

PRESS RELEASE

Full year Financial Information at March 31, 2018

IFRS - Regulated Information - Not Audited

Cegedim: revenue growth continues

- Revenues grew 2.6% like for like over the full year
- Business model transformation moving forward

Disclaimer: This press release is available in French and in English. In the event of any difference between the two versions, the original French version takes precedence. This press release may contain inside information. It was sent to Cegedim's authorized distributor on April 26, 2018, no earlier than 5:45 pm Paris time.

The terms "business model transformation" and "BPO" are defined in the glossary.

Owing to the disposal of the Group's Cegelease and Eurofarmat businesses, announced in 2017 and completed on February 28, 2018, the consolidated 2017 and 2018 financial statements are presented according to IFRS 5, "Non-current assets held for sale and discontinued". See the annexes for more details.

The Group also applies the IFRS 15 accounting standard, "Revenue from contracts with customers".

CONFERENCE CALL ON APRIL 26, 2018, AT 6:15PM CET

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The webcast is available at the following address: www.cegedim.fr/webcast

Boulogne-Billancourt, France, April 26, 2018, after the market close

Cegedim, an innovative technology and services company, posted consolidated Q1 2018 revenues from continuing activities of €111.9 million, up 1.8% on a reported basis and 2.6% like for like compared with the same period in 2017.

The application of the new IFRS 15 accounting standard has no material impact on Group revenue.

Cegedim's business model transformation is progressing according to plan. As a result, the *Insurance, HR and e-services* division continued to post robust growth in the first quarter of 2018, while *Healthcare professionals* division revenues fell ahead of new product launches in the UK and US.

As a reminder, the Group's first-quarter and third-quarter revenue figures are typically slightly lower than what it generates in the second quarter and especially the fourth quarter.

Revenue trends by division

- **First quarter 2018**

In € million	First quarter			
	2018	2017	Chg. L-f/l	Chg. Reported
Health insurance, HR and e-services	72.9	68.6	+6.4%	+6.3%
Healthcare professionals	38.0	40.3	(3.5)%	(5.7)%
Corporate and others	1.0	1.1	(6.5)%	(6.5)%
Cegedim	111.9	110.0	+2.6%	+1.8%

In the first quarter of 2018, **Cegedim** posted consolidated revenues from continuing activities of €111.9 million, up 1.8% on a reported basis. Excluding an unfavorable currency translation effect of 0.8%, revenues rose 2.6%. There was virtually no impact from acquisitions or disposals in this quarter.

The unfavorable currency translation effect of €0.9 million, or 0.8%, was chiefly due to the €0.5 million negative impact of the US dollar, which represents 2.6% of Group revenues, and the €0.3 million negative impact of the pound sterling, which represents 9.8% of revenues.

In like-for-like terms, *Health insurance, HR and e-services* division revenues rose by 6.4%, and *Healthcare professionals* division revenues declined by 3.5%.

Analysis of business trends by division

- **Health insurance, HR and e-services**

The division's Q1 2018 revenues came to €72.9 million, up 6.3% on a reported basis. Currency translation had a negative impact of 0.1%. There were no acquisitions or divestments. Like-for-like revenues rose 6.4% over the period.

The **Health insurance, HR and e-services** division represented 65.1% of consolidated revenues, compared with 62.4% over the same period a year earlier.

The businesses that made the biggest contributions to growth were **Cegedim SRH** (HR management solutions), **Cegedim e-business** (digitalization and data exchange), sales statistics for pharmaceutical products, and the computerization of health insurance companies in the UK. This performance was partially offset by the impact of switching the health insurance company computerization activity over to a SaaS model in France, and by the timing of **C-MEDIA** campaigns (ad space in pharmacies and health & wellness shops).

- **Healthcare professionals**

The division's Q1 2018 revenues came to €38.0 million, down 5.7% on a reported basis. Currency translation had a negative impact of 2.1%. There was virtually no impact from acquisitions or divestments. Like-for-like revenues fell 3.5% over the period.

The **Healthcare professionals** division represented 34.0% of consolidated revenues from continuing activities, compared with 36.7% over the same period a year earlier.

The division was negatively affected by doctor computerization activities in the UK, the US and Spain ahead of new product launches. This impact was partly offset by computerization activities for doctors and allied health professionals in France. The stability of the pharmacy computerization business in France is particularly noteworthy.

- **Corporate and others**

The division's Q1 2018 revenues came to €1.0 million, down 6.5% on a reported basis and like for like. There was no currency impact and no acquisitions or divestments.

The **Corporate and others** division represented 0.9% of consolidated revenues from continuing activities compared with 1.0% over the same period a year earlier

Highlights

Apart from the items cited below, to the best of the company's knowledge, there were no events or changes during the period that would materially alter the Group's financial situation.

