

Greencross Limited

The Pet Company

CEO's AGM PRESENTATION

22 OCTOBER 2015



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The ANZ pet sector is resilient and growing

Greencross' addressable market in ANZ is estimated to be approaching A\$9 billion and growing at ~4% per year supported by demographic and social trends

Key drivers of the growth in the pet sector

Pet products (Includes pet food)

- **Humanisation** – owners treating pets as part of their family leads to more purchases of higher quality food, cat and dog “treats” and accessories¹
- **Premiumisation** – increasing trend towards high nutrition foods including breed specific and age specific foods containing dietary supplements

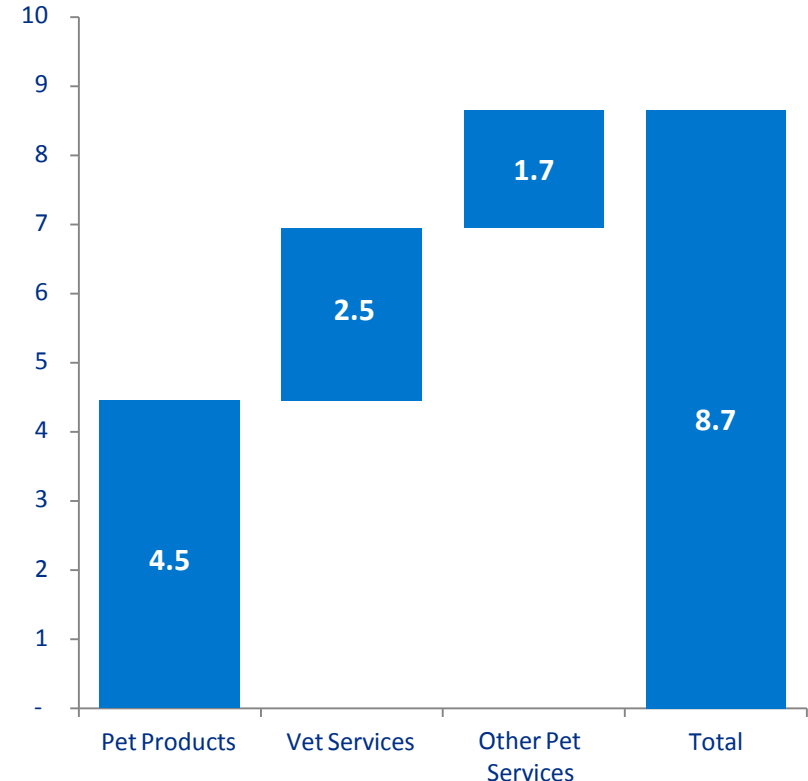
Veterinary services

- **Humanisation** – desire to provide highest level of medical care to pets regarded as family members, moving from reactive to proactive well-being care
- **Specialisation** – increasing demand for specialised medical procedures, particularly as pet insurance penetration rates increase
- **Aggregation** - demographic trends, including the high proportion of female vet graduates in Australia (80%), is reducing demand for practice ownership

Other pet services

- **Humanisation** – increasing demand for services including dog washing, grooming, dog walking, dog minding, pet hotels, training & obedience, travel, pet crematoria etc.
- **Outsourcing** – increased demand for outsourcing of activities like dog walking , grooming and dog washing by time poor pet parents

Australian and New Zealand pet care market (A\$ billion)²



1. 60% of Australian pet owners regard their pets as members of their family (Source: Pet Ownership in Australia 2013).
2. Source: Management estimates, Euromonitor and IBIS World Industry Reports.

Who is Greencross Limited ?

Greencross Limited
The Pet Company

Greencross is Australasia's pre eminent integrated pet care company



Strong brands and extensive store and clinic network

- 209 stores
- 142 clinics (including GP's, co-located clinics and specialty & emergency centres)
- 43 in-store grooming salons
- 111 in-store dog washes

Market leader in the ANZ pet care sector

- More stores and more clinics than nearest 4 competitors combined
- Australia's largest employer of vets (over 400)
- Extensive reach - over half of ANZ pet owners have convenient access to one of our stores or clinics
- Leading provider of grooming services
- 8% market share in an expanding pet care market

A growth company

- Strong track record of top and bottom line growth
- Consistent, leading LFL sales
- Extensive store and clinic expansion runway with Co-locations and flexibility of store formats expand the network opportunity
- Leading market share in high margin segments including super premium food and specialty medical services
- Margin opportunities from scale, private label sales and cross shop

Unique integrated offering

- One stop shop – products, veterinary care, grooming, DIY dogwash and specialty medical
- Extensive range of products and services
- Growing private label and exclusive brands
- Passionate staff committed to excellent service
- Multi channel offer, growing on-line and digital presence
- Over 2.9 million loyalty club members with > 80% swipe rate enabling targeted retail and services cross selling

