

Q1 2019 revenue

Bezons

April 25, 2019

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- ▶ **All figures presented in this presentation exclude Worldline unless stated otherwise.**
- ▶ Revenue organic growth is presented at constant scope and exchange rates.
- ▶ Business Units include **North America** (USA, Canada, and Mexico), **Germany, France, United Kingdom & Ireland, Benelux & The Nordics** (Belgium, Denmark, Estonia, Finland, Lithuania, Luxembourg, The Netherlands, Poland, Russia, and Sweden), and **Other Business Units** including Central & Eastern Europe (Austria, Bulgaria, Croatia, Czech Republic, Greece, Hungary, Israel, Italy, Romania, Serbia, Slovakia and Switzerland), Iberia (Spain and Portugal), Asia-Pacific (Australia, China, Hong Kong, India, Indonesia, Japan, Malaysia, New Zealand, Philippines, Singapore, Taiwan, and Thailand), South America (Argentina, Brazil, Colombia, and Uruguay), Middle East & Africa (Algeria, Benin, Burkina Faso, Egypt, Gabon, Ivory Coast, Kingdom of Saudi Arabia, Lebanon, Madagascar, Mali, Mauritius, Morocco, Qatar, Senegal, South Africa, Tunisia, Turkey and UAE), Major Events, Global Cloud hub, and Global Delivery Centers.

Agenda

1. Q1 2019 highlights and commercial activity
2. Operational & financial performance and Syntel update
3. Conclusion and Q&A

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Q1 2019 highlights

Thierry Breton

Chairman & CEO

Q1 2019 highlights

Organic revenue growth at +0.4% (excluding Worldline) with North America and Infrastructure & Data Management improving

Syntel integration moving fast with synergies starting to develop

Big Data & Cybersecurity pursuing double digit growth

Successful partnership with Google Cloud materialized by new signatures and a strong pipeline in both secured Hybrid Cloud and Artificial Intelligence

Project to deconsolidate Worldline creating two listed pure player leaders in their respective markets with a long term Strategic Alliance

Three year plan ADVANCE 2021 presented to investors and industry analysts communities

Q1 2019 key figures

A good start to the year

Revenue

€2,818m

Organic growth

+0.4%

+0.3% in Q4 2018*

-0.8% in Q3 2018*

Total number of employees

110,075

Headcount evolution

-0.4%

*Since end of December 2018 at
constant scope*

Q1 2019 commercial activity

Order entry

€2,428m

Book to bill ratio

86%

Backlog

€20.8bn

1.8 year of revenue

Weighted pipeline

€6.9bn

7.2 months of revenue

Main wins in Q1 2019 confirming Digital acceleration

Automated Digital cloud platform based on **Bullion Sequana** and **Google**

Melitta®

S/4 HANA
implementation
in the US

An integrated US
energy company

**Digital
Workplace**

Large German
Automotive
manufacturer

UK postal service
company

**AI enabled High
Performance
Computer**



Government of
Western Australia
Department of Health

**Advanced
Endpoint Security**



**Fully managed
Hybrid Digital
Cloud Service**

Atos recognized as the 2018 Google Cloud Breakthrough Partner

Status after 1 year of partnership



New Atos Open Hybrid Cloud Solution Enabling Enterprises to Move to Google Cloud

€1bn+
Commercial full pipeline



Atos recognized as global leader in Google Cloud Certification Program

20+
Joint customer projects

Atos distinguished as "Specialized IoT Partner" by Google Cloud

1,000+
Technical certifications planned in 2019

3 joint Customer AI labs already open (London, Dallas, Paris) and a 4th Lab to open soon (Frankfurt)

2019 objectives confirmed

(excluding Worldline as of January 1st, 2019)

**Revenue
organic growth**

+1% to +2%

**Operating
margin**

c. 10.5% of revenue

Free cash flow

€0.6 to €0.7bn

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Operational & financial performance and Syntel update

Elie Girard

Deputy CEO & Group CFO

Constant scope and exchange rates figures reconciliation

<i>In € million</i>	Q1 2019	Q1 2018	% change
Statutory revenue	2,818	2,945	-4.3%
Exchange rates effect		38	
Revenue at constant exchange rates	2,818	2,983	-5.5%
Scope effect		-187	
Exchange rates effect on acquired/disposed perimeters		12	
Revenue at constant scope and exchange rates	2,818	2,808	+0.4%

- ▶ **Exchange rates effect** mainly came from the American dollar and positively contributed to revenue for €+49 million.
- ▶ **Scope effect** mostly related to the restatement of Worldline contribution to the Group revenue in Q1 2018 (€ -384 million), and € +17 million of revenue performed by Atos entities with Worldline in Q1 2018 which is no more neutralized in the Group consolidation but recognized as Group revenue. The remaining amount of € +180 million was mostly related to Syntel acquisition (3 months for € +200 million), the disposal of some specific Unified Communication & Collaboration activities, and the disposal and decommissioning of non-strategic activities within CVC.

