



Wilson Rapid Insights Conference November 2017

National Veterinary Care Ltd. | nvcLtd.com.au

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Business Overview

nvcltd.com.au

Operational Highlights Jul 1st - YTD

60 Owned Businesses



+13.2%

- Pipeline of 7 acquisitions announced on 14 July 2017 – all clinics were settled by 30 September 2017. Expected annualised revenue of \$10.3m and EBIT \$2.3m.
- Strategic divestment of 2 Emergency clinics in August 2017.
- Strong acquisition pipeline for H2.

363 Clinics



+7.7%

- 363 independent clinics utilising our Management Services and Procurement Division.

13,704 Wellness Program Members



+29.2%

- Wellness Program now implemented in 48 clinics with a total of 13,704 members. 29.2% growth since 1st July 2017.
- 4 additional new clinics will start promoting the Wellness Program by January 2018, bringing the total number of clinic promoting the program to 52.
- Current NPS Score of 76.01 with over 4,845 surveys completed 1 July 2017.

1000 Professionals Trained



+66.7%

- Veterinary Training Centre offered 54 workshops in 2017.
- Training 1000 veterinary professionals up 66.7% from 2016.

National Veterinary Care



**NVC
Clinics**



**Veterinary Training
Centre**



**Management Services
& Procurement Group**

Business Overview

- NVL is a provider of veterinary services to companion animals in Australia and New Zealand



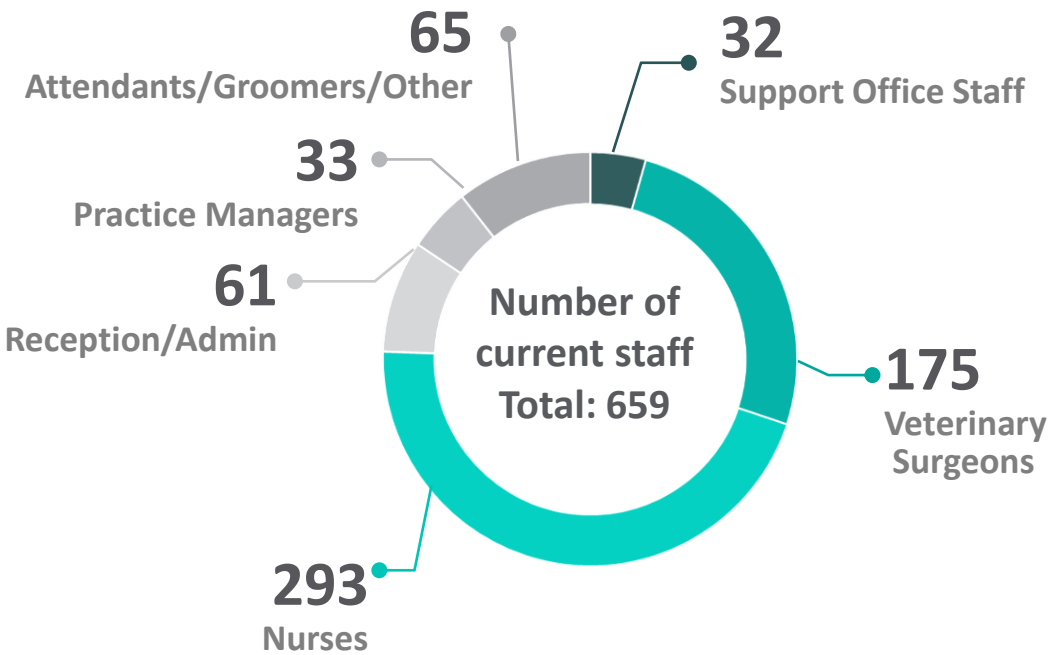
60 owned businesses:

- 57 general practice clinics
- 3 business-to-business operations



363 independent clinics utilising our Management Services and Procurement Division

- Group proudly employs 175 Veterinary Surgeons
- Number of current staff is 659



Our Business Facts

NVC has continued to shape pet healthcare in Australia and New Zealand over the last 12 months



