Delivering a connected patient room

The last year has been transformational for ONE. The company released its cloud-based platform, launched its new Android hardware portfolio, signed the biggest deal in its history and has seen record levels of inbound RFP activity. The step-change in ONE's product offering (cloud deployment, improved ROI) comes at a time when its value proposition has never been stronger and Hospital IT investment activity is accelerating globally. Overall, we expect ONE to build on its recent BJC win and deliver a +25% live bed CAGR between FY21-24E. We forecast free cash flow breakeven in FY24 (run-rate breakeven in 2H23) as revenue growth accelerates and opex continues to fractionalise. We value ONE at A$0.35 per CDI, representing 84% upside vs current levels.

A significant TAM with secular growth

The Global Healthcare IT market is estimated to be worth US$133b in CY22, growing at ~7% per year. Within this, we estimate a US$8b CXP (care experience platform) revenue opportunity across 14.6m hospital beds globally. Looking at the key US market, ONE's 10k contracted beds represent ~1% share, highlighting a significant runway for growth despite its installed base already including NYU Langone, BJC and UCSF (some of the most highly regarded hospital systems in the country). We believe global CXP investment is at an inflection point driven by: 1) an increasing need for hospitals to mitigate operational and cost headwinds; 2) easing COVID-19 disruptions; 3) regulatory tailwinds (value-based care, electronic health record adoption); and, 4) patient experience expectations. CXPs are increasingly being viewed as 'mission critical' rather than 'nice to have' (ONE saw 1Q22 inbound RFPs for a record 8.6k beds).

Step change in the product offering

Over the last five years, ONE has cumulatively spent €48m on product development & delivery. During this time its product suite has evolved significantly, including the launch of cloud solutions and NextGen Android products in CY21. The benefits of cloud deployment include improved speed-to-revenue, better pricing / unit economics, data analytics and lower in-house IT burden. This coupled with ONE's new hardware (coax set-top-box and all-in-one tablet) has driven a step change in the company's overall value proposition.

BJC a big deal

In May-22, ONE announced that BJC (a customer since CY16) had signed on to deploy the full Cloud Enterprise CXP on NextGen hardware across its entire hospital network (~3.4k beds). This is a watershed deal for ONE and the benefits are significant, including: 1) a +20% uplift in contracted beds, pushing ONE closer to FCF break-even; 2) a validation of recent product improvements (a positive signal to other potential customers); and, 3) new expansion opportunities across the BJC Collaborative network.

Valuation

We value ONE at A$0.35ps based on a DCF valuation (cross-checked with peer trading and transaction multiples – see page 18).

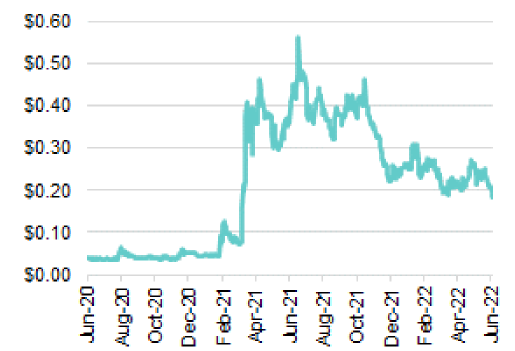
ONE is a software and solutions company that provides digital care experience products to the global healthcare sector. The Oneview platform unifies patient and care team experiences at the bedside, fully integrating systems (e.g. EHR, virtual care, comms) and content (e.g. engagement, entertainment). The company's SaaS solutions are now live in over 60 hospitals across North America, ANZ and Asia (including 3 of the top 20 in the US).
www.oneviewhealthcare.com

Stock	ONE.AX
Price	A$0.19
Market cap	A$99m
Valuation	A$0.35

Company data	
Live beds	9,487
Net cash	€11.8m
Shares on issue	518m

Next catalysts	
Quarterly 4C report	Jul-22
1H22 results	Aug-22

ONE Share Price (A$)



Source: FactSet

Tom Godfrey, CFA – Senior Analyst
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Andrew Goodsall – Senior Analyst
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Financials

Year end 31-Dec	Units	FY20	FY21	FY22E	FY23E	FY24E
EV/sales	**x**	**7.7**	**5.6**	**4.0**	**3.1**	**2.6**
EV/EBITDA	x	-6.8	-7.3	-12.8	-40.1	53.2
EV/EBIT	x	-6.2	-6.7	-11.1	-25.5	842.7
Div yield	%	0.0%	0.0%	0.0%	0.0%	0.0%
FCF yield	%	-12.6%	-6.6%	-8.0%	-4.6%	1.4%

Stock information	
Oneview Healthcare	**ONE.AX**
Share Price (A$)	0.19
Valuation (A$)	**0.35**
Enterprise value (A$m)	81
Market capitalisation (A$m)	99

Income statement	Units	FY20	FY21	FY22E	FY23E	FY24E	1H21	2H21	1H22E	2H22E	1H23E	2H23E
Revenue	**€m**	**7**	**10**	**14**	**17**	**21**	**3.4**	**6.3**	**6.7**	**7.0**	**8.5**	**8.8**
growth y/y	%	*0.3%*	*36.8%*	*41.3%*	*26.0%*	*23.3%*	*12.9%*	*54.5%*	*97.9%*	*10.8%*	*25.7%*	*26.2%*
Gross profit	**€m**	**5**	**5**	**8**	**11**	**13**	**2.0**	**3.3**	**3.9**	**4.1**	**5.3**	**5.5**
Gross margin	%	*66.5%*	*54.6%*	*58.5%*	*62.3%*	*62.6%*	*59.2%*	*52.1%*	*58.2%*	*58.8%*	*62.0%*	*62.6%*
EBITDA	**€m**	**-8**	**-7**	**-4**	**-1**	**1**	**-4**	**-3**	**-2**	**-2**	**-1**	**-1**
EBITDA margin	%	*-113.4%*	*-76.5%*	*-31.1%*	*-7.8%*	*4.8%*	*-118.8%*	*-53.6%*	*-33.4%*	*-28.9%*	*-9.8%*	*-5.9%*
EBIT	**€m**	**-9**	**-8**	**-5**	**-2**	**0**	**-4**	**-4**	**-3**	**-2**	**-1**	**-1**
EBIT margin	%	*-123.1%*	*-83.5%*	*-35.6%*	*-12.3%*	*0.3%*	*-128.4%*	*-59.2%*	*-37.9%*	*-33.4%*	*-14.3%*	*-10.4%*
NPAT	**€m**	**-9**	**-8**	**-5**	**-2**	**0**	**-4**	**-4**	**-3**	**-2**	**-1**	**-1**
NPAT margin	%	*-133.1%*	*-84.1%*	*-35.6%*	*-12.3%*	*0.3%*	*-128.4%*	*-60.1%*	*-37.9%*	*-33.4%*	*-14.3%*	*-10.4%*
Reported NPAT	**€m**	**-9**	**-8**	**-5**	**-2**	**0**	**-4**	**-4**	**-3**	**-2**	**-1**	**-1**
Reported NPAT margin	%	*-133.1%*	*-84.1%*	*-35.6%*	*-12.3%*	*0.3%*	*-128.4%*	*-60.1%*	*-37.9%*	*-33.4%*	*-14.3%*	*-10.4%*
Adj EBITDA	**€m**	**-8**	**-7**	**-4**	**-1**	**1**	**-4**	**-3**	**-2**	**-2**	**-1**	**-1**
Adj EBITDA margin	%	*-113.4%*	*-76.5%*	*-31.1%*	*-7.8%*	*4.8%*	*-118.8%*	*-53.6%*	*-33.4%*	*-28.9%*	*-9.8%*	*-5.9%*

Per share data	Units	FY20	FY21	FY22E	FY23E	FY24E	1H21	2H21	1H22E	2H22E	1H23E	2H23E
Average diluted shares	m	186	431	518	518	518	414.8	447.9	518.5	518.5	518.5	518.5
EPS	**cps**	**-5.1**	**-1.9**	**-0.9**	**-0.4**	**0.0**	**-1.1**	**-0.8**	**-0.5**	**-0.5**	**-0.2**	**-0.2**
growth y/y	%	*-59.3%*	*-62.7%*	*-50.2%*	*-56.3%*	*-103.0%*	*-67.2%*	*-54.9%*	*-53.3%*	*-46.4%*	*-52.5%*	*-60.5%*
Reported EPS	**cps**	**-5.1**	**-1.9**	**-0.9**	**-0.4**	**0.0**	**-1.1**	**-0.8**	**-0.5**	**-0.5**	**-0.2**	**-0.2**
growth y/y	%	*-59.3%*	*-62.7%*	*-50.2%*	*-56.3%*	*-103.0%*	*-67.2%*	*-54.9%*	*-53.3%*	*-46.4%*	*-52.5%*	*-60.5%*
DPS	**cps**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
Payout ratio	%	*0%*	*0%*	*0%*	*0%*	*0%*	*0%*	*0%*	*0%*	*0%*	*0%*	*0%*

Balance sheet	Units	FY20	FY21	FY22E	FY23E	FY24E
Cash	€m	7	15	10	7	8
Trade receivables	€m	4	3	3	4	5
Inventories	€m	0	1	0	0	0
Property, plant & equipment	€m	2	1	1	0	0
Right-of-use assets	€m	0	0	0	0	0
Goodwill	€m	0	0	0	0	0
Intangibles	€m	1	0	0	0	0
Other assets	€m	1	1	1	1	1
Total assets	**€m**	**14**	**21**	**16**	**12**	**14**
Trade payables	€m	8	10	9	8	9
Provisions	€m	0	0	0	0	0
Borrowings	€m	0	0	0	0	0
Lease liabilities	€m	2	1	1	1	1
Other liabilities	€m	0	0	0	0	0
Total liabilities	**€m**	**10**	**11**	**11**	**10**	**11**
Total equity	**€m**	**4**	**10**	**5**	**3**	**3**
Invested capital	€m	-3	-5	-5	-4	-5
Net debt	**€m**	**-7**	**-15**	**-10**	**-7**	**-8**

Performance metrics	FY21	FY22E	FY23E	FY24E
ROE (%)	-117%	-66%	-54%	2%
ROIC (%)	202%	97%	49%	-1%
Gearing (%)	287%	203%	172%	161%
Capex / sales (%)	0.7%	0.5%	0.5%	0.5%
NWC (€m)	-7	-6	-4	-4
Recurring revenue %	55%	46%	47%	48%
P/FCF (x)	-15.1	-12.5	-21.9	70.9
P/BV (x)	6.7	13.3	23.3	22.8

Revenue (€m)	FY21	FY22E	FY23E	FY24E
Software revenue	3	4	5	7
Support revenue	2	2	2	3
Licence revenue	0	0	0	0
Recurring revenue	**5**	**6**	**8**	**10**
Hardware revenue	3	6	7	9
Services revenue	1	2	2	2
Non-recurring revenue	**4**	**7**	**9**	**11**
Total group revenue	**10**	**14**	**17**	**21**

Cash flow statement	Units	FY20	FY21	FY22E	FY23E	FY24E
EBITDA	€m	-8	-7	-4	-1	1
Change in NWC	€m	4	3	-1	-2	0
Other	€m	-3	1	0	0	0
Gross operating cash flow	€m	-8	-4	-5	-3	1
Net interest	€m	0	0	0	0	0
Tax paid	€m	0	0	0	0	0
Operating cash flow	**€m**	**-8**	**-4**	**-5**	**-3**	**1**
Capital expenditure	€m	0	0	0	0	0
Acquisitions	€m	0	0	0	0	0
Asset sales	€m	0	0	0	0	0
Other	€m	0	0	0	0	0
Investing cash flow	**€m**	**0**	**0**	**0**	**0**	**0**
Net borrowings	€m	0	0	0	0	0
Dividends paid	€m	0	0	0	0	0
New shares issued / other	€m	5	12	0	0	0
Financing cash flow	**€m**	**5**	**12**	**0**	**0**	**0**
Net change in cash	**€m**	**-3**	**8**	**-5**	**-3**	**1**
Free cash flow	**€m**	**-8**	**-4**	**-5**	**-3**	**1**

Company description - Oneview Healthcare

ONE is a software and solutions company that provides digital care experience products to the global healthcare sector. The Oneview platform unifies patient and care team experiences at the bedside, fully integrating systems (e.g. EHR, virtual care, comms) and content (e.g. engagement, entertainment). The company's SaaS solutions are now live in over 60 hospitals across North America, ANZ and Asia (including 3 of the top 20 in the US).

