

# Q2 | 2021

**Investor/Analyst Call**  
Dr. Dirk Wössner, CEO  
Michael Rauch, CFO

August 5, 2021



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# GROUP OVERVIEW








DR. DIRK WÖSSNER, CEO



# Digitization & Interoperability

along the patient journey  
while **protecting**  
medical data and infrastructure

# CGM fully on track after strong Q2, FY 2021 guidance confirmed

							
<b>Q2</b>	<b>€241m</b> (+34%yoy)	<b>67%</b> (-2ppt)	<b>+10%</b> (+16ppt)	<b>€51m</b> (+14%yoy)	<b>21%</b> (-4ppt)	<b>€0.43</b> (PY: €0.38)	<b>-€6m</b> (PY: -€3m)
<b>H1</b>	<b>€470m</b> (+29%yoy)	<b>68%</b> (+0ppt)	<b>+7%</b> (+9ppt)	<b>€98m</b> (+11%yoy)	<b>21%</b> (-3ppt)	<b>€0.76</b> (PY: €0.72)	<b>€65m</b> (PY: €48m)
	Revenue	Recurring rev share	Organic growth	Adj. EBITDA	Margin	Adj. EPS	FCF

## Organic growth picking up across the board in Q2 with main drivers AIS & HIS

Organic growth in % yoy	Q1	Q2	H1
<b>Group</b>	<b>5%</b>	<b>10%</b>	<b>7%</b>
thereof ex TI growth	1%	6%	4%
AIS	-1%	3%	1%
HIS	8%	15%	12%
CHS	34%	42%	38%
thereof ex TI growth	9%	10%	9%
PCS	-3%	-1%	-2%

## Revenue development on track in Q2

- US merger continues to perform well
- Organic growth back to 3%, mostly due to strong European business

## Successful rollout of e-Health record module to doctors in Germany

## Continued **vaccination support** across Europe

- Freemium offer of vaccination management module
- Providing vaccination certificates to 60k doctors in Germany from June onwards

# Hospital business delivers another strong quarter

## Excellent organic growth in Q2 (15%)

- Ongoing good growth in G3 Germany
- Poland outperforming project milestones
- Strong lab business

## Cerner integration finalized

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)

- Next generation connector (PTv4+) approval received, installation in Q3
- >60k connectors installed, thereof ~6.5k pharmacies
- Strong momentum in KIM, already ~9k installations



## Growing data business

- Therapy safety checks >6m/week (Therafox)
- Delivering on digital marketing trend in pharma



## Consumerization

- Optimization of CGM Life, ready for e-Health record use
- MEINE GESUNDHEIT (e-Health record for private insurances) with >550k users by end of June

We are confirming our FY 2021 guidance...



