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MARKET RELEASE

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EBOS 2025 Half-Year Results

EBOS REPORTS STRONG UNDERLYING GROWTH[1] REFLECTING THE STRENGTH OF ITS DIVERSIFIED BUSINESS MODEL

Half-Year Highlights[2]

- Revenue of $6.0 billion (up 9.5%[1])
- Underlying EBITDA of $291 million (up 7.1%[1])
- Underlying NPAT of $131 million
- Underlying EPS of 67.5 cents
- Interim dividend declared of NZ 57.0 cents per share (maintained at H1 FY24 level)
- Strong progress made on our near-term growth strategies:
    - Underlying EBITDA growth for the Healthcare and Animal Care segments of 7.0%[1] and 7.2% respectively
    - Approximately $100m revenue from new pharmacy wholesale customers ($450m+ annualised)
    - $15m cost savings achieved
    - Three investments completed in the Medical Technology business in Southeast Asia[3]
- EBOS reiterates its guidance that the Group expects to generate Underlying EBITDA between $575 - $600 million in FY25

$m[4,5]	Underlying Results (ex. CWA[1])[2]		Statutory Results	
Total Revenue	$5,991m	up 9.5%	$5,991m	down 9.0%
EBITDA	$291m	up 7.1%	$276m	down 9.0%
EBIT	$236m	up 7.8%	$207m	down 12.4%
Net Profit after Tax	$131m		$110m	down 18.9%
Earnings per Share	67.5 cents		56.9 cents	down 19.8%
Interim Dividend per Share			NZ 57.0 cents	maintained

To provide a like-for-like comparison to the prior corresponding period, where applicable, this release includes comparisons against underlying earnings exclusive of the estimated revenue and earnings from the Chemist Warehouse Australia (CWA) contract. It also shows comparisons on a statutory basis.

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

"We are pleased with the Group's performance for the half year and we are on-track to achieve our guidance for the full year. This performance reflects the execution of our near-term strategies to drive revenue growth[1], cost efficiencies and strategic acquisitions.

The statutory results are down on the prior corresponding period reflecting the loss of the CWA distribution contract. However, the Group increased Underlying EBITDA by 7.1% excluding the CWA contract.

EBOS' Healthcare segment grew Underlying EBITDA by 7.0%[1], benefitting from its leading market positions, and had solid contributions from each of the Community Pharmacy[1], TerryWhite Chemmart (TWC) and Institutional Healthcare businesses.

Our TWC business continued its trajectory of strong growth with store numbers now at 616, an increase of 52 stores over the last 12 months and like for like sales growth of 9.3%. Our Symbion wholesale business will also benefit in future periods from the recently executed First Pharmacy Wholesale Agreement which was signed in December 2024 and which will support a sustainable wholesale remuneration model.

EBOS' Animal Care segment grew Underlying EBITDA by 7.2%, driven by the strong performance of the branded business. The core brands continued to either expand or maintain share leadership, supported by new product developments launched in 2024 that continued to resonate with customers. Vet wholesale also returned to steady growth.

Consistent with the Group's strategy of growing in Southeast Asia, we made three investments in the region, including two bolt-on acquisitions and increasing our shareholding in Transmedic from 90% to 100%[3].

The Group is well positioned to deliver long-term growth due to its defensive growth sectors, scale and leading positions, diversification and multiple growth drivers. This is supported by the Group's strong financial track record of delivering consistent year-on-year Gross Operating Revenue (GOR) growth over the last decade, excluding the CWA contract, with GOR CAGR of 11.1% over this period."

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

"Given the significant adjustment to our business volumes in the first half, it is pleasing to see EBOS continue to deliver a strong underlying performance[1]. The Board has maintained the interim dividend at NZ 57.0 cents, the same level as the prior period, reflecting our confidence in the future growth of the Group."

