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SMALL CAP CONFERENCE 2015

Corporate presentation



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TBS Group: Health Technology Management

THE INTERNATIONAL REFERENCE POINT IN HEALTH TECHNOLOGY MANAGEMENT

*Focus on technological and process innovation
to reduce costs and maximize the quality of services
and performances*

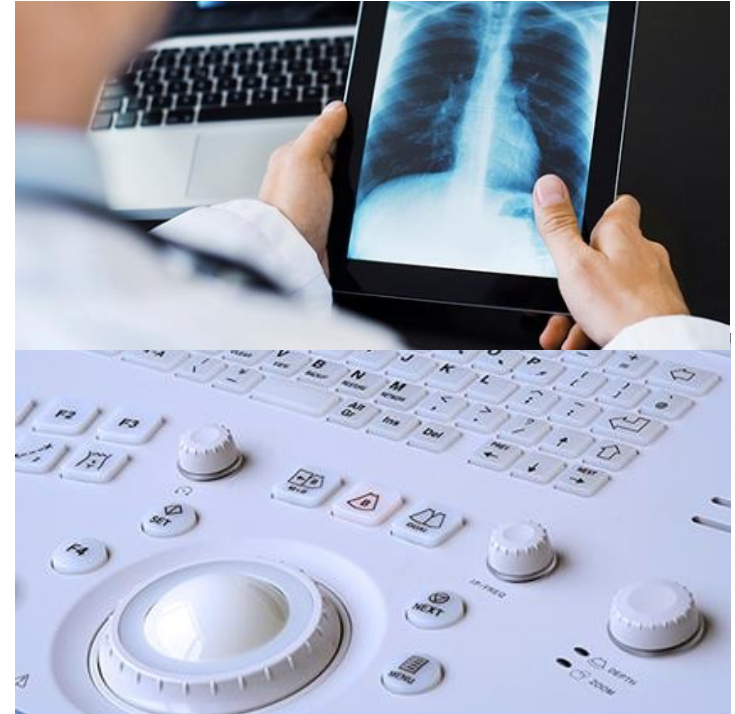
A unique business model with few direct competitors



- The reference point for the management of the entire life cycle of biomedical equipment and ICT solutions in health care facilities and public administrations.
- An integrated offer, able to contain costs and increase services quality related to both medical and ICT technology solutions. The two most important expenditure items in health management organizations.

A unique business model with few direct competitors

- A high level of efficiency and efficacy achieved in over **30 years** of proved experience in Italy and other key countries.
- Strong competences and know how thanks to **1,650** specialized clinical/IT engineers and biomedical & IT technicians; **200** telecare and telemedicine operators that cover yearly operations in more than **300** hospitals and **20** specialist centers.
- Ability to manage over 850,000 biomedical equipment, **145,000** ICT systems and solutions and over **36,000** tele-health systems.





Timeline: key moments

1987

Foundation

Spin off of a research project of the Italian Research Council (CNR)

Beginning

2002

Acquisition of TeSAN

TBS Group broadens its range of services in the telemedicine and telecare sector

Move into tele-health market

2004
2008

Acquisition of GE Healthcare and EBM

Expansion out of Italy and leadership consolidation on the national market

European expansion and leadership in Italy



Timeline: key moments

2009

Listing on AIM at Italian Stock Exchange

A new boost for growth
(more than € 6 mln collected)

A new approach
to business

2010
2013

Expansion in new non European markets

TBS Group reaches China, India, Peru, Chile and Gabon

Global expansion
in new markets

2014

Development of new governance

A decision - making chain becomes leaner and more efficient

A new strategic guideline

2015

M&A

Foundation of TBS Bohemia
Acquisition of Ing. Burgatti and Crimo France
Merger of Tesan in EBM
Merger of Delta X in TBS IMAGING

Optimisation of organizational structure



Strong value proposition for its customers

Important reduction of costs for medical and ICT technology management

Improved safety for patients of healthcare and social organizations

Continuity of care treatment by extending medical technology and ICT services to patients' homes

Cutting edge innovations thanks to significant R&D investments and collaborations with leading universities and international research centers

TBS as a strategic partner

TBS GROUP AS A SINGLE PARTNER ABLE TO TAKE OVER THE MANAGEMENT OF ALL BIOMEDICAL AND ICT EQUIPMENT WITHIN HEALTH ORGANIZATIONS AND PUBLIC ADMINISTRATIONS.

□ Key financials

Revenues: € 232.1 mln (+6.4%)

EBITDA: € 24.1 mln (+20.4%)



...with a diversified model covering two main areas

MEDICAL DEVICES & ICT SYSTEMS

INTEGRATED SOLUTIONS OF E-HEALTH & E-GOVERNMENT



...with a diversified model covering two main areas

MEDICAL
DEVICES &
ICT SYSTEM

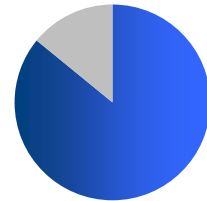
This area provides – to public and private healthcare organizations - a full range of clinical engineering outsourced services for all medical equipment and ict systems and solutions.

A HIGH SECURITY LEVEL IS ASSURED THANKS TO ON SITE SERVICES AND MULTIVENDOR OFFER.

