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# Synchronizing Healthcare

2nd quarter 2015 – Conference Call

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06 August, 2015



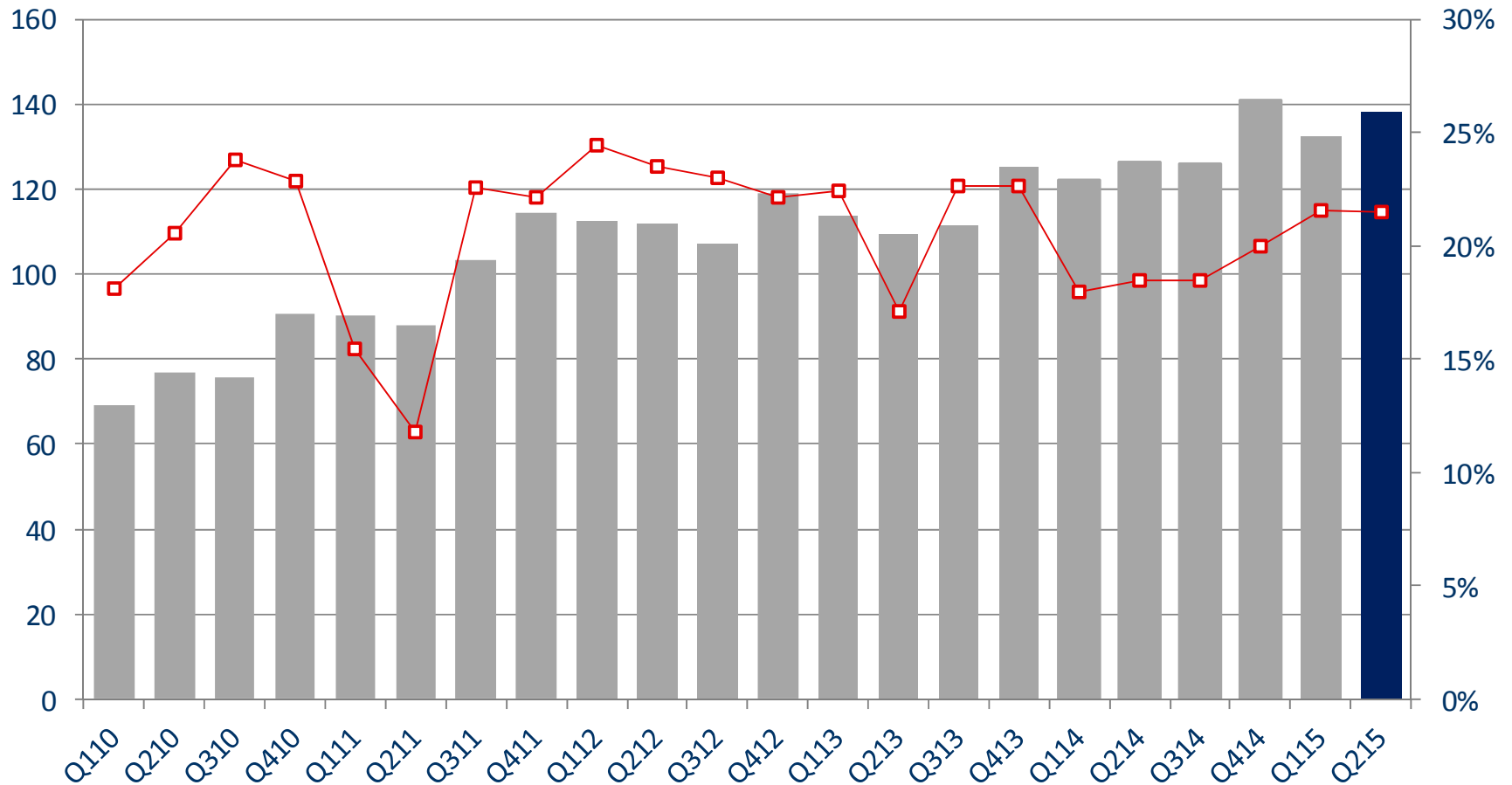
# Key figures second quarter 2015

€ M	Q2 15	Q2 14	Change	2014
Revenue	138.1	126.3	9%	515.1
EBITDA	29.7	23.3	22%	96.7
EBIT	19.2	13.2		53.9
EBT	11.3	9.5		44.5
Net income	4.1	6.3		24.1
EPS (€)	0.08	0.13		0.53
Cash net income*	11.7	13.6		55.8
Cash net income per share (€)	0.24	0.27		1.12

