

05/2020

Roadshow Presentation



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Claudia Thomé, Head of IR

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**NOBODY SHOULD SUFFER OR DIE BECAUSE
AT SOME POINT MEDICAL INFORMATION
WAS MISSING.**

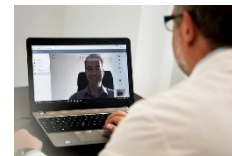
NOT EVEN IN A PANDEMIC.

Taking responsibility and supporting health system in COVID-19 crisis

Free Mobile Practice Management

- Offering **TELEMED Mobile Praxis Center** solution free of charge until end of June
- 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**

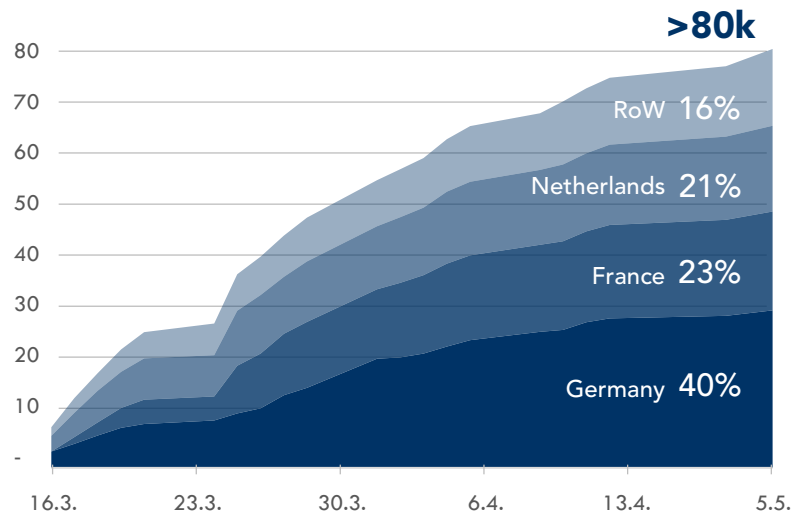
Telemonitoring



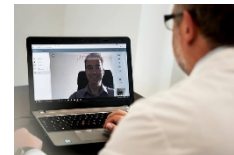
- **Relieving hospitals** with telesystems for **monitoring patients** with infection in **home quarantine** after inpatient treatment
- **Protecting medical and nursing staff**
- Recording vital parameters wirelessly, transmitting to practitioners and immediately alerting in case of emergency

Huge demand for free video consultations in COVID-19 crisis

Registrations (in thousands)



Free video consultation solution



- Since mid-March providing doctors with **video consultation solution free of charge**
- **>80,000 registrations** for CLICKDOC video consultation within weeks per May 5, 2020
- Protecting doctors, practice teams and other patients from **risk of infection** by patients suspected of being infected with COVID-19

