



ICS AGM 20th November 2018

Kevin Barry

Chairman

Garry Chapman

UK Executive Chairman

AGENDA

- ICS
 - ICS FY2018 Financial Highlights
 - MBC
 - ICS Corporate
 - ICS Looking Forward
- UK MBC Operations
 - UK Economy Review
 - Private Practice in 2008
 - Private Practice 2008-2018
 - Why Clients Use Our Services
 - Revenue growth
 - Overview
 - Medical Indemnity JV
 - MBC Summary
- Business of the Meeting
- Thank You & Question Time

ICS FY 2018 HIGHLIGHTS

	2018	2017	Change
	\$AUD unless stated	\$AUD unless stated	%
Revenue from Ordinary Activities	5,033,696	4,408,906	14%
Profit after tax attributable to shareholders	762,512	463,108	65%
UK Profit after tax excluding corporate re-charges (AUD)	1,125,388	1,073,163	5%
UK Revenue (GBP)	2,888,831	2,610,804	11%
Net Assets	5,810,804	5,656,178	3%
Earnings per share			
Basic (cents)	7.20	4.38	65%
Diluted (cents)	7.05	4.29	65%
NTA per ordinary share (cents)	29.77	27.72	7%
Cash and equivalents at reporting date (excluding UK customers' cash) *	2,006,309	1,544,714	30%

* Cash at reporting date is after \$687,962 of dividends paid during 2017/18

MEDICAL BILLING & COLLECTION

- MBC is:
 - Largest medical billing provider in UK
 - Established outsourced option
 - 100% owned by ICS
 - Derives “annuity style” revenue from annualised recurring collections
- MBC 2018 year highlights:
 - Revenue up 11% to £2,888,831
 - Continuing to add further clients to the portfolio
 - Further investment in IT systems to keep ahead of structural changes in the industry and to further automate our internal system
 - Garry Chapman has assumed control of the business full time and we will recruit a suitable replacement for the MD role as Findlay Fyfe stepped down recently
- MBC/ICS 2018/19 key themes
 - Improved underlying growth in revenue and profitability
 - Implementing strategy of providing value add services to client base:
 - In Q3 2018 MBC entered into a JV that is an authorised representative of an insurance broker that is a specialist in the placement of Medical Indemnity Insurance.
 - Undertaking DD on another opportunity in the UK
 - The volatility in the £ exchange rate continues to impact results when expressed in our functional reporting currency AUD

ICS CORPORATE

- ICS group in a strong financial position:
 - FY 2018 record dividends of 6.5c per share (2017: 4.0 cents)
 - Corporate cash \$2.01 m at year end up 30% on 2017
- ICS also in a strong position to assess value accretive opportunities/acquisitions.
 - \$0.25m investment in Open Learning in February 2015 followed by further \$0.04m investment in 2016. 2.27% current stake in the company.
 - In Q1 2018 capital raising, Open Learning raised \$8.8m at a pre-money \$25m valuation - a multiple of ICS's entry price
 - ICS continues to review monetisation strategies for its investment
 - Continuing to review and conduct DD on several business opportunities in the Australian/UK medical sectors with synergies to ICS/MBC

ICS LOOKING FORWARD

- Board focus on:
 - Improving the performance of MBC through organic revenue and profit growth
 - Expansion in vertical and horizontal markets
 - Subject to results and any capital management strategies and/or any acquisitions and investments- intention to maximise dividend payment
- Investment in MBC enables continued growth:
 - Business platform & IT – including further improvement in business processes
 - Further revenue growth to leverage off platform investment
- 2019 guidance for ICS:
 - Net profit after tax guidance for the 2018/19 is expected to be in the range of \$0.75-\$1.0m *

**Subject to £/\$A FX rates*



GARRY CHAPMAN, EXECUTIVE CHAIRMAN

UK ECONOMY REVIEW



UK economy continues to grow

- July-September grew by 0.8%
- Services and Manufacturing led



Inflation rate in 2018

- 2.4% for year to June 2018
- First interest rate rise in 10 years – more forecast



Unemployment continues to drop

- Lowest level for 53 years – falls to 4.0%



Brexit delay causing uncertainty which is still having an impact on the FX market

