EBOS Group Ltd

Full Year Results for the Year ended 30 June 2014
Investor Presentation

Mark Waller	Executive Director
Patrick Davies	Chief Executive Officer
John Cullity	Chief Financial Officer

August 2014

Life Matters®

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The information contained in this presentation should be considered in conjunction with the audited consolidated financial statements for the year ended 30 June 2014, which are available at:

http://www.ebosgroup.com/investor-information.php

All currency amounts are in New Zealand dollars unless stated otherwise.

Overview
FY14

- Financial results include the performance of Symbion for the full 12 months to 30 June 2014
- Excellent underlying Group financial results and cash flow recorded for the year
- Australian Healthcare businesses performed strongly and are well positioned for further growth
- HBL contract to run the New Zealand national hospital supply chain now executed
- Management changes now in place and the combined business is structured for future growth
- Bank debt successfully refinanced post balance date at improved margins and extended terms

EBOS Group today

Trans Tasman Healthcare and Animal care business portfolio

Healthcare						Animal Care
Pharmacy Wholesale	Contract Logistics	Sales & Marketing	Hospital & Homecare	Consumer Products	Pharmacy Retail	Pet Care & Vet
symbion	Healthcare Logistics	EBOS Healthcare	symbion Hospital Services	Endeavour Consumer Health	Chemmart Pharmacy	masterpet
ProPharma	symbion Clinical Trials		onelink	Faulding	minfos Your retail-pharmacy edge	Lyppard Australia Pty Ltd
PWR Pharmacy Wholesalers Russells			CLINECT A Division of Symbion	nature's kiss	intellipharm	Animates Everything for Pets
Pharmacy Choice			hsn home support network	Anti-Flamme		VitaPet Make your life as easy as theirs
			APHS Packaging Your Pharmacy Partner			

Where are we today :

- EBOS is the largest diversified Australasian marketer, wholesaler, distributor of healthcare, medical and pharmaceutical products, and a leading animal care products distributor and marketer
- EBOS holds market leading positions across many industry segments

Financial Results Summary

Major increase in operating earnings and cash flow

NZ $m	FY 2014	FY 2013	Var %
Revenue	**5,760.1**	1,823.2	216%
EBITDA	**178.2**	58.2	206%
EBIT	**155.7**	51.8	200%
Profit before Tax	**125.8**	42.2	198%
Net Profit After Tax	**92.1**	28.2	226%
EPS - cps	**62.8**	46.8	34%
Operating cash flow	**114.2**	26.4	332%
Net Debt / EBITDA	**1.8 x**	3.0 x	
ROCE [1]	**12.8%**		

- FY14 results include Symbion for the full 12 month period
- EPS growth of 34% demonstrates the benefits of the Symbion acquisition
- Operating cash flow of $114.2m takes the business to a new level

[1] **ROCE measured as earnings before interest, tax and amortisation of finite life intangibles divided by capital employed**

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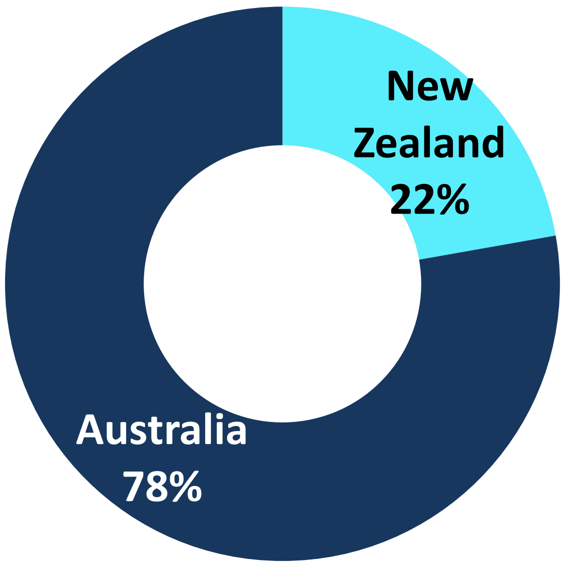
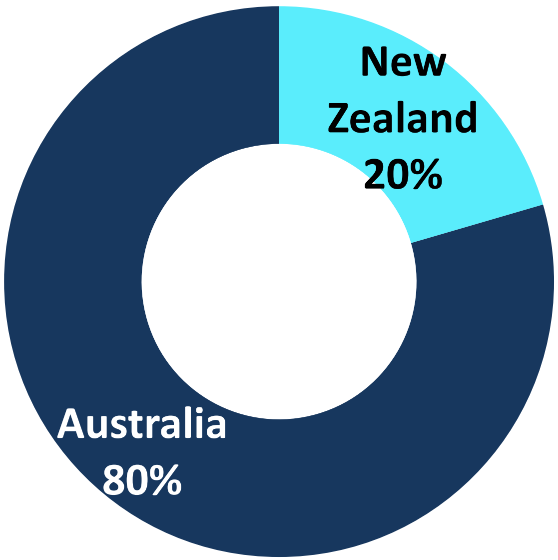
Geographic information

