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# Synchronizing Healthcare

2nd quarter 2013 – Conference Call

Christian B. Teig, CFO  
2 August, 2013



## Key figures second quarter 2013

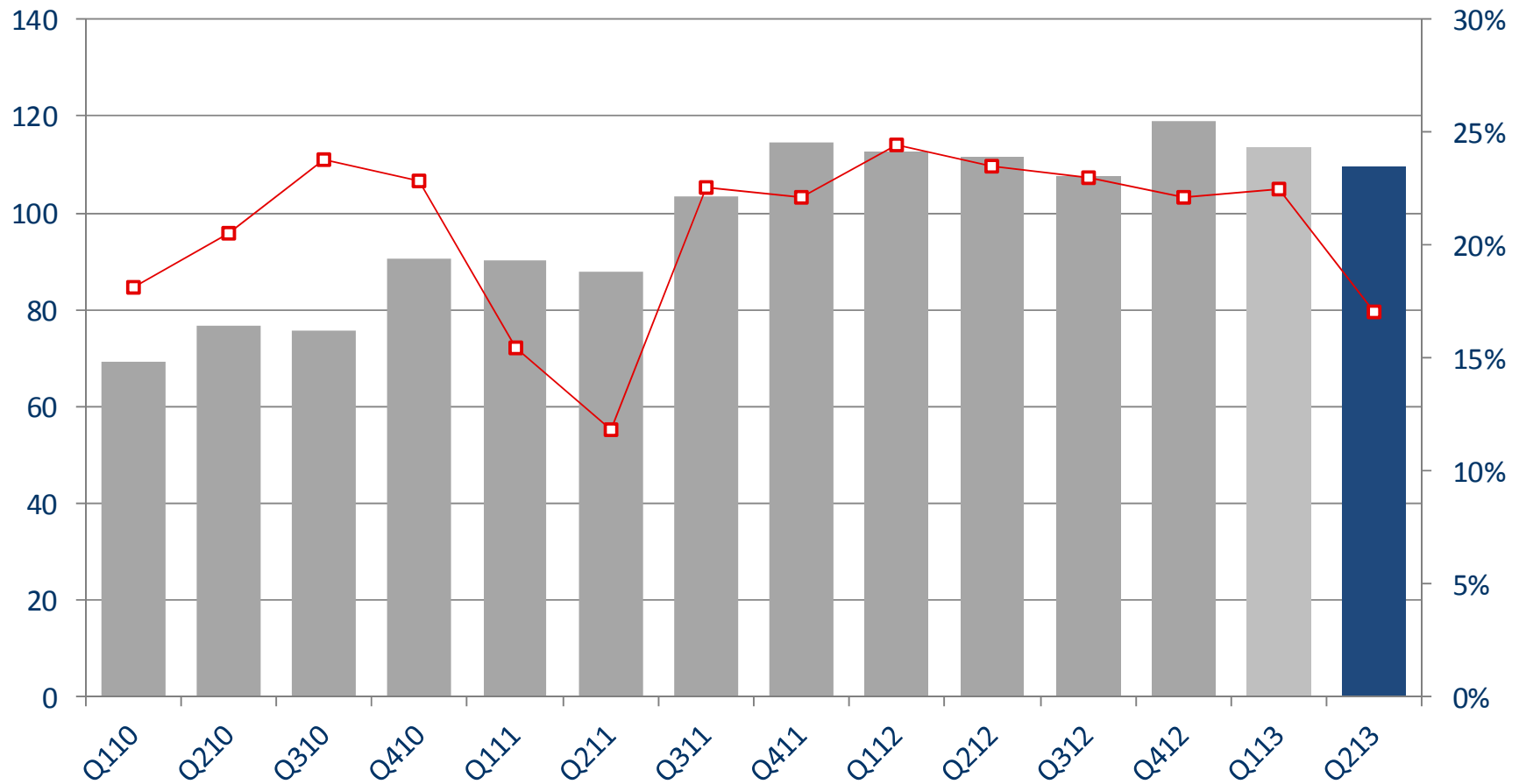
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€ M	Q2 13	Q2 12	Change	2012
Revenue	109.5	111.7	-2%	450.6
EBITDA	18.7	27.2	-31%	104.8
EBIT	9.3	17.1		64.0
EBT	2.4	18.1		48.2
Net income	1.2	13.5		30.3
EPS (€)	0.03	0.27		0.61
Cash net income*	6.7	20.2		60.0
Cash net income per share (€)	0.13	0.40		1.20