□ Customers

Over 1,000 Healthcare Organizations

□ Revenue contribution



85.9%

□ Key financials

Revenues:
€ 199.3 mln (+5.8%)

EBITDA:
€ 21.4 mln (+16%)

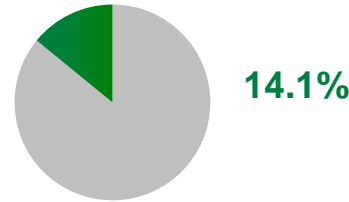


...with a diversified model covering two main areas

□ Customers

200 public institutions

□ Revenue contribution



□ Key financials

Revenues:
€ 32.7 mln (+9.7%)

EBITDA:
€ 2.7 mln (+58%)

INTEGRATED
SOLUTIONS OF
E-HEALTH &
E-GOVERNMENT

DEVELOPMENT OF PRODUCTS AND SOLUTIONS,
AND ITS RELATED SERVICES

- to be offered to health facilities and Public Institutions
- operating as system integrator with specific know how in:
 - e-Health solutions (proprietary/third party)
 - e-Government solutions (proprietary/third party)



International presence

2,400 Personnel

22 Specialized Centers

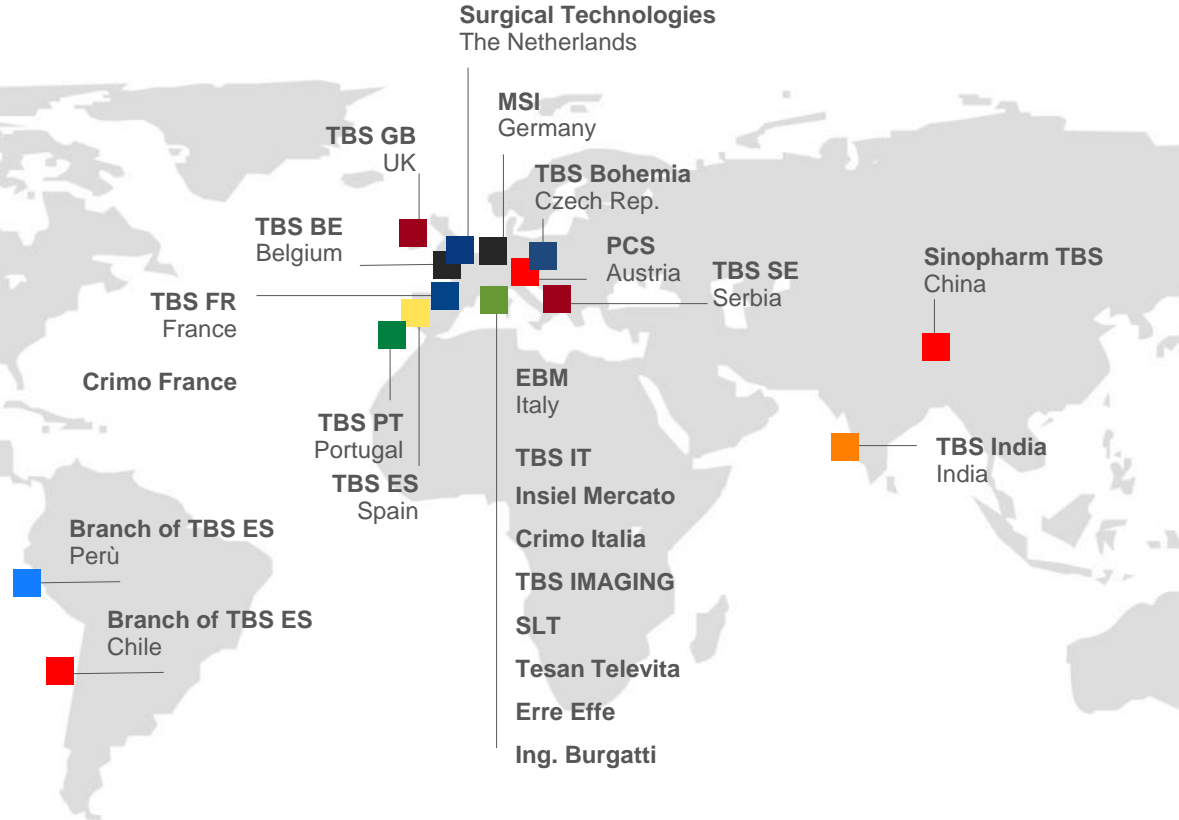
330 Hospital Workshops

1,000 Healthcare structures

1,000,000 Medical equipment
and ICT systems

1,300,000 Maintenance
activities

36,000 Telecare
& Telemedicine users



A market with still large growth potential

DEMOGRAPHICS

- world population growth
- aging population in industrialized countries
- healthcare growth in developing countries

NEW HEALTHCARE TECHNOLOGY DEVELOPMENT

INFORMATION TECHNOLOGY DEVELOPMENT AND GROWTH

PERSONAL CARE GROWTH





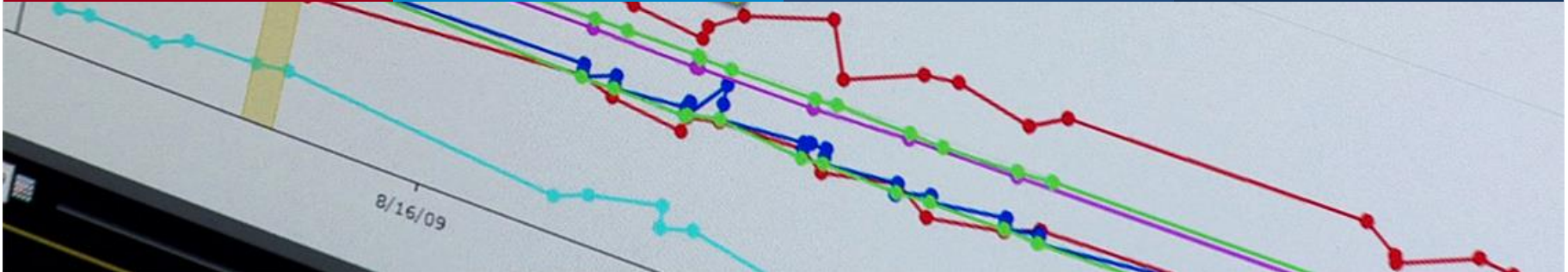
A continuous competitiveness thanks to strategic pillars

PROFITABILITY

VALUE
PROPOSITION

COMPETITIVE
POSITIONING

EFFICIENCY





A continuous competitiveness thanks to strategic pillars

PROFITABILITY

Focus on businesses with a higher profitability such as endoscopy, DI, surgical instruments services.

