



National
Veterinary
Care

*Excellence
in Vet Care*

Investor Presentation

March 2016

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WHO YOU ARE WITH TODAY

Presenting Today



Tomas Steenackers

Managing Director and Chief Executive Officer

Tomas is the Managing Director of NVC. Tomas has over 10 years of experience as an executive in the veterinary and healthcare sector including Senior Management roles with Mayne Pharma, Hospira, Covidien, and Terry White Management. Prior to joining NVC, Tomas was General Manager Specialty, Emergency & Pathology at Greencross Limited.



Katherine Baker

Chief Financial Officer and Company Secretary

Katherine is the CFO and Company Secretary of NVC. Katherine is an experienced Chartered Accountant with over 12 years' experience in finance. Katherine spent 7 years in Chartered Accounting advising small and medium enterprises in tax and financial matters before moving into the veterinary sector. Prior to NVC, Katherine spent 5 years as Financial Controller at Greencross Limited.

KEY POINTS TO BE COVERED

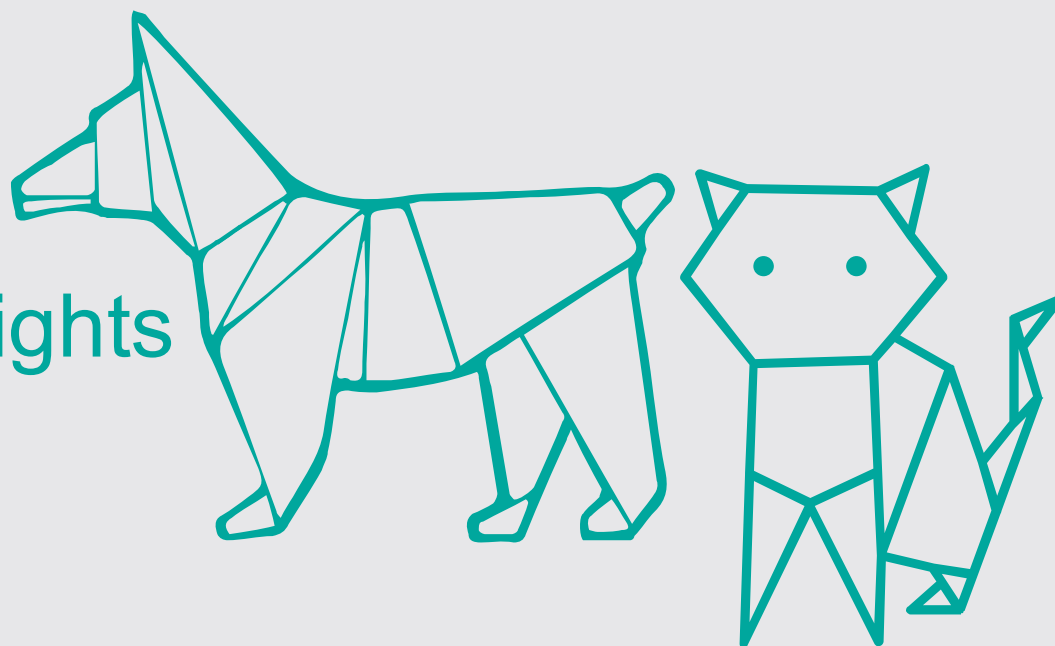
Agenda

1. Operational Highlights
2. Business Snapshot
3. Operational Update
4. Market Overview
5. Financial Performance
6. Strategic Update
7. Appendices





