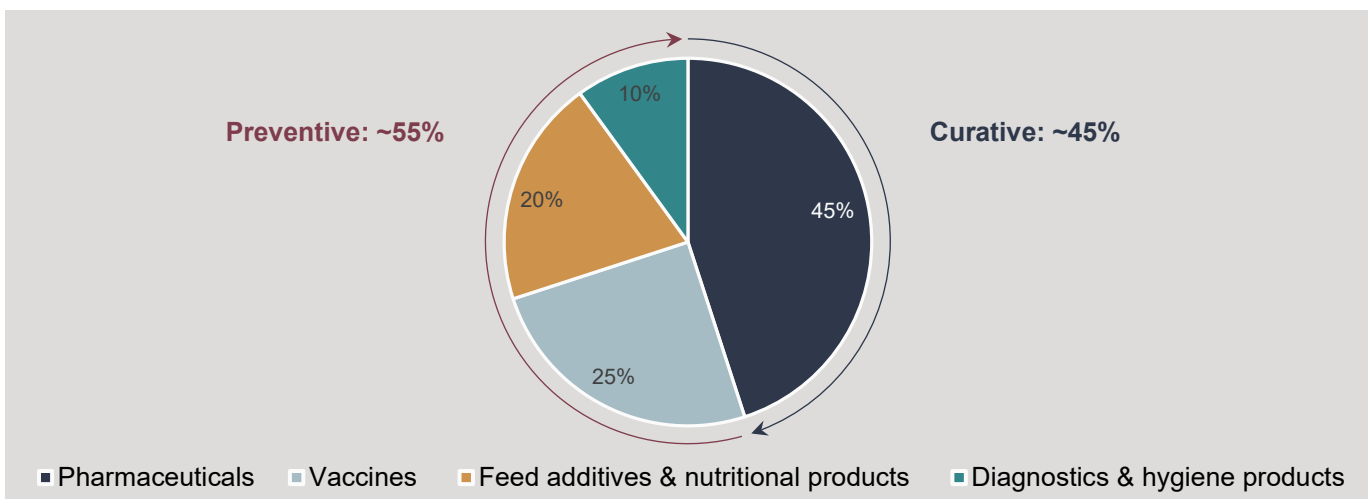
The global animal health industry continues to demonstrate strong fundamentals, driven by macroeconomic, regulatory, and technological tailwinds. In 2023, the market was valued at approximately USD 58.7 billion, with expectations to grow at a **CAGR of 7.2%** through 2030.

Structurally, the market is divided between **livestock and companion animals**, with the former representing roughly 60% of the total market value. Companion animals are growing faster, underpinned by rising pet ownership and premiumisation trends in developed markets



The industry is broadly segmented into **pharmaceuticals (~45%)**, **vaccines (~25%)**, **feed additives, nutritional products (~20%)**, and **diagnostics and hygiene products (~10%)**.

Within this broader context, **the industry is seeing a notable strategic bifurcation between curative and preventive clusters**. Each presents distinct trends, challenges, and opportunities. When looking at the total market, curative products are estimated to account for approximately 40–45% of global sales, while preventive solutions make up the remaining 55–60%.



Sources: S&P Capital IQ, Mergermarket, Gain.pro, AnimalhealthEurope, Investec research

Strategic Clusters in Animal Health

The market is shifting toward improving overall health, while targeting specific diseases remains an attractive opportunity

The curative segment, comprising antibiotics, antiparasitic, anti-inflammatories, remains a cornerstone of disease management in both livestock and companion animals, offering rapid and effective treatment for a wide range of conditions.

While overall growth is moderating, with a projected CAGR of 4–5%, the segment continues to play a critical role in ensuring animal welfare, food security, and operational resilience for producers.

Curative products are facing increasing regulatory scrutiny due to concerns around antimicrobial resistance (AMR), driving stricter frameworks for responsible use. Nonetheless, they remain strategically relevant as they are essential for managing acute outbreaks, delivering immediate therapeutic value, and generating stable cash flows for incumbents.