VALUE PROPOSITION

Concentrate on the introduction of high margin activities in all countries: both where already present (Spain, Portugal, India) as well as in new markets (China, United Arab Emirates and Latin America).

COMPETITIVE POSITIONING

Adoption of innovated and industrialized operating model focused on synergies and cost reduction.

EFFICIENCY



A continuous competitiveness thanks to strategic pillars

PROFITABILITY

From service organization model to a Global Technology Network.

VALUE
PROPOSITION

From maintenance services to technology management.

COMPETITIVE
POSITIONING

Development of integrated DI offer to boost penetration in other markets.

EFFICIENCY

Leverage on the possibility to fully exploit the entire equipment lifecycle.



A continuous competitiveness thanks to strategic pillars

PROFITABILITY

Gain market positions, overtaking OEMs barriers and internal CE services.

VALUE
PROPOSITION

Strengthen marketing and sales teams on an international level to better support the renovated offer.

COMPETITIVE
POSITIONING

Stimulate an operative model that promotes the sharing of resources and know how among all competence centers and subsidiaries.

EFFICIENCY

Empower on site technicians and structures through dedicated training and know how sharing.



A continuous competitiveness thanks to strategic pillars

PROFITABILITY

Reorganization of specific non profitable activities.

VALUE PROPOSITION

Efficiency in procurement capabilities, centralizing purchasing activities and pursuing an overall cost saving.

COMPETITIVE POSITIONING

Straight cooperation between the headquarters and local subsidiaries, stimulating proactive approach, efficient support and communication.

EFFICIENCY

Reorganization and improvement of the corporate governance to strengthen management responsiveness, fasten decision making and improve internal process.

A constant evolution of the offer

EXTENSION,
MODERNISATION
AND INTEGRATION
OF THE OFFER



Diagnostic Imaging

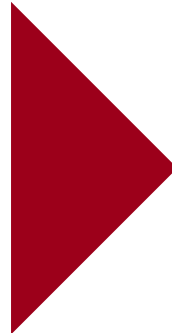
Equipment life cycle management

Homecare technology management

Global contractor in international trading
and consultancy tenders

ICT outsourcing services

EXPANSION
WITHIN CURRENT
AND NEW MARKETS



Acquisitions

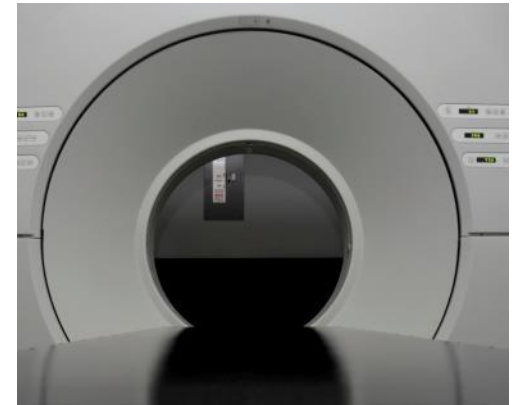
Joint Ventures

Strategic agreements

Participation at local medical equipment supply
and management tenders

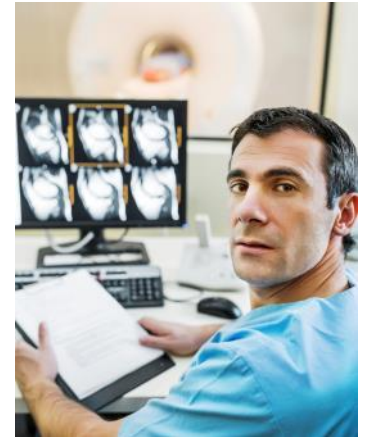
Diagnostic Imaging

- Diagnostic Imaging represents a **development of clinical engineering towards a contiguous segment**, with more advanced technologies and higher profitability.
- The potential in the countries where TBS Group operates is estimated at **over € 5 bn**. Currently India and China are already a sizeable market.
 - **High level of technology**
 - **Greater added value**: need for more advanced and high-level assistance and maintenance
 - **Relevant devices' unit value**
 - **Attention from OEMs** due to the high added value



Diagnostic Imaging

- **Three dedicated competence centers in Italy** – TBS Imaging (2) and Ing. Burgatti (1) - and **immediate availability of qualified technical resources.**
- This know-how allows to **leverage on the current customer portfolio** to access this contiguous offering segment.
- TBS Group aims to **leverage on the consolidated international presence and sales structure** in clinical engineering, through the widespread and qualified network of on site technicians.



□ EQUIPMENT LIBRARY

Specific devices (infusion pumps, ventilators, monitors, etc.) are offered to the hospital for short time usage, comprising their management and delivery.

□ TECHNOLOGY AS A SERVICE (TAAS)

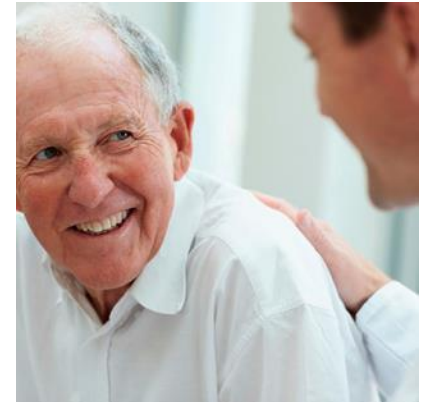
Comprehensive outsourced management of the whole lifecycle of the inventory, from planning to procurement to final replacement.



