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# Synchronizing Healthcare

3rd quarter 2011 – Conference Call

Christian B. Teig, CFO  
16 November, 2011



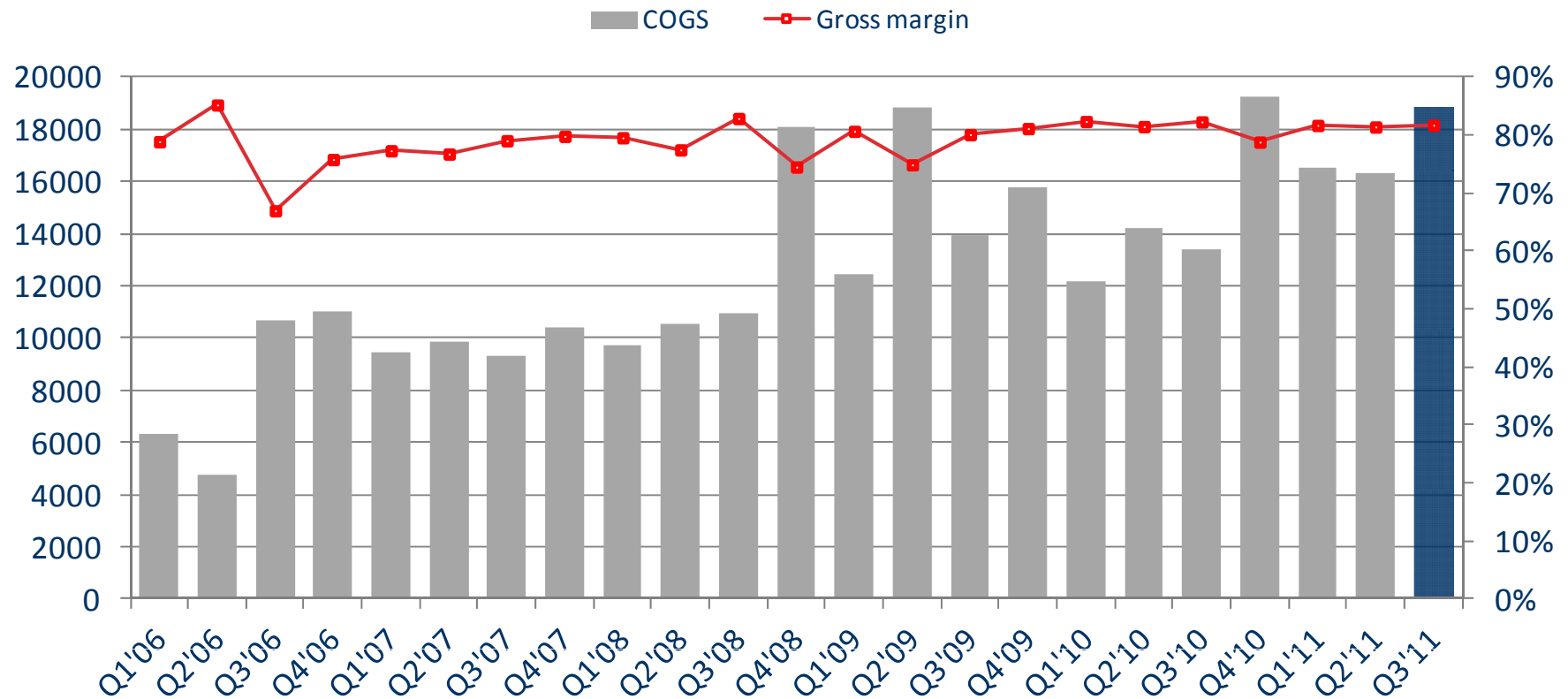
## Key figures third quarter 2011

€ M	Q3 11	Q3 10	Change	2010
Revenue	103.3	75.6	37%	312.4
EBITDA	23.3	18.0	29%	67.0
EBIT	13.7	9.3		33.1
EBT	9.1	7.9		26.4
Net income	5.1	5.6		16.6
EPS (€)	0.10	0.11		0.33
Cash net income*	11.0	12.3		41.9
Cash net income per share (€)	0.22	0.25		0.83

