



# Q1 2015 EARNINGS

## Market Update - USA

*June 9-11, 2015*



## 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 on the basis of the accounts at March 31, 2015, to be prepared within 90 business days. Consequently its Q1-2015 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 March 31, 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 2015 Q1-2015 Financial Report and in the 2014 Registration Document.



## AGENDA.

- ✓ **Business & Strategy Review**
- ✓ **Q1 2015 Financial Situation**



# Business & Strategy Review



# Cegedim at a Glance



Foundation  
in 1969



3 Operating Divisions



Operations  
in 11 Countries



Leading Market Positions



€494m Revenues



Diversified Growth  
Engine

A Technology Services Company Committed to Innovation

# Transforming Cegedim

**1969**



**INCORPORATION**

**2014**



**REGENERATION**

**2015 ... 2018**



Well-positioned for  
**FUNDAMENTAL  
CHANGES**

# Q1-2015 Key Takeaways



## Revenue

€121.3m

↗ +7.0%

## EBITDA<sup>(1)</sup>

€19.1m ↗ +40.6%

## MARGIN

15.8% +377bps



## Solid Q1-2015 Revenue Growth

All division contributed positively to the reported growth

## Solid Q1 Profitability Increase

EBITDA, EBIT and margin increased in Q1 2015

## IMS Health Transaction Completed

On April 1, 2015 Cegedim received €396m <sup>(2)</sup>

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

BB-, positive outlook

## FY 2015 Outlook Raised

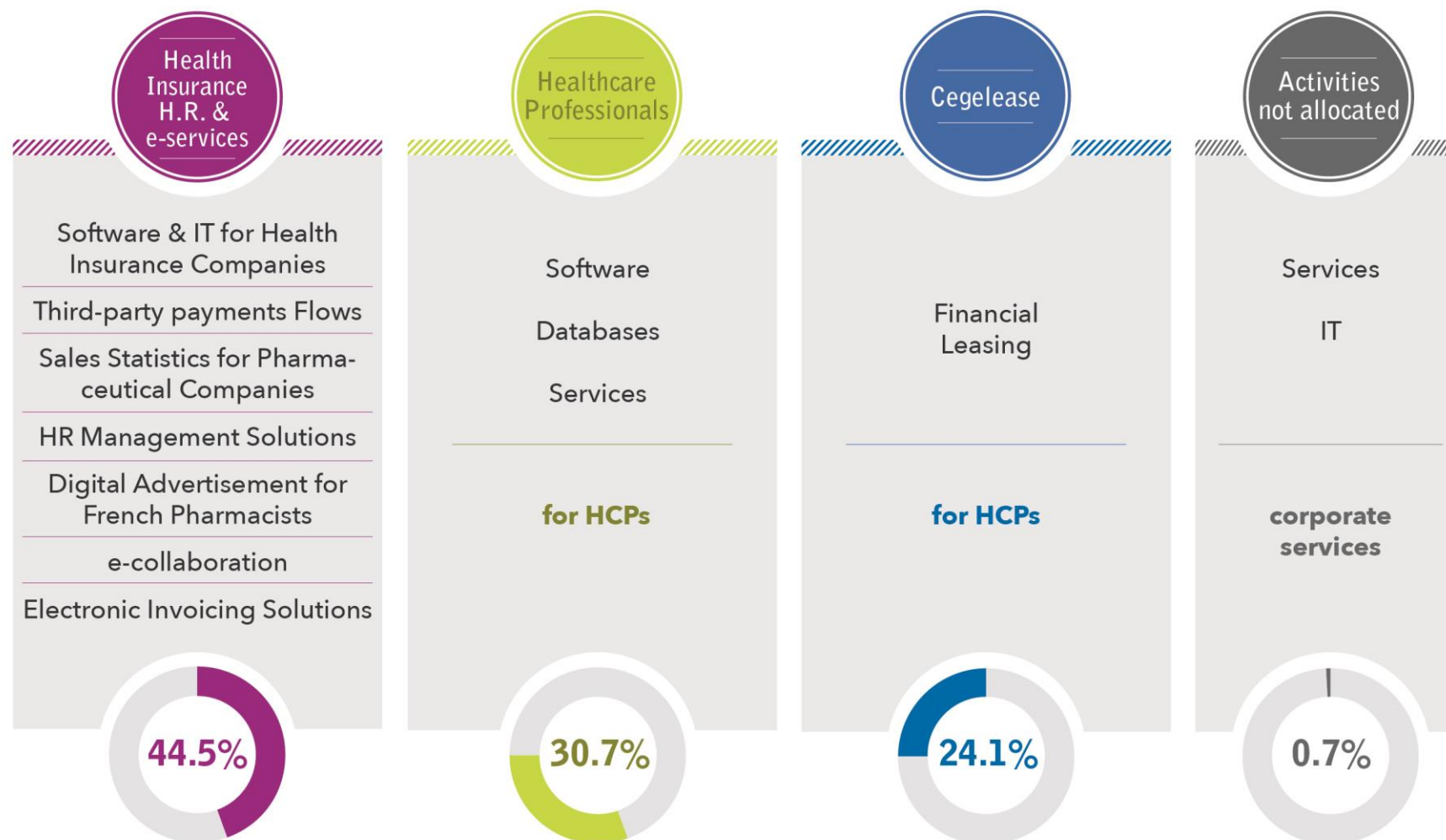
EBIT from continuing activities before special items expected to grow by 10.0%

