



Annual Results Presentation

25 June 2020



GXH Annual Result - Financial Highlights



Revenue

\$568.5m

↑ 0.2%

Unichem⁺

life
Pharmacy

Pharmacy

Same store sales

↑ 1.5%



Operating Profit/EBIT

\$31.0m¹

↑ 5.5%

+ thedoctors

Medical Operating Profit

\$8.0m³

↑ 81.1%



Net Profit After Tax

\$13.5m²

↓ -16.2%

(attributable to shareholders)

+ Access
community health

+ Total Care
health services

Community Health

Operating Profit

\$2.5m

↑ +\$2.4m

Note: ¹ Net operating profit before IFRS16 application (Accounting for Leases) \$27.2m (-7.5%);

Note: ² NPAT attributable to shareholders before one-off non-cash items is \$17.6m. These one-offs include goodwill disposals of \$1.1m (total goodwill disposals of \$1.4m less \$0.3m attributable to non-controlling interest), intangible write-downs of \$2.4m, plus the impact of IFRS 16 application of \$0.6m.

Note: ³ Medical Operating Profit before IFRS16 application \$6.8m (+54%)

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

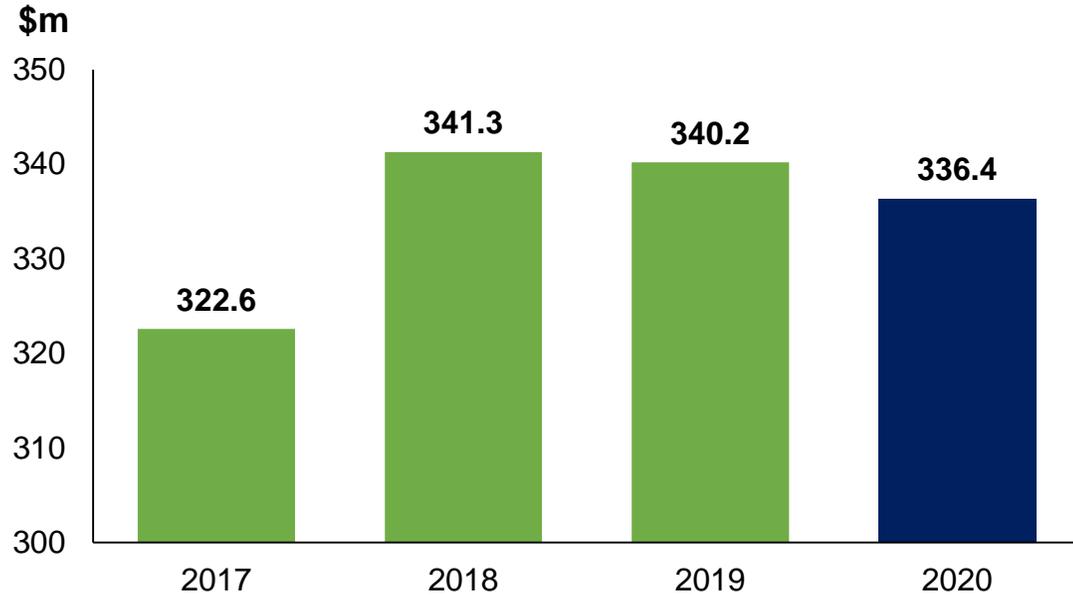
*New Zealand's largest network of health retailers:
supporting easy access to quality health care*



