

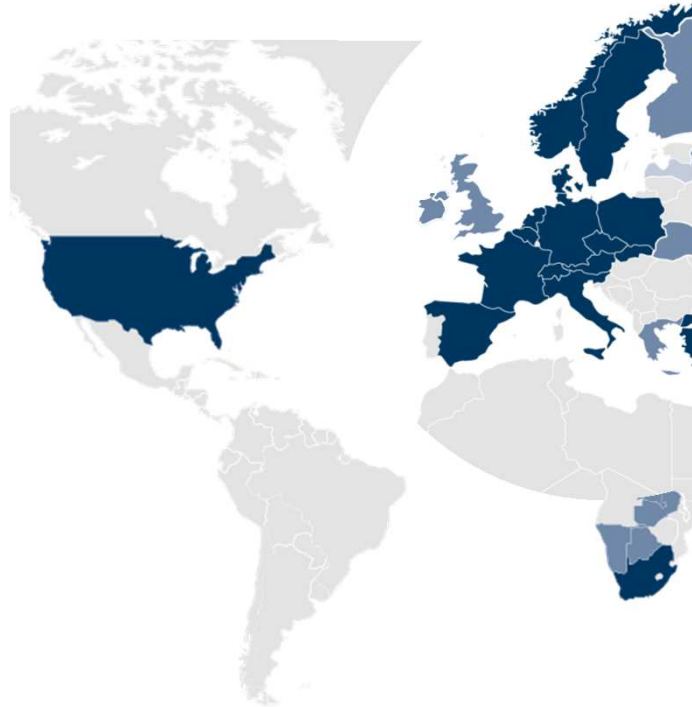
Synchronizing Healthcare

HSBC Healthcare Day 2015

Christian B. Teig, CFO
November 12th, 2015



CGM – a global healthcare IT provider



Key figures

- 2014: Revenue € 515 million and EBITDA of € 97 million
- 20% annual growth rate last 10 years
- Unique access to over 400,000 doctors and medical professionals across 46 countries (offices in 19)
- 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 € 1.5 billion (August 2015)

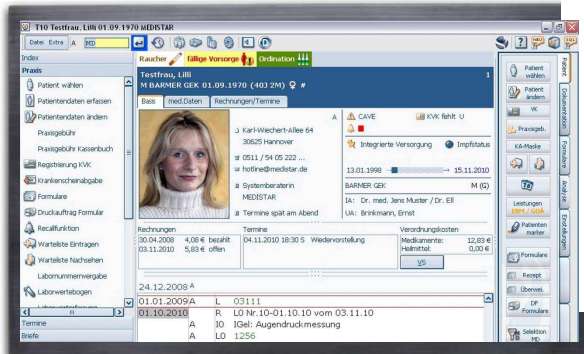
Healthcare Information Technology

- Global healthcare spending over 6 € trillion annually
- 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

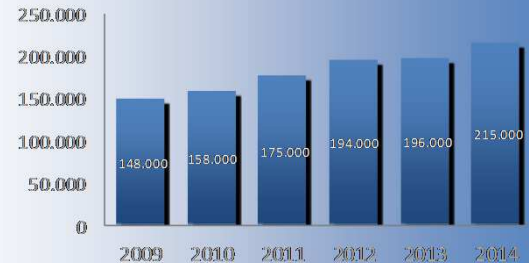


Software for doctors

- ~60% of total Group revenue
- 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)



Software for pharmacies

- ~15% of total Group revenue
- Complete software solutions for pharmacies, related services and an online drug database
- ~ 4,000 pharmacy customers in Germany, ~ 7,000 in Italy
- ~ 80% of revenue is recurring service and maintenance fees
- Low customer churn rate: ~1%



**LAUER
FISCHER**
Besser für Sie!

farma3tec
tecnologie e servizi




Software for hospitals

- ~15% of total Group revenue
- 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.



