



Half Year Results Presentation

29 November 2023



...ctful 尊重的
...manaaki tangata responsible
...关心 mōhio ki te mahi compassionate
...高效的 efficient
...empathetic 同情同理的 welcome

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The information contained in this presentation should be considered in conjunction with the consolidated financial statements for the six months ended 30 September 2023.

Operational Highlights



Group Highlights

- \$2.2m increase in Group Revenue year-on-year
- Significant investment in IT infrastructure; ERP upgrade completed and product information system replaced



Pharmacy Division

- Total prescriptions up 3.3% on same-store basis
- \$5 co-payment removal
- 295,961 flu vaccinations administered
- Five store refurbishments



Medical Division

- 399,000 enrolled patients (+16% YOY)
- Acquisition of three new medical centres
- Three centre refurbishments
- Successful rollout of practice management system upgrade to further 25 medical centres

GXH Interim Result - Financial Overview

Group Performance

Group Revenue

 **\$250.2m**

▲ 1% increase vs 1H23

Operating Profit (EBIT)

 **\$14.9m**

▼ 17% decrease vs 1H23

Net Profit After Tax (attributable to shareholders)

 **\$5.6m**

▼ 21% decrease vs 1H23*

*Comparative (FY23 H1) of \$7.1m excludes profit from discontinued operation of \$4.3m.

Divisional Performance

Pharmacy Operating Profit (EBIT)

 **\$8.7m**

  ▼ 25% decrease vs 1H23

Medical Operating Profit (EBIT)

 **\$7.3m**

 ▼ 21% decrease vs 1H23



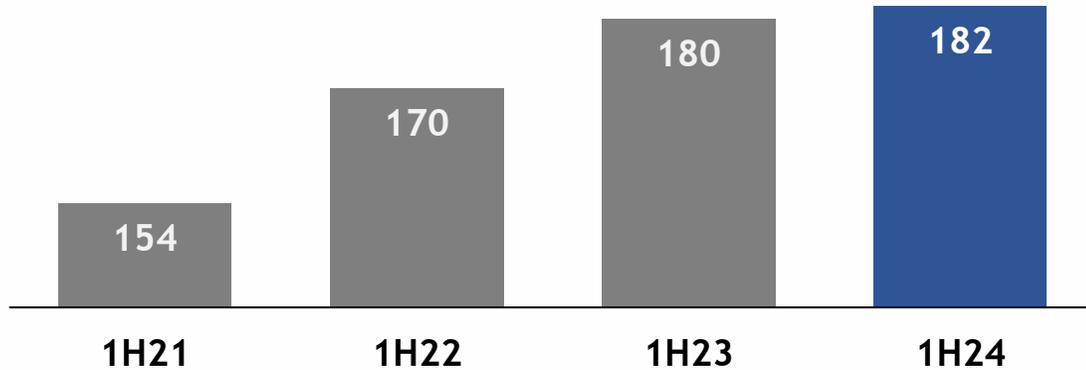
Pharmacy Division



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

Pharmacy Performance

Pharmacy Revenue (\$m)



Pharmacy Operating Profit/EBIT (\$m)



Unichem⁺

life
Pharmacy

 **PillDrop**
Pharmacy. Your Way.

-  Revenue of \$182m
-  Operating Profit (EBIT) at \$8.7m
-  Diminished levels of higher-margin COVID-19 activity and increased labour costs resulted in **Operating Profit (EBIT)** down 25%
-  Same store direct labour costs up 11% given shortages and inflationary pressures, with **initiatives underway to reduce costs** and increase operational efficiency
-  **\$5 co-payment removal** bolstered dispensary sales

