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CVS Group plc
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CVS GROUP plc

("CVS", the "Company" or the "Group")

Final results for the year ended 30 June 2025

Like-for-like growth with further inorganic growth opportunities

CVS, the UK listed veterinary group and a leading provider of veterinary services, is pleased to announce its final results for the year ended 30 June 2025 ("2025"). The Group has delivered a strong set of results and has made further progress in Australia against a backdrop of the ongoing Competition Markets Authority ("CMA") market investigation in the UK.

Financial Highlights[1]

- Revenue from continuing operations increased by 5.4%, to £673.2m (2024: £638.7m)
- Group like-for-like[2] sales increased by +0.2% (2024: 2.9%). Like-for-like[2] sales performance across CVS's core Veterinary Practice division was an increase of +1.0% for the year
- Whilst full year revenue growth and like-for-like[2] sales, as previously announced, were impacted by softer market conditions in the UK, the Group saw improved revenue and like-for-like growth in the final quarter, with good momentum through the end of the year
- Adjusted EBITDA[3] growth of 9.4%, to £134.6m (2024: £123.0m), benefitted from revenue growth, disciplined cost management and a £2.3m increase in net Research and Development Expenditure Tax Credits. Adjusted EBITDA margins for continuing operations improved to 20.0% for the full year (2024: 19.3%), which is within our medium-term guidance of 19% to 23%
- Profit before tax on continuing operations decreased by 7.4%, to £32.6m (2024: £35.2m) mainly due to an increase in finance expense and depreciation, following an increase in acquisitions and continued disciplined capital investment in recent years, in line with our growth strategy.
- Statutory profit for the year increased to £53.0m (2024: £6.4m) after recognising a gain of £33.5m on disposal of the Crematoria operations which were treated as discontinued during the year
- Leverage[7] decreased to 1.18x (2024: 1.54x) due to strong cash generation coupled with proceeds received from the Crematoria divestment; partially offset by investment in acquisitions and existing practices
- Adjusted operating cash conversion[8] increased 6.8ppts to 76.9% (2024: 70.1%) in line with our 70%+ medium term guidance
- The Board is maintaining its progressive dividend policy and recommending the payment of a final dividend of 8.5p per Ordinary share (2024: 8.0p), reflecting the Board's confidence in the long-term outlook for the Group

£m except where stated	**2025**	**2024**[1]	Change %
Revenue	**673.2**	**638.7**	5.4%
Group like-for-like ("LFL") sales growth (%)[2]	***0.2%***	***2.9%***	*-2.7 ppts*
Adjusted EBITDA[3]	**134.6**	**123.0**	9.4%
Adjusted EBITDA[3] margin (%)	***20.0%***	***19.3%***	*+0.7 ppts*
Adjusted profit before tax[4]	**78.9**	**79.0**	-0.1%
Adjusted earnings per share[5] (p)	**80.1**	**83.3**	-3.8%
Operating profit	**49.8**	**47.8**	4.2%
Profit before tax	**32.6**	**35.2**	-7.4%
Profit for the year (after profit/(loss) on discontinued operations)	**53.0**	**6.4**	728.1%
Basic earnings per share (p)	**73.7**	**8.6**	757.0%
Net bank borrowings[6]	**131.4**	**168.0**	-21.8%
Final dividend (p)	**8.5**	**8.0**	6.3%

Notes

1 2024 numbers have been re-presented following the classification of the Crematoria operations as discontinued operations.

2 Like-for-like sales shows revenue generated from like-for-like operations compared to the prior year, adjusted for the number of working days and on a constant currency basis. For example, for a practice acquired in September 2023, revenue is included from September 2024 in the like-for-like calculations.

Underlying like-for-like sales is explained further in the Financial Review below.

3 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. Adjusted EBITDA provides information on the Group's underlying performance and this measure is aligned to our strategy and KPIs.

4 Adjusted profit before tax is calculated as profit before amortisation, taxation, costs relating to business combinations, and exceptional items.

5 Adjusted earnings per share is calculated as adjusted profit before tax less applicable taxation divided by the weighted average number of Ordinary shares in issue in the year.

6 Net bank borrowings is drawn bank debt less cash and cash equivalents

7 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.

8 Operating cash conversion is defined as cash flows from operating activities adjusted for discontinued operations, acquisition fees and contingent consideration paid, less lease liability repayment and maintenance capital expenditure; divided by adjusted EBITDA.

9 The company compiled consensus range and averages for FY2026 adjusted EBITDA £138.9m to £143.2m with an average of £141.4m. This is based upon nine analyst estimates.

Advancing our growth strategy

- Invested A 57.9m / £29.2m to acquire a further seven practices in Australia (fifteen practice sites) in FY25, in line with our inorganic growth strategy
- Continued investment in our facilities and equipment, with total capital expenditure of £34.2m (£33.2m continuing operations, 2024: continuing operations £41.5m), including investment into further technology across our operations
- Divestment of our Crematoria operations generating initial proceeds of £42.3m which represents a 10x adjusted EBITDA multiple and provides additional firepower for expansion in Australia and selected investment in the UK
- Increased number of vets employed by 4.5% (5.8% including acquisitions)
- Healthy Pet Club preventative healthcare scheme increased membership by 3.2% to 519,000 members (2024: 503,000) mainly due to new clients transitioning from legacy schemes linked to historical UK practice acquisitions
- We successfully strengthened our management team in the year with Paul Higgs, Chief Veterinary Officer, joining the

  Board in July 2024 playing a key part in helping to shape the future of the veterinary profession in the UK and Australia and Claire Slater joined as Chief Operating Officer in January 2025 bringing a wealth of operational and commercial experience from her previous roles at IVC Evidensia and WH Smith

We continue to focus on providing great clinical client service

- Launched '*the CVS Care Plan*', our new sustainability focus encompassing four core pillars: Care for our Planet, Care for our Clients and their Animals, Care for our People and Care for our Communities
- We received a RCVS knowledge champion award for Quality Improvement to lead organisational change
- Launched a new innovative training programme to support all vets: *"Confidence in the Consulting Room*"
- We continue to enhance our technology with a cloud-based practice management system and online bookings, which has enabled us to improve client engagement through digital products such as prescription reminders. Alongside this, we are trialling AI software to reduce administrative tasks for our clinicians
- Our strong focus on providing great client service saw our client Net Promoter Score increase to 78.9 (2024: 68.0)

Outlook

The new financial year is off to a strong start. The Board remains confident in the enduring demand for high-quality veterinary care and is pleased with the continued progress of the expansion strategy in Australia.

- The positive momentum in like-for-like[2] sales performance from Q4 FY2025 has continued into Q1 FY2026 of the financial year. The Board remains confident in returning to delivering like-for-like[2] organic growth of between 4-8% in the medium term
- Strategy for growth remains unchanged: the fundamentals of the sector remain strong, with growth opportunities across Australia
- Continued successful Australia market entry with two acquisitions comprising 8 practice sites completed so far in FY 2026, for consideration of £23.6m, including Sydney Animal Hospitals, and a further strong pipeline of acquisition opportunities identified and synergies expected
- Healthy balance sheet and free cash flows in support of further organic and inorganic investment with funding in place and leverage at 30 June 2025 of 1.18x, well below our 2.0x threshold

- The Group continues to expect to perform in-line with market expectations[9] for FY26

- The Group looks forward to the publication of the CMA provisional decision in mid-October 2025

Richard Fairman, Chief Executive Officer, commented:

"I am delighted to report on another successful year of growth across our group with improved UK operations and the establishment of a meaningful platform in Australia. We have successfully navigated some significant challenges over the past twelve months, and we enter the new financial year with a strengthened Group, which is well positioned for further success.

We have continued to invest in people, practice facilities, clinical equipment, technology and acquisitions in Australia under our disciplined approach and are confident in the returns this will generate. We completed a further seven acquisitions in year, and two since the year end, and now have 31 practices in Australia comprising 51 practice sites.

The market and economic uncertainty in the UK including the prolonged CMA market investigation, the increased Employers' National Insurance Contributions and continued weakness around consumer spending have been unhelpful, but the strong fundamentals of the veterinary market remain attractive, and CVS continues to be well positioned to deliver attractive growth in shareholder value. We continue to focus on providing best in class client service and have enhanced our client offering in the past year, whilst continuing to deliver the great clinical care we are renowned for. It is pleasing to see this recognised by our clients with our client Net Promoter Score increasing.

I am immensely proud of the achievements of our team of colleagues over the past year and the care they provide to our clients and their animals 24 hours a day, 365 days a year. I am also proud to be CEO of a corporate veterinary group which puts great clinical care and people at the heart of its focus.

The CMA investigation, and resulting press articles, have seen the veterinary sector come under intense scrutiny and this has impacted our colleagues who care so passionately in delivering great care. As the investigation draws to a close with the imminent publication of the CMA's provisional decision, I would like to take this opportunity to thank all CVS colleagues and stakeholders for their resilience, professionalism and commitment."

Results webcast

An audio webcast and presentation of these results will be available on https://brrmedia.news/CVSG_F25_Pres from 07.00am on 7 October 2025.

A Q&A for analysts and investors will be held today at 09.00am at Peel Hunt LLP, 7th Floor, 100 Liverpool Street, London, EC2M 2AT, attendance is by invitation only. To access a live streaming of the event, please click on the following link https://brrmedia.news/CVSG_FY25

Those wishing to participate in the Q&A session remotely should email CVSG@camarco.co.uk for call details.

Contacts

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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.470 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.8,900 personnel, including c.2,400 veterinary surgeons and c.3,300 nurses.

Chair's statement

Introduction

It is a privilege and pleasure to spend time with our great people as they go about their job of caring for the health of our clients' pets and other animals. It frustrates me that the UK veterinary profession is now often misunderstood and under-appreciated. It has been 17 months since the UK Competition and Markets Authority (CMA) started the full market investigation into veterinary services for household pets. Many of our people have been involved in and made valuable contributions to this process and all of our teams in the UK have worked with it as a backdrop. I particularly want to thank our colleagues and appreciate their resilience in these challenging times. I am hopeful that the CMA process is nearing its conclusion in early 2026 and that the outcome will be positive for the profession in the UK. While we continue to be valued by our clients it is clear that we and other operators in the UK veterinary sector, both corporate and independent, need to invest further in our relationships with animal owners. The standard of veterinary care in the UK is high and in our case there are advantages to our people and our clients from our corporate ownership.

There are also significant benefits to CVS from being a public quoted company in terms of our long-term capital structure, access to funds and, in normal circumstances, being able to incentivise our people through the opportunity for share ownership. Our share price has recovered somewhat from the levels at the end of the 2024 calendar year but remains well below the price in September 2023 when the CMA announced the initial review into the UK veterinary services market. This announcement came less than a year after we launched our five-year plan in November 2022 to support our growth strategy with continued focus on organic growth and through investment in people, practice facilities, clinical equipment and technology, and further acquisitions which for obvious reasons are now focusing in Australia for the time being. Throughout this time CVS has performed in line with expectations and acted to deliver this growth strategy.

Financial performance

We have delivered another strong set of financial results with increased revenue and adjusted EBITDA, enhanced adjusted operating cash conversion and a strong balance sheet.

We have invested in our people, our facilities and our equipment and have acquired further practices in Australia. At the end of the financial year we operated from 43 practice sites in Australia having completed seven acquisitions during the financial year. We now operate from 51 practice sites in Australia following acquisitions since the year end and are continuing to see good momentum and additional opportunities.

We have made significant and targeted investment in technology to improve our functionality and strengthen our resilience. It is particularly notable that we have now introduced online appointment booking and are trialling artificial intelligence (AI). Such investment is particularly important to enable us to provide high standards of care and service in an increasingly competitive market.

On 24 April 2025 we announced the sale of our UK Crematoria operations for initial cash consideration of £42.3m. This completed on 15 May 2025.

Revenue for the financial year increased by 5.4% to £673.2m (2024: £638.7m). The like-for-like increase, after adjusting for the effect of acquisitions, was +0.2%, impacted by softer market conditions in the UK. Like-for-like sales performance across CVS's core Veterinary Practices division was +1.0% for the year. On the assumption of an improved economic backdrop, certainty following the conclusion of the CMA market investigation and as the COVID-19 cohort of puppies and kittens age and naturally require increased veterinary care, we are confident in returning over the medium term to our like-for-like growth ambition of 4-8%.

Adjusted EBITDA increased by 9.4% to £134.6m (2024: £123.0m) after recognising net Research and Development

Adjusted EBITDA increased by 9.4% to £134.6m (2024: £123.0m) after recognising net Research and Development Expenditure Tax Credit of £15.1m (2024: £12.8m), with adjusted EPS decreasing by 3.8% to 80.1p (2024: 83.3p).

