

EBOS Group Ltd

HY Result – to 31 December 2013



19 February 2014

HY SUMMARY

- First six months since making our largest acquisition – progress is on track
- Operationally – all businesses performed well
- Gained ‘preferred respondent’ status from NZ Crown owned HBL – contract to run the national medical products supply chain
- Strong operating cashflow
- Our acquisition of Symbion was recognised as the “Best New Zealand Deal” in Finance Asia’s Achievement Awards for 2013
- We earned the accolade of the “Best Growth Strategy” in the Deloitte Top 200 Awards
- We successfully listed on the ASX
- Corporate Governance – Succession Planning

OUR PLAYGROUND

Operational Performance

- NZ
- Australia
- PNG/Pacific Islands

What we do

- Healthcare
- Animal care

Market dynamics

- Government
- Multinationals
- Wholesale/Retail
- Manufacturing

REPORTED INCOME STATEMENT FOR THE SIX MONTHS ENDED 31 DECEMBER 2013

	<u>2013</u>	<u>2012</u>
	NZ\$ million	NZ\$ million
REVENUE	3,002	755
EBITDA	96.2	27.2
EBIT	84.9	24.9
EBT	69.3	20.8
(TAX)	(19.9)	(5.8)
NPAT	49.4	15.0

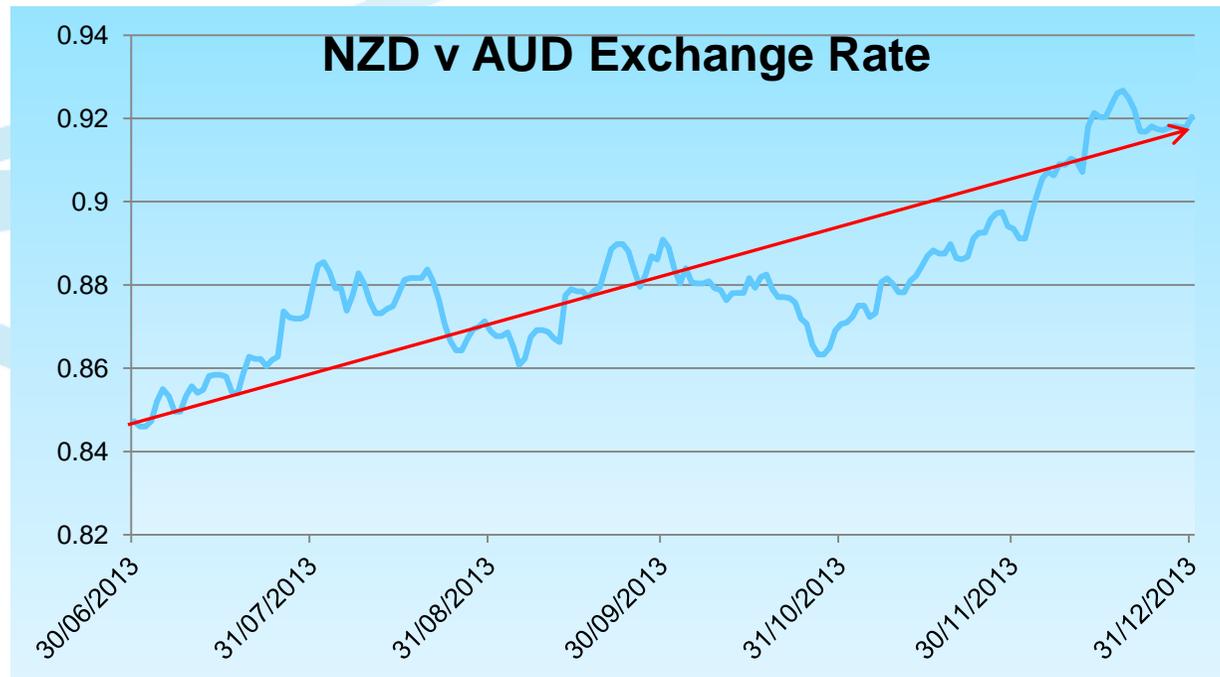
EBOS GROUP – TRADING SUMMARY (by currency source) FOR THE SIX MONTHS ENDED 31 DECEMBER 2013

	<u>NZ Trading Operations \$NZ 000's</u>	<u>Aust Trading Operations \$AUD 000'S</u>
REVENUE	649,633	2,086,254
EBITDA	22,012	67,133
NPAT	14,774	41,705

* Above trading results exclude income and costs allocated to the Groups Corporate reporting segment. The Groups Corporate segment includes net funding costs and central administration operating costs.

CURRENCY

- Australia now our major revenue/earnings component
- Currency cross rate of NZD/AUD moved from 0.82 at time of PFI to 0.92 as of 31 December.
- Actual results are translated each month at the ruling cross rate.



