

FULL YEAR 2015

(Unadjusted scope)

SSRS and Professional Services revenue up 7.1% and total sales up 5.7%

Continued strong growth in SaaS revenue (31.7%) and in future SaaS contract revenue (€196M)

Further growth expected in income from ordinary activities and related margin

SALES

Consolidated sales, unadjusted scope	2015 €M	2014 €M	Change €M	Change %
SaaS - On demand	62.8	47.7	15.1	+31.7%
Licenses	30.5	34.0	-3.5	-10.5%
Maintenance	100.4	100.4	ns	ns
Other	3,8	4.9	-1.1	-20.4%
Total Software and software-related services (SSRS)*	197.5	187.0	10.5	+5.6%
Professional services	62.6	56.0	6.6	+11.8%
Total SSRS and professional services	260.1	243.0	17.1	+7.1%
Hardware distribution and other	21.7	23.6	-2.1	-8.5%
Total**	281.8	266.6	15.2	+5.7%
Of which recurrent	169.7	155.9	13.8	+8.8%

* up 3.8% at constant scope: 2015 changes in scope (€4.7M), Hospitality business in H1 2014 (€1.1M)

** up 4.1% at constant scope: 2015 changes in scope (€6.5M), Hospitality business in H1 2014 (€2.1M)

Fourth quarter: revenue up 7.4%, driven by SaaS and acquisitions

Q4 2015 revenue totaled €81.6 million (€75.9 million in Q4 2014), marking a rise of 7.4% at unadjusted scope and 1.9% at constant scope.

Cloud services (SaaS/On Demand solutions) maintained their rapid growth, increasing by nearly 30% at constant scope (up 39% at unadjusted scope after taking into account, in particular, Altaven's and Technomedia's revenue from December 1, 2015). This very favorable trend and its impact on License sales led to an overall increase of 0.3% in SSRS revenue at constant scope and 5.9% at unadjusted scope. Services related to implementation of the new "DSN" nominative employee filing procedures performed favorably, increasing 10% at constant scope and 16.7% at unadjusted scope.

Full year 2015

Cegid's full-year 2015 revenue totaled €281.8 million (2014 revenue: €266.6 million), marking a rise of 5.7% at unadjusted scope and 4.1% at constant scope and exceeding the 2014 increase.

Continued strong increase in SaaS/On Demand

Strategic SSRS revenue advanced 5.6% at unadjusted scope (3.8% at constant scope), which was higher than market growth forecasts⁽¹⁾.

Sales of Cloud services (SaaS/On Demand and Portals), which totaled €62.8 million, rose a further 31.7% (28% at constant scope, or nearly three percentage points more than in 2014).

The value of active SaaS contracts as of January 1, 2016 was nearly €196 million⁽²⁾, up 68% at unadjusted scope from their estimated value of €116.4 million as of January 1, 2015 and up 29% at constant scope. This increase reflected both a decline in churn during the period compared with that of 2014 and €47 million in value related to contracts deriving from acquisitions made during the year (Altaven and Technomedia). Cegid has thus strengthened its position as a key provider of cloud services for private companies and public entities.

Revenue from recurrent contracts of €169.7 million, including cloud services and maintenance (software and hardware), rose 8.8% at unadjusted scope (up 7.3% at constant scope, or 1.6 percentage points more than in 2014) and represented 60% of total sales, up two points compared with the previous year.

Revenue from the non-strategic "Hardware distribution and other" business of €21.7 million, or 8% of total sales, was down 6.9%, or 8.5% at unadjusted scope from 2014 (€23.6 million). This decline resulted from the strategy the Group has been pursuing for the past several years to orient the Group's business toward SSRS and in particular toward SaaS/On Demand solutions.

Continued rapid growth in international sales (up 26% at unadjusted scope, up 13% at constant scope)

The Group pursued its growth and development, essentially in the retail sector, with sales rising 13% at constant scope to €22.1 million and €24.5 million at unadjusted scope after consolidation of JDS Solutions Corporation (California, USA) on June 1, 2015 and Technomedia (Canada, USA, France and Hong Kong) on December 1, 2015.

⁽¹⁾ 2015 growth in software sales: 3.4% (source: IDC/Syntec numérique – semiannual November 2015 conference).

⁽²⁾ Value of SaaS contracts, defined as active contracts as of January 1, 2016 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, 2015 (internal, unaudited figures).

Consolidated sales (€ M) Unadjusted scope		Q4	Full-year 2015	Of which "SSRS and professional services"	Of which "Hardware distribution and other"
CPAs, small companies	2015	31.0	107.4	95.8	11.6
	2014	29.1	103.7	89.6	14.1
SMEs and large companies	2015	29.2	101.6	98.1	3.5
	2014	26.4	90.9	87.9	3.0
Retail	2015	16.2	54.3	49.1	5.2
	2014	14.1	49.6	45.3	4.3
Public sector	2015	5.2	17.1	16.6	0.5
	2014	5.7	17.8	17.9	ns
Miscellaneous	2015	ns	1.4	0.5	0.8
	2014	0.6	4.6	2.3	2.2
Total*	2015	81.6	281.8	260.1	21.7
	2014	75.9	266.6	243.0	23.6

* 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 fourth quarter (+€4.2M) and over the full year (see above).

