

# CompuGroup Medical

Quarterly Report  
as of September 30, 2022



## Financial Highlights for the first nine months of 2022

- Group revenues at 802 mEUR, up 8 % compared to prior year
- Organic revenue growth at 1.5 %, (prior year: 7 %), adjusted for prior year connector upgrade at 4.5 %
- Recurring revenue grew by 11 %, representing 68 % of total revenues
- Adjusted EBITDA decreased by 3 % to 166 mEUR
- Adjusted EBITDA margin of 20.7 % (prior year: 22.8 %)
- Free cash flow of 24 mEUR (prior year: 73 mEUR)
- Adjusted earnings per share at 1.33 EUR (prior year: 1.46 EUR)
- Guidance adjusted for the financial year 2022

### Financial key figures

kEUR	01.07.- 30.09.2022	01.07.- 30.09.2021	Change	01.01.- 30.09.2022	01.01.- 30.09.2021	Change
Revenues	285,387	276,344	+3%	802,083	746,109	+8%
Recurring revenues in %	65%	62%	+3 ppt	68%	66%	+2 ppt
Organic growth in %	-3.1%	7.0%	-10.1 ppt	1.5%	7.3%	-5.8 ppt
EBITDA adjusted	60,960	72,848	-16%	166,071	170,413	-3%
EBITDA adjusted margin	21.4%	26.4%	-5.0 ppt	20.7%	22.8%	-2.1 ppt
EPS adjusted (EUR) - diluted	0.51	0.70	-27%	1.33	1.46	-9%
CAPEX	18,112	23,378	-23%	56,551	50,365	+12%
Free cash flow	-4,554	8,297	-155%	23,563	72,928	-68%
Number of shares outstanding ('000)	52,235	52,735		52,235	52,735	

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## NOTICES

CompuGroup Medical 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.

Unless otherwise stated, all information and explanatory notes in this report refer to the third quarter of 2022 and 2021, 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

### Strategic milestones

During the third quarter, CGM realized strategic customer wins in the ambulatory and hospital business. In Southern Germany, CGM won a tender project with emergency practices, which will be fully equipped with CGM M1 PRO enabling a uniform workflow for cross-practice use. In the Hospital Information Systems segment the demand for next generation technology is unbroken, underlined by the latest strategic customer wins like the University Hospital Zurich or the Biedenkopf Hospital in Germany. In France, preparations for the rollout of the governmental program SEGUR have been successfully completed and CGM is ready for execution in the fourth quarter. In the Consumer & Health Management Information Systems segment, CGM and the newly acquired INSIGHT Health launched a joint product offering for pharma companies. The first strategic customer has been won with this product, which allows deep insights about distribution of diagnosis for pharmaceutical drugs and prescribing doctor specialist groups. In Telematics Infrastructure, the planned exchange of connectors has started and is ramping up into the fourth quarter.

### War in Ukraine

At the end of February 2022, the attack on Ukraine started and continues until today. In the third quarter of 2022, CGM has had no material impact on the recognition and measurement of assets and liabilities at the reporting date. However, effects on the net assets, financial position and results of operations in 2022 cannot be ruled out completely at the present time.

## EARNINGS DEVELOPMENT IN THE GROUP

kEUR	01.07.- 30.09.2022	01.07.- 30.09.2021	01.01.- 30.09.2022	01.01.- 30.09.2021
Revenues	285,387	276,344	802,083	746,109
Capitalized inhouse services and other income	13,019	10,936	43,226	34,515
Expenses for goods and services purchased	-56,496	-47,694	-145,189	-132,174
Personnel expenses	-133,698	-126,345	-403,913	-363,095
Other expenses and net impairment losses on financial and contract assets	-48,825	-43,737	-146,286	-120,751
<b>EBITDA</b>	<b>59,387</b>	<b>69,504</b>	<b>149,921</b>	<b>164,604</b>
Depreciation of property, plant and equipment, right-of-use assets and amortization of intangible assets	-28,289	-27,501	-81,644	-78,843
<b>EBIT</b>	<b>31,098</b>	<b>42,003</b>	<b>68,277</b>	<b>85,761</b>
Financial result	12,264	-2,174	19,538	-4,951
<b>EBT</b>	<b>43,362</b>	<b>39,829</b>	<b>87,815</b>	<b>80,810</b>
Income taxes for the period	-13,902	-11,444	-28,001	-24,243
<b>CONSOLIDATED NET INCOME FOR THE PERIOD</b>	<b>29,460</b>	<b>28,385</b>	<b>59,814</b>	<b>56,567</b>

Revenues in the first nine months of 2022 increased by mEUR 56 (8 %) to mEUR 802 compared to same period of the prior year. Organic growth in this period of 2022 amounted to 1.5 % compared to the prior year.

Adjusted consolidated earnings before interest, taxes, depreciation and amortization (adjusted group EBITDA) stood at mEUR 166 (prior year: mEUR 170) with an adjusted EBITDA margin of 20.7 % (prior year: 22.8 %).

In the third quarter revenues increased by mEUR 9 (3 %) to mEUR 285 year-on-year. Organic growth amounted to - 3 %, adjusted for prior years connector upgrade, organic growth would have increased by 5 %.

Adjusted group EBITDA amounted to mEUR 61 (prior year: mEUR 73) with an adjusted EBITDA margin of 21.4 % (prior year: 26.6 %)

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

kEUR	01.07.- 30.09.2022	01.07.- 30.09.2021	01.01.- 30.09.2022	01.01.- 30.09.2021
<b>EBITDA REPORTED</b>	<b>59,387</b>	<b>69,504</b>	<b>149,921</b>	<b>164,604</b>
Adjustments:				
M&A Transactions	729	543	2,168	1,294
Share-based option programs*	844	2,801	1,799	4,515
Restructuring program expenses	0	0	3,401	0
Other non-operative, extraordinary or one-time effects**	0	0	8,782	0
<b>EBITDA ADJUSTED</b>	<b>60,960</b>	<b>72,848</b>	<b>166,071</b>	<b>170,413</b>

\* Includes one-time effects related to management changes.

