

2016

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# FY 2015 EARNINGS

SFAF Meeting – March 24, 2016

# SAFE HARBOR STATEMENT

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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'.

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# A Strategy Based on Innovation

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- Successful strategic refocusing
    - New operational organization
    - Financial flexibility
  - Continue investment
    - SaaS, Digital, Big Data
  - Numerous opportunities
    - Government reforms
    - New technologies
    - Increasing complexity of medical knowledge
    - New ways of delivering healthcare
-

# Business Group Review



# Our Clients, Our business

## Healthcare



Physicians

**220,000**

- Software
- Database
- Services
- BPO



Hospitals

**1,000**

- Supply chain
- 2.5 million orders in 2015



Pharmacists

**83,000**

- Software
- Database
- Services
- Supply chain
- Digital media



Paramedics

**41,000**

- Software
- Database
- Services



Payers

**40 million\***

**165 million invoices\*\***

- Software
- Services
- BPO
- Third-party payment



Labs

**all major\***

- Data
- Supply chain
- Digital media

\*labs in France

\*policyholders managed by Cegecim solution  
\*\*for third-party payment

## Not healthcare



Companies

**over 200**

- Payroll
- BPO
- TAM



Companies

**100,000\***

- Dematerialization
- Invoices
- Archiving
- Electronic signature
- EDI
- Payment management

\*connected companies

# Roadmap for Profitable and Sustainable Growth

**2015**

- **Disposal** of the *CRM and Strategic Data* division
- **Acquisition** of *Activus* and *US asset of Nightingale*
- Beginning of **Cegedim transformation**

**2016 - 2017**

- **Group Transformation**
  - Management evolution
  - Organization change
  - Significant investment

**2018**

- **Full benefit** of Group transformation
- **Well positioned** for coming years



Cegedim  
Refocusing

+

Market  
Transition

=

Growth  
Opportunity



# Cegedim Investments



## Product Update

- **Upgrades** to reflects market changes
- Introduce new offer



## SaaS / Cloud

- All new solutions will be **Cloud based**
- **Reduce cost** of development, maintenance and production
- Drives more recurring revenue
- Added value proposal



## BPO

- Process efficiency
- Reduce costs
- Flexibility in scaling
- Trends toward **more outsourcing**



# Cegedim Insurance Solutions

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## Regulatory trends

- **Dramatic changes** with ACS, ANI, Sustainable contracts

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## Technological trends

- **Transition to SaaS**

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## Increase in addressable market

- **Activus acquisition:** access to new geographical market

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## Third-party payment

- Generalization
- **Process automation**
- Monitoring rights online
- e-billing
- e-payment

# RNP

Enable brands to deliver best in class ROI through in store in and out visibility

## Activity

- Up to 20,000 pharmacies
- 4,500 sqm production and logistic center
- Internal studio
- Innovative online reporting tools

## New Contrat

- Carrefour
- 120 screens

## Great technology

- Size of the screen
- Pitch
- Brightness

## Prime locations

- Turnover
- Traffic
- Choice of window

## Great audience

**560.000**

Audience of a national campaign deployed RNP in 5,000 pharmacies \*

**585.000**

Median audience of a DTT channel \*\*

\*Illustration for a RNP campaign lasting three weeks deployed in 5000 Pharmacies