<sup>(1)</sup> From continuing activities

<sup>(2)</sup> This estimated amount is subject to joint review on the accounts at March 31, 2015, to be prepared within 90 business days



# New Breakdown of Activities by Division



% of total Group Revenue from continuing activities

# Health Insurance, HR & e-services Division Overview



## Revenue

€54.0m <sup>L-f-L</sup> ↗ +8.4%



## EBITDA

€8.4m ↗ 88.8%

## MARGIN

15.5% +661 bps

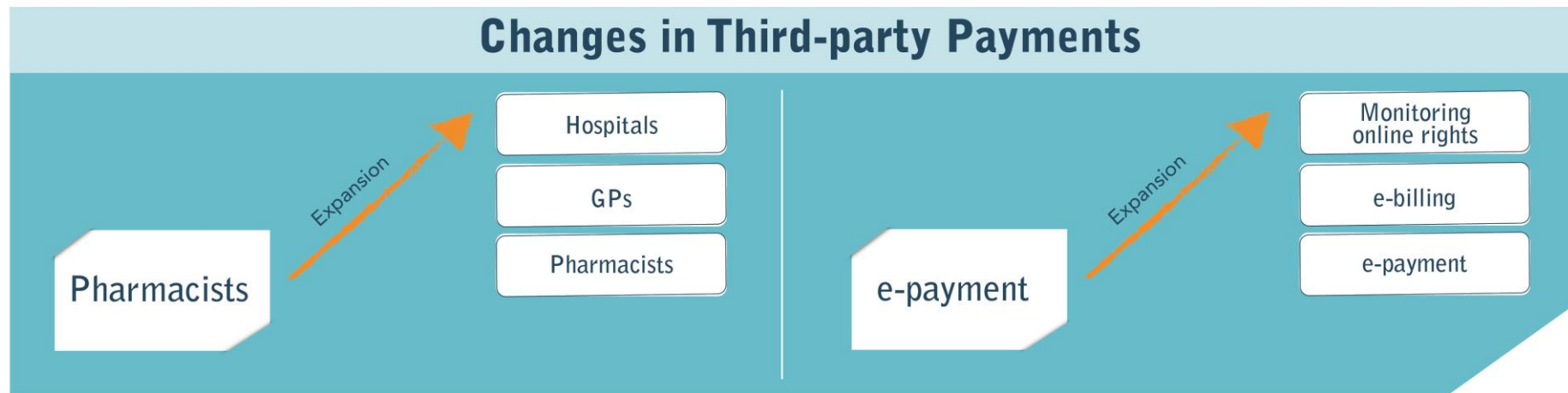
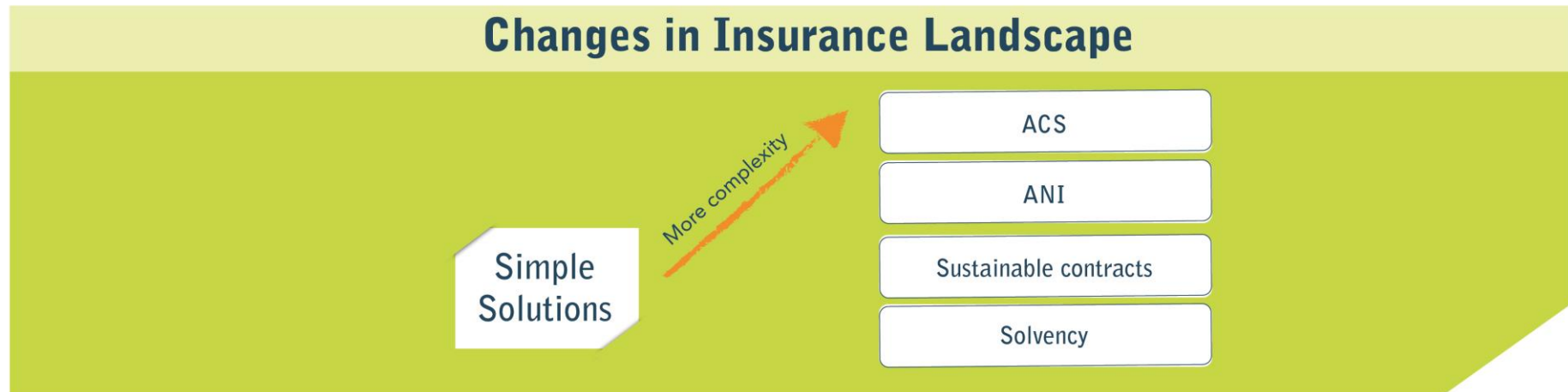


