



**cegedim**

La maîtrise technologique  
des datas, du digital et des réseaux

2018

# ANNUAL RESULTS

SFAF MEETING • 28 MARCH 2019



## FORWARD-LOOKING STATEMENTS

This presentation contains “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are based on expectations and assumptions that we believe to be reasonable when made, but that may not prove to be accurate. By their nature, forward-looking statements involve risk and uncertainty. 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.

Additional information concerning 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’.

Any forward-looking statement speaks only as of the date on which it is made, and we assume no obligation to update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise, except as required by law.

2018

RESULTS

# Business overview

Jean-Claude Labrune

Chairman and CEO

### Since selling our CRM business in 2015

Cegedim's business exposure has been greatly simplified from both a

- Geographic standpoint,
- Business line standpoint.

### Cegedim's businesses

- Payroll
- Management of health and personal protection insurance
- Data flow management and digital solutions
- Management of healthcare professionals
- Management of pharmaceutical sales data and real-life medical data

# Cegedim's business key point

## Key characteristic of our business

- Growing businesses
- Substantial resources requirements and therefore recruitment pressure
- Tightly linked to the healthcare industry

## Businesses influenced by:

The breakneck development of digital and related technologies.

Tuesday's vote on the new healthcare law creates a new administrative layer, with communities of regional healthcare professionals (*Communautés Professionnelles territoriales de santé, or CPTS*) to counterbalance the regional hospital consortia (*Groupements hospitaliers de territoire, or GHT*).

Increasing numbers of reforms

Customers appetite for innovation

# Innovation: A key driver

## Offshore investments

- Development of our Bucharest BPO platform in addition to Rabat.
- Creation of a new development platform in Cairo

## Conclusion

Investing in our businesses is a necessary condition of future success

Everything we do is focused on creating the assets we need to succeed in the future

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# Strategy

Laurent Labrune

Managing Director

# Cegedim at a glance

Cegedim:  
**Data, Digital  
and SaaS Specialist  
in Healthcare  
& other industries**

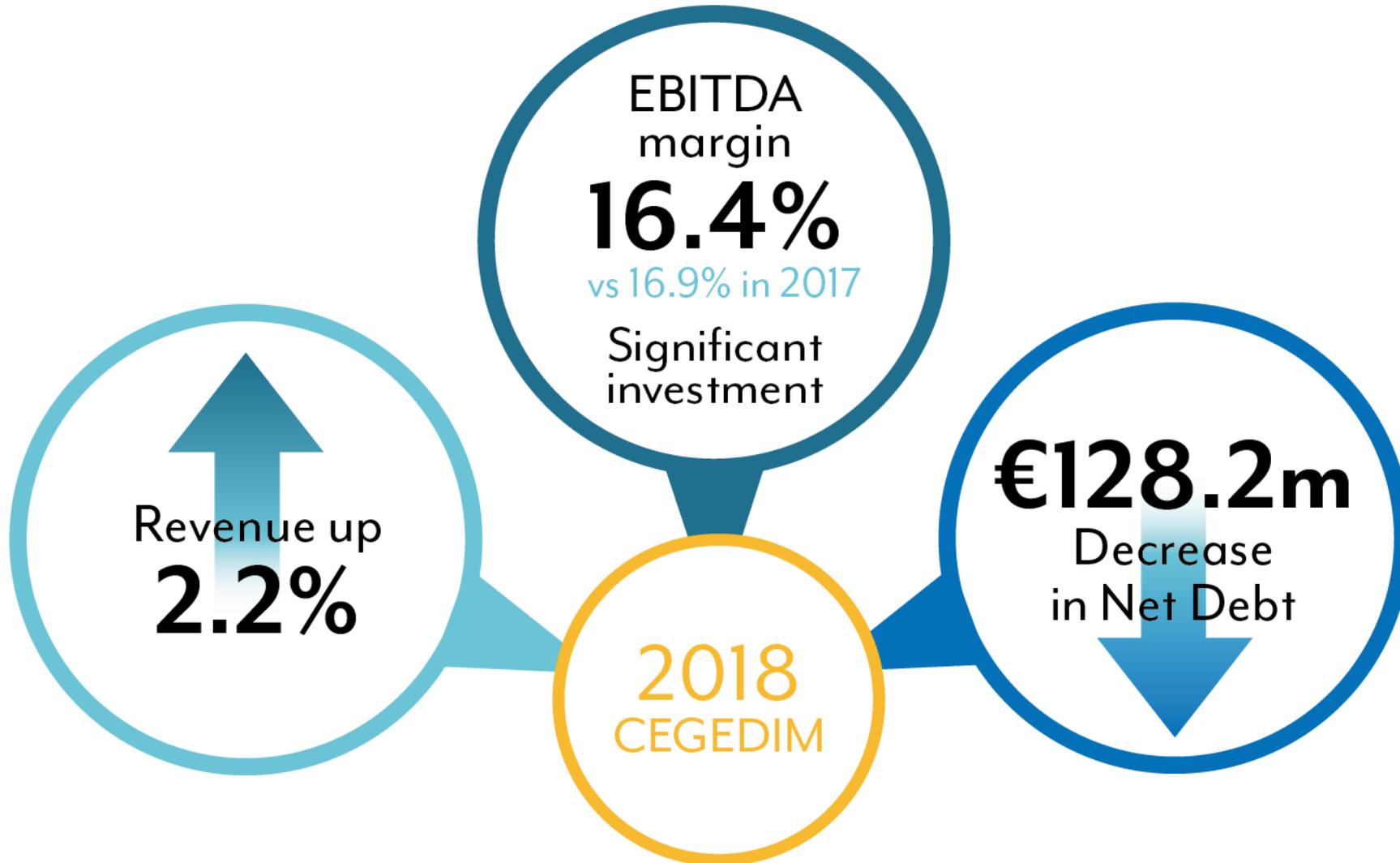
**4,562**  
employees in  
**11**  
countries

**3 business groups:**

- Health Insurance, HR & e-services
- Healthcare Professionals
- Corporate & Others

**5 datacenters**

# FY 2018 Financial Results



# Cegedim strength and performance model



An integrated player  
in the healthcare ecosystem,  
with leading positions  
on niche segments  
and complementary  
businesses

