

These 4 Numbers Will Determine the Future of Your Practice – Know Them Well !

Terry O'Neil, CPA, CVA
Partner



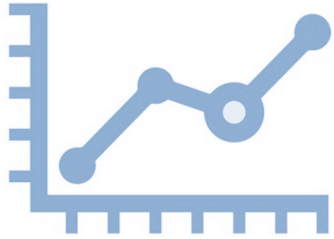
Terry O'Neil, KSM

February 2024

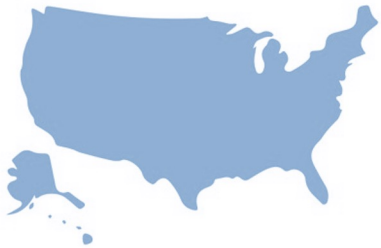
Agenda

- Datalink introduction
- Four Numbers will Determine the Future of Your Hospital
 - Customer & Employee Satisfaction
 - 1. Revenue
 - 2. Direct Costs – (Cost of Goods Sold)
 - 3. Labor
 - 4. EBITDA – Earnings before Interest, Taxes, Depreciation and Interest
- KPI's
- Demographics

DATAlink Vision – 14th year !!



Financial benchmarking tool



Ability to benchmark nationally



Ability to benchmark based on specific practice demographics (group and nationally)

DATALink Leadership Team



Terry O'Neil, KSM



Beth Scott, KSM



Ali Todd, KSM



Julie Kimbley, KSM



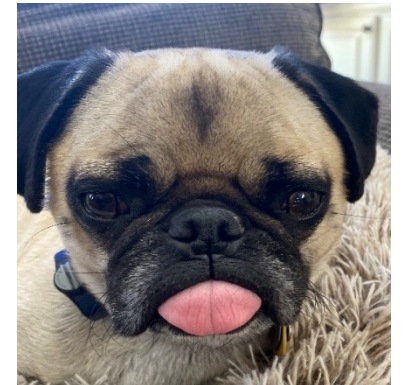
Erin Hunter, KSM



Megan McDaniel, VMG



**Dr. Paul Glouton,
Emeritus Leader & Mentor**



A Look Back

- Jetsons in mid 60s



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Last 20 Years – Last 4

- Y2K
- Internet, WIFI, dial-up modems
- Zoom
- Education: online and on-demand
- Netflix, Amazon Prime. Blockbuster?
- Curbside
- iPhone, tablets, Apple Watch
- Electric cars
- Telemedicine
- No longer know anyone's phone number
- What is a map?
- Send text messages instead of voicemail
- No longer use a camera

Customer Satisfaction - Forbes

Companies with a customer experience mindset drive revenue 4-8% higher than the rest of their industries.

Two-thirds of companies compete on customer experience, up from just 36% in 2010.

84% of companies that work to improve their customer experience report an increase in their revenue.

73% of companies with above-average customer experience perform better financially than their competitors.

Customer Satisfaction - Forbes

83% of companies that believe it's important to make customers happy also experience growing revenue.

Brands with superior customer experience bring in 5.7 times more revenue than competitors that lag in customer experience.

73% of consumers say a good experience is key in influencing their brand loyalties.

77% of consumers say inefficient customer experiences detract from their quality of life.

Customer-centric companies are 60% more profitable than companies that don't focus on customers.

Customer Satisfaction - Forbes

American consumers will pay **17% more** to purchase from a company with a reputation for great service.

Companies that excel at customer experience have **1.5 times more engaged** employees than less customer-focused companies.

Companies with initiatives to improve their customer experience see employee engagement increase by **20% on average**.

Companies with engaged employees outperform the **competition by 147%**.

59% of companies with a CEO who is involved in customer experience report higher revenue growth, compared to just **40%** of companies without a customer-focused CEO reporting growth.

Customer Satisfaction - Forbes

Customers are likely to spend 140% more after a positive experience than customers who report negative experiences.

Customers are likely to spend 140% more after a positive experience than customers who report negative experiences.

70% of Americans have spent more money to do business with a company that offers great service.

Companies that provide an emotional connection with customers outperform the sales growth of their competitors by 85%.

A 2% increase in customer retention is the same to profits as cutting costs by 10%.

Customer Satisfaction - Forbes

General Customer Experience Statistics – Continued

96% of customers agree that customer service plays a vital role in their choice of loyalty to a brand. *(Source: Microsoft)*

Customer service-focused companies have employees that are 1.5X more engaged than those who don't.

- *(Source: Experience Matters)*
- Employee engagement has a direct correlation with customer experience. Companies with a highly engaged workforce far outperform their closest competition by 147% in terms of earnings.

Customer Satisfaction - Forbes

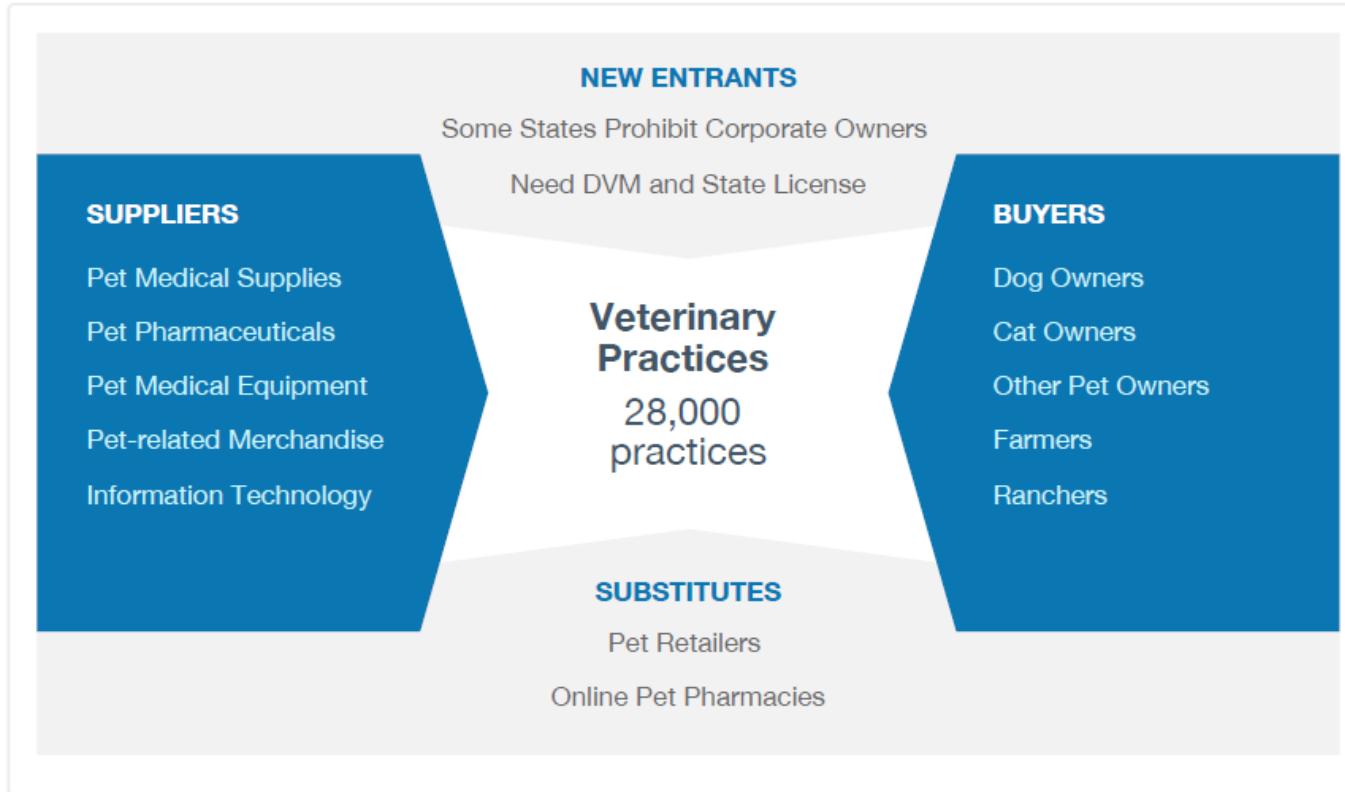
General Customer Experience Statistics – Continued

13. 67% of customers say that they would prefer self-service over speaking with a company representative. *(Source: Zen Desk)*

14. Consistency is the key to a great customer experience. *(Source: Astute Solutions)*

15. Employee satisfaction drives customer satisfaction. *(Source – KSM)*

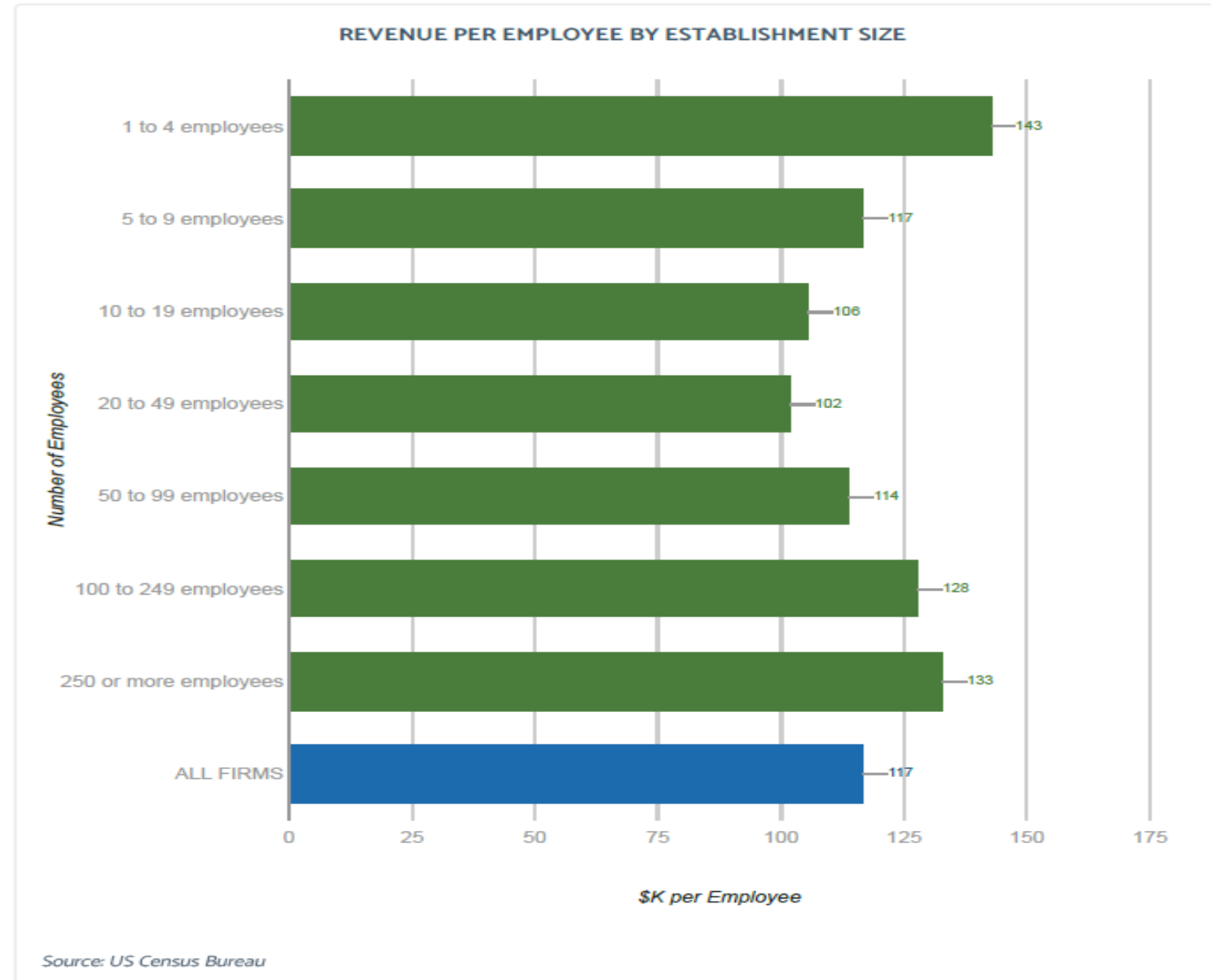
Vertical IQ



A typical veterinary practice operates out of a single location, employs about 15 workers, and generates about \$2 million in annual revenue.

- The veterinary care industry consists of 28,000 practices that employ 440,900 workers and generate \$57 billion annually.
- Most veterinary practices are small, independent operations - 86% have a single location, and 85% have fewer than 20 workers. Most practices are private practices and owned by a licensed veterinarian.
- About 67% of vets provide care primarily for companion animals; 4% care for food animals; and 4% care for horses.

Vertical IQ

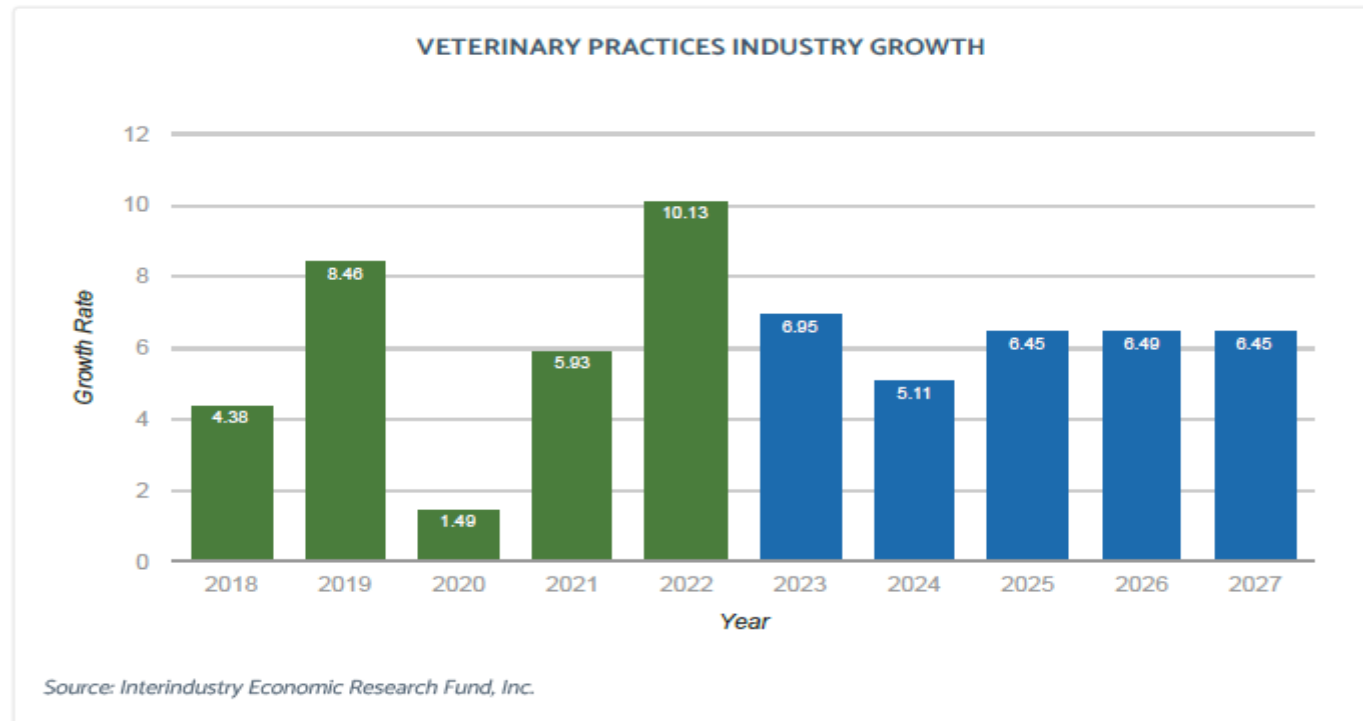


Vertical IQ – January 2024

Industry Forecast

Sales for the US veterinary practices industry are forecast to grow at a 6.29% compounded annual rate from 2023 to 2027, faster than the growth of the overall economy.

Last Update: August 2023

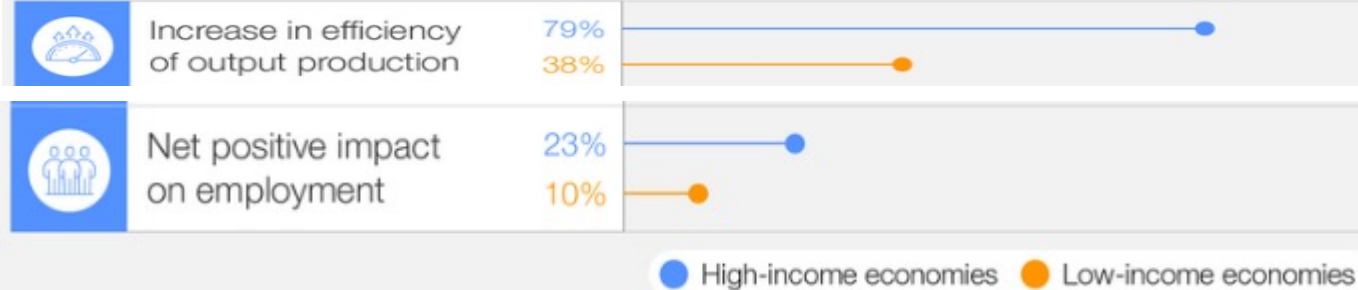


World Economic Forum

The impact of generative AI

WORLD
ECONOMIC
FORUM

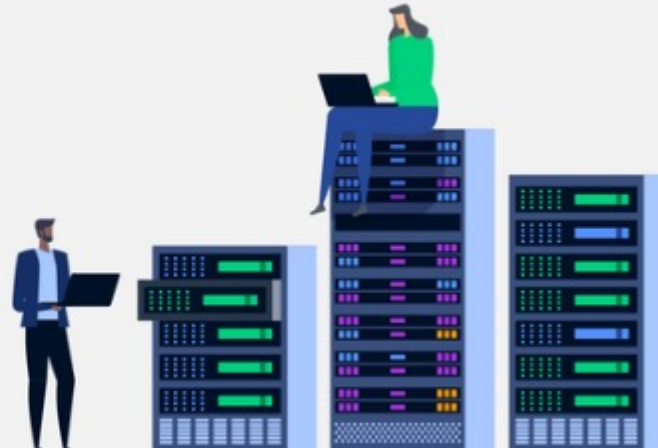
In 2024, chief economists expect recent developments in generative AI to result in:



50%

expect generative AI to be commercially disruptive this year

Source: Chief Economists Outlook,
World Economic Forum, January 2024

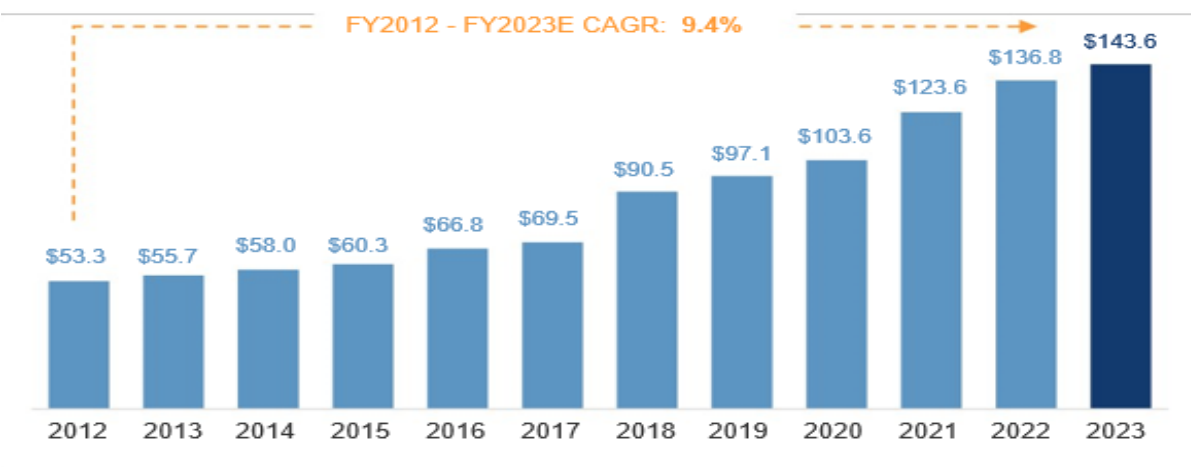


US Pet Expenditure has Grown 9.4% Annually Since 2012

Relevant Commentary

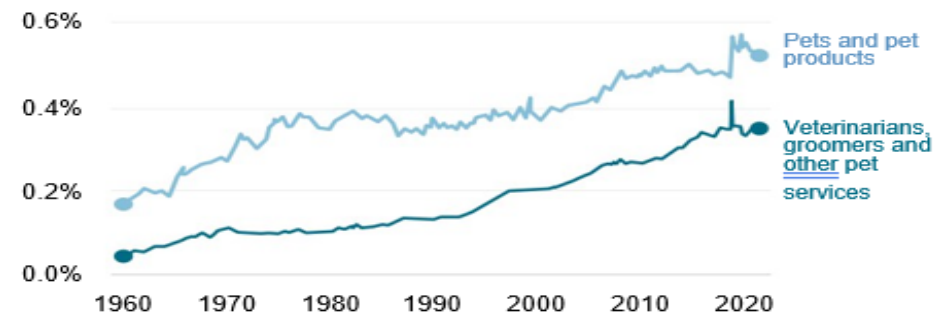
- The pandemic has upended the lives of humans and their expenditure on pets. The pandemic resulted in pet owners being home all day, leading them to spend more than usual time with their pets
- Morgan Stanley's housing strategists estimate that the growth trend of US pet ownership more than tripled during the pandemic while spending on various pet categories ranging from veterinary care to pet accessories has proven resilient, even during the recession
- Although the pandemic accelerated pet ownership, household formation among Millennials and Gen Z is expected to sustain the industry growth
- In a recent AlphaWise survey, 65% of 18- to 34-year-olds indicated they plan to acquire or add a pet in the next five years, helping drive an expected 14% increase in pet ownership by 2030
- Average annual household spending per pet is expected to grow from \$980 in 2020 to \$1,292 by 2025 and expand further to \$1,909 by 2030, growing at a CAGR of 6.9% from 2021-2030

Historical Pet Expenditure in the US (\$, Billions)



Sources: American Pet Products Association, Morgan Stanley, Alphawise

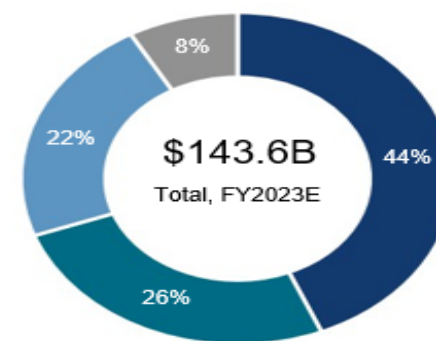
Rising Pet Expenditure as a % of Total Consumer Spending



Sales by Expenditure Type (2023E)

Expenditure by Category:

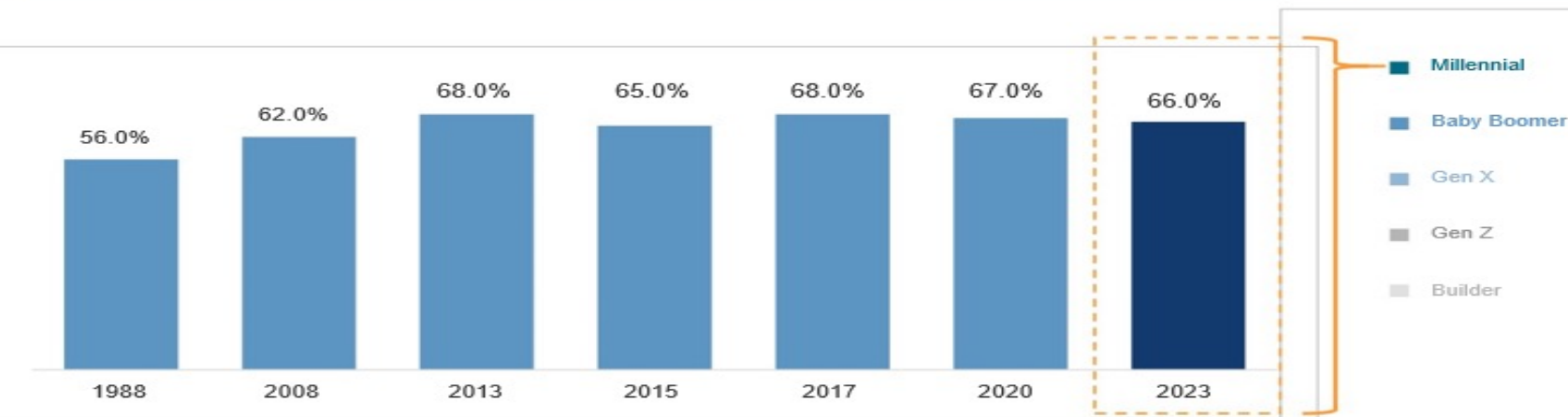
- Pet Food
- Veterinary Services
- Supplies, OTC Medicines
- Other Services*



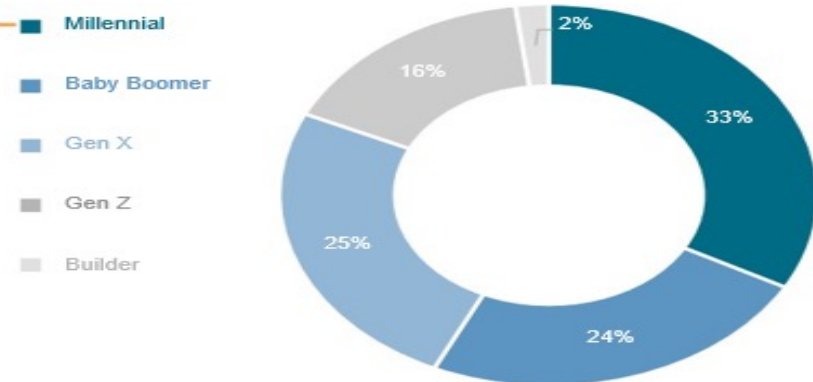
*Other Services include boarding, grooming, insurance, training, pet sitting and walking, and all services outside of veterinary care

Steady Growth of 10% in Pet Ownership Over the Last 35 Years

Pet Ownership as a % of Families in the US



2023 Pet Ownership by Generation



Illustrative Pet Ownership Growth Drivers

>2/3rd

More than 2/3rd of households in US own a pet. This number is expected to rise as millennial pet ownership increases.

60%+

Pet ownership is most popular among younger adults - **millennial and baby boomer generations comprise most of the US pet ownership population - roughly ~60%**

80%+

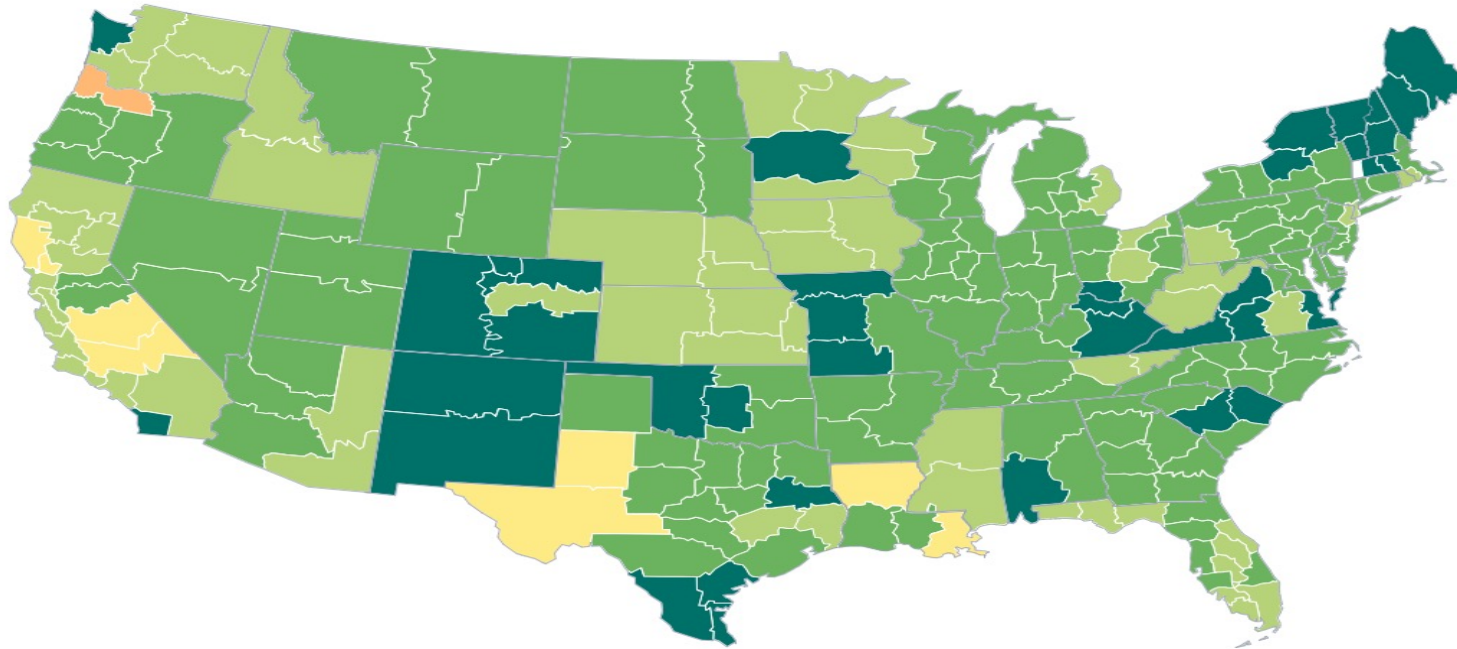
Pet ownership not only varies across states, but the popularity of different breeds varies from one state to the next. **In 80% of states, over half of households include at least one pet.**

Sources: Association of American Veterinary Medical Colleges, American Veterinary Medical Association and Veterinary Economics Survey, IBIS World and other secondary sources

www.Vetwatch.com – Free service

1 Select your zone from the map below.

You have selected **National Data**. Next, please scroll down and select a data point below.



[View National Data](#)

Map displays YTD total hospital revenue courtesy of Animal Care Technologies

*Indicates Merged Zone Group

Key

< -50%

-50% to -30%

-30% to -10%

-10% to -5%

-5% to 0.0%

+0.0% to +5%

+5% to +10%

+10%

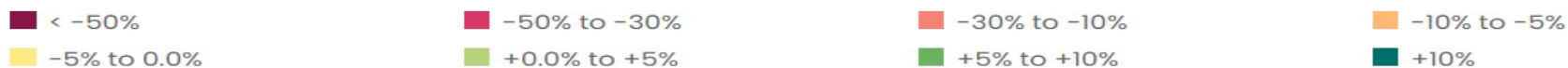
www.Vetwatch.com – Free service

View National Data

Map displays YTD total hospital revenue courtesy of Animal Care Technologies

*Indicates Merged Zone Group

Key



You have selected **National Data**. Next, please scroll down and select a data point below.

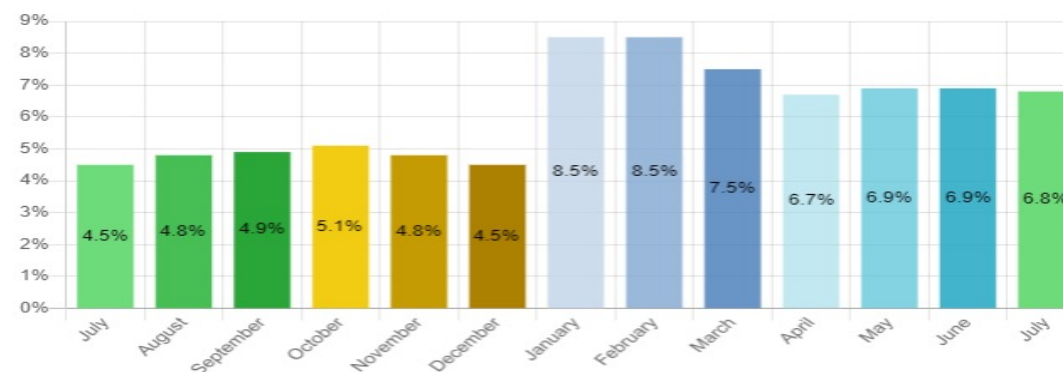
2 Select a data point below.

Unique patients (pets)

Unique clients (persons)

Total invoices

Total revenue



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View National Data

Map displays YTD total hospital revenue courtesy of Animal Care Technologies

*Indicates Merged Zone Group

Key



You have selected **National Data**. Next, please scroll down and select a data point below.

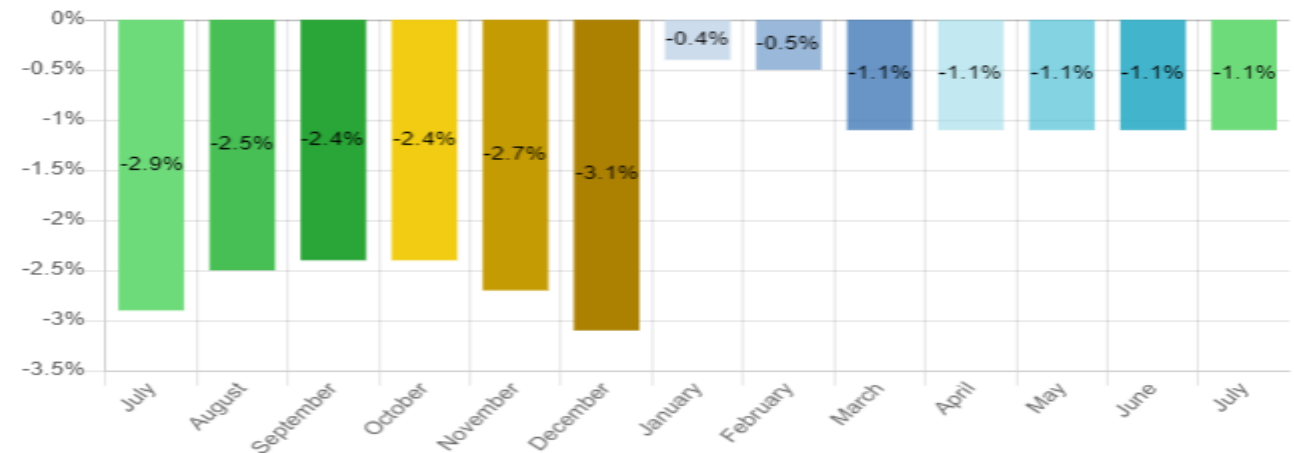
2 Select a data point below.

