

# 11/2020

## Company Presentation

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The logo for CGM, consisting of the letters "CGM" in white, bold, sans-serif font, centered within a dark blue circle with a white border.

CGM

## Synchronizing healthcare



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**Nobody should suffer or die  
because at some point  
medical information was missing.**

# The life-saving capabilities of connecting and synchronizing

CGM is providing

**information systems & services,  
connectivity products**

to doctors, hospitals, pharmacies, patients ...

**~30,000**

**DEATHS PER YEAR**  
due to adverse drug  
reactions in Germany

# More than 1.5 million professional users of our products worldwide





# Our segments cover essential parts of the patient journey

## AMBULATORY INFORMATION SYSTEMS

Data available anytime for a better and quicker overview, resulting in more time for the patients



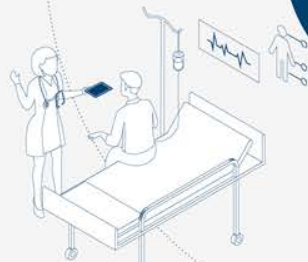
## PHARMACY INFORMATION SYSTEMS

Enabling responsible consultations, optimal processes and economic success



## HOSPITAL INFORMATION SYSTEMS

Intelligent management for quality, efficiency and growth



## CONSUMER & HEALTH MANAGEMENT INFORMATION SYSTEMS

Smart solutions for patient empowerment based on personal health record platform with high data security



### MISSION



“More time for what is important: the patient.”

Paperless data management and immediate access to important information for smooth workflows resulting in more time for employees

# 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



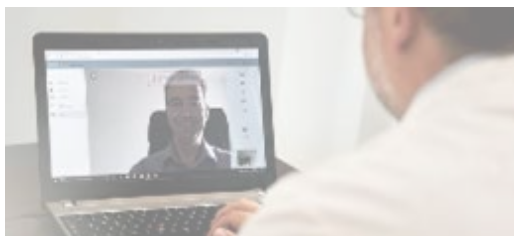
# Benefitting from forward looking R&D in previous years during COVID-19

## Mobile practice management



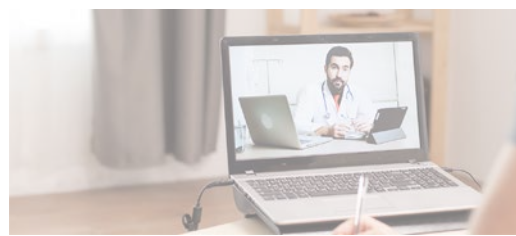
- Offering **TELEMED Mobile Praxis Center** solution free of charge until end of June
- Enabling practice teams to carry out **admin tasks from home**, i.e. reimbursement & accounting
- Accessing practice IT system via Mobile Praxis Center meets **highest data protection standards**

## Telemonitoring



- **Relieving hospitals** with telesystems for **monitoring patients** with infection **in home quarantine** after inpatient treatment
- **Protecting medical and nursing staff**
- **Recording vital parameters** wirelessly, **transmitting** to practitioners and immediately **alerting** in case of emergency

## Video consultation



- Massive increase in demand with **~90,000 registrations** for CLICKDOC video consultation within weeks
- Protecting doctors, practice teams and other patients from **risk of infection** by patients suspected of being infected with COVID-19



# Telematics Infrastructure – The next level in German healthcare digitization

**99.9%**

Stable and resilient  
TI connector

99.9% of **CGM TI connectors** **stayed connected** during the TI outage in May.

This is attributable to our **intensive R&D efforts & thorough testing** of our connector hard- and software.

**1st**

mover  
e-Health connector

CGM connector **approved** by gematik **in July**. Upgrade available for all **~56k customers**.

Upgrade **enables**

- Value added **TI services**
- TI for **pharmacies**

**>6,000**

orders in  
pharmacy segment

**1st mover** in **TI for pharmacies**. Rollout started in July.  
> **6k orders** received by CGM Lauer and reseller partners by now.