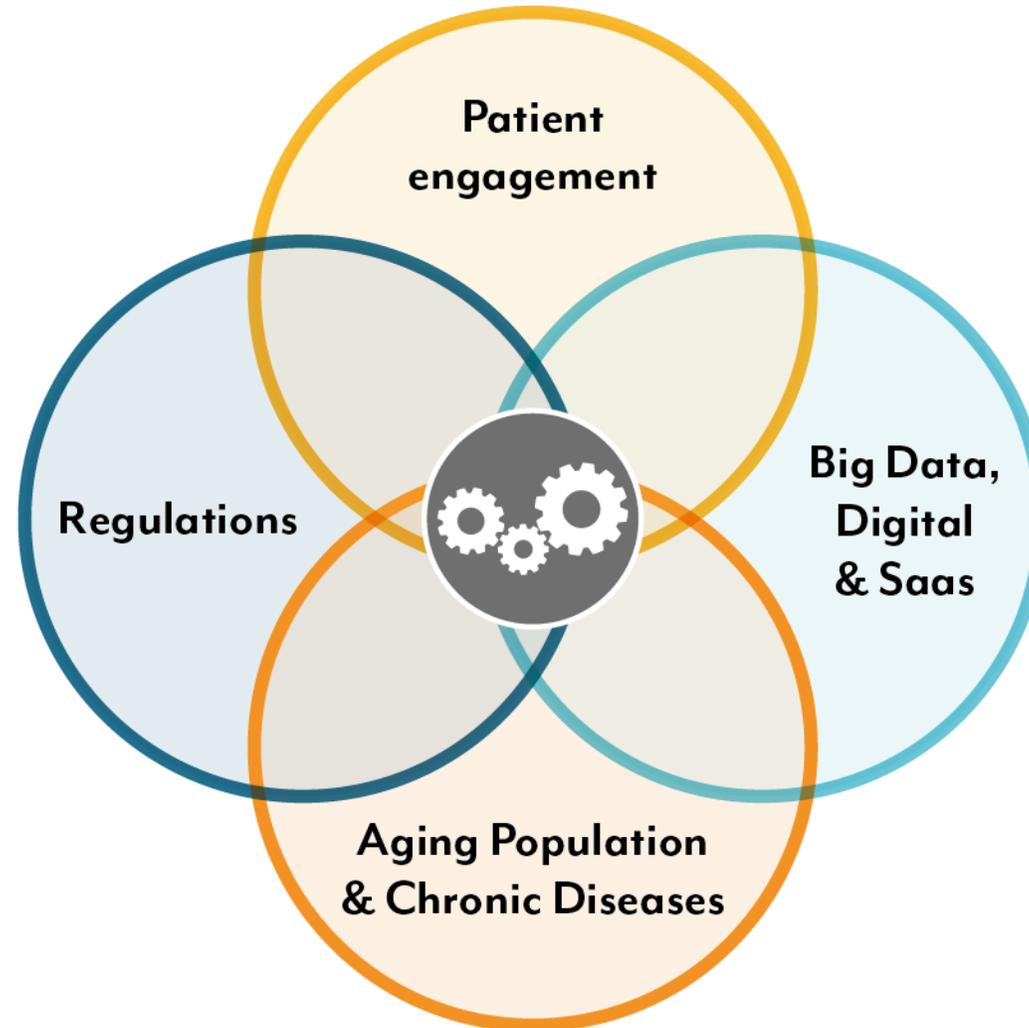


- **Entrepreneurial Spirit**
- **Innovation**
- **Execution**



Strong R&D capacities  
supporting innovation  
efforts

# Unique Key drivers to fuel Growth and business resilience



# Strengthening our business through active portfolio management

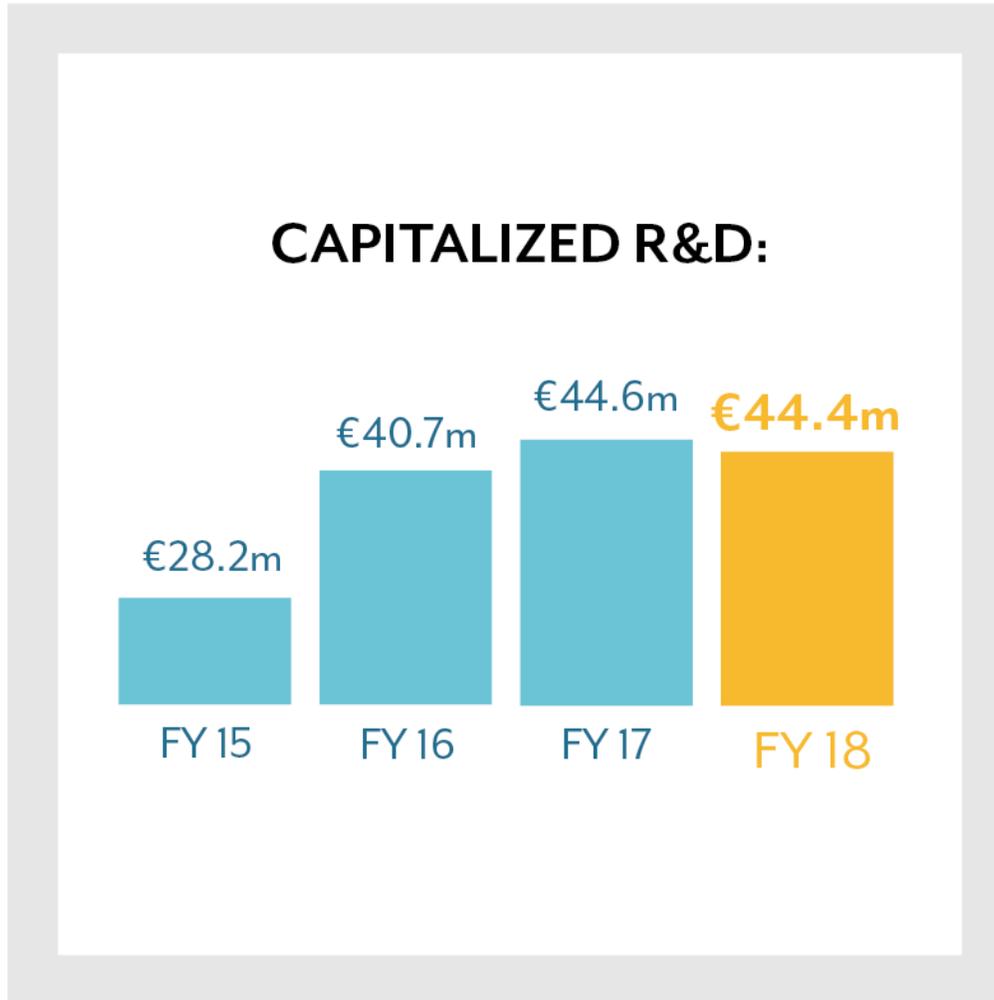
## DIVESTMENT

- **Cegelease**

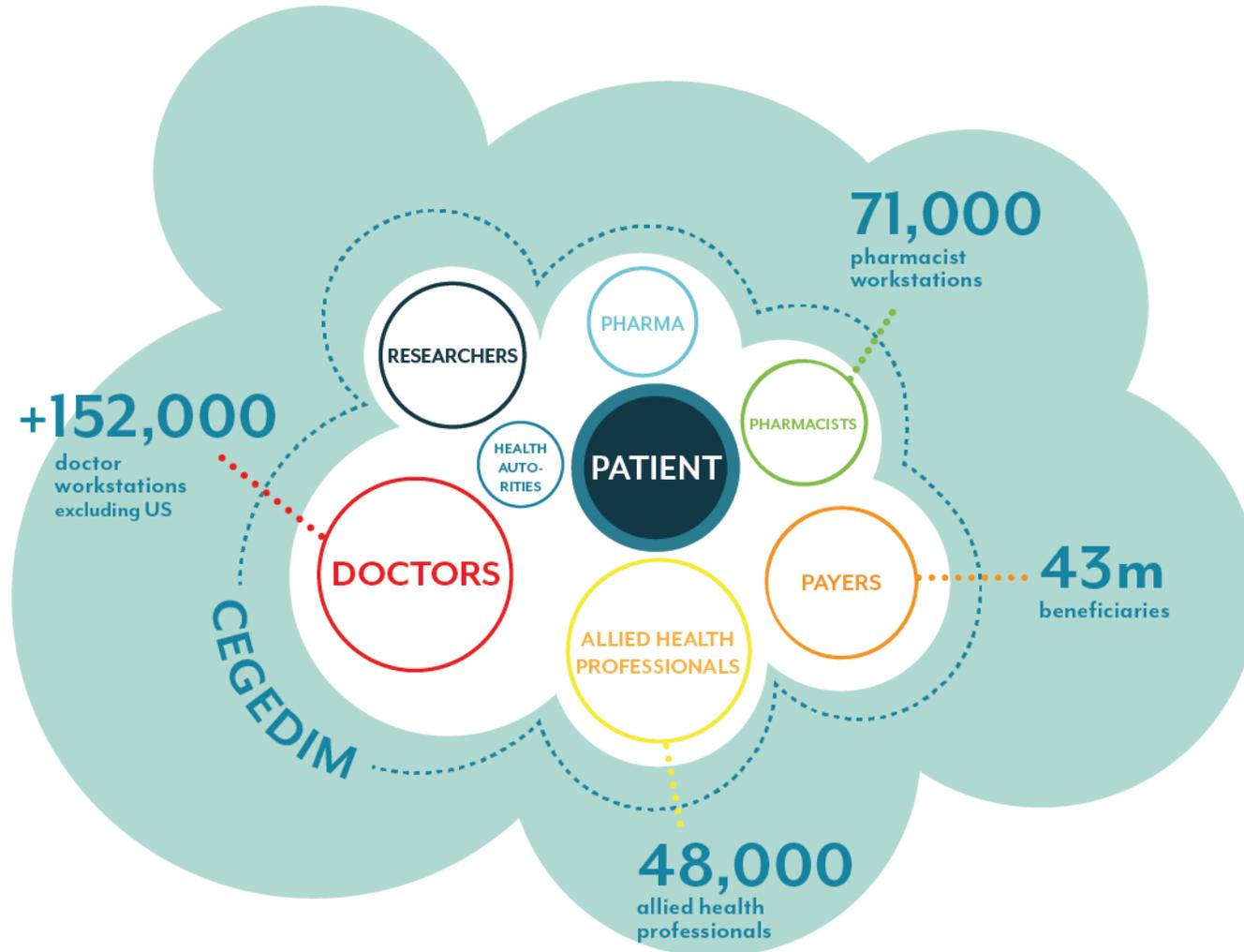
## ACQUISITIONS

- **Cegedim e-business**  
Ximantix  
BSV
  
- **Cegedim Healthcare Software**  
RDV médicaux

# Strong innovation capacities



# Healthcare footprint



## CEGEDIM INSURANCE SOLUTIONS

**Solution for health insurers****Market consolidation and cost pressure****Heavy regulation changes**

- End of the self-employment scheme
- Optical benefits reform
- Zero co-pay

**SaaS business model change finalized****BPO wins**

- BCAC: a complex project

**Disrupting third party payment**

- Real-time patient benefits verification
- Optical benefit management
- Fraud management services

## CEGEDIM HEALTH DATA

**Real World Data and sales statistics****Ambition**

- Create the reference RWD database in Europe for pharmaceutical companies and researchers
- 2018: Launched France and UK
- Q2 2019: Opening Spain, Belgium and Romania
- Targeting: Big5 coverage by 2021

