

# Q1/2020



## Investor/Analyst Call

Michael Rauch, CFO  
May 7, 2020

# Disclaimer

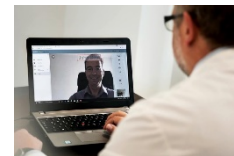
The information provided in this presentation pertaining to CompuGroup Medical SE (the "Company"), comprise the written materials/slides for presentations or discussions on the occasion of an investor conference, meeting or conference call ("Meeting"). Whilst all reasonable care has been taken to ensure that the information and facts stated herein as well as oral statements made in the Meeting are accurate and that the opinions and expectations contained herein and orally received during the Meeting are fair and reasonable, no representation or warranty, express or implied, is given by or on behalf of the Company, any of its board members, or any other person as to the accuracy or completeness of the information and/or opinions and no liability as to the accuracy of such information and/or opinions is accepted. The information provided in this presentation as well as during the Meeting contain forward looking statements which involve risks and uncertainties. These forward-looking statements speak only as of the date of the documents and are based on numerous assumptions which may or may not prove to be correct. The actual performance and results of the business of the Company could differ materially from the performance and results discussed in this document or in any other information received during the Meeting. Except as required by law, the Company undertakes no obligation to update or revise publicly any forward-looking statements or other information contained herein or received during the Meeting whether as a result of new information, future events or otherwise, after the date on which the statements are made or to reflect the occurrence of unanticipated events. Readers are cautioned not to place undue reliance on forward-looking statements or financial projections. The information contained in this presentation and/or received during the Meeting does not constitute or form any part of any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, any shares in the Company, nor shall it or any part of it nor the fact of its distribution form the basis of, or be relied on in connection with, any contract or investment decision in relation thereto.

# Committed to provide full customer support during crisis

- #1 priority: Health & safety of CGM employees and of our customers
- Full service support to our customers (doctors, pharmacies, hospitals) during crisis
- Seamless transition of > 5,000 out of ~5,800 employees to home office with IT infrastructure
- Full availability of hotline support and field service
- Regular exchange with authorities established

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

# Taking responsibility and supporting health system in COVID-19 crisis



## Free Mobile Practice Management

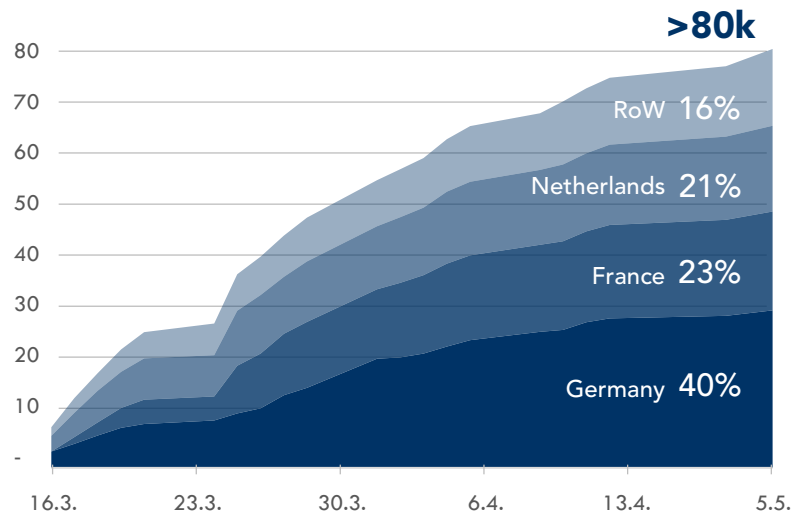
- Offering **TELEMED Mobile Praxis Center** solution free of charge until end of June
- Enabling practice teams to carry out **admin tasks from home**, i.e. reimbursement & accounting
- Accessing practice IT system via Mobile Praxis Center meets **highest data protection standards**

## Telemonitoring

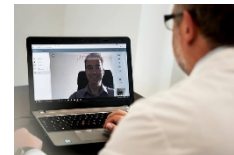
- **Relieving hospitals** with telesystems for **monitoring patients** with infection in **home quarantine** after inpatient treatment
- **Protecting medical and nursing staff**
- Recording vital parameters wirelessly, transmitting to practitioners and immediately alerting in case of emergency