\*\* Costs in the context of the cyber attack as well as changes in management.

The main developments in operating expenses were:

- Until September of 2022, expenses for goods and services purchased amounted to mEUR 145 (prior year: mEUR 132). The gross margin ((Revenues less cost of purchased services)/revenue) reached 82 %, which was on the same level as the prior year. In the third quarter of 2022, the gross margin of 80 % was 3 percentage points below the gross margin of the prior year quarter.
- In the first nine months, personnel expenses increased by mEUR 41 to mEUR 404, of which mEUR 18 resulted from acquisitions. The increase in personnel expenses was mainly due to new hires, salary increases and currency effects. Adjusted for one-time effects the increase was mEUR 36. In the third quarter of 2022, personnel expenses increased by 6 % to mEUR 134 compared to prior year (prior year: mEUR 126). Acquisitions accounted for a total of mEUR 4. Adjusted for one-time effects the increase was mEUR 6.
- Other expenses and net impairment losses on financial and contract assets in the first nine months of the year were mEUR 146 and mEUR 25 above the prior year. Adjusted for special effects of M&A costs, restructuring and other one-time effects, the increase amounted to mEUR 20 versus the prior year. In the third quarter of 2022, other expenses and net impairment losses on financial and contract assets were mEUR 5 higher than in the prior year and amounted to mEUR 49. Adjusted for special effects of M&A costs, restructuring and other one-time effects, other expenses and net impairment losses on financial and contract assets were mEUR 8 higher than the prior year.

Depreciation of property, plant and equipment and right-of-use assets amounted to mEUR 31 for the first nine months of 2022, which was an increase of mEUR 4 compared to same period prior year. Amortization of intangible assets decreased by mEUR 1 to mEUR 50 in the same period.

In the third quarter of 2022, depreciation of property, plant and equipment and right-of-use assets amounted to mEUR 11, which reflects an increase of mEUR 1 (prior year: mEUR 10). The increase in depreciation of non-current assets was mainly due to higher depreciation on right-of-use assets (IFRS 16) and increased depreciation of own-used IT equipment. Amortization of intangible assets remained with mEUR 18 in the third quarter on the level of prior year quarter

Amortization of intangible assets consists of the following:

kEUR	01.07.- 30.09.2022	01.07.- 30.09.2021	01.01.- 30.09.2022	01.01.- 30.09.2021
<b>AMORTIZATIONS ON INTANGIBLE ASSETS</b>	<b>17,734</b>	<b>17,650</b>	<b>50,452</b>	<b>51,639</b>
thereof from purchase price allocations for business combinations	11,587	14,943	34,731	38,087
thereof from capitalized inhouse services	3,899	1,651	8,580	8,710

The financial result was structured as follows:

kEUR	01.07.- 30.09.2022	01.07.- 30.09.2021	01.01.- 30.09.2022	01.01.- 30.09.2021
Interest and other expenses on loans and financial services	-3,064	-1,916	-7,561	-4,766
Changes in purchase price liabilities	-62	-120	-1,443	-624
Capitalized interest on qualifying assets under construction (IAS 23)	119	278	617	622
Bank interest	150	166	388	461
Interest rate cap / swap	14,503	0	26,526	0
Other	617	-581	1,011	-655
<b>TOTAL</b>	<b>12,264</b>	<b>-2,173</b>	<b>19,539</b>	<b>-4,963</b>

Consolidated net income for the first nine months was mEUR 60, mEUR 3 higher than last year. Group tax rate for the first nine months was 32 % (prior year: 30 %).

In the third quarter of 2022, consolidated net income amounted to mEUR 29, mEUR 1 higher compared to the same period of the prior year. The group tax rate for the third quarter was 32 % compared to 29 % in the third quarter of last year.

Adjusted earnings per share were as follows:

kEUR	01.07.- 30.09.2022	01.07.- 30.09.2021	01.01.- 30.09.2022	01.01.- 30.09.2021
<b>CONSOLIDATED NET INCOME OF THE PERIOD (ALLOCATED TO SHAREHOLDERS OF THE PARENT COMPANY)</b>	<b>29,337</b>	<b>28,396</b>	<b>59,612</b>	<b>56,535</b>
Adjustments:				
M&A Transactions	7,478	9,676	22,504	23,513
Share-based option programs*	844	2,801	1,799	4,515
Restructuring program expenses	0	0	3,401	0
Other non-operative, extraordinary or one-time effects**	-13,604	0	-17,044	0
Taxes attributable to these effects	2,723	-1,776	-884	-3,335
<b>ADJUSTED CONSOLIDATED NET INCOME FOR THE PERIOD (ALLOCATED TO SHAREHOLDERS OF THE PARENT COMPANY)</b>	<b>26,778</b>	<b>39,097</b>	<b>69,388</b>	<b>81,228</b>
<b>ADJUSTED UNDILUTED EARNINGS PER SHARE (IN EUR)</b>	<b>0.51</b>	<b>0.74</b>	<b>1.33</b>	<b>1.53</b>
<b>ADJUSTED DILUTED EARNINGS PER SHARE (IN EUR)</b>	<b>0.51</b>	<b>0.70</b>	<b>1.33</b>	<b>1.46</b>
weighted average of outstanding shares acc. to IAS 33 - undiluted ('000)***	52,235	52,876	52,236	53,045
weighted average of outstanding shares acc. to IAS 33 - diluted ('000)***	52,235	55,606	52,236	55,490

\* Includes one-time effects related to management changes.

\*\* Income and Costs in the context of the interest rate cap, changes in management and cyber attack.

