

**7 May 2024**

**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.

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

### **About EBOS Group**

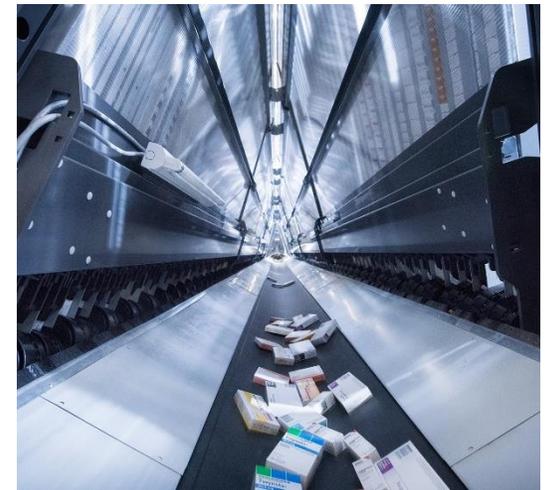
EBOS Group Limited NZBN 9429031998840 (NZX/ASX Code: EBO) is the largest and most diversified Australasian marketer, wholesaler and distributor of healthcare, medical and pharmaceutical products. It is also a leading Australasian animal care brand owner, product marketer and distributor.



# INVESTOR PRESENTATION

MACQUARIE AUSTRALIA  
CONFERENCE

7 May 2024



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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 2023 and the consolidated financial statements for the half year ended 31 December 2023.

EBOS and its businesses are subject to known and unknown risks, some of which are beyond the control of EBOS and/or may not be fully mitigated. A summary of key financial and non-financial risks identified by EBOS can be found under ‘Risk Management’ at <https://www.ebosgroup.com/who-we-are/corporate-governance>. This should not be considered an exhaustive list.

**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



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# EBOS SNAPSHOT

EBOS Group is a leading diversified Healthcare and Animal Care group

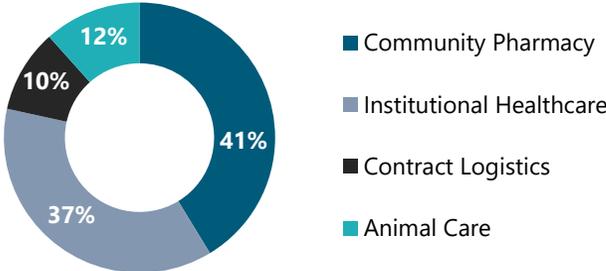
**Snapshot:**

- ~\$6bn**  
market capitalisation<sup>1</sup>
- \$12.2bn**  
FY23 revenue
- \$582m**  
FY23 Underlying EBITDA
- 5,000+**  
employees<sup>2</sup>
- 108**  
locations across ANZ  
and SEA<sup>2</sup>

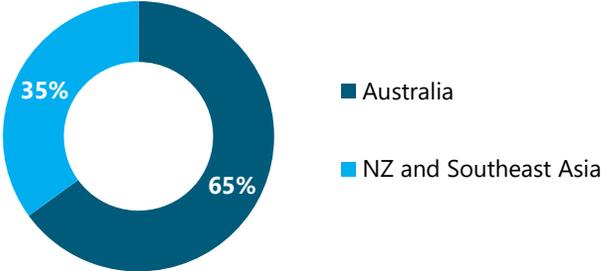
**Primary businesses:**

<b>Healthcare</b>	 <p><b>Community Pharmacy</b> - Pharmacy wholesale - TerryWhite Chemmart</p>
	 <p><b>Institutional Healthcare</b> - Medical Technology - Medical consumables distribution - Hospital medicine distribution</p>
	 <p><b>Contract Logistics</b></p>
	 <p><b>Pet Brands</b></p>
	 <p><b>Vet Wholesale</b></p>
<b>Animal Care</b>	 <p><b>Pet Retail</b></p>

**Segments<sup>3</sup>:**



**Geographies<sup>3</sup>:**



4 Notes: 1. Market capitalisation as at 30 April 2024. 2. As at 30 June 2023. 3. Sector split based on FY23 GOR and geography split based on FY23 Revenue.

