



# **ICS AGM 10th November 2016**

**Kevin Barry**  
Chairman

**Garry Chapman**  
UK Executive Chairman

## AGENDA

- ICS
  - ICS FY2016 Financial Highlights
  - MBC
  - ICS Corporate
  - ICS Looking Forward
  - Open Learning
- UK MBC Operations
  - UK Economy Review
  - Business Platform Review
  - Billing in Private Sector
  - Statistics
  - Growth in Invoices & Revenue
  - Growth Strategies
  - Exhibition Summary
  - Clinic Update
  - MBC Summary
- Business of the Meeting
- Thank You & Question Time

## ICS FY 2016 HIGHLIGHTS

|                                                                          | 2016        | 2015        | Change |     |
|--------------------------------------------------------------------------|-------------|-------------|--------|-----|
|                                                                          | \$          | \$          | %      |     |
| Revenue from Ordinary Activities                                         | 4,901,673   | 3,849,083   | ↑      | 27% |
| Profit after tax attributable to shareholders                            | 1,167,537   | 1,003,640   | ↑      | 16% |
| Profit after tax attributable to shareholders from continuing operations | 1,167,537   | 895,735     | ↑      | 30% |
| UK Profit after tax excluding corporate re-charges                       | 1,520,109   | 1,113,312   | ↑      | 37% |
| Net Assets                                                               | 5,605,468   | 5,080,842   | ↑      | 10% |
| Earnings per share                                                       |             |             |        |     |
| Basic                                                                    | 9.52 cents  | 9.52 cents  | ↑      | 16% |
| Diluted                                                                  | 10.90 cents | 9.46 cents  | ↑      | 15% |
| NTA per ordinary share (cents)                                           | 27.07 cents | 23.57 cents | ↑      | 15% |
| Cash and equivalents at reporting date (excluding UK customers' cash) *  | 1,366,984   | 1,273,212   | ↑      | 7%  |

\* Cash at reporting date is after \$474,593 of dividends paid during 2015/16, \$352,825 spent on investment in the MBC platform in 2016 and the \$43,787 on maintaining stake in Open Leaning investment



# MEDICAL BILLING & COLLECTION

- MBC is:
  - Largest medical billing provider in UK
  - Over 90% of the market does not use a billing company
  - 100% owned by ICS
  - Derives “annuity style” revenue from annualised recurring collections
  
- MBC 2016 year highlights:
  - Revenue up 20% to £2,421,759
  - Profit (before tax and internal charges) up over 33% to in excess of £760,000
  - Continuing to add further medical clinics to the portfolio. Investment in both personnel and IT systems in order to facilitate the growth of our services to the clinics
  
- MBC/ICS 2017 status
  - Impact of £/\$A exchange rate movement on monthly P&L
  - Impact of £/\$A exchange rate movement on £ bank account balance YTD of \$0.3M
  - H1 2017 YTD earning impacted from FX movements



## ICS CORPORATE

- ICS group in a strong financial position:
  - Final dividend for 2016 (3.5 cents per share) up 40% on 2015
  - Corporate cash > \$1.37m at year end
- 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. Open Learning now seeking to raise \$10m based on success of business at a significant multiple in value to ICS's investments
  - Continuing to review and conduct DD on several business opportunities in both the UK and Australia medical sectors with synergies to ICS/MBC
- The Board has been active during the year, including:
  - MBC is the main focus
  - Implementing capital management strategies
  - New investments and opportunities

