



Q2 2023 INVESTOR & ANALYST CALL

Michael Rauch, CEO & CFO
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Pivotal moments in the history of CGM

1987

Taking the lead in practice management systems

2006

Expansion into Hospital Information systems

2011

Extending footprint to Pharmacy Information systems

2017

Pioneering connectivity in German healthcare

2023

Boosting e-health with AI

Most patients tend to trust AI assisted medicine

66%

are **willing to rely on the use of AI** in medicine

75%

are **comfortable with AI helping a doctor** make a diagnosis

73%

would be **willing to share their health data with a learning system** such as an AI

Source: Market research institute Appinio, n=1,000 German citizens, July 2023, average 41 years old

Especially doctors have so much to gain ...

Doctors & their staff spend 3-4 hours on admin work for every hour spent with patients.

... mostly more time with their patients

AI can improve the inefficiencies in the healthcare ecosystem for the benefit of patients.

CGM well prepared for next level digital boost in healthcare IT

Boosting R&D

**Stepping up the game
in service & support**

AI

**Strengthening
business operations**

**The real jewel: Adding value to
our products & solutions**



... while safeguarding data protection & intellectual property

Our ambition

**We are the leading
Medical Software Company**

Q2 with excellent top- and bottom-line growth



+15%
revenue growth



+13%
organic growth
(5% excl. TI)



+12%
growth in recurring
revenues



+36%
adjusted EBITDA
growth

FY guidance confirmed

Ambulatory segment with continued momentum

Digitization in European healthcare

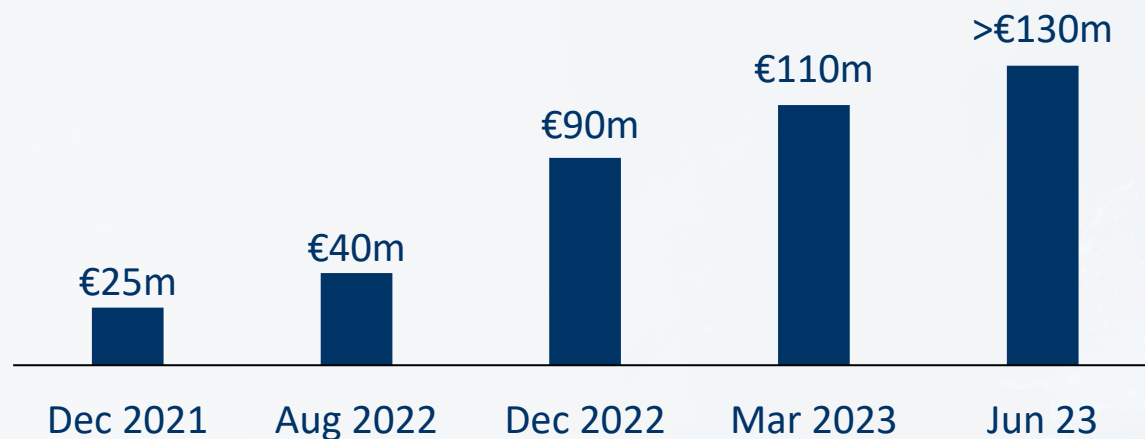
- Ongoing strong business with **e-billing modules** in **dental practices** in Germany
- **CLICKDOC e-Prescription** complements the digital patient journey
- **Customer wins** in Norway

US – excellent progress in 2023

- **Rollout of eMedix** Clearinghouse to Aprima customers almost **completed**
- **Organic growth above** segment-average
- ARIA revenue cycle management awarded **best-in-class** (KLAS)

Strong order intake fueling growth in hospital segment

Excellent order intake continuing in Q2



Raising our revenue target again to €130m – €140m over the next years (old: €110m – €130m)

