

16 February 2022

MARKET RELEASE

NZX/ASX Code: EBO

EBOS 2022 Half-Year Results

EBOS REPORTS ANOTHER RECORD RESULT AND CONTINUED DOUBLE-DIGIT GROWTH

Key highlights of the first half included:

- Revenue of \$5.3 billion (up 12.8%);
- Underlying Net Profit after Tax of \$109.3 million (up 15.8%);
 - \$7.4 million of M&A transaction costs (post-tax) were incurred in Statutory NPAT.
- Underlying EPS of 66.6 cents up 15.2%;
- Interim dividend declared of NZ 47.0 cents per share (up 10.6%);
- Continued strong performances from both our Healthcare and Animal Care segments, with Healthcare's Underlying EBIT up 17.0% and Animal Care's EBIT up 14.9%;
- Operating cash flow of \$106.8 million (up 8.1%);
- Consistent with our strategy of investing for growth and as previously announced:
 - the Group completed three acquisitions to further expand its Institutional Healthcare division, including Sentry Medical, Pioneer Medical and MD Solutions; and
 - the Group reached agreement to acquire LifeHealthcare, which will establish EBOS as a leading distributor of medical devices in Australia, New Zealand and South East Asia.
- Commenced the commissioning phase of our new state of the art pet food manufacturing facility in Parkes, NSW.

| A\$ ¹ | Underlying Results | Statutory Results |
|--------------------------------------|---------------------|---------------------|
| Total Revenue | \$5,250.9m up 12.8% | \$5,250.9m up 12.8% |
| EBITDA | \$207.7m up 12.8% | \$199.9m up 9.7% |
| EBIT | \$169.1m up 14.4% | \$161.3m up 10.6% |
| Net Profit after Tax | \$109.3m up 15.8% | \$101.9m up 9.7% |
| Earnings per Share | 66.6 cents up 15.2% | 61.4 cents up 8.0% |
| Operating cash flow | n/a | \$106.8m up 8.1% |
| ROCE | 18.2% up 0.7% | n/a |
| Net Debt : EBITDA² | 1.28x up 0.28x | n/a |
| Interim Dividend | n/a | NZ 47.0cps up 10.6% |

¹ All amounts included are denoted in Australian dollars unless otherwise stated.

² Calculated in accordance with banking covenants and excludes \$628.3m of net cash proceeds raised via the December 2021 share placement in connection with the expected acquisition of LifeHealthcare. Including the proceeds of the share placement, EBOS had net cash of \$226 million as at 31 December 2021.

EBOS Group Limited (“EBOS” or the “Group”) today announced another record result for the first half of the 2022 financial year, including double-digit underlying earnings growth.

In commenting on today’s results announcement, EBOS Chief Executive Officer, John Cullity said:

“We are pleased to report another record result for EBOS on the back of particularly strong revenue growth across our key Healthcare and Animal Care segments.”

“Both segments continued their strong growth trajectory, reinforcing the value of our diverse portfolio of businesses and the successful execution of our strategy of pursuing both organic and inorganic growth.”

“The strong growth of our Healthcare segment was driven by our Community Pharmacy, TerryWhite Chemmart (“TWC”), Institutional Healthcare and Contract Logistics businesses. The Community Pharmacy division’s performance was particularly pleasing, resulting from customer growth, market share gains and the return of Pfizer’s retail pharmacy volumes to the wholesale channel.”

In noting the growth of the Community Pharmacy and TWC businesses, Mr Cullity acknowledged the tireless efforts of the pharmacist community over the past two years.

“The commitment to our communities by all pharmacists and their teams during the pandemic has been nothing short of extraordinary. From day one of the pandemic pharmacists have remained open, providing guidance, care and comfort for their patients and customers.”

Mr Cullity also praised the TWC network which has been at the forefront of Australia’s vaccination drive, providing COVID-19 vaccinations and booster shots with the convenience and accessibility of our network clearly resonating with those seeking vaccination. “The TWC pharmacy network has been responsible for delivering 23% of all pharmacy delivered COVID-19 vaccinations in Australia and we are proud of our efforts to support the health of our communities during the pandemic.”³

Mr Cullity also commented on the strong performance of the Group’s Animal Care businesses.