Q1 2019 performance by Division

- ▶ **Infrastructure & Data Management recovery started**
- ▶ **Business & Platform Solutions supported by an increasing number of projects in Digital and Automation**
- ▶ **Continuous double digit growth in Big Data & Cybersecurity**

<i>In € million</i>	Q1 2019	Q1 2018*	<i>Organic evolution</i>
Infrastructure & Data Management	1,537	1,585	-3.0%
Business & Platform Solutions	1,065	1,029	+3.5%
Big Data & Cybersecurity	215	193	+11.4%
Total Group	2,818	2,808	+0.4%

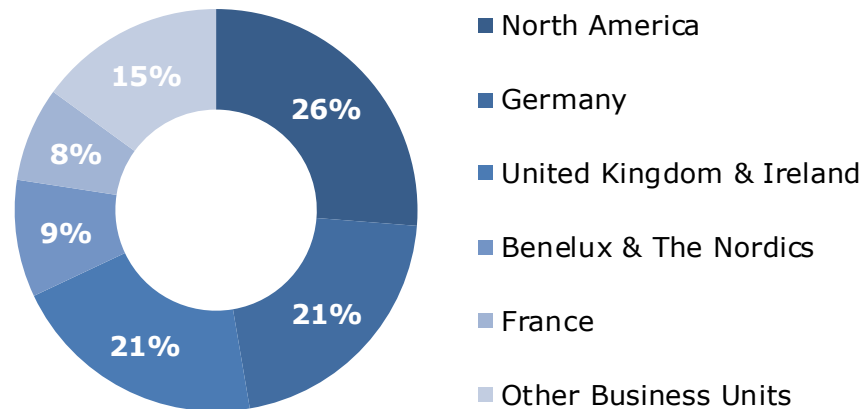
* At constant scope and exchange rates

Infrastructure & Data Management

- ▶ Continued development of Hybrid Cloud Orchestration, Digital Workplace implementation and Transformation projects in all geographies
- ▶ First signs of recovery in North America
- ▶ High level of new contracts

In € million

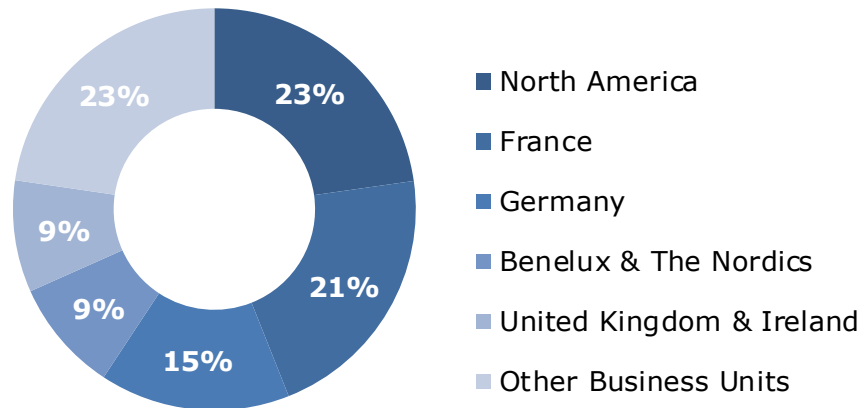
	Q1 2019
Revenue	1,537
Organic growth	-3.0%
Order Entry	1,076
Book to bill	70%
Direct headcount	44,598
Variation in Q1 y/y at constant scope	-4%



Business & Platform Solutions

- ▶ Continued solid dynamic of Syntel, with first commercial synergies recorded
- ▶ In Europe, strong growth in Digital Transformation projects led by Germany, the United Kingdom & Ireland and Central & Eastern Europe
- ▶ Staff decrease linked to robotization

<i>In € million</i>	Q1 2019
Revenue	1,065
Organic growth	+3.5%
Order Entry	1,112
Book to Bill	104%
Direct headcount	51,869
<i>Variation in Q1 y/y at constant scope</i>	-0%

