

# Annual Shareholders' Meeting 2018

# Important Notice

This presentation is given on behalf of Orion Health Group Limited (“OHE”). Information in this presentation:

- is current at the date of this presentation;
- is for general information purposes only, and is not an offer, proposal or invitation for subscription, purchase, a recommendation of securities in OHE or investment advice;
- should be read in conjunction with, and is subject to, OHE’s market releases, and information published on OHE’s website [www.orionhealth.com](http://www.orionhealth.com);
- includes forward-looking statements about OHE and the environment in which OHE operates, which are subject to uncertainties and contingencies outside of OHE’s control - OHE’s actual results or performance may differ materially from these statements. Forward-looking statements generally may be identified by the use of forward-looking words such as ‘aim’, ‘anticipate’, ‘believe’, ‘estimate’, ‘expect’, ‘forecast’, ‘foresee’, ‘future’, ‘intend’, ‘likely’, ‘may’, ‘planned’, ‘potential’, ‘should’, or other similar words. Neither OHE nor any other person gives any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements will actually occur. You are cautioned against relying on any such forward-looking statements;

- includes statements relating to past performance, which should not be regarded as a reliable indicator of future performance; and
- may contain information from third parties believed to be reliable, however, no representations or warranties are made as to the accuracy or completeness of such information.

All currency amounts are in NZD unless otherwise stated. Due to rounding, the numbers presented throughout this presentation may not add up precisely to the totals presented. Percentages may not precisely reflect the presented figures as these are based on unrounded numbers.

OHE results are reported under NZ IFRS. This announcement includes non-GAAP financial measures which are not prepared in accordance with NZ IFRS. The constant currency analysis is non-confirming financial information, as defined by the Financial Markets Authority, and has been provided to assist users of financial information to better understand and assess OHE’s financial performance without the impacts of spot foreign currency fluctuations.

This presentation is not an offer of financial products and the provision of this presentation to any person does not constitute, and may not be used for the purposes of, an offer of financial products or interests of any kind to that person or an invitation to any person to apply for the issue of financial products or interests of any kind.

# Agenda

## Chairman's address 04

Andrew Ferrier | Chairman

---

## Business update 13

Ian McCrae | CEO

---

## Financial overview 15

Mark Tisdell | CFO

---

## Governance update 24

Andrew Ferrier | Chairman

---

## Resolutions 27

## General Business Q&A 31

# Chairman's address



**Andrew Ferrier**  
Chairman

# Completing the strategic review

## Assessed business as part of strategic review

- Future operating structure of the global business



## Preparing the business for future success

- Restructured into core solutions – Rhapsody, Population Health and Hospitals



## Building a competitive and sustainable business

- Operating as three businesses
- Closer to customers



- Delivered cost efficiencies



- Operational rigor and focus



- Shareholder value

- Strong interest from global investors



- Hg Transaction to accelerate growth of Rhapsody and support Population Health
- Share Buyback offers choice to Shareholders