PRIVATE PRACTICE IN 2008

- Private Practice was mostly with PMI's - BUPA, AXA, etc
- Invoicing sent by post with no enforced time limit
- PMI's paid fees that they would term customary and reasonable - some did not even have a fee schedule
- Patient interaction – Minimal e-mail/Internet/Mobiles
- No industry policing with no publication of fees required
- Practice Manager/Secretary workload at reasonable level
- Private Medical Insurance peaked at 12.4% of population
- Outsourcing the billing and collection was not recognised as an acceptable business model
- MBC had 50 Clients after 16 years

PRIVATE PRACTICE 2008 - 2018

- GFC – Global financial crash
- Private Practice is not easy.....WHY?
- Different dynamics with PMI's
 - Reduced fees and reduced codes combinations
 - Electronic billing enforced with time limits enforced
 - Increased shortfalls
 - Fee assured schedules limiting fees
- CCSD codes change every month
 - New ones added, others deleted
 - New rules per combinations
 - Each PMI can choose to accept the CCSD Schedule in part or whole

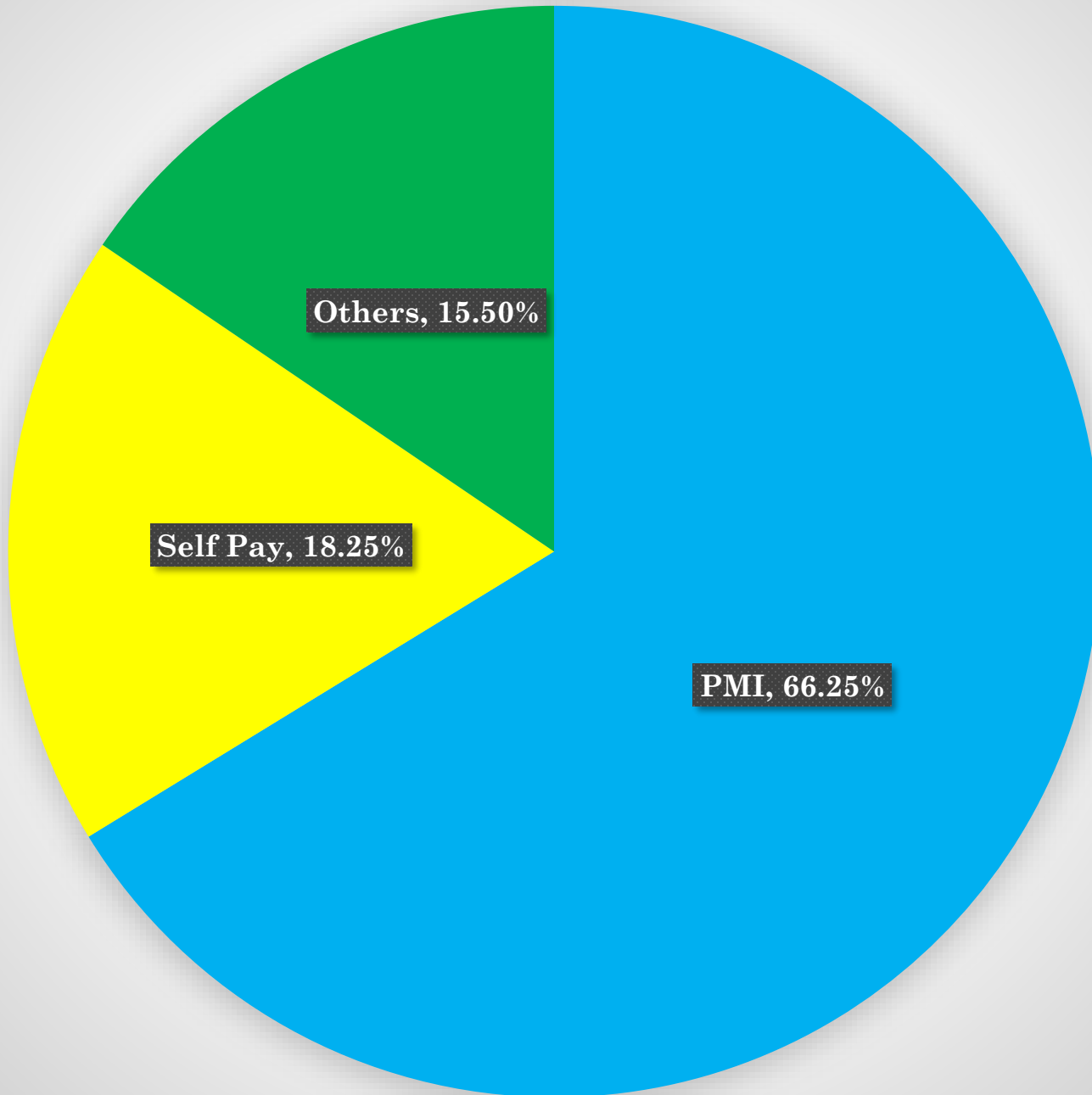
PRIVATE PRACTICE 2008 - 2018

- Explosive growth in Self Pay – Largest payment company
 - NHS waiting lists
 - High premiums on private medical insurance
 - Self insure
 - Fixed price package
- Internet traffic increased exponentially – everyone is an expert
- E-mail usage increased exponentially – want immediate response
- Mobile phone usage increased exponentially – immediate response