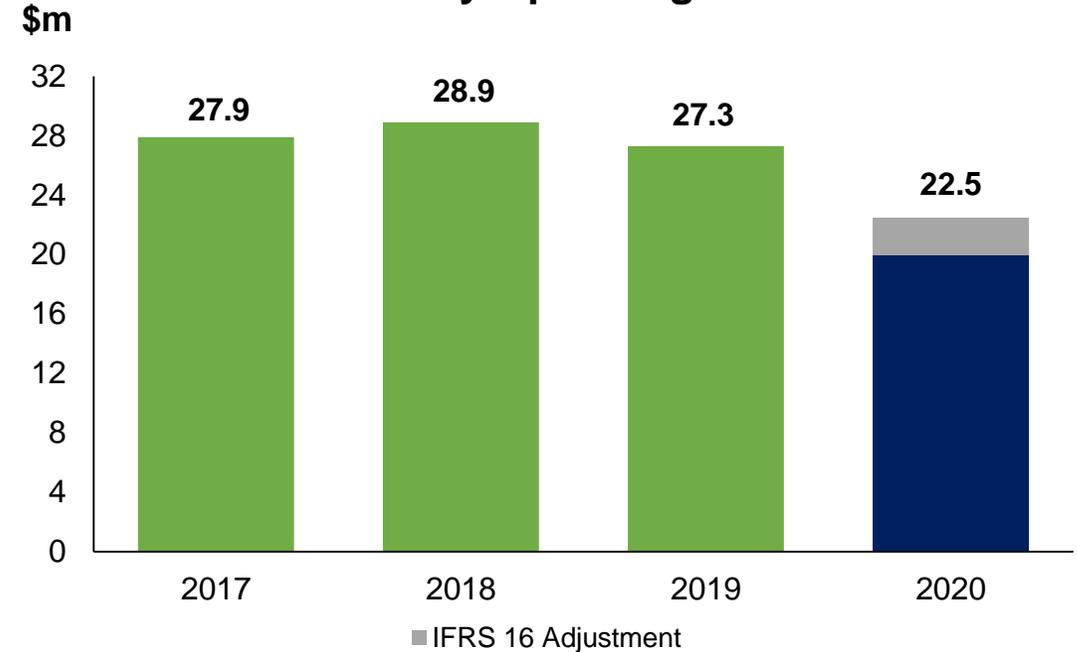


Pharmacy Performance

Pharmacy Operating Revenue



Pharmacy Operating Profit



- Revenue down 1% at \$336.4m, following prior period store closures as part of our ongoing portfolio review
- Operating Profit down \$4.8m to \$22.5m, with part of this decline attributable to goodwill on disposals of \$1.4m, the write-down of intangibles \$3.3m (before tax), offset by IFRS 16 at the operating profit line of +\$2.5m.
- Two new stores acquired in February 2020 in Karori, Wellington – plus rebuild of Life Newmarket, Unichem Parklands and Unichem Highland Park
- Same store sales growth of 1.5%, and same store script numbers up 1.3%

Pharmacy Future Focus



Retail Disciplines

- Evolve retail offering to changing consumer behaviour post COVID-19
- Focus on margin management

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
- Strong focus on reducing labour and occupancy costs



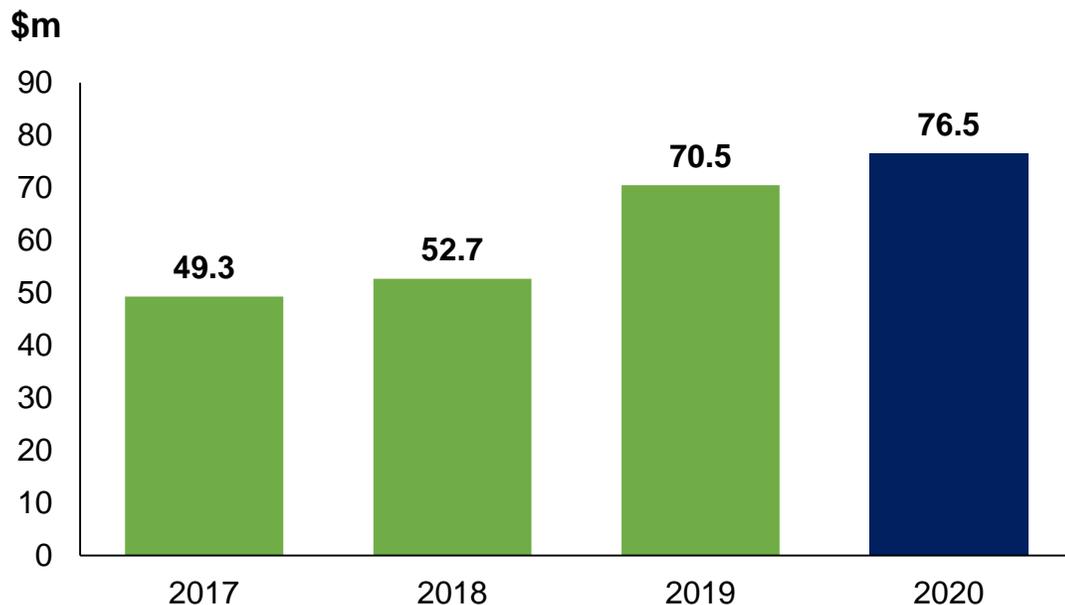
A photograph of three women standing in a hospital hallway, engaged in conversation. The woman on the left is wearing a black top. The woman in the middle is wearing a patterned top and a grey scarf. The woman on the right is wearing a black medical uniform with a green cross logo on the sleeve. In the background, there is a reception desk with a sign that says "the doctors" and "rakau".

