

PRESS RELEASE

Quarterly financial information as of December 31, 2019
IFRS - Regulated information - Not audited

Cegedim: Revenue grew by 7.7% in FY 2019

- Like-for-like revenues grew 7.0% over FY 2019
- Like-for-like revenues grew 6.5% over Q4 2019

Boulogne-Billancourt, France, January 27, 2020, after the market close

Cegedim, an innovative technology and services company, generated consolidated full year revenues of **€503.7 million in 2019**, an increase of 7.7% as reported and 7.0% like-for-like compared with the same period in 2018. All the operating divisions made positive year-on-year contributions to the Group's like-for-like growth

Group revenue trends, consolidated and by division

- **Full year 2019**

in € million	Full year			
	2019	2018	Chg. LFL	Chg. Reported
Health insurance, HR and e-services	340.5	307.7	+8.6%	+10.7%
Healthcare professionals	159.8	156.2	+4.2%	+2.3%
Corporate and others	3.4	3.8	(10.2)%	(10.2)%
Cegedim	503.7	467.7	+7.0%	+7.7%

Excluding a favorable currency translation impact of 0.1% and a favorable scope effect of 0.6%, revenues rose 7.0%.

The €2.6 million boost from scope effects, or 0.6%, was chiefly due to the acquisition of *Ximantix* in Germany on January 21, 2019, *BSV* in France on January 31, 2019, *Cosytex* in France in July 2019, and that of *NetEDI* in the United Kingdom, partly offset by the sale of virtually all the business activities of *Pulse Systems Inc* in the United States in August 2019. *Pulse Systems* contributed €11.3million to the Group's consolidated revenue in 2018 and €7.4 million in 2019.

BPO activities for the insurance and human resources business generated revenues totaling €45.5 million over the full year 2019, a 26.8% improvement compared with 2018.

- **Fourth Quarter 2019**

in € million	Fourth quarter			
	2019	2018	Chg. LFL	Chg. Reported
Health insurance, HR and e-services	98.4	86.5	+11.3%	+13.8%
Healthcare professionals	40.2	43.7	(2.5)%	(8.1)%
Corporate and others	0.9	1.0	(11.7)%	(11.7)%
Cegedim	139.5	131.2	+6.5%	+6.3%

Cegedim's Q4-2019 consolidated revenues came to €139.5 million, up 6.3% as reported. Excluding a favorable currency translation impact of 0.2% and an unfavorable scope effect of 0.4%, revenues rose 6.5%.

The unfavorable scope impact of €0.5 million, or 0.4%, was mainly attributable to the acquisitions of *Ximantix* in Germany on January 21, 2019, *BSV* in France on January 31, 2019, *Cosytec* in France in July 2019, and that of *NetEDI* in United Kingdom, offset by the sale of virtually all the business activities of *Pulse Systems Inc* in the United States in August 2019.

Analysis of business trends by division

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

The division's reported revenues rose 10.7% in the full year 2019 to €340.5 million. Currencies had virtually no impact. Acquisitions had a favorable impact of 2.0%. Like-for-like revenues rose 8.6% over the period. Over the full year 2019, acquisitions' positive contribution of 2.0%, or €6.2 million, came mainly from *Ximantix*, *BSV*, *NetEDI* and *Cosytec*. This division represented 67.6% of consolidated FY 2019 revenues compared with 65.8% a year earlier.

The businesses that made the biggest contributions to this growth in 2019 were—in the health insurance sector—BPO and third-party payment flow processing activities, *Cegedim e-business* (document and process digitization), *Cegedim SRH* (HR management solutions), *Cegedim Health Data* (data and analytics for the healthcare market), and *Cegedim-Media* (digital and conventional communications solutions in pharmacies).

- **Healthcare professionals**

The division's reported revenues rose 2.3% in the full year 2019 to €159.8 million. Currency translation had a positive impact of 0.4%. Acquisitions and disposals had a negative impact of 2.3%. Like-for-like revenues rose 4.2% over the period. Over the full year 2019, the 2.3% negative impact from acquisitions and disposals, or €3.6 million, was mainly due to the sale of virtually all the business activities of *Pulse Systems Inc* in the United States in August 2019. This division represented 31.7% of consolidated FY 2019 revenues compared with 33.4% a year earlier.

The businesses that made the biggest positive contributions over the year were computerization solutions for doctors and allied health professionals in France, for pharmacists in the United Kingdom and Romania, for appointment scheduling and remote consultations (*Docavenue*), and for doctors in Romania and the UK.

The decrease in Q4-19 revenues was the result of a challenging comparison caused by one-off sales to the NHS recorded in the fourth quarter in 2018 and in the second quarter in 2019.

- **Corporate and others**

The division's revenues fell 10.2% as reported and like for like in the full year 2019, to €3.4 million.

Highlights

To the best of the company's knowledge, apart from the items listed below, there were no events or changes during the fourth quarter of 2019 that would materially alter the Group's financial situation.

- **Tessi lawsuit**

On September 17, 2019, the Paris Court of Appeals overturned the Commercial Court's ruling and reduced Cegedim's penalty for financial damages resulting from the breach of a contract of sale to €2,857,693 from €4,586,000. Tessi repaid Cegedim the sum of €1,694,678 during the fourth quarter of 2019.

Significant transactions and events post December 31, 2019

To the best of the company's knowledge, there were no post-closing events or changes that would materially alter the Group's financial situation.

Outlook

For the full year 2019, the Group had expected like-for-like growth above 5%. Cegedim recorded full year 2019 like-for-like revenue growth of 7.0%.

