



# CompuGROUP

HOLDING AKTIENGESELLSCHAFT

## Synchronizing the World of Healthcare

1st quarter 2010 – Conference Call

Christian B. Teig, CFO  
12 May, 2010

€M	Q1 10	Q1 09	Change	2009
Revenue	69.3	64.5	7%	294.2
EBITDA	12.6	11.9	5%	59.1
EBIT	4.6	4.3		27.3
EBT	2.4	2.5		20.7
Net income	1.5	1.7		14.5
Cash net income*	7.5	7.3		35.0
EPS (€)	0.03	0.03	5%	0.29
Cash net income per share (€)*	0.15	0.14	4%	0.69

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

- **medi cine medienproduktions GmbH, Germany**
  - One-off, non-cash, loss on sale of shares of EUR 0,5 million (other expenses)
- **Innomed Gesellschaft für medizinische Softwareanwendungen GmbH, Austria**
  - Not consolidated in the P&L for the first quarter
  - Pro-forma Q1 2010 figures: Revenue EUR 1.3 million, EBITDA EUR 0.6 million
  - Purchase price (EUR 9.3 million) is included as intangible assets in the balance sheet
  - Retroactive consolidation from 01.01.2010 expected beginning with the second quarter report when transaction closing is complete
- **HC Advance AB, Sweden**
  - IT services company in Sweden divested (was owned 52 percent)
  - ASP service remains in CompuGROUP through separate asset deal
  - Q1 2010 revenue impact: EUR -1.7 million. No material EBITDA effect.



## Health Provider Services (HPS)

Ambulatory Information Systems

Hospital Information Systems

~80% of revenue



## Health Connectivity Services (HCS)

Communication & Data

Workflow & Decision Support

ISP

~20% of revenue



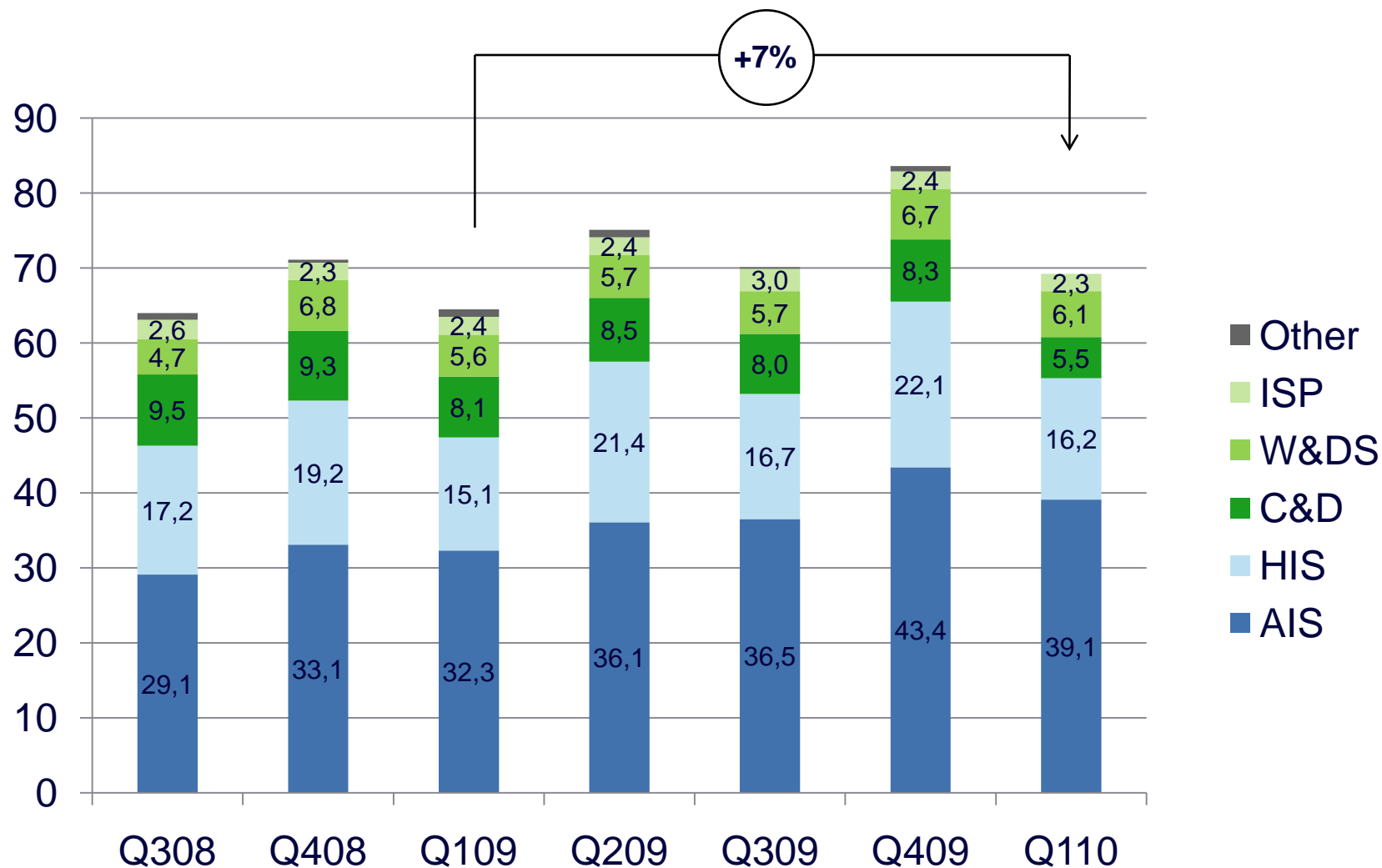
## Consumer Health Services (CHS)

