



Half Year Results Presentation

25 November 2020



GXH Half Year Result - Financial Overview



Revenue
\$277.2m¹



Pharmacy Operating Profit
\$10.9m



Operating Profit /EBIT
\$17.9m²



Medical Operating Profit
\$5.7m



Net Profit After Tax
\$8.8m
(attributable to shareholders)



Community Health
Operating Profit
\$2.4m

Note: 1 Revenue includes \$8.0m of government wage subsidies received

Note: 2 Operating Profit / EBIT includes -\$1.1m allocated to the Group's Corporate segment

Our Purpose

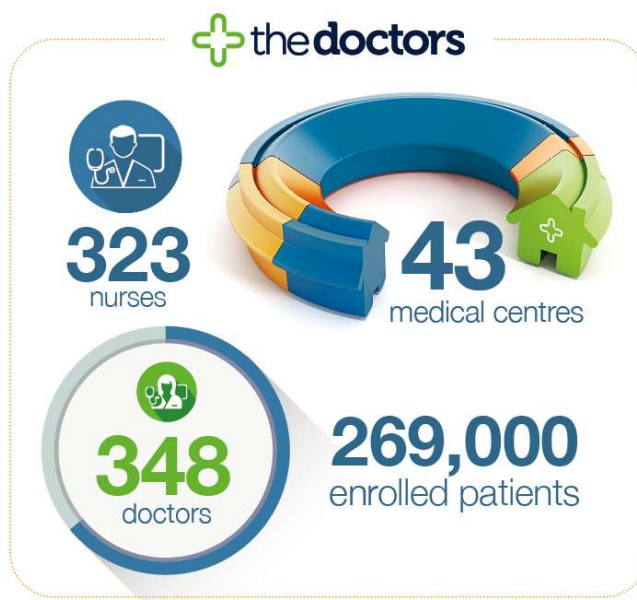
Working together to support healthier communities.

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.



