



## CompuGroup Medical SE & Co. KGaA

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## CompuGroup Medical with 16% revenue growth in the first quarter

- **11% organic growth driven by digitization and connectivity in healthcare**
- **Recurring revenue share of 68% reflects strength of business model**
- **16% adjusted EBITDA growth despite additional project investments**
- **Revenue target related to the Hospital Future Act raised again**
- **Majority stake in patient portal provider m.Doc acquired**
- **Strong Free cash flow rebound with EUR 79m in Q1**

Koblenz. CompuGroup Medical SE & Co. KGaA (CGM), one of the world's leading e-health providers, reports an excellent start into the year 2023.

Group revenues, organic growth and adjusted EBITDA show double-digit growth in the first quarter. The strong execution on the attractive growth opportunities in the healthcare sector due to ongoing digitization and connectivity initiatives resulted in group revenue growth of 16% to EUR 291 million in Q1 2023 and organic growth of +11%. The quality of revenues, reflected by the share of recurring revenues, stood at a high level of 68% despite significant one-offs. Adjusted EBITDA reached EUR 60 million, which corresponds to a growth of 16% year-on-year, and to an adjusted EBITDA margin of 20.6% (previous year: 20.5%).

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“It is great to see how the CGM team performed a strong start into 2023, supporting our customers benefitting from digitization opportunities in the e-health sector and helping them on their digital and connectivity journey”, said Michael Rauch, Spokesman for the Managing Directors and CFO of CompuGroup Medical. “CompuGroup Medical delivered double-digit growth, both in terms of revenues and adjusted EBITDA. A compelling proof-point of our footprint in the market and our excellent product portfolio.”

### **CGM with excellent start into 2023**

In the first three months of 2023 CGM delivered in several strategic areas and set the course for a successful year.

The ambulatory US business showed a compelling start into 2023. After the successful integration of the eMDs acquisition, the rollout of eMedix Clearinghouse to Aprima customers and the corresponding replacement of third-party providers is fully on track resulting in an organic growth rate above segment average. In Germany, the continued demand for e-billing modules in dental practices supported the revenue development.

In the hospital segment, the Hospital Future Act is an ongoing success story. Order intake related to the German governmental initiative for the modernization and digitization of hospitals reached more than EUR 110 million by the end of the first quarter after EUR 90 million at the end of 2022. Based on the great progress CGM again raised the revenue target relating to the Hospital Future Act to a range of EUR 110 million to EUR 130 million over the next years – A strong proof-point for the high market relevance of CGM’s product portfolio.

Another important milestone towards enabling the full digital patient journey in both inpatient and outpatient settings has been achieved. In April, CGM announced the acquisition of 51% of m.Doc GmbH which develops patient portals and digital applications for hospitals, rehabilitation and care facilities. With over 300 customers in the hospital sector, m.Doc’s product suite pushes



CGM to one of the leading providers in the digital integration of patients into the treatment process in the hospital sector.

### **All segments delivered growth in the first quarter**

Revenues in the **Ambulatory Information Systems** segment rose by 4% to EUR 125 million (previous year: EUR 120 million). Organically, revenues grew by 2% driven by a strong development in the US market and the rollout of additional modules in the German dental business. Recurring revenues amounted to 79% of segment revenues, representing 5% growth compared to the previous year, underlining the continued strength of the business model.

In the **Hospital Information Systems** segment, revenues increased by 10% to EUR 73 million (previous year: EUR 67 million) in the first quarter 2023. Strong project business in Germany, Poland and Spain led to an organic growth rate of 11%. Recurring revenues grew by 9% leading to a share of 70% compared to total revenues.

Another strong quarter has been recorded by the **Consumer & Health Management Information Systems** segment, where revenues increased by 63% to EUR 58 million (previous year: EUR 35 million), representing an organic growth of 37% compared to previous year's quarter. Adjusted for TI, organic revenues grew 1%, impacted by macroeconomic headwinds in the pharma industry. Recurring revenues rose by 58% resulting in a share of recurring revenues of 46%.

Again, the **Pharmacy Information Systems** segment recorded a very good quarter. Revenue grew by 17% to EUR 35 million (previous year: EUR 30 million), partly driven by acquisition effects in Italy. The segment also showed an excellent organic growth of 11% mainly due to great business performance in Italy, based on high order backlog generated in Q4 2022. Recurring revenues in the PCS segment increased by 11%, resulting in a share of 66% compared to total revenues.



Free cash flow improved by 22% to EUR 79 million (previous year: EUR 65 million) and leverage reduced from 3.1x of adjusted EBITDA at the end of 2022 to 2.8x.

### **Guidance confirmed**

CGM is confirming its outlook for 2023 with group revenues to grow by around 5% organically. CGM expects an adjusted EBITDA in the range of EUR 260 million to EUR 300 million.

The full quarterly statement is available on the company's website at [www.cgm.com/ir-publications](http://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 20 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.