

GREEN CROSS HEALTH

Investor Presentation and 2019 Annual Results

29th May 2019





Financial Highlights

Revenue
\$567.2m

+5.6%

Pharmacy
Same Store Sales

+1.1%

EBITDA
\$36.9m

+2.3%

Medical
Same Centre
Revenue

+4.9%

Net Profit After Tax
\$16.1m
(attributable to
shareholders)

+3.2%¹

Consistent
Final Dividend

3.5 cps

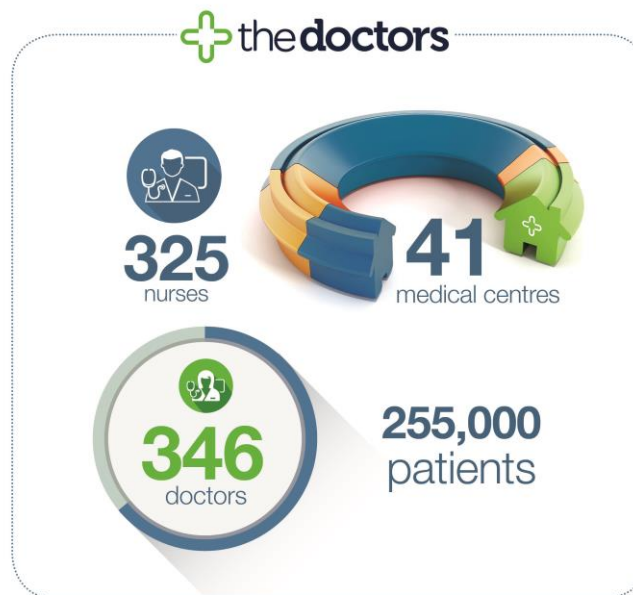
Note: ¹ 2018 restated to incorporate changes in Accounting Standards and restatement of alternate leave liability. See note 2 (c) of the 2019 financial statements.

Our Purpose

Working together to support healthier communities.

We are passionately committed to the health and wellness of New Zealand, and to providing the best support, care and advice to our communities.

This is our promise.



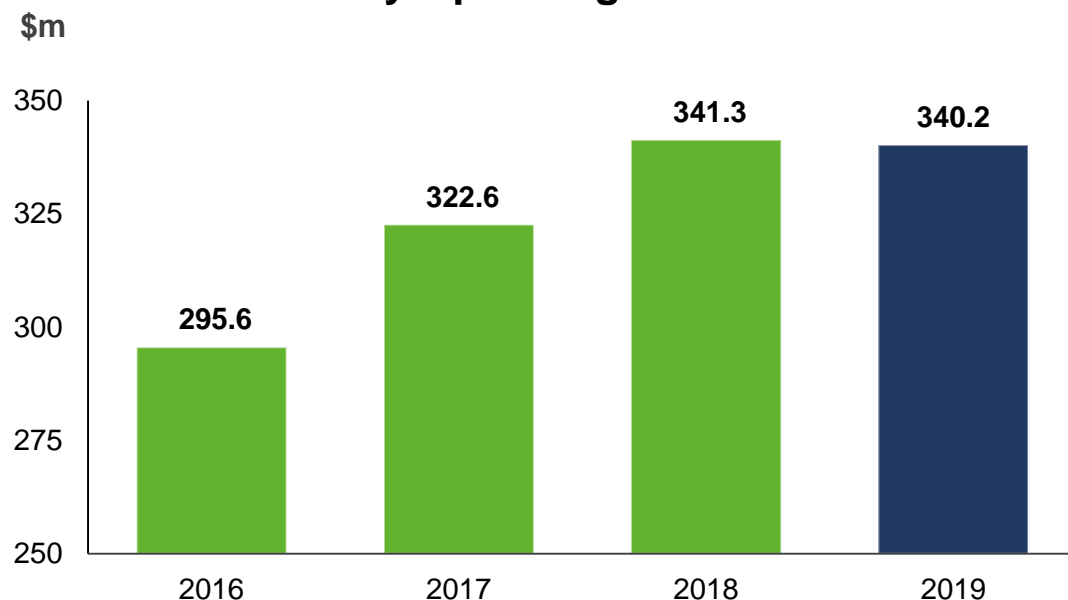
Pharmacy Division

*New Zealand's largest network of health retailers:
supporting easy access to quality health care*

