

Green Cross Health earnings up 13.5% amidst moves to future-proof primary healthcare

27 November 2017, AUCKLAND, NZ: Listed primary health care provider Green Cross Health, the group behind Unichem and Life Pharmacy, The Doctors and Access Community Health, has recorded a 13.5% increase in underlying net profit to \$8.8 million in the six months to 30 September 2017, when excluding a \$2.8m one-off fair value gain in the prior period.

Green Cross Health chairman Peter Merton says emphasis on consolidating the organisation as a leader in primary health care has resulted in continued growth, and the Group is focused on evolving services to meet the changing needs and expectations of people in New Zealand.

"We're well placed to capitalise on further growth and remain focused on efficient delivery of primary health care in New Zealand," says Merton.

"We're investing in our network and service delivery across pharmacy, medical and community health so we can not only sustain, but build on our core offering as demand grows in the health care sector".

Pharmacy operating profit before interest and tax was up 11.6% to \$13.75 million, driven by strong dispensary and franchise revenues and consistent retail sales.

Green Cross Health Pharmacy and Medical divisions CEO Grant Bai says, "We have been strengthening our core retail disciplines and compliance across our diverse pharmacy network. Competition in all areas of retail is increasing and we have been aligning with our supply partners and members to ensure we continue to provide the best offering across retail and health services to our communities".

Green Cross Health represents 354 Unichem and Life Pharmacies. Moves to integrate pharmacies and medical centres into convenient and easy to access health care hubs is continuing with the opening of new sites in Wynyard Quarter and Huapai in October and December.

"We remain focused on keeping pace with changing customer needs, investing in delivering customer-centric services to improve patient experience and health outcomes".

"We are growing our digital offering across all aspects of our business from ecommerce to our award-winning online learning and development platform, Teach Me".

“We’ve also invested in digital service delivery platforms for medical and pharmacy and our prescription reminder service is the first digital product on a roadmap which will use technology to deliver convenient patient services”.

This year also saw funded flu vaccinations administered across Green Cross Health pharmacy and medical centres and a cross divisional promotion in support of the Ministry of Health’s public awareness programme to increase immunisation rates across the country. Green Cross Health’s significant geographical footprint meant it played a major role in reaching people in almost every New Zealand community, including those in remote and rural areas.

In the Medical division, operating profit has grown by 3.6% to \$1.45 million, bolstered by a 5.4% increase in patient numbers to 220,200. Two medical centres joined the Green Cross Health group and the opening of The Doctors Quaymed Wynyard and The Doctors Huapai, will bring the equity network to 33 sites.

“We are supporting our health care teams on innovative paths to create more timely and appropriate access for their patients, such as nurse led services and phone triage. The use of data and dashboard analytics is instrumental in enabling our teams to anticipate the needs of patients and tailor services appropriately”.

“We’re also identifying opportunities to collaborate with stakeholders in primary health care to deliver better health outcomes and streamline the patient journey,” says Bai.

The Community Health division continues to deliver revenue growth, up 14.2% to \$62.9 million on the same period last year, with the client base now 20,900 nationally, and increased revenue from ACC and Nursing Services. Operating profit before interest and tax was up 11.2% to \$1.3 million.

Green Cross Health Community Health Division CEO Simon Lipscombe says, “We’re working hard to embed pay equity and other staff retention strategies, which so far have shown great results reducing staff turnover from 29% to 21% and there is still work to be done.”

“We are maintaining our focus on competing for government tendered services including ACC and Nurse care. Rolling out mobile technology is going to help improve employee rostering and enhance our client service delivery. With an aging population, demand for home care will increase. This gives us confidence that community health has significant growth potential,” says Lipscombe.

Merton says the group is on track to continue its upwards trajectory with a focus on growth via acquisition and continued investment in delivering health care in line with the New Zealand Health Strategy.

Shareholders on the register as at 5pm on 11 December 2017 will receive a fully imputed interim dividend of 3.5 cents per share paid on 22 December. A dividend reinvestment plan is available to shareholders.

Ends

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About Green Cross Health

Green Cross Health is a listed primary health care provider, delivering integrated healthcare solutions in communities the length and breadth of New Zealand. Representing more than 350 community pharmacies and 39 medical centres, the organisation also provides specialist nursing and home health care services to more than 20,000 clients in their own homes.