

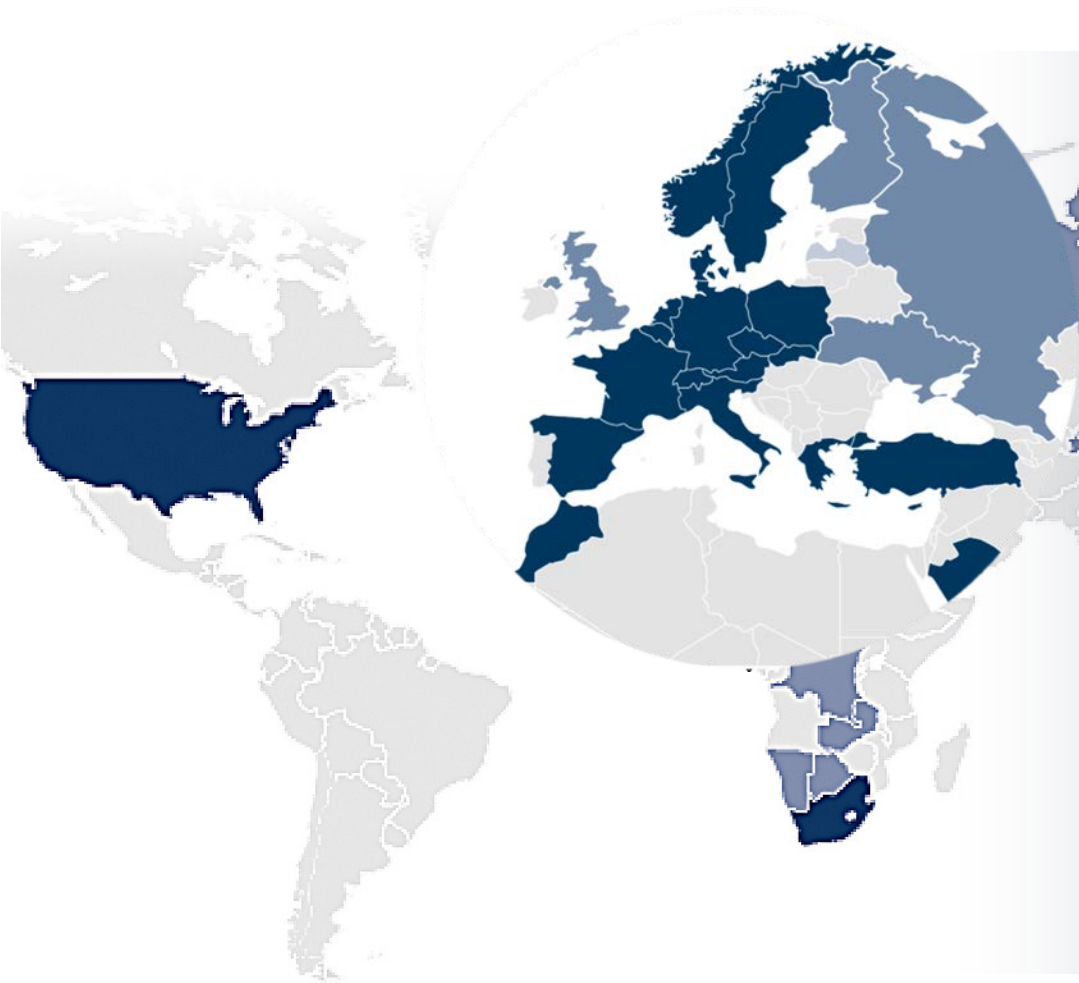
# Synchronizing Healthcare

**Berenberg Bank & Goldman Sachs  
German Corporate Conference, Munich**

**Christian B. Teig, CFO  
23-24 September, 2013**



# CGM – a global healthcare IT provider

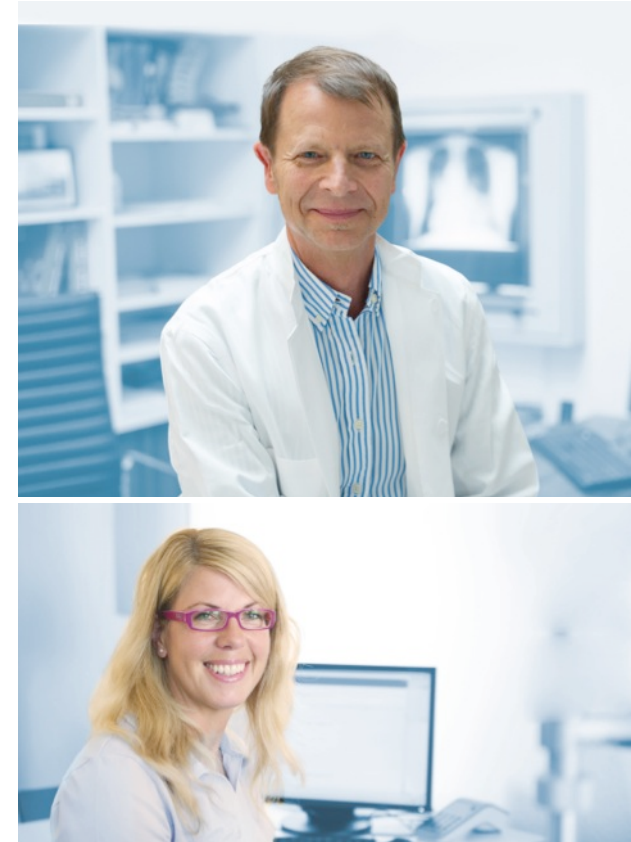


## Key figures

- 2012: Revenue €451 million and EBITDA of €105 million
- 24% annual growth rate last 9 years
- Unique access to over 385,000 doctors and medical professionals across 33 countries
- Leading position in main European markets
- Founded in 1987 and headquartered in Koblenz, Germany
- Publicly traded on the Frankfurt Stock Exchange with a market capitalization of approximately €800 million

# Information technology healthcare

- The healthcare industry is highly regulated and characterized by stability and growth
- Increased focus on cost savings and quality improvements
- Market for software and IT services in healthcare: € 10 billion in Europe, over € 30 billion globally; strong forecast growth trends
- Market and competitive landscape vary by country and target customer group
- Continental Europe is relatively mature and stable with established incumbent players such as CGM
- US with large potential given inherent size and dynamic regulatory framework





# Software for doctors

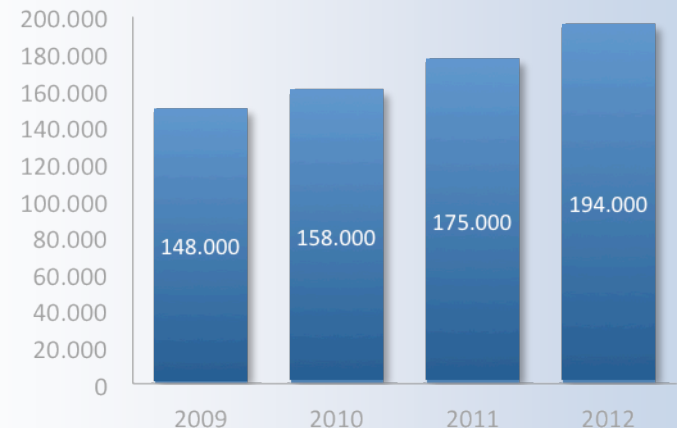


# Software solutions for Doctors

- Customers: General Practitioners, office-based specialists, dentists, physiotherapists, school healthcare, outpatient clinics, health centers, home care
- Products include practice management software, billing systems, integrated clinical solutions, electronic health records
