

PRESS RELEASE

Full year Financial Information at December 31, 2018
IFRS - Regulated Information - Not Audited

Cegedim: like-for-like growth picked up speed in fourth quarter 2018

- LFL revenue growth climbed to 2.9% in the final quarter
- LFL revenues rose 1.9% over the full year
- The Healthcare professionals division posted growth in Q4

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, 2019, 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".

CONFERENCE CALL ON JANUARY 29, 2019, AT 6:15PM CET
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Boulogne-Billancourt, France, January 29, 2019, after the market close

Cegedim, an innovative technology and services company, posted consolidated Q4 2018 revenues from continuing activities of €131.2 million, up 3.8% on a reported basis and 2.9% like for like compared with the same period in 2017.

All of the operating divisions contributed positively to the Group's fourth-quarter like-for-like revenue growth compared with the year-earlier period.

Over the full year 2018, **Cegedim** posted consolidated revenues from continuing activities of €467.7 million, up 2.2% on a reported basis and 1.9% like for like compared with the same period in 2017.

BPO revenues rose 7.0% in the fourth quarter of 2018 and amounted to €35.9 million over FY 2018, an 11.5% increase compared with FY 2017.

Revenue trends by division

- **Fourth quarter 2018**

In € million	Fourth quarter			
	2018	2017	Chg. L-f-l	Chg. Reported
Health insurance, HR and e-services	86.5	82.9	+3.1%	+4.4%
Healthcare professionals	43.7	42.7	+2.3%	+2.5%
Corporate and others	1.0	0.9	+6.3%	+6.3%
Cegedim	131.2	126.5	+2.9%	+3.8%

In the fourth quarter of 2018, **Cegedim** posted consolidated revenues from continuing activities of €131.2 million, up 3.8% on a reported basis. Excluding a favorable currency translation effect of 0.1% and a 0.8% boost from acquisitions, revenues rose 2.9%.

Currency translation had a positive impact of €0.1 million, or 0.1%, as both the US dollar (2.1% of Group revenues) and the pound sterling (10.2% of Group revenues) were stable against the euro.

The €1.1 million positive impact from acquisitions, or 0.8%, was due to the acquisition of *Rue de la Paye* in France in March 30, 2018.

LFL revenues rose at every division. The *Health insurance, HR and e-services* division grew by 3.1% and the *Healthcare professionals* division, by 2.3%.

- **Full year 2018**

In € million	Full year			
	2018	2017	Chg. L-f-l	Chg. Reported
Health insurance, HR and e-services	307.7	291.1	+4.7%	+5.7%
Healthcare professionals	156.2	162.5	(3.1)%	(3.9)%
Corporate and others	3.8	3.9	(1.5)%	(1.5)%
Cegedim	467.7	457.4	+1.9%	+2.2%

For the full year 2018, *Cegedim* posted consolidated revenues from continuing activities of €467.7 million, up 2.2% on a reported basis. Excluding an unfavorable currency translation effect of 0.3% and a 0.6% boost from acquisitions, revenues rose 1.9%.

The unfavorable currency translation impact of €1.3 million, or 0.3%, is chiefly due to the negative impacts of €0.7 million from the US dollar, which represents 2.4% of Group revenues, and of €0.5 million from the pound sterling, which represents 10.0% of Group revenues.

Acquisitions added €2.9 million, or 0.6%, mainly as a result of the March 30, 2018, acquisition of *Rue de la Paye* in France.

The *Health insurance, HR and e-services* division grew by 4.7%, whereas the *Healthcare professionals* division experienced a drop of 3.1%.

Analysis of business trends by division

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

The division's Q4 2018 revenues came to €86.5 million, up 4.4% on a reported basis. The March 30, 2018 *Rue de la Paye* acquisition in France made a positive contribution of 1.3%. Currency translation had virtually no impact. Like-for-like revenues rose 3.1% over the period.

The division's 2018 revenues came to €307.7 million, up 5.7% on a reported basis. The March 30, 2018 *Rue de la Paye* acquisition in France made a positive contribution of 1.1%. Currency translation had virtually no impact. Like-for-like revenues rose 4.7% over the period.

The businesses that made the biggest contributions to growth were *Cegedim SRH* (HR management solutions), *Cegedim Health Data* (sales statistics for pharmaceutical products), *Cegedim e-business* (digitalization and data exchange), and – in the field of health insurance – third-party payment flow management and BPO activities.

The *Health insurance, HR and e-services* division represented 65.8% of consolidated revenues, compared with 63.6% over the same period a year earlier.

- **Healthcare professionals**

The division's Q4 2018 revenues came to €43.7 million, up 2.5% on a reported basis. Currency translation had a positive impact of 0.3%. There was virtually no impact from acquisitions or divestments. Like-for-like revenues rose 2.3% over the period.

