

Quarterly Report

as of September 30, 2021

Financial Highlights Q3/2021

- Group revenues at 276 mEUR, up 19 % compared to prior year quarter
- Strong organic revenue growth at 7.0 %, without Telematics Infrastructure at 7.5 %
- Recurring revenue share at 62 %
- Adjusted EBITDA increased by 9 % to 73 mEUR
- EBITDA margin of 26 % (prior year quarter: 29 %)
- Capex of 23 mEUR above prior year's level (prior year quarter: 10 mEUR)
- Free Cash flow at 8 mEUR (prior year quarter: 32 mEUR)
- Adjusted earnings per share at 0.70 EUR in the quarter (prior year quarter: 0.71 EUR), at 1.46 EUR as of September 30, 2021 (as of September 30, 2020: 1.42 EUR)
- Guidance confirmed for the financial year 2021

Financial key figures

kEUR	01.07.- 30.09.2021	01.07.- 30.09.2020	Change	01.01.- 30.09.2021	01.01.- 30.09.2020	Change
Revenues	276,344	231,325	+19%	746,109	594,349	+26%
Recurring Revenues in %	62%	58%	+4 ppt	66%	64%	+2 ppt
Organic growth in %	7%	17%	-10 ppt	7%	4%	+3 ppt
EBITDA adjusted	72,848	67,131	+9%	170,413	155,245	+10%
EBITDA adjusted margin	26%	29%	-3 ppt	23%	26%	-3 ppt
EPS adjusted (EUR) - diluted	0.70	0.71	-1%	1.46	1.42	+3%
CAPEX	23,378	10,235	+128%	50,365	38,428	+31%
Free Cash flow	8,297	31,685	-74%	72,928	79,496	-8%
Number of shares outstanding ('000)	52,735	53,735	-2%	52,735	53,735	-2%

NOTICES

Unless otherwise stated, all information and explanatory notes in this report refer to the third quarter of 2021 and 2020, i.e. the three-month period from July 1 to September 30 (Q3), 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.

BUSINESS DEVELOPMENT - SIGNIFICANT EVENTS

COVID-19-pandemic

Protective measures and activities for our employees and customers remain at the focus of our actions in the context of the COVID-19-pandemic. CompuGroup Medical supports our customers indirectly or directly in overcoming the challenges of the pandemic.

In the mid-term, we continue to see increased growth opportunities as the result of the risen and sustainable readiness to use digital solutions in the healthcare sector.

Telematics Infrastructure

In July 2021, CompuGroup Medical received the approval from gematik for the KoCoBox MED+ as a connector for the e-health record (elektronische Patientenakte - ePA). Once the ePA upgrade has been installed, the KoCoBox Med+ supports the e-health record application and the convenience signature for all users connected to the Telematics Infrastructure via the KoCoBox Med+. The connector upgrade was made available to about 60,000 medical and dental practices, pharmacies, and clinics in the third quarter and was therefore fully invoiced.

Additional growth through acquisitions

In August, CompuGroup Medical acquired KMS Vertrieb und Services AG, one of the leading providers of knowledge management and business intelligence in Germany. The main products of KMS are a highly efficient management information system (eisTIK) and a geomarketing tool (Eye on Health (EOH)). KMS has more than 500 installations in Germany and Austria.

EARNINGS DEVELOPMENT IN THE GROUP

kEUR	01.07.- 30.09.2021	01.07.- 30.09.2020	01.01.- 30.09.2021	01.01.- 30.09.2020
Revenues	276,344	231,325	746,109	594,349
Capitalized inhouse services and other income	10,936	10,356	34,515	32,293
Expenses for goods and services purchased	-47,694	-40,097	-132,174	-102,194
Personnel expenses	-126,345	-96,737	-363,095	-276,325
Other expenses and net impairment losses on financial and contract assets	-43,737	-38,417	-120,751	-98,835
EBITDA	69,504	66,430	164,604	149,288
Depreciation of property, plant and equipment, right-of-use assets and amortization of intangible assets	-27,501	-18,448	-78,843	-52,243
EBIT	42,003	47,982	85,761	97,045
Financial result	-2,174	1,348	-4,951	-5,679
EBT	39,829	49,330	80,810	91,366
Income taxes for the period	-11,444	-14,465	-24,243	-27,410
CONSOLIDATED NET INCOME FOR THE PERIOD	28,385	34,865	56,567	63,956

Compared to the prior year quarter, revenues in the third quarter increased by mEUR 45.0 (19 %) to mEUR 276.3. Organic growth in the third quarter of 2021 amounted to 7.0 % year-on-year. Excluding Telematics Infrastructure, organic growth amounted to 7.5 % in the quarter.

Compared to the same period of prior year, revenues in the first to third quarter of 2021 increased by mEUR 151.8 (26 %) to mEUR 746.1. Organic growth in this period amounted to 7 % compared to the prior year. Excluding Telematics Infrastructure, organic growth in this period amounted to 5 %.

Adjusted consolidated earnings before interest, taxes, depreciation, and amortization (adjusted group EBITDA) for the third quarter amounted to mEUR 72.8 (prior year: mEUR 67.1) with an adjusted EBITDA margin of 26 % (prior year: 29 %). The margin decrease was due to investments in further growth.

Adjusted group EBITDA for the first to third quarter amounted to mEUR 170.4 (prior year: mEUR 155.2) with an adjusted EBITDA margin of 23 % (prior year: 26 %). The decline in margin were also attributable to the investments in further growth.

