Cegedim 2017 Results
Webcast - SFAF Meeting
20 - 21 March 2018
Caution Concerning Forward-Looking Statements

This presentation contains “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are based on expectations and assumptions that we believe to be reasonable when made, but that may not prove to be accurate. By their nature, forward-looking statements involve risk and uncertainty. Consequently the company cannot guarantee their accuracy and their completeness, and actual results may differ materially from those the company anticipated due to a number of uncertainties, many of which the company is not aware of.

Additional information concerning important factors that may cause the company's actual results to differ materially from expectations and underlying assumptions, please refer to the reports filed by the company with the 'Autorité des Marchés Financiers'.

Any forward-looking statement speaks only as of the date on which it is made, and we assume no obligation to update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise, except as required by law.
Agenda

1. Vision
2. Strategy
3. Finance
4. Appendices
Vision

Jean-Claude Labrune
Chairman and CEO
CEGEDIM VISION

Digital
SaaS
Data
Cloud
BPO
Telemedicine
NUMEROUS OPPORTUNITIES

New ways of healthcare Management

New technologies

New ways of delivering Healthcare

Government reforms
Portfolio Management

Divestments:
• CRM and Strategic Data
• Cegelease

Acquisitions:
• Activus
• Nightingale
• Futuramedia
• B.B.M
• Adaptive apps
The Cegelease and Eurofarnet subsidiaries operate principally in the financial domain, are highly valued, and require additional resources to continue pursuing and accelerating their development for the benefit of their clients and employees.

**RATIONAL**

**BUYER**
- FRANFINANCE
- Société Générale

**PRICE**
- \( \approx €70m \)
  - €57.5m for equity
  - €13.0m reimbursement of shareholder loan

**TIMING**
- Signed on Dec. 14, 2017
- Disposal completed on Feb. 28, 2018

**AGREEMENT**
- Six-year collaboration agreement between Cege evolution Group and Cegelease

**IMPACT**
- Contribution to FY 17
  - Revenue: €13.0m
  - EBITDA: €5.8m

**USED OF PROCESS**
- €30m to repay debt
- Acquisition or debt repayment
Investing in Innovation

- Capitalized R&D:
  - H2-17: €22.0m
  - H1-17: €22.5m
  - H2-16: €22.0m
  - H1-16: €18.7m
  - H2-15: €15.5m
  - H1-15: €12.7m

  Stabilization

  Significant increase
Business Model Transformation
Results

- **Group Revenue (IFRS-5)**
  - 2016: €429m
  - 2017: €457m  (+6.6%)

- **EBITDA Margin (IFRS-5)**
  - 2016: 13.4%
  - 2017: 16.9%
Cegedim announced on December 14, 2017 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. The disposal was completed on February 28, 2018.
### FY 2017: Return to the 2015 Level

<table>
<thead>
<tr>
<th>In € million</th>
<th>FY 15</th>
<th>FY 16</th>
<th>FY 17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>426.2</td>
<td>440.8</td>
<td>470.4</td>
</tr>
<tr>
<td>EBITDA</td>
<td>78.5</td>
<td>61.4</td>
<td>83.3</td>
</tr>
<tr>
<td>EBITDA margin</td>
<td>18.4%</td>
<td>13.9%</td>
<td>17.7%</td>
</tr>
<tr>
<td>R&amp;D Capitalized</td>
<td>28.2</td>
<td>40.6</td>
<td>44.6</td>
</tr>
<tr>
<td>Cash flow before taxes and interest</td>
<td>76.0</td>
<td>57.5</td>
<td>85.9</td>
</tr>
<tr>
<td>Net cash flow from operating activities</td>
<td>39.8</td>
<td>58.6</td>
<td>73.5</td>
</tr>
</tbody>
</table>
## Impact of Cegelease disposal

