

PRESS RELEASE

Quarterly financial information at September 30, 2018
IFRS – Regulated information – Not audited

Cegedim: revenues rose in the third quarter of 2018

- Like-for-like revenue growth came to 1.5% over the first nine months of 2018, including 5.3% growth at the Health insurance, HR and e-services division
- Making a meaningful investment in telemedicine
- Outlook for 2018 adjusted

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 October 25, 2018, no earlier than 5:45 pm Paris time.

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

Owing to the disposal of the Group's Cegelease and Eurofarmat businesses, announced in 2017 and completed on February 28, 2018, the consolidated 2017 and 2018 financial statements are presented according to IFRS 5, "Non-current assets held for sale and discontinued". The Group also applies IFRS 15, "Revenue from contracts with customers". See the annexes for more details.

CONFERENCE CALL ON OCTOBER 25, 2018, AT 6:15 PM (PARIS TIME)

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Webcast at: www.cegedim.fr/webcast

Boulogne-Billancourt, France, October 25, 2018, after the market close

Cegedim, an innovative technology and services company, posted consolidated 9M 2018 revenues from continuing activities of €336.4 million, up 1.6% on a reported basis and 1.5% like for like compared with the same period in 2017.

In the third quarter of 2018, **Cegedim** posted consolidated revenues from continuing activities of €108.8 million, up 1.8% on a reported basis and 0.7% like for like compared with the same period in 2017.

BPO revenues rose 7.9% in the third quarter of 2018, bringing the 9M figure to €26.6 million, a 10.1% increase year on year.

In response to regulatory changes enacted September 15, 2018, in the field of telemedicine, and in order to position itself as a major telemedicine player in France, the Group has decided to make a meaningful investment in its appointment scheduling and remote consultation platform, **Docavenue**, currently in the start-up phase. As a result, the Group is revising its 2018 profitability outlook marginally downward. Cegedim now expects stable full-year EBITDA compared with 2017.

Revenue trends by division

- **First nine months of 2018**

In € million	First nine months			
	2018	2017	LFL chg.	Reported chg.
Health insurance, HR and e-services	221.2	208.2	+5.3%	+6.2%
Healthcare professionals	112.5	119.8	-5.0%	-6.1%
Corporate and others	2.8	3.0	-3.9%	-3.9%
Cegedim	336.4	331.0	+1.5%	+1.6%

Over the first nine months of 2018, *Cegedim* posted consolidated revenues from continuing activities of €336.4 million, up 1.6% as reported. Excluding a currency headwind of 0.4% and a 0.6% boost from acquisitions, revenues rose 1.5%.

The €1.3 million negative currency translation impact, or 0.4%, was chiefly due to the €0.8 million negative impact of the US dollar, which represents 2.5% of Group revenues, and the €0.5 million negative impact of the pound sterling, which represents 9.9% of Group revenues.

The €1.9 million, or 0.6%, boost from acquisitions was due mainly to the acquisition of French company *Rue de la Paye* on March 31, 2018.

Like-for-like revenues rose 5.3% at the division *Health insurance, HR and e-services* division and fell 5.0% at the *Healthcare professionals* division.

- **Third quarter 2018**

In € million	Third quarter			
	2018	2017	LFL chg.	Reported chg.
Health insurance, HR and e-services	71.6	68.0	+3.9%	+5.4%
Healthcare professionals	36.3	38.0	-4.8%	-4.5%
Corporate and others	0.9	1.0	-6.4%	-6.4%
Cegedim	108.8	106.9	+0.7%	+1.8%

In the third quarter of 2018, *Cegedim* posted consolidated revenues from continuing activities of €108.8 million, up 1.8% as reported. Excluding a 0.1% boost from currency and a 0.9% boost from acquisitions, revenues rose 0.7%.

The €1.0 million, or 0.9%, boost from acquisitions was due mainly to the acquisition of French company *Rue de la Paye* on March 31, 2018.

Like-for-like revenues rose 3.9% at the *Health insurance, HR and e-services* division and fell 4.8% at the *Healthcare professionals* division.