Profit before tax decreased by 7.4% to £32.6m (2024: £35.2m) with basic EPS (which includes the profit on disposal of the Crematoria operations) increasing by 757.0% to 73.7p (2024: 8.6p).

Cash generated from operations increased by 19.0% to £114.1m (2024: £95.9m). Net bank borrowings decreased to £131.4m (2024: £168.0m) and leverage decreased to 1.18x (2024: 1.54x) due to strong cash generation coupled with proceeds received from the Crematoria divestment only partially offset by investment in acquisitions and existing practices.

Strategic progress

Our strategy, purpose and vision remain underpinned by our four strategic pillars: to recommend and provide the best clinical care every time; to be a great place to work and have a career; to provide great facilities and equipment; and to take our responsibilities seriously.

Governance and the Board

As previously announced Paul Higgs joined the Board as Chief Veterinary Officer on 25 July 2024. Paul provides great insight into clinical matters and it is good to see his profile developing within the wider profession. During the year we have invested in the organisational structure with a number of key non-Board appointments including a Chief Operating Officer and a UK Companion Animal Director.

We monitor the composition of the Board in order to ensure that we have the right balance of diversity, skills and experience. We have recently completed an external review of Board effectiveness which confirms the Board is effective.

The Board's time and expertise are utilised to support the strategic development of the Group. We consider updates on developments in the profession and market trends. The structures and processes we have in place are summarised in this Annual Report. We continue to place strong emphasis on Environmental, Social and Governance matters to ensure we have the right framework in place to enable our business to operate in a sustainable and responsible way.

Dividends

The Board is recommending the payment of a final dividend of 8.5p per Ordinary share (2024: 8.0p), subject to shareholder approval at the Annual General Meeting to be held on 18 November 2025. The ex-dividend date is 6 November 2025, the record date is 7 November 2025 and the dividend payment date is 5 December 2025.

Shareholder engagement

The Board continues to engage actively with shareholders through direct dialogue and attendance at investor conferences. All Directors are available to speak or meet with investors on request.

Outlook

We have often stated that the fundamentals of our sector are very strong with an increased population of pets post the COVID-19 pandemic, pet life expectancy increasing and the humanisation of pets resulting in owners generally willing to spend on their veterinary care albeit subject to the cost of living pressures being widely experienced. In the short term, CVS is experiencing cost pressures notably in the UK through the recent increase in Employers National Insurance Contributions and the continued national minimum wage and national living wage inflation. We are proactively addressing these challenges in the UK with a focus on operating even more efficiently and continuing to build our presence in Australia, which is progressing well and will contribute to the successful growth profile of the Group.

As we await the outcome of the CMA process, CVS is well positioned for further growth in both the UK and Australia.

I look forward to reporting on further success in the future.

I would like to conclude by thanking all CVS colleagues in the UK and Australia for their continued professionalism and commitment to providing great care for our clients and their animals and I also thank all our stakeholders for their ongoing support.

David Wilton

Chair

7 October 2025

Chief Executive Officer's review

Introduction

I am delighted to report on another successful year of growth across our Group with improved UK operations and the establishment of a meaningful platform in Australia. We have successfully navigated some significant challenges over establishment of a meaningful platform in Australia. We have successfully navigated some significant challenges over the past twelve months, and we enter the new financial year with a strengthened Company, which is well positioned for further success.

We have continued to invest in people, practice facilities, clinical equipment, technology and Australia acquisitions under our disciplined approach and are confident in the returns this will generate. As at the year end we had 29 practices in Australia operating across 43 practice sites with seven acquisitions completed in the financial year. We have completed two further acquisitions (eight practices sites) since the year end including the marquee acquisition of Sydney Animal Hospital. I would like to welcome all our new Australia colleagues to CVS.

The market and economic uncertainty in the UK from both the Competition and Markets Authority (CMA) market investigation, the increased National Insurance Contribution burden and continued consumer weakness have been unhelpful, but the market fundamentals remain attractive, and we are confident in our ability to compete successfully.

We disposed of our Crematoria operations in May 2025, generating a c.10x multiple of adjusted EBITDA. The capital generated provides additional firepower for continued selective investment in the UK and expansion in Australia.

We continue to focus on providing great client service and have enhanced our client offering in the past year, whilst continuing to deliver the great clinical care which we are renowned for. It is pleasing to see this recognised by our clients with our Net Promoter Score increasing to 78.9 (2024: 68.0).

I am immensely proud of the achievements of our team of colleagues over the past year and the care they provide to our clients and their animals 24 hours a day, 365 days a year. I am also proud to be CEO of a corporate veterinary group which puts great clinical care and people at the heart of its focus. The CMA investigation, and resulting press articles, has seen the veterinary sector come under intense scrutiny and this has impacted our colleagues who care so passionately in providing great care. I would like to take this opportunity to thank them all for their resilience, professionalism and commitment.

Financial performance

We delivered revenue from continuing operations of £673.2m, an increase of 5.4% over the prior year. Following a challenging start to the year with like-for-like (LFL) sales growth of -1.1% for the first six months, it was pleasing to see a significant improvement in the final quarter leading to positive full-year LFL growth and improved trading. Whilst this performance as against a softer comparative, we saw underlying sales growth in this period. Adjusted EBITDA increased by 9.4% to £134.6m due to disciplined cost management, efficiency improvements and a £2.3m increase in net Research and Development Expenditure Tax Credits recognised. Profit before tax decreased by 7.4% to £32.6m following increases in finance expense and depreciation, largely as a result of investments we have made to drive future growth.

Following our successful entry into the Australia veterinary services market in July 2023, we have completed a further seven acquisitions in the financial year (comprising 15 practice sites) for an cash consideration of £29.2m.

We made further investments in our facilities, equipment and technology to support growth with total capital expenditure of £34.2m (2025 continuing operations: £33.2m, 2024: £43.1m).

We achieved an improvement in our adjusted operating cash conversion, which at 76.9% for the year is ahead of our stated target of c.70%. In light of these strengthened operating cash flows and the proceeds received from the sale of our Crematoria business, net bank borrowing decreased to £131.4m at 30 June 2025 and leverage reduced to 1.18x. We have committed bank facilities in place through to February 2028 to fund continued investment in growth.

Management team

We successfully strengthened our management team in the year with Paul Higgs, Chief Veterinary Officer, joining the Board in July 2024. As an RCVS recognised and European veterinary specialist in small animal internal medicine, Paul enhances our capability in delivering exceptional clinical care. Paul has successfully established himself as an industry thought leader and will play a key part in helping to shape the future of the veterinary profession in the UK and Australia.

Claire Slater joined as Chief Operating Officer in January 2025 and brings a wealth of operational and commercial experience from her previous roles at IVC Evidensia and WH Smith. Claire adopts a refreshingly data driven approach to operational development and her client focus and people leadership acumen have strengthened our Executive Committee.

Strategic update

We have a clear strategy for growth focused on continued high standards of clinical care, delivering excellent client service and developing a highly skilled team of colleagues to deliver this. I am pleased with the progress made over the past financial year which positions CVS well for future growth.

In the UK we have continued our disciplined investment in our practice facilities with £33.2m spent on capital projects for continuing operations. We completed six practice refurbishments or relocations and over 70 of our practices received investment to improve both client-facing and colleague working areas.

We have continued to enhance our technology with our cloud-based practice management system operational across the majority of our companion animal sites and client service enhanced through online booking across 340 companion animal practices. This investment has also enabled us to improve digital product and prescription reminders for clients, creating efficiencies in our practices.

Within our referral specialist hospitals, we have successfully trialled new AI software which leads to further efficiency by reducing the time taken to write clinical notes and letters to the referring vet and client allowing our vets to focus on the care they provide to our clients' pets. We are now considering how this can be utilised across our business.

Our learning and development team, in an industry first, has launched a new consultation skills training course which was developed with the support of a leading NHS general practitioner trainer. This will help us further enhance our client service skills and help ensure we continue to fully meet evolving client expectations.

As a leading corporate veterinary group in a highly competitive industry, we have a responsibility to develop standards in the profession which will ultimately enhance the client service and the care provided to animals. We continue to invest in research and development and to look for new ways to support our clinical colleagues in appropriately diagnosing the cases that present in the consultation room. During the year we launched "MiGuide", a handy pocket guide which helps clinicians search symptoms and recommended treatment plans.

We have established a successful Australian business with a strong local management team and a meaningful platform, having now acquired 31 practices operating across 51 sites. These practices continue to perform in line with our expectations, and we have successfully established a reputation of being both clinically and people focused. With our increased scale we are now starting to generate cost efficiencies through improving buying terms for pharmaceuticals and some clinical services. We will continue our selective and disciplined approach to acquisitions and have a strong pipeline of further opportunities.

Capital allocation

We have a healthy balance sheet and strong free cash flow which underpins our opportunity for disciplined investment in growth

Healthy balance sheet and strong free cash flow

- Committed facilities of £350m to February 2028
- Operating cash conversion c.70%
- Strong free cash flow

Investment opportunities and dividends

- Investment capex: c.£30m-£50m pa
- Acquisitions: £50m pa subject to timing
- Progressive dividend policy

Disciplined investment approach

- Leverage < 2.0x
- Disciplined investment: IRR of > c.10.0%
- Shareholder returns

Competition and Markets Authority (CMA)

We have adopted a proactive approach in liaising with the CMA throughout its market investigation. This is to both help the CMA understand the sector and some of the challenges we face, but importantly to help them achieve an appropriate outcome in the best interests of consumers. We have sought to engage early and proactively with the CMA at every stage of its review and we have proposed remedies to the CMA for it to consider. We were delighted to welcome the entire CMA panel to visit two of our practice sites in July 2024 and we welcomed Martin Coleman, CMA Panel Chair, and his colleague at a further practice this year to observe a series of back-to-back consultations.

Whilst we were disappointed with the CMA's decision to extend the market investigation by six months, we are hopeful that the additional time taken to digest feedback on its remedies working paper will lead to an improved set of ultimate remedies.

At the time it announced this extension, the CMA had said that it planned to publish its provisional decision in September 2025. In light of this, we consciously decided to delay the date of these results so that we could both digest its provisional findings and also discuss these in our forthcoming investor roadshow. It is disappointing that there has been a further delay to mid-October 2025, but we look forward to reviewing the provisional findings shortly.

We will continue to support the CMA in the remainder of its investigation and have advanced plans in place to implement the final remedies package which will include joint branding of our practices and the publishing of implement the final remedies package which will include joint branding of our practices and the publishing of standardised price lists.

Sustainability

Today we are publishing our fourth Sustainability Report which provides a detailed update on our sustainability and ESG focus. We have refreshed our approach under four key ESG pillars: Care for our People; Care for our Clients and their Animals; Care for our Planet; and Care for our Communities. I continue to sponsor our overall sustainability and ESG approach with each of these focus areas being led by a member of my Executive Committee.

Shareholder engagement

We have continued our investor relations focus through open and timely individual engagement with existing and potential new shareholders and attendance at a number of broker conferences.

It was pleasing to see our investor relations recognised through CVS winning the "Best Investor Communication Award" at the AIM Awards 2024.

Outlook

CVS continues to operate in competitive but highly attractive markets in the UK and Australia. Both markets remain strong with increased pet ownership, the continued humanisation of pets, increased pet life expectancy and owners having a boundless affection for their animals.

Our success in the past financial year and the outstanding service we have provided to our clients and their animals are entirely due to our fantastic team of CVS colleagues. I cannot thank them enough for their continued support and dedication.

Whilst I remain mindful of the short-term headwinds from continued cost of living pressures in the UK and the ongoing CMA market investigation, I am confident in our outlook. Through the significant achievements of the past financial year, the strategic progress made and our strengthened balance sheet, CVS is well placed to continue to compete successfully and to deliver further enhanced value to all stakeholders.

I look forward to reporting on the continued successful development of CVS in 2026 and beyond.

Richard Fairman

Chief Executive Officer

7 October 2025

Clinical review

Although the Competition and Market Authority itself has recognised the "dedication and commitment to pet owners and their animals shown by individual vets and vet nurses" we recognise that there is always more that can be done to help owners feel more involved in decisions associated with their pets' veterinary care.

The veterinary profession has been exploring how the owner experience can be improved and has been using the term "contextualised care" to describe how a pet owner's needs can and should influence the approach to caring for their animal.

In 2024, our clinical leadership teams worked on a way of describing this complex process so that it can be easily applied in the already complex environment of a consulting room. We believe that the outcome we are looking for from contextualised care is a form of shared decision making between the vet, the owner and in some part the animal. The vet provides the expertise in animal health and welfare, the animal provides objective information through a physical examination and their behaviour, and the owner completes the picture by giving information on how their unique "context" may influence certain approaches. This latter part is the complicated part, and we have described this as using "what matters" to an animal owner to shape the decisions around their animal's care plan.

