

3 May 2023

NZX/ASX Code: EBO

Macquarie Australia Conference Presentation

Please see attached a copy of a presentation to be delivered at the Macquarie Australia Conference today.

For further information please contact:

Martin Krauskopf
Executive General Manager, Strategy and M&A
+61 3 9918 5555

Authorised for lodgement with NZX and ASX by Janelle Cain, General Counsel, EBOS Group Limited.

About EBOS Group

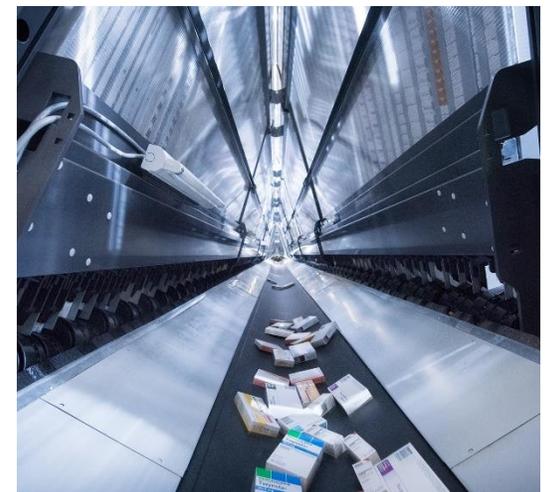
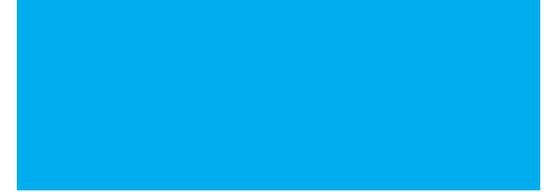
EBOS Group Limited NZBN 9429031998840 (NZX/ASX Code: EBO) is the largest and most diversified Australasian marketer, wholesaler and distributor of healthcare, medical and pharmaceutical products. It is also a leading Australasian animal care brand owner, product marketer and distributor.



INVESTOR PRESENTATION

MACQUARIE AUSTRALIA
CONFERENCE

3 May 2023



DISCLAIMER

The information in this presentation was prepared by EBOS Group Limited ("EBOS" or the "Group") with due care and attention. However, the information is supplied in summary form and is therefore not necessarily complete, and, to the extent permitted by law, no representation is made as to the accuracy, completeness or reliability of the information. In addition, neither EBOS nor any of its subsidiaries, directors, employees, shareholders nor any other person shall have liability whatsoever to any person for any loss (including, without limitation, arising from any fault or negligence) arising from this presentation or any information supplied in connection with it.

This presentation may contain forward-looking statements and projections. These reflect EBOS' current expectations, based on what it thinks are reasonable assumptions. To the extent permitted by law, EBOS gives no warranty or representation as to its future financial performance or any future matter. Except as required by law or NZX or ASX listing rules, EBOS is not obliged to update this presentation after its release, even if things change materially. This presentation does not constitute financial advice. Further, this presentation is not and should not be construed as an offer to sell or a solicitation of an offer to buy EBOS securities and may not be relied upon in connection with any purchase of EBOS securities.

This presentation contains a number of non-GAAP financial measures, including Gross Profit, Gross Operating Revenue, EBIT, EBITA, EBITDA, NPAT, Underlying EBITDA, Underlying EBIT, Underlying NPAT, Underlying Earnings per Share, Free Cash Flow, Interest cover, Net Debt, Underlying Net Debt and Return on Capital Employed. Because they are not defined by GAAP or IFRS, EBOS' calculation of these measures may differ from similarly titled measures presented by other companies and they should not be considered in isolation from, or construed as an alternative to, other financial measures determined in accordance with GAAP. Although EBOS believes they provide useful information in measuring the financial performance and condition of EBOS' business, readers are cautioned not to place undue reliance on these non-GAAP financial measures.

The information contained in this presentation should be considered in conjunction with the consolidated financial statements for the year ended 30 June 2022 and the consolidated financial statements for the half year ended 31 December 2022.

All currency amounts are in Australian dollars unless stated otherwise.

All amounts are presented inclusive of IFRS16 Leases, except for periods FY19 and prior, unless stated otherwise.

Underlying results exclude the impact of one-off items.

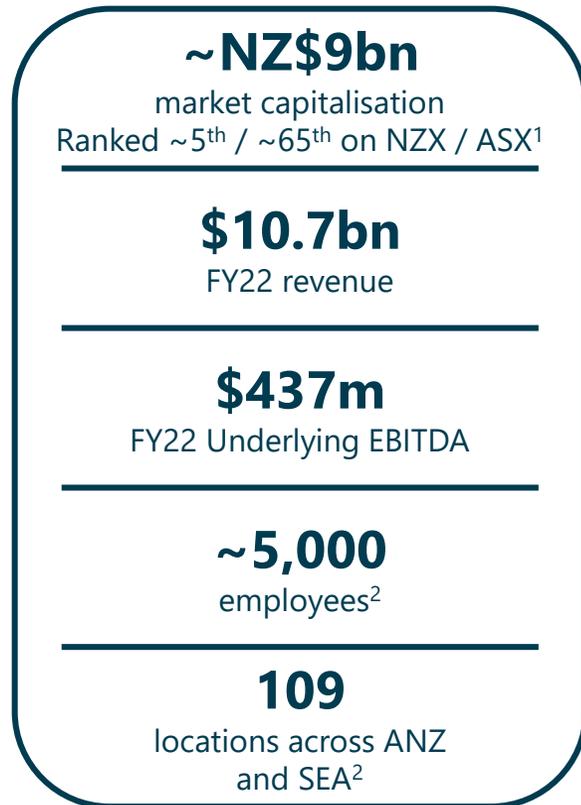
GROUP OVERVIEW

01

EBOS SNAPSHOT

EBOS Group is a leading diversified Healthcare and Animal Care group

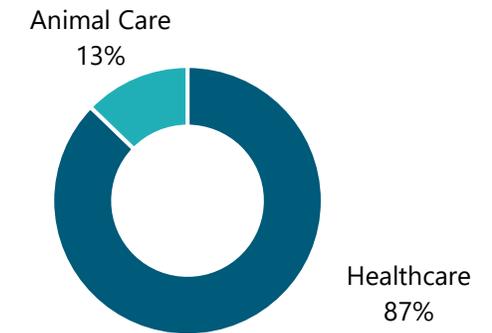
Snapshot:



