Q1 2020 revenue

April 22, 2020

Disclaimer

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- Revenue organic growth is presented at constant scope and exchange rates.
- Industries include **Manufacturing** (Aerospace, Automotive, Chemicals, Consumer Packaged Goods (Food & Beverage), Discrete Manufacturing, Process Industries, Services and Siemens), **Financial Services & Insurance** (Insurance, Banking & Financial Services, and Business Transformation Services), **Public Sector & Defense** (Defense, Education, Extraterritorial Organizations, Public Administration, Public Community Services and Major Events), **Telecom, Media & Technology** (High Tech & Engineering, Media, and Telecom), **Resource & Services** (Energy, Retail, Transportation & Hospitality, and Utilities) and **Healthcare & Life Sciences** (Healthcare and Pharmaceutical).
- Regional Business Units include **North America** (USA, Canada, and Mexico), **Northern Europe** (United Kingdom & Ireland, Belgium, Denmark, Estonia, Finland, Lithuania, Luxembourg, The Netherlands, Poland, Russia, and Sweden), **Southern Europe** (France, Spain, Portugal, and Italy), **Central Europe** (Germany, Austria, Bulgaria, Croatia, Czech Republic, Greece, Hungary, Israel, Romania, Serbia, Slovakia and Switzerland) and **Growing Markets** including 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 2020 highlights and objectives for 2020

2. Financial performance

3. Conclusion and Q&A

Q1 2020 highlights

Elie Girard

CEO

Number one priority: take care of our employees…

Immediate adoption of all hygiene and safety guidelines

Crisis Management Task Forces to lead employee care

Full adoption of work from home across the Group

Travel stoppage

Very centralized model allowing to react very fast to the Covid-19 crisis with a strong mobilization of the Human Resources network

… while supporting our customers during the crisis

Seamless business continuity plans implementation

Support of our customers for generalized work-from-home

"Always Ready" Covid-19 tailored solutions program

Reinforced cybersecurity

Support Public & Health authorities

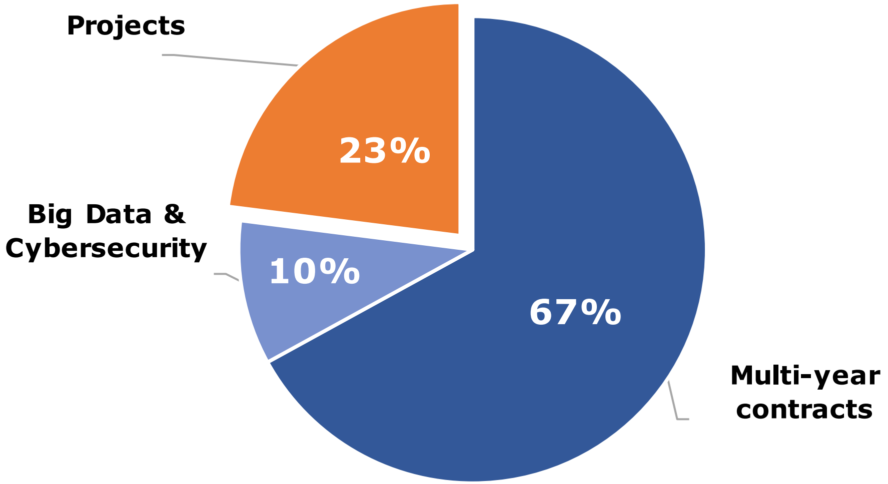
Accelerate medical research

Fully centralized operational processes allowing to ensure very fast seamless business continuity and support for our customers

A resilient business profile… (1/2)