- Recurring revenues from software support and maintenance agreements represent ~80% of revenue
- Low customer churn rate: ~2%



## Software Maintenance Contracts (doctors)



# European market leader

- Market leader in software for office-based doctors across Europe
- Successful track record of more than 25 years



## Office-based doctors in Europe

Country	CGM Market Share
Germany	49%
Austria	40%
Sweden	76%
Denmark	42%
Norway	67%
Italy	44%
France	19%



# Software for pharmacies



# Software for pharmacies

- CGM entered the market for pharmacy software by acquiring one of the German market leaders (20% market share) in 2011: LAUER-FISCHER GmbH
- LAUER-FISCHER has been the innovation leader in pharmacies for more than 6 decades
- New, promising area for CGM with many similarities to the doctor software business



**LAUER  
FISCHER**  
Besser für Sie!



# Software for pharmacies

- Complete software solutions for pharmacies, related services and an online drug database
- ~ 4,000 pharmacy customers (~ 8,000 users) in Germany
- Service strength and market proximity through 17 branch offices
- ~ 80% of revenue is recurring service and maintenance fees



# Pharmacy software: Italian market entry 2013

- In June 2013, CGM acquired the Italian market leader for pharmacy software Studiofarma S.r.l. and its largest sales partner, Qualità in Farmacia S.r.l.
- Over 7,000 customers with a total market share of approximately 30%
- ~ 60% of revenue is recurring service and maintenance fees
- Low customer churn rate: ~1%