**Installations** picking up at increasing speed.

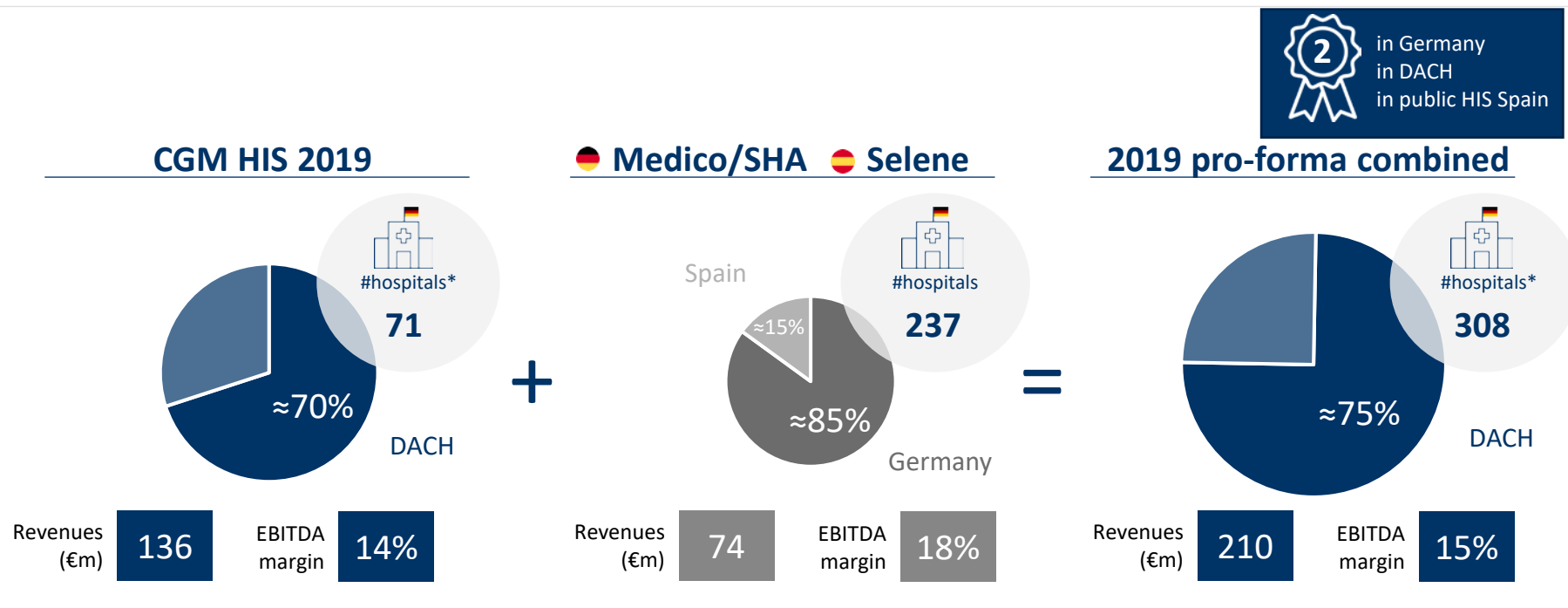
**1st**

KIM  
provider

**CGM KIM** (secure TI email) **approved** as 1st provider by gematik **in June**. Rollout has started.

KIM is **mandatory** for the **digital transfer** of relevant patient documents like the future **e-sick notice**.

# Excellent start for major HIS transaction with synergies above expectations



**Q3/20 first fully consolidated quarter with revenues of €21m well above synergy plan**

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

# Stepping up digital initiatives across the group in Q3/2020

## AIS

### CLICKDOC video consultations



- Converting registrations into active users and turning active users into paying customers
- > 8k paying healthcare providers
- Expected revenue run-rate (2022ff): low double-digit million-euro

## HIS

### Hospital Future Act



- > 4bn government package to drive digitization in German hospitals approved
- Focus on electronic medication, patient portals, decision support systems, speech recognition, emergency departments and IT security
- CGM HIS operations in prime position to benefit from mid-2021 onwards post-closing of major transaction

## PCS

### Digitizing the patient journey



- Cooperation between CLICKDOC and IhreApotheken.de, representing > 7k pharmacies
- Creating open and connected healthcare eco-system
- Patients redeem prescriptions in selected pharmacy via CLICKDOC app within a few hours

## CHS

### Digital health apps



- Government initiative to include digital health apps in standard collective healthcare
- CGM early mover with prescription assistance for doctors to find the right app for their patients
- CLICKDOC to become the default patient destination for digital healthcare
- Increased investments for integrated health platform

