



**GREEN  
CROSS**  
HEALTH


# Half Year Results Presentation

25 November 2022




# GXH Half Year Result - Financial Overview


 **Group Revenue**  
**\$355.1m**

15% increase vs FY22 

 **Operating Profit/EBIT**  
**\$24.7m**


21% increase vs FY22 

 **Net Profit After Tax**  
**\$11.4m**

18% increase vs FY22   
(attributable to shareholders)


  

 **Pharmacy**  
**Operating Profit**  
**\$11.6m**

13% decrease vs FY22 

 **Medical Operating**  
**Profit**  
**\$9.3m**

63% increase vs FY22 





 **Community Health**  
**Operating Profit**  
**\$6.6m**

166% increase vs FY22 

# Operational Highlights

## GXH Highlights



- \$45m increase in Group Revenue year-on-year
- 18% increase in Net Earnings Attributable to Shareholders versus last year
- Rollout of new Unichem and Life Pharmacy App - MedAdvisor
- HouseCall virtual care continues to expand services
- GXH recognised as a Top 10 most desirable place to work in New Zealand by Randstad







# Pharmacy Division

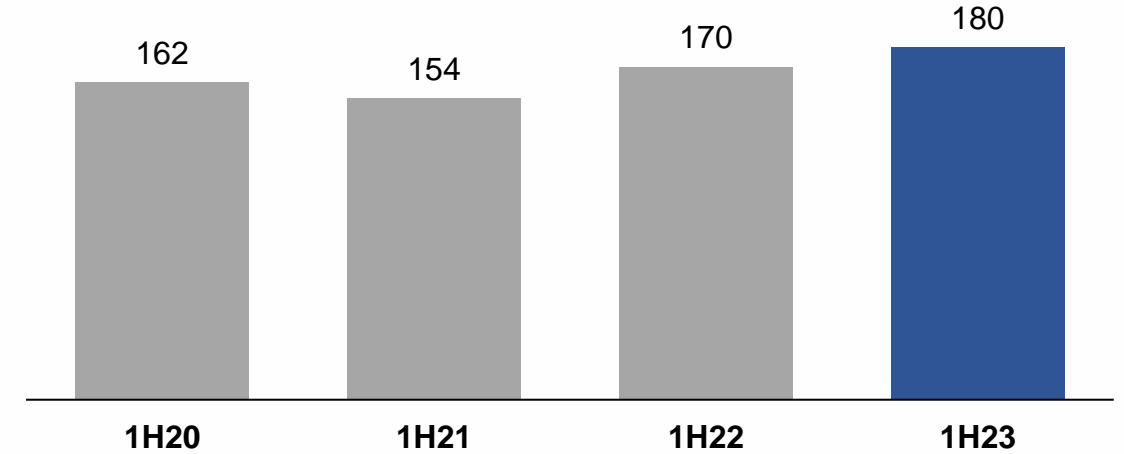
*New Zealand's largest network of health  
retailers: supporting easy access to quality  
health care*



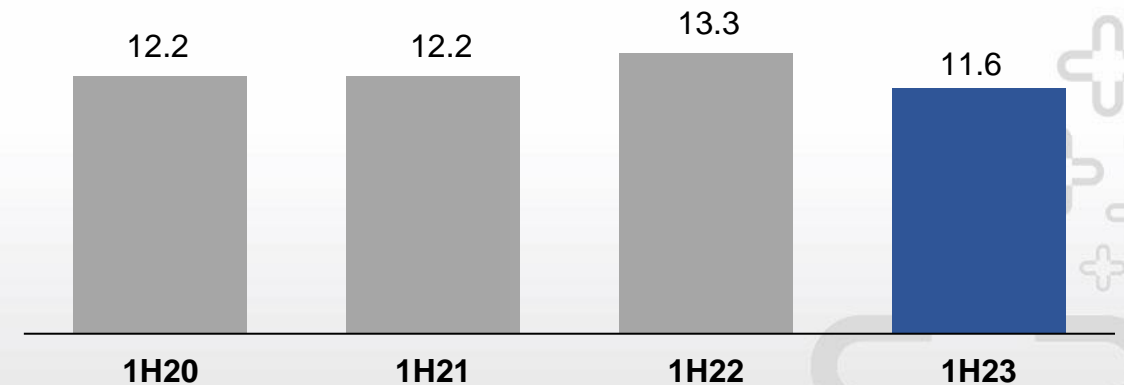
# Pharmacy Performance

-  Revenue up 6% to \$179.7m
-  Operating Profit down 13% to \$11.6m due to reduction in COVID-19 vaccination activity
-  The increase in Pharmacy Revenue was primarily due to growth in dispensary activity
-  Total script volumes up 15%