# Software for hospitals





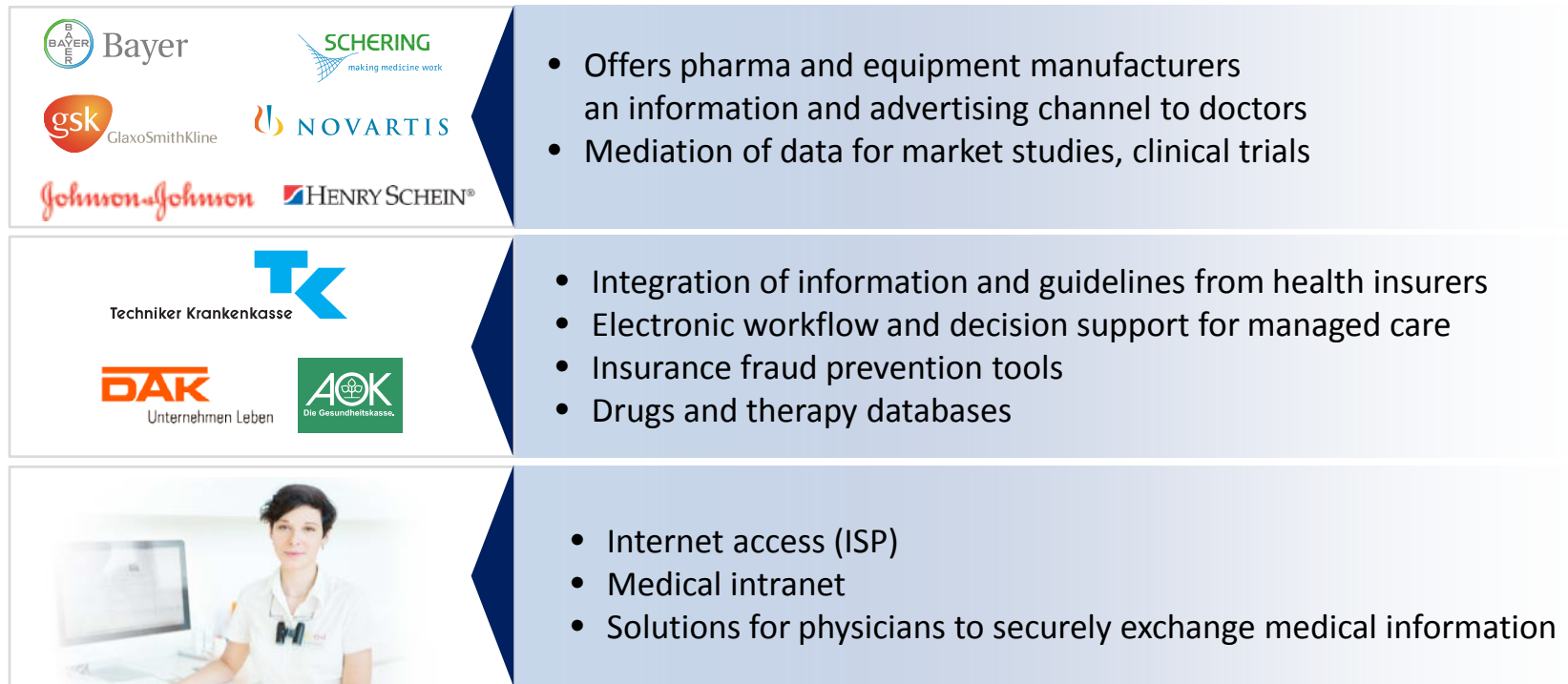
# Software for hospitals

- Hospital Information Systems
- Customers include rehabilitation and geriatric care, social care
- Solutions for hospital management, personnel management, documentation, billing, clinical applications for specialized departments and laboratories
- Business different to doctors and pharmacies. Needs scale.



