EBOS GROUP LIMITED

MACQUARIE AUSTRALIA CONFERENCE

John Cullity – Chief Executive Officer

5 May 2020

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The information contained in this presentation should be considered in conjunction with the consolidated financial statements for the period ended 31 December 2019.

All currency amounts are in Australian dollars unless stated otherwise.

COMPANY 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

First Half FY20 Highlights

Revenue
$4.4 billion up 25.2%

Underlying EBITDA
$149.0 million up 13.4%

Underlying NPAT
$84.2 million up 15.8%

Underlying EPS
52.2c up 9.1%

NZ$3.6 billion
market capitalisation[1]
(NZX and ASX dual listed)

3,700+
employees

84% Healthcare
16% Animal Care
H1 FY20 EBITDA Split

22.6% annualised Shareholder return[2]
last 5 calendar years

All currency amounts are in Australian dollars unless stated otherwise. Underlying results exclude the impact of IFRS 16 Leases and net one-off costs
Note 1: as at 1 May 2020
Note 2: Calculated as total shareholder return for the 5 years to 1 May 2020, assuming dividends are reinvested

SHARE PRICE PERFORMANCE

EBOS share price appreciation of 134% over five years

Source: Nasdaq (rebased to EBO.NZX for comparative purposes)
Date range: 5 years to 1 May 2020

GROUP OVERVIEW

EBOS is a diversified health care and animal care products group with leading brands

Segment	Business	Description	Brands
Healthcare	Community Pharmacy – Wholesale	• Pharmaceutical wholesaler to ~3500+ pharmacies in Australia & New Zealand	symbion, ProPharma, PWR Pharmacy Wholesalers Russells
Healthcare	Community Pharmacy – Retail	• ~1300+ Australian pharmacies in our TerryWhite Chemmart and other retail banner networks	TerryWhite Chemmart, Ventura Health, healthSAVE pharmacy, Pharmacy Choice
Healthcare	Institutional Healthcare	• Wholesaler to ~7000+ hospitals, aged care facilities and GPs in Australia & New Zealand • Entry position in medical devices distribution	symbion, onelink, lmt, HPS, EBOS Healthcare
Healthcare	Contract Logistics	• 3PL/4PL contract logistics provider to ethical, consumer health (OTC) and medical device manufacturers in Australia & New Zealand, along with clinical trial work	Healthcare Logistics
Healthcare	Consumer Products	• Marketer and distributor of specialist brands with 2000+ SKUs distributed through pharmacy, grocery and other channels	red seal, Gran's Remedy, Faulding, Quitnits
Animal Care	Products & Brands	• Marketer of pet food and pet treats brands sold through specialty, grocery and online channels in Australia & New Zealand	BlackHawk, masterpet, vitapet
Animal Care	Vet Wholesale	• Veterinary products wholesaler to ~2000+ vets in Australia	Lyppard
Animal Care	Retail	• Pet retail stores and vet clinics in New Zealand with over 50 locations	Animates

SCALE & LEADING MARKET POSITIONS

EBOS generates >A$7bn[1] of revenue and has leading market positions across Australia and New Zealand

Healthcare	Community Pharmacy – Wholesale	• #1 wholesaler to pharmacies	• #1 wholesaler to pharmacies
Healthcare	Community Pharmacy - Retail	• One of the largest aggregated retail banner networks	
Healthcare	Institutional Healthcare	• #1 wholesaler to hospitals	• #1 wholesaler to hospitals
Healthcare	Contract Logistics	• Growing market position	• #1 distributor for ethical, consumer health and medical device manufacturers
Animal Care	Products & Brands	• #1 pet food and pet treats brands[3]	• #1 pet treats and #2 pet food brands[3]
Animal Care	Vet Wholesale	• #2 veterinary wholesaler	
Animal Care	Retail		• #1 pet retail store

