

First-half financial information at June 30, 2021
IFRS - Regulated information - Audited

Cegedim: Business rebounded strongly in the first half of 2021

- Like-for-like⁽¹⁾ revenue grew 6.2% in the first half
- Recurring operating income¹ increased by 70.4% to €10.7 million

Boulogne-Billancourt, France, September 16, 2021, after the market close

Cegedim generated consolidated H1 revenues of €251.2 million in 2021, an increase of 6.3% as reported and 6.2% like for like compared with the same period a year ago, and recurring operating income⁽¹⁾ rose 70.4% as reported to €10.7 million.

First-half 2021 performances were boosted by an undemanding comparison with the second quarter of 2020, which was hit particularly hard by the pandemic, especially the pharmacy media business and project-related activities in the health insurance sector. Laurent Labrune, Deputy Managing Director of [Cegedim](#), said:

"The year got off to a particularly robust start, with large contract wins in project-related activities, notably in health insurance. The Group's investments in innovation are paying off. We also launched [Cegedim Santé](#) in France, a new unit with its own brand aimed at making us more competitive by bundling products and services for the healthcare professional market while also responding to new public health challenges.

Conditions are still volatile and uncertain, and we are still feeling the impacts of the pandemic, but revenues rose more than 6% like for like in the first half of 2021 compared with 2020, and recurring operating income is nearly at H1 2019 levels. This reflects our unique positioning within the healthcare space, offering data management, digital technologies, software, flow management, and related services.

Lastly, the acquisition of two best-in-class companies, [Medimust](#) and [Kobus Tech](#) has, among other things, made [Cegedim](#) the top medical software publisher in France⁽²⁾ and will allow it to meet the needs of more than 100,000 French healthcare professionals."

Consolidated income statement

	H1 2021	H1 2020	Change	H1 2019
	(in €m)	(in €m)	(in %)	(in €m)
Revenue	251.2	236.2	+6.3%	245.8
EBITDA ⁽¹⁾	42.6	38.2	+11.3%	45.5
EBITDA margin ⁽¹⁾	16.9%	16.2%	+75 bp	18.5%
Depreciation & amortization	(31.8)	(31.9)	(0.4)%	(32.8)
Recurring operating income⁽¹⁾	10.7	6.3	+70.4%	12.6
ROI ⁽¹⁾ margin	4.3%	2.7%	+161 bp	5.1%
Other non-recurring operating income and expenses ⁽¹⁾	4.1	(6.2)	n.m.	(16.3)
Operating income	14.8	0.1	n.m.	(3.6)
Operating margin	5.9%	0.1%	+585 bp	(1.5)%
Cost of net financial debt	(5.5)	(4.6)	+20.6%	(4.5)
Tax	(2.8)	(0.2)	n.m.	(2.1)
Net profit attributable to owners of the parent	6.5	(4.7)	n.m.	(10.2)
Recurring earnings per share ⁽¹⁾ (in euros)	0.4	(0.2)	n.m.	(0.4)
Earnings per share ⁽¹⁾ (in euros)	0.5	(0.3)	n.m.	(0.7)

(1) Alternative performance indicator See pages 137-139 of the 2020 Universal Registration Document.

(2) Source: GIE SESAM-Vitale.

Consolidated revenues rose by €15.0 million, or 6.3%, to €251.2 million in the first half of 2021 compared with €236.2 million in the first half of 2020. Acquisitions and divestments had virtually no impact. Like-for-like⁽¹⁾ revenue increased 6.2% over the period.

Recurring operating income⁽¹⁾ rose by €4.4 million, or 70.4%, to €10.7 million in the first half of 2021 compared with €6.3 million in H1 2020. That figure represents 4.3% of revenue at June 30, 2021, compared with 2.7% at June 30, 2020. The improvement stems from reduced spending on business travel, receptions, and marketing, less use of external service providers, and an improved performance from the [Data & marketing](#) division owing to a strong recovery by digital advertising in French pharmacies, a business that had been halted for around a month last year.