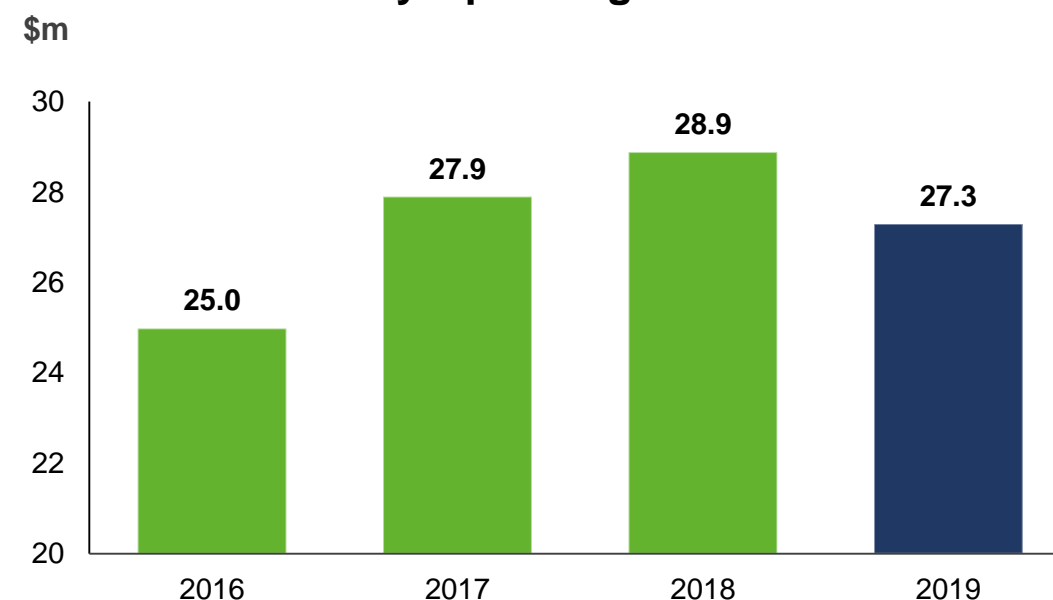


Pharmacy Performance

Pharmacy Operating Revenue



Pharmacy Operating Profit



- Revenue flat at \$340m
- Operating Profit down 5.5% at \$27.3m
- Operating Profit margin decreased from 8.5% to 8.0%
- Same store sales growth was 1.1%
- Living Rewards loyalty membership grew 8% to 1.6m customers
- Record low cold and flu winter season also resulted in retail sales in the cough/cold and pain “over the counter” categories being down 5.9% year-on-year



Future Focus

Retail and Health	Customer Engagement	Network Scale	Financial Returns
<p>Focus on core retail disciplines</p> <p>Grow exclusive product range</p> <p>Grow e-commerce</p> <p>Maximise Chinese market opportunity</p>	<p>Optimise digital health and retail communications channels with customers</p> <p>Utilise 1.6m customer loyalty database, analytics and AI to personalise offers</p>	<p>Continue to grow the franchise network</p> <p>Optimise equity store network</p>	<p>Reshape to fit new environment</p> <p>Changes in ranging, e-commerce, pricing and expenses to achieve returns</p>