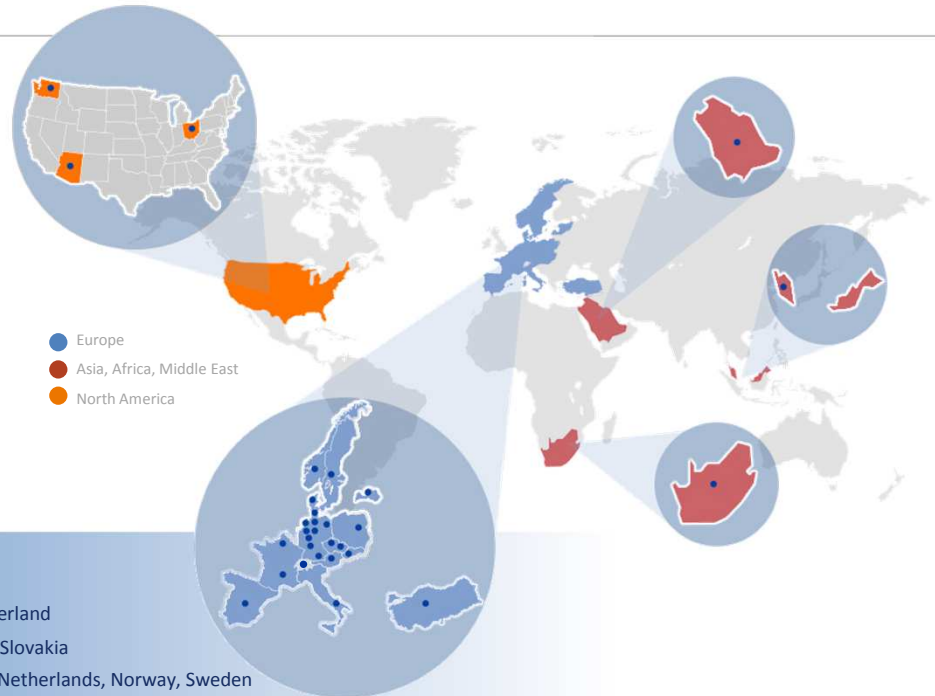
Networking solutions for healthcare

- ~10% of total Group revenue
- Revenue from networking and sharing medical information between various healthcare participants

	<ul style="list-style-type: none">• Offers pharma and equipment manufacturers an information and advertising channel to doctors• Mediation of data for market studies, clinical trials
	<ul style="list-style-type: none">• Integration of information and guidelines from health insurers• Electronic workflow and decision support for managed care• Insurance fraud prevention tools• Drugs and therapy databases
	<ul style="list-style-type: none">• Internet access (ISP)• Medical intranet• Solutions for physicians to securely exchange medical information

