



18 November 2019

**NZX/ASX Code: EBO**

**UBS CONFERENCE PRESENTATION**

Please find attached a copy of a presentation to be made at the UBS Australasia Conference today.

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EBOS Group Limited - Business Overview

UBS Australasia Conference

18<sup>th</sup> November 2019

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The information contained in this presentation should be considered in conjunction with the consolidated financial statements for the period ended 30 June 2019.

**All currency amounts are in Australian dollars unless stated otherwise.**

# BUSINESS SNAPSHOT

EBOS Group is the largest and most diversified Australasian marketer, wholesaler and distributor of healthcare, medical and pharmaceutical products. It is also a leading marketer and distributor of recognised consumer products and animal care brands

NZ\$4.0 billion

market capitalisation  
(NZX and ASX dual listed)

58

locations in Australia and  
New Zealand

\$6.9 billion

FY19 Revenue  
Australia 77%, NZ 23%

3,700+  
employees

\$261.6 million

FY19 Underlying<sup>1</sup> EBITDA

82% Healthcare  
18% Animal Care

FY19 EBITDA Split

\$144.4 million

FY19 Underlying<sup>1</sup> NPAT

23.8% annualised  
Shareholder return<sup>2</sup>

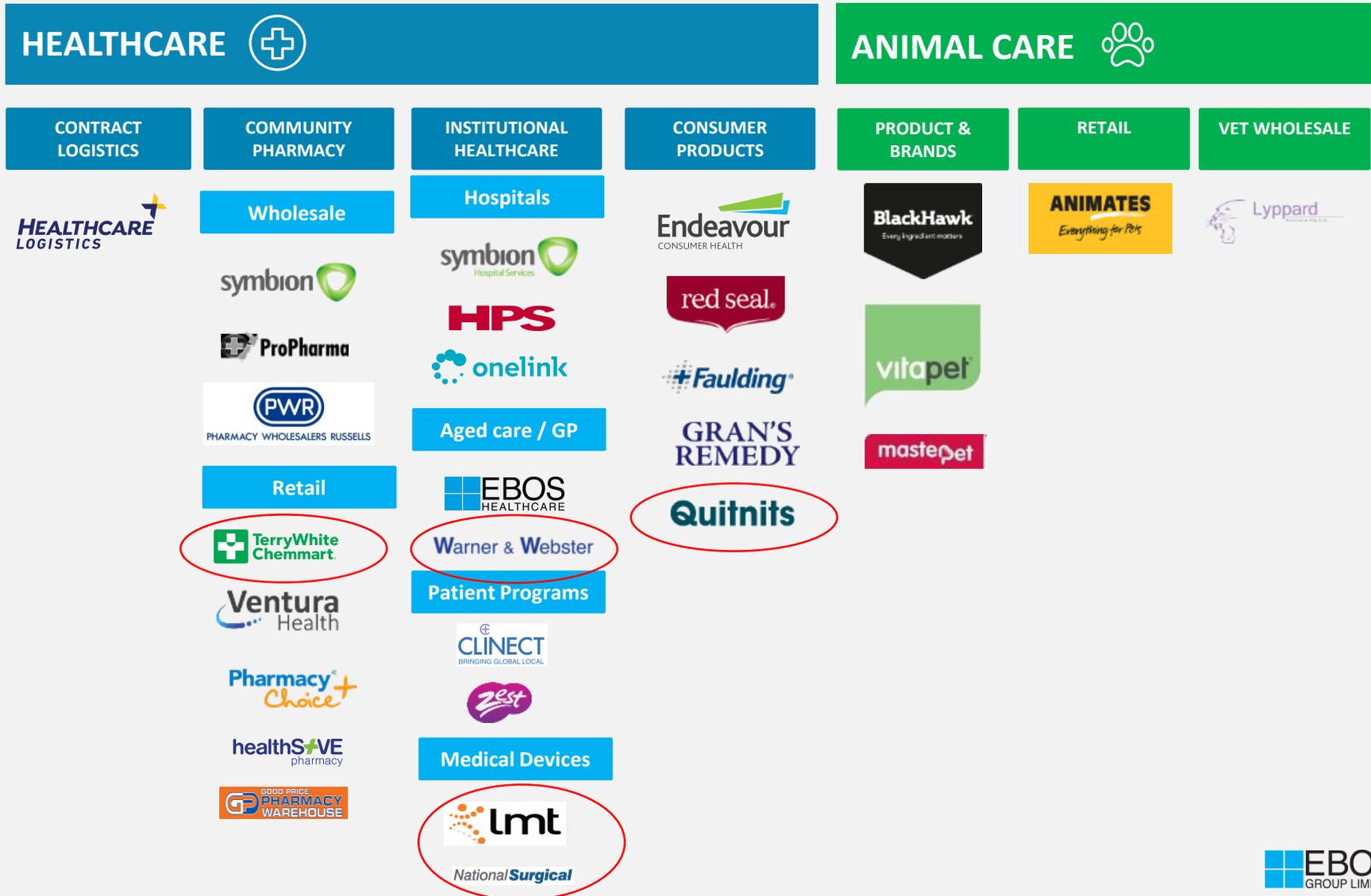
last 4 calendar years

All currency amounts are in Australian dollars unless stated otherwise

(1) Underlying result excludes one-off items for transactions incurred on M&A, warehouse transition and restructuring costs, net of the gain on sale from disposal of a surplus property. (2) Calculated as total shareholder return from 1 January 2015 to 31 December 2018 assuming dividends are reinvested

