
CompuGroup Medical SE – Synchronizing Healthcare

2nd quarter 2017 – Conference Call

03 August, 2017 - Christian B. Teig, CFO



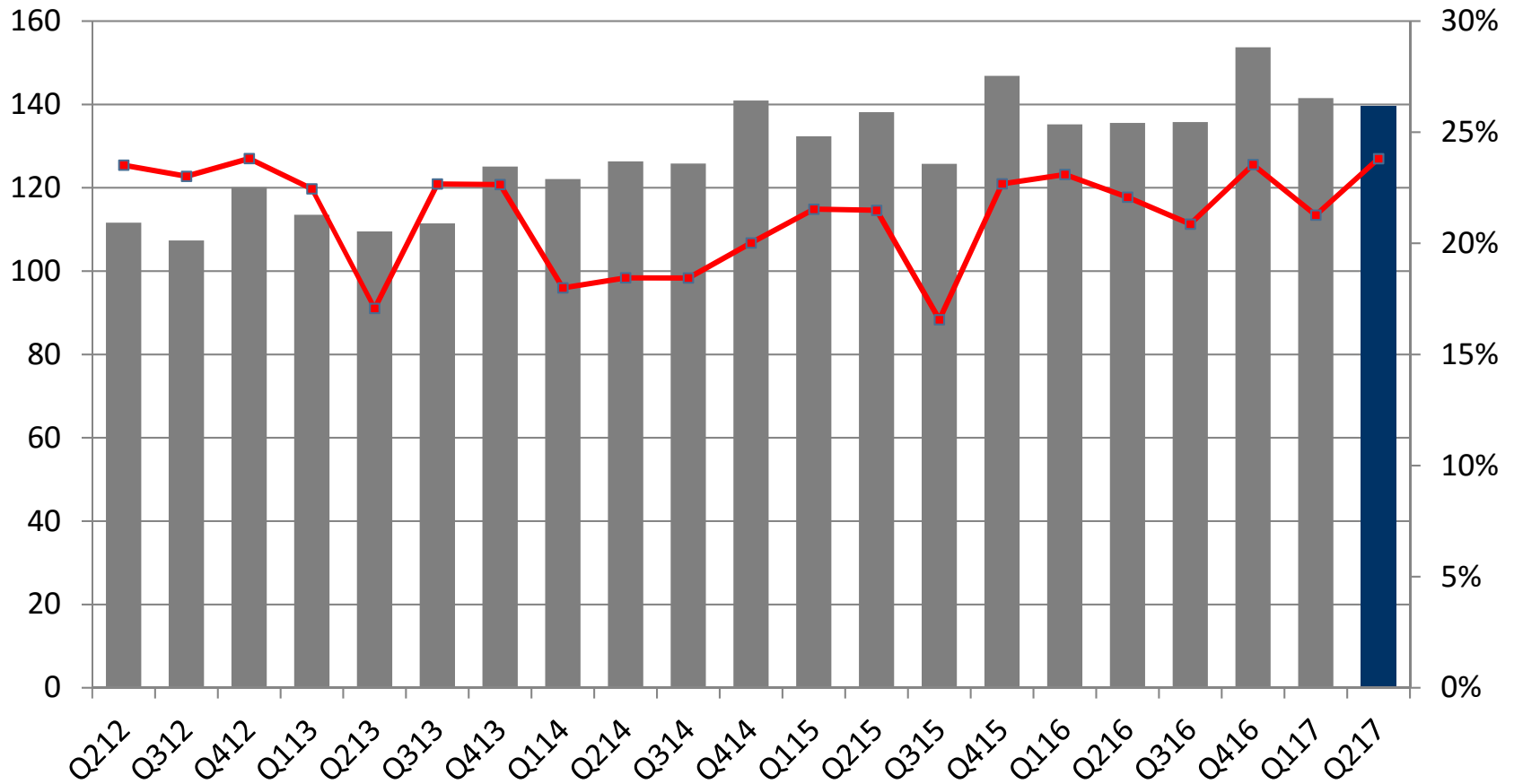
Key figures second quarter 2017

€ M	Q2 17	Q2 16	Change	2016
Revenue	139.5	135.6	3%	560.2
EBITDA	33.2	29.9	11%	125.7
EBIT	23.0	18.0		81.8
EBT	17.8	18.7		74.2
Net income	11.8	12.6		44.5
EPS (€)	0.22	0.25		0.90
Cash net income*	18.6	21.7		76.7
Cash net income per share (€)	0.37	0.44		1.54

