

ASX Announcement NVL

29 July 2019

National Veterinary Care announces acquisition

National Veterinary Care Ltd (ASX: NVL) (NVL) is pleased to announce it has entered into a binding agreement to acquire a veterinary procurement business/GPO.

The acquisition is conditional on due diligence, board approval and lease assignment, with the business expected to settle by 30 September 2019.

This acquisition expands NVL's capacity, together with its existing management services business United Vets Group, to service a larger share of the more than \$3.0 billion veterinary industry. This acquisition has operated in the Australian veterinary industry for the last 5 years and currently works with approximately 80 veterinary clinics across Australia. It will build on NVL's management services offering to independent clinics, particularly its procurement and industry training offerings. NVL's managed services numbers will increase by approximately 18% to approximately 500 following this acquisition.

The business is expected to deliver aggregate annual revenue of approximately \$2.4 million and an aggregate annual EBIT of approximately \$0.9 million.

Total consideration for the acquisition is \$5.0 million, including a deferred component of \$0.5 million subject to earnout conditions. The upfront component of the consideration is expected to be primarily debt funded.

Managing Director Tomas Steenackers said, "This is a really exciting acquisition for our business which will significantly boost our managed services business. This new acquisition will further expand our ability to support and help develop independent veterinary clinics across Australia and New Zealand. The addition of this new business is expected to drive improved procurement opportunities for both NVL's managed services business and members, as well as NVL's owned clinics. This business aligns with our growth strategy and we will leverage the existing resources and processes of our existing United Vets Group business for the operation of this acquisition. Following this acquisition, NVL estimates it will represent approximately 24% of the Australian and New Zealand small animal market, through its owned clinics and independent managed services members."

Mr Steenackers added, "I am also proud to announce that this acquisition marks the 100th integrated veterinary services business that NVL has acquired since its inception in 2015. This is an extremely rewarding milestone to reach for our Board, management team and all staff of NVL. It is a testament to the commitment and hard work of our teams and I

congratulate and thank all of our teams and business partners who have contributed to the success of NVL in achieving this goal.”

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About NVL:

NVL aims to be a leading provider of veterinary services in Australia and New Zealand. NVL strives to achieve excellence in clinical care for pets, and to build a platform for loyal, long term relationships with their owners.

The key growth strategies for NVL are expanding the NVL network of clinics through acquisition, and driving organic growth at a clinic level.

For further information please contact:

Tomas Steenackers
CEO/Managing Director
National Veterinary Care Ltd
07 3063 0906

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