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David Lenz
CEO & MD

Hills Streamlined Business

Hills Health
- Nurse Call
- Patient Engagement

Hills Distribution
- Security & IT
- Technical Services

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Why Health

Structural growth in beds per capita driven by population growth and ageing population

- 9.8% of Australian GDP is spent on Health - $47B public and $11B private*

Hills has a market leading position in both Nurse Call (NC) and Patient

Engagement Systems (PES)

* ABS data

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Nurse Call

Market leading position in Nurse Call (NC)

- Nurse Call Systems is Hills owned and manufactured (in Victoria) and is currently installed in
  - ~43% of all public hospital beds and
  - ~30% of private hospital beds

New IP7500 Success

- First installation at Joan Kirner Hospital in Victoria
- Signed 5 contract's for delivery of the new platform

Major product currently under development:

- New Generation **Wireless** Nurse Call System - Q4 launch

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Patient Engagement

Market leading position in Patient Engagement Systems (PES)

- Hills Patient Engagement Systems (principally TV and entertainment networks) are available in:
  - ~43% of public hospital beds and
  - ~23% of private hospital beds in Australia

Success in FY19

- Signed 2,000 new beds
- Renewed 16 contracts covering 3,200 beds

Major products & initiatives:

- Guest WiFi – eHealth NSW 64 sites
- Guest WiFi – BYOD Joan Kirner Hospital
- Software as a service (SAAS)
- GetWell Networks

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Getwell Networks

Video plays on getwell

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Health – GetWell │ Inpatient

- Proven "best in class" patient engagement platform used in more than 700 sites across the US, servicing 75k beds and 10 million patients p.a.

- GetWell is on the only certified platform that integrates with the two dominant market leaders in Electronic Medical Records (EMR) in Australia

- First site signed 400+ beds at Calvary Health

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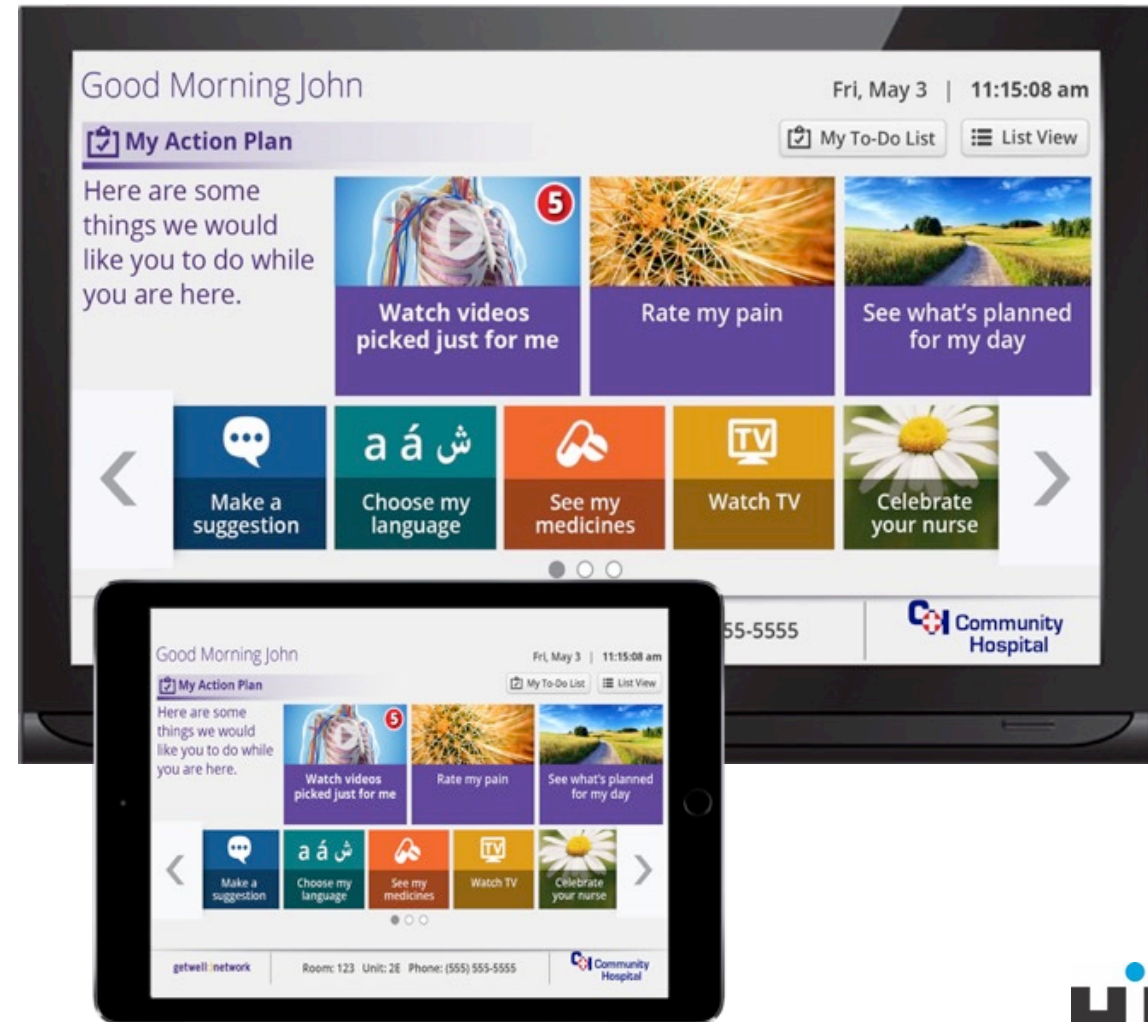
Health – GetWell │ Loop