\*\* Data based on 2015 Médiamétrie calculation

# Cegedim SRH

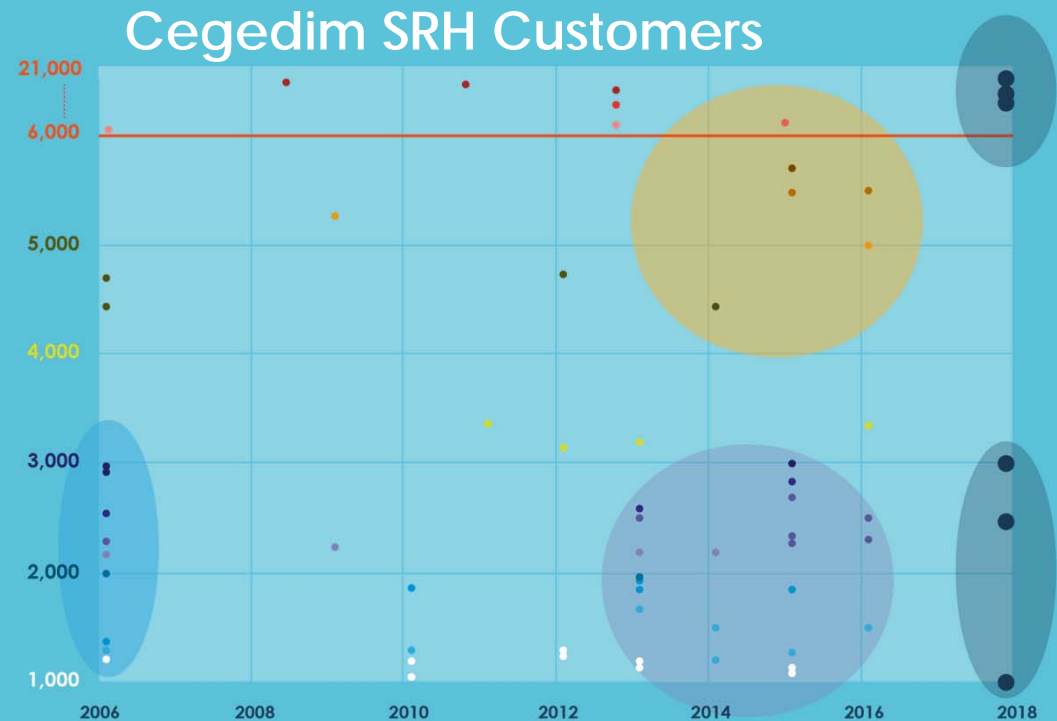
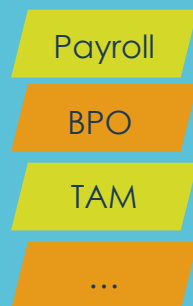
## A growing market

- HRIS market recorded a 4% increase in 2015
- Revenue growth by 2.5 times between 2009 and 2015