# INVESTMENT THEMES

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



**Defensive growth sectors**



**Scale and leading positions**



**Diversified group**



**Multiple growth drivers**



**Strong financial track record**

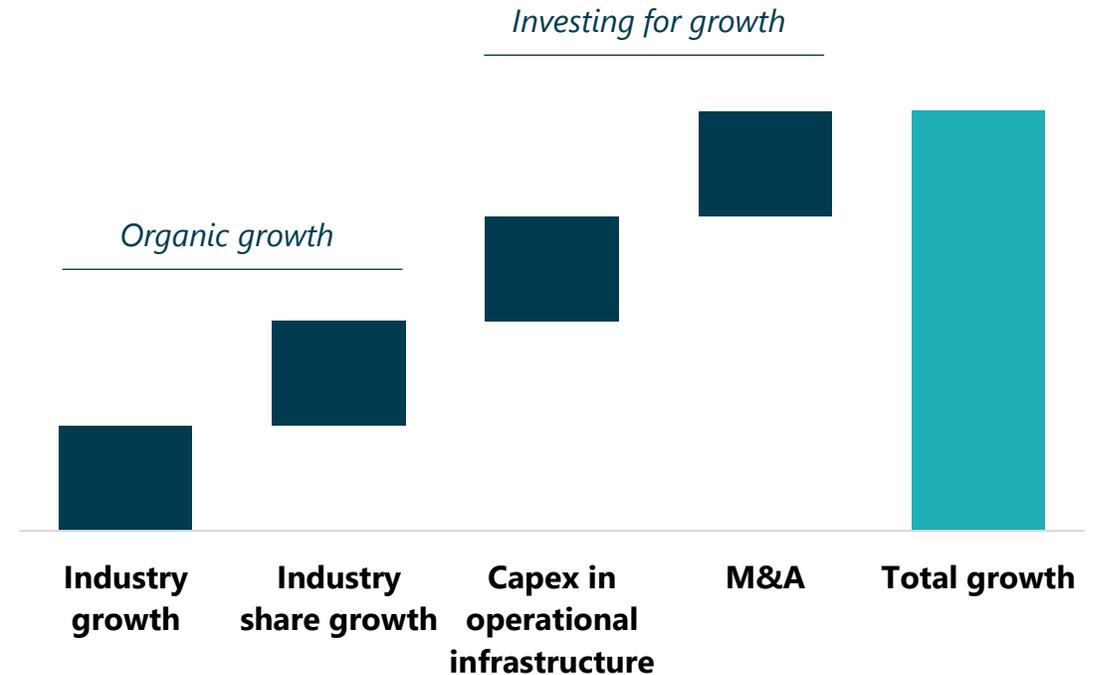
# MULTIPLE GROWTH DRIVERS

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

## Acquisition objectives

1. Strengthen our core businesses
2. Extend existing businesses into new segments (e.g. customer, product, geographies)
3. Consider adjacencies closely aligned to existing healthcare and animal care businesses

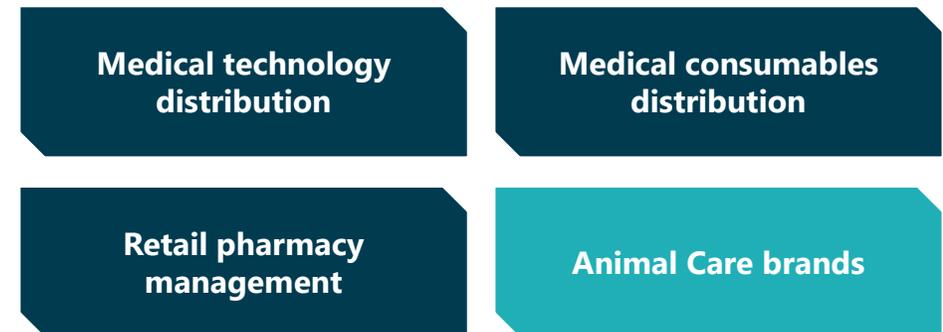
## Target profile

- ✓ **Targets:** established, profitable, growing and well managed businesses
- ✓ **Size:** bolt-on acquisitions through to larger opportunities
- ✓ **Geography:** Australia, New Zealand and increasingly Southeast Asia
- ✓ **Financial metrics:** disciplined adherence to investment criteria focused on EPS accretion, ROCE and a strong balance sheet

