



Press release

SHL announces half-year results 2017

Tel Aviv / Zurich, 28 September 2017 – SHL Telemedicine Ltd. (SIX Swiss Exchange: SHLTN, OTCPK: SMDCY) (“SHL”), a leading provider and developer of advanced personal telemedicine solutions, today announced the results for the first half of 2017.

- Revenues of USD 18.3m, up 5.6% on revenues of 17.3m in H1 2016
- EBITDA of USD 5.8m, compared to an LBITDA of USD 0.2m in H1 2016
- Net income of USD 2.0m versus a net loss of USD 3.8m in H1 2016
- Free cash flow ^{1,2} of USD 8.3m compared to cash burn of USD 1.2m in H1 2016

Financial Highlights:

- In Germany, revenues were USD 8.1m, up 9.5% versus first half of 2016. In local currency revenues remained stable compared to first half 2016 before considering the effect of changes in revenue estimate related to previous periods.
- In Israel, revenues were USD 10m, up 2.0% versus first half of 2016. In local currency revenues were down 3.1% compared to first half 2016. The decline is mainly related to lower revenues from subscribers and a shift in revenues from institutional clients to the second half of 2017.
- Operating results for the first half year were positively affected by higher gross margins in Germany and Israel attributed from savings in cost of services. Further cost savings in sales and marketing and general and administration expenses have contributed significantly to the operational profitability of the Company.
- With the ongoing streamlining efforts, along with the extraordinary income of USD 3.3m from the Jiuchuan case, SHL has significantly improved its cash position by USD 10.7m in the first half 2017, totaling USD 16.6m by mid-year.

Yoav Rubinstein, CEO of SHL Telemedicine, said: “The results for the first half of 2017 indicate that the efforts to improve the profitability of the Company are bearing fruit with the Company returning to profitability and significantly improving its cash position.”

Mr. Rubinstein continued: "Israel and Germany, where SHL has uniquely positioned assets in the area of remote patient management, remain our key core markets while the smartheart™ platform provides us with a unique opportunity to grow into additional market segments including the US and China and other global opportunities leveraging our technological, clinical and operational knowhow."

¹ Free cash flow – operating cash flow less purchase of capex and investment in intangible assets

² Excluding an extraordinary income received in H1 2012 of USD 3.3m related to a court ruling with regards to SHL's claim against Shanghai Jiuchuan Investment (Group) Co. Ltd. in connection with breach of merger agreement



Key figures

in USD million (except per share amounts)	H1 2017	H1 2016	% change
Revenues	18.3	17.3	5.6%
• Germany	8.1	7.4	9.5%
• Israel	10.0	9.8	2.0%
• Other	0.2	0.1	100%
EBIT (LBIT)	3.4	(3.1)	<i>n.a</i>
EBITDA (LBITDA)	5.8	(0.2)	<i>n.a</i>
Net income (loss)	2.0	(3.8)	<i>n.a</i>
EPS (LPS)	0.19	(0.36)	<i>n.a</i>
Free cash flow ¹	8.3²	(1.2)	<i>n.a</i>

The full half-year report 2017 is available on: <http://www.shl-telemedicine.com/about-us/investorrelations/financial-reports-pres-2017/>

About SHL Telemedicine

SHL Telemedicine is engaged in developing and marketing personal telemedicine systems and the provision of medical call center services, with a focus on cardiovascular and related diseases, to end users and to the healthcare community. SHL Telemedicine offers its services and personal telemedicine devices to subscribers utilizing telephonic and Internet communication technology. SHL is listed on the SIX Swiss Exchange (SHLTN, ISIN: IL0010855885, Security No.: 1128957). For more information, please visit the web site at www.shl-telemedicine.com.

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