The challenge with this is that understanding what matters to a pet owner is complex; first we have to build a relationship with them that allows them to feel safe telling us what is important to them. This might include financial constraints but there can be lifestyle impact, other pets, time and cultural influences. It is not as simple as just asking "what matters to you"; the animal owner has to trust that we truly care about what is important to them and we have to truly listen and understand. Once we have done this the expertise of the vet and nurse comes into play by integrating this understanding into our clinical knowledge to allow us to reach a care plan that meets the owner's desires but doesn't compromise their needs, meets the welfare needs of their animal and allows the vet to fulfil their obligations to both the animal and professional guidance.

Simplified, we say that we should "ask what matters, listen to what matters, acknowledge what matters, and include what matters to owners in their animal's care plan". If it were that simple, there would be no communication challenges and this conversation probably wouldn't be happening; however, creating relationships and rapport is tricky when there is also a pressure to be able to make a diagnosis or find the answers to a clinical presentation. To match this process, we have developed our own innovative training programme to support all vets to reflect on their current approach and make improvements. This course, entitled "Confidence in the Consulting Room", has been developed in partnership with Martin Brunet, a human general practitioner trainer who developed a novel framework for consultations that aims to create trust and rapport to allow exactly the process described above. This will be delivered through a "train the trainers" approach to allow rapid coaching of this technique to support our teams.

Financial review

Statutory measures

The Group believes that adjusted performance measures provide additional useful information for shareholders. These measures are used by the Board and management for planning, internal reporting and setting Director and management remuneration. In addition, they are used by the investor analyst community and are aligned to our strategy and KPIs. These measures are not defined by International Financial Reporting Standards (IFRS) and therefore may not be directly comparable with other companies' adjusted measures. Alternative performance measures are defined in the glossary at the end of this announcement.

Financial highlights[1]

I am pleased that 2025 marked another year of growth and a year in which the continued investment places the Group well for the future.

Revenue was up 5.4% to £673.2m (2024: £638.7m), adjusted EBITDA was up 9.4% to £134.6m (2024: £123.0m) and profit before tax decreased 7.4% to £32.6m (2024: £35.2m).

Performance in the year was underpinned by our continued expansion into the Australian veterinary services market with a further seven practice acquisitions (comprising 15 practice sites) made in the year for an initial investment of £29.2m (2024: £95.9m). A further two acquisitions have completed post-year end of a two-site practice, and a six-site practice for a combined investment of £23.6m, bringing our footprint to 31 practices comprising 51 practice sites. Our Australian practices are performing well and we have a strong pipeline of opportunities for ongoing investment and growth.

Like-for-like sales performance for the full year was +0.2% (2024: +2.9%) impacted by softer market conditions across the Group, most notably within our Online Retail Business division, and our Laboratories division which experienced a loss of a major customer. Our Veterinary Practices division was also impacted by continued economic pressures, the CMA investigation and the COVID-19 puppies and kittens now in their young, healthy adult stage of life.

It was pleasing, however, to see a return to like-for-like growth in the second half of the year following a like-for-like decline of -1.1% in the first half of the year.

Group EBITDA margin grew to 20.0% (2024: 19.3%) despite the increase in national living and national minimum wage alongside increases in Employers National Insurance Contributions from April 2025. CVS estimates the annualised impact of these to be in the region of c.£3m and c.£8m respectively but is confident that cost synergies and growth will help to offset the impact of these on the Group.

During the year the Group recognised net RDEC income of £15.1m (2024: £12.8m). Further information on RDEC is shown in note 2 of the FY25 Annual report.

In June 2025, the CMA announced a six-month extension to its market investigation in relation to the supply of veterinary services for household pets in the UK to May 2026. Whilst this was disappointing for our colleagues and other stakeholders, we remain optimistic that the extension will ultimately improve the remedy package and ensure it is effective and proportionate. Post the CMA investigation there remains an opportunity for further acquisitions in the UK where there will undoubtedly be a backlog of independent practice owners wishing to sell.

Capex for the year for continuing operations was £33.2m (2024: £41.5m) which is at the lower end of our stated range. Whilst we continue to invest in larger relocation and renovation projects, during the year we also invested in a number of smaller projects - "a sparkle fund" - to enhance client environments and colleague areas to support improved wellbeing and employee satisfaction.

We also continue to invest in technology with the majority of our practices now migrated to one common cloud-based practice management system which will act as the foundation for future enhancements to client engagement. We have also launched a new e-commerce website within our Online Retail Business to support improved performance.

During the year, the strategic decision was made to divest of our Crematoria division for initial cash inflow of £42.3m. The sale completed on 15 May 2025 and as such we have re-presented our numbers to reflect continuing operations with the prior year comparatives also being restated. We will continue to work closely with the Crematoria teams as with the prior year comparatives also being restated. We will continue to work closely with the Crematoria teams as they continue to offer our practices a valuable service to our clients and wish them well in this new venture. 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.

In support of the Group's significant growth opportunities the Group has a strong balance sheet with leverage at 1.18x (2024: 1.54x) which provides significant headroom to remain below our target ceiling of 2.0x ceiling and funding in place through to February 2028.

Net debt also decreased to £129.1m from £164.8m, with adjusted operating cash conversion of 76.9% (2024: 70.1%) and free cash flow increasing to £72.2m from £59.1m. The cash inflow from the disposal of our Crematoria division also contributed to the reduction in net debt following capital investments and acquisition investments made during the year.

Statutory financial highlights are shown below which support our ability to deliver on our strategy:

	2025	2024	Change %
Revenue (£m)	**673.2**	638.7	+5.4%
Gross profit (£m)	**285.7**	268.7	+6.3%
Operating profit (£m)	**49.8**	47.8	+4.2%
Profit before tax (£m)	**32.6**	35.2	-7.4%
Profit from continuing operations (£m)	**19.1**	24.7	-22.7%
Profit for the year including discontinued operations (£m)	**53.0**	6.4	+728.1%
Basic earnings per share continuing operations (p)	**26.3**	34.2	-23.1%

Adjusted financial highlights

	2025	2024	Change %
Adjusted EBITDA (£m)	**134.6**	123.0	+9.4%
Adjusted profit before tax (£m)	**78.9**	79.0	-0.1%
Adjusted earnings per share (p)	**80.1**	83.3	-3.8%

1. In the year, we disposed of our Crematoria operations which included seven Crematoria sites. 2024 has been re-presented following the classification of Crematoria operations as discontinued operations; see note 9 for further details. Years 2023 and prior have not been re-presented and include the Crematoria operations.

Revenue

Revenue increased by 5.4% to £673.2m from £638.7m driven by acquisitions made during the current and previous financial years. Whilst we remain focused on providing great clinical care we are increasingly focused on other aspects that make up a great veterinary experience for our clients and their animals. Our cloud-based practice management system, online booking, new website, practice investments and colleague training are some of the things we are looking at to ensure we are the "trusted partner" that clients value.

Like-for-like sales performance for the full year was +0.2% (2024: +2.9%) impacted by softer market conditions across the Group, most notably within our Online Retail Business division and our Laboratories division which, as previously reported, experienced a loss of a major customer. Our Veterinary Practices division was also impacted by continued economic pressures, the CMA investigation and the COVID-19 puppy and kitten cohort in its young healthy adult stage of life.

It was pleasing, however, to see a return to like-for-like growth in the second half of the year following a like-for-like decline of -1.1% in the first half of the year, and as the COVID-19 puppies and kittens age the more veterinary assistance they will require.

Membership for our preventative healthcare scheme, The Healthy Pet Club, grew 3.2% to 519,000 from 503,000 at June 2024 mainly from new clients transitioning from legacy schemes linked to historic UK practice acquisitions. Without the clients transitioning from legacy schemes The Healthy Pet Club would have seen a more modest level of growth.

Gross profit/gross profit margin

Gross profit increased by 6.3% to £285.7m from £268.7m and gross profit margin increased to 42.4% from 42.1%. Cost of sales excluding clinical staff costs as a percentage of revenue decreased to 21.6% from 22.4%, partially offset by an increase in clinical staff costs as a percentage of revenue to 36.0% from 35.5%. We continue to focus on sourcing the highest-quality drugs at the best possible price in supporting the delivery of great clinical care.

Operating profit

Operating profit increased 4.2% to £49.8m from £47.8m and operating profit margin remained stable at 7.4% (2024: 7.5%). The increase in gross profit was partially offset by an increase in non-clinical staff cost which grew in line with revenue, an increase in depreciation as we continue to invest in our facilities and technology, an increase in amortisation as we continue to invest in new acquisitions and an increase in software costs.

The annualised impact of the increase in national living and national minimum wage alongside increases in Employers National Insurance Contributions from April 2025 of c.£3m and c.£8m respectively is expected to be offset by cost synergies and growth.

Included within operating profit are costs relating to business combinations which include costs in relation to due diligence, stamp duty and deferred contingent consideration which is booked to the income statement and not to goodwill as a result of continuous employment being one of the conditions needed to be met for payment.

As in the prior year exceptional costs of £6.0m (2024: £5.8m) were incurred during the year primarily in relation to the ongoing CMA Market Investigation alongside some one-off exceptional restructuring costs arising in the year.

Profit before tax and earnings per share

Profit before tax decreased 7.4% to £32.6m from £35.2m. Finance expense increased during the year to £17.2m from £12.6m following increased costs and quantum of borrowing supporting our strategy of investment in our practices and acquisitions. Basic EPS for continuing operations decreased -23.1% to 26.3p from 34.2p.

Adjusted EBITDA and adjusted earnings per share

Adjusted EBITDA increased 9.4% to £134.6m from £123.0m and adjusted EBITDA margin increased to 20.0% from 19.3% both benefitting from increased revenue in the year. We are pleased with the positive increase in adjusted EBITDA margin during the year against significant cost challenges, in particular wage inflation and increases in national minimum wage, national living wage and Employers National Insurance costs. We also continued to invest in our IT infrastructure and security following our cyber event last year; these increased costs were partially offset by an increase in Research and Development Expenditure Tax Credits to £15.1m (2024: £12.8m).

Adjusted EPS decreased 3.8% to 80.1p from 83.3p with the increase in adjusted EBITDA offset by increases in depreciation from our continued investment in our facilities and an increased in finance expense following increased costs and quantum of borrowing supporting our strategy of investment in our practices and acquisitions. Adjusted EPS was also impacted by an increase in the effective tax rate, with more profits coming from Australia which has a 30% rate of corporation tax (UK: 25%).

Adjusted EBITDA and adjusted EPS exclude the impact of amortisation of intangible assets, costs relating to business combinations and exceptional items.

A reconciliation between statutory operating profit and adjusted EBITDA is shown below:

	2025 £m	2024 £m
Operating profit	**49.8**	47.8
Adjustments for:		
Amortisation, depreciation, impairment and profit on disposal of property, plant and equipment	**63.9**	54.3
Costs relating to business combinations	**14.9**	15.1
Exceptional items	**6.0**	5.8
Adjusted EBITDA	**134.6**	123.0

I am pleased that 2025 marked another year of growth and a year in which continued investment places the Group well for the future. The veterinary sector remains strong with an increased pet population since COVID-19, increased pet life expectancy and pets more commonly seen as members of the family. We remain committed to providing great clinical care and a great client experience.

Taxation

The adjusted effective tax rate on profit before tax on continuing operations was 41.4% in 2025 (2024: 29.8%), which reflects the mix of tax rates in the jurisdictions where the Group operates, together with the impact of an increase in non-deductible expenses predominantly in connection with acquisitions.

The profit on disposal of subsidiaries met the conditions of substantial shareholding exemption and resulted in a non-taxable gain. The adjusted effective tax rate including discontinued operations was therefore 20.1% in 2025 (2024: 65.1%) and the Group's tax charge for the year was £13.3m (2024: £11.8m).

All of the Group's revenues and the majority of its expenses are subject to corporation tax. The main expenses that are not deductible for tax purposes are costs relating to acquisitions and depreciation on fixed assets and amortisation that do not qualify for tax relief.

amortisation that do not qualify for tax relief.

Dividend

The Board is recommending the payment of a final dividend of 8.5p per Ordinary share (2024: 8.0p). Subject to shareholder approval at the Annual General Meeting to be held on 18 November 2025, the dividend will be paid on 5 December 2025. The ex-dividend date is 6 November 2025.

