Green Cross Health (NZX: GXH)

Half-Year Result Announcement for the unaudited six months ended 30 September 2026

Summary

- Operating Revenue of $197.7m*
- Operating Profit (EBIT) of $7.0m*
- Gain on sale from the Medical division of $188.1m
- Net Profit After Tax Attributable to Shareholders of $196.7m

* *from continuing operation*

Commentary

Following the shareholder meeting held on 14 July 2026, where shareholders approved a special resolution to sell the Medical division, the sale was completed on 31 July 2026.

Pharmacy Revenue for the reporting period grew by 9% to $197.7m, with Operating Profit up 3% to $7.0m.

Unichem and Life Pharmacies administered 3% more vaccinations than in the prior period and dispensed over 19 million prescription items. The dispensing mix continued to shift towards high-value, low-margin medicines, including recently funded cancer medications, placing ongoing pressure on dispensary margins. From 1 June, the Government introduced a range of extended pharmacy services, a positive step towards relieving pressure on the New Zealand healthcare system by enabling more patients to receive pharmacist-led care for common conditions.

The company invested in expanding the range and availability of clinical services across its network of approximately 200 Care & Advice Health Hubs, with each hub offering a minimum of 11 core services. The network is well placed to deliver the newly funded services alongside its broader healthcare offering. Technology enhancements, including the new pharmacy app and integrated booking platform, are also improving the patient experience, with more than 75,000 appointments booked through the platform during the period.

Green Cross Health Group CEO Rachael Newfield commented, “Community pharmacists have the clinical skills and community reach to make an increasingly important contribution to frontline healthcare across the country. Significant opportunities remain to further expand the role of community pharmacy through an enhanced scope of practice, alongside a long-overdue review of the funding model to ensure community pharmacies are financially viable while meeting the growing healthcare needs of an ageing population.”

Retail performance remained resilient during the first half of the financial year, reinforced by disciplined execution across key categories, targeted promotional activity and a commitment to delivering value for customers. Beauty performance was underpinned by a strong Beauty Week campaign, while Living Rewards initiatives strengthened customer engagement and basket size. Beauty by Life branded stores outperformed relative to other stores, while digital and convenience channels, including click and collect, online sales and on-demand delivery, gained further traction with customers.

Investment across the equity pharmacies focused on improving operational efficiency, enhancing customer experience and supporting workforce sustainability. Refurbishments to accommodate dispensing automation robots were completed at Life Pharmacy Coastlands, Life Pharmacy Prices and Unichem Miramar. The dispensing robots streamline operations by reducing reliance on manual dispensing processes and increasing the ability of pharmacy teams to provide patient-facing services. These investments create a more scalable operating model, positioning the business to support long-term growth in prescription volumes while creating additional capacity for clinical services.

Newfield said the Group's people and culture remained central to its performance. “Green Cross Health was recognised as New Zealand’s most attractive employer in the Randstad Employer Brand Research. This reflects the strong culture and the environment we have created to attract, reward and retain people who are passionate about improving health outcomes for the communities they serve. This recognition is a testament to the commitment, care and professionalism our team members demonstrate each day.”

Outlook and Dividend

Following the divestment of the Medical division on 31 July 2026, the company is now pharmacy-focused. In the second half of the financial year, work will progress on the remaining changes to ensure its support functions and infrastructure are appropriately sized for the business and its future growth. The Board has appointed Alison van Wyk as Chief Executive Officer of Pharmacy, commencing 31 March 2027.

Green Cross Health Chair Kim Ellis said, “The sale of the Medical division has simplified the Group’s portfolio, realised value for shareholders and positioned Green Cross Health as a dedicated pharmacy business. The Board has elected not to pay a dividend at this time. It is currently evaluating the most appropriate and efficient manner to distribute a significant portion of the Medical sale proceeds. The Board is working towards an initial distribution mid next year and will provide shareholders with an update in due course.”

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About Green Cross Health

Green Cross Health (NZX: GXH) is a trusted New Zealand primary healthcare provider with multidisciplinary healthcare teams working together to support healthier communities. Green Cross Health is focused on creating sustainable healthcare solutions with positive outcomes and experiences.

New Zealand owned and operated, Green Cross Health operates under branded groups Unichem and Life Pharmacy, to provide support, care and advice to diverse New Zealand communities.

Green Cross Health provides convenient access to professional healthcare with over 300 Unichem and Life Pharmacies covering almost every New Zealand community.