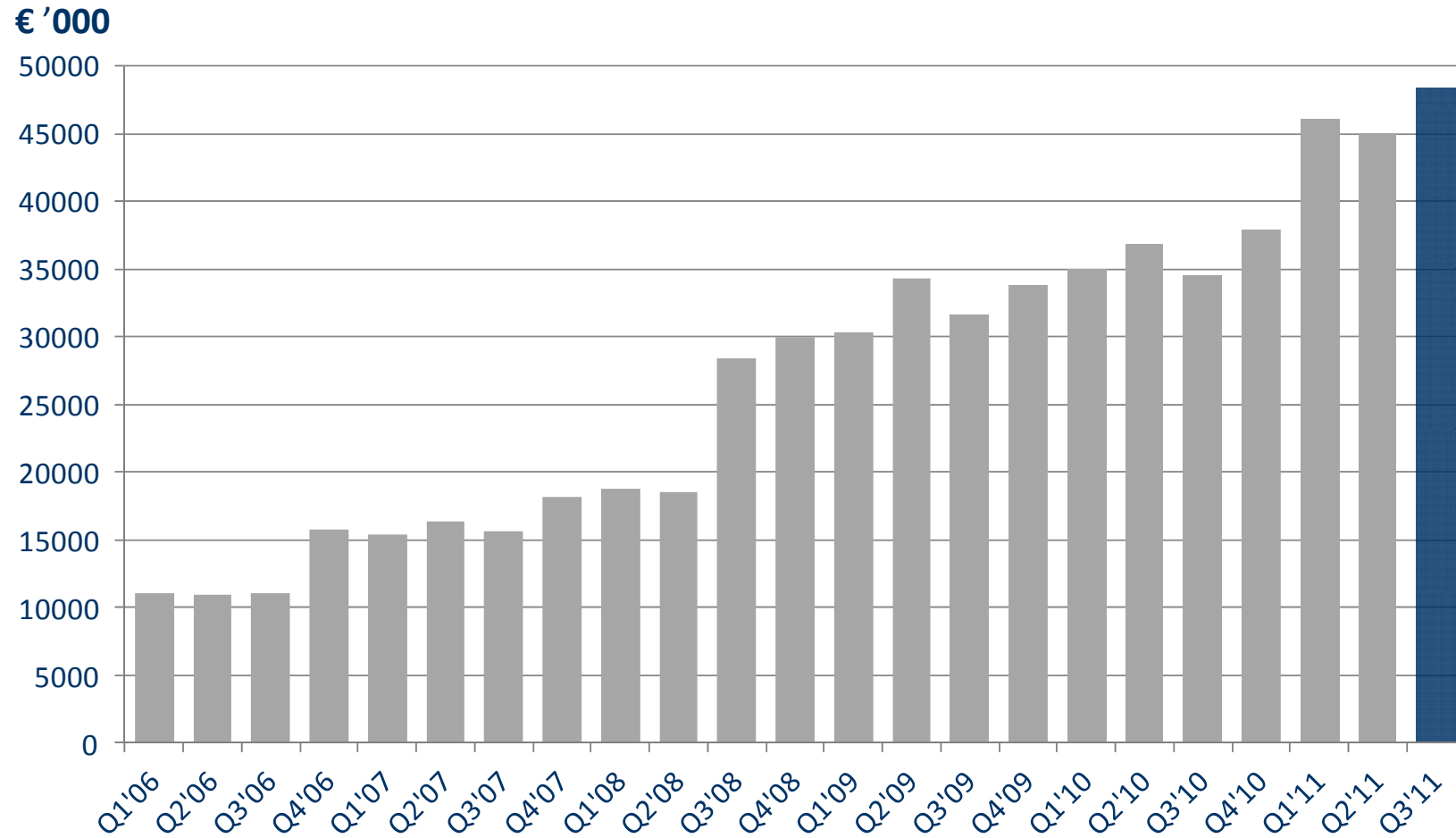
\* Net income before minority interest plus amortization of intangible assets less amortization on in-house capitalized software