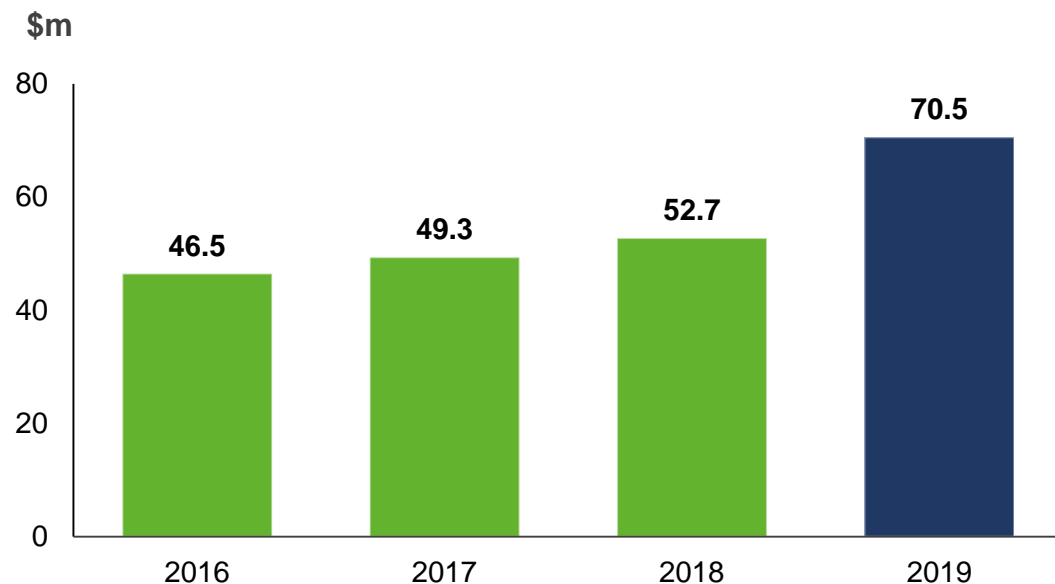


Medical Division

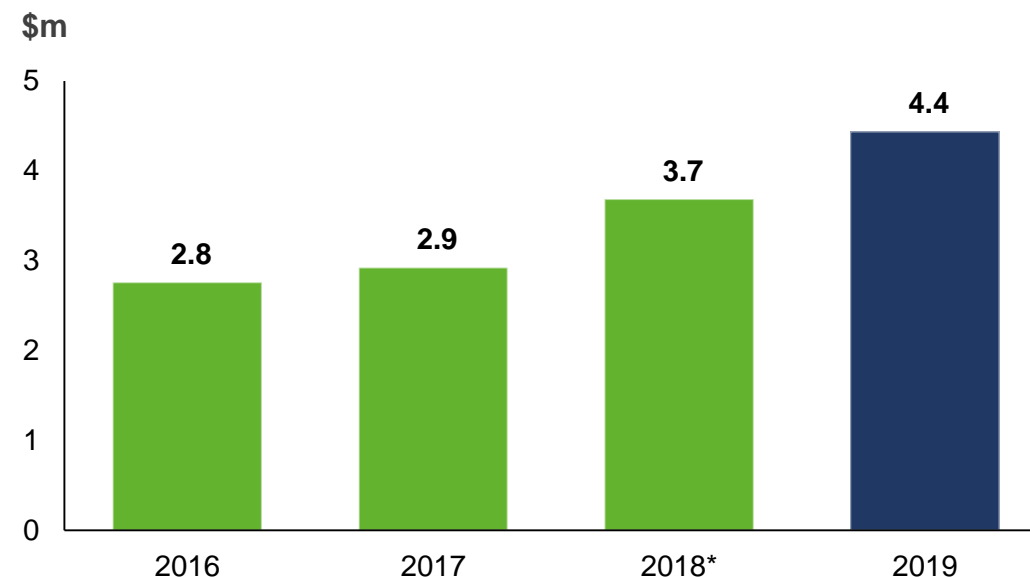
Growth, leadership and sustainable models of care

Medical Performance

Medical Operating Revenue



Medical Operating Profit



- Revenue up 33.8% to \$70.5m
- Operating Profit up 20.4% to \$4.4m
- Operating Profit margin decreased from 7.0% to 6.3%
- Same centre revenue growth was 4.9%
- 255,000 enrolled patients, an increase of 18,000 (+7.6%) in the period
- Ownership in 41 Medical Centres

Future Focus



Network Scale	Customer Engagement	Financial Returns
<p>Network and patient number growth through targeted acquisition and market share growth</p> <p>Build The Doctors brand</p>	<p>Deploy digital technology to increase efficiency and enhance delivery of high quality patient care</p>	<p>Continuous improvement in operational efficiency and scale to create capacity and lead to improved profitability</p> <p>Opportunity for cross referrals</p>

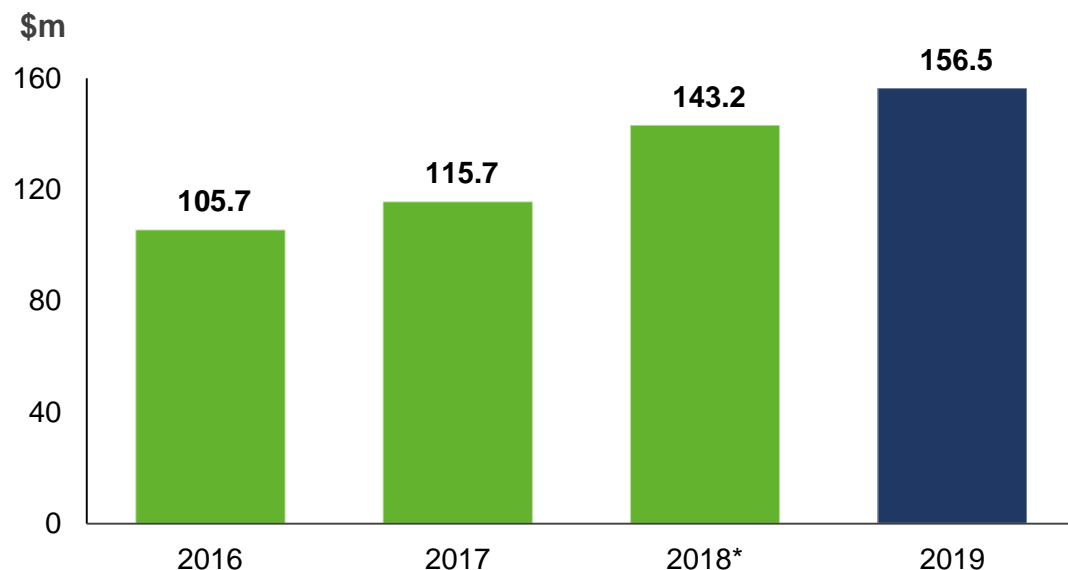
Community Health Division

Delivering sustainable services to maintain and support clients' independence within their own home