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

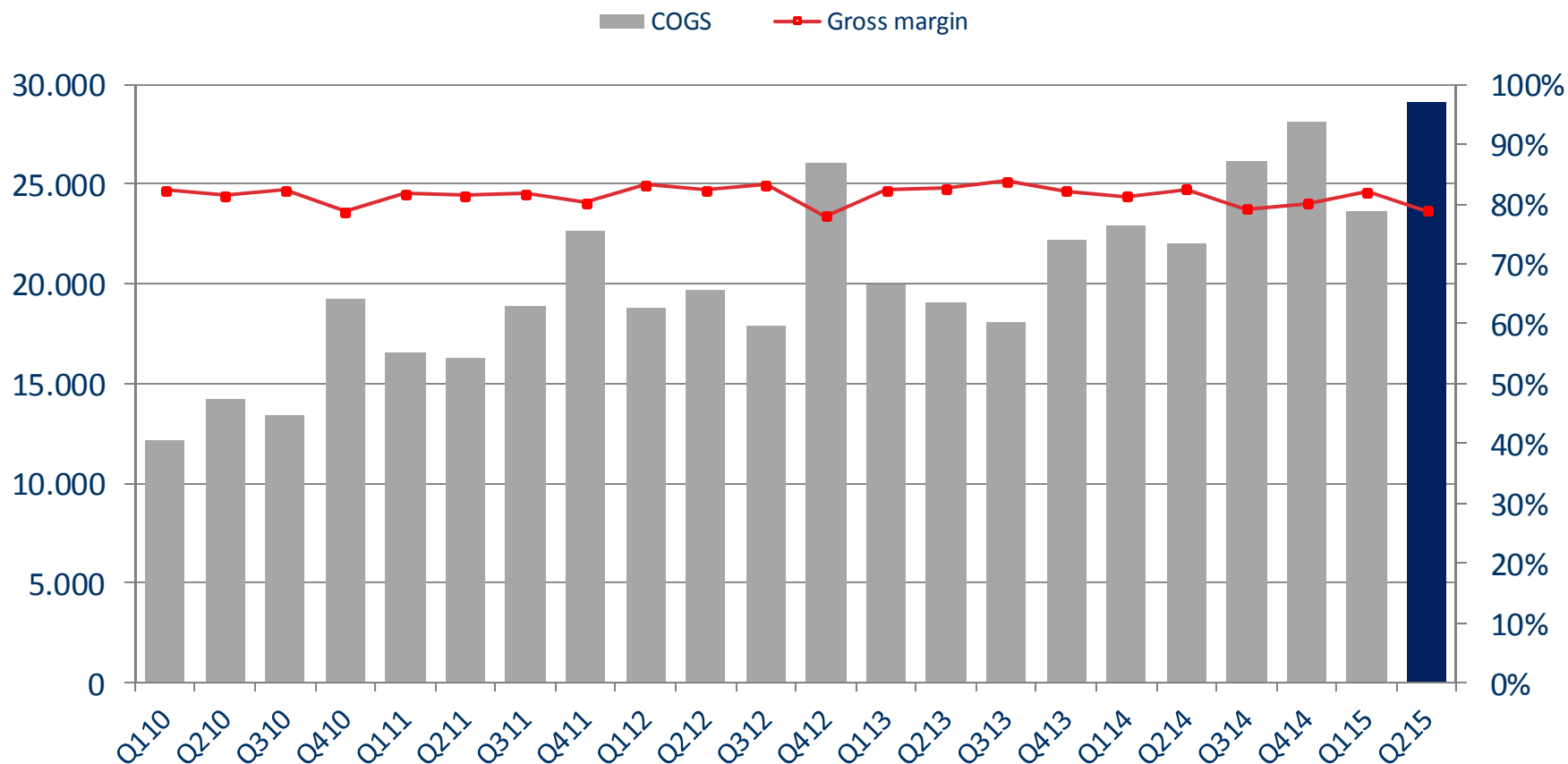
# 2010 – 2015 per quarter

Revenue (€ M) / profitability (EBITDA%)



