



CompuGroup Medical Quarterly Report as of December 31, 2023

Preliminary results FY 2023

We create the future of e-health

FINANCIAL YEAR 2023 AT A GLANCE

Group revenues at mEUR 1,188, up 5 % compared to prior year

Organic revenue growth at 4.3 % (prior year: 4.1 %)

Organic revenue growth including Telematics Infrastructure adjustment at 5.3 % (prior year: 6.3 %)

Adjusted EBITDA at mEUR 265, up 13 % compared to prior year

Adjusted EBITDA margin of 22.3 % (prior year: 20.7 %)

Adjusted EPS at 2.06 EUR (prior year: 1.80 EUR), up 14 % compared to prior year

Free cash flow of mEUR 113 (prior year: mEUR 69)

Financial key figures

kEUR	Q4 2023	Q4 2022	Change	2023	2022	Change
Revenues	306,924	327,656	- 6 %	1,187,663	1,129,739	+ 5 %
Recurring revenues in %	69 %	57 %	+ 12 ppt	69 %	65 %	+ 4 ppt
Organic growth in %	- 5.2 %	11.1 %	- 16 ppt	4.3%	4.1%	+ 0 ppt
EBITDA adjusted	69,494	67,933	+ 2 %	264,737	234,004	+ 13 %
EBITDA margin adjusted	22.6 %	20.7 %	+ 2 ppt	22.3 %	20.7 %	+ 1 ppt
EPS adjusted (EUR) - diluted	0.56	0.47	+ 19 %	2.06	1.80	+ 14 %
Free cash flow	22,714	45,406	- 50 %	113,001	68,969	+ 64 %
Number of shares outstanding ('000)				52,235	52,235	+ 0 %

NOTICE

CompuGroup Medical has been reporting adjusted key figures for the operating result (EBITDA) and earnings per share since the financial year 2020. These key figures are not defined under International Financial Reporting Standards (IFRS) and should be regarded as supplementary information. Adjusted EBITDA and adjusted earnings per share exclude effects from major acquisition and disposal of subsidiaries, business units and investments (including effects from the subsequent measurement of contingent purchase price liabilities), impairment losses and write-ups on investments, effects from the acquisition, construction and disposal of real estate, impairment losses and write-ups on owner-occupied property, as well as expenses in connection with share-based payment programs for Managing Directors, taxes attributable to the above effects and other non-operating or non-periodic non-recurring effects.

The figures and information contained in this financial report are preliminary and unaudited and are subject to audit and approval by the Supervisory Board. The publication of the final and audited results for the financial year 2023 will take place on March 28, 2024.

Unless otherwise stated, all information and explanatory notes in this report refer to the fourth quarter of 2023 and 2022, i.e. the three-month period from October 1 to December 31 (Q4), and all percentage changes refer to the respective year-on-year comparison. Due to rounding, totals and percentages presented in this report may not add up precisely to the totals provided.

EARNINGS DEVELOPMENT IN THE GROUP

kEUR	Q4 2023	Q4 2022	2023	2022
Revenues	306,924	327,656	1,187,663	1,129,739
Other income	9,312	9,919	28,868	19,396
Capitalized in-house services	12,758	11,070	40,139	44,819
Expenses for goods and services purchased	-63,643	-71,208	-222,747	-216,397
Personnel expenses	-169,260	-142,790	-590,414	-546,704
Other expenses	-61,005	-68,217	-213,749	-214,502
EBITDA	35,086	66,430	229,760	216,351
in % of revenues	11.4%	20.3%	19.3%	19.2%
EBIT	-1,543	35,753	113,962	104,030
in % of revenues	-0.5%	10.9%	9.6%	9.2%
EBT	-18,728	19,002	72,672	106,816
in % of revenues	-6.1%	5.8%	6.1%	9.5%
Consolidated net income	-15,485	14,303	46,872	74,117
in % of revenues	-5.0%	4.4%	3.9%	6.6%

Revenue increased by mEUR 58 (5 %) to mEUR 1,188 for the **year 2023**. Organic growth in this period was 4.3 % year-on-year. Excluding Telematics Infrastructure, organic growth amounted to 5.3 %.

Revenue decreased to mEUR 307 for the **fourth quarter of 2023**. Organic revenue decreased by 5.2 % year-on-year. Excluding Telematics Infrastructure, organic growth amounted to 3.8 %.

Other income increased by mEUR 9 for the fiscal year 2023. This is mainly due to the release of provisions for cash and equity settled share options for Managing Directors, as the vesting conditions were not fulfilled.

The main developments in operating expenses were:

- In 2023, expenses for goods and services purchased increased from mEUR 216 to mEUR 223 compared to the reference period of last year. The gross margin (revenues less cost of purchased services/revenues) of 81 % was on the same level as in the prior year. In the fourth quarter of 2023, expenses for goods and services purchased decreased by mEUR 8 to mEUR 64 compared to prior year. The gross margin increased by 1 percentage point to 79 %.

- Personnel expenses increased from mEUR 547 in 2022 to mEUR 590 in 2023, of which mEUR 13 are due to acquisitions. Additionally, the increase in personnel expenses was due to salary increases, partially compensated by currency effects, as well as an increase in payments related to the restructuring expenses of some business units and group functions. Adjusted for acquisitions and currency effects personnel expenses increased by 3 % organically. In the fourth quarter, personnel expenses increased by 19 % to mEUR 169 compared to the prior year (mEUR 143), of which mEUR 3 are due to acquisitions. Adjusted by acquisitions and currency effects personnel expenses increased by 3 % organically.
- In 2023, other expenses including impairment losses on financial assets and contract assets slightly decreased from mEUR 215 in 2022 to mEUR 214 in 2023. In the fourth quarter, other expenses including impairment losses on financial assets and contract assets decreased from mEUR 68 to mEUR 61.