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

kEUR	01.07.- 30.09.2021	01.07.- 30.09.2020	01.01.- 30.09.2021	01.01.- 30.09.2020
EBITDA REPORTED	69,504	66,430	164,604	149,288
Adjustments:				
M&A Transactions	543	0	1,294	3,772
Share-based option programs	2,801	591	4,515	1,512
Restructuring program expenses	0	0	0	0
Other non-operative, extraordinary or one-time effects	0	110	0	672
EBITDA ADJUSTED	72,848	67,131	170,413	155,245

The main developments in operating expenses were:

- Expenses for goods and services purchased increased by mEUR 7.6 in the third quarter of 2021 compared to the prior year. This was mainly due to increased expenses resulting from acquisitions in the amount of mEUR 4.4. The gross margin ((Revenues less cost of purchased services)/revenue) of 83 % was on the level the gross margin of the prior year quarter. In the first nine months of 2021, the expenses for goods and services purchased amount to mEUR 132.2 (prior year: mEUR 102.2). In this period, the gross margin reached 82 %, which were 1 % below the prior year. The lower gross margin for the current year is mainly attributable to the first half of the year and the hardware business in connection with the pharmacy rollout of the Telematics Infrastructure.
- Personnel expenses increased from mEUR 96.7 by 31 % to mEUR 126.3 compared to the prior year quarter. Acquisitions accounted for a total of mEUR 16.0. New hires in the areas of software development and sales as well as general wage and salary increases also contributed to the increase in personnel expenses. In the first nine months, personnel expenses increased by mEUR 86.8 to mEUR 363.1, of which mEUR 56.1 resulted from acquisitions. The increase in personnel expenses in this period is mainly due to new hires and salary increases.
- Other expenses and net impairment losses on financial and contract assets were mEUR 5.3 higher than in the prior year quarter and amounted to mEUR 43.7. Adjusted for special effects of M&A costs and stock options programs for managing directors, other expenses and net impairment losses on financial and contract assets were mEUR 3.6 higher than in the prior year. Other expenses and net impairment losses on financial and contract assets in the first three quarters of the year were mEUR 120.8 and mEUR 22.0 above the prior year.

Depreciation of property, plant and equipment and right-of-use assets amounted to mEUR 9.9 in the third quarter, which was an increase of mEUR 2.8 (prior year: mEUR 7.1). The increase in depreciation of non-current assets were mainly due to higher depreciation on right-of-use assets (IFRS 16) and increased depreciation of own-used IT equipment.

Amortization of intangible assets increased by mEUR 6.3 to mEUR 17.7 in the third quarter, mainly due to higher amortization from purchase price allocations.

Depreciation of property, plant and equipment and right-of-use assets amounted to mEUR 27.2 for the first nine months, which was an increase of mEUR 5.1 compared to prior year. Amortization of intangible assets increased by mEUR 21.5 to mEUR 51.6 in the first nine months of the year.

Amortization of intangible assets consisted of the following:

kEUR	01.07.- 30.09.2021	01.07.- 30.09.2020	01.01.- 30.09.2021	01.01.- 30.09.2020
AMORTIZATIONS OF INTANGIBLE ASSETS	17,650	11,376	51,639	30,108
thereof from purchase price allocations for business combinations	14,943	9,061	38,087	20,439
thereof from capitalized inhouse services	1,651	1,528	8,710	4,033

Finance income decreased from mEUR 1.7 in the third quarter of 2020 to mEUR - 0.1 in the third quarter of this year, mainly resulting from currency losses on loans as well as interest income on loans issued. Exchange rate losses of mEUR 0.3 for the third quarter were reported under financial income, while the full year's figure remained unchanged as net income.

For the first nine months, financial income of mEUR 0.6 was generated, which was mEUR 2.1 lower than in the same period of the prior year.

The financial expenses were structured as follows:

kEUR	01.07.- 30.09.2021	01.07.- 30.09.2020	01.01.- 30.09.2021	01.01.- 30.09.2020
Interest and expenses on loans and financial services	1,916	1,263	4,766	6,220
Changes in purchase price liabilities	120	145	624	421
Exchange rate losses on internal liabilities in foreign currency	0	-1,457	0	861
Capitalized interest on qualifying assets under construction (IAS 23)	-278	-218	-622	-674
Other	311	638	838	814
TOTAL	2,069	371	5,606	7,642

In the third quarter of 2021, consolidated net income amounted to mEUR 28.4 compared to mEUR 34.9 in the same period of the prior year. The group tax rate for the third quarter was unchanged from the third quarter of the prior year at 29 %.

Consolidated net income for the first nine months was mEUR 56.6, mEUR 7.4 lower than last year. Group tax rate for the first nine months was 30 % (prior year: 30 %).

Adjusted earnings per share were as follows:

kEUR	01.07.- 30.09.2021	01.07.- 30.09.2020	01.01.- 30.09.2021	01.01.- 30.09.2020
CONSOLIDATED NET INCOME OF THE PERIOD (ALLOCATED TO SHAREHOLDERS OF THE PARENT COMPANY)	28,396	34,776	56,535	63,789
Adjustments:				
M&A Transactions	8,354	2,195	20,667	6,991
Share-based option programs	2,347	415	4,026	1,059
Restructuring program expenses	0	0	0	0
Other non-operative, extraordinary or one-time effects	0	76	0	1,271
ADJUSTED CONSOLIDATED NET INCOME FOR THE PERIOD (ALLOCATED TO SHAREHOLDERS OF THE PARENT COMPANY)	39,097	37,461	81,228	73,110
ADJUSTED UNDILUTED EARNINGS PER SHARE (IN EUR)	0.74	0.72	1.53	1.45
ADJUSTED DILUTED EARNINGS PER SHARE (IN EUR)	0.70	0.71	1.46	1.42
weighted average of outstanding shares acc. to IAS 33 - undiluted ('000)*	52,876	52,109	53,045	50,362
weighted average of outstanding shares acc. to IAS 33 - diluted ('000)*	55,606	53,107	55,490	51,362

