

PRESS RELEASE

Quarterly financial information as of December 31, 2021
IFRS - Regulated information - Audited

Cegedim full-year 2021 results: highly resilient business model

- 2021 revenues up 5.6% to €524.7m
- Recurring operating income⁽¹⁾ down 4.4% to €39.9m
- Net profit attributable to owners of the parent up 2.4x to €26.2m
- Proposed dividend of €0.50 per share

Boulogne-Billancourt, France, March 24, 2022, after the market close

Cegedim generated consolidated 2021 revenues of €524.7 million, an increase of 5.6% as reported and 5.0% like for like⁽²⁾ compared with a year ago. Recurring operating income fell 4.4% to €39.9 million, and net profit attributable to the owners of the parent rose 142.0% to €26.2 million.

"We have a solid foundation in the form of a relevant, resilient business model and talented, motivated teams. We turned those resources into a remarkable performance in 2021, with revenues up 5.6% to €524.7 million and net profit attributable to the owners of the parent up 2.4-fold to €26.2 million.

2022 is full of promise. We are giving Cegedim Santé the capital it needs to grow: exclusive talks with social protection groups Malakoff Humanis, Groupe VYV, and PRO BTP will result in a €65 million reserved capital increase. The deal also creates a compelling partnership in telehealth.

Uncertainty hangs over the start of this year, but we will continue to innovate and to strengthen our sales and R&D teams, and we are confident in our 2022 performance," said **Laurent Labrune—Deputy Managing Director of Cegedim.**

Consolidated income statement

	2021		2020		Change
	(in €m)	(in %)	(in €m)	(in %)	(in %)
Revenue	524.7	100.0%	496.9	100.0%	+5.6%
EBITDA ⁽¹⁾	104.7	20.0%	104.2	21.0%	+0.5%
Depreciation & amortization	(64.8)	(12.3)%	(62.5)	(12.6)%	+3.8%
Recurring operating income⁽¹⁾	39.9	7.6%	41.7	8.4%	-4.4%
Other non-recurring operating income and expenses ⁽¹⁾	3.8	0.7%	(19.9)	(4.0)%	n.m.
Operating income	43.7	8.3%	21.8	4.4%	+100.2%
Financial result	(10.4)	(2.0)%	(8.6)	(1.7)%	+20.0%
Total tax	(5.8)	(1.1)%	(2.0)	(0.4)%	+196.8%
Net profit attributable to owners of the parent	26.2	5.0%	10.8	2.2%	+142.0%
Recurring earnings per share ⁽¹⁾ (in euros)	1.8	-	1.2	-	+50.0%
Earnings per share (in euros)	1.9	-	0.8	-	+137.5%

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

(2) At constant scope and exchange rates.

Consolidated revenues increased by €27.8 million, or 5.6%, to €524.7 million in 2021 compared with €496.9 million in 2020. The positive scope effect of €1.3 million, or 0.3pp, was attributable to *CeGEDIM's* first-time consolidation of new acquisitions *Médimust* and *Kobus Tech*. The positive currency impact of €1.6 million, or 0.3pp, was mainly due to the euro's appreciation against the pound sterling.

Like-for-like⁽²⁾ revenues climbed 5.0% over the period.

Recurring operating income⁽¹⁾ decreased by €1.8 million, or 4.4%, to €39.9 million in 2021 compared with €41.7 million in 2020. It represented 7.6% of consolidated revenue in 2021, compared with 8.4% in 2020. The decline is chiefly attributable to a €4.5 million negative impact from lower R&D capitalization and an increase in R&D amortization. In addition, other net non-recurring operating expenses⁽¹⁾ fell by €23.7 million compared with 2020.

Other non-recurring operating income and expenses⁽¹⁾ amounted to income of €3.8 million in 2021 compared with a charge of €19.9 million in 2020. The 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. This payment was partly offset by other expenses, notably fees related to disputes or the winding up of non-recurring operations. In 2020 the amount was mainly attributable to €15.0 million of impairments of certain intangible assets related to software businesses, notably on products for doctors in the UK and Belgium.

