

PRESS RELEASE

Quarterly financial information as of June 30, 2020
IFRS - Regulated information - Not audited

Cegedim: Like-for-like revenues fell 2.5% in the first half of 2020.

- 3.3 % like-for like revenue growth in the first quarter of 2020
- A like-for-like revenue decline of 8.0% in the second quarter of 2020
- Group aiming for relatively stable full-year 2020 revenues year on year

Boulogne-Billancourt, France, July 28, 2020, after the market close

Cegedim, an innovative technology and services company, generated consolidated Q2 revenues of €114.7 million in 2020, a decrease of 9.4% as reported and 8.0% like for like compared with the same period in 2019. After posting growth in the first quarter, Cegedim generated consolidated H1 revenues of €236.2 million in 2020, a decrease of 3.9% as reported and 2.5% like for like compared with the same period in 2019.

Revenue trends

- **Second quarter of 2020**

in € million	Second quarter			
	2020	2019	LFL change	Reported change
Health insurance, HR and e-services	77.7	83.3	-8.1%	-6.7%
Healthcare professionals	36.2	42.5	-7.9%	-14.8%
Corporate and others	0.9	0.8	+4.2%	+4.2%
Cegedim	114.7	126.6	-8.0%	-9.4%

Cegedim's Q2-20 consolidated revenues came to €114.7 million, down 9.4% as reported. Excluding an unfavorable currency translation impact of 0.2pp and an unfavorable scope effect of 1.2pp, revenues fell 8.0%.

The unfavorable currency translation impact of €0.2 million, or 0.2pp was mainly attributable to appreciation of the pound sterling, which represents 11.2% of Group revenues, against the euro.

The €1.6 million hit from scope effects, or 1.2pp, was chiefly due to the sale of nearly all of the business activities of *Pulse Systems Inc.* in the US in August 2019, which was partly offset by the acquisitions of *Cosytec* in France in July 2019 and *NetEDI* in the UK in August 2019.

On a like-for-like basis, *Health insurance, HR and e-services* division revenues fell 8.1%, and those of the *Healthcare professionals* division, 7.9%.

- **First half 2020**

in € million	First half			
	2020	2019	LFL change	Reported change
Health insurance, HR and e-services	160.3	162.5	-2.7%	-1.3%
Healthcare professionals	74.1	81.6	-2.2%	-9.1%
Corporate and others	1.7	1.7	+0.3%	+0.3%
Cegedim	236.2	245.8	-2.5%	-3.9%

Cegedim's H1 2020 consolidated revenues came to €236.2 million, down 3.9% as reported. Currencies had virtually no impact. Excluding an unfavorable scope impact of 1.4pp, revenues fell 2.5%.

The €3.4 million hit from scope effects, or 1.4pp, was chiefly due to the sale of nearly all of the business activities of *Pulse Systems Inc.* in the US in August 2019, which was partly offset by the acquisitions of *Cosytec* in France in July 2019 and *NetEDI* in the UK in August 2019.

Health insurance, HR and e-services division revenues fell 2.7% like for like, and those of the *Healthcare professionals* division, 2.2%.

Covid-19 pandemic

Faced with the covid-19 pandemic—and its impact on the European economy—the Group has activated its business continuity plans and is closely following the situation's impact on its business activities. Work-from-home arrangements were activated in every country during the lockdown period. We were able to continue operating under satisfactory conditions, with no service interruptions, although volumes did decline in some activities, actions in the field were cancelled or postponed, and sales efforts generally slowed during the lockdown. Employees were encouraged to take paid leave during the period. The use of partial unemployment, which affected a limited number of teams, ended at the close of the first half.

Analysis of business trends by division

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

After growing in the first quarter, the division's reported revenues fell 6.7% in the second quarter of 2020 to €77.7 million. Like-for-like revenues fell 8.1% over the second quarter. Thus, the division's reported revenues fell 1.3% in the first half of 2020 to €160.3 million. Like-for-like revenues fell 2.7% over the period.

The H1 performance was chiefly attributable to the drop in second-quarter business at *Cegedim-Media* (communication solutions for pharmacies, including digital solutions) and from the decreased volume of third-party healthcare payments. That performance was partly offset by the expansion of health insurance sector BPO activities and business growth at *Cegedim SRH* (HR management solutions), *Cegedim e-business* (document and process digitization), and *Cegedim Health Data* (healthcare sector data and analytics).

The acquisitions of *NetEDI* and *Cosytec* made a positive contribution to Group consolidated revenue of 1.4pp to second quarter and first half 2020 growth. Currencies had virtually no impact on second quarter and first half 2020 figures.

- **Healthcare professionals**

After growing in the first quarter, the division's reported revenues fell 14.8% in the second quarter of 2020 to €36.2 million. Currency translation had a positive impact of 0.4 percentage points. Divestments had a negative impact of 6.5 percentage points. Like-for-like revenues fell 7.9%. Thus, the division's reported revenues fell 9.1% in the first half of 2020 to €74.1 million. Currency translation had a positive impact of 0.1 percentage points. Divestments had a negative impact of 6.8 percentage points. Like-for-like revenues fell 2.2%.

