

24 November 2021

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

**AGM Statement and Trading Update**

CVS, one of the UK's leading providers of integrated veterinary services, is holding its Annual General Meeting at 11.00 a.m. today and provides the following update to shareholders ahead of the meeting.

**Summary**

- The positive start to the new financial year has continued into September and October
- Total sales grew by 13.8% in the four-month period to 31 October 2021 (vs. the same period last year)
- Like-for-like sales<sup>1</sup> increased by 12.4% for the same period
- Adjusted EBITDA<sup>2</sup> margin for the four months remains strong at 19.2% (prior year corresponding period: 18.7%)
- Leverage<sup>3</sup> remained comfortably below 1.0x at 31 October 2021, reflecting the positive trading performance coupled with continued strong cash generation
- Focus on organic growth has continued alongside further investment in practice and clinical facilities under the Group's appropriate capital allocation approach

**Current Trading**

The Board is pleased to report that the previously announced positive performance for the first two months of the new financial year has continued through September and October, with current trading ahead of that in the prior year.

In the four-month period to 31 October 2021, the Group's total sales grew by 13.8% and like-for-like sales<sup>1</sup> increased by 12.4%, reflecting strong customer demand for our range of integrated veterinary services.

Our Healthy Pet Club preventative care scheme has seen a further increase in membership, with 458,000 members as at 31 October 2021 (30 June 2021: 450,000 members) reflecting an increase of 7.1% over the last twelve months.

The Group continues to benefit from its integrated veterinary platform with adjusted EBITDA<sup>2</sup> margin remaining strong at 19.2%, compared to 18.7% for the corresponding period in the previous year.

Strong cash generation across our operations has continued since year end and leverage<sup>3</sup> on a bank test basis has remained comfortably below 1.0x (30 June 2021: 0.68x). Leverage remains in line with management expectations and the Group is well placed for further investment in driving future growth.

**Our People**

As highlighted in the Group's full year results, the vet vacancy rate for the last twelve months (LTM) to 31 August 2021 had risen slightly to 8.8%; this metric is now averaging 9.2% (LTM to 31 October 2021) and continues to reflect a number of new clinical roles advertised to meet increased client demand. The total number of vets employed by CVS has continued to increase since the financial year end, including the Group's highest ever intake of newly qualified graduate vets.

**Acquisitions**

CVS remains alert to additional, targeted opportunities for acquisitive growth which forms a natural part of our business expansion, alongside investment in the refurbishment of existing sites, and investment in new sites.

**Dividend**

As previously announced, subject to shareholder approval at the AGM, CVS intends to pay a dividend of 6.5 pence per ordinary share on Friday, 3 December 2021 to holders on the register as at Friday, 19 November 2021. The ex-dividend date for this timetable is Thursday, 18 November 2021.

## Outlook

We continue to focus on providing the best possible care to animals through our integrated platform and to invest in our practices, improving the facilities and expanding the offering of specialist facilities and clinical procedures. The Board considers that current trading is supportive of management's full year expectations and the Group remains well placed to deliver further growth over the longer term; we look forward to sharing further updates as appropriate.

The Board would like to acknowledge and thank all members of the CVS team for their continued dedication and support.

## Notes

- 1 Like-for-like sales are defined as revenue generated from like-for-like operations compared to the prior year, adjusted for the number of working days. For example, for a practice acquired in September 2020, revenue is included in the like-for-like calculations from September 2021.
- 2 Adjusted Earnings Before Interest, Tax, Amortisation and Depreciation ("adjusted EBITDA") is profit before income tax adjusted for interest (net finance expense), depreciation, amortisation, costs relating to business combinations and exceptional items. Adjusted EBITDA is used as a financial metric that removes the cost of debt, costs relating to depreciation and amortisation and one-off costs to get a normalised earnings figure that is not distorted by irregular items or structural investment.
- 3 Leverage on a bank test basis is drawn bank debt less cash; divided by adjusted EBITDA annualised for the effect of acquisitions, including costs relating to business combinations and excluding share option costs and exceptional items, prior to the adoption of IFRS 16.

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## Notes to Editors

CVS Group is a fully integrated provider of veterinary services in the UK, with practices in the Netherlands and the Republic of Ireland. CVS is focused on providing high quality clinical services to its customers and their animals, with outstanding and dedicated clinical teams and support colleagues at the core of its strategy.

The Group has c.500 veterinary practices across its three markets, including eight specialist referral hospitals and 35 dedicated out-of-hours sites. Alongside the core Practices division, CVS operates Laboratories (providing diagnostic services to CVS and third parties), Crematoria (providing pet cremation and clinical waste disposal for CVS and third party practices), Buying Groups and the Group's online retail business (Animed Direct).

The Group employs c.7,900 personnel, including c.2,000 veterinary surgeons and c.2,500 nurses.

Further information is available via the Company's website, at [www.cvsukltd.co.uk](http://www.cvsukltd.co.uk)