Cash flow and movement in net debt

	2025 £m	2024 £m
Adjusted EBITDA	**134.6**	123.0
Working capital movements	**(3.9)**	(12.7)
Capital expenditure - maintenance	**(10.8)**	(9.3)
Repayment of right-of-use liabilities	**(16.4)**	(14.8)
Adjusted operating cash flow	**103.5**	86.2
Adjusted operating cash conversion (%)	**76.9%**	70.1%
Taxation paid	**(14.7)**	(15.1)
Net interest paid	**(16.6)**	(12.0)
Free cash flow	**72.2**	59.1
Capital expenditure - investment	**(22.4)**	(32.2)
Business combinations (net of cash acquired)/other investments	**(30.6)**	(96.2)
Acquisition fees and contingent consideration paid	**(12.9)**	(11.6)
Dividends paid	**(5.9)**	(5.5)
Other financing activities	**(5.9)**	(5.3)
Proceeds from and cash movement in relation to discontinued operations	**42.7**	(1.7)
Impact of foreign exchange	**(0.6)**	(0.6)
Net inflow/(outflow)	**36.6**	(94.0)
Decrease in unamortised borrowing costs	**(0.9)**	(0.1)
Decrease/(increase) in net debt	**35.7**	(94.1)

The Group's adjusted operating cash flow for continuing operations increased 20.1% to £103.5m (2024: £86.2m) primarily driven by an increase in adjusted EBITDA and a reduction in the impact from negative working capital movements year on year. The Group's adjusted operating cash conversion remained strong at 76.9%.

Free cash flow increased 22.2% to £72.2m (2024: £59.1m) due to favourable adjusted operating cash conversion and a decrease in tax paid for continuing operations of £0.4m offset by an increase in interest of £4.6m following our continued commitment to invest in our practices and acquisitions.

Net bank borrowings decreased by £36.6m to £131.4m from £168.0m mainly following the proceeds of the divestment of our Crematoria division during the year for which we received £42.3m. We continue to focus on investment in our practice facilities and during the year we spent £22.4m down from the prior year of £32.2m in the backdrop of the uncertainty from the CMA investigation. In addition, our investment in further acquisitions in Australia was down on the prior year to £30.6m from £96.2m following a strong investment year in 2024. Further cash outflows incurred in the year related to exceptional costs within other financing activities and an increase in contingent consideration, offset by a reduction in acquisition costs.

Net debt

	2025 £m	2024 £m
Borrowings repayable:		
Within one year	**-**	-
After more than one year:		
Loan facility	**147.5**	184.5
Unamortised borrowing costs	**(2.3)**	(3.2)
Total borrowings	**145.2**	181.3
Cash and cash equivalents	**(16.1)**	(16.5)
Net debt	**129.1**	164.8

The Group's loan facility comprises a £87.5m term loan and £262.5m revolving credit facility. This facility is supported by eight banks and all facilities run until February 2028. The facility has two key financial covenants:

- net debt to bank test EBITDA of not more than 3.25x; and
- the bank test EBITDA to interest ratio of not less than 4.5x.

Bank test EBITDA is based on the last twelve months' adjusted EBITDA performance annualised for the effect of acquisitions deducting costs relating to acquisition fees and adding back share option expense, prior to the adoption of IFRS 16.

The Group manages its banking arrangements centrally. Funds are swept daily from its various bank accounts into central bank accounts to optimise the Group's net interest payable position.

Interest rate risk is also managed centrally and derivative instruments are used to mitigate this risk. On 31 January 2024, the Group entered into two four-year fixed interest rate swap arrangements to hedge fluctuations in interest rates on £100.0m of its loan facility, which end on February 2028.

The Group continues to have a strong balance sheet coupled with the ability to generate cash, which enable it to effectively manage working capital. The Group targets a long-term net debt to EBITDA ratio of less than 2.0x and closely monitors this in line with acquisition investment opportunities. As at 30 June 2025, leverage was 1.18x (2024: 1.54x) and interest cover was 9.73x (2024: 14.06x).

Goodwill and intangibles

The Group's goodwill and intangible assets of £337.6m (2024: £334.9m) arise from the various acquisitions undertaken. Each year, the Board reviews goodwill for impairment and, as at 30 June 2025, the Board believes there are no material impairments. The intangible assets arising from business combinations for customer relationships are amortised over an appropriate period.

Divisional highlights

	2025	2024	Change
	£m	£m	%
Revenue			
Veterinary Practices	**616.1**	577.5	+6.7%
Laboratories	**31.4**	31.6	-0.6%
Online Retail Business	**45.9**	50.0	-8.2%
Central admin	**(20.2)**	(20.4)	-1.0%
Total Group revenue	**673.2**	638.7	+5.4%

	2025	2024	Change
	£m	£m	%
Adjusted EBITDA			
Veterinary Practices	**133.0**	119.7	+11.1%
Laboratories	**9.0**	9.2	-3.0%
Online Retail Business	**1.3**	3.3	-59.4%
Central admin	**(8.7)**	(9.2)	-4.8%
Total Group EBITDA	**134.6**	123.0	+9.4%

Veterinary Practices division

88.9%

of Group revenue[1]

Our companion animal division forms the majority of our Veterinary Practices division. The focus of our companion animal division to deliver the best possible care for our patients continues and benefits from a growing market as customers continue to seek out veterinary care for their pet.

We continue to focus on the recruitment, retention and development of our highly skilled and dedicated colleagues.

It is pleasing the division delivered growth in the backdrop of softer trading conditions and increased wage and IT costs.

The division also includes referrals, equine, farm, Australia, Vet Direct, MiPet products and our Healthy Pet Club.

During the year, we completed the rollout of our new practice management system Provet and launched online booking providing further opportunities for clients to access our care for their animals.

Our Australian practices continue to perform in line with expectations and the practices acquired during the year continue to perform strongly.

Laboratories

4.5%

of Group revenue[1]

Our Laboratories division provides diagnostic services and in-practice desktop analysers to both CVS and third-party practices and employs a national courier network to facilitate the collection and timely processing of samples from practices across the UK. We continue to develop our capability to ensure we can support the wider Group focus on growing diagnostic care.

Revenue performance in the year was impacted by the loss of a major customer, so whilst behind year on year it is pleasing to see this was only a -0.6% contraction. The revenue impact led to EBITDA being -£0.2m behind the prior year despite increased inflationary pressures. The volume of cases performed in the year declined 14.4% to c.424,000 tests.

Online Retail Business

6.6%

of Group revenue[1]

Our online pet food and retailer "Animed Direct" focuses on supplying pet food and prescription and non-prescription veterinary medicines directly to customers.

During the year performance was impacted by the cost of living and the launch of a new website resulting in revenue decreasing 8.2% year on year.

Despite these challenges, we are confident the features to come on the new website will deliver future growth.

1. Revenue share for continuing operations before intercompany sales between practices and other divisions.

Share price performance

At the year end, the Company's market capitalisation was £0.9bn (1,250p per share), compared to £0.7bn (1,008p per share) at the previous year end. The Board believes the share price continues to be impacted by the CMA investigation into the veterinary sector.

Key contractual arrangements

The Directors consider that the Group has only two significant third-party supplier contracts, which are for the supply of veterinary medicines. In the event that these suppliers ceased trading, the Group would be able to continue in business without significant disruption in trading by purchasing from alternative suppliers.

Forward-looking statements

Certain statements and arrangements described in the Annual Report and results release may be considered forward looking. Although the Board is comfortable that the expectations reflected in these forward-looking statements are reasonable, it can give no assurance that these expectations will be proven to be correct. As these statements may involve risks and uncertainties, the actual results may differ materially from those expressed or implied by these forward-looking statements.

Robin Alfonso

Chief Financial Officer

7 October 2025

The Group's principal risks and uncertainties are available on pages 50 to 57 of the Group's FY25 Annual Report and the Group's key performance indicators are available on pages 22 to 25 of the Group's FY25 Annual Report.

Consolidated income statement

for the year ended 30 June 2025

Continuing operations	Note	**2025** **£m**	2024[1] £m
Revenue	2	**673.2**	638.7
Cost of sales		**(387.5)**	(370.0)
Gross profit		**285.7**	268.7
Administrative expenses		**(235.9)**	(220.9)
Operating profit		**49.8**	47.8
Finance expense		**(17.2)**	(12.6)
Profit before tax		**32.6**	35.2
Tax expense	4	**(13.5)**	(10.5)
Profit from continuing operations		**19.1**	24.7
Profit/(loss) from discontinued operations	9	**33.9**	(18.3)
Profit for the year		**53.0**	6.4
Profit attributable to:			
Owners of CVS Group plc		**52.8**	6.2
Non-controlling interests		**0.2**	0.2
		53.0	6.4
Earnings per Ordinary share (EPS) for profit from continuing operations attributable to the ordinary equity holders of the Company:			
Basic	5	**26.3p**	34.2p
Diluted	5	**26.2p**	34.2p
Earnings per Ordinary share (EPS) for profit attributable to the ordinary equity holders of the Company:			
Basic	5	**73.7p**	8.6p
Diluted	5	**73.6p**	8.6p

1. 2024 has been re-presented following the classification of the Crematoria operations as a discontinued operation;

1. 2024 has been re-presented following the classification of the Crematoria operations as a discontinued operation; see note 9 for further details.

Reconciliation of alternative performance measures

The Directors believe that adjusted measures, including adjusted EBITDA, adjusted PBT and adjusted EPS, provide additional useful information for shareholders. These measures are used by the Board and management for planning, internal reporting and setting Director and management remuneration. In addition, they are used by the investor analyst community and are aligned to our strategy and KPIs. These measures are not defined by IFRS and therefore may not be directly comparable with other companies' adjusted measures.

Alternative performance measures are defined in the glossary at the end of this announcement. The following table provides the calculation of adjusted EBITDA:

Alternative performance measure: adjusted EBITDA	Note	**2025 £m**	2024[1] £m
Profit before tax from continuing operations		**32.6**	35.2
Adjustments for:			
Finance expense		**17.2**	12.6
Amortisation of intangible assets		**26.0**	24.8
Depreciation of property, plant and equipment		**20.4**	17.7
Depreciation of right-of-use assets		**18.1**	16.0
Loss/(profit) on disposal of property, plant and equipment and right-of-use assets		**1.1**	(0.3)
Depreciation, amortisation and profit on disposal attributable to discontinued operations		**(1.7)**	(3.9)
Costs relating to business combinations[2]		**14.9**	15.1
Exceptional items		**6.0**	5.8
Adjusted EBITDA	2	**134.6**	123.0
Adjusted earnings per share (EPS):			
Adjusted EPS	5	**80.1p**	83.3p
Diluted adjusted EPS	5	**80.1p**	83.2p

1. 2024 has been re-presented following the classification of the Crematoria operations as a discontinued operation; see note 9 for further details.
2. Includes amounts accrued in respect of contingent consideration in relation to acquisitions in prior years expensed to the income statement and acquisition fees.

Consolidated statement of comprehensive income

for the year ended 30 June 2025

	Note	**2025 £m**	2024[1] £m
Profit for the year		**53.0**	6.4
Other comprehensive (expense)/income - items that will or may be reclassified to profit or loss in future periods			
Cash flow hedges:			
Net movement on cash flow hedge		**(0.1)**	(1.2)
Deferred tax on cash flow hedge and available-for-sale financial assets		**-**	0.3
Exchange differences on translation of foreign operations		**(9.0)**	0.6
Other comprehensive expense for the year, net of tax		**(9.1)**	(0.3)
Total comprehensive income for the year		**43.9**	6.1
Total comprehensive income for the year attributable to:			
Owners of CVS Group plc		**43.6**	5.9
Non-controlling interest		**0.3**	0.2
		43.9	6.1
Total comprehensive income/(loss) for the year attributable to owners of CVS Group plc:			
Continuing operations		**9.7**	24.2
Discontinued operations	9	**33.9**	(18.3)
		43.6	5.9

1. 2024 has been re-presented following the classification of the Crematoria operations as a discontinued operation; see note 9 for further details.