Who We Are





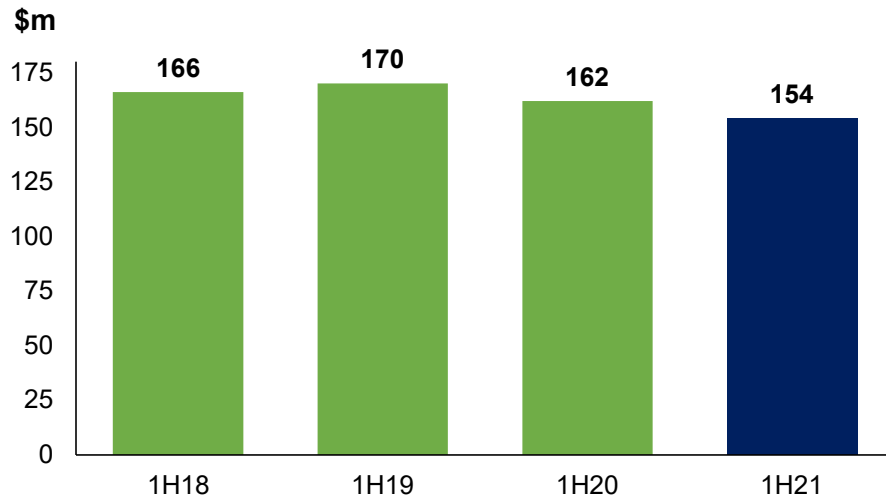
Pharmacy Division

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

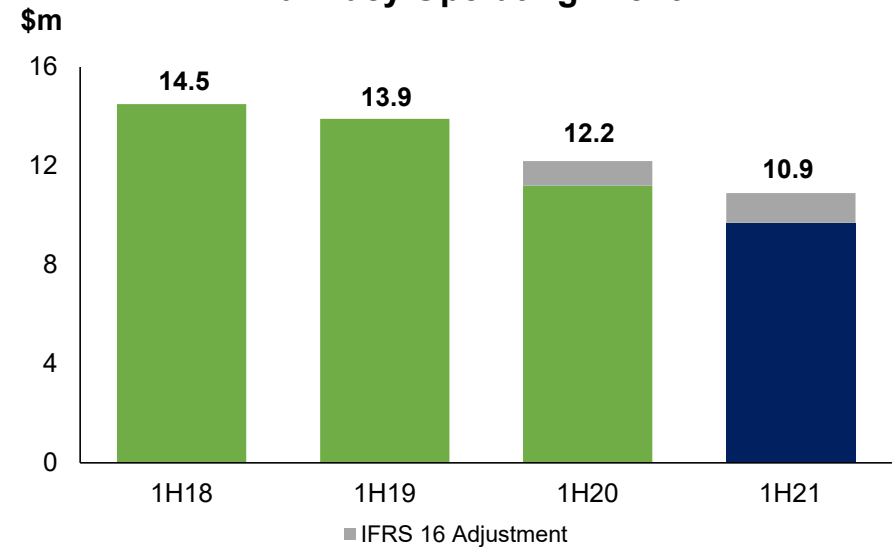


Pharmacy Performance

Pharmacy Operating Revenue



Pharmacy Operating Profit



- Revenue down 5% at \$153.7m, with mall stores and Auckland and Wellington CBD stores worst hit by the lockdowns and decline in retail spend
- Operating Profit down \$1.3m to \$10.9m, largely as a result of the COVID-19 impact on retail sales
- The decline in Pharmacy Revenue and Operating Profit was partially offset by the wage subsidy, which helped the 87 individual pharmacies to retain staff during the subsidy period
- Same store sales declined 12%, same store script numbers up 8% due to change to monthly dispensing for the April - July months

Pharmacy Future Focus



Retail Disciplines

- Evolve retail offering to changing consumer behaviour post COVID-19
- Focus on margin management and core retail disciplines
- Development of further professional service offers

Customer Engagement

- Strengthen digital capability around 1.7m Living Rewards database
- Grow e-commerce
- Advocate for removal of \$5 prescription co-payment to increase accessibility and equity for all New Zealanders

Network Scale

- Optimise equity store network
- Leverage national footprint and trusted Unichem and Life Pharmacy brands

Financial Returns

- Adapt to changing market conditions
- Right-size labour and occupancy costs by store



