
CompuGroup Medical SE – Synchronizing Healthcare

3rd quarter 2018 – Conference Call

08 November, 2018 - Christian B. Teig, CFO

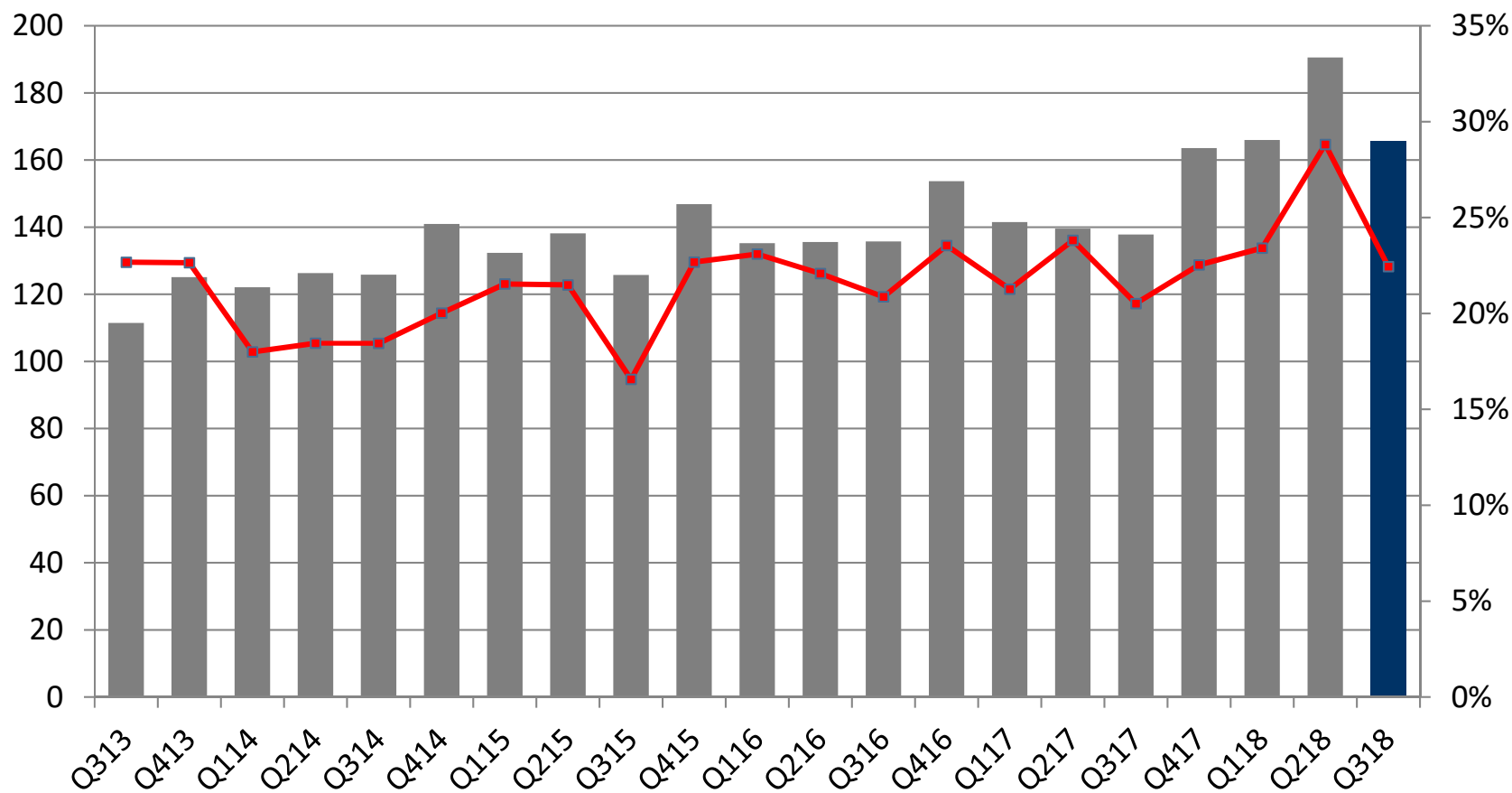
Key figures third quarter 2018

€ M	Q3 18	Q3 17	Change	2017
Revenue	165.8	137.8	20%	582.4
EBITDA	37.2	28.3	32%	128.4
EBIT	27.3	20.5		90.1
EBT	23.9	10.7		65.6
Net income	18.6	4.3		31.7
EPS (€)	0.37	0.08	>4x	0.63
Cash net income*	24.8	9.3		58.1
Cash net income per share (€)	0.50	0.19		1.17

