

## PRESS RELEASE

Full year Financial Information at December 31, 2017  
IFRS - Regulated Information - Not Audited

### Cegedim: organic growth accelerated in 2017

- Revenues grew 5.9% like for like over the full year
- Outlook for consolidated 2017 EBITDA raised significantly
- Cegelease business sold

**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 January 29, 2018, no earlier than 5:45 pm Paris time.  
The terms "business model transformation" and "BPO" are defined in the glossary.  
Cegedim announced on December 14 that it had signed a contract for the definitive sale of its Cegelease and Eurofarmat businesses. As a result, the consolidated 2017 financial statements are presented according to IFRS 5, "Non-current assets held for sale and discontinued". See annexes for more details. Cegedim expects the deal to be finalized in the first quarter of 2018.

**CONFERENCE CALL ON JANUARY 29, 2018, AT 6:15PM CET**

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### Boulogne-Billancourt, France, January 29, 2018, after the market close

**Cegedim**, an innovative technology and services company, posted consolidated Q4 2017 revenues from continuing activities of €126.5 million, up 6.3% on a reported basis and 5.2% like for like compared with the same period in 2016. Over the full year 2017, **Cegedim** posted consolidated revenues from continuing activities of €457.4 million, up 6.6% on a reported basis and 5.9% like for like compared with the same period in 2016.

To continue its business model transformation and refocus its strategy, **Cegedim** signed an agreement to sell its **Cegelease** and **Eurofarmat** subsidiaries to the Société Générale Group. Cegedim expects the deal to be finalized in the first quarter of 2018, subject to approval by competition authorities (see press release dated December 14, 2017\*). Consolidated 2017 revenues are presented according to IFRS 5, meaning both **Cegelease** and **Eurofarmat** are excluded from continuing activities.

All of the operating divisions contributed positively to the Group's year-on-year organic revenue growth in the fourth quarter and over the full year 2017.

#### Revenue trends by division

- **Fourth quarter 2017**

In € million	Fourth quarter			
	2017	2016	Chg. L-f-l	Chg. Reported
Health insurance, HR and e-services	82.9	77.2	+5.2%	+7.4%
Healthcare professionals	42.7	40.8	+5.4%	+4.5%
Corporate and others	0.9	1.0	(3.2)%	(3.2)%
<b>Cegedim</b>	<b>126.5</b>	<b>118.9</b>	<b>+5.2%</b>	<b>+6.3%</b>

\* [http://www.cegedim.com/communiqu/Cegedim\\_Cegelease\\_signature\\_14122017\\_ENG.pdf](http://www.cegedim.com/communiqu/Cegedim_Cegelease_signature_14122017_ENG.pdf)

In the fourth quarter of 2017, *Cegedim* posted consolidated revenues from continuing activities of €126.5 million, up 6.3% on a reported basis. Excluding an unfavorable currency translation effect of 0.4% and a 1.5% boost from acquisitions, revenues rose 5.2%.

The unfavorable currency translation effect of €0.5 million, or 0.4%, was chiefly due to the €0.3 million negative impact of the US dollar, which represents 2.8% of Group revenues, and the €0.1 million negative impact of the pound sterling, which represents 10.6% of revenues.

The €1.8 million positive impact from acquisitions, or 1.5%, was due to the acquisition of *Futuramedia* in France in November 2016.

In like-for-like terms, *Health insurance, HR and e-services* division revenues rose by 5.2%, and *Healthcare professionals* division revenues rose by 5.4%.

- **Full year 2017**

In € million	Full year			
	2017	2016	Chg. L-f-l	Chg. Reported
Health insurance, HR and e-services	291.1	262.4	+8.5%	+10.9%
Healthcare professionals	162.5	163.6	+1.4%	(0.7)%
Corporate and others	3.9	3.3	+17.2%	+17.2%
<b>Cegedim</b>	<b>457.4</b>	<b>429.3</b>	<b>+5.9%</b>	<b>+6.6%</b>

For the full year 2017, *Cegedim* posted consolidated revenues from continuing activities of €457.4 million, up 6.6% on a reported basis. Excluding an unfavorable currency translation effect of 0.9% and a 1.6% boost from acquisitions, revenues rose 5.9%.