Homecare technology management

- This offer is the result of a trend for the **progressive decentralization** of healthcare and prevention services **from the hospital to home**, which led to **reduce costs** by decreasing **healthcare services** and to support the **increase of social required services**. Tele-healthcare and dedicated H24 TBS Group Call Center become more and more relevant to:
 - Manage plenty of homecare technology (medical devices, RPM, technical aids & disability supports, domotics, breathing aids, etc.)
 - Support the management of **healthcare and social services** through patients' integrated medical records

- TBS Group aims therefore to expand its value proposition from telecare and telemedicine services to **a global offer** consisting in the **integrated management of homecare medical technology, tele-healthcare services with Call Centers, IT systems and medical solutions with Data Centers**.





Global contractor in international tenders

- Participation in **increasing international tenders** called by the Italian Foreign Ministry, the World Bank and other authorities **for «global» supply of medical equipment.**
- This business line meets customers' requests for financial optimization.
 - **Main contractor** for the customer
 - Possibility to play a role in **selection of equipment**
 - **Relationship with OEMs**
 - **Financial management**
- TBS Group participates in many **international tenders** promoted by national and international institutions in emerging markets, mostly for the supply on healthcare technology and within last few years has been awarded different tenders for a total amount of about **€ 14 M** in Cina, Honduras, Chile and Belize.

ICT outsourcing services

- The outsourcing of ICT services represents a synergic segment of clinical engineering services, with the objective of leveraging the final market to provide an integrated offer:
 - **Management of all the healthcare processes**
 - **High barrier** to change (from the supplier)
 - Need for **broader expertise**
 - Potential **high margins**





ICT outsourcing services

- TBS Group goal is to be recognized as a «**system integrator**» and **global ICT outsourcing** supplier for the healthcare.
- In the segment of ICT systems management, TBS Group acquired specific know-how and now **takes advantage of the fragmentation of the ICT market** by offering an optimized, superior-quality solution.
- TBS Group model also enhances a **full exploitation of synergies** between ICT services and already consolidated expertise in e-Health & e-Government integrated solutions.



New Strategic approach

- SUPPORTING AND MANAGING** the most advanced markets in their evolution towards services (lifecycle, TAAS, etc.)
- POSITIONING** on the most interesting markets participating to the international tenders
- ENHANCING INTEGRATION** between ICT services and CE services
- REINFORCING IN THE FAR EAST SCENARIO** with a most structured approach
- OPENING UP TO THE EASTERN EUROPE MARKETS**
- IMPROVING** competences and technologies
- DEVELOPING AN ADVISORY APPROACH** to the clients
- CONSTANT MONITORING** of the processes



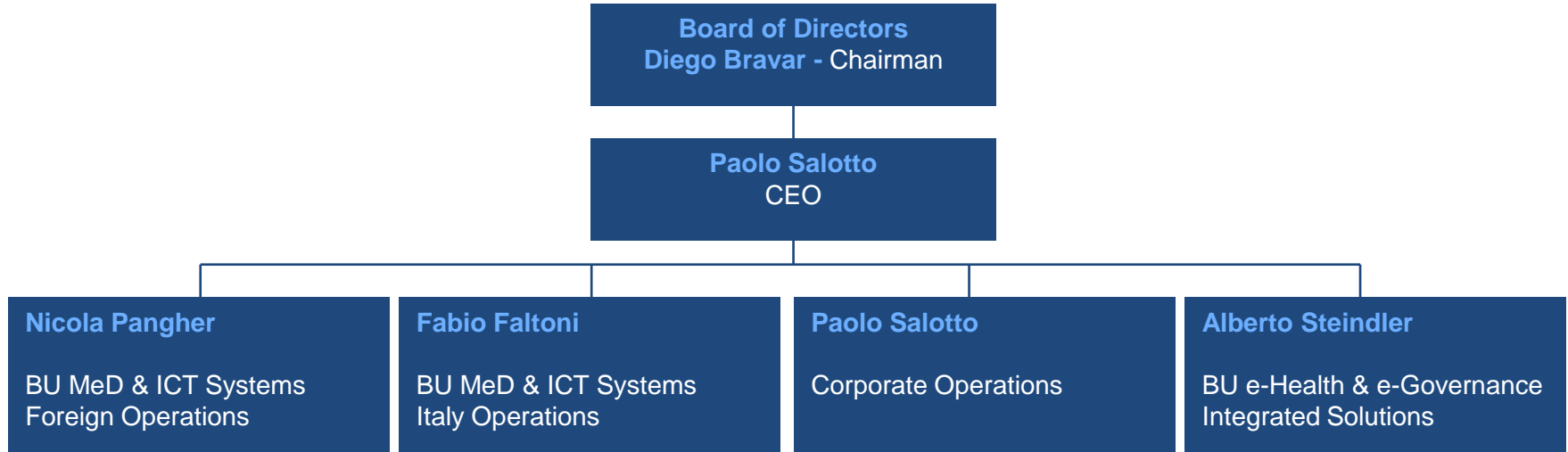
Corporate Governance

Based on the main Group's pillar – Clinical Engineering – and its integration due to:



Corporate Governance

In December 2013 the Board of Directors approved the new governance model, aimed to optimize the organizational structure, increase the efficiency of decision-making and operational processes with the support of three specific Board Members' Committees.





