



# Q2 2015 EARNINGS

## Conference Call

*September 28, 2015 at 6:15pm CET*



## SAFE HARBOR 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'.

## IFRS 5

Cegedim announced on April 1st, 2015, that it had completed the disposal of its CRM and Strategic Data division to IMS Health for an estimated selling price of €396 million. This estimated amount is subject to joint review over a period of 180 business days. Consequently its HY-2015 Financial Statements are reported in compliance with IFRS 5 -Non-current Assets Held for Sale and Discontinued Operations. IFRS 5 outlines how to account for non-current assets held for sale.

In practice the contribution from these businesses until the effective disposal, if any, to each line of Cegedim's Consolidated Income Statement (before non-controlling interests) has been grouped under the line "Earnings from discontinued operations"; in accordance with IFRS 5, and their share of net income has been excluded from Cegedim's adjusted net income;

These adjustments have been applied to all periods presented to ensure consistency of information.

In addition, the contribution of the CRM and Strategic Data Division to each line of Cegedim's Consolidated Balance Sheet as of June 30, 2015 has been grouped under the lines "Assets of discontinued businesses" and "Liabilities associated with assets of discontinued businesses"..

These adjustments are presented in the 2014 Registration Document.

# Cegedim at a Glance in 2015



3,500 employees  
in 11 countries



€494m  
Revenues



3 Operating  
Divisions

An innovative Technology and Service Company



## AGENDA.

- ✓ **Business Group Review**
- ✓ **HY 2015 Financial Situation**



# Business Group Review

# HY 2015 Key Takeaway



## Disposal

- IMS Health Transaction Completed**
- On April 1, 2015 Cegedim received €396m<sup>(1)</sup>



## Acquisition

- Activus in July 2015**
- International expansion at Cegedim Health Insurance



## Innovations

- Transition to SaaS model continues**

<sup>(1)</sup> This estimated amount is subject to joint review within 180 business days since March 31, 2015

# HY 2015 Financial Key Takeaway



## Performance

Revenue **€246.1m**

↗ +3.2% reported

↗ +1.1% L-f-L

EBITDA **€40.3m**

↗ +10.4%



## Key impacts

P&L impact from transition to SaaS model

Greater use of self-financing at Cegelease

Robust growth at

- Software for physicians (France, Belgium, Spain, Romania, USA)
- Third party payment flow management
- Electronic invoicing offerings
- Human resources solutions