More than 1 million professional users of our products worldwide



Our segments cover essential parts of the patient journey

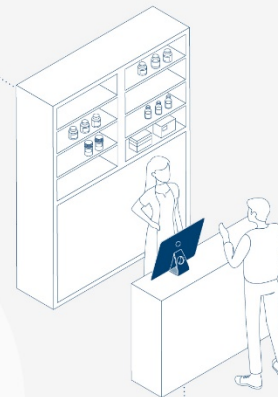
AMBULATORY INFORMATION SYSTEMS

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



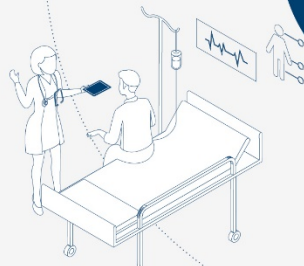
PHARMACY INFORMATION SYSTEMS

Enabling responsible consultations, optimal processes and economic success



HOSPITAL INFORMATION SYSTEMS

Intelligent management for quality, efficiency and growth



CONSUMER & HEALTH MANAGEMENT INFORMATION SYSTEMS

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



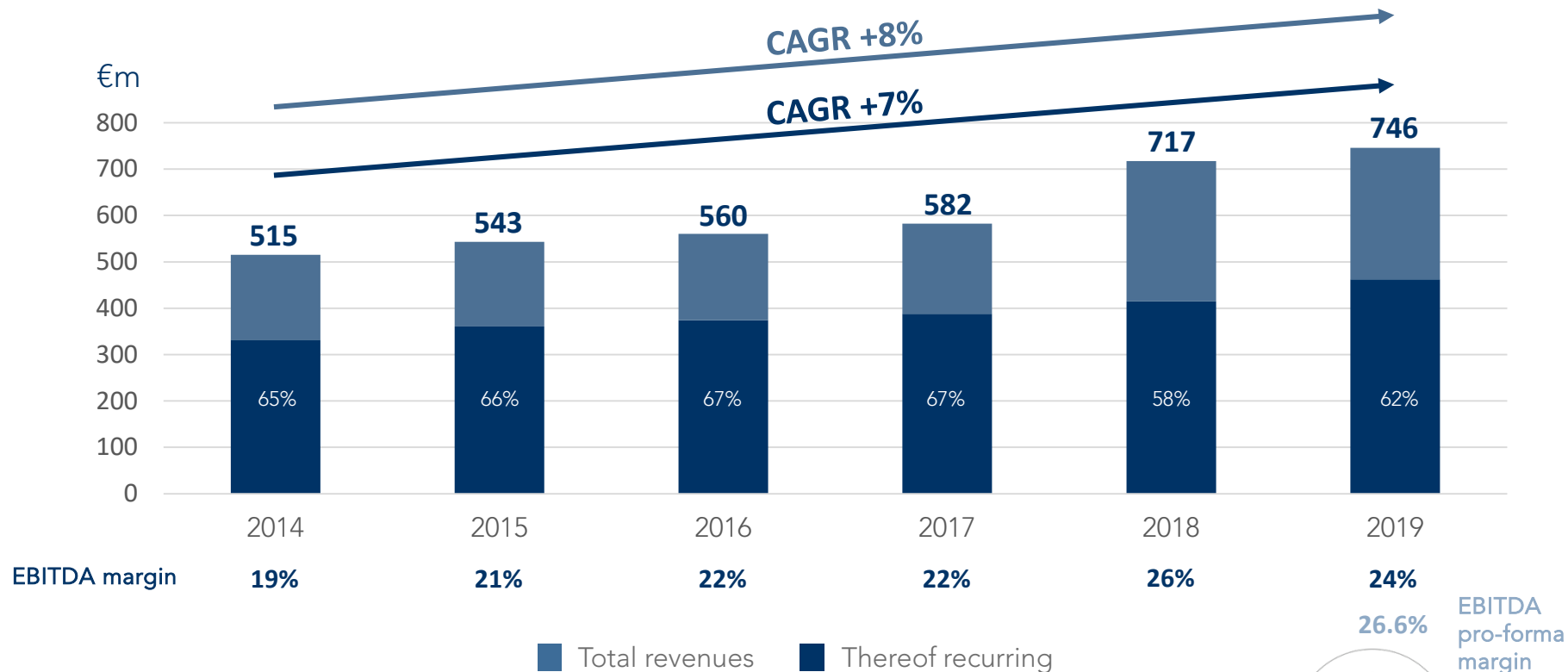
MISSION



"More time for what is important: the patient."

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

Strong recurring revenue base and high margins



Strong Q1/20 during evolving worldwide COVID-19 pandemic



€183m

(+5%yoy)

Revenue



€123m

(+10%yoy)

Recurring
Revenue



€43m

(-13%yoy)

EBITDA
adjusted



24%

(-5ppt)

Margin



€0.34

(-28%yoy)

