

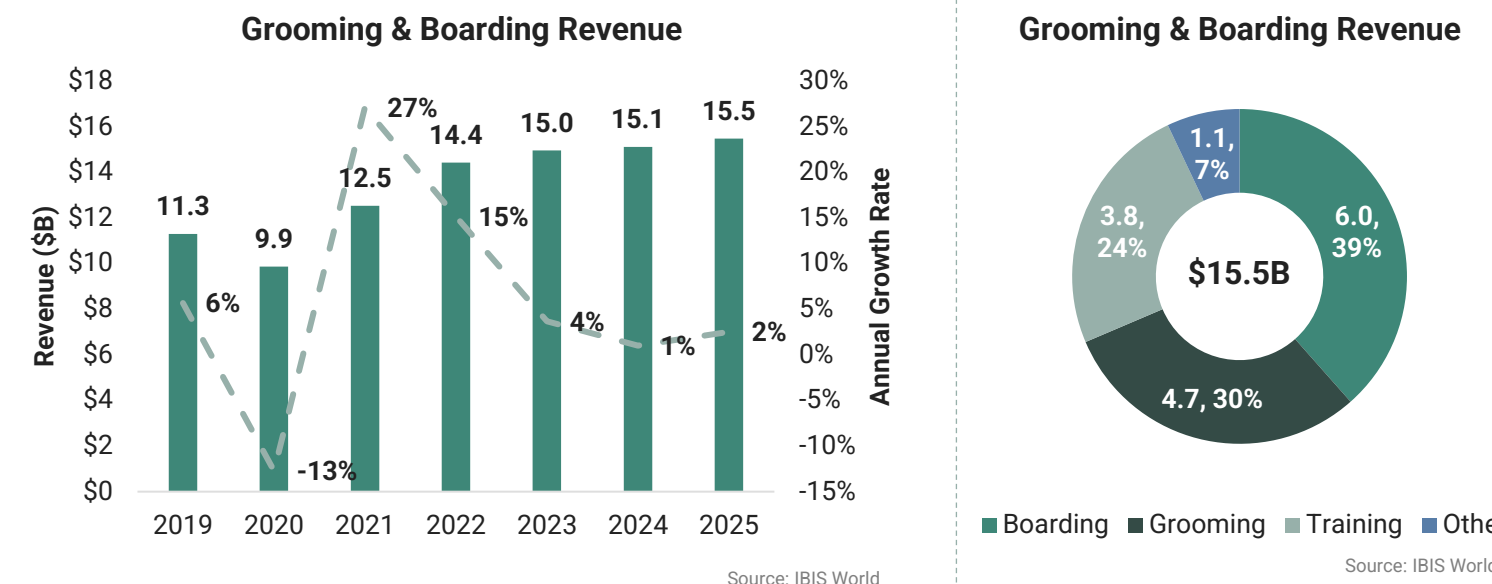
Pet Grooming & Boarding Spotlight

OCTOBER 2025

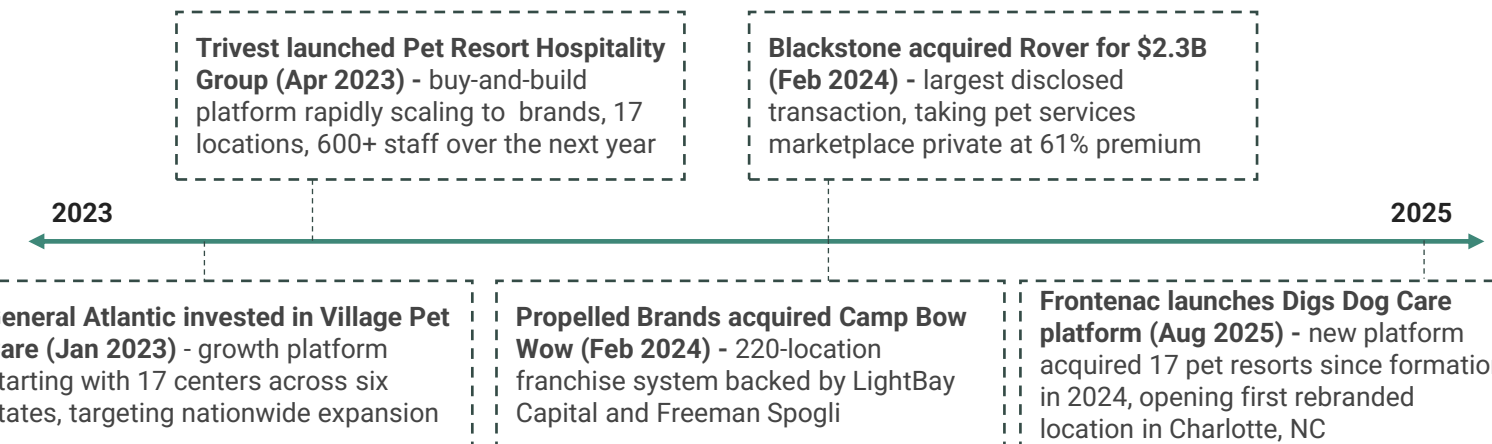


U.S. PET GROOMING & BOARDING OVERVIEW

Spending on pets in the U.S. hit \$152 Billion in 2024, reflecting **over twenty years of consistent growth**. The **Grooming & Boarding Industry makes up ~10%** of revenue.



Recent Acquisitions
The pet grooming and boarding sector has experienced **robust M&A activity** over the past two years yet remains **highly fragmented** with no single operator capturing more than 5% of the market, creating **substantial consolidation opportunities** for strategic acquirers and private equity platforms.



FACTORS TO CONSIDER WHEN ACQUIRING


Franchise v. Company Owned

When evaluating roll-up opportunities in the pet boarding and grooming sector, the franchise versus company-owned model decision significantly **impacts operational control, growth velocity, and exit valuations**. Each approach offers distinct advantages for private equity firms and strategic acquirers targeting this fragmented, high-growth market.


Franchise Model	Company-Owned
<p>Advantages</p> <ul style="list-style-type: none">Lower initial capital requirements and faster market penetrationEstablished brand recognition and proven operating systemsBuilt-in local market expertise through franchisee knowledgeReduced operational complexity with franchisee-managed locationsScalable growth through franchise fees and royalty streamsGeographic diversification with lower direct investment risk	<p>Advantages</p> <ul style="list-style-type: none">Complete operational control and brand consistencyDirect capture of all location-level profitsFlexibility to implement technology and process improvementsSimplified integration during roll-up executionEnhanced customer data ownership and analytics capabilitiesGreater valuation multiples from institutional buyers at exit
<p>Disadvantages</p> <ul style="list-style-type: none">Limited operational control and standardization challengesDependence on franchisee quality and complianceRestricted ability to implement rapid strategic changesRevenue sharing through ongoing royalty structuresPotential conflicts with franchisees during consolidationComplex legal frameworks