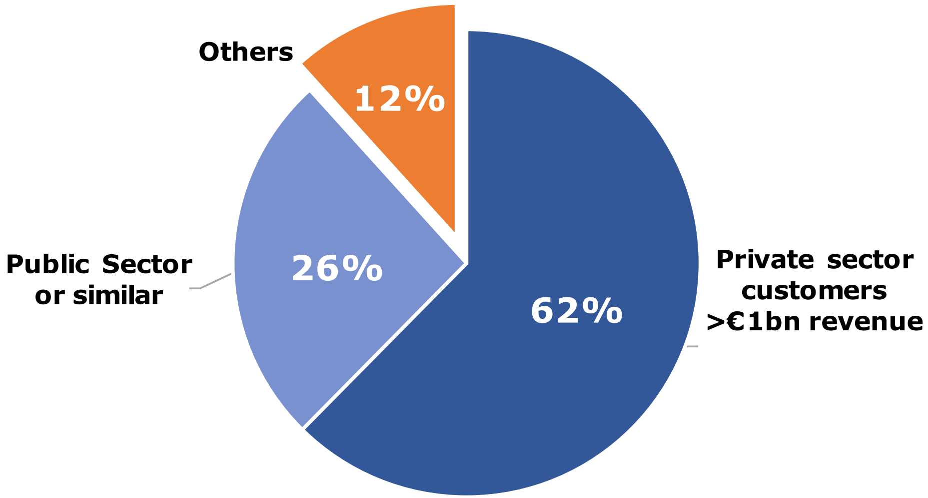
A strong business mix

- 2/3 of multi-year contracts
- c. 75% of critical services



A robust customer base

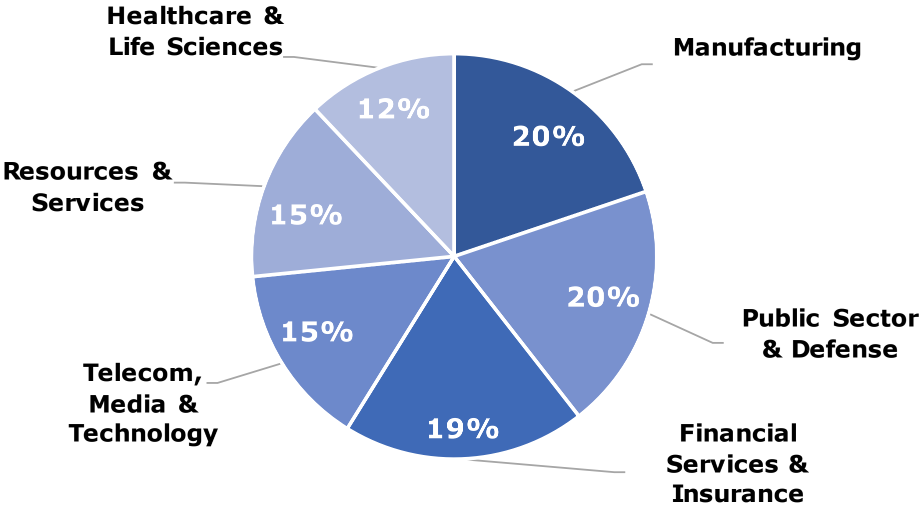
- c. 90% of Atos' business with companies having more than €1bn annual revenue or with Public Sector



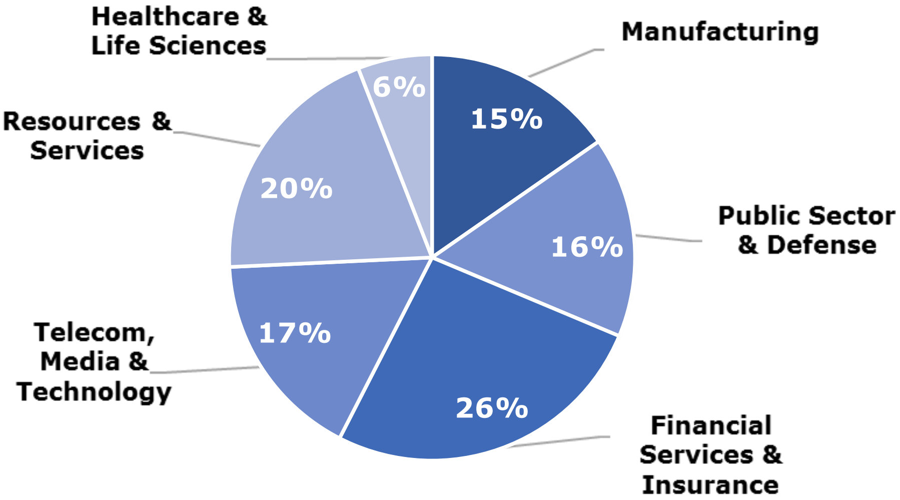
A resilient business profile… (2/2)