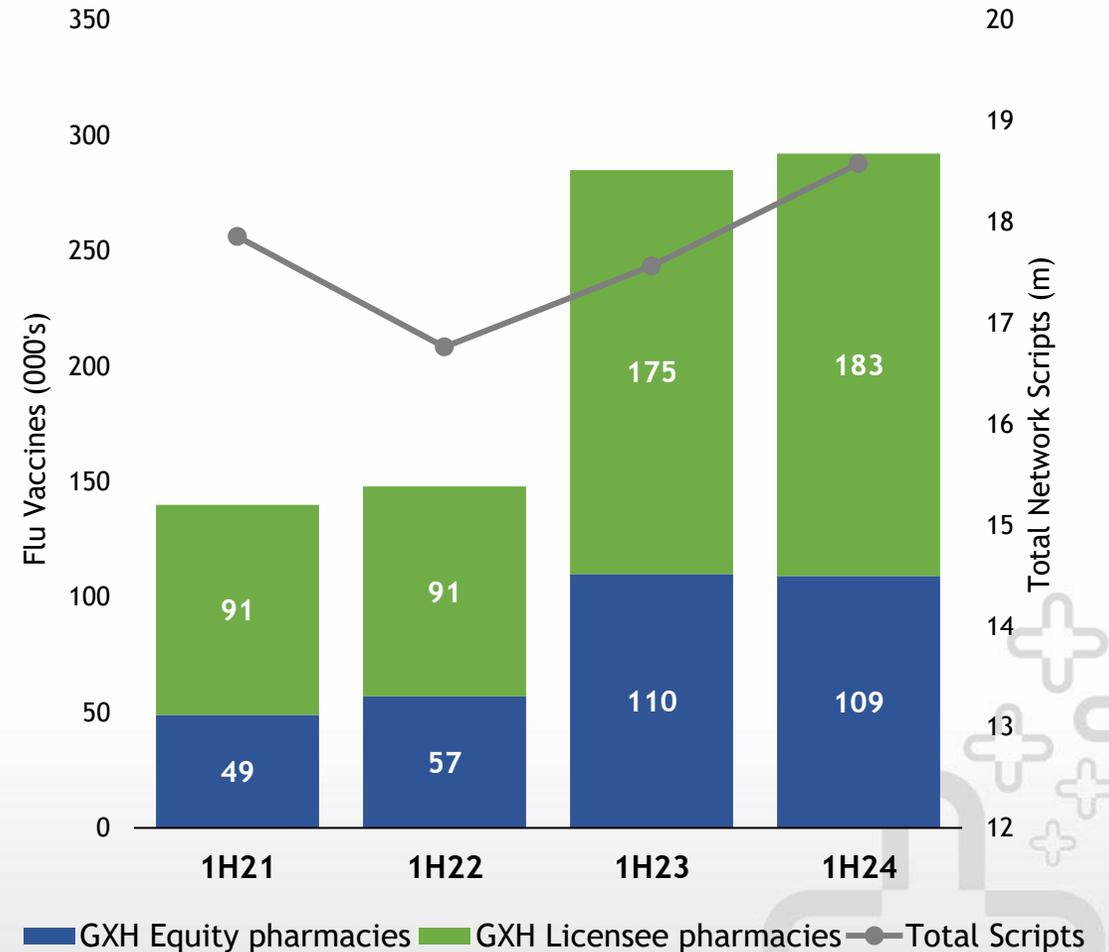
Operational Highlights - Pharmacy

- ⊕ Continued growth in influenza vaccination volumes, up 3.3% on 1H23
- ⊕ Initial scripts up 5.9% vs. 1H23 for same stores
- ⊕ Increase in loyalty membership to 1.99m members
- ⊕ Living Rewards members spend 60% more than non-members