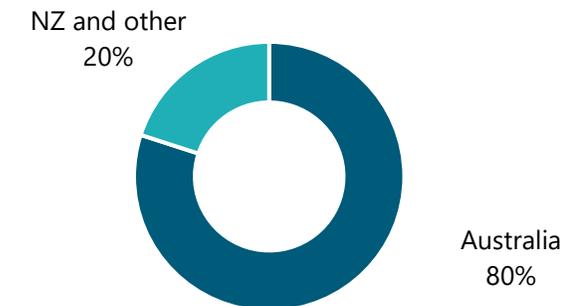
Businesses:



Segments³:



Geographies³:



INDEX INCLUSION

Over the last 3 years EBOS has grown significantly and is now included in key indices in Australia, New Zealand and globally



Market cap (NZ\$) **~\$3.6bn**  **~\$8.9bn**

Average daily value¹ increased ~3x over this period

INVESTMENT THEMES

EBOS has had a strong track record of growth, yield and shareholder returns



Defensive growth sectors



Scale and leading positions



Diversified group



Proven value creation strategy



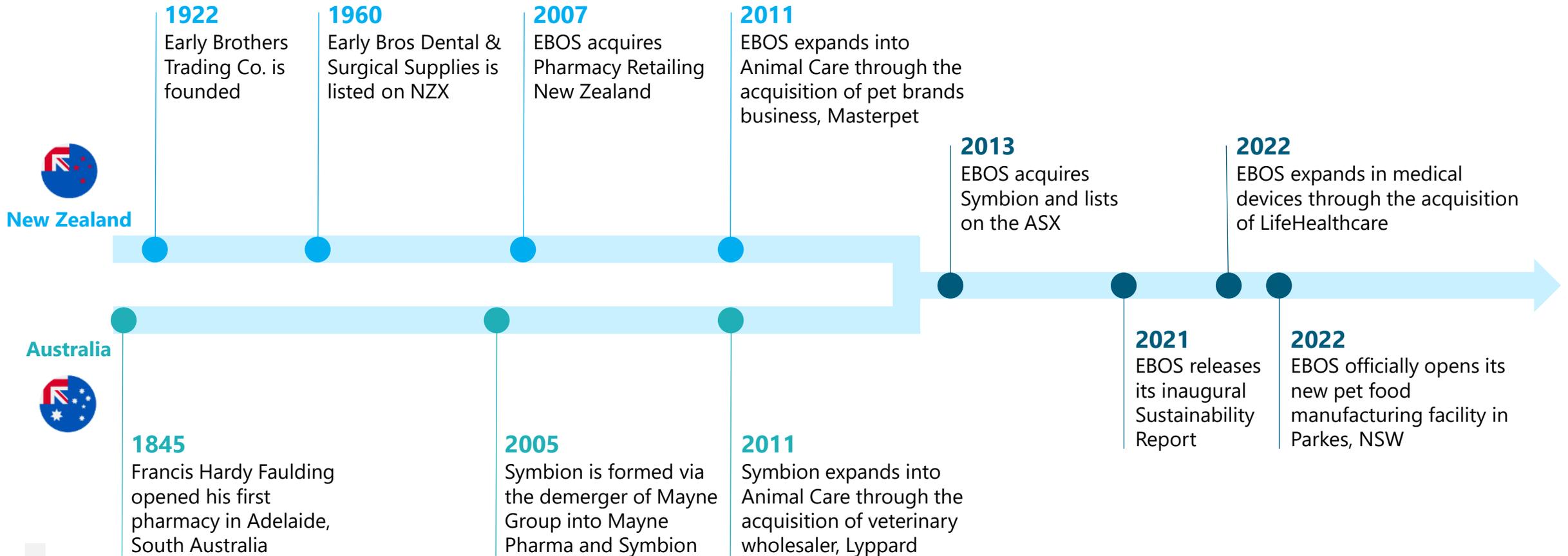
Multiple growth drivers



Strong financial track record

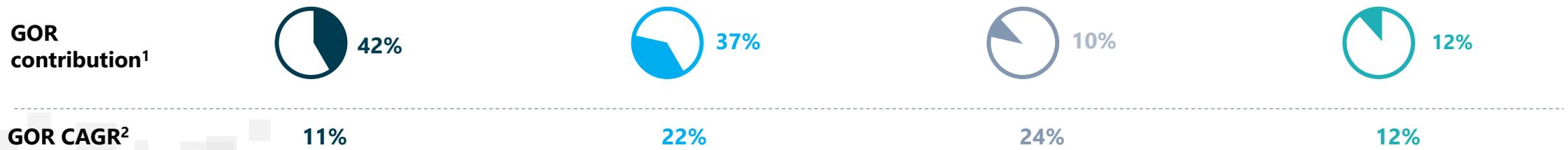
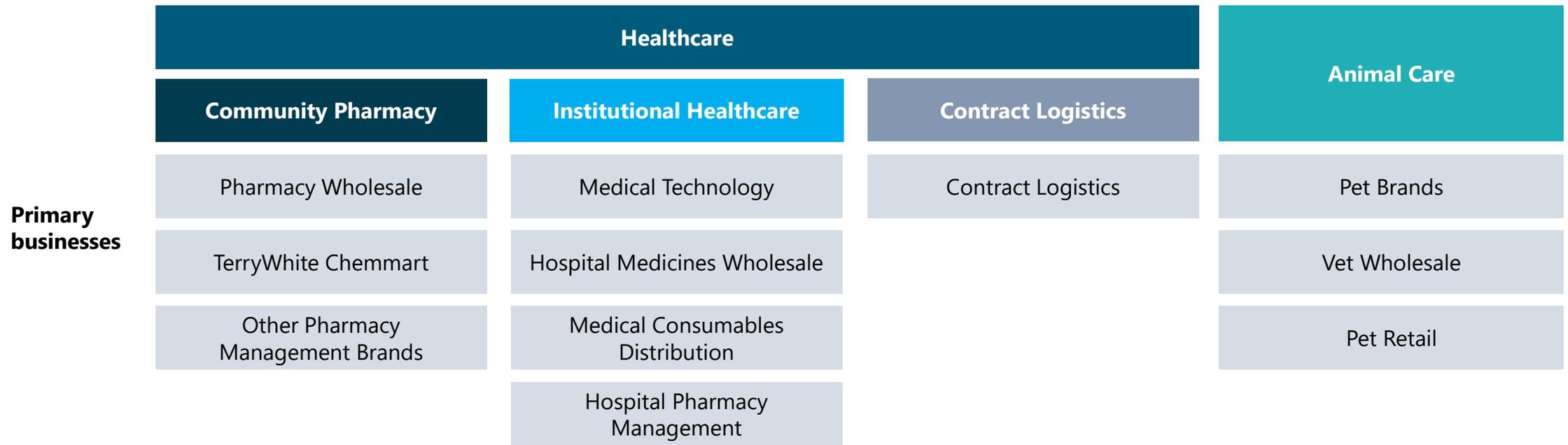
OUR TRANS-TASMAN HISTORY