Source: Company data, MST

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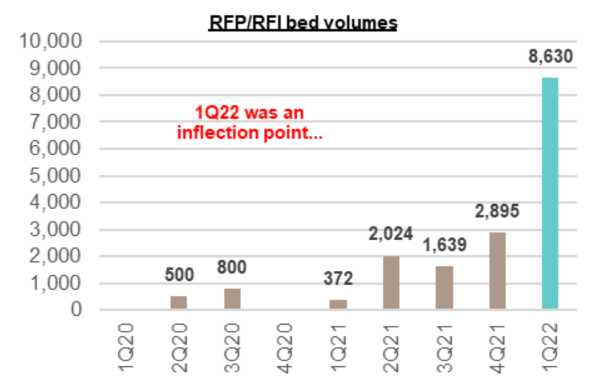
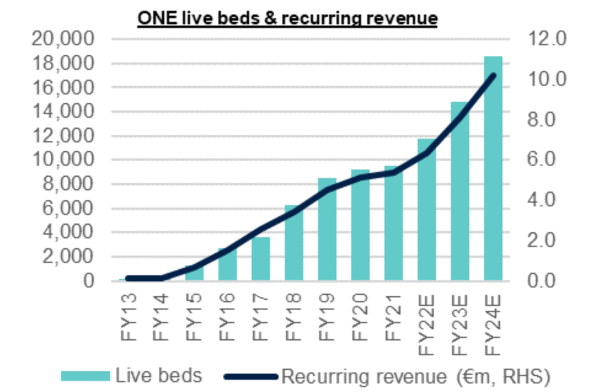
Investment Thesis

The last year has been transformational for ONE. The company released its cloud-based platform (1H21), launched its new Android hardware portfolio (2H21), signed the biggest deal in its history (2Q22) and has seen record levels of inbound RFP activity (1Q22).

We forecast a +25% live bed CAGR between FY21-24E, underpinned by accelerating hospital CXP adoption

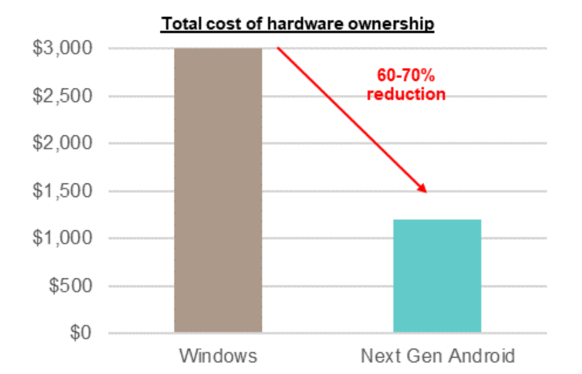


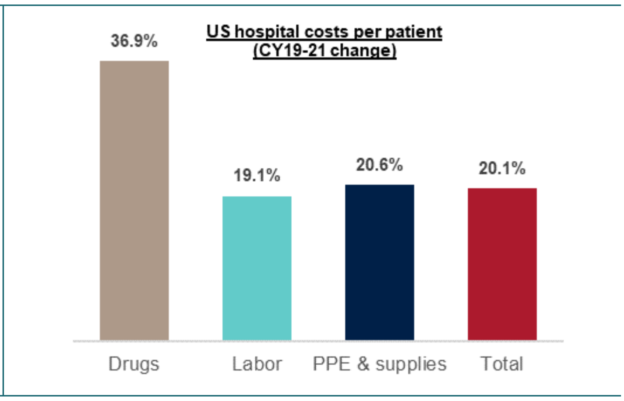


Source: Company data, MST

The step-change in ONE's product offering (cloud deployment, improved ROI on Android) comes at a time when its value proposition has never been stronger and Hospital IT investment is accelerating globally.

ONE has launched its cloud and Android hardware offerings at a time when digitisation and CXP adoption are becoming 'mission-critical' for hospitals…

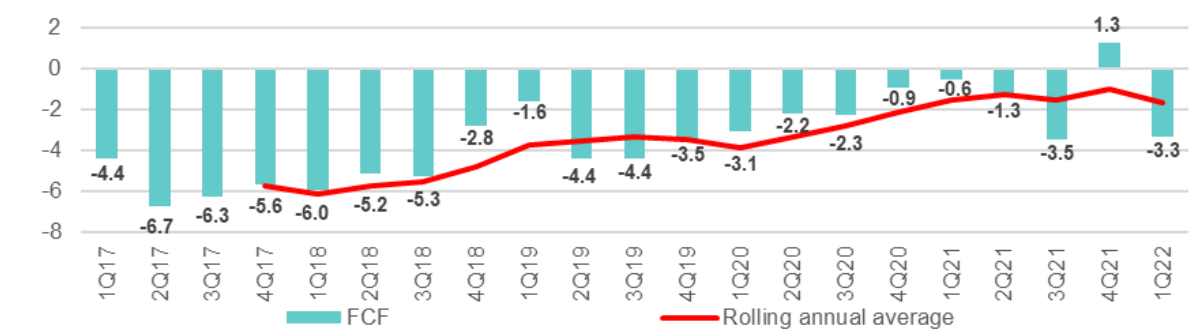




Source: AHA, Kaufman Hall National Hospital Flash Report, company data, MST

Overall, we expect ONE to build on its recent BJC win and deliver a +25% live bed CAGR between FY21-24E. We forecast free cash flow breakeven in FY24 (run-rate breakeven in 2H23) as revenue growth accelerates and opex continues to fractionalise.

ONE's FCF trajectory continues to improve (MSTe run-rate breakeven in 2H23)



Source: MST

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We value ONE at A$0.35 per CDI (DCF), representing 84% upside vs current levels.

We also highlight that Stryker acquired Vocera (clinical comms & hospital workflow tech) for US$79.25ps in Feb-22, representing an enterprise value of US$3.09b and an equity value of US$2.97b. Based on latest consensus estimates, this equates to ~11.6x FY22E sales with the market expecting a FY21-23E sales CAGR of ~12% (well below ONE at +33%). In our view this transaction highlights the strategic nature of assets in this sector and the upside potential if ONE can scale its platform and attract similar attention from global medtech players. **At 10-12x FY22E sales the implied valuation for ONE would be A$0.42-0.50ps.**

We value ONE at A$0.35ps utilising a DCF methodology

ONE DCF	Units	FY22E	FY23E	FY24E	FY25E	FY26E	FY27E	FY28E	FY29E	FY30E	FY31E
EBITDA	**€m**	**-4.3**	**-1.4**	**1.0**	**3.2**	**4.9**	**7.0**	**9.7**	**12.0**	**13.6**	**15.0**
Tax	€m	0.0	0.0	0.0	-0.4	-0.7	-1.1	-1.6	-2.1	-2.4	-2.6
Change in working capital	€m	-1.0	-1.6	0.0	0.1	-0.1	-0.2	-0.2	-0.1	0.0	0.0
Operating cash flows	**€m**	**-5.2**	**-2.9**	**1.0**	**2.8**	**4.0**	**5.7**	**7.9**	**9.9**	**11.2**	**12.3**
Capex	€m	-0.1	-0.1	-0.1	-0.1	-0.1	-0.2	-0.2	-0.2	-0.2	-0.2
Free cash flow	**€m**	**-5.3**	**-3.0**	**0.9**	**2.7**	**3.9**	**5.6**	**7.7**	**9.7**	**11.0**	**12.1**
Discount factor		1.0	0.9	0.8	0.7	0.7	0.6	0.6	0.5	0.5	0.5
PV cash flows	**€m**	**-5.1**	**-2.7**	**0.8**	**2.0**	**2.7**	**3.6**	**4.5**	**5.2**	**5.5**	**5.6**

Total PV cash flows	€m	22.2	**Key Assumptions**			
Terminal value	€m	89.0	Tax rate	30%	Debt Premium	1.5%
Total Value	**€m**	**111.2**	Risk free rate	3.0%	**Cost of Debt**	**4.5%**
Net debt	€m	-9.8	Beta	1.2	Target gearing	30%
Equity value	**€m**	**121.0**	Market Risk Premium	6.5%	**WACC**	**8.4%**
SOI	m	518.5	**Cost of Equity**	**10.7%**	Terminal growth rate	2.0%
Value / share	€	0.23				
AUD:EUR		0.67				
Value / share	**A$**	**0.35**				

Source: MST

This initiation report addresses the following key points:

1. **A significant market opportunity** – From page 5 to page 11, we assess ONE's market opportunity including size, growth drivers and outlook;
2. **Enhanced product suite and go-to-market strategy** – From page 11 to 14, we assess the CXP offering as it stands today and recent updates to ONE's go-to-market strategy;
3. **Approaching FCF break-even** – From page 15 to page 16, we assess ONE's historical cash flow performance and the trajectory of free cash flow (FCF) relative to the company's current balance sheet position; and
4. **Financials** - From page 16 to page 17, we present our P&L, cash flow and balance sheet forecasts for ONE;
5. **Valuation -** From page 18 to page 19, we set out our DCF valuation methodology, peer trading multiples and discuss relevant transaction multiples;
6. **Key risks –** One page 20 we discuss key risks to our ONE investment thesis, including: market conditions, competition, customers, technology, regulatory, key personnel and foreign exchange; and
7. **Appendix 1-4** – From page 21 we set out key supplementary information including key CXP integrations, board and senior management details and a breakdown of ONE's share register.