\*\*\* 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 - 30.09.2022*	01.07 - 30.09.2021	Change	01.01 - 30.09.2022*	01.01 - 30.09.2021	Change
Revenues to third parties	122.9	121.9	1%	365.4	348.8	5%
Share of recurring revenues	80%	75%		79%	76%	
EBITDA adjusted	34.9	33.3	5%	96.2	91.6	5%
in % of revenues	28%	27%		26%	26%	

\* In 2022, some minor profit centers were reallocated and the internal cost allocation was updated

- The software business with physicians and dentists achieved revenues of mEUR 365 in the first nine months of 2022, which represents an increase of 5 % compared to the prior year. This increase was supported by currency effects and acquisitions, the organic revenue development was stable (0 %). Recurring revenues grew by 8 %, increasing the recurring share from 76 % to 79 %. Adjusted EBITDA increased by 5 % to mEUR 96.
- The revenues in the third quarter increased to mEUR 123, which represents a growth of 1 % compared to the prior year. Organically, revenues were down by - 4 % against a strong prior year quarter (prior year quarter: 10 %), mostly due to additional modules sales (e.g. e-Health records and vaccination certificates) in the DACH region. Recurring revenues increased by 8 %. At the same time, adjusted EBITDA increased by 5 % to mEUR 35.

### Hospital Information Systems (HIS)

mEUR	01.07 - 30.09.2022*	01.07 - 30.09.2021	Change	01.01 - 30.09.2022*	01.01 - 30.09.2021	Change
Revenues to third parties	70.2	65.7	7%	206.8	182.9	13%
Share of recurring revenues	68%	68%		68%	66%	
EBITDA adjusted	9.2	9.5	-2%	26.1	30.4	-14%
in % of revenues	13%	14%		13%	17%	

\* In 2022, some minor profit centers were reallocated and the internal cost allocation was updated

- In the first nine months of 2022, revenues of the HIS segment increased by 13 % to mEUR 207. Revenue growth was positively influenced by the acquisitions of the Visus Group and KMS Vertrieb und Services AG in financial year 2021. Adjusted for acquisitions and FX effects, organic growth was 6 %, mainly attributable to the continuing strong performance of the German hospital business. Recurring revenues increased to mEUR 141, corresponding to 68 % of total revenues. Adjusted EBITDA stood at mEUR 26, down - 14 % year-on-year mainly due to investments in next generation technology.
- In the third quarter, revenues increased by 7 % to mEUR 70 and by 6 % organically. Recurring revenues increased to mEUR 47, representing 68 % of total revenues. Adjusted EBITDA at mEUR 9 was slightly below the prior year due to investments in next generation technology, resulting in an adjusted EBITDA margin of 13 %.

## Consumer and Health Management Information Systems (CHS)

mEUR	01.07 - 30.09.2022*	01.07 - 30.09.2021	Change	01.01 - 30.09.2022*	01.01 - 30.09.2021	Change
Revenues to third parties	60.4	59.1	2%	136.4	128.3	6%
Share of recurring revenues	28%	27%		38%	35%	
EBITDA adjusted	10.3	23.5	-56%	21.1	34.4	-39%
in % of revenues	17%	40%		15%	27%	

\* In 2022, some minor profit centers were reallocated and the internal cost allocation was updated

- **In the first nine months of 2022**, the CHS segment generated revenues of mEUR 136. Excluding Telematics Infrastructure, organic growth was at 8 %. Recurring revenues amounted to mEUR 52 and thereby represented 38% of the total revenues. Adjusted EBITDA was mEUR 21, down - 39 % year-on-year.
- Revenues **in the third quarter** increased by 2 % to mEUR 60 against a strong prior year quarter due to the rollout of a connector upgrade in comparison quarter in the previous year and including the INSIGHT Health acquisition. Organically, excluding Telematics Infrastructure, revenues decreased by - 1 % in the third quarter, due to macro crisis related headwinds in the pharma industry. Recurring revenues amounted to mEUR 17, representing 28 % of total revenues. Adjusted EBITDA amounted to mEUR 10, down mEUR 13 year-on-year, mainly driven by the connector upgrade in the comparative quarter of last year.

## Pharmacy Information Systems (PCS)

mEUR	01.07 - 30.09.2022*	01.07 - 30.09.2021	Change	01.01 - 30.09.2022*	01.01 - 30.09.2021	Change
Revenues to third parties	32.0	29.7	8%	93.5	86.1	9%
Share of recurring revenues	68%	66%		67%	68%	
EBITDA adjusted	9.5	7.4	29%	27.3	23.7	15%
in % of revenues	30%	25%		29%	28%	

\* In 2022, some minor profit centers were reallocated and the internal cost allocation was updated

- **In the first nine months of 2022**, revenues in PCS segment increased by 9 % to mEUR 94. Organic revenue growth by 7 %, which was attributable predominately to the strong business performance in Italy. Recurring revenues in the PCS segment increased by 7 % to mEUR 63 compared to the same period of the previous year. Adjusted EBITDA was mEUR 27, up 15 % on the prior-year period.
- Revenues **in the third quarter** amounted to mEUR 32, up 8 %, positively influenced by acquisitions in Italy. Adjusted for acquisitions, the PCS segment achieved an organic growth of 4 %. Recurring revenues amounted to mEUR 22 and thereby increased by 11 %. Adjusted EBITDA amounted to mEUR 10 and was up 29 % year-on-year. The main reason for this positive development is an efficient cost management.

## Other segments and consolidation

mEUR	01.07 - 30.09.2022*	01.07 - 30.09.2021	Change	01.01 - 30.09.2022*	01.01 - 30.09.2021	Change
EBITDA adjusted	-3.0	-0.7	-321%	-4.7	-9.7	51%

\* In 2022, some minor profit centers were reallocated and the internal cost allocation was updated

- Adjusted EBITDA in other business activities and consolidation was mEUR 5 higher than in the **first nine months** of the prior year. The adjusted special items for first nine months of 2022 amounted to mEUR 8 and were mainly attributable to extraordinary effects related to management changes and stock option programs.
- Adjusted EBITDA in **the third quarter** was mEUR 2 higher than in prior year comparison. The adjusted special items in the third quarter amounted mEUR 1 and were mainly attributable to extraordinary effects related to stock option programs.

