



Q3 2023 INVESTOR & ANALYST CALL

Michael Rauch, CEO & CFO
November 9, 2023

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9M with excellent profitable growth



+10%
revenue growth



+8%
organic growth
(6% excl. TI)



+11%
growth in recurring
revenues



+18%
adjusted EBITDA
growth

FY guidance confirmed

Ambulatory segment with continued momentum

Progressing digitization in healthcare

- **Additional rollout** of emergency data set, e-health record and electronic medication plan modules **in Germany**
- Strong business with **e-billing modules** in **dental practices** in Germany
- **Supporting doctors** practices for an increasing usage of e-Prescriptions
- **Strong development** in Denmark, Czech and Belgium
- **Continued sales growth** momentum in the US with **EHR & RCM solutions**

Strong order intake fueling growth in hospital segment

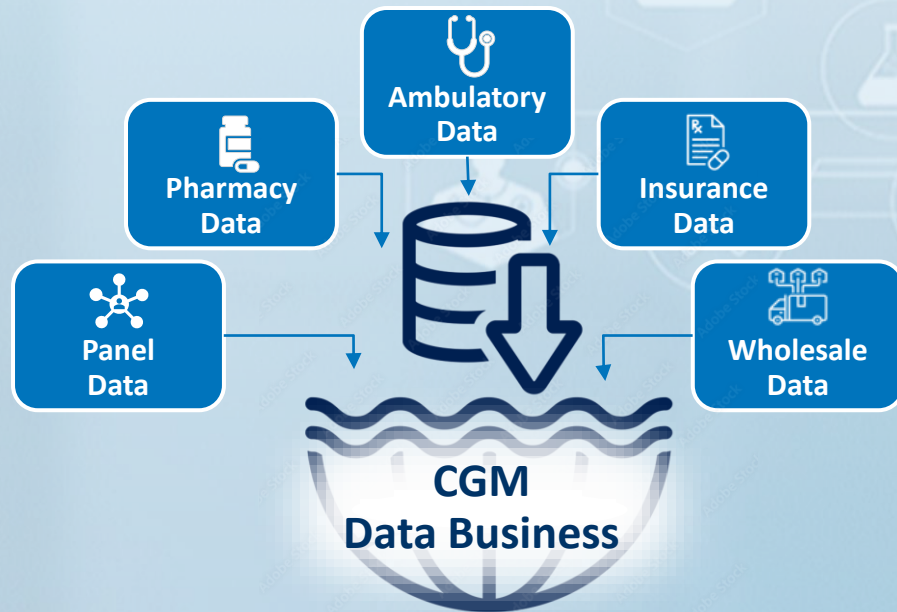
Order intake relating to Hospital Future Act



Excellent progress in Q3

- **Organic revenue growth** reaches more than **14 %** for the first time since two years
- Ramping up of **revenue** relating to **Hospital Future Act**
- Providing rehab institutions with **connectivity solutions**
- Successful **upselling** and **customer wins in Spain**

Bundling data-based solutions with ambulatory business



Establishment and successful expansion of the data business

New AIs

- ✓ Faster rollout of data solutions
- ✓ Better support for physicians and pharmaceutical companies
- ✓ Optimized customer centricity

Bundled competencies

Combining our customer-facing data solutions with the holistic market approach of our AIS teams

New AIS segment reporting 2024 (illustrated with FY 22 numbers)

