

# Q1 | 2021

**Investor/Analyst Call**

Dr. Dirk Wössner, CEO

Michael Rauch, CFO

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# GROUP OVERVIEW

**DR. DIRK WÖSSNER, CEO**

# Q1 – An excellent start into 2021



**€229m**  
(+25%yoy)

Revenue



**69%**  
(+2ppt)

Recurring  
rev share



**+5%**  
(+3ppt)

Organic  
growth



**€47m**  
(+7%yoy)

Adj.  
EBITDA



**20%**  
(-4ppt)

Margin



**€0.33**  
(PY: €0.34)

Adj. EPS




**€70m**  
(PY: €51m)

FCF



We are passionately supporting...



**... our customers: doctors,  
nurses and all other  
healthcare professionals  
in their courageous fight  
against COVID-19.**

# CGM supports doctors during COVID-19 vaccination across Europe



## Germany

- Free GP support with vaccination module in Q2/2021



## Italy

- Support for vaccination in pharmacies



## Austria

- Vaccination certificate, regional online booking for GPs



## France

- New admin modules for vaccination

## Major orders prove G3 leadership

- Leading university hospitals in Germany & Spain choose CGM Clinical
- Order volume >€25m (next 5 years)

## Cerner integration well on track

Promising kick-off re Hospital Future  
Act with **high number of leads**





# Continued growth in data business and strong quarter in connectivity (TI)



## Connectivity (TI)

- >60k connector installations, thereof ~6k pharmacies
- Next generation connector (PTv4) development on track



## Growing data business

- >1.5m therapy safety requests/week (THERAFOX)
- Data-based solutions benefitting from digitization



## Consumerization

- Largest & dynamically growing eHealthRecord customer base
- MEINE GESUNDHEIT with ~500k users by end of Q1

# Successful kick-off for new US business setup post eMDs acquisition



## The new US business setup

CGM now

# #4

AIS player  
in US

### **Integrated CGM US formed –**

Former eMDs  
CEO assigned as  
new US CEO

**Excellent  
positioning** in  
growth business  
revenue cycle  
management

**US revs 11% of  
total revs**  
@13% EBITDA  
margin (PF 2020)

**Technology  
integration –**  
First milestones  
reached across all  
products

Significant  
**revenue synergy  
potential –**  
Initial cross-  
selling results

# After the first 100 days as CEO – Key strategic topics going forward

## Opportunities

- Be a top player along the **patient journey**
- Leverage **data opportunity**
- Complementing **acquisitions**

## Efficiencies

- Deliver **great service** every day
- Innovate on a **scalable platform**
- **Be lean** and reduce complexity

## Culture

- Maintain **entrepreneurial drive**
- Create the **best place to work**



# Invest to grow 2021 – Successful kick-off

## MILESTONES Q1/2021

- User experience & platform modernization
- ✓ **CLICKDOC calendar tool ready for rollout**
- Modularization & interoperability
- ✓ **TI connector upgrade on track for HY2/2021**
- Next generation G3 / SaaS based products
- ✓ **First cloud-based system launched in Italy**
- IT security offerings
- ✓ **Doctors communication tool (KIM) rollout gaining traction**
- Marketing, sales & distribution
- ✓ **Expanding sales & service force**