The 6.5pp hit from scope effects in the second quarter, or €2.8 million, and the 6.8pp hit in the first half, or €5.6 million, was chiefly due to the sale of nearly all of the business activities of *Pulse Systems Inc.* in August 2019.

The first half performance reflects growth in the first quarter offset by the negative second-quarter impact of lockdowns on activity related to pharmacy businesses in France and the UK. The appointment scheduling and teleconsultation business, *Maiia*, has experienced very brisk growth, as have *RESIP* (BCB medication database) and *RM Ingénierie* (allied health professional computerization in France).

- **Corporate and others**

The division's reported revenues rose 4.2% both as reported and like for like in the second quarter of 2020, to €0.9 million. Currencies and acquisitions had no impact. The division's reported revenues rose 0.3% as reported and like for like in the first half of 2020, to €1.7 million.

Highlights

With the exception of the covid-19 pandemic discussed above, to the best of the company's knowledge, there were no events or changes during the first half of 2020 that would materially alter the Group's financial situation.

Significant transactions and events post June 30, 2020

With the exception of the covid-19 pandemic discussed above, to the best of the company's knowledge, there were no events or changes after the closing on June 30, 2020, that would materially alter the Group's financial situation.

Outlook

The Group has a solid business model, a robust financial situation with a reasonable amount of leverage⁽¹⁾, no debt maturing before October 2024, an undrawn €55 million revolving credit facility, and an unused €24 million overdraft facility.

Because the Group operates overwhelmingly in the healthcare sector and expects activity to catch back up—particularly in third-party payments and at *C-Media*—Cegedim is looking for relatively stable revenues in full-year 2020 relative to 2019. This outlook may need adjustment if health conditions in Europe significantly deteriorate in the second half of 2020.

The Group does not expect any material acquisitions in the second half of 2020 and does not provide earnings estimates or forecasts.

Additional information

Second-quarter 2020 revenue figures have not been audited by the Statutory Auditors. The presentation can be found:

- On the website: <https://www.cegedim.fr/finance/documentation/Pages/presentations.aspx>
- And on the Cegedim IR smartphone app: <https://www.cegedim.fr/finance/profil/Pages/CegedimIR.aspx>

Financial calendar

Please note that the H1 2020 earnings announcement has been postponed until **Thursday, September 24, 2020**.

FR: +33 1 72 72 74 03	WEBCAST ON JULY 28, 2020, AT 6:15 P.M. (PARIS TIME)	USA: +1 646 722 4916	UK: +442071943759	PIN CODE 56782118#
The webcast is available at: www.cegedim.fr/webcast				
September 24 after the close	First-half 2020 results			
September 25 at 10:00 am	Analyst meeting (SFAF) in SFAF's offices			
October 28 after the close	Third-quarter 2020 revenues			
December 15 (time t.b.a.)	Cegedim's Investor Day			

(1) Leverage is equal to EBITDA⁽²⁾ divided by net debt⁽²⁾

(2) Alternative performance indicators

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.

Net financial debt comprises gross borrowings, including accrued interest and debt restatement at amortized cost less cash and cash equivalents.

Annexes

Breakdown of revenue by quarter and division

- Year 2020

<i>in € thousands</i>	Q1	Q2	Q3	Q4	Total
Health insurance, HR and e-services	82,667	77,655			160,322
Healthcare professionals	37,977	36,170			74,147
Corporate and others	852	878			1,730
Consolidated Group revenue	121,496	114,703			236,199

- 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
Consolidated Group revenue	119,222	126,574	118,435	139,514	503,745

Breakdown of revenue by geographic zone and division

- As of June 30, 2020

<i>as a % of consolidated revenues</i>	France	EMEA excl. France	Americas
Health insurance, HR and e-services	95.1%	4.9%	0.0%
Healthcare professionals	65.3%	34.4%	0.3%
Corporate and others	100.0%	0.0%	0.0%
Cegedim	85.8%	14.1%	0.1%

Breakdown of revenue by currency and division

- As of June 30, 2020

<i>as a % of consolidated revenues</i>	Euro	GBP	USD	Others
Health insurance, HR and e-services	95.8%	3.3%	0.0%	0.9%
Healthcare professionals	70.3%	26.5%	0.1%	3.1%
Corporate and others	100.0%	0.0%	0.0%	0.0%
Cegedim	87.8%	10.5%	0.0%	1.6%

Revenue trends by division

<i>as a % of consolidated revenues</i>	H1 2020	H1 2019
Health insurance, HR and e-services	67.9%	66.1%
Healthcare professionals	31.4%	33.2%
Corporate and others	0.7%	0.7%
Cegedim	100.0%	100.0%

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.

Operating margin: Operating margin is defined as the ratio of Operating Income on revenue.

Recurring Operating margin: Recurring Operating margin is defined as the ratio of Recurring Operating income on 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-l): 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 July 28, 2020, no earlier than 5:45 pm Paris time.

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 7 "Risk management", point 7.2, "Risk factors", and Chapter 3 "Overview of the financial year" point 3.6 "Outlook", of the 2019 Universal Registration Document filled with the AMF on March 31, 2020 under number D.20-0218.

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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