SALT CREEK
ADVISORY

WHAT WE ARE WATCHING

Pet care services.

A roll-up thesis built on the box, the team, and the trust.

Daycare, boarding, grooming, training, and the facility economics behind the model.

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2026

THE BOX

THE TEAM

THE TRUST

Where services, real estate, and local execution meet.

Demand is real. A good roll-up still has to earn the margin.

$158B
U.S. pet spending in 2025

95M pet-owning households

$1.87B U.S. pet daycare market, 2025

8.78% forecast CAGR, 2025 to 2030

The $158B and 95M figures cover the full U.S. pet economy, not pet services alone.

01 The consumer base is broad

Pet ownership supports the category, but APPA also reported more value-seeking behavior and 22% of owners spending less in 2025.

02 Services still have room to grow

Daycare offers recurring behavior. Boarding brings peak yield. Grooming adds frequency. Each lane carries different labor and capacity constraints.

03 The M&A headline needs a footnote

Capstone counted 18 broad pet-sector deals YTD 2026 versus 8 a year earlier. Only three of the 18 were services transactions.

The category is attractive. That does not make every location scalable.

Sources: APPA (Mar. 2026); Grand View Research; Capstone Partners (Apr. 2026). Deal count covers the broad pet sector.

Every pet-care concept is a service engine inside a specialized box.

01 / DEMAND ENGINE

Recurring daycare and memberships

Boarding adds peak and seasonal yield. Grooming creates repeat visits. Training and retail can lift ticket, but are less predictable.

02 / CARE ENGINE

Labor, safety, scheduling, trust

Playgroup design, overnight coverage, groomer productivity, incident controls, and manager depth determine whether revenue converts to cash.

03 / FACILITY ENGINE

Usable capacity, rent, and reinvestment

Floor plan, rooms, yards, zoning, HVAC, drainage, parking, maintenance, and deferred capex set the physical ceiling on throughput.

SITE-LEVEL MATH

Occupied pet-days × yield

+ grooming, training, and retail

LESS

Direct labor
Occupancy cost
Maintenance + recurring capex

EQUALS SITE-LEVEL CASH FLOW

A real-estate signal from Dogtopia

The company says its 3.0 store design increased revenue-generating space by more than 10% while reducing build-out costs. Better boxes can improve the operating model before pricing changes.

Sources: Dogtopia (Jan. 2026); Pet Boarding & Daycare (May 2021). Labor guidance varies by service mix and facility.

The property is not always the investment. The site can still make or break it.

Pet care is a location-dependent service business. Buyers need control of the site, enough usable capacity, and a path to reinvest without breaking site-level economics.

LEASED SITE

Control matters more than ownership.

- Term + renewals
- Assignment consent
- Market rent + coverage
- Build-out ownership
- Deferred maintenance

OWNED REAL ESTATE

The business and property are two decisions.

- Sell, lease, or retain
- Normalize market rent
- Value property separately
- Review title, use, capex
- Match lease to hold period

DOGTOPIA PUBLISHES THE BOX

Company-specific site criteria, not a category benchmark

4,000–7,000
square feet

$120K–$165K
gross annual rent

50,000
people within 15 minutes

Commercial
zoning for daycare + boarding

SITE DILIGENCE THAT CAN CHANGE PROCEEDS

Zoning + permits	HVAC + utilities	Drainage + waste	Noise + neighbors	Yards + parking	Deferred capex

PRHG says it can either buy an owner's real estate or lease it. That flexibility is buyer-specific, not universal.

Sources: Dogtopia real estate criteria; PRHG FAQs; King County permitting guidance; Salt Creek analysis.

Three scaling playbooks are chasing the same local operators.

PLAYBOOK	NAMED GROUPS	WHAT HAS TO SCALE	REAL ESTATE READ
01 / MULTI-BRAND OWNER **Acquire and operate**	**PRHG | Village Pet Care | WagWay** PRHG reported 40 resorts in 2026. Village launched with 17 locations. WagWay combines PUPS Pet Club and Pawville.	Local reputation, manager depth, pricing, scheduling, procurement, safety systems, and site-level reporting.	Existing boxes, site-by-site capex, and lease or owned-property choices.
02 / SELECTIVE NETWORK **Rebrand where it helps**	**Digs Dog Care** Frontenac-backed Digs reported 17 acquired resorts, split between Digs-branded locations and partner facilities.	A consistent customer promise without erasing the local equity that made the acquisition attractive.	Facility fit determines whether a site can carry the common brand and operating standard.
03 / FRANCHISE + DEVELOPMENT **Scale the system**	**Dogtopia | Camp Bow Wow | K9 Resorts | Scenthound** Dogtopia lists 275+ locations and expected to cross 300 in 2026. Other systems scale through franchise development and strategic capital.	Site selection, build-out, franchisee execution, unit economics, brand standards, and support infrastructure.	The box is part of the product. Development cost and rent can determine franchisee returns.

