



Annual Shareholders' Meeting

25 July 2022





Kim Ellis
Chair

Agenda

- Chair's address
- Group CEO's address
- Voting on Resolutions
- General Q&A



Business Update





Rachael Newfield
Group CEO

+ 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
- Appointment of Wayne Woolrich to GM Medical
- Acquisition of five new pharmacies
- Acquisition of eight new medical practices, plus one greenfield



+ Supporting Communities Through COVID-19



90% of eligible GXH medical centres vaccinating



GXH pharmacies represented 51% of all New Zealand pharmacies vaccinating

51%



96% of eligible medical centres swabbing




GXH Annual Result 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 

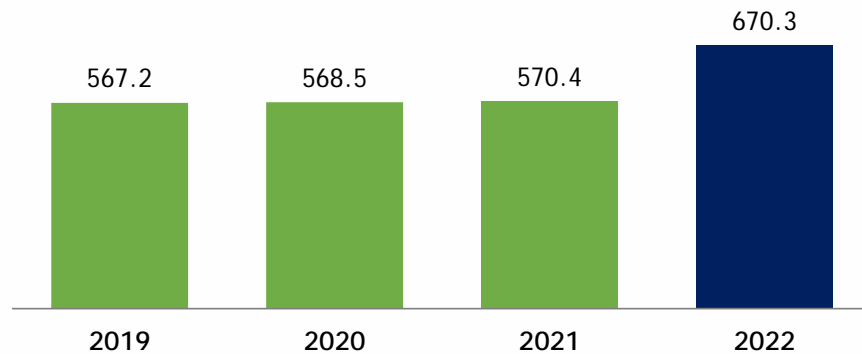
 

 **Community Health Operating Profit**
\$5.6m

51% increase vs FY21 

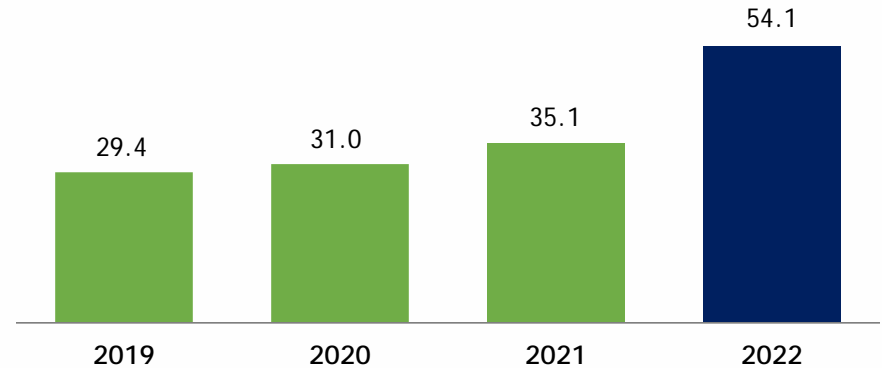
Group Revenue and Operating Profit

GXH Operating Revenue (\$m)



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

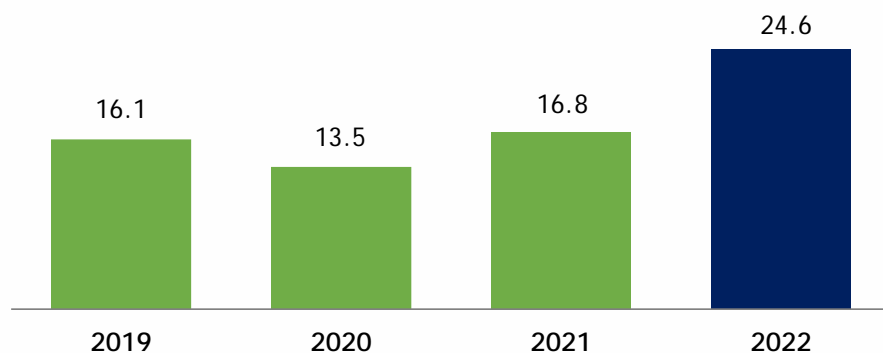
GXH Operating Profit (\$m)