Operational Highlights



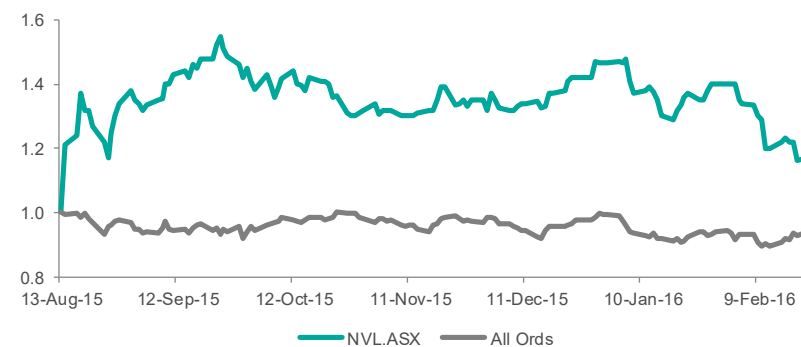
OPERATIONAL HIGHLIGHTS

1HFY2016 Operational Highlights

Operational Highlights

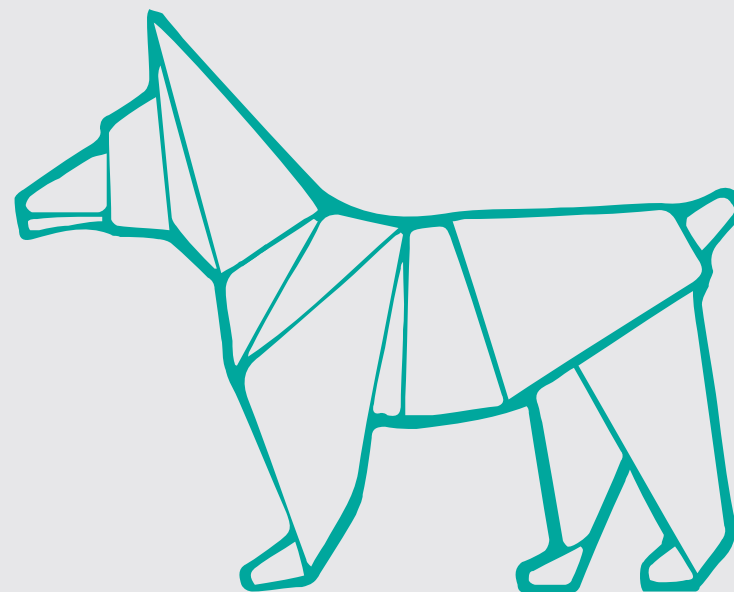
✓	IPO	<ul style="list-style-type: none"> Successfully completed IPO in August 2015 Shareholder returns of 25%
✓	Integration of initial portfolio	<ul style="list-style-type: none"> 34 clinics settled from the Initial Portfolio between 5 August 2015 and 30 September 2015 Whites Hill clinic settled in October 2015
✓	Implementation of initiative(s)	<ul style="list-style-type: none"> Launched the Wellness Program on 1st November 2015 Program now implemented in 24 clinics
✓	Strong Financial Performance	<ul style="list-style-type: none"> Underlying EBITDA Margin 16.34% (adjusted for MI). Net Debt - \$12.4mill Operating Cash flow conversion rate from EBITDA (excl acquisition costs) 245% (109.5% conversion rate when adjusted for effect of creditors and tax in y1)