**Pharmacy Operating Revenue (\$m)**

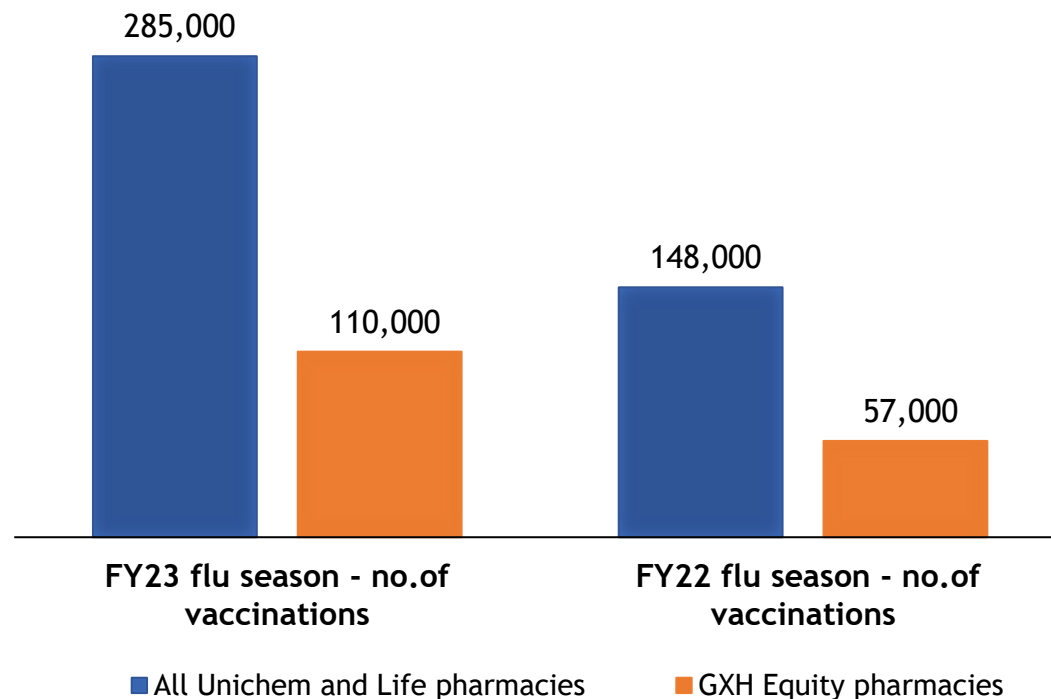


**Pharmacy Operating Profit (\$m)**



# Operational Highlights - Pharmacy

- ✓ Influenza vaccination volumes up 92%
- ✓ Investment in new Living Rewards platform
- ✓ Partnership with technology company MedAdvisor
- ✓ 1.9m loyalty members



**Living Rewards Members Spend More**

	<b>62%</b>	more than non-members
	<b>48%</b>	more than non-members








**1,916,504 Living Rewards members**

# Pharmacy Will Win By Focusing on the Customer

**Unichem**<sup>+</sup>

*life*  
Pharmacy

Pharmacy Strategy		
	Brand & customer	Differentiated brand and products, recognising customer loyalty
	Retail disciplines	Professional instore experience, margin management
	Omni-channel experience	Care & advice accessible to the customer in multiple channels
	Network scale & leadership	Leveraging our trusted brands, advocating for equity for all New Zealanders
	Cost focus	Workforce productivity & occupancy cost control