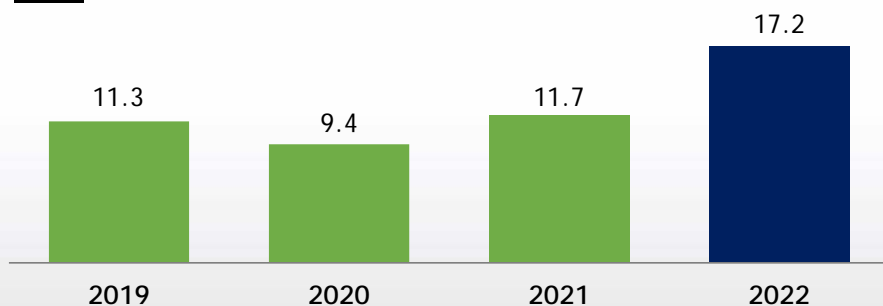
- Operating Profit of \$54.1m, up 54%
- In FY22, all divisions increased Operating Profit by 49% or more

Group NPAT, EPS & Dividend

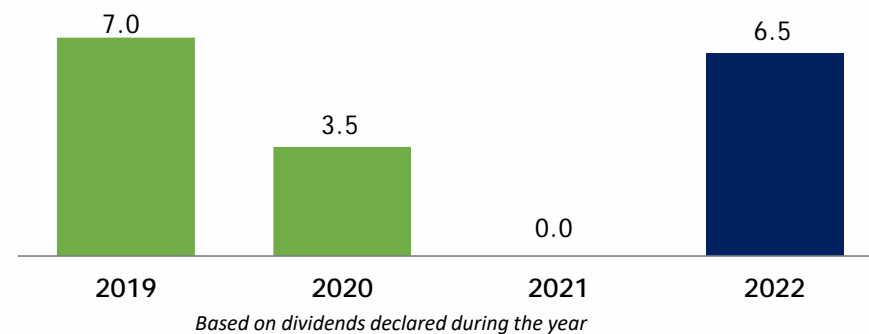
GXH Net Profit After Tax Attributable to Shareholders (\$m)



GXH Net Profit After Tax Attributable to Shareholders (cps)



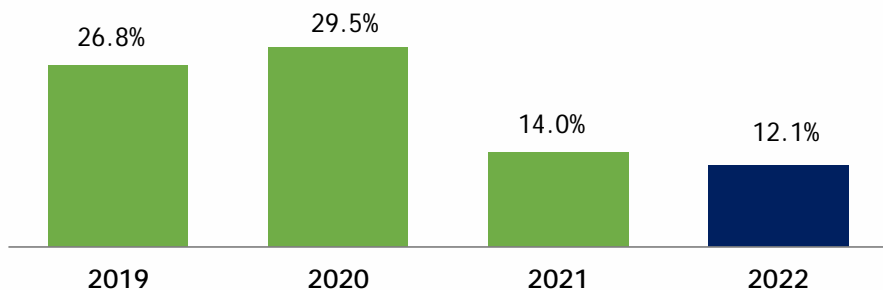
Dividends Per Share



- 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)

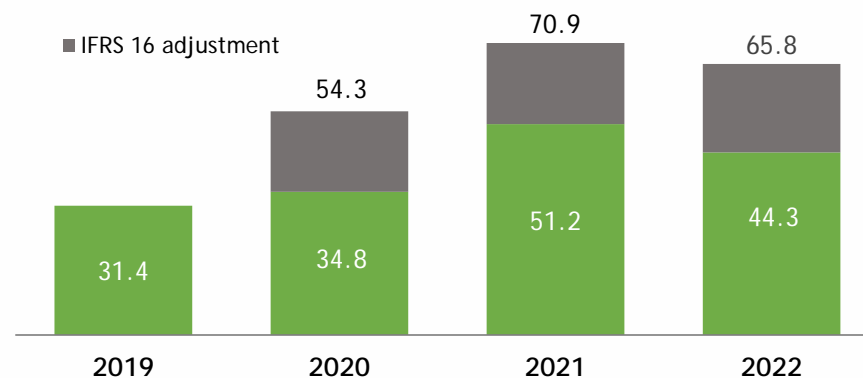
Strong Working Capital Management and Cash Flow

