



# CAPITAL MARKETS DAY 2023 SESSION I

CompuGroup Medical SE & Co. KGaA | September 7, 2023

# Disclaimer

The information provided in this presentation pertaining to CompuGroup Medical SE & Co. KGaA (the "Company"), comprise the written materials/slides for presentations or discussions on the occasion of an investor conference, meeting or conference call ("Meeting"). Whilst all reasonable care has been taken to ensure that the information and facts stated herein as well as oral statements made in the Meeting are accurate and that the opinions and expectations contained herein and orally received during the Meeting are fair and reasonable, no representation or warranty, express or implied, is given by or on behalf of the Company, any of its board members, or any other person as to the accuracy or completeness of the information and/or opinions and no liability as to the accuracy of such information and/or opinions is accepted. The information provided in this presentation as well as during the Meeting contain forward looking statements which involve risks and uncertainties. These forward-looking statements speak only as of the date of the documents and are based on numerous assumptions which may or may not prove to be correct. The actual performance and results of the business of the Company could differ materially from the performance and results discussed in this document or in any other information received during the Meeting. Except as required by law, the Company undertakes no obligation to update or revise publicly any forward-looking statements or other information contained herein or received during the Meeting whether as a result of new information, future events or otherwise, after the date on which the statements are made or to reflect the occurrence of unanticipated events. Readers are cautioned not to place undue reliance on forward-looking statements or financial projections. The information contained in this presentation and/or received during the Meeting does not constitute or form any part of any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, any shares in the Company, nor shall it or any part of it nor the fact of its distribution form the basis of, or be relied on in connection with, any contract or investment decision in relation thereto.

# Agenda

## Session I

Start at CEST: 11:00 / UK: 10:00 AM / ET: 05:00 AM

End at CEST: ~13:00 / UK: 12:00 / ET: 07:00 AM



**Michael Rauch**  
Chief Executive Officer  
& Chief Financial  
Officer

**Creating the  
future of e-health**



**Hannes Reichl**  
Managing Director  
Inpatient and Social  
Care

**Executing on growth  
opportunities in  
highly dynamic  
hospital sector**



**Dr. Eckart Pech**  
Managing Director  
Consumer and Health  
Management  
Information Systems

**Building a leading  
player in the  
healthcare data space**

## Session II

Start at CEST: ~15:00 / UK: ~02:00 PM / ET: ~09:00 AM

End at CEST: 17:00 / UK: 04:00 PM / ET: 11:00 AM



**Dr. Ulrich Thomé**  
Managing Director  
Ambulatory Information  
Systems DACH\*

**Driving digitization  
and connectivity  
for doctors in the  
DACH region**



**Emanuele Mugnani**  
Managing Director  
Ambulatory  
Information Systems  
Europe

**Delivering best-in-  
class performance in  
European ambulatory  
and pharmacy space**



**Derek Pickell**  
CEO CGM US

**Boosting growth in  
the US through integrated  
products & brand  
recognition**

\*Board appointment effective as of November 1st, 2023



# WE CREATE THE FUTURE OF E-HEALTH

Michael Rauch | CEO & CFO

# Pivotal moments in the history of CGM

**1987**

**Taking the lead in practice management systems**

**2006**

**Expansion into Hospital Information systems**

**2011**

**Extending footprint to Pharmacy Information systems**

**2017**

**Pioneering connectivity in German healthcare**

**2023**

**Boosting e-health with Artificial Intelligence**

# Most patients tend to trust AI assisted medicine

66%

are **willing to rely on the use of AI** in medicine

75%

are **comfortable with AI helping a doctor** make a diagnosis

73%

would be **willing to share their health data with a learning system** such as an AI

Source: Market research institute Appinio, n=1,000 German citizens, July 2023, average 41 years old

# Especially doctors have so much to gain ...

**Doctors & their staff spend 3-4 hours on admin work for every hour spent with patients.**

**... mostly more time with their patients**

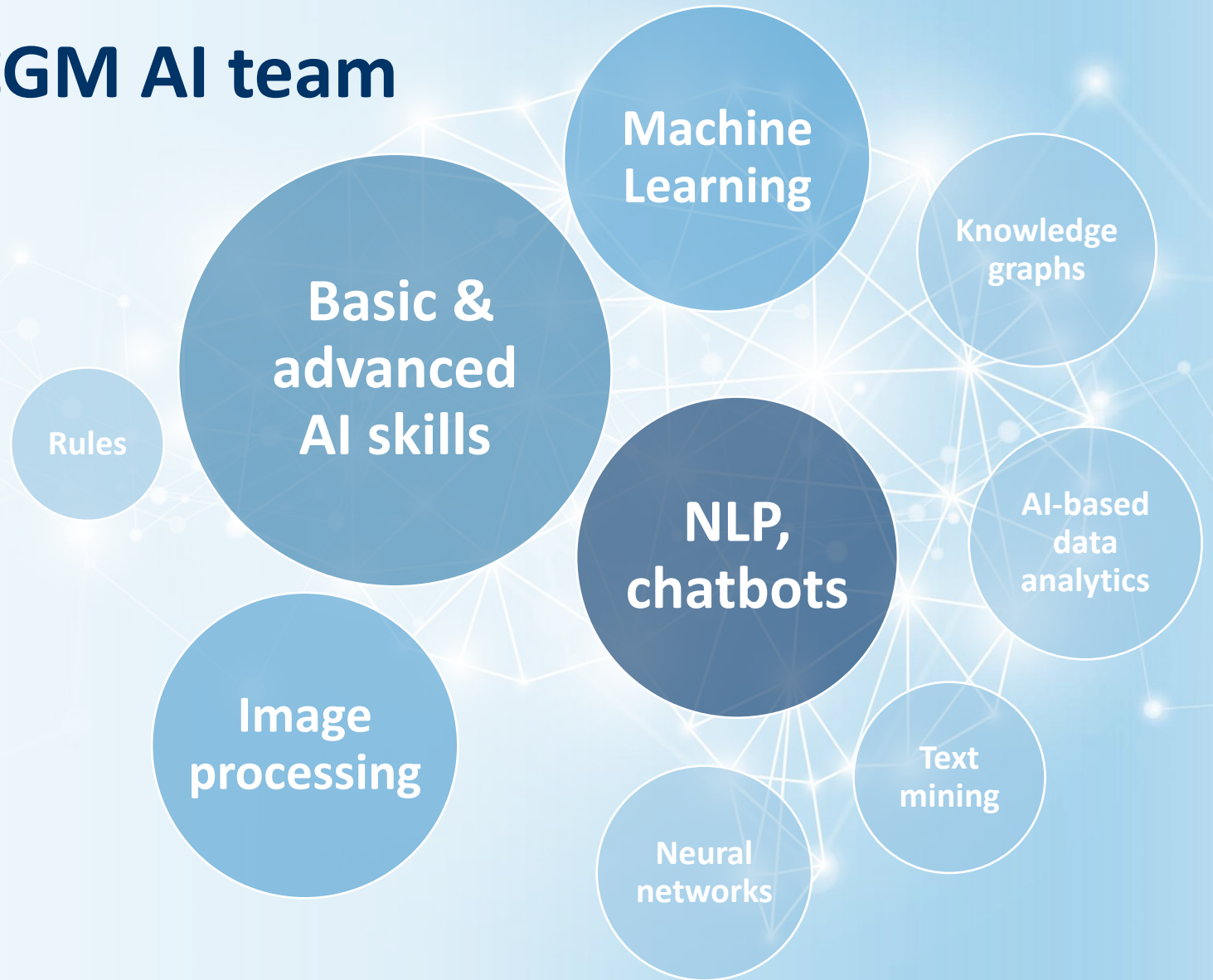
**AI can reduce the inefficiencies in the healthcare ecosystem for the benefit of patients.**

