

Q2/2020



Investor/Analyst Call

Michael Rauch, CFO

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Successfully steering through the COVID-19 pandemic

- #1 priority: Health & safety of CGM employees and of our customers
- Full service support to our customers (doctors, pharmacies, hospitals)
- Extensive hotline support and field service
- New products and services

NOBODY SHOULD SUFFER OR DIE BECAUSE AT SOME POINT MEDICAL INFORMATION WAS MISSING



Big thank you to all doctors, medical personnel & caring nurses for their dedication and commitment during these challenging times!

TI rollout – The next level in German healthcare digitization

eHealth: next level applications



Emergency patient
data records



Secure Email



Qualified electronic
signature



Electronic
medication plan



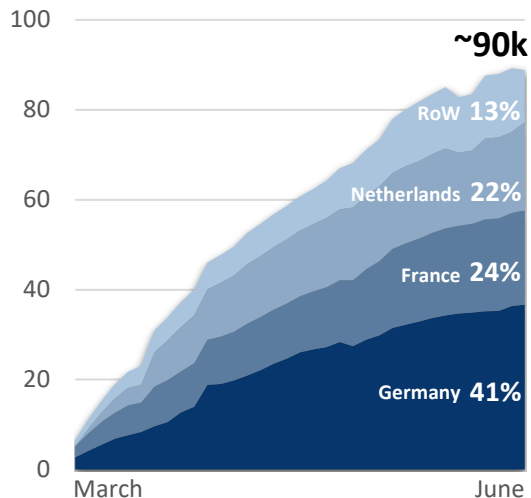
CGM first mover in terms of eHealth connector

- KoCoBox Med+ approved by Gematik in July 2020
- **Upgrade download** available for **55k practices**
- First time installation at **pharmacies** now possible
- **4k orders** received so far
- KIM as enabler for secure communication in health care as basis for digitalization of relevant processes
- Stable CGM connector performance, no outage

CLICKDOC video consultations entering next phase

Free trial phase

registrations



Turning into regular usage

- Active users ~25% of registrations
- 30% of active users >3 sessions/week
- Pay packages starting in US and coming to Germany & France
- Already 2.5k contracts signed by June

**Expected run rate
potential revenue
(2022 onwards)**

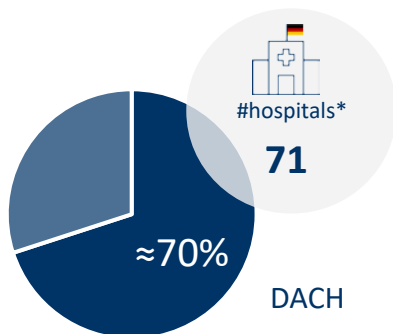
Low double-digit
million euro range

Increasing scale in Hospital Information Systems



in Germany
in DACH
in public HIS Spain

CGM HIS 2019



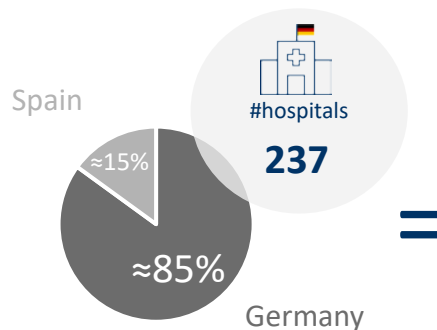
Revenues
(€m)

136

EBITDA
margin

14%

Medico/SHA Selene



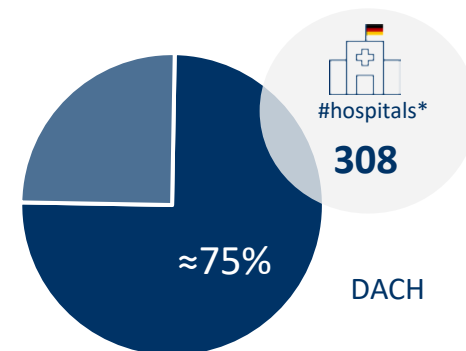
Revenues
(€m)

74

EBITDA
margin

18%

2019 pro-forma combined



Revenues
(€m)

210

EBITDA
margin

15%

Acquisition closed July 1, 2020

*German HIS portfolio includes 71 acute clinics & 483 rehab clinics.

