

FULL YEAR 2015: THIRD CONSECUTIVE YEAR OF EARNINGS GROWTH

SaaS/On Demand sales: €62.8M (up 31.8%)

EBITDA: €76.8M (27.2% of sales)

Income from ordinary activities: €39.1M (up 11.6%)

Net income: €23.2M (up 4.8%)

Unadjusted scope	2015 €M	2014 €M	Change %
Software & software-related services (SSRS) ⁽¹⁾	197.7	187.0	+5.8%
Of which SaaS ⁽²⁾	62.8	47.7	+31.8%
Sales ⁽³⁾	282.1	266.6	+5.8%
EBITDA	76.8	71.9	+6.8%
Income from ordinary activities before PPA depreciation & amortization⁽⁴⁾	40.8	36.1	+13.0%
PPA depreciation & amortization	-1.7	-1.1	+60.6%
Income from ordinary activities	39.1	35.0	+11.6%
Other income and expense	-1.7	1.4	NA
Operating income	37.4	36.5	+2.6%
Net financial expense	-1.4	-1.1	-29.5%
Pre-tax income	36.0	35.4	+1.8%
Net income (Group share)	23.2	22.1	+4.8%

(1): +3.9% at constant scope - (2): +28% at constant scope - (3): +4.2% at constant scope - (4): PPA = purchase price allocation

Cegid has stepped up its growth and development

In 2015, cloud services posted strong growth, new solutions compatible with Cegid's strategic MoBiClo™ concept were launched, the pace of acquisitions was stepped up and international business expanded. These and other initiatives crystallized in 2015, enabling Cegid to reach the threshold of €300 million in annual sales, estimated over a 12-month period. As a result, Cegid is now entering a new stage in its development.

3/1/2016

Specifically, Cegid initiated a program of acquisitions in 2015 to strengthen its positions in its areas of expertise both in France and internationally.

- **Payroll/Human resources:**
 - acquisition of 100% of Technomedia (a Canadian group present in Canada, the USA, Europe and Hong Kong), provider of a talent and people management software suite available internationally and in SaaS mode for mid-sized/large companies and public sector entities;
 - a partnership agreement, together with an investment of around 12% (with a view to holding 100% in the medium term) in NovigoTech, a start-up and provider of the “HumanForces” collaborative portal. The portal is to be used for the day-to-day management of the human resources of small and mid-sized companies in collaboration with the accounting profession.
- **Taxation:** acquisition of 100% of Altaven, provider of a tax management platform for large companies and corporate groups.
- **Retail:** after acquiring JDS Corporation (Retail/USA) in the first half so as to step up its development internationally and specifically in North America, Cegid acquired 100% of Magelia, provider of the B2C e-commerce and multi-boutique platform Magelia Webstore, which operates exclusively in SaaS mode. Magelia WebStore responds to the needs of the connected commerce market.

Increase in SSRS revenue and total sales, driven by SaaS and acquisitions during the year

SSRS revenue rose 5.8% and SaaS revenue 31.8%

Recurrent revenue accounted for 60% of the total (up 1.7 points from 2014)

Cegid’s full-year 2015 revenue totaled €282.1 million (€266.6 million in 2014), marking a rise of 5.8% at unadjusted scope and 4.2% at constant scope, thereby exceeding 2014 growth rates. Growth in cloud services revenue—31.8% at unadjusted scope to €62.8 million and 28% at constant scope—was largely responsible for this favorable trend. Cloud services drove 5.8% growth in strategic software and software-related services (SSRS) at unadjusted scope (3.9% at constant scope), exceeding market growth forecasts ⁽¹⁾.

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 (less than 5%) compared with that of 2014 and €47 million in value related to contracts deriving from acquisitions made during the year (Altaven and Technomedia).

Revenue from recurrent contracts of nearly €170 million, including cloud services and maintenance (software and hardware), rose 8.9% at unadjusted scope (up 7.3% at constant scope, or 2.4 percentage points more than in 2014) and represented 60% of total sales, up 1.7 points compared with the previous year.

In 2015, Cegid also benefited from stepped-up implementation of nominative employee filings (DSN), which led to an increase in SSRS and professional services revenue of 7.2% (5.2% at constant scope).

Revenue from the non-strategic “Hardware distribution and other” business of €21.7 million, or 8% of total sales, was down 8.2% overall and down 6.5% at constant 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.

International business development picked up speed

Present in the United States, Brazil, the principal European countries, Russia, Africa and Asia, Cegid continued to grow, essentially in the Retail sector, providing services to prominent local and international customers.

As a result, international sales totaled €24.5 million, a rise of more than 25% after taking into account the acquisition of JDS Solutions Corporation, consolidated as of June 1, 2015 and Technomedia, consolidated as of December 1, 2015 (at constant scope, sales rose 13% to €22.1 million). With these acquisitions, the 12-month proforma sales volume can be estimated at €35 million. Via its Altaven subsidiary, Cegid also intends to build up support over time for major European companies by addressing their tax consolidation needs.

Forty-four new VARs (value-added resellers) also joined the Cegid ecosystem. In 2015, Duty Free Americas, Canifa, Mo & Co, Wensli, J&C, Elisabetta Franchi and The Links Co were among the new brands that chose Yourcegid solutions to manage their activities.

