

Greencross Limited

The Pet Company

GREENCROSS 2018 ANNUAL GENERAL MEETING CEO PRESENTATION



FY18 operational highlights

- New executive leadership team in place, with the skills and capability to leverage the strength of our integrated platform
- Strong sales momentum which has continued into FY19 – 7.5% top line growth and 4.9% like-for-like (LFL) sales growth
- Integrated sites delivering superior results
 - 8.5% LFL sales growth
 - 17 in-store vet clinics added: +15 Australia, +2 New Zealand
 - 22% of retail stores now have an in-store clinic
- Strong and growing group loyalty program accounting for over 90% of retail sales
- Private label sales increased to over \$115m and private label food sales in Australia have increased by 25%
- Lowered vet turnover and vacancy rates
- Online sales up 70% to over \$20m, driven by click & collect

FY18 summary of financial performance

Underlying EBITDA of \$97.6 million in line with guidance

\$m

Before exceptional items

Revenue	878.7
Underlying EBITDA	97.6
Underlying NPAT attributable to GXL shareholders	37.2
Underlying EPS (cents)	31.5
Dividends per share (cents)	15.5

Exceptional items

Recognised in EBITDA	22.8
Recognised in depreciation	1.4

After exceptional items

EBITDA	74.8
Statutory NPAT attributable to GXL shareholders	20.7
Statutory EPS (cents)	17.5

Greencross business strengths

Greencross has an unrivalled integrated pet care platform that we can leverage to grow our market share

- Outstanding and growing customer loyalty base of over 1.9 million active members with more than 90% of retail revenue linked to our Friends For Life program
- Australia-New Zealand market leader in both specialty pet retail and vet
- Unique integrated service offering in emotionally engaged segment
- Capability to deliver highly personalised offers in a channel agnostic manner
- Private label products at scale and growing, with potential to leverage into Asia
- 5,100 pet passionate team members

Strategic priorities to drive growth

New executive leadership team has identified 5 strategic priorities

1

Expand our integrated pet care model

2

Invest in personalisation and omni to leverage our loyalty data and customer intimacy

3

Differentiate our retail offering to deliver a unique customer experience

4

Improve vet operational performance and deliver a future vet model offering customers improved service and convenience

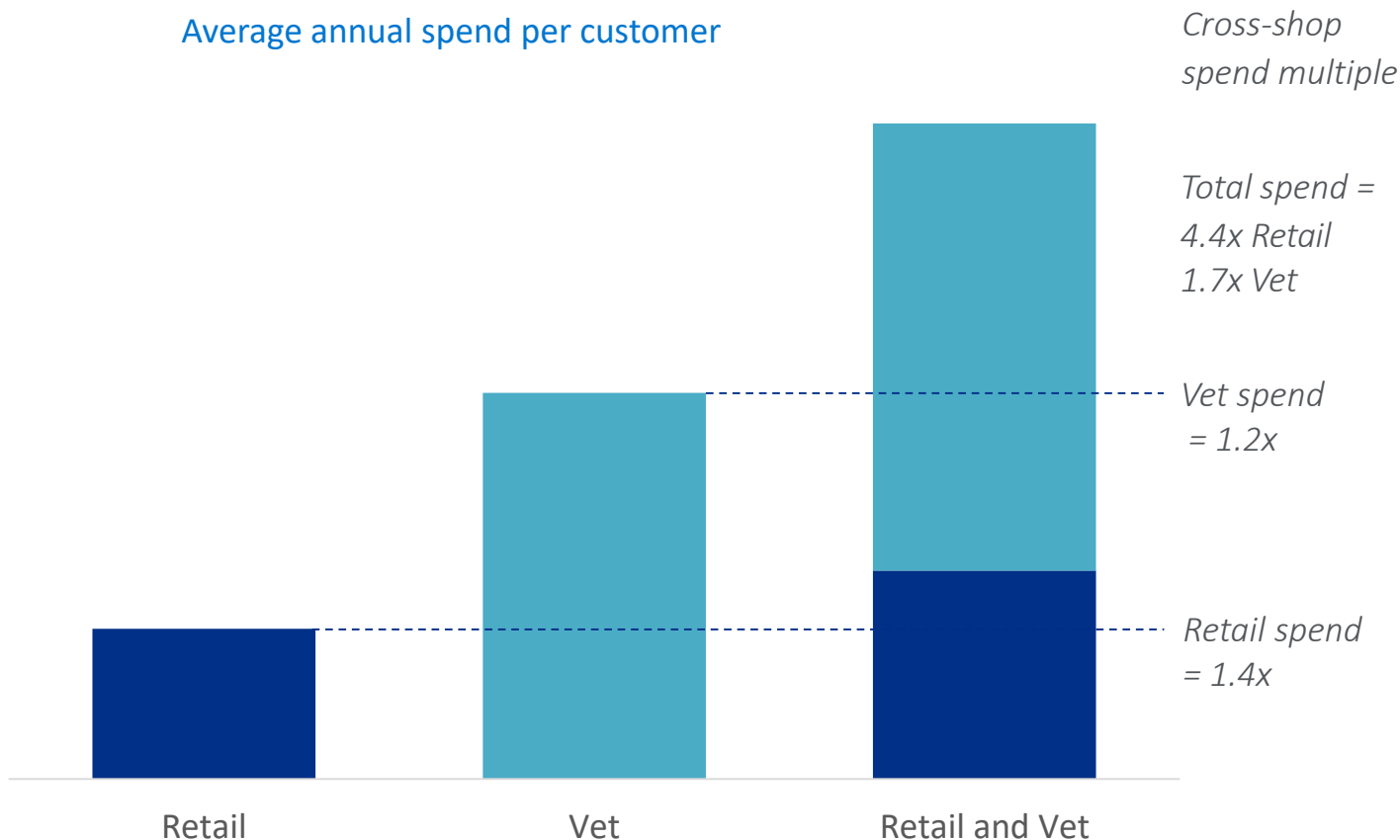
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Focus on service excellence across all parts of the business

