

EBOS Group Limited

94th Annual Meeting

19 October 2016



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



**2016 Annual Meeting
Chairman – Mr Mark Waller**

Agenda

- Welcome
- Introducing members of the Board
- Presentations
 - Mark Waller, Chairman
 - Patrick Davies, Chief Executive Officer
- Business of meeting
- Conclusion

Board of Directors



Mark Waller
Independent Chairman of
Directors
Appointed 1987
Appointed Chairman 2015



Elizabeth Coutts
Independent Director
Joined 2003



Peter Kraus
Non-executive Director
Joined 1990



Stuart McGregor
Non-executive Director
Joined 2013



Sarah Ottrey
Independent Director
Joined 2006



Barry Wallace
Non-executive Director
Joined 2001



Peter Williams
Non-executive Director
Joined 2013

Record Revenue and Profit Performance for FY16

Total Revenue



\$7.1b

Up 17.0% (+16.5% Constant FX)

Return on Capital Employed



16.3%

Up 260bps

Total EBITDA



\$225.5m

Up 14.6% (+14.0% Constant FX)

Earnings per share



84.0c

Up 18.7% (+18.2% Constant FX)

Total NPAT



\$127.0m

Up 19.9% (+19.3% Constant FX)

Final Dividend per share

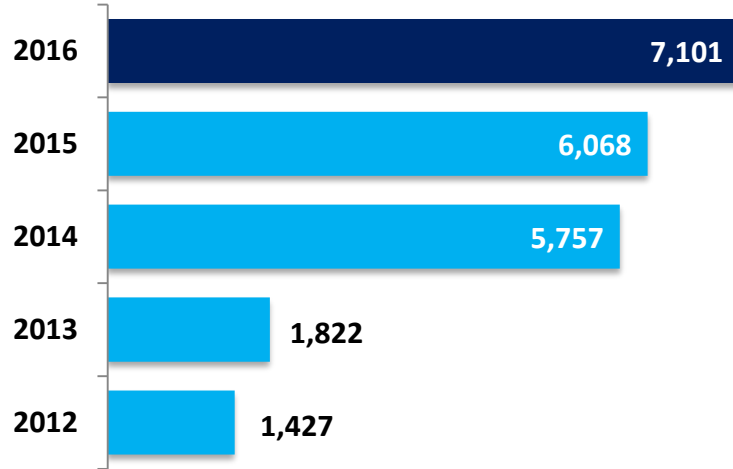


32.5c

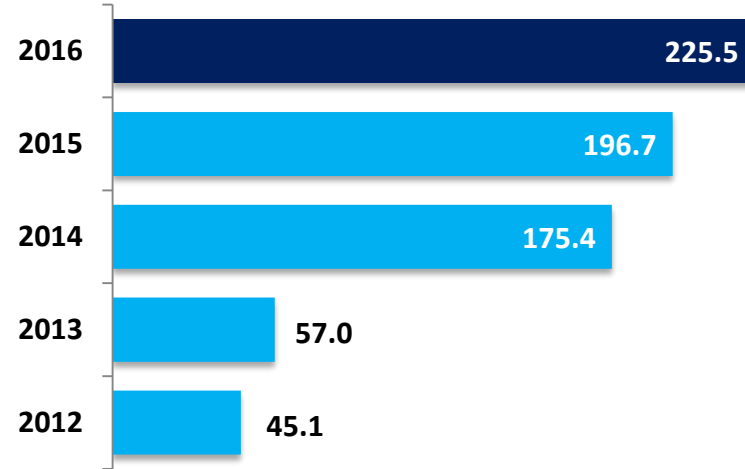
Up 30.0%

Financial Trends

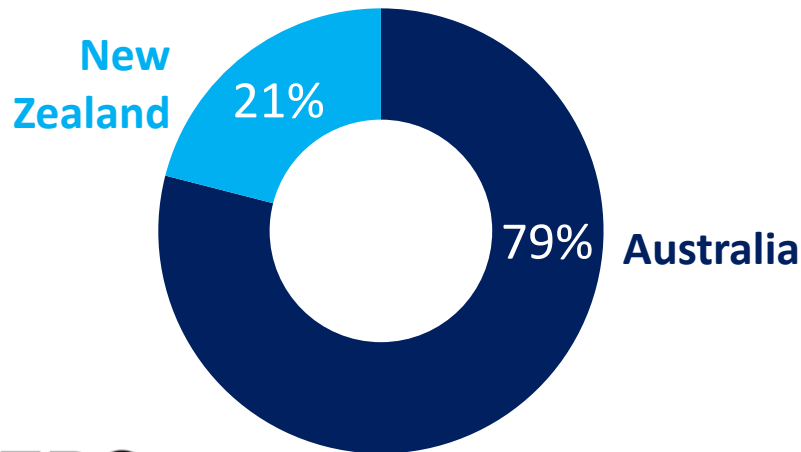
5 Year Revenue Trend (NZ\$m)



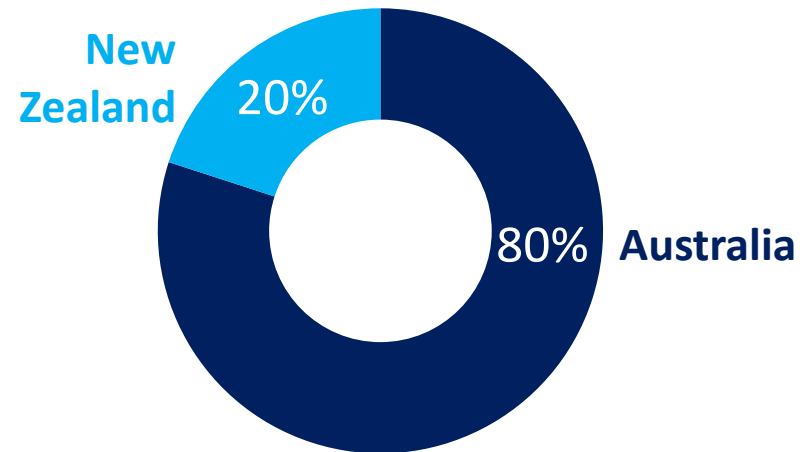
5 Year EBITDA Trend (NZ\$m)