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

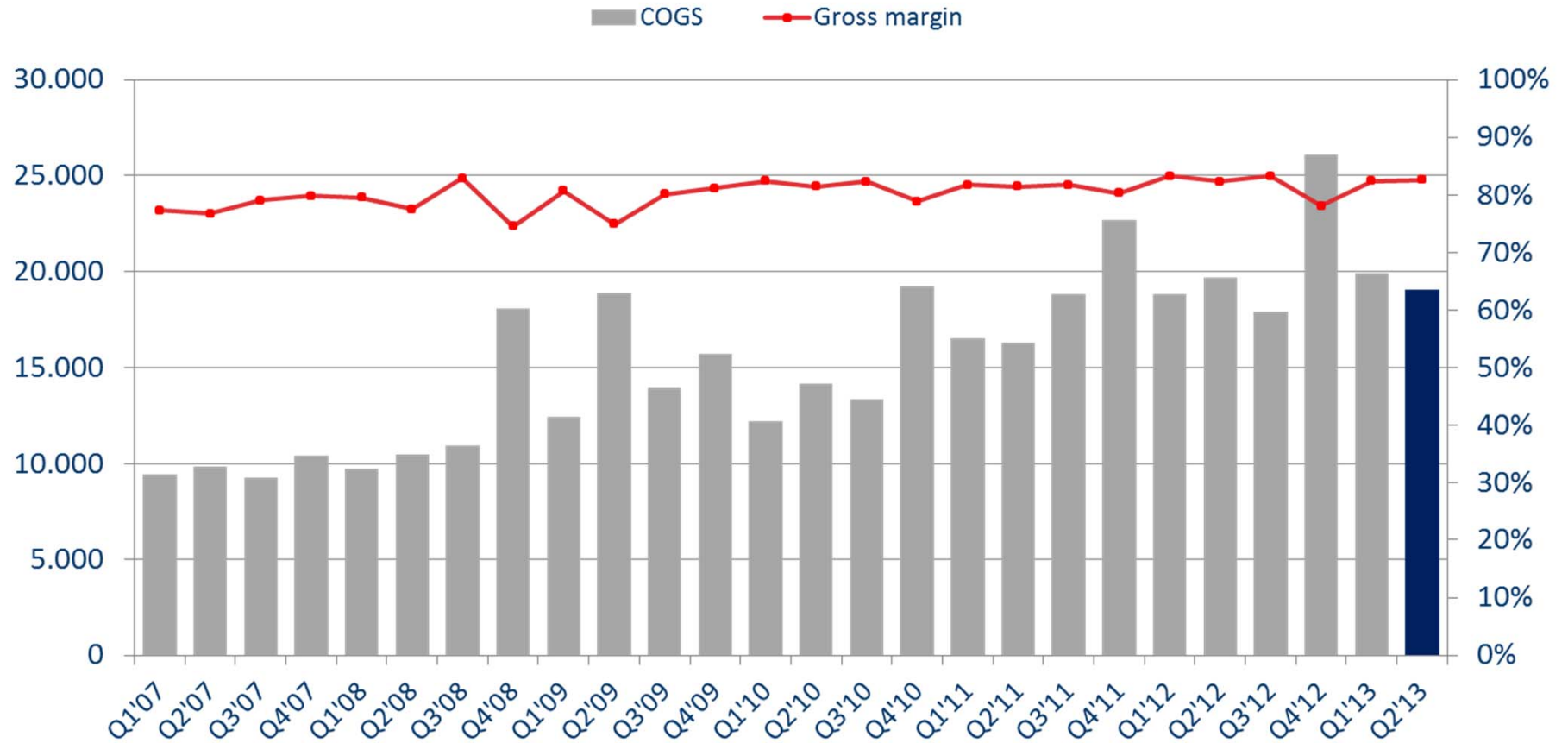
# 2010 – 2013 per quarter

Revenue (€ M) / profitability (EBITDA%)