Clear Purpose

"To make our world a happier place through the love of pets" – Affordability, Accessibility, Knowledge, Community

Clear growth strategy

Our strategy is consistent and simple – to profitably expand our business, leveraging the benefits of our scale, expanding our reach, and increasing our engagement with customers through our unique integrated model

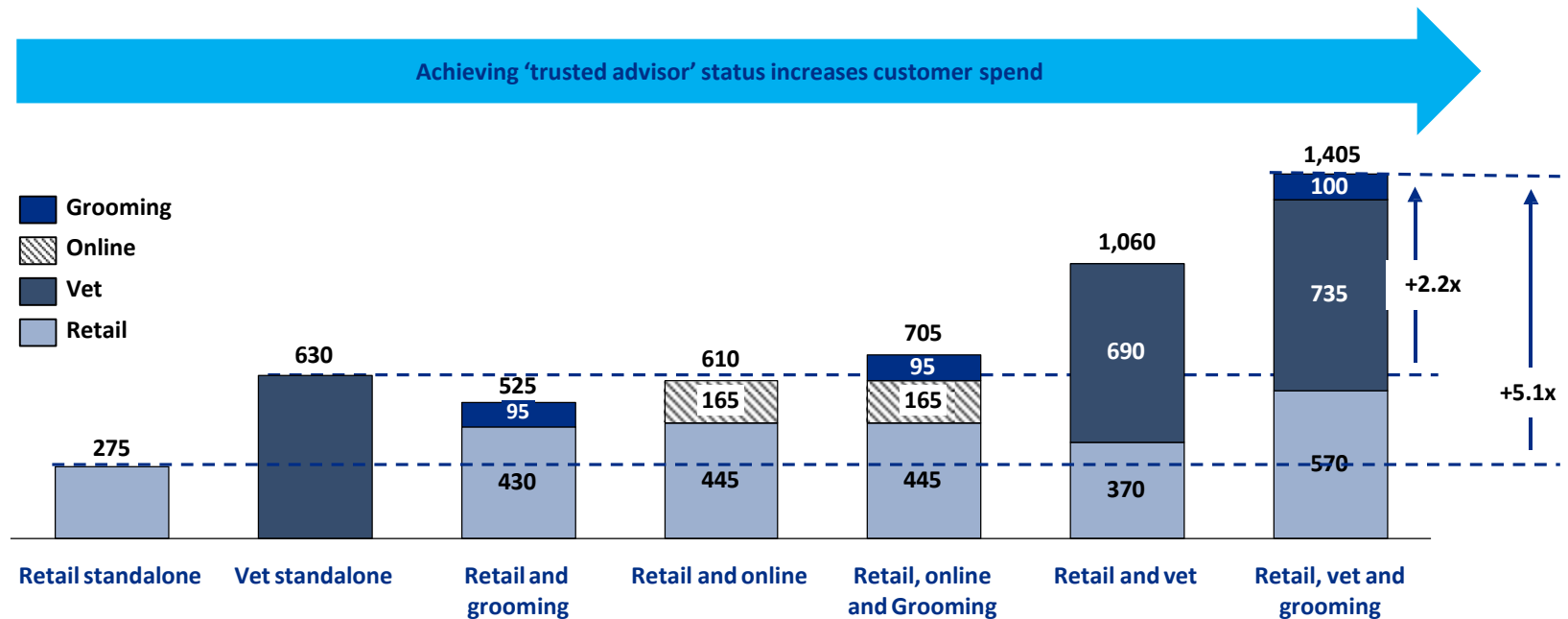


The continued effective implementation of the strategy by an experienced management team will deliver sustainable top and bottom line growth

Integrated model drives greater share of wallet and incremental spend

Today, Greencross is accessible to only 59% of ANZ pet owning households

Greencross Average Customer Spend - \$ per annum¹



1. Based on 12 months of actual Greencross data. Over 80% of purchases at our retail stores are made on a loyalty card.

A clear focus on strategic initiatives to unlock cross-shopping value

- Co-Location
 - Creating the 'one-stop shop' solution for pet care needs
 - Integrating product and service into a seamless proposition
 - Allowing vet and retail to leverage expertise and capability
- Cross Referral
 - Personal intervention within the retail environment
 - Responds to retail customers needs in the early informative stages
 - Encourages new-client sign-up at Greencross vets
- Group Wide Loyalty
 - Trial live in SE Queensland for 9 weeks – results encouraging
 - Launch nationally by the end of the year
 - Allows earning and redemption of rewards across both brands