FY 2022 based on current segment structure*

Segment	Revenue	adj. EBITDA	Margin
AIS	502€m	129€m	26%
CHS	220€m	51€m	23%

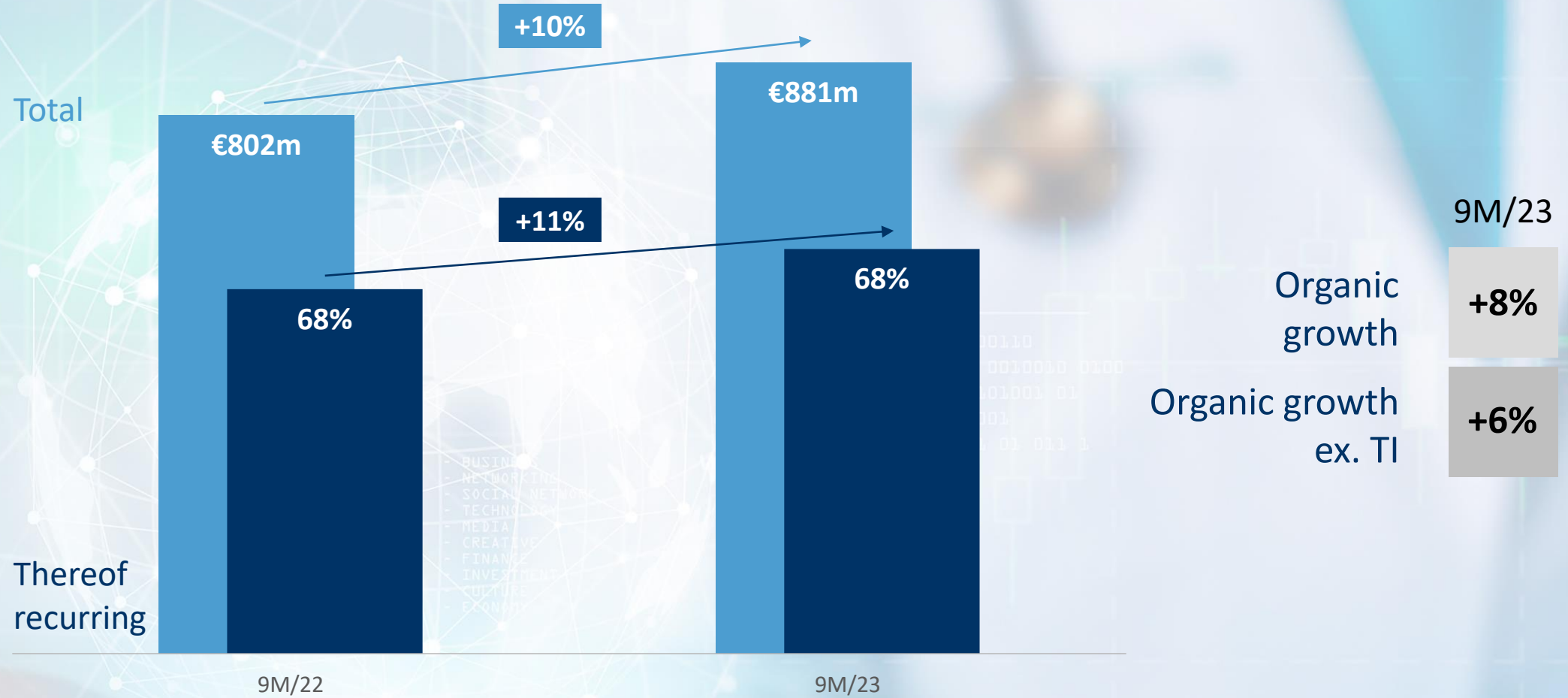
as of
financial
year 2023

FY 2022 based on new segment structure

Segment	Revenue	adj. EBITDA	Margin
AIS	722€m	181€m	25%

*In 2023, some minor profit centers were reallocated between the AIS and CHS segments, therefore the prior year figures have been updated based on the current structure.

10% revenue growth after 9 months



Organic growth well on track

Org. growth in % yoy	FY2021	FY2022	Q1 2023	Q2 2023	Q3 2023	Guidance 2023
Group	6%	4%	11% 6% excl. TI	13% 5% excl. TI	1.5% 7% excl. TI	~5%
AIS	4%	1%	2%	2%	4%	mid-single digit %
HIS	8%	3%	11%	10%	14%	mid- to high-single digit %
CHS	10% 9% excl. TI	12% 4% excl. TI	37% 1% excl. TI	59% 5% excl. TI	-22% -3% excl. TI	low- to mid-single digit %
PCS	1%	7%	11%	5%	8%	low-single digit %

Strong financial performance in 9M



9M	€881m (+10%yoy)	68% (+0ppt)	+8% (+7ppt)	€195m (+18%yoy)	22% (+1ppt)	€1.50 (PY: €1.33)	€90m (PY: €24m)
Q3	€286m (+0.1%yoy)	71% (+6ppt)	1.5% (+4ppt)	€62m (+2%yoy)	22% (+1ppt)	€0.43 (PY: €0.51)	€8m (PY: -€5m)
	Revenue	Recurring rev share	Organic growth	Adj. EBITDA	Margin	Adj. EPS	FCF

Ambulatory segment with additional module sales

	Q3/23	yoy
Revenue (€m)	126	+2%
EBITDA adjusted (€m)	30	-10%
Margin	24%	-3ppt

77% (-3ppt)

