

ASX Announcement NVL

16 July 2019

National Veterinary Care acquisitions update

National Veterinary Care Ltd (ASX: NVL) (NVL) announced on 26 April 2019 that it had entered into binding agreements to acquire two veterinary clinics in New Zealand. One of the acquisitions has settled, as announced on 7 May 2019.

NVL and the owner of the second clinic have agreed not to proceed to settlement due to a condition precedent not being met (lease assignment). This clinic was a smaller clinic which was a strategic acquisition to grow NVL's Pet Doctors existing footprint in a specific area in the South Island.

However, NVL is pleased to announce that it has settled a clinic within an NVL geographic cluster in New South Wales. This clinic is larger than the New Zealand clinic that didn't proceed.

The new clinic in New South Wales, together with the recent New Zealand acquisition mentioned above, is expected to deliver aggregate annual revenue of approximately AU\$3.82 million and an aggregate annual EBIT of approximately AU\$0.83 million.

Total consideration for the two acquisitions will be AU\$4.38 million, with total upfront payments of AU\$3.10 million and deferred components (subject to earnout conditions) totaling AU\$1.28 million.

A comparison of the two acquisitions to the previously announced amounts (all amounts stated in AU\$) is as follows:

	Revenue pa (\$m)	EBIT pa (\$m)	EBIT Margin (%)	Purchase Price (\$m)	Deferred Amount (\$m)
Announcement today 16/07/19	3.82	0.83	21.7%	4.38	1.28
Announcement on 26/04/19	3.42	0.71	20.8%	3.71	0.71

Completion of the New South Wales acquisition brings NVL's total number of integrated veterinary services businesses acquired to 99.

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About NVL:

NVL aims to be a leading provider of veterinary services in Australia and New Zealand. NVL has acquired and integrated 99 veterinary services businesses across 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:

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