Strong market position



CHS segment drives connectivity & data usage in healthcare

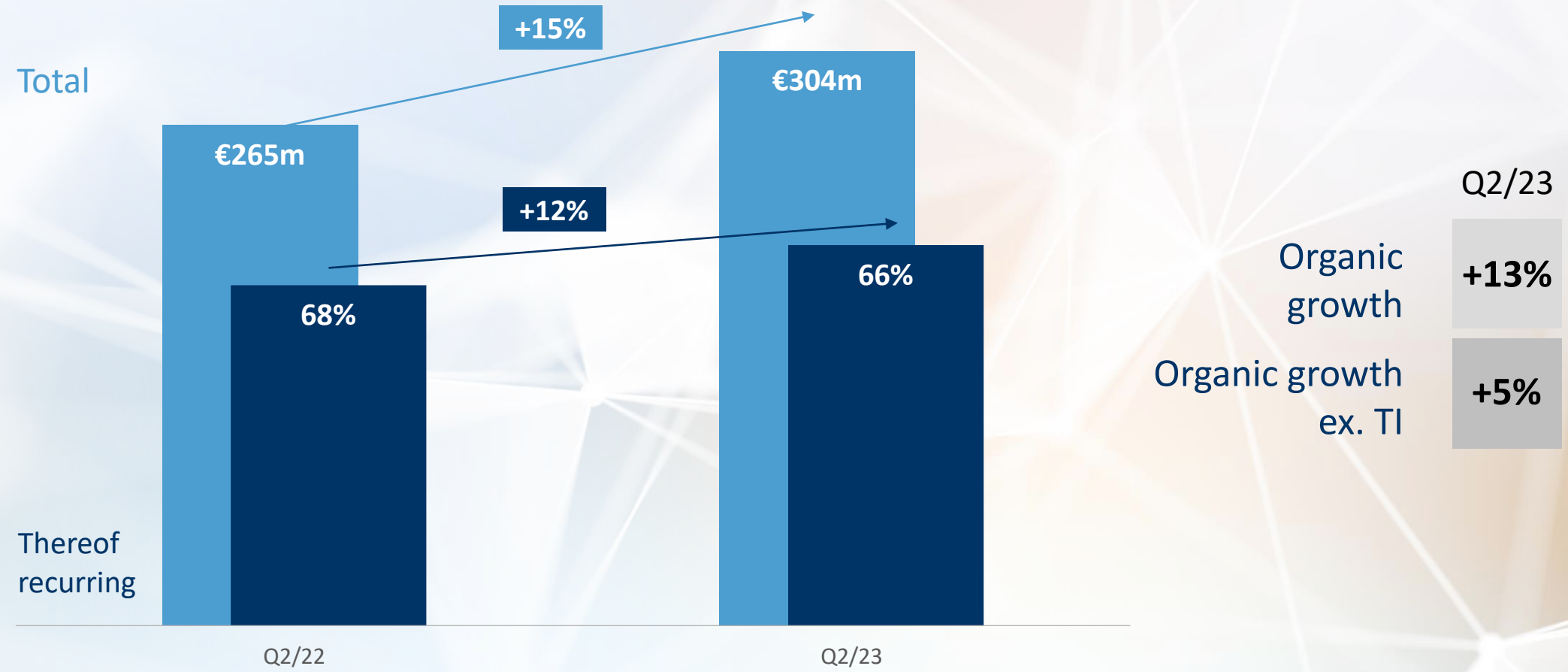
Telematics Infrastructure

- Successful **connector software upgrade PTV5**
- Transition to **TI flat rate** provides transparency and visibility
- Progressing with **TI messenger**
- **TI as a service** ramping up

Data solutions

- Growing **relevance and reach** in the **data sector**
- **INSIGHT Health** with excellent progress
- Roll out of **GHG Praxisdienst**

Double-digit organic revenue growth



Delivering on organic growth targets

Organic growth in % yoy	FY2020	FY2021	FY2022	Q1 2023	Q2 2023	Guidance 2023
Group	4%	6%	4%	11% 6% excl. TI	13% 5% excl. TI	~5%
AIS	2%	4%	1%	2%	2%	mid-single digit %
HIS	3%	8%	3%	11%	10%	mid- to high-single digit %
CHS	15% 9% excl. TI	10% 9% excl. TI	12% 4% excl. TI	37% 1% excl. TI	59% 5% excl. TI	low- to mid-single digit %
PCS	0%	1%	7%	11%	5%	low-single digit %