The division's 2018 revenues came to €156.2 million, down 3.9% on a reported basis. Currencies had a negative impact of 0.7%. There was virtually no impact from acquisitions or divestments. Like-for-like revenues fell 3.1% over the period.

The businesses that made the strongest contributions to this growth were software for doctors and allied health professionals in France and Belgium, and the *BCB* medication database. The strong year-on-year growth in computerization services for doctors in the UK in the fourth quarter was particularly noteworthy.

The *Healthcare professionals* division represented 33.4% of consolidated revenues from continuing activities, compared with 35.5% over the same period a year earlier.

- **Corporate and others**

The division's Q4 2018 revenues came to €1.0 million, up 6.3% on a reported basis and like for like. There was no currency impact and no acquisitions or divestments.

The division's 2018 revenues came to €3.8 million down 1.5% 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 2018 and 2017.

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.

- **Bpifrance sells Cegedim shares**

Bpifrance Participations sold 1,682,146 Cegedim shares via an accelerated bookbuilding process to French and international institutional investors at a price of €35 per share on February 13, 2018. In the context of the transaction, the shareholders' agreement dated October 28, 2009, between Mr. Jean-Claude Labrune, FCB (the family holding company controlled by Mr. Labrune), and Bpifrance – as well as the concert between the parties – has been terminated. Following the sale, Cegedim's free float increased to 44% of capital (vs. 32% before the transaction).

- **Cegelease and Eurofarmat definitively sold**

On February 28, 2018, Cegedim announced that it had completed the disposal of Cegelease and Eurofarmat to FRANFINANCE of the Société Générale Group for an amount of €57.5 million plus reimbursement of the shareholder's loan account, which amounted to €13 million. Of this amount, Cegedim used €30 million to pay down its debt.

The parties have decided that Cegelease and the Cegedim Group will continue to collaborate in France under the current terms as part of a six-year collaboration agreement.

- **Rue de la Paye acquired in France**

On March 30, 2018, Cegedim acquired French company Rue de la Paye via its Cegedim SRH subsidiary. The deal will enable the Group to market digital payroll solutions to 2 million SMEs and small businesses in France, including – importantly – thousands of healthcare professionals that are already Cegedim Group clients.

Rue de la Paye's 2017 revenues were equivalent to around 1% of 2017 consolidated Group revenues, and it earned a profit. It began contributing to the Group's consolidation scope in April 2018.

- **Tax**

On February 21, 2018, Cegedim S.A. received notice that French tax authorities would perform an audit of its accounts covering the period January 1, 2015, to December 31, 2016.

- **Independent director appointed 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.

- **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.

- **Euris litigation**

Along with IQVIA (formerly IMS Health), Cegedim had been sued by Euris for unfair competition. Cegedim filed a motion asking for the court to dismiss any claims against the Group. The Paris Commercial Court granted Cegedim's request in a ruling on December 17, 2018.

Significant post December 31th transactions and events

- **Acquisition of XimantiX in Germany**

On January 21, 2019, *Cegekdim* acquired German company XimantiX.

Building on its presence in the digitalization market in Belgium, France, the United Kingdom, and Morocco, *Cegekdim* now has a solid base for this activity in Germany, Europe's leading economy. By acquiring a German leader positioned on the midmarket segment, *Cegekdim e-business* will be able to develop its offer for SMEs. XimantiX customers will gain access to a wider range of services, thanks to *Cegekdim's* international scope.

XimantiX's 2018 revenues came to €2.2 million, and it earned a profit. It began contributing to the Group's consolidation scope in January 2019

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

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

With revenues in line with the Group's outlook, *Cegekdim* still expects EBITDA to be stable compared with 2017.

The Group does not communicate earnings estimates or forecasts.

- **Potential impact of Brexit**

Cegekdim 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.

The figures cited above include guidance on *Cegekdim'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 *Cegekdim*, 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.

Additional information

Revenue figures for FY 2018 have not yet been audited by the Statutory Auditors.

Financial calendar, H1 2019

March 27, 2019 , after the market close	FY 2018 results
March 28, 2019 , at 11:00 am CET	Analyst meeting (SFAF) in <i>Cegekdim's</i> auditorium
May 15, 2019 , after the market close	First-quarter 2019 revenues
June 19, 2019 , at 9:30 am CET	<i>Cegekdim</i> shareholders' meeting

January 29, 2019, 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

The presentation on FY 2018 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

<i>In € thousands</i>	Q1	Q2	Q3	Q4	Total
Health insurance, HR et 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

- 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 December 31, 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	61.3%	31.2%	7.5%	-
Corporate and others	100.0%	-	-	-
Cegedim	84.9%	12.6%	2.5%	-

Breakdown of revenue by currency and division

- As of December 31, 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	65.5%	25.3%	7.2%	2.0%
Corporate and others	100.0%	-	-	-
Cegedim	86.3%	10.0%	2.4%	1.3%

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 4,500 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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