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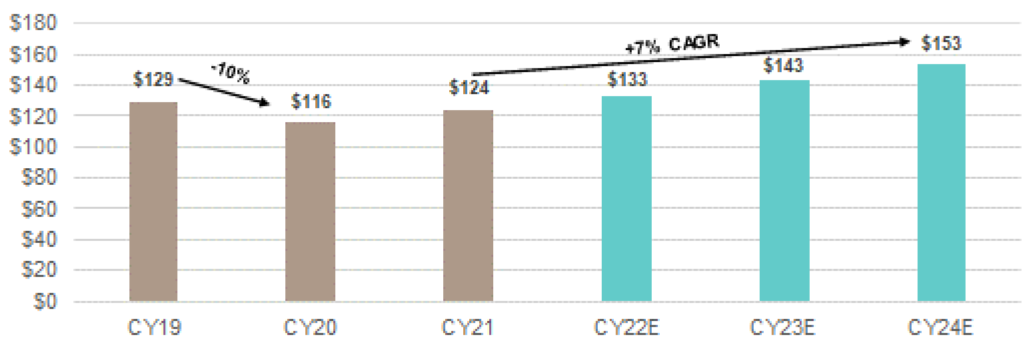
1. A significant market opportunity

Oneview is uniquely positioned as the only cloud-based, full-suite care experience platform (CXP) provider globally, targeting a large TAM with secular growth. Below we assess ONE's market opportunity including size, growth drivers and outlook.

Sizing the global hospital IT market

After a ~10% pullback in CY20 (as provider capex budgets were rationalised and reprioritised to navigate the COVID-19 crisis), Gartner estimates global healthcare IT expenditure grew +7% to US$124b in CY21. From CY21-24E, the market is expected to grow at a CAGR of ~7%.

Figure 1: Global healthcare IT expenditure (US$b) – Market expected to grow at ~7% over the next 3 years



Source: Gartner, MST

Focusing specifically on ONE's core market (patient engagement solutions for hospitals), we note that across North America (1.0m), Australia (0.1m), Europe (4.1m) and Asia (9.4m) there is a total of 14.6m hospital beds. Using ONE's average recurring revenue per bed (€1.55 per day), we derive a global software opportunity (i.e. ex hardware and services) of ~€8b which narrows to €0.6b once we isolate ONE's target markets (North America and Australia).

Figure 2: Global hospital beds (m)

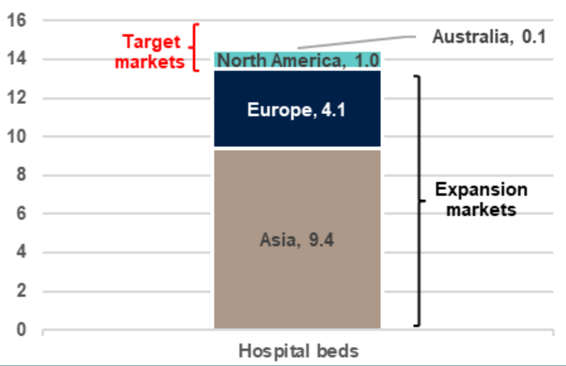
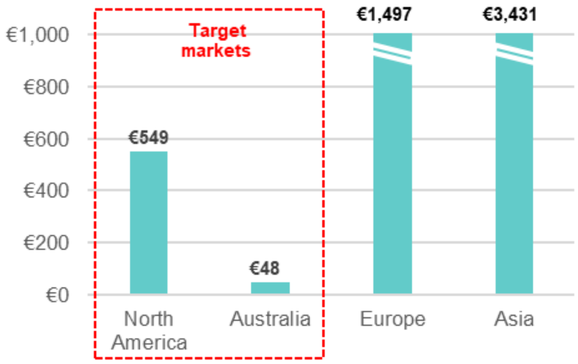


Figure 3: ONE software revenue opportunity (€m)



Source: Company data, CIA World Factbook, MST (Asia includes Middle East)

This compares to ONE's current installed base of 14.3k contracted beds (10.0k in NA, 3.2k in AUS, 1.1k in Asia and zero in Europe) and FY21 recurring revenue of €5.4m. Based on contracted beds we estimate ONE has ~1% share in North America and ~4% share in Australia, highlighting the significant runway for growth available to the business.

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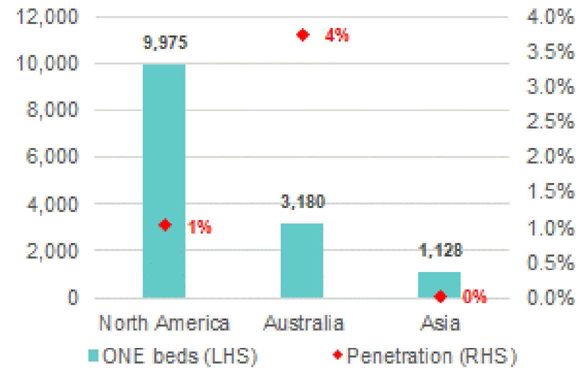
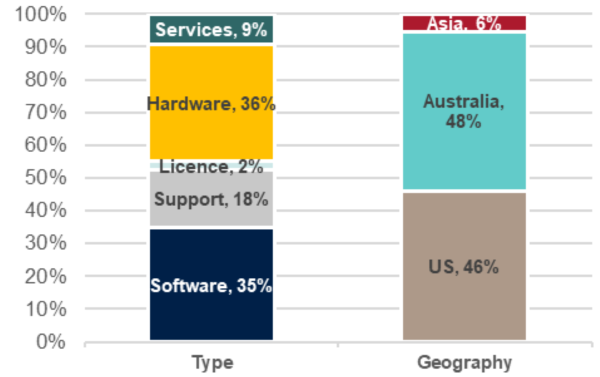
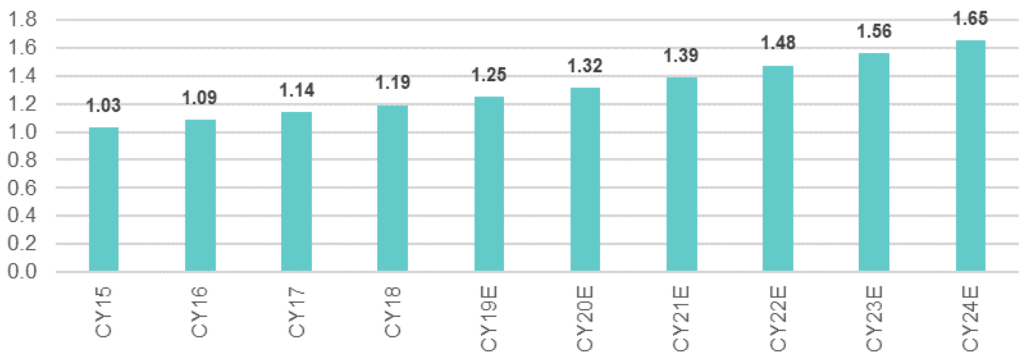
Figure 4: Contracted beds - 1% penetration in NA	Figure 5: ONE revenue breakdown (FY21)
	

Source: Company data, CIA World Factbook, MST (Asia includes Middle East)

Spotlight on the US market

The US has been a key focus for ONE since its inception, now accounting for 70% of contracted beds and 46% of revenue. In CY21 total US hospital expenditure was estimated at US$1.39t, underpinned by ~6k hospital facilities and ~920k beds. CMS is projecting total expenditure to lift to US$1.65t by CY24E (representing a ~6% CAGR).

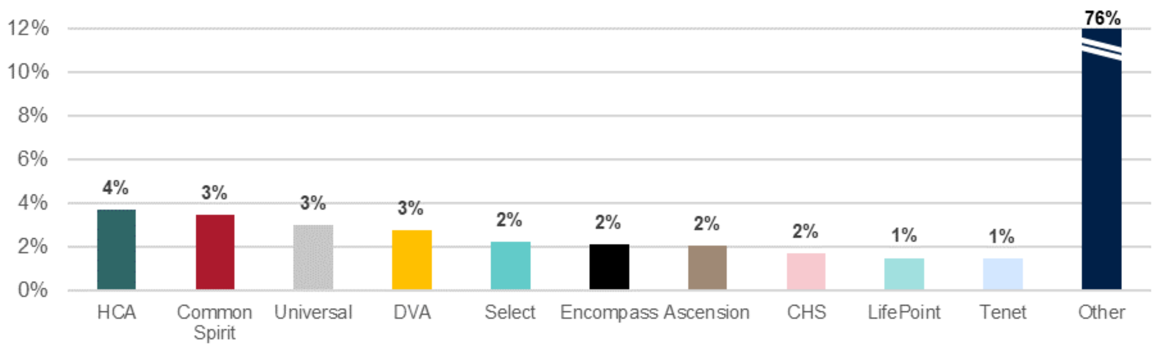
Figure 6: US hospital care expenditure is projected to reach US$1.65t in CY24E (CY21-24E CAGR of ~6%)



Source: CMS, MST

ONE estimates current US market penetration to be ~20% (in terms of total beds that have adopted some form of patient engagement solution). With ONE's 10k contracted beds representing ~1% share, we see significant scope for new logo wins in what remains a highly fragmented market.

Figure 7: US market structure by hospital count – Top 10 providers account for ~24% of facilities



Source: AHA, Definitive Healthcare, MST

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A key competitive advantage for ONE is the quality of its US client list (including 3 of the top 20 hospitals on the US News 2021-22 Honor Roll):

- **University of California, San Fransisco (UCSF)** – initially contracted in CY14 for 289 beds across 3 facilities. Subsequent contract wins at UCSF Mission Bay and Benioff Oakland campuses in CY15 and CY18. Widely regarded as one of the leading academic hospital systems in the US;
- **NYU Langone** – after an initial 374 bed roll-out in CY16 (Kimmel Pavilion), NYU has become one of Oneview's largest customers at >2k contracted beds. NYU Langone is rated the #2 medical school for research in the US (operating ~2.5k beds across 6 locations). ONE developed its CXP Cloud Enterprise platform in partnership with NYU Langone, with the organisation now a key advocate for ONE in the market (see NYU Langone webinar here). Below we highlight the key benefits NYU flagged in relation to its implementation of the ONE platform;

Figure 8: NYU Langone - ONE's CXP enhances healing, patient satisfaction & revenue

Source: NYU Langone

- **University of Iowa** – Stead Family Children's Hospital initially contracted in CY16 (236 beds). UoI worked with The Beryl Institute to publish a case study in CY19 detailing observed patient experience benefits post the implementation of ONE's CXP. One year renewal signed in 1Q22 ahead of potential transition to ONE's next generation platform.
- **BJC Healthcare** - initially contracted in CY17 for 274 beds at Barnes Jewish Hospital Tower in Missouri. Barnes Jewish Hospital was ranked #17 on the 2021-22 US Hospitals Honor Roll, with 1.3k beds and over 1.8k attending physicians. On 23-May-22 ONE announced that BJC had agreed to deploy the Cloud Enterprise CXP groupwide (2,441 additional beds, +6 years and moving all existing deployments to Android);
- **Penn Medicine** - initially contracted in CY17 for 663 beds at Lancaster General Health;
- **University Hospitals of Cleveland** - initially contracted in CY17 for 1,300 beds across 6 facilities including UH Cleveland Medical Center, UH Seidman Cancer Center and UH Rainbow Babies & Children's Hospital;
- **Oklahoma University Medicine** - initially contracted in CY19 for 34 beds (potential for 1,178 beds longer-term);
- **Omaha Children's Hospital** - initially contracted in CY19 for 271 beds (went live Aug-21). An additional 99 devices were contracted in 1Q22; and
- **Kingman Regional Medical Center** - initially contracted in CY21 for 235 beds at Kingman RMC (Arizona). Represents ONE's first deal under the Microsoft co-sell program, with Kingman opting for Cloud Enterprise on a 5yr initial term;