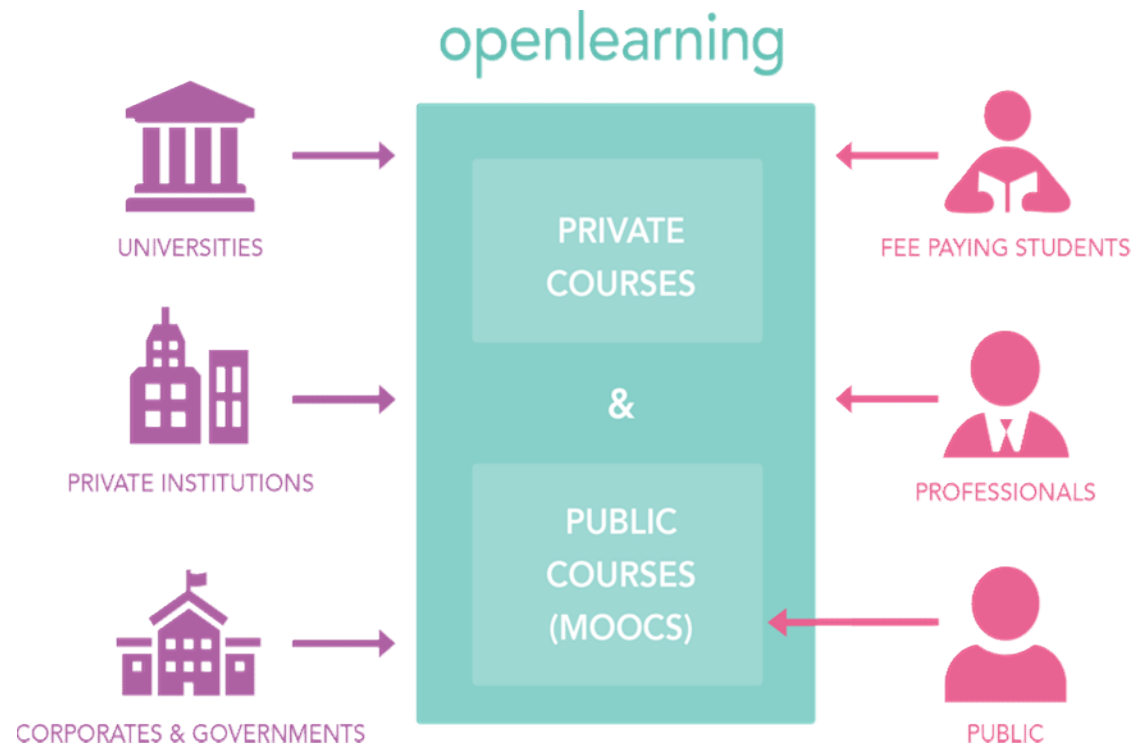
## ICS LOOKING FORWARD

- Board focus on:
  - Improving the performance of MBC through revenue and profit growth
  - Closing an acquisition/joint venture in FY 2017
  - Supporting OpenLearning and potential to realise value
  - Subject to results and any capital management strategies and/or any acquisitions and investments- intention to maintain dividend amount
- ICS is exposed to movement in the £/\$A. Since the June 2016 Brexit result, the £ has depreciated > 35% against the \$A. This has continued in FY 2017 including a direct impact on ICS the £ cash reserves and earnings on a translation basis.
- Investment in MBC enables continued growth:
  - Business platform & IT
  - Further revenue growth to leverage off platform investment
- 2017 guidance for ICS:
  - Net profit after tax guidance for the 2016/17 is expected to be in the range of \$0.7-\$1.1m \*
  - 2017 guidance primarily impacted by FX fluctuations

*\*Subject to £/\$A FX rates*

# OPEN LEARNING

## #1 ONLINE MOOC/PRIVATE LEARNING PLATFORM IN AUSTRALIA AND SOUTHEAST ASIA



- OpenLearning is a cloud-based online MOOC/Private learning platform that is based on a well researched pedagogy:
  - Empowering students
  - Active learning experiences
  - Focus on student learning
- Universities use OpenLearning to deliver both accredited (invite-only) and public non-accredited MOOC courses
- Institutions use OpenLearning to deliver free and accredited professional development courses
- Corporates and Governments use OpenLearning to deliver free and private employee/community training courses

Over 500,000 students, growing at >100% CAGR

## Customer highlights – Malaysia

- Over 250,000 students in Malaysia have now enrolled in courses on OpenLearning from 26 universities and 34 public polytechnics across Malaysia
- Recent credit transfer guideline for MOOCs will enable students to pay a fee and receive credit for MOOCs
- Partnered with Media Prima/New Straits Times Press (NSTP) to launch a series of exam preparation courses for school students on a subscription payment model