Share Price Performance vs. All Ords since listing





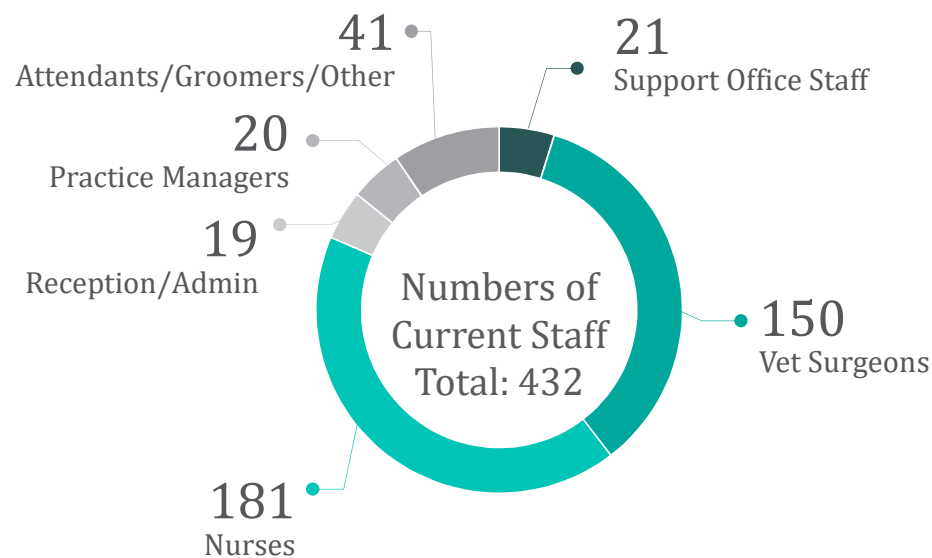
Business Snapshot



BUSINESS SNAPSHOT

Business Snapshot

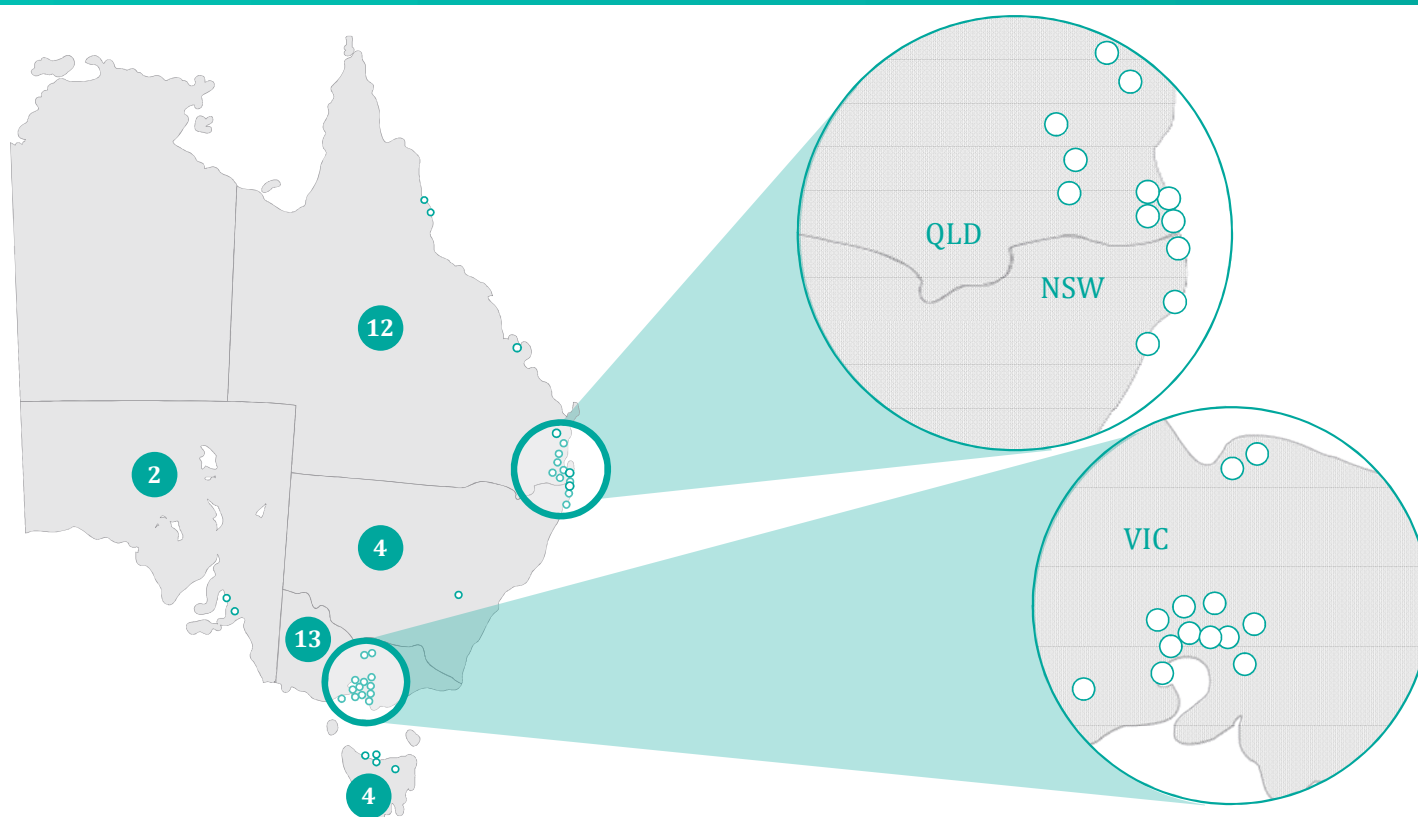
- NVL is a provider of veterinary services to companion animals in Australia
- 35 clinics (see map over the page)
 - 32 general practices
 - 3 business-to-business operations
- 3 new practices under BSA planned to be settled in March/April.
- In excess of 12 businesses in valuation
- Group has a combined 150 veterinary surgeons



CURRENT PORTFOLIO

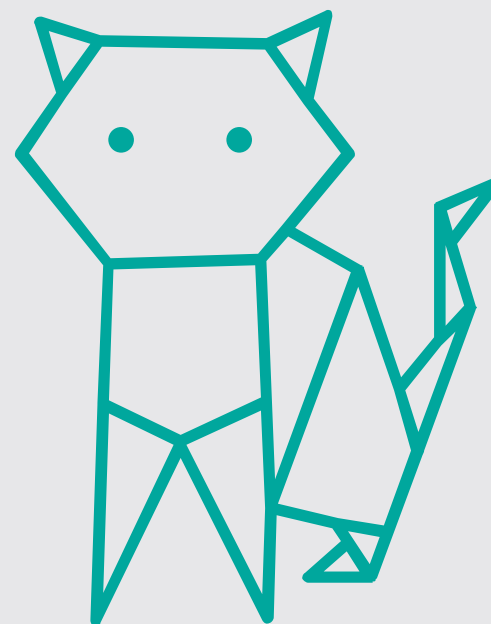
Geographic Clusters

Approximately half of the current portfolio of Clinics are located in geographic clusters





Operational Update



Operational Update

System Integrations

- 27 GP clinics currently integrated with NVC's practice management system (up from 19 clinics in November 2015)
- Utilisation of the NVC's time and attendance system to maximise rosters and wages structure.
- 27 GP clinics integrated with benchmarking and KPI system (84% of GP clinics)
- 100% of clinics fully integrated with NVC's financial, HR, payroll and accounts payable systems



Operational Update

Training facility

- The management office is now located within the training facility (Centre of Excellence) located in Ormeau, QLD
- The Centre of Excellence will be operational as of March 2016 and training will commence for NVC and non NVC staff members by the end of the month