Strengthened financial position to prepare for next growth stage

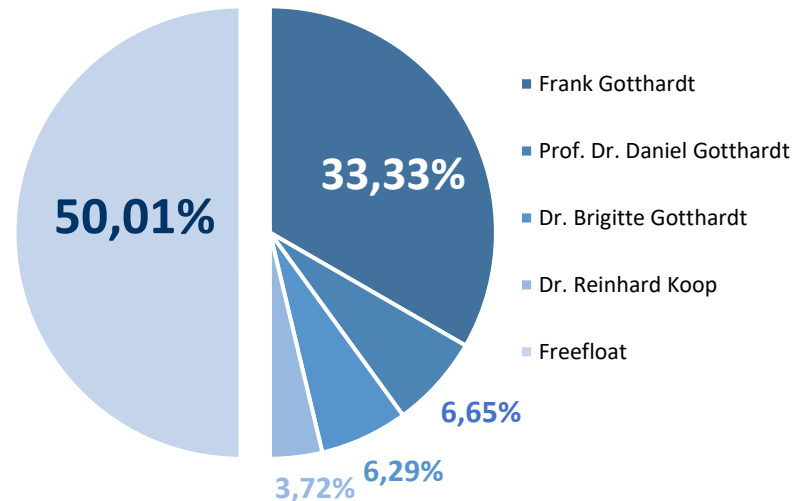
Successful share placement (June 22, 2020)

- 10% placement (9.03% treasury shares, 0.97% capital increase)
- Placement price €64, gross proceeds €341m



- ▶ **Additional headroom** for further strategic steps
- ▶ **Improved financial position** - equity ratio now 43%
- ▶ **Higher liquidity** - free float up from 40.5% to 50.01%

Shareholder structure (end of June)



GROUP FINANCIALS

Solid Q2/20 against strong prior year TI one-off impact



€180m

(-4%yoy)

Revenue



€123m

(+10%yoy)

Recurring
Revenue



€45m

(+1%yoy)

EBITDA



25%

(+1ppt)

Margin



€0.38

(PY: €0.38)

EPS



-€0.8m

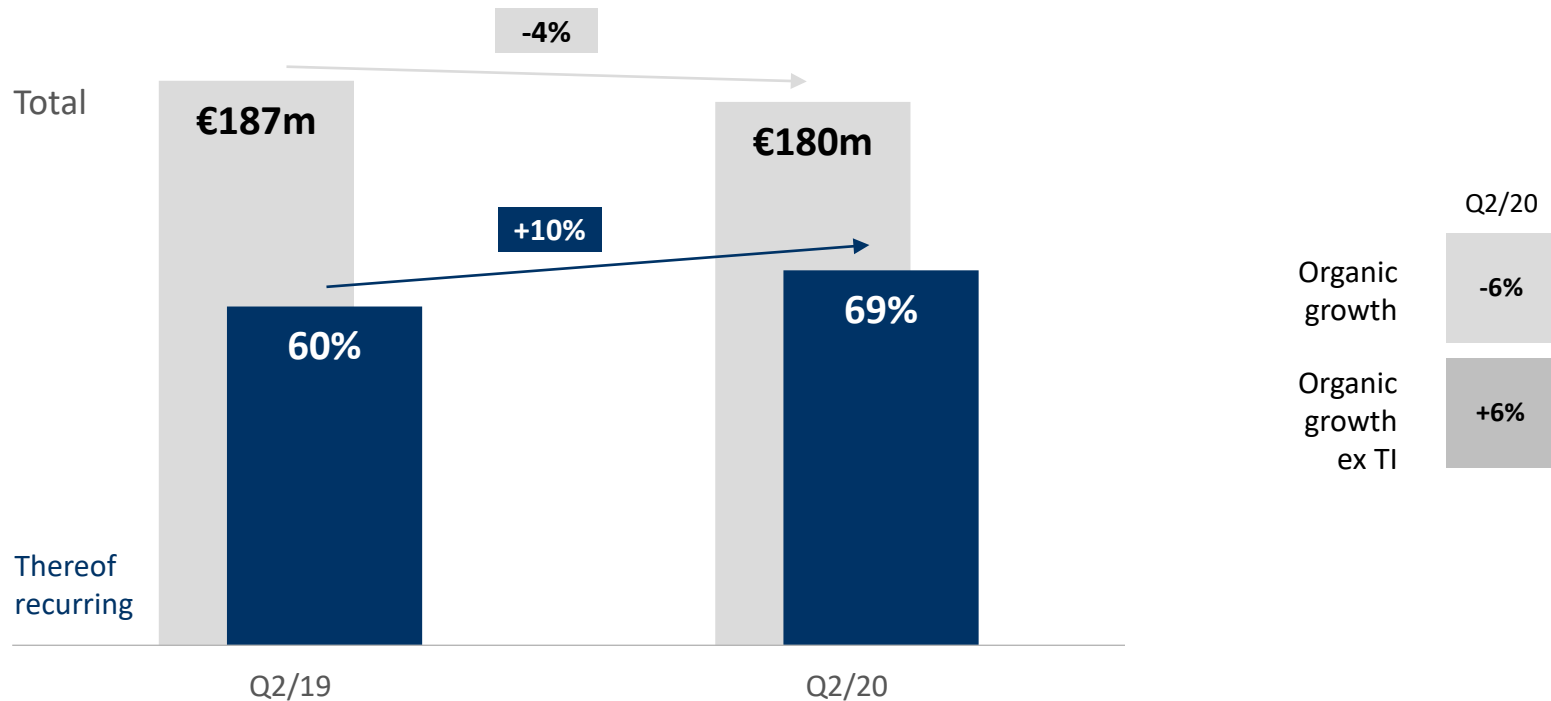
(>-100%yoy)

