

PRESS RELEASE

Quarterly financial information as of December 31, 2022
IFRS - Regulated information - Audited

Full year 2022 results: Revenue and investments both up

- 2022 revenues rose **5.8%** to €555.2 million
- Recurring operating income⁽¹⁾ came to **€25.7 million**
- Consolidated net profit attributable to the Group came to **€13.6 million**

Boulogne-Billancourt, France, March 23, 2023, after the market close

Cegedim generated consolidated revenues of **€555.2 million⁽³⁾** in 2022, an increase of 5.8% as reported and 5.0% like for like⁽²⁾ compared with the previous year, and recurring operating income⁽¹⁾ came to **€25.7 million**, down by 35.7%.

Consolidated income statement

	2022		2021		Change (in %)
	(in €m)	(in %)	(in €m)	(in %)	
Revenue⁽³⁾	555.2	100.0%	524.7	100.0%	5.8%
EBITDA ⁽¹⁾	96.2	17.3%	104.7	20.0%	-8.1%
Depreciation & amortization	-70.5	-12.7%	-64.8	-12.3%	8.8%
Recurring operating income⁽¹⁾	25.7	4.6%	39.9	7.6%	-35.7%
Other non-recurring operating income and expenses ⁽¹⁾	0.8	+0.1%	3.8	0.7%	-78.4%
Operating income	26.5	4.8%	43.7	8.3%	-39.4%
Financial result	-8.8	-1.6%	-10.4	-2.0%	-15.5%
Total tax	-4.6	-0.8%	-5.8	-1.1%	-20.5%
Net profit attributable to owners of the parent	13.6	2.5%	26.2	5.0%	-48.0%
Recurring earnings per share ⁽¹⁾ (in euros)	0.9	-	1.8	-	-50%
Earnings per share (in euros)	1.0	-	1.9	-	-47%

Consolidated revenues rose €30.5 million, or **5.8%**, to €555.2⁽³⁾ million in 2022 compared with €524.7 million in 2021. The positive scope effect of €4.1 million, or 0.8%, was attributable to the first-time consolidation in Cegedim's accounts of new acquisitions *Kobus Tech*, *MesDocteurs*, *Laponi*, *Sedia*, and *Clinityx*. The positive currency impact was €0.4 million, or 0.1%.

Like-for-like⁽¹⁾ revenue increased **5.0%** over the period.

Recurring operating income⁽¹⁾ fell €14.2 million to **€25.7 million** in 2022, compared with €39.9 million in 2021. It represented 4.6% of 2022 revenue compared with 7.6% in 2021. The decline was mainly the result of a major recruitment campaign in response to growth at *Cegedim Santé*, some turbulence affecting the healthcare professionals business in the UK, and sustained R&D investment.

(1) Alternative performance indicator. See pages 134-136 of the 2021 Universal Registration Document.

(2) At constant scope and exchange rates.

(3) As a result of a restatement of provisions following the January 26, 2022, revenue announcement, we have adjusted 2022 revenues from €555.6 million to €555.2 million.

Other non-recurring operating income and expenses⁽¹⁾ registered a profit of €0.8 million in 2022. The main components include a gain from the sale of shares of Healthcare Gateway Ltd in the UK, which was nearly offset by €4.2 million of restructuring costs and a €10.3 million impairment of non-current assets.

Depreciation and amortization expenses increased €5.7 million, chiefly due to an increase in R&D amortization, which rose €4.4 million compared with 2021.

EBITDA⁽¹⁾ was down €8.5 million between 2022 and 2021 as a result of higher employee costs (+€24.7 million) and external charges (+€12.5 million).

Financial result was -€8.8 million, of which €2.0 million related to IFRS16, €1.6 million better than in 2021, owing to a €0.7 million gain from currencies.