“The Animal Care segment continues to build on its track record of outstanding performance which was driven by solid sales growth across our Black Hawk, Vitapet and Lyppard businesses. We continue to benefit from strong market dynamics as well as the strength of our leading brands and market positions. Construction of our new state of the art pet food manufacturing facility in Parkes, NSW has been completed and the project has now progressed through to the commissioning phase with the full commercial benefits of this investment expected in FY24.

“EBOS has continued its strategy of investing for growth, with three acquisitions completed in the first half of the 2022 financial year. The Pioneer Medical, MD Solutions and Sentry Medical acquisitions further strengthen our presence in the Institutional Healthcare sector and are EPS accretive to EBOS shareholders.”

“In addition, in December 2021 EBOS announced an agreement to acquire LifeHealthcare, which is expected to establish EBOS as a leading independent medical devices distributor in Australia, New Zealand and South East Asia. This acquisition will build on our previous investments in the medical devices sector, which have contributed to the strong growth reported this period.”

³ Source: Australian Immunisation Register as at 12 January 2022

In commenting on today's result, EBOS Chair, Elizabeth Coutts said:

“It is pleasing to see EBOS continue its trajectory of strong growth across its leading Healthcare and Animal Care businesses in New Zealand and Australia for the first half of FY22. This is a reflection of the commitment from our people across New Zealand and Australia in ensuring that EBOS fulfils its responsibility of providing essential healthcare and animal care services for our customers and communities. EBOS’ adherence to its strategy of investing for the long-term has allowed our business to continue its strong growth and improved returns for our valued shareholders.”

Healthcare

| Healthcare A\$ | 31 December 2021 | 31 December 2020 | Growth |
|------------------------------|---------------------|---------------------|--------|
| Revenue | \$4,976.9m | \$4,409.5m | 12.9% |
| Statutory EBIT | \$142.9m | \$126.9m | 12.6% |
| Underlying EBIT ¹ | \$150.7m | \$128.8m | 17.0% |

¹ Underlying EBIT excludes the impact of one-off costs.

Our Healthcare segment generated revenue of \$5.0 billion and Underlying EBIT of \$150.7 million, an increase of 12.9% and 17.0% respectively on the prior corresponding period. This growth was driven by the performances of our Community Pharmacy, TWC, Institutional Healthcare and Contract Logistics businesses.

In Australia, Healthcare revenue increased to \$3.9 billion and Underlying EBIT increased to \$122.8 million, an increase of 12.0% and 13.1% respectively. In New Zealand, Healthcare revenue increased to \$1.0 billion and Underlying EBIT increased to \$27.9 million, an increase of 16.1% and 37.8% respectively.

Community Pharmacy revenue increased by \$416.9 million (up 15.2%), driven by customer growth, market share gains and the return of Pfizer’s retail pharmacy volumes to the wholesale channel. The drivers of this growth included the strong performances from our community pharmacy retail brands and growth in both ethical and OTC wholesale sales.

TWC welcomed 16 net new pharmacies during the period, bringing total network stores to over 480. We continue to see a strong store growth pipeline and this reinforces TWC’s position as Australia’s largest health-advice oriented community pharmacy network. TWC network sales grew by 7.4% and on a like-for-like basis increased by 5.6%. This performance was driven by new store growth, continued increases in media spend and improved promotional and category initiatives.

Institutional Healthcare continued to perform well with first half revenue growth of \$113.7 million (up 8.4%), largely from increases in sales of new specialty medicines, combined with strong organic and inorganic growth in the medical consumables and medical devices businesses, which included the completed acquisitions of Sentry Medical, Pioneer Medical and MD Solutions.

Contract Logistics increased Gross Operating Revenue by \$16.5 million (up 37.6%), attributable to growth in Australia due to an increase in market share, as well as growth in New Zealand with increased demand for protective equipment, testing kits and COVID-19 vaccines assisting our performance.

Animal Care

| Animal Care A\$ | 31 December 2021 | 31 December 2020 | Growth |
|--------------------|---------------------|---------------------|--------|
| Revenue | \$274.0m | \$243.8m | 12.4% |
| EBIT | \$35.3m | \$30.7m | 14.9% |

Our Animal Care segment generated revenue of \$274 million and EBIT of \$35.3 million, an increase of 12.4% and 14.9% respectively on the prior corresponding period.

The Animal Care segment continues to benefit from the strength of our trusted brands and leading market positions, combined with the strong tailwinds of the Australian and New Zealand pet care markets. Our key brands, Black Hawk and Vitapet, both recorded strong increases in revenue, up 19.6% and 9.8% respectively. Black Hawk continues to increase its market share in New Zealand and Vitapet maintained its leading market position in both Australia and New Zealand, benefiting from continued marketing investment.