Unique patients (pets)

Unique clients (persons)

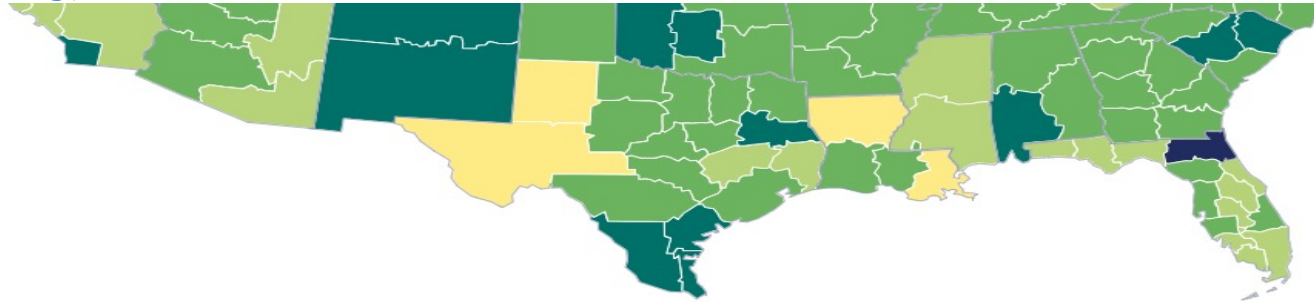
Total invoices

Total revenue



www.Vetwatch.com – Free service – click on territory

Jacksonville, Lake City, Palatka - Florida



[View National Data](#)

Map displays YTD total hospital revenue courtesy of Animal Care Technologies

*Indicates Merged Zone Group

Key

< -50%

-50% to -30%

-30% to -10%

-10% to -5%

-5% to 0.0%

+0.0% to +5%

+5% to +10%

+10%

You have selected **Jacksonville-Lake City-Palatka, FL**. Next, please scroll down and select a data point below.

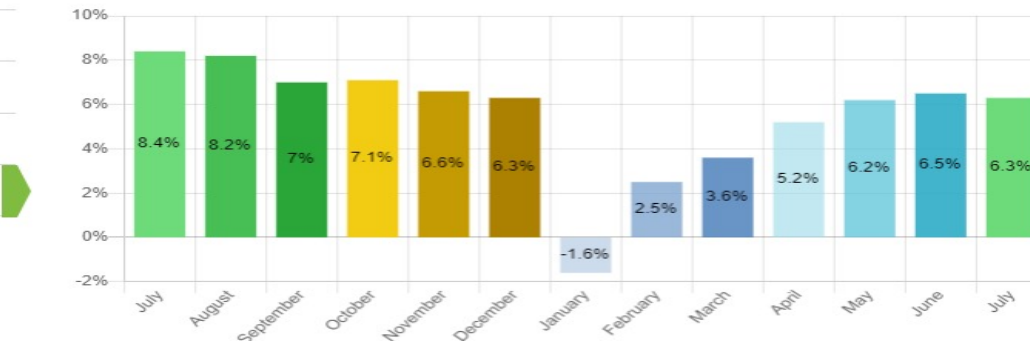
2 Select a data point below.

Unique patients (pets)

Unique clients (persons)

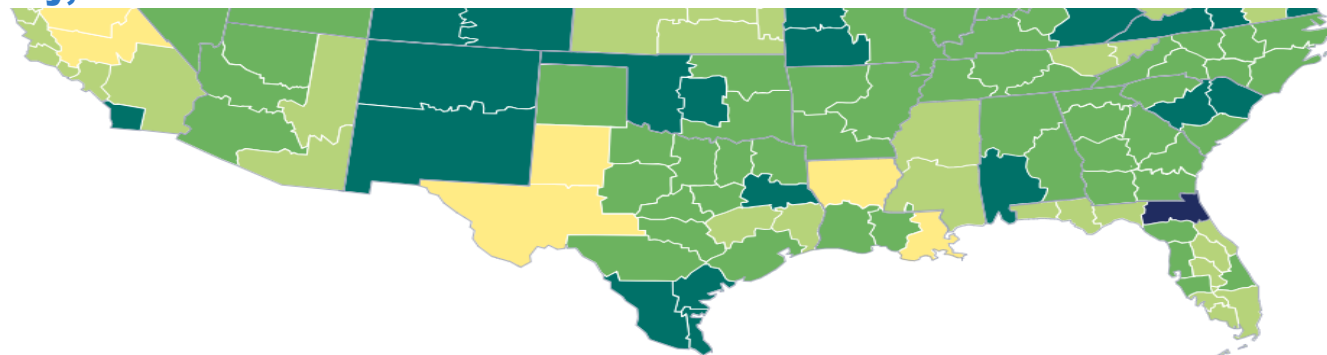
Total invoices

Total revenue



www.Vetwatch.com – Free service – click on territory

Jacksonville, Lake City, Palatka - Florida



[View National Data](#)

Map displays YTD total hospital revenue courtesy of Animal Care Technologies

*Indicates Merged Zone Group

Key



You have selected **Jacksonville-Lake City-Palatka, FL**. Next, please scroll down and select a data point below.

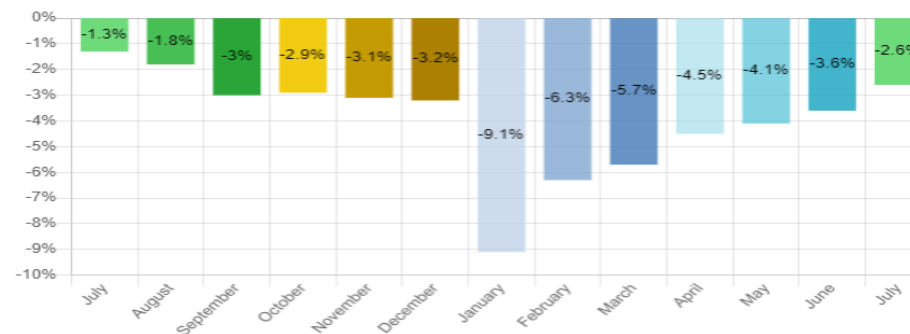
2 Select a data point below.

Unique patients (pets)

Unique clients (persons)

Total invoices

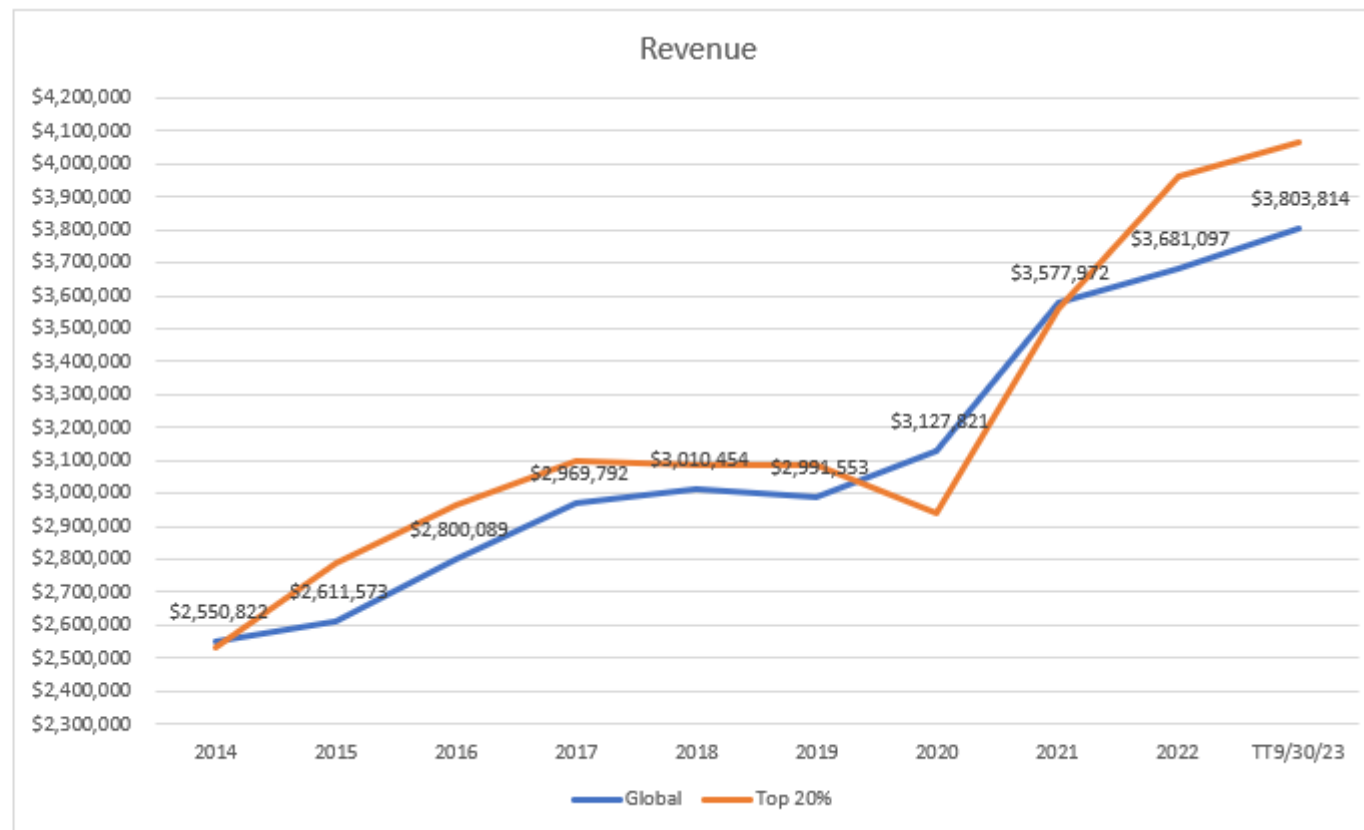
Total revenue



#1 Revenue

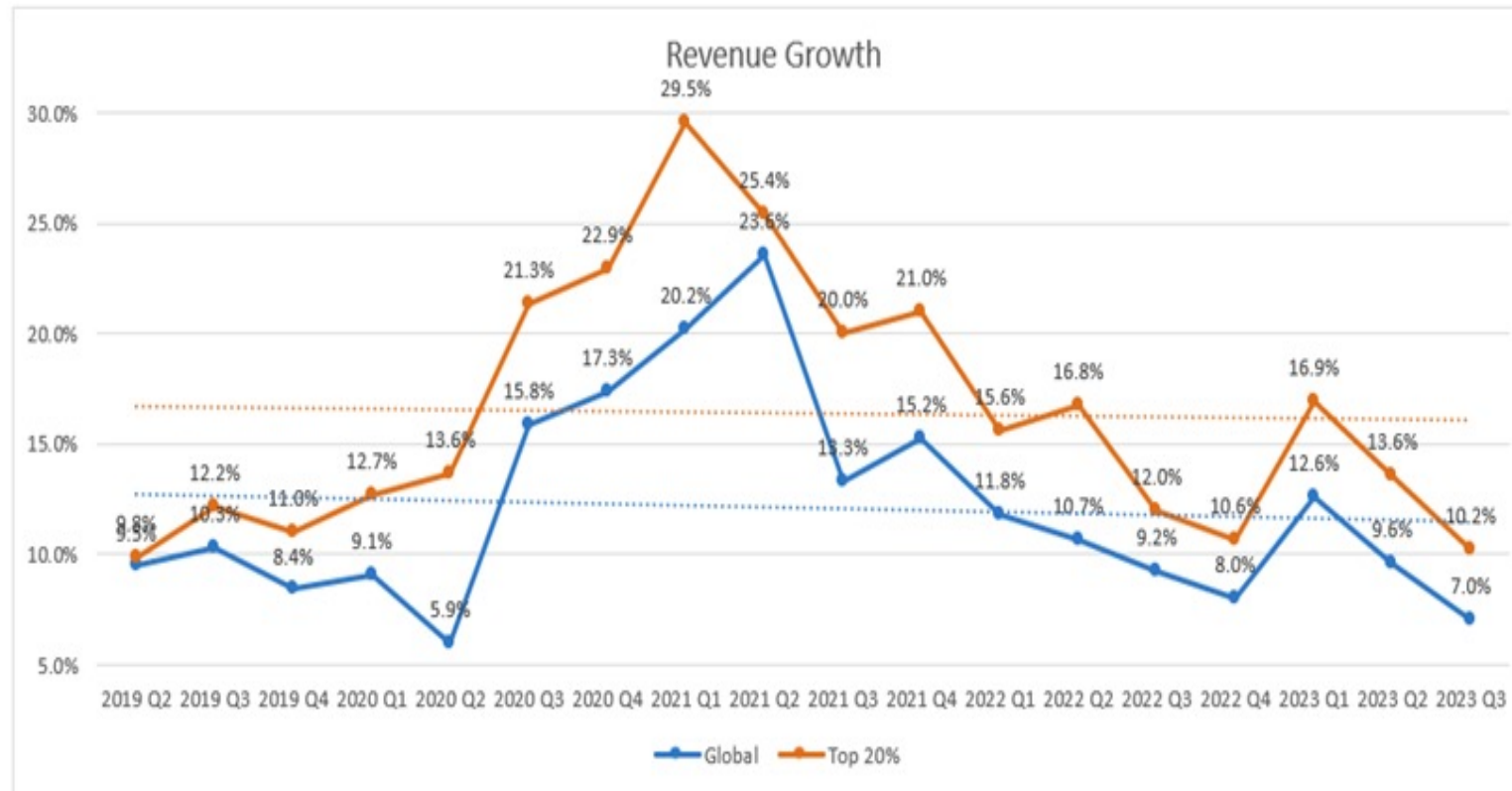
DATALink Financial Statistics – Companion

	Revenue	Global	Top 20%
2014		\$ 2,550,822	\$ 2,529,516
2015		\$ 2,611,573	\$ 2,788,075
2016		\$ 2,800,089	\$ 2,963,626
2017		\$ 2,969,792	\$ 3,098,520
2018		\$ 3,010,454	\$ 3,089,163
2019		\$ 2,991,553	\$ 3,086,533
2020		\$ 3,127,821	\$ 2,940,089
2021		\$ 3,577,972	\$ 3,563,423
2022		\$ 3,681,097	\$ 3,963,838
TT9/30/23		\$ 3,803,814	\$ 4,067,038
Change			
2015		2.4%	10.2%
2016		7.2%	6.3%
2017		6.1%	4.6%
2018		1.4%	-0.3%
2019		-0.6%	-0.1%
2020		4.6%	-4.7%
2021		14.4%	21.2%
2022		2.9%	11.2%
TT9/30/23		3.3%	2.6%



DATALink Financial Statistics – Companion

Growth	Global	Top 20%
2019 Q2	9.5%	9.8%
2019 Q3	10.3%	12.2%
2019 Q4	8.4%	11.0%
2020 Q1	9.1%	12.7%
2020 Q2	5.9%	13.6%
2020 Q3	15.8%	21.3%
2020 Q4	17.3%	22.9%
2021 Q1	20.2%	29.5%
2021 Q2	23.6%	25.4%
2021 Q3	13.3%	20.0%
2021 Q4	15.2%	21.0%
2022 Q1	11.8%	15.6%
2022 Q2	10.7%	16.8%
2022 Q3	9.2%	12.0%
2022 Q4	8.0%	10.6%
2023 Q1	12.6%	16.9%
2023 Q2	9.6%	13.6%
2023 Q3	7.0%	10.2%



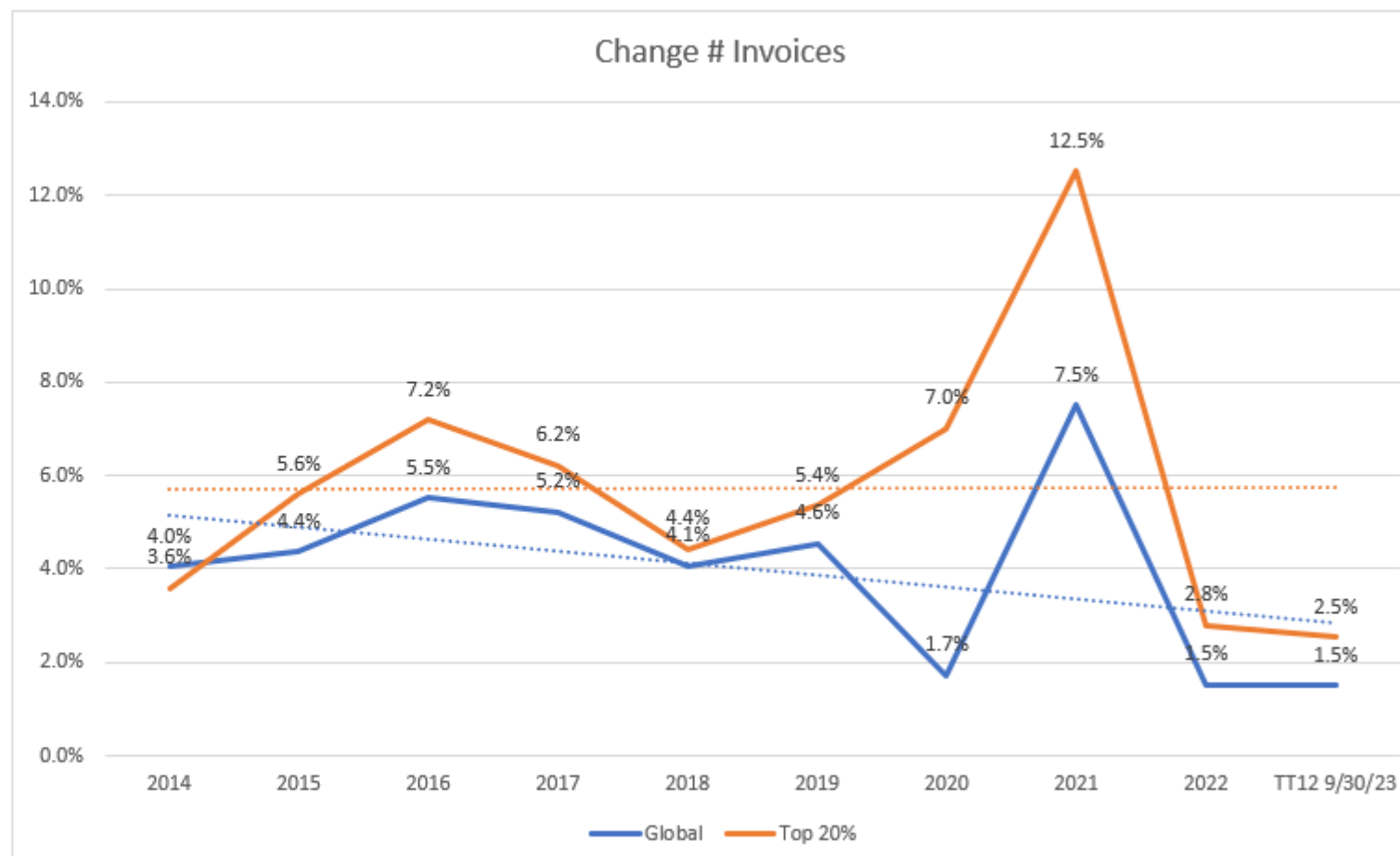
DATALink Financial Statistics – Companion

Change in # Invoices

	Global	Top 20%
2014	4.0%	3.6%
2015	4.4%	5.6%
2016	5.5%	7.2%
2017	5.2%	6.2%
2018	4.1%	4.4%
2019	4.6%	5.4%
2020	1.7%	7.0%
2021	7.5%	12.5%
2022	1.5%	2.8%
TT12 9/30/23	1.5%	2.5%

Change

	Global	Top 20%
2015	7.9%	55.6%
2016	26.4%	28.6%
2017	-5.3%	-13.6%
2018	-22.0%	-28.8%
2019	11.8%	21.0%
2020	-62.0%	31.0%
2021	334.1%	78.2%
2022	-79.8%	-77.6%
TT12 9/30/23	-0.7%	-9.6%

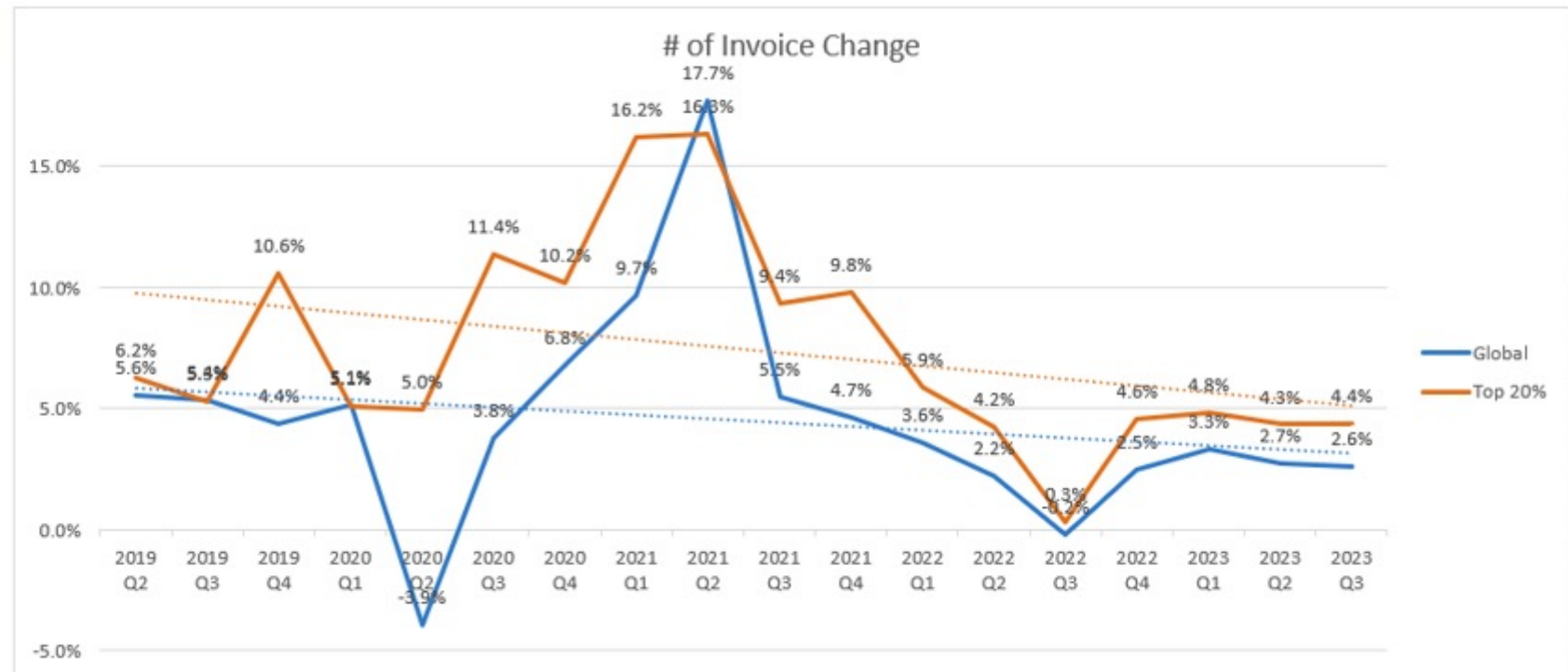


DATALink Financial Statistics – Companion

Number of
Invoice Chg.

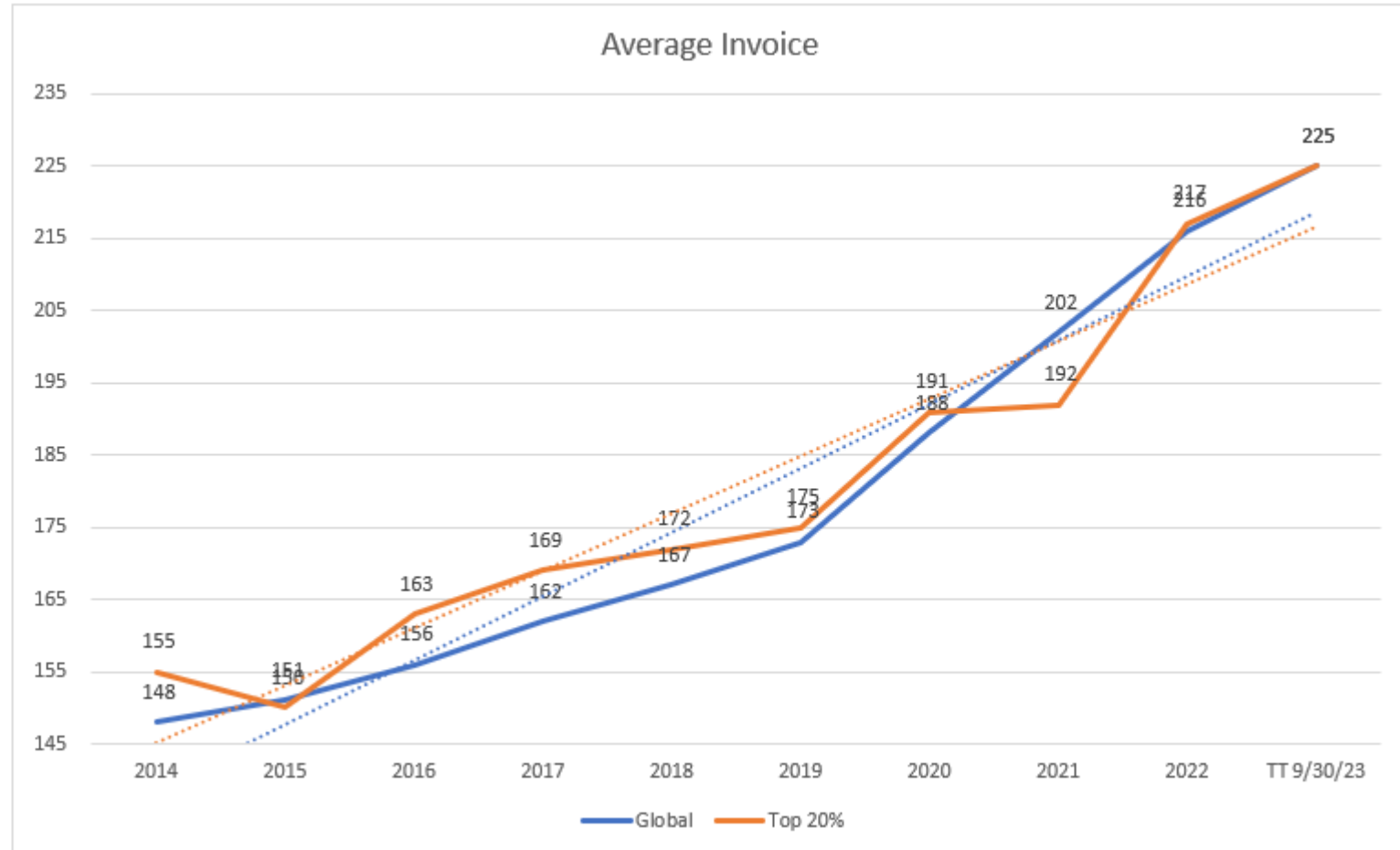
Global Top 20%

2019 Q2	5.6%	6.2%
2019 Q3	5.4%	5.3%
2019 Q4	4.4%	10.6%
2020 Q1	5.1%	5.1%
2020 Q2	-3.9%	5.0%
2020 Q3	3.8%	11.4%
2020 Q4	6.8%	10.2%
2021 Q1	9.7%	16.2%
2021 Q2	17.7%	16.3%
2021 Q3	5.5%	9.4%
2021 Q4	4.7%	9.8%
2022 Q1	3.6%	5.9%
2022 Q2	2.2%	4.2%
2022 Q3	-0.2%	0.3%
2022 Q4	2.5%	4.6%
2023 Q1	3.3%	4.8%
2023 Q2	2.7%	4.3%
2023 Q3	2.6%	4.4%



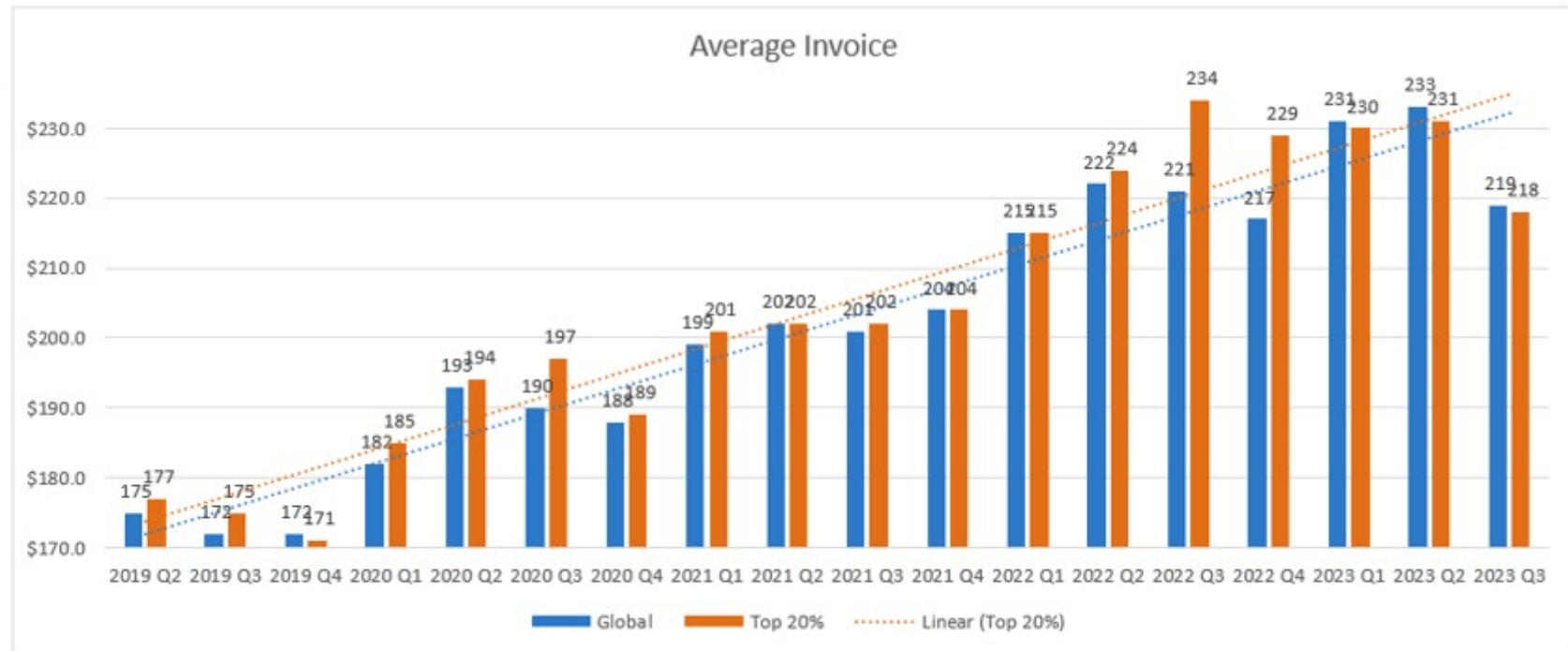
DATALink Financial Statistics – Companion

Average Invoice	Global	Top 20%
2014	148	155
2015	151	150
2016	156	163
2017	162	169
2018	167	172
2019	173	175
2020	188	191
2021	202	192
2022	216	217
TT 9/30/23	225	225
Change		
2015	2.0%	-3.2%
2016	3.3%	8.7%
2017	3.8%	3.7%
2018	3.1%	1.8%
2019	3.6%	1.7%
2020	8.7%	9.1%
2021	7.4%	0.5%
2022	6.9%	13.0%
TT 9/30/23	4.2%	3.7%



DATAlink Financial Statistics – Companion

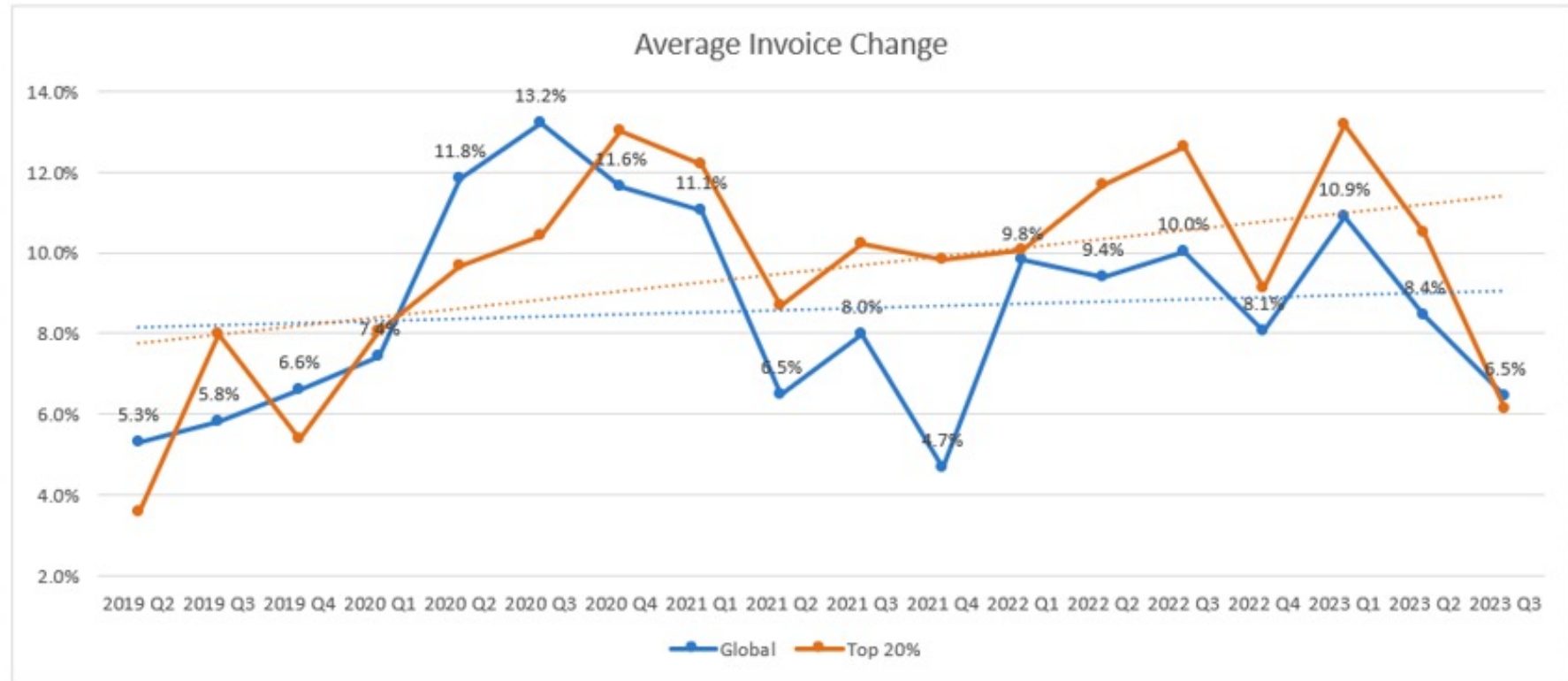
Average Invoice	Global	Top 20%
2019 Q2	175	177
2019 Q3	172	175
2019 Q4	172	171
2020 Q1	182	185
2020 Q2	193	194
2020 Q3	190	197
2020 Q4	188	189
2021 Q1	199	201
2021 Q2	202	202
2021 Q3	201	202
2021 Q4	204	204
2022 Q1	215	215
2022 Q2	222	224
2022 Q3	221	234
2022 Q4	217	229
2023 Q1	231	230
2023 Q2	233	231
2023 Q3	219	218



DATALink Financial Statistics – Companion

Average Invoice Chg.