1,990,840 Living Rewards members

Flu Vaccines and Total Scripts



Pharmacy Will Win By Focusing on the Customer





Medical Division

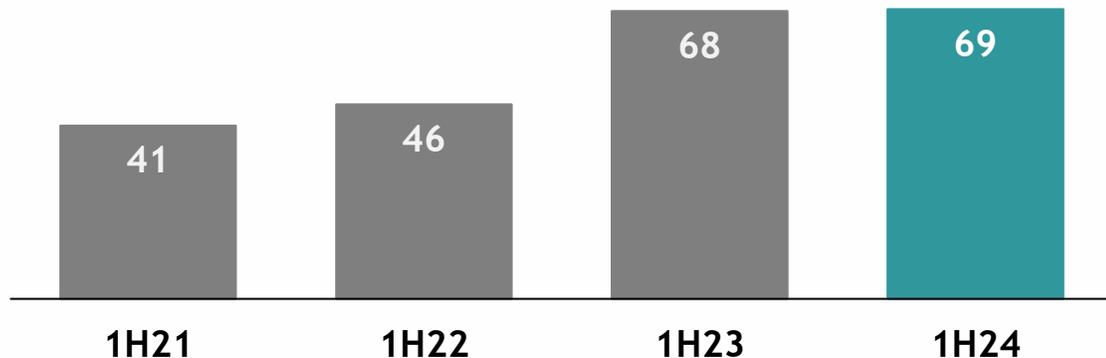
 **the doctors**  **HouseCall**

Growth, leadership and sustainable models of care

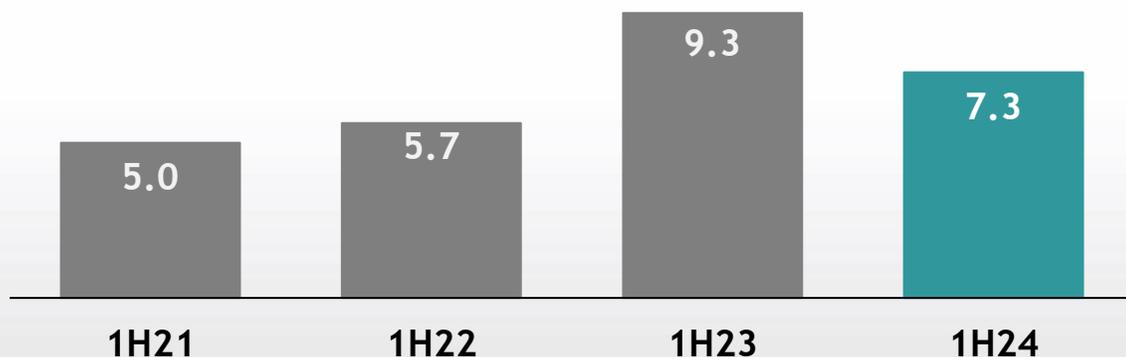
 **GREEN
CROSS
HEALTH**

Medical Performance

Medical Revenue (\$m)



Medical Operating Profit/EBIT (\$m)



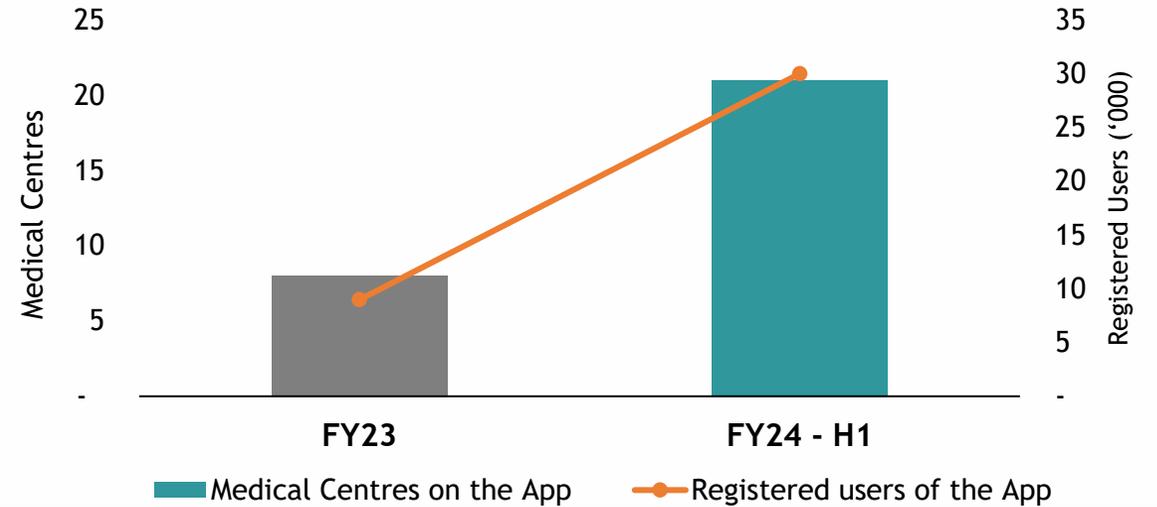
 thedoctors  HouseCall

-  Revenue up 1% to \$69m
-  Diminished levels of COVID-19 activity and increased labour costs resulted in **Operating Profit (EBIT) down 21% to \$7.3m**
-  **Review of cost base** to minimise impact of labour shortages and inflationary pressure
-  **399,000 enrolled patients** as at 30 September 2023, an increase of 54,000 (+16%) since 30 September 2022
-  **Ownership in 63 medical centres**

