GREEN CROSS HEALTH

Half Year Results Presentation

26 November 2019

Unichem · Life Pharmacy · thedoctors · Access community health

Interim Result - Financial Highlights

Revenue **$275.4m**	**-2.5%**
Pharmacy Same Store Sales	**+0.4%**
EBITDA **$27.0m**[1]	**+46.7%**
Medical Same Centre Revenue	**+6.4%**
Net Profit After Tax **$7.0m**[2] (attributable to shareholders)	**-14.1%**
Consistent Interim Dividend	**3.5 cps**

Note: [1] *EBITDA before IFRS16 application (Accounting for Leases) $18.0m (-2.2%)*
Note: [2] *NPAT attributable to shareholders before IFRS16 application $7.9m (-3.0%).*

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

Unichem
Life Pharmacy
360
pharmacies
Unichem
297
Life Pharmacy
63
living
1.6
MILLION
Loyalty members

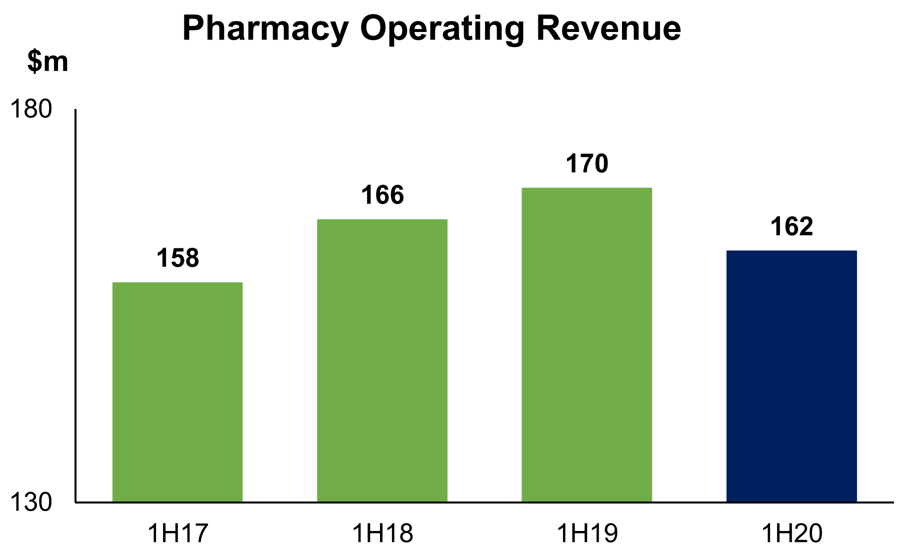
thedoctors
325
nurses
41
medical centres
346
doctors
256,000
enrolled patients

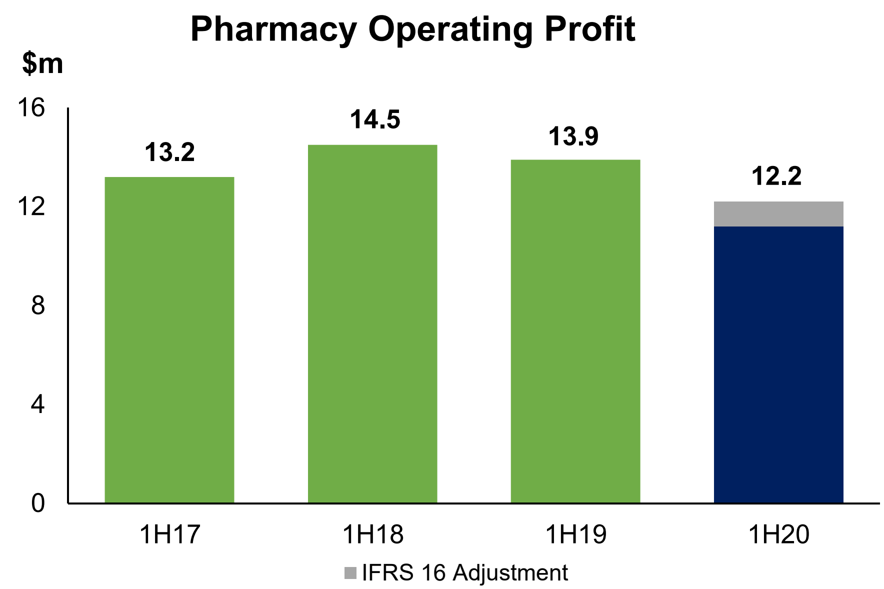
Access
community health
Total Care
health services
4.2
million
home visits
each year
50
specialist
nurses
30,500
clients
180
clinical staff including
qualified nurses, occupational
therapists & physiotherapists
3,000
support workers