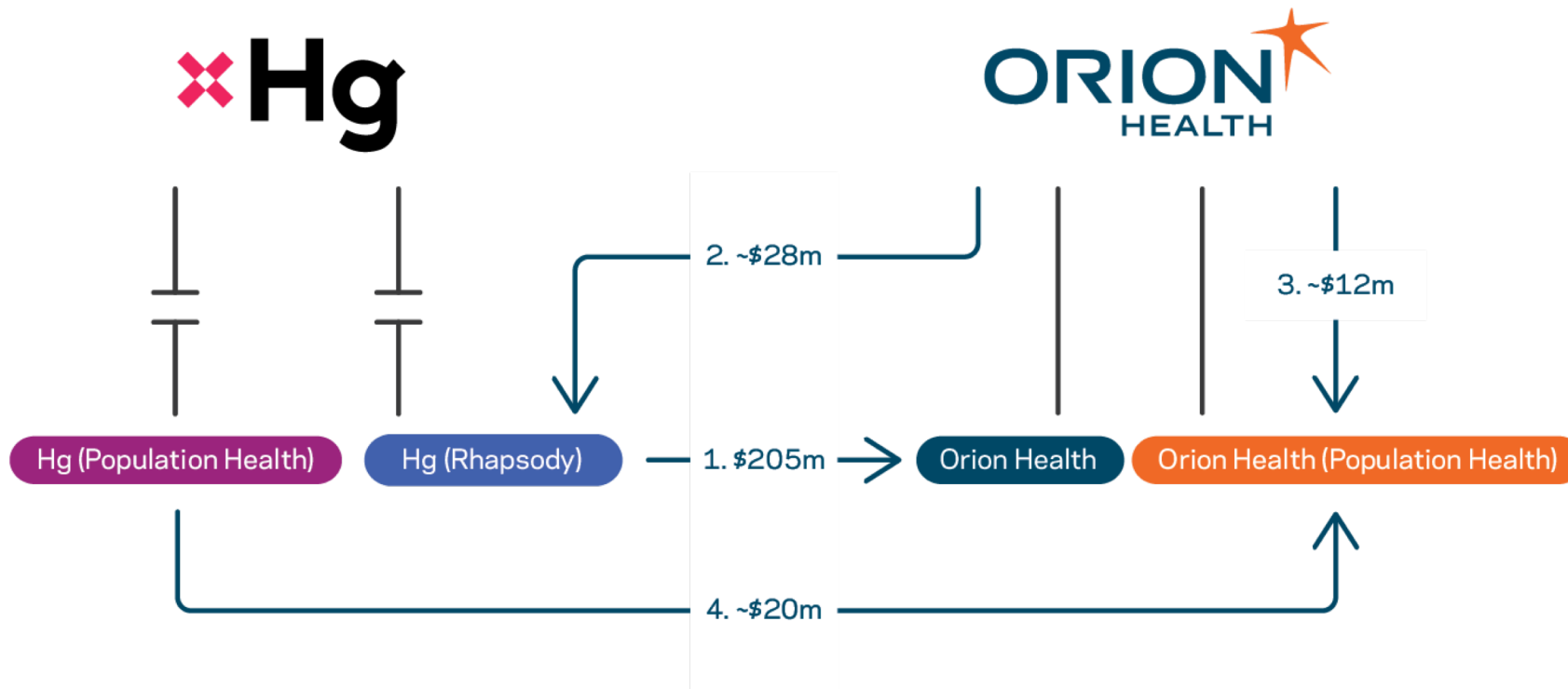
# A win-win global partnership

- Hg is a specialist technology investor with deep healthcare expertise
- Injects capital and taps global connections
- Retain highly skilled talent, jobs remain in New Zealand



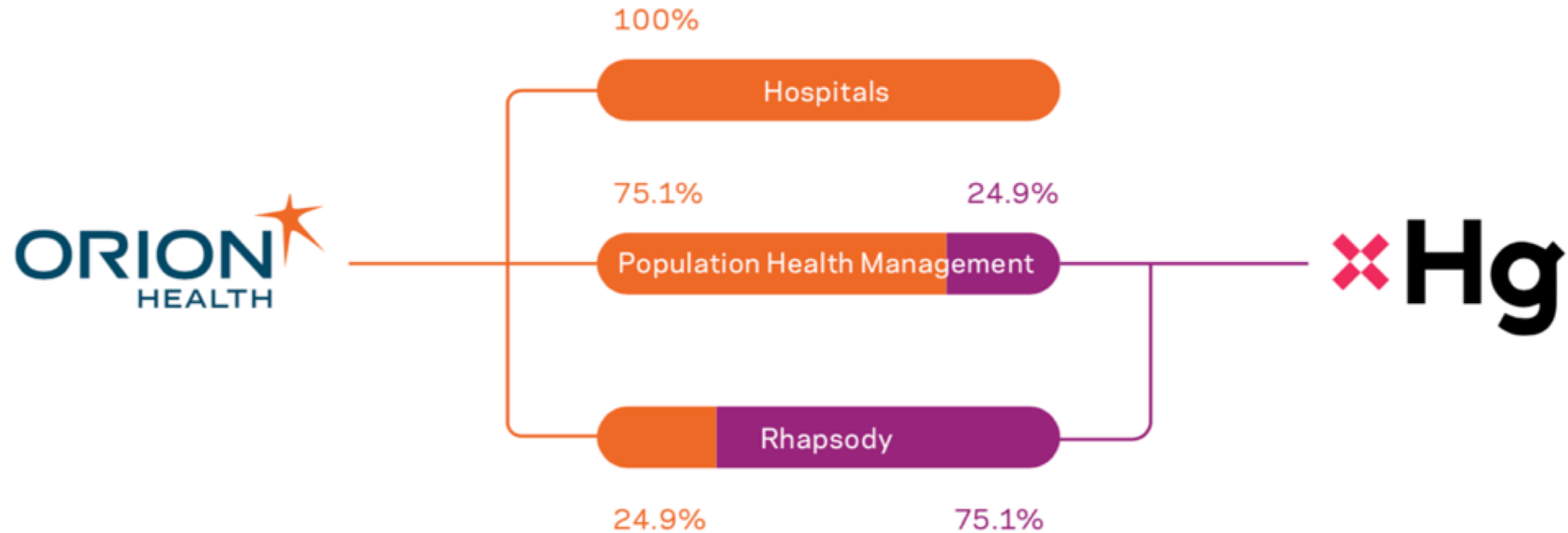
The Board and I believe Hg is the right partner to accelerate the expansion of Rhapsody and support our vision for Population Health.

