
CompuGroup Medical SE – Synchronizing Healthcare

2nd quarter 2018 – Conference Call

09 August, 2018 - Christian B. Teig, CFO

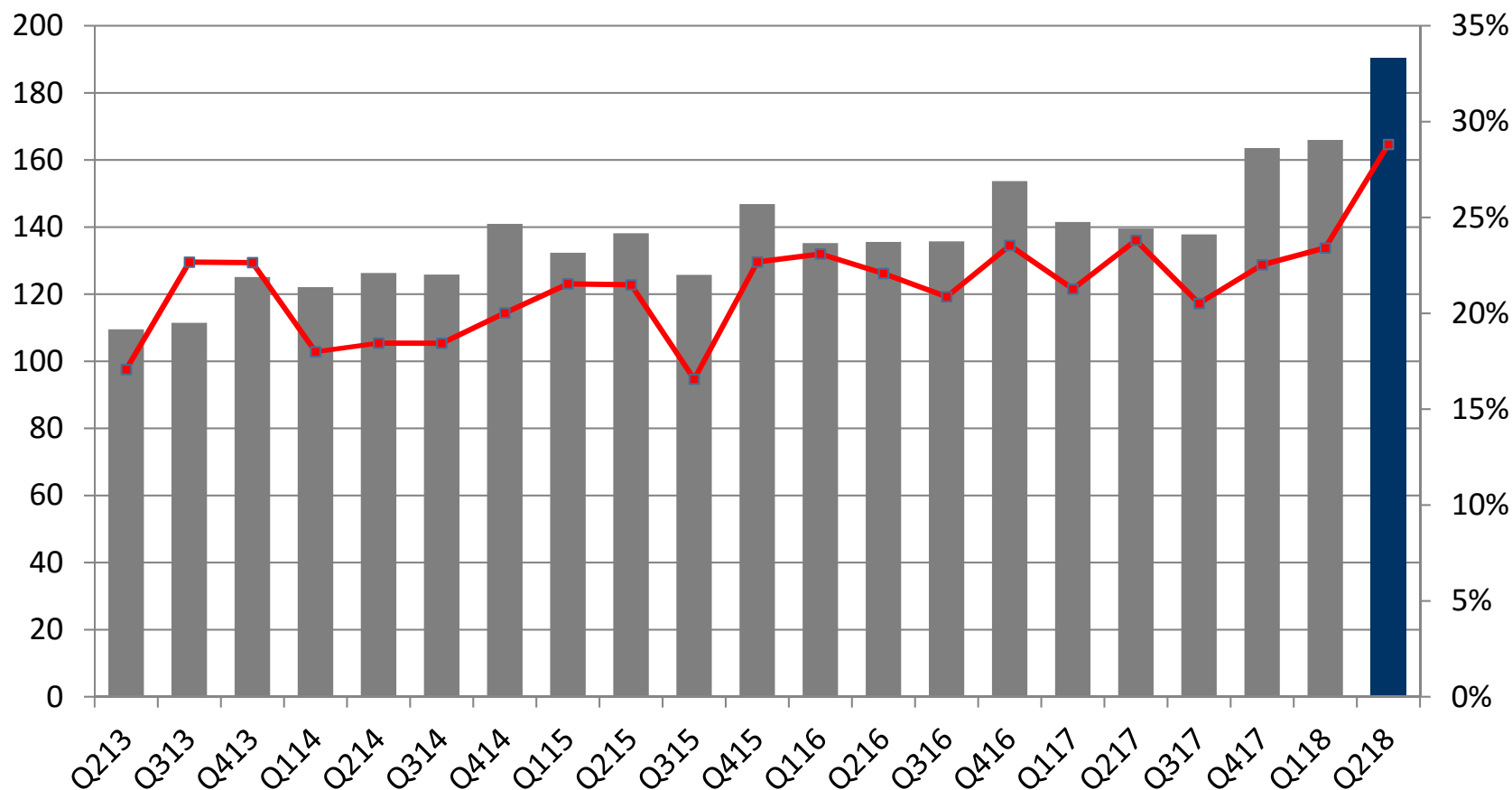
Key figures second quarter 2018

€ M	Q2 18	Q2 17	Change	2017
Revenue	190.5	139.5	37%	582.4
EBITDA	54.9	33.2	65%	128.4
EBIT	44.3	23.0		90.1
EBT	41.0	17.8		65.6
Net income	25.3	11.8		31.7
EPS (€)	0.51	0.22	>2x	0.63
Cash net income*	31.1	18.6		58.1
Cash net income per share (€)	0.62	0.37		1.17