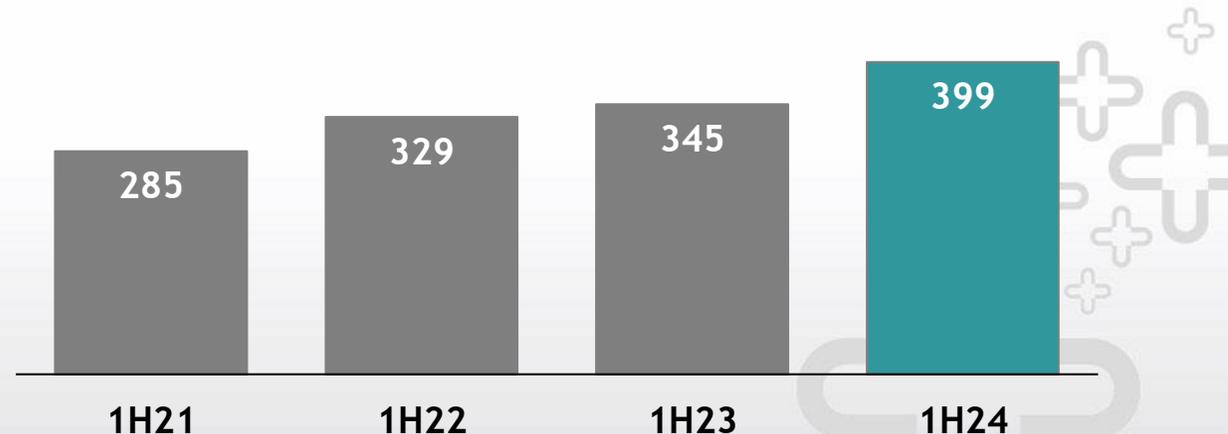
Operational Highlights - Medical

-  Successful completion of three acquisitions to end period with 63 medical centres. Two further acquisitions completed post Sep-23
-  Strong pipeline of future acquisitions
-  HouseCall virtual care service can now be accessed via The Doctors App
-  The Doctors has New Zealand's largest general practice enrolled patient base