EBOS' history stretches back 100+ years in New Zealand and 175+ years in Australia



A DIVERSE GROUP

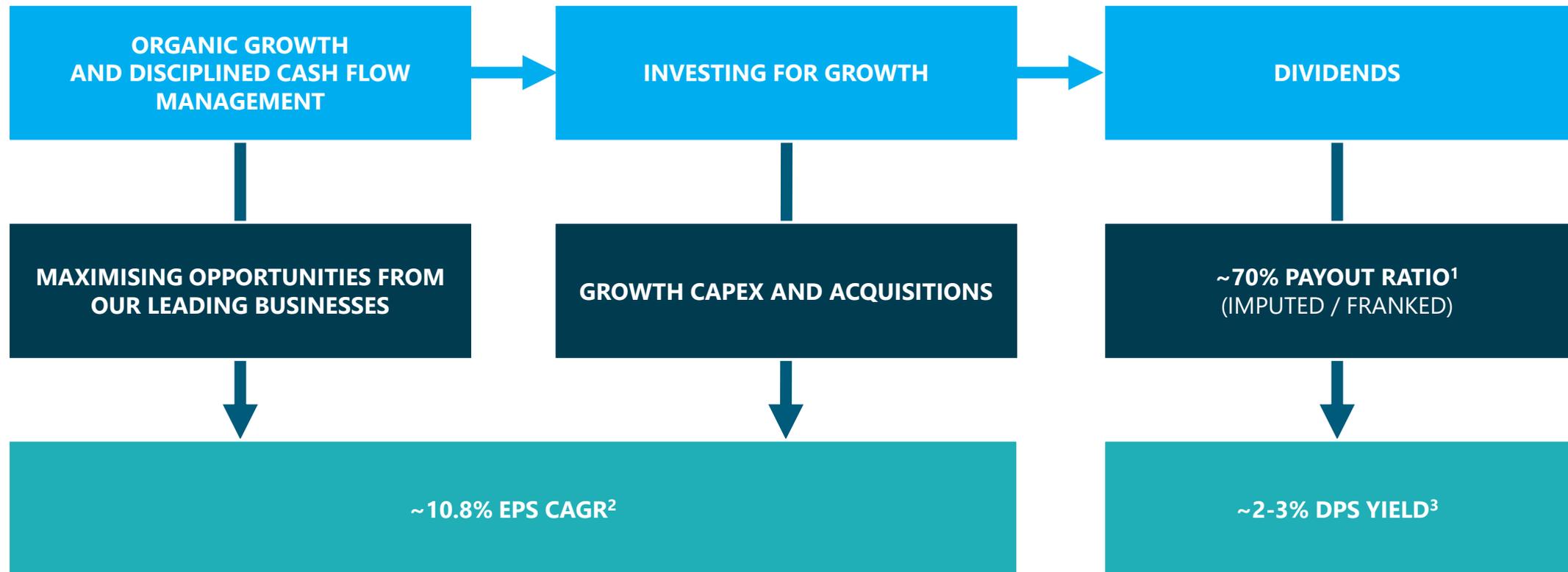
EBOS is the largest and most diversified Australasian marketer, wholesaler and distributor of healthcare, medical and pharmaceutical products. It is also a leading marketer and distributor of recognised animal care brands



8 Notes: 1. H1 FY23 GOR. 2. GOR CAGR represents FY19-FY22.

VALUE CREATION STRATEGY

Our businesses generate organic growth and significant cash flow, which funds our strategy of investing for growth, as well as dividends for shareholders



Notes: 1. ~70% average payout ratio over FY14 to FY22. Dividend imputed to 25% in New Zealand and dividend fully franked in Australia. 2. EPS CAGR is underlying and is measured over FY14-FY22. 3. DPS yield calculated as reported DPS divided by average LTM share price as at 31 December 2022; represents broad average depending on share price fluctuations.