	Global	Top 20%
2019 Q2	5.3%	3.6%
2019 Q3	5.8%	8.0%
2019 Q4	6.6%	5.4%
2020 Q1	7.4%	8.1%
2020 Q2	11.8%	9.7%
2020 Q3	13.2%	10.4%
2020 Q4	11.6%	13.0%
2021 Q1	11.1%	12.2%
2021 Q2	6.5%	8.7%
2021 Q3	8.0%	10.2%
2021 Q4	4.7%	9.8%
2022 Q1	9.8%	10.1%
2022 Q2	9.4%	11.7%
2022 Q3	10.0%	12.6%
2022 Q4	8.1%	9.1%
2023 Q1	10.9%	13.2%
2023 Q2	8.4%	10.5%
2023 Q3	6.5%	6.1%



DATALink Financial Statistics – Companion TT9/30/2023

Number of Days Open vs EBITDA

	% of Hospitals	Avg. T12 Total Revenue	Avg. T12 Cash EBITDA %	Avg. T12 Cash EBITDA \$
Null	0%	\$2,469K	22.91%	\$566K
5 Days or Fewer	32%	\$2,419K	16.82%	\$409K
6 Days	52%	\$3,514K	17.67%	\$611K
7 Days	15%	\$8,301K	15.88%	\$1,208K

DATALink Financial Statistics – Companion

DVM production

DVM Ratios	Year 2023	T12 As Of Quarter 3		
		Top 20%	Global	Difference
Avg. T12 Non-Owner DVM Gross Production		2,544,608	2,469,727	3.03%
Avg. T12 Owner DVM Gross Production		810,732	803,526	0.90%
Avg. T12 Non-Owner DVM Gross Production per ..		887,284	817,460	8.54%
Avg. T12 Gross Production		3,355,340	3,138,038	6.92%
Avg. T12 Percentage of Revenue Credited to DVM		84.21%	86.33%	-2.46%
Avg. T12 DVM Comp % Revenue		17%	19%	-6.56%

DATA**Link**

Revenue Analysis

TT 9/30/2023

	Global	Top 20%	Difference	%
Average Invoice	\$ 225	\$ 225	-	0.0%
Revenue	\$3,803,814	\$4,067,038	\$ 263,224	6%
Professional Services	31.3%	31.1%	-0.2%	-0.7%
Pharmacy	26.0%	26.3%	0.3%	1.0%
Lab	19.2%	18.7%	-0.5%	-2.5%
Combined	76.5%	76.1%	-0.4%	-0.5%
Dentistry	2.9%	2.8%	-0.1%	-4.3%
Anesthesia	3.6%	3.6%	-0.1%	-2.2%
Surgery	4.6%	4.5%	-0.2%	-3.6%
Combined Dent., Anesh, & Surgery	11.2%	10.8%	-0.4%	-3.3%
Imaging	5.6%	5.4%	-0.2%	-3.0%
Dietary	2.2%	2.4%	0.2%	9.1%
Boarding	2.2%	3.0%	0.7%	24.8%
Grooming	1.0%	1.1%	0.1%	6.6%
Ancillary	2.0%	1.9%	-0.2%	-8.1%
Wellness	0.5%	0%	-0.2%	-50.0%
Discounts / Courtesy	-1.2%	-1.0%	0.2%	-21.9%
Total	100.0%	100.0%	0.0%	0.0%

#2 Direct Costs – Cost of Goods Sold

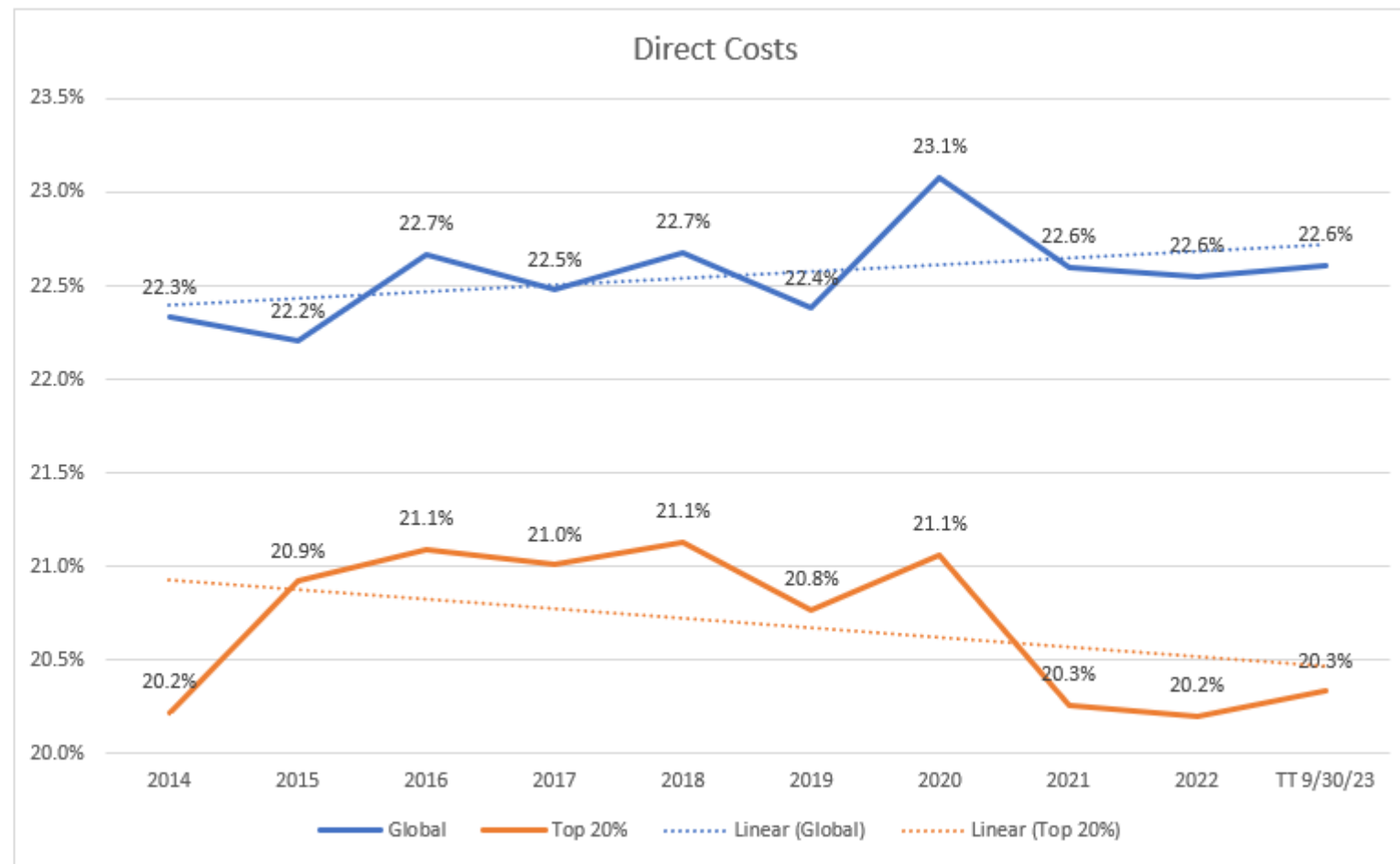
DATALink Financial Statistics – Companion

Direct Costs Global Top 20%

2014	22.3%	20.2%
2015	22.2%	20.9%
2016	22.7%	21.1%
2017	22.5%	21.0%
2018	22.7%	21.1%
2019	22.4%	20.8%
2020	23.1%	21.1%
2021	22.6%	20.3%
2022	22.6%	20.2%
TT 9/30/23	22.6%	20.3%

Change

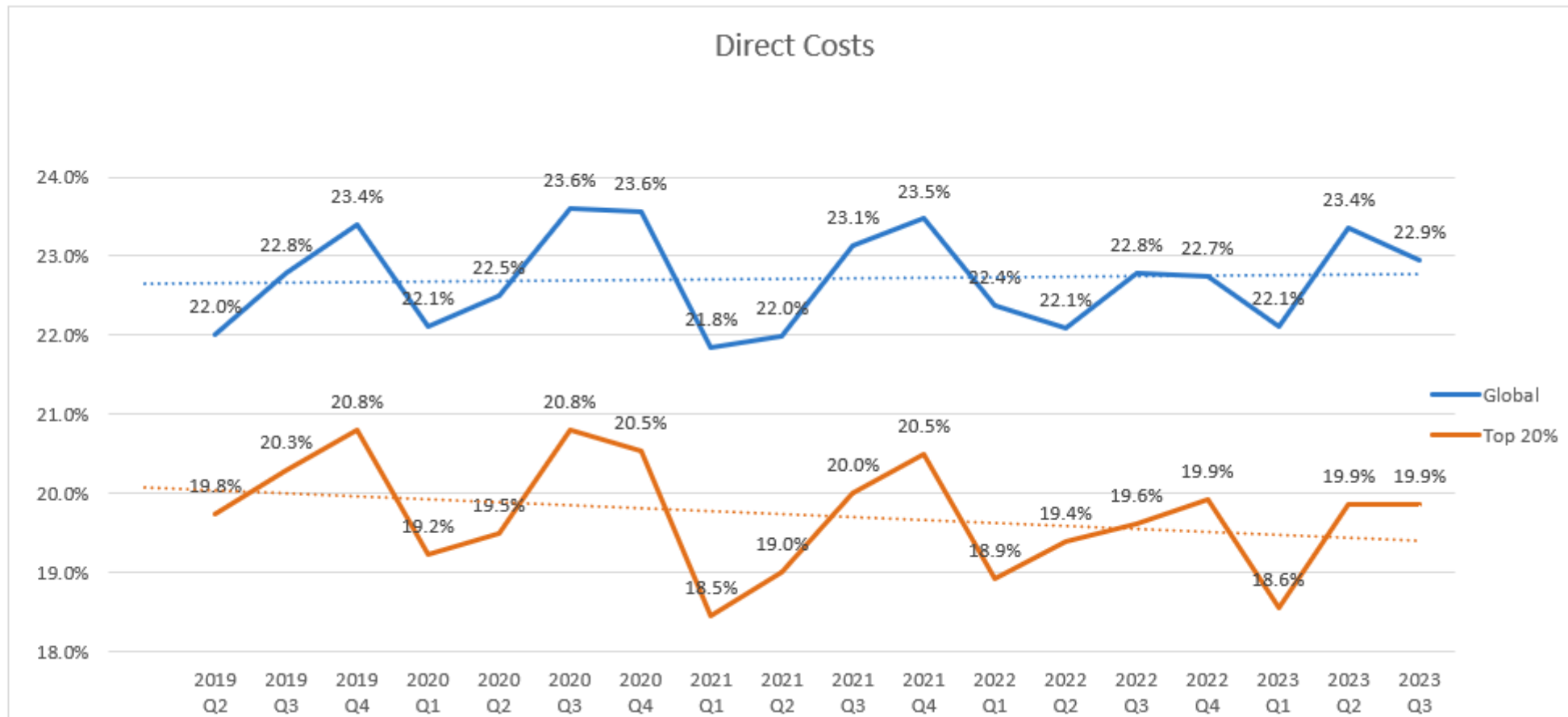
2015	-0.6%	3.5%
2016	2.1%	0.8%
2017	-0.8%	-0.4%
2018	0.9%	0.6%
2019	-1.3%	-1.7%
2020	3.1%	1.4%
2021	-2.1%	-3.8%
2022	-0.2%	-0.3%
TT 9/30/23	0.3%	0.6%



DATAlink Financial Statistics – Companion

Direct Costs

Direct Costs	Global	Top 20%
2019 Q2	22.0%	19.8%
2019 Q3	22.8%	20.3%
2019 Q4	23.4%	20.8%
2020 Q1	22.1%	19.2%
2020 Q2	22.5%	19.5%
2020 Q3	23.6%	20.8%
2020 Q4	23.6%	20.5%
2021 Q1	21.8%	18.5%
2021 Q2	22.0%	19.0%
2021 Q3	23.1%	20.0%
2021 Q4	23.5%	20.5%
2022 Q1	22.4%	18.9%
2022 Q2	22.1%	19.4%
2022 Q3	22.8%	19.6%
2022 Q4	22.7%	19.9%
2023 Q1	22.1%	18.6%
2023 Q2	23.4%	19.9%
2023 Q3	22.9%	19.9%



DATAlink Financial Statistics – Companion TTM 9.3.2023

Inventory Efficiency

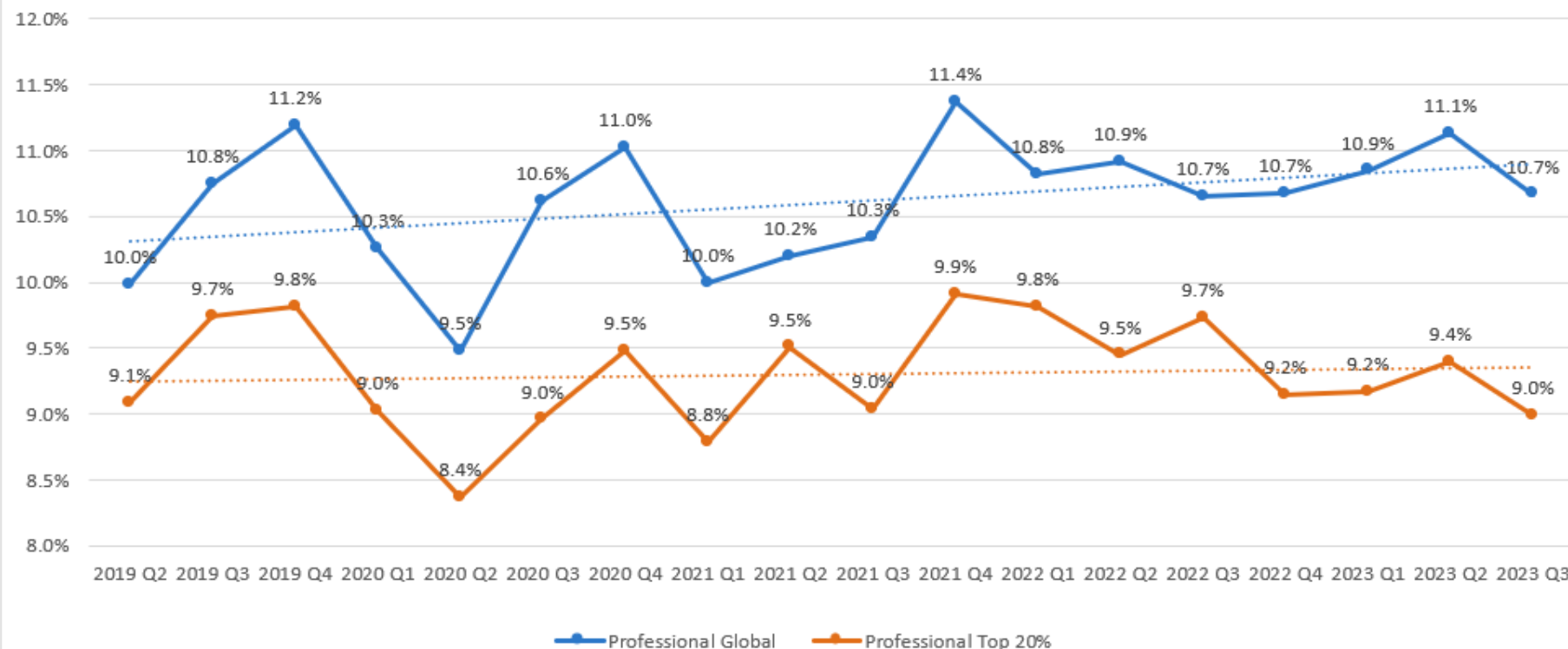
Avg. T12 Average Inventory	83,747
Avg. Inventory per DVM FTE	25,419
Avg. Inventory % of Revenue	2.7%
Avg. Inventory Turnover	11.2

DATALink Financial Statistics – Companion

Professional Svc. Costs % Revenue

	Global	Top 20%
2019 Q2	10.0%	9.1%
2019 Q3	10.8%	9.7%
2019 Q4	11.2%	9.8%
2020 Q1	10.3%	9.0%
2020 Q2	9.5%	8.4%
2020 Q3	10.6%	9.0%
2020 Q4	11.0%	9.5%
2021 Q1	10.0%	8.8%
2021 Q2	10.2%	9.5%
2021 Q3	10.3%	9.0%
2021 Q4	11.4%	9.9%
2022 Q1	10.8%	9.8%
2022 Q2	10.9%	9.5%
2022 Q3	10.7%	9.7%
2022 Q4	10.7%	9.2%
2023 Q1	10.9%	9.2%
2023 Q2	11.1%	9.4%
2023 Q3	10.7%	9.0%

Professional Service (PS) Costs % of PS Revenue

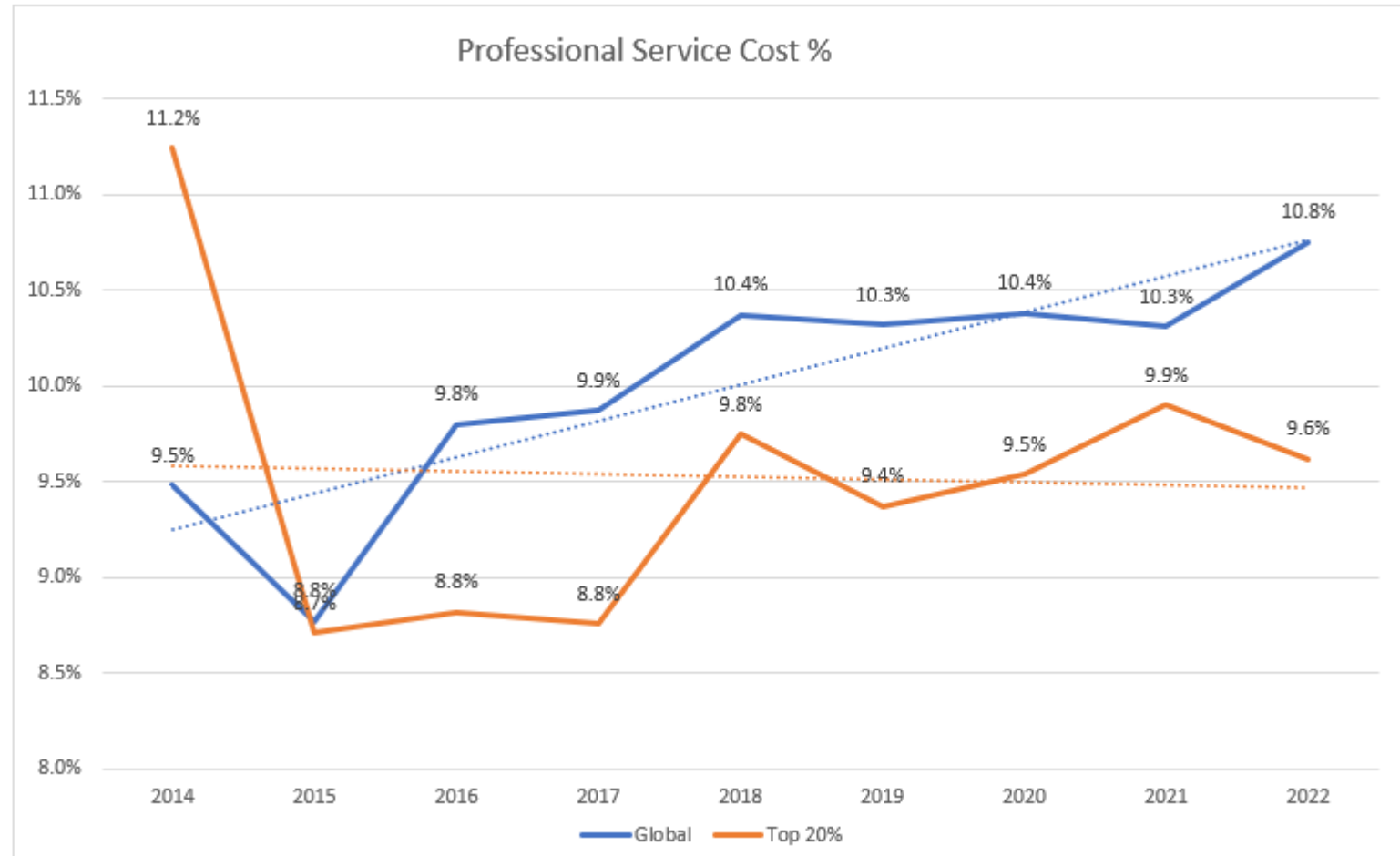


DATALink Financial Statistics – Companion

Professional Services Costs

	Global	Top 20%
2014	9.5%	11.2%
2015	8.8%	8.7%
2016	9.8%	8.8%
2017	9.9%	8.8%
2018	10.4%	9.8%
2019	10.3%	9.4%
2020	10.4%	9.5%
2021	10.3%	9.9%
2022	10.8%	9.6%
TT12 9/30/23	10.8%	9.5%

Change		
2015	-7.5%	-22.5%
2016	11.7%	1.3%
2017	0.7%	-0.7%
2018	5.1%	11.3%
2019	-0.5%	-3.9%
2020	0.6%	1.8%
2021	-0.7%	3.8%
2022	4.3%	-2.8%
TT12 9/30/23	0.2%	-0.8%

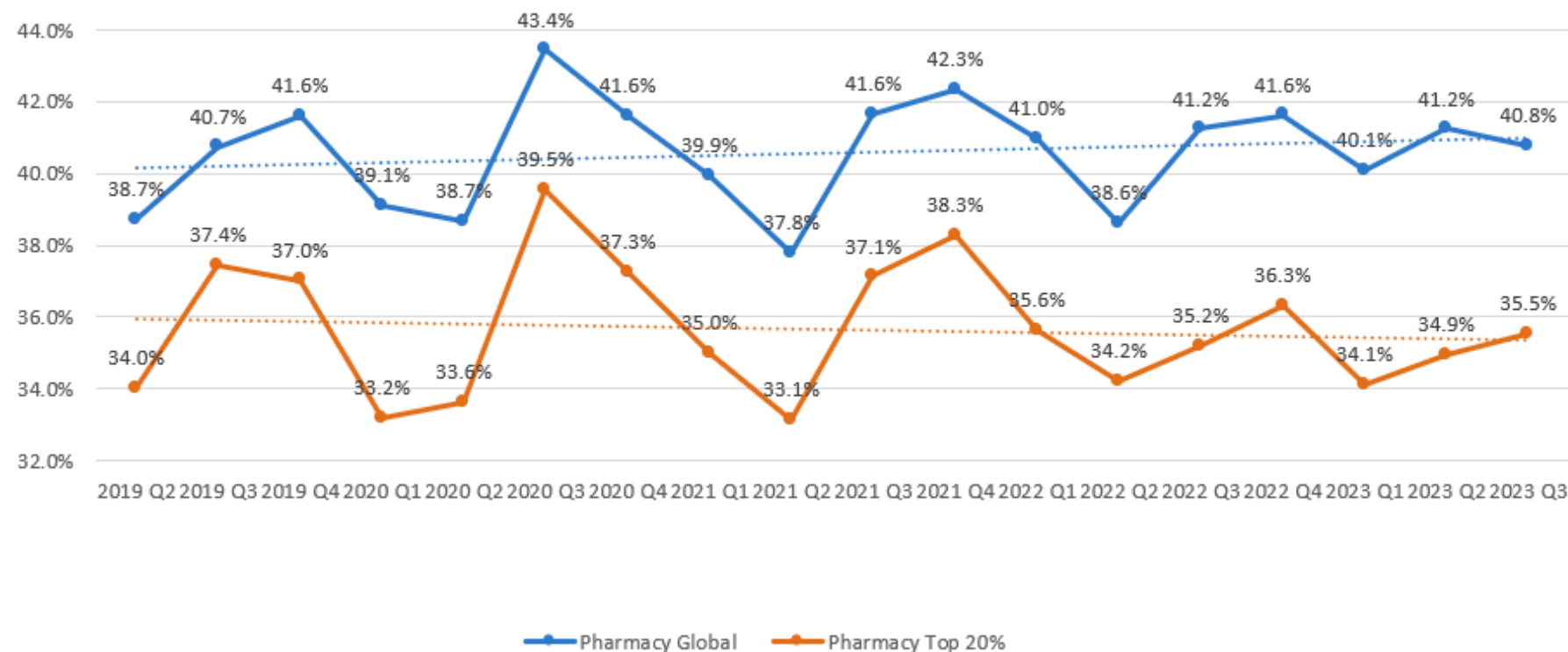


DATALink Financial Statistics – Companion

Pharmacy Costs % Revenue

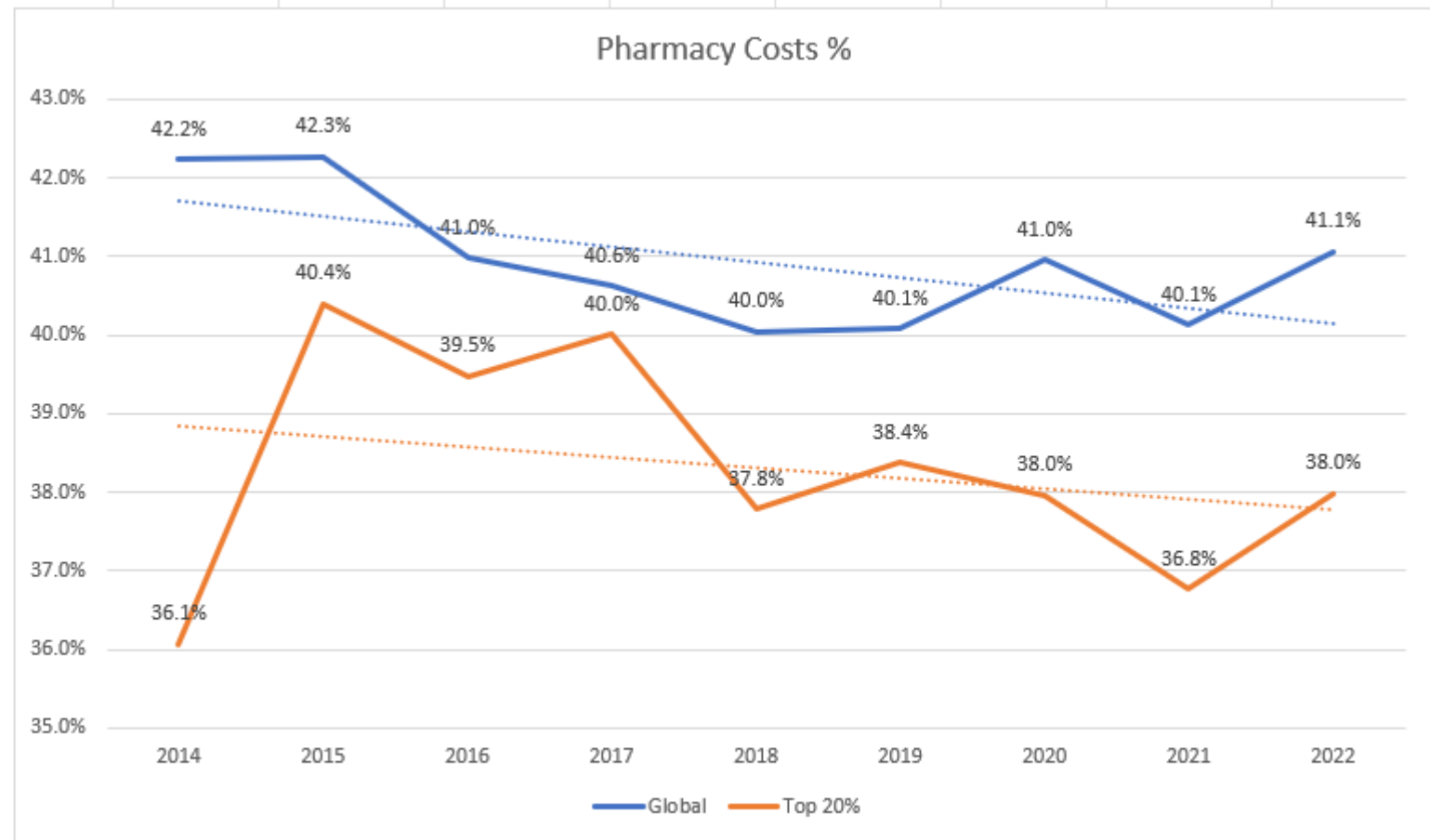
	Global	Top 20%
2019 Q2	38.7%	34.0%
2019 Q3	40.7%	37.4%
2019 Q4	41.6%	37.0%
2020 Q1	39.1%	33.2%
2020 Q2	38.7%	33.6%
2020 Q3	43.4%	39.5%
2020 Q4	41.6%	37.3%
2021 Q1	39.9%	35.0%
2021 Q2	37.8%	33.1%
2021 Q3	41.6%	37.1%
2021 Q4	42.3%	38.3%
2022 Q1	41.0%	35.6%
2022 Q2	38.6%	34.2%
2022 Q3	41.2%	35.2%
2022 Q4	41.6%	36.3%
2023 Q1	40.1%	34.1%
2023 Q2	41.2%	34.9%
2023 Q3	40.8%	35.5%

Pharmacy Costs % of Pharmacy Revenue



DATALink Financial Statistics – Companion

	Global	Top 20%
2014	42.2%	36.1%
2015	42.3%	40.4%
2016	41.0%	39.5%
2017	40.6%	40.0%
2018	40.0%	37.8%
2019	40.1%	38.4%
2020	41.0%	38.0%
2021	40.1%	36.8%
2022	41.1%	38.0%
TT12 9/30/23	40.8%	37.2%
Change		
2015	0.1%	12.0%
2016	-3.1%	-2.3%
2017	-0.9%	1.3%
2018	-1.4%	-5.5%
2019	0.1%	1.6%
2020	2.2%	-1.1%
2021	-2.0%	-3.2%
2022	2.3%	3.3%
TT12 9/30/23	-0.7%	-2.1%



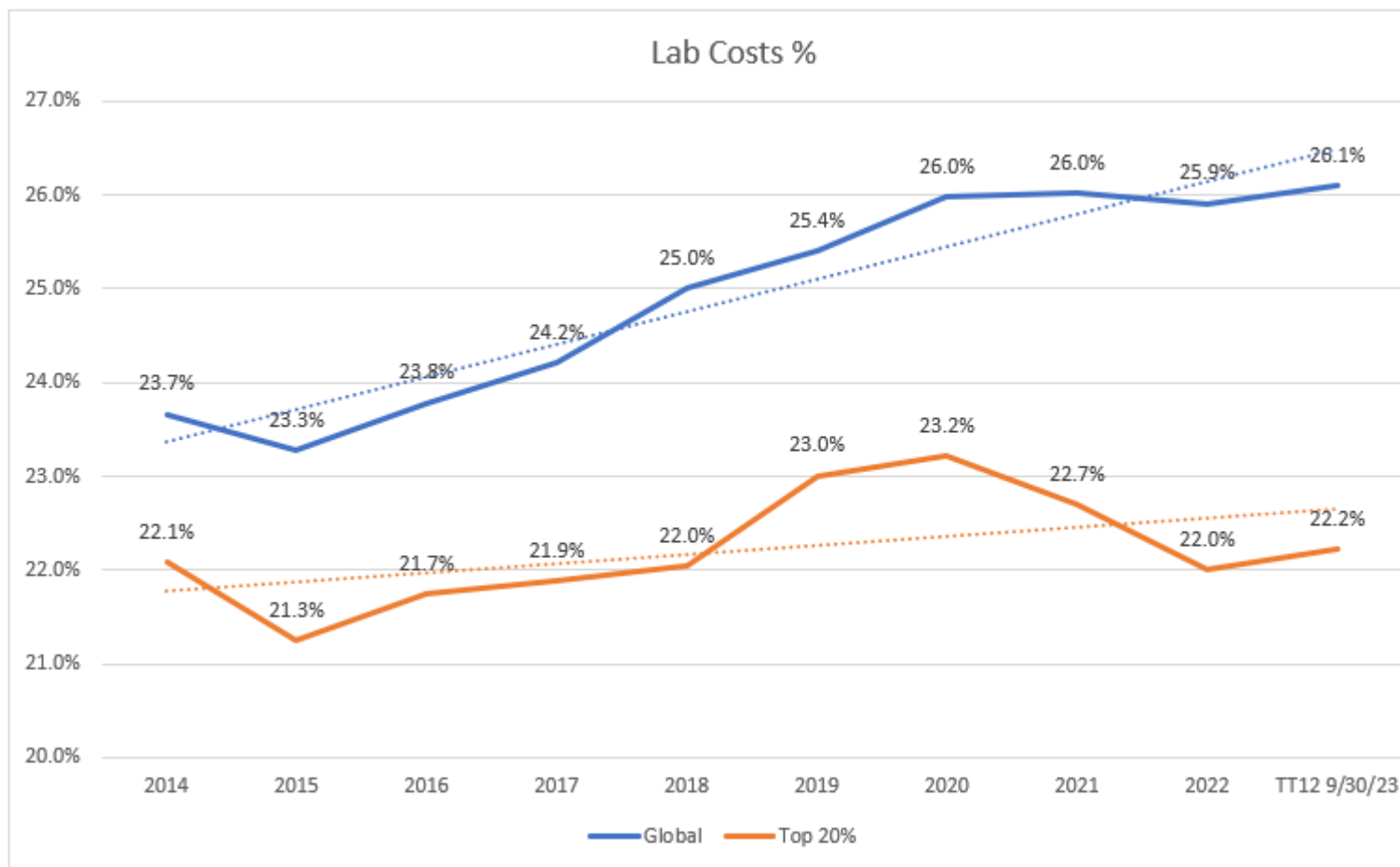
DATALink Financial Statistics – Companion

Laboratory Costs

	Global	Top 20%
2014	23.7%	22.1%
2015	23.3%	21.3%
2016	23.8%	21.7%
2017	24.2%	21.9%
2018	25.0%	22.0%
2019	25.4%	23.0%
2020	26.0%	23.2%
2021	26.0%	22.7%
2022	25.9%	22.0%
TT12 9/30/23	26.1%	22.2%

Change

	Global	Top 20%
2015	-1.6%	-3.8%
2016	2.2%	2.3%
2017	1.8%	0.6%
2018	3.3%	0.7%
2019	1.6%	4.4%
2020	2.3%	0.9%
2021	0.2%	-2.2%
2022	-0.4%	-3.1%
TT12 9/30/23	0.7%	1.0%