- GetWell Loop is designed to address rates of patient re-admission and the rescheduling of medical procedures, both of which are large, and often preventable, sources of cost in hospitals

GetWell Loop scales the impact of care teams through the power of patients.
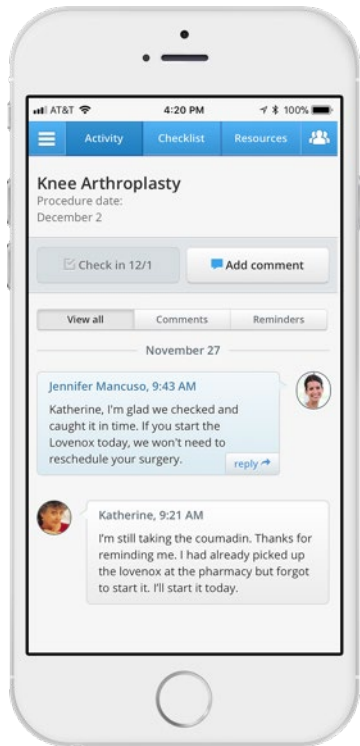
Automatically Delivers Daily Touchpoints to Patients

Patients receive daily push notifications, continuous assessments, secure messaging, remote monitoring, education, tasks, reminders, and PROMs.

92%

of patients extremely likely to recommend

Provides Real-Time Window Into The Patient

Care Teams receive an entirely new set of actionable, real-time data instead of having to rely on outdated EHR data.

Reducing
Complications + Readmissions

54% · 45%

Focuses Care Team On the Right Patient at The Right Time

Care Teams can now reach more patients and focus on the right patient at the right time.

68%

of patient questions handled by non-clinical staff

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Health – Outlook

- Solid pipeline of orders and tenders across both Nurse Call ($70m) and Patient Engagement ($10m)

- Continued focus on increasing the base of recurring revenues

- Solid growth in revenues is expected in FY20+ driven by:

    - Market share gains

    - Increased share of wallet

    - Leveraging replacement cycle in hospitals

    - Maximising contract renewals – recurring revenue streams

    - GetWell market penetration

    - Continued investment in product development

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Why Distribution

Streamlined Distribution Business focused on:

- Security & IT

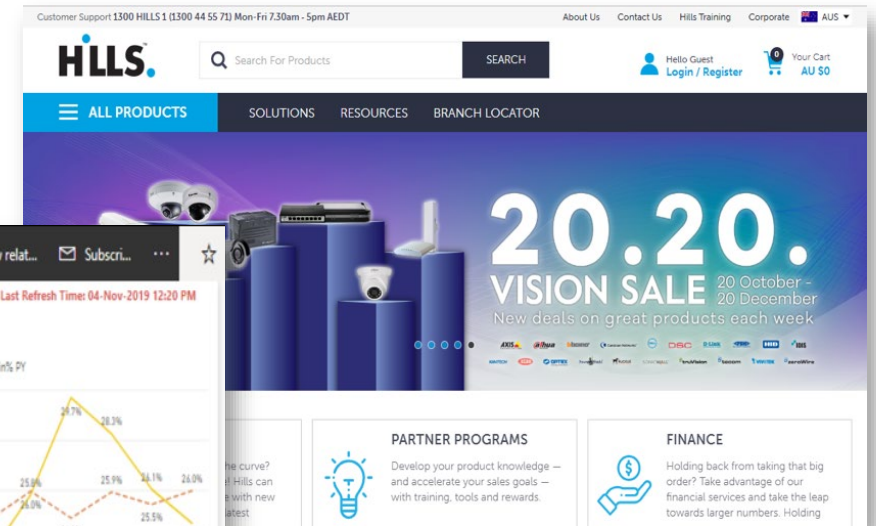- Technical Services

Expected Growth By Segment FY20 – FY22

ACCESS CONTROL	VMS	CCTV & ITP
+7%	+7%	+5%

• Carrier (Exclusive)
   • Reliance XR
   • Challenger
   • Tecom
	• Genetec (Exclusive)
	   • High Growth
	   • Parking Solutions
	   • Workflow Solution
	   • Cloud Solutions
		• IDIS (Exclusive)
		• Axis
		• Dahua
		• Vivotek
		• Mobotix
		• Ruckus
		• Extreme Networks

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Improvements

New Hendra facility – Gold Coast

e-Commerce

Business Intelligence

Improvements

Top 4 vendors delivered revenue growth in FY19:

- Carrier (UTC), Genetec, Axis & Ruckus
- Won major infrastructure, law enforcement and correctional facilities projects.

Hills Technical Services (HCS) signed contracts with:

- LendLease Group
- Downer EDI Limited

Cost management:

- 6.1% or $4m reduction in Operating Expenses year on year
- $3m - $5m additional operational costs savings expected in FY20
- Positioning to return to profitability in FY20
- Positive Cash Flow

Outlook

Financial Position

- Full-year revenue impact of approximately $50m with no negative impact on EBITDA;
- An approximate $10m release of working capital to reduce net debt and to invest in the continuing businesses; and
- No further provisions or impairments associated with these transactions.

Outlook

- On track to achieve cost savings of $3m to $5m in FY20; and
- Solid growth expected in Hills Health revenues in FY20.
- Expect to deliver a strong 1H NPAT performance over the prior year; and
- Expect our performance in FY20 to show strong growth year on year