



Press release

SHL announces half-year results 2020 – Telemedicine is at a tipping point

Tel Aviv / Zurich, 25 September 2020 – SHL Telemedicine Ltd. (SIX Swiss Exchange: SHLTN) (“SHL”), a leading provider and developer of advanced personal telemedicine solutions, announced today the results of the first half-year 2020.

The first half of 2020 was marked by the disruptive acceleration in the adaption of telemedicine, with the outbreak of the global COVID-19 pandemic serving as a catalyst. The Company, as a leading provider and developer with vast experience in the field of telemedicine, is well positioned to leverage its assets and know-how and benefit from this change.

Although the pandemic, being a rolling event, impacts our financial results, with decline in revenues and increased costs, the Company is building a valuable pipeline of customers and potential deals which is expected to materialize into significant business in the mid-term.

Financial Highlights:

- In Germany, revenues for the period were USD 8.1m, down by 11% compared to the first half of 2019 in constant currency¹, as a result of longer decision making cycles of institutional customers, delays in launch of new programs and slower recruitment of patients to Chronic Disease Telehealth Programs, along with a decline in service utilization by one of the institutional payors with whom the engagement will end this year.
- In Israel, revenues were USD 11.0m, slightly up by 3% compared to the first half of 2019, in constant currency. The Israeli operation continued to contribute profitability to the Group.
- Operating results for the first half year were affected by the COVID-19 global pandemic causing decreased operational efficiency and increased costs.

Key figures half-year 2020:

- Revenues for the period were USD 19.5m, compared to USD 19.9m in constant currency (USD 19.8m as reported) in 1HY2019.
- EBITDA for the period was USD 2.8m compared to an EBITDA of USD 6.0m in constant currency in 1HY2019 (*which included performance-based revenues of USD 2.0m generated from cost savings delivered under a Chronic Disease Telehealth contract in Germany relating to the years 2015 and 2017*).
- Net income for the period was USD 0.1m compared to a net income of USD 3.9 in constant currency in 1HY2019 (*which included the performance-based revenues of USD 2.0m*).
- Operational free cash flow of USD 1.4m.
- Cash reserves as of June 30, 2020 were USD 9.0m (*including short term investments of USD 3.9m*).

¹ Constant Currency – to enable meaningful comparison between 1HY2020 and 1HY2019 results, 1HY2019 results are also presented at 1HY2020 constant currency exchange rates. Management believes that this presentation enables a more meaningful comparison between the periods due to the significant fluctuations in NIS/USD/EUR exchange rates during the period.



in USD million (except per share amounts)	1HY2020	1HY2019	1HY2019 CC*
Revenues for the period	19.5	19.8	19.9
Performance-based revenues	-	**2.0	**2.0
Revenues	19.5	21.8	21.9
Revenues			
• Germany	8.1	11.3	11.1
• Israel	11.0	10.4	10.7
• Other	0.4	0.1	0.1
EBIT	0.4	4.2	4.1
EBITDA	2.8	6.1	6.0
Net income	0.1	4.0	3.9
EPS	0.01	0.38	0.37
Operating Free cash flow	1.4	5.5	n.a.

*Constant currency

**Performance-based income of USD 2.0m generated from cost savings delivered under a Chronic Disease Telehealth contract in Germany relating to the years 2015 and 2017

The half-year report 2020 is available on:

www.shl-telemedicine.com/about-us/investorrelations/financial-reports-pres-2020

Financial calendar

8 October 2020

Annual General Meeting, Tel Aviv, Israel

For further information, please contact:

Martin Meier-Pfister, IRF, phone: +41 43 244 81 40, shl@irf-reputation.ch

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 our web site at www.shl-telemedicine.com.

Some of the information contained in this press release contains forward-looking statements. Readers are cautioned that any such forward-looking statements are not guarantees of future performance and involve risks and uncertainties, and that actual results may differ materially from those in the forward-looking statements as a result of various factors. SHL Telemedicine undertakes no obligation to publicly update or revise any forward-looking statements.