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

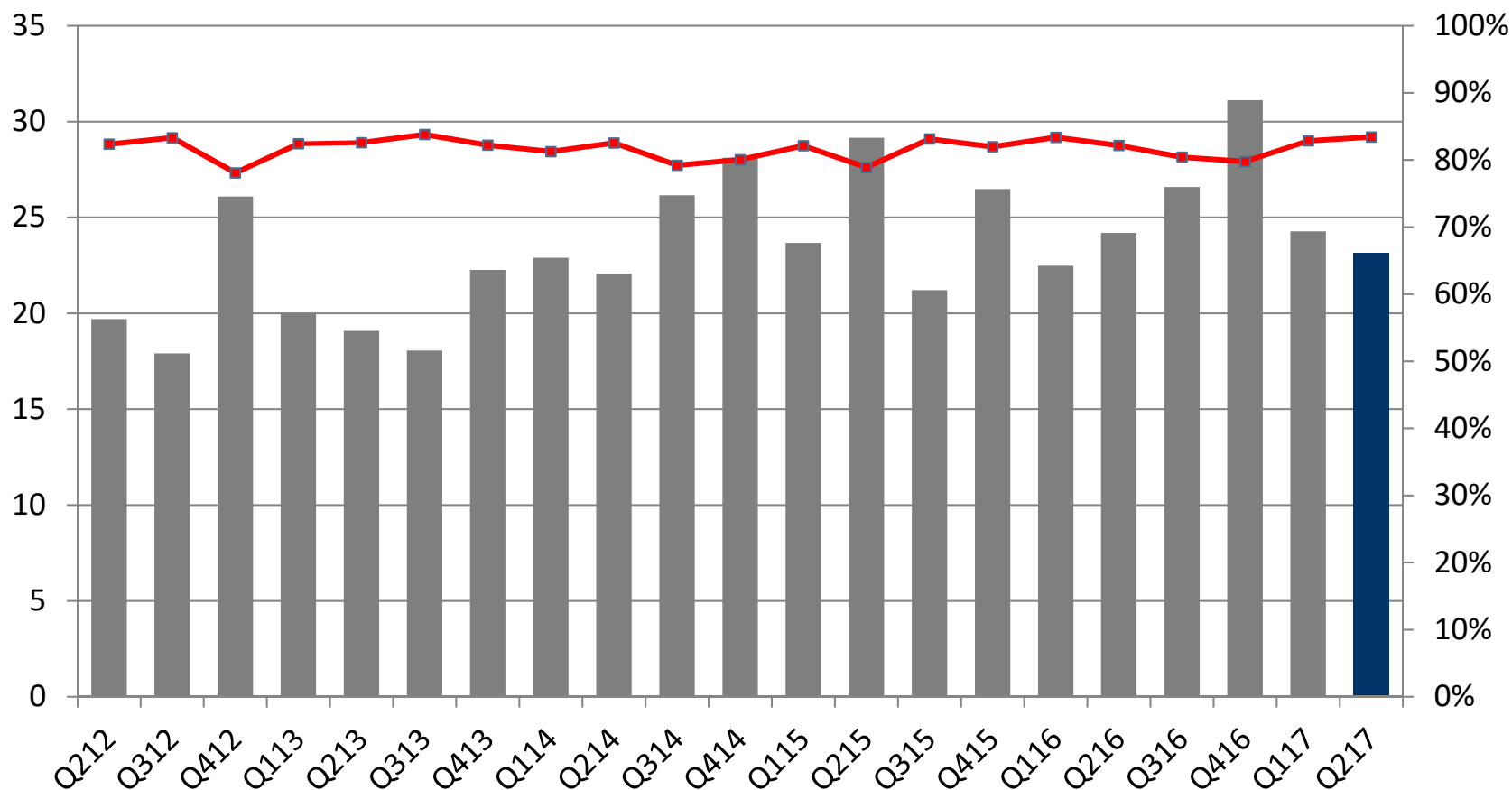
Revenue and profitability

€ M / EBITDA margin



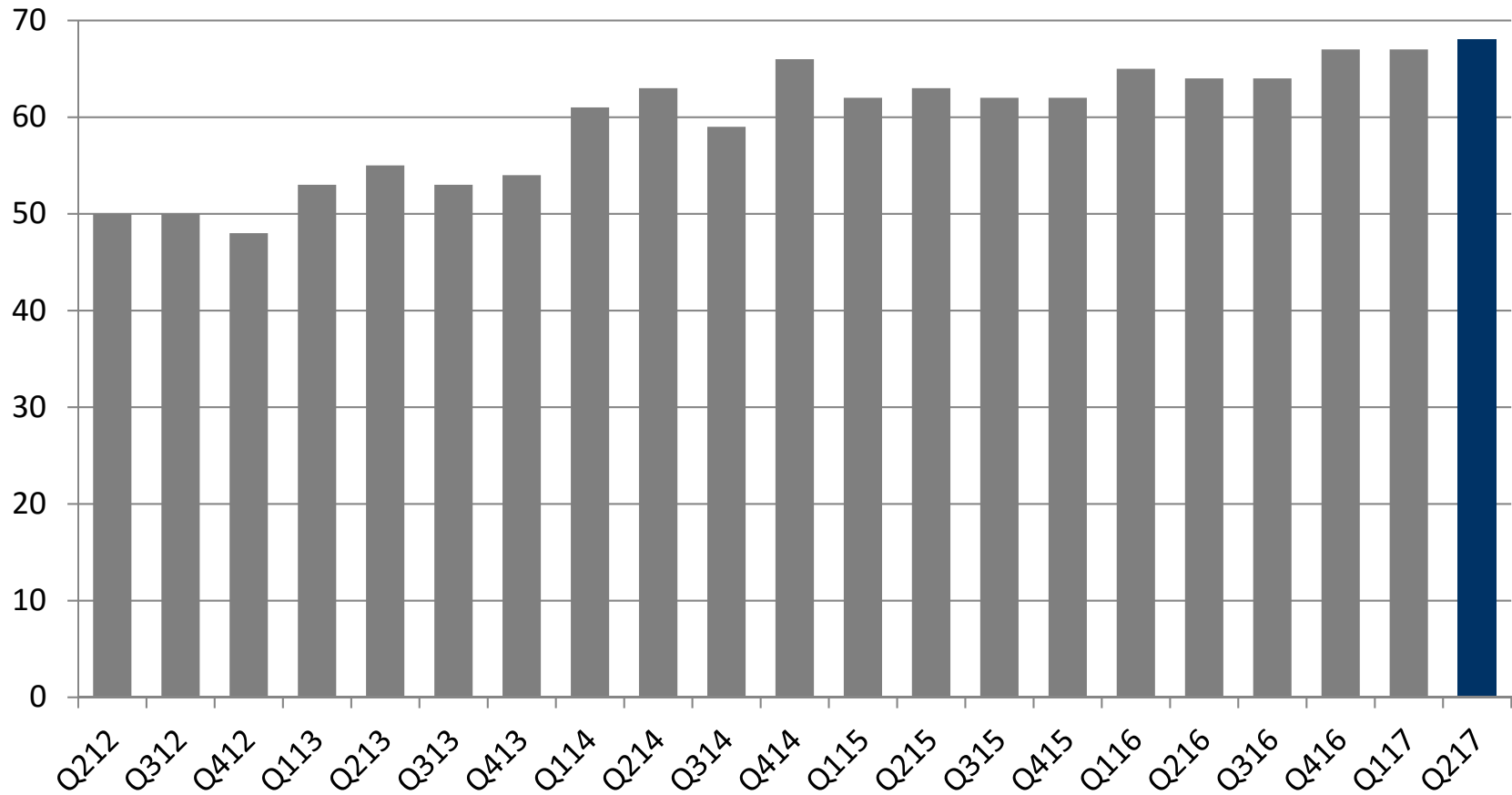
COGS and gross margin