Medical Division

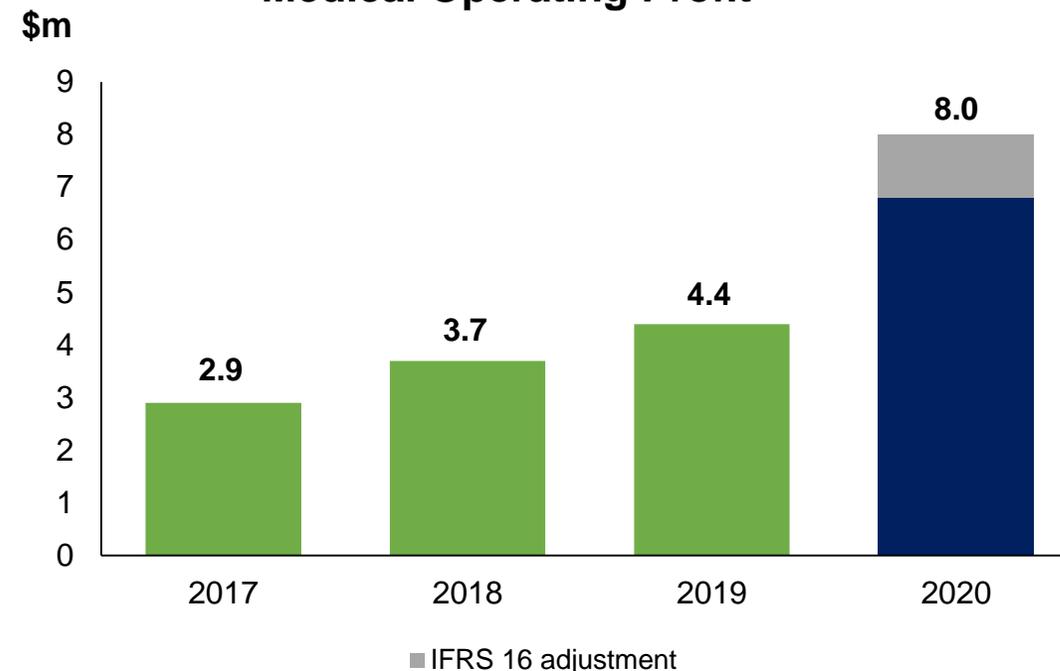
Growth, leadership and sustainable models of care

Medical Performance

Medical Operating Revenue



Medical Operating Profit



- Revenue up 8.5% to \$76.5m, primarily as a result of organic growth
- Operating Profit up 81.1% to \$8.0m, reflecting improved operational efficiency, organic revenue growth and an IFRS 16 impact of +\$1.2m
- Operating Profit margin increased from 6.3% to 8.9% excluding IFRS16
- 267,000 enrolled patients as at 31 March 2020, including increase from Drury Surgery acquisition
- Ownership in 42 Medical Centres

Network Scale

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

Patient Engagement

- Deploy digital technology to increase efficiency and enhance delivery of high quality patient care
- Work closely with funders to ensure equitable access