EPS
adjusted*



€53m

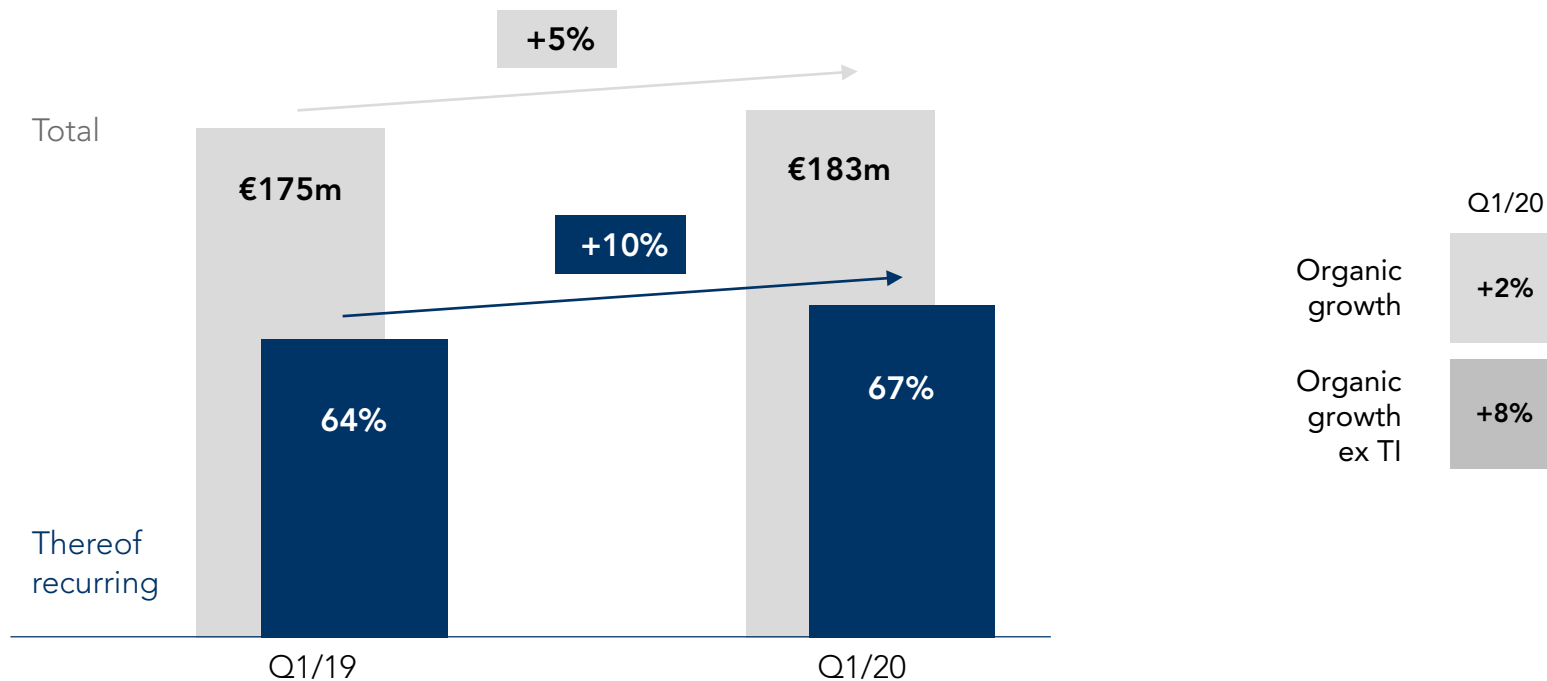
(-7%yoy)

Free Cash
Flow adjusted

Q1 EBITDA and Free Cash Flow better than expected despite challenging environment

*diluted

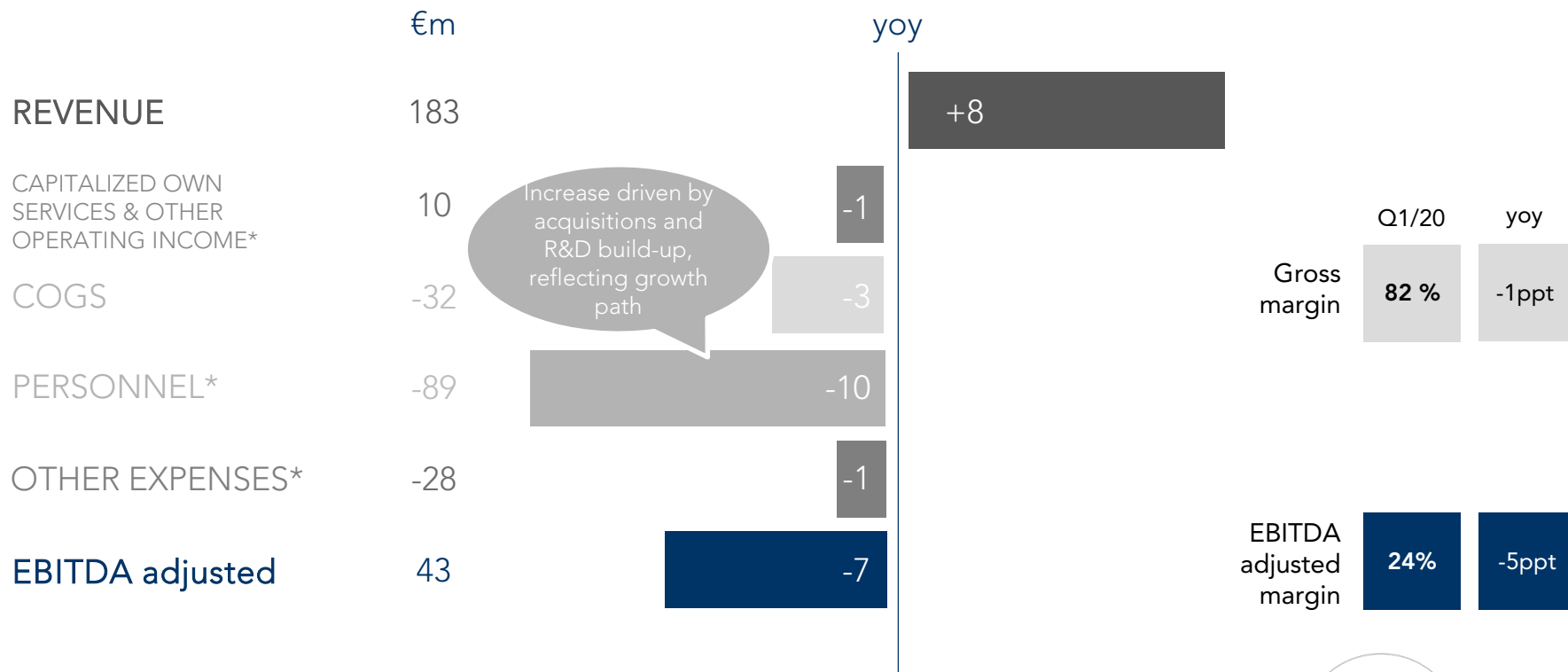
Significant step forward in recurring revenue contribution