FCF

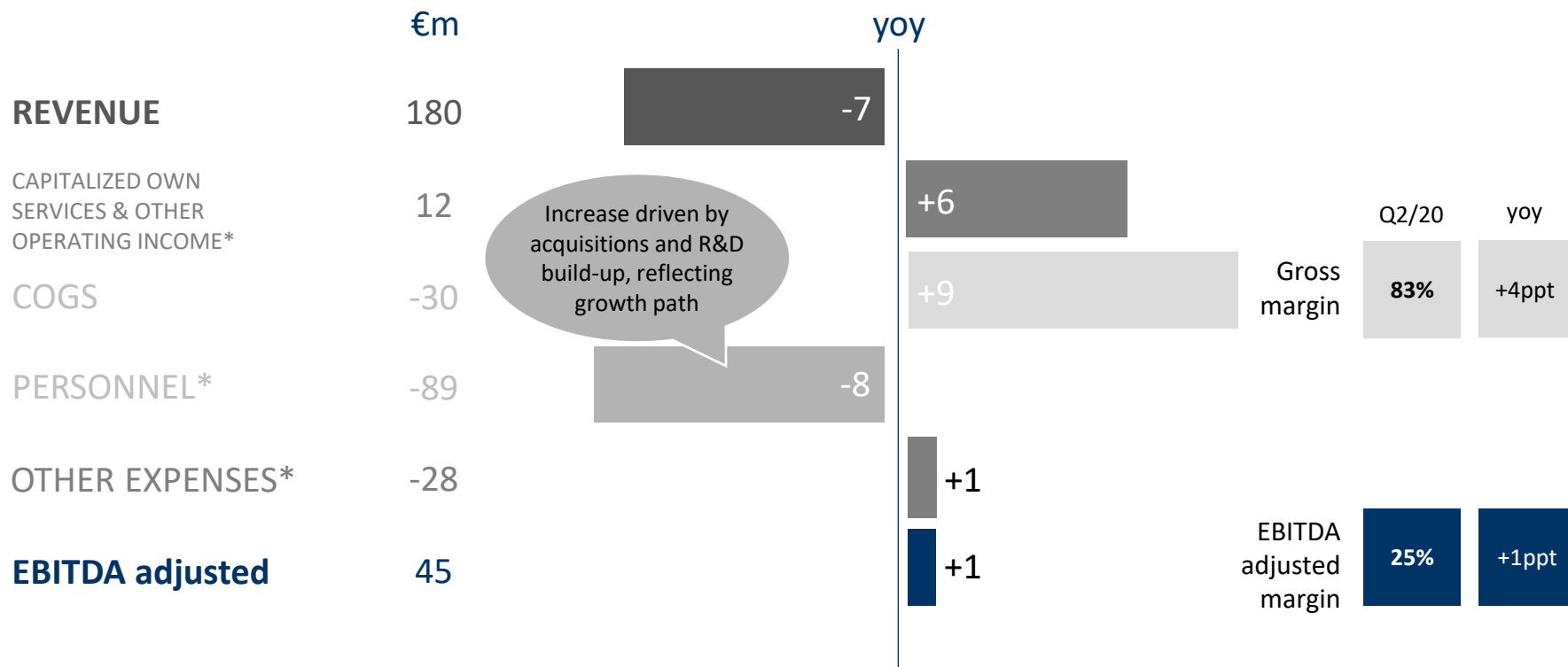
Organic growth of underlying business of +6% @ 25% margin

