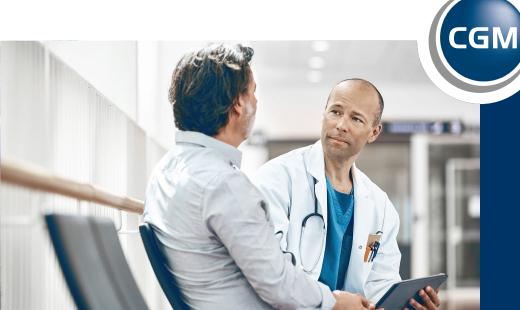
### **CMD 2020**

Virtual Capital Markets Day CompuGroup Medical

September 16, 2020



Synchronizing healthcare

#### Disclaimer

The information provided in this presentation pertaining to CompuGroup Medical SE & Co. KGaA (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.



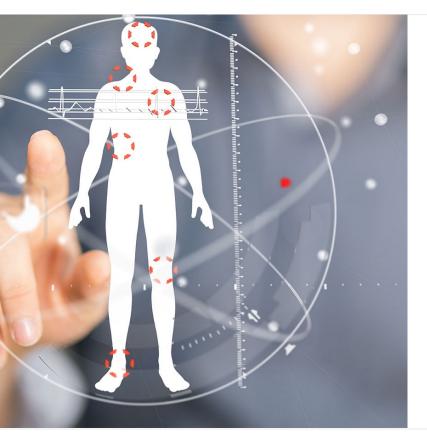
#### Agenda

Session I   2.00pm - 3.20pm CEST	
<ul><li>Synchronizing healthcare</li></ul>	Frank Gotthardt, Founder, Chairman & CEO
<ul> <li>AIS &amp; PCS - High resilience &amp; excellent performance</li> </ul>	Dr. Ralph Körfgen, Managing Director Ambulatory & Pharmacy Information Systems
■ HIS – Building on new scale	Hannes Reichl, Managing Director Hospital Information Systems
Joint Q&A	with speakers of Session I and CFO Michael Rauch
<b>Break</b>   3.20pm - 4.00pm CEST	
Session II   4.00pm - 5.20pm CEST	
<ul><li>CHS – Security, consumerization, datafication</li></ul>	Dr. Eckart Pech, Managing Director Consumer & Health Management Information Systems
CGM, the innovative powerhouse	Frank Brecher, Chief Technology Officer
Financing further growth ambitions	Michael Rauch, Chief Financial Officer
Joint Q&A	with speakers of Session II
End   5.20pm CEST	





#### Digitization in healthcare – Drivers









Demographics / costs



Technology



Complexity



**Precision Medicine** 



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





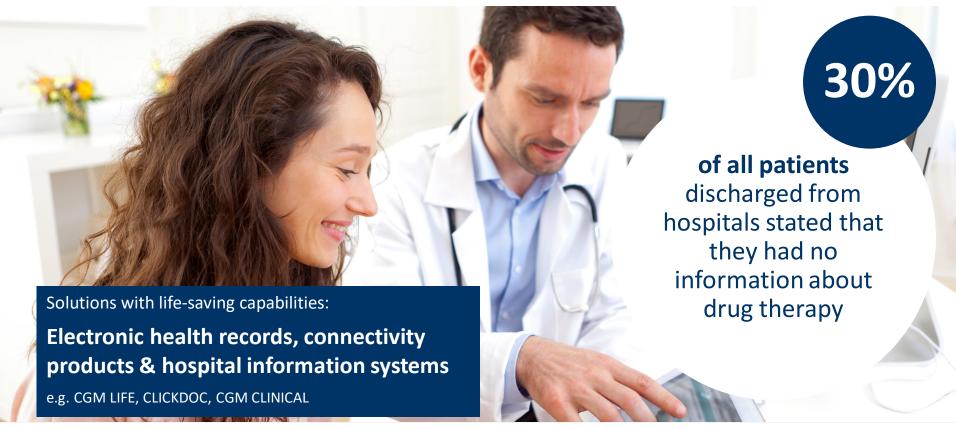














#### More than 1.5 million professional users of our products worldwide





#### Our segments cover essential parts of the patient journey

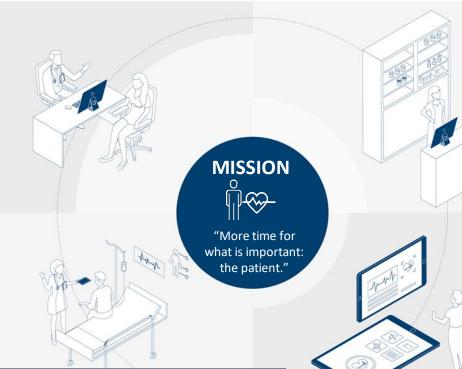
# AMBULATORY INFORMATION SYSTEMS

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

# HOSPITAL INFORMATION SYSTEMS

Intelligent management for quality, efficiency and growth

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



#### PHARMACY INFORMATION SYSTEMS

Enabling responsible consultations, optimal processes and economic success

# CONSUMER & HEALTH MANAGEMENT INFORMATION SYSTEMS

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



#### Successfully steering through the COVID-19 pandemic

Full support to our customers – the front-line fighters

Safety first for all

**Inventing** COVID-19 telemonitoring

> **Expanding and** enhancing mobile practice management solutions

Massive ramp-up of **CLICKDOC** videoconsultations



employees maintaining 100%

productivity

#### Big thank you ...

... to all doctors, medical personnel & caring nurses for their dedication and commitment during these challenging times!



