

Making healthcare better. Anywhere.

Induction Healthcare is building an end-to-end *flexible care* platform for UK **hospitals, doctors** and **patients** – with growth potential in new markets.

FY22 Post period trading update

12th May 2022 • James Balmain (CEO) & Guy Mitchell (CFO)

Our products

Simple solutions that patients and clinical teams **want** to use



Video & telephone consultations for patients, citizens & clinical teams

Dominant remote consultation platform across the British Isles

> 3m consultations on platform last year



A digital platform for patients visiting hospital

500k+ registered patients in England, growing at 35k per month

Partnered with Cerner & System C



Decision support & guideline management for clinical teams

230k clinical users, 10.8M guideline page views & 4k new guidelines published in FY21



Staff directory, messaging & team spaces for clinical teams

240k+ clinical users across multiple territories, including the UK, Ireland, Australia and South Africa



Our **proprietary** data integration platform, connecting our products to widely used hospital systems



FY22 trading update highlights*

Very significant growth, in line with market expectations

- Contracted annually recurring revenue (ARR) at £14.5m – (£1.8m at 31st March '21)
- Inline with market expectations for revenue, at circa £12m (£1.5m at 31st March '21)
- Inline with upgraded market expectations for adjusted EBITDA – breakeven (-£4.8m at 31st March '21)
- Net cash inline with expectations at £8m (£2.4m at 31st March '21)
- **Significant increase in our cash position post period end, as a result of up front annual payments for AA England renewals

FY22

Contracted ARR
£14.5M
(post FY22 period end)

FY21

Contracted ARR
£1.8M
(at March 31st 2021)

Adj. EBITDA
Breakeven
Full year FY22

Adj. EBITDA
-£4.8M
Full year FY21

Net Cash
£8M**
Full year FY22

Net Cash
£2.4M
Full year FY21

* pre-audit

Our revenue & competitors

Guidance

ARR
NHS England: £0.7m

Market Share
UK 110 Trusts
ROI £0.05m

Growth
15-20% organic yoy growth + upsell within flexible care platform. International.

Switch

ARR
NHS England: £0.05m

Monetisation
Underway now - ARR at £5-10k per trust. Switch is used by every English secondary care trust.

Attend Anywhere

ARR

NHS England:	£6.6m
Scotland (NHS & Gov):	£2.0m
NHS Wales:	£1.6m
Ireland & Consult UK	£0.9m
DWP England	£0.5m
Total contracted ARR	£11.6m

NHS England renewals
94% of contracts renewed (17 vs 18)
86% of ARR retained (£6.6m vs £7.6m)
Majority of contracts moved to 2 or 3 year term

Market Share – secondary care (NHS England, 213 Trusts total)**

Attend Anywhere	145
MS Teams	31
AccurX	4
Others	5

Note: the above represents active usage

Growth

- Non health public sector
- Integrated Care Systems - Primary & Community care, as part of an integrated flexible care platform
- Social Care
- International

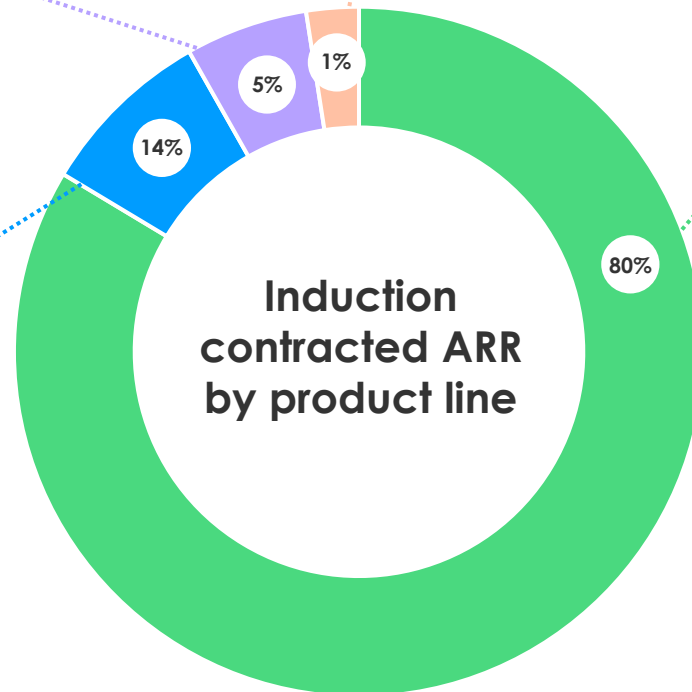
Zesty

ARR
NHS England: £2.1m

Market Share**

Zesty	18 Hospitals
DrDoctor	15 Hospitals
Healthcare Communications	8 Hospitals
Netcall	5 Hospitals

Growth
Upsell to AA trusts & national funding, potential ARR uplift from £180k (AA) to £700k (flexible care platform), per Integrated Care System (ICS).



*contracted revenue as at 01/05/22

**competitor footprints based on internal INHC estimates

Company summary & outlook

- Exciting year ahead, with **strong structural market drivers**, enhanced by our market leading position
- FY23 will be about **controlled investment for ARR growth**, capitalising on a significant increase in health spend to tackle waiting lists and deliver post covid elective recovery
- **Strong cash position**, with no requirement for additional working capital and a forecast **cash breakeven position by mid FY24**
- **30%+ organic ARR growth** in FY23, with clear opportunities to add in-organic growth via further acquisitions
- Consensus forecasts for **FY23** of:
 - **£19m** contracted ARR – 30% yoy growth
 - **£17m** recognised revenue – 40% yoy growth
 - **£2.3m** adj. EBITDA

Company summary
now available, including
consensus FY23 & 24
forecasts

Please email
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Investment case



Established & defensible market position

- Dominant market position in UK health across INHC product lines
- **Key non health expansion with DWP England**
- Well positioned to capitalise on ICS digital transformation, won 1st of type with South West London
- Valuable partnerships (Cerner, System C)



Strong financial fundamentals

- **£14.5m of group contracted ARR as we start FY23 - 75% of FY23 target**
- Majority of AA England contracts now 2 or 3 years
- Strong cash position & cash neutral by mid FY24
- Inline with FY22 guidance on revenue, **inline with upgraded guidance on adjusted EBITDA**
- **Strong organic growth forecast for FY23**



Receptive market & structural growth drivers

- Move to Integrated Care Systems (ICSs) under way
- **Significant national funding** – including dedicated funding for patient portals (Induction Zesty)
- INHC well positioned to support 'elective recovery'
- Further opportunity in non-health public sector



Further M&A opportunity

- Buy & build strategy
- Track record of acquiring & integrating complementary businesses
- Clear pipeline of national and international opportunities
- Actively pursuing complementary acquisitions to enable new geographical market entry – we expect to do 1 or 2 deals in FY23

Thank you

If you'd like to get in touch:



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#flexiblecare

Appendix



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