



Annual Results for the year 31 March 2022



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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 2022.



Operational Highlights



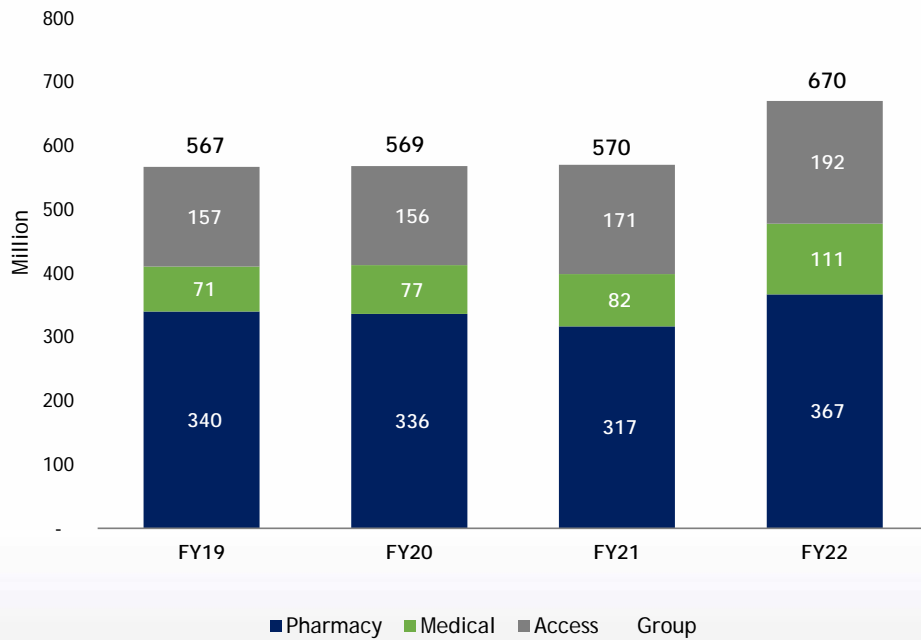
- \$100m increase in Group Revenue year-on-year
- 47% increase in Net Earnings Attributable to Shareholders versus last year
- Internal promotion of Alison Van Wyk to Chief Operating Officer, and Androulla Kotrotsos to GM Community Health division
- Acquisition of five new pharmacies
- Appointment of Wayne Woolrich to GM Medical
- Acquisition of eight new medical practices, plus one greenfield



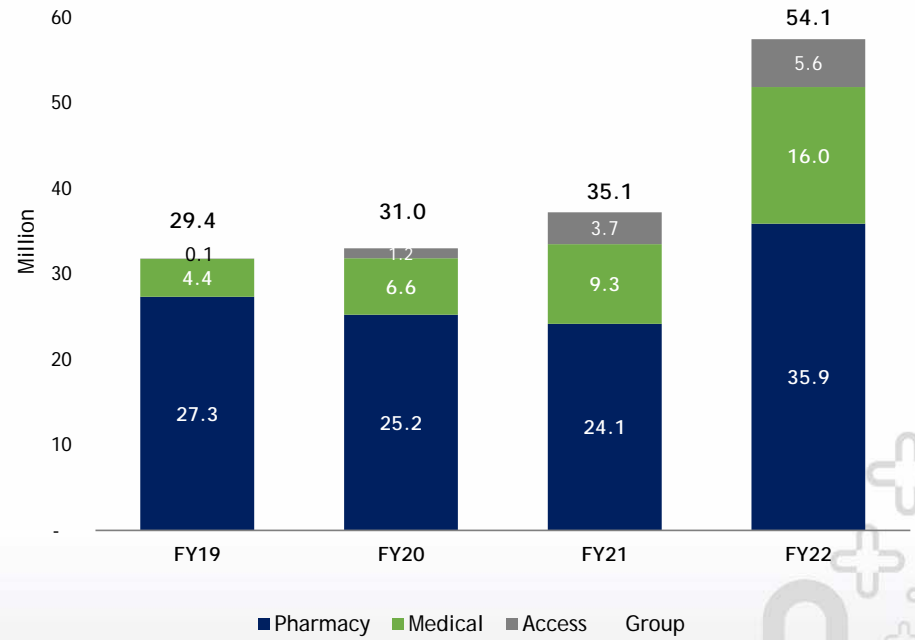


Successful diversification of EBIT contribution over time

Revenue Composition (\$m)



EBIT Composition (\$m)



Supporting Communities through COVID-19

- All divisions provided essential services to New Zealand communities
 - Pharmacies remained open throughout all alert levels
 - Medical centres provided phone, virtual and in-person consultations
 - Community Health continued home visits and introduced telehealth offering
- GXH supported the national COVID-19 response
 - scaled vaccination capacity in short timeframes, vaccinating onsite and offsite
 - safely extended pharmacy vaccinations to children
 - rapid antigen testing introduced in pharmacies
 - PCR swabbing and introduction of rapid antigen testing in medical centres
 - upgraded online pharmacy capability to fulfil increase in demand
- Prioritised the health and safety of staff and customers

51%

GXH pharmacies represented 51% of all New Zealand pharmacies vaccinating

90%

of eligible GXH medical centres vaccinating


96%

of eligible medical centres swabbing



GXH Annual Result - Financial Overview


 **Group Revenue**
\$670.3m

18% increase vs FY21 

 **Operating Profit/EBIT**
\$54.1m


54% increase vs FY21 

 **Net Profit After Tax**
\$24.6m


47% increase vs FY21 
(attributable to shareholders)

 **Pharmacy
Operating Profit**
\$35.9m


49% increase vs FY21 


 