governing franchise relationships	<p>Disadvantages</p> <ul style="list-style-type: none">Higher capital requirements for acquisition and operationsIncreased management complexity across multiple locationsDirect exposure to local market and operational risksNeed for extensive regional management infrastructureSlower expansion velocity due to capital constraintsGreater working capital requirements and operational overhead

Key Value Levers for multi-unit operations


Both franchise and company owned models unlock value through common levers to drive financial results




Service Diversification




Customer Loyalty & Market Reputation




Operational Excellence



Back-Office Consolidation



Technology Standardization



Regulatory Advantages


Learn more about trends and market opportunities in the Grooming & Boarding industry [here](#).

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DRIVING STRATEGIC BUSINESS TRANSFORMATION, MARGIN, AND EBITDA			
Comprehensive evaluation of pet care operations – from manufacturing to retail to service delivery – that include the following areas of focus to drive pet parent loyalty and employee satisfaction:			
Manufacturing <ul style="list-style-type: none">Manufacturing Network StrategyManufacturing Operations - Capacity/Utilization/Cost EfficiencyProcurement & Supply Chain	Distribution & Logistics <ul style="list-style-type: none">Planning & AllocationInventory Management & OptimizationWarehouse Operations & FulfillmentTransportation Management	Retail & Store Operations <ul style="list-style-type: none">Merchandise Assortment Breadth & DepthStore Operations and Labor Scheduling and OptimizationFinance & AccountingTechnology & Systems	Customer Experience <ul style="list-style-type: none">Customer Relationship ManagementDigital Marketing EffectivenessCustomer Journey Mapping


OUR EXPERTS




Rick Maicki
Senior Managing Director
rick.maicki@ankura.com




John Frehse
Senior Managing Director
john.frehse@ankura.com




David Tait
Managing Director
david.tait@ankura.com



Chris Ventry
Managing Director
chris.ventry@ankura.com



Jesse Lehman
Senior Director
jesse.lehman@ankura.com



Sahithi Tupuri
Director
sahithi.tupuri@ankura.com

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