

## PRESS RELEASE

First-half financial information at June 30, 2023  
IFRS - Regulated information - Audited

### Cegedim: Revenue and earnings both up in the first half of 2023

- Revenue of **€301.0 million** and like-for-like growth of 12.1%
- Recurring operating income<sup>(1)</sup> up 57% to **€10.7 million**
- EBITDA up 17.2% to **€48.8 million**

Boulogne-Billancourt, France, September 20, 2023, after the market close

**Cegedim generated consolidated H1 2023 revenues of €301.0 million in 2023, an increase of 12.5% as reported, and operating income of €9.3 million, a €6.8 million increase.**

	H1 2023		H1 2022		Change	
	in €m	in %	in €m	in %	in €m	in %
<b>Revenue</b>	<b>301.0</b>	100.00%	<b>267.6</b>	100.00%	<b>33.4</b>	<b>12.5%</b>
EBITDA <sup>(1)</sup>	<b>48.8</b>	+16.2%	<b>41.7</b>	15.6%	7.1	17.2%
Depreciation & amortization	<b>-38.1</b>	-12.7%	<b>-34.8</b>	-13.0%	-3.3	-9.4%
<b>Recurring operating income<sup>(1)</sup></b>	<b>10.7</b>	3.6%	<b>6.8</b>	2.5%	<b>3.9</b>	<b>57.0%</b>
Other non-recurring operating income and expenses <sup>(1)</sup>	<b>-1.4</b>	-0.5%	<b>-4.4</b>	-1.6%	3.0	68.5%
<b>Operating income</b>	<b>9.3</b>	3.1%	<b>2.5</b>	0.9%	<b>6.8</b>	<b>272.6%</b>
Financial result	<b>-5.6</b>	-1.9%	<b>-4.4</b>	-1.7%	-1.2	-25.7%
Total tax	<b>-12.4</b>	-4.1%	<b>-3.5</b>	-1.3%	-8.9	-255.2%
Share of net profit (loss) of equity method companies	<b>-0.5</b>	-0.2%	<b>-0.7</b>	-0.2%	0.2	21.5%
<b>Consolidated net profit</b>	<b>-9.2</b>	-3.1%	<b>-6.1</b>	-2.3%	<b>-3.1</b>	<b>-50.1%</b>
Non-controlling interests	<b>-0.4</b>	-0.1%	<b>-1.3</b>	-0.5%	0.9	66.3%
<b>Group share</b>	<b>-8.8</b>	-2.9%	<b>-4.9</b>	-1.8%	<b>-3.9</b>	<b>-80.4%</b>
Recurring earnings per share <sup>(1)</sup> (in euros)	<b>-0.6</b>	-	<b>-0.4</b>	-		
Earnings per share (in euros)	<b>-0.6</b>	-	<b>-0.4</b>	-		

**Consolidated revenues:** rose €33.4 million, or **+12.5%**, to €301.0 million in H1 2023 compared with €267.6 million in 2022. The positive scope effect of €1.7 million, or 0.7%, was attributable to the first-time consolidation in *Cegedim's* accounts of new acquisitions *Kobus Tech*, *MesDocteurs*, *Laponi*, *Sedia*, and *Clinityx*. The negative currency impact of was €0.7 million, or 0.3%.

Like-for-like<sup>(1)</sup> revenue increased **12.1%** over the period.

**Recurring operating income<sup>(1)</sup>:** rose €3.9 million to **€10.7 million** in H1 2023 compared with €6.8 million in 2022. It amounted to 3.6% of 2023 revenue compared with 2.5% in 2022. The increase was chiefly the result of improved earnings at *Cegedim Santé* and businesses in the *UK* (catering to both healthcare professionals and insurers), as well as strong performances in *human resources*, *data*, and *marketing* activities.

**Other non-recurring operating income and expenses<sup>(1)</sup>:** the first-half 2023 figure came to an expense of €1.4 million, compared with a €4.4 million expense in the year-earlier period, and comprised restructuring costs.

