Full Year Results
Year Ending June 2017

National Veterinary Care Ltd. | nvcltd.com.au

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Future Statements

Except for historical information, there may be matters in this presentation that are forward-looking statements. Such statements are based on management figures and are estimates only. Forward-looking statements, which are based on assumptions and estimates and describe the Company's future plans, strategies, and expectations are generally identifiable by the use of the words 'anticipate', 'will', 'believe', 'estimate', 'plan', 'expect', 'intend', 'seek', or similar expressions. Investors should not place undue reliance on forward-looking statements. By its nature, forward-looking information involves numerous assumptions, inherent risks and uncertainties both general and specific. There can be no guarantee that such estimates, forecasts, projections and other forward-looking statements will eventuate. Those risks and uncertainties include factors and risks specific to the Company and the industry in which the Company operates, as well as general economic conditions and prevailing exchange rates and interest rates. Each of the risks, if it eventuates, may have a material adverse impact on the Company's operating performance and profits, and the market price of its Shares. Actual performance or events may be materially different from those expressed or implied in those statements.

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FY2017 Performance Highlights

	FY2017	FY2016	Growth
Revenue	$66.9m	$44.3m	↑ +51.0%
Underlying EBITDA[1]	$12.1m	$7.7m	↑ +57.0%
Underlying EBITDA margin	18.1%	17.4%	↑ +70bps
Underlying NPAT	$5.91m	$3.86m	↑ +52.8%
EPS (basic)	8.46cps	2.51cps	↑ +5.95cps

- **Business expansion with 14 veterinary services businesses acquired across AUS & NZ**
- **General practices organic revenue growth 4.2% (FY16: nil%) [2]**
- **Initial portfolio organic revenue growth 1.4% (FY16: nil%) [3]**

[1] EBITDA – Earnings before interest, tax depreciation and amortisation. Includes non-controlling interest. Excluding acquisition, integration and other one-off expense. Refer to page 21 for further details.
[2] Like for like sales growth reflects General Practice clinics' performance, excluding strategic divestment, held for 10 months (1 September 2016 to 30 June 2017 vs 1 September 2015 to 30 June 2016).
[3] Like for like sales growth reflects initial portfolio performance, excluding strategic divestment, held for 10 months (1 September 2016 to 30 June 2017 vs 1 September 2015 to 30 June 2016).


Business Overview
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Operational Highlights

56 Owned Clinics	**+36%**	• Established NZ presence during FY2017 – 10 clinics by 30 June 2017 • 14 acquisitions settled from 1 July 2016 to 30 June 2017 • Pipeline of 7 acquisitions announced on 14 July 2017 – 3 have settled with the balance expected to settle by 30 September 2017 • Strategic divestment of 2 emergency clinics on 16 August 2017 • Disposal of one underperforming veterinary clinic
337 Clinics	**+23%**	• 337 independent clinics utilising our Management Services and Procurement Division
11,710 Wellness Program Members	**+143%**	• Wellness Program now implemented in 43 clinics with a total of 11,710 members. 143% growth since 1st July 2016 • Current NPS Score of 74.20 with over 13,081 completed surveys since July 2016
600 Professionals Trained	**+160%**	• Training Centre now offers 40 workshops per annum • Training 600 veterinary professionals up 160% from 2016

National Veterinary Care

NVC Clinics

Centre of Excellence
(Training Academy)

Management Services & Procurement Group

Business Overview

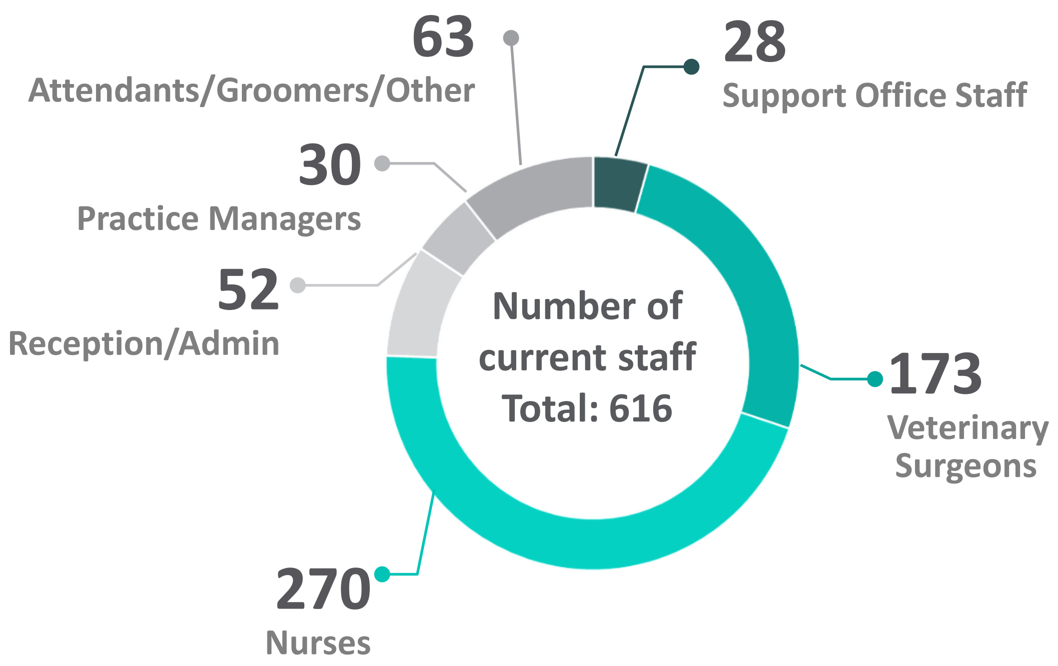
- NVL is a provider of veterinary services to companion animals in Australia and New Zealand