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

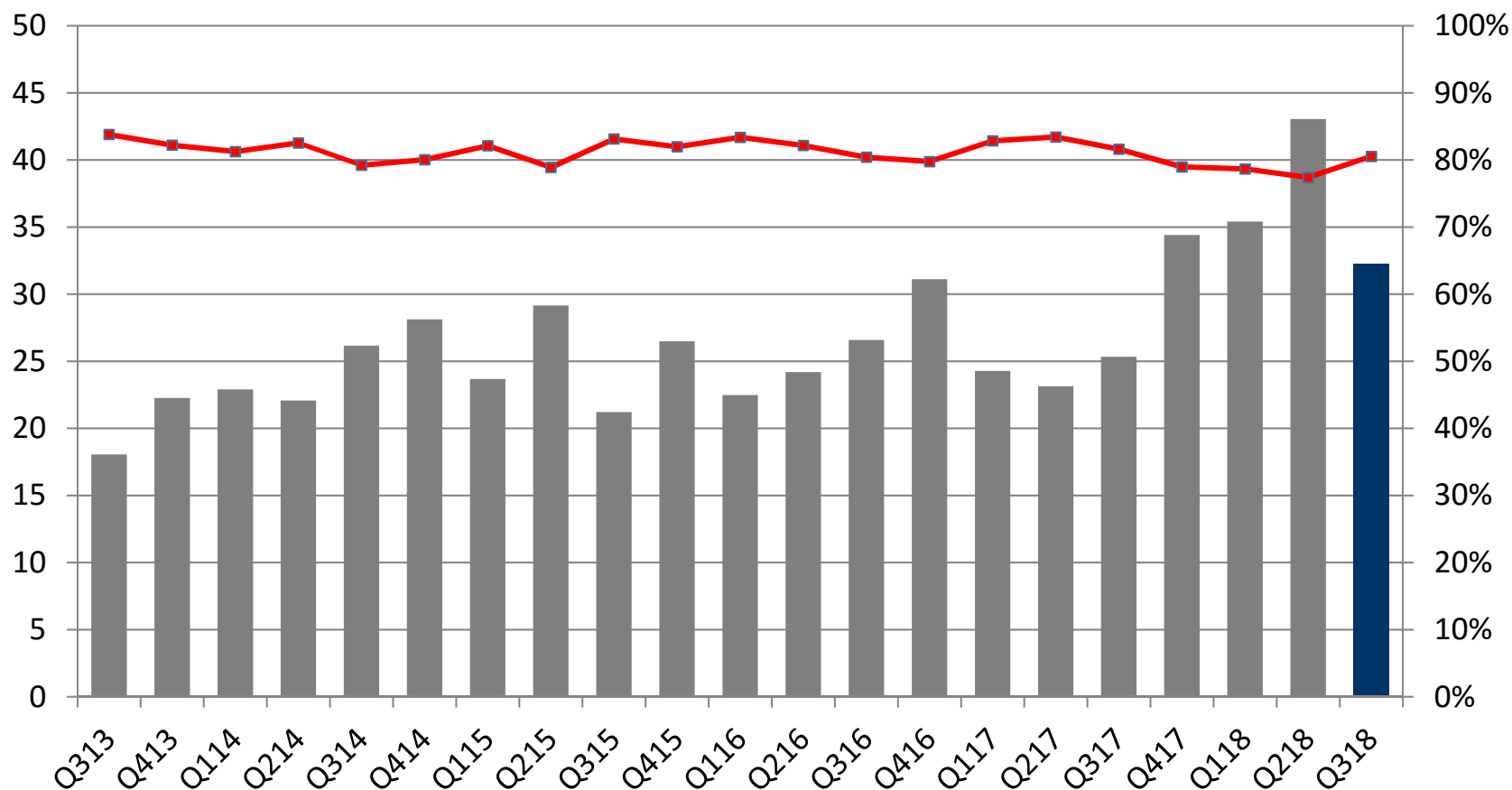
Revenue and profitability

€ M / EBITDA margin



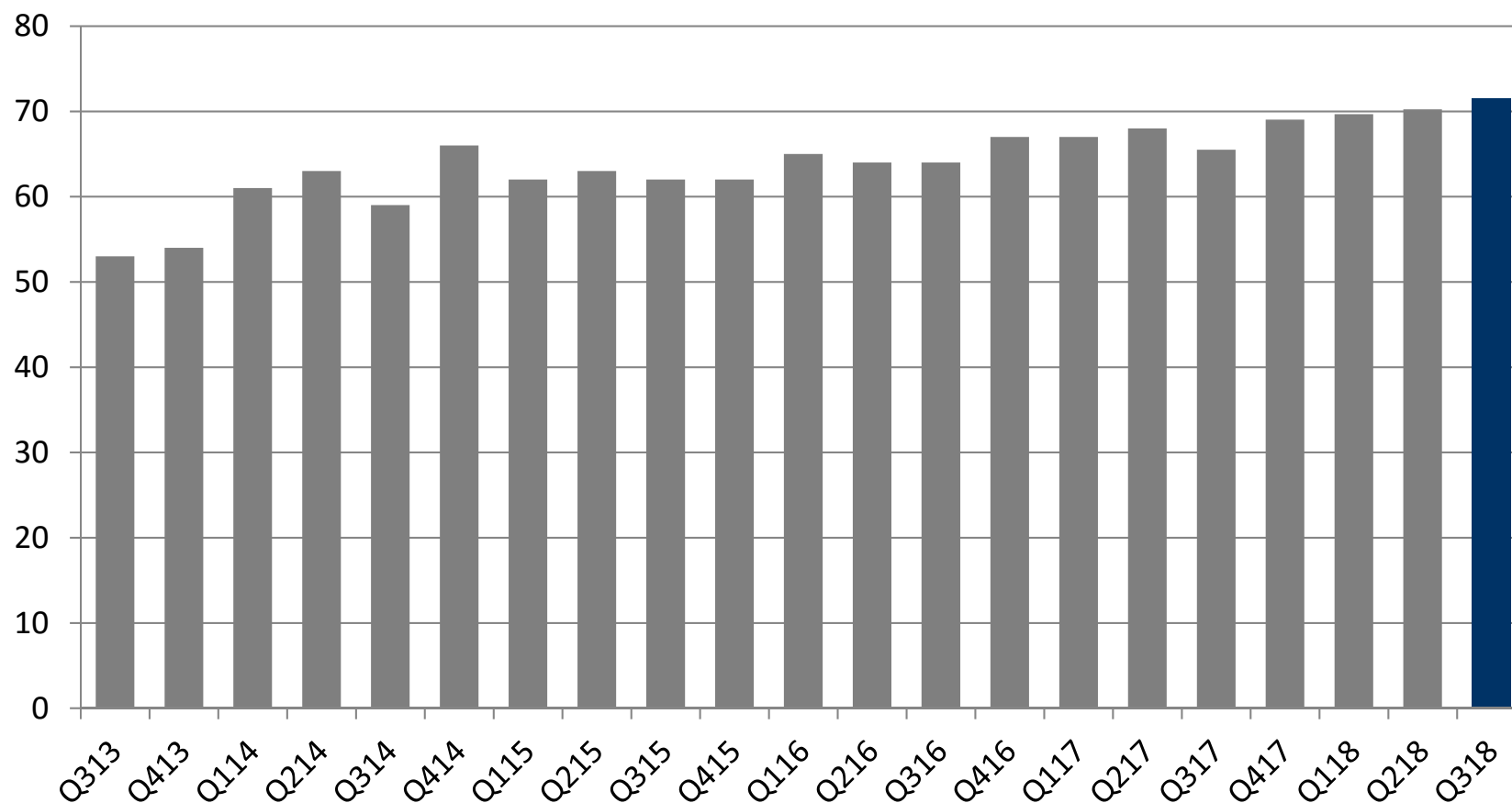
COGS and gross margin

€ M / percent