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

GXH Operating Cash Flow (\$m)



Enabling investment (\$24.9m) in:

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








Divisional Plans

+ Divisional Snapshot

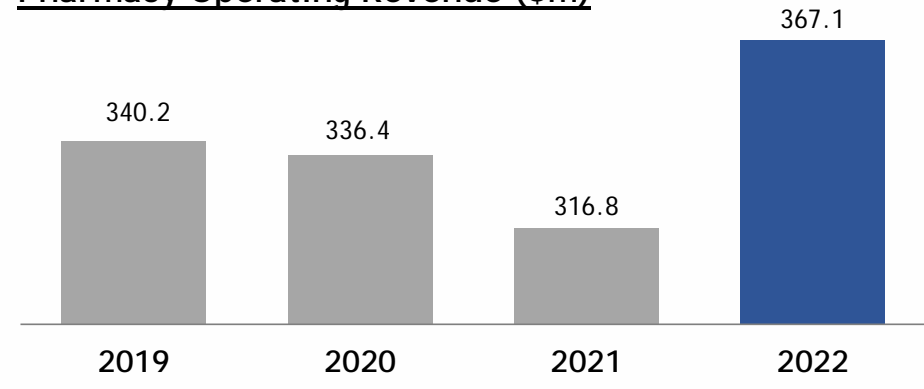


As at 31 March 2022

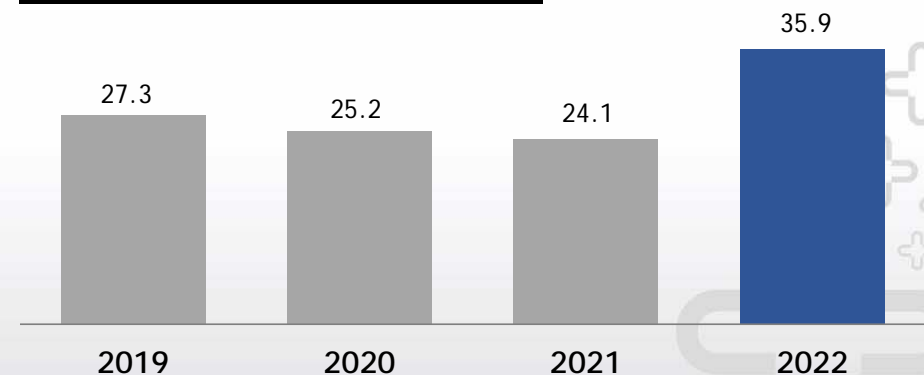
Pharmacy Performance

-  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)



