

## **Speech by Christian B. Teig**

**Chief Financial Officer of CompuGroup Medical AG,  
on occasion of the Annual General Meeting  
in Koblenz on May 20, 2015**

The spoken word applies.

### **Chart 18 – Entry Slide**

Dear Shareholders, Ladies and Gentlemen,

Please accept my warm welcome to the Annual General Meeting of CompuGroup Medical AG.

Mr. Gotthardt has already commented on the operating and strategic performance of our segments in 2014 financial year. Let me now make a few supplementary comments on our annual financial statements from 2014.

### **Chart 19 - Consolidated Revenue**

In 2014 we have been once more on a good course. The consolidated revenue increased by 12 percent compared to the previous year resulting in a total of 515 million Euros. The organic revenue growth to constant exchange rates was 4 percent.

With a revenue growth of 17 percent, thereof 5 percent organic growth to constant exchange rates, 2014 was a good year for the Ambulatory and Pharmacy Information Systems sectors. The Hospital Information Systems segment achieved a revenue of 80 million Euros and hence remained at the same level as the preceding year.

Our workflow and decision support increased its revenue in 2014 by approximately 4 percent. This business evolved positively and especially in Germany, we see many growth opportunities for the future.

### **Chart 20 – Net Income**

Consolidated earnings before interest, taxes, depreciation and amortization (EBIDTA) amounted to 97 million Euros in the last year as compared to 98 million Euro in 2013. The corresponding operating margin decreased slightly from 21 percent in the previous year to 19 percent in 2014. Due to a relatively weak start in 2014, the Group did not fully reach its profitability targets for this financial year. However, this general development was expected and announced for 2014, as big investments were made and above average level operational costs were recorded.

### **Chart 21 – Expenses**

The main developments in operating expenses for the 2014 fiscal year were:

Expenses for goods and services purchased increased by 25 percent to 99 million Euros in comparison to the previous year. The slightly lower gross margin of 81 percent in 2014 compared to 83 percent in the previous financial year mostly derive from expenses related to the Telematic Infrastructure pilot project in Germany in 2014.

The increase in personnel expenses by 33 million Euros resulting in a total of 248 million Euros is attributable to the increase of personnel by 422 employees. This increase of personnel is largely due to the transfer of employees from acquired companies.

Other expenses increased from 80 million Euros in 2013 to 93 million Euros in 2014. This is primarily due to other expenses in acquired companies as well as restructuring expenses incurred in 2014.

### **Chart 22 – Cash Flow from Operating Activities**

The cash flow from operating activities during 2014 was 32 million Euros as compared to 52 million Euros in 2013. This development mainly results from special effects in 2014. The gross proceeds from the disposal of the REWE/DMS business unit with the amount of 8 million Euros were reclassified in the cash flow from investment activities. A change of trade receivables by 7 million Euros results mainly from PoC receivables from major projects in Germany (e. g. Telematic Infrastructure).

### **Chart 23 – Investments**

The cash flow from investment activities amounted to 57 million Euros in the reporting period. The two largest investments were the acquisition of vision4health-Group in Switzerland within the segment laboratory information systems and the acquisitions of farma3tech, Mondofarma and Puntofarma in Italy. Furthermore, several minorities and companies in Germany were purchased and we continue with our investments in our new group-wide ERP-/CRM system.

### **Chart 24 – Statement of Financial Position**

Total assets increased by 45 million Euros as compared to the reporting date on December 31, 2013, resulting in a total of 737 million Euros. Except the immaterial and material assets of the company acquisitions, the balance sheet shows only minor structural changes compared to the previous year.

### **Chart 25 – Development of Group Equity**

Taking into account the Group's consolidated annual revenue of 24 million Euros for the reporting period from January 01 to December 31, 2014, the group equity slightly decreased from 185 million Euros on December 31, 2013 to 178 million Euros on December 31, 2014. The decrease of Group equity is a result of the 17 million Euros dividend payouts to the shareholders of CompuGroup Medical AG during 2014. Exchange rates affected with a value of -11 million Euros. Additionally, other effects from rate modifications of pension provisions as well as the end of the hedge accounting of rate swaps and a reduced share of minority with a total value of -2 million Euros operated to the equity. The equity ratio decreased slightly from 26.7 percent in 2013 to 24.1 percent in 2014.

Ladies and Gentlemen, this concludes the financial review of 2014. Thank you for your attention. I now hand the word back to Mr. Esser.