<table>
<thead>
<tr>
<th></th>
<th>FY 17</th>
<th>Cegelease</th>
<th>FY 17 IFRS 5</th>
</tr>
</thead>
<tbody>
<tr>
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</tr>
<tr>
<td><strong>EBIT before special items</strong></td>
<td>43.1</td>
<td>5.7</td>
<td>37.4</td>
</tr>
<tr>
<td>Margin</td>
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<td>44.0%</td>
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<td>Margin</td>
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<td>4.1%</td>
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<td><strong>Earnings</strong></td>
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<td>4.1</td>
<td>7.1</td>
</tr>
</tbody>
</table>
## FY 2017 Profit & Loss Statement

<table>
<thead>
<tr>
<th>In € million</th>
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<tr>
<td>Special items</td>
<td>(24.1)</td>
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<td><strong>EBIT</strong></td>
<td>(1.0)</td>
<td>18.5</td>
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<tr>
<td>Cost of net financial debt</td>
<td>(26.0)</td>
<td>(6.7)</td>
<td>(74.1)%</td>
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<td>Total Taxes</td>
<td>(2.3)</td>
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<td>+101.2%</td>
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<td><strong>Earnings before special items per share</strong></td>
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2017 Revenue from Continuing Activities Overview

**Cegedim Group**
- €457.4m
  - +6.6% reported
  - +5.9% L-f-l

**Health Insurance, HR & E-Services**
- €291.1m
  - +10.9% reported
  - +8.5% L-f-l

**Healthcare Professionals**
- €162.5m
  - (0.7)% reported
  - +1.4% L-f-l

**Corporate & Others**
- €3.9m

27.6% Q4

72.4% 9M

% of FY17 consolidated Group Revenue
2017 Quarterly Organic Revenue Growth

**Group Cegedim**

- Q1: +6.2%
- Q2: +6.0%
- Q3: +6.3%
- Q4: +5.2%
- FY: +5.9%

**Health Insurance, HR & E-Services**

- Q1: +12.4%
- Q2: +7.3%
- Q3: +10.1%
- Q4: +5.2%
- FY: +8.5%

**Healthcare Professionals**

- Q1: +3.6%
- Q2: (0.0)%
- Q3: +5.4%
- Q4: +1.4%
- FY: (3.1)%

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Well diversified revenue source

By client:
- 1st client: 2.0% of revenue
- Top 5: 8.6% of revenue
- Top 10: 13.1% of revenue

By currency:
- EUR: 84.7%
- USD: 10.9%
- GBP: 3.3%
- RoW: 1.1%

By division:
- Healthcare: 0.89%
- Professionals: 35.5%
- Corporate & others: 63.6%
FY 2017 EBITDA Trend

- FY 16: £57.4m
- Revenue: £28.2m
- Purchases Used: £1.5m
- External Expenses: £0.6m
- Payroll Used: £(12.8)m
- Others: £2.6m
- FY 17: £77.5m

Trend:
- +6.6%
- (4.2)%
- (0.5)%
- +6.3%
2017 H1 and H2 Performance

**GROUP REVENUE**

- €457.4m
- +6.6% reported
- +5.9% L-L

**GROUP EBITDA**

- €77.5m
- +35.0% reported

**GROUP EBITDA MARGIN**

- 16.9%
- up 357bps
2017 BPO Revenue

- FY 15: €20.2m
- FY 16: €26.0m
- FY 17: €32.2m

Growth:
- FY 15 to FY 16: +28.6%
- FY 16 to FY 17: +23.7%
Significant increase in Headcount
Between Jan. 2015 and Jun. 2017

H1: +5%
H2: +0%
**FY17: From EBITDA to Net earnings**

### Depreciation Expenses

€4.2 million increased due to the amortization of R&D expenses.

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<tr>
<td>R&amp;D Depreciation</td>
<td>€21.7m</td>
<td>€25.9m</td>
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<td>Other Depreciation</td>
<td>€12.5m</td>
<td>€14.1m</td>
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### Special Items

Allowance for legacy software mainly for Pulse and Alliados.