# GROUP FINANCIALS

# Record quarter fueled by TI rollout and HIS acquisition



**€231m**  
(+30%yoy)

Revenue



**€135m**  
(+16%yoy)

Recurring  
Revenue



**€67m**  
(+42%yoy)

EBITDA



**29%**  
(+2ppt)

Margin



**€0.71**  
(PY: €0.51)

EPS



**€31.8m**  
(>+100%yoy)

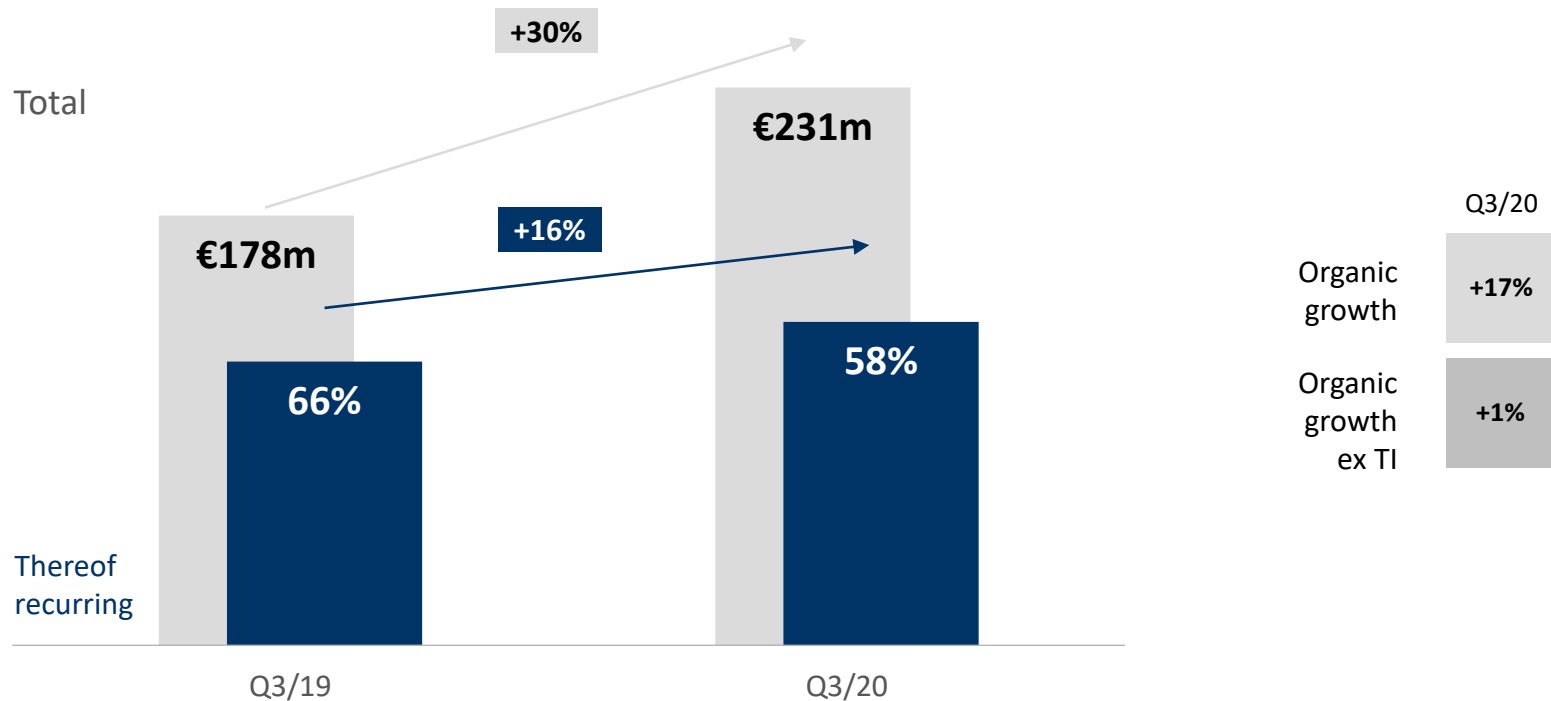
FCF

Outstanding quarterly performance on all dimensions

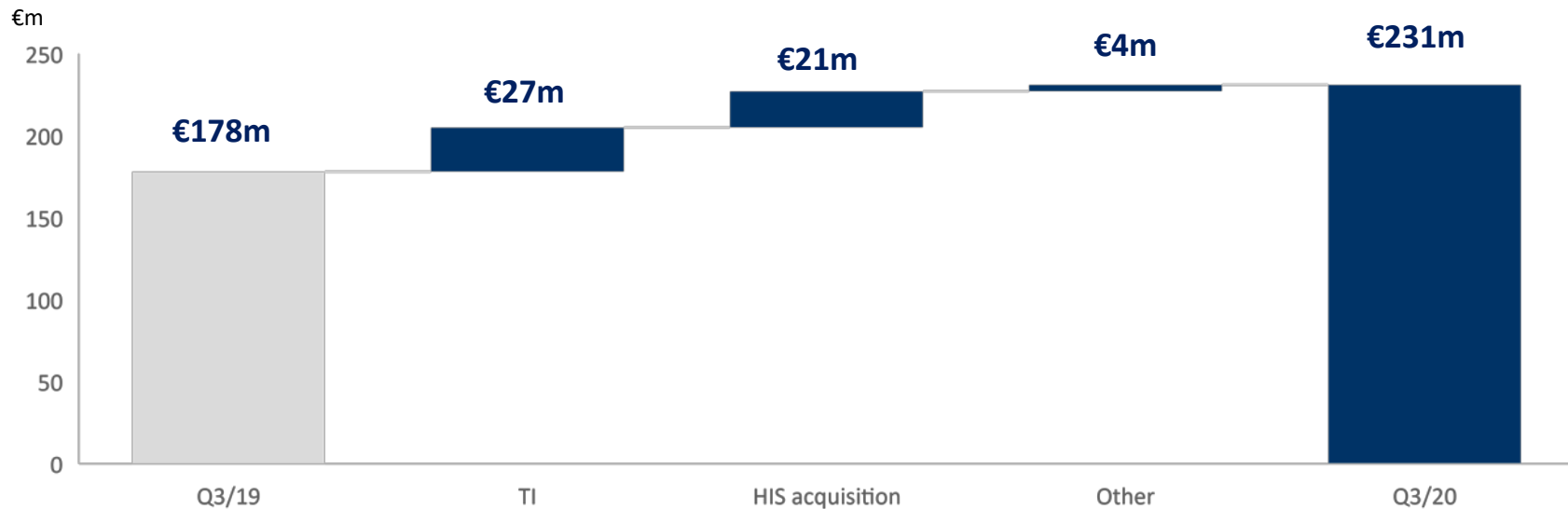
EBITDA, EPS and FCF adjusted, EPS diluted