Analysis of business trends by division

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

Over the first nine months of 2018, division revenues came to €221.2 million, up 6.2% on a reported basis. The March 2018 acquisition of French company *Rue de la Paye* boosted revenues by 0.9%. Currency translation had virtually no impact. Like-for-like revenues rose 5.3% over the period.

The *Health insurance, HR and e-services* division represents 65.7% of consolidated revenues from continuing activities, compared with 62.9% a year ago.

Q3 2018 division revenues amounted to €71.6 million, a 5.4% reported increase. The March 31, 2018, acquisition of *Rue de la Paye* in France had a positive impact equal to 1.5%. Currency translation had virtually no impact. Like-for-like revenues rose 3.9% over the period.

The businesses that made the strongest contributions to growth over the first nine months were *Cegedim SRH* (HR management solutions), sales statistics for pharmaceutical products, *Cegedim e-business* (digitalization and data exchange), and third-party payment flow management in France.

- **Healthcare professionals**

Over the first nine months of 2018, division revenues came to €112.5 million, down 6.1% on a reported basis. Currency translation had a negative impact of 1.0%. Acquisitions and divestments had virtually no impact. Like-for-like revenues fell 5.0% over the period.

The *Healthcare professionals* division represents 33.4% of consolidated revenues from continuing activities, compared with 36.2% a year ago.

Q3 2018 division revenues amounted to €36.3 million, down 4.5% on a reported basis. Currency translation had a positive impact of 0.4%. Acquisitions and divestments had virtually no impact. Like-for-like revenues fell 4.8% over the period.

Over the first nine months of 2018, division performance was hampered by the doctor computerization businesses in the US and the UK – ahead of the release of new versions, whose impact will not be felt until 2019 – and by the computerization of pharmacists in France. By contrast, sales of computerization solutions to doctors in France were robust.

- **Corporate and others**

Over the first nine months of 2018, division revenues came to €2.8 million, down 3.9% on a reported basis. Currency translation, acquisitions and divestments had no impact.

The *Corporate and others* division represents 0.8% of consolidated revenues from continuing activities, compared with 0.9% a year ago.

Q3 2018 division revenues came to €0.9 million, down 6.4% on a reported basis and like for like. Currency translation, acquisitions and divestments had no impact.

Highlights

- **Independent director named to Cegedim SA's board**

At the annual general meeting on August 31, 2018, shareholders appointed Ms. Béatrice Saunier to a six-year term as an independent director. Her term will expire following the AGM held to approve the financial statements for the year 2023.

To the best of the company's knowledge, except for the aforementioned, there were no events or changes after the accounts were closed that would materially alter the Group's financial situation.

Significant post September 30th transactions and events

- **New financing structure for €200 million**

On October 9, 2018, Cegedim set up a new financing structure for a total amount of €200 million consisting of a €135 million, 7-year Euro PP bond with a coupon of 3.50%, and a €65 million, 5-year syndicated revolving credit facility with a one-year extension option. The interest rate on the new revolving credit facility is 20 basis points lower than that of the previous one.

To the best of the company's knowledge, except for the aforementioned, there were no events or changes after the September 30th that would materially alter the Group's financial situation.

Outlook

- **Cautiously optimistic for 2018**

Building on the efforts that it executed with success in 2017, Cegedim continues to pursue its strategy of focusing on organic growth, fueled by a policy of sustained innovation.

In response to regulatory changes enacted September 15, 2018, in the field of telemedicine, and in order to position itself as a major telemedicine player in France, the Group has decided to make a meaningful investment in its appointment scheduling and remote consultation platform, *Docavenue*, currently in the start-up phase. As a result, the Group is revising its 2018 profitability outlook marginally downward. *Cegedim* now expects stable full-year EBITDA compared with 2017 and reiterates its expectation of modest like-for-like revenue growth.

The Group does not issue any earnings estimates or forecasts.

- **Potential impact of Brexit**

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 the Group's consolidated EBIT margin before special items.

With regard to healthcare policy, the Group has not identified any major European programs at work in the UK.