18 new clinics
welcomed to the
NVC Community



Over **180,000** primary
consultations &
vaccinations



Over
159,000 active clients



Over **8,000** pets received
a dental procedure



Over **428,000** unique
website visits



Two industry leading
conferences for over **278**
Veterinary Professionals



54 practical training
workshops offered via our
Veterinary Training Centre



82% of clients surveyed
scored us a **9 or 10**

Our Competitive Advantage

1. Local Area Branding



Our clinics retain their local area brand, continuing to leverage their established brand equity

2. Training



Our veterinary professionals & other industry participants have access to our Veterinary Training Centre

3. Scale Operations



Leverage group buying power and group marketing benefits including campaigns, programs and supplier partnerships

4. Patient Satisfaction



Net Promoter Score continues to be above 75, with strong client retention

5. Clinical Autonomy



Vet Advisory Committee establishes standards for our clinics to guide their clinical decision making

6. Industry Partnerships



Working with the wider veterinary community for the future success of the industry

Foundations for Long Term Growth

Investment in Support Office



Strategically scaling up the Support Office function with capabilities to support additional clinics to leverage upcoming synergies by:

- Creating a more robust operations team introducing tri level support for clinics with Area Manager and Vet Manager roles now responsible for a smaller cluster of clinics, overseen by strategic State Managers.
- Restructuring the Finance Team to invest in:
 - Additional qualified personnel to provide a greater level of support to leaders within the Clinics and Operations Teams.
 - Addition of low cost solutions for high volume transaction processing.
- Further strengthening of clinic support capabilities by the introduction of additional Integrations, Marketing and HR resources.

Investment in New Systems



Introduced new systems and improvements to facilitate scalability:

- Introduction of a new HR Onboarding System and a more sophisticated Payroll System.
- Commenced implementation of new accounts payable and employee expense claim systems.
- Commenced upgrade of revenue and bank reconciliation systems to streamline EOM process.
- Integration of a new CRM system to communicate with our clients more effectively.
- Investment in HR policies, WHS policies and the introduction of an Intranet Platform.

Foundations for Long Term Growth (Cont.)

Investment in our People and Training



Strategic investment in developing the NVC culture, our people and leadership capabilities:

- Deployment of the Leadership Mastermind Program to develop our leaders (including 70 leaders).
- Continue the development of the training facility (1489 staff will be trained with 70 workshops).