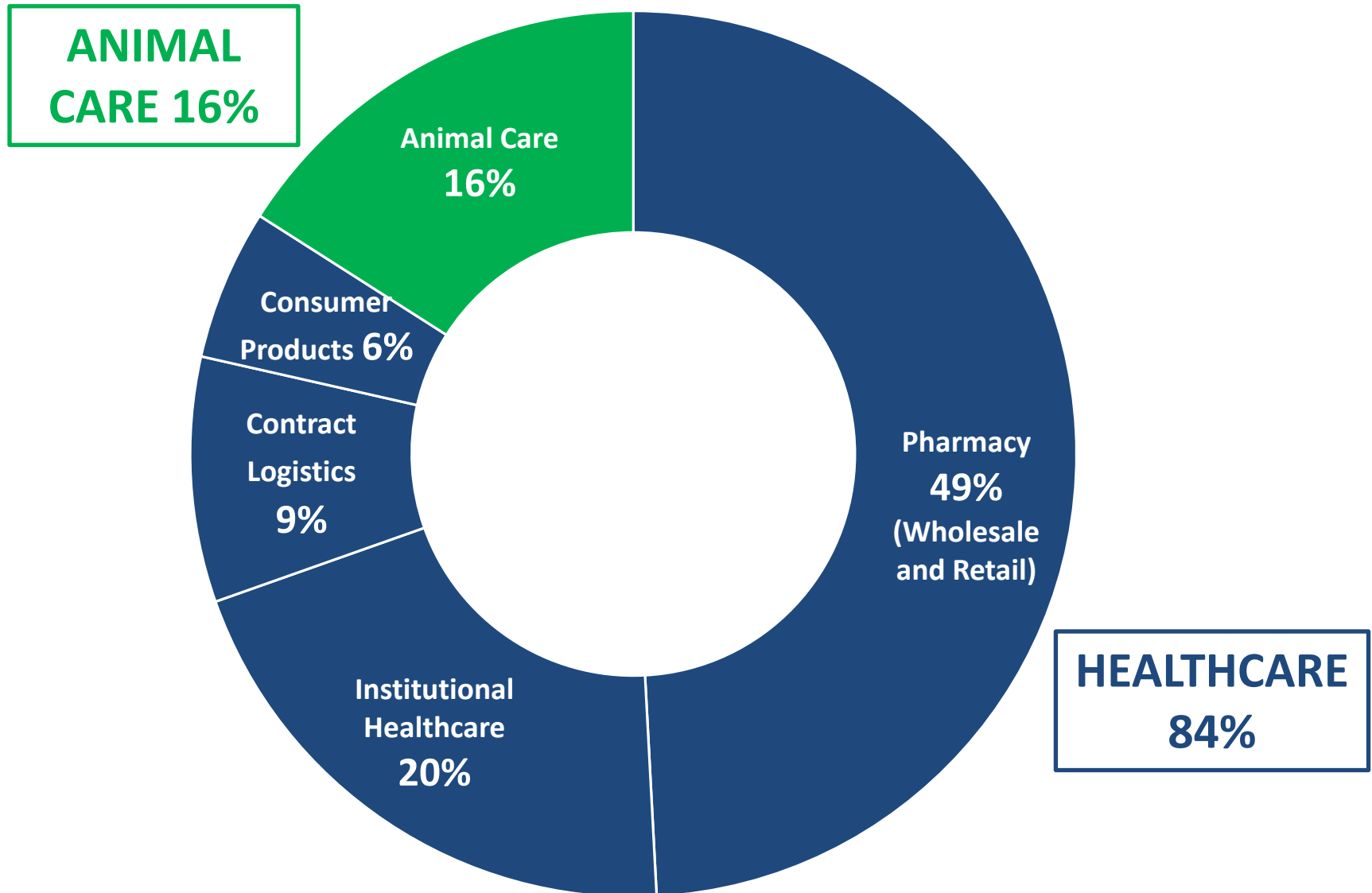
Revenue Split – FY16

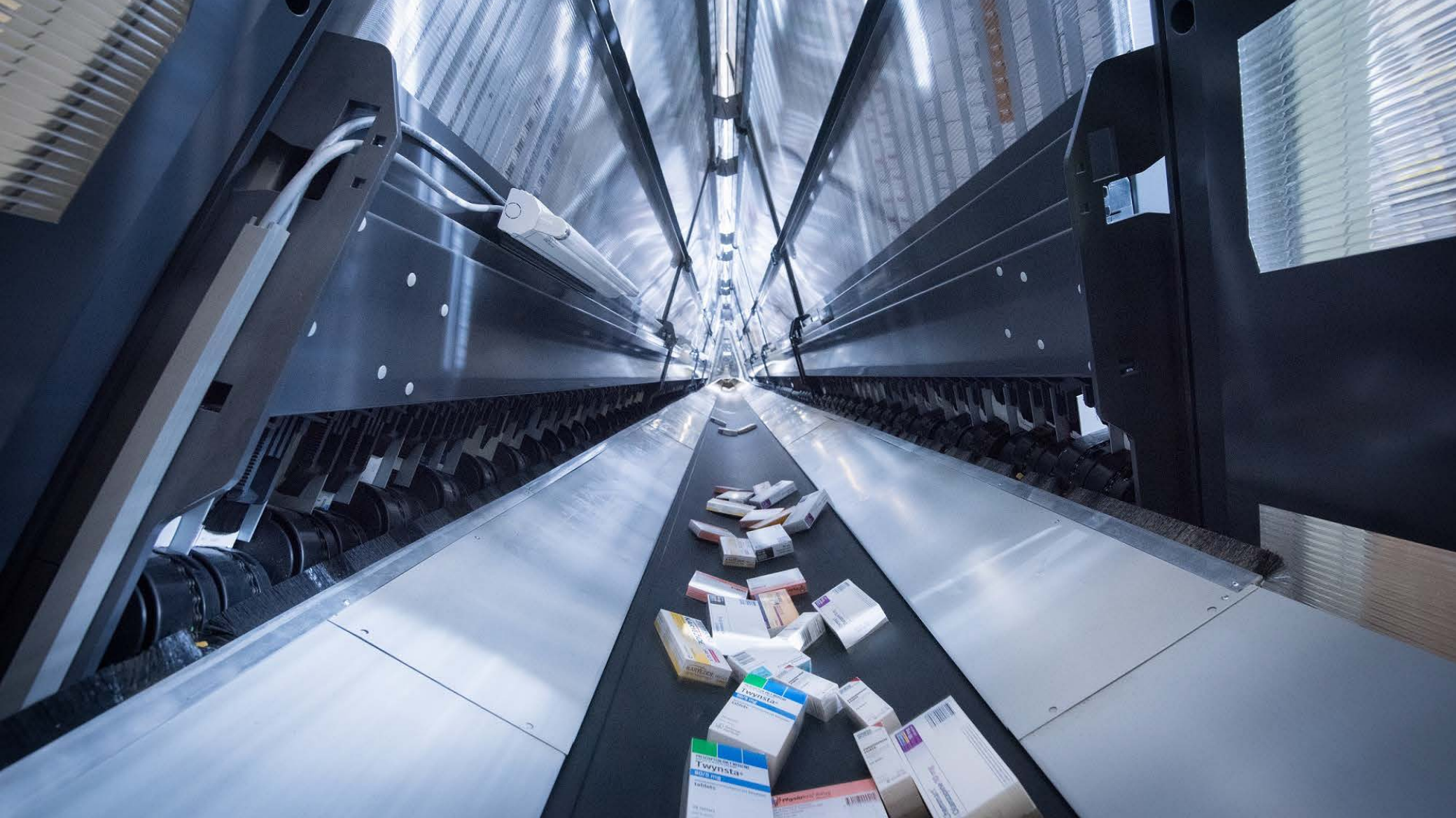


EBITDA Split – FY16



Business Segment overview





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2016 Annual Meeting CEO – Mr Patrick Davies

A-Frame automatic picking system,
Symbion Keysborough facility,
Melbourne, Australia

EBOS Approach



Our Healthcare and Animal Care strategic focus is centred on



Investing for Growth

Two types of investments:

- **External acquisitions** – we have a strong history of deal execution.



- **Internal Capex** – investment to lift productivity, manage cost and deliver better customer service.

Leading Market Positions

We aim to have positions of scale in the markets we operate in and maximise opportunities across our wide range of business segments wherever possible.







Disciplined Capital Management

- Cash generation to drive scope for further investment which allows for dividends paid in the range of 60-70% of Net Profit After Tax.
- Acquisitions focus on improving the Group's return on capital employed.

We focus on delivering profitable growth and superior returns

FY16 Highlights