Vita-X

No significant revenue

# Sequential revenue development

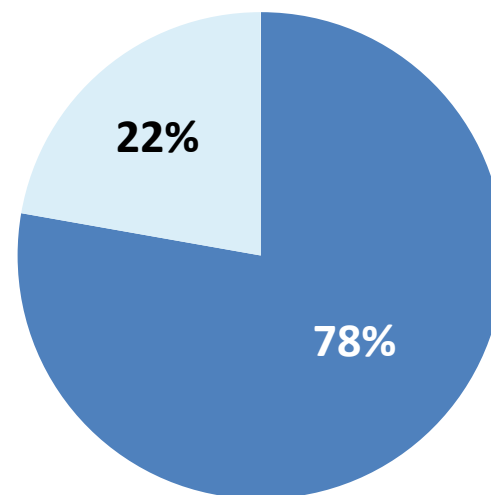
Group revenue (€M )



	€M	%
Revenue Q1 2009	32.3	
Acquisitions / disposals	1.1	3%
Organic growth	5.7	18%
Revenue Q1 2010	39.1	21%



AIS revenue Q1 2010  
100% = 39.1 € M



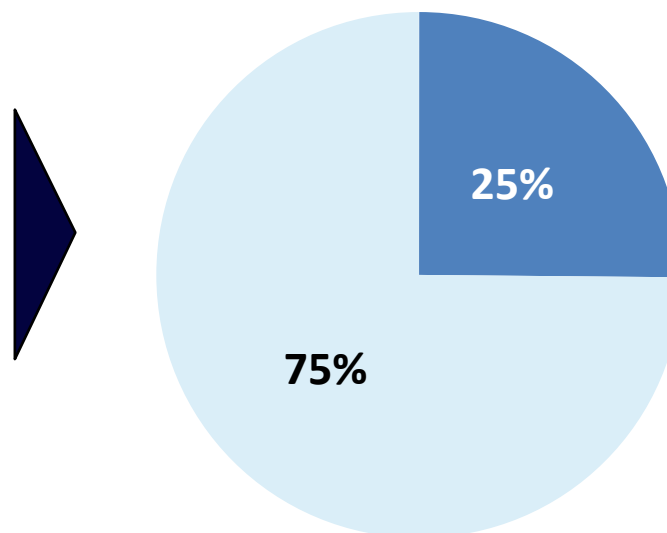
■ Recurring service fees ■ Non-recurring sales

- Organic growth is 14 percent at constant exchange rates
- Price increases make up 11 percent out of the 14 percent real organic growth rate

	€M	%
Revenue Q1 2009	15.1	
Acquisitions / disposals	n/a	
Organic growth	1.1	7%
Revenue Q1 2010	16.2	7%

## HIS revenue Q1 2010

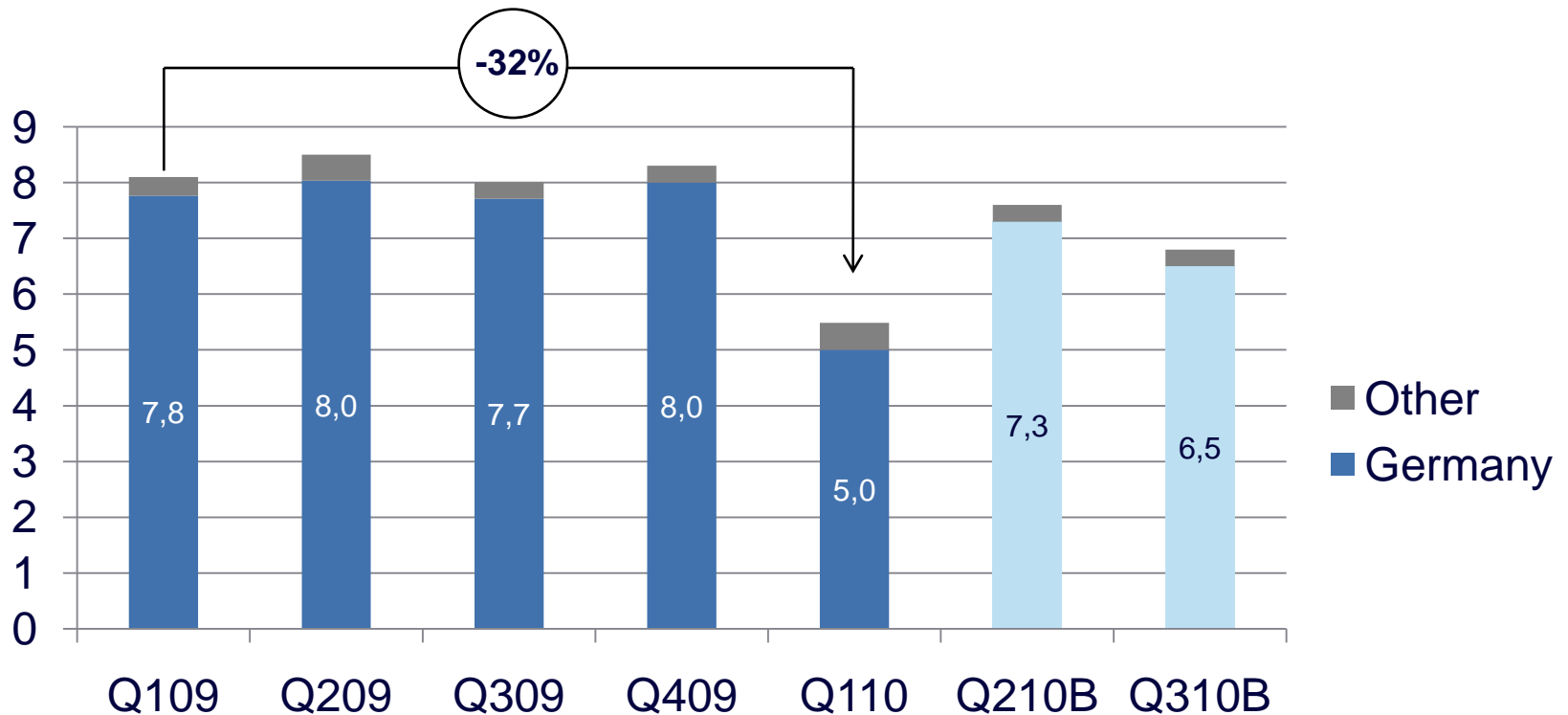
100% = 16.2 € M



■ Recurring service fees ■ Non-recurring sales

- Vienna Hospital Association (KAV) and other key projects proceeding as planned
- Relatively slow market for add-on projects and new clients during the first 3 months of 2010