Adjusted group EBITDA was derived from reported EBITDA as shown below:

kEUR	Q4 2023	Q4 2022	2023	2022
EBITDA reported	35,086	66,430	229,760	216,351
Adjustments:				
M&A transactions	620	659	3,539	2,827
Share-based option programs	320	844	-7,037	2,643
Restructuring expenses	26,048	0	26,048	3,401
Other non-operative, extraordinary or one-time effects	7,420	0	12,427	8,782
EBITDA adjusted	69,494	67,933	264,737	234,004
Adjusted EBITDA margin in %	22.6%	20.7%	22.3%	20.7%

Adjusted earnings before interest, taxes, depreciation and amortization (adjusted group EBITDA) for the year 2023 amounted to mEUR 265 (prior year: mEUR 234) with an adjusted EBITDA margin of 22 % (prior year: 21 %).

Adjusted earnings before interest, taxes, depreciation and amortization (adjusted EBITDA) for the fourth quarter of 2023 amounted to mEUR 69 (prior year: mEUR 68) with an adjusted EBITDA margin of 23 % (prior year: 21 %).

In the fourth quarter of 2023, as part of our ongoing transformation initiative, we made reorganizations in some areas. This led to one-time personnel expenses, which are reported as restructuring expenses for the purposes of the calculation of adjusted earnings.

Other adjustments in the fourth quarter of 2023 mainly consists of expenses related to prior periods in connection with licenses costs and tax audits as well as the impairment of an investment.

Depreciation of property, plant and equipment and of rights of use amounted to mEUR 40 in **2023**, a decrease of mEUR 3 compared to the prior year. Amortization of intangible assets in the same period was mEUR 6 higher than in the prior year at mEUR 76.

In the **fourth quarter of 2023**, depreciation of property, plant and equipment and right-of-use assets amounted to mEUR 10, which was below the level of the same quarter of prior year (mEUR 12). Amortization of intangible assets increased to mEUR 27 in the same period (prior year: mEUR 19).

Amortization of intangible assets consists of the following:

kEUR	Q4 2023	Q4 2022	2023	2022
Amortization of intangible assets	26,856	19,099	75,963	69,551
thereof from purchase price allocations for business combinations	11,116	11,151	43,541	45,882
thereof from capitalized software development costs	15,422	4,056	26,502	12,363

The financial result was structured as follows:

kEUR	Q4 2023	Q4 2022	2023	2022
Interest and other expenses on loans and financial services	- 8,569	- 5,152	- 29,803	- 12,712
Net impairment losses on financial assets	- 564	- 5,250	- 564	- 5,250
Changes in purchase price liabilities	1,088	- 71	1,199	- 1,514
Capitalized interest on qualifying assets under construction (IAS 23)	826	902	2,672	1,519
Interest income on loans	49	105	179	343
Interest income on cash at bank	413	85	729	235
Currency losses / gains	- 106	94	- 2,939	1,081
Write-down/Write-up of derivatives without hedge accounting relationship	- 10,544	- 6,346	- 12,793	19,181
Other	- 401	- 1,019	- 593	2
TOTAL	- 17,808	- 16,652	- 41,913	2,885

Consolidated net income for **2023** amounted to mEUR 47, mEUR 27 lower than in the prior year period. The group's tax rate for this period was at 36 % compared to 31 % in the prior year.

In the **fourth quarter of 2023**, consolidated net income amounted to mEUR - 15 and was thus mEUR 30 lower than in the prior year period. The group's tax rate for the fourth quarter was at 17 % compared to 25 % the fourth quarter of the prior year.

Adjusted earnings per share were as follows:

kEUR	Q4 2023	Q4 2022	2023	2022
Consolidated net income for the period	- 15,485	14,303	46,872	74,117
of which: allocated to non-controlling interests	418	504	956	706
Consolidated net income of the period (allocated to shareholders of the parent company)	- 15,903	13,799	45,916	73,411
Adjustments:				
M&A transactions	6,860	7,114	28,442	29,619
Share-based option programs	320	844	- 7,037	2,643
Restructuring expenses	26,048	0	26,048	3,401
Other non-operative, extraordinary or one-time effects	29,413	6,246	36,670	- 10,797
Taxes attributable to these effects	- 17,384	- 3,243	- 22,238	- 4,128
Adjusted consolidated net income for the period (allocated to shareholders of the parent company)	29,353	24,760	107,800	94,148
Adjusted undiluted earnings per share (in EUR)	0.56	0.47	2.06	1.80
Adjusted diluted earnings per share (in EUR)	0.56	0.47	2.06	1.80
weighted average of outstanding shares acc. to IAS 33 - undiluted ('000)	52,235	52,233	52,235	52,236
weighted average of outstanding shares acc. to IAS 33 - diluted ('000)	52,139	52,435	52,233	52,289

EARNINGS DEVELOPMENT OF THE BUSINESS SEGMENTS

Ambulatory Information Systems (AIS)

mEUR	Q4 2023	Q4 2022*	Change	2023	2022*	Change
Revenues to third parties	128.7	136.9	- 6 %	506.3	502.3	+ 1 %
Share of recurring revenues	78 %	72 %	+ 6 ppt	79 %	77 %	+ 2 ppt
EBITDA adjusted	32.7	38.3	- 15 %	123.1	129.3	- 5 %
in % of revenues	25 %	28 %	- 3 ppt	24 %	26 %	- 2 ppt

* In 2023, some minor profit centers were reallocated between the AIS and CHS segments, therefore the prior year figures have been updated based on the current structure.

