

SHL Telemedicine

2016 Results

31 July 2017



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Agenda

- Financial Highlights and Summary
- Business Update
- Appendix

Financial Highlights from Operations

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- Revenues up 9.2% leading to an EBITDA of USD 1.0m, up from a LBITDA of USD 9.0m
 - Revenues in Germany up 30.2% (30.9% in constant currency) due to an income of EUR 5.3m from cost savings delivered under a Chronic Disease Management Services contract
 - Revenues in Israel down 7.1% (-8.7% in constant currency). The decline is mainly related to end of service contracts with institutions and decline in income from subscribers
 - Increase in cash and cash equivalent of USD 1.9m with a negative cash flow from operations, net off investment activities* of USD 2.2m
 - Streamlining operations efforts are underway and will further materialize in 2017 - 2018

*Investing activities include only investment in property and equipment and intangible assets.

Extraordinary Items

Item	Effect	Remarks
Income tax	USD -4.7m	Final judgement regarding previous years' income tax assessments. Additional provision for tax assessment was recognized in 2016.
Sales wages and commissions	USD -3.8m	SHL elected to change its accounting policy with regards to sales wages and commissions such that only the portion of sales compensation expenses that is incremental in obtaining subscription sales contracts is deferred. Management believes that this change in policy better reflects recent development in accounting guidance.
Adjustments in fixed assets	USD -2.6m	Impairment in respect of telemedicine devices available for loan to customers for which management decided to discontinue their use due to technological obsolescence.
Impairment of intangible assets	USD -2.0m	Impairment of intangible assets relating to customer relations and contracts due to management's revised estimates of future cash flows to be generated by these assets.
Capitalization of development costs	USD -1.7m	Impairment of development costs in connection with projects for which management decided to discontinue development due to changes in economic and market strategies.

2016 Financial Summary

USD million	As reported			Adjusted*		
	2016	2015	% change	2016	2015	% change
Revenues	40.5	37.1	9.2%	40.5	37.1	9.2%
Germany	20.7	15.9	30.2%	20.7	15.9	30.2%
Israel	19.6	21.1	(7.1)%	19.6	21.1	(7.1)%
ROW	0.2	0.1	100%	0.2	0.1	100%
EBIT (LBIT)	(4.8)	(14.5)	<i>n.a.</i>	0.8	(4.7)	<i>n.a.</i>
% of revenues	<i>n.a.</i>	<i>n.a.</i>		2.0%	<i>n.a.</i>	
EBITDA (LBITDA)	1.0	(9.0)	<i>n.a.</i>	5.3	(0.4)	115%
% of revenues	2.5%	<i>n.a.</i>		13.1%	<i>n.a.</i>	
Net Loss	(11.1)	(15.7)	<i>n.a.</i>	(6.8)	(7.1)	<i>n.a.</i>
EPS (LPS)	(1.06)	(1.50)	<i>n.a.</i>	(0.65)	(0.67)	<i>n.a.</i>

*Presenting adjusted figures gives additional insight into operational performance and helps clarify trends affecting the company's business

2016 Cash Flow Summary

USD million	2016	2015	Diff
Cash received from (used in) operating activities	(0.4)	4.0	(4.4)
Cash used in investing activities (ex. marketable securities)	(1.4)	(9.2)*	7.8
Cash received (used) in financing activities	3.8**	(3.2)	7.0
Effect of exchange rate changes	(0.1)	(0.1)	(0.0)
Increase (decrease) in cash, cash equivalents & marketable securities	1.9	(8.5)	10.4
Cash, cash equivalents & marketable securities at beginning of period	8.6	17.1	(8.5)
Cash, cash equivalents & marketable securities at end of period	10.5	8.6	1.9

*Including USD 6.3 million related to acquisition of GPH

**New loan net of repayments

30.12.2016 Balance Sheet*

Current assets	24.9	25.7	Current liabilities
Non current assets	6.5	13.1	Non current liabilities
Fixed assets	5.5		
Intangible assets	25.7	23.8	Equity

(* In USD million per 31 December 2016)

Business Update



- Strategic priorities:
 - Expanding our existing platforms in Germany and Israel
 - Growing the smartheart™ business globally
- Other key focus areas:
 - Streamlining operations and reducing expense base
 - Management transition

Investor Information

- 10,878,491 registered shares with a par value of NIS 0.01 each
- Listed at SIX Swiss Exchange in CHF; Symbol: SHLTN, No. 1128957
- Price high/low (CHF) 7.48/5.55
- Market cap high/low (CHF m) 78.5/58.2
- Market cap 30.12.16 (CHF m) 76.1
- No voting restrictions



Yoav Rubinstein, CEO
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Yoav Rubinstein joined SHL in March 2012 as Senior Vice President, Head of Global Business Development and was appointed CEO in June 2017. Before joining SHL, Mr. Rubinstein worked in the private equity industry, for 9.5 years as a Principal for Apax Partners and then as a Senior Advisor to Saban Capital Group. Mr. Rubinstein holds a BA in Business Administration from the Interdisciplinary Center, Israel.



Yossi Vadnagra, CFO
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Yossi joined SHL in February 2017 as Director of Business Development in Israel and has been appointed CFO in June 2017. Over 18 years of experience in international markets with Blue Chip companies as CFO in the Healthcare, Retail, and Engineering sectors. He is a CPA (Israel) with an MBA in Finance.

Thank you