56 owned businesses:

- 53 general practice clinics
- 3 business-to-business operations

337 independent clinics utilising our Management Services and Procurement Division

- Group proudly employees 173 Veterinary Surgeons
- Number of current staff is 616



Our Business Facts

NVC has continued to shape pet healthcare in Australia and New Zealand over the last 12 months

- **14** new clinics welcomed to the NVC Community
- Over **145,000** primary consultations & vaccinations
- Over **150,000** active clients
- Over **7,000** pets received a dental procedure
- Over **400,000** unique website visits
- Two industry leading conferences for over **278** Veterinary Professionals
- **40** practical training workshops offered via our Centre of Excellence
- **74%** of clients surveyed scored us a **9 or 10**

Our Competitive Advantage

1. Local Area Branding

Our clinics retain their local area brand, continuing to leverage their established brand equity

2. Training

Our veterinary professionals & other industry participants have access to our Centre of Excellence – Training Academy

3. Scale Operations

Leverage group buying power and group marketing benefits including campaigns, programs and supplier partnerships

4. Patient Satisfaction

Net Promoter Score continues to be above 75, with strong client retention

5. Clinical Autonomy

Vet Advisory Committee establishes standards for our clinics to guide their clinical decision making

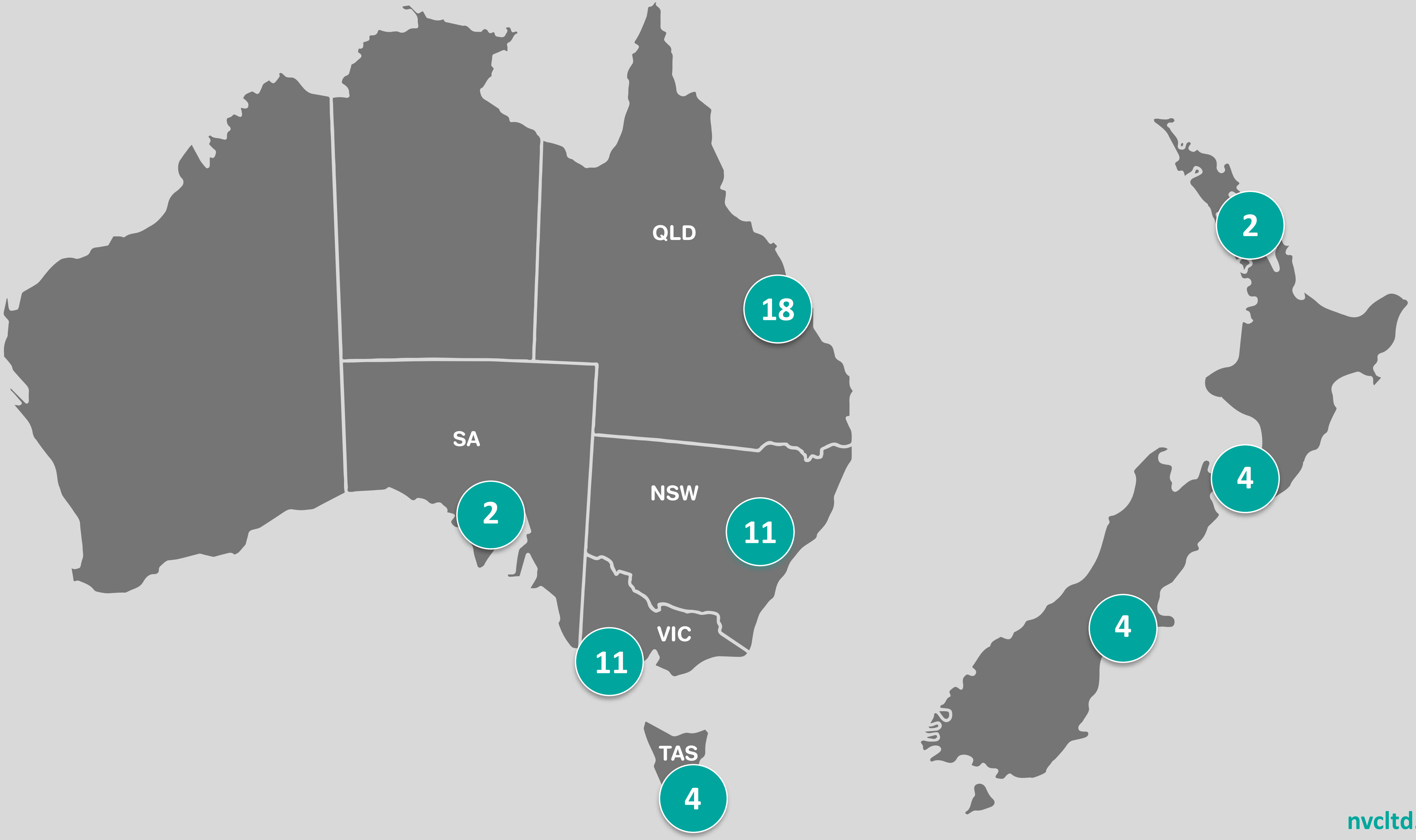
6. Industry Partnerships

Working with the wider veterinary community for the future success of the industry

Foundations for Long Term Growth

Investment in Support Office	**Strategically scaling up the Support Office function with capabilities to support additional clinics to leverage upcoming synergies by:** • Creating a more robust operations team introducing dual level support for clinics with an Area Manager responsible for clinic operations for a smaller cluster of clinics, overseen by strategic State Managers. • This operations function was further strengthened by the introduction of an outbound Contact Centre, a Recruitment Specialist and the addition of IT, Marketing and Finance resources.
Investment in New Systems	**Introduced new systems and improvement to facilitate scalability:** • Introduction of a new HR Onboarding System and a more sophisticated Payroll System. • Reviewed the ERP Finance Function and Accounts Payable System. • Integration of a new CRM system to communicate with our clients more effective. • Investment in HR policies, WHS policies and the introduction of an Intranet Platform.
Investment in our People and Training	**Strategic investment in developing the NVC culture, our people and leadership capabilities:** • Inaugural NVC conference to culturally align our leaders. • Deployment of the Leadership Mastermind Program to develop our leaders. • Continue the development of the training facility (1000 staff trained and 54 workshops).
Investment in Infrastructure and Technology	**Investment in Technology and Infrastructure to facilitate the integration and support strategy:** • Refinement of the PMS centralized database for clinical consistency and practice scalability. • Standardisation of our phone system and computers across the group creating significant efficiencies.