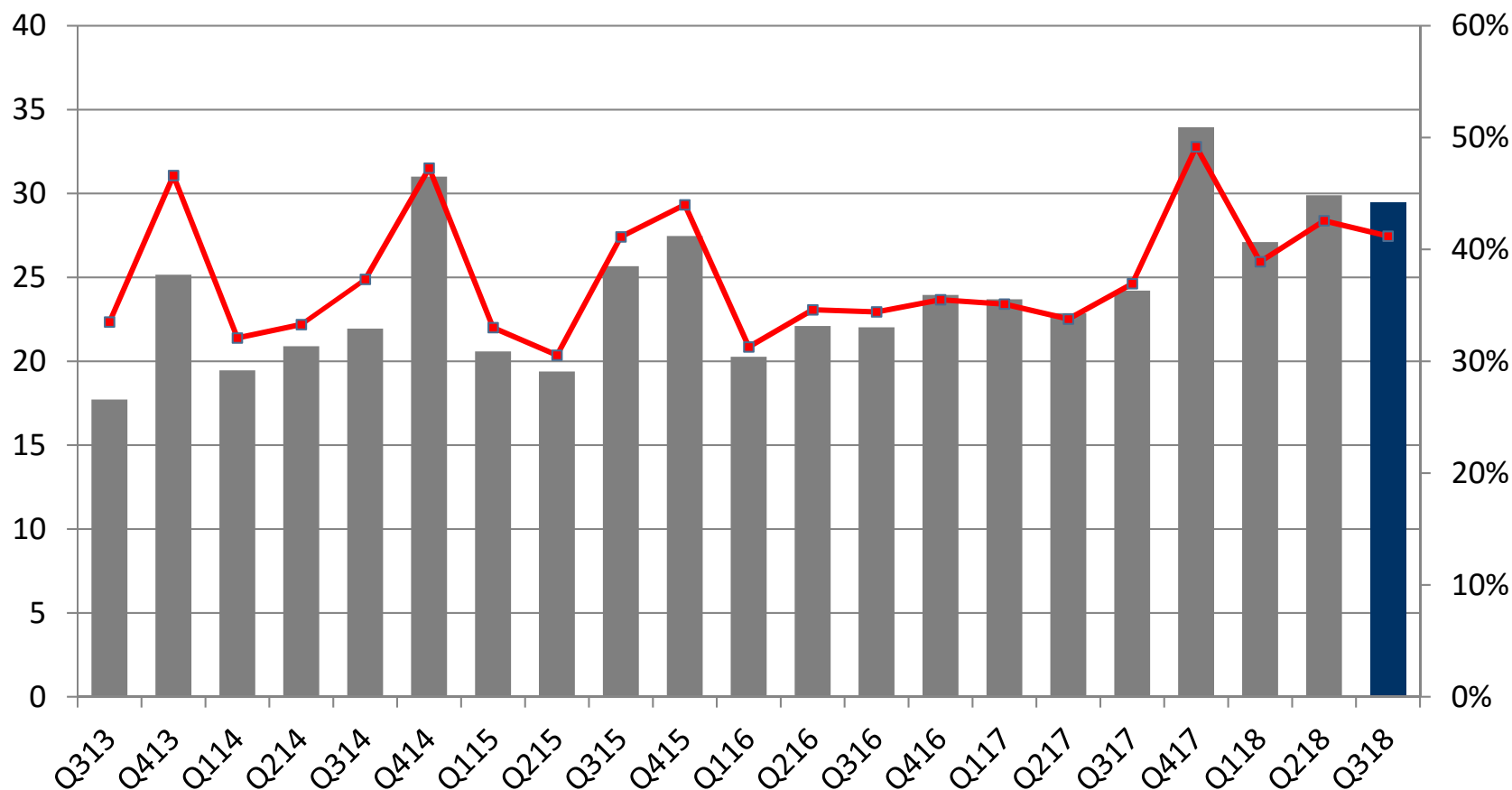
Personnel expenses

€ M



Other expenses

€ M / percent of personnel expenses



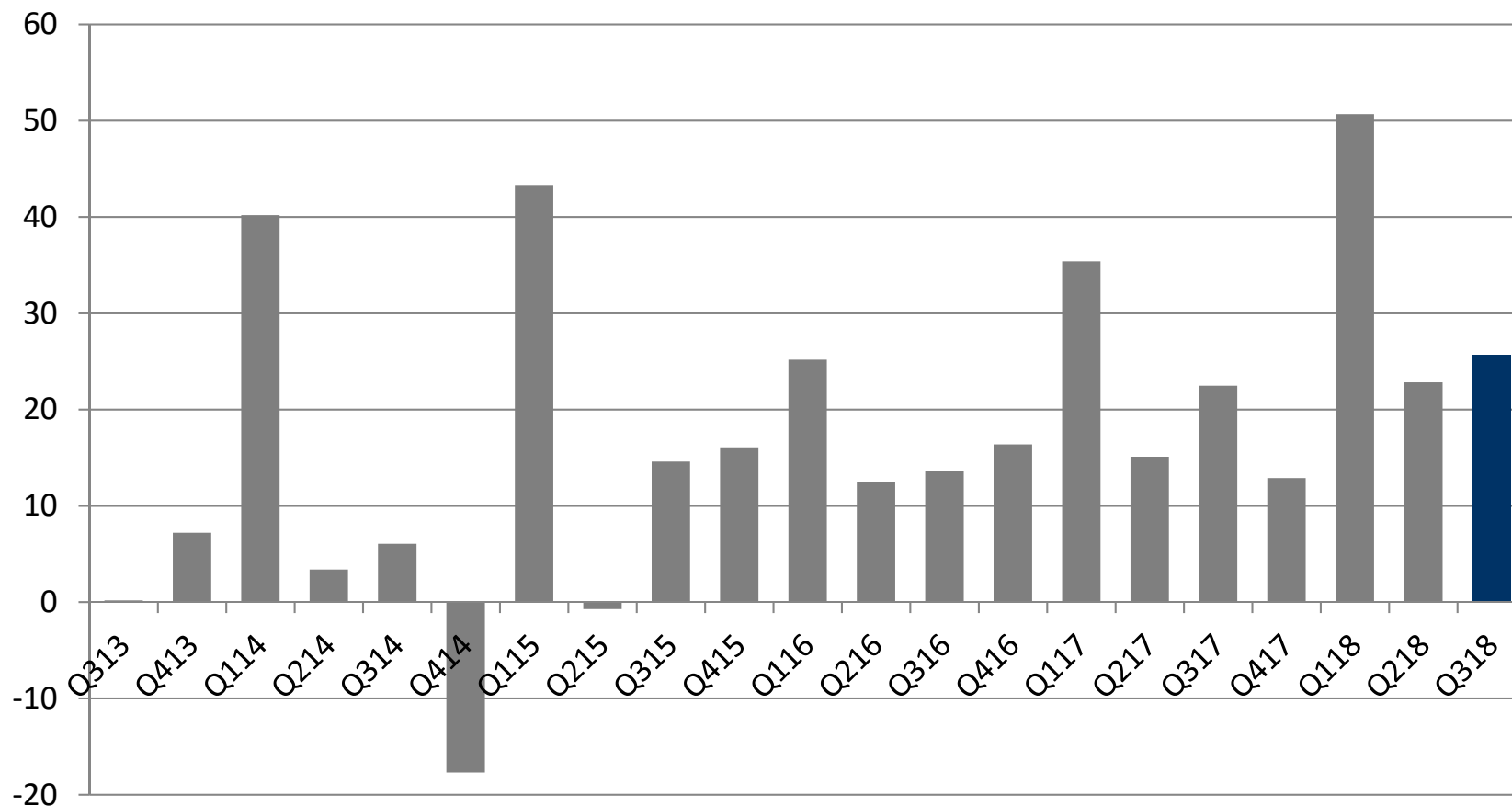
Capital expenditure

€ M	Q3 2018
Acquisitions	4.0