# Organic revenue growth of 17% due to TI rollout



## Record revenues and EBITDA boost

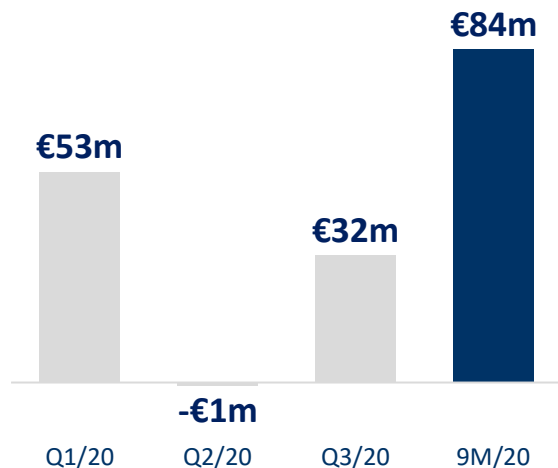


### EBITDA +42%, margin at 29% (up 2ppts)

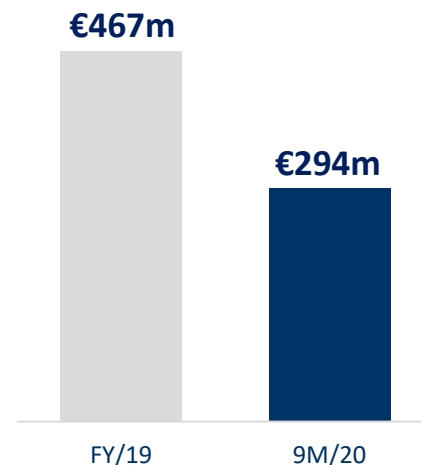
- Excellent start of HIS acquisition, realizing first revenue synergies
- TI rollout fully on track

# Excellent cashflow and low leverage post share placement and HIS acquisition

## FCF well on track towards FY guidance



## Net debt significantly reduced

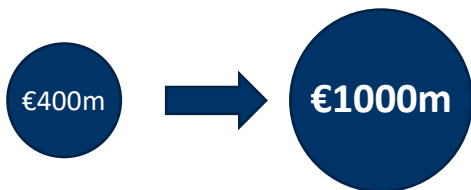
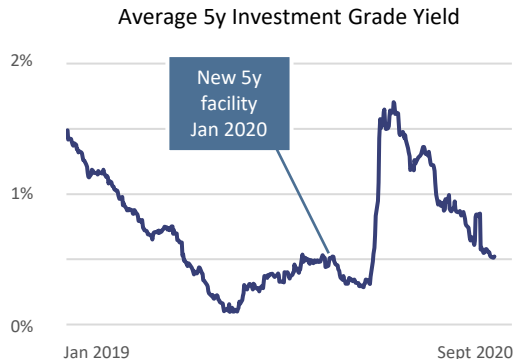


