

PRESS RELEASE

First-half financial information at June 30, 2024
IFRS - Regulated information - Audited

Cegedim: Revenue and EBITDA both increased in the first half of 2024

- Revenue grew 6.0% as reported and 4.6% LFL to **€319.0 million**
- EBITDA rose 6.9% to **€52.2 million**
- Recurring operating income⁽¹⁾ (REBIT) fell 3.4% to **€10.3 million**

Boulogne-Billancourt, France, September 26, 2024, after the market close

Cegedim generated consolidated H1 2024 revenues of €319.0 million, a 6.0% year-on-year increase as reported, and EBITDA of €52.2 million, a €3.4 million or 6.9% increase. Recurring operating income fell €0.4 million, or 3.4%, to €10.3 million.

	H1 2024		H1 2023		Change	
	in €m	(in %)	(in €m)	(in %)	(in €m)	in %
Revenues	319.0	100.0%	301.0	100.00%	18.0	6.0%
EBITDA ⁽¹⁾	52.2	16.4%	48.8	+16.2%	3.4	6.9%
Depreciation & amortization	-41.9		-38.1		-3.8	-9.8%
Recurring operating income⁽¹⁾	10.3	3.2%	10.7	3.6%	-0.4	-3.4%
Other non-recurring operating income and expenses ⁽¹⁾	-2.6		-1.4		-1.2	-88.8%
Operating income	7.7	2.4%	9.3	3.1%	-1.6	-17.1%
Financial result	-5.0		-5.6		0.6	10.8%
Total tax	-2.9		-12.4		9.5	76.8%
Share of net profit (loss) of equity method companies	0.1		-0.5		0.6	110.3%
Consolidated net profit	-0.1	0.0%	-9.2	-3.1%	9.1	99.0%
Non-controlling interests	-0.7		-0.4		-0.3	-69.3%
Group share	0.6	0.2%	-8.8	-2.9%	9.4	107.2%
Recurring earnings per share ⁽²⁾ (in euros)	0.0	-	-0.6	-		
Earnings per share (in euros)	0.0	-	-0.6	-		

Consolidated revenues rose €18.0 million, or **6.0%**, to €319.0 million in H1 2024 compared with €301.0 million in 2023. The positive scope effect of €3.7 million, or 1.2%, was attributable to the first-time consolidation in Cegedim's accounts of *Visiodent* starting March 1, 2024. The positive currency impact was €0.5 million, or 0.2%, chiefly owing to appreciation of the pound sterling against the euro. In like-for-like terms⁽²⁾, revenues rose 4.6% in the first half, in line with the Group's announced outlook. The performance was attributable to seasonality and the non-recurrence of Ségur public health investments in 2024.

EBITDA⁽¹⁾ rose €3.4 million between the first half of 2023 and 2024, or 6.9%. The improvement is the result of good management of personnel costs and external costs, in moderate growth as a percentage of revenues even though the amount of R&D capitalization fell and the Group had an additional quarter of start-up costs for its biggest BPO contract.

(1) Alternative performance indicator See pages 112-113 of the 2023 Universal Registration Document.

(2) At constant scope and exchange rates.

Depreciation and amortization expenses rose €3.7 million, chiefly due to a €3.1 million increase in R&D amortization (€22.7 million at June 30, 2024 compared with €19.7 million a year earlier) driven by development efforts in recent years.

Recurring operating income⁽¹⁾ fell €0.4 million to €10.3 million in H1 2024 compared with €10.7 million in 2023. It amounted to 3.2% of 2024 revenue compared with 3.6% in 2023. The fine EBITDA performance did not drop through to recurring operating income solely because of higher depreciation and amortization. Excluding the impact of Ségur subsidies and at comparable levels of amortization of capitalized R&D, Recurring operating income would have more than doubled.

Other non-current operating costs⁽¹⁾ amounted to €2.6 million in H1 2024 compared with €1.4 million in the same period in 2023. The principal items in 2024 were restructuring costs related to the Group's decision to refocus software for doctors in the UK on Scotland and fees related to the *Visiodent* acquisition.

Taking these elements into account, **operating income** came to €7.7 million at June 30, 2024, compared with €9.3 million a year earlier.

Financial result was a loss of €5.0 million compared with a €5.6 million loss in H1 2023. Dividend income over the period more than offset the increase in the cost of financial debt.