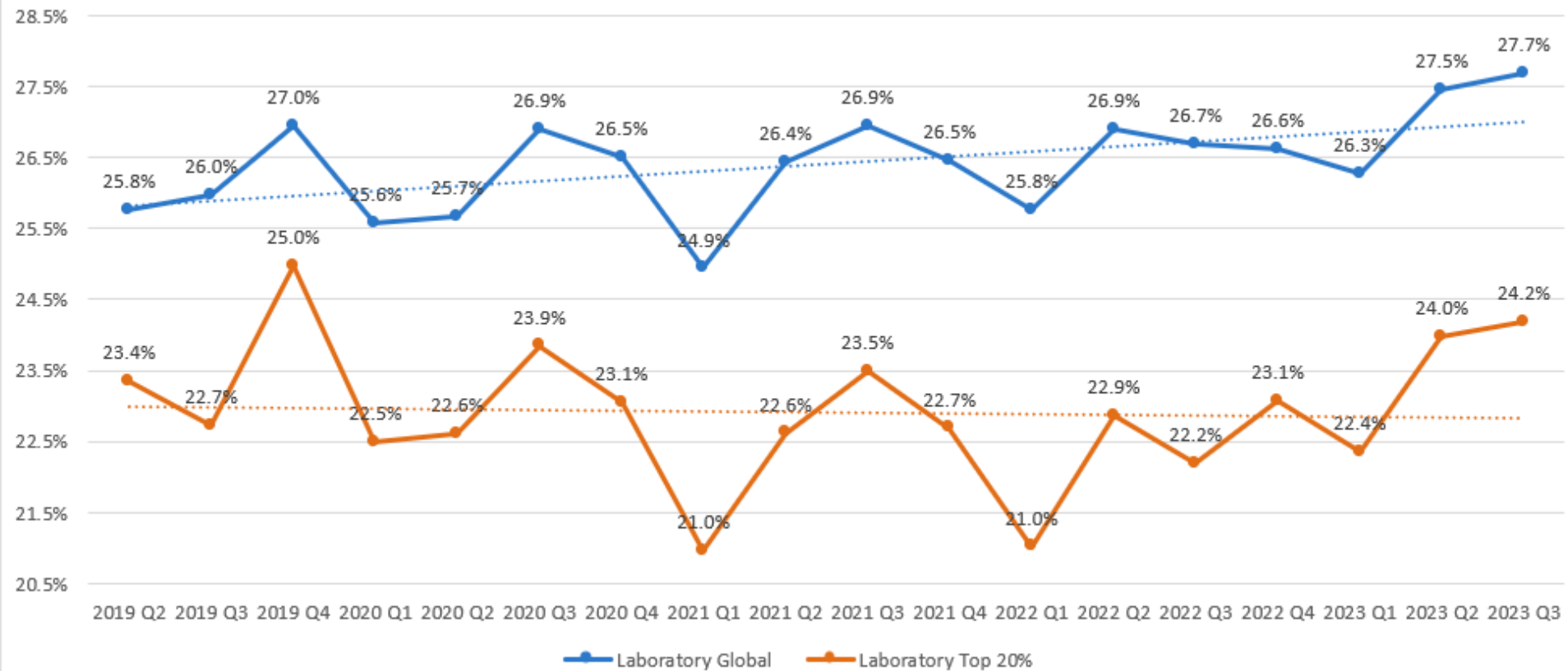


DATALink Financial Statistics – Companion

Laboratory Costs % Revenue

	Global	Top 20%
2019 Q2	25.8%	23.4%
2019 Q3	26.0%	22.7%
2019 Q4	27.0%	25.0%
2020 Q1	25.6%	22.5%
2020 Q2	25.7%	22.6%
2020 Q3	26.9%	23.9%
2020 Q4	26.5%	23.1%
2021 Q1	24.9%	21.0%
2021 Q2	26.4%	22.6%
2021 Q3	26.9%	23.5%
2021 Q4	26.5%	22.7%
2022 Q1	25.8%	21.0%
2022 Q2	26.9%	22.9%
2022 Q3	26.7%	22.2%
2022 Q4	26.6%	23.1%
2023 Q1	26.3%	22.4%
2023 Q2	27.5%	24.0%
2023 Q3	27.7%	24.2%

Lab Costs % of Lab Revenue



DATAlink Financial Statistics – Companion

Lab Inside & Outside		Year 2023	T12 As Of Quarter 3
% of Lab Revenue		% of Cost	
Avg. T12 Inhouse Lab % Lab Revenue	43%	Avg. T12 Inhouse Lab Cost % Revenue	23%
Avg. T12 Outside Lab % Lab Revenue	57%	Avg. T12 Outside Lab Cost % Revenue	30%

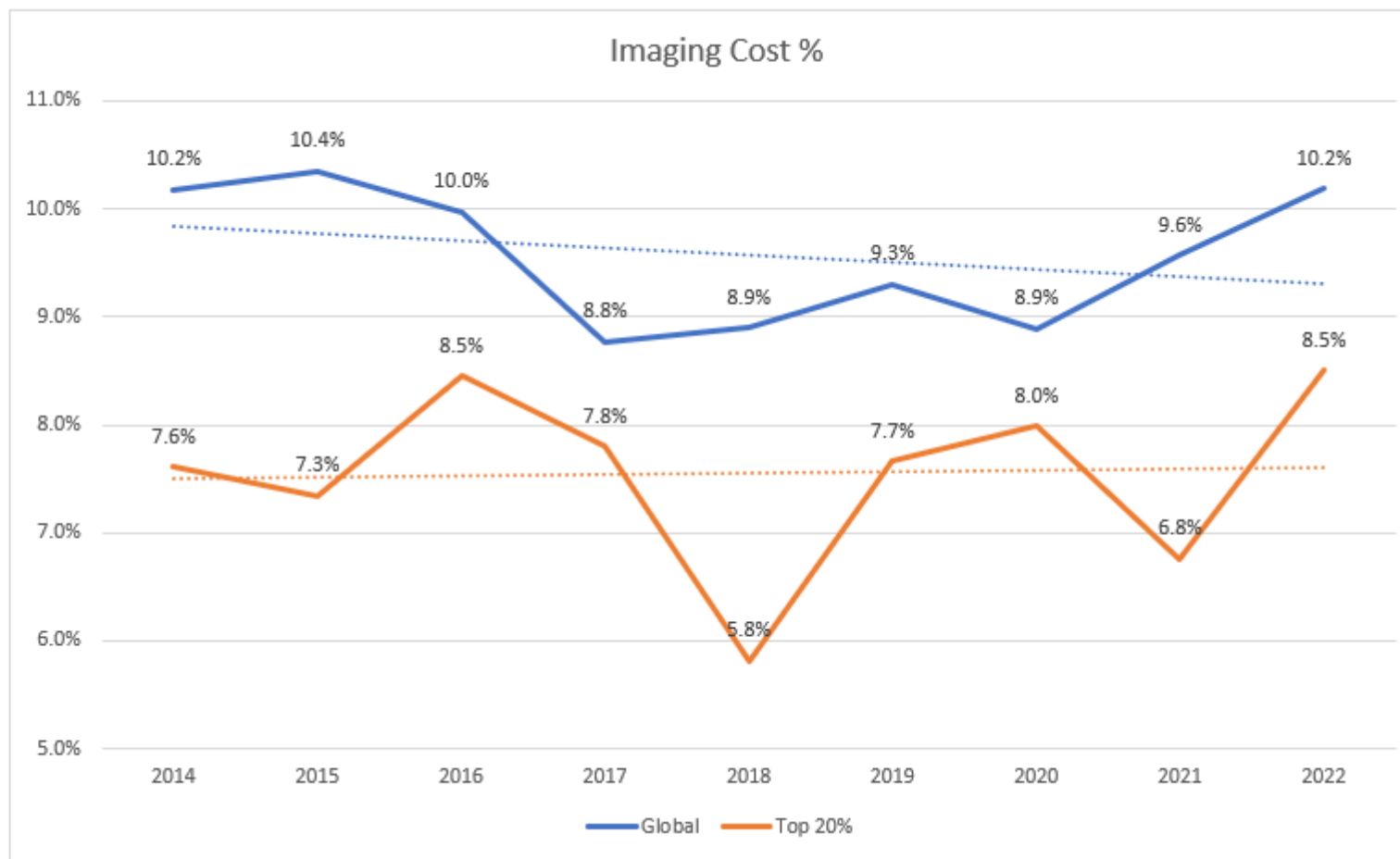
DATAlink Financial Statistics – Companion

Imaging Costs

	Global	Top 20%
2014	10.2%	7.6%
2015	10.4%	7.3%
2016	10.0%	8.5%
2017	8.8%	7.8%
2018	8.9%	5.8%
2019	9.3%	7.7%
2020	8.9%	8.0%
2021	9.6%	6.8%
2022	10.2%	8.5%
TT12 9/30/23	10.4%	8.3%

Change

	Global	Top 20%
2015	1.7%	-3.5%
2016	-3.7%	15.1%
2017	-12.0%	-7.7%
2018	1.5%	-25.5%
2019	4.5%	31.8%
2020	-4.4%	4.3%
2021	7.6%	-15.4%
2022	6.5%	25.7%
TT12 9/30/23	1.7%	-2.6%



DATALink Financial Statistics – Companion

Anesthesia Costs

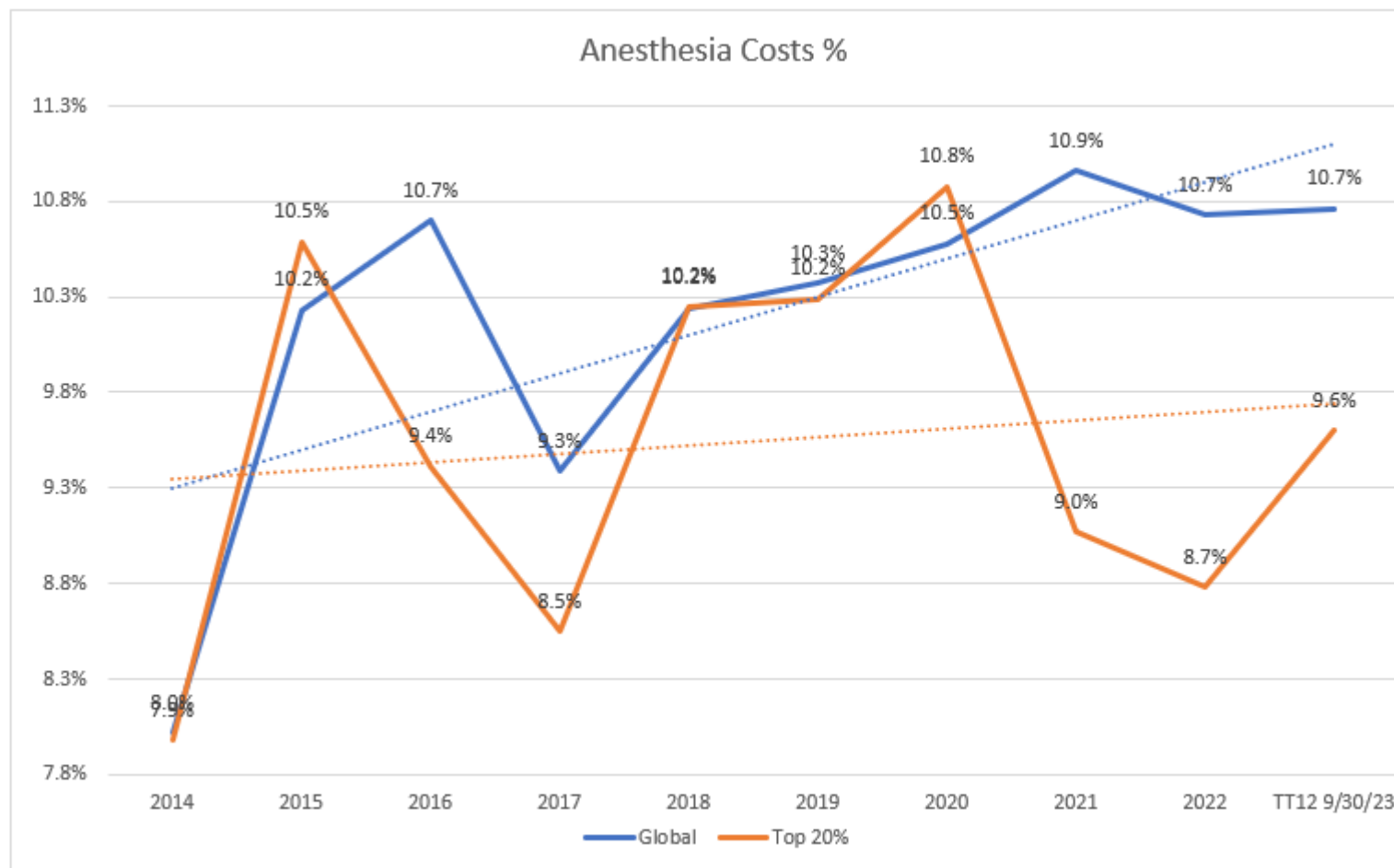
Global

Top 20%

2014	8.0%	7.9%
2015	10.2%	10.5%
2016	10.7%	9.4%
2017	9.3%	8.5%
2018	10.2%	10.2%
2019	10.3%	10.2%
2020	10.5%	10.8%
2021	10.9%	9.0%
2022	10.7%	8.7%
TT12 9/30/23	10.7%	9.6%

Change

2015	27.7%	32.9%
2016	4.6%	-11.2%
2017	-12.3%	-9.2%
2018	9.1%	20.0%
2019	1.3%	0.4%
2020	2.0%	5.8%
2021	3.6%	-16.7%
2022	-2.1%	-3.2%
TT12 9/30/23	0.3%	9.4%



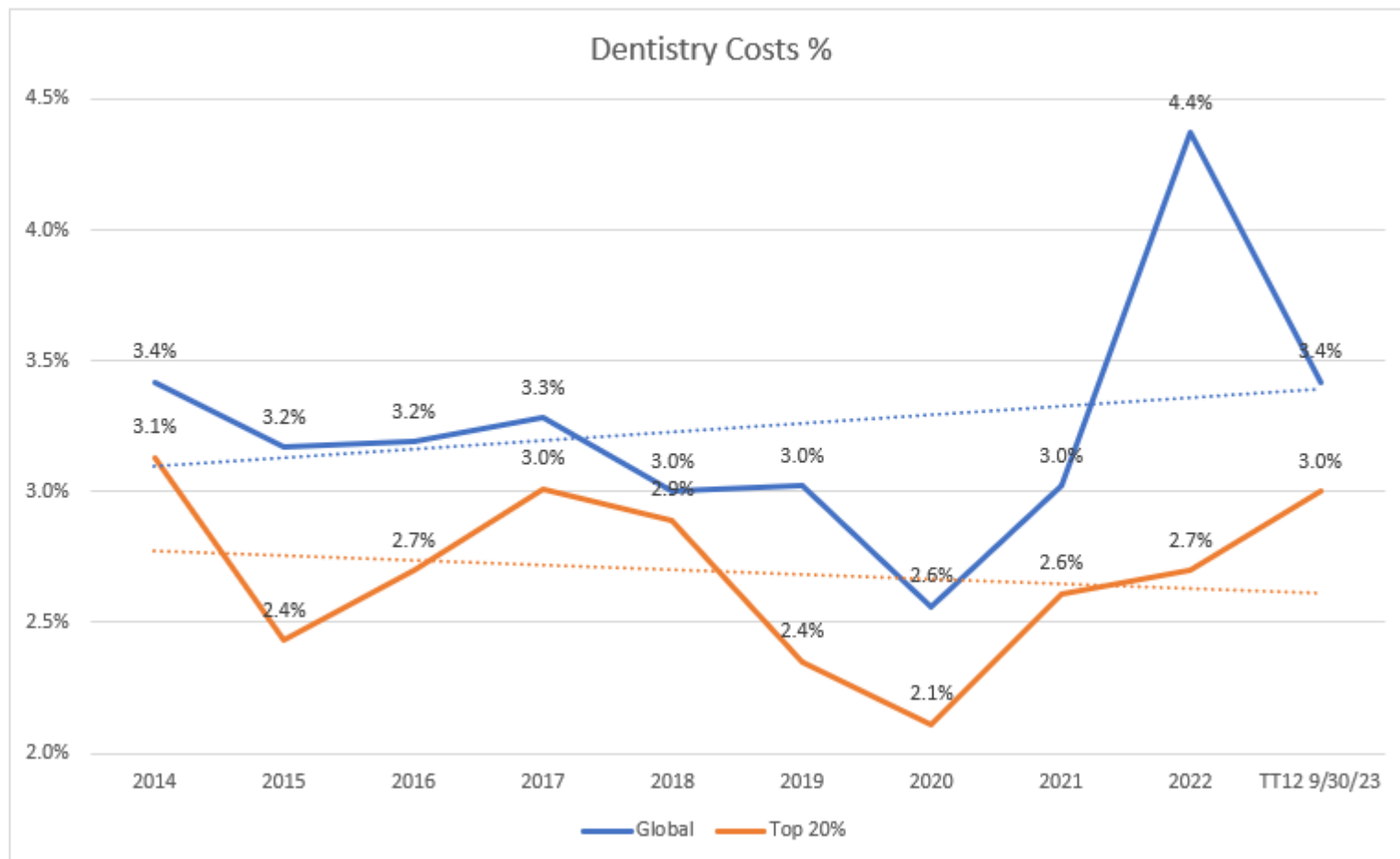
DATALink Financial Statistics – Companion

Dentistry Costs

	Global	Top 20%
2014	3.4%	3.1%
2015	3.2%	2.4%
2016	3.2%	2.7%
2017	3.3%	3.0%
2018	3.0%	2.9%
2019	3.0%	2.4%
2020	2.6%	2.1%
2021	3.0%	2.6%
2022	4.4%	2.7%
TT12 9/30/23	3.4%	3.0%

Change

	Global	Top 20%
2015	-7.3%	-22.4%
2016	0.6%	11.1%
2017	2.8%	11.5%
2018	-8.5%	-4.0%
2019	0.7%	-18.7%
2020	-15.2%	-10.2%
2021	18.0%	23.7%
2022	44.7%	3.4%
TT12 9/30/23	-21.7%	11.1%



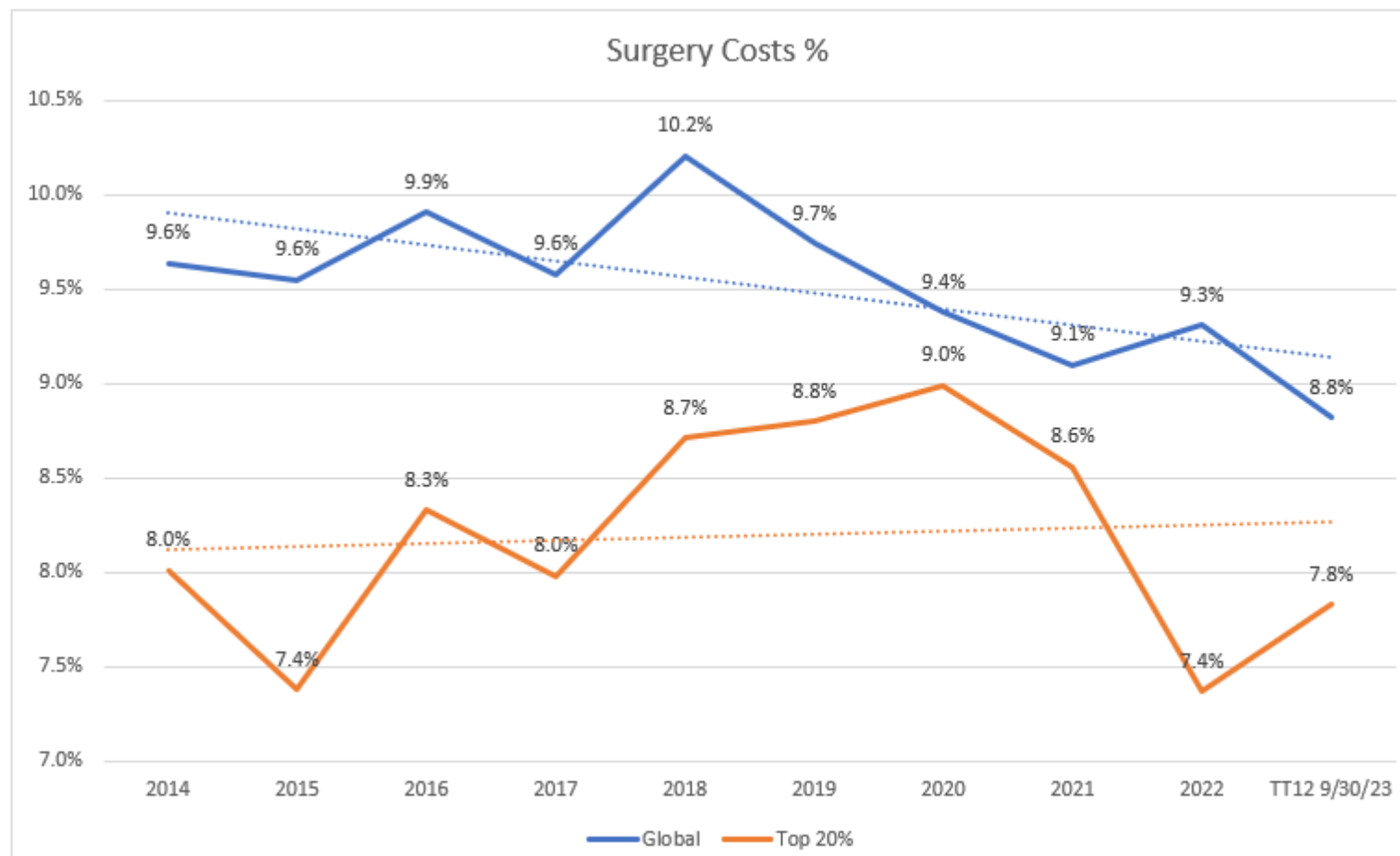
DATALink Financial Statistics – Companion

Surgery Costs

	Global	Top 20%
2014	9.6%	8.0%
2015	9.6%	7.4%
2016	9.9%	8.3%
2017	9.6%	8.0%
2018	10.2%	8.7%
2019	9.7%	8.8%
2020	9.4%	9.0%
2021	9.1%	8.6%
2022	9.3%	7.4%
TT12 9/30/23	8.8%	7.8%

Change

	Global	Top 20%
2015	-0.9%	-7.9%
2016	3.8%	12.9%
2017	-3.3%	-4.2%
2018	6.6%	9.1%
2019	-4.6%	1.0%
2020	-3.7%	2.2%
2021	-3.0%	-4.8%
2022	2.3%	-13.9%
TT12 9/30/23	-5.3%	6.2%

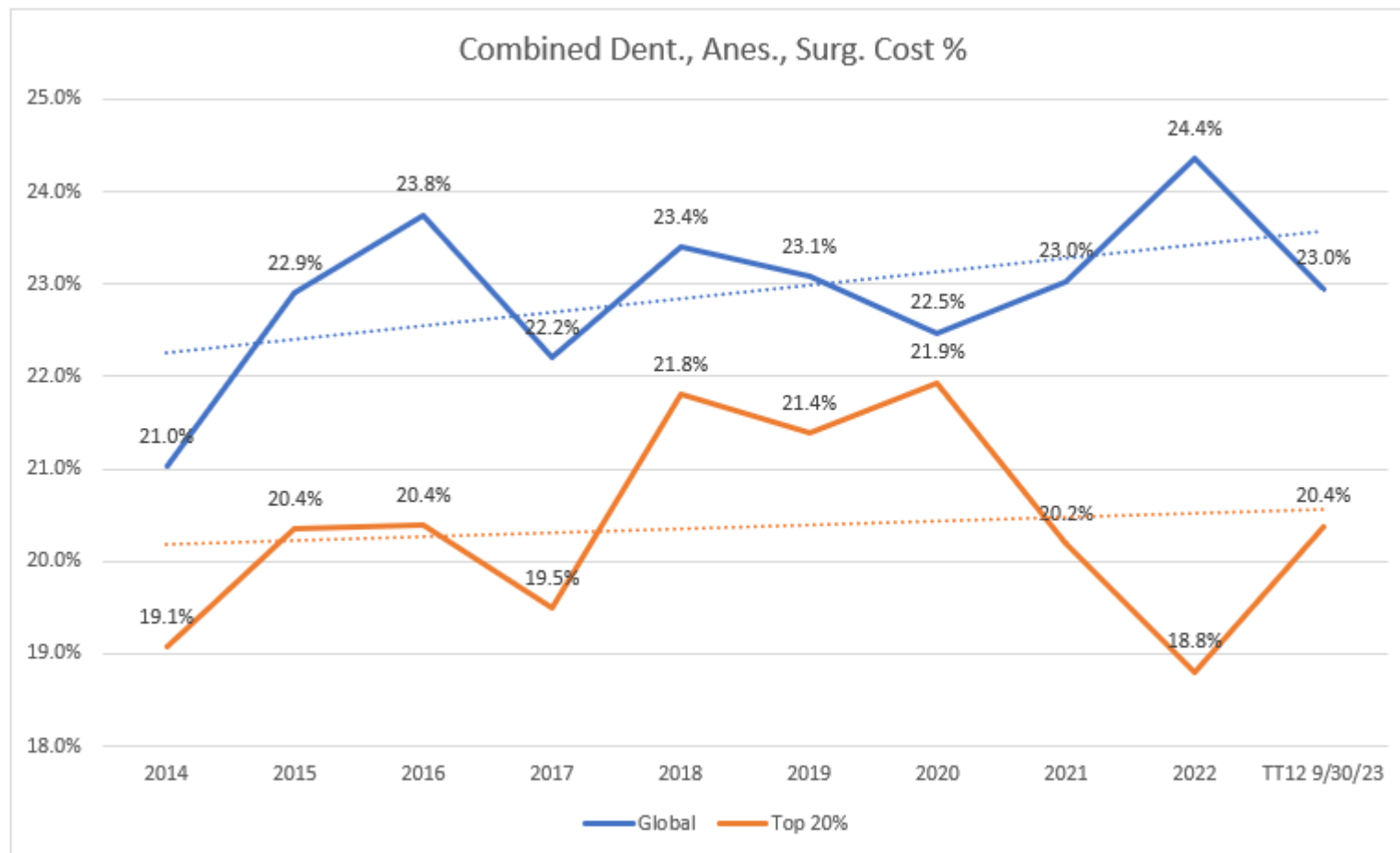


DATALink Financial Statistics – Companion

Combined Anes., Dent., & Surgery Global Top 20%

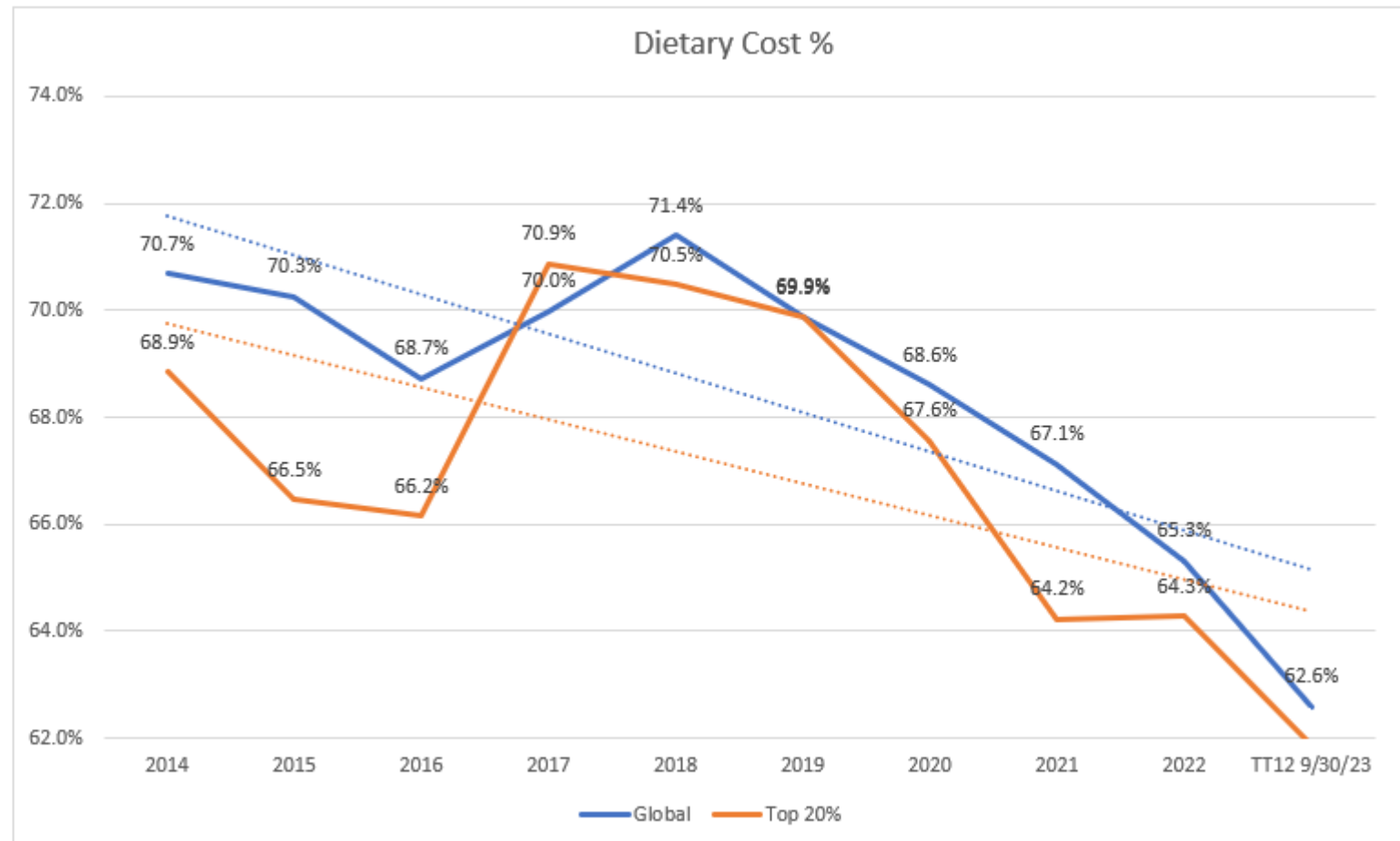
2014	21.0%	19.1%
2015	22.9%	20.4%
2016	23.8%	20.4%
2017	22.2%	19.5%
2018	23.4%	21.8%
2019	23.1%	21.4%
2020	22.5%	21.9%
2021	23.0%	20.2%
2022	24.4%	18.8%
TT12 9/30/23	23.0%	20.4%

Change		
2015	8.9%	6.7%
2016	3.7%	0.2%
2017	-6.5%	-4.4%
2018	5.4%	11.8%
2019	-1.4%	-1.9%
2020	-2.6%	2.5%
2021	2.5%	-7.9%
2022	5.8%	-6.9%
TT12 9/30/23	-5.8%	8.4%



DATALink Financial Statistics – Companion

Dietary Costs	Global	Top 20%
2014	70.7%	68.9%
2015	70.3%	66.5%
2016	68.7%	66.2%
2017	70.0%	70.9%
2018	71.4%	70.5%
2019	69.9%	69.9%
2020	68.6%	67.6%
2021	67.1%	64.2%
2022	65.3%	64.3%
TT12 9/30/23	62.6%	61.9%
Change		
2015	-0.6%	-3.5%
2016	-2.2%	-0.5%
2017	1.8%	7.1%
2018	2.0%	-0.6%
2019	-2.1%	-0.9%
2020	-1.8%	-3.3%
2021	-2.2%	-4.9%
2022	-2.7%	0.1%
TT12 9/30/23	-4.2%	-3.8%



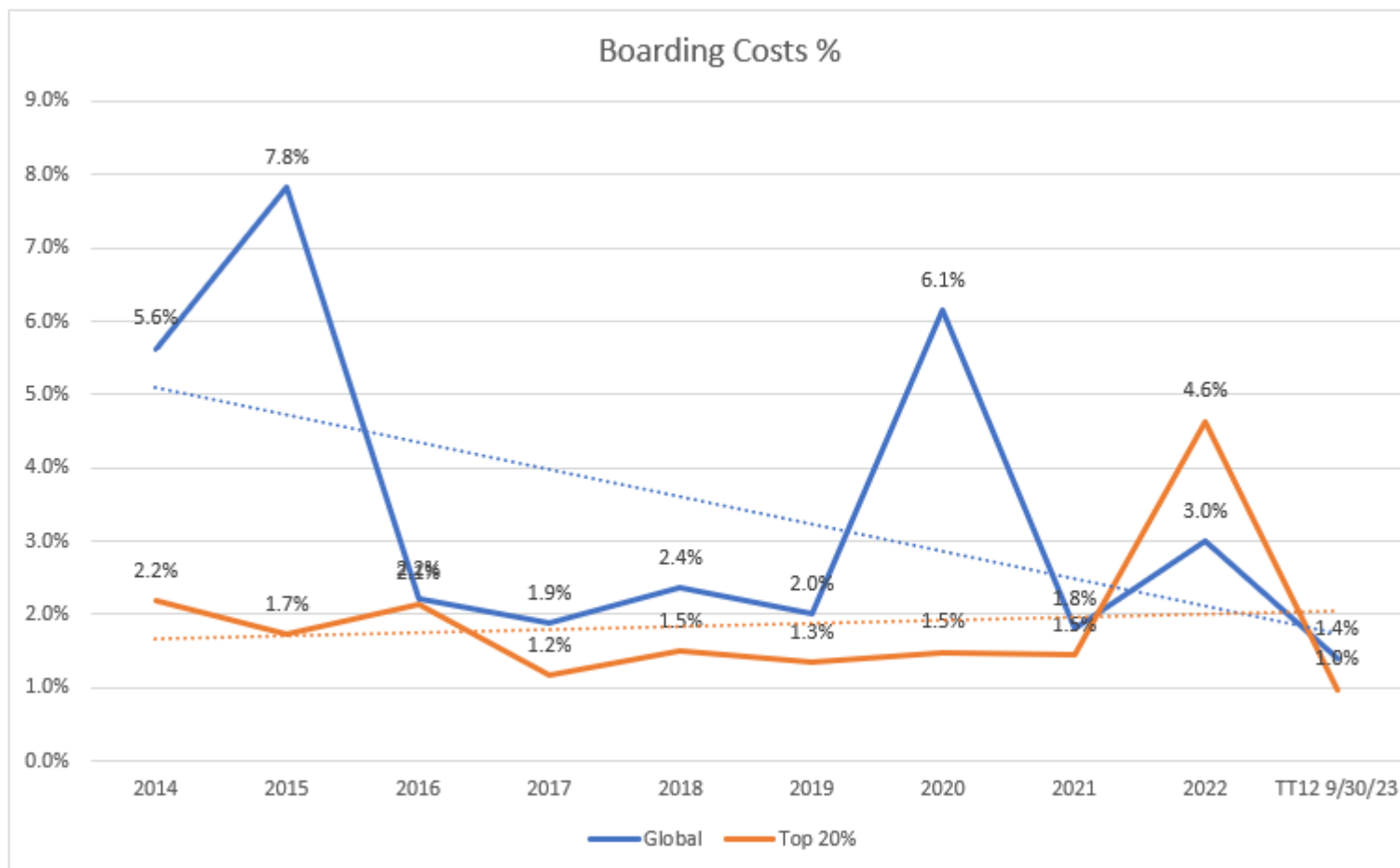
DATALink Financial Statistics – Companion

Boarding Costs

	Global	Top 20%
2014	5.6%	2.2%
2015	7.8%	1.7%
2016	2.2%	2.1%
2017	1.9%	1.2%
2018	2.4%	1.5%
2019	2.0%	1.3%
2020	6.1%	1.5%
2021	1.8%	1.5%
2022	3.0%	4.6%
TT12 9/30/23	1.4%	1.0%

Change

	Global	Top 20%
2015	39.3%	-21.1%
2016	-71.8%	24.4%
2017	-15.4%	-45.8%
2018	26.2%	29.3%
2019	-15.3%	-10.7%
2020	207.0%	10.4%
2021	-70.7%	-2.0%
2022	66.1%	220.0%
TT12 9/30/23	-53.5%	-79.1%