Investments of \$108.4m made in FY16

-  • Acquisition of Red Seal (November 2015)
 -  • Acquisition of Zest (October 2015)
 -  • Onelink's NSW Health contract commenced
 -  • Initial investment made in a new distribution centre in Brisbane, Queensland
 -  • BlackHawk like-for-like annual sales growth of 55%
-
-  • Post balance date announcement to merge Chemmart with Terry White Group Limited to create one of Australia's largest retail pharmacy networks.

Corporate video

- The corporate video that will be shown at the Annual Meeting can be viewed on the EBOS Group website at www.ebosgroup.com

FY16 Divisional Performance

NZ\$m	FY16	FY15	Var	Constant FX Var
Healthcare segment				
Revenue	6,686.4	5,692.9	17.5%	16.9%
EBITDA	195.0	170.2	14.6%	14.2%
EBIT	174.1	149.7	16.3%	15.9%
EBITDA%	2.92%	2.99%	-7pts	-7pts

- Healthcare Revenue increased \$993.5m or 16.9% due to:
 - new Hepatitis C drug sales in Australia of \$465m, albeit at lower gross profit margins
 - Strong OTC product category sales across both countries
 - New business won, including a contribution from Red Seal
- Healthcare EBITDA increase of \$24.8m or 14.2% driven by the significant sales growth