Capitalized in-house services and other intangible assets	5.3
Office equipment and other tangible assets	2.4
Other	-0.1
Sum	11.6

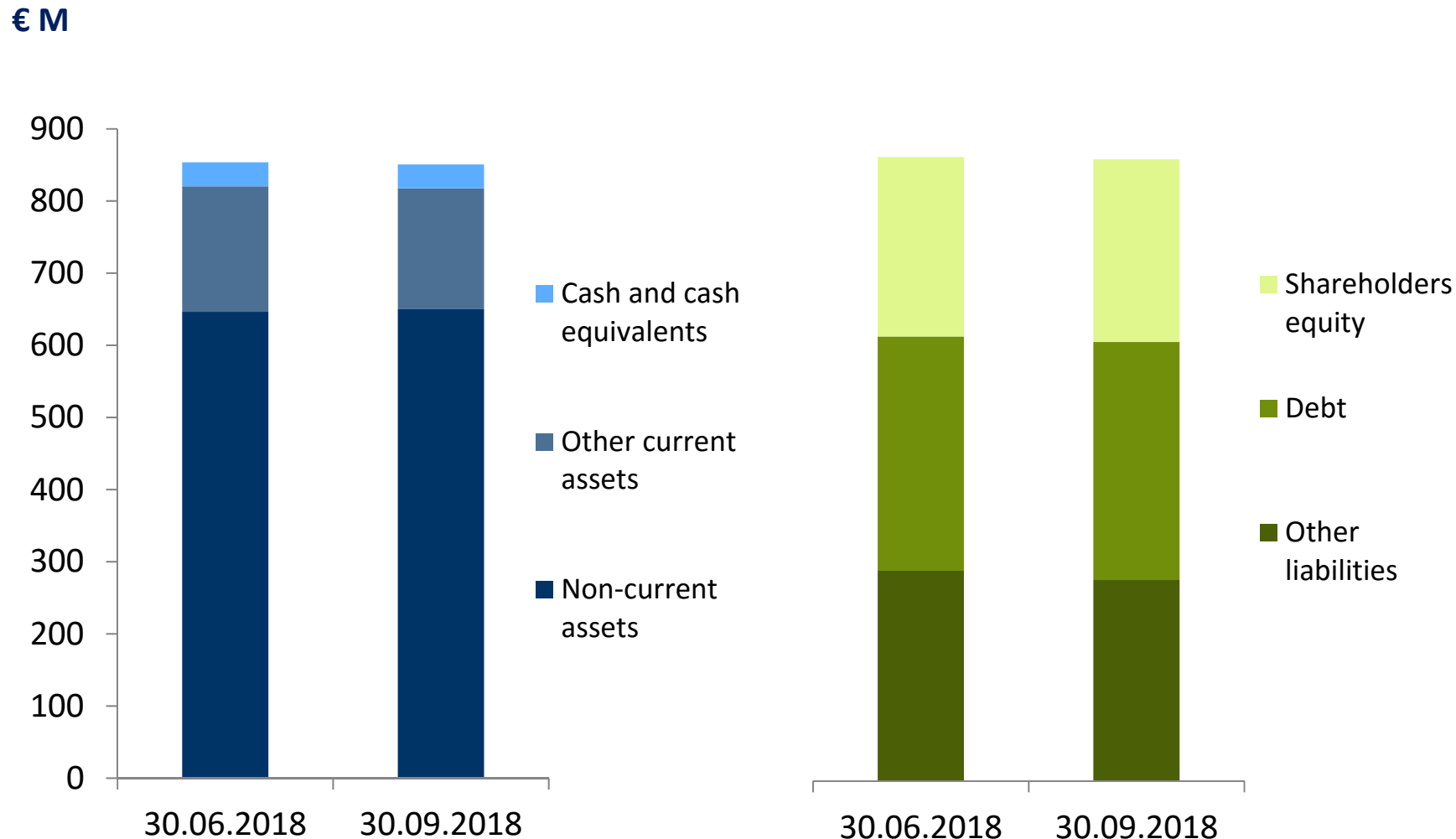
- Acquisition of n-design and factis
- Increased use of outsourced research and development related to accelerated completion of new modules for CGM Clinical (new G3-based Hospital information System)
- Capitalization of Connector SW for new TI applications in 2019