Depreciation and amortization expenses increased by €2.3 million, or 3.8%, to €64.8 million in 2021 compared to €62.5 million in 2020. Amortization related to lease contracts (IFRS 16) was virtually stable, at €16.5 million in 2021 compared to €15.9 million in 2020. The amortization of capitalized R&D expenses over the period increased by €2.7 million, or 9.0%, to €33.3 million in 2021 compared to €30.6 million in 2020. The increase was due to higher R&D capitalization in previous years. Other depreciation & amortization declined by €0.9 million to €15.0 million in 2021 from €15.9 million in 2020.

EBITDA⁽¹⁾ increased by €0.5 million, or 0.5%, to €104.7 million in 2021, compared with €104.2 million in 2020. It represented 20.0% of consolidated revenue in 2021, compared with 21.0% in 2020.

Financial result increased by €1.7 million, or 20.0%, to €10.4 million in 2021 compared with €8.6 million in 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 relative to December 31, 2020, because the vast majority of debt is at fixed interest rates.

Total tax came to €5.8 million in 2021 compared with €2.0 million in 2020, an increase of €3.9 million or 196.8%. This change was principally the result of a combination of increased income taxes, especially for French companies, and a decrease in deferred tax assets.

Net profit attributable to the owners of the parent came to €26.2 million in 2021 compared with €10.8 million in 2020.

Recurring earnings per share came to €1.8 in 2021 compared with a profit of €1.2 a year earlier. **Earnings per share** came to €1.9 in 2021 compared with €0.8 a year earlier.

Analysis of business trends by division

- **Software & Services**

<i>In millions of euros</i>	2021	2020	Change
Revenue	292.0	277.2	+5.4% Like for like ⁽²⁾ : +4.4%
Recurring operating income ⁽¹⁾	12.8	23.8	(46.1)%
Margin	4.4%	8.6%	(420) bp
Operating income	12.3	6.9	+78.9%
Margin	4.2%	2.5%	+174 bp

Revenues got a boost from stronger growth in computerization activities for health insurers, bolstered by the resumption of project-based business, which positively affected recurring operating income⁽¹⁾. The HR management outsourcing activity turned in an excellent performance. Growth was also spurred by trading activity in the fourth quarter, which negatively impacted recurring operating income⁽¹⁾.

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

(2) At constant scope and exchange rates.

Sales trends at Cegedim Santé are robust despite the Covid flare-up late in the year, which curtailed sales efforts targeting healthcare professionals and hurt recurring operating income⁽¹⁾. As expected, Maiia, the appointment scheduling business—notably for vaccinations and teleconsultations—doubled its revenues in 2021 compared with 2020. Recurring operating income⁽¹⁾ was hurt by delayed NHS accreditation and increased hiring for sales teams assigned to Cegedim Santé’s latest offerings and for development teams working on innovations and who do not meet the criteria for capitalized costs.

- **Flow**

<i>In millions of euros</i>	2021	2020	Change
Revenue	84.2	79.4	+6.1% Like for like ⁽²⁾ : +6.0%
Recurring operating income ⁽¹⁾	11.1	10.6	+4.4%
Margin	13.2%	13.4%	(22) bp
Operating income	10.9	10.1	+7.2%
Margin	12.9%	12.8%	+14bp

The process digitalization and digital data flow business grew despite slowing somewhat in the fourth quarter due to the resurgence of the Covid-19 pandemic. Business in France made a positive contribution to recurring operating income⁽¹⁾, whereas UK and German activities had a negative impact.

People in France reduced their use of the healthcare system because of public health restrictions, which put a crimp on healthcare flow business related to reimbursements resulting in a slightly negative impact on recurring operating income⁽¹⁾.

- **Data & Marketing**

<i>In millions of euros</i>	2021	2020	Change
Revenue	98.4	87.8	+12.1% Like for like ⁽²⁾ : +12.1%
Recurring operating income ⁽¹⁾	14.6	10.5	+39.5%
Margin	14.8%	11.9%	+292bp
Operating income	14.6	10.4	+41.0%
Margin	14.8%	11.8%	+304bp

Data activities experienced strong growth and had their strongest quarter of the year in Q4, strongly boosting recurring operating income⁽¹⁾.

Digital displays in pharmacies experienced substantial growth over the year but ran into a challenging comparison in Q4, as the business had made up significant ground in the fourth quarter of 2020. 2021 margins at this business were historically high.