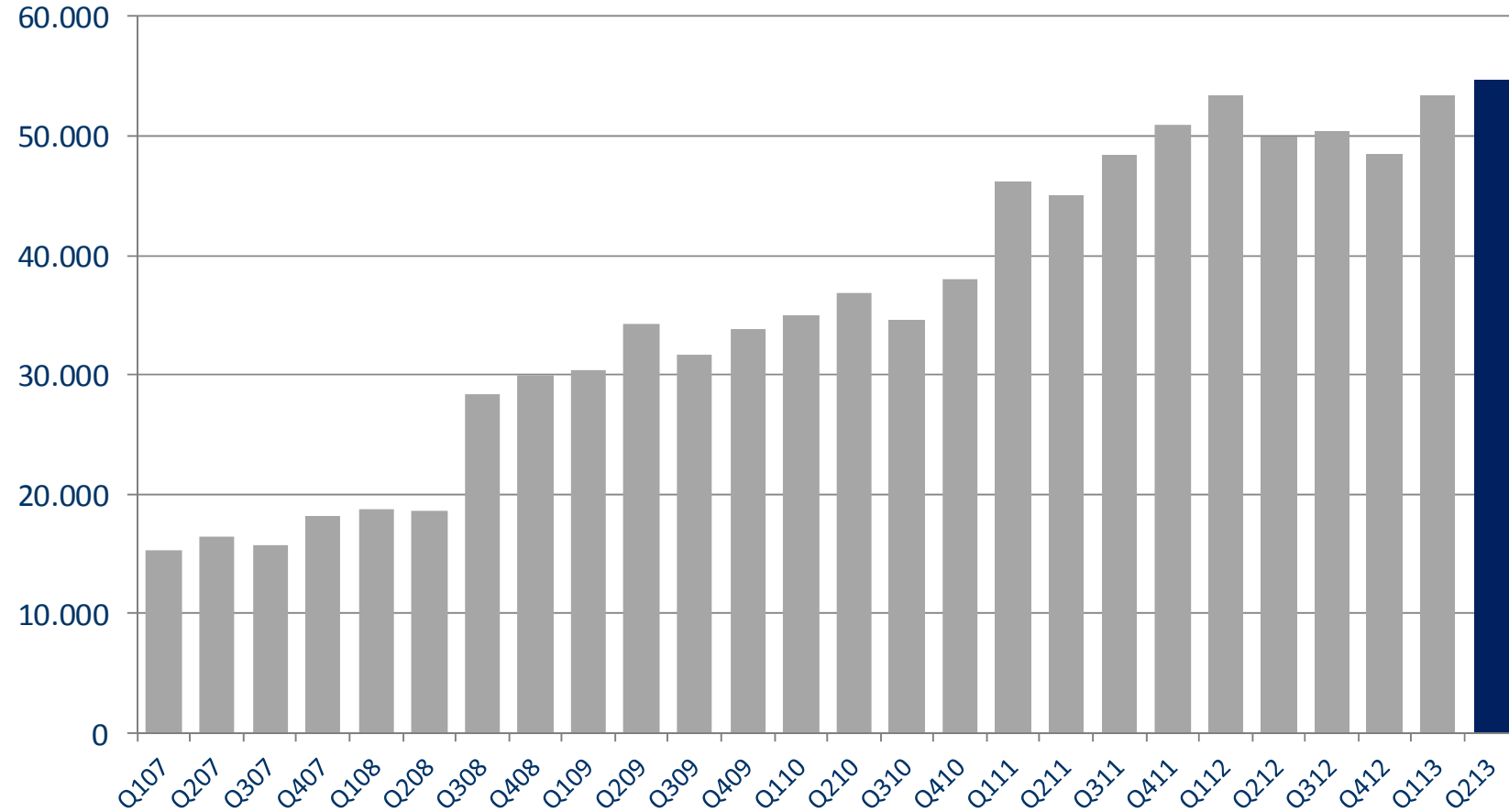
# COGS and gross margin

Cost of goods sold and gross margin (€ '000 / percent)



