

6 June 2023

NZX/ASX Code: EBO

EBOS and Chemist Warehouse Australian contract update

EBOS Group Limited (EBOS) has been informed by Chemist Warehouse that it intends to pursue alternative wholesale supply arrangements for its Australian stores and, as a result, the contract will not be renewed beyond its expiry date of 30 June 2024. EBOS currently generates approximately \$1.9 billion in revenue annually from the contract and will continue to perform services under the contract until the expiry date.

EBOS Chief Executive Officer John Cullity said “We have always recognised that the contract renewal was a risk to our business and therefore we have been developing strategies to minimise the earnings impact from this potential outcome and create alternative opportunities for growth. We are confident in the growth strategies we have for both our healthcare and animal care sectors and in the overall diversity of the Group’s earnings.”

EBOS’ growth strategy

EBOS has multiple growth drivers across the Group, including:

Community Pharmacy:

- Expanding our pharmacy wholesale services to numerous other branded and independent pharmacy customers. As a leading wholesaler we are positioned favourably with pharmacy customers and expect to be able to capitalise on the changed industry dynamics;
- Continuing to expand the TerryWhite Chemmart network, which is now one of Australia’s largest community pharmacy networks with approximately 550 stores, having grown by approximately 150 stores over the last four years;

Institutional Healthcare:

- Further growing our medical technology distribution business through organic and inorganic growth, including benefitting from the acquisition of LifeHealthcare;
- Continuing our growth as a leading wholesaler of medicines to hospitals, including specialty drugs for the treatment of serious illnesses;
- Further growing our medical consumables distribution business both organically and inorganically, to supply the needs of thousands of hospitals, aged care and primary care customers;

Contract Logistics:

- Continuing to expand our contract logistics services to over 100 pharmaceutical principals and other clients. This includes investing in new facilities in response to market growth opportunities in both Australia and New Zealand;

Animal Care:

- Capitalising on the strength of our leading pet food and treats brands, Black Hawk and Vitapet, including expanding these brands in attractive categories through new product development initiatives;
- Realising the benefits of our investment in our state-of-the-art pet food manufacturing facility, including increased margins and supply chain competitive advantages;

Other group opportunities:

- Exploring opportunities to expand our activities in Southeast Asia, building on the recent acquisition of a majority stake in Transmedic, an independent medical technology distributor;
- Continuing to explore expansion opportunities in attractive adjacent segments of the healthcare and animal care sectors; and
- Reviewing our cost base to identify efficiencies in both our Community Pharmacy division and more broadly across the Group.

Balance sheet

EBOS continues to have a strong balance sheet, with pro forma net debt : EBITDA of approximately 2x as at 31 December 2022 (excluding the EBITDA generated from the Australian Chemist Warehouse contract).

Conference call

EBOS Chief Executive Officer, John Cullity, will hold an investor and analyst conference call at 3.00pm (NZT) / 1.00pm (AEST) today. Please register via the following link: <https://s1.c-conf.com/diamondpass/10031270-op5553c.html>

For further information please contact:

Media:

New Zealand

Geoff Senescall
Senescall Akers
+64 21 481 234

Investor Relations:

Martin Krauskopf
EGM, Strategy, M&A and Investor Relations
EBOS Group
+61 3 9918 5555
martin.krauskopf@ebosgroup.com

Australia:

Patrick Rasmussen
PRX
+61 430 159 690

Authorised for lodgement with NZX and ASX by the Board of Directors.

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.