- **Sale of Cegedim shares held by Bpifrance**

Bpifrance Participations sold 1,682,146 Cegedim shares via an accelerated bookbuilding process to French and international institutional investors at a price of €35 per share on February 13, 2018. In the context of the transaction, the shareholders' agreement dated October 28, 2009, between Mr. Jean-Claude Labrune, FCB (the family holding company controlled by Mr. Labrune), and Bpifrance – as well as the concert between the parties – has been terminated. Following the sale, Cegedim's free float increased to 44% of capital (vs. 32% before the transaction).

- **Completed disposal of the Cegelease and Eurofarmat**

On February 28, 2018, Cegedim announced that it had completed the disposal of Cegelease and Eurofarmat to FRANFINANCE of the Société Générale Group for an amount of €57.5 million plus reimbursement of the shareholder's loan account, which amounted to €13 million. Of this amount, Cegedim used €30 million to pay down its debt.

The parties have decided that Cegelease and the Cegedim Group will continue to collaborate in France under their current terms as part of a six-year collaboration agreement.

- **Acquisition of Rue de la Paye in France**

On March 30, 2018, Cegedim acquired French company Rue de la Paye via its Cegedim SRH subsidiary. The deal will enable the Group to market digital payroll solutions to 2 million SMEs and small businesses in France, including – importantly – thousands of healthcare professionals that are already Cegedim Group clients.

Rue de la Paye's 2017 revenues were equivalent to around 1% of Group 2017 revenues, and it earned a profit. It began contributing to the Group's consolidation scope in April 2018.

- **Tax**

On February 21, 2018, Cegedim S.A. received notice that French tax authorities would perform an audit of its accounts covering the period January 1, 2015, to December 31, 2016.

Significant post-closing transactions and events

To the best of the company's knowledge, there were no events or changes after the accounts were closed that would materially alter the Group's financial situation.

Outlook

- **Cautiously optimistic for 2018**

Building on the efforts that it executed with success in 2017, Cegedim continues to pursue its strategy of focusing on organic growth, fueled by a policy of sustained innovation.

For 2018 the Group targets a moderate organic revenue and EBITDA margin growth. The Group does not issue any earnings estimates or forecasts.

- **Potential impact of Brexit**

In 2017, the UK accounted for 10.9% of consolidated Group revenues from continuing activities and 14.0% of consolidated Group EBIT.

Cegedim deals in local currency in the UK, as it does in every country where it is present. Thus, Brexit is unlikely to have a material impact on Group EBIT.

With regard to healthcare policy, the Group has not identified any major European programs at work in the UK and expects UK policy to be only marginally affected by Brexit.

The figures cited above include guidance on *Cegedim's* future financial performances. This forward-looking information is based on the opinions and assumptions of the Group's senior management at the time this press release is issued and naturally entails risks and uncertainty. For more information on the risks facing *Cegedim*, please refer to Chapter 2 points 4.2, "Risk factors and insurance", and 5.5, "Outlook", of the 2017 Registration Document filed with the AMF on March 29, 2018, under number D.18-0219.

Additional information

Revenue figures for Q1 2018 have not been audited by the Statutory Auditors.

Financial calendar, H1 2018

June 19, 2018, at 9:30 am CET

Cegedim shareholders' meeting

July 26, 2018, after the market close

Second-quarter 2018 revenues

April 26, 2018, at 6:15pm (Paris time)

The Group will hold a conference call hosted by [Jan Eryk Umiastowski](#), [Cegedim Chief Investment Officer and Head of Investor Relations](#).

The webcast is available at the following address: www.cegedim.fr/webcast

The presentation on Q1 2018 revenues is available on the [website](#) and on the Group's financial communications app, [Cegedim IR](#).

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Appendices

Breakdown of revenues from continuing activities by quarter and division

• Q1 2018					
In € thousands	Q1	Q2	Q3	Q4	Total
Health insurance, HR and e-services	72,923				
Healthcare professionals	38,029				
Corporate and others	989				
Cegedim	111,941				

• FY 2017					
In € thousands	Q1	Q2	Q3	Q4	Total
Health insurance, HR and e-services	68,610	71,653	67,958	82,856	291,077
Healthcare professionals	40,320	41,495	37,999	42,672	162,486
Corporate and others	1,058	933	961	926	3,878
Cegedim	109,989	114,081	106,918	126,454	457,441

Breakdown of revenues from continuing activities by geographic zone and division

• At March 31, 2017				
In € thousands	France	EMEA excl. France	Americas	APAC
Health insurance, HR and e-services	97.0%	3.0%	-	-
Healthcare professionals	62.2%	29.9%	7.9%	-
Corporate and others	100.0%	-	-	-
Cegedim	85.2%	12.1%	2.7%	-

Breakdown of revenues from continuing activities by currency and division

• At March 31, 2017				
In € thousands	Euro	GBP	USD	Others
Health insurance, HR and e-services	97.0%	2.1%	-	1.0%
Healthcare professionals	65.9%	25.0%	7.6%	1.5%
Corporate and others	100.0%	-	-	-
Cegedim	86.4%	9.8%	2.6%	1.2%

Application of IFRS 5

On December 14, 2017, *Cegedim* announced that it had signed a contract for the definitive sale of its *Cegelease* and *Eurofarmat* businesses. The deal was finalized on February 28, 2018. As a result, the consolidated 2017 and Q1 2018 financial statements are presented according to IFRS 5, "Non-current assets held for sale and discontinued". IFRS 5 governs the accounting treatment for non-current assets held for sale.