## Customer highlights – Australia

- Continued our work with key Australian Federal Government and higher education clients throughout FY16 to expand the number of courses and students
- Launched Learn.com.au in the Vocational Education and Training sector in partnership with Hunter TAFE and Innovation and Business Skills Australia to offer the first VET courses in Australia where students can learn for free and pay only if they want a certification
- Signed a campus-wide license agreement with a leading Australian university to more widely deploy OpenLearning across campus

## Corporate highlights

- Completion of A\$1.5m capital raising in early 2016.
- ICS interest of 2.90%
- Revenue in FY16 increased 60% from FY15 as a result of strong growth in our platform and enterprise services business in both Australia and Malaysia
- Launched a new version of the OpenLearning platform that enables formal tertiary education to be delivered significantly more cost effectively than other platform
- Launched native mobile applications for OpenLearning on iOS and Android as over 35% of students now access OpenLearning on their mobile devices
- Focus on student engagement has led to average platform wide completion rates of 29.47% for certified courses compared to <5% for other MOOC platforms
- Established an office in Malaysia to focus on support, training and enterprise services to support Malaysian educational institutions
- Surpassed 500,000 students, 3,000 courses and 15,000 educators globally with the top markets being Malaysia, Australia and the United States
- OpenLearning seeking to raise \$10m at a multiple pre-money valuation to ICS investment





GARRY CHAPMAN, EXECUTIVE  
CHAIRMAN

## UK ECONOMY REVIEW



### UK economy continues to improve

- Post Brexit - July-September grew by 0.5%
- UK GDP grew by 2.3% in past 12 months



### Inflation rate in 2016

- Average 1% in past 12 months
- Salary increases continue to outstrip inflation@2.3%



### Unemployment continues to drop

- Lowest level for 11 years – falls to 4.9%
- Number of people unemployed down to 1.66 million



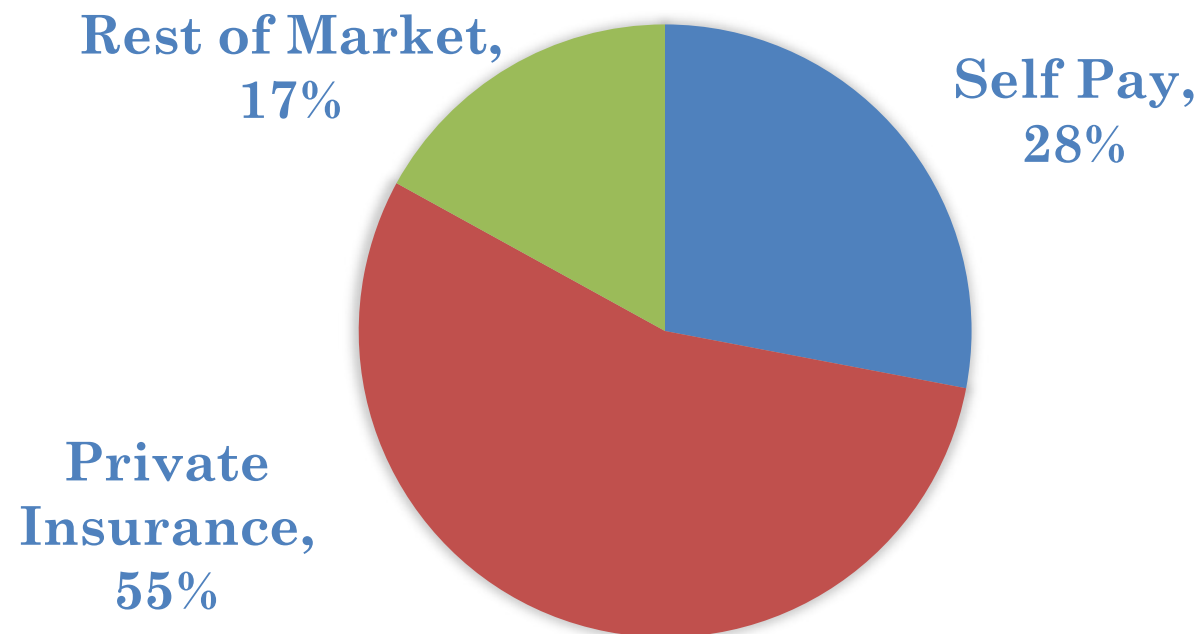
Brexit decision causing uncertainty which is having a big impact on the FX market