This increase in EBITDA was among other attributable to

- **RNP**, the specialist in window dressing for French Pharmacists;
- **Cegedim e-business**, electronic invoicing activity;
- **Cegedim Insurance**, products and services for insurers and mutual companies

<sup>(1)</sup> Percentage of total Group Revenue from continuing activities

# Changes in Insurance Landscape



**Cegedim will benefit from this transaction**

# Changes in E-business and HR Management and RNP Activities

## Changes in e-business Activity

only  
**10%**

of B2B invoices  
in France  
are dematerialized

Invoices



Dematerialization  
of contracts, purchase orders

Payments

SEPA

Invoices

## Changes in HR Management Activity

Payroll



BPO

Time management  
Training Management  
Talent Management  
Pensions Plan Management

Payroll

## Changes at RNP

### Transition to Digital

- Pharmacist Window:  
A real Media
- Electronic Display
- New organization

# Healthcare Professionals Division Overview



## Revenue

€37.2m <sup>L-f-L</sup> ↘ (5.7)%



## EBITDA

€6.5m ↘ (6.8)%

## MARGIN

17.5% (143)bps



## Negative impact from

- UK physicians due to temporary delay in billing
- US physicians due to business environment

## Positive impact from

- Computerization of doctors in France and Spain
- Drug database operations in France and the UK
- Computerization of nurses and physical therapists in France

*It should be noted that a change occurred in revenue mix in favor of Cegelease*

<sup>(1)</sup> Percentage of total Group Revenue from continuing activities



# Changes in Software for Healthcare Professionals

- Patient Management at the center of Healthcare System
- Need for more efficient and cost effective healthcare system
- Development of
  - Aging facilities
  - Multidisciplinary healthcare facilities and clusters
  - Connected device
  - Telemedicine
  - Laboratory test at physician's practice
  - Rehabilitation tools

- These changes request:
  - Patient management tools
  - Patient records
  - Tools for coordination between HCPs
  - New rehabilitation software
  - Medicalisation of software for HCPs

**Cegedim will benefit from this transaction**

# Cegelease Division Overview



## Revenue

€29.3m <sup>L-f-L</sup> ↗ +13.2%



## EBITDA

€3.8m ↘ (4.6)%

## MARGIN

12.8% (238)bps



## Revenue:

- Increase reflects the significant recovery in the computerization of French Pharmacies
- Positive impact from initial sales involving new partners

## EBITDA:

- The relative stability is mainly due to the increase in self-financed contracts.