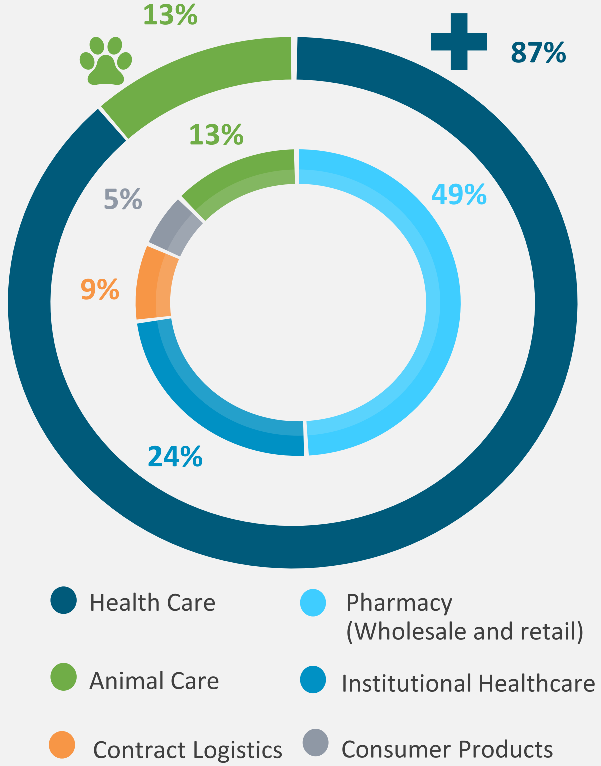
~90% of group revenue is generated by businesses with the #1 market position[2]

Note 1: Based on FY19 revenue
Note 2: Based on 1H20 financials
Note 3: Pet food market share is for the pet specialty store channel; pet treats market share is for the grocery channel

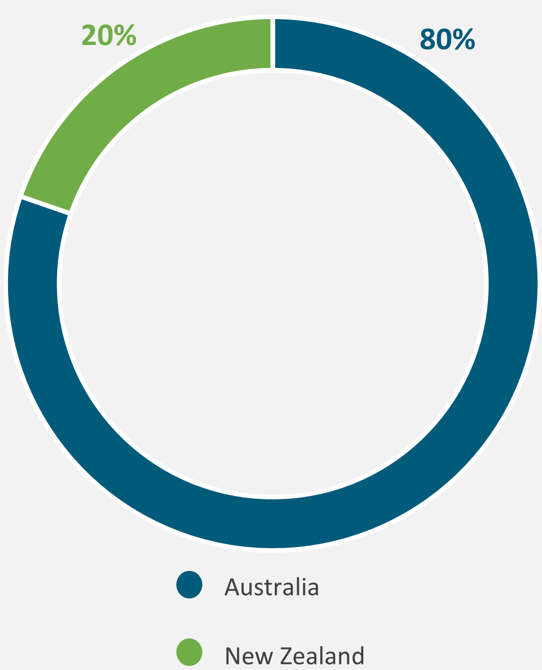
GROUP DIVERSITY

EBOS is a diverse group across sectors and geographies and operates across the value chain

Sector and segment mix[1]



Healthcare geographic mix[2]



Our diversity has supported stability in our earnings growth and cash flow generation

Note 1: Based on 1H20 Gross Operating Revenue
Note 2: Based on Healthcare 1H20 revenue

H1 FY20 HIGHLIGHTS

Group revenue increased by 25.2% in H1 FY20 evidencing the strength of our portfolio of businesses with a substantial uplift in Pharmacy Wholesale and strong performances from TerryWhite Chemmart, Institutional Healthcare and Healthcare Logistics

The Australian wholesale business demonstrated its leading competitive position with a significant increase in revenues and profit.

We have reignited the growth of TerryWhite Chemmart (TWC), one of Australia's leading community pharmacy networks. The TWC network delivered 5.7% sales growth on the prior period and added 16 new stores to the network.

Successful commencement of the Chemist Warehouse Group contract from 1 July 2019.

The acquisition of LMT/NS for $34m signals EBOS' entry into the A$8b Australian and New Zealand medical device sector creating a new platform of growth for the Group.

Strong performances from our Institutional Healthcare business, Contract Logistics business and Animal Care segment.

Strong balance sheet and liquidity with a Net Debt : EBITDA ratio of 1.41x[1].

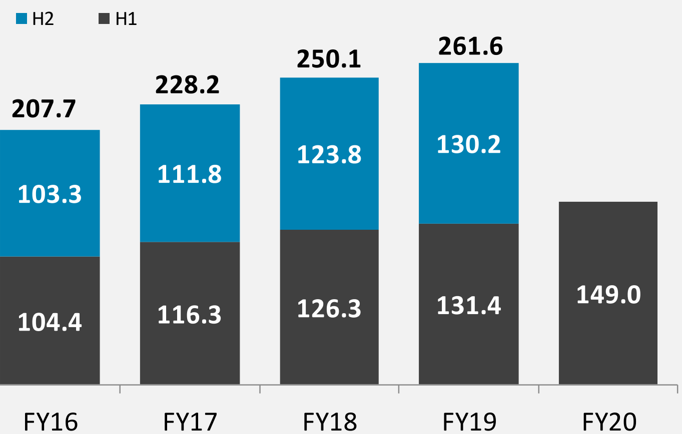
FY20 guidance is for a significant increase in earnings in the current financial year.