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

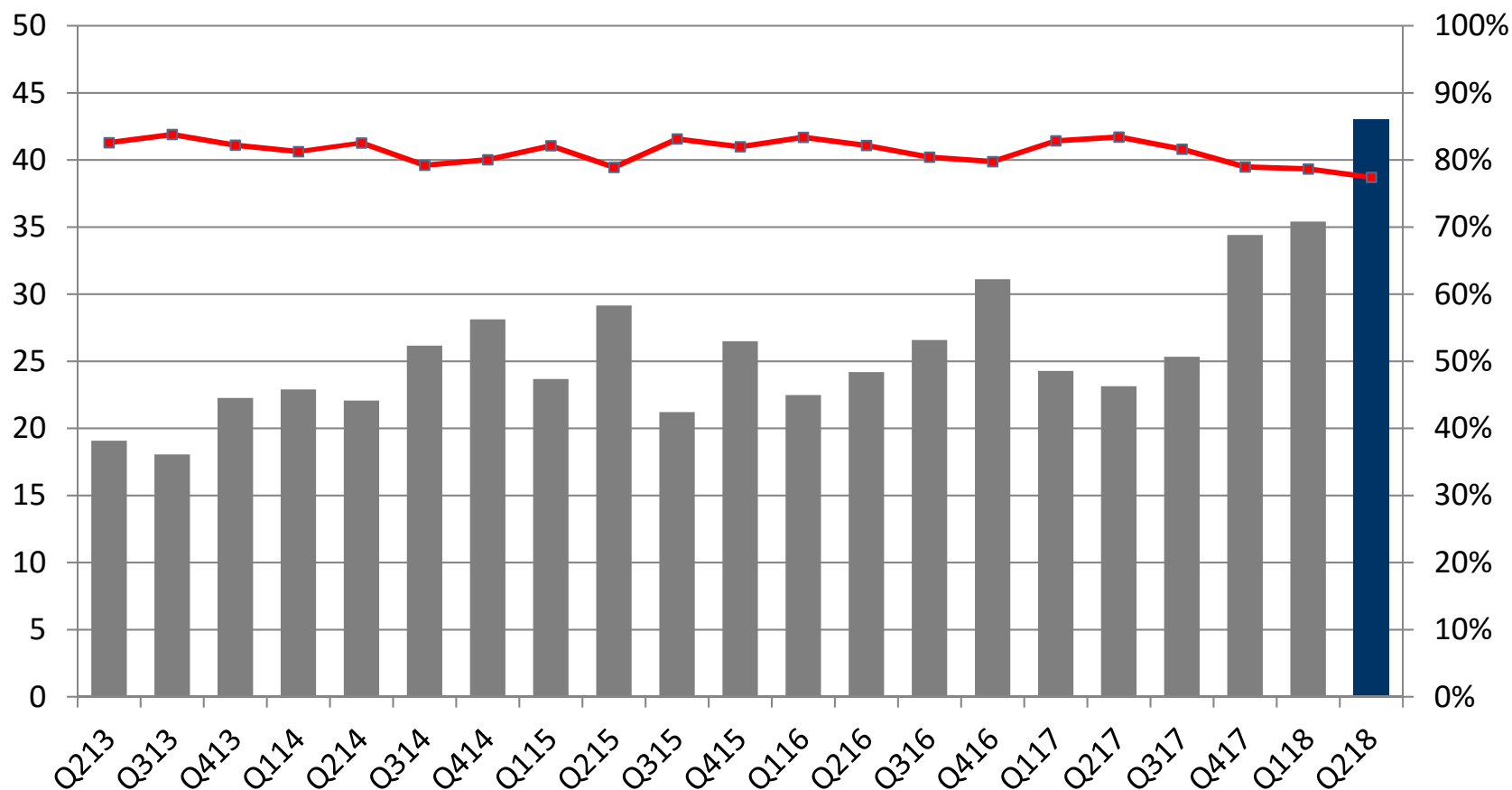
Revenue and profitability

€ M / EBITDA margin



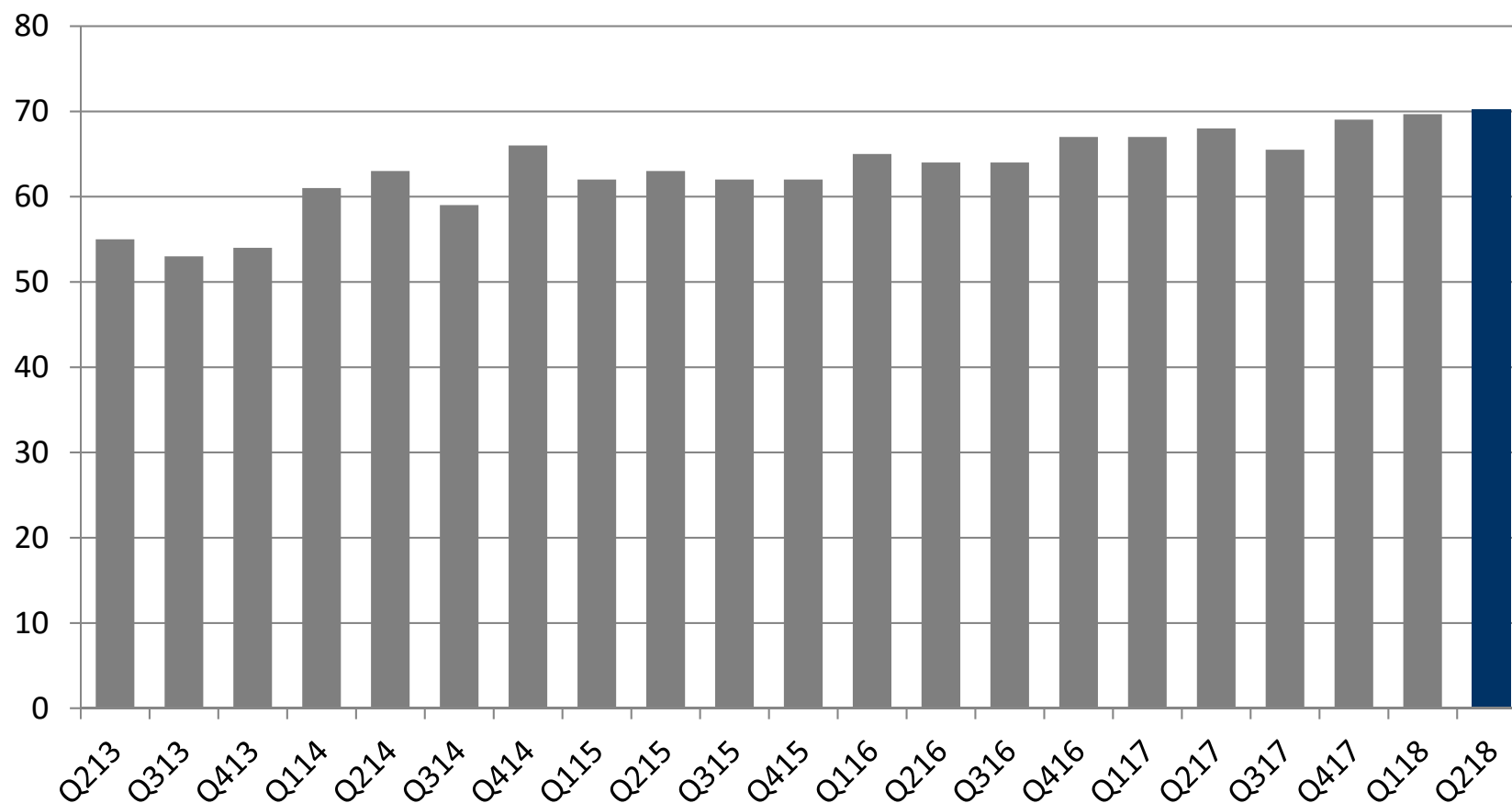
COGS and gross margin

€ M / percent



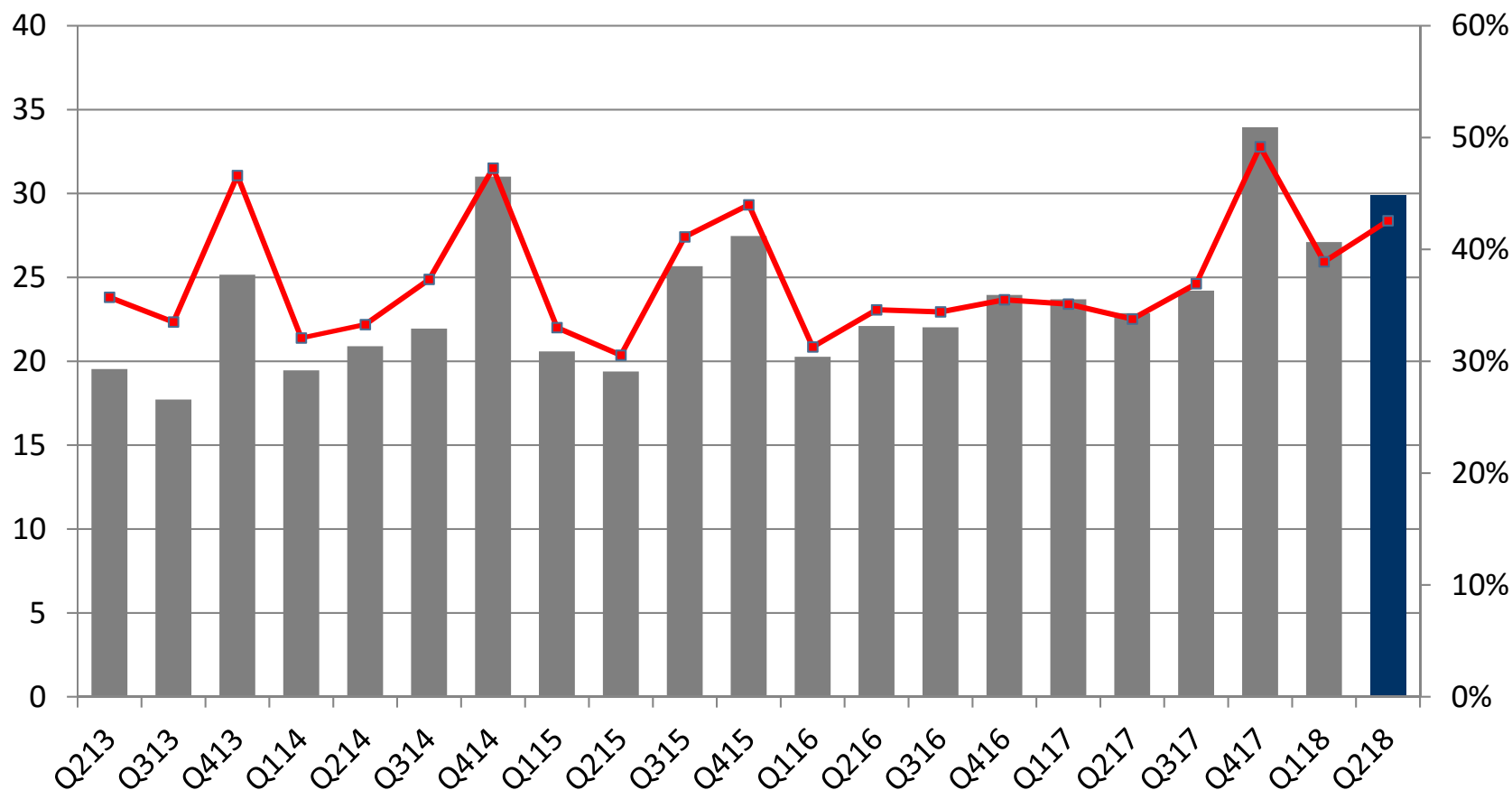
Personnel expenses

€ M



Other expenses

€ M / percent of personnel expenses