## 20+ acquisitions over the last 10 years

Healthcare				
				
Animal Care				

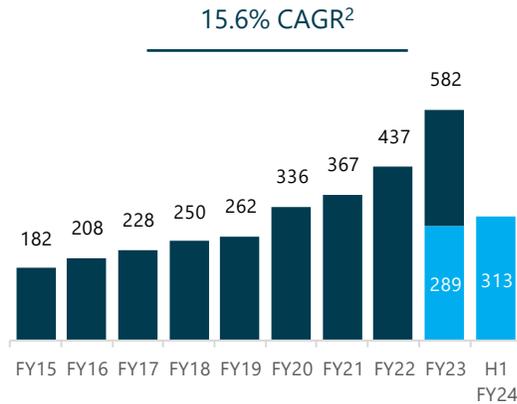
## Key focus areas



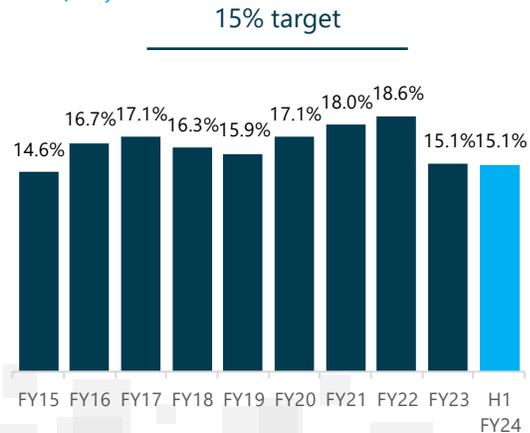
# STRONG FINANCIAL TRACK RECORD

EBOS has delivered consistent financial performance over the long term

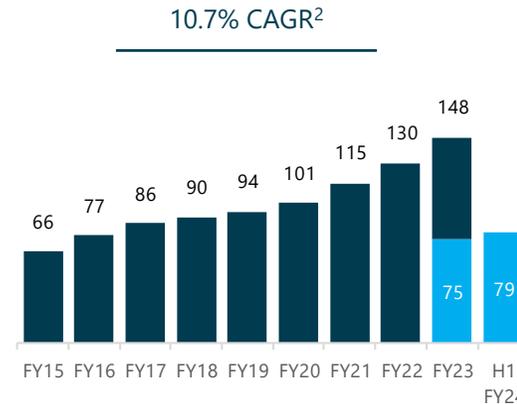
**Underlying EBITDA<sup>1,2</sup>:**  
(A\$m)



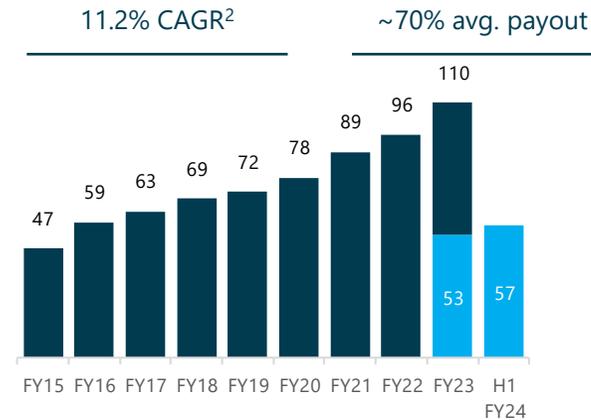
**Return on capital employed:**  
(ROCE, %)



**Underlying EPS<sup>1,2</sup>:**  
(A\$ cents per share)



**DPS:**  
(NZ\$ cents per share)



**Shareholder returns<sup>3</sup>:**

**28%**  
3 year TSR

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**354%**  
10 year TSR

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**~3%**  
dividend yield

8 Notes: 1. Underlying earnings exclude the impact of one-off items. All amounts are presented inclusive of IFRS 16 Leases except for periods FY19 and prior. 2. CAGR calculation is inclusive of FY15-FY23. 3. Total shareholder return calculated as at 30 April 2024 and includes dividends. Dividend yield based on dividends per share paid over the last 12 months divided by share price as at 30 April 2024.

# H1 FY24 SUMMARY RESULTS

EBOS achieved strong growth reflecting the benefits of its diversified portfolio

\$m	Underlying	Var	Statutory	Var
Revenue	6,582.5	△ 7.1%	6,582.5	△ 7.1%
EBITDA	313.2	△ 8.3%	303.1	△ 4.8%
EBIT	259.9	△ 8.5%	236.7	△ 4.7%
Net Profit After Tax	152.4	△ 7.6%	136.2	△ 3.0%
EPS (cents)	79.5c	△ 6.6%	71.0c	△ 2.1%
DPS (NZ cents)			57.0c	△ 7.5%
EBITDA margin	4.76%	△ 5bp		
ROCE (%)	15.1%	△ 70bp		
Net Debt : EBITDA (x) <sup>1</sup>	2.06x	△ (0.30x)		