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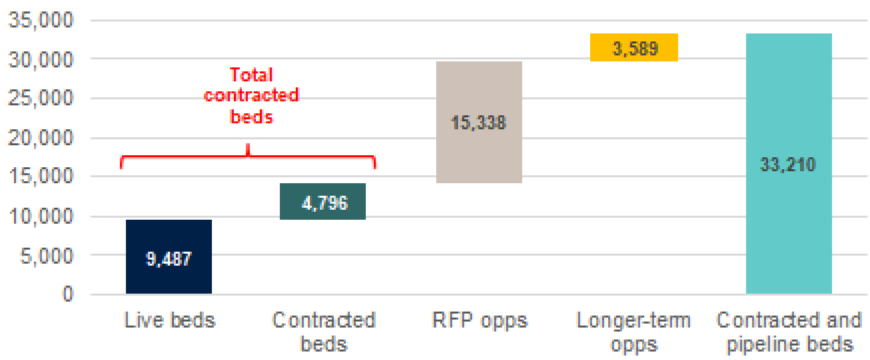
The key benefits of this installed base are two-fold: 1) the quality and reputation of ONE's existing US clients (coupled with their ongoing advocacy) provides a strong competitive advantage in terms of winning new logos; and 2) there remains significant contract expansion opportunities at additional facilities of existing customers. Below we present the map of US expansion opportunities from Feb-20 (i.e. before Omaha was implemented, before Kingman and BJC updates were announced). Even after recent deals, there are >4k beds across ONE's installed base in the US that remain uncontracted:

Figure 9: US expansion opportunities before key Kingman and BJC deals

Source: ONE (as at Feb-20)

Figure 10: Breaking down ONE's global pipeline – active opportunities 2.5x current live beds



Source: Company data, MST

Hospital IT investment set to accelerate…

After a heavily disrupted CY21, where hospital systems focussed on tactical COVID-19 responses rather than strategic planning and investment, we expect to see an acceleration in CXP investments through CY22. ONE's recent result commentary is also suggestive of green shoots, including:

- The pandemic had led to a paradigm shift in the perceptions of value for bedside technology;
- ONE is actively engaged in strategic conversations with major US health systems who are contemplating ways in which bedside technology can be used to augment physical nursing;
- Due to the cancellation of many IT projects in 2021, some health systems are looking to redeploy unused funds for reprioritized projects in 2022; and
- As health systems recover from the latest wave of the pandemic and chronic absenteeism, they are turning their attention to robust long-term structural investments in care experience platforms.

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Consistent with this, ONE experienced a material uptick in inbound RFP activity through 2H21 (continuing in 1H22). Inbound RFP/RFIs hit an all-time high of 8,630 beds in 1Q22, taking the global total to 15,338 currently awaiting decisions.

Figure 11: Inbound RFPs for 3.9k beds in Jan-Feb

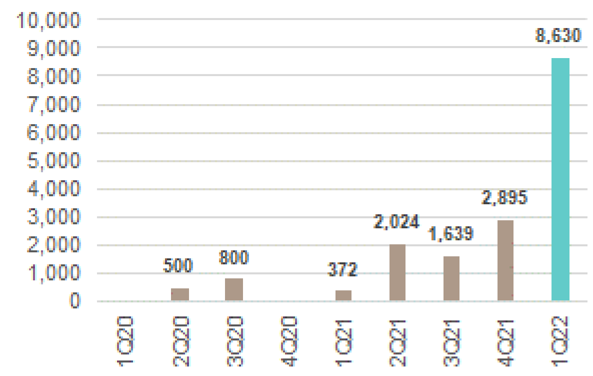
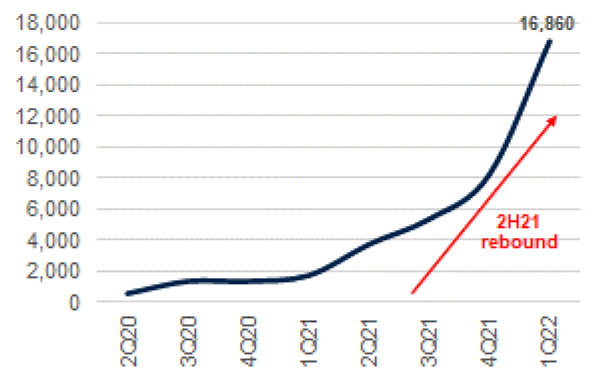


Figure 12: Cumulative bed RFPs – 2H21 acceleration



Source: Company data, MST

Latest commentary from other listed hospital tech and medical device providers is supportive, flagging improving customer access and better engagement:

- **GE Healthcare (Jun-22):** "*I think we're seeing (from a post-pandemic perspective) a serious commitment across both public and private providers (the world over) to be serious about precision health, to modernize, to drive more digitization…"*
- **GE Healthcare (May-22):** "*And I think coming out of COVID, it's interesting just around the world, whether it be in Western Europe, Southeast Asia, clearly the United States, this understanding of, gee, where did I have vulnerabilities… what would I have liked to had had more capability on..."*
- **Amwell Corp (May-22):** *"Care delivery organizations understand that their investment in technology is existential to their future. In reality, where 20% of doctors post-pandemic are saying they want to quit their job, and about 40% of nurses say they want to do that… the ability to improve work-life balance, the ability to allow clinicians to spend more time with their patients and avoid clerical jobs that could be done by technology… this is more relevant than ever before.*

  I would also suggest that the competition on the minds and hearts of consumers or patients is also driven by the quality of the experience that you provide… So, overall, this is a secular change that started a long time ago, will be here for decades to come and spells incredibly good news for all of us in terms of how we are going to access healthcare…"
- **Streamline Health Solutions (May-22):** *"We believe operating conditions within acute care hospital systems are improving as COVID's impact lessens. As a result, we expect to see an accelerated pace of bookings for both Avelead and eValuator Solutions."*
- **Nanosonics (Feb-22):** *"Despite the inherent risks and uncertainties associated with COVID-19, we remain optimistic the shift from pandemic to endemic management measures from H2 FY22 will improve market conditions enabling further capital and consumables growth."*
- **Cerner (Oct-21):** [Speaking about key hospital customers] *"One, they're burnt out. So, our focus on usability is going to be crucial. And two, what COVID showed the world in healthcare, is how important understanding and using data is. So, I don't want to say a silver lining, but I think it really sets us up in a way to be even more helpful as people start to think about how much care is going to remain virtual."*

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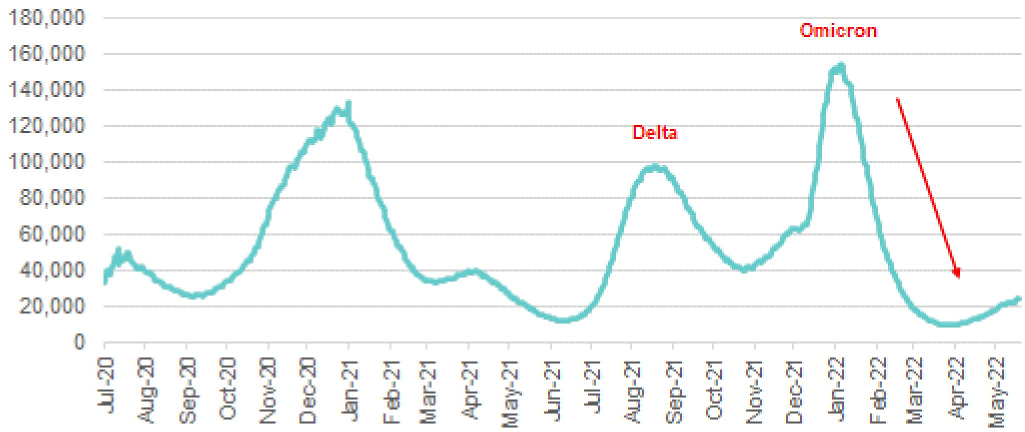
Figure 13: US COVID-19 hospitalisations have eased post Omicron



Source: Our World in Data, MST

As COVID-19 headwinds alleviate we expect hospital sector fundamentals (admissions, operating margins) to stabilise. As an industry barometer, below we highlight some recent financial metrics from HCA.US (one of the largest hospital groups in the US):

Figure 14: HCA margins have been under pressure

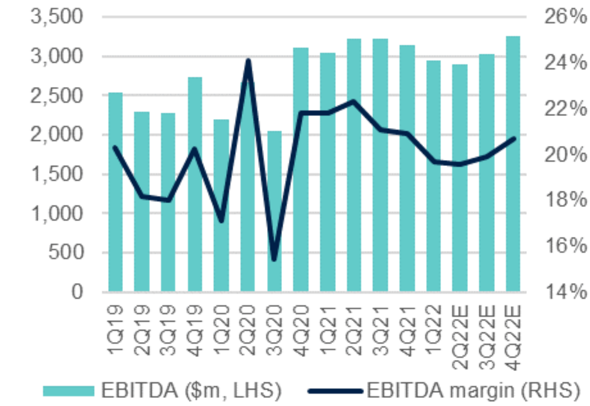
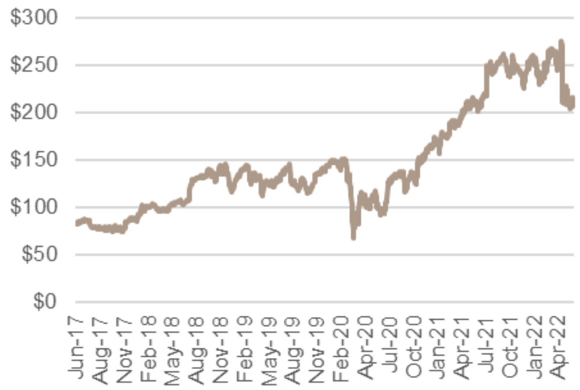


Figure 15: HCA share price – 3x vs Mar-20



Source: FactSet, MST

Notwithstanding an improved operating environment in CY22+ (COVID headwinds unwinding), we expect staffing and cost management to remain key pressure points for operators longer-term (a key tailwind for hospital CXP investment).

Adoption tailwinds building… CXP becoming 'mission-critical'

Overall, the fundamental drivers of CXP adoption remain robust:

1) healthcare system growth (i.e. ageing population, increasing utilisation / intervention, etc);

2) hospitals driving operational efficiencies (to offset funding pressures, cost headwinds);

3) regulatory tailwinds (i.e. EHR initiatives, funding model reforms, value-oriented care); and,

4) the benefits for better patient engagement / consumer experiences.