Expanding our integrated pet care model

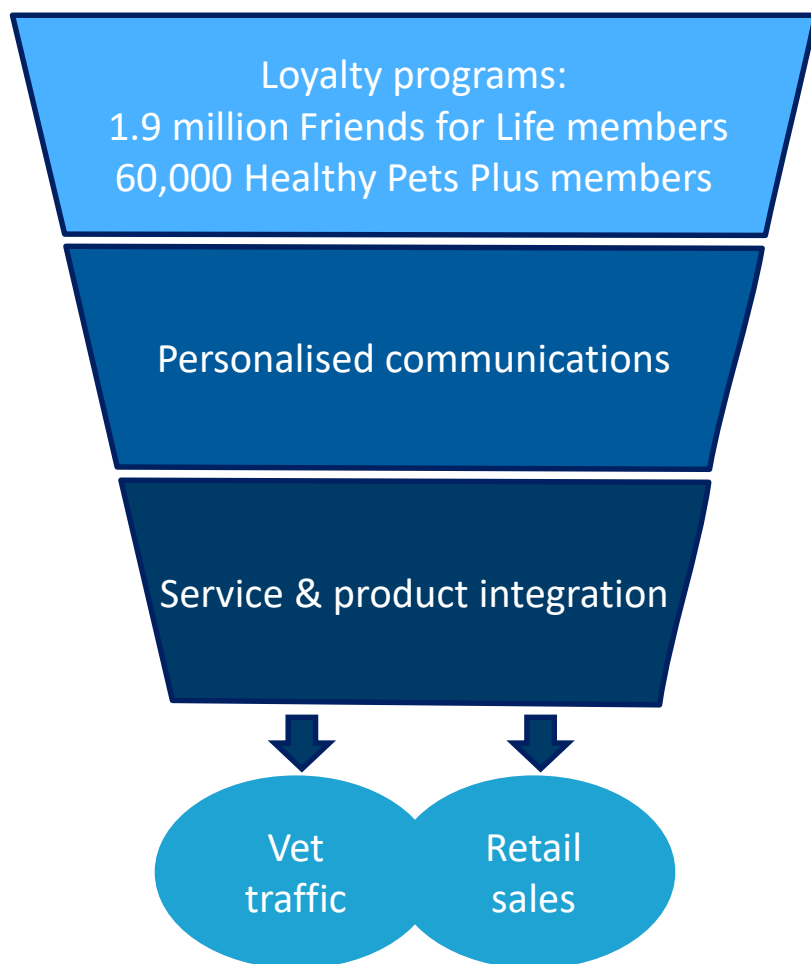
Greencross reach amplifies spend

On average, Greencross customers who shop at both retail stores and vet clinics spend 4.4x retail customers and 1.7x vet customers