In practice, their contribution to each line of *Cegedim's* consolidated income statement (before minority interests) is combined into the "Net profit from activities sold or held for sale" line, and the group share of their net profit is excluded from *Cegedim's* adjusted net profit. Earlier periods have also been restated so that the information presented is comparable.

The table below shows the impact of the restatement:

In € thousands	Q1 2018	Q1 2017	Change
Revenue from continuing activities	111,941	109,989	+1.8%
Revenue from assets held for sale	2,211	3,926	(43.7)%
IFRS 5 restatement	(182)	(209)	(13.2)%
Group revenues	113,970	113,705	+0.2%

Glossary

BPO (Business Process Outsourcing): BPO is the contracting of non-core business activities and functions to a third-party provider. Cegedim provides BPO services for human resources, Revenue Cycle Management in the US and management services for insurance companies, provident institutions and mutual insurers.

Business model transformation: Cegedim decided in fall 2015 to switch all of its offerings over to SaaS format, to develop a complete BPO offering, and to materially increase its R&D efforts. This is reflected in the Group's revamped business model. The change has altered the Group's revenue recognition and negatively affected short-term profitability

Corporate and others: This division encompasses the activities the Group performs as the parent company of a listed entity, as well as the support it provides to the three operating divisions.

EPS: Earnings Per Share is a specific financial indicator defined by the Group as the net profit (loss) for the period divided by the weighted average of the number of shares in circulation.

Operating expenses: Operating expenses is defined as purchases used, external expenses and payroll costs.

Revenue at constant exchange rate: When changes in revenue at constant exchange rate are referred to, it means that the impact of exchange rate fluctuations has been excluded. The term "at constant exchange rate" covers the fluctuation resulting from applying the exchange rates for the preceding period to the current fiscal year, all other factors remaining equal.

Revenue on a like-for-like basis: The effect of changes in scope is corrected by restating the sales for the previous period as follows:

- by removing the portion of sales originating in the entity or the rights acquired for a period identical to the period during which they were held to the current period;
- similarly, when an entity is transferred, the sales for the portion in question in the previous period are eliminated.

Life-for-like data (L-f-l): At constant scope and exchange rates.

Internal growth: Internal growth covers growth resulting from the development of an existing contract, particularly due to an increase in rates and/or the volumes distributed or processed, new contracts, acquisitions of assets allocated to a contract or a specific project.

External growth: External growth covers acquisitions during the current fiscal year, as well as those which have had a partial impact on the previous fiscal year, net of sales of entities and/or assets.

EBIT: Earnings Before Interest and Taxes. EBIT corresponds to net revenue minus operating expenses (such as salaries, social charges, materials, energy, research, services, external services, advertising, etc.). It is the operating income for the Cegedim Group.

EBIT before special items: This is EBIT restated to take account of non-current items, such as losses on tangible and intangible assets, restructuring, etc. It corresponds to the operating income from recurring operations for the Cegedim Group.

EBITDA: Earnings before interest, taxes, depreciation and amortization. EBITDA is the term used when amortization or depreciation and revaluations are not taken into account. "D" stands for depreciation of tangible assets (such as buildings, machines or vehicles), while "A" stands for amortization of intangible assets (such as patents, licenses and goodwill). EBITDA is restated to take account of non-current items, such as losses on tangible and intangible assets, restructuring, etc. It corresponds to the gross operating earnings from recurring operations for the Cegedim Group.

Adjusted EBITDA : Consolidated EBITDA adjusted, for 2016, for the €4.0m of negative impact from impairment of receivables in the Healthcare Professional division

Net Financial Debt: This represents the Company's net debt (non-current and current financial debt, bank loans, debt restated at amortized cost and interest on loans) net of cash and cash equivalents and excluding revaluation of debt derivatives.

Free cash flow: Free cash flow is cash generated, net of the cash part of the following items: (i) changes in working capital requirements, (ii) transactions on equity (changes in capital, dividends paid and received), (iii) capital expenditure net of transfers, (iv) net financial interest paid and (v) taxes paid.

EBIT margin: EBIT margin is defined as the ratio of EBIT/revenue.

EBIT margin before special items: EBIT margin before special items is defined as the ratio of EBIT before special items/revenue.

Net cash: Net cash is defined as cash and cash equivalent minus overdraft.

About Cegedim:

Founded in 1969, Cegedim is an innovative technology and services company in the field of digital data flow management for healthcare ecosystems and B2B, and a business software publisher for healthcare and insurance professionals. Cegedim employs more than 4,200 people in more than 10 countries and generated revenue of €457 million in 2017. Cegedim SA is listed in Paris (EURONEXT: CGM).

To learn more, please visit: www.cegedim.com

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