Major shift in earnings to Australia post Symbion acquisition

Revenues
(12 months to Jun 2014)



EBITDA
(12 months to Jun 2014)



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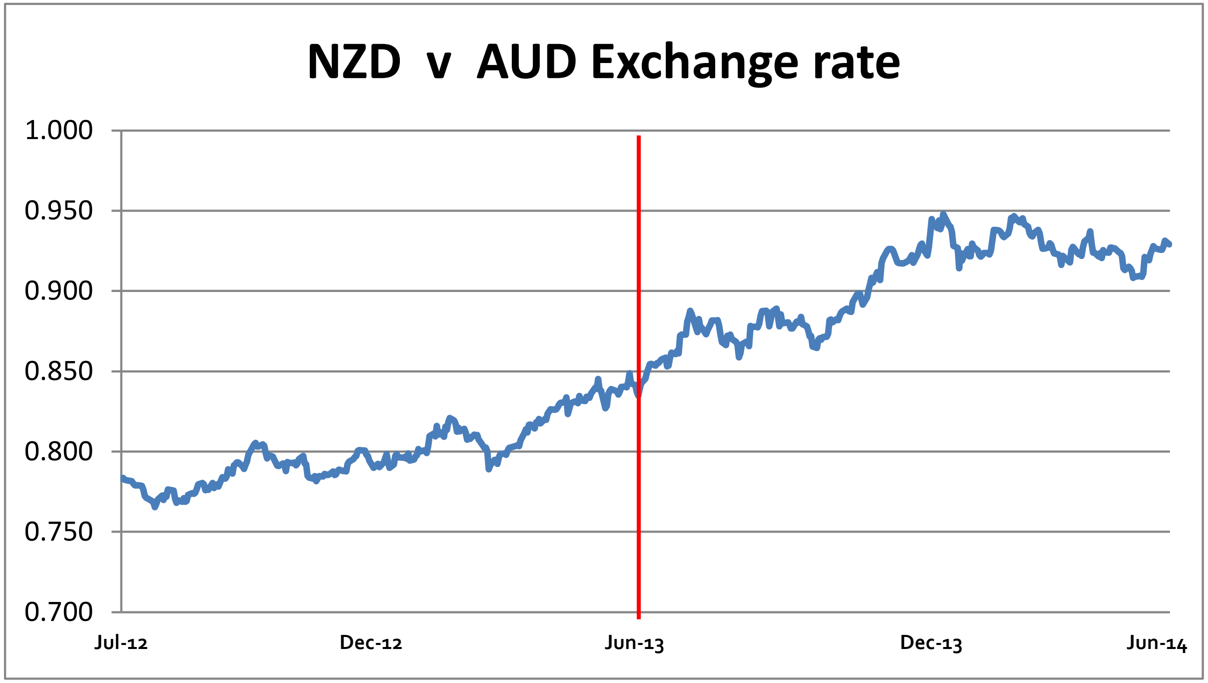
Earnings sensitivity to Currency

- Appreciation in NZD v AUD over the last 12 months has significantly impacted on NZD translated earnings



	NZ / AUD Fx rate
30 June 2012	0.783
30 June 2013	0.847
30 June 2014	0.933

Average rate FY13	0.801
Average rate FY14	0.905

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FY14 Earnings Sensitivity to Currency

- 80% of Group earnings (EBITDA) are generated in AUD

NZ $m	(A) NZ Trading Operations NZ$ m	Aus Trading Operations AUD m	Average NZ/AUD rate [1]	(B) Aus Trading Operations NZ$ m	(A) + (B) Consolidated NZ$ m
Revenue	**1,280.0**	4,054.4	0.905	**4,480.0**	**5,760.1**
EBITDA	**35.4**	129.3	0.905	**142.9**	**178.2**