Sources: Company announcements and websites through July 2026. Counts and site definitions are company-reported and not comparable.

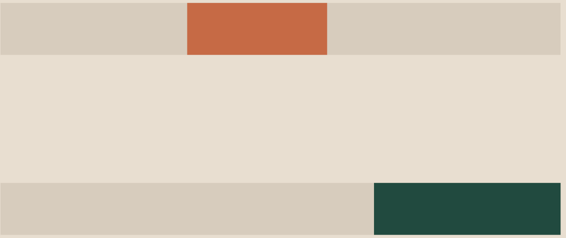
Separate the business, the box, and the check.

The multiple depends on which earnings stream transfers. Owned real estate can create a second check, but the operating business still needs a market rent charge.

INDICATIVE PRACTITIONER RANGES

Owner-operated
SDE
2.0x to 3.5x

Manager-run
EBITDA
4.0x to 6.0x



Published institutional transaction terms are usually undisclosed. These ranges are context, not a pricing opinion.

HOW THE CHECK GETS BUILT

01 **Business value** Normalized SDE or EBITDA, transferability, and buyer-specific multiple.

02 **Real estate treatment** Sold, leased, or retained. Market rent changes normalized earnings.

03 **Net proceeds** Debt, capex adjustments, working capital, and transaction structure affect the check.

REPORTED SMALL-BUSINESS SALES

2.52x median sold SDE multiple, 2021 to 2025

3.18x average sold SDE multiple, 2021 to 2025

4.40x 2025 average, a volatile one-year result

Value the property separately. Normalize the business for market rent.

Multiple follows transferability. Proceeds follow the business, real estate, capex, and deal structure.

Sources: BizBuySell sold-business data, 2021 to 2025; BridgeBook; PRHG FAQs. As of July 14, 2026. Ranges are indicative.

The deal tape proves appetite. It does not prove integration.

2026

PRHG adds New Hope + Dog Eaze

Two founder-led acquisitions in Arkansas and Virginia brought the reported portfolio to 40 resorts.

2026

PRHG adds Houston Dog Ranch

A 4-plus-acre campus added a differentiated luxury facility; PRHG reported 37 locations at announcement.

AUG 2025

Digs reports 17 acquired resorts

The network mixes rebranded Digs sites with partner facilities that continue under local names.

2026

PRHG adds Top Notch Kennels

Two California sites added climate-controlled suites, outdoor yards, grooming, and training.

JAN 2026

Dogtopia improves the box

The company expected to cross 300 stores and said its 3.0 design created over 10% more revenue-generating space.

OCT 2025

VMG invests in Scenthound

Growth capital backed a membership-led wellness and grooming franchise with a large development plan.

Integration is harder than sourcing. Local trust, safety, staffing, systems, and site economics all have to survive close.

Sources: Company announcements, Aug. 2025 through 2026. PRHG pages do not consistently display exact publication dates.

This category can consolidate. It is not plug-and-play.

The constraint is not finding locations. It is making care quality, labor, and facility economics repeatable without breaking the local trust that made the acquisition attractive.

FOR OWNERS	**Prepare the business and property together**	Reconcile site P&Ls, labor, incidents, manager depth, lease terms, capex, and the property option.
FOR PE + PLATFORMS	**Prove the post-close playbook site by site**	Pricing helps. Safety, staffing, facility fit, local trust, and managers determine durability.
FOR ADVISORS	**Match the buyer to the operating model**	Multi-brand, rebrand, and franchise buyers can value the same site differently.

COMPARE NOTES WITH US

If you own, invest in, or advise a pet care business, we would be glad to compare what you are seeing.

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The roll-up thesis is real. The operating work is the thesis.

Salt Creek analysis. Public-source research through July 14, 2026.