



# Annual Results for the year to 31 March 2024



# Disclaimer

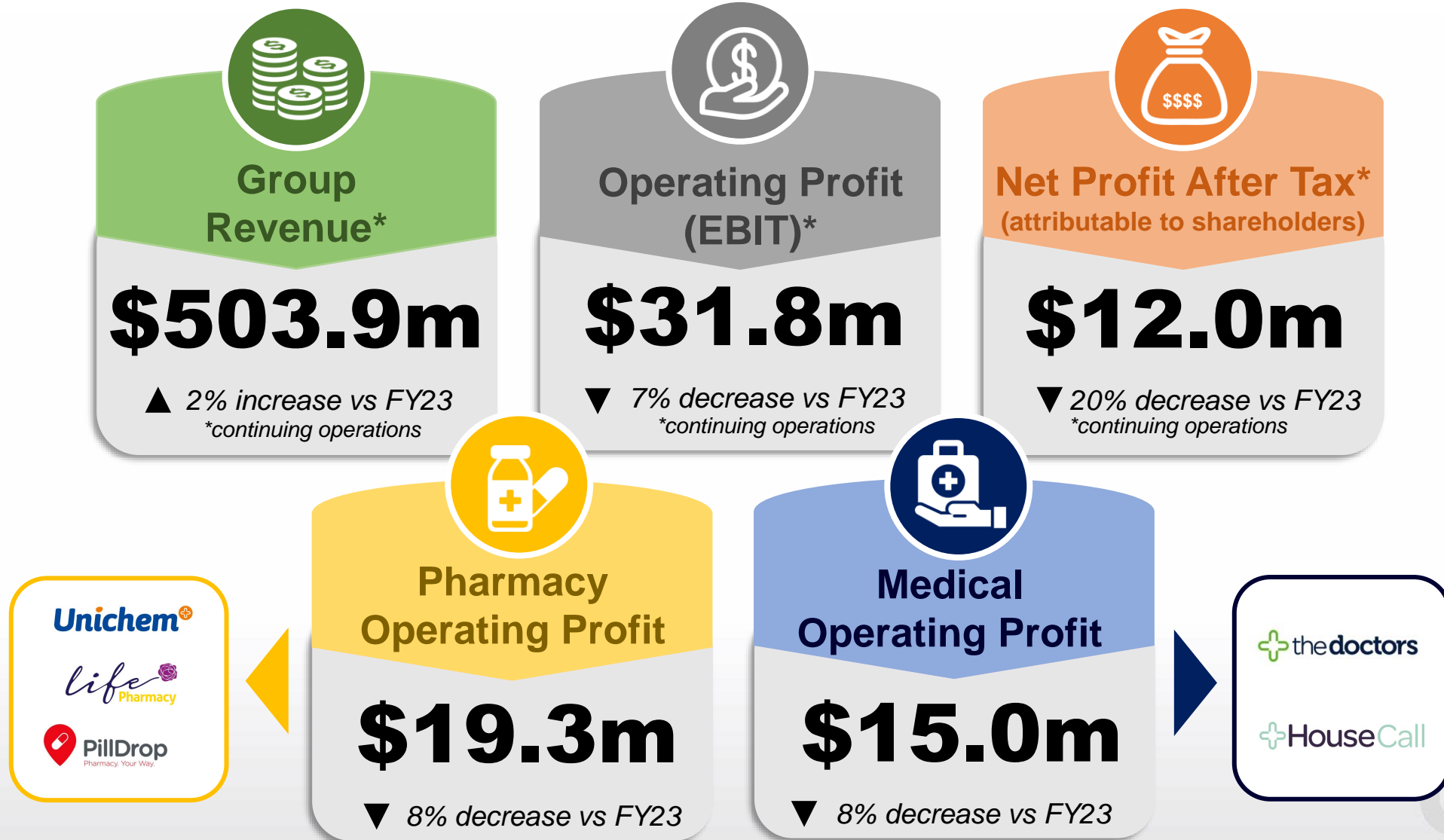
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The information contained in this presentation should be considered in conjunction with the consolidated financial statements for the period ended 31 March 2024.

# + GXH Annual Result - Financial Overview



# Milestones



April/May '23

## Free Co-payment

After years of sector lobbying, funders introduce free prescriptions for all



September '23

## Living Rewards

Rebrand of Living Rewards loyalty programme

**Enrolled Patients**  
Acquired Woodham Road Medical and Papakura East Medical; the Medical Division now exceeds 400,000 enrolled patients

November '23



December '23

## Refinance

Completed refinancing of group debt facilities

**Acquisition**  
Acquired Richmond Road Medical Centre

January '23



February '24

## Primary Health Organisation

Received approval to move 28 medical centres to National Hauora Coalition PHO

**Acquisitions**  
Invested in Tarawera Medical Centre and Onerahi Pharmacy

March '24





# Pharmacy Division

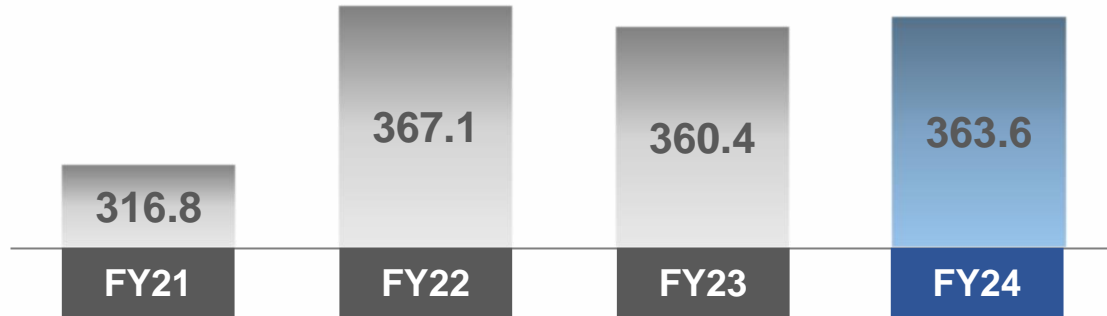


*New Zealand's largest network of health  
retailers: supporting easy access to quality  
health care*