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

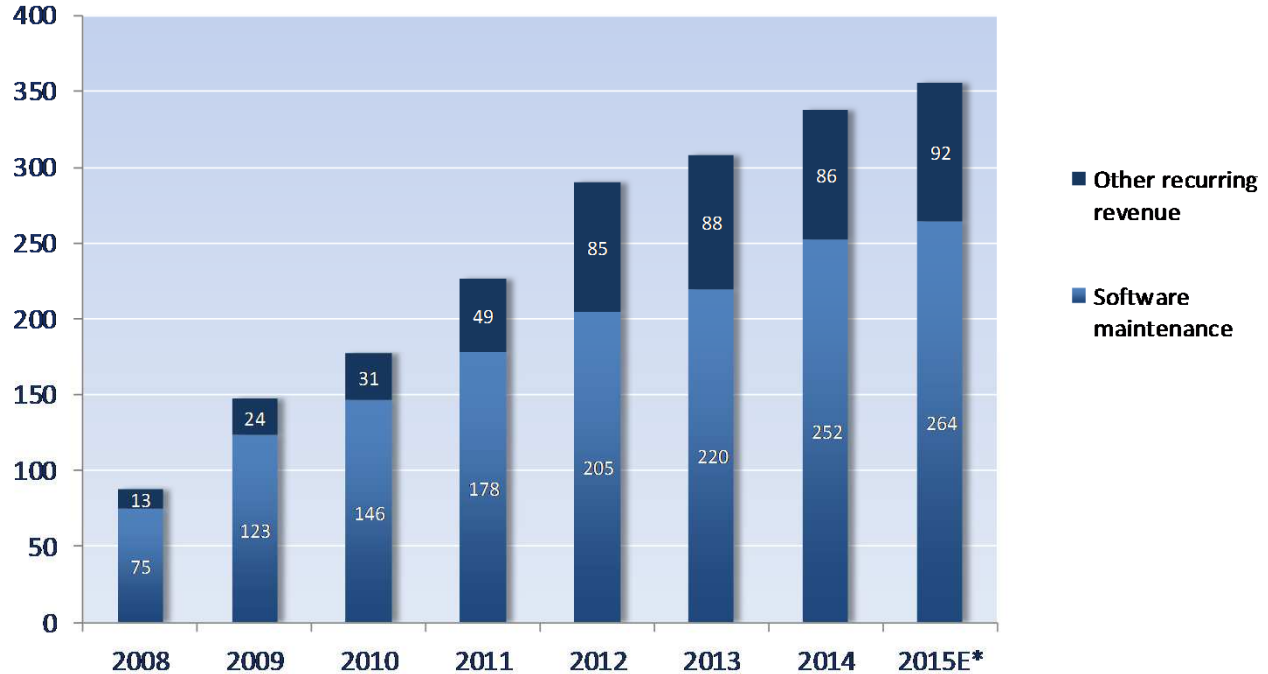


Global Offices

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

Recurring revenue

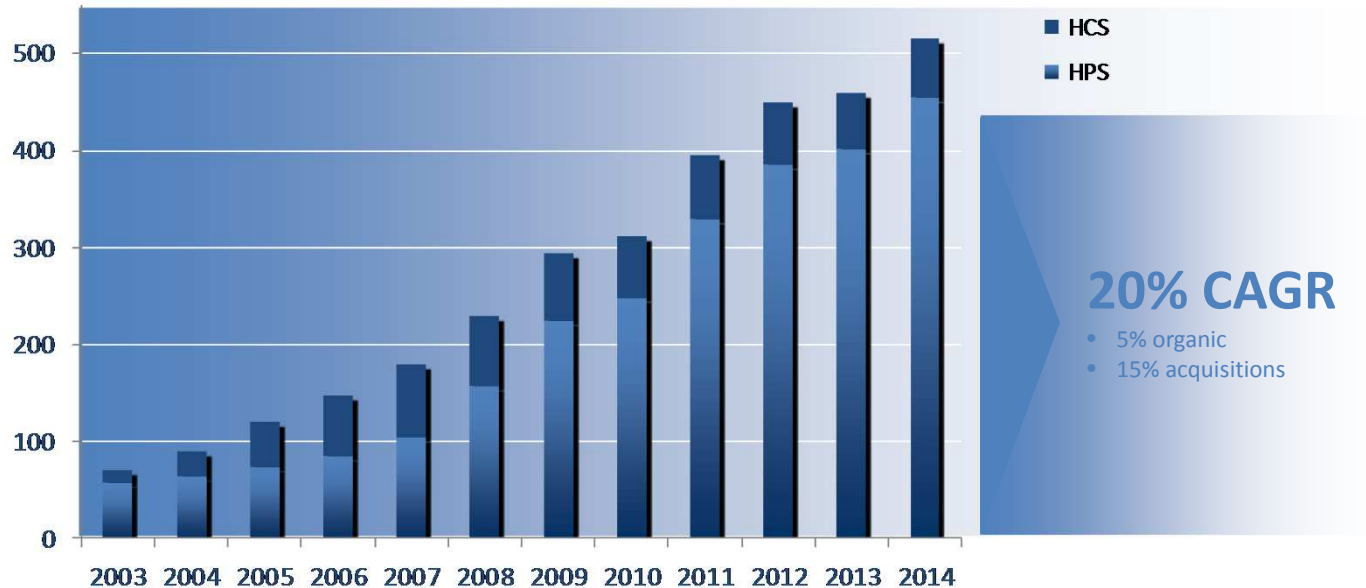
Group companies as of 01.01 (€ M)



* Based on run rate January 2015

Buy and build strategy

Group revenue (€ M)



Key figures third quarter 2015

€ M	Q3 15	Q3 14	YTD 15	YTD 14	2014
Revenue	125.7	125.8	396.2	374.2	515.1
EBITDA	20.8	23.2	79.0	68.4	96.7
EBIT	10.6	13.1	47.9	38.4	53.9
EBT	6.0	14.5	46.3	31.0	44.5
Net income	4.9	10.7	30.0	21.5	24.1
EPS (€)	0.10	0.21	0.60	0.43	0.53
Cash net income*	13.0	18.0	53.7	43.5	55.8
Cash net income per share (€)	0.26	0.36	1.08	0.88	1.12

