



**19 October 2021**  
**NZX/ASX Code: EBO**

### **EBOS ANNUAL MEETING 2021**

Please see attached the Chair's speech, CEO's speech and presentation materials for the Annual Meeting of shareholders to be held today.

**Authorised for lodgement with NZX and ASX by the Board**

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## **EBOS Group Limited**

### **2021 Annual Meeting**

#### **Chair's speech**

It gives me great pleasure to report on our results for the 2021 financial year and provide shareholders with an update on the latest activity occurring within EBOS.

As we continue to navigate uncertain times, EBOS remains focussed on our role as an essential services provider to communities across New Zealand and Australia. It is this ongoing commitment that has ensured we remain a valued partner for our customers, government and other stakeholders, while continuing to deliver strong returns for our shareholders.

The success we achieved as a business in the 2021 financial year is only possible thanks to the efforts of our more than 3,700 employees. For those of you who have taken the time to review our 2021 Annual Report, you will have read about the many examples of dedication and resilience shown by our employees throughout the year. From those in our health care and animal care distribution centres; to our HPS pharmacists on the front line; and to all those employees across EBOS who support the provision of care and advice to customers - we have witnessed countless examples during the pandemic of our employees going above and beyond – and for this we thank them all.

As you will see throughout my presentation, and that of our CEO John Cullity, our continued success is underpinned by our adherence to a disciplined strategy of:

1. Continuing to protect, build or acquire leading market positions in a range of Healthcare and Animal care sectors so as to maximise revenue growth;
2. Focusing on generating strong operating cash flows to allow for further investment and improved returns to shareholders; and
3. Investing for growth both organically and through complementary business acquisitions.

John will talk in more detail about our last 12 months and our key strategic focus of investing for growth, which has enabled us to deliver another year of strong returns.

While it has undoubtedly been another successful period for EBOS, it would be remiss of me to not mention the ongoing and unpredictable impacts of COVID-19 on our operations across New Zealand and Australia.

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 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. We are very conscious of the wellbeing and safety of everyone at EBOS and have invested in extra resources to assist them through the pandemic. We have been focussed on informing and supporting our employees by rapidly updating them on developments, issuing personal safety and protection messages and providing general wellbeing advice and support for them and their families.

For those employees in Victoria, New South Wales and Auckland who have had to endure prolonged periods of lockdown, EBOS delivered to each of them a personal care package designed to lift their spirits and show our support for them. Over the last 12 months, EBOS has distributed over 2,200 care packs to our employees.

Another important focus for us is encouraging all our employees to get vaccinated. We have 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.

As we have seen across New Zealand and Australia high COVID-19 cases have continued to be experienced. EBOS will continue to take proactive measures to provide all employees the opportunity to be vaccinated. Recently in New South Wales our businesses worked with the Department of Health to hold “pop-up” vaccination clinics on site to allow as many staff as possible to get their vaccine at their place of work.

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.

As I first reported at last year’s Annual Meeting, EBOS has invested in the development of our Environmental, Social and Governance (ESG) program, which was launched earlier this year.

This program is a key initiative for the future of EBOS that will serve as the framework for responsible governance and organisational practices to ensure we continue to meet the expectations of our stakeholders and maintain our social license to operate. Importantly, we also seek to highlight areas where we can continue to improve, thereby enabling more structured governance, evaluation and disclosure as part of our comprehensive approach to responsible corporate leadership.

Through our ESG program, EBOS will embrace the full range of responsibilities that come with our role as a provider of essential health and animal care products and services. The program comprises five pillars being Health & Animal Care Partners; Consumers & Patients; Community & Environment; Our People; and Responsible Business. Within these pillars are 20 material ESG topics that are significant for the sustainability of our business and the interests of our stakeholders.

Of further note in the area of ESG activity is the publication of our inaugural Sustainability Report, which was released in tandem with this year’s Annual Report. The Sustainability Report, which will be presented annually moving forward, reports on the progress of our ESG activity over the financial year.

Moving forward, the material areas of focus for EBOS will be Environmental Stewardship, Packaging Waste, Responsible Supply Chain and Quality Management. These are the areas we have identified which are most relevant to EBOS’ day-to-day operations and where we believe we can make progress in the short to medium term.

Concurrently, we will set targets and KPIs and essentially map out the plan to achieve these targets over the coming years.

We have received positive feedback from the investment community on our first Sustainability Report and I look forward to keeping you updated as we make further progress in this area.

In 2021, EBOS was also proud to implement a series of new workplace policies, which provide our employees with guidance on acceptable workplace behaviour and outline our efforts to promote an inclusive and diverse workforce. The new policies cover diversity and inclusion, recruitment and selection as well as flexible working and form the foundation of EBOS' overarching Diversity and Inclusion Strategy.

The intent of these policies is to ensure that EBOS continues to build a diverse and inclusive culture and workforce that is reflective of our communities. With a workforce comprising nearly 60% female employees, we are already performing strongly in this area; however, we understand that we must continually strive to build a strong and diverse workforce by promoting equal opportunity for employees of all cultural, ethnic and religious backgrounds and increasing diversity in our leadership teams.

As part of our People Strategy, we are committed to listening to our employees to ensure they are engaged and aligned to our purpose and objectives. Our annual employee survey is an important tool to facilitate a two-way communication culture and forms a key part of our People Strategy.

This year, we saw participation from 80% of our employees in this survey and it was pleasing to see that we delivered strong results across areas of action that came from last year's survey, including values development and deployment, diversity and inclusion and company confidence.

We were particularly pleased with the response to safety with 86% of employees believing that EBOS is committed to safety in their workplace.

Last year, I reported that EBOS had invited employees to become shareholders and benefit from the success of our company. I am pleased to advise that almost 60% of employees are now currently listed as EBOS shareholders.

In June, I was very pleased to announce the appointment of Dr Tracey Batten as an independent director of EBOS Group. Tracey brings to the EBOS Board a wealth of healthcare sector experience gained as both a medical practitioner and in non-executive and senior executive roles across more than 30 years. Tracey's appointment was effective 1 July 2021 and she is seeking election by shareholders today.

With Tracey's appointment, the Board's now consists of 43% female representation, including myself as Chair. With regard to the EBOS Executive Leadership Team, the female representation will increase to more than 44% as of 1 November, following our most recent executive appointment. As previously mentioned, across the wider organisation, females make up nearly 60% of total employees.

The Board continued to hold virtual meetings during 2020 and into 2021 and was fortunately able to meet in person in Auckland and in Melbourne in April and May respectively before the next round of lockdowns and borders closed again.

Over the year when lockdowns were not in place, New Zealand based directors visited many of our New Zealand sites across the country to observe operations and talk with staff. We were particularly interested in their safety and wellbeing as we recognise it has been a difficult time for many people. When we were in Australia some directors were able to visit our Keysborough site in Melbourne, Greystanes in Sydney and our new animal care manufacturing plant which was under construction in Parkes, New South Wales.

Over the last 2 years the Board has welcomed three new directors and the Board size has been increased by two directors from 5 directors to 7 directors as part of our Board succession.

The succession planning process remains a focus of the Board given there are directors with long tenures with EBOS who have indicated an intention to retire over the next few years. Our long serving directors have vital skills and significant institutional knowledge which will take time to replicate. A smooth transition process is essential to the effective governance of the Company and, accordingly, additional directors may need to be appointed prior to current directors retiring.

COVID-19 restrictions continue to impact the Board's deliberations with lockdowns in Auckland and Australia. As a result, succession planning is taking time as the Board is mindful of providing stability and a cohesive culture, which has underpinned EBOS' success to date.