Tax was back to normal levels at €2.6 million in H1 2024 compared with €12.4 million in H1 2023. As a reminder, in 2023 the Group made a non-cash adjustment that caused it to record a deferred tax charge corresponding to the downward revision of its estimated remaining deferred tax assets.

Analysis of business trends by division

<i>in millions of euros</i>	Total	Software & Services	Flow	Data & Marketing	BPO	Cloud & Support
Revenue						
2023 reported	301.0	161.5	48.2	54.9	32.8	3.5
2023 reclassified (*)	301.0	150.6	46.8	54.9	32.8	15.8
2024	319.0	152.1	49.5	59.3	39.9	18.1
Change	6.0%	1.0%	5.8%	8.0%	21.6%	14.5%
Recurring operating income						
2023 reported	10.7	-2.0	5.6	6.6	1.4	-0.9
2023 reclassified (*)	10.7	-2.5	5.2	6.6	1.4	0.0
2024	10.3	-1.4	5.9	5.3	1.9	-1.3
Change	-3.4%	42.4%	12.8%	-19.8%	36.0%	na
Recurring operating margin (as a % of revenues)						
2023 reported	3.6%	-1.2%	11.7%	11.9%	4.3%	-24.7%
2023 reclassified (*)	3.6%	-1.7%	11.1%	11.9%	4.3%	0.3%
2024	3.2%	-1.0%	+11.8%	8.9%	4.8%	-7.0%

(*) As of January 1, 2024, our Cegedim Outsourcing and Audiprint subsidiaries—which were previously housed in the Software & Services division—as well as BSV—formerly of the Flow division—have been moved to the Cloud & Support division in order to capitalize on operating synergies between cloud activities and IT solutions integration.

- **Software & Services:** H1 2024 revenues posted a €1.5 million increase, and recurring operating income (REBIT)⁽¹⁾ improved by €1.1 million to a loss of €1.4 million, compared with a €2.5 million loss a year earlier.

(1) Alternative performance indicator See pages 112-113 of the 2023 Universal Registration Document.

Software & Services		First half		Change	
		2024	2023	2024 / 2023	
in millions of euros					
Revenues		152.1	150.6	1.5	1.0%
	Cegedim Santé	38.9	39.8	-1.0	-2.4%
	Insurance, HR, Pharmacies, and other services	86.7	84.5	2.3	2.7%
	International businesses	26.5	26.3	0.2	0.6%
Recurring operating income⁽¹⁾		-1.4	-2.5	1.1	42.4%
	Cegedim Santé	-1.6	-1.4	-0.2	-11.8%
	Insurance, HR, Pharmacies, and other services	3.4	3.3	0.1	3.5%
	International businesses	-3.3	-4.4	1.1	25.6%

As expected, *Cegedim Santé* felt the impact of increased R&D amortization (nearly €1 million) and a demanding comparison owing to the non-recurrence of Ségur public health investments (€4.4 million in H1 2023 revenues). The consolidation of *Visiodent* starting March 1, 2024, only partly offset those two items. Recurring operating income was nearly stable over the first half, but EBITDA increased as expected.

The other businesses in the division posted REBIT⁽¹⁾ of €1.2 million. A solid performance by *HR solutions*, which managed to keep costs under control during a phase of strong growth, compensated for slower *pharmacy* equipment sales post-Ségur. The *international businesses* got a boost from dynamic sales for doctors in Spain and for insurers in the UK. As we shift our operations, narrowing the focus of our UK doctor's software business to Scotland continued to generate costs in the first half.