# Pharmacy Performance

## Pharmacy Operating Revenue (\$m)



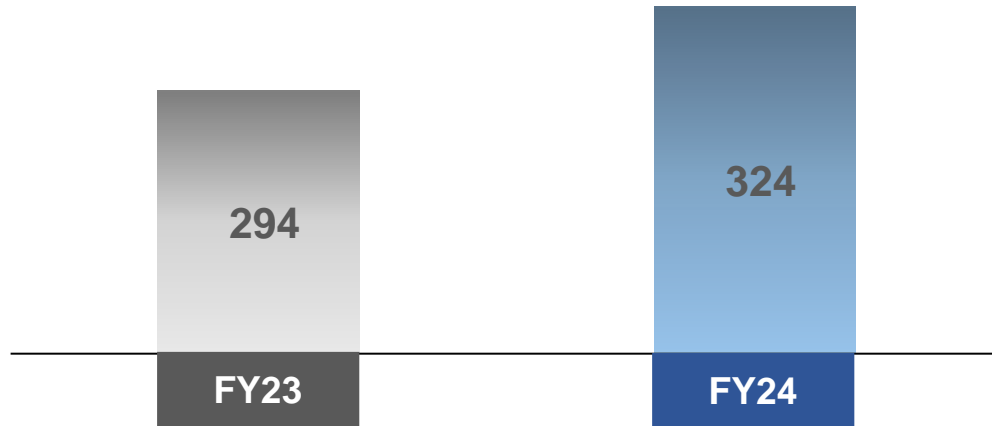
## Pharmacy Operating Profit (\$m)



- + **Revenue** up 1% to \$363.6m
- + **Operating Profit** down \$1.8m to \$19.3m due to labour cost pressures and inflation impacting margins
- + **Initial scripts items** up 7% on same store basis
- + 36 million **script items dispensed** representing over 40% of New Zealand's volume

# Continued Growth in Vaccination Income

Total Vaccinations - Green Cross Health Network ('000)

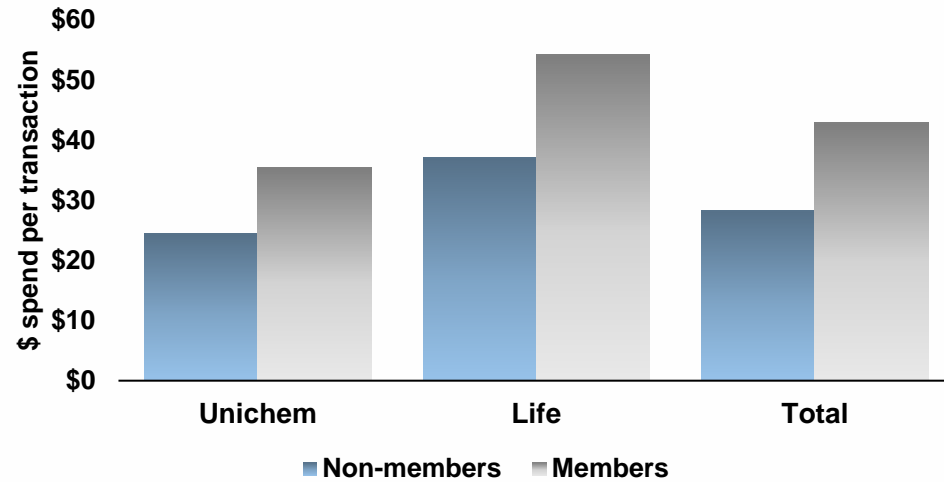


- ✚ Following record numbers last year, flu vaccinations continued to grow (5% increase year-on-year), driven by investment in staffing capability and nationwide marketing
- ✚ More than 45,000 flu vouchers redeemed in Green Cross Health pharmacies from investment in wellbeing partnerships with various New Zealand companies
- ✚ Other vaccinations saw a significant growth, through expansion of the types of vaccines that pharmacies can administer (Boostrix, Shingrix, Bexsero, Gardasil and MenQuadfi)

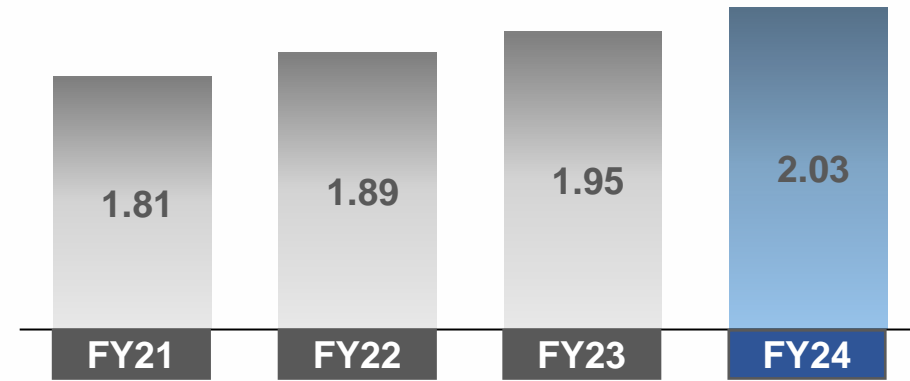
# Living Rewards Programme








**Living Rewards Members Spend More**



**Continued Growth in Living Rewards Members (millions)**





-  4% growth in Living Rewards members to 2.03m
-  Rebranded the Living Rewards programme to refresh and modernise interaction with existing members and to attract new members
-  Retained 75% of members from the previous year and reactivated 120,000 lapsed members
-  Developed and introduced interactive marketing programmes to build audience profiles and increase customer engagement
-  Living Rewards members spend 50% more than non-members





# Investment in Stores and People

## Stores

-  Six pharmacy refurbishments completed as part of continued investment in pharmacy portfolio
-  Eight new robots purchased to improve efficiencies and customer experience by automating dispensing activities