Recurring revenue share



Recurring revenue

Q3/23 yoy

- **Revenue growth** of +2% with FX headwinds (US)
- **Organic revenue** +4% driven by additional modules for eHR, emergency data sets, a strong dental business in Germany and continued US progress
- **Recurring revenue** share high at 77%
- **Adjusted EBITDA margin** below prior year's level due to investment in patient portals

Hospital segment with double-digit organic growth

	Q3/23	yoy
Revenue (€m)	80	+13%
EBITDA adjusted (€m)	12	+27%
Margin	15%	+2ppt

66% (-2ppt)	+10% yoy
Recurring revenue share	Recurring revenue

Q3/23 yoy

- **Revenue organically** +14% due to strong project business in Germany, Spain and Poland
- **Recurring revenue share** decreasing by 2%, strong recurring revenue share of 66%
- **Adjusted EBITDA margin** above prior year's level based on strong revenue growth

TI flat rate game changer in CHS revenues

	Q3/23	yoy
Revenue (€m)	46	-24%
EBITDA adjusted (€m)	13	+9%
Margin	29%	+9ppt

65% (+37ppt)	+78% yoy
Recurring revenue share	Recurring revenue

Q3/23 yoy

- **Revenues** down vs prior year **TI connector exchange**
- **Recurring revenue** share jumping **from 28% to 65%** with **TI flat rate** introduction
- **Organic revenue ex TI** -3% with continued contraction in pharmaceutical spendings
- **EBITDA margin increase** attributable to improved revenue mix and cost management

Pharmacy segment delivering strong growth and margin

	Q3/23	yoy
Revenue (€m)	34	+8%
EBITDA adjusted (€m)	11	+16%
Margin	32%	+2ppt

67% (-1ppt)	+6% yoy
Recurring revenue share	Recurring revenue

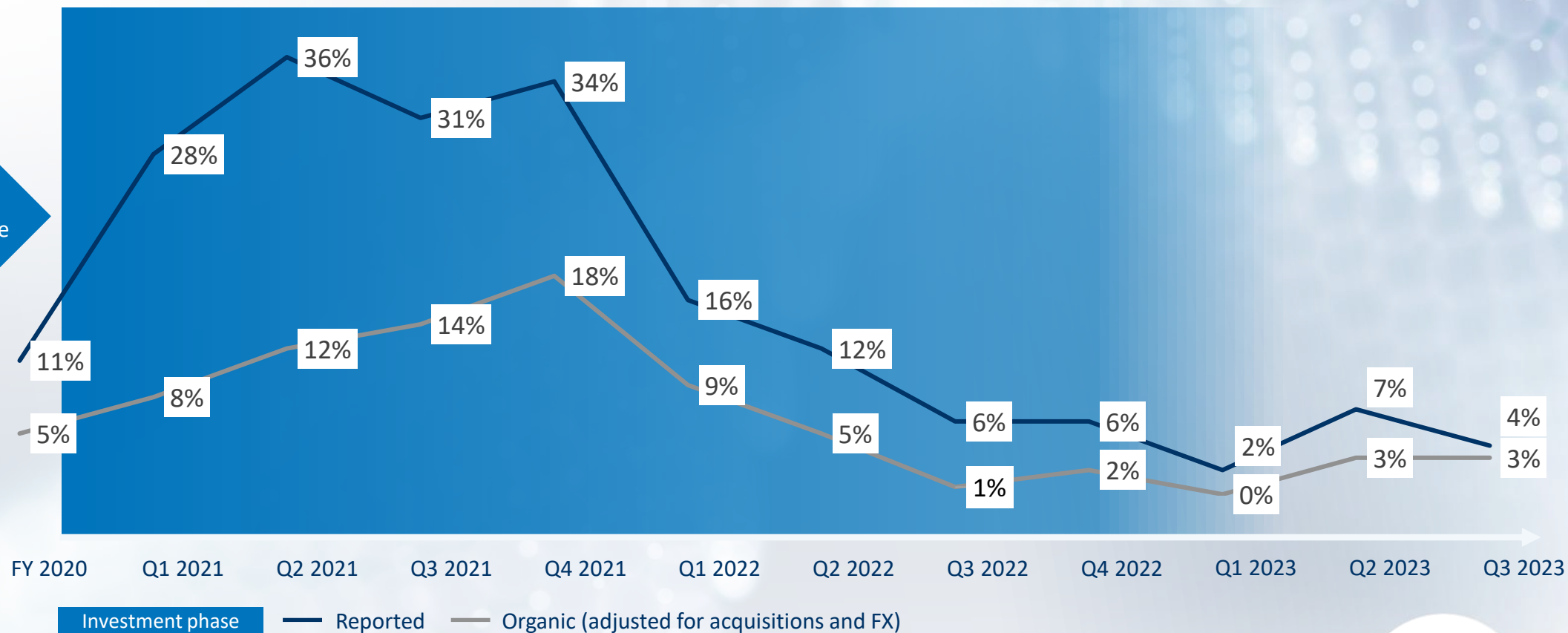
Q3/23 yoy

- **Organic revenue** growth of 8% driven by excellent growth in Italy
- **Recurring revenues up 6%**
- **Excellent adjusted EBITDA margin** due to strong revenue growth and cost management