Other non-recurring operating income and expenses⁽¹⁾ amounted to €4.1 million of income in the first half of 2021 compared with a €6.2 million expense in the first half of 2020. The H1 2021 performance is partly the result of a €4.7 million payment made by a client as part of the early termination of a services contract that was originally supposed to run through 2027. The H1 2020 level was largely attributable to €4.3 million of impairment for certain intangible assets of the UK doctor software business stemming from previous acquisitions.

Depreciation and amortization expenses were virtually flat at €31.8 million in the first half of 2021 vs. €31.9 million a year earlier.

Cost of net financial debt grew by €0.9 million, or 20.6%, to €5.5 million in the first half of 2021, compared with €4.6 million in H1 2020. The main reason for the increase was exchange rate impacts related to the pound sterling. We note that the cost of gross financial debt is stable year on year because the vast majority of debt is at fixed interest rates.

Tax expenses increased by €2.6 million to €2.8 million in the first half of 2021 compared with €0.2 million expenses in the first half of 2020. This increase is due to higher taxes owed on French company profits.

Consolidated net profit attributable to the owners of the parent came to €6.5 million compared with a loss of €4.7 million in the first half of 2020. **Earnings per share** were a profit of €0.5 in H1 2021 compared with a loss of €0.3 in H1 2020. Recurring EPS ⁽¹⁾ was a profit of €0.4 in H1 2021 compared with a €0.2 loss in H1 2020.

Analysis of business trends by division

- **Software & Services**

In millions of euros	First half		Change	
	2021	2020	Reported	Like for like ⁽²⁾
Revenue	140.2	133.7	+4.9%	+4.6%
Recurring operating income ⁽¹⁾	2.1	4.4	(52.0)%	-
Margin	1.5%	3.3	(178) bp	-

Revenues were boosted by the recovery of project-related activities, chiefly in health insurance and HR, which had been postponed for several months amid the various lockdowns. These projects are resuming, but are having to take into consideration clients' work-from-home arrangements, which are less conducive to change management. The Group's allied health professional computerization business in France and its appointment scheduling, remote health, and HR management solutions are also trending favorably.

Recurring operating income⁽¹⁾ was hurt by increased hiring for sales teams assigned to Cegedim Santé's latest offerings and for innovation-focused development teams that do not meet the criteria for capitalized costs. However, businesses catering to health insurance, HR management, and pharmacy computerization in France made positive contributions to recurring operating income⁽¹⁾.

- **Flow**

In millions of euros	First half		First half	
	2021	2020	Reported	Like for like ⁽²⁾
Revenue	41.7	38.4	+8.7%	+8.7%
Recurring operating income ⁽¹⁾	3.8	3.7	+4.0%	-
Margin	9.2%	9.6%	(42) bp	-

Process digitalization for data exchange for all sectors had a strong recovery, delivering several projects initiated in the first half of 2021 with the help of new hires. After people in France reduced their use of the healthcare system early in the year because of public health restrictions, healthcare flow business related to reimbursements increased in the second quarter.

(1) Alternative performance indicator See pages 137-139 of the 2020 Universal Registration Document.

(2) Source: GIE SESAM-Vitale.

As a result, the Group has made a strong start to restoring its recurring operating income. The full impact will be felt as healthcare flows return and we start seeing recurring flows related to new projects in the second half.

- **Data & Marketing**

In millions of euros	First half		Change	
	2021	2020	Reported	Like for like ⁽²⁾
Revenue	44.8	38.4	16.4%	16.5%
Recurring operating income ⁽¹⁾	5.3	0.6	n.m.	-
Margin	11.8%	1.6%	+1,018bp	-

Data activities experienced strong growth against the backdrop of the pandemic. Digital advertising in French pharmacies was back close to its pre-pandemic level, which was very positive for recurring operating income⁽¹⁾.