Pharmacy Division

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

Pharmacy Performance





- Revenue down 4.5% at $162m, following prior period store closures as part of our ongoing portfolio review
- Operating Profit down 12.0% at $12.2m. Operating Profit margin decreased from 8.2% to 7.5%
- A number of one-off costs incurred in the period relating to staffing changes including new Group CFO and GM Marketing, plus IT and depreciation cost impacts as investments from prior periods came online
- Same store sales growth of 0.4%, and same store script numbers grew 0.6%
- Living Rewards loyalty members total 1.6m, spending 40% more than non-members

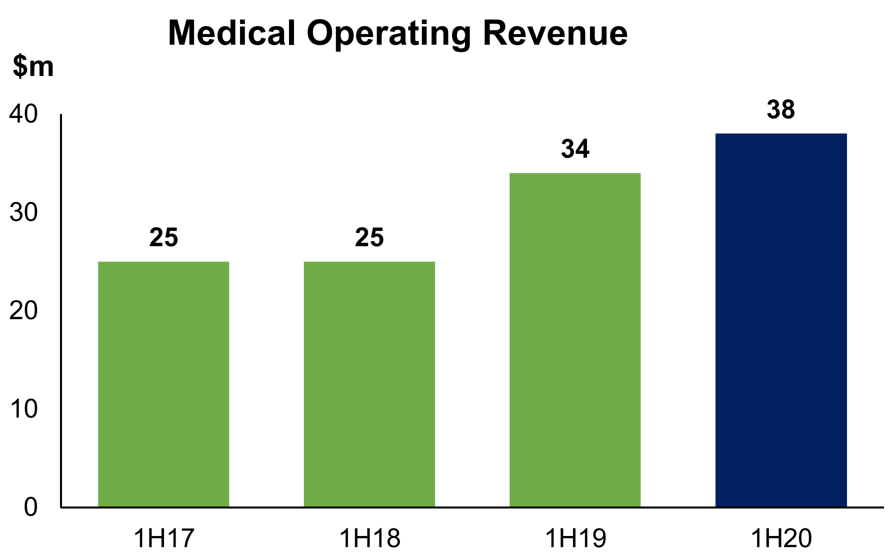
Pharmacy Future Focus

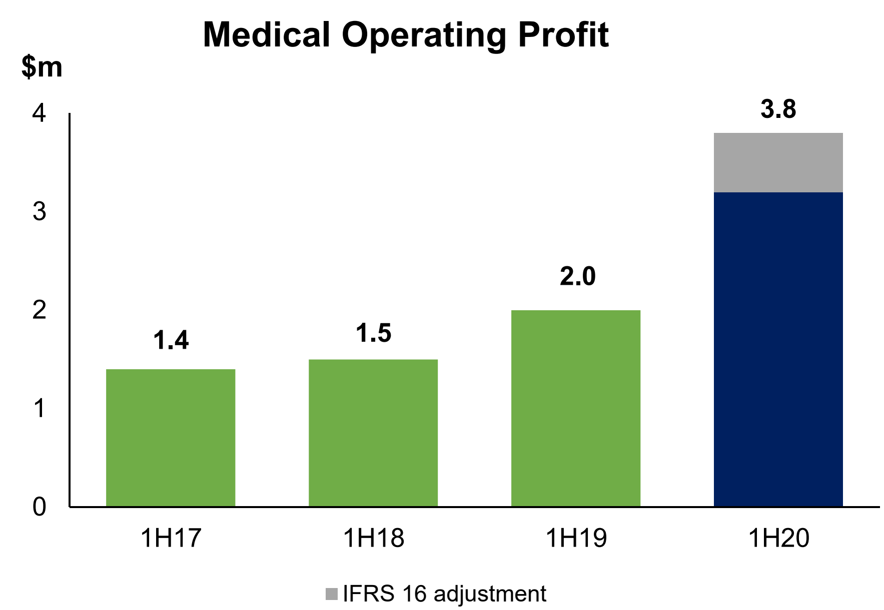
Retail and Health	Customer Engagement	Network Scale	Financial Returns
Focus on core retail disciplines Grow exclusive product range Grow e-commerce Maximise Chinese market opportunity	Optimise digital health and retail communications channels with customers Utilise 1.6m customer loyalty database, analytics and AI to personalise offers Advocate for removal of $5 prescription co-payment to increase accessibility and equity for all New Zealanders	Continue to grow the franchise network Optimise equity store network	Reshape to fit new environment Changes in ranging, e-commerce, pricing and expenses to achieve returns Strong focus on cost control at store level