* Weighted average number of outstanding shares for the quarter calculated from the earnings per shares for the quarter

EARNINGS DEVELOPMENT OF THE BUSINESS SEGMENTS

Ambulatory Information Systems (AIS)

mEUR	01.07 - 30.09.2021	01.07 - 30.09.2020	Change	01.01 - 30.09.2021	01.01 - 30.09.2020	Change
Revenues to third parties	121.9	90.9	34%	348.8	278.5	25%
thereof organic revenues*	99.9	90.9	10%	289.0	278.5	4%
Share of recurring revenues	75%	77%		76%	75%	
EBITDA adjusted	33.3	30.0	11%	91.6	88.0	4%
in % of revenues	27%	33%		26%	32%	

* Adjusted for revenues of companies consolidated for the first time in the reporting period or of companies consolidated for the last time in the prior-year period.

- The software business with physicians and dentists achieved revenues of mEUR 121.9 for the third quarter 2021, which corresponds to an increase of 34 % compared to the prior year. This increase is primary attributable to acquisitions, especially to the acquisition of eMDs Inc. in the USA.
- Inorganic effects contribute with mEUR 22.0 to the revenues in the third quarter of 2021.
- Organically, revenues increased by 10 % which is mainly due to a very good business with additional software modules (i.e. e- vaccination certificate and e-health record) in the DACH region.
- Recurring revenues in the AIS segment increased by 29 % to mEUR 90.9. The share of recurring revenues in relation to total revenues decreased slightly compared to the previous year quarter.
- Adjusted EBITDA of MEUR 33.3 was 11 % higher than in the third quarter of the prior year. The EBITDA margin declined because of increased growth investments.

Hospital Information Systems (HIS)

mEUR	01.07 - 30.09.2021	01.07 - 30.09.2020	Change	01.01 - 30.09.2021	01.01 - 30.09.2020	Change
Revenues to third parties	65.7	56.1	17%	182.9	123.2	48%
thereof organic revenues*	58.7	56.1	5%	133.8	123.2	9%
Share of recurring revenues	68%	60%		66%	63%	
EBITDA adjusted	9.5	7.8	21%	30.4	17.5	74%
in % of revenues	14%	14%		17%	14%	

* Adjusted for revenues of companies consolidated for the first time in the reporting period or of companies consolidated for the last time in the prior-year period.

- Revenue growth in the HIS segment of 17 % was positively influenced by the acquisitions of VISUS Group and KMS Vertrieb und Services AG in financial year 2021.
- Adjusted for inorganic effects of mEUR 7.0, organic growth was 5 %. This was mainly due to the good development of the German and Spanish hospital business.
- Recurring sales increased to mEUR 44.4 and represented 68 % of total sales (prior year quarter: 60 %).
- Adjusted EBITDA of mEUR 9.5 was significantly higher than the prior year's figure of mEUR 7.8, mainly due to acquisitions.

Consumer and Health Management Information Systems (CHS)

mEUR	01.07 - 30.09.2021	01.07 - 30.09.2020	Change	01.01 - 30.09.2021	01.01 - 30.09.2020	Change
Revenues to third parties	59.1	55.5	6%	128.3	106.1	21%
thereof organic revenues*	59.2	55.5	7%	128.9	106.1	21%
Share of recurring revenues	27%	23%		35%	36%	
EBITDA adjusted	23.5	27.9	-16%	34.4	37.1	-7%
in % of revenues	40%	50%		27%	35%	

* Adjusted for revenues of companies consolidated for the first time in the reporting period or of companies consolidated for the last time in the prior-year period.

- Revenues in the CHS segment increased by 6 % to mEUR 59.1.
- Excluding Telematics Infrastructure, organic growth was at 11 %.
- Recurring revenues increased by 24 % to mEUR 15.9, driven by the good data business (Intermedix) and due to an increasing Telematics Infrastructure installed base.
- Adjusted EBITDA was 16 % below the previous year at mEUR 23.5. The EBITDA margin was impacted by increased growth investments.

Pharmacy Information Systems (PCS)

mEUR	01.07 - 30.09.2021	01.07 - 30.09.2020	Change	01.01 - 30.09.2021	01.01 - 30.09.2020	Change
Revenues to third parties	29.7	28.8	3%	86.1	86.3	0%
thereof organic revenues*	29.7	28.8	3%	86.1	86.3	0%
Share of recurring revenues	66%	64%		68%	66%	
EBITDA adjusted	7.4	7.7	-4%	23.7	24.0	-1%
in % of revenues	25%	27%		28%	28%	

* Adjusted for revenues of companies consolidated for the first time in the reporting period or of companies consolidated for the last time in the prior-year period.

- Revenues in the pharmacy software business amounted to mEUR 29.7 in the third quarter of 2021, up 3 % on the prior year. This was predominantly due to a positive business development in Italy.
- Recurring revenues in the PCS segment increased by 6 % year-on-year to mEUR 19.6.
- Adjusted EBITDA of mEUR 7.4 was slightly below prior year's figure of mEUR 7.7, due to product investments.