\* 1,000 – 1,040 €m

... as well as our mid-term ambitions



**Organic  
revenue growth  
of  $\geq 5\%$  p.a.**



**Increasing  
EBITDA margin**



**Increasing share of  
recurring revenues  
to  $> 70\%$**

More details to be provided  
at the **Capital Markets Day on Sep 15**

# FINANCIALS

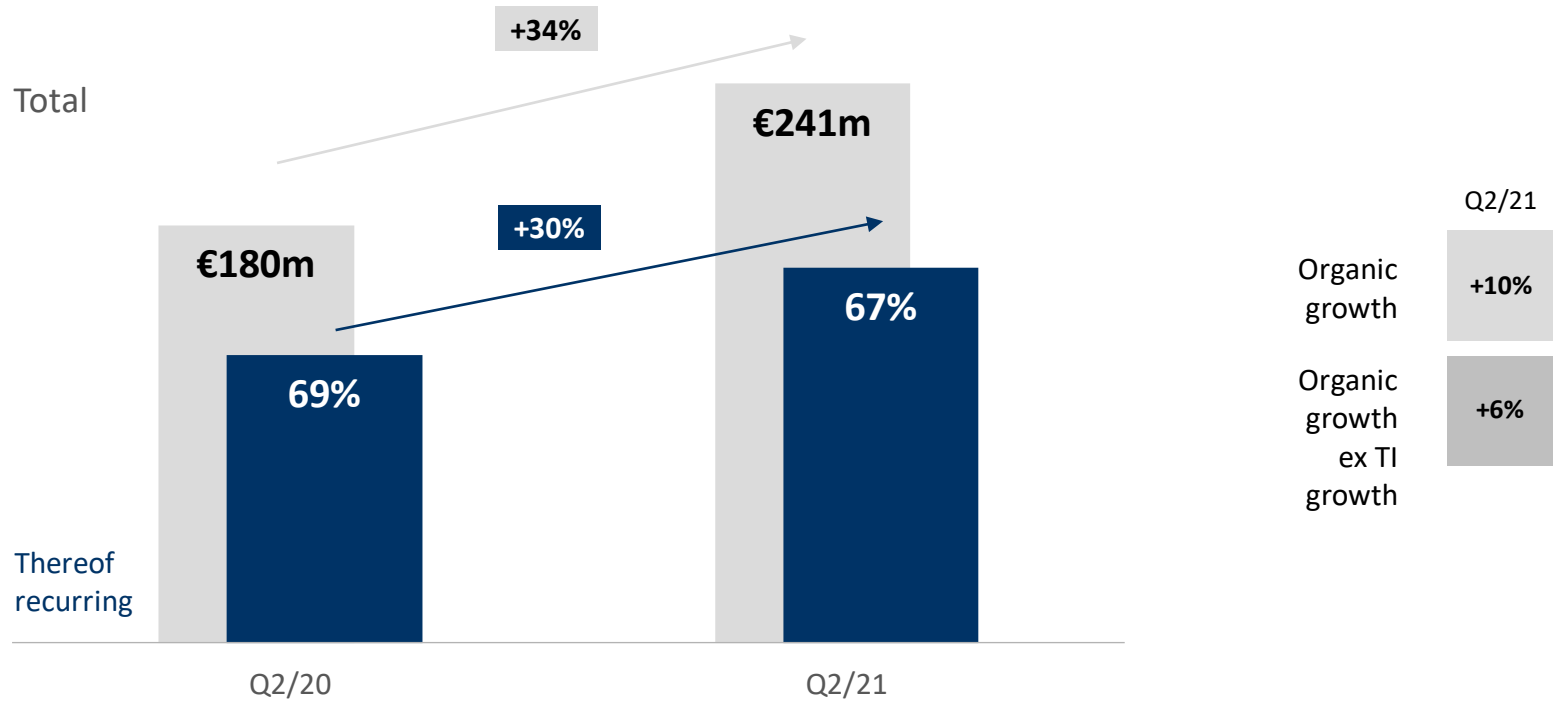
MICHAEL RAUCH, CFO



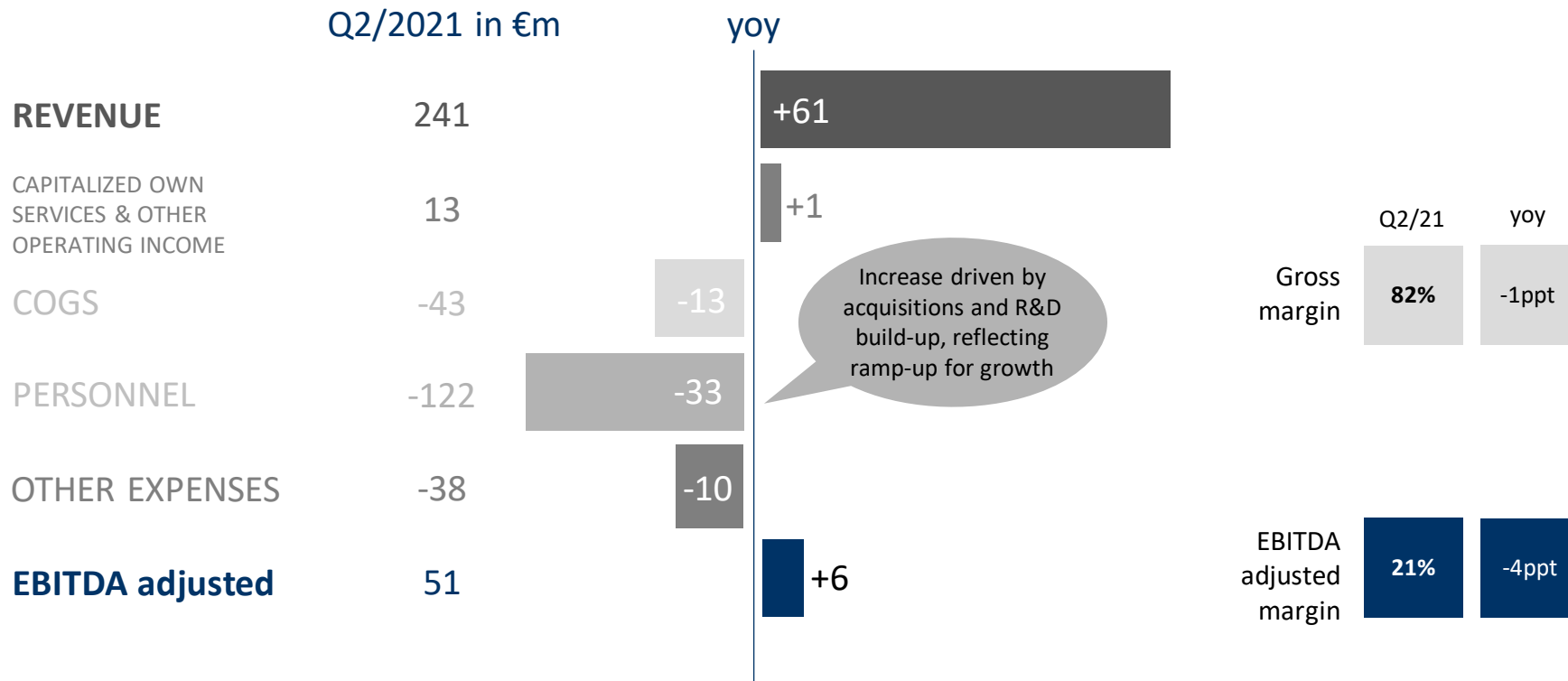
# Q2/2021 Segments

Group	Group		AIS		HIS		CHS		PCS	
	Q2/21	YOY	Q2/21	yoy	Q2/21	yoy	Q2/21	yoy	Q2/21	yoy
Revenue (€m)	241	+34%	115	+24%	62	+86%	36	+41%	28	-1%
EBITDA adjusted (€m)	51	+14%	29	-7%	13	>+100%	6	+31%	8	+12%
Margin	21%	-4ppt	25%	-8ppt	21%	+5ppt	16%	-1ppt	29%	+3ppt
Revenue share			48 %		26 %		15 %		11 %	

