

Q2 | 2022 – RESULTS

Investor/Analyst Call

Michael Rauch, Spokesman for the Managing Directors and CFO

August 04, 2022

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Strong revenue & adjusted EBITDA growth in first half 2022



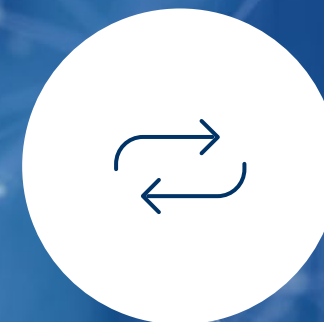
+10%
revenue
growth



>4%
organic
growth



+8%
adjusted EBITDA
growth



+1ppt
share of recurring
revenue

Revenue and adjusted EBITDA guidance raised for FY 2022

Growth built on strong position across Europe and US

PLAYER # IN

AIS

HIS








PCS



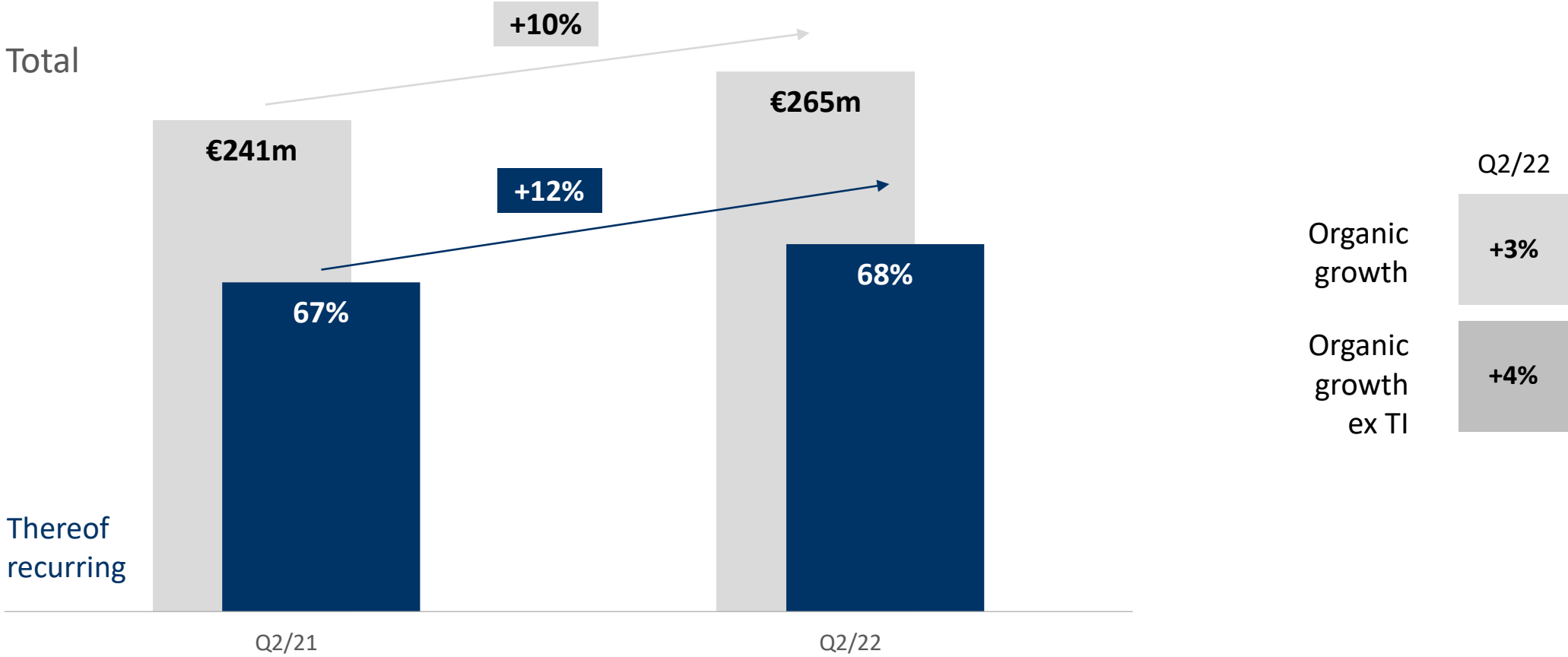
Excellent foundation for speeding up growth in H2

- >€40m order entry relating to the Hospital Future Act in HIS Germany
- >7m order intake relating to Ségur in AIS France
- >14k orders received for TI connector exchange
- Integration of INSIGHT Health adding ~600 new customers in data business
- Ambulatory and pharmacy customers e-prescription ready