# Medical Division

*Growth, leadership and sustainable models of care*





# Medical Performance



**Revenue** up 48% to \$68.2m, driven by COVID-19 testing, vaccinations, COVID-19 care in the community and acquisitions

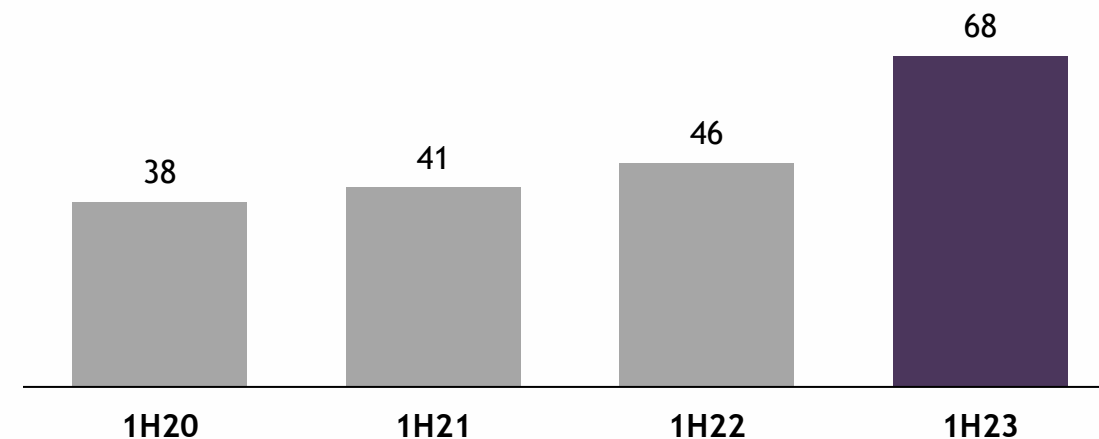


**Operating Profit** up 63% to \$9.3m, driven by COVID-19 activity, procurement efficiencies, cost management and acquisitions

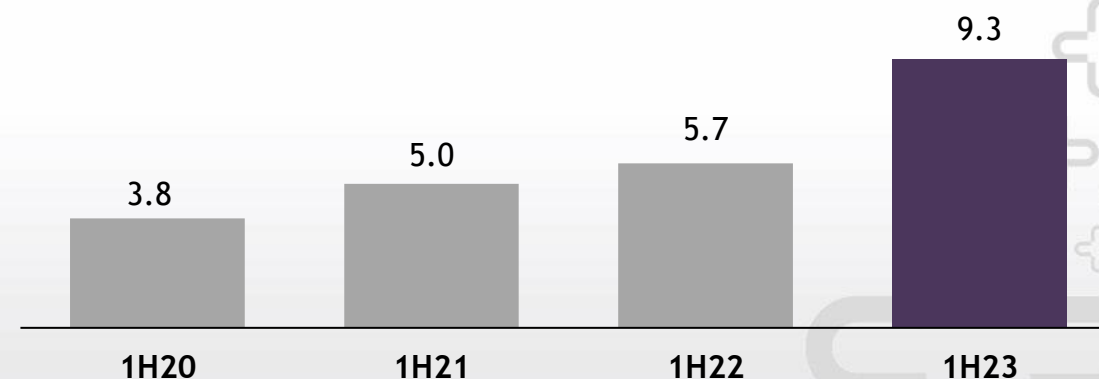


**345,000 enrolled patients** as at 30 September 2022, an increase of 57,000 (+20%) since 30 September 2021

Medical Operating Revenue (\$m)



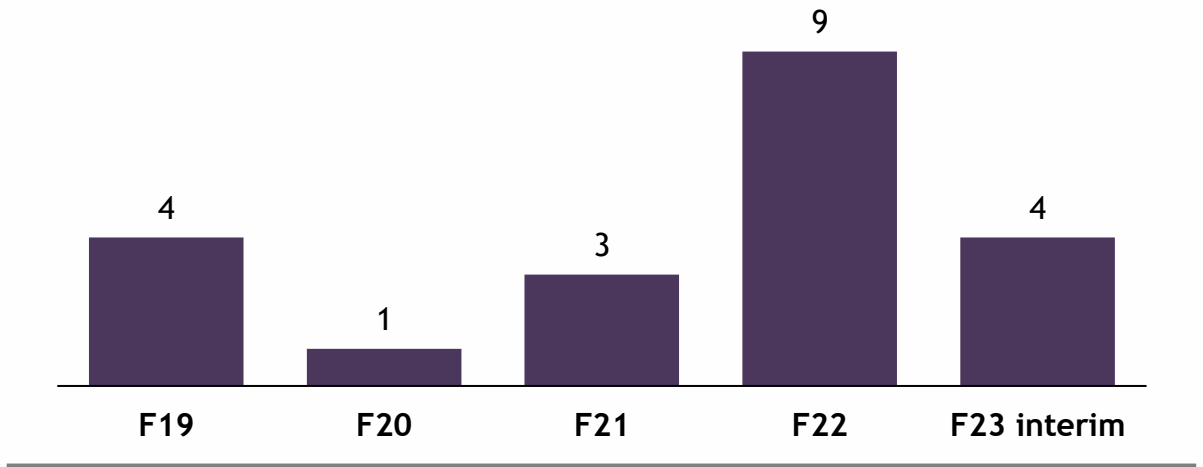
Medical Operating Profit (\$m)