The unfavorable currency translation effect of €4.1 million, or 0.9%, was chiefly due to the €3.7 million negative impact of the pound sterling, which represented 10.9% of revenues.

The €7.0 million positive impact from acquisitions, or 1.6%, was due to the acquisition of *Futuramedia* in France in November 2016.

Both of the divisions grew their like-for-like revenues. *Health insurance, HR and e-services* division revenues from continuing activities rose by 8.5%, and *Healthcare professionals* division revenues rose by 1.4%.

### **Analysis of business trends by division**

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

**The division's Q4 2017 revenues came to €82.9 million, up 7.4% on a reported basis. The November 2016 *Futuramedia* acquisition in France made a positive contribution of 2.3%. Currency translation had a negative impact of 0.1%. Like-for-like revenues rose 5.2% over the period.**

**The division's 2017 revenues came to €291.1 million, up 10.9% on a reported basis. The November 2016 *Futuramedia* acquisition in France made a positive contribution of 2.6%. Currency translation had a negative impact of 0.2%. Like-for-like revenues rose 8.5% over the period.**

The businesses that made the biggest contributions to growth were *C-MEDIA*, merger between *RNP* and *Futuramedia*, (ad space in pharmacies and health & wellness shops), *Cegedim SRH* (HR management solutions), *Cegedim e-business* (digitalization and data exchange), sales statistics for pharmaceutical products, and – in the field of health insurance – third-party payment flow management and BPO activities.

The *Health insurance, HR and e-services* division represented 63.6% of consolidated revenues, compared with 61.1% over the same period a year earlier.

- **Healthcare professionals**

The division's Q4 2017 revenues came to €42.7 million, up 4.5% on a reported basis. Currency translation had a negative impact of 1.0%. There was virtually no impact from acquisitions or divestments. Like-for-like revenues rose 5.4% over the period.

The division's 2017 revenues came to €162.5 million, down 0.7% on a reported basis. Currencies had a negative impact of 2.2%. There was virtually no impact from acquisitions or divestments. Like-for-like revenues rose 1.4% over the period.

The businesses that made the biggest contributions to growth were software for doctors and allied health professionals in France, Belgium, and the US, and the *BCB* medication database. After a rather mixed start to the year, business in the UK and with pharmacists returned to growth.

The *Healthcare professionals* division represented 35.5% of consolidated revenues from continuing activities, compared with 38.1% over the same period a year earlier.

- **Corporate and others**

The division's Q4 2017 revenues came to €0.9 million, down 3.2% on a reported basis and like for like. There was no currency impact and no acquisitions or divestments.

The division's 2017 revenues came to €3.9 million, up 17.2% on a reported basis and like for like. There was no currency impact and no acquisitions or divestments.

The *Corporate and others* division represented 0.8% of consolidated revenues from continuing activities in 2017 and 2016.

- **Assets held for sale (Cegelease and Eurofarmat)**

For the full year 2017, revenues from activities held for sale came to €13.0 million, up 3.7% on a reported basis and like for like. There was no currency impact and no acquisitions or divestments.

Without applying IFRS 5, Group revenues would amount to €470.0 million, up 6.6% on a reported basis and 5.9% like for like compared with FY 2016.

## **Highlights**

Apart from the items cited below, to the best of the company's knowledge, there were no events or changes during the period that would materially alter the Group's financial situation.

- **Changes to Cegedim SA's Board of Directors**

In keeping with the wishes of Bpifrance, in March 2017 Ms. Anne-Sophie Hérelle was appointed to replace Ms. Valérie Raoul-Desprez on the Board of Directors. The permanent representative of Bpifrance is now Ms. Marie Artaud-Dewitte, Deputy Head of Legal Affairs at Bpifrance Investissements. She replaces Ms. Anne-Sophie Hérelle.