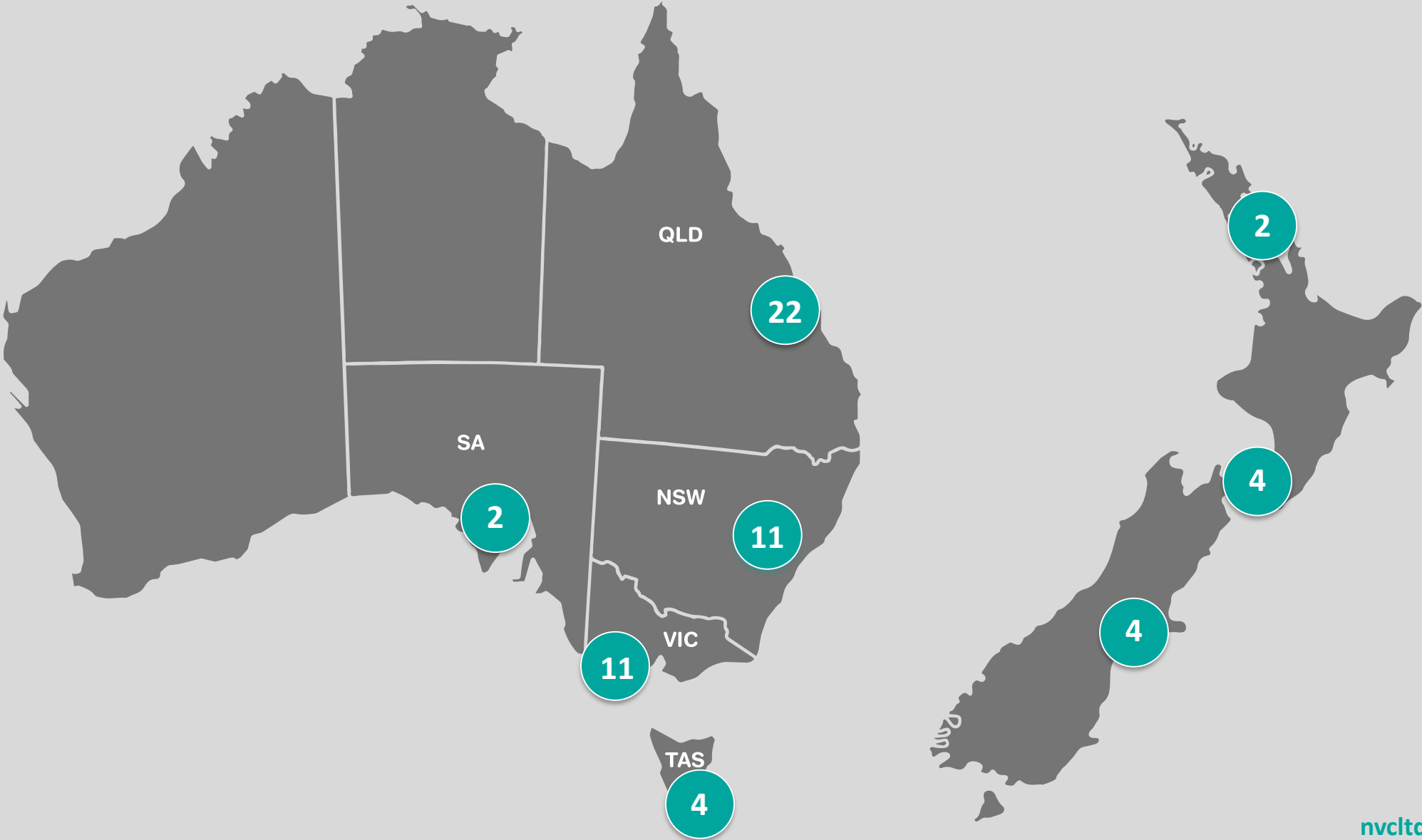
Investment in Infrastructure and Technology



Investment in Technology and Infrastructure to facilitate the integration and support strategy:

- Refinement of our key Practice Management System (PMS) to a centralised style database for clinical consistency and practice scalability. 13 clinics will be migrated to the centralised structure by December 2017 and the balance from January to August 2018.
- NVC systems (including the PMS) integration across 5 new clinics YTD and 3 to be deployed by the end of December 2017.
- Standardisation of our phone system and computers across the group creating significant efficiencies. 18 clinics have been migrated to the NVC systems. 4 additional locations will be rolled out by December 2017.
- NVC will commence the rollout out of the Phone system and IT platform in New Zealand by January 2018.

