

Q3 | 2022 – RESULTS

INVESTOR/ANALYST CALL
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CGM shows resilience in deteriorating macro conditions



+8%
revenue
growth in
9M 2022



+1.5%
organic growth
+4.5% like-for-like*



+11%
growth in recurring
revenues

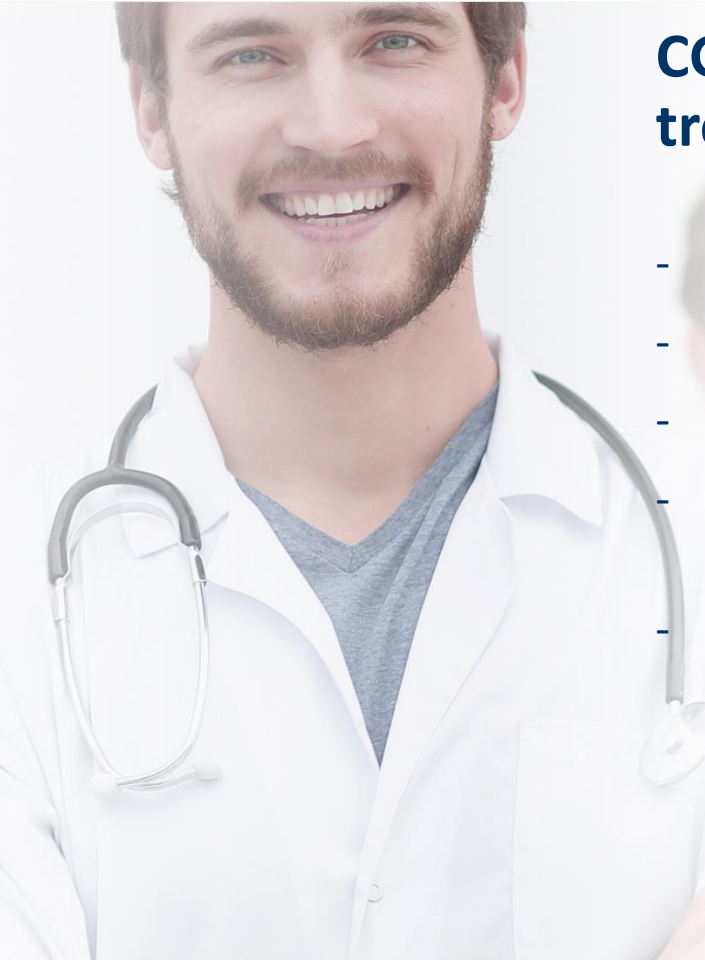


21.4%
adjusted EBITDA
margin in Q3
after 20.5% in Q1
and 20.2% in Q2

Ambulatory business fully prepared for strong Q4

Accelerating delivery of CGM growth initiatives

- ~14m e-sick notes and ~16m KIM messages processed within CGM network, each representing a >35% market share
- ~60k e-prescriptions processed within CGM network by end of September
- First stage of Ségur (>7m order volume) now in rollout
- Replacement of 3rd party provider in the US with eMEDIX started



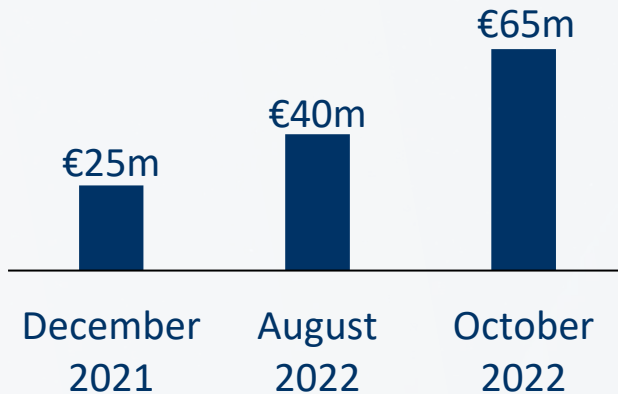
CGM at the forefront of market trend towards larger practices

- Successful tender project in Germany
- 90 emergency practices won
- To be fully equipped with CGM M1 PRO
- Connected to the Telematics Infrastructure
- CGM M1 PRO allows uniform workflow for cross-practice use