## Q1/2021

R&D expenses up yoy

from **€36m**

to **€45m**

at **~20%** of revs

# FINANCIALS

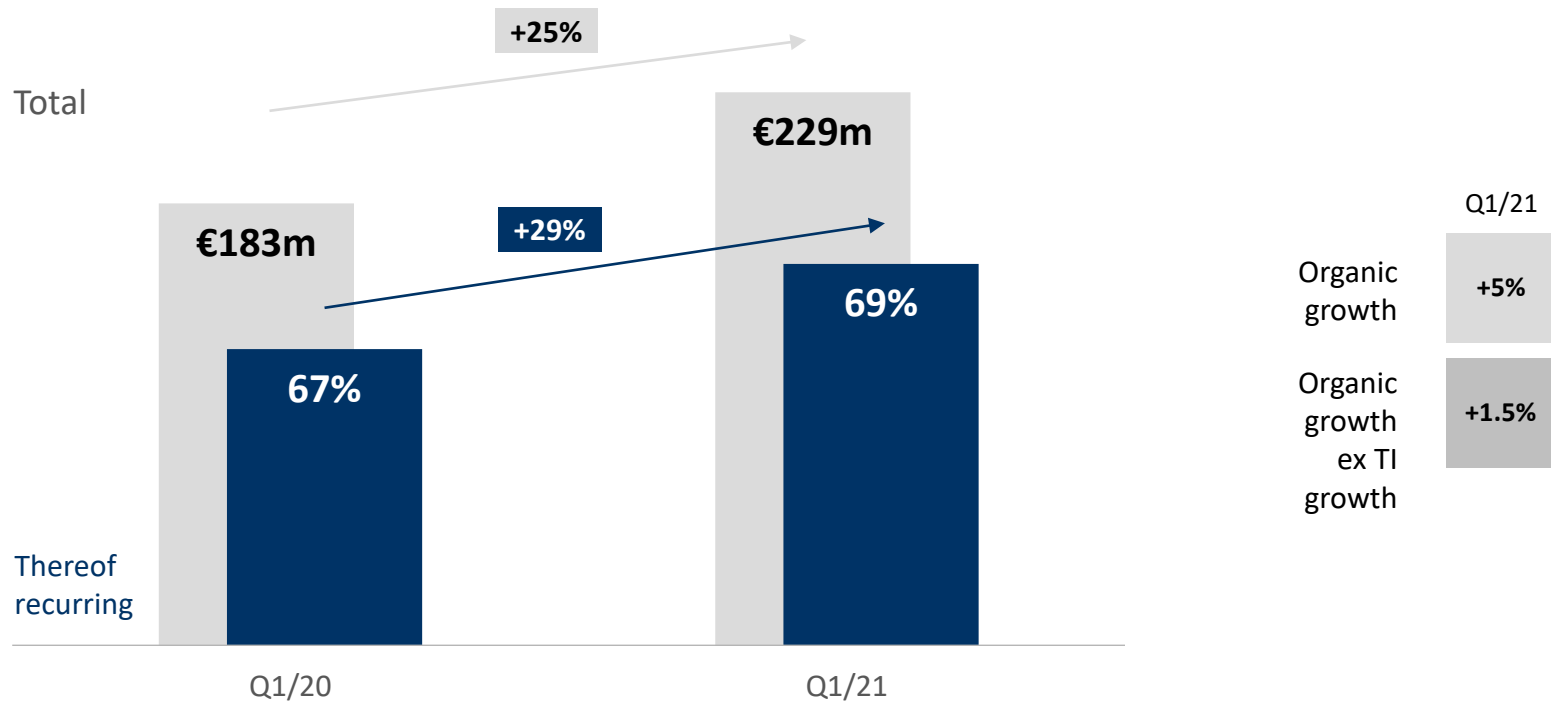
MICHAEL RAUCH, CFO

# Q1/2021 Segments

Group			AIS		HIS		CHS		PCS	
			Revenue share							
			Q1/21	yoy	Q1/21	yoy	Q1/21	yoy	Q1/21	yoy
Revenue (€m)	229	+25%	112	+18%	55	+64%	34	+33%	28	-3%
EBITDA adjusted (€m)	47	+7%	30	+9%	8	+80%	5	+6%	8	-10%
Margin	20%	-4ppt	26%	-3ppt	14%	+1ppt	15%	-4ppt	29%	-2ppt