- The software business targeting physicians and dentists achieved revenues of mEUR 506 in the financial year 2023, which represents an increase of 1 % compared to prior year. Adjusted for currency effects and acquisitions, organic revenues increased by 1 % (prior year: 1 %) due to strong business performance in the United States and the rollout of modules in Germany. Recurring revenues grew by 3 %, representing an increase in the recurring revenue share of 2 % to 79 %. Adjusted EBITDA decreased by 5 % to mEUR 123.
- Revenues in the fourth quarter of 2023 decreased to mEUR 129, down 6 % compared to the prior year quarter. Adjusted for acquisition and currency effects, revenues decreased organically by 4 % compared to the prior year quarter, due to the positive impact of SEGUR in France in 2022. Recurring revenues in the AIS segment increased by 2 %. At the same time, adjusted EBITDA decreased by 15 % to mEUR 33.

Hospital Information Systems (HIS)

mEUR	Q4 2023	Q4 2022	Change	2023	2022	Change
Revenues to third parties	86.0	70.4	+ 22 %	314.9	277.2	+ 14 %
Share of recurring revenues	63 %	70 %	- 7 ppt	67 %	69 %	- 2 ppt
EBITDA adjusted	13.3	- 0.9	+ 1629 %	38.6	25.3	+ 53 %
in % of revenues	15 %	-1 %	+ 16 ppt	12 %	9 %	+ 3 ppt

- In the financial year 2023, revenues of the HIS segment increased by 14 % to mEUR 315. Adjusted for acquisitions and FX (foreign exchange) effects, organic growth was 14 %, mainly attributable to strong project business in Germany, Spain and Poland. Recurring revenues increased to mEUR 210, corresponding to 67 % of total revenues. Adjusted EBITDA increased by 53 % to mEUR 39.
- In the fourth quarter of 2023, revenues increased by 22 % to mEUR 86. Organically, revenues increased by 22 % compared to the fourth quarter of last year due to strong project business in Germany, Spain and Poland. Recurring revenues increased by 11 % to mEUR 55. Adjusted EBITDA grew from mEUR - 1 to mEUR 13.

Consumer and Health Management Information Systems (CHS)

mEUR	Q4 2023	Q4 2022*	Change	2023	2022*	Change
Revenues to third parties	54.7	83.2	- 34 %	225.5	219.6	+ 3 %
Share of recurring revenues	61 %	22 %	+ 39 ppt	51 %	32 %	+ 19 ppt
EBITDA adjusted	20.2	25.1	- 19 %	76.6	51.4	+ 49 %
in % of revenues	37 %	30 %	+ 7 ppt	34 %	23 %	+ 11 ppt

* In 2023, some minor profit centers were reallocated between the AIS and CHS segments, therefore the prior year figures have been updated based on the current structure.

- **In the financial year 2023**, the CHS segment generated revenues of mEUR 225. The revenue growth of 3 % was mainly driven by the Telematics Infrastructure in the first half year, as well as consolidation effects from the INSIGHT Health acquisition. Excluding Telematics Infrastructure contributions, revenues were roughly stable. Recurring revenues amounted to mEUR 115, representing 51 % of the total revenues. Adjusted EBITDA was mEUR 77, up 49 % year-on-year.
- **Revenues in the fourth quarter** decreased by 34 % to mEUR 55 compared to the prior year quarter. The decline in revenue of 34 % was mainly attributable to a strong performance in the prior year from Telematics Infrastructure. Organically, and excluding Telematics Infrastructure, revenues were roughly on the prior year level. Recurring revenues amounted to mEUR 33 and represented 61 % of total CHS revenues (prior year: 22 %). Adjusted EBITDA amounted to mEUR 20 and was thus mEUR 5 lower than in the prior year.

Pharmacy Information Systems (PCS)

mEUR	Q4 2023	Q4 2022	Change	2023	2022	Change
Revenues to third parties	37.5	37.0	+ 1 %	141.0	130.5	+ 8 %
Share of recurring revenues	60 %	57 %	+ 3 ppt	65 %	64 %	+ 1 ppt
EBITDA adjusted	16.9	12.5	+ 35 %	51.1	39.8	+ 28 %
in % of revenues	45 %	34 %	+ 11 ppt	36 %	30 %	+ 6 ppt

- **In the financial year 2023**, revenues in the PCS segment increased by 8 % to mEUR 141. Organic revenue growth by 6 %, which was predominantly attributable to strong business performance in Italy and additional hardware sales in Germany. Recurring revenues in the PCS segment increased by 9 % to mEUR 91 compared to the same period of the prior year. Adjusted EBITDA was mEUR 51, up 28 % on the prior-year period.
- **Revenues in the fourth quarter** increased to mEUR 38, up 1 % on the prior year. Organically, the PCS segment achieved growth of 1 %, in particular due to excellent growth in Italy. Recurring revenues increased by 8 % to mEUR 23, representing 60 % of total revenues (prior year: 57 %). Adjusted EBITDA amounted to mEUR 17 and was thus 35 % above the prior year figure.