- EBITDA sensitivity to a 1 cent movement in NZD / AUD exchange rate is $1.6m

[1] **Average rate rounded to 3 decimal places**

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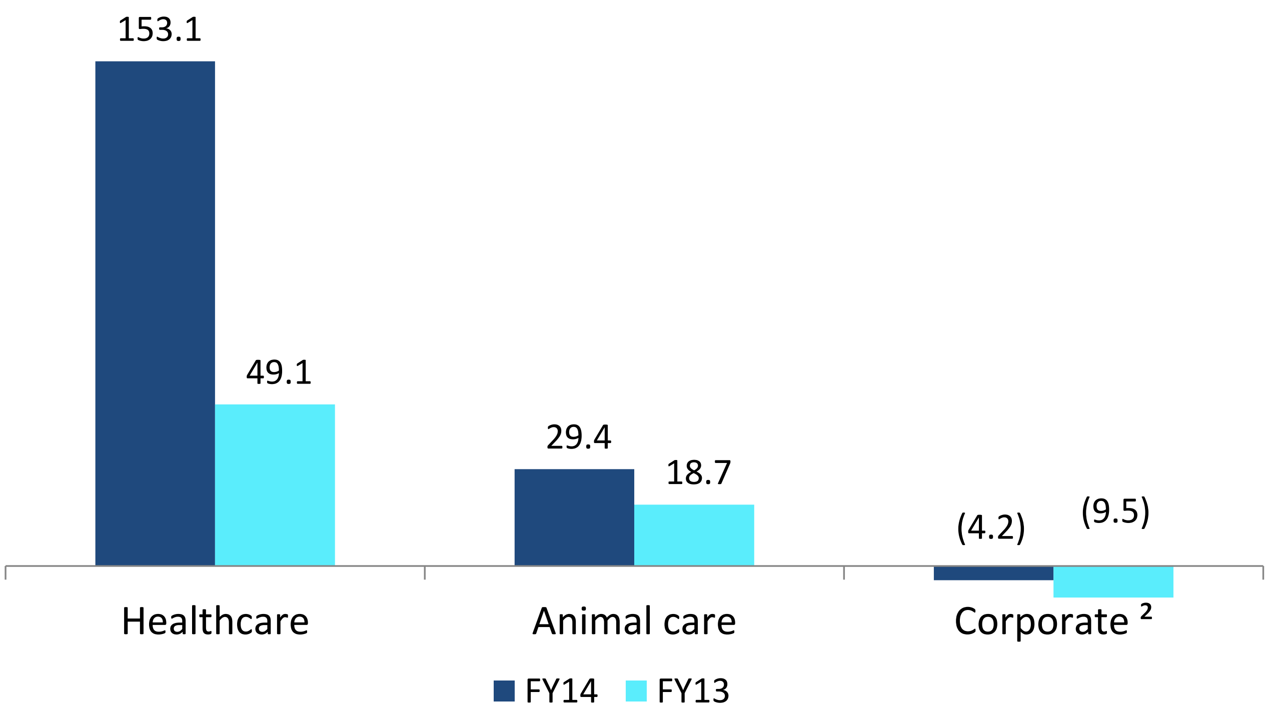
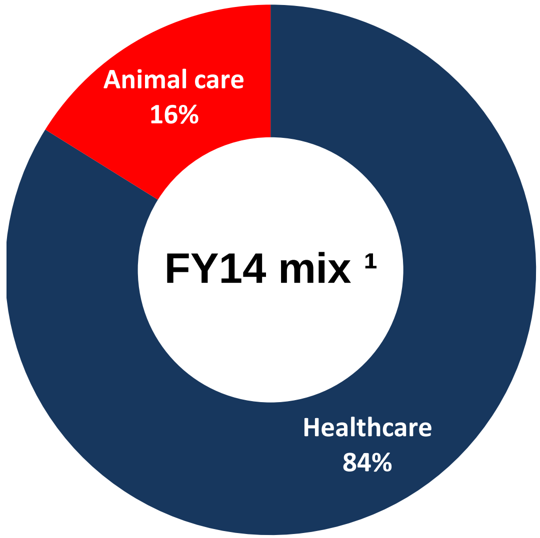
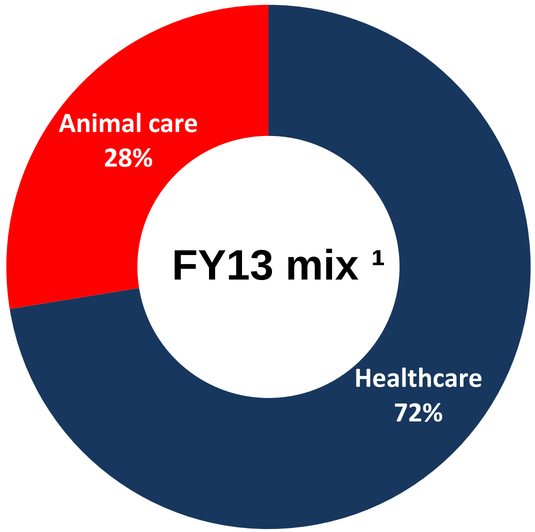
Segment earnings overview
EBITDA NZ$ million