## Staff Development

Staff Development	30.09.2022	30.09.2021	31.12.2021
Number of employees (HC)	9,319	8,836*	8,917*
thereof from acquisitions at time of acquisition	221	423	438
Full-time equivalent (FTE)*	8,926	8,347*	8,530*

\* Prior year figure adjusted.

\*\* 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 402 employees compared to the end of 2021, of which 221 employees resulted from acquisitions. The number of FTEs increased by 396 compared with the end of last year.

## NET ASSETS OF THE GROUP

kEUR	30.09.2022		31.12.2021		Changes	
Non-current assets	1,563,517	80%	1,420,035	79%	143,481	10%
Current assets	395,719	20%	370,778	21%	24,940	7%
<b>TOTAL ASSETS</b>	<b>1,959,236</b>	<b>100%</b>	<b>1,790,813</b>	<b>100%</b>	<b>168,422</b>	<b>9%</b>

kEUR	30.09.2022		31.12.2021		Changes	
Equity	678,904	35%	612,284	34%	66,619	11%
Non-current liabilities	943,886	48%	780,184	44%	163,701	21%
Current liabilities	336,446	17%	398,345	22%	-61,899	-16%
<b>TOTAL LIABILITIES</b>	<b>1,959,236</b>	<b>100%</b>	<b>1,790,813</b>	<b>100%</b>	<b>168,422</b>	<b>9%</b>

CGM's total assets increased by 9 % as of September 30, 2022, which corresponds to an increase of mEUR 168 to mEUR 1,959.

The largest changes in assets were as follows:

- Increase in intangible assets by mEUR 106 to mEUR 1,320 mainly due to acquisitions as well as the capitalization of self developed software.
- Increase in derivative financial instruments by mEUR 35 to mEUR 42 due to the interest rate cap and the new concluded interest rate swap.
- Increase in inventories by mEUR 14 to mEUR 35, related to the new connector generation.
- Increase in trade receivables by mEUR 22 to mEUR 169.
- Decrease of cash and cash equivalents by mEUR 21 to mEUR 86.

All other assets were subject to minor changes in absolute figures in the financial year to date 2022.

Group equity increased from mEUR 612 as of December 31, 2021 to mEUR 679 as of September 30, 2022. This increase is mainly driven by the consolidated net income for the period, the positive currency effects and offset by paid dividends.

The following significant changes occurred in current and non-current liabilities compared to year-end 2021:

- Increase of current and non-current liabilities to banks by mEUR 71 to mEUR 746 due to borrowings.
- Increase of current contract liabilities by mEUR 25 to mEUR 104. This increase was mainly due to advance payments for software maintenance contracts.
- Decrease of income tax liabilities by mEUR 8 to mEUR 11 mainly due to paid income taxes.

All other current and non-current liabilities were subject to minor changes in absolute figures in the financial year to date 2022.

## 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.- 30.09.2022	01.07.- 30.09.2021	Changes	01.01.- 30.09.2022	01.01.- 30.09.2021	Changes
OPERATING CASH FLOW	13,558	31,675	-18,117	80,114	123,293	-43,179
CASH FLOW FROM INVESTING ACTIVITIES	-23,394	-47,988	24,594	-116,108	-149,719	33,611
FREE CASH FLOW	-4,554	8,297	-12,851	23,563	72,928	-49,365
CASH FLOW FROM FINANCING ACTIVITIES	-25,371	17,317	-42,688	13,482	41,523	-28,041
CHANGE IN CASH AND CASH EQUIVALENTS	-35,207	1,004	-36,211	-22,512	15,097	-37,609
Changes due to exchange rate fluctuations	974	-112	1,086	1,002	358	644
Cash and cash equivalents at the beginning of the period	120,066	0	120,066	107,343	75,910	31,433
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	85,833	892	84,941	85,833	91,365	-5,532
NET DEBT*				724,566	626,931	97,635
LEVERAGE (LTM)**				3.24	2.65	0.59

\* 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

At mEUR 24, free cash flow in the first nine months was mEUR 49 lower than in the same period last year.

The decline in free cash flow in the reporting period compared to the free cash flow in the same period of the prior year resulted mainly from payments for the upcoming connector exchange, payments related to management changes and restructuring costs.

In the third quarter of 2022, free cash flow amounted to mEUR - 5 compared to mEUR 8 in the same period of the prior year.

The derivation of Free Cash flow is shown below:

kEUR	01.07.- 30.09.2022	01.07.- 30.09.2021	01.01.- 30.09.2022	01.01.- 30.09.2021
<b>OPERATING CASH FLOW</b>	<b>13,558</b>	<b>31,675</b>	<b>80,114</b>	<b>123,293</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>	<b>-23,394</b>	<b>-47,988</b>	<b>-116,108</b>	<b>-149,719</b>
./. Net cash outflow for company acquisitions (less acquired cash and cash equivalents and prepayments in previous periods)	2,547	21,565	54,097	88,912
./. Cash outflow for acquisitions from prior periods	2,778	500	4,903	4,952
./. Cash inflow from the disposal of subsidiaries and business units	-43	0	-43	-400
./. Cash outflow for capital expenditures in joint ventures and other equity investments	0	2,545	600	5,890
<b>FREE CASH FLOW</b>	<b>-4,554</b>	<b>8,297</b>	<b>23,563</b>	<b>72,928</b>

For the first nine months of 2022 the cash flow from investing activities was mEUR - 116 (prior year: mEUR - 150). Cash flow from investing activities amounted to mEUR - 23 in the third quarter of 2022, compared to mEUR - 48 in the same period in prior year.

