

31 July 2017

CVS Group plc (“CVS” or the “Group”)

Trading Update

CVS, the UK's leading provider of integrated veterinary services, is pleased to provide the following trading update in respect of the financial year ended 30 June 2017. All comparative data relates to the year ended 30 June 2016. The Group expects to announce its full year results on Friday 29 September 2017.

Revenue and adjusted EBITDA for the recently ended financial year are anticipated to be in line with market expectations.

Group revenue for the year showed total like-for-like growth of 6.3%. This figure reflects particularly strong growth for Animed Direct during the second half of the year as the business responded to management initiatives. Growth in the Veterinary Practices Division has been sustained at more normal levels.

The high pace of acquisitions continued in the year to 30 June 2017 with a total of 62 surgeries being acquired. £47.4m (including net debt acquired) was paid for these acquisitions.

42 surgeries were acquired in the second half of the year:

<b>Practice name</b>	<b>No. of sites</b>	<b>Main locations</b>	<b>Business</b>
Zuid-West Friesland BV	2	Lemmer, Emmelord, (The Netherlands)	Small animal, large animal & equine
Bell Equine Veterinary Clinic	1	Mereworth	Equine
Valley Veterinary Group	2	Kilmarnock	Small animal
Pennine Vets	2	Bolton, Bury	Small animal
Ambivet Veterinary Group	5	Aspley, Heanor, Ilkeston Ripley Woollaton,	Small animal
Willow Veterinary Clinic Norwich	1	Norwich, Norfolk	Small animal
Champion Vet	4	Glasgow, Paisley, East Kilbride and Grangemouth	Small animal
Eagle Veterinary Group	1	Halesworth	Small animal
Animed Veterinary Centre	2	Whitstable, Beltinge	Small animal
Phoenix Vets	2	Camberley, Sandhurst	Small animal
All Creatures Veterinary Health Centre	1	Limavady (Northern Ireland)	Small animal
Shannon Lodge Veterinary Practice	1	Sutton-in-Ashfield	Small animal
Medina Veterinary Group	3	Isle of Wight	Small animal
Severn Edge Veterinary Group	12	Shropshire	Small animal, large animal & equine
Radis Creations BV	3	Zwolle, Henelgo, Amersfoort (Netherlands)	Small animal

Of particular note in the second half were the acquisitions in the Netherlands of Zuid-West Friesland BV and Radis Creations BV bringing the number of surgeries the Group owns in the Netherlands to nine.

In the UK, the acquisition of Severn Edge Veterinary Group gives CVS a strong presence in Shropshire in small animal and large animal, and together with the acquisition of Bell Equine, expands our equine capability significantly.

The Group now operates a total of 422 veterinary surgeries (413 in the UK and 9 in the Netherlands), an on-line dispensary, four diagnostic laboratories and seven pet crematoria.

CVS continues to see a significant number of acquisition opportunities and is able to focus on those that offer the best potential for the Group. Following this period of high activity, which enabled much of the equity capital raised in December to be deployed, in order to maintain financial flexibility the Group increased its total borrowing facilities to £152.5m (from £115.0m) shortly after the year end. The increased margin payable on the expanded facility is expected to add c.£0.6m p.a. to finance. Net borrowings at 30<sup>th</sup> June 2017 were £100m.

The Board anticipates further like-for-like growth in line with normal levels and the impact of the acquisitions made during the year ended 30 June 2017 will add significantly to the profitability of the Group. Further acquisitions and general progress across all of the Group's divisions are expected.

This announcement contains inside information.

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