A well balanced Industry mix

Atos Industry mix



Global IT Services spend by Industry*



**Source: Gartner Forecast: Enterprise IT Spending by Vertical Industry Market, Worldwide, 4Q2019*

… allowing to contain 2020 revenue impact

c. m€ -750

Reduced demand

=

c. m€ -600

Net impact on 2020 revenue

c. m€ +150

Extra work related to Covid-19

All stakeholders contributing to mitigate the crisis impact

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Concrete contributions and implications per stakeholder…

Third parties	Employees & Public support	Customers	Shareholders & Group Management
✓ Spend freeze for non customer related requirements ✓ Reduction of consumption, price renegotiations ✓ Reduction / replacement of subcontractors ✓ Travel freeze	✓ Hiring freeze ✓ Salary freeze / variable compensation ✓ Increase vacation consumption ✓ Part-time work / furlough including public support	✓ Reasonable flexibility granted to some customers, expanding services post crisis ✓ Contract management	✓ Cancellation of the dividend on last Fiscal Year ✓ Reduction of Group Management compensation

… mitigating 2020 operating margin impact

c. m€ -600

Net impact from revenue

c. m€ +400

Cost saving plan

=

c. m€ -200

Net impact on 2020 Operating Margin

Other Q1 2020 highlights

Implementation of SPRING well on track

Major renewals signed in North America

Disposal of 13% Worldline shares for €1.5bn beg. of Feb

Acquisition of **Maven Wave** strengthening Cloud firepower

Q1 2020 key figures

Revenue Organic evolution

-0.8%

Book to bill ratio

103%

86% in Q1 2019

Backlog

€22.1bn

1.9 year of revenue

Weighted pipeline

€7.6bn

€ +0.2bn vs December 2019

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Main wins in Q1 2020

Client	Sector	Offering
DIR – Texas Department of Information Resources	Public Sector & Defense	Private Cloud, Artificial Intelligence & Machine Learning
CONDUENT	Telecom, Media & Technology	Hybrid Cloud, and Security Services
A major US Engineering Company	Telecom, Media & Technology	Digital Workplace
NORD/LB	Financial Services & Insurance	Digital Workplace & Infrastructure
goli NUTRITION	Resources & Services	Codex Solutions Automation
A global European firm in Capital Goods	Manufacturing	SAP HANA
A global European Pharmaceutical Company	Health & Life Sciences	Digital project on Syntel offering

2020 objectives updated post Covid-19

	Pre Covid-19	Post Covid-19
Revenue organic evolution	c. +2%	-2% to -4%
Operating margin rate	+20 bps to +40 bps vs 2019 (10.3% reported)	9.0% to 9.5% of revenue
Free cash flow	c. €700m	€500m to €600m

Suspension of 2021 targets, the last year of the three-year plan presented at the Investor Day held on January 30, 2019

2 Financial performance

Uwe Stelter

Group CFO

Constant scope and exchange rates figures reconciliation

In € million	**Q1 2020**	**Q1 2019**	***% change***
Statutory revenue	2,834	2,818	*+0.6%*
Exchange rates effect		26	
Revenue at constant exchange rates	2,834	2,843	*-0.3%*
Scope effect		14	
Exchange rates effect on acquired/disposed perimeters		1	
Revenue at constant scope and exchange rates	**2,834**	**2,858**	***-0.8%***

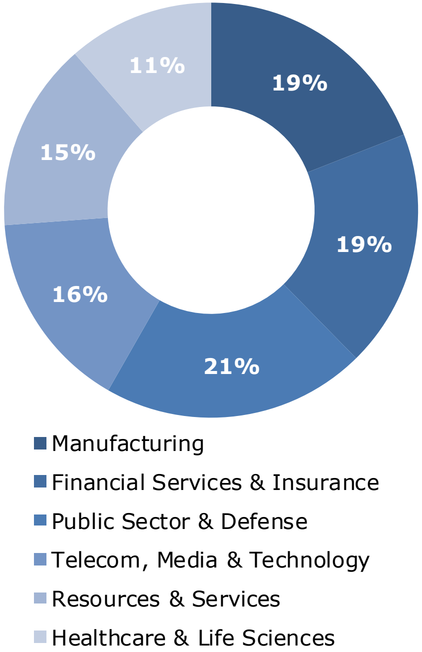
- **Exchange rates effect** mainly came from the USD as well as the GBP and positively contributed to revenue for €+27 million.
- **Scope effect** mostly related to the acquisitions of Maven Wave, IDnomic and X-PERION and the disposal of Unified Communication & Collaboration, ITO UK and CVC activities.

