Solid financial performance with improvement in all key metrics
Peter Southby
Chief Financial Officer
EMIS Group
Financial highlights

Solid financial performance with improvement in all key metrics

**Total revenue**
- £158.7m (+ 2%)
- 2015: £155.9m

**Recurring revenue**
- £128.5m (+ 4%)
- 2015: £123.0m

**Adjusted group operating profit**
- £38.8m (+ 6%)
- 2015: £36.6m

**Cash generated from operations**
- £38.0m (+ 4%)
- 2015: £36.5m

**Net debt**
- £0.4m
- £8.7m
- 2015: £9.1m

**Adjusted EPS**
- 49.4p (+ 9%)
- 2015: 45.3p
- Reported: 30.4p (2015: 7.2p)

**Total dividend**
- 23.4p (+ 10%)
- 2015: 21.2p
- Including final dividend of 11.7p (2015: 10.6p)

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1 Excludes capitalisation and amortisation of development costs, amortisation of acquired intangibles and exceptional items. Operating exceptional items comprise cost reduction programme charges of £3.6m (2015: £nil) and impairment charges of £4.6m (2015: £18.5m). Earnings per share calculations also adjust for the related tax and non-controlling interest impact.

2 Stated after deduction of capitalised development costs of £5.7m (2015: £6.2m) and of the cash impact of the cost reduction programme of £3.1m (2015: £nil).
## Financial review - income statement

<table>
<thead>
<tr>
<th>£m</th>
<th>H1 2016</th>
<th>H2 2016</th>
<th>FY 2016</th>
<th>FY 2015</th>
<th>% change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>78.7</td>
<td>80.0</td>
<td>158.7</td>
<td>155.9</td>
<td>+2%</td>
</tr>
<tr>
<td>Adjusted operating profit</td>
<td>17.7</td>
<td>21.1</td>
<td>38.8</td>
<td>36.6</td>
<td>+6%</td>
</tr>
<tr>
<td>Capitalised development costs</td>
<td>2.9</td>
<td>2.8</td>
<td>5.7</td>
<td>6.2</td>
<td></td>
</tr>
<tr>
<td>Amortisation – development costs</td>
<td>(3.0)</td>
<td>(3.0)</td>
<td>(6.0)</td>
<td>(6.3)</td>
<td></td>
</tr>
<tr>
<td>Amortisation – acquired intangibles</td>
<td>(3.3)</td>
<td>(3.4)</td>
<td>(6.7)</td>
<td>(6.5)</td>
<td></td>
</tr>
<tr>
<td>Finance costs</td>
<td>(0.2)</td>
<td>(0.1)</td>
<td>(0.3)</td>
<td>(0.5)</td>
<td></td>
</tr>
<tr>
<td>JV/associate</td>
<td>0.3</td>
<td>0.2</td>
<td>0.5</td>
<td>(0.1)</td>
<td></td>
</tr>
<tr>
<td>Exceptionals</td>
<td>(2.2)</td>
<td>(4.5)</td>
<td>(6.7)</td>
<td>(18.5)</td>
<td></td>
</tr>
<tr>
<td>Profit before tax</td>
<td>12.2</td>
<td>13.1</td>
<td>25.3</td>
<td>10.9</td>
<td></td>
</tr>
<tr>
<td>Tax</td>
<td>(2.4)</td>
<td>(2.8)</td>
<td>(5.2)</td>
<td>(5.6)</td>
<td></td>
</tr>
<tr>
<td>Non-controlling interest</td>
<td>(0.4)</td>
<td>(0.6)</td>
<td>(1.0)</td>
<td>(0.8)</td>
<td></td>
</tr>
<tr>
<td>Earnings</td>
<td>9.4</td>
<td>9.7</td>
<td>19.1</td>
<td>4.5</td>
<td></td>
</tr>
<tr>
<td>Adjusted EPS</td>
<td>22.2p</td>
<td>27.2p</td>
<td>49.4p</td>
<td>45.3p</td>
<td>+9%</td>
</tr>
<tr>
<td>Reported EPS</td>
<td>14.9p</td>
<td>15.5p</td>
<td>30.4p</td>
<td>7.2p</td>
<td></td>
</tr>
</tbody>
</table>

