

For immediate release

24 April 2025

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

Disposal of Crematorium Operations

CVS, the UK listed veterinary group and a leading provider of veterinary services, announces the disposal of its Crematoria operations ("Crematoria") to Anima Care UK Limited a UK registered subsidiary of Anima Care Holding, the parent company of the pet aftercare division of Funecap Group ("Funecap"), a third-party European funeral services and infrastructure provider. Cash consideration is £42.4m which represents a 10x multiple of adjusted EBITDA¹.

Rationale for the disposal

In light of the Group's significant growth opportunities and following an attractive approach by Funecap, CVS has taken the decision to divest of its Crematoria which currently represent 1.8% of the Group's revenues and 3.2% of the Group's adjusted EBITDA.

The Group has exchanged contracts with Funecap for the disposal of its Crematoria with an expected completion date within the next five weeks.

Funecap will provide clinical waste disposal and cremation services to CVS practices and clients following completion.

The capital generated from the divestment provides additional firepower for continued selective investment in the UK and expansion in Australia, where the Group can acquire assets at attractive multiples, and supports leverage² remaining below 2.0x.

Therefore, this capital recycling is expected to be value accretive to the Group in due course and allows CVS to focus on its core veterinary and diagnostics services, whilst continuing to provide a high-quality end to end client service.

Financial effects of the disposal

For the financial year ended 30 June 2024 the Crematoria had revenue of £12.0m; adjusted EBITDA of £4.3m; profit before tax of £3.6m and net assets with a carrying value of £23.6m, as reflected in the Group consolidated accounts. The Crematoria forecast for the year to 30 June 2025 is an adjusted EBITDA of approximately £4.3m and profit before tax of approximately £3.3m. It is expected that CVS will report a one-off profit on the disposal of in the region of £32.0m in its FY2025 accounts.

This announcement contains inside information for the purposes of article 7 of the Market Abuse Regulation (EU) 596/2014 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 ("MAR"), and is disclosed in accordance with the Company's obligations under Article 17 of MAR. The person responsible for making this announcement on behalf of the Group is Richard Fairman, CEO.

Notes:

1. Adjusted EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) is profit before tax adjusted for interest (net finance expense), depreciation, amortisation, costs relating to business combinations, and exceptional items.
2. Leverage on a bank test basis is net bank borrowings divided by 'Adjusted EBITDA', annualised for the effect of acquisitions, deducting cost in relation to acquisition fees and adding back share option costs, on an accounting basis prior to the adoption of IFRS 16.

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About CVS Group plc (www.cvsukltd.co.uk)

CVS Group is an AIM-listed provider of veterinary services with operations in the UK and Australia. CVS is focused on providing high-quality clinical services to its clients and their animals, with outstanding and dedicated clinical teams and support colleagues at the core of its strategy.

The Group now operates c.460 veterinary practices across its two territories, including specialist referral hospitals and dedicated out-of-hours sites. Alongside the core Veterinary Practices division, CVS operates Laboratories (providing diagnostic services to CVS and third-parties) and an online retail business ("Animed Direct").

The Group employs c.9,000 personnel, including c.2,400 veterinary surgeons and c.3,300 nurses.

About Funecap Group

Funecap Group is a European leader in the funeral industry, Funecap Group (€800m Revenue) principally operates in 6 countries (France, Italy, Netherlands, Germany, Belgium and Switzerland) where it supports more than 400,000 families every year in its network of funeral infrastructure and service branches. In 2023, Funecap created Anima Care Group, its subsidiary dedicated to offering pet aftercare services. Anima Care Group operates in 4 countries (France, Italy, US and Canada) and supports more than 200,000 pet parents every year. Funecap Group also owns Facultatieve Technologies, the UK-based worldwide leader in the manufacturing and maintenance of cremation equipment for humans and for pets.

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