# Capabilities in our CGM AI team

We identified significant AI competence within CGM

Areas of expertise:

- Software development
- Product architecture
- Data science
- Medicine





# CGM well prepared for next level digital boost in healthcare IT



**Adding value to our products & solutions**



**Stepping up the game in service & support**



# AI

**Improving R&D efficiency**



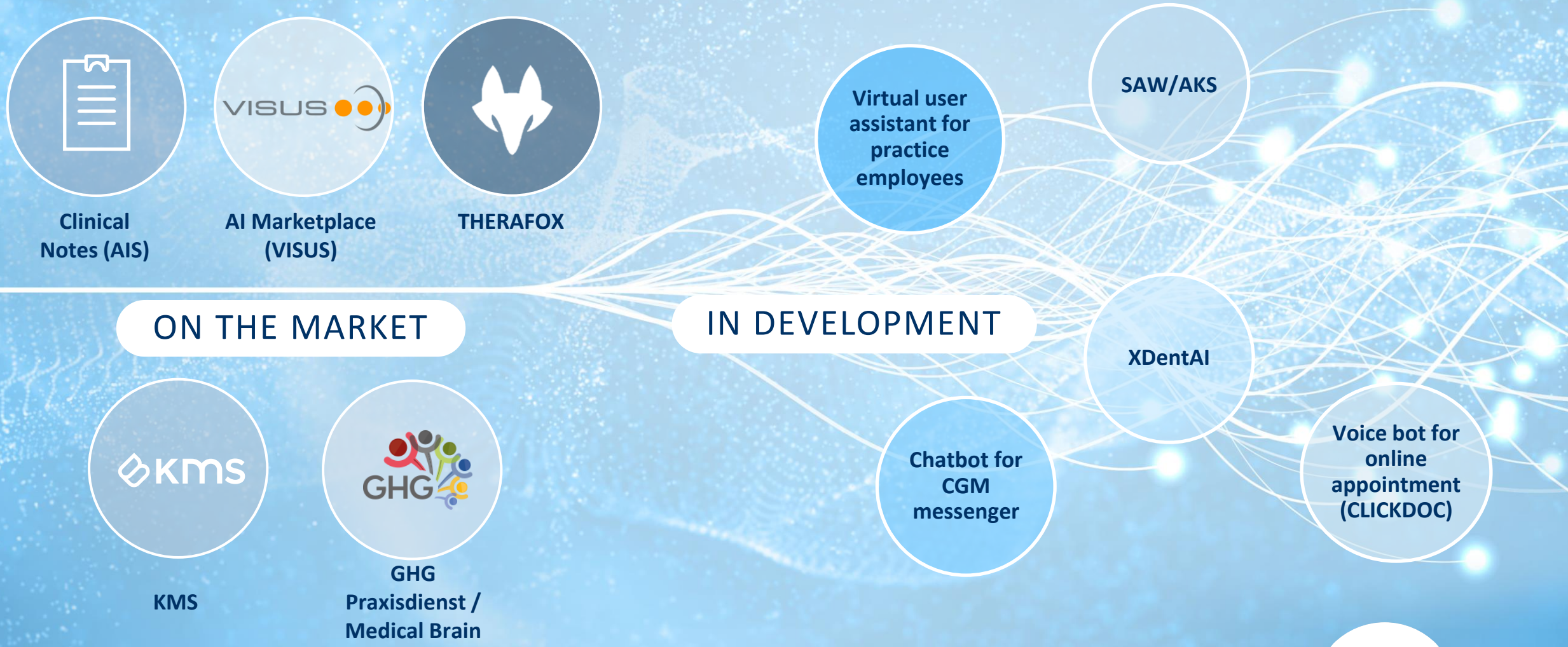
**Strengthening business operations**



**... while safeguarding data protection & intellectual property**



# AI complements our product innovation pipeline



# Revolutionizing software development with:

# ChatCGM



Correcting or rewriting code, as well as accelerating the documentation process.

ChatCGM aims to increase output efficiency and support the development team.

## Innovating solutions with predictive features

Supporting medical professionals in the fields of diagnostics, treatment, drug discovery, telemedicine, and medical research.

# ChatCGM already available for all CGM employees

## Research & Development

Augmented Reality

Voice recognition

Text mining

## Service & Support



Automated chatbots



Pattern recognition



Request prediction

## Business Operations

Focus on process optimization and automation by AI



Accounting & reporting

Human Resources

Data storage

**Our ambition**

**We are the leading  
Medical Software Company**

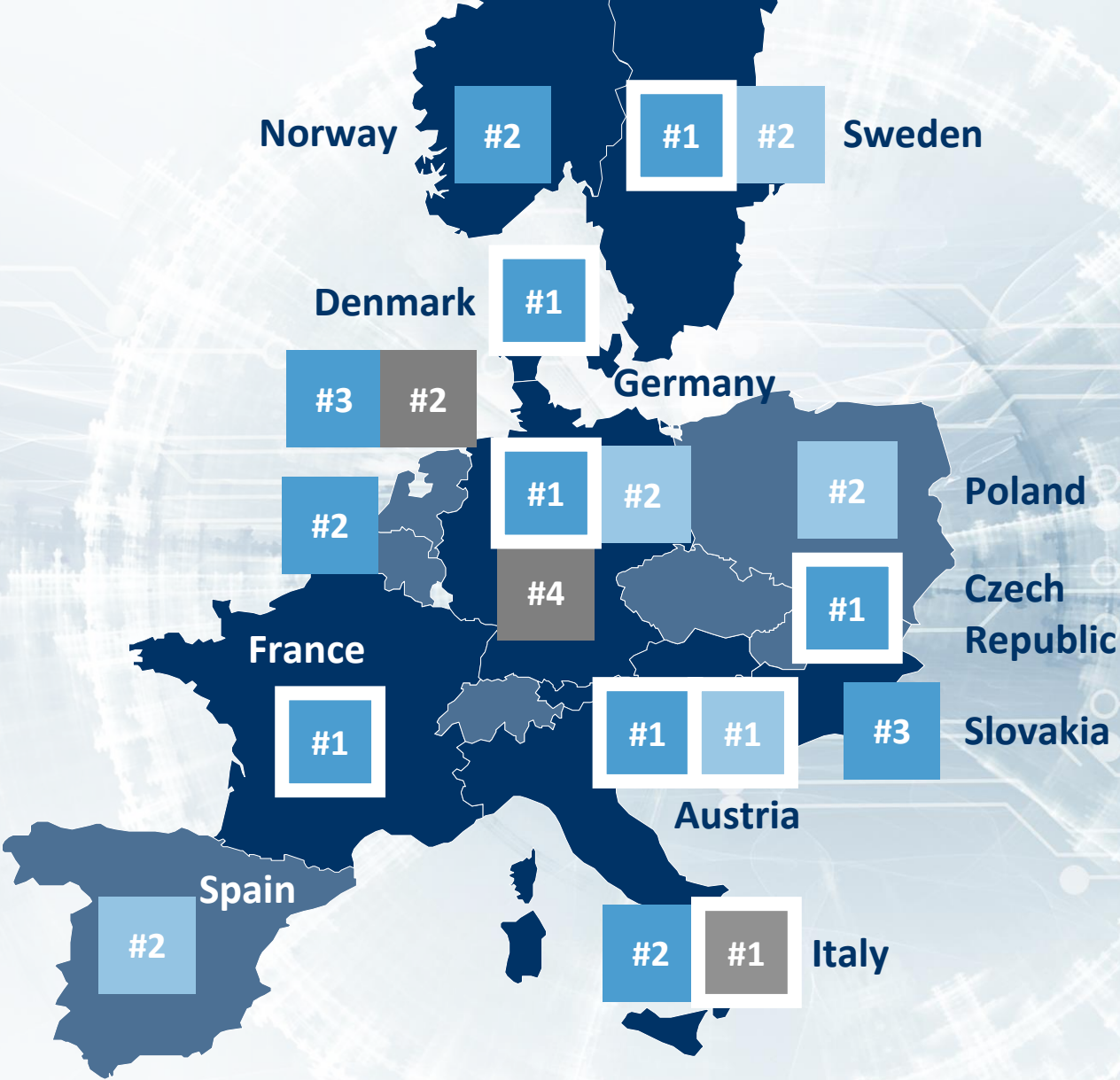
# We support our customers along the entire patient journey...