# COGS and gross margin

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

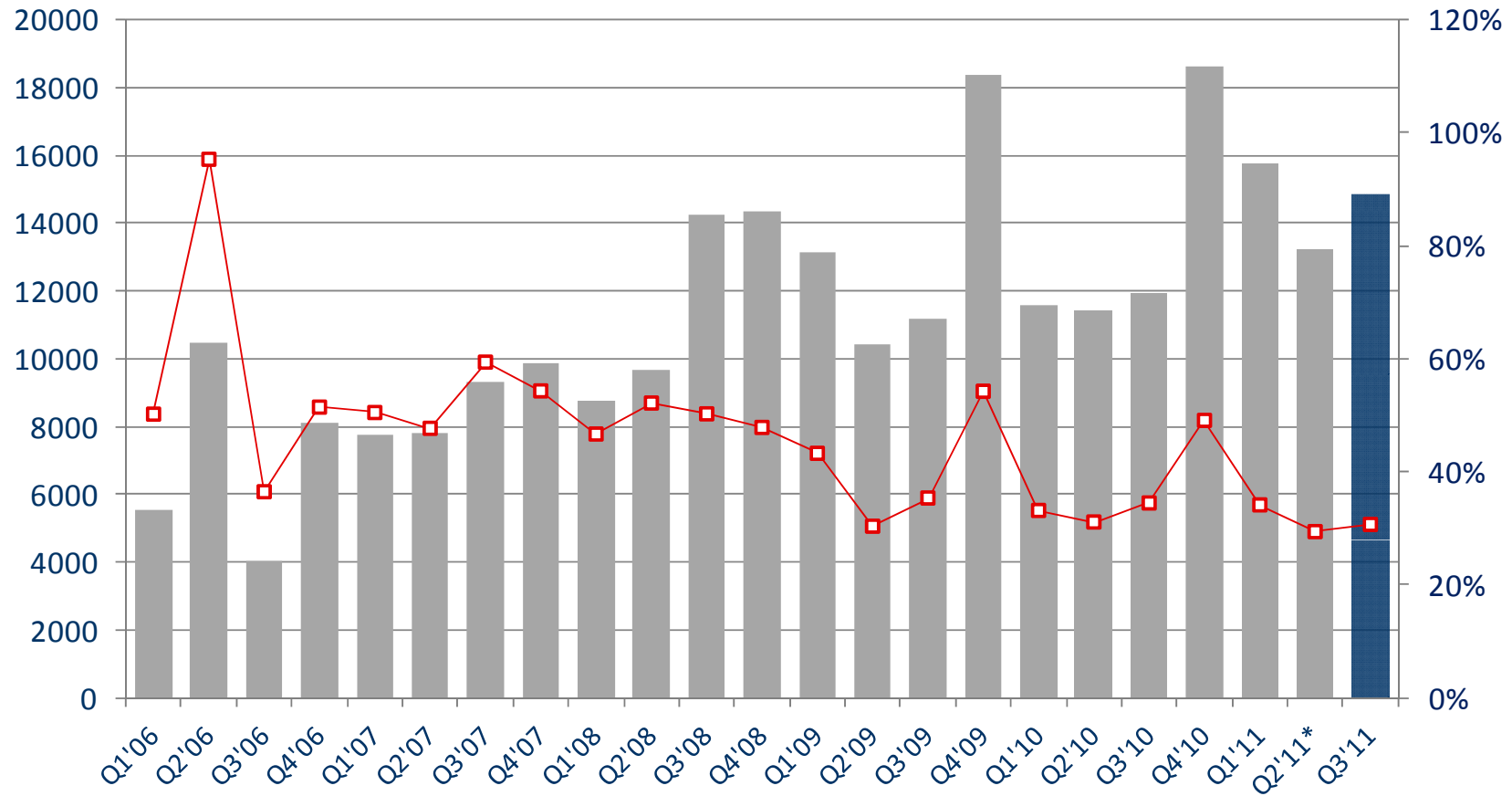


# Personnel expenses



# Other expenses

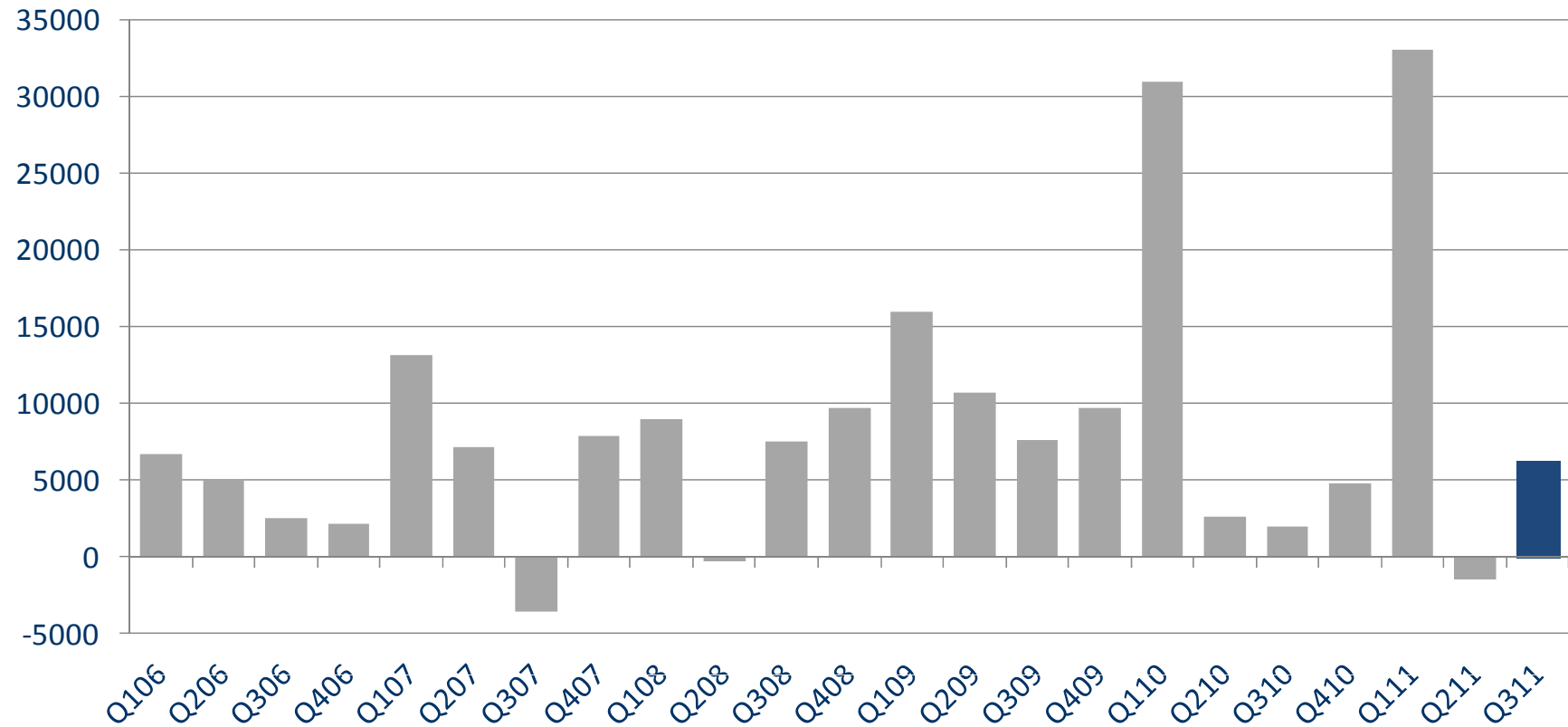
Other expenses (€ '000) / percent of personnel expenses



