

SHL Telemedicine

Q3/9M 2013 Results
20 November 2013



Conference Call, 11.00 am CET - Dial-in numbers :
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SHL
Telemedicine

Forward looking statements

This presentation contains forward-looking statements. These statements relate to future events or our future financial performance and involve known and unknown risks, uncertainties and other factors that may cause our actual results, levels of activity, performance or achievements expressed or implied by these forward-looking statements. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance or achievements. We caution you not to place undue reliance on forward-looking statements, which reflect our analysis only and speak only as of the date of this presentation. We undertake no obligation to publicly update the forward-looking statements to reflect subsequent events or circumstances.

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SHL at a glance

Leading provider of technologically advanced telemedicine services and solutions

The services and solutions improve quality of life for SHL's subscribers and enable cost savings for the health services community

Technological innovation; ongoing development of IT based services and solutions

Listed on the Swiss Stock Exchange (SIX:SHLTN)

smarth^{heart}

Over
70,000
subscribers

B2C & B2B

25 years of
service

CHF

Telemedicine
Innovator

COPD

1.5 million
transmissions p.a.

ECG Monitoring



Medical Staff

Cardio
Sen'C

Diabetes

Israel - market leader

Profile

- Market leader in the provision of telemedicine services
- Well known reputable brand
- High subscriber loyalty/recurring service revenues
- Serves as an important knowledge base for the Company

Service range

- Consumer (B2C) and Institutional (B2B)

9M/Q3 Highlights

- Strong consistent financial performance
- Steady growth quarter over quarter
- Highly profitable – over 15% EBIT and 25% EBITDA

Goals

- Steady growth while preserving strong margins
-

Germany – on track

Profile

- Leader in the provision of telemedicine services to chronically ill patients
- Payers – health insurers
- Monitor center in Dusseldorf

Service range

- Institutional – CHF and COPD

Acquisition of almeda

- Business similar in nature - complements and expands SHL's offering in Germany
- Will contribute annual revenues of **USD 7 to 10** million
- Further advances mission - being the leading provider of telehealth services in Germany
- Consideration for the business will not have a material effect on SHL's cash position
- Access to new large customers/health insurers

9M/Q3 Highlights

- 13% revenue growth in the 9M 2013 over 9M 2012
- Advancing towards completion of almeda acquisition in Germany. Closing expected by year end or Q1/2014.

Goals

- Continuing growth – return to profitability
 - Almeda integration
-

Launch in India

Favorable trends

- CVD to become India's largest cause of death by 2020
- Remarkable growth of private healthcare spending, fast growing urban middle class
- 80% of healthcare costs in India are paid out of pocket

Clear strategy

- Hospitals to leverage marketing and distribution capabilities
- SHL to offer telemedicine solution to their patients, as part of their routine out of hospital patient care programs.
- SHL focusing on tier I cities with population >60 m

Already 7 agreements signed

- With hospitals in the major Indian cities: Kolkata, Mumbai, Delhi and Bangalore
- SHL to provide advanced telemedicine technologies incl. new smartheart device
- Expect to start providing telemedicine services to these contracts as of early 2014
- Anticipate additional, similar in nature, long term agreements with hospitals
- SHL expects to generate up to USD 3 to 5 million from each such collaboration over the course of three years



Condensed financial data

Q3 2013 Results

USD millions	Q3 2013	Q3 2012	% change	Q3 2013 (constant currency)	% change (constant currency)
Revenues	7.4	6.5	13.8%	6.7	3.1%
COGS	3.4	2.9	17.2%	3.1	6.9%
Gross Profit	4.0	3.6	11.1%	3.6	-
<i>% of revenues</i>	54.1%	55.4%		53.7%	
Operating expenses	4.6	4.4	4.5%	4.2	(4.5%)
LBIT	(0.6)	(0.8)	n.a.	(0.6)	n.a.
<i>% of revenues</i>	n.a.	n.a.		n.a.	
EBITDA	0.7	0.2	250%	0.6	200.0%
<i>% of revenues</i>	9.5%	3.1%		9.0%	
Financial & other expenses	0.5	0.3	66.7%	0.5	66.7%
Taxes on income	-	-	-	-	-
Loss	(1.1)	(1.1)	n.a.	(1.1)	n.a.
LPS	(0.11)	(0.10)	n.a.	(0.11)	n.a.