## Outlook

S&P's Rating Upgraded on April 13, 2015

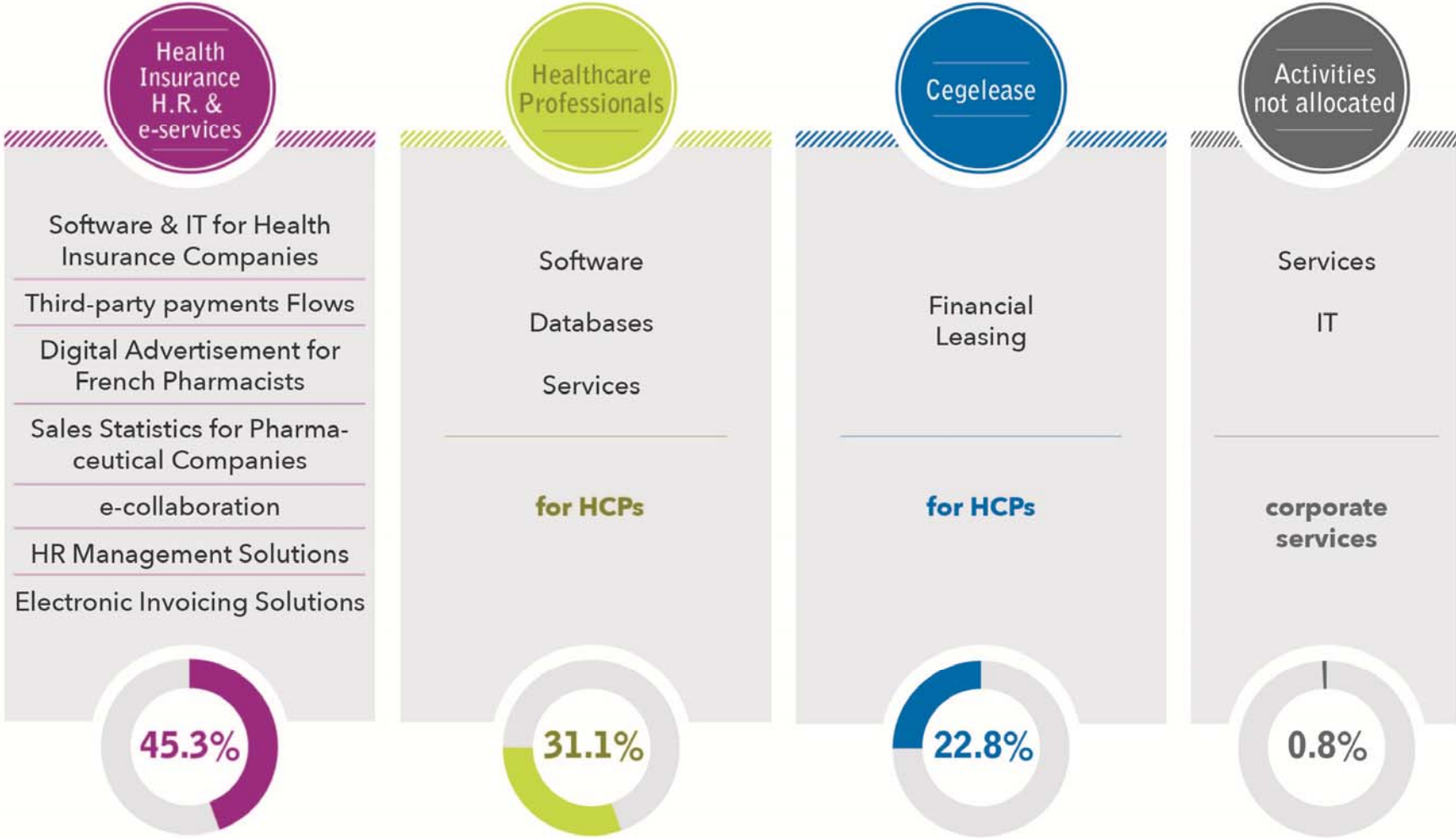
- BB-, positive outlook

FY-2015 Outlook confirmed

- Revenue: +2.5% L-f-L
- EBIT before special items: +10.0%

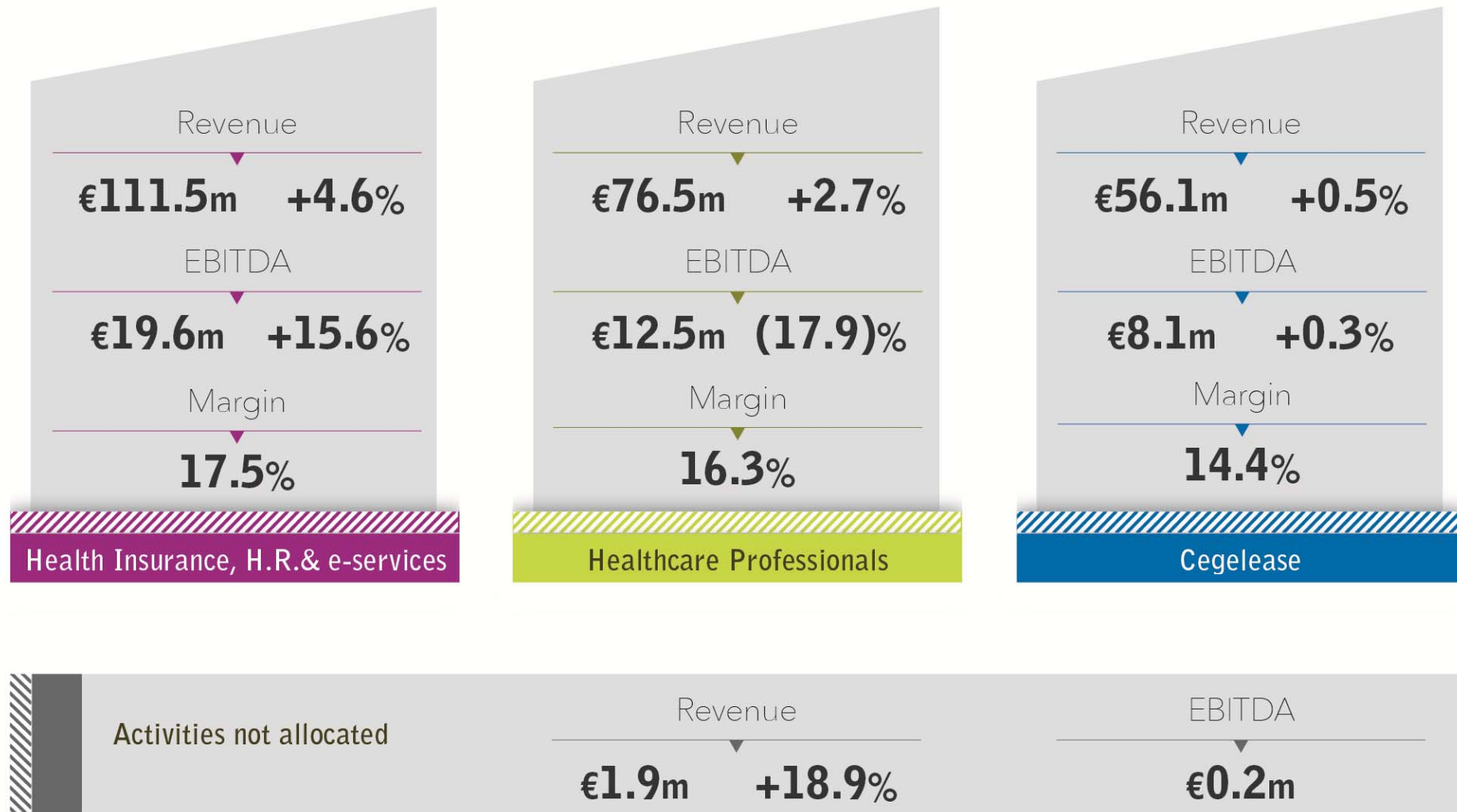


# Breakdown of Activities by Division



% of HY-2015 Group Revenue from continuing activities

# HY 2015 Performance by Division



# Health Insurance, HR & e-services Division Overview



## HY-15 Revenue

€111.5m

↗ +4.6% reported

↗ +4.6% L-f-L

## HY-15 EBITDA

€19.6m

↗ +15.6%

EBITDA margin

17.5%



## These positive performances stem chiefly from:

### Cegedim SRH and Cegedim e-business

- Commercial successes
- Generate sustained revenue growth.
- Short term profitability hurt by the start of operations with several new clients

### Cegedim Health Insurance

- Transition of part of the product range to the Cloud model
- Short term negative impact
- However, EBITDA rose over the period

### Acquisition of Activus

- Publisher of Health and Personal Protection Insurance Software
- Expansion into new markets

### RNP

- Experienced a different timing of activity in Q2 than it did in 2014
- However, EBITDA rose over the period

# Healthcare Professionals Division Overview



## HY-15 Revenue

€76.5m

↗ +2.7% reported

↘ (3.9)% L-f-L

## HY-15 EBITDA

€12.5m

↘ (17.9)%

EBITDA margin

16.3%



## These positive performances stem chiefly from:

### UK doctor computerization activity

- Slower activity
- Investments in developing a cloud offering for UK doctors

### Development of the Revenue Cycle Management offering (RCM) in the US

- Needs to invest in human resources

### Revenue and EBITDA growth at:

- Doctor, nurse and physical therapist computerization activities in France, and at the medication database activity (**Base Claude Bernard**).

