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CompuGroup Medical SE – Synchronizing Healthcare

**Preliminary and unaudited**

**4<sup>th</sup> quarter 2017 – Conference Call**

**05 February, 2018 - Christian B. Teig, CFO**



# Preliminary and unaudited results 2017

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The preliminary results are based on unaudited financial information and on preliminary information reviewed by the management to date. These results remain subject to the completion of the CGM accounting closing process, and approval by the Supervisory Board.

The company will provide its audited fourth quarter and full year 2017 results on Thursday, 29 March 2018.

# Key figures fourth quarter 2017

€ M	Q4 17	Q4 16	Change	2017	2016
Revenue	163.6	153.7	6%	582.4	560.2
EBITDA	37.0	36.2	2%	128.6	125.7
EBIT	25.5	23.7		89.1	81.8
EBT	17.6	24.9		64.9	74.2
Net income**	12.8	12.5		41.5	44.5
EPS (€)**	0.26	0.26		0.83	0.90
Cash net income*/**	19.5	22.2		68.0	76.7
Cash net income per share (€)*/**	0.40	0.44		1.37	1.54

\* Net income before minority interest plus amortization of intangible assets less amortization on in-house capitalized software

\*\* All values for 2017 based on provisional tax calculation

## 4<sup>th</sup> quarter summary

- 5 percent organic growth in AIS is driven by the first revenue contributions from the roll-out of the Telematics Infrastructure in Germany
- Some previously recognized AIS revenue has been reversed following the early cancellation of the ORS-1 project.
- PCS revenue grew 3 percent, of which practically all is organic growth
- HIS finished the year strongly and better than expected with 8 percent organic growth
- HCS business finished the year strongly to bring revenue in line with the original full-year outlook
- Operating expenses well under control
- Negative financial result (non-cash) from weakening of US dollar

# Telematics Infrastructure pilot project (ORS1)

- Successful completion of the VSDM trials in July
- gematik decided to prematurely terminate the project and not to continue with the planned testing of Qualified Electronic Signature (QES) and Electronic Communication between Healthcare Providers (KOM-LE)
- As a result of this cancellation, the contract value was reduced from EUR 31 million to EUR 26 million and correspondingly with lower costs for the remaining project period
- The effects from these changes are fully reflected in the 2017 results
- All new eHealth services will in the future be developed by the IT industry within the framework of an open market model where gematik is responsible for the approval of such services
- The next eHealth services planned for the Telematics Infrastructure are QES, KOM-LE, Emergency Data Management (NFDM) and the Electronic Medication Plan (eMP)



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# TI roll-out



- CGM is the first and still the only company able to offer the complete chain of required TI components and services
- 12,000 orders received in 2017
- First 4,700 installations made in less than 4 weeks in December. 100% as planned and no issues
- Sales to CGM customers is picking up after the Christmas break
- Constructive and positive discussions with distributors to non-CGM customers
- How the non-CGM market will play out is still an open question

# 'No worries' offer until 28.02.2018

## SORGLOS-ANGEBOT

FAX: 0261 8000-2399 | E-MAIL: [Bestellung.TI@cgm.com](mailto:Bestellung.TI@cgm.com) | CGM-INFOLINE: 0261 8000-2323

Alle TI-Komponenten aus einer Hand. Einfach CGM.

Bestellen Sie jetzt unser SORGLOS-ANGEBOT zum einmaligen Aktionspreis. Nutzen Sie Ihren persönlichen SMC-B-Bestellcode zur Beantragung der SMC-B (Praxisausweis). Diesen erhalten Sie mit unseren Anschreiben oder von unserer CGM-INFOLINE. **Installation garantiert in Q1/2018.**

ANGEBOT wegen  
großer Nachfrage  
**VERLÄNGERT**  
bis 28.02.2018.