# Q2/2021 – Strong organic revenue growth in Q2/21

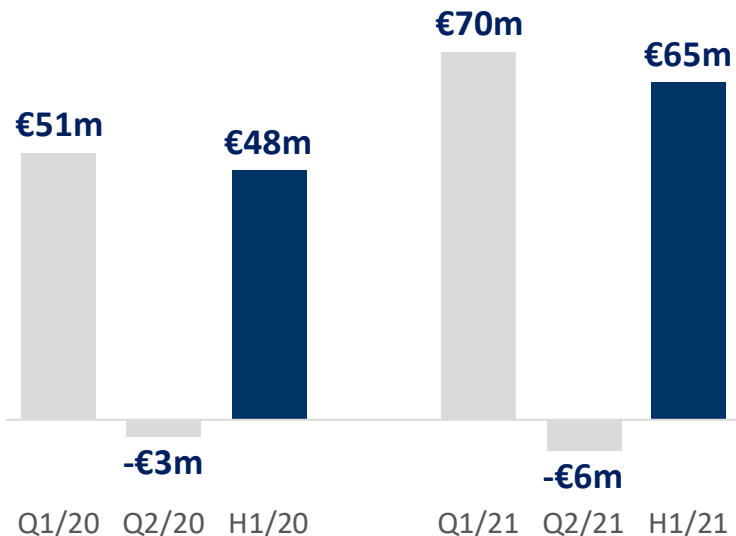


# Significant ramp-up in R&D, sales & distribution investing into further growth

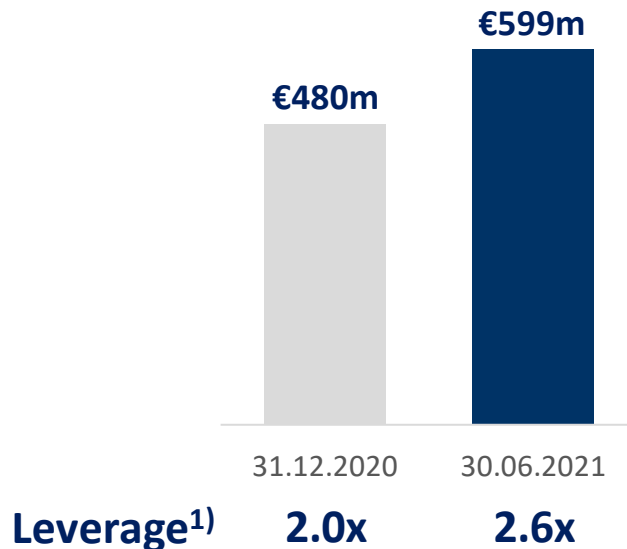


# Strong free cashflow development in H1/21, leverage increases to 2.6x

## Free cash flow



## Net debt



<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 (LTM) plus pro rata EBITDA of newly acquired companies




# AMBULATORY INFORMATION SYSTEMS



Segment financials	Q2/21	yoy
Revenue (€m)	115	+24%
EBITDA adjusted (€m)	29	-7%
Margin	25%	-8ppt

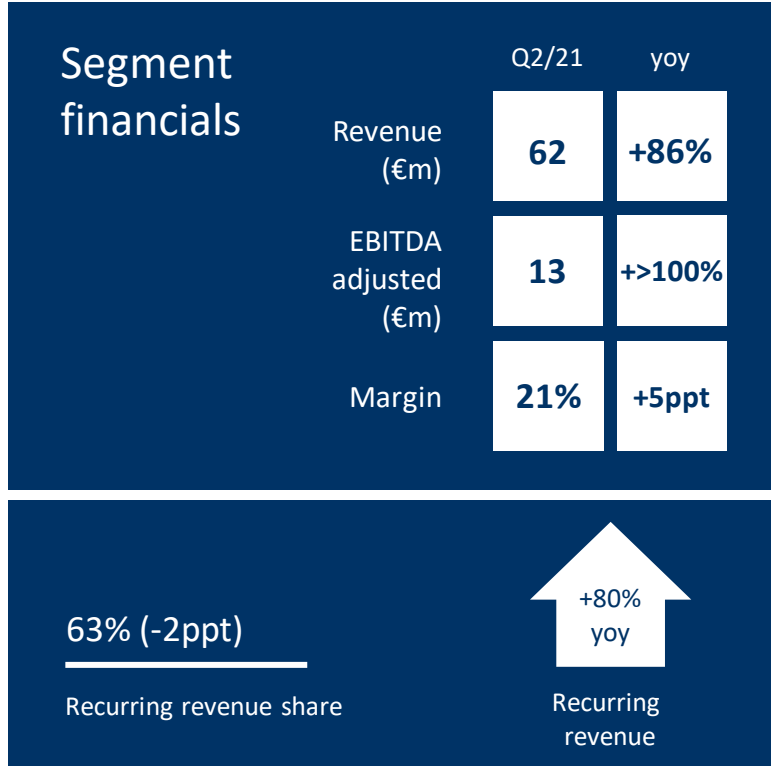
76% (+0ppt)	 +24% yoy
Recurring revenue share	
	Recurring revenue

## Q2/21 yoy

- **Revenues** up +24% due to US acquisition
- **Organic** development +3%, mostly due to European biz & e-Health record module in Germany
- **Recurring revenues** up +24%, representing 76% of total revs
- **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