Australia and New Zealand Portfolio





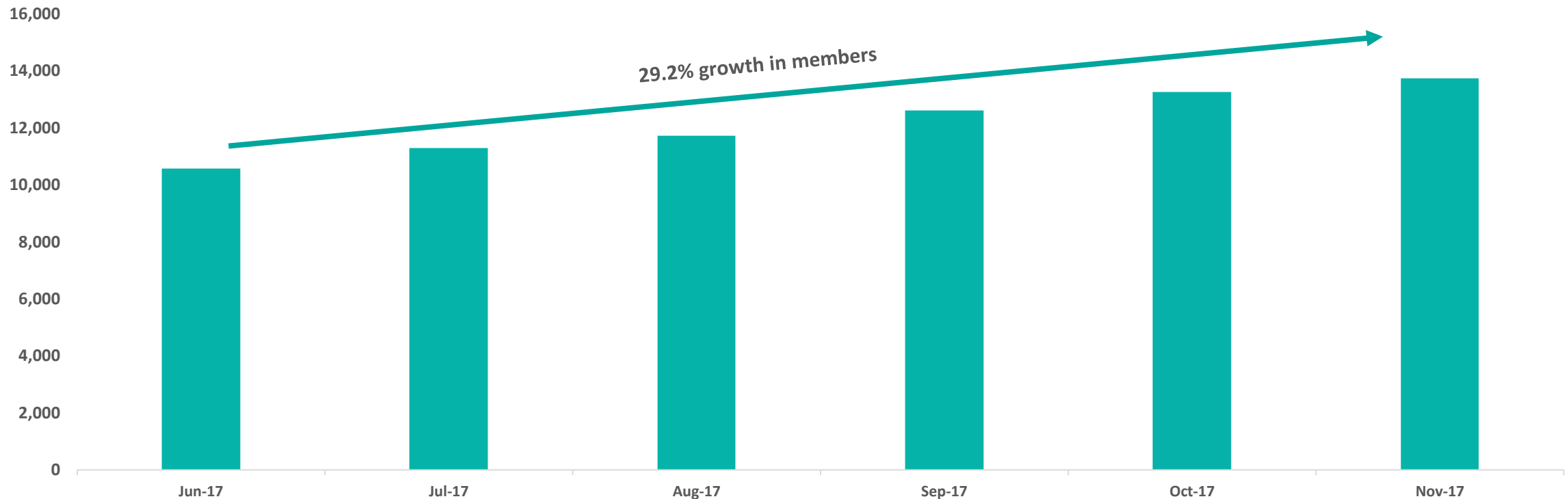
Clinics & Veterinary Training Centre

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Key drivers of organic growth performance

Wellness Program

- 48 clinics promoting Best for Pet program
- 13,704 members with membership growth of 29.2% since 1 July 2017.
- Members average spend increases by 94% after joining the program.
- The current membership retention rate is 80%.



Veterinary Training Centre - Workshop Topics & Participation (February – Nov 2018)

Workshop Topics		No. of Workshops	No. of Participants
Dental	Understand malocclusions, radiology, client compliance and dental extractions in one day	21	321
Pathology	Practical skills in taking and preparing all standard cytology samples including fine needle aspirates	4	96
Behaviour	An ongoing series of seminars on diagnosis and treatment of behavioural issues in small animals	2	60
Imaging	Ultrasonography imaging techniques as well as reading and interpretation	6	86
Surgery	Surgical wound management, abdominal surgery, stifle joint surgery, feline surgery	18	204
Nurse Consultation and Clinical Skills	Nurse consultation, merchandising in clinic effectively, foundation and advanced clinical nursing skills, nutrition and the effect on profitability	12	288
Leadership Training	Developing our clinic leaders with personal, financial, marketing and human resource management	4	280
Other	HR Staff Engagement, Effective use of Social Media, How to improve your customer service and customer loyalty	3	154
TOTAL		70	1,489