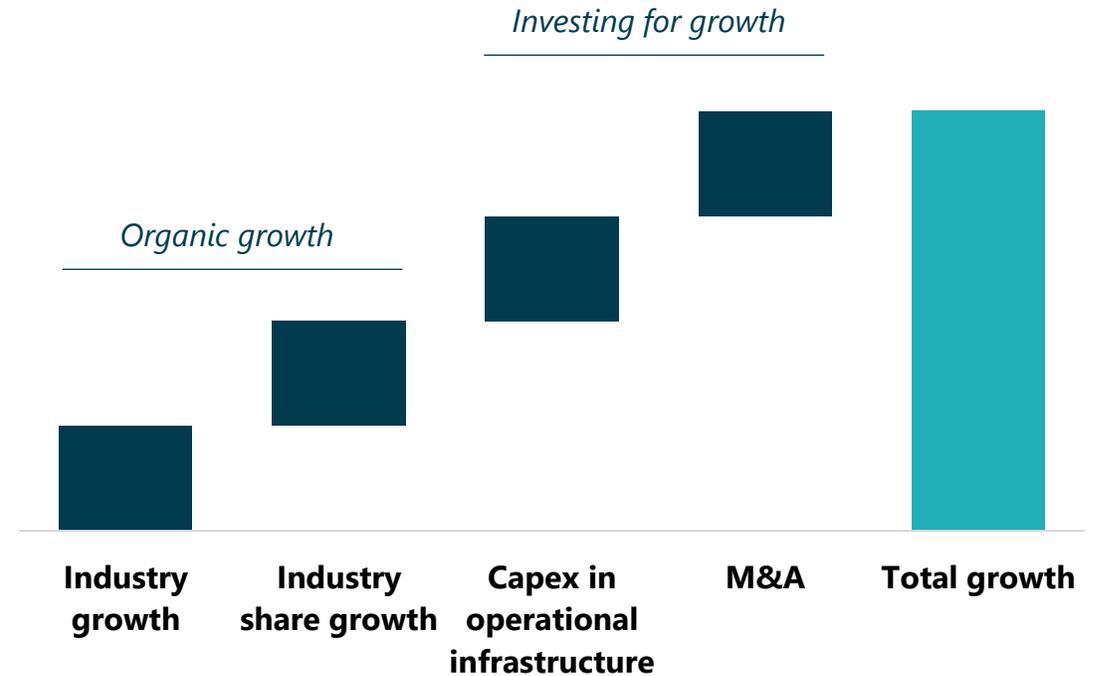
MULTIPLE GROWTH DRIVERS

EBOS leverages multiple growth drivers across its businesses

Key growth businesses



Key growth drivers



STRATEGIC ACQUISITIONS

Acquisitions diversify and grow our earnings and are value accretive to shareholders

~20 acquisitions since 2014



Acquisition strategy

- ✓ Targets: established, profitable, well managed and growing businesses
- ✓ Size: bolt-on through to larger opportunities
- ✓ Geography: Australia, New Zealand and increasingly Southeast Asia
- ✓ Disciplined adherence to investment criteria

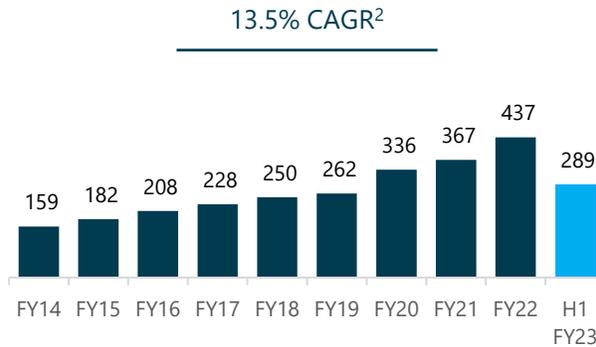
Key focus areas



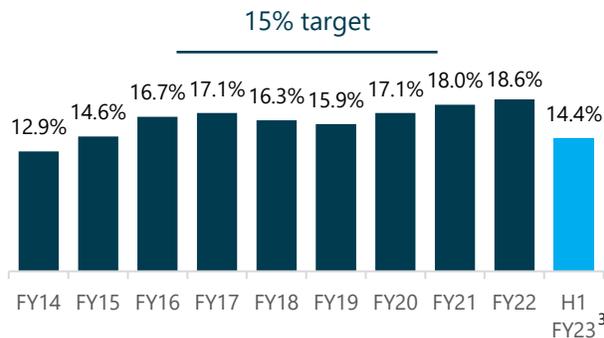
STRONG FINANCIAL TRACK RECORD

EBOS has delivered consistent financial performance through the cycle

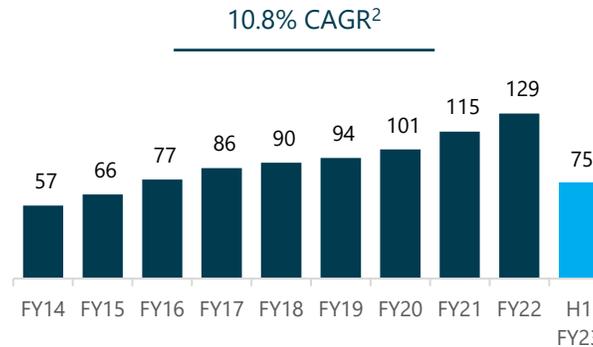
Underlying EBITDA¹: (A\$m)



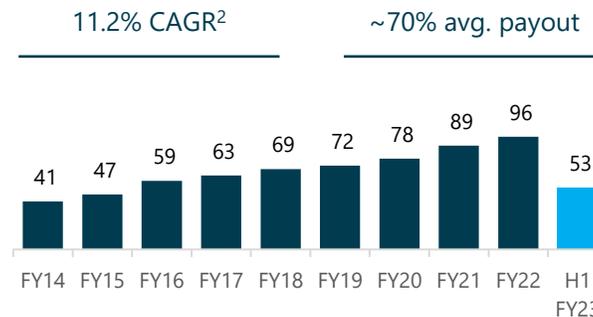
Return on capital employed: (ROCE, %)



Underlying EPS¹: (A\$ cents per share)



DPS: (NZ\$ cents per share)



Total shareholder returns⁴:



Notes: 1. Underlying earnings exclude the impact of one-off items. 2. CAGR calculation is inclusive of FY14-FY22. 3. ROCE for H1 FY23 incorporates the ~\$1,167m acquisition of LifeHealthcare. 4. Total shareholder return calculated as at 31 March 2023 and includes dividends.