Q1 2020 performance by Industry

- **Public Sector & Defense growth with contract ramp-ups in Northern Europe**
- **Manufacturing mainly impacted by Aerospace and Chemical Industry**
- **Reduction of discretionary expenses in Financial Services & Insurance**
- **Healthcare & Life Sciences impacted by volume reductions in both North America and Northern Europe**

In € million	**Q1 2020**	**Q1 2019***	***Organic evolution***
Manufacturing	539	555	*-2.9%*
Financial Services & Insurance	527	542	*-2.6%*
Public Sector & Defense	584	566	*+3.2%*
Telecom, Media & Technology	443	439	*+0.8%*
Resources & Services	418	416	*+0.4%*
Healthcare & Life Sciences	323	340	*-4.9%*
Total Group	**2,834**	**2,858**	***-0.8%***

** At constant scope and exchange rates*

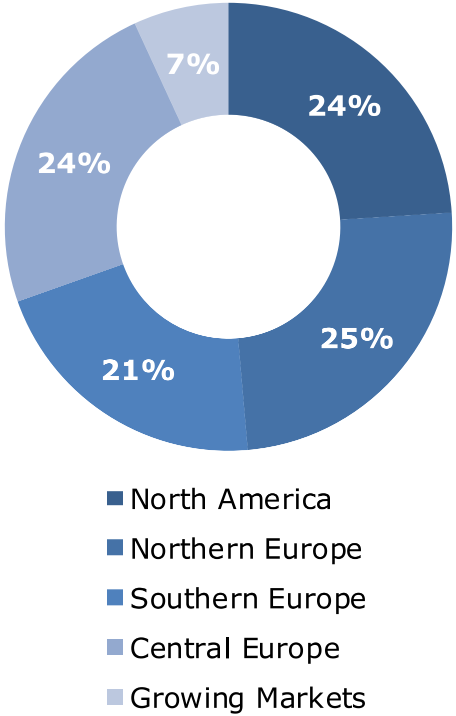


Q1 2020 performance by Regional Business Unit

- **North America impacted by reduced project volumes**
- **Northern Europe supported by Public Sector & Defense**
- **Southern Europe faced base effects on High Performance Computing as well as project delays**
- **Central Europe overcompensated the reduction of project work with increased ramp up of Cloud and Unified Communication contracts**

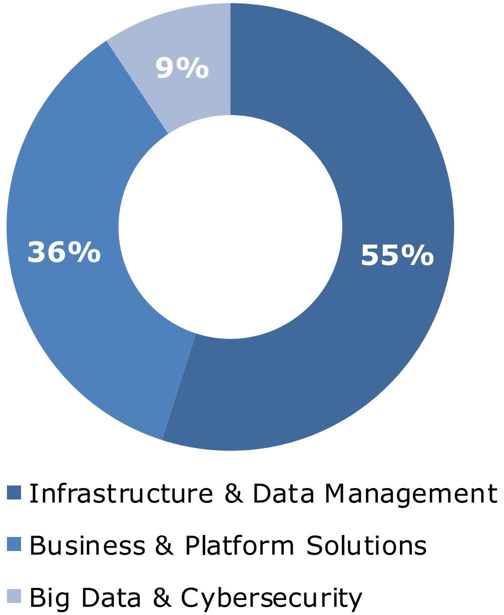
In € million	**Q1 2020**	**Q1 2019***	***Organic evolution***
North America	681	699	*-2.6%*
Northern Europe	698	696	*+0.3%*
Southern Europe	594	609	*-2.6%*
Central Europe	667	660	*+1.0%*
Growing Markets	194	192	*+1.0%*
Total Group	**2,834**	**2,858**	***-0.8%***

** At constant scope and exchange rates*



Q1 2020 performance by Division

- **Resilience in Infrastructure & Data Management**
- **Business & Platform Solutions additionally impacted by a lower demand and project delays**
- **Continuous double digit growth in Big Data & Cybersecurity**