*It should be noted that over the duration of the contract, self-financed contracts have a higher positive impact on margins than do resold contracts.*

<sup>(1)</sup> Percentage of total Group Revenue from continuing activities

# FY Performance by Division



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



- Continue to invest in innovation
- Targeted geographic expansion

**A simplified and well positioned Group for future success**

# FY 2015 Outlook Revised Upward



Outlook revised upward

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

- **Revenue** from continuing activities to grow by 2.5% L-f-L
- Growth rate outlook **raised** for **EBIT** from continuing activities before special items from +5% to **+10.0%**

<sup>(1)</sup> These projections are publicly disclosed on May 27, 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.





# Q1 2015 Financial Situation

# Q1-2015 Revenue Growth

	Q1-2014
Health Insurance, H.R. & e-services	€49.8m
Healthcare Professionals	€36.9m
Cegelease	€25.9m
Activities not allocated	€0.8m
<b>Cegedim</b>	<b>€113.4m</b>



**23% of FY 2014  
Revenue from  
continuing activities**

L-f-L	Structure	Currency	Reported
+8.4%	—	+0.0%	+8.4%
(5.7)%	+0.1%	+6.3%	+0.8%
13.2%	—	—	+13.2%
3.6%	—	+0.0%	+3.6%
<b>+4.9%</b>	<b>+0.0%</b>	<b>+2.1%</b>	<b>+7.0%</b>



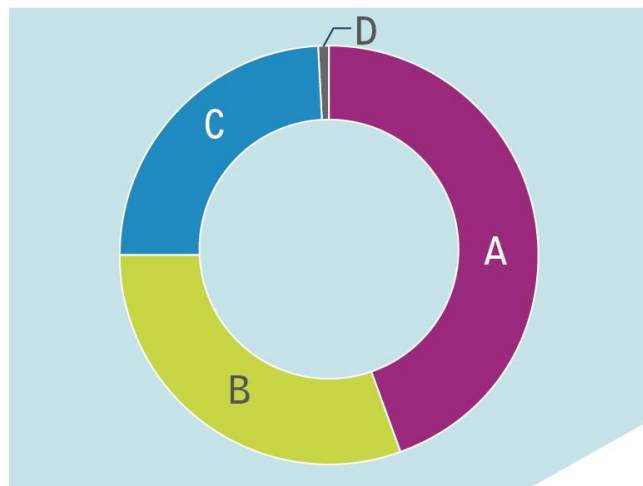
**GBP: €1.7m / 12.1%<sup>(1)</sup>  
USD: €0.6m / 2.3%<sup>(1)</sup>**

<sup>(1)</sup> Positive impact in M€ / % of Q1-2015 revenue

Q1-2015
€54.0m
€37.2m
€29.3m
€0.8m
<b>€121.3m</b>

# Revenue Breakdown from Continuing Activities

> By division Q1-2015



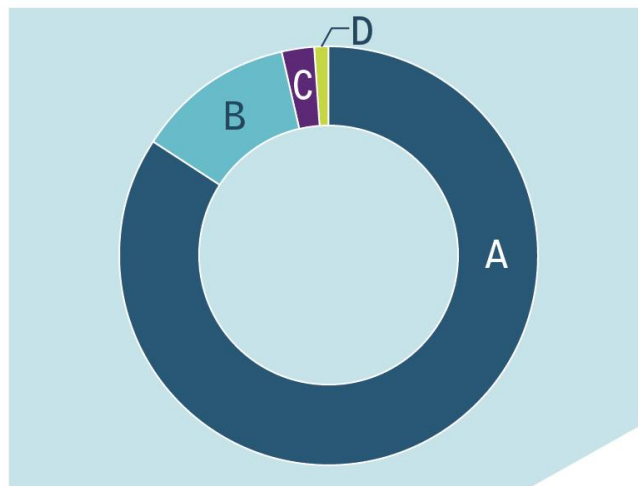
A // Health Insurance, H.R. & e-services | 44.5%