- Revenue increase includes Pinbellcom acquisition (£1.2m vs £0.7m in 2015) and growth in most areas of the Group in spite of slowdown in NHS procurements.
- Adjusted operating profit up by 6% with tight cost control, including flat staff and other operating costs.
- Exceptionals relate to cost reduction programme (£3.6m), impairment charge (£4.6m) and a profit on sale of Pharmacy2U associate (£1.5m).
- 2016 effective tax rate 20.0%.
Financial review - segmental analysis

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£m</td>
<td>£m</td>
</tr>
<tr>
<td><strong>Primary &amp; Community Care</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue</td>
<td>99.6</td>
<td>93.9</td>
</tr>
<tr>
<td>Recurring revenue</td>
<td>81.6</td>
<td>77.3</td>
</tr>
<tr>
<td>Adjusted segmental profit</td>
<td>32.2</td>
<td>29.6</td>
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<tr>
<td>Group costs</td>
<td>(1.6)</td>
<td>(1.5)</td>
</tr>
<tr>
<td>Adjusted operating profit</td>
<td>38.8</td>
<td>36.6</td>
</tr>
<tr>
<td><strong>Adjusted operating margin</strong></td>
<td>32.3%</td>
<td>31.5%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Community Pharmacy</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue</td>
<td>21.4</td>
<td>20.0</td>
</tr>
<tr>
<td>Recurring revenue</td>
<td>17.1</td>
<td>16.6</td>
</tr>
<tr>
<td>Adjusted segmental profit</td>
<td>4.9</td>
<td>4.3</td>
</tr>
<tr>
<td>Adjusted operating profit</td>
<td>22.8%</td>
<td>21.2%</td>
</tr>
<tr>
<td>Development costs capitalised</td>
<td>1.9</td>
<td>3.1</td>
</tr>
<tr>
<td>Amortisation of development costs</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Amortisation of acquired intangible assets</td>
<td>(1.1)</td>
<td>(0.9)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Secondary &amp; Specialist Care</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue</td>
<td>37.7</td>
<td>42.0</td>
</tr>
<tr>
<td>Recurring revenue</td>
<td>29.8</td>
<td>29.1</td>
</tr>
<tr>
<td>Adjusted segmental profit</td>
<td>3.3</td>
<td>4.2</td>
</tr>
<tr>
<td>Adjusted operating profit</td>
<td>8.7%</td>
<td>10.0%</td>
</tr>
<tr>
<td>Development costs capitalised</td>
<td>1.9</td>
<td>2.1</td>
</tr>
<tr>
<td>Amortisation of development costs</td>
<td>(1.5)</td>
<td>(0.9)</td>
</tr>
<tr>
<td>Amortisation of acquired intangible assets</td>
<td>(5.0)</td>
<td>(5.0)</td>
</tr>
</tbody>
</table>

- Primary & Community Care growth driven by new contracts in Child, Community and Mental Health (CCMH), Partner programme, Patient and by ePEx transfer from Secondary Care (£1.9m).

- Community Pharmacy growth includes one off development revenues supporting investment in new ProScript Connect product now starting roll out.

- Secondary & Specialist Care has grown profit and margin in H2 as a result of cost-saving measures despite challenging period for Specialist.

- Margin improvement overall despite short term drag from Secondary & Specialist.
Financial review - revenue analysis