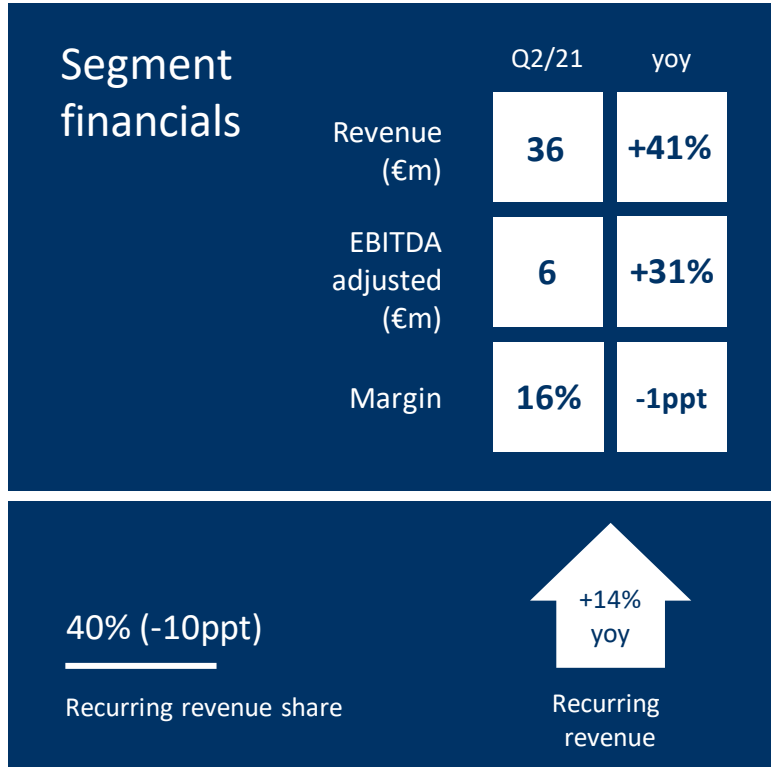


## Q2/21 yoy

- Strong **revenue** increase of +86% due to assets acquired from Cerner
- Excellent **organic** revenue growth of +15%, driven by G3 Germany, Poland and lab business
- **Recurring revenues** up +80% due to acquisition, representing 63% of total revs
- **EBITDA margin** at 21%, above PY margin despite increasing R&D investments

A doctor in a white coat is using a smartphone. The image is overlaid with a futuristic digital interface featuring a grid of hexagons, each containing a medical icon such as a heart, a brain, a microscope, and a person. The text 'CONSUMER & HEALTH MANAGEMENT INFORMATION SYSTEMS' is displayed in a bold, dark blue font on the right side of the image.

**CONSUMER &  
HEALTH  
MANAGEMENT  
INFORMATION  
SYSTEMS**



## Q2/21 yoy

- **Organic** revenue growth of +42% driven by TI rollout and data solutions
- TI revenues driven by strong card reader sales and continued pharmacy rollout
- +10% **organic growth ex TI growth**, driven by excellent data business (intermedix)
- **Recurring revenue profile** impacted by TI rollout with high one-off revs in Q2/21
- **Adj. EBITDA margin** impacted by higher hardware revs (TI) & growth investments



# PHARMACY INFORMATION SYSTEMS

Segment financials		Q2/21	yoy
Revenue (€m)		28	-1%
EBITDA adjusted (€m)		8	+12%
Margin		29%	+3ppt

69% (+3ppt)	
Recurring revenue share	

	+3% yoy
Recurring revenue	

## Q2/21 yoy

- **Organic** revenues down by -1% against strong +6% in PY (cashpoint module for pharmacies)
- Recurring revenues up +3% and now 69% of total revs (+3ppt due to less hardware sales)
- **Adjusted EBITDA** up by 12%, margin up by 3 ppt due positive development in Italy