Continued strong momentum in hospital order intake

Strong order intake continuing in Q3, e.g. University of Zurich
Initial Hospital Future Act projects have started with ramp up anticipated from Q4 onwards

Growing order intake



Confirming our revenue target of €50 – 80m over the next years

Strong market position



INSIGHT Health with strong product evolution

Leading position in
solutions for healthcare
practitioners

Offer excellent
market insights



INSIGHT^{HEALTH}



**DARWIN^{NG}: new product
offering for pharma companies**

**New joint product with CGM
ready within only 8 weeks**

Excellent progress as of Q3 2022:



Product design & setup



Launch marketing roadshow



First strategic customer win

9M / Q3 financials reflect phasing in 2022



9M	€802m (+8%yoy)	68% (+2ppt)	+1.5%/+4.5% (-6ppt/-3ppt)	€166m (-3%yoy)	21% (-2ppt)	€1.33 (PY: €1.46)	€24m (PY: €73m)
Q3	€285m (+3%yoy)	65% (+3ppt)	-3%/+5% (-10ppt/-2ppt)	€61m (-16%yoy)	21% (-5ppt)	€0.51 (PY: €0.70)	-€5m (PY: €8m)
	Revenue	Recurring rev share	Organic growth / like-for-like*	Adj. EBITDA	Margin	Adj. EPS	FCF

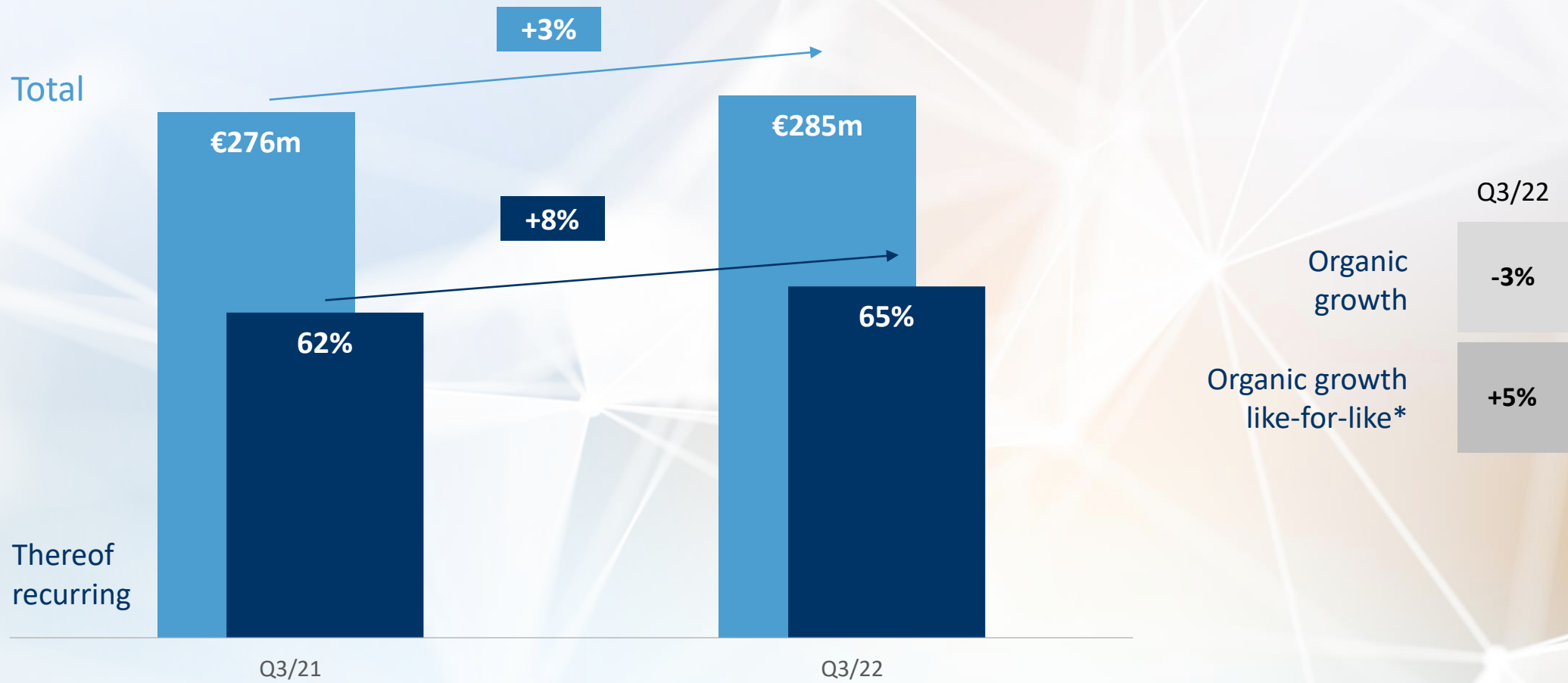
*adjusted for connector upgrade in Q3 2021