The Directors announced a final dividend of NZ 46.0 cents per share, which takes full-year dividends to NZ 88.5 cents per share, an increase of 14.2% on the prior year.

There is little doubt that we will all face ongoing uncertainty in the foreseeable future, but I hope you share in the confidence we hold in the strength of our company as shown by our performance during the last financial year. We will maintain our appetite for growth and continue to take calculated commercial risks in line with our stated strategies in order to continue to deliver for shareholders.

We again thank all of our shareholders for their ongoing support and your trust in the Board, executive and employees of EBOS.

To every one of our employees, on behalf of the Board, I would like to convey our sincere appreciation for your commitment and dedication that we witness on a daily basis.

To John and his executive team, I would like to especially thank them for the solid and outstanding leadership they have shown throughout not only the past 12 months but since the commencement of this pandemic back in February 2020. It has been an extremely demanding time for all, and I could not be prouder of the way EBOS has handled itself through this period.

I will now hand over to John for a more in-depth review of the operational performance of the business.

Thank you.

## **EBOS Group Limited**

### **2021 Annual Meeting**

#### **Chief Executive Officer's speech**

Thank you, Liz, and good afternoon ladies and gentleman.

Although I am again unable to join you in person today due to travel restrictions, I am extremely pleased to be able to report to you on the performance of our company for the 2021 financial year and take this opportunity to update you on current trading conditions.

In reviewing the Group's record result for FY21, I would also like to acknowledge the wonderful contribution all our employees have made to the business over the last 12 months in what has been and continues to be an extremely challenging environment.

Before continuing with my report however, I'd like to share with you our latest corporate video that provides a visual overview of EBOS' key activities over the last 12 months.

***(A copy of the video will be made available on the company's website: [www.ebosgroup.com](http://www.ebosgroup.com))***

The video really does highlight the amount of activity that has taken place over the year and I hope it provides you with an insight into the really broad scope of your company's operations.

Turning our attention to the results for FY21, EBOS delivered another record year with revenue exceeding \$9 billion for the first time, which represents a 5.0% increase on the prior year. Pleasingly, this record result was driven by growth in both our Healthcare and Animal Care segments.

Underlying Earnings Before Net Finance Costs and Tax (EBIT) of \$294.5 million grew by \$31.4 million representing an increase of 11.9%.

Underlying Net Profit After Tax (NPAT) increased by 15.5% to \$188.2 million.

As Liz has commented upon earlier as a result of the strong earnings growth we were able to increase dividend payments to shareholders to 88.5 cents representing an increase of 14.2%.

In looking at these strong financial metrics, you can see the pattern of consistent earnings growth that EBOS has delivered over the long term. Importantly, this earnings growth has been supported by a stable dividend payout ratio, a disciplined focus on working capital management and cash flow generation. Pleasingly our balance sheet is in a very strong position with inbuilt capacity for further investment and growth.

Our business continues to benefit from the strength and diversity of our portfolio of businesses as both our Healthcare and Animal Care segments contributed strongly to the overall result.

Our Healthcare segment continues to benefit from its leading market positions and our Animal Care segment continued its strong first half performance, with each of our key brands and divisions – BlackHawk, Vitapet and Lyppard – recording robust sales growth.

The Group generated an excellent operating cashflow for the financial year of \$298m and reported a record return on capital employed of 18%.

The Healthcare segment reported revenue of \$8.7 billion and underlying EBIT of \$254.9 million, representing increases of 4.4% and 11.4% respectively. In Australia, Healthcare revenue increased to \$6.9 billion and underlying EBIT increased to \$216.0 million, representing 3.7% and 12.4% growth

respectively. This was driven by strong performances from our Community Pharmacy, TerryWhite Chemmart, Institutional Healthcare and Contract Logistics divisions.

In New Zealand, Healthcare revenue increased to \$1.8 billion and underlying EBIT increased to \$38.9 million, representing 7.3% and 6.0% growth respectively. These results were a function of the strong performances in our Community Pharmacy and Contract Logistics businesses.

Throughout 2021, EBOS has been working closely with the New Zealand Ministry of Health to facilitate the rollout of the COVID-19 vaccine across the country. It is testament to the professionalism of our Healthcare operations that we were chosen to be a provider of logistical services to the Ministry of Health for the COVID-19 vaccine rollout and we are proud to have played a central role in this critical initiative.

Our TerryWhite Chemmart franchise network continues its impressive growth with the network growing by a net 36 stores for the year. TWC is Australia's largest health services community pharmacy network with over 465 trading stores and we have a target of 500 trading stores by June 2022. TWC network sales demonstrated above-market growth at 5.3% and, on a like-for-like basis, increased by 3.6%. This performance was driven by continued investment in media spend and ongoing industry leading pharmacist education programs.

Importantly, over 350 TWC pharmacies across Australia are now supporting their communities and delivering in store COVID-19 vaccinations. This essential community service flows on from TWC's leading position in administering flu vaccinations.

Turning now to our Animal Care segment, we were able to generate revenues of \$497.5 million and EBIT of \$62.9 million, representing increases on the prior year of 17.0% and 26.4% respectively.

The pet care market is supported by well-established trends which have been accelerated by COVID-19 including an increasing pet population, the humanisation of pets and consumers spending more time at home with their pets.

Our leading brands continue to perform strongly and both BlackHawk and Vitapet generated double digit sales growth in FY21 and have continued their strong performance in the first quarter of FY22.

As a result of the continued growth of our pet food business and in particular our BlackHawk brand we have recently embarked upon the construction of a new state-of-the-art pet food manufacturing facility in Parkes, New South Wales, Australia. This new facility will allow EBOS to manufacture our market leading products in-house for the first time and is expected to deliver significant benefits for the brand, including accelerating new product development opportunities, enhancing control of product quality and reducing third party supply chain risk, as well as delivering improved financial returns.

Construction of the facility, which will cost approximately \$80 million is progressing in line with expectations and we look forward to providing further updates with shareholders in due course.

Consistent with our strategy of investing for growth and to expand and diversify our earnings, EBOS in the first half of FY21, acquired two new businesses. Our medical devices segment was expanded with the acquisition of Cryomed which markets and distributes devices and consumables used in aesthetic procedures in Australia and New Zealand and we also acquired the vet distribution business of CH2 which is now integrated with our Lyppard veterinary wholesale operations.

Since closing the 2021 financial year, EBOS has completed three further acquisitions, each within our Institutional Healthcare division. We have previously advised the market of two of these

acquisitions, Pioneer Medical and Sentry Medical, and I am pleased to announce that we only recently completed on 30 September our third acquisition, MD Solutions.

Sentry Medical is an Australian designer, marketer and distributor of medical consumables, including its own brands and agency brands, supplying to wholesalers, hospitals, general practitioners, aged care facilities and pharmacies. Its acquisition will provide further strength to our growing medical consumable business which is an area we have targeted for further transactions.

EBOS Group first entered the medical device distribution market in late 2019 with the acquisition of LMT and National Surgical. Our recent acquisitions of Pioneer Medical Group and MD Solutions, together with Cryomed, continue our investment in this market segment.

Pioneer Medical Group is a New Zealand based importer and distributor of spine and major joint implants and associated surgical technologies for orthopaedic and neurosurgery.

MD Solutions is an Australian distributor of a range of medical devices and consumables for interventional oncology, urology and gynaecology, pathology and diagnostics, gastroenterology, and ear, nose and throat procedures.