## People

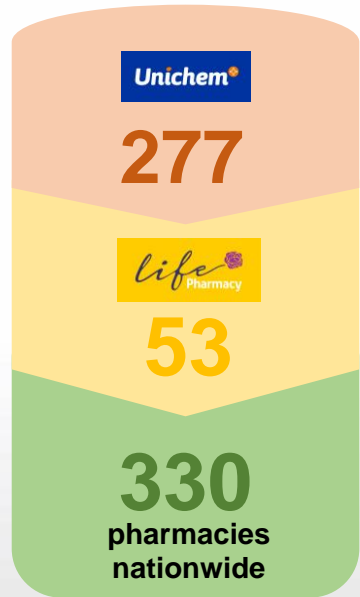
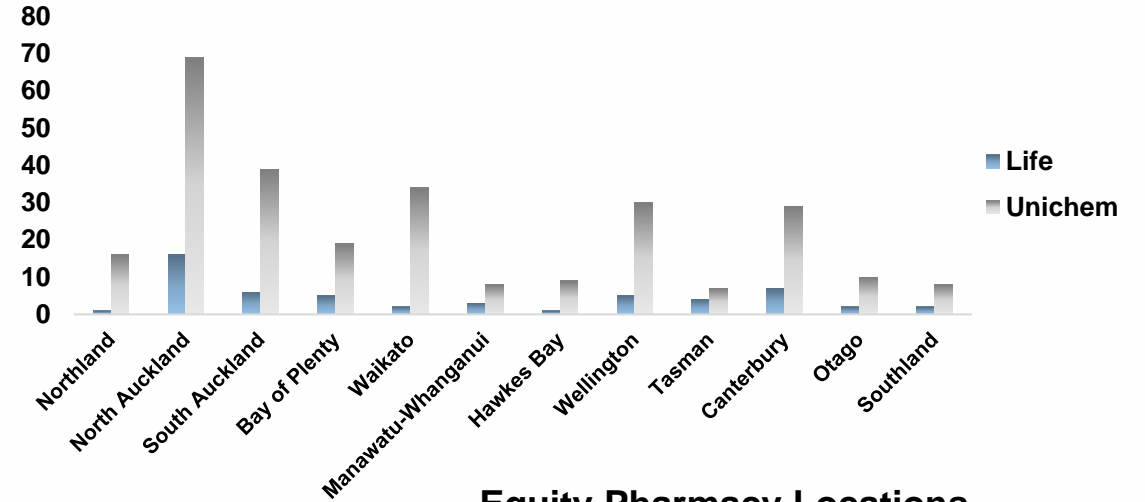
-  Focus on people development with over 37,000 training modules completed in the year
-  Green Cross Health recognised by Randstad as a Top 15 most desirable place to work in New Zealand



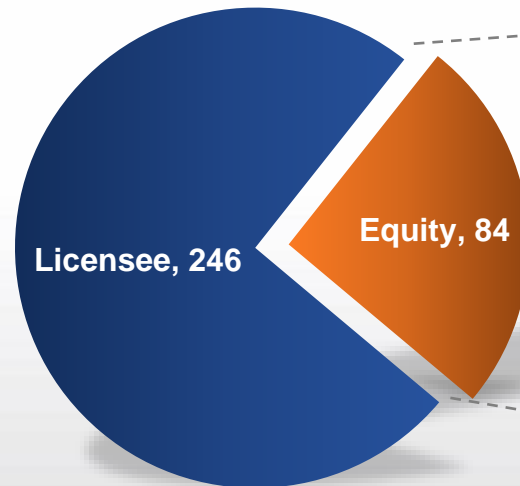
# Green Cross Health Pharmacy Network

- + New Zealand's largest network of health retailers with 330 stores nationwide
- + Extended equity store footprint to Northland through investment in Unichem Onerahi