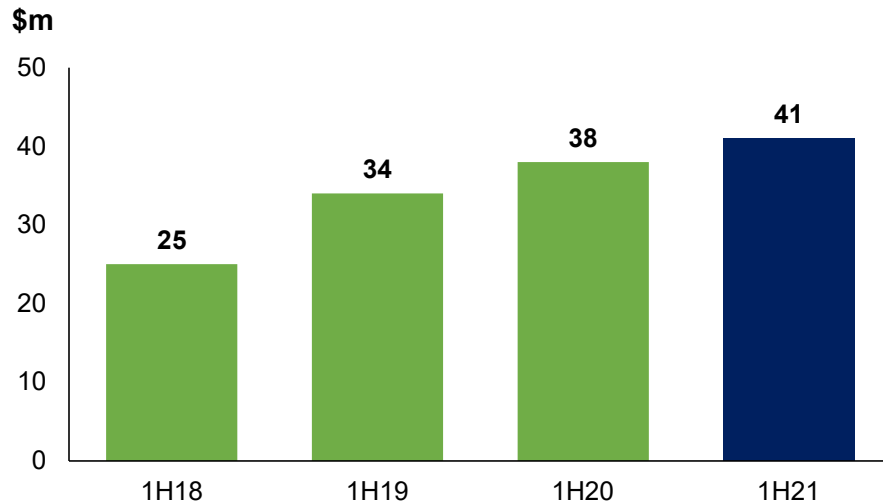


Medical Division

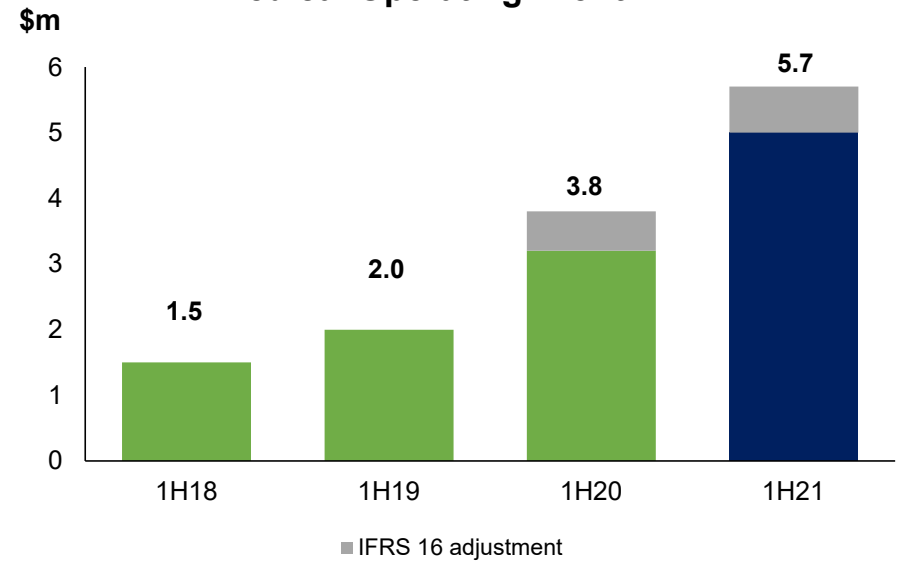
Growth, leadership and sustainable models of care

Medical Performance

Medical Operating Revenue



Medical Operating Profit



- Revenue up 8% to \$41.0m, primarily as a result of organic growth and some COVID-19 related swabbing activity
- Operating Profit at \$5.7m, with improved operational efficiency, organic revenue growth and acquisitions
- 269,000 enrolled patients as at 30 September 2020, including increase of 2,000 from Gabriel Medical Practice (Mt Roskill) acquisition
- Ownership in 43 Medical Centres

Medical Future Focus



Network Scale

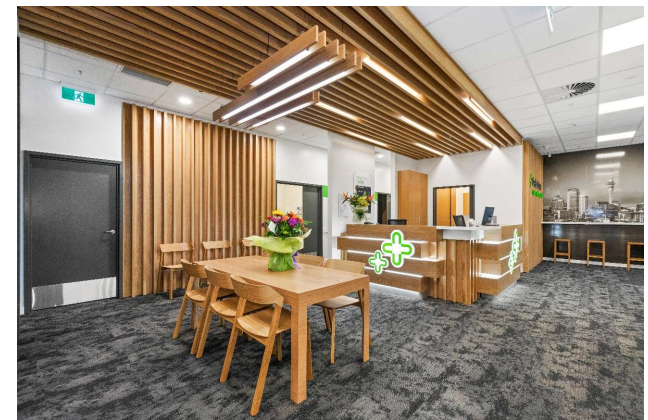
- Continue to build The Doctors brand
- Network and patient number growth through targeted acquisitions and organic revenue growth

Patient Engagement

- Scale digital technology to increase efficiency and enhance delivery of high quality patient care
- Work closely with funders to ensure equitable access
- Extend rollout of end-to-end video consultation platform

Financial Returns

- Continuous improvement in operational efficiency and scale
- Improve utilisation via systematic triaging of patients

