

# CGM intends to acquire eMDs

November 23, 2020



CGM



Transaction  
overview

Investor Relations

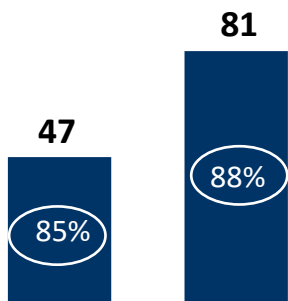
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# One of the largest transactions in CGM history to increase scale in US market

## eMDs

### Revenues (€m)

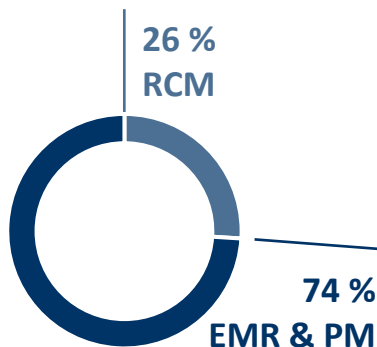


FY 16/17 FY 19/20

xx% share of recurring

FY 2019/20 ending March 2020  
FX: 1€ = 1.18\$

### Revenue split (FY19/20)



**EMR & PM** – software for Electronic Medical Records and Practice Management

**RCM** – services for Revenue Cycle Management



## + eMDs

### Transaction at a glance

- Combined #4 in AIS customers and #2 in physician lab info systems in USA
- Significant increase of installed base in world's largest healthcare IT market
- 2019 revenues €81m, EBITDA margin 15%
- Enterprise value of €203m before PPA
- EPS accretive in year one on a pro forma basis
- Closing Dec 2020 (subject to regulatory approvals)

# eMDs profile



- ▶ One of the leading providers of ambulatory information systems in the US
- ▶ State-of-the-art EHR/PM product offering
- ▶ Proven RCM business operated out of Indian service hub
- ▶ Large distribution network
- ▶ 1,400 employees (75% India)

# Quantum leap in AIS customer base from ~10k to >60k



CGM & eMDs to become one of the **leading providers** of ambulatory information systems in US, servicing

**#4** position<sup>1)</sup>

**>60k**  
providers



CGM is one of the **leading providers** of laboratory information systems in US, servicing

**#2** position<sup>2)</sup>

**~1.5k**  
labs

<sup>1)</sup> Based on customer numbers in US market of AIS pure players

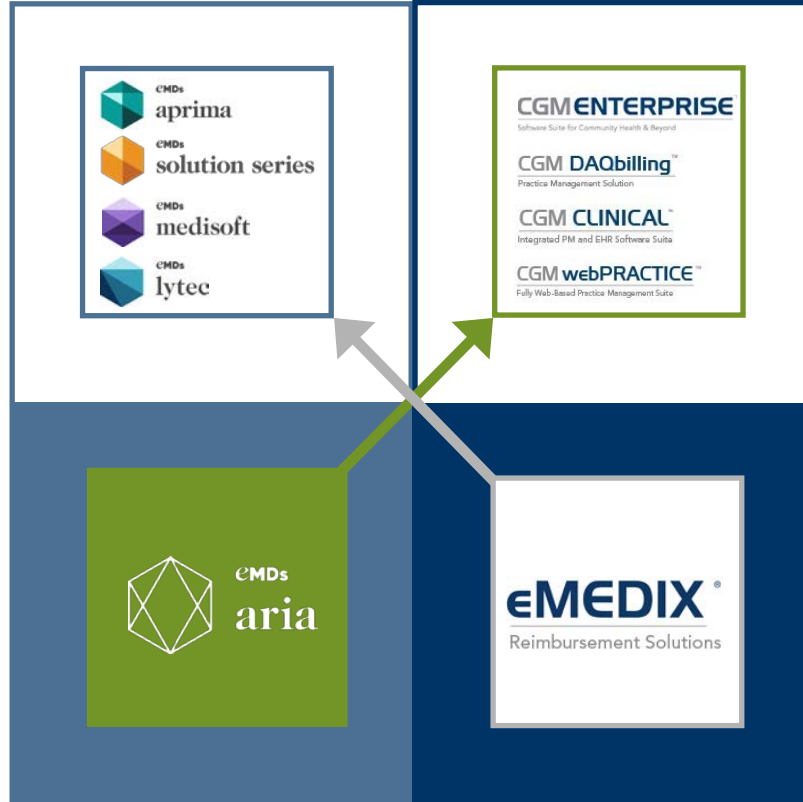
<sup>2,3)</sup> Based on physician owned labs and reference labs in US