€ M / percent



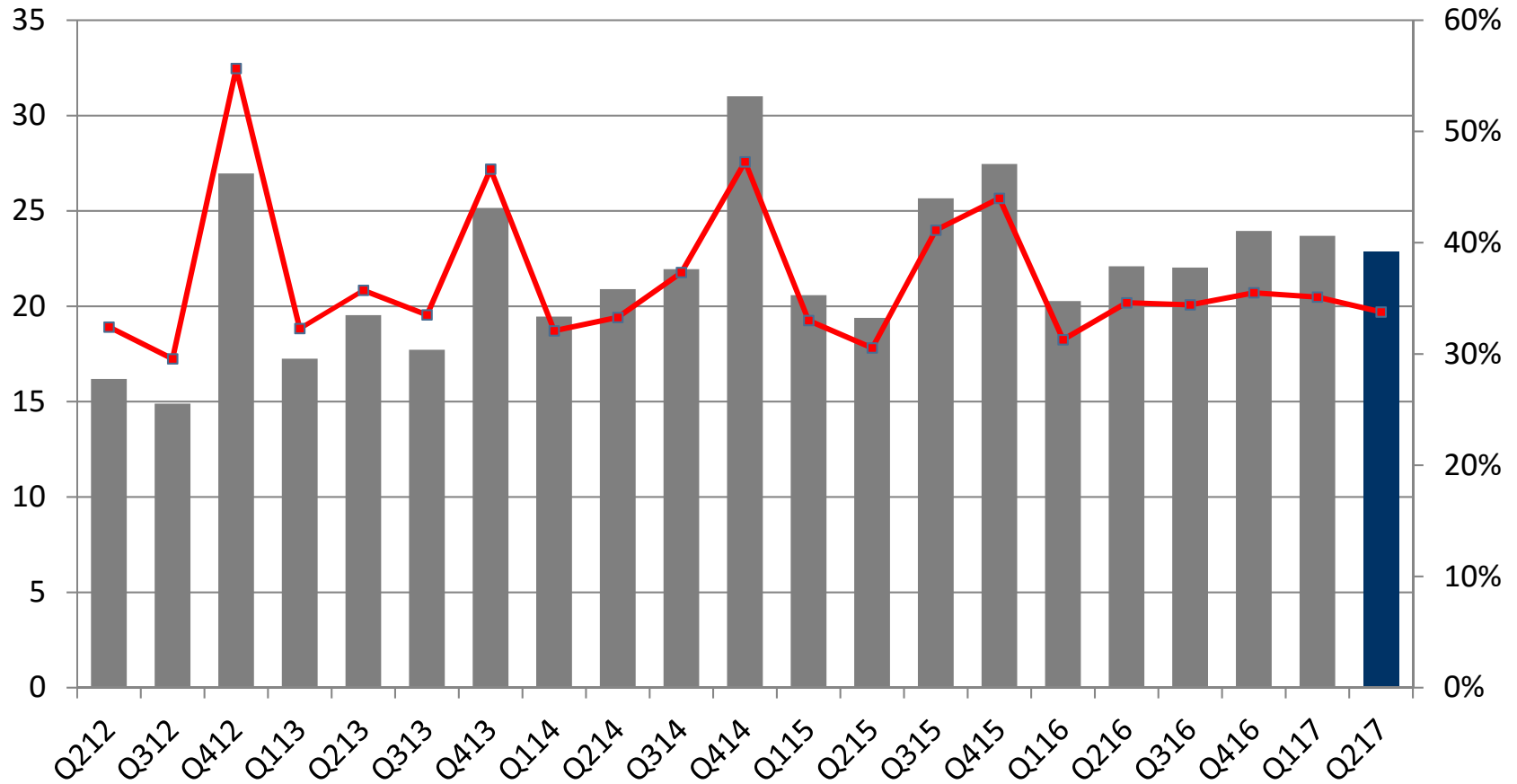
Personnel expenses

€ M



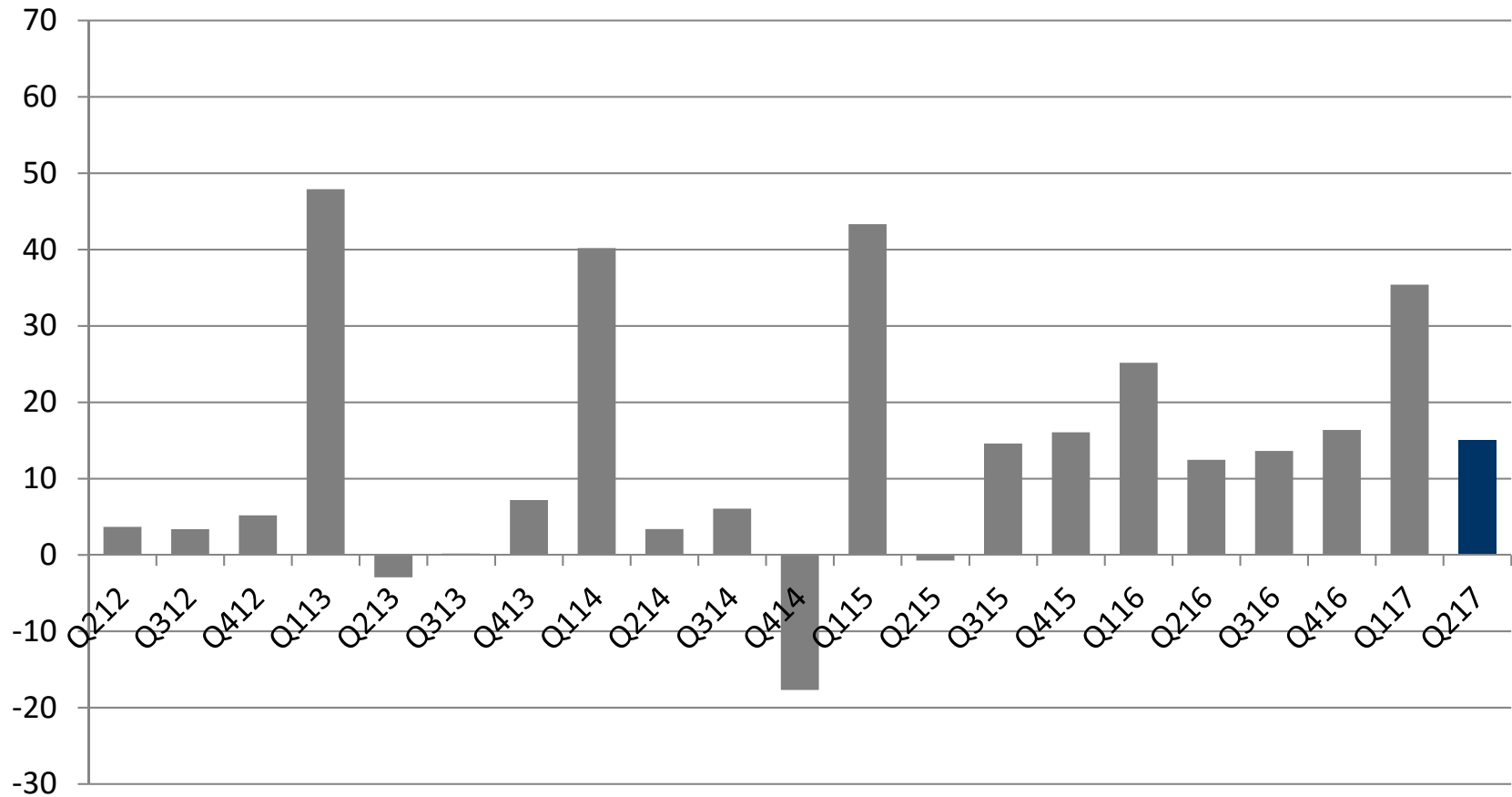
Other expenses

€ M / percent of personnel expenses



Operating cash flow

€ M