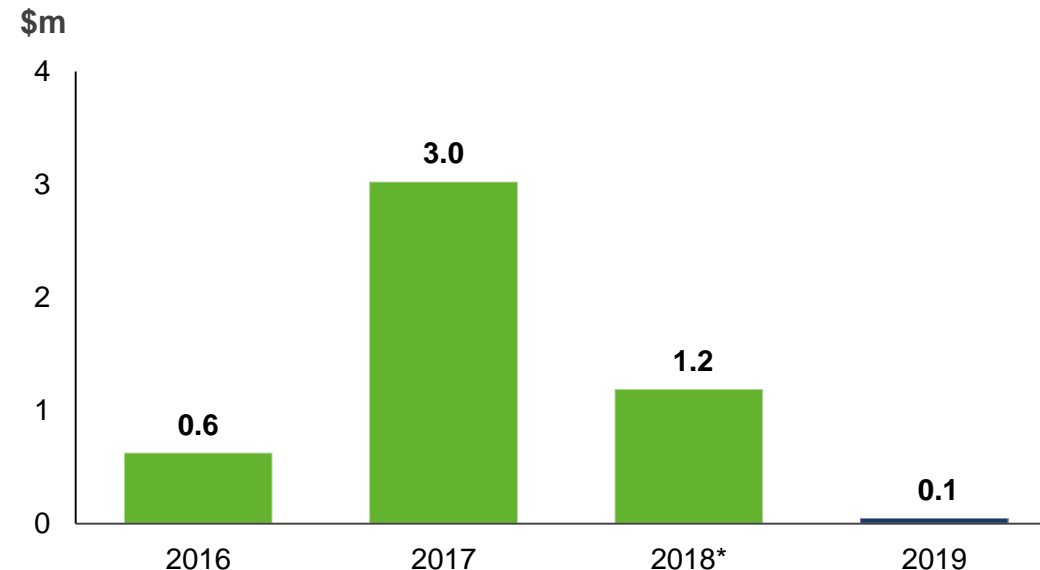


Community Health Performance

Community Health Operating Revenue



Community Health Operating Profit



- Revenue up 9.3% to \$156.5m¹
- Operating Profit was down \$1.1m to \$0.1m² due to continued funding challenges
- Included in the \$0.1m operating result is a \$0.4m increase in leave liability resulting from support worker pay increases due to pay equity legislation

*Note * & ¹ : Reclassification of \$14.3m to Revenue from Operating expenditure as per IAS20. See note 2 (c) of the 2019 financial statements.*

** & ² : Operating Profit includes a restatement of alternate leave liability. See note 2 (c) of the 2019 financial statements. 2018 segment result also excludes unfunded increases in Leave Liability of \$1.9m (due to the implementation of pay equity legislation). This is excluded from the segment result due to its abnormal nature but included in reported Group result as outlined in note 4 of the financial statements.*



Future Focus

Service Offering	Digital Communication	Financial Returns
<p>Focus on higher clinical needs segments</p> <p>Expand geographic coverage of Community Nursing business</p>	<p>Harness technology to enhance workforce efficiency and client outcomes</p>	<p>Negotiate sustainable funding for existing and future contracts</p> <p>Exit contracts that are not financially viable</p>



