

# | 2013 Half-Year Results

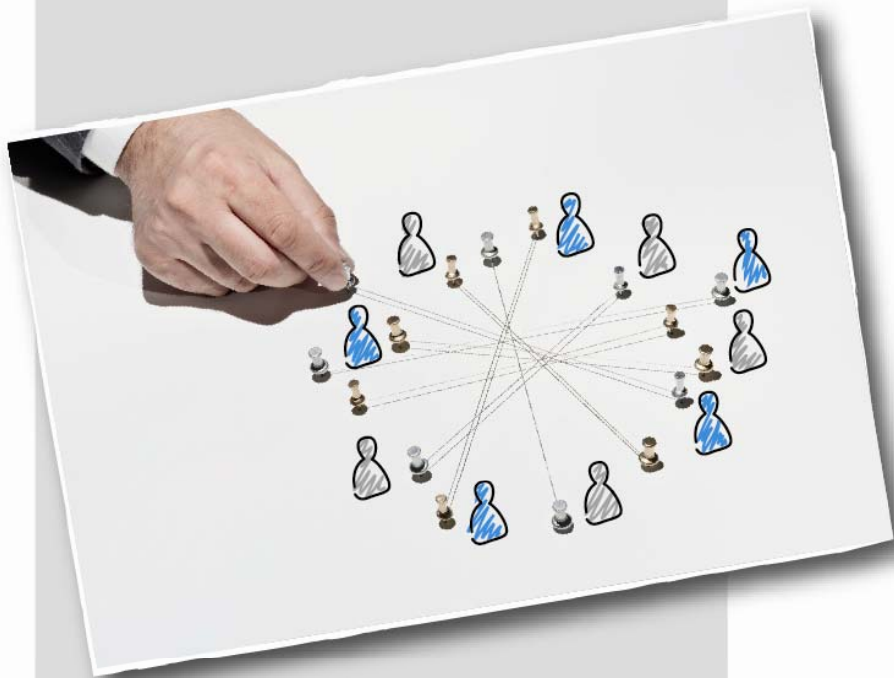
SFAF Meeting



September 20<sup>th</sup>, 2013

## | Safe Harbour Statement

This presentation contains forward-looking statements (made pursuant to the safe harbour provisions of the Private Securities Litigation Reform Act of 1995). By their nature, forward-looking statements involve risk and uncertainty. Forward-looking statements represent the company's judgment regarding future events, and are based on currently available information. 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. For additional information concerning these and other 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'.





# Cegedim

[Sej'.eh.deem]

## €922m

2012 Revenue

## €154m

2012 EBITDA

## €299m

Market Capitalization  
as of September 16<sup>th</sup>, 2013

**B<sup>+</sup>**, Stable Outlook  
S&P Rating

Makes healthcare business run simply and more efficiently

# H1 2013: Key Take Aways

## ✓ FINANCIAL

- Revenue decreased by €16.1m to €437.2m
- EBITDA decreased by €12.9m to €55.4m
- EBITDA margin decreased to 12.7%
- EBIT increased from €(79.4)m to €21.9m
- Net financial debt increased by €19.5m to €495.1m

## ✓ KEY FACTS

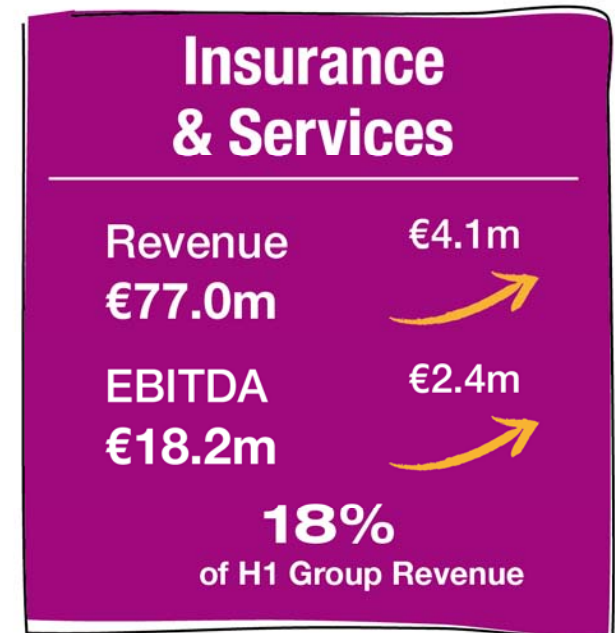
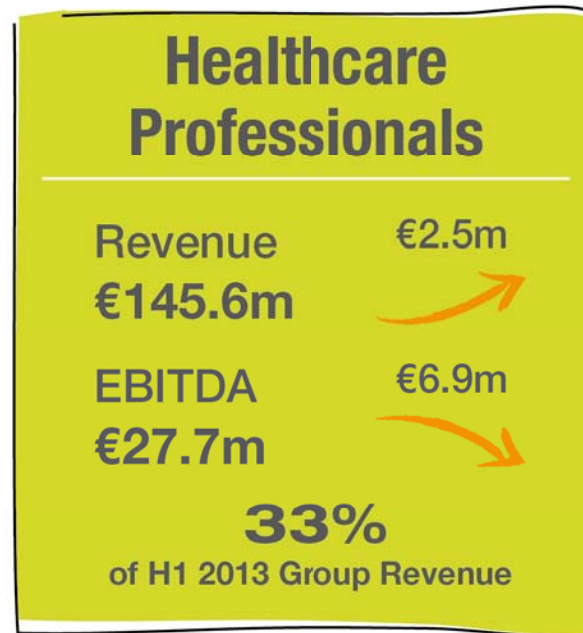
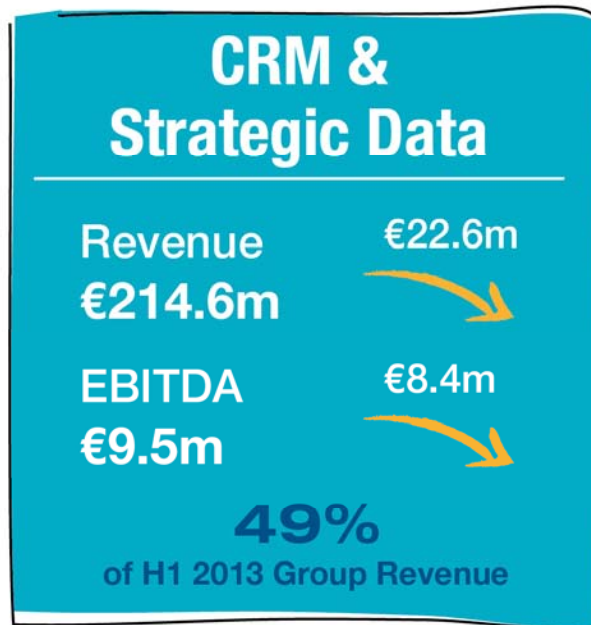
- Order intake postponed until later in 2013
- **Innovation** efforts continue
- **Positive impact** from PIP\*
- **Cost-containment effort** maintained

