



CompuGroup Medical SE & Co. KGaA

Contact for Media Representatives:

Alexander Weimer
Head of Corporate Communications
P +49 261 8000-6100
M press@cgm.com

Contact for Analysts and Investors:

Claudia Thomé
Corporate Vice President Investor Relations
P +49 160 3630362
M claudia.thome@cgm.com

Web: www.cgm.com

Social Media: Visit us on [Facebook](#), [Twitter](#), [LinkedIn](#) and [XING](#)

Press release, March 10, 2022

CGM growth of 22 percent in revenues in 2021 and exceeding €1 billion

- **With 22% group revenues in 2021, first time exceeding EUR 1 billion driven by digitization in the healthcare sector**
- **Strong organic revenue growth of 5.8%, CGM successfully delivers on mid-term targets**
- **Strong free cashflow, for first time surpassing EUR 100 million**
- **All segments show good organic growth**
- **Full guidance for 2022 reflects progress towards the mid-term targets**

Koblenz. CompuGroup Medical SE & Co. KGaA (CGM), one of the leading e-health providers in the world, is looking back on a very successful year 2021. The full year results published today reflect an excellent performance across all segments. Group revenues and adjusted EBITDA increased significantly and the organic growth rate as well as recurring revenue are well in line with the mid-term ambitions. The company continues to benefit from the strong product portfolio, the investments made in the past and the government initiatives for digitization in the healthcare sector across Europe.

CompuGroup Medical SE & Co. KGaA · Maria Trost 21 · 56070 Koblenz · T +49 261 8000-0 · F +49 261 8000-1166 · www.cgm.com
Chairman of the Supervisory Board: Philipp von Ilberg · Company domiciled in: Koblenz, HRB 27430, Local Court Koblenz

General Partner: CompuGroup Medical Management SE · Company domiciled in: Koblenz, HRB 27343, Local Court Koblenz
Chairman: Frank Gotthardt

Managing Directors: Dr. Dirk Wössner (CEO), Frank Brecher, Angela Mazza, Emanuele Mugnani, Dr. Eckart Pech, Michael Rauch, Hannes Reichl
VAT ID: DE114134699 · Commerzbank Koblenz · Bank Code: 570 400 44 · Bank Account Number: 208 002 600 · IBAN: DE60 5704 0044 0208 0026 00 · BIC: COBADEFFXXX



Against the backdrop of these excellent results and with a view to the accelerating digital transformation, CompuGroup Medical CEO Dr. Dirk Wössner is also very optimistic about the coming years: "In Germany, but also in many other countries, we expect a continued drive of digitization for doctors, hospitals and other healthcare providers. This includes requirements for both security and the scope of digital services and data processing in healthcare. Our customers know that we will stand by their side with tailored products even in these challenging times. And we will stick to this course in 2022."

Group: Excellent revenue growth and strong free cashflow

With group revenues 2021 increasing by 22% to EUR 1.025 billion (2020: EUR 837 million) CGM showed a strong development well on track regarding the mid-term ambitions. Organically – i.e. adjusted for consolidation and currency effects – revenues rose by 5.8%. Adjusted EBITDA reached EUR 224 million in line with the guided range of EUR 210 million to EUR 230 million, corresponding to an EBITDA margin of 21.9%. Against the backdrop of the planned investments made in 2021 for further strengthening CGM's excellent market position and delivering sustainable growth in the future, the operating margin stood very solid at 21.9% (2020: 25.7%). Another major step has been taken towards the ambition of reaching a recurring revenue proportion of 70% by 2025. The share of recurring revenues amounts to 65% of total revenues, compared to 63% in 2020.

After a strong finish in the fourth quarter, free cash flow reached an absolute new height at EUR 101 million in FY 2021 versus EUR 95 million in the previous year. Consolidated net income was EUR 69 million (previous year: EUR 73 million). Adjusted earnings per share (diluted) amounted with EUR 1.95 in 2021 at the upper end of the guided range from EUR 1.70 to 1.95 (previous year: EUR 1.90).

"Our investment initiative is paying off. With organic growth of close to 6%, we have taken CGM to a new level of growth whilst at the same time delivering a very strong free cash flow



and are delivering on our mid-term targets published at the Capital Markets Day last September“, comments Chief Financial Officer (CFO) Michael Rauch on the positive annual results. “We had, have and will continue to have answers to the digitization surge that the healthcare sector worldwide has been experiencing for many months.“

Guidance 2022

CompuGroup Medical expects another year with strong organic growth driven by the investment initiative started last year. As previously published, the company anticipates group revenues of EUR 1.075 billion to EUR 1.125 billion in 2022, which corresponds to an organic growth of 3% to 8%. CGM expects an adjusted EBITDA in the range of EUR 235 million to EUR 260 million, resulting in an EBITDA margin between 21% and 24%. Thus, the company is leaving the margin trough behind and confirming the mid-term ambitions of a margin of 25% in 2023 and 27% in 2025. CGM is also providing a detailed revenue guidance for the segments showing attractive growth in all areas.