Operating cash flow

€ M



Statement of financial position



Software for doctors

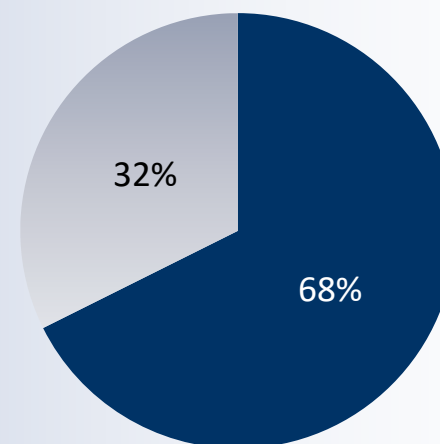


Doctor software development

AIS revenue Q3 2018

100% = 106.8 € M

	€ M	%
Revenue Q3 2017	78.0	
Acquisitions	0.8	1%
Organic growth	28.0	36%
Revenue Q3 2018	106.8	37%



■ Recurring revenue ■ Non-recurring sales

- 37 percent organic growth at constant exchange (negative FX from Sweden)
- The main growth driver is the continuing roll-out of the Telematics Infrastructure (TI) in Germany.
- Outside the TI revenue, there are normal positive developments in most European markets whereas revenue in the United States continues to be flat year-on-year

TI roll-out



- Accumulated more than 38,000 orders by the end of the third quarter
 - **30,000 from existing CGM primary software customers**
 - **8,000 from the rest of the German market**
- Over 34,000 installations delivered by the end of the third quarter
- First competitor has received approval for all components of the TI product chain and started shipping in early September
- The deadline to start using VSDM is now expected to be 30.06.2019

Current offer (Q4 2018)

NOW OR NEVER ANGEBOT ALLE TI-KOMPONENTEN AUS EINER HAND.

FAX: 0261 8000-2399 | E-MAIL: bestellung.TI@cgm.com | CGM-INFOLINE: 0261 8000-2323

HIERMIT BESTELLE ICH:

CGM-PAKET TELEMATIK- INFRASTRUKTUR

- eHealth-Konnektor KoCoBox MED+ (QES-ready)
- **TI-VSDM-Modul** für Anwender einer CGM-Arztsoftware
im Wert von **€ 390,-** bereits im Aktionspreis enthalten***
- Freischaltung VPN-Zugangsdienst
- Secure Internet Service (SIS) mit 1,5 GB Datenvolumen**
- Installation und Inbetriebnahme in Ihrer Praxis
- Einweisung der Mitarbeiter in Ihrer Praxis

eHEALTH-KARTENTERMINAL ORGA 6141 online inkl. gSMC-KT

oder

CHERRY Tastatur G87-1505 inkl. gSMC-KT

AKTIONSPREIS

€ 2.420,17* € 2.880,-
inkl. MwSt.

Erstattungspauschale in Q4/2018 beträgt
€ 2.882,- inkl. MwSt.