# High complementarity of product offering enables full coverage of AIS value chain

**EMR & PM**  
(Electronic Medical  
Records & Practice  
Management)

**eMDs**

**RCM**  
(Revenue  
Cycle  
Management)



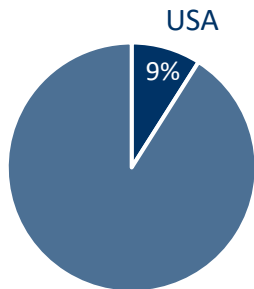
**EMR & PM**  
(Electronic Medical  
Records & Practice  
Management)



**EDI**  
(Medical  
Clearinghouse)

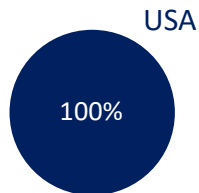
# Attractive financial profile

## CGM AIS FY 2019



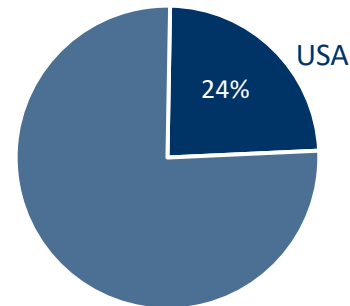
Revenues (€m)	<b>445</b>	EBITDA margin	<b>36%</b>
Recurring revs (€m)	<b>306</b>	Recurring rev share	<b>69%</b>

## eMDs FY 2019/20



Revenues (€m)	<b>81</b>	EBITDA margin	<b>15%</b>
Revenues (€m)	<b>71</b>	Recurring rev share	<b>88%</b>

## 2019 pro-forma combined



Revenues (€m)	<b>526</b>	EBITDA margin	<b>33%</b>
Revenues (€m)	<b>377</b>	Recurring rev share	<b>72%</b>

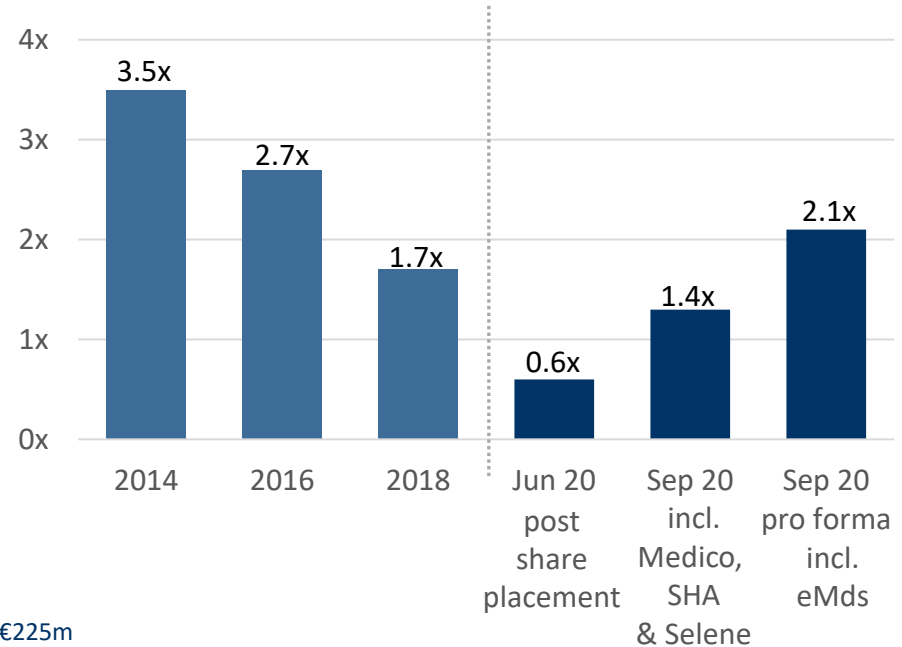
FY 2019/20 ending March 2020  
FX: 1€ = 1.18\$

# CGM is building on strong M&A track record and fast deleveraging competence

## Recent larger acquisitions

EPSILOG	2019   €75m
MEDICO, SHA, SELENE	2020   €204m*
eMDs	2020   ~€203m

## Leverage



\*At closing in July, following initial valuation at signing in February of €225m



## Investment rationale

- ▶ **Unique opportunity to acquire a top player in US (largest market worldwide)**
- ▶ Strategic acquisition **to achieve relevant size** in the **attractive US healthcare IT market**
- ▶ **High complementarity of product offerings** enables coverage of full value chain
- ▶ **Initial investment into product innovation & distribution power**
- ▶ **Significant growth potential** mid-term with **increased scale & excellent product portfolio**
- ▶ Building on excellent track record in **value enhancing M&A**

# Investor Relations contact



**Claudia Thomé**

Head of Investor Relations

T: +49 (0) 261 8000-7030

[claudia.thome@cgm.com](mailto:claudia.thome@cgm.com)

**CompuGroup Medical SE & Co. KGaA**

Maria Trost 21

56070 Koblenz

Germany

E-Mail: [investor@cgm.com](mailto:investor@cgm.com)

ISIN DE000A288904

WKN A28890

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