Importantly, the curative space is also seeing renewed scientific interest. Efforts to develop next-generation antimicrobials and targeted antiparasitic are gaining traction. As innovation cycles evolve, curatives are expected to remain a vital pillar of integrated animal health strategies, especially in complex or high-stakes production environments.

The preventive cluster, comprising vaccines, feed additives, nutritional products, diagnostics and hygiene products, is gaining strategic relevance with projected growth rates of 8–10%, outpacing the broader market.

Vaccines remain the cornerstone of this cluster, with innovation advancing in recombinant platforms, mRNA platforms that enable rapid responses to emerging diseases, and autogenous solutions tailored to specific farms.

Feed additives play an increasingly important role by supporting performance and resilience, with sustainability-driven feed additives addressing environmental impact and retaining productivity.

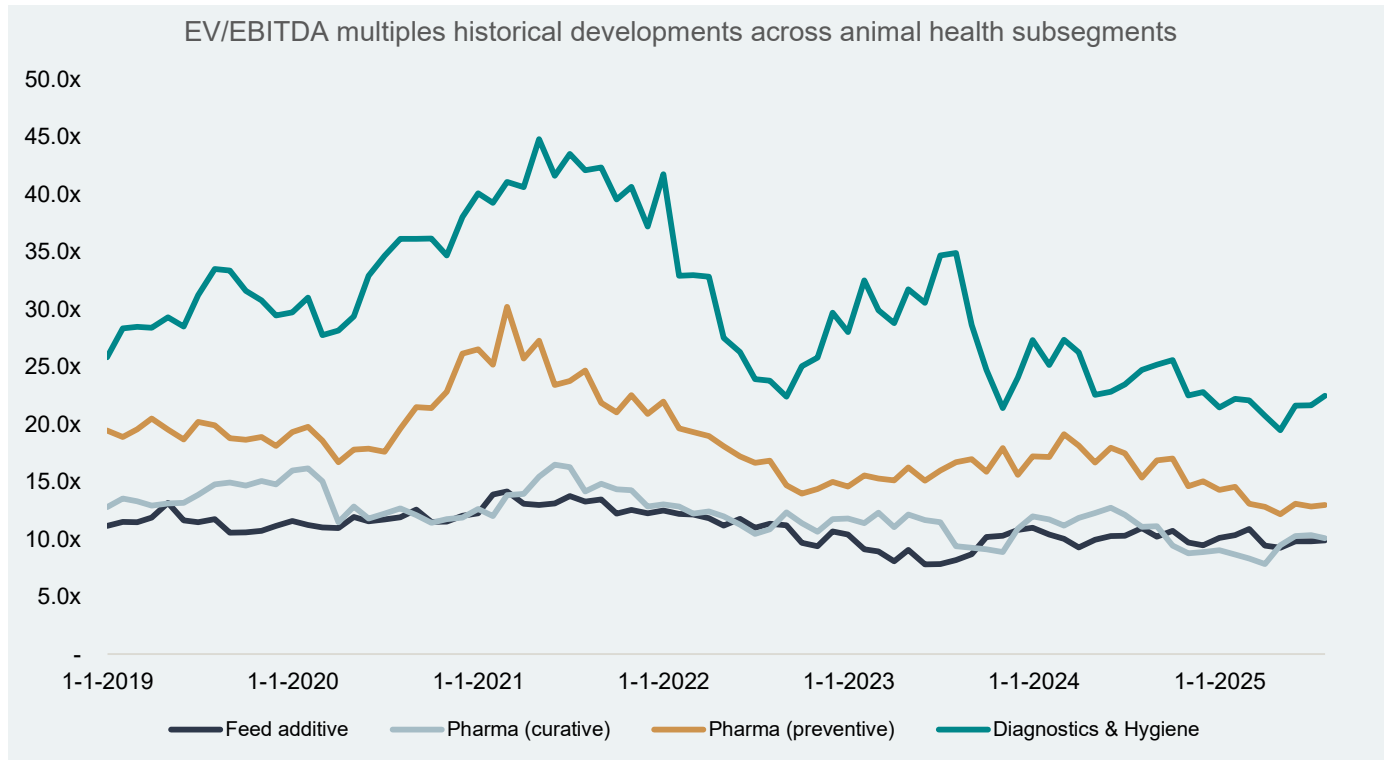
On-farm diagnostics and hygiene products are also becoming integral to disease prevention, enabling earlier intervention and targeted health management, with AI-enabled diagnostics offering faster and more precise detection.