Excellent financial performance in H1



H1	€595m (+15%yoy)	67% (-2ppt)	+12% (+8ppt)	€133m (+27%yoy)	22% (+2ppt)	€1.07 (PY: €0.82)	€83m (PY: €28m)
Q2	€304m (+15%yoy)	66% (-2ppt)	13% (+10ppt)	€73m (+36%yoy)	24% (+4ppt)	€0.62 (PY: €0.40)	€4m (PY: -€36m)
	Revenue	Recurring rev share	Organic growth	Adj. EBITDA	Margin	Adj. EPS	FCF

Ambulatory segment with strong US business

	Q2/23	yoy
Revenue (€m)	127	+4%
EBITDA adjusted (€m)	31	-1%
Margin	25%	-1ppt

80% (+3ppt)	+7% yoy
Recurring revenue share	Recurring revenue

Q2/23 yoy

- **Revenue growth** of +4% supported by acquisitions
- **Organic revenue** +2% driven by continued US progress & European digital initiatives
- **Recurring revenue** share high at 80%, above prior year
- **Adjusted EBITDA margin** on prior year's level

Hospital segment with double-digit organic growth

	Q2/23	yoy
Revenue (€m)	76	+9%
EBITDA adjusted (€m)	10	-8%
Margin	13%	-3ppt

Q2/23 yoy

- **Revenue organically** +10% due to strong project business in Germany, Poland and Switzerland
- **Recurring revenue** increasing by 11%, strong recurring revenue share of 68%
- **Adjusted EBITDA margin** rebounding towards target level

68% (+1ppt)

Recurring revenue share



Outstanding CHS growth due to TI and INSIGHT Health

	Q2/23	yoy
Revenue (€m)	67	+65%
EBITDA adjusted (€m)	29	+>100%
Margin	43%	+31ppt

38% (-7ppt)	+41% yoy
Recurring revenue share	Recurring revenue

Q2/23 yoy

- **Revenue increase** by 65% driven by TI software upgrade and supported by the acquisition effect from INSIGHT Health
- **Excellent organic growth** (+59%) due to software connector upgrade impacting recurring rev share
- **Increasing organic revenue growth ex TI** (+5%)
- **Outstanding adjusted EBITDA**

Pharmacy segment delivering strong growth and margin

	Q2/23	yoy
Revenue (€m)	34	+7%
EBITDA adjusted (€m)	11	+10%
Margin	33%	+1ppt

Q2/23 yoy

- **Revenues up 7%** supported by acquisition effects in Italy
- **Organic revenue** growth of 5% driven by excellent growth in Italy
- **Recurring revenues up 10%**
- **Excellent adjusted EBITDA margin**

66% (+1ppt)