Other segments and consolidation

mEUR	01.07 - 30.09.2021	01.07 - 30.09.2020	Change	01.01 - 30.09.2021	01.01 - 30.09.2020	Change
Sales to third parties	0.0	0.0	0%	0.1	0.2	-71%
EBITDA adjusted	-0.7	-6.2	88%	-9.7	-11.4	15%

- Adjusted EBITDA in other business activities and consolidation was mEUR 5.5 higher than in the previous year quarter.
- The adjusted special items for the third quarter of 2021 were mainly expenses of mEUR 2.8 related to stock option programs.

Staff Development

Staff Development	30.09.2021	30.09.2020	31.12.2020
Number of employees (HC)	8,568	6,324	7,814
thereof from acquisitions at time of acquisition	423	403	1,832
Full-time equivalent (FTE)*	8,079	5,904	7,384

* 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 increased by 754 employees compared with the end of 2020, of which 423 employees resulted from acquisitions. The number of FTEs increased by 695 compared with the end of the year. The majority of the new hires were in the areas of software development and sales.

NET ASSETS OF THE GROUP

kEUR	30.09.2021		31.12.2020		Changes	
Non-current assets	1,415,949	80%	1,257,662	80%	158,287	13%
Current assets	352,027	20%	308,110	20%	43,917	14%
TOTAL ASSETS	1,767,976	100%	1,565,772	100%	202,204	13%

kEUR	30.09.2021		31.12.2020		Changes	
Equity	613,729	35%	638,937	41%	-25,208	-4%
Non-current liabilities	798,692	45%	636,300	41%	162,393	26%
Current liabilities	355,555	20%	290,535	18%	65,019	22%
TOTAL LIABILITIES	1,767,976	100%	1,565,772	100%	202,204	13%

The largest changes in assets are as follows:

- Increase in intangible assets by mEUR 127.5 to mEUR 1,215.6 mainly due to acquisitions as well as the capitalization of self developed software.
- Rights-of-use assets increased by MEUR 10.0 to MEUR 54.6, mainly due to new leases and extensions of existing leases, as well as acquisitions.
- Increase of investments in associates and joint ventures (valued at-equity) and other investments by mEUR 5.9 to mEUR 7.9, mainly due to the acquisitions of shares in 4K S.r.l. in Italy and scanacs GmbH in Germany.
- Increase in tangible assets by mEUR 10.0 to mEUR 101.8 mainly due to investments in land and buildings at the site in Koblenz.
- Increase in inventory by mEUR 2.1 to mEUR 20.3. Inventories mainly comprise goods for CGM's hardware and peripheral equipment business as well as components of the Telematics Infrastructure.
- Increase in current other non-financial assets by mEUR 6.9 to mEUR 31.3. This mainly results from active accruals.
- Increase of cash and cash equivalents from mEUR 75.9 at year-end 2020 by mEUR 15.5 to mEUR 91.4. Cash and cash equivalents mainly result from the overall strong Free Cash flow in the first three quarters of 2021.
- Increase in trade receivables by mEUR 25.9 to mEUR 163.1. Mainly a result of the revenues from the connector upgrade of the telematics infrastructure as well as acquisitions with mEUR 4.5.

All other assets were subject to minor changes in absolute figures in the financial year to date 2021.

Group equity decreased from mEUR 638.9 as of December 31, 2020 to mEUR 613.7 as of September 30, 2021. The change in equity results mainly from the repurchase of treasury shares and the dividend payment, and, in the opposite direction, from net income and adjustments to other comprehensive income (currency translation and employee benefits).

The following significant changes occurred in current and non-current liabilities compared to year-end 2020:

- Increase of current and non-current liabilities to banks by mEUR 158.1 from mEUR 496.4 to mEUR 654.5 due to borrowings.
- Increase of current contract liabilities by mEUR 43.7 from mEUR 63.9 to mEUR 107.6. This increase is mainly due to advance payments for software maintenance contracts.

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- Decrease in trade payables by mEUR 10.0 from mEUR 64.5 to mEUR 54.5.
 - Increase of passive deferred taxes to mEUR 116.3 (prior year: mEUR 82.8) mainly due to adjustments of the purchase price allocation of the eMDs group.
 - Increase of the current and non-current leasing liabilities by mEUR 8.9 to mEUR 53.5. This relates mainly to the increase in rights of use from new leases and extensions of real estate leases.
 - Decrease of income tax liabilities by mEUR 12.7 from mEUR 19.4 to mEUR 6.7.

All other current and non-current liabilities were subject to minor changes in absolute figures in the financial year to date 2021.

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	01.07.- 30.09.2021	01.07.- 30.09.2020	Changes	01.01.- 30.09.2021	01.01.- 30.09.2020	Changes
OPERATING CASH FLOW	31,675	41,920	-10,245	123,293	117,924	5,369
CASH FLOW FROM INVESTING ACTIVITIES	-47,988	-213,241	165,253	-149,719	-250,472	100,753
FREE CASH FLOW	8,297	31,685	-23,388	72,928	79,496	-6,568
CASH FLOW FROM FINANCING ACTIVITIES	17,317	-21,208	38,525	41,523	258,040	-216,517
CHANGE IN CASH AND CASH EQUIVALENTS	1,004	-192,529	193,533	15,097	125,492	-110,395
Changes due to exchange rate fluctuations	-112	-345	233	358	-1,871	2,229
Cash and cash equivalents at the beginning of the period	0	362,845	-362,845	75,910	46,350	29,560
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	892	169,971	-169,079	91,365	169,971	-78,606
NET DEBT*				626,931	294,015	332,917
LEVERAGE (LTM)**				2.65	1.30	1.35

* 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 adjusted/pro forma (LTM) plus pro rata EBITDA of newly acquired companies

In the third quarter of 2021, Free Cash flow amounted to mEUR 8.3 compared to mEUR 31.7 in the same period of the prior year. The decline in Free Cash flow in the reporting period compared to a strong Free Cash flow in the same period of the prior year resulted mainly from the time delay of one-time revenues in the context of the connector upgrade of the telematics infrastructure and correspondingly later incoming payments.

