



Annual Shareholders' Meeting

26 July 2021





Kim Ellis
Chair

Board of Directors & Executives

Chair & Executives:



Kim Ellis
Chair



Rachael Newfield
Group CEO



Ben Doshi
*Group CFO/
Company Secretary*

Other Directors:



Andrew Bagnall
Non-Executive Director



John Bolland
Non-Executive Director



Ken Orr
Independent Director



Carolyn Steele
Independent Director



Peter Merton
Non-Executive Director



Peter Williams
Non-Executive Director

Agenda

- Chair's address
- Group CEO's address
- Voting on Resolutions
- General Q&A

Business Update



Results



Capital and shareholding structure



Balance sheet



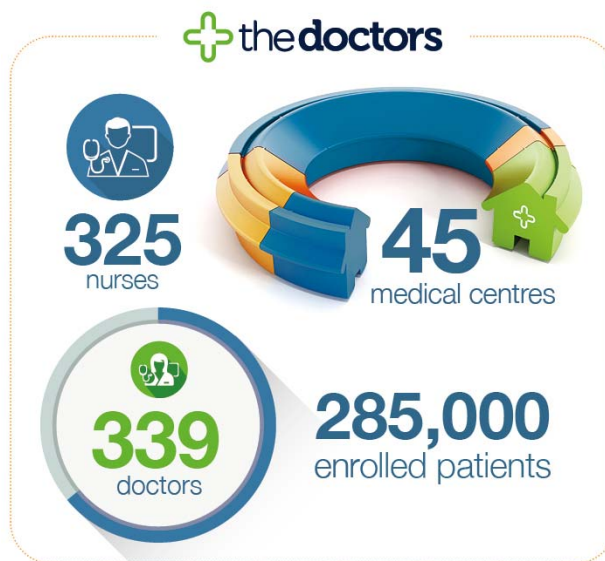
Rachael Newfield
Group CEO

Who We Are

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.



GXH Full Year Result - Financial Overview



Revenue
\$570.4m



Pharmacy Operating Profit
\$24.1m



Operating Profit / EBIT
\$35.1m



Medical Operating Profit
\$9.3m



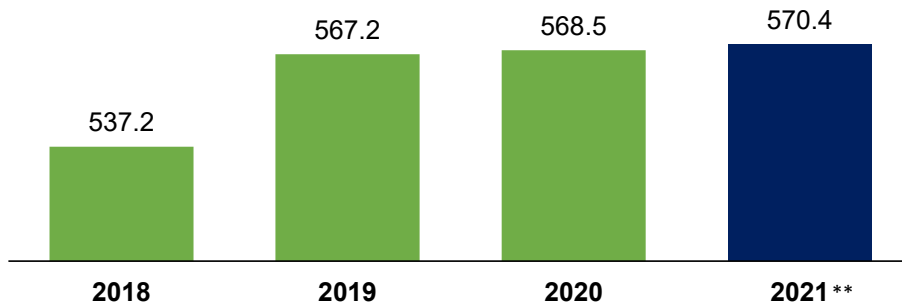
Net Profit After Tax
\$16.8m
(attributable to shareholders)



Community Health
Operating Profit
\$3.7m

Group Revenue and Profit

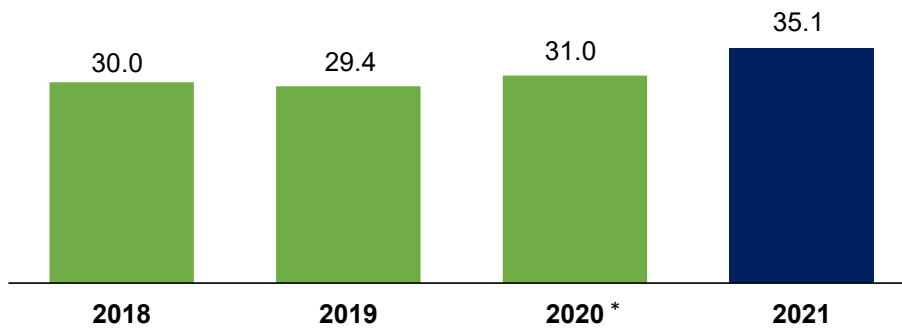
GXH Operating Revenue (\$m)