Recurring revenue share

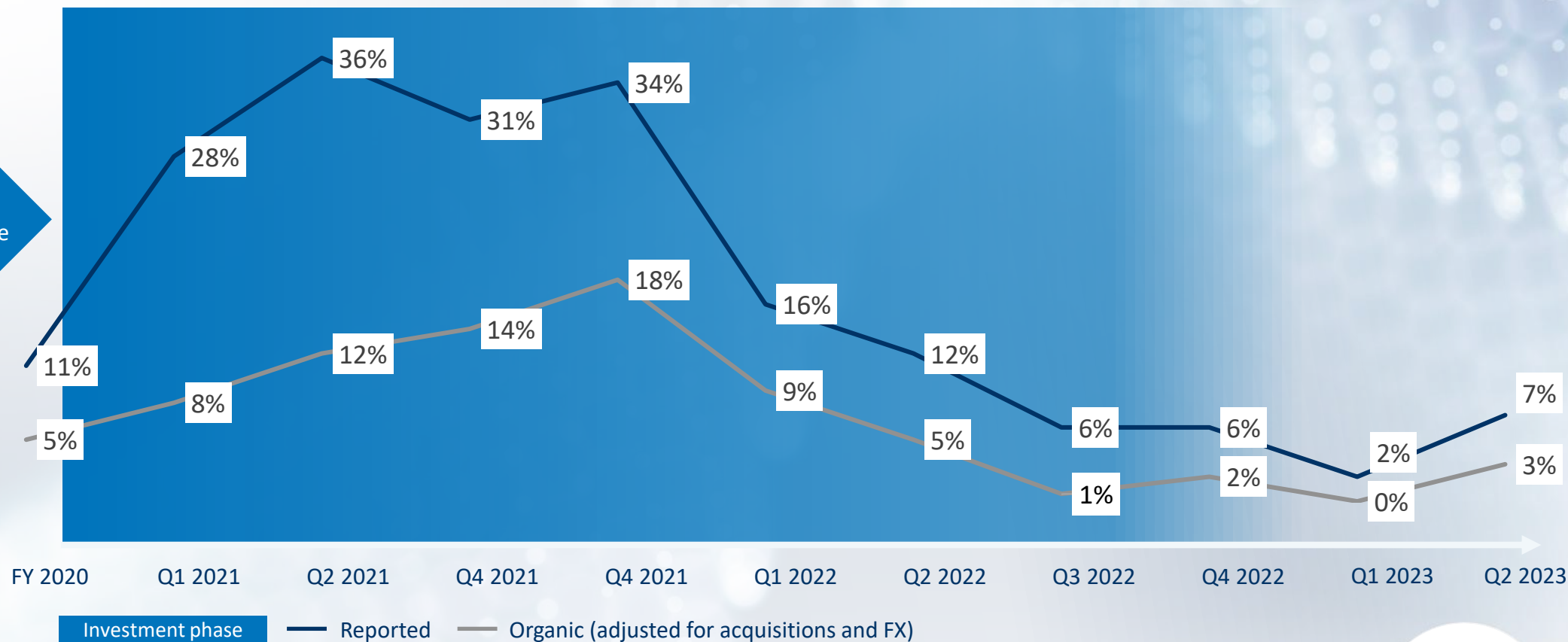


Recurring revenue

Personnel expenses contained in line with expectations

Increase of personnel expenses yoy

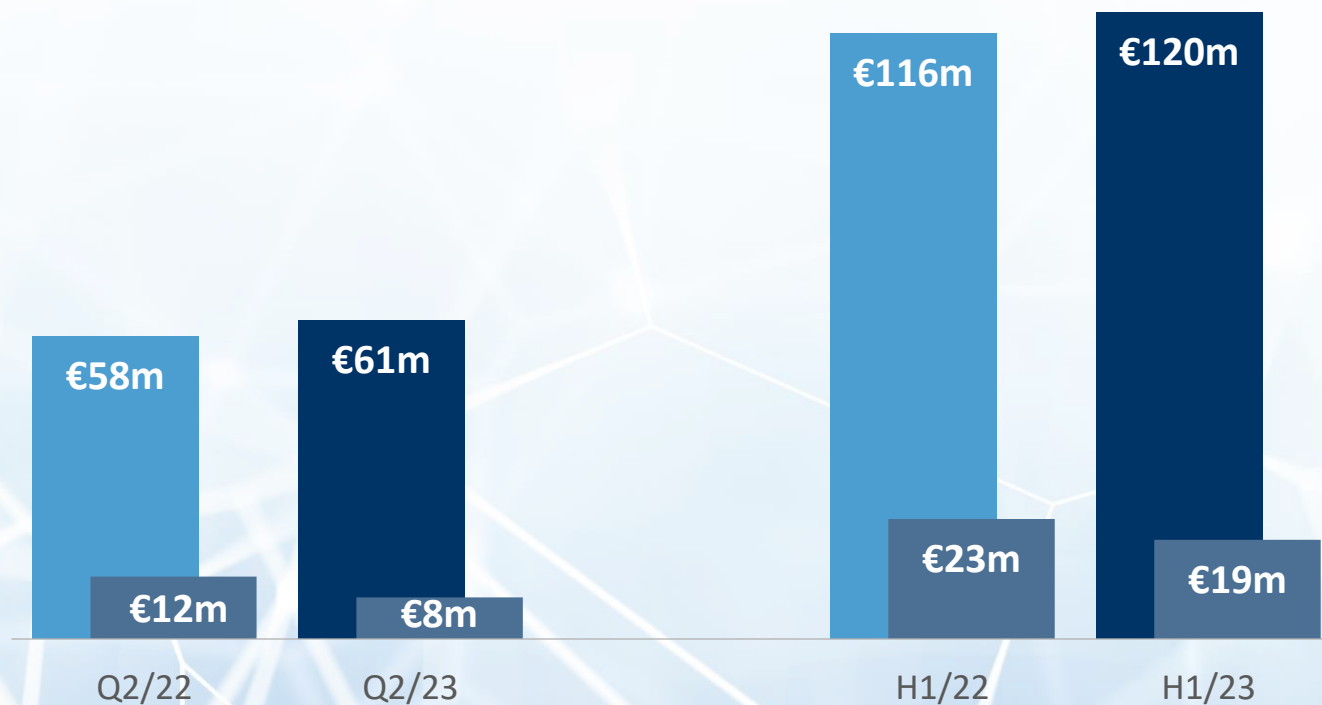
December 2020:
start of investment
initiative to accelerate
organic growth