**... with CGM's products providing added value at multiple touchpoints**

# Strong presence in Europe and the US

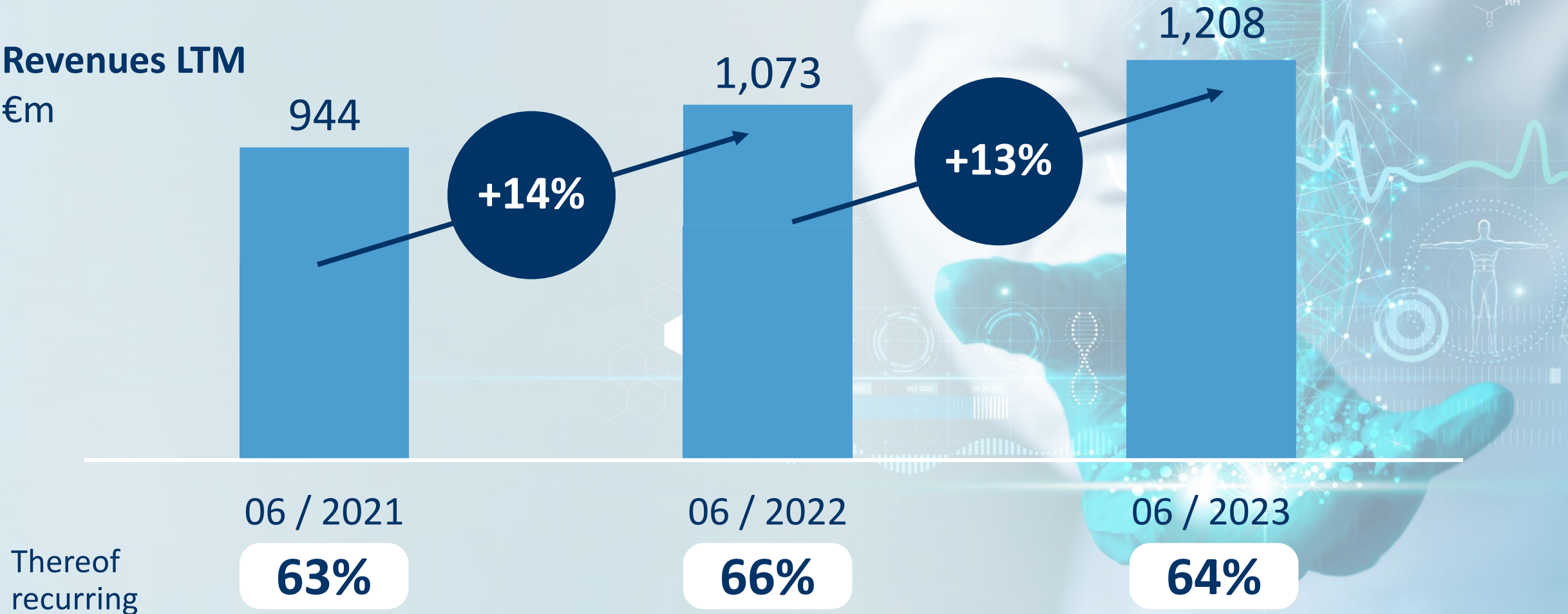
AIS   HIS   PCS



# Excellent top line growth and high recurring revenue share

Revenues LTM

€m





# Organic growth sustainably on a new level

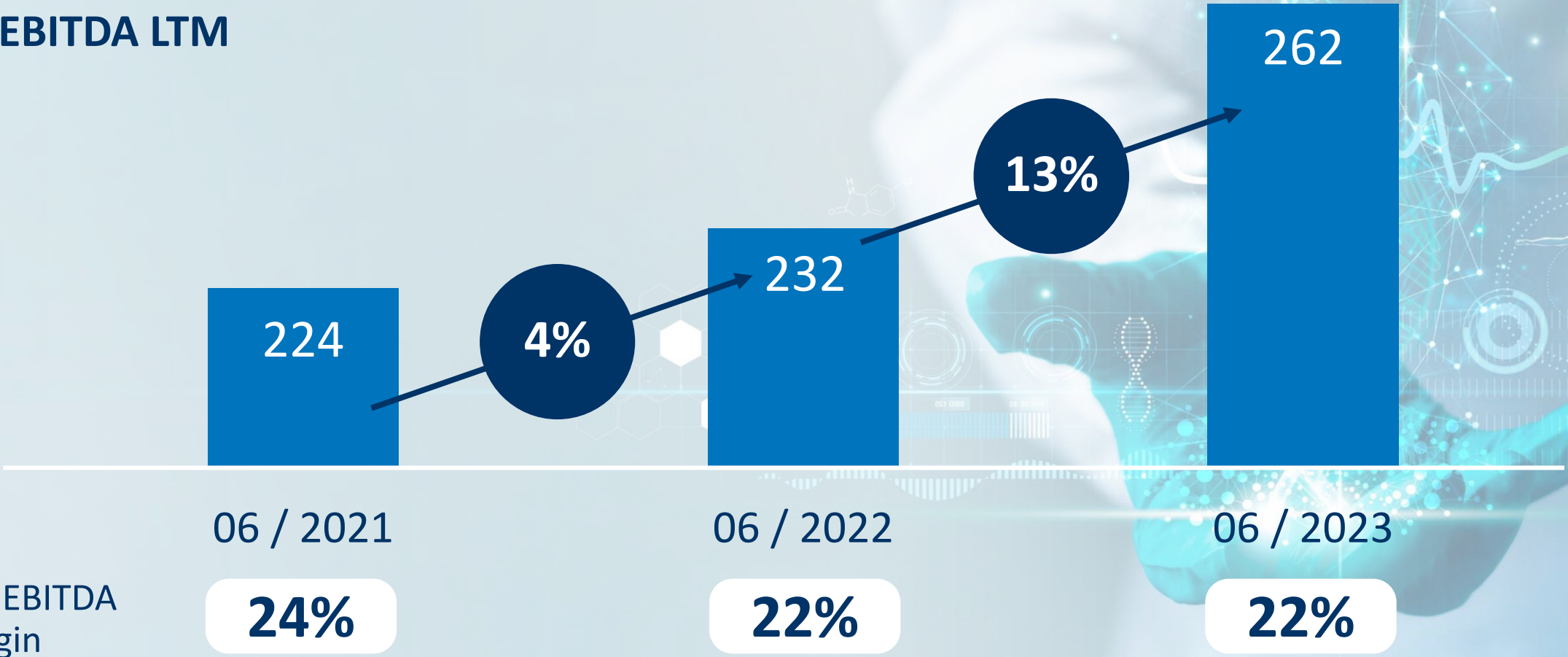