ONE's key markets are seeing EHR and value-oriented care transitions pick up speed at a time when operational headwinds continue to build. **On this basis we believe the conversation around CXP adoption becomes less about "a nice to have for patient experience" and more about "a mission-critical platform to drive operational efficiency, data management and compliance".**

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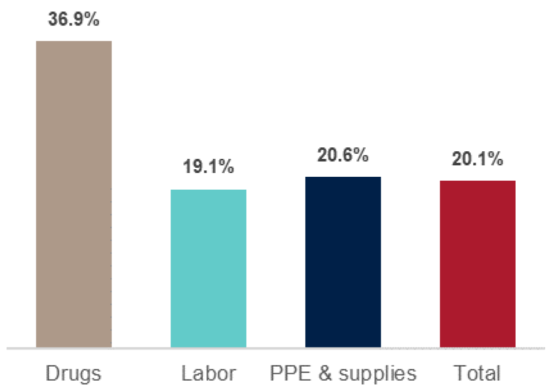
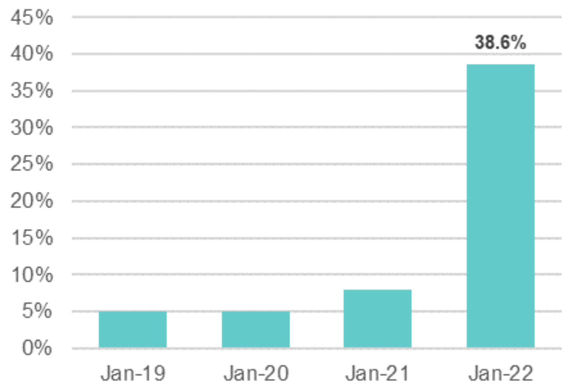
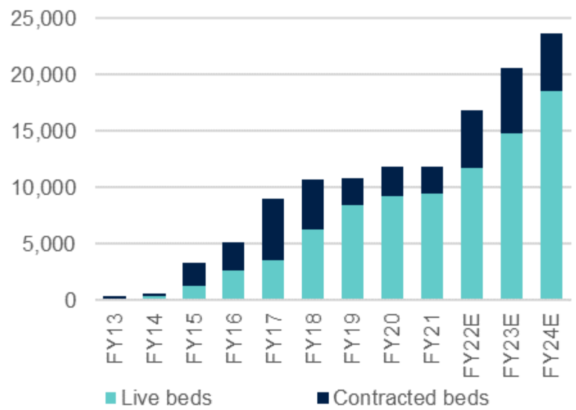
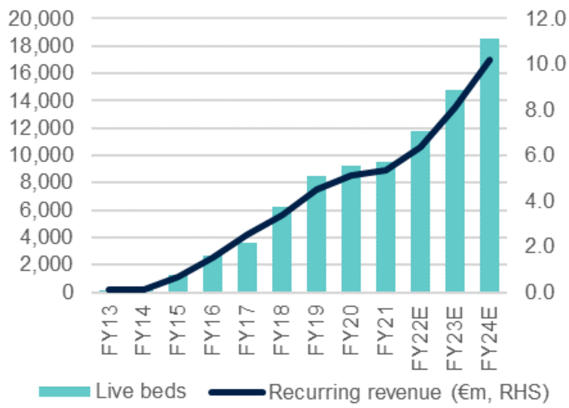
Figure 16: US costs per patient (CY19-21 change)	Figure 17: US agency nurse utilisation (% of paid $)
	

Source: Kaufman Hall National Hospital Flash Report, Synetllis, AHA, MST

Consistent with recent deal wins and the acceleration in RFP opportunities, we expect to see a step-change in ONE's bed growth medium term. We forecast a 2.3k increase (+24%) in live beds for FY22E (H2 weighted) and a 3yr CAGR of +25% between FY21-24E. On this basis we believe ONE can reach ~18.5k live beds by FY24E and €10.2m of recurring revenue (i.e. software, support, licencing).

Figure 18: ONE – Live vs contracted beds	Figure 19: MSTe an installed base of 18.5k by FY24E
	

Source: Company data, MST

2. Enhanced product suite and go-to-market strategy

Over the last five years, ONE has cumulatively spent €48m on product development & delivery. During this time its product suite has evolved materially (particularly in CY20-21). Below we assess the CXP offering as it stands today and recent updates to ONE's go-to-market strategy.

The vision for a connected patient room…

ONE's product vision is to deliver a scalable bedside technology platform that integrates and unifies systems to support better patient engagement, improved safety and hybrid models of care.

The ONE CXP can be delivered as **Cloud Start** (quick-deploy, base package), **Cloud Enterprise** (full-suite solution, cloud-based) and **Enterprise On-Prem** (full-suite solution, on site). As shown below, the CXP unifies electronic health records (EHR), smart hospital systems / IoT, clinical comms and virtual care with dietary, patient engagement and entertainment solutions.

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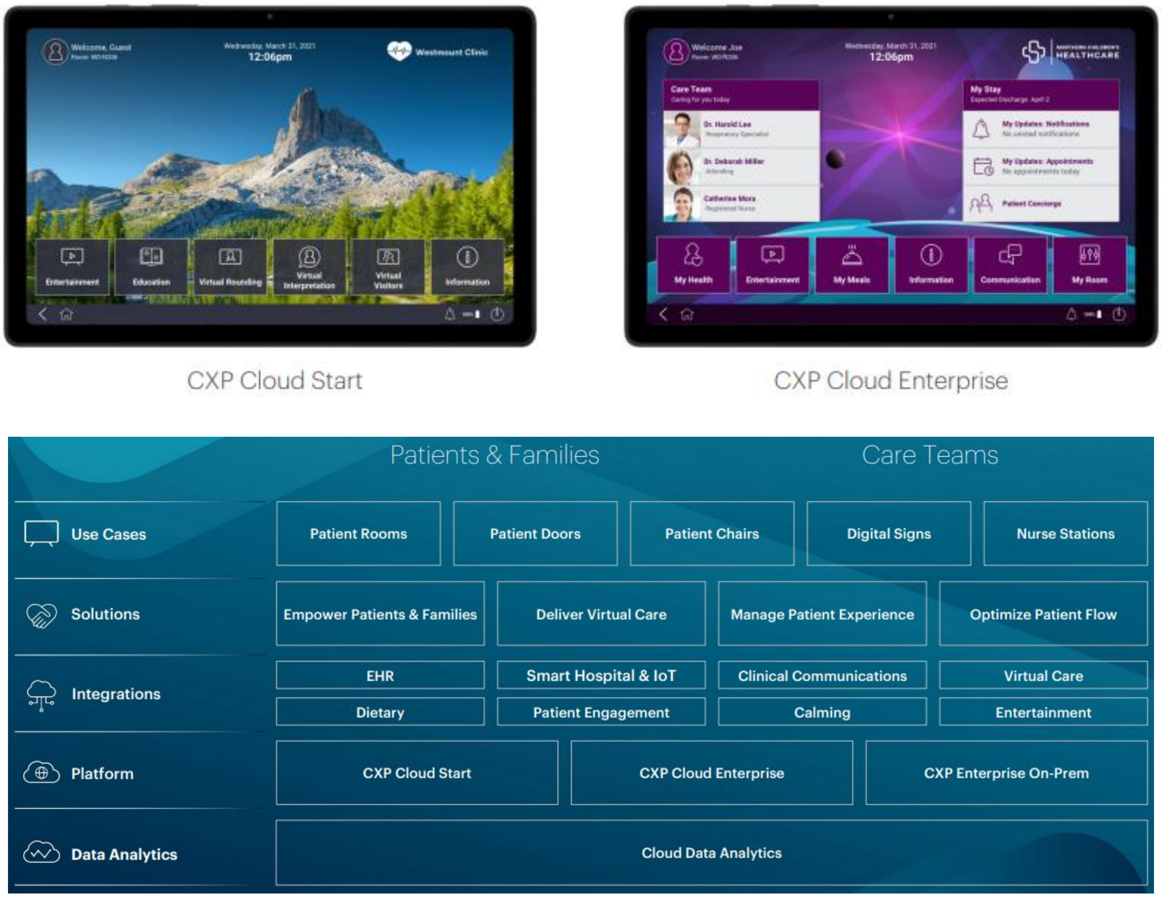
Figure 20: The Oneview Care Experience Platform



Source: ONE

Cloud deployment a game changer

On 30-Mar-21 ONE launched its Microsoft Azure based, Cloud Solutions offering (including Cloud Start and Cloud Enterprise). Crucially, this is the first and only cloud-based CXP globally, giving ONE a strong competitive advantage vs key competitors (GetWell Networks, Epic, pCare, etc).

"The cloud enablement of Oneview's patient experience platform is a game changer." said Dr Simon Kos, Healthcare Industry Executive, Microsoft Australia. "It means that health organisations can deploy more quickly, with greater predictability and less specialised resources, all on the trusted Azure cloud. This is a win for patients, clinicians and healthcare organisations that put patient experience and outcomes first."

The benefits of ONE's cloud transition are significant and include:

- **Reducing in-house IT burden** – On-premise implementations required significantly more in-house resourcing from hospitals vs cloud deployments which are predominantly executed by ONE's delivery teams (reducing cost and risk for clients). ONE estimates a ~30% reduction in TCO;
- **Speed to revenue** – As shown below, cloud deployments are significantly faster vs on-premise, reducing implementation timelines and improving ONE's speed to revenue for new contracts;
- **Cloud data analytics** – The cloud CXP combines operational, engagement and patient experience data, deidentifies/aggregates it in the cloud and reprocesses it for visualisation/analytics. This enables near real time tracking of utilisation and other key metrics as well as hospital benchmarking; and
- **Improved unit economics** – Longer-term, cloud deployments have the potential to improve ONE's unit economics on both the revenue side (contracted revenue per bed, new revenue streams) and the cost side (implementation costs, remote updates).

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Figure 21: ONE deployment timelines (days)

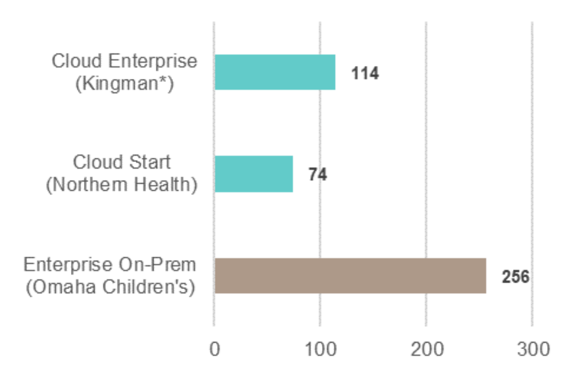
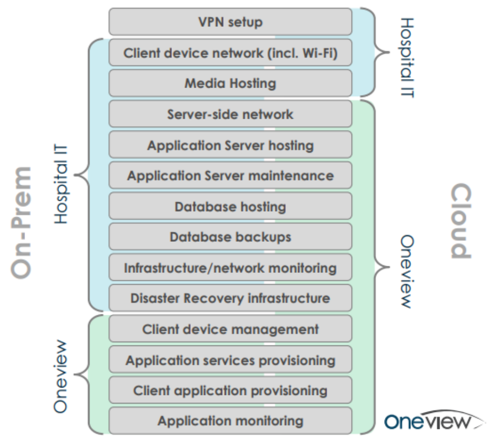


Figure 22: Cloud reduces in-house IT burden…



Source: Company data, ONE, MST (*forecast)

Cloud deals to date include:

- **NYU Langone (Cloud Start, 400 beds)** - ONE partnered with NYU Langone (New York, US) to develop the first iteration of its cloud-based CXP, with the hospital system implementing key capabilities across 400 beds in a matter of weeks during the COVID-19 pandemic;
- **Northern Health (Cloud Start, 126 beds)** – Northern Health (Melbourne, Australia) signed on as ONE's first Cloud Start customer on 18-Jun-21 and went live on 10-Sep-21;
- **Kingman RMC (Cloud Enterprise, 235 beds)** – Kingman (Arizona, US) was the first deal for ONE registered under the Microsoft co-sell program (signed 20-Oct-21) and its set to go live in 1H22; and
- **BJC (Cloud Enterprise, 3,391 beds)** – Signed 23-May-22, this deal represents a watershed moment for ONE, as an existing client signs on for the full-suite, cloud based CXP, implementing ONE's updated Android hardware across its entire hospital portfolio.