2022 – CGM fully on track and in line with expectations

							
H1	€517m (+10%yoy)	69% (+1ppt)	+4.2% (-3ppt)	€105m (+8%yoy)	20% (-0.5ppt)	€0.82 (PY: €0.76)	€28m (PY: €65m)
Q2	€265m (+10%yoy)	68% (+1ppt)	+3% (-7ppt)	€54m (+5%yoy)	20% (-1ppt)	€0.40 (PY: €0.43)	-€36.5m (PY: -€6m)
	Revenue	Recurring rev share	Organic growth	Adj. EBITDA	Margin	Adj. EPS	FCF

Double-digit revenue growth supported by acquisitions



All segments contributing to strong growth

Group	Group		AIS		HIS		CHS		PCS		
	Q2/22	yoy	Revenue share	Q2/22	yoy	Q2/22	yoy	Q2/22	yoy	Q2/22	yoy
Revenue (€m)	265	+10%	46 %	123	+7%	26 %	+13%	41	+14%	32	+11%
EBITDA adjusted (€m)	54	+5%		33	+16%	11	-16%	3	-42%	10	21%
Margin	20%	-1ppt		27%	+2ppt	16%	-5ppt	8%	-8ppt	32%	+3ppt

Ambulatory segment driven by digitization

Segment financials		Q2/22	yoy
	Revenue (€m)	123	+7%
	EBITDA adjusted (€m)	33	+16%
	Margin	27%	+2ppt

77% (+1ppt)

Recurring revenue share



Recurring
revenue

Q2/22 yoy

- **Revenue growth** of +7% supported by FX (US) and acquisitions
- **Organic growth** of +2%, mostly due to additional modules in Germany & Austria and successful US business
- **Recurring revenues** up +9%, representing 77% of total revenues
- **Adjusted EBITDA up** +16% with margin slightly above the prior year quarter

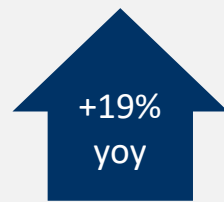
Hospital segment with continued strong growth

Segment financials

	Q2/22	yoy
Revenue (€m)	70	+13%
EBITDA adjusted (€m)	11	-16%
Margin	16%	-5ppt

67% (+4ppt)

Recurring revenue share



Recurring revenue

Q2/22 yoy

- Strong **revenue increase** of +13%, supported by VISUS and KMS acquisitions
- **Organic revenue growth** of +4% against tough prior year comps, driven by strong business in Germany
- **Recurring rev share** with strong growth to 67%
- **Adjusted EBITDA and margin** impacted by ramp up investments towards Hospital Future Act projects and further rollout of G3 technology

Consumer Health segment with strong data business

Segment financials		Q2/22	yoy
	Revenue (€m)	41	+14%
	EBITDA adjusted (€m)	3	-42%
	Margin	8%	-8ppt

45% (+5ppt)

Recurring revenue share



Recurring
revenue

Q2/22 yoy

- **TI revenues** below prior year against strong card reader sales in Q2/2021
- **Organic growth ex TI** of +13% due to an excellent performance in the data business, especially with insurance solutions
- **Recurring revenue** up significantly due to acquisition of INSIGHT Health
- **Adjusted EBITDA** impacted by increased investments in data solutions

Pharmacy segment delivering growth and strong margin

Segment financials		Q2/22	yoy
	Revenue (€m)	32	+11%
	EBITDA adjusted (€m)	10	+21%
	Margin	32%	+3ppt

Q2/22 yoy

- **Organic revenue** growth of 9% due to new customer wins and higher hardware sales
- **Recurring revenues** up +5% at 65% of total revenues
- **Adjusted EBITDA** with strong growth due to efficient cost management

65% (-4ppt)