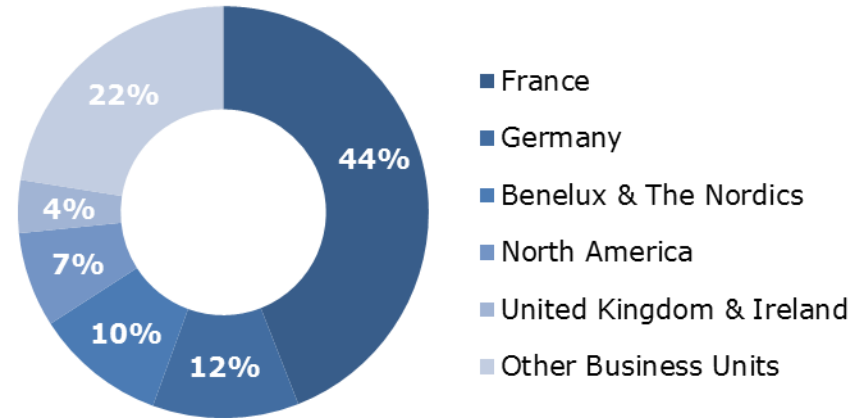


Big Data & Cybersecurity

- ▶ **Strong quarter in France and in Benelux & The Nordics in Big Data**
- ▶ **Continued high demand in Cybersecurity services**
- ▶ **Strong level of hiring of critical competencies**

In € million

	Q1 2019
Revenue	215
Organic growth	+11.4%
Order Entry	241
Book to Bill	112%
Direct headcount	5,243
Variation in Q1 y/y at constant scope	+7%

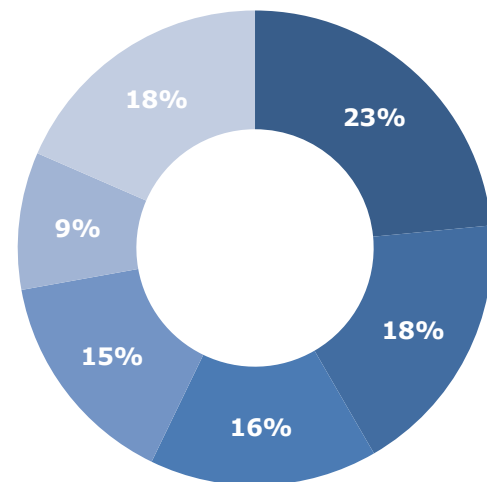


Q1 2019 performance by Business Unit

- ▶ North America recovery started
- ▶ Continued solid growth in France
- ▶ High growth recorded in Other Business Units

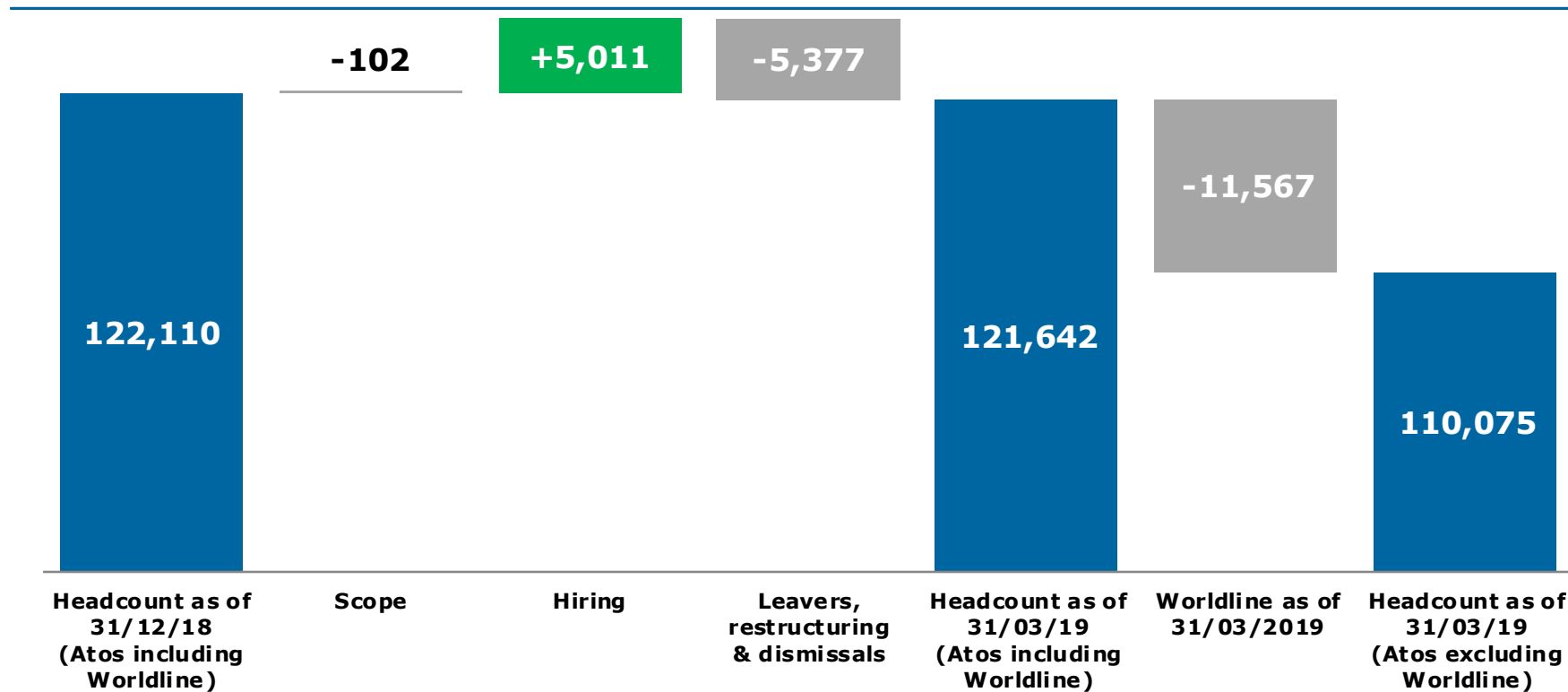
<i>In € million</i>	Q1 2019	Q1 2018*	Organic evolution
North America	662	698	-5.2%
Germany	511	503	+1.6%
France	438	422	+3.7%
United Kingdom & Ireland	423	430	-1.8%
Benelux & The Nordics	264	262	+0.5%
Other Business Units	520	491	+6.0%
Total Group	2,818	2,808	+0.4%