Supplier agreements

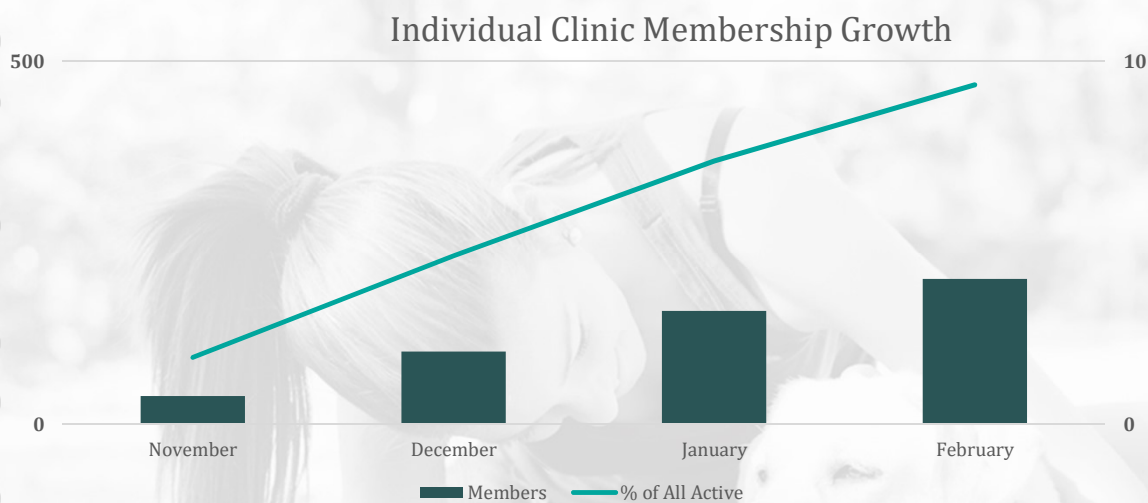
- Finalised supplier agreements in August and September 2015
- All agreements were signed in October and will be retroactive from August 2015
- The majority of the suppliers have also committed to invest funds to help develop the Centre of Excellence



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OPERATIONAL UPDATE

Best for Pet – NVC Wellness Program



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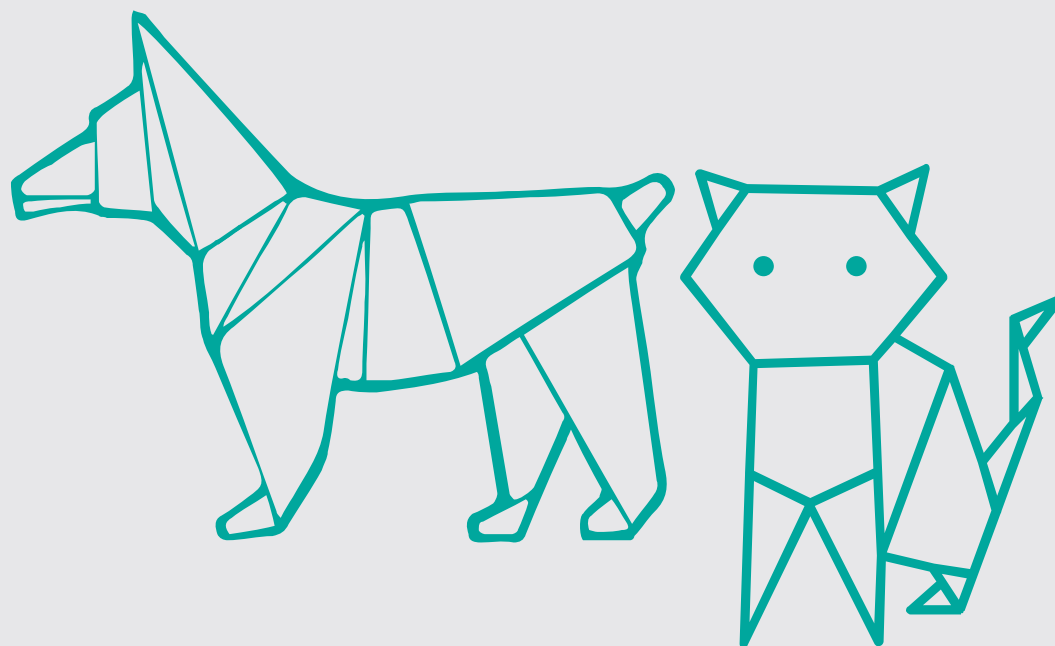
KEY ACHIEVEMENTS