## BUSINESS PLATFORM

- MBC platform investment continues
- Electronic invoicing to the Major Private Insurance Companies
- Integrated Payment Portal
- Client Self Pay Portal
- Automated Self pay invoicing by e-mail
- API Interface for the clinic sector

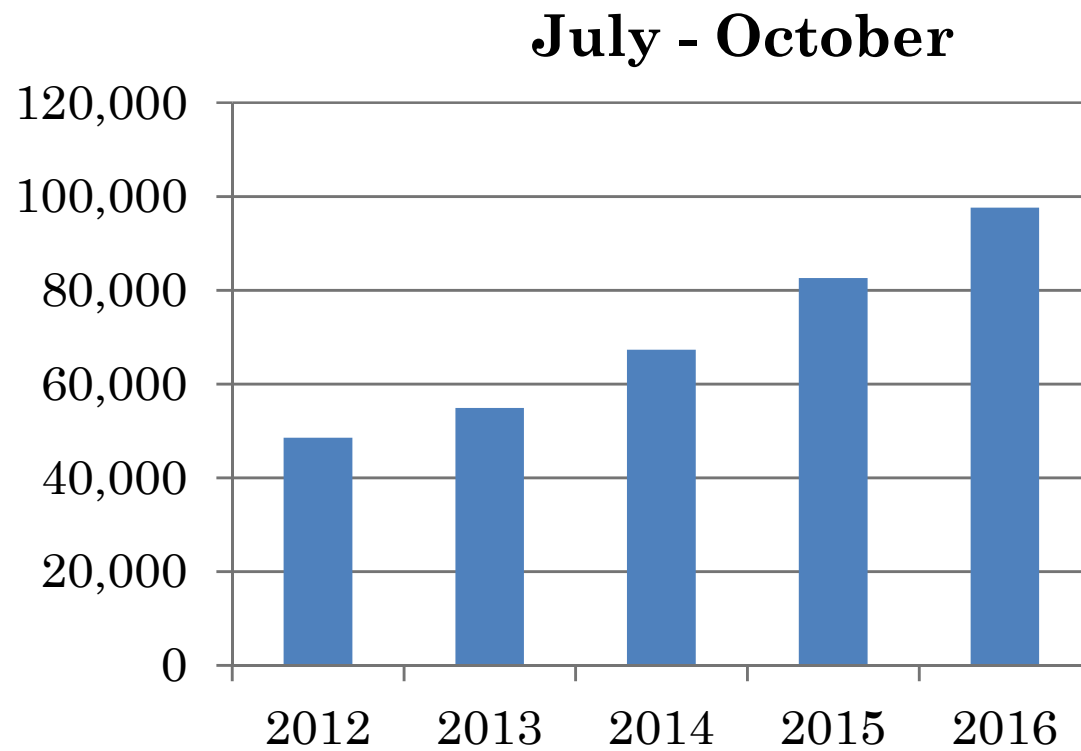
## BILLING IN THE PRIVATE SECTOR



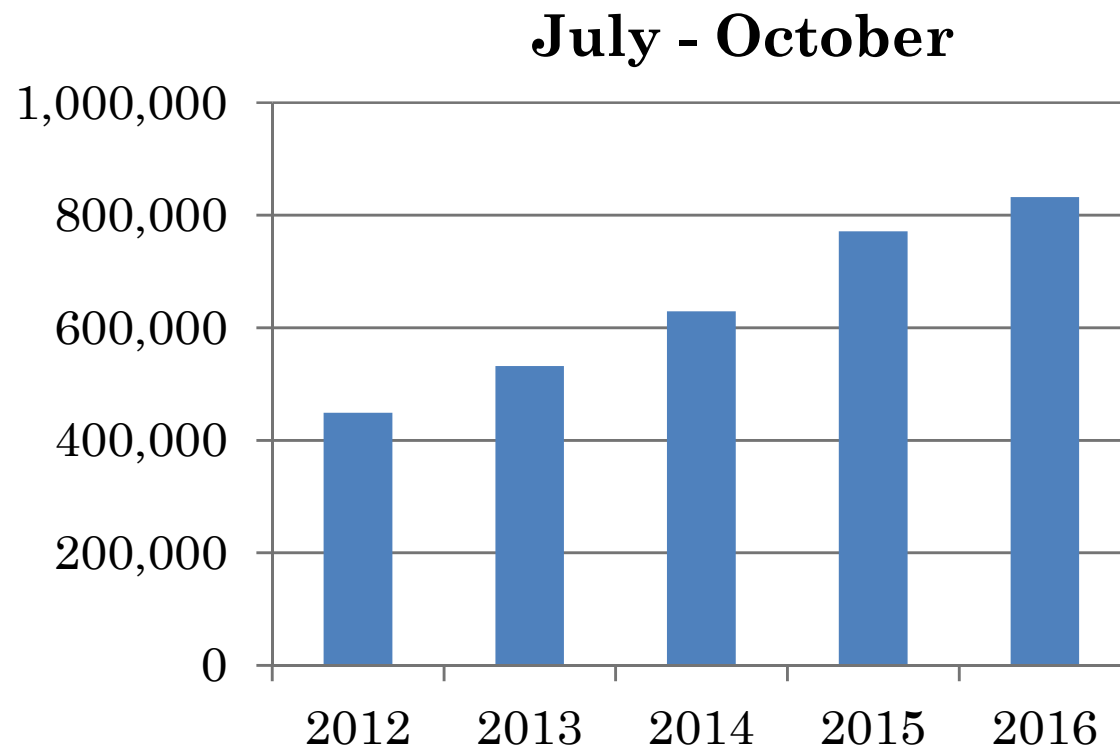
## STATISTICS

- Rest of market: Embassies, Solicitors, Sponsors, Hospitals, Sports Associations, Primary care trusts, corporate organisations means that we have over 2,000 different companies that we invoice
- In the last 12 months we have invoiced over 14,000 self pay patients
- During this financial year we will raise over 300,000 invoices
- We have new clients joining us every week adding to the levels of transactions
- Multiple price lists for each client

