

# Synchronizing Healthcare

3rd quarter 2013 – Conference Call

Christian B. Teig, CFO

20 November, 2013



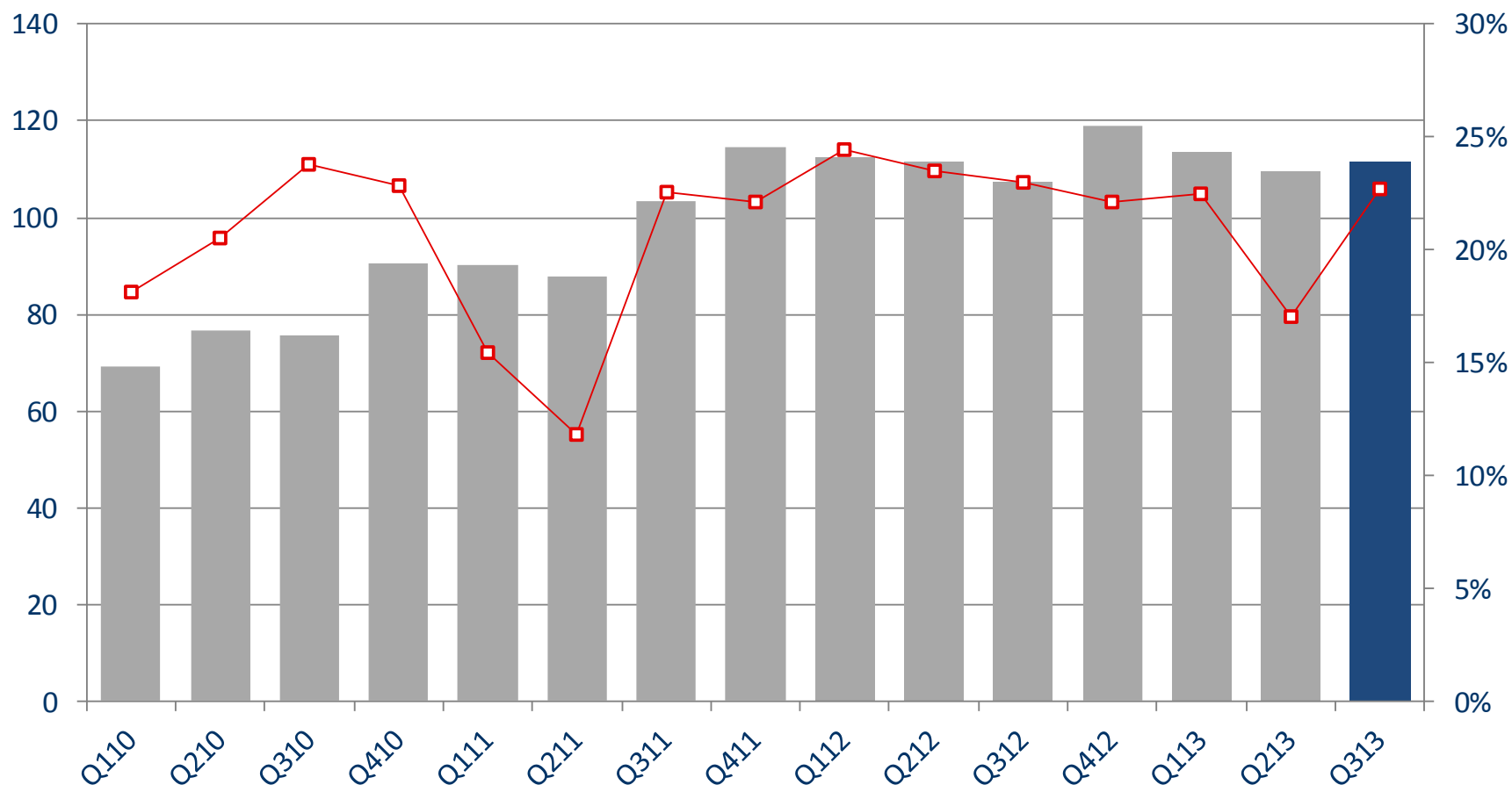
# Key figures second quarter 2013

€ M	Q3 13	Q3 12	Change	2012
Revenue	111.4	107.4	4%	450.6
EBITDA	25.3	25.6	-1%	104.8
EBIT	15.4	16.0		64.0
EBT	9.3	9.7		48.2
Net income	5.4	6.2		30.3
EPS (€)	0.11	0.12		0.61
Cash net income*	12.4	13.2		60.0
Cash net income per share (€)	0.25	0.27		1.20

