

ASX Announcement NVL

14 July 2017

National Veterinary Care settles its first FY2018 acquisition and acquisition pipeline update

National Veterinary Care Ltd (ASX:NVL) (NVL) is pleased to announce that, further to the announcement of its acquisition pipeline on 14 June 2017, it has now settled one veterinary clinic located in New South Wales.

NVL advises that it has now entered into binding agreements to acquire four clinics.

The four clinics under binding agreements are conditional on final due diligence, board approval and lease assignments. NVL confirms that settlement of these acquisitions is expected to take place by 30 September 2017.

NVL also announces it has entered into Heads of Agreement for a further two veterinary clinics located in Queensland. Subject to completion of due diligence, finalisation of acquisition agreements, and satisfaction of conditions precedent (as applicable), NVL expects these acquisitions to also settle by 30 September 2017.

The seven clinics are expected to deliver an annual revenue of approximately \$10.3 million and aggregate annual EBIT of approximately \$2.4 million. The acquisitions are expected to be accretive to earnings per share in FY2018.

Total consideration for the seven acquisitions will be \$11.7 million. The total consideration will be structured with a total upfront payment of \$9.8 million and a deferred component of \$1.9 million.

Managing Director Tomas Steenackers said, "The acquisition of these seven clinics will be an exciting start to FY2018 for National Veterinary Care. These clinics are focused on delivering high standards of care and strong financial performance. These acquisitions will help further develop our existing clusters located in New South Wales and Queensland. The integration of the new clinics will support the additional investment made in our people and system improvements. The additional clinics will add a total of around 75 new staff members across the organisation. We are also pleased to be able to fund these acquisitions using proceeds from our recent successful share placement, which strengthens National Veterinary Care's financial position."

Completion of these acquisitions will bring NVL's total number of integrated veterinary services businesses to 62.

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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 56 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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