Note 1: as at 31 December 2019

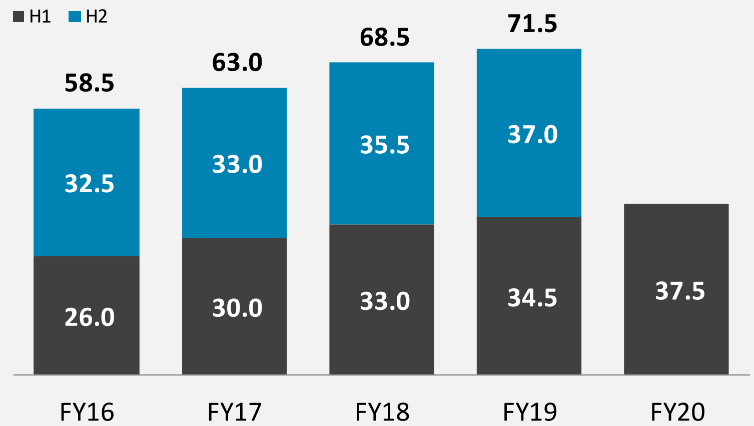
FINANCIAL PERFORMANCE

EBOS has delivered significant shareholder value with a strong ROCE and consistent growth

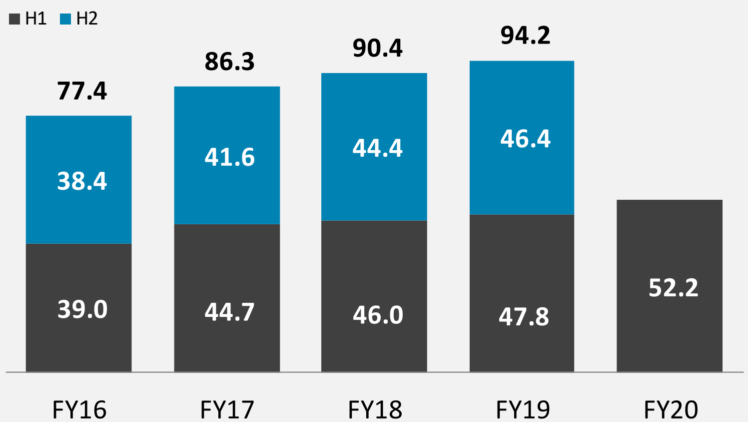
EBITDA[1] (A$m)



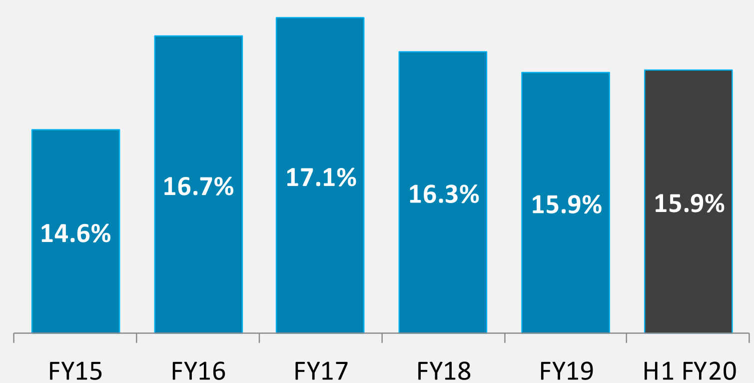
Dividends Per Share[1] (NZ$ cents)



Earnings Per Share[1] (A$ cents)



Return on Capital Employed (ROCE)



Note 1: Underlying data presented for EBITDA, DPS and EPS

STRATEGIC APPROACH

Our Healthcare and Animal Care strategic focus is centred on:

Leading Market Positions

- Establish and further strengthen our leading market positions and maximise opportunities across our diverse range of businesses.

Investing for Growth

- **Capex:** Maintain and extend our market leadership through continued investment in our lowest-cost-per-unit distribution network, allowing us to deliver optimal customer outcomes.
- **Acquisitions:** Successful track record of acquisitions in core and adjacent markets to provide incremental growth (completed 21 acquisitions since 2000).