# Hg Transaction



1. Hg (Rhapsody) acquires Rhapsody from Orion Health for \$205 million.
2. Orion Health applies ~\$28 million of the proceeds to subscribe for a 24.9% stake in Hg (Rhapsody).
3. Orion Health invests ~\$12 million of the proceeds in Orion Health (Population Health).
4. Hg (Population Health) subscribes for a 24.9% stake in Orion Health (Population Health) for ~\$20 million.

# After the Proposed Transactions





# Closing conditions of the Hg Transaction

Including:

- Approval of both the Hg Transaction and Share Buyback by Shareholders
- Hg obtaining Overseas Investment Office approval, required under the Overseas Investment Act 2005
- Transfer consents being received from certain Rhapsody customers
- Acceptance of the planned separation of the Population Health and Hospitals businesses

# Share Buyback

- Share Buyback estimated at price range of \$1.16-\$1.26 per Share
- McCrae Ltd confirms intention to vote all of its Shares – approx. 50% of total Orion Health Shares on issue – in favour of the Hg Transaction



We believe that providing the option to cash-out at a substantial premium, as well as the opportunity to maintain an ongoing investment is in the best interests of Shareholders.

# Board of Directors' recommendation

---

The Board supports fully the Proposed Transactions and unanimously recommends that Shareholders vote in favour of the Hg Transaction and the Share Buyback.