Organic growth impacted by intra-year phasing effects

Organic growth in % yoy	FY2020	Mid-term ambitions	FY2021	9M2022	Comments
Group	4%	>5%	6%	1.5%	4.5% adjusted for PY connector upgrade
AIS	2%	3 – 6%	4%	0%	Strong PY comps with 10% organic growth in Q3 2021
HIS	3%	6 – 8%	8%	6%	Strong performance pre Hospital Future Act
CHS	15%	6 – 9%	10%	-5%	14% adjusted for PY connector upgrade
PCS	0%	0 – 2%	1%	7%	Continued strong performance

Organic growth of 4 – 6% now expected for FY 2022

Revenue growth supported by acquisitions



*adjusted for connector upgrade in Q3 2021

Ambulatory segment with strong prior year comps

	Q3/22	yoy
Revenue (€m)	123	+1%
EBITDA adjusted (€m)	35	+5%
Margin	28%	+1ppt

80% (+5ppt)	+8% yoy
Recurring revenue share	Recurring revenue

Q3/22 yoy

- **Revenue growth** of +1% supported by FX tailwind (US)
- **Organic revenues below strong PY (-4%)**, mostly due to additional modules (eHR, vaccination certificate) in DACH region in Q3 2021
- Continued strength and underlying business trend reflected by +8% increase of **recurring revenues**, now representing 80% of total revenues
- **Adjusted EBITDA margin slightly** above prior year quarter

Hospital segment with continued strong growth

	Q3/22	yoy
Revenue (€m)	70	+7%
EBITDA adjusted (€m)	9	-2%
Margin	13%	-1ppt

Q3/22 yoy

- **Organic revenue growth** of +6%, due to continued strong performance in the German business
- **Recurring rev share of 68%**
- **Adjusted EBITDA and margin** impacted by investments in next generation technology

68% (+0ppt)

Recurring revenue share



Recurring revenue

Consumer Health segment with strong prior year comps

	Q3/22	yoy
Revenue (€m)	60	+2%
EBITDA adjusted (€m)	10	-56%
Margin	17%	-23ppt

28% (+1ppt)

Recurring revenue share



Recurring revenue

Q3/22 yoy

- **Organic revenues** like-for-like (adjusted for PY connector upgrade) increased by 5%, mainly due to beginning TI connector exchange
- **Organic revenues ex TI stable** due to macro-crisis-related headwinds in the pharma industry
- **Recurring revenue** profile slightly improving
- **Adjusted EBITDA** significantly below PY due to connector upgrade in Q3/21 and increased investments in data solutions