Comments:

- Revenue of \$570.4m, flat year on year
- Operating Profit of \$35.1m, up 13%

GXH Operating Profit (\$m)

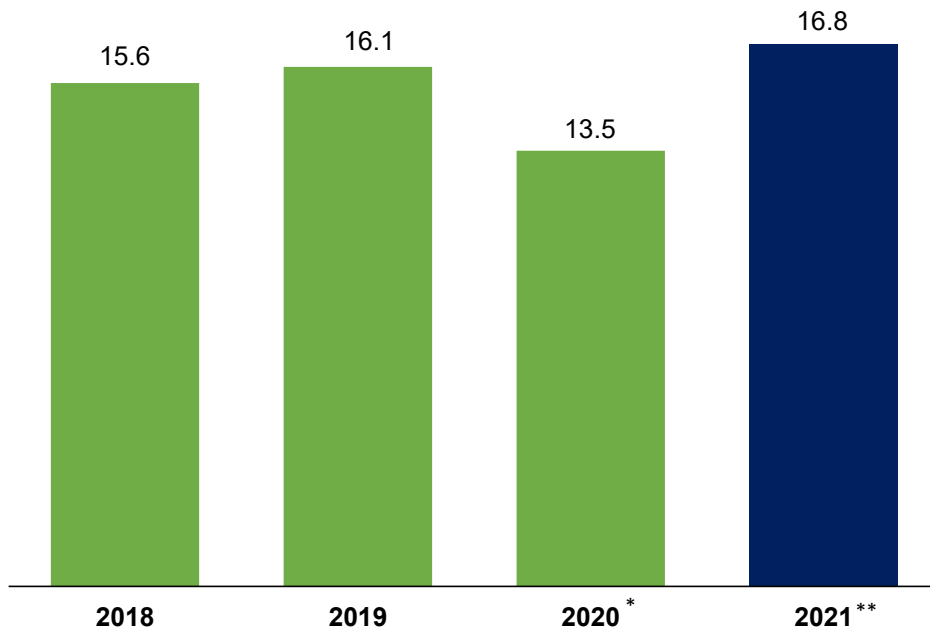


*2020 impacted by goodwill disposals of $-\$1.4m$ and intangible write-downs of $-\$3.3m$ (before tax)

**2021 impacted by Wage Subsidy of $+\$10.8m$ included in Group revenue, with all amounts passed on to employees

Net Profit After Tax (attributable to shareholders)

GXH Net Profit after Tax Attributable to Shareholders (\$m)



*2020 impacted by goodwill disposals of $-\$1.1m$ (after NCI portion) and intangible write-downs of $-\$2.4m$ (after tax)

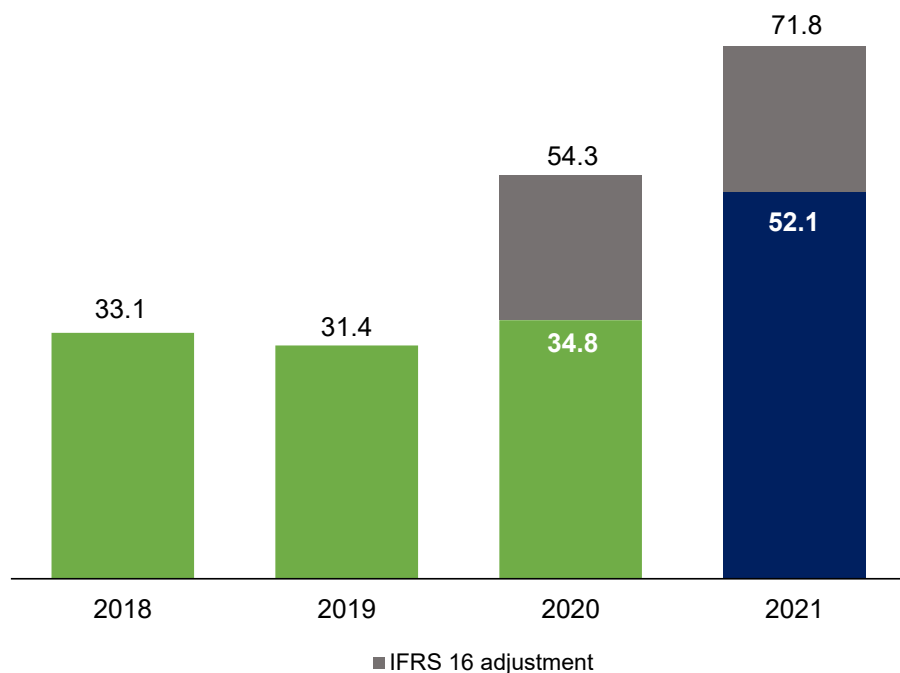
**2021 impacted by Wage Subsidy of $+\$6.2m$