* At constant scope and exchange rates



- North America
- Germany
- France
- United Kingdom & Ireland
- Benelux & The Nordics
- Other Business Units

Q1 2019 headcount evolution



Distribution in kind of Worldline shares to Atos shareholders

Timetable of distribution

- AGM: April 30, 2019
- Ex date: May 3, 2019
- Payment date of the distribution in kind: May 7, 2019

Features of the distribution in kind

- The distribution in kind would represent c.**23.5%** of the share capital of Worldline (**2 Worldline shares for 5 Atos shares**)
- Post-distribution, Atos would own approximately c.**27.3%** of the share capital of Worldline

Very favorable tax treatment of the distribution in kind

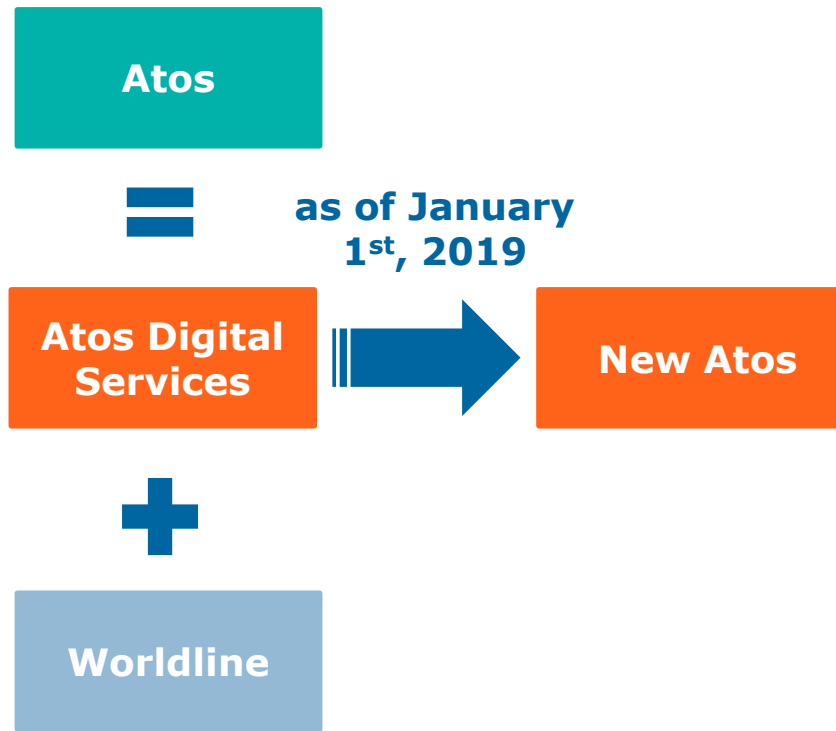
- **c. 60%** corresponding to a repayment of share capital and therefore **not subject to French withholding tax** and not taxable for French residents