### ✓ CGM-PAKET TELEMATIKINFRASTRUKTUR

- 1 Konnektor KoCoBox MED+ (QES-Upgrade wird bei Verfügbarkeit nachgeliefert)
- 1 stationäres eHealth-Kartenterminal ingenico ORGA 6141 online inkl. gSMC-KT
- TI-Integrationsmodul für Ihre CGM-Praxissoftware
- Freischaltung VPN-Zugangsdienst (auf Wunsch auch für folgende Bestandsnetze: Sicheres Netz der KVen (SNK), ZOD-Portal KZVWL oder das Bestandsnetz der KV Schleswig-Holstein)
- Secure Internet Service (SIS)
- Installation und Inbetriebnahme in Ihrer Praxis
- Einweisung der Mitarbeiter in Ihrer Praxis

Paketpreis € 3.690,-

Mit SMC-B-Code sparen: - € 240,-

**Aktionspreis € 3.450,-\***

Erstattungspauschale in Q1/2018: € 3.457,-

### ✓ CGM-SERVICEPAKET BETRIEB

Servicegebühren pro Monat:

- Konnektor KoCoBox MED+
  - VPN-Zugangsdienst (aktuelle Bestandsnetze inklusive)
  - TI-Integrationsmodul für Ihre CGM-Praxissoftware
- € 82,67**

Unsere Praxis benötigt **zusätzlich** (1 stationäres eHealth-Kartenterminal ist bereits im Paket enthalten)

— Stück eHealth-Kartenterminal(s) „ORGA 6141 online“ inkl. gSMC-KT zum Preis von jeweils € 665,-

— Stück mobile(s) eHealth-Kartenterminal(s) „ORGA 930 M online“ zum Preis von jeweils € 356,-

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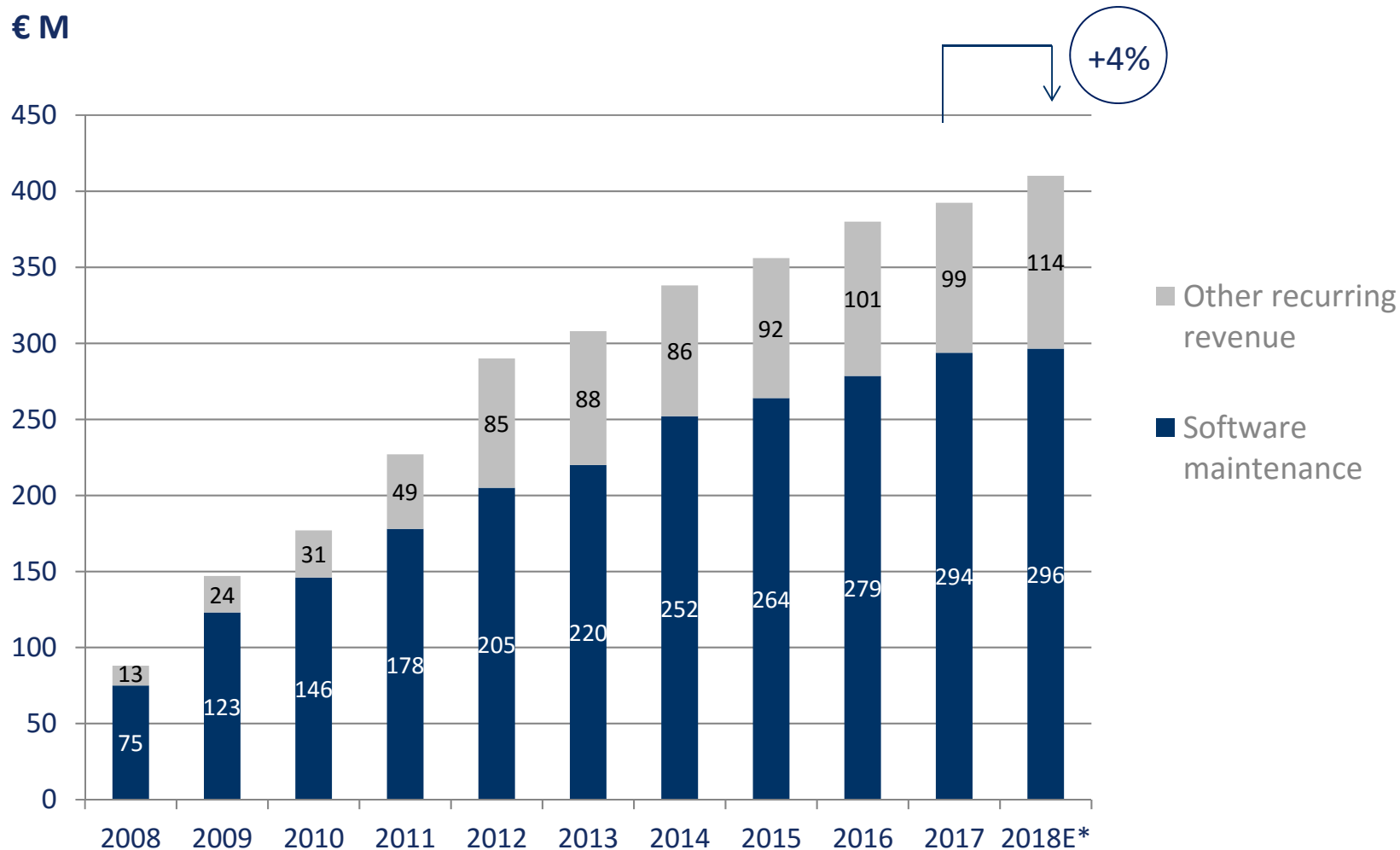
# OUTLOOK