Pharmacy segment delivering growth and strong margin

	Q3/22	yoy
Revenue (€m)	32	+8%
EBITDA adjusted (€m)	10	+29%
Margin	30%	+5ppt

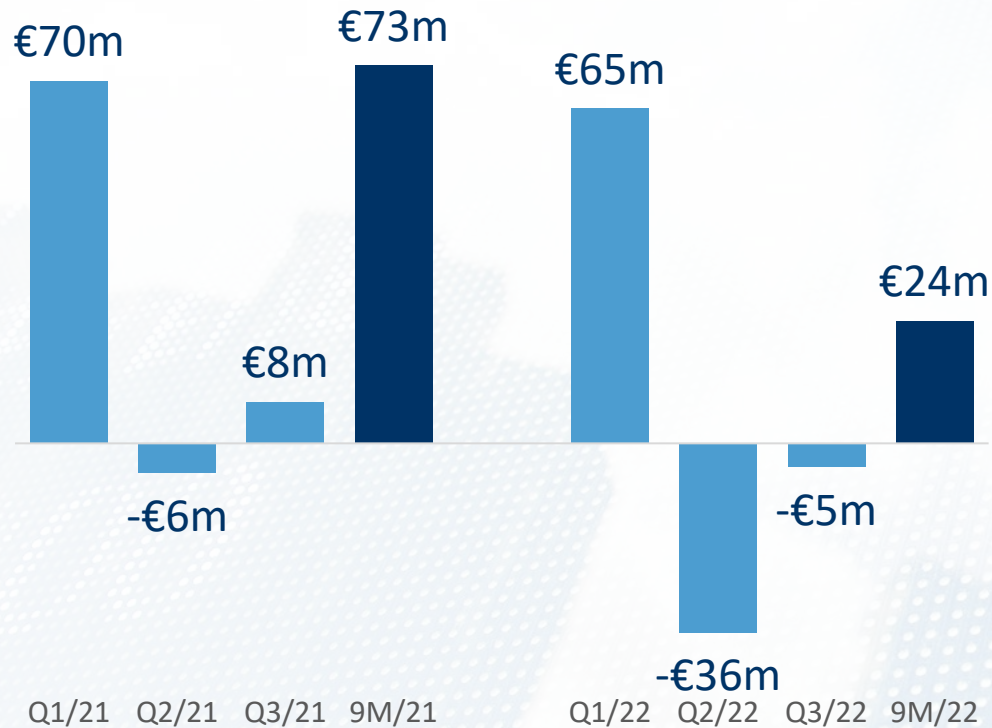
68% (+2ppt)	+11% yoy
Recurring revenue share	Recurring revenue

Q3/22 yoy

- **Revenues up 8%**, partly driven by acquisitions in Italy
- **Organic revenue** growth of 4% due to continued strong business performance in Italy
- **Recurring revenues** up +11%, at 68% of total revenues
- **Adjusted EBITDA** with strong growth due to efficient cost management

Free cashflow 2022 impacted by phasing

Free cashflow



Phasing effects and drivers

- Q2/22 impacted by **purchase of connectors for exchange beginning in H2**
- Q3/22 impacted by payments resulting from **management changes and restructuring**
- Q4/22 cash inflow depending on **timing of significant revenue contributions** from growth initiatives (TI, Hospital Future Act, Ségur)

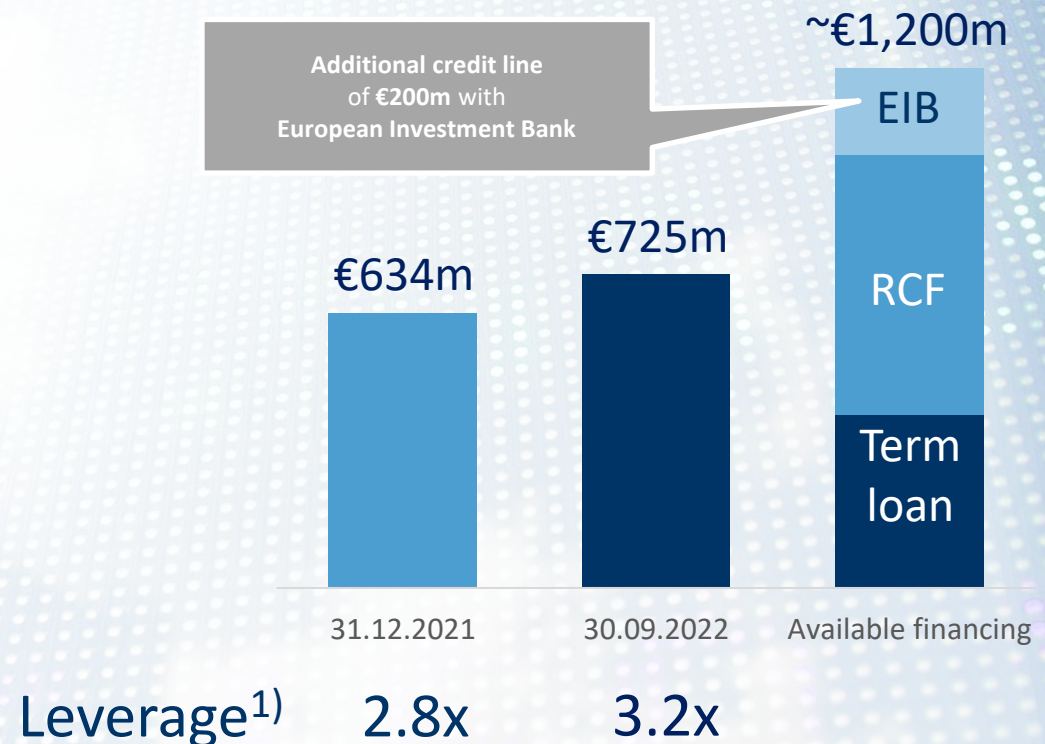
Free cashflow 2022 now expected in a range of €40m – €70m