Leveraging our loyalty data

We have over 1.9 million active Friends for Life members and 60,000 Healthy Pets Plus members



Membership base is growing and includes majority of Australian pet parents

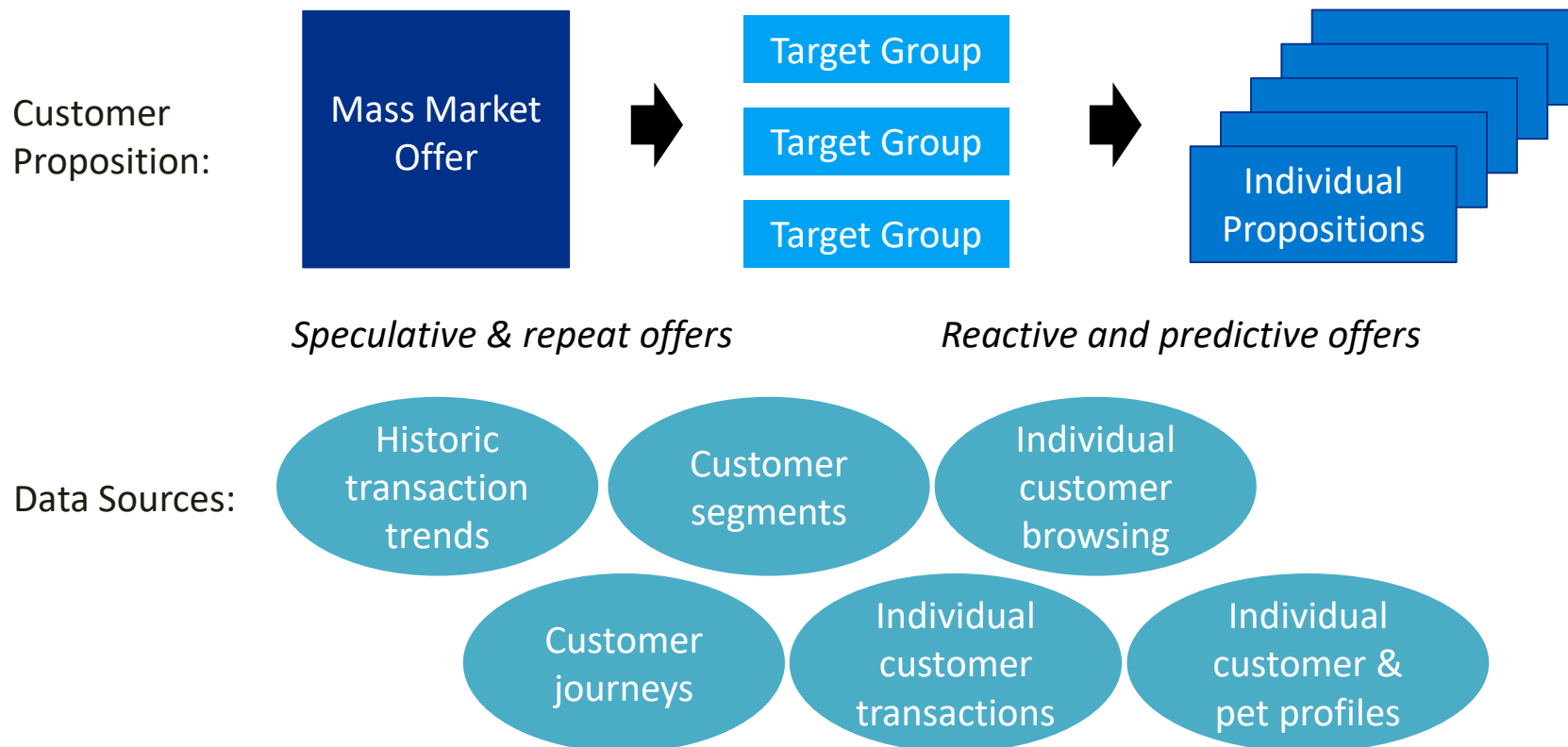
Data analytics – tailored information & offers

- Trigger campaigns (reactive)
- Reminders & replenishment
- Predictive customer journey insights