Leverage<sup>1)</sup> **2.4x** **1.3x**

<sup>1)</sup> 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

# Preparing for further growth ambitions

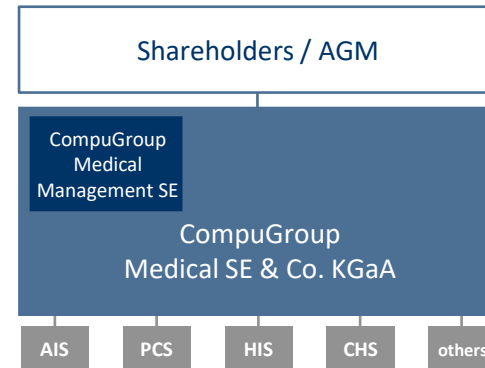
## Favourable funding conditions



## Successful share placement

- ✓ **10%** placement June 2020
  - 9% treasury shares
  - 1% capital increase
- ✓ Cash proceeds **€340m**

## New legal form



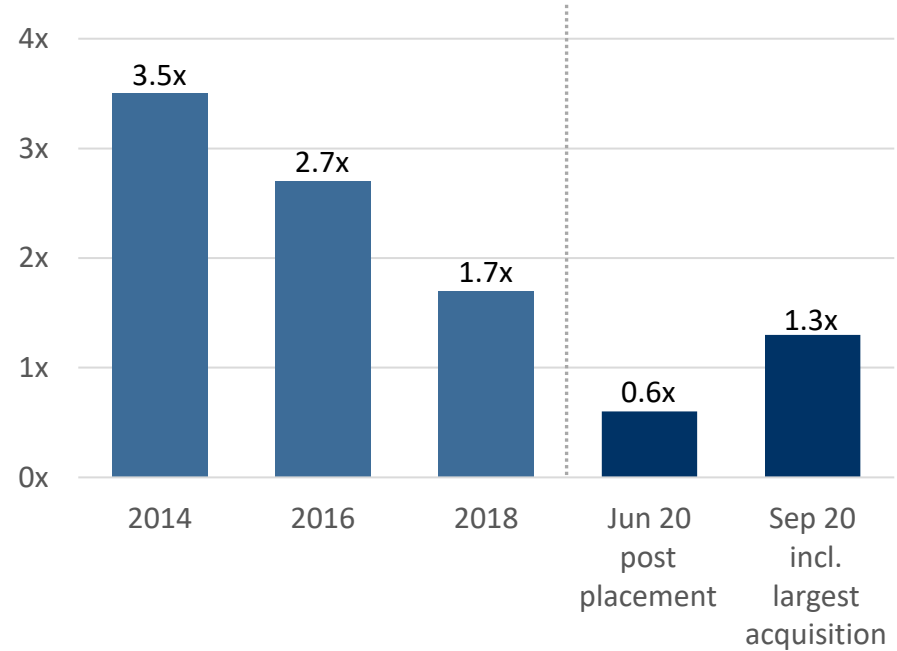
- ▶ **Additional headroom** for further strategic steps
- ▶ **Improved financial position** – equity ratio now >40%
- ▶ **Preserving the entrepreneurial culture and perspective**