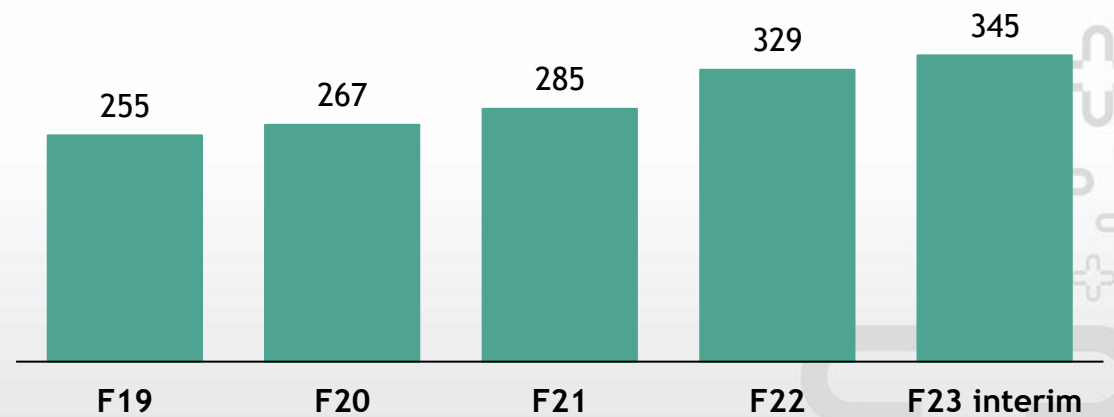
# Operational Highlights - Medical

- ✓ Successful completion of four acquisitions, to close with 57 medical centres
- ✓ Strong pipeline of future acquisitions
- ✓ Continued development of the HouseCall virtual care service offering
- ✓ The Doctors has New Zealand's largest general practice enrolled patient base

## Acquisitions



## Enrolled Patients ('000)



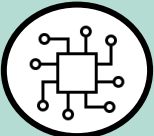






**345,000 enrolled patients**

# Medical Focused on Organic Growth and Acquisitions

 thedoctors  HouseCall

Medical Strategy		
	Patient & brand	High quality patient care
	Scale	Targeted centre acquisitions
	Technology	Utilising data and systems, omni-channel offering
	Operational improvement	Continuous improvement focus, clinical development
	Cost and margin focus	Workforce productivity & margin management



# Community Health Division

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



# Community Health Performance



Revenue up 14% to \$107.2m



Operating Profit increased 166% to \$6.6m



Improved performance reflects strategy of supporting clients with higher clinical needs and improving profitability of contracts

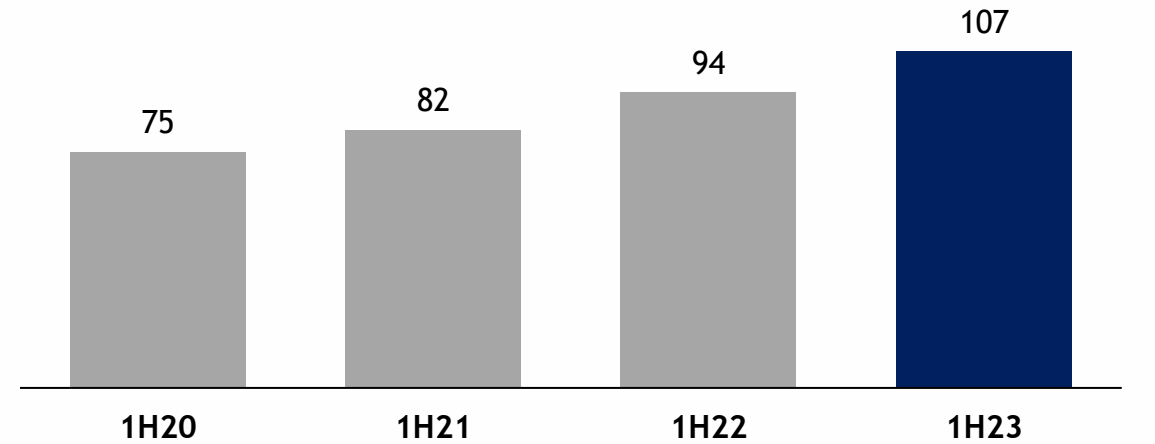


Cost efficiencies have resulted from investment in people, technology and systems