The derivation of Investments is shown below:

kEUR	01.07.- 30.09.2022	01.07.- 30.09.2021	01.01.- 30.09.2022	01.01.- 30.09.2021
Company acquisition	-2,547	-21,565	-54,097	-88,912
Purchase of minority interest and past acquisition	-2,778	-500	-4,903	-4,952
Capitalized in-house services and other intangible assets	-11,630	-11,423	-37,017	-30,035
Joint ventures and other equity investments	0	-2,545	-600	-5,890
Office building and property	-2,732	-8,282	-5,055	-9,401
Other property and equipment	-3,750	-3,672	-12,929	-10,928
Sale of subsidiaries and business operations	43	0	43	400
<b>TOTAL</b>	<b>-23,394</b>	<b>-47,988</b>	<b>-116,108</b>	<b>-149,719</b>

In the first nine months of 2022, financing activities generated cash inflows of mEUR 13 (prior year: mEUR 42).

Cash flow from financing activities amounted to mEUR - 25 in the third quarter of 2022 (prior year: mEUR 17). The mEUR 42 lower cash flow from financing activities was largely due to a mEUR 42 decrease in net borrowings compared to the prior year.

As of September 30, 2022, cash and cash equivalents amounted to mEUR 86 (prior year: mEUR 91). The reported cash and cash equivalents also include restricted cash.

Net debt as at September 30, 2022 was mEUR 725, mEUR 91 higher than the net debt of mEUR 634 as at December 31, 2021. Leverage was 3.24 (December 31, 2021: 2.80) and thus met the requirements of the existing credit agreement.

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## GUIDANCE FOR CGM GROUP

### Group

The guidance for the financial year 2022 raised in August has been adjusted due to the postponement of projects (in particular Connector upgrade).

For 2022, CGM expect revenues in a range of mEUR 1,100 to mEUR 1,130 (previously: mEUR 1,100 to mEUR 1,150), corresponding to revenue growth of 7 % to 10 % (previously: 7 % to 12 %).

Recurring revenues are expected unchanged to be above 65 %.

Organic growth is now expected in a range of 4 % and 6 % (previously: 4 % to 8 %).

Adjusted EBITDA is expected in a range of mEUR 220 to mEUR 240 (previously: mEUR 240 to mEUR 260).

Adjusted earnings per share (diluted) are now expected to be between EUR 1.70 and EUR 1.90 (previously: EUR 1.90 to EUR 2.10).

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

CGM now expects Free Cash flow in a range of mEUR 40 to mEUR 70 (previously: exceeding mEUR 100).

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## Segments

- AIS revenues are expected to range between mEUR 490 and mEUR 510, corresponding to growth in the range of 3 % to 7 %.
- The HIS segment is anticipated to generate revenues in a range between mEUR 280 to mEUR 295, corresponding to growth in the range of 9 % to 15 %.
- The CHS segment is now expected to generate revenues higher than mEUR 200 in 2022 (previously: mEUR 210 to mEUR 220), corresponding to growth of more than 15 % (previously: 21 % to 26 %).
- The PCS segment is forecasted to generate revenues between mEUR 120 and mEUR 125, corresponding to growth in the range of 2 to 6 %.

The guidance for the current financial year was published on March 10, 2022 and adjusted on August 04, 2022 and October 27, 2022. This does not take into account any effects from company acquisitions not yet completed at that date or potential transactions to be carried out in the course of financial year 2022. The guidance for 2022 is based on the management's best estimate of future market conditions and the development of the business segments of CompuGroup Medical in this environment; it may be influenced by delays in the implementation of the Telematics Infrastructure that are beyond the control of the company. In addition, the consequences of the global COVID-19 pandemic and other effects like the war in the Ukraine are not fully calculable. The guidance for 2022 could also be influenced by foreign exchange effects (especially changes in the USD/EUR conversion rate).

# Interim Statement of Financial Position

as of September 30, 2022

## ASSETS

kEUR	30.09.2022	30.09.2021	31.12.2021
<b>Non-current assets</b>			
Intangible assets	1,320,272	1,215,557	1,214,347
Property, plant and equipment	106,336	101,785	100,070
Right-of-use assets	58,040	54,560	57,930
Investments in associates and joint ventures (valued at-equity)	3,013	7,904	5,483
Other investments	3,124	641	3,123
Finance lease receivables	16,181	13,590	17,048
Contract assets	0	91	0
Other financial assets*	7,956	11,719	9,316
Derivative financial instruments*	41,762	3,291	6,594
Other non-financial assets	1,200	1,200	1,200
Deferred taxes	5,633	5,611	4,924
	<b>1,563,517</b>	<b>1,415,949</b>	<b>1,420,035</b>
<b>Current assets</b>			
Inventories	34,819	20,273	20,642
Trade receivables	169,425	163,068	147,227
Finance lease receivables	9,185	9,346	8,757
Contract assets	29,718	19,601	26,566
Other financial assets	4,491	1,180	2,719
Other non-financial assets	31,669	31,276	26,971
Income tax receivables	30,579	15,919	30,553
Cash & cash equivalents	85,833	91,364	107,343
	<b>395,719</b>	<b>352,027</b>	<b>370,778</b>
	<b>1,959,236</b>	<b>1,767,976</b>	<b>1,790,813</b>

\* Reporting of derivative financial instruments previously under other financial assets