Healthcare

Healthcare ($m)	31 Dec 2024	31 Dec 2023	Variance	Growth ex. CWA[1]
Revenue	$5,687m	$6,296m	(9.7%)	9.7%
Statutory EBITDA	$235m	$274m	(14.0%)	
Underlying EBITDA[2]	$250m	$275m	(9.1%)	7.0%
Underlying EBITDA margin	4.4%	4.4%	flat	

Our Healthcare segment generated revenue of $5.7 billion and Underlying EBITDA of $250 million, an increase of 9.7% and 7.0%[1] respectively on the prior corresponding period. This performance was driven by organic growth and strong performances across the Community Pharmacy[1], TWC and Institutional Healthcare businesses.

In Australia, Healthcare revenue was $4.4 billion and Underlying EBITDA was $200 million, an increase of 11.8% and 6.6% respectively[1] led by Community Pharmacy and Institutional Healthcare. In New Zealand & Southeast Asia, Healthcare revenue was $1.3 billion and Underlying EBITDA was $51 million, representing growth of 2.8% and 8.5% respectively, primarily driven by double-digit EBITDA growth in our Transmedic business in Southeast Asia and growth in New Zealand, excluding COVID-19 related products.

Community Pharmacy revenue was $3.1 billion (up 12.2%[1]), driven by approximately $100m of revenue from new wholesale customers in H1 FY25 ($450m+ annualised), growth from existing pharmacy wholesale customers, TWC's continued sales growth and store expansion and accelerating sales of GLP-1 medicines, as supply becomes increasingly available. The Community Pharmacy business made excellent progress in adjusting to the lower sales volumes with a number of initiatives implemented to ensure our productivity measures were in line with expectations. Further improvements are expected in the second half and FY26 as we adjust our operations to the lower volumes. Pleasingly, the First Pharmaceutical Wholesaler Agreement was signed in December 2024 and provides for a modest funding increase from H2 FY25 and a further increase from FY27.

The TWC network reached 616 stores in the half, adding 52 stores in the last year and grew network sales by 11.0% and like-for-like sales by 9.3%.

Institutional Healthcare revenue increased by $191 million (up 9.7%) and Gross Operating Revenue increased by $25 million (up 8.3%). Medicines and consumables revenue grew by 10.5%, driven predominantly by Symbion Hospitals' sales of high value specialty medicines. Medical Technology delivered revenue growth of 5.5% driven by strong growth in allografts, implants and orthopaedics and double-digit growth in Southeast Asia. Medical Technology growth was partially offset by supply issues in the spine channel, which are expected to ease in the second half, and capital sales being impacted by reduced hospital demand.

Three investments were completed in the Medical Technology business in Southeast Asia and are consistent with EBOS' strategy of growing in that region[3]. The Group recently increased its shareholding in Transmedic from 90% to 100% and completed two bolt-on acquisitions, one in Malaysia and one in the Philippines, which strengthen Medical Technology's presence in the orthopaedics segment in those countries. In aggregate, we have deployed approximately $70 million for these three investments.

Our Contract Logistics business in Australia continues to generate growth through new and existing principals, enabled by the investment in new warehouse capacity. In New Zealand, the Contract Logistics business experienced a reduction in first half GOR due to a fall in demand for the storage and servicing of COVID-19 related products. As a result, overall Contract Logistics GOR was in line with the prior corresponding period.

Animal Care

Animal Care ($m)	31 Dec 2024	31 Dec 2023	Growth
Revenue	$304m	$286m	6.3%
Statutory EBITDA	$59m	$47m	25.8%
Underlying EBITDA[2]	$59m	$55m	7.2%
Underlying EBITDA margin	19.5%	19.3%	20bp

Our Animal Care segment generated revenue of $304 million and Underlying EBITDA of $59 million, an increase of 6.3% and 7.2% respectively on the prior corresponding period. Animal Care segment growth was driven by the strong performance of the branded business.

The branded business grew revenue by 7.6%, driven by strong performances from Black Hawk and VitaPet which have continued to either grow or maintain share leadership. In addition, our Superior Pet Food business performed well, with growth in dog roll products and bulk treats. The branded business also grew revenue from new products launched in 2024. This growth was partially offset by softer demand in discretionary categories such as accessories.