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<td>Allowance for legacy software</td>
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<td>Restructuring cost and other special items</td>
<td>€16.6m</td>
<td>€8.9m</td>
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### Cost of Net Debt

Positive impact of 2016 debt restructuring.

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This significant revenue growth, combined with EBITDA growth, was chiefly attributable to:

- At point-of-sale advertising in pharmacies, which now has a stronger digital offering since acquiring Futuramedia;
- At Cegedim SRH (SaaS platform for HR management)
- At Cegedim e-business (SaaS platform for electronic data exchange including payment and process digitalization)
- The business of pharmaceutical product sales statistics
- Processing third-party payment flows

The gains were marginally offset by a decline in software and services for the personal insurance market due to the impact of switching to the SaaS format and in BPO activities for health insurers and mutuals.
Revenue growth over the full year was fuelled by stronger sales in computerization for:

- Doctors in Belgium, France and the US
- Doctors in the UK in Q4, following declines in the first three quarters. Full SaaS version will not be on the market until June
- French pharmacists. After a rather mixed start to the year, business returned to growth
- Nurses, physical therapists, speech therapists, orthoptists, midwives and podiatrists in France

EBITDA was fuelled by

- Pulse, US doctor computerization and RCM activities, Belgium doctors due to a favorable comparisons base
- French doctors and pharmacists
## FCF from Operations

<table>
<thead>
<tr>
<th>In € million</th>
<th>FY 15</th>
<th>FY 16</th>
<th>FY 17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash flow before taxes and interests</td>
<td>76.0</td>
<td>57.5</td>
<td>85.9</td>
</tr>
<tr>
<td>Change in working capital requirement</td>
<td>(24.1)</td>
<td>6.8</td>
<td>(10.6)</td>
</tr>
<tr>
<td>Corporate tax paid</td>
<td>(12.1)</td>
<td>(5.7)</td>
<td>(1.8)</td>
</tr>
<tr>
<td><strong>Net cash flow from operating activities</strong></td>
<td>39.8</td>
<td>58.6</td>
<td>73.5</td>
</tr>
<tr>
<td>Acquisition of intangible assets</td>
<td>(51.2)</td>
<td>(46.6)</td>
<td>(48.4)</td>
</tr>
<tr>
<td>Acquisition of tangible assets</td>
<td>(10.2)</td>
<td>(15.2)</td>
<td>(12.3)</td>
</tr>
<tr>
<td>Disposals of tangible and intangible assets</td>
<td>1.4</td>
<td>0.8</td>
<td>0.5</td>
</tr>
<tr>
<td><strong>Free cash flow from operations</strong></td>
<td>(20.2)</td>
<td>(2.4)</td>
<td>13.4</td>
</tr>
</tbody>
</table>

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FY2017 Net Debt Bridge

Net debt would have decreased by €5.7m excluding financial investment and the impact of Cegelease disposal.
## FY 2017 Balance Sheet

### In € million

<table>
<thead>
<tr>
<th></th>
<th>Dec. 16</th>
<th>Dec. 17</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Goodwill</td>
<td>199.0</td>
<td>167.8</td>
</tr>
<tr>
<td>Intangible assets</td>
<td>139.4</td>
<td>145.8</td>
</tr>
<tr>
<td>Tangible assets</td>
<td>32.2</td>
<td>33.2</td>
</tr>
<tr>
<td>Financial assets</td>
<td>8.7</td>
<td>20.4</td>
</tr>
<tr>
<td>Trade receivables, long term portion</td>
<td>29.6</td>
<td>0.2</td>
</tr>
<tr>
<td>Other non-current assets</td>
<td>38.3</td>
<td>38.0</td>
</tr>
<tr>
<td>Cash &amp; Cash equivalent</td>
<td>20.8</td>
<td>18.7</td>
</tr>
<tr>
<td>Trade receivables, short term portion</td>
<td>167.4</td>
<td>118.2</td>
</tr>
<tr>
<td>Other current assets</td>
<td>73.7</td>
<td>84.2</td>
</tr>
<tr>
<td><strong>Asset of activities held for sale</strong></td>
<td><strong>0.0</strong></td>
<td><strong>119.8</strong></td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td><strong>709.1</strong></td>
<td><strong>746.2</strong></td>
</tr>
</tbody>
</table>