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

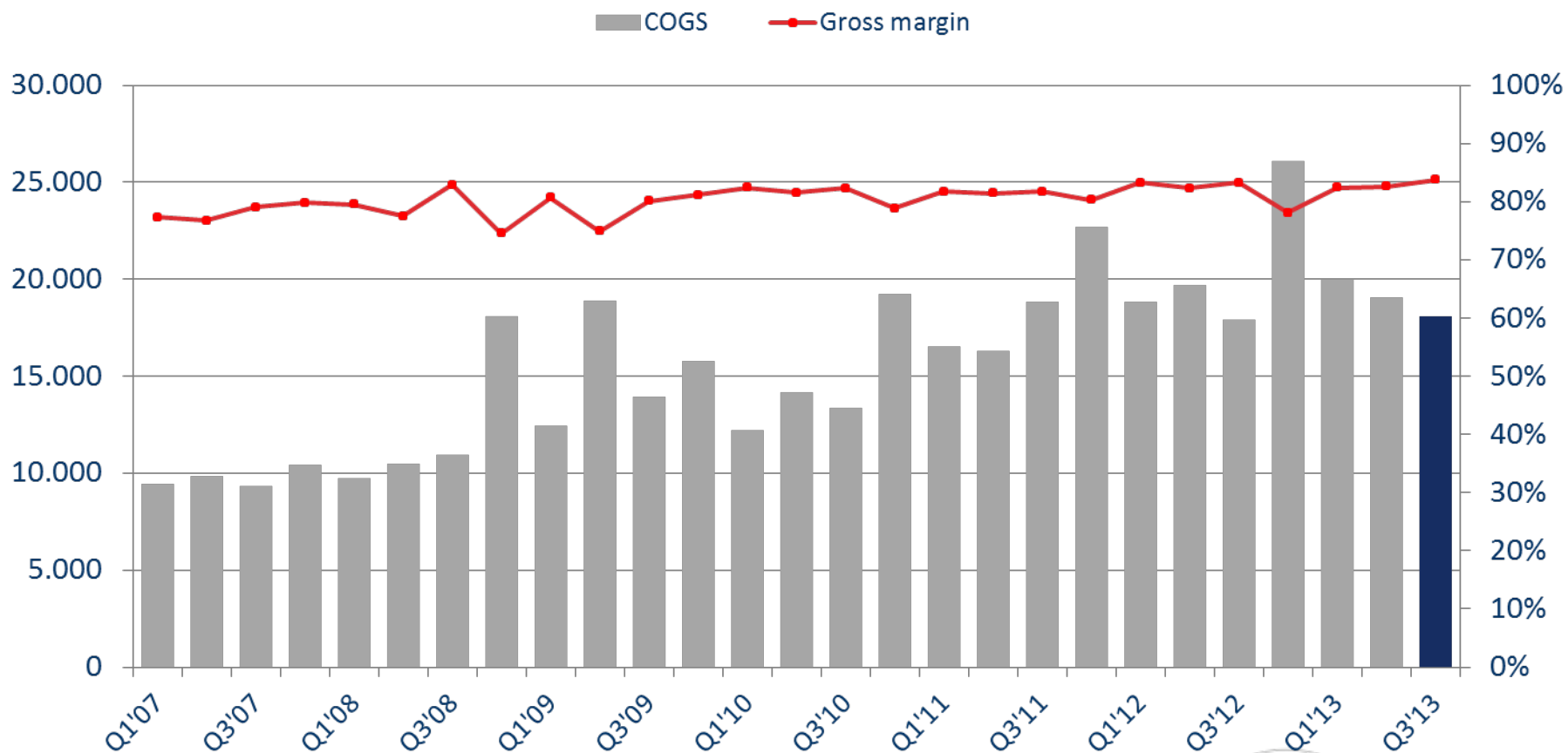
# 2010 – 2013 per quarter

Revenue (€ M) / profitability (EBITDA%)