Disciplined Capital Management

- Cash generation to drive further investment and pay dividends of not less than 60% of Net Profit After Tax.
- Strategic focus on Return on Capital Employed (ROCE) of at least 15%.
- Industry leading cash conversion of 16 days[1].

We focus on delivering profitable growth and superior returns

Note 1: as at 31 December 2019

INVESTING FOR GROWTH AND RETURNS

EBOS has a proven track record of value accretive investments

Investment strategy
- Acquire businesses aligned to our strategy
- Invest in automated distribution network solutions to extend our market leadership
- Disciplined adherence to investment criteria

Shareholder outcomes
- EPS growth
- DPS growth
- Strong return on capital

~A$640m invested since FY15

Capital expenditure


Onelink Australia DC


Keysborough DC


Brisbane DC


Sydney Contract Logistics DC

2015 – 2016 – 2017 – 2018 – 2019 – 2020

Acquisitions

- 2015: BlackHawk, Good Price Pharmacy Warehouse
- 2016: red seal, zest
- 2017: HPS, TerryWhite Chemmart
- 2018: Gran's Remedy, Ventura Health, medAdvisor
- 2019: TerryWhite Chemmart, Warner & Webster, Quitnits, therapon
- 2020: lmt, National Surgical

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 initiatives and strategic value accretive acquisitions.

Leverage our position as the lowest cost pharmaceutical wholesaler.

Continue to invest in the expansion of the TWC store network.

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.

COVID-19 MARKET UPDATE

On 21 April, EBOS advised of strong trading conditions to 31 March 2020 and confirmed its balance sheet strength

Trading Conditions

- Our wholesale, distribution and retail Healthcare businesses are essential services and critical in ensuring continued and stable supply of healthcare, medical and pharmaceutical products to the community.
- Since our H1 FY20 results we have seen positive momentum across our businesses through to the end of the 3rd quarter ended 31 March 2020. Both our Healthcare and Animal Care segments generated solid revenue growth as a result of an increase in demand.
  - During the 3rd quarter, the Healthcare segment experienced unprecedented levels of demand.
  - Significant investment over recent years in our Healthcare distribution network positioned us well to meet the increased demand from customers.
- COVID-19 may affect different areas of our diversified Healthcare and Animal Care business in different ways during the next period of uncertain consumer demand.

Liquidity

- Approximately A$200m of bank debt and working capital facilities was refinanced in March 2020 and, due to strong bank demand, the facility was upsized to A$250m.
- We have a strong balance sheet and liquidity position to meet ongoing business needs and our growth strategy.

QUESTIONS

APPENDIX

EBOS GROUP LIMITED

H1 FY20 FINANCIAL PERFORMANCE

A$m	H1 FY20	H1 FY19	Var$	Var%
Underlying Results [1]				
Revenue	4,376.1	3,496.5	879.6	25.2%
Gross Operating Revenue	449.4	404.8	44.6	11.0%
EBITDA	**149.0**	**131.4**	**17.6**	**13.4%**
Net Profit after Tax	**84.2**	**72.7**	**11.5**	**15.8%**
Earnings per share - cps	52.2c	47.8c	4.4c	9.1%
Net Debt : EBITDA	1.41x	2.16x		
Statutory Results				
Revenue	4,376.1	3,496.5	879.6	25.2%
EBITDA	167.2	122.6	44.6	36.4%
EBIT	131.4	107.3	24.0	22.4%
Net Profit After Tax	81.7	67.0	14.6	21.8%
Earnings per share - cps	50.6c	44.1c	6.5c	14.8%

- Significant revenue increase of 25.2% primarily due to growth in Pharmacy Wholesale, TerryWhite Chemmart, Institutional Healthcare and Contract Logistics.
- Underlying EBITDA increase of $17.6m or 13.4%:
  - Healthcare up 16.3%.
  - Animal Care up 5.7%.
- Underlying NPAT and Underlying EPS increases of 15.8% and 9.1%, respectively.

Note 1: Underlying results exclude the impact of IFRS 16 Leases and net one-off costs.