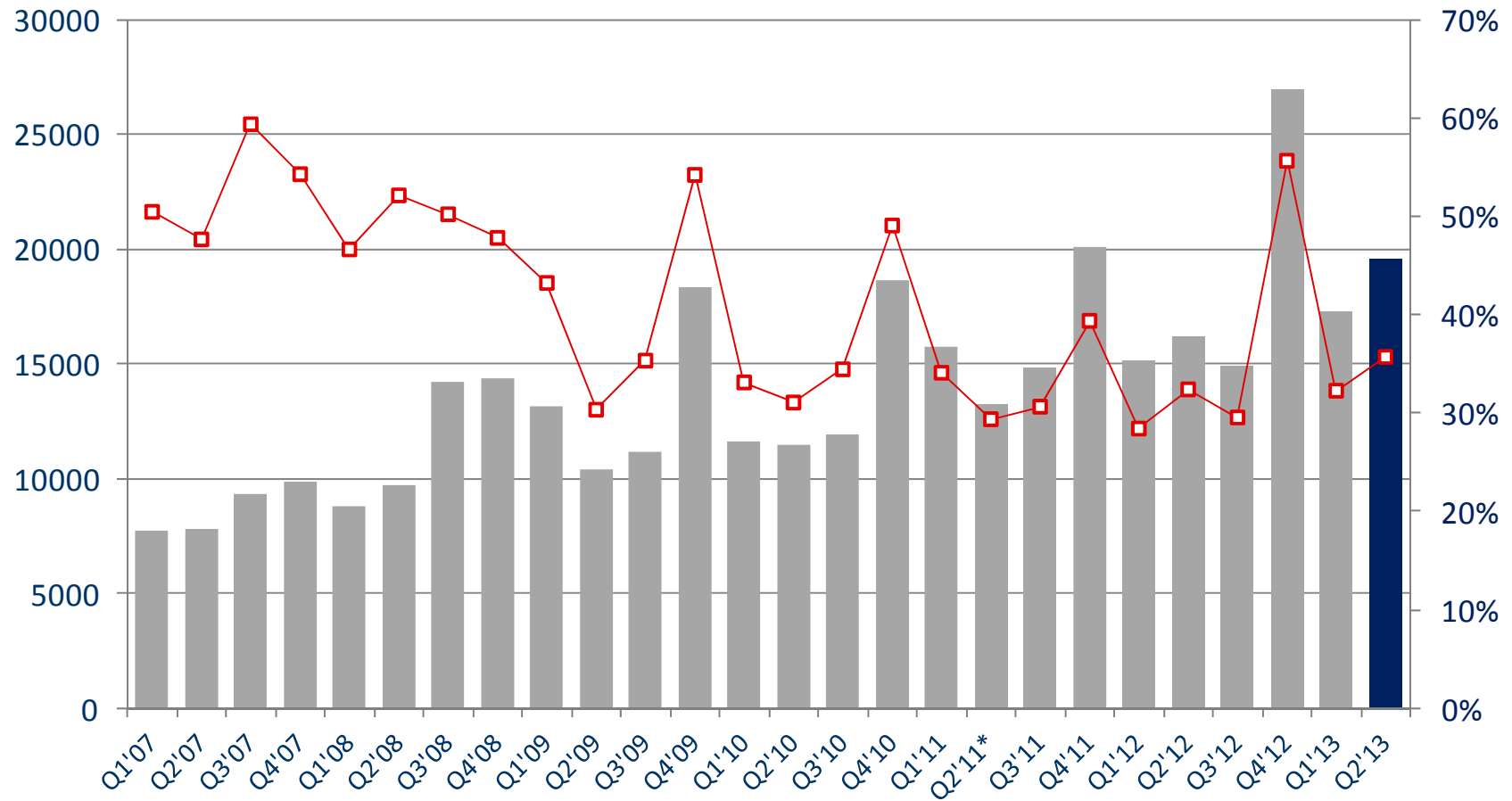
# Personnel expenses

€ '000



# Other expenses

Other expenses (€ '000) / percent of personnel expenses

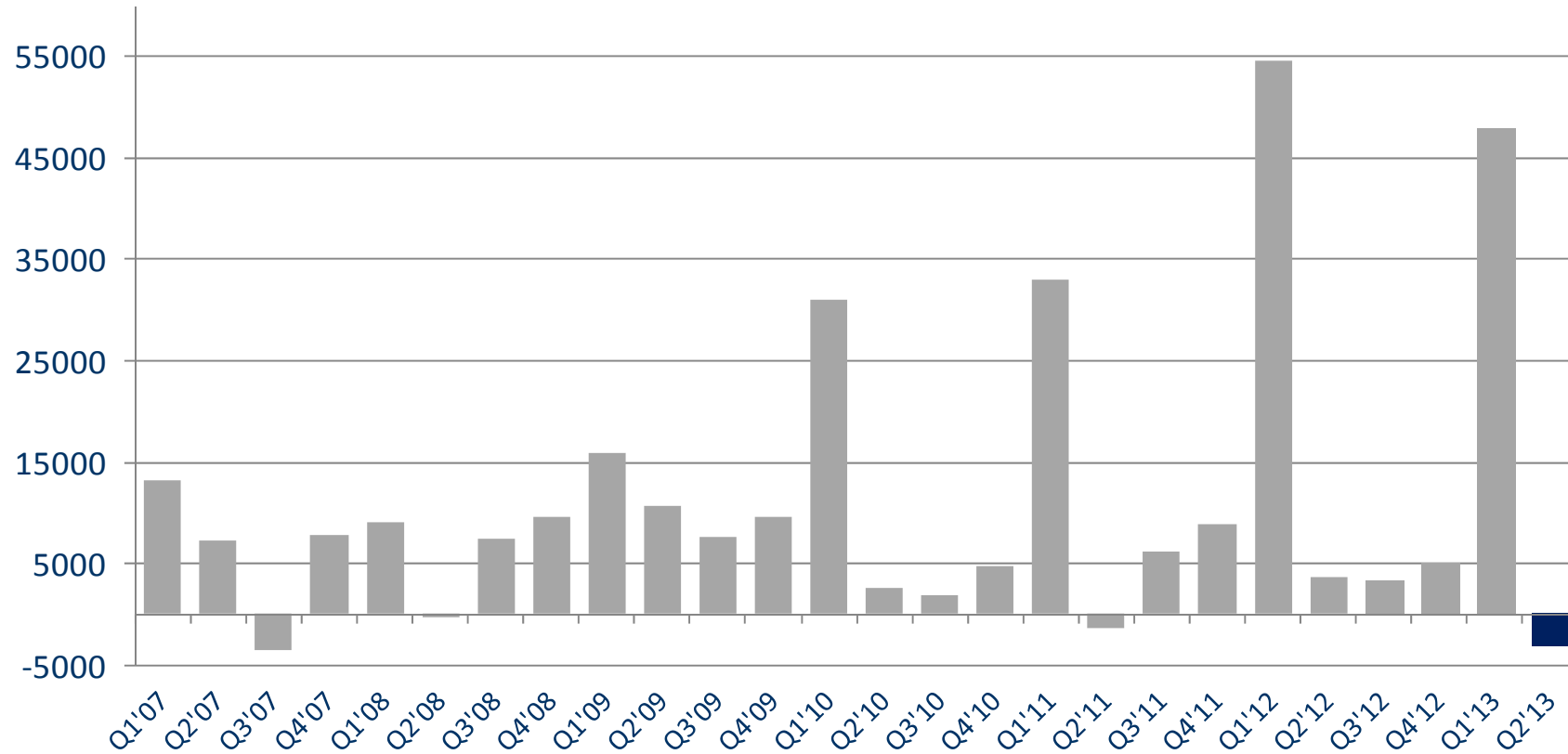


\* Excluding one-off Lauer-Fischer acquisition costs



# Operating cash flow

€ '000



## Capital expenditure

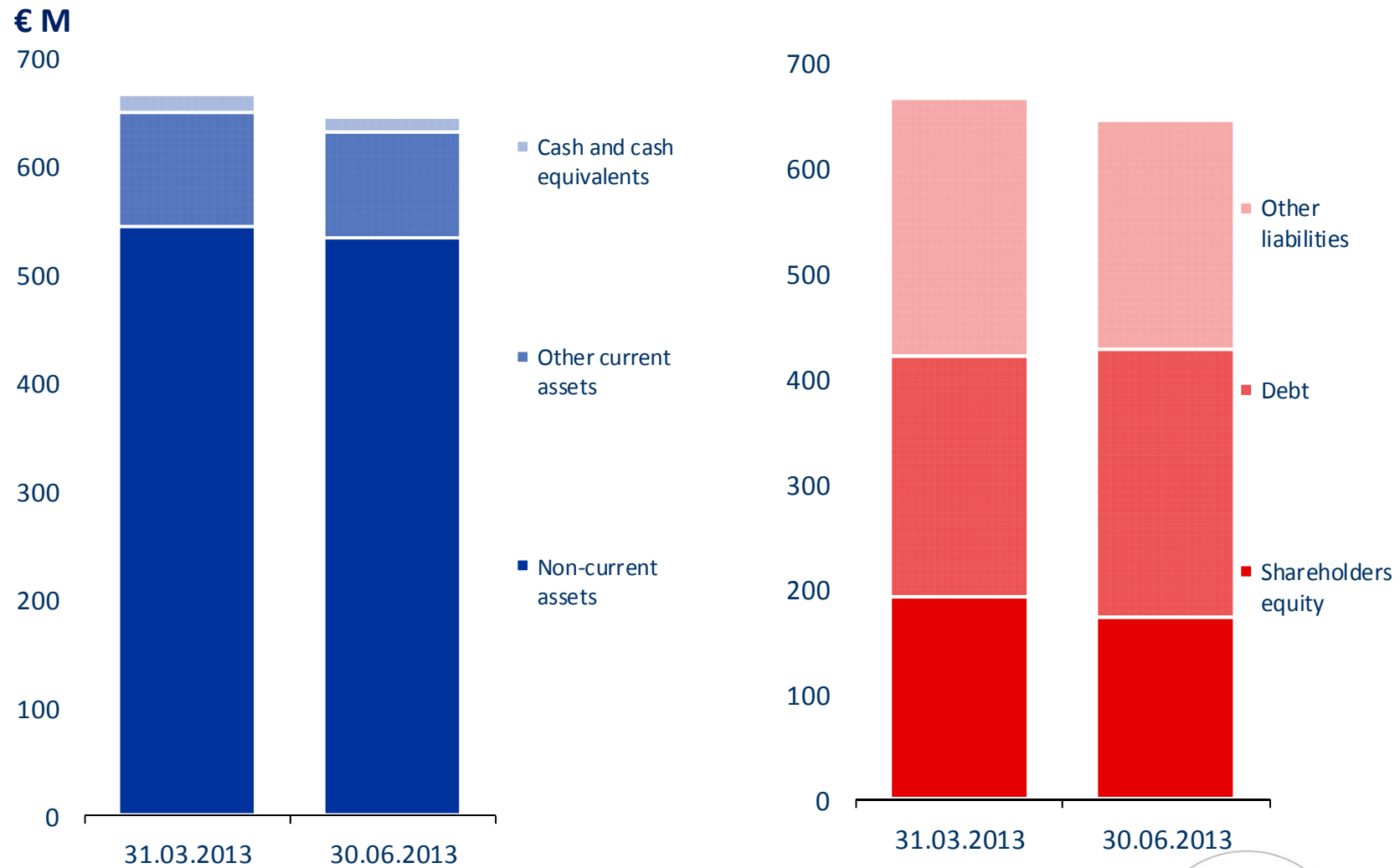
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€ M	Q2 2013
Acquisition of Neurone and remaining payments for past acquisitions	1.4
Capitalized in-house services and other intangible assets	5.2
Property and equipment	2.2
Sum	8.8

Capitalized in-house services and other intangible assets include EUR 1.6 million in licenses and related services for a new Group-wide ERP/CRM system