**Strong organic earnings growth**

**ROCE in-line with target**

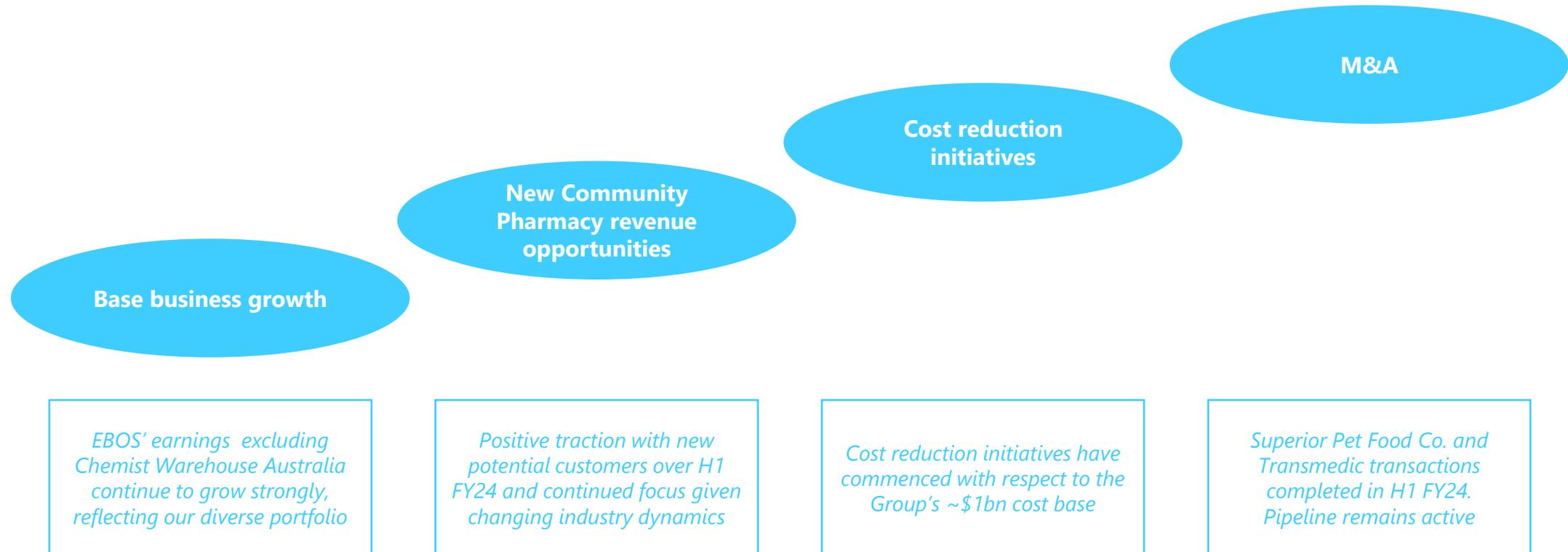
**~10% Underlying EBITDA growth if normalised to exclude Chemist Warehouse Australia**

Notes:

1. Calculated in accordance with banking covenants and excludes IFRS 16 lease impacts.

# NEAR-TERM GROWTH STRATEGY

We are making strong progress on the key focus areas of our near-term strategy to increase earnings



# DIVERSE AND WELL ESTABLISHED GROWTH STRATEGIES

**EBOS has multiple organic and inorganic growth drivers across the Group that are well established**

Division	Organic	Capex	M&A
<b>Community Pharmacy</b>	<ul style="list-style-type: none"> <li>Continue to build on positive traction with new and potential customers given recent changes in industry dynamics</li> <li>Continued TWC network expansion</li> </ul>	<ul style="list-style-type: none"> <li>Continue to realise the benefits of our best-in-class distribution network across Australia and New Zealand</li> </ul>	<ul style="list-style-type: none"> <li>Limited M&amp;A opportunities in this division</li> </ul>
<b>Institutional Healthcare</b>	<ul style="list-style-type: none"> <li>Further growing our medical technology distribution business</li> <li>Continue our growth as a leading wholesaler of medicines to hospitals, including high value specialty drugs</li> <li>Further growing our medical consumables distribution business</li> </ul>	<ul style="list-style-type: none"> <li>Investing in new facilities across Australia and New Zealand to support customer growth</li> </ul>	<ul style="list-style-type: none"> <li>Further grow our medical technology and medical consumables distribution businesses through acquisitions; capitalising on fragmented markets</li> </ul>
<b>Contract Logistics</b>	<ul style="list-style-type: none"> <li>Continue to expand our contract logistics services to pharmaceutical and other clients</li> <li>Capitalise on increasing onshoring of medicines stock</li> </ul>	<ul style="list-style-type: none"> <li>Investing in new facilities across Australia and New Zealand in response to market growth opportunities</li> </ul>	<ul style="list-style-type: none"> <li>Limited M&amp;A opportunities in this division</li> </ul>
<b>Animal Care</b>	<ul style="list-style-type: none"> <li>Capitalise on the strength of our leading pet food and treats brands, Black Hawk and Vitapet, including continued growth through new product development</li> <li>Leverage the continued rise of pet specialty retail</li> </ul>	<ul style="list-style-type: none"> <li>Continue to realise the benefits of our investment in our pet food manufacturing facility, including supply chain advantages</li> </ul>	<ul style="list-style-type: none"> <li>Explore opportunities to grow through additional strategic acquisitions</li> </ul>
<b>Group</b>	<ul style="list-style-type: none"> <li>Preserve and improve EBITDA margins</li> <li>Review our cost base to identify efficiencies across the Group</li> </ul>		<ul style="list-style-type: none"> <li>Explore opportunities to expand our activities in Southeast Asia and in attractive adjacent segments</li> </ul>

transmedic



# SUSTAINABILITY SNAPSHOT

## Our five pillars

- Health & Animal Care Partners
- Consumers & Patients
- Community & Environment
- Our People
- Responsible Business