B // Healthcare Professionals | 30.7%

C // Cegelease | 24.1%

D // Activities not allocated | 0.7%

> By currency Q1-2015



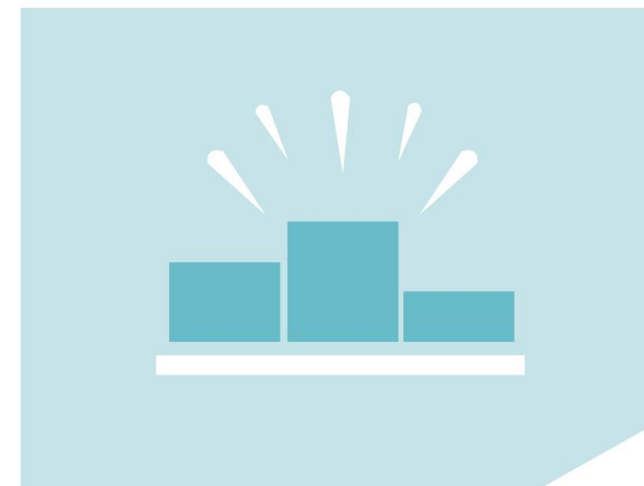
A // EUR | 84.5%

B // GBP | 12.1%

C // USD | 2.3%

D // RoW | 1.0%

> By client FY-2014



TOP 1 | 1.2%

TOP 5 | 4.6%

TOP 10 | 8.3%

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

# Q1 2015 P&L

in €m	Q1 2014	Q1 2015	% change
<b>Revenue</b>	<b>113.4</b>	<b>121.3</b>	<b>+7.0%</b>
<b>EBITDA</b>	<b>13.6</b>	<b>19.1</b>	<b>+40.6%</b>
Margin	12.0%	15.8%	+377bps
D&A	(9.0)	(10.9)	+22.1%
<b>EBIT before special items</b>	<b>4.7</b>	<b>8.2</b>	<b>+76.3%</b>
Margin	4.1%	6.8%	+266bps
Special items	(0.6)	(2.9)	+365.9%
<b>EBIT</b>	<b>4.0</b>	<b>5.3</b>	<b>+32.3%</b>
Cost of net financial debt	(10.1)	(6.9)	(15.9)%
Total taxes	(0.5)	(0.7)	+54.3%
<b>Earnings from continuing activities</b>	<b>(6.1)</b>	<b>(1.8)</b>	<b>n.m.</b>
Earnings from discontinued activities	(2.8)	1.8	n.m.
<b>Earnings</b>	<b>(9.0)</b>	<b>(0.0)</b>	<b>n.m.</b>