 **Medical Operating
Profit**
\$16.0m

71% increase vs FY21 

 **Community Health
Operating Profit**
\$5.6m

51% increase vs FY21 








Pharmacy Division

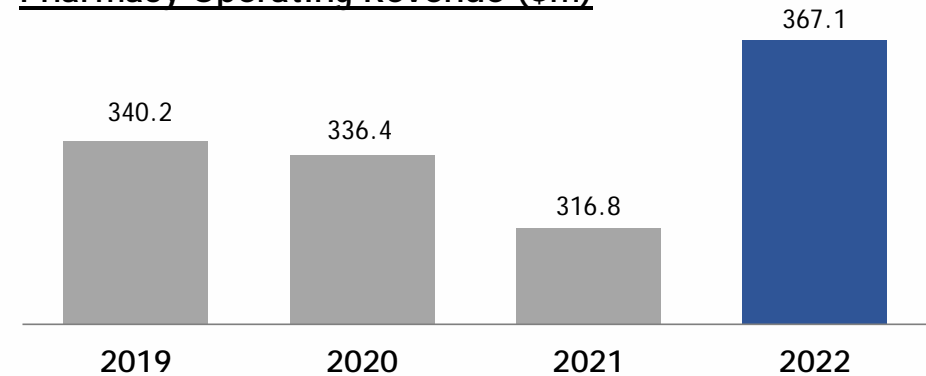
*New Zealand's largest network of health
retailers: supporting easy access to quality
health care*



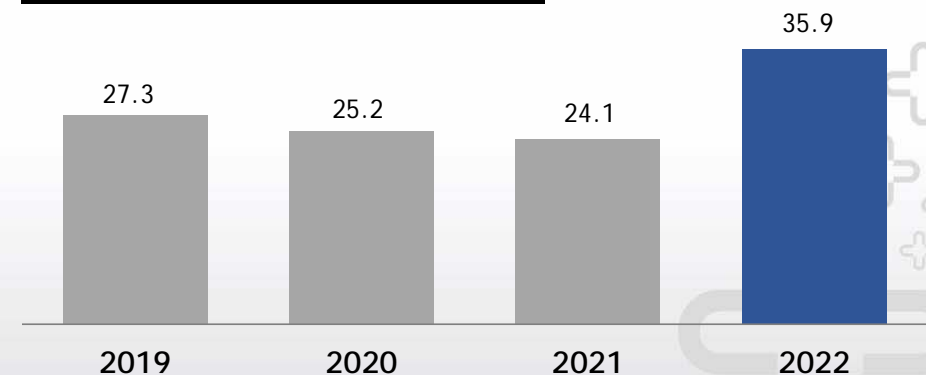
Pharmacy Performance

-  Revenue up 16% to \$367.1m
-  Operating Profit up 49% to \$35.9m
-  The rise in Pharmacy Revenue and Operating Profit was primarily due to further growth in dispensary activity and revenue from COVID-19 vaccinations
-  Five new stores acquired during the year, two in Whakatane, two in Katikati and one in Onehunga
-  Total script numbers up 2% (this year returned to 3-monthly dispensing)

Pharmacy Operating Revenue (\$m)



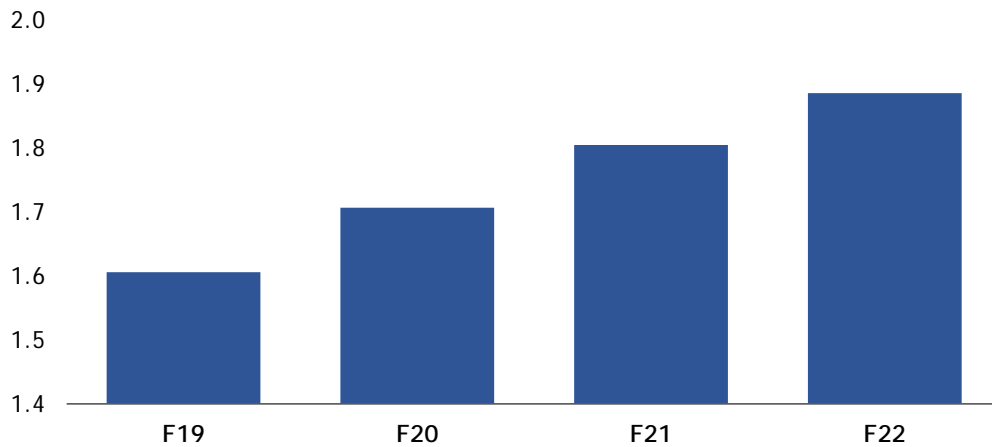
Pharmacy Operating Profit (\$m)



Living Rewards Progress



Continued Growth in Living Rewards Members



1,886,078 Living Rewards members

Living Rewards Members Spend More



62% more than non-members



48% more than non-members

- ✓ Successful new member acquisition campaigns added 81,028 new members, despite COVID-19 conditions
- ✓ Elevated instore messaging
- ✓ Increased communications and offers to Living Rewards members
- ✓ Contract signed to replace loyalty platform in FY23, to increase segmentation and personalisation capability
- ✓ Living Rewards members spend more than non-members