⁽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 estimates).

Third consecutive year of increasing earnings and operating profitability

EBITDA was €76.8 million in 2015, up from €71.9 million in 2014.

Income from ordinary activities, which reflected the operating performance generated by Cegid's recurrent-revenue based model, rose 13% to €40.8 million (€36.1 million in 2014) before taking into account depreciation and amortization of assets identified during acquisitions. The margin on ordinary activities, also before such depreciation and amortization, was 14.5% of consolidated sales, vs. 13.5% in 2014.

After depreciation and amortization of assets identified during acquisitions, income from ordinary activities totaled €39.1 million (€35.0 million in 2014), representing a margin of 13.9% (13.1% in 2014).

Net non-recurrent expense totaled €1.7 million (essentially acquisition-related costs), whereas in 2014, there was non-recurrent income of €1.4 million, representing the proceeds from the sale of the Hospitality business net of installation costs in Cegid's Paris offices. After deducting this net expense, net financial expense, income tax and accounting for the Group's share of the income of associated companies, net income stood at €23.2 million, vs. €22.1 million in 2014.

Growth in net cash from operating activities; acquisitions partly self-financed

Cash flow generated by the business totaled €72.9 million in 2015, vs. €69.1 million in 2014 and working capital requirements trended favorably. These were the principal drivers behind this year's increase in net cash from

operating activities. As a result, after taking into account R&D and capex (€38.1 million), a significant portion (€26.5 million) of the €43 million in acquisitions realized in 2015 were financed from internal sources.

Net debt totaled €65.3 million as of December 31, 2015 vs. €42.5 million as of December 31, 2014, and gearing stood at 30% as of the same date (21% as of December 31, 2014).

Cegid also had a syndicated line of credit totaling €200 million, renewed during the year, 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 club deal was entered into with 13 banks, of which eight are Cegid's historical banks, and is coordinated by CIC-Lyonnaisse de Banque and Société Générale as mandated arrangers, along with LCL (arranger), BECM (arranger), BNP Paribas, Banque Rhône-Alpes, Natixis, HSBC France and five new banks, Arkea, Crédit Agricole Centre Est, Caisse d'Epargne Rhône Alpes, Groupama Banque and Banque Populaire Loire et Lyonnais. The renewal of this credit facility to finance the Group's general and investment needs, in particular with regard to acquisitions, reflects the confidence the banks have in the Group's future, while bolstering Cegid's ambitious growth strategy, both in France and abroad.

Proposed dividend (€1.25 per share)

The Board of Directors will recommend a dividend on 2015 earnings of €1.25 per share (€1.20/share on 2014 earnings) to shareholders at their Annual Meeting. Based on the number of shares in circulation on February 29, 2016, less shares held in treasury, the total amount of dividends paid would be approximately €11.4 million.

The net yield on Cegid Group shares would then be nearly 2.5%, based on the share price on February 29, 2016. Subject to approval by shareholders at their annual meeting on May 9, 2016 at 11 AM at the head office of Cegid Group, 52 quai Paul Sédallian, 69009 Lyon (France), the dividend will be paid on May 13, 2016.

Awards and rankings: Retail (world no. 4 – RIS) and HR/Talent (Gartner's "Magic Quadrant")

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.

People Management: For the second consecutive year, Technomedia's solutions were in Gartner's "Magic Quadrant for Talent Management Suites" in recognition of company's international deployment strategy and its consistent product quality. These are exemplified by Technomedia's new HR management module, developed for a market where HR and talent management are migrating toward a single platform.

Similarly, for the second year in a row, Technomedia was named an “Innovator” by Aragon Research in the US-based new technologies consulting firm’s 2015 “Aragon Research Globe for Enterprise Learning” for the innovative functionality of its Learning Management System (LMS).

Technomedia was also recognized for its Smart Assistant, which keeps a constant watch on new talent and training activities, alerting management and employees about any action they need to take.

Finally, Technomedia was in Training Industry’s “Top 20 Learning Portals” for the fourth consecutive time in 2015, in recognition of its training programs (LMS platform).

Customer service: In France, Cegid 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.

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

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

Outlook: Cegid aims to step up growth and development in France and abroad

Cegid’s strategy over the next several years is to support companies as they pursue digital transformation, simplification and improved competitiveness. Cegid has numerous strengths it can use to meet these challenges and thereby step up its growth based on its business model emphasizing recurrent revenue and a range of products and services that address people’s new, digital requirements.

The strategy will be implemented in the following manner:

- by continually providing new, innovative cloud-based solutions to accommodate new user trends through Cegid’s strategic “MoBiClo™” approach that brings together Mobility, Business Intelligence/Analytics and the Cloud, with more industry-specific platforms for new applications (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 €200 million, thereby strengthening the recurrent nature of its sales (60% in 2015),
- 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 in the Retail sector and in Talent Management,
- through a sound financial structure that can be used to accelerate acquisitions.

Cegid’s objective is to leverage these strategic advantages and stimulate development in France and internationally, while ensuring an increase in operating income in the years to come.

Calendar

First quarter 2016 sales will be published on April 14, 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 full-year 2015 financial statements were approved by the Board of Directors on March 1, 2016. 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 2, 2016 at the following address:

<http://www.cegid.com/slideshow>

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