# De-listing on the ASX

# Business update

**Ian McCrae**  
Founder & CEO



# Our next chapter



1993

2018



# Financial overview



**Mark Tisdell**  
Chief Financial Officer

# FY 2018

## Financial summary

OPERATING REVENUE

**\$170m**

Inline with previous announcement

OPERATING LOSS

**(\$40m)**

RECURRING REVENUE

**50%**

% of operating revenue

ACCOUNTS RECEIVABLE

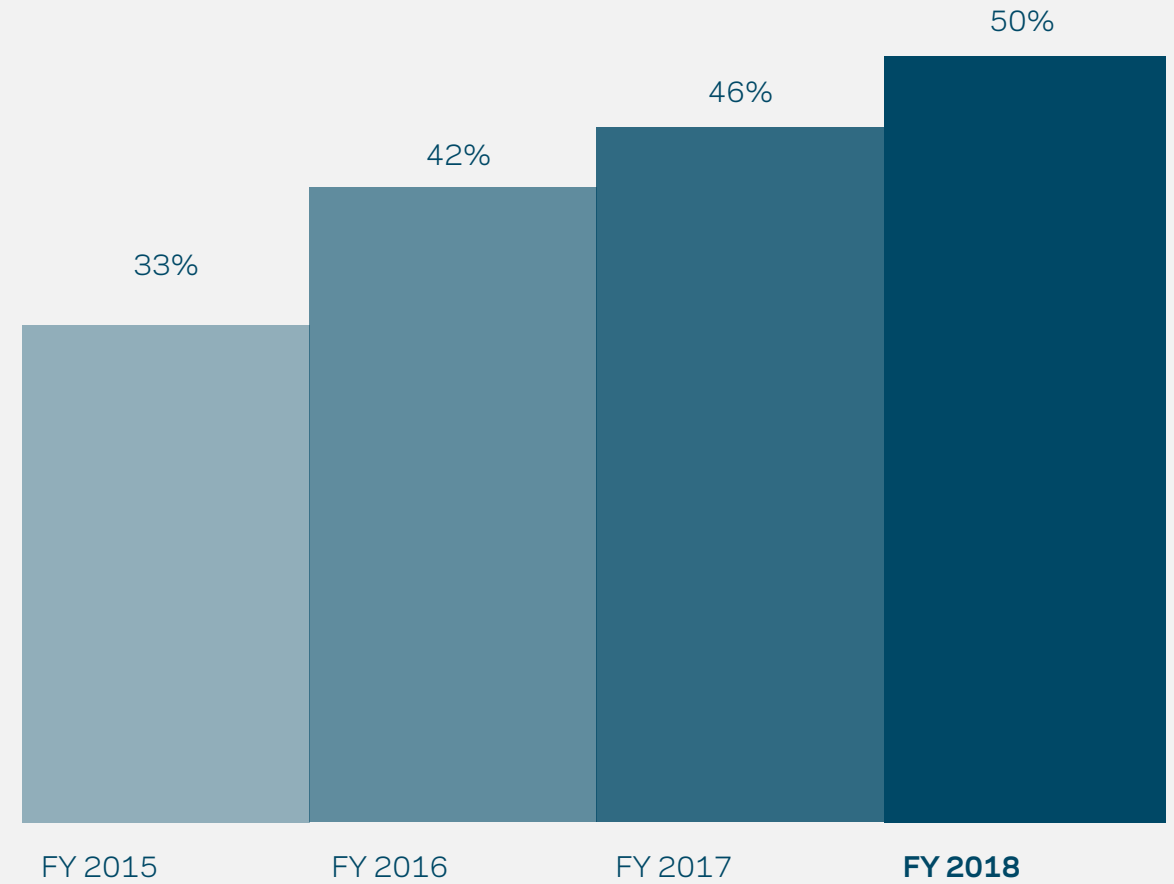
**\$71m**

An all time high



# 50%

Annualised recurring  
revenue as a percentage  
of operating revenue



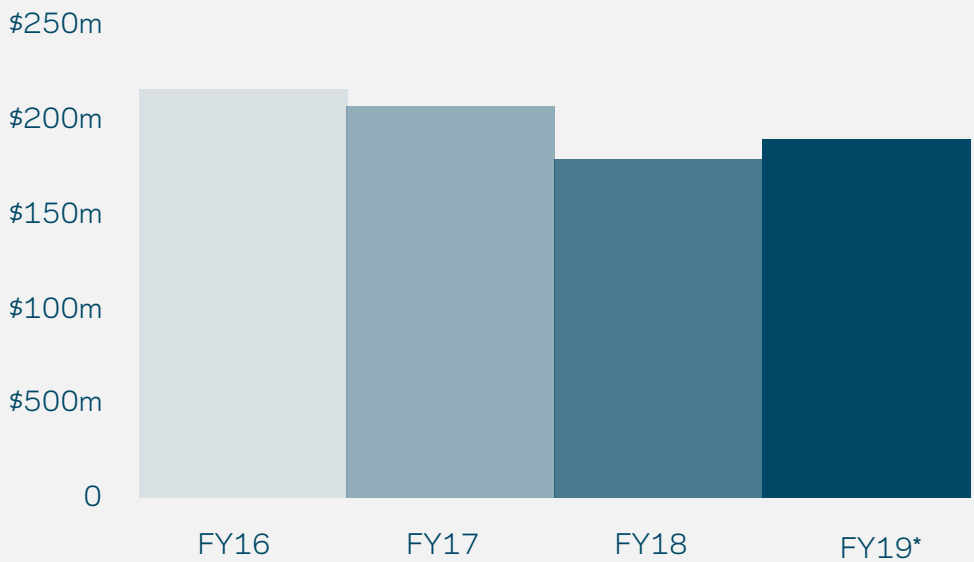
# Pro forma financial summary of three businesses

- Derived from GAAP financial statements of the Group for the fiscal years 2016-2018.
- Results of the three businesses based on assumptions relating to the allocation of shared costs.