- **Non-recourse factoring agreement**

On May 22, 2017, the Group signed a factoring agreement with a French bank. The non-recourse agreement covers total receivables of €38.0 million. The agreement is for an open-ended time period.

The amount of trade receivables sold under the agreement came to €18.8 million at June 30, 2017.

- **Partial interest rate hedging**

*Cegedim* carried out two zero-premium swap agreements in the first half of 2017 under which it receives the 1-month Euribor rate if it exceeds 0%, receives nothing otherwise, and pays:

- A fixed rate of 0.2680% on a notional amount of €50 million starting February 28, 2017, and maturing on February 26, 2021.
- A fixed rate of 0.2750% on a notional amount of €30 million starting May 31, 2017, and maturing on December 31, 2020.

- **GIE Isiaklé**

As part of the BPO contract *Cegedim* signed with the Klesia group in September 2016, the two companies created an economic interest group (GIE), held 50/50. In January 2017, *Cegedim* lent Isiaklé €9 million for a period of 10 years at an interest rate of 1m Euribor plus a margin of 1.1%. The GIE is accounted for in *Cegedim's* consolidated accounts using the equity method.

- **B.B.M. Systems and Adaptive Apps acquisitions in the UK**

On February 23, 2017, *Cegedim* acquired UK company *B.B.M. Systems* through its *Alliadis Europe Ltd* subsidiary. *B.B.M. Systems* had 2016 revenues of around €0.7 million and earned a profit. It began contributing to the Group's scope of consolidation on March 1, 2017.

On May 3, 2017, *Cegedim* acquired UK company *Adaptive Apps* through its *In Practice Systems Ltd* subsidiary. *Adaptive Apps* had 2016 revenues of around €1.5 million and earned a profit. It began contributing to the Group's scope of consolidation in May 2017.

- **Litigation**

On February 10, 2017, *Cegedim* was ordered to pay €4,636,000 to the Tessi company for failing to meet certain obligations with respect to an asset sale made on July 2, 2007. The sum was paid on July 21, 2017. *Cegedim* has appealed the ruling.

*Cegedim*, jointly with IQVIA (formerly IMS Health), is being sued by Euris for unfair competition. *Cegedim* has filed a motion claiming that IQVIA should be the sole defendant. After consulting with its external legal counsel, the Group has decided not to record any provisions.

On October 20, 2017, the court of Nîmes ordered *Alliadis* to pay a fine of €2 million as part of a case involving a pharmacist from Remoulins. A subsequent hearing on November 24 set the fine at €187,500. *Cegedim* has asked for the case to be dismissed and is appealing the ruling.

- **Divestment of Cegelease and Eurofarmat**

The terms of the deal are detailed in the press release dated December 14, 2017 ([http://www.cegedim.com/communiqu/Cegedim\\_Cegelease\\_signature\\_14122017\\_ENG.pdf](http://www.cegedim.com/communiqu/Cegedim_Cegelease_signature_14122017_ENG.pdf)).

### **Significant post-closing transactions and events**

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

### **Outlook**

Based on its performance in the fourth quarter of 2017, the Group is revising significantly upwards its outlook for EBITDA from continuing activities in FY 2017. The Group now expects 2017 EBITDA from continuing activities to exceed €72 million.

*Cegedim* will discuss its outlook for 2018 when it announces its 2017 results on March 20, 2018, after the market close.

The Group does not communicate earnings estimates or forecasts.

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 points 2.4, "Risk factors and insurance", and 3.7, "Outlook", of the 2016 Registration Document filed with the AMF on March 29, 2017, under number D.17-0255.

- **Potential impact of Brexit**

In 2017, the UK accounted for 10.9% of consolidated Group revenues from continuing activities. It represented 14.8% of consolidated Group EBIT before special items in 2016.