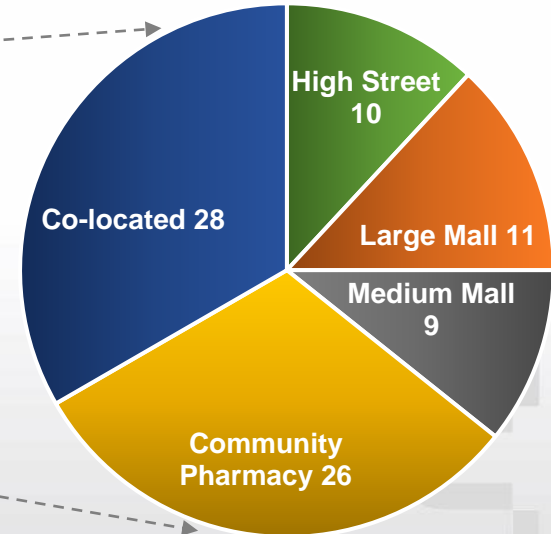
**Pharmacies by Region**



**Pharmacy Count by Ownership**



**Equity Pharmacy Locations**



# Pharmacy Future Focus

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

*life*  
Pharmacy

 **PillDrop**  
Pharmacy. Your Way.



## Brand & customer

Differentiated brands 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

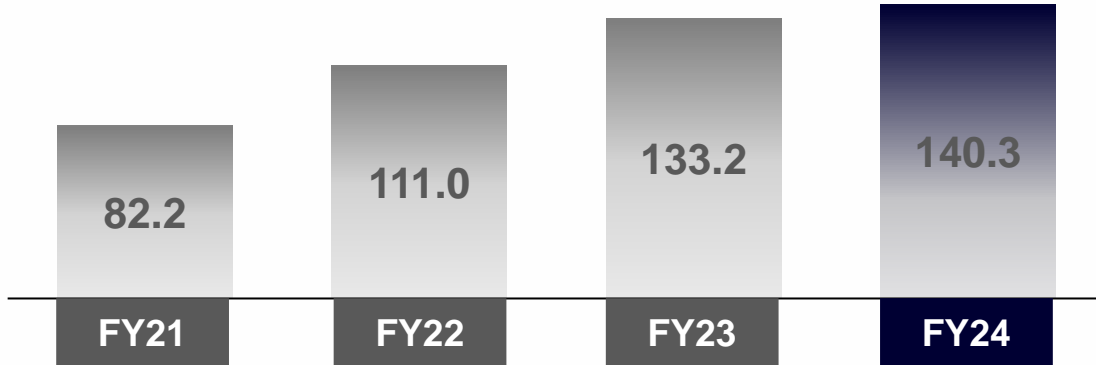
 the **doctors**  HouseCall

*Growth, leadership and sustainable  
models of care*

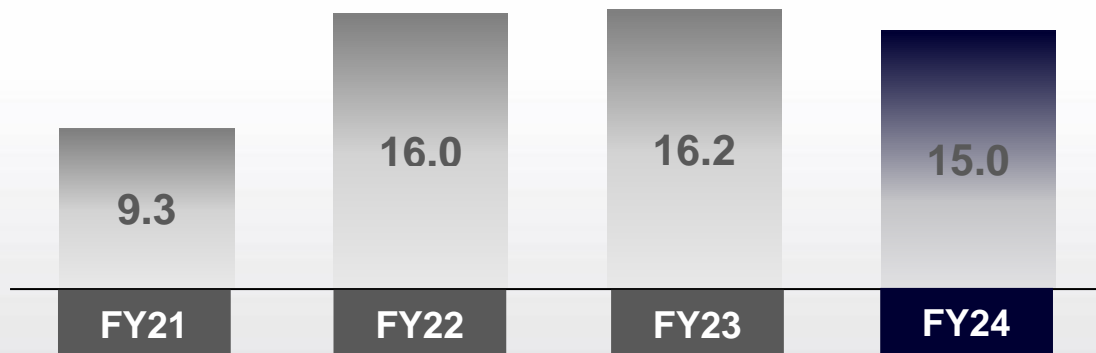


# Medical Performance





## Medical Operating Revenue (\$m)



## Medical Operating Profit (\$m)

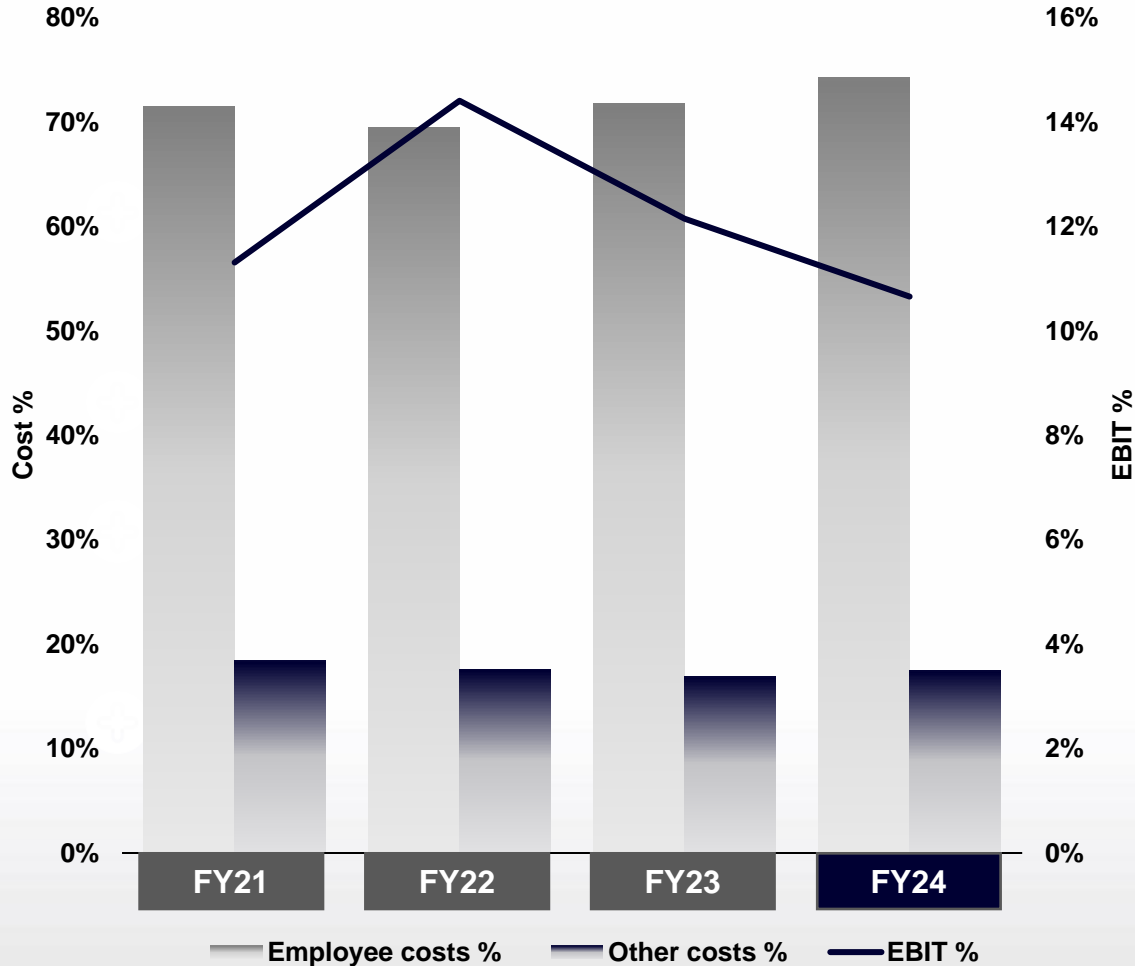






 

-  **Revenue** up 5% to \$140.3m
-  **Operating Profit** down \$1.2m to \$15.0m, with labour cost pressures and reduced COVID-19 services impacting margin
-  **423,000 enrolled patients** as at 31 March 2024, an increase of 37,000 (+9%) since 31 March 2023
-  **Ownership** in 66 medical centres at 31 March 2024