⊕ Increased our Points of Difference

Unichem⊕

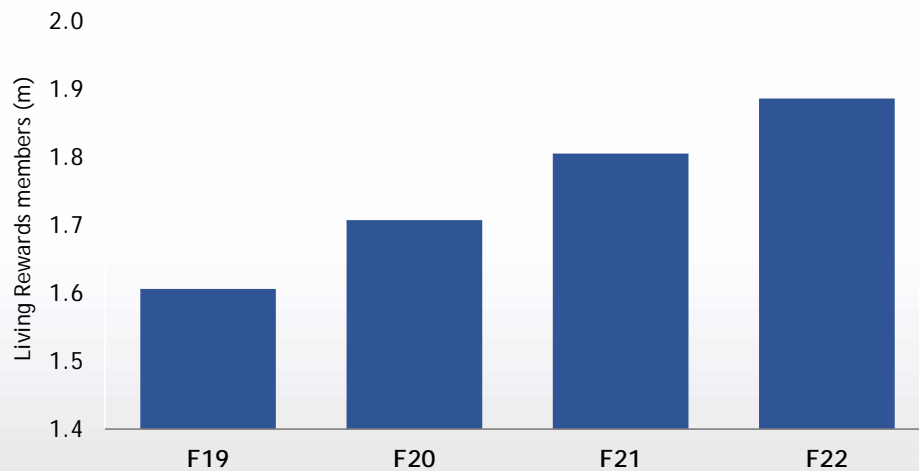
life
Pharmacy

 **PillDrop**
Pharmacy. Your Way.

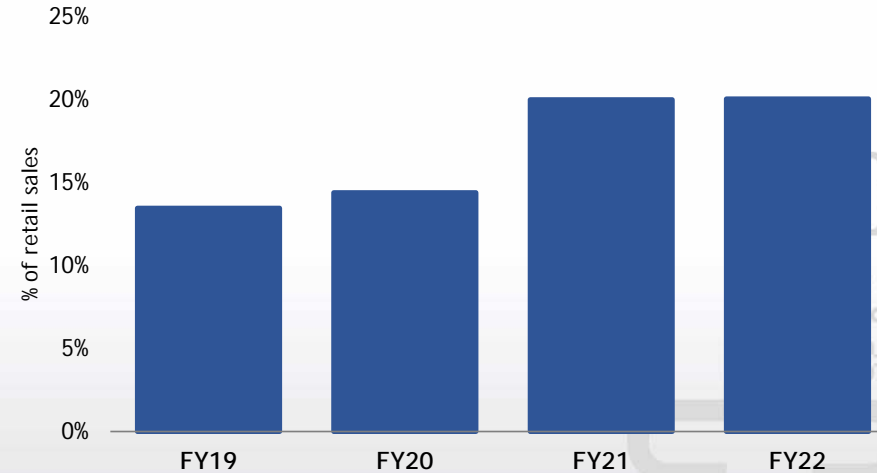


1,886,078 Living Rewards members

Continued Growth in Living Rewards Members







Growth in Differentiated Brands



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 Performance


 the doctors

 HouseCall

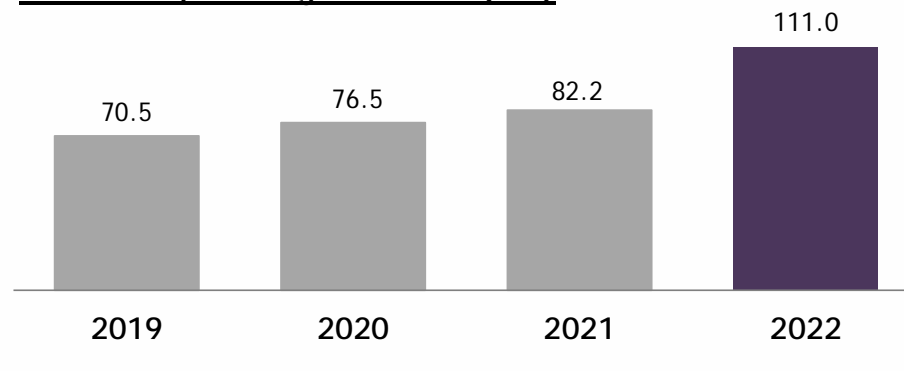
 Revenue up 35% to \$111.0m, driven by COVID-19 testing, vaccinations, other COVID-19 care opportunities and acquisitions

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

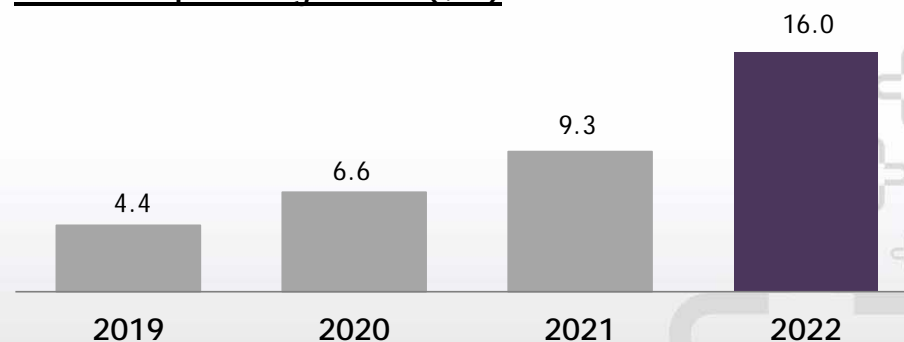
 329,000 enrolled patients as at 31 March 2022, an increase of 44,000 (+15%) since 31 March 2021