# EBOS GROUP OVERVIEW

Diversification within Healthcare & Animal Care is key to our business model



# LEADING MARKET POSITIONS & SCALE

EBOS has leading market positions across the Group in particular in hospital pharmaceutical wholesale and community pharmaceutical wholesale, in both Australia and New Zealand

No.1



Combined pharmacy and hospital pharmaceutical wholesaler in Australia and New Zealand

No.1



Hospital pharmaceutical wholesaler in Australia and New Zealand

No.1



Pharmacy wholesaler in Australia



3PL/4PL Pharmaceutical provider in New Zealand and Australia. Number 1 in NZ and growing share in Australia

No.1



Pharmacy wholesaler in New Zealand



Owner of leading Pet Food and Pet Treat brands in ANZ as well as a comprehensive distribution network



# EBOS STRATEGIC APPROACH



Our Healthcare and Animal Care strategic focus is centred on:



## Leading Market Positions

We aim to have positions of scale in the markets we operate in and maximise opportunities across our wide range of businesses wherever possible.

## Investing for Growth

Two types of investments:

- **Acquisitions:** we have a successful track record of deal execution (EBOS has completed 21 deals since 2000).
- **Internal Capex:** investment to lift productivity, manage costs and deliver better customer service.

## Disciplined Capital Management

- Cash generation to drive scope for further investment which allows for dividends to be paid in the range of 60-70% of Net Profit After Tax.
- Acquisitions and new business focus on supporting the Group's long term return on capital employed.