<table>
<thead>
<tr>
<th>£m</th>
<th>2016</th>
<th>2015</th>
<th>% change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recurring</td>
<td>128.5</td>
<td>123.0</td>
<td>+4%</td>
</tr>
<tr>
<td>Non-recurring</td>
<td>30.2</td>
<td>32.9</td>
<td>-8%</td>
</tr>
<tr>
<td>Total</td>
<td>158.7</td>
<td>155.9</td>
<td>+2%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>£m</th>
<th>Nature</th>
<th>2016</th>
<th>2015</th>
<th>% change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Licences</td>
<td>mainly recurring</td>
<td>54.8</td>
<td>50.3</td>
<td>+9%</td>
</tr>
<tr>
<td>Maintenance and software support</td>
<td>recurring</td>
<td>38.6</td>
<td>37.9</td>
<td>+2%</td>
</tr>
<tr>
<td>Other support services</td>
<td>mainly recurring</td>
<td>29.3</td>
<td>30.6</td>
<td>-4%</td>
</tr>
<tr>
<td>Training/consultancy/implementation</td>
<td>non-recurring</td>
<td>14.6</td>
<td>16.1</td>
<td>-10%</td>
</tr>
<tr>
<td>Hosting</td>
<td>recurring</td>
<td>13.1</td>
<td>13.1</td>
<td>-</td>
</tr>
<tr>
<td>Hardware</td>
<td>non-recurring</td>
<td>8.3</td>
<td>7.9</td>
<td>+5%</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>158.7</td>
<td>155.9</td>
<td>+2%</td>
</tr>
</tbody>
</table>

- Good visibility through recurring revenue growth of £5.5m.
- CCMH driving higher licence and software support revenues, offset by lower NHS spending on project engineering and quieter period for new implementations in Secondary Care.
### Financial review - cash flow

<table>
<thead>
<tr>
<th>£m</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating profit before exceptionals</td>
<td>31.8</td>
<td>29.9</td>
</tr>
<tr>
<td>Depreciation and amortisation</td>
<td>19.8</td>
<td>21.3</td>
</tr>
<tr>
<td>Working capital</td>
<td>(5.3)</td>
<td>(9.2)</td>
</tr>
<tr>
<td>Share based payments</td>
<td>0.5</td>
<td>0.7</td>
</tr>
<tr>
<td>Cash flow from operating activities</td>
<td>46.8</td>
<td>42.7</td>
</tr>
<tr>
<td>Development costs capitalised</td>
<td>(5.7)</td>
<td>(6.2)</td>
</tr>
<tr>
<td>Adjusted cash from operations</td>
<td>41.1</td>
<td>36.5</td>
</tr>
<tr>
<td>Cash cost of exceptionals</td>
<td>(3.1)</td>
<td>-</td>
</tr>
<tr>
<td>Cash from operations</td>
<td>38.0</td>
<td>36.5</td>
</tr>
<tr>
<td>Business combinations</td>
<td>(3.8)</td>
<td>(5.2)</td>
</tr>
<tr>
<td>Net capital expenditure</td>
<td>(5.9)</td>
<td>(7.2)</td>
</tr>
<tr>
<td>Transactions in own shares</td>
<td>0.6</td>
<td>0.6</td>
</tr>
<tr>
<td>Tax</td>
<td>(7.7)</td>
<td>(6.9)</td>
</tr>
<tr>
<td>Dividends</td>
<td>(14.0)</td>
<td>(12.4)</td>
</tr>
<tr>
<td>Other</td>
<td>1.5</td>
<td>(2.7)</td>
</tr>
<tr>
<td>Change in net debt</td>
<td>8.7</td>
<td>2.7</td>
</tr>
<tr>
<td>Closing net debt</td>
<td>(0.4)</td>
<td>(9.1)</td>
</tr>
</tbody>
</table>

- Adjusted cash from operations at £41.1m, 12% higher than 2015.

- Reduced working capital outflow includes:
  - Increase in accrued income (CCMH, GSPoS, Defence).
  - Increase in inventory with timing of orders.

- Business combinations:
  - Medical Imaging final instalment (£3.0m).
  - Intrelate (£0.8m).

- Capex includes:
  - Computer equipment (£5.0m, of which £2.6m is funded).