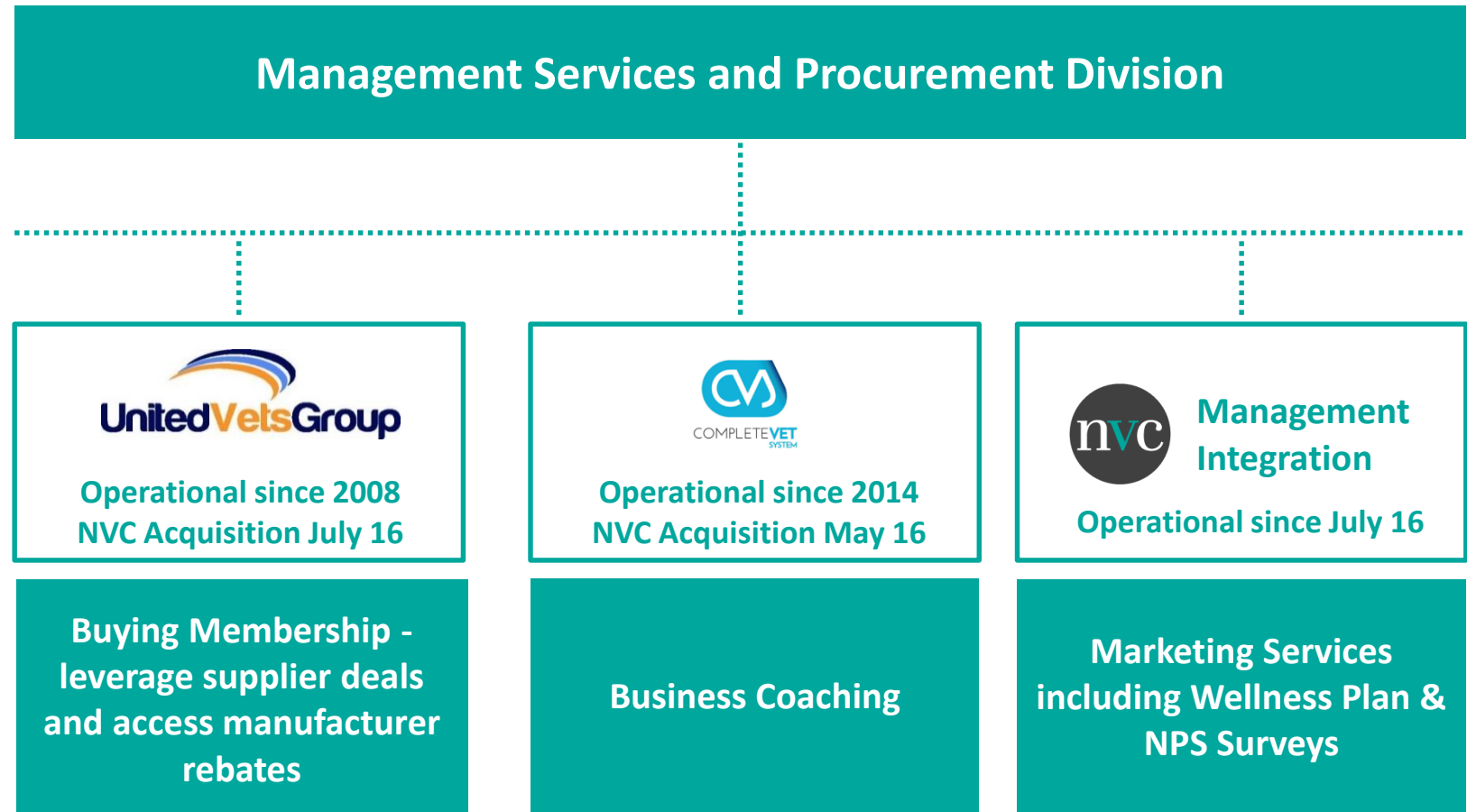


Management Services

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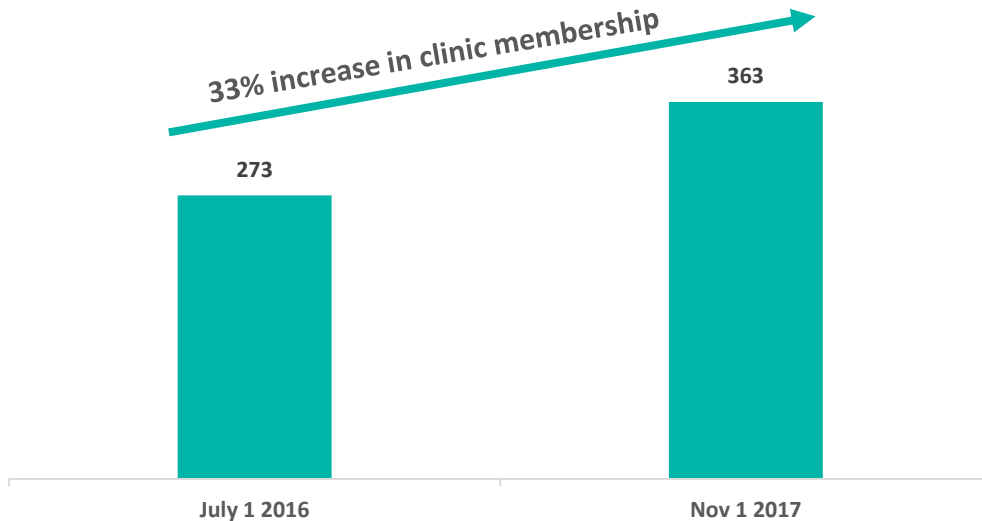
Overview of Management Services and Procurement Division