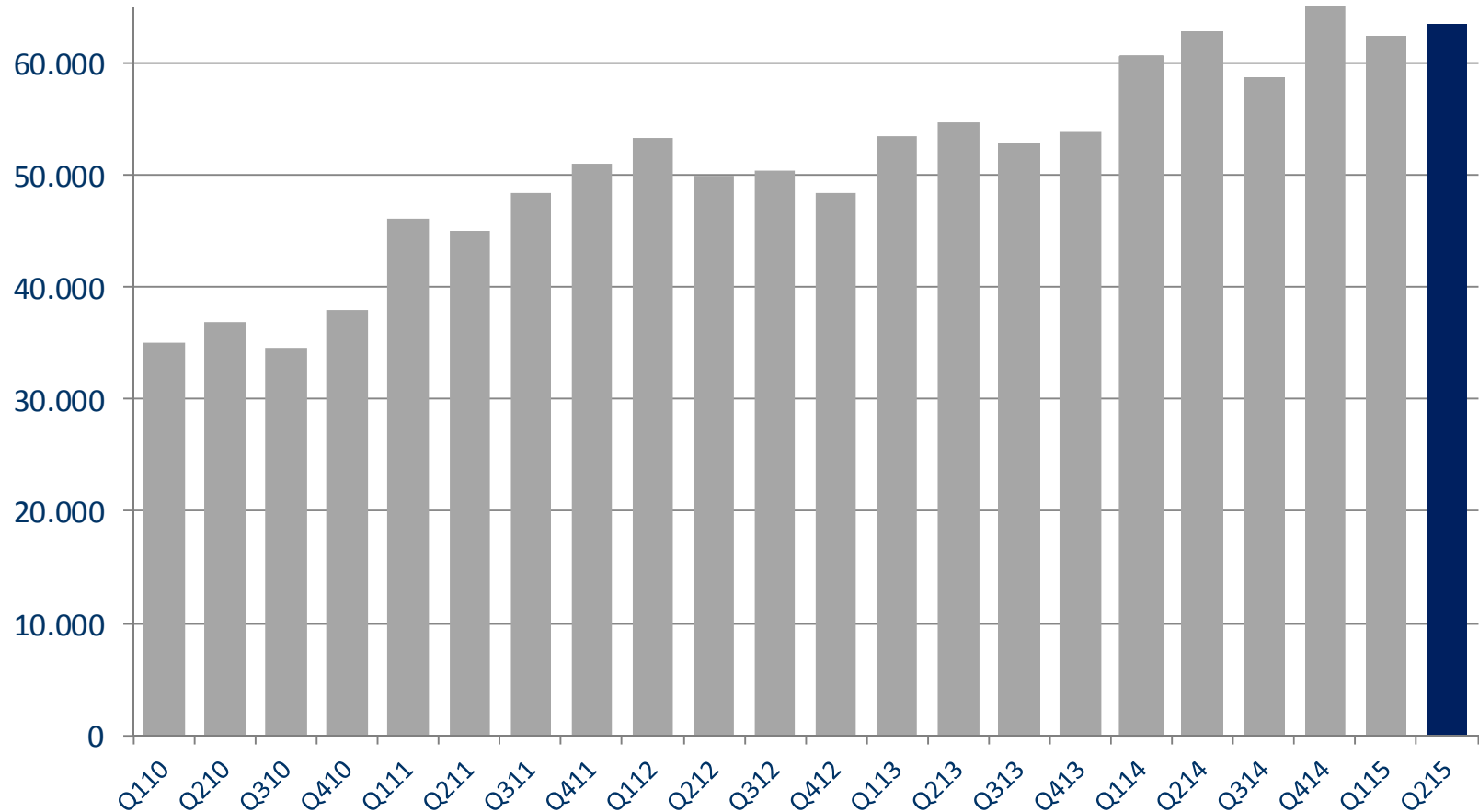
# COGS and gross margin

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



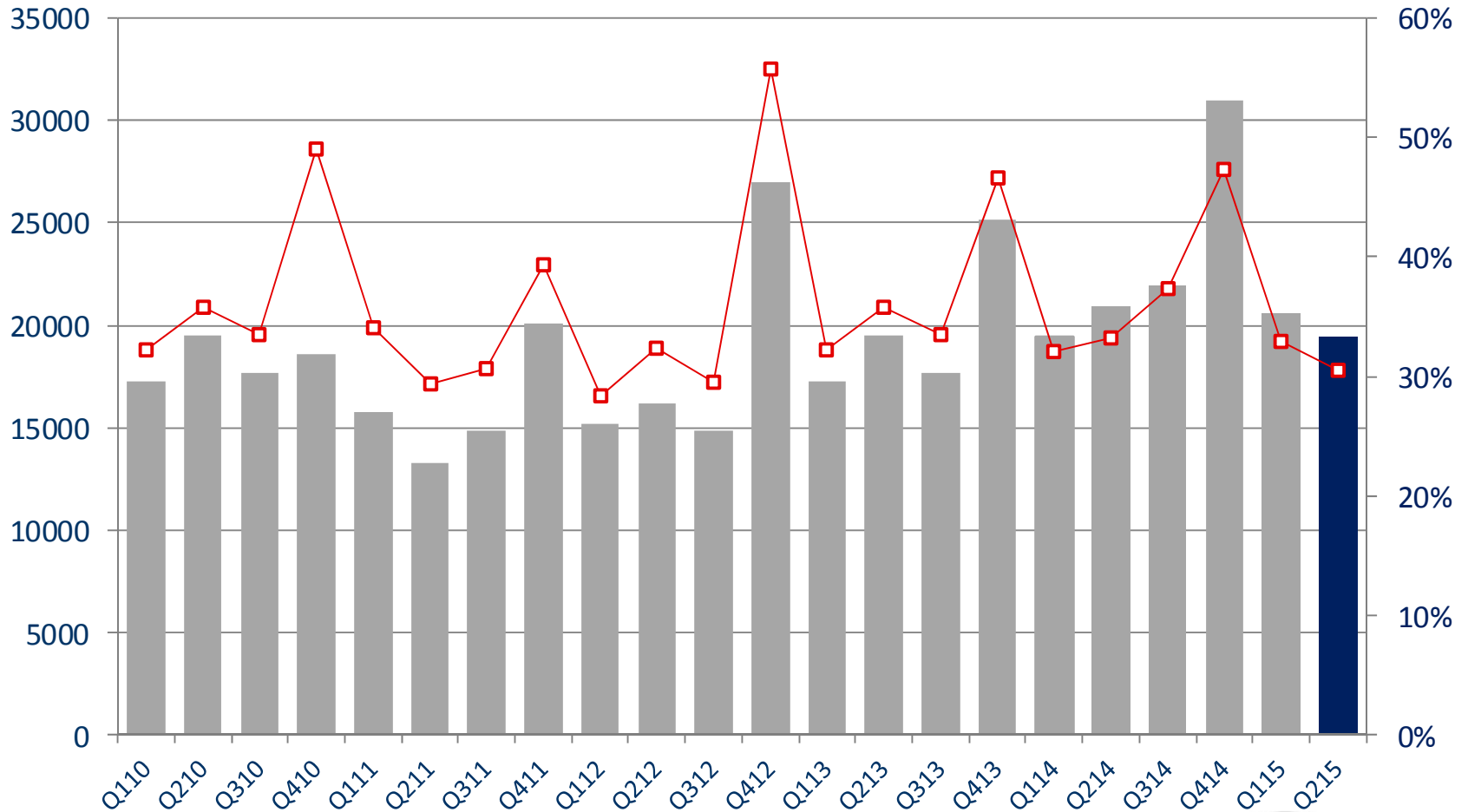
# Personnel expenses

€ '000

