

ASX Announcement No 21 NVL

26 August 2016

National Veterinary Care enters New Zealand market

National Veterinary Care (NVL) is pleased to announce the acquisition of 7 veterinary clinics in New Zealand and 1 veterinary clinic in Australia due to be settled on or before 31 October 2016. These acquisitions are contingent on final due diligence, board approval and lease assignments.

The acquisitions in New Zealand aim to provide a strong entry into the New Zealand market for NVL. The pet care industry in New Zealand was estimated to be worth approximately NZ\$1.5 billion, comprising pet food, veterinary services, healthcare products and other products and services. This takes NVL's addressable market, within Australia and New Zealand, from AU\$2.4 billion to over AU\$3 billion.

NVL estimates that the New Zealand veterinary services industry comprises approximately 500 veterinary clinics. Ownership of veterinary clinics in New Zealand is highly fragmented with the vast majority of clinics owned by one or a small number of veterinarians.

Managing Director Tomas Steenackers said, "The New Zealand portfolio will benefit from the organic growth strategies that we have developed and implemented across our Australian portfolio, including the introduction of the wellness program (Best for Pet), introducing benchmarking, targeting marketing strategies, access to superior buying power and clinical staff development through the Centre of Excellence."

The total cash consideration to be paid for the New Zealand acquisitions equals NZ\$8.33 million. Combined, these clinics are expected to deliver annualized revenue and EBIT of NZ\$8.4 million and NZ\$1.670 million respectively. These acquisitions are expected to be earnings per share accretive in the 2017 fiscal year.

The total cash consideration paid for the clinic in Queensland equals AU\$1.36 million, including AU\$0.23 million in deferred cash consideration. The clinic is expected to deliver annualised revenue and EBIT of AU\$1.24 million and AU\$0.30 million respectively.

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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 44 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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