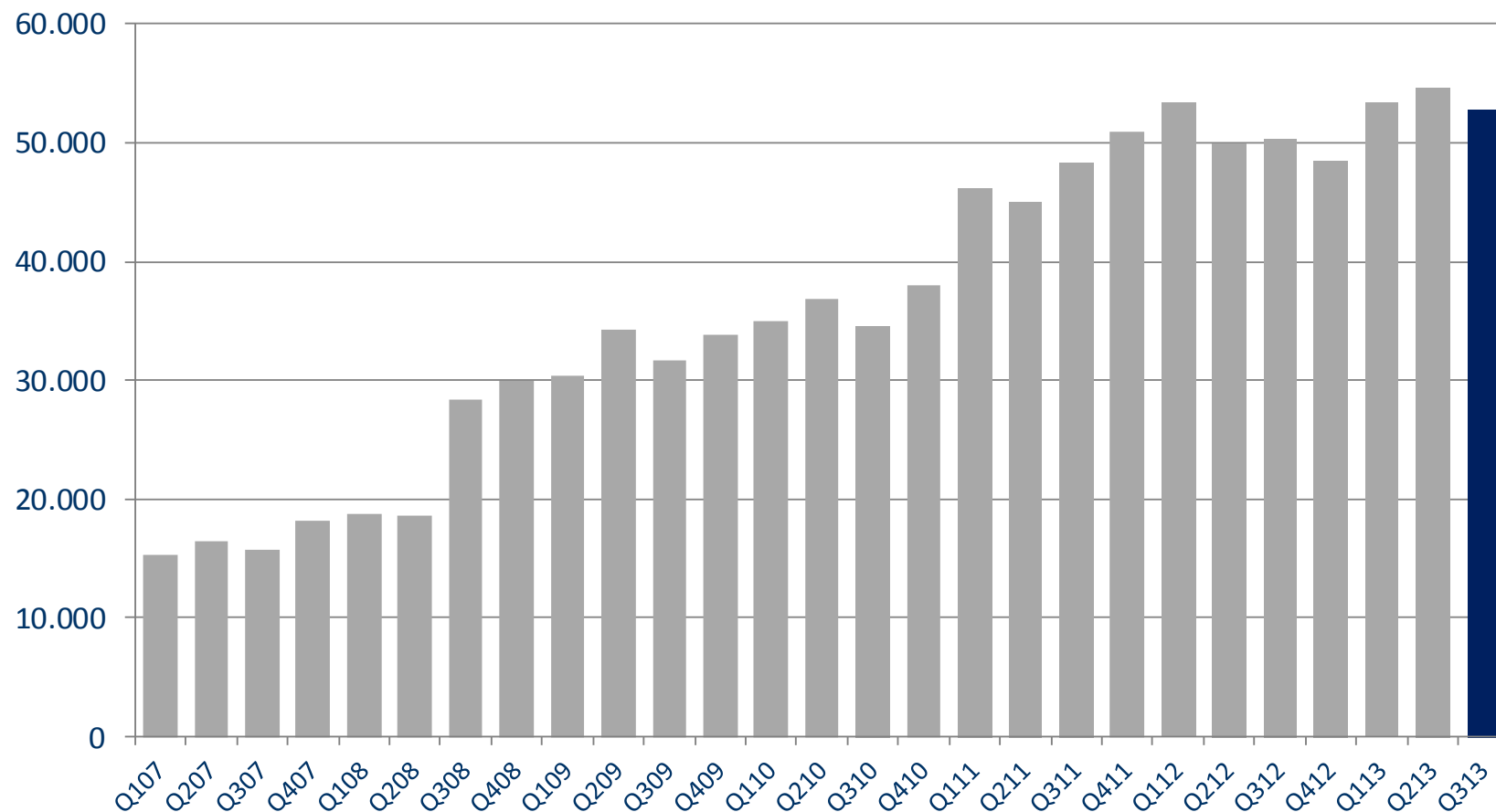
# COGS and gross margin

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



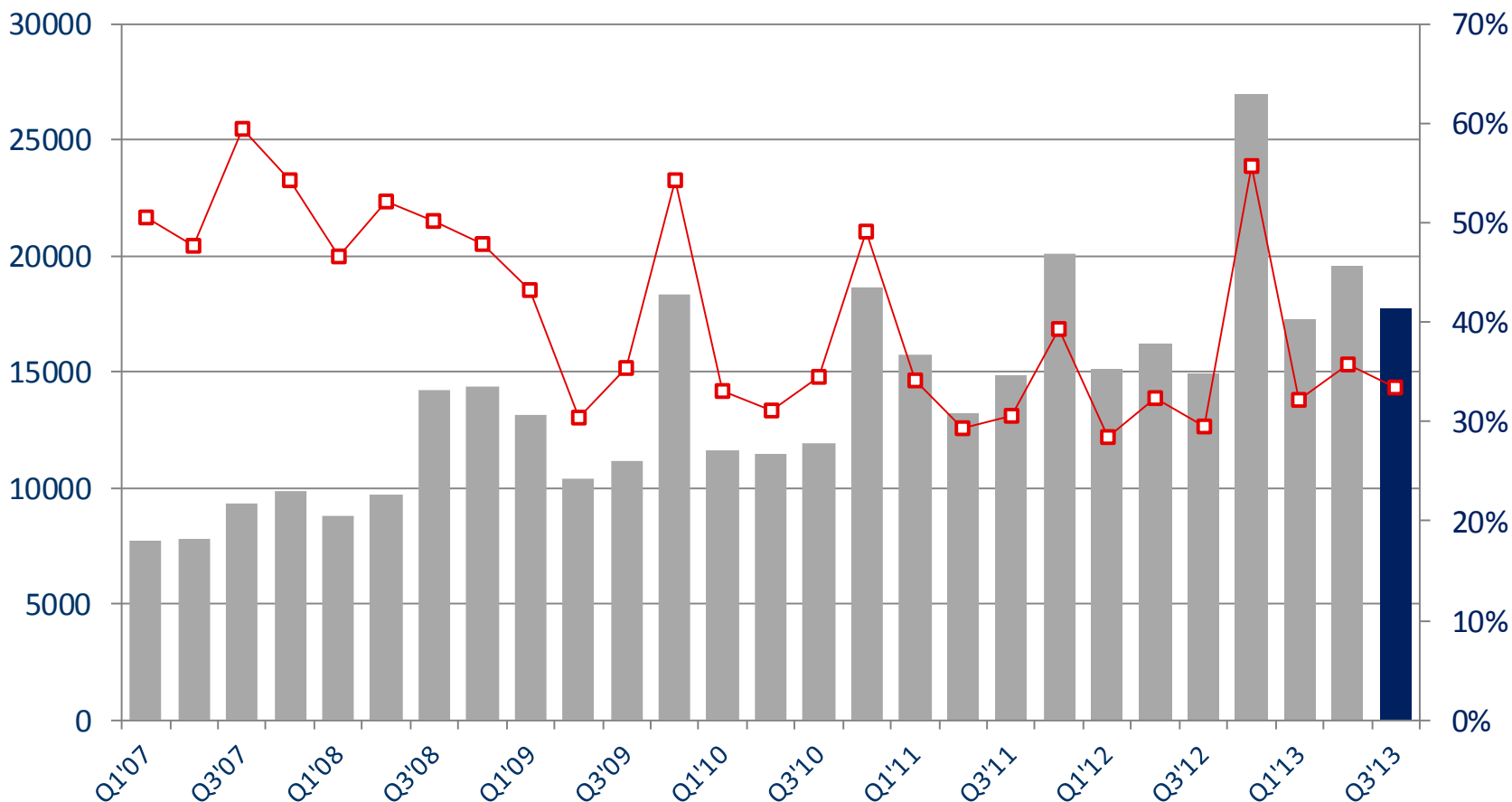
# Personnel expenses

€ '000



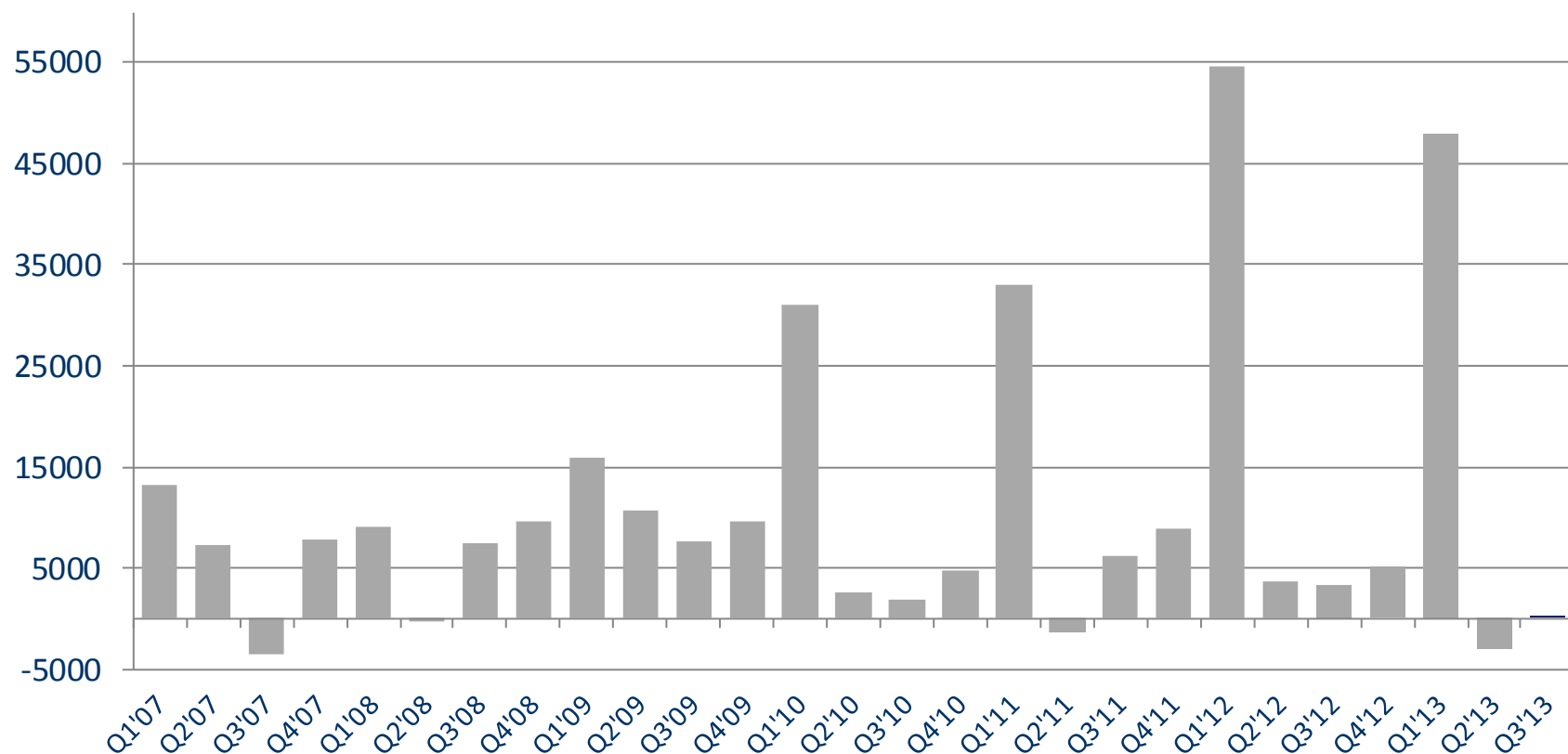
# Other expenses

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



# Operating cash flow

€ '000