The commissioning of our new state of the art pet food manufacturing facility has commenced and is scheduled for completion by the end of FY22. The new facility will facilitate insource manufacturing of Black Hawk as well as accelerate new product development opportunities.

LifeHealthcare acquisition update

On 9 December 2021, EBOS announced an agreement to acquire LifeHealthcare for \$1,167 million. LifeHealthcare is one of the largest independent distributors of third party medical devices, consumables, capital equipment and inhouse manufactured allograft material in Australia, New Zealand and South East Asia. At the time of announcement, the transaction remained subject to regulatory approvals and a number of other conditions.

Since the announcement, the retail offer was successfully completed in January 2022 with strong support from retail shareholders, which resulted in EBOS upsizing the retail offer by \$62 million to \$161 million and the share placement was also successfully completed in December 2021 with strong support from both existing and new investors. EBOS is progressing the remaining completion steps and the transaction remains on track to complete prior to the end of FY22.

Environmental, Social and Governance

EBOS continues to develop initiatives to achieve the goals set out in its inaugural Sustainability Report that was developed across five pillars: Health & Animal Care Partners, Consumers & Patients, Community & Environment, Our People and Responsible Business.

The immediate areas of focus for EBOS moving forward are Environmental Stewardship, Packaging Waste, Ethical Sourcing, Quality, Our People and Data Security. These are key initiatives that have been identified as most pertinent to ensuring we meet our short and medium term ESG objectives across our business operations.

Safety is another key focus area within our ESG Program and we are committed to providing all our people with a safe and healthy work environment and actively promoting workplace health and wellbeing. Through this continued focus on reducing risk across our workplaces, we have achieved a 22% reduction in our recordable injury frequency rate (TRIFR) in the first half of the 2022 financial year.

Despite the ongoing impacts of COVID-19, we also remain committed to supporting a range of environmental, philanthropic and wellbeing activities across the business. While it has been necessary to move some of these initiatives to an online environment, it is pleasing to report continued high levels of engagement from our people. During the period, we activated a range of initiatives, including recognising RUOK? Day, Mental Health Awareness Week and driving participation in STEPtember as part of our Be Well From Anywhere Program, providing a range of opportunities to support the mental and physical wellbeing of our people.

COVID-19 Update

The EBOS Pandemic Response Team, consisting of the CEO and his direct reports, continues to oversee all COVID-19 related matters impacting our employees and businesses. Throughout the pandemic, the Pandemic Response Team has overseen the implementation of thorough health and safety protocols with the objective of keeping both our employees safe and our primary distribution facilities open to ensure the uninterrupted supply of medicines and services across the community.

The impacts of lockdowns and other restrictions has placed extra demands on the business and our employees. The wellbeing and safety of all EBOS employees is paramount and we have invested in extra resources to assist them through the pandemic. We have been focused on informing and supporting our employees by frequently updating them on developments, issuing personal safety and protection messages and providing general wellbeing advice and support for them and their families. Over the last 12 months, EBOS has also distributed over 2,200 care packs to our employees.

Another important focus for the Group has been vaccination for all employees. In August 2021, we introduced an incentive program that is available to all fully vaccinated employees, and we are also providing flexibility for staff to get vaccinated during work hours. Through consultation with our

workforce, EBOS introduced the COVID-19 Workplace Vaccination Policy (Australia) in December 2021 and we continue to take all reasonably practicable steps to protect our employees and others from the risks of COVID-19.

Linked to the employee vaccination incentive program EBOS committed to providing a donation to UNICEF's VaccinAid appeal for every employee fully vaccinated, and who applied for the incentive, as at January 2022. The total amount committed to UNICEF was in excess of \$215,000. The funds raised will go towards UNICEF's work to ensure that health workers, teachers, social workers and the most vulnerable in every country are protected from COVID-19 and that patients get the urgent medical supplies and oxygen they need.

It has been reassuring to see so many of our employees committed to protecting themselves and their families, their colleagues and the wider community by getting vaccinated.

Cash Flow, Net Debt and Return on Capital Employed

First half operating cash flow was \$106.8 million, an 8.1% increase on the prior corresponding period.

Net capital expenditure for the period was \$43.3 million and comprised business as usual capex of \$17.3 million and \$26.0 million of growth capital expenditure in relation to the new pet food manufacturing facility.