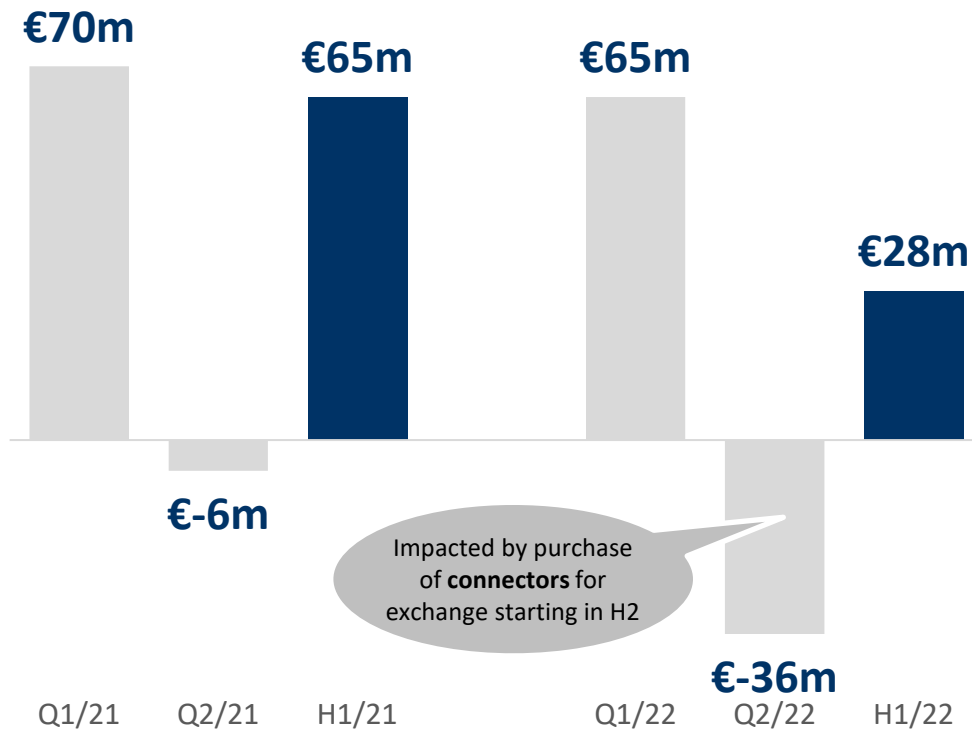
Recurring revenue share



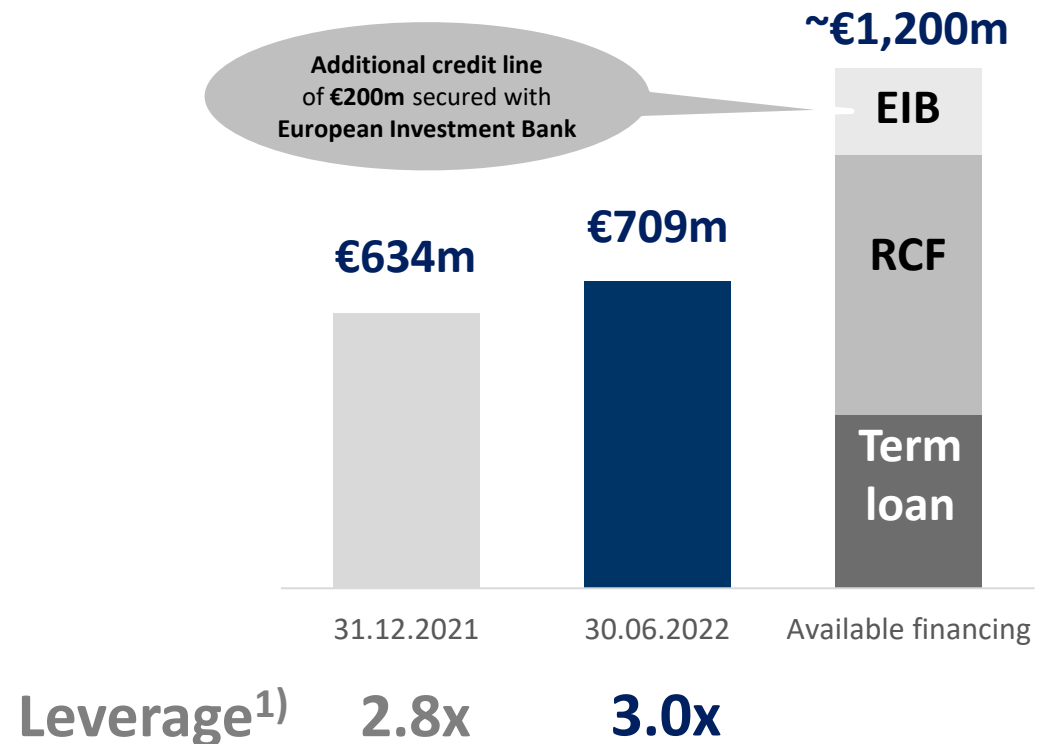
Recurring
revenue

Innovative R&D financing with European Investment Bank

Free cash flow



Net debt



Guidance 2022 raised – well on track towards 2025

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

new

Group revenues
€1,100m - €1,150m

Organic growth yoy
+4% to +8%

Adj. EBITDA
€240m - €260m

100% focused to deliver on our ambitions



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

>5% organic revenue
CAGR 2021-25

>70% recurring
revenue share in 2025

Increasing adj. EBITDA margin
from **21.9%** in 2021 to **27%** in 2025

Next events 2022 and 2023



Q&A

PLEASE PRESS *1 TO ASK QUESTIONS

Accelerating organic growth to drive digitization momentum



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 (RCM) and electronic data interchange (EDI)



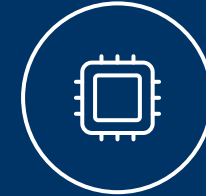
HIS business

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