Both medical device distribution and medical consumables will form important components to the Group's future growth and shareholders can expect to see us make further investments in these markets in the periods ahead.

Further to the Chair's comments earlier regarding EBOS' ESG program, we continue to activate throughout the year a range of activities, sponsorships and partnerships focussed on our employees, environment and community. Our ESG program provides EBOS the platform to consolidate these ongoing activities across our businesses and to report annually via our Sustainability Report.

We have continued, where possible under COVID-19 restrictions, the activities under our ECHO - Environment, Community and Helping Others - program. Many of the activities such as our 'Be Well at Work Day' were adapted to be presented virtually allowing our employees working from home to participate. Programmes included sessions on mental health and well-being, physical exercise and delivery of 'wellness packages' to employees in prolonged lockdown. Our match funding programme also continued throughout the year with EBOS matching the donations and funds raised by employees for many charity based events and activities.

EBOS has continued its long association with Greenfleet and in FY21 we were again able to offset 100% of carbon emissions from transport associated with customer deliveries in the healthcare segment across New Zealand and Australia.

I am also pleased that EBOS has completed the first year of its Reconciliation Action Plan in Australia. Following approval from Reconciliation Australia we have now launched our updated plan for the coming 12 months as we continue this important journey.

Our strategy of pursuing both organic growth and investing for growth across our Healthcare and Animal Care businesses has been a key driver of sustained long term performance.

Over the last 20 years, EBOS has generated total shareholder returns of approximately 20% per annum. On a more recent basis, in the last year to 30 June 2021, EBOS generated total shareholder returns of approximately 55%.



In closing, I would like to provide some brief commentary on our current trading performance. EBOS has had a pleasing start to the FY22 financial year with strong revenue and earnings growth recorded across both our Healthcare and Animal Care segments.

For the three months ended 30 September 2021, Group revenue and earnings grew at just over 10% compared to the prior corresponding period. The Group's portfolio of businesses has proven to be very resilient throughout the COVID-19 pandemic, however lockdowns in New Zealand and Australia are evidence of the material uncertainties that exist and that may impact upon future trading performance.

Finally, I would like to sincerely thank my executive team and all of our employees who have shown incredible dedication, strength and resilience in managing all that has been put before them during these unprecedented times. I would also like to thank our Chair and Directors for their guidance and support during the last 12 months.

Thank you ladies and gentleman for your attention and ongoing support as shareholders.

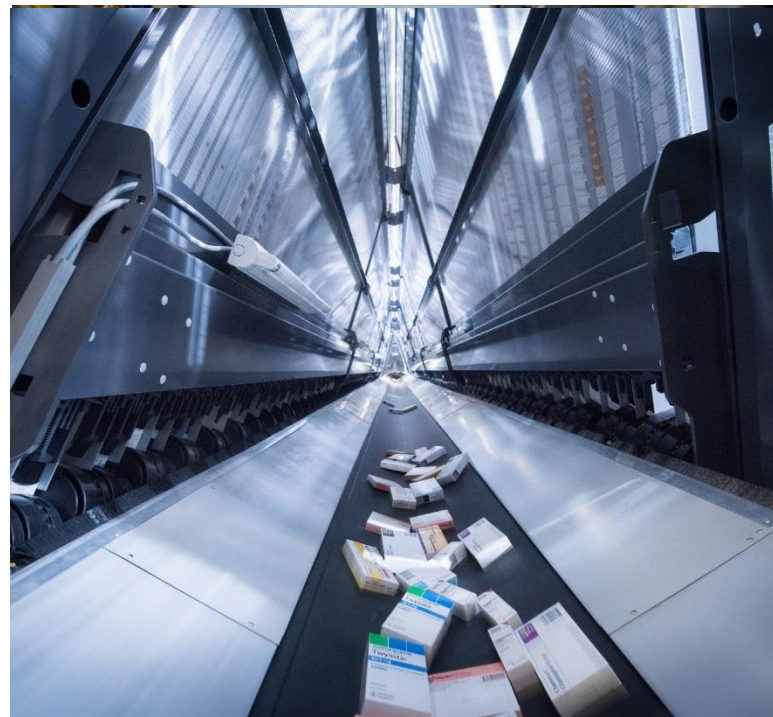
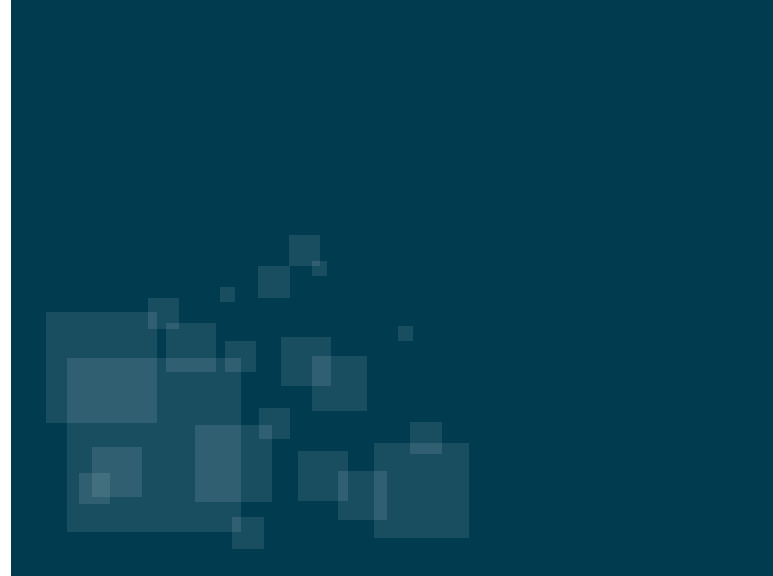
I'll now hand back to Liz to continue with the formal matters of this meeting.

Thank you.



# 99<sup>TH</sup> ANNUAL MEETING

19 October 2021



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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 2021.