# Capital expenditure

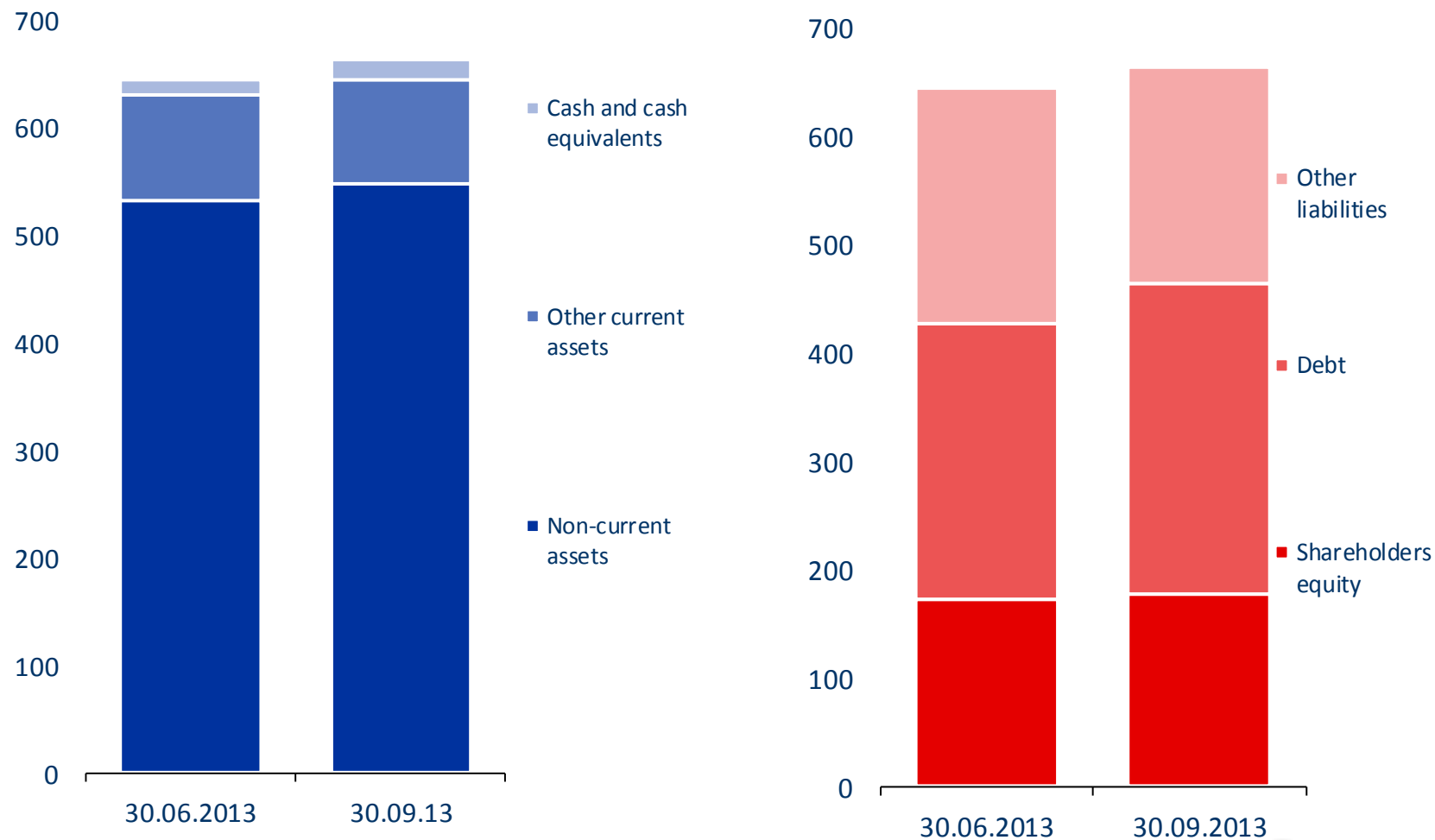
€ M	Q3 2013
Company acquisitions (Studiofarma, QF, Tekne)	14.1
Purchase of minority interest of UCF Holding S.a.r.l.	8.8
Capitalized in-house services and other intangible assets	3.5
Office buildings and property	0.5
Other property and equipment	0.6
Sum	27.5