→ Target maintained of 50 bps improvement in operating margin

→ Priority continues to be on debt reduction

\* Performance Improvement Plan implemented in 2011 and 2012

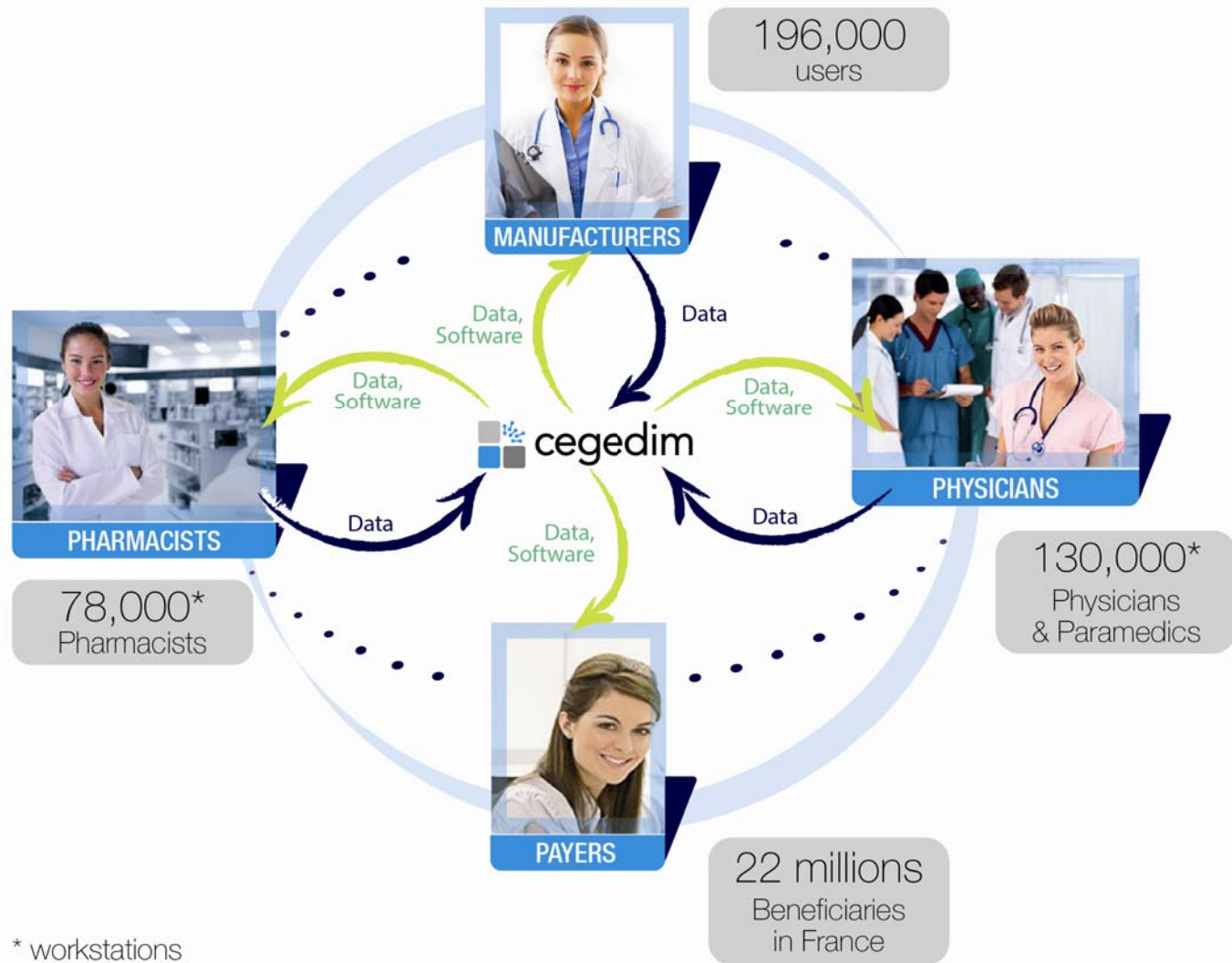
# H1 2013 Key Figures per Division



 Order intake postponed in CRM & Strategic Data and Healthcare Professionals divisions

 Management remains confident that H2 will be more robust

# At the Heart of the Healthcare Industry



Data, Software and IT Services Provider for the Healthcare Industry

# Strong Presence along the Healthcare Value Chain

	CRM & strategic data						Healthcare Professionals			Insurance		Services			
	CRM Licence	CRM SaaS	Databases	Strategic Data	Market Research	Compliance	Doctors' Software	Pharmacists Software	Leasing	Flows	Healthcare Insurance Soft.	Integration	Services	e-business	SEPA
cegedim	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Competitors	✓														
Competitors		✓													
Competitors			✓	✓											
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Competitors ( Solutions are siloed and focused on specific segments

- cegedim (
- Unique presence in the healthcare industry
  - Superior insight and understanding of the environment
  - Significant competitive advantage to providing integrated solutions

# 3 Divisions Serving 3 Types of Customers



## 1. CRM & Strategic Data

For Pharmaceutical & Other Life Sciences Companies

Presence	Services
70 Countries 	<ul style="list-style-type: none"> <li>Data Provider</li> <li>Software</li> <li>Market Research</li> </ul>
% Group Revenue	
49%	

## 2. Healthcare Professionals

For Physicians, Paramedics & Pharmacists

Presence	Services
	<ul style="list-style-type: none"> <li>Software</li> <li>Leasing</li> <li>Medication Database</li> </ul>
% Group Revenue	
33%	

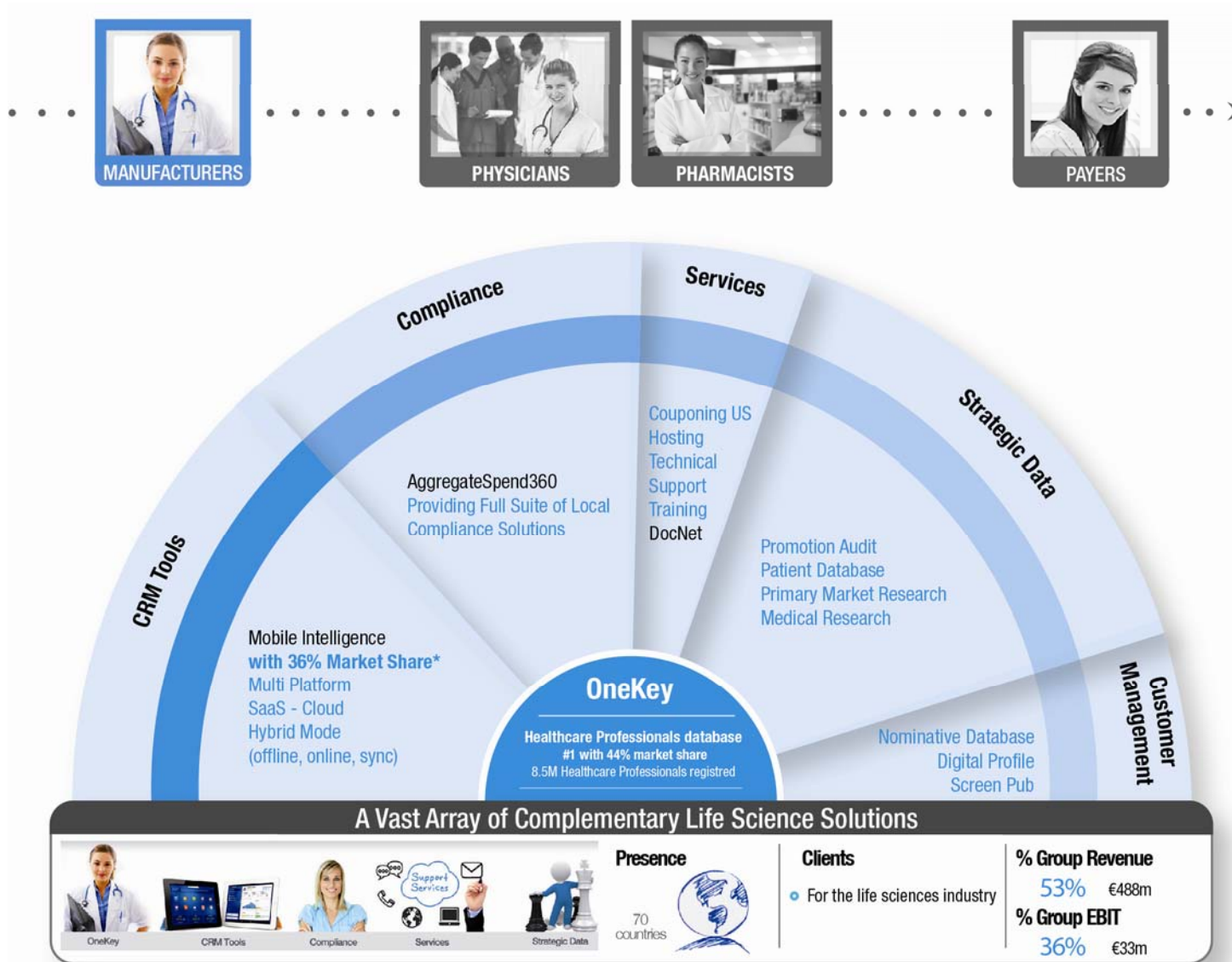
## 3. Insurance & Services

For Major Insurance Players & Clients in all Business Sectors

Presence	Services
	<ul style="list-style-type: none"> <li>IIT for Healthcare Insurers</li> <li>Electronic Reimbursement</li> </ul>
% Group Revenue	
18%	



# 1/ CRM & Strategic Data Overview

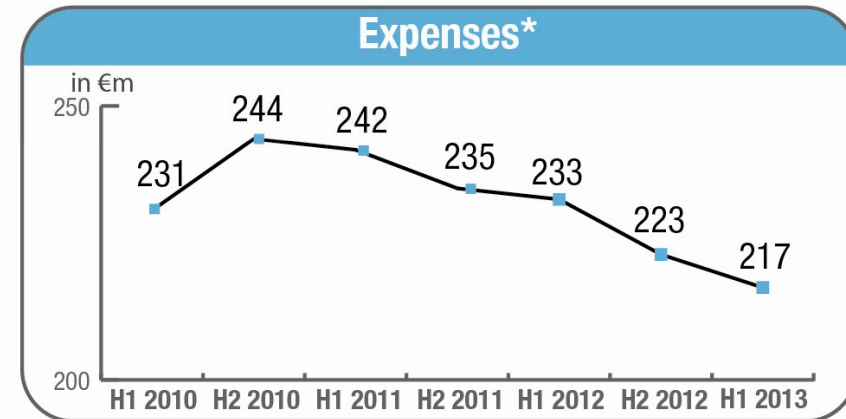


# 1/ CRM and Strategic Data Evolution



## Global Trends

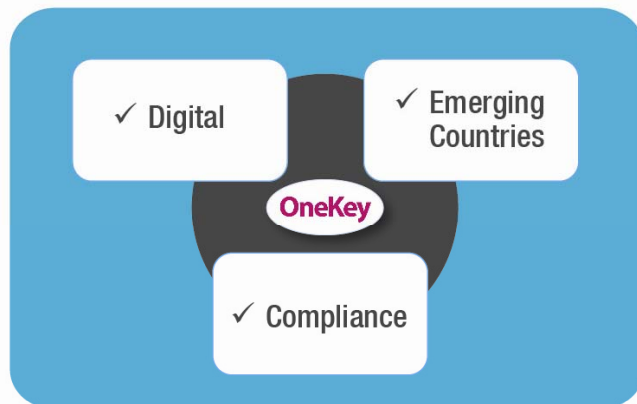
- ✓ Revenue and EBIT trend are linked to the transformation of the Marketing and Sales business Model in Life Science
- ✓ Cegecim is adapting its business model: in 2012 revenue decline by €22m and EBIT by only €1m



