

PRESS RELEASE

Quarterly financial information as of March 31, 2020
IFRS - Regulated information - Not audited

Cegedim: Like-for-like revenue grew 3.3% over Q1 2020

Boulogne-Billancourt, France, April 27, 2020, after the market close

Cegedim, an innovative technology and services company, generated consolidated Q1 2020 revenues of €121.5 million, an increase of 1.9% as reported and 3.3% like-for-like compared with the same period in 2019. All the operating divisions made positive year-on-year contributions to the Group's like-for-like growth.

Group revenue trends, consolidated

in € million	First quarter			
	2020	2019	Chg. LFL	Chg. Reported
Health insurance, HR and e-services	82.7	79.2	+3.0%	+4.3%
Healthcare professionals	38.0	39.1	+4.1%	(2.9)%
Corporate and others	0.9	0.9	(3.4)%	(3.4)%
Cegedim	121.5	119.2	+3.3%	+1.9%

Excluding a favorable currency translation impact of 0.1% and an unfavorable scope effect of 1.5%, revenues rose 3.3%.

The €1.8 million drag from scope effects, or 1.5%, was chiefly due to the sale of virtually all the business activities of *Pulse Systems Inc* in the US in August 2019, partly offset by the acquisition of *Cosytec* in France in July 2019, and that of *NetEDI* in the UK in August 2019.

BPO activities for the insurance and human resources business generated revenues totaling €12.3 million over Q1 2020, a 6.4% improvement compared with Q1 2019.

Covid-19 pandemic

Faced with the covid-19 pandemic—and its impact on the economy—*Cegedim* has activated its business continuity plans, is working to keep its employees and customers safe, and is closely following the situation's impact on its business activities.

The Group has a solid business model focusing to a large extent on the healthcare sector, a robust financial situation with a reasonable amount of leverage⁽¹⁾, no debt maturing before October 2024, an undrawn €45 million revolving credit facility, and an unused €24 million overdraft facility.

Since the lockdown began, *Cegedim* has been developing a host of tools to help fight the covid-19 pandemic. Notably:

- *Cegedim Logiciels Médicaux* has equipped four covid-19 emergency centers in the Centre-Val de Loire region for teleconsultation using its *MLM* web-based solution—Loches, Amboise, Châteauroux, and a regional telehealth facility (set up to lessen contact with the other covid-19 centers)—and did so in record time.
- *Maiia* has developed a prescription-writing module, essential for effective teleconsultation, and is making it available to clients free of charge.
- *Cegedim e-business* offers a simplified version of its digitization solution, *SY by Cegedim*. This offering manages companies' invoices and can be installed within 24 hours.
- The *GERS* and *THIN* teams are supplying health authorities with healthcare consumption data covering private practices and hospitals in France.

- The *Cegedim SRH* teams are assisting companies using partial unemployment for their teams, notably helping to adapt the pay slips of affected employees and making all the adjustments required by the recent measures.

Analysis of business trends by division

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

The division's reported revenues rose 4.3% in Q1 2020 to €82.7 million. Currencies had virtually no impact. Acquisitions had a favorable impact of 1.3%. Like-for-like revenues rose 3.0% over the period. Over Q1 2020, acquisitions had a positive contribution of 1.3%, or €1.0 million, mainly from *NetEDI* and *Cosytec*. This division represented 68.0% of consolidated Q1 2020 revenues compared with 66.5% a year earlier.

The businesses that made the biggest contributions to this growth over the quarter were the BPO activity in the health insurance sector, *Cegedim e-business* (document and process digitization), and *Cegedim SRH* (HR management solutions). It is worth noting that *Cegedim-Media* (digital and conventional communications solutions in pharmacies) remained flat during the period.

- **Healthcare professionals**

The division's reported revenues decreased 2.9% in Q1 2020 to €38.0 million. Currency translation had a positive impact of 0.2%. Acquisitions and disposals had a negative impact of 7.2%. Like-for-like revenues rose 4.1% over the period. Over Q1 2020, the 7.2% negative impact from acquisitions and disposals, or €2.8 million, was mainly due to the sale of virtually all the business activities of *Pulse Systems Inc* in the US in August 2019. The division represented 31.3% of consolidated FY 2019 revenues compared with 32.8% a year earlier.

The businesses that made the biggest positive contributions over the quarter were computerization solutions for doctors and allied health professionals in France, the appointment scheduling and remote consultation activities of *Maiia* (formerly *Docavenue*), and *RESIP* (the *BCB* medication database). It is worth noting that computerization solutions for UK doctors and pharmacies remained flat during the period.

- **Corporate and others**

The division's revenues fell 3.4% as reported and like for like in Q1 2020, to €0.9 million.

Highlights

With the exception of the covid-19 pandemic mentioned at the top of the press release and to the best of the company's knowledge, there were no events or changes during the first quarter of 2020 that would materially alter the Group's financial situation.

Significant transactions and events post March 31, 2020

With the exception of the covid-19 pandemic mentioned at the top of the press release, 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.

Outlook

At this stage of the covid-19 pandemic, it is too early to gauge the full impact (positive and negative) on the Group's 2020 revenues and recurring operating income⁽²⁾.

Additional information

First quarter 2020 revenue figures have not been audited by the Statutory Auditors.

The first quarter 2020 revenue presentation is available at:

- The website: <https://www.cegedim.com/finance/documentation/Pages/presentations.aspx>
- The Group's financial communications app, Cegedim IR. To download the app, visit: <https://www.cegedim.com/finance/profile/Pages/cegedimir.aspx>.

2020 Financial calendar

Please note that the release of H1 2020 earnings has been postponed from Thursday September 17 to Thursday September 24, 2020.