Both multinational and emerging companies are increasingly focused on preventive categories. Leading players are expanding their portfolios through organic R&D, partnerships, and targeted M&A to acquire innovative technologies and accelerate time-to-market. Recent years have seen a rise in acquisitions of companies focused on next-generation vaccines, innovative feed additives, and predictive diagnostics.



Market Valuations in Animal Health

The sector continues to trade at attractive levels



Valuations in the animal health space remain relatively high compared to many other sectors, supported by resilient demand, margin stability, and strong long-term fundamentals. The data also highlights a divergence across subsectors, driven by differences in business models, innovation intensity, and investor preferences. While valuations have come down from 2020 peaks, they remain solid, reflecting continued confidence in the sector's structural growth.



Pharma (preventive) companies have traded at elevated valuations, driven by market leadership, diverse portfolios, and exposure to both curative and preventive. Their scale, cash flows, and ability to invest in R&D and acquisitions position them for long-term value creation.



Diagnostics and hygiene companies have consistently traded at premium valuations, driven by high-margin recurring revenues, defensiveness, and their role in early detection. Their business models are less cyclical and benefit from the shift toward data-driven, preventive care.



Curative-focused pharma companies show more stable but lower valuation multiples. Their portfolios of antibiotics and therapeutics generate reliable cash flows, proven to maintain stable performance and valuations, despite headwinds in the antibiotics segment.



Feed additive companies trade at lower multiples due to their perceived commodity profile and cost sensitivity. Yet, innovation in functional additives and immune enhancers could unlock value if positioned as strategic health enablers.

M&A Trends in Animal Health

M&A remains a driver of portfolio expansion, innovation access, and long-term value creation

M&A continues to be a key strategic lever in the animal health industry, with both curative and preventive clusters attracting sustained attention from strategic players and financial investors. While deal volume is slightly down from previous years, this mirrors broader market trends. Activity in animal health remains robust, **with strong interest from both strategic and financial buyers**.

Strategic players

Among strategic players, M&A serves multiple objectives, often tailored to portfolio maturity, geographic footprint, and innovation needs. Many animal health companies use acquisitions to **enter new geographies**, **gain access to local market registrations**, and quickly **establish distribution** and **commercial presence**. Others pursue M&A to **expand product portfolios**, whether by broadening indications, adding new therapeutic forms (e.g., injectables), or entering adjacent species segments. A growing area of focus is **acquisition of innovation pipelines**, or next-generation antimicrobials offering future growth potential and regulatory alignment.

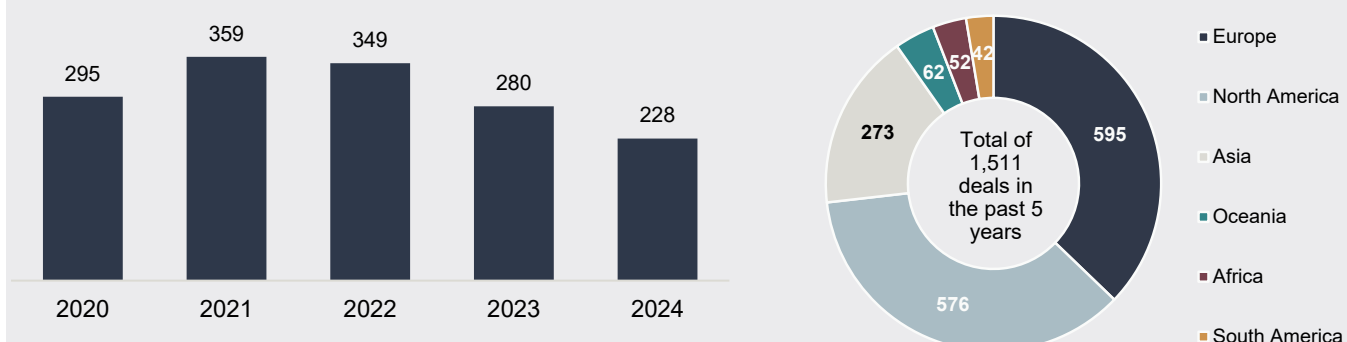
Importantly, several established players are now adopting a dual-portfolio model, pairing legacy or generics-heavy businesses with high-performing innovation assets. In this model, mature cash-generative products, often found in the curative cluster, are used to fund targeted R&D or acquisitions in preventive or specialty categories. This approach allows incumbents to maintain earnings stability while gradually shifting their strategic centre of gravity toward differentiated, innovation-led growth.