\*adjusted for connector software upgrade in 2021



# First proof points for adjusted EBITDA turnaround

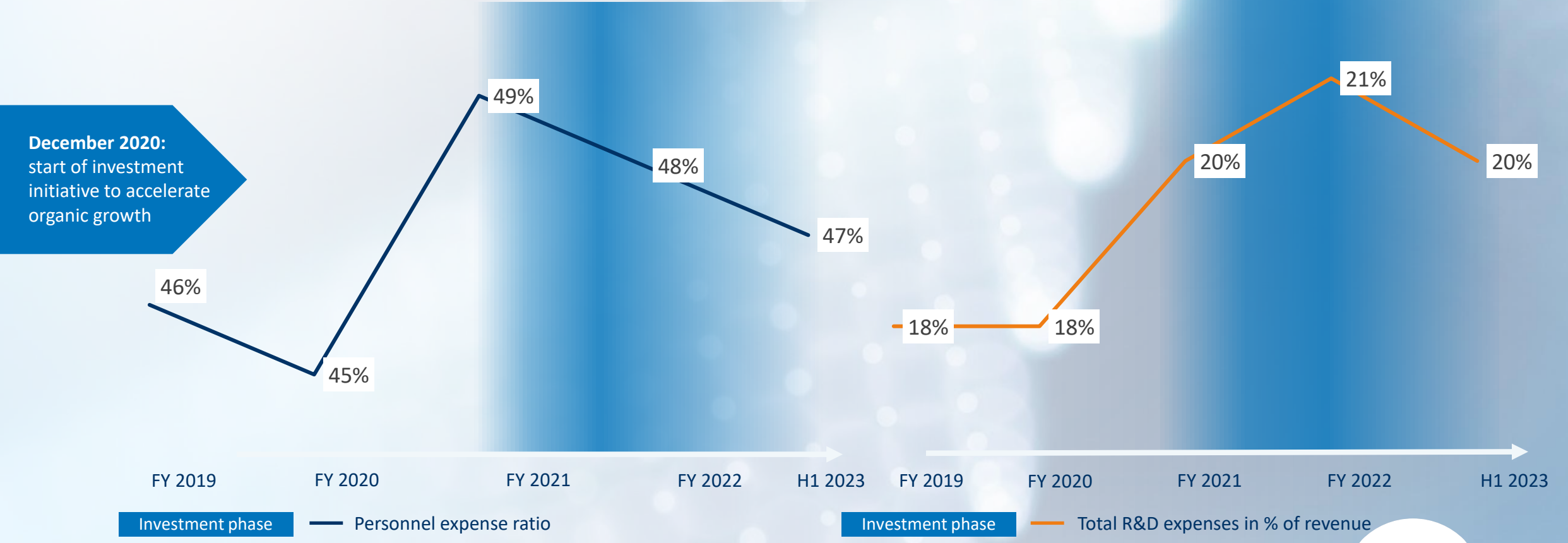
Adj. EBITDA LTM  
€m



# CGM is visibly moving out of the investment phase

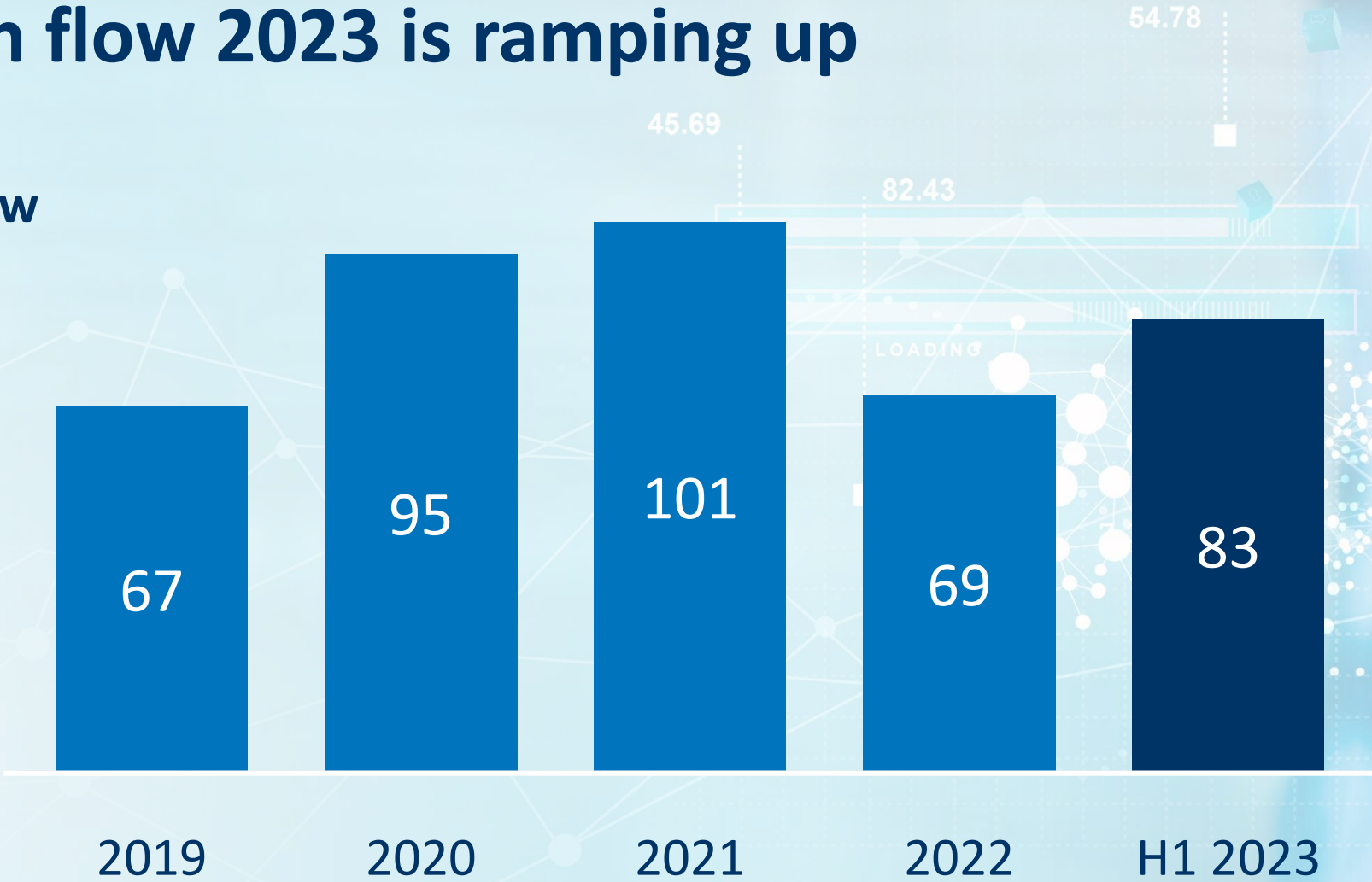
2021 and 2022 peak years in personnel build-up for growth