Capital expenditure

€ M	Q2 2018
Acquisitions	0.8
Capitalized in-house services and other intangible assets	7.8
Office building and property	2.6
Office equipment and other tangible assets	2.3
Sum	13.5

- Acquisition of La-Well
- 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
- Purchase of office building in France (used since 2014)



elektronische
ViSITE
Video Consultation

What is eVi®?

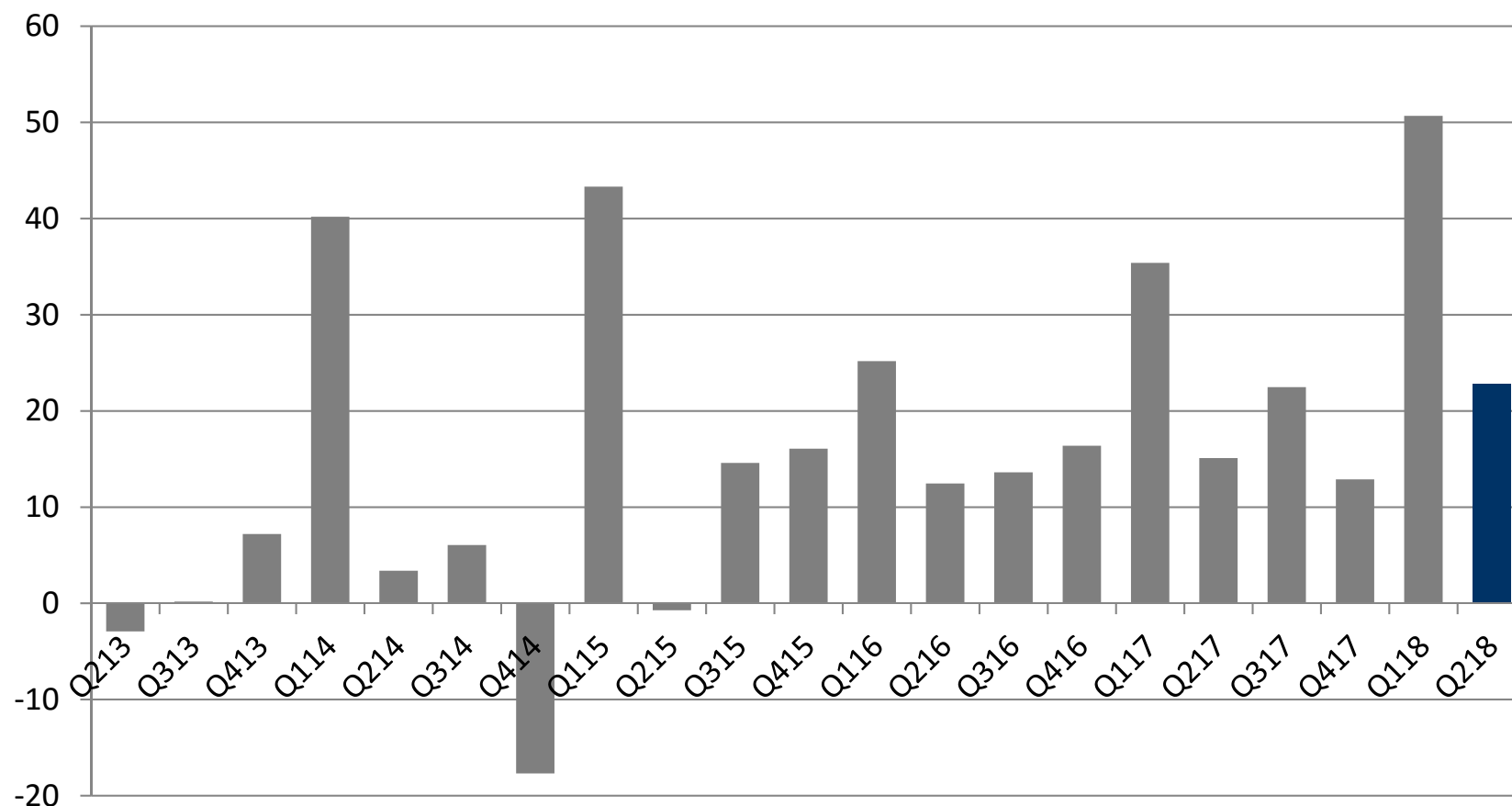
eVi® is a software for conducting video consultations. It was the first application of this kind to be certified in Germany and thus fulfils all technical requirements of data protection legislation.