Financial investors

From the perspective of financial investors, animal health remains an increasingly attractive sector. Private equity funds are actively investing across both clusters, with a slight preference for companion animal and preventive medicine businesses. However, they remain highly interested in curative platforms as well, particularly where companies demonstrate strong margins, regulatory defensibility, or leadership in therapeutic areas.

The appeal lies in a combination of **sector resilience**, **strong cash flow generation**, and underlying **market growth**, which has historically outperformed the broader economy. Furthermore, the **fragmentation of the animal health landscape** continues to offer attractive consolidation opportunities. Many regional players remain independent and sub-scale, this allows investors to execute buy-and-build strategies or bolt-on acquisitions to existing platforms, particularly in Europe and North America.

Historical development in the number of global animal health transactions (left graph) and their regional split (right graph)



Recent M&A Activity

Strong deal flow is driven by strategic and financial buyers

Over the past 18 months, the animal health industry has experienced significant deal activity, spanning biotech and vaccine innovators, pharma companies, diagnostics, and feed additive specialists.

The market has seen a steady stream of acquisitions, with strategic buyers seizing opportunities to accelerate growth through targeted M&A, expanding portfolios and capabilities, while financial sponsors are actively building strong platforms in this resilient, growing sector.

Date	Target	Country	Activity	Segment	Buyer	Type of Buyer	Country	EV (€)
Jul/25 (announced)			Veterinary pharmaceutical company	Preventive and curative		Financial		NA
Apr/25 (announced)	 (cleaners & disinfectants unit)		Animal cleaners and disinfectants business	Preventive		Strategic		114m
Mar/25			Producer and patent-holder of several in-feed solutions	Preventive		Strategic		NA
Feb/25			Global supplier of oils & fats for animal-feed	Preventive		Strategic		113m
Nov/24			Distributor of veterinary medicines and own market registrations	Preventive and curative		Financial		NA
Oct/24	 (MFA portfolio)		Medicated feed additive portfolio across cattle, swine and poultry	Preventive and curative		Strategic		327m
Sep/24			Producer of animal health and nutrition products for livestock	Preventive		Strategic		6.5m
Sep/24			Protein-based therapeutics for companion animals	Preventive and curative		Strategic		476m
Jul/24			Portfolio of medicines and vaccines, and supplements for aqua	Preventive and curative		Strategic		1,209m
Jul/24	 		Diagnostics solutions	Preventive		Strategic		NA
Apr/24			A manufacturer of preventive vaccines to treatment drugs	Preventive and curative		Strategic		280m
Feb/24			Vet lab offering pharma and OTC products, mainly for pets	Curative		Financial		NA
Feb/24			Manufacturer of generic veterinary medicines, focus on livestock	Curative		Financial		~300m
Jan/24			Specialist in veterinary pharmaceuticals	Curative		Financial		5,549m

Sources: S&P Capital IQ, Mergermarket, Investec research

Unlocking Value

Strategic levers across curative & preventive clusters

As the animal health industry continues to evolve, companies operating in both curative and preventive clusters have multiple strategic levers at their disposal.

Long-term value creation will depend not on choosing one cluster over the other, but on aligning portfolio structure, innovation investment, and go-to-market strategies with shifting market, regulatory, and customer dynamics.