\* Excluding one-off Lauer-Fischer acquisition costs

# Operating cash flow

€ '000



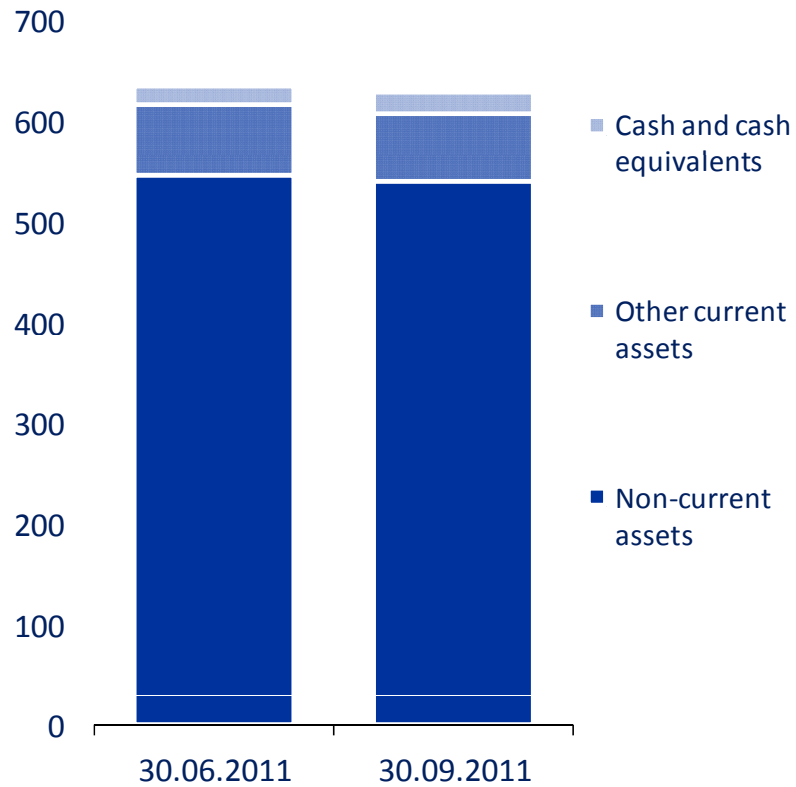
## Capital expenditure

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€ M	Q3 2011
Capitalized in-house services and other intangible assets	2.1
Office buildings and property	1.6
Other property and equipment	1.6
Purchase of minority interest (Noteworthy)	2.1
Sum	7.3

