

PRESS RELEASE

Quarterly financial information at March 31, 2017

IFRS - Regulated information - Not audited

Cegedim: organic revenue growth continued to pick up in the first quarter of 2017

- The business model transformation continues, in line with Group expectations
- Like-for-like revenues rose 6.9% in Q1 2017
- FY 2017 targets maintained

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 April 27, no earlier than 5:45 pm Paris time. The following terms are defined in the Glossary.

CONFERENCE CALL ON APRIL 27, 2017, AT 6:15PM CET

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Boulogne-Billancourt, France, April 27, 2017 after the market close

Cegedim, an innovative technology and services company, posted consolidated Q1 2017 revenues of €113.7 million, up 7.1% on a reported basis and 6.9% like-for-like compared with the same period in 2016.

The business model transformation initiated in fall 2015 is beginning to pay off, as shown by the increase in like-for-like revenue growth to 6.9% in the first quarter of 2017 after a 5.4% rise in the fourth quarter of 2016.

Like-for-like revenue growth at the *Health insurance, HR and e-services* division continued at almost the same pace as the 13.0% posted in Q4 2016, at 12.5% in Q1 2017. All of the division's activities contributed to the growth.

The *Healthcare professionals* division posted a like-for-like decline of 0.9% in Q1 2017. The transformation plan should have a beneficial impact on division revenues starting in Q4 2017.

The execution of the transformation plan, the development of a complete BPO offering, the switch over to SaaS format and recent R&D efforts will enhance customer loyalty, create closer client relationships, simplify operating processes, and strengthen our offerings and geographic positions. As the business model transformation is well under way, we expect to see the full impact of this transformation in 2018.

Part of this growth was related to the BPO business, and these activities will continue to negatively affect Group profitability in 2017.

Revenue trends by division

• First quarter 2017

In € millions	First quarter			
	2017	2016	Chg. LFL	Chg. Reported
Health insurance, HR and e-services	68.6	59.7	+12.5%	+14.9%
Healthcare professionals	44.0	45.7	(0.9)%	(3.6)%
Activities not allocated	1.1	0.8	+32.8%	+32.8%
Cegedim	113.7	106.2	+6.9%	+7.1%

In the first quarter of 2017, *Cegedim* posted consolidated Group revenues of €113.7 million, up 7.1% on a reported basis. Excluding an unfavorable currency translation effect of 1.3% and a 1.5% boost from acquisitions, revenues rose 6.9%.

The unfavorable currency translation effect of €1.4 million, or 1.5%, was chiefly due to the €1.5 million negative impact of the pound sterling, which represents 11.1% of revenues.

The €1.6 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, the *Health Insurance, HR and e-services* division's revenues rose by 12.5%, whereas the *Healthcare professionals* division's revenues fell by 0.9%.

Analysis of business trends by division

• Health insurance, HR and e-services

The division's Q1 2017 revenues came to €68.6 million, up 14.9% on a reported basis. The November 2016 *Futuramedia* acquisition in France made a positive contribution of 2.6%. Currency effects made a negative contribution of 0.2%. Like-for-like revenues rose 12.5% over the period.

The *Health insurance, HR and e-services* division represented 60.3% of consolidated Group revenues, compared with 56.2% over the same period a year earlier.

All of the businesses in this division contributed to growth in the first quarter. More specifically:

- *Cegedim Insurance Solutions*, with its *iGestion* BPO offering for health insurance companies and mutual insurers, posted double-digit growth on the back of a ramp-up in contracts signed in 2015 and 2016. It continued to post robust growth in the third party payment flow management activity, and generated slight growth in software and services devoted to the personal protection insurance sector despite the impact of transitioning to SaaS format.
- The start of operations with new clients of the digital data exchange platform, *Global Information Services*, which includes payment platforms, enabled *Cegedim e-business* to post double-digit growth.
- The start of operations with numerous clients on the *Cegedim SRH* SaaS platform for human resources management resulted in double-digit revenue growth over the quarter.

• Healthcare professionals

The division's Q1 2017 revenues came to €44.0 million, down 3.6% on a reported basis. Currency effects made a negative contribution of 2.7%. The impact of the March 1, 2017, acquisition of *B.B.M. Systems* in the UK was negligible. Like-for-like revenues fell 0.9% over the period.

The *Healthcare professionals* division represented 38.7% of consolidated Group revenues, compared with 43.0% over the same period a year earlier

The decline in first-quarter 2017 revenues was chiefly attributable to:

- Clients in certain markets, are increasingly turning to cloud-based and SaaS offerings;
- In the UK another decline in doctor computerization revenues. On the other hand, the market eagerly welcomed the launch of the first products sold in SaaS format.

- In France, the market welcomed the new *Smart Rx* offering for French pharmacists. The order book grew but is unlikely to impact revenues before the end of the year.
- In the US, *Pulse's* business experienced a clear decline owing to a challenging comparison with the previous year, which will continue through end-June owing to the reorganization that began in July 2016.