# Huge demand for free video consultations in COVID-19 crisis

## Registrations (in thousands)



## Free video consultation solution



- Since mid-March providing doctors with **video consultation solution free of charge**
- **>80,000 registrations** for CLICKDOC video consultation within weeks per May 5, 2020
- Protecting doctors, practice teams and other patients from **risk of infection** by patients suspected of being infected with COVID-19



# GROUP FINANCIALS

# Strong Q1/20 during evolving worldwide COVID-19 pandemic



**€183m**

(+5%yoy)

Revenue



**€123m**

(+10%yoy)

Recurring  
Revenue



**€43m**

(-13%yoy)

EBITDA  
adjusted



**24%**

(-5ppt)

Margin



**€0.34**

(-28%yoy)

EPS  
adjusted\*



**€53m**

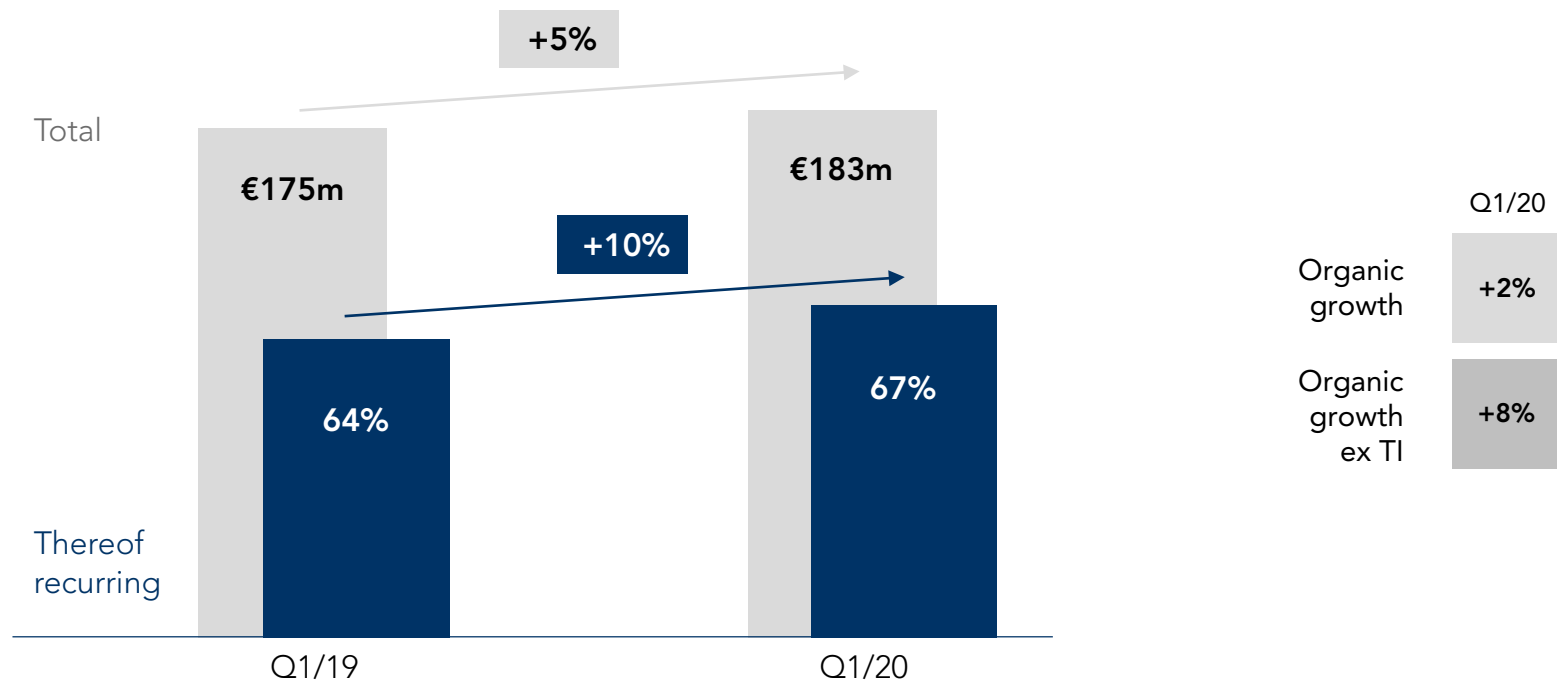
(-7%yoy)