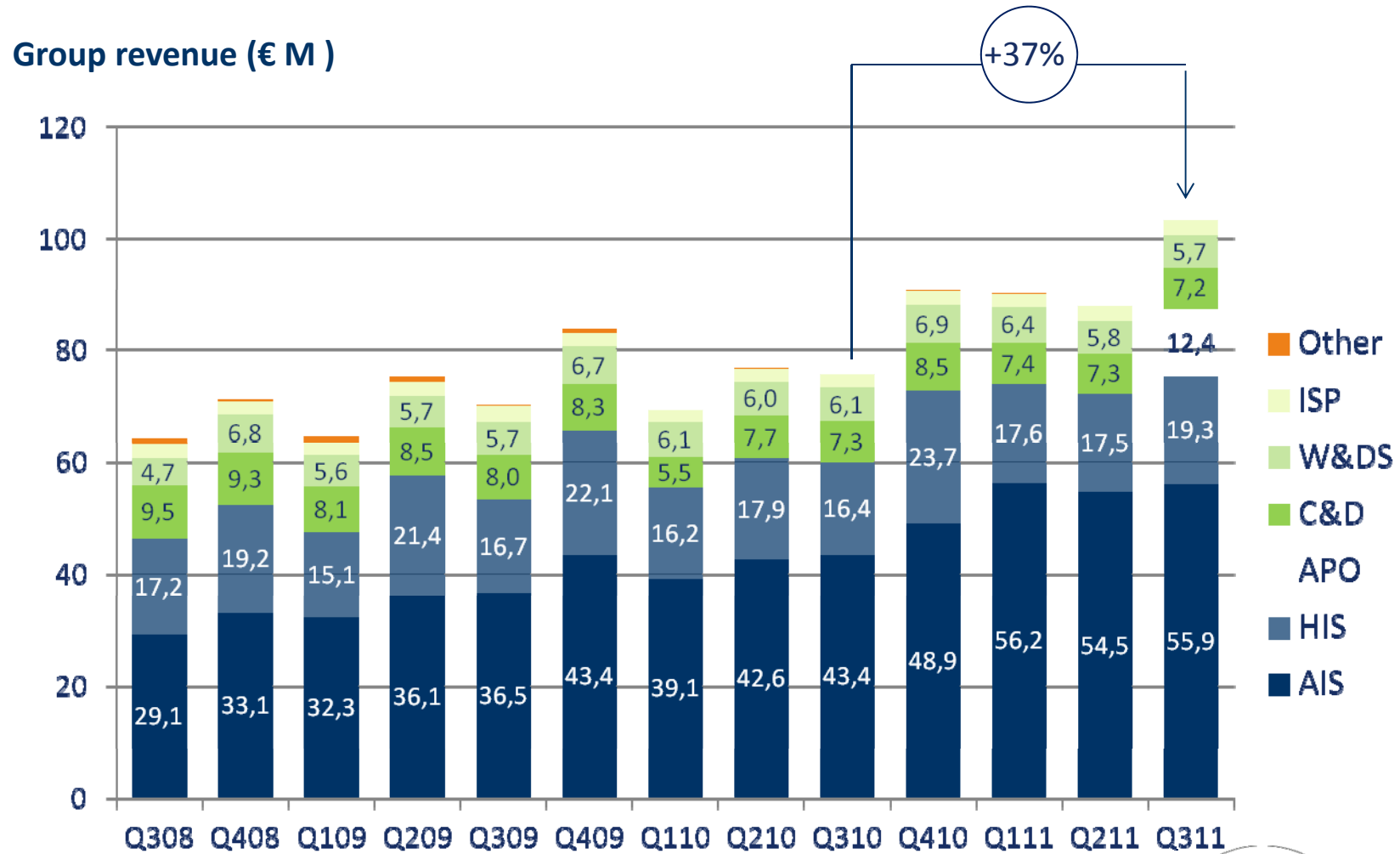
# Statement of financial position

€ M





# Sequential revenue development



## HPS acquisitions

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	Revenue Q3 2011 (m€)	Sub-segment
HCS	0.6	HIS
Lauer-Fischer	12.4	APO
Belgiedata	0.2	AIS
Visionary*	2.6	AIS
Healthport	3.6	AIS
Ascon / Euroned	2.9	AIS
Parametrix CH	1.6	HIS
Lorensbergs	0.8	AIS
SUM	24.8	

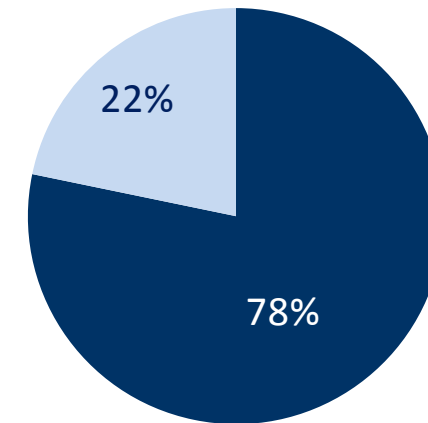
\* Months of July and August

# AIS development

	€ M	%
Revenue Q3 2010	43.4	
Acquisitions	10.2	24%
Organic growth	2.3	5%
Revenue Q3 2011	55.9	29%



**AIS revenue Q3 2011**  
100% = 55.9 € M



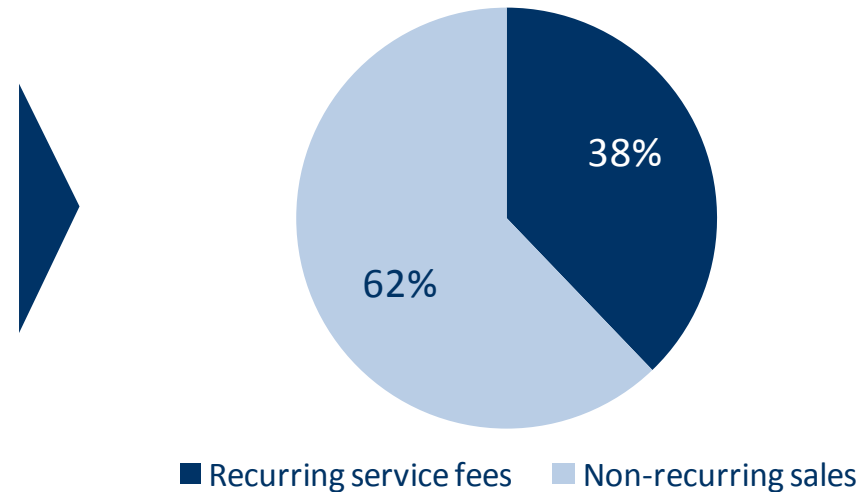