- **Flow:** Revenues rose 5.8%, driven by *Cegedim e-business* (process digitalization and electronic data flows), both of whose businesses made positive contributions; by *Invoicing & Procurement*, which rebounded in France and is benefiting from the upcoming reform in Germany; and by *Healthcare Flow Management*, which has dynamic new offerings for hospitals to make their drug purchasing secure. Over the same period, *Third-party payer systems* posted 3.6% growth. As a result, REBIT⁽¹⁾ rose 12.8%, with *Third-party payer systems* making the biggest contribution, as *Cegedim e-business* recorded a large R&D amortization charge.
- **Data & Marketing:** Trends differed at this division—*Marketing* is still going strong, with 20% growth, whereas *Data* revenues fell 2.8%, particularly abroad. REBIT⁽¹⁾ of €6.6 million was down €1.3 million over the first half owing to high fixed costs in Data and increased depreciation and amortization costs at *C-Media* (+€1 million) due to heavy investments in updating its digital signage equipment.
- **BPO:** Revenue jumped more than 21% over the first half, buoyed notably by a full six months of the contract with Allianz, which started on April 1, 2023, and is expected to generate losses in the early years. But the division reined in those losses so well that REBIT⁽¹⁾ rose €0.5 million in the first half of 2024 to reach €1.9 million, also getting a boost from the HR BPO and digitalization businesses.
- **Cloud & Support:** H1 2024 REBIT⁽¹⁾ was a loss of €1.3 million, compared with breakeven a year earlier. The drop was due to surcharges related to the launch of a new cloud offering and recruitment of new offshore teams.

(1) Alternative performance indicator See pages 112-113 of the 2023 Universal Registration Document.

Highlights

Apart from the items cited below, to the best of the company's knowledge, there were no events or changes during H1 2024 that would materially alter the Group's financial situation.

- **Acquisition of Visident**

On **February 15, 2024**, *Cegedim Santé* acquired Visident, a leading French publisher of management software for dental practices and health clinics. Visident launched the market's first 100% SaaS solution, Veasy, at a time when it was significantly expanding its organization. Its users now include the country's largest nation-wide networks of health clinics, both cooperative and privately owned, as well as several thousand dental surgeons in private practice. Visident generated revenue of c.€10 million in 2023 and began contributing to Cegedim Group's consolidation scope on March 1, 2024.

- **Tax**

Cegedim S.A. has been subject to two tax audits since 2018, which have resulted in reassessments relating to the use of tax-loss carryforwards contested by the tax authorities. Cegedim, in consultation with its lawyers, believes that the reassessments are unfounded in light of the applicable tax law and jurisprudence. The Company has therefore taken, and continues to take, all possible avenues of contestation.

As these appeals are not suspensive, Cegedim has paid the amounts reassessed over time (a total of 23 million euros already paid, including 10.9 million euros disbursed in February 2024). The remaining risk of future disbursements in respect of this dispute thus amounts to only 5 million euros at June 30, 2024.

However, these disbursements have never given rise to the recognition of a tax charge in the P&L, since the Company considers that these sums will be recoverable at the end of the proceedings (they are recognized as advances paid on the assets side of the balance sheet). Should the outcome be unfavorable, a charge of 28 million euros (of which 23 million has already been paid) would have to be recorded in the consolidated income statement.

In addition, the consolidated balance sheet must show the future tax savings still realizable in respect of tax loss carryforwards. This "deferred tax asset" amounted to 6.9 million euros at June 30, 2024.

Should the outcome be unfavorable, the probability of realizing these future savings would become nil, and an adjustment of 6.9 million euros would have to be recorded in the consolidated income statement (with no cash impact, since these gains have never yet been realized).

Consequently, the risk associated with this dispute is not (or very little) in terms of cash, but rather in terms of a possible adjustment to the consolidated income. The maximum P&L adjustment risk is known: it amounts to 34.9 million euros and will remain unchanged. Only its breakdown varies at each closing: the amount of disputed tax savings (28 million to date) will continue to increase, and that of remaining future savings (6.9 million to date) will decrease accordingly until exhausted.

In the last quarter of 2023, the Company referred this dispute to the administrative court, which is likely to continue for several years.

Significant transactions and events post June 30, 2024

Apart from the items cited below, to the best of the company's knowledge, there were no post-closing events or changes after June 30, 2024, that would materially alter the Group's financial situation.

- **New financing arrangement**

On **July 31, 2024**, Cegedim announced that it had secured a new financing arrangement consisting of a €230 million syndicated loan. The arrangement is split into €180 million of lines drawn upon closing to refinance the Group's existing debt (RCF and Euro PP, which were to mature in October 2024 and October 2025 respectively) and an additional, undrawn revolving credit facility (RCF) of €50 million. This new financing arrangement will bolster the Group's liquidity and extend the maturity of its debt to, respectively, 5 years (€30 million, payments every six months); 6 years (€60 million, repayable upon maturity); and 7 years (€90 million, repayable upon maturity).