Corporate Governance

Internal Audit Committee and Risks

responsible for monitoring the internal control system and proposing updates to this system; collaborates with the Board of Auditors, Internal Auditor and Risk Manager

Committee for the Appointments, Remunerations and Governance

responsible for giving opinions and makings proposals regarding appointments in the management bodies of the Group, the Group's remuneration policies for directors, managers and employees, in terms of topics related to corporate governance of the Group

Management Committee

monitoring the implementation of strategies, evolution of markets and competitive position of TBS Group, and proposing new strategies to grasp potential opportunities

Shareholders

**Clinical Engineering
& Information Technology Spa**

**Allegro Srl
per conto di Generali
Financial Holdings
FCP-FIS Sub-Fund 1**

**Fondo Italiano
di Investimento SGR**

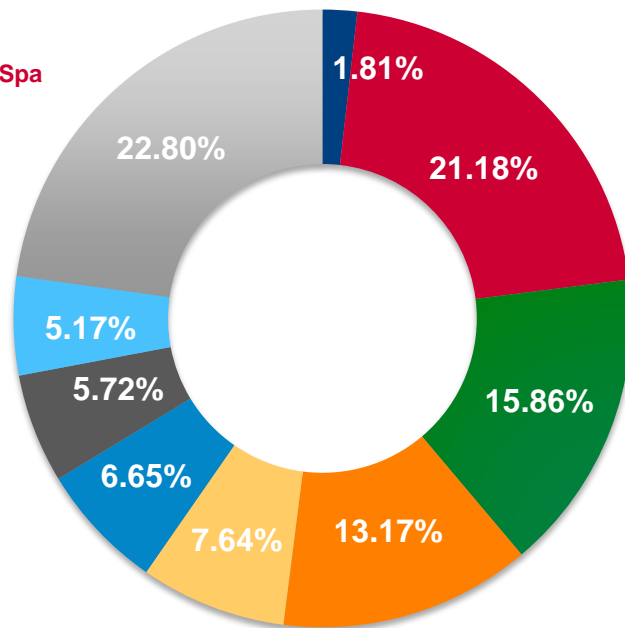
**Servizi Integrati
per la Sanità -
SIS Srl**

**Capitol Health
Special Fund, L.P.**

Emmepi Srl

Terra Nova Capital Srl

Mercato



Founders and Managers

- **Clinical Engineering & Information Technology**

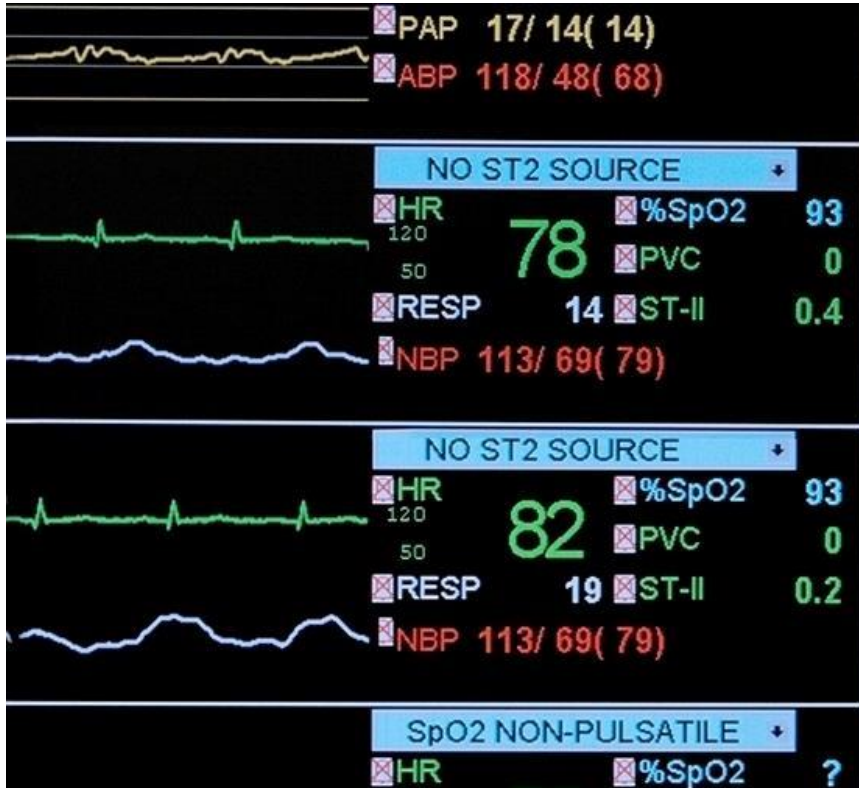
High-profile shareholders

- **Generali Group** since 1999
- **Fondo Italiano di Investimento** since 2012

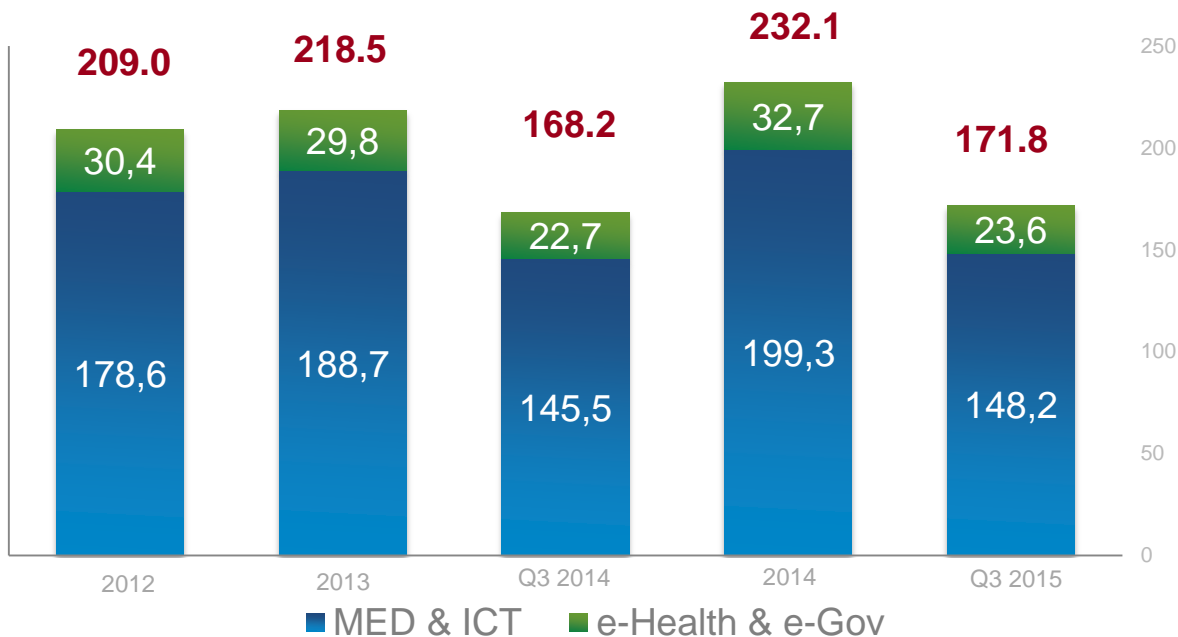
Other shareholders <5% (totally 400)