FR : +33 1 72 72 74 03 | **WEBCAST ON APRIL 27, 2020, AT 6:15 PM PARIS TIME**
 USA : +1 646 722 4916 | UK : +44 (0)207 1943 759 | PIN CODE: 32447828#
 The webcast is available at: www.cegedim.fr/webcast

June 17 at 9:30 am CET	Cegedim shareholders' meeting
July 28 after the market close	Second quarter 2020 revenue
September 24 after the market close	First half 2020 results
September 25 at 10:00 am CET	Analyst meeting (SFAF) in SFAF's offices
October 28 after the market close	Third quarter 2020 revenues
November time to be determined	Cegedim's Investor day

(1) The leverage ratio is EBITDA⁽²⁾ to the net financial debt⁽²⁾.

(2) Alternative performance indicator

EBITDA is equivalent to recurring operating income plus net depreciation and amortization expenses.

"Recurring operating income" is defined as the difference between operating income and other non-recurring operating income and expenses.

"Other non-recurring operating income and expenses" may include impairment of tangible assets, goodwill, and other intangible assets, gains or losses on disposals of non-current assets, restructuring costs, and costs relating to workforce adaptation measures.

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

Annexes

Breakdown of revenue by quarter and division

- Year 2020

<i>in € thousands</i>	Q1	Q2	Q3	Q4	Total
Health insurance, HR and e-services	82,667				82,667
Healthcare professionals	37,977				37,977
Corporate and others	852				852
Consolidated Group revenue	121,496				121,496

- Year 2019

<i>in € thousands</i>	Q1	Q2	Q3	Q4	Total
Health insurance, HR and e-services	79,239	83,260	79,585	98,444	340,527
Healthcare professionals	39,100	42,472	38,014	40,201	159,788
Corporate and others	882	842	836	869	3,430
Consolidated Group revenue	119,222	126,574	118,435	139,514	503,745

Breakdown of revenue by geographic zone and division

- As of March 31, 2020

<i>as a % of consolidated revenues</i>	France	EMEA excl. France	Americas
Health insurance, HR and e-services	95.1%	4.9%	0.0%
Healthcare professionals	67.5%	32.1%	0.4%
Corporate and others	100.0%	0.0%	0.0%
Cegedim	86.5%	13.4%	0.1%

Breakdown of revenue by currency and division

- As of March 31, 2020

<i>as a % of consolidated revenues</i>	Euro	GBP	USD	Others
Health insurance, HR and e-services	95.8%	3.3%	0.0%	0.9%
Healthcare professionals	72.6%	24.3%	0.2%	2.9%
Corporate and others	100.0%	0.0%	0.0%	0.0%
Cegedim	88.6%	9.9%	0.1%	1.5%

Glossary

BPO (Business Process Outsourcing): BPO is the contracting of non-core business activities and functions to a third-party provider. Cegedim provides BPO services for human resources, Revenue Cycle Management in the US and management services for insurance companies, provident institutions and mutual insurers.

Business model transformation: Cegedim decided in fall 2015 to switch all of its offerings over to SaaS format, to develop a complete BPO offering, and to materially increase its R&D efforts. This is reflected in the Group's revamped business model. The change has altered the Group's revenue recognition and negatively affected short-term profitability.

Corporate and others: This division encompasses the activities the Group performs as the parent company of a listed entity, as well as the support it provides to the three operating divisions.

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

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

EPS: Earnings Per Share is a specific financial indicator defined by the Group as the net profit (loss) for the period divided by the weighted average of the number of shares in circulation.

External growth: External growth covers acquisitions during the current fiscal year, as well as those which have had a partial impact on the previous fiscal year, net of sales of entities and/or assets.

Free cash flow: Free cash flow is cash generated, net of the cash part of the following items: (i) changes in working capital requirements, (ii) transactions on equity (changes in capital, dividends paid and received), (iii) capital expenditure net of transfers, (iv) net financial interest paid and (v) taxes paid.

Internal growth: Internal growth covers growth resulting from the development of an existing contract, particularly due to an increase in rates and/or the volumes distributed or processed, new contracts, acquisitions of assets allocated to a contract or a specific project.

Life-for-like data (L-f-l): At constant scope and exchange rates.

Net cash: Net cash is defined as cash and cash equivalent minus overdraft.

Operating expenses: Operating expenses is defined as purchases used, external expenses and payroll costs.

Disclaimer: This press release is available in French and in English. In the event of any difference between the two versions, the original French version takes precedence. This press release may contain inside information. It was sent to Cegedim's authorized distributor on April 27, 2020, no earlier than 5:45 pm Paris time.

The terms "business model transformation" and "BPO" are defined in the glossary.

The Group applies the IFRS 15 accounting standard, "Revenue from contracts with customers".

The figures cited above include guidance on Cegedim's future financial performances. This forward-looking information is based on the opinions and assumptions of the Group's senior management at the time this press release is issued and naturally entails risks and uncertainty. For more information on the risks facing Cegedim, please refer to Chapter 7 "Risk management", point 7.2, "Risk factors", and Chapter 3 "Overview of the financial year" point 3.6 "Outlook", of the 2019 Universal Registration Document filled with the AMF on March 31, 2020 under number D.20-0218.

About Cegedim:

Founded in 1969, Cegedim is an innovative technology and services company in the field of digital data flow management for healthcare ecosystems and B2B, and a business software publisher for healthcare and insurance professionals. Cegedim employs almost 5,000 people in more than 10 countries and generated revenue in excess of €500 million in 2019. Cegedim SA is listed in Paris (EURONEXT: CGM).

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

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