 Ownership in 53 medical centres

Medical Operating Revenue (\$m)

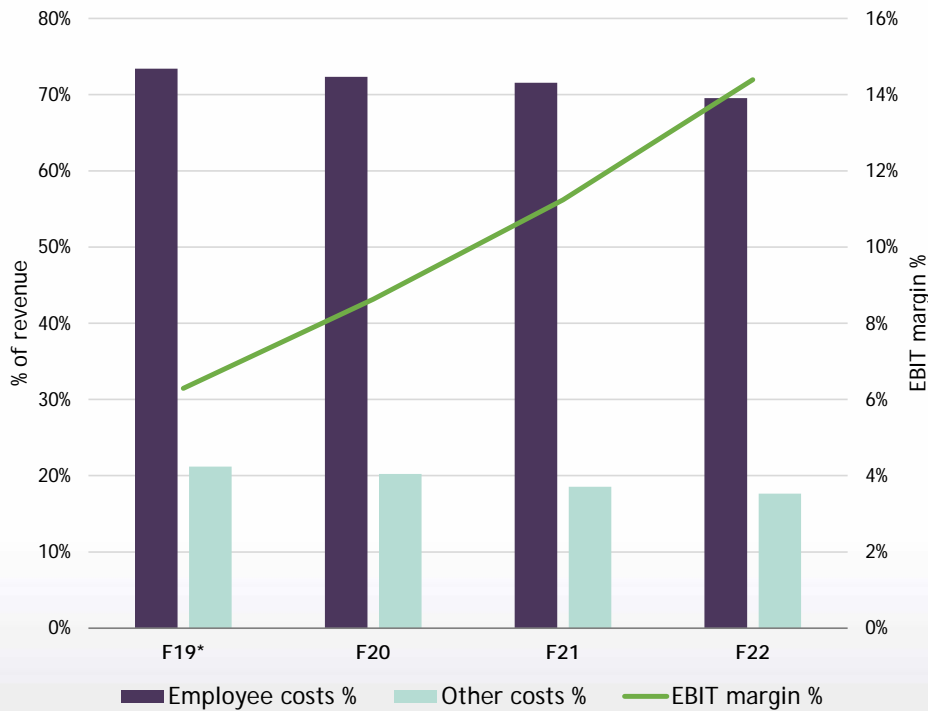


Medical Operating Profit (\$m)



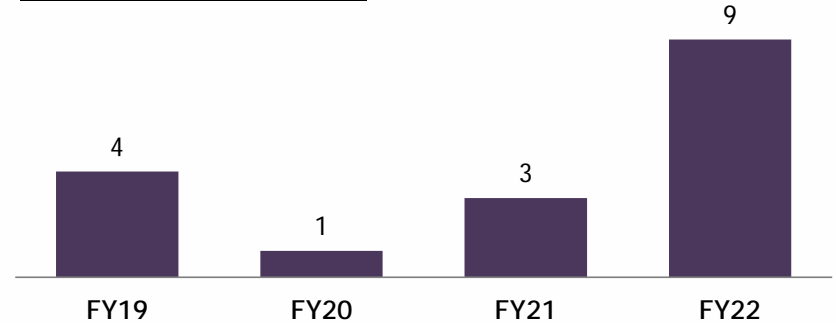
Driven Operational Improvement and Acquisitions