Financial Returns

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

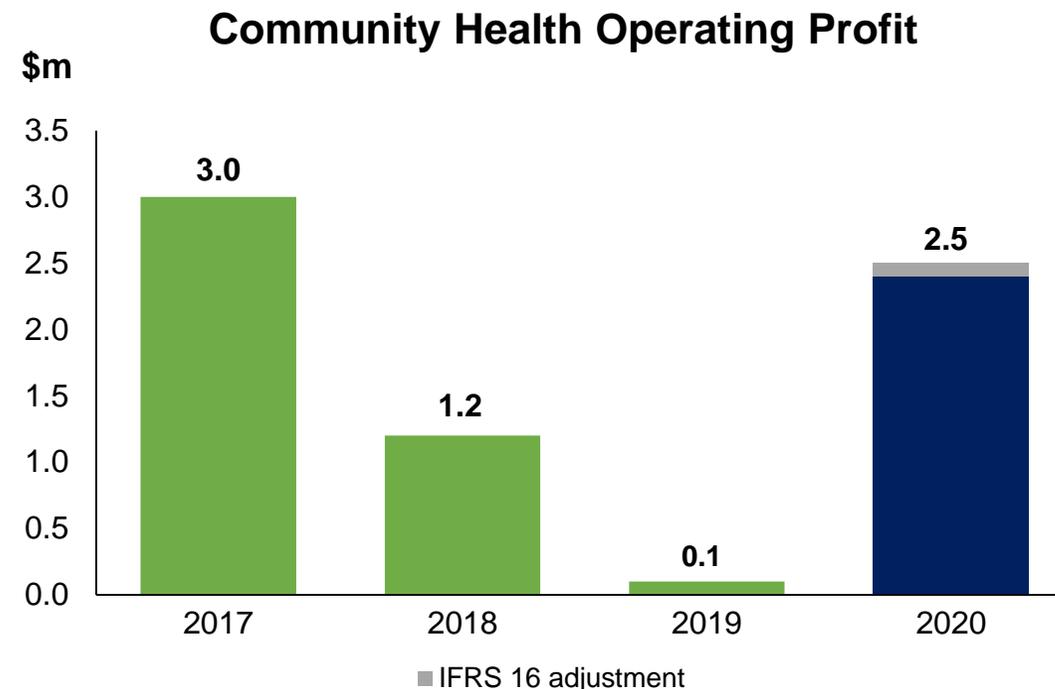
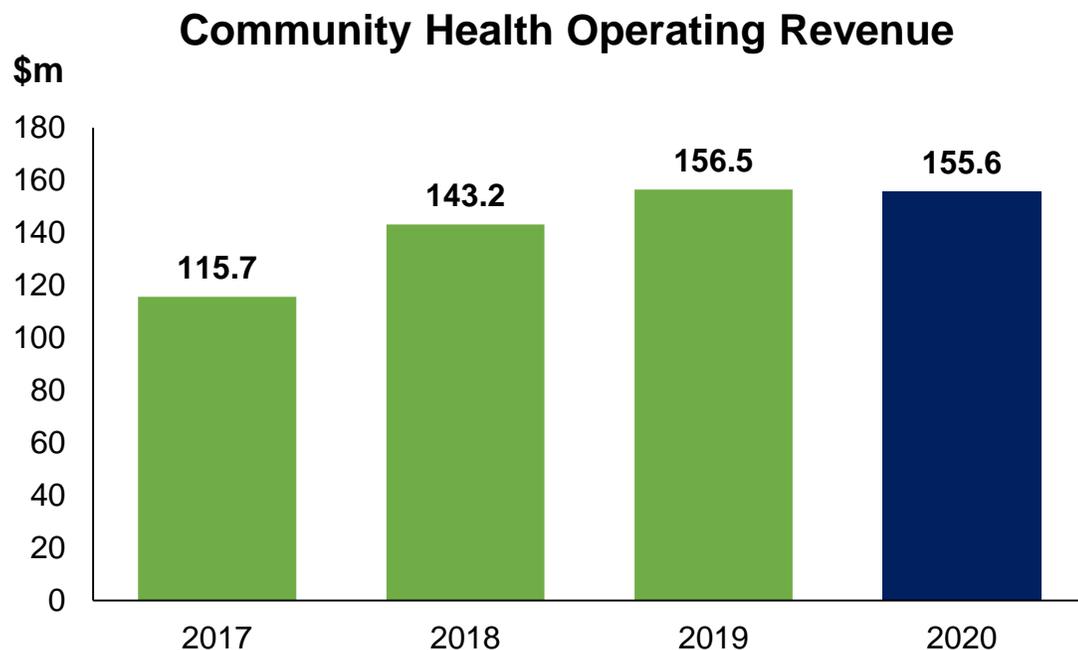