- Other includes:
  - Proceeds from sale of Pharmacy2U associate (£1.5m).
  - Minority interest divided in 2015 (£2.1m).
## Financial review - balance sheet

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Goodwill</td>
<td>50.3</td>
<td>54.4</td>
</tr>
<tr>
<td>Acquired intangible assets</td>
<td>36.5</td>
<td>42.6</td>
</tr>
<tr>
<td>Development costs</td>
<td>20.9</td>
<td>21.2</td>
</tr>
<tr>
<td>Property, plant and equipment and computer software used internally</td>
<td>25.4</td>
<td>25.2</td>
</tr>
<tr>
<td>Associate, JV and other current assets</td>
<td>41.9</td>
<td>35.2</td>
</tr>
<tr>
<td>Deferred income</td>
<td>(28.4)</td>
<td>(28.0)</td>
</tr>
<tr>
<td>Contingent consideration</td>
<td>-</td>
<td>(3.0)</td>
</tr>
<tr>
<td>Other current liabilities</td>
<td>(23.0)</td>
<td>(20.9)</td>
</tr>
<tr>
<td>Deferred tax</td>
<td>(9.1)</td>
<td>(10.5)</td>
</tr>
<tr>
<td>Net debt</td>
<td>(0.4)</td>
<td>(9.1)</td>
</tr>
<tr>
<td>Net assets</td>
<td>114.1</td>
<td>107.1</td>
</tr>
</tbody>
</table>

- Strong balance sheet with low gearing (£4.3m in cash / £4.7m debt).
- Bank facilities (currently £18.0m Term/RCF/Overdraft) being replaced mid-2017.
- Deferred income provides good revenue visibility.
- All acquisitions now fully paid.
- Cost of final dividend £7.4m.
Financial review – financial guidance and trends

Patient

• Investment in 2017/18 of c. £7m will flow through to bottom line subject to meeting milestones.
• Targeted annual revenue of circa £50m in 5 years.

Staff costs and restructuring

• Significant increases in staffing levels in EMIS Care and Patient planned in 2017.
• Reorganisation in Q1 2017 expected to cost £3.0m and to save £3.0m in year and £4.0m in 2018.
• Segmental reporting to be revised in 2017 to reflect combined Primary, Community & Secondary Care business and independence of Patient.

Acquisitions

• Intrelate acquired December 2016 for £0.8m and with last financial year revenues of £1.0m and breakeven result.

Contract assets

• Revenue and related depreciation expected to remain at H2 levels in 2017 (subject to timing of capital expenditure).

Share-based payments

• Charge increasing into 2017 with recent awards and annual run rate of c. £1.0m.

Tax rate

• Expected to remain close to UK statutory rate.

Development costs

• Amortisation increasing while capitalisation reducing.

Capital expenditure

• Expect 2017 to be at materially similar levels to 2015 and 2016.

Working capital

• Some expansion with business growth, but at lower levels than seen in 2016.

Dividends

• Progressive dividend policy maintained with growth tracking EPS.
Chris Spencer
Chief Executive Officer
EMIS Group
Overview – NHS IT Funding & Strategy

Sustainability and Transformation Plans (STPs) and Local Digital Roadmaps (LDRs)
• NHS England required every English health and care system to produce an STP supporting health and care delivery based on local population needs.
• LDRs, led by CCGs, set out how “paper-free at the point of care” will be achieved.
• EMIS Health is 100% primary care supplier across three STPs and dominant (75%+) across a further fifteen STPs.

NHS IT funding
• Likely to see IT taking up proportionately more of the overall NHS budget and NHS IT spending increasing from £2.6bn to £3.6bn by 2021.
• Distribution of £4.2bn ring-fenced funding in current parliament linked to the STPs.

Wachter Report
• Recommendations to inform the English health and care system’s approach to the further implementation of IT in healthcare. Especially use of electronic health records and other digital tools to achieve a paper free system.
• Hospitals confirmed as least digitally mature.

Overall effect
• Increased impetus toward integrated care.
• Emphasise lack of integrated care procurers (so far).
• Extra hospital funding initially available to Global Digital Exemplars (GDEs).
• Counter-intuitive effect on non-GDEs.

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1 Digital Health Intelligence Report on NHS IT Spending in England 2015/16.
EMIS Health Integrated Care
Considerable progress

- **Unique Selling Point**
  Custodian of primary care, CCMH, secondary care, community pharmacy (and other) data with commitment both to internal integration and third party interoperability.