At mEUR 72.9, Free Cash flow in the first nine months was mEUR 6.6 lower than in the same period last year.

The derivation of Free Cash flow is shown below:

kEUR	01.07.- 30.09.2021	01.07.- 30.09.2020	01.01.- 30.09.2021	01.01.- 30.09.2020
OPERATING CASH FLOW	31,675	41,920	123,293	117,924
CASH FLOW FROM INVESTING ACTIVITIES	-47,988	-213,241	-149,719	-250,472
./ Net cash outflow for company acquisitions (less acquired cash and cash equivalents and prepayments in previous periods)	21,565	201,822	88,912	208,289
./ Cash outflow for acquisitions from prior periods	500	437	4,952	1,728
./ Cash inflow from the disposal of subsidiaries and business units	0	0	-400	0
./ Cash outflow for capital expenditures in joint ventures and other equity investments	2,545	747	5,890	2,027
FREE CASH FLOW	8,297	31,685	72,928	79,496

Cash flow from investing activities amounted to mEUR - 48.0 in the third quarter of 2021, compared to mEUR - 213.2 in the same period in prior year. For the first nine months of 2021 the Cash flow from investing activities was mEUR - 149.7 (prior year: mEUR - 250.5).

kEUR	01.07.- 30.09.2021	01.07.- 30.09.2020	01.01.- 30.09.2021	01.01.- 30.09.2020
Company acquisition	-21,565	-201,822	-88,912	-208,289
Purchase of minority interest and past acquisition	-500	-437	-4,952	-1,728
Capitalized in-house services and other intangible assets	-11,423	-7,678	-30,035	-27,024
Joint ventures and other equity investments	-2,545	-747	-5,890	-2,027
Office building and property	-8,282	-618	-9,401	-4,143
Other property and equipment	-3,672	-1,939	-10,928	-7,261
Sale of subsidiaries and business operations	0	0	400	0
TOTAL	-47,988	-213,241	-149,719	-250,472

Cash flow from financing activities amounted to mEUR 17.3 in the third quarter of 2021 (prior year: mEUR - 21.2). The mEUR 38.5 higher Cash flow from financing activities was largely due to a mEUR 35,5 increase in net borrowings compared to the prior year.

In the first nine months of 2021, financing activities generated cash inflows of mEUR 41.5 (prior year: mEUR 258.0).

As of September 30, 2021, cash and cash equivalents amounted to mEUR 91.4 (prior year: mEUR 170.0). The reported cash and cash equivalents also included restricted cash.

Net debt as of September 30, 2021, was mEUR 626.9, mEUR 147.0 higher than the net debt of mEUR 479.9 as of December 31, 2020. Leverage was 2.65 (December 31, 2020: 2.04) and thus met the requirements of the existing credit agreement.

GUIDANCE FOR CGM GROUP

Group

The guidance for the financial year 2021 published on February 4, 2021 is confirmed.

For 2021, CGM continues to expect revenues in a range of mEUR 1,000 to mEUR 1,040, corresponding to revenue growth of 19 % to 24 %.

Recurring revenues are expected to be above 60 %.

Organic growth is expected in a range of 4 % and 8 %.

Adjusted EBITDA is expected in a range of mEUR 210 to mEUR 230.

Adjusted earnings per share (diluted) are expected to be between EUR 1.70 and EUR 1.95.

Capex is expected to be in the range of mEUR 70 to mEUR 80.

Free Cash flow is expected to be above mEUR 80.

Segments

AIS revenues are expected to be in the range of mEUR 485 to mEUR 500.

Revenues for the HIS segment are expected to be in the range of mEUR 240 to mEUR 250.

The CHS segment is expected to generate revenues between mEUR 160 and mEUR 170.

The PCS segment is expected to generate revenues of mEUR 115 to mEUR 120.

The above guidance for the current financial year was prepared in January 2021 and does not consider any effects from currently pending acquisitions and potential transactions in the course of the financial year 2021. The guidance for 2021 represents management's best estimate of future market conditions and the development of CompuGroup Medical's business segments in this environment and may be affected in particular by delays in the implementation of the Telematics Infrastructure for which the Company is not responsible. In addition, the further impact of the global COVID-19-pandemic cannot be fully assessed. The 2021 guidance could also be influenced by exchange rate effects (in particular changes in the U.S. dollar exchange rate against the Euro).

CompuGroup 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.