# Statement of financial position

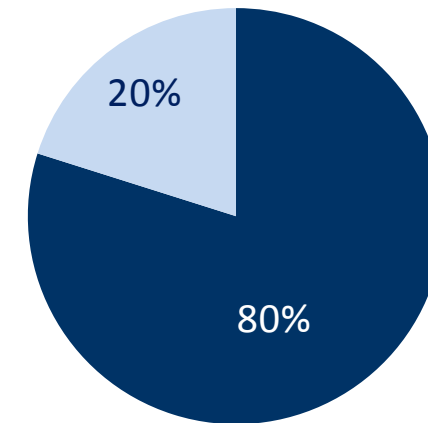


# AIS development

	€ M	%
Revenue Q2 2012	61.4	
Acquisitions	0.2	0%
Organic growth	2.3	4%
Revenue Q2 2013	63.9	4%



**AIS revenue Q2 2013**  
100% = 63.9 € M

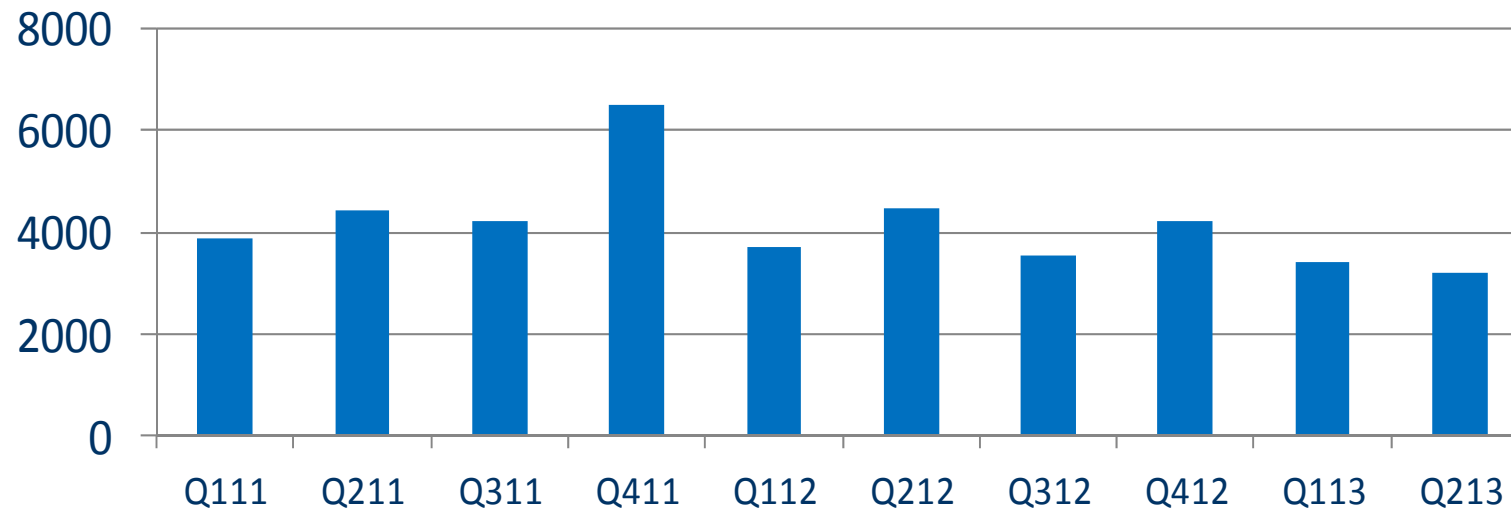


■ Recurring service fees ■ Non-recurring sales

- 12 percent organic growth in Central, Eastern and South Europe
- Flat year-on-year development in North Europe due to POC adjustments in Sweden
- Revenue in the US of EUR 9.6 million (USD 12.5 million), down from EUR 11.4 million (USD 14.5 million) in Q2 2012

## US development – 2nd quarter 2013

### Bookings (sales) per quarter in USA (USD t)



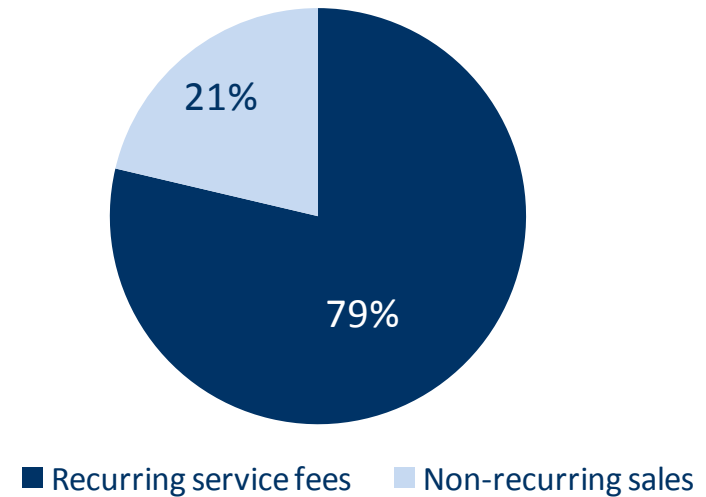
- No significant sequential revenue development (Q1: 12.2 USD m; Q2: 12.5 USD m)
- Meaningful Use stage 2 and stage 3 and ICD-10 are expected to drive the market going forward (both EHR and PM/ billing services)
- Uncertain how much short-term impact this will create for the remainder of 2013

