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30 April 2019

NZX/ASX Code: EBO

EBOS announces a ~NZ\$150 million equity raising to provide further capacity for growth

EBOS Group Limited ("EBOS") is pleased to announce that it is conducting a fully underwritten, approximately NZ\$150 million Placement (the "Placement") to provide further capacity for growth. Proceeds from the Placement will initially be used to pay down bank debt and reduce gearing, before being used for strategic acquisitions, organic growth initiatives and general corporate purposes as they arise.

Strategic rationale and use of proceeds

EBOS continues to focus on delivering shareholder value through disciplined investments in a diverse portfolio of health and animal care related activities. Over the last 12 months, EBOS has generated significant business momentum, including:

- Executing an agreement with Chemist Warehouse Group (CWG) for the exclusive wholesale distribution of pharmaceutical products to more than 450 CWG stores throughout Australia
- Moving to 100% ownership of the Terry White Group
- Expanding our presence in the Australian medical and surgical supplies wholesale market with the acquisition of Warner & Webster
- Completing the smaller strategic acquisitions of Therapon and Quitnits

EBOS continues to believe that these initiatives will deliver a strong return on capital employed (ROCE) for all shareholders.

Following the Placement, EBOS¹ pro-forma Net Debt / EBITDA as at 31 December, 2018, will decrease to approximately 1.60x (from 2.16x).¹

With a reduced level of gearing following the Placement, EBOS will have greater flexibility to pursue strategic acquisitions and organic growth initiatives.

¹ Proforma Net Debt : EBITDA ratio is calculated as the net debt at period end to the last 12 months EBITDA, adjusting for pre-acquisition earnings of acquisitions for the period and excluding one-off items

EBOS track record of acquisitions

EBOS has a long history of successfully acquiring high quality businesses which have delivered attractive levels of growth, such as Black Hawk, Red Seal and HPS. EBOS has completed 20 deals since 2000 and has invested over A\$600 million in acquisitions and capital expenditure since FY14.

EBOS Chief Executive Officer, John Cullity, said that EBOS currently has an attractive pipeline of potential acquisitions.

"Our diversified platform and track record of delivering accretive acquisitions to our shareholders has made acquisitions core to EBOS' growth strategy. EBOS is assessing several acquisition targets within our core segments that will add greater diversification to the Group and provide synergies through the use of EBOS' existing network and capabilities."

In assessing these potential acquisitions, EBOS will continue to apply the same financial discipline that it has done with prior successful acquisitions, targeting a ROCE in excess of 15%.

Placement overview

The Placement will comprise the issue of approximately 7.7 million new ordinary shares at an issue price of NZ\$19.70 per share to institutional investors in Australia, New Zealand and selected jurisdictions² to raise approximately NZ\$150 million.

The issue price of NZ\$19.70 per share represents an 8.0% discount to the closing price on NZX of NZ\$21.42 on Monday 29 April, 2019. The Placement is fully underwritten by UBS New Zealand Limited, who is acting as Sole Lead Manager and Underwriter for the Placement. The new EBOS shares to be issued under the Placement will rank equally with existing EBOS shares.

Timetable

Key dates in relation to the Placement are as follows:

Event	Date
Trading halt on NZX and ASX	30 April 2019
Placement completion announcement lodged with NZX / ASX and EBOS recommences trading on NZX and ASX	1 May 2019
ASX Settlement	3 May 2019
NZX Settlement	6 May 2019
Allotment and trading of Placement Shares	6 May 2019

² The investor presentation released to the NZX and ASX today includes the list of offer jurisdictions

Further details

Further details of the Placement are set out in the Investor Presentation lodged with the NZX and ASX today. The Investor Presentation contains important information including key risks and international offer restrictions with respect to the Placement.

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About EBOS Group

EBOS Group Limited 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.

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