



CompuGroup Medical SE & Co. KGaA

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CompuGroup Medical delivers excellent profitable growth in second quarter

- **15 % growth in Q2 2023 with revenues of EUR 304 million**
- **Organic growth of 13 % driven by connectivity and hospital business**
- **Recurring revenue share of 66 % reflects strength of business model**
- **Adj. EBITDA up by 36 % at EUR 73 million**
- **Strong free cash flow of EUR 83 million in the first half**
- **Full year guidance confirmed**
- **Increasing relevance of Artificial Intelligence (AI)**

Koblenz. CompuGroup Medical SE & Co. KGaA (CGM), one of the world's leading e-health providers, achieved excellent progress across all segments in the second quarter of 2023. According to the quarterly results announced today, group revenue increased by 15 % to EUR 304 million and adjusted EBITDA increased by 36 % to EUR 73 million, corresponding to an adjusted EBITDA margin of 24 % (previous year: 20 %). Organic revenue growth stood at 13 %, driven by the TI connector software upgrade and by excellent growth in the hospital business due to increasing revenues in relation to the Hospital Future Act. Excluding TI, organic growth reached 5 %, thus fully in line with mid-term targets.

CompuGroup Medical SE & Co. KGaA · Maria Trost 21 · 56070 Koblenz · T +49 261 8000-0 · F +49 261 8000-1166 · www.cgm.com
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General Partner: CompuGroup Medical Management SE · Company domiciled in: Koblenz, HRB 27343, Local Court Koblenz
Chairman: Frank Gotthardt

Managing Directors: Michael Rauch (CEO), Emanuele Mugnani, Dr. Eckart Pech, Hannes Reichl, Dr. Ulrich Thomé

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Free cash flow in the first six months of 2023 increased to EUR 83 million (previous year: EUR 28 million). CGM confirms its guidance for 2023 with expected organic growth in group revenues of around 5 %. CGM expects an adjusted EBITDA in the range of EUR 260 to 300 million.

CGM launches AI Initiative

CompuGroup Medical has launched an initiative in the second quarter to further extend the usage of Artificial Intelligence (AI), machine learning and large language models across the group. While already today several of CGM's products and solutions are relying on AI based functions, there is significant potential for AI to shape and change the healthcare IT sector in the coming years. The new AI technology will be integrated into relevant areas and processes, from software development towards support processes, including customer service functions and administrative tasks.

"After a strong second quarter and first half, we are confirming our full year 2023 guidance." says Michael Rauch, Chief Executive Officer and Chief Financial Officer of CGM. "We see significant potential in AI to support our customers, doctors, hospitals, pharmacies, and healthcare practitioners serving patients ever better."

Dynamic growth across all segments

Second quarter revenues in the **Ambulatory Information Systems** rose by 4 % to EUR 127 million (previous year: EUR 123 million). Organically, revenues grew by 2 %, mainly driven by a strong US business development. Recurring revenue accounted for 80 % of the segment's revenue, which corresponds to a growth of 7 % compared to previous year's quarter.

In **Hospital Information Systems**, revenues increased by 9 % to EUR 76 million in the second quarter. Recurring revenues increased by 11 %, representing 68 % of total revenues. The organic growth rate was 10 %, benefiting from an excellent order intake and initiatives like the Hospital

Future Act. Order intake related to the German government initiative to modernize and digitalize hospitals was more than EUR 130 million at the end of the first half, up from EUR 90 million at the end of 2022. Due to the positive development, CGM is increasing its revenue target related to the initiative again, to EUR 130 to 140 million in the coming years.

The **Consumer & Health Management Information Systems** segment achieved an exceptional second quarter. Revenues grew by 65 % to EUR 67 million (previous year: EUR 41 million), which corresponds to organic growth of 59 % compared to the same quarter of the previous year, mainly attributable to the connector software upgrade in Telematics Infrastructure. Recurring revenues amounted to EUR 26 million and represent 38 % of total CHS revenues (prior year: 45 %). Excluding TI, organic revenue growth also picked up versus prior quarters and stood at 5 %.

Second quarter revenues in the **Pharmacy Information Systems** segment increased by 7 % to EUR 34 million (previous year: EUR 32 million). Organically revenue grew by 5 %, mainly attributable to a dynamic business development in Italy. Recurring revenue in the PCS segment increased by 10 %, which corresponds to a share of recurring revenue of 66 %.

Financial key figures

kEUR	Q2 2023	Q2 2022	Change	01.01.- 30.06.2023	01.01.- 30.06.2022	Change
Revenues	304,179	265,047	+ 15 %	595,022	516,696	+ 15 %
Recurring revenues in %	66 %	68 %	- 2 ppt	67 %	69 %	- 2 ppt
Organic growth in %	13 %	3 %	+ 10 ppt	12 %	4 %	+ 8 ppt
EBITDA adjusted	73,144	53,594	+ 36 %	133,093	105,110	+ 27 %
EBITDA margin adjusted	24 %	20 %	+ 4 ppt	22 %	20 %	+ 2 ppt
EPS adjusted (EUR) - diluted	0.62	0.40	+ 55 %	1.07	0.82	+ 30 %
Free cash flow	4,031	- 36,492	+ 111 %	82,534	28,117	+ 194 %
Number of shares outstanding ('000)				52,235	52,235	+ 0 %

The full half-year financial 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 1.130 billion in 2022, its software products are designed to support all medical and organizational activities in doctors' offices, pharmacies, laboratories, hospitals, and social welfare institutions. 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 21 countries and products in 60 countries worldwide, CompuGroup Medical is the e-health company with one of the highest coverages among healthcare professionals. More than 9,200 highly qualified employees support customers with innovative solutions for the steadily growing demands of the healthcare system.

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