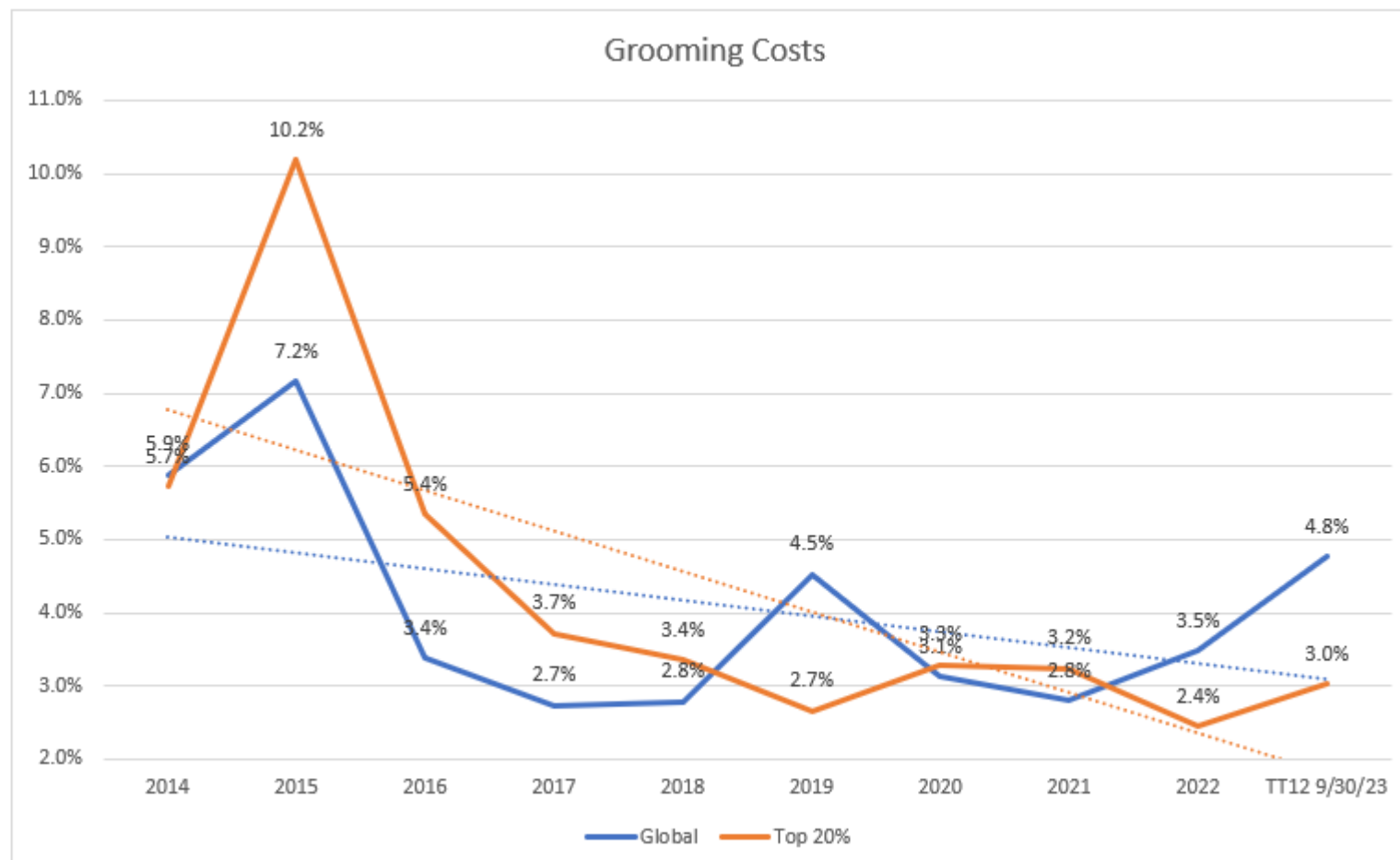
DATALink Financial Statistics – Companion

Grooming Costs

	Global	Top 20%
2014	5.9%	5.7%
2015	7.2%	10.2%
2016	3.4%	5.4%
2017	2.7%	3.7%
2018	2.8%	3.4%
2019	4.5%	2.7%
2020	3.1%	3.3%
2021	2.8%	3.2%
2022	3.5%	2.4%
TT12 9/30/23	4.8%	3.0%

Change

	Global	Top 20%
2015	21.8%	78.1%
2016	-52.9%	-47.5%
2017	-19.0%	-30.5%
2018	1.8%	-9.9%
2019	62.6%	-20.6%
2020	-31.0%	23.7%
2021	-10.3%	-1.5%
2022	24.3%	-24.7%
TT12 9/30/23	36.8%	23.8%



DATAlink Financial Statistics – Companion

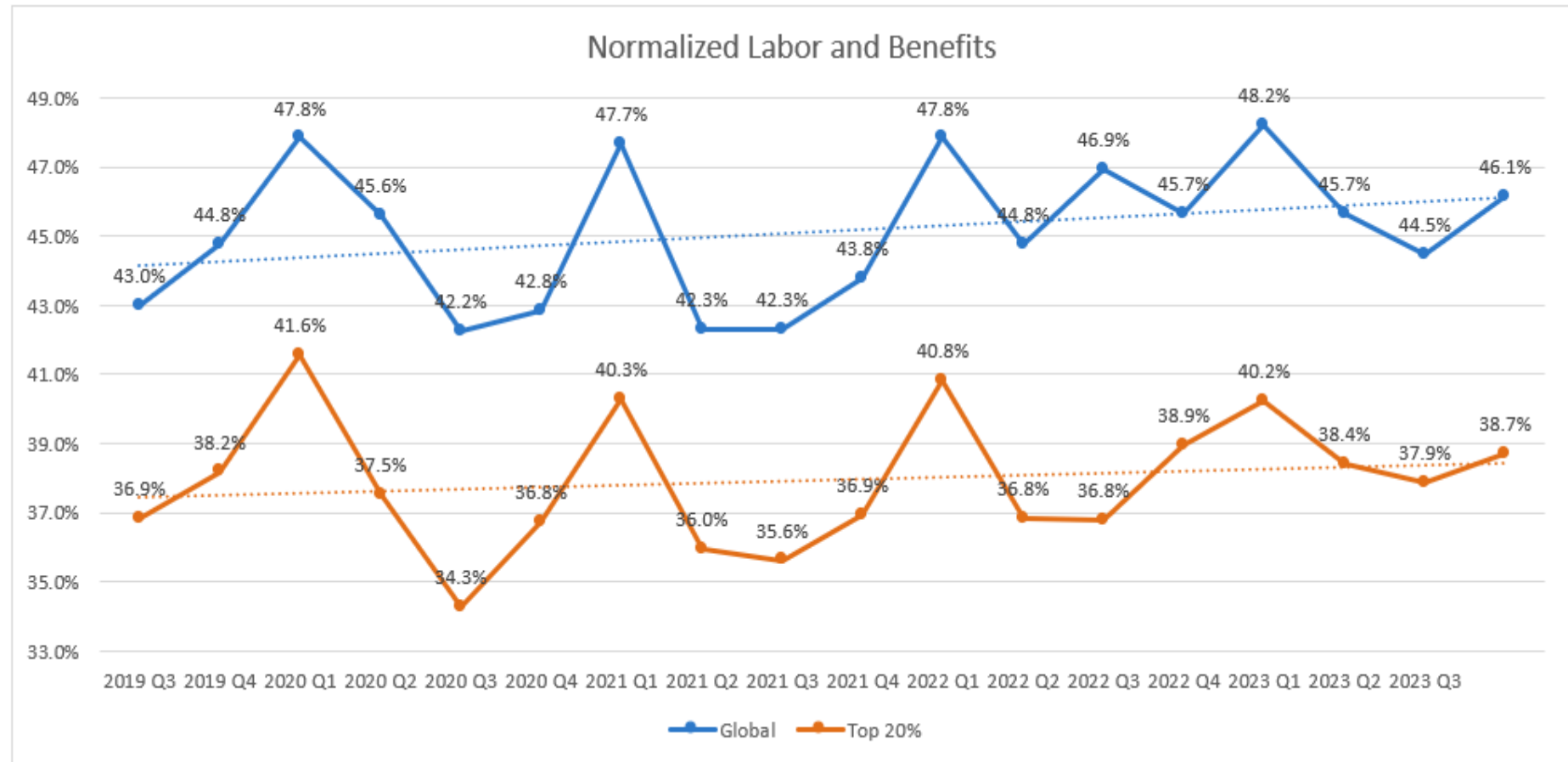
	Target Markup Multiple
Vaccines	4x
Fluids	10x
Mortuary	1.2x
Injections	4x
FDA's	3x
Heartworm	Online Competative after applying rebates
Flea	
Long term therapy	Competitive
Minimum Dispensing Fee	\$ 18 - \$ 20
Minimum Labeling Fee	\$10 - \$ 12

#3 Labor & Benefits

DATALink Financial Statistics – Companion

Labor & Benefits

	Global	Top 20%
2019 Q2	43.0%	36.9%
2019 Q3	44.8%	38.2%
2019 Q4	47.8%	41.6%
2020 Q1	45.6%	37.5%
2020 Q2	42.2%	34.3%
2020 Q3	42.8%	36.8%
2020 Q4	47.7%	40.3%
2021 Q1	42.3%	36.0%
2021 Q2	42.3%	35.6%
2021 Q3	43.8%	36.9%
2021 Q4	47.8%	40.8%
2022 Q1	44.8%	36.8%
2022 Q2	46.9%	36.8%
2022 Q3	45.7%	38.9%
2022 Q4	48.2%	40.2%
2023 Q1	45.7%	38.4%
2023 Q2	44.5%	37.9%
2023 Q3	46.1%	38.7%



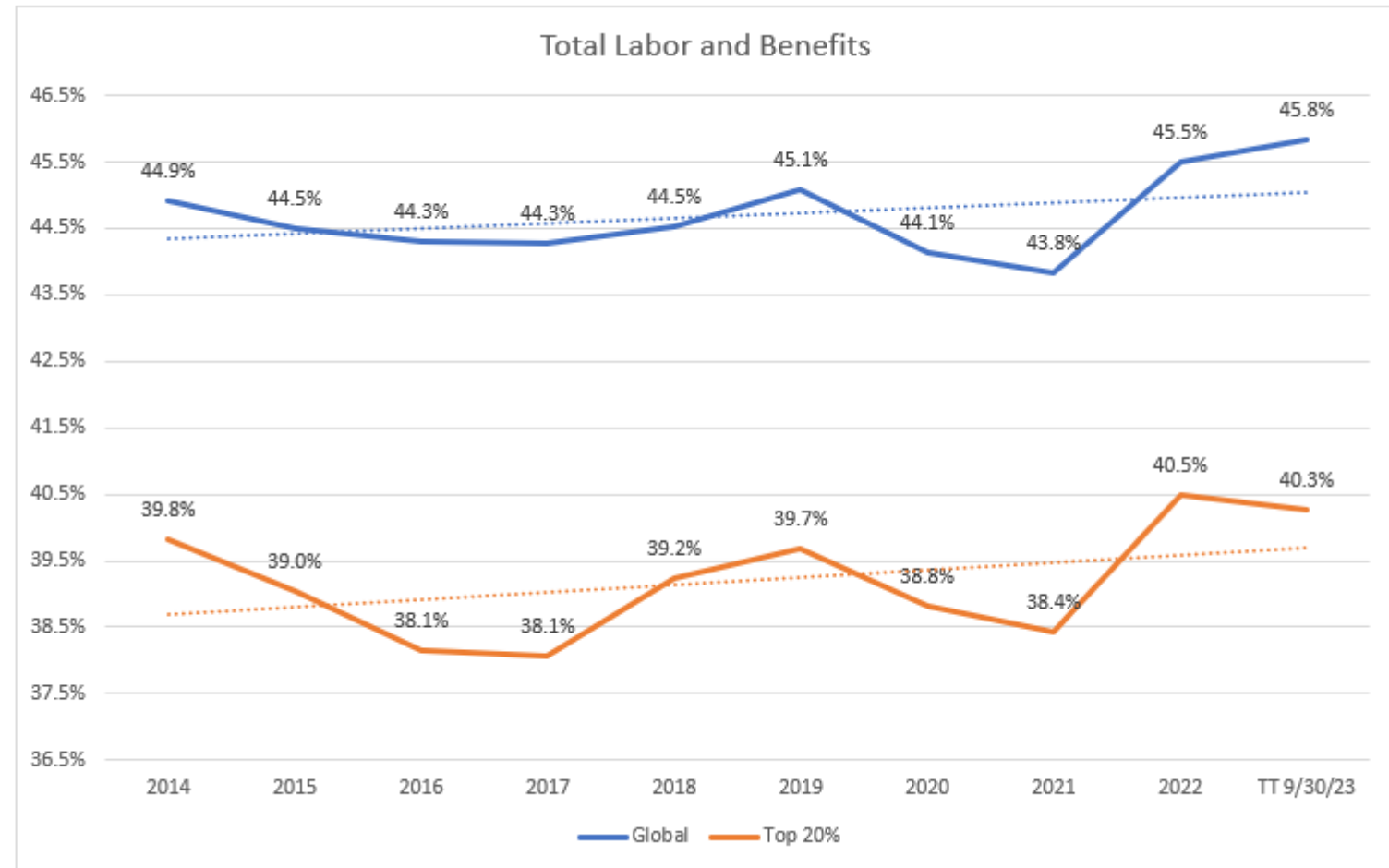
DATAlink Financial Statistics – Companion

Total Labor and Benefits

	Global	Top 20%
2014	44.9%	39.8%
2015	44.5%	39.0%
2016	44.3%	38.1%
2017	44.3%	38.1%
2018	44.5%	39.2%
2019	45.1%	39.7%
2020	44.1%	38.8%
2021	43.8%	38.4%
2022	45.5%	40.5%
TT 9/30/23	45.8%	40.3%

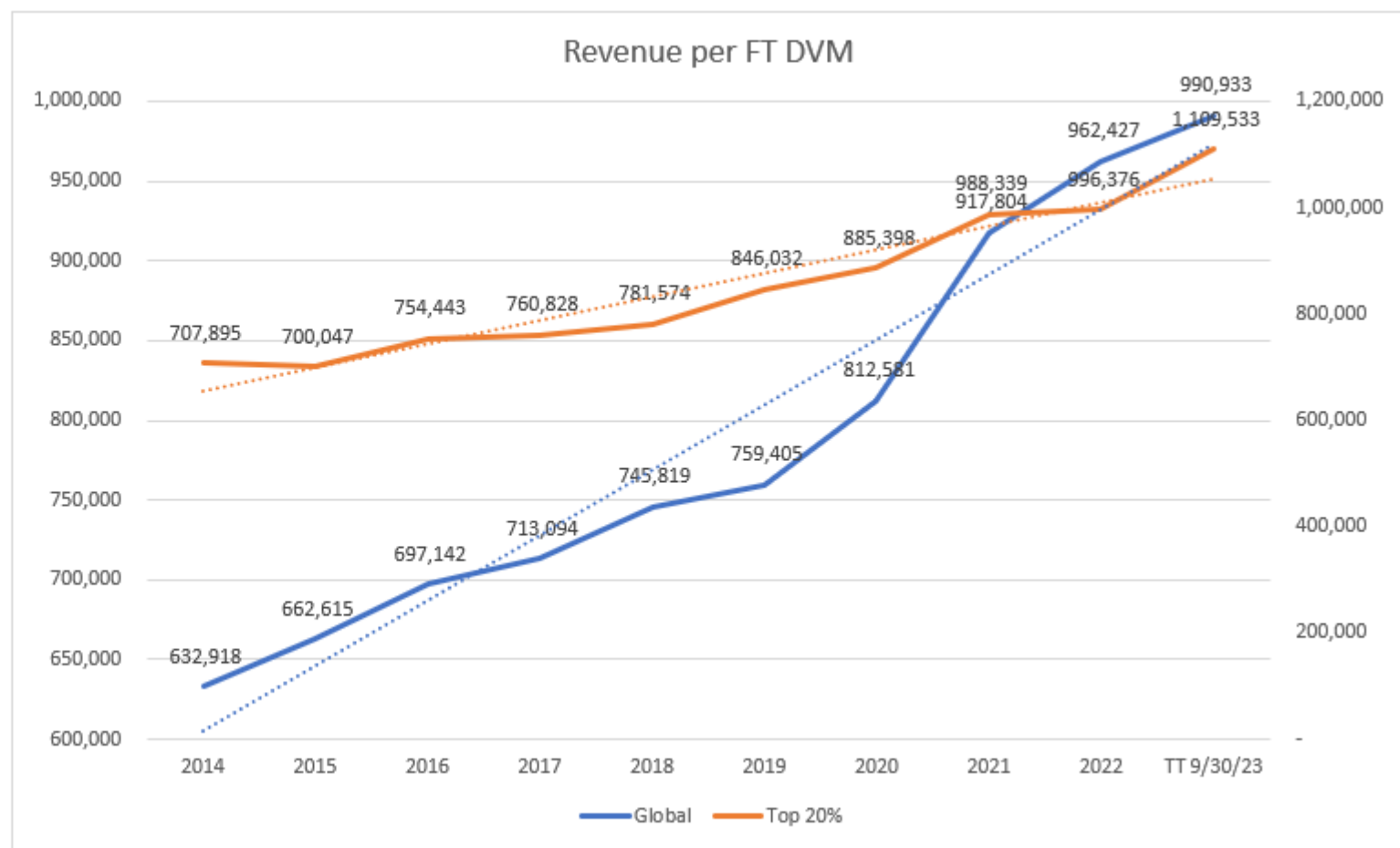
Change

	Global	Top 20%
2015	-0.9%	-1.9%
2016	-0.4%	-2.3%
2017	-0.1%	-0.2%
2018	0.6%	3.0%
2019	1.3%	1.2%
2020	-2.1%	-2.2%
2021	-0.7%	-1.0%
2022	3.8%	5.4%
TT 9/30/23	0.7%	-0.6%



DATALink Financial Statistics – Companion

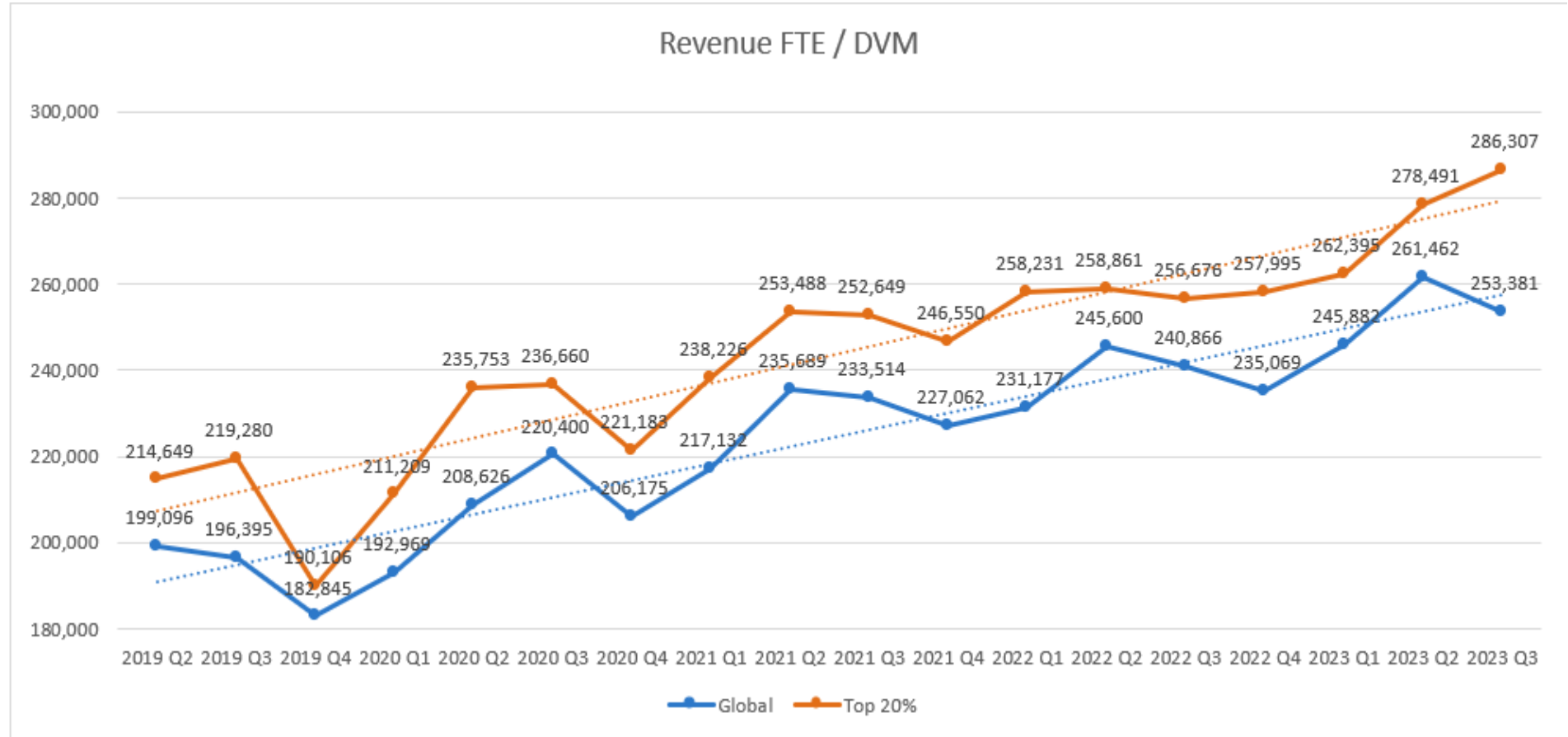
Revenue / FTE DVM's	Global	Top 20%
2014	632,918	707,895
2015	662,615	700,047
2016	697,142	754,443
2017	713,094	760,828
2018	745,819	781,574
2019	759,405	846,032
2020	812,581	885,398
2021	917,804	988,339
2022	962,427	996,376
TT 9/30/23	990,933	1,109,533
Change		
2015	4.7%	-1.1%
2016	5.2%	7.8%
2017	2.3%	0.8%
2018	4.6%	2.7%
2019	1.8%	8.2%
2020	7.0%	4.7%
2021	12.9%	11.6%
2022	4.9%	0.8%
TT 9/30/23	3.0%	11.4%



DATALink Financial Statistics – Companion

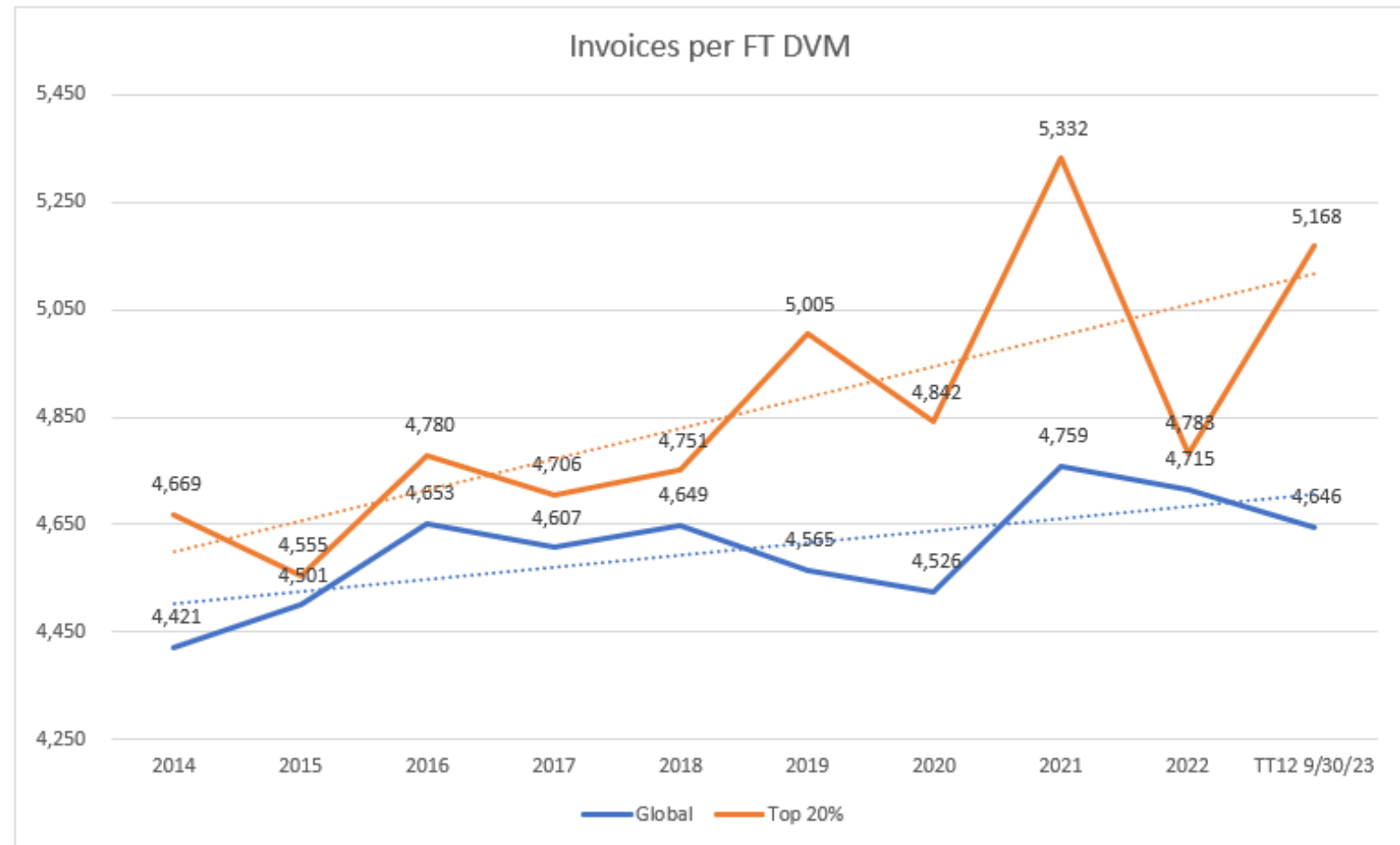
Revenue FTE / DVM

Revenue FTE / DVM	Global	Top 20%
2019 Q2	199,096	214,649
2019 Q3	196,395	219,280
2019 Q4	182,845	190,106
2020 Q1	192,969	211,209
2020 Q2	208,626	235,753
2020 Q3	220,400	236,660
2020 Q4	206,175	221,183
2021 Q1	217,132	238,226
2021 Q2	235,689	253,488
2021 Q3	233,514	252,649
2021 Q4	227,062	246,550
2022 Q1	231,177	258,231
2022 Q2	245,600	258,861
2022 Q3	240,866	256,676
2022 Q4	235,069	257,995
2023 Q1	245,882	262,395
2023 Q2	261,462	278,491
2023 Q3	253,381	286,307



DATALink Financial Statistics – Companion

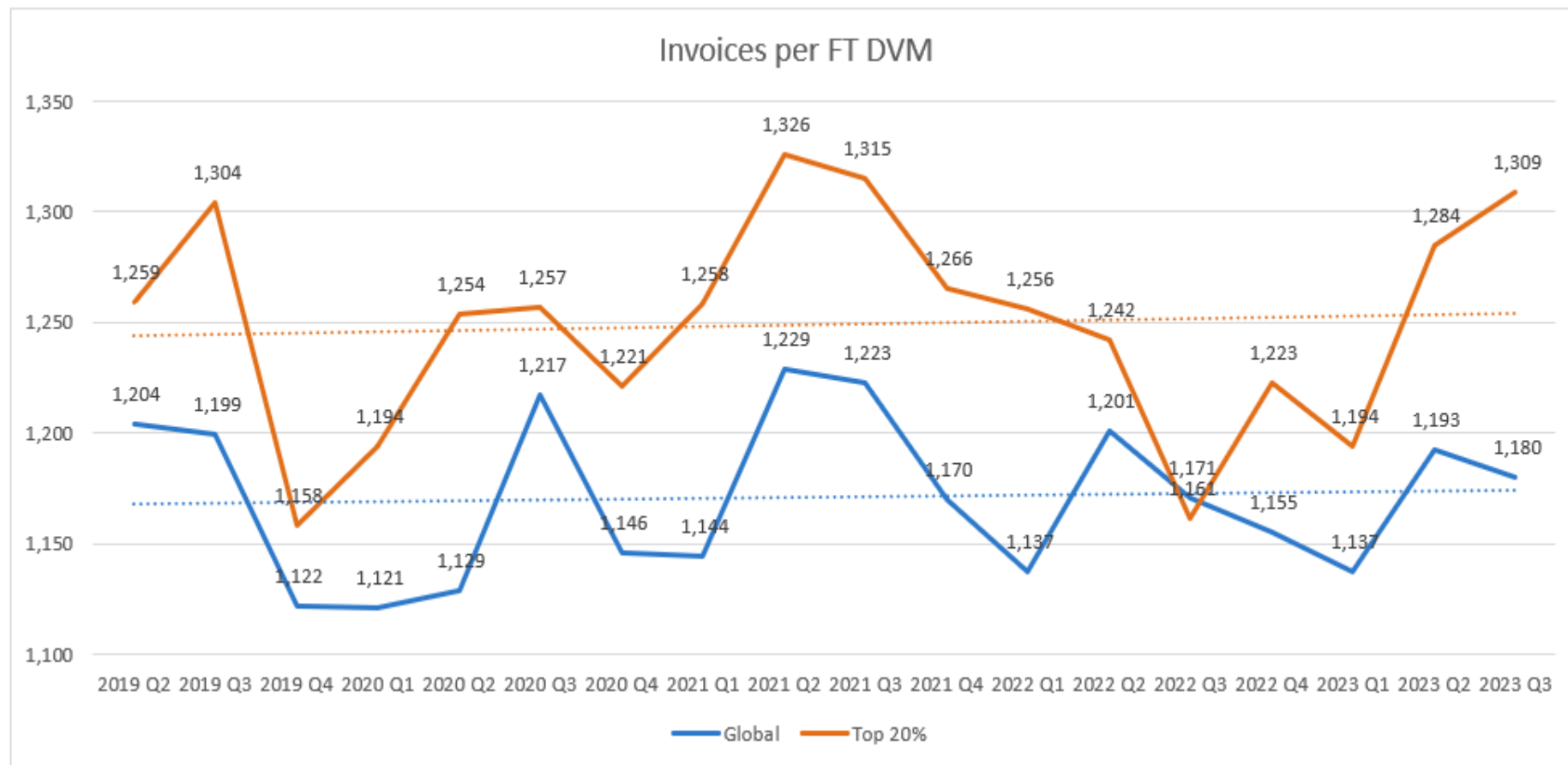
Invoices per FT DVM	Global	Top 20%
2014	4,421	4,669
2015	4,501	4,555
2016	4,653	4,780
2017	4,607	4,706
2018	4,649	4,751
2019	4,565	5,005
2020	4,526	4,842
2021	4,759	5,332
2022	4,715	4,783
TT12 9/30/23	4,646	5,168
Change		
2015	1.8%	-2.4%
2016	3.4%	4.9%
2017	-1.0%	-1.5%
2018	0.9%	0.9%
2019	-1.8%	5.4%
2020	-0.9%	-3.3%
2021	5.1%	10.1%
2022	-0.9%	-10.3%
TT12 9/30/23	-1.5%	8.0%



DATALink Financial Statistics – Companion

Invoices per FTE DVM Global Top 20%

2019 Q2	1,204	1,259
2019 Q3	1,199	1,304
2019 Q4	1,122	1,158
2020 Q1	1,121	1,194
2020 Q2	1,129	1,254
2020 Q3	1,217	1,257
2020 Q4	1,146	1,221
2021 Q1	1,144	1,258
2021 Q2	1,229	1,326
2021 Q3	1,223	1,315
2021 Q4	1,170	1,266
2022 Q1	1,137	1,256
2022 Q2	1,201	1,242
2022 Q3	1,171	1,161
2022 Q4	1,155	1,223
2023 Q1	1,137	1,194
2023 Q2	1,193	1,284
2023 Q3	1,180	1,309



DATALink Financial Statistics – Companion

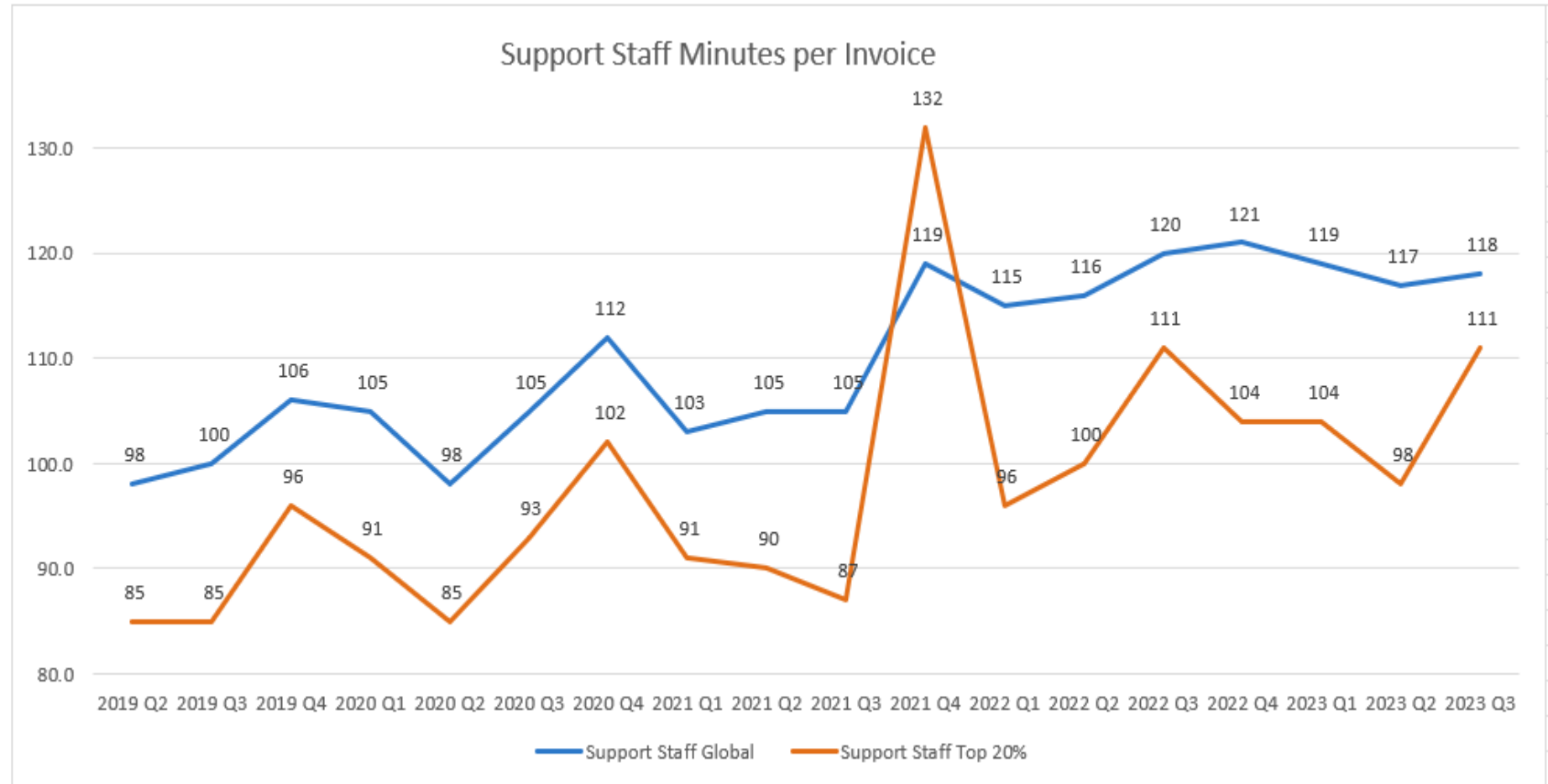
DVM Ratios	Year 2023	T12 As Of Quarter 3		
		Top 20%	Global	Difference
Avg. T12 Non-Owner DVM Gross Production		2,544,608	2,469,727	3.03%
Avg. T12 Owner DVM Gross Production		810,732	803,526	0.90%
Avg. T12 Non-Owner DVM Gross Production per ..		887,284	817,460	8.54%
Avg. T12 Gross Production		3,355,340	3,138,038	6.92%
Avg. T12 Percentage of Revenue Credited to DVM		84.21%	86.33%	-2.46%
Avg. T12 DVM Comp % Revenue		17%	19%	-6.56%