**Medical decision support tools**

Already 5 rare disease detection algorithms implemented in GP's EHR software

# Perspectives for Cegedim Healthcare Professionals

## CEGEDIM HEALTHCARE SOFTWARE

### Solution for providers

#### UK:

- Renewal of Wales and Scotland contracts
- First *Vision Anywhere* version released
- E-prescription generalization
- Expansion of our Patient Population Management solutions at CCG (*Clinical Commissioning Groups*) / PCT (*Primary Care Trust*)

#### France:

- Continuous success with MSP and Health Center
- Experimentation of e-prescription
- Partnership on EMR Data exchange between hospitals and primary care physicians

#### Chili:

First hospital in Chile with our new SmartHIS solution

## DOCAVENUE

### Telemedicine and online booking appointment

#### Ambition:

- Become the #1 in Telemedicine

#### Startup mode

- 100 headcount

#### Acquisition:

- Acquisition of RDV médicaux to accelerate our growth

#### Launching April 2019

- Assisted video-consultation for patients inside the pharmacies

#### Partnership

- Interoperability partnership with Pharmagest

# Perspectives for Cegedim Healthcare Professionals

## CEGEDIM HEALTHCARE SOFTWARE

### Solution for pharmacists

#### France:

- New range of product for pharmacy chains / consortiums:
  - BI tools
  - Online purchasing module
- Deployment of latest government reforms

#### UK

- Deployment of e-prescription
- Investing in next generation solution

#### Romania

- Complete integration of distribution network for pharmacy and physicians software business

## C-MEDIA

### Digital displays in pharmacies

**#1 information and promotional media at the point of sales**

#### Successful integration of Futuramedia

- Growing digital media revenue
- Closing the loop with merchandizing campaign

#### Innovation

- Launching in shelf screens
- Expanding in cosmetology through Marionnaud partnership

## SRH

**HR Solution for large and small companies**

Solid 2 digits growth (+35 large accounts)

Successful expansion to small & mid size companies with Rue de la Paye

**Successful implementation of new regulations:**

- Withholding tax
- New rules for pension plans

**Expanding on:**

- Planning and Time Management market
- Mobility Apps for employees
- Business Intelligence and social benchmark
- BPO leveraging offshore capabilities

## E-BUSINESS

**Digitalize your contract to pay process**

Solid 2 digit growth (+45 new customers)

120 000 companies connected

Regulation driving strong market growth

**Focusing on European expansion**

- Creation of the UK and Belgium affiliate
- Acquisition of Ximantix

**Launched new end-to-end platform** for the Contract to pay process

**Acquisition**

- BSV Electronic document management

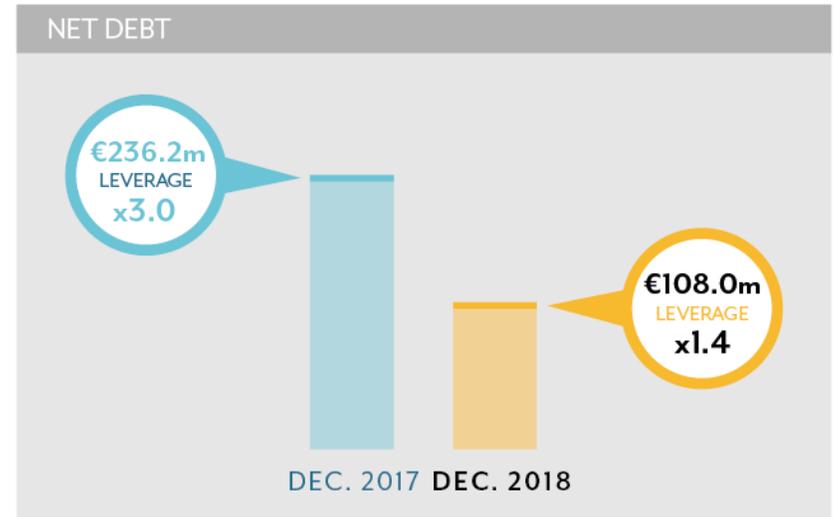
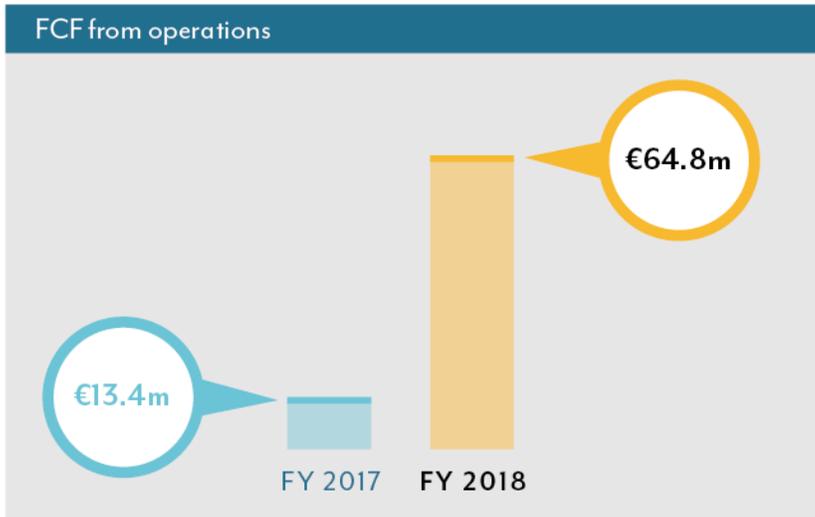
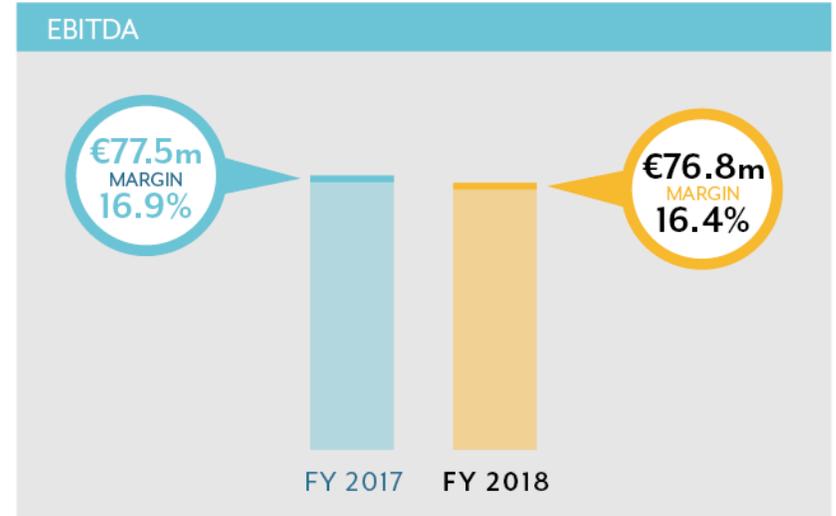
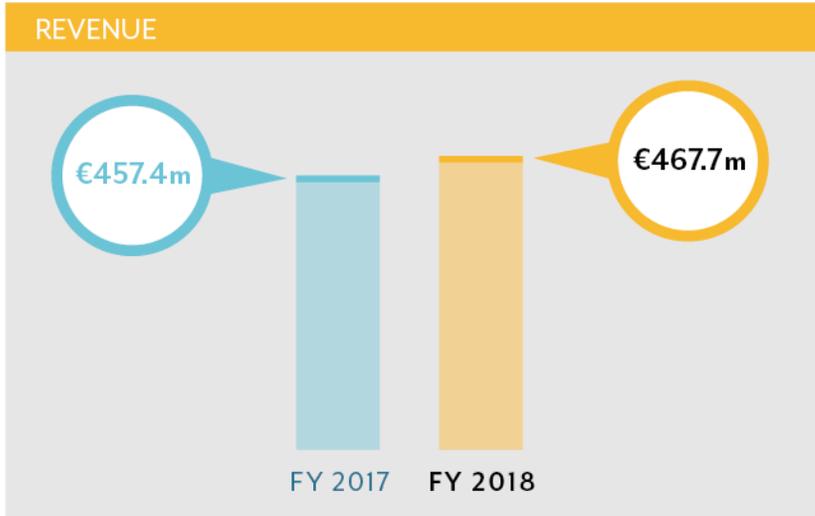
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# Finance