# Interim Statement of Financial Position

as of September 30, 2022

## SHAREHOLDER EQUITY AND LIABILITIES

kEUR	30.09.2022	30.09.2021	31.12.2021
<b>Equity</b>			
Subscribed capital	53,735	53,735	53,735
Treasury shares	-105,205	-71,353	-98,796
Reserves	729,475	631,088	657,135
<b>Capital and reserves allocated to the shareholders of the parent company</b>	<b>678,005</b>	<b>613,470</b>	<b>612,074</b>
Non-controlling interests	899	259	210
	<b>678,904</b>	<b>613,729</b>	<b>612,284</b>
<b>Non-current liabilities</b>			
Provisions for post-employment benefits and other non-current provisions	41,443	47,450	40,628
Liabilities to banks	739,979	583,674	582,441
Contract liabilities	7,644	7,143	9,307
Purchase price liabilities	6,924	3,830	4,262
Lease liabilities	35,917	33,239	38,544
Other financial liabilities	1,254	5,837	4,640
Other non-financial liabilities	42	1,204	37
Deferred taxes	110,683	116,315	100,325
	<b>943,886</b>	<b>798,692</b>	<b>780,184</b>
<b>Current liabilities</b>			
Liabilities to banks	6,031	70,840	92,476
Contract liabilities	104,233	107,588	79,086
Purchase price liabilities	16,490	8,529	7,453
Trade payables	90,188	54,494	93,193
Income tax liabilities	11,108	6,703	18,675
Other provisions	48,176	50,617	51,756
Derivative instruments	910	0	0
Lease liabilities	22,685	20,238	18,673
Other financial liabilities	9,528	8,825	15,130
Other non-financial liabilities	27,097	27,721	21,903
	<b>336,446</b>	<b>355,555</b>	<b>398,345</b>
	<b>1,959,236</b>	<b>1,767,976</b>	<b>1,790,813</b>

# Interim Income Statement

for the reporting period of January 1 – September 30, 2022

kEUR	01.07.- 30.09.2022	01.07.- 30.09.2021	01.01.- 30.09.2022	01.01.- 30.09.2021	01.01.- 31.12.2021
Revenues	285,387	276,344	802,083	746,109	1,025,322
Capitalized inhouse services	10,964	9,251	33,749	25,192	37,294
Other income	2,055	1,685	9,477	9,323	24,771
Expenses for goods and services purchased	-56,496	-47,694	-145,189	-132,174	-191,426
Personnel expenses	-133,698	-126,345	-403,913	-363,095	-497,723
Net impairment losses on financial and contract assets	-683	-1,521	-1,009	-3,257	-7,378
Other expenses	-48,142	-42,216	-145,277	-117,494	-177,470
<b>Earnings before interest, taxes, depreciation and amortization (EBITDA)</b>	<b>59,387</b>	<b>69,504</b>	<b>149,921</b>	<b>164,604</b>	<b>213,390</b>
Depreciation of property, plant and equipment and right-of-use assets	-10,555	-9,851	-31,192	-27,204	-37,837
<b>Earnings before interest, taxes and amortization (EBITA)</b>	<b>48,832</b>	<b>59,653</b>	<b>118,729</b>	<b>137,400</b>	<b>175,553</b>
Amortization of intangible assets	-17,734	-17,650	-50,452	-51,639	-72,876
thereof from purchase price allocations	-11,587	-14,943	-34,731	-38,087	-48,900
<b>Earnings before interest and taxes (EBIT)</b>	<b>31,098</b>	<b>42,003</b>	<b>68,277</b>	<b>85,761</b>	<b>102,677</b>
Result from companies accounted for using the equity method	0	0	0	11	33
Financial income	14,420	-105	28,278	644	3,854
Financial expenses	-2,156	-2,069	-8,740	-5,606	-8,690
<b>Earnings before taxes (EBT)</b>	<b>43,362</b>	<b>39,829</b>	<b>87,815</b>	<b>80,810</b>	<b>97,874</b>
Income taxes for the period	-13,902	-11,444	-28,001	-24,243	-28,842
<b>Consolidated net income for the period</b>	<b>29,460</b>	<b>28,385</b>	<b>59,814</b>	<b>56,567</b>	<b>69,032</b>
of which: allocated to shareholders of the parent company	29,337	28,396	59,612	56,535	68,970
of which: allocated to non-controlling interests	123	-11	202	32	62
<b>Earnings per share (from continuing operations)</b>					
undiluted (EUR)	0.56	0.54	1.14	1.07	1.30
diluted (EUR)	0.56	0.51	1.14	1.02	1.30