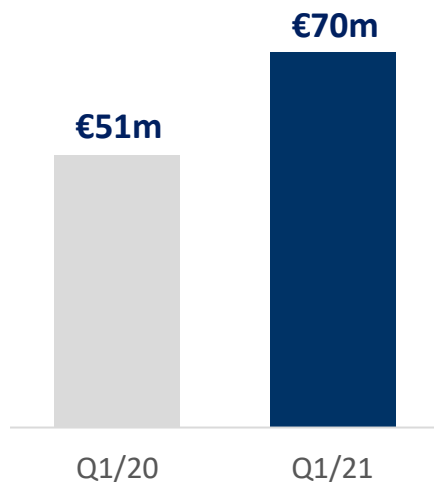


# Q1/2021 – Double-digit revenue growth driven by acquisitions

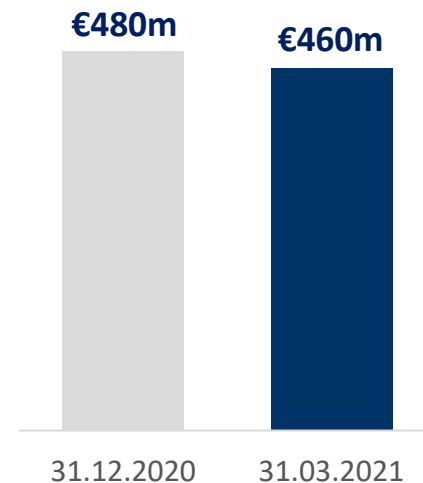


# Excellent free cash flow headstart improving net debt despite share-buy back

## Free cash flow



## Net debt



Leverage<sup>1)</sup>

2.0x

2.0x

<sup>1)</sup> Leverage = Net debt (liabilities to banks and financial liabilities (incl. leasing liabilities according to IFRS 16) ./ cash and cash equivalents (with the exception of accounts under third-party management)) / EBITDA adjusted/pro forma (LTM) plus pro rata EBITDA of newly acquired companies

# Share buyback program 2021

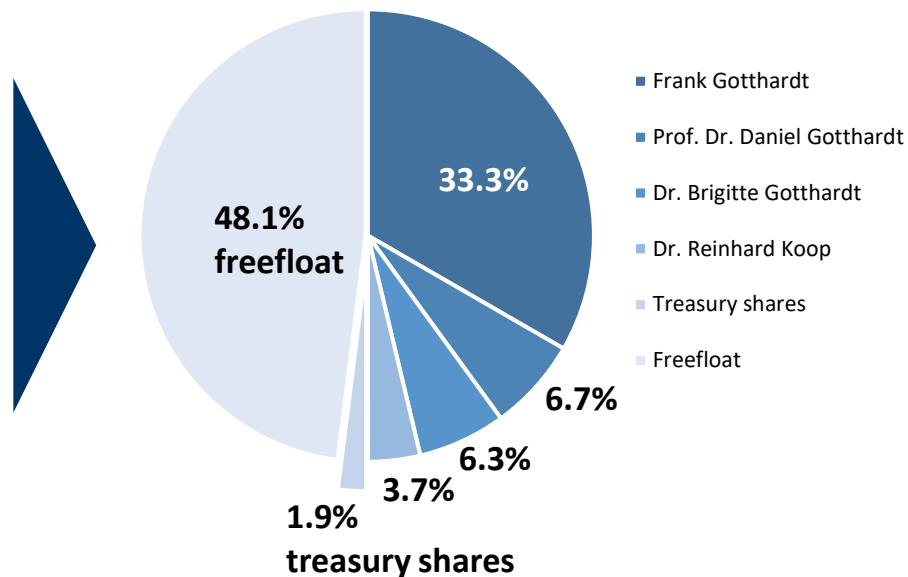
## Share buyback February 25 – April 29, 2021

- 1,000,000 treasury shares
- 1.9% of outstanding shares
- €71.25 volume weighted average share price
- €71.3m total volume

## Thereof in Q1/2021

- 620,667 treasury shares
- 1.2% of outstanding shares
- €69.80 volume weighted average share price
- €43.3m total volume

## Shareholder structure (April 30)





# AMBULATORY INFORMATION SYSTEMS



Segment financials		Q1/21	yoy
Revenue (€m)		112	+18%
EBITDA adjusted (€m)		30	+9%
Margin		26%	-3ppt

