

FULL YEAR 2014

FURTHER GROWTH IN EARNINGS

A LEADER IN CLOUD SERVICES

SaaS/On Demand sales: €47.7M (up 25.3%)
EBITDA: €71.9M (27% of sales)

Income from ordinary activities: €35M (up 12.5%)
Net income: €22.1M (up 18%)

Unadjusted scope	2014 (€M)	2013 (€M)	Chg. in %
Software & software-related services (SSRS)	187.0	178.0	+5.0%
of which SaaS	47.7	38.0	+25.3%
Sales *	266.6	259.9	+2.6%
EBITDA	71.9	69.1	+4.0%
Income from ordinary activities	35.0	31.1	+12.5%
Operating income	36.5	31.0	+17.8%
Net financial expense	-1.1	-2.2	+51.8%
Pre-tax income	35.4	28.8	+23.1%
Net income (Group share)	22.1	18.8	+18.0%

* up 3.3% at constant scope, excluding the Hospitality business in H2 2013 (€1.9M)

SaaS-driven business growth

SaaS revenue up 25.3%, driving 5.0% growth in SSRS Recurrent sales represented 58.5% of the total

Cegid's full-year 2014 revenues totaled €266.6 million (€259.9 million in 2013), marking a rise of 3.3% at constant scope and 2.6% unadjusted resulting from the sale of the Hospitality business on July 1, 2014.

Sales of Cloud services (SaaS/On Demand and Portals: €47.7 million) rose a further 25.4% (25.3% unadjusted).

This increase contributed to the growth in sales of strategic "Software and software-related services" (SSRS), which include cloud services & software and software maintenance. SSRS revenues were up 5.6% at constant scope (up 5.0% unadjusted), outpacing the market's growth forecasts.

The value of active SaaS contracts as of January 1, 2015 was nearly €116 million(1), up 33% from the estimated value of €87 million as of January 1, 2014. This trend underscores Cegid's position as a major provider of cloud solutions for companies, the accounting profession and the public sector.

Revenue from recurrent contracts of nearly €156 million, including maintenance (software and hardware) and cloud services, rose 5.7% at constant scope and 4.9% unadjusted, and represented 58% of total sales, an increase of one percentage point compared to the previous fiscal year.

(1) Value of SaaS contracts, defined as active contracts as of January 1, 2015 extrapolated over their remaining lifetime for fixed maturity contracts and over 36 months generally for automatic renewal contracts, taking into account the churn rate as of December 31, 2014 (internal, unaudited figures).

Accelerated growth in international sales (up 18%)

Cegid continued its international expansion, essentially in the Retail sector, with sales rising 18.3% to €19.8 million.

Sales of non-strategic distribution business down 8.2% at constant scope

Revenue from the non-strategic "Hardware distribution and other" business was €23.6 million, or 9% of total sales, down 8.2% (down 10.1% unadjusted) from 2013 (€26.3 million). This decline resulted from the strategy the Group has been pursuing for the past several years to focus on SSRS and in particular on SaaS/On Demand.

Further increase in earnings and operating profitability

EBITDA rose 4% to €71.9 million in 2014, or 27.0% of sales.

Income from ordinary activities was €35.0 million, up 12.5% from €31.1 million in 2013, reflecting certain non-cash items and revenue related to tax credits. The consolidated margin on ordinary activities was 13.1% of consolidated sales (vs. 12.0% in 2013).

2014 operating income totaled €36.5 million, vs. €31.0 million in 2013. This figure primarily reflected the sale of the Hospitality business in June 2014 (€+2.1 million) and the opening of Cegid's new Paris office (€-1 million).

Net financial expense, made up of expenses related to drawdowns under the syndicated line of credit (€1.2 million), financial provisions and IFRS restatement costs (€0.1 million), totaled €1.1 million in 2014, vs. €2.2 million in 2013.

After accounting for corporate income tax, which amounted to €12.0 million (€9.8 million in 2013), net income was €22.1 million (€18.8 million in 2013), up 18%.

Strengthened financial structure

The level of earnings achieved in 2014, coupled with a significant increase in tax expense compared with 2013, led to cash flow of €69.1 million in 2014, vs. €68.3 million in 2013. Net cash from operating activities was €53.2 million (€61.0 million in 2013) and reflected good control of working capital requirements during the year and an increase of €8.7 million in tax paid compared with 2013.

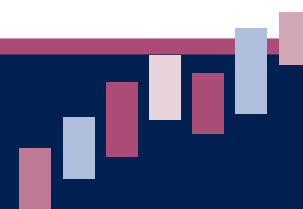
After accounting for capital expenditures, principally investment in software and cloud services innovation, and the impact of the Hospitality sale, net financial debt totaled €42.5 million as of December 31, 2014 (down €12.2 million from 12/31/2013), and gearing improved to 21% as of the same date (28% as of 12/31/2013).

As of December 31, 2014, Cegid had a €170 million syndicated line of credit, of which €120 million was available. This line is being renegotiated so as to extend its maturity and give Cegid significant drawdown capacity for future years, which it will be able to use to finance its investment needs, in particular acquisitions that could enable the Group to offer new products and step up its expansion.