Australia and New Zealand Portfolio




Clinics & Centre of Excellence
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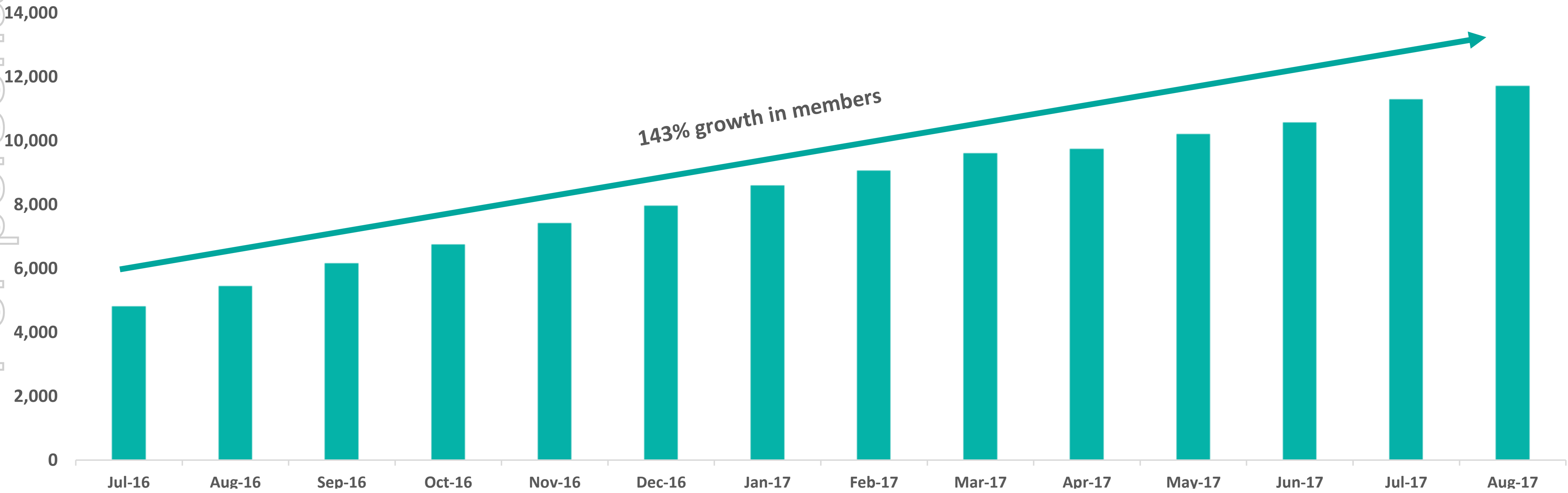
Key drivers of organic growth performance

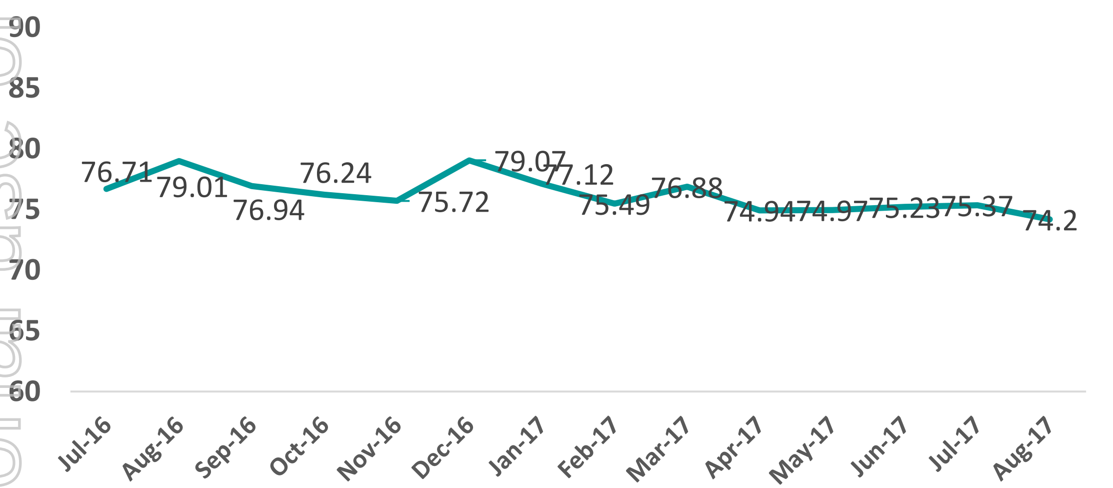
Wellness Program bestforpet

- 43 clinics actively promoting Best for Pet program
- 11,710 members with membership growth of 143% since July 2016.
- Members average spend increases by 94% after joining the program.
- The current membership retention rate is 84%.