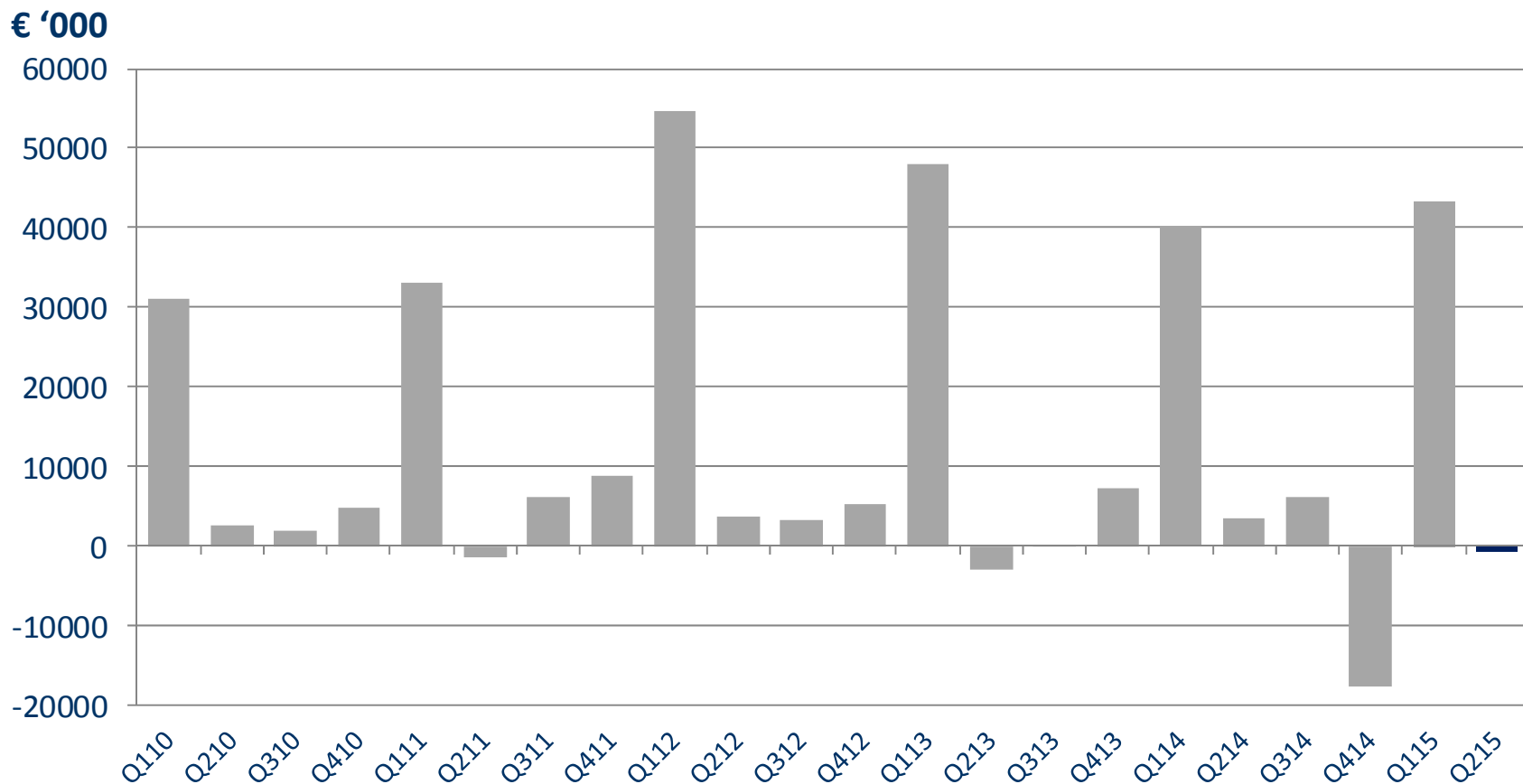


# Other expenses

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



# Operating cash flow



Special effects 1H 2015:

- POC receivable Gematik project
- Delayed cash collection due to ERP migrations

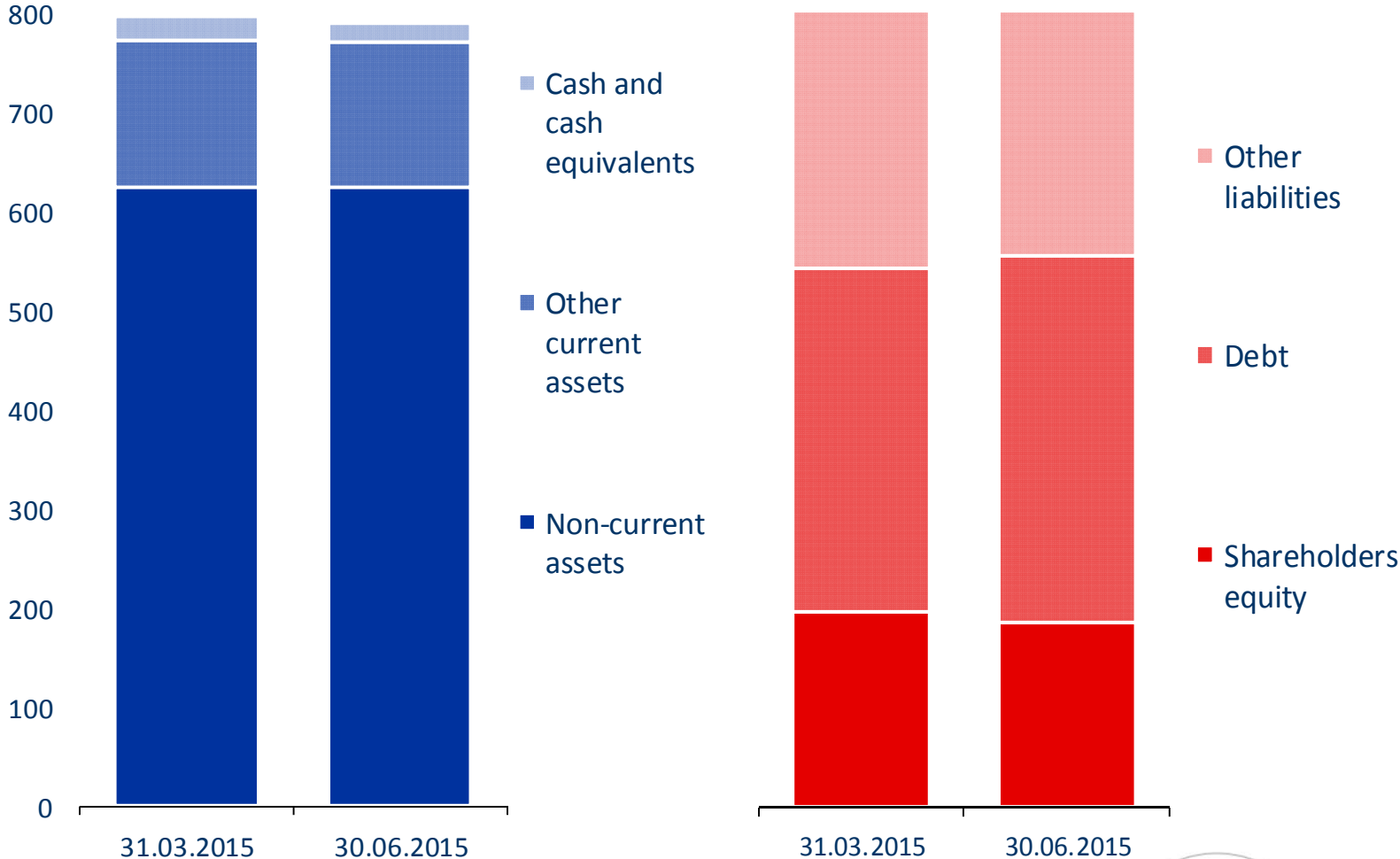
# Capital expenditure

€ M	Q2 2015
Company acquisitions	-4.2
Capitalized in-house services and other intangible assets	-3.9
Other property and equipment	-1.3
<b>Sum</b>	<b>-9.4</b>