(1) Alternative performance indicator See pages 110-111 of the 2022 Universal Registration Document.

(2) At constant scope and exchange rates.

**Depreciation and amortization expenses:** this item rose €3.3 million including a €1.4 million increase in R&D amortization compared with 2022.

**EBITDA<sup>(1)</sup>:** the €7.2 million increase between first half 2023 and first half 2022 was a result of revenue growth and good management of personnel costs.

**Financial result:** was a loss of -€5.6 million compared with a -€4.4 million loss in H1 2022. Most of the expense was related to the cost of debt, which increased €1.5 million over the period.

**Tax:** tax increased €8.9 million in the first half of 2023 compared with the year-earlier period, notably due to the recognition of a deferred tax expense of €9.5 million during the period. This entry, which had no cash impact, was done to adjust the value of deferred tax assets on the balance sheet. In response to a tax ruling in July 2023, the Group opted for a more conservative assessment of the unrealized future gains from its remaining tax-loss carryforwards (see Highlights section below).

### Analysis of business trends by division

in millions of euros	Total	Software & services	Flow	Data & Marketing	BPO	Corporate and others
<b>Revenue</b>						
2022	267.6	145.6	45.2	50.0	25.4	1.3
2023	301.0	161.5	48.2	54.9	32.8	3.5
Change	12.5%	10.9%	6.7%	9.9%	29.3%	160.9%
<b>Recurring operating income</b>						
2022	6.8	-7.6	6.3	6.1	1.0	1.0
2023	10.7	-2.0	5.6	6.6	1.4	-0.9
Change	57.0%	73.5%	-10.8%	8.2%	34.4%	-186.7%
<b>Recurring operating margin</b> (as a % of revenues)						
2022	2.5%	-5.2%	14.0%	12.1%	4.0%	74.5%
2023	3.6%	-1.2%	11.7%	11.9%	4.2%	-24.7%

- Software & Services:** H1 2023 revenues rose 10.9%, driven by good performances at *Cegedim Santé* (+25% in H1, o/w €4.3 million related to Ségur de la Santé public health investments), *international businesses* (+10% on new signings with pharmacies, new sites for doctors in Scotland, and projects for the UK Ministry of Defence), and *HR solutions* (+10% over the full year).

Recurring operating income (REBIT)<sup>(1)</sup> amounted to a loss of €2.0 million in H1 2023, a €5.6 million improvement compared with the €7.6 million loss a year earlier. The improvement came from two main sources: *Cegedim Santé* (REBIT<sup>(1)</sup> up €4.9 million), which saw robust business activity and kept hiring under control; and *international businesses* (REBIT<sup>(1)</sup> up €2.8 million), due to a rebound in revenues and cost structure adjustments. The other companies in the division posted a €2.2 million decrease in REBIT<sup>(1)</sup> compared with 2022. The fine performance at *HR solutions* was obscured by delays starting up production in the *Insurance* segment and by the delay until H2 of the Ségur de la Santé public health investments' impact on the *Pharmacy* division in France.

Software & Services		First half		Change	
in millions of euros		2023	2022	2023 / 2022	
<b>Revenue</b>		161.5	145.6	15.9	10.9%
	<i>Cegedim Santé</i>	39.8	31.8	8.0	25.1%
	<i>Insurance, HR, Pharmacies, and other services</i>	95.3	89.8	5.6	6.2%
	<i>International businesses</i>	26.3	24.0	2.4	9.8%
<b>Recurring operating income<sup>(1)</sup></b>		-2.0	-7.6	5.6	73.5%
	<i>Cegedim Santé</i>	-1.4	-6.3	4.9	77.7%
	<i>Insurance, HR, Pharmacies, and other services</i>	3.8	5.9	-2.2	-36.6%
	<i>International businesses</i>	-4.4	-7.2	2.8	39.4%

(1) Alternative performance indicator See pages 110-111 of the 2022 Universal Registration Document.