Crisis resilient financing in place

Strong financing secured at attractive conditions

- **Largely protected** against rising interest rates **with derivatives as caps and swaps**
- Weighted average **maturity of credit lines** almost **4 years**
- Selected **financing institutions** with **strong ratings** and **low risk profile**

Net debt



¹⁾ Leverage = Net debt (liabilities to banks and financial liabilities (incl. leasing liabilities according to IFRS 16) ./. cash and cash equivalents (with the exception of accounts under third-party management)) / EBITDA adjusted (LTM) plus pro rata EBITDA of newly acquired companies

Well prepared for strong revenue ramp-up in Q4

**Telematics Infrastructure
connector exchange**

**Governmental digitization
initiative in France (Ségur)**

**Boosting
revenues**

Hospital Future Act

**Backend loaded
revenue realization**

Guidance 2022 adjusted in October

Guidance FY 2022

as of March 10

Group revenues

€1,075m – €1,125m

Organic growth yoy

+3% to +8%

Adj. EBITDA

€235m – €260m

Guidance FY 2022

as of August 04

Group revenues

€1,100m – €1,150m

Organic growth yoy

+4% to +8%

Adj. EBITDA

€240m – €260m

Guidance FY 2022

as of October 27

Group revenues

€1,100m – €1,130m

Organic growth yoy

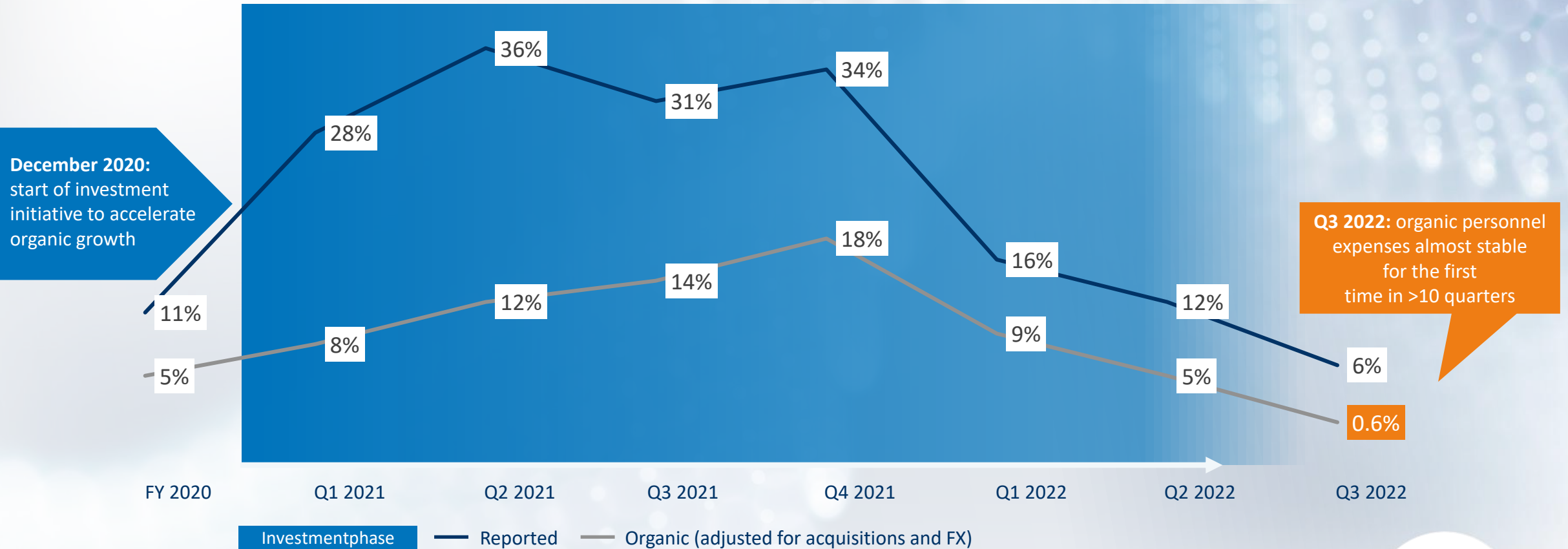
+4% to +6%

Adj. EBITDA

€220m – €240m

Shifting gears towards margin expansion in 2023 – Q3 as the first proof point

Increase of personnel expense yoy



We remain committed to achieve 2023 margin expansion despite increasing headwinds



Next events 2023