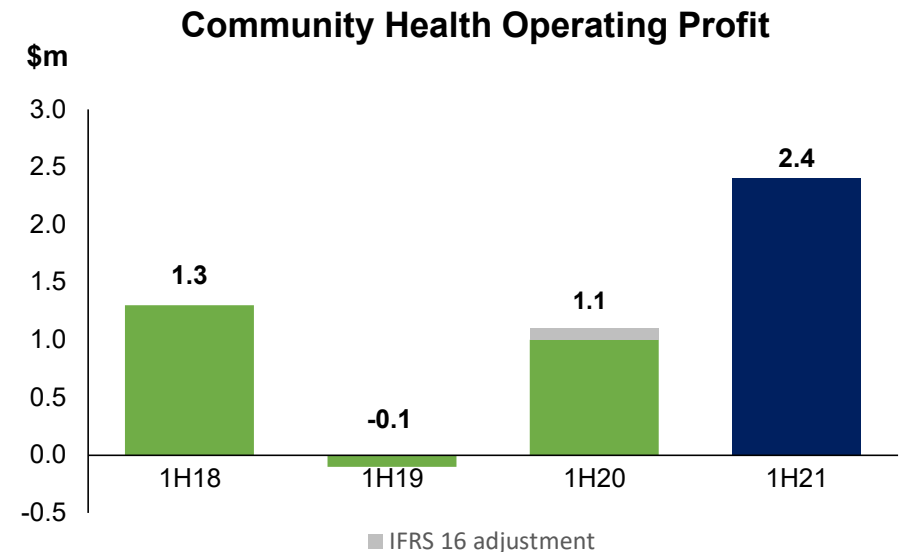
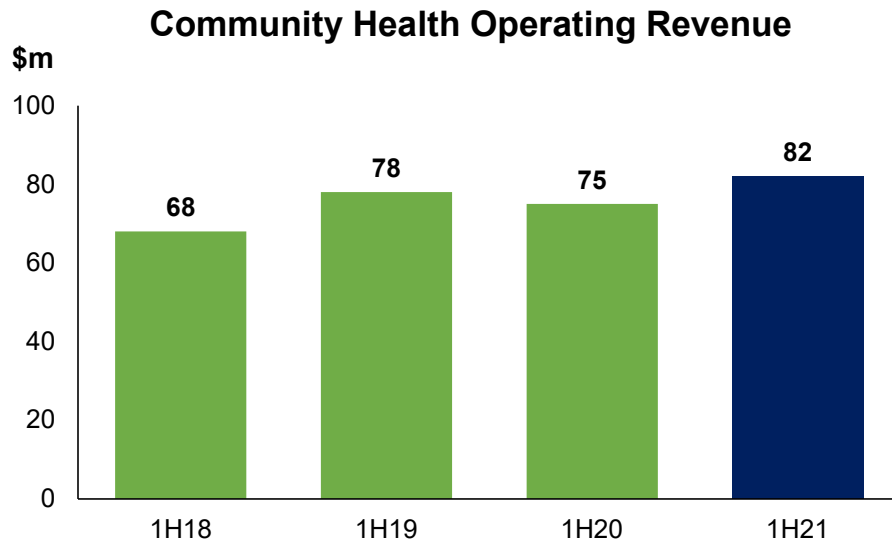




Community Health Division

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

Community Health Performance



- Revenue up 10% to \$82.5m following ongoing focus on higher clinical needs client base
- Operating Profit increased to \$2.4m due to revenue improvement coupled with cost management and utilisation of technology
- Continued advocacy for uplift in sector funding to ensure sustainability of sector

Community Health Future Focus



Service Offering

- Focus on higher clinical needs segments
- Expand geographic coverage of Community Nursing business

Digital Communication

- Harness technology to enhance workforce efficiency and client outcomes

Financial Returns

- Continue cost reduction initiatives
- Focus on service and funding of all contracts, targeting growth in higher margin areas
- Advocate for additional sector funding to ensure sustainability