PROSPECTIVE INFORMATION – HOW WE FARED

- PFI forecasts – what we said at the time of the acquisition

6 Months to 31 December 2013			
NZ\$ Millions			
	Actual	PFI Normalised*	Original PFI
Revenue	3,001.5	2,980.7	3,169.6
EBITDA	96.2	97.3	103.6
EBIT	84.9	82.8	88.0
Finance Costs	(15.6)	(17.3)	(18.4)
EBT	69.3	65.5	69.6
Tax	(19.9)	(19.7)	(20.9)
NPAT	49.4	45.8	48.7

* The Actual results and the normalised PFI both utilise actual exchange rate at month end to provide an accurate comparison. Please note that the currency rate used in the original PFI was 0.82:1 for the NZD/AUD.

- On target performance despite the large drop in the value of the A\$.

WELL FUNDED FOR FUTURE GROWTH

- Strong cash generation of \$49.6 million for the 6 month reporting period provides platform for expansion.
- Strong profit performance with net interest bearing debt to net interest bearing debt plus equity at 26.7% and interest cover at 5.5 times, Group seen as low risk and attractive proposition to fund further expansion.
- Net debt at 31 December 2013 is \$350 million against further available committed and undrawn bank facilities of \$390 million provides flexibility and headroom.
- Maturity profile of debt out to 2017, reduced risk to a credit squeeze.

OPERATIONAL ACHIEVEMENTS

- Results for the group on track and in real terms above the PFI allowing for major currency shifts.
- All businesses performing well
- ASX listing achieved
- Strong positive cashflow
- Conservative gearing levels post the large Symbion deal
- Dividend pay out increased in cents per share on much larger capital base
- Growth focus and M&A activity continue

INTERIM DIVIDEND OF 20.5 CENTS PER SHARE

- The interim dividend of 20.5 cents per share is up 5.5 cents on the final dividend paid in October 2013.
- The interim dividend is partially imputed to 50% at the current Company Tax Rate of 28%.
- The Dividend Reinvestment Plan will be applied at a 2½% discount.
- The payment date is 4 April 2014, entitlement/record date 14 March 2014.

ESSENTIAL TO HEALTH

- We are a proven performer, trusted and innovative – we’ve been doing this for 90 years
- Health is the Government’s biggest spend - we are helping the Government achieve more cost efficient healthcare to New Zealanders and Australians (*John Key visit to EBOS, Tony Ryall visit to Symbion*)
- Through Onelink we are already supplying value-added logistics and distribution services to NZ DHBs. This will become the national “pipeline” once our HBL contract is signed.
- We are now working with Government as its preferred supplier to deliver more

HOME GROWN SUCCESS STORY

FROM \$20M TO \$6B IN
20 YEARS

19 ACQUISITIONS IN 12
YEARS

OUR BUSINESS MODEL
IS EXPORTABLE AS
GLOBALISATION AND
COMMODITISATION
CONTINUES

FOCUS ON SHAREHOLDERS

EBOS has a track record of outstanding shareholder returns – at around 19% per annum for the past 10 years

We have been listed on the NZ sharemarket since 1960

We are now listed on the ASX – coinciding with our expanding business interests in Australia

CORPORATE GOVERNANCE

- Succession Planning has been a key focus of the EBOS board
- Key objectives:
 - Provide transparency of process (anticipating change/looking forward two years)
 - Maintain continuity at both Board and Management level – EBOS has a successful formula
 - Playing to the company’s strengths
 - Buying great companies and employing excellent people
 - Succession from within - known talent & performance
 - Industry “connectedness”
 - Experience mixed with bringing through new talent

CURRENT LEADERSHIP STRUCTURE



MARK WALLER

Current Position: CEO
Years with Company: 30

LATE 2014

STRATEGIC
GROWTH

LATE 2015

CHAIRMAN



PATRICK DAVIES

Current Position: CEO Symbion
Years with Company: 23

LATE 2014

EBOS
GROUP CEO



RICK CHRISTIE

Current Position: Chairman
Years with Company: 14

LATE 2015

RETIREMENT

CURRENT LEADERSHIP STRUCTURE (continued)

A JOURNEY OF
LEADERSHIP
TRANSITION



JOHN CULLITY

Current Position: Symbion CFO
Years with Company: 5

→ LATE 2014

EBOS Group
CFO



DENNIS DOHERTY

Current Position: CFO
Years with Company: 26

→ LATE 2014

RETIREMENT

OUTLOOK

- The best base, business mix and people in the sector from which to grow
- Policy of not providing forecasts. Traditionally trading mix is 52/48 for 1H/2H
- Exciting prospects via Onelink and HBL
- Currency remains on our radar
- The benefits of scale – we have the balance sheet to grow
 - Acquisitions
 - Structuring our Trans-tasman combined businesses for future growth
 - Optimistic about growth prospects



Thank You