H1 FY23 SUMMARY RESULTS

EBOS achieved another record half year result, driven by organic growth and contribution from acquisitions

\$m	Underlying ¹	Var	Statutory	Var ²
Revenue	6,145.7	 17.0%	6,145.7	 17.0%
EBITDA	289.2	 39.3%	289.2	 44.7%
EBIT	239.5	 41.6%	226.0	 40.1%
NPAT	141.6	 29.6%	132.2	 29.8%
EPS (cents)	74.5	 12.0%	69.6	 13.3%
DPS (NZ cents)			53.0	 12.8%
EBITDA margin	4.71%	 76bp		
ROCE (%)	14.4%	 (3.8%)		
Net debt : EBITDA (x)	1.76x	 0.18x ²		

Strong organic earnings growth

Substantial contribution from FY22 acquisitions

Double-digit EPS growth

Gearing reduced and within target range

Increased dividends to shareholders

ROCE in-line with expectations after LifeHealthcare acquisition

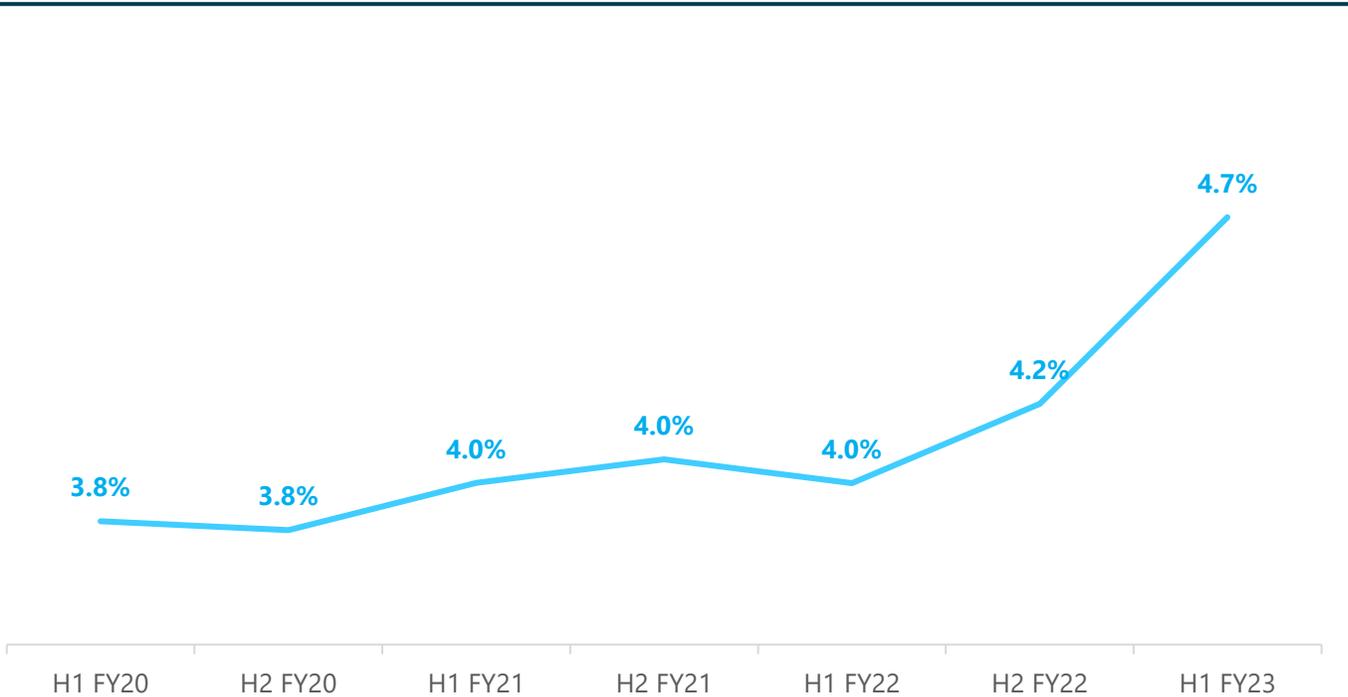
Notes: 1. Underlying earnings for the 31 December 2022 period exclude the amortisation (non-cash) expense attributable to the LifeHealthcare acquisition purchase price accounting (PPA) of finite life intangible assets (\$13.5m pre tax, \$9.4m post tax). Underlying earnings for the 31 December 2021 period exclude transaction costs incurred on M&A (\$7.8m pre tax, \$7.4m post tax).

2. Comparisons shown to prior corresponding period with exception of Net Debt : EBITDA, which is compared to June 2022.

MARGIN PRESERVATION IN INFLATIONARY ENVIRONMENT

EBOS successfully preserved and increased margins during the recent inflationary period

Group Underlying EBITDA margin by half year period



Commentary

- Key cost line items are cost of goods sold, labour, freight and rent
- We experienced increases in these key cost items to varying degrees across our businesses due to the effects of inflation
- Each business implemented various strategies to mitigate these increases and preserve margins
- The Group benefitted from operating leverage and acquisitions of higher growth, higher margin businesses
- In H1 FY23, EBITDA margins were steady in the core business and expanded through acquisitions

SUSTAINABILITY SNAPSHOT

Our five pillars

Health & Animal Care Partners

Consumers & Patients

Community & Environment

Our People

Responsible Business

Our key initiatives

Ethical Sourcing



Our new Ethical Sourcing Strategy aims to engage suppliers that are aligned to EBOS' corporate values. The strategy is supported by a Supplier Code of Conduct and Ethical Sourcing Policy which outline specific supplier requirements on child labour, employee payments, anti-discrimination and harassment.

Environmental Stewardship



Solar Array – Phase One of this important initiative includes a roof-mounted array at our pet food manufacturing facility at Parkes, NSW. Phase One installation is on target for completion in 2023.

Safety, Diversity and Inclusion



Reflects our vision to create an environment that is safe, inclusive and is reflective of the communities in which we operate.

Carbon Neutrality pathway – New Zealand and Australia



FY23

Carbon neutral for Scope 1 emissions

FY27

Carbon neutral for Scopes 1 and 2 emissions

FY28

Carbon neutral for Scopes 1, 2 and 3 building emissions

Sustainable Packaging



Commencing 2025 or earlier, we plan to convert all packaging for our grocery brands into reusable, recyclable, or compostable materials.

New Zealand XRB Climate-Related Disclosures



We are preparing for the Government mandate of climate-related financial disclosures to ensure will meet the required disclosure requirements by August 2024.