- **STPs and LDRs**
  Reinforce strategy in existing markets and open new markets in short and medium term e.g. out-of-hours, urgent & emergency care, “new models of care“.

- **Partner (interoperability) programme**
  Grew to 80 partners and £5m revenue.

- **Social Care**
  Acquired disruptive social care product – Carista – work begun to integrate with EMIS Web.

- **Bringing together primary, community and secondary businesses**
  Single operating unit under common leadership for completion by end of Q1 2017. Staff reduction of over 100 people, saving £4m in 2018.

"With a coordinated approach and a great, interoperable IT system, we can **collect and share patient data**."

Mike Drew, ICT manager, East Cheshire Hospice
EMIS Health Primary & Community Care
Revenue up 6%, adjusted operating profit up 9%

EMIS Health Primary Care

- **Wide and deep market lead**
  - Market share 55%.
  - 51 CCGs 100% EMIS Health primary care.
  - Nearly three quarters of English GP practices used EMIS Health for over a decade.
  - National electronic services at all time high – Patient Access with 5.1m registered users.

- **EMIS Web for GPs rollout**
  - England – complete.
  - Scotland – in pre-procurement.
  - Wales – discussing re-procurement.
  - Provides the foundation data for integrated care.

“Information prescriptions really are helping us to provide better diabetes care for thousands of people.”
Nicola Milne, practice nurse, Northenden Group Practice
EMIS Health Child, Community & Mental Health
Market share up to 16% with contract wins of over £11m

- Leverages EMIS Web for GP platform
- Market share growth and depth
  - 16%, beating FY 2016 target.
  - Sole supplier across primary care with strong presence in CCMH in 38 CCGs.
- New business in year with total contract value over £11m
- Pipeline strong and opportunities ongoing
  - CSC (TPP/iSoft) “North, Midlands and East” National Programme contract re-procurement.
  - Upselling into existing user base.
  - “Green field” sites.
  - Connecting care in line with NHS strategy.

“Because you can see real-time information in one place, patient care is safer and we are saving time.”
Alisa McCallum, charge nurse, Woodland View Hospital
Egton
Performed well

• ICT infrastructure, engineering, and non-clinical software

• Administration, risk and compliance tools for primary and secondary care, GP practice websites

• NHS Wi-Fi orders for GP practices of £1.8m

• Acquired Carista – social care product
  • mobile software platform.
  • helps carers (paid and unpaid) to plan, monitor, manage and measure social care outcomes.
  • extends Group’s capability into directly helping deliver integrated health and social care.
Patient Platform
Unique opportunity to build personal health platform

EMIS Group competitive advantages
• Brand – 20 years, widely recognised and trusted.
• Content – depth and clinical provenance.
• Patient Access – 5.1m registered users with app ready to go.
• Patient.info – 18m unique monthly users.
• EMIS Web integration – 55% of GP practices.
• ProScript integration – 50% of pharmacies by 2018.

Asset integration
• Patient Access and Patient.info users become one audience.
• Requires technical integration but creates unique clinical services platform.
• Platform audience delivers demand for partner ecosystem providing users with personalised clinical content/services.

Vision: Become the leading on-demand healthcare remedy platform

Mission: Empower users with knowledge and services to proactively manage their own health at any time at any place
Patient Platform
Dual-monetise media and clinical services

**Publishing/media initiatives and monetisation**
- Chronic condition content hub
- Business Intelligence content engine
- Q&A capability
- Community and forums
- Profile driven content modules
- Programmatic advertising
- Video pre-roll
- Premium advertising
- Native advertising
- Affiliate sales

**Platform initiatives and monetisation**
- **Symptom search:**
  - New taxonomy
  - Triage assistant
  - Medical adherence
  - Research panel
  - **£8m**
- **Diagnosis:**
  - NHS GP consultation
  - Private telehealth
  - Private face-to-face consultation
  - Pharmacy consultation
  - **£5m**
- **Remedy:**
  - NHS prescription/delivery
  - Private prescription/delivery
  - Pharmacy group directions
  - Community pharmacy booking
  - **£20m**