Personnel expenses contained in line with expectations

Increase of personnel expenses yoy

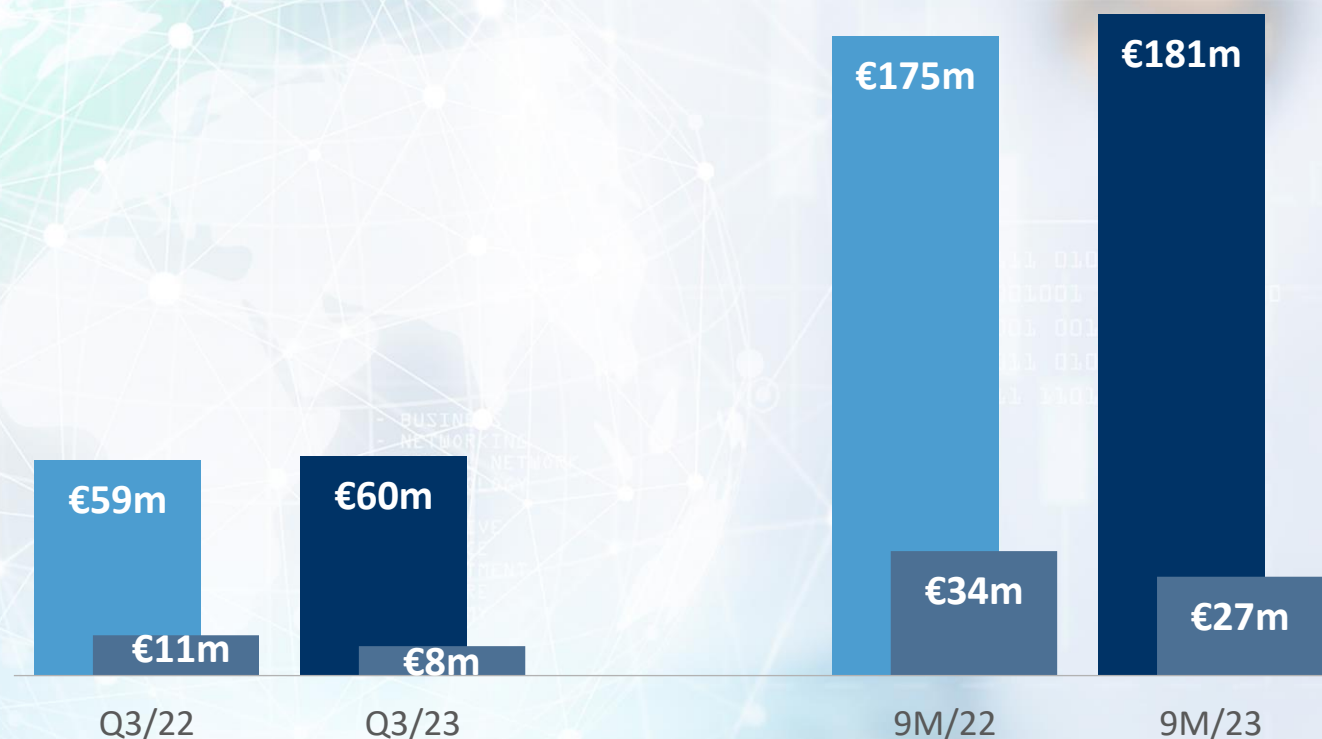
December 2020:
start of investment
initiative to accelerate
organic growth