Q1/20 segments (per new structure, as communicated on Nov. 7)

Group		Ambulatory Information Systems		Pharmacy Information Systems		Hospital Information Systems		Consumer & Health Management Information Systems	
		Revenue Share							
		Q1/20	yoy	Q1/20	yoy	Q1/20	yoy	Q1/20	yoy
Revenue (€m)		183.1	+5%	109.2	+3%	29.6	+6%	33.7	+8%
EBITDA adjusted (€m)		43.5	-13%	34.1	-13%	8.9	+6%	4.3	-26%
Margin		24%	-5ppt	31%	-6ppt	30%	+0ppt	13%	-6ppt

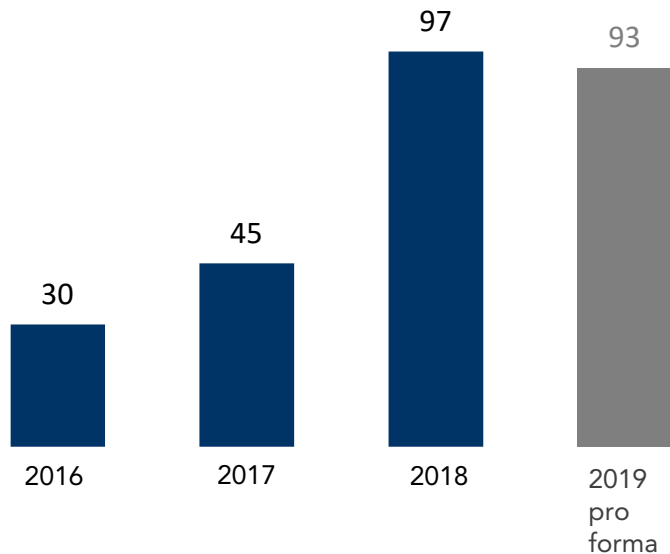
Adjusted EBITDA in Q1/20 better than expected



*Q1/20 adjusted vs. Q1/19 pro-forma

Strong free cashflow

Free Cashflow



Attractive business model

- Strong revenue growth
- High share of recurring revenues
- High profitability with continuously increasing R&D investments
- Fast integration of acquisitions

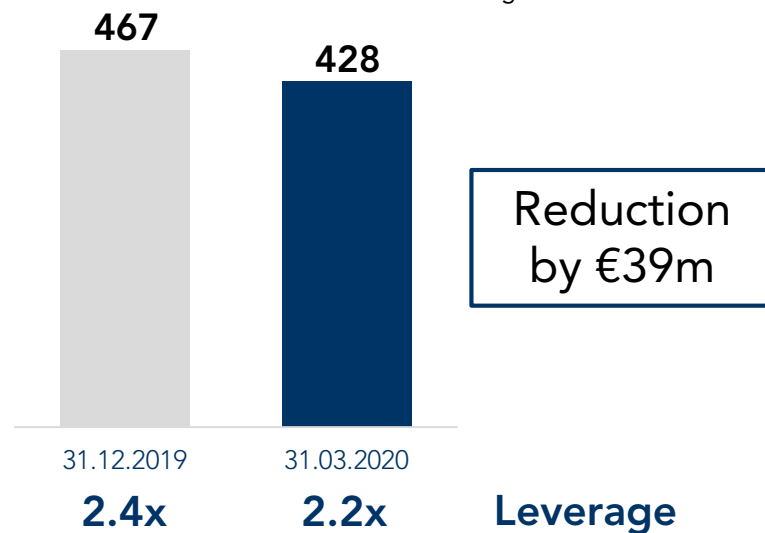
Significant increase of financing volume