Medical Division

Growth, leadership and sustainable models of care

Medical Performance





- Revenue up 10.9% to $38.0m
- Operating Profit up 87.1% to $3.8m
- Operating Profit margin increased from 5.8% to 9.9%
- Same centre revenue growth was 6.4%
- 256,000 enrolled patients
- Ownership in 41 Medical Centres

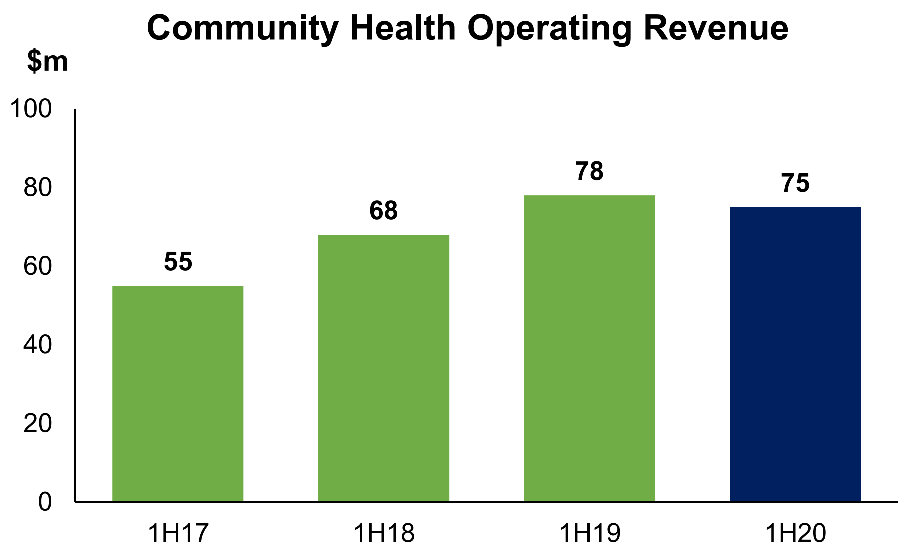
Medical Future Focus

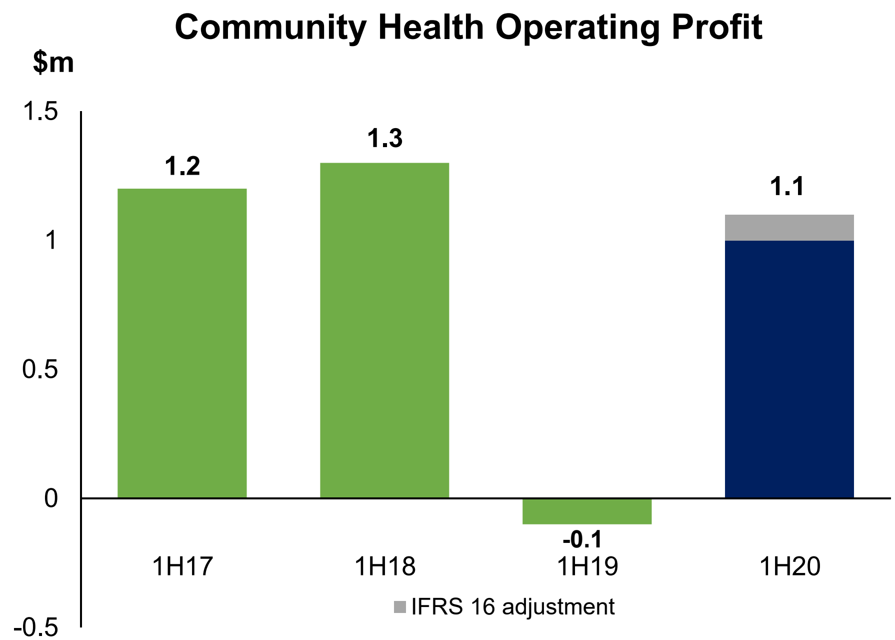
Network Scale	Customer Engagement	Financial Returns
Network and patient number growth through targeted acquisition and market share growth Build The Doctors brand	Deploy digital technology to increase efficiency and enhance delivery of high quality patient care	Continuous improvement in operational efficiency and scale to create capacity and lead to improved profitability Opportunity for cross referrals

