

# THIRD QUARTER 2015 SALES

**Growth in SSRS sales accelerates (up 10%)\***  
**Continued growth in SaaS sales (up 31%)**

**Continued sales growth momentum and higher proportion of recurrent revenue, now 64% of sales**

Consolidated sales (€ M) Unadjusted scope	Q3 2015	Q3 2014	Q3 change <sup>(1)</sup>	9 mos. 2015	9 mos. 2014	9 mos. Change <sup>(2)</sup>
SaaS	15.7	12.1	30.7%	45.1	34.9	29.1%
Licenses	<b>6.3</b>	<b>6.1</b>	<b>3.0%</b>	<b>20.1</b>	<b>21.7</b>	<b>-7.5%</b>
Maintenance	25.6	25.0	2.3%	75.0	75.5	-0.6%
Other	1.0	1.0	ns	2.6	3.3	ns
<b>Total Software and software-related services (SSRS)</b>	<b>48.6</b>	<b>44.2</b>	<b>9.9%</b>	<b>142.8</b>	<b>135.4</b>	<b>5.5%</b>
Professional services	13.1	10.3	27.0%	42.2	38.5	9.4%
<b>Total SSRS and professional services</b>	<b>61.7</b>	<b>54.5</b>	<b>13.1%</b>	<b>185.0</b>	<b>173.9</b>	<b>6.4%</b>
Hardware distribution and other	4.8	5.4	-10.5%	15.2	16.8	-9.3%
<b>Total</b>	<b>66.5</b>	<b>59.9</b>	<b>11.0%</b>	<b>200.2</b>	<b>190.7</b>	<b>5.0%</b>
of which recurrent	42.9	38.9	10.3%	125.1	116.4	7.4%

\* SSRS (software and software-related services) sales: up 6% at constant scope

(1) Total: up 7.4% at constant scope; changes in scope: €2.1M

(2) Total: up 4.9% at constant scope, excl. Hospitality business in H1 2014 (€2.0M) and changes in scope during the first nine months of 2015 (€2.3M)

## Third quarter 2015

Sales totaled €66.5 million, up 11% (up 7.4% at constant scope) and reflected further growth in SaaS revenue of nearly 31% to €15.7 million. Together with the increase in software maintenance revenue (up 2.3%), this trend was in line with the shift in Cegid's business model toward increasingly recurrent revenue.

Recurrent sales of nearly €43 million, which include revenue from software and hardware maintenance contracts, portals and SaaS contracts, represented more than 64% of total sales, up more than 10% from the third quarter of 2014.

Revenue from strategic "Software and software-related services (SSRS)" totaled €48.6 million, or 73% of total sales, an increase of nearly 10% (6% at constant scope). This line item also includes License revenue (€6.3 million), which was up almost 3% (down 2% at constant scope).

Professional services revenue totaled €13.1 million, up 27% compared with Q3 2014 (up nearly 24% at constant scope). These figures reflected accelerating growth in training, consulting and configuration relating to nominative employee filings (DSN).

As a result, revenue from "SSRS and professional services" (€61.7 million) advanced by more than 13% at unadjusted scope from Q3 2014 (up 9.5% at constant scope).

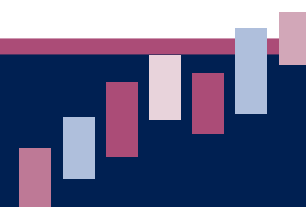
Revenue from the non-strategic, lower-margin "Hardware distribution and other" business was €4.8 million, or 7.3% of total sales, down more than 10% from Q3 2014 and down 13% at constant scope.

Internationally, Cegid's growth gathered pace, with the consolidation of JDS in the United States as of June 1, 2015 and continued expansion, essentially in the Retail sector. International sales rose 43% (25% at constant scope).

## Financial communication

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## First nine months of 2015

Cegid's sales in the first nine months of the year totaled €200.2 million, vs. €190.7 million in the year-earlier period. SSRS sales totaled €142.8 million (up 5.5% unadjusted and 5.0% at constant scope), outperforming the software market<sup>(1)</sup>, as it did in the first half.

Revenue from SaaS contracts (On Demand solutions, employment/tax filing portals) rose again, by more than 29% to €45 million (up 28% at constant scope), confirming Cegid's position as one of France's principal players in B2B cloud solutions oriented around the MoBiClo™ concept.

Recurrent sales (€125.1 million), which include revenue from software and hardware maintenance contracts, portals and SaaS contracts, represented 62.5% of total sales, up 7.4% from the first nine months of 2014 (up 7.2% at constant scope).

The value of active SaaS contracts as of October 1, 2015 was nearly €140 million<sup>(2)</sup>, up a robust 31% from the estimated value as of October 1, 2014, which was comparable to the increase over all of 2014 (up 33%).

Internationally, Cegid's sales rose 19%, a faster rate than in the Group as a whole (12% at constant scope), essentially in the Retail sector.

(1) 2015 growth in software sales: 3.4% (source: IDC/Syntec numérique)

(2) Value of SaaS contracts, defined as active contracts as of October 1, 2015 extrapolated over their remaining lifetime for fixed maturity contracts and over 36 months generally for automatic renewal contracts, taking into account the previous year's churn rate (internal, unaudited figures).