ZUSÄTZLICH BESTELLE ICH:

- ☐ Stück stationäres eHealth-Kartenterminal(s)
ORGA 6141 online inkl. gSMC-KT zum Preis
von jeweils € 559,- (€ 665,21 inkl. MwSt.)
- ☐ Stück mobile(s) eHealth-Kartenterminal(s)
ORGA 930 M online zum Preis
von jeweils € 299,- (€ 355,81 inkl. MwSt.)
- ☐ Stück stationäres eHealth-Kartenterminal(s)
CHERRY Tastatur G87-1505 inkl. gSMC-KT zum Preis
von jeweils € 559,- (€ 665,21 inkl. MwSt.)

Ich bestelle hiermit verbindlich bei der CGM Deutschland AG, Geschäftsbereich Telematikinfrastruktur, zu den auf Seite 2 aufgeführten Bedingungen, das CGM-Paket Telematikinfrastruktur für eine Hauptversicherungsstelle zum Aktionspreis von € 2.420,17 zzgl. MwSt. Zusätzlich bestelle ich das Service-Paket Betrieb zum monatlichen Preis von € 69,47 zzgl. MwSt. bei 24 Monaten Mindestvertragslaufzeit sowie die o. g. Anzahl zusätzlicher Kartenterminals. Die AGB sowie die Besonderen Geschäftsbedingungen (Bes. GB) sowie die umseitig abgedruckten Bedingungen der AGB habe ich zur Kenntnis genommen. Die AGB und Bes. GB können unter cgm.com/ti-download eingesehen oder heruntergeladen werden.

* Solange der Vorrat reicht.

** Zur Nutzung ist ein zusätzlicher Vertrag mit TELEMED obligatorisch. Bei einem Nutzungsvolumen von über 1,5 GB können Mehrkosten entstehen.

*** Nur in Verbindung mit einem eHealth-Konnektor KoCoBox MED+ Preis inkl. MwSt.

Praxisstempel

Ort / Datum

- CGM continues to follow the reimbursed amounts in the financing agreements

Deadline will likely be shifted

- The Ministry of Health has confirmed its intention to change the deadline for financial sanctions towards doctors and dentists who have not connected to the TI resp. do not use VSDM services
- The new deadline for installation and the start of master data management (VSDM) is expected to be 30.06.2019
- The deadline extension will be proposed to the German Parliament via an amendment to the Strengthening of Nursing Care Workers Act (Pflegepersonal-Stärkungs-Gesetz - PpSG)
 - Vote in Parliament (Bundestag): 9 November
 - Approval by the Federal Council (Bundesrat): 23 November or 14 December
- The legal changes do not affect the existing financing agreements

n-design acquisition

- In July, CGM acquired 95 percent of the shares in n-design Gesellschaft für systematische Gestaltungen mbH (n-design), with registered office in Cologne, Germany
- n-design is a company in the field of software development for high-performance embedded computer systems and networks
- The company is an important contractor to CGM in developing software for the Connector used in the Telematics Infrastructure in Germany



Software for pharmacies

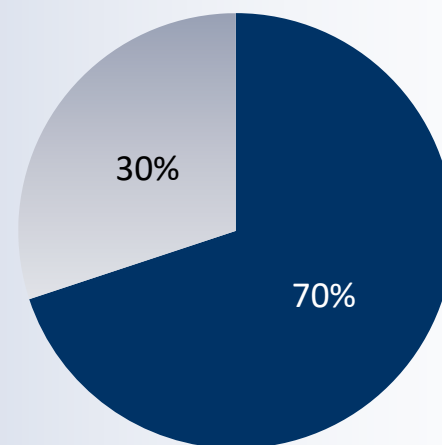


Pharmacy software development

PCS revenue Q3 2018

100% = 26.0 € M

	€ M	%
Revenue Q3 2017	26.0	
Acquisitions	0.1	
Organic growth		
Revenue Q3 2018	26.1	



■ Recurring revenue ■ Non-recurring sales

- The pharmacy software business reversed some of the gains from the strong start to the year with a flat revenue development in the third quarter 2018
- Year to date, the pharmacy software business is still ahead of its full-year outlook.
- In terms of further business development, the Spanish pharmacy software market is a focus area in 2018

Recurring service fees include non-IFRS revenue from hardware rental contracts (IFRS financial leasing)