## Multiple drivers

- Regulatory drivers
- SaaS, Digital
- Low level of outsourcing

## Vertical offer



# Cegedim e-business

Cegedim's dematerialization operator



300

million of bills



450

million of direct  
payment per year



100,000

connected  
companies

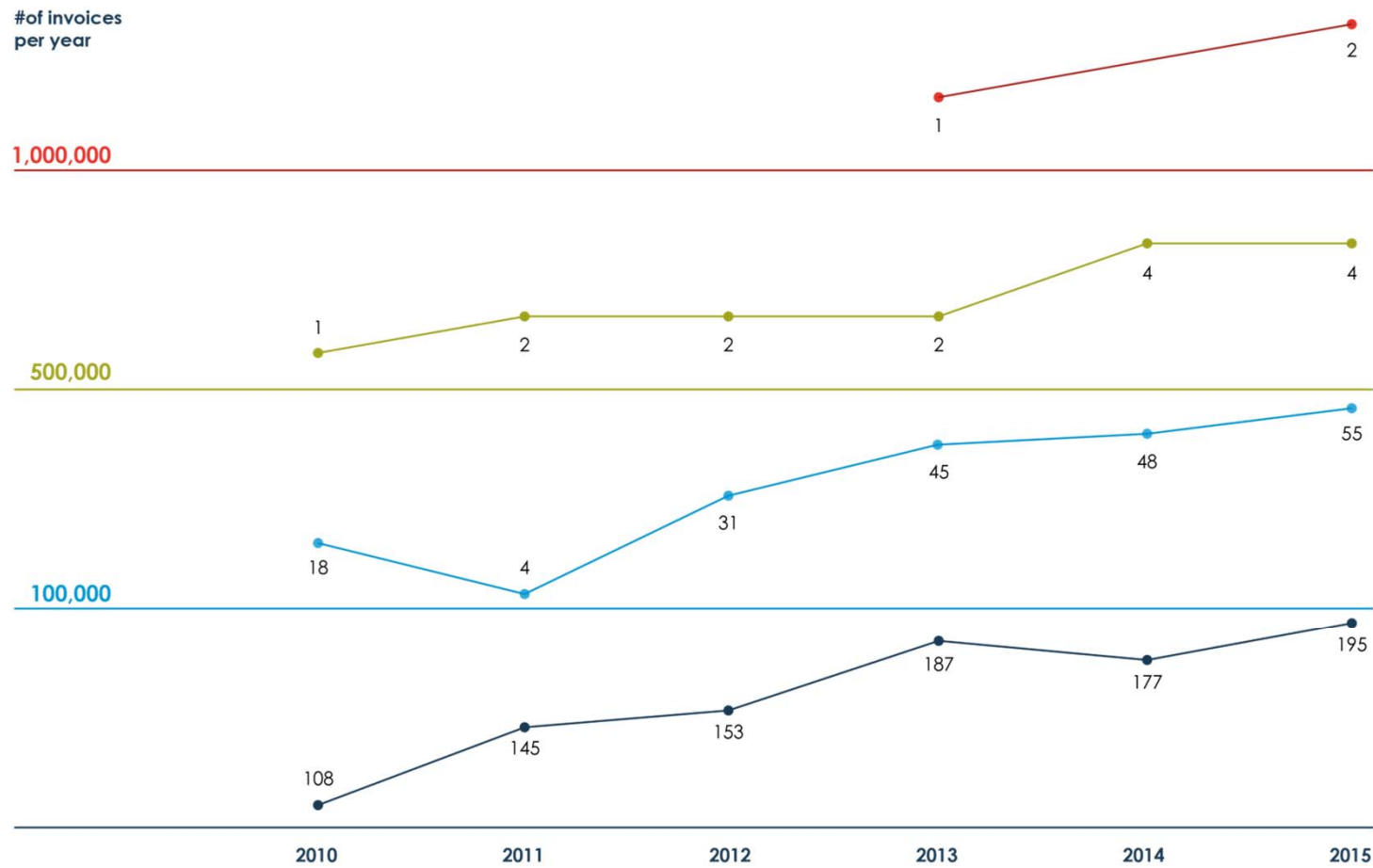


## Drivers

- Regulatory trend
- Digitalization trend

# CeGEDIM e-business

# of new customers signed per year



# Cegedim Healthcare Professionals

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## Doctors

- Transition to SaaS
- Successful RCM model in US
- **Adoption** of IDC 10
- Docavenue
- Success in Drug database

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## Pharmacists

- **Difficult** market
- **New SaaS** offering for the French market in H1-16

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## Paramedics

- **Success in**
  - Rehabilitation tools
  - Solution for nurses

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## Drivers

- **Medicalization** of software
- Increasing demand for **Practice management software**
- **Connected** devices
- **Drug prescription** and delivery software
- Telemedicine
- **Coordination** among HCPs'

# Two Growth Factors

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## Organic Growth

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- We have **strong assets** to build on
- **Significant market opportunities**
- **Diversified revenue** base and opportunities in new markets

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## External Growth

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- **Small bolt-on** acquisition



# 2015 Financial Situation



# FY 2015 P&L Overview

In € million	2015*	2014*	Δ %
Revenue	426.2	412.2	+3.4%
EBITDA	78.5	78.0	+0.7%
EBIT before special items	48.1	51.6	(6.9)%
Net Earnings	47.0	(199.7)	n.m.
Net Earnings per share	4.8	(14.3)	n.m.