\* Expenses = Revenue - EBIT



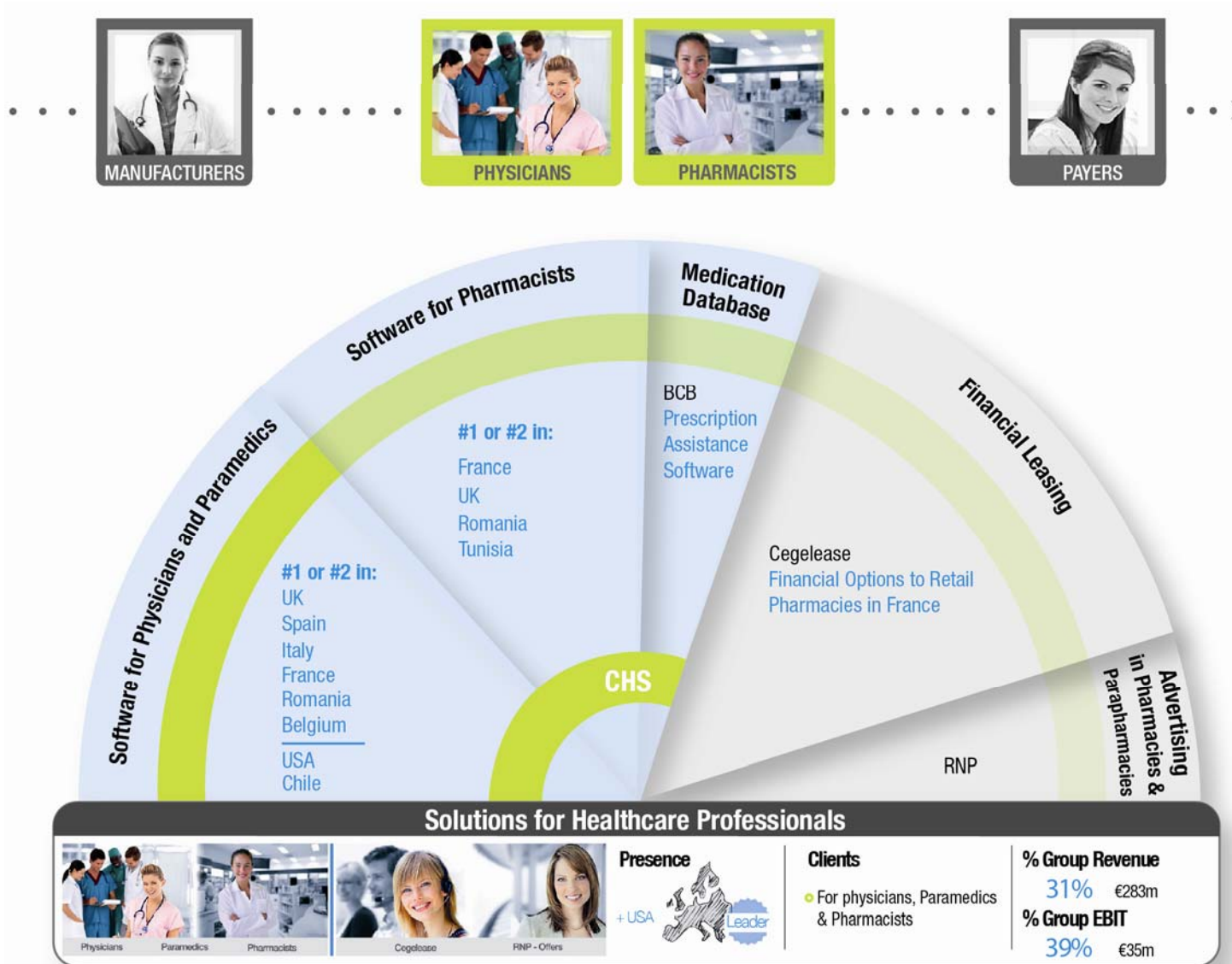
## Growth Opportunities



## H1 2013 Comments

- ✓ Change in the seasonal nature of order intake for market studies
- ✓ Impact of the changing pharmaceutical company business model
- ✓ Significant growth in the sale of **OneKey**
- ✓ Growth continues in emerging countries
- ✓ *Management remains confident that the H2 2013 will be more robust*

# 2/ Healthcare Professionals Overview



# 2/ Healthcare Professionals Evolution



## Global Trends

- ✓ **Drivers:**
  - Governmental Authorities supporting HCPs using Medical Software
  - Connectivity requirement between physicians, provider, payer and patient
  - Transition to pay for performance
- ✓ **Final Objective: Decrease Healthcare Cost**



<b>A</b>	CHS	54%
<b>B</b>	Cegelease	38%
<b>C</b>	RNP	8%



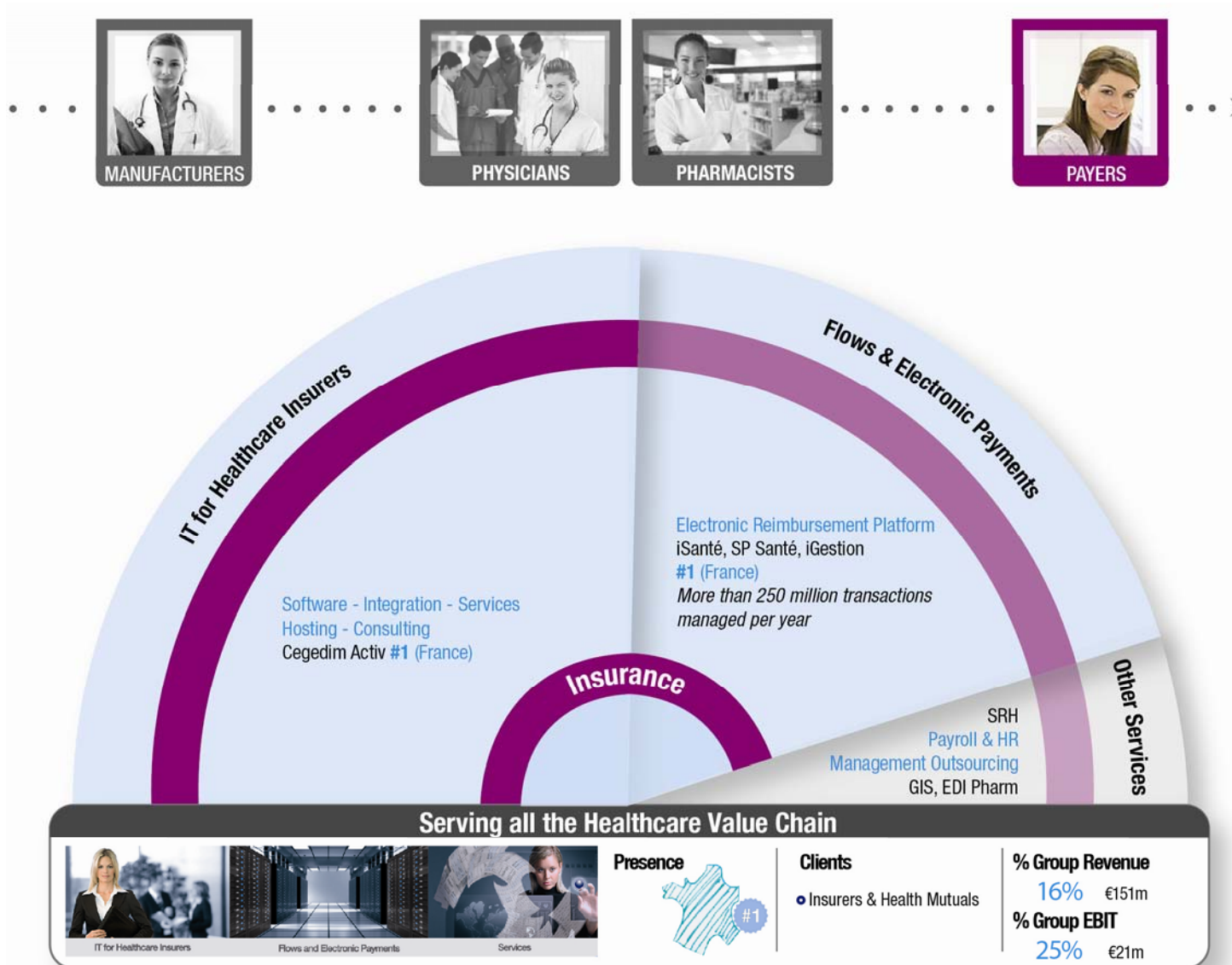
## Growth Opportunities



## H1 2013 Comments

- ✓ Activity was hurt by the postponement of healthcare professionals software orders, particularly in France
- ✓ Fine performances of physicians software in the UK and **Cegelease**
- ✓ *Management expects to make up lost ground in the H2 2013 and meet its FY targets*