DATALink Financial Statistics – Companion

Support Staff

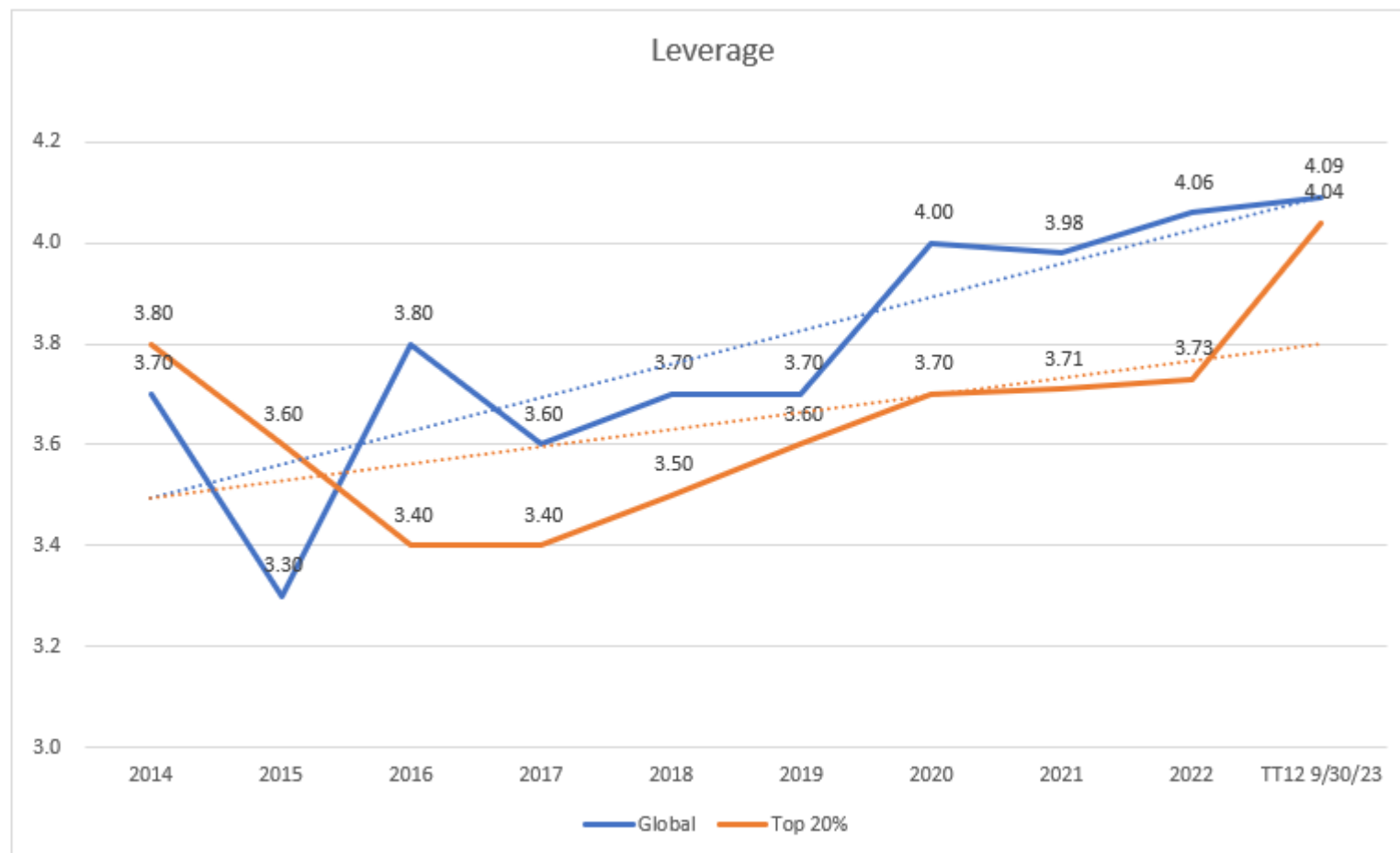
Minutes per Invoice	Global	Top 20%
---------------------	--------	---------

2019 Q2	98	85
2019 Q3	100	85
2019 Q4	106	96
2020 Q1	105	91
2020 Q2	98	85
2020 Q3	105	93
2020 Q4	112	102
2021 Q1	103	91
2021 Q2	105	90
2021 Q3	105	87
2021 Q4	119	132
2022 Q1	115	96
2022 Q2	116	100
2022 Q3	120	111
2022 Q4	121	104
2023 Q1	119	104
2023 Q2	117	98
2023 Q3	118	111



DATALink Financial Statistics – Companion

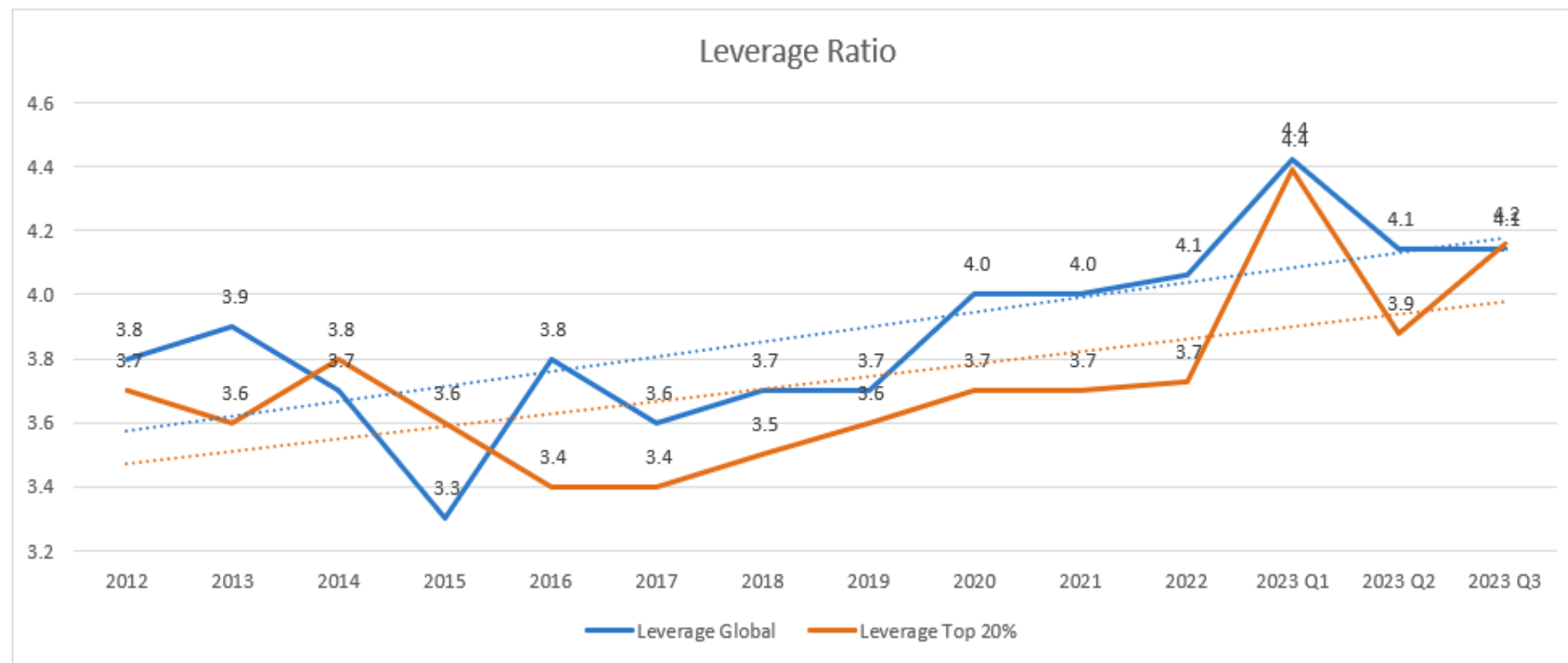
Leverage Ratio	Global	Top 20%
2014	3.70	3.80
2015	3.30	3.60
2016	3.80	3.40
2017	3.60	3.40
2018	3.70	3.50
2019	3.70	3.60
2020	4.00	3.70
2021	3.98	3.71
2022	4.06	3.73
TT12 9/30/23	4.09	4.04
Change		
2015	-10.8%	-5.3%
2016	15.2%	-5.6%
2017	-5.3%	0.0%
2018	2.8%	2.9%
2019	0.0%	2.9%
2020	8.1%	2.8%
2021	-0.5%	0.3%
2022	2.0%	0.5%
TT12 9/30/23	0.7%	8.3%



DATALink Financial Statistics – Companion

Leverage Ratio

	Global	Top 20%
2012	3.8	3.7
2013	3.9	3.6
2014	3.7	3.8
2015	3.3	3.6
2016	3.8	3.4
2017	3.6	3.4
2018	3.7	3.5
2019	3.7	3.6
2020	4.0	3.7
2021	4.0	3.7
2022	4.1	3.7
2023 Q1	4.4	4.4
2023 Q2	4.1	3.9
2023 Q3	4.1	4.2



DATALink Financial Statistics – Companion

Support Staff to FTE DVM Ratio

	T12 Support Staff per DVM Group	Avg. T12 Normalized EBITDA % Reven..	Avg. T12 Cash EBITDA %	Year 2023
	3.0-3.5	15.2%	17.0%	T12 As Of Quarter 3
	3.5-4.0	16.0%	17.8%	
	4.0-4.5	13.4%	15.7%	
	4.5-5.0	14.4%	16.5%	
	< 3.0	16.9%	19.0%	
Top 20%	4.0	25.0%	26.7%	
Global	4.1	15.2%	17.2%	

DATALink Financial Statistics – Companion

Hourly Wage Over Time

T12 As Of Quarter
3

	Top 20%	Global	Difference
2015	\$13.42	\$13.77	-2.37%
2016	\$14.30	\$14.02	1.86%
2017	\$14.31	\$14.72	-2.50%
2018	\$15.21	\$15.36	-0.88%
2019	\$14.92	\$15.73	-4.61%
2020	\$15.40	\$16.30	-4.91%
2021	\$16.53	\$17.03	-2.49%
2022	\$17.75	\$18.36	-2.73%
2023	\$18.31	\$19.24	-3.90%

% Change

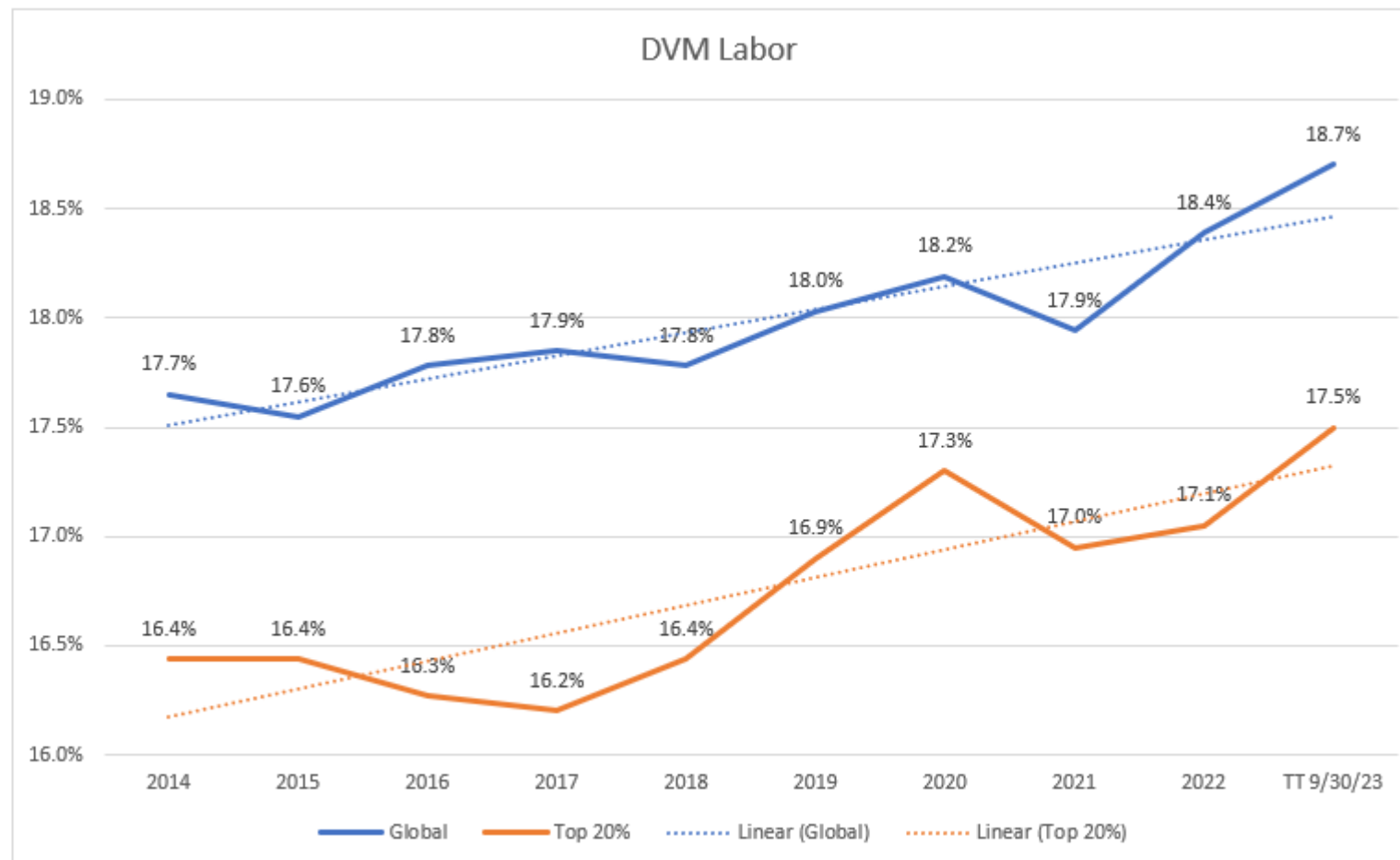
	Top 20%	Global
2015		
2016	6.596%	1.775%
2017	0.056%	4.985%
2018	6.249%	4.338%
2019	-1.856%	2.454%
2020	3.157%	3.584%
2021	7.389%	4.502%
2022	7.342%	7.795%
2023	3.152%	4.783%

DATALink Financial Statistics – Companion

DVM Compensation Global Top 20%

DVM Compensation	Global	Top 20%
2014	17.7%	16.4%
2015	17.6%	16.4%
2016	17.8%	16.3%
2017	17.9%	16.2%
2018	17.8%	16.4%
2019	18.0%	16.9%
2020	18.2%	17.3%
2021	17.9%	17.0%
2022	18.4%	17.1%
TT 9/30/23	18.7%	17.5%

Change		
2015	-0.6%	0.0%
2016	1.3%	-1.0%
2017	0.4%	-0.4%
2018	-0.4%	1.5%
2019	1.4%	2.8%
2020	0.9%	2.4%
2021	-1.4%	-2.0%
2022	2.5%	0.6%
TT 9/30/23	1.7%	2.6%



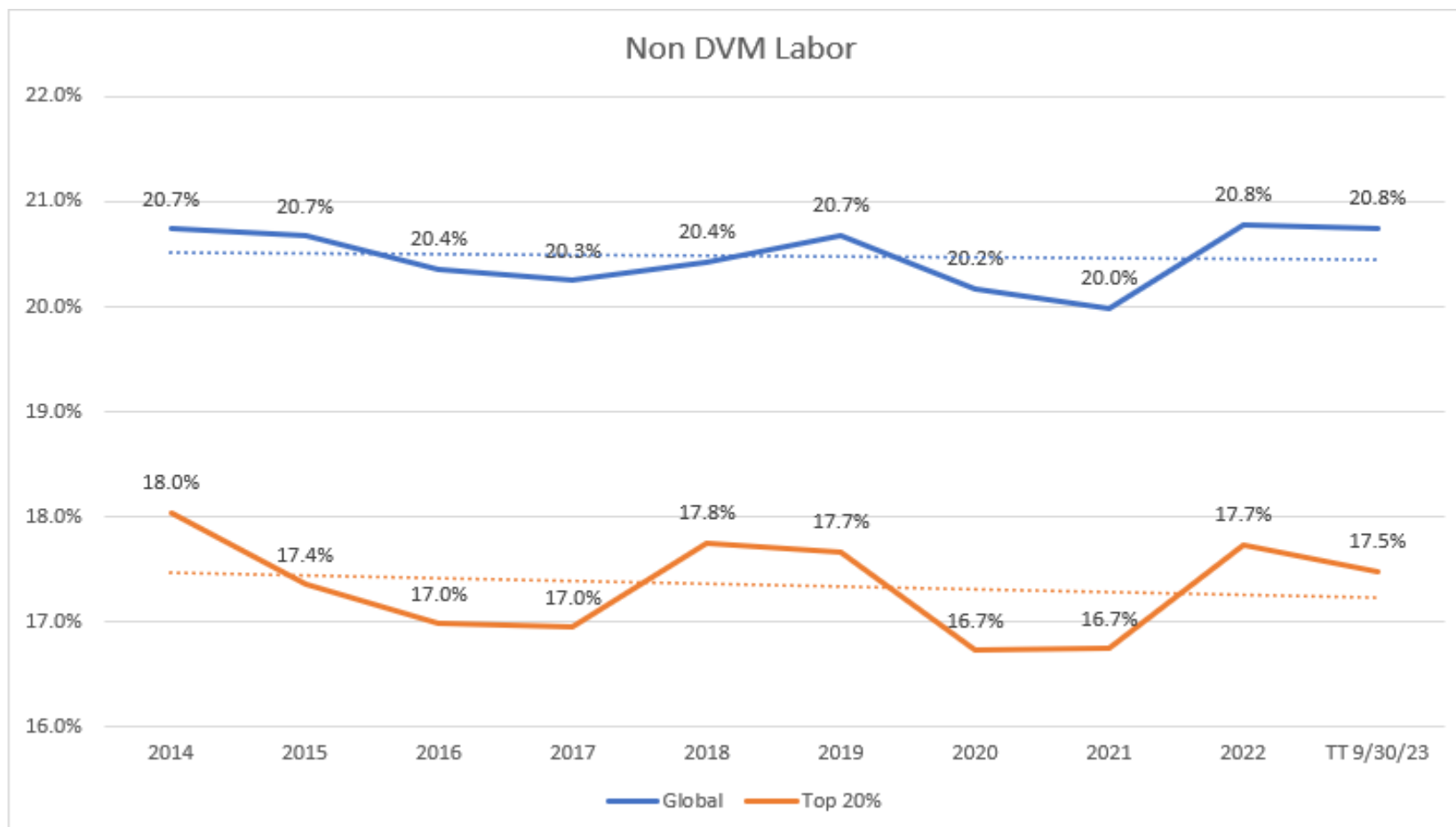
DATALink Financial Statistics – Companion

Support Staff Global Top 20%

2014	20.7%	18.0%
2015	20.7%	17.4%
2016	20.4%	17.0%
2017	20.3%	17.0%
2018	20.4%	17.8%
2019	20.7%	17.7%
2020	20.2%	16.7%
2021	20.0%	16.7%
2022	20.8%	17.7%
TT 9/30/23	20.8%	17.5%

Change

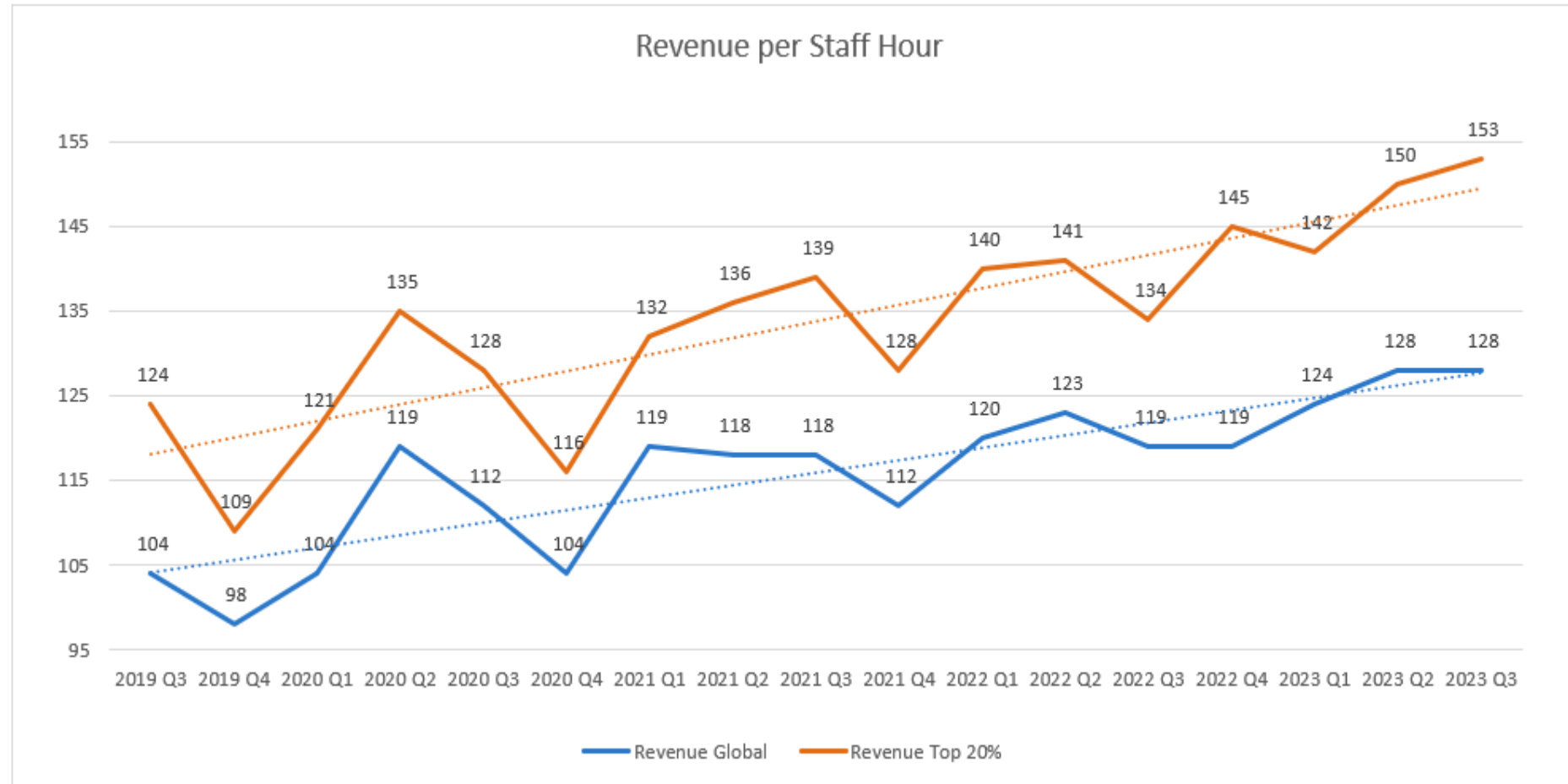
2015	-0.3%	-3.8%
2016	-1.5%	-2.1%
2017	-0.5%	-0.2%
2018	0.9%	4.7%
2019	1.2%	-0.5%
2020	-2.5%	-5.3%
2021	-0.9%	0.1%
2022	4.0%	5.9%
TT 9/30/23	-0.1%	-1.4%



DATAlink Financial Statistics – Companion

Revenue Per Staff Hour

	Global	Top 20%
2019 Q2	107	123
2019 Q3	104	124
2019 Q4	98	109
2020 Q1	104	121
2020 Q2	119	135
2020 Q3	112	128
2020 Q4	104	116
2021 Q1	119	132
2021 Q2	118	136
2021 Q3	118	139
2021 Q4	112	128
2022 Q1	120	140
2022 Q2	123	141
2022 Q3	119	134
2022 Q4	119	145
2023 Q1	124	142
2023 Q2	128	150
2023 Q3	128	153

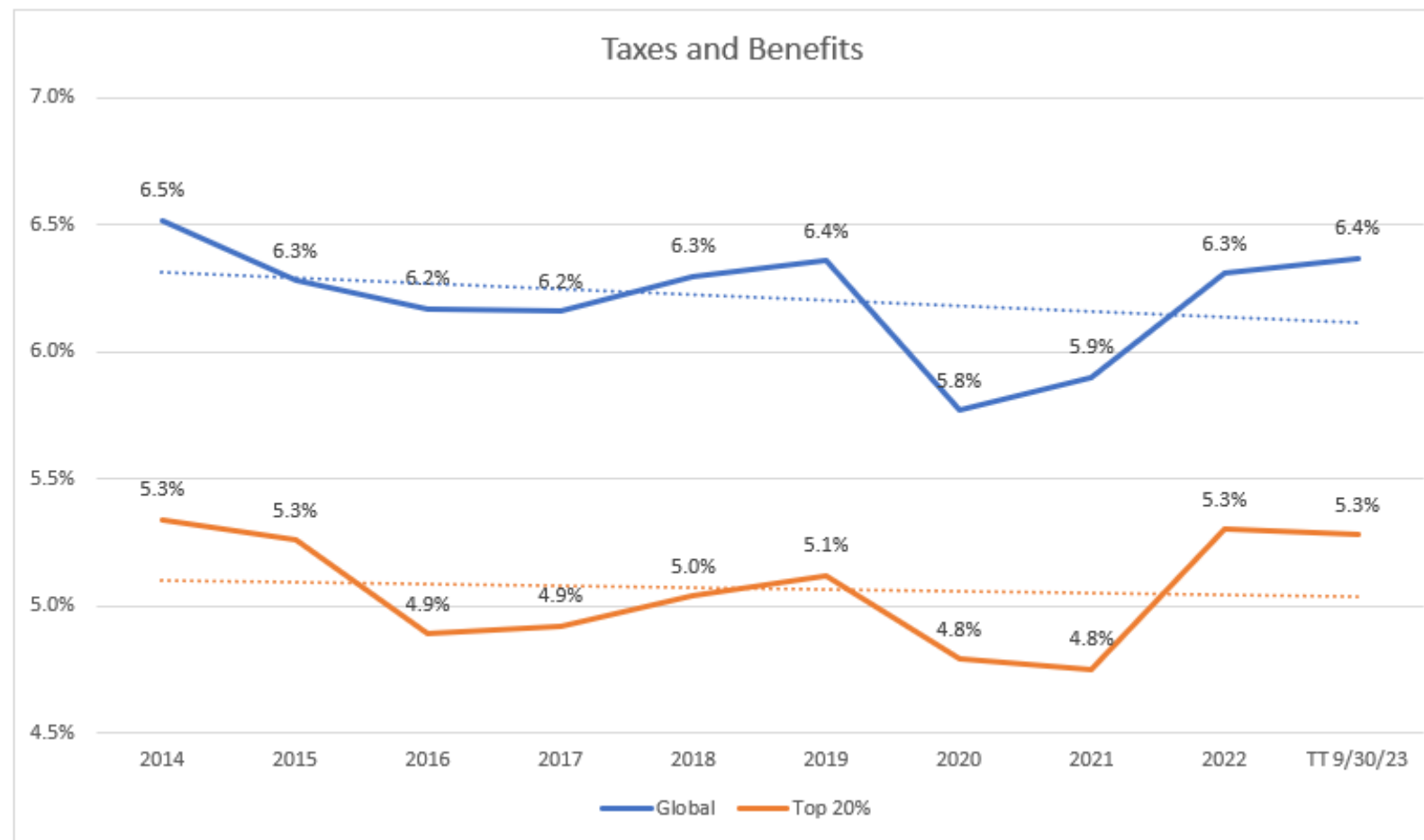


DATALink Financial Statistics – Companion

Taxes and Benefits Global Top 20%

2014	6.5%	5.3%
2015	6.3%	5.3%
2016	6.2%	4.9%
2017	6.2%	4.9%
2018	6.3%	5.0%
2019	6.4%	5.1%
2020	5.8%	4.8%
2021	5.9%	4.8%
2022	6.3%	5.3%
TT 9/30/23	6.4%	5.3%

Change		
2015	-3.7%	-1.5%
2016	-1.8%	-7.0%
2017	-0.2%	0.6%
2018	2.3%	2.4%
2019	1.0%	1.6%
2020	-9.3%	-6.4%
2021	2.3%	-0.8%
2022	6.9%	11.6%
TT 9/30/23	1.0%	-0.4%

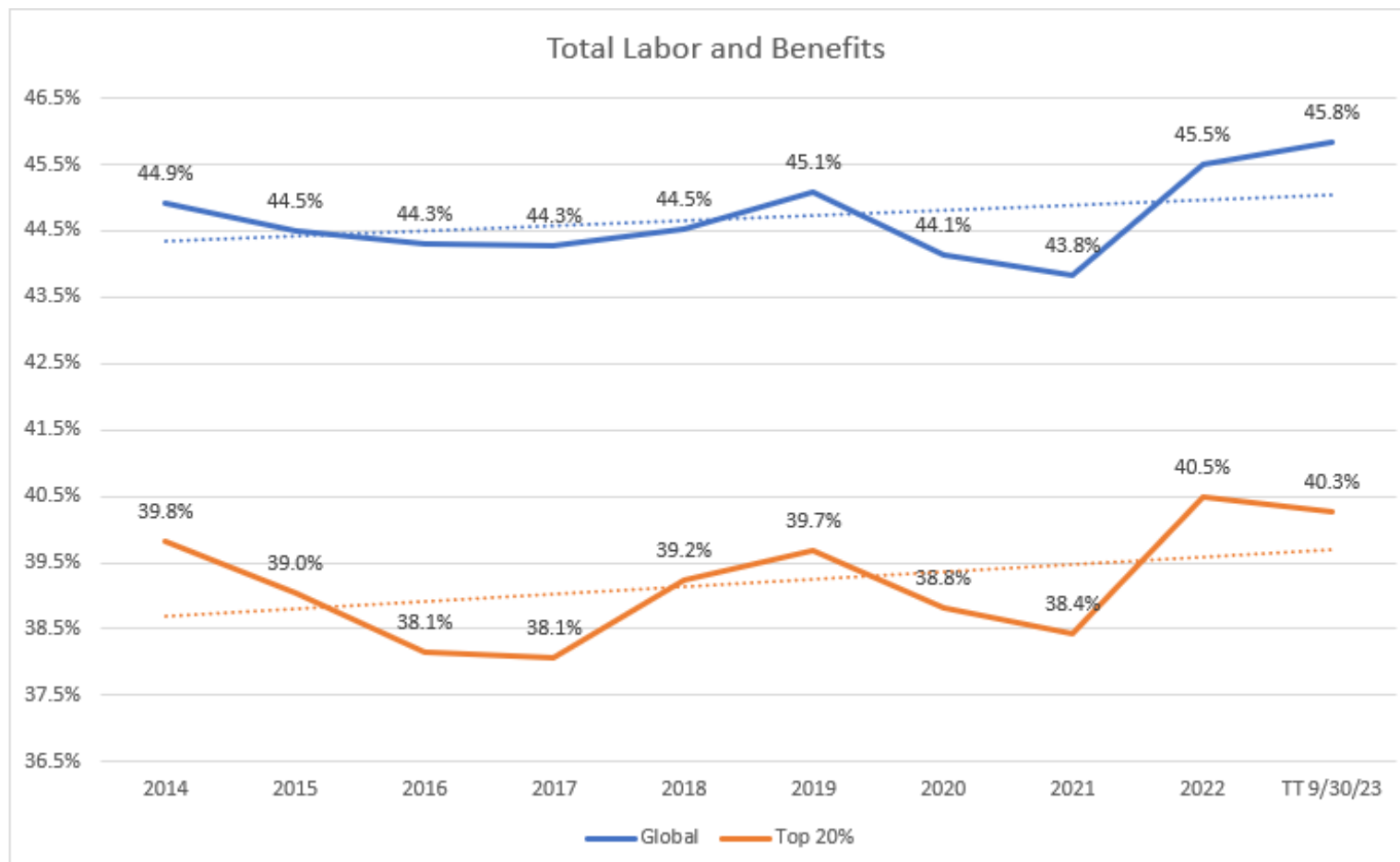


DATALink Financial Statistics – Companion

Total Labor and Benefits

	Global	Top 20%
2014	44.9%	39.8%
2015	44.5%	39.0%
2016	44.3%	38.1%
2017	44.3%	38.1%
2018	44.5%	39.2%
2019	45.1%	39.7%
2020	44.1%	38.8%
2021	43.8%	38.4%
2022	45.5%	40.5%
TT 9/30/23	45.8%	40.3%

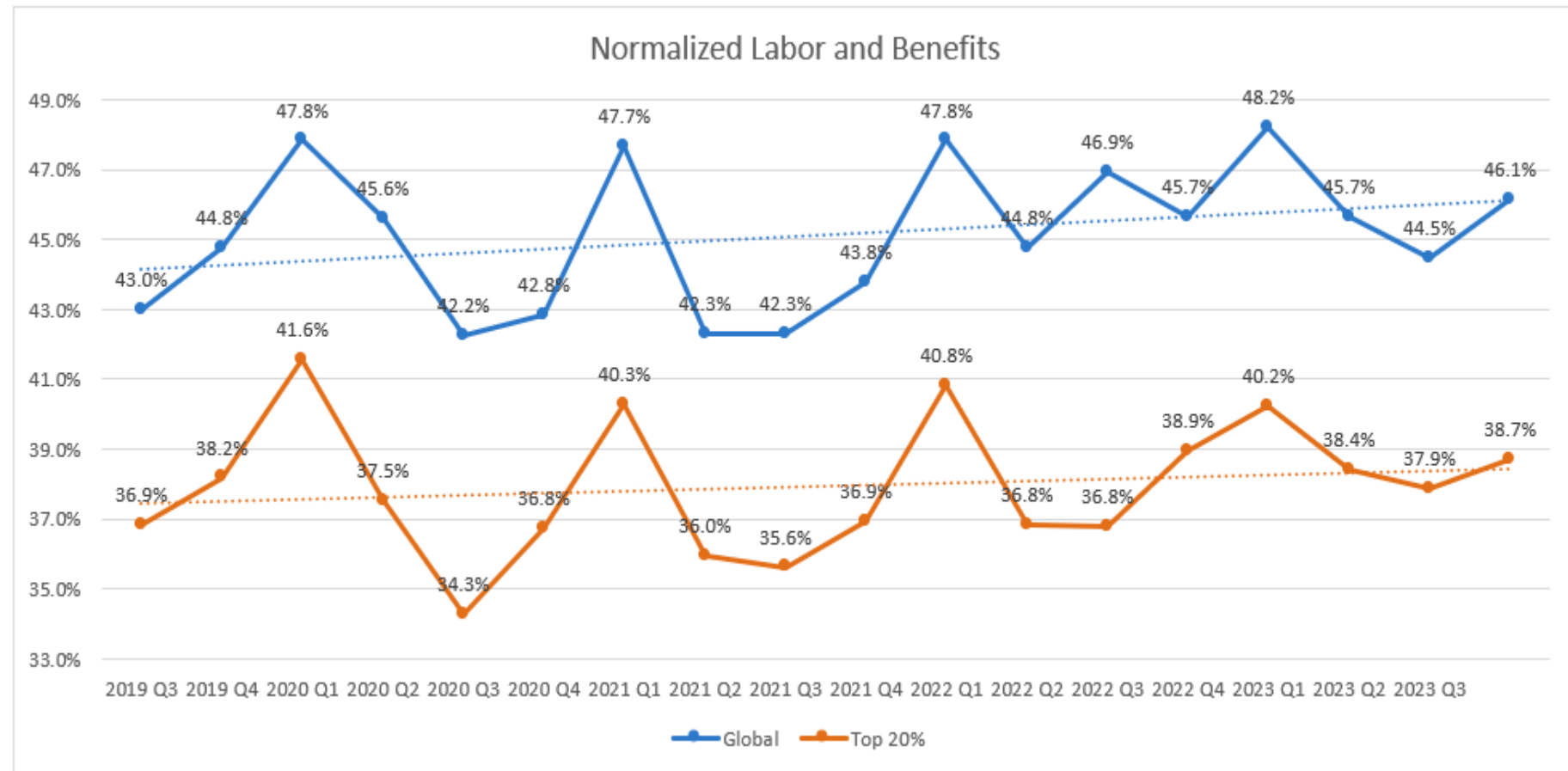
Change		
2015	-0.9%	-1.9%
2016	-0.4%	-2.3%
2017	-0.1%	-0.2%
2018	0.6%	3.0%
2019	1.3%	1.2%
2020	-2.1%	-2.2%
2021	-0.7%	-1.0%
2022	3.8%	5.4%
TT 9/30/23	0.7%	-0.6%