In € million	**Q1 2020**	**Q1 2019***	***Organic evolution***
Infrastructure & Data Management	1,558	1,566	*-0.5%*
Business & Platform Solutions	1,016	1,069	*-4.9%*
Big Data & Cybersecurity	259	223	*+16.3%*
Total Group	**2,834**	**2,858**	***-0.8%***

** At constant scope and exchange rates*

Syntel Synergies

Sales and delivery synergies on track despite Covid-19

Revenue synergy categories

1. **Leveraging both Atos and Syntel portfolios across entire customer base**
2. **New Global capabilities to capture large End-to-End Digital Transformation projects**

Q1 2020 status

- **66** deals closed in Q1
- Total synergy pipeline of **€0.9bn** for decision in 2020

Q1 Wins

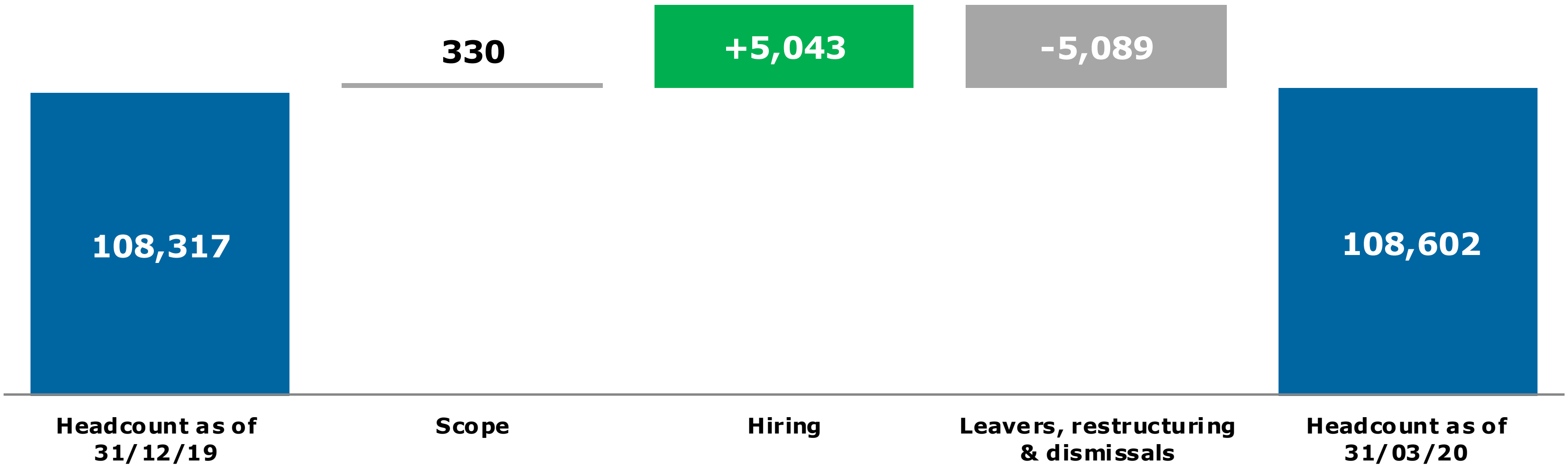
A global EU Pharma Company

Building a Centre of Excellence for Data Analytics to digitise R&D processes

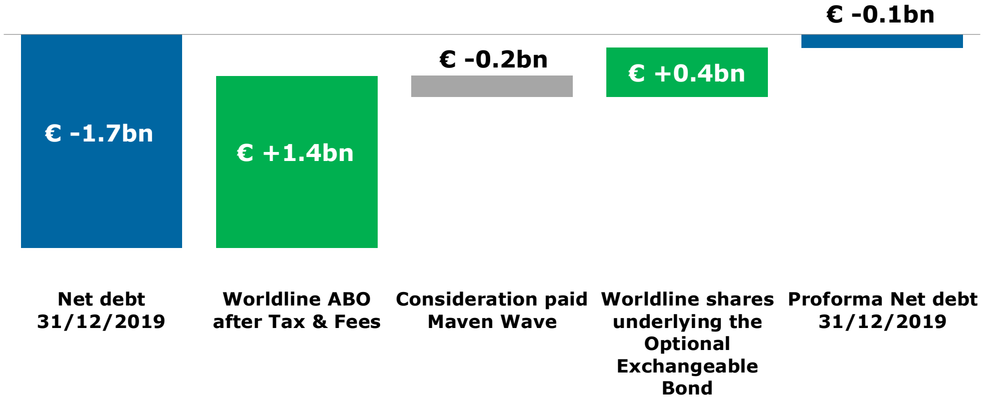
A global Financial Services Company