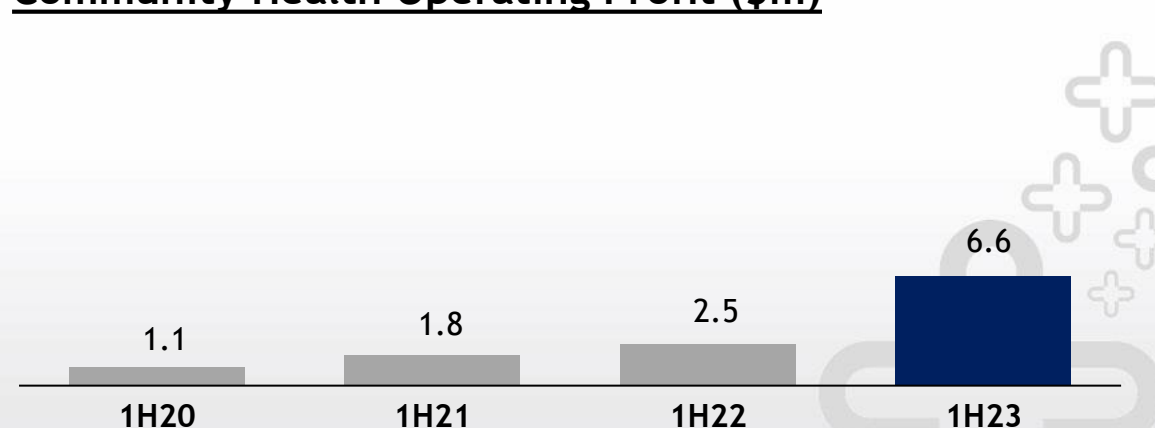


Continued advocacy for additional funding to support sector sustainability

## Community Health Operating Revenue (\$m)



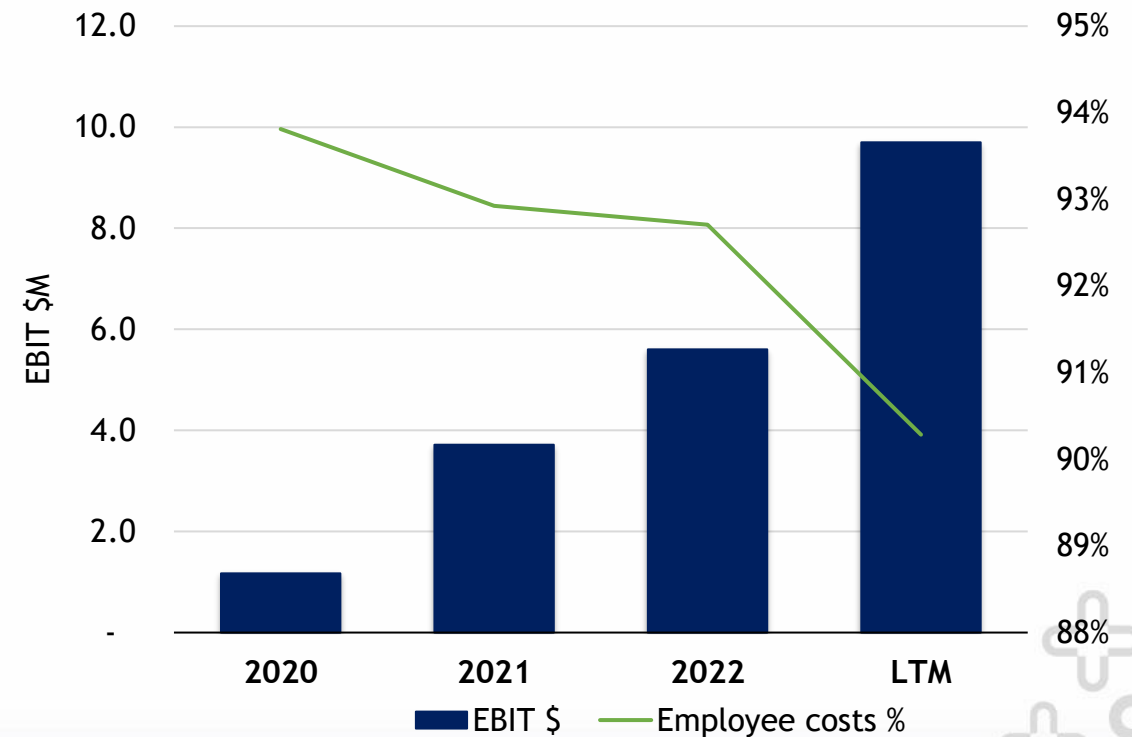
## Community Health Operating Profit (\$m)



# Operational Highlights - Community

- ✓ Operating margin of 6% (up from 3%)
- ✓ Improvements in labour efficiency as a result of investment in systems
- ✓ Access Virtual Assistant (AVA) support worker digital app well-entrenched
- ✓ Focus on higher and complex support needs
- ✓ Continued advocacy for nurse pay parity
- ✓ Working alongside Kaupapa Māori providers to support equity of access