Pierre Marucchi

Managing Director

# Key Operating Performance



# FY 2018 Profit & Loss Statements

# €467.7m

REVENUE

# 16.4%

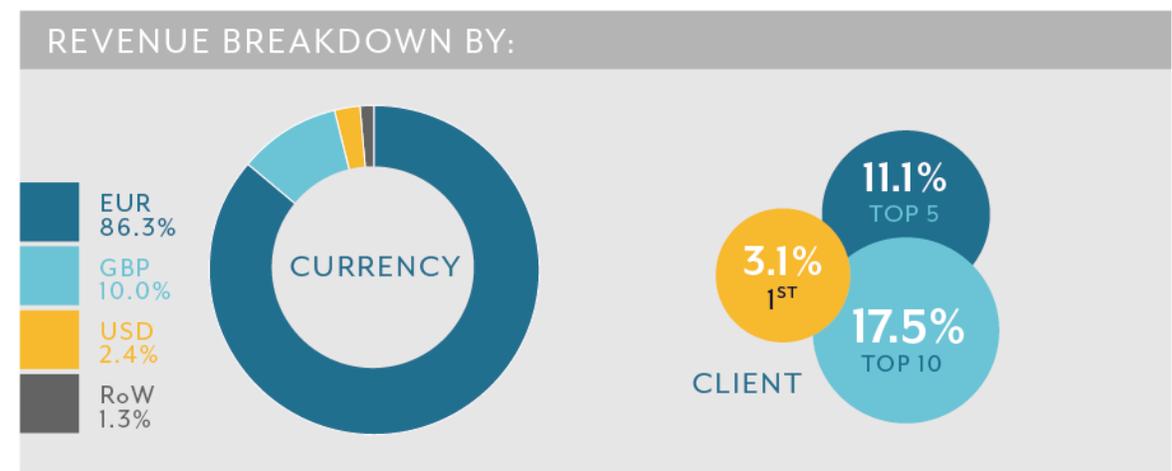
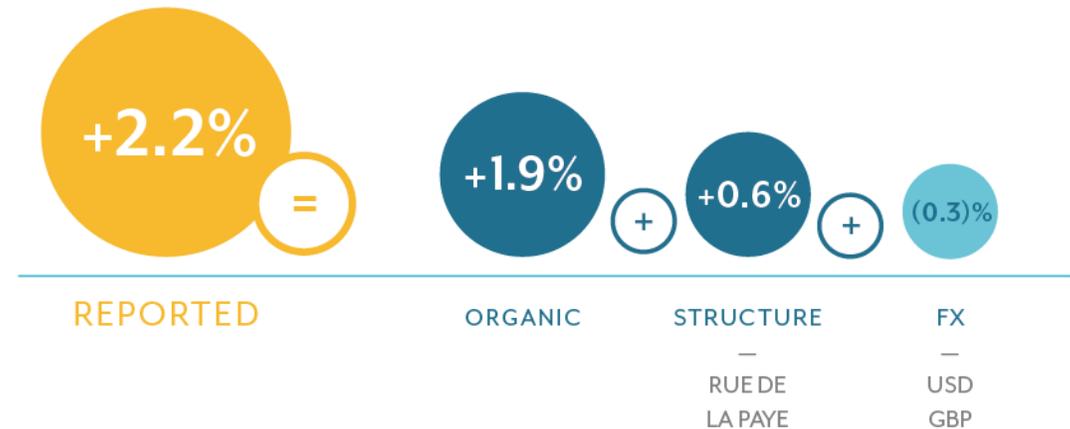
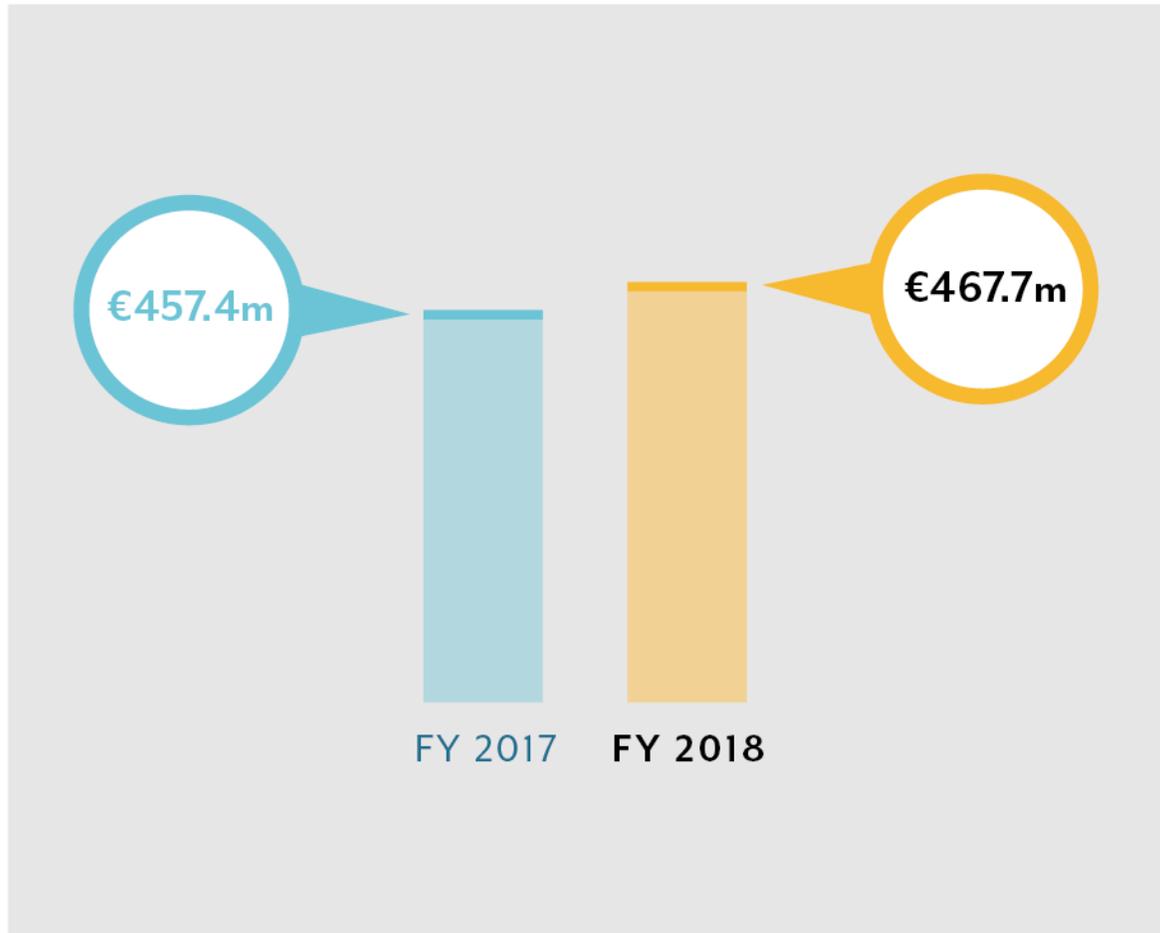
EBITDA MARGIN