Other segments and consolidation

mEUR	Q4 2023	Q4 2022	Change	2023	2022	Change
EBITDA adjusted	- 13.6	- 7.0	- 95 %	- 24.6	- 11.7	- 110 %

- Adjusted EBITDA in other business activities and consolidation was mEUR 13 lower than in the prior financial year. The adjusted special items **for the financial year 2023** amounted to mEUR 4 and were attributable to extraordinary release effects related to stock option programs, restructuring expenses, management changes, and other extraordinary and prior years' effects.
- Adjusted EBITDA **in the fourth quarter** was down by mEUR 7 compared to the reference period of the prior year. Adjusted special items amounted to mEUR 6 in the fourth quarter and were attributable to restructuring expenses, management changes, impairment of an investment and prior years effects from wage tax audit.

Staff development

Staff development	Dez 31, 2023	Dez 31, 2022
Number of employees (HC)	9,199	9,229
thereof from acquisitions as at time of acquisition	181	231
Full-time equivalent (FTE)*	8,810	8,833

* FTE: Indicates for a number of real jobs with different time models the number of notional full-time jobs with the same work capacity.

The headcount decreased by 30 employees compared to end of 2022. 181 employees joined the Group as part of acquisitions. The number of FTEs decreased by 23 compared to the end of last year.

NET ASSETS OF THE GROUP

kEUR	Dez 31, 2023		Dec 31, 2022		Change	
Non-current assets	1,537,938	81 %	1,523,631	78 %	+ 14,307	+ 1 %
Current assets	368,973	19 %	420,807	22 %	- 51,834	- 12 %
Assets qualified as held for sale	367	0 %	0	0 %	+ 367	
Total assets	1,907,278	100 %	1,944,438	100 %	- 37,160	- 2 %

kEUR	31.12.2023		31.12.2022		Change	
Equity	669,272	35 %	673,823	35 %	- 4,551	- 1 %
Non-current liabilities	899,681	47 %	895,141	46 %	+ 4,540	+ 1 %
Current liabilities	337,301	18 %	375,474	19 %	- 38,173	- 10 %
Liabilities related to assets held for sale	1,024	0 %	0	0 %	+ 1,024	
Total Liabilities	1,907,278	100 %	1,944,438	100 %	- 37,160	- 2 %

CGM's total assets decreased by mEUR 37 as of December 31, 2023, which corresponds to a decrease from mEUR 1,944 to mEUR 1,907. Furthermore, the Turkish CGM Group company is subject to be sold and consequently all assets and the liabilities related to the company are reported separately as at December 31, 2023.

The largest changes in assets were as follows:

- Increase in intangible assets by mEUR 16 to mEUR 1,310 mainly due to acquisitions and the capitalization of software development costs.
- Decrease of derivative financial instruments by mEUR 20 to mEUR 17, mainly through Fair Value assessment.
- Decrease of cash and cash equivalents by mEUR 26 to mEUR 64, mainly due to repayments of loans.
- Reduction of outstanding trade receivables.

All other assets were subject to minor changes in absolute figures in 2023.

Group equity slightly decreased from mEUR 674 as at December 31, 2022 to mEUR 669 as at December 31, 2023. This decrease is mainly due to negative effects such as those related to the dividend payment and from currency conversion, which could not be fully offset by the consolidated net profit for the period.

The following significant changes occurred in current and non-current liabilities compared to year-end 2022:

- Decrease in current and non-current liabilities to banks of mEUR 18 to mEUR 710, due to repayments of loans.
- Decrease in trade payables by mEUR 20 to mEUR 93.
- Increase in other provisions by mEUR 16 to mEUR 77, mainly due to higher provisions for severance payments.
- Decrease of current and non-current contract liabilities by mEUR 15 to mEUR 67.

All other current and non-current liabilities were subject to minor changes in absolute figures in 2023.

FINANCIAL POSITION OF THE GROUP

The liquidity situation and financial position of CGM are shown in the following condensed cash flow statement and key figures on debt:

kEUR	Q4 2023	Q4 2022	Change	2023	2022	Change
Operating cash flow	43,306	64,913	- 21,607	179,528	145,027	+ 34,501
Cash flow from investing activities	- 36,800	- 29,306	- 7,494	- 124,327	- 145,414	+ 21,087
Cash flow from investing activities w/o acquisitions and disposals of subsidiaries	- 20,592	- 19,507	- 1,085	- 66,527	- 76,058	+ 9,531
Free cash flow	22,714	45,406	- 22,692	113,001	68,969	+ 44,032
Cash flow from investing activities for acquisitions	- 16,208	- 9,799	- 6,409	- 57,800	- 69,356	+ 11,556
Cash flow from financing activities	- 9,134	- 29,841	+ 20,707	- 80,687	- 16,359	- 64,328
Change in cash and cash equivalents	- 2,628	5,766	- 8,394	- 25,486	- 16,746	- 8,740
Changes due to exchange rate fluctuations	503	- 1,082	+ 1,585	- 570	- 80	- 490
Cash and cash equivalents at the beginning of the period	66,586	85,833	- 19,247	90,517	107,343	- 16,826
Cash and cash equivalents at the end of the period	64,461	90,517	- 26,056	64,461	90,517	- 26,056
Net Debt*				702,531	696,003	+ 6,528
Leverage (LTM)**				2.75	3.12	- 0.37

* Liabilities to banks (incl. leasing liabilities according to IFRS 16) ./ cash and cash equivalents (with the exception of accounts under third-party management)

** Net debt / EBITDA (LTM) adjusted for restructuring expenses plus pro rata EBITDA of newly acquired companies

At mEUR 113, free cash flow **in the financial year** was mEUR 44 higher than in the same period last year.

