



## CompuGroup Medical SE & Co. KGaA

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## CGM drives digitization in the healthcare sector and significantly increases revenues and operating profit margin

- **Group revenues increase by 5% to EUR 1.19 billion in 2023**
- **Organic growth of 4.3% (5.3% ex TI) compared to strong previous year**
- **Share of recurring revenue climbs to new high of 69%**
- **Adjusted EBITDA increases by 13% to EUR 265 million, margin improves by 1.6 percentage points**
- **Strong business in the hospital segment with double-digit revenue growth**
- **Digitization in the healthcare sector as growth driver**
- **Guidance 2024: Organic revenue growth of 4% – 6% and adjusted EBITDA of EUR 270 million to EUR 310 million**

Koblenz. CompuGroup Medical SE & Co. KGaA (CGM), one of the world's leading e-health providers, reports a strong financial year 2023. According to preliminary financials published

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today, the Group increased revenues significantly by 5% to EUR 1.19 billion. CGM is benefiting from digitization initiatives in the global healthcare system. For example, double-digit revenue growth was achieved in the hospital segment, partly due to the accelerated implementation of projects related to the Hospital Future Act. International business, particularly in the USA and Italy, also developed dynamically. Recurring revenue share rose to a new high of 69%, underlining the strength of the business model. Organic growth amounted to 4.3%, or 5.3% adjusted for the effects of the Telematics Infrastructure. Adjusted EBITDA rose over-proportionately to revenues by 13% to EUR 265 million, while the margin improved by 1.6 percentage points. Adjusted earnings per share rose by 14% to EUR 2.06, while free cash flow climbed by 64% to EUR 113 million.

CompuGroup Medical CEO Michael Rauch said: "Our strategic course is paying off more and more. We were frontrunners with significant investment initiatives to drive digital solutions into the healthcare space. In 2024, we will continue to exploit the full potential of digitized healthcare for our customers – doctors, hospitals and pharmacies, insurance and pharmaceutical companies, with particular emphasis on excellence and efficiency in the field of Artificial Intelligence."

In 2023, the company has set the course for a successful future. Among other things, CGM launched an initiative to implement Artificial Intelligence (AI) in products and processes. CGM will continue to drive forward the digitization of the healthcare system in 2024. For example, e-prescription became the new standard in outpatient healthcare in Germany at the beginning of the year, for which CGM has comprehensively prepared its customers. Since then, the number of e-prescriptions issued has multiplied, the majority of which are issued using CGM systems.

The **Ambulatory Information Systems (AIS)** segment made good progress, with revenues increasing by 1% from EUR 502 million to EUR 506 million compared to the previous year, which was also characterized by one-off effects. Recurring revenues accounted for 79% of segment revenues, underlining the continued strength of the segment. Business in Germany was strongly influenced by the introduction and expansion of various digitization modules. In the US market



eMEDIX, a web-based reimbursement solution for practices, was rolled out successfully. The dental business recorded another strong year.

In the **Hospital Information Systems (HIS)** segment, CGM benefited from increasing revenue recognition from the strong order intake in connection with the Hospital Future Act in 2023. The expected range of revenues in connection with the Hospital Future Act was increased twice during the year – strong proof of the high market relevance of the CGM product portfolio. Overall, revenues in this segment rose to EUR 315 million (previous year: EUR 277 million), organic growth amounted to 14%, while recurring revenues accounted for EUR 210 million, which corresponds to a 67% share.

**Consumer & Health Management Information Systems (CHS)** also performed well, with the further development of the Telematics Infrastructure playing an important role. INSIGHT Health, which was acquired in 2022, was successfully integrated into the company. CGM customers were provided with new access to data-based medical history tools and solutions. CGM has set itself the goal of becoming a leading European provider of health data solutions. In order to drive this development forward in the most customer-centric way possible, the CHS segment was integrated into the AIS group division and will therefore be reported separately for the last time in the 2023 consolidated financial statements. In the past financial year, revenues increased by 3% to EUR 225 million (previous year: EUR 220 million).

The **Pharmacy Information Systems (PCS)** segment achieved strong revenue growth of 8% to EUR 141 million (previous year: EUR 131 million). The segment achieved excellent organic growth of 6%, driven primarily by the very good business performance in Italy and hardware sales in Germany. Recurring revenue in the PCS segment increased by 9%, resulting in a 65% share of total revenue.



## Guidance 2024

CGM expects organic revenue growth in a range of 4% to 6% for the current financial year 2024. CGM expects adjusted EBITDA to be in the range of EUR 270 million to EUR 310 million, while growth in adjusted earnings per share is expected to be around 10%.

## Key Figures

EUR million	2023	2022	Change
<b>Revenues</b>	<b>1,188</b>	<b>1,130</b>	<b>+ 5 %</b>
Recurring revenue share	69 %	65 %	+ 4 ppt
<b>EBITDA adjusted</b>	<b>265</b>	<b>234</b>	<b>+ 13 %</b>
EBITDA margin adjusted	22.3 %	20.7 %	+ 1 ppt
<b>EPS adjusted (EUR) - diluted</b>	<b>2.06</b>	<b>1.80</b>	<b>+ 14 %</b>
<b>Free cash flow</b>	<b>113</b>	<b>69</b>	<b>+ 64 %</b>
Number of shares outstanding ('000)	52,235	52,235	+ 0 %

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

The full annual report will be published March 28th, 2024.

## 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 1.19 billion in 2023, 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. The basis of CompuGroup Medical's services is its unique customer base, including doctors, dentists, pharmacists and other healthcare professionals in inpatient and outpatient facilities, as well as insurance and pharmaceutical companies. CompuGroup Medical has offices in 20 countries and offers its solutions in 60 countries worldwide. More than 9,000 highly qualified employees support customers with innovative solutions for the steadily growing demands of the healthcare system.