R&D intensity normalizing after investment phase

Total R&D expenses

Thereof capex

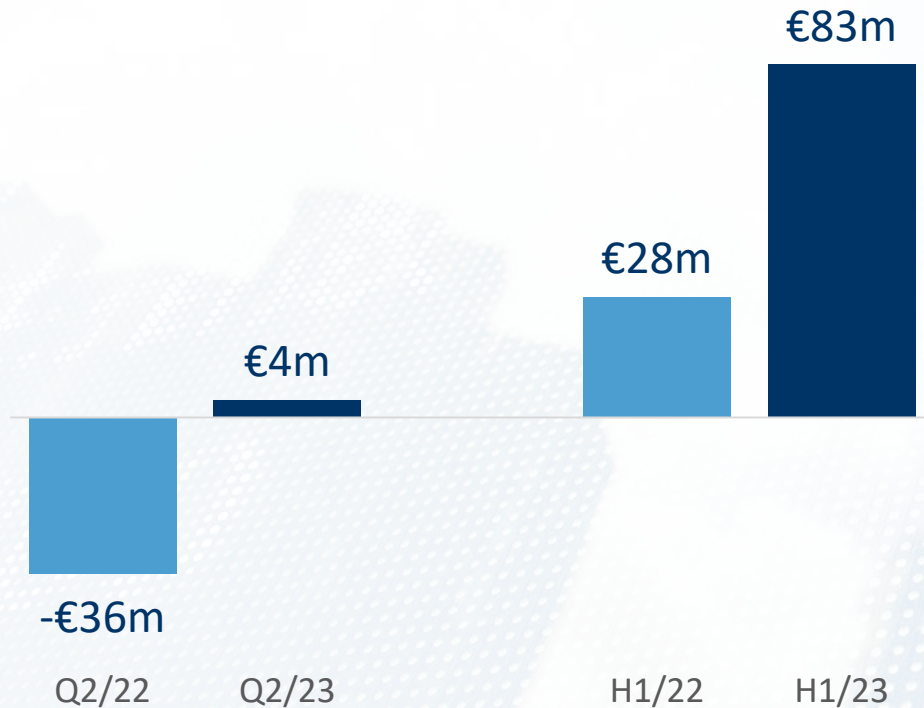


In % of revenues

	Q2	H1
2023	20%	20%
2022	22%	22%

Excellent free cash flow in first half 2023

Free cash flow



Effects and drivers

- **Free cash flow** benefits from **strong revenue growth**
- Continued **catch up in 2023**
- **Working Capital Q2/22** elevated due to TI inventory