\* Restated figures for the Cegelease and Cegedim Kadrigé impact

Impact of the Cegelease's restatement

# Cegelease activity has evolved:

In 2001

Exclusive reseller of Group's products

Cegedim: unique supplier

Payment solution for Pharmacist

All contracts are self-financed

Cegelease bears all the risk

In 2015

Broker of financial leases





Many different suppliers

Financing solutions for all healthcare professionals and others professionals

Majority of contract are resold to banks

The majority of risk is transferred to banks

# FY 2015 Revenue Restatement by Division

	Reported Jan.2016	Cegedim Kadrigé Restatement	Cegelease Restatement
 Health Insurance H.R. & e-services	236.6	234.7	234.7
 Healthcare Professionals	152.1	152.1	187.2 <sup>(1)</sup>
<i>Cegelease</i>	<i>117.0</i>	<i>117.0</i>	—
 Activities not allocated	4.2	4.2	4.2
 Cegedim	509.9	508.1	426.2

# Cegelase's Restatement Impact

This leads to a restatement of FY 2014 accounts and FY 2015 revenue in accordance with IAS 17. Impact on Revenue, EBITDA but not on EBIT

	2015	2014
Revenue	508.1 / 426.2	492.5 / 412.2
EBITDA	90.5* / 78.5	89.0 / 78.0
EBIT before special items	48.4* / 48.1	51.6 / 51.6

\* Not audited

 Before / After Restatement



## Key Figures

**Revenue**  
€426.2m  
+3.4% reported  
+0.2% L-f-L

**EBITDA**  
€78.5m  
+0.7%

**EPS**  
€4.8



## Key Points

Group offering  
shifting to the cloud

Group Cloud and  
BPO offerings  
a success

Cegelease  
restatement

New 5 years RCF  
facility of €200m







## Outlook

2020 Bond will be  
called in Q2-16

The peak of  
transition is  
expected in 2016

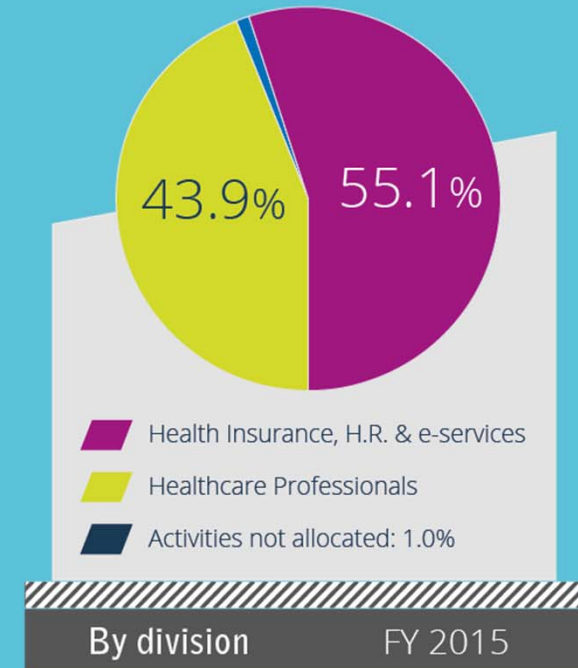
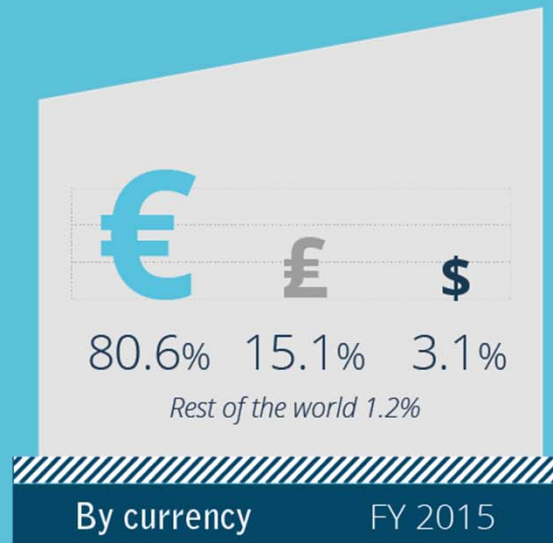
2016 revenues and  
EBITDA are  
expected stable  
relative to 2015