DATALink Financial Statistics – Companion

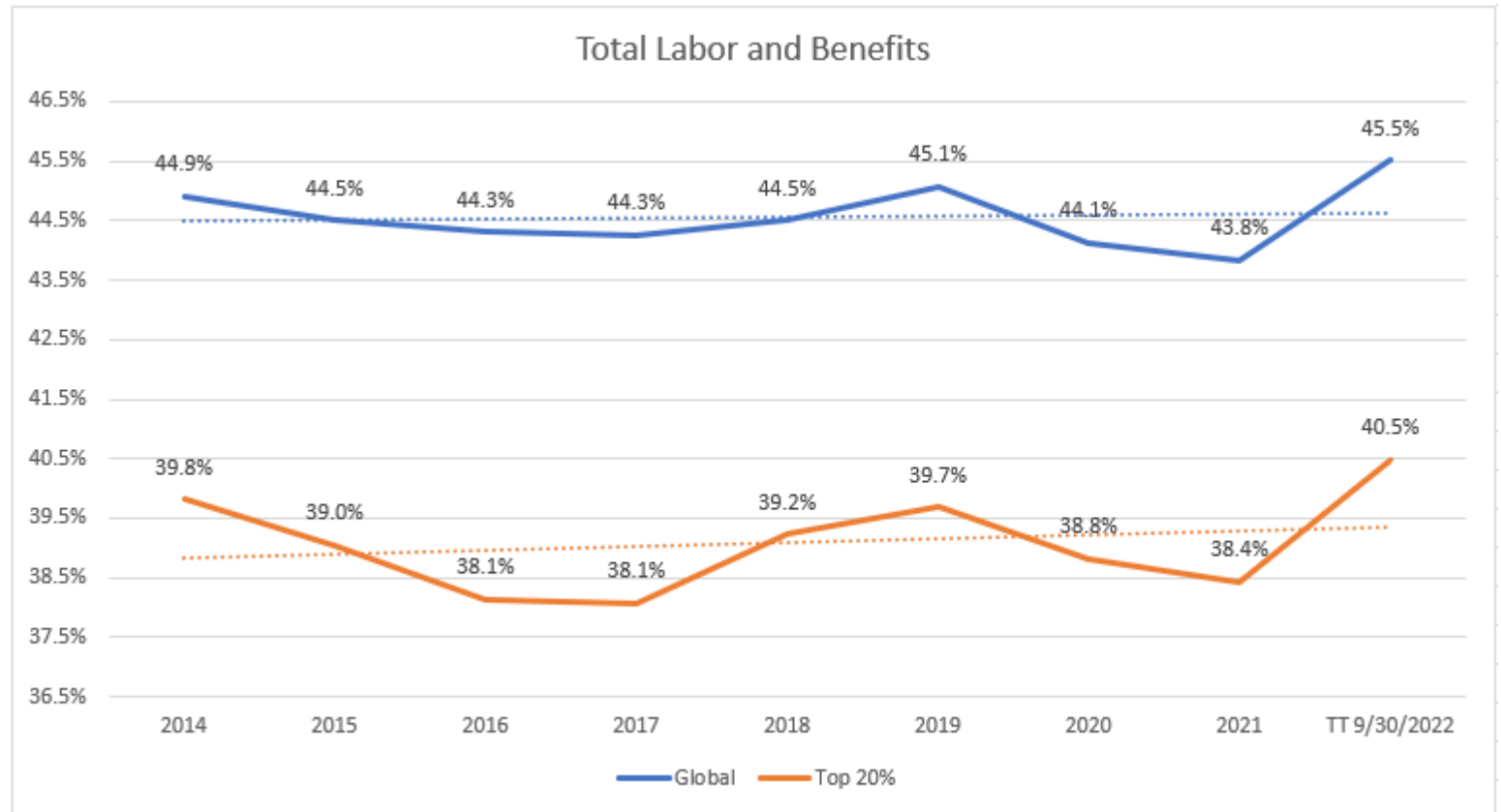
Labor & Benefits

	Global	Top 20%
2019 Q2	43.0%	36.9%
2019 Q3	44.8%	38.2%
2019 Q4	47.8%	41.6%
2020 Q1	45.6%	37.5%
2020 Q2	42.2%	34.3%
2020 Q3	42.8%	36.8%
2020 Q4	47.7%	40.3%
2021 Q1	42.3%	36.0%
2021 Q2	42.3%	35.6%
2021 Q3	43.8%	36.9%
2021 Q4	47.8%	40.8%
2022 Q1	44.8%	36.8%
2022 Q2	46.9%	36.8%
2022 Q3	45.7%	38.9%
2022 Q4	48.2%	40.2%
2023 Q1	45.7%	38.4%
2023 Q2	44.5%	37.9%
2023 Q3	46.1%	38.7%



DATALink Financial Statistics – Companion

Total Labor and Benefits	Global	Top 20%
2014	44.9%	39.8%
2015	44.5%	39.0%
2016	44.3%	38.1%
2017	44.3%	38.1%
2018	44.5%	39.2%
2019	45.1%	39.7%
2020	44.1%	38.8%
2021	43.8%	38.4%
TT 9/30/2022	45.5%	40.5%
Change		
2015	-0.9%	-1.9%
2016	-0.4%	-2.3%
2017	-0.1%	-0.2%
2018	0.6%	3.0%
2019	1.3%	1.2%
2020	-2.1%	-2.2%
2021	-0.7%	-1.0%
TT 9/30/2022	3.8%	5.4%



Managing Labor Inflation

Step #1	Enter Hospital historical totals								
Step #2	Enter Raise Amounts								
Step #3	Enter Fee Increase so Normalized EBITDA in Cell J26 => Cell E26								
		Hospital	Raise %	Impact	Raise Fees	Budget			
Revenue		2,425,539		2,425,539	0.00%	2,425,539			
					-2.55%				Difference to Prior Yr. EBITDA
Direct Costs		22.82%		22.82%		22.82%			
DVM		18.35%	7.00%	19.63%		19.63%			
Non DVM Labor		19.73%	5.00%	20.72%		20.72%			
Payroll taxes and Benefits		4.72%	6.00%	5.00%		5.00%			
Total Labor and Benefits		42.80%	6.00%	45.35%		45.35%			
Total Direct Costs and Labor		65.62%		68.17%		68.17%			
Gross Profit		34.38%		31.83%		31.83%			
General and Administrative									
Admin Fee and Collect Costs		4.28%		4.28%		4.28%			
Facility & Equipment		9.31%		9.31%		9.31%			
Advertising		1.25%		1.25%		1.25%			
Other EE Costs		0.60%		0.60%		0.60%			
Total General and Admin.		15.44%		15.44%		15.44%			
Normalized EBITDA		18.94%		16.39%		16.39%			
				-13.49%					

Increasing Efficiencies

Step #1	Enter Hospital historical totals								
Step #2	Enter Raise Amounts								
Step #3	Enter Fee Increase so Normalized EBITDA in Cell J26 => Cell E26								
		Hospital	Raise %	Impact	Raise Fees	Budget			
Revenue		2,425,539		2,425,539	4.15%	2,526,199			
					0.00%		Difference to Prior Yr. EBITDA		
Direct Costs		22.82%		22.82%		21.91%			
DVM		18.35%	7.00%	19.63%		19.63%			
Non DVM Labor		19.73%	5.00%	20.72%		19.89%			
Payroll taxes and Benefits		4.72%	6.00%	5.00%		4.80%			
Total Labor and Benefits		42.80%	6.00%	45.35%		44.33%			
Total Direct Costs and Labor		65.62%		68.17%		66.24%			
Gross Profit		34.38%		31.83%		33.76%			
General and Administrative									
Admin Fee and Collect Costs		4.28%		4.28%		4.11%			
Facility & Equipment		9.31%		9.31%		8.94%			
Advertising		1.25%		1.25%		1.20%			
Other EE Costs		0.60%		0.60%		0.58%			
Total General and Admin.		15.44%		15.44%		14.82%			
Normalized EBITDA		18.94%		16.39%		18.94%			
				-13.49%					

Increasing Efficiencies

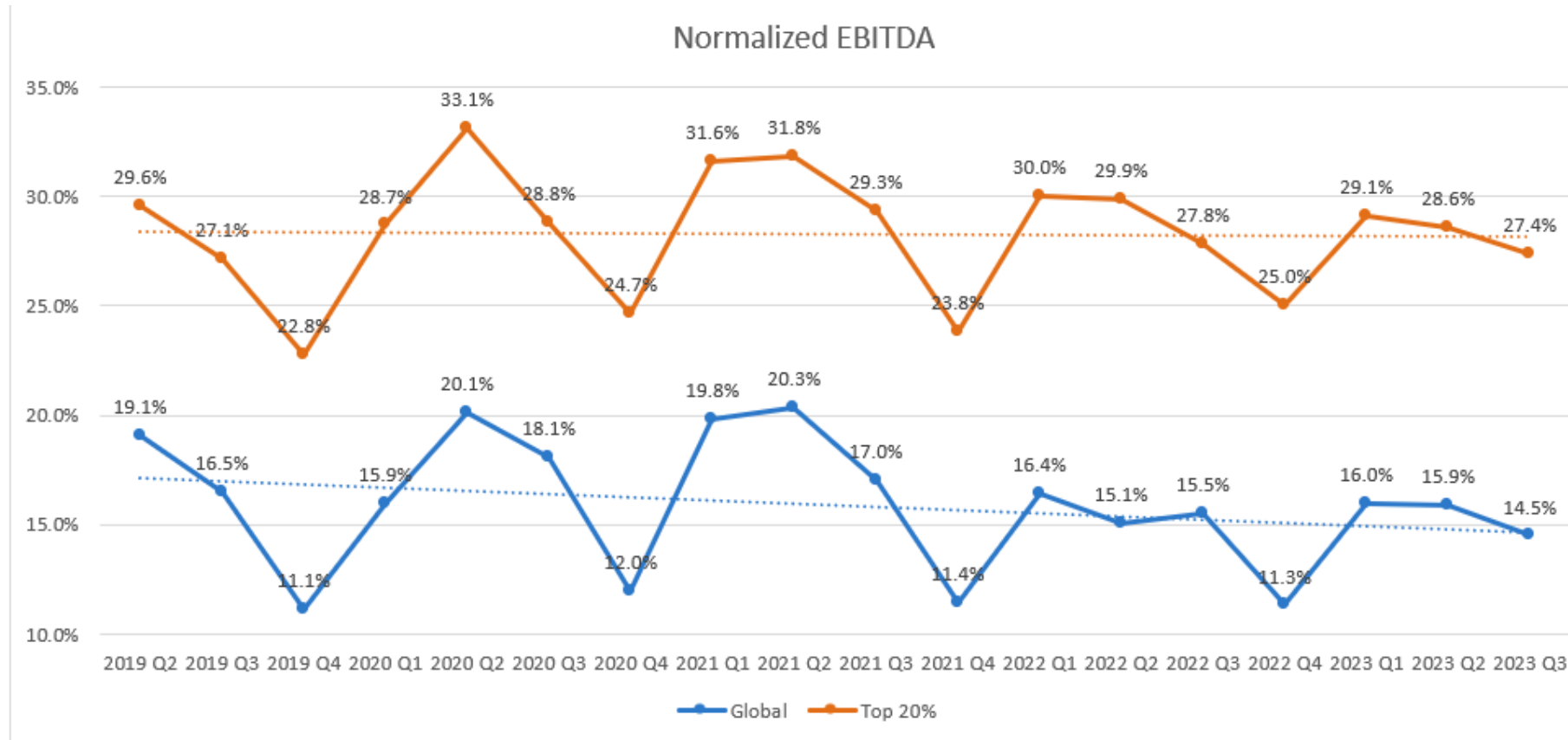
Total	2,425,539			
Calculated Raise	4.15%			
Raised Revenue	2,526,199			
		Revenue that can Be Raised		Amount of Raise Needed
Professional Services	34.67%	Y	34.67%	5.28%
Pharmacy	20.07%	N	0.00%	
Laboratory	17.28%	Y	17.28%	5.28%
Imaging	11.14%	Y	11.14%	5.28%
Dentistry	1.22%	Y	1.22%	5.28%
Anesthesia	3.15%	Y	3.15%	5.28%
Surgery	2.84%	Y	2.84%	5.28%
Dietary	1.38%	N	0.00%	
Boarding	1.84%	y	1.84%	5.28%
Grooming	1.21%	Y	1.21%	5.28%
Ancillary	0.00%	Y	0.00%	
Wellness	5.21%	Y	5.21%	5.28%
Discounts	0.00%	N	0.00%	
Total	100.01%		78.56%	

#4 EBITDA – *Earnings before Interest, Taxes, Depreciation and Amortization*

DATAlink Financial Statistics – Companion

EBITDA Global Top 20%

2019 Q2	19.1%	29.6%
2019 Q3	16.5%	27.1%
2019 Q4	11.1%	22.8%
2020 Q1	15.9%	28.7%
2020 Q2	20.1%	33.1%
2020 Q3	18.1%	28.8%
2020 Q4	12.0%	24.7%
2021 Q1	19.8%	31.6%
2021 Q2	20.3%	31.8%
2021 Q3	17.0%	29.3%
2021 Q4	11.4%	23.8%
2022 Q1	16.4%	30.0%
2022 Q2	15.1%	29.9%
2022 Q3	15.5%	27.8%
2022 Q4	11.3%	25.0%
2023 Q1	16.0%	29.1%
2023 Q2	15.9%	28.6%
2023 Q3	14.5%	27.4%



EBITDA - Owner compensation normalized to 20% of owner production, and the lessor of the management wages paid, or 3% of revenue

Rent normalized to equal 6% of revenue

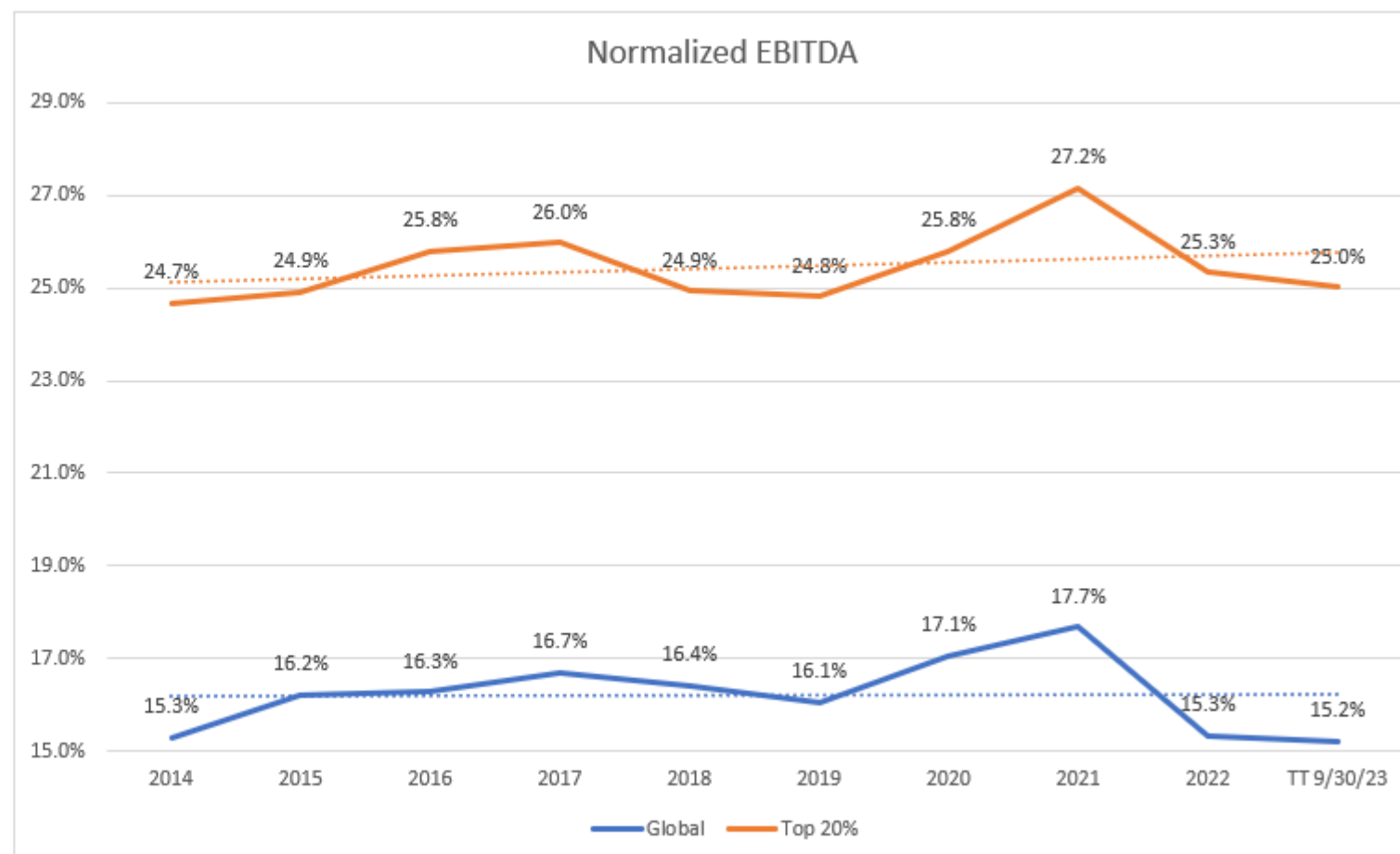
DATALink Financial Statistics – Companion

Normalized EBITDA

	Global	Top 20%
2014	15.3%	24.7%
2015	16.2%	24.9%
2016	16.3%	25.8%
2017	16.7%	26.0%
2018	16.4%	24.9%
2019	16.1%	24.8%
2020	17.1%	25.8%
2021	17.7%	27.2%
2022	15.3%	25.3%
TT 9/30/23	15.2%	25.0%

Change

	Global	Top 20%
2015	6.0%	1.0%
2016	0.3%	3.5%
2017	2.6%	0.7%
2018	-1.6%	-4.0%
2019	-2.3%	-0.5%
2020	6.2%	4.0%
2021	3.6%	5.3%
2022	-13.2%	-6.7%
TT 9/30/23	-0.8%	-1.2%



DATALink Financial Statistics – Companion TT12 9.30.2023

Number of Visits vs EBITDA

	Avg. T12 Revenue / Active Pets	Avg. T12 Patient Invoices per ..	Avg. T12 Average Client Invoice
0-5%	\$653		\$256
5-10%	\$1,035		\$212
10-15%	\$629		\$225
15-20%	\$903		\$228
20%+	\$689		\$223
Global	\$783		\$226

DATAlink Financial Statistics – Companion TT12 9.30.2023

Number of Days Open vs EBITDA

		Avg. T12 Total	Avg. T12 Cash	Avg. T12 Cash
	% of Hospitals	Revenue	EBITDA %	EBITDA \$
Null	0%	\$2,469K	22.91%	\$566K
5 Days or Fewer	32%	\$2,419K	16.82%	\$409K
6 Days	52%	\$3,514K	17.67%	\$611K
7 Days	15%	\$8,301K	15.88%	\$1,208K

DATALink Financial Statistics – Companion

Expense Analysis

TT 9/30/23

	Global	Top 20%	Variance	%
Revenue	\$ 3,803,814	\$ 4,067,038	\$ 263,224	6%
Direct Costs	22.6%	20.3%	-2.3%	-10%
Labor, Benefits and PR Taxes				
DVM Compensation	18.7%	17.5%	-1.2%	-6%
Support Staff	20.8%	17.5%	-3.3%	-16%
Taxes and Benefits	6.4%	5.3%	-1.1%	-17%
Total Labor and Benefits	45.8%	40.3%	-5.6%	-12%
General & Administrative Expenses				
Admin. & Fee Collection	5.0%	4.4%	-0.6%	-11%
Facility and Equipment	9.8%	8.8%	-1.0%	-10%
Advertising	0.7%	0.6%	-0.2%	-20%
Other EE Costs	0.9%	0.6%	-0.2%	-27%
	16.4%	14.4%	-2.0%	-12%
Normalized EBITDA	15.2%	25.0%	9.8%	64%
Normalized EBITDA \$	578,560	1,017,573	439,013	43%
Example Hospital Value 8x	4,628,481	8,140,583	3,512,102	43%

KPIs

Revenue	Actual	Budget	Variance
Medical	\$ 11,000	\$ 10,000	
Groom	\$ 1,800	\$ 2,000	
Non-medical	\$ 1,000	\$ 1,000	
Total Revenue	\$ 13,800	\$ 13,000	6%

Transactions	Actual	Budget	Variance
Medical	100.0	95.0	
Groom	40.0	35.0	
Non-medical	50.0	55.0	
Total Transactions	190.0	185.0	3%

KPIs – They Still Work !!

Average Transaction	Actual	Budget	Variance
Medical	\$ 110	\$ 105	
Groom	\$ 45	\$ 57	
Non-medical	\$ 20	\$ 18	
Total ACT	\$ 73	\$ 70	3%

	Actual	Budget	Variance
Drugs ordered	\$ 2,500	\$ 2,470	
% of revenue	18%	19%	-5%

KPIs

Payroll	Actual	Budget	Variance
Hours	150.0	150.0	
OT	10.0	10.0	
Total Payroll Hours	160.0	160.0	0%
Average Hourly Rate	\$ 13.25	\$ 13.25	0%
Total Payroll % of Revenue	15%	16%	-6%
Revenue Per Labor Hour	\$ 86.25	\$ 81.25	6%

Common Metrics

Revenue per Staff Hour

- Total Revenue divided by number of support staff hours

Support Staff Minute per Invoice

- Support Staff Minutes divided by number of invoices

Gross Production per Staff Hour

- Gross production divided by support staff hours

Staff to doctor ratio

- Number of FTE (full time equivalent) staff divided by number of FTE doctors

Invoices per doctor

- Invoices divided by FTE doctor

Future of Analytics

Decisive

- Supports human decisions with visual analytics the user models to reflect reasoning

Descriptive

- Gains insight from historical data with reporting, scorecards, clustering, etc.

Predictive

- Uses predictive modeling via statistical and machine learning techniques

Prescriptive

- Recommends decisions using optimization, simulation, etc.

Continued Research Items

Demographics and other public domain data

- Median household income and cost of living
- Unemployment
- New housing starts
- Pet-owner demographics
- Competition density and differences

Practice management system information

- Product and service mix
- Client compliance
- Client retention
- DVM ACT and compliance with standards of care

Other

- Owner's and practice manager's DISC profile's
- Employee turnover and satisfaction
- Customer satisfaction