EBITDA, EPS and FCF adjusted, EPS diluted, organic growth of underlying business excluding TI

Recurring revenue growth of 10%



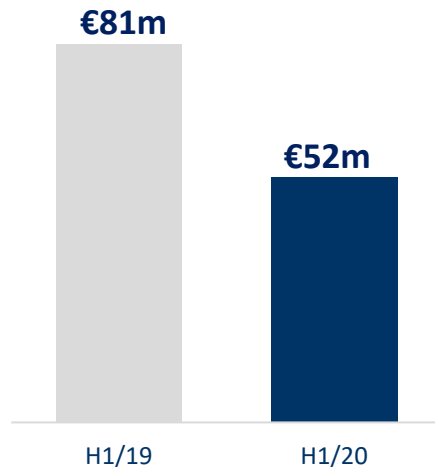
Adjusted EBITDA stable despite revenue decline and increased R&D invest



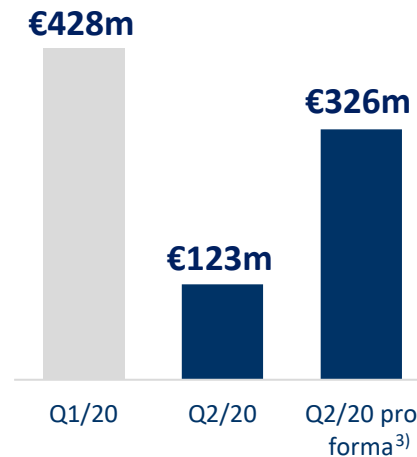
*Q2/20 adjusted vs. Q2/19 pro-forma

Further deleveraging supported by share placement

FCF with strong prior year H1 due to TI¹⁾



Net debt significantly reduced in Q2



Leverage²⁾ **2.2x** **0.6x** **1.7x**

Since Q1/2020: new €1 billion (5Y) loan facility replacing former €400m RCF

¹⁾ H1/20 adjusted vs. H1/19 pro-forma

²⁾ 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/pro forma (LTM) plus pro rata EBITDA of newly acquired companies

³⁾ Including acquisition of Cerner assets




SEGMENTS



Q2/20 segments

Group		Ambulatory Information Systems		Pharmacy Information Systems		Hospital Information Systems		Consumer & Health Management Information Systems		
		Revenue Share								
	Q2/20	yoy	Q2/20	yoy	Q2/20	yoy	Q2/20	yoy	Q2/20	yoy
Revenue (€m)	179.9	-4%	106.3	-9%	29.6	+6%	33.4	+4%	10.6	+6%
EBITDA adjusted (€m)	44.6	+1%	37.1	-6%	8.0	+35%	5.5	+>100%	1.4	-10%
Margin	25%	+1ppt	35%	+1ppt	27%	+6ppt	16%	+11ppt	13%	-2ppt

A photograph of a medical professional in a white lab coat with a stethoscope around their neck, sitting at a desk and typing on a laptop. In the foreground, the hands of a patient are visible, resting on the desk. The scene is brightly lit, suggesting a clinical or hospital setting.