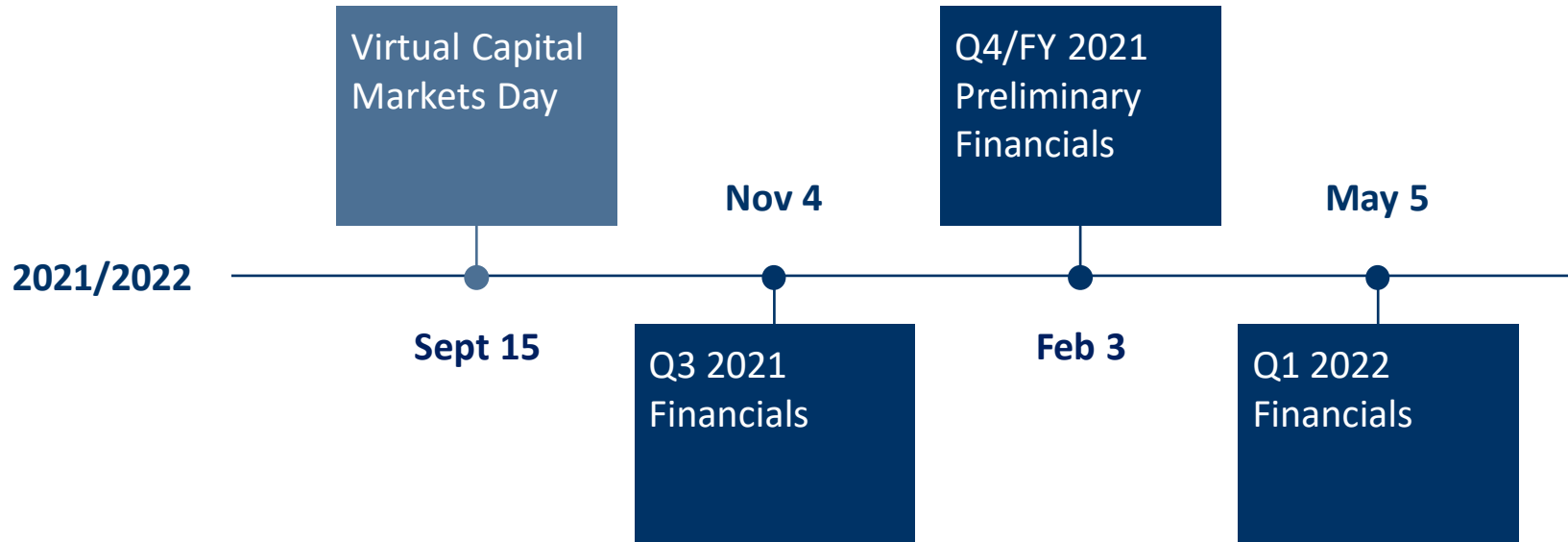
# GUIDANCE



## FY 2021 guidance confirmed

GROUP	<b>Revenues</b>	<b>1,000 – 1,040</b>	€m
	<b>Recurring rev share</b>	<b>&gt; 60%</b>	€m
	<b>Organic growth</b>	<b>4 – 8</b>	%
	<b>EBITDA</b>	<b>210 – 230</b>	€m
	<b>Adj. EPS</b>	<b>1.70 – 1.95</b>	€
	<b>CAPEX</b>	<b>70 – 80</b>	€m
	<b>FCF</b>	<b>&gt; 80</b>	€m
SEGMENT Revs	<b>AIS</b>	<b>485 – 500</b>	€m
	<b>HIS</b>	<b>240 – 250</b>	€m
	<b>CHS</b>	<b>160 – 170</b>	€m
	<b>PCS</b>	<b>115 – 120</b>	€m

# Next events 2021/2022

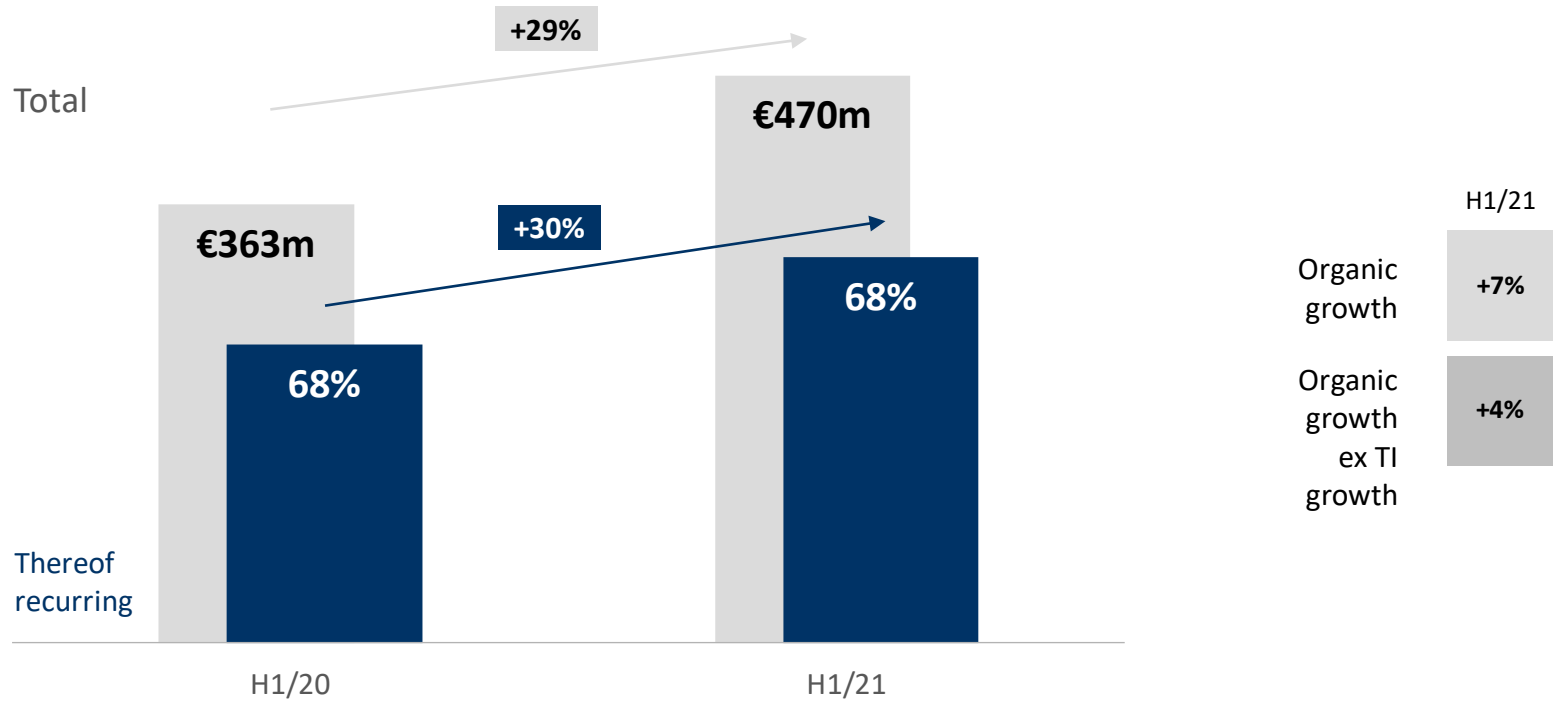


A group of people, including a man with a beard and a woman, are gathered around a laptop in a meeting. The man is pointing at the screen. The scene is brightly lit with a blue tint.