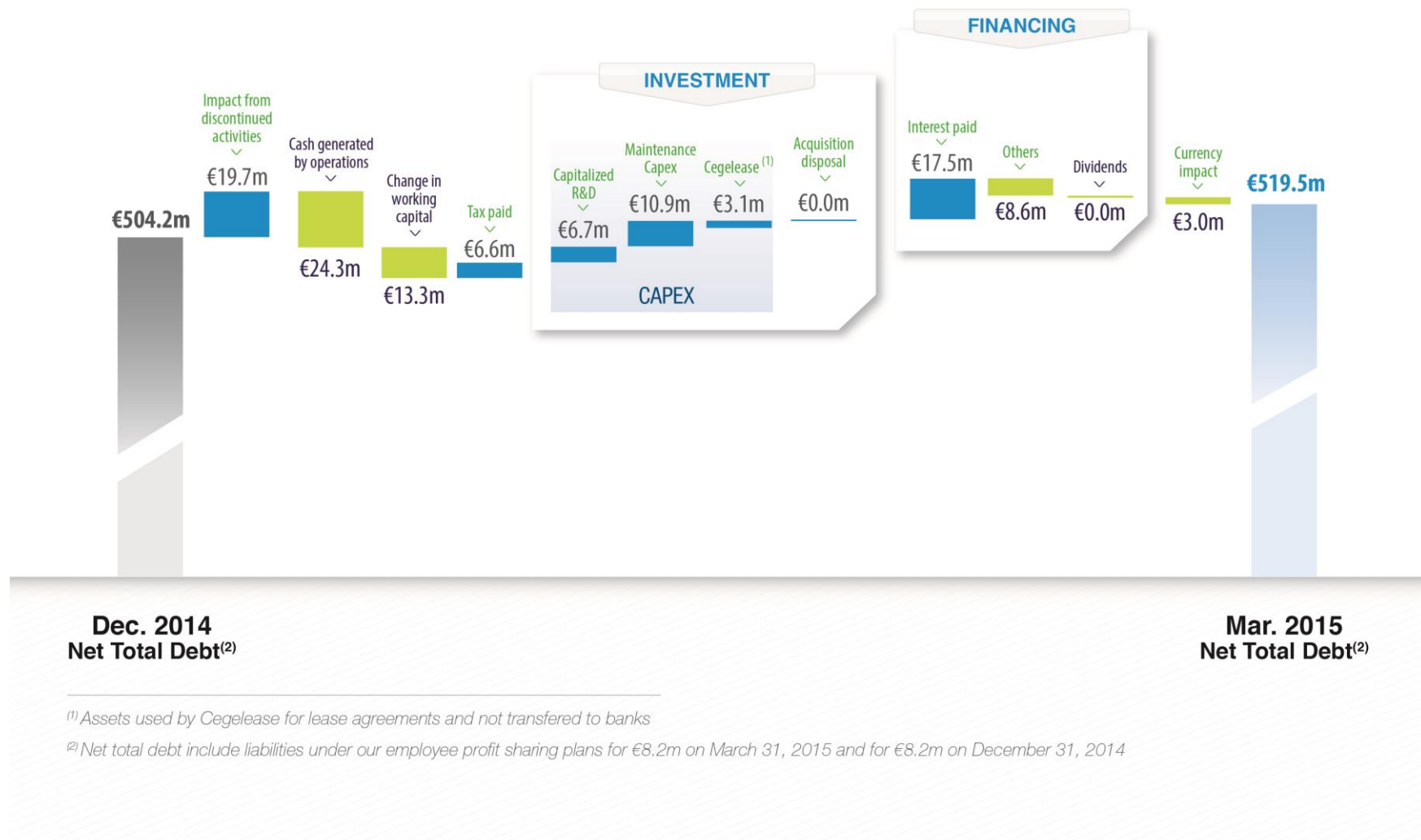
# Q1 2015 Performance by Division

	Health Insurance H.R. & e-services		Healthcare Professionals		Cegelease		Activities not allocated	
	Q1-14	Q1-15	Q1-14	Q1-15	Q1-14	Q1-15	Q1-14	Q1-15
<b>Revenue</b>	<b>49.8</b>	<b>54.0</b>	<b>36.9</b>	<b>37.2</b>	<b>25.9</b>	<b>29.3</b>	<b>0.8</b>	<b>0.8</b>
<b>EBITDA</b>	<b>4.4</b>	<b>8.4</b>	<b>7.0</b>	<b>6.5</b>	<b>3.9</b>	<b>3.8</b>	<b>(1.8)</b>	<b>0.5</b>
Margin	8.9%	15.5%	19.0%	17.5%	15.2%	12.8%	—	—
<b>D&amp;A</b>	<b>(3.6)</b>	<b>(3.9)</b>	<b>(2.4)</b>	<b>(2.8)</b>	<b>(2.6)</b>	<b>(3.7)</b>	<b>(0.3)</b>	<b>(0.5)</b>
<b>EBIT<sup>(1)</sup></b>	<b>0.9</b>	<b>4.5</b>	<b>4.6</b>	<b>3.7</b>	<b>1.3</b>	<b>0.1</b>	<b>(2.1)</b>	<b>(0.0)</b>
Margin	1.8	8.3	12.3	9.9	5.0	0.3	—	—
	15.5%		17.5%		12.8%		n.s.	