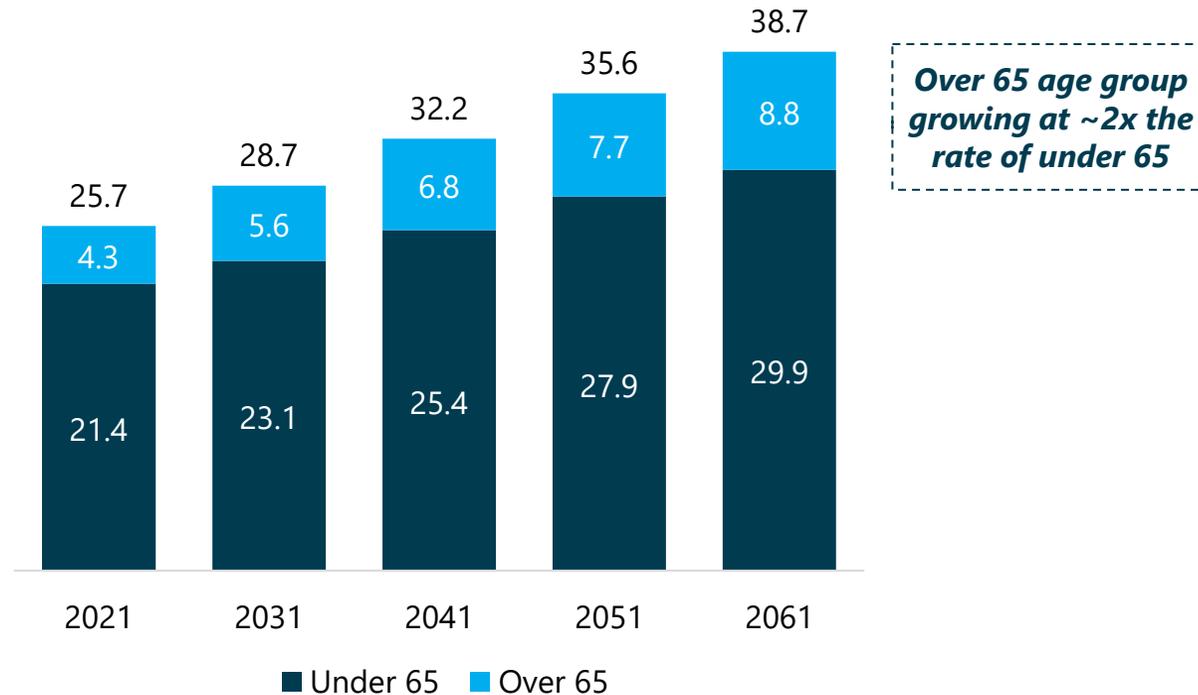
DIVISION UPDATE

02

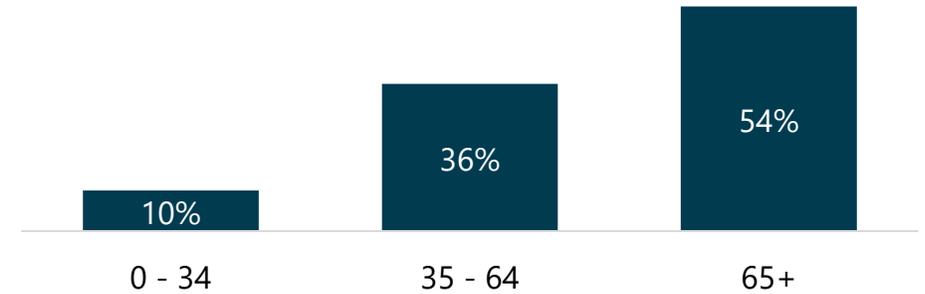
INDUSTRY TRENDS – HEALTHCARE

The growing and ageing population continues to provide a structural tailwind

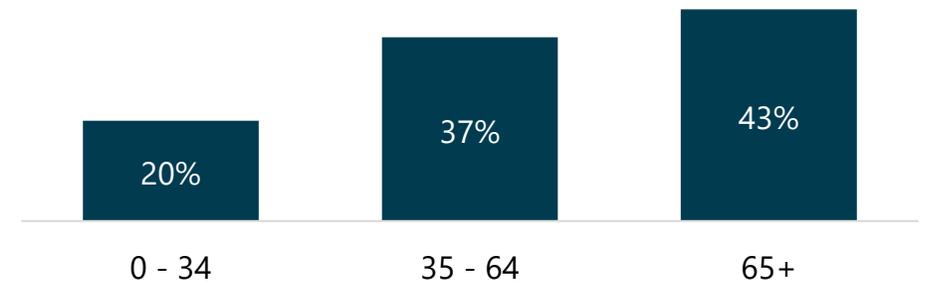
Projected Australian population by age (m)¹