- The Management Services and Procurement Division has 3 different engagement levels to interact with clinics in the veterinary community.
- 2 of the engagement levels are driven from established businesses acquired by NVC.
- The clinics benefit from NVC's procurement arrangements and industry leading management and coaching programs and support.
- NVC benefits by building relationships and engaging with the wider veterinary community in Australia and New Zealand.

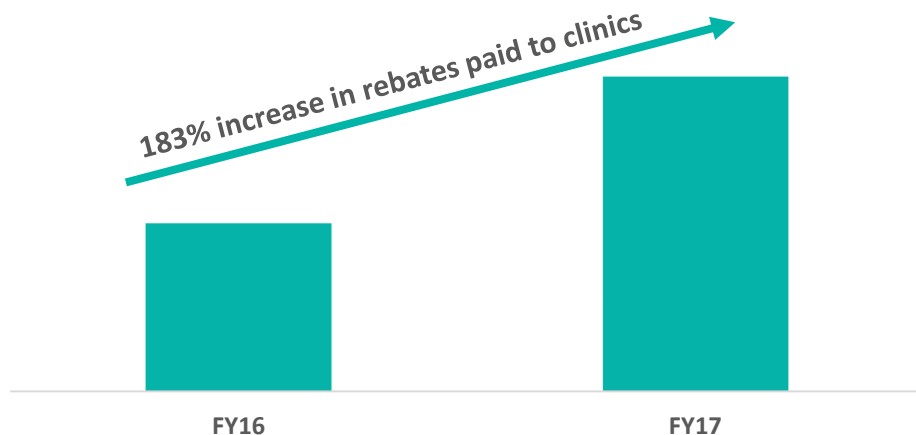


Improved clinic engagement and business growth since acquisition

Increase in UVG membership



UVG members receive increased rebates



Business Initiatives Driving Growth

- Expansion of the Management Services team to improve member servicing & targeted acquisition activity, including the addition of more veterinary and coaching expertise.
- Investment in a new member database to improve the management of members and to drive the business via data insights
- Over 10 new member supplier agreements (best in industry) delivered with further deals to be announced between November and January 2018
- Improved clinic rebates delivered via new and improved member deals
- Potential expansion to the NZ market in the next 6 to 12 months



Growth Strategy & Outlook

Growth Strategy

NVC has three core growth platforms, each with attractive returns and significant runway remaining as it strives to increase its market share.

Organic Growth of Veterinary Services



- Expansion of the Wellness Program – Best for Pet.
- Benchmarking of clinical standards across practices via the practice management system (leading to the identification of training opportunities to optimise product/service offer).
- Better standards of care, leading to increased revenue streams through the upskilling of veterinary professionals through the Centre of Excellence – Training Academy.
- In-house provision of more complex services to reduce external referrals outside of NVC.

Growth by Acquisition



Significant opportunity for further industry consolidation in the veterinary services sector due to:

- The fragmented nature of the industry.
- The changing characteristics of the veterinary workforce.

Growth of Management Services and Procurement Division



Significant opportunity to grow the management services and procurement business unit by leveraging

- NVC's stronger buying power
- NVC's Centre of Excellence- Training Academy
- NVC's Systems
- Providing support to smaller independent clinics (approx. 2,600 clinics in Australia and New Zealand)

FY2018 Outlook

Based on the initiatives and businesses currently in place, NVL is well positioned for growth into FY2018:

- Full Year Revenue growth expected to be greater than 25% above the statutory FY2017 revenue of \$66.8 million
- Full year Gross Margin and underlying EBITDA margin expected to be in line with FY2017
- Expect to pay an interim dividend in respect of half year 31 December 2017