eVi® provides a secure video conference from doctor to doctor as well as from doctor to patient. By transmitting important visual impressions and findings, eVi® is an important contribution to future health care.

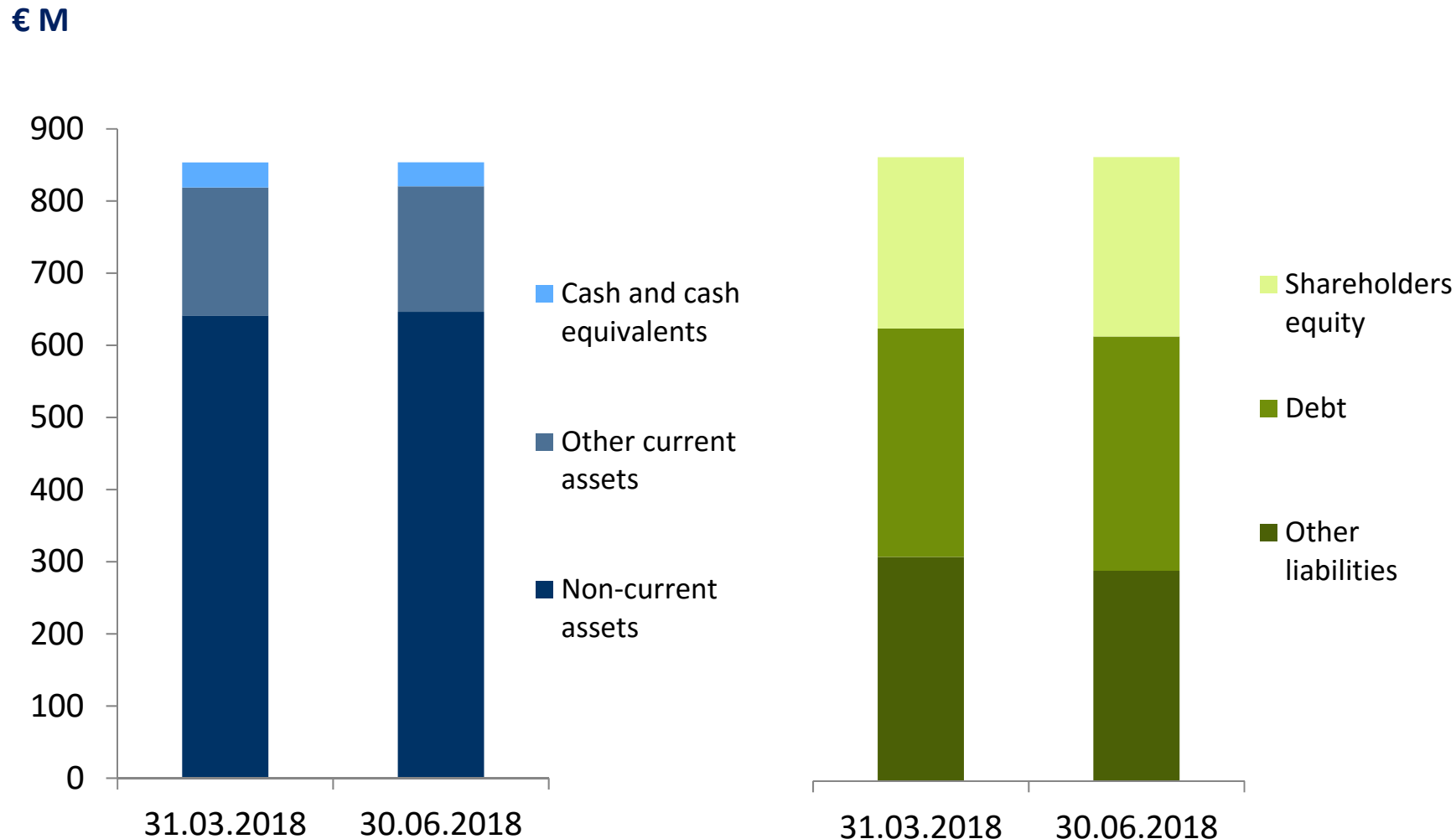


Operating cash flow

€ M



Statement of financial position



Software for doctors

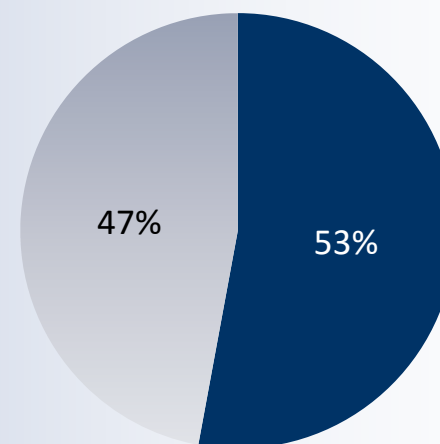


Doctor software development

AIS revenue Q2 2018

100% = 130.1 € M

	€ M	%
Revenue Q2 2017	79.8	
Acquisitions	0.6	1%
Organic growth	49.7	62%
Revenue Q2 2018	130.1	63%



■ Recurring revenue ■ Non-recurring sales

- 64 percent organic growth at constant exchange (negative FX from US and 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 in local currency