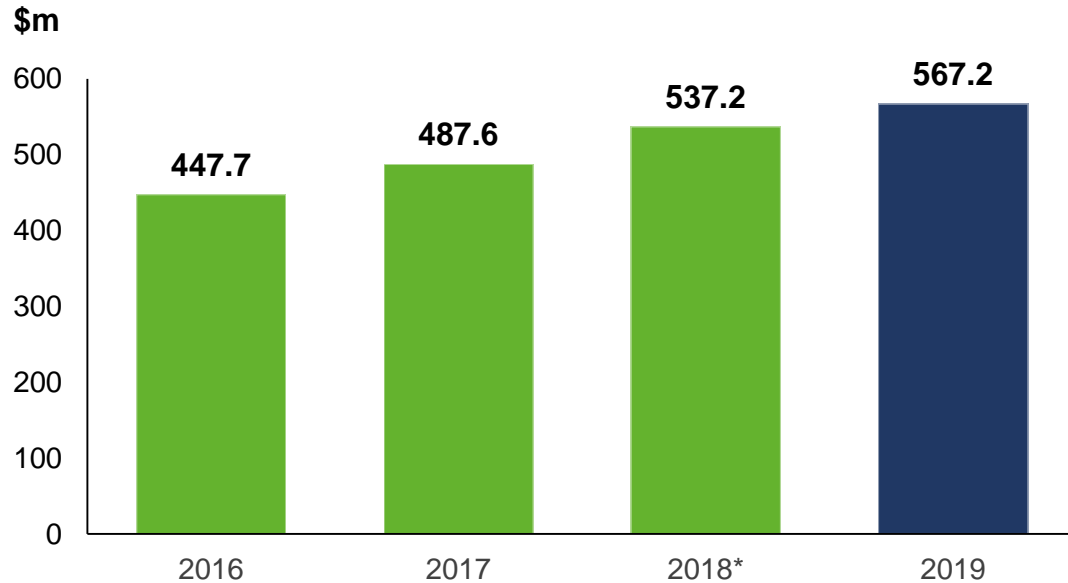
Group Result

2019 Annual Results
12 months ending 31 March 2019

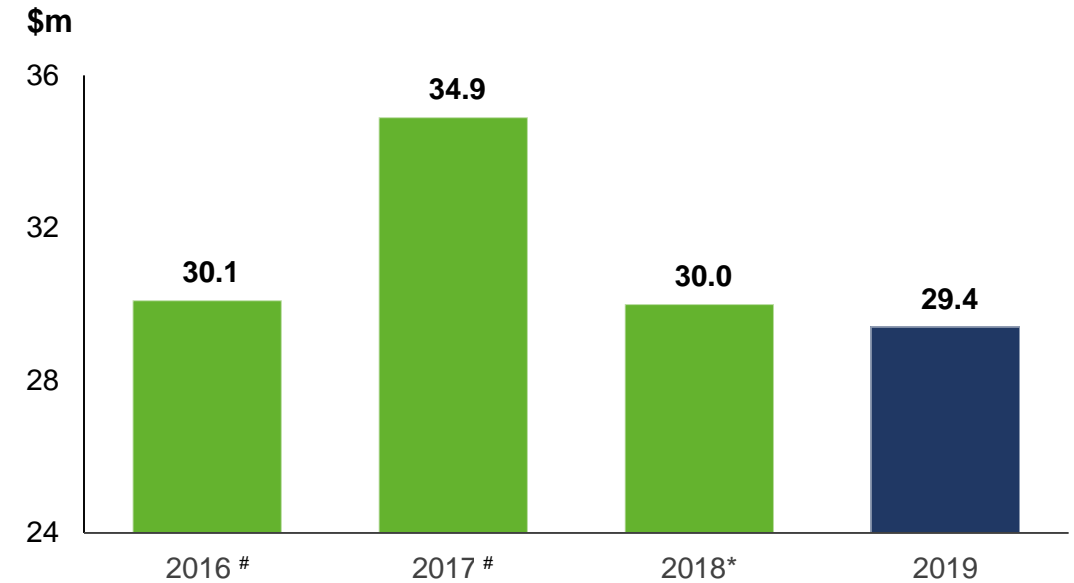


Group Revenue and Profit

GXH Operating Revenue



GXH Operating Profit



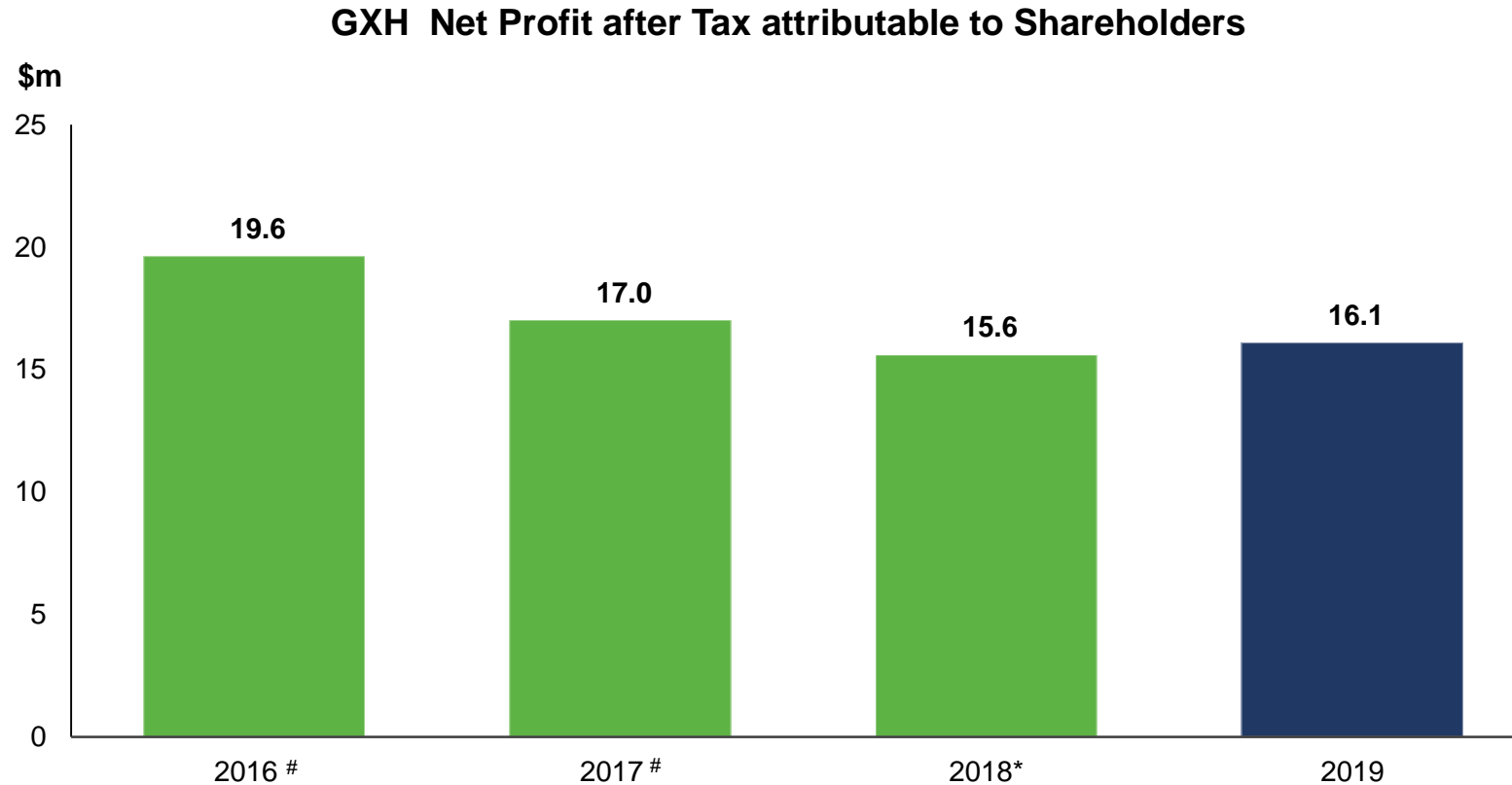
- Revenue of \$567m up 5.6%
- Operating Profit (EBIT + associate earnings) \$29.4m down 2.2%
- EBITDA² at \$36.9m up 2.3%¹

Note: * & ¹ : 2018 restated to incorporate changes in Accounting Standards and restatement of alternate leave liability. See note 2 (c) of the 2019 financial statements.

² : EBITDA is a non-GAAP measure. It is the net of Operating Revenue less Operating Expenditure and excludes Share of Equity accounted net earnings.

: 2017 +\$2.8m and 2016 +\$1.7m Operating Profits both include Share Option Fair Value Gain.

Net Profit After Tax (attributable to shareholders)