#### Managing Directors – Transition of new team completed



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



#### The future – CGM is ideally positioned for further growth and value generation





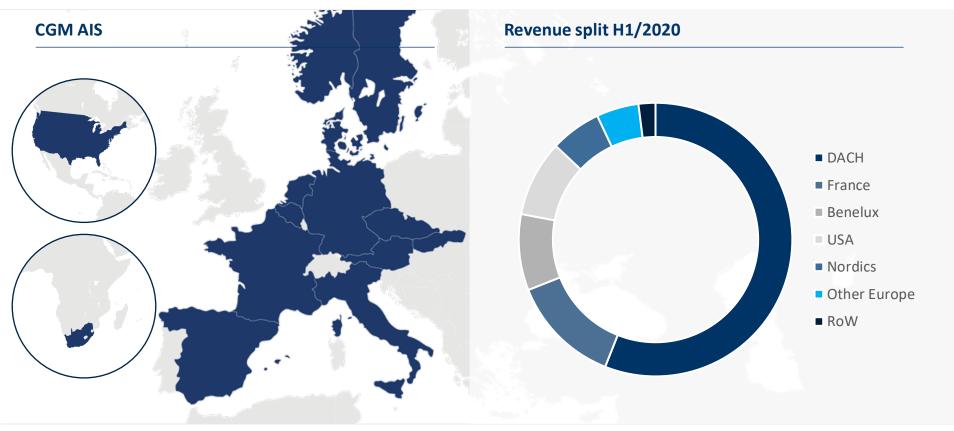


#### AIS – Leading market positions in core markets Germany and France





#### AIS – Excellent positioning in European markets





#### M&A - EPSILOG integration fully on track



#### Acquisition of 100% of France based software provider EPSILOG

- Key product: VEGA, a leading ambulatory information system for physiotherapists and nurses in France
- Complementary product and thereby access to new market segments
- Financial impact of ~€15m revenues and mid single-digit million EBITDA

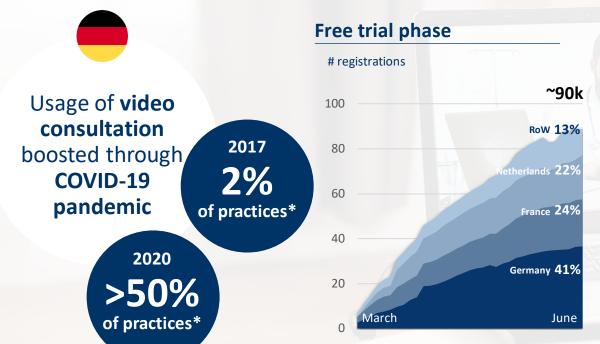


#### **AUGUST 2020**

- 47,000 health service providers in the French market
- Smooth integration process
- Cross selling intiatives, e.g. CLICKDOC video consultation
- Close coordination with our units in Denmark and Belgium serving similar markets



#### Video consultation as example how to quickly adopt and scale market trends



#### Turning into regular usage

- Active users ~25% of registrations
- 30% of active users >3 sessions/week
- Pay packages in US, Germany,France and Netherlands
- Already >7k contracts signed by Aug 20

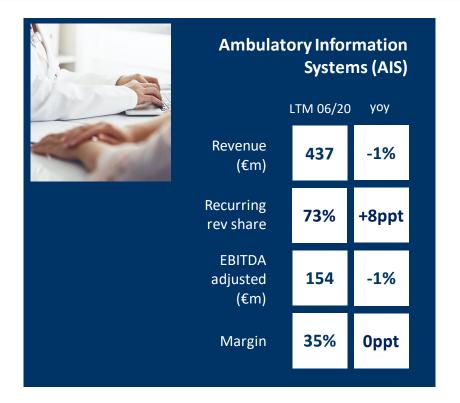
Expected run rate potential revenue (2022 onwards)

Low double-digit million euro range



<sup>\*</sup>Survey snapshot May 2020: share of practices offering video consultation