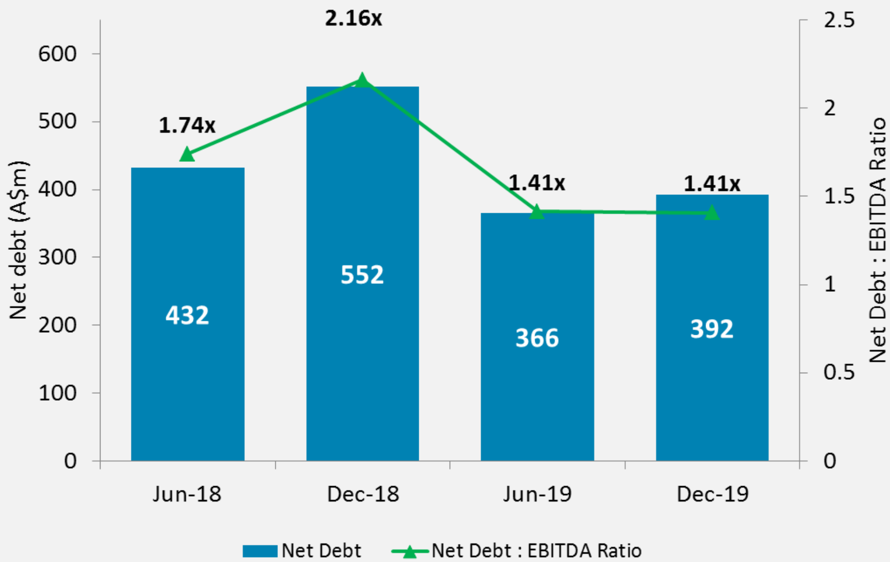
CASH FLOW

A$m	H1 FY20	H1 FY19	Var$	Var%
Statutory Cash Flow including IFRS 16 Leases				
EBITDA	**167.2**	**122.6**	**44.6**	**36.4%**
Net interest paid	(15.4)	(12.4)	(3.1)	
Tax paid	(32.6)	(25.7)	(6.9)	
Net working capital and other movements	(45.0)	(44.3)	(0.7)	
Cash from Operating activities	**74.2**	**40.3**	**34.0**	**84.4%**
Capital expenditure (net)	(13.7)	(16.9)	3.2	
Free Cash Flow	**60.5**	**23.3**	**37.2**	**159.5%**

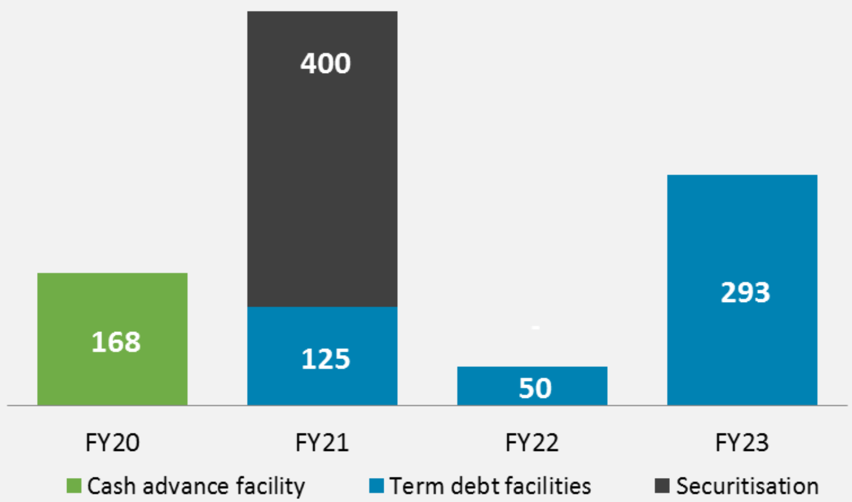
- Statutory Operating Cash Flow of $74.2m is above last year by $34.0m due to the significant increase in earnings and continued working capital management.

NET DEBT AND MATURITY PROFILE

Net Debt and Net Debt : EBITDA ratio [1]



Debt Maturity Profile – facility limits [1]



- Net Debt[1] of $392m at December 2019, with a Net Debt : EBITDA[1] ratio of 1.41x (1.41x at June 2019).
- Current gearing continues to provide approximately $300m – $350m headroom for future acquisitions.
- Bank covenants have been amended to adopt a frozen gap approach with respect to IFRS 16 Leases.

- At 31 December 2019, gross drawn debt[1] was $666m or 64% of total facility limits.
- At 31 December 2019, the weighted average maturity of our combined term debt and securitisation facilities is 1.9 years with actions underway to extend the term of our debt facilities by 30 June 2020.