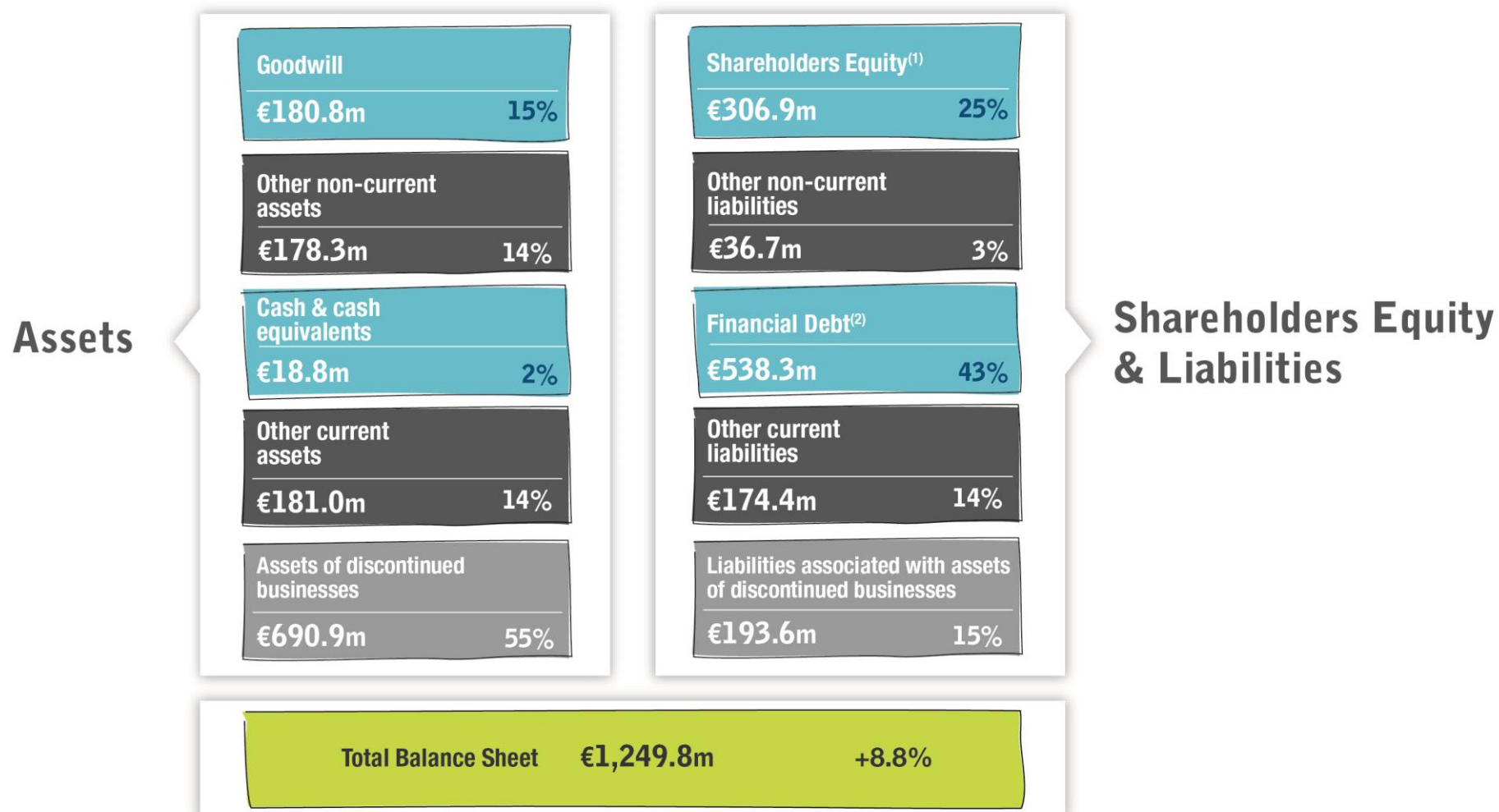
<sup>(1)</sup> Before special items



# Q1-2015 Net Debt Change



# Q1-2015 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



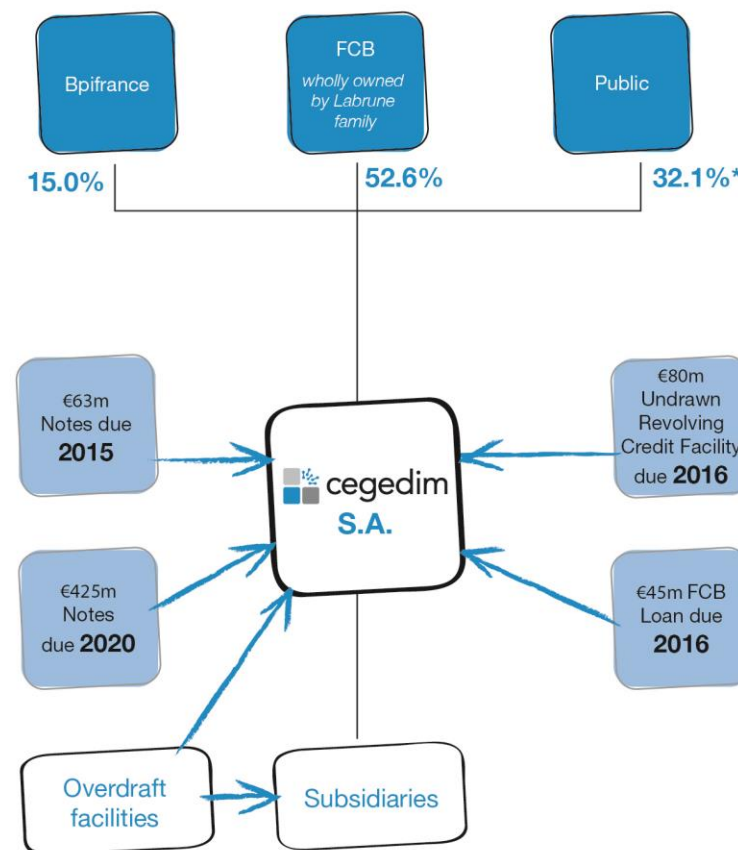
Assessed on  
April 13, 2015



## Maturity Profile



## Corporate & Capital Structure



\* This includes 0.3% of the shares of Cegedim S.A held by Cegedim S.A. and by Kepler Cheuvreux S.A. pursuant to a liquidity contract as of March 31, 2015.

# IMS Health Transaction Completed on April 1<sup>st</sup>



## Selling Price

**€396m<sup>(1)</sup>**

## Proforma Metrics<sup>(2)</sup>

**Net Debt: €123.5m**

**Leverage: x1.4**

**Gearing: x0.4**

<sup>(1)</sup> This estimated amount is subject to joint review on the accounts at March 31, 2015, to be prepared within 90 business days.

<sup>(2)</sup> Pro-forma based on a selling price of €396m; net debt and shareholders equity as of March 31, 2015 and FY 2014 EBITDA



## Use of Proceeds

**Repay Debt**

### 7.0% Bond 2015

Repayment at maturity July 2015

### 6.75% Bond 2020

Partial or total redemption depending of market condition

### RCF

Maturity will be extended and size adjusted

### Shareholder Loan

All option are open



# Strategic Priorities

## 2015 Priorities



Expand Operating  
margin with  
strong financial  
disciplines



Continue to invest  
in innovation



Pursuing market  
leadership



# Next Events



**July 28, 2015**  
**Q2-2015 Revenue**



**Available**

This Document includes the Q1-2015 Financial Statements and Management Report