# Statement of financial position

€ M



# Software for doctors

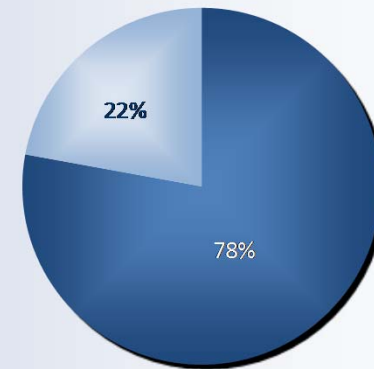


# Doctor software development

## AIS revenue Q2 2015

100% = 80.5 € M

	€ M	%
Revenue Q2 2014	73.9	
Acquisitions	5.1	7%
Organic growth	1.5	2%
Revenue Q2 2015	80.5	9%

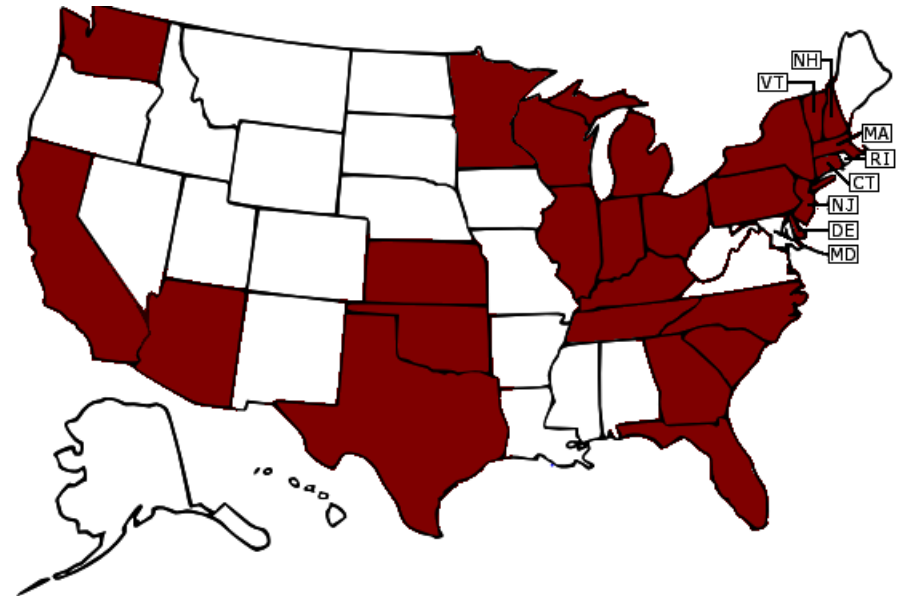


■ Recurring service fees ■ Non-recurring sales

- Outside of the Telematics Infrastructure project, the European AIS business recorded 4 percent organic growth at constant exchange rates
- Continued improvement seen in the US, also with strong order intake

# Partnership with the Weston Group, USA

- Creates opportunity to enter and immediately have significant position in rehabilitation services market
- The Weston Group, Inc. is a leading provider of:
  - Physical Therapy
  - Occupational Therapy
  - Speech Therapy
  - Rehabilitation Nursing Case Management Services
  - Full line of post-acute ancillary services and AD
- 352 Locations
- More than 3200 providers across 29 states within the US



# Telematics Infrastructure pilot project

- At the Berlin Hauptstadtkongress in June, CGM showed live for the second time the insured master data update (VSDM) based on the eGK
- 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
- CGM has already recruited all required doctors, dentists and hospitals to participate in the pilot
- CGM is now waiting for the decision of the project customer (gematik) to start the field trial before end of 2015



# The German eHealth law

- The federal Ministry of Health (BMG) has prepared a draft bill – “The eHealth Law”
- On January 16<sup>th</sup>, the draft law went to all relevant ministries (e.g. finance, science) for public comments. Other stakeholders were also invited to comment (including CGM)
- On May 27<sup>th</sup>, the Bundeskabinett (Government – all ministers, Merkel at top) decided that the law shall be pursued
- On July 3<sup>rd</sup>, the bill went to the Bundestag (Parliament) for ‘Erste Lesung’ – law brought in officially
- In the Bundestag, the bill has been transferred to the health committee (Gesundheitsausschuss) where the draft will be discussed and changed in the coming months
- The bill is expected to go back to the plenum (‘Zweite und Dritte Lesung’) in November 2015 – when the bill gets voted
- 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

# Acquisition of Stock Informatik

- “Stock Informatik” is the market leader for software services in occupational medicine, preventative medicine and occupational safety in Germany
- The software suite supports companies in the prevention and active care regarding the health of their employees and is used in numerous institutions ranging from clinics and businesses to major corporations
- The total turnover of Stock Informatik in 2014 was approximately 3 million Euros with an EBITDA of approximately 0.9 million Euros