Interim Statement of Financial Position

as of September 30, 2021

ASSETS

kEUR	30.09.2021	30.09.2020	31.12.2020
Non-current assets			
Intangible assets	1,215,557	882,124	1,088,105
Property, plant and equipment	101,785	89,469	91,739
Right-of-use assets	54,560	39,258	44,552
Investments in associates and joint ventures (valued at-equity)	7,904	2,203	2,001
Other investments	641	691	640
Finance lease receivables	13,590	14,829	14,169
Contract assets	91	0	36
Other financial assets	15,010	9,559	10,267
Other non-financial assets	1,200	1,200	1,200
Deferred taxes	5,611	7,282	4,953
	1,415,949	1,046,615	1,257,662
Current assets			
Inventories	20,273	32,674	18,158
Trade receivables	163,068	124,824	137,203
Finance lease receivables	9,346	9,219	9,686
Contract assets	19,601	12,743	23,433
Other financial assets	1,180	2,405	2,663
Other non-financial assets	31,276	18,981	24,405
Income tax receivables	15,919	8,679	16,652
Cash & cash equivalents	91,364	169,971	75,910
	352,027	379,496	308,110
	1,767,976	1,426,111	1,565,772

SHAREHOLDER EQUITY AND LIABILITIES

kEUR	30.09.2021	30.09.2020	31.12.2020
Equity			
Subscribed capital	53,735	53,735	53,735
Treasury shares	-71,353	0	0
Reserves	631,088	578,280	584,932
Capital and reserves allocated to the shareholders of the parent company	613,470	632,015	638,667
Non-controlling interests	259	171	270
	613,729	632,186	638,937
Non-current liabilities			
Provisions for post-employment benefits and other non-current provisions	47,450	37,941	43,707
Liabilities to banks	583,674	406,102	461,061
Contract liabilities	7,143	5,337	6,628
Purchase price liabilities	3,830	5,407	3,780
Lease liabilities	33,239	24,828	27,989
Other financial liabilities	5,837	10,313	9,144
Other non-financial liabilities	1,204	1,199	1,200
Deferred taxes	116,315	71,700	82,791
	798,692	562,827	636,300
Current liabilities			
Liabilities to banks	70,840	3,704	35,298
Contract liabilities	107,588	69,833	63,894
Purchase price liabilities	8,529	8,551	12,078
Trade payables	54,494	42,386	64,524
Income tax liabilities	6,703	17,929	19,364
Other provisions	50,617	47,550	47,277
Lease liabilities	20,238	12,494	16,576
Other financial liabilities	8,825	8,065	9,837
Other non-financial liabilities	27,721	20,586	21,687
	355,555	231,098	290,535
	1,767,976	1,426,111	1,565,772

Interim Income Statement

for the reporting period of January 1 – September 30, 2021

kEUR	01.07.- 30.09.2021	01.07.- 30.09.2020	01.01.- 30.09.2021	01.01.- 30.09.2020	01.01.- 31.12.2020
Revenues	276,344	231,325	746,109	594,349	837,259
Capitalized inhouse services	9,251	7,649	25,192	24,970	31,872
Other income	1,685	2,707	9,323	7,323	10,562
Expenses for goods and services purchased	-47,694	-40,097	-132,174	-102,194	-156,178
Personnel expenses	-126,345	-96,737	-363,095	-276,325	-377,052
Net impairment losses on financial and contract assets	-1,521	-1,236	-3,257	-2,354	-4,292
Other expenses	-42,216	-37,181	-117,494	-96,481	-144,695
Earnings before interest, taxes, depreciation and amortization (EBITDA)	69,504	66,430	164,604	149,288	197,476
Depreciation of property, plant and equipment and right-of-use assets	-9,851	-7,072	-27,204	-22,135	-30,856
Earnings before interest, taxes and amortization (EBITA)	59,653	59,358	137,400	127,153	166,620
Amortization of intangible assets	-17,650	-11,376	-51,639	-30,108	-44,851
thereof from purchase price allocations	-14,943	-9,061	-38,087	-20,439	-31,056
Earnings before interest and taxes (EBIT)	42,003	47,982	85,761	97,045	121,769
Result from companies accounted for using the equity method	0	0	11	-785	-931
Financial income	-105	1,719	644	2,748	2,651
Financial expenses	-2,069	-371	-5,606	-7,642	-13,063
Earnings before taxes (EBT)	39,829	49,330	80,810	91,366	110,426
Income taxes for the period	-11,444	-14,465	-24,243	-27,410	-37,006
Results from continued operations	28,385	34,865	56,567	63,956	73,420
Profit for the period from discontinued operations	0	0	0	0	0
Consolidated net income for the period	28,385	34,865	56,567	63,956	73,420
of which: allocated to shareholders of the parent company	28,396	34,776	56,535	63,789	73,192
of which: allocated to non-controlling interests	-11	89	32	167	228
Earnings per share (from continuing operations)					
undiluted (EUR)	0.54	0.67	1.07	1.27	1.43
diluted (EUR)	0.51	0.66	1.02	1.24	1.40

