

VetPartners Limited

Mid-Year Update Report for the Six Months to 31 December 2020

The Group's mission is to deliver the best possible care for animals and clients and to provide a secure home for veterinary practices and our people. We deliver this by working as true partners: investing in people and infrastructure and by listening and evolving.

VetPartners vision is to be the Veterinary Group of choice for employees, customers, owners of veterinary practices and related businesses as well as other key stakeholders and suppliers.

As with very many businesses VetPartners has faced significant upheaval in dealing with the effects of Covid 19 over the last twelve months.

The results for the six months to 31 December 2020 show that the Group has recovered from the downturn in business which took place during the first national lockdown in early 2020 and that, despite the second national lockdown in November 2020, revenues for the period are up compared to the six months to 30 June 2020 and are up compared to the six months to 31 December 2019. The second national lockdown did not have such a serious impact on the Group's trading as the first national lockdown as our practices were better prepared, having installed Perspex screens, undertaken risk assessments and put in place other safety measures in order to facilitate a safe return to near normal working and, importantly, the restrictions imposed by The Royal College of Veterinary Surgeons (RCVS) were not as onerous meaning that we did not need to close any sites during that period.

The Group has maintained a consistent gross margin whilst both the People Costs and the Other Overheads have reduced as a percentage of sales

The growth in the Group's turnover in comparison with the equivalent period last year is due to a combination of organic growth and acquisitions. During the six month period the Group acquired seven UK practices and four Italian practices with further potential acquisitions having been identified. A new team has been set up in France to look for potential acquisitions there and it is hoped that these will start to come to fruition during 2021.

The Group is continuing to invest in infrastructure with new state of the art veterinary hospitals being built in Kettering and Farnham, a major expansion of Newcastle's biggest veterinary hospital alongside numerous other facility upgrades and the renovation of Valley Veterinary Hospital that was destroyed by Storm Dennis in February 2020.

The Group has renewed its commitment to the environment with a new Sustainability Strategy seeking to reduce the Group's carbon footprint, reduce energy use by 20% in the next five years and diverting at least 90% of waste away from landfill and a pledge to recycle more than 2 million items of PPE during 2021.

As well as looking to enhance its facilities and infrastructure the Group is also committed to developing its management teams at all levels. At a senior management level the Group has recently appointed both a new Chief Financial Officer and a new Chief Information Officer.