#### AIS – Strong financials with high share of recurring revenues



#### Revenue development underlines resilience



	Q3/19	Q4/19	Q1/20	Q2/20
organic ex TI	9%	4%	10%	7%
recurring	12%	11%	9%	8%

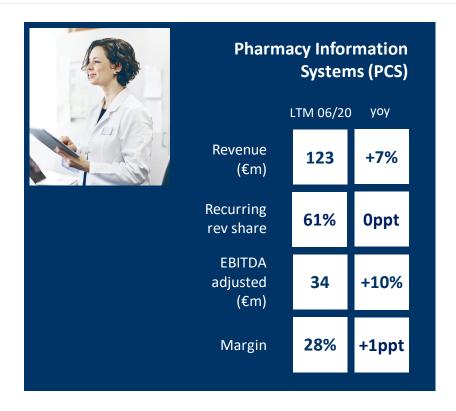


#### PCS – Excellent market positions in our core pharmacy markets Germany & Italy





#### PCS – Strong financials with high share of recurring revenues



#### High revenue resilience during COVID-19



	Q3/19	Q4/19	Q1/20	Q2/20
organic	7%	7%	5%	6%
recurring	3%	7%	5%	9%



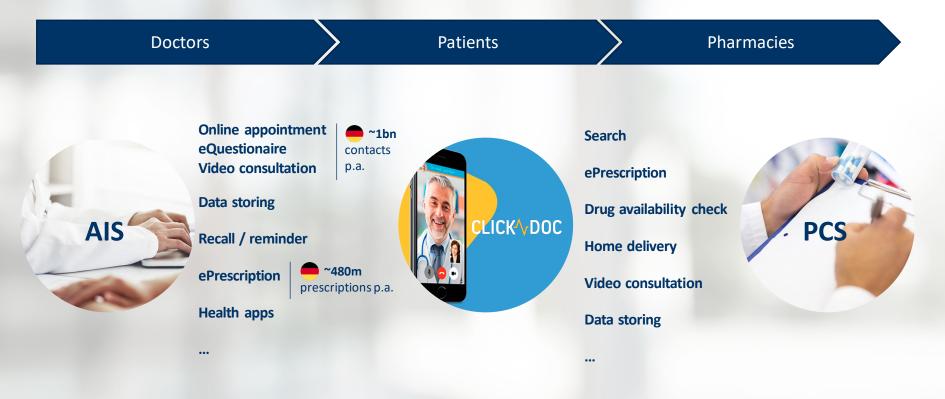
#### Broad set of market trends continuously drives growth for our business



- Areas of product innovation
  - Compliance
  - Administrative process optimization
  - Business value creation
  - Clinical decision support
  - Doctor-patient-interface
  - Professional services / hardware
- New markets and business models
- Introduction of new generation products (G3)



#### Opportunity in business model – Stronger digital interaction between players





#### AIS – Broad product pipeline as basis for further growth





#### PCS roadmap for product innovation and next generation rollout





#### CGM uniquely positioned to drive digitization for doctors and pharmacies

- Attractive customer base and strong market positions
- High resilience due to **strong recurring revenue base** and broad international setup
- Proven capability to react quickly during pandemic with innovative product portfolio
- Driving **next level digitization & connectivity** for doctors and pharmacies through TI rollout
- High profitability while continuing to invest in R&D and innovation



Set for further growth, based on broad customer base and comprehensive product pipeline – including new business models





#### Our HIS business before the transformational acquisition

#### At a glance (LTM 06/2020)









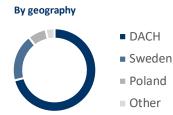








#### **Revenue split 2019**









#### Attractive market to operate in

#### Trends in our core markets

Growing base market



Demographic change, aging population



Ongoing provider consolidation



Integration between in- and outpatient process

Digitization



Lack of automation in clinical processes in Europe, low level of software integration compared to USA



Process efficiency through workflow and resource management



Managing data and enable decision support

Support the patient journey



Patient empowerment and experience



Care management



Population health



#### 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





**15%** 



in % of

COVID

#### Rebound has started sooner than anticipated

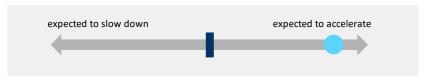
#### COVID-19 induced slowdown in Q2/20

	Q1	Q2			
Reported revenue growth yoy					
2019	10%	10%			
2020	8%	4%			
Organic revenue growth yoy					
2019	8%	9%			
2020	6%	1%			

#### Pandemic will accelerate digitization

- New projects partly delayed due to COVID-19
- Underlying FY guidance confirmed despite weaker Q2
- Post-COVID-19 catch-up has started sooner than anticipated with strong July
- Additional regulatory push for increasing digitization due to COVID-19 (Hospital Future Act for digitization in clinics on accelerated path)

#### Pandemic impact on digitization\*



\*Roland Berger Krankenhausstudie 2020



#### Acquiring Medico, SHA & Selene – Largest acquisition in company history

#### **Product Portfolio** Revenues (€m) Revenue split 2019 SHA 12% CAGR: 5% 75 Germany 73 83% 68 Selene Spain 17% Medico 71% LTM 06/18 LTM 06/19 LTM 06/20 **Medico** — Fully featured HIS with an installed base in both public and private hospitals in Germany **Selene** – Integrated HIS developed for Spanish customers covering public hospitals

