

PRESS RELEASE

Quarterly financial information as of June 30, 2019
IFRS - Regulated information - Not audited

Cegedim: Revenue grew in the second quarter of 2019

- Like-for-like revenues grew 8.2% over the quarter and 6.4 over the H1
- Both operating divisions made positive contribution to growth

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 July 25, 2019, 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".

FR : +33 1 72 72 74 03 | **WEBCAST ON JULY 25, 2019, AT 6:15 PM PARIS TIME**
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The webcast is available at: www.cegedim.fr/webcast

Boulogne-Billancourt, France, July 25, 2019, after the market close

Cegedim, an innovative technology and services company, generated consolidated Q2 revenues of €126.6 million in 2019, an increase of 9.4% as reported and 8.2% like for like compared with the same period in 2018.

Cegedim generated consolidated H1 revenues of €245.8 million in 2019, an increase of 8.0% as reported and 6.4% like for like compared with the same period in 2018.

As in the first quarter, all the operating divisions made positive year-on-year contributions to the Group's like-for-like growth in the second quarter.

BPO activities grew their revenues by 14.0% in Q2-19 and reached €21.5 million over the first half, a 10.9% improvement compared with 2018.

Revenue trends by division

- **Second quarter of 2019**

in € million	Second quarter			
	2019	2018	Chg. L-f-l	Chg. Reported
Health insurance, HR and e-services	83.3	76.6	+7.5%	+8.7%
Healthcare professionals	42.5	38.1	+10.2%	+11.4%
Corporate and others	0.8	0.9	(11.1)%	(11.1)%
Cegedim	126.6	115.7	+8.2%	+9.4%

Cegedim's Q2-19 consolidated revenues came to €126.6 million, up 9.4% as reported. Excluding a favorable currency translation impact of 0.1% and a favorable scope effect of 1.1%, revenues rose 8.2%.

The favorable currency translation impact of €0.2 million, or 0.1%, was mainly attributable to appreciation of the US dollar, which represents 2.2% of Group revenues, and virtually no movement in the pound sterling, which represents 10.3%, against the euro.

The €1.2 million boost from scope effects, or 1.1%, was chiefly due to the acquisition of *BSV* in France on January 31, 2019, and that of *Ximantix* in Germany on January 21, 2019.

In like-for-like terms, all of the divisions improved. The *Health insurance, HR and e-services* division gained 7.5% and the *Healthcare professionals* division, 10.2%.

- **First half 2019**

in € million	First half			
	2019	2018	Chg. L-f-l	Chg. Reported
Health insurance, HR and e-services	162.5	149.5	+6.9%	+8.7%
Healthcare professionals	81.6	76.2	+5.9%	+7.1%
Corporate and others	1.7	1.9	(10.9)%	(10.9)%
Cegedim	245.8	227.6	+6.4%	+8.0%

Cegedim's H1-19 consolidated revenues came to €245.8 million, up 8.0% as reported. Excluding a favorable currency translation impact of 0.2% and a favorable scope effect of 1.3%, revenues rose 6.4%.

The favorable currency translation impact of €0.5 million, or 0.2%, was mainly attributable to appreciation of the US dollar, which represents 2.3% of Group revenues, and virtually no movement in the pound sterling, which represents 9.9%, against the euro.

The €3.0 million boost from scope effects, or 1.3%, was chiefly due to the acquisitions of *BSV* and *Ximantix*.

In like-for-like terms, all of the divisions improved. The *Health insurance, HR and e-services* division gained 6.9% and the *Healthcare professionals* division, 5.9%.

Analysis of business trends by division

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

The division's reported revenues rose 8.7% in the second quarter of 2019 to €83.3 million. Acquisitions accounted for 1.2 percentage points. The main contributions came from *BSV* and *Ximantix*. Currencies had virtually no impact. Like-for-like revenues rose 7.5% over the period.

The division's reported revenues rose 8.7% in the first half of 2019 to €162.5 million. Acquisitions accounted for 1.7 percentage points. The main contributions came from *BSV* and *Ximantix*. Currencies had virtually no impact. Like-for-like revenues rose 6.9% over the period.

The businesses that made the biggest contributions to this growth in H1 were—in the health insurance sector—BPO and third-party payment flow processing activities, *Cegedim Health Data* (data and analytics for the healthcare market), *Cegedim e-business* (document and process digitization), and *Cegedim SRH* (HR management solutions).

The *Health insurance, HR and e-services* division represented 66.1% of consolidated first half 2019 revenues compared with 65.7% a year earlier.

- **Healthcare professionals**

The division's reported revenues rose 11.4% in the second quarter of 2019 to €42.5 million. Currency translation had a positive impact of 0.5 percentage points. Acquisitions accounted for 0.7 percentage points. Like-for-like revenues rose 10.2% over the period.

The division's reported revenues rose 7.1% in the first half of 2019 to €81.6 million. Currency translation had a positive impact of 0.7 percentage points. Acquisitions had a positive impact of 0.5 percentage points. Like-for-like revenues rose 5.9% over the period.

The businesses that made the biggest positive contributions in H1 were computerization solutions for doctors and allied health professionals in France and for doctors in the UK, and for doctors and pharmacists in Romania.

The *Healthcare professionals* division represented 33.2% of consolidated Group revenues in the first half of 2019 compared with 33.5% a year earlier.

- **Corporate and others**

The division's reported revenues fell 11.1% as reported and like for like in the second quarter of 2019, to €0.8 million. Currencies and acquisitions had no impact.

The division's reported revenues fell 10.9% as reported and like for like in the first half of 2019, to €1.7 million. Currencies and acquisitions had no impact.