AMBULATORY INFORMATION SYSTEMS

Segment financials

	Q2/20	yoy
Revenue (€m)	106.3	-9%
EBITDA adjusted (€m)	37.1	-6%
Margin	35%	+1ppt

77%

Recurring revenue



Recurring
revenue

Q2/20 yoy

- Organic revenue growth ex TI of +7%, underlying business continues to benefit from Windows 7 phasing out
- **Recurring revenues** +8% supported by TI, representing 77% of total revenues
- **Adjusted EBITDA** -6% yoy (py TI one-off)

A female pharmacist with short, dark, curly hair is shown in profile, looking towards the right. She is wearing a white lab coat over a dark top. She is holding a tablet computer with both hands. The background is a blurred pharmacy setting with shelves and equipment. A large white rectangular box with rounded corners is positioned on the right side of the image, containing the title text.

PHARMACY INFORMATION SYSTEMS

Segment financials		Q2/20	yoy
Revenue (€m)		29.6	+6%
EBITDA adjusted (€m)		8.0	+35%
Margin		27%	+6ppt

64%	Recurring revenue
Recurring revenue	

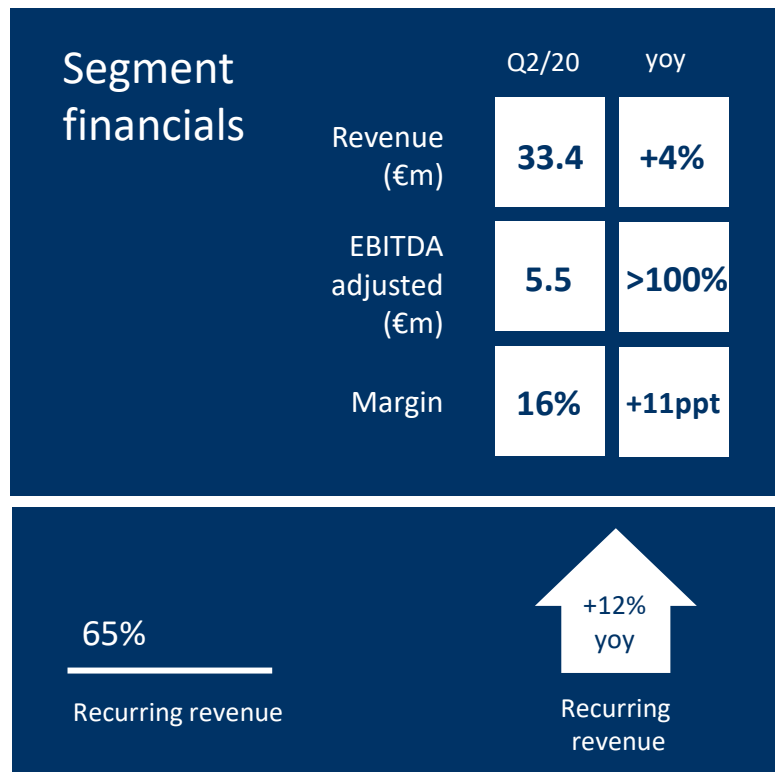
+9% yoy

Q2/20 yoy

- 6% **organic** revenue growth, supported by successful offering of add-on feature for cashpoints in German pharmacies
- **Adjusted EBITDA** up significantly due to revenue increase in Germany and cost containment due to COVID-19

A photograph of two male doctors in a hospital hallway. The doctor on the right is wearing a white lab coat over blue scrubs, has a stethoscope around his neck, and is holding a tablet. He is looking towards the other doctor. The doctor on the left is seen from the back, wearing a white lab coat over a light blue shirt. The background shows a modern hospital interior with large windows and a clean, bright atmosphere.

HOSPITAL INFORMATION SYSTEMS



Q2/20 yoy

- 1% **organic** revenue growth
- Positive revenue contributions in Austria and lab business compensate softer business in Germany due to COVID-19
- **Adjusted EBITDA** up significantly yoy with positive development of lab biz and higher one-off project costs in Q2/19



CONSUMER & HEALTH MANAGEMENT INFORMATION SYSTEMS

Segment financials

	Q2/20	yoy
Revenue (€m)	10.6	+6%
EBITDA adjusted (€m)	1.4	-10%
Margin	13%	-2ppt

12%

Recurring revenue



Recurring revenue






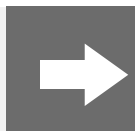
Q2/20 yoy

- **Organic** revenue growth of 6% mainly driven by CGM Life
- **Adjusted EBITDA** impacted by increased R&D investments