Amendment to the Shareholders Agreement with SIX Group

- Worldline Board of Directors of **12 directors**:
 - 3 designated by Atos, including the Chairman
 - 2 designated by SIX Group
 - the Chief Executive Officer of Worldline
 - 6 independent directors
- **Six-month joint lock-up period**

Distribution in kind of Worldline shares

Main impacts on Atos Digital Services figures



Main impacts New Atos vs Atos Digital Services

Revenue	New flow with Worldline as a customer (c. € 70 M in 2018)
Operating Margin	No impact in € million Negative impact on rate (not significant)
Net income from discontinued operations*	WL net income from January 1, 2019 to April 30, 2019 + Capital gain
Share of net profit of associates	Share of WL net income from May 1, 2019 to December 31, 2019 + PPA amortization
Free Cash Flow	No impact
Net debt	€ 2.8 bn as of December 31, 2018

IFRS 16 - Main impacts on the Group Financial Statements

Income Statement

Balance Sheet

IAS 17

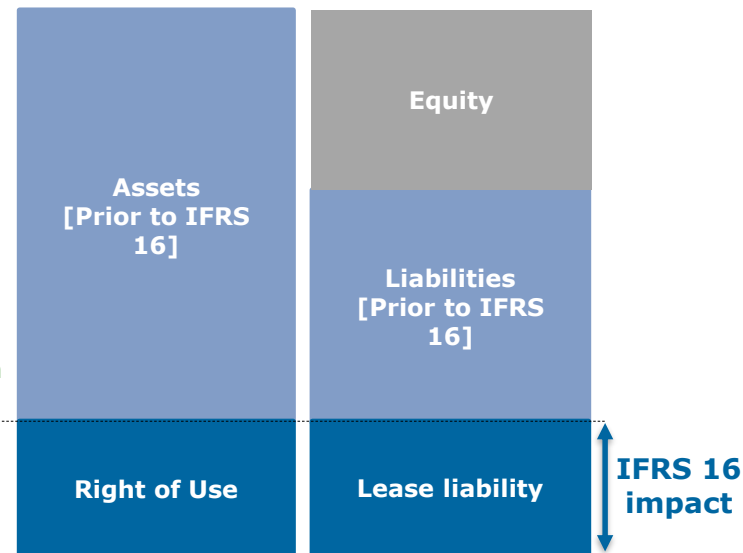


IFRS 16



↑ Operating Margin
(not significant)

↓ Net Income
(not significant)



Lease Liability = €1.2 bn as at January 1, 2019

Syntel revenue synergies on track

Syntel base secured and first new deals won

100% client retention

Top 10 Syntel clients grew in line with overall Syntel in Q1 19

High demand in **Cloud migration** and **Legacy modernization** powered by **Intelligent Automation**

150 synergy project opportunities in **full pipeline** valued at **\$650 M**



Revenue synergies already materialized



"Land & Expand"

Application & Services Transformation using Intelligent Automation



Strengthened Go-To-Market for Global IDM deals

IDM to implement ServiceNOW platform

Successful Cross Sell of Syntel services into 6 Atos IDM customers in NAO and UK&I

Syntel delivery and cost synergies on track

Account transformation well under way



Transformation synergies

- ▶ Wave 1 was successfully completed in Q1, aligning **€640M** of business under Syntel management and delivery framework
- ▶ Wave 2 has started in April, aligning an additional **€300M** of business
- ▶ Solutioning of new business through Syntel delivery framework

c. **€940M** of business being already aligned under Atos Syntel management

Employee and facility consolidation

- ▶ 100% retention of key personnel
- ▶ Successful move of 6,000 Atos staff to the Pune campus
- ▶ Consolidated offices in the UK and in the US



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Conclusion

Thierry Breton
Chairman & CEO

2019 main priorities

Return to growth in H2 for North America (excl. Syntel) and for Infrastructure & Data Management

Successfully integrate Syntel and generate **synergy plans** to improve Business & Platform Solutions profitability

Rolling out **GOAL** and **RACE programs** to increase operational profitability

Positioning Big Data & Cybersecurity as **a leading player** for the upcoming consolidation of this segment

Delivering financial objectives in 2019 and confirming 2021 ADVANCE targets



Q&A



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