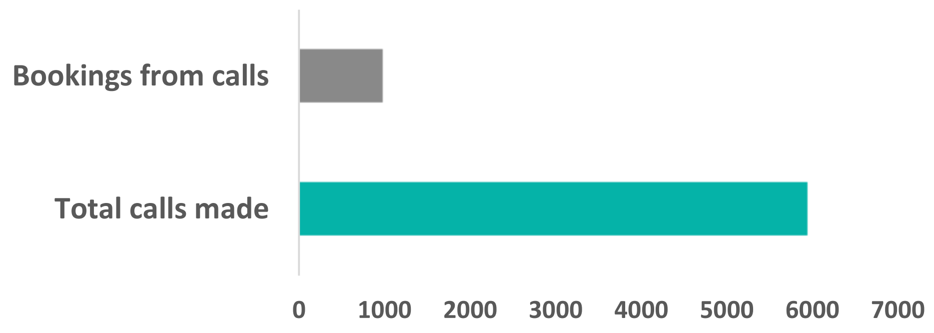


Key drivers of organic growth performance

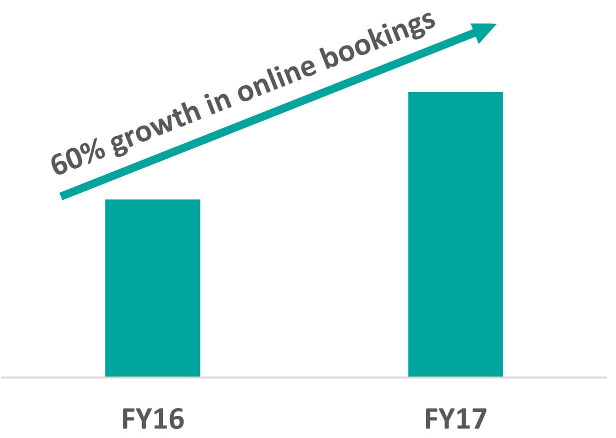
Using NPS to remain client centric - current NPS Score of 75.83.



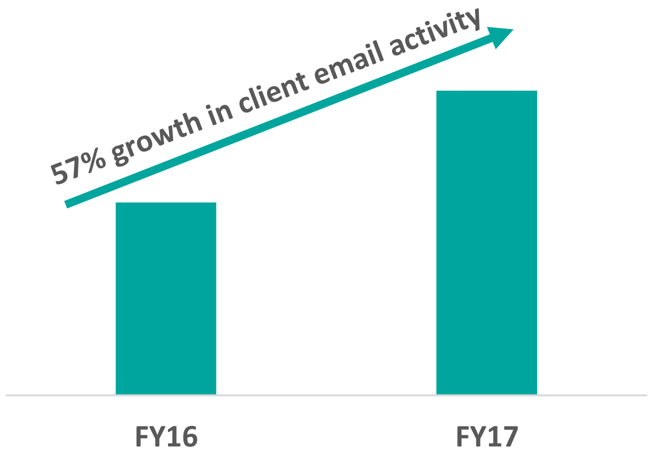
Outbound call activity to drive return client visitation – current conversion rate of over 16%.



The online booking functionality provides clients with an out of hours option to make appointments.



Increased client communication improves client education and engagement

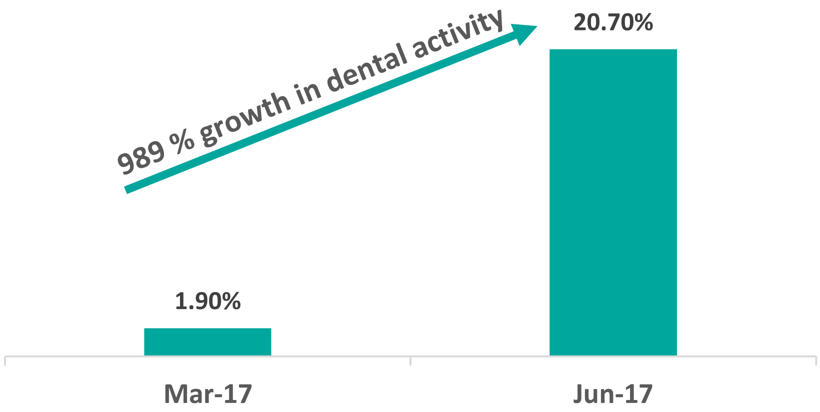


Centre of Excellence - Workshop Topics and Participation (Feb 2017 – Nov 2017)

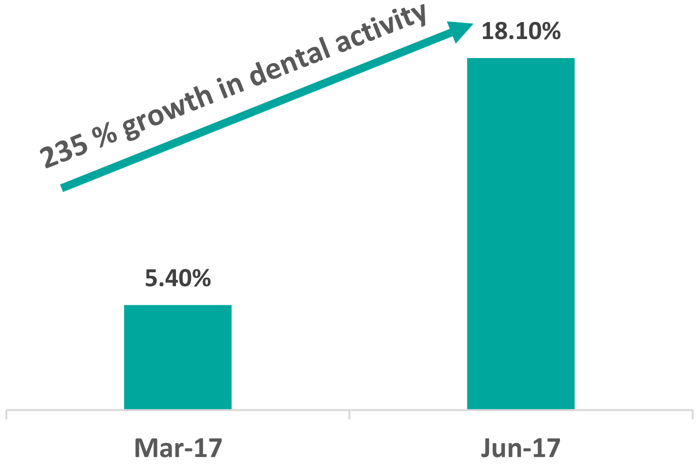
Workshop Topics		No. of Workshops	No. of Participants
Dental	Understand malocclusions, radiology, client compliance and dental extractions in one day	21	354
Pathology	Practical skills in taking and preparing all standard cytology samples including fine needle aspirates	4	120
Behaviour	An ongoing series of seminars on diagnosis and treatment of behavioural issues in small animals	2	60
Imaging	Ultrasonography imaging techniques as well as reading and interpretation	4	76
Surgery	Surgical wound management, abdominal surgery, stifle joint surgery, feline surgery	12	126
Nutrition, Retail & Merchandising	Nurse consultations, merchandising nutrition in clinic effectively, nutrition and the effect on clinic profitability	6	144
Other	HR Staff Engagement, Effective use of Social Media, How to improve your customer service and customer loyalty, Critical KPIs and benchmarking, Critical Financial KPIs and how to analyse your monthly P&L	5	150
TOTAL		54	1,000