Free Cash  
Flow adjusted

Q1 EBITDA and Free Cash Flow better than expected despite challenging environment

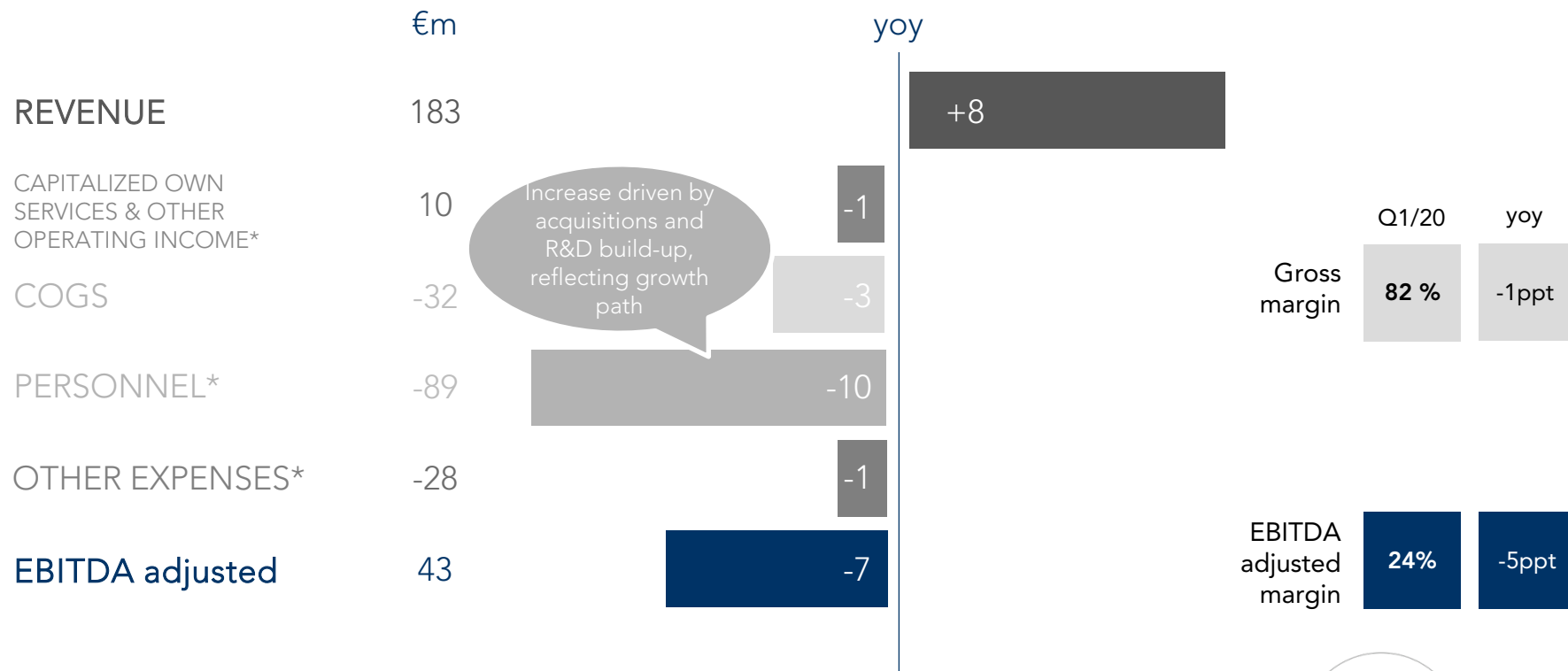
\*diluted

# Significant step forward in recurring revenue contribution





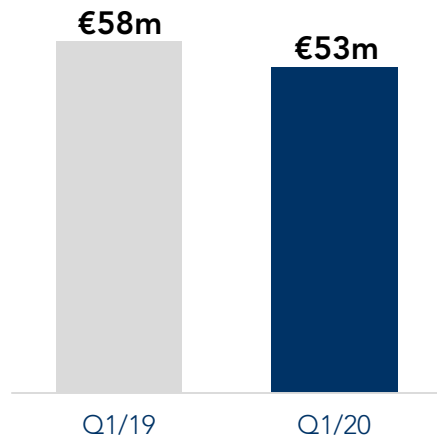
# Adjusted EBITDA better than expected



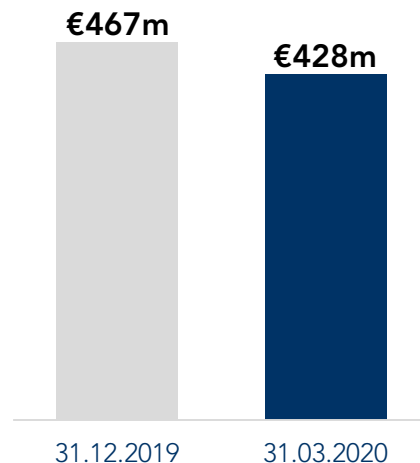
\*Q1/20 adjusted vs. Q1/19 pro-forma

# Further deleveraging helped by strong free cash flow

## Strong FCF in Q1/20<sup>1)</sup>



## Net debt significantly reduced in Q1



Leverage<sup>2)</sup>

2.4x

2.2x

Since Q1/2020: new €1bn (5Y) loan facility replacing former €0.4bn RCF

<sup>1)</sup> Q1/20 adjusted vs. Q1/19 pro-forma

<sup>2)</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




## SEGMENTS



# Q1/20 segments (per new structure, as communicated on Nov. 7)

Group		Ambulatory Information Systems		Pharmacy Information Systems		Hospital Information Systems		Consumer & Health Management Information Systems	
		Revenue Share							
		Q1/20	yoy	Q1/20	yoy	Q1/20	yoy	Q1/20	yoy
Revenue (€m)		183.1	+5%	109.2	+3%	29.6	+6%	33.7	+8%
EBITDA adjusted (€m)		43.5	-13%	34.1	-13%	8.9	+6%	4.3	-26%
Margin		24%	-5ppt	31%	-6ppt	30%	+0ppt	13%	-6ppt



# **AMBULATORY INFORMATION SYSTEMS**



## Segment financials

	Q1/20	yoy
Revenue (€m)	109.2	+3%
EBITDA adjusted (€m)	34.1	-13%
Margin	31%	-6ppt

74%

Recurring revenue



Recurring revenue

## Q1/20 yoy

- **Organic** revenue growth at -1%, ex TI of +10%
- Significant growth in TI services drove 9% growth in **recurring revenues**
- CGM first to have received Gematik approval for TI connector SW upgrade, subject to field tests
- Prior year **EBITDA** impacted by positive one-offs due to IFRS 3 and TI roll-out

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 semi-transparent white box with a curved bottom-left corner is positioned on the right side of the image, containing the title text.

# **PHARMACY INFORMATION SYSTEMS**

## Segment financials

	Q1/20	yoy
Revenue (€m)	29.6	+6%
EBITDA adjusted (€m)	8.9	+6%
Margin	30%	+0ppt

65%


Recurring revenue

Recurring revenue

+5%  
yoy

## Q1/20 yoy

- 5% **organic** revenue growth, Italy and Germany benefitted from order intake in Q4/19, supported by Windows 7 phasing out
- **EBITDA** growth in line with revenue development
- TI roll-out expected to start following successful field tests

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 light blue button-down shirt. The background shows a modern hospital corridor with large windows and doors.