R&D intensity remains high but is decreasing in % of revenues



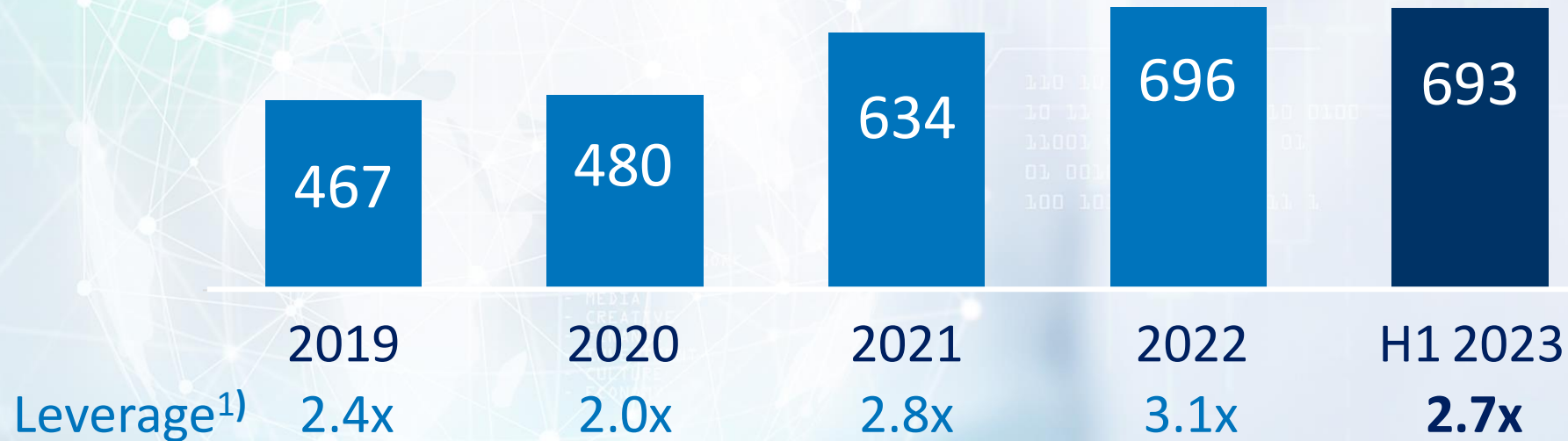
# Free cash flow 2023 is ramping up

Free cash flow  
€m



# Financing at favourable conditions in place

Net debt  
€m



<sup>1)</sup> Leverage 2022 onwards = 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 (LTM) adjusted for restructuring expenses plus pro rata EBITDA of newly acquired companies (Leverage until 2021: EBITDA adjusted (LTM) plus pro rata EBITDA of newly acquired companies)

# CGM well on track towards FY 2023 guidance and mid-term ambitions

**>5%**

Organic revenue growth CAGR  
**2020 – 2025**

**>70%**

Recurring revenue share  
**2025**

**~27%**

Adjusted EBITDA margin  
**2025**



# CGM well positioned for profitable growth



**CGM well prepared for next level digital boost in healthcare IT**



**Revolutionizing software development with ChatCGM**



**Supporting our customers along the entire patient journey**



**Strong footprint across Europe and the US**



**Organic growth sustainably on a new level & value-adding M&A**



**Adjusted EBITDA margin turnaround post investment phase**

**Our mission**

**We create the future  
of e-health**

CGM



A woman in a blue surgical cap and mask is looking at a computer monitor in an operating room. She is wearing a blue surgical gown and white gloves. The background shows other medical staff in blue scrubs and masks, and various pieces of medical equipment.

# EXECUTING ON GROWTH OPPORTUNITIES IN HIGHLY DYNAMIC HOSPITAL SECTOR

Hannes Reichl | Managing Director Inpatient & Social Care

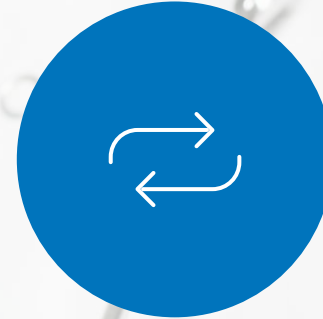
# The HIS segment has proven to be a growth engine for CGM