The increase of mEUR 44 is mainly due to the reduction in inventories and receivables in connection with the connector exchange in the fourth quarter of 2022 as well as lower payments for investments in fixed assets and lower tax payments. Higher payments for interest had the opposite effect.

In the **fourth quarter of 2023**, free cash flow amounted to mEUR 23 compared to mEUR 45 in the same period of the prior year.

The derivation of free cash flow is shown below:

kEUR	Q4 2023	Q4 2022	2023	2022
Operating cash flow	43,306	64,913	179,528	145,027
Cash flow from investing activities	- 36,800	- 29,306	- 124,327	- 145,414
./ Net cash outflow for company acquisitions (less acquired cash and cash equivalents and prepayments in prior periods)	- 6,232	- 3,784	- 34,951	- 57,881
./ Cash outflow for acquisitions from prior periods	- 2,594	- 1,984	- 15,287	- 6,887
./ Cash inflow from the disposal of subsidiaries and business units	0	0	0	43
./ Cash outflow for capital expenditures in joint ventures and other equity investments	- 7,382	- 4,031	- 7,562	- 4,631
Free cash flow	22,714	45,406	113,001	68,969

For the **financial year of 2023** the cash flow from investing activities was mEUR - 124 (prior year: mEUR - 145).

Cash flow from investing activities amounted to mEUR - 37 in the **fourth quarter of 2023**, compared to mEUR - 29 in the same period in prior year.

The derivation of investments is shown below:

kEUR	Q4 2023	Q4 2022	2023	2022
Company acquisitions	- 6,232	- 3,784	- 34,951	- 57,881
Purchase of minority interest and past acquisitions	- 2,594	- 1,984	- 15,287	- 6,887
Joint ventures and other equity investments	- 7,382	- 4,031	- 7,562	- 4,631
Disposal of subsidiaries and business units	0	0	0	43
CAPEX	- 20,592	- 19,507	- 66,527	- 76,058
Capitalized in-house services and other intangible assets	- 16,506	- 13,543	- 48,879	- 50,560
Office buildings and property	561	40	- 218	- 6,565
Other property and equipment	- 4,647	- 6,004	- 17,430	- 18,933
Total	- 36,800	- 29,306	- 124,327	- 145,414

In the **financial year of 2023**, financing activities generated cash outflows of mEUR - 81 (prior year: mEUR - 16).

Cash flow from financing activities amounted to mEUR - 9 in the **fourth quarter of 2023** (prior year: mEUR - 30). The cash flow from financing activities was influenced by the exercise of a call option for the acquisition of further 20 % of the shares in 4K S.r.l.

As of December 31, 2023, cash and cash equivalents amounted to mEUR 64 (prior year: mEUR 91). The reported cash and cash equivalents also include restricted cash.

Net debt as at December 31, 2023 was mEUR 703, mEUR 6 higher than the net debt of mEUR 696 as at December 31, 2022. Leverage was 2.75 (December 31, 2022: 3.12) and thus met the requirements of the existing credit agreement.

GUIDANCE

The Group's guidance for the **financial year 2023** issued in February 2023 was achieved for the adjusted EBITDA and adjusted EPS as the key earnings indicators. The organic revenue growth was roughly in line with the guidance. While the organic revenue guidance for the AIS and CHS segment remained below the guided ranges, the HIS and PCS segments clearly outperformed the guidance. All other key figures reached or exceeded the guidance.

For 2024, CompuGroup Medical expects the following:

Group

- Organic revenue growth (adjusted for acquisitions and currency effects) in a range between 4 % and 6 %.
- The share of recurring revenues as of total revenues between 65 % and 70 %.
- Adjusted EBITDA in a range between mEUR 270 and mEUR 310.
- Adjusted earnings per share (diluted) with an increase of approximately 10 % compared to prior year.
- Free cash flow in a range between mEUR 70 and mEUR 100.

Segments

The segmentation will change from the 2024 financial year, with the previous CHS segment being integrated into the new AIS segment. The guidance for the organic revenue development of the segments in the financial year 2024 compared to 2023 is the following:

- Organic revenue growth is expected in the low to mid-single digit percentage range in the AIS segment.
- Organic revenue growth in the mid to high-single digit percentage range in the HIS segment.
- Organic revenue growth in the low to mid-single digit percentage range in the PCS segment.

The above guidance for the current financial year does not take into account any effects from company acquisitions not yet completed or potential transactions to be carried out in the course of financial year 2024. The guidance is based on the management's best estimate of future market conditions and the development of the business segments of CompuGroup Medical in this environment; it may be influenced by delays or changes in the implementation of the Telematics Infrastructure that are beyond the control of the company. Moreover, uncertainty remains with regard to the further impact of the global economic environment. The guidance may also be influenced by foreign exchange effects (especially changes in the USD/EUR conversion rate).