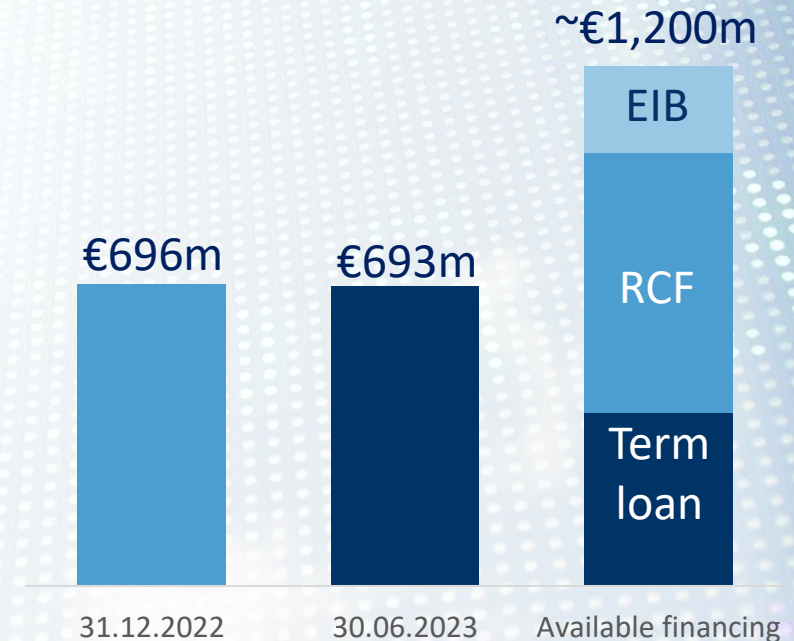
Free cash flow FY 2023 expected >€100m

Crisis resilient financing in place

Strong financing secured at attractive conditions

- **>80% of net debt protected against interest hike** with derivatives such as caps and swaps
- Weighted average **maturity of credit lines slightly below 3 years**
- Selected **financing institutions with strong ratings and low risk profile**

Net debt



Leverage¹⁾ 3.1x 2.7x

¹⁾ 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 (LTM) adjusted for restructuring expenses plus pro rata EBITDA of newly acquired companies

Guidance 2023 confirmed

	FY 2022 actuals	FY 2023 guidance*
Group revenues	€1,130m	~5% organic growth
Adj. EBITDA	€234m	€260m - €300m
Recurring revenue share	65%	60% - 70%
Adj. EPS	€1.80	>10% increase
FCF	€69m	>€100m

*2023 planning assumption of USD/EUR of 1.02

CGM on track towards attractive mid-term targets



JOIN US AT OUR UPCOMING CAPITAL MARKETS DAY

... on September 7, 2023
... all Managing Directors and
CGM US CEO will be presenting
... including product showcases
during lunch break



Our mission

**We create the future
of e-health.**

CGM



Q&A

PLEASE PRESS *1 TO ASK QUESTIONS

All segments contributing to strong growth

Group			AIS		HIS		CHS		PCS	
			Revenue share							
			Q2/23	yoy	Q2/23	yoy	Q2/23	yoy	Q2/23	yoy
Revenue (€m)	304	+15%	127	+4%	76	+9%	67	+65%	34	+7%
EBITDA adjusted (€m)	73	+36%	31	-1%	10	-8%	29	+>100 %	11	+10%
Margin	24%	+4ppt	25%	-1ppt	13%	-3ppt	43%	+31ppt	33%	+1ppt

Segment guidance 2023

	FY 2022 actuals	FY 2023 organic growth
AIS revenue	€502m	mid-single digit %
HIS revenue	€277m	mid- to high-single digit %
CHS revenue	€220m	low- to mid-single digit %
PCS revenue	€131m	low-single digit %

Q2/2023 P&L Group

€m	Q2/23	Q2/22
Revenues	304.2	265.0
Capitalized own services / other operating income	22.4	18.3
Expenses for goods & services purchased	-51.4	-48.8
Personnel expenses	-148.2	-137.1
Other operating expenses	-49.4	-53.4
EBITDA reported	77.6	44.0
Depreciation & amortization	-26.1	-26.2
EBIT	51.5	17.8
Financial result	-5.8	0.4
EBT	45.7	18.2
Income taxes	-14.6	-6.1
Net income	31.1	12.1
Non-controlling interest	-0.4	0.0
EPS reported, diluted (€)	0.60	0.23

Adjustment principles for EBITDA and EPS (since January 2020)

- **M&A/Transactions** (for M&A since Jan 2020 and >€50m transaction volume)
 - Financial impact from major 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
- **Share-based option programs**
 - Accounting impacts of share-based option programs for managing directors
- **Restructuring program expenses**
- **Tax impacts on above mentioned adjustment effects**
- **Other non-operative, extraordinary or prior period one-time effects**