- Capitalized in-house services and other intangible assets include EUR 0.8 million in licenses and related services for a new Group-wide ERP/CRM system



# Statement of financial position

€ M



# Software for doctors

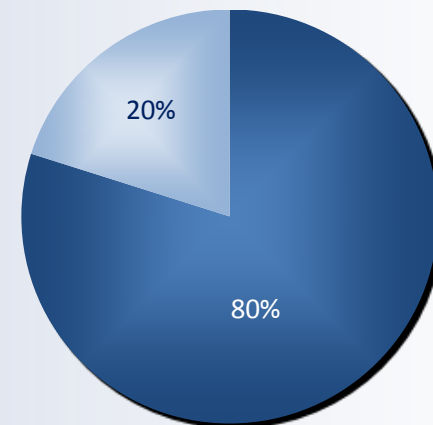


# Doctor software (AIS) development

## AIS revenue Q3 2013

100% = 62.8 € M

	€ M	%
Revenue Q3 2012	62.2	
Acquisitions	0.0	
Organic growth	0.6	1%
Revenue Q3 2013	62.8	1%

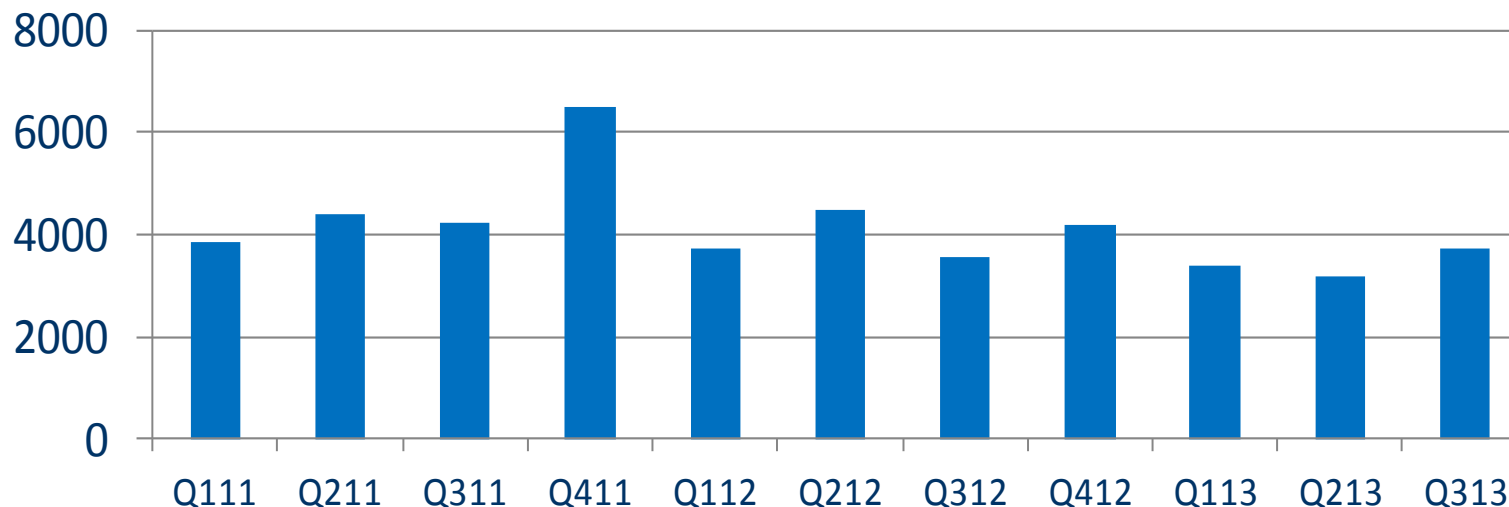


■ Recurring service fees ■ Non-recurring sales

- 1 percent organic growth, 3 percent at constant exchange rates
- 9 percent organic growth in Europe (constant exchange rates)
- Revenue in the US of €8.9 million (\$ 11.8 million), down from €11.6 million (\$ 14.5 million) in Q3 2012

# US development – 3rd quarter 2013

## Bookings (sales) per quarter in USA (USD t)



- Some improvement in bookings
- No significant sequential revenue development (Q1: 12.2 USD m; Q2: 12.5 USD m; Q3: 11.8 USD m)
- Meaningful Use stage 2 and stage 3 and ICD-10 are expected to drive the market going forward (both EHR and PM/ billing services)

# Dental software acquisition in Italy

- Acquisition of 80% of Tekne Srl
- Highly modern software for Mac OS, Windows and Linux
- Approx. 500 dentists as clients
- Organic growth strategy