### Pharmacy computerization activity in France is experiencing a commercial rebound

# Cegelease Division Overview



## HY-15 Revenue

€56.1m

↗ +0.5% reported

↗ +0.5% L-f-L

## HY-15 EBITDA

€8.1m

↗ +0.3%

EBITDA margin

14.4%



## These positive performances stem chiefly from:

### Revenue growth was mainly attributable to:

- New partnerships in the optical and dental fields,
- Renewed growth at the pharmacy computerization activity in France.

### Increased use of self-financing




- Negatively affected revenues and EBITDA

### Positive trend in financing conditions

- Favorably impacted EBITDA in the second quarter
- Led the Group to reduce the share of self-financed contracts in the second half of 2015

# Strategic Priorities

## 2015 Priorities

 <p>Expand Operating margin with strong financial disciplines</p>	 <p>Continue to invest in innovation</p>	 <p>Pursuing market leadership</p>
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HY 2015 Financial  
Situation

# HY 2015 Revenue Growth

	HY-2014
Health Insurance, H.R. & e-services	€106.6m
Healthcare Professionals	€74.5m
Cegelease	€55.8m
Activities not allocated	€1.6m
<b>Cegedim</b>	<b>€238.6m</b>

L-f-L	Structure	Currency	Reported
+4.6%	—	+0.0%	+4.6%
(3.9)%	+0.1%	+6.5%	+2.7%
+0.5%	—	—	+0.5%
+18.9%	—	—	+18.9%
<b>+1.1%</b>	<b>+0.0%</b>	<b>+2.1%</b>	<b>+3.2%</b>

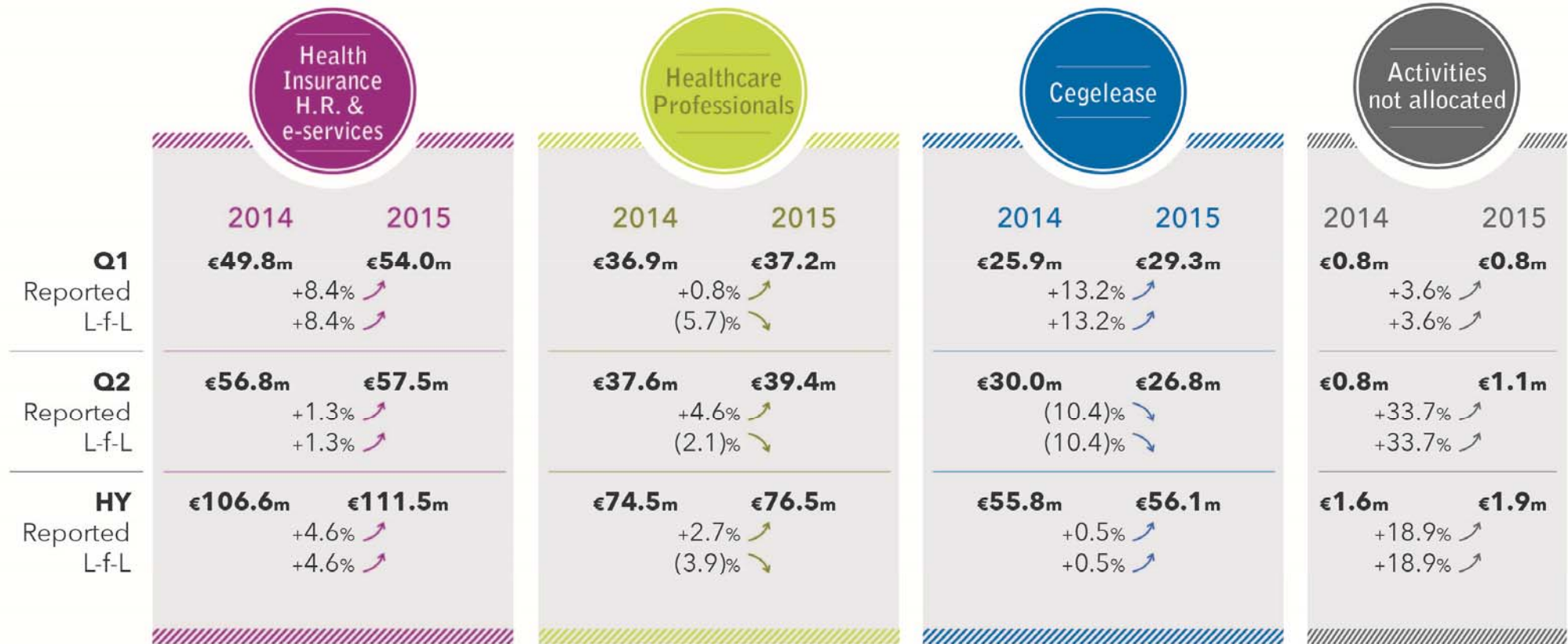
HY-2015
€111.5m
€76.5m
€56.1m
€1.9m
<b>€246.1m</b>