# Software for pharmacies



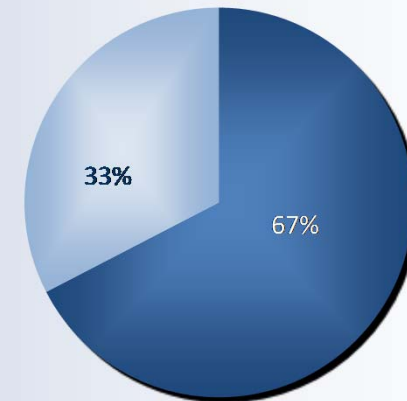


# Pharmacy software development

## PCS revenue Q2 2015

100% = 22.8 € M

	€ M	%
Revenue Q2 2014	18.6	
Acquisitions	3.3	19%
Organic growth	0.9	4%
Revenue Q2 2015	22.8	23%



■ Recurring service fees    ■ Non-recurring sales

- Good second quarter with 4 percent organic growth
- Further 19 percent growth contribution from the new companies in Italy which were acquired in July and September 2014 (farma3tec, Mondofarma and Puntofarma)

# Software for hospitals

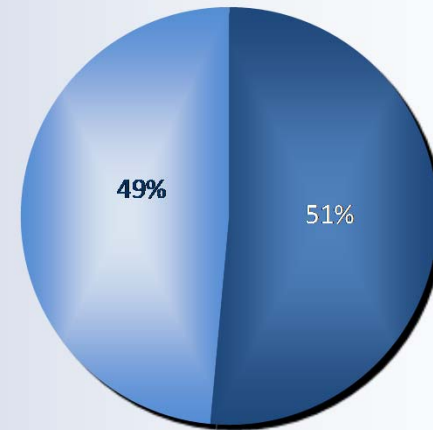


# Hospital software development

## HIS revenue Q2 2015

100% = 19.8 € M

	€ M	%
Revenue Q2 2014	18.7	
Divestitures	-1,3	-7%
Organic growth	2.4	13%
Revenue Q2 2015	19.8	6%



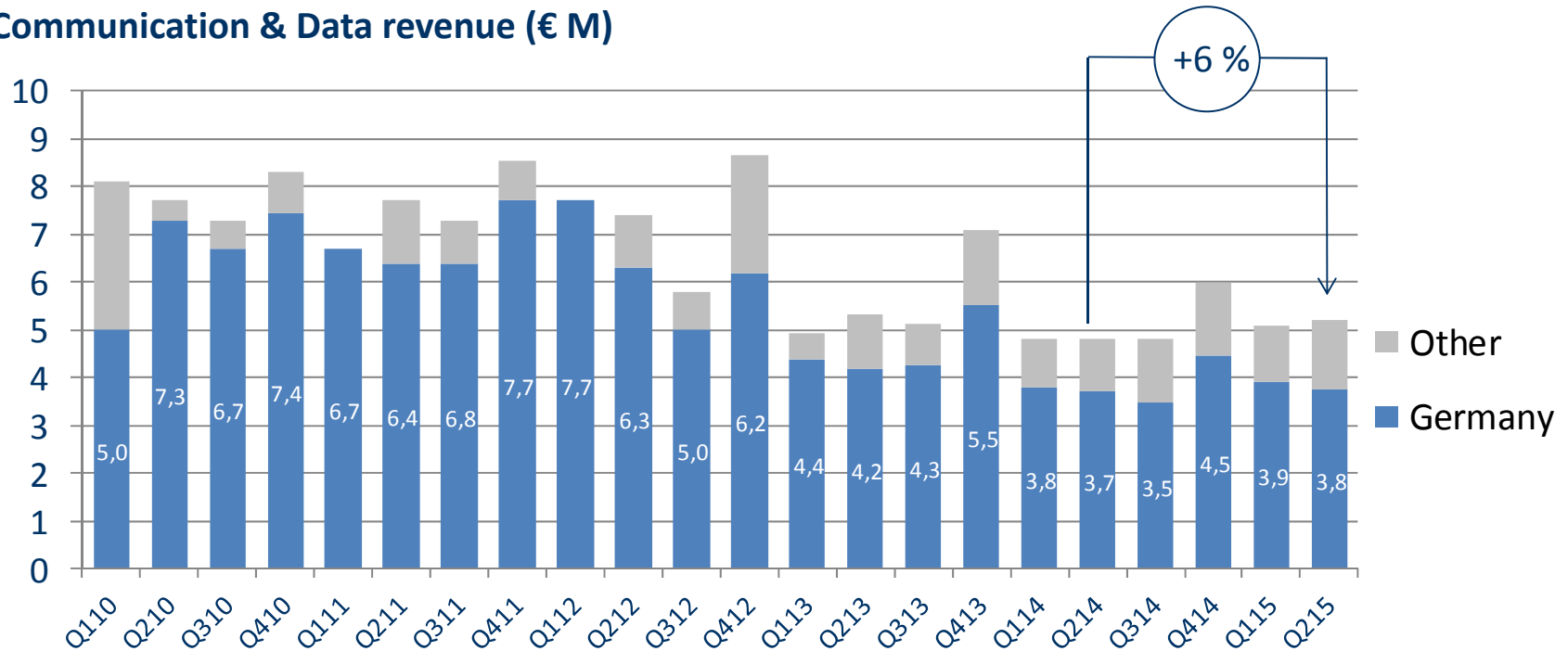
■ Recurring service fees

■ Non-recurring sales

- 13 percent organic growth at constant exchange rates
- Strong growth in Poland due to increased participation in the national eHealth project
- New major contract won in Austria for realization a new hospital information system for five regional hospitals at Vorarlberg-area