Q&A

PLEASE PRESS *1 TO ASK QUESTIONS

Strong and experienced leadership team



Michael Rauch

Spokesman for the
Managing Directors

Chief Financial Officer
(CFO)



**Angela Mazza
Teufer**

Managing Director
Ambulatory
Information Systems
DACH



Dr. Eckart Pech

Managing Director
Consumer and Health
Management
Information Systems



Emanuele Mugnani

Managing Director
Ambulatory Information
Systems Europe



Hannes Reichl

Managing Director
Inpatient and Social
Care

Strategy and growth drivers

Strategic priorities

01 

Innovate on a scalable platform

02 

Transform organization to deliver great customer experience and scale

03 

Enable distinctive patient journeys and seamless data flows

Growth drivers

 AIS
(ex US)

Enhancing existing services for physicians with **new modules** and **functionalities**, as well as new revenues from **patient portals** such as CLICKDOC

 US
business

After the merger with eMDs – **synergistic growth** from our strong position **revenue cycle management** and **electronic data interchange**

 HIS
business

Market penetration of our **G3 platform** as well as business from **government digitization programs** for hospitals

 Telematics
infrastructure

Expansion of **user groups**, extension of **existing licenses** (connector upgrade) and the introduction of **additional application modules**

 Innovative
data services

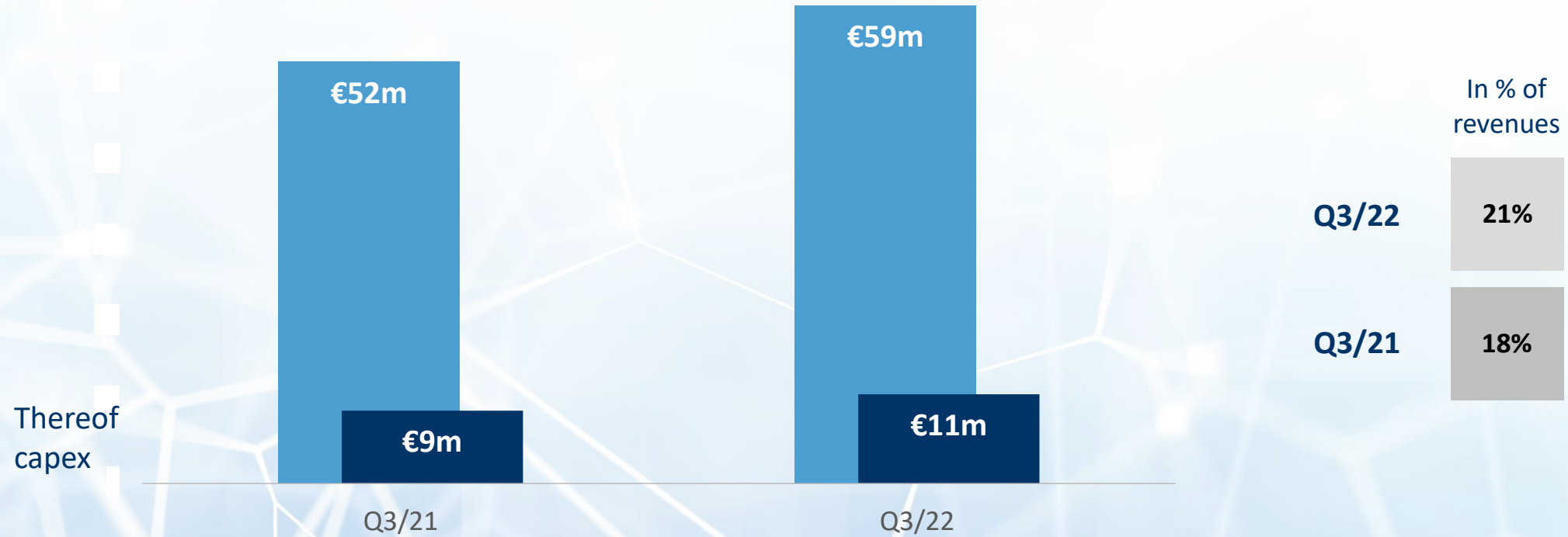
Fast-tracking our **data growth** ambition with the Insight Health acquisition. Further evolution of medical decision support portfolio