**Fx** GBP: €3.7m / 12.5%<sup>(1)</sup>  
 USD: €1.2m / 2.7%<sup>(1)</sup>

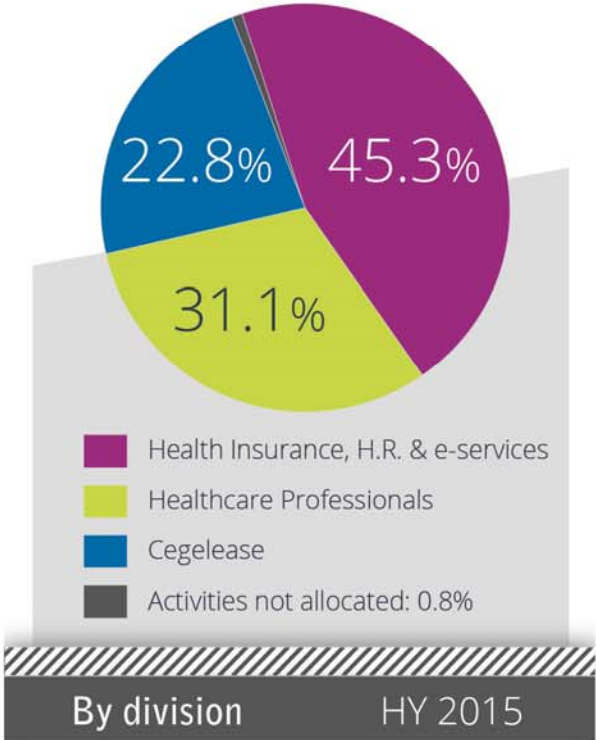
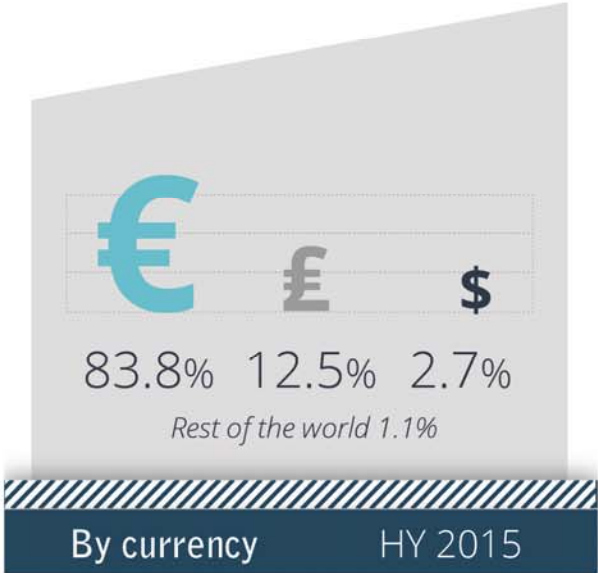
<sup>(1)</sup> Positive impact in M€ / % of HY-2015 revenue



# HY 2015 Performance by Division



# Revenue Breakdown from Continuing Activities







- ✓ Strong visibility across direct revenues streams
- ✓ Long-term contracts
- ✓ High retention rates in all business divisions