- **Flow:** revenues rose 6.7%, led by *CeGEDim e-business* (process digitalization and electronic data flows), whose French and international businesses grew 6% and 18% respectively. Over the same period, *Third-party payer systems* posted 5.5% growth. The main reason for the decline in REBIT<sup>(1)</sup> was that invoicing for the third-party payer contract with Allianz was transferred to the BPO division on 1 April.
- **Data & Marketing:** *marketing* and *data* activities made positive contributions of respectively 8.9% and 10.7% to the division's revenue growth compared with 2022. Division REBIT<sup>(1)</sup> rose 8.2% compared with 2022, buoyed by all of the division's businesses.
- **BPO:** revenue from services managed on behalf of health and personal protection *insurers* jumped more than 40% over the first half, buoyed by the start of the new contract with Allianz on April 1, 2023. BPO for *human resources* departments also continued to grow, with revenues up 9.4% in the first half. The division's REBIT<sup>(1)</sup> grew a modest €0.4 million over the period. Costs related to starting up the Allianz contract obscured productivity gains in other businesses stemming notably from management process automation.
- **Corporate and others:** H1 2023 REBIT<sup>(1)</sup> was a €0.9 million loss, down €1.9 compared with H1 2022. As we explained when presenting 2022 results, the deterioration was caused by an effort to standardize methods for reinvoicing corporate office activities, notably in the areas of R&D and IT systems, as well as lower margins at the offshore corporate centers.

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 (1) Alternative performance indicator See pages 110-111 of the 2022 Universal Registration Document.

## **Highlights**

Apart from the items cited below, to the best of the company's knowledge, there were no events or changes during H1 2023 that would materially alter the Group's financial situation.

- **Tax**

On February 21, 2018, *CeGEDim S.A.* received official notice that the French tax authorities planned to perform an audit of its financial statements for 2015 and 2016. The audit resulted in a reassessment notice covering the use of tax-loss carryforwards, which the authorities disputed. On February 21, 2021, *CeGEDim S.A.* received official notice that the French tax authorities planned to perform an audit of its financial statements for 2019 and 2020. That audit did not result in any additional reassessments.

After consultation with its lawyers and based on the applicable tax law and existing tax rulings, the Group believes that the tax authorities' proposed reassessment is unwarranted. *CeGEDim S.A.* has appealed the decision and continues to explore its options for contesting the reassessment.

Over the first half of 2023, *CeGEDim S.A.* continued to apply the disputed tax-loss carryforwards to its taxable earnings, bringing cumulative tax savings to €24.4 million at June 30, 2023.

Furthermore, as it is permitted to do under this process, in the first half of 2022 tax authorities issued *CeGEDim S.A.* a notice of collection, in response to which the Group paid a total of €12.1 million in respect of tax loss carryforwards used through 2020 and a €0.4 million late payment penalty. The corresponding entry for these payments was not recognized in expenses, but rather as a tax receivable in the balance sheet, as the Company expects these sums to be repaid once the dispute has been resolved in its favor.

As a result, if *CeGEDim S.A.* ultimately loses its appeal, it would have to record a tax charge of €24.4 million in its profit and loss statement, but it would only have to make a cash payment of €12.3 million for the share of taxes not yet paid.

In addition, in accordance with IFRS, *CeGEDim S.A.* records in its consolidated financial statements a deferred tax asset in respect of its unused tax-loss carryforwards, which represents the future tax gain the company may yet realize. Note that the accounting entries related to deferred tax never have cash impact. Through December 31, 2022, deferred tax assets were unchanged at €20 million. At June 30, 2023, those assets amounted to €10.5 million owing to a €9.5 million downward adjustment recorded in deferred tax expenses in the consolidated profit and loss statements. In response to a recent tax ruling in July 2023, the Group opted for a more conservative assessment of the unrealized future gains from its remaining, disputed tax-loss carryforwards.

If *CeGEDim S.A.* ultimately loses its appeal, the entirety of the deferred tax assets in the balance sheet at June 30, 2023, would have to be recorded as a €10.5 million charge in the profit and loss statements, with no cash outlay.