# Focus on Operational Improvement

## Operational Efficiency



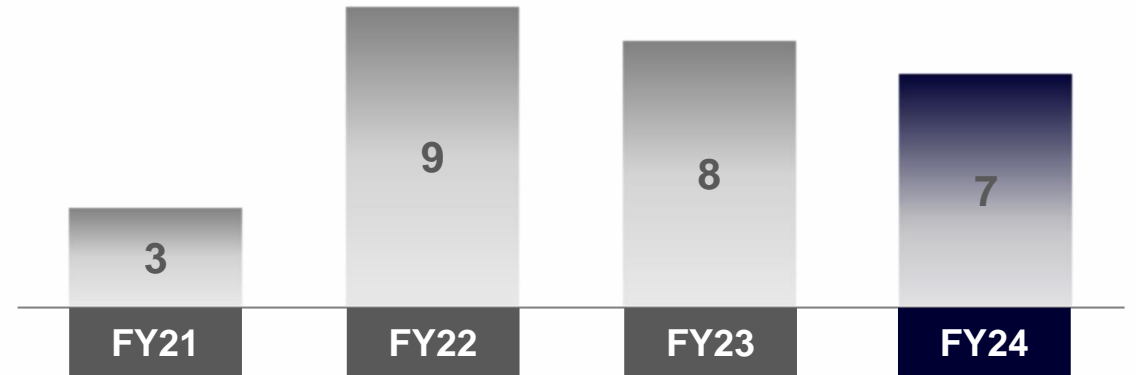
-  EBIT margin in line with pre-COVID performance
-  Inflationary labour cost pressures continued resulting in cost at 75% of revenue, with restructures completed in the second half beginning to benefit
-  Ongoing review and increase of co-payments to improve margins
-  Roll-out of standardised practice management system completed at 80% of medical centres to improve patient experience and gain operational efficiency

# Growth through Acquisitions

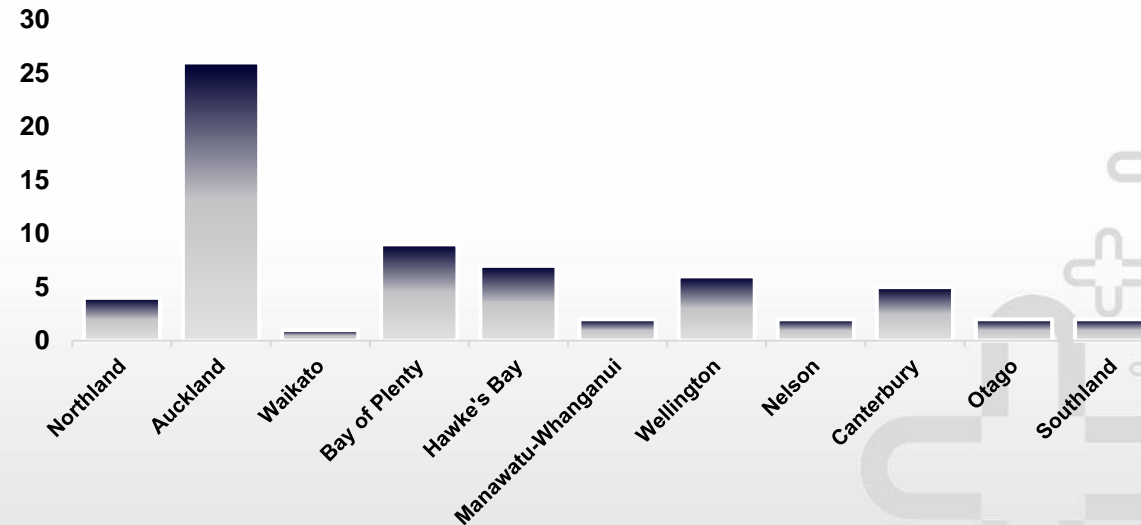
- + Continued acquisition activity with investment in seven centres in year, to close with 66 medical centres
- + The Doctors has New Zealand's largest general practice enrolled patient base
- + One additional acquisition completed post year-end