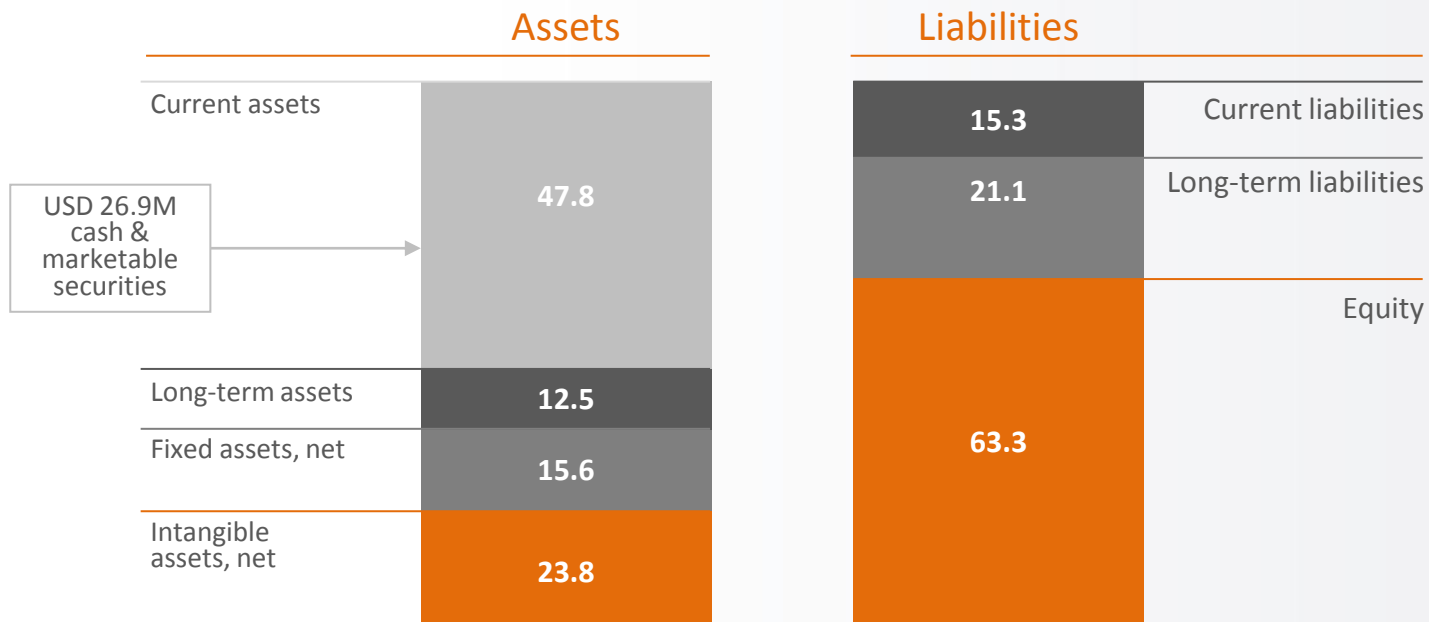
* **Constant currency exchange rates** - In order to enable meaningful comparison between the 2013 and 2012 results, 2013 results are also presented at constant currency exchange rates. These are calculated by translating the 2013 results using the average exchange rates used for calculating the 2012 results instead of the current period exchange rates. Management believes that this presentation enables a more meaningful comparison between the periods due to the significant fluctuations in NIS/USD/Euro exchange rates.

9M 2013 Results

USD millions	9M 2013	9M 2012	% change	9M 2013 (constant currency)	% change (constant currency)
Revenues	21.9	20.0	9.5%	20.8	4.0%
COGS	10.3	9.1	13.2%	9.8	7.7%
Gross Profit	11.6	10.9	6.4%	11.0	0.9%
<i>% of revenues</i>	53.0%	54.5%		52.9%	
Operating expenses	11.6	13.0	(10.8%)	11.0	(15.4%)
LBIT	-	(2.1)	n.a.	-	n.a.
<i>% of revenues</i>	n.a.	n.a.		n.a.	
EBITDA	3.8	1.2	216.7%	3.6	200.0%
<i>% of revenues</i>	17.4%	6.0%		17.3%	
Financial & other expenses	1.1	0.8	37.5%	1.0	25.0%
Taxes on income	0.3	0.4	(25.0%)	0.3	(25.0%)
Loss	(1.4)	(3.3)	n.a.	(1.3)	n.a.
LPS	(0.14)	(0.32)	n.a.	(0.13)	n.a.

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30.09.2013 Balance Sheet



In USD million per 30 September 2013

Q3 2013 Cash Flow Statements

USD millions	Q3 2013	Q3 2012	Diff	2012
Cash provided by (used in) Operating activities	(0.4)	(0.3)	(0.1)	1.6
Cash used in Investing activities (ex. marketable securities)	(0.9)	(1.6)	0.7	(4.4)
Cash used in financing activities	-	(1.3)	1.3	(4.8)
Effect of exchange rate changes	0.7	0.4	0.3	1.1
Decrease in cash, cash equivalents & marketable securities	(0.6)	(2.8)	2.2	(6.5)
Cash, cash equivalents & marketable securities at beginning of the period	27.5	28.4	(0.9)	33.3
Cash, cash equivalents & marketable securities at end of the period	26.9	25.6	1.3	26.8

9M 2013 Cash Flow Statements

USD millions	9M 2013	9M 2012	Diff	2012
Cash provided by Operating activities	2.7	2.5	0.2	1.6
Cash used in Investing activities (ex. marketable securities)	(2.8)	(3.2)	0.4	(4.4)
Cash used in financing activities	(1.3)	(6.6)	5.3	(4.8)
Effect of exchange rate changes	1.5	(0.4)	1.9	1.1
Increase (decrease) in cash, cash equivalents & marketable securities	0.1	(7.7)	7.8	(6.5)
Cash, cash equivalents & marketable securities at beginning of the period	26.8	33.3	(6.5)	33.3
Cash, cash equivalents & marketable securities at end of the period	26.9	25.6	1.3	26.8

Thank you



Investor Information

- IR Agenda 2013
20 November Q3 results
- 10,821,551 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), 2013 8.9/6.01
- Market cap high/low (CHF m), 2013 96.3/65.1
- Market cap 30.09.13 (CHF m) 79.2
- No voting restrictions



Erez Alroy, Co-CEO
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Erez Alroy has been an executive manager of SHL since its inception. Prior to his current position as Co-CEO he served as SHL Israel's managing director and as SHL Israel's sales manager and vice-president of marketing. Erez Alroy holds an MBA from the Hebrew University, Jerusalem.



Eran Antebi, CFO
erana@shl-telemedicine.com

Eran Antebi joined SHL in May 2004 as CFO of Shahal Israel and was appointed CFO of SHL in May 2008. Prior to joining SHL, he was a manager with Ernst & Young in Israel. Eran Antebi is a certified public accountant (CFA) in Israel and has a B.A. in accounting and economics from the University of Tel Aviv.