Dental activity increases as a result of training workshop participation in April

Individual Veterinary Surgeon



Overall Clinic Performance




Management Services
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Overview of Management Services and Procurement Division

- The Management Services and Procurement Division has 3 different engagement levels to interact with clinics in the veterinary community.
- 2 of the engagement levels are driven from established businesses acquired by NVC.
- The clinics benefit from NVC's procurement arrangements and industry leading management and coaching programs and support.
- NVC benefits by building relationships and engaging with the wider veterinary community in Australia and New Zealand.

Management Services and Procurement Division

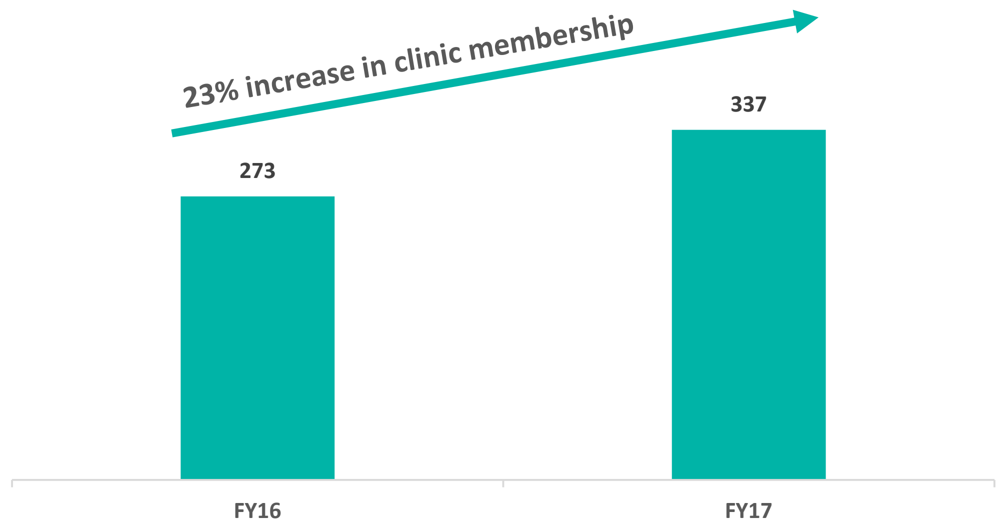
UnitedVetsGroup
Operational since 2008
NVC Acquisition July 16
Buying Membership - leverage supplier deals and access manufacturer rebates

COMPLETEVET SYSTEM
Operational since 2014
NVC Acquisition May 16
Business Coaching

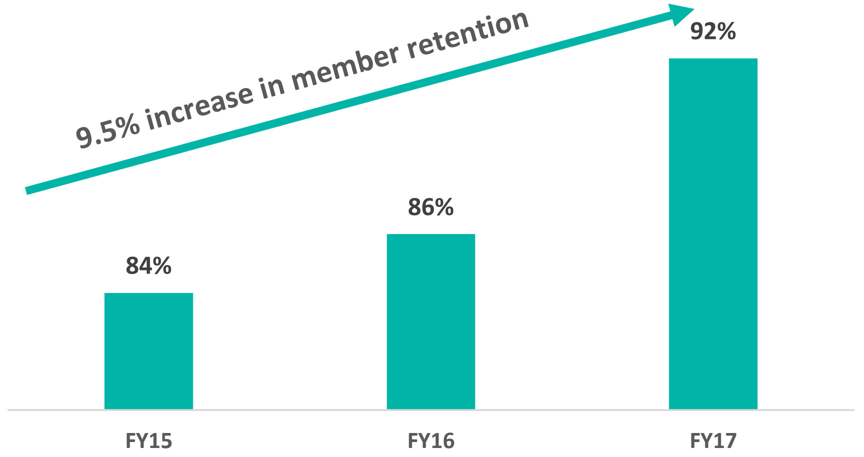
nvc Management Integration
Operational since July 16
Marketing Services including Wellness Plan & NPS Surveys