# €0.4

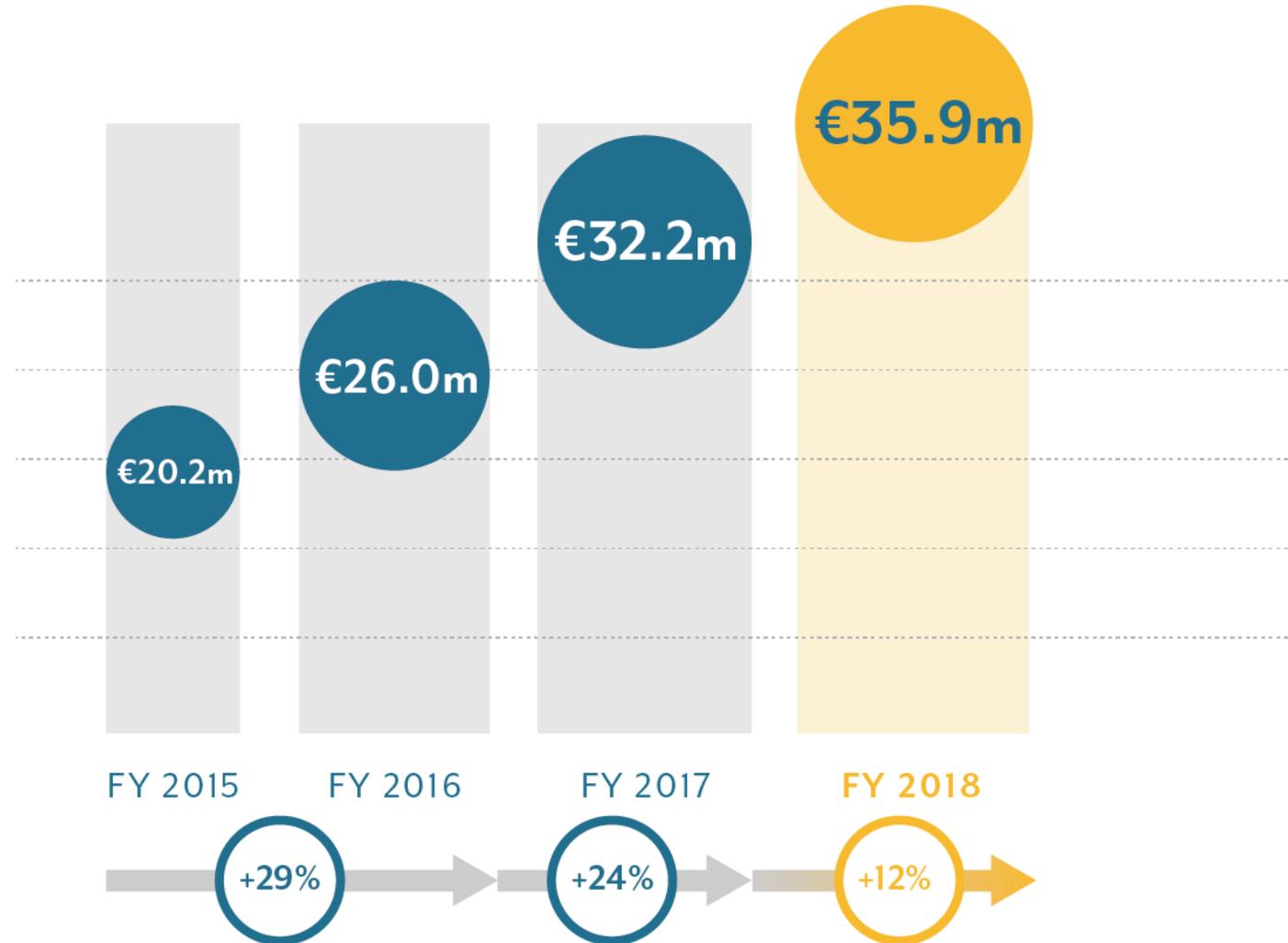
EARNINGS PER SHARE

In € million	FY 17	FY 18	% change
<b>REVENUE</b>	<b>457.4</b>	<b>467.7</b>	<b>+2.2%</b>
<b>EBITDA</b>	<b>77.5</b>	<b>76.8</b>	<b>(0.9)%</b>
Margin	16.9%	16.4%	(53)bps
D&A	(40.1)	(43.7)	+9.1%
<b>EBIT BEFORE SPECIAL ITEMS</b>	<b>37.4</b>	<b>33.1</b>	<b>(11.7)%</b>
Margin	8.2%	7.1%	(111)bps
Special items	(18.9)	(18.6)	(1.2)%
<b>EBIT</b>	<b>18.5</b>	<b>14.4</b>	<b>(22.3)%</b>
Margin	4.1%	3.1%	(97)bps
Cost of net financial debt	(6.7)	(6.0)	(11.4)%
Total Taxes	(4.7)	(3.9)	(16.5)%
<b>EARNINGS FROM CONTINUING ACTIVITIES</b>	<b>7.1</b>	<b>4.5</b>	<b>(36.5)%</b>
Earnings from discontinuing activities	0.0	1.3	n.m.
Earnings from activities held for sales	4.1	0.0	n.m.
Net earnings	11.1	5.8	(48.2)%
<b>EARNINGS BEFORE SPECIAL ITEMS PER SHARE</b>	<b>0.9</b>	<b>0.7</b>	<b>(21.8)%</b>
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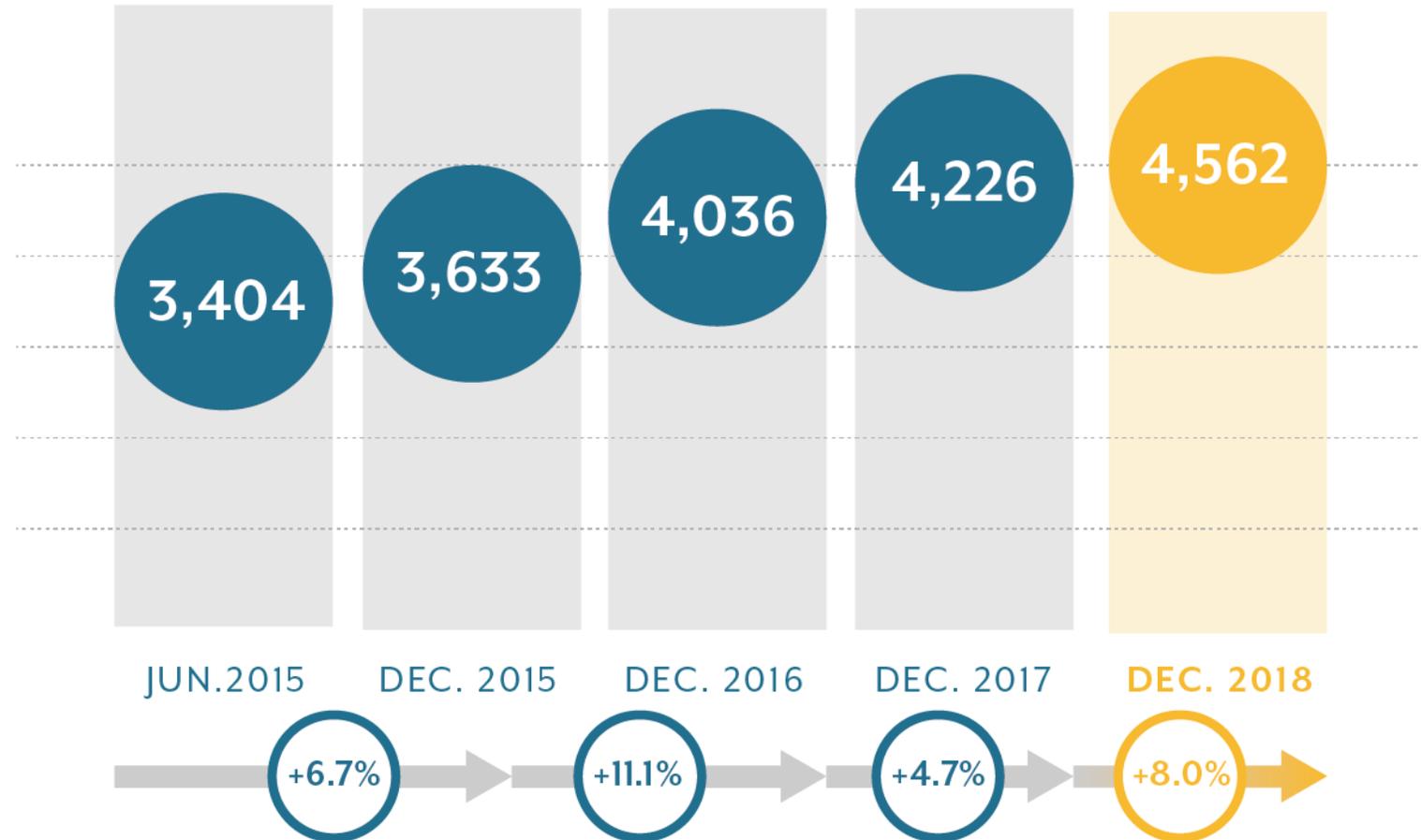
# FY 18 Revenue Overview