77% (+4ppt)	+25% yoy
Recurring revenue share	Recurring revenue

## Q1/21 yoy

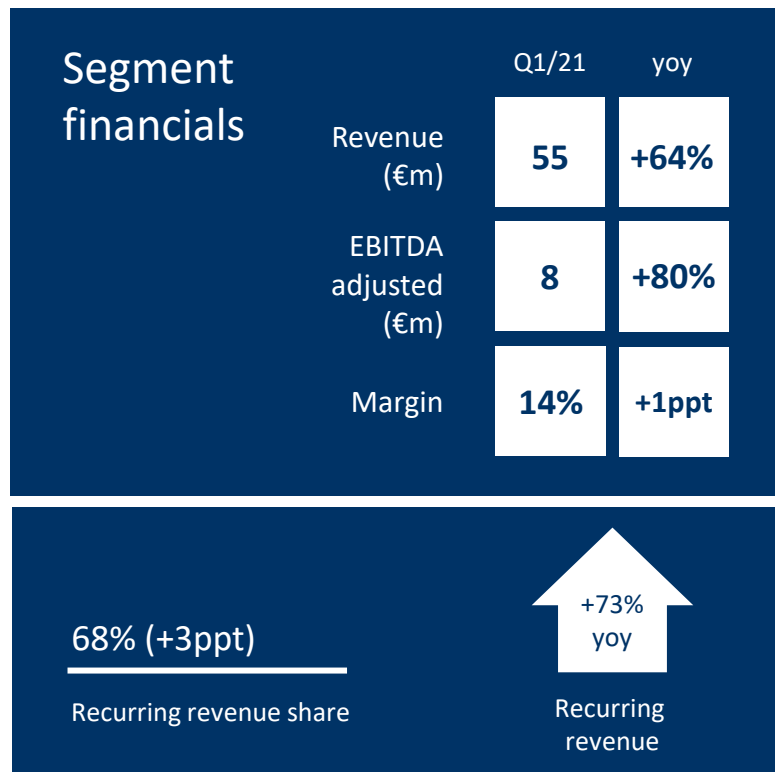
- **Revenues** up +18% due to US acquisition
- **Organic** development -1%, against strong +10% in PY (Win 10 boost) and COVID-19 impact in 2021
- Acquisition strengthens **recurring revenue** profile, now 77% of total revs and up +25% yoy
- **Adjusted EBITDA** impacted by increased investments into R&D, sales & service
- **EBITDA margin** additionally impacted by lower margin of newly consolidated US business



# HOSPITAL INFORMATION SYSTEMS







## Q1/21 yoy

- Strong **revenue** increase of +64% due to assets acquired from Cerner
- **Organic** revenues +8% mainly driven by positive business development in Germany
- **Recurring revenues** up +73% due to acquisition, representing 68% of total revs
- **EBITDA margin** at 14% slightly above PY margin despite increasing R&D investments



# **CONSUMER & HEALTH MANAGEMENT INFORMATION SYSTEMS**

Segment financials		Q1/21	yoy
Revenue (€m)		34	+33%
EBITDA adjusted (€m)		5	+6%
Margin		15%	-4ppt

43% (-7ppt)	+14% yoy
Recurring revenue share	Recurring revenue

## Q1/21 yoy

- **Organic** revenue growth of +34% driven by TI rollout and data solutions
- +9% **organic growth ex TI growth**, driven by excellent data business (intermedix)
- **Recurring revenue profile** impacted by TI rollout with high one-off revs in Q1/21
- **Adj. EBITDA margin** impacted by higher hardware revs (TI) & growth investments



# PHARMACY INFORMATION SYSTEMS



Segment financials		Q1/21	yoy
Revenue (€m)		28	-3%
EBITDA adjusted (€m)		8	-10%
Margin		29%	-2ppt

71% (+4ppt)	+3% yoy
Recurring revenue share	Recurring revenue

## Q1/21 yoy

- **Organic** revenues down by -3% against strong +5% in PY (Win 10 & 2019 backlog)
- Recurring revenues up +3% and now 71% of total revs (+4ppt due to less hardware sales)
- **Adjusted EBITDA** down by -10% due to increased investments (mostly G3)

# GUIDANCE



## Quarterly phasing (FY 2021 guidance unchanged)

- Gradual build-up of revenue expansion throughout the year
  - Growth initiatives accelerating quarter by quarter
  - Hospital Future Act benefits expected to start after summer
  - Ramp-up of patient journey and IT security initiatives step by step
  - TI upgrade (PTV4) expected in HY2
- Front-loaded cost impact of investments with growth benefits well beyond 2021