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

Third quarter 2015 special effects

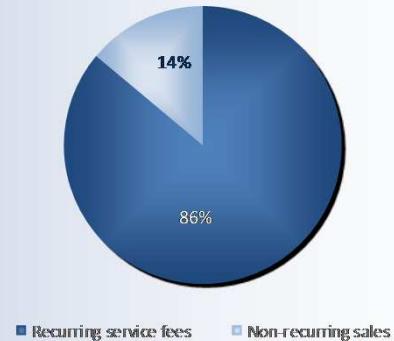
€ M	Gematik project		HIS projects		Group	
	3Q 2015	3Q 2014	3Q 2015	3Q 2014	3Q 2015	3Q 2014
Revenue	-1.5	2.7	-3.5	-	-5.0	2.7
EBITDA	-6.5	0.5	-1.5	-	-8.0	0.5

Doctor software development

AIS revenue Q3 2015

100% = 75.1 € M

	€ M	%
Revenue Q3 2014	71.2	
Acquisitions	4.0	6%
Organic growth	-0.1	-
Revenue Q3 2015	75.1	6%



- Outside the Gematik pilot project, the AIS business had 4 percent organic growth (3 percent at constant exchange rates)
- Continued positive development in the United States with year-on-year growth in local currency

Telematics Infrastructure pilot project (AIS)

- Extremely challenging original timeline
- Changing specifications under way (design freeze in August 2014 vs January 2014 as originally planned)
- Parallel finalization of security profiles (by the Federal Office for Information Security - BSI)
- Interdependencies between all 9 ongoing projects (ORS-1, G2 Cards and scientific evaluation)
- Organizational changes



Third quarter 2015 one-off adjustments:

- Reported revenue EUR -1.0 million (Q3 2014: +2.0 million)
- Reported EBITDA EUR -2.9 million (Q3 2014: 0.0 million)

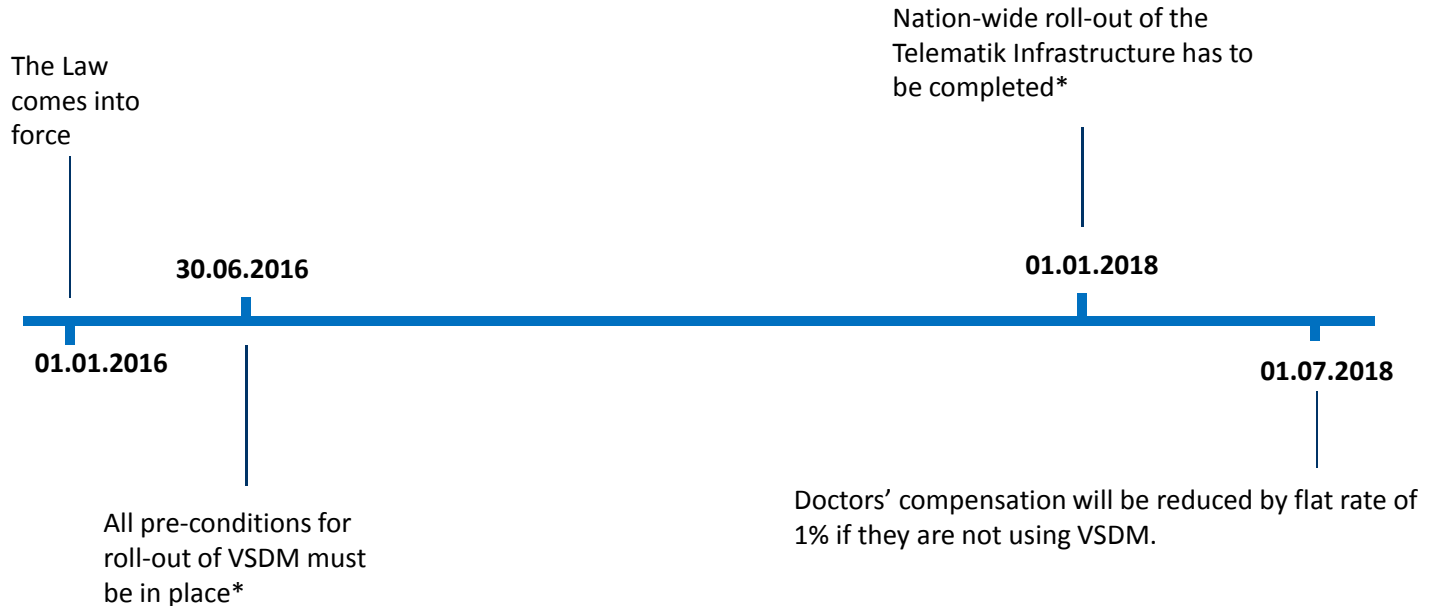
Current planning (no change to analyst conference 9th October):