Guidance other KPIs 2022 as of October

	as of August 04	as of October 27
AIS revenue	€490m - €510m	€490m - €510m
HIS revenue	€280m - €295m	€280m - €295m
CHS revenue	€210m - €220m	>€200m
PCS revenue	€120m - €125m	€120m - €125m
Recurring revenue	>65%	>65%
Adj. EPS	€1.90 - €2.10	€1.70 - €1.90
CAPEX	€70m - €80m	€70m - €80m
FCF	>€100m	€40m - €70m

R&D expenses reflect investment initiative

Total R&D expenses



Segments 9M 2022

Group			AIS		HIS		CHS		PCS	
			Revenue share							
	9M/22	yoy	9M/22	yoy	9M/22	yoy	9M/22	yoy	9M/22	yoy
Revenue (€m)	802	+8%	365	+5%	207	+13%	136	+6%	94	+9%
EBITDA adjusted (€m)	166	-3%	96	+5%	26	-14%	21	-39%	27	15%
Margin	21%	-2ppt	26%	+0ppt	13%	-4ppt	15%	-12ppt	29%	+1ppt

Segments Q3 2022

Group			AIS		HIS		CHS		PCS	
			Revenue share							
			Q3/22	yoy	Q3/22	yoy	Q3/22	yoy	Q3/22	yoy
Revenue (€m)	285	+3%	123	+1%	70	+7%	60	+2%	32	+8%
EBITDA adjusted (€m)	61	-16%	35	+5%	9	-2%	10	-56%	10	29%
Margin	21%	-5ppt	28%	+1ppt	13%	-1ppt	17%	-23ppt	30%	+5ppt

9M/2022 P&L Group

€m	9M/22	9M/21
Revenues	802.1	746.1
Capitalized own services /other operating income	43.2	34.5
Expenses for goods & services purchased	-145.2	-132.2
Personnel expenses	-403.9	-363.1
Other operating expenses	-146.3	-120.8
EBITDA reported	149.9	164.6
Depreciation & amortization	-81.6	-78.8
EBIT	68.3	85.8
Financial result	19.5	-5.0
EBT	87.8	80.8
Income taxes	-28.0	-24.2
Net income	59.8	56.6
Non-controlling interest	0.2	0.0
EPS reported, diluted (€)	1.14	1.02

Q3/2022 P&L Group

€m	Q3/22	Q3/21
Revenues	285.4	276.3
Capitalized own services /other operating income	13.0	10.9
Expenses for goods & services purchased	-56.5	-47.7
Personnel expenses	-133.7	-126.3
Other operating expenses	-48.8	-43.7
EBITDA reported	59.4	69.5
Depreciation & amortization	-28.3	-27.5
EBIT	31.1	42.0
Financial result	12.3	-2.2
EBT	43.4	39.8
Income taxes	-13.9	-11.4
Net income	29.5	28.4
Non-controlling interest	0.1	0.0
EPS reported, diluted (€)	0.56	0.51

Adjustment principles for EBITDA and EPS (since January 2020)