New syndicated loan (€1bn)

- Financing volume up from €400m to €1bn in January 2020
- Duration > 5 years
- Average interest rate currently ~1%
- Leverage covenant at 4x EBITDA with 12-month acquisition spike up to 4.5x

Reduction of net debt* in Q1/20

* Including IFRS 16 liabilities



Recent M&A projects (included in 2020 guidance)



DECEMBER 2019

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 partners
- Consolidated in **AIS segment**
- **Financial impact** of ~€15m revenues and mid single-digit million EBITDA



JANUARY 2020

Acquisition of 100% of Italian based software provider H&S

- Provider of **telemedicine solutions** and **ICT services** for **domiciliary care providers**
- Expanding the CGM product portfolio to include powerful solutions for health and social-care providers
- Consolidated in **HIS segment**
- **Financial impact** on revenues and EBITDA in the low single-digit million range

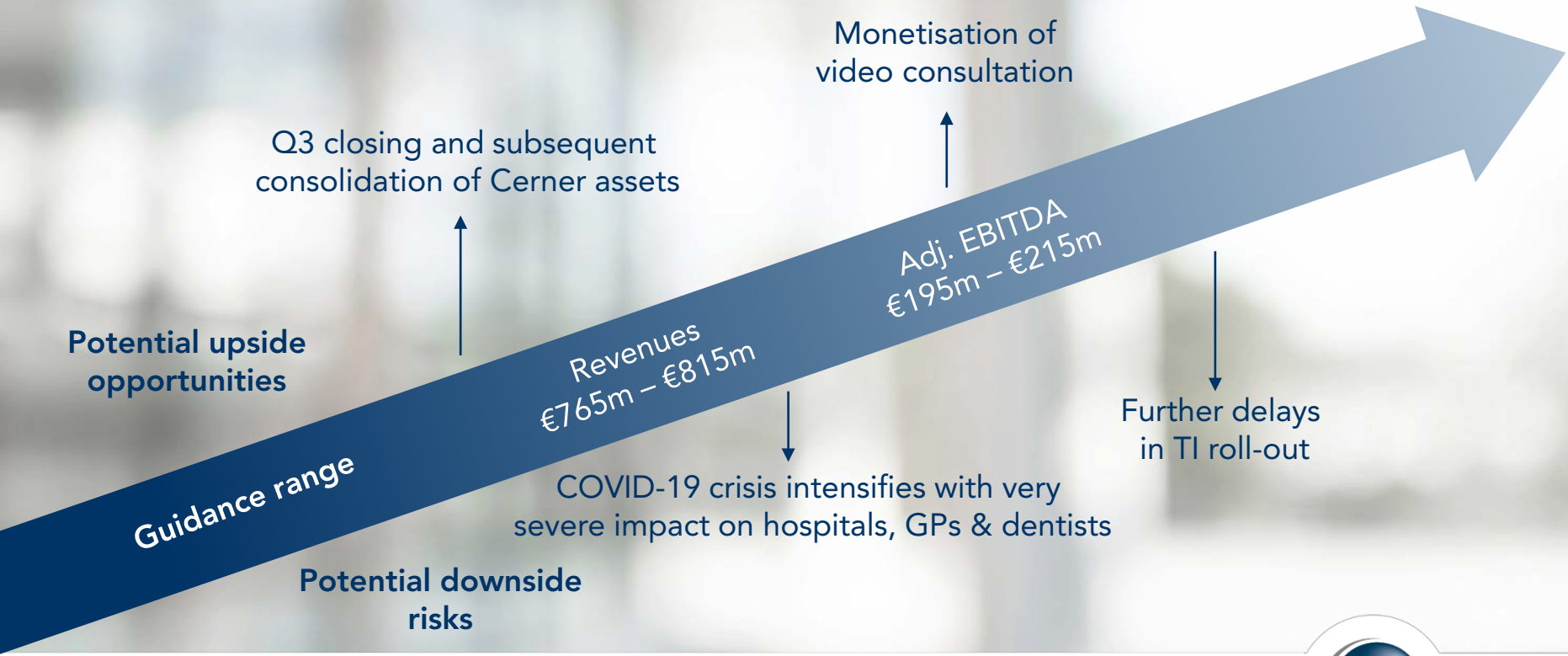
GUIDANCE



2020 Guidance unchanged from Feb 5, 2020

- **Revenues** in the range of €765m to €815m
 - **Adjusted EBITDA** in the range of €195m to €215m
-
- Guidance represents management's current best estimate of market conditions that will exist in 2020 and how the business segments of CGM will perform in this environment
 - Guidance does not include P&L impact associated with potential further acquisitions which have not been closed as of Feb 5, 2020 (Cerner assets not included)
 - Guidance reflects all currently available information, particular in regard to COVID-19 and management's forecasts regarding further roll-out of Telematics Infrastructure in 2020