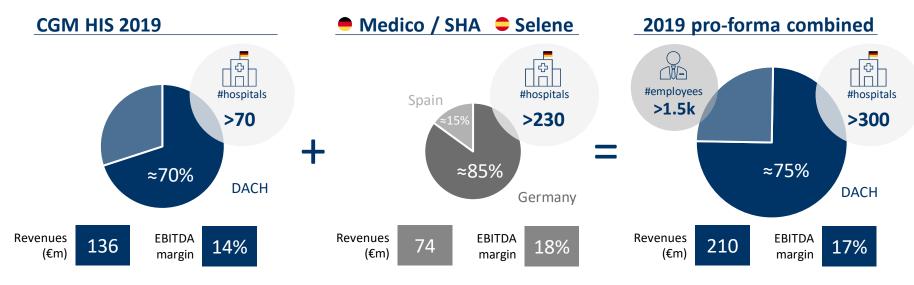
#### **Profile**





#### Increasing scale in Hospital Information Systems

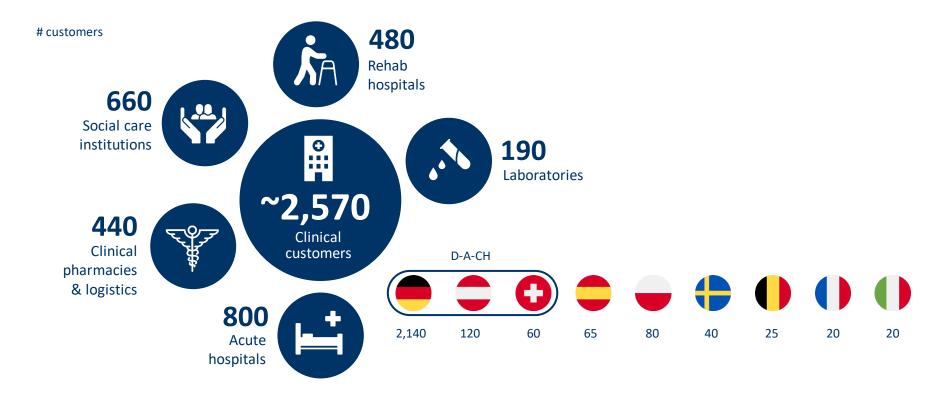




Acquisition closed July 1, 2020



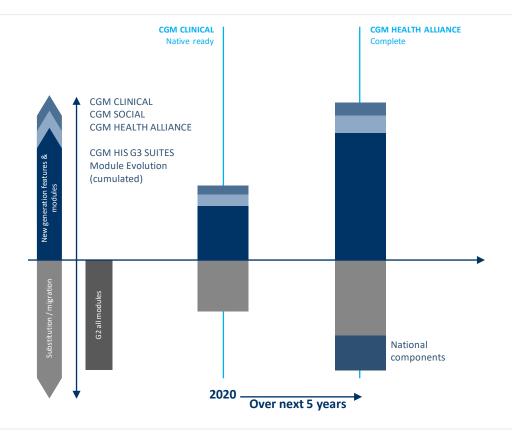
### Increased platform to benefit from scale effects





### Scaling CGM solutions into the future







### Digitization in hospitals – Huge potential for Europe compared to the US

#### **Degree of digitization**

#### **EMRAM** score

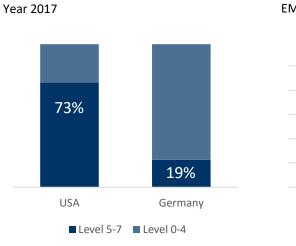
- Level 0: no digitization
- Level 7: paperless hospital

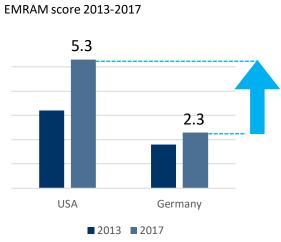
#### Germany in 2017

- Score 2.3 (Ø EU 3.6)
- Only 1.2% at level 6 or 7
- US: 40% at level 6 or 7
- Higher rating (3.4) in larger hospitals (+500 beds)
- Share of hospitals with nearly zero digital usage in clinical area: 39%

### **Share of highly digitized hospitals**









Catch-up potential boosted by regulatory push: Hospital Future Act to accelerate digitization in clinics is currently being passed

Source: Krankenhaus-Report 2019



### The new HIS – Set for future outperformance

- Well positioned with increased scale post major transaction
- Revenue synergies due to product roadmap and upselling opportunities
- Ongoing outperformance of lab business during COVID-19 pandemic
- Innovative product pipeline with upcoming launch of CGM Clinical Native in Germany
- Continued R&D to drive innovative strength and convergence to next generation
- Beneficiary from increasing and accelerating digitization in our core markets





## Break until conference resumes at 4.00pm CEST

Synchronizing healthcare	Frank Gotthardt, Founder, Chairman & CEO
AIS & PCS - High resilience & excellent performance	Dr. Ralph Körfgen, Managing Director Ambulatory & Pharmacy Information Systems
HIS – Building on new scale	Hannes Reichl, Managing Director Hospital Information Systems
Joint Q&A	with speakers of Session I and CFO Michael Rauch
Break   3.20pm - 4.00pm CEST	
ession II   (4.00pm)- 5.20pm CEST	
CHS – Security, consumerization, datafication	Dr. Eckart Pech, Managing Director Consumer & Health Management Information Systems
CGM, the innovative powerhouse	Frank Brecher, Chief Technology Officer
Financing further growth ambitions	Michael Rauch, Chief Financial Officer





### Consumer & Health Management Information Systems – Profile & ambition



#### **Business Focus**

- Providing consumers with digital health solutions
- Offering a digital health platform our CGM LIFE ecosystem
- Establishing an interface between doctors & patients our CLICKDOC solutions
- Delivery of big-data value for pharma, insurances, doctors and patients
- Supporting our customers regarding IT security on their path to increasing digitization
- Steering the TI product development and rollout



44

### Telematics Infrastructure – Providing our customers with secure connectivity



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**. So far **~20k upgrade installations**.

#### Upgrade enables

- Value added TI services
- TI for pharmacies

>5,000 orders in pharmacy segment

1st mover in TI for pharmacies.
Rollout started in July.
> 5k 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 to begin early Q4/2020.