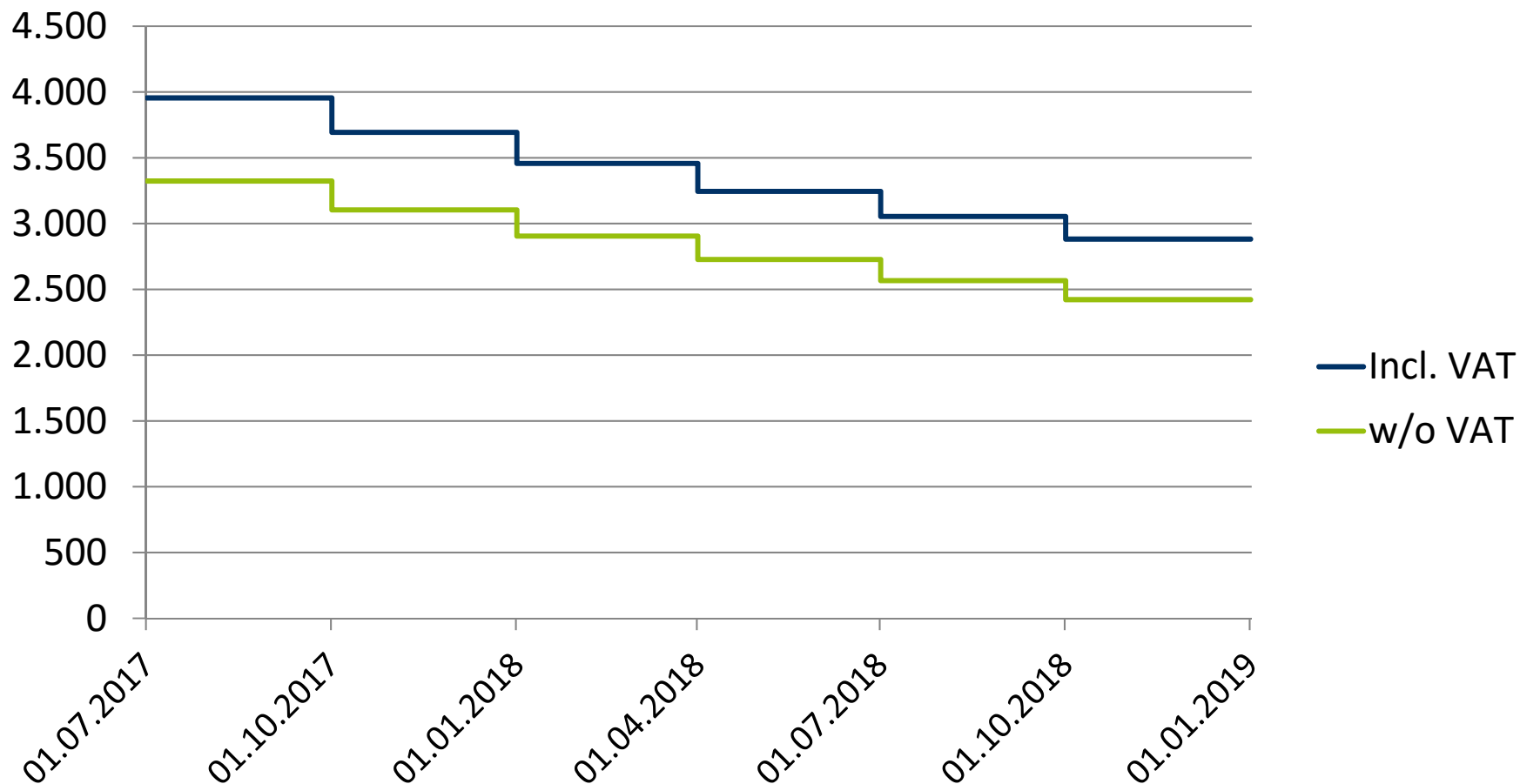
TI roll-out



- CGM has remained the only approved supplier of TI connection packages throughout the second quarter of 2018.
- Accumulated more than 31,000 orders by the end of the second quarter
 - **27,000 from existing CGM primary software customers**
 - **4,000 from the rest of the German market**
- Over 27,000 live installations by the end of the second quarter
- New financing agreement in effect
- Accreditation given by gematik to a second Connector
- Self-installation now possible

New financing agreement

€ reimbursed to small practice for up-front components and services



Current offer (Q3 2018)



SOMMER-ANGEBOT

JETZT SMC-B-CODE UNTER 0261 8000-2323 ODER PER E-MAIL AN bestellung.TI@cgm.com ANFORDERN UND SPAREN.

Unser TI-Versprechen: Installation in Q3/2018!

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)
- 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 GÜLTIG NUR MIT SMC-B-CODE

€ 2.565,-* € 3.052,35 inkl. MwSt.

statt ~~€ 2.726,89~~ € 3.245,- inkl. MwSt.

Erstattungspauschale
in Q3/2018 beträgt € 3.054,- inkl. MwSt.

über
€ 190,-
gespart

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 Hauptbetriebsstätte zum Aktionspreis von € 2.565,- zzgl. MwSt., nur in Verbindung mit SMC-B-Code gültig. Paketpreis ohne SMC-B-Code € 2.726,89 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/wissensvorsprung-download eingesehen oder heruntergeladen werden.

* Angebot gültig bis 30.09.2018.

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