The Doctors App



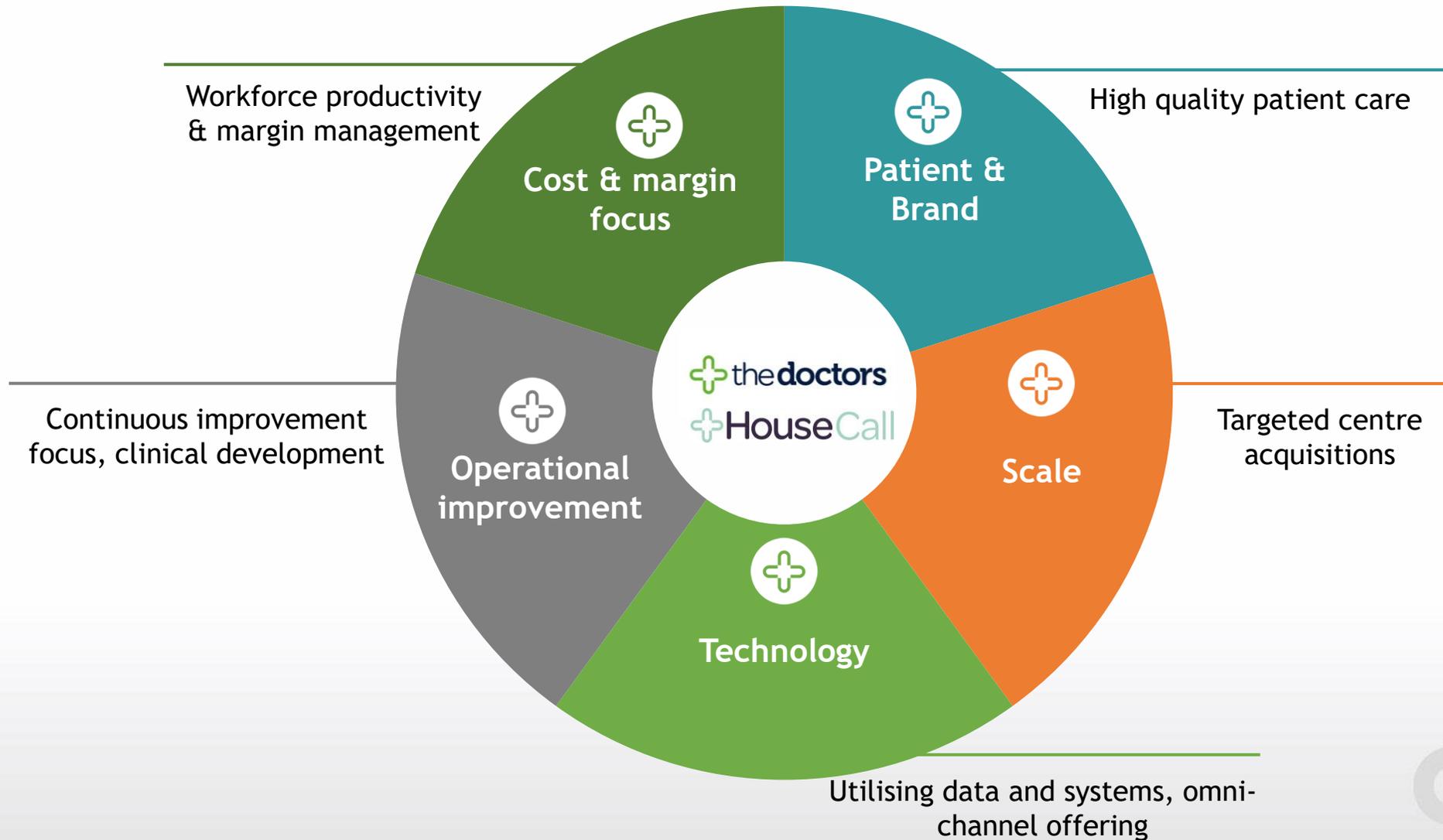
Enrolled Patients ('000)