Labour efficiency initiatives delivering EBIT growth







in use by 2,060 support workers

# Community Health Targeting Profitable Growth



## Community Health Strategy

	Client	Higher clinical needs & excellent client experience
	Technology	Digital and systems development
	Sector representation	Advocating for sustainable funding and equity for all clients
	Cost and margin	Workforce productivity & contract margin management



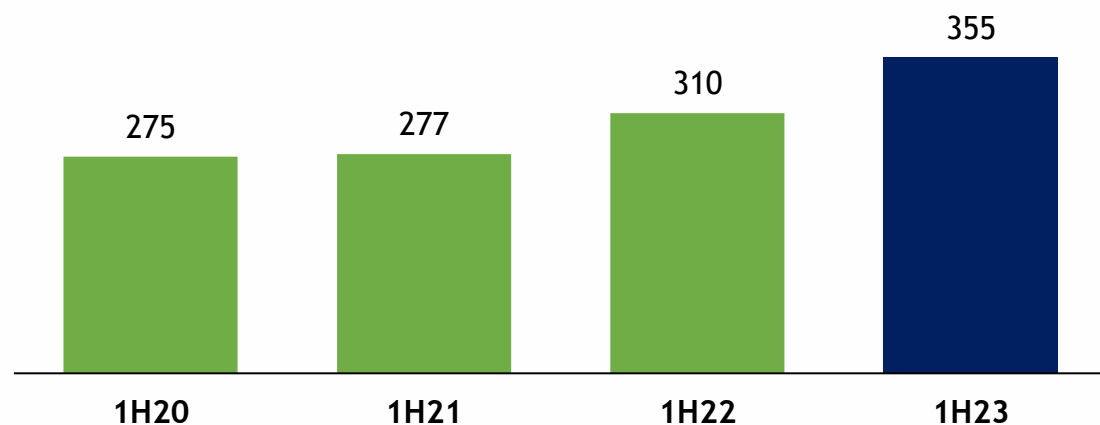
# Group Financial Result

*6 months ending 30 September 2022*



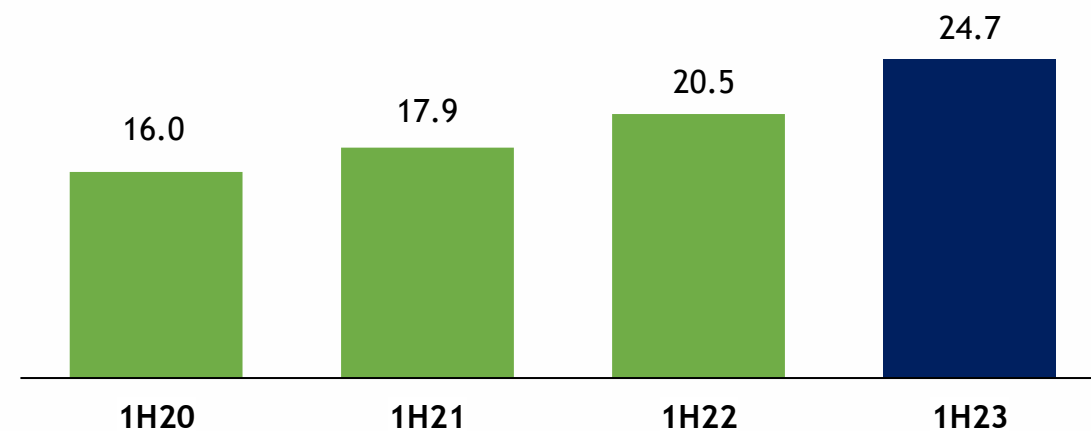
# Group Revenue and Operating Profit

## GXH Operating Revenue (\$m)



- Revenue of \$355.1m, up 15%
- Increased revenue performance in all three divisions

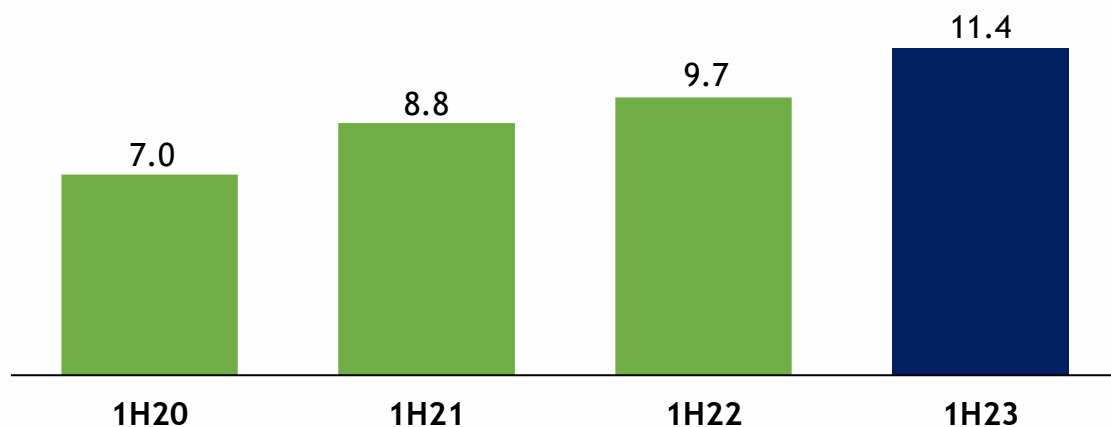
## GXH Operating Profit (\$m)