## Our key initiatives

### Environmental Stewardship

- Achieved net zero Scope 1 emissions in FY23<sup>1</sup>. To help us achieve this goal, we offset emissions using Australian Carbon Credit Units (ACCUs) generated from the Darling River Eco-Corridor project.
- Installation of the solar array project's first phase, a 500kW roof-mounted array at our pet food manufacturing facility at Parkes, NSW is now complete and preparations for the construction of the first part of the ground-mounted solar array have commenced.
- Electric charging stations for cars are now specified in our property briefs at all newly constructed sites.

### Ethical Sourcing

Our 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.

### 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 disclosure to ensure we will meet the required disclosure requirements in 2024.

A photograph of a brown and white dog lying under a wooden chair in a dining room. The dog is looking towards the camera. The room has wooden floors and other chairs in the background.

# DIVISION UPDATE – HEALTHCARE

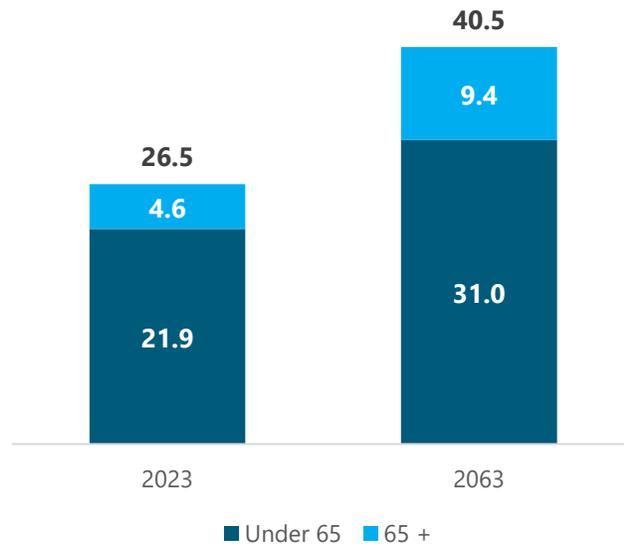
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# INDUSTRY TRENDS – HEALTHCARE (AUSTRALIA)

The growing and ageing population continues to provide a structural tailwind

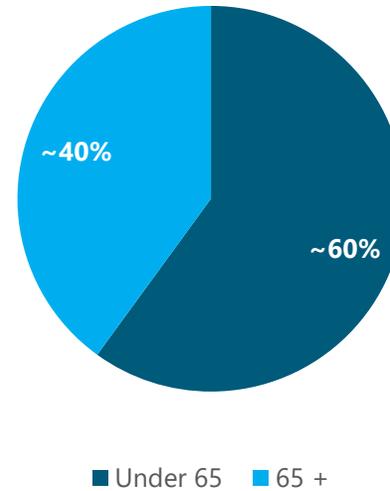
## Projected Australian population (m)<sup>1</sup>

*65+ age group expected to grow > 2x the rate of under 65*



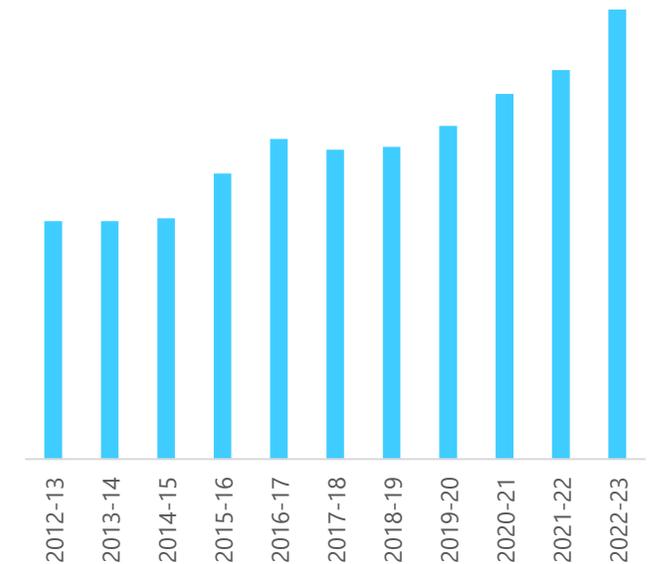
## Australian health expenditure<sup>1</sup>

*65+ age group are ~17% of the population and account for ~40% of health spend*



## PBS funding<sup>2</sup>

*PBS funding has grown at a CAGR of ~6.5% over the last 10 years*



# COMMUNITY PHARMACY WHOLESALER

## Business description:

- A leading pharmaceutical wholesaler in Australia and New Zealand
- ~30% share in Australian ethical wholesaling segment<sup>1</sup> and ~50% in New Zealand
- Best-in-class distribution network across Australia and New Zealand
- Services ~3,000 pharmacies, including TerryWhite Chemmart, one of Australia's largest and leading pharmacy networks