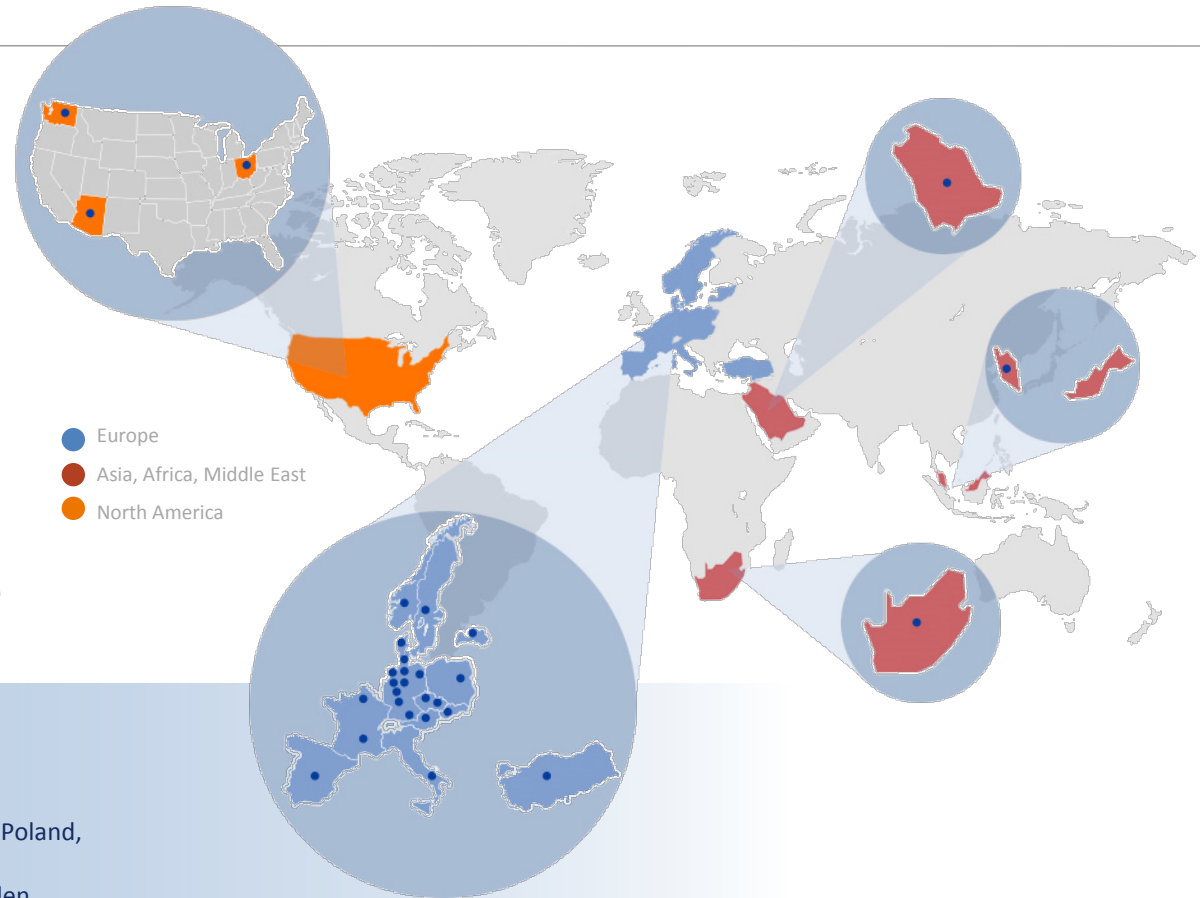
# Extended business model

## Channel for networking and sharing medical information between various healthcare participants



# Geographic diversification

- Offices in 19 countries across four continents
- Well established in Europe with growing presence in US, Asia, Africa
- Internationally transferable business model with similar industry drivers worldwide