# **HOSPITAL INFORMATION SYSTEMS**



# HIS P&L

## Segment financials

	Q1/20	yoy
Revenue (€m)	33.7	+8%
EBITDA adjusted (€m)	4.3	-26%
Margin	13%	-6ppt

65%

Recurring revenue



Recurring revenue

## Q1/20 yoy

- 6% **organic** revenue growth mainly driven by German clinical business and NÖKIS project
- **EBITDA** decrease due to extra project invest in addition to higher planned R&D spend



A person wearing a white lab coat is shown from the chest down. They are holding a small white glucose test strip with their right hand, and their left hand is resting on a white smartphone. The smartphone screen is dark and reflects the person's hand. A white glucometer is lying on the surface to the left of the phone. The background is a plain, light-colored surface.

# **CONSUMER & HEALTH MANAGEMENT INFORMATION SYSTEMS**

# CHS P&L / Operational

## Segment financials

	Q1/20	yoy
Revenue (€m)	10.8	+8%
EBITDA adjusted (€m)	2.1	-12%
Margin	19%	-4ppt

11%

Recurring revenue



Recurring revenue

## Q1/20 yoy

- Excellent **organic** revenue growth of 11% mainly driven by projects with software solutions in health insurance sector
- Prior year **EBITDA** impacted by positive one-off consolidation effect (IFRS 3)