Consolidated statement of financial position

as at 30 June 2025

Company registration number: 06312831

	Note	**Group 2025 £m**	Group 2024 £m
Non-current assets			
Intangible assets		**337.6**	334.9
Property, plant and equipment		**124.0**	123.0
Right-of-use assets		**98.4**	102.6

Investments		**-**	-
Amounts owed by Group undertakings		**-**	-
Derivative financial instruments		**0.8**	0.9
		560.8	561.4
Current assets			
Inventories		**28.5**	31.8
Trade and other receivables		**69.4**	67.7
Current tax receivable		**21.4**	12.6
Cash and cash equivalents		**16.1**	16.5
		135.4	128.6
Total assets	2	**696.2**	690.0
Current liabilities			
Trade and other payables		**(105.0)**	(102.6)
Provisions		**(0.5)**	(0.9)
Current tax liabilities		**(2.6)**	(0.7)
Lease liabilities		**(15.2)**	(13.9)
		(123.3)	(118.1)
Non-current liabilities			
Trade and other payables		**(0.4)**	-
Borrowings	7	**(145.2)**	(181.3)
Lease liabilities		**(88.4)**	(92.6)
Deferred tax liabilities		**(37.2)**	(37.5)
		(271.2)	(311.4)
Total liabilities	2	**(394.5)**	(429.5)
Net assets		**301.7**	260.5
Shareholders' equity			
Share capital		**0.1**	0.1
Share premium		**109.1**	109.0
Capital redemption reserve		**0.6**	0.6
Treasury reserve		**-**	-
Cash flow hedge reserve		**0.4**	0.5
Merger reserve		**(61.4)**	(61.4)
Foreign exchange translation reserve		**(8.7)**	0.4
Retained earnings		**259.7**	211.2
		299.8	260.4
Non-controlling interest		**1.9**	0.1
Total equity		**301.7**	260.5

The financial information comprising the consolidated income statement, the statement of consolidated comprehensive income, the consolidated balance sheet, the consolidated statement of changes in shareholders' equity, the consolidated cash flow statement and related notes, were authorised for issue by the Board of Directors on 7 October 2025 and were signed on its behalf by:

Richard Fairman **Robin Alfonso**

Director ***Director***

Consolidated statement of changes in equity

for the year ended 30 June 2025

	Share capital £m	Share premium £m	Capital redemption reserve £m	Treasury reserve £m	Cash flow hedge reserve £m	Merger reserve £m	Foreign exchange translation reserve £m	Retained earnings £m	**Total £m**	Non-controlling interest £m	Total equity £m
At 1 July 2024	0.1	109.0	0.6	-	0.5	(61.4)	0.4	211.2	**260.4**	0.1	260.5
Profit for the year	-	-	-	-	-	-	-	52.8	**52.8**	0.2	53.0
Other comprehensive income and loss											
Cash flow hedges:											
Fair value loss	-	-	-	-	(0.1)	-	-	-	**(0.1)**	-	(0.1)
Exchange differences on translation of foreign operations	-	-	-	-	-	-	(9.1)	-	**(9.1)**	0.1	(9.0)
Total other comprehensive (loss)/income	-	-	-	-	(0.1)	-	(9.1)	-	**(9.2)**	0.1	(9.1)
Total comprehensive (loss)/income	-	-	-	-	(0.1)	-	(9.1)	52.8	**43.6**	0.3	43.9
Transactions with owners											
Issue of Ordinary shares	-	0.1	-	-	-	-	-	-	**0.1**	-	0.1
Credit to reserves											

for share-based payments	-	-	-	-	-	-	-	1.2	**1.2**	-	1.2
Deferred tax relating to share-based payments	-	-	-	-	-	-	-	0.2	**0.2**	-	0.2
Non-controlling interest on acquisition of subsidiary	-	-	-	-	-	-	-	-	**-**	1.7	1.7
Dividends paid	-	-	-	-	-	-	-	(5.7)	**(5.7)**	(0.2)	(5.9)
Total transactions with owners	**-**	**0.1**	**-**	**-**	**-**	**-**	**-**	**(4.3)**	**(4.2)**	**1.5**	**(2.7)**
At 30 June 2025	**0.1**	**109.1**	**0.6**	**-**	**0.4**	**(61.4)**	**(8.7)**	**259.7**	**299.8**	**1.9**	**301.7**

	Share capital £m	Share premium £m	Capital redemption reserve £m	Treasury reserve £m	Cash flow hedge reserve £m	Merger reserve £m	Foreign exchange translation reserve £m	Retained earnings £m	**Total £m**	Non-controlling interest £m	Total equity £m
At 1 July 2023	0.1	107.0	0.6	-	1.4	(61.4)	(0.2)	209.1	**256.6**	-	256.6
Profit for the year	-	-	-	-	-	-	-	6.2	**6.2**	0.2	6.4
Other comprehensive income and loss											
Cash flow hedges:											
Fair value loss	-	-	-	-	(1.2)	-	-	-	**(1.2)**	-	(1.2)
Deferred tax on cash flow hedge and available-for-sale financial assets	-	-	-	-	0.3	-	-	-	**0.3**	-	0.3
Exchange differences on translation of foreign operations	-	-	-	-	-	-	0.6	-	**0.6**	-	0.6
Total other comprehensive (loss)/income	-	-	-	-	(0.9)	-	0.6	-	**(0.3)**	-	(0.3)
Total comprehensive (loss)/income	-	-	-	-	(0.9)	-	0.6	6.2	**5.9**	0.2	6.1
Transactions with owners											
Issue of Ordinary shares	-	2.0	-	-	-	-	-	-	**2.0**	-	2.0
Purchase of Treasury shares	-	-	-	(0.9)	-	-	-	-	**(0.9)**	-	(0.9)
Disposal of Treasury shares	-	-	-	0.9	-	-	-	(0.5)	**0.4**	-	0.4
Credit to reserves for share-based payments	-	-	-	-	-	-	-	2.4	**2.4**	-	2.4
Deferred tax relating to share-based payments	-	-	-	-	-	-	-	(0.6)	**(0.6)**	-	(0.6)
Dividends paid	-	-	-	-	-	-	-	(5.4)	**(5.4)**	(0.1)	(5.5)
Total transactions with owners	-	2.0	-	-	-	-	-	(4.1)	**(2.1)**	(0.1)	(2.2)
At 30 June 2024	0.1	109.0	0.6	-	0.5	(61.4)	0.4	211.2	**260.4**	0.1	260.5

Consolidated statement of cash flow

for the year ended 30 June 2025

	Note	**Group 2025 £m**	Group 2024 £m
Cash flows from operating activities			
Cash generated from operations	8	**114.1**	95.9
Taxation paid		**(15.5)**	(15.7)
Interest paid		**(16.5)**	(12.4)
Net cash generated from operating activities		**82.1**	67.8
Cash flows from investing activities			
Business combinations (net of cash acquired)	6	**(30.9)**	(97.0)
Purchase of property, plant and equipment		**(26.4)**	(39.5)
Proceeds from sale of property, plant and equipment		**-**	0.2
Purchase of intangible assets		**(7.8)**	(3.6)
Receipts/(payments) for financial assets at amortised cost		**0.1**	(0.6)

Proceeds from sale of discontinued operation		**42.3**	-
Net cash used in investing activities		**(22.7)**	(140.5)
Cash flows from financing activities			
Dividends paid to Company's shareholders	11	**(5.7)**	(5.4)
Dividends paid to non-controlling interests in subsidiaries		**(0.2)**	(0.1)
Proceeds from issue of Ordinary shares		**0.1**	2.0
Proceeds from sale of Treasury shares		**-**	0.4
Purchase of Treasury shares		**-**	(0.9)
Repayment of obligations under right-of-use assets		**(16.4)**	(15.6)
Debt issuance costs		**-**	(0.8)
Repayment of borrowings		**(117.0)**	(0.3)
Increase in borrowings		**80.0**	89.0
Net cash (used in)/generated from financing activities		**(59.2)**	68.3
Effects of exchange rate changes loss		**(0.6)**	(0.6)
Net decrease in cash and cash equivalents		**(0.4)**	(5.0)
Cash and cash equivalents at the beginning of the year		**16.5**	21.5
Cash and cash equivalents at the end of the year		**16.1**	16.5

Cash flows from discontinued operations are shown in note 9.

Notes to the consolidated financial statements

for the year ended 30 June 2025

1. General information

The principal activity of CVS Group plc, together with its subsidiaries (the Group), is to operate veterinary practices, complementary veterinary diagnostic businesses, pet crematoria (which was disposed during the year) and an online pharmacy and retail business. The principal activity of CVS Group plc (the Company) is that of a holding company.

CVS Group plc is a public limited company, limited by shares, incorporated under the Companies Act 2006 and domiciled in England and Wales and its shares are listed on AIM of the London Stock Exchange (CVSG). Its company registration number is 06312831 and registered office is CVS House, Owen Road, Diss, Norfolk IP22 4ER.

Statement under s498 - publication of non-statutory accounts

The financial information set out in this preliminary announcement does not constitute statutory financial statements for the years ended 30 June 2025 or 2024, for the purpose of the Companies Act 2006, but is derived from those financial statements. Statutory financial statements for 2025, on which the Group's auditors have given an unqualified report which does not contain statements under Section 498(2) or (3) of the Companies Act 2006, will be filed with the Registrar of Companies subsequent to the Group's next annual general meeting. Statutory financial statements for 2024 have been filed with the Registrar of Companies. The Group's auditors have reported on those accounts; their reports were unqualified and did not contain statements under Section 498(2) or (3) of the Companies Act 2006.

Basis of preparation

The consolidated and Company financial statements of CVS Group plc have been prepared in accordance with United Kingdom adopted international accounting standards as applied in accordance with the provisions of the Companies Act 2006 and applicable law. The consolidated financial statements have been prepared on a going concern basis and under the historical cost convention, except for certain financial instruments that have been measured at fair value. After making enquiries, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the FY25 financial statements. Further details are provided in the Directors' Report of the Group's FY25 Annual Report.

The accounting policies set out in the FY25 Annual Report have, unless otherwise stated, been applied consistently to all years presented in the financial statements.

2. Segment reporting

Segment information is presented in respect of the Group's business and geographical segments. The primary format, operating segments, is based on the Group's management and internal reporting structure and monitored by the Group's Chief Operating Decision Maker (CODM).

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Trade between operating segments is eliminated through the Central administration segment. Unallocated items comprise mainly interest-bearing borrowings and associated costs, tax-related assets and liabilities, acquisition costs which are included within costs relating to business combinations, and Head Office salary and premises costs.

Revenue comprises £473.1m of fees and £200.1m of goods (2024: £461.3m and £177.4m respectively).

Operating segments

The Group is split into three operating segments (Veterinary Practices, Laboratories and Online Retail Business) and a centralised support function (Central administration) for business segment analysis. In identifying these operating segments, management generally follows the Group's service lines representing its main products and services.

Each of these operating segments is managed separately as each segment requires different specialisms, marketing approaches and resources. Intra-Group sales eliminations are included within the Central administration segment. Central administration includes costs relating to the employees and property and other overhead costs associated with the centralised support function together with finance costs arising on the Group's borrowings.

Year ended 30 June 2025	**Veterinary Practices £m**	**Laboratories £m**	**Online Retail Business £m**	**Central administration £m**	**Group £m**	**Discontinued operations £m**
Revenue	**616.1**	**31.4**	**45.9**	**(20.2)**	**673.2**	**7.9**
Adjusted EBITDA	**133.0**	**9.0**	**1.3**	**(8.7)**	**134.6**	**3.5**
Profit/(loss) before tax	**56.7**	**7.6**	**0.7**	**(32.4)**	**32.6**	**0.2**
Total assets	**572.7**	**58.3**	**20.2**	**45.0**	**696.2**	**-**
Total liabilities	**(194.2)**	**(2.7)**	**(15.2)**	**(182.4)**	**(394.5)**	**-**
Reconciliation of adjusted EBITDA						
Profit/(loss) before tax	**56.7**	**7.6**	**0.7**	**(32.4)**	**32.6**	**0.2**
Finance expense/(income)	**4.7**	**-**	**(0.1)**	**12.6**	**17.2**	**-**
Amortisation of intangible assets	**24.6**	**0.1**	**0.7**	**-**	**25.4**	**0.6**
Depreciation of property, plant and equipment	**17.9**	**1.2**	**-**	**0.5**	**19.6**	**0.8**
Depreciation of right-of-use assets	**17.4**	**0.1**	**-**	**0.6**	**18.1**	**-**
(Profit)/loss on disposal of property, plant and equipment and right-of-use assets	**(0.2)**	**-**	**-**	**1.0**	**0.8**	**0.3**
Costs relating to business combinations	**10.6**	**-**	**-**	**4.3**	**14.9**	**1.6**
Exceptional items	**1.3**	**-**	**-**	**4.7**	**6.0**	**-**
Adjusted EBITDA	**133.0**	**9.0**	**1.3**	**(8.7)**	**134.6**	**3.5**

Year ended 30 June 2024 (restated)	Veterinary Practices £m	Laboratories £m	Online Retail Business £m	Central administration £m	Group[1] £m	Discontinued operations[2] £m
Revenue	577.5	31.6	50.0	(20.4)	638.7	26.1
Adjusted EBITDA	119.7	9.2	3.3	(9.2)	123.0	2.2
Profit/(loss) before tax	57.3	8.0	3.2	(33.3)	35.2	(2.5)
Total assets	567.6	49.3	21.2	26.0	664.1	25.9
Total liabilities	(190.0)	(2.2)	(15.5)	(219.5)	(427.2)	(2.3)
Reconciliation of adjusted EBITDA						
Profit/(loss) before tax	56.9	8.0	3.2	(32.9)	35.2	(2.5)
Finance expense	3.9	-	-	8.7	12.6	0.8
Amortisation of intangible assets	22.8	-	0.1	-	22.9	1.9
Depreciation of property, plant and equipment	14.9	1.0	-	0.4	16.3	1.4
Depreciation of right-of-use assets	14.6	0.1	-	0.6	15.3	0.7
Profit on disposal of property, plant and equipment and right-of-use assets	(0.2)	-	-	-	(0.2)	(0.1)
Costs relating to business combinations	6.1	-	-	9.0	15.1	-
Exceptional items	0.7	0.1	-	5.0	5.8	-
Adjusted EBITDA	119.7	9.2	3.3	(9.2)	123.0	2.2

1. 2024 has been re-presented following the classification of the Crematoria operations as a discontinued operation; see note 9 for further details.
2. Discontinued operations for 2024 include Crematoria operations and the Netherlands and Republic of Ireland operations.