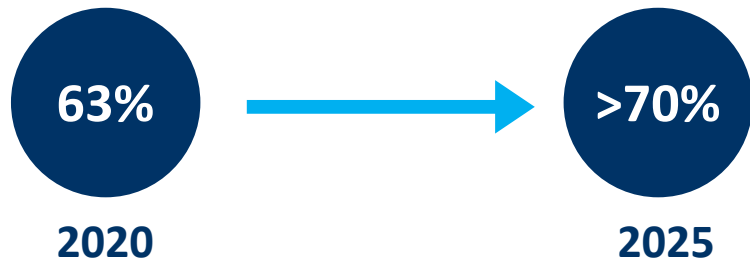


EBITDA ramp-up throughout the year (HY1 margin < HY2 margin)

Q2 with hiring catch-up margin impact & free cash flow dip

# Transition to SaaS / subscription improving future revenues and margins

## Recurring revs share



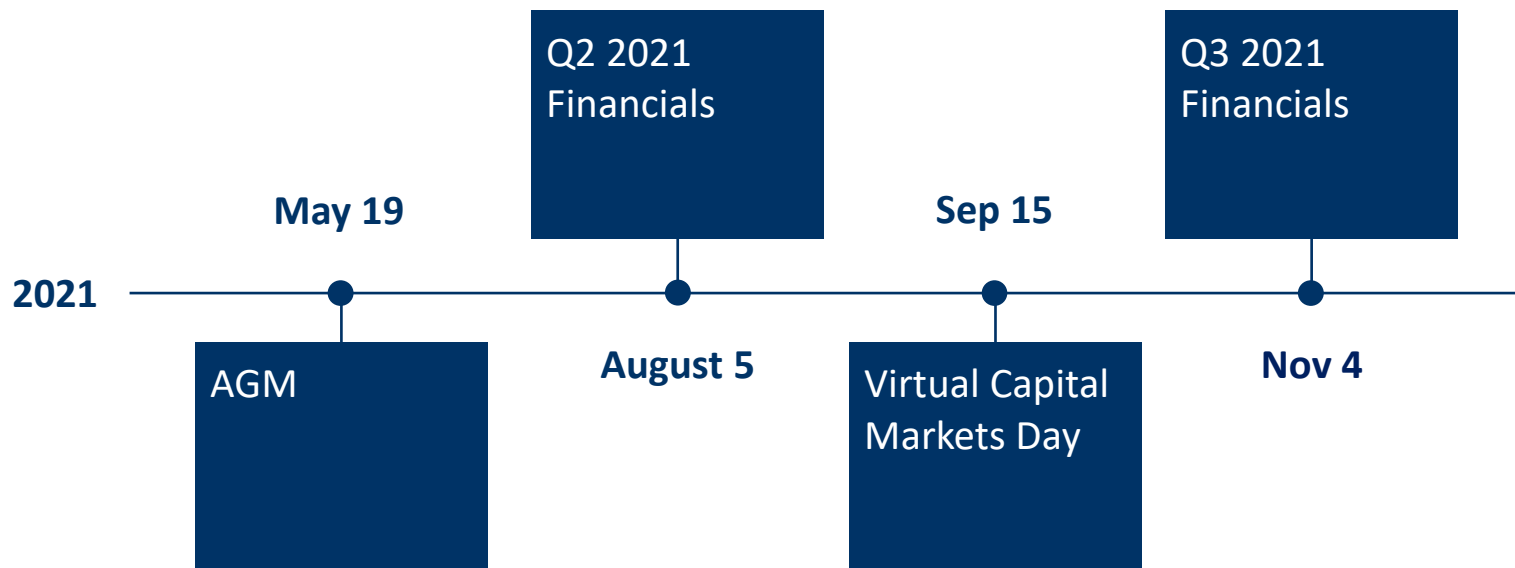
## Revenue impact



- Discounted **value of SaaS/subscription** higher than corresponding one-off license
- Improved **customer retention** and lower upfront entry barrier
- **Transition impact limited:**
  - Large long-term recurring customer base
  - HIS biz not affected
  - Transition planned over next 3-5 years
- From 2025 onwards **revenue acceleration** with **higher recurring revenue share** and **better margins**



## Next events 2021



A background image showing a group of people in a professional setting. A man with a beard and a woman are looking at a laptop screen. The man is pointing at the screen with his right hand. The woman is looking at the screen. The image is slightly blurred and has a blue tint.