Application Development and Maintenance globally

Q1 2020 headcount evolution



Focus on financing and liquidity in the context of Covid-19



Gross cash

- Strong funds to face an economic downturn and to cover short term reimbursement of borrowings and lease liabilities
- €2.4bn Revolving Credit Facility not due until November 2024 (with 1 year extension option)

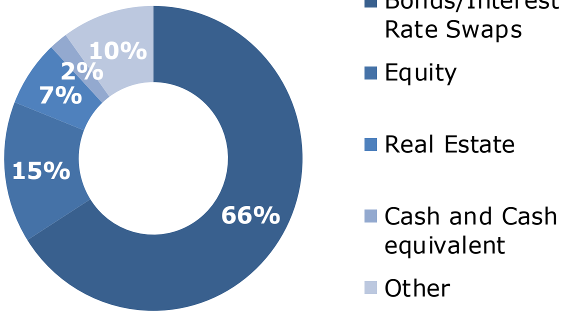
Gross debt: next redemptions

- 2022: €0.7bn bond
- 2023: €0.3bn bond
- 2024: €0.5bn Optional Exchangeable Bond into Worldline shares
- Beyond 2024: €1.1bn bond

Focus on pension plans in the context of Covid-19

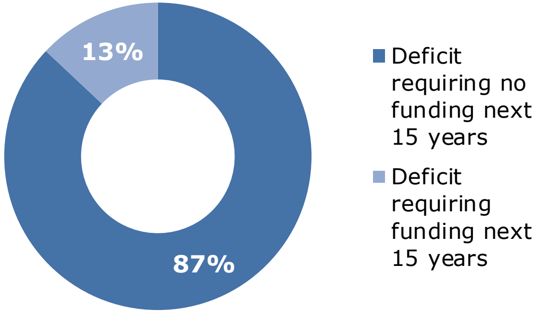
Plan assets : € 3.6bn end of Q1 2020

- **€ 3.9bn** as of December 31, 2019
- **small exposure to Equities**: 10% of equity well diversified geographically



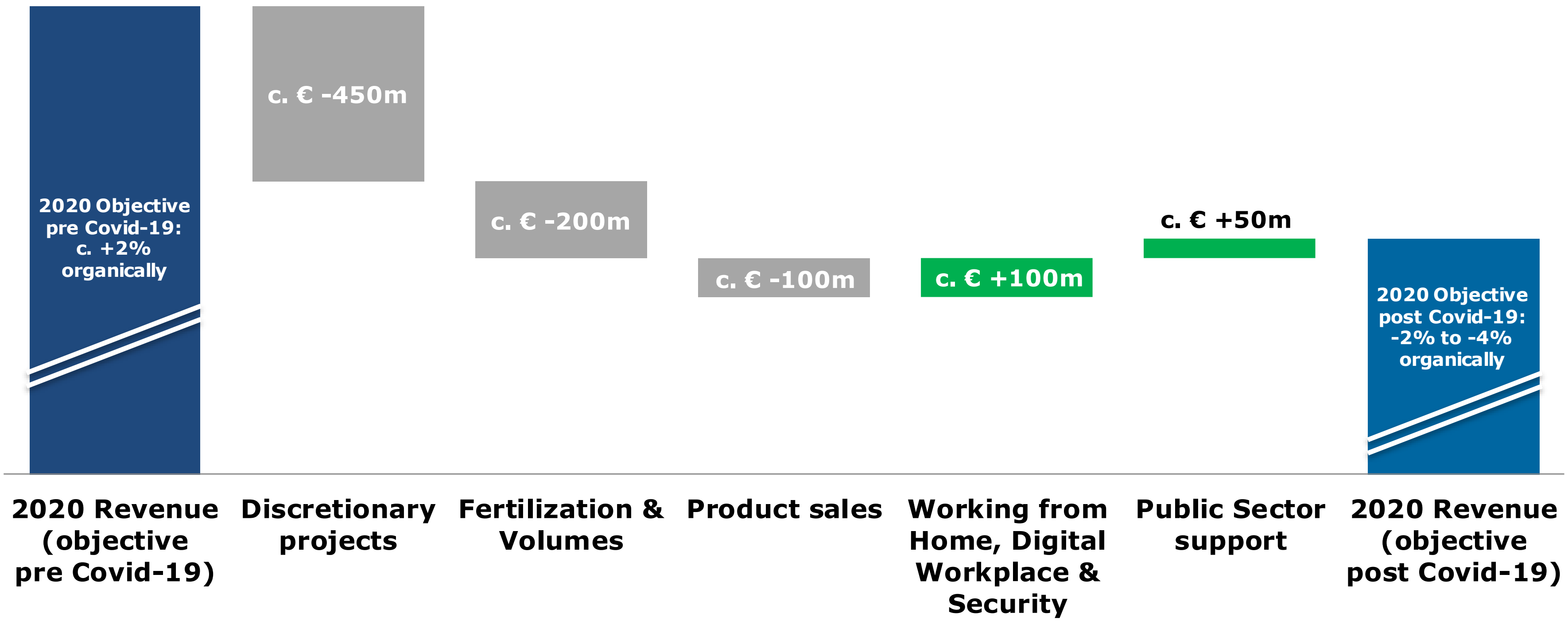
Defined benefit obligation : € 4.5bn end of Q1 2020