# Revenue Growth

Division	FY 2014	L-f-L	Structure	Currency	Reported	FY 2015
 Health Insurance H.R. & e-services	221.2	+4.4%	+1.7%	+0.0%	+6.1%	234.7
 Healthcare Professionals	187.1	(4.8)%	+0.0%	+4.9%	+0.1%	187.2
 Activities not allocated	3.9	+7.8%	—	—	+7.8%	4.2
 Cegedim	412.2	+0.2%	+0.9%	+2.2%	+3.4%	426.2









# Well Diversified Revenue Sources






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



# FY-2015 P&L

In € million	FY 2015	FY 2014	% Change
 <b>Revenue</b>	426.2	412.2	+3.4%
 <b>EBITDA</b>	78.5	78.0	+0.7%
<i>margin</i>	18.4%	18.9%	(49)bps
<i>D&amp;A</i>	(30.4)	(26.3)	+15.5%
 <b>EBIT before special items</b>	48.1	51.6	(6.9)%
<i>margin</i>	11.3%	12.5%	(124)bps
<i>Special items</i>	(6.7)	(11.0)	+39.6%
 <b>EBIT</b>	41.4	40.6	+2.0%
<i>margin</i>	9.7%	9.8%	(13)bps
<i>Cost of net financial debt</i>	(40.8)	(47.7)	(14.5)%
<i>Total taxes</i>	17.6	(1.6)	n.m.
 <b>Earnings from continuing activities</b>	19.5	(7.5)	n.m.
<i>Earnings from discontinued activities</i>	47.5	(192.2)	n.m.
<i>Net Earnings</i>	67.0	(199.7)	n.m.
 <b>Earnings per share</b>	4.8	(14.3)	n.m.

# Robust Margin by Division

	 <b>Health Insurance H.R. &amp; e-services</b>			 <b>Healthcare Professionals</b>			 <b>Activities not allocated</b>		
	FY 15	FY 14	Δ%	FY 15	FY 14	Δ%	FY 15	FY 14	Δ%
Revenue	234.7	221.2	+6.1%	187.2	187.1	+0.1%	4.2	3.9	+7.8%
EBITDA	46.5	43.7	+6.4%	30.0	39.1	(23.1)%	2.0	(4.8)	n.m.
D&A	(16.0)	(15.0)	+6.7%	(11.3)	(10.0)	+13.0%	(3.1)	(1.3)	n.s.
EBIT before special items	30.5	28.7	+6.2%	18.7	29.1	(35.5)%	(1.1)	(6.1)	n.s.
	<b>19.8%</b>			<b>16.0%</b>			<b>n.m.</b>		
	EBITDA margin			EBITDA margin			EBITDA margin		

# Consolidated Balance Sheet (in €m)

 Assets	2015	2014
Goodwill	188.5	175.4
Other non-current assets	223.7	185.4
<b>Cash &amp; cash equivalents</b>	<b>231.3</b>	<b>44.0</b>
Other current assets	220.0	183.6
Assets held for sale	0.8	584.9
<hr/>		
 Shareholders Equity & Liabilities		
Shareholders Equity <sup>(1)</sup>	228.1	216.7
Other non-current liabilities	44.3	48.4
<b>Financial debt<sup>(2)</sup></b>	<b>398.9</b>	<b>548.2</b>
Other current liabilities	189.1	179.1
Liabilities of activities held for sale	3.8	180.6