**+22%**  
revenue growth  
(2017-22 CAGR)



**+10%**  
organic growth  
(H1 2023 yoy)



**69%**  
recurring  
revenue share

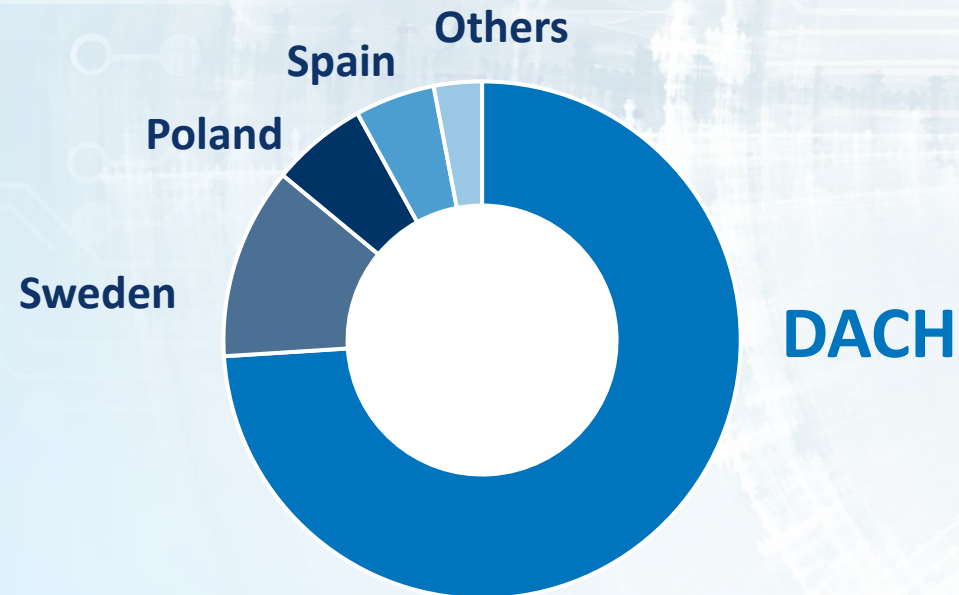


**>€140m**  
order intake from  
Hospital Future Act

**We delivered since the last Capital Markets Day**

# Strong #2 player in European and DACH hospital market

## Revenue split H1 2023

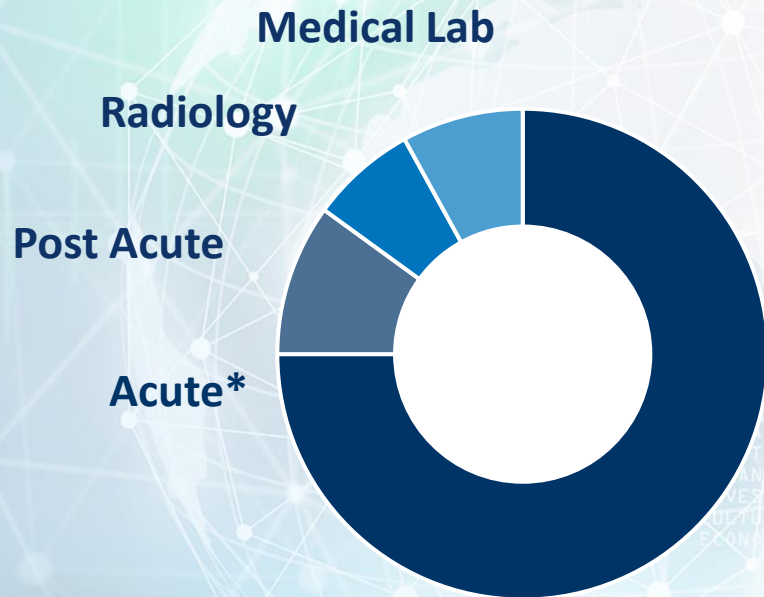


## Market position



# Excellent footprint across wide range of hospital providers

## Revenue split H1 2023



## Healthcare providers by division



Thereof **>170** new customer wins yoy

\* incl. BI & Analytics

# Attractive growth opportunities also beyond 2025

## HIS growth areas, illustrative

Mid-term target  
2021-2025 CAGR  
**6-8%**

### Hospital Future Act

Business opportunities based on  
state-of-the-art product portfolio

2025

2027

2030

Market consolidation  
in DACH region

Mobile care solution CGM VIYU

AI initiative for  
revenue cycle management

# Long-term customer base and lighthouse projects

## Digitization of workflows

VISUS



CGM REHA

Rehab Workflow System



## Elderly care



Bethel



## High-end medicine



## Integrated care in regions



## Mobile home care



CGM VIYU ambulant

## Connectivity



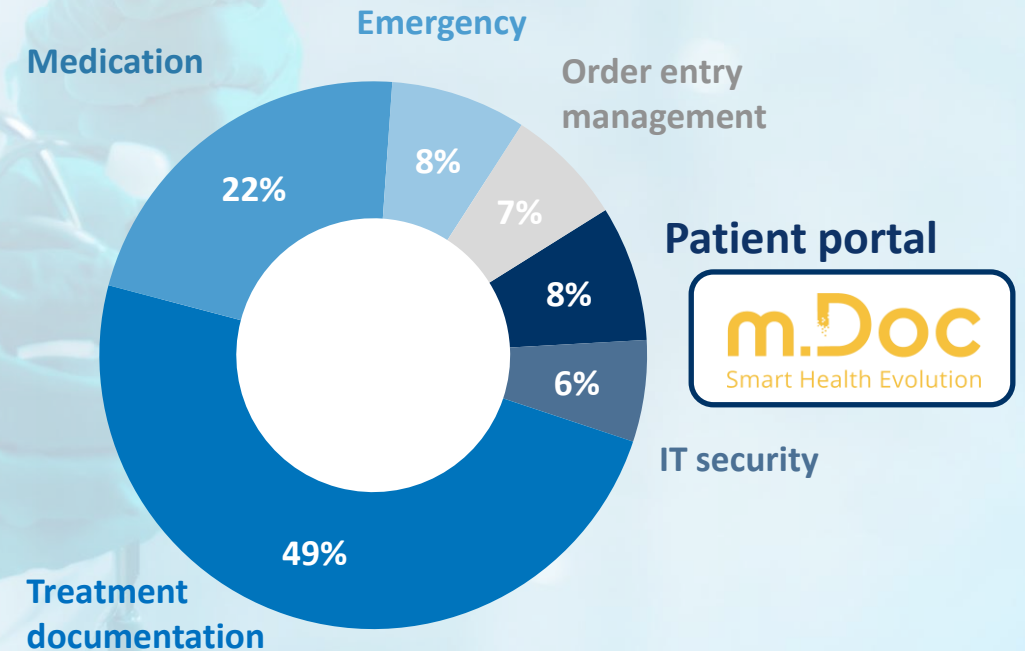
TI for rehab

# Continued strong momentum in hospital order intake

## Excellent order intake



## Project funding areas

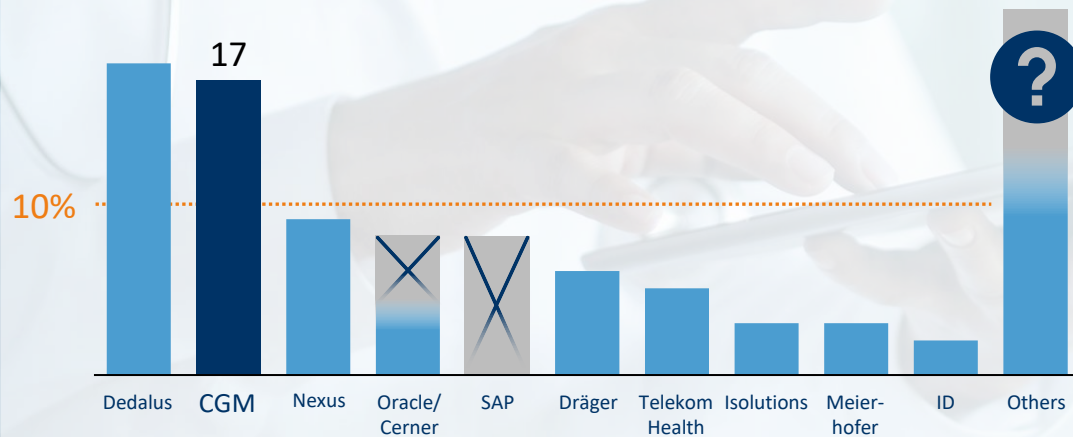


**Raising our revenue target again to €140m – €160m over the next years (old: €130m – €140m)**

# HIS market consolidation – further growth potential for CGM

## Headroom from consolidation of smaller players

Acute customer share DACH, in %



Systems will be phased out by 2030 and an unknown part from others will not be able to cope with the regulatory requirements and the associated investments

## Further growth areas

1

SAP ECC 6.0  
ISH end of lifetime announced for 2027  
Extended maintenance until 2030

2

CERNER i.s.h med integration

3

SAP cooperation  
Development of Revenue Cycle  
Management integration



# AI offers tremendous opportunities in the hospital space

Domain	Potential impact	Position on technology adoption curve*	Description
Clinical analytics	✓ ✓ ✓ ✓ ✓ ✓	D P S M	Improving patient care journey with data at all points of care delivery
Continuity of care	✓ ✓ ✓ ✓ ○ ○	D P S M	Optimizing point-of-service and referrals to improve patient care
Clinical operations	✓ ✓ ✓ ✓ ○ ○	D P S M	Optimizing clinical workflow and capacity throughout care journey
Reimbursement	✓ ✓ ✓ ✓ ○ ○	D P S M	Automating and optimizing payment flows between providers and payers
Network and market insights	✓ ✓ ✓ ○ ○ ○	D P S M	Tracking relationship strength among providers
Quality and safety	✓ ✓ ✓ ○ ○ ○	D P S M	Reducing major adverse events with special attention to patient experience and legal compliance
Value-based care	✓ ✓ ✓ ○ ○ ○	D P S M	Improving patient outcomes with value-based care models
Corporate functions	✓ ✓ ○ ○ ○ ○	D P S M	Managing back-office, administrative functions
Consumer	—		Understanding how best to engage consumers using tools

\* D = Development of solutions    S = Scaling and adapting  
 P = Piloting                                M = Mature

# CGM AI use case reimbursement



## Intelligent case control and case-based DRG coding in real-time

- Optimal coding through AI-based coding suggestions
- Use of the collective intelligence of all customers



## Access to all relevant medical data

- Online and bidirectional connection to the hospital information systems
- Complete secured documentation