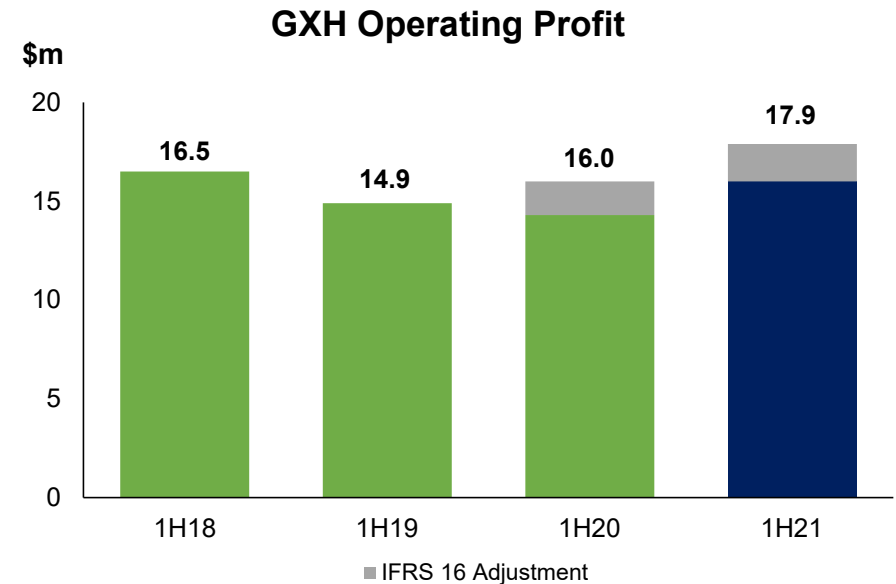
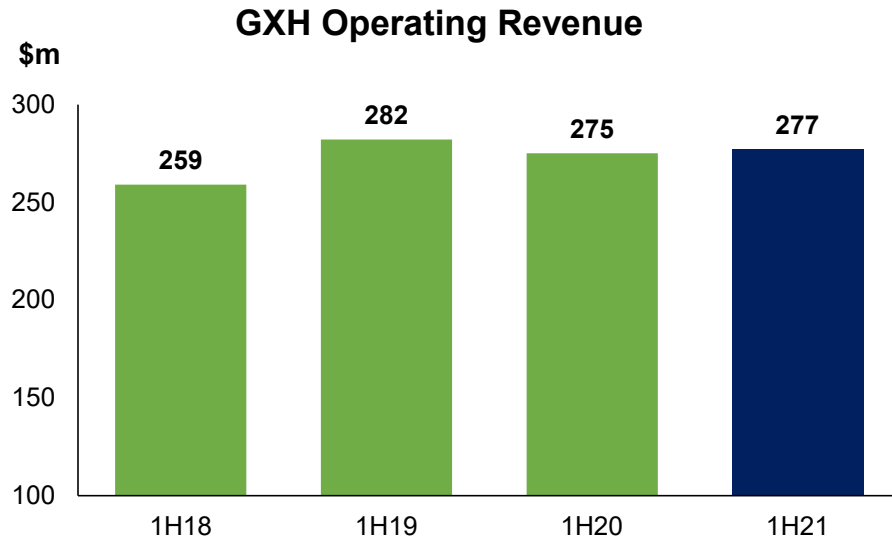