Governance and organizational practices of a public company already in place to join a regulated market.

Financial Data



Revenues (m€)



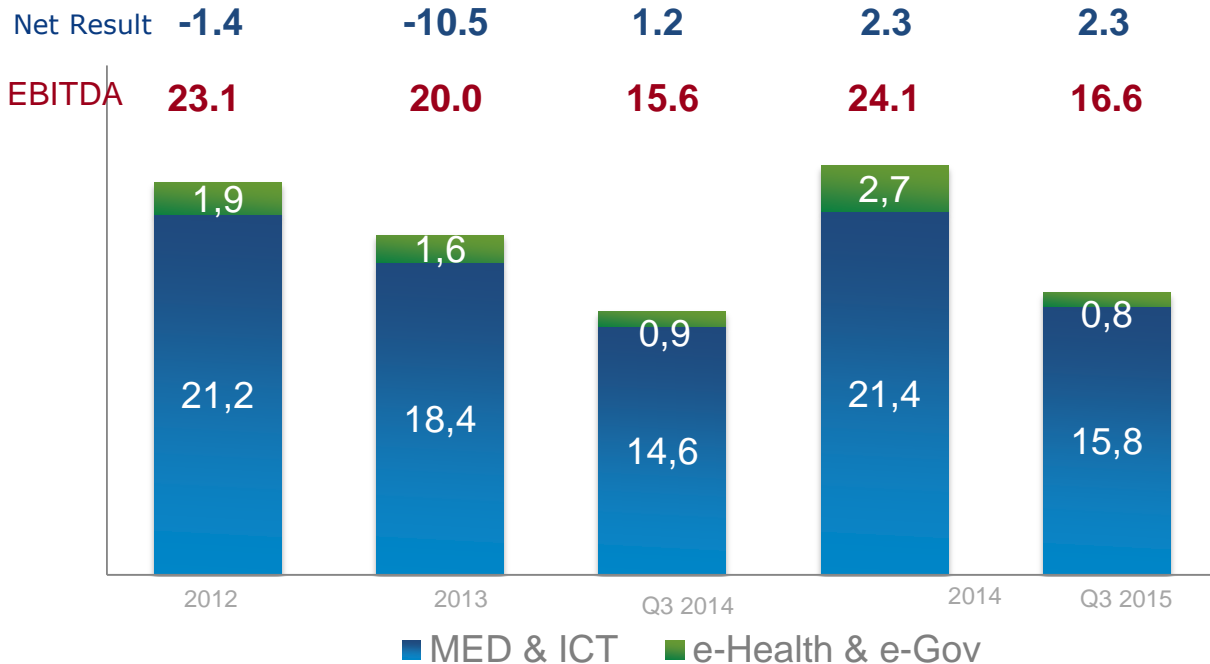
2014 VS. 2013

- Increase of Euro 13.9 million over the 218.2 million of the previous year, up +6.4%
- Geographical area confirms that Europe is the main market for the Group: Italy represents 68.7% of turnover (72.3% in 2013), other European countries 26.3% (compared to 25.9% in 2013), while non European countries grew, due to international tenders, from 1.9% in 2013 to 5.0% in 2014

Q32015 VS. Q32014

- Increase of Euro 3.6 million over the 168.2 million for the period in 2014, (+2.1%)
- Slight drop in sales in the first nine months of 2015 that could have been higher, due mainly to the delayed start of certain international tenders, which had characterized the beginning of the previous period
- Significant growth in European countries (owing mainly to TBS GB): 29.0% (vs 26.5% Q32014). Italy's reached 69.2% (67.5% in Q32014)

EBITDA and Net Result (€M)