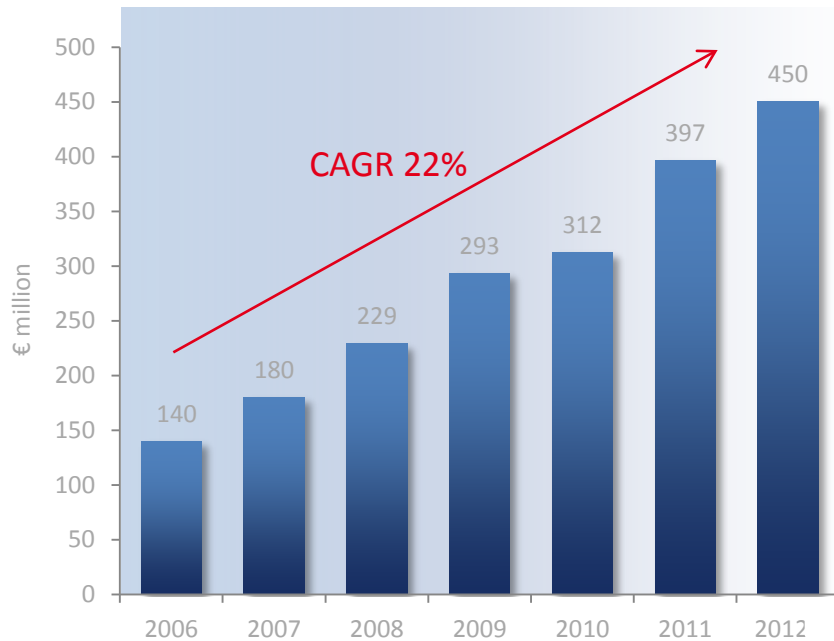
## Global Offices

<b>Central Europe</b>	Germany
<b>Central Eastern Europe</b>	Austria, Czech Republic, Poland, Slovakia, Switzerland
<b>Northern Europe</b>	Denmark, Norway, Sweden, The Netherlands, Belgium
<b>Southern Europe</b>	France, Italy, Spain
<b>Asia, Africa, Middle East</b>	Malaysia, Saudi Arabia, South Africa, Turkey
<b>North America</b>	United States