TI

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



Data

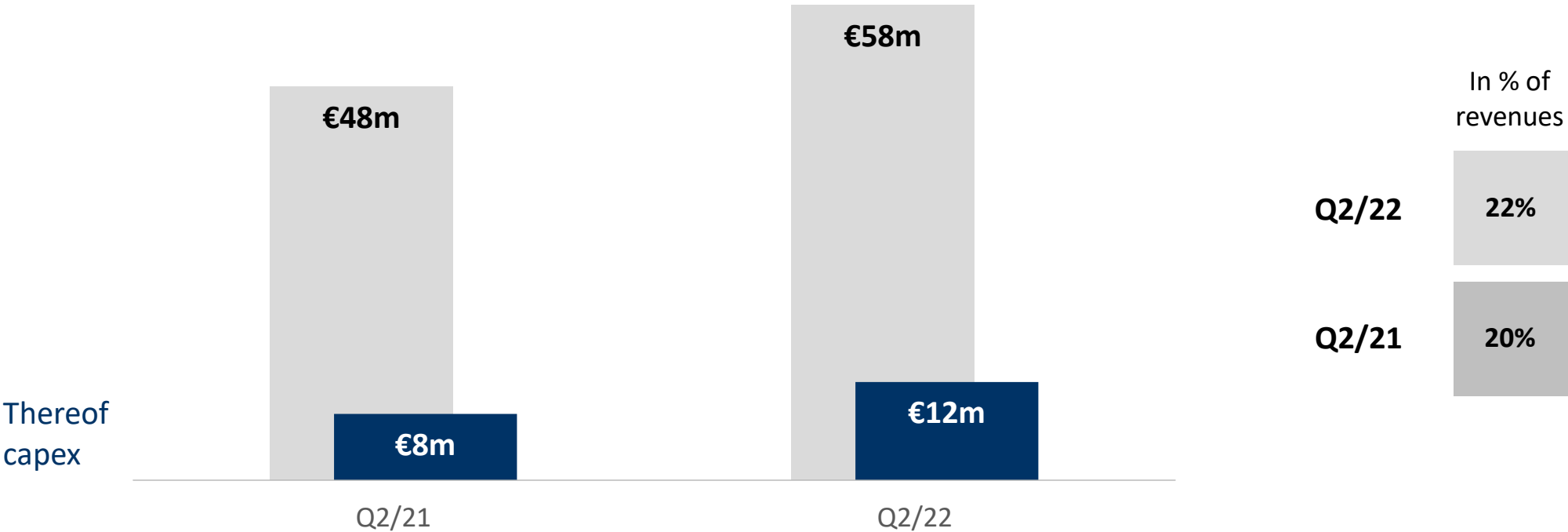
Fast-tracking our data growth ambition with the Insight Health acquisition. Further evolution of medical decision support portfolio

Guidance 2022 as of August 4

	August 4
AIS revenue	€490m - €510m
HIS revenue	€280m - €295m
CHS revenue	€210m - €220m
PCS revenue	€120m - €125m
Recurring revenue	>65%
Adj. EPS	€1.90 - €2.10
CAPEX	€70m - €80m
FCF	>€100m

R&D expenses reflect investment initiative

Total R&D expenses



Q2/2022 P&L Group

€m	Q2/22	Q2/21
Revenues	265.1	240.8
Capitalized own services /other operating income	18.2	13.3
Expenses for goods & services purchased	-48.8	-43.0
Personnel expenses	-137.1	-122.3
Other operating expenses	-53.4	-38.1
EBITDA reported	44.0	50.7
Depreciation & amortization	-26.2	-24.5
EBIT	17.8	26.2
Financial result	0.4	-1.3
EBT	18.2	24.9
Income taxes	-6.1	-7.7
Net income	12.1	17.2
Non-controlling interest	0.0	0.0
EPS reported, diluted (€)	0.23	0.31