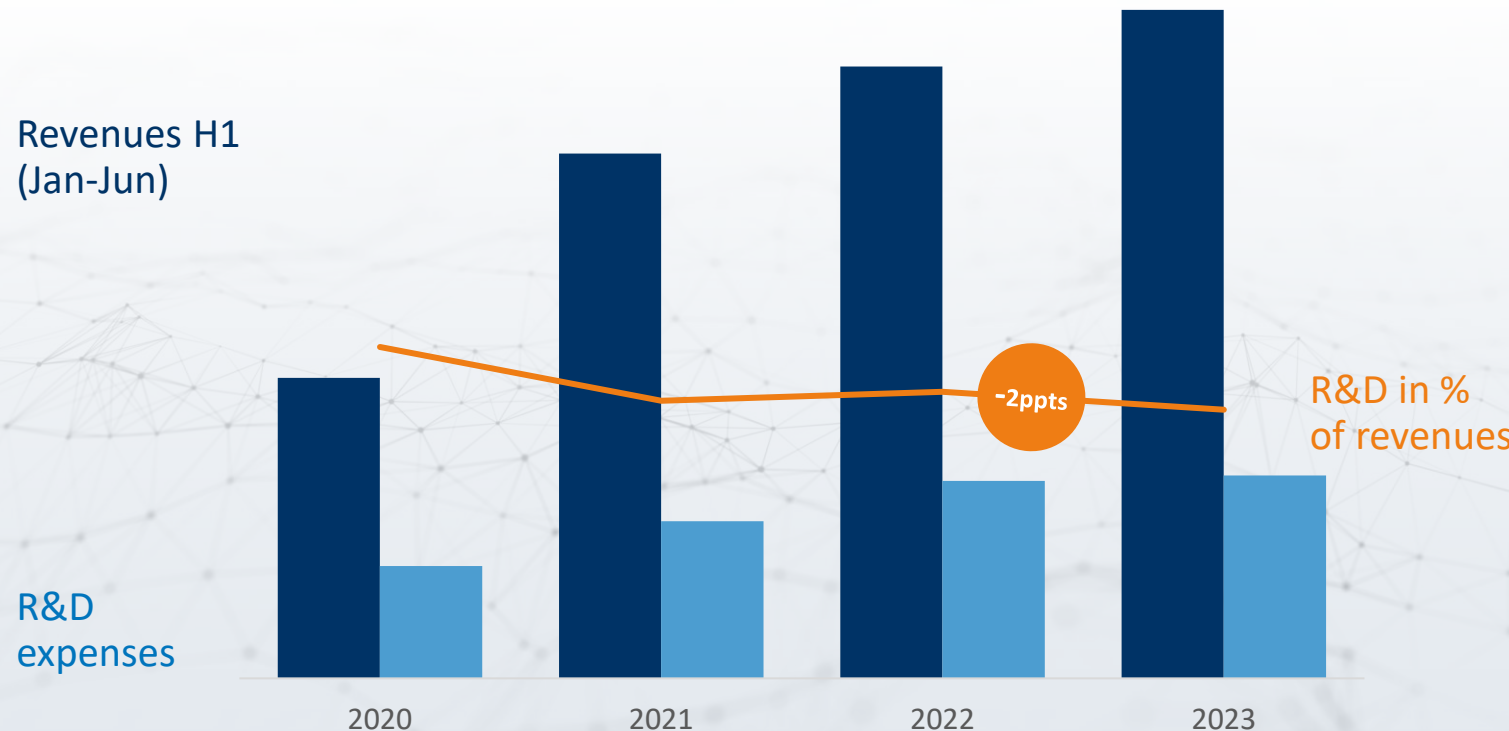


**All-in-one  
solution for**

- ✓ DRG coding
- ✓ Medicine controlling
- ✓ Revenue management

# Scaling of R&D across a strongly expanding revenue footprint

## Revenue and R&D intensity, illustrative



## Ongoing R&D drivers

- Information technology systems in hospitals
- Hospital Future Act
- Revenue Cycle Management
- i.s.h.med replacement
- Investments into Artificial Intelligence and Data Analytics
- IT security
- VIYU – social / ambulatory

# Executing on growth opportunities in hospital sector



**Attractive growth potential driven by digitization**



**Additional tailwind from Hospital Future Act**



**Market consolidation will drive growth beyond 2025**



**Best-in-class product portfolio fueled by AI potential**



**Organic growth of 6 – 8% (CAGR) expected from 2021 – 2025**



**Significant potential to increase margin post investment initiative**



# OUR PATH TO A LEADING PLAYER IN THE HEALTHCARE DATA SPACE

**Dr. Eckart Pech** | Managing Director Consumer and  
Health Management Information Systems

# Data business has proven to be the innovative powerhouse



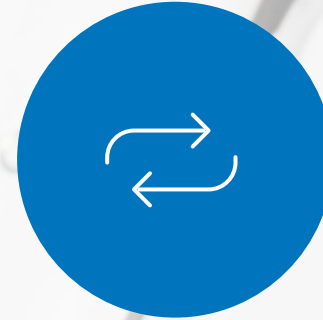
**~25%**

Data business  
revenue CAGR  
H1 2019 – H1 2023



**3% / 5%**

Data business  
organic growth  
H1 / Q2 2023 yoy



**>80%**

INSIGHT Health  
recurring revenue  
share



**>53**

Data business  
net promoter  
score

**Executing on growth opportunities**

# We are on the way to evolve our business with data analytics, communication and medical knowledge

**AI**  
catalyst for  
CGM data  
business



# Every patient is a big data challenge for a doctor that must be solved individually

**DNA  
sequencies**

**Individual  
medicine**

**Rare  
diseases**

**AI in medicine**



# Individualized medicine focuses on the patient and saves thereby lives

## PROM (= Patient Reported Outcome Measures):

PROMs are used to assess a patient's health status at a particular point in time. PROMs are increasingly recognized as providing valuable and essential information for achieving health system goals.

## Practical example: Web-based monitoring for advanced-stage lung cancer patients

**Web-based  
follow-up via patient  
reports**

Web-mediated follow-up algorithm,  
based on weekly self-scored patient  
symptoms

**72.4%**

Optimal treatment was  
initiated in

### Conclusion:

A web-based follow-up  
algorithm using self-reported  
symptoms improved overall  
survival due to early relapse  
detection and better  
performance status at  
relapse.

**Classical scheduled  
follow-up and imaging**

Routine follow-up with CT scans  
scheduled every 3-6 months

**32.5%**

VS.

# Rare diseases are representative of the paradigm shift needed in medicine

## Fact box

**+6,000**

different rare diseases<sup>1</sup>

**4m**

patients with rare diseases in GER<sup>1</sup>

**40%**

wrong diagnosis<sup>2</sup>

**25%**

wait more than 30 years for the right diagnosis<sup>3</sup>

## Support for diagnostics

**Images**

based on

Improvement of diagnostics and imaging e.g., by labeling radiological images

**Symptoms**

based on

Neural nets for predictive diagnosis and corresponding software features

**Lab data**

based on

Better diagnostics by better use and comparison of dedicated laboratory data

**Optics**

based on

Early recognition of patterns and diagnosis of rare diseases e.g., through portrait photos