**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.**

# WELCOME

2021 Annual Meeting

01





# INSTRUCTIONS FOR ONLINE MEETING ATTENDEES

CERTAINTY

INGENUITY

ADVANTAGE

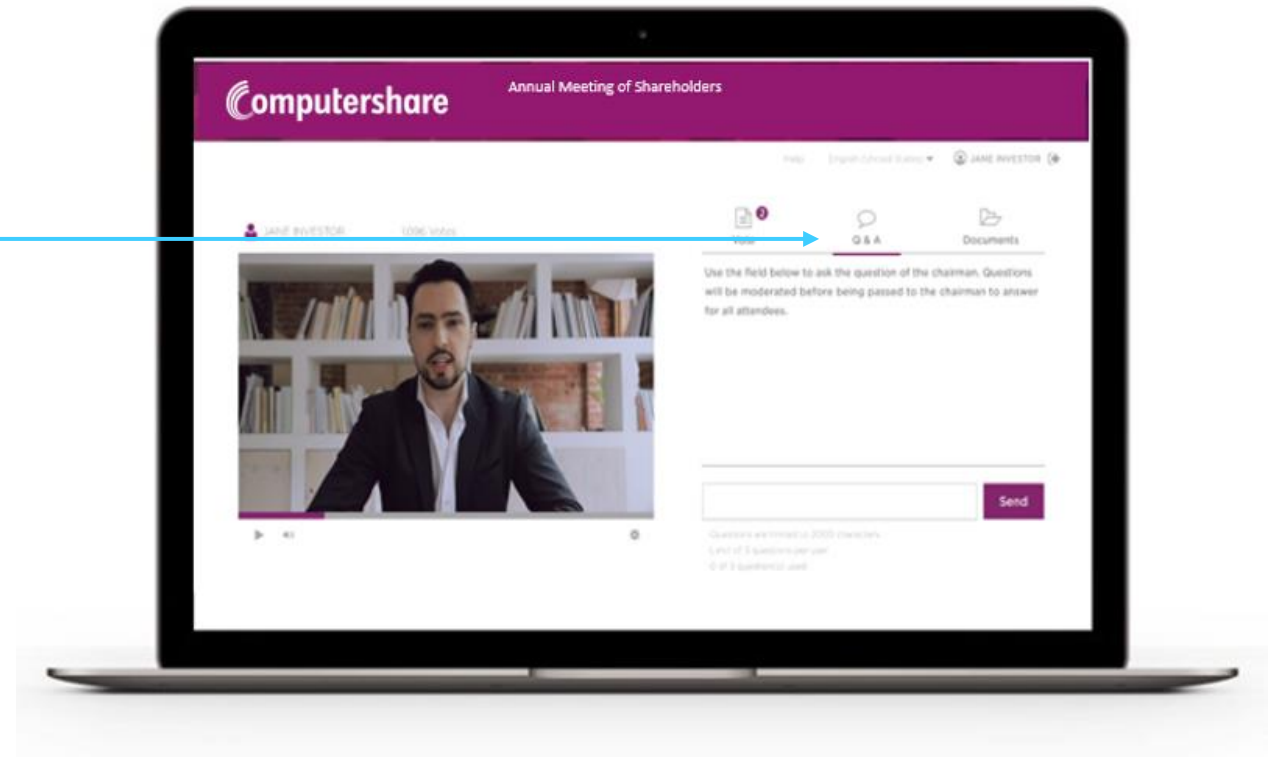
 **Computershare**

# HOW TO PARTICIPATE IN VIRTUAL/HYBRID MEETINGS (Q&A)

## Shareholder & Proxyholder Q&A Participation

**Written Questions:** Questions may be submitted ahead of the meeting. If you have a question to submit during the live meeting, please select the Q&A tab on the right half of your screen at anytime. Type your question into the field and press submit. Your question will be immediately submitted.

**Help:** The Q&A tab can also be used for immediate help. If you need assistance, please submit your query in the same manner as typing a question and a Computershare representative will respond to you directly.



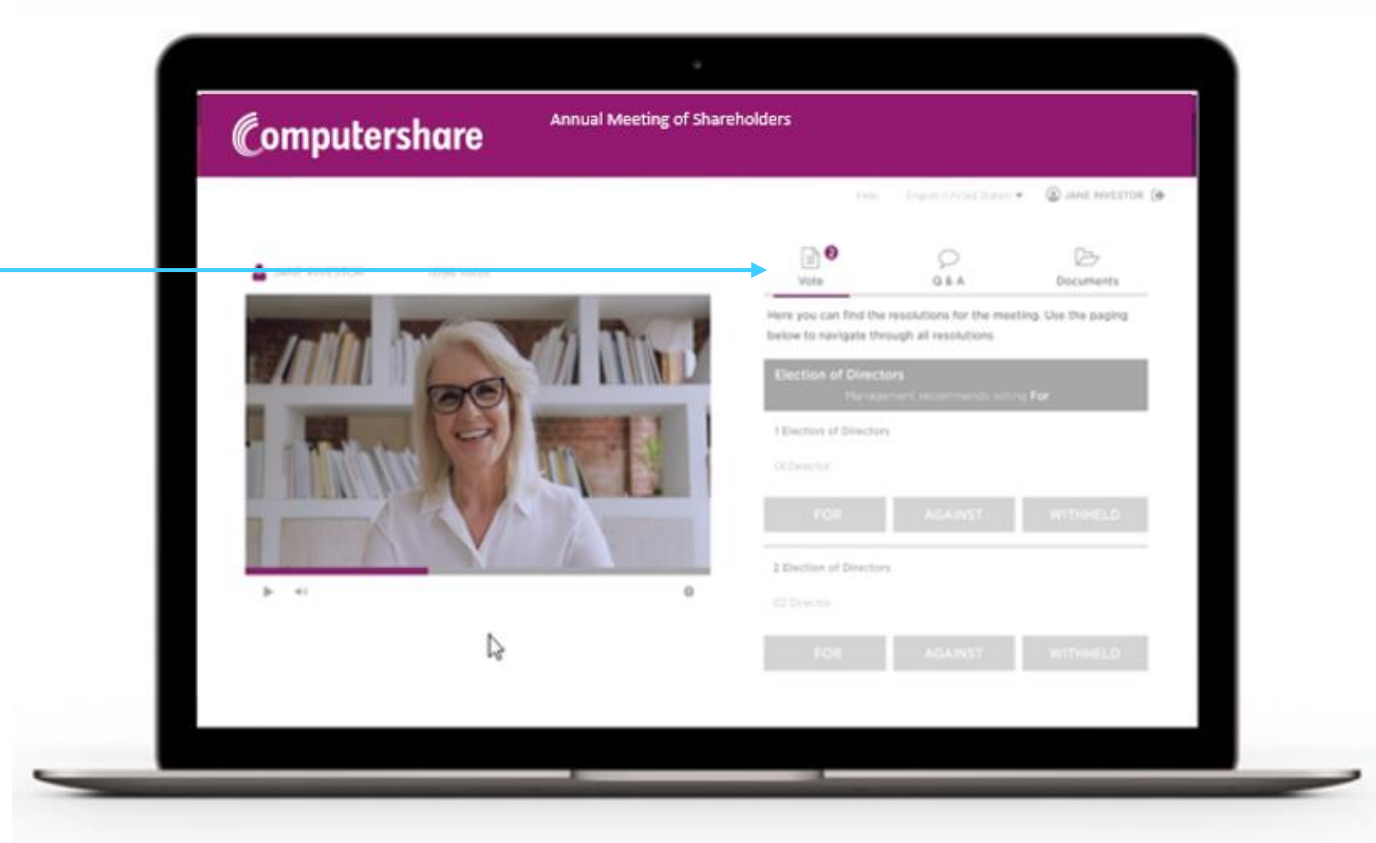
# HOW TO PARTICIPATE IN VIRTUAL/HYBRID MEETINGS (VOTING)

## Shareholder & Proxyholder Voting

Once the voting has been opened, the resolutions and voting options will allow voting.

To vote, simply click on the Vote tab, and select your voting direction from the options shown on the screen. You can vote for all resolutions at once or by each resolution.

Your vote has been cast when the tick appears. To change your vote, select 'Change Your Vote'.







# INTRODUCING OUR BOARD

2021 Annual Meeting

Gavin Wanganeen

# 02



# BOARD OF DIRECTORS



**Elizabeth Coutts**  
Independent Chair of  
the Board  
Joined 2003  
*Appointed Chair 2019*



**Dr Tracey Batten**  
Independent Director  
*Joined 2021*



**Nick Dowling**  
Independent Director  
*Joined 2020*



**Stuart McGregor**  
Independent Director  
*Joined 2013*



**Stuart McLauchlan**  
Independent Director  
*Joined 2019*



**Sarah Ottrey**  
Independent Director  
*Joined 2006*



**Peter Williams**  
Independent Director  
*Joined 2013*

# AGENDA

01

Welcome

02

Introducing our Board

03

Presentation: Elizabeth Coutts, Chair

04

Presentation: John Cullity, CEO

05

Business of Meeting

06

Conclusion

PRESENTATION

ELIZABETH COUTTS  
CHAIR

2021 Annual Meeting



03

# OUR STRATEGY

**We continue to deliver for our customers and serve the communities where we operate, while also generating strong growth and shareholder returns. We remain focussed on our strategy of:**

- Continuing to protect, build or acquire leading market positions in a range of Healthcare and Animal care sectors so as to maximise revenue growth;
- Focusing on generating strong operating cash flows to allow further investment and improved returns to shareholders; and
- Investing for growth – both organic and acquisitions through disciplined investments in Healthcare and Animal Care.