	Growth Initiatives
Initiatives gaining traction	<ul style="list-style-type: none">▪ Wellness Program gaining traction with 48 of the clinics offering the program▪ Roll out of KPIs for benchmarking across the group ensuring high performance standards maintained through growth
IT and new infrastructure in place	<ul style="list-style-type: none">▪ Centralised financial systems and practice management systems in place to ensure scalability of the business model
Pipeline of potential acquisitions	<ul style="list-style-type: none">▪ Strong pipeline of potential clinics to acquire to secure growth▪ Sector remains highly fragmented in Australia and New Zealand approximately 2,600 veterinary clinics
Supplier Agreements in place	<ul style="list-style-type: none">▪ Agreements with suppliers finalised to ensure clinics receive favourable purchasing terms
Alignment of management, vendors and shareholders	<ul style="list-style-type: none">▪ Both Management and Vendors have significant financial interest in NVC which aligns their interests with shareholders



Appendix

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Senior Management



Tomas Steenackers, Managing Director and Chief Executive Officer

Tomas was previously the General Manager Specialty, Emergency & Pathology of Greencross Ltd. Tomas has strong pharmaceutical, retail and pathology sector experience including Senior Management roles with Mayne Pharma, Hospira, Covidien, and Terry White Management.



Jason Beddow, Chief Financial Officer

Jason was previously the CFO of ASX-listed mining products and services business PPK Group Limited. Jason also has extensive experience in senior financial roles with private equity and listed companies in the health and pharmaceutical sector, as well as audit and advisory roles with big four accounting firm Deloitte.



Dr Alex Whan, Chief Operations Officer

Dr Alex has over fifteen years of veterinary experience, practicing veterinary medicine in both Australia and overseas and has experience in both large and small animal medicine. Alex was previously the Lead Veterinarian and Practice Owner at Brunswick Central Veterinary Clinic in Melbourne, establishing the clinic into a multiple million-dollar operation.



Keith Nicholls, Chief Commercial Officer

Keith joined NVC with a strong background in mergers and acquisitions more recently within the dental industry. An experienced executive with cross-functional and cross-industry expertise working with private, private equity and publicly listed companies. Keith also brings extensive commercial and IT knowledge to NVC.



Paula Sadler, Chief Marketing Officer

Paula joined NVC with a strong background in senior marketing management roles with experience in both publicly listed and private companies in animal health, entertainment, sport, retail and a large full service marketing agency. Paula has a strong background in customer relationship marketing, marketing strategies, digitally-led and integrated marketing communications.



Gillian Porter, Human Resources Manager

Gillian comes from a generalist HR background within the hospitality industry, working with large multi-site restaurant groups including the Jamie Oliver brands. Gillian has a strong experience in start-up sites, workforce planning, talent acquisition, process improvement and system implementation.

Board of Directors



Susan Forrester, Chair and Non-Executive Director

Susan has a significant blend of commercial, financial and legal management experience gained across public and private organisations. She is currently a Director of G8 Education Ltd (ASX:GEM), Xenith IP Ltd (ASX:XIP) and Over the Wire Ltd (ASX:OTW).



Tomas Steenackers, Managing Director and Chief Executive Officer

Tomas was previously the General Manager Specialty, Emergency & Pathology of Greencross Ltd. Tomas has strong pharmaceutical, retail and pathology sector experience including Senior Management roles with Mayne Pharma, Hospira, Covidien, and Terry White Management.



Kaylene Gaffney, Non-Executive Director

Kaylene has significant experience in senior financial management roles currently with Super Retail Group Limited. Kaylene was previously on the board of online travel company Wotif.com Holdings Ltd from 2010-2014.



Stephen Coles, Non-Executive Director

Dr Coles was a Founding Executive Director of Greencross Ltd from June 2007 to January 2011. Dr Coles has been a Veterinary Specialist for over 35 years. He has owned and operated multiple practices in Melbourne before joining Greencross Ltd.



Thank you