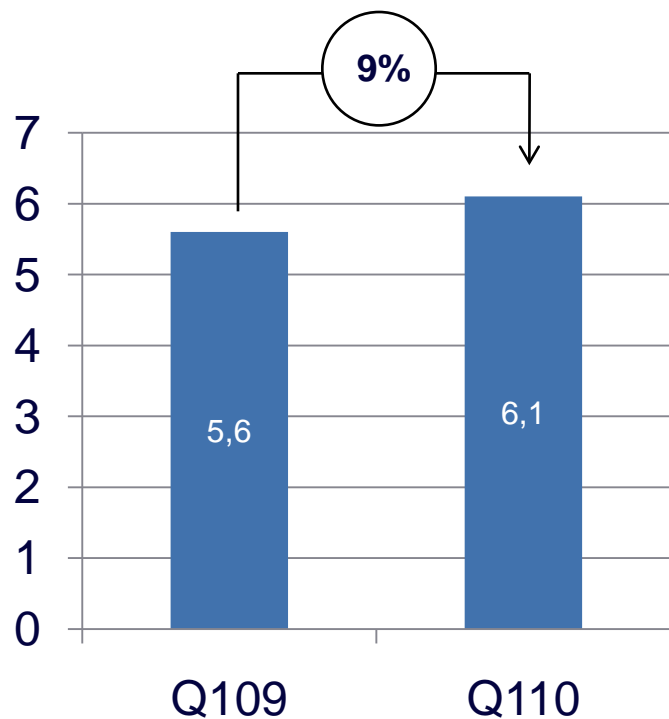
## Communication & Data revenue (€M)



- Planning horizon of pharmaceutical companies in Germany has changed from predominantly yearly decisions to more quarterly decisions
- Bookings for next 2 quarters significantly stronger than Q1 revenue realized

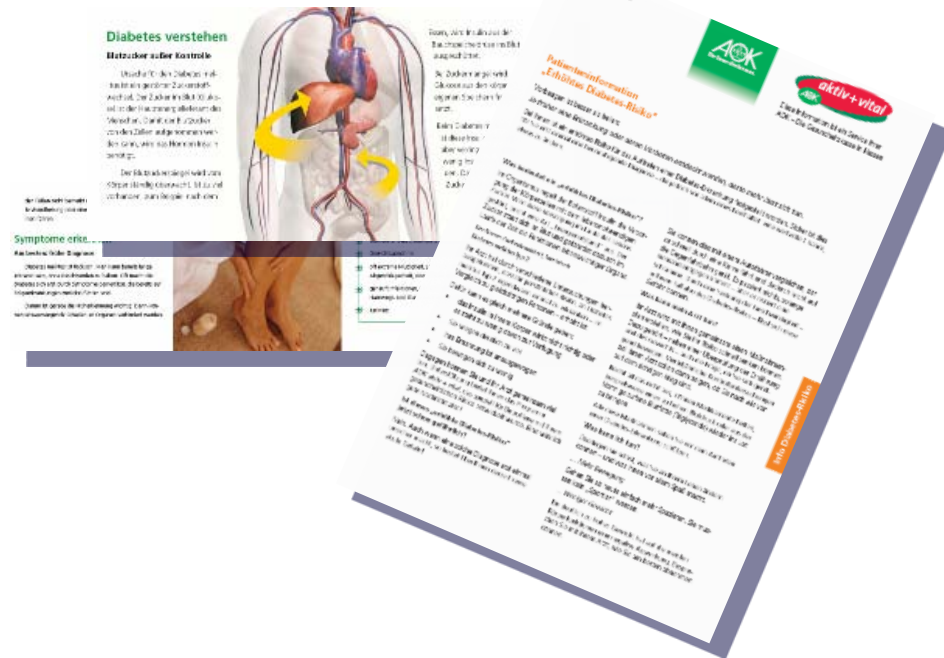


## Workflow & Decision Support revenue (€M )



- **Successful first implementation of “Smart Exchange” for one statutory health insurance company during the first quarter**
- **Good pipeline for additional Smart Exchange implementations for the second half of 2010**
  - Statutory health insurance companies without family doctor contracts (HzV)
  - Private health insurance companies
- **The two existing diabetes management programs, including the AV+ pilot with AOK Hessen, continue unchanged**
- **Good pipeline for new diabetes management contracts for the second half of 2010**
  - New regions
  - New health insurance companies

- Cooperation with AOK Hessen since 2007
- Real-time managed care through structured medical data
  - „patient scanner“ identifies suitable patients out of the EHR data base
  - patient-data transferred automatically online to the “path-server”
  - a centralized database on the “path-server” checks and steers all processes
- Special life-style-modification programs motivate patients
  - personalized print-outs for patients in every surgery
  - compliant behavior of the patients is rewarded
  - focus on educational programs for lifestyle-modification



## Cost effective prescribing tool directly in doctors' workflow

Muster 16 (7.2008), Rezept für Patient <Albinus, Sarah> bedrucken

Gebühr frei  VdAk 25605

Nootu Albinus Sarah geb. am 05.04.1979

Sonstige Hans-Böckler-Str. 5 D-40004 Düsseldorf VK gültig bis 12/10

Unfall Kassen-Nr. 4077501 Versicherten-Nr. 192305819692 Status 1000 1

Arbeitsunfall Betriebsstätten-Nr. 1899999900 Arzt-Nr. 999999990 Datum 13.10.2009

RG-Vgl.: n.b.