# PCS development

	€ M	%
Revenue Q2 2012	14.0	
Acquisitions	0	
Organic growth	-0.9	-7%
Revenue Q2 2013	13.1	



PCS revenue Q2 2013  
100% = 13.1 € M



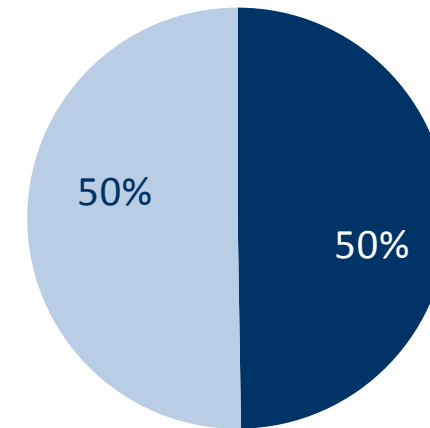
- Good performance in the second quarter despite the lower reported revenue compared to 2012.
- Different seasonal profile this year due to Expopharm and new product launches

# HIS development

	€ M	%
Revenue Q2 2012	19.9	
Acquisitions	0	
Organic growth	0.6	-3 %
Revenue Q2 2013	19.3	-3 %



**HIS revenue Q2 2013**  
100% = 19.3 € M

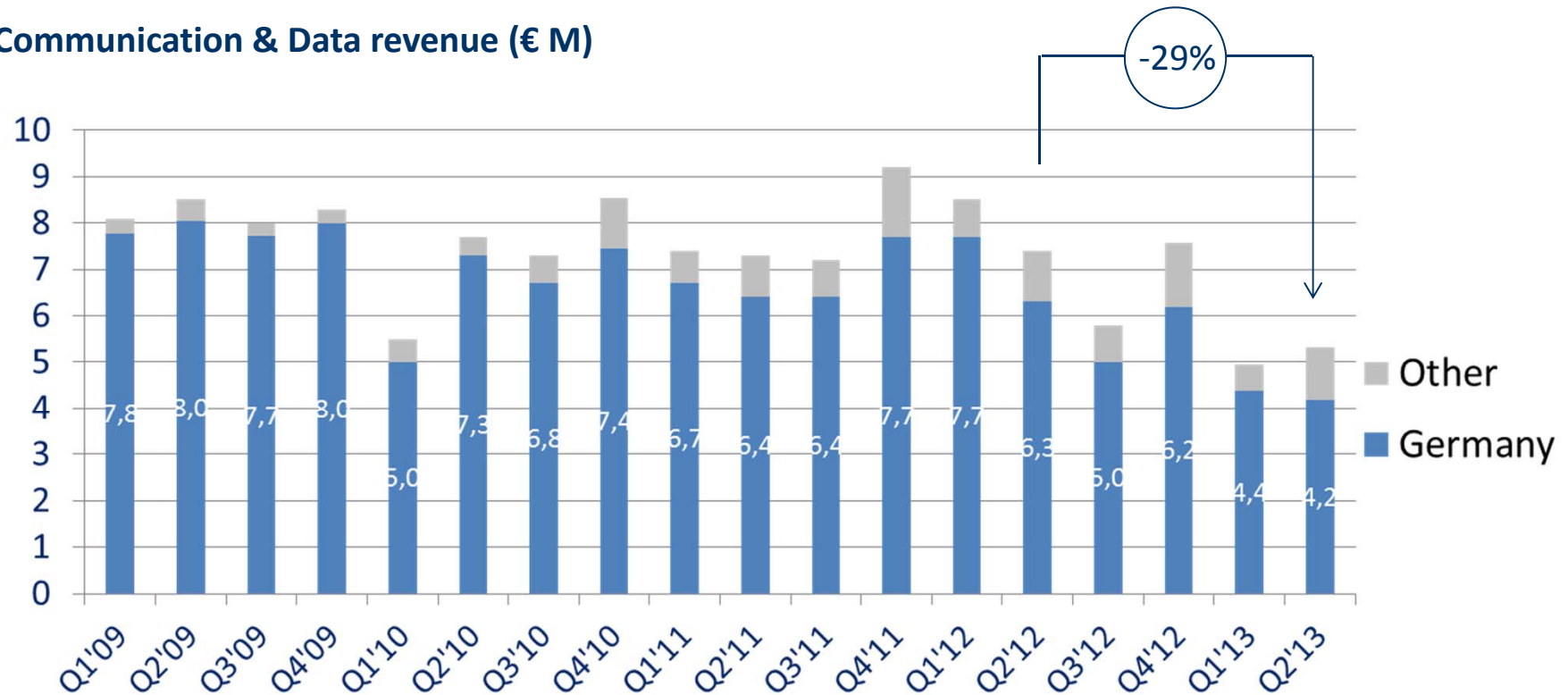


■ Recurring service fees    ■ Non-recurring sales

- Strong growth in the Polish market continues
- Slowdown in hospital IT spending in Czech Republic and Slovakia
- Flat year-on-year development in Austria and Switzerland with revenue slightly behind plan
- In Germany, revenue contracted year-on-year due to lower low-margin hardware revenue and a further delay of a scheduled product launch for social care institutions