Except where expressly identified as having been extracted from GAAP financial statements, the contents of the pro forma financial information constitutes non-GAAP financial information. It has been provided to assist Shareholders to better understand the financial impact of the Hg Transaction and Share Buyback.

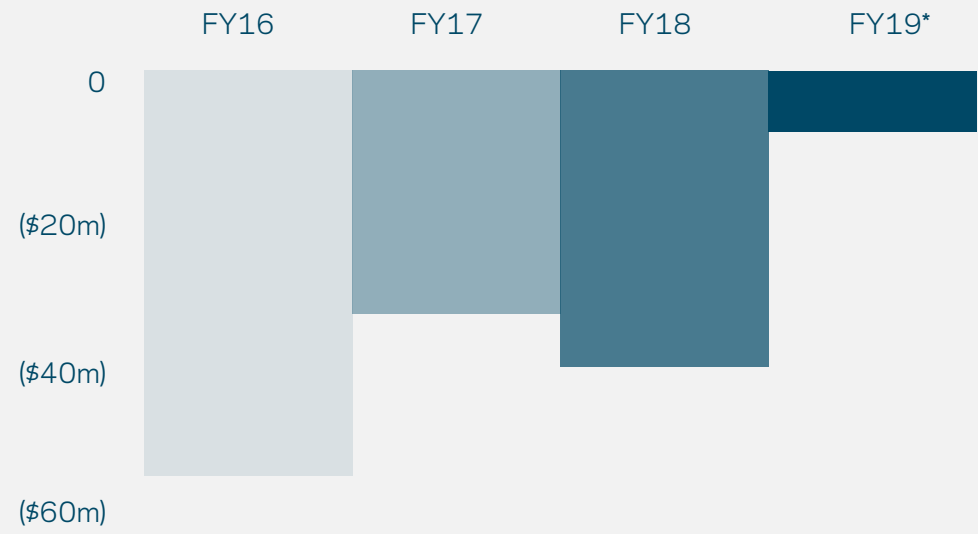
# Orion Health Group

Revenue 2016-2019



\*FY19 Forecast only

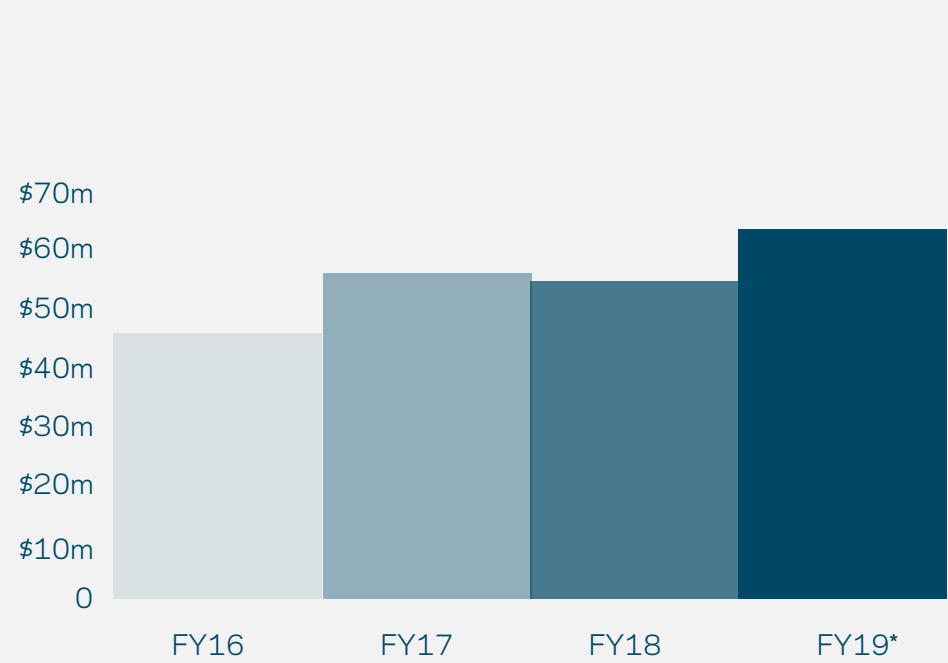
EBIT 2016-2019



\*FY19 Forecast only

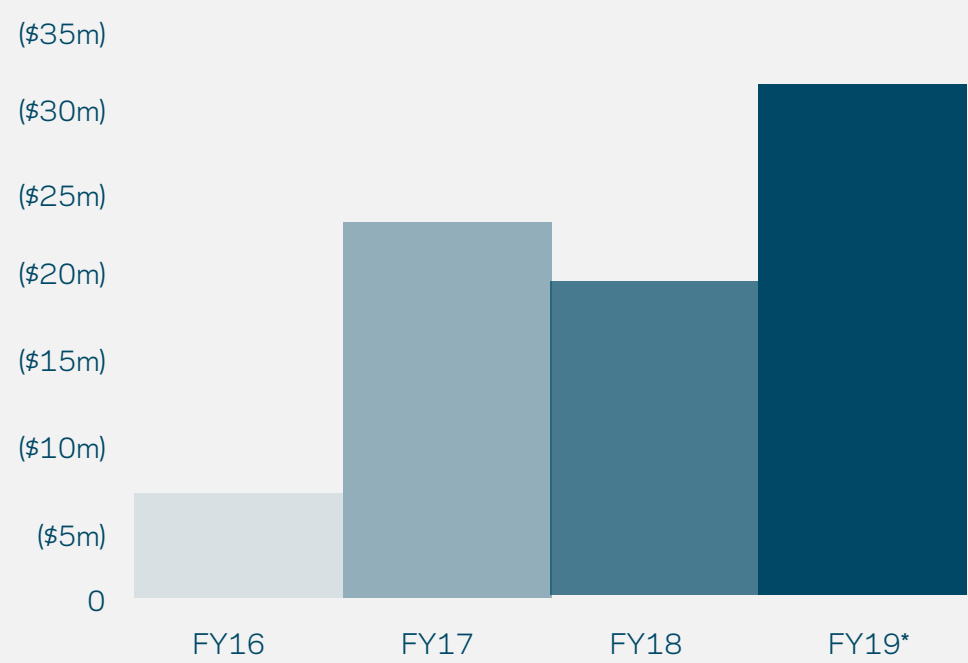
# Rhapsody

Revenue 2016-2019



\*FY19 Forecast only

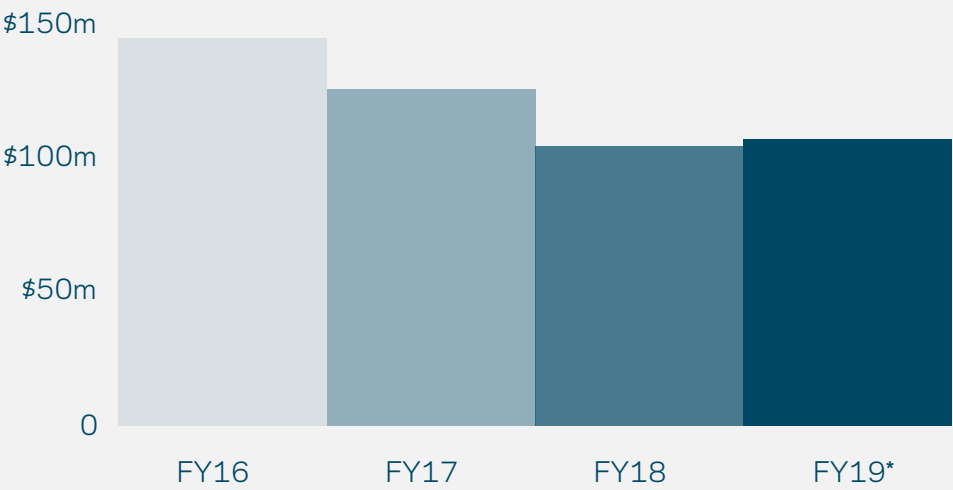
EBIT 2016-2019



\*FY19 Forecast only

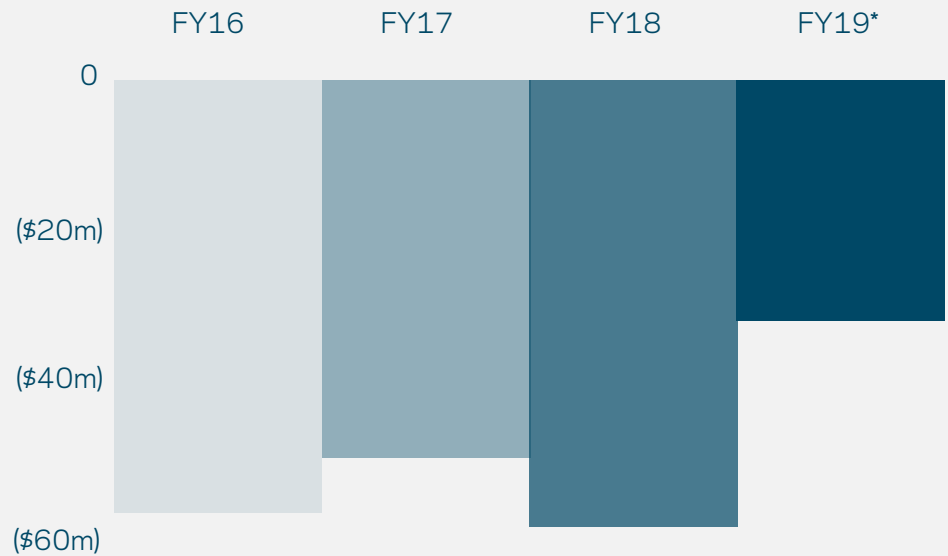