Analysis of business trends by division

in millions of euros	Total	Software & services	Flow	Data & Marketing	BPO	Corporate and others
Revenue						
2021	524.7	292.0	84.2	98.4	47.3	2.7
2022	555.2	302.0	90.6	106.9	53.0	2.8
Change	5.8%	3.4%	7.5%	8.6%	11.9%	2.0%
Recurring operating income						
2021	39.9	12.8	11.1	14.6	2.5	-1.1
2022	25.7	-4.9	13.1	17.9	3.0	-3.4
Change	-35.7%	-138.0%	17.6%	22.9%	20.7%	-210.0%
Recurring operating margin						
2021	7.6%	4.4%	13.2%	14.8%	5.2%	-40.3%
2022	4.6%	-1.6%	14.4%	16.8%	5.6%	-122.5%

- Software & Services:** 2022 revenues rose 3.4%, driven by good performances at Cegedim Santé (+16% in H2) and HR solutions (+10.0% over the full year). Recurring operating income (REBIT)⁽¹⁾ amounted to a loss of €4.9 million in 2022, a €17.8 million decrease compared with the €12.8 million profit of 2021. There were two main reasons for the decline. First, *Cegedim Santé* recruited large numbers of new hires to keep pace with its growth (notably in sales, support staff, and R&D), which caused its REBIT⁽¹⁾ to fall by €9.9 million year on year. Second, *international business* REBIT⁽¹⁾ fell by €8.1 million year on year. Sales were unable to compensate for the loss of Boots as a client in the pharmacy segment in the UK and, as expected, the lack of a window for marketing solutions for doctors in the UK (governed by the NHS). The other companies in the division posted 1.9% REBIT⁽¹⁾ growth compared with 2021.

Software & Services				Change	
in millions of euros		2022	2021	2022 / 2021	
Revenue		302.0	292.0	10.0	3.4%
	<i>Cegedim Santé</i>	69.6	63.1	6.5	10.3%
	<i>Insurance, HR, Pharmacies, and other services</i>	183.5	175.0	8.5	4.8%
	<i>International businesses</i>	48.9	53.9	-5.0	-9.3%
Recurring operating income⁽¹⁾		-4.9	12.8	-17.7	-138%
	<i>Cegedim Santé</i>	-7.8	2.2	-9.9	-457.2%
	<i>Insurance, HR, Pharmacies, and other services</i>	14.3	14.0	0.3	1.9%
	<i>International businesses</i>	-11.4	-3.3	-8.0	-241.1%

(1) Alternative performance indicator. See pages 134-136 of the 2021 Universal Registration Document.

- **Flow:** Revenues rose 7.5%, led by [Cegedim e-business](#) (process digitalization and electronic data flows), whose French and international businesses grew by 8.8% and 25.1% respectively. Over the same period, [Third-party payer systems](#) posted 3.3% growth. Both businesses made positive contributions to the division's 17.6% REBIT⁽¹⁾ growth.
- **Data & Marketing:** marketing and data activities made positive contributions to the division's revenue growth compared with 2021 of respectively 9.5% and 7.9%. Division REBIT⁽¹⁾ rose 22.9% compared with 2021, buoyed by the data business in France and abroad and by advertising in pharmacies.
- **BPO:** operations continued to post double-digit growth over the full year (+11.9% vs 2021), driven equally by services aimed at insurance companies and mutual groups, and by those designed for clients' HR departments. Both businesses made positive contributions to REBIT⁽¹⁾, which rose 20.7% compared with 2021 on the back of productivity gains achieved during the year, notably thanks to process automation and the use of Software & Services division software.
- **Corporate and others:** 2022 REBIT⁽¹⁾ was a €3.4 million loss, €2.3 million higher than the loss in 2021. The deterioration was caused by an effort to standardize methods for re-invoicing corporate office activities, notably in the areas of R&D and IT systems, as well as lower margins at the offshore corporate centers.

(1) Alternative performance indicator. See pages 134-136 of the 2021 Universal Registration Document.

Highlights

To the best of the company's knowledge, there were no events or changes during 2022 that would materially alter the Group's financial situation.

- **Investment and strategic partnership between Cegedim and 3 social protection companies**

On May 16, 2022, Cegedim Group and social protection companies Malakoff Humanis, Groupe VYV, and PRO BTP Groupe announced that they had finalized the strategic partnership they began negotiating on March 1, 2022.

This strategic partnership will advance the goals laid out by the French government in its Ma Santé 2022 plan. The partnership will draw on the recognized expertise of Cegedim, Malakoff Humanis, Groupe VYV, and PRO BTP, who all share the goal of improving patients' access to care and making the course of care as smooth as possible.