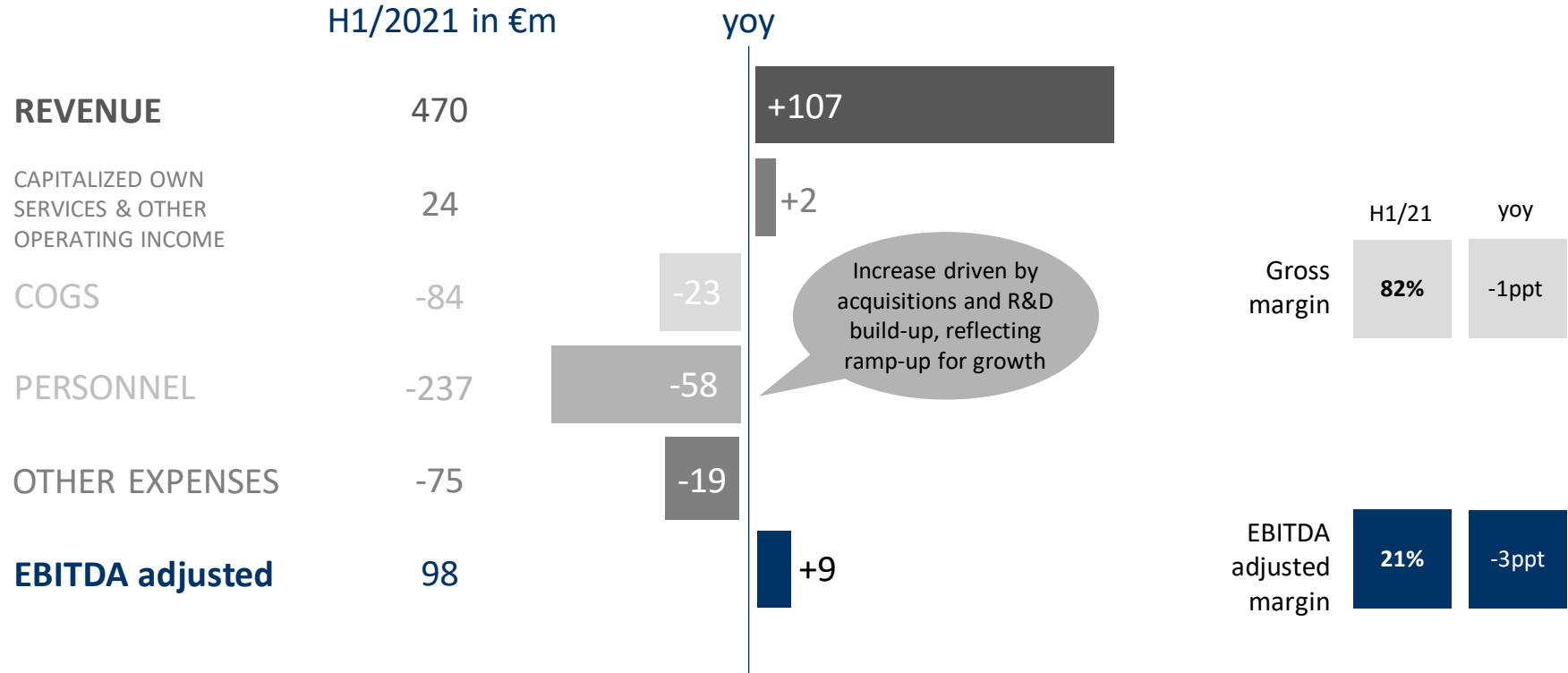
**Q&A**

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

# H1/2021 – Double-digit revenue growth driven by acquisitions



# Significant ramp-up in R&D, sales & distribution to prepare for further growth



# Invest to grow 2021 – Good progress in Q2

## MILESTONES Q2/2021

- ✓ User experience & platform features  
**CLICKDOC calendar tool ready for rollout**
- ✓ Modularization & interoperability  
**TI connector ready for installation in Q3/2021**
- ✓ IT security offerings  
**Doctors communication tool (KIM) with good momentum**
- ✓ Next generation G3  
**Successful rollout in AIS Italy in Q2/2021**

## Q2/2021

R&D expenses up yoy

from **€39m**

to **€48m**

at **~20%** of revs

# INVEST 2021 – Accelerating organic growth to drive digitization momentum



## AIS business

Enhancing existing services for physicians with **new modules** and **functionalities**, as well as new revenues from **patient portals** such as CLICKDOC



## US business

After the merger with eMDs – **synergistic growth** from our strong position **revenue cycle management (RCM)** and **electronic data interchange (EDI)**



## HIS business

Market penetration of our **G3 platform** as well as business from **government digitization programs** for hospitals



## Telematic infrastructure

Expansion of **user groups**, extension of **existing licenses** (connector upgrade) and the introduction of **additional application modules**



## Innovative data services

i.e., "Therafox" and **real-time evaluation** for diagnostics, therapy and medication



# H1/2021 Segments

Group	Group		AIS		HIS		CHS		PCS	
	H1/21	YOY	H1/21	yoy	H1/21	yoy	H1/21	yoy	H1/21	yoy
Revenue (€m)	470	+29%	227	+21%	117	+75%	69	+37%	56	-2%
EBITDA adjusted (€m)	98	+11%	58	+1%	21	>+100%	11	+18%	16	0%
Margin	21%	-3ppt	26%	-5ppt	18%	+4ppt	16%	-2ppt	29%	+1ppt
Revenue share			48 %		25 %		15 %		12 %	