# Solid Capital Structure

## Credit Rating

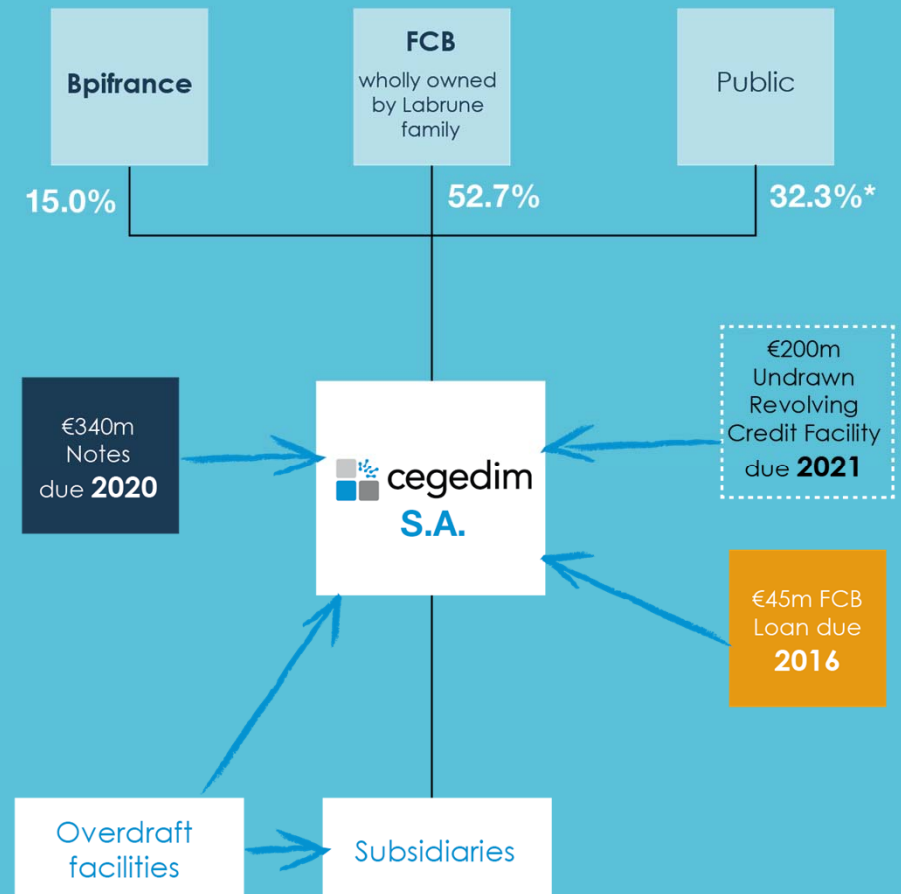


Assessed on  
April 13, 2015

## Maturity Profile



## Corporate and capital structure



This includes 0.3% of the shares of Cegedim S.A. held by Cegedim S.A. as of December 31, 2015