To this end, Malakoff Humanis, Groupe VYV, and PRO BTP Groupe—who together represent 25 million beneficiaries in France—subscribed a reserved capital increase of €65 million on May 24, 2022, and now own 18% of the shares of [Cegedim Santé](#). Cegedim Santé houses all of Cegedim Group's software products and services for doctors and allied health professionals in France, covering the care pathway from online appointment scheduling to management of patient records, invoicing, and teleconsultation. In addition, its Resip subsidiary supplies information on medications and medical devices.

The deal values Cegedim Santé at €360.9 million. As part of the deal, [Cegedim Santé](#) acquired Groupe VYV subsidiary [MesDocteurs](#), a telehealth solution pioneer and one of the originators of 24/7 telemedicine.

- **Acquisition of Laponi**

On June 21, 2022, Cegedim SRH acquired Laponi, an innovative solution for managing absenteeism in real time. Laponi, a French startup founded in 2016, has successfully developed a digital SaaS platform that lets companies ask internal and external employees to cover shifts when someone is absent. The Laponi solution is easy to use and alerts employees in real time about tasks that need to be done. Employees are then free to choose tasks while boosting their income. The acquisition enhances Cegedim SRH's TeamsRH HRIS platform.

As a standalone component in [Cegedim SRH](#)'s portfolio, Laponi will be able to help solve absenteeism issues at the company's 400 clients, and its solution will benefit from Cegedim SRH's technical and financial resources as well as its sales force.

The company is profitable and began contributing to the Group's consolidation scope in the third quarter of 2022.

- **Acquisition of Sedia**

On July 19, 2022, Cegedim e-business rounded out its Hospitalis offering by acquiring Sedia, which has specialized in software that tracks medical instrumentation usage since 1985. Thanks to this acquisition, Hospitalis now offers a medical device and implantable medical device (MD/IMD) tracking service. The service is responsible for 900,000 scans annually and has tracked more than 8 million IMDs. The newest component in the Hospitalis range, Sedia offers health, financial, and logistical tracking of MD/IMDs that are on consignment or have been lent or purchased outright.

Sedia is profitable and began contributing to the Group's consolidation scope in the third quarter of 2022.

- **Acquisition of Clinityx**

On July 28, 2022, *Cegedim* strengthened its position in the real-world data sector by acquiring 70% of *Clinityx*.

Clinityx a health start-up founded in 2018, aims to make real-world data research easier by providing a robust scientific, technical, and regulatory environment. The company partners with academic establishments to build data warehouses paired with the SNDS, the French administrative healthcare database, enriching the health data and ensuring their good governance and security. It also provides consulting services and manages all aspects of real-world studies from protocol design to final report, using data from its own warehouses, the SNDS, and other databases.

Clinityx is profitable and began contributing to the Group's consolidation scope in the third quarter of 2022.

- **Healthcare Gateway Limited divestment**

In October 2022, In Practice Systems Ltd, which is 100% owned by Cegedim SA, sold all of its shares in the UK company Healthcare Gateway Limited (HGL). Prior to the sale, the 50% non-controlling stake in HGL had been consolidated using the equity method.

- **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*. That ruling is currently under appeal.

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

- **Tax**

On February 21, 2018, 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, 2015, to December 31, 2016. After consultation with its lawyers and based on ample precedent, the Group believes that the adjustment related to the use of tax-loss carryforwards is unwarranted and continues to explore its options to appeal the decision. 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. That audit has not resulted in any adjustments other than those the Group is already appealing.

As part of this process, in the first half of 2022 Cegedim SA received a notice of collection and paid a total of €12.1 million in respect of tax losses used through 2020 and a €0.4 million late payment penalty. The corresponding entry for these payments is not in the taxes line of the income statement, but rather the deferred tax assets line of the balance sheet, as we expect these sums to be repaid once the dispute has been resolved in our favor. Furthermore, as the Group's accounting method and legal arguments are sound, it continues to record the disputed tax losses as an asset equal to €20 million in deferred tax assets on the balance sheet.