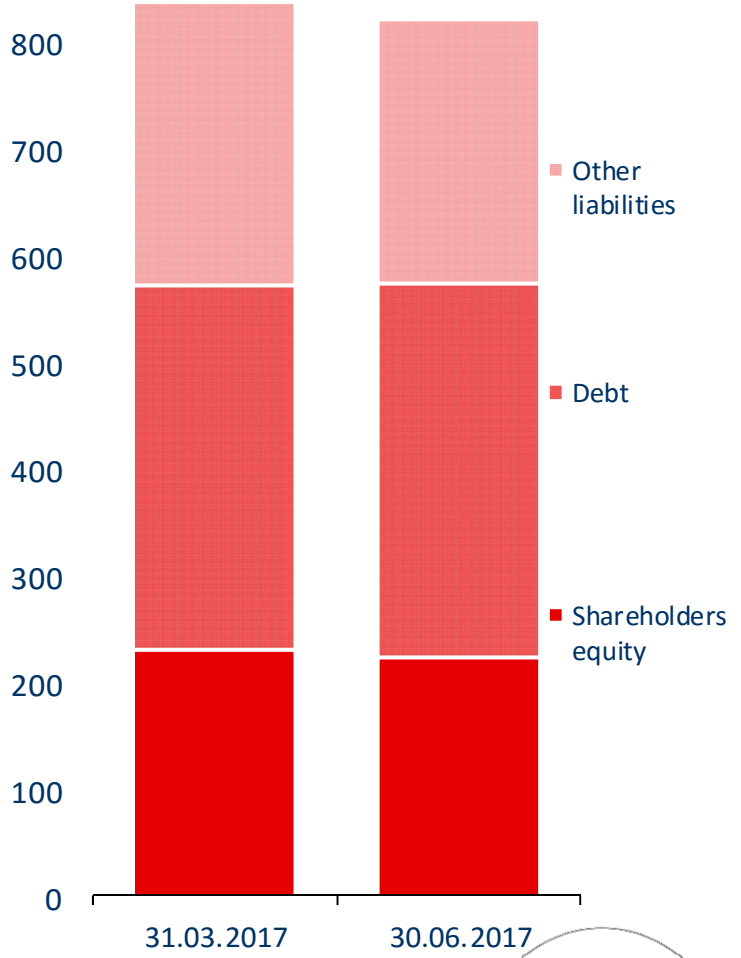
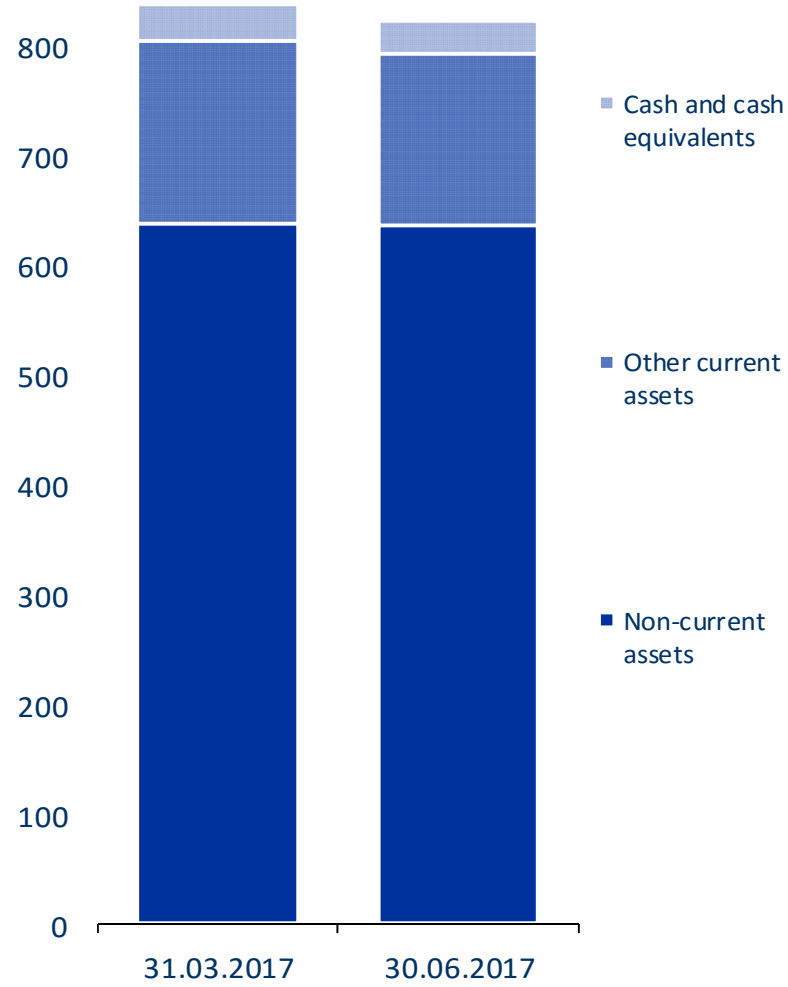
Capital expenditure

€ M	Q2 2017
Company acquisitions	-1.0
Investments in joint ventures	-4.1
Capitalized in-house services and other intangible assets	-4.2
Office equipment and other tangible assets	-3.7
Divestiture	0.5
Sum	-12.5

- Company acquisitions constitute two smaller AIS dealers in Germany
- The JV investment is a capital increase in MGS (50/50 owned with Axa insurance)
- Intangible and tangible assets are higher than normal due to preparations for TI roll-out (connector production and VPN access service)
- The divestiture is the factoring business in Germany ('Privadis')