- **BPO**

<i>In millions of euros</i>	2021	2020	Change
Revenue	47.3	48.9	(3.3)% Like for like ⁽²⁾ : (3.3)%
Recurring operating income ⁽¹⁾	2.5	(0.2)	n.m.
Margin	5.2%	(0.5)%	+565bp
Operating income	2.5	(0.3)	n.m.
Margin	5.2%	(0.6)%	+575bp

A significant portion of this division’s business is providing services for insurance companies and mutual insurance providers. It was hurt by a downward adjustment of unit prices, now that the implementation phase is finished, and by less so-called overflow business. However, this was health insurance BPO’s first year in the black in terms of recurring operating income⁽¹⁾ thanks to the automation of certain processes.

HR BPO revenues rose, which positively affected recurring operating income⁽¹⁾.

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

(2) At constant scope and exchange rates.

- **Corporate and others**

2021 revenues fell 24.8% to €2.7 million, and recurring operating income⁽¹⁾ was a profit of €1.1 million compared with a €3.0 million loss a year earlier.

Highlights

To the best of the company's knowledge, apart from those listed below, there were no events or changes during 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 in France 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.

- **Euris litigation**

[Cegedim](#), jointly with IQVIA (formerly IMS Health), is being sued by Euris for unfair competition. [Cegedim](#) has asked the court to dismiss the case against the Group. On December 17, 2018, the Paris Commercial Court granted [Cegedim's](#) request, which IQVIA then appealed. On December 8, 2021, the Court of Appeals upheld the judgement in favor of [Cegedim](#).

After consulting its external legal counsel, the Group had decided not to set aside any provisions.

- **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 the period from January 1, 2015, to December 31, 2016. After consultation with its lawyers and based on ample precedent, the Group believes that the adjustment is unwarranted and continues to explore its options to appeal the decision. The maximum tax liability Cegedim faces as a result of the current audit is €20.3 million at December 31, 2021. Cegedim still believes that there is not enough risk with respect to this amount or to tax loss carryforwards recorded on its consolidated balance sheet (corresponding to €20 million) to jeopardize their valuation.

On October 21, 2021, Cegedim SA received official notice that the French tax authorities planned to perform an audit of its financial statements for the period from January 1, 2019, to December 31, 2020. This audit is currently being conducted.

Significant transactions and events post December 31, 2021

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

- **The war in Ukraine**

The Group has no activities or exposed assets in Russia or Ukraine.

- **Cegedim in exclusive talks with mutual insurance groups Malakoff Humanis, Groupe VYV, and PRO BTP regarding acquisition of an equity stake in Cegedim Santé**

On March 1, 2022, Cegedim Group and Malakoff Humanis, Groupe VYV, and PRO BTP announced that they were in exclusive talks regarding the acquisition of an equity stake in Cegedim Santé, the Group subsidiary specialized in digital solutions for healthcare professionals and patients. As part of the deal, Cegedim Santé will simultaneously acquire Groupe VYV subsidiary MesDocteurs, which specializes in telehealth.

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

(3) Source: GIE SESAM-Vitale.

Once negotiations are complete, the deal will be sealed by the signature of an investment agreement and a strategic and industrial partnership between Cegedim, Malakoff Humanis, Groupe VYV, and PRO BTP. The transaction will be complete once employee representatives issue an opinion.

The deal will involve a reserved capital increase of €65 million, giving Cegedim Santé a post-deal valuation of €360.9 million. Cegedim will continue to fully consolidate Cegedim Santé.

Dividend distribution policy

A proposal to pay a dividend in respect of 2021 of €0.50 per share on July 1, 2022, will be put forward at the General Meeting on June 17, 2022.

Outlook

Although the impact of the Covid-19 pandemic on business in 2022 is still difficult to assess and despite the **economic**, **geopolitical**, and **monetary** uncertainties facing the world, we are confident we will be able to grow our revenues.

Thus, for 2022 Cegedim expects like-for-like⁽²⁾ revenue growth of around 5%. Recurring operating income⁽¹⁾ should remain stable owing to the significant investments planned, especially for Cegedim Santé.

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

The Group does not expect to make any significant acquisitions in 2022.