## Italian dental market

- 44,500 dentists
- Thereof around 22,250 computerized





# Software for pharmacies

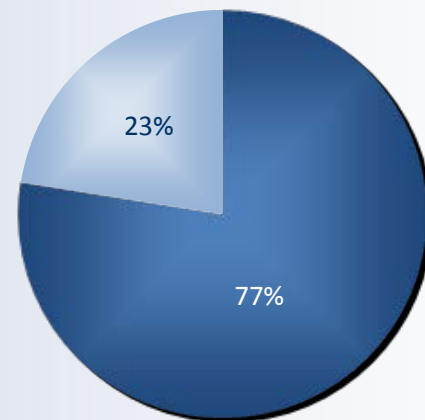


# Pharmacy software (PCS) development

## PCS revenue Q3 2013

100% = 15.8 € M

	€ M	%
Revenue Q3 2012	12.8	
Acquisitions	3.0	23%
Organic growth	0.0	
Revenue Q3 2013	15.8	23%



■ Recurring service fees

■ Non-recurring sales

- Good performance in the third quarter with sales and order bookings reaching record highs at the EXPOPHARM trade fair in Germany
- First time consolidated revenue contribution from newly acquired pharmacy software business in Italy

# PCS growth strategy presented at the MEDICA



Small, fast, safe: the prescription scan solution for an optimized pharmacy workflow.



WINAPO® 64 performance in an attractive, completely touch-operated all-in-one design package.



A pharmacy's competitive edge: the app for customer relations the smart way.



Flexible and modern P.O.S. media for increased turnover and revenue with OTC products.

## Pharmacy NOW!

Innovation at work for YOUR success.



A family of products for the safe and efficient cross linking of pharmacy branches and cooperations.



"TÜV"-certified, revision-proof document archive and perfectly organized task management for pharmacies.





# Market entry Italy

- In July 2013, CGM acquired the Italian market leader for pharmacy software Studiofarma S.r.l. and its largest sales partner, Qualità in Farmacia S.r.l.
- Over 7,000 customers with a total market share of approximately 33%
- More than 60% of revenue is recurring
- Low customer churn rate: ~1%



# Software for hospitals

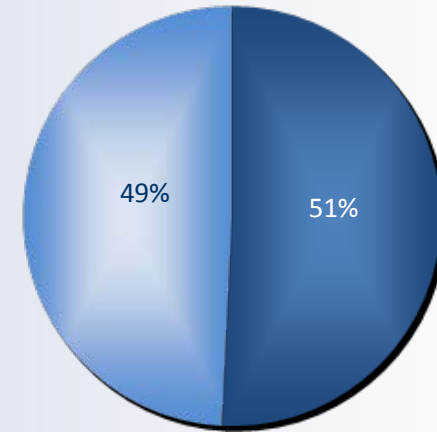


# Hospital software (HIS) development

## HIS revenue Q3 2013

100% = 19.3 € M

	€ M	%
Revenue Q3 2012	18.0	
Acquisitions		
Organic growth	1.3	7%
Revenue Q3 2013	19.3	7%