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 4.2, "Risk factors and insurance", and 5.5, "Outlook", of the 2017 Registration Document filed with the AMF on March 29, 2018, under number D.18-0219.

Financial calendar

December 11 at 2:00 pm CET	9 th Investor Summit
January 29, 2019 , after the market close	2018 revenues
March 27, 2019 , after the market close	2018 results
March 28, 2019	SFAF analyst meeting
May 15, 2019 , after the market close	Q1 2019 revenues
June 19, 2019	Annual shareholders' meeting
July 25, 2019 , after the market close	Q2 2019 revenues
September 19, 2019 , after the mkt. close	H1 2019 results
September 20, 2019	SFAF analyst meeting
October 24, 2019 , after the market close	Q3 2019 revenues

October 25, 2018, at 6:15 pm (Paris time)

The Group will hold a conference call in English hosted by [Jan Eryk Umiastowski](#), [Cegedim Chief Investment Officer and Head of Investor Relations](#).

The webcast is available at the following address: www.cegedim.fr/webcast

The 9M 2018 revenues presentation is available on the [website](#) and on the Group's financial communications app, [Cegedim IR](#).

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Additional information

Group 9M and Q3 revenues have not been audited by the Statutory Auditors.

The Audit Committee met on October 24, 2018, and the Board of Directors met on October 25, 2018, to review revenue figures for the first nine months of 2018.

Cegedim Group revenues take into account the initial application of IFRS 15 on January 1, 2018. IFRS 15 does not significantly alter the Group's revenues relative to the principles and methods of revenue recognition used prior to its application.

The Group has created systems and tools to identify potentially significant contracts, as well as any changes in the characteristics or volume of business over time that may require additional analysis in respect of IFRS 15.

Annexes

Breakdown of revenue by quarter and division

- Fiscal year 2018

<i>In € thousands</i>	Q1	Q2	Q3	Q4	Total
Health insurance, HR et e-services	72,923	76,613	71,620		221,157
Healthcare professionals	38,029	38,133	36,291		112,453
Corporate and others	989	947	900		2,835
Revenue from continuing activities	111,941	115,693	108,811		336,445
Revenue from activities held for sale	2,066	0	0		2,066
IFRS 5 restatement	(36)	0	0		(36)
Group revenue	113,970	115,693	108,811		338,475

- Fiscal year 2017

<i>In € thousands</i>	Q1	Q2	Q3	Q4	Total
Health insurance, HR et e-services	68,610	71,653	67,958	82,856	291,077
Healthcare professionals	40,320	41,495	37,999	42,672	162,486
Corporate and others	1,058	933	961	926	3,878
Revenue from continuing activities	109,989	114,081	106,918	126,454	457,441
Revenue from activities held for sale	3,926	2,935	2,476	3,664	13,001
IFRS 5 restatement	(209)	(103)	(100)	(78)	(490)
Group revenue	113,705	116,913	109,294	130,040	469,952

Breakdown of revenue by geographic zone and division

- As of September 30, 2018

<i>As a % of consolidated revenues from continuing activities</i>	France	EMEA excl. France	Americas	APAC
Health insurance, HR et e-services	96.7%	3.3%	-	-
Healthcare professionals	61.4%	30.8%	7.8%	-
Corporate and others	100.0%	-	-	-
Cegedim	84.9%	12.5%	2.6%	-

Breakdown of revenue by currency and division

- As of September 30, 2018

<i>As a % of consolidated revenues from continuing activities</i>	Euro	GBP	USD	Others
Health insurance, HR et e-services	96.7	2.3%	0.0%	1.0%
Healthcare professionals	65.6%	25.1%	7.6%	1.7%
Corporate and others	100.0%	-	-	-
Cegedim	86.3%	9.9%	2.5%	1.2%

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.

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.

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.

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

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.

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.

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.

Adjusted EBITDA: Consolidated EBITDA adjusted, for 2016, for the €4.0m of negative impact from impairment of receivables in the Healthcare Professional division

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.

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.

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.

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

A propos de 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 4,200 people in more than 10 countries and generated revenue of €457 million in 2017. Cegedim SA is listed in Paris (EURONEXT: CGM).

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

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

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