This leaves over 10k beds across ONE's contracted bed-base that can be upsold/transitioned to the cloud-based CXP. In Jan-22, ONE management flagged an ongoing high level of engagement with both prospective customers and existing customers for expansion of the Oneview platform across more beds and customers transitioning to Cloud Enterprise.

Next Gen hardware portfolio set to drive new contract wins…

ONE has transformed its hardware offering over the last 3+ years, transitioning from off-the-shelf Windows products to purpose-built Android products. This shift has reduced the overall costs of procurement/installation by 60-70% (materially improving ROI for potential customers and therefore the business case for CXP implementation).

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Figure 23: ONE's installed base shifting to Android…

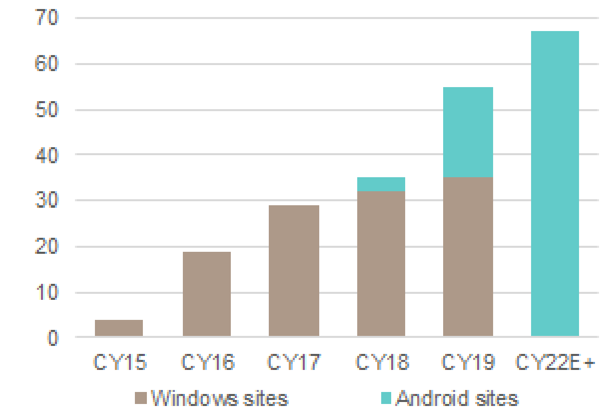
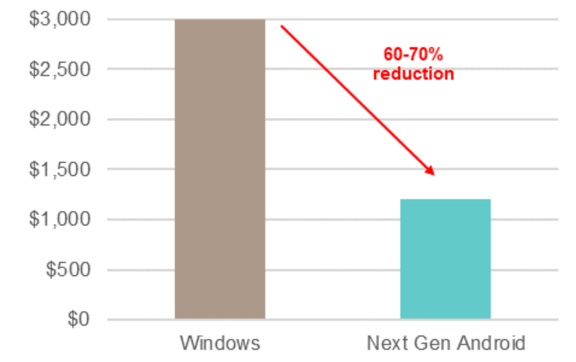


Figure 24: … with hardware costs 60-70% lower



Source: Company data, MST

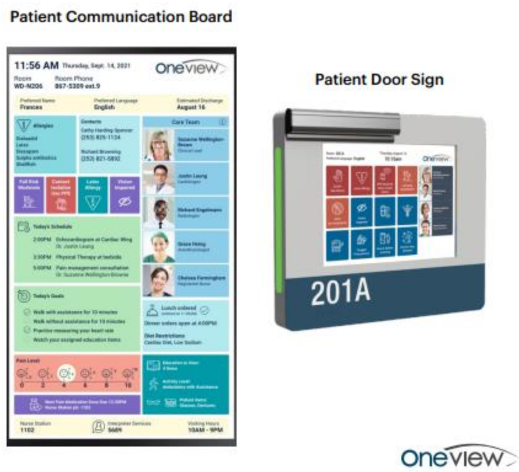
ONE's Next Gen Android portfolio is comprised of two key products (both launched in CY21):

- **Oneview Hybrid Coax Set-Top-Box** - Developed with WeTek, this set-top-box is less than half the price of the Windows equivalent and supports both IPTV + legacy coaxial TV infrastructure. This ensures backwards compatibility with older hospital systems and unlocks expansion opportunities with existing customers (ONE has estimated that across existing US customers there are an additional ~6.1k beds running legacy coaxial cabling). The new ONE Hybrid STB integrates with Samsung TVs natively and makes it easier to manage app and security updates.
- **Oneview 22" All-In-One** – Developed with Social Mobile, ONE's Next Gen AIO is the world's first Google Mobile Services certified, UL60601 compliant, 22" tablet created specifically to enhance the healthcare experience for patients and care teams. The device includes modular authentication, meaning that secure biometric or RFID card login facilitates quick access to patient information and clinical workflows at the point of care.

We note that the first batch of Social Mobile 22" AIO devices (1,719) and WeTek Hybrid Set-Top Boxes (749) were delivered to customers during 4Q21. In 1Q22 700 AIOs were installed at Epworth Healthcare in Australia.

Figure 25: ONE Next Gen set-top-box and AIO tablet

Figure 26: Newer products inc a digital comms board



Source: ONE

More recent innovations from ONE include digital patient communication board and door sign solutions (after 20% of RFPs in CY21 included a request for a patient comms board). These products replace analogue solutions and ensure clinical teams have real-time information to support patient care and communication. We also note that ONE received ISO 27001 (Security) and ISO 27701 (Data Privacy) certifications in CY21.

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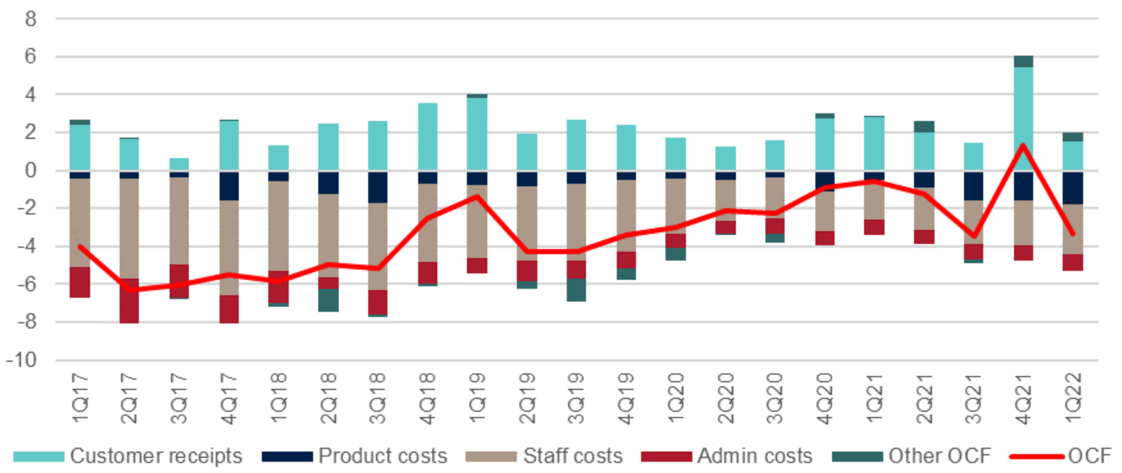
3. Approaching FCF break-even

Below we assess ONE's historical cash flow performance and the trajectory of free cash flow (FCF) relative to the company's current balance sheet position.

Breaking down ONE's historical cash flow performance

After completing its strategic review in Nov-18, ONE streamlined its business activities (deprioritising the Pathways and Connect products) and rationalised its cost base to optimise capital allocation. In the context of these decisions and continued live bed growth, ONE's operating cashflows have been on a positive trajectory:

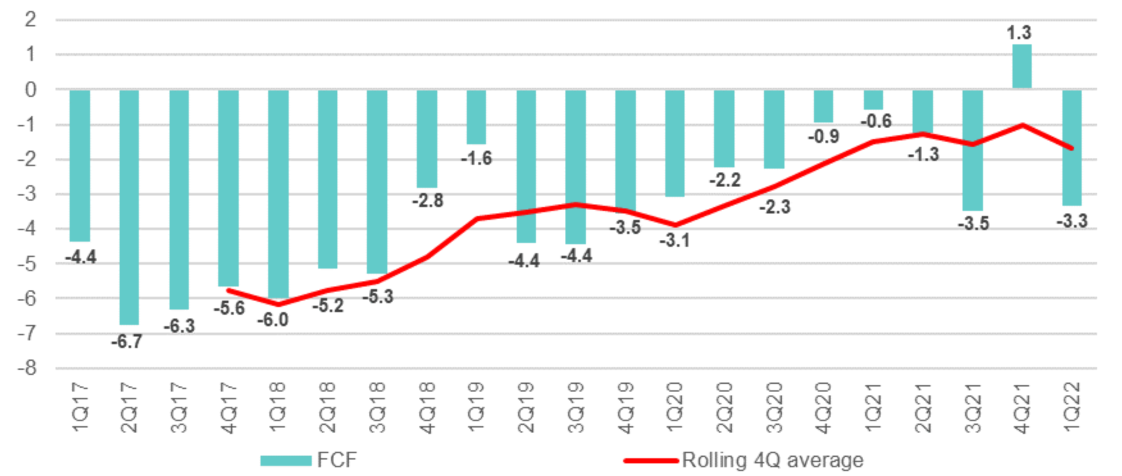
Figure 27: ONE operating cash flows (€m)



Source: Company data, MST

From a -€23m FCF loss in FY17, ONE has delivered consistently better cash flow results each year, with FY21 FCF improving to -€4m:

Figure 28: ONE FCF results have consistently improved (€m)



Source: Company data, MST

With ONE front loading FY22 hardware payments into 1Q22 (FCF -€3.3m), we expect operating cashflows to improve materially through 2Q-4Q22 and forecast total FCF of -€5.3m in FY22E (vs -€4.4m FY21). We expect ONE to reach run-rate FCF breakeven in FY23E (likely H2) and therefore see its cash balance (€11.8m) as providing sufficient coverage based on its current trajectory.

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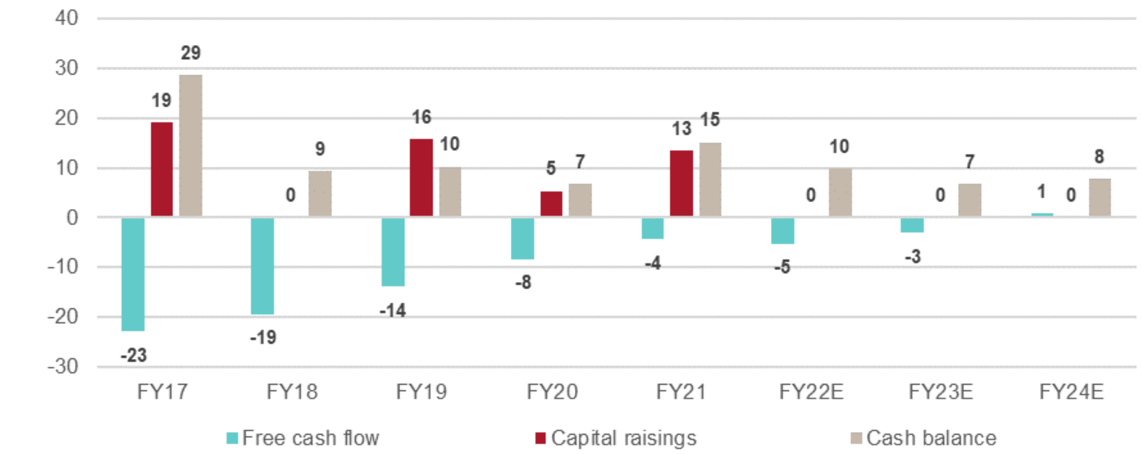
Figure 29: Forecast FCF vs cash balance (€m)



Source: Company data, MST

Financials

Profit and loss

Our 3 year live bed CAGR of +25% drives a +29% CAGR for software revenue and a +30% CAGR for group revenue (holding unit economics broadly stable). Assuming a ~80% GM for recurring revenue (software) and 40-45% on non-recurring (hardware & services) we derive a medium-term group gross margin of 62-63%.