Outlook

Based on the currently available information, the Group expects 2024 like-for-like⁽²⁾ revenue growth to be in the range of 5-8% relative to 2023. Recurring operating income should continue to improve, following a similar trajectory as in 2023.

Recurring operating income⁽¹⁾ is expected to grow, notably thanks to the initial returns on investments made in Cegedim Santé and refocusing international activities.

These targets may need to be revised in the event of unexpected developments (pandemic, etc.) and/or a significant worsening of geopolitical and macroeconomic risks. The Group reiterates that it has no activities or exposed assets in Russia or Ukraine.

The Audit Committee met on September 25, 2024. The Board of Directors, chaired by Jean-Claude Labrune, met on September 26, 2024, and approved the consolidated financial statements at June 30, 2024, of which the statutory auditors have conducted a limited review. The Interim Financial Report will be available in a few days' time, in French and in English, on our website.

- **WEBCAST ON SEPTEMBER 26, 2024, AT 6:15 PM (PARIS TIME)**

The webcast is available at: www.cegedim.fr/webcast

The first-half 2024 results presentation is available:

- On the website: <https://www.cegedim.fr/finance/documentation/Pages/presentations.aspx>

2024 financial calendar

2024

October 24 after the close

Q3 2024 revenues

Financial calendar: <https://www.cegedim.fr/finance/agenda/Pages/default.aspx>

Disclaimer

This press release is available in French and in English. In the event of any difference between the two versions, the original French version takes precedence. This press release may contain inside information. It was sent to Cegedim's authorized distributor on September 26, 2024, no earlier than 5:45 pm Paris time.

The figures cited in this press release include guidance on Cegedim's future financial performance targets. This forward-looking information is based on the opinions and assumptions of the Group's senior management at the time this press release is issued and naturally entails risks and uncertainty. For more information on the risks facing Cegedim, please refer to Chapter 7, "Risk management", section 7.2, "Risk factors and insurance", and Chapter 3, "Overview of the financial year", section 3.6, "Outlook", of the 2023 Universal Registration Document filled with the AMF on April 3, 2024, under number D.24-0233.

About Cegedim:

Founded in 1969, Cegedim is an innovative technology and services group in the field of digital data flow management for healthcare ecosystems and B2B, and a business software publisher for healthcare and insurance professionals. Cegedim employs more than 6,500 people in more than 10 countries and generated revenue of €616 million in 2023.

Cegedim SA is listed in Paris (EURONEXT: CGM).

To learn more please visit: www.cegedim.fr

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(1) Alternative performance indicator See pages 112-113 of the 2023 Universal Registration Document.

(2) At constant scope and exchange rates.

Annexes

Consolidated financial statements at June 30, 2024

 • **Assets au 30 juin 2024**

<i>In thousands of euros</i>	6/30/2024	12/31/2023
Goodwill	234,955	199,787
Development costs	29,706	1,562
Other intangible fixed assets	177,834	192,616
Intangible non-current assets	207,541	194,178
Land	594	544
Buildings	1,556	1,660
Other property, plant, and equipment	53,006	45,829
Advances and non-current assets in progress	901	831
Rights of use	86,092	89,718
Tangible fixed assets	142,149	138,582
Equity investments	0	0
Loans	16,332	15,332
Other long-term investments	7,120	5,230
Long-term investments – excluding equity shares in equity method companies	23,452	20,563
Equity shares in equity method companies	19,086	22,065
Deferred tax assets	18,209	19,747
Prepaid expenses: long-term portion	0	0
Non-current assets	645,390	594,922
Goods	6,072	5,498
Advances and deposits received on orders	1,396	3,703
Accounts receivables: short-term portion	182,907	175,199
Other receivables: short-term portion	59,070	59,563
Current tax credits	27,262	16,495
Cash equivalents	0	0
Cash	35,414	46,606
Prepaid expenses: short-term portion	26,138	22,082
Current assets	338,260	329,146
Total assets	983,651	924,068