- **BPO**

In millions of euros	First half		Change	
	2021	2020	Reported	Like for like ⁽²⁾
Revenue	22.9	23.9	(4.3)%	(4.3)%
Recurring operating income ⁽¹⁾	(1.6)	(2.0)	(15.8)%	-
Margin	(7.2)%	(8.2)%	+98bp	-

A significant portion of this division's business is providing services for insurance companies and mutual insurance providers, so it took a hit from public health restrictions that caused people in France reduce their use of the healthcare system. However, it was able to make process improvements that reduced the impact on recurring operating income⁽¹⁾.

- **Corporate and others**

Revenues fell 12.6% to €1.5 million, and recurring operating income⁽¹⁾ was a profit of €1.2 million compared with a €0.4 million loss a year earlier.

Highlights

Apart from events related to the Covid-19 pandemic and those cited above, to the best of the company's knowledge, there were no post-closing events or changes during the first half of 2021 that would materially alter the Group's financial situation.

- **Acquisition of Kobus in France**

On April 30, 2021, [Cegedim](#) acquired French start-up [Kobus Tech](#), which specializes in patient management for physical therapists (patient care summaries, exercise prescription, mail generation, etc.). Its solution has more than 4,000 users. It is perfectly compatible with [Cegedim Santé's](#) solutions and their combined offering is one of the market's most comprehensive. Kobus was initially consolidated on June 30, 2021.

- **Acquisition of Médimust in France**

On May 4, 2021, [Cegedim](#) acquired [Médimust](#), a software publisher serving healthcare professions for 25 years that currently supplies 2,000 independent physicians. The acquisition cements [Cegedim Santé's](#) place as France's number 1 medical software company⁽³⁾. Pooling the companies' know-how and expertise is strengthening [Cegedim Santé's](#) range of solutions and improving its ability to adapt to market developments and healthcare professionals' changing needs.

[Médimust](#) generated revenues of €1.3 million in 2020 and earned a profit. It began contributing to the Group's consolidation scope in May 2021.

Significant transactions and events post June 30, 2021

No significant events occurred between June 30, 2021, and September 16, 2021, when the Board of Directors approved the financial statements.

(1) Alternative performance indicator See pages 137-139 of the 2020 Universal Registration Document.

(2) At constant scope and exchange rates.

Outlook

As noted on July 27, Cegedim expects like-for-like⁽¹⁾ revenue growth of 3% to 5%. Out of caution, considering the comparison basis with the second half of 2020, the Group reiterates its target for recurring operating income⁽¹⁾ of around 4%.

These targets may need to be revised if the Covid-19 crisis causes a severe tightening of public health restrictions in Europe after this press release is issued.

The Group does not expect to make any significant acquisitions in 2021. And lastly, the Group does not provide earnings estimates or forecasts.

The Audit Committee met on September 15, 2021. The Board of Directors, chaired by Jean-Claude Labrune, met on September 16, 2021, and approved the consolidated financial statements at June 30, 2021, 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.

2021 financial calendar

WEBCAST ON SEPTEMBER 16, 2021, AT 6:15 PM (PARIS TIME)

The webcast is available at: www.cegedim.fr/webcast

The first-half 2021 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>

2021

October 28 after the close

Q3 2021 revenues

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 16, 2021, 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 2020 Universal Registration Document filled with the AMF on April 16, 2021, under number D.21-0320.

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 5,300 people in more than 10 countries and generated revenue of €500 million in 2020.

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

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

And follow Cegedim on [Twitter@CegedimGroup](https://twitter.com/CegedimGroup), [LinkedIn](https://www.linkedin.com/company/cegedim) and [Facebook](https://www.facebook.com/cegedim).

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

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

Céline PARDO
suPR
Media Relations
Tel.: +33 (0)6 52 08 13 66
cegedim@becoming-group.com

Follow Cegedim:



(1) Alternative performance indicator See pages 137-139 of the 2020 Universal Registration Document.

(2) At constant scope and exchange rates.

(3) Source: GIE SESAM-Vitale.