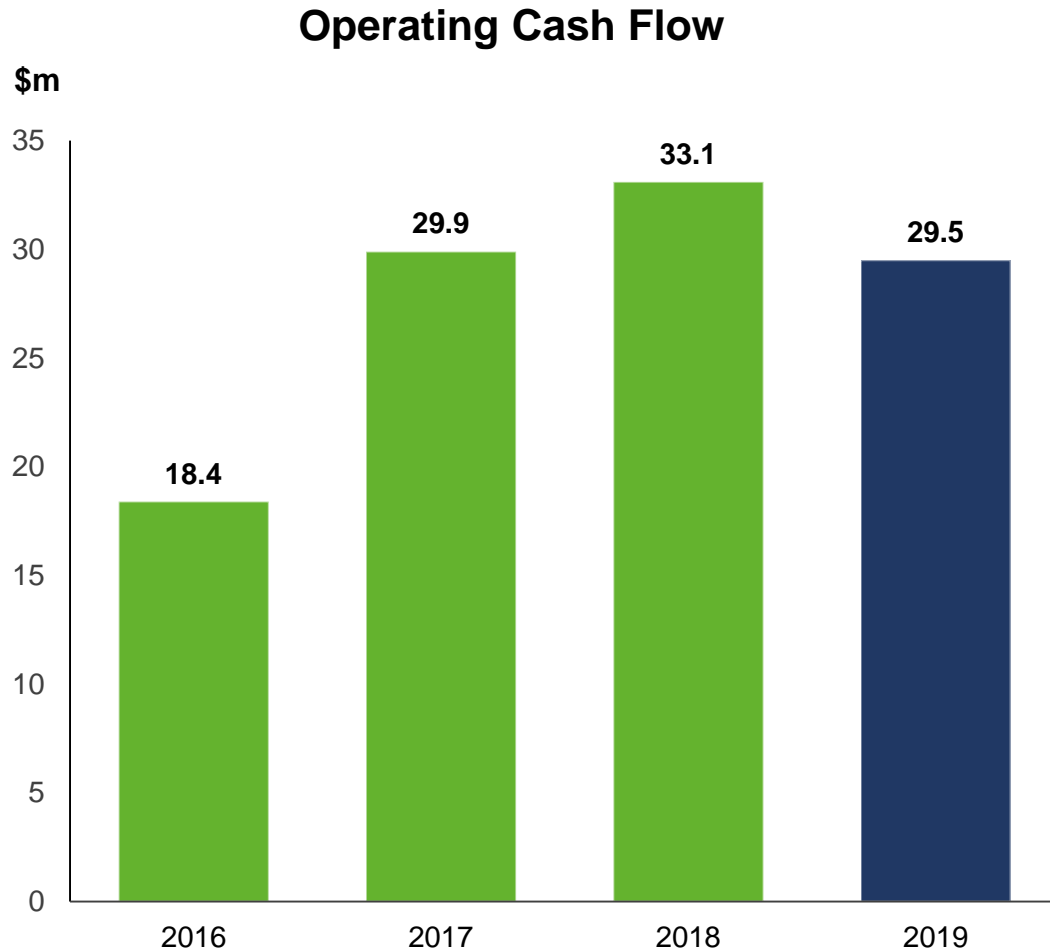


- Net Profit after Tax attributable to shareholders of \$16.1m up 3.2% from \$15.6m¹

*Note: * & ¹ : 2018 restated to incorporate changes in Accounting Standards and restatement of alternate leave liability. See note 2 (c) of the 2019 financial statements.*

: 2017 +\$2.8m and 2016 +\$1.7m include Share Option Fair Value Gain.

Operating Cash / Investments



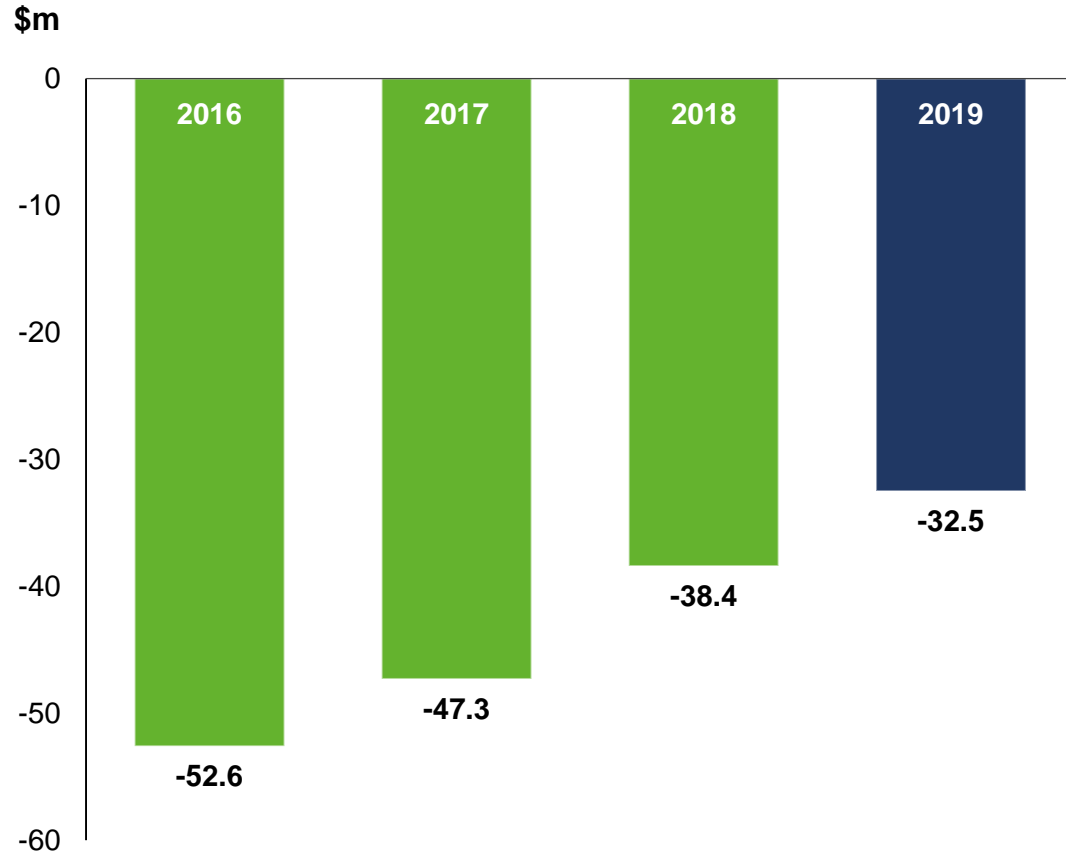
- Operating Cash of \$29.5m
- Reverted to normal level (after Pay Equity pre-funding in Community Health in 2018)