In the event of an unfavorable ruling, based on the deferred tax assets used as of December 31, 2022, Cegedim faces a maximum risk of €23 million, of which it has already paid €12.1 million, and the cancellation of €20 million in deferred tax assets, which would not entail any cash disbursement.

Cegedim believes that the risk of an unfavorable ruling is small and plans to continue using the remaining disputed deferred tax assets. Thus, if the ruling is ultimately unfavorable, the maximum risk in terms of a reversing entry in the tax line of the accounts will increase, but the impact on the cash position would still be more modest, as the Group continues to make periodic payments in respect of the collection notice.

Significant transactions and events post December 31, 2022

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.

- **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⁽²⁾ growth to be around 10% relative to 2022.

REBIT⁽¹⁾ 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.

The Audit Committee met on March 22, 2023. The Board of Directors, chaired by Jean-Claude Labrune, met on March 23, 2023, and approved the consolidated financial statements at December 31, 2022. It will ask the Shareholders' Meeting to approve the accounts for fiscal 2022. The consolidated accounts have been audited. 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.

(1) Alternative performance indicator See pages 134-136 of the 2021 Universal Registration Document.

(2) At constant scope and exchange rates.

WEBCAST ON MARCH 23, 2022 AT 6:15 PM (PARIS TIME)

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

The fiscal 2022 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 financial calendar

2023	March 24 at 10:00 am	SFAF meeting - Cegedim auditorium in Boulogne Billancourt
	April 27 after the close	Q1 2023 revenues
	June 16 at 9:30 am	Shareholders' meeting
	July 27 after the close	H1 2023 revenues
	September 20 after the close	First-half 2023 results

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 March 23, 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 2021 Universal Registration Document filled with the AMF on April 16, 2022, 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 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

And follow Cegedim on Twitter @CegedimGroup, LinkedIn and Facebook.

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Annexes
Consolidated financial statements at December 31, 2022

 • **Assets at December 31, 2022**

<i>In thousands of euros</i>	12/31/2022	12/31/2021
Goodwill	198,761	187,107
Development costs	3,081	8,436
Other intangible fixed assets	185,004	171,489
Intangible non-current assets	188,085	179,925
Property	544	544
Buildings	1,872	2,088
Other property, plant, and equipment	39,467	35,032
Advances and non-current assets in progress	133	
Rights of use	88,988	84,002
Tangible fixed assets	131,004	121,667
Equity investments	1	315
Loans	15,642	15,223
Other long-term investments	5,053	5,771
Long-term investments – excluding equity shares in equity method companies	20,696	21,308
Equity shares in equity method companies	20,578	2,1266
Deferred tax assets	30,385	33,506
Prepaid expenses: long-term portion	0	108
Non-current assets	589,509	564,886
Goods	6,495	4,503
Advances and deposits received on orders	177	140
Accounts receivables: short-term portion	151,757	136,343
Other receivables: short-term portion	50,497	48,743
Current tax credits	16,557	2,123
Cash equivalents	0	0
Cash	55,553	24,160
Prepaid expenses: short-term portion	19,370	16,688
Current assets	300,406	232,700
TOTAL Assets	889,915	797,586

- Liabilities and shareholders' equity at December 31, 2022

<i>In thousands of euros</i>	12/31/2022	12/31/2021
Share capital	13,337	13,337
Consolidated retained earnings	271,344	200,717
Group exchange gains/losses	-13,141	-8,214
Group earnings	13,624	26,224
Shareholders' equity, Group share	285,164	232,064
Minority interest	18,971	323
Shareholders' equity	304,135	232,387
Financial liabilities	188,913	186,574
Current lease liabilities	75,907	70,297
Deferred tax liabilities	6,137	8,272
Retirement benefit commitments	25,397	34,069
Provisions	2,355	2,255
Non-current liabilities	298,709	301,467
Financial liabilities	3,854	2,560
Current lease liabilities	15,916	16,072
Trade payables and related accounts	55,709	48,245
Current tax liabilities	247	1,483
Tax and social security liabilities	112,341	101,004
Provisions	2,172	2,065
Other liabilities	96,832	92,304
Current liabilities	287,071	263,732
TOTAL Liabilities	889,915	797,586