Comments:

- NPAT attributable to shareholders of $\$16.8m$, up 24%

Operating Cash / Investments

GXH Operating Cash Flow (\$m)



Comments:

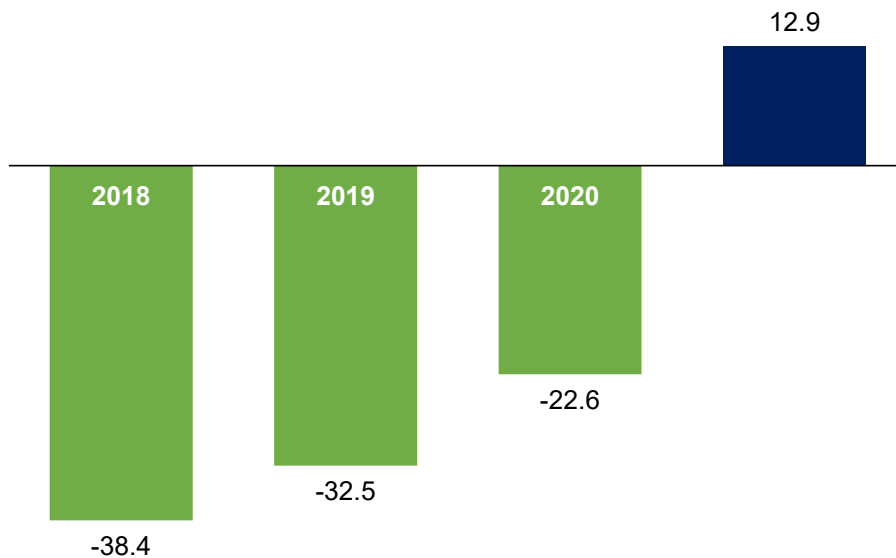
- Operating Cash of \$52.1m (excl. IFRS 16)

Enabling investment (\$9.2m) in:

- Cambridge pharmacies (three new holdings)
- Gabriel Medical centre
- Tui Medical centre
- Richmond Health centre

Net Debt / Debt Capacity

Net Debt (Borrowings Less Cash) (\$m)