# 3/ Insurance & Services Overview



# 3/ Insurance & Services Evolution

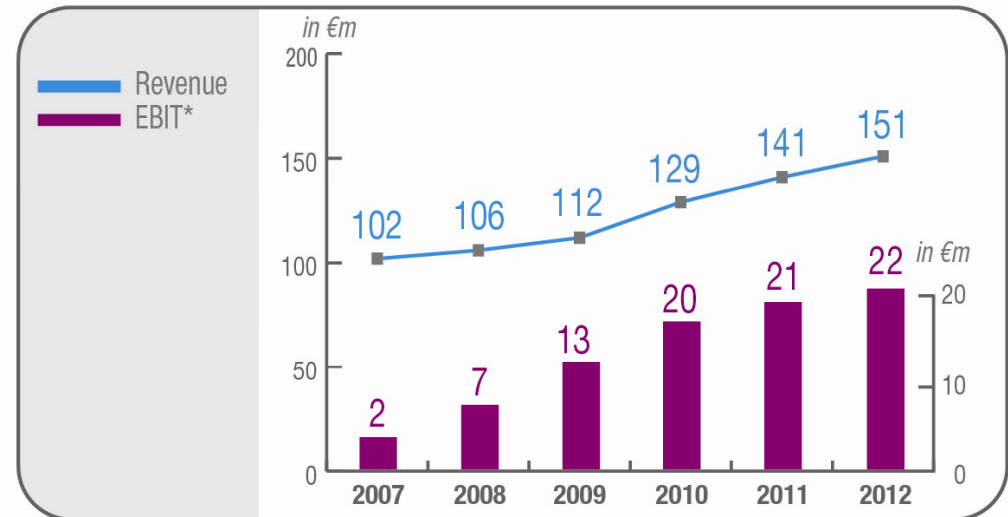
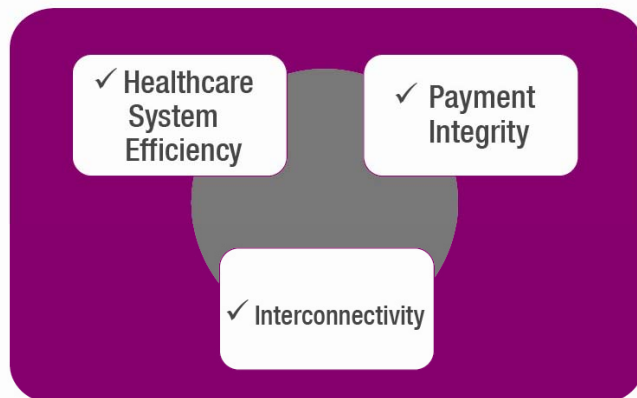


## Global Trends

- ✓ Generalization of the Third-Party Payment
- ✓ JV for African and Middle East countries
- ✓ EU initiative to implement new pan European payment instruments in Euros (SEPA)
- ✓ Positive trend toward outsourcing of Payroll and HR Management activities



## Growth Opportunities



\* Before special items



## H1 2013 Comments

- ✓ **Cegedim Assurances** continues to win new contracts (MSA for example) and has seen its revenues and profit grow
- ✓ Double-digit growth at Cegedim SRH and e-business
- ✓ *Management remains confident that it will meet its 2013 FY target*

# Cegedim is a group with solid foundations

## ✓ Diversification

In term of clients, products, client concentration, geography

## ✓ Industry trends favor Cegedim businesses on mid term

- Healthcare reform, transparency, pay for performance...
- Cegedim has a strong presence along the healthcare value chain

## ✓ Steady Business Profile

- Critical size and strong market share across divisions
- Strong liquidity position, robust cash flow generation & refinancing provides flexibility
- Long standing shareholder support and experienced management

## ✓ Cegedim remains committed to investments in innovation

Recognized portfolio of innovation and integrated solutions

# Cegedim Strives for Realistic Mid Term Group Targets





# Financial Performance

# Financial Overview

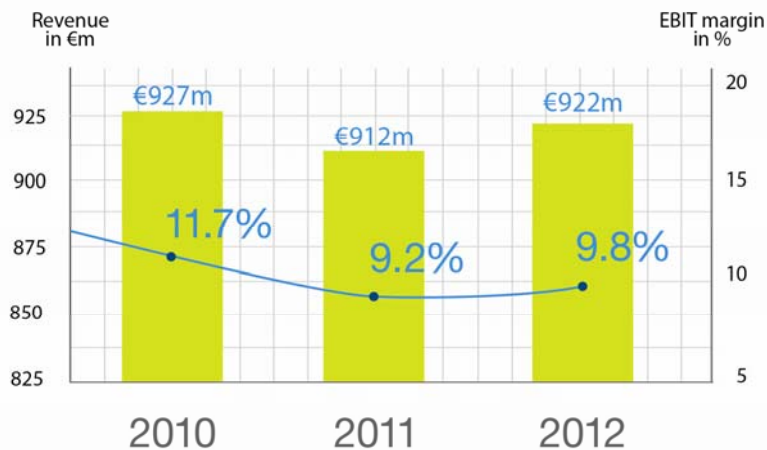
✓ Significant market changes - positive or negative - affect of all our business

✓ Reactivity at operational level

- Investment maintained
- New products launches

✓ Reactivity at financial level

- Adjust cost to revenue level
- Focus on cash generation



## CRM & Strategic Data

in € millions	2010	2011	2012
Revenue	527	511	488
EBITDA*	76	60	60
D&A	25	27	28
EBIT*	51	34	33
%	9.7%	6.6%	6.7%

## Healthcare Professionals

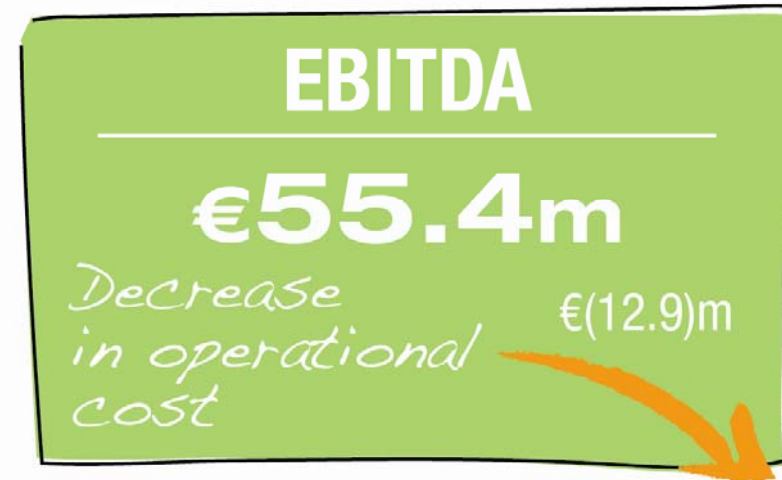
in € millions	2010	2011	2012
Revenue	271	260	283
EBITDA*	69	59	59
D&A	32	29	24
EBIT*	37	29	35
%	13.6%	11.3%	12.4%

## Insurance & Services

in € millions	2010	2011	2012
Revenue	129	141	151
EBITDA*	29	31	34
D&A	9	10	12
EBIT*	20	21	22
%	15.4%	14.9%	14.7%

\* from recurring operations

# H1 2013 Key Figures



# H1 2013 Group Revenue



## Revenue Evolution

	2012	Organic	Structure	Currency	Reported	2013
Q1	214.2	0.1%	0.1%	(0.9%)	(0.6%)	212.9
Q2	239.1	(5.4%)	0.6%	(1.3%)	(6.2%)	224.4
HY	453.3	(2.8%)	0.4%	(1.1%)	(3.5%)	437.2

Order intake postponed in CRM & Strategic Data and Healthcare Professionals

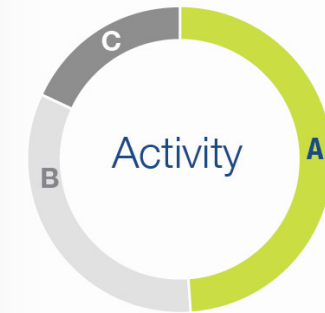
- Divestment of Pharmapost on April 30<sup>th</sup>, 2012  
- Acquisition of ASP Line on July 1<sup>st</sup>, 2012