■ Recurring service fees ■ Non-recurring sales

- Organic growth is 5 percent
- The organic growth primarily comes from new value-added products and services sold to existing customers.

# HIS development

	€ M	%
Revenue Q3 2010	16.4	
Acquisitions	2.2	14%
Organic growth	0.7	4%
Revenue Q3 2011	19.3	18%

**HIS revenue Q3 2011**  
100% = 19.3 € M



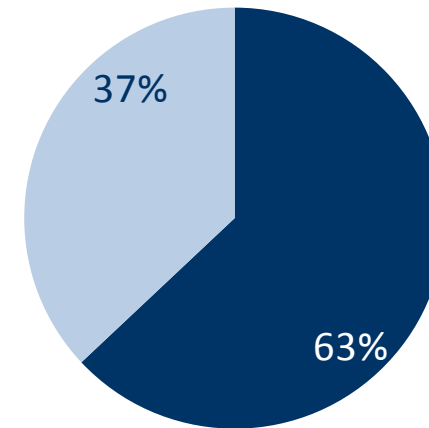
- The situation for the hospital business has improved in the 3<sup>rd</sup> quarter of 2011 compared to the beginning of the year.
- Still, lower than normal seasonal revenue expected in the 4<sup>th</sup> quarter, with most of the shortfall being relatively low margin hardware and equipment sales