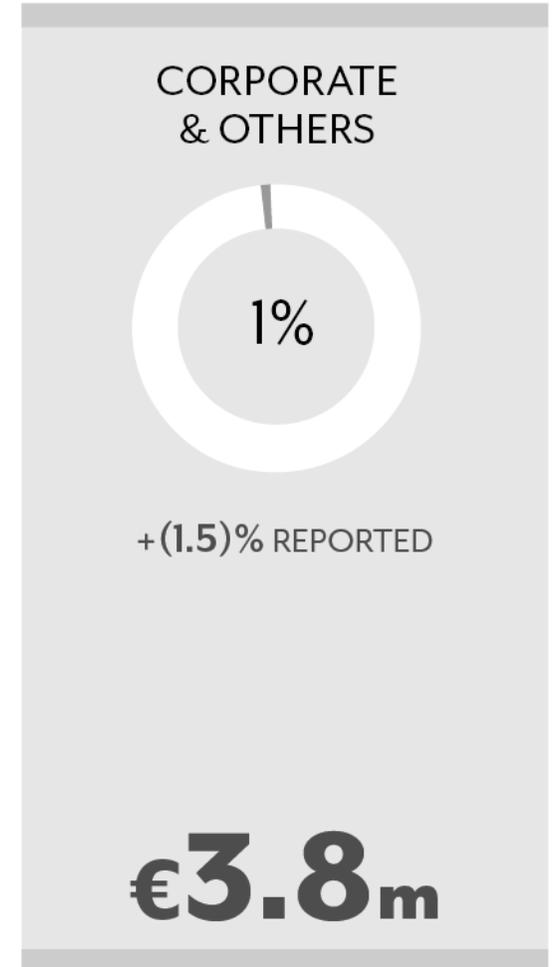
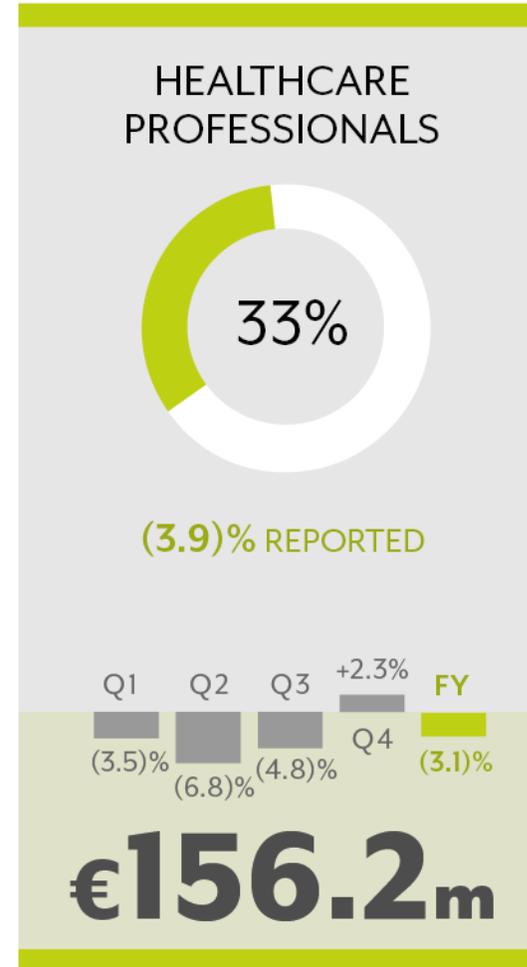
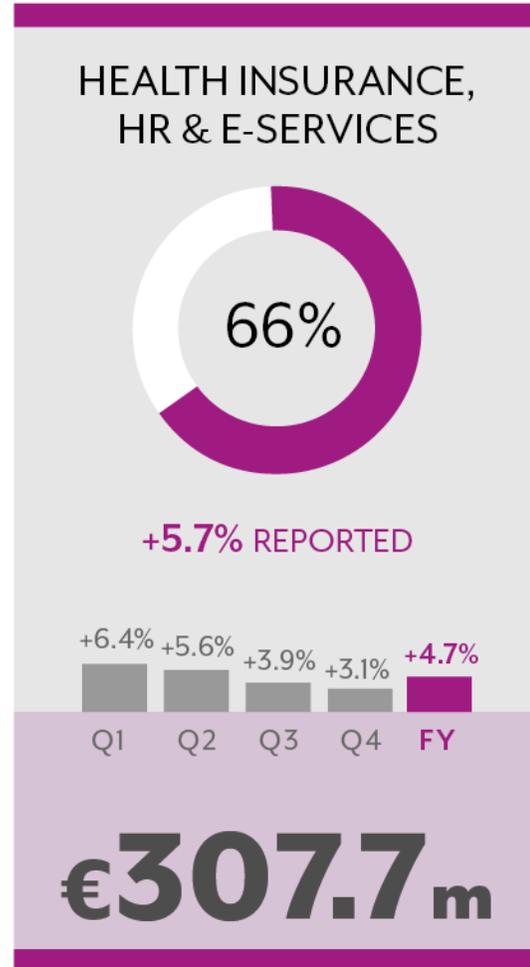
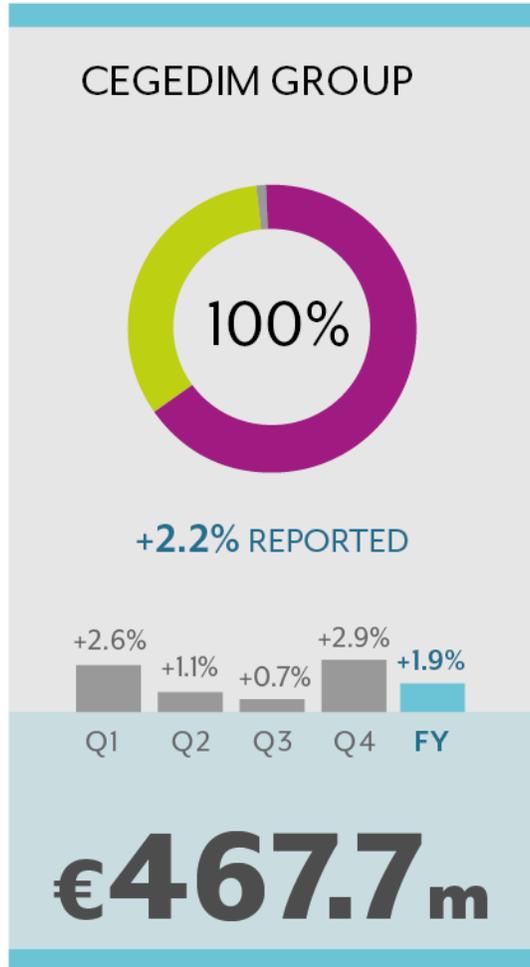
# BPO Revenue Trend



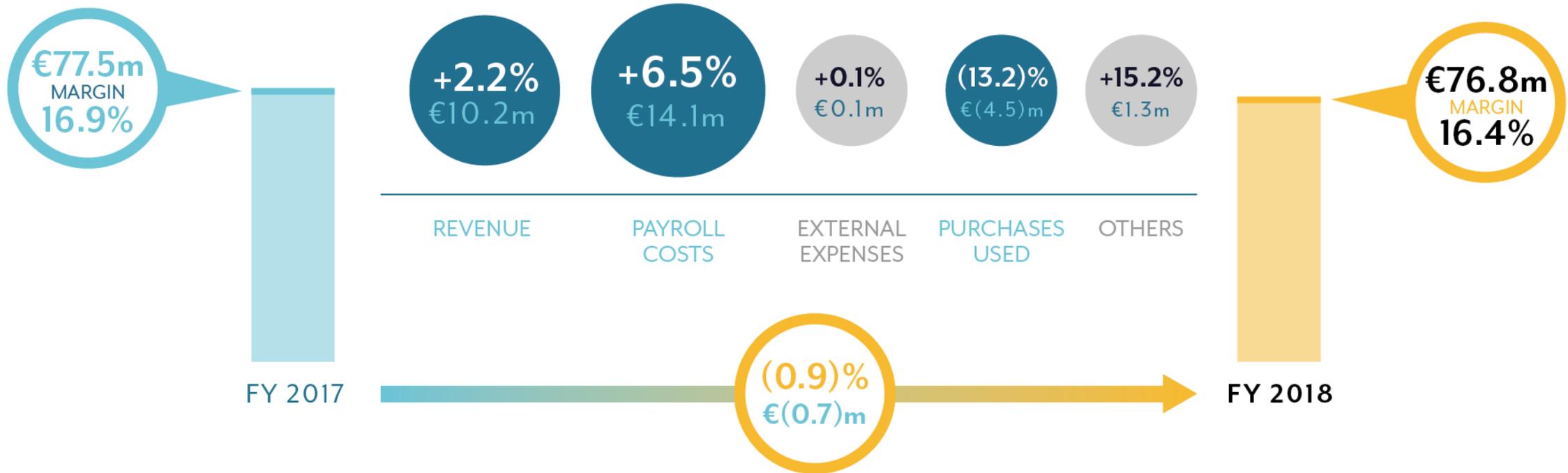
# Headcount



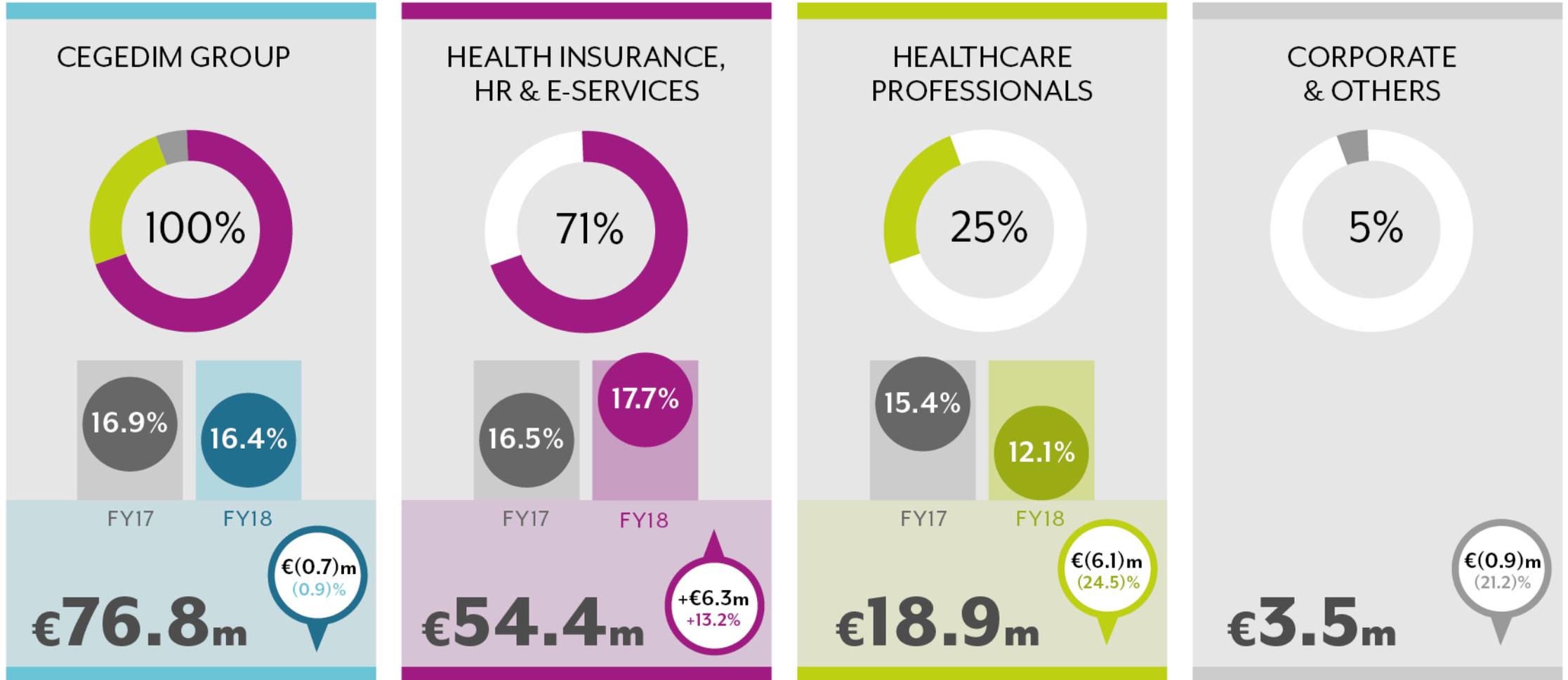
# L-f-I FY 18 Revenue growth by business group