Improved clinic engagement since acquisition

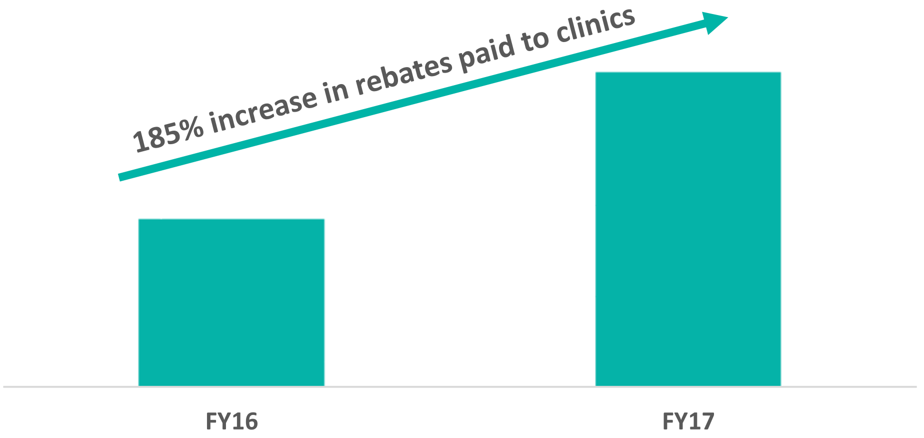
Increase in UVG membership



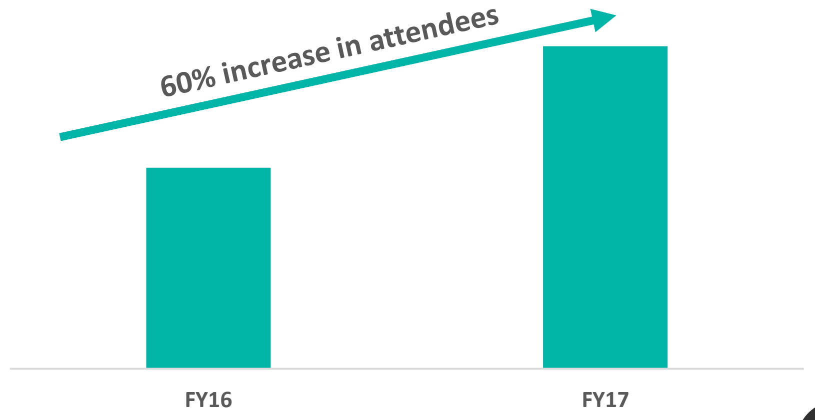
Increase in UVG member retention



UVG members receive increased rebates



Increase in UVG Bootcamp event attendees



Financial Performance

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Profit and Loss Statement – Underlying [1]

	FY2017 $'000	FY2016 $'000
Revenue	66,841	44,265
Direct expenses	(16,408)	(10,746)
Gross margin	50,433	33,519
Gross margin (%)	75.5%	75.7%
Operating expenses	(38,368)	(25,835)
EBITDA [2]	12,065	7,684
EBITDA margin (%)	18.1%	17.4%
Depreciation	(946)	(570)
Finance expense	(1,505)	(833)
Profit before tax	9,614	6,281
PBT margin (%)	14.4%	14.2%
Income tax expense	(3,071)	(1,884)
Net profit after tax	6,543	4,397
Non-controlling interest	(631)	(530)
Net profit after tax attributable to owners of NVL	5,912	3,867
NPAT margin (%)	8.8%	8.7%
Earnings per share	11.38	8.41

[1] Excluding acquisition, integration and other one-off expenses.

[2] EBITDA – Earnings before interest, tax depreciation and amortisation. Includes non-controlling interest.

Commentary

Revenue

The increase in revenue was primarily driven by 14 new acquisitions, full year impact of prior year acquisitions and general practice organic growth of 4.2 % (1.4% initial portfolio).

Gross margin %

A strong result as the dilutionary impact of New Zealand operations lower margins (higher retail sales mix) were offset by improved buying power and growing niche service offering from upskilling via training clinic.

Operating expenses

Operating expenses have increased to support the growing portfolio of businesses, however a reduction in operating expenses as a percentage of revenue achieved due to economies of scale, cost management and rationalisation.

Profitability

An improved EBITDA margin % flowing from maintaining gross margin profitability and leveraging economies of scale to reduce operating expenses relative to revenue growth. Consistent with the above, the businesses acquired in FY2017 have been larger and more profitable than the original portfolio. NPAT margin % remains steady.

Underlying Adjustments

	EBITDA [1]		NPAT [2]	
	2017 $'000	2016 $'000	2017 $'000	2016 $'000
Statutory Performance	10,088	4,083	4,395	1,155
Acquisition and IPO costs	825	2,462	825	2,462
Restructuring and Integration costs	316	1,139	316	1,139
Loss on disposal of business	329	-	329	-
Trading loss of disposed business	171	-	171	-
Other one-off [5]	336	-	336	-
Effective tax rate [4]	-	-	(460)	(889)
Total Adjustments	1,977	3,601	1,517	2,712
Underlying Performance [3]	12,065	7,684	5,912	3,867

[1] EBITDA – Earnings before interest, tax depreciation and amortisation. Includes non-controlling interest.
[2] NPAT – Net profit after tax attributable to shareholders after allowing for non-controlling interests
[3] After excluding the impact of acquisition, integration, restructuring and other one-off costs
[4] Effective tax rate used on adjustments (excluding non-deductible stamp duty from acquisitions, and capital loss on disposal of business) is 30%
[5] Predominantly consulting fees, professional fees, and employee costs in relation to internal projects associated with the growth phase of the business and that are not capable of capitalisation under accounting standards

Commentary

Acquisition and integration costs include professional fees and stamp duty, as well as the provision of a dedicated team to provide support for due diligence, settlement and IT systems integration.

Other costs include consulting fees and employee costs in relation to internal projects associated with the "start up" nature of the business.

In the prior year, there were significant costs associated with the IPO.

Profit and Loss Statement - Statutory

	FY2017 $'000	FY2016 $'000
Revenue	66,841	44,265
Direct expenses	(16,408)	(10,746)
Gross margin	50,433	33,519
Gross margin (%)	75.5%	75.7%
Operating expenses	(38,368)	(25,835)
Acquisition, integration and other one-off expenses	(1,977)	(3,601)
EBITDA [1]	10,088	4,083
EBITDA margin (%)	15.1%	9.2%
Depreciation	(946)	(570)
Finance expense	(1,505)	(833)
Profit before tax	7,637	2,680
PBT margin (%)	11.4%	6.1%
Income tax expense	(2,611)	(995)
Net profit after tax	5,026	1,685
Non-controlling interest	(631)	(530)
Net profit after tax attributable to owners of NVL	4,395	1,155
NPAT margin (%)	6.6%	2.6%
Earnings per share	8.46	2.51

[1] EBITDA – Earnings before interest, tax depreciation and amortisation. Includes non-controlling interest.