Increased Efficiency Through Operational Efficiencies and Systematic Triaging



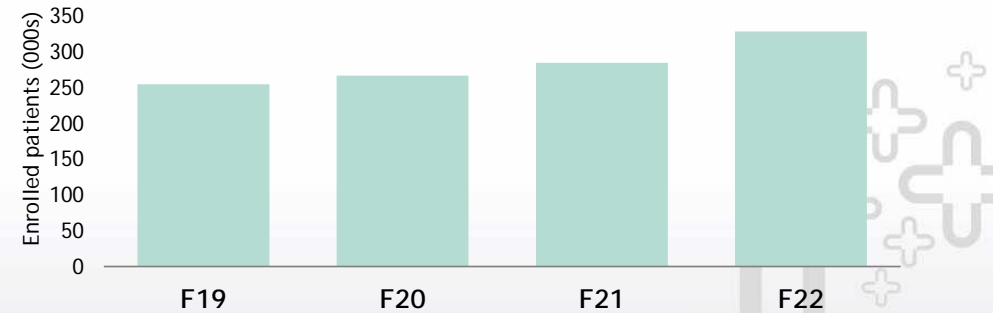
*F19 is pre adoption of IFRS16

Medical Acquisitions*








* includes greenfield sites, excludes shareholding changes

Enrolled Patients








Medical Focused on Organic Growth and Acquisitions

 thedoctors  HouseCall

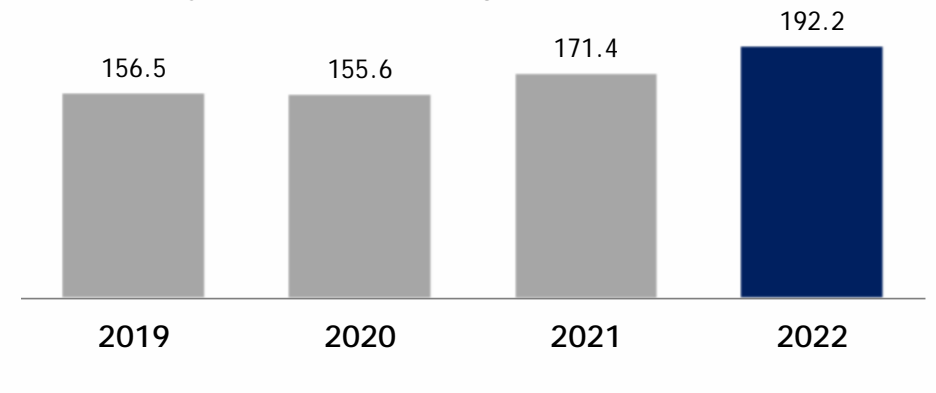
Medical Strategy		
	Patient & brand	High quality patient care
	Scale	Targeted centre acquisitions
	Technology	Utilising data and systems, omni-channel offering
	Operational improvement	Continuous improvement focus, clinical development
	Cost and margin focus	Workforce productivity & margin management

+ Community Health Performance

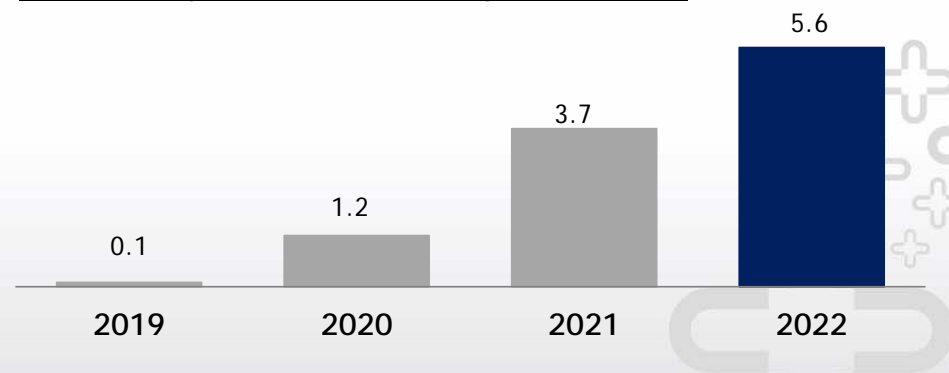


-  Revenue up 12% to \$192.2m
-  Operating Profit increased \$1.9m to \$5.6m
-  Improved performance reflects strategy of supporting clients with higher clinical needs and improving profitability of contracts
-  Cost efficiencies have resulted from investment in people, technology and systems
-  Continued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