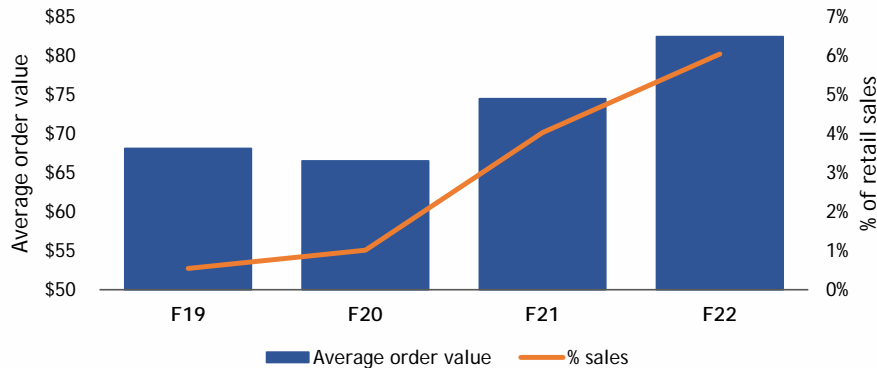
Grown Ecommerce and Differentiated Retail Offer

Unichem

life
Pharmacy

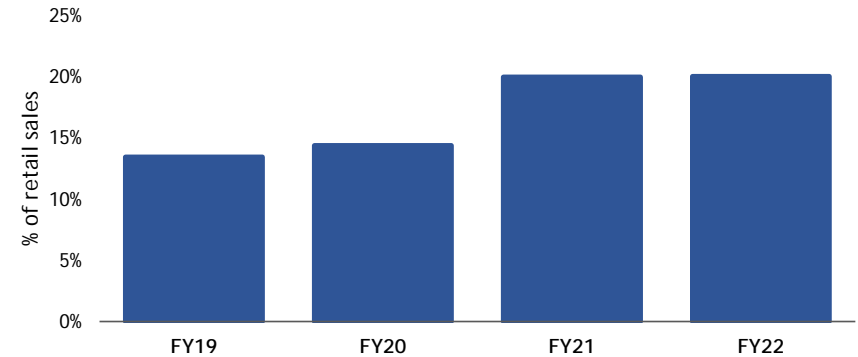
PillDrop
Pharmacy Your Way

Ecommerce has Successfully Scaled



- ✓ Invested in additional digital functionality to lift online customer engagement, with over 13 million page views, and conversion rate increasing 35% year-on-year
- ✓ Over 200,000 customer bookings for in-store services using our newly created centralised booking tool
- ✓ Scaled fulfilment capability to support a 51% increase in online product demand
- ✓ Investment in PillDrop (25% shareholding)
- ✓ Partnership with ASX-listed MedAdvisor; phased plan to roll out digital solutions across the pharmacy network

Growth in Differentiated Brands

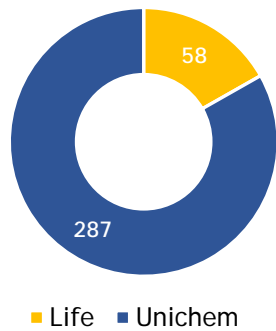


- ✓ Differentiation of retail product offering through strategic supplier partnerships, now accounts for 20% of retail sales
- ✓ Elevated Pharmacy Health over-the-counter medication offering
- ✓ Increased basket size by 3.2%, supported by introduction of new GXH Essentials range to lift margins along with basket size
- ✓ Focused on high-quality, premium vitamins with 288% increase in this growing sub-category
- ✓ Developed international sourcing capability

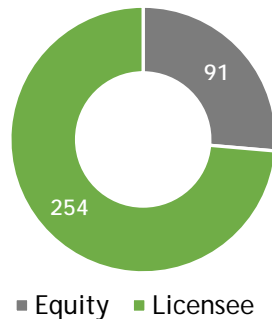
Leveraging our National Scale



Pharmacy Count by Brand



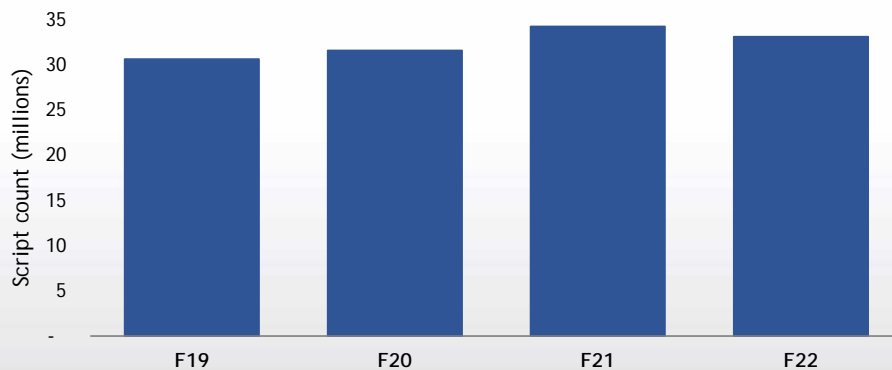
Pharmacy Count By Ownership



345

Stores nationwide





Over 30 Million Scripts Dispensed Per Year



- ✓ New Zealand's largest network of health retailers with 345 stores nationwide
- ✓ Dispensed over 30 million scripts, representing almost 40% of all New Zealand volumes
- ✓ Advocated for additional support for pharmacies during the pandemic
- ✓ On the back of COVID-19 pediatric vaccinations, pharmacy successfully lobbied to administer children's flu vaccinations in the year ahead
- ✓ 450 pharmacy employees completed year one of specialised GXH retail apprenticeship programme