The Audit Committee met on March 23, 2022. The Board of Directors, chaired by Jean-Claude Labrune, met on March 24, 2022, closed the consolidated financial statements at December 31, 2021, and approved the accounts for 2021. The audit procedures of the consolidated financial statements have been performed. The certification report will be issued once the requisite filing procedures for the Universal Registration Document have been completed.

The Universal Registration Document will be available in a few days' time, in French and in English, on our website and the Cegedim IR app.

WEBCAST ON MARCH 24, 2022, AT 6:15 PM (PARIS TIME)

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

The full-year 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>

2022 financial calendar

2022	March 25 at 10:00 am	SFAF Meeting - Cegedim Auditorium in Boulogne Billancourt
	April 28 after the close	Q1 2022 revenues
	June 17 at 9:30	Shareholders' General Meeting
	July 28 after the close	H1 2022 revenues
	September 20 after the close	H1 2022 results

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

(2) At constant scope and exchange rates.

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 March 24, 2022, 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 5,600 people in more than 10 countries and generated revenue of €525 million in 2021.

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 and Facebook.

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.umiestowski@cegedim.com

Céline PARDO

.becoming
Media Relations

Tel.: +33 (0)6 52 08 13 66
cegedim@becoming-group.com

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Annexes

Revenue comparison, sector vs. division

<i>in millions of euros</i>	2021			
	Health insurance, HR and e-services	Healthcare professionals	Corporate and others	Total
Software & services	141.4	150.6	-	292.0
Flow	84.2	-	-	84.2
Data & Marketing	98.4	-	-	98.4
BPO	47.3	-	-	47.3
Corporate and others	-	-	2.7	2.7
Total	371.4	150.6	2.7	524.7

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

<i>in millions of euros</i>	2021			
	Health insurance, HR and e-services	Healthcare professionals	Corporate and others	Total
Software & services	16.2	-3.3	-	12.8
Flow	11.1	-	-	11.1
Data & Marketing	14.6	-	-	14.6
BPO	2.5	-	-	2.5
Corporate and others	-	-	(1.1)	(1.1)
Total	44.4	-3.3	(1.1)	39.9

(1) Alternative performance indicator

Consolidated financial statements at December 31, 2021

- **Assets at December 31, 2021**

<i>In thousands of euros</i>	December 31, 2021	December 31, 2020
Goodwill	187,106	186,036
Development costs	8,436	3,873
Other intangible fixed assets	171,489	159,144
Intangible assets	179,925	163,017
Property	544	544
Buildings	2,088	2,319
Other property, plant, and equipment	35,033	31,835
Advances and construction work in progress		0
Right-of-use assets	84,002	75,607
Tangible fixed assets	121,667	110,305
Equity investments	314	1,182
Loans	15,223	14,618
Other long-term investments	5,771	4,730
Long-term investments – excluding equity shares in equity method companies	21,308	20,530
Equity shares in equity method companies	21,266	21,479
Deferred tax assets	33,506	33,202
Long-term financial instruments	0	44
Prepaid expenses: long-term portion	108	249
Non-current assets	564,886	534,862
Goods	4,503	3814
Advances and deposits received on orders	140	501
Accounts receivables: short-term portion	136,343	134,650
Other receivables: short-term portion	48,743	189,683
Current tax credits	2,123	4,007
Short-term financial instruments	0	1
Cash equivalents	0	-
Cash	24,160	24,734
Prepaid expenses: short-term portion	16,688	13,103
Current assets	232,700	370,493
TOTAL Assets	797,586	905,355

- **Liabilities and equity at December 31, 2021**

<i>In thousands of euros</i>	December 31, 2021	December 31, 2020
Share capital	13,337	13,337
Consolidated retained earnings	200,717	188,524
Group exchange gains/losses	(8,214)	(5,040)
Group earnings	26,224	10,834
Shareholders' equity, Group share	232,064	207,655
Minority interest	323	247
Shareholders' equity	232,387	207,902
Financial liabilities	186,574	186,278
Current lease liabilities	70,297	62,331
Short-term financial instruments	-	66
Deferred tax liabilities	8,272	7,599
Retirement benefit commitments	34,069	35,281
Provisions	2,255	2,575
Non-current liabilities	301,467	294,130
Financial liabilities	2,560	2,606
Current lease liabilities	16,072	15,243
Short-term financial instruments	-	1
Trade payables and related accounts	48,245	43,214
Current tax liabilities	1,483	501
Tax and social security liabilities	101,003	108,217
Provisions	2,065	3,045
Other liabilities	92,304	230,495
Current liabilities	263,732	403,323
TOTAL Liabilities	797,586	905,355