- Certification to be completed Q1 2016
- Sufficient field testing (>80%) to be completed by 30 June 2016

The German eHealth Law –final steps

- November 4th : Public hearing in the health committee of the Bundestag
 - Broad-based support for the bill and the Telematics Infrastructure (except for the opposition Left party)
 - Invited expert speakers praised in their opinions the "dynamics" created by the deadlines and sanctions in the bill, and pointed out that without such mechanisms, the long-term preparations to date have been expensive and with modest results
 - A significant part of the hearing was dedicated to the topic of a Personal Health Record for German citizens, i.e. a key future service in the Telematics Infrastructure which is not yet included in the bill
- December 3rd : „Zweite und Dritte Lesung“ – the bill gets voted in the Bundestag
- The current coalition has enough majority to pass the bill
- In the current draft, it is written that the law will come into effect 1 January 2016

Rollout timeline in the draft bill



* If the deadline is not met, from 2017 on the expenditure in the budgets of the GKV SpiBu and the KBV must not exceed the expenditure of 2014 minus 1% each year until the action is performed (1% = app. 100 mio €)

CGM rollout numbers

Opportunity for CGM to sell new eGK-compliant online access products, in particular to existing customers

- ~ 44.200 doctors offices
- ~ 15.000 dentists offices
- ~ 4 .000 pharmacies
- ~ 100 hospitals
- ~ 300 rehabilitation centers
- ~ 550 social care institutions

OEM packages will be offered to other IT vendors

Estimated revenue per location

- Doctors: €2,000 – 4,000 (initial), €600 – 800 (annual)*
- Hospitals: €100k – 300k (initial), €15k – 45k (annual)

* DSL line, Konnektor service fee and software maintenance for integration module

Potential additional products and services

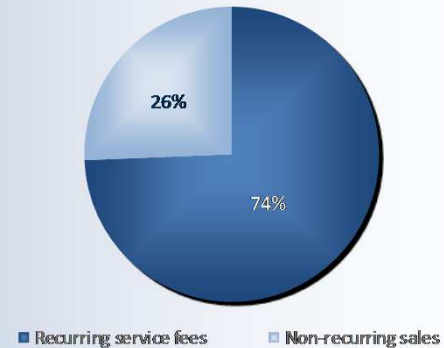
Nr.	Product / Service	Customer / User	Source
1	Elektronischer Entlassbrief	Krankenhaus	eHealth Law
2	Konsiliarische Befundbeurteilung	Ärzte	eHealth Law
3	Notfalldatensatz	Zahnärzte	eHealth Law
4	Arzneimitteltherapiesicherheit (AMTS)	Ärzte / Apotheke	eHealth Law
5	Medikationsplan	Ärzte / Apotheke	eHealth Law
6	Sicher Übermittlung elektronischer Briefe	Ärzte / Krankenhaus	eHealth Law
7	Organspendeausweis	Krankenhaus	gematik
8	Elektronische Fallakte	Ärzte / Krankenhaus	gematik
9	Elektronisches Patientenfach	Ärzte / Krankenhaus	gematik
10	Elektronische Patientenquittung	Ärzte / Krankenhaus / Zahnärzte	gematik
11	Fachdienst VSDM	Telematik Infrastruktur	gematik
12	VPN-Zugangsdienst	Telematik Infrastruktur	gematik
13	Patientenverfügung	Ärzte / Krankenhaus	CGM
14	Impfstatus und Impfplanung	Ärzte	CGM
15	Zahnstatus	Zahnärzte	CGM
16	Ernährungsplan	Ärzte	CGM
17	Elektronische Patientenakte	Ärzte / Krankenhaus	CGM