Consolidated sales (€ M) Unadjusted scope*		Q3	9 mos. ended Sept. 30	of which “SSRS and professional services”	of which “Hardware distribution and other”
CPAs, small companies	2015	24.8	76.5	68.5	8.0
	2014	23.9	74.6	64.8	9.8
SMEs and large companies	2015	24.8	72.5	69.8	2.7
	2014	20.4	64.5	62.4	2.1
Retail	2015	12.9	38.1	34.7	3.4
	2014	11.4	35.5	32.5	3.0
Public sector	2015	3.5	11.9	11.5	0.4
	2014	3.6	12.1	12.1	ns
Miscellaneous	2015	0.5	1.2	0.5	0.7
	2014	0.6	4.0	2.2	1.8
Total	2015	66.5	200.2	185.0	15.2
	2014	59.9	190.7	173.9	16.8

\* Changes in the scope of consolidation take into account any alterations in the operational organization and the impact of changes in the scope of consolidation in the third quarter (+€2.1M) and over the first nine months of the year (+€0.3M).

## Breakeven point under control and improvement in financial structure

The change in the gross margin (86.2% of sales in the first nine months of 2015, vs. 87.4% in the year-earlier period), came about primarily as a result of higher purchase volumes related to cloud services and to services outsourced to Group partners.

By maintaining good control over fixed costs, the estimated average monthly breakeven point of sales<sup>(1)</sup> is expected to come in at €18.9 million for the first nine months of the year, vs. €18.2 million in the nine months to 9/30/2014. At constant scope, these breakeven points were €18.7 million and €18.0 million, respectively.

Increased cash flow and less onerous working capital requirements should lead to an increase in operating cash flow (change in cash flow from operating activities) and an improvement in net financial debt (€50.3 million) compared with 9/30/2014 (€53.3 million), after accounting for €14 million in investments in acquired companies.

(1) Total breakeven point of sales divided by the number of months in the period

## Cegid reaffirms its acquisition strategy

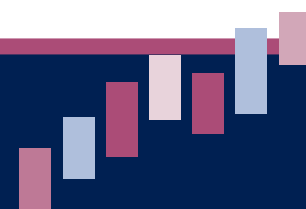
Cegid has pursued its strategy of growth by acquisition with its recent purchase of the e-commerce SaaS platform Magelia WebStore to respond to the growing connected commerce market. This transaction came on the heels of several others: in the first half, Cegid bought JDS Solutions Corporation (Retail-USA) to step up its international growth and development, particularly in North America, then purchased Altaven to meet the tax management needs of companies and corporate groups and finally took a stake in the capital of NovigoTech, a start-up providing a collaborative HR portal in SaaS mode called "HumanForces".

This strategy has enabled Cegid to strengthen its expertise, offer new solutions and technologies and accelerate its international growth. The strategy is set to continue and thereby give the Group the resources it needs to reach the next stage of its development.

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## Launching new, innovative solutions

### Cegid supports the CPA firms in the digital era and presents its digital innovations at the 70th CPA industry body convention

Cegid recently presented its innovations dedicated to the accounting profession and to their small-company clients at the 70th CPA industry body convention. The presentation focused on the Group's new solutions for HR, including "Social HR" (a new comprehensive payroll management tool), "HumanForces" (a collaborative HR management portal), "HR Decision Support" (a new business intelligence tool dedicated to CPA firms' personnel management assignments) and "Nominative employee filing (DSN) and collective bargaining agreements", a new service that provides payroll setting updates to CPA firms.

Other innovations presented included "Labor Law" (module dedicated to all employee-related legal obligations), "Cegid Box", a new service that manages invoice digitization for the CPA's clients, "Expert Intelligence" for a 360° view of the CPA firm's business and the fully SaaS-based "Consulting Solutions" with which CPAs can provide high value-added consulting services to their clients.

### Cegid Public is supporting public sector entities in the digital transformation of their HR functions

During the most recent French National Firefighters Convention, Cegid presented its "Firefighters HR/IT" solution and in particular the module for managing volunteer firefighters, who are critical for meeting the needs of emergency response centers in a context of rapid regulatory change.

In addition, Cegid Public has recently participated, alongside its HR consulting partner Sémaphores, in the 75th Expolis trade show, the annual convention of local authorities' managing directors, and in the annual meeting of the directors of public-sector careers services centers as they face the jobs, skills, appraisals and hiring challenges inherent in the digital transformation of public entities.

### Cegid presents its next-generation "Finance Control Center" for the finance departments of mid-market companies

Cegid has recently announced the launch of its next-generation Yourcegid Finance Y2 On Demand to respond to the needs of the finance departments of mid-market companies. This cloud services solution covers the finance department's entire value chain and includes new functions, including an "e-procurement" module. The solution also includes 80 pre-configured, customizable dashboards as a standard feature. They combine optimized corporate data management with additional value-added services such as sectoral benchmarking, for a 360° view of the company.

## Outlook

The recurrent portion of Cegid's revenue continues to grow and Cegid continues to win new business, owing to growth in SaaS and the Group's innovation momentum, acquisition strategy and new sales & marketing approach, which is organized by corporate segment to boost sales momentum. As a result, Cegid confirms its target of growth in revenue and income from ordinary activities in 2015.

## Calendar

The full calendar of publication dates and upcoming events can be found at the following address: <http://en.cegid.com/financial-calendar>

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

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