# Building on fast deleveraging competence

## Recent larger acquisitions

QUALIZORG	2019   ~€10m
MEDISTAR DISTRIBUTORS	2019   ~€25m
EPSILOG, H&S	2019   ~€80m
MEDICO, SHA, SELENE	2020   ~€200m

## Leverage





# GUIDANCE



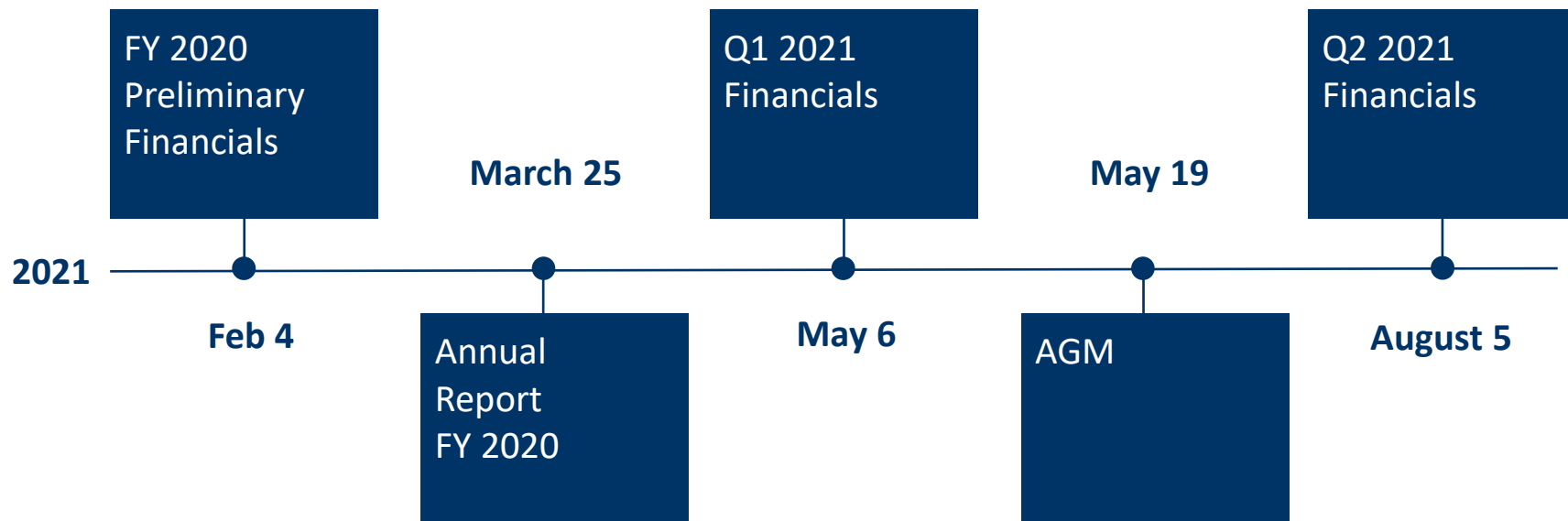
# Guidance unchanged versus increase as of August 2020

€m	Updated guidance (Aug 6, 2020)		Updated guidance (Aug 6, 2020)	
Group revenues	820 – 860	Segments	AIS revenues	470 – 490
Adj. EBITDA	205 – 220		PCS revenues	124 – 134
Organic growth (group revenues in %)	2 – 6		HIS revenues	180 – 188
Recurring revenue (in % of total revenues)	> 60		CHS revenues	46 – 48
Adj. EPS (diluted, in €)	1.75 – 1.95			
CAPEX (in €m)	65 – 75			
Adj. FCF* (in €m)	> 85			

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.

\*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

## Next events 2021



**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**
- ▶ **Continuously investing** in customer benefits (R&D spend)
- ▶ **Sustainable EBITDA growth** with **strong cash flow profile**
- ▶ Excellent track record in **value enhancing M&A**
- ▶ **Increased flexibility** following successful share placement
- ▶ Further enhancing **value generation & shareholder return**

# APPENDIX

A doctor in a white lab 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.



# Managing Directors



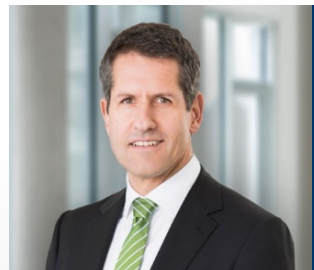
**Frank Gotthardt**  
Founder, Chairman & CEO



**Frank Brecher**  
Chief Technology Officer



**Dr. Ralph Körfgen**  
Ambulatory & Pharmacy  
Information Systems



**Dr. Eckart Pech**  
Consumer & Health  
Information Systems

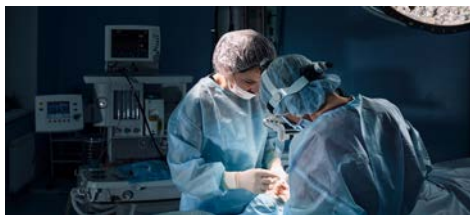


**Michael Rauch**  
Chief Financial Officer



**Hannes Reichl**  
Hospital Information  
Systems

# COVID-19 with diverse impact on our different HIS customers



## ACUTE

- Acute clinics
- University hospitals
- Ambulances
- Clinical logistics centers
- Clinical pharmacies