# **Q&A**

**PLEASE PRESS \*1  
TO ASK QUESTIONS**

# Q1/21 EBITDA reported vs. adjusted

€m	Q1/21	Q1/20
<b>EBITDA reported</b>	44.4	40.1
M&A transactions	0.1	3.0
Share-based option programs	2.0	0.5
Restructuring program expenses	-	-
Other non-operative, extraordinary or prior period one-time effects	-	-0.1
<b>EBITDA adjusted</b>	46.5	43.5

# Q1/2021 P&L Group

€m	Q1/21	Q1/20
<b>Revenues</b>	<b>228.9</b>	<b>183.1</b>
Capitalized own services /other operating income	10.3	9.8
Expenses for goods & services purchased	-41.4	-32.2
Personnel expenses	-114.5	-89.6
Other operating expenses	-38.9	-31.0
<b>EBITDA reported</b>	<b>44.4</b>	<b>40.1</b>
Depreciation & amortization	-26.9	-16.8
<b>EBIT</b>	<b>17.5</b>	<b>23.3</b>
Financial result	-1.4	-3.9
Income from at-equity participations	0.0	-0.6
<b>EBT</b>	<b>16.1</b>	<b>18.8</b>
Income taxes	-5.1	-6.0
<b>Net income</b>	<b>11.0</b>	<b>12.8</b>
Non-controlling interest	0.0	0.1
<b>EPS reported, diluted (€)</b>	<b>0.20</b>	<b>0.26</b>



## 2020 segments pro forma (per new structure, as communicated on Nov. 5)

	Q1/20	Q2/20	Q3/20	Q4/20	FY/20	
Ambulatory Information Systems	95.1	92.5	90.9	96.7	375.2	Revenues
	27.2	30.8	30.0	29.8	117.8	Adjusted EBITDA
Pharmacy Information Systems	28.8	28.8	28.8	30.4	116.8	
	8.9	7.5	7.7	9.5	33.6	
Hospital Information Systems	33.7	33.4	56.1	63.4	186.6	
	4.2	5.4	7.8	14.4	31.8	
Consumer & Health Management Information Systems	25.4	25.2	55.5	52.3	158.4	
	4.9	4.4	27.9	11.2	48.4	

- **Revenues** in the range of €1,000m to €1,040m
  - **Adjusted EBITDA** in the range of €210m to €230m
- 
- The 2021 guidance represents management's current best estimate of market conditions in 2021 and how the business segments of CGM will perform in this environment
  - The COVID-19 pandemic continues to create additional uncertainty in all of our markets.
  - This outlook reflects all currently available information and management's forecasts regarding further developments in Telematics Infrastructure in Germany
  - 2021 guidance may be impacted by FX effects, especially US\$
  - The guidance does not include P&L impact associated with potential further acquisitions

## 2021 Revenue guidance – Segments

Revenues, €m

<b>AIS</b>	<b>485 – 500</b>	excluding TI, including 12 months eMDs
<b>PCS</b>	<b>115 – 120</b>	excluding TI
<b>HIS</b>	<b>240 – 250</b>	including full year impact of large FY20 acquisition
<b>CHS</b>	<b>160 – 170</b>	including TI

<b>Organic growth</b>	<b>4 – 8</b>	group revenues, in %
<b>Recurring revenue</b>	<b>&gt; 60</b>	in % of total revenues
<b>Adj. EPS</b>	<b>1.70 – 1.95</b>	diluted, in €
<b>CAPEX</b>	<b>70 – 80</b>	in €m
<b>FCF</b>	<b>&gt; 80</b>	in €m

Guidance reflects management's best estimate based on the currently available information, particularly with regard to COVID-19 and the further rollout of Telematics Infrastructure.



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