We focus on delivering profitable growth and superior returns

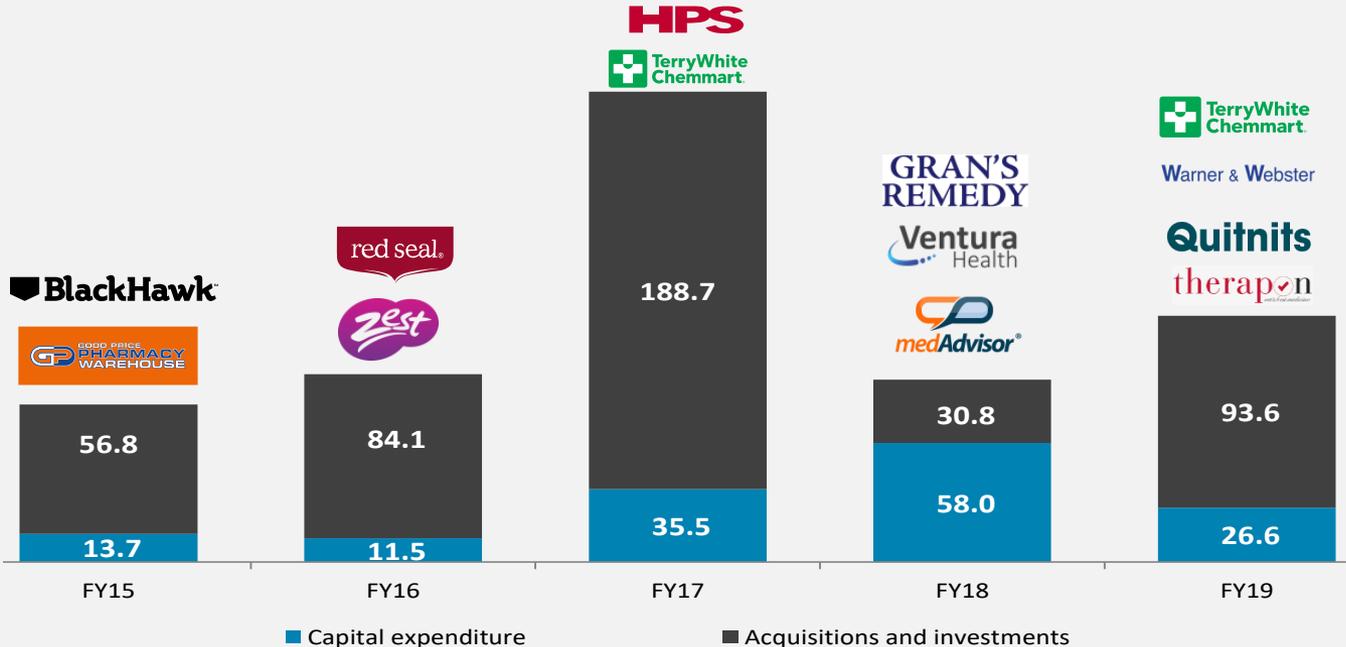
# STRATEGIC INVESTMENTS ARE DRIVING SHAREHOLDER RETURNS

Over \$600m invested over the last five years

EBOS has a long history of successful M&A activity, with more than 20 acquisitions completed since 2000.

Core to our strategy is:

1. The ability to identify and complete opportunities aligned to our strategy;
2. A strict adherence to investment hurdle rates;
3. A dedicated, experienced in-house team supplemented with external M&A specialists for financial, tax and legal due diligence;
4. Business unit driven, centre led approach, with clear and direct Board overview.



# PRIMED FOR NEXT WAVE OF GROWTH

For over 34 years the Group has delivered long term sustainable returns for all Shareholders through our strategy of investing for growth and productivity. This has delivered Total Shareholder annualised Returns of 18.1% over 34 years and a share price increase of 1,016% since 2001.

We recently announced our entry into the Medical Devices sector with the purchase of LMT / National Surgical for \$34m. An important foundation step in building another significant platform in our Healthcare portfolio.

## Medical Devices Acquisition:

- LMT/NS have over the last 24 years built a strong presence in providing product and services to the Orthopaedic, Spine, Neuro, ENT, Plastics and most recently the sports medicine community.
- The acquisition represents an important development in the Group's growth trajectory as a foundation step in building another significant platform in our Healthcare portfolio.
- Consistent with our proven strategy, we will continue to pursue growth in this sector through further bolt-on acquisitions. As a truly independent partner we provide long term growth opportunities to both existing and new Original Equipment Manufacturers (OEM) through our experienced management, capital resources and strong hospital relationships in the Australian and NZ markets.



<sup>1</sup> Share price in NZD (rebased to EBO)



Children's  
Medicine

Pain Relief

\$15.99

\$13.99

TerryWhite  
Chalmers

TerryWhite

RESCRIPTION

Did you know?  
Are you taking a course of antibiotics?