Interim Statement of Financial Position

as of December 31, 2023

Assets

kEUR	Dez 31, 2023	Dez 31, 2022
Non-current assets		
Intangible assets	1,309,857	1,293,910
Property, plant and equipment	108,405	107,478
Right-of-use assets	57,294	53,411
Investments in associates and joint ventures (valued at-equity)	15,249	7,300
Other investments	615	3,158
Finance lease receivables	14,189	15,984
Other financial assets*	3,333	2,111
Derivative financial instruments*	16,840	36,560
Other non-financial assets	1,700	1,200
Deferred taxes	10,456	2,519
	1,537,938	1,523,631
Current assets		
Inventories	18,881	29,438
Trade receivables	175,464	189,439
Finance lease receivables	8,538	9,152
Contract assets	27,089	23,282
Other financial assets	7,796	2,842
Derivative financial instruments	1,161	574
Other non-financial assets	27,831	27,003
Income tax receivables	37,752	48,560
Cash & cash equivalents	64,461	90,517
	368,973	420,807
Assets qualified as held for sale	367	0
	1,907,278	1,944,438

* Reporting of derivative financial instruments previously under other financial assets.

Interim Statement of Financial Position

as of December 31, 2023

Shareholder's Equity and Liabilities

kEUR	Dez 31, 2023	Dez 31, 2022
Equity		
Subscribed capital	53,735	53,735
Treasury shares	- 105,205	- 105,205
Reserves	719,148	723,890
Capital and reserves allocated to the shareholders of the parent company	667,678	672,420
Non-controlling interests	1,594	1,403
	669,272	673,823
Non-current liabilities		
Provisions for post-employment benefits and other non-current provisions	34,940	32,656
Liabilities to banks	704,168	699,371
Contract liabilities	4,578	15,529
Purchase price liabilities	12,210	5,539
Lease liabilities	37,742	33,741
Other financial liabilities	87	53
Other non-financial liabilities	25	42
Deferred taxes	105,931	108,210
	899,681	895,141
Current liabilities		
Liabilities to banks	6,252	29,104
Contract liabilities	62,567	66,898
Purchase price liabilities	1,963	16,046
Trade payables	93,006	112,613
Income tax liabilities	43,799	32,316
Other provisions	77,376	60,920
Derivative financial instruments	194	901
Lease liabilities	18,693	19,603
Other financial liabilities	5,910	8,478
Other non-financial liabilities	27,541	28,595
	337,301	375,474
Liabilities related to assets held for sale	1,024	0
	1,907,278	1,944,438

Interim Income Statement

for the reporting period of January 1 - December 31, 2023

	Q4 2023	Q4 2022	2023	2022
Revenues	306,924	327,656	1,187,663	1,129,739
Capitalized inhouse services	12,758	11,070	40,139	44,819
Other income	9,312	9,919	28,868	19,396
Expenses for goods and services purchased	-63,642	-71,208	-222,747	-216,397
Personnel expenses	-169,260	-142,790	-590,414	-546,704
Net impairment losses on financial and contract assets	-3,338	-3,952	-8,738	-4,961
Other expenses	-57,668	-64,265	-205,011	-209,541
Earnings before interest, taxes, depreciation and amortization (EBITDA)	35,086	66,430	229,760	216,351
Depreciation of property, plant and equipment and right-of-use assets	-9,773	-11,578	-39,835	-42,770
Earnings before interest, taxes and amortization (EBITA)	25,313	54,852	189,925	173,581
Amortization of intangible assets	-26,856	-19,099	-75,963	-69,551
thereof from purchase price allocations	-11,116	-11,151	-43,541	-45,882
Earnings before interest and taxes (EBIT)	-1,543	35,753	113,962	104,030
Result from companies accounted for using the equity method	623	-99	623	-99
Financial income	2,291	-5,559	2,820	22,719
Financial expenses	-19,535	-5,843	-44,169	-14,584
Net impairment losses on financial assets*	-564	-5,250	-564	-5,250
Earnings before taxes (EBT)	-18,728	19,002	72,672	106,816
Income taxes for the period	3,243	-4,699	-25,800	-32,699
Consolidated net income for the period	-15,485	14,303	46,872	74,117
of which: allocated to shareholders of the parent company	-15,903	13,799	45,916	73,411
of which: allocated to non-controlling interests	418	504	956	706
Earnings per share				
undiluted (EUR)	-0.30	0.26	0.88	1.41
diluted (EUR)	-0.30	0.26	0.88	1.40

* Reporting of net impairment losses on financial assets previously under financial expenses.