Community Health Operating Revenue (\$m)

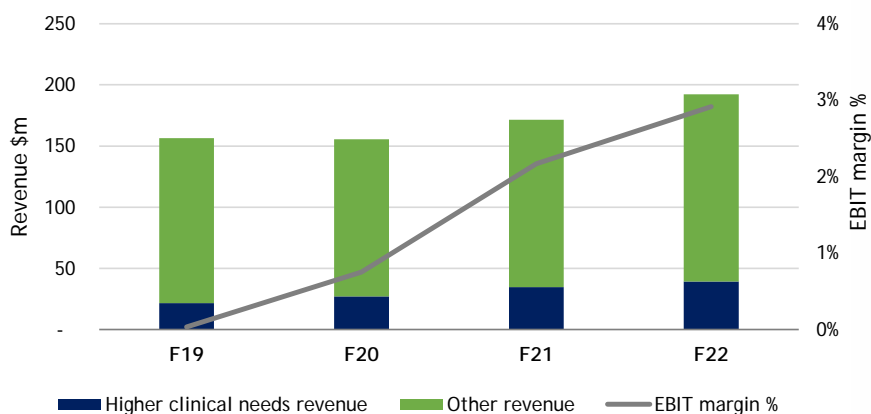


Community Health Operating Profit (\$m)



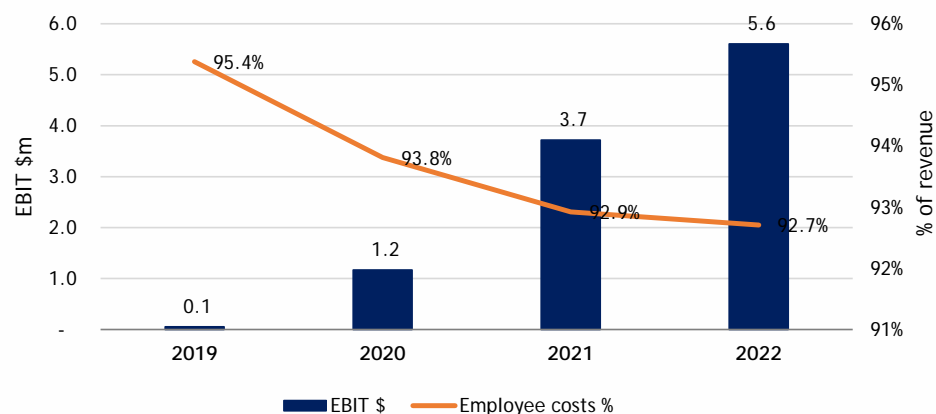
Improved Margin Levers Driving EBIT Growth

Driving Growth in Higher Clinical Needs Segment to Lift Margin



- ✓ Revenue increased from \$171m to \$192m
- ✓ Higher clinical needs now 20% of revenue
- ✓ 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

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

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

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





Q&A



Resolutions & Voting

Resolutions

- Resolution 1: Election of Craig Brockliss
- Resolution 2: Re-election of John Bolland
- Resolution 3: Re-election of Kim Ellis
- Resolution 4: Remuneration of the Auditor



Resolution 1 – Election of Craig Brockliss



*Craig Brockliss to be elected as
Director of the Company*



Resolution 2 – Re-election of John Bolland



*John Bolland to be re-elected as
Director of the Company*

Resolution 3 – Re-election of Kim Ellis



*Kim Ellis to be re-elected as
Director of the Company*

Resolution 4 – Remuneration of the Auditor



To authorise the Directors to fix the remuneration of the Auditor for the ensuing year





Q&A

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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.