# Cash Flow Statement

as of September 30, 2022

kEUR	01.07.- 30.09.2022	01.07.- 30.09.2021	01.01.- 30.09.2022	01.01.- 30.09.2021	01.01.- 31.12.2021
Consolidated net income for the period	29,459	28,385	59,814	56,567	69,032
Depreciation of property, plant and equipment and right-of-use assets and amortization of intangible assets	28,290	27,501	81,644	78,843	110,713
Earnings on sale of fixed assets	-43	-55	-187	-100	-1,689
Change in provisions (including income tax liabilities)	-3,057	5,891	-14,082	-7,812	-7,147
Change in derivative financial instruments*	-22,250	100	-34,273	-3,819	-6,594
Deferred tax income/expense	3,094	1,279	6,186	945	-4,665
Other non-cash earnings/ expenditures	16,279	-198	4,212	1,104	-5,391
	<b>51,772</b>	<b>62,903</b>	<b>103,314</b>	<b>125,728</b>	<b>154,259</b>
Change in inventories	-5,435	892	-14,155	-1,840	-2,280
Change in trade receivables and other receivables	-15,119	-14,994	-12,075	-14,725	-7,703
Change in income tax receivables	919	509	162	694	-14,008
Change in other receivables*	2,198	3,003	-3,364	-5,587	770
Change in trade payables	7,035	-3,299	-8,901	-14,626	23,911
Change contract liabilities	-27,430	-16,328	17,247	30,430	6,654
Change in other liabilities	-382	-1,011	-2,114	3,219	3,671
<b>Operating cash flow</b>	<b>13,558</b>	<b>31,675</b>	<b>80,114</b>	<b>123,293</b>	<b>165,274</b>
Cash outflow for capital expenditure in intangible assets	-11,630	-11,423	-37,017	-30,035	-44,393
Cash inflow from disposals of property, plant and equipment	-14	86	279	657	7,276
Cash outflow for capital expenditure in property, plant and equipment	-6,468	-12,041	-19,813	-20,987	-27,049
Net cash outflow for company acquisitions (less acquired cash and cash equivalents and prepayments in previous periods)	-2,547	-21,565	-54,097	-88,912	-88,507
Cash outflow for acquisitions from prior periods	-2,778	-500	-4,903	-4,952	-5,650
Cash inflow from the disposal of subsidiaries and business units	43	0	43	400	400
Cash outflow for capital expenditures in joint ventures and other equity investments	0	-2,545	-600	-5,890	-6,053
<b>Cash flow from investing activities</b>	<b>-23,394</b>	<b>-47,988</b>	<b>-116,108</b>	<b>-149,719</b>	<b>-163,976</b>
Buyback of own shares	0	0	-9,109	-71,353	-96,096
Dividend paid	0	0	-26,117	-26,367	-26,367
Capital paid to non-controlling interests	-175	0	-175	0	-169
Acquisition of additional shares from non-controlling interests	0	0	-17	0	-10
Downpayment of lease liabilities	-6,451	-5,714	-17,856	-15,426	-21,144
Cash inflow from borrowing of loans	248,768	35,589	595,215	243,446	265,081
Cash outflow from the repayment of loans	-267,513	-12,558	-528,459	-88,777	-91,142
<b>Cash flow from financing activities</b>	<b>-25,371</b>	<b>17,317</b>	<b>13,482</b>	<b>41,523</b>	<b>30,153</b>
Cash and cash equivalents at the beginning of the period	120,066	0	107,343	75,910	75,910
<b>Change in cash and cash equivalents</b>	<b>-35,207</b>	<b>1,004</b>	<b>-22,512</b>	<b>15,097</b>	<b>31,451</b>
Changes due to exchange rate fluctuations	974	-112	1,002	358	-18
<b>Cash and cash equivalents at the end of the period</b>	<b>85,833</b>	<b>892</b>	<b>85,833</b>	<b>91,365</b>	<b>107,343</b>
Interest paid	2,430	705	5,402	2,951	4,178
Interest received	22	151	346	686	560
Income taxes paid	7,490	12,788	32,681	33,527	49,280

\* Change in derivative financial instruments previously reported under changes in other receivables

# Segment reporting

as of September 30, 2022

	Segment AIS Ambulatory Information Systems			Segment HIS Hospital Information Systems			Segment CHS Consumer and Health Manage- ment Information Systems			Segment PCS Pharmacy Information Systems		
	2022*	2021	2021	2022*	2021	2021	2022*	2021	2021	2022*	2021	2021
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
<b>Revenues to third parties</b>	<b>365,364</b>	<b>348,840</b>	<b>475,846</b>	<b>206,780</b>	<b>182,893</b>	<b>257,426</b>	<b>136,366</b>	<b>128,258</b>	<b>173,664</b>	<b>93,525</b>	<b>86,052</b>	<b>118,240</b>
thereof Software license	30,786	37,156	50,298	23,912	19,892	30,818	799	746	990	3,690	3,444	4,803
thereof Hardware	15,196	15,680	21,945	6,102	8,100	12,481	23,726	42,129	51,374	18,109	17,011	25,196
thereof Professional Services	25,039	25,443	35,445	35,622	33,517	48,013	13,070	10,393	15,237	7,940	6,391	9,195
thereof Software Maintenance & hotline	208,151	190,576	259,373	104,328	90,434	123,488	10,459	8,259	11,881	31,383	28,518	38,241
thereof Other recurring revenues	79,116	74,686	100,705	36,482	30,704	42,194	41,298	36,397	50,194	31,639	30,408	40,375
thereof Advertising, eDetailing and Data	506	557	765	0	0	3	45,298	29,286	42,136	341	190	293
thereof Other revenues	6,571	4,741	7,315	333	247	430	1,716	1,049	1,851	423	89	138
<b>Point in time of revenue recognition</b>												
at a specific point in time	24,317	23,359	33,052	10,147	11,957	18,152	25,533	43,320	53,404	19,657	18,042	26,756
over a period of time	341,048	325,481	442,794	196,634	170,937	239,274	110,833	84,939	120,260	73,868	68,010	91,485
	<b>365,364</b>	<b>348,840</b>	<b>475,846</b>	<b>206,780</b>	<b>182,893</b>	<b>257,426</b>	<b>136,366</b>	<b>128,258</b>	<b>173,664</b>	<b>93,525</b>	<b>86,052</b>	<b>118,240</b>
thereof recurring revenues	287,267	265,262	360,078	140,811	121,138	165,681	51,757	44,656	62,076	63,022	58,926	78,616
Revenues between segments	50,138	43,630	59,966	4,031	4,540	4,274	26,940	11,467	15,784	2,637	3,861	5,001
<b>Segment Revenues</b>	<b>415,502</b>	<b>392,470</b>	<b>535,812</b>	<b>210,811</b>	<b>187,433</b>	<b>261,699</b>	<b>163,306</b>	<b>139,725</b>	<b>189,448</b>	<b>96,162</b>	<b>89,913</b>	<b>123,242</b>
Capitalized inhouse services	9,572	3,609	7,397	13,571	12,259	17,775	7,318	6,379	7,568	3,235	2,946	4,555
Other income	9,810	3,130	7,084	3,555	5,198	9,894	715	754	1,613	1,745	878	1,577
Expenses for goods and services purchased	-98,869	-86,145	-122,795	-33,604	-32,268	-46,928	-76,241	-54,687	-77,410	-24,250	-23,639	-32,934
Personnel costs	-163,454	-155,811	-212,385	-120,193	-103,865	-143,748	-44,216	-33,340	-46,524	-34,301	-32,083	-43,572
Other expenses	-81,050	-66,762	-98,375	-48,791	-38,563	-55,722	-31,960	-24,433	-34,804	-15,706	-14,291	-19,168
<b>EBITDA</b>	<b>91,511</b>	<b>90,491</b>	<b>116,738</b>	<b>25,349</b>	<b>30,194</b>	<b>42,970</b>	<b>18,923</b>	<b>34,397</b>	<b>39,891</b>	<b>26,885</b>	<b>23,724</b>	<b>33,699</b>
in % of revenues	25.0%	25.9%	24.5%	12.3%	16.5%	16.7%	13.9%	26.8%	23.0%	28.7%	27.6%	28.5%
Depreciation of property, plant and equipment and right-of-use assets												
Amortization of intangible assets												
<b>EBIT</b>												
Results from associates recog- nised at equity												
Financial income												
Financial expense												
<b>EBT</b>												
Taxes on income for the period												
Profit for the period from discontinued operations												
<b>Consolidated net income for the period</b>												
in % of revenues												