Adjustment principles for EBITDA and EPS (since January 2020)

- **M&A/Transactions**
 - Financial impact from 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 (for M&A since Jan 2020 and >€50m transaction volume)
- **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**

Q2/2022 Net income adjustments

€m	Q2/22	Q2/21
EBITDA adjusted	53.6	51.0
Depreciation & amortization (incl. PPA)	-26.2	-24.5
PPA effects on depreciation & amortization (for M&A since Jan 1, 2020 & >50m transaction volume)	7.1	7.2
EBIT adjusted	34.5	33.7
Financial result	-3.1	-1.3
Income taxes	-10.4	-8.7
Net income adjusted	21.0	23.7
Depreciation & amortization of PPA (for M&A since Jan 1, 2020 & >50m transaction volume)	-7.1	-7.2
M&A related adjustments	-0.1	-0.7
Share-based option programs	0.7	0.4
Restructuring expenses	-3.4	0.0
Other non-operative, extraordinary or prior period one-time effects	-3.3	0.0
Taxes attributable to these effects	4.3	1.0
Net income	12.1	17.2

Q2/2022 EBITDA bridges to adjusted EBITDA (non-IFRS) and EBIT

€m	Q2/22	Q2/21
EBITDA reported	44.0	50.7
M&A transactions	0.1	0.7
Share-based option programs	-0.7	-0.4
Restructuring program expenses	3.4	-
Other non-operative, extraordinary or prior period one-time effects	6.9	-
EBITDA adjusted	53.6	51.0

€m	Q2/22	Q2/21
EBITDA reported	44.0	50.7
Depreciation & amortization (ex PPA)	-14.3	-12.7
PPA effects on depreciation & amortization	-11.9	-11.8
<i>Thereof PPA adjustments (for M&A since Jan 1, 2020 & >50m transaction volume)</i>	-7.1	-7.2
EBIT reported	17.8	26.2

H1/2022 P&L Group

€m	H1/22	H1/21
Revenues	516.7	469.8
Capitalized own services /other operating income	30.2	23.6
Expenses for goods & services purchased	-88.7	-84.5
Personnel expenses	-270.2	-236.8
Other operating expenses	-97.5	-77.0
EBITDA reported	90.5	95.1
Depreciation & amortization	-53.3	51.3
EBIT	37.2	43.8
Financial result	7.3	-2.8
EBT	44.5	41.0
Income taxes	-14.1	-12.8
Net income	30.4	28.2
Non-controlling interest	0.1	0.0
EPS reported, diluted (€)	0.82	0.79

H1/2022 Net income adjustments

€m	H1/22	H1/21
EBITDA adjusted	105.1	97.6
Depreciation & amortization (incl. PPA)	-53.4	-51.4
PPA effects on depreciation & amortization (for M&A since Jan 1, 2020 & >50m transaction volume)	13.6	13.1
EBIT adjusted	65.3	59.3
Financial result	-4.9	-2.8
Income taxes	-17.7	-14.3
Net income adjusted	42.7	42.2
Depreciation & amortization of PPA (for M&A since Jan 1, 2020 & >50m transaction volume)	-13.6	-13.1
M&A related adjustments	-1.4	-0.8
Share-based option programs	-1.0	-1.7
Restructuring expenses	-3.4	0.0
Other non-operative, extraordinary or prior period one-time effects	3.4	0.0
Taxes attributable to these effects	3.7	1.6
Net income	30.4	28.2

H1/2022 EBITDA bridges to adjusted EBITDA (non-IFRS) and EBIT

€m	H1/22	H1/21
EBITDA reported	90.5	95.1
M&A transactions	1.4	0.8
Share-based option programs	1.0	1.7
Restructuring program expenses	3.4	-
Other non-operative, extraordinary or prior period one-time effects	8.7	-
EBITDA adjusted	105.1	97.6

€m	H1/22	H1/21
EBITDA reported	90.5	95.1
Depreciation & amortization (ex PPA)	-30.1	-28.2
PPA effects on depreciation & amortization	-23.2	-23.1
<i>Thereof PPA adjustments (for M&A since Jan 1, 2020 & >50m transaction volume)</i>	-13.6	-13.1
EBIT reported	37.2	43.8

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