## POST ACUTE

- Rehab clinics
- Social care facilities
- Community & school doctors
- Mobile care providers
- Smart home providers
- Patients & relatives



## MEDICAL LABS

- Private labs
- Laboratory chains
- Clinical labs

COVID  
IMPACT  
in % of  
revenues



65%



20%



15%




## SEGMENTS



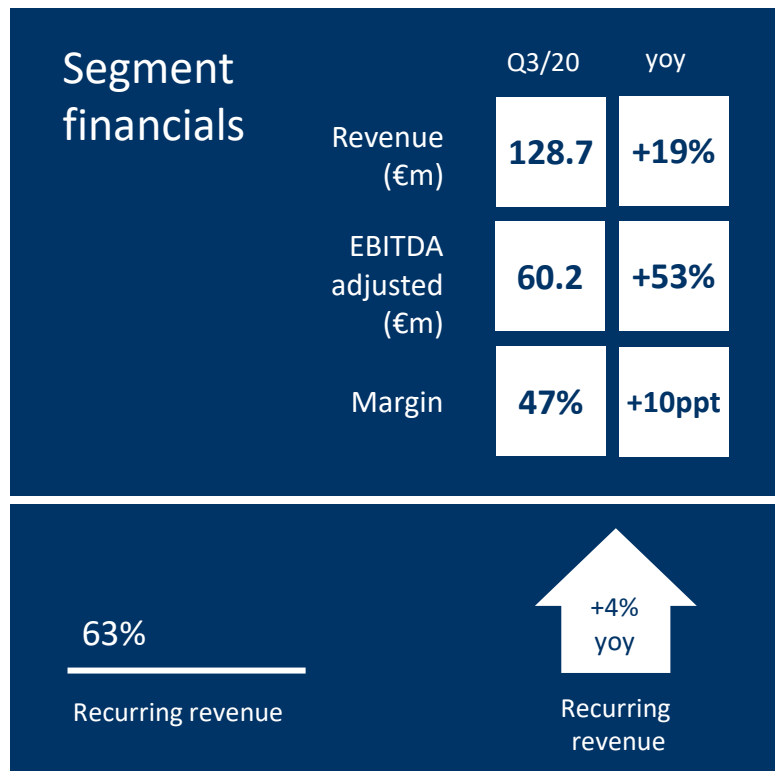
## Q3/20 – All segments with excellent performance

Group		Ambulatory Information Systems		Pharmacy Information Systems		Hospital Information Systems		Consumer & Health Management Information Systems			
		Revenue Share									
		Q3/20	yoy	Q3/20	yoy	Q3/20	yoy	Q3/20	yoy		
Revenue (€m)		231.3	+30%	128.7	+19%	34.9	+26%	56.1	+80%	11.6	+5%
EBITDA adjusted (€m)		67.1	+42%	60.2	+53%	8.6	+30%	7.7	>+100%	1.9	-51%
Margin		29%	+2ppt	47%	+10ppt	25%	+1ppt	14%	+4ppt	16%	-19ppt



# **AMBULATORY INFORMATION SYSTEMS**





## Q3/20 yoy

- Excellent organic revenue growth +17% driven by completed TI software upgrade
- Organic revenue ex TI -3%, versus strong PY (Win 10 & ELGA) and COVID-19 (US & dental)
- **Recurring revenues** +4%, representing 63% of total revenues
- **Adjusted EBITDA** +53% yoy and margin up 10ppts due to higher return of TI upgrade

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 semi-circular graphic element is positioned on the right side of the image, containing the title text.

# **PHARMACY INFORMATION SYSTEMS**

## Segment financials

	Q3/20	yoy
Revenue (€m)	34.9	+26%
EBITDA adjusted (€m)	8.6	+30%
Margin	25%	+1ppt

53%


Recurring  
revenue

Recurring  
revenue

+6%  
yoy

## Q3/20 yoy

- Strong **organic** revenue growth of +26%, supported by first time pharmacy TI rollout
- Org. revenue growth ex TI of +6% reflects strength of underlying biz despite pandemic
- **Adjusted EBITDA** in line with TI growth

A photograph of two men in a hospital setting. The man on the right is wearing a white lab coat over blue scrubs, has a stethoscope around his neck, and is holding a tablet. The man on the left is wearing a light blue button-down shirt and is looking at the tablet. They are standing in a hallway with a white railing in the foreground. The background is slightly blurred, showing hospital equipment and a sign.