ESG in focus

In addition to the digital transformation in the healthcare sector and ongoing focus on changing customer needs resulting from it, the topic of ESG (Environment, Social, Governance) is also playing an increasingly important role for CGM. The key components for CGM are diversity, employee engagement and environmental and climate protection – in the company as well as with clients. Already today, the extended board of the company has three female members and thus a share of women in the extended management of 30%. Employee engagement is regularly ranked by employee surveys, which serve as a basis for further targets and measures. Across all three ESG focus areas, a clear target program will be developed in 2022, followed by a program of measures.

Segments: Excellent performance across all segments

Revenues in the **Ambulatory Information Systems** segment rose by 27% to EUR 476 million (previous year: EUR 375 million). Beside the benefits of the successful acquisitions made in the past, like eMDs in the US market, the company has seen strong momentum for digitization in the healthcare sector in 2021. Organically, revenues grew by 4%. This performance was mainly driven by the ongoing implementation of e-health records in the D-A-CH region and the rising demand for secure communication tools like KIM in Germany or MSS in France. Recurring revenues amounted to 76% of total revenues, reflecting a growth of 28% year-on-year. Adjusted EBITDA shows a stable development to EUR 118 million (previous year: EUR 118 million).

Another outstanding year has been recorded in the **Hospital Information Systems** segment, where revenues increased by 38% to EUR 257 million (previous year: EUR 187 million). This strong revenue growth was supported by the acquisitions of parts of the Cerner portfolio, as well as VISUS and KMS. Organic growth recorded a growth of 8% for full year 2021 and the team has won high profile orders like UKE, a hospital leading in digitization, or Bethel, operating in the attractive growth market of social care. The investments made in the past in innovative technologies like the G3 platform are bearing fruit here. The share of recurring revenues increased from 61% in 2020 to 64% in 2021. Adjusted EBITDA grew by 35% to EUR 43 million (previous year: EUR 32 million).

The **Consumer & Health Management Information Systems** segment recorded revenues of EUR 174 million, after EUR 158 million in 2020, which reflects an increase of 10% over the last year. Both, the Telematic Infrastructure (TI) and the data business contributed to the strong growth. TI benefited from the roll out to pharmacies at the beginning of 2021 and a connector upgrade in the second half. CGM recorded a steadily increasing user number of its data solutions like THERAFOX and Arznei aktuell, a new generation of app for medication checks, which resulted in an organic growth rate in the CHS segment of 9% excluding TI. Recurring revenues rose by 14% to EUR 62 million, improving mainly due to the increasing TI installed



base, resulting in a share of recurring revenues of 36%. Adjusted EBITDA amounted to EUR 40 million in 2021 after EUR 48 million in the previous year. The decrease in adjusted EBITDA by 17% is fully in line with the investments made in 2021 for future growth.

The **Pharmacy Information Systems** segment recorded a positive revenue growth of 1% to EUR 118 million (previous year: EUR 117 million). The positive development in Germany and Italy, especially at the end of 2021, is reflected in an organic growth of 1% for full year. The share of recurring revenues grew from 65% in 2020 to 66% for the last 12 months. With an adjusted EBITDA of EUR 34 million (2020: EUR 34 million), the operating margin at 29% showed a stable development compared to last year.

The annual report for FY 2021 will be published on April 7, 2022 and will be available on the company's website at www.cgm.com/ir-publications.

About CompuGroup Medical SE & Co. KGaA

CompuGroup Medical is one of the leading e-health companies in the world. With a revenue base of EUR 1.025 billion in 2021, its software products are designed to support all medical and organizational activities in doctors' offices, pharmacies, laboratories and hospitals. Its information services for all parties involved in the healthcare system and its web-based personal health records contribute towards safer and more efficient healthcare. CompuGroup Medical's services are based on a unique customer base of more than 1.6 million users, including doctors, dentists, pharmacists, and other healthcare professionals in inpatient and outpatient facilities. With locations in 18 countries and products in 56 countries worldwide, CompuGroup Medical is the e-health company with one of the highest coverages among healthcare professionals. More than 8,500 highly qualified employees support customers with innovative solutions for the steadily growing demands of the healthcare system.