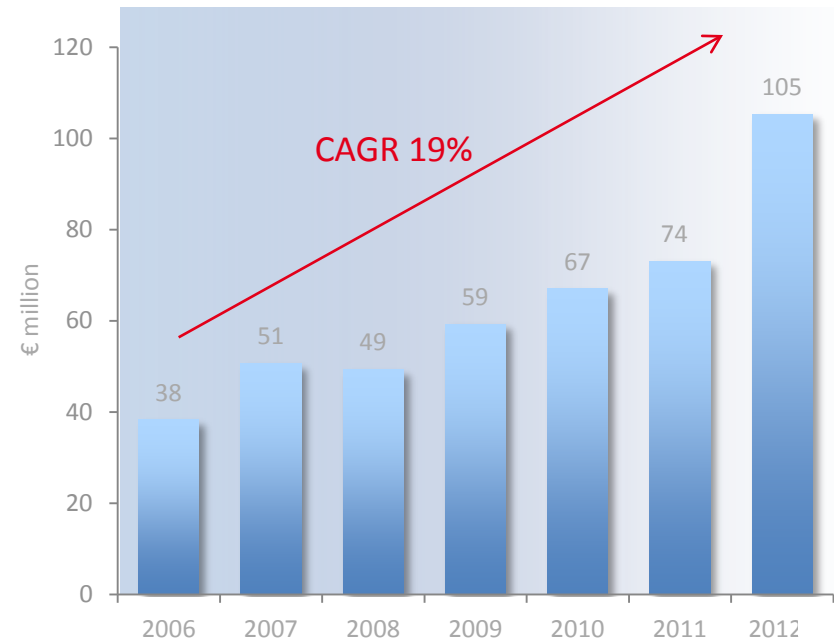


# Historical revenue and EBITDA growth

## Group Revenue



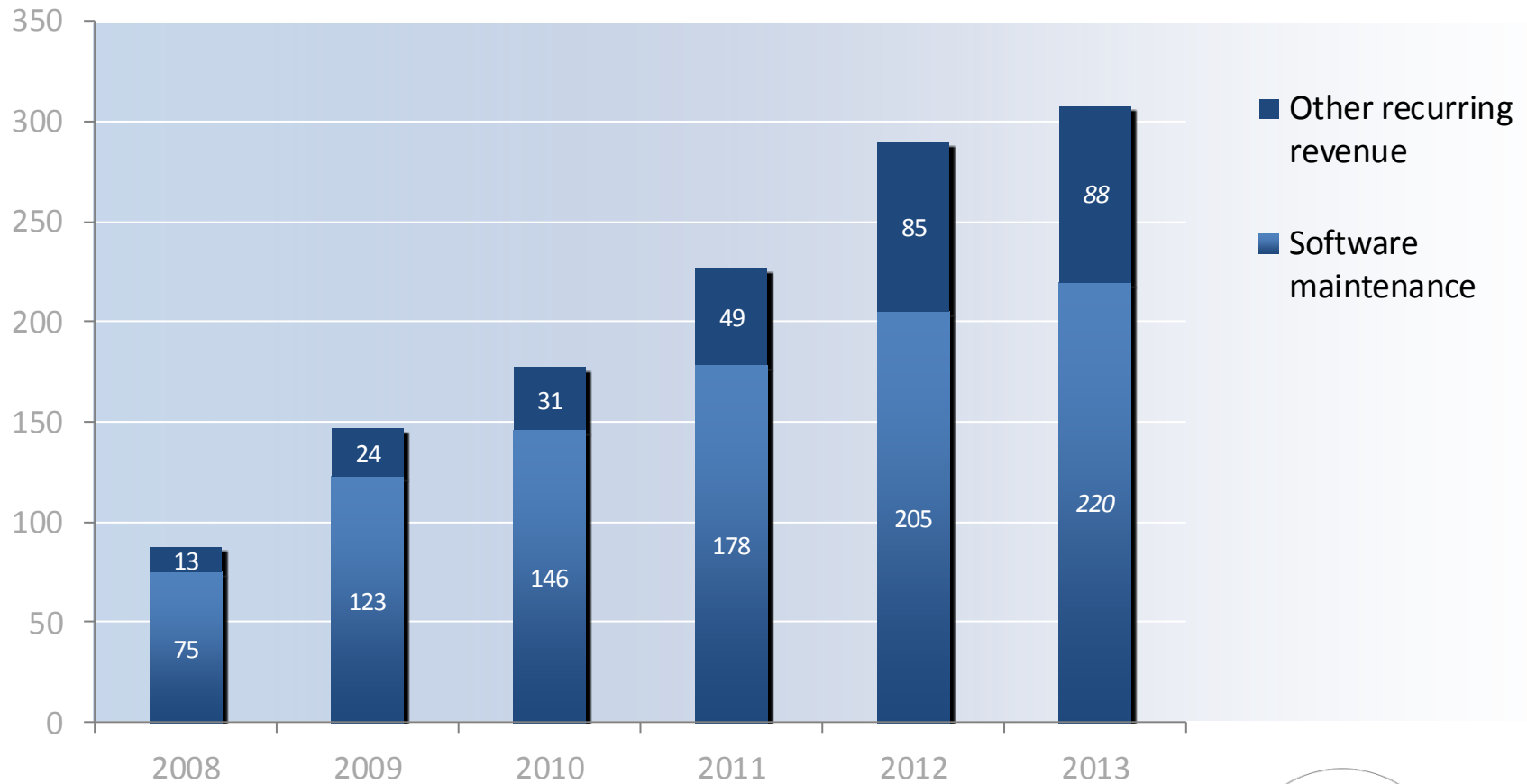
## Group EBITDA



- Strong growth in revenues and EBITDA driven by strong operational performance, supportive business environment and stable, recurring revenue base