# APO development

	€ M	%
Revenue Q3 2010	0	
Acquisitions	12.4	
Organic growth		
Revenue Q3 2011	12.4	



**APO revenue Q3 2011**  
100% = 12.4 € M

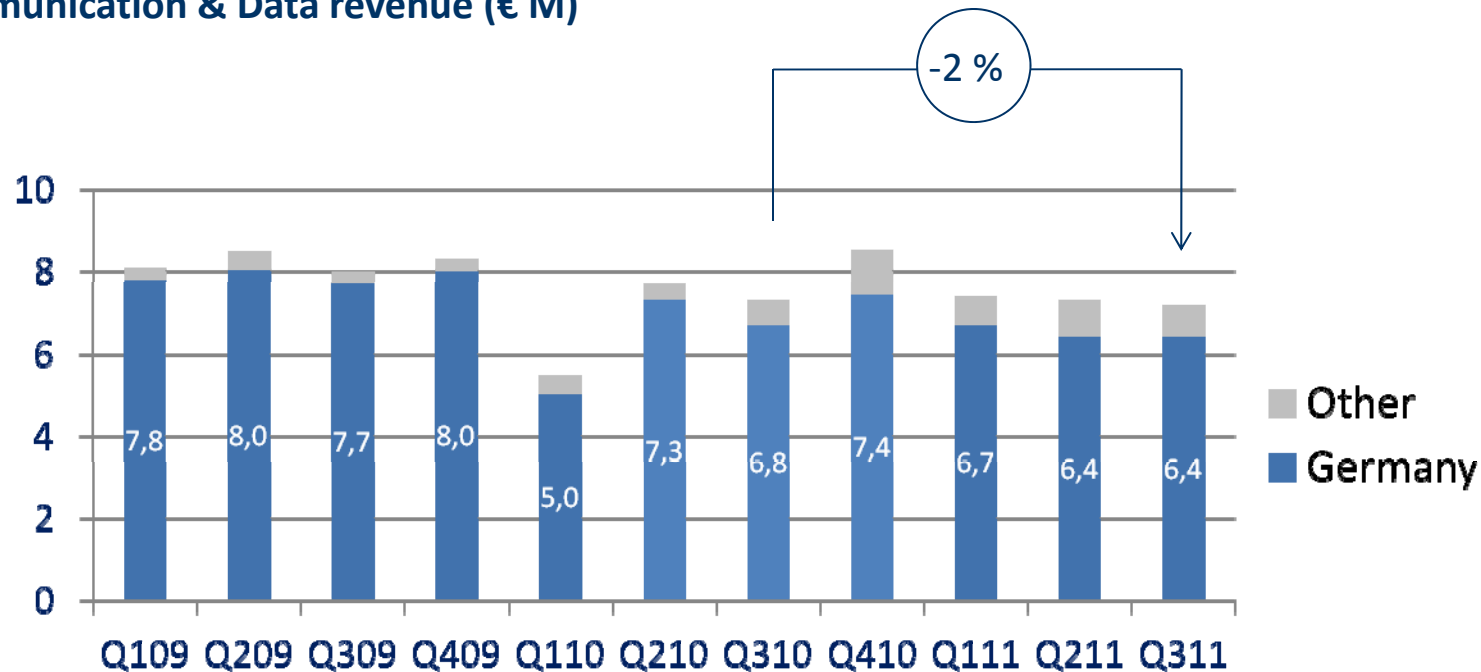


■ Recurring service fees   ■ Non-recurring sales

- Pharmacy Information Systems (APO) is a new sub-segment within HPS following the Lauer-Fischer acquisition in June 2011.
- Robust business model based on long-term rental (HW/SW) contracts
- Revenue and operating expenses as planned during 3<sup>rd</sup> quarter