**Addressable market**
- Healthcare display advertising:
  - UK: £200m+
  - US: £1.5bn+
- UK private consultations:
  - GPs: £1bn
  - Private consultants: £6.7bn
- UK prescriptions:
  - NHS: £15bn (80% repeat medications)
  - Private prescription: £600m

**Revenue targets**

<table>
<thead>
<tr>
<th></th>
<th>Today</th>
<th>In 18 months</th>
<th>In 3 years</th>
<th>In 5 years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Publishing/Media</td>
<td>£2m</td>
<td>£5m</td>
<td>£9m</td>
<td>£13m</td>
</tr>
<tr>
<td>Platform</td>
<td>-</td>
<td>£2m</td>
<td>£13m</td>
<td>£33m</td>
</tr>
<tr>
<td>Total revenue</td>
<td><strong>£2m</strong></td>
<td><strong>£7m</strong></td>
<td><strong>£22m</strong></td>
<td><strong>£46m</strong></td>
</tr>
</tbody>
</table>

Investment of up to £7m over next two years mainly on people costs (against appropriate performance milestones) to deliver required media content and platform environment needed to drive material growth in the medium term.
EMIS Health Community Pharmacy
Revenue up 7%, adjusted operating profit up 15%

Strong results:

- **Independent market lead maintained**
  - 37% market leading share.
  - Independent pharmacy wins ongoing.

- **Growth secured and Lloyds Pharmacy implementation in hand**
  - Moves business into “supermarkets”.
  - Market share close to 50% by 2018.
  - Post year end secured further supermarket customer - 6 year contract with total contract value of £1.4m.

- **Next generation dispensary management product, ProScript Connect**
  - Accredited in England, Wales and Scotland.
  - Roll out into independent and AAH sites ongoing.
  - Lloyds user acceptance testing expected to be complete by H2 2017.

- **Clinical tools for Community Pharmacy**
  - Pilots in independent pharmacies complete.
  - Enables provision of extended primary care e.g. monitoring long term conditions.
  - Synergetic with Patient Platform.
  - 2017 launch.

“I would definitely recommend ProScript Connect to other pharmacies. It is a fast, intuitive system backed by a very good support team.”
Dhimant Patel, pharmacist, The Healthways Chemist
EMIS Health Secondary & Specialist Care
Revenue down 10%, adjusted operating profit down 21%

EMIS Health Secondary Care:

• Performed largely in line with expectations taking into account:
  • cost-improvement measures in H1 2016.
  • transfer of ePEX product to Primary & Community Care.
  • strong comparative period for implementation revenues.
  • NHS environment remains difficult to predict.

• Northampton PAS win – total contract value £6.7m

• Innovative
  • electronic procurement hub enabling 75% of UK hospitals to minimise errors, improve care and reduce NHS costs in home care pharmacy.
  • active in linking, monitoring, and managing own and third party systems.

• Strong pipeline
  • Scottish Hospital Electronic Prescribing & Medicines Administration (HePMA) Framework:
    – one of only two suppliers appointed
    – £15m total contract value
  • expected benefit from NHS England funding upgrades to latest hospital pharmacy product.
  • working with Southampton NHS Foundation Trust as an NHS England Global Digital Exemplar.

“...It could take a few days to produce bespoke reports, but now it can be done in a matter of minutes...”

Andy Milson, project manager, Nottinghamshire Healthcare NHS Foundation Trust
EMIS Health Specialist

- Leading market share in retinopathy screening software maintained

- Engaged in procurement for English single solution retinopathy software procurement

EMIS Care

- Market leader in outsourced diabetic eye screening

- Awarded 3 year contracts (TCV > £19m) in:
  - Lancashire Lots 1 & 2*
  - West Yorkshire Lot 2*
  - Bath, Swindon and Wiltshire
  - Surrey
  - Plymouth

*indicates awards previously announced

- Programmes to be implemented 2016/2017
  - holding back financial performance especially where previously operated by the NHS.
  - as efficiencies realised profit profile expected to improve.

“**Good service and excellent staff.**
I have been screened since 2007 and the service has always been excellent.”
Patient, Kent
EMIS Group Organic Growth Opportunities

• **Primary Care & commissioning**
  - Northern Ireland.
  - Scotland.
  - Out-of-hours.