- Earnings mix of the business has further concentrated on Healthcare post the Symbion acquisition

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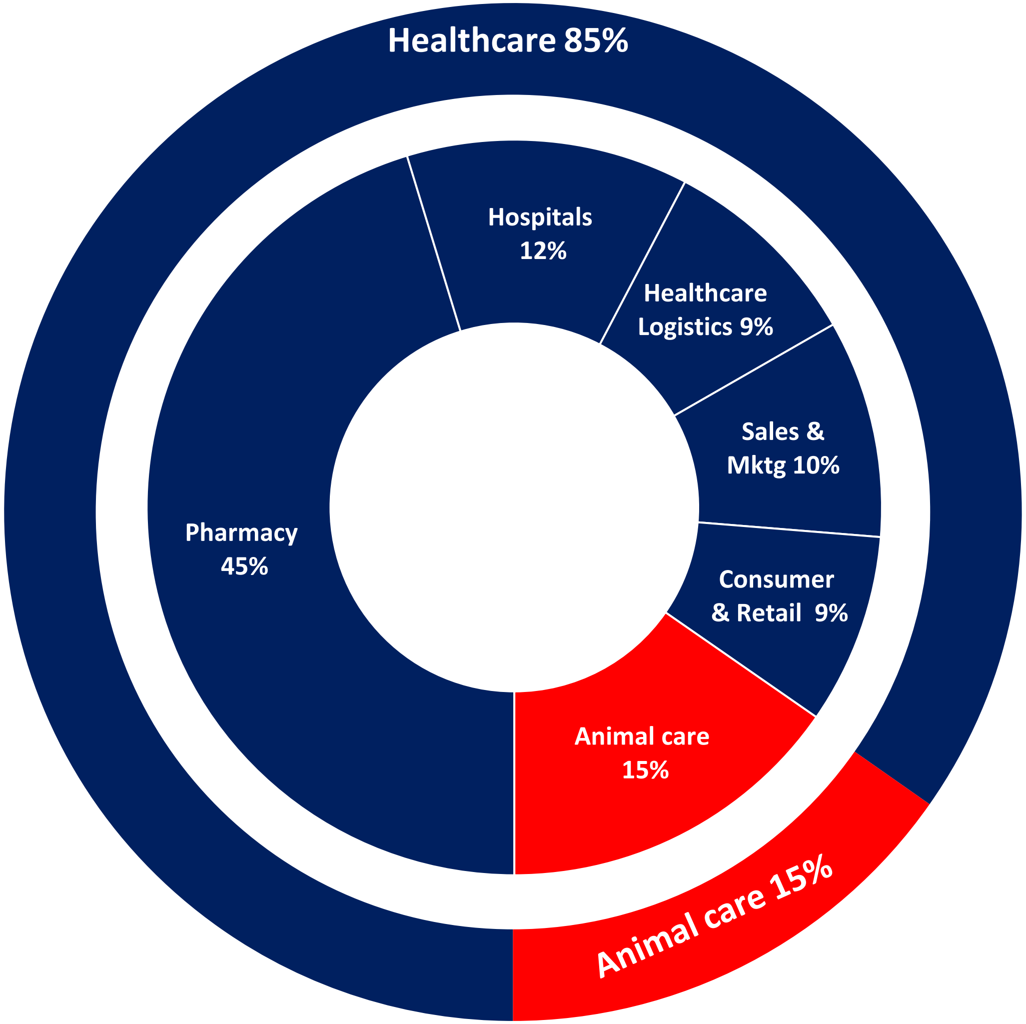
1 EBITDA excluding Corporate costs
2 Corporate costs in FY13 included costs associated with the acquisition of Symbion ~$6m