Cash Flow Statement

as of September 30, 2021

kEUR	01.07.- 30.09.2021	01.07.- 30.09.2020	01.01.- 30.09.2021	01.01.- 30.09.2020	01.01.- 31.12.2020
Consolidated net income for the period	28,385	34,865	56,567	63,956	73,420
Depreciation of property, plant and equipment and right-of-use assets and amortization of intangible assets	27,501	18,449	78,843	52,244	75,707
Earnings on sale of fixed assets	-55	-5	-100	-40	-136
Change in provisions (including income tax liabilities)	5,891	8,450	-7,812	1,859	3,378
Deferred tax income/expense	1,279	-198	945	-719	6,277
Other non-cash earnings/ expenditures	-198	-1,975	1,104	2,312	3,395
	62,803	59,586	129,547	119,612	162,041
Change in inventories	892	10	-1,840	-5,076	9,494
Change in trade receivables and other receivables	-14,994	-8,549	-14,725	-18,725	-34,823
Change in income tax receivables	509	3,251	694	10,663	3,114
Change in other receivables	3,103	6,642	-9,406	393	-2,532
Change in trade payables	-3,299	6,739	-14,626	-4,474	11,262
Change contract liabilities	-16,328	-29,160	30,430	10,580	-3,946
Change in other liabilities	-1,011	3,401	3,219	4,951	5,322
Operating cash flow	31,675	41,920	123,293	117,924	149,931
Cash inflow from disposals of intangible assets	0	0	0	0	0
Cash outflow for capital expenditure in intangible assets	-11,423	-7,678	-30,035	-27,024	-38,045
Cash inflow from disposals of property, plant and equipment	86	526	657	649	660
Cash outflow for capital expenditure in property, plant and equipment	-12,041	-3,083	-20,987	-12,053	-17,684
Net cash outflow for company acquisitions (less acquired cash and cash equivalents and prepayments in previous periods)	-21,565	-201,822	-88,912	-208,289	-397,108
Cash outflow for acquisitions from prior periods	-500	-437	-4,952	-1,728	-3,132
Cash inflow from the disposal of subsidiaries and business units	0	0	400	0	220
Cash outflow for capital expenditures in joint ventures and other equity investments	-2,545	-747	-5,890	-2,027	-2,027
Cash flow from investing activities	-47,988	-213,241	-149,719	-250,472	-457,116
Cash inflow from the issue of shares	0	0	0	32,725	32,686
Cash inflow from the sale of treasury shares	0	0	0	305,304	305,304
Buyback of own shares	0	0	-71,353	0	0
Dividend paid	0	0	-26,367	-24,206	-24,206
Capital paid to non-controlling interests	0	-162	0	-162	-162
Acquisition of additional shares from non-controlling interests	0	0	0	-400	-400
Downpayment of lease liabilities	-5,714	-3,678	-15,426	-11,788	-16,764
Cash inflow from borrowing of loans	35,589	293	243,446	401,694	489,048
Cash outflow from the repayment of loans	-12,558	-17,661	-88,777	-445,127	-447,433
Cash flow from financing activities	17,317	-21,208	41,523	258,040	338,073
Cash and cash equivalents at the beginning of the period	0	362,845	75,910	46,350	46,350
Change in cash and cash equivalents	1,004	-192,529	15,097	125,492	30,888
Changes due to exchange rate fluctuations	-112	-345	358	-1,871	-1,328
Cash and cash equivalents at the end of the period	892	169,971	91,365	169,971	75,910
Interest paid	705	1,473	2,951	7,194	5,412
Interest received	151	779	686	1,896	1,432
Income taxes paid	12,788	27,892	33,527	49,075	20,554

Segment reporting

as of September 30, 2021

	Segment AIS Ambulatory Information Systems			Segment HIS Hospital Information Systems			Segment CHS Consumer and Health Man- agement Information Systems			Segment PCS Pharmacy Information Systems		
	2021	2020	2020	2021	2020	2020	2021	2020	2020	2021	2020	2020
kEUR	01.01 - 30.09.	01.01 - 30.09.	01.01. - 31.12	01.01 - 30.09.	01.01 - 30.09.	01.01. - 31.12	01.01 - 30.09.	01.01 - 30.09.	01.01. - 31.12	01.01 - 30.09.	01.01 - 30.09.	01.01. - 31.12
Revenues to third parties	348,840	278,529	375,204	182,893	123,166	186,588	128,258	106,074	158,399	86,052	86,348	116,791
thereof Software license	37,156	19,798	28,064	19,892	13,470	22,950	746	755	1,065	3,444	4,209	6,050
thereof Hardware	15,680	23,326	30,319	8,100	6,387	12,362	42,129	32,253	47,600	17,011	18,163	24,809
thereof Professional Services	25,443	24,014	32,536	33,517	25,950	38,067	10,393	10,934	18,582	6,391	6,960	9,686
thereof Software Maintenance & hotline	190,576	169,681	227,397	90,434	60,053	83,102	8,259	7,885	10,925	28,518	26,958	36,221
thereof Other recurring revenues	74,686	40,111	54,352	30,704	17,109	29,859	36,397	30,139	43,606	30,408	29,648	39,256
thereof Advertising, eDetailing and Data	557	354	441	0	0	0	29,286	24,102	35,947	190	432	767
thereof Other revenues	4,741	1,245	2,095	247	198	248	1,049	6	675	89	-24	2
Point in time of revenue recognition												
at a specific point in time	23,359	29,362	38,571	11,956	9,366	16,989	43,320	32,514	63,039	18,042	19,577	12,359
over a period of time	325,481	249,167	336,633	170,937	113,800	169,599	84,939	73,560	95,359	68,010	66,770	104,432
	348,840	278,528	375,204	182,893	123,166	186,588	128,258	106,074	158,399	86,052	86,348	116,791
thereof recurring revenues	265,262	209,792	281,749	121,138	77,162	112,961	44,656	38,024	54,531	58,926	56,606	75,478
Revenues between segments	43,630	27,982	51,365	4,540	4,484	6,066	11,467	10,899	19,036	3,861	2,906	5,953
Segment Revenues	392,470	306,511	426,569	187,433	127,651	192,654	139,725	116,973	177,435	89,913	89,254	122,744
Capitalized inhouse services	3,609	7,748	8,119	12,259	8,938	13,155	6,379	6,084	7,011	2,946	1,728	2,650
Other income	3,130	3,138	6,179	5,198	2,126	2,743	754	1,532	1,569	878	697	1,102
Expenses for goods and ser- vices purchased	-86,145	-65,085	-99,891	-32,268	-22,112	-37,831	-54,687	-37,947	-68,020	-23,639	-24,162	-32,762
Personnel costs	-155,811	-113,463	-150,053	-103,865	-71,883	-102,985	-33,340	-26,461	-36,450	-32,083	-30,143	-41,381
Other expenses	-66,762	-50,950	-73,189	-38,563	-27,280	-38,862	-24,433	-22,724	-32,883	-14,291	-13,351	-18,854
EBITDA	90,491	87,898	117,733	30,194	17,440	28,874	34,397	37,458	48,662	23,724	24,023	33,499
in % of revenues	25.9%	31.6%	31.4%	16.5%	14.2%	15.5%	26.8%	35.3%	30.7%	27.6%	27.8%	28.7%
Depreciation of property, plant and equipment and right-of-use assets												
Amortization of intangible assets												
EBIT												
Results from associates recog- nised at equity												
Financial income												
Financial expense												
EBT												
Taxes on income for the period												
Profit for the period from dis- continued operations												
Consolidated net income for the period												
in % of revenues												