# HY 2015 P&L

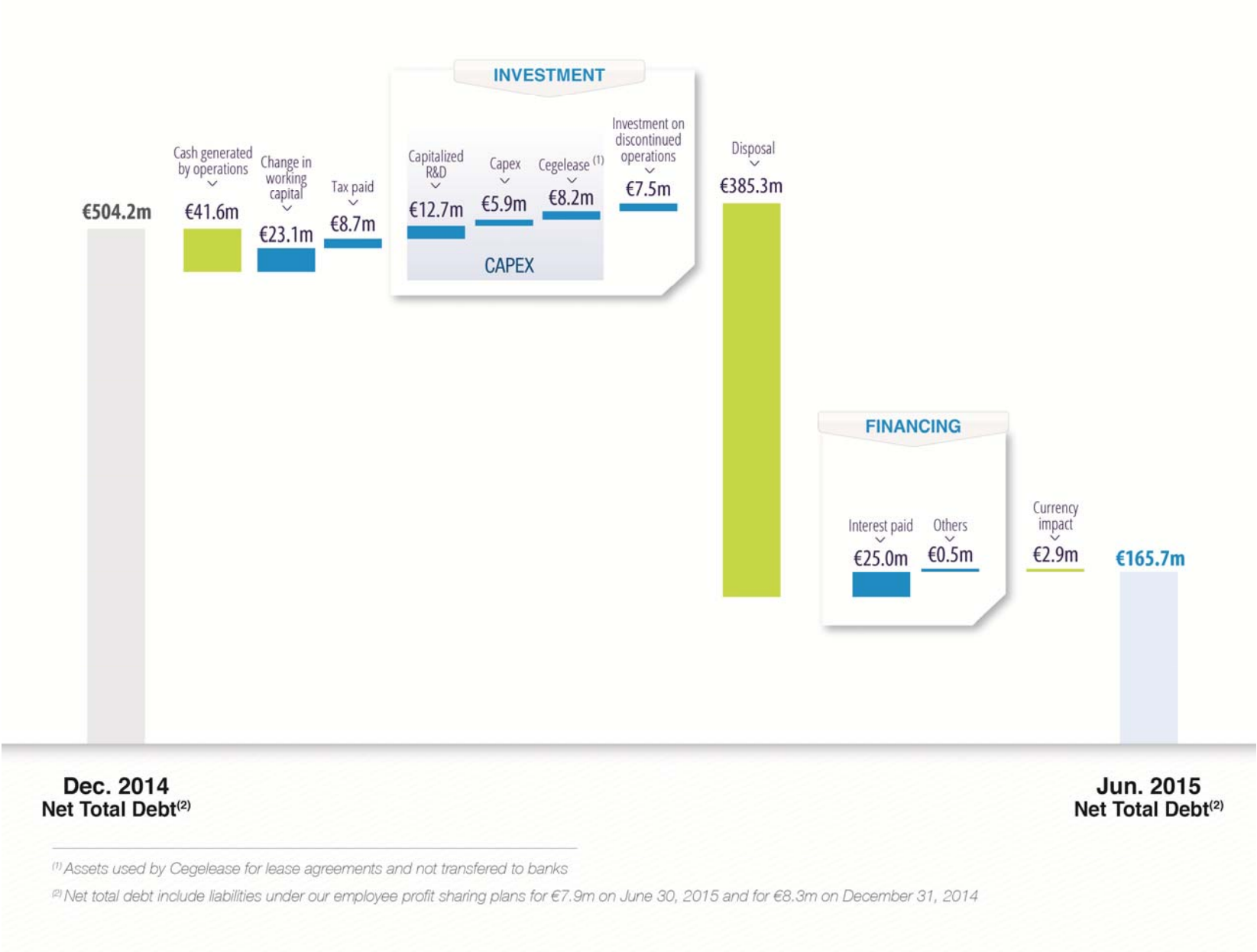
in €m	HY 2014	HY 2015	% change
<b>Revenue</b>	<b>238.6</b>	<b>246.1</b>	<b>+3.2%</b>
<b>EBITDA</b>	<b>36.5</b>	<b>40.3</b>	<b>+10.4%</b>
Margin	15.3%	<b>16.4%</b>	<b>+107bps</b>
D&A	(19.0)	(21.2)	+11.3%
<b>EBIT before special items</b>	<b>17.5</b>	<b>19.2</b>	<b>9.4%</b>
Margin	7.3%	7.8%	+44bps
Special items	(1.3)	(4.2)	+211.1%
EBIT	16.2	15.0	(7.3)%
Cost of net financial debt	(24.9)	(23.3)	(6.5)%
Total taxes	(2.0)	(2.2)	+14.6%
<b>Earnings from continuing activities</b>	<b>(9.8)</b>	<b>(9.5)</b>	<b>(2.8)%</b>
Earnings from discontinued activities	(7.6)	33.7	n.m.
Earnings	(17.4)	24.2	n.m.