Milestones



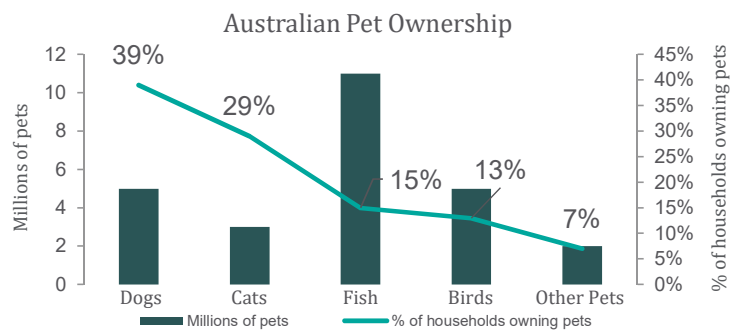
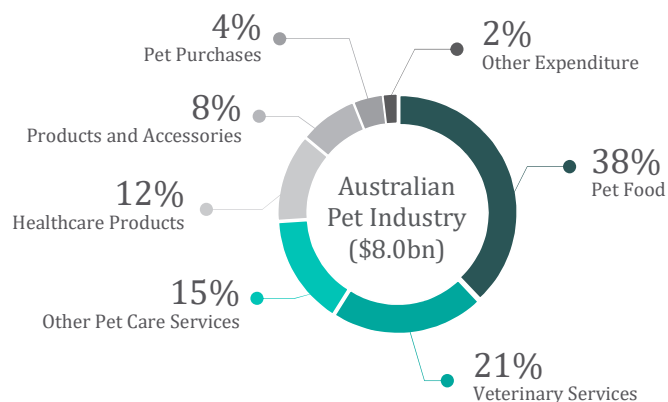


Market Overview



MARKET OVERVIEW

Industry Snapshot



Source: Animal Health Alliance (Pet Ownership in Australia 2013)



The overall pet industry in Australia was estimated to be worth \$8bn in 2013, with NVC's addressable market estimated at \$2.9bn



Approximately 69% of veterinary services relates to dogs, 27% relates to cats



Key reason for owning a pet is companionship



'Humanisation trend' means demand for veterinary services tends to be steady from year to year



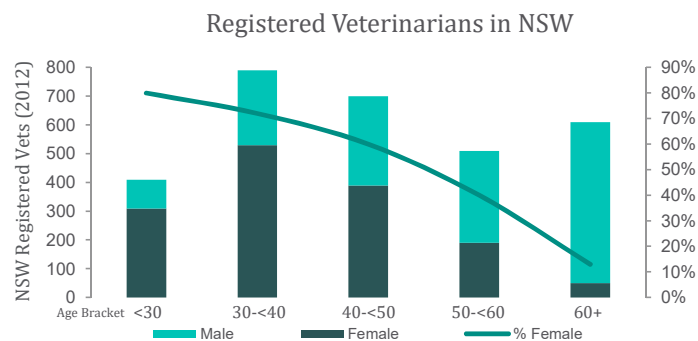
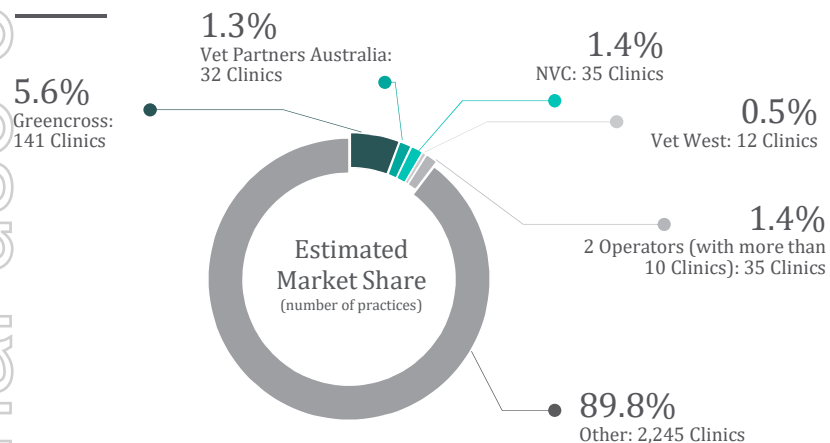
Management estimates the pet industry to grow at low single digit percentages over the next five years