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



45

### Telematics Infrastructure – **Evolving our products**

New business model "TI as a service"

ePA (eHR) connector upgrade

# Future "cloud" connector

#### **Target segment:**

- All addressable segments
- Existing customers

#### Offer:

- €0 upfront
- €0 installation fee
- Recurring service charge
- Service level options

#### **Target segment:**

- All addressable segments
- Existing customers

#### Offer:

- Enables TI eHR functionality
- Software upgrade
- One-off charge
- Additional recurring

#### **Target segment:**

 Midwives, physiotherapists, ambulances, care services

#### **Functionality:**

- Secure (mobile) connection
- Authentication, electronic signature
- Cloud-based medical applications



### We **secure** our customers on their path to increasing digitization

## Security-threats for our customers

- Increasing number of cyber attacks in healthcare
- Attackers shut down practices or steal patient data records
- Strong negative effects of damaged reputation
- Enormous cost for practice reactivation

# German government plans regulative measures for practices & hospitals

Extra federal and state funding programs to enhance IT security (latest initiative law for future clinical digitization)

**IT security regulation** based on BSI standards for practices

#### **CGM Solution**

- #fightcybercrime campaign
- Supporting customers re-compliance with upcoming regulation
- Monetization through security product bundles:
  - Tailored portfolio to improve customers' IT security (Telemed Protect Silver, Gold, Platin)
  - 24/7 alert service in case of security incidents
  - Security audits and checks





### Consumerization – Patients are increasingly taking an active role in the ecosystem

### **Consumerization** of Healthcare

#### 31 million people in Germany suffer from chronic diseases 1



**75%** of smartphone owners use health apps 2

#### 527 million wearables

to be sold globally by 2024<sup>3</sup>



41%

of smartphone owners would want to get a second opinion from an artificial intelligence 4

### **Doctors'** increasing need for digitization



- Less availability of practice personnel
- Shortage of rural physicians
- Cost pressure
  - → Need for efficient, digital services



### **COVID-19** additional booster for digitization

- Need for remote treatments & monitoring
- **Digitally integrated therapies** (e.g. for chronical diseases)
- **Regulatory push** for increasing digitization

















2, 4: Bitkom e.V. "Bitkom Digital Health 2020", 2020, Bitkom Research



### CGM LIFE with eHR – Our new digital ecosystem addressing evolving consumerization

#### CGM eHR Joint-Venture "Meine Gesundheit":



Multiple services for private health insurances through the Joint Venture "Meine Gesundheit"

Private insurance companies entering the Telematik Infrastruktur in 2021

→ new revenue opportunities
to serve customers with TI services





#### **CGM LIFE**

- Deeply integrated with CGM ecosystems (PIS)
- Analytics, digital campaigning, digital invoice management as value added services for insurance companies

#### ePA

- Highly interoperable based on the regulatory initiatives
- Increasing reach through the whole German eHealth ecosystem as a booster for general acceptance of eHR solutions



### Consumerization – CGM LIFE platform economy and strategy

#### **Ecosystem approach**

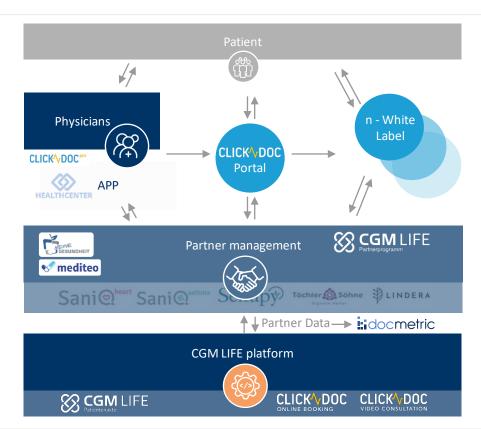
- Multi-platform ecosystem based on a strong partnership strategy
- Enabling big corporates and insurances to bring the best eHealth experience to their employees and customers
- Monetizing reach through targeted advertising

#### Partner app strategy

- Providing B2C eHealth solutions access to healthcare professionals
- Integrating all services in combination with CGM LIFE Platform and CLICKDOC
- Monetizing reach of eHealth store

#### Secure technical platform

- Enabling partners to use secure and scalable medical cloud technology
- Providing access to already existing data of a patient
- Leading in a unique and comprehensive patient journey





### CGM Core assets and evolution towards datafication

#### WE ARE WORKING TOWARDS INTEGRATION OF REAL-TIME HEALTHCARE DATA FROM MULTIPLE SOURCES... PharmaCo's Payers **Pharmacies** Research Health Doctors **DATAFICATION USE CASES** autorities CGM REAL TIME DATA PLATFORM **CGM LAUER ALBIS** RKI M1 PRO **CUBE** Others **MEDISTAR** ifap **TURBOMED** Clickdoc International

## ... TO ENABLE HEALTH CARE PROVIDERS TO MAKE DATA-BASED IMPROVEMENTS TO HEALTH WELFARE

#### Datafication drivers

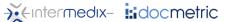
- Data value: key healthcare innovation areas like value based healthcare, evidence based medicine, personalized medicine, rare disease detection, ML-/Al-based clinical decision support etc. all require access to large fit-for-purpose datasets
- Data availability: rapidly increasing availability of health data (MedTech, apps, wearables, clinical trials) calls for data integration and analytics in horizontal data platforms

#### **CGM** assets

- Access to healthcare provider systems and industry relationships in 56 countries
- Real-time interfaces to practice and hospital management systems, existing platform for data aggregation, integration and analytics
- Products to deliver benefits to doctors in exchange for GDPR compliant, anonymized data sharing
- "3k doctors already contributing to CGM data platform through AIS systems (and growing), sending > 300k new datasets/day