# HOSPITAL INFORMATION SYSTEMS

## Segment financials

	Q3/20	yoy
Revenue (€m)	56.1	+80%
EBITDA adjusted (€m)	7.7	>100%
Margin	14%	+4ppt

60%

Recurring revenue

+69%  
yoy

Recurring revenue

## Q3/20 yoy

- First time consolidation of largest acquisition leads to +80% revenue jump
- Excellent rebound post softer Q2 with +10% organic revenue growth
- Acquisition of Cerner assets with €21m revenue well above synergy plan
- **Adjusted EBITDA** up significantly yoy and margin up 4ppts



# **CONSUMER & HEALTH MANAGEMENT INFORMATION SYSTEMS**

## Segment financials

	Q3/20	yoy
Revenue (€m)	11.6	+5%
EBITDA adjusted (€m)	1.9	-51%
Margin	16%	-19ppt

13%

Recurring revenue



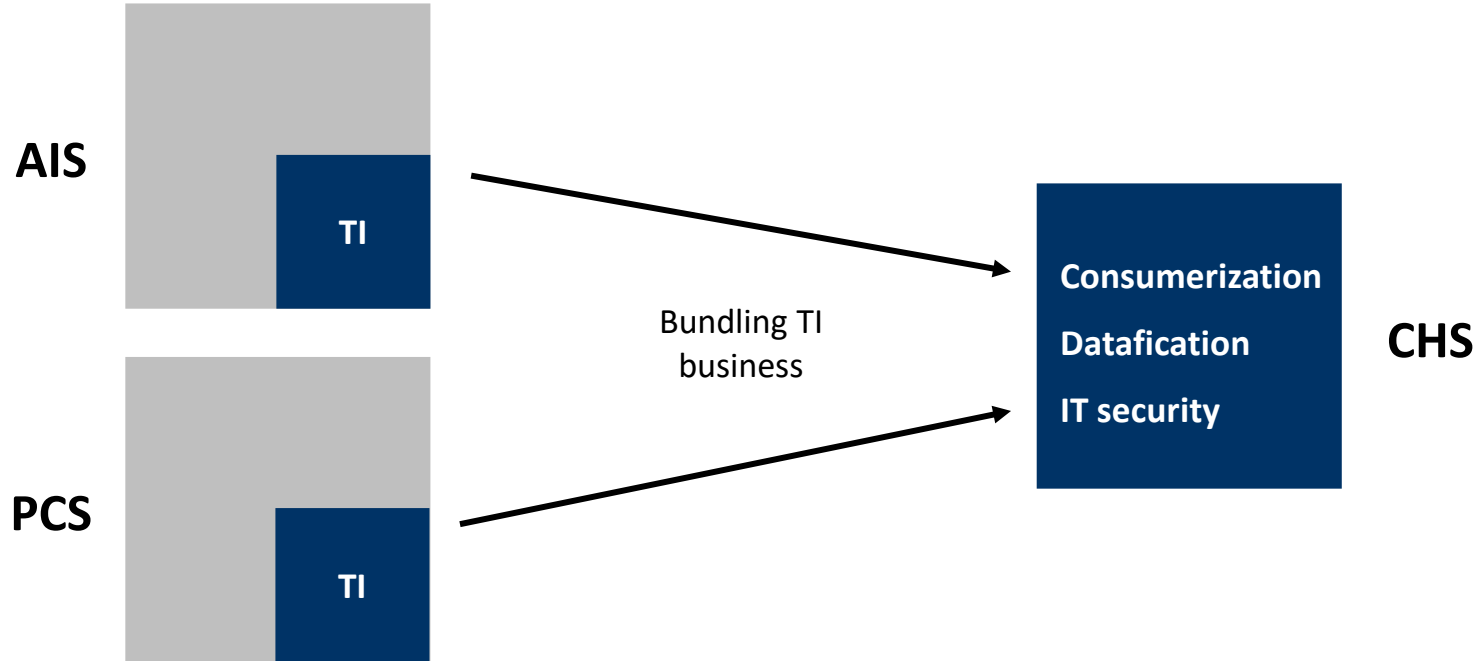
Recurring revenue

## Q3/20 yoy

- **Organic** revenue growth of 10% mainly driven by German Intermedix business
- First proof point for consumerization with launch of digital health apps platform
- **Adjusted EBITDA** impacted mainly by increased R&D investments



## Further increasing transparency from 2021 onwards



- Further aligning management responsibility and reporting
- Increasing visibility of AIS and PCS underlying core business for investors

# THANK YOU



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