Segment & Divisional Overview

FY14 Gross Operating Revenue [1] contribution



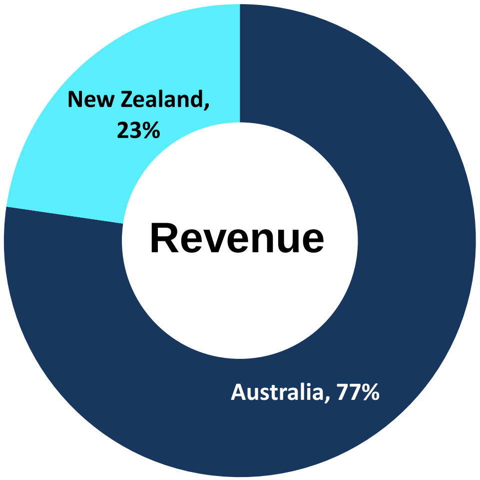
- Within both Operating Segments, there is a diversified mix of business units all contributing to the overall strong result

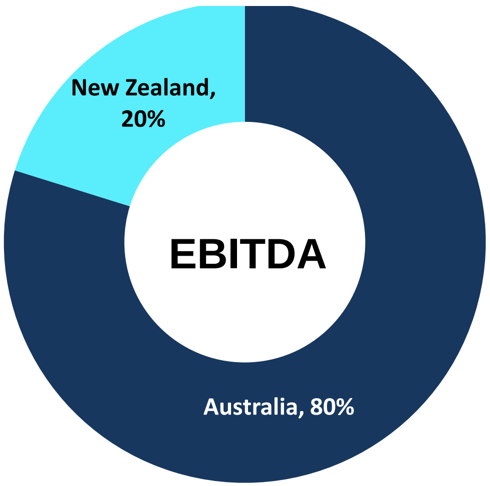
[1] Gross operating revenue (GOR) comprises Gross Profit and Other Revenue

Healthcare Segment
Financial Results

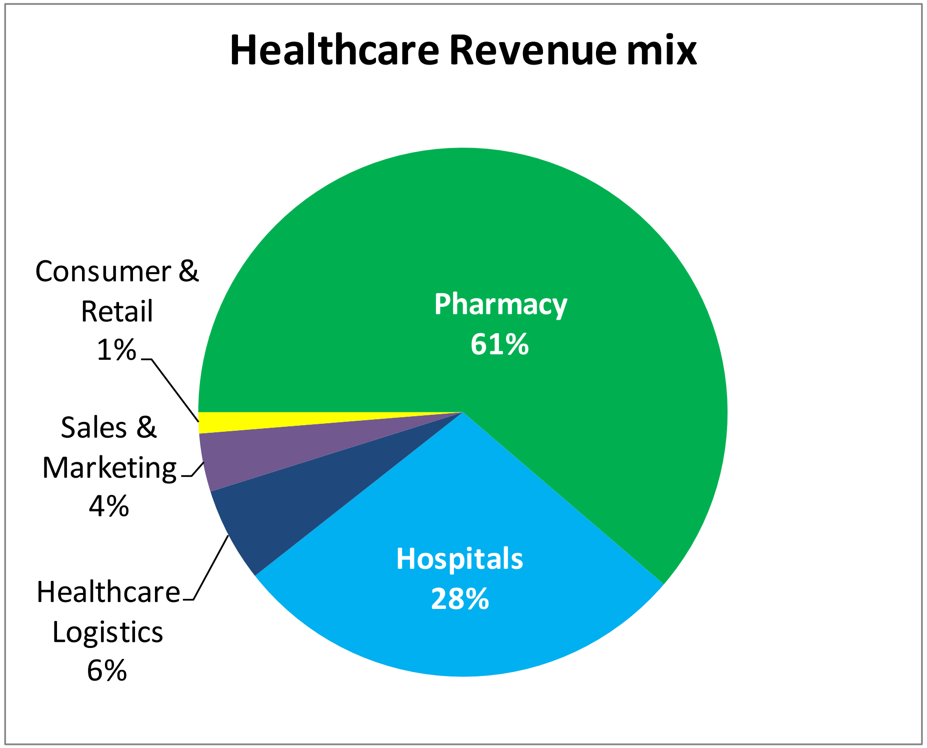
NZ $m	FY 2014	FY 2013	Var %
Revenue	**5,418.4**	1,652.5	228%
EBITDA	**153.1**	49.1	212%
EBIT	**134.0**	44.1	204%
EBITDA / Revenue %	**2.8%**	3.0%	(0.1%)