# Communication & Data development

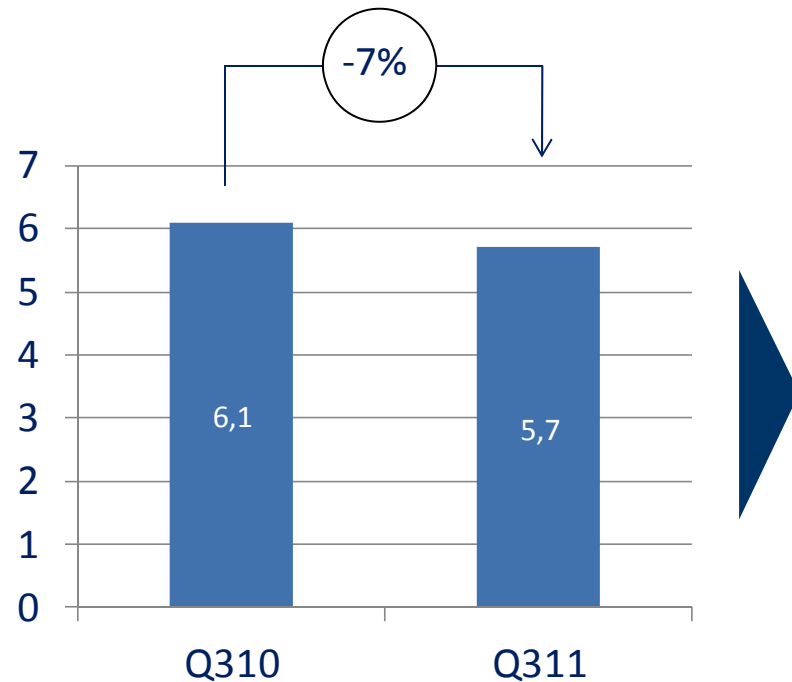
Communication & Data revenue (€ M)



- After a strong start to the year, the business with pharmaceutical producers has slowed down to a flat year-on-year development that is expected to continue for the remainder of 2011

# Workflow & Decision Support development

Workflow & Decision Support revenue (€ M )



- Growth in products and services to health insurance companies in Germany continues at a slow pace.
- No significant new developments during the third quarter of 2011.

# Integration of Lauer-Fischer

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**“First the pharmacy.  
Then the technology.”**



- Integration of Lauer-Fischer is proceeding as planned with significant synergies being realized
  - Sales, marketing, logistics and general administration moved from Fürth to Koblenz
  - New customer service concept ('360 degree customer care') and closing of the central service center in Haan
  - Revenue synergies emerging
- More details on cost and revenue synergies on the MEDICA feature presentation (immediately following)



# US development

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One company.....



....one product

**AlteerOffice**  
integrated EHR/PM

- Consolidation and restructuring of the US business now shows clear positive effects
- For the first time the business had a positive quarterly operating profit (EBITDA) in the third quarter of 2011
- Order bookings have picked up and increased every month during the third quarter, including EHR sales

# US development – still some months away full efficiency

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- 5010 compliance is mandatory from January 1<sup>st</sup> 2012 for all healthcare entities in the US
- More work than expected related to the 5010 upgrade process
- Current EHR penetration rate is only approximately 15% for 1-10 doctor practices in the US, which shows that the HITECH stimulus so far has had little effect on the small and medium sized end of the market.
- CompuGroup still sees this end of the market where EHR-based growth is yet to come and a niche where CompuGroup has significant competitive advantages.



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# OUTLOOK



# Outlook 2011

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- Full year 2011 group revenue expected to be EUR 392 million with operating income (EBITDA) expected to be EUR 73 million.
  - Lower than normal seasonal low margin HIS revenue expected in the 4th quarter of 2011 compared to previous years
  - 4th quarter revenue development in HCS is expected to be relatively flat year-on-year
  - 5010 upgrade process impairs short-term growth in the US
- The guidance does not include revenue and costs associated with potential and currently undetermined further acquisitions during 2011.
- It also does not include potential cost provision that may be done at the year-end closing related to the relocation of headquarter functions in Lauer-Fischer from Fürth to Koblenz and the closing of the central service center in Haan.
- The outlook for 2011 represents management's best estimate of the market conditions that will exist in 2011 and how the business segments of CompuGroup Medical will perform in this environment

# Financial calendar 2012

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<b>February 3, 2012</b>	<b>Preliminary fourth quarter / full year report 2011</b>
<b>March 29, 2012</b>	<b>Audited fourth quarter / full year report 2011</b>
<b>May 4, 2012</b>	<b>First quarter 2012 report</b>
<b>May 9, 2012</b>	<b>Annual General Meeting, Koblenz</b>
<b>August 9, 2012</b>	<b>Second quarter 2012 report</b>
<b>November 14, 2012</b>	<b>Third quarter 2012 report (Medica, Düsseldorf)</b>

## Q&A session

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

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