The strategic direction of EBOS is both proven and sound. It has driven significant returns for shareholders over many years and we are confident that the business will continue to deliver future growth.



# COVID-19 HEALTH AND SAFETY



**The unpredictable nature of COVID-19 has required EBOS to be flexible in managing individual situations across our New Zealand and Australian operations. The impacts of lockdowns and other restrictions have put extra demands on the business and our people. We are very conscious of the wellbeing and safety of our people and have invested in extra resources to assist them through the pandemic.**

- The EBOS Pandemic Response Team, consisting of the CEO and direct reports, oversees all COVID-19 related matters impacting our employees and businesses.
- Our businesses continue to stringently follow COVID-19 protocols and the advice of local authorities as applicable to the circumstances at the time.
- Throughout the pandemic, we have maintained strict controls with the objective of keeping both our people safe and our primary distribution facilities open to ensure the uninterrupted supply of Healthcare and Animal Care products across the region.
- EBOS has offered all employees an incentive to get vaccinated.

# ENVIRONMENT, SOCIAL AND GOVERNANCE

EBOS has launched its ESG program and published its inaugural Sustainability Report

Our ESG program comprises five pillars



## Health & Animal Care Partners

### Delivering essential infrastructure for human and animal health

- Community service role
- Nurturing customer and government relationships

### Implementing robust systems

- Business continuity management
- Data and technology security/privacy



## Consumers & Patients

### Managing the impacts of our products

- Waste and packaging
- Responsible procurement

### Upholding our Quality Promise

- Quality Management System
- Compliance



## Community & Environment

### Environmental Resilience

- Carbon offsetting
- Minimising our impact

### Reaching out to help out

- Supporting causes close to us
- Advancing equity, fairness and opportunity in society



## Our People

- Employee safety, health and wellbeing
- Culture and engagement
- Talent and capability
- Performance and reward – recognition



## Responsible Business

- Legal compliance
- Reporting with integrity
- Ethical behaviour
- Corporate governance

# EMPLOYEE SURVEY

## EBOS recorded positive results in its annual employee survey

### Success

**88%** of employees know what they need to do to be successful in their role

**87%** of employees know how their work contributes to the goals of the business

**75%** believe that the business is in a position to succeed over the next 3 years

**75%** believe that we deliver on the promises we make to our customers



### Pride

**80%** of employees are proud to work for EBOS



### Wellbeing

**79%** of employees believe that their manager cares about their wellbeing



### Safety

**86%** of employees believe that we are committed to safety



### Diversity and Inclusion

**78%** of employees believe that people from all backgrounds have equal opportunities to succeed in our business





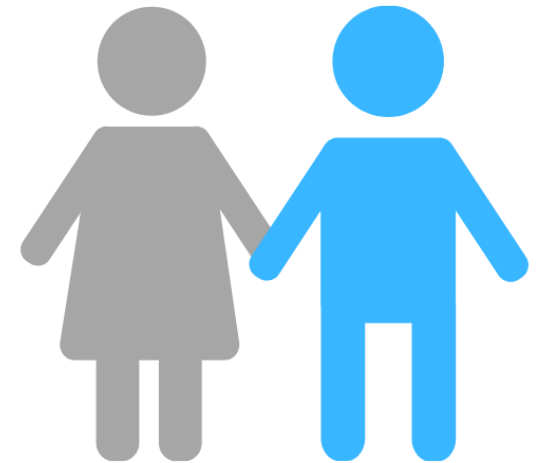
# DIVERSITY

## Board

The EBOS Board consists of **43% female** representation including the Chair.

## Executive Leadership Team

The EBOS ELT also has a **44% female** representation<sup>1</sup> whilst across the wider organisation females make up **59% of total employees**.





# DIVIDEND

## Final Dividend

EBOS' Director's announced a **final dividend, of NZ 46.0** cents per share, fully franked for Australian taxation purposes and 25% partially imputed for New Zealand taxation purposes.

## Full Year

Taking the **full-year dividend to NZ 88.5 cents per share, an increase of 14.2%** on the prior year.

# PRESENTATION

## JOHN CULLITY CEO

2021 Annual Meeting



04

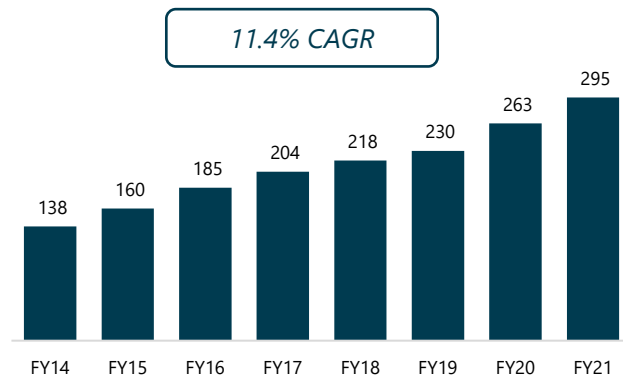
# FY21 SUMMARY RESULTS

A\$m	Underlying				Statutory			
	FY21	FY20	Var \$	Var%	FY21	FY20	Var \$	Var%
Revenue	9,202.9	8,765.5	437.3	5.0%	9,202.9	8,765.5	437.3	5.0%
<b>EBIT</b>	<b>294.5</b>	<b>263.1</b>	<b>31.4</b>	<b>11.9%</b>	<b>290.7</b>	<b>260.5</b>	<b>30.2</b>	<b>11.6%</b>
<b>Net Profit After Tax</b>	<b>188.2</b>	<b>162.9</b>	<b>25.3</b>	<b>15.5%</b>	<b>185.3</b>	<b>162.5</b>	<b>22.8</b>	<b>14.0%</b>
Earnings per Share (cents)	114.9c	100.8c	14.1c	14.0%	113.2c	100.6c	12.6c	12.5%
Total Dividends (NZ cents)					88.5c	77.5c	11.0	14.2%

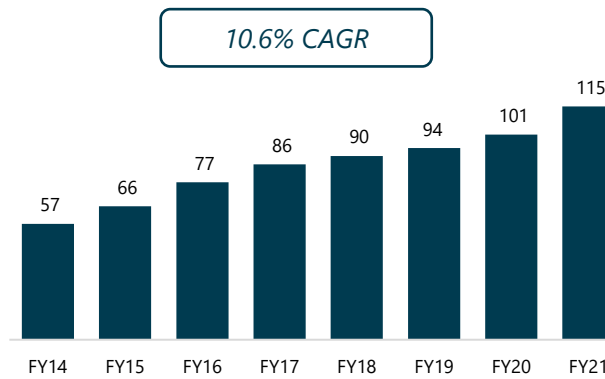
# LONG TERM TRACK RECORD

EBOS has delivered consistent financial performance through the cycle

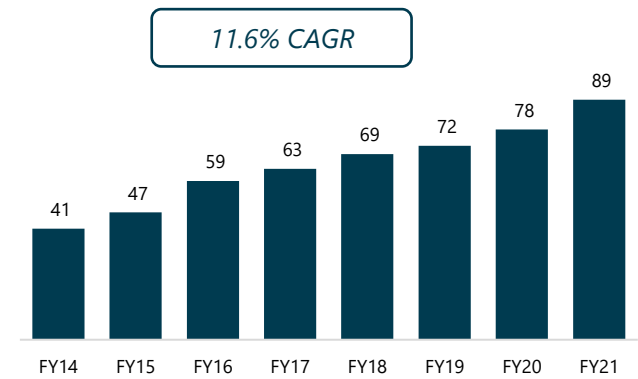
Underlying EBIT (\$m)