Full ecosystem offers, grow share of wallet

Personalisation journey

We will continue using personalisation to create customer loyalty



F19 focus is on continuing to add new personalisation capabilities

We will continue to invest in omni channel

Providing convenient and flexible access for our customers

Omni objective: Provide our customers with total convenience to choose how they interact with us

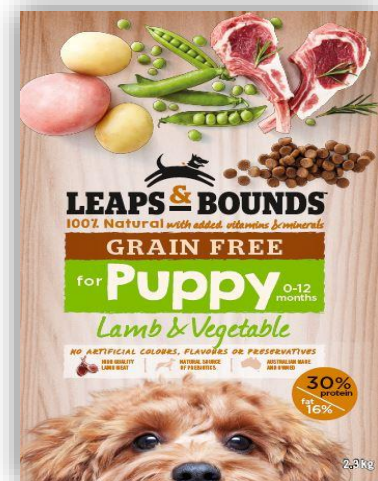
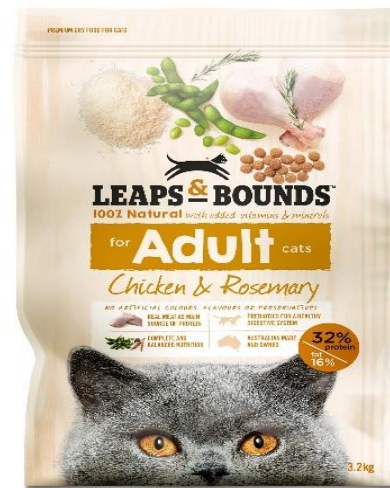
- **When** it suits them - extended hours for stores & clinics, 24/7 digital & customer service team
- **How** it suits - store, web, app, click & collect, home delivery, vet clinic, home visit & telemed
- **Friction free** - consistent, efficient & positive experience across all channels



Differentiating our retail offer

We aim to expand our range of owned private label brands across all major categories to drive greater customer engagement, increased visit frequency and increased basket value

- Over \$115m in sales from private label and exclusive brands across Australia and New Zealand
- Private label represents 23% of Australian retail product sales¹
- 25% growth in private label food sales in Australia, driven by the success of Leaps & Bounds
- Focus on premium food categories including fresh and frozen
- Exploring opportunities to take private label into Asia



1. Australian retail product sales comprising food, treats, accessories and litter.

Improving vet operational performance

We have a number of initiatives in place to improve vet operational performance

- Grow Healthy Pets Plus membership through increased penetration of vet clients and cross referral of retail customers
- Optimisation of clinic labour
- Implement vet initiatives to better meet changing client needs including:
 - Extended hours
 - Mobile vet
 - Web & app enhancements
 - Telemedicine



Service excellence

We will continue to invest in our people and processes to deliver service excellence

- Introduced a new net promoter score (NPS) based across all stores and clinics to measure customer satisfaction
- Address customer feedback in real time
- Link NPS to individual performance plans
- Improve the availability and accessibility of our store and clinic teams during peak periods of demand



Commitment to the community

Greencross is committed to being a socially responsible member of the Community

- The Petbarn Foundation raised over \$3 million for animal charities this year
- Our in-store adoption centres saved the lives of over 10,000 animals in FY18
- Our employee volunteer program enables our employees to directly support our partner charities
- We strengthened our policies and procedures with respect to the environment and ethical sourcing of products
- We continue to invest in measures to reduce energy consumption, improve waste management and discontinue the use of plastic bags



SEEING EYE DOGS
australia



Pets Haven
Foundation



Trading update

- Trading update as at week 17:
 - 7.6% Group revenue growth
 - 5.4% Group LFL sales growth
 - 6.4% Group Retail LFL sales growth
 - 2.9% Australian Vet LFL sales growth including negative LFL sales in standalone GP vet clinics of 1.8%.
 - Overall vet market conditions remain challenging
 - Greencross continues to make progress in the delivery of the cost saving initiatives which were outlined in the Company's trading update announcement on 9 May. However the Company does not expect these cost saving initiatives to deliver incremental EBITDA in 1H 2019 due to lower cost capitalisation and reinvestment in strategic initiatives.
- Network update
 - Opened 3 new stores and 2 in-store clinics
 - Targeting to open 5 new stores and 10 in-store clinics in FY19

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