Statement of financial position

€ M



Software for doctors

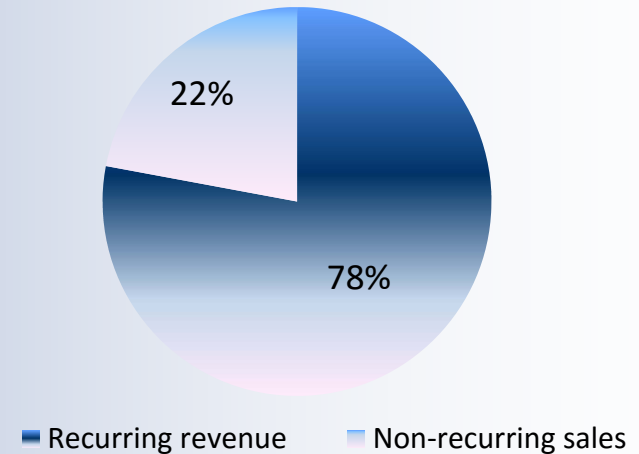


Doctor software development

AIS revenue Q2 2017

100% = 81.1 € M

	€ M	%
Revenue Q2 2016	80.8	
Acquisitions	0.8	+/-
Organic growth	-0.6	+/-
Revenue Q2 2017	81.0	+/-



- The core business in Europe performs OK with 2 percent organic growth (4 percent ytd)
- Gematik project nears a successful completion and revenue was almost zero in the second quarter (last year EUR 2 million)
- United States continues to underperform in terms of revenue with a -4 percent decline year-on-year (-2 percent ytd)

Telematics Infrastructure pilot project (ORS1)

- All test installations in the Northwest region (Schleswig-Holstein, North Rhine-Westphalia and Rhineland-Palatinate) continue to run well
- The piloting and testing of insurance master data management (VSDM) is for all practical purposes successfully completed
- The focus in the project is now on the qualified electronic signature (QES) which is scheduled to be tested in 2018



strategy&
Formerly Booz & Company



TI roll-out current assumptions

- Certification (BSI) and accreditation (gematik) of components for live operation
 - Connector 30.09
 - VPN access service 30.09
 - Card reader (Ingenico)
 - Central components (Arvato)
- Production of hardware
 - Connector max. 30,000 units by 31.12
 - Card reader (Ingenico)
- Installation capacity
 - 500 already trained service technicians can theoretically do 5,000 installations per week
- Orders
 - Over 1,500 installations sold to date of the 'Frühbucher Angebot' (launched 03.07 - 17.07)
 - Sales trend is accelerating

Early Booker offer until 31.08.2017

CGM-BASISPAKET TELEMATIKINFRASTRUKTUR

1 Konnektor KoCoBox MED+

(QES-Upgrade wird bei Verfügbarkeit nachgeliefert)

1 stationäres eHealth Kartenterminal ORGA 6141 online (inkl. gSMC-KT)

1 TI-Integrationsmodul für Ihre CGM-Praxissoftware (AIS/ZIS)

€ 3.690,-

1 Freischaltung VPN-Zugangsdienst

Installation und Inbetriebnahme in Ihrer Praxis

Einweisung der Mitarbeiter in Ihrer Praxis

¹ Preis pro Monat, inkl. MwSt., Mindestvertragslaufzeit 24 Monate.

SERVICEPAKET BETRIEB

Servicegebühren für das CGM-Basispaket Telematikinfrastruktur

Konnektor KoCoBox MED+

VPN-Zugangsdienst (SNK-/SIS-vorbereitet)

TI-Integrationsmodul für Ihre CGM-Praxissoftware (AIS/ZIS)

€ 82,67 ¹⁾

UNSERE PRAXIS BENÖTIGT ZUSÄTZLICH:

___ Stück eHealth Kartenterminal ORGA 6141 online inkl. gSMC-KT zum Preis von jeweils € 665,-

___ Stück mobiles Kartenterminal ORGA 930 M online zum Preis von jeweils € 356,-

Less VAT:

- €3,100 initial
- €833 recurring p.a.