Geographical segments

The business operates predominantly in the UK. As at 30 June 2025, it has 43 veterinary practice sites in Australia (2024: 28). It performs a small amount of laboratory work and teleradiology work for Europe-based clients and a small amount of teleradiology work for clients based in the rest of the world. In accordance with IFRS 8, 'Operating Segments', no segment results are presented for operations in Australia as it meets the aggregation criteria, or trade with clients in Europe or the rest of the world which is not considered material for separate disclosure. Neither Australian nor trade with clients in Europe and the rest of the world are reported separately for management reporting purposes.

Revenue and non-current assets (excluding financial instruments) split between the United Kingdom and Australia are shown below:

	Revenue		Non-current assets	
	2025	2024	**2025**	2024
	£m	£m	**£m**	£m
UK	**621.1**	616.6	**436.8**	123.2
Australia	**52.1**	22.1	**458.9**	101.6

3. Expenses/(income) by nature

Exceptional items

	2025	2024[1]
	£m	£m
Competition and Markets Authority[2]	**3.9**	1.6
Restructuring costs[3]	**1.9**	-
Cyber incident[4]:		
Legal costs	**0.2**	2.2
Additional IT infrastructure	**-**	0.3
Security risk management software	**-**	0.5
Staff and consultant costs	**-**	0.7
Property cost provision	**-**	0.5
	6.0	5.8

1. 2024 has been re-presented following the classification of the Crematoria operations as a discontinued operation; see note 9 for further details.
2. Cost incurred regarding engagement with the Competition and Markets Authority including legal and economist fees.
3. Cost incurred regarding restructuring costs includes costs in relation to the Deputy CEO who was paid his notice in line with his service agreement whilst on gardening leave which resulted in additional costs and employment costs in relation to the closure of our Careline operations.
4. Costs in relation to the cyber incident which occurred in the prior financial year primarily include legal and specialist adviser costs.

4. Tax expense

a) Analysis of tax expense recognised in the income statement

	Note	**2025**	2024[1]
		£m	£m
Current tax			
Current tax on profits for the year		**17.2**	14.6
Adjustments in respect of previous years		**(1.4)**	(2.0)
Total current tax charge		**15.8**	12.6
Deferred tax			
Origination and reversal of temporary differences		**(4.6)**	(1.8)
Adjustments in respect of previous years		**2.1**	1.0
Total deferred tax credit		**(2.5)**	(0.8)
Total tax expense		**13.3**	11.8
Income tax expense attributable to:			
Profit from continuing operations		**13.5**	10.5
Profit/(loss) from discontinued operations	9	**(0.2)**	1.3
		13.3	11.8

1. 2024 has been re-presented following the classification of the Crematoria operations as a discontinued operation; see note 9 for further details.

b) Reconciliation of effective tax charge

The UK corporation tax rate is calculated using the UK standard rate of tax for the year of 25.0% (2024: 25.0%). Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions. The total taxation charge for the year differs from the theoretical amount that would arise using the standard rate of UK corporation tax of 25.0% (2024: 25.0%) as explained below:

	2025	2024[1]
	£m	£m
Profit before tax for continuing operations	**32.6**	35.2
Profit/(loss) before tax for discontinued operations	**33.7**	(17.0)
Profit before tax	**66.3**	18.2
Effective tax charge of 25.0% (2024: 25.0%)	**16.6**	4.5

Effects of:		
Expenses not deductible for tax purposes	**4.0**	3.3
(Exempt gain)/non-allowable loss on sale of subsidiaries	**(8.4)**	3.6
Adjustments to deferred tax charge in respect of previous years	**2.1**	1.0
Adjustments to current tax charge in respect of previous years	**(1.4)**	(2.0)
Current-year tax losses not recognised/utilisation of brought forward losses previously unrecognised	**-**	1.3
Impact of tax rates in overseas jurisdictions	**0.4**	0.1
Total tax expense	**13.3**	11.8

1. 2024 has been re-presented following the classification of the Crematoria operations as a discontinued operation; see note 9 for further details.

Factors affecting the current tax charge

The effective tax rate on reported profits is 20.1% (2024: 65.1%) and has decreased from the prior year mainly due to the combined impact of the disposal of subsidiaries in the current year resulting in non-taxable gains and the disposal of subsidiaries in the prior year resulting in non-allowable tax losses, as the conditions of substantial shareholding exemption were met in respect of the disposals of subsidiaries in both years.

Total tax expense of £13.5m (2024: £10.5m) on continuing operations would represent an effective tax rate on profit before tax for continuing operations of 41.4% (2024: 29.8%). The increase is due to an increase in expenses not deductible for tax purposes.

Changes in tax rates

The Group's future tax charge, and effective tax rate, could be affected by several factors including changes in tax laws and rates in the respective jurisdictions. There has been no impact in the current year from tax rate changes.

Uncertain tax position

The Group recognises taxation based on estimates of whether taxes will be due. No material uncertain tax positions exist at 30 June 2025.

OECD Pillar Two - global minimum tax

The OECD Pillar Two global minimum tax model rules of the OECD's Inclusive Framework on Base Erosion and Profit Shifting (the "Pillar Two" rules) legislation came into effect in the UK for accounting periods from 1 January 2024, making it effective for the Group from 1 July 2024.

The Group has applied the temporary exception from the accounting requirements for deferred taxes in IAS 12. Accordingly, the Group neither recognises nor discloses information about deferred tax assets and liabilities related to Pillar Two.

Under the Pillar Two rules, a top-up tax arises where the effective tax rate of the Group's operations in any individual jurisdiction, calculated using principles set out in Pillar Two legislation, is below a 15% minimum rate. Any resulting tax would be payable by CVS Group plc to the UK tax authority (HMRC) being the Group's ultimate parent. The Group has performed an assessment of the Group's exposure to Pillar Two income taxes. The assessment is based on the most recent tax filings, country-by-country reporting and financial statements for the constituent entities in the Group. Based on the assessment, the Pillar Two effective tax rates in all jurisdictions in which the Group operated are above 15% and consequently no top-up tax liability has been recognised in the total tax charge in the year.

5. Earnings per Ordinary share

a) Reconciliation of earnings

	2025 **£m**	2024[1] £m
Profit from continuing operations	**19.1**	24.7
Less: Profit attributable to non-controlling interest	**(0.2)**	(0.2)
Profit for the year from continuing operations attributable to equity holders of the Company	**18.9**	24.5
Profit/(loss) for the year from discontinued operations attributable to equity holders of the Company	**33.9**	(18.3)
Profit for the year attributable to equity holders of the Company	**52.8**	6.2

1. 2024 has been re-presented following the classification of the Crematoria operations as a discontinued operation; see note 9 for further details.

b) Basic

	2025	2024[1]
Weighted average number of Ordinary shares in issue	**71,739,444**	71,595,871
Basic earnings per share from continuing operations attributable to the ordinary equity holders of the Company (pence)	**26.3**	34.2

of the Company (pence)	**26.3**	34.2
Basic earnings/(loss) per share from discontinued operations attributable to the ordinary equity holders of the Company (pence)	**47.4**	(25.6)
Total basic earnings per share attributable to the ordinary equity holders of the Company (pence)	**73.7**	8.6

1. 2024 has been re-presented following the classification of the Crematoria operations as a discontinued operation; see note 9 for further details.

c) Diluted

For diluted earnings per share, the weighted average number of Ordinary shares in issue is adjusted to assume conversion of all dilutive potential Ordinary shares. The Group has two types of dilutive potential Ordinary shares, being: those share options granted to employees where the exercise price is less than the average market price of the Company's Ordinary shares during the year (SAYE) and unvested shares within the LTIP scheme that have met the relevant performance conditions at the end of the reporting period.

	2025	2024[1]
Weighted average number of Ordinary shares in issue	**71,739,444**	71,595,871
Adjustment for contingently issuable shares - LTIPs	**-**	-
Adjustment for contingently issuable shares - SAYE schemes	**9,187**	60,844
Weighted average number of Ordinary shares for diluted earnings per share	**71,748,631**	71,656,715
Diluted earnings per share from continuing operations attributable to the ordinary equity holders of the Company (pence)	**26.2**	34.2
Diluted earnings/(loss) per share from discontinued operations attributable to the ordinary equity holders of the Company (pence)	**47.4**	(25.6)
Total diluted earnings per share attributable to the ordinary equity holders of the Company (pence)	**73.6**	8.6

1. 2024 has been re-presented following the classification of the Crematoria operations as a discontinued operation; see note 9 for further details.

d) Alternative performance measure: adjusted earnings per share

	2025 **£m**	2024[1] £m
Profit before tax for continuing operations	**32.6**	35.2
Adjustments for:		
Amortisation of intangible assets	**26.0**	24.8
Amortisation of intangible assets attributable to discontinued operations	**(0.6)**	(1.9)
Costs relating to business combinations	**14.9**	15.1
Exceptional items	**6.0**	5.8
Adjusted profit before tax	**78.9**	79.0
Tax expense amended for the above adjustments	**(21.2)**	(19.1)
Adjusted profit after tax	**57.7**	59.9
Less: adjusted profit after tax attributable to non-controlling interest	**(0.2)**	(0.2)
Adjusted profit after tax attributable to the parent	**57.5**	59.7
Weighted average number of Ordinary shares in issue	**71,739,444**	71,595,871
Weighted average number of Ordinary shares for diluted earnings per share	**71,748,631**	71,656,715

	Pence	Pence
Adjusted earnings per share	**80.1**	83.3
Diluted adjusted earnings per share	**80.1**	83.2

1. 2024 has been re-presented following the classification of the Crematoria operations as a discontinued operation; see note 9 for further details.

6. Business combinations

Details of business combinations in the year ended 30 June 2025 are set out below. The reason for each acquisition was to expand the CVS Group business through acquisitions aligned to our strategic goals.

Name of business combination	% share capital acquired	Date of acquisition	Country of incorporation
Pet Universe Veterinary Centre	Trade and asset	2 July 2024	Australia
Direct Vet Services	Trade and asset	2 September 2024	Australia
Northcote Animal Hospital	Trade and asset	18 November 2024	Australia
Cessnock Veterinary Hospital, Vetcare Aberglasslyn & Vetcare Kurri	Trade and asset	21 November 2024	Australia
Ripley Valley Veterinary Hospital Pty Ltd	100%	21 November 2024	Australia
VPP Group Pty Ltd t/a Veterinary Practice Partners	70%	24 April 2025	Australia
Beach Street Veterinary Clinic	Trade and asset	28 May 2025	Australia

The table below summarises the total assets acquired through business combinations in the year ended 30 June 2025:

	Book value of acquired assets	Fair value adjustments	Fair value
	£m	£m	£m
Property, plant and equipment	**2.1**	**-**	**2.1**
Patient data records	**-**	**15.7**	**15.7**
Right-of-use assets	**2.4**	**-**	**2.4**
Inventories	**0.2**	**-**	**0.2**
Deferred tax asset/(liability)	**0.2**	**(4.7)**	**(4.5)**
Trade and other receivables	**0.1**	**-**	**0.1**
Cash	**0.2**	**-**	**0.2**
Trade and other payables	**(1.3)**	**-**	**(1.3)**
Lease liabilities	**(2.4)**	**-**	**(2.4)**
Total identifiable assets	**1.5**	**11.0**	**12.5**
Less: non-controlling interests			**(0.6)**
Add: goodwill			**17.6**
Total purchase consideration			**29.5**

Purchase consideration - cash outflow

	2025	2024
	£m	£m
Total purchase consideration	**29.5**	100.9
Less:		
Deferred consideration payable	**(0.1)**	(1.6)
Cash acquired	**(0.2)**	(4.1)
Cash outflow for in-year acquisitions	**29.2**	95.2
Add:		
Deferred consideration paid on prior-period acquisitions	**1.4**	1.0
Contingent consideration paid on prior-period acquisitions	**0.3**	0.8
Net outflow of cash - investing activities	**30.9**	97.0

The total consideration of £29.5m is prior to the agreement of the completion accounts. The amounts recognised are subject to adjustment in line with IFRS 3 for up to twelve months from acquisition, with goodwill being adjusted accordingly.