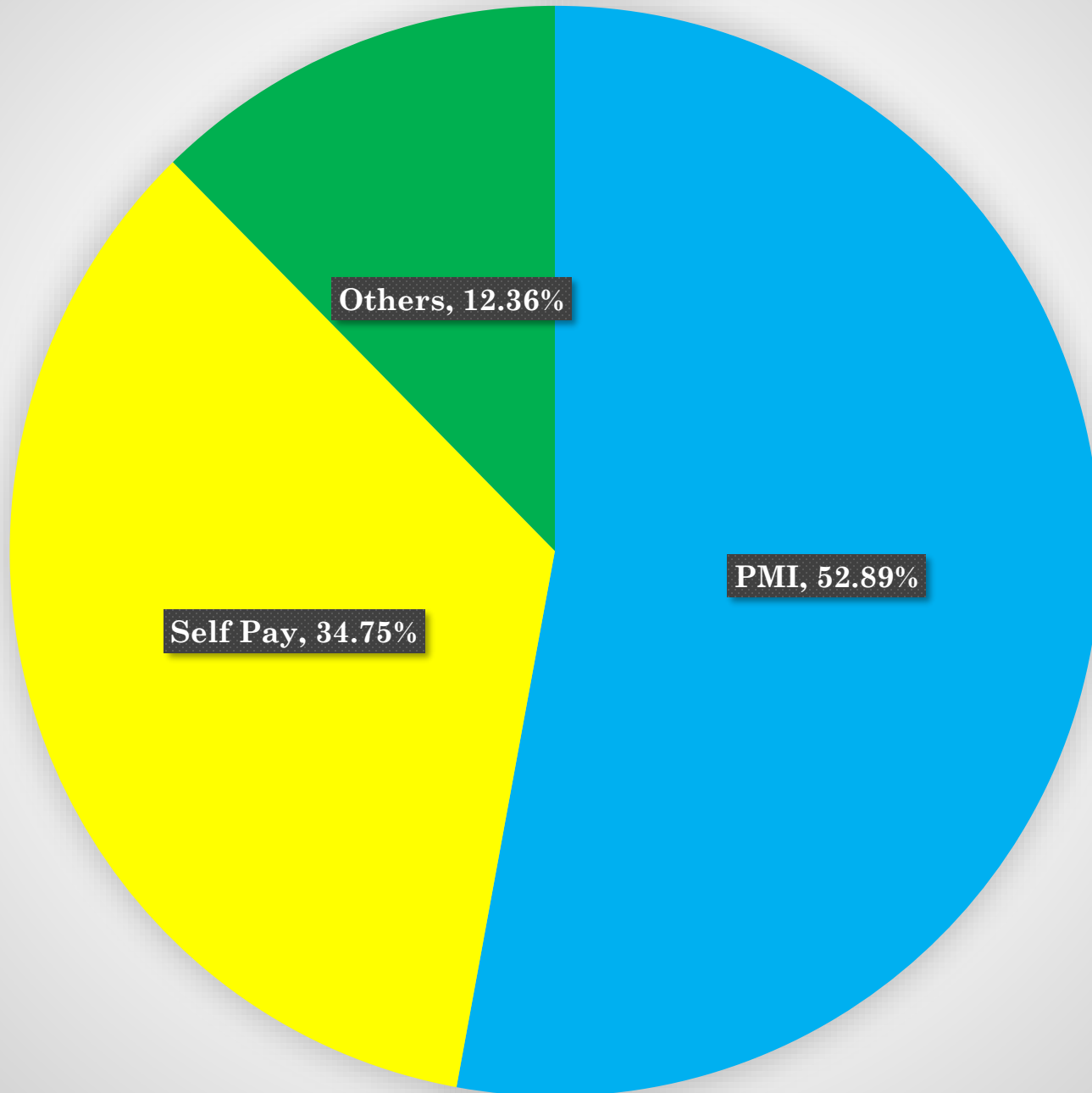
PRIVATE PRACTICE IN 2018

- Patients expectations are much higher.....24/7
- Increased Compliance including publication of pricing and medical competence – PHIN
- Practice Manager/Secretary expected to be expert at everything
- Average invoice value in 2008 - £270.16
- Average invoice value in 2018 - £202.89
- Reduction of 25% for doing the same treatment
- Work smarter, faster and be more efficient
- Outsourcing now accepted business model
- MBC has over 1000 clients