# Communication & Data development

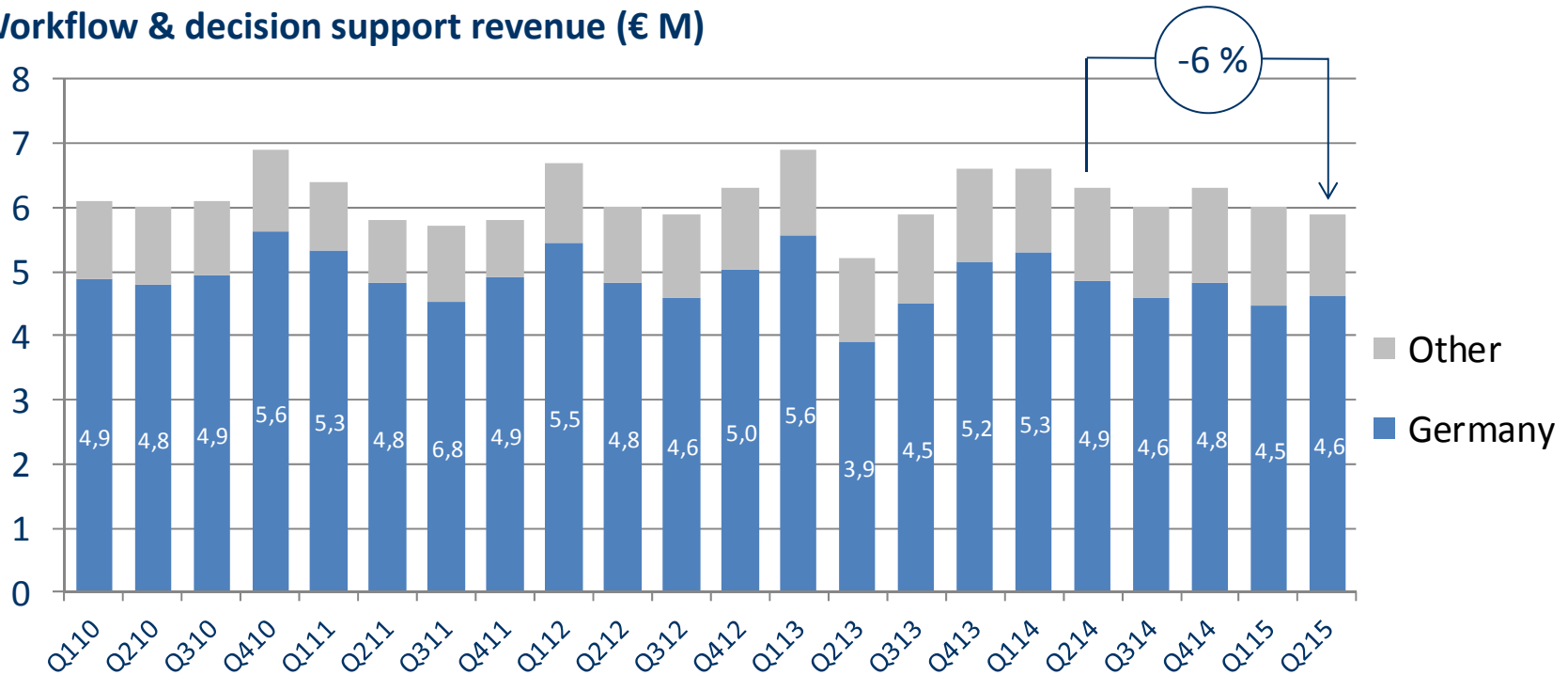
Communication & Data revenue (€ M)



- Communication & Data shows 9 percent organic growth for the second quarter
- The positive development is a result from an increased number of projects in medical value communication for originator companies

# Workflow & decision support development

Workflow & decision support revenue (€ M)



- Workflow & decision support shows -7 percent organic contraction
- Several projects which contributed to revenue 2014 were not replaced or followed this year

# Guidance 2015 reaffirmed

- CompuGroup Medical offers the following guidance for 2015:
  - Revenue is expected to be in the range of EUR 549 million to EUR 559 million
  - Operating income (EBITDA) is expected to be in the range of EUR 115 million to EUR 125 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

# Financial calendar 2015

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Date	Event
October 9, 2015	Analyst conference
November 5, 2015	Interim report Q3 2015

## Q&A session

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If you would like to raise questions, please press **\*1** on your telephone



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