Community Health Division

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

Community Health Performance



- Revenue down 0.5% to \$155.6m following exit of unprofitable contracts
- Cost improvements of 3%
- Operating profit increased \$2.4m to \$2.5m
- Improved performance reflecting cost management and utilisation of technology
- Continued advocacy for additional sector funding to ensure viability of business and sustainability of sector
- Focus continues to be on profitability of contracts rather than top line revenue growth

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 profitability of all contracts, targeting growth in higher margin areas
- Advocate for additional sector funding to ensure sustainability

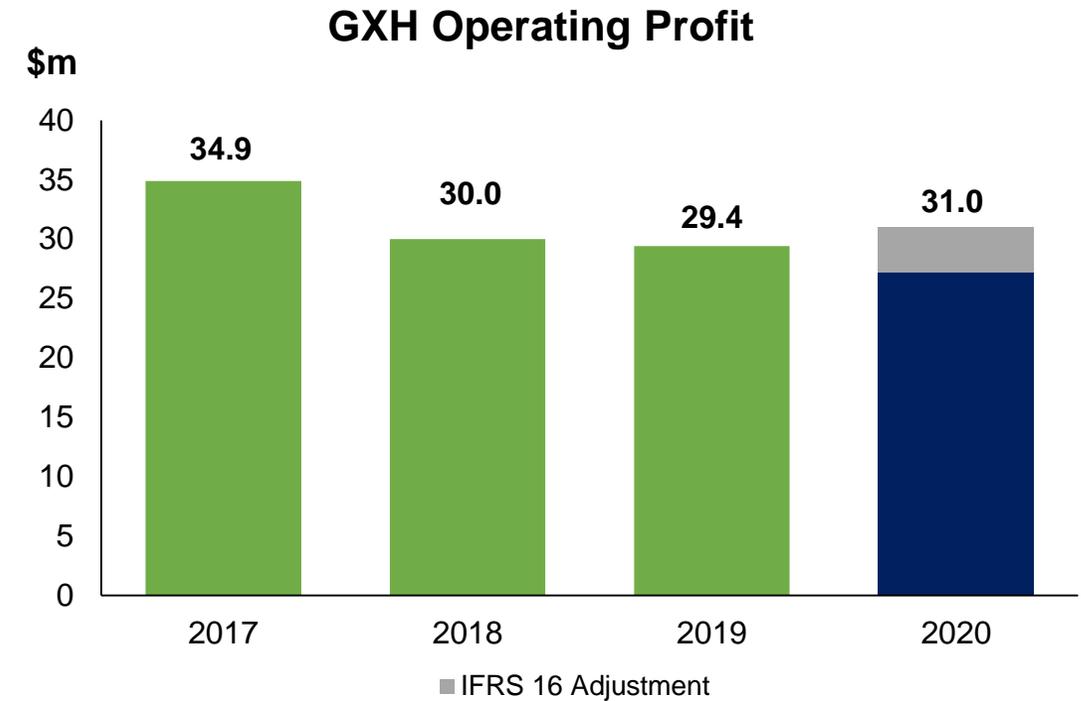
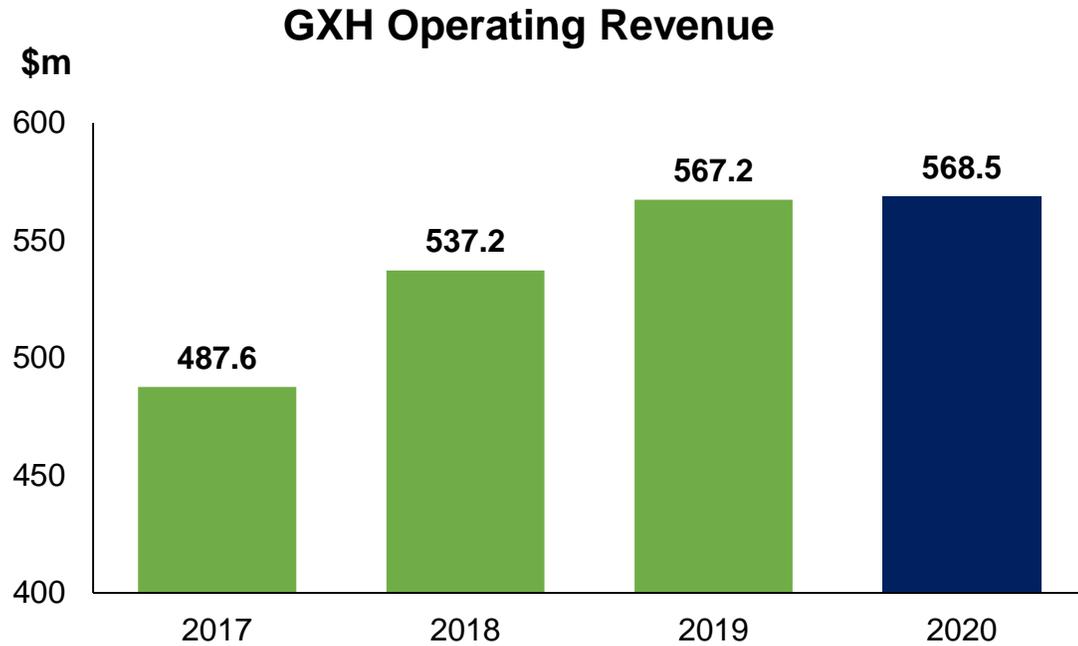