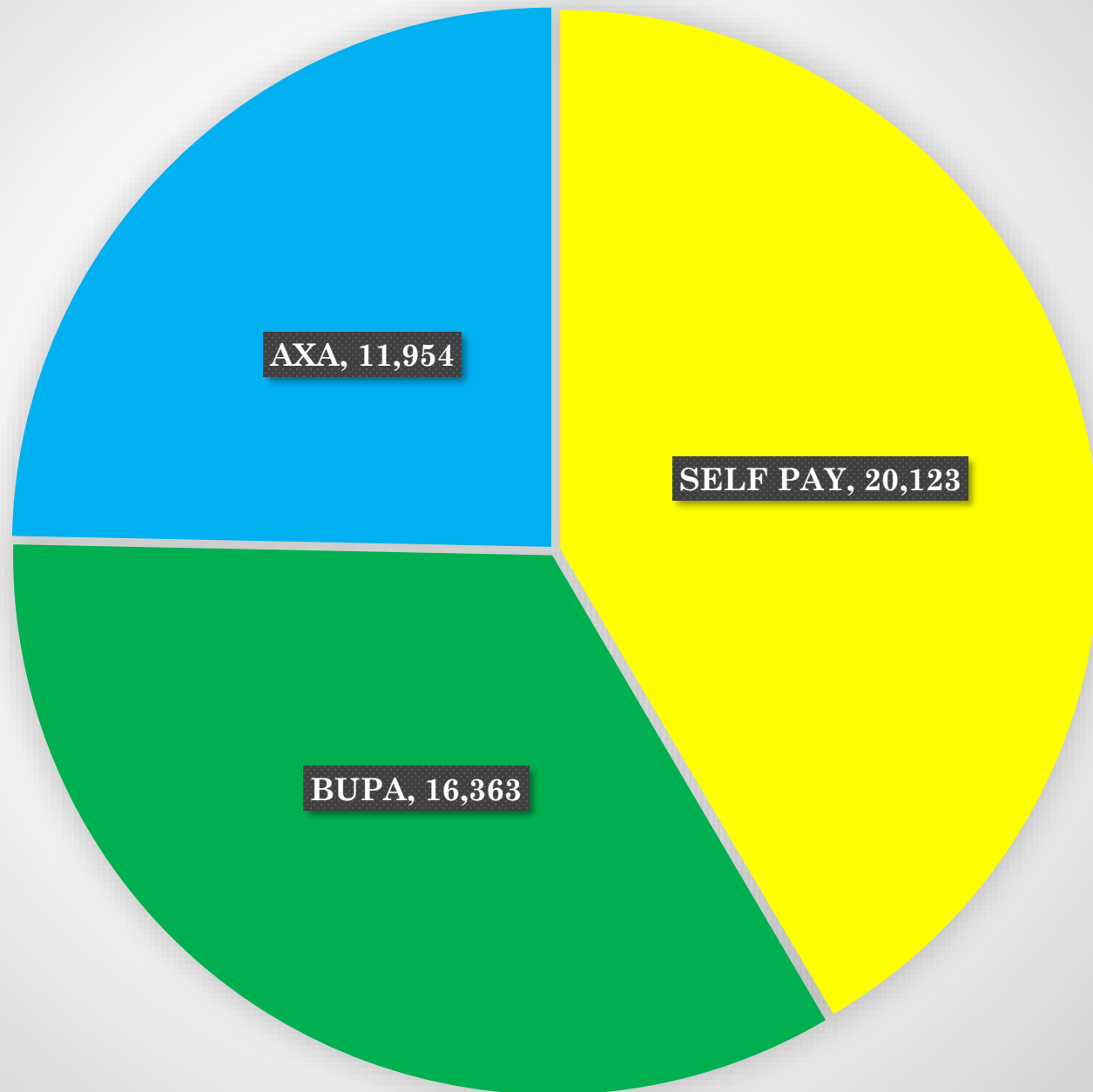
BILLING REVENUE 2008



BILLING REVENUE 2018



NEW PATIENTS – 2018



WHY CLIENTS USE OUR SERVICES

- Business Proposition to clients:
 - **Reduce bad debts to an average of less than 0.05%**
 - *A practice can typically be operating with bad debts of between 5-10% or even greater in many cases*
 - **Optimise billing revenues – up to 25% more for the same work (documented case studies)**
 - *A practice can be undercharging in many ways, including poor use of codes, wrong fees charged per each PMI, wrong formula used for each PMI, unbilled treatments*

WHY CLIENTS USE OUR SERVICES

- Business Proposition to clients:
 - **Enables the client to focus purely on the medical side of the business**