GUIDANCE








CGM increases guidance reflecting TI approval and HIS acquisition

€m	Full-year guidance (Feb 5, 2020)		Updated guidance (Aug 6, 2020)		Full-year guidance (Feb 5, 2020)		Updated guidance (Aug 6, 2020)	
Group revenues	765 – 815		820 - 860	Segments	AIS revenues	453 – 485		470 – 490
Adj. EBITDA	195 – 215		205 - 220		PCS revenues	124 – 134		124 – 134
					HIS revenues	142 – 148		180 – 188
					CHS revenues	46 – 48		46 – 48

Guidance reflects management's best estimate based on the currently available information, particularly with regard to COVID-19 and the further rollout of Telematics Infrastructure.

Updated 2020 additionally guided KPIs

	Full-year guidance (Feb 5, 2020)		Updated guidance (Aug 6, 2020)
Organic growth (group revenues in %)	0 – 6		2 – 6
Recurring revenue (in % of total revenues)	> 60		> 60
Adj. EPS¹⁾ (in €)	1.70 – 1.95		1.75 – 1.95
CAPEX (in €m)	70 – 80		65 – 75
Adj. FCF (in €m)	> 80		> 85

Adjusted FCF: Operating cashflow incl. interest less capex, adjusted for M&A, restructuring, option programs and other non-operative major one-off effects; updated guidance including dilution following share placement and capital increase in June

**NOBODY SHOULD
SUFFER OR DIE
BECAUSE AT SOME
POINT MEDICAL
INFORMATION WAS
MISSING**

- ▶ Strong market positions across businesses & regions
- ▶ Proven crisis-resilience with >60% of revenues recurring
- ▶ Driving digitization in Healthcare - next level in German TI
- ▶ Sustainable EBITDA growth with strong cash flow profile
- ▶ Strong track record in value enhancing M&A
- ▶ Increased flexibility following successful share placement
- ▶ Determined to further enhance value generation and shareholder return

Next events 2020





Q&A

**PLEASE PRESS 01
TO ASK QUESTIONS**

APPENDIX

A doctor in a white coat with a stethoscope around their neck is sitting at a desk, typing on a laptop. A patient's hands are visible in the foreground, resting on the desk. A pair of glasses is also on the desk.

H1/20 segments

Group		Ambulatory Information Systems		Pharmacy Information Systems		Hospital Information Systems		Consumer & Health Management Information Systems			
		Revenue Share									
		H1/20	yoy	H1/20	yoy	H1/20	yoy	H1/20	yoy		
Revenue (€m)		363.0	+0%	215.5	-3%	59.2	+6%	67.1	+6%	21.4	+7%
EBITDA adjusted (€m)		88.1	-7%	71.2	-9%	16.9	+18%	9.7	+31%	3.5	-11%
Margin		24%	-2ppt	33%	-2ppt	29%	+3ppt	14%	+2ppt	16%	-4ppt

EBITDA reported vs. adjusted

€m	Q2/20	Q2/19*
EBITDA reported	42.7	37.4
M&A transactions	0.8	-
Share-based option programs	0.5	7.0
Restructuring program expenses	-	-
Other non-operative, extraordinary or prior period one-time effects	0.6	-
EBITDA adjusted	44.6	44.3

* Adjusted figures for 2019 are presented on a pro forma basis: Excluding the one-time effect of stock option-based compensation expenses against cash settlement for a former member of the Management Board and excluding one-time expenses for M&A transactions not pursued further.

P&L Group Q2/20

€m	Q2/20	Q2/19
Revenues	179.9	186.6
Capitalized own services /other operating income	12.1	6.7
Expense for goods & services purchased	-29.9	-38.4
Personnel expenses	-90.0	-88.3
Other operating expenses	-29.4	-29.2
EBITDA reported	42.7	37.4
Depreciation & amortization	-17.0	-14.8
EBIT	25.7	22.6
Financial result	-2.3	-1.6
Income from at-equity participations	-0.2	-0.7
EBT	23.2	20.3
Income taxes	-6.9	-6.1
Net income	16.3	14.2
Non-controlling interest	-0.1	0.2
EPS reported, diluted (€)	0.32	0.29

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