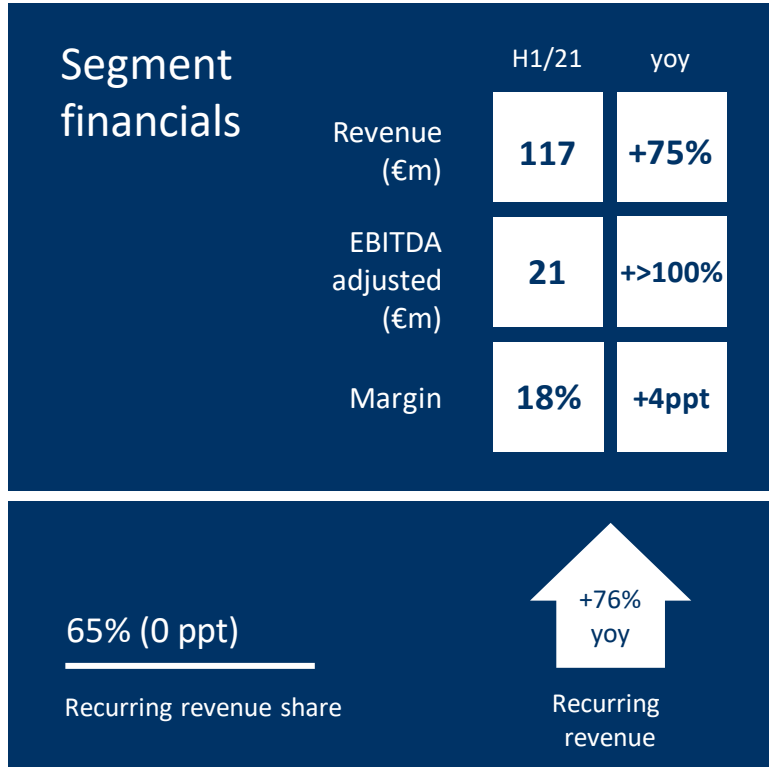
Segment financials	H1/21	yoy
Revenue (€m)	227	+21%
EBITDA adjusted (€m)	58	+1%
Margin	26%	-5ppt

77% (+3ppt)	+25% yoy
Recurring revenue share	Recurring revenue

## H1/21 yoy

- **Revenues** up +21% due to US acquisition
- **Organic** development +1%, against strong +8% in PY (Win 10 boost)
- 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



## H1/21 yoy

- Strong **revenue** increase of +75% due to assets acquired from Cerner
- **Organic** revenues +12% mainly driven by positive business development in G3 Germany
- **Recurring revenues** up +76% due to acquisition, representing 65% of total revs
- **EBITDA margin** at 18% above PY margin despite increasing R&D investments

Segment financials	H1/21	yoy
Revenue (€m)	69	+37%
EBITDA adjusted (€m)	11	+18%
Margin	16%	-2ppt

42% (-8ppt)	+14% yoy
Recurring revenue share	Recurring revenue

## H1/21 yoy

- **Organic** revenue growth of +38% driven by TI rollout and data solutions
- TI revenues driven by pharmacy rollout and card reader sales
- +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 Q2/21
- **Adj. EBITDA margin** impacted by higher hardware revs (TI) & growth investments

## Segment financials

	H1/21	yoy
Revenue (€m)	56	-2%
EBITDA adjusted (€m)	16	0%
Margin	29%	+1ppt

70% (+4ppt)

Recurring revenue share



Recurring revenue

## H1/21 yoy

- **Organic** revenues down by -2% against strong +5% in PY (Win 10 & 2019 backlog)
- Recurring revenues up +3% and now 70% of total revs (+4ppt due to less hardware sales)
- **Adjusted EBITDA** stable, margin slightly up despite increased investments (mostly G3)

# Q2/2021 P&L Group

€m	Q2/21	Q2/20
<b>Revenues</b>	240.8	179.9
Capitalized own services /other operating income	13.3	12.1
Expenses for goods & services purchased	-43.0	-29.9
Personnel expenses	-122.3	-90.0
Other operating expenses	-38.1	-29.4
<b>EBITDA reported</b>	50.7	42.7
Depreciation & amortization	-24.5	-17.0
<b>EBIT</b>	<b>26.2</b>	<b>25.7</b>
Financial result	-1.3	-2.3
Income from at-equity participations	0.0	-0.2
<b>EBT</b>	<b>24.9</b>	<b>23.2</b>
Income taxes	-7.7	-6.9
<b>Net income</b>	17.2	16.3
Non-controlling interest	0.0	-0.1
<b>EPS reported, diluted (€)</b>	0.31	0.32

# H1/2021 P&L Group

€m	H1/21	H1/20
<b>Revenues</b>	<b>469.8</b>	<b>363.0</b>
Capitalized own services /other operating income	23.6	21.9
Expenses for goods & services purchased	-84.5	-62.1
Personnel expenses	-236.8	-179.5
Other operating expenses	-77.0	-60.4
<b>EBITDA reported</b>	<b>95.1</b>	<b>82.9</b>
Depreciation & amortization	-51.3	-33.8
<b>EBIT</b>	<b>43.8</b>	<b>49.1</b>
Financial result	-2.8	-6.2
Income from at-equity participations	0.0	-0.8
<b>EBT</b>	<b>41.0</b>	<b>42.1</b>
Income taxes	-12.8	-13.0
<b>Net income</b>	<b>28.2</b>	<b>29.1</b>
Non-controlling interest	0.0	0.1
<b>EPS reported, diluted (€)</b>	<b>0.51</b>	<b>0.58</b>

# Adjustment principles for EBITDA and EPS (since January 2020)

- **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 allocations (for M&A since Jan 2020 and > €50m transaction volume)
- **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**