• **CCMH**
  - targeting 20% overall market share in 2017.

• **Secondary**
  - urgent and emergency care (in and out of hospital).
  - hospital pharmacy including HePMA.

• **Specialist & Care**
  - English single solution retinopathy software procurement.
  - diabetic retinopathy screening outsourcing – implementation and optimisation.

• **Integrated care**
  - other responses to new models of care.
  - interoperability/partner programme.

• **Community Pharmacy**
  - implementation of contracted “supermarket” gains to bring market share to c 50%.
  - further gains in the independent market.
  - EMIS Web for community pharmacy.

• **Patient**
  - Media business – symptom – advertising
  - Platform business – diagnosis/remedy – clinical transactional fees
Summary and outlook

• Results in line with expectations despite headwinds created by the NHS funding gap

• NHS’s planning to bridge funding gap continues to cause sluggishness but emphasises the Group’s unique ability to help bridge that gap

• Outlook encouraging
  • strong revenue visibility with 81% recurring revenue.
  • growing market shares in EMIS Care, CCMH, and community pharmacy.
  • solid order book and pipeline in all segments.
  • structural reorganisation to improve efficiency and better align the Group with its customer base.
  • growth opportunities across existing and new markets.
  • investment in a patient-centred digital platform.

• Confident in overcoming short term headwinds and securing positive outlook in 2017 and beyond

"In order for the National Health Service to continue to provide a high level of healthcare at an affordable cost it simply must modernise and transform. This transformation will involve enormous changes in culture, structure, governance, workforce, and training."

But none of the changes are likely to be as sweeping, as important, or as challenging as creating a fully digitised NHS."

Wachter Report - commissioned by Jeremy Hunt, Secretary of State for Health
Questions?
Appendix
EMIS Group Markets & Competitors

- Specialist care:
  - EMIS Health: 77%
  - Health Intelligence: 12%
  - Health Information Systems: 10%
  - NHS: 1%

- Care:
  - NHS: 66%
  - EMIS Care: 16%
  - Health Intelligence: 12%
  - Virgin Care: 2%
  - 1st Retinal Screen: 1%

- Secondary care:
  - Pharmacy:
    - JAC: 50%
    - EMIS Health: 28%
    - HP Enterprise Services: 4%
  - A&E
    - CSC: 23%
    - EMIS Health: 17%
    - System C: 11%
    - Cerber: 9%
  - PAS
    - CSC: 37%
    - System C: 13%
    - Cerber: 11%
    - Silverlink: 8%
    - EMIS Health: 6%

- Community pharmacy:
  - Cogedim: 40%
  - EMIS Health: 37%
  - Lloyds: 12%

- CCMH:
  - Suraeco: 24%
  - TPP: 18%
  - EMIS Health: 16%
  - Advanced: 12%
  - Civica: 10%
  - CSC: 8%

- Primary care:
  - EMIS Health: 55%
  - TPP: 29%
  - INPS: 15%

Source: EMIS Group and competitor data estimated based on company records as at 31 December 2016.
EMIS Health GP market share by country

<table>
<thead>
<tr>
<th>Country</th>
<th>EMIS Health</th>
<th>%</th>
<th>InPS</th>
<th>%</th>
<th>TPP</th>
<th>%</th>
<th>Other</th>
<th>%</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>England</td>
<td>4,274</td>
<td>56.4</td>
<td>540</td>
<td>7.1</td>
<td>2,698</td>
<td>35.6</td>
<td>72</td>
<td>0.9</td>
<td>7,584</td>
</tr>
<tr>
<td>Scotland</td>
<td>511</td>
<td>52.0</td>
<td>471</td>
<td>48.0</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>982</td>
</tr>
<tr>
<td>Wales</td>
<td>197</td>
<td>44.6</td>
<td>245</td>
<td>55.4</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>442</td>
</tr>
<tr>
<td>Northern Ireland</td>
<td>192</td>
<td>55.5</td>
<td>126</td>
<td>36.4</td>
<td>-</td>
<td>-</td>
<td>28</td>
<td>8.1</td>
<td>346</td>
</tr>
<tr>
<td>UK Total</td>
<td>5,174</td>
<td>55.3</td>
<td>1,382</td>
<td>14.8</td>
<td>2,698</td>
<td>28.8</td>
<td>100</td>
<td>1.1</td>
<td>9,354</td>
</tr>
</tbody>
</table>