• Income statement as of December 31, 2022

<i>In thousands of euros</i>	12/31/2022	<i>12/31/2021</i>
Revenue	555,209	524,709
Purchases used	-26,559	-26,703
External expenses	-119,913	-107,414
Taxes	-6,259	-6,782
Employee costs	-303,577	-278,841
Impairment on accounts receivable and other receivables and on contract assets	-298	-158
Allowances to and reversals of provisions	-4,609	-4,102
Other operating income and expenses	-8	1,161
Share of income of equity method companies	2216	2828
EBITDA⁽¹⁾	96,202	104,698
Depreciation expenses other than right-of-use assets	-53,302	-48,348
Depreciation expenses of right-of-use assets	-17,228	-16,453
Recurring operating income⁽¹⁾	25,673	39,897
Non-recurring operating income and expenses	820	3,789
Other non-recurring operating income and expenses⁽¹⁾	820	3,789
Operating income	26,492	43,686
Income from cash and cash equivalents	114	90
Cost of gross financial debt	-8949	-8357
Other financial income and expenses	45	-2,104
Financial result	-8,790	-10,371
Income taxes	-5882	-7128
Deferred tax	1,272	1,292
Tax	-4,610	-5,836
Share of profit (loss) for the period of equity method companies	-1,013	-1,179
Consolidated net profit	12,079	26,300
Group share	13,624	26,224
Income from equity-accounted affiliates	-1,545	76
Average number of shares excluding treasury stock	13,658,348	13,782,436
Recurring earnings per share (in euros)	0.9	1.8
Earnings per share (in euros)	1.0	1.9

(1) Alternative performance indicator

- Cash flow statement as of December 31, 2022

<i>In thousands of euros</i>	12/31/2022	12/31/2021
Consolidated net profit	12,079	26,300
Share of earnings from equity method companies	-1,203	-1,649
Depreciation and amortization expenses and provisions	83,090	64,438
Capital gains or losses on disposals of operating assets	-31	-141
Cash flow after cost of net financial debt and taxes	93,935	88,948
Cost of net financial debt	8,791	10,370
Tax expenses	4,609	5,836
Operating cash flow before cost of net financial debt and taxes	107,335	105,155
Tax paid	-21,309	-4,119
Change in working capital requirement: Requirement	0	-5,057
Change in working capital requirement: Release	450	0
Cash flow generated from operating activities after tax paid and change in working capital requirements	86,476	95,979
Acquisitions of intangible assets	-58,554	-50,748
Acquisitions of tangible assets	-17,582	-14,015
Acquisitions of long-term investments	-2,619	-3,199
Disposals of tangible and intangible assets	2,099	668
Disposals of long-term investments	1,636	2,040
Change in deposits received or paid	-717	-674
Impact of changes in consolidation scope	52,483	-5,128
Dividends received from outside the Group	3,084	950
Net cash flow used in investing activities	-20,170	-70,106
Capital increase	0	0
Dividends paid to minority shareholders of consolidated cos.	-95	-2
Dividends paid to shareholders of the parent company	-6,831	0
Debt issuance	0	0
Debt repayments	-85	-1,156
Employee profit sharing	81	431
Repayment of lease liabilities	-19,036	-16,808
Interest paid on loans	-4,949	-4,995
Other financial income received	1,784	369
Other financial expenses paid	-4,758	-4,576
Net cash flow used in financing activities	-33,889	-26,736
Change in net cash excluding currency impact	32,417	-863
Impact of changes in foreign currency exchange rates	-1,024	289
Change in net cash	31,393	-574
Opening cash	24,159	24,734
Closing cash	55,553	24,159

- Financial covenants

<i>In thousands of euros</i>	12/31/2022	Criterion
Net debt ⁽¹⁾	84,356	
EBITDA	77,445	
Leverage ratio	1,09	< 2.5

<i>In thousands of euros</i>	12/31/2022	Criterion
Interest expense	5,275	
EBITDA	77,445	
Interest cover ratio	14.68	> 4.5

(1) Excluding profit sharing debt, FCB loan, and IFRS16 debt

(2)

The Group complied with all these covenants as of December 31, 2022, and there is no foreseeable risk of default.