## H1 FY24 performance (all of Community Pharmacy<sup>2</sup>):



## Drivers and dynamics:

- 1 Alignment to large and fast growing pharmacy brands and banner groups
- 2 Opportunities to win share given change in competitive dynamics and continued strong service levels
- 3 Focus on productivity and efficiency opportunities
- 4 Growth of new high value specialty medicines

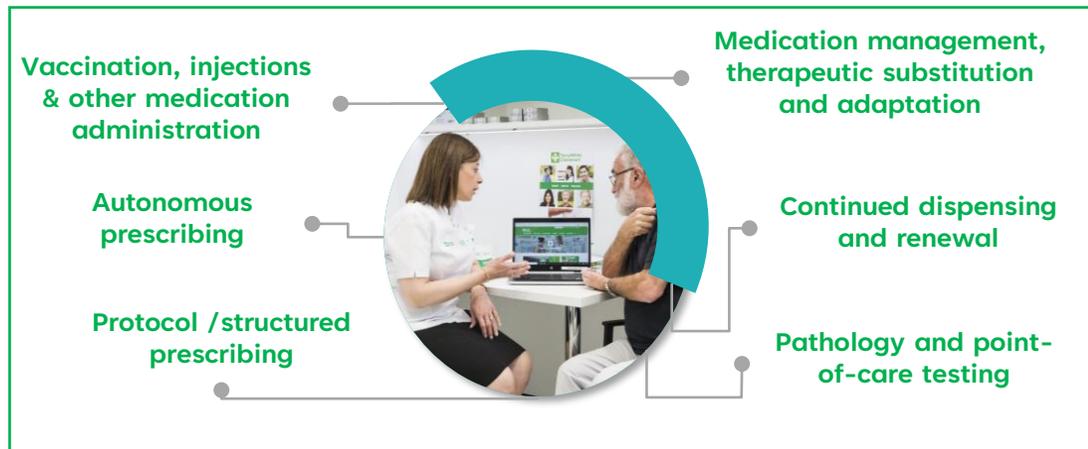
# TERRYWHITE CHEMMART



## Business description:

- One of Australia's leading community pharmacy networks with store numbers approaching 600
- Focus on health advice and differentiated service
- EBOS is the franchisor and wholesaler to the TWC network

## TWC full scope of pharmacist services



## Drivers and dynamics:

- 1 Ongoing expansion of the TWC network
- 2 Care Clinics across the network to provide increased scope of patient services (vaccinations and other)
- 3 Continued investment in supplier programs, private label initiatives, marketing and technology (i.e. myTWC App) 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 pharmaceutical distribution network

## H1 FY24 performance (all of Institutional Healthcare<sup>1</sup>):



## 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 sectors

# MEDICAL TECHNOLOGY

## Business description:

- A leading independent distributor of medical devices, consumables and equipment in Asia Pacific with significant presence in several therapeutic areas
- 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

## Geographic presence in Asia Pacific

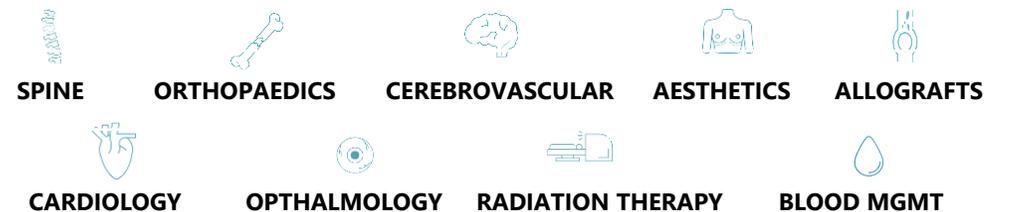


- 9 countries across Australia, New Zealand and Southeast Asia
- 39 locations
- 1,100+ employees
- 400+ OEM relationships
- 4,000+ surgeon and clinician relationships

## Drivers and dynamics:

- 1 Ageing population in developed markets and increasing wealth in developing markets driving surgical spend
- 2 Focus on reinforcing scale and leading positions in key therapeutic channels across the region
- 3 Fragmented markets both in ANZ and Southeast Asia provide bolt-on acquisition opportunities

## Key therapeutic focus areas:



# SOUTHEAST ASIA STRATEGY

**EBOS MedTech’s Asia Pacific presence provides a unique offering to global OEMs looking to access the region**

## Attractive dynamics of Southeast Asia

- Large population with growing wealth and healthcare spend
- Independent distributors with on-the-ground presence and local knowledge provide efficient market access for global OEMs
- Transmedic is one of the only pan-Asian independent medical device distributors
- Fragmented sector is well suited to bolt-on acquisition strategy