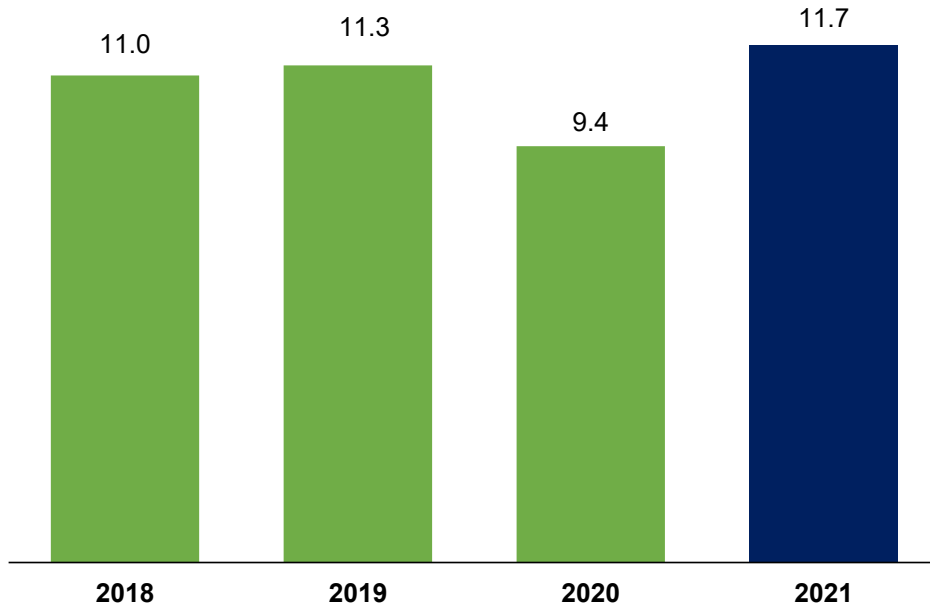


Comments:

- \$35.5m improvement in Net Cash/Debt to \$12.9m
- Improved working capital management has positioned GXH well to be in a net cash position and to take advantage of future investment opportunities
- Debt facilities with BNZ mature 22 August 2022
- \$41m of headroom on BNZ group debt facility
- Financing ratios:
 - Debt / EBITDA – 0.6x
 - Operating Profit / Interest – 34.8x

Earnings Per Share

GXH Net Profit after Tax Attributable to Shareholders (cps)



Comment:

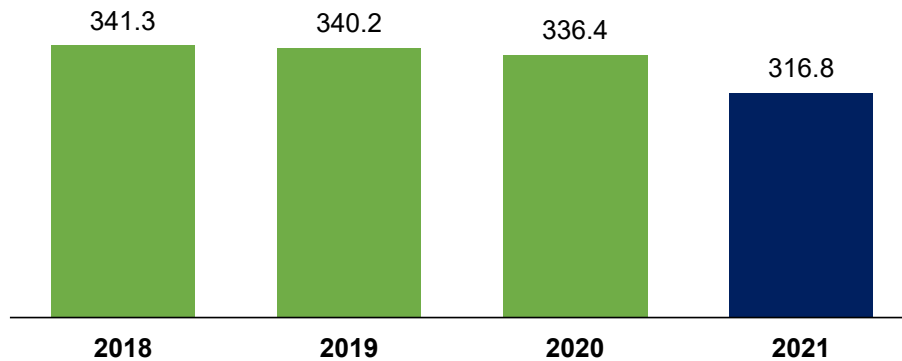
- EPS at 11.7 cps, an increase of 24% on the prior year

The background is a dark blue gradient. It features several large, stylized, white-outlined geometric shapes that resemble interlocking puzzle pieces or abstract architectural forms. On the right side, there is a 3D-rendered white cube with a slight shadow, giving it a sense of depth. The overall aesthetic is clean and modern.

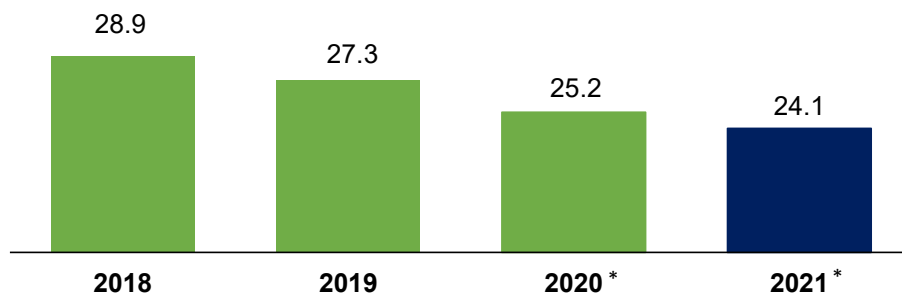
Divisional Plans

Pharmacy Performance

Pharmacy Operating Revenue (\$m)



Pharmacy Operating Profit (\$m)



Comments:

- Revenue down 6% to \$316.8m in the year primarily due to the impact of COVID-19 with the reduced ability of customers to shop in-store during the various COVID-19 alert levels
- Operating Profit down 4% to \$24.1m
- The decline in Pharmacy Revenue and Operating Profit was partially offset by the wage subsidy, which helped individual pharmacies to retain staff during the subsidy period
- Two new stores acquired in February 2020 in Karori, Wellington, along with three new stores in Cambridge in March 2021
- Same store script numbers up 4%, supported by temporary changes to repeat dispensing rules