Menge aut/jdem 1 Quadropiril Awd Pharma 20ST TAB N1

**Dauermedikamente**

EUR 36,50 Valette 3x21ST UTA N2  
EUR 4,80 Urem Forte 20ST DRA N2  
EUR 23,07 Thomasin 10MG 100ST TAB N3 (1-1--)  
EUR 16,11 Methizol Sd 5MG 100ST TAB N3 (1--1-)

Anzeige/Werbung - STAR-Code: \*EMRA

Zusatz: Morg.  Tag  Abend  Nacht  Dauer  kListe

Nur Einnahmeverordnung  Verordnungsplan

Indication of available cost effective substitute(s)

# Complete drill-down information tool

smart-X change [6 Renate] [Datenstand: 01.10.2009]

REZEPT Zusatzinfo ?

"Spirapril" kann gegen den Wirkstoff "Ramipril" substituiert werden (Hinweis der ... nach § 73 Abs.8 SGB V)

Rezept-Arzneimittel **Quadropil**

Ursprüngliches Arzneimittel				Ersetzt durch			
Arzneimittel	DDD-Kosten	Packung	DAR	Arzneimittel	DDD-Kosten	Packung	DAR
Quadropil		100 ST	TAB				

Ersetzen  gleiche Darreichungsform  nur Rabattvertragsarzneimittel  
 gleiche Packungsgröße

Alternativen

Arzneimittel	Wirkstoff	Menge	ME	NP	AVP	Hersteller
✓ Ramipril - 1A-Pharma 5 mg Tabl	Ramipril	TAB	20	ST	N1 10,13	1A Pharma
✓ Ramipril AL 5mg Tabletten	Ramipril	TAB	20	ST	N1 10,13	Aliud Pharma
✓ Ramipril beta 2.5mg	Ramipril	TAB	20	ST	N1 10,32	betapharm
✓ Ramipril - 1A-Pharma 2.5 mg Ta	Ramipril	TAB	20	ST	N1 10,33	1A Pharma
✓ Ramipril - 1A-Pharma 10 mg Tab	Ramipril	TAB	20	ST	N1 10,35	1A Pharma
✓ Ramipril AL 10mg Tabletten	Ramipril	TAB	20	ST	N1 10,35	Aliud Pharma
✓ Ramipril beta 5mg	Ramipril	TAB	20	ST	N1 10,57	betapharm
✓ RAMIPRIL BASICS 5mg Filmtablet	Ramipril	FTA	20	ST	N1 10,60	Basics
✓ Ramipril beta 10mg	Ramipril	TAB	20	ST	N1 11,06	betapharm
✓ Ramipril - 1A-Pharma 2.5 mg Ta	Ramipril	TAB	50	ST	N2 11,22	1A Pharma
✓ Ramipril AL 2.5mg Tabletten	Ramipril	TAB	50	ST	N2 11,22	Aliud Pharma
✓ Ramipril beta 2.5mg	Ramipril	TAB	50	ST	N2 11,23	betapharm
✓ Ramipril dura N 2.5mg Tablette	Ramipril	TAB	50	ST	N2 11,25	Mylan dura
✓ RAMIPRIL BASICS 2.5mg Filmtabl	Ramipril	FTA	50	ST	N2 11,29	Basics
✓ Ramipril - 1A-Pharma 2.5 mg Ta	Ramipril	TAB	100	ST	N3 11,35	1A Pharma
✓ Ramipril AL 2.5mg Tabletten	Ramipril	TAB	100	ST	N3 11,35	Aliud Pharma
✓ Ramipril - 1A-Pharma 5 mg Tabl	Ramipril	TAB	50	ST	N2 11,90	1A Pharma

Anzahl Arzneimittel: 41

After red button is pushed, a list of recommended drugs is displayed

The system displays all available drugs within the relevant category

Additional information (PDF)

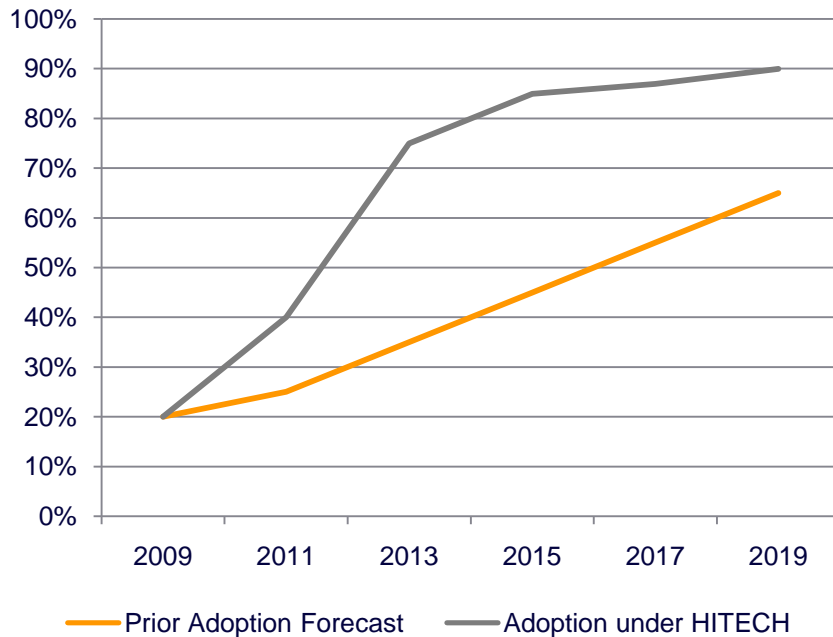
Heading

Filters, including rebate contract selection (tailored per health insurance company)

- The American Recovery and Reinvestment Act of 2009 (ARRA) signed into law by President Obama on February 17, 2009.
- Up to USD 44,000 (Medicare) or USD 65,000 (Medicaid) in extra incentive payments over a five-year period will be available to physicians who demonstrate "meaningful use" of a certified EHR
- About 400,000 doctors expected to buy an EHR next 5 years (about USD 20 billion potential)