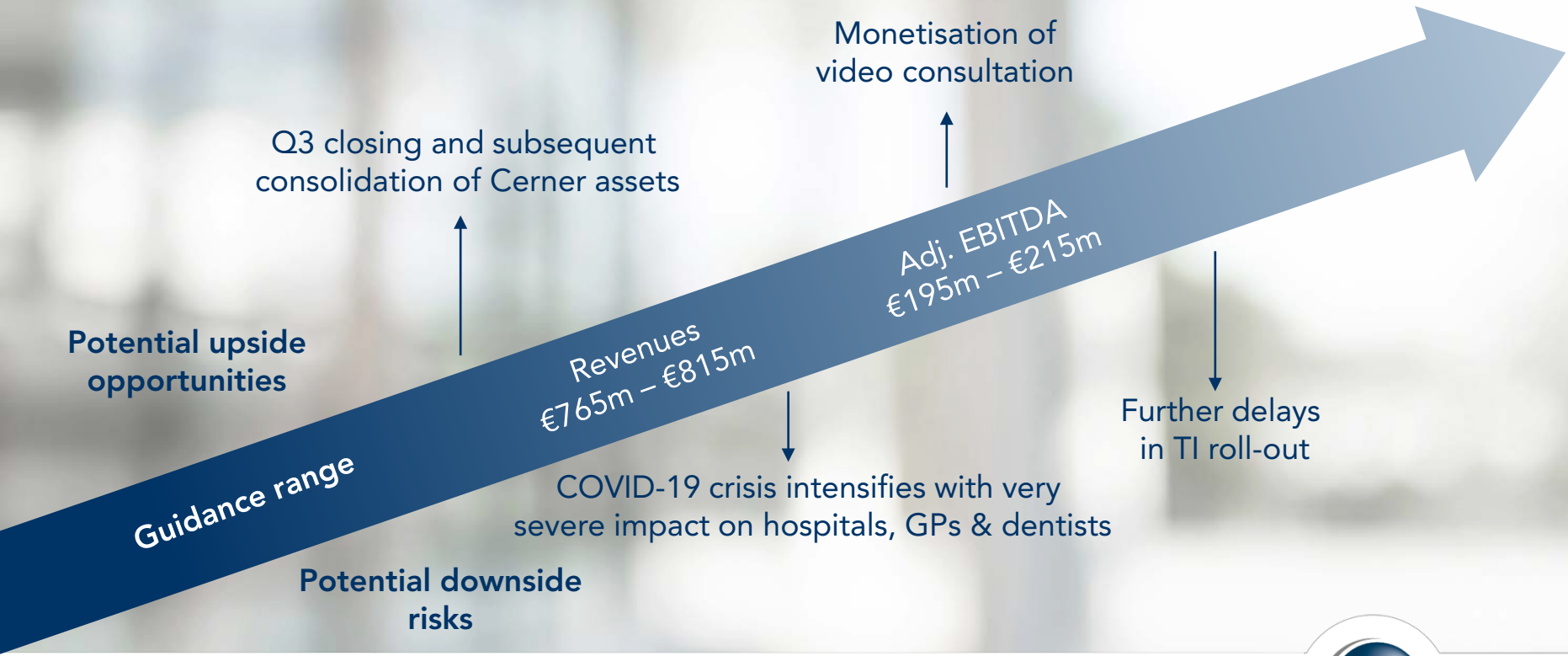
# GUIDANCE



## 2020 Guidance unchanged from Feb 5, 2020

- **Revenues** in the range of €765m to €815m
  - **Adjusted EBITDA** in the range of €195m to €215m
- 
- Guidance represents management's current best estimate of market conditions that will exist in 2020 and how the business segments of CGM will perform in this environment
  - Guidance does not include P&L impact associated with potential further acquisitions which have not been closed as of Feb 5, 2020 (Cerner assets not included)
  - Guidance reflects all currently available information, particular in regard to COVID-19 and management's forecasts regarding further roll-out of Telematics Infrastructure in 2020

# Guidance 2020 – Moving parts

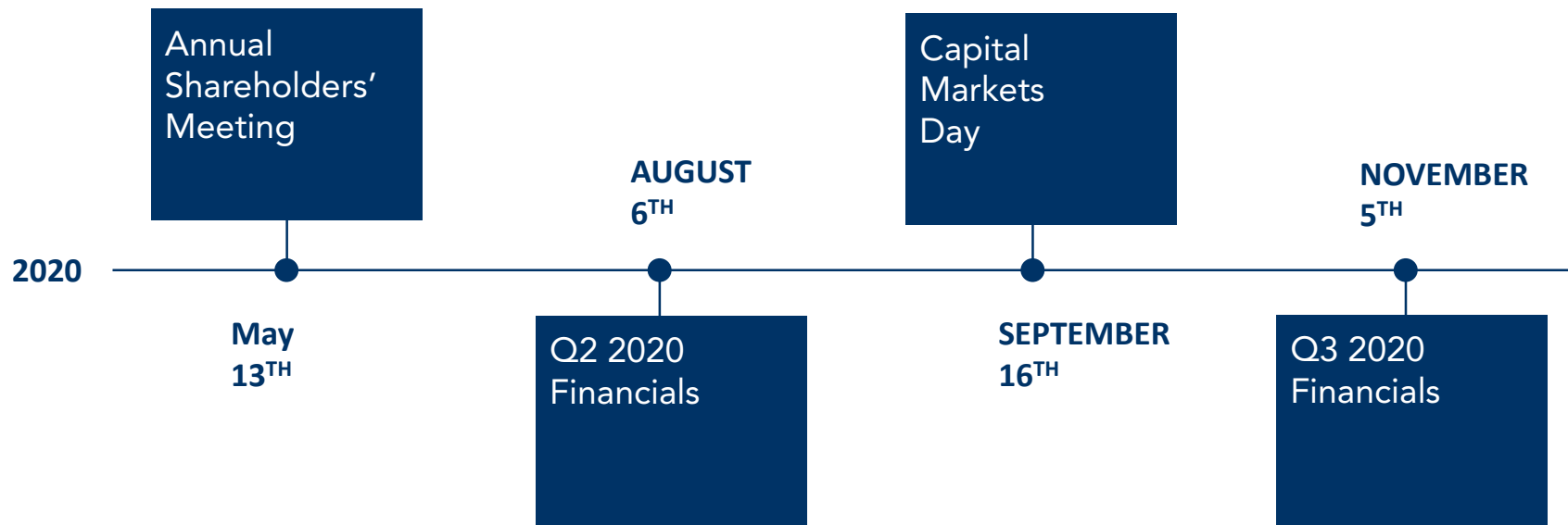




# CGM well positioned for further growth in 2020 and beyond

- Strong market positions across the business segments and regions
- Reliable, crisis-resilient business model with >60% of revenues recurring
- Driving digitization in Healthcare
- Sustainable EBITDA on a high level with strong cash flow profile
- Long-standing track record of value enhancing M&A
- Determined to further enhance value generation and shareholder return