## The long-term potential of Southeast Asia

Country	Population (m) <sup>1</sup>	Per capita healthcare spend <sup>2</sup>	
		\$	Growth
Singapore	5.9	5,293	11%
Malaysia	33.5	649	7%
Thailand	70.3	486	10%
Philippines	114.2	271	14%
Vietnam	100.8	230	4%
Indonesia	280.0	214	10%
Australia	26.9	9,407	5%
New Zealand	5.3	6,541	6%

## Growth strategy

1

**Build further scale organically in existing therapy channels and geographies**

2

**Bolt-on acquisitions aligned to our strategy**

3

**Selectively expand into new geographies and therapy channels**

# 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
- Network of five distribution centres in NSW and New Zealand, including two recently completed sites in Sydney and Auckland

## H1 FY24 performance:



## Drivers and dynamics:

- 1 Opportunity to grow share in Australia and New Zealand
- 2 Recent investment in warehouse infrastructure provides capacity for growth
- 3 Government focus on improving inventory cover onshore resulting in pharmaceutical manufacturers requirement to hold more stock in country
- 4 Only scaled pure-play healthcare provider of medicine logistics across both Australia and New Zealand

# DIVISION UPDATE – ANIMAL CARE

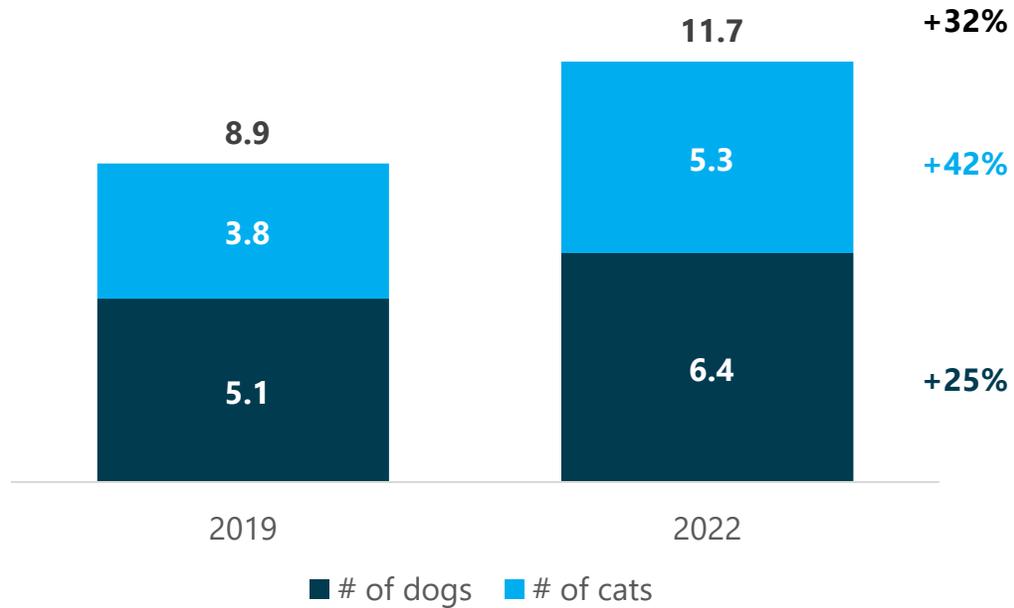


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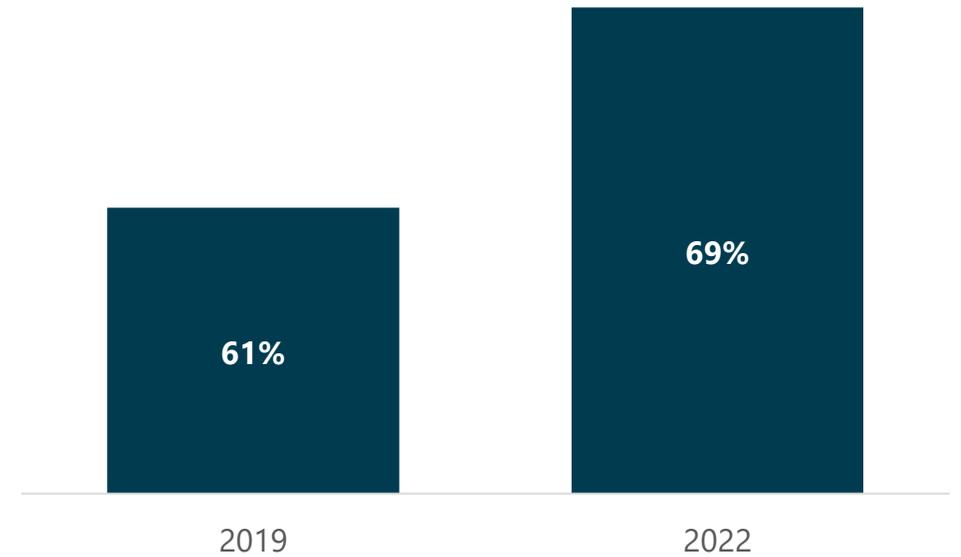
# INDUSTRY TRENDS – ANIMAL CARE