Guidance 2020 – Moving parts



CGM well positioned for further growth in 2020 and beyond

- Strong market positions across the business segments and regions
- Reliable, crisis-resilient business model with >60% of revenues recurring
- Driving digitization in Healthcare
- Sustainable EBITDA on a high level with strong cash flow profile
- Long-standing track record of value enhancing M&A
- Determined to further enhance value generation and shareholder return

Appendix



Management Board – CompuGroup Medical SE



Frank Gotthardt
Founder and CEO



Frank Brecher
Chief Process Officer



Dr. Ralph Körfgen
Ambulatory & Pharmacy
Information Systems



Dr. Eckart Pech
Consumer & Health
Information Systems



Michael Rauch
CFO

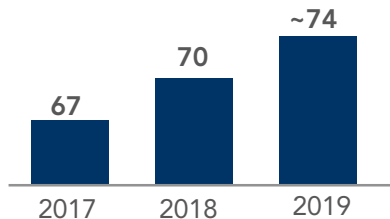


Hannes Reichl
Clinical & Social Care

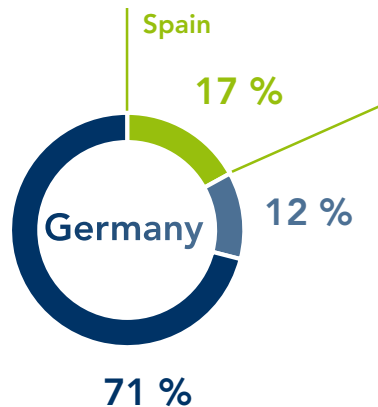
Acquisition of parts of Cerner portfolio (not included in 2020 guidance)

Revenue (m€)

CAGR: ~5%



Revenue Split (2018)



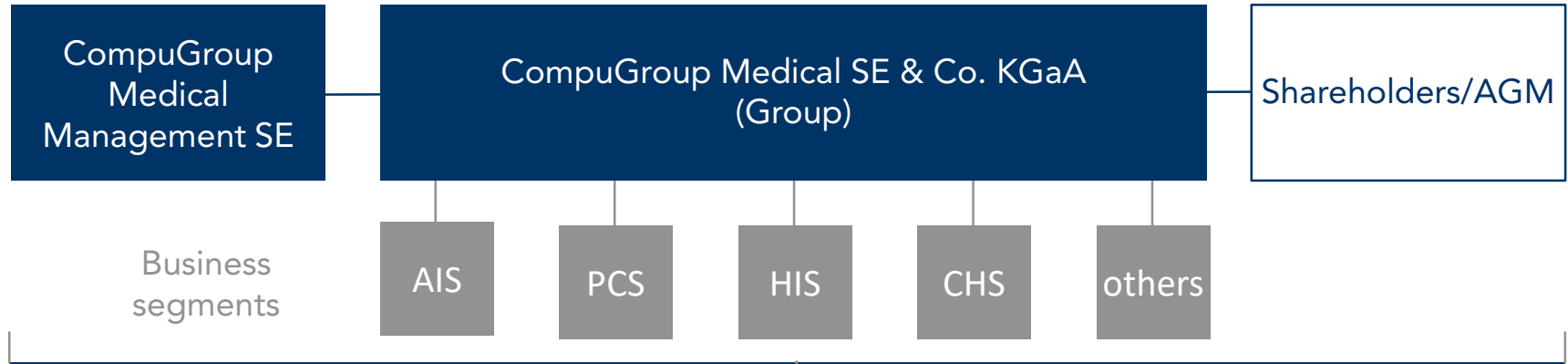
Medico – fully featured HIS with an installed base in both public and private hospitals in Germany

SHA – document archiving solution for healthcare providers

Selene – integrated HIS developed for Spanish customers covering public hospitals

- Combined #2 in Germany and one of the leading players in Spain
- 2019 revenues of ~€74m, EBITDA of ~€13m
- Enterprise value of €225m before purchase price adjustments
- Accretive in year one on a pro forma basis
- Closing expected for 3rd quarter of 2020 (subject to regulatory approvals)
- Acquisition not included in guidance

New legal form to enable further growth approved by AGM



- Financing of growth opportunities in an interesting market environment
- Continued high compliance focus and strong financial solidity
- Preserving the entrepreneurial culture and perspective