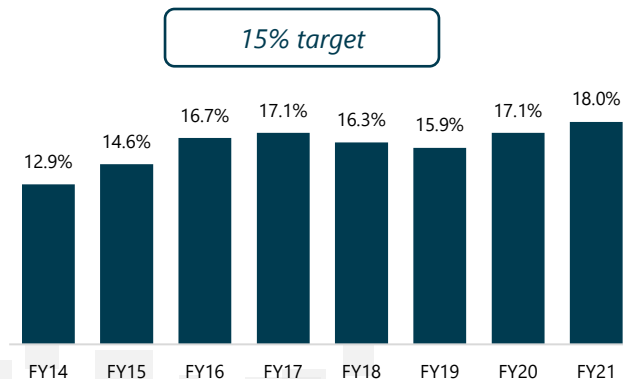
Underlying EPS (cents per share)



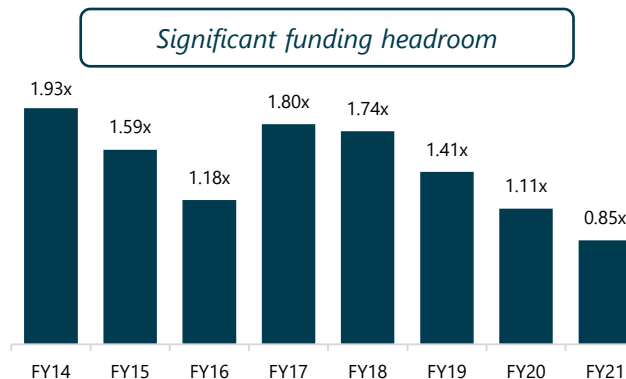
DPS (NZ cents per share)



Return on capital employed (%)



Net Debt : EBITDA



## Summary

- ✓ Strong earnings growth.
- ✓ Stable dividend growth and payout ratio.
- ✓ Disciplined focus on working capital management and cash flow generation.
- ✓ Disciplined focus on ROCE > 15% target.
- ✓ Strong balance sheet with growth headroom.

# KEY HIGHLIGHTS

## Strong organic growth in Healthcare and Animal Care and investing for future growth

- Healthcare's strong performance was driven by our Community Pharmacy, TerryWhite Chemmart ("TWC"), Institutional Healthcare and Contract Logistics businesses.
- Animal Care's Vitapet, Black Hawk and Lyppard businesses maintained double-digit sales growth.
- Excellent operating cash flow of \$298.3m.
- Further strengthened the balance sheet, with Net Debt : EBITDA reducing to 0.85x.

## FY21 growth<sup>1</sup>

**Healthcare EBIT**  
**+11.4%**

**Animal Care EBIT**  
**+26.4%**

**Group NPAT**  
**+15.5%**

**ROCE**  
**18.0%**

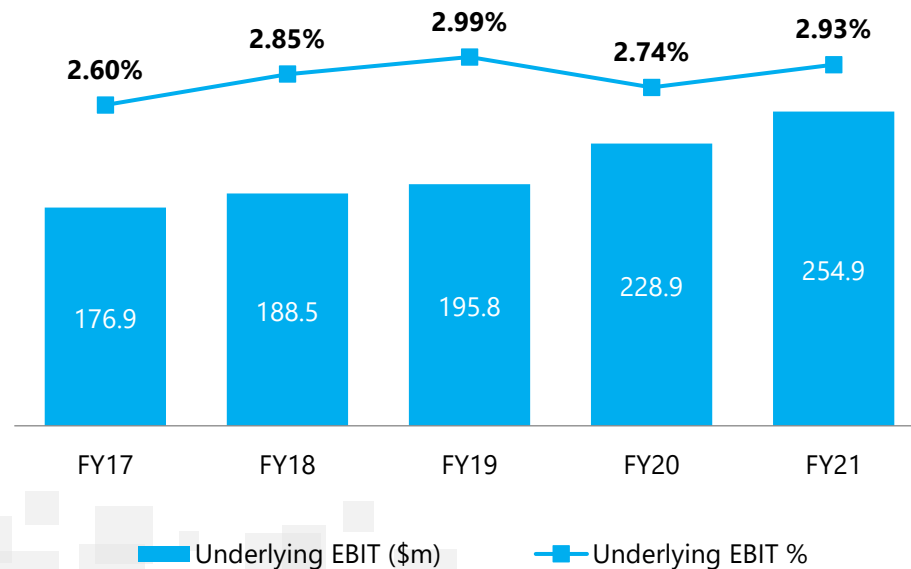
# FY21 SEGMENT PERFORMANCE

## Healthcare

A\$m	FY21	FY20	Var\$	Var%
Revenue	8,705.4	8,340.4	364.9	4.4%
Underlying EBIT	254.9	228.9	26.1	11.4%
Underlying EBIT %	2.93%	2.74%		

- Revenue growth of 4.4% was driven by the performances of Community Pharmacy, TWC, Institutional Healthcare and Contract Logistics.
- Underlying EBIT growth of 11.4% is primarily from increased wholesale sales, cost savings from productivity improvements, TWC's performance and continued growth in our medical devices and Contract Logistic businesses.

Underlying EBIT (\$m and %)



# TERRYWHITE CHEMMART

## One of Australia's leading community pharmacy networks with over 465 stores

- TWC added 36 net new pharmacies to its national network in FY21, continuing its record growth in store numbers.
- Together with recent growth and a strong pipeline for new store openings, TWC is targeting 500 trading stores by 30 June 2022.
- Above market growth in network sales with total sales up 5.3% and like-for-like sales up 3.6%.
- Growth in media spend outpacing the market, delivering strong brand improvements and maintaining our position as the second largest advertiser in the Australian retail pharmacy sector.
- Industry leading pharmacist education programs with over 1,000 delegates attending our signature 'Masterclass' event this year.
- Delivered a transformational change in supplier engagement levels according to the recent Advantage industry survey<sup>1</sup>.
- Over 350 TWC pharmacies across the country are supporting COVID-19 vaccinations in their communities.
- Investment in MyTWC digital platform to enhance omnichannel capabilities.