Below are five strategic routes companies can pursue to build value in both domains:



Product portfolio optimization: Expand the breadth of the portfolio across product type, form, and species to offer more comprehensive solutions to clients and enhance competitive positioning



Balance cash generation with innovation investment: Companies with strong curative portfolios can use these assets as stable cash engines to fund growth in innovation-driven areas such as next-generation vaccines



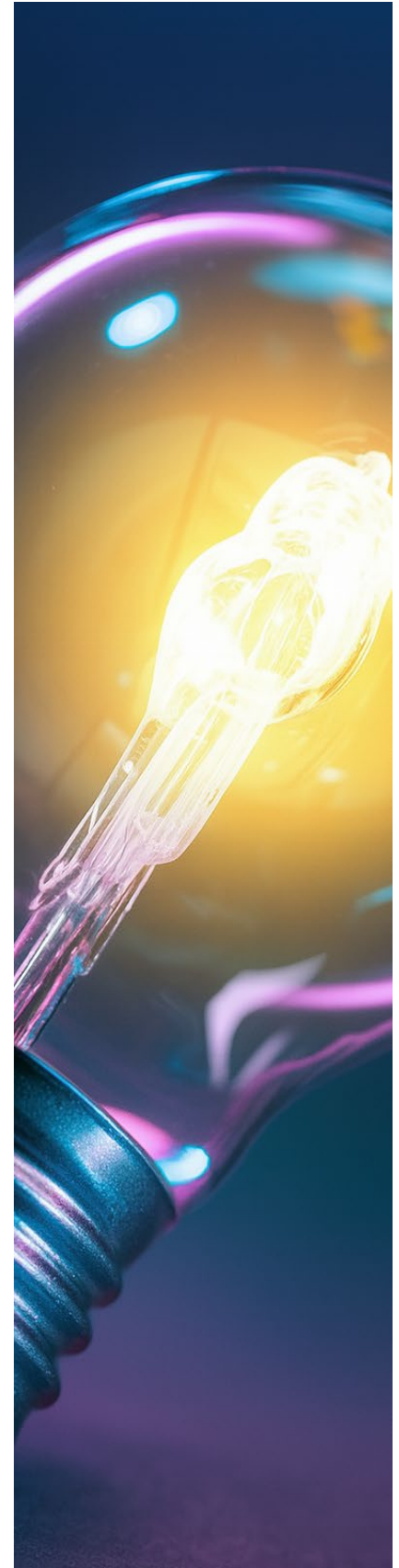
Leverage reformulation into generic+: In both livestock and companion segments, reformulating existing products into generic+ offerings, such as improving shelf life, combining multiple actives into a single injection, or converting from injectable to oral delivery, can unlock significant commercial value



Expand into adjacent segments: Companies can unlock value by integrating capabilities such as diagnostics and disease monitoring. These solutions support both curative and preventive products by enabling earlier detection and more targeted treatment, while also enhancing differentiation and creating upsell opportunities

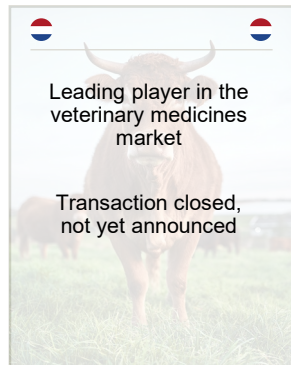


Pursue expansion through selective M&A: players can acquire market access, new product forms, or species coverage in both clusters. Preventive-focused deals often bring innovation upside, while curative acquisitions may offer scale, defensibility, and immediate earnings contribution



Our Sector Experience


Investec has consistently advised on major transactions within the animal health space, as demonstrated below:




Leading player in the veterinary medicines market

Transaction closed, not yet announced


Veterinary pharmaceuticals and feed additives




acquired by



Veterinary pharmaceuticals



sold to



Feed additives & nutrition



sold to



Veterinary pharmaceuticals



LBO sponsored by



Veterinary pharmaceuticals



sold



to



Livestock hygiene



MBO supported by



Veterinary pharmaceuticals



acquired the European equine product range of



Veterinary pharmaceuticals



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