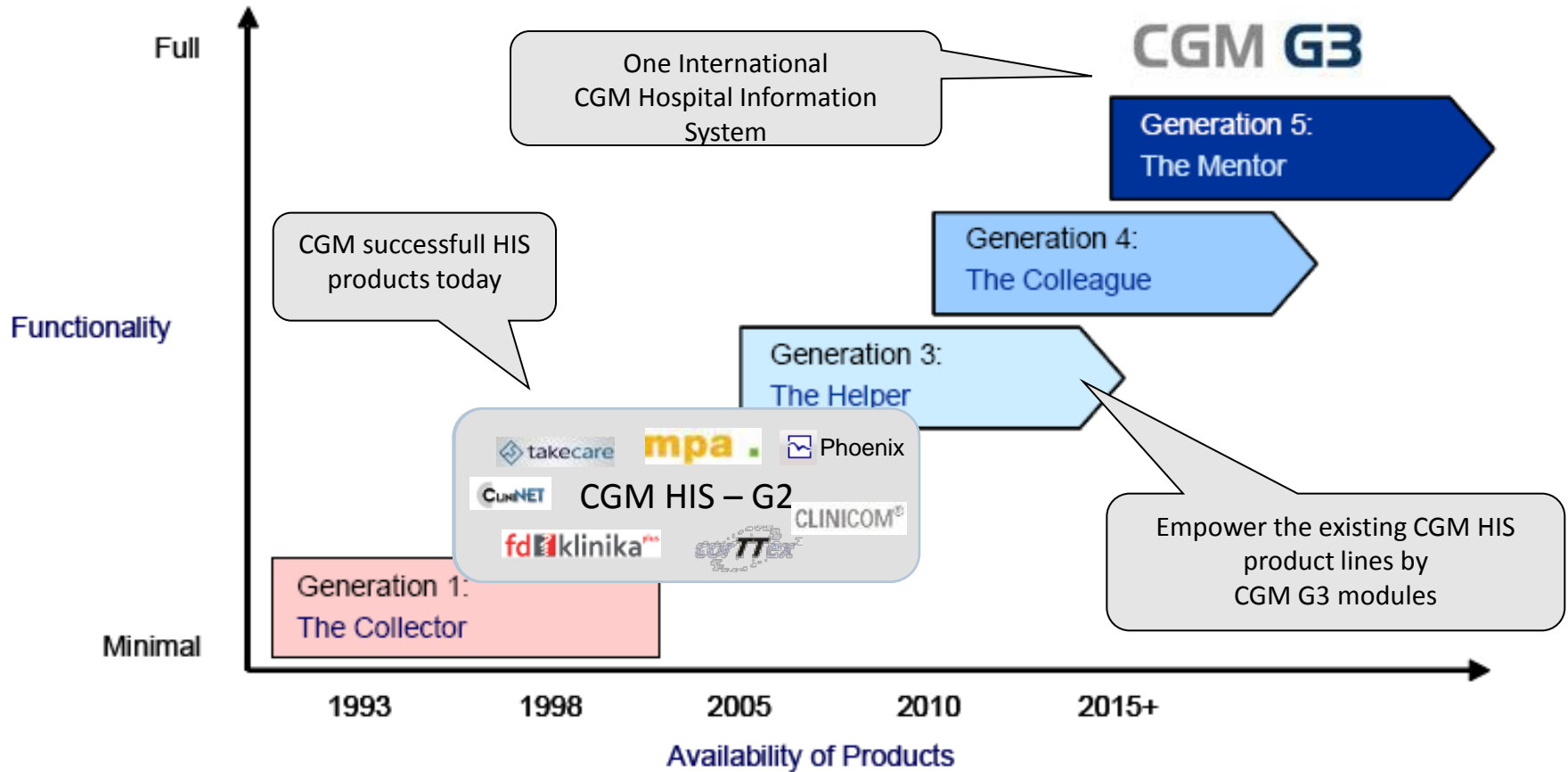
■ Recurring service fees

■ Non-recurring sales

- Good third quarter with 7 percent organic growth
- Good quarter in Austria, the largest hospital market for CGM
- Product issues in the German social care market that impacted the second quarter were solved

# Hospital growth strategy presented at the MEDICA

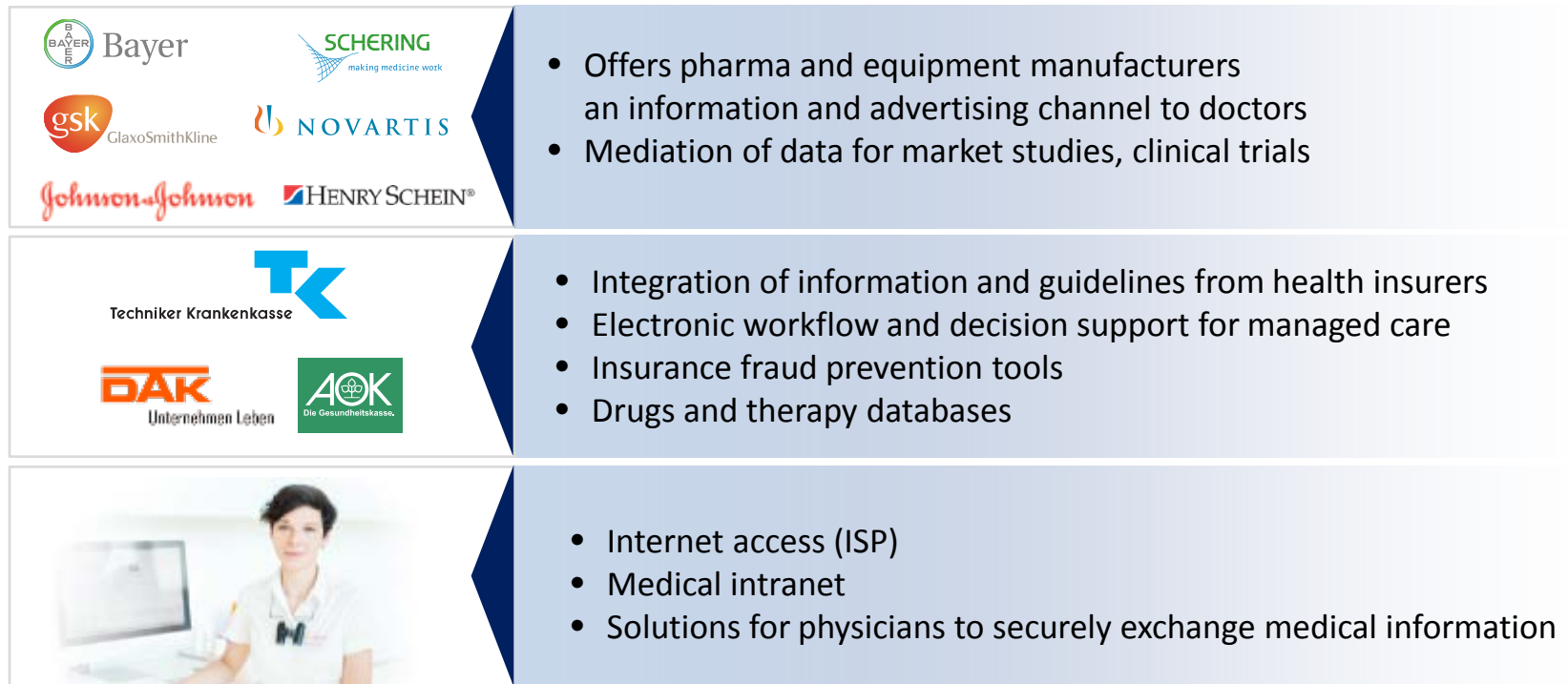
Figure 1. The Five Generations of CPR Systems



Source: Gartner (March 2006)