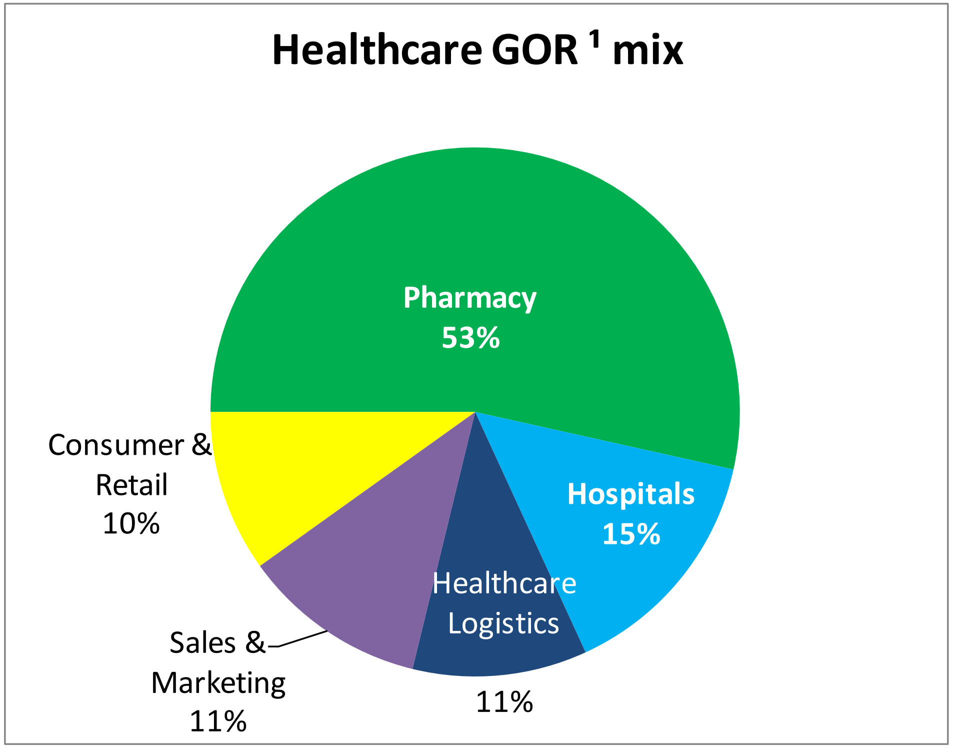
HEALTHCARE GEOGRAPHIC SPLIT - FY14





Healthcare Segment
Additional segment analysis – Australia & NZ





- EBOS has a unique spread of Healthcare businesses across Australia and New Zealand serving pharmacy, hospitals, manufacturers and consumers

[1] **Gross operating revenue (GOR) comprises Gross Profit and Other Revenue**

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Healthcare Segment
Summary of Performance

- Australian pharmacy business FY14 sales revenue (AUD) was flat when compared to the prior corresponding period (pcp). This is a positive outcome given the Australian Government's PBS Price reforms. Excluding this impact, adjusted AUD pharmacy sales revenue growth would have been +3.8%
- Post balance date, agreement was reached for EBOS Group to take a strategic 25% investment in the Good Price Pharmacy Warehouse business (GPPW). Transaction is expected to complete by end August 2014 and will add to FY15 earnings
- Australian Hospitals business maintained its marketing leading position
- Chemmart opened 28 new stores in FY14 with membership now 328 stores
- Endeavour Consumer health business performed strongly with double digit sales growth on the pcp, with further growth achieved across the Faulding product portfolio
- Healthcare Logistics performed strongly across both NZ & Aus, with revenue and earnings growth from increased activity with Pharmaceutical manufacturers