 - *MBC allows more time for the practice staff to focus on the patient which helps the growth of the practice and also removes the need to discuss any awkward financial matters*
 - **Improved cash flow and a service which is tailored to the individual needs of the client**
 - *A client will typically have a “backlog” of outstanding invoices which we can chase and collect*
 - *A service carried out taking into account the nuances of each practice*

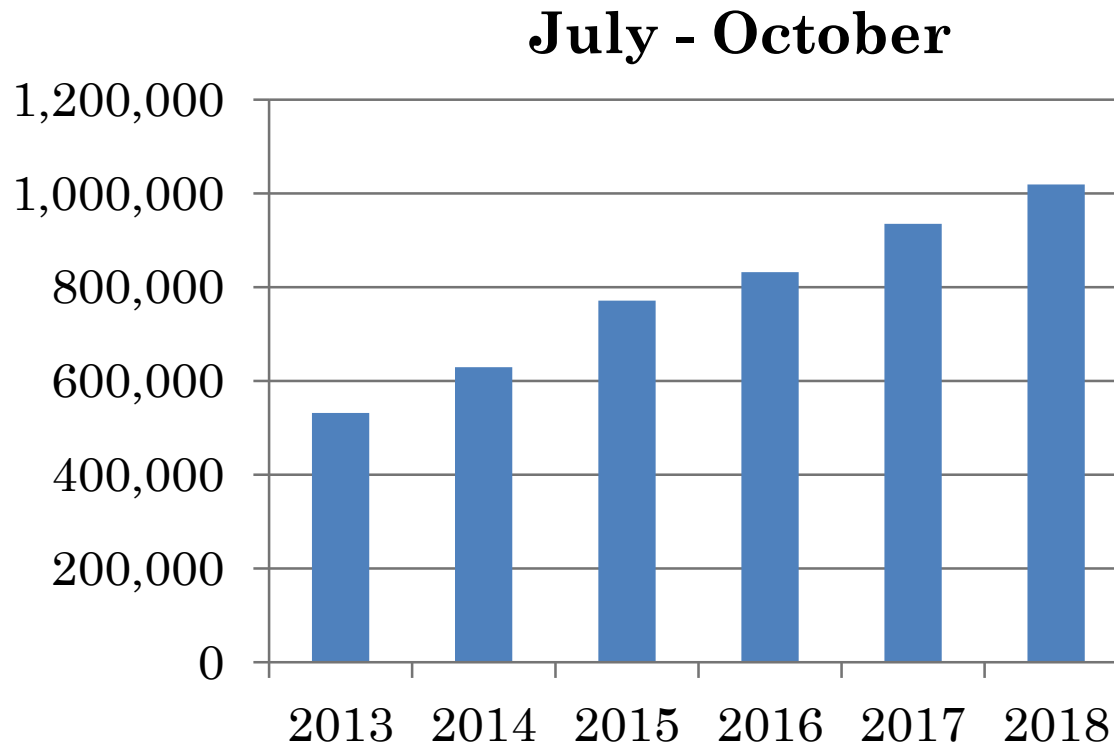
SUMMARY

- Private practice has changed in the UK and continues to be a complex business
- Specialist can focus on what they have trained all their life for and be the expert in their field
- Leaving us to do what we are experts at and leave the billing & collection to the professionals