Enabling investment in:

- New acquisitions – net \$3.4m, including:
 - St Heliers Health Centre
 - Waimauku Doctors / Silver Fern Medical Centre
 - Total Health Doctors Whakatane (increased holding)
 - The Doctors New Lynn (increased holding)
- Capital assets – \$8.9m
 - New Pharmacy stores / Store and Medical Centre Refits
 - IT systems development – Lifepharmacy.co.nz; customer digital engagement tools, workflow management

Net Debt / Debt Capacity

Net Debt (Borrowings Less Cash)



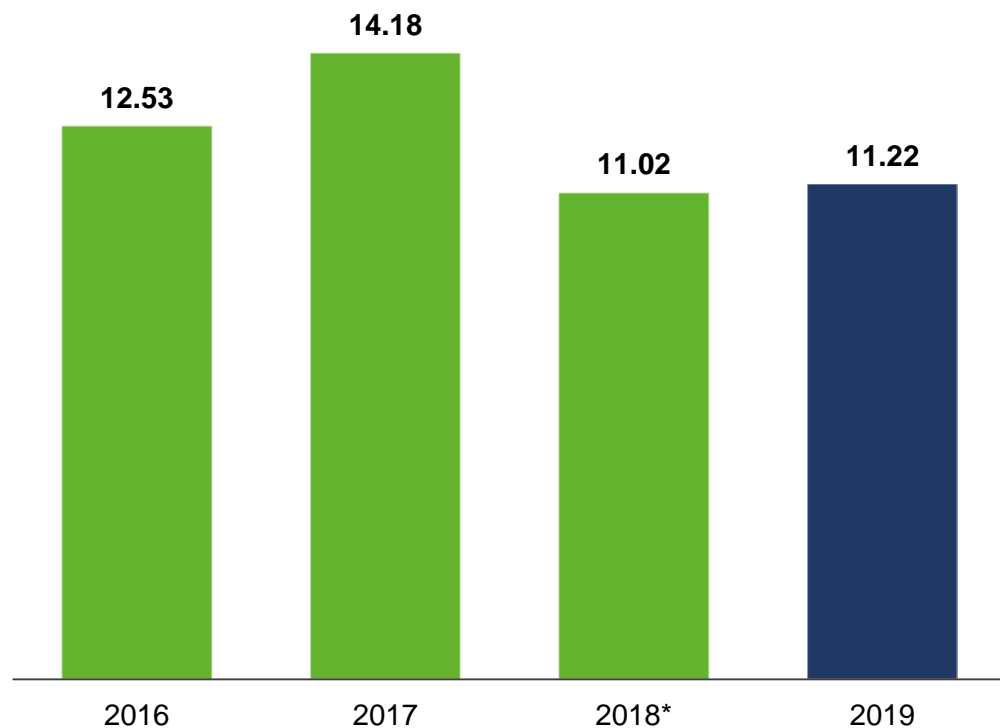
- 15% improvement in Net Debt to \$32.5m
- \$18m headroom on core debt facility of \$60m and \$20m headroom on secondary facility of \$30m²
- Financing ratios:
 - DEBT / EBITDA – 1.33x
 - EBIT / Interest – 14.3x
 - Fixed Charge Cover¹ – 2.5x

Note: ¹ calculation: EBITDA excluding \$21m lease cost / (Interest + \$21m Lease Cost)

² core debt excluding cash on hand

Earnings Per Share / Dividends

Earnings Per Share



- EPS marginally up at 11.22 cps
- Final Dividend consistent @ 3.5 cps
- Gross Dividend Yield ~8.5%

*Note: * 2018 restated to incorporate changes in Accounting Standards and restatement of alternate leave liability. See note 2 (c) of the 2019 financial statements.*

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The information contained in this presentation should be considered in conjunction with the consolidated financial statements for the period ended 31 March 2019 and Interim Report for the period ended 30 September 2018.