## GROWTH OF INVOICES



## GROWTH OF REVENUE (£)

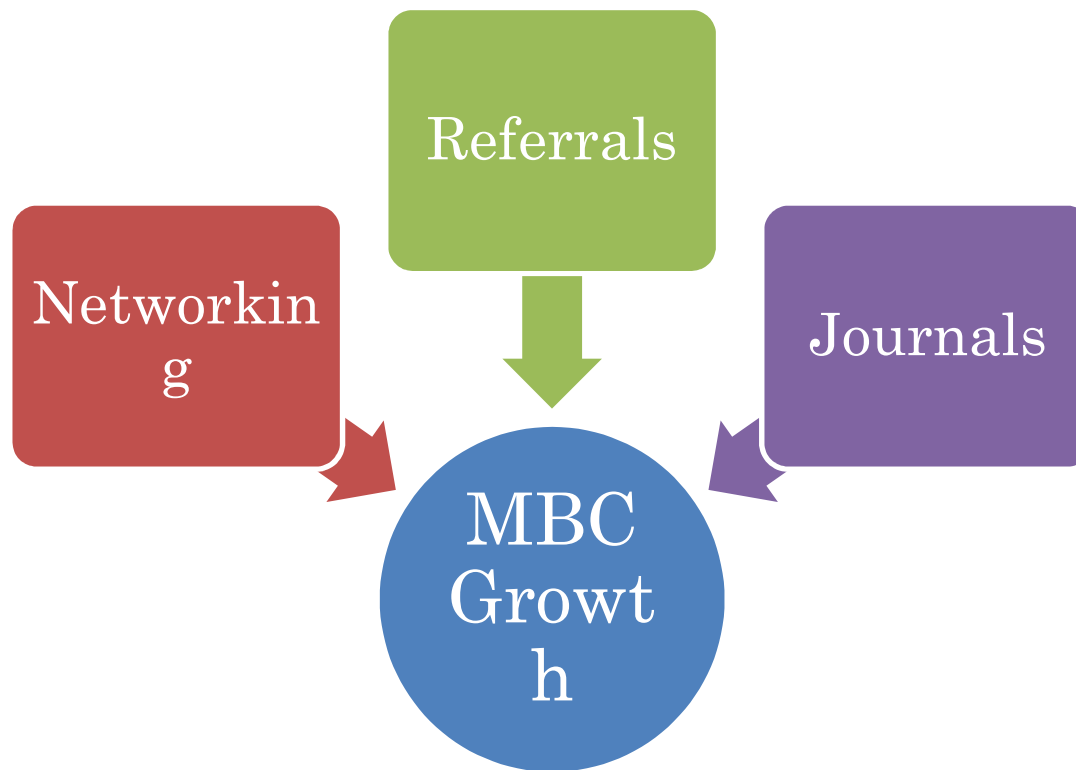


## BUSINESS PLATFORM

- Maintain and improve our service levels
- Ability to adapt to rapidly changing market requirements
- Functionality to improve internal operations and control costs
- Functionality to enhance client experience
- Facilitate roll out of new product offerings to existing market
- Facilitate roll out to new segments of our market



## TRADITIONAL GROWTH STRATEGY



## ADDITIONAL GROWTH STRATEGY



## EXHIBITION UPDATE

- October 2015 launched New Exhibition Strategy
- Exhibited at 12 Industry specialities annual conferences
- 15% of our new clients in the last 12 months have come from this new channel
- ROI in less than 12 months
- We will also try different speciality events in the next 12 months

## CLINIC UPDATE

- August 2014 signed our first major clinic
- They went live 1<sup>st</sup> March 2015
- Q1 2015 developed our self pay module
- Q4 2015 target further growth in this sector
- Now have 8 clinics of various sizes
- Created in house Clinic team
- Another new clinic going live this month
- Predicted to be our largest client
- API due to be launched
- The clinic team now accounts for 14% of our billing book
- Higher volumes with lower margins
- Incremental business

## SUMMARY

- EXISTING BUSINESS
- Client referrals continue to drive new clients to MBC
- INCREMENTAL BUSINESS
- Conference/Exhibition channel – brand awareness and consultant focused
- Clinic focus continues to drive growth in this area
- FUTURE
- Critical mass reached with over 1000 consultants
- Looking at additional product portfolios to drive incremental business

## WHAT IS THE NEED



## BUSINESS OF THE MEETING

- Remuneration Report:
  - Board takes any feedback on the Remuneration Report seriously
  - With 96 % voting approval last year:
    - From November 2016, Directors will receive 72% of their monthly entitlements of the annual \$250k director fee pool
    - ICS Australian cash costs will be <\$450k for FY 2017
- Re- election of Greg Quirk and Victor Shkolnik as Directors



## THANK YOU & QUESTION TIME

- Thank you to:
  - Shareholders for you continued support
  - Garry and his team for continued achievements in growing MBC in a profitable manner
  - 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.
- ICS has taken reasonable care to ensure that the facts stated in this presentation are accurate and or that the opinions expressed are fair and reasonable, no reliance can be placed for any purpose whatsoever on the information contained in this document or on its completeness.
- 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 2016*

**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 Gregory Quirk**

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

*‘That Mr Gregory Quirk, a Director retiring from office in accordance with Article 58 of the Constitution, being eligible, is re-elected as a Director of the Company’*

### **Resolution 3: Re-election of Victor Shkolnik**

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

*‘That Mr Victor Shkolnik, a Director retiring from office in accordance with Article 58 of the Constitution, being eligible, is re-elected as a Director of the Company’*