399,000 enrolled patients

Medical Strategy of Organic Growth & Acquisitions



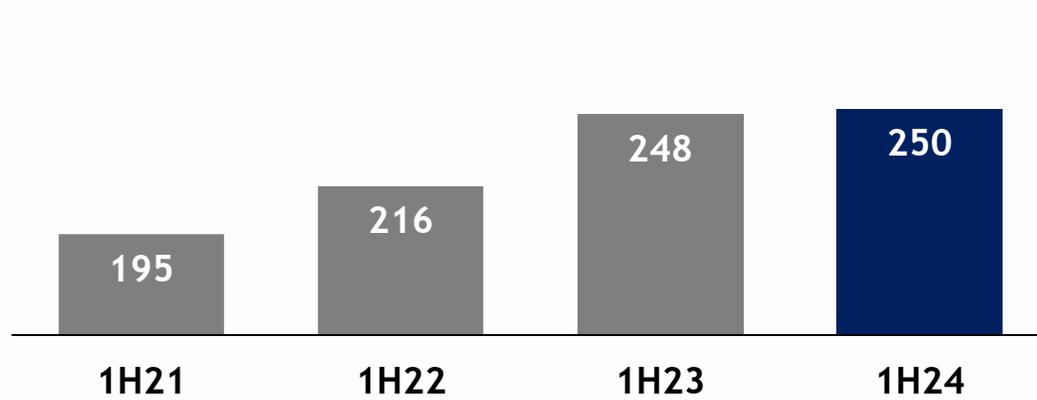


Group Financial Result

6 months ending 30 September 2023

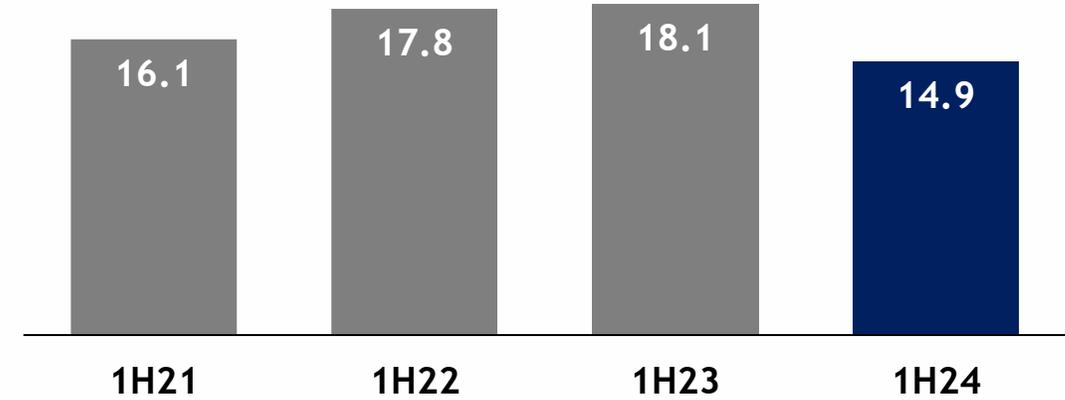
Group Revenue and Operating Profit (EBIT)

Revenue From Continuing Operations (\$m)



-  Revenue of \$250m, up 1% vs 1H23
-  Fourth consecutive year of revenue growth

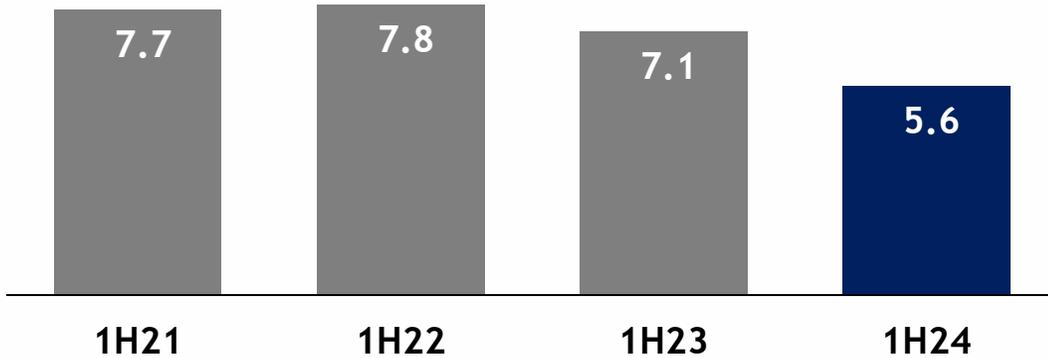
Operating Profit (EBIT) From Continuing Operations (\$m)



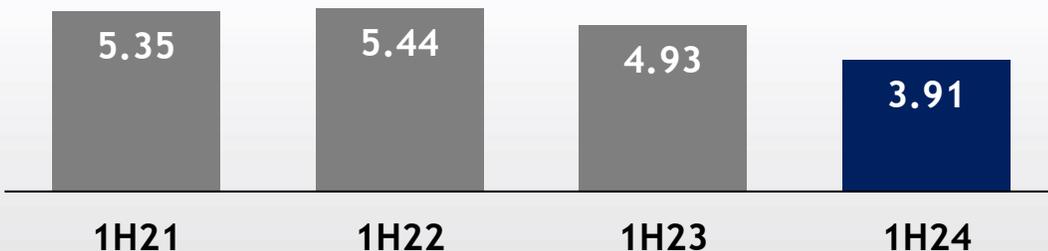
-  Operating Profit (EBIT) from continuing operations of \$14.9m, down 17%
-  1H24 Operating Profit (EBIT) decline is the result of reduced COVID-19 activity, a challenging retail environment and increased labour costs

Group NPAT, EPS & Dividend

Net Profit After Tax Attributable to Shareholders From Continuing Operations (\$m)