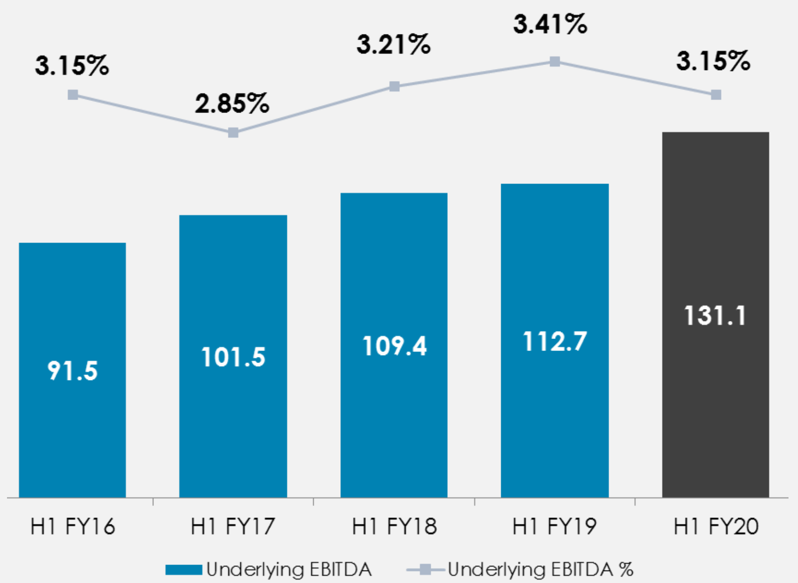
Note 1: Debt and the Net Debt : EBITDA ratio excludes the impacts of IFRS 16 Leases.

HEALTHCARE SEGMENT

Significant growth in Australia from a strong underlying trading performance

A$m	H1 FY20	H1 FY19	Var$	Var%
Revenue	4,165.5	3,304.2	861.3	26.1%
Underlying EBITDA[1]	131.1	112.7	18.4	16.3%
Underlying EBITDA%	3.2%	3.4%		

Underlying EBITDA and Underlying EBITDA %



- Healthcare growth in revenue of 26.1% and Underlying EBITDA of 16.3% was driven by the performances of our Community Pharmacy, TWC, Institutional Healthcare and Contract Logistics businesses.
- Productivity improvements in wholesale operations due to higher volumes across our sites and the new Brisbane facility.
- Strong performance of our retail brands, particularly TWC. We welcomed 16 new stores to our TWC network.
- The new 25,000m² facility in Sydney and further expansion in Auckland has created further growth in both countries.
- Consumer Products performance was affected by softer overseas demand, reflective of the changes which have impacted the daigou export channel.

Note 1: Underlying results exclude the impact of IFRS 16 Leases and net one-off costs.

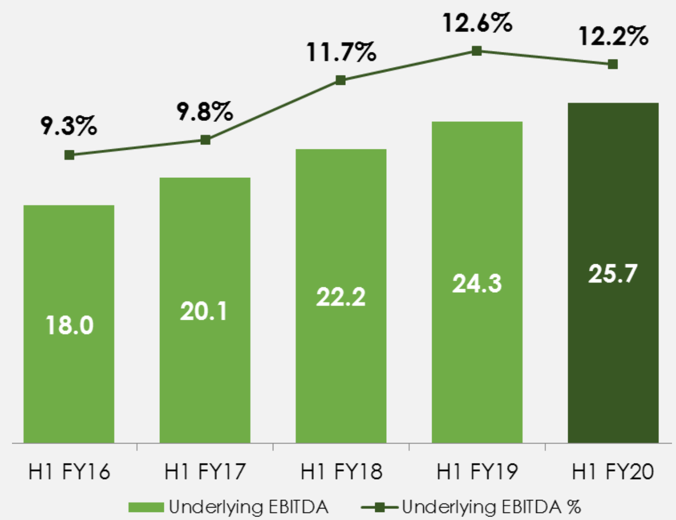
ANIMAL CARE SEGMENT

Strong Revenue and Underlying EBITDA performance reflecting continued growth in our key brands

A$m	H1 FY20	H1 FY19	Var$	Var%
Revenue	210.6	192.3	18.3	9.5%
Underlying EBITDA	25.7	24.3	1.4	5.7%
Underlying EBITDA%	12.2%	12.6%		

- Revenue growth of $18.3m, or 9.5%, due to the continued excellent performance of our branded products portfolio and higher vet wholesale volumes.
- Our key brands Black Hawk and Vitapet recorded strong uplifts in revenue both growing their market share.
  - **Black Hawk** sales grew 9.7% due to strong consumer support, continued investment in marketing and maintaining its price value proposition.
  - **Vitapet's** strong sales growth of 14.7% is due to a strong new product pipeline, marketing support and improved ranging in the Australian grocery channel.

Underlying EBITDA and Underlying EBITDA %



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