28 November 2019

CVS Group plc
("CVS" or the "Company" and, together with its subsidiaries, the "Group")

Annual General Meeting Statement

CVS, one of the UK's leading providers of integrated veterinary services, is holding its AGM at 11.00 a.m. today at which Richard Connell, Chairman, will provide the following update to shareholders:

"The Board is pleased to announce that the improved trading performance delivered in the second half of the financial year to 30 June 2019 and the encouraging start to the first two months of the new financial year, as announced at the time of our preliminary results on 27 September 2019, has continued in September and October 2019.

In the four month period to 31 October 2019, the Group's total sales grew by 16.8% and like-for-like ("LFL") sales[1] for the Group have increased by 8.0% compared to the same period last year. Within the Group's core Practices Division[2], LFL sales increased by 7.4% over the same period. These LFL growth rates primarily reflect a continued focus on high quality clinical work, including increased volume and value of referrals within the Group, in addition to a price increase in our Healthy Pet Club ('HPC') preventative medicine scheme in February 2019 and a modest price increase applied to veterinary fees in our UK small animal business on 1 July 2019.

As stated in the last full year results presentation in September 2019, the Group is maintaining a close watch on KPIs to track and monitor performance. Reflecting this approach, the trends observed for the first two months of this year with regard to gross margins, employment costs and vet vacancy rates have all continued at a similar level to those reported at the time of our preliminary results on 27 September 2019.

With a greater current emphasis on organic growth from its integrated model, the Group has completed only one additional acquisition in the current financial year, since the two reported on in our year-end results release in September 2019. The acquisition of Newnham Court, a small animal practice in Maidstone, completed on 19 November 2019. As at 31 October 2019, the Group's net bank borrowing remained at a similar level to that seen at year-end at £96.1m, while leverage on a bank test basis[3] has reduced to approximately 1.8x (30 June 2019: 2.1x). These metrics remain in line with management expectations, reflecting the interplay between the Group's strong operating cash generation and our ongoing investment in people, processes and sites to provide a resilient platform for further growth.

The Directors recognise that the comparatives become more challenging in the second half of the current financial year, given the improved second half performance seen in the previous financial year. Nevertheless, the Board is naturally pleased with the core Practices Division like-for-like sales performance in the financial year to date and with the trading performance of the Group being slightly ahead of management's expectations for the first four months."

Notes

1 Like-for-like sales reflects revenue generated from all operations compared to the prior year excluding revenue from acquisitions made in the current financial year and pro rata of revenue from acquisitions made in the previous financial year

2 Practices LFL growth stated is for core Small Animal, Referrals, Equine and Farm practices and excludes Buying Groups & Other and intra-group elimination

3 Net bank borrowings; divided by 'Adjusted EBITDA' annualised for the effect of acquisitions and including costs relating to business combinations and exceptional items. Adjusted EBITDA is profit before income tax, net finance expense, depreciation, amortisation, costs relating to business combinations and exceptional items.

This announcement contains inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) No 596/2014.

Contacts:

CVS Group plc **+44 1379 644 288**

Richard Fairman, CEO
Robin Alfonso, FD

N+1 Singer (Nominated Adviser & Broker) **+44 20 7496 3000**
Aubrey Powell
Rachel Hayes