Cash Flow Statement

as of December 31, 2023

kEUR	Q4 2023	Q4 2022	2023	2022
Consolidated net income for the period	-15,485	14,303	46,872	74,117
Depreciation of property, plant and equipment and right-of-use assets and amortization of intangible assets	36,630	30,677	115,798	112,321
Earnings on sale of fixed assets	-1,010	24	-1,035	-163
Change in provisions (including income tax liabilities)	33,165	29,964	28,309	15,882
Change in derivative financial instruments*	16,442	15,402	18,425	-18,871
Deferred tax income/expense	-10,203	-5,834	-10,197	352
Other non-cash earnings/ expenditures	-4,310	349	-9,404	4,561
	55,229	84,885	188,768	188,199
Change in inventories	2,335	5,367	10,582	-8,788
Change in trade receivables and other receivables	4,284	-16,686	11,119	-28,761
Change in income tax receivables	-2,498	-17,981	10,844	-17,819
Change in other receivables*	1,285	11,783	-6,661	8,419
Change in trade payables	13,691	24,466	-21,072	15,565
Change in contract liabilities	-38,503	-27,624	-14,738	-10,377
Change in other liabilities	7,483	703	686	-1,411
Operating cash flow	43,306	64,913	179,528	145,027
Cash outflow for capital expenditure for intangible assets	-16,506	-13,543	-48,879	-50,560
Cash inflow from disposals of property, plant and equipment	1,013	70	1,325	349
Cash outflow for capital expenditure for property, plant and equipment	-5,099	-6,034	-18,973	-25,847
Net cash outflow for company acquisitions (less acquired cash and cash equivalents and prepayments in prior periods)	-6,232	-3,784	-34,951	-57,881
Cash outflow for acquisitions from prior periods	-2,594	-1,984	-15,287	-6,887
Cash inflow from the disposal of subsidiaries and business units	0	0	0	43
Cash outflow for capital expenditures for joint ventures and other equity investments	-7,382	-4,031	-7,562	-4,631
Cash flow from investing activities	-36,800	-29,306	-124,327	-145,414
Buyback of treasury shares	0	0	0	-9,109
Dividend paid	0	0	-26,117	-26,117
Capital paid to non-controlling interests	0	0	-211	-175
Acquisition of additional shares from non-controlling interests	4,546	0	-4,329	-17
Downpayment of lease liabilities	-6,933	-7,674	-25,819	-25,530
Cash inflow from borrowing of loans	469,979	-255,215	480,000	340,000
Cash outflow from the repayment of loans	-476,726	233,048	-504,211	-295,411
Cash flow from financing activities	-9,134	-29,841	-80,687	-16,359
Cash and cash equivalents at the beginning of the period	66,586	85,833	90,517	107,343
Change in cash and cash equivalents	-2,628	5,766	-25,486	-16,746
Changes due to exchange rate fluctuations	503	-1,082	-570	-80
Cash and cash equivalents at the end of the period	64,461	90,517	64,461	90,517
Interest paid	6,229	755	26,711	6,157
Interest received	399	341	841	687
Income taxes paid	3,319	6,353	26,590	39,034

* Change in derivative financial instruments previously reported under changes in other receivables

Segment Report

as of December 31, 2023

kEUR	Segment AIS Ambulatory Information Systems		Segment HIS Hospital Information Systems		Segment CHS Consumer and Health Management Information Systems		Segment PCS Pharmacy Information Systems	
	2023	2022*	2023	2022	2023	2022*	2023	2022
	01.01 - 31.12.	01.01 - 31.12.	01.01 - 31.12.	01.01 - 31.12.	01.01 - 31.12.	01.01 - 31.12.	01.01 - 31.12.	01.01 - 31.12.
Revenues to third parties	506,309	502,287	314,863	277,217	225,486	219,594	140,987	130,547
thereof Software license	47,466	45,756	35,987	29,910	987	1,044	6,300	5,685
thereof Hardware	16,364	19,612	9,149	9,583	44,744	53,327	28,312	27,484
thereof Professional Services	32,632	41,409	59,913	47,358	18,977	22,897	13,738	12,228
thereof Software Maintenance & hotline	282,147	278,491	157,337	140,137	14,032	14,096	45,386	42,185
thereof Other recurring revenues	115,527	107,206	52,388	49,795	101,273	56,180	45,878	41,787
thereof Advertising, eDetailing and Data	650	682	5	0	42,975	69,039	461	490
thereof Other revenues	11,523	9,131	84	434	2,498	3,011	912	688
Point in time of revenue recognition								
at a specific point in time	32,258	35,858	18,051	14,880	47,313	56,463	31,022	29,812
over a period of time	474,051	466,429	296,812	262,337	178,173	163,131	109,965	100,735
	506,309	502,287	314,863	277,217	225,486	219,594	140,987	130,547
thereof recurring revenues	397,675	385,697	209,725	189,932	115,304	70,276	91,264	83,972
Revenues between segments	60,473	84,009	5,827	5,347	28,255	47,089	4,498	4,160
Segment Revenues	566,782	586,295	320,690	282,564	253,741	266,683	145,485	134,707
Capitalized inhouse services	9,493	11,322	14,466	18,491	9,161	10,791	6,272	4,215
Other income	7,725	11,349	7,598	6,197	2,517	1,254	5,476	2,823
Expenses for goods and services purchased	-123,934	-145,521	-59,782	-48,077	-102,522	-133,798	-38,605	-35,242
Personnel costs	-239,655	-223,641	-181,606	-161,768	-61,485	-58,196	-49,085	-46,375
Other expenses	-111,118	-115,281	-70,884	-72,927	-31,270	-38,123	-21,114	-20,776
EBITDA	109,293	124,523	30,482	24,480	70,142	48,611	48,429	39,352
in % of revenues	21.6%	24.8%	9.7%	8.8%	31.1%	22.1%	34.3%	30.1%
Depreciation of property, plant and equipment and right of use assets								
Amortization of intangible assets								
EBIT								
Result from companies accounted for using the equity method								
Financial income								
Financial expenses								
Net impairment losses on financial assets								
EBT								
Income taxes for the period								
Consolidated net income for the period								
in % of revenues								

* In 2023, some minor profit centers were reallocated between the AIS and CHS segments, therefore the prior year figures have been updated based on the current structure