Annexes

Revenue comparison, sector vs. division

<i>in millions of euros</i>	H1 2021			
	Health insurance, HR and e-services	Healthcare professionals	Corporate and others	Total
Software & services	67.2	73.0	-	140.2
Flow	41.7	-	-	41.7
Data & Marketing	44.8	-	-	44.8
BPO	22.9	-	-	22.9
Corporate & others	-	-	1.5	1.5
Total	176.6	73.0	1.5	251.2

Recurring operating income⁽¹⁾ comparison, sector vs. division

<i>in millions of euros</i>	H1 2021			
	Health insurance, HR and e-services	Healthcare professionals	Corporate and others	Total
Software & services	8.6	(6.5)	-	2.1
Flow	3.8	-	-	3.8
Data & Marketing	5.3	-	-	5.3
BPO	(1.6)	-	-	1.6
Corporate & others	-	-	1.2	1.2
Total	16.1	(6.5)	1.2	10.7

(1) Alternative performance indicator See pages 137-139 of the 2020 Universal Registration Document.

Consolidated financial statements at June 30, 2021

- **Assets at June 30, 2021**

<i>In thousands of euros</i>	June 30, 2021	December 31, 2020
Goodwill	193.3	186.0
Development costs	27.5	3.9
Other intangible fixed assets	144.2	159.1
Intangible assets	171.7	163.0
Property	0.5	0.5
Buildings	2.2	2.3
Other property, plant, and equipment	34.8	31.8
Rights of use	71.8	75.6
Non-current assets in progress	0.0	0.0
Tangible fixed assets	109.3	110.3
Equity investments	1.2	1.2
Loans	14.6	14.6
Other long-term investments	5.7	4.7
Long-term investments – excluding equity shares in equity method companies	21.5	20.5
Equity shares in equity method companies	20.5	21.5
Deferred tax assets	33.2	33.2
Accounts receivable: long-term portion	0.0	0.0
Other receivables: long-term portion	0	0
Long-term financial instruments	0.0	0.0
Pre-paid expenses, long-term portion	0.2	0.2
Non-current assets	549.7	534.9
Goods	5.2	3.8
Advances and deposits received on orders	0.0	0.5
Accounts receivables: short-term portion	136.7	134.7
Other receivables: short-term portion	54.1	193.7
Short-term financial instruments	0.0	0.0
Cash equivalents	0.0	0.0
Cash	32.9	24.7
Prepaid expenses: short-term portion	18.8	13.1
Current assets	247.7	370.5
TOTAL Assets	797.4	905.4

- **Liabilities and equity at June 30, 2021**

<i>In thousands of euros</i>	June 30, 2021	December 31, 2020
Share capital	13.3	13.3
Consolidated retained earnings	199.3	188.5
Foreign currency translation reserves	(2.5)	(5.0)
Group earnings	6.5	10.8
Shareholders' equity, Group share	216.6	207.7
Minority interest	0.3	0.2
Shareholders' equity	216.9	207.9
Long-term financial liabilities	186.5	186.3
Non-current lease liabilities	58.6	62.3
Long-term financial instruments	0.0	0.1
Deferred tax liabilities	7.8	7.6
Retirement benefit commitments	36.9	35.3
Non-current provisions	2.3	2.6
Other non-current liabilities	0.0	0.0
Non-current liabilities	292.1	294.1
Short-term financial liabilities	6.0	2.6
Current lease liabilities	15.0	15.2
Short-term financial instruments	0.0	0.0
Accounts payable, current	48.0	43.2
Tax and social security liabilities	115.9	108.7
Current provisions	2.0	3.0
Other current liabilities	101.6	230.5
Current liabilities	288.5	403.3
TOTAL Liabilities	797.4	905.4