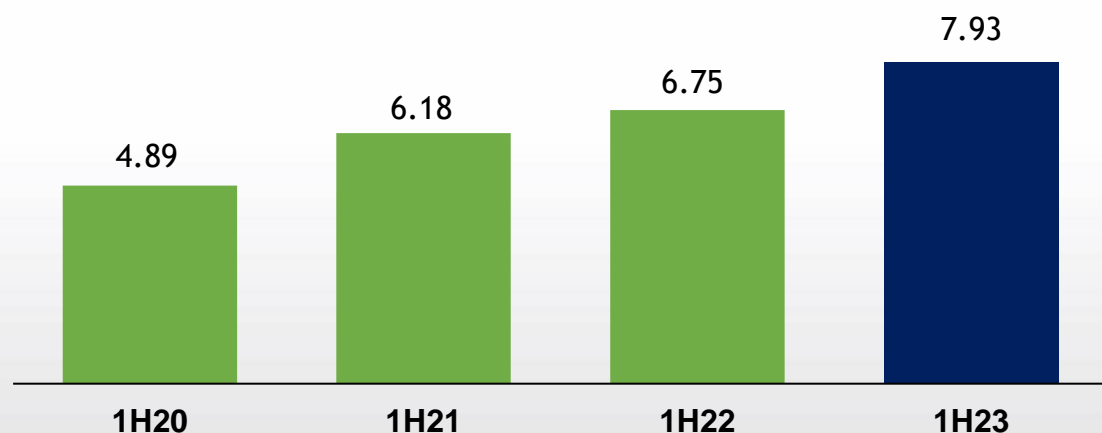
- Operating Profit of \$24.7m, up 21% versus prior period
- Operating profit growth of 54% over three years
- Growth supported by COVID-19 activity and acquisitions

# Group NPAT, EPS and Dividend

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



## GXH Net Profit after Tax Attributable to Shareholders (cps)

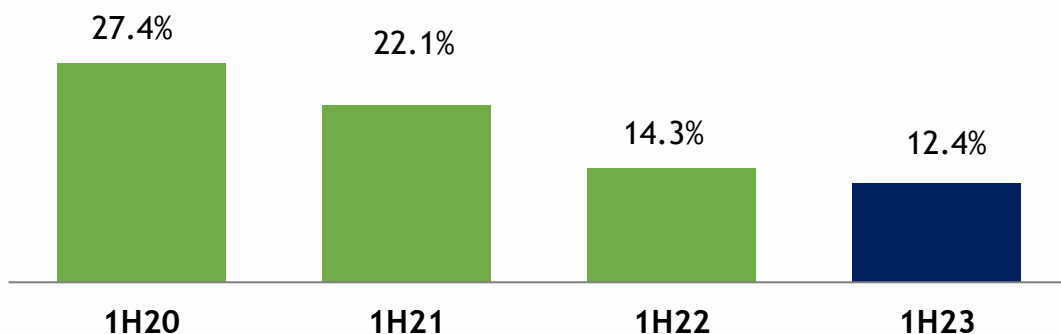


## Dividend / EPS

- NPAT attributable to shareholders of \$11.4m, up 18%
- EPS at 7.9 cps, an increase of 17% on the prior year
- EPS growth of 62% over last three years
- Interim dividend of 3.5cps declared - payment date of 16 December 2022