- Income statement as of December 31, 2021

<i>In millions of euros</i>	December 31, 2021	<i>December 31, 2020</i>
Revenue	524,709	496,939
Purchases used	(26,703)	(25,491)
External expenses	(107,414)	(100,491)
Taxes	(6,782)	(7,904)
Employee costs	(278,841)	(256,219)
Impairment on accounts receivable and other receivables and on contract assets	(158)	(1,871)
Allowances to and reversals of provisions	(4,102)	(3,442)
Other operating income and expenses	1,161	(65)
Share of income of equity method companies	2,828	2,736
EBITDA⁽¹⁾	104,698	104,192
Depreciation expenses other than right-of-use assets	(48,348)	(46,519)
Depreciation expenses of right-of-use assets	(16,453)	(15,939)
Recurring operating income⁽¹⁾	39,897	41,734
Impairment of acquisition goodwill	0	0
Non-recurring operating income and expenses	3,789	(19,914)
Other non-recurring operating income and expenses⁽¹⁾	3,789	(19,914)
Operating income	43,686	21,820
Income from cash and cash equivalents	90	75
Cost of gross financial debt	(8,357)	(8,547)
Other financial income and expenses	(2,104)	(171)
Financial result	(10,371)	(8,643)
Income taxes	(7,128)	(4,973)
Deferred tax	1,292	3,007
Tax	(5,836)	(1,966)
Share of profit (loss) for the period of equity method companies	(1,179)	(295)
Consolidated net profit	26,300	10,916
Group share	26,224	10,835
Income from equity-accounted affiliates	76	81
Average number of shares excluding treasury stock	13,782,436	13,824,493
Recurring earnings per share (in euros)	1.8	1.2
Earnings per share (in euros)	1.9	0.8

(1) Alternative performance indicator

- Cash flow statement as of December 31, 2021

<i>In thousands of euros</i>	December 31, 2021	<i>December 31, 2020</i>
Consolidated net profit	26,300	10,916
Share of earnings from equity method companies	(1,649)	(2,441)
Depreciation and amortization expenses and provisions	64,438	77,481
Capital gains or losses on disposals of operations	(141)	1,641
Cash flow after cost of net financial debt and taxes	88,948	87,597
Cost of net financial debt	10,370	8,642
Tax expenses	5,837	1,966
Operating cash flow before cost of net financial debt and taxes	105,155	98,205
Tax paid	(4,119)	(6,337)
Change in working capital requirements for operations	(5,057)	18,513
Cash flow generated from operating activities after tax paid and change in working capital requirements	95,979	110,381
Acquisitions of intangible assets	(50,748)	(54,607)
Acquisitions of tangible assets	(14,015)	(19,920)
Acquisitions of long-term investments	(3,199)	(980)
Disposals of tangible and intangible assets	668	11,024
Disposals of long-term investments	2,040	40
Change in deposits received or paid	(674)	(780)
Impact of changes in consolidation scope	(5,128)	(7,124)
Dividends received ex. group	950	2,032
Net cash flow used in investing activities	(70,106)	(70,315)
Dividends paid to minority shareholders of consolidated cos.	(1)	(1)
Debt issuance	0	0
Debt repayments	(1,156)	(20,225)
Employee profit sharing	431	131
Repayment of lease liabilities	(16,808)	(16,119)
Interest paid on loans	(4,995)	(5,280)
Other financial income received	369	1,030
Other financial expenses paid	(4,576)	(3,674)
Net cash flow used in financing activities	(26,736)	(44,138)
Change in net cash excluding currency impact	(863)	(4,073)
Impact of changes in foreign currency exchange rates	289	(252)
Change in net cash	(574)	(4,325)
Opening cash	24,734	29,059
Closing cash	24.159	24,734