- **M&A/Transactions** (for M&A since Jan 2020 and >€50m transaction volume)
 - Financial impact from major acquisitions & divestitures of legal entities and/or essential PPE/material assets
 - Amortization/depreciation as well as write-up of investments
 - M&A transaction costs
 - Effects from purchase price allocations
- **Share-based option programs**
 - Accounting impacts of share-based option programs for executive management
- **Restructuring program expenses**
- **Tax impacts on above mentioned adjustment effects**
- **Other non-operative, extraordinary or prior period one-time effects**

9M/2022 Net income adjustments

€m	9M/22	9M/21
EBITDA adjusted	166.1	170.4
Depreciation & amortization (incl. PPA)	-81.6	-78.8
PPA effects on depreciation & amortization (for M&A since Jan 1, 2020 & >50m transaction volume)	20.3	22.2
EBIT adjusted	104.8	113.8
Financial result	-6.3	-4.9
Income taxes	-28.9	-27.6
Net income adjusted	69.6	81.3
Depreciation & amortization of PPA (for M&A since Jan 1, 2020 & >50m transaction volume)	-20.3	-22.2
M&A related adjustments	-2.2	-1.3
Share-based option programs	-1.8	-4.5
Restructuring expenses	-3.4	0.0
Other non-operative, extraordinary or prior period one-time effects*	17.0	0.0
Taxes attributable to these effects	0.9	3.3
Net income	59.8	56.6

*Including interest cap effect of €25.8m, as well as costs relating to management changes and cyber-attack

9M/2022 EBITDA bridges to adjusted EBITDA (non-IFRS) and EBIT

€m	9M/22	9M/21
EBITDA reported	149.9	164.6
M&A transactions	2.2	1.3
Share-based option programs*	1.8	4.5
Restructuring program expenses	3.4	0.0
Other non-operative, extraordinary or prior period one-time effects**	8.8	0.0
EBITDA adjusted	166.1	170.4

€m	9M/22	9M/21
EBITDA reported	149.9	164.6
Depreciation & amortization (ex PPA)	-46.9	-40.7
PPA effects on depreciation & amortization	-34.7	-38.1
<i>Thereof PPA adjustments (for M&A since Jan 1, 2020 & >50m transaction volume)</i>	-20.3	-22.2
EBIT reported	68.3	85.8

* Includes one-time effects related to management changes

** Costs in the context of the cyber attack as well as changes in management



Q3/2022 Net income adjustments

€m	Q3/22	Q3/21
EBITDA adjusted	61.0	72.8
Depreciation & amortization (incl. PPA)	-28.3	-27.4
PPA effects on depreciation & amortization (for M&A since Jan 1, 2020 & >50m transaction volume)	6.7	9.1
EBIT adjusted	39.4	54.5
Financial result	-1.3	-2.2
Income taxes	-11.2	-13.2
Net income adjusted	26.9	39.1
Depreciation & amortization of PPA (for M&A since Jan 1, 2020 & >50m transaction volume)	-6.7	-9.1
M&A related adjustments	-0.7	-0.6
Share-based option programs	-0.9	-2.8
Restructuring expenses	0.0	0.0
Other non-operative, extraordinary or prior period one-time effects*	13.6	0.0
Taxes attributable to these effects	-2.7	1.8
Net income	29.5	28.4

*Interest cap effect

Q3/2022 EBITDA bridges to adjusted EBITDA (non-IFRS) and EBIT

€m	Q3/22	Q3/21
EBITDA reported	59.4	69.5
M&A transactions	0.7	0.5
Share-based option programs	0.9	2.8
Restructuring program expenses	0.0	0.0
Other non-operative, extraordinary or prior period one-time effects	0.0	0.0
EBITDA adjusted	61.0	72.8

€m	Q3/22	Q3/21
EBITDA reported	59.4	69.5
Depreciation & amortization (ex PPA)	-16.7	-12.6
PPA effects on depreciation & amortization	-11.6	-14.9
<i>Thereof PPA adjustments (for M&A since Jan 1, 2020 & >50m transaction volume)</i>	-6.7	-9.1
EBIT reported	31.1	42.0

* Includes one-time effects related to management changes

** Costs in the context of the cyber attack as well as changes in management



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