NZ\$m	FY16	FY15	Var	Constant FX Var
Animal Care segment				
Revenue	415.0	375.2	10.6%	10.0%
EBITDA	42.3	37.1	14.0%	13.0%
EBIT	38.6	33.5	15.3%	14.3%
EBITDA%	10.19%	9.89%	30pts	28pts

- Animal Care Revenue increased \$39.8m or 10.0% primarily from growth of branded products (including BlackHawk, Vitapet) and wholesale operations (Lyppard)
- Animal Care EBITDA increase of \$5.2m or 13.0% attributable to:
 - revenue growth;
 - full financial year of BlackHawk contribution (acquired 31 October 2014); and
 - higher contribution from our 50% share in Animates.

FY17 Trading Update

- We have made a positive start to the first quarter of FY17, notwithstanding the higher NZD:AUD exchange rate which has been evident. On the basis of our current trading performance we expect constant currency, underlying net profit after tax for the 2017 financial year to grow by 7%-10% on the prior year.



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2016 Annual Meeting Business of the Meeting

Selection of our branded products from Red Seal, Faulding, Vitapet and BlackHawk

Item 1

Annual Report and Financial Statements

- To consider and receive the annual report and the financial statements for the year ended 30 June 2016 and the audit report thereon.

Item 2

Director re-election – Elizabeth Coutts

To consider the re-election of Elizabeth Coutts as a Director of the Company. Elizabeth Coutts retires by rotation and being eligible, offers herself for re-election.

Elizabeth Coutts

ONZM, BMS, CA

Independent Director



Elizabeth Coutts was appointed to the EBOS Group Limited Board in July 2003. She is a member of the Audit and Risk Committee, the Remuneration Committee and the Nomination Committee. She is Chair of Ports of Auckland Ltd, Urwin & Co Limited and Oceania Healthcare Ltd, and Director of Yellow Pages group of companies, Sanford Limited, Skellerup Holdings Limited and Tennis Auckland Region Incorporated and Member, Marsh New Zealand Advisory Board. She is Vice President of the Institute of Directors Inc.

Elizabeth is a former Chairman of Meritec Group, Industrial Research, and Life Pharmacy Limited, former director of Air New Zealand Limited and the Health Funding Authority, former Deputy Chairman of Public Trust, former board member of Sport NZ, 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 and former Chief Executive of the Caxton Group of Companies.

Item 3

Director re-election – Peter Williams

To consider the re-election of Peter Williams as a Director of the Company. Peter Williams retires by rotation and being eligible, offers himself for re-election.

Peter Williams

Non-executive Director

Peter Williams was appointed to the EBOS Group Limited Board in July 2013. He is a member of the Nomination Committee. Peter has been an executive of The Zuellig Group since 2000. Peter is a director of Pharma Industries Limited and Cambert, a company marketing health and personal care products in South East Asia. Peter is a former director of Interpharma Investments Limited.



Item 4

Director re-election – Mark Waller

To consider the re-election of Mark Waller as a Director of the Company. Mark Waller retires by rotation and being eligible, offers himself for re-election.

Mark Waller

BCOM, FACA, FNZIM

Independent Chairman of Directors



Mark Waller was appointed as Chairman of the Board in October 2015 and was formerly the Chief Executive and Managing Director of EBOS Group Limited from 1987 to 30 June 2014. He is a member of the Audit and Risk Committee and Chairman of the Remuneration Committee and the Nomination Committee. He is also a director of all the EBOS Group Limited subsidiaries, as well as being a director of Scott Technology Limited and HTS-110 Limited (alternate director). He was the recipient of the Leadership Award at the INFINZ Industry Awards in May 2014 and the Chief Executive of the Year Award at the Deloitte 200 Awards in 2011.

Item 5

Auditor fees and expenses

- That the directors be authorised to fix the fees and expenses of Deloitte as the auditor of the Company.

2016 Annual Meeting

Thank you for attending
Please join us for refreshments

www.ebosgroup.com