Little O's  
Hot & Cold Pack  
3+

PROFESSIONAL

\$19.95

EBOS  
GROUP LIMITED

Healthcare

# HEALTHCARE SEGMENT

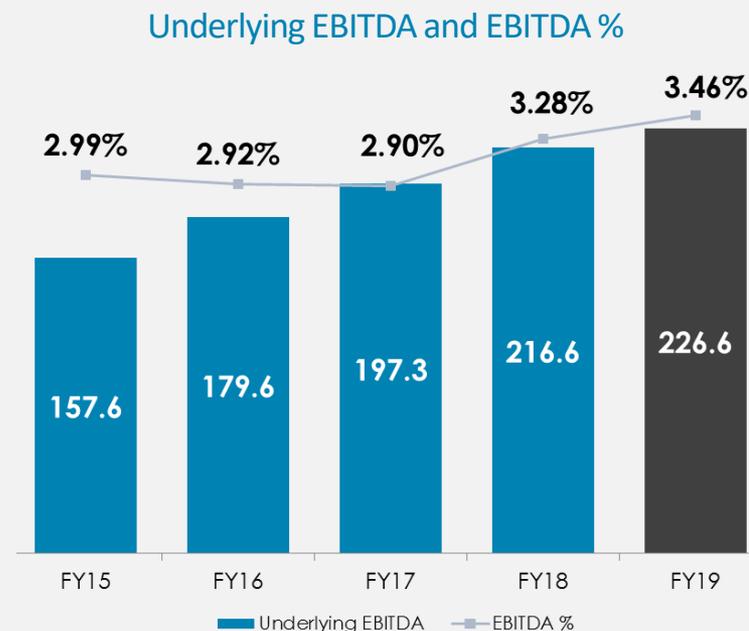
## Solid underlying trading performance

We are primarily known for our activity through Symbion in distributing medicines to both Australian pharmacy and hospitals. Our business is responsible for distributing nearly 50% of all drugs dispensed on the PBS.

Our Group operations throughout Australia and New Zealand also includes medical device distribution, third party logistics and pharmacy retail franchise services – via equity positions in TerryWhite Chemmart, GPPW and Ventura.

We are also active in areas such as clinical trial services and medical consumable wholesaling and, via our ZEST business, we provide healthcare communications services including medical education, digital solutions and patient services.

A\$m	FY19 <sup>1</sup>	FY18	Var\$	Var%
Revenue	6,548.3	6,608.6	(60.3)	(0.9%)
Underlying EBITDA	226.6	216.6	10.0	4.6%
EBITDA%	3.46%	3.28%		



Note 1: Total hepatitis C medicine sales were \$257m lower than last year and the impact of PBS reforms was -\$168m.

# CONTRACT LOGISTICS

EBOS' contract logistics businesses offer a wide range of services to pharmaceutical manufacturers, medical device suppliers and consumer healthcare companies in Australia and New Zealand.

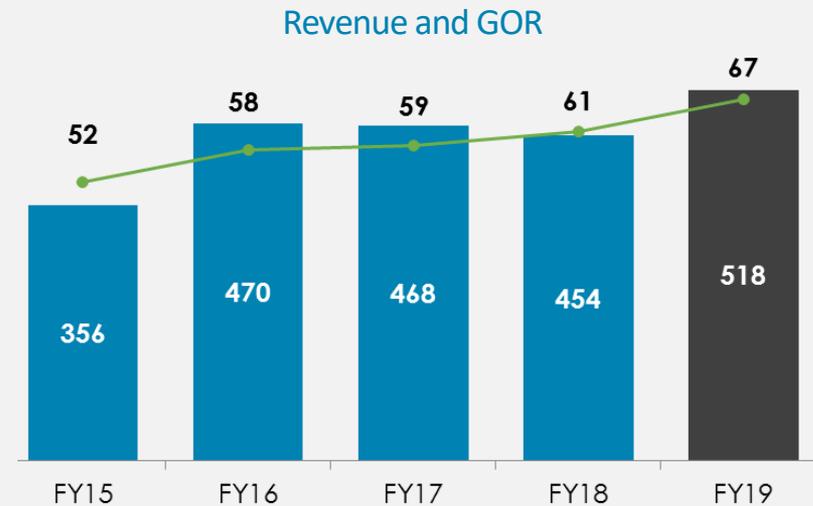
These services include warehousing, distribution and logistics support, and our businesses offer a range of specialised logistics services for the clinical research sector.