Community Health Division

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

Community Health Performance





- Revenue down 4.0% to $74.9m
- Exit of two unprofitable contracts. One re-tendered with 50% regained at sustainable margins
- Specialist nursing care business top line growth of 24.5%
- Cost reduction of 5.4% via labour efficiency and utilisation of technology
- Operating Profit up $1.1m to $1m

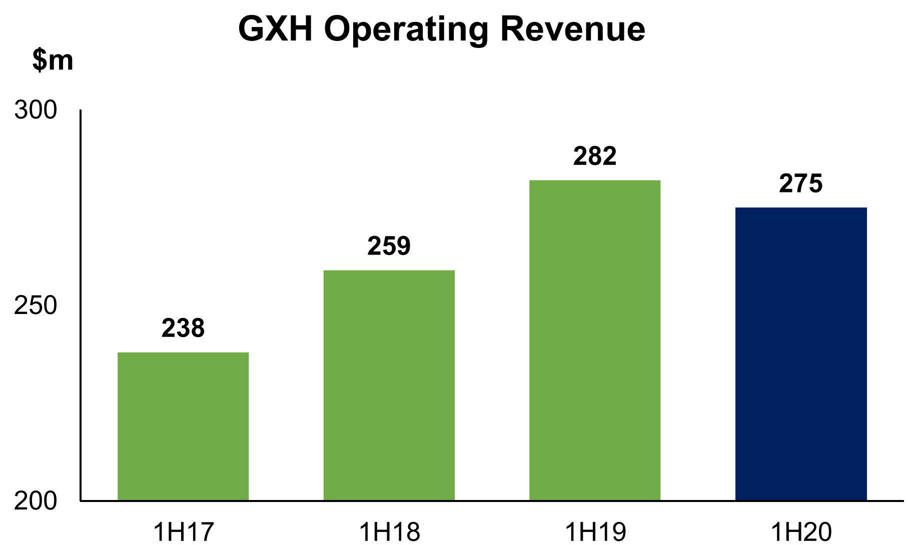
Community Health Future Focus

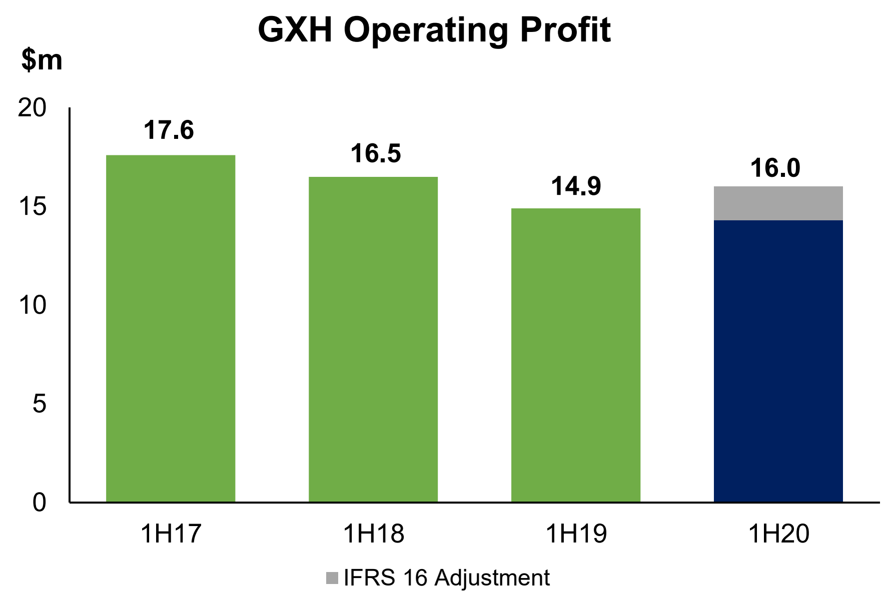
Service Offering	Digital Communication	Financial Returns
Focus on higher clinical needs segments Expand geographic coverage of Community Nursing business	Harness technology to enhance workforce efficiency and client outcomes	Continue cost reduction initiatives Negotiate sustainable funding for contracts or exit