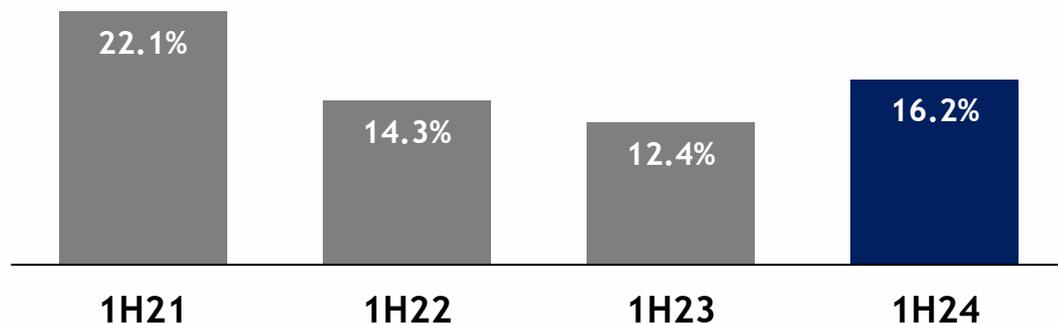
Net Profit After Tax Attributable to Shareholders From Continuing Operations (cps)



-  Net Profit After Tax Attributable to Shareholders down 21% on a continuing operations basis
-  EPS at 3.91 cps, a decrease of 1 cent
-  Interim dividend of 2.5 cps (\$3.6m) declared, to be paid on 20 December 2023

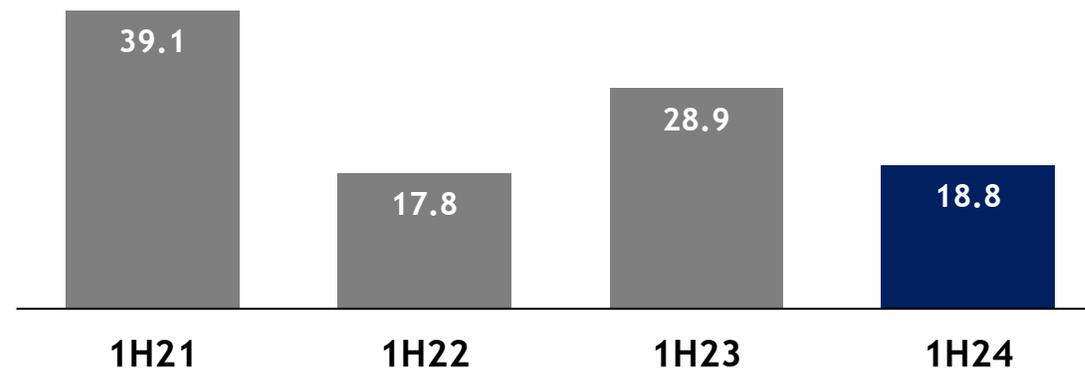
Working Capital and Operating Cash Flow

Gearing Ratio (debt / debt + equity)



-  Gearing ratio of 16.2% as at 30 September 2023
-  Robust working capital management ensures GXH maintains a strong balance sheet to support its strategy of acquisitive growth
-  Financing ratios (pre IFRS16):
 - Debt / EBITDA – 1.0x
 - Operating Profit (EBIT) / Interest – 10x

GXH Operating Cash Flow (\$m)



-  Operating Cash Flow of \$18.8m

Enabling investment (\$7.9m) in:

-  Three medical centre acquisitions
-  Ongoing site capex requirements including five Pharmacy refurbishments and three Medical refurbishments

Outlook

-  Challenging retail environment, labour cost pressures and funding shortfalls continue in short-term
-  Maximising labour efficiency and management of costs a priority
-  Focus remains on sustained earnings growth through acquisition and investment in new product and service offerings
-  Earnings over the remainder of the year are expected to track more in line with the second half of the prior financial year on a continuing operations basis
-  Dividend of 2.5cps declared for the half-year ended 30 September 2023



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.

