

PRESS RELEASE

Quarterly financial information at September 30, 2020
IFRS – Regulated information – Not audited

Cegedim: A return to growth in the third quarter of 2020

- Like-for-like revenues grew 1.9% in the third quarter of 2020
- All divisions contributed to growth
- Owing to the spike in Covid-19 cases, we are unable to confirm our targets for revenues and for recurring operating income¹ at this time

CONFERENCE CALL ON OCTOBER 28, 2020, AT 6:15 PM (PARIS TIME)

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Webcast at: www.cegedim.fr/webcast

Boulogne-Billancourt, France, October 28, 2020, after the market close

Cegedim, an innovative technology and services company, posted consolidated Q3 2020 revenues of €118.9 million, up 0.4 % on a reported basis and 1.9% like for like compared with the same period in 2019. Thus, after an increase in Q1 and a decrease in Q2, consolidated 9M 2020 revenues came to €355.1 million, down 2.5% on a reported basis and 1.1% like for like compared with the same period in 2019.

Revenue trends by division

- **Third quarter 2020**

In € million	Third quarter			
	2020	2019	LFL chg.	Reported chg.
Health insurance, HR and e-services	80.9	79.6	+1.6%	+1.6%
Healthcare professionals	37.1	38.0	+2.1%	(2.4)%
Corporate and others	1.0	0.8	+14.7%	+14.7%
Cegedim	118.9	118.4	+1.9%	+0.4%

The €1.6 million hit from scope effects in Q3, or 1.4pp, was due to the sale of nearly all of the business activities of *Pulse Systems Inc.* in the US in August 2019.

On a like-for-like basis, *Health insurance, HR and e-services* division revenues rose 1.6%, and those of the *Healthcare professionals* division, 2.1%.

- **First nine months of 2020**

In € million	First nine months			
	2020	2019	LFL chg.	Reported chg.
Health insurance, HR and e-services	241.2	242.1	(1.3)%	(0.4)%
Healthcare professionals	111.3	119.6	(0.8)%	(7.0)%
Corporate and others	2.7	2.6	+5.0%	+5.0%
Cegedim	355.1	364.2	(1.1)%	(2.5)%

¹ Alternative performance indicators

Over the first nine months of 2020, the €5.0 million hit from scope effects, or 1.4pp, was chiefly due to the sale of nearly all of the business activities of *Pulse Systems Inc.* in the US in August 2019, which was partly offset by the acquisitions of *Cosytec* in France in July 2019 and *NetEDI* in the UK in August 2019.

Health insurance, HR and e-services division revenues fell 1.3% like for like, and those of the *Healthcare professionals* division, 0.8%.

Analysis of business trends by division

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

The division's reported revenues rose 1.6% as reported and like for like in the third quarter of 2020, to **€80.9 million**. Acquisitions and divestments had virtually no impact.

The third-quarter performance was primarily the result of growth at *Cegedim Health Data* (healthcare sector data and analytics), *Cegedim e-business* (document and process digitization), and *Cegedim SRH* (HR management solutions). Third-party payments activities in the insurance sector are back on a par with last year.

Over the first nine months of 2020 the division's revenues fell 0.4% as reported and 1.3% like for like to €241.2 million. The acquisitions of *NetEDI* and *Cosytec* made a positive contribution equivalent to 0.9% of consolidated revenues. Currencies had virtually no impact.

- **Healthcare professionals**

The division's reported revenues fell 2.4% in the third quarter of 2020 to €37.1 million. Divestments had a negative impact of 4.3 percentage points. **Like-for-like revenues grew by 2.1%**.

The third-quarter performance is chiefly the result of strong growth at *Maiia* (teleconsultation and online scheduling solutions). Other activities are back on a par with last year.

Over the first nine months of 2020 the division's revenues fell 7.0% as reported and 0.8% like for like to €111.3 million.

The 4.3pp hit from scope effects in the third quarter, or €1.6 million, and the 6.0pp hit in the first nine months, or €7.2 million, was chiefly due to the sale of nearly all of the business activities of *Pulse Systems Inc.* in August 2019.

- **Corporate and others**

Q3 2020 division **revenues came to €1.0 million, up 14.7%** on a reported basis and like for like. Currency translation, acquisitions and divestments had no impact.