# HY 2015 Performance by Division

	Health Insurance H.R. & e-services		Healthcare Professionals		Cegelease		Activities not allocated	
	HY-14	HY-15	HY-14	HY-15	HY-14	HY-15	HY-14	HY-15
<b>Revenue</b>	<b>106.6</b>	<b>111.5</b>	<b>74.5</b>	<b>76.5</b>	<b>55.8</b>	<b>56.1</b>	<b>1.6</b>	<b>1.9</b>
<b>EBITDA</b>	<b>16.9</b>	<b>19.6</b>	<b>15.2</b>	<b>12.5</b>	<b>8.1</b>	<b>8.1</b>	<b>(3.6)</b>	<b>0.2</b>
Margin	15.9%	17.5%	20.4%	16.3%	14.4%	14.4%	(222.9)%	12.6%
D&A	(7.4)	(7.9)	(4.9)	(5.6)	(6.1)	(6.4)	(0.6)	(1.3)
<b>EBIT<sup>(1)</sup></b>	<b>9.5</b>	<b>11.6</b>	<b>10.3</b>	<b>6.9</b>	<b>2.0</b>	<b>1.7</b>	<b>(4.2)</b>	<b>(1.1)</b>
Margin	8.9%	10.4%	13.8%	9.0%	3.6%	3.0%	(262.2)%	(55.0)%
								