*CeGEDim S.A.*, in consultation with its attorneys, believes that it still has a solid case for dismissal of the reassessment, consistently with the position currently reflected in its financial statements. As a result, CeGEDim is preparing to appeal the dispute to the administrative court, an effort which could take several years. CeGEDim is confident in its chances of success and has not recorded any provisions in respect of the dispute.

The maximum amount of risk from the potential tax charges cited above is expected to remain constant at €34.9 million, but the breakdown could change: the €10.5 million deferred tax asset would decrease as tax savings are realized, incrementally increasing the €24.4 million already used.

The maximum potential cash payment, which came to €12.3 million at June 30, 2023, will continue to rise as future tax savings are realized, but could also decrease if the tax authorities issue additional notices of collection while the appeal is ongoing.

### **Significant transactions and events post June 30, 2023**

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.

- **War in Ukraine**

The Group does not do business in Russia or Ukraine and has no assets exposed to those countries.

### **Outlook**

Despite the **economic, geopolitical** and **monetary** uncertainties facing the world, we are confident we will be able to grow our revenues. Based on the currently available information, the Group expects 2023 like-for-like **revenue**<sup>(2)</sup> growth to be at least 10% relative to 2022.

**Recurring operating income**<sup>(1)</sup> is expected to grow, notably thanks to the initial returns on investments made in Cegedim Santé and international activities.

These targets may need to be revised if there is a resurgence in the Covid-19 pandemic and/or a significant worsening of geopolitical and macroeconomic risks.

The Group does not expect to make any significant acquisitions in 2023.

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The Audit Committee met on September 18, 2023. The Board of Directors, chaired by Jean-Claude Labrune, met on September 19, 2023, and approved the consolidated financial statements at June 30, 2023, of which the statutory auditors have conducted a limited review. The Interim Financial Report will be available in a few days' time, in French and in English, on our website and the Cegedim IR app.

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(1) Alternative performance indicator See pages 110-111 of the 2022 Universal Registration Document.

(2) At constant scope and exchange rates.

**2023 financial calendar**

**WEBCAST ON SEPTEMBER 20, 2023, AT 6:15 PM (PARIS TIME)**

The webcast is available at: [www.cegedim.fr/webcast](http://www.cegedim.fr/webcast)

The first-half 2023 results presentation is available:

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

**2023**      **October 26** after the close      Q1 2023 revenues

Financial calendar: <https://www.cegedim.fr/finance/agenda/Pages/default.aspx>

**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 September 20, 2023, no earlier than 5:45 pm Paris time.

The figures cited in this press release include guidance on Cegedim's future financial performance targets. 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", section 7.2, "Risk factors and insurance", and Chapter 3, "Overview of the financial year", section 3.6, "Outlook", of the 2022 Universal Registration Document filled with the AMF on April 12, 2023, under number D.23-0266.

**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 6,000 people in more than 10 countries and generated revenue of €555 million in 2022.

Cegedim SA is listed in Paris (EURONEXT: CGM).

To learn more, please visit: [www.cegedim.fr](http://www.cegedim.fr)

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**Aude Balleydier**  
**Cegedim**  
 Media Relations  
 and Communications Manager  
 Tel.: +33 (0)1 49 09 68 81  
[aude.balleydier@cegedim.fr](mailto:aude.balleydier@cegedim.fr)

**Jérôme Moreau**  
**Cegedim**  
 Group Director of Management Control  
 Head of Financial Communication  
 Tel.: +33 (0)7 85 63 61 99  
[jerome.moreau@cegedim.com](mailto:jerome.moreau@cegedim.com)

**Céline Pardo**  
**.becoming**  
 Media Relations  
 Tel.: +33 (0)6 52 08 13 66  
[cegedim@becoming-group.com](mailto:cegedim@becoming-group.com)

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**Annexes**
**Consolidated financial statements at June 30, 2023**