*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 consolidated Group EBIT before special items.

With regard to healthcare policy, the Group has not identified any major European programs at work in the UK and expects UK policy to be only marginally affected by Brexit.

### **Additional information**

Revenue figures for FY 2017 have not yet been audited by the Statutory Auditors.

**Financial calendar, H1 2018**

<b>March 20, 2018</b> , after the market close	FY 2017 results
<b>March 21, 2018</b> , at 11:00 am CET	Analyst meeting (SFAF) in Cegedim's auditorium
<b>April 26, 2018</b> , after the market close	First-quarter 2018 revenues
<b>June 19, 2018</b> , at 9:30 am CET	Cegedim shareholders' meeting

**January 29, 2018, at 6:15pm (Paris time)**

The Group will hold a conference call 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](http://www.cegedim.fr/webcast)

The presentation on FY 2017 revenues is available:

The website: <http://www.cegedim.fr/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>

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## Appendices

### Breakdown of revenues from continuing activities by quarter and division

- FY 2017

<i>In € thousands</i>	Q1	Q2	Q3	Q4	Total
Health insurance, HR and 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
<b>Cegedim</b>	<b>109,989</b>	<b>114,081</b>	<b>106,918</b>	<b>126,454</b>	<b>457,441</b>

- FY 2016

<i>In € thousands</i>	Q1	Q2	Q3	Q4	Total
Health insurance, HR and e-services	59,735	64,855	60,615	77,151	262,356
Healthcare professionals	42,857	41,028	38,865	40,838	163,588
Corporate and others	797	781	773	957	3,308
<b>Cegedim</b>	<b>103,389</b>	<b>106,664</b>	<b>100,253</b>	<b>118,945</b>	<b>429,251</b>

### Breakdown of revenues from continuing activities by geographic zone and division

- At December 31, 2017

<i>In € thousands</i>	France	EMEA excl. France	Americas	APAC
Health insurance, HR and e-services	96.5%	3.5%	-	-
Healthcare professionals	59.0%	31.7%	9.3%	-
Corporate and others	99.5%	0.5%	-	-
<b>Cegedim</b>	<b>83.2%</b>	<b>13.5%</b>	<b>3.3%</b>	<b>-</b>

### Breakdown of revenues from continuing activities by currency and division

- At December 31, 2017

<i>In € thousands</i>	Euro	GBP	USD	Others
Health insurance, HR and e-services	96.5%	2.5%	-	1.0%
Healthcare professionals	63.3%	26.2%	9.2%	1.4%
Corporate and others	100.0%	-	-	-
<b>Cegedim</b>	<b>84.7%</b>	<b>10.9%</b>	<b>3.3%</b>	<b>1.1%</b>

### **Application of IFRS 5**

On December 14, 2017, *Cegedim* announced that it had signed a contract for the definitive sale of its *Cegelease* and *Eurofarmat* businesses. The deal is expected to take effect following the release of this document, in the first quarter of 2018. As a result, the consolidated 2017 financial statements are presented according to IFRS 5, "Non-current assets held for sale and discontinued". IFRS 5 governs the accounting treatment for non-current assets held for sale.

In practice, their contribution to each line of *Cegedim's* consolidated income statement (before minority interests) is combined into the "Net profit from activities sold or held for sale" line, and the group share of their net profit is excluded from *Cegedim's* adjusted net profit. Earlier periods have also been restated so that the information presented is comparable.

The table below shows the impact of the restatement:

<i>in € thousands</i>	2017	2016	Change
Revenue from continuing activities	457,441	429,251	+6.6%
Revenue from assets held for sale	13,001	12,537	+3.7%
IFRS 5 restatement	-490	-942	-
<b>Group revenues</b>	<b>469,952</b>	<b>440,846</b>	<b>+6.6%</b>

## 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.

### 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 4,200 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](http://www.cegedim.com)

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