Pharmacy Will Win By Focusing on the Customer



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

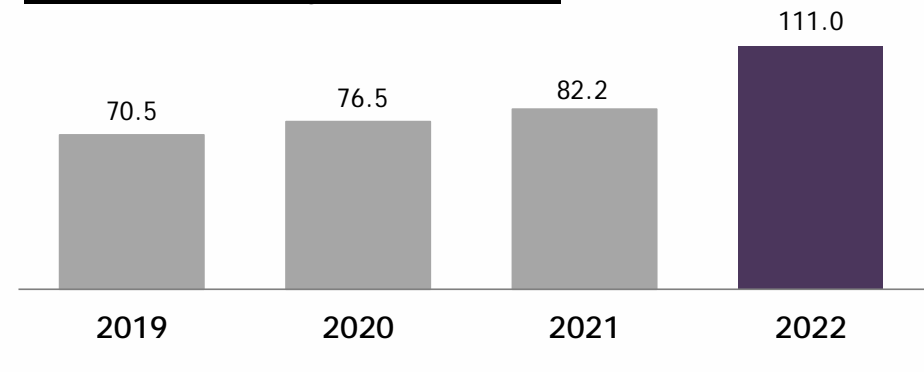
 Revenue up 35% to \$111.0m, driven by COVID-19 testing, vaccinations, other COVID-19 care opportunities and acquisitions

 Operating Profit at \$16.0m, driven by COVID-19 services, procurement benefits, cost management and acquisitions

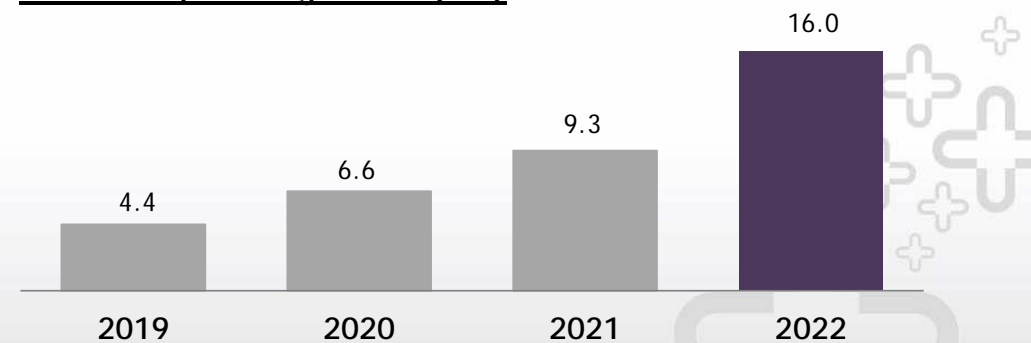
 329,000 enrolled patients as at 31 March 2022, an increase of 44,000 (+15%) since 31 March 2021

 Ownership in 53 medical centres

Medical Operating Revenue (\$m)

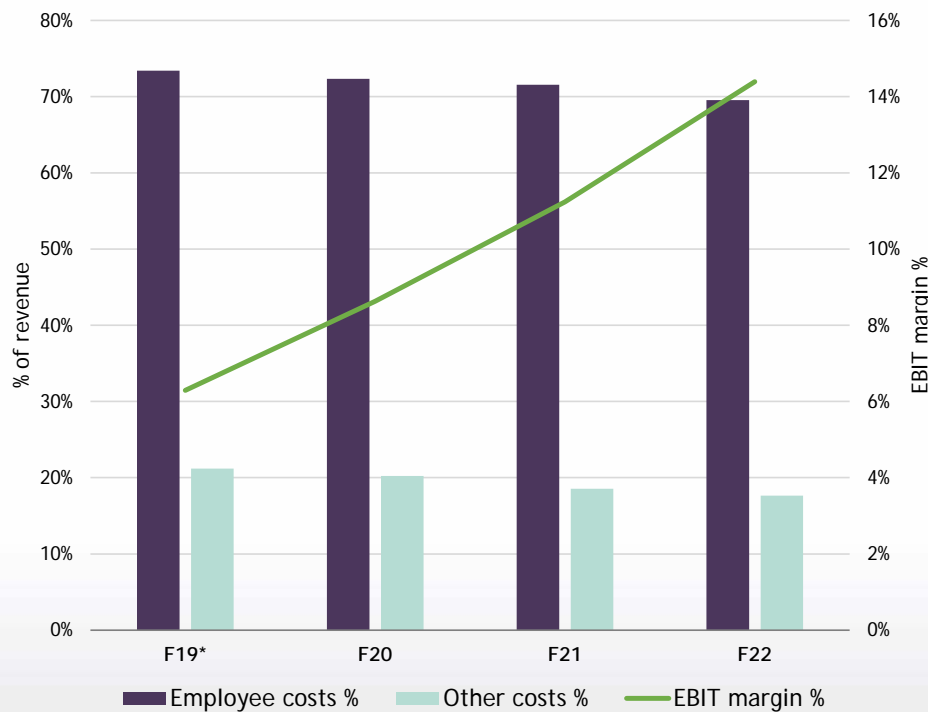


Medical Operating Profit (\$m)