## Estimated Physician EHR adoption curve

Source: CBO and Wall Street Research



## Distribution of Physician practices by size

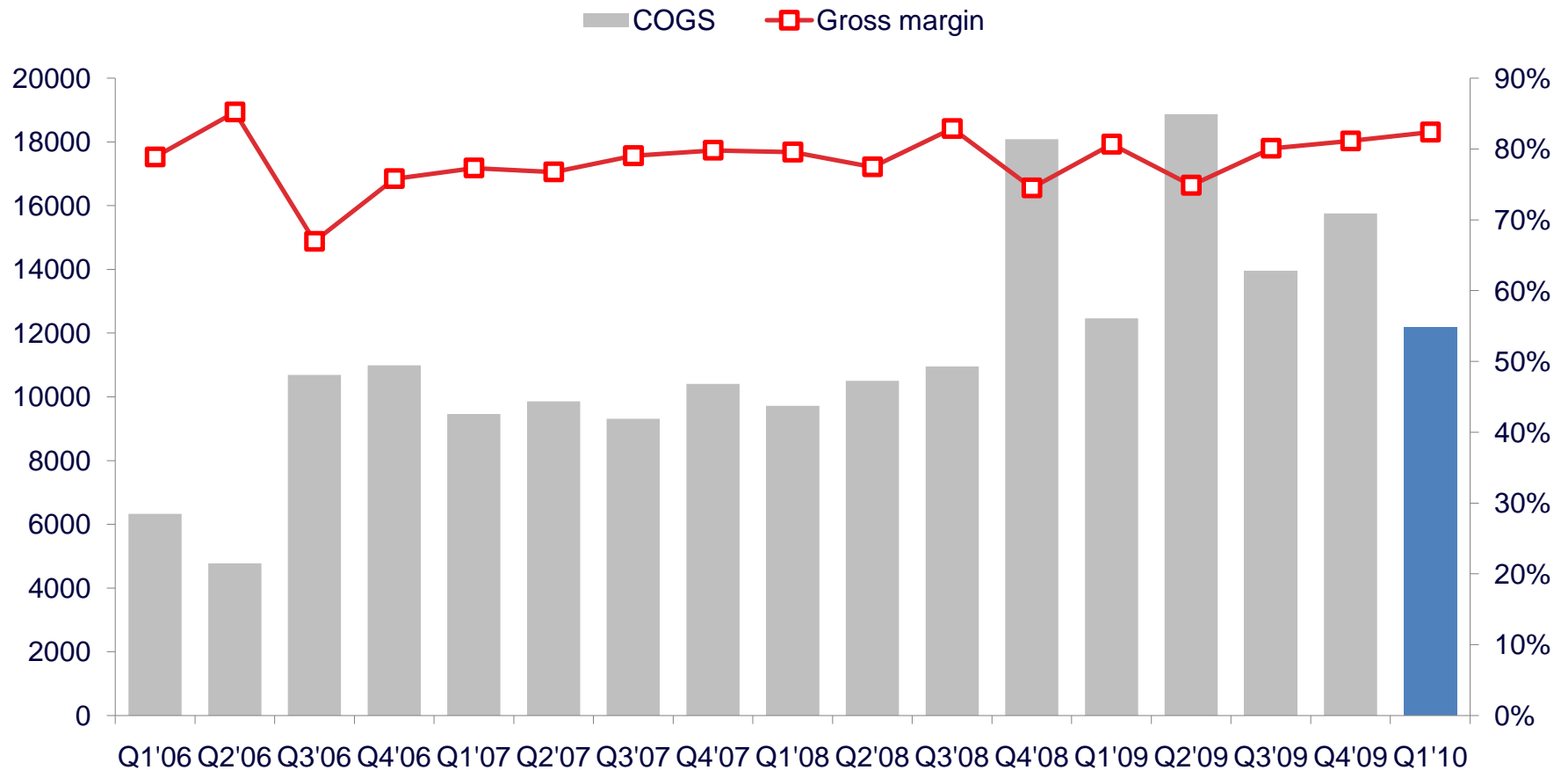
Source: American Medical Association and Morgan Keegan Estimates

Physicians	Practices	% of Practices	Total Docs	% of Docs
1-2	160,000	72%	200,000	32%
3-5	40,000	18%	160,000	26%
6-9	14,000	6%	100,000	16%
10-19	5,000	2%	80,000	13%
20+	3,000	1%	85,000	14%
<b>Total</b>	<b>222,000</b>	<b>100%</b>	<b>625,000</b>	<b>100%</b>

- **CompuGroup is currently an IT supplier to approximately 5,000 doctors through Noteworthy Medical Systems, Inc.**
- **As expected, there has been little observed change in market dynamics due to HITECH during the first 3 months of 2010**
- **Regional Extension Centers (RECs) expected to become important drivers of the market going forward**
  - 60 contracts awarded during the first 3 months of 2010
  - PACeHR not selected in Arizona
- **Based on experience and feedback from doctors so far, a significant increase in business volume and growth rates due to HITECH is expected at the earliest during the second half of 2010**
  - Bookings so far in the second quarter have been stronger than the same period in 2009
- **The cost base of Noteworthy has increased and will increase further**
  - CompuGROUP sees more opportunity than ever in the United States healthcare IT market
  - CompuGROUP will expend the necessary resources to secure market opportunities