# FY 2018 EBITDA Trend



# EBITDA by business group



# Comments by Business Group

## CEGEDIM GROUP

### BIGGEST CONTRIBUTORS

REVENUE

Health Insurance,  
HR & e-services

EBITDA

Health Insurance,  
HR & e-services

## HEALTH INSURANCE, HR & E-SERVICES

### BIGGEST CONTRIBUTORS



- Cegedim SRH
- Cegedim Health Data
- Cegedim e-business
- Third-party payment flow management
- BPO activities



- Cegedim SRH
- Cegedim Health Data
- Third-party payment flow management
- Cegedim Media

## HEALTHCARE PROFESSIONALS

### BIGGEST CONTRIBUTORS



- Software for doctors and allied health professionals in France and Belgium
- BCB Medication database
- The strong year-on-year growth in computerization services for doctors in the UK in the fourth quarter was particularly noteworthy

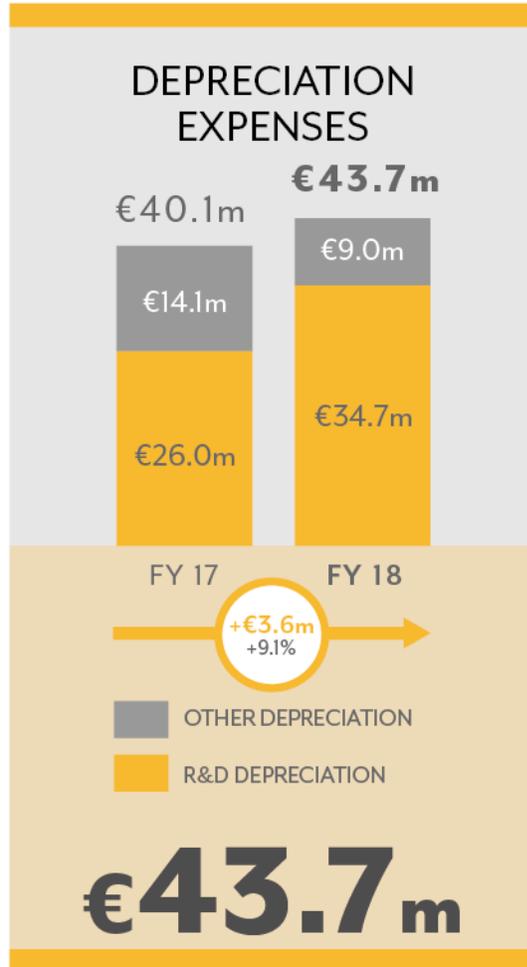


- BCB Medication database
- Software for doctors in France



- Software for doctors in the USA and Spain
- Docavenue

# FY 18: From EBITDA to Net Earnings



# FY 2018 Financial Performance

## €467.7m

REVENUE

## €33.1m

EBIT

## €0.4

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# FCF from operations

## €64.8m

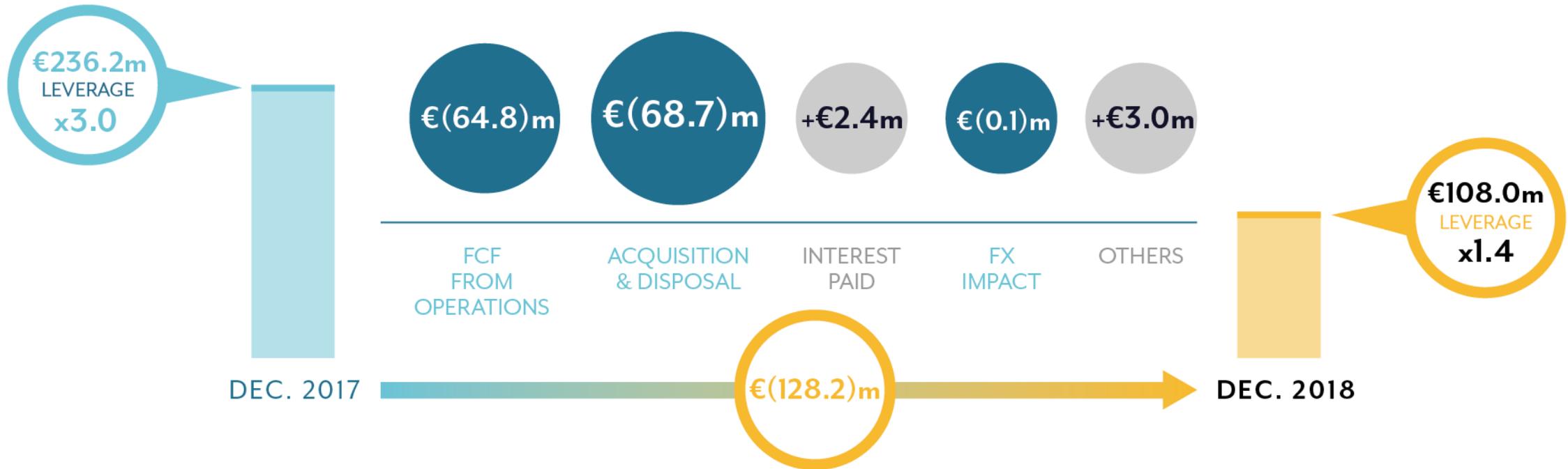
FCF from operations

## +€51.4m

Increase compare  
to 2017

In € million	FY 17	FY 18
Cash flow before taxes and interests	85.9	62.1
Change in working capital requirement	(10.6)	64.4
Corporate tax paid	(1.8)	(2.9)
<b>Net cash flow from operating activities</b>	<b>73.5</b>	<b>123.6</b>
Acquisition of intangible assets	(48.4)	(47.9)
Acquisition of tangible assets	(12.3)	(11.0)
Disposals of tangible and intangible assets	0.5	0.1
<b>Free cash flow from operations</b>	<b>13.4</b>	<b>64.8</b>