Estimated earnings: further growth expected in income from ordinary activities and related margin

Over all of 2015, income from ordinary activities, which expresses the Group's operating performance based on a model that puts priority on recurrent revenue, should rise for the third consecutive year (€35.0 million in 2014).

The margin on ordinary activities (income from ordinary activities/sales) should consequently be more than 14% of consolidated sales (13.5% in 2014) before taking into account depreciation on assets identified during acquisitions, and should be at least 13.7% (13.1% in 2014) after taking such depreciation into account.

At constant scope, the estimated operating margin, before depreciation of identified assets, increased by more than a full percentage point to nearly 14.5% (13.3% in 2014).

EBITDA for the year is expected to be up compared with 2014 (€71.9 million). It should represent at least 27% of consolidated sales, slightly higher than in 2014.

Increase in cash flow

Net cash from operating activities in 2015 increased with the expected increase in underlying cash flow, and working capital requirements trended very favorably. As a result, approx. €20 million of the year's capital expenditures, which included nearly €43 million in acquisitions, were financed from internal sources.

Net debt should total around €65 million at December 31, 2015 (€42.5 million as of December 31, 2014), and gearing should be in the region of 30% (21% as of December 31, 2014).

Cegid also had a syndicated line of credit totaling €200 million, of which €70 million was drawn as of December 31, 2015. This line will reduce to €160 million in March 2019, with a two-year extension option of €130 million,

from March 2020. This line provides Cegid with significant drawdown capacity, which it can use to finance its investment needs, in particular acquisitions.

Cegid ranked fourth worldwide in the RIS Software LeaderBoard, also known as the “Oscars of Retail”

Cegid has strengthened its position as a key worldwide provider of software solutions for specialized retailers, climbing eight places from its 2014 RIS* ranking of the world's retail software providers to fourth place in 2015. Cegid is now among the top five in 16 categories and ranks high in numerous others. Cegid now ranks second in the "Apparel Vendor Leaders", third in "Top Vendors for Mid-Size Retailers" and "Leaders in Technology Innovation by Mid-Size Retailers" and fifth in customer satisfaction.

This customer and market recognition reinforces Cegid's strategy to offer solutions enriched with the latest innovations in omnichannel marketing, mobility, clienteling and business intelligence. Offered worldwide, these solutions can be used in On Demand and SaaS mode. This recognition has also resulted from Cegid's initiatives to step up its growth and development, particularly outside France, through the 2015 acquisition of California-based JDS Solutions Corporation. JDS will enable Cegid to strengthen its presence in the United States.

This strategy has also prompted Cegid to acquire Magelia, provider of the e-commerce platform Magelia Webstore. This platform, integrated into Yourcegid Retail Y2, will enable Cegid to offer specialty retailers an “all-in-one” omnichannel solution available in SaaS mode. WebStore, the international B2C e-commerce and multi-boutique platform, bolsters Cegid's strategy at a time when retailers are moving toward an omnichannel model for their customer relationships.

* Retail Info Systems News (<http://risnews.edgl.com>)

Cegid confirms its ambition to grow in France and abroad

As part of its existing strategy aimed at accelerating growth, Cegid initiated a program of acquisitions in 2015 to strengthen its positions in its other areas of expertise both in France and internationally.

- **Payroll/Human resources:**
 - o Acquisition of Technomedia (a Canadian group present in Canada, the USA, Europe and Hong Kong), provider of an international people management software suite available in SaaS mode for mid-sized/large companies and public sector entities;
 - o Partnership agreement, together with an investment of around 12% in NovigoTech (with a view to increasing to 100% in the medium term), a start-up and provider of the “HumanForces” collaborative portal. This portal is intended to help small and mid-sized businesses manage their human resources on a day-to-day basis, increasing their productivity and making data transfers between them and their accounting firms more secure.
- **Taxation:** Acquisition of Altaven, provider of a tax management platform for large companies and corporate groups.

In 2016, Cegid intends to pursue its acquisition strategy, aimed at developing its position as a key market participant supporting the digital transformation of private companies and public sector entities.

Cegid receives the distinction of "Elu Service Client de l'Année" ("Customer Service Award") for the second year in a row

Cegid has received the distinction of "Elu Service Client de l'Année" ("Customer Service Award") for the second year in a row, in the category of Software Provider for B2B customers, in recognition of the quality of its customer service. This award confirms Cegid's commitment to customer satisfaction.

**Software provider category – Inference Operations study carried out by Viséo Conseil from May to July 2015. For further information, visit www.escca.fr*

Calendar

Full year 2015 earnings will be published on March 1, 2016 after the market close. The full calendar of publication dates and upcoming events can be found at the following address:

<http://en.cegid.com/Investors/Releases/Financial-calendar>

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

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