Mainly JPY, USD, and GBP

➔ Management remains confident that H2 will be more robust



## HY-2013 Revenue Breakdown

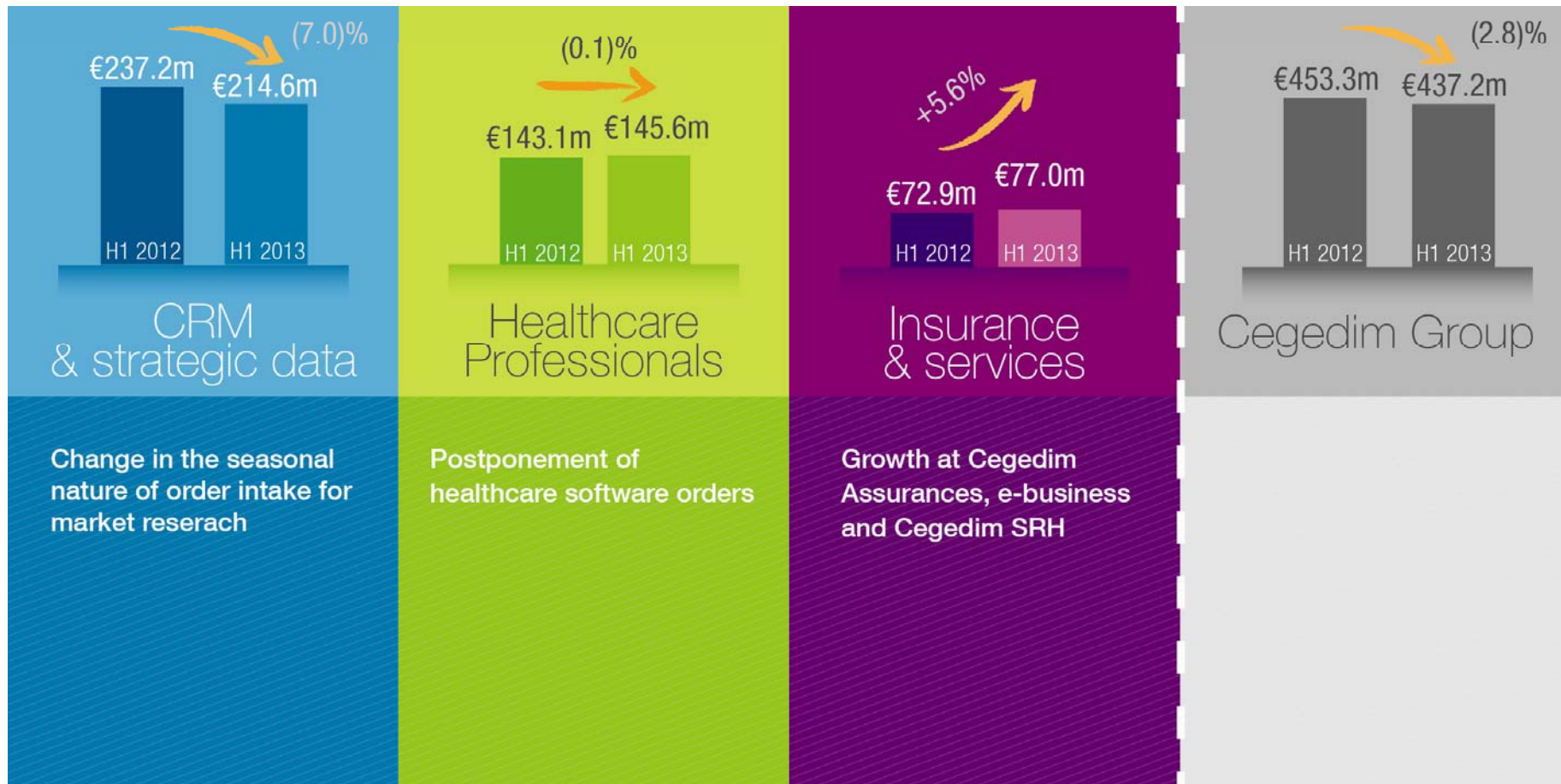


A	CRM & Strategic Data	49%
B	Healthcare Professionals	33%
C	Insurance & Services	18%



A	France	57%
B	EMEA ex. France	26%
C	Americas	13%
D	APAC	4%

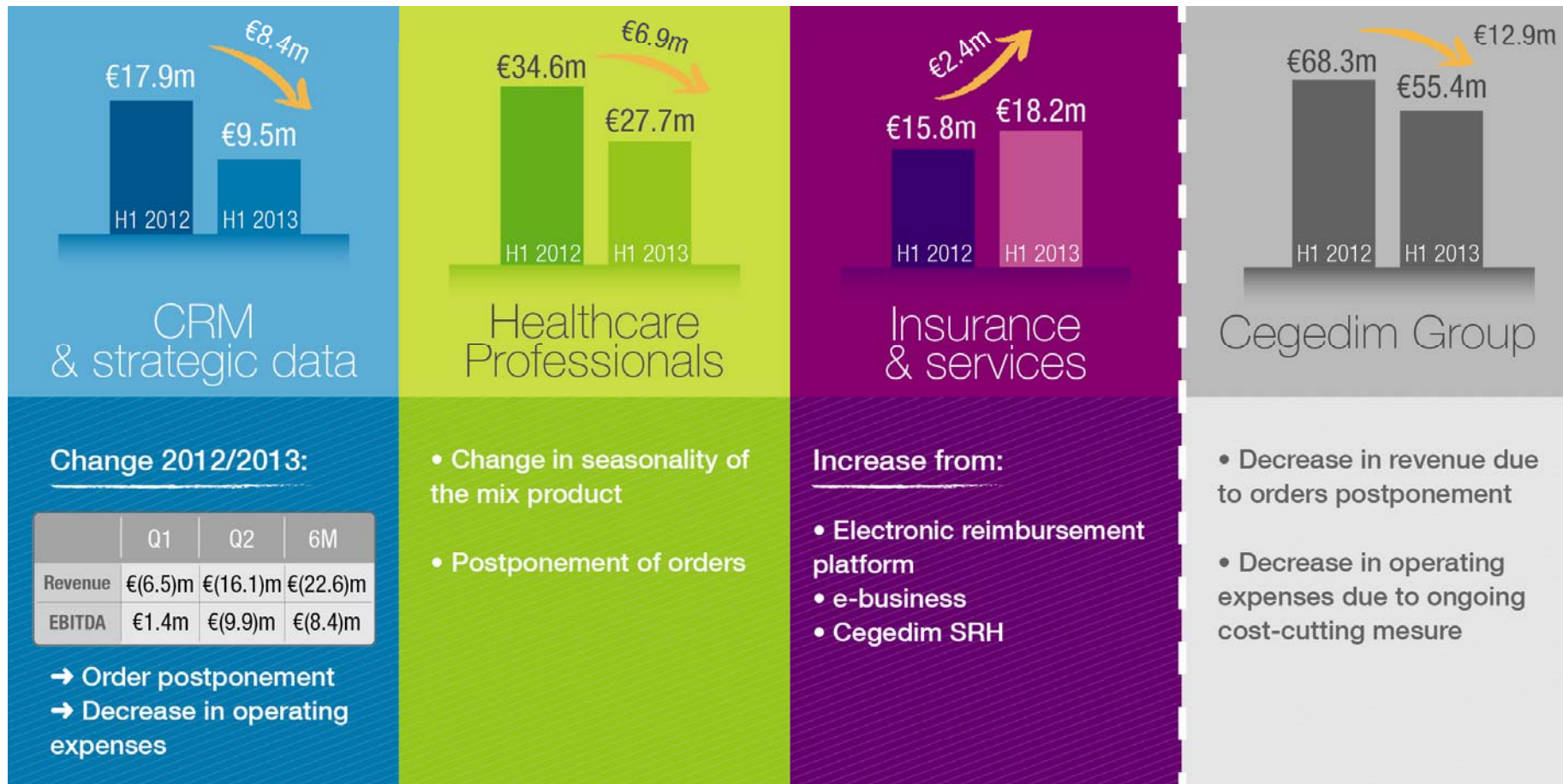
# Revenue per Division (L-f-L growth)