Sydney Contract Logistics facility opened 2018.

A\$m	FY19	FY18	Var\$	Var%
Revenue	518.0	454.2	63.8	14.0%
GOR	67.2	61.2	6.1	9.9%

*Note: GOR % not relevant as sales activity is predominantly done on consignment.*



Revenue GOR

FY15 to FY19 CAGR

Revenue: 10.6%

GOR: 7.5%

# INSTITUTIONAL HEALTHCARE

Our institutional healthcare businesses play a key role in supplying a range of products and services to public and private hospitals, doctors' surgeries and aged care facilities.

Following the acquisition of HPS in June 2017, EBOS Group is now the leading provider of outsourced pharmacy services to Australian hospitals.

A\$m	FY19	FY18	Var\$	Var%
Revenue	2,292.7	2,239.6	53.1	2.4%
GOR	209.7	195.5	14.2	7.2%
GOR%	9.15%	8.73%		



Warner & Webster



Revenue and GOR



FY15 to FY19 CAGR

- Revenue: 8.6%
- GOR: 19.2%

# COMMUNITY PHARMACY

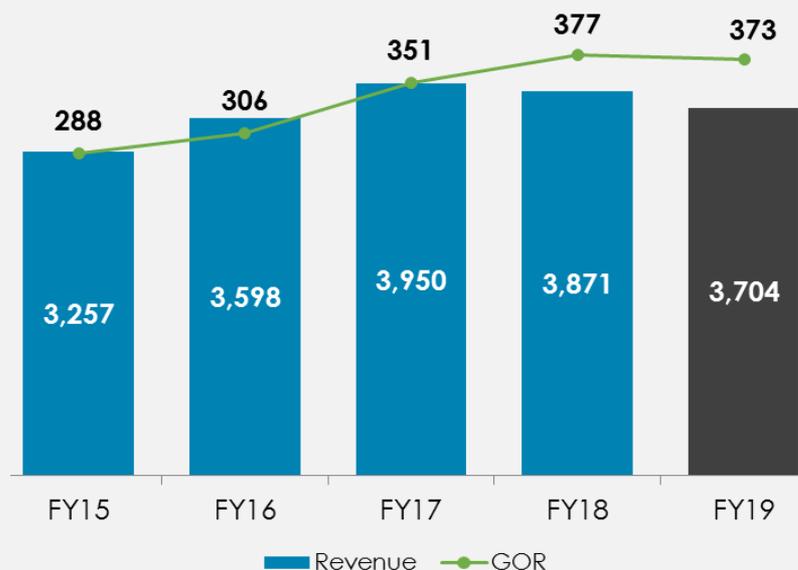
Delivering pharmaceutical and over the-counter medicines to thousands of pharmacies across Australia and New Zealand, EBOS' wholesale businesses play a critical role in the provision of healthcare across both countries.

The Group's business interest and commitment to the pharmacy industry also extends well beyond the supply chain. In Australia, our branded franchise systems, retail support programs, medication management solutions for community pharmacy patients and retail pharmacy management software solutions, EBOS provides the building blocks for community pharmacy.



A\$m	FY19	FY18	Var\$	Var%
Revenue	3,704.1	3,871.4	(167.3)	(4.3%)
GOR	372.8	376.7	(3.9)	(1.0%)
GOR%	10.06%	9.73%		