This decline was partly offset by:

- Double-digit growth in products and services designed for physical therapists and nurses in France.
- Double-digit growth in the financial lease business, *Cegelease*.
 - **Activities not allocated**

The division's Q1 2017 revenues came to €1.1 million, up 32.8% on a reported basis and like for like. There were no currency effects and no acquisitions or divestments.

The *Activities not allocated* division represented 0.9% of consolidated Group revenues, compared with 0.7% over the same period a year earlier.

This trend reflects a favorable comparison.

Highlights

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

- **Tessi 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.

Cegedim has decided to appeal this decision.

- **Euris litigation**

Cegedim, jointly with IMS Health, is being sued by Euris for unfair competition. *Cegedim* has filed a motion claiming that IMS Health should be the sole defendant.

- **Partial interest rate hedging**

To hedge part of its exposure to euro interest rate fluctuations arising from its RCF, the Group carried out an interest rate swap on February 17, 2017. Under the zero-premium swap agreement, *Cegedim* receives the 1-month Euribor rate if it exceeds 0%, receives nothing otherwise, and pays a fixed rate of 0.2680%.

- **Acquisition of B.B.M. Systems in the UK**

On February 23, 2017, *Cegedim* acquired UK company B.B.M. Systems through its *Alliadis Europe Ltd* subsidiary. The deal strengthens the Group's expertise in developing cloud-based products for general practitioners.

B.B.M. Systems had 2016 revenues of around €0.7 million and earned a profit. It contributes to the Group's scope of consolidation from March 1, 2017.

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

In keeping with the wishes of BPIFrance, Ms. Anne-Sophie Hérelle has been 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.

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

Cegedim continues to reinvent itself in 2017, pursuing innovation and investing in the future by transforming its business model. The business model transformation is well under way, so growth momentum is expected to pick up in Q4 2017 and lead to improving profitability in the future.

Cegedim reiterates its expectations for 2017:

- Like-for-like revenue growth between 4.0% and 6.0%.
- EBITDA in a range of €66.0 million to €72.0 million inclusive.

Cegedim expects to see the full positive impact of its investments, reorganization and transformation in 2018.

The Group does not expect any significant acquisitions in 2017 and does not disclose earnings projections or estimates.

- **Potential impact of Brexit**

In 2016, the UK accounted for 12.7% of consolidated Group revenues and 14.8% of consolidated Group EBIT.

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 Group EBIT.

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.

- **Quarterly statements**

Starting in 2017, *Cegedim* will publish only half-year and full-year results. It will, however, continue to publish revenues quarterly. The next results will be for the period ending June 30, 2017, and will be announced September 21, 2017, after the market closes.

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.

Financial calendar

June 15, 2017 , at 9:30 am CET	Shareholders' meeting
July 27, 2017 , after market closing	Q2 2017 revenues
September 21, 2017 , after market closing	Half-year 2017 earnings
September 22, 2017 , at 2:30 pm	Analyst meeting (SFAF)
October 26, 2017 , after market closing	Q3 2017 revenues

April 27, 2017, 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: <http://bit.ly/2pVsxZY>

The first quarter 2017 revenue presentation is available at:

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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Additional information

The Audit Committee met on April 26, 2017. The Board of Directors met on April 27, 2017, and reviewed the Q1 2017 revenue figures. Q1 2017 revenue figures have not been audited by the Statutory Auditor.

Annexe

Breakdown of revenue by quarter and division

- Year 2017

<i>In € thousands</i>	Q1	Q2	Q3	Q4	Total
Health insurance, HR and e-services	68,606	-	-	-	68,606
Healthcare professionals	44,045	-	-	-	44,045
Activities not allocated	1,054	-	-	-	1,054
Cegedim	113,705	-	-	-	113,705

- Year 2016

<i>In € thousands</i>	Q1	Q2	Q3	Q4	Total
Health insurance, HR and e-services	59,728	64,847	60,607	77,143	262,325
Healthcare professionals	45,687	43,676	41,459	44,404	175,226
Activities not allocated	793	778	770	954	3,295
Cegedim	106,208	109,301	102,836	122,501	440,846

Breakdown of revenue by geographic zone and division

- As of March 31, 2017

<i>In € thousands</i>	France	EMEA excl. France	Americas	APAC
Health insurance, HR and e-services	96.9%	3.1%	-	-
Healthcare professionals	60.8%	30.2%	9.0%	-
Activities not allocated	99.1%	0.9%	-	-
Cegedim	82.9%	13.6%	3.5%	-

Breakdown of revenue by currency and division

- As of March 31, 2017

<i>In € thousands</i>	Euro	USD	GBP	Others
Health insurance, HR and e-services	96.9%	2.1%	-	1.0%
Healthcare professionals	64.6%	25.4%	8.9%	1.0%
Activities not allocated	100.0%	-	-	-
Cegedim	84.4%	11.1%	3.5%	1.0%

Glossary

Activities not allocated: 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.

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

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 4,000 people in 11 countries and generated revenue of €441 million in 2016. 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)

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