FY2015 results highlights

	FY2015 ¹	FY2014 ²		% Change
Revenue	\$644.5m	\$445.5m	↑	+45%
LFL sales	+6.2%	+6.0%	↑	+20bps
Gross Margin%	55.3%	54.8%	↑	+50bps
EBITDA	\$86.8m	\$54.3m	↑	+60%
EBITDA Margin	13.5%	12.2%	↑	+130bps
NPAT (post minorities)	\$38.2m	\$21.6m	↑	+77%
EPS	34.3 cents	24.0 cents	↑	+43%
Annual Dividend	17.0 cents	12.5 cents	↑	+36%

1. Excludes one off acquisition, integration and restructuring costs in line with previous guidance

2. Assumes the merger with Mammoth was completed on 1 July 2013 including pro forma 12 months of merger synergies and excludes acquisition and integration costs and one off items

Store and clinic expansion

In FY2015 Greencross expanded our store and clinic network by 35% to 332 outlets

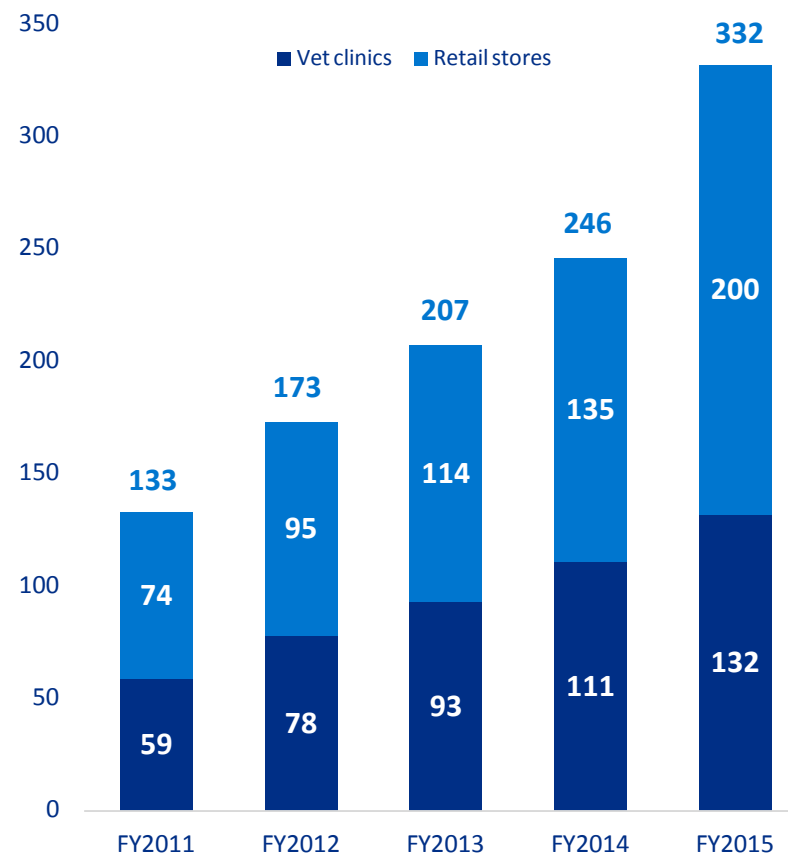
FY2015 network expansion

- Added 65 stores¹ increasing total store numbers to 200
- Added 21 clinics¹ increasing clinic numbers to 132
 - FY2015 acquisitions are expected to deliver annualised revenue of over \$31 million
 - Total vet clinic numbers includes 3 co-located clinics

FY2016 network targets

- 20 additional stores
- \$20 million of acquired vet revenue
- 12 co-located clinics

Store and Clinic Network



1. Net increase including store and clinic closures

In addition to growing the fleet by 35% we also:

- Saved the lives of over 21,000 pets without homes by finding them new loving homes
- Invested over 120,000 hours of team time in frontline training
- Grew retail loyalty membership by 25% to over 2.9 million members
- Grew Healthy Pets Plus membership by 43% to over 43,000 members
- Implemented a customer led supply chain under Greencross control to support a national high growth business
- Extended our vet medical specialist reach into NSW via an investment in the Animal Referral Hospital in Sydney
- Extended our vet reach into New Zealand with the acquisition of 3 clinics in Wellington
- Grew our online business by 80%

- Q1 trading in line with expectations
 - Total revenue growth of 19%
 - Group LFL sales growth of 6.0% comprising Australian retail 5.0%, NZ retail 9.1% and veterinary 4.8%
 - Weakness in WA and out performance in NZ
- Network update as at Q1 FY2016
 - Added 9 new stores¹
 - Completed 4 vet acquisitions
 - Added 6 co-located clinics
 - On track to meet full year expansion targets
- Banking update
 - Amendments to existing debt facility with NAB/CBA agreed and being documented
 - Improved and simplified covenants, headroom remains comfortable
 - Line extended by \$50 million and margin improved

1. Net increase including one store closure

End