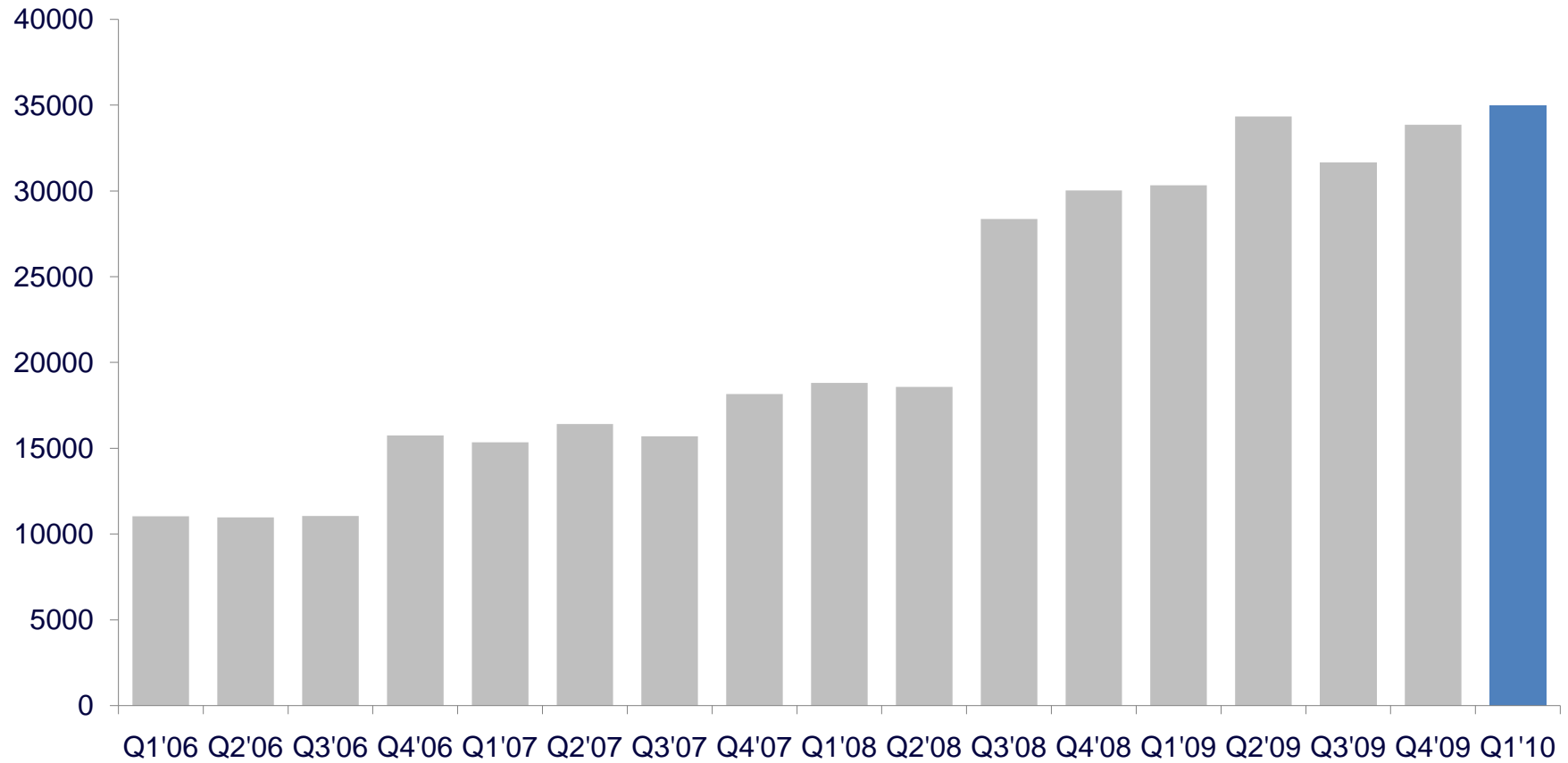


Cost of goods sold and gross margin (000' €/ percent)



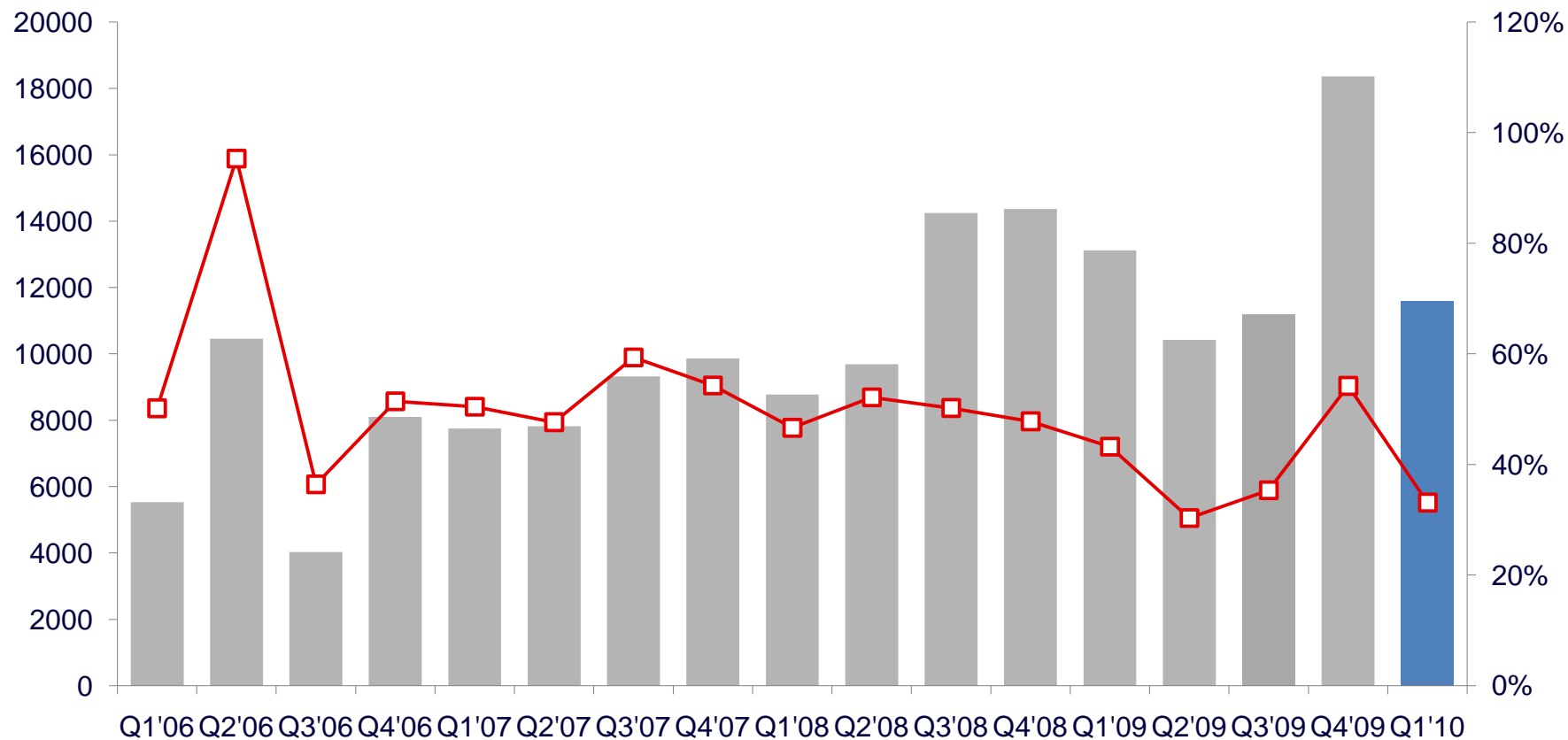
# Personnel expenses

EURO 000'