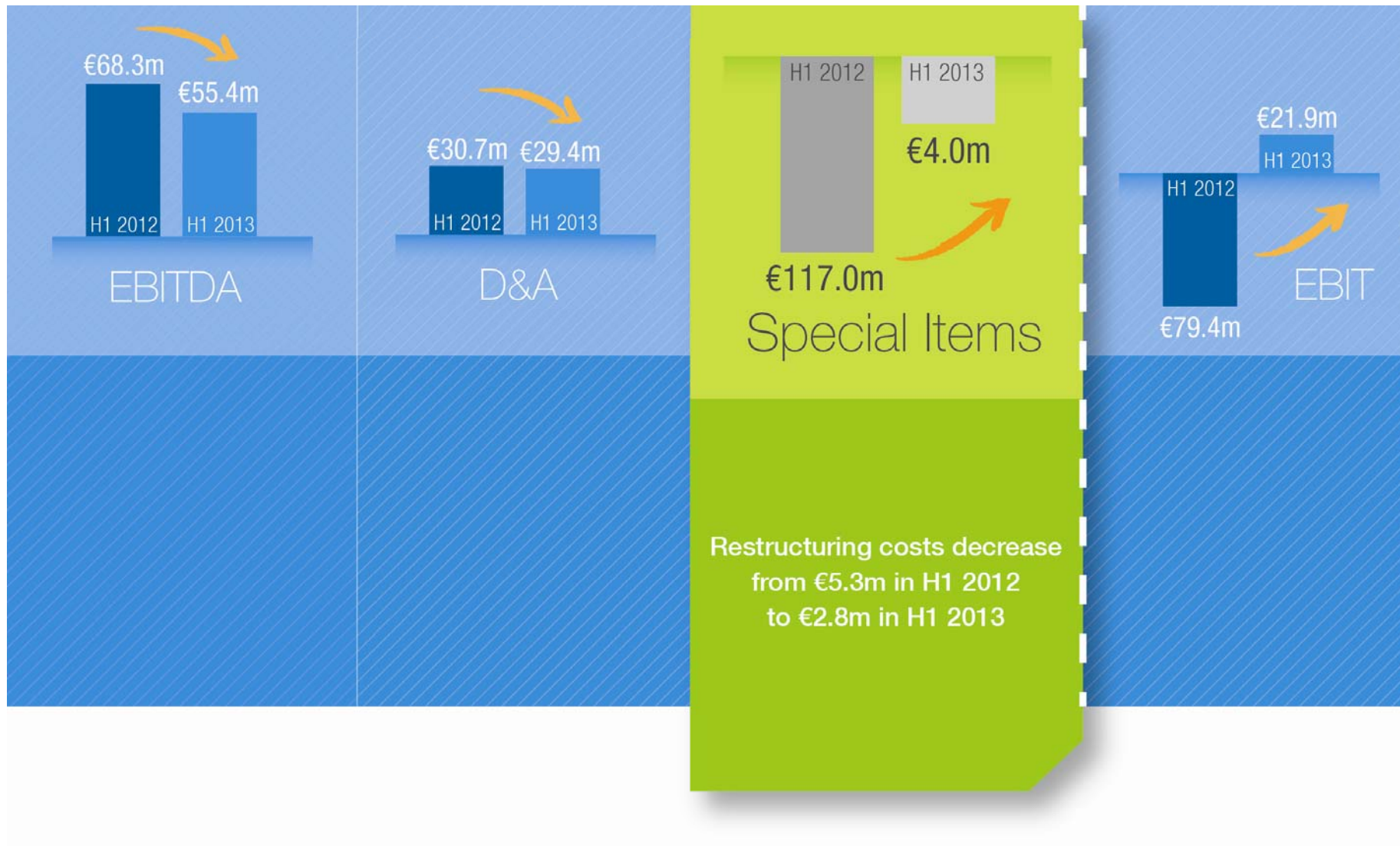
# Expenses Continued to Decrease



# EBITDA Evolution per Division

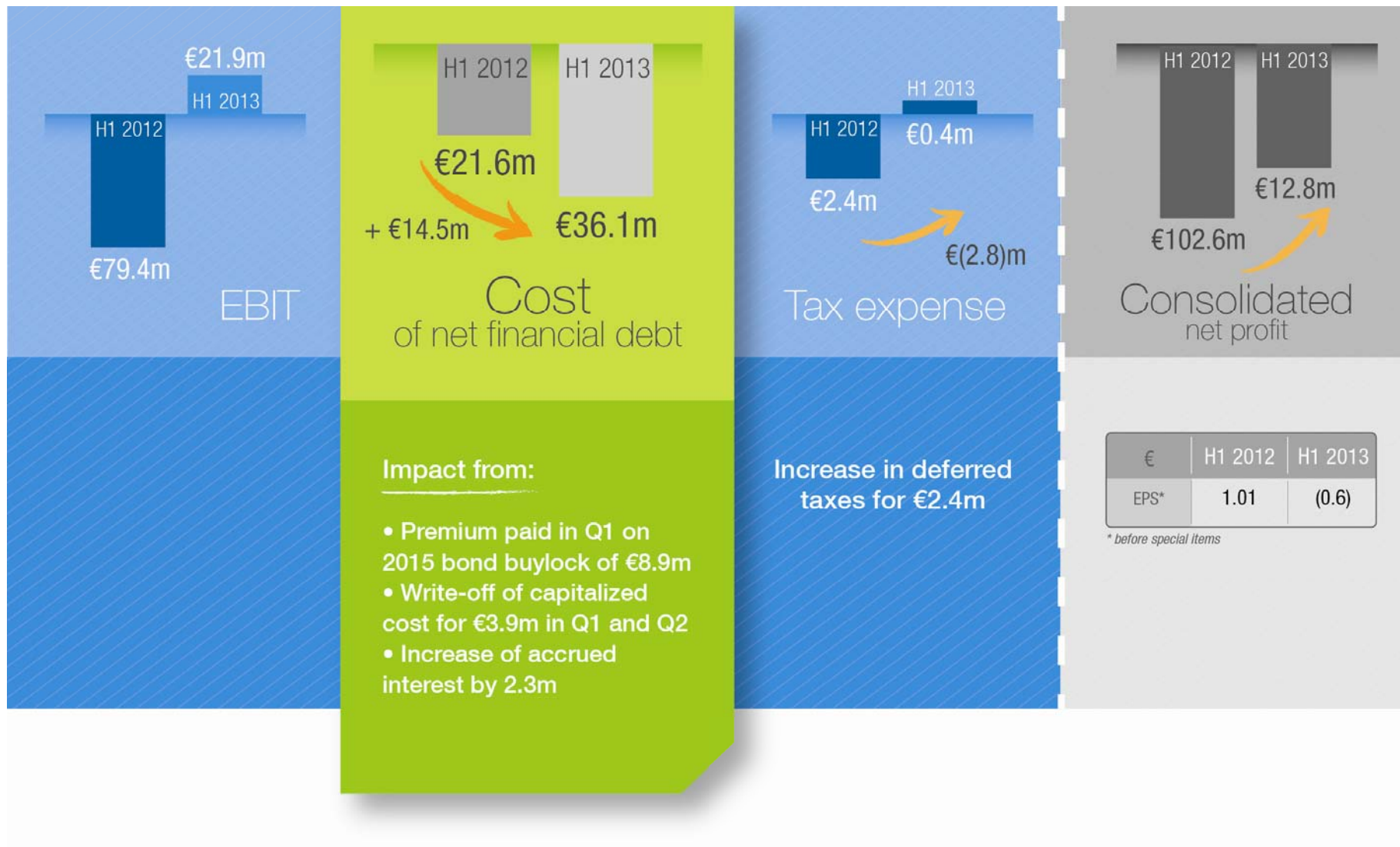


# From EBITDA to EBIT





# Consolidated Net Profit



# H1 2013 Simplified Balance Sheet



1.9%

**Total Balance Sheet**

**€1,313.4m**



+0.3%

**Goodwill**

**€615.8m**

47% of total assets



(2.3)%

**Shareholders  
Equity\***

**€415.3m**

32% of total assets

\* including minority interests



+18.9%

**Net Cash**

**€25.5m**



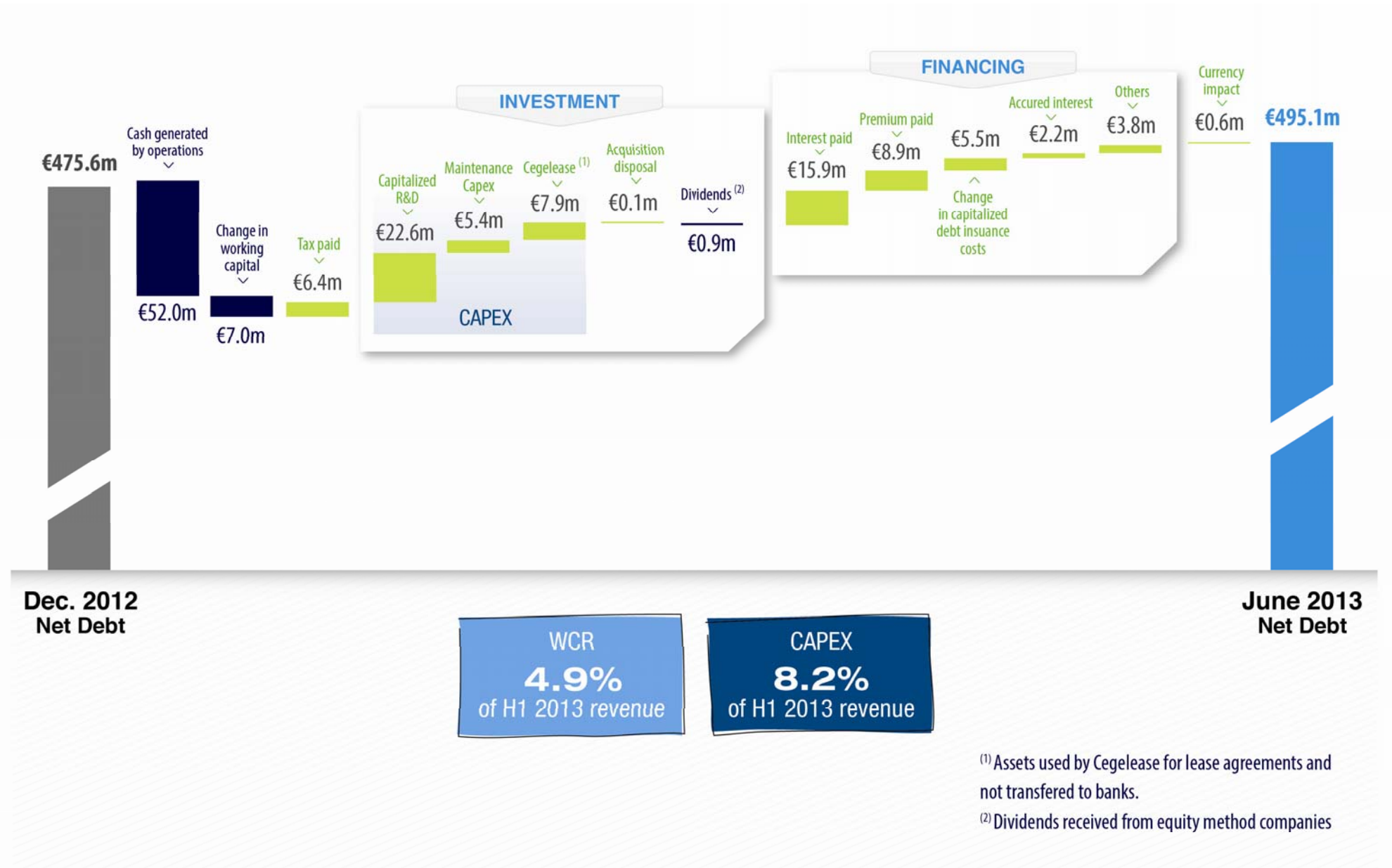
+4.1%

**Net Financial  
Debt**

**€495.1m**

119.2% of equity

# H1 2013 Net Debt Evolution



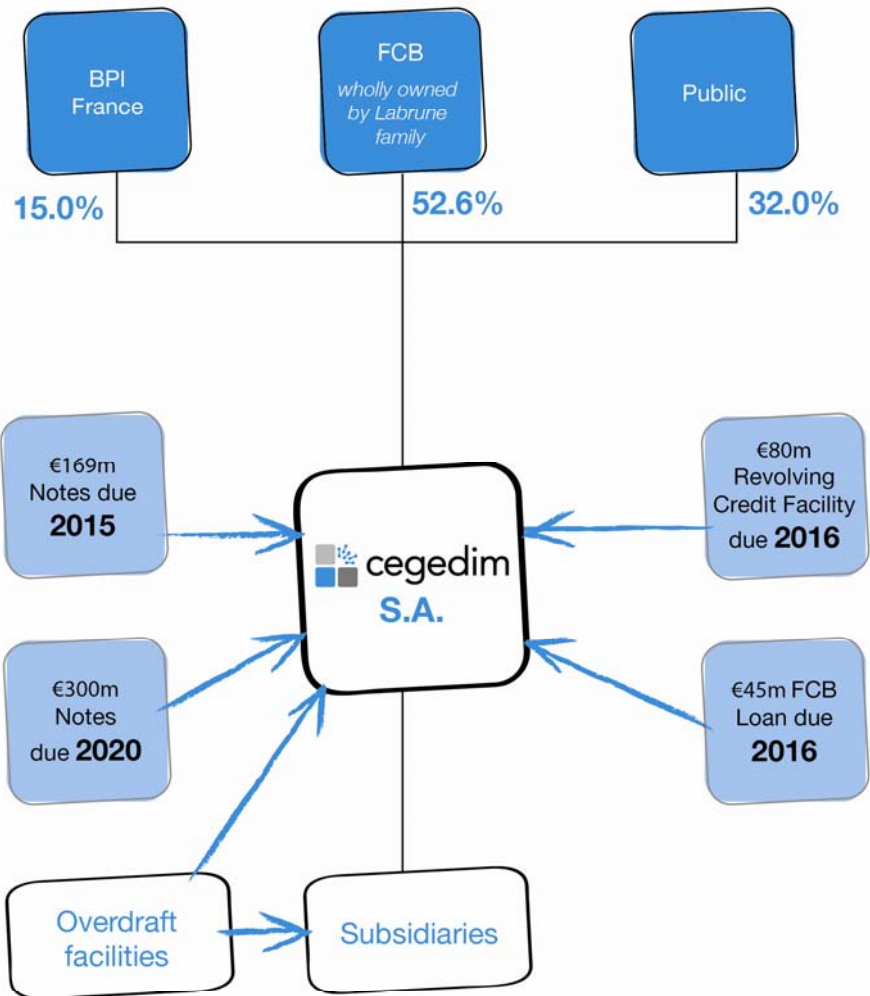
<sup>(1)</sup> Assets used by Cegelease for lease agreements and not transferred to banks.

<sup>(2)</sup> Dividends received from equity method companies

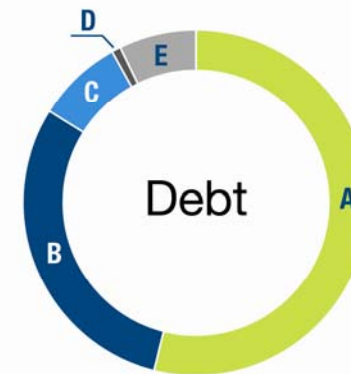
# Capital Structure



## Capital Structure



## Gross Debt by Source of Financing



A	Bond 2020	54%
B	Bond 2015	30%
C	Shareholder loan	8%
D	RCF	1%
E	Overdraft	7%