**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 arm extended and hand held palm up. The background is a solid teal color, with a large, abstract geometric shape in shades of yellow and green on the right side. A white rectangular box with a small notch on its right side is centered in the teal area.

# Annexes

# Revenue & Organic Growth Calculation

Q1-2015		Health Insurance, HR & e-services	Healthcare Professionals	Cegelease	Activities not allocated	Group
Q1 2014 Revenue	a	49,801	36,906	25,867	796	113,370
Impact of disposals		0	0	0	0	0
Q1 2014 Revenue before impact of disposals		49,801	36,906	25,867	796	113,370
Currency impact		19	2,336	0	0	2,355
Q1 2014 Revenue at 2015 exchange rate	b	49,820	39,242	25,867	796	115,725
Q1 2015 Revenue before impact of acquisitions	c	54,004	27,143	29,293	825	121,264
Revenue from acquisitions		0	45	0	0	45
Q1 2015 Revenue		54,004	37,187	29,293	825	121,309
Organic growth	(c-b)/a	8.4%	(5.7)%	13.2%	3.6%	4.9%

# Cegedim is Well-Positioned

## CHS



Pharmacists Workstations



Physicians & Paramedics Workstations



UK Pharmacists  
French, Italian &  
Spanish Physicians



French Pharmacists  
UK Physicians

## Cegedim Assurances



Payers Organizations



People Covered



Software & IT



Third-Party  
Payment

## Cegedim SRH



in France



Acquisition of  
payslips



Strong  
Revenues Growth

## Cegedim e-business



European  
Network



+100,000  
Companies  
connected



+300 millions in 2014  
Electronic documents  
exchanged per year



# 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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