Pharmacy software development

PCS revenue Q3 2015

100% = 21.7 € M

	€ M	%
Revenue Q3 2014	21.3	
Acquisitions	1.6	8%
Organic growth	-1.2	-6%
Revenue Q3 2015	21.7	2%



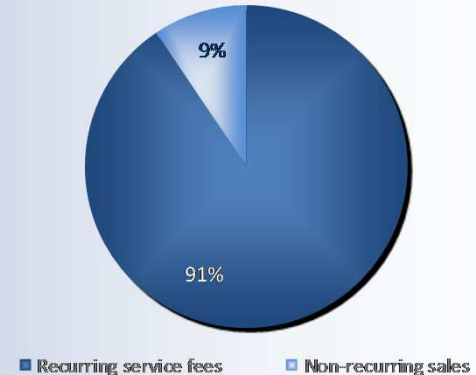
- Special seasonality in 2014 with 15 percent organic growth in the 3rd quarter, driven by exceptional demand for system upgrades from the announcement from Microsoft to cease support for Windows XP and Office 2003
- Year to date, pharmacy software business has flat organic development and is on track to reach its full-year targets (2 - 4% organic growth)

Hospital software development

HIS revenue Q3 2015

100% = 14.4 € M

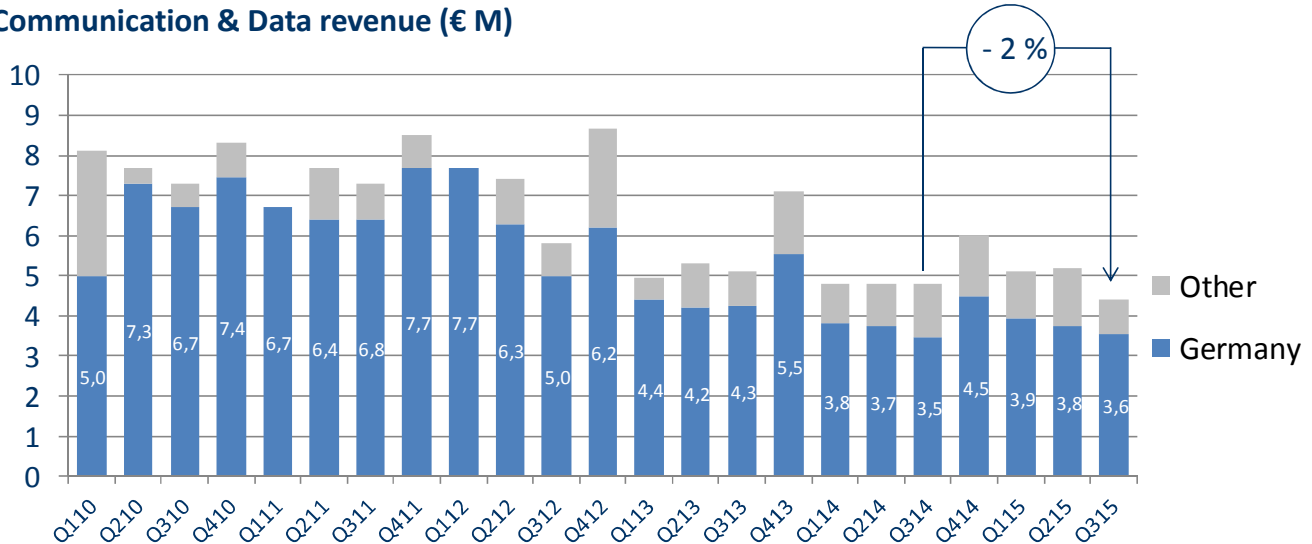
	€ M	%
Revenue Q3 2014	19.5	
Divestitures	-1,4	-7%
Organic contraction	-3.7	-19%
Revenue Q3 2015	14.4	-26%



- Additional costs and delays in projects in Poland and Switzerland have resulted in revenue adjustments and the booking of cost provisions in the third quarter
- The weak revenue development is due to one-off project adjustments made in the third quarter only and the full year outlook for the hospital business remains unchanged (flat organic year-on-year development)