## Credit Rating

- **April 26, 2013: B<sup>+</sup>, Stable Outlook**
- March 11, 2013: B, Positive credit watch
- October 9, 2012: B, Stable outlook

# Improved Debt Profile



## Improved Maturity Profile



## Robust Liquidity Profile

as of June 2013	Total	Drawn	Available
Committed Facilities			
Revolving Credit Facilities	€80m	€5m	€75m
Net Cash	€26m	-	€26m
Group Other Facilities	€38m	€15m	€23m
<b>Total</b>	<b>€144m</b>	<b>€20m</b>	<b>€124m</b>



## Headroom on Financial Covenants

12-month period ending	Leverage Ratio	Interest Cover Ratio
December 31, 2012	2.80	4.95
June 30, 2013	3.20	3.25

# Outlook

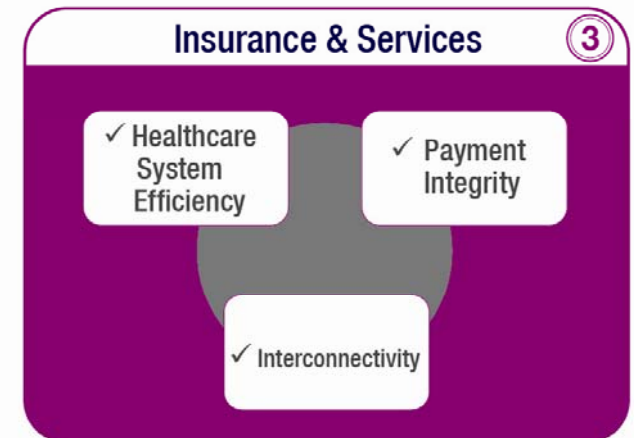
## ✓ Margin Improvement Target in 2013 Maintained

For 2013, barring any significant changes in market trends, the target is to achieve:

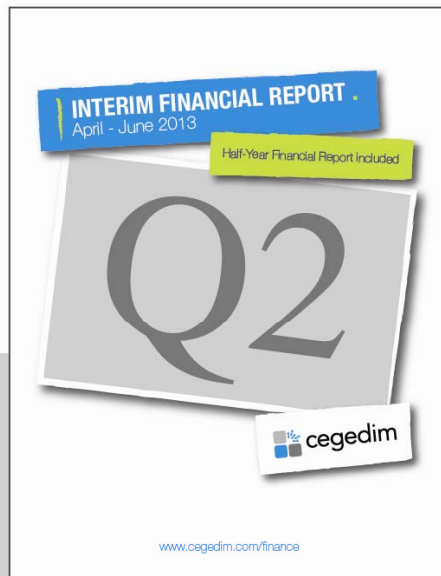
Outlook	FY 2013
<b>Revenue</b>	
CRM & Strategic Data	(5%)
Healthcare Professionals	5%
Insurance & Services	5%
<b>Cegedim Group</b>	<b>0%</b>
<b>EBIT</b> <i>(before special items)</i>	
<b>Cegedim Group</b>	<b>+50bps</b>