- **Liabilities et shareholders' equity at June 30, 2024**

<i>In thousands of euros</i>	6/30/2024	12/31/2023
Share capital	13,432	13,337
Consolidated retained earnings	276,449	282,521
Group exchange gains/losses	-11,848	-12,275
Group earnings	630	-7,407
Shareholders' equity, Group share	278,663	276,175
Minority interest	17,550	18,381
Shareholders' equity	296,213	294,556
Non-current financial liabilities	187,714	188,546
Non-current lease liabilities	76,267	78,761
Deferred tax liabilities	5,949	5,600
Post-employment benefit obligations	30,632	31,007
Non-current provisions	2,147	2,521
Non-current liabilities	302,710	306,435
Current financial liabilities	61,570	3,006
Current lease liabilities	14,661	14,789
Trade payables and related accounts	57,225	61,734
Current tax liabilities	192	235
Tax and social security liabilities	113,884	121,371
Non-current provisions	1,660	1,730
Other current liabilities	135,538	120,212
Current liabilities	384,728	323,077
Total liabilities	983,651	924,068

- Income statement at June 30, 2024

<i>In thousands of euros</i>	6/30/2024	6/30/2023
Revenues	318,995	301,011
Purchases used	-14,045	-14,739
External expenses	-72,687	-66,371
Taxes	-3,961	-4,291
Payroll costs	-173,240	-163,623
Impairment of trade receivables and other receivables and on contract assets	-872	-2,041
Allowances to and reversals of provisions	-2,440	-1,830
Other operating expenses	-690	108
Share of profit (loss) from affiliates on the income statement	1,146	603
EBITDA ⁽¹⁾	52,207	48,827
Depreciation expenses other than right-of-use assets	-33,140	-29,030
Depreciation expenses of right-of-use assets	-8,733	-9,097
Recurring operating income⁽¹⁾	10,334	10,700
Non-recurring operating income and expenses	-2,616	-1,385
Other non-recurring operating income and expenses⁽¹⁾	-2,616	-1,385
Operating income	7,718	9,315
Income from cash and cash equivalents	326	180
Cost of gross financial debt	-7,121	-5,633
Other financial income and expenses	1,813	-136
Net financial income (expense)	-4,983	-5,589
Income taxes	-1,226	-1,841
Deferred income taxes	-1,652	-10,588
Tax	-2,878	-12,429
Share of profit (loss) from affiliates	53	-515
Consolidated net profit	-90	-9,219
Group share	630	-8,793
Income from equity-accounted affiliates	-721	-426
Average number of shares excluding treasury stock	13,695,317	13,658,348
Recurring earnings per share (in euros)	0.0	-0.6
Earnings per share (in euros)	0.0	-0.6

(1) Alternative performance indicator

- **Cash flow statement as of June 30, 2024**

<i>In thousands of euros</i>	6/30/2024	6/30/2023
Consolidated net profit	-90	-9,219
Share of profit (loss) from affiliates	-1,199	-88
Depreciation and amortization expenses and provisions	40,531	37,972
Capital gains or losses on disposals of operating assets	-52	-798
Cash flow after cost of net financial debt and taxes	39,190	27,867
Cost of net financial debt	4,983	5,589
Tax expenses	2,878	12,429
Cash flow from operating activities before tax and interest	47,051	45,885
Tax paid	-11,634	-378
Impact of change in working capital requirements	-13,206	-18,032
Cash flow generated from operating activities after tax paid and change in working capital requirements	22,211	27,476
Acquisitions of intangible fixed assets	-29,879	-29,550
Acquisitions of tangible fixed assets	-15,935	-11,759
Acquisitions of long-term investments	0	-36
Disposals of property, plant, and equipment and of intangible assets	553	2,575
Disposals of long-term investments	934	805
Change in deposits received or paid	-860	-156
Impact of changes in consolidation scope	-35,454	-2,172
Dividends received from outside the Group	4,073	30
Net cash from (used in) investing activities	-76,568	-40,264
Capital increase	985	-
Dividends paid to minority shareholders of consolidated cos.	0	-
Dividends paid to shareholders of the parent company	-1	-
Debt issuance	55,000	-
Debt repayments	-219	-193
Employee profit sharing	145	129
Repayment of lease liabilities	-8,152	-11,353
Interest paid on loans	-972	-117
Other financial income received	718	596
Other financial expenses paid	-3,612	-3,492
Net cash flow used in financing activities	43,892	-14,430
Change in net cash excluding currency impact	-10,465	-27,218
Impact of changes in foreign currency exchange rates	-728	-456
Change in net cash	-11,194	-27,674
Opening cash	46,606	55,553
Closing cash	35,412	27,879

- **Financial covenants**

The Group complied with all its covenants as of June 30, 2024.