Prescription drug usage by age (years)²



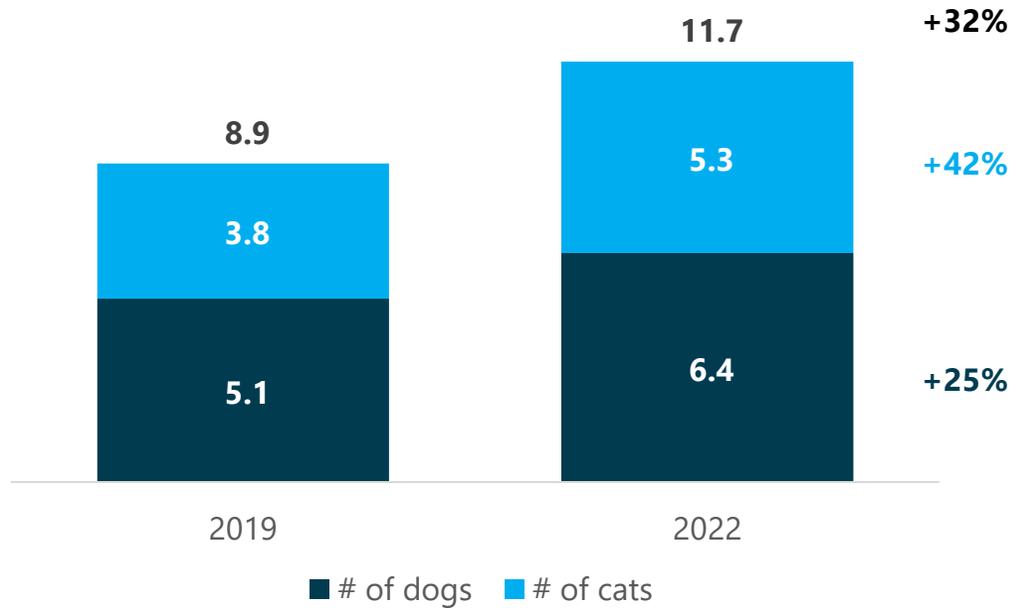
Hospital admission by age (years)³



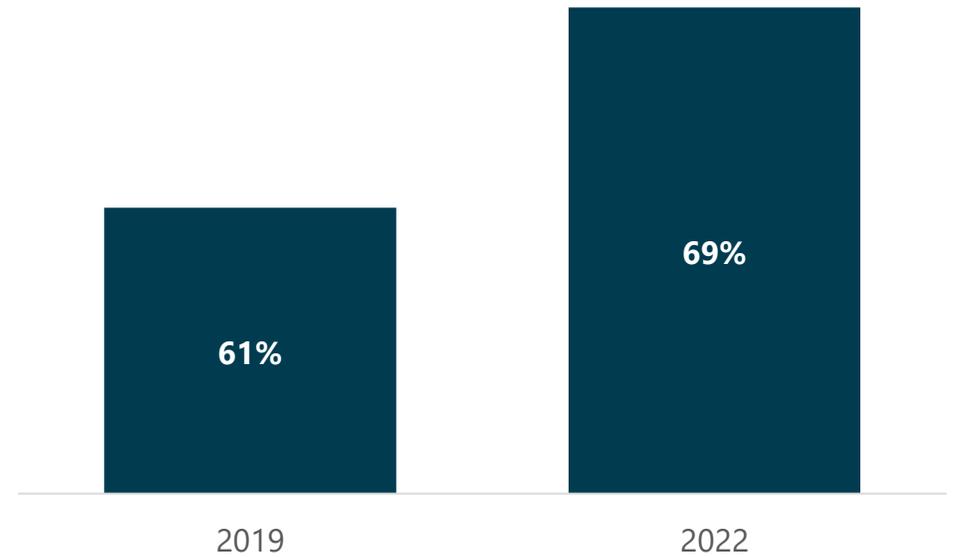
INDUSTRY TRENDS – ANIMAL CARE

The industry has seen considerable growth, driven by increased pet ownership, humanisation of pets and product premiumisation

Pet population in Australia has grown (millions)



Proportion of pet owning households has increased



COMMUNITY PHARMACY WHOLESALER

Business description:

- Leading pharmaceutical wholesaler in Australia and New Zealand
- 40%+ share in Australian ethical wholesaling segment¹ and 50%+ in New Zealand
- Best-in-class distribution network across Australia and New Zealand
- Services 3,800+ pharmacies, including Chemist Warehouse and TerryWhite Chemmart, among Australia's largest and leading pharmacy networks

H1 FY23 performance (all of Community Pharmacy²):



Drivers and dynamics:

- 1 Alignment to large and fast growing pharmacy brands and banner groups driving above-market growth
- 2 Strong service levels and competitive dynamics provided opportunity for share wins over last ~12-18 months
- 3 Continual investment in distribution network to optimise productivity
- 4 Growth of new high value specialty medicines

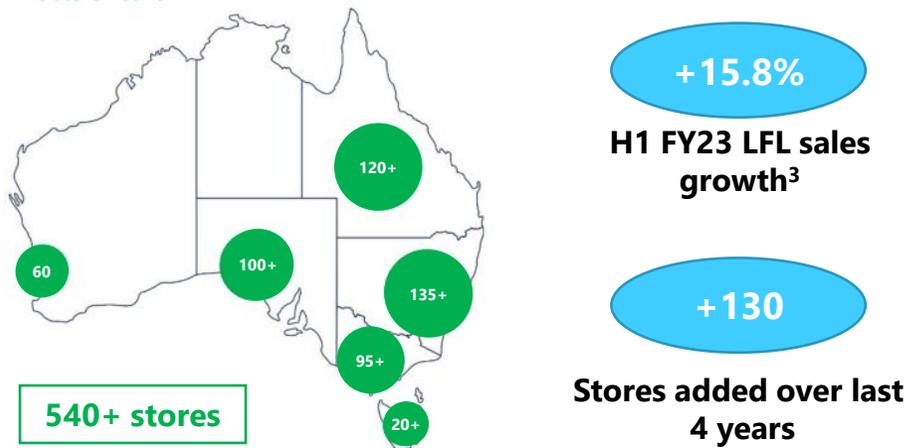
TERRYWHITE CHEMMART



Business description:

- One of Australia's leading community pharmacy networks
- Focus on health advice and differentiated service
- EBOS is the franchisor and wholesaler to the TWC network

TWC store network^{1,2:}



Drivers and dynamics:

- 1 Ongoing expansion of the TWC network
- 2 Launch of Care Clinics across the network for increased scope of patient services (vaccinations and other)
- 3 Continued investment in marketing and technology (myTWC App, e-commerce) to deliver strong brand recognition and customer engagement
- 4 Best-in-class support and training for pharmacists and superior back office systems

INSTITUTIONAL HEALTHCARE (EX. MEDICAL TECHNOLOGY)

Business description:

- A leading distributor and wholesaler of hospital medicines and medical consumables
- Trusted, long-term partner to hospitals, primary care and aged care
- Broad third-party product offering and growing own branded medical consumables offering
- Superior scale and efficiencies from ability to utilise pharmacy distribution network
- Substantial historic growth complemented by bolt-on acquisitions

H1 FY23 performance (all of Institutional Healthcare¹):

+19.4%

Revenue growth³

+81.3%

GOR growth³

560bp

GOR margin growth³

Drivers and dynamics:

1

Exposure to specialty medicines, a higher growth market

2

Increase presence of own branded consumables

3

Expansion of facilities to support growth

4

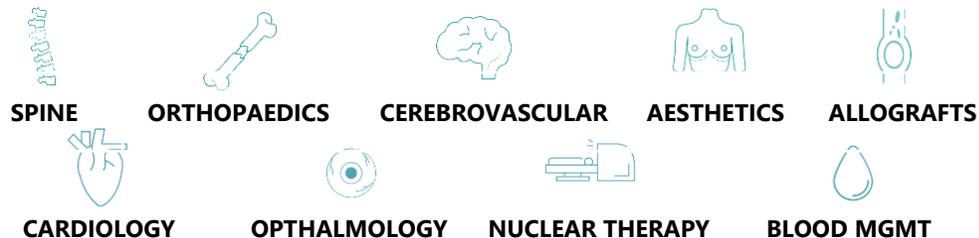
Continued focus area for acquisition strategy given fragmented market

MEDICAL TECHNOLOGY

Business description:

- A leading independent distributor of medical devices, consumables and equipment in Asia Pacific with significant presence in several therapeutic areas
- Operations in Australia, New Zealand, Singapore, Indonesia, Malaysia, Thailand, Hong Kong, Philippines and Vietnam
- Manufacturer and distributor of allograft tissue products in Australia and New Zealand for use in a variety of surgical procedures
- Diverse and long tenured partnerships with major global OEMs and mid-sized innovators
- Highly experienced sales team who typically have significant medical experience

Key therapeutic focus areas:



Drivers and dynamics:

- 1 Reinforcing scale and leading positions in key therapeutic channels across the region
- 2 Pent-up demand for surgeries post COVID-19 disruptions
- 3 Fragmented markets both in ANZ and Southeast Asia provide bolt-on acquisition opportunities
- 4 Continued investment in allograft manufacturing capability and new product development

CONTRACT LOGISTICS

Business description:

- Specialised healthcare contract logistics provider in Australia and New Zealand
- Trusted partner for pharmaceutical manufacturers
- World class facilities and systems with temperature control, vaults and cold chain solutions
- Existing network of three distribution centres in NSW and New Zealand with two new builds underway:
 - Sydney and Auckland sites expected to be completed in 2023

H1 FY23 performance:

+26.0%

GOR growth¹

5

Sites following completion of current builds

Drivers and dynamics:

1

Opportunity to grow share in Australia

2

Continued expansion of warehouse infrastructure

3

Government focus on improving the depth of medicines inventory cover onshore resulting in pharmaceutical manufacturers requirement to hold more stock in country

4

Only pure-play healthcare provider of medicine logistics across both Australia and New Zealand

ANIMAL CARE

Business description:

- Leading owner, marketer and distributor of animal care brands
- Provide quality nutrition and wellbeing for pets through:
 - Pet brands: #1 premium pet food brand in the specialty channel (Black Hawk) and #1 pet treats brand in grocery channel (Vitapet)
 - Vet wholesale (Lyppard): partner of choice for vet clinics
 - Pet retail: 50% joint venture in Animates, a leading pet retailer and owner of vet clinics in New Zealand
- Invested ~\$80m in owned manufacturing facility in Parkes, NSW (completed in 2022)

H1 FY23 performance:

+6.3%

Revenue growth¹

+31.5%

Underlying
EBITDA growth¹

+340bp

Underlying EBITDA
margin growth¹

Drivers and dynamics:

- 1 Supportive market tailwinds of increased pet population, humanisation of pets and product premiumisation
- 2 Expanding existing strong brands into new product development opportunities
- 3 Continued investment in marketing to grow brand awareness
- 4 Realising benefits of new pet food manufacturing facility – supply chain advantage, efficiencies and new product development

CONCLUSION

EBOS has had a strong track record of growth, yield and shareholder returns



Defensive growth sectors



Scale and leading positions



Diversified group



Proven value creation strategy



Multiple growth drivers



Strong financial track record

Questions



APPENDIX



GLOSSARY OF TERMS AND MEASURES

Except where noted, common terms and measures used in this document are based upon the following definitions:

Term	Definition
Revenue	Revenue from the sale of goods and the rendering of services.
Gross Operating Revenue (GOR)	Revenue less cost of sales and the write-down of inventory.
EBITDA	Earnings before interest, tax, depreciation and amortisation.
Underlying EBITDA	Earnings before interest, tax, depreciation, amortisation adjusted for one-off items.
EBIT	Earnings before interest and tax.
Underlying EBIT	Earnings before interest and tax and adjusted for one-off items and LifeHealthcare PPA amortisation (non-cash).
PBT	Profit before tax.
Underlying PBT	Profit before tax adjusted for one-off items and LifeHealthcare PPA amortisation (non-cash).
NPAT	Net Profit After Tax attributable to the owners of the company.
Underlying NPAT	Net Profit After Tax attributable to the owners of the company adjusted for one-off items and LifeHealthcare PPA amortisation (non-cash and after tax).
One-off items	Transaction costs incurred on M&A activities.
Earnings per share (EPS)	Net Profit after tax divided by the weighted average number of shares on issue during the period in accordance with IAS 33 'Earnings per share'.
Underlying EPS	Underlying NPAT divided by the weighted average number of shares on issue during the period.
Net Debt	Consists of total borrowings and deferred consideration where payable based on current year earn-out requirements, less cash and cash equivalents and excludes IFRS16 lease liabilities.
Net Debt : EBITDA	Ratio of net debt at period end to the last 12 months Underlying EBITDA, adjusting for pre acquisition earnings of acquisitions for the period. Calculation is applied as per the Group's banking covenants.
Return on Capital Employed (ROCE)	Underlying earnings before interest, tax and amortisation of finite life intangibles for 12 months (EBITA) divided by closing capital employed (excluding IFRS16 Leases and including a pro-rata adjustment for strategic investments).
IFRS	International Financial Reporting Standards.
PPA	Purchase Price Accounting



www.ebosgroup.com