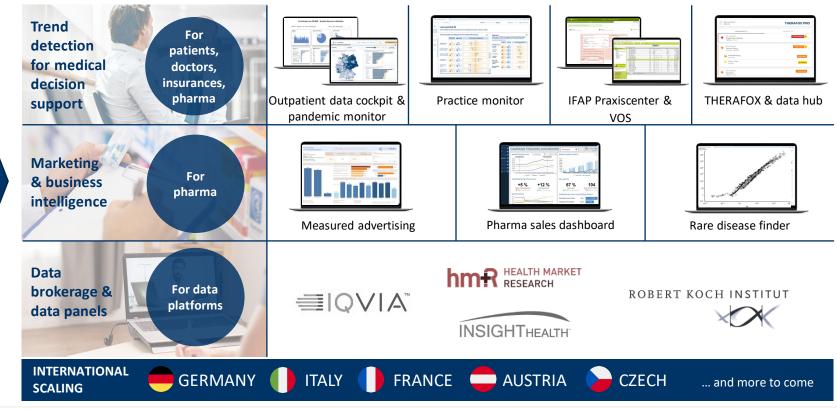
### Multi-platform with excellent assets for datafication













### CGM ideally set for driving customers' security, consumerization & datafication

- First-class reliability e.g. with 99.9% stable and resilient TI connector
- Extension of TI to Pharmacies and value added services and Rollout of CGM KIM
- Connectors will support eHR and eRX functionality and mobile connections
- Consumerization in healthcare is increasing strongly

Virtual Capital Markets Day

- CGM well-positioned in digital health solutions (CGM LIFE ecosystem and CLICKDOC)
- 45% market share of privately insured persons with eHR joint-venture "Meine Gesundheit"
- Delivery of big-data value for pharma, insurances, doctors and patients
- CGM has access to one of the most comprehensive data sources for the outpatient sector
- Significance for medical decision support, data brokerage and data panels





### Our mission in R&D – Striving for great products and efficiency

### **CTO** agenda

- Coordination of all R&D tasks with a dotted line to all product teams
- Final decisions on technology and software architecture
- Providing near- and offshore development services to all business units
- Guidance regarding coding quality & standards, IT security, UX, life cycle management ...
- Improvement of development efficiency
- Focus on future technologies like AI, machine learning ...



### Turning COVID-19 into an opportunity

We moved ~5,000 employees worldwide into home office within 48 hours...



... due to **readiness**, **flexibility** and **security** of the **IT infrastructure** (Zoom, Zscaler, checkpoint VPN, open-stack environment)

... and with **full transparancy** on **productivity** and **output** due to centralized systems





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

#### Mobile practice management



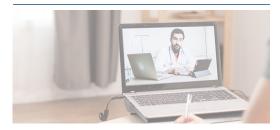
- Offering TELEMED Mobile Praxis
   Center solution free of charge until end of lune
- Enabling practice teams to carry out admin tasks from home, i.e. reimbursement & accounting
- Accessing practice IT system via
   Mobile Praxis Center meets highest data protection standards

#### **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

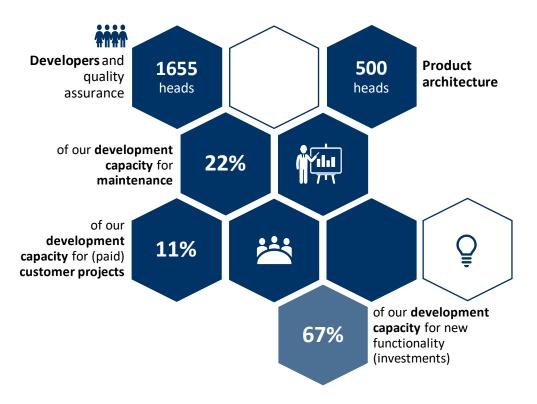
#### **Video consultation**



- 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



### Strong focus on innovation with 67% of R&D for new functionalities

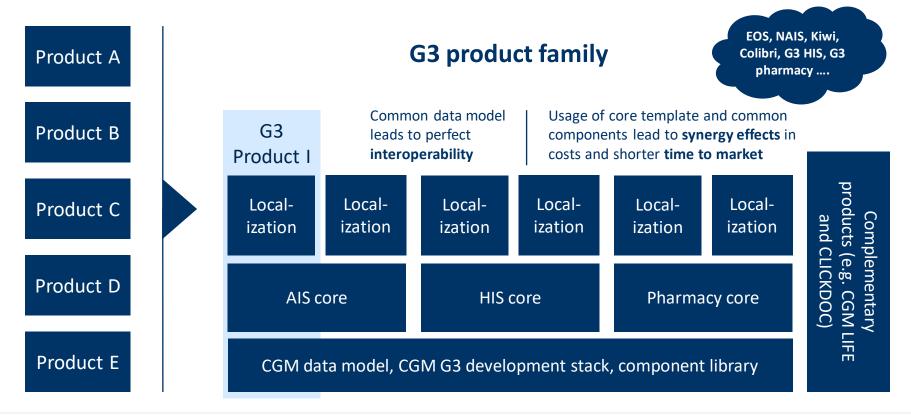


### **R&D** spending (incl. CAPEX) €m CAGR+7% 200 142 150 108 100 50 0 LTM 06/16 LTM 06/20 % of revenues 20% 19% average % of revenues 12% healthcare IT peers\*