	All other Segments			Sum Segments			Consolidation			CGM Group		
	2021	2020	2020	2021	2020	2020	2021	2020	2020	2021	2020	2020
	01.01 - 30.09.	01.01 - 30.09.	01.01. - 31.12	01.01 - 30.09.	01.01 - 30.09.	01.01. - 31.12	01.01 - 30.09.	01.01 - 30.09.	01.01. - 31.12	01.01 - 30.09.	01.01 - 30.09.	01.01. - 31.12
kEUR												
Revenues to third parties	66	231	277	746,109	594,349	837,259	0	0	0	746,109	594,349	837,259
thereof Software license	0	2	3	61,238	38,235	58,131	0	0	0	61,238	38,235	58,131
thereof Hardware	0	0	0	82,921	80,129	115,091	0	0	0	82,921	80,129	115,091
thereof Professional Services	66	193	239	75,811	68,051	99,110	0	0	0	75,811	68,051	99,110
thereof Software Maintenance & hotline	0	0	0	317,787	264,577	357,645	0	0	0	317,787	264,577	357,645
thereof Other recurring revenues	0	0	0	172,195	117,007	167,073	0	0	0	172,195	117,007	167,073
thereof Adverting, eDetailing and Data	0	0	0	30,033	24,888	37,155	0	0	0	30,033	24,888	37,155
thereof Other revenues	0	36	36	6,125	1,461	3,055	0	0	0	6,125	1,461	3,055
Point in time of revenue recognition												
at a specific point in time	0	36	36	96,676	90,855	130,994	0	0	0	96,676	90,855	130,994
over a period of time	66	197	241	649,433	503,493	706,265	0	0	0	649,433	503,493	706,265
	66	230	277	746,109	594,349	837,259	0	0	0	746,109	594,349	837,259
thereof recurring revenues	0	0	0	489,982	381,584	524,718	0	0	0	489,982	381,584	524,718
Revenues between segments	6,369	14,188	18,321	69,867	60,459	100,740	-69,867	-60,459	-100,740	0	0	0
Segment Revenues	6,435	14,420	18,598	815,976	654,808	937,999	-69,867	-60,459	-100,740	746,109	594,349	837,259
Capitalized inhouse services	0	473	937	25,192	24,970	31,872	0	0	0	25,192	24,970	31,872
Other income	62,010	48,609	59,072	71,971	56,102	70,665	-62,647	-48,779	-60,103	9,323	7,322	10,562
Expenses for goods and services purchased	-2,335	-2,026	-2,761	-199,074	-151,332	-241,265	66,900	49,138	85,087	-132,174	-102,194	-156,178
Personnel costs	-38,030	-36,068	-48,023	-363,129	-278,018	-378,893	34	1,693	1,841	-363,095	-276,325	-377,052
Other expenses	-42,847	-43,354	-58,622	-186,896	-157,658	-222,410	66,145	58,823	73,423	-120,751	-98,835	-148,987
EBITDA	-14,767	-17,947	-30,799	164,039	148,872	197,969	565	416	-493	164,604	149,288	197,476
in % of revenues				22.0%	25.0%	23.6%				22.1%	25.1%	23.6%
Depreciation of property, plant and equipment and right-of-use assets										-27,204	-22,135	-30,856
Amortization of intangible assets										-51,639	-30,108	-44,851
EBIT										85,761	97,045	121,769
Results from associates recognised at equity										11	-785	-931
Financial income										644	2,748	2,651
Financial expense										-5,605	-7,642	-13,063
EBT										80,810	91,366	110,426
Taxes on income for the period										-24,243	-27,410	-37,006
Profit for the period from discontinued operations										0	0	0
Consolidated net income for the period										56,567	63,956	73,420
in % of revenues										7.6%	10.8%	8.8%

Additional information

FINANCIAL CALENDAR

February 3, 2022 - Preliminary Figures 2021
March 24, 2022 - Annual Report 2021
May 5, 2022 - Interim Report Q1 2022
May 19, 2022 - Annual General Meeting 2022
August 4, 2022 - Interim Report Q2 2022
November 3, 2022 - Interim Report Q3 2022

CONTACT INFORMATION

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Management Responsibility Statement

To the best of our knowledge, and in accordance with applicable accounting principles for interim financial reporting, the consolidated interim financial statements give a true and fair view of the net assets, financial position and results of operations of the Group, and the Group interim management report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group over the remainder of the financial year.

Koblenz, November 4, 2021

CompuGroup Medical SE & Co. KGaA

Represented by the Managing Directors of
CompuGroup Medical Management SE



Dr. Dirk Wössner



Frank Brecher



Dr. Eckart Pech



Michael Rauch



Hannes Reichl

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Synchronizing Healthcare