Successful financial year 2019



€746m

(+4%yoy)

Revenue



€466m

(+11%yoy)

Recurring
Revenue



€178m

(-5%yoy)

EBITDA



24%

(-2ppt)

Margin



€1.33

(-31%yoy)

EPS



€1.98

(-21%yoy)

CNI
per Share

(Adj.) guidance
Feb (Sept) 2019



Guidance range

€720m -
€750m

€175m -
€190m

(pro forma)

2019 segments pro forma (per new structure, as communicated on Nov. 7)

Group		Ambulatory Information Systems		Pharmacy Information Systems		Hospital Information Systems		Consumer & Health Management Systems			
		Revenue Share									
		2019	yoy	2019	yoy	2019	yoy	2019	yoy		
Revenue (€m)		745.8	+4%	444.6	-1%	119.4	+8%	135.9	+13%	45.7	+20%
EBITDA (€m)		178.1	-5%	161.1	-1%	31.9	+10%	19.3	+37%	11.2	+95%
Margin		24%	-2ppt	36%	0ppt	27%	+1ppt	14%	+2ppt	25%	+9ppt

2019 segments (per new structure, as communicated on Nov. 7)

	Q1/19	Q2/19	Q3/19	Q4/19	FY/19	
Ambulatory Information Systems	106.2	116.5	108.0	113.9	444.6	Revenues
	39.1	39.3	39.5	43.3	161.1	EBITDA
Pharmacy Information Systems	27.8	27.8	27.7	36.0	119.4	
	8.4	6.0	6.6	10.9	31.9	
Hospital Information Systems	31.0	32.3	31.2	41.4	135.9	
	5.8	1.6	3.1	8.8	19.3	
Consumer & Health Management Information Systems	10.0	10.0	11.0	14.7	45.7	
	2.4	1.5	3.9	3.4	11.2	

2020 Revenue segment guidance*

- **AIS (now excl. lab outside US and incl. drug data base business): €453m – €485m**
 - Acquisition in France contributing ~€15m in 2020
 - TI expected below prior year level due to strong non-recurring revenues in 2019
- **PCS: €124m – €134m**
 - Revenues ex TI with strong prior year comps due to another exceptional performance in 2019
 - Low double-digit million € impact expected from TI rollout
- **HIS (now incl. lab business): €142m – €148m**
 - Low single-digit million € impact expected from TI and acquisition in Italy
- **New CHS segment (excl. drug data base business): €46m – €48m**

*based on new structure communicated Nov 7, 2019

2020 additionally guided KPIs

- Organic revenue growth 0 – 6 % for the group
- Recurring revenue > 60% of total revenues
- Adjusted* EPS in the range of €1.70 – €1.95
- Capex expected in the range of €70m – €80m
- Adjusted* Free Cash Flow (operating cashflow incl. interest less capex) > €80m anticipated

* adjusted for M&A, restructuring, option programs and other non-operative major one-off effects

Introducing adjusted earnings KPIs for more transparency

DEFINITION ADJUSTED EBITDA AND EPS (from 2020 onwards)

- **M&A/Transactions**
 - Financial impact from 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 allocation*
- **Share-based option programs**
 - Accounting impacts of share-based option programs for executive management
- **Restructuring program expenses**
- **Tax impacts on above mentioned adjustment effects**
- **Other non-operative, extraordinary or prior period one-time effects**

*Adjusting for PPA effects only for the first 12 months post first-time consolidation, mainly for PPA depreciation and amortization as well as corresponding tax effects

Key figures 2019

in €m	Reported		Pro forma	
	2019	yoy	2019	yoy
Revenue	745.8	+4%	745.8	+4%
EBITDA	178.1	-5%	198.1	+9%
EBIT	115.3	-20%	135.3	-2%
Net income*	66.2	-31%	86.2	-7%
Earnings per share** (€)	1.33	-31%	1.74	-6%

Adjusted 2019 guidance reached

- ✓ Revenue 720-750 €m
- ✓ EBITDA 175-190 €m

* Net income including minority interests

** diluted

EBITDA reported vs. adjusted

in €m	Q1/20	Q1/19*
EBITDA reported	40.1	45.4
M&A transactions	3.0	-
Share-based option programs	0.5	4.5
Restructuring program expenses	-	-
Other non-operative, extraordinary or prior period one-time effects	-	-
EBITDA adjusted	43.5	49.9

* Q1/19 restated (IAS8)

Adjusted figures for 2019 are presented on a pro forma basis: Excluding the one-time effect of stock option-based compensation expenses against cash settlement for a former member of the Management Board and excluding one-time expenses for M&A transactions not pursued further.