Group Financial Result

6 months ending 30 September 2019

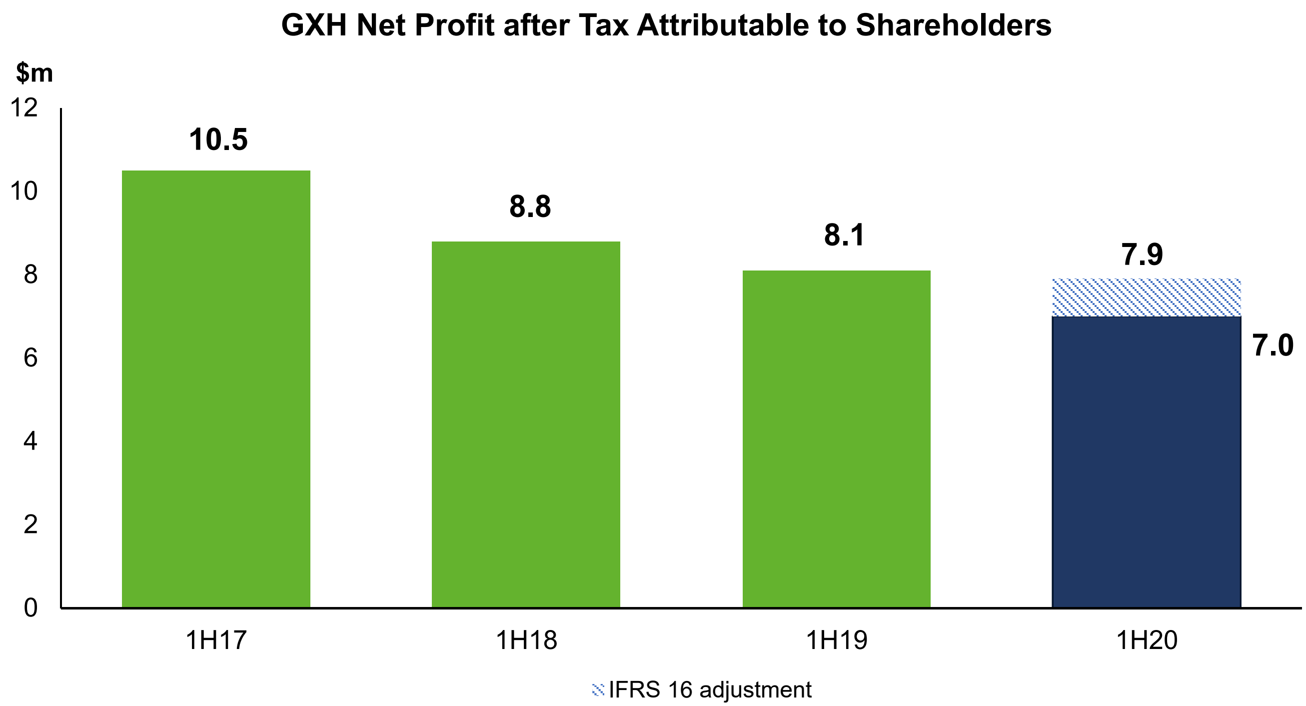
Interim Result - Group Revenue and Profit





- Revenue of $275m down 2.5%, following exit of two unprofitable contracts in Community Health and prior period pharmacy store closures as part of ongoing portfolio review
- Operating Profit of $16.0m, up 7.4%
- Operating Profit of $14.4m before the application of IFRS16 (down 3.8%)