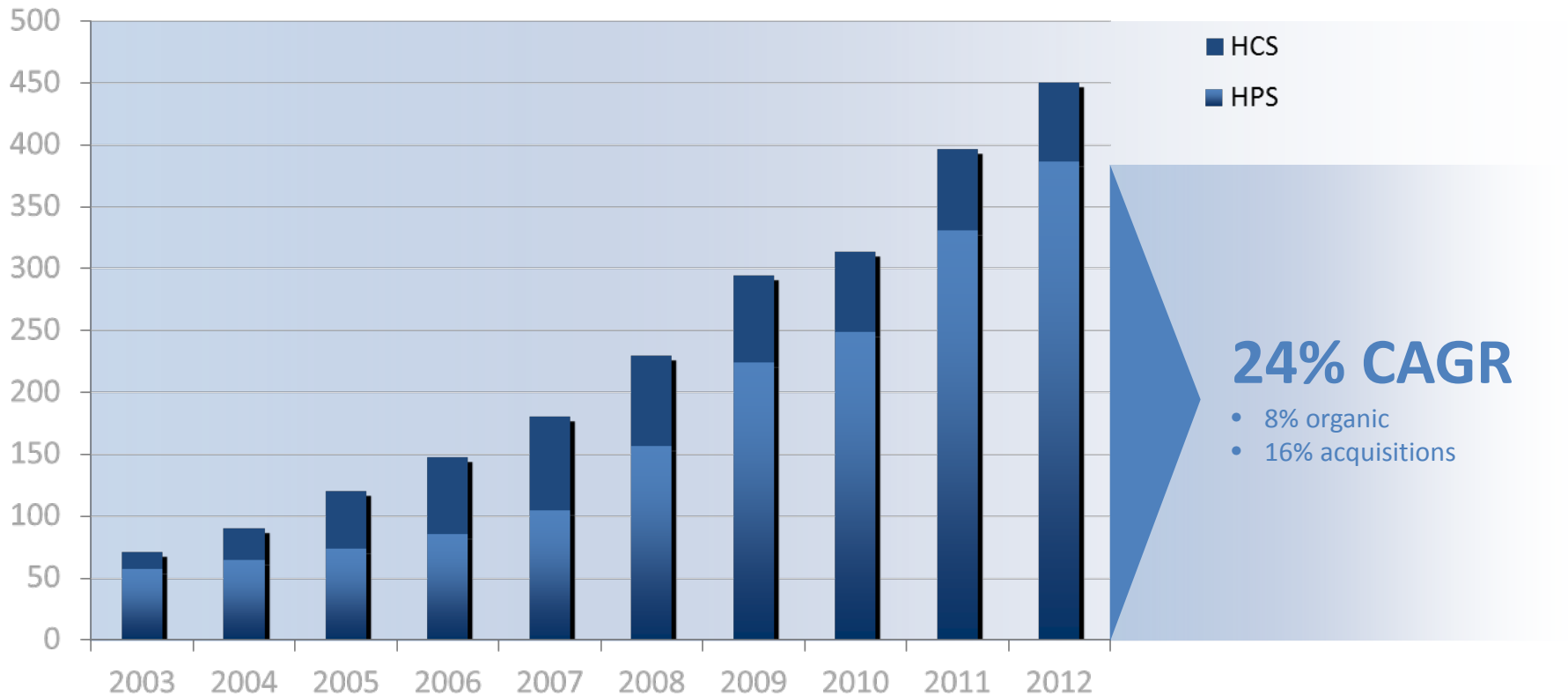
# ~70% recurring revenue

Group companies as of 01.01 (€ M)



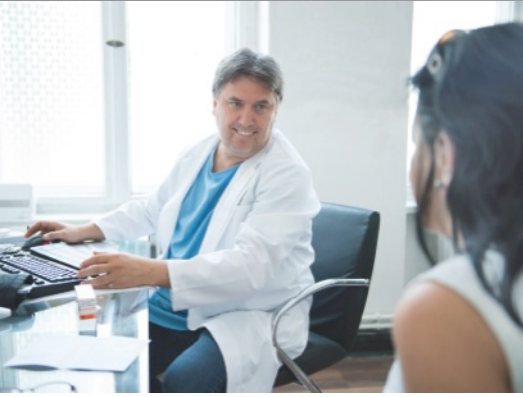
# Buy and build strategy

Group revenue (€ M )





# 3 business segments



## Health Provider Services I (HPS I)

- Ambulatory Information Systems
- Pharmacy Information Systems

~70% of revenue



## Health Provider Services II (HPS II)

- Hospital Information Systems

~17% of revenue



## Health Connectivity Services (HCS)

- Communication & Data
- Workflow & Decision Support
- ISP

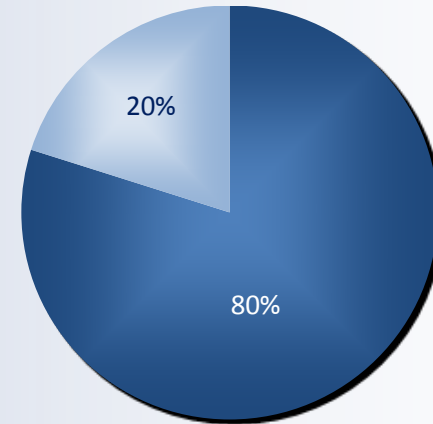
~13% of revenue

# Doctor software (AIS) development 2013

## AIS revenue Q2 2013

100% = 63.9 € M

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



■ Recurring service fees ■ Non-recurring sales

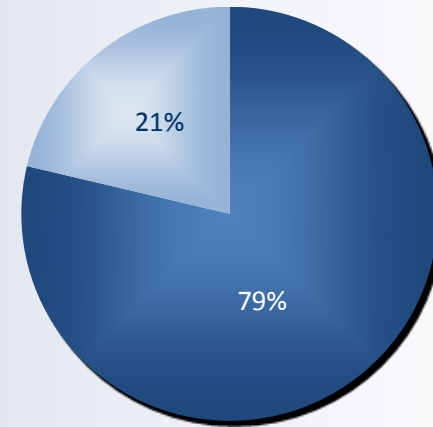
- 12 percent organic growth in Central, Eastern and South Europe
- Flat year-on-year development in North Europe due to POC adjustments in Sweden
- Revenue in the US of €9.6 million (\$ 12.5 million), down from €11.4 million (\$ 14.5 million) in Q2 2012