- **€ 4.9bn** as of December 31, 2019
- **87%** of deficit does not require funding in the next 15 years

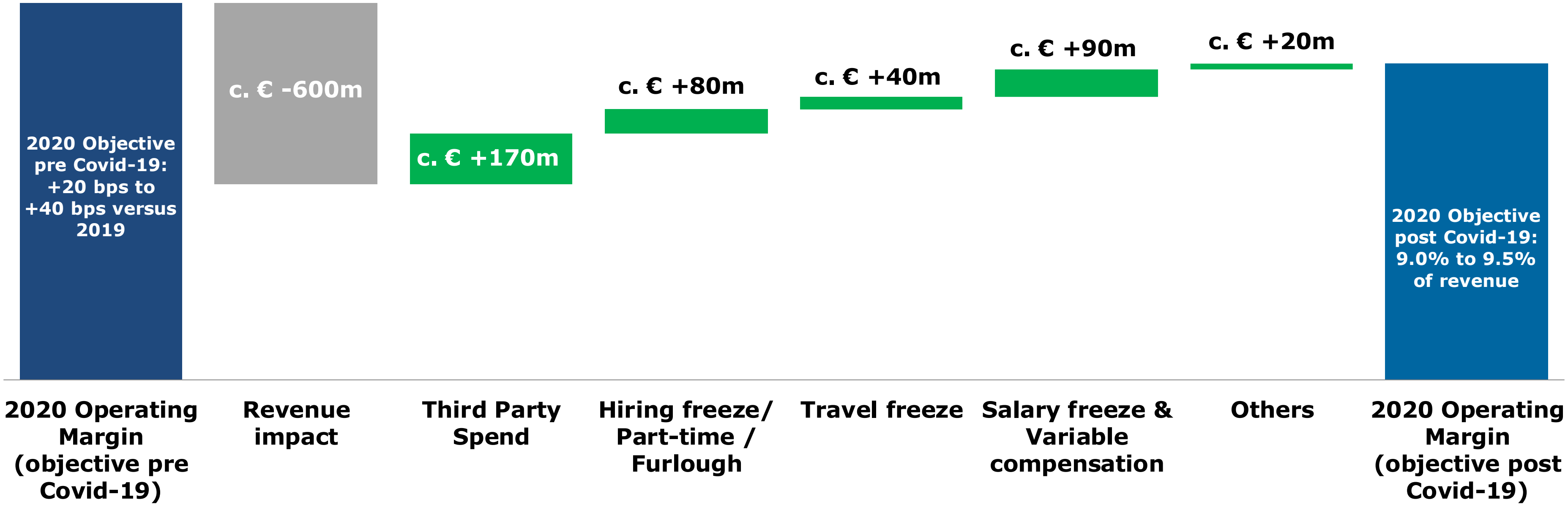


Deficit reduced from € -1.0bn end of 2019 to € -0.9bn end of Q1 2020

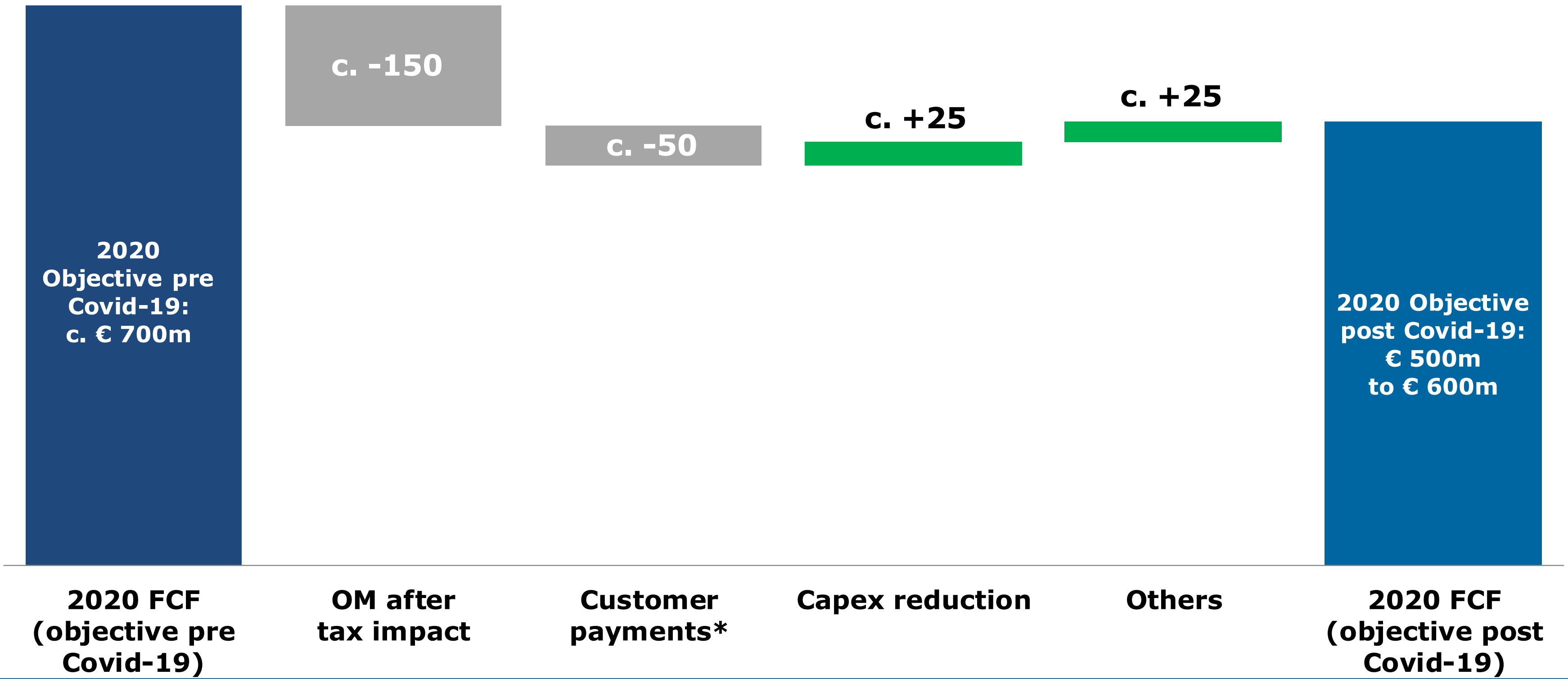
Bridge 2020 Revenue objective



Bridge 2020 Operating Margin objective



Bridge 2020 Free Cash Flow objective



*no change in sales of receivables compared to December 31, 2019, as per objective pre Covid-19

3

Conclusion

Elie Girard

CEO

2020 main priorities

Focus on customer demand post Covid-19

Cost control and Cash management

Roll-out of SPRING as planned

Pursue bolt-on acquisitions

A Group well prepared to go through an unprecedented business situation and fully ready for post Covid-19

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Q&A

Thank you