<sup>(1)</sup> Before special items

# HY 2015 Net Debt Change



# HY 2015 Consolidated Balance Sheet



<sup>(1)</sup> Including minority interest

<sup>(2)</sup> Long-term and short-term debt

# Upgraded to BB-, Positive Outlook

## ✓ Credit Rating

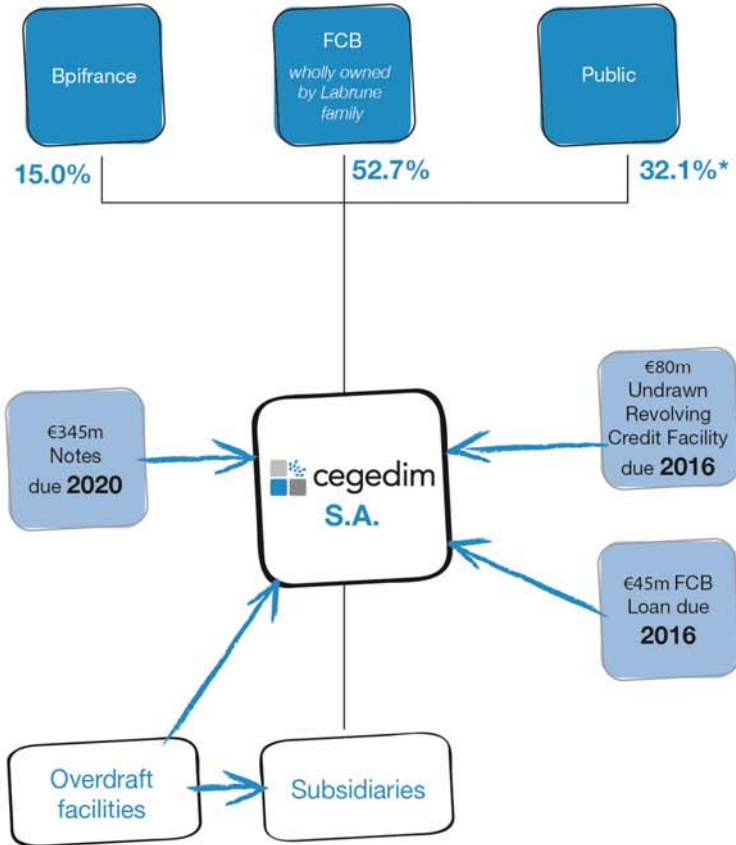
**BB-**  
Positive Outlook  
S&P Rating

Assessed on  
April 13, 2015

## ✓ Maturity Profile as of Sept. 28, 2015



## ✓ Corporate & Capital Structure



\* This includes 0.2% of the shares of Cegedim S.A held by Cegedim S.A as of June 30, 2015.

# Use of Proceed from the IMS Health Transaction



## Use of Proceed

Repay debt



**7.0% Bond 2015:**  
Repaid on July 27, 2015 · **€63m**

**6.75% Bond 2020:** Partial or total redemption depending on market condition · **€345m**

**RCF:**  
Maturity will be extended and size adjusted  
**€80m undrawn**

**Shareholder Loan:**  
All options are open · **€45m**





Outlook FY-2015

## For 2015, Cegedim expects<sup>(1)</sup>

- **Revenue** from continuing activities to grow by **2.5%** L-f-L
- **EBIT** from continuing activities before special items to grow by **10.0%**

<sup>(1)</sup> These projections are publicly disclosed on September 28, 2015. 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. Please refer to Chapter 13 "Profit projections or estimates" in our 2014 Registration Document.



## Oct. 27, 2015 Q3-Revenue

We have an app' for you



Apple



Google Play

The **Cegedim IR** app for Android, iPhone\* and iPad\* lets you follow Cegedim Financial news and receive customized push notifications, and gives access to all the information an investor or journalist might want.

> <http://www.cegedim.com/CegedimIR>



A man in a light blue button-down shirt is shown from the chest up, with his right hand held out flat. He is holding a white rectangular box with a slightly irregular, torn-edge shape. The word "Annexes" is printed in a bold, black, sans-serif font on the front of the box. The background is a solid teal color, with a large, abstract geometric shape in shades of green and yellow on the right side. The overall composition is clean and professional.

**Annexes**

# FY Performance by Division



<sup>(1)</sup> Before special items

# Cegelease: P&L Impact between self-financed and resold contracts



## P&L impact between self-financed and resold contracts

Financial lease contracts	<b>Self-financed</b>	<b>Resold</b>
<b>Revenue recognition</b>	Over the duration of the contract	Immediately
<b>Profit recognition</b>	Over the duration of the contract	Immediately
<b>Margin</b>	Higher*	Lower*

\* Margins are higher on self-financed contracts than on resold contracts

# Cegedim Strengths



**Leading market positions**  
in each of our divisions



**Stable, well-balanced and diversified** revenue mix



**High barriers**  
to entry



**Unique Presence**  
in the Healthcare Ecosystem



Recognized portfolio of  
**innovative and integrated solutions**



**Long-standing shareholder support** and experienced management

# Cegedim is Well-Positioned

## Cegedim Health Insurance



Software & IT  
in France



Third-Party Payment  
in France

## Cegedim SRH



In France



+40,000 in 2013  
+50,000 in 2014

Acquisitions of  
paylips

## Cegedim e-business



European  
Network



+300 millions in 2014  
Electronic Documents  
exchanged per year

## Cegedim Healthcare Software



UK Pharmacists  
French, Italian &  
Spanish Physicians



French Pharmacists  
UK Physicians

# 2015 Financial Agenda

<b>January 27, 2015</b>  2014 Revenue	<b>March 26, 2015</b>  2014 Results	<b>March 27, 2015</b>  Analysts Meeting
<b>April 28, 2015</b>  Q1 2015 Revenue	<b>May 27, 2015</b>  Q1 2015 Results	<b>July 28, 2015</b>  Q2 2015 Revenue
<b>September 28, 2015</b>  H1 2015 Results	<b>October 27, 2015</b>  Q3 2015 Revenue	<b>November 26, 2015</b>  Q3 2015 Results





We welcome your questions and comments

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