# Change in segmentation 2017 - 2018

- To better reflect the evolving portfolio of products and services in CGM, a change in segmentation has been made
- Previous reporting segments HPS I, HPS II and HCS have been replaced by four new reporting segments as follows:
  - Ambulatory Information Systems (AIS), including the previous operating segment ISP. The AIS segment also includes TI revenue from doctors and dentists
  - Pharmacy Information Systems (PCS), including TI revenue from pharmacies
  - Hospital Information Systems (HIS), including TI revenue from hospitals and social institutions
  - Health Connectivity Services (HCS), no longer divided into operating segments
- The 2017 Annual Report will include both old and new segment report

# Recurring revenue



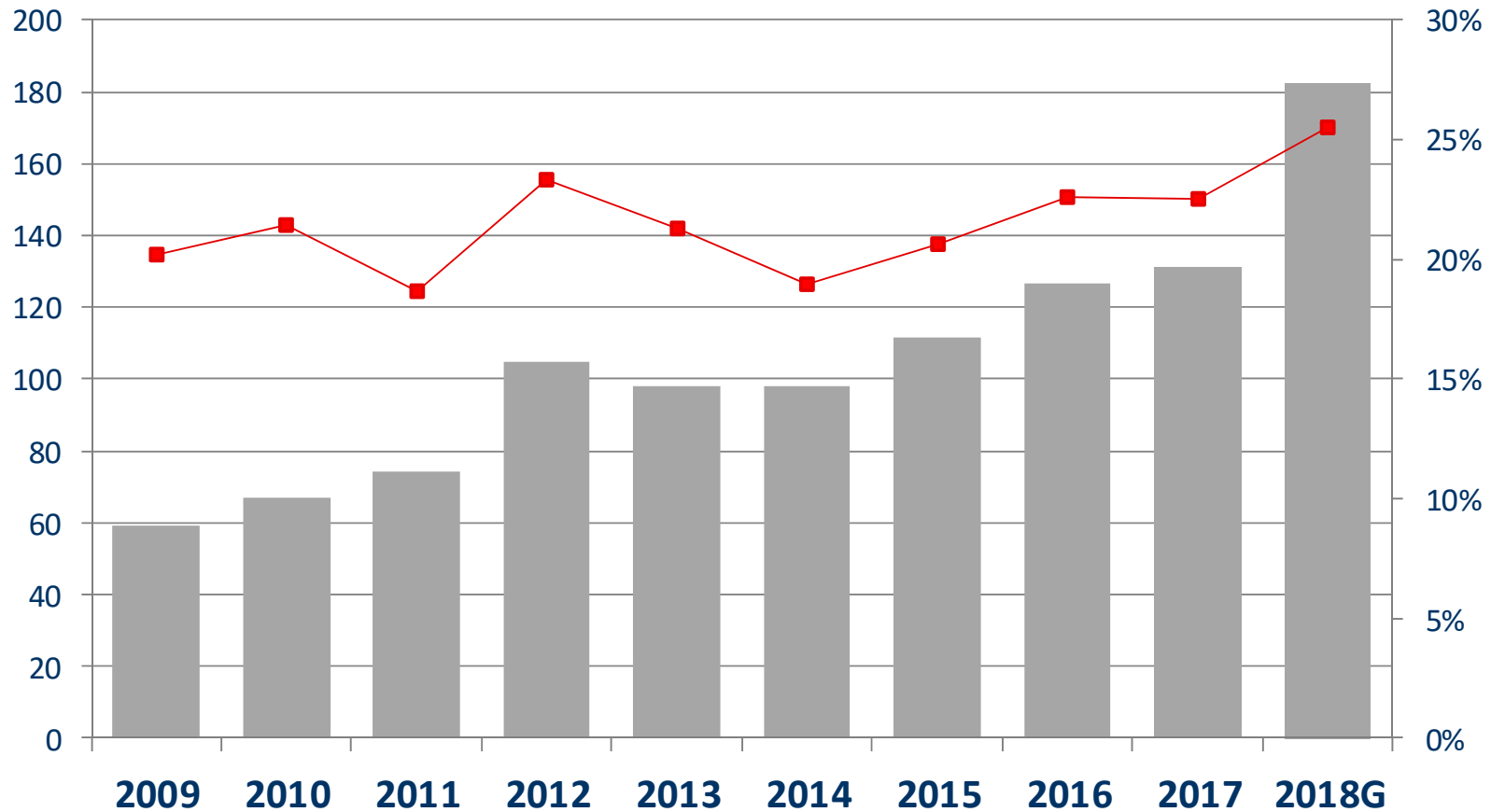
\* Based on January run rate

# Revenue outlook 2018

- Guidance reflects all currently available information related to the further roll-out of the Telematics Infrastructure in Germany in 2018
- Outlook based on new segmentation
- Ambulatory Information Systems: EUR 471 - 495 million
  - TI roll-out revenue to doctors and dentists allocated 100% to AIS
  - 34-41 percent organic growth
  - Additional EUR ~3 million from acquisitions
- Pharmacy Information Systems: EUR 106 – 108 million
  - 1-3 percent organic growth
  - Only minor growth contribution from acquisitions (Spain)
- Hospital Information Systems: EUR 74 – 76 million
  - Reduction of pass-through invoicing of 3<sup>rd</sup> party software
- Health Connectivity Services: EUR 49 – 51 million
  - Flat revenue development

# Expected profitability development

EBITDA (€ M) / profitability (EBITDA%)



# Guidance 2018

- CGM gives the following guidance for 2018:
  - Revenue is expected to be in the range of EUR 700 million to EUR 730 million
  - Operating income (EBITDA) is expected to be in the range of EUR 175 million to EUR 190 million
- The guidance reflects all currently available information related to the further roll-out of the Telematics Infrastructure in Germany in 2018
- The guidance does not include revenue and costs associated with potential and currently undetermined further acquisitions during 2018
- The guidance for the 2018 financial year represents management's current best estimate of the market conditions that will exist in 2018 and how the business segments of CGM will perform in this environment

# Financial calendar 2018

Date	Event
February 05, 2018	Preliminary Q4/Full Year Report 2017
March 29, 2018	Annual Report 2017
May 03, 2018	Interim Report Q1 2018
May 15, 2018	Annual General Meeting 2018
August 09, 2018	Interim Report Q2 2018
October 18, 2018	Investor and Analyst Conference
November 08, 2018	Interim Report Q3 2018

## Q&A session

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If you would like to raise questions, please press **01** on your telephone

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## **CompuGroup Medical SE**

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