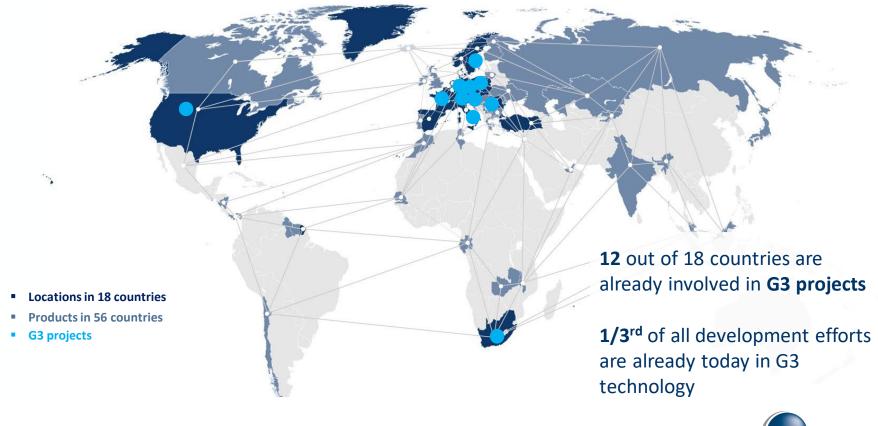
<sup>\*</sup>Selected healthcare IT peers, based on annual reports, websites & presentations

### G3 strategy – Maximum efficiency & shorter time to market





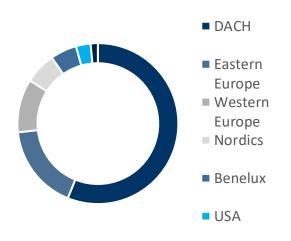
### Focus on next generation technology





### Enabling growing innovation by build-up in R&D workforce across the group

### More than 2,100 employees in R&D



35% total employees in R&D at CGM versus 27% healthcare IT peer group average

\*Selected healthcare IT peers, based on annual reports, websites & presentations

#### Our R&D hub CGM Romania





### Ambition to safeguard excellence and improve efficiency in R&D

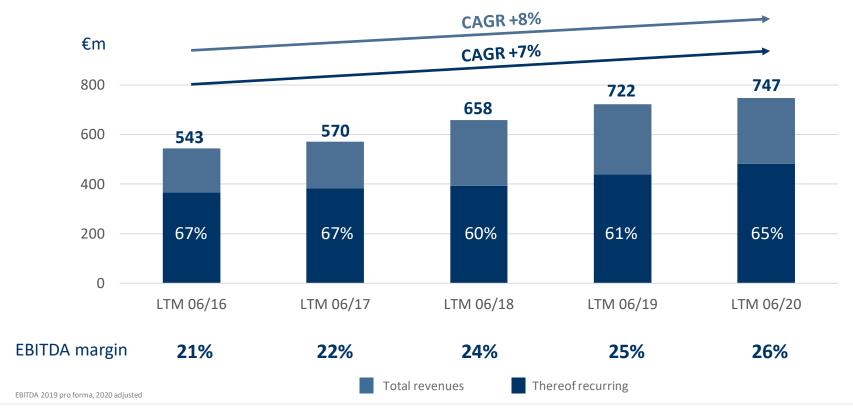
- Striving for efficiency in R&D
- Never compromising on product quality
- Full focus on IT security & connectivity
- Continuously investing for innovation
- Building up R&D workforce globally
- Tailoring product development to market trends and customer needs