Track Record of Operational Improvement

Increased Efficiency Through Operational Efficiencies and Systematic Triaging



*F19 is pre adoption of IFRS16

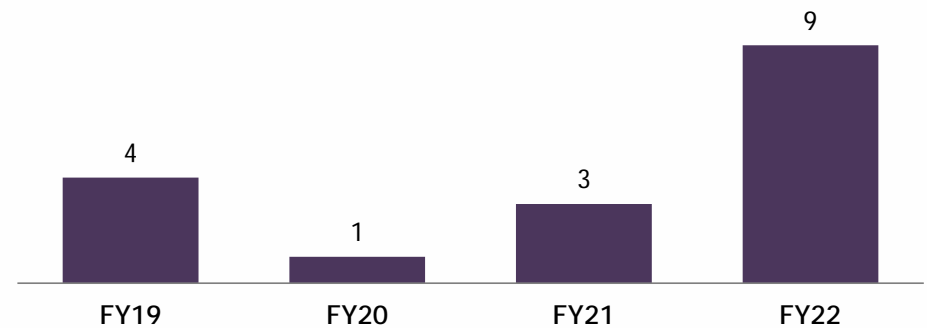
- ✓ Continued efficiency gains through operational improvement and leveraging scale
 - Employee costs reduced to 70% of revenue
 - Other costs reduced to 18% of revenue
- ✓ Improved utilisation through system and process improvements
- ✓ Procurement gains in IT and recruitment
- ✓ Recruited Virtual Lead to support 'Covid in the Community' initiatives and further evolve the HouseCall offering
- ✓ Recruited Clinical Director to enhance clinical offer to patients and funders
- ✓ Strengthened alignment with selected funders, to support future efficiencies and equity of outcomes



Successfully Accelerated Acquisitions

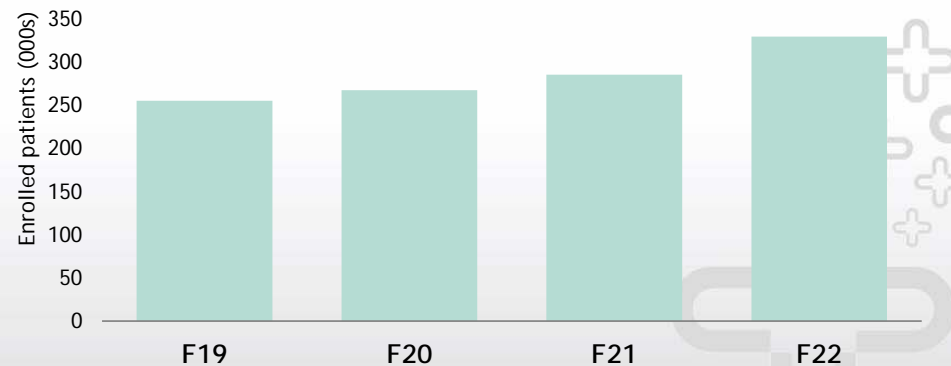
- ✓ Following investing and developing internal capability, completed a record 8 acquisitions in year
- ✓ One greenfield centre (The Doctors Greenlane)
- ✓ Successfully integrated acquisitions, to close with 53 medical centres
- ✓ Strong pipeline of future acquisitions
- ✓ Completed 12 centre rebrands, continuing to build The Doctors brand presence
- ✓ The Doctors now has New Zealand's largest general practice enrolled patient base

Medical Acquisitions*



* includes greenfield sites, excludes shareholding changes

Enrolled Patients










329,000 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*

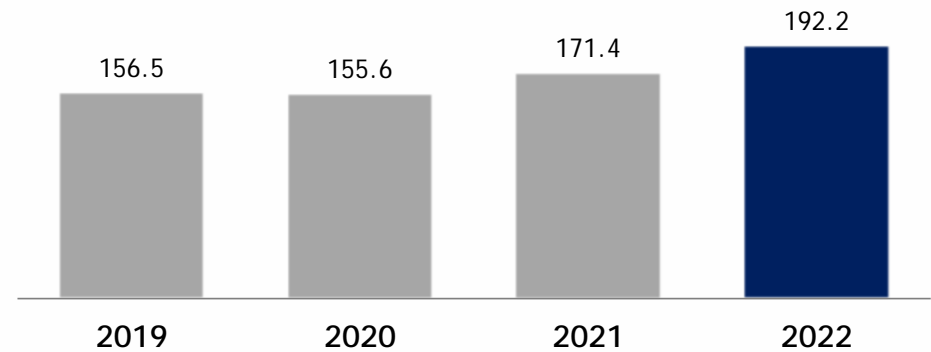


Community Health Performance

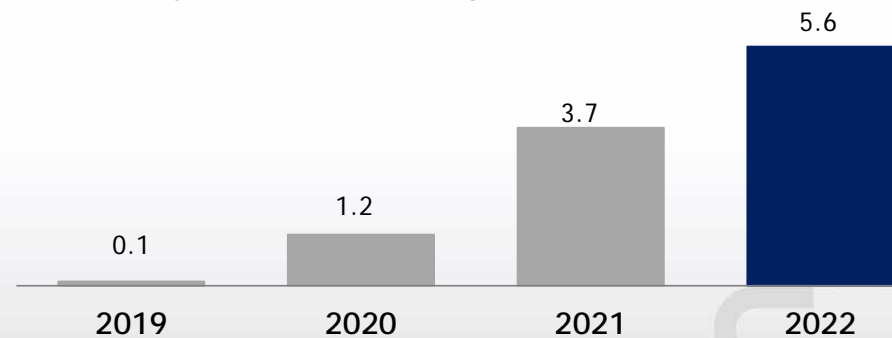


-  Revenue up 12% to \$192.2m
-  Operating Profit increased \$1.9m to \$5.6m
-  Improved performance reflects strategy of supporting clients with higher clinical needs and improving profitability of contracts
-  Cost efficiencies have resulted from investment in people, technology and systems
-  Continued advocacy for additional funding to support sector sustainability

Community Health Operating Revenue (\$m)