Highlights

With the exception of the Covid-19 pandemic, whose impacts are presented in the Interim Financial Report in note 4 on pages 51 to 53, during the third quarter of 2020 and to the best of the company's knowledge there were no events or changes that would materially alter the Group's financial situation.

Significant post September 30th transactions and events

- **Acquisition of a minority stake in Clamae**

Cegedim has acquired a minority stake of 34% in the Clamae Group via a €6 million reserved capital increase. Clamae has a subsidiary that specializes in innovative payment systems made possible under the EU's PSD2 framework. The technologies Clamae has developed will be put to good use in nearly all of Cegedim Group's products and services (health insurance products, data management and digitization, and apps for healthcare professionals).

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

Outlook

The coming announcement of a severe tightening of public health restrictions related to the Covid-19 pandemic has forced the Group to suspend its targets for revenues and recurring operating income².

The Group does not expect any material acquisitions in 2020 and does not provide earnings estimates or forecasts.

Additional information

Third-quarter 2020 revenue figures have not been audited by the Statutory Auditors. The Audit Committee met on October 27, 2020, and the Board of Directors—chaired by Jean-Claude Labrune—met on October 28, 2020.

2020-2021 Financial calendar

2020	December 15 from 2:30pm to 6 pm	For the first time, this event will take place entirely virtually owing to the Covid-19 pandemic. More details to follow. Registration is now open at: https://bit.ly/3ok1t4G
	Virtual Capital Markets Day	
2021	January 26 after the market close	2020 revenues
	March 18 after the market close	2020 earnings
	March 19	SFAF analyst meeting
	April 27 after the market close	Q1 2021 revenues
	June 17	Cegedim shareholders' meeting
	July 27 after the market close	Q2 2021 revenues
	September 16 after the mkt. close	H1 2021 earnings
	September 17	SFAF analyst meeting
	October 28 after the market close	Q3 2021 revenues

The third-quarter 2020 revenue presentation can be found:

- On the website: <https://www.cegedim.fr/finance/documentation/Pages/presentations.aspx>
- And on the Cegedim IR smartphone app: <https://www.cegedim.fr/finance/profil/Pages/CegedimIR.aspx>

² Alternative performance indicators

Annexes

Breakdown of revenue by quarter and division

- Fiscal year 2020

<i>in € thousands</i>	Q1	Q2	Q3	Q4	Total
Health insurance, HR and e-services	82,667	77,655	80,860		241,183
Healthcare professionals	37,977	36,170	37,120		111,267
Corporate and others	852	878	959		2,689
Consolidated Group revenue	121,496	114,703	118,939		355,138

- Fiscal 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 June 30, 2020

<i>as a % of consolidated revenues</i>	France	EMEA excl. France	Americas
Health insurance, HR and e-services	95.3%	4.7%	0.0%
Healthcare professionals	65.3%	34.4%	0.3%
Corporate and others	100.0%	0.0%	0.0%
Cegedim	85.9%	14.0%	0.1%

Breakdown of revenue by currency and division

- As of June 30, 2020

<i>as a % of consolidated revenues</i>	Euro	GBP	USD	Others
Health insurance, HR and e-services	96.0%	3.1%	0.0%	0.9%
Healthcare professionals	70.5%	26.4%	0.1%	3.0%
Corporate and others	100.0%	0.0%	0.0%	0.0%
Cegedim	88.0%	10.4%	0.0%	1.6%

Breakdown of revenue by division

<i>as a % of consolidated revenues</i>	9M 2020	9M 2019
Health insurance, HR and e-services	67.9%	66.5%
Healthcare professionals	31.3%	32.8%
Corporate and others	0.8%	0.7%
Cegedim	100.0%	100.0%

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.

Current operating income: The Group's operating income includes all revenues and expenses directly related to Group activities, whether these revenues and expenses are recurring or arise from non-recurring decisions or transactions.

"Other non-recurring operating income and expenses" consists of unusual items, notably as concerns their nature or frequency, that could distort the assessment of Group entities' financial performance. 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. Consequently, Cegedim monitors its operating performance using "Recurring operating income" (REBIT), defined as the difference between total operating income and other non-recurring operating income and expenses.

Recurring operating income (REBIT) is an intermediate line item intended to facilitate understanding of the Group's operating performance and as a way to estimate recurring performance. This indicator is presented in a manner that is consistent and stable over the long term in order to ensure the continuity and relevance of financial information.

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 28, 2020, no earlier than 5:45 pm Paris time.

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 filed 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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