Balance Sheet

	FY2017 $'000	FY2016 $'000
ASSETS		
Cash and cash equivalents	13,105	4,301
Trade and other receivables	3,075	2,116
Inventories	2,576	2,156
Assets held for sale	2,572	-
Property, plant and equipment	4,893	4,057
Intangibles	81,875	62,088
Deferred Tax	1,579	1,276
Other	130	165
Total Assets	109,805	76,159
Liabilities		
Trade and other payables	7,786	4,874
Income Tax	2,287	762
Employee benefits	2,372	1,769
Borrowings	24,805	18,572
Other	3,583	1,421
Total Liabilities	40,833	27,398
Net Assets	68,972	27,398
Shares on issue	58,940,699	51,183,602

	FY2017 $'000	FY2016 $'000
Debt metrics		
Net debt	11,700	14,271
EBITDA leverage (bank facility)	**2.04**	**2.48**

Commentary

Cash

Strong cash reserves following the $14.6m capital raising in June 2017 to fund settlement of acquisition pipeline in early FY2018.

Debt

Drawn $24.8m of core debt facility ($42.0m) with EBITDA leverage at 2.04x, provides significant headroom to fund future acquisitions.

Assets held for sale

Relate to Accident & Emergency speciality clinic disposed in August 2017.

Other liabilities

Includes deferred consideration payable to vendors of acquired businesses if performance hurdles are met.

Further, includes revenue received in advance in relation to Best for Pet program.

Cash Flow Statement

	FY2017 $'000	FY2016 $'000
Underlying EBITDA [1]	12,065	7,684
Other non-cash items	40	-
Changes in working capital [2]	2,488	4,308
Underlying Operating Cash Flows (pre-tax, ungeared)	14,593	11,992
Conversion (%)	121%	156%
Ungeared, pre-tax operating cash flows - Underlying	14,593	11,992
Acquisition, integration and other one-off costs [3]	(1,648)	(3,601)
Ungeared, pre-tax operating cash flows - Statutory	12,945	8,391
Net finance costs paid	(1,289)	(1,042)
Income tax paid	(1,215)	(243)
Net cash from operating cash flows	10,441	7,106
Net payments for purchase of businesses	(19,896)	(48,455)
Net payments for plant and equipment	(1,555)	(1,436)
Net cash used in investing activities	(21,451)	(49,891)
Net proceeds from share issue	14,110	28,702
Net proceeds from borrowings	6,233	18,572
Dividends / Loans paid to non-controlling interests	(529)	(380)
Net cash from financing activities	19,814	46,894
Net increase in cash and cash equivalents	8,804	4,109

Commentary

Operating

Operating cash flows underpinned by strong underlying EBITDA cash conversion of 121%

Investing

Includes payments for 14 businesses acquired compared to 41 in the prior year.

Financing

Primarily reflects $14.1m (net) capital raising in June 2017, with proceeds used to temporarily pay down debt levels and bolster cash reserves in readiness for acquisition pipeline settlement in early FY2018.

[1] EBITDA – Earnings before interest, tax depreciation and amortisation. Includes non-controlling interest. Excluding acquisition, integration and other one-off expenses.

[2] Excludes income tax and finance costs

[3] Excludes non-cash loss on disposal of business in FY2017

Dividends

Commencement of dividend payments

Final Dividend

- The company was pleased to announce an inaugural fully franked final dividend of 3 cents per share

Key Dates

- Ex dividend date: 8 September 2017
- Record date: 11 September 2017
- Payment date: 4 October 2017


nvc
Growth Strategy & Outlook
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Growth Strategy

NVC has three core growth platforms, each with attractive returns and significant runway remaining as it strives to increase its market share.

Organic Growth of Veterinary Services

- Expansion of the Wellness Program – Best for Pet.
- Benchmarking of clinical standards across practices via the practice management system (leading to the identification of training opportunities to optimise product/service offer).
- Better standards of care, leading to increased revenue streams through the upskilling of veterinary professionals through the Centre of Excellence – Training Academy.
- In-house provision of more complex services to reduce external referrals outside of NVC.

Growth by Acquisition

Significant opportunity for further industry consolidation in the veterinary services sector due to:

- The fragmented nature of the industry.
- The changing characteristics of the veterinary workforce.

Growth of Management Services and Procurement Division

Significant opportunity to grow the management services and procurement business unit by leveraging

- NVC's stronger buying power
- NVC's Centre of Excellence- Training Academy
- NVC's Systems
- Providing support to smaller independent clinics (approx. 2,600 clinics in Australia and New Zealand)

FY2018 Outlook

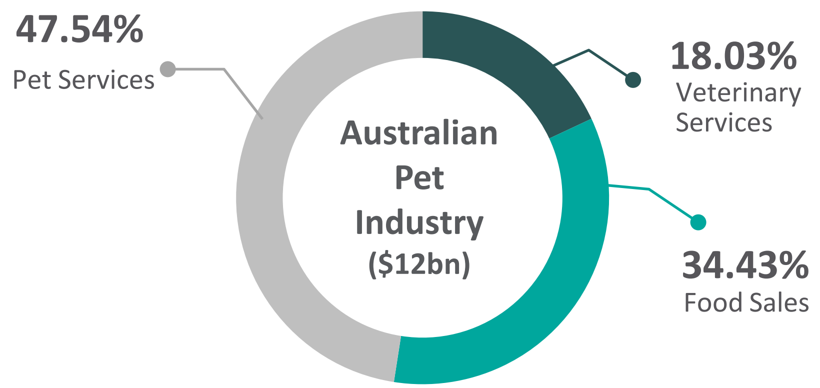
Based on the initiatives and businesses currently in place, NVL is well positioned for growth into FY2018:

- Revenue growth expected to be greater than 25% above the statutory FY2017 revenue of $66.8 million
- Gross Margin and underlying EBITDA margin expected to be in line with FY2017
- Expect to pay an interim dividend in respect of half year 31 December 2017