 **the doctors**  
**423,000 enrolled patients**

Medical Acquisitions

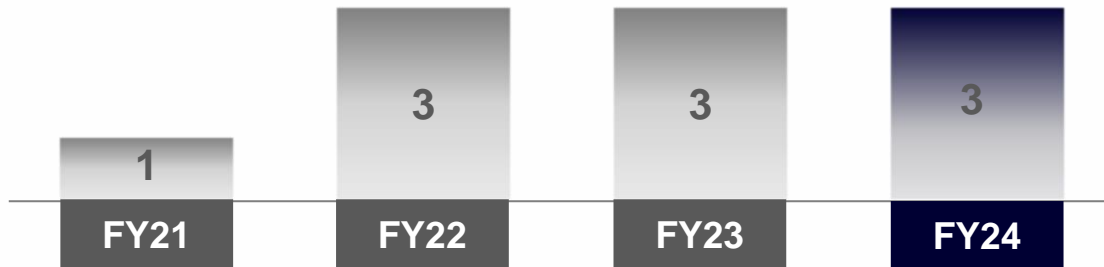




Medical Centres by Region

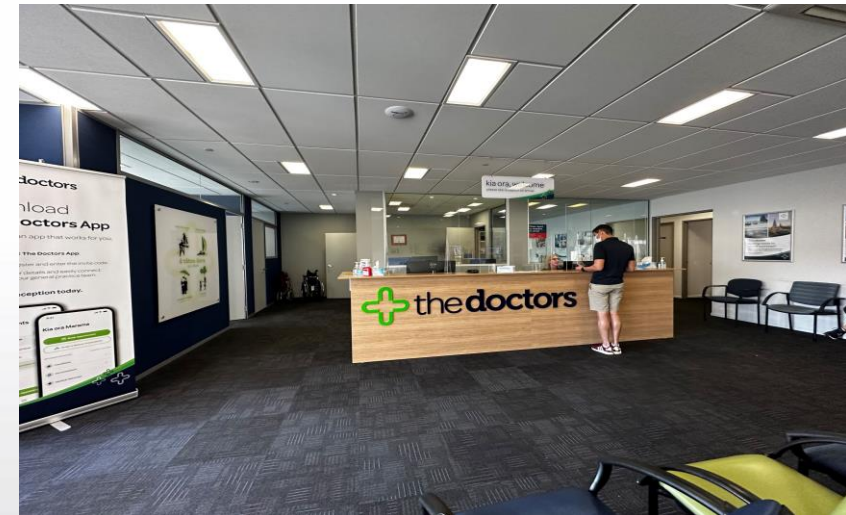


# Investment in Practice Portfolio

## Centre Refurbishments



-  Three significant refurbishments completed (Ti Rakau, Hastings, Te Whare Hapara) to enhance patient environment and the delivery of patient care
-  Rebrand programme continued with 44 centres now operating under The Doctors brand

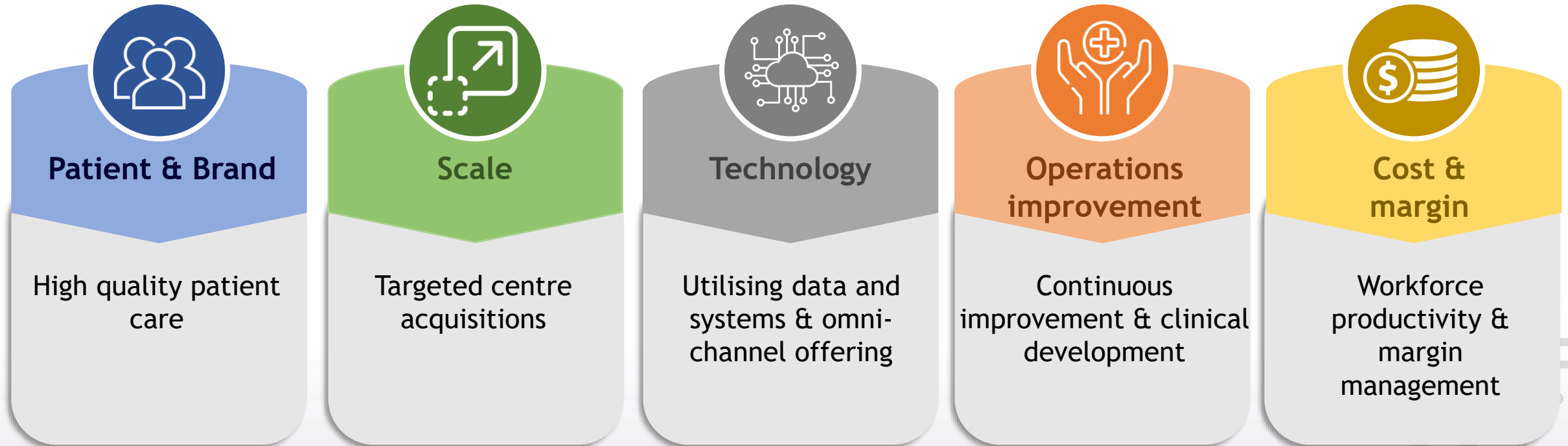




# Medical Future Focus

 thedoctors

 HouseCall





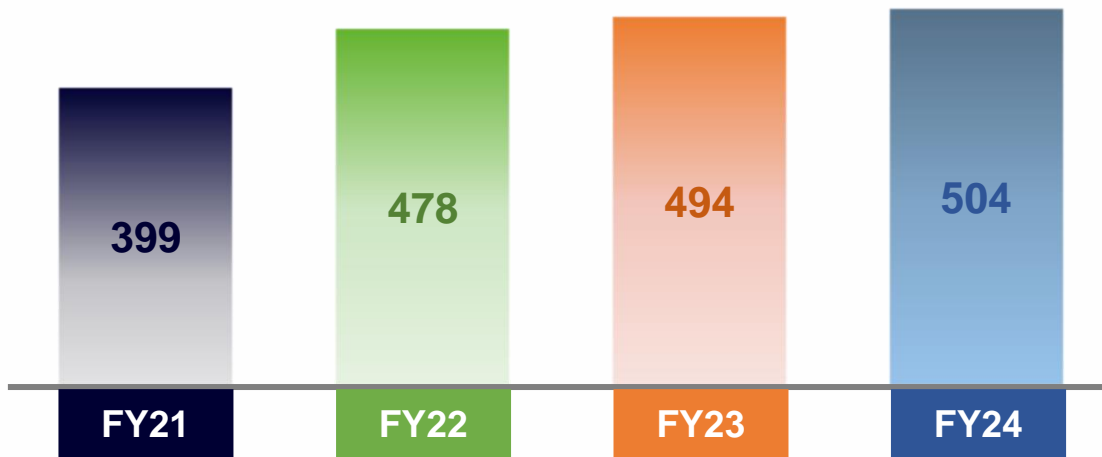
# Group Financial Result

*12 months ended 31 March 2024*



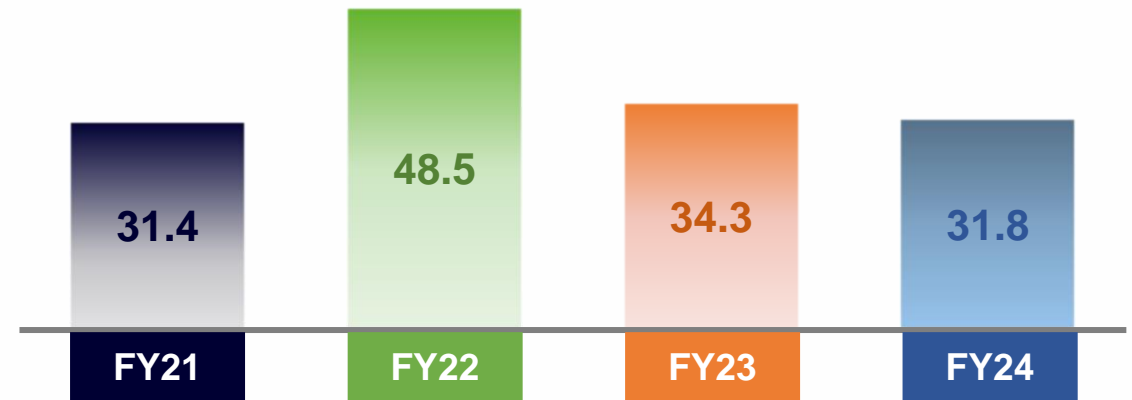
# Group Revenue and Operating Profit

GXH Operating Revenue From Continuing Operations (\$m)