Group Financial Result

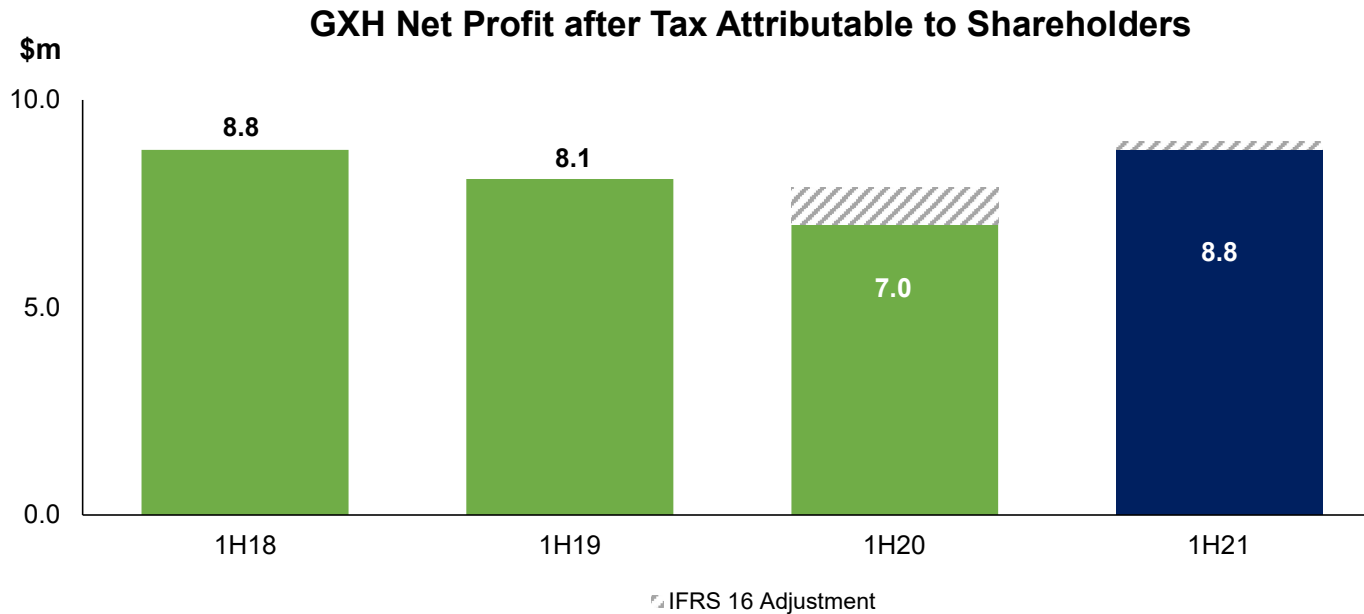
6 months ending 30 September 2020

Half Year Result - Group Revenue and Profit



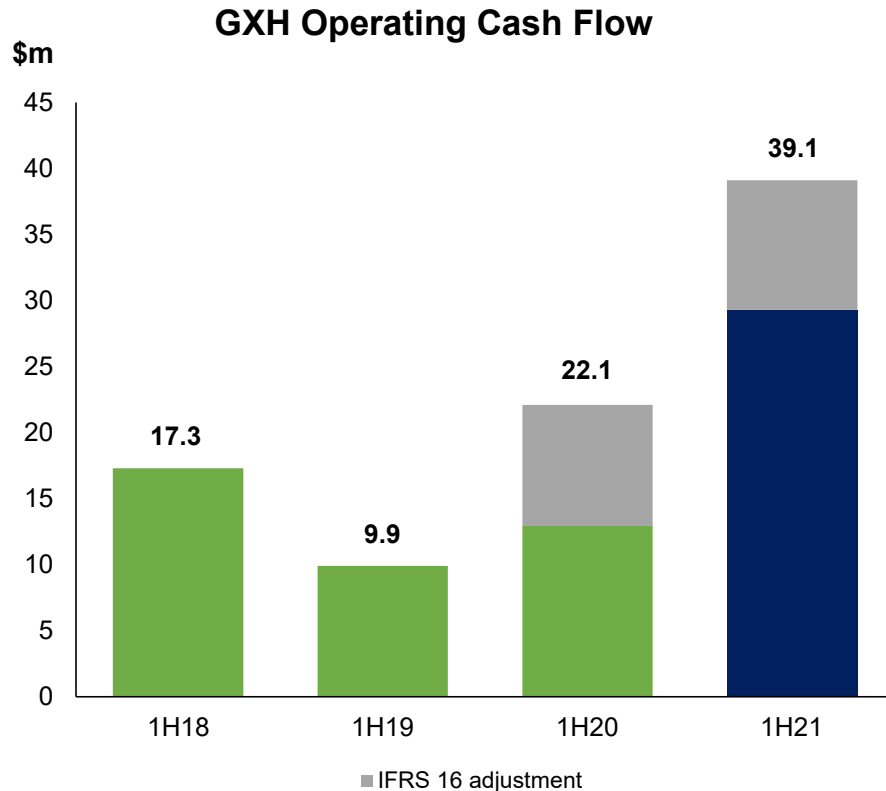
- Revenue flat at \$277m year on year, including a government wage subsidy of \$8.0m
- Operating Profit of \$17.9m, including an IFRS 16 impact of \$1.9m and government wage subsidy of \$8.0m
- The government wage subsidy of \$8.0m was passed on to employees in full. Green Cross Health employs 5,700 people