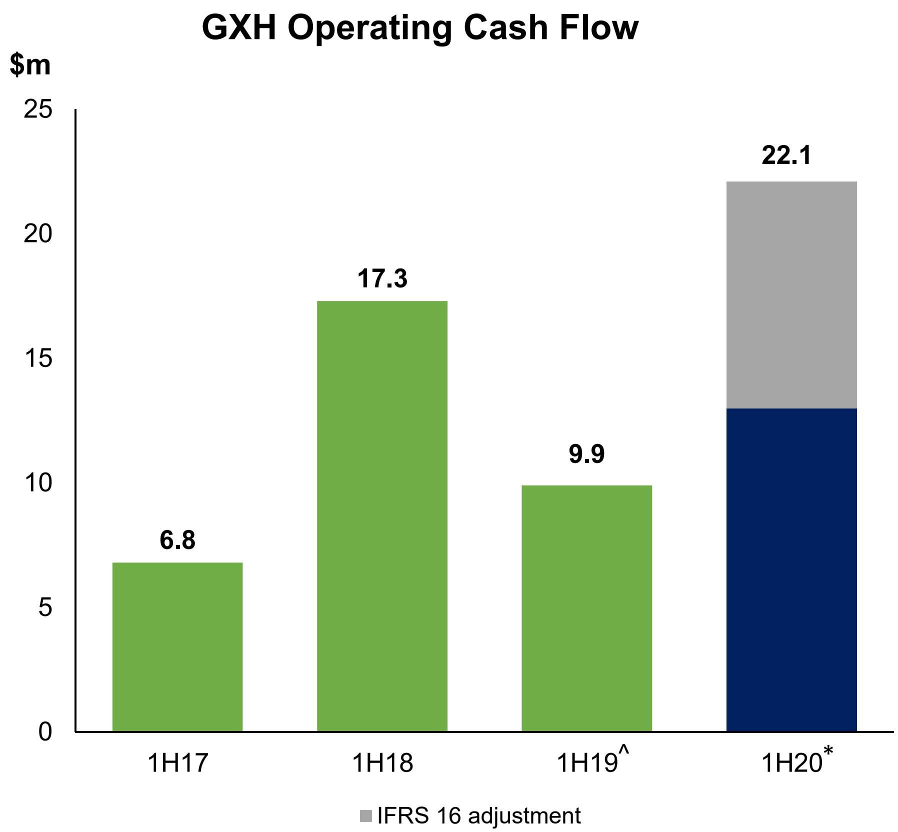
Net Profit After Tax (attributable to shareholders)



- NPAT attributable to shareholders of $7.0m, down 14.1%
- NPAT attributable to shareholders of $7.9m before application of IFRS16 (down 3.0%)*

**FY20 full year NPAT is expected to be negatively impacted by between -$1.3 and -$1.7m (based on current leases) as a result of the application of IFRS 16*

Operating Cash / Investments



- Operating Cash of $22.1m ($13.1m before the application of IFRS 16)

Enabling investment ($5.5m) in:

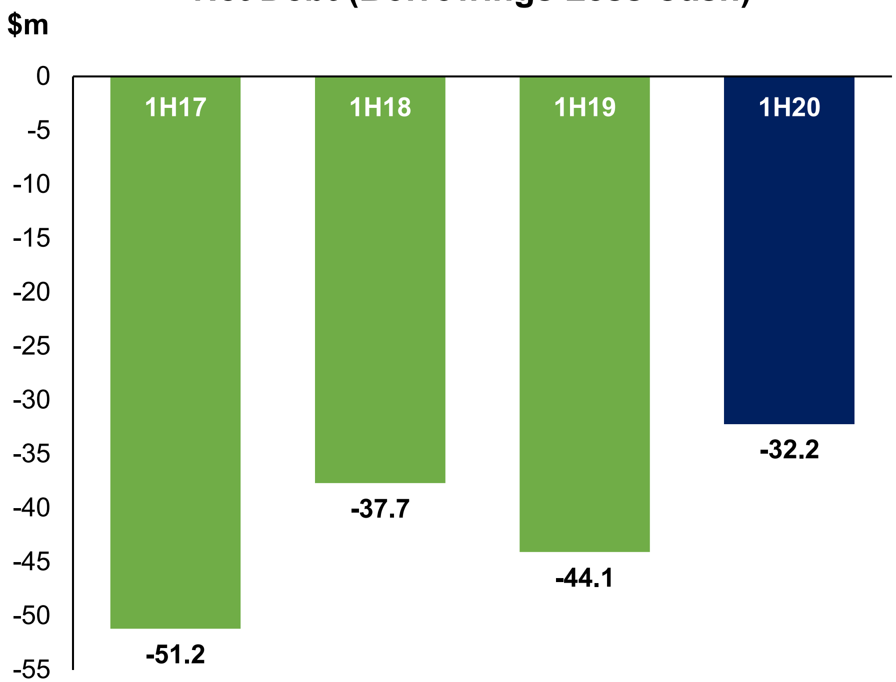
– Waiuku Medical Pharmacy (increased holding)
– Centre City Pharmacy Dunedin (increased holding)
– Life Pharmacy in Westfield Newmarket (new site)
– IT systems development, workflow management and customer engagement tools