## Q2/2021 Net income adjustments

€m	Q2/21	Q2/20
<b>EBITDA adjusted</b>	51.0	44.6
Depreciation & amortization (incl. PPA)	-24.5	-17.0
PPA effects on depreciation & amortization (for M&A since Jan 1, 2020 & >50m transaction volume)	7.2	1.4
<b>EBIT adjusted</b>	33.7	29.0
Financial result	-1.3	-2.5
Income taxes	-8.7	-7.9
<b>Net income adjusted</b>	23.7	18.6
Depreciation & amortization of PPA (for M&A since Jan 1, 2020 & >50m transaction volume)	-7.2	-1.4
M&A related adjustments	-0.7	-0.8
Share-based option programs	0.4	-0.4
Restructuring expenses	0.0	0.0
Other non-operative, extraordinary or prior period one-time effects	0.0	-0.6
Taxes attributable to these effects	1.0	0.9
<b>Net income</b>	17.2	16.3

## Q2/21 EBITDA bridges to adjusted EBITDA (non-IFRS) and EBIT

€m	Q2/21	Q2/20
<b>EBITDA reported</b>	50.7	42.7
M&A transactions	0.1	0.8
Share-based option programs	-0.4	0.5
Restructuring program expenses	-	-
Other non-operative, extraordinary or prior period one-time effects	-	0.6
<b>EBITDA adjusted</b>	51.0	44.6

€m	Q2/21	Q2/20
<b>EBITDA reported</b>	50.7	42.7
Depreciation & amortization (ex PPA)	-12.7	-11.3
PPA effects on depreciation & amortization	-11.8	-5.7
<i>Thereof PPA adjustments (for M&amp;A since Jan 1, 2020 &amp; &gt;50m transaction volume)</i>	-7.2	-1.4
<b>EBIT reported</b>	26.2	25.7

# H1/2021 Net income adjustments

€m	H1/21	H1/20
<b>EBITDA adjusted</b>	97.6	88.1
Depreciation & amortization (incl. PPA)	-51.4	-33.8
PPA effects on depreciation & amortization (for M&A since Jan 1, 2020 & >50m transaction volume)	13.1	3.0
<b>EBIT adjusted</b>	59.3	57.3
Financial result	-2.8	-5.9
Income taxes	-14.3	-15.7
<b>Net income adjusted</b>	42.2	35.7
Depreciation & amortization of PPA (for M&A since Jan 1, 2020 & >50m transaction volume)	-13.1	-3.0
M&A related adjustments	-0.8	-3.7
Share-based option programs	-1.7	-0.9
Restructuring expenses	0.0	0.0
Other non-operative, extraordinary or prior period one-time effects	0.0	-1.7
Taxes attributable to these effects	1.6	2.7
<b>Net income</b>	28.2	29.1

# H1/21 EBITDA bridges to adjusted EBITDA (non-IFRS) and EBIT

€m	H1/21	H1/20
<b>EBITDA reported</b>	95.1	82.9
M&A transactions	0.8	3.8
Share-based option programs	1.7	0.9
Restructuring program expenses	-	-
Other non-operative, extraordinary or prior period one-time effects	-	0.5
<b>EBITDA adjusted</b>	97.6	88.1

€m	H1/21	H1/20
<b>EBITDA reported</b>	95.1	82.9
Depreciation & amortization (ex PPA)	-28.2	-22.4
PPA effects on depreciation & amortization	-23.2	-11.4
<i>Thereof PPA adjustments (for M&amp;A since Jan 1, 2020 &amp; &gt;50m transaction volume)</i>	-13.1	-3.0
<b>EBIT reported</b>	43.7	49.1

# FY/2020 Net income adjustments

€m	FY/20	FY/19 (Pro-forma)
<b>EBITDA adjusted</b>	214.9	198.1
Depreciation & amortization (ex PPA)	-75.7	-62.8
PPA effects on depreciation & amortization (for M&A since Jan 1, 2020 & >50m transaction volume)	11.9	0
<b>EBIT adjusted</b>	151.1	135.3
Financial result	-10.3	-7.5
Income taxes	-41.1	41.6
<b>Net income adjusted</b>	99.7	86.2
Depreciation & amortization of PPA (for M&A since Jan 1, 2020 & >50m transaction volume)	-11.9	0.0
M&A related adjustments	-10.8	-16.1
Share-based option programs	-5.9	-3.9
Restructuring expenses	0.0	0.0
Other non-operative, extraordinary or prior period one-time effects	-1.8	0.0
Taxes attributable to these effects	4.1	0.0
<b>Net income</b>	73.4	66.2

# FY/2020 EBITDA bridges to adjusted EBITDA (non-IFRS) and EBIT

€m	FY/20	FY/19 (Pro-forma)
<b>EBITDA reported</b>	197.5	178.1
M&A transactions	10.8	16.1
Share-based option programs	5.9	3.9
Restructuring program expenses	-	-
Other non-operative, extraordinary or prior period one-time effects	0.7	-
<b>EBITDA adjusted</b>	214.9	198.1

€m	FY/20	FY/19 (Pro-forma)
<b>EBITDA reported</b>	197.5	178.1
Depreciation & amortization (ex PPA)	-44.7	-41.8
PPA effects on depreciation & amortization	-31.0	-21.0
<i>Thereof PPA adjustments (for M&amp;A since Jan 1, 2020 &amp; &gt;50m transaction volume)</i>	-11.9	-
<b>EBIT reported</b>	121.8	115.3

## 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	

# Investor Relations contact

**Claudia Thomé**

Corporate Vice President Investor Relations

T: +49 (0) 261 8000-7030

[claudia.thome@cgm.com](mailto:claudia.thome@cgm.com)

**CompuGroup Medical SE & Co. KGaA**

Maria Trost 21  
56070 Koblenz  
Germany

E-Mail: [investor@cgm.com](mailto:investor@cgm.com)

ISIN DE000A288904  
WKN A28890  
Frankfurt Stock Exchange  
MDAX / TecDAX