Healthcare Segment
Summary of Performance

- New Melbourne Distribution centre (pictured) built and ready to go-live in September 2014
- Onelink signed contract with HBL to run the New Zealand national hospital supply chain

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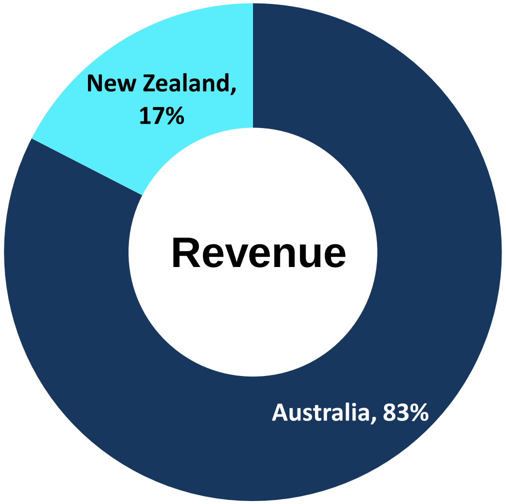
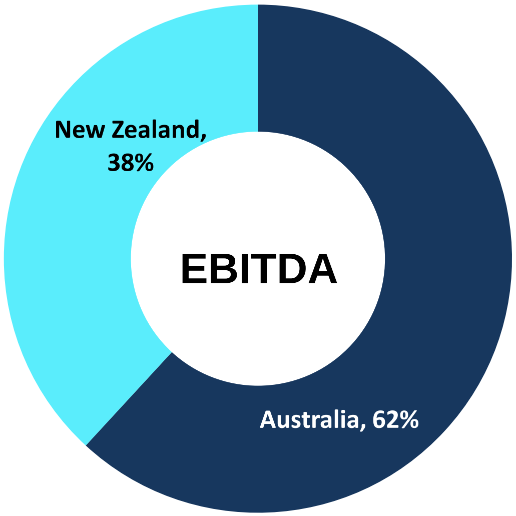
Animal Care Segment

Financial Results

NZ $m	FY 2014	FY 2013	Var %
Revenue	**338.9**	169.5	100%
EBITDA	**29.4**	18.7	58%
EBIT	**25.9**	17.2	51%
EBITDA / Revenue %	**8.7%**	11.0%	(2.3%)

ANIMAL CARE GEOGRAPHIC SPLIT - FY14





Animal care Segment
Summary of Performance

- Animal care business delivered a solid result in FY14
- EBOS' JV share of Animates net profit increased ~$1.0m on LY, reflecting a stronger trading position and store growth
- Symbion's Lyppard vet business grew in line with the market
- Continue to explore opportunities for expansion in the sector

Operating cash flow

Strong operating cash flow achieved in FY14

NZ $m	**FY 2014**	FY 2013	Var $	Var %
EBITDA	178.2	58.2	120.0	206%
Interest paid	(29.9)	(9.6)	(20.3)	211%
Tax paid	(29.6)	(13.5)	(16.2)	120%
Net working capital and Other movements	(4.5)	(8.7)	4.2	48%
Cash from Operating activities	**114.2**	**26.4**	**87.8**	**333%**
Capital expenditure (net)	(30.5)	(3.3)	(27.2)	(835%)
Free Cash Flow	**83.7**	**23.1**	**60.6**	**263%**

- EBOS has an excellent portfolio of strong cash generating businesses
- Focus on tight working capital management is evident in the FY14 cash flow performance
- Majority of FY14 capex spend was on the new Melbourne Distribution centre that will go live in September 2014

Capital Management

Working capital

- Strong working capital management disciplines are a key focus of the group
- Trading terms of customers will continue to be managed, as will inventory levels
- Industry leading cash conversion cycle of 25 days

	FY 2014
Debtor Days	45
Inventory Days	35
Creditor Days	(55)
Cash Conversion Cycle	**25**