Figure 30: Forecast P&L performance

ONE summary P&L (€m)	FY17	FY18	FY19	FY20	FY21	FY22E	FY23E	FY24E	FY21-24E CAGR
Software revenue	1.4	2.2	2.9	3.3	3.4	4.1	5.5	7.2	29%
Support revenue	0.9	1.0	1.3	1.4	1.7	2.1	2.4	2.7	17%
Licence revenue	0.4	0.3	0.3	0.5	0.2	0.2	0.2	0.2	0%
Recurring revenue	**2.6**	**3.4**	**4.5**	**5.1**	**5.4**	**6.4**	**8.1**	**10.2**	**24%**
Hardware revenue	2.2	3.4	1.1	1.2	3.5	5.8	7.3	8.8	36%
Services revenue	1.6	1.3	1.5	0.8	0.9	1.5	1.9	2.4	38%
Non-recurring revenue	**3.8**	**4.8**	**2.6**	**2.0**	**4.4**	**7.4**	**9.2**	**11.2**	**37%**
Group revenue	**6.3**	**8.2**	**7.1**	**7.1**	**9.7**	**13.7**	**17.3**	**21.4**	**30%**
Cost of sales	-2.8	-4.2	-2.8	-2.4	-4.4	-5.7	-6.5	-8.0	22%
Gross profit	**3.6**	**4.0**	**4.3**	**4.7**	**5.3**	**8.0**	**10.8**	**13.4**	**36%**
Sales & marketing expenses	-7.4	-6.8	-4.3	-1.5	-2.0	-2.4	-2.5	-2.7	10%
Product & delivery expenses	-11.2	-10.9	-12.0	-6.9	-6.8	-6.0	-5.7	-5.7	-6%
General & admin expenses	-8.3	-6.0	-3.3	-4.5	-3.9	-4.0	-4.0	-4.0	1%
EBITDA	**-23.3**	**-19.7**	**-15.4**	**-8.1**	**-7.4**	**-4.3**	**-1.4**	**1.0**	
D&A	-0.7	-0.8	-1.4	-0.7	-0.7	-0.6	-0.8	-1.0	
EBIT	**-24.1**	**-20.4**	**-16.8**	**-8.8**	**-8.1**	**-4.9**	**-2.1**	**0.1**	
PBT	-25.8	-20.2	-16.9	-9.4	-8.1	-4.9	-2.1	0.1	
NPAT	**-25.9**	**-20.3**	**-17.0**	**-9.5**	**-8.2**	**-4.9**	**-2.1**	**0.1**	
Key metrics									
Software revenue growth		65%	31%	13%	3%	20%	35%	32%	
Group revenue growth		30%	-13%	0%	37%	41%	26%	23%	
GP growth		13%	5%	11%	12%	52%	34%	24%	
Gross margin	56%	49%	60%	67%	55%	59%	62%	63%	
EBITDA margin	-369%	-240%	-217%	-113%	-76%	-31%	-8%	5%	
NPAT margin	-410%	-248%	-239%	-133%	-84%	-36%	-12%	0%	

Source: Company data, MST

We expect each key cost line to fractionalise as revenues scale. Sales & marketing expenses are forecast to grow at a CAGR of 10% from FY21-24E, reflecting targeted investments to leverage ONE's improved product offering and positive market dynamics. We expect product development costs to contract slightly in FY22E before remaining broadly flat in FY23-24E. Overall this translates to positive EBITDA (€1m) in FY24E representing a 5% margin (we forecast a >20% margin longer-term).

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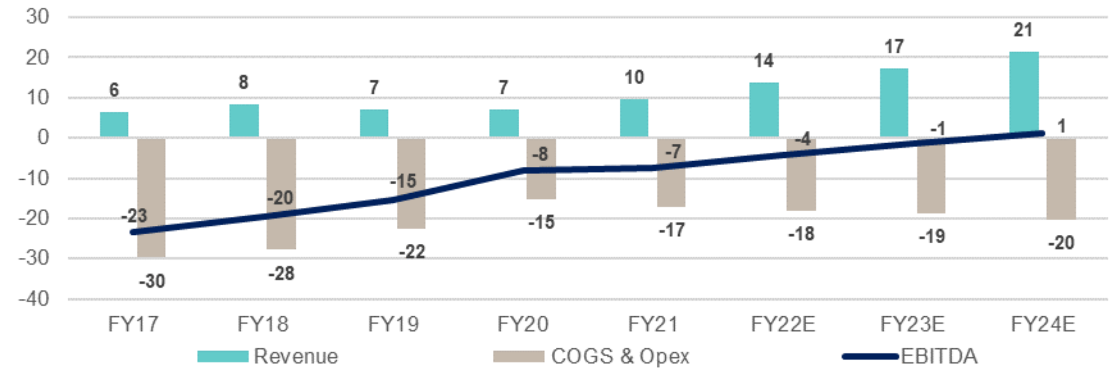
Figure 31: EBITDA breakeven forecast for FY24E (run-rate in 2H23)



Source: Company data, MST

Cash flow statement

Below we present out cash flow statement forecasts for ONE. We expect net operating cash flow to improve to -€2.9m in FY23E before breakeven in FY24E (+€1.0m).

Figure 32: We forecast ONE's cashflow generation to continue it positive trajectory…

ONE summary CFS (€m)	FY17	FY18	FY19	FY20	FY21	FY22E	FY23E	FY24E
Receipts from customers	7.4	10.0	10.9	7.3	11.7	13.7	17.3	21.4
Payments to suppliers and employees	-29.0	-28.9	-23.9	-16.0	-16.1	-18.0	-18.7	-20.3
Other OCF	0.0	0.3	-0.1	1.0	0.4	-1.0	-1.6	0.0
Net cashflows from operating activities	**-21.6**	**-18.7**	**-13.2**	**-7.7**	**-4.0**	**-5.2**	**-2.9**	**1.0**
Capex	-1.2	-0.8	-0.4	-0.3	-0.1	-0.1	-0.1	-0.1
Other ICF	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net cashflows from investing activities	**-1.2**	**-0.7**	**-0.4**	**-0.3**	**-0.1**	**-0.1**	**-0.1**	**-0.1**
Proceeds from issues of shares	19.2	0.0	15.9	5.4	13.4	0.0	0.0	0.0
Other FCF	-1.4	0.0	-1.5	-0.4	-1.2	0.0	0.0	0.0
Net cashflows from financing activities	**17.8**	**0.0**	**14.4**	**4.9**	**12.2**	**0.0**	**0.0**	**0.0**
Net decrease/increase in cash	-5.0	-19.4	0.8	-3.0	8.1	-5.3	-3.0	0.9
Free cash flow	**-22.9**	**-19.4**	**-13.9**	**-8.4**	**-4.4**	**-5.3**	**-3.0**	**0.9**

Source: Company data, MST

Balance sheet

Below we present our balance sheet forecasts. We expect ONE to finish FY22E with net cash of ~€10m.

Figure 33: ONE balance sheet summary

ONE summary BS (€m)	FY17	FY18	FY19	FY20	FY21	FY22E	FY23E	FY24E
Cash	28.6	9.3	10.3	6.8	15.2	9.8	6.8	7.7
Trade & other receivables	4.3	4.2	3.5	4.0	2.5	3.1	3.9	4.8
Inventories	0.0	0.7	0.2	0.2	0.7	0.5	0.4	0.4
Other current assets	0.0	0.0	0.4	0.3	0.3	0.3	0.3	0.3
Current assets	**32.9**	**14.2**	**14.4**	**11.3**	**18.7**	**13.7**	**11.4**	**13.3**
Property, plant & equipment	0.9	0.6	2.0	1.7	1.3	0.9	0.3	-0.4
Intangible assets	1.0	1.3	0.8	0.7	0.5	0.4	0.2	0.0
Other NCAs	0.6	0.8	0.6	0.6	0.6	0.6	0.6	0.6
Non-current assets	**2.5**	**2.7**	**3.4**	**3.0**	**2.4**	**1.8**	**1.1**	**0.3**
Total assets	**35.4**	**16.8**	**17.8**	**14.3**	**21.1**	**15.5**	**12.5**	**13.6**
Trade & other payables	3.5	6.3	4.4	8.3	9.9	9.2	8.3	9.3
Other current liabilities	1.1	0.0	3.8	0.4	0.4	0.4	0.4	0.4
Current liabilities	**4.5**	**6.4**	**8.2**	**8.7**	**10.3**	**9.6**	**8.7**	**9.8**
Non-current liabilities	0.6	0.6	1.9	1.5	0.9	0.9	0.9	0.9
Total liabilities	**5.2**	**6.9**	**10.1**	**10.2**	**11.2**	**10.5**	**9.6**	**10.6**
Net assets	30.2	9.9	7.7	4.1	9.9	5.0	2.8	2.9
Total equity	**30.2**	**9.9**	**7.8**	**4.1**	**9.9**	**5.0**	**2.9**	**2.9**

Source: Company data, MST

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Valuation

We value ONE at **A$0.35ps** utilising a discounted cash flow (DCF) valuation methodology which we cross-check/ validate against peer transaction and trading multiples.

Discounted cash flow methodology

Figure 34: We value ONE at A$0.35ps using a DCF methodology

ONE DCF	Units	FY22E	FY23E	FY24E	FY25E	FY26E	FY27E	FY28E	FY29E	FY30E	FY31E
EBITDA	**€m**	**-4.3**	**-1.4**	**1.0**	**3.2**	**4.9**	**7.0**	**9.7**	**12.0**	**13.6**	**15.0**
Tax	€m	0.0	0.0	0.0	-0.4	-0.7	-1.1	-1.6	-2.1	-2.4	-2.6
Change in working capital	€m	-1.0	-1.6	0.0	0.1	-0.1	-0.2	-0.2	-0.1	0.0	0.0
Operating cash flows	**€m**	**-5.2**	**-2.9**	**1.0**	**2.8**	**4.0**	**5.7**	**7.9**	**9.9**	**11.2**	**12.3**
Capex	€m	-0.1	-0.1	-0.1	-0.1	-0.1	-0.2	-0.2	-0.2	-0.2	-0.2
Free cash flow	**€m**	**-5.3**	**-3.0**	**0.9**	**2.7**	**3.9**	**5.6**	**7.7**	**9.7**	**11.0**	**12.1**
Discount factor		1.0	0.9	0.8	0.7	0.7	0.6	0.6	0.5	0.5	0.5
PV cash flows	**€m**	**-5.1**	**-2.7**	**0.8**	**2.0**	**2.7**	**3.6**	**4.5**	**5.2**	**5.5**	**5.6**

Total PV cash flows	€m	22.2	**Key Assumptions**			
Terminal value	€m	89.0	Tax rate	30%	Debt Premium	1.5%
Total Value	**€m**	**111.2**	Risk free rate	3.0%	**Cost of Debt**	**4.5%**
Net debt	€m	-9.8	Beta	1.2	Target gearing	30%
Equity value	**€m**	**121.0**	Market Risk Premium	6.5%	**WACC**	**8.4%**
SOI	m	518.5	**Cost of Equity**	**10.7%**	Terminal growth rate	2.0%
Value / share	€	0.23				
AUD:EUR		0.67				
Value / share	**A$**	**0.35**				

Source: Company data, MST

Our DCF is underpinned by the following key assumptions:

- **Revenue growth** – Long-term live bed and revenue growth of 6-7% as ONE leverages its best-in class CXP to continue expanding its installed base across the US, Australia and other markets;
- **Gross margin** – Long-term blended GM of 65-70% (approaching 70% in the outer years) as software becomes the dominant revenue stream (higher margin);
- **EBITDA** – We forecast ongoing operating leverage as ONE manages its cost base in the context of a rapidly expanding installed base and revenues. We expect group EBITDA margins to exceed 20% by FY27E;
- **Cost of equity** – We use a 10.7% CoE underpinned by a RFR of 3%, a beta of 1.2 and an MRP of 6.5%;
- **WACC** - We use an 8.5% WACC underpinned by our CoE assumptions, a 4.5% cost of debt and a targeted gearing ratio of 30%; and
- **Terminal growth** – We assume a 2.0% TGR, reflecting ONE's significant total addressable market and strong long-run growth prospects.