Goodwill and intangible assets recognised in the year relating to business combinations are not expected to be deductible for tax purposes.

Acquired receivables

The fair value of acquired trade receivables is £0.1m. The gross contractual amount for trade receivables due is £0.1m with a loss allowance of £nil recognised on acquisition.

Acquisitions with non-controlling interests

On 24 April 2025, the Group acquired a 70% interest in VPP Group Pty Limited (included above) in Australia for consideration of £5.0m. The identifiable net assets at acquisition were valued at £2.1m, of which 30% will be attributed to non-controlling interest (NCI). NCI is measured at the proportionate share of the identifiable net assets at the date of acquisition. The acquisition comprised net assets (being principally patient data records) with a fair value of £2.1m, resulting in goodwill of £3.5m.

Goodwill recognised represents the excess of purchase consideration over the fair value of the identifiable net assets. Goodwill reflects the synergies arising from the combination of the businesses; this includes the assembled workforce and clinical knowledge, cost synergies arising from shared support functions as well as buying power synergies. Goodwill includes the recognition of an amount equal to the deferred tax that arises on non-qualifying fixed assets acquired under a business combination.

The Group recognises non-controlling interests in an acquired entity either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets. The decision is made on an acquisition-by-acquisition basis. For the non-controlling interests in VPP Group Pty Limited, the Group elected to recognise the non-controlling interests at its proportionate share of the acquired net identifiable assets. See note 2 for the Group's accounting policies for business combinations in the FY25 Annual Report.

Revenue and profit contribution

If the acquisitions made in the period had been owned for the full year it is estimated that revenue would have been £16.9m and adjusted EBITDA £5.1m for the acquired businesses.

Post-acquisition revenue and post-acquisition adjusted EBITDA were £8.5m and £2.9m respectively. The post-acquisition period is from the date of acquisition to 30 June 2025. Post-acquisition adjusted EBITDA represents the direct operating result of practices from the date of acquisition to 30 June 2025 prior to the allocation of central overheads on the basis that it is not practicable to allocate these.

Acquisition-related costs (costs relating to business combinations)

Acquisition costs of £4.3m (2024: £9.0m) are included within other expenses in note 4 of the financial statements, of which £0.5m relates to stamp duty paid (2024: £0.8m).

Contingent consideration, expensed to the income statement, of £10.6m (2024: £6.1m) is included within other expenses in note 6 of the FY25 Annual Report.

The Directors do not consider any individual in-year acquisition to be material to the Group and therefore have not separately disclosed these.

Contingent consideration

At the acquisition date of each acquisition, contingent consideration of £nil is recognised. Contingent consideration is expensed to the income statement for a period of up to three years subject to meeting fixed profitability and employment targets. If these targets are met, an aggregated £3.3m of contingent consideration would be payable on the first anniversary of the acquisitions, an aggregated £3.3m would be payable on the second anniversary of the acquisitions and an aggregated £1.8m would be payable on the third anniversary of the acquisitions.

Business combinations in previous years

Details of business combinations in the comparative year are presented in the consolidated financial statements for the year ended 30 June 2024. Adjustments to the provisional amounts during the measurement period have resulted in an increase in goodwill of £0.9m, increase in property, plant and equipment of £0.3m offset by a reduction in patient data records of £0.1m, recognition of non-controlling interest of £1.1m and reduction in net assets of £0.1m resulting in a reduction in consideration payable of £0.1m.

During the year, £1.4m (2024: £1.0m) was paid to settle deferred consideration payable from the prior year and £0.3m was paid to settle contingent consideration payments (2024: £0.8m).

Contingent consideration of £0.3m paid relates to a business combination made in the year ended 30 June 2023 where consideration is payable over a three-year period based on the veterinary practice reaching certain adjusted EBITDA targets. This is held at fair value and it is expected that this will be payable. As at 30 June 2025, £0.4m remains payable (2024: £0.7m).

Business combinations subsequent to the year end

Details of business combinations made subsequent to the year end are set out below. The reason for each acquisition was to expand the CVS Group business through acquisitions aligned to our strategic goals.

Name of business combination	% share capital acquired	Date of acquisition	Country of incorporation
Toorak Rd Vet Clinic & Caulfield Veterinary Hospital	Trade and asset	2 July 2025	Australia
Sydney Animal Hospital incorporating: Avalon Vet Pty Ltd, Sydney Animal Hospitals - Northern Beaches Pty Ltd, Inner West Veterinary Hospital Pty Ltd, Sydney Animal Hospitals Pty Ltd, Sydney Animal Hospitals - Norwest Pty Ltd AND Sydney Animal Hospitals - Kellyville Pty Ltd.	75%	1 September 2025	Australia

The table below summarises the total assets acquired through business combinations subsequent to the year end:

	Book value of acquired assets £m	**Fair value adjustments £m**	**Fair value £m**
Property, plant and equipment	**1.4**	**-**	**1.4**
Patient data records	**-**	**14.1**	**14.1**
Right-of-use assets	**2.2**	**-**	**2.2**
Inventories	**0.3**	**-**	**0.3**
Deferred tax liability	**0.1**	**(4.3)**	**(4.2)**
Trade and other receivables	**0.1**	**-**	**0.1**
Trade and other payables	**(1.4)**	**-**	**(1.4)**
Lease liabilities	**(2.2)**	**-**	**(2.2)**
Total identifiable assets	**0.5**	**9.8**	**10.3**
Less: non-controlling interests			**(2.3)**
Add goodwill			**15.6**
Total purchase consideration			**23.6**

Purchase consideration - cash outflow

The net outflow of cash is equal to the total purchase consideration and therefore no reconciliation is necessary.

The net outflow of cash is equal to the total purchase consideration and therefore no reconciliation is necessary.

The total consideration of £23.6m is prior to the agreement of the completion accounts. The amounts recognised are subject to adjustment in line with IFRS 3 for up to twelve months from acquisition, with goodwill being adjusted accordingly.

Goodwill and intangible assets recognised in the year relating to business combinations are not expected to be deductible for tax purposes.

Acquisitions subsequent to the year end with non-controlling interests

On 1 September 2025, the Group acquired a 75% interest in six Sydney Animal Hospital practices (included above) in Australia for consideration of £21.2m. The identifiable net assets at acquisition were valued at £9.1m, of which 25% will be attributed to non-controlling interest (NCI). NCI is measured at the proportionate share of the identifiable net assets at the date of acquisition. The acquisition comprised net assets (being principally patient data records) with a fair value of £9.1m, resulting in goodwill of £14.5m.

For the non-controlling interests in Sydney Animal Hospital practices, the Group elected to recognise the non-controlling interests at its proportionate share of the acquired net identifiable assets. See note 2 for the Group's accounting policies for business combinations in the FY25 Annual Report.

7. Borrowings

Borrowings comprise bank loans and are denominated in Sterling. The repayment profile is as follows:

Group	**2025 £m**	2024 £m
Within one year or on demand	**-**	-
Between one and two years	**-**	-
After more than two years	**145.2**	181.3
	145.2	181.3

The balances above are shown net of issue costs of £2.3m (2024: £3.2m), which are being amortised over the term of the bank loan. The carrying amount of borrowings is deemed to be a reasonable approximation to fair value.

The Group has total facilities of £350.0m to 21 February 2028, provided by a syndicate of eight banks: AIB, Barclays, Danske, HSBC, JP Morgan, Lloyds, NatWest and Virgin Money. The facility comprises the following elements:

- a fixed-term loan of £87.5m, repayable on 21 February 2028 via a single bullet repayment;
- a revolving credit facility of £262.5m, available to 21 February 2028; and
- we retain our £5.0m overdraft facility, renewable annually.

The two financial covenants associated with these facilities are based on the ratios of bank test net debt to bank test EBITDA and bank test EBITDA to interest. The bank test net debt to bank test EBITDA ratio must not exceed 3.25x. The bank test EBITDA to interest ratio must not be less than 4.5x. The facilities require cross-guarantees from the most significant of CVS Group's trading subsidiaries but are not secured on the assets of the Group.

Bank test EBITDA is based on the last twelve months' adjusted EBITDA performance annualised for the effect of acquisitions deducting costs relating to business combinations and adding back share option expense, prior to the impact of IFRS 16.

Bank covenants are tested quarterly and the Group has considerable headroom in both financial covenants and in its undrawn but committed facilities as at 30 June 2025. More information can be found in note 3 of the FY25 Annual Report.

Bank borrowings bear interest at 1.45% to 2.70% above SONIA. The applicable interest rate is dependent upon the bank test net debt to bank test EBITDA ratio. During the year the bank borrowings carried a rate averaging 1.8% above SONIA.

Interest rate risk is also managed centrally and derivative instruments are used to mitigate this risk. On 31 January 2024, the Group entered into a four-year interest rate fixed swap arrangement to hedge fluctuations in interest rates on £100.0m of its term loan.

At the year end, £100.0m (2024: £100.0m) of the combined term loan and revolving credit facility was hedged using an interest rate swap. The remainder of the debt is not hedged. Further information on the cash flow hedge can be found in note 17 of the FY25 Annual Report.

Undrawn committed borrowing facilities

At 30 June 2025, the Group has a committed overdraft facility of £5.0m (2024: £5.0m) and an RCF of £262.5m (2024: £262.5m). The overdraft was undrawn at 30 June 2025 (2024: undrawn) and the RCF was £202.5m undrawn (2024: £165.5m undrawn). A commitment fee is paid on undrawn loan facilities.

8. Cash flow generated from operations

	2025 £m	(Restated) 2024 £m
Profit/(loss) for the year	**53.0**	6.4
Tax expense	**13.3**	11.8
Finance expense	**17.2**	13.4
(Profit)/loss on sale of discontinued operation	**(33.5)**	14.3
Amortisation of intangible assets	**26.0**	24.8
Depreciation of property, plant and equipment	**20.4**	17.7
Depreciation and impairment of right-of-use assets	**18.1**	16.0
Loss/(profit) on sale of property, plant and equipment and right-of-use assets	**1.1**	(0.3)
Decrease/(increase) in inventories	**2.9**	(3.0)
(Increase)/decrease in trade and other receivables[1]	**(9.9)**	(17.4)
Increase in trade and other payables	**4.7**	10.1
Decrease in provisions	**(0.4)**	(0.3)
Share option expense	**1.2**	2.4
Total net cash flow generated from operations	**114.1**	95.9

1. The movement in trade and other receivables includes movement in Research and Development Expenditure Tax Credit receivable of £7.4m (2024: £7.4m) where the balance sits in corporation tax receivable.

9. Discontinued operations

On 24 April 2025 the Group announced the disposal of its Crematoria operations. The subsidiary entities were sold on 15 May 2025 and it is reported in the current period as a discontinued operation. Financial information relating to the discontinued operation for the period to the date of disposal is set out below.

Financial performance and cash flow information

The financial performance and cash flow information presented are for the period ended 15 May 2025 (2025 column) and the year ended 30 June 2024.

	2025 £m	2024 £m
Revenue	**7.9**	8.6
Expenses	**(7.7)**	(5.6)
Profit before tax	**0.2**	3.0
Tax credit/(expense)	**0.2**	(1.3)
Profit after tax of discontinued operations	**0.4**	1.7
Profit on sale of the subsidiaries after tax	**33.5**	-
Profit from discontinued operations	**33.9**	1.7
Exchange differences on translation of discontinued operations	**-**	-
Other comprehensive profit from discontinued operations	**33.9**	1.7
Net cash outflow from operating activities	**0.3**	1.8
Net cash outflow from investing activities	**(1.0)**	(0.9)
Net cash outflow from financing activities	**-**	-
Net (decrease)/increase in cash generated by the discontinued operation	**(0.7)**	0.9

Details of the sale of the discontinued operation

	2025 £m	2024 £m
Consideration received	**42.3**	-
Consideration to be received	**0.4**	
Carrying amount of net assets sold	**(9.2)**	-
Profit on sale before income tax and reclassification of foreign currency translation reserve	**33.5**	-
Tax on gain	**-**	-
Profit on sale after tax	**33.5**	-

The carrying amounts of assets and liabilities as at the date of sale (15 May 2025) were:

	15 May 2025 £m
Intangible assets	**3.1**
Property, plant and equipment	**5.8**
Right-of-use assets	**0.1**
Inventories	**0.6**
Trade receivables	**0.8**
Total assets	**10.4**
Trade and other payables	**(0.3)**
Lease liabilities	**(0.1)**
Deferred tax	**(0.8)**
Total liabilities	**(1.2)**
Net assets	**9.2**

In the prior year, on 21 May 2024, the Group announced the disposal of its Netherlands and Republic of Ireland operations. The subsidiary entities were sold on 29 May 2024 and this is reported in the prior period as a discontinued operation. Details of this can be found in the FY24 Annual Report.