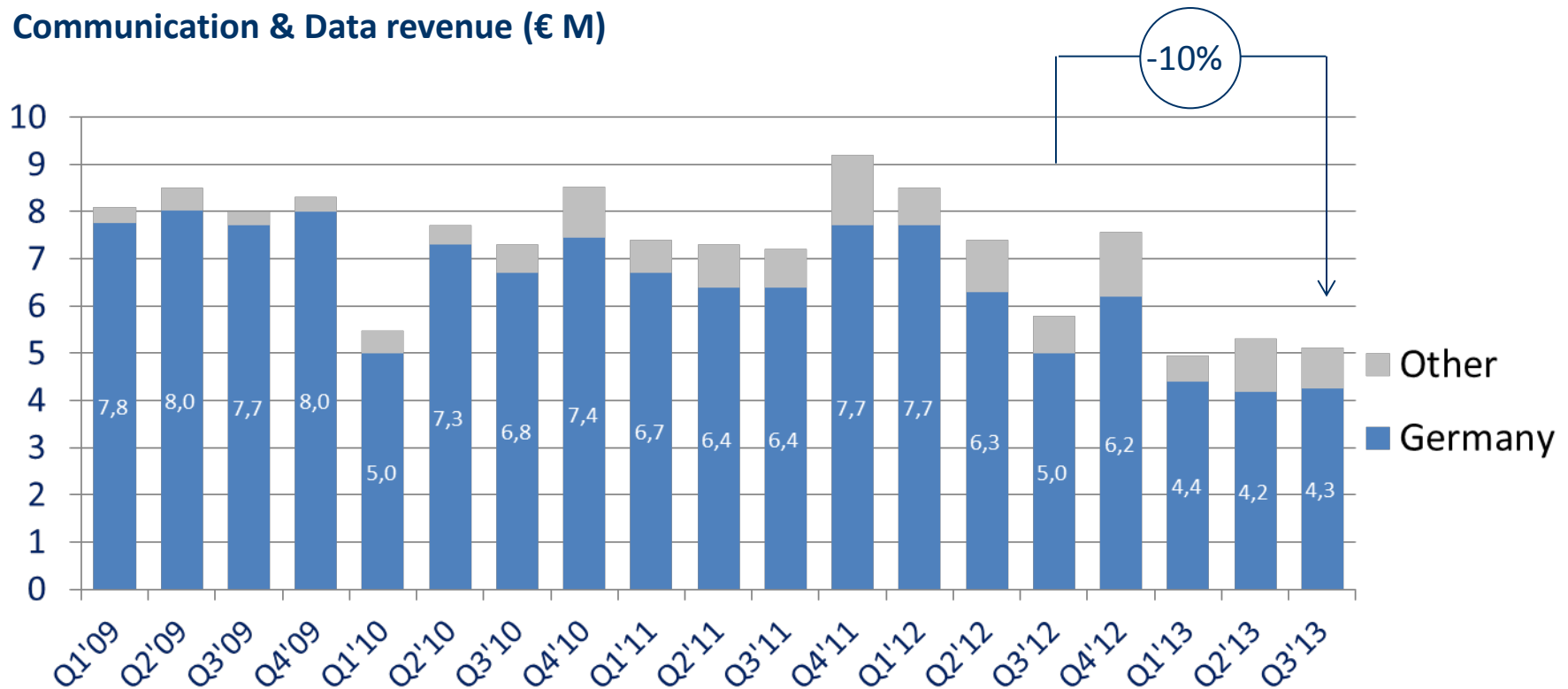
# Extended business model through HCS

## Channel for networking and sharing medical information between various healthcare participants



# Communication & Data development

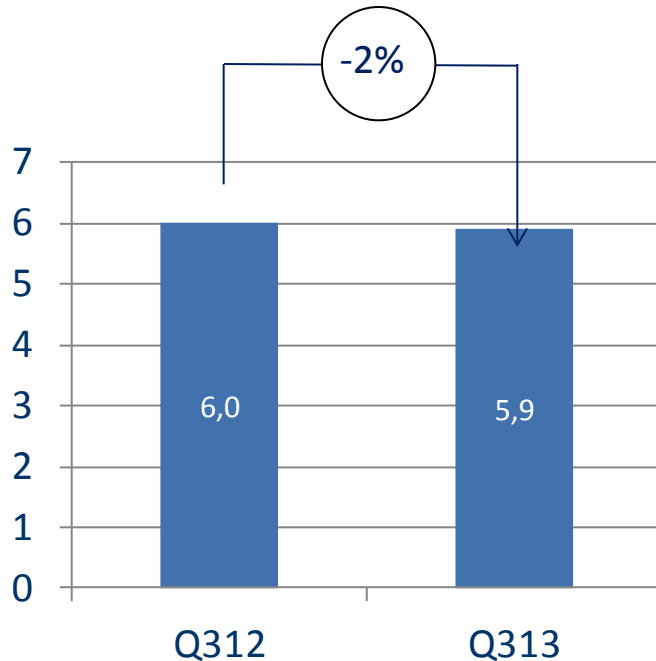
Communication & Data revenue (€ M)



- As expected, no material sequential revenue development
- Revenue level realized so far in 2013 is also the expected run-rate for the remainder of the year.

# Workflow & Decision Support development

Workflow & Decision Support revenue (€ M )



- Sales of CompuGroup's new drug database tool (IPC3) to 3rd party software vendors continue at a slow pace
- Maintenance of old administrative software applications for German insurance companies is being phased-out during 2013
- New contracts have been signed, such as the North Rhine-Westphalia Project and new CardTrust customers
- The new contracts are expected to drive some sequential revenue improvement in the second half of 2013



# Guidance 2013 reaffirmed

- CompuGroup Medical reaffirms the outlook for 2013 presented in the financial report for the second quarter 2013:
  - Revenue is expected to be in the range of EUR 458 million to EUR 463 million
  - Operating income (EBITDA) is expected to be in the range of EUR 97 million to EUR 100 million
- The guidance for 2013 represents management's best estimate of the market conditions that will exist in 2013 and how the business segments of CompuGroup Medical will perform in this environment
- The guidance does not include revenue and costs associated with potential and currently undetermined further acquisitions during 2013



# Financial calendar 2013 / 2014

Date	Event
November 20, 2013	Interim report Q3 2013   Analyst conference
February 5, 2014	Preliminary Q4 / Full year report 2013
March 27, 2014	Annual report 2013
May 8, 2014	Interim report Q1 2014
May 14, 2014	Annual general meeting 2014, Koblenz
August 7, 2014	Interim report Q2 2014
November 12, 2014	Interim report Q3 2014   Analyst conference

## Q&A session

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

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