\* In 2022, some minor profit centers were reallocated and the internal cost allocation was updated

# Segment reporting

as of September 30, 2022

	All other Segments			Sum Segments			Consolidation			CGM Group		
	2022*	2021	2021	2022*	2021	2021	2022*	2021	2021	2022*	2021	2021
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.
<b>Revenues to third parties</b>	<b>47</b>	<b>66</b>	<b>146</b>	<b>802,083</b>	<b>746,109</b>	<b>1,025,322</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>802,083</b>	<b>746,109</b>	<b>1,025,322</b>
thereof Software license	0	0	0	59,186	61,238	86,909	0	0	0	59,186	61,238	86,909
thereof Hardware	0	0	0	63,133	82,921	110,995	0	0	0	63,133	82,921	110,995
thereof Professional Services	47	66	133	81,717	75,811	108,024	0	0	0	81,717	75,811	108,024
thereof Software Maintenance & hotline	0	0	0	354,322	317,787	432,983	0	0	0	354,322	317,787	432,983
thereof Other recurring revenues	0	0	0	188,536	172,195	233,467	0	0	0	188,536	172,195	233,467
thereof Advertising, eDetailing and Data	0	0	0	46,146	30,033	43,196	0	0	0	46,146	30,033	43,196
thereof Other revenues	0	0	13	9,043	6,125	9,748	0	0	0	9,043	6,125	9,748
<b>Point in time of revenue recognition</b>												
at a specific point in time	0	0	13	79,654	96,677	131,376	0	-1	0	79,654	96,676	131,376
over a period of time	47	66	133	722,429	649,432	893,946	0	1	0	722,429	649,433	893,946
	<b>47</b>	<b>66</b>	<b>146</b>	<b>802,083</b>	<b>746,109</b>	<b>1,025,322</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>802,083</b>	<b>746,109</b>	<b>1,025,322</b>
thereof recurring revenues	0	0	0	542,857	489,982	666,451	0	0	0	542,857	489,982	666,451
Revenues between segments	11,243	6,369	8,651	94,988	69,867	93,675	-94,988	-69,867	-93,675	0	0	0
<b>Segment Revenues</b>	<b>11,289</b>	<b>6,435</b>	<b>8,796</b>	<b>897,070</b>	<b>815,976</b>	<b>1,118,997</b>	<b>-94,988</b>	<b>-69,867</b>	<b>-93,675</b>	<b>802,083</b>	<b>746,109</b>	<b>1,025,322</b>
Capitalized inhouse services	0	0	0	33,697	25,192	37,294	52	0	0	33,749	25,192	37,294
Other income	66,528	62,010	92,081	82,353	71,971	112,249	-72,876	-62,647	-87,478	9,477	9,323	24,771
Expenses for goods and services purchased	-5,940	-2,335	-3,493	-238,903	-199,074	-283,560	93,714	66,900	92,134	-145,189	-132,174	-191,426
Personnel costs	-42,533	-38,030	-51,778	-404,696	-363,129	-498,007	783	34	284	-403,913	-363,095	-497,723
Other expenses	-42,083	-42,847	-65,126	-219,591	-186,896	-273,196	73,305	66,145	88,348	-146,286	-120,751	-184,847
<b>EBITDA</b>	<b>-12,739</b>	<b>-14,767</b>	<b>-19,521</b>	<b>149,930</b>	<b>164,039</b>	<b>213,777</b>	<b>-9</b>	<b>565</b>	<b>-387</b>	<b>149,921</b>	<b>164,604</b>	<b>213,390</b>
in % of revenues				18.7%	22.0%	20.8%				18.7%	22.1%	20.8%
Depreciation of property, plant and equipment and right-of-use assets										-31,192	-27,204	-37,837
Amortization of intangible assets										-50,452	-51,639	-72,876
<b>EBIT</b>										<b>68,277</b>	<b>85,761</b>	<b>102,677</b>
Results from associates recognised at equity										0	11	33
Financial income										28,278	644	3,854
Financial expense										-8,740	-5,605	-8,690
<b>EBT</b>										<b>87,815</b>	<b>80,810</b>	<b>97,874</b>
Taxes on income for the period										-28,001	-24,243	-28,842
Profit for the period from discontinued operations										0	0	0
<b>Consolidated net income for the period</b>										<b>59,814</b>	<b>56,567</b>	<b>69,032</b>
in % of revenues										7.5%	7.6%	6.7%

\* In 2022, some minor profit centers were reallocated and the internal cost allocation was updated

# Additional information

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## FINANCIAL CALENDAR

Date	Event
February 9, 2023	Quarterly Statement Q4 2022
March 24, 2023	Annual Report 2022
May 10, 2023	Quarterly Statement Q1 2022
May 17, 2023	Annual General Meeting

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# Management Responsibility Statement

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To the best of our knowledge and in accordance with the 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 interim management report of the group 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 3, 2022

**CompuGroup Medical SE & Co. KGaA**  
**Represented by the Managing Directors**  
**of CompuGroup Medical Management SE**



Michael Rauch



Angela Mazza Teufer



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