Other Key Items to Consider

Compliance

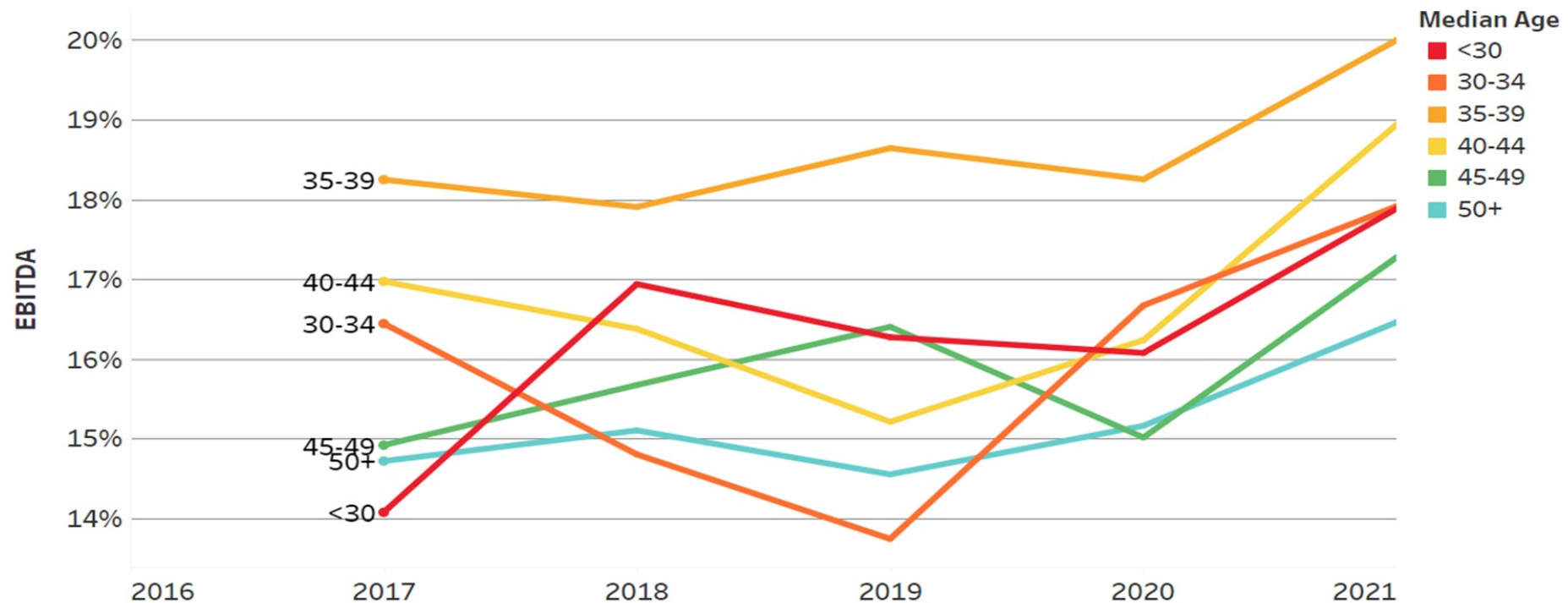
Retention

Employee and Client Satisfaction

Continued Change

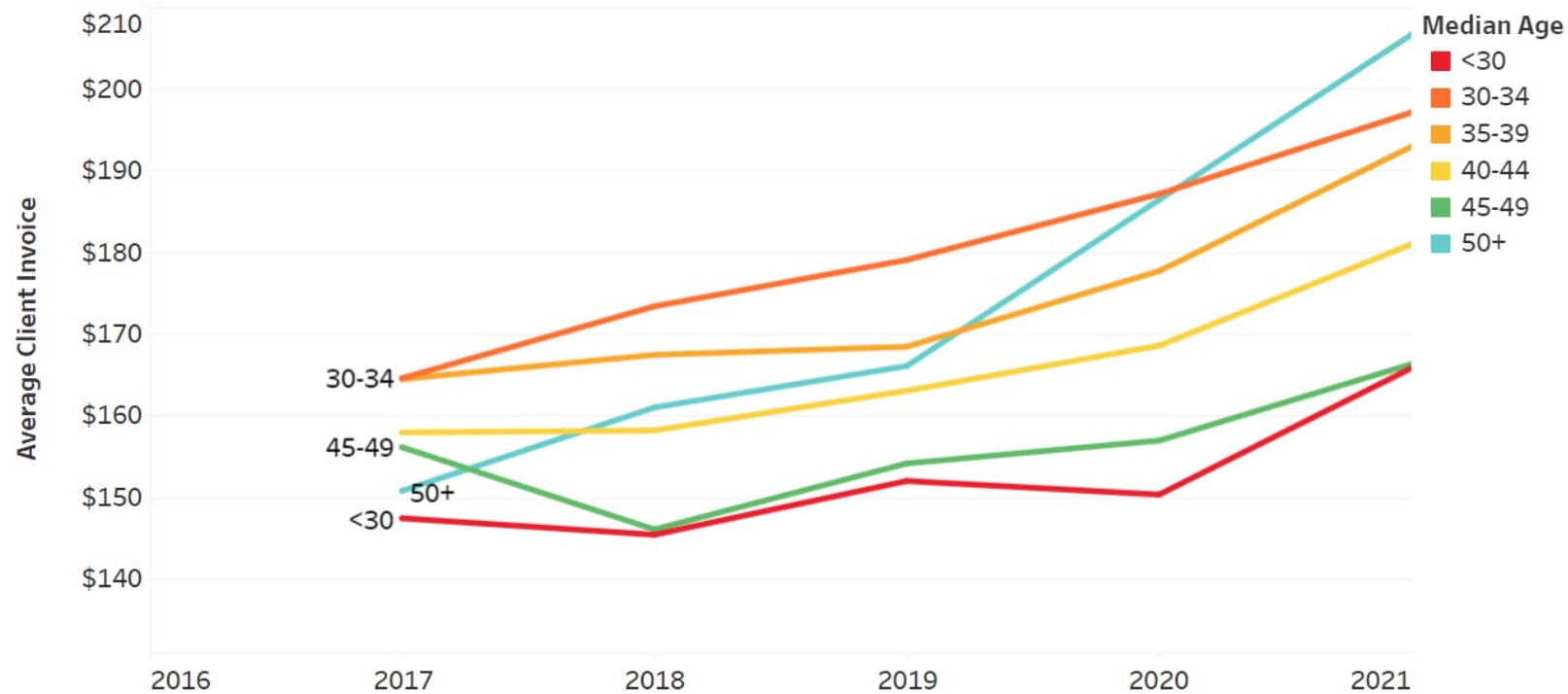
DATALink v. Demographics

Practices in Younger Areas Have Experienced Increased Profitability



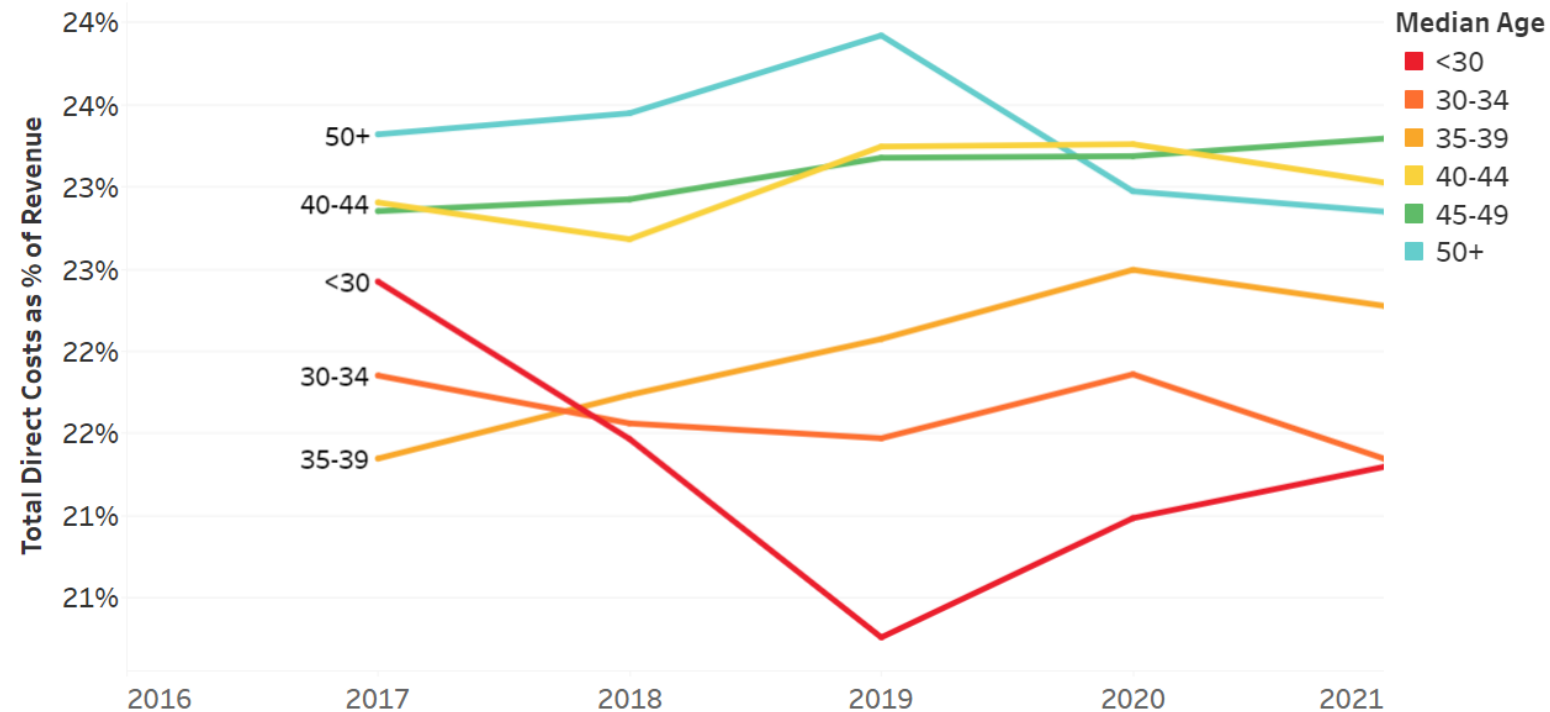
DATALink v. Demographics

Practices in Younger Areas Have Experienced Larger Client Invoices



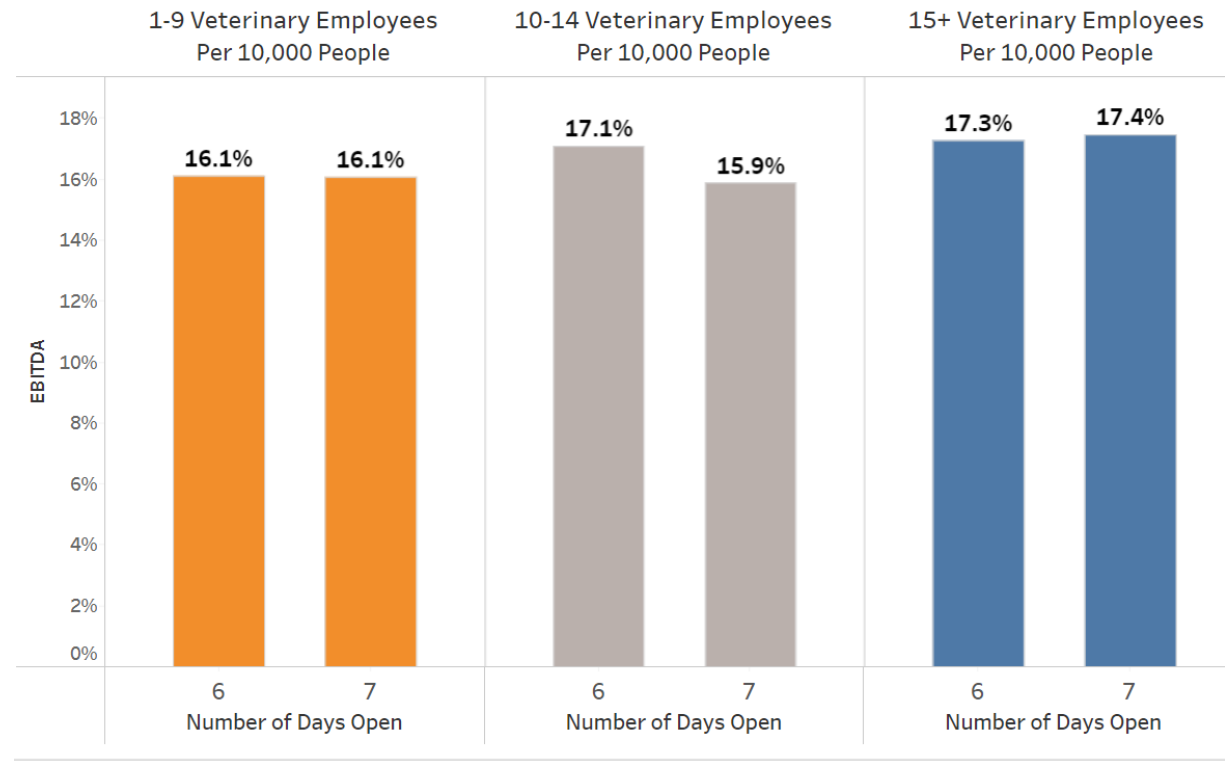
DATALink v. Demographics

Practices in Younger Areas Have Experienced Lower Direct Costs



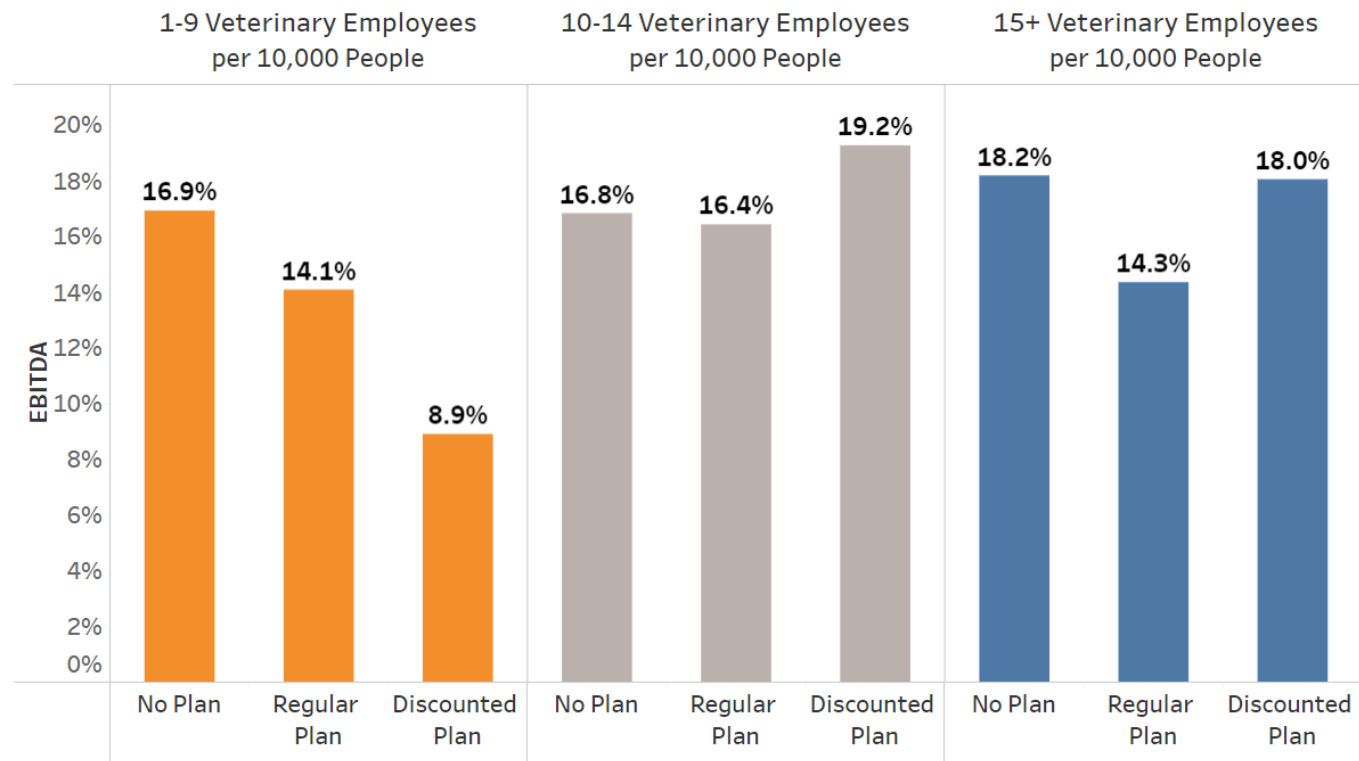
DATALink v. Demographics

Effects of Being Open 7 Days per Week Vary with Vet Density

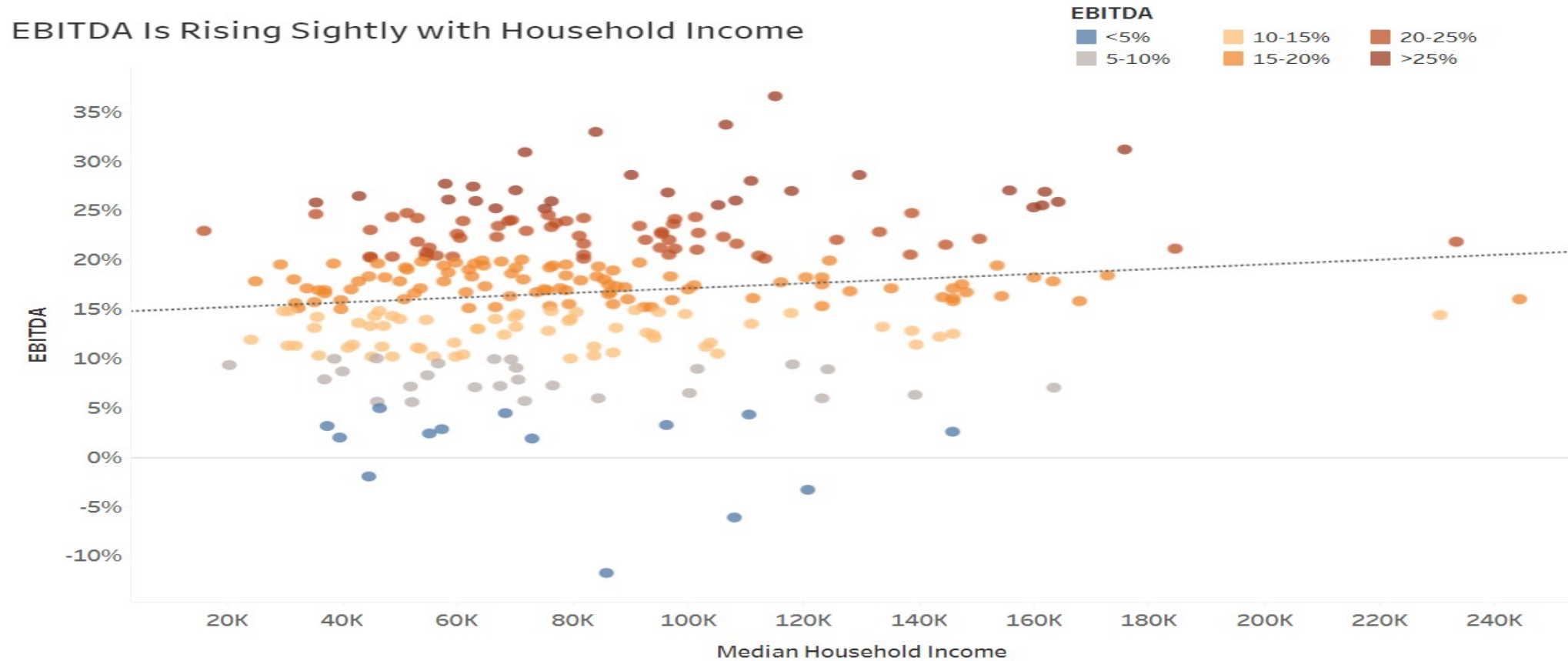


DATALink v. Demographics

Effects of Payment Plans Vary with Vet Density



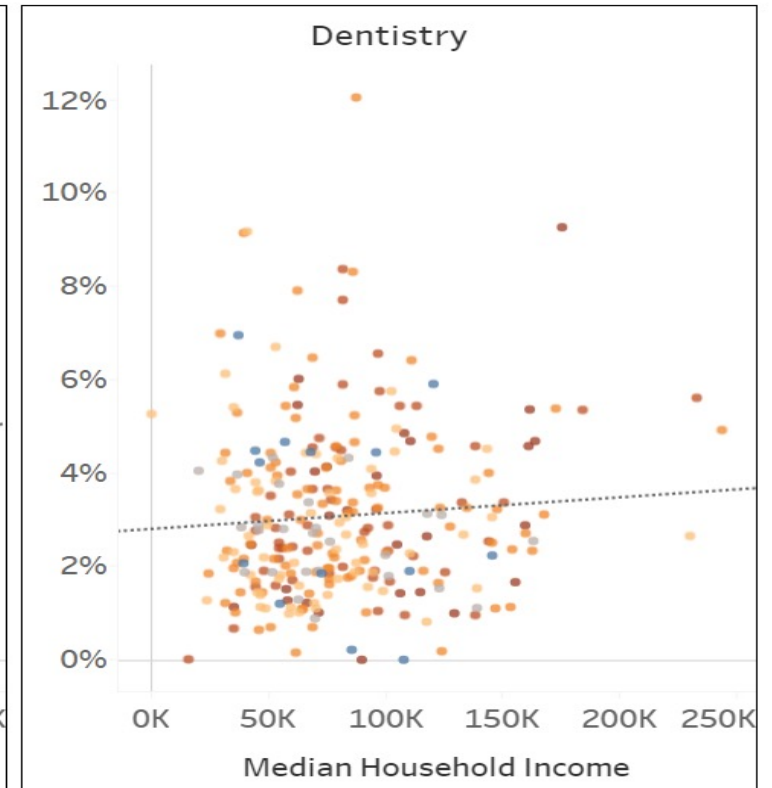
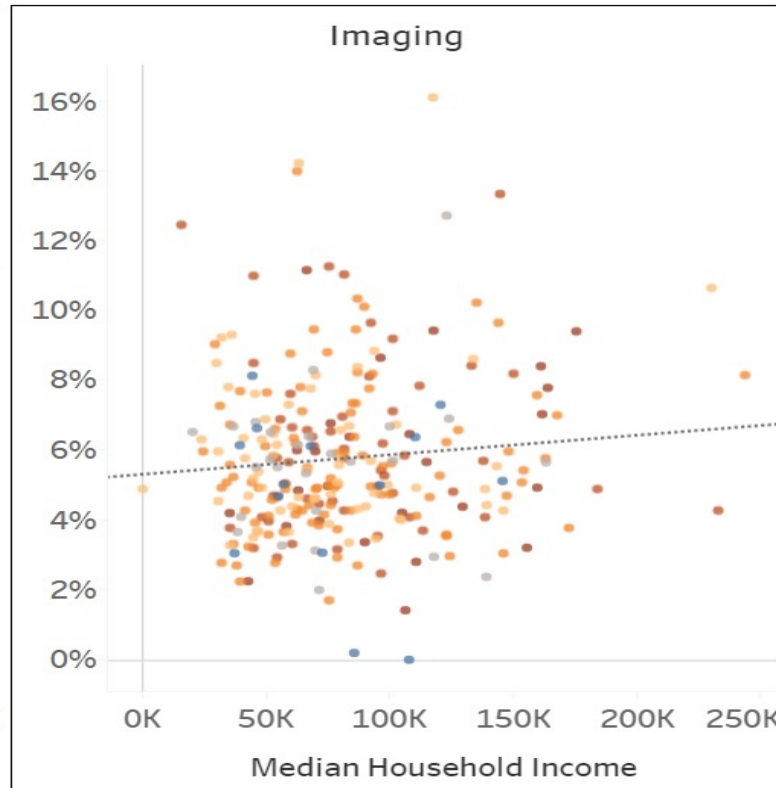
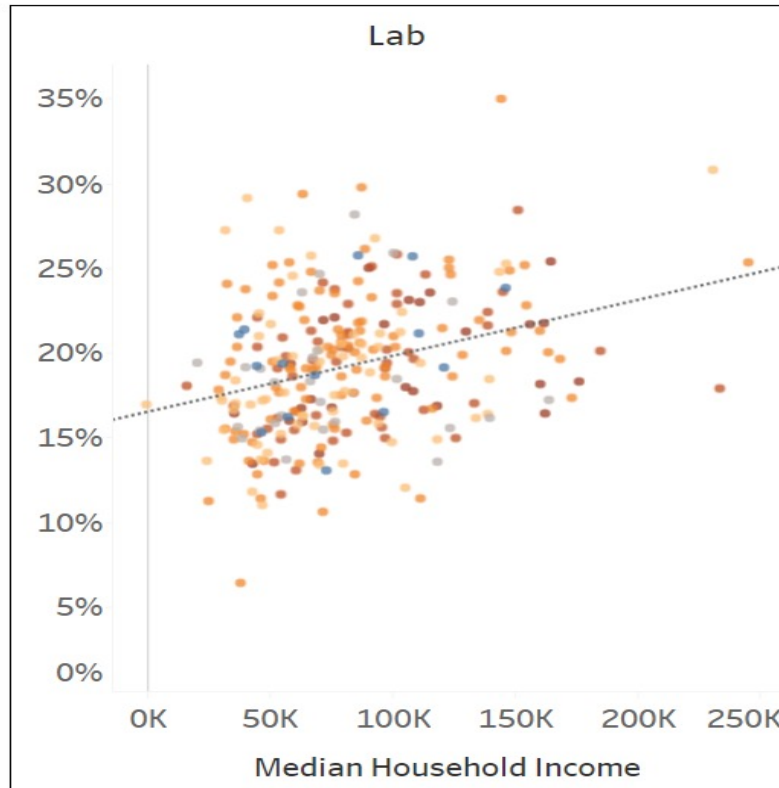
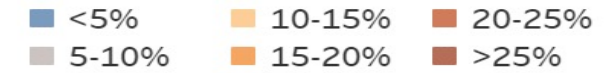
DATALink v. Demographics



DATALink v. Demographics

Effects of Household Income on Revenue Distribution
Category Revenue as a % of Total Revenue

EBITDA

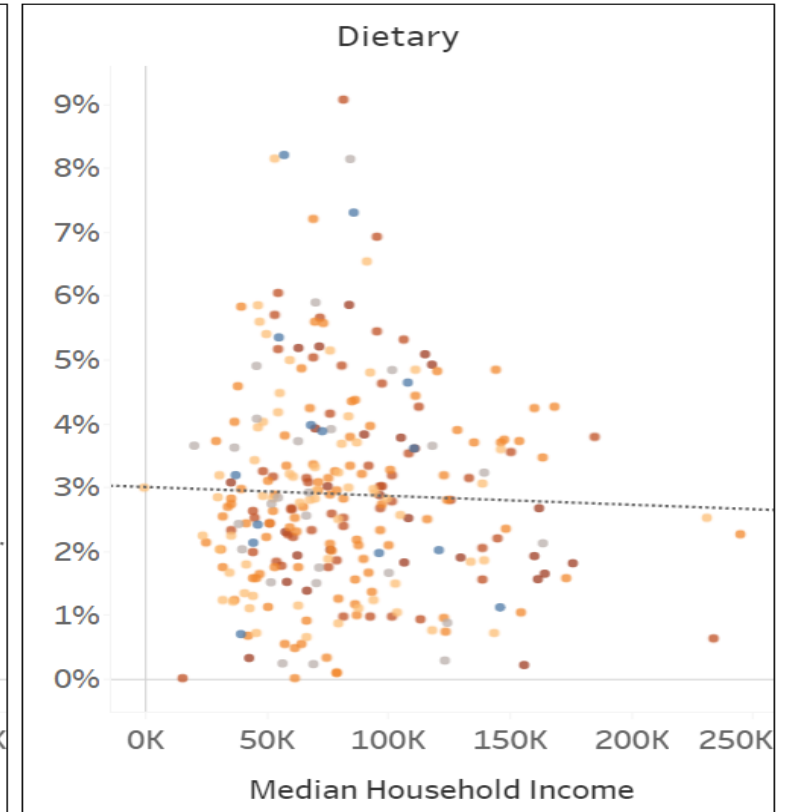
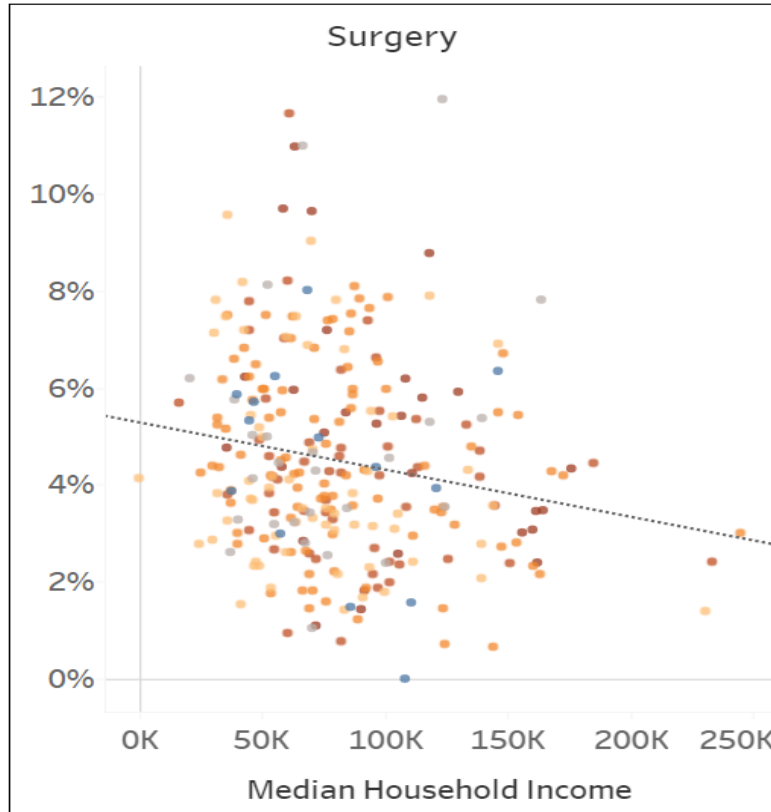
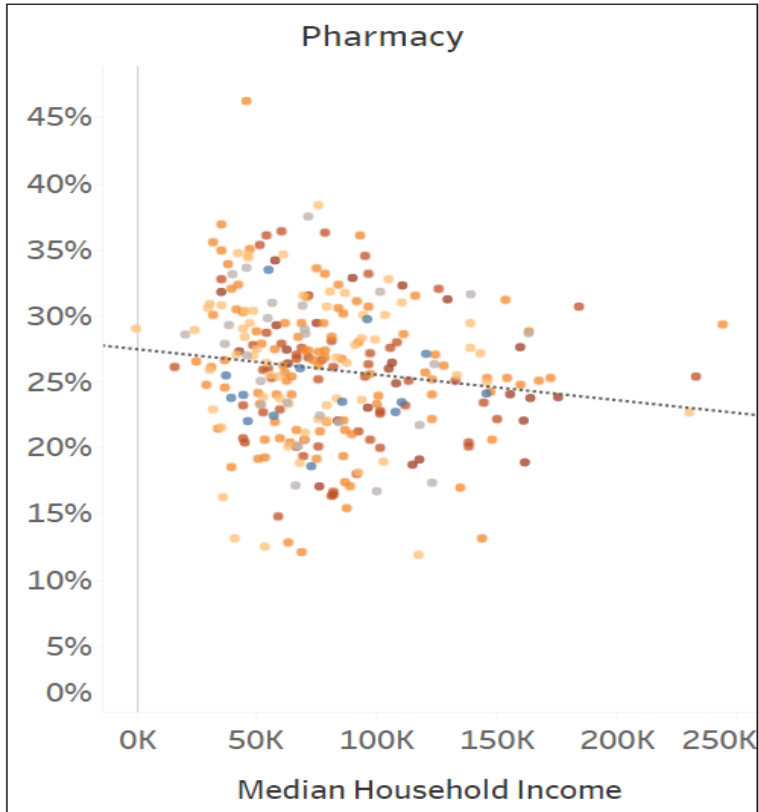


DATALink v. Demographics

Effects of Household Income on Revenue Distribution
Category Revenue as a % of Total Revenue

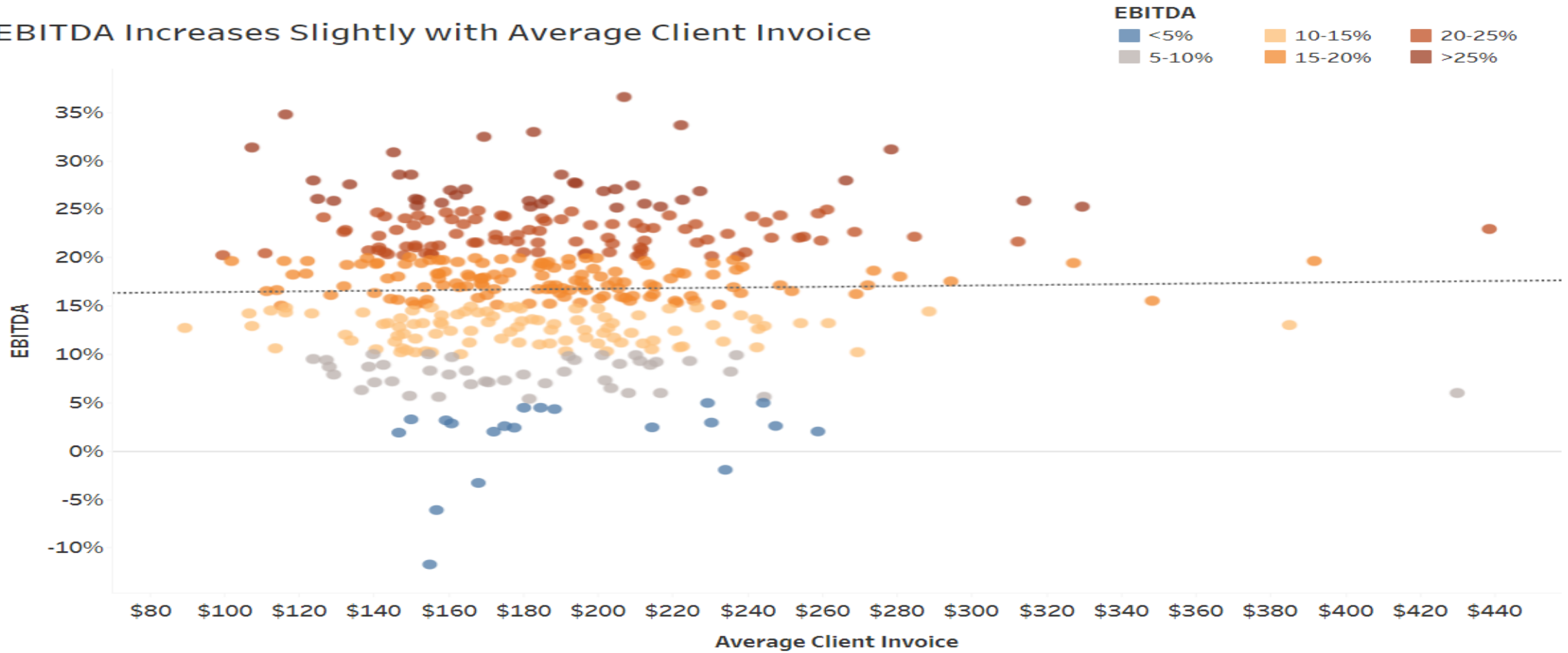
EBITDA

<5% 10-15% 20-25%
5-10% 15-20% >25%



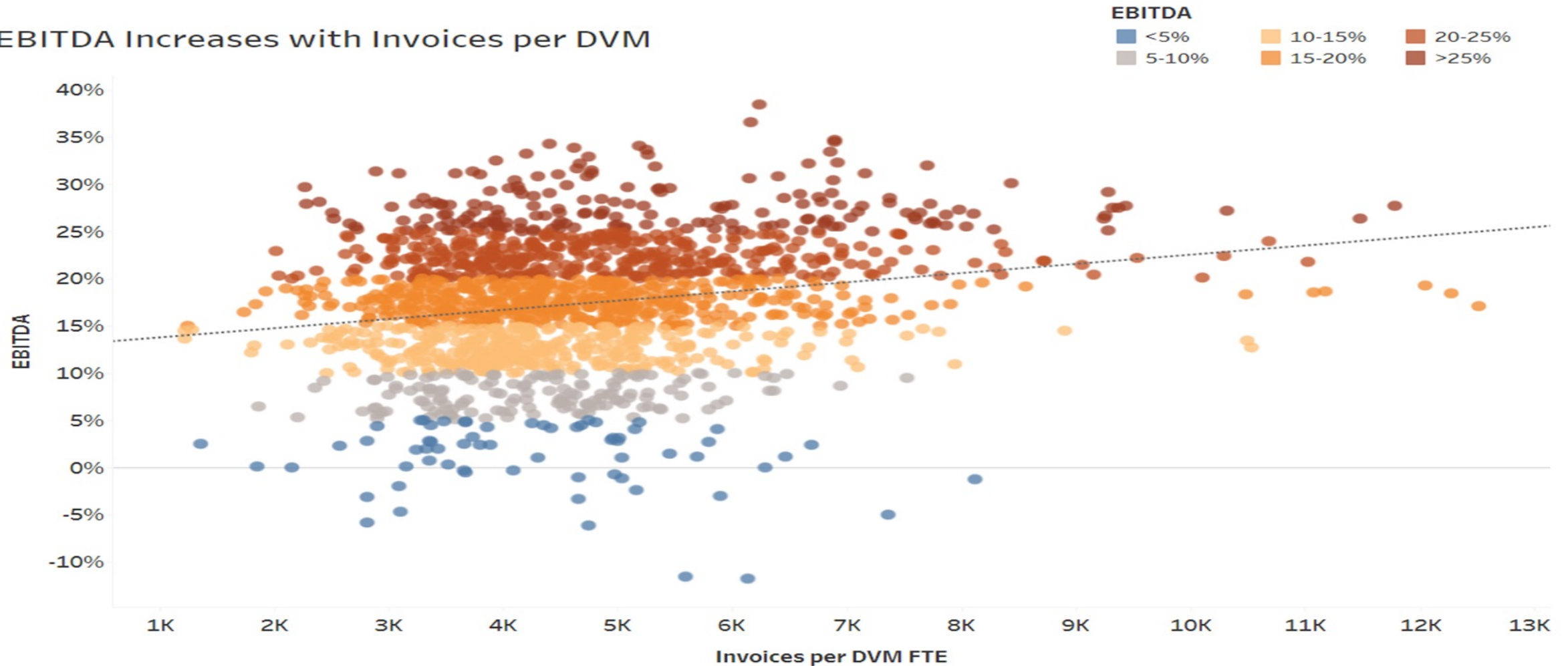
DATALink v. Demographics

EBITDA Increases Slightly with Average Client Invoice



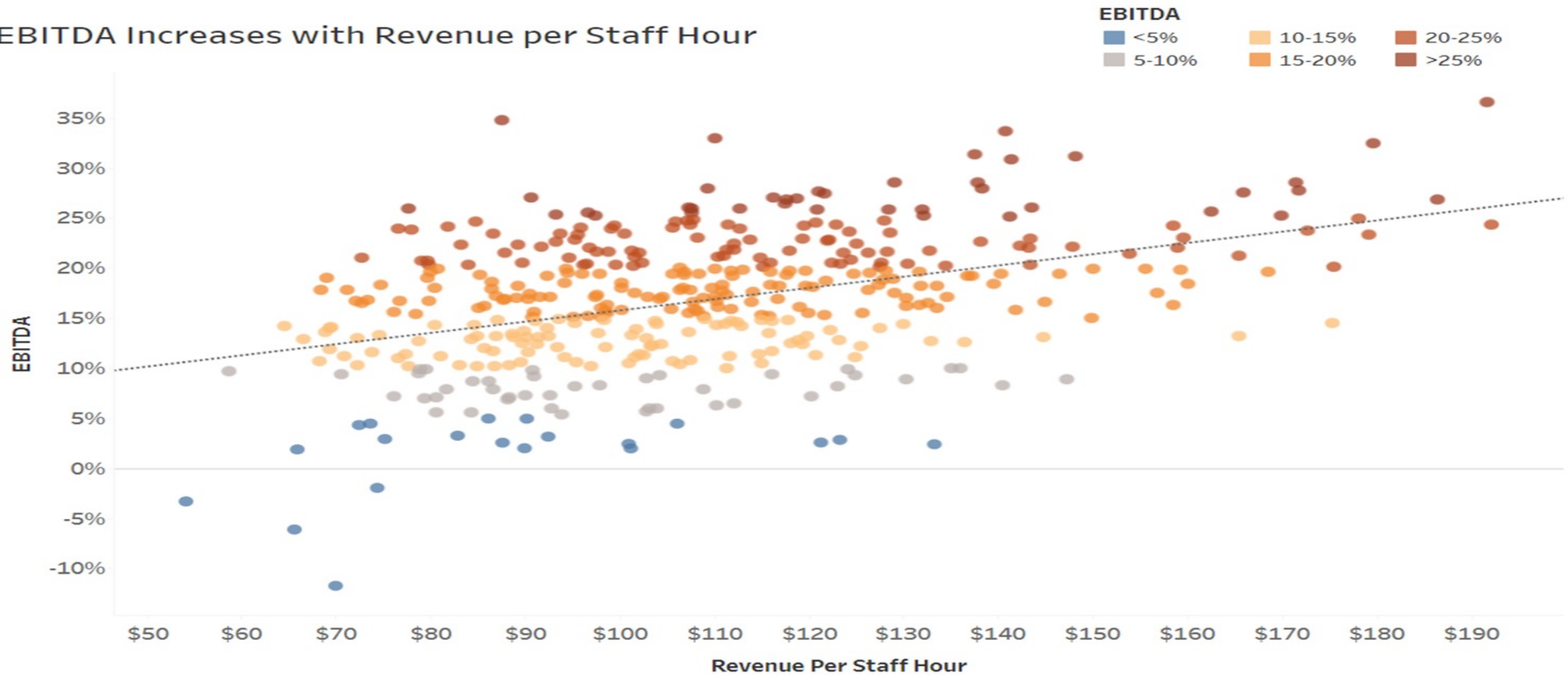
DATALink v. Demographics

EBITDA Increases with Invoices per DVM



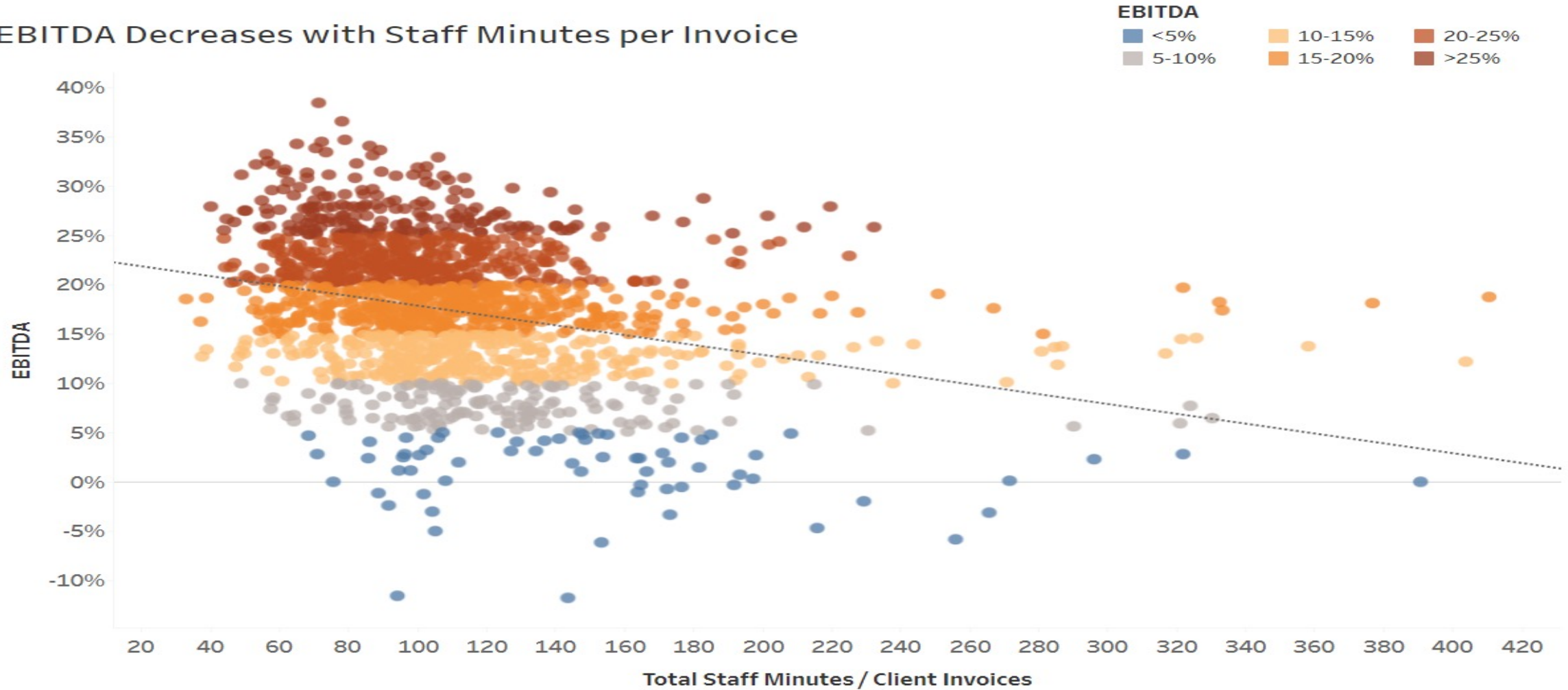
DATALink v. Demographics

EBITDA Increases with Revenue per Staff Hour



DATALink v. Demographics

EBITDA Decreases with Staff Minutes per Invoice



Whitepaper Released December 2021



Operational Efficiency Study

A study of the how VMG member practices in the top 20% of operational efficiency provide and maintain quality care and service amid labor shortage challenges.



A Guide to Best Practices

Text KSMVet to 66866



Presenter



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