



# Deals and Dollars

Transactions & Financing in Animal Health  
TriPaw Health



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# I. Opening: The TriPaw Lens

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# TriPaw Overview/Refresher

- Integrated Platform
  - Product/Service Offerings
    - Nutrition
    - Therapeutics
    - Veterinary Services
    - Devices
  - Marketing/Sales Channels:
    - Retail
    - Clinics
    - Direct-to-Consumer

# Decision Framework: Partner vs. Finance vs. M&A

## Partner (collaborate):

- High Uncertainty
- New Capabilities
- Early-stage Innovation
- Critical to Manage IP

## Finance (build):

- Core Capabilities/Offerings
  - Protectable IP
  - Scalable or Meaningful Market
- Control

## M&A (buy):

- Proven Assets
- Speed to Scale
- Consolidation

# Product/Service Offerings – Strategic Profiles

- **Nutrition**
  - Characteristics
    - Brand-driven
    - Scalable
    - Lower R&D
  - Action (Finance or M&A): Build or acquire brands and accretive product offerings
- **Therapeutics**
  - Characteristics
    - High R&D
    - High risk
    - High reward
  - Action (Partner or Finance): Invent new therapeutics
- **Veterinary Services**
  - Characteristics
    - Fragmented
    - Recurrent cash flow
  - Action (Finance or M&A): Acquire through M&A using Free Cash Flow or Financing
- **Devices:**
  - Characteristics
    - R&D, but less than therapeutics
    - Risk, but less than therapeutics
    - Reward, but less than therapeutics
  - Action (Partner or Finance): Invent new devices



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## **II. Corporate Partnering & Licensing**

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# Partner Deal Drivers

- **Every Partnering Deal Allocates Risk**
  - Development
  - Regulatory
  - Commercial (Marketing/Sales)
- **Core Deal Levers**
  - **Control**
    - Who makes key decisions (development, pricing, strategy)?
  - **Economics**
    - How is value shared (upfront, milestones, royalties)?
  - **Intellectual Property**
    - Who owns or licenses the IP?
  - **Future Upside**
    - Who benefits if the asset succeeds (new indications, expansion, exit)?

# Core Deal Levers

## Control

- **Who Decides?**
  - Clinical development strategy
  - Regulatory filings and labeling
  - Pricing and commercialization
- **Tools:**
  - Joint committees
  - Veto / reserved rights
  - Lead party designation
  - Regular communications

## Economics

- **Who Pays?**
  - Upfront payments
  - Milestones
    - Development & regulatory milestones
    - Commercial milestones
- **Gets Paid?**
  - Milestone Bonuses
  - Royalties on sales
- **Key Tradeoff:**
  - Pay more now vs. share more later
  - Risk more now, higher return later

# Core Deal Levers

## Intellectual Property

- **General Principles**
  - Own vs. License
  - IP Sources
    - Background IP – pre-existing assets
    - Foreground IP – developed in partnership
  - IP Types
    - Core asset
    - Related Data, Results
- **Tools:**
  - Own vs. License
  - Key Fields for Consideration:
    - Formulations
    - Geography
    - Indications/Fields of Use
    - Species
    - Market Segment

## Future Upside

- **Who Benefits If It Works?**
- **Tools:**
  - Options/ROFN/ROFO to Own or License:
    - Formulations
    - Geography
    - Indications/Fields of Use
    - Species
    - Market Segment
  - Acquisition
    - Acquire Partner
    - Acquire Partner Rights/Assets
  - Revenue sharing of core project vs. non-core

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## **III: Financing Strategy**

**Core Question: How should TriPaw fund growth across business lines?**

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# Financing Options by Strategy Type

## Venture / Growth Equity / Grants

- Best for: Therapeutics, Devices, early-stage platforms
  - Use when:
    - High R&D intensity
    - Long time to commercialization
- Tradeoff: dilution vs. ability to scale innovation

## Private Equity (Control / Roll-Up Capital)

- Best for: Vet Services, Nutrition brands
  - Use when:
    - Predictable cash flows
    - Fragmented markets (buy-and-build)
- Tradeoff: leverage + exit pressure vs. rapid scale

## Strategic Capital (Corporate / Partner Investment)

- Best for: Therapeutics + Devices
  - Use when:
    - Need validation + commercial partner
    - Capability gaps (regulatory, distribution)
- Tradeoff: shared economics + control vs. de-risking

## Debt Financing

- Best for: Vet Services, scaled Nutrition
  - Use when:
    - Stable EBITDA
    - Asset-backed or recurring revenue
- Tradeoff: fixed obligations vs. non-dilutive capital

# Key Decision Points

## Stage of the Asset

- Pre-revenue → equity-heavy
- Post-revenue → introduce leverage

## Control vs. Capital

- Maintain control → equity (VC/growth)
- Maximize scale → PE / strategic

## Risk Allocation

- High technical/regulatory risk → share via partners
- Operational risk → retain, finance with debt/PE

## Speed to Scale

- Organic build → venture/growth
- Accelerated scale → PE + M&A

# Capital Structuring Levers

- **Blended Capital Stacks**
  - Equity + debt + strategic capital
- **Tranched Investments**
  - Milestone-based funding (esp. therapeutics)
- **Minority vs Control Deals**
  - Governance vs. flexibility tradeoff
- **Use of Proceeds Discipline**
  - R&D vs acquisitions vs. commercialization

**No single financing strategy fits all segments — capital strategy should mirror risk, cash flow profile, and time-to-value of each business line.**

- Therapeutics & devices → **finance uncertainty**
- Veterinary services & nutrition → **finance scale** (maybe)



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## **IV: M&A Strategy**

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# Strategic Role of M&A Across Business Lines

## Accelerate Scale

- Rapid entry into new markets or segments
- Consolidate fragmented industries (vet services)

## Acquire Capabilities

- Clinical / regulatory expertise (therapeutics)
- Technology platforms (devices)

## Expand Portfolio

- Add brands, SKUs, or service offerings
- Cross-sell across channels

## De-risk Innovation

- Acquire validated assets vs. build internally

# Key Deal Structuring Considerations

## Valuation & Risk Sharing

- Upfront vs. earnouts (bridge valuation gaps)
- Contingent payments tied to milestones

## Integration Strategy

- Full integration vs. platform model
- Preserve brand autonomy (nutrition) vs. standardize ops (clinics)

## Retention & Incentives

- Founder rollover equity
- Management incentives post-close

## Regulatory & Diligence Focus

- Therapeutics: clinical data, IP, regulatory pathway
- Clinics: reimbursement, compliance, staffing
- Devices: product liability, approvals

# Platform Strategy vs. Asset Acquisition

## Platform Build (PE-style)

- Anchor acquisition + bolt-ons
- Centralized ops, procurement, branding

## Asset Acquisition (Strategic, including PE add-on)

- Targeted capability or product
- Integrated into existing business

# Key Decision Points

## Timing

- Early (higher risk, lower price)
- Late (lower risk, higher price)

## Control

- Majority vs minority stakes
- Governance and integration rights

## Synergies

- Revenue (cross-sell, channels)
- Cost (procurement, SG&A leverage)

## Exit Strategy

- Build-to-sell platform
- Long-term strategic hold

# Upcoming Webinars in the Series

- **May 20, 2026:** Do Animal Health Companies Need to Learn How to Speak to Animals? The Rise of Failure-to-Warn Claims
  - *Speakers: [Kathleen Hardway](#) (Product Liability & Mass Torts – Baltimore) and [Jason Rose](#) (Product Liability & Mass Torts – Baltimore)*



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