- + Revenue of \$504m, up 2%
- + FY24 Revenue increase a result of acquisitive growth in Medical, along with strong dispensary performance in Pharmacy

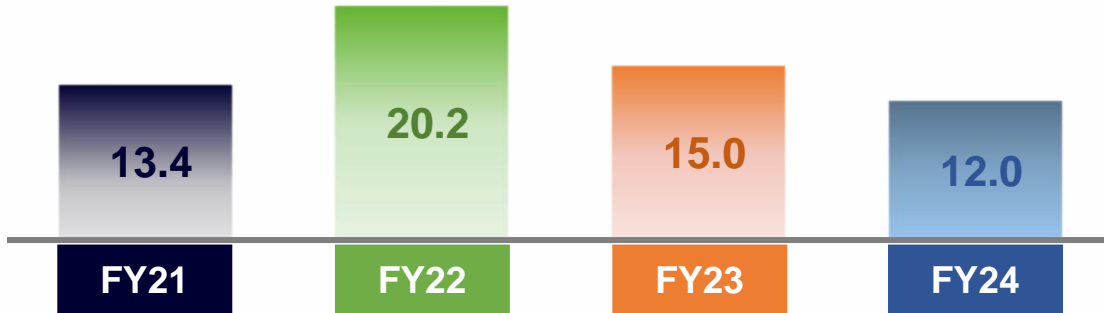
GXH Operating Profit From Continuing Operations (\$m)



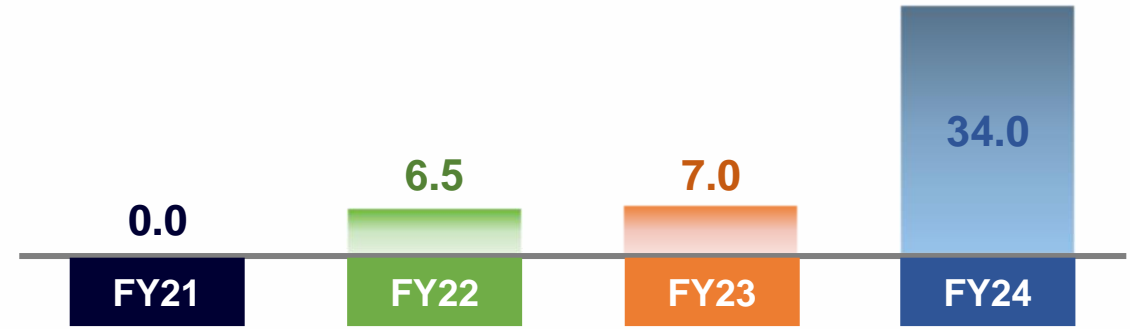
- + Operating Profit from continuing operations of \$31.8m, down \$2.5m
- + FY24 Operating Profit decrease due to labour cost pressures, lower retail revenue and reduced COVID-19 related services compared to FY23

# Group NPAT, EPS & Dividend

GXH NPAT Attributable to Shareholders\* (\$m)

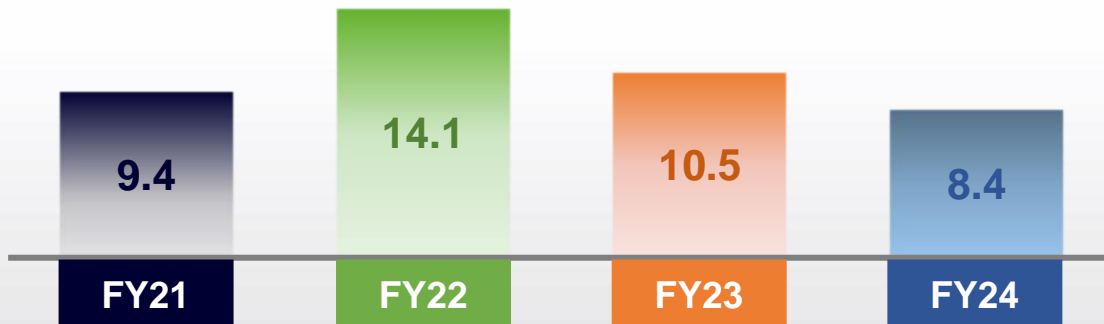





Dividends Per Share (cps)



*Based on dividends declared during the financial year*

GXH NPAT Attributable to Shareholders\* (cps)



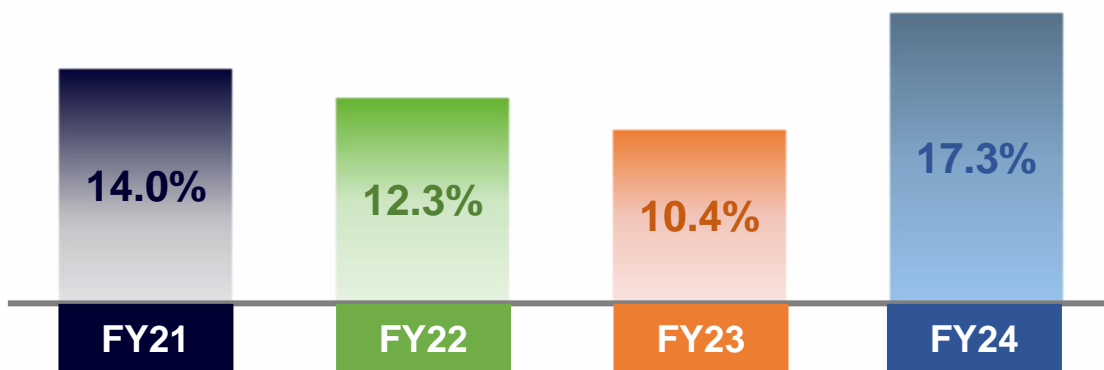
-  EPS at 8.4 cps\*
-  Special dividend of 28cps (\$40.1m) paid 28 April 2023 following successful divestment of Community Health division
-  Final FY24 dividend of 2.0cps declared – payment date 21 June 2024