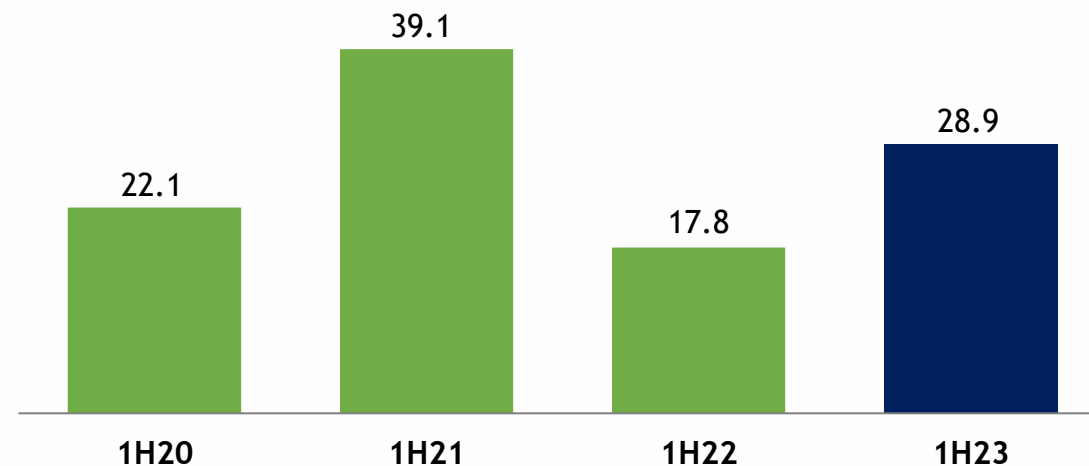
# Working Capital and Operating Cash Flow

## Gearing Ratio (debt / debt + equity)



- Gearing ratio of 12% in FY22
- Undrawn debt facilities of \$44m as at 30 September 2022
- Net cash position of \$18.9m as at 30 September 2022 (up \$13.0m on prior period)
- Continued working capital management has positioned GXH well to take advantage of future investment opportunities
- Financing ratios (pre IFRS16):
  - Debt / EBITDA - 0.4x
  - Operating Profit / Interest - 38.4x

## GXH Operating Cash Flow (\$m)



- Operating Cash Flow of \$28.9m

### Enabling investment (\$7.1m) in:

- Four medical centre acquisitions
- Three shareholding increases - medical (2), pharmacy (1)
- Ongoing site capex requirements
- Loyalty, MedAdvisor and other digital capability

# Outlook

- Challenging labour market, with workforce shortages and inflationary pressure
- Focus remains on growth through acquisitions, operating model refinement and investment in service offerings
- COVID-19 related earnings expected to reduce over the remainder of the financial year, with return to Group pre COVID-19 profitability levels (adjusted for acquisitions)
- Dividend of 3.5cps declared for the half-year ended 30 September 2022



# About Green Cross Health



# 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.

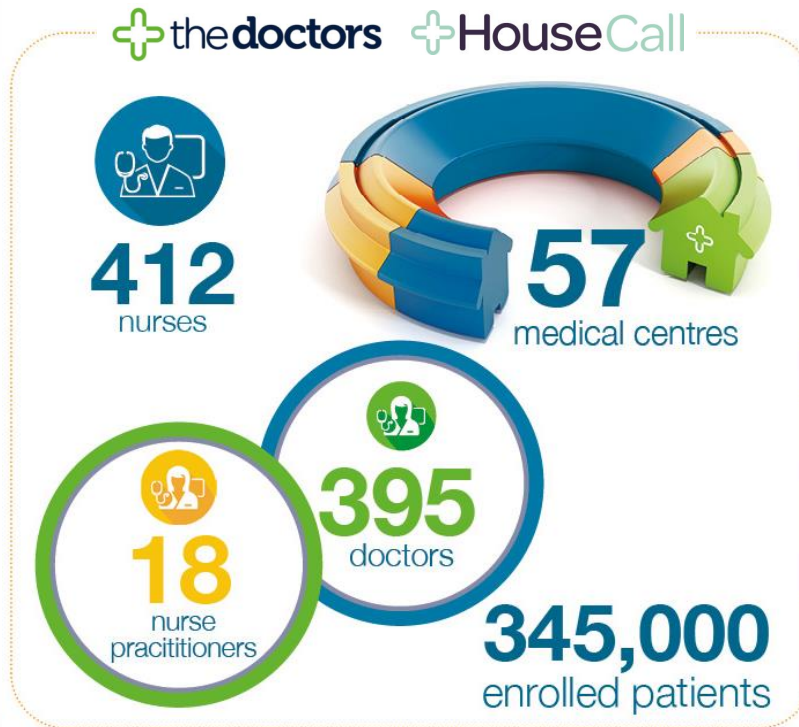
This is our promise.



# Who We Are



Pharmacies providing extensive range of health, wellness and beauty related products and services across communities throughout New Zealand, supported by digital offerings



General practice networks across New Zealand, offering in-practice and virtual services



Personal care, nursing, rehabilitation and household assistance delivered within homes across New Zealand

As at 30 Sept 2022

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