Installation procedure

- 'TI-ready check' pre-installation visit (network structure, status of hardware, Internet connection etc.)
- Full certified and secured delivery chain
- Around 90 minutes estimated installation time for an average doctor and dental office
- Minimum interruption of doctors' daily work
- Short initial training and access to extensive further information material included



https://www.cgm.com/de/telematikinfrastuktur_de/telematikinfrastuktur_film/film.de.jsp

Software for pharmacies

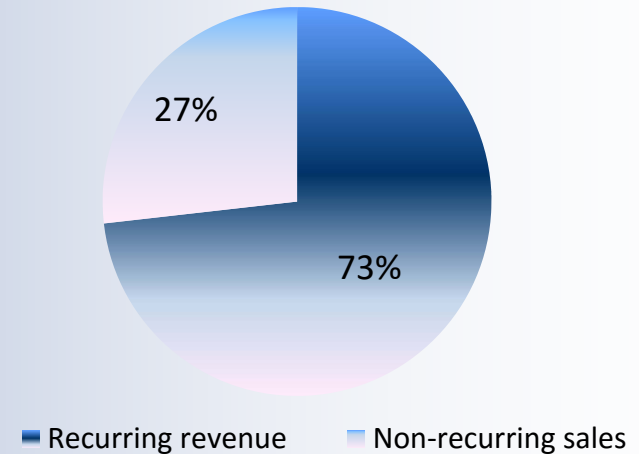


Pharmacy software development

PCS revenue Q2 2017

100% = 24.4 € M

	€ M	%
Revenue Q2 2016	22.7	
Acquisitions	1.4	6%
Organic growth	0.3	1%
Revenue Q2 2017	24.4	7%



- 1 percent year-on-year organic growth in the second quarter (3 percent organic growth year to date)
- Further 6 percent growth contribution from the acquisition of two dealers in Italy in September 2016 (Vega and CSI Calabria).

Software for hospitals

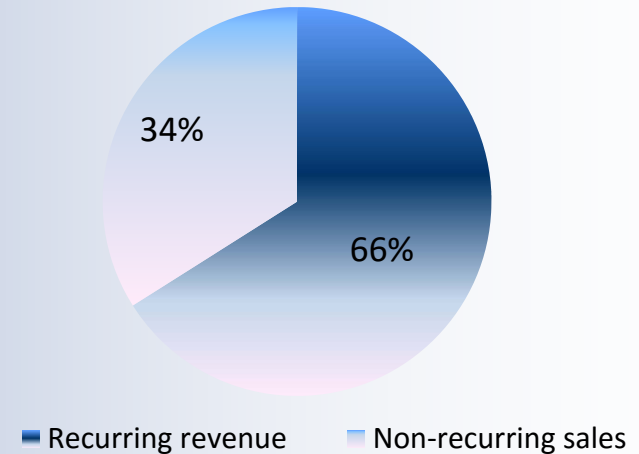


Hospital software development

HIS revenue Q2 2017

100% = 16.9 € M

	€ M	%
Revenue Q2 2016	16.9	
Acquisitions	-	
Organic growth	1.8	11%
Revenue Q2 2017	18.7	11%



- The second quarter made up for the somewhat slower than expected start to the year with 11 percent organic growth (5 percent ytd)
- In terms of overall revenue development in the hospital segment, there is also a smaller effect in 2017 from the strategic exit from the hospital markets in Turkey and the Middle-East which was done during 2016 with the goal to create a more focused hospital business

Health Connectivity Services development

€ M

	Q2 2017	Q2 2016	%
Communication & Data	5.2	4.8	10%
Workflow & Decision Support	7.0	6.8	3%
ISP	3.0	3.1	
ORS 1 project	0.1	0.5	
Health Connectivity Services	15.4	15.1	2%

- Positive development in Communication & Data is a result from an increased number of projects in medical value communication for research-based pharmaceutical companies
- The ORS 1 project continues to trickle down as the project nears a successful completion

Guidance 2017

- CGM reaffirms guidance for 2017:
 - Revenue is expected to be in the range of EUR 600 million to EUR 630 million
 - Operating income (EBITDA) is expected to be in the range of EUR 138 million to EUR 150 million
- This outlook is based on the revised assumption that the roll-out of the Telematics Infrastructure in Germany will begin in October 2017 and a substantial number of practices will be installed during the fourth quarter
- The original assumption was for the roll-out to begin in the middle of 2017 and the original revenue targets have now been maintained through a more efficient installation and deployment process over a shorter time period compared to the original plan
- The guidance does not include revenue and costs associated with potential and currently undetermined further acquisitions during 2017
- The guidance for 2017 represents management's best estimate of the market conditions that will exist in 2017 and how the business segments of CGM will perform in this environment

Financial calendar 2017

Date	Event
October 12, 2017	Investor and Analyst Conference
November 9, 2017	Interim Report Q3 2017

Q&A session

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

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