SUMMARY



GROWTH OF REVENUE (£)



OVERVIEW

- Self pay continues to grow at a fast pace
- July – October revenue increased by 10% on last year with the revenue bursting through the million pound mark for the first time
- July – October profit (NBT) increased by over 15 % on last year exceeding £250K for the first time
- We have new clients joining us every week adding to the levels of transactions and therefore increasing revenue
- Exhibitions/Conferences continue to be successful with our best ever result at one conference where 5 new clients joined
- Added value services now launched to our clients

MEDICAL INDEMNITY JV

- In Q3 2018 a JV entity was established in the medical indemnity insurance broking market
- MBC owns 50% of the JV
- Revenue model is recurring on an annual basis
- Incremental to existing business model
- Branded under the MBC banner
- Medical Broking Company Limited
- Every consultant has to have Medical Indemnity cover
- Existing market is established through Mutual associations
- Typically a large expense for the Consultant
- Soft launch phase – 5 clients have signed up

SUMMARY

○ EXISTING BUSINESS

- Client referrals continue to drive new clients to MBC
- Hospital continues to add new clients to their division

○ INCREMENTAL BUSINESS

- Conference/Exhibition channel – brand awareness and consultant focused
- Medical Indemnity - our first added value service for our client base

○ FUTURE

- Looking at additional services/products to drive incremental business

BUSINESS OF THE MEETING

- Remuneration Report:
 - Board takes any feedback on the Remuneration Report seriously
 - ICS Australian cash cost will be <\$500k for FY 2019
- Re- election of Kevin Barry as Director

THANK YOU & QUESTION TIME

- Thank you to:
 - Shareholders for you continued support
 - Garry and his team for improvement in MBC performance
 - Fellow Board members for hard work and support
- Questions??

DISCLOSURE

- Statements and material contained in this Presentation, particularly those regarding possible or assumed future performance, or potential growth of ICS Global Limited (“ICS”), industry growth or other trend projections are, or may be, forward looking statements. Such statements relate to future events and expectations and, as such, involve known and unknown risks and uncertainties.
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- Actual results and developments may differ materially from those expressed or implied by these forward looking statements depending on a variety of factors.
- Nothing in this presentation should be construed as either an offer to sell or a solicitation of an offer to buy or sell shares in any jurisdiction.

ITEMS OF BUSINESS

Resolution 1 – Remuneration report

To consider, and if thought fit, to pass the following as a non-binding resolution:

To adopt the Company's annual Remuneration Report, presented in the directors' report for the year ended 30 June 2018

Note to Shareholders: The vote on this item is advisory only and does not bind the Directors of the Company.

ITEMS OF BUSINESS

Resolution 2: Re-election of Kevin Barry

To consider, and if thought fit, to pass the following Resolution as an ordinary resolution:

That Mr Kevin Barry, a Director retiring from office in accordance with Article 58 of the Constitution, being eligible, is re-elected as a Director of the Company

PROXY VOTING SUMMARY

Proxy Voting Summary

ICSGlobal Limited
Annual General Meeting
Tuesday, 20 November 2018

Security Classes
Fully Paid Ordinary Shares

Resolutions	For		Against		Open		Totals	
	Holders %	Votes %	Holders %	Votes %	Holders %	Votes %	Holders	Votes
1. To Adopt the Remuneration Report	17 60.71	3,996,088 97.96	4 14.29	9,365 0.23	7 0 25.00 0.00	73,717 0* 1.81 0.00	28	4,079,170
2. To re-elect Mr Kevin Barry as a Director	29 78.38	5,269,167 98.61	1 2.70	375 0.01	7 18.92	73,717 1.38	37	5,343,259