# Population Health Management

Revenue 2016-2019



\*FY19 Forecast only

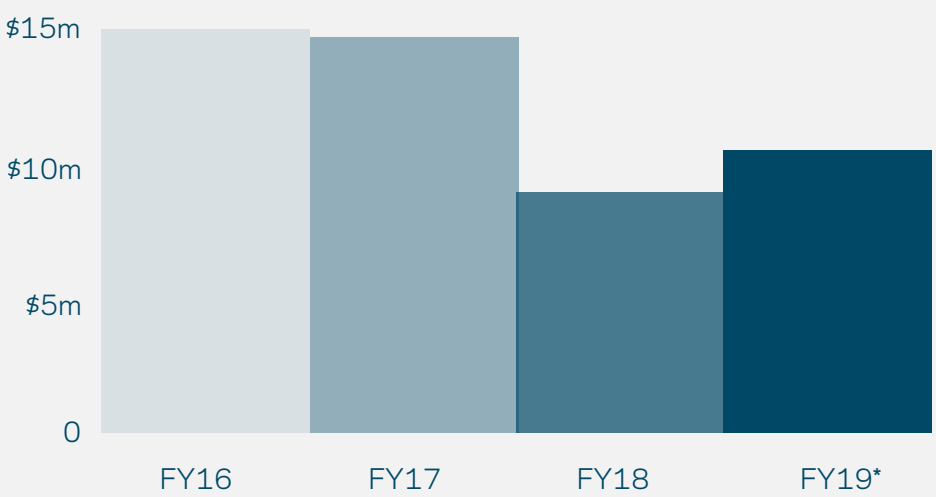
EBIT 2016-2019



\*FY19 Forecast only

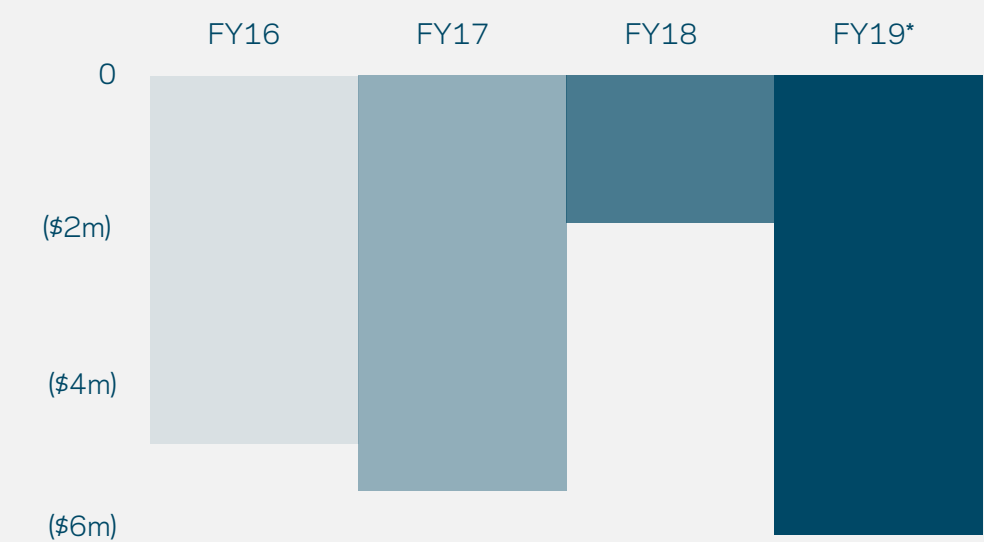
# Hospitals

Revenue 2016-2019



\*FY19 Forecast only

EBIT 2016-2019

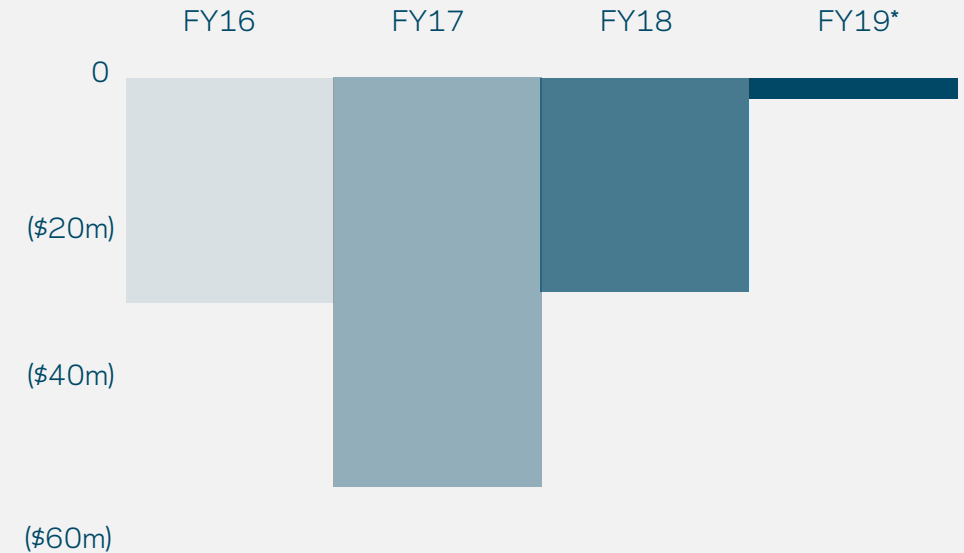


\*FY19 Forecast only

# Operating cash flow

- Continued progress on balancing cash collections and expenses has significantly reduced the operating cash burn
- Company has focused on delivering customer satisfaction, timely invoicing and improved collections
- Company retains the \$20 million facility with ASB

## Orion Health Group 2016-2019



\*FY19 Forecast only