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*



# ANIMAL CARE

## Business description:

- A leading owner, marketer and distributor of animal care brands
- Provide quality nutrition and wellbeing for pets through:
  - Pet brands: a leading premium pet food brand in the specialty channel (Black Hawk) and a leading pet treats brand in grocery channel (Vitapet)
  - Vet wholesale: Lyppard is a leading distributor to vets
  - 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 FY24 performance:

+8.6%

**Underlying  
EBITDA growth<sup>1</sup>**

+180bp

**Underlying EBITDA  
margin growth<sup>1</sup>**

## Drivers and dynamics:

- 1 Premium food category has grown whilst discretionary categories have traded softly in current consumer spending environment
- 2 Expanding existing strong brands into new product development opportunities and new categories
- 3 Continued acquisition opportunities to expand and diversify (e.g. Superior Pet Food provided entry into dog rolls)
- 4 Continuing to realise benefits of our state-of-the-art pet food manufacturing facility – supply chain advantage, efficiencies and new product development

# NEW PRODUCT DEVELOPMENT

## Core product competencies

### Dry adult dog food



### Dog treats



Existing branded portfolio generates ~\$300m revenue

## Recent new products to market and category expansion

### Black Hawk Healthy Benefits



### Vitapel food – grocery



New product development provides potential to drive incremental growth

### Black Hawk cat food extension



### Superior dog rolls and treats



# CONCLUSION

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# CONCLUSION

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



**Defensive growth sectors**



**Scale and leading positions**



**Diversified group**

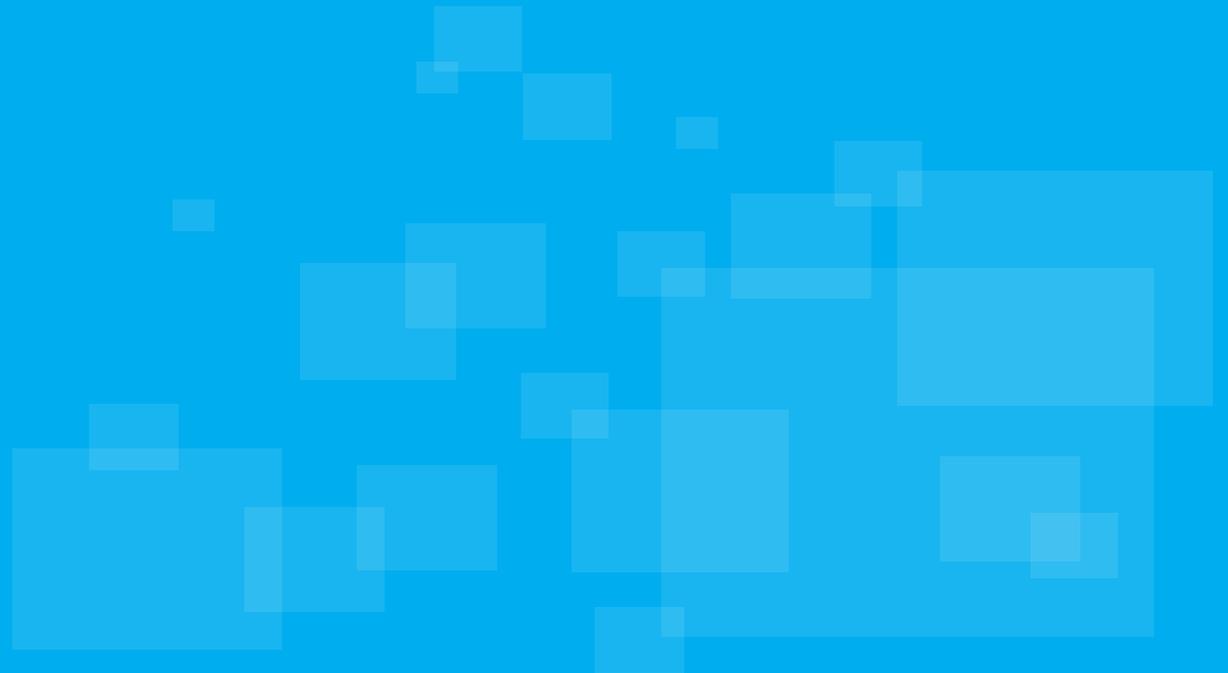


**Multiple growth drivers**



**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



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