# Communication & Data development

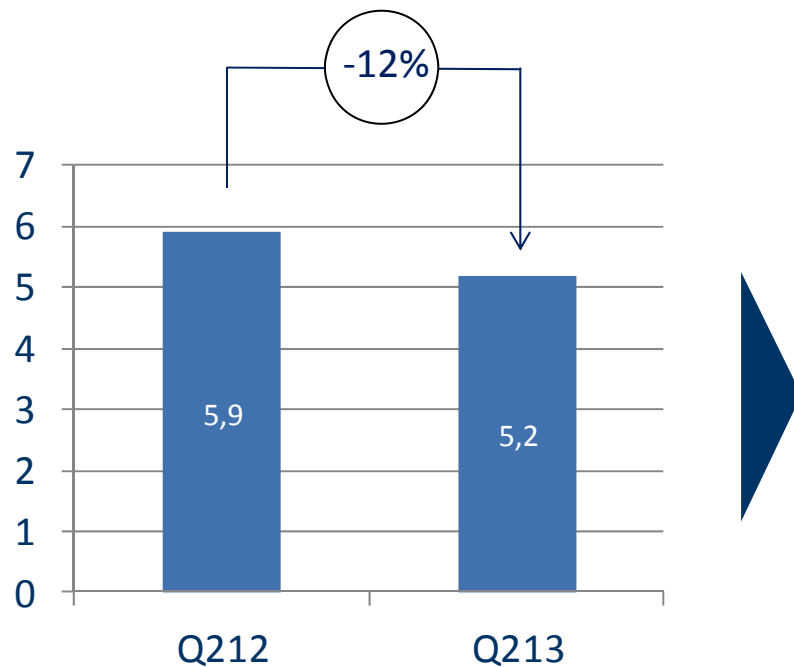
Communication & Data revenue (€ M)



- The weak start to 2013 continued in the second quarter
- The revenue level realized in the first 6 months of 2013 is also the expected run-rate for the remainder of the year.

# Workflow & Decision Support development

Workflow & Decision Support revenue (€ M )



- Sales of CompuGroup's new drug database tool (IPC3) to 3rd party software vendors slowed down in the second quarter and have not reached the expected levels for 2013
- Maintenance of old administrative software applications for German insurance companies is being phased-out during 2013
- New contracts have been signed, such as the North Rhine-Westphalia Project and new CardTrust customers
- The new contracts are expected to drive some sequential revenue improvement in the second half of 2013 but not to the level as expected at the beginning of the year

# Outlook

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- CompuGroup Medical delivered lower than anticipated revenue and profitability also in the second quarter 2013
- Furthermore, the outlook for CompuGroup's revenue for the second half of 2013 has been adjusted as follows:

**Second half year-on-year organic growth of about 8 percent in the European doctor and dental software business (AIS), i.e. similar growth rate as in the first half**

**Second half year-on-year organic growth of about 8 percent in the pharmacy software business (PCS), driven by a different seasonal profile compared to 2012**

**Second half year-on-year organic growth of about 2 percent in the hospital business (HIS), i.e. slightly higher growth rate compared to the first half**



## Outlook (cont.)

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**Sequential improvement and year-on-year growth in Workflow & Decision Support, driven by order backlog from new contracts**

**No material sequential change to the US business compared to the first half of 2013**

**No material sequential change to the Communication & Data business compared to the first half of 2013**

- Following prudent cost measures while still maintaining most on-going growth initiatives, the second half 2013 EBITDA margin is expected end up in the 23-24 percent range
- In addition to the organic outlook, 'Studiofarma' and 'Tekne' acquisitions will give an expected revenue contribution of approximately EUR 7 million with no material EBITDA effect after transaction expenses and initial integration costs

## Guidance 2013 adjusted

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- CompuGroup Medical adjusts the outlook for 2013 presented in the 2012 Annual Report:
  - Revenue is expected to be in the range of EUR 458 million to EUR 463 million
  - Operating income (EBITDA) is expected to be in the range of EUR 97 million to EUR 100 million
- The guidance for 2013 represents management's best estimate of the market conditions that will exist in 2013 and how the business segments of CompuGroup Medical will perform in this environment
- The guidance does not include revenue and costs associated with potential and currently undetermined further acquisitions during 2013

# Financial calendar 2013

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November 20, 2013

Interim report Q3 2013 | Analyst conference

## Q&A session

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If you would like to raise questions, please press **\*1** on your telephone

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