### Network sales growth in FY21

**Total sales** up 5.3%

Like-for-like up 3.6%

**Dispensary sales** up 6.5%

Like-for-like up 4.8%

**Script volumes** up 4.4%

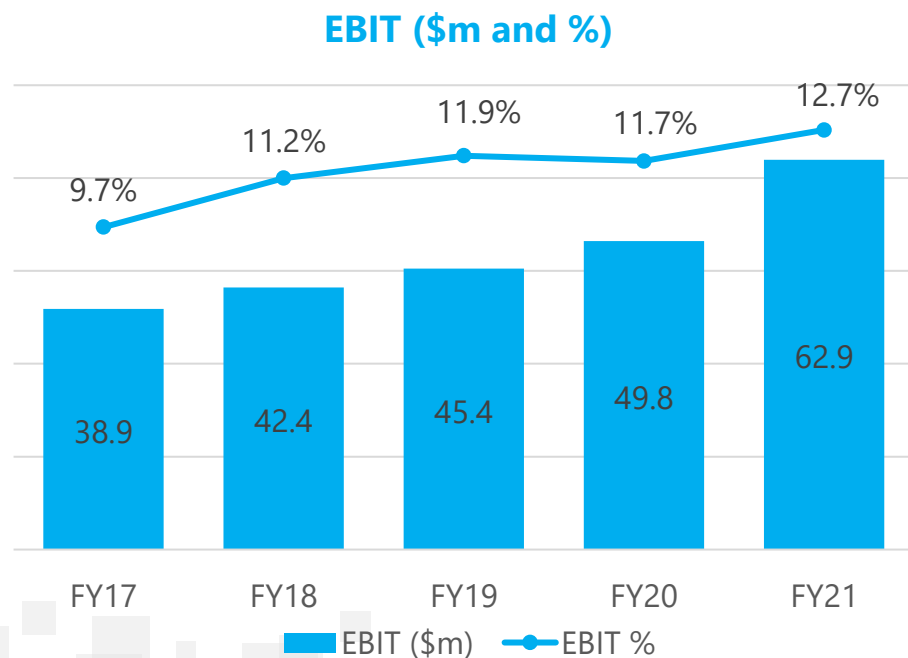
Like-for-like up 2.6%



# FY21 SEGMENT PERFORMANCE

## Animal Care

\$m	FY21	FY20	Var\$	Var%
Revenue	497.5	425.1	72.4	17.0%
EBIT	62.9	49.8	13.1	26.4%
EBIT %	12.7%	11.7%		



- Animal Care revenue increased by \$72.4m (17.0%) and EBIT increased by \$13.1m (26.4%) due to strong performances by our key brands and businesses – Black Hawk, Vitapet and Lyppard.
- The Australian and New Zealand pet market continues to experience strong trading conditions, supported by well established trends, including the humanisation of pets, further accelerated by ongoing COVID-19 conditions that have resulted in people spending more time at home with their pets.
- Black Hawk and Vitapet recorded double-digit sales growth and both brands continued to increase or maintain share in their respective market segments.
- Lyppard continued to perform strongly and the second half was further supported by the acquisition of CH2’s vet wholesale distribution business in November 2020.



# PET FOOD MANUFACTURING FACILITY

**EBOS will shortly commence manufacturing Black Hawk through our new state of the art facility under construction in NSW, Australia**

- ~\$80m investment in construction of a new pet food manufacturing facility in NSW, Australia.
- Black Hawk has grown sales by more than 4 times under EBOS' ownership and has reached significant scale. It is the leading premium dog food brand in the pet speciality channel in both Australia and New Zealand.
- This scale and brand awareness opens a range of strategic opportunities. Key benefits include:
  - ✓ Flexibility and speed to market in new product development;
  - ✓ Enhance control of product quality and safety and reduce 3<sup>rd</sup> party supply chain risk; and
  - ✓ Improved financial returns.

<b>Timing</b>	<ul style="list-style-type: none"><li>• Construction is well progressed and production will commence in H2 FY22</li></ul>
<b>Facilities description</b>	<ul style="list-style-type: none"><li>• Size: 12,000+ sqm</li><li>• Location: Parkes, NSW, Australia</li></ul>
<b>Investment</b>	<ul style="list-style-type: none"><li>• Total investment of ~\$80m</li><li>• ~\$51m in H2 FY21; ~\$29m in FY22</li></ul>
<b>Expected return</b>	<ul style="list-style-type: none"><li>• Consistent with the Group's overall ROCE over the medium term</li></ul>



# CONTINUED INVESTING FOR GROWTH

**EBOS has recently completed three acquisitions that expand our medical devices distribution and medical consumables distribution businesses within our Institutional Healthcare division**

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**pioneer med**

- Acquired 100% of Pioneer Medical Group, a New Zealand based importer and distributor of spine and major joint implants and associated surgical technologies for orthopaedic and neurosurgery.
- 



- Acquired 100% of Sentry Medical, an Australian medical consumables business which designs, markets and distributes a portfolio of brands based around the core "Sentry Medical" brand.
  - Expands EBOS' "own brand" medical consumables capabilities, which strengthens our offering to customers and captures additional margin.
- 



- Acquired 100% of MD Solutions, an Australian distributor of a range of medical devices and consumables for interventional oncology, urology, gynaecology, pathology and diagnostics, gastroenterology, and ear, nose and throat ("ENT") procedures. MD Solutions is also the largest third-party service and repairer of rigid and flexible endoscopes in Australia.
-

# EBOS ESG IN ACTION

Supporting our ESG program EBOS is committed to employee and social responsibility across New Zealand and Australia

## EMPLOYEES

- Employee engagement survey.
- Health, safety and wellbeing.
- Employee Assistance Program (EAP).
- New workplace policies.



## ENVIRONMENT

- Over 11,200 tonnes of carbon offset.
- Over 42,000 trees planted through Greenfleet.
- Launch of Sustainability Report.



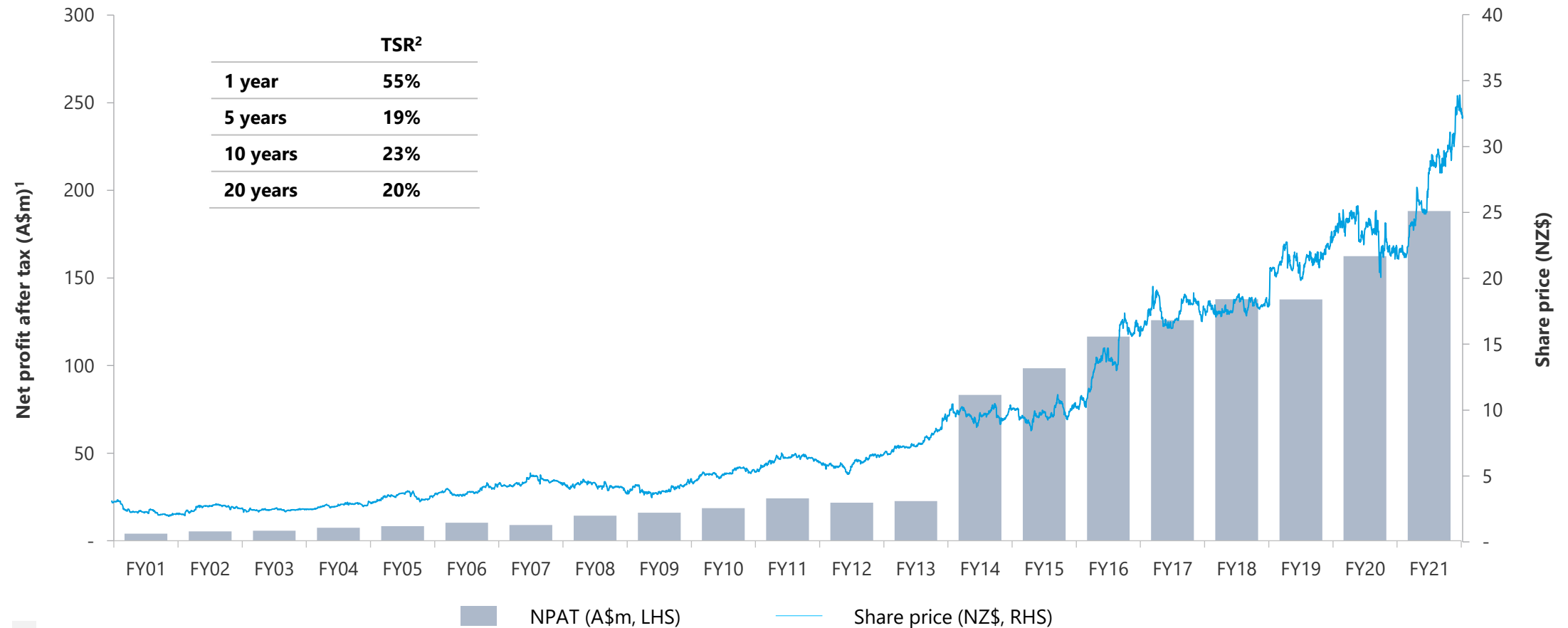
## COMMUNITY

- MALPA Young Doctors Project – 8<sup>th</sup> Year
- Reconciliation Action Plan – Year 2
- LandSAR – NZ Search + Rescue.
- Backtrack Youth Works