# Change in Net Financial Debt Significant decrease in Net Debt



# FY 2018 Balance Sheet

## Sound Financial Structure

€199.0m

Equity

€189.1m

Net Debt

x0.5

Debt-to-equity ratio

In € million

Dec. 17

Dec. 18

### ASSETS

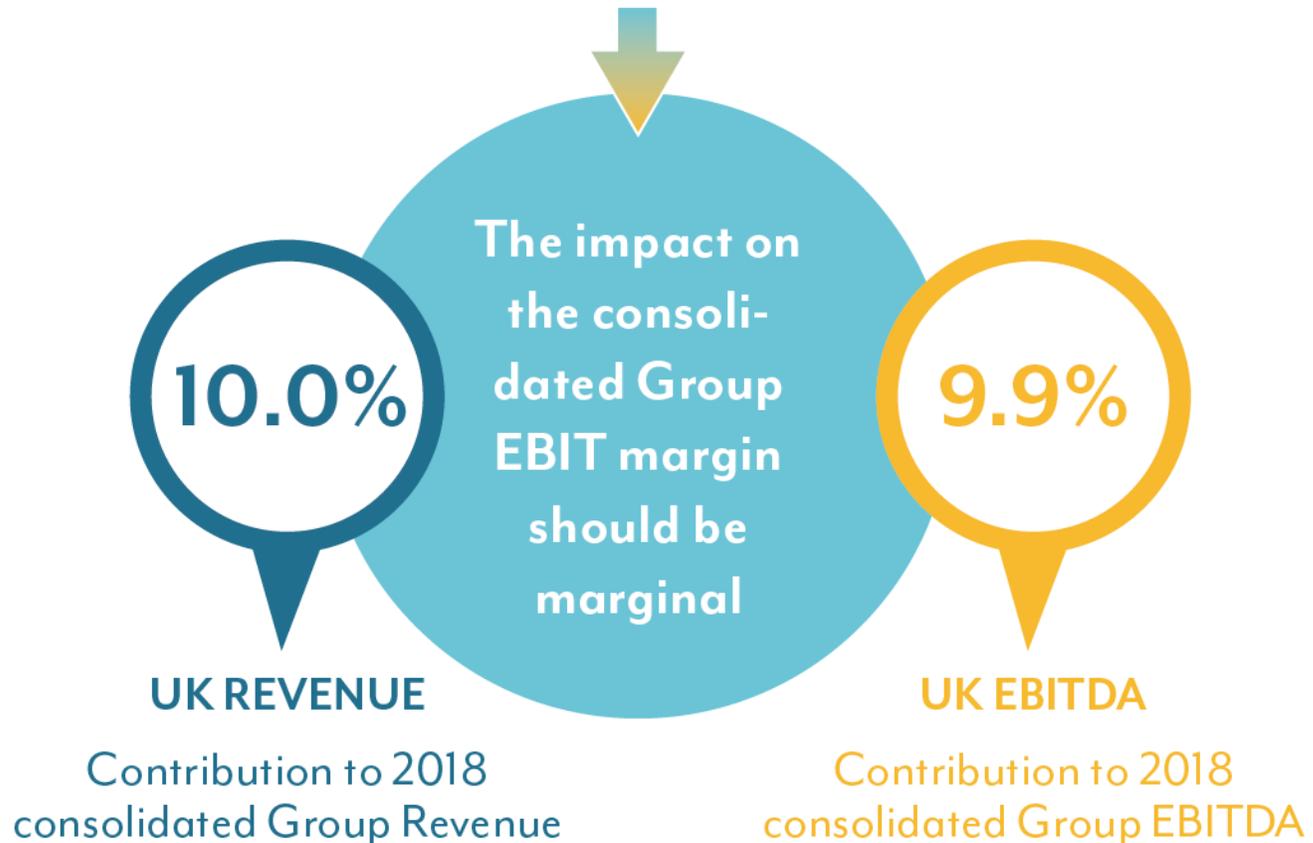
Goodwill	167.8	173.0
Intangible assets	145.8	156.7
Tangible assets	33.2	33.4
Financial assets	20.4	21.0
Other non-current assets	38.2	39.9
Cash & cash equivalent	18.7	81.1
Trade receivables, short term portion	118.2	97.3
Other current assets	84.2	45.8
<b>Assets of activities held for sale</b>	<b>119.8</b>	<b>0.0</b>
<b>Total assets</b>	<b>746.2</b>	<b>648.1</b>

### SHAREHOLDERS EQUITY & LIABILITIES

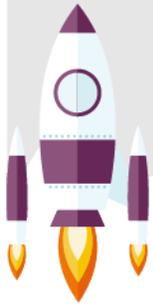
Shareholder equity	197.3	199.0
Long-term financial debt	250.8	185.8
Other non-current liabilities	32.8	34.0
Short-term financial debt	4.0	3.2
Other current liabilities	198.2	226.1
Liabilities of activities held for sale	63.0	0.0
<b>Total equity and liabilities</b>	<b>746.2</b>	<b>648.1</b>

# Potential Impact of Brexit

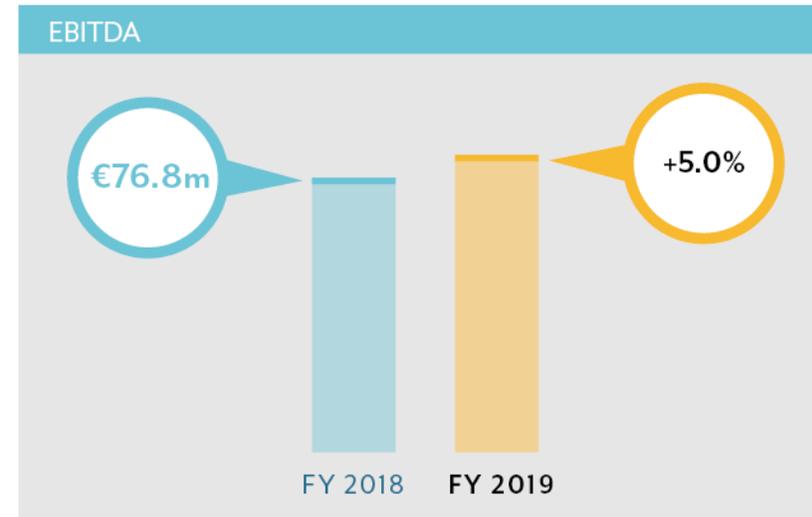
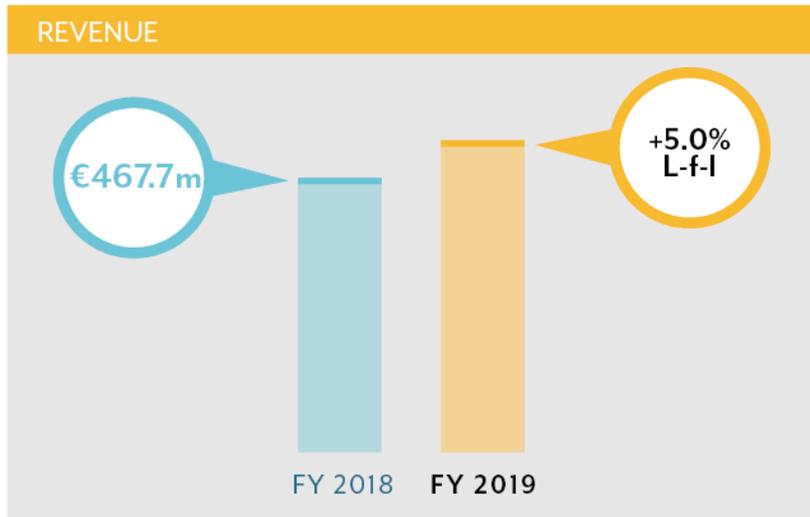
- **Cegedim operates in the UK in local currency**, as it does in all the countries where it operates
- **No major European health program is at work in the UK**



# Outlook: Confident for 2019



● **2019 ONWARDS: ACCELERATE AND GROW** ●  
 MAINTAINING STEADY, SUSTAINABLE, PROFITABLE GROWTH MOMENTUM



These projections are publicly disclosed on March 27, 2019. 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.

2018  
RESULTS

# Annexes

FY 2018

Earnings

# Health Insurance, HR & e-services Business Group

€307.7m  
REVENUE

€ 54.4m  
EBITDA

17.7%  
EBITDA MARGIN

In € million

REVENUE

EBITDA

Margin

D&A

EBIT BEFORE SPECIAL ITEMS

Margin

Special items

FY 18

307.7

54.4

17.7%

(21.9)

32.5

10.6%

(1.5)

FY 17

291.1

48.1

16.5%

(19.7)

28.4

9.7%

(2.4)

% change

+5.7%

+13.2

117bps

+11.2%

+14.5%

+82bps

(37.5)%



# Healthcare Professionals Business Group

€156.2m

REVENUE

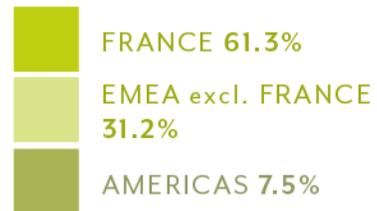
€18.9m

EBITDA

12.1%

EBITDA MARGIN

In € million	FY 18	FY 17	% change
<b>REVENUE</b>	<b>156.2</b>	<b>162.5</b>	<b>(3.9)%</b>
<b>EBITDA</b>	<b>18.9</b>	<b>25.0</b>	<b>(24.5)%</b>
Margin	12.1%	15.4%	(330)bps
D&A	(16.3)	(14.6)	+11.9%
<b>EBIT BEFORE SPECIAL ITEMS</b>	<b>2.5</b>	<b>10.4</b>	<b>(75.6)%</b>
Margin	1.6%	6.4%	(477)bps
Special items	(11.6)	(14.4)	(19.2)%



# Corporate & Other Business Group

€3.8m

REVENUE

€ 3.5m

EBITDA

91.5%

EBITDA MARGIN

In € million

**REVENUE**

**EBITDA**

Margin

D&A

**EBIT BEFORE SPECIAL ITEMS**

Margin

Special items

**FY 18**

3.8

3.5

91.5%

(5.5)

**(2.0)**

(51.8)%

(5.5)

**FY 17**

3.9

4.4

114.4%

(5.8)

**(1.3)**

(34.4)%

(2.1)

**% change**

(1.5)%

**(21.2)%**

n.m.

(5.2)%

**+48.2%**

(1736)bps

n.m.

FRANCE 100%





**Thank you for your attention**

Jan Eryk Umiastowski  
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Design: Group Communication Service