Segment Report

as of December 31, 2023

	All other segments		Sum Segments		Consolidation		CGM Group	
	2023	2022	2023	2022*	2023	2022*	2023	2022
	01.01 - 31.12.	01.01 - 31.12.	01.01 - 31.12.	01.01 - 31.12.	01.01 - 31.12.	01.01 - 31.12.	01.01 - 31.12.	01.01 - 31.12.
TEUR								
Revenues to third parties	18	94	1,187,663	1,129,739	0	0	1,187,663	1,129,739
thereof Software license	0	0	90,740	82,395	0	0	90,740	82,395
thereof Hardware	0	0	98,569	110,006	0	0	98,569	110,006
thereof Professional Services	6	94	125,266	123,986	0	0	125,266	123,986
thereof Software Maintenance & hotline	0	0	498,902	474,909	0	0	498,902	474,909
thereof Other recurring revenues	0	0	315,066	254,968	0	0	315,066	254,968
thereof Advertising, eDetailing and Data	0	0	44,091	70,211	0	0	44,091	70,211
thereof Other revenues	12	0	15,029	13,264	0	0	15,029	13,264
Point in time of revenue recognition								
at a specific point in time	12	0	128,656	137,013	0	0	128,656	137,013
over a period of time	6	94	1,059,007	992,726	0	0	1,059,007	992,726
	18	94	1,187,663	1,129,739	0	0	1,187,663	1,129,739
thereof recurring revenues	0	0	813,968	729,877	0	0	813,968	729,877
Revenues between segments	11,833	10,247	110,886	150,852	-110,886	-150,852	0	0
Segment Revenues	11,850	10,341	1,298,548	1,280,590	-110,885	-150,851	1,187,663	1,129,739
Capitalized inhouse services	747	0	40,139	44,819	0	0	40,139	44,819
Other income	91,895	96,853	115,211	118,476	-86,343	-99,080	28,868	19,396
Expenses for goods and services purchased	-6,941	-3,172	-331,784	-365,810	109,037	149,413	-222,747	-216,397
Personnel costs	-59,169	-57,573	-591,000	-547,553	586	849	-590,414	-546,704
Other expenses	-66,968	-67,019	-301,354	-314,126	87,605	99,624	-213,749	-214,502
EBITDA	-28,586	-20,570	229,760	216,396	0	-45	229,760	216,351
in % of revenues			19.3%	19.2%			19.3%	19.2%
Depreciation of property, plant and equipment and right of use assets							-39,835	-42,770
Amortization of intangible assets							-75,963	-69,551
EBIT							113,962	104,030
Result from companies accounted for using the equity method							623	-99
Financial income							2,820	22,719
Financial expenses							-44,169	-14,584
Net impairment losses on financial assets							-564	-5,250
EBT							72,672	106,816
Taxes on income for the period							-25,800	-32,699
Consolidated net income for the period							46,872	74,117
in % of revenues							3.9%	6.6%

* In 2023, some minor profit centers were reallocated between the AIS and CHS segments, therefore the prior year figures have been updated based on the current structure

APPENDIX

as of December 31, 2023

Earnings development according to the new segment structure effective from January 1, 2024

In addition to some other minor reclassifications, the CHS segment will be integrated into the AIS segment as a significant change in segment reporting from the beginning of 2024.

For comparison, the following tables show the segment earnings development for 2023 and 2022 following the new structure.

Ambulatory Information Systems (AIS)

mEUR	Q4 2023	Q4 2022	Change	2023	2022	Change
Revenues to third parties	183.4	220.2	- 17 %	731.8	721.9	+ 1 %
Share of recurring revenues	73 %	53 %	+ 20 ppt	70 %	63 %	+ 7 ppt
EBITDA adjusted	52.1	63.3	- 18 %	196.0	182.4	+ 7 %
in % of revenues	28 %	29 %	- 1 ppt	27 %	25 %	+ 2 ppt

Hospital Information Systems (HIS)

mEUR	Q4 2023	Q4 2022	Change	2023	2022	Change
Revenues to third parties	86.0	70.4	+ 22 %	314.9	277.2	+ 14 %
Share of recurring revenues	63 %	70 %	- 7 ppt	67 %	69 %	- 2 ppt
EBITDA adjusted	13.3	- 0.9	- 1629 %	38.6	25.3	+ 53 %
in % of revenues	15 %	- 1 %	+ 16 ppt	12 %	9 %	+ 3 ppt

Pharmacy Information Systems (PCS)

mEUR	Q4 2023	Q4 2022	Change	2023	2022	Change
Revenues to third parties	37.5	37.0	+ 1 %	141.0	130.5	+ 8 %
Share of recurring revenues	60 %	57 %	+ 3 ppt	65 %	64 %	+ 1 ppt
EBITDA adjusted	16.9	12.5	+ 35 %	51.1	39.8	+ 28 %
in % of revenues	45 %	34 %	+ 11 ppt	36 %	30 %	+ 6 ppt

Other segments

mEUR	Q4 2023	Q4 2022	Change	2023	2022	Change
Revenues to third parties	0.1	0.0	+ 67 %	0.1	0.1	+ 0 %
Share of recurring revenues	0 %	0 %	+ 0 ppt	0 %	0 %	+ 0 ppt
EBITDA adjusted	- 12.9	- 7.0	+ 86 %	- 21.0	- 12.5	+ 68 %

ADDITIONAL INFORMATION

Financial calendar

Date	Event
March 28, 2024	Annual Report 2023
May 8, 2024	Quarterly Statement Q1 2024
May 22, 2024	Annual General Meeting
August 8, 2024	Interim Report Q2 2024
September 5, 2024	Capital Markets Day
November 7, 2024	Quarterly Statement Q3 2024

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