Growth opportunities exist in advanced surgical and diagnostic procedures

MARKET OVERVIEW

Industry Participants and Veterinarians

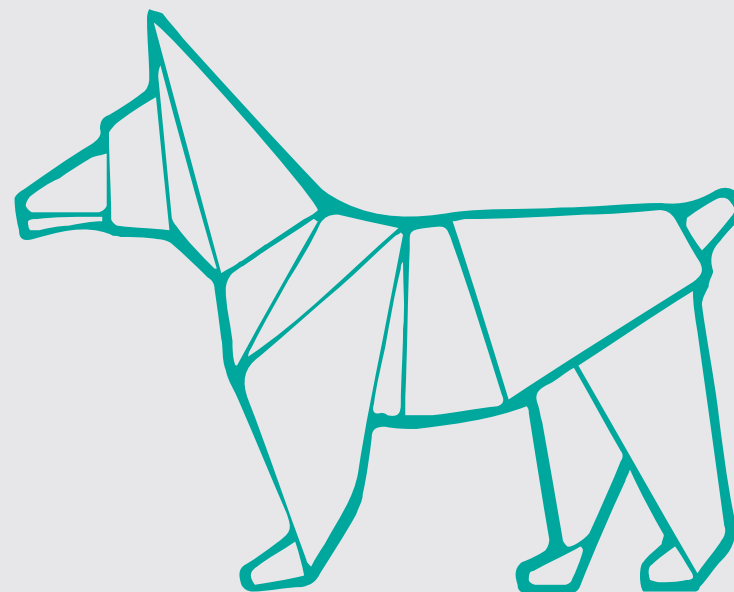


- Highly fragmented market
- Note market share by revenue likely to be higher than market share by number of practices
- Increasing female veterinary graduates, was 65% ten years ago, now as high as 85%
- Supply of veterinarians driven by increasing graduate numbers, from average of 229 per year between 1995 and 1999 to 463 per year between 2008 and 2011
- Increasing enrolments at existing schools, as well as four new university courses (up from four previously) with first students graduating from these new courses between 2010 and 2013

Source: NVC Management Estimates, The Australian Veterinary Association (Australian veterinary workforce survey 2013 – May 2014)



Financial Performance



FINANCIAL PERFORMANCE

Profit and Loss Statement

\$'000's	Statutory 1HFY16	Underlying 1HFY16 ¹	Prospectus Pro Forma Forecast FY16 ²
Revenue	19,048	19,048	52,000
Gross Profit	14,597	14,597	38,687
EBITDA ³	488	3,113	8,363
EBIT ³	290	2,915	7,942
NPBT ³	(32)	2,593	6,669
Net Debt	12,429	12,429	19,124

1. Underlying results exclude \$2.6mill of one off acquisition, restructuring and development costs
2. Pro Forma FY16 forecast result is prepared on the assumption that all clinics have been held for the full financial year adjusted for the inclusion of the acquisition made in October 2015 and for the removal of the clinic not settled from the initial portfolio
3. All EBITDA, EBIT and NPBT figures are exclusive of non controlling interests

Revenue

- In line with managements expectations to achieve prospectus full year target.

Employee, occupancy and direct expenses

- All running below margins represented in the prospectus to date. Supplier rebates and cost control processes that were implemented early contributed to this.

Acquisition Expense

- Expenses incurred from successfully completing acquisitions and IPO (stamp duty, agent's fees, legal and consulting services).

EBITDA

- EBITDA margin underlying 16.34% after support office costs. This margin is slightly ahead of margin expectation in Prospectus.

Balance Sheet

\$'000's	Statutory 1HFY16	Pro Forma on Listing
Cash	5,682	1,648
Accounts receivable	1,320	17
Inventories	2,147	1,569
Plant and equipment	3,683	3,049
Other assets	59,875	61,328
Total assets	72,707	67,611
Accounts payable	3,294	209
Interest bearing liabilities	17,712	19,636
Other liabilities	4,585	2,649
Total liabilities	25,591	22,494
Net Assets	47,116	45,117

Cash Balance

- \$5.6 million in free cash to fund future acquisitions

Other Assets

- Includes Goodwill acquired on clinics.

Borrowing Capacity

- Strong balance sheet capacity with \$9.3 million of undrawn facility for acquisition purposes and a leverage ration of 2.05 (excluding MI) as at 31 December. (Covenant <2.5)

Cash Flow Statement

\$'000's	Statutory 1HFY16	Prospectus Full Year FY16
Net cash flows from operating activities	5,389	7,468
Net cash flows from investing activities	(45,272)	(44,499)
Net cash flows from financing activities	46,293	46,042
Plant and equipment	(817)	(552)
Net cash (decrease) / increase in cash	5,592	7,489