Revenue and GOR



FY15 to FY19 CAGR

- Revenue: 3.3%
- GOR: 6.7%

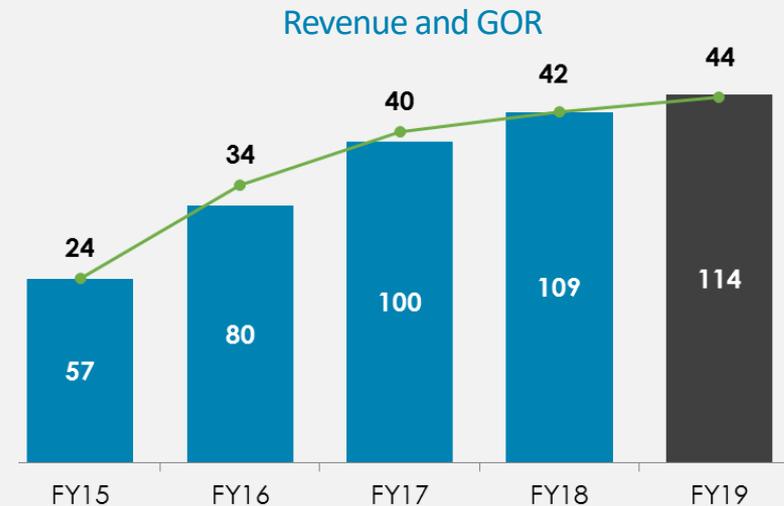
# CONSUMER PRODUCTS

Our consumer products division, Endeavour Consumer Health, is responsible for bringing high quality, cost-effective products to market across Australia, New Zealand and International markets.

We are the proud owners of quality brands including Red Seal, Faulding, Anti-Flamme and Quitnits.



A\$m	FY19	FY18	Var\$	Var%
Revenue	113.9	108.6	5.3	4.9%
GOR	44.0	42.4	1.6	3.8%
GOR%	38.66%	39.07%		



Revenue GOR

FY15 to FY19 CAGR

■ Revenue: 18.9%

■ GOR: 16.5%



# | Animal Care

# ANIMAL CARE SEGMENT

## Strong EBITDA performance reflecting continued growth in our key brands

The Animal Care business markets and distributes a wide range of products to pet retailers, veterinarians and grocery stores across Australasia. We also hold a retail presence in New Zealand through our partial ownership of Animates. We also have some of the most trusted brands in pet care, including leading grocery and premium pet food brands Vitapet and Black Hawk and veterinarian wholesaler Lyppard.

A\$m	FY19	FY18	Var\$	Var%
Revenue	382.0	378.2	3.9	1.0%
EBITDA	48.3	45.7	2.6	5.7%
EBITDA%	12.64%	12.07%		

### Products and brands:



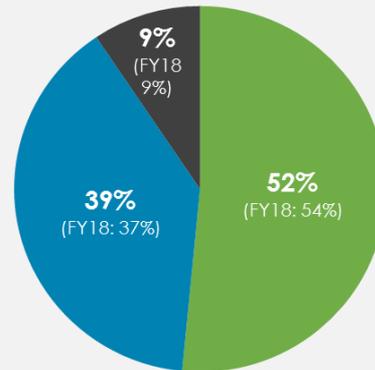
### Australia Wholesale Distribution:



### New Zealand Retail:



### Revenue mix by category:



- Wholesale (Lyppard)
- EBOS brands (Black Hawk and Vitapet)
- Other products

### Underlying EBITDA and EBITDA %



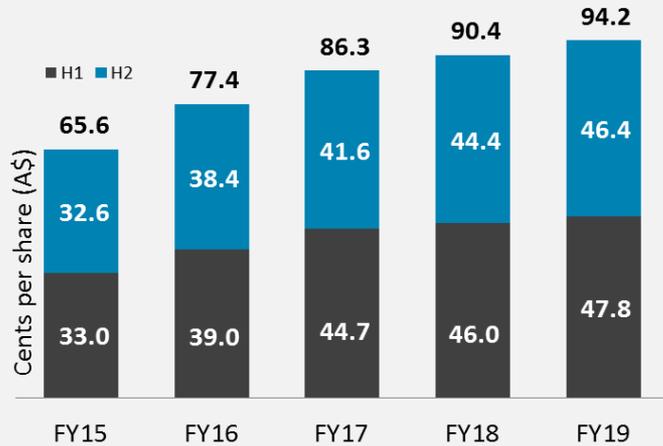


# Financial Overview

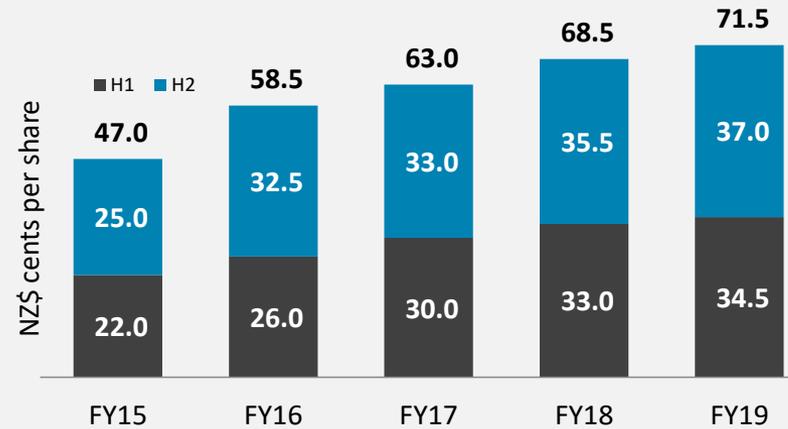
# SUSTAINED FINANCIAL PERFORMANCE

Consistent and sustained financial performance through a balance of complementary businesses is a key signature of our approach.

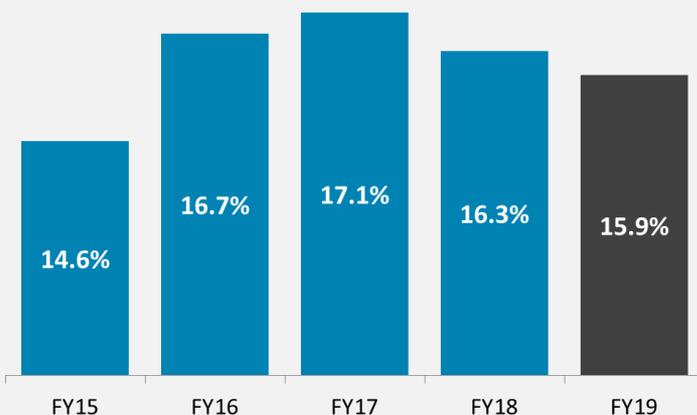
## Underlying Earnings Per Share (A\$ cents)



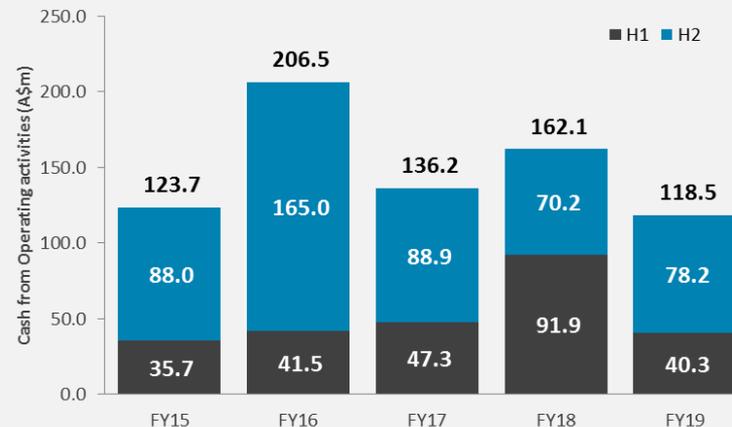
## Dividends Per Share (NZ\$ cents)



## Return on Capital Employed



## Cash Flow from Operating Activities



# STRATEGIC FOCUS AREAS FOR GROWTH

**With the right mix of businesses that deliver consistency in our performance and with a strong balance sheet, we aim to:**

- Continue to execute on both organic growth and strategic value accretive acquisitions.
- Leverage our position as the lowest cost wholesaler / distributor.
- Expand our presence in community pharmacy.
- Expand on our initial investments into the Medical Devices sector.
- Build and acquire trusted brands that consumers value in Animal Care and Consumer Health.
- Expand our brands into Asian markets.



# Questions



[www.ebosgroup.com](http://www.ebosgroup.com)