# 20+ YEARS OF GROWTH AND RETURNS

EBOS has a long history of delivering profit, growth and returns for shareholders



Note 1: NPAT is reported NPAT. NPAT prior to FY19 was reported in NZD and is converted to AUD at the average daily exchange rate in the financial year.

Note 2: Total cumulative shareholder returns calculated as at 30 June 2021. Calculated as capital gains and dividends paid over time period.

Share price data as at 30 June 2021. Source: Factset and Nasdaq IR.

# FY22 TRADING UPDATE

- EBOS has had a pleasing start to the FY22 financial year with strong revenue and earnings growth recorded across both our Healthcare and Animal Care segments.
- For the three months ended 30 September 2021, Group revenue and earnings grew at just over 10% compared to the prior corresponding period.<sup>1</sup>
- The Group's portfolio of businesses has proven to be very resilient throughout the COVID-19 pandemic, however lockdowns in New Zealand and Australia are evidence of the material uncertainties that exist and that may impact upon the Group's future trading performance.



# BUSINESS OF MEETING

2021 Annual Meeting

05

# ITEM 1

## Annual Report and Financial Statements

To consider and receive the annual report and the financial statements for the year ended 30 June 2021 and the audit report thereon.



# ITEM 2

## Resolution 1: Election of Director – Dr Tracey Batten

**It is hereby resolved that Dr Tracey Batten be elected as a director of the Company**

### **Election of Director – Dr Tracey Batten**

Dr Batten (MBBS, MHA, FRACMA, MBA, FAICD) was appointed as a director by the Board to fill a casual vacancy effective 1 July 2021.

Dr Batten is currently a non-executive director of Medibank Private Limited, the Accident Compensation Corporation and the National Institute of Water and Atmospheric Research. She was previously a non-executive director of Abano Healthcare Group Limited and various other healthcare related research institutes, charities and industry and government bodies.

During her executive career Dr Batten was Group CEO of Imperial College Healthcare NHS Trust in the United Kingdom, Group CEO of St Vincent’s Health Australia, CEO of Eastern Health and CEO of Dental Health Services Victoria.

The Board considers Dr Tracey Batten is an Independent Director as referred to in the NZX Listing Rules.

Pursuant to NZX Listing Rule 2.7.1 and ASX Listing Rule 14.4, a director appointed by the Board must not hold office (without re-election) past the next annual meeting following the Director’s appointment.

Dr Batten retires in accordance with NZX Listing Rule 2.7.1 and ASX Listing Rule 14.4, and offers herself for election.





# ITEM 3

## Resolution 2: Re-election of Director – Elizabeth Coutts

**It is hereby resolved that Elizabeth Coutts be re-elected as a director of the Company.**

### **Re-election of Director – Elizabeth Coutts**

Ms Coutts (ONZM, BMS, FCA) was appointed as a director on 3 July 2003. She is Chair of the Remuneration Committee and a member of the Audit and Risk Committee.

Ms Coutts is also currently Chair of Oceania Healthcare Limited and Skellerup Holdings Limited, Director of EBOS Group subsidiaries in New Zealand and Member, Marsh New Zealand Advisory Board.

She is a former Chair of Ports of Auckland Limited, Meritec Group, Industrial Research, Life Pharmacy Limited and former Deputy Chair of Public Trust. She has previously held directorships of Air New Zealand Limited, the Health Funding Authority, Sanford Limited and the Yellow Group of Companies.

She is also a former board member of Sport NZ, former board member of Tennis Auckland Region Incorporated, former member of the Pharmaceutical Management Agency (Pharmac), former Commissioner for both the Commerce and Earthquake Commissions, former external monetary policy adviser to the Governor of the Reserve Bank of New Zealand, a former President of the Institute of Directors Inc and former Chief Executive of the Caxton Group of Companies.

The Board considers Elizabeth Coutts is an Independent Director as referred to in the NZX Listing Rules.

Pursuant to NZX Listing Rule 2.7.1 and ASX Listing Rule 14.4, a director must not hold office without re-election past the third annual meeting following the director's appointment, or 3 years, whichever is longer.

Ms Coutts retires in accordance with NZX Listing Rule 2.7.1 and ASX Listing Rule 14.4, and offers herself for re-election.



# ITEM 4

## Resolution 3: Re-election of Director – Peter Williams

**It is hereby resolved that Peter Williams be re-elected as a director of the Company.**

### **Re-election of Director – Peter Williams**

Mr Williams was appointed as a director on 5 July 2013.

Mr Williams is also a director of Green Cross Health Limited. He was formerly an executive of The Zuellig Group and has extensive experience in the healthcare industry in Australasia and Asia.

The Board considers Peter Williams is an Independent Director as referred to in the NZX Listing Rules.

Pursuant to NZX Listing Rule 2.7.1 and ASX Listing Rule 14.4, a director must not hold office without re-election past the third annual meeting following the director's appointment, or 3 years, whichever is longer.

Mr Williams retires in accordance with NZX Listing Rule 2.7.1 and ASX Listing Rule 14.4, and offers himself for re-election.



# ITEM 5

## Resolution 4: Non-executive director remuneration

**It is hereby resolved that, pursuant to NZX Listing Rule 2.11.1 and ASX Listing Rule 10.17, the total remuneration for non-executive directors be increased by \$155,000 from \$1,410,000 per annum to \$1,565,000 per annum with effect from 1 July 2021.**

The table below sets out the director and Committee fees expressed on a per annum basis as at 30 June 2021, the expected fee allocations should the increase in the fee pool be approved, and the amount of the increase proposed.

Officer	30 June 2021	Post Shareholder Approval	Amount of increase
Chair	\$320,000	\$336,000	\$16,000
Director (other than Chair)	\$160,000	\$168,000	\$8,000
Chair of Audit & Risk Committee	\$37,500	\$40,000	\$2,500
Chair of Remuneration Committee	\$20,000	\$33,000	\$13,000
Member of Audit & Risk Committee	\$17,500	\$20,000	\$2,500
Member of Remuneration Committee	\$10,000	\$16,500	\$6,500
Special Exertion fee pool	\$0	\$75,000	New Pool

# ITEM 6

## Resolution 5: Auditor's remuneration

**It is hereby resolved that the directors of the Company be authorised to fix the fees and expenses of Deloitte as auditor of the Company**

Deloitte is automatically reappointed as the auditor of the Company under section 207T of the Companies Act 1993. Pursuant to section 207S of the Companies Act 1993, this resolution authorises the directors to fix the fees and expenses of the auditor.

# ITEM 7

**To consider any other business that can be properly brought before the meeting.**



# CONCLUSION

2021 Annual Meeting

06



Thank you for joining us.



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