Software for hospitals

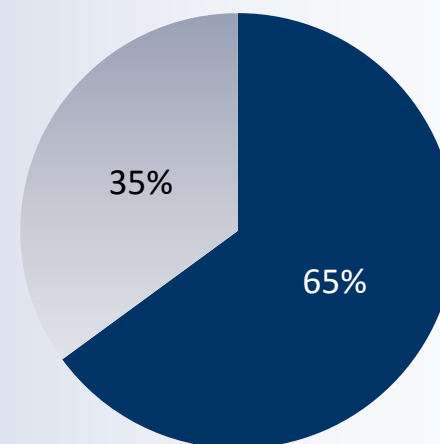


Hospital software development

HIS revenue Q3 2018

100% = 23.6 € M

	€ M	%
Revenue Q3 2017	24.2	
Acquisitions	0.2	
Organic growth	-0.8	-3%
Revenue Q3 2018	23.6	-3%

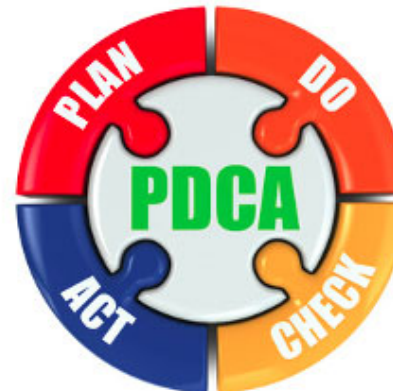
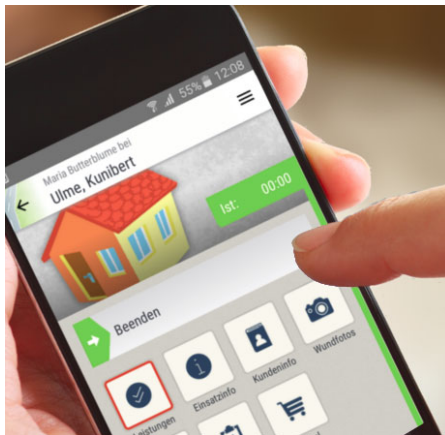


■ Recurring revenue ■ Non-recurring sales

- The HIS development is in line with expectations given that a change to customer contract structures has reduced pass-through revenue from 3rd party software compared to last year.

factis acquisition

- In August, CGM acquired 100 percent of the shares in factis GmbH in Germany
- Factis is a leading provider of mobile solutions for social services and the healthcare market in Germany, Switzerland and Luxembourg
- The factis solution is used by some 350 medium-sized, outpatient nursing organizations and a particular strength of the factis mobile applications are the unique user interfaces, which are also intuitively accessible to less experienced IT personnel or professionals with a foreign language background
- Factis already successfully cooperates with CGM at many existing customer facilities



Health Connectivity Services

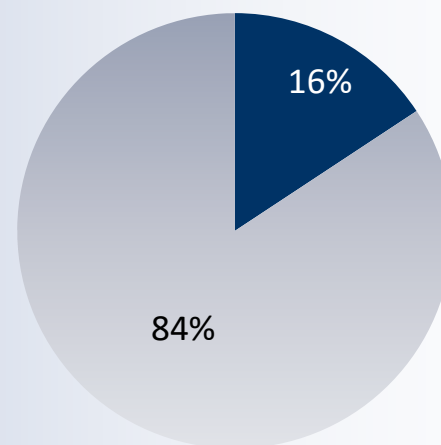


Health Connectivity Services

HCS revenue Q3 2018

100% = 9.1 € M

	€ M	%
Revenue Q3 2017	9.5	
Acquisitions/Divest	0.3	3%
Organic growth	-0.7	-7%
Revenue Q3 2018	9.1	-4%



■ Recurring revenue ■ Non-recurring sales

- -3 percent organic contraction at constant exchange (negative FX from Turkey)
- The revenue development in the HCS-segment during the third quarter continues to lag behind expectations for 2018
- The revenue decline comes from less ad-hoc projects with pharmaceutical companies

Guidance 2018 - summary

- CGM reaffirms the guidance for 2018:
 - Revenue is expected to be in the range of EUR 700 million to EUR 730 million
 - Operating income (EBITDA) is expected to be in the range of EUR 175 million to EUR 190 million
- The guidance reflects all currently available information related to the further roll-out of the Telematics Infrastructure in Germany in 2018
- The guidance does not include revenue and costs associated with potential and currently undetermined further acquisitions during 2018
- The guidance for the 2018 financial year represents management's current best estimate of the market conditions that will exist in 2018 and how the business segments of CGM will perform in this environment

Financial calendar 2019

Date	Event
November 08, 2018	Interim Report Q3 2018
February 04, 2019	Preliminary Figures 2018 incl. Q4 2018
March 29, 2019	Annual Report 2018
May 06, 2019	Interim Report Q1 2019
May 15, 2019	Annual General Meeting 2019
August 8, 2019	Interim Report Q2 2019
November 7, 2019	Interim Report Q3 2019

Q&A session

If you would like to raise questions, please press **01** on your telephone