- **Assets at June 30, 2023**

<i>In thousands of euros</i>	<b>6/30/2023</b>	<b>12/31/2022</b>
<b>Goodwill</b>	<b>199,628</b>	<b>198,761</b>
Development costs	31,628	3,081
Other intangible assets	165,997	185,004
<b>Intangible non-current assets</b>	<b>197,625</b>	<b>188,085</b>
Land	544	544
Buildings	1,765	1,872
Other property, plant, and equipment	43,946	39,467
Advances and non-current assets in progress	88,205	133
Rights of use	348	88,988
<b>Property, plant, and equipment</b>	<b>134,809</b>	<b>131,004</b>
Equity investments	0	1
Loans	15,599	15,642
Other financial assets	6,310	5,053
<b>Long-term investments – excluding equity shares in equity method companies</b>	<b>21,909</b>	<b>20,696</b>
Equity shares in equity method companies	21,592	20,578
Deferred tax assets	20,910	30,385
Prepaid expenses: long-term portion	0	0
<b>Non-current assets</b>	<b>596,473</b>	<b>589,509</b>
Goods held for resale	7,883	6,495
Advances and deposits received on orders	140	177
Accounts receivables: short-term portion	169,747	151,757
Other receivables: short-term portion	60,325	50,497
Current tax credits	15,147	16,557
Cash equivalents	0	0
Cash	27,879	55,553
Prepaid expenses: short-term portion	22,465	19,370
<b>Current assets</b>	<b>303,587</b>	<b>300,406</b>
<b>Total assets</b>	<b>900,060</b>	<b>889,915</b>

- **Liabilities and equity at June 30, 2023**

<i>In thousands of euros</i>	<b>6/30/2023</b>	<b>12/31/2022</b>
Share capital	13,337	13,337
Consolidated retained earnings	285,260	271,344
Group exchange gains/losses	-11,613	-13,141
Group earnings	-8,793	13,624
<b>Shareholders' equity, Group share</b>	<b>278,191</b>	<b>285,164</b>
Non-controlling interest	18,537	18,971
<b>Shareholders' equity</b>	<b>296,728</b>	<b>304,135</b>
Financial liabilities	186,794	188,913
Current lease liabilities	75,236	75,907
Deferred tax liabilities	7,818	6,137
Post-employment benefit obligations	27,765	25,397
Provisions	2,192	2,355
<b>Non-current liabilities</b>	<b>299,805</b>	<b>298,709</b>
Financial liabilities	7,393	3,854
Current lease liabilities	16,121	15,916
Trade payables and related accounts	51,585	55,709
Current tax liabilities	264	247
Tax and social security liabilities	110,119	112,341
Provisions	1,419	2,172
Other liabilities	116,626	96,832
<b>Current liabilities</b>	<b>303,527</b>	<b>287,071</b>
<b>Total liabilities</b>	<b>900,060</b>	<b>889,915</b>

- Income statement at June 30, 2023

<i>In thousands of euros</i>	<b>6/30/2023</b>	<b>6/30/2022</b>
<b>Revenue</b>	<b>301,011</b>	<b>267,560</b>
Purchases used	-14,739	-13,516
External expenses	-66,371	-58,223
Taxes	-4,291	-4,704
Employee costs	-163,623	-149,429
Impairment of trade receivables and other receivables and on contract assets	-2,041	-432
Allowances to and reversals of provisions	-1,830	-1,235
Other operating income and expenses	108	296
Share of profit (loss) from affiliates on the income statement	603	1,345
<b>EBITDA<sup>(1)</sup></b>	<b>48,827</b>	<b>41,661</b>
Depreciation expenses other than right-of-use assets	-29,030	-26,471
Depreciation expenses of right-of-use assets	-9,097	-8,374
<b>Recurring operating income<sup>(1)</sup></b>	<b>10,700</b>	<b>6,816</b>
Non-recurring operating income and expenses	-1,385	-4,358
<b>Other non-recurring operating income and expenses<sup>(1)</sup></b>	<b>-1,385</b>	<b>-4,358</b>
<b>Operating income</b>	<b>9,315</b>	<b>2,459</b>
Income from cash and cash equivalents	180	31
Cost of gross financial debt	-5,633	-4,175
Other financial income and expenses	-136	-302
<b>Net financial income (expense)</b>	<b>-5,589</b>	<b>-4,445</b>
Income taxes	-1,841	-2,678
Deferred income taxes	-10,588	-821
<b>Tax</b>	<b>-12,429</b>	<b>-3,499</b>
Share of profit (loss) from affiliates	-515	-656
Consolidated net profit	-9,219	-6,141
<b>Group share</b>	<b>-8,793</b>	<b>-4,875</b>
Non-controlling interests	-426	-1,265
Average number of shares excluding treasury stock	13,658,348	13,683,647
<b>Recurring earnings per share (in euros)</b>	<b>-0.6</b>	<b>-0.4</b>
<b>Earnings per share (in euros)</b>	<b>-0.6</b>	<b>-0.4</b>