R&D intensity normalizing after investment phase

Total R&D expenses

Thereof capex



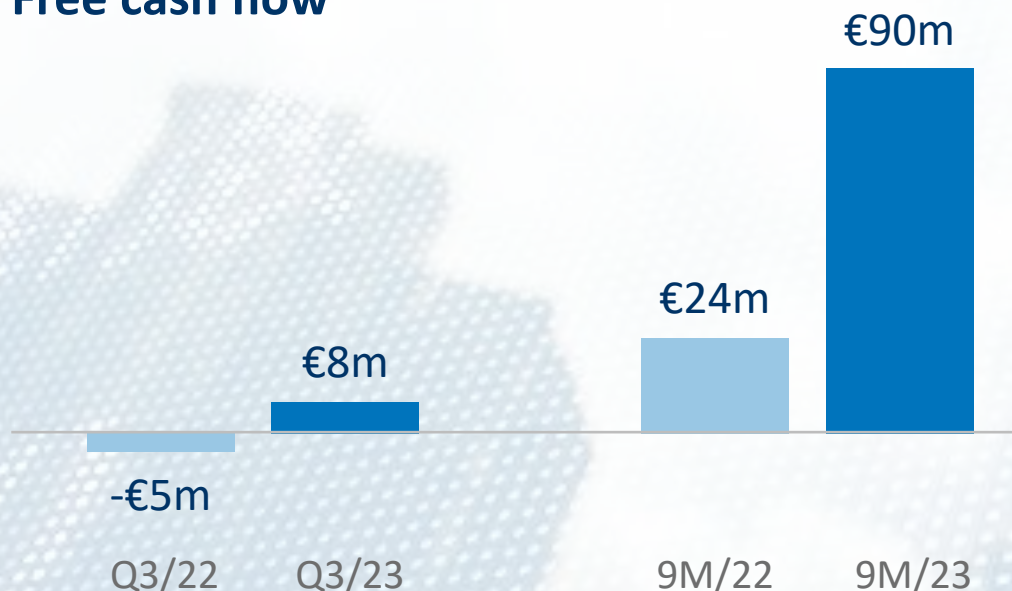
In % of revenues

	Q3	9M
2023	21%	21%
2022	21%	22%

R&D amortization: €4.0m in Q3/2023 and €3.9m in Q3/2022
€11.1m in 9M/2023 and €8.6m in 9M/2022

€90m free cash flow in first nine months 2023

Free cash flow



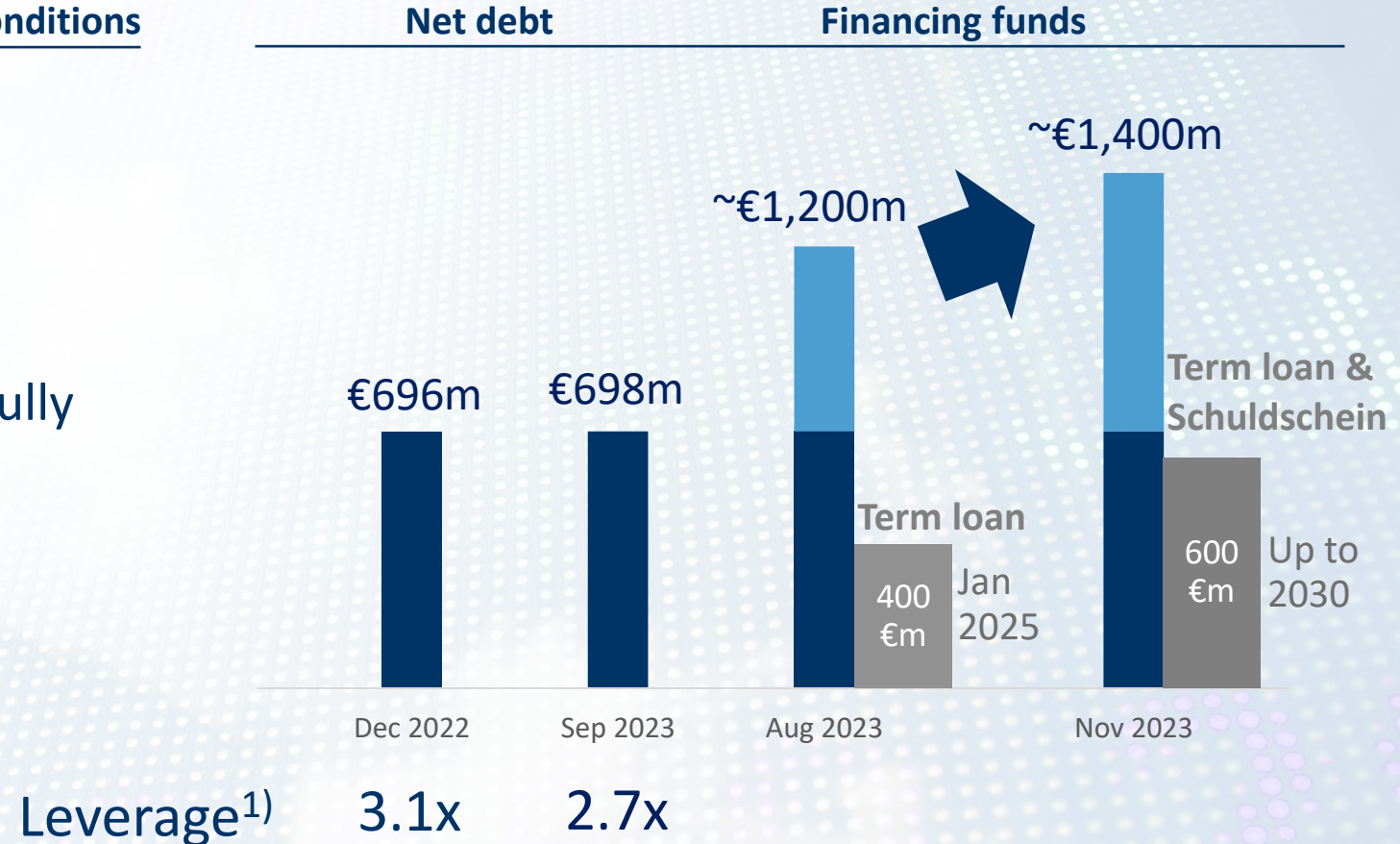
- **Continued focus** on free cash flow management
- **Solid progress** in Q3 after excellent first half