Communication & Data development

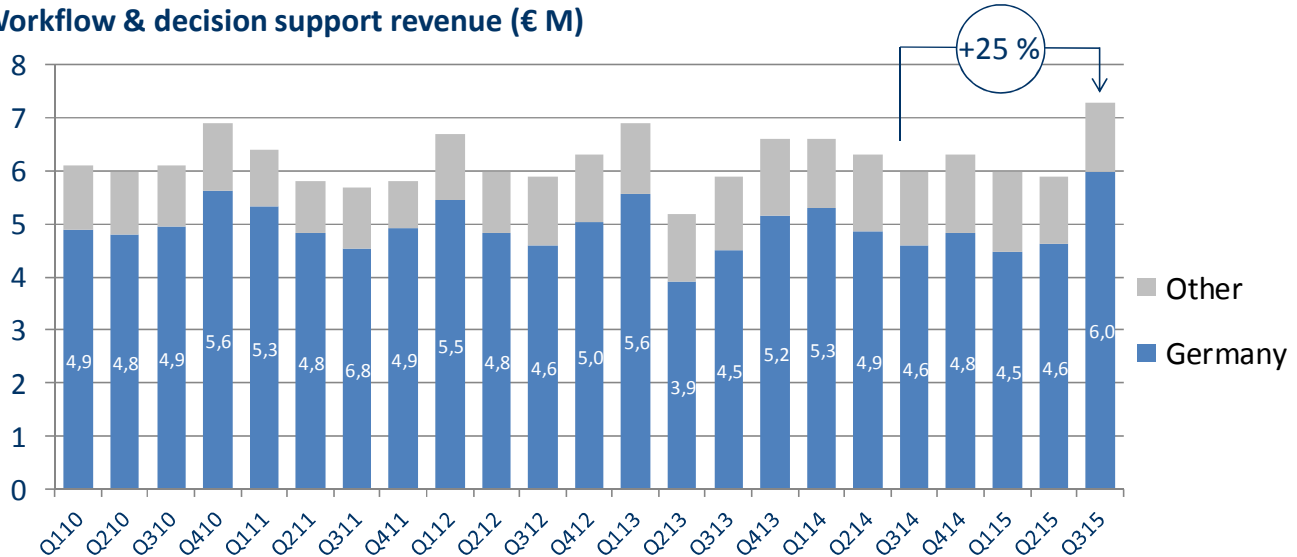
Communication & Data revenue (€ M)



- Communication & Data shows -2 percent organic growth for the third quarter (year to date: 4 percent organic growth). Somewhat weaker outside Germany over the summer months
- The Communication & Data business is on track to reach its full-year targets (positive organic growth)

Workflow & decision support development

Workflow & decision support revenue (€ M)



- New service contracts are coming on stream, e. g. new CardTrust contracts beginning August 2015
- New projects with health insurance companies also begin to generate revenue second half 2015. These projects will also run in 2016

Telematics Infrastructure pilot project (ISP)

- One of the key hardware components to be developed and delivered by the CGM consortium in the pilot project, the so-called 'Konnektor' router, has been delivered in the required quantities to the project customer
- The estimated cost of developing, testing and certifying the Konnektor has increased EUR 6 million compared to the initial plan
- This necessitates third quarter 2015 one-off adjustments:
 - Reported revenue EUR -0.5 million (Q3 2014: +0.7 million)
 - Reported EBITDA EUR -3.6 million (Q3 2014: 0.5 million)



CompuGroup
Medical



strategy&

Formerly Booz & Company



Guidance 2015 adjusted

- Change in Gematik project assumptions for 2015
 - Revenue minus EUR 10 million
 - EBITDA minus EUR 8 million
- Guidance range midpoints adjusted accordingly
- CompuGroup Medical offers the following adjusted guidance for 2015:
 - Revenue is expected to be in the range of EUR 541 million to EUR 546 million
 - Operating income (EBITDA) is expected to be in the range of EUR 110 million to EUR 115 million
- The guidance for 2015 represents management's best estimate of the market conditions that will exist in 2015 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 2015

Implicit Q4 2015 guidance

€ M	Q4 15 High	Q4 15 Low	Q4 14
Revenue	150	145	141
EBITDA	36	31	29
%	24%	21%	21%

CompuGroup Medical AG

Investor Relations

Maria Trost 21

56070 Koblenz

www.cgm.com

Phone: +49 (0) 261 8000-6200

Email: investor@cgm.com