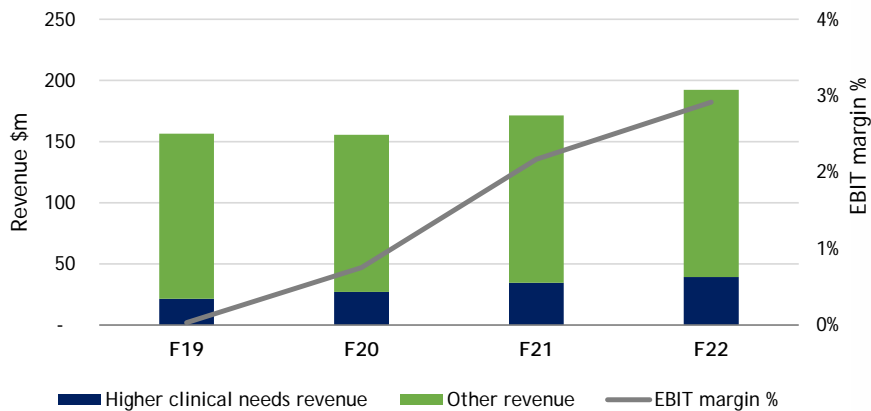
Community Health Operating Profit (\$m)





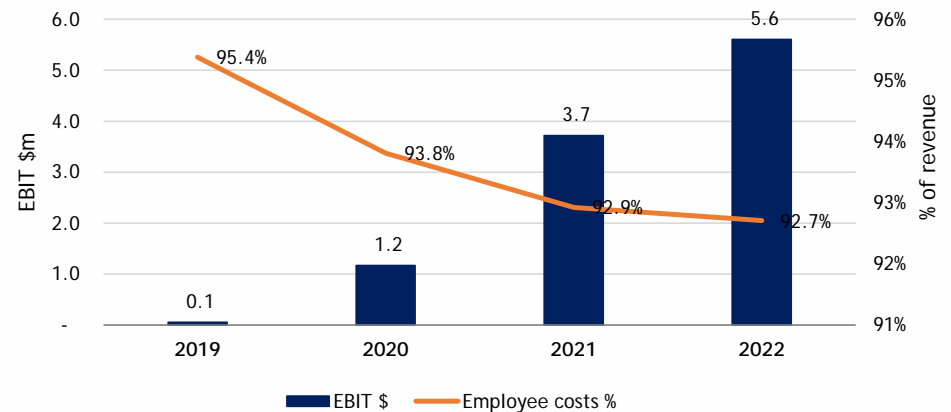
Improved Margin Levers Driving EBIT Growth

Driving Growth in Higher Clinical Needs Segment to Lift Margin



- ✓ Investment in systems and data now providing necessary information for decision making, creating a platform for profitable growth
- ✓ Process development and resourcing to support service delivery
- ✓ Revenue increased from \$171m to \$192m
- ✓ Higher clinical needs now 20% of revenue

Labour Efficiency Initiatives Delivering EBIT Growth



- ✓ Given tight margins, management of labour cost critical to profitability
- ✓ Data and reporting disciplines now well-established
- ✓ Employee cost reduced to 93% of revenue

+ Utilisation of Technology Improving Efficiencies

✓ **MyAccess (Client portal)**

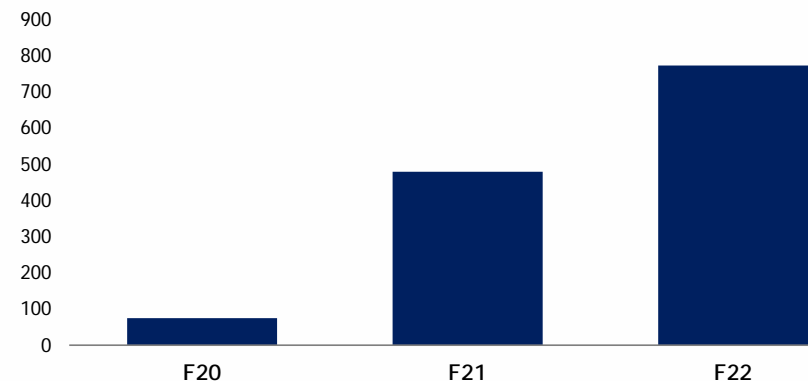
- Rollout of our internally developed client portal continued, improving client visibility of upcoming appointments and staffing
- Provides clients quick access to information, reducing coordination costs
- 61% increase in users year-on-year

✓ **AVA (Access Virtual Assistant)**

- Continued to enhance our internally developed, award winning, support worker rostering and time & attendance app
- 80% of support workers now utilising the app