Q2/2023 Net income adjustments

€m	Q2/23	Q2/22
EBITDA adjusted	73.1	53.6
Depreciation & amortization (incl. PPA)	-26.1	-26.2
PPA effects on depreciation & amortization (for M&A since Jan 1, 2020 & >50m transaction volume)	6.3	7.1
EBIT adjusted	53.3	34.5
Financial result	-6.4	-3.1
Income taxes	-14.9	-10.4
Net income adjusted	32.0	21.0
Depreciation & amortization of PPA (for M&A since Jan 1, 2020 & >50m transaction volume)	-6.3	-7.1
M&A related adjustments	-1.6	-0.1
Share-based option programs	6.9	0.7
Restructuring expenses	0.0	-3.4
Other non-operative, extraordinary or prior period one-time effects*	-0.2	-3.3
Taxes attributable to these effects	0.3	4.3
Net income	31.1	12.1

*Interest cap effect

Q2/2023 EBITDA bridges to adjusted EBITDA (non-IFRS) and EBIT

€m	Q2/23	Q2/22
EBITDA reported	77.6	44.0
M&A transactions	1.6	0.1
Share-based option programs	-6.9	-0.7
Restructuring program expenses	0.0	3.4
Other non-operative, extraordinary or prior period one-time effects	0.8	6.9
EBITDA adjusted	73.1	53.6

€m	Q2/23	Q2/22
EBITDA reported	77.6	44.0
Depreciation & amortization (ex PPA)	-15.3	-14.3
PPA effects on depreciation & amortization	-10.8	-11.9
<i>Thereof PPA adjustments (for M&A since Jan 1, 2020 & >50m transaction volume)</i>	-6.2	-7.1
EBIT reported	51.5	17.8

H1/2023 P&L Group

€m	H1/23	H1/22
Revenues	595.0	516.7
Capitalized own services / other operating income	34.2	30.2
Expenses for goods & services purchased	-106.0	-88.7
Personnel expenses	-283.8	-270.2
Other operating expenses	-103.1	-97.5
EBITDA reported	136.3	90.5
Depreciation & amortization	-52.4	-53.3
EBIT	83.9	37.2
Financial result	-17.3	7.3
EBT	66.6	44.5
Income taxes	-21.0	-14.1
Net income	45.6	30.4
Non-controlling interest	-0.3	0.1
EPS reported, diluted (€)	0.88	0.58

H1/2023 Net income adjustments

€m	H1/23	H1/22
EBITDA adjusted	133.1	105.1
Depreciation & amortization (incl. PPA)	-52.4	-53.4
PPA effects on depreciation & amortization (for M&A since Jan 1, 2020 & >50m transaction volume)	-12.4	13.6
EBIT adjusted	93.1	65.3
Financial result	-13.7	-4.9
Income taxes	-23.8	-17.7
Net income adjusted	55.6	42.7
Depreciation & amortization of PPA (for M&A since Jan 1, 2020 & >50m transaction volume)	-12.4	-13.6
M&A related adjustments	-2.3	-1.4
Share-based option programs	6.3	-1.0
Restructuring expenses	0.0	-3.4
Other non-operative, extraordinary or prior period one-time effects*	-4.4	3.4
Taxes attributable to these effects	2.8	3.7
Net income	45.6	30.4

*Interest cap effect

H1/2023 EBITDA bridges to adjusted EBITDA (non-IFRS) and EBIT

€m	H1/23	H1/22
EBITDA reported	136.3	90.5
M&A transactions	2.3	1.4
Share-based option programs	-6.3	1.0
Restructuring program expenses	0.0	3.4
Other non-operative, extraordinary or prior period one-time effects	0.8	8.8
EBITDA adjusted	133.1	105.1

€m	H1/23	H1/22
EBITDA reported	136.3	90.5
Depreciation & amortization (ex PPA)	-30.7	-30.1
PPA effects on depreciation & amortization	-21.7	-23.2
<i>Thereof PPA adjustments (for M&A since Jan 1, 2020 & >50m transaction volume)</i>	12.5	-13.6
EBIT reported	83.9	37.2

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