Free cash flow FY 2023 expected >€100m

Financing profile significantly improved

Increased funds & extended maturities at attractive conditions

- **>80% of net debt protected against interest hike** with derivatives such as caps and swaps
- Financing **extended until 2030**
- **New Schuldschein of €300m** successfully placed in October 2023
- Full focus on **deleveraging**



Guidance 2023 confirmed

	FY 2022 actuals	Guidance 2023*
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 well on track towards FY 2023 guidance and mid-term ambitions

>5%

Organic revenue
growth CAGR

2020 – 2025

>70%

Recurring revenue
share

2025

~27%

Adjusted EBITDA
margin

2025

Our mission

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





Q&A

PLEASE PRESS *1 TO ASK QUESTIONS

Integrating CHS into AIS – Segment reporting as of 2024

	AIS 2022				CHS 2022				AIS 2022 new			
	Revenues (€m)	EBITDA adj. (€m)	EBITDA adj. margin	Organic growth	Revenues (€m)	EBITDA adj. (€m)	EBITDA adj. margin	Organic growth	Revenues (€m)	EBITDA adj. (€m)	EBITDA adj. margin	Organic growth
FY	502	129	26%	1%	220	51	23%	12%	722	181	25%	4%
Q1	120	26	22%	3%	35	9	26%	7%	155	36	23%	4%
Q2	123	31	26%	2%	41	5	12%	0%	163	36	22%	1%
Q3	123	33	27%	-4%	60	12	20%	-15%	183	45	25%	-8%
Q4	137	38	28%	4%	83	25	30%	59%	220	63	29%	18%
Current segment structure									New segment structure			

Integrating CHS into AIS – Segment reporting as of 2024

	AIS 9M/2023				CHS 9M/2023				AIS 9M/2023 new			
	Revenues (€m)	EBITDA adj. (€m)	EBITDA adj. margin	Organic growth	Revenues (€m)	EBITDA adj. (€m)	EBITDA adj. margin	Organic growth	Revenues (€m)	EBITDA adj. (€m)	EBITDA adj. margin	Organic growth
9M	378	90	24%	3%	171	56	33%	17%	548	147	27%	7%
Q1	125	29	24%	2%	58	14	25%	37%	183	44	24%	10%
Q2	127	31	25%	2%	67	29	43%	59%	194	60	31%	16%
Q3	126	30	24%	4%	46	13	29%	-22%	172	43	25%	-5%

Current segment structure

New segment structure

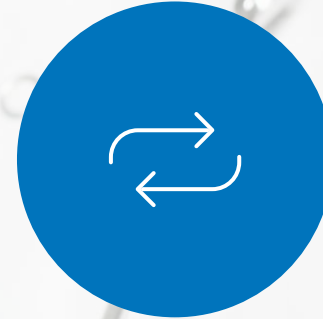
Q3 impacted by strong prior year comp



+0%
revenue growth



+1.5%
organic growth
(7% excl. TI)