Animal Care's wholesale business, Lyppard, returned to steady growth with revenue growth for the period of 4.8%, due to higher trading in vet groups combined with easing of cat vaccine supply issues.

One-off Costs

The Group incurred one-off costs of $15 million in the first half primarily associated with one-off M&A transaction costs and non-recurring restructuring and site transitions costs[6]. Refer to Appendix 1 for further details.

Cash Flow, Return on Capital Employed, Net Debt and Net Finance Costs

The Group generated a solid underlying operating cash flow of $205 million, up $90 million compared to the prior corresponding period, reflecting an improvement in net working capital.

Return on Capital Employed (ROCE), excluding the CWA contract, was 13.3%. As previously communicated, ROCE has been reset with the conclusion of the CWA contract. On a like-for-like basis, ROCE marginally improved compared to June 2024.

The Net Debt : EBITDA ratio at 31 December 2024 was 2.07x (2.06x as at 31 December 2023). During the period, EBOS refinanced its corporate debt facilities, extending the weighted average maturity to 3.3 years (FY24: 1.6 years) and increasing available funds by approximately $150 million.

Net Finance Costs increased to $51 million primarily due to lease interest costs associated with new distribution centres and higher interest rates.

Sustainability and Community

We remain committed to implementing environmentally responsible practices and initiatives across our business. While New Zealand already utilises renewable energy, we remain on track to self-generate solar power equivalent to our forecast Australian electricity consumption by FY27. In October 2024, we released our first Climate Statement which can be found at www.ebosgroup.com/sustainability/climate-statement.

Masterpet has begun transitioning its VitaPet Snacks and Treats ranges into 100% recyclable packaging. This transition will take place throughout 2025 as we gradually introduce the new packaging into retail outlets.

Cyber security remains a priority for the Group. We continued to implement a comprehensive cyber security uplift program to further enhance security in line with evolving threats. We also achieved ISO 27001 cyber security certification for an additional three business units.

We introduced Executive Safety Leadership Walks in our distribution centres to drive proactive engagement, increase visibility and improve safety outcomes. In addition, we launched the EBOS Life Savers initiative, which outlines critical controls to reduce the risk of significant injury or harm to our employees during high-risk activities.

EBOS continues to collaborate with community partners across New Zealand and Australia who align with our purpose 'Advance opportunities to enrich lives'. Our Group and employees continue to support organisations including Ovarian Cancer Australia, Guide Dogs Australia, BackTrack, LandSAR, FightMND, Cerebral Palsy Alliance and others. Further detail on our ESG Program can be found at www.ebosgroup.com/sustainability.

CEO Succession

As separately announced today, John Cullity will be retiring as CEO, effective 30 June 2025, and Mr Adam Hall will commence as CEO on 1 July 2025.

Adam Hall is a highly accomplished global executive with a strong track record in strategic growth, mergers and acquisitions and operational excellence. Most recently, as Group Executive & President – Asia for Orica Limited, he successfully led significant growth in earnings and scale, while driving innovation and efficiency.

The Chair and Board express their gratitude to John for his outstanding leadership, which has been a key driver of EBOS' strong growth over his seven years as CEO and look forward to welcoming Adam to the EBOS team.

Board Renewal

Consistent with EBOS' Board renewal process, Matt Muscio was appointed as a non-executive director and Coline McConville was appointed as an independent non-executive director, effective 1 January 2025 and 1 February 2025 respectively. The appointments are consistent with EBOS' Board succession planning. EBOS has appointed five new directors since July 2021 with a diverse mix of skills. The Board is now comprised of seven directors, of which six are independent.

Interim Dividend

The Directors declared an interim dividend of NZ 57.0 cents per share, maintained at the H1 FY24 level, reflecting the Board's confidence in the future growth of the Group. This implies a dividend payout ratio of 77.3%[7] on an underlying basis.