During the period the Group completed a number of acquisitions for aggregate consideration of approximately \$107 million.

Return on Capital Employed ("ROCE") of 18.2% was up 0.7% compared to 31 December 2020. This reflects our commitment to earnings growth and disciplined capital management.

Excluding the proceeds of the share placement (December 2021) in connection with the LifeHealthcare acquisition, the Group's Underlying Net Debt : EBITDA ratio at 31 December 2021 was 1.28x. This is slightly higher than the prior year reflecting the level of investment activity undertaken in the current period.

Interim Dividend

The Directors declared an interim dividend of NZ 47.0 cents per share, an increase of 10.6% on the prior corresponding period. This implies a dividend payout ratio of 77.4% on an underlying basis (or 67.3% excluding dividends paid on the new shares issued under the capital raisings in connection with the expected LifeHealthcare acquisition).⁴

⁴ Dividend payout ratio calculated on an underlying basis based on a NZD:AUD exchange rate of 0.953.

The Dividend Reinvestment Plan (DRP) will not be operational for the interim dividend in light of EBOS' decision to accept oversubscriptions and upsize the recently completed retail offer in connection with the expected LifeHealthcare acquisition.

The record date for the dividend is 4 March 2022 and the dividend will be paid on 18 March 2022. The interim dividend will be imputed to 25%⁵ for New Zealand tax resident shareholders and fully franked for Australian tax resident shareholders.

EBOS reiterates its policy of declaring dividends representing between 60% to 80% of NPAT.

Corporate costs and one-off M&A costs

Corporate costs increased by \$5.2 million during the half, which primarily reflects investment in a project to enhance our IT security, the majority of which is not expected to recur in future periods.

During the period EBOS had higher than usual levels of M&A activity, completing three bolt-on acquisitions (Sentry Medical, Pioneer Medical and MD Solutions) and announcing the agreement to acquire LifeHealthcare. These four businesses are expected to generate aggregate annualised revenue of more than \$400 million. We incurred \$7.4 million (post tax) of one-off costs associated with these acquisitions (compared to \$1.5 million (post tax) of one-off M&A costs in the prior corresponding period) and these costs are excluded from underlying earnings. These costs included advisory, consulting, regulatory and other transaction costs. Further one-off M&A costs of approximately \$19 million are expected to be incurred in H2 FY22 in connection with completion of the LifeHealthcare acquisition. A reconciliation of the statutory and underlying result is contained in the Appendix.

Trading Update

EBOS is pleased with the strong earnings growth in the first half of FY22 and we continue to be comfortable with current trading conditions however, it is uncertain what the ongoing disruptions caused by COVID-19 variants will have on EBOS' trading performance.

Capital expenditure for the remainder of FY22 is expected to remain elevated as a result of continued investment in our operational infrastructure to support the Group's growth.

EBOS expects the acquisition of LifeHealthcare will be completed before the end of FY22 and anticipates that Net Debt : EBITDA at 30 June 2022 following completion will be less than 2.25x.

⁵ The New Zealand company tax rate is 28%. Therefore, a dividend that is partially imputed with 25% of the maximum allowable imputation credits implies an 8.86% imputation percentage in relation to the gross taxable amount of the dividend.

This media release, the half-year results and related materials were authorised for lodgement with NZX and ASX by the Board of EBOS Group Limited.

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Financial Results Presentation webcast link:

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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.

Appendix 1 – Reconciliation of Statutory to Underlying Result

| \$m | H1 FY22 | | | | H1 FY21 | | | |
|--------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|-------------|
| | EBITDA | EBIT | PBT | NPAT | EBITDA | EBIT | PBT | NPAT |
| Statutory result | 199.9 | 161.3 | 147.5 | 101.9 | 182.2 | 145.9 | 131.9 | 92.9 |
| Transaction costs incurred on M&A | 7.8 | 7.8 | 7.8 | 7.4 | 1.9 | 1.9 | 1.9 | 1.5 |
| Underlying result¹ | 207.7 | 169.1 | 155.3 | 109.3 | 184.1 | 147.8 | 133.8 | 94.3 |

Note 1: Underlying result is a non-GAAP measure which adjusts for the effects of one-off items. Transaction costs primarily relate to consulting and regulatory costs incurred in relation to the acquisitions of LifeHealthcare, Sentry Medical, Pioneer Medical and MD Solutions.