10. Events after the reporting period

Since 30 June 2025, the Group has completed two acquisition comprising eight practice sites for total consideration of £23.6m (Australian 48.8m), detailed below. This is aligned with the Group's strategic goals. Further information on these business combinations can be found in note 6.

In addition the Group has exchanged contracts in respect of a further acquisition of an additional small animal primary care veterinary practices in Australia, with completion expected in due course.

On 31 July 2025, the Group granted option awards over a total of 276,364 of the Company's Ordinary shares of 0.2p each under the CVS Group Long-Term Incentive Plan 2025 (LTIP19). The awards will vest in three years' time, subject to performance criteria being satisfied. These vesting criteria relate to the Company's earnings per share growth and total shareholder return over the three-year period between 1 July 2025 and 30 June 2028.

11. Related party transactions

Directors' and key management's compensation is disclosed in note 8 of the FY2025 Annual Report.

Company

During the year, the Company had the following transactions with CVS (UK) Limited, the Group's immediate subsidiary:

	2025	2024
	£m	£m
Recharge of expenses incurred by CVS (UK) Limited on behalf of the Company	**(1.3)**	(0.9)
Repayment of cash from share proceeds	**0.1**	2.0
Cash advanced to fund payment of dividend	**(5.7)**	(5.4)

The following balances were owed by related companies:

	2025		2024	
	Receivable	**Payable**	Receivable	Payable
	£m	**£m**	£m	£m
CVS (UK) Limited	**64.0**	**-**	70.9	-

Amounts owed by CVS (UK) Limited are in the normal course of trading, are unsecured and interest free and have no fixed date of repayment.

Transactions with Directors and key management

On 24 November 2022, the Group completed the purchase of 100.0% of the share capital of The Harrogate Vet Limited, a company registered in England and Wales, comprising one companion animal veterinary practice site in the UK. Prior to acquisition, the company was partially owned by the spouse of one of the Executive Directors of the Group at that date, and as such the acquisition was considered a related party transaction. The terms of the acquisition, including consideration paid, were on an arm's length basis and consistent with acquisitions of other unrelated entities.

During the year, £0.3m contingent consideration was paid and £0.4m remains payable to the related party contingent on fixed adjusted EBITDA targets within the practice acquired. The related party remained in part-time employment within the Group and received a salary in 2025 of £32,885 (2024: £23,556) which is on an arm's length basis.

During the prior year, the Group divested its operations in the Netherlands and the Republic of Ireland to a member of key management personnel who was not a Director of the Company and ceased to be an employee of the Group following divestment. A short-term interest-bearing loan on an arm's length basis was made to Global Veterinary Excellence Limited, a company owned by the member of key management personnel, for £600,000, repayable in May 2025. £150,000 was repaid in May 2025 with an extension granted on the remaining £450,000, repayable November 2025.

The following dividends were paid to the Directors of the Group:

	2025	2024
	£	£
R Connell	**-**	12,675
R Gray	**608**	450
D Kemp	**837**	601
D Wilton	**720**	488
R Fairman	**5,280**	4,904
R Alfonso	**1,592**	1,183

R Alfonso	[illegible]	[illegible]
P Higgs	**510**	-
B Jacklin	**-**	2,662
Joanne Shaw	**132**	124
Spouse of R Gray	**281**	264
Spouse of R Fairman	**969**	908
Spouse of B Jacklin	**-**	92
Spouse of R Alfonso	**359**	261

Ultimate controlling party

The Directors consider there is no ultimate controlling party.

Alternative performance measures glossary

Alternative performance measures

Guidelines on alternative performance measures (APMs) issued by the European Securities and Markets Authority came into effect for all communications released on or after 3 July 2016 for issuers of securities on a regulated market.

The Directors believe that alternative performance measures provide additional useful information for shareholders. These measures are used by the Board and management for planning, internal reporting and setting Director and management remuneration. In addition, they are used by the investor analyst community and are aligned to our strategy and KPIs. These measures are not defined by International Financial Reporting Standards (IFRS) and therefore may not be directly comparable with other companies' adjusted measures. They are not intended to be a substitute for, or superior to, IFRS measurements of profit or earnings per share.

The key APMs used by the Group are:

<table>
<tr><th>APM</th><th>Definition</th><th>Reconciliation</th></tr>
<tr><td>Like-for-like sales
Closest equivalent statutory measure: Revenue growth</td><td>Like-for-like sales show revenue generated from like-for-like continuing operations compared to the prior year, adjusted for the number of working days and on a constant currency basis. For example, for a practice acquired in September 2023, revenue is included from September 2024 in the like-for-like calculations.</td><td>It is defined as a percentage; no reconciliation is applicable.</td></tr>
<tr><td>Adjusted EBITDA
Closest equivalent statutory measure: Operating profit</td><td>Adjusted EBITDA is calculated by reference to profit before tax for continuing operations, adjusted for net finance expense, depreciation, profit or loss on disposal of property, plant and equipment, amortisation, costs relating to business combinations and exceptional items.

Business combination costs include costs in relation to acquisitions made and contingent consideration expensed to the income statement.

An exceptional item contains certain costs or incomes that derive from events or transactions that fall outside the normal activities of the Group and/or are excluded by virtue of their size or nature in order to reflect management's view of the performance of the Group.

In determining whether an item should be presented as an allowable adjustment to IFRS measures, the Group considers items which are significant because of either their size or their nature, and which are non-recurring. For an item to be considered as an allowable adjustment to IFRS measures, it must initially meet at least one of the following criteria:</td><td>
<table>
<tr><th></th><th>2025
£m</th><th>2024
£m</th></tr>
<tr><td>Profit before tax from continuing operations</td><td>32.6</td><td>35.2</td></tr>
<tr><td>Adjustments for:</td><td></td><td></td></tr>
<tr><td>Finance expense</td><td>17.2</td><td>12.6</td></tr>
<tr><td>Amortisation of intangible assets</td><td>26.0</td><td>24.8</td></tr>
<tr><td>Depreciation of property, plant and equipment</td><td>20.4</td><td>17.7</td></tr>
<tr><td>Depreciation of right-of-use assets</td><td>18.1</td><td>16.0</td></tr>
<tr><td>Profit/(loss) on disposal of property, plant and equipment and right-of-use assets</td><td>1.1</td><td>(0.3)</td></tr>
<tr><td>Depreciation and amortisation attributable to discontinued operations</td><td>(1.7)</td><td>(3.9)</td></tr>
<tr><td>Costs relating to business combinations</td><td>14.9</td><td>15.1</td></tr>
<tr><td>Exceptional items</td><td>6.0</td><td>5.8</td></tr>
<tr><td>Adjusted EBITDA</td><td>134.6</td><td>123.0</td></tr>
</table>
</td></tr>
</table>

APM	Definition	Reconciliation
	the following criteria: • It is a significant item, which may cross more than one accounting period. • It has been directly incurred as a result of either an acquisition or a divestment or arises from termination benefits without condition of continuing employment related to a business change or restructuring programme. • It is unusual in nature, e.g. outside the normal course of business. If an item meets at least one of the criteria, management, through the Audit and Risk Committee, then exercises judgement as to whether the item should be classified as an allowable adjustment to IFRS performance measures and as such included within business combination costs or exceptional item definition.	
Adjusted EBITDA margin Closest equivalent statutory measure: None	Adjusted EBITDA margin is calculated as adjusted EBITDA divided by revenue.	See reconciliation below
Adjusted EPS Closest equivalent statutory measure: Basic EPS	Adjusted EPS is calculated as adjusted PBT attributable to the owners of CVS Group plc, less applicable tax, divided by the weighted average number of Ordinary shares in issue in the period. Adjusted PBT is profit before tax for continuing operations, amortisation, costs relating to business combinations and exceptional items.	See reconciliation below
Net debt Closest equivalent statutory measure: None	Net debt is calculated as bank borrowings less cash and cash equivalents and unamortised borrowing costs.	See reconciliation below
Bank test net debt/net bank borrowings Closest equivalent statutory measure: Net debt	Bank test net debt/net bank borrowings less cash and cash equivalents.	See reconciliation below

Adjusted EBITDA margin — reconciliation:

	2025 £m	2024 £m
Revenue	**673.2**	638.7
Adjusted EBITDA	**134.6**	123.0
Adjusted EBITDA margin (%)	**20.0%**	19.3%

Adjusted EPS — reconciliation:

	2025 £m	2024 £m
Profit before tax for continuing operations	**32.6**	35.2
Adjustments for:		
Amortisation of intangible assets	**26.0**	24.8
Amortisation of intangible assets attributable to discontinued operations	**(0.6)**	(1.9)
Costs relating to business combinations	**14.9**	15.1
Exceptional items	**6.0**	5.8
Adjusted profit before tax	**78.9**	79.0
Tax expense amended for the above adjustments	**(21.2)**	(19.1)
Adjusted profit after tax	**57.7**	59.9
Less: adjusted profit after tax attributable to non-controlling interest	**(0.2)**	(0.2)
Adjusted profit after tax attributable to the parent	**57.5**	59.7
Weighted average number of Ordinary shares in issue	**71,739,444**	71,595,871
Weighted average number of Ordinary shares for diluted earnings per share	**71,748,631**	71,656,715
Adjusted earnings per share (pence)	**80.1**	83.3
Diluted earnings per share (pence)	**80.1**	83.2

Net debt — reconciliation:

	2025 £m	2024 £m
Borrowings repayable after more than one year:		
Term loan and revolving credit facility	**147.5**	184.5
Unamortised borrowing costs	**(2.3)**	(3.2)
Total borrowings	**145.2**	181.3
Cash and cash equivalents	**(16.1)**	(16.5)
Net debt	**129.1**	164.8

Bank test net debt/net bank borrowings — reconciliation:

	2025 £m	2024 £m
Bank borrowings	**147.5**	184.5
Cash and cash equivalents	**(16.1)**	(16.5)
Bank test net debt/net bank borrowings	**131.4**	168.0

APM	Definition	Reconciliation		
Leverage Closest equivalent statutory measure: None	Leverage on a bank test basis is bank test net debt divided by bank test EBITDA. It is a covenant under our loan facility agreement.		**2025**	2024
		Bank test net debt (£m)	**131.4**	168.0
		Bank test EBITDA (£m)	**111.4**	109.2
		Bank test leverage	**1.18**	1.54
Adjusted operating cash conversion Closest equivalent statutory measure: Cash generated from operations	Adjusted operating cash conversion is defined as cash generated from operating activities adjusted for discontinued operations, acquisition fees and contingent consideration paid, lease liability repayment and maintenance capital expenditure; divided by adjusted EBITDA. Adjusted operating cash conversion is used to understand underlying cash flows that arise compared to adjusted EBITDA.		**2025** **£m**	2024 £m
		Cash generated from operations	**114.1**	95.9
		Add: Acquisition fees paid	**4.3**	9.0
		Add: Contingent consideration paid	**8.3**	1.9
		Add: Exceptional items	**6.0**	5.9
		Less: Lease liability repayment	**(16.4)**	(14.8)
		Less: Capex - maintenance	**(10.8)**	(9.3)
		Less: Operating cash flow from discontinued operations	**(2.0)**	(2.4)
		Adjusted operating cash flow	**103.5**	86.2
		Adjusted EBITDA	**134.6**	123.0
		Adjusted operating cash conversion (%)	**76.9%**	70.1%
Free cash flow Closest equivalent statutory measure: Net cash from operating activities	Free cash flow is defined as adjusted operating cash flow less interest and taxation paid in respect of continuing operations.		**2025** **£m**	2024 £m
		Adjusted operating cash flow	**103.5**	86.2
		Less: Taxation paid	**(14.7)**	(15.1)
		Less: Interest paid	**(16.6)**	(12.0)
		Free cash flow	**72.2**	59.1

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