# Pharmacy software (PCS) development 2013

## PCS revenue Q2 2013

100% = 13.1 € M

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



■ Recurring service fees

■ Non-recurring sales

- 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
- Italian market entry

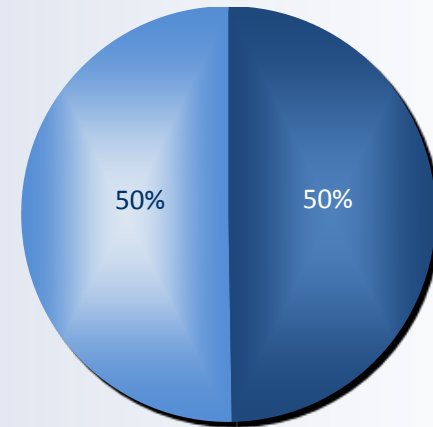


# Hospital software (HIS) development 2013

## HIS revenue Q2 2013

100% = 19.3 € M

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



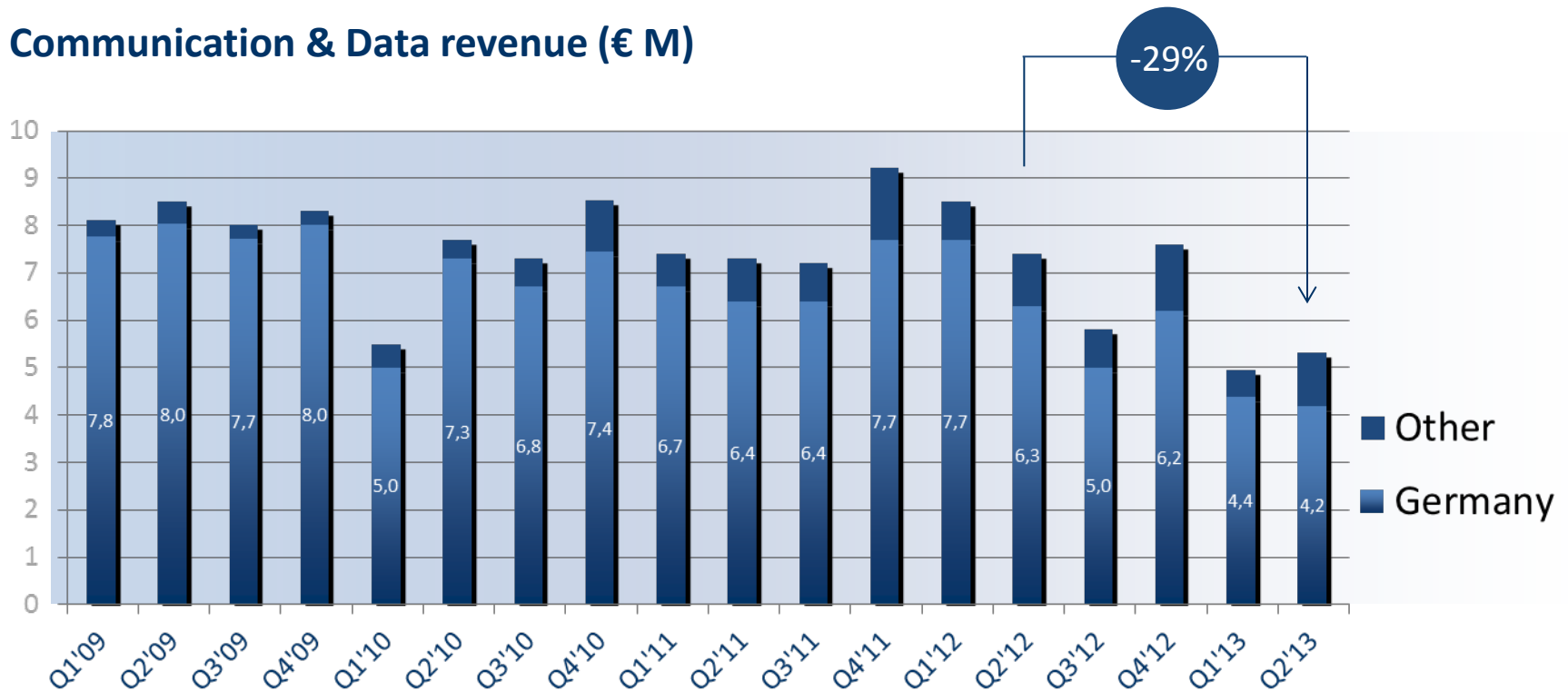
■ Recurring service fees

■ 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
- In Germany, revenue contracted year-on-year due to lower low-margin hardware revenue and a delay of a scheduled product launch for social care institutions

# Communication & Data development 2013

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

# Guidance 2013

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- Revenue is expected to be in the range of € 458 million to € 463 million
- Operating income (EBITDA) is expected to be in the range of € 97 million to € 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

# Summary

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- Market Leading e-Health Company
- Stable Healthcare Sector with Positive Long-term Trends
- High Recurring Revenue Base
- Strong Financial Performance and Conservative Profile
- Strong Competitive Advantage from Broad and Central Access to Doctors
- Technological Leadership
- Geographic Diversity and an Internationally Transferable Business Model
- Successful and Experienced Management Team



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## **CompuGroup Medical AG**

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