# Artificial Intelligence is ready to revolutionize the global healthcare sector

## Innovative technologies

Artificial Intelligence

Machine Learning

Large Language Models

Natural Language Processing



## Expected impact

**\$15tr**

Potential contribution to the global economy by 2030 from AI<sup>1</sup>

**40%**

Boost of employee productivity with using AI<sup>2</sup>



## Business potential

Rare disease detection

Drug + therapy safety

(Clinical) Decision support

Synthetic data

# CGM started several AI initiatives fostering the use of AI for new product features and internal processes

**THERAFOX  
evolution**



**AI  
powered**

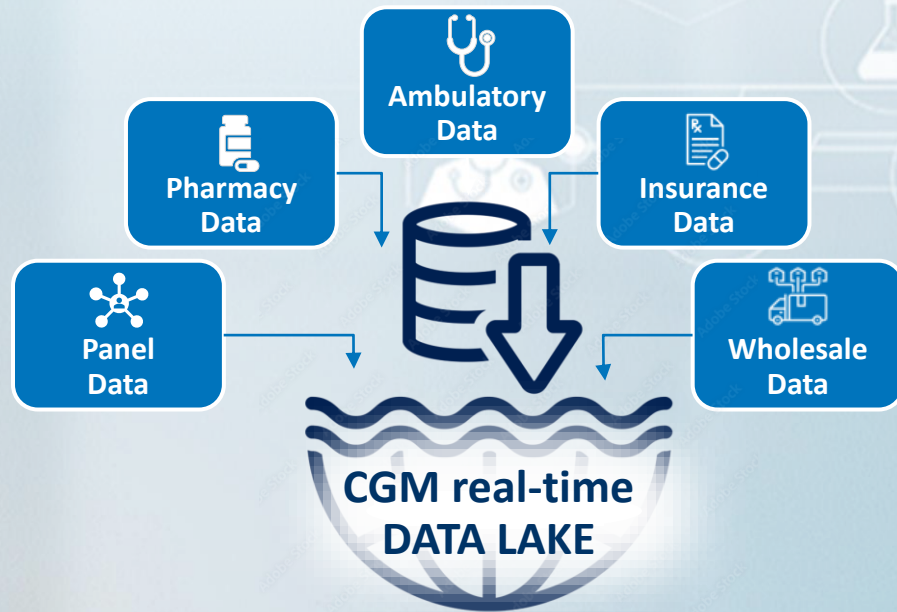
**GHG  
Praxisdienst**

**docmetric**

**GHG medical brain®**

**A catalyst  
to hyper charge  
our medical  
intelligence  
suite**

# CGM's USP is data access and translating data into valuable solutions for doctors, patients & industry



# Powerful new use cases result if we combine CGM data access, analytical strength and targeted communication

## Preventing and delaying dialysis



**Real world evidence:**  
Chronical kidney disease study



**Risk scoring**



**Awareness communication**

Project with  
**AstraZeneca** 

# Seamless integration of Praxisdienst – A highly mature platform for data injection & extraction

**2024**  
available to  
all CGM  
doctors



**Medical scores**



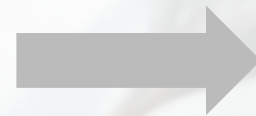
**Patient information**



**Rare Disease Finder**



**Clinical studies**



**CGM MEDISTAR**

Arztinformationssystem

**CGM M1 PRO**

Arztinformationssystem

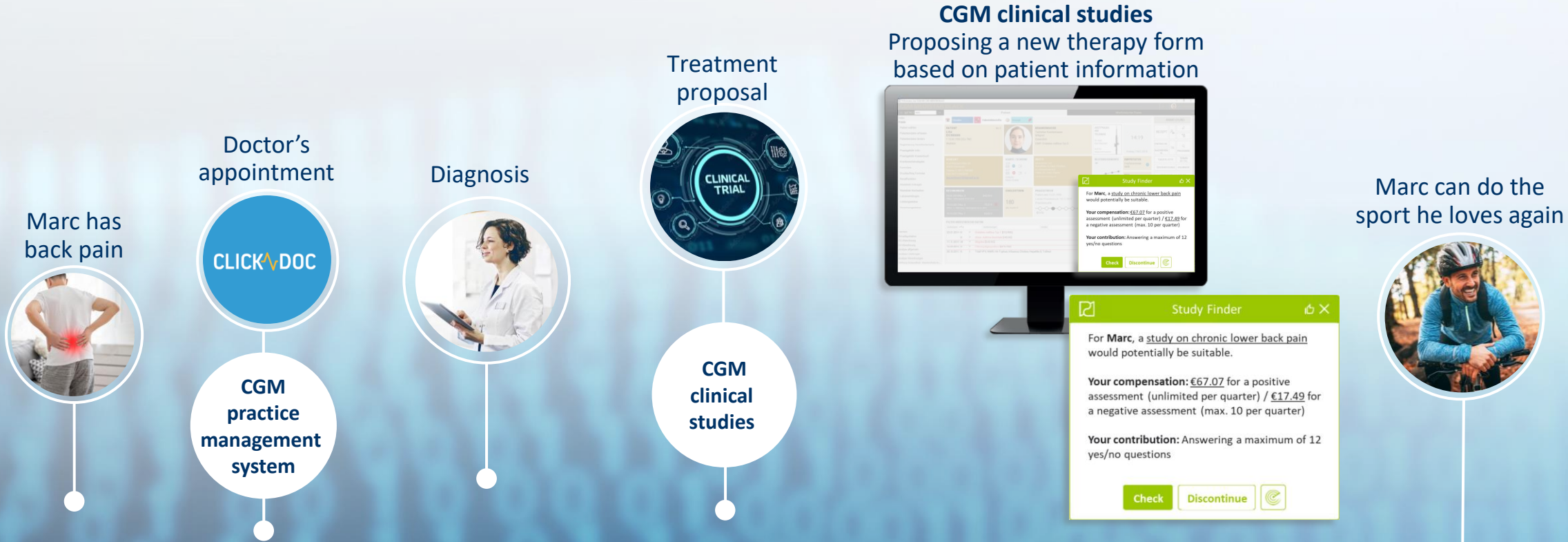
**CGM ALBIS**

Arztinformationssystem

**CGM TURBOMED**

Arztinformationssystem

# Empowering physicians to leverage state of the art medical knowledge and real-time information





# Empowering physicians to leverage state of the art medical knowledge and real-time information



# Praxisdienst vision will unify value-added services to doctors with unparalleled reach and high user experience

## Health intelligence suite



- ✓ Medical content & services
- ✓ Value-adding services
- ✓ Communication & advertisement
- ✓ AI services

# Proof points show that we are on the right track in our evolution towards the third horizon

Data product portfolio extension



Successful expansion

Continued internationalization



Unlock new markets

Medical knowledge & platform solutions



Evolve data product portfolio



# Catalysts for profitable growth



Leveraging on and expanding CGM's unique sector reach



Refining data, turning it into valuable, innovative solutions for doctors, patients and industry



Unifying our product world in a health intelligence suite with high user experience at the core



Increasing pan-European footprint with clear focus on key markets



Leveraging the power of AI in new product features & internal processes



Strong turnaround of organic growth with outperformance of M&A portfolio additions

# Q&A

## Session I

For webcast participants: please e-mail your questions to [claudia.thome@cgm.com](mailto:claudia.thome@cgm.com) and [frederic.freichel@cgm.com](mailto:frederic.freichel@cgm.com)

10101  
01 01  
00110  
11010  
0 100



**BREAK**

- BUSINESS  
- NETWORKING  
- SOCIAL NETWORK  
- TECHNOLOGY  
- MEDIA  
- CREATIVE  
- FINANCE  
- INVESTMENT  
- CULTURE  
- ECONOMY

110 10011 0100110  
10 11 001001 0010010 0100  
11001 001 00101001 01  
01 001011 01001  
100 1011 1101 01 011 1

**Presentations to resume around 15:00 CEST / 2 pm UK / 9 am ET**