# Next events 2020



# Appendix

# 2019 segments (per new structure, as communicated on Nov. 7)

	Q1/19	Q2/19	Q3/19	Q4/19	FY/19	
Ambulatory Information Systems	106.2	116.5	108.0	113.9	444.6	Revenues
	39.1	39.3	39.5	43.3	161.1	EBITDA
Pharmacy Information Systems	27.8	27.8	27.7	36.0	119.4	
	8.4	6.0	6.6	10.9	31.9	
Hospital Information Systems	31.0	32.3	31.2	41.4	135.9	
	5.8	1.6	3.1	8.8	19.3	
Consumer & Health Management Information Systems	10.0	10.0	11.0	14.7	45.7	
	2.4	1.5	3.9	3.4	11.2	

# Introducing adjusted earnings KPIs for more transparency

## DEFINITION ADJUSTED EBITDA AND EPS (from 2020 onwards)

- **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 allocation\*
- **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**

\*Adjusting for PPA effects only for the first 12 months post first-time consolidation, mainly for PPA depreciation and amortization as well as corresponding tax effects



# EBITDA reported vs. adjusted

in €m	Q1/20	Q1/19*
<b>EBITDA reported</b>	40.1	45.4
M&A transactions	3.0	-
Share-based option programs	0.5	4.5
Restructuring program expenses	-	-
Other non-operative, extraordinary or prior period one-time effects	-	-
<b>EBITDA adjusted</b>	43.5	49.9

\* Q1/19 restated (IAS8)

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 Q1/20

in €m	Q1/20	Q1/19
<b>Revenues</b>	183.1	175.2
Capitalized own services /other operating income	9.8	10.6
Expense for goods & services purchased	-32.2	-29.5
Personnel expenses	-89.6	-84.0
Other operating expenses	-31.1	-26.9
<b>EBITDA reported</b>	40.1	45.4
Depreciation & amortization	-16.8	-14.6
<b>EBIT</b>	23.3	30.8
Financial result	-3.9	-1.1
Income from at-equity participations	-0.6	-0.5
<b>EBT</b>	18.8	29.2
Income taxes	-6.0	-8.8
<b>Net income</b>	12.8	20.5
Non-controlling interest	0.1	0.1
<b>EPS reported (€)</b>	0.26	0.41

\*Q1/20 reported vs. Q1/19 restated (IAS8)

# 2020 Revenue segment guidance\*

- **AIS (now excl. lab outside US and incl. drug data base business): €453m – €485m**
  - Acquisition in France contributing ~€15m in 2020
  - TI expected below prior year level due to strong non-recurring revenues in 2019
- **PCS: €124m – €134m**
  - Revenues ex TI with strong prior year comps due to another exceptional performance in 2019
  - Low double-digit million € impact expected from TI rollout
- **HIS (now incl. lab business): €142m – €148m**
  - Low single-digit million € impact expected from TI and acquisition in Italy
- **New CHS segment (excl. drug data base business): €46m – €48m**

\*based on new structure communicated Nov 7, 2019

## 2020 additionally guided KPIs

- Organic revenue growth 0 – 6 % for the group
- Recurring revenue >60% of total revenues
- Adjusted\* EPS in the range of €1.70 – €1.95
- Capex expected in the range of €70m – €80m
- Adjusted\* Free Cash Flow (operating cashflow incl. interest less capex) >€80m anticipated

\* adjusted for M&A, restructuring, option programs and other non-operative major one-off effects

# Investor Relations contact

---

## **Claudia Thomé**

Head of Investor Relations

T: +49 (0) 261 8000-7030

[claudia.thome@cgm.com](mailto:claudia.thome@cgm.com)

## **CompuGroup Medical SE**

Maria Trost 21

56070 Koblenz

Germany

Phone: +49 (0) 261 8000-6200

E-Mail: [investor@cgm.com](mailto:investor@cgm.com)

ISIN DE 0005437305

WKN 543730

Frankfurter Wertpapierbörse

Prime Standard

TecDAX / MDAX