Operating cash flows

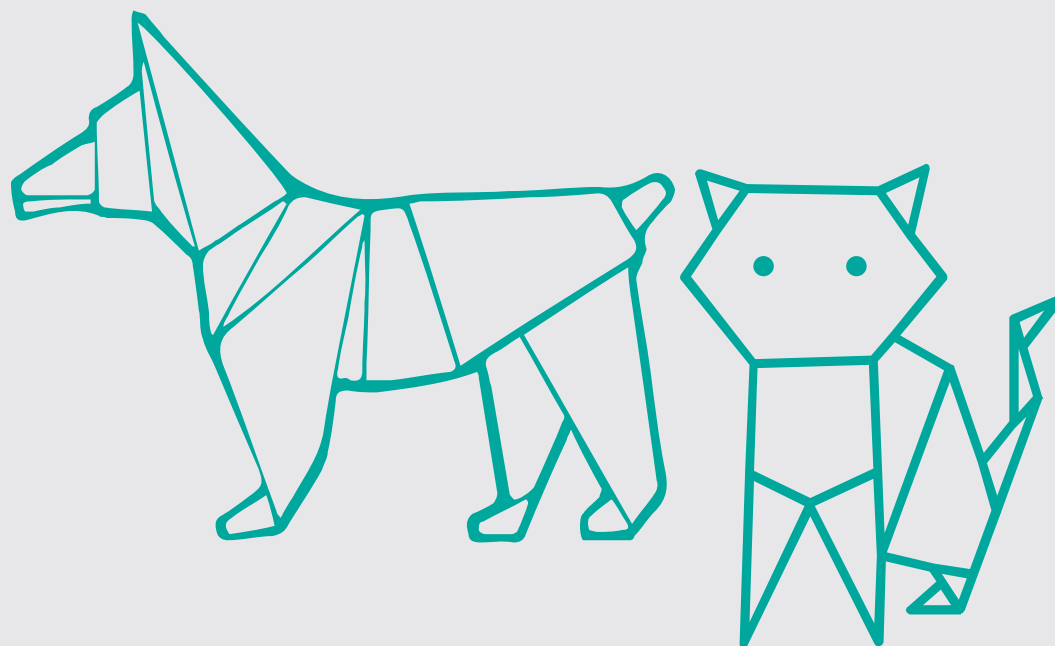
- Excluding acquisition costs, operating cash flows are \$7.6m, which represents a 245% conversion rate from EBITDA (excluding acquisition costs) 109.5% conversion rate when adjusted for effect of creditor and tax in year 1)

Borrowings

- Proceeds from financing represent the funds from IPO and debt drawn down from the facility.



Strategic Update



Integration Strategy

Key integration priorities:



1

Continued implementation of **centralised financial systems**



2

Continued implementation of **centralised practice management systems**



3

Leverage **supplier relationships**



4

Continue implementation of **Wellness Program - Best for Pet**



5

The Veterinary Advisory Committee **provides leadership** in relation to NVC clinical standards of care



6

Open the Centre of Excellence training academy to upskill veterinarians and support staff



7

Continued implementation and roll out of **key clinical performance indicators** for benchmarking across the group

NVC will retain individual Clinic branding to minimise disruption to the clinic and maintain local identity and customer goodwill

Growth Strategy

Organic Growth

- Introduction and expansion of the Wellness Programs
- Benchmarking of clinical standards across practices via the practice management system (leading to the identification of training opportunities to optimise product/service offer)
- In-house provision of more complex services to reduce external referrals outside of NVC
- Introduction of new business unit (Management services and procurement support)