Financial communication

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CAC Soft. & C.S., CAC Technology, NEXT 150, EnterNext© PEA-PME 150



Proposed dividend (€1.20 per share) confirms Cegid's ambitious yield policy

The Board of Directors will recommend a dividend on 2014 earnings of €1.20 per share (€1.10/share on 2013 earnings) to shareholders at their Annual Meeting. Based on the number of shares outstanding on February 27, 2015, less shares held in treasury, the total amount of dividends paid would be approximately €10.6 million.

The yield on Cegid Group shares would then be nearly 3.5%, based on the share price on February 27, 2015. Subject to approval by shareholders at their Annual Meeting on May 11, 2015 at 11 AM at the head office of Cegid Group, 52 quai Paul Sédallian, 69009 Lyon, the dividend would be paid on May 15, 2015.

Committed and responsible

In 2014, Cegid augmented its corporate patronage initiatives in France and abroad, creating the Cegid Foundation and a separate endowment fund. The Group's commitment totals €2 million over five years, to be complemented by donations of skills and products.

In 2014, 230 employees and members of the Group's ecosystem took part in the Cegid Foundation's activities, oriented around four themes:

- Education, helping young people succeed in school by educating them about digital technologies,
- Healthcare, supporting technology initiatives related to combating cancer,
- Integration, helping young people integrate into the workforce, in particular in digital technologies,
- Entrepreneurship, supporting the creation of innovative companies, in particular in digital technologies.

At the digital event "Blend Web Mix 14", the Cegid Foundation presented five partnerships signed in 2014 with nonprofit organizations on specific projects: combating cancer with the Léon Bérard Center, training young people in digital technologies through Web@cademie, helping young people get to know the job market through "Job dans la Ville", supporting entrepreneurship with the EMLyon incubator, "Entreprendre pour Apprendre" and "Entrepreneurs dans la Ville".

A partnership was also formed with the National Board of France's Order of CPAs, which has already led to specific initiatives with the Order's Rhône-Alpes chapter. Finally, an internal call for projects led the Foundation to identify and support nine projects proposed by Cegid employees.

More recently, Cegid and its Foundation hosted Innovation Dating, an initiative of the Open Innovation Rhône-Alpes Club, which enables the most innovative start-ups and SMEs to meet large companies as candidates. In this way, selected innovative start-ups and SMEs presented their projects to 100 innovation professionals representing major corporate groups.

Strategy: innovation and SaaS leadership

Cegid is a leader in SaaS services for B2B customers and an innovator supporting private companies and the public sector in their digital transformation

With businesses and public sector entities alike now demanding mobility, business analytics and collaborative working modes, Cegid is strengthening its strategy for cloud-based innovation oriented around the MoBiClo™ concept.

Every day, Cegid supports 400,000 users, including 120,000 SaaS-mode users in 43,000 companies, 1,600 CPA firms and 200 local authorities in their digital transformation with solutions dedicated to the new ways they use IT services by:

- Developing the collaborative dimension of solutions for accounting firms and their small-company customers,
- Contributing to the French government's simplification effort (simplified nominative employee filing system (DSN), online tax filings, etc.),
- Launching new SaaS-mode product ranges.

Outlook: Cegid has a leadership position in cloud services

Cegid's product line and strategy over the past several years aim to support companies along the following lines as they transform themselves, simplify and become more competitive:

- by continually providing new, innovative cloud-based solutions to accommodate new trends in software use through the "MoBiClo™" approach that brings together Mobility, Business Intelligence and the Cloud, with an emphasis on industry-specific cloud services (accounting profession, public sector, retail, etc.) and cloud-to-cloud services (Office 365 agreement with Microsoft),
- through a market positioning as a leading SaaS provider, with future contract revenue of nearly €116 million, thereby strengthening the recurrent nature of its sales,
- by offering solutions with broad functional coverage (accounting/finance, taxation, payroll/HR for companies of all sizes) and industry specialization (CPAs, entrepreneurs, retailing, manufacturing, trade & services, public sector),
- by developing excellent customer relationships through a multi-channel approach,
- by accelerating international development, essentially in the Retail sector,
- through strengthened financial capacity that can be used to step up acquisitions,

The economic context is set to improve, and Cegid has numerous strengths it can use to support the investments of companies and public sector entities as they achieve their digital transformation. Its business model is oriented around deriving a high proportion of revenues from recurrent sources (nearly 60% of sales), its sales and marketing organization has been optimized and it aims to continue rationalizing product and service ranges.

Calendar

First quarter 2015 sales will be published on April 9, 2015 after the market close. The full calendar of publication dates and upcoming events can be found at the following address: <http://en.cegid.com/financial-calendar>

The full year 2014 financial statements were approved by the Board of Directors on March 10, 2015. The Statutory Auditors have performed their audit and are preparing their reports to certify the financial statements.

The information meeting slideshow will be available from March 11, 2015 at the following address: <http://www.cegid.com/slideshow>

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