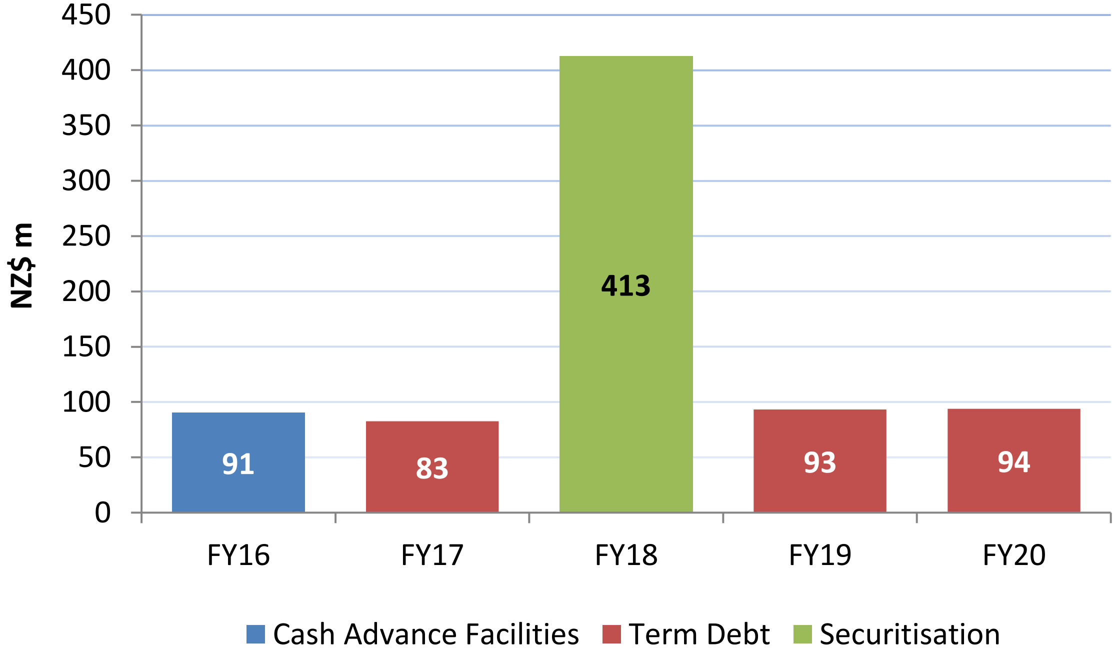
Debt

- Net Debt / EBITDA reduced from 3.0x at June 13 to 1.8x at June 14
- Interest cover now at 6.5x
- Debt facilities renegotiated post balance date at extended terms and improved margins
- Ample headroom in debt facilities to undertake further M&A

Dividends

- Final dividend of 20.5 cents per share (total 41 cents, pcp 32.5c) imputed to 35%
- Total FY14 dividend payout ratio 66%
- DRP continues including a 2.5% discount
- Zuellig will participate in the DRP up to the maximum amount allowable under the sale agreement

Debt Facility Limits Maturity Profile
Negotiated August 2014



- NZD 413m (AUD$385m) Securitisation facility renegotiated post balance date to a new 3 year term expiring FY18 on improved margins
- Term debt of NZD$270m extended post balance date on improved margins
- Debt facility split : 80% Australia, 20% NZ
- Undrawn committed facilities NZD$369m

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Corporate Governance and Leadership changes
Transition plans complete

- Management transition plan announced in February 2014 now in place
- Mr Rick Christie – Chairman EBOS, will retire at the AGM in October 2015
- Mark Waller - Executive Director with primary focus on M&A for the next 12 months
  will assume role of EBOS Chairman in October 2015
- Patrick Davies is the new CEO for EBOS Group
- Dennis Doherty has retired as CFO for EBOS Group effective August 2014
- John Cullity is the new CFO for EBOS Group
- Revised executive management structure in place

Shareholder value creation
EBOS' continued focus

Well-positioned businesses

- Diversified earnings across multiple segments
- Market leading positions and scale
- Operational excellence

Strong operating profits and a portfolio of strong cash generating businesses

- EBOS has the strength in its balance sheet to invest for growth
- EBOS to maintain a disciplined approach to acquisition by :
  - Leveraging experience in assessing and integrating businesses aligned with group objectives
  - Focus on targets that deliver required rates of return

Attractive long-term demand in Healthcare and Animal care markets

- EBOS committed to innovation and investment to generate earnings growth
- Demographics will continue to drive long-term demand in Healthcare markets

Experienced management team with a strong track record of delivering results