Net Profit After Tax (attributable to shareholders)



- NPAT attributable to shareholders of \$8.8m, including an IFRS16 impact of $-\$0.2\text{m}$ and government wage subsidy of $\$4.6\text{m}$ (after tax and non controlling interest component)

Operating Cash / Investments

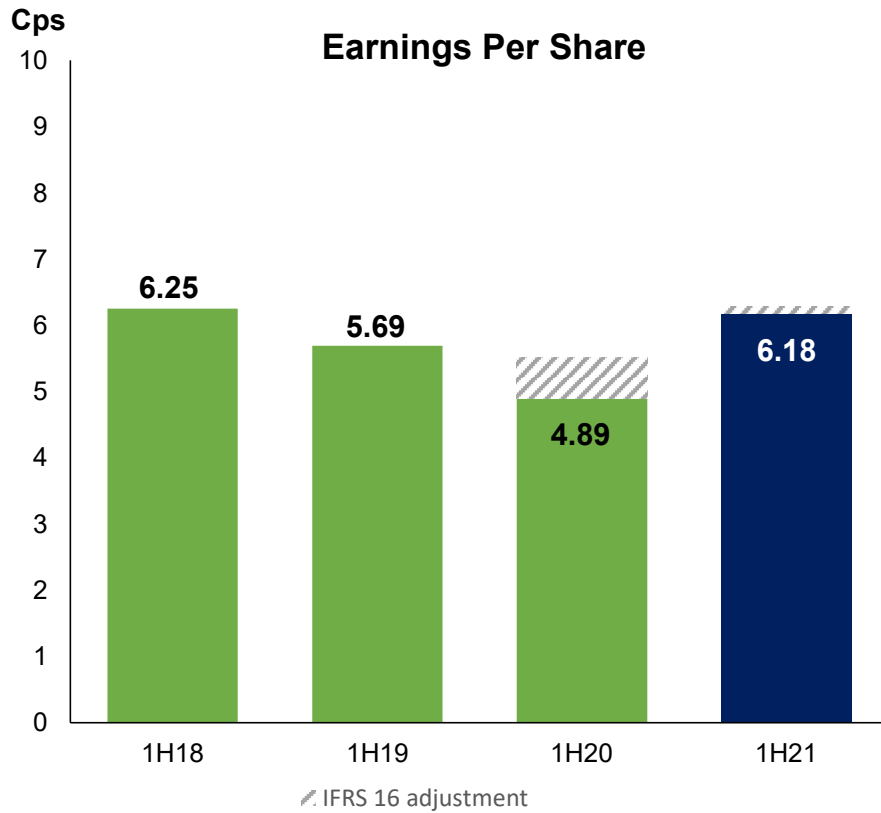


- Operating Cash of \$39.1m (\$29.4m before the application of IFRS 16)
- Focus during the period on cash preservation given the uncertainty caused by the COVID-19 pandemic – no full year FY20 dividend paid
- Headroom in BNZ group debt facility, covenants continue to be met

Enabling investment in:

- Massey Doctors – increase in holding
- Motueka Doctors – increase in holding
- Gabriel Medical Practice (Mt Roskill) – asset purchase

Earnings Per Share



- EPS at 6.18 cps (6.29 cps before the application of IFRS 16)

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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 2020.