# Managing the debt profile

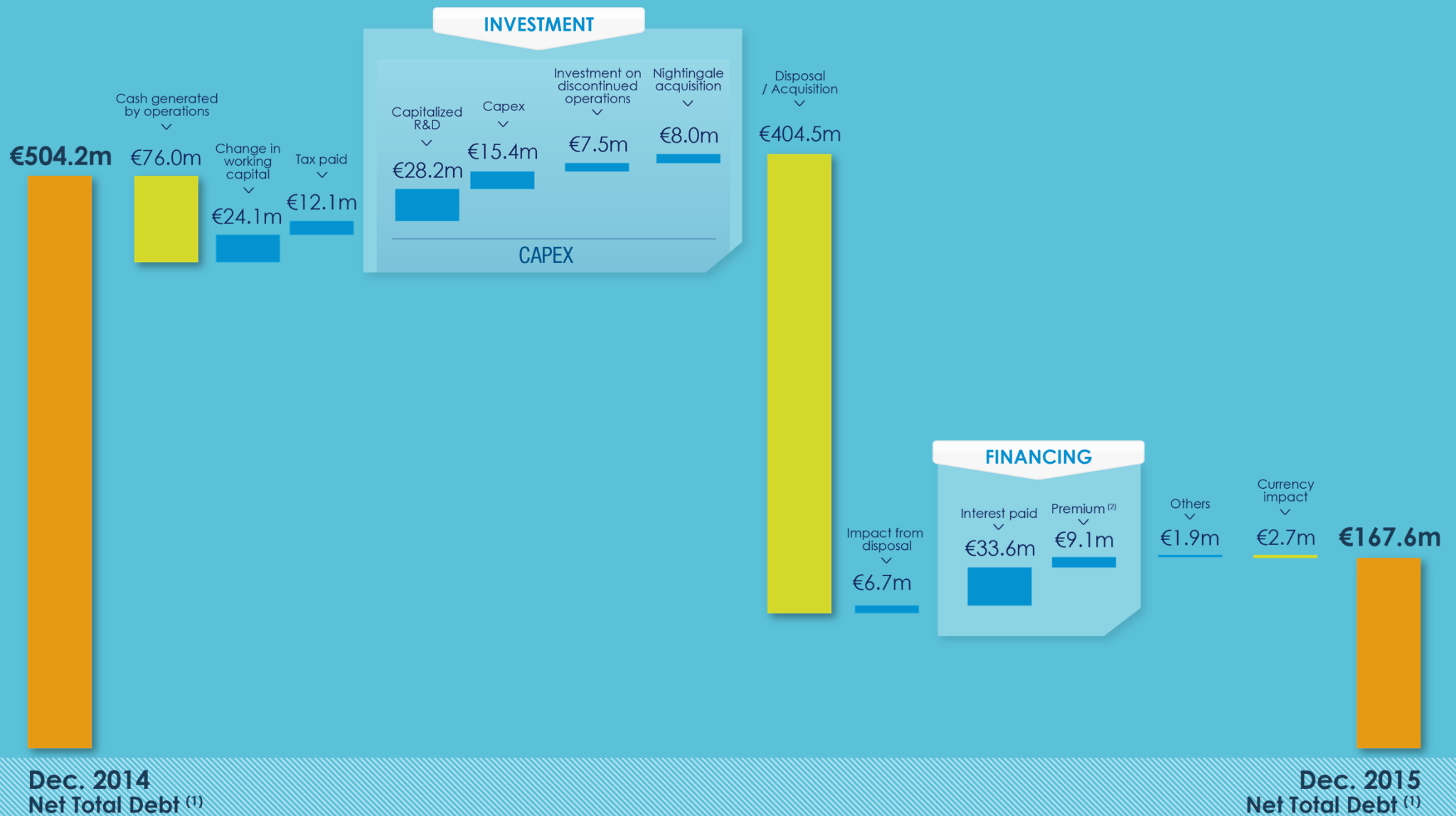
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- New RCF facility of €200m with a 5 years maturity. Signed on January 2016.
- Shareholder loan: maturity extended to Jan. 2021
- 6.75% bond 2020\*: Full redemption on April 1<sup>st</sup>, 2016.

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\* Subject to various standard conditions

# Significant Debt Reduction



(1) Net total debt include liabilities under our employee profit sharing plans for €8,0m on December 31,2015 and for €8.3m on December 31, 2014

(2) Paid for partial redemption of the 6,75% bond maturing in 2020





# Outlook

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- Group transformation continue
  - Robust investment in R&D maintained for 2016
  - Transition to SaaS and BPO deployment
  - Cegedim expects<sup>(1)</sup> to achieve stability with respect to both **revenues** and **EBIDTA** in 2016 despite the transition peak
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*(1) These projections are publicly disclosed on March 23, 2016. the fact that Cegedim include 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 point 3,7 "Outlook" in our 2015 Registration Document*

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**We welcome your questions and comments**

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