- Income statement at June 30, 2021

<i>In millions of euros</i>	June 30, 2021	<i>June 30, 2020</i>
Revenue	251.2	236.2
Purchases used	(13.0)	(12.0)
External expenses	(49.8)	(51.9)
Taxes	(4.3)	(5.1)
Employee costs	(139.4)	(127.9)
Impairment on accounts receivable and other receivables and on contract assets	(0.3)	(2.1)
Allowances to and reversals of provisions	(2.0)	(0.7)
Change in inventories of products in progress and finished products	0.0	0.0
Other operating income and expenses	0.1	0.1
Share of profit (loss) for the period of income from equity-accounted affiliates	0.1	1.7
EBITDA⁽¹⁾	42.6	38.2
Depreciation expenses other than right-of-use assets	(23.7)	(24.3)
Depreciation expenses of right-of-use assets	(8.1)	(7.7)
Recurring operating income⁽¹⁾	10.7	6.3
Impairment of acquisition goodwill	0.0	0.0
Non-recurring operating income and expenses ⁽¹⁾	4.1	(6.2)
Other non-recurring operating income and expenses⁽¹⁾	4.1	(6.2)
Operating income	14.8	0.1
Income from cash and cash equivalents	0.1	0.0
Cost of gross financial debt	(4.2)	(4.3)
Other financial income and expenses	(1.4)	(0.3)
Cost of net financial debt	(5.5)	(4.6)
Income taxes	(3.1)	(0.5)
Deferred income taxes	0.2	0.3
Tax	(2.8)	(0.2)
Share of net profit (loss) of equity method companies	0.0	0.0
Consolidated net profit	6.5	(4.6)
Group share	6.5	(4.7)
Income from equity-accounted affiliates	0.0	0.0
Average number of shares excluding treasury stock	13 824 493	13 826 606
Recurring earnings per share⁽¹⁾ (in euros)	0.4	(0.2)
Earnings per share (in euros)	0.5	(0.3)

(1) Alternative performance indicator See pages 137-139 of the 2020 Universal Registration Document.

• Cash flow statement as of June 30, 2021

<i>In thousands of euros</i>	June 30, 2021	<i>June 30, 2020</i>
Consolidated profit (loss) for the period	6.5	(4.6)
Share of earnings from equity method companies	(0.1)	(1.7)
Depreciation and amortization expenses and provisions	32.2	36.4
Elimination of revaluation profits / losses (fair value)	0.0	0.0
Capital gains or losses on disposals	0.0	(0.3)
Elimination of dividend income	0.0	0.0
Cash flow after cost of net financial debt and taxes	38.6	29.9
Cost of net financial debt	5.5	4.6
Tax expenses	2.8	0.2
Operating cash flow before cost of net financial debt and taxes	47.0	34.7
Tax paid	0.6	(2.1)
Impact of change in working capital requirements	9.0	18.1
Cash flow generated from operating activities after tax paid and change in working capital requirements	56.6	50.7
Acquisitions of intangible assets	(25.3)	(27.8)
Acquisitions of tangible assets	(7.9)	(5.0)
Acquisitions of long-term investments	(1.1)	(1.0)
Disposals of tangible and intangible assets	0.0	0.3
Disposals of long-term investments	0.8	0.0
Change in deposits received or paid	0.1	(1.3)
Impact of changes in consolidation scope	(5.1)	0.0
Dividends received	0.1	0.1
Other cash flows from investment activities	0.0	0.0
Net cash flow used in investing activities	(38.4)	(34.7)
Dividends paid to shareholders of the parent company	0.0	0.0
Dividends paid to minority shareholders of consolidated cos.	0.0	0.0
Capital increase	0.0	0.0
Debt issuance	0.0	0.0
Debt repayments	(0.1)	(10.2)
Employee profit sharing	0.6	0.3
Repayment of lease liabilities	(8.7)	(7.5)
Interest paid on loans	(0.1)	(0.3)
Other income	0.4	0.1
Other financial expenses paid	(2.1)	(1.2)
Net cash flow used in financing activities	(10.2)	(18.7)
Change in net cash excluding currency impact	8.1	(2.8)
Impact of changes in foreign currency exchange rates	0.2	(0.2)
Change in net cash	8.2	(2.9)
Opening cash	24.7	29.1
Closing cash	32.9	26.1