(EMIS Health and competitor data estimated based on company records showing customers installed as at 31 December 2016)
# 5 year financial record

## Total revenue

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount (m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>158.7</td>
</tr>
<tr>
<td>2015</td>
<td>155.9</td>
</tr>
<tr>
<td>2014</td>
<td>137.6</td>
</tr>
<tr>
<td>2013</td>
<td>105.5</td>
</tr>
<tr>
<td>2012</td>
<td>86.3</td>
</tr>
</tbody>
</table>

## Adjusted operating profit<sup>1</sup>

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount (m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>38.8</td>
</tr>
<tr>
<td>2015</td>
<td>36.6</td>
</tr>
<tr>
<td>2014</td>
<td>32.6</td>
</tr>
<tr>
<td>2013</td>
<td>26.1</td>
</tr>
<tr>
<td>2012</td>
<td>22.8</td>
</tr>
</tbody>
</table>

## Adjusted EPS

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount (p)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>49.4</td>
</tr>
<tr>
<td>2015</td>
<td>45.3</td>
</tr>
<tr>
<td>2014</td>
<td>39.5</td>
</tr>
<tr>
<td>2013</td>
<td>34.0</td>
</tr>
<tr>
<td>2012</td>
<td>30.8</td>
</tr>
</tbody>
</table>

## Recurring revenue

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount (m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>128.5</td>
</tr>
<tr>
<td>2015</td>
<td>123.0</td>
</tr>
<tr>
<td>2014</td>
<td>102.7</td>
</tr>
<tr>
<td>2013</td>
<td>81.4</td>
</tr>
<tr>
<td>2012</td>
<td>69.4</td>
</tr>
</tbody>
</table>

## Total dividend for the year

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount (p)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>23.4</td>
</tr>
<tr>
<td>2015</td>
<td>21.2</td>
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<tr>
<td>2014</td>
<td>18.4</td>
</tr>
<tr>
<td>2013</td>
<td>16.0</td>
</tr>
<tr>
<td>2012</td>
<td>14.2</td>
</tr>
</tbody>
</table>

## Cash generated from operations<sup>2</sup>

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount (m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>38.0</td>
</tr>
<tr>
<td>2015</td>
<td>36.5</td>
</tr>
<tr>
<td>2014</td>
<td>38.3</td>
</tr>
<tr>
<td>2013</td>
<td>32.6</td>
</tr>
<tr>
<td>2012</td>
<td>27.4</td>
</tr>
</tbody>
</table>

---

<sup>1</sup> Excludes capitalisation and amortisation of development costs, amortisation of acquired intangibles and exceptional items. Earnings per share calculations also adjust for the related tax and non-controlling interest impact.

<sup>2</sup> Stated after deduction of capitalised development costs and of the cash impact of exceptional items.
Patient Platform
Unique opportunity to build a personal health platform

Vision: Become the leading on-demand healthcare remedy platform

Mission: Empower users with knowledge and services to proactively manage their own health at any time at any place
NHS strategy: 10 universal capabilities - how EMIS Group helps

1. Professionals across care settings can access information on GP prescribed medications, patient allergies and adverse reactions.

2. Clinicians in urgent and emergency care settings access key GP-held information for patients previously identified as most likely to present at A&E.

3. Patients can access their GP record.

4. GPs can refer electronically to secondary care.

5. GPs receive timely electronic discharge summaries from secondary care.


7. Clinicians in unscheduled care settings can access child protection information with social care professionals notified accordingly.

8. Professionals across care settings made aware of end of life preferences.

9. GPs and community pharmacists can utilise electronic prescriptions.

10. Patients can book appointments and order repeat prescriptions from the GP practice.