- Interim dividend has remained consistent at 3.5cps, equating to ~$5m

^1H19 operating cashflow increased by $1.1m as interest expense is now being classified as a financing cashflow rather than an operating cashflow as per NZ IAS 7.
**1H20 includes an adjustment of $1.0m in respect of the same re-classification as above, as well as a $9.0m adjustment due to the application of IFRS 16 where lease expense has changed to lease interest expense and payment of lease liabilities, both of which are classified under financing cashflows.*

Net Debt / Debt Capacity

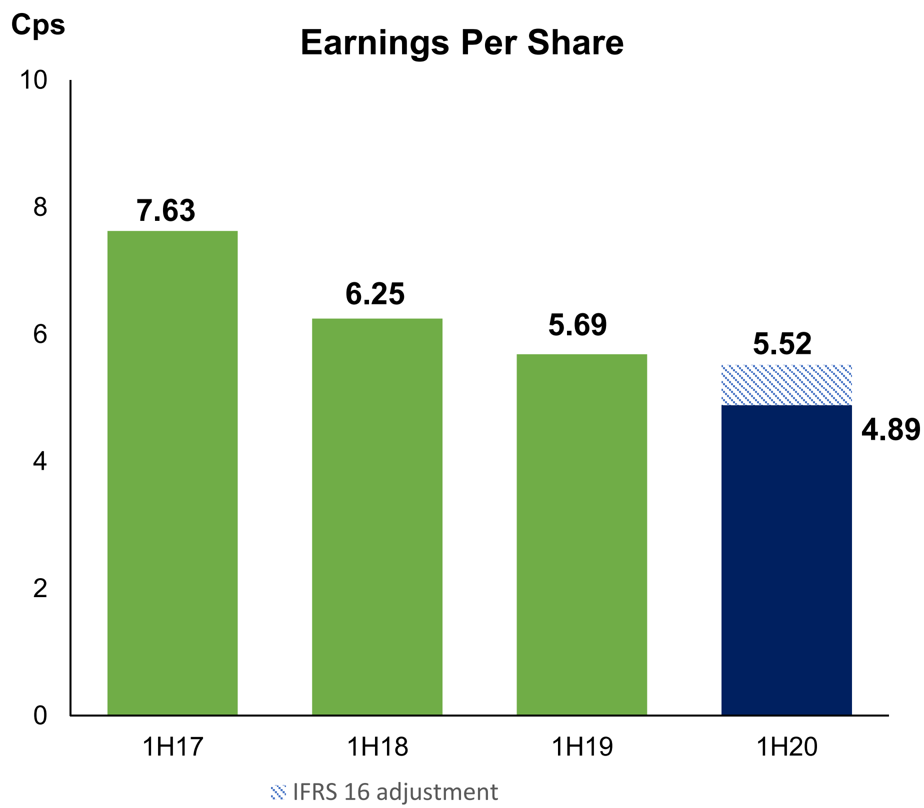
Net Debt (Borrowings Less Cash)



- 27% improvement in Net Debt to $32.2m
- Debt facilities extended with BNZ for a further 3 years from end of August 2019
- $41m of headroom on debt facilities[1] to support future investment
- Financing ratios:
  - Debt / EBITDA – 1.37x[1]
  - EBIT / Interest – 15.8x[1]
  - Fixed Charge Cover – 2.7x[1]

[1] *The application of IFRS16 materially impacts these calculations. The headroom and ratios show the position pre application of IFRS16.*

Earnings Per Share / Dividends



- EPS at 4.89 cps (5.52 cps before the application of IFRS 16)
- Interim Dividend consistent @ 3.5 cps
- Gross Dividend Yield ~8.5%

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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 2019 and Interim Report for the period ended 30 September 2019.