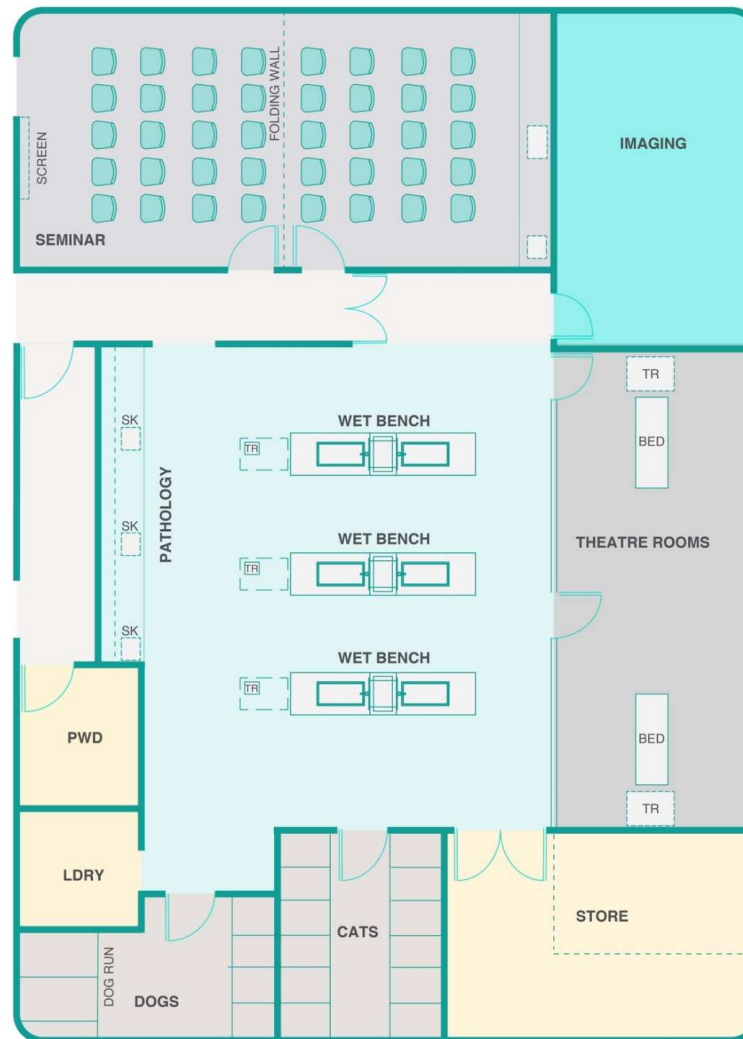


Growth by Acquisition

- 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

TRAINING ACADEMY

Centre of Excellence



Well Positioned For Growth

	Growth Initiatives
Initiatives gaining traction	<ul style="list-style-type: none"> Wellness Program gaining traction with 75% 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	<ul style="list-style-type: none"> Centralised financial systems and practice management systems in place to ensure scalability of the business model
Pipeline of potential acquisitions	<ul style="list-style-type: none"> Strong pipeline of potential clinics to acquire to secure growth Sector remains highly fragmented approximately 2,242 veterinary clinics Strong cash position (\$5.6mill) and access to \$9.3mill of undrawn facility to fund acquisitions
Supplier Agreements in place	<ul style="list-style-type: none"> Agreements with suppliers finalised to ensure clinics receive favourable purchasing terms
Alignment of management, vendors and shareholders	<ul style="list-style-type: none"> Both Management and Vendors have significant financial interest in NVC which aligns their interests with shareholders

EXCELLENCE IS VET CARE

NATIONAL VETERINARY CARE



Q&A



Appendix

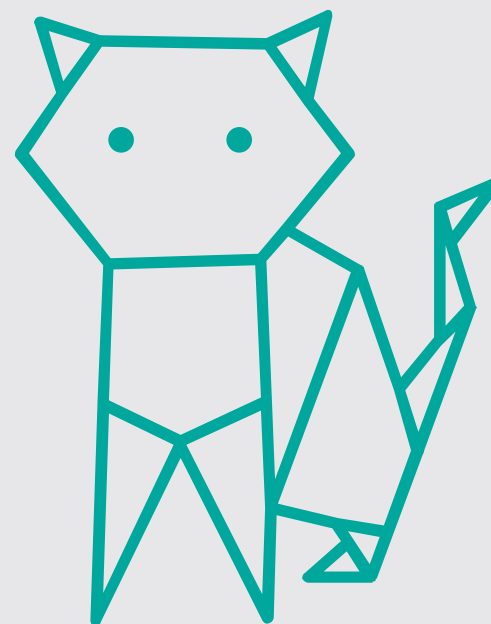


Financials Reconciliations

\$'000's	Statutory 1HFY16	Adjustment 1	Adjustment 2	Underlying 1HFY16	Notes
Sales	19,048	-	-	19,048	
Gross Profit	14,597	-	-	14,597	
EBITDA	488	2,250	375	3,113	1. All EBITDA, EBIT and NPBT figures are exclusive of non controlling interests
EBIT	290	2,250	375	2,915	
NPBT	(32)	2,250	375	2,593	
EPS					
Net Debt	12,429	-	-	12,429	



Board of Directors



NVC Board of Directors



Susan Forrester, Chair and Independent 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.



Wesley Coote, Non-Executive Director

- Wesley is the former CFO of Greencross Ltd and played an integral role in growing the Company from a market cap of c.\$30m to over \$750m. Wesley previously worked in Chartered Accounting providing businesses advice to health, property & financial service industries.



Stephen Coles, Independent 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 as one of the founding members.



Alison Sherry, Independent Non-Executive Director

- Alison holds an MBA from University of Queensland, is a Fellow of the Australian Human Resources Institute (FAHRI) and a Member of the Australian Institute of Company Directors. Alison is currently an Executive team member at Ranbury as the General Manager of People Operations and a Board Director RSPCA Qld.

TERMS & ITS DEFINITION

Glossary

	Definition
Adjusted EBITDA	Pro-forma EBITDA in accordance with the prospectus dated 23 July 2015, adjusted for the removal of one clinic from the Initial Portfolio where settlement was not completed and for the clinic acquisition announced on 18 th September and 8 th October respectively.
Adjusted Revenue	Pro-forma revenue in accordance with the prospectus dated 23 July 2015, adjusted for the removal of one clinic from the Initial Portfolio where settlement was not completed and for the clinic acquisition announced on 18 th of September and 8 th October respectively.
Clinics	General practice veterinary clinics and businesses involved in veterinary services (including pet crematoria and emergency centres).
Company or NVC	National Veterinary Care Ltd ACN 166 200 059.
EBITDA	Earnings before interest, income tax, depreciation and amortisation.
Initial Portfolio	The portfolio of clinics which NVC had entered into contracts to acquire, in accordance with the prospectus dated 23 July 2015.
Management	The management team of National Veterinary Care.
Wellness Program	A client loyalty program providing discounted goods and services for an annual membership fee.