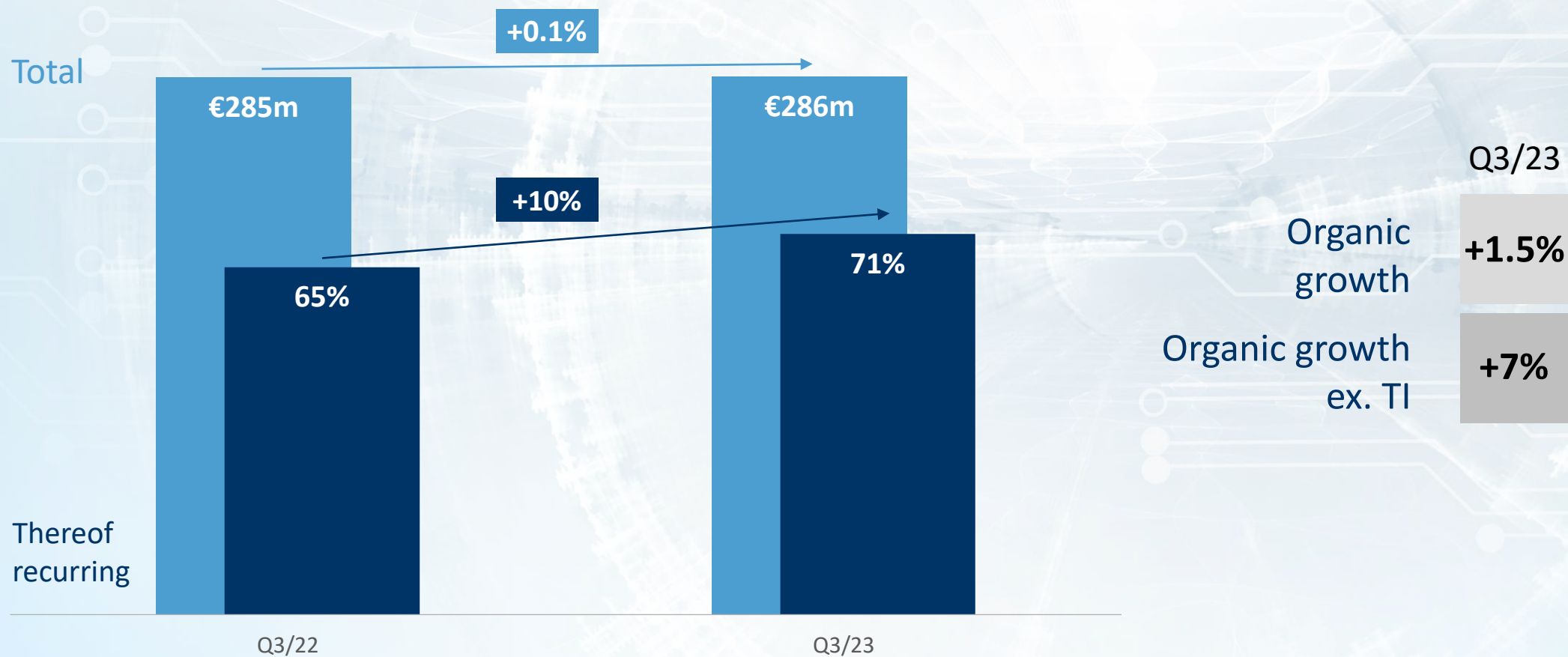


+10%
growth in recurring
revenues



+2%
adjusted EBITDA
growth

Share of recurring revenues jumps to 71% in Q3



Segment overview Q3 2023

Group		AIS		HIS		CHS		PCS		
		Revenue share								
	Q3/23	yoy	Q3/23	yoy	Q3/23	yoy	Q3/23	yoy	Q3/23	yoy
Revenue (€m)	286	+0%	126	+2%	80	+13%	46	-24%	34	+8%
EBITDA adjusted (€m)	62	+2%	30	-10%	12	+27%	13	+9%	11	+16%
Margin	22%	+1ppt	24%	-3ppt	15%	+2ppt	29%	+9ppt	32%	+2ppt

Segment guidance 2023 organic growth rates

	FY 2022 actuals	Guidance 2023
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 %