The Dividend Reinvestment Plan (DRP) will be operational for the interim dividend. Shareholders can elect to take shares in lieu of a cash dividend at a discount of 2.5% to the volume weighted average share price (VWAP).

The record date for the dividend is 28 February 2025 and the dividend will be paid on 21 March 2025. The dividend will be imputed to 25% for New Zealand tax resident shareholders and fully franked for Australian tax resident shareholders.

Outlook

EBOS is pleased with the strong underlying earnings growth[1] in the first half of FY25, driven by both organic growth and acquisitions.

EBOS has demonstrated resilience and delivered underlying growth[1] as we adapt positively to changing market dynamics, reflecting the defensive and diverse nature of the Group.

EBOS reiterates its guidance that the Group expects to generate Underlying EBITDA between $575 – $600 million in FY25. This implies growth of approximately 5-10% compared to the prior year[1]. H1 FY25 Underlying EBITDA growth of 7.1%[1] is supportive of this guidance.

The Group continues to explore an active pipeline of M&A opportunities.

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:
https://edge.media-server.com/mmc/p/g6eook5c

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.

EBOS GROUP LIMITED

Appendix 1 – Reconciliation of Statutory to Underlying Results

$m	H1 FY25 Revenue	H1 FY25 EBITDA	H1 FY25 EBIT	H1 FY25 PBT	H1 FY25 NPAT	H1 FY24 Revenue	H1 FY24 EBITDA	H1 FY24 EBIT	H1 FY24 PBT	H1 FY24 NPAT
Statutory result	**5,991**	**276**	**207**	**156**	**110**	**6,582**	**303**	**237**	**192**	**136**
M&A transaction costs	-	5	5	5	4	-	10	10	10	7
Restructuring & site transition costs	-	10	10	10	7	-	-	-	-	-
LifeHealthcare PPA amortisation (non-cash)	-	-	13	13	9	-	-	13	13	9
Total underlying earnings adjustments	-	15	28	28	21	-	10	23	23	16
Underlying result	**5,991**	**291**	**236**	**184**	**131**	**6,582**	**313**	**260**	**215**	**152**
CWA estimated earnings	-	-	-			(1,110)	(41)	(41)		
Underlying result excluding CWA	**5,991**	**291**	**236**			**5,473**	**272**	**219**		

H1 FY25 underlying earnings exclude one-off M&A transaction costs, non-recurring restructuring and site transition costs and the amortisation (non-cash) expense attributable to the LifeHealthcare acquisition PPA of finite life intangible assets.

H1 FY24 underlying earnings excludes one-off M&A costs, primarily associated with a large strategic transaction which did not proceed, and the amortisation (non-cash) expense attributable to the LifeHealthcare acquisition purchase price accounting (PPA) of finite life intangible assets.

To provide a like-for-like comparison to the prior corresponding period, where applicable, this presentation includes comparisons against underlying earnings exclusive of the estimated earnings from the Chemist Warehouse Australia (CWA) contract for the 31 December 2023 period.

[1] Growth is H1 FY25 Underlying compared to H1 FY24 Underlying when normalised to exclude the Chemist Warehouse Australia (CWA) contract.
[2] Underlying earnings for both the 31 December 2024 and 31 December 2023 periods exclude one-off M&A transaction costs, the amortisation (non-cash) expense attributable to the LifeHealthcare acquisition purchase price accounting (PPA) of finite life intangible assets and non-recurring restructuring and site transition costs. Refer to Appendix 1 for details.
[3] Includes one acquisition that was previously announced at the FY24 results and was completed in July 2024, and one investment that was completed in January 2025.
[4] All amounts included are denoted in Australian dollars unless otherwise stated.
[5] Comparisons shown to prior corresponding period.
[6] Excludes the LifeHealthcare PPA amortisation.
[7] Dividend payout ratio is based on an underlying basis on a NZD:AUD average exchange rate of 0.912.