The *Corporate and others* division represented 0.7% of consolidated Group revenues in the first half of 2019 compared with 0.9% a year earlier.

Highlights

To the best of the company’s knowledge, there were no events or changes during the second quarter of 2019 that would materially alter the Group’s financial situation.

Significant transactions and events post June 30, 2019

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

The Group has set a target, initially released on March 27, 2019, of 5% growth in both like-for-like revenues and EBITDA. In 2019, the Group does not expect any significant acquisitions and is not issuing any earnings estimates or forecasts.

- **Potential impact of Brexit**

In 2018, the UK accounted for 10.0% of consolidated Group revenues from continuing activities and 9.9% of consolidated Group EBIT.

Cegedim deals in local currency in the UK, as it does in every country where it is present. Thus Brexit is unlikely to have a material impact on Group EBIT.

With regard to healthcare policy, the Group has not identified any major European programs at work in the UK, and no contracts with entities in the UK contain clauses dealing with Brexit.

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 2, points 2.5, “Risk factors and insurance”, and 2.7, “Outlook”, of the 2018 Registration Document filled with the AMF on March 29, 2019.

Additional information

Second quarter 2019 revenue figures have not been audited by the Statutory Auditors.

Financial calendar

August 30, 2019 , at 9:30 am CET	Cegedim shareholders' meeting
September 19, 2019 , after the market close	First half 2019 results
September 20, 2019 , at 11:30 am CET	Analyst meeting (SFAF) in SFAF's offices
October 24, 2019 , after the market close	Third quarter 2019 revenues

The second quarter 2019 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: <http://www.cegedim.fr/finance/profil/Pages/CegedimIR.aspx>.

Annexes

Breakdown of revenue by quarter and division

- Year 2019

<i>in € million</i>	Q1	Q2	Q3	Q4	Total
Health insurance, HR and e-services	79,239	83,260			162,498
Healthcare professionals	39,100	42,472			81,572
Corporate and others	882	842			1,724
Revenue from continuing activities	119,222	126,574			245,795
Revenue from activities held for sale	0	0			0
IFRS 5 restatement	0	0			0
Group revenue	119,222	125,574			245,795

- Year 2018

<i>in € million</i>	Q1	Q2	Q3	Q4	Total
Health insurance, HR and e-services	72,923	76,613	71,620	86,526	307,684
Healthcare professionals	38,029	38,133	36,291	43,731	156,184
Corporate and others	989	947	900	985	3,820
Revenue from continuing activities	111,941	115,693	108,811	131,242	467,688
Revenue from activities held for sale	2,066	0	0	0	2,066
IFRS 5 restatement	(36)	0	0	0	-36
Group revenue	113,970	115,693	108,811	131,242	469,717

Breakdown of revenue by geographic zone and division

- As of June 30, 2019

<i>as a % of consolidated revenues</i>	France	EMEA excl. France	Americas	APAC
Health insurance, HR and e-services	96.2%	3.8%	0.0%	-
Healthcare professionals	60.7%	32.3%	7.0%	-
Corporate and others	100.0%	0.0%	0.0%	-
Cegedim	84.5%	13.2%	2.3%	-

Breakdown of revenue by currency and division

- As of June 30, 2019

<i>as a % of consolidated revenues</i>	Euro	GBP	USD	Others
Health insurance, HR and e-services	96.9%	2.2%	0.0%	0.9%
Healthcare professionals	65.1%	25.3%	6.8%	2.7%
Corporate and others	100.0%	0.0%	0.0%	0.0%
Cegedim	86.4%	9.9%	2.3%	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.

EBIT: Earnings Before Interest and Taxes. EBIT corresponds to net revenue minus operating expenses (such as salaries, social charges, materials, energy, research, services, external services, advertising, etc.). It is the operating income for the Cegedim Group.

EBIT before special items: This is EBIT restated to take account of non-current items, such as losses on tangible and intangible assets, restructuring, etc. It corresponds to the operating income from recurring operations for the Cegedim Group.

EBITDA: Earnings before interest, taxes, depreciation and amortization. EBITDA is the term used when amortization or depreciation and revaluations are not taken into account. "D" stands for depreciation of tangible assets (such as buildings, machines or vehicles), while "A" stands for amortization of intangible assets (such as patents, licenses and goodwill). EBITDA is restated to take account of non-current items, such as losses on tangible and intangible assets, restructuring, etc. It corresponds to the gross operating earnings from recurring operations for the Cegedim Group.

EBIT margin: EBIT margin is defined as the ratio of EBIT/revenue.

EBIT margin before special items: EBIT margin before special items is defined as the ratio of EBIT before special items/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-I): At constant scope and exchange rates.

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

Net Financial Debt: This represents the Company's net debt (non-current and current financial debt, bank loans, debt restated at amortized cost and interest on loans) net of cash and cash equivalents and excluding revaluation of debt derivatives.

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

Revenue at constant exchange rate: When changes in revenue at constant exchange rate are referred to, it means that the impact of exchange rate fluctuations has been excluded. The term "at constant exchange rate" covers the fluctuation resulting from applying the exchange rates for the preceding period to the current fiscal year, all other factors remaining equal.

Revenue on a like-for-like basis: The effect of changes in scope is corrected by restating the sales for the previous period as follows:

- by removing the portion of sales originating in the entity or the rights acquired for a period identical to the period during which they were held to the current period;
- similarly, when an entity is transferred, the sales for the portion in question in the previous period are eliminated.

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 4,500 people in more than 10 countries and generated revenue of €468 million in 2018. Cegedim SA is listed in Paris (EURONEXT: CGM).

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

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