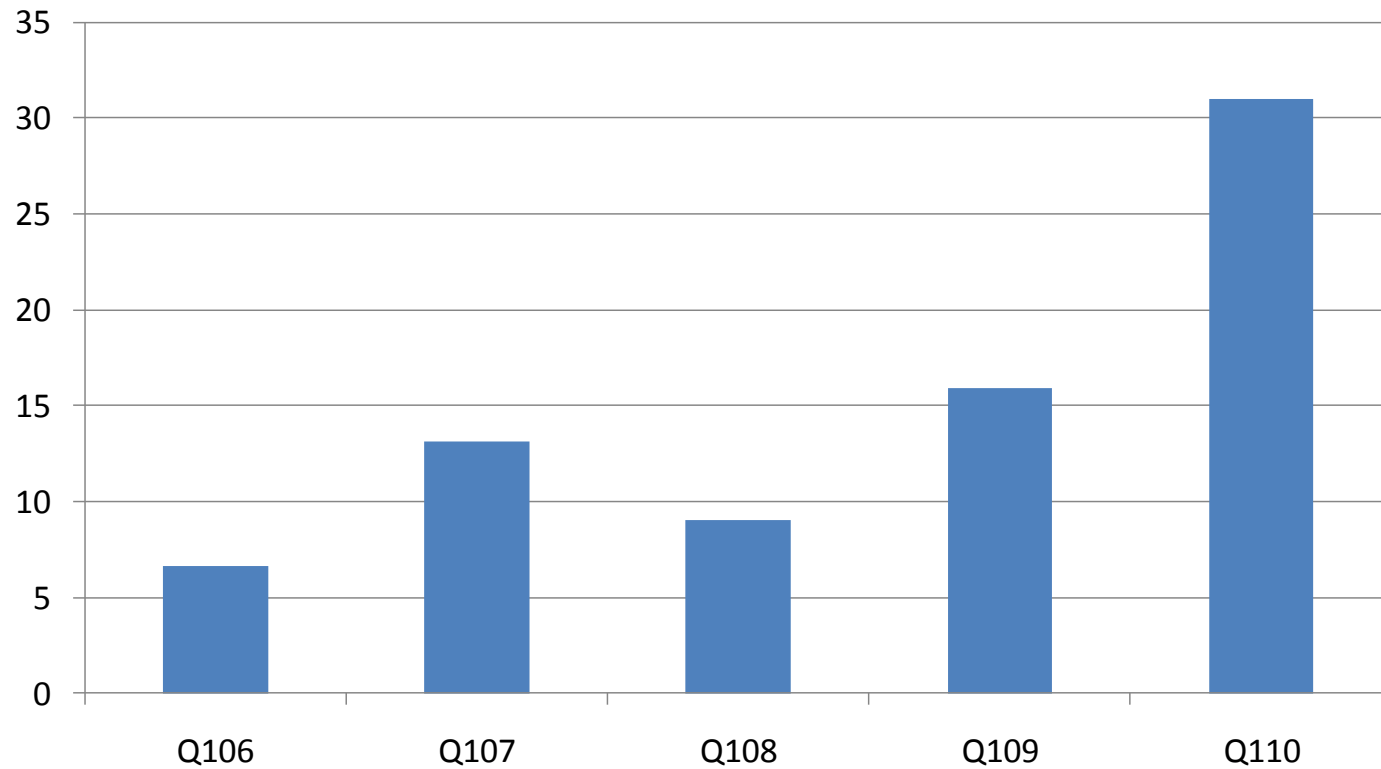


Other expenses (000' €) / percent of personnel expenses



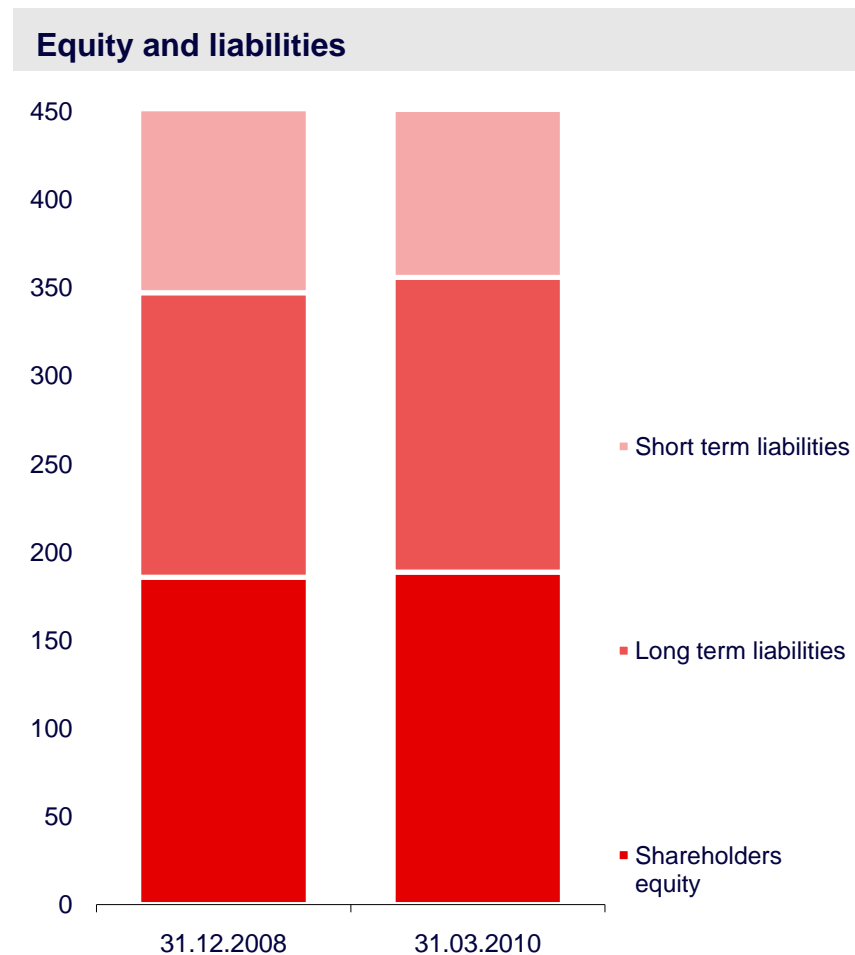
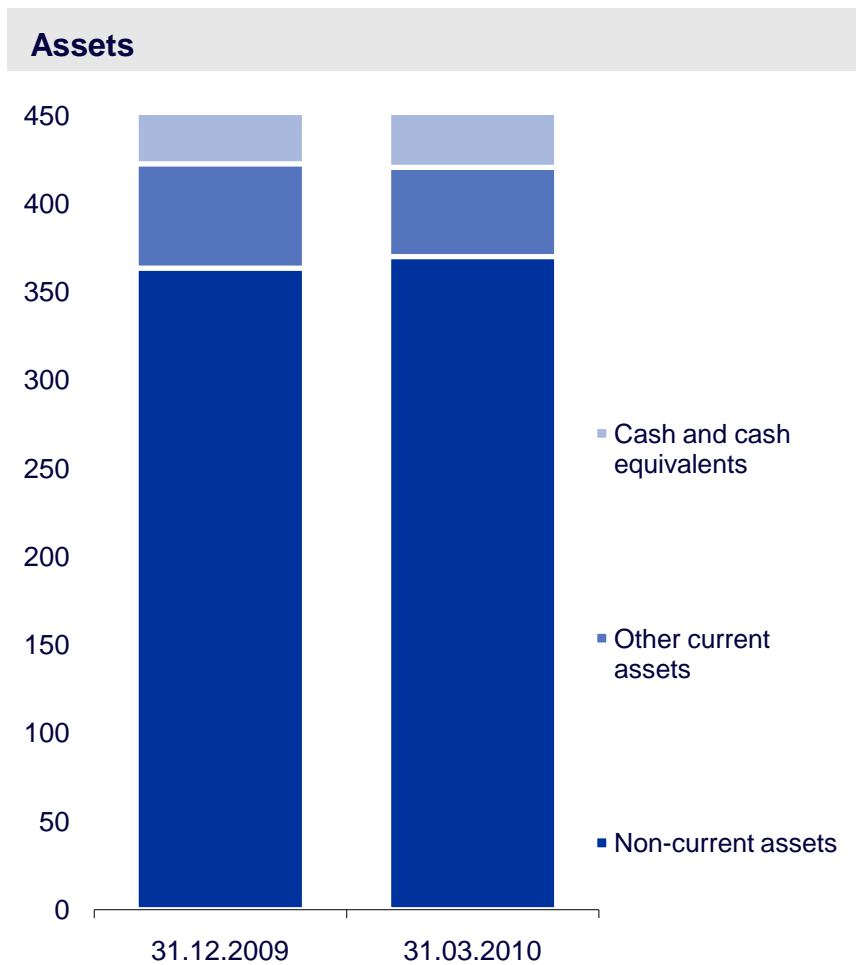
# Operating cash flow

€M



€M

	Q1 2010
Prepayment for shares in Innomed	9.3
Self-developed software and other intangible assets	1.9
Office buildings and property	0.4
Other fixed assets and equipment	1.2
Purchase of minority interests (9.9% Fimesan, 20% Erudis)	2.1
<b>SUM</b>	<b>14.9</b>



**OUTLOOK**

- **medi cine**
- **Innomed**
- **Communication & Data bookings**
- **Pipeline of Smart Exchange and diabetes management contracts**
- **HIS seasonality (and some AIS)**
- **Expected first effects from the HITECH stimulus in USA**

- **CompuGROUP offers the following guidance for 2010:**
  - Revenue is expected to be in the range of €315 million to €330 million.
  - Operating income (EBITDA) is expected to be in the range of €67 million to €73 million.
  
- **The outlook for 2010 represents management's best estimate of the market conditions that will exist in 2010 and how the business segments of CompuGROUP will perform in this environment.**
  
- **The guidance does not include revenue and costs associated with potential and currently undetermined further acquisitions during 2010.**

- The annual software maintenance revenue from existing customers is approximately EUR 150 million at the beginning of 2010 compared to EUR 120 million at the beginning of 2009.
- Organic growth rate is expected to exceed 10 percent
- Acquisitions to date will grow HPS revenue by approximately 5 percent
- The EBITDA margin is expected to improve relative to 2009



- Our forecast assumes a 10-20 percent loss of revenue in the Communication and Data business
- Other HCS revenue is expected to more than compensate for this decline and in total, HCS revenue is expected to grow with stable EBITDA margin relative to 2009.

- **May 12, 2010 - Q1 Report 2010**
- **May 19, 2010 - Annual General Meeting, Koblenz**
- **August 12, 2010 - Q2 Report 2010**
- **November 17, 2010 - Q3 Report 2010 / Analyst conference Dusseldorf**

- Proposed dividend of 0,25 € per share

- **If you would like to ask questions, please request to speak, by**
  - → entering \*1 on your telephone



# CompuGROUP

HOLDING AKTIENGESELLSCHAFT

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