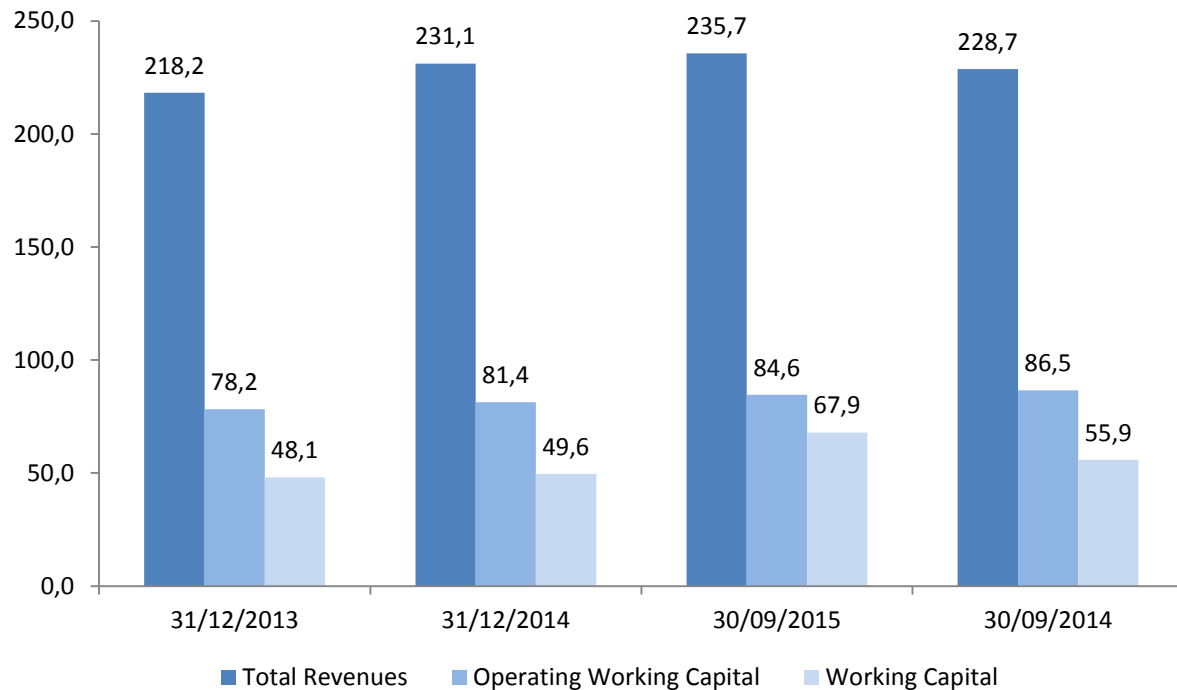
2014 VS. 2013

Significantly up by Euro 4.1 million (+20.3%) vs. 2013 due to the contribution of international tenders, recovery of profitability in the margins of the “Integrated e-Health & e-Government Solutions” BU and the foreign “Medical Devices and ICT Systems” BU and rationalizing costs of the mother company TBS Group

Q32015 VS. Q32014

Consolidated EBITDA came to Euro 16.6 million, increase compare to Euro 15.6 million in the first nine months of 2014. The improvement in overall profitability compared to 2014 was offset by the contribution lacking from project of international tenders.

Working Capital



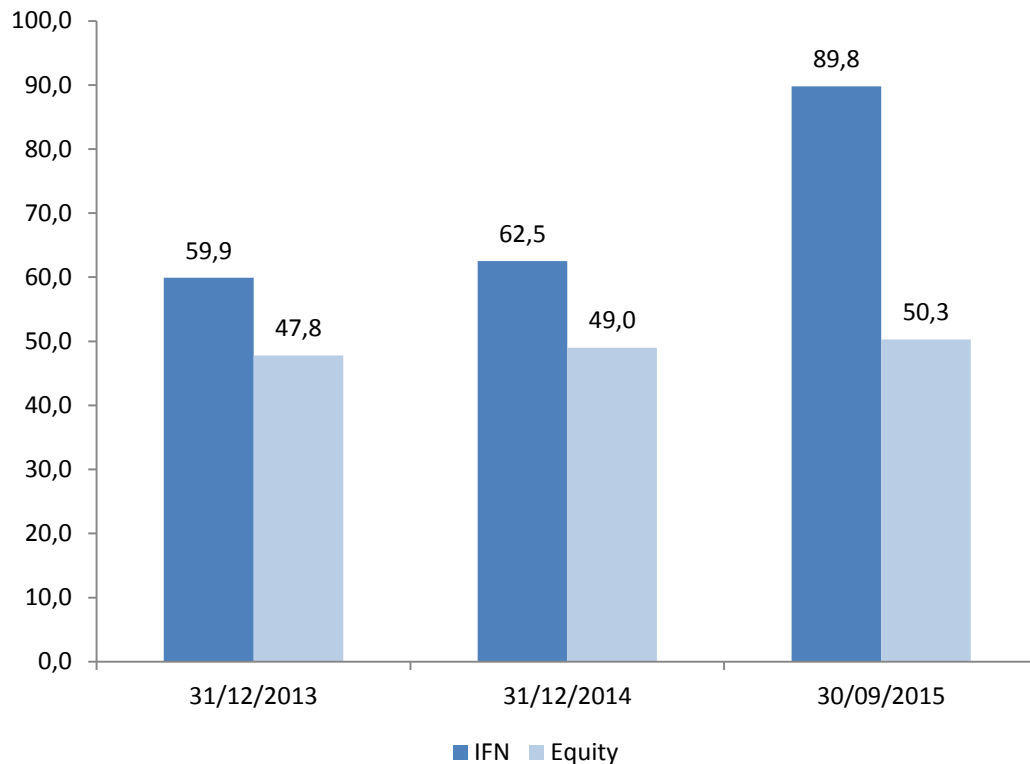
2014 VS. 2013

Increase in the absolute value of the operating working capital from Euro 78.2 million in 2013 to 81.4 million in 2014, while also slightly decreasing the percentage impact on revenues from 35.8% to 35.1%.

Q32015 VS. Q312014

Operating working capital move from Euro 81.4 million (35.1% of revenues) at the end of 2014 to 84.5 million at 30 September 2015 (35.9% of revenues); the split payment regulations impacted significantly on other current assets and liabilities, with a significant increase in net working capital for Euro 18.3 million, once again compared to the year-end result.

Net Financial Position & Equity



2014 VS. 2013

At the end of the year, net financial debt was Euro 62.5 million, with an increase of Euro 2.6 million with respect to the Euro 59.9 million of 2013, despite the effects of larger transfers without recourse (Euro 96.5 million against the 89.8 million of the previous year).

