



CompuGroup Medical SE & Co. KGaA

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CGM confirms guidance after strong third quarter

- **Group revenues grow by 19 % in the third quarter, with 7 % organic revenue growth**
- **Adjusted EBITDA grows by 9 %, margin of 26 %**
- **Excellent performance across all segments with strong quarter**
- **AIS business growing by + 10 % organically, driven by sales of additional modules**
- **Telematics Infrastructure (TI): Connector upgrade delivered and requirement for electronic health record, electronic sick note and e-prescription fulfilled**
- **Full-year 2021 guidance confirmed**

Koblenz. CompuGroup Medical SE & Co. KGaA (CGM), one of the leading e-health providers in the world, is looking back on a successful third quarter. The quarterly results published today reflect an excellent performance across all segments. Group revenues as well as recurring revenues and adjusted EBITDA increased significantly. The company continues to benefit from government initiatives for digitization in the healthcare sector across Europe.



“2021 is a year in which digitization in healthcare takes a significant step forward,” said Dr. Dirk Wössner, CEO of CompuGroup Medical. “Besides COVID-related topics on electronic vaccination certificates and e-vaccination, this includes government initiatives in various countries, such as new Telematics Infrastructure applications – electronic health record and electronic sick note – in Germany. CompuGroup Medical is very well positioned here due to its years of investment and outstanding technology, and is benefiting from this growth in many areas.”

Michael Rauch, CFO of CompuGroup Medical, added, “We are pleased with the third quarter results: As expected, organic growth in the AIS segment is picking up and the CHS segment recorded a strong quarter. We confirm our full year guidance. In terms of free cash flow, the payments from the connector upgrade will be received in the fourth quarter.”

Group: Strong revenue growth and EBITDA impacted by planned investments

With group revenues increasing by 19 % to EUR 276 million (previous year: EUR 231 million), CGM recorded a strong third quarter. Organically – i.e. adjusted for consolidation and currency effects – revenues rose by 7 %. Adjusted EBITDA increased by 9 % to EUR 73 million after EUR 67 million in the previous year. Affected by planned investments into future growth, the operating margin stood at 26 % after 29 % in the previous year. Recurring revenues amount to 62 % of total revenues, compared to 58 % in the third quarter of 2020.

Free cash flow reached EUR 8.3 million in the third quarter and EUR 73 million in the first nine months of 2021 versus EUR 32 million and EUR 79 million in the previous year. Consolidated net income was EUR 28 million (previous year: EUR 35 million). Adjusted earnings per share (diluted) amounted to EUR 0.70 (previous year: EUR 0.71) in the third quarter and to EUR 1.46 in the first nine months (previous year: EUR 1.42).



CGM confirms its guidance for the full year 2021, with revenues expected in the range of EUR 1 billion to EUR 1.04 billion and adjusted EBITDA expected between EUR 210 million and EUR 230 million.

Segments: Excellent performance across all segments

Revenues in the **Ambulatory Information Systems** segment rose by 34 % to EUR 122 million (previous year: EUR 91 million), benefitting from acquisitions, especially of eMDs, which is performing well in the US. Organically, revenues grew by 10 %. This performance was driven mainly by a positive development in the business with additional software modules. This includes an add-on tool to create vaccination certificates in doctors' software – following CGM's successful participation in a tender of the German Ministry of Health – as well as software packages to enable handling electronic health records in doctors' offices. Recurring revenues amounted to 75 % of total revenues (previous year: 77 %). Adjusted EBITDA increased by 11 % to EUR 33 million (previous year: EUR 30 million).

In the **Hospital Information Systems** segment, revenues increased by 17 % to EUR 66 million (previous year: EUR 56 million). This strong revenue growth was supported by the acquisitions of VISUS Group and KMS Vertrieb und Services AG. Organic growth in the third quarter was 5 %, mostly driven by a strong performance in the German and Spanish clinical business. The share of recurring revenues increased from 60 % in the third quarter of 2020 to 68 %. Adjusted EBITDA grew by 21 % to EUR 9.5 million (previous year: EUR 7.8 million).

The **Consumer & Health Management Information Systems** segment recorded revenues of EUR 59 million, after EUR 56 million in the third quarter of 2020, which means an increase of 6 %. Organic growth amounted to 7 %, in data solutions excluding Telematics Infrastructure to 11 %. Recurring revenues rose by 24 % to EUR 16 million, resulting in a share of recurring revenues of 27 %. Main drivers of this development were a good performance in data solutions and a steadily increasing customer base in the Telematics Infrastructure business. Adjusted



EBITDA amounted to EUR 23 million after EUR 28 million in the third quarter of 2020. The decrease of 16 % in adjusted EBITDA is mainly a consequence of increased growth investments.

The **Pharmacy Information Systems** segment recorded a positive revenue growth of 3 % to EUR 30 million (previous year: EUR 29 million), with an organic growth of 3 % equally. The share of recurring revenues grew from 64 % in the previous year to 66 %. With an adjusted EBITDA of EUR 7.4 million (previous year: EUR 7.7 million), the operating margin amounts to 25 % (previous year: 27 %).

The full quarterly report is 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 837 million in 2020, 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.