The Group is clarifying its 2019 objective for EBITDA* growth. Apart from the positive impact of the first application of IFRS 16, EBITDA growth should be in line with the growth recorded in revenue.

The Group will communicate its 2020 outlook when it releases its 2019 results on March 19, 2020, after the market close.

The Group does not expect to make any significant acquisitions in 2020.

Lastly, the Group does not provide earnings forecasts.

- **Potential impact of Brexit**

In 2018, the UK accounted for 10.0% of consolidated Group revenues and 9.9% of consolidated Group EBITDA*. In 2019, the UK accounted for 9.8% of consolidated Group revenues.

Cegedim deals in local currency in the UK. Brexit is unlikely to have a material impact on Group EBITDA*.

With regard to healthcare policy, the Group has not identified any major European programs at work in the UK, and no contracts with entities in the UK contain clauses dealing with Brexit.

Additional information

Fourth quarter 2019 and full year 2019 revenue figures have not been audited by the Statutory Auditors.

The fourth quarter 2019 revenue presentation is available at:

- The website: <https://www.cegedim.com/finance/documentation/Pages/presentations.aspx>
- The Group's financial communications app, Cegedim IR. To download the app, visit: <https://www.cegedim.com/finance/profile/Pages/cegedimir.aspx>.

(*) Alternative performance indicator

EBITDA is equivalent to recurring operating income plus net depreciation and amortization expenses.

"Recurring operating income" is defined as the difference between operating income and other non-recurring operating income and expenses.

"Other non-recurring operating income and expenses" may include impairment of tangible assets, goodwill, and other intangible assets, gains or losses on disposals of non-current assets, restructuring costs, and costs relating to workforce adaptation measures.

2020 Financial calendar

FR : +33 1 72 72 74 03 | **WEBCAST ON OCTOBER 24, 2019, AT 6:15 PM PARIS TIME**
USA : +1 646 722 4916 | **UK :** +44 (0)207 1943 759 | **PIN CODE:** 34380666#
The webcast is available at: www.cegedim.fr/webcast

March 19 after the market close	2019 results
March 20 at 10:00 am CET	Analyst meeting (SFAF) in Cegedim's auditorium
April 27 after the market close	First quarter 2020 revenue
June 17 at 9:30 am CET	Cegedim shareholders' meeting
June 25 time to be defined later	Cegedim's investor day
July 28 after the market close	Second quarter 2020 revenue
September 17 after the market close	First half 2020 results
September 18 at 10:00 am CET	Analyst meeting (SFAF) in SFAF's offices
October 28 after the market close	Third quarter 2020 revenues

Annexes

Breakdown of revenue by quarter and division

- Year 2019

<i>in € thousands</i>	Q1	Q2	Q3	Q4	Total
Health insurance, HR and e-services	79,239	83,260	79,585	98,444	340,527
Healthcare professionals	39,100	42,472	38,014	40,201	159,788
Corporate and others	882	842	836	869	3,430
Revenue from continuing activities	119,222	126,574	118,435	139,514	503,745
Revenue from activities held for sale	0	0	0	0	0
IFRS 5 restatement	0	0	0	0	0
Group revenue	119,222	125,574	118,435	139,514	503,745

- Year 2018

<i>in € thousands</i>	Q1	Q2	Q3	Q4	Total
Health insurance, HR and e-services	72,923	76,613	71,620	86,526	307,684
Healthcare professionals	38,029	38,133	36,291	43,731	156,184
Corporate and others	989	947	900	985	3,820
Revenue from continuing activities	111,941	115,693	108,811	131,242	467,688
Revenue from activities held for sale	2,066	0	0	0	2,066
IFRS 5 restatement	(36)	0	0	0	(36)
Group revenue	113,970	115,693	108,811	131,242	469,717

Breakdown of revenue by geographic zone and division

- As of December 31, 2019

<i>as a % of consolidated revenues</i>	France	EMEA excl. France	Americas	APAC
Health insurance, HR and e-services	95.8%	4.2%	0.0%	-
Healthcare professionals	62.1%	32.9%	4.9%	-
Corporate and others	99.4%	0.6%	0.0%	-
Cegedim	85.2%	13.3%	1.6%	-

Breakdown of revenue by currency and division

- As of December 31, 2019

<i>as a % of consolidated revenues</i>	Euro	GBP	USD	Others
Health insurance, HR and e-services	96.5%	2.6%	0.0%	0.9%
Healthcare professionals	67.2%	25.4%	4.7%	2.8%
Corporate and others	100.0%	0.0%	2.8%	0.0%
Cegedim	87.2%	9.8%	1.5%	1.5%

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.

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.

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.

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.

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.

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.

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

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

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

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 January 27, 2020, no earlier than 5:45 pm Paris time.

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

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

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 2.5, "Risk factors and insurance", and 2.7, "Outlook", of the 2018 Registration Document filled with the AMF on March 29, 2019.

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 almost 5,000 people in more than 10 countries and generated revenue in excess of €500 million in 2019. Cegedim SA is listed in Paris (EURONEXT: CGM).

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

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Aude Baileydier
Cegedim
Media Relations
and Communications Manager
Tel.: +33 (0)1 49 09 68 81
aude.baileydier@cegedim.com

Jan Eryk Umiastowski
Cegedim
Chief Investment Officer
and head of Investor Relations
Tel.: +33 (0)1 49 09 33 36
janeryk.umiastowski@cegedim.com

Céline Pardo & Inrène Semerard
suPR
Media Relations
Tel: +33 (0)6 52 08 13 66
+33 (0)6 80 80 83 97
cegedim@supr-agency.com

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