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



“Do-it-yourself” offer launched under separate brand



**TELEMATIKINFRASTRUKTUR FÜR ALLE –
SPAREN SIE BIS ZU 715 €!**
FAX: 030-2464 908 888

**TI-Bundle
„Do-it-yourself“:**



- 1 eHealth-Konnektor KoCoBox MED+ (QES-ready)
- 1 eHealth-Kartenterminal ORGA 6141 online inkl. gSMC-KT
- Freischaltung VPN-Zugangsdienst
- Secure Internet Service (SIS; mit 1,5 GB Datenvolumen)
- „KoCo Check“ zur sorgfältigen Vorbereitung der Installation
- „KoCo Guide“ zur bequemen Einrichtung der TI-Komponenten in Ihrer Praxis

€ 2.499,- inkl. MwSt.
zzgl. Servicepaket Betrieb mtl. € 76,76 inkl. MwSt.

- Servicegebühr eHealth-Konnektor KoCoBox MED+
- VPN-Zugangsdienst (aktuelle Bestandsnetze inklusive)

Zusätzlich benötige ich:

- ☐ Stück stationäre(s) eHealth-Kartenterminal(s) ORGA 6141 online inkl. gSMC-KT zum Preis von jeweils € 649,- inkl. MwSt.
- ☐ Stück mobile(s) eHealth-Kartenterminal(s) ORGA 930 M online zum Preis von jeweils € 355,81 inkl. MwSt.
(Lieferung inkl. Anleitung erfolgt direkt an Sie. Ein einfacher Anschluss ist gewährleistet. Zum Betrieb benötigen Sie eine weitere SMC-B oder einen HBA.)
- ☐ Stück CHERRY Tastatur G87-1505 inkl. gSMC-KT zum Preis von jeweils € 665,21 inkl. MwSt.
- ☐ Stück TI-Starterset (Kabel mit 1 m Länge; Steckdosenleiste 230 V, weiß, 3-fach Kabel mit 1,5 m Länge; 5-Port-Switch; Kabelbinder, weiß, VPE 10; Klebesockel, weiß) zum Preis von jeweils € 19,30 inkl. MwSt.
- ☐ Stück Gehäuse zur sicheren Aufbewahrung des TI-Konnektors zum Preis von jeweils € 69,90 inkl. MwSt.