*These projections are publicly disclosed on September 2013. The fact that Cegedim includes these projections in this presentation should not be taken to mean that these amounts continue to be our projections as of any subsequent date.*

## ✓ Significant Growth Opportunities



## Q3 2013 Results: November 28<sup>th</sup>



**Available**

*This Document includes the Q2 2013 and H1 Financial Statements and Management Report*

# Appendix



# Revenue & Organic Growth Calculation *in thousands of euro*

Q2-2013		Division 1	Division 2	Division 3	Group
Q1 2012 Revenue	a	126,105	75,848	37,115	239,068
Impact of disposals		(471)	0	0	(471)
Q1 2012 Revenue before impact of disposals		125,634	75,848	37,115	238,597
Currency impact		(2,391)	(775)	(3)	(3,168)
Q1 2012 Revenue at 2013 exchange rate	b	123,243	75,074	37,113	235,429
Q1 2013 Revenue before impact of acquisitions	c	109,888	72,764	39,850	222,502
Revenue from acquisitions		97	1,764	0	1,861
Q1 2013 Revenue		109,985	74,528	39,850	224,363
Organic growth	(c-b)/a	(10.6%)	(3.0%)	7.4%	(5.4%)

H1-2013		Division 1	Division 2	Division 3	Group
Q1 2012 Revenue	a	237,197	143,145	72,932	453,274
Impact of disposals		(2,018)	0	0	(2,018)
Q1 2012 Revenue before impact of disposals		235,178	143,145	72,932	451,255
Currency impact		(3,946)	(1,097)	(7)	(5,051)
Q1 2012 Revenue at 2013 exchange rate	b	231,232	142,048	72,925	446,205
Q1 2013 Revenue before impact of acquisitions	c	214,514	141,961	77,042	433,517
Revenue from acquisitions		112	3,599	0	3,711
Q1 2013 Revenue		214,626	145,561	77,042	437,229
Organic growth	(c-b)/a	(7.0%)	(0.1%)	5.6%	(2.8%)

# Revenue by Division and by Quarter *in thousands of euro*

Year 2013	Q1	Q2	Q3	Q4	Total
CRM and Strategic Data	104,641	109,985			214,626
Healthcare Professionals	71,032	74,528			145,561
Insurance and Services	37,192	39,850			77,042
<b>Cegedim</b>	<b>212,865</b>	<b>224,363</b>			<b>437,229</b>

Year 2012	Q1	Q2	Q3	Q4	Total
CRM and Strategic Data	111,092	126,105	111,112	139,836	488,145
Healthcare Professionals	67,296	75,848	62,623	76,828	282,595
Insurance and Services	35,817	37,115	33,848	44,253	151,033
<b>Cegedim</b>	<b>214,205</b>	<b>239,068</b>	<b>207,584</b>	<b>260,916</b>	<b>921,773</b>

# Details of Covenants Calculation as of June 30, 2013

## ✓ Details of Adjusted Net Financial Debt Calculation

Senior Net Debt	in € thousands
Consolidated total debt (A)	569,719
Profit sharing due via "la participation et l'intéressement des salaires" (B)	9,764
Subordinated Shareholder Loans (C)	45,094
Total active cash (D)	64,435
<b>Senior Net Debt (A-B-C-D)</b>	<b>450,426</b>

## ✓ Details of Adjusted Interest Calculation

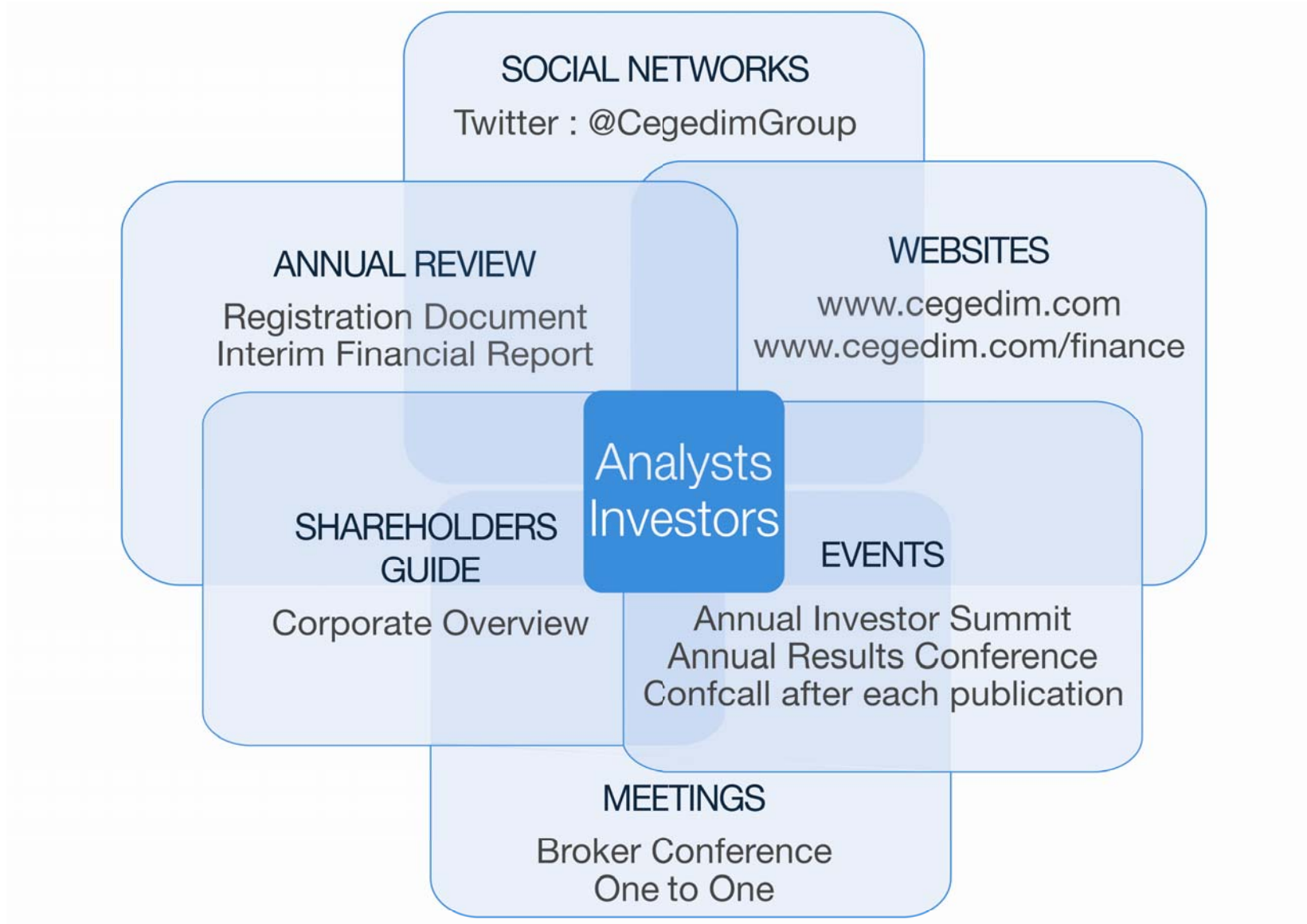
In € thousands	From July 1 <sup>st</sup> to December 31 <sup>th</sup> 2012	From January 1 <sup>st</sup> to 30 <sup>th</sup> June 2013	Relevant Period
Interest under the total consolidated debt (A)	14,979	26,946	41,925
Other Interest (B)	1,784	2,115	3,899
Interest on shareholder loan (C)	992	1,216	2,208
Interest on the total consolidated cash balance of the Group (D)	384	201	585
<b>Total interest on Net Debt for the Relevant Period (A+B-C-D)</b>	<b>15,387</b>	<b>27,644</b>	<b>43,031</b>

# Business Seasonality

Seasonality	2007				2008				2009				2010				2011				2012			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Revenue	18%	26%	25%	30%	22%	26%	23%	28%	24%	26%	23%	28%	22%	26%	23%	29%	23%	27%	22%	28%	23%	26%	23%	28%
EBIT	44%	56%			45%	55%			48%	52%			47%	53%			49%	51%			42%	58%		

- ✓ Traditionally higher sales on software at the end of the year
- ✓ Spending of remaining operating budget
- ✓ More use of data and market research in Q4 due to the reorganization of sales force, organization of new campaign, annual reporting,...

# Keep in Touch with Cegecim





We welcome your questions and comments

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