Group Financial Result

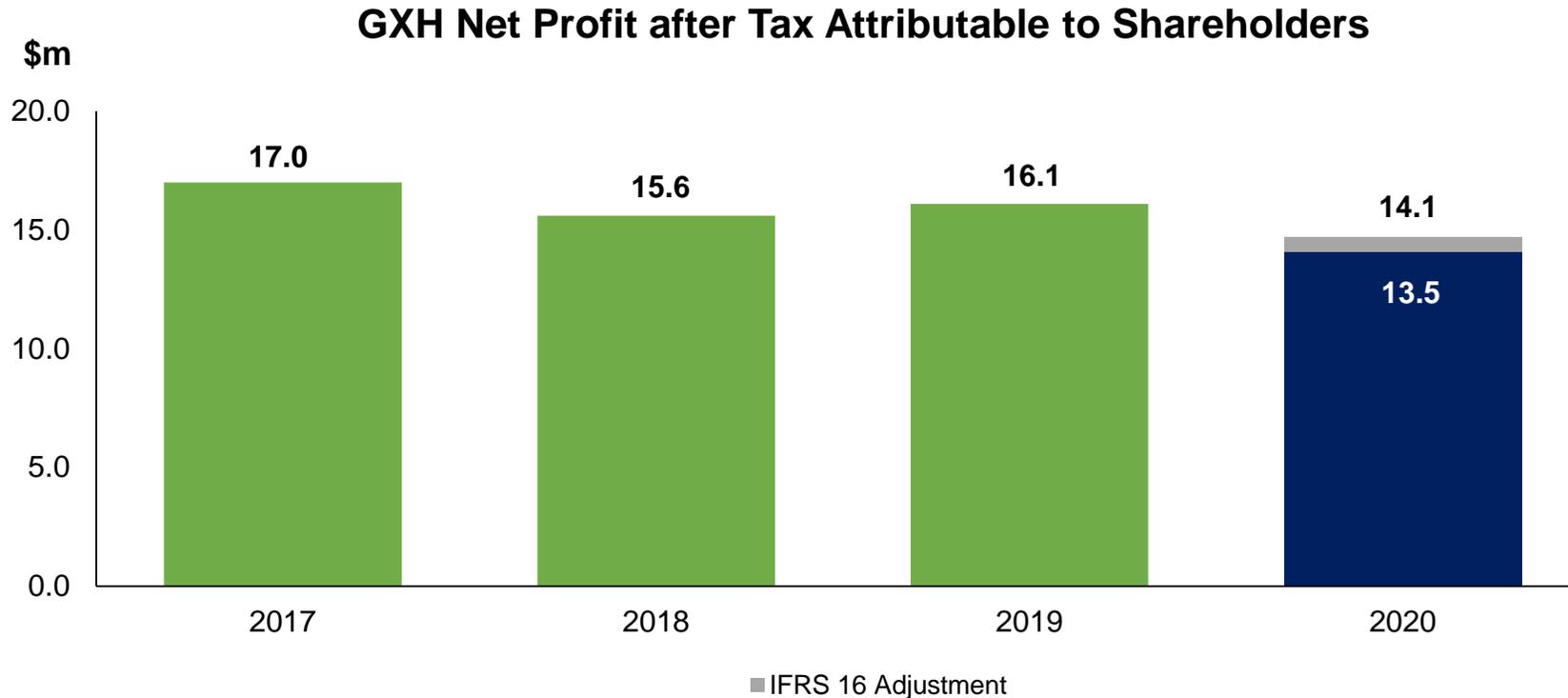
12 months ending 31 March 2020

Year End Result - Group Revenue and Profit



- Revenue of \$569m flat year on year
- Operating Profit of \$31.0m, up 5.4%
- Before application IFRS 16, Operating Profit down 7.5% to \$27.2m
- Performance impacted by goodwill disposals of \$1.4m and intangible write-offs of \$3.3m (before tax)

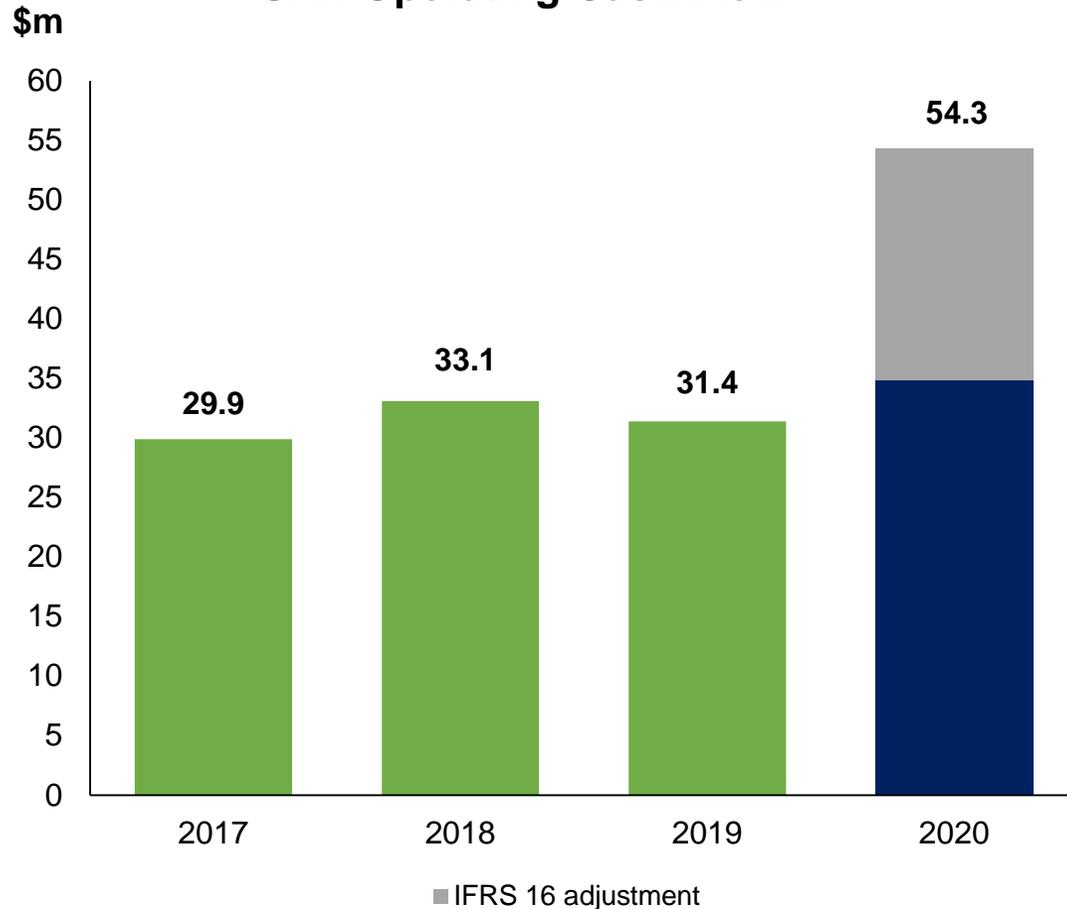
Net Profit After Tax (attributable to shareholders)



- NPAT attributable to shareholders of \$13.5m, down 16.2%
- NPAT attributable to shareholders of \$14.1m before application of IFRS 16 (down 12.5%)
- NPAT attributable to shareholders of \$17.6m before all non-cash one-offs: goodwill disposals of \$1.1m (after NCI portion), intangible write-offs of \$2.4m (after tax) plus the IFRS 16 application impact of \$0.6m.