- Leverages CGM's secure delivery chain
 - Highly automated and intuitive installation wizard
 - Self-tutoring material (videos etc.)
 - Webshop
- <https://www.kocobox.de>
- Online orders received from customers using more than 50 different AIS systems

Software for pharmacies

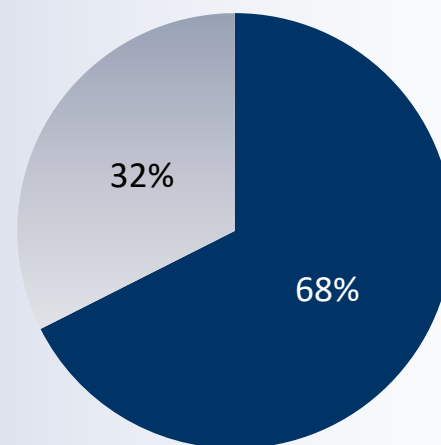


Pharmacy software development

PCS revenue Q2 2018

100% = 26.5 € M

	€ M	%
Revenue Q2 2017	24.3	
Acquisitions	0.1	
Organic growth	2.1	9%
Revenue Q2 2018	26.5	9%



■ Recurring revenue ■ Non-recurring sales

- 9 percent organic growth
- The German and Italian markets are developing positively with well-established products and services
- 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

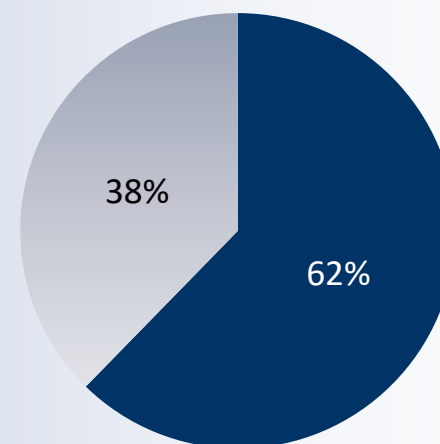


Hospital software development

HIS revenue Q2 2018

100% = 25.1 € M

	€ M	%
Revenue Q2 2017	25.1	
Acquisitions	0.0	
Organic growth	-0.8	-3%
Revenue Q2 2018	24.3	-3%



■ Recurring revenue ■ Non-recurring sales

- The HIS-segment reversed some of the revenue gains in the first quarter and delivered -3 percent year-on-year contraction in the second quarter 2018.
- This is within normal quarterly fluctuations and is a good outcome given that a change to customer contract structures has reduced pass-through revenue from 3rd party software compared to last year.

Health Connectivity Services

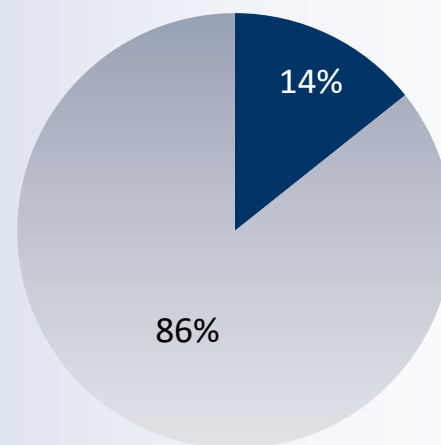


Health Connectivity Services

HCS revenue Q2 2018

100% = 9.6 € M

	€ M	%
Revenue Q2 2017	10.3	
Acquisitions/Divest	0.3	3%
Organic growth	-1.0	-9%
Revenue Q2 2018	9.6	-6%



■ Recurring revenue ■ Non-recurring sales

- -6 percent organic contraction at constant exchange
- The revenue development in the HCS-segment during the second quarter is somewhat behind expectations for 2018.
- The revenue decline comes from less ad-hoc projects with pharmaceutical companies which are inherently difficult to forecast.

Guidance 2018 - seasonality

- CGM will in 2018 have significantly higher volume of non-recurring sales revenue compared to previous years
- This leads to a different and more pronounced seasonality this year
- In particular, the third quarter will have lower volume of product deliveries compared to both the second quarter now reported and what is expected for the fourth quarter
- This is due to the holiday period in Europe which limits installations both internally in CGM and also from the customer side

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 2018

Date	Event
October 18, 2018	Investor and Analyst Conference
November 08, 2018	Interim Report Q3 2018

Q&A session

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