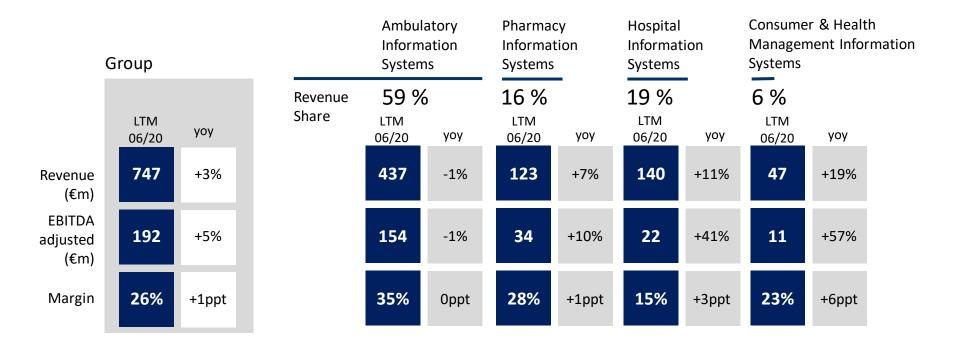


### Attractive revenue growth with strong margin development



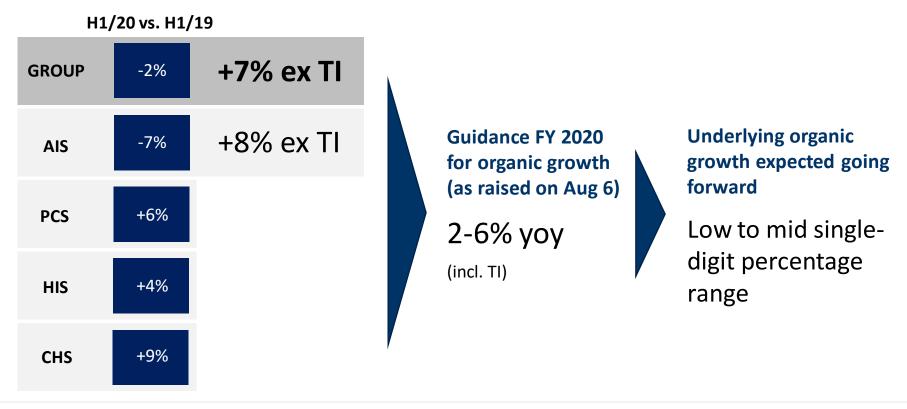


### Continued high performance in LTM – even during COVID-19 pandemic



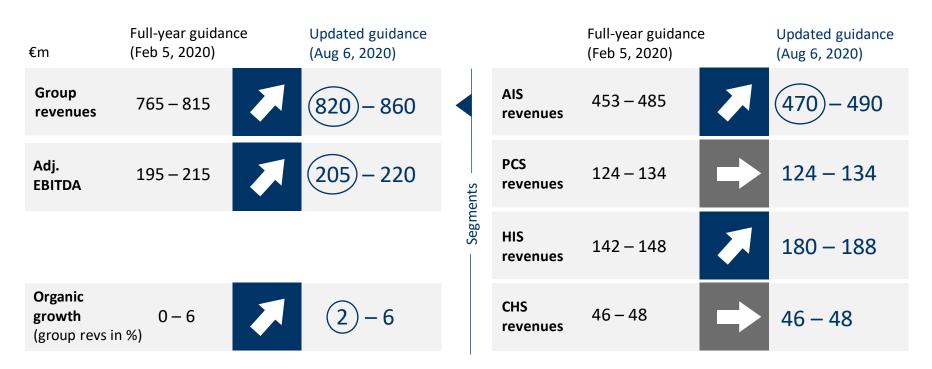


### Strong underlying organic revenue growth across the group





### TI approval reflected in updated guidance (now also including HIS acquisition)

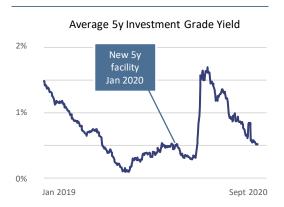


Guidance reflects management's best estimate based on the currently available information, particularly with regard to COVID-19 and the further rollout of Telematics Infrastructure.



### Preparing for further growth ambitions

#### **Favourable funding conditions**

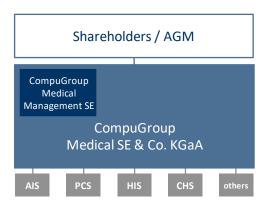




#### Successful share placement

- ✓ 10% placement June 20209% treasury shares1% 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

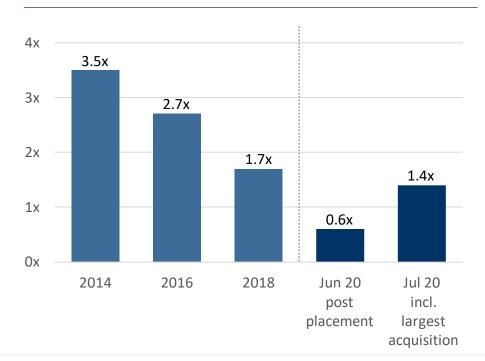


### Building on fast deleveraging competence

### **Recent larger acquisitions**

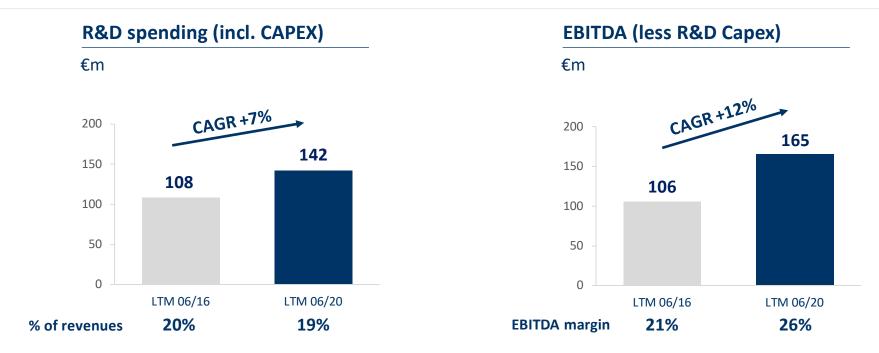
QUALIZORG	2019   <b>~€10m</b>
MEDISTAR DISTRIBUTORS	2019   <b>~€25m</b>
EPSILOG, H&S	2019   ~ <b>€80m</b>
MEDICO, SHA, SELENE	2020   ~ <b>€200m</b>

#### Leverage





### With increased investment into R&D ...



... to deliver best-in-class solutions to all healthcare providers while at the same time increase the profit pool for our shareholders



### CompuGroup Medical pole positioned to drive further digitization in healthcare

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



71



# **THANK YOU**



#### Claudia Thomé

Head of Investor Relations T: +49 (0) 261 8000-7030 claudia.thome@cgm.com

### CompuGroup Medical SE & Co. KGaA

Maria Trost 21 56070 Koblenz Germany E-Mail: investor@cgm.com ISIN DE000A288904 WKN A28890 Frankfurt Stock Exchange MDAX / TecDAX