Operating Cash / Investments

GXH Operating Cash Flow



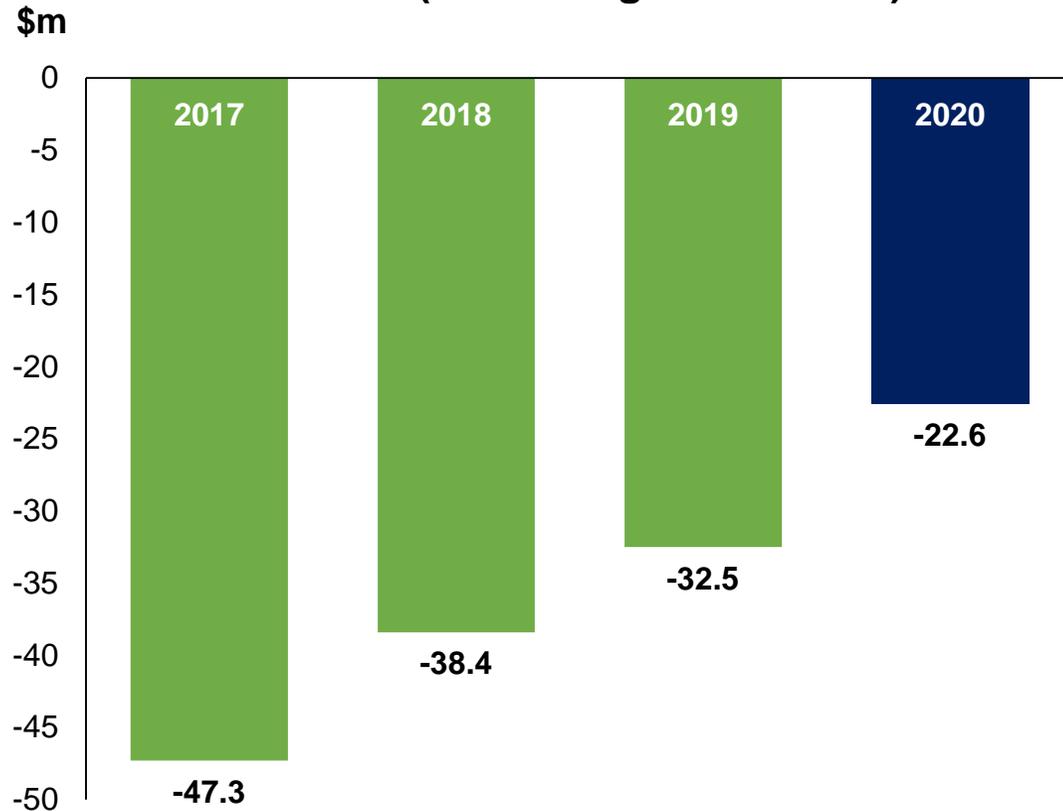
- Operating Cash of \$54.3m (\$34.8m before the application of IFRS 16)

Enabling investment (\$10.8m) in:

- Drury Surgery (new holding)
- Karori pharmacies (two new holdings)
- Waiuku Medical Pharmacy (increased holding)
- Centre City Pharmacy Dunedin (increased holding)
- Life Pharmacy in Westfield Newmarket (new site)

Net Debt / Debt Capacity

Net Debt (Borrowings Less Cash)



- \$10m improvement in Net Debt to \$22.6m
- Debt facilities with BNZ mature 22 August 2022
- \$10m of headroom on BNZ group debt facility
- Strong Balance Sheet will help absorb COVID-19 and economic downturn impact
- Financing ratios:
 - Debt / EBITDA – 1.44x¹
 - Operating profit / Interest – 16.2x¹
 - Fixed Charge Cover – 2.3x¹

Note: ¹ The application of IFRS 16 materially impacts these calculations. The headroom and ratios show the position pre application of IFRS 16.

Earnings Per Share



- EPS at 9.42 cps (9.85 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.