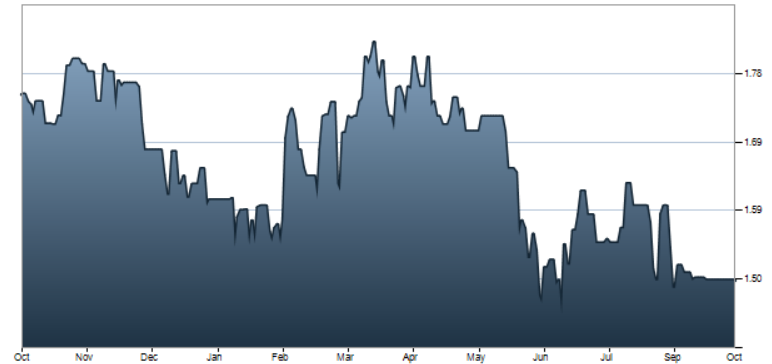
Q32015 VS. Q32014

At 30 September 2015, net financial debt stood at Euro 89.8 million, an increase of Euro 27.2 million compared to the Euro 62.5 million at the end of 2014; the increase can mainly be ascribed to the price for the purchase transaction for 51% of the company Ing.Burgatti, the appreciation in the relevant Put&Call in the contract, the acquisition of Crimo France and change in the net working capital.

Shares performance at AIM Stock Exchange Market

- **€ 1.80 per share** was the price implied into the capital increase of €10M subscribed in 2012 by Fondo Italiano di Investimento while the stock price was € 0.94 per share.

- **€ 2.30 per share** is the target price of Intermonte research dated September 10, 2015



TBS Group rating: upgrade from B1.1 to A3.1



- ❑ Finally on 01 June 2015, the **Cerved Rating Agency** – an Italian rating agency specialising in assessing the creditworthiness of non-financial companies – updated its rating of the TBS Group, which had originally voluntarily submitted to an evaluation on 25 June 2014.
- ❑ A new rating of **A3.1** was assigned, confirming an improvement compared to the previous B1.1. level; this evaluation represents the sixth level in the Cerved risk scale that covers 13 classes (from A1.1, representing the first level to the least risk at C2.1).
- ❑ The relevant statement defines the TBS Group as a **“company with solid fundamentals and a good ability to meet its financial commitments. Its credit risk is low.”**

Non-convertible five-years bond placement at Extramot Pro

(the new market dedicated to listing of bonds)

Issue date	29 October 2014
Expiry date	October 2019
Amount	EUR 15,000,000
Interest rate	6.50%
Status	Senior UNSECURED
Reimbursement	Bullet
Minimum stock	EUR 100,000
Segment	ExtraMot Pro (Borsa Italiana)
Payment	Trim. ACT/ACT Unadj
Callable	From January 2017
ISIN Code	IT0005058372





Highlights of TBS

Revenues
€ 232.1 M

in 2014

Personnel
2,400

Healthcare
Structures
Over 1,000

Medical
equipment
managed
850,000

Maintenance
activities
1,300,000

Countries
20

Public
Institutions
200

ICT systems
145,000

Telecare and
RPM users
Over 36,000

Companies
Over 20

Workshops
330

Annex: 2014 & H12015 Financial Report – P&L

(amounts in thousands of Euro)	30/09/2015	31/12/2014	31/12/2013 (*)
Sale of goods and rendering of services	171,059	230,853	216,566
Other revenue	712	1,198	1,608
Total revenue	171,771	232,051	218,174
Cost of materials	22,789	32,361	28,72
Service costs	59,629	80,905	79,701
Personnel costs	70,740	93,506	90,246
Other operating costs	3,221	4,011	3,232
Cost adjustments for in-house generation of non-current assets	-1,313	-2,998	-4,127
Other provisions	57	161	361
Total costs	155,122	207,946	198,133
EBITDA	16,649	24,105	20,041
EBITDA %	9.7%	10.4%	9.2%
Amortisation, depreciation and write-downs	8,550	10,517	13,83
EBIT (operating profit)	8,098	13,588	6,211
EBIT %	4.7%	5.9%	2.8%
Gains (losses) from investments	-63	-47	2
Financial income	615	374	482
Financial expenses	-4,980	-6,958	-7,195
PROFIT BEFORE TAX	3,670	6,957	-500
Income taxes	-1,949	-4,609	-3,906
NET PROFIT FOR THE PERIOD	1,721	2,348	-4,406
Result from assets held for sale	637	0	-6,088
NET PROFIT FOR THE PERIOD	2,358	2,348	-10,494
<i>attributable to the Group</i>	<i>1,954</i>	<i>1,896</i>	<i>-10,954</i>
<i>attributable to minority interests</i>	<i>404</i>	<i>-452</i>	<i>460</i>

Annex: 2014 & H12015 Financial Report – A&L

(amounts in thousands of Euro)	30/09/2015	31/12/2014	31/12/2013 (*)
Intangible assets	62,567	54,481	55,770
Property, plant and equipment	21,654	19,899	17,137
Other non-current assets	10,885	9,940	9,735
Non-current assets	95,106	84,320	82,642
Current assets	167,481	167,817	168,835
Assets held for sale		0	1,854
TOTAL ASSETS	262,587	252,137	253,332
Group shareholders' equity	50,286	49,038	47,802
Equity attributable to minority interests	2,319	2,616	2,783
Shareholders' equity	52,605	51,654	50,585
Non-current liabilities	68,290	52,633	39,231
Current liabilities	141,692	147,851	158,546
Liabilities held for sale		0	4,970
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	262,587	252,137	253,332

Thank you for the attention