

FIRST QUARTER 2014 SALES

2013 growth trends continued into Q1 2014



SaaS sales up 30%

SSRS sales up 5%

Consolidated sales: €65.6M (Q1 2013: €65.0M)

Continued growth in SaaS sales, up 30%
Recurrent sales represented 58% of the total

Q1 consolidated sales (in € M)	2014	2013	Chg.	Chg. %
SaaS	11.2	8.6	+2.6	+30.3%
Licenses	7.3	7.4	-0.1	-2.0%
Maintenance	24.9	25.1	-0.2	-1.0%
Other	0.9	1.1	-0.2	-13.2%
Total Software and software-related services (SSRS)	44.3	42.2	+2.1	+4.9%
Professional services	15.5	15.8	-0.3	-1.3%
Total SSRS and professional services	59.8	58.0	+1.8	+3.2%
Hardware distribution and other	5.8	7.0	-1.2	-18.1%
Total	65.6	65.0	+0.6	+0.9%
of which recurrent	38.3	36.2	+2.1	+5.6%

The trends of 2013 and the shift in Cegid's new business model continued into the first quarter of 2014, with more strong growth in SaaS and an increasingly recurrent revenue stream.

SaaS sales totaled €11.2 million, up 30% from Q1 2013. Recurrent sales (€38.3 million), including revenue from software and hardware maintenance contracts, portals and SaaS contracts, represented 58% of total sales, an increase of two percentage points compared with Q1 2013 and one percentage point compared with all of 2013.

At the same time, license revenue of €7.3 million was comparable to that of Q1 2013 (€7.4 million), reflecting a higher proportion of orders received from the accounting profession, SMEs and the Retail industry.

As a result, revenue from strategic software and software-related services (SSRS) totaled €44.3 million, up nearly 5% over Q1 2013. SSRS revenue represented 67% of total sales, up two percentage points from Q1 2013.

Revenue from "SSRS and professional services" (€59.8 million) advanced by more than 3%, with services of €15.5 million, a level comparable to that of Q1 2013.

Revenue from the non-strategic, lower-margin "Hardware distribution and other" business was €5.8 million, or 9% of total sales. The decline in this revenue category compared with Q1 2013 accelerated by nearly four percentage points to more than 18%.

Overall, Q1 2014 sales totaled €65.6 million, slightly ahead of the Q1 2013 figure of €65.0 million, with an increased proportion of recurrent revenue.

Internationally, Cegid saw continued expansion, essentially in the Retail sector, with sales rising 8%.

Consolidated sales (€ M) Unadjusted scope*	Q1	of which "SSRS and professional services"	of which "Hardware distribution and other"
CPAs, small companies	2014 26.2	23.0	3.2
	2013 25.1	21.4	3.7
Mid-market and groups	2014 16.7	16.5	0.2
	2013 16.6	16.2	0.4
Vertical markets	2014 17.7	16.1	1.6
	2013 18.6	16.2	2.4
Public sector	2014 4.1	4.1	-
	2013 3.9	3.9	-
Miscellaneous	2014 0.9	0.1	0.8
	2013 0.8	0.3	0.5
Total	2014 65.6	59.8	5.8
	65.0	58.0	7.0

* Changes in the scope of consolidation take into account any alterations in the operational organization.

Reduction in the average monthly breakeven point and in net debt

The gross margin dipped from 88.4% in Q1 2013 to 86.9% in Q1 2014 mostly because purchase volumes related to cloud services increased, as did outsourced services, related in particular to the Accounting Profession and SME businesses. This was tied to the rise in the top line.

Good cost control led to a slight decrease in operating expenses. Given the context described above, however, the average monthly breakeven point is estimated to be slightly higher than it was in Q1 2013; it should come in at around €19.2 million (€19.0 million in Q1 2013).

Working capital requirements shrank significantly in Q1 2014, which should lead to an increase in operating cash flow compared with Q1 2013 and to a reduction of nearly €10 million in net financial debt since December 31, 2013. We reiterate that Cegid has a €200 million syndicated line of credit, of which €145 million was available as of March 31, 2014. This line provides Cegid with a significant drawdown capacity for future years, which it can use to finance its investment needs, as well as acquisitions that could enable Cegid to strengthen its product line.

Shareholders' Meeting and dividend

The Shareholders' Meeting will take place on May 12, 2014 at 11 AM at the head office of Cegid Group, 52 quai Paul Sédallian, 69009 Lyon (France). Subject to approval by shareholders, the proposed dividend (€1.10 per share) will be paid on May 19, 2014, with the ex-dividend date set at May 14, 2014.

Calendar

Second-quarter sales and first-half 2014 earnings will be announced on July 23, 2014, after the market close. The full calendar of publication dates and upcoming events can be found at the following address: <http://www.cegid.com/calendrier-financier>

(The figures included in this press release are consolidated, unaudited, preliminary estimates.)

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