(1) Alternative performance indicator



- **Cash flow statement as of June 30, 2023**

<i>In thousands of euros</i>	<b>6/30/2023</b>	<b>6/30/2022</b>
Consolidated net profit	<b>-9,219</b>	<b>-6,141</b>
Share of profit (loss) from affiliates	-88	-689
Depreciation and amortization expenses and provisions	37,972	35,060
Capital gains or losses on disposals of operating assets	-798	1,261
<b>Cash flow after cost of net financial debt and taxes</b>	<b>27,867</b>	<b>29,491</b>
Cost of net financial debt	5,589	4,445
Tax expenses	12,429	3,499
<b>Operating cash flow before cost of net financial debt and taxes</b>	<b>45,885</b>	<b>37,436</b>
Tax paid	-378	-15,917
Impact of change in working capital requirements	-18,032	-18,529
<b>Cash flow generated from operating activities after tax paid and change in working capital requirements</b>	<b>27,476</b>	<b>2,990</b>
Acquisitions of intangible fixed assets	-29,550	-27,957
Acquisitions of tangible fixed assets	-11,759	-8,083
Acquisitions of long-term investments	-36	-1,900
Disposals of property, plant, and equipment and of intangible assets	2,575	24
Disposals of long-term investments	805	948
Change in deposits received or paid	-156	97
Impact of changes in consolidation scope	-2,172	58,277
Dividends received from outside the Group	30	1,457
<b>Net cash flow used in investing activities</b>	<b>-40,264</b>	<b>22,863</b>
Capital increase	-	-
Dividends paid to minority shareholders of consolidated cos.	-	-
Dividends paid to shareholders of the parent company	-	-2
Debt repayments	-193	-13
Employee profit sharing	129	266
Repayment of lease liabilities	-11,353	-9,840
Interest paid on loans	-117	-98
Other financial income received	596	115
Other financial expenses paid	-3,492	-1,296
<b>Net cash flow used in financing activities</b>	<b>-14,430</b>	<b>-10,867</b>
<b>Change in net cash excluding currency impact</b>	<b>-27,218</b>	<b>14,985</b>
Impact of changes in foreign currency exchange rates	-456	-123
<b>Change in net cash</b>	<b>-27,674</b>	<b>14,862</b>
Opening cash	55,553	24,159
Closing cash	27,879	39,021

- **Financial covenants**

<i>In thousands of euros</i>	<b>06/30/2023</b>	<b>Criterion</b>
Net debt <sup>(1)</sup>		
EBITDA		
<b>Leverage ratio</b>	<b>1.37</b>	<b>&lt; 2.5</b>

<i>In thousands of euros</i>	<b>06/30/2023</b>	<b>Criterion</b>
Interest expense		
EBITDA		
<b>Interest cover ratio</b>	<b>15.78</b>	<b>&gt; 4.5</b>

(1) excluding employee profit sharing liabilities, the FCB loan, and IFRS 16 liabilities

The Group complied with all these covenants as of June 30, 2023, and there is no foreseeable risk of default.