**An objective review of costs has been carried out which has resulted in a change in the way some costs are allocated between divisions. 2021 contains an adjustment of +\$2.6m and 2020 contains an adjustment of +\$2.7m*

Pharmacy Future Focus



Customer Focus

- Strengthen digital capability around 1.8m Living Rewards database
- Grow e-commerce
- Advocate for sustainability of community pharmacies and accessibility and equity for all New Zealanders



Retail Disciplines

- Evolve retail offering to changing consumer behaviour post COVID-19
- Development of further professional service offers
- Continue lifting retail standards to deliver a consistent customer experience



Network Scale

- Optimise equity store network
- Leverage national footprint and trusted Unichem and Life Pharmacy brands
- Contribute to design of NZ health system reforms
- Support New Zealand's COVID-19 response



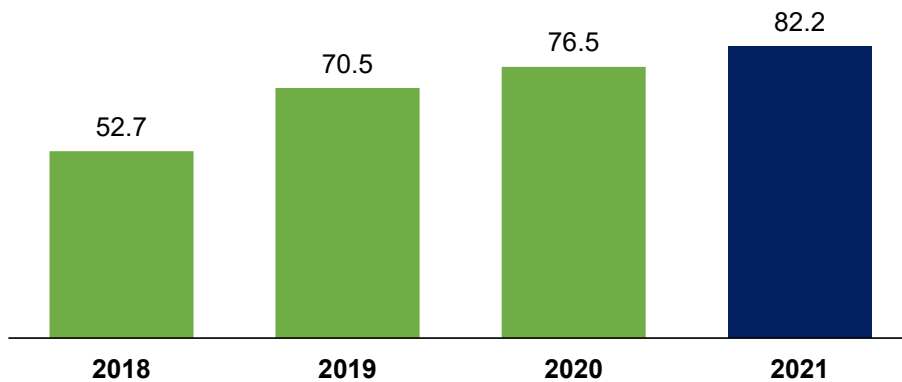
Financial Returns

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

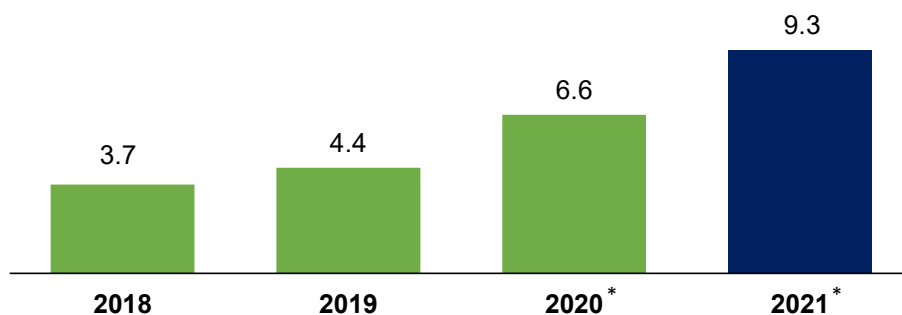
Medical Performance



Medical Operating Revenue (\$m)



Medical Operating Profit (\$m)



Comments:

- Revenue up 7% to \$82.2m, with organic patient growth and acquisitions
- Operating Profit up 41% to \$9.3m, reflecting growth in patients and improved operational efficiency
- 285,000 enrolled patients as at 31 March 2021 (+7%) with three new centres; Gabriel Medical (Auckland), Tui Medical Centre (Whangarei) and Richmond Health Centre (Nelson-Richmond) acquired during the year
- Ownership in 45 Medical Centres

**An objective review of costs has been carried out which has resulted in a change in the way some costs are allocated between divisions. 2021 contains an adjustment of -\$1.4m and 2020 contains an adjustment of -\$1.4m*

Medical Future Focus



Patient Engagement

- Improve utilisation via systematic triaging of patients
- Deploy digital technology to increase efficiency and enhance delivery of high quality patient care
- Support New Zealand's COVID-19 response