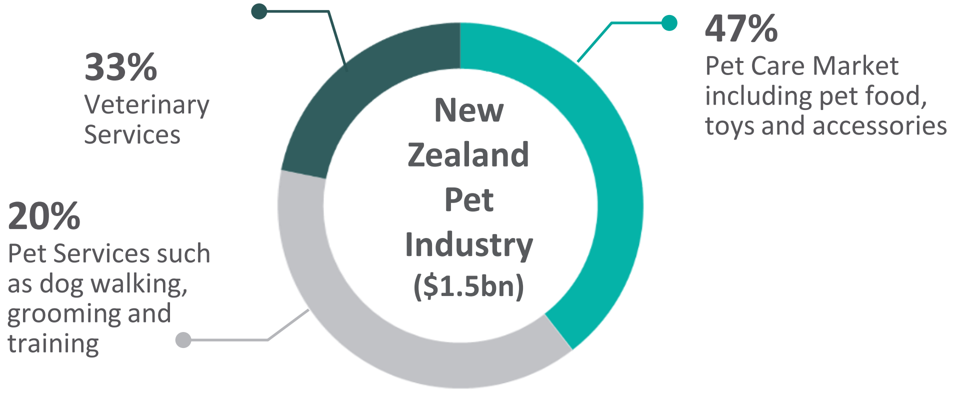
	Growth Initiatives
Initiatives gaining traction	▪ Wellness Program gaining traction with 43 of the clinics offering the program ▪ Roll out of KPIs for benchmarking across the group ensuring high performance standards maintained through growth
IT and new infrastructure in place	▪ Centralised financial systems and practice management systems in place to ensure scalability of the business model
Pipeline of potential acquisitions	▪ Strong pipeline of potential clinics to acquire to secure growth ▪ Sector remains highly fragmented in Australia and New Zealand approximately 2,600 veterinary clinics
Supplier Agreements in place	▪ Agreements with suppliers finalised to ensure clinics receive favourable purchasing terms
Alignment of management, vendors and shareholders	▪ Both Management and Vendors have significant financial interest in NVC which aligns their interests with shareholders

Appendix

Pet Ownership – Australia and New Zealand



- The overall pet industry in Australia is estimated to be worth $12bn. An increase of 42% since 2013.
- 4.8 million dogs in Australia and 3.8 million cats with total household pet ownership of 62%.
- Australia - 79% of dogs go to the vet at least once a year compared to 65% of cats.



- The overall pet industry in New Zealand is estimated to be worth 1.5bn.
- 683,000 dogs in New Zealand and 1.13 million cats with total household pet ownership of 64%.
- New Zealand - 82% of dogs go to the vet at least once a year compared to 64% of cats.

- **Highly fragmented markets**
- **'Humanisation trend' and the emergence of the 'fur baby' means demand for veterinary services tends to be steady from year to year**
- **Growth opportunities exist in advanced surgical and diagnostic procedures**

Source: Animal Medicines Australia. Pet Ownership Australia 2016.

Source: The New Zealand Companion Animal Council Inc. Companion Animals in New Zealand 2016.

Senior Management

Tomas Steenackers, Managing Director and Chief Executive Officer

Tomas was previously the General Manager Specialty, Emergency & Pathology of Greencross Ltd. Tomas has strong pharmaceutical, retail and pathology sector experience including Senior Management roles with Mayne Pharma, Hospira, Covidien, and Terry White Management.

Jason Beddow, Chief Financial Officer

Jason was previously the CFO of ASX-listed mining products and services business PPK Group Limited. Jason also has extensive experience in senior financial roles with private equity and listed companies in the health and pharmaceutical sector, as well as audit and advisory roles with big four accounting firm Deloitte.

Dr Alex Whan, Chief Operations Officer

Dr Alex has over fifteen years of veterinary experience, practicing veterinary medicine in both Australia and overseas and has experience in both large and small animal medicine. Alex was previously the Lead Veterinarian and Practice Owner at Brunswick Central Veterinary Clinic in Melbourne, establishing the clinic into a multiple million-dollar operation.

Keith Nicholls, Chief Commercial Officer

Keith joined NVC with a strong background in mergers and acquisitions more recently within the dental industry. An experienced executive with cross-functional and cross-industry expertise working with private, private equity and publicly listed companies. Keith also brings extensive commercial and IT knowledge to NVC.

Paula Sadler, Chief Marketing Officer

Paula joined NVC with a strong background in senior marketing management roles with experience in both publicly listed and private companies in animal health, entertainment, sport, retail and a large full service marketing agency. Paula has a strong background in customer relationship marketing, marketing strategies, digitally-led and integrated marketing communications.

Board of Directors

Susan Forrester, Chair and Non-Executive Director

Susan has a significant blend of commercial, financial and legal management experience gained across public and private organisations. She is currently a Director of G8 Education Ltd (ASX:GEM), Xenith IP Ltd (ASX;XIP) and Over the Wire Ltd (ASX:OTW).

Tomas Steenackers, Managing Director and Chief Executive Officer

Tomas was previously the General Manager Specialty, Emergency & Pathology of Greencross Ltd. Tomas has strong pharmaceutical, retail and pathology sector experience including Senior Management roles with Mayne Pharma, Hospira, Covidien, and Terry White Management.

Kaylene Gaffney, Non-Executive Director

Kaylene has significant experience in senior financial management roles currently with Super Retail Group Limited. Kaylene was previously on the board of online travel company Wotif.com Holdings Ltd from 2010-2014.

Stephen Coles, Non-Executive Director

Dr Coles was a Founding Executive Director of Greencross Ltd from June 2007 to January 2011. Dr Coles has been a Veterinary Specialist for over 35 years. He has owned and operated multiple practices in Melbourne before joining Greencross Ltd.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