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Peer trading multiples

Below we assess ONE's current valuation vs the trading multiples of domestic and global peers. We focus on EV/Sales given ONE and the majority of its peer-set are early-stage, growth companies.

Figure 35: Assessing ONE vs domestic and global peers

Ticker	Company Name	Price	Market Value	Enterprise Value	EV/Sales(x)				Sales growth		
					FY0	NTM	FY1	FY2	FY0	FY2	CAGR
ONE-ASX	Oneview Healthcare	0.19	99	81	5.6x	4.6x	4.0x	3.1x	14.5	25.8	33%
ALC-ASX	Alcidion Group	0.13	165	122	14.5x	3.0x	4.1x	3.0x	25.9	44.2	31%
PME-ASX	Pro Medicus	41.68	4,348	4,299	89.6x	37.7x	45.4x	37.3x	67.9	114.3	30%
MDR-ASX	MedAdvisor	0.18	67	70	2.5x	0.8x	1.0x	0.8x	38.8	81.6	45%
DOC-ASX	Doctor Care Anywhere	0.18	66	29	3.8x	0.7x	0.8x	0.7x	46.2	88.1	38%
M7T-ASX	MACH7 Technologies	0.64	153	132	12.2x	3.9x	4.7x	3.9x	19.0	31.3	28%
VHT-ASX	Volpara Health Technologies	0.66	165	150	8.4x	4.3x	4.7x	3.2x	23.8	45.1	38%
	AUS digital health tech mean				**21.8x**	**8.4x**	**10.1x**	**8.1x**	**36.9**	**67.4**	**35%**
	AUS digital health tech median				**10.3x**	**3.5x**	**4.4x**	**3.1x**	**32.3**	**63.3**	**40%**
MTBC-US	Carecloud	3.99	60	64	0.7x	0.4x	0.4x	0.4x	139.6	167.8	10%
CERN-US	Cerner	94.97	27,930	28,874	5.0x	4.7x	4.8x	4.5x	5,764.8	6,297.2	5%
NXGN-US	NextGen Healthcare	18.71	1,256	1,222	2.3x	1.8x	1.8x	1.7x	596.4	672.2	6%
MDRX-US	Allscripts Healthcare Solutions	17.41	2,020	2,331	1.9x	3.0x	3.1x	3.0x	613.8	705.2	7%
STRM-US	Streamline Health Solutions	1.37	66	59	3.4x	2.8x	2.5x	2.3x	17.4	24.8	19%
PHR-US	Phreesia	20.71	1,076	821	5.9x	3.2x	2.9x	2.2x	213.2	352.9	29%
AMWL-US	American Well Corp	4.18	975	483	3.3x	2.2x	2.2x	2.2x	252.8	321.7	13%
NH-US	NantHealth	0.56	64	304	5.6x	4.6x	4.4x	3.7x	62.6	68.5	5%
PSKY-OSL	PatientSky Group	2.96	589	576	3.5x	3.0x	3.0x	3.0x	208.6	265.6	13%
VHI-TSE	Vitalhub Corp	3.05	128	103	4.2x	2.5x	2.7x	2.3x	24.7	43.7	33%
	Global digital health tech mean				**3.6x**	**2.8x**	**2.8x**	**2.5x**	**789.4**	**891.9**	**6%**
	Global digital health tech median				**3.4x**	**2.9x**	**2.8x**	**2.3x**	**210.9**	**293.6**	**18%**
	Mean				**10.4x**	**4.9x**	**5.5x**	**4.6x**	**507.2**	**582.8**	**7%**
	Median				**4.0x**	**3.0x**	**3.0x**	**2.6x**	**65.3**	**101.2**	**24%**

Source: FactSet, MST (ONE uses MSTe)

In our view, ONE compares favourably vs peers in terms of forecast growth (FY21-23E sales CAGR of +33%) and current multiples (FY22E 4.0x sales). **On this basis, we believe 4.0-5.5x FY22E sales is a fair range for ONE, equating to A$0.20-0.26ps** (albeit we see this as underestimating the size of ONE's TAM and its unique market positioning, factors better captured in our DCF).

Peer transaction multiples

The best quality comp transaction in recent history for ONE is Stryker's acquisition of Vocera Communications in Feb-22. Vocera is a clinical communication and workflow solutions company. Its technology assists hospitals to connect clinical team members, increase operational efficiency, enhance quality of care and improve patient experiences. Vocera's solutions have been implemented in over 1,900 hospitals worldwide.

Stryker acquired Vocera for US$79.25ps, representing an enterprise value of US$3.09b and an equity value of US$2.97b. Based on latest consensus estimates, this equates to ~11.6x FY22E sales with the market expecting a FY21-23E sales CAGR of ~12% (well below ONE at +33%). **In our view this transaction highlights the strategic nature of assets in this sector and the upside potential if ONE can scale its platform and attract similar attention from global medtech players. At 10-12x FY22E sales the implied valuation for ONE would be A$0.42-0.50ps.**

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Key risks

Key risks to our investment thesis for ONE include:

- **Market conditions** – To meet our contracted bed growth forecasts, ONE's sales and marketing activities must generate new logo wins and cross-selling/up-selling across its installed base. If the investment environment for hospitals is impacted by macro factors (economic activity, global pandemics) then this could negatively impact ONE's ability to drive bed growth;
- **Competition** – ONE operates in a competitive industry. Key competitors have generally fallen into one of three categories historically: 1) patient engagement solution providers (e.g. GetWell); 2) TV rental companies (e.g. Hills Health Solutions); and, 3) EHR providers (e.g. Epic). While ONE remains the only provider of a cloud-based, full-suite CXP, it could see increasing levels of competition from existing and new competitors;
- **Customers –** While ONE's customer base is highly sticky (i.e. minimal churn once the CXP is implemented), there are risks that ONE may not retain existing customers or may fail to win new customers;
- **Technology –** ONE depends on the performance and reliability of its tech platform. There are risks that the ONE solution contains defects or errors which become evident when its software is implemented at a new customer, or a new version is rolled out at an existing customer. This could harm ONE's reputation and its ability to win new business;
- **Regulatory –** ONE currently benefits from a number of regulatory tailwinds driving CXP adoption globally (EHR, value-based care, etc). If any of these regulatory frameworks were to change in an adverse manner, this could effect ONE's ability to continue growing its installed base;
- **Key personnel –** The recruitment and retention of key personnel including senior management remains key to ONE's success. Any unexpected departures would present increased strategic and operational execution risks and would likely result in negative share price action for ONE; and
- **Foreign exchange –** ONE operates in the US, Australia, the Middle East and Asia, while reporting in EUR. With ONE generating revenue in USD, AUD, etc – this creates FX risk (i.e. a higher EUR negatively impacts group earnings).

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Appendix 1 – Oneview CXP integrations

Figure 36: Unifying systems and content at the bedside…

Source: ONE

Appendix 2 - Board

- **Michael Kaminski, Chairman** – Michael has been a senior executive for over 20 years and is currently CEO LINET Americas. Prior to this, he was CEO of Landauer Inc, CEO for Stereotaxis and held several sales and marketing roles with Hill-Rom;
- **Nashina Asaria, Independent Director** – Nashina is currently an Independent Director and Chief Product Officer at Cloudbreak Health and has over 20 years of leadership experience in Product Management, Integrations, Business Development, Commercialization and Marketing. Prior to this, Nashina was the Chief Commercial Officer for LifeQ and worked with Dr. Patrick Soon-Shiong as SVP at Nantworks. She has held senior management positions at top-tier technology firms including Qualcomm, Verifone Systems and Cubic;
- **Dr Lyle Berkowitz, Independent Director –** Lyle is a physician, hospital executive, entrepreneur and consultant with over 20 years of experience in healthcare technology companies. Previous roles have

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included Director of Innovation for Northwestern Medicine, founder and Chairman of healthfinch and Chief Medical Officer of MDLIVE;

- **James Fitter, Chief Executive Officer –** Since joining in 2013, James has led Oneview from a 10-person start-up to a publicly traded company. He has over 25 years' experience in the global financial markets in asset management and professional investment; and
- **Joe Rooney, Independent Director –** Joseph joined Oneview in 2016. He is also senior adviser to Precision Macro, a global macro research firm, based in Greenwich, Connecticut. Until the end of 2012, Joseph was a partner and global strategist at Autonomy Capital Research LLP, a global macro hedge fund. Prior to this, he held a number of senior positions at Lehman Brothers Inc, including Managing Director, Head of European Strategy and trustee of their UK pension fund.

Appendix 3 – Senior Management

- **James Fitter, Chief Executive Officer**;
- **Helena D'Arcy, Chief Financial Officer –** Helena D'Arcy joined Oneview in 2018 as Group Financial Controller and is currently Chief Financial Officer. Helena is a chartered accountant who trained and qualified with KPMG. Previously, Helena has held senior finance management roles with tech companies and public companies, including NTR plc;
- **JP Howe, Chief Operating Officer –** JP works closely with ONE's software development teams, leading them by emphasising solid engineering practices and capabilities that deliver value fast. Additionally he maintains a close focus on enhancing Oneview's operations. He has over 15 years' experience working in financial services, travel and education industries;
- **Declan Bright, Chief Technology Officer –** Declan leads ONE's technology strategy & roadmap, continuously evolving the design of our software. He has over 20 years' experience in the IT industry across multiple sectors; and
- **Niall O'Neill, Chief Customer Officer –** Niall leads marketing, product, implementation and customer success at ONE, as well as strategic partnerships. Prior to Oneview, he was in management consulting including roles with Accenture and Deloitte.

Appendix 4 – Share register

Figure 37: ONE's top 5 shareholders represents ~41% of the register

Shareholder	CDIs	%
James William Vicars	117,878,368	22.7%
FIL Investment Management	49,551,896	9.5%
Walling Pty Ltd	16,216,574	3.1%
Mark McCloskey	15,050,248	2.9%
James Fitter	13,940,734	2.7%
S3 Consortium Holdings	7,400,000	1.4%
Aja Investments	5,731,545	1.1%
Other	293,152,132	56.5%
Total CDIs on issue	**518,921,497**	**100.0%**

Source: Company data

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