\*From Continuing Operations



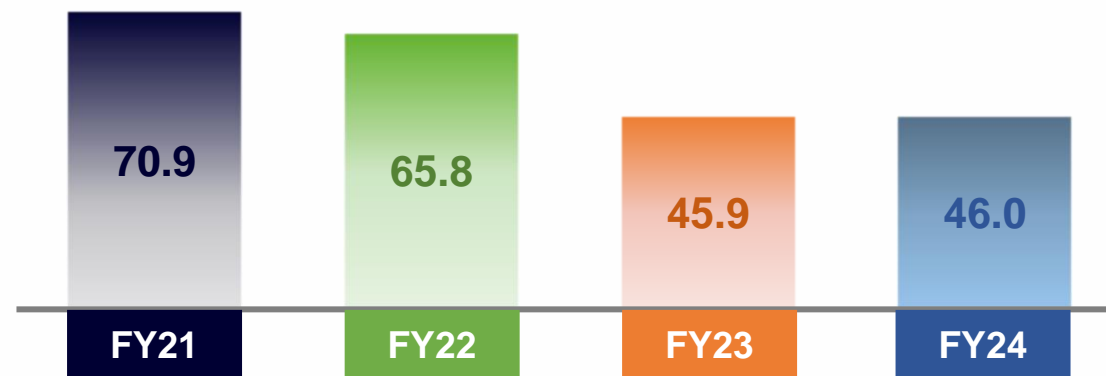
# Working Capital Management Disciplines Supporting Further Acquisition Activity

Gearing Ratio (debt / debt + equity)






- + Gearing ratio of 17.3% in FY24
- + Undrawn debt facilities of \$32.5m as at 31 March 2024
- + Net debt position of \$11.5m as at 31 March 2024
- + Refinance of debt facilities has positioned GXH well to continue strategy of acquisitive growth
- + Financing ratios:
  - Debt / pre IFRS16 EBITDA – 1.1x
  - Operating Profit / Interest – 12x

GXH Operating Cash Flow (\$m)

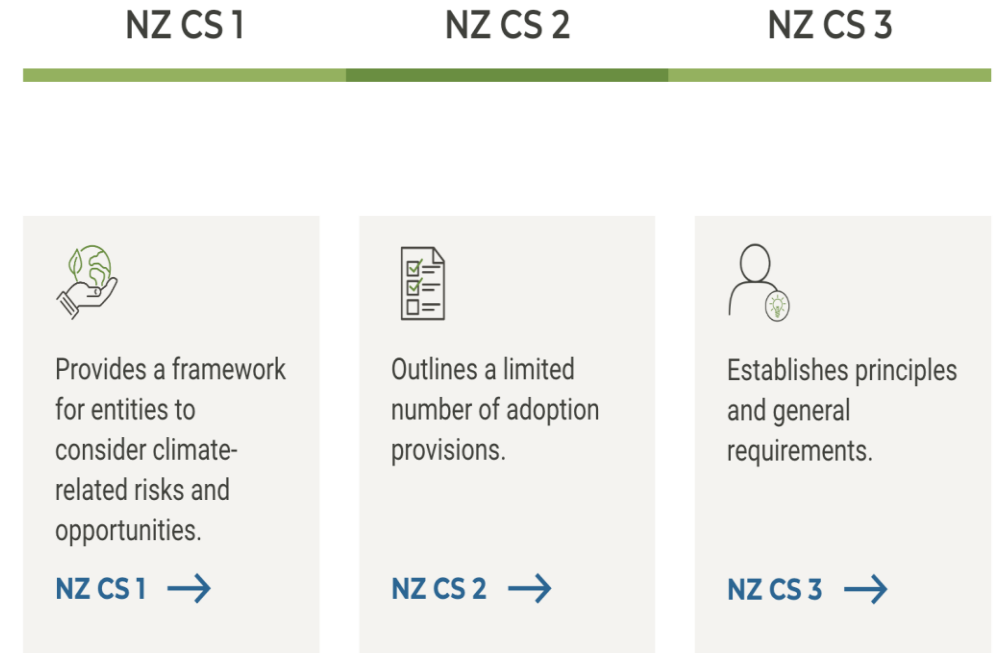


- + Operating Cash Flow of \$46.0m
- Enabling investment (\$17.9m) in:
  - + Investment in seven medical centres and one pharmacy
  - + Three significant refurbishments in Medical and six major upgrades in Pharmacy
  - + Ongoing investments in technology including eight pharmacy robots

# Climate Related Disclosures

-  Aotearoa New Zealand Climate Standards were published in December 2022
-  As a climate-reporting entity under the Financial Markets Conduct Act 2013, Green Cross Health is required to report against the new standards for the year ended 31 March 2024
-  The company will include climate disclosures in its 2024 Annual Report

## Aotearoa New Zealand Climate Standards





# About Green Cross Health



# Who We Are

**330**  
pharmacies

**53**  
*life*  
Pharmacy

**277**  
Unichem<sup>+</sup>



**2.0 million**  
loyalty members



**66**  
medical centres

 the **doctors**

 **HouseCall**

**423,000**  
enrolled patients

  
**464**  
nurses

  
**401**  
doctors

  
**31**  
nurse practitioners

-  Unichem Pharmacies
-  Life Pharmacies
-  The Doctors Medical Centres

As at 31 March 2024

**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.