Sector Representation

- Contribute to design of NZ health system reforms
- Work closely with funders to ensure equitable access for all New Zealanders



Network Scale

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



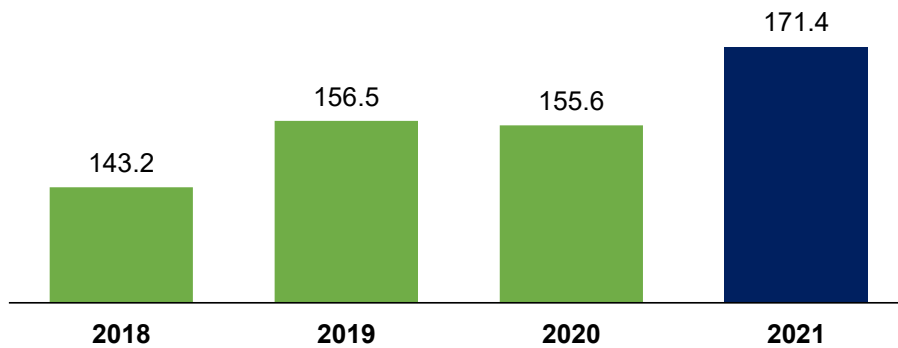
Financial Returns

- Continuous improvement in operational efficiency and scale
- Integrate acquisitions to deliver results

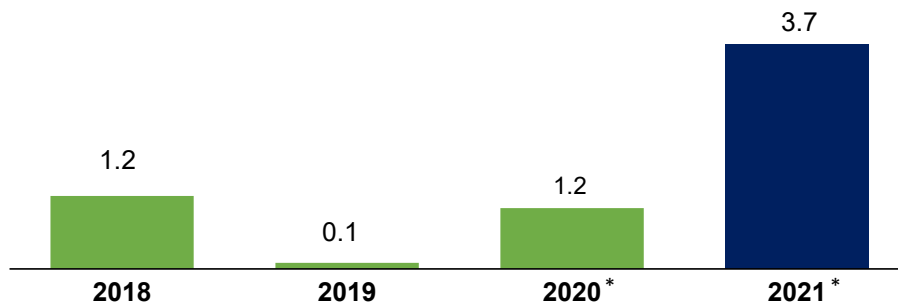
Community Health Performance



Community Health Operating Revenue (\$m)



Community Health Operating Profit (\$m)



Comments:

- Revenue up 10% to \$171.4m
- Operating Profit increased \$2.5m to \$3.7m
- Improved performance reflects strategy of supporting clients with higher clinical needs, ongoing service improvement and improving profitability of contracts
- Cost efficiencies have resulted from the investment in people, technology and systems
- Continued advocacy for additional sector funding to ensure viability of business and sustainability of sector

**An objective review of costs has been carried out which has resulted in a change in the way some costs are allocated between divisions. 2021 contains an adjustment of -\$1.2m and 2020 contains an adjustment of -\$1.3m*

Community Health Future Focus



Service Offering

- Focus on higher clinical needs segments
- Expand geographic coverage of Community Nursing business
- Support New Zealand's COVID-19 response

Technology

- Harness digital technology to enhance workforce efficiency and client outcomes
- Systems development to support administrative improvements

Sector Representation

- Contribute to design of NZ health system reforms
- Advocate for additional sector funding to ensure sustainability

Financial Returns

- Continue cost reduction initiatives
- Focus on profitability of all contracts, targeting growth in higher margin areas



Q&A



Resolutions & Voting

Resolutions

- Resolution 1: Re-election of Peter Merton
- Resolution 2: Re-election of Ken Orr
- Resolution 3: Remuneration of the Auditor

Resolution 1 – Re-election of Peter Merton



*Peter Merton to be re-elected as
Director of the Company*

Resolution 2 – Re-election of Ken Orr



*Ken Orr to be re-elected as
Director of the Company*

Resolution 3 – Remuneration of the Auditor



To authorise the Directors to fix the remuneration of the Auditor for the ensuing year



Q&A

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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 2021.