# Governance update

**Andrew Ferrier**  
Chairman





# Thank you



**Roger France, ONZM**

Deputy Chairman,  
Independent Director Appointed 2013



**Ronnie Andrews**

Independent Director Appointed 2016

Q&A



# Resolutions



# Resolution 1

## Hg Transaction Ordinary Resolution

That, subject to passing Resolution 2, the Hg Transaction, as described in the Notice of Meeting, be approved

## Proxy Voting

For	151,575,675
Open	2,613,429
Against	79,829
Abstain	146,748

\*Discretionary/open votes held by the Chairman of the Meeting, Directors and other proxies

# Resolution 2

## Share Buyback Special Resolution and Ordinary Resolution

That, subject to passing Resolution 1, and completion of the Hg Transaction, the Share Buyback, as described in the Notice of Meeting, be approved

### Proxy Voting

Ordinary		Special
For	53,659,163	151,529,339
Open	2,578,400	2,578,400
Against	161,467	161,467
Abstain	145,875	145,875

\*Discretionary/open votes held by the Chairman of the Meeting, Directors and other proxies

# Resolution 3

## Auditors' Remuneration Ordinary Resolution

That the Board of the Company be authorised to fix the auditors' remuneration for the financial year ending 31 March 2019

## Proxy Voting

For	151,541,088
Open	2,670,649
Against	38,734
Abstain	165,210

\*Discretionary/open votes held by the Chairman of the Meeting, Directors and other proxies



# General business Q&A