P&L Group Q1/20

in €m	Q1/20	Q1/19
Revenues	183.1	175.2
Capitalized own services /other operating income	9.8	10.6
Expense for goods & services purchased	-32.2	-29.5
Personnel expenses	-89.6	-84.0
Other operating expenses	-31.1	-26.9
EBITDA reported	40.1	45.4
Depreciation & amortization	-16.8	-14.6
EBIT	23.3	30.8
Financial result	-3.9	-1.1
Income from at-equity participations	-0.6	-0.5
EBT	18.8	29.2
Income taxes	-6.0	-8.8
Net income	12.8	20.5
Non-controlling interest	0.1	0.1
EPS reported (€)	0.26	0.41

*Q1/20 reported vs. Q1/19 restated (IAS8)




SEGMENTS Q1/20



Q1/20 segments (per new structure, as communicated on Nov. 7)

Group		Ambulatory Information Systems		Pharmacy Information Systems		Hospital Information Systems		Consumer & Health Management Information Systems	
		Revenue Share							
		Q1/20	yoy	Q1/20	yoy	Q1/20	yoy	Q1/20	yoy
Revenue (€m)		183.1	+5%	109.2	+3%	29.6	+6%	33.7	+8%
EBITDA adjusted (€m)		43.5	-13%	34.1	-13%	8.9	+6%	4.3	-26%
Margin		24%	-5ppt	31%	-6ppt	30%	+0ppt	13%	-6ppt



AMBULATORY INFORMATION SYSTEMS

Segment financials

	Q1/20	yoy
Revenue (€m)	109.2	+3%
EBITDA adjusted (€m)	34.1	-13%
Margin	31%	-6ppt

74%

Recurring revenue



Recurring revenue

Q1/20 yoy

- **Organic** revenue growth at -1%, ex TI of +10%
- Significant growth in TI services drove 9% growth in **recurring revenues**
- CGM first to have received Gematik approval for TI connector SW upgrade, subject to field tests
- Prior year **EBITDA** impacted by positive one-offs due to IFRS 3 and TI roll-out

A woman with short, dark, curly hair, wearing a white lab coat over a dark top, is shown in profile, looking towards the right. She is holding a tablet computer with both hands. The background is a blurred pharmacy or laboratory setting with shelves and equipment. A large white rectangular box is overlaid on the right side of the image, containing the title text.

PHARMACY INFORMATION SYSTEMS

Segment financials

	Q1/20	yoy
Revenue (€m)	29.6	+6%
EBITDA adjusted (€m)	8.9	+6%
Margin	30%	+0ppt

65%

Recurring revenue

Recurring revenue

+5%
yoy

Q1/20 yoy

- 5% **organic** revenue growth, Italy and Germany benefitted from order intake in Q4/19, supported by Windows 7 phasing out
- **EBITDA** growth in line with revenue development
- TI roll-out expected to start following successful field tests

A photograph of two male doctors in a hospital hallway. The doctor on the right is wearing a white lab coat over blue scrubs, has a stethoscope around his neck, and is holding a tablet. He is looking towards the other doctor. The doctor on the left is seen from the back, wearing a light blue button-down shirt. The background shows a modern hospital corridor with large windows and doors.

HOSPITAL INFORMATION SYSTEMS

Segment financials

	Q1/20	yoy
Revenue (€m)	33.7	+8%
EBITDA adjusted (€m)	4.3	-26%
Margin	13%	-6ppt

65%

Recurring revenue



Recurring revenue

Q1/20 yoy

- 6% **organic** revenue growth mainly driven by German clinical business and NÖKIS project
- **EBITDA** decrease due to extra project invest in addition to higher planned R&D spend

A close-up photograph of a person's hand in a white lab coat sleeve. The hand is holding a small, white lancet device and is in the process of pricking the tip of their index finger. A small drop of blood is visible on the lancet. To the right of the hand, a smartphone is lying flat on a white surface. Another hand is visible in the background, resting near the phone. The background is softly blurred, showing more of the white lab coat.

CONSUMER & HEALTH MANAGEMENT INFORMATION SYSTEMS

Segment financials

	Q1/20	yoy
Revenue (€m)	10.8	+8%
EBITDA adjusted (€m)	2.1	-12%
Margin	19%	-4ppt

11%

Recurring revenue



Recurring revenue

Q1/20 yoy

- Excellent **organic** revenue growth of 11% mainly driven by projects with software solutions in health insurance sector
- Prior year **EBITDA** impacted by positive one-off consolidation effect (IFRS 3)

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Prime Standard

TecDAX / MDAX