|                      |         |         |
| **Shareholders equity & liabilities** |         |         |
| Shareholder equity   | 188.9   | 197.3   |
| Long-term financial debt | 244.0 | 250.8 |
| Other non-current liabilities | 45.1 | 32.8 |
| Short-term financial debt | 3.6 | 4.0 |
| Other current liabilities | 227.4 | 198.2 |
| **Liabilities of activities held for sale** | **0.0** | **63.0** |
| **Total equity and Liabilities** | **709.1** | **746.2** |
FY 2017 Balance Sheet

**ASSETS** €746m
- Asset for disposal 16%
- Goodwill 22%
- Other assets 24%
- Cash & cash equivalent 3%
- Trade receivables 16%
- Intangible assets 20%

**LIABILITIES** €746m
- Liabilities for disposal 8%
- Equity 26%
- Other Liabilities 31%
- Borrowings 34%

**CAPITAL EMPLOYED** €433m
- Equity 46%
- Net debt 54%
FY 2017 Key Take Away

GROUP REVENUE
€457.4m
+6.6% reported
+5.9% L-f-L

GROUP EBITDA
€77.5m
+35.0%

FCF & NET DEBT
FCF: €13.4m
Net debt: €236.2m

FCF from Operations

85% of revenue

11% of revenue
3% of revenue

€28.2m

€20.1m

+€9.4m

€429.3m
FY 16

+€13.4m

FY 17

€457.4m

€57.4m
FY 16

€77.5m
FY 17

€226.8m
FY 16

Net Debt

€236.2m
FY 17

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Finance

FY 2018 Cegedim Outlook
as of March 20, 2018
Potential Impact of Brexit

• Cegedim operates in the UK in local currency, as it does in all the countries where it operates
• No major European health program is at work in the UK

Thus, the impact on the consolidated Group EBIT margin should be marginal

10.9%  UK revenue as a share of 2017 consolidated Group revenue from continuing activities

14.0%  UK EBIT as a share of 2017 consolidated Group EBIT
Outlook: Prudently confident for 2018

Today Cegedim is refocused on its strategic assets and positioned on growing markets with a balanced portfolio of complementary offerings and a diversified client base.

Strategy focused primarily on ORGANIC GROWTH and driven by a SUSTAINED INNOVATION policy.

The Group expects for 2018:

- L-f-I Revenue is expected to grow moderately
- EBITDA to grow in line with revenue

These projections are publicly disclosed on March 20, 2018. The fact that Cegedim includes these projections in this presentation should not be taken to mean that these projections continue to be our projections as of any subsequent date.
Appendices

FY 2017 Revenue
Shareholder Structure as of February 28, 2018

- **52.7%** FCB
- **43.8%** Free float*

* including BPI (3%) and cegedim (0.5%)
2018 Financial Calendar

**MARCH**
- 20: FY 2017 results announcement
- 21: SFAF meeting

**APRIL**
- 26: Q1 2018 revenues announcement

**JUNE**
- 19: Shareholders meeting

**JULY**
- 26: Q2 2018 revenues announcement
Cegedim Key Metrics

+178,000
doctor workstations

66,000
Pharmacist workstations

46,000
paramedics

43m
policyholders

2.9 bm
euros paid

& 172m
third-party payment flows managed / year

+400,000
workers managed daily

500m
payment flows managed / year

120,000
companies connected to its network
Follow us

IR APP

WEB SITE

WEBCAST

SOCIAL NETWORK

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Jan Eryk Umiastowski

Chief Investment Officer – Head of Investor Relations

janeryk.umiaстowski@cegedim.com
Tel: 00 33 1 49 09 33 36 – Mob: 00 33 6 73 25 96 34

Design: Group Communication Service