338
pharmacies

55
life
Pharmacy

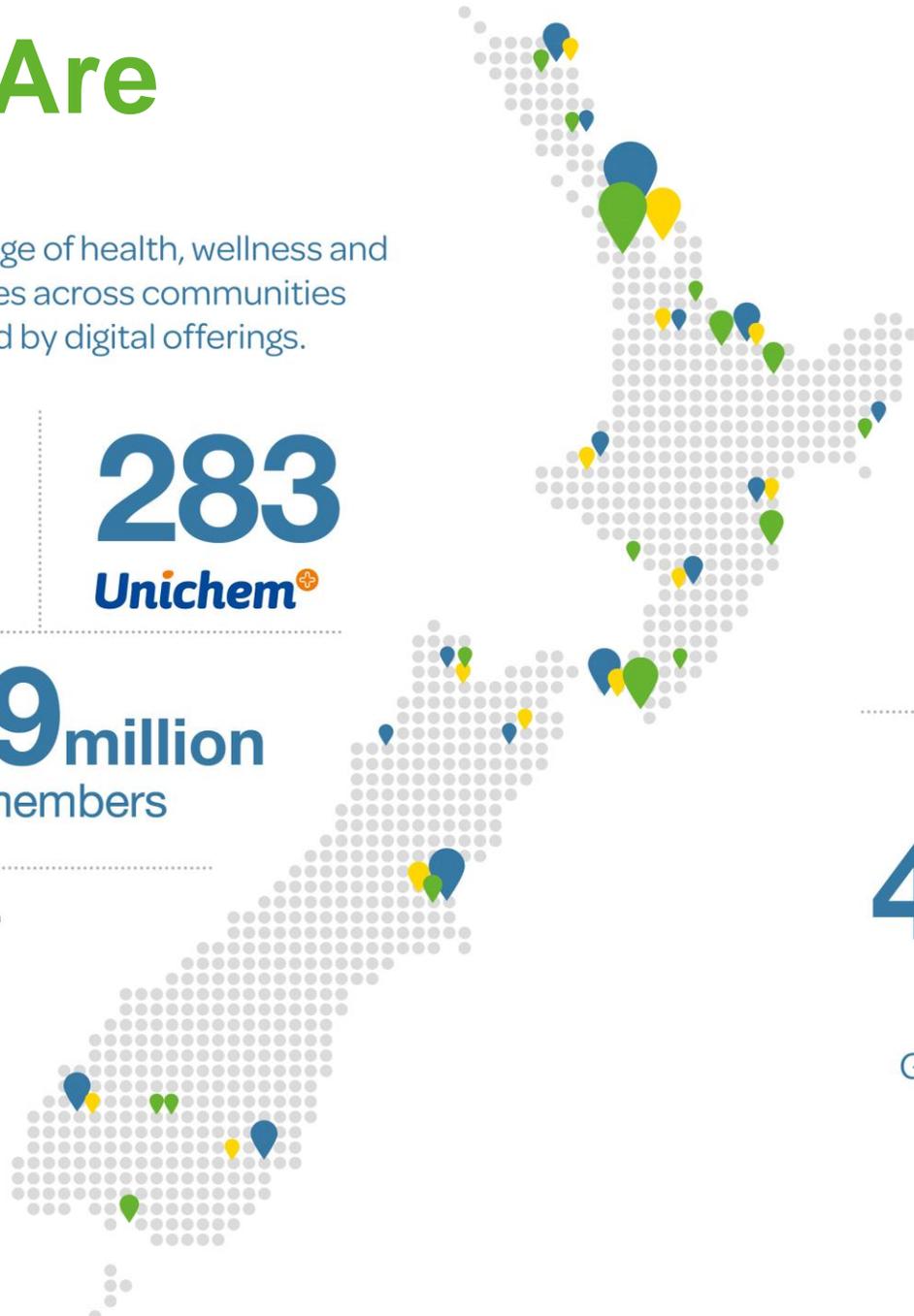
283
Unichem⁺



1.99 million
loyalty members



-  Unichem Pharmacies
-  Life Pharmacies
-  The Doctors Medical Centres



63
medical centres

 the **doctors**
 **HouseCall**

399,000
enrolled patients


439
nurses


451
doctors


25
nurse practitioners

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