Daily Client Log ins to MyAccess





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

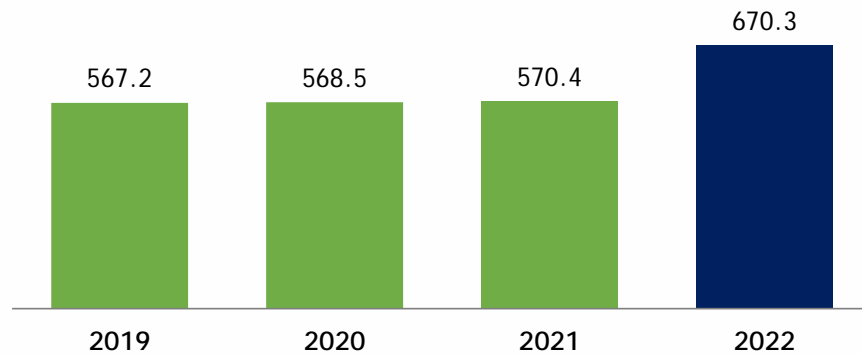


Group Financial Result

12 months ending 31 March 2022

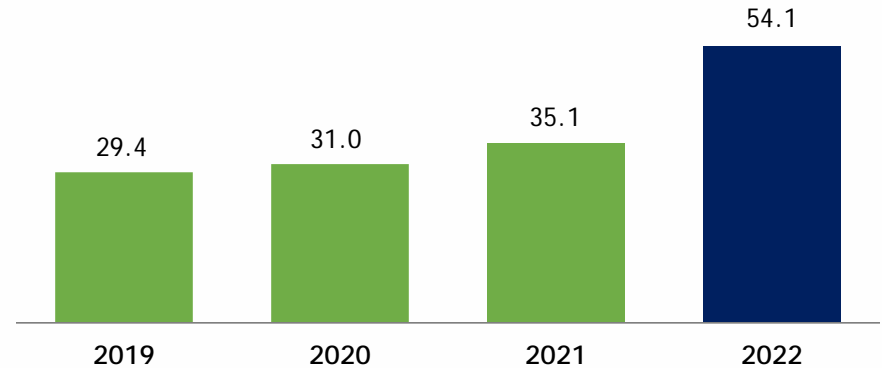
Group Revenue and Operating Profit

GXH Operating Revenue (\$m)



- Revenue of \$670.3m, up 18%
- FY22 revenue supported by COVID-19 activity

GXH Operating Profit (\$m)



- Operating Profit of \$54.1m, up 54%
- In FY22, all divisions increased Operating Profit by 49% or more



Margin Expansion in Medical and Community Health, Improved Margins for all Divisions in FY22

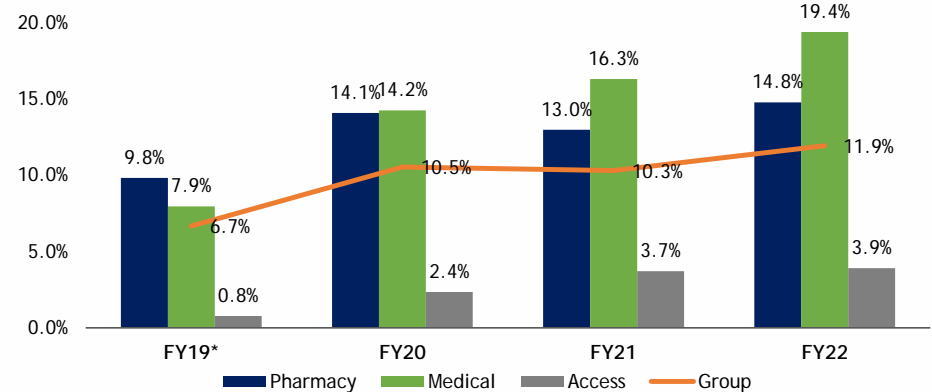
EBITDA margin

- All divisions have improved their EBITDA margin in FY22 versus FY21
- Medical and Community Health divisions have improved their margin each year since FY19

ROCE

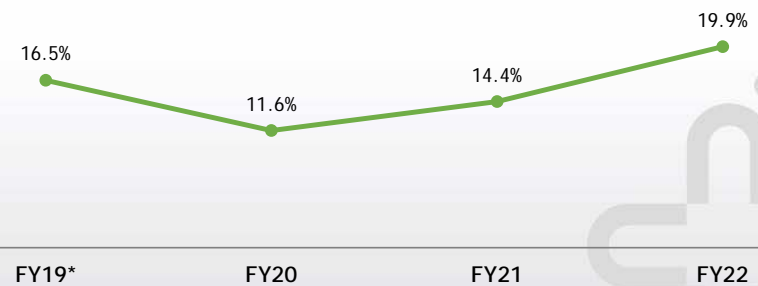
- Return on capital employed of 19.9% represents strong capital efficiency
- Return on capital employed has improved 8.3ppts over the last two years

EBITDA margin



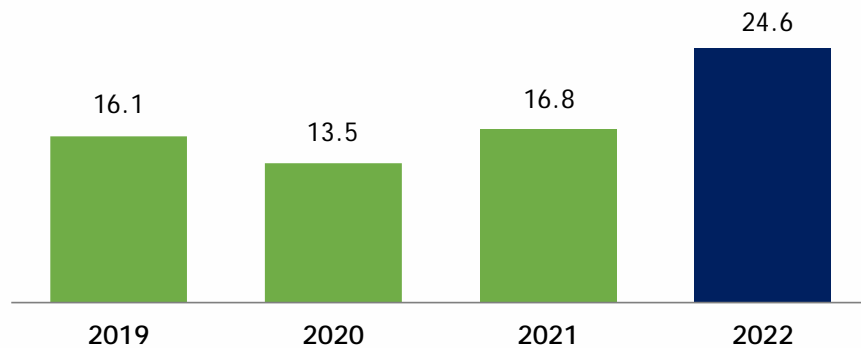
*FY19 is pre adoption of IFRS16

ROCE Improvement Over Last Two years

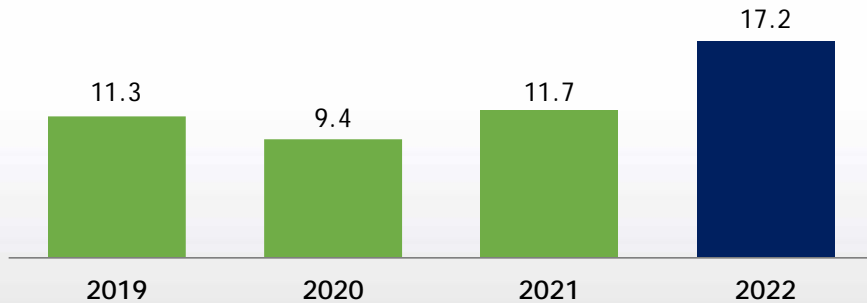


Group NPAT, EPS & Dividend

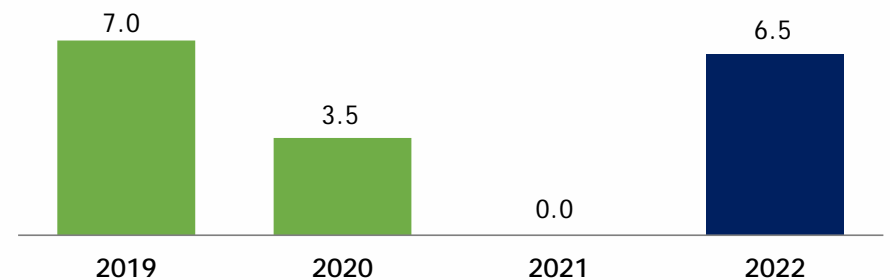
GXH Net Profit After Tax Attributable to Shareholders (\$m)