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**

Q3/2023 Net income adjustments

€m	Q3/23	Q3/22
EBITDA adjusted	62.1	61.0
Depreciation & amortization (incl. PPA)	-26.8	-28.3
PPA effects on depreciation & amortization (for M&A since Jan 1, 2020 & >50m transaction volume)	6.3	6.7
EBIT adjusted	41.6	39.4
Financial result	-8.1	-1.3
Income taxes	-10.1	-11.2
Net income adjusted	23.4	26.9
EPS adjusted, diluted (€)	0.43	0.51
Depreciation & amortization of PPA (for M&A since Jan 1, 2020 & >50m transaction volume)	-6.3	-6.7
M&A related adjustments	-0.5	-0.7
Share-based option programs	1.0	-0.9
Restructuring expenses	0.0	0.0
Other non-operative, extraordinary or prior period one-time effects*	-2.8	13.6
Taxes attributable to these effects	2.0	-2.7
Net income	16.8	29.5

*including interest cap effect



Q3/2023 EBITDA bridges to adjusted EBITDA (non-IFRS) and EBIT

€m	Q3/23	Q3/22
EBITDA reported	58.4	59.4
M&A transactions	0.5	0.7
Share-based option programs	-1.0	0.9
Restructuring program expenses	0.0	0.0
Other non-operative, extraordinary or prior period one-time effects	4.2	0.0
EBITDA adjusted	62.1	61.0

€m	Q3/23	Q3/22
EBITDA reported	58.4	59.4
Depreciation & amortization (ex PPA)	-16.1	-16.7
PPA effects on depreciation & amortization	-10.7	-11.6
<i>Thereof PPA adjustments (for M&A since Jan 1, 2020 & >50m transaction volume)</i>	-6.3	-6.7
EBIT reported	31.6	31.1

Q3/2023 P&L Group

€m	Q3/23	Q3/22
Revenues	285.7	285.4
Capitalized own services / other operating income	12.7	13.0
Expenses for goods & services purchased	-53.0	-56.5
Personnel expenses	-139.4	-133.7
Other operating expenses	-47.6	-48.8
EBITDA reported	58.4	59.4
Depreciation & amortization	-26.8	-28.3
EBIT	31.6	31.1
Financial result	-6.8	12.3
EBT	24.8	43.4
Income taxes	-8.0	-13.9
Net income	16.8	29.5
Non-controlling interest	0.8	0.1
EPS reported, diluted (€)	0.31	0.56

9M/2023 Net income adjustments

€m	9M/23	9M/22
EBITDA adjusted	195.2	166.1
Depreciation & amortization (incl. PPA)	-79.2	-81.6
PPA effects on depreciation & amortization (for M&A since Jan 1, 2020 & >50m transaction volume)	-18.7	20.3
EBIT adjusted	134.7	104.8
Financial result	-21.8	-6.3
Income taxes	-33.9	-28.9
Net income adjusted	79.0	69.6
EPS adjusted, diluted (€)	1.50	1.33
Depreciation & amortization of PPA (for M&A since Jan 1, 2020 & >50m transaction volume)	-18.7	-20.3
M&A related adjustments	-2.9	-2.2
Share-based option programs	7.4	-1.8
Restructuring expenses	0.0	-3.4
Other non-operative, extraordinary or prior period one-time effects*	-7.3	17.0
Taxes attributable to these effects	4.9	0.9
Net income	62.4	59.8

*Including interest cap effect



9M/2023 P&L Group

€m	9M/23	9M/22
Revenues	880.7	802.1
Capitalized own services / other operating income	46.9	43.2
Expenses for goods & services purchased	-159.1	-145.2
Personnel expenses	-421.1	-403.9
Other operating expenses	-152.7	-146.3
EBITDA reported	194.7	149.9
Depreciation & amortization	-79.2	-81.6
EBIT	115.5	68.3
Financial result	-24.1	19.5
EBT	91.4	87.8
Income taxes	-29.0	-28.0
Net income	62.4	59.8
Non-controlling interest	0.5	0.2
EPS reported, diluted (€)	1.18	1.14

9M/2023 EBITDA bridges to adjusted EBITDA (non-IFRS) and EBIT

€m	9M/23	9M/22
EBITDA reported	194.7	149.9
M&A transactions	2.9	2.2
Share-based option programs	-7.4	1.8
Restructuring program expenses	0.0	3.4
Other non-operative, extraordinary or prior period one-time effects	5.0	8.8
EBITDA adjusted	195.2	166.1

€m	9M/23	9M/22
EBITDA reported	194.7	149.9
Depreciation & amortization (ex PPA)	-46.8	-46.9
PPA effects on depreciation & amortization	-32.4	-34.7
<i>Thereof PPA adjustments (for M&A since Jan 1, 2020 & >50m transaction volume)</i>	18.7	-20.3
EBIT reported	115.5	68.3

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