GXH Net Profit After Tax Attributable to Shareholders (cps)



Dividends Per Share



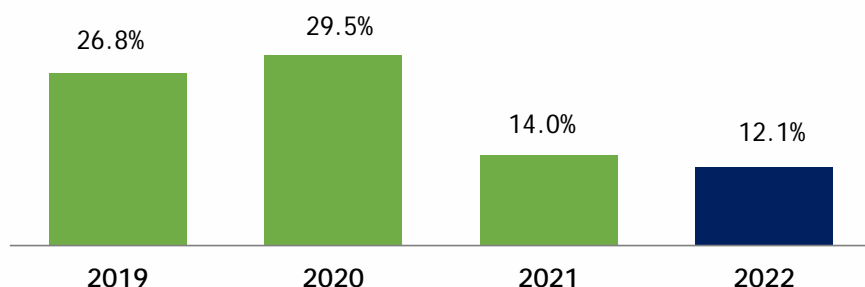
Based on dividends declared during the year

- EPS at 17.2 cps, an increase of 47% on the prior year
- Final FY22 dividend of 3.5cps declared - payment date of 23 June 2022 (interim dividend was 3cps)



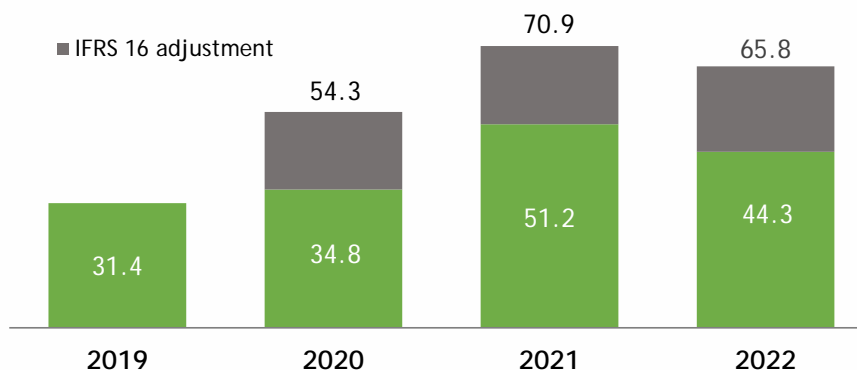
Strong Working Capital Management and Operating Cash Flow, Allowing for Acceleration of Acquisition Activity

Gearing Ratio (debt / debt + equity)



- Gearing ratio of 12% in FY22
- Undrawn debt facilities of \$44m as at 31 March 2022
- Net cash position of \$21.1m as at 31 March 2022
- Improved working capital management has positioned GXH well to take advantage of future investment opportunities
- Financing ratios:
 - Debt / pre IFRS16 EBITDA - 0.4x
 - Operating Profit / Interest - 77.3x

GXH Operating Cash Flow (\$m)



- Operating Cash Flow of \$44.3m (excl. IFRS 16)

Enabling investment (\$24.9m) in:

- Five pharmacy acquisitions
- Eight medical centre acquisitions
- One medical greenfield development
- Ongoing site capex requirements
- PiIDrop, and other digital capability

Outlook

- GXH experienced a very strong FY22, buoyed by COVID-19 related activity
- Expectation for FY23 is a return to pre COVID-19 profitability levels, adjusted for acquisitions
- Strong balance sheet allows for dividend pay-outs and an accelerated level of acquisition activity





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.

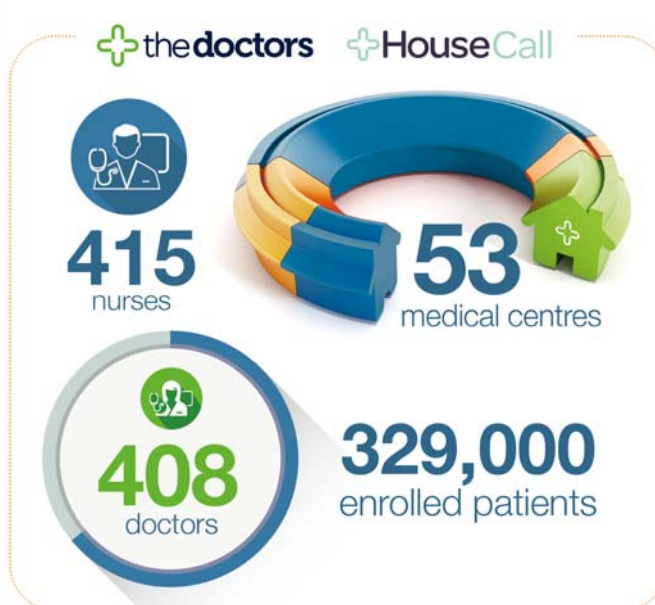
This is our promise.



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 31 March 2022