

Third quarter of 2019

**Revenue at € 2,770 million
+1.8% organically**

Infrastructure & Data Management returned to growth as anticipated

Order entry and cost synergies with Syntel continuing to materialize as planned

**Strong order entry at € 2,775 million led by North America
Book-to-bill ratio at 100%**

All 2019 objectives confirmed

Paris, October 24, 2019. Atos, a global leader in digital transformation, today announces its revenue for the third quarter of 2019.

Thierry Breton, Chairman and CEO said: *"During the third quarter, revenue organic growth continued to improve, reaching 1.8%, with Infrastructure & Data Management returning to growth as we clearly indicated at the beginning of the year. The sales reorganization we operated over the last 12 months in North America resulted in large signatures and solid prospects for the next quarters despite increased volatility in financial services for Business & Platform Solutions business. One year after the acquisition, the synergies with Syntel continue to materialize, in particular with new signatures on both customer bases.*

Once more, Big Data & Cybersecurity delivered a strong revenue growth in all its business segments and in particular in Cybersecurity services and in High Performance Computing. As a leading player in Cybersecurity, we acquired IDnomic to expand the offering in the field of digital identity management and PKI.

I am particularly proud that the corporate social responsibility of Atos has once again been recognized by DJSI and ranked number 1 worldwide in the digital industry as well as awarded "Gold" status by Ecovadis.

All in all, we confirm all 2019 objectives in line with our three-year plan."

Q3 2019 revenue by Division

Revenue was **€ 2,770 million**, up **+1.8% organically**. The improvement compared to the previous quarters (Q1 at +0.4%, Q2 at +1.1%) mainly came from the recovery of Infrastructure & Data Management, which returned to growth as anticipated notably in North America. Business & Platform Solutions revenue decelerated in Q3 due to Financial Services in North America, while sales synergies with Syntel continued to materialize as planned. Big Data & Cybersecurity performed a particularly strong quarter led by Cybersecurity services and High-Performance Computing (HPC).

<i>In € million</i>	Q3 2019	Q3 2018*	Organic evolution
Infrastructure & Data Management	1,533	1,521	+0.8%
Business & Platform Solutions	1,010	1,008	+0.2%
Big Data & Cybersecurity	227	193	+17.6%
Total	2,770	2,722	+1.8%

* At constant scope and exchange rates

Infrastructure & Data Management (IDM) revenue was **€ 1,533 million**, **+0.8% organically**, with strong performance recorded in North America, the United Kingdom & Ireland and Other Business Units, benefiting from new logos and the ramp-up of several large contracts. The Division pursued its business model transformation by increasing the share of revenue in Hybrid Cloud Orchestration and in Transformation Services projects and continued the digital transformation of its main clients through automation and robotization.

Growth materialized in Financial Services, mainly fueled by the ramp-up of the contract with CNA Financial Corporation in North America, and with National Savings & Investments, Aegon and Aviva in the United Kingdom & Ireland. Telcos, Media & Utilities benefitted from the ramp-up of the contract with Scottish Water as well as additional sales with BBC and a major electricity provider in the United Kingdom & Ireland, new logos such as National Grid and Entergy Corporation in North America, and finally from a strong activity recorded in Unified Communication & Collaboration (UCC) in Benelux & The Nordics. In Manufacturing, Retail & Transportation, revenue was impacted by less sales in UCC in Germany. Public sector continued to be impacted by lower volumes and Transition & Transformation phases completed last year in the United Kingdom & Ireland.

Business & Platform Solutions (B&PS) revenue was **€ 1,010 million**, up **+0.2% at constant scope and exchange rates**. The Division continued to leverage on digitalization projects implementation in all geographies and more particularly thanks to the Syntel portfolio offerings. Manufacturing, Retail & Transportation recorded a strong performance, driven by new contracts in Benelux & The Nordics and SAP implementation in Central & Eastern Europe, while Telecom, Media & Utilities was flat over the period. In Public & Health, the Division was impacted by lower volumes in Healthcare activities in North America further to a large migration wave of software. The Division was also impacted by tensions in Financial Services in North America, compensated by the other geographies. Finally, as part of the transfer of legacy contracts to Syntel, the reduction of the number of low margin contracts implemented in H1 2019 impacted the organic revenue growth of the Division.

Revenue in **Big Data & Cybersecurity (BDS)** recorded a **high organic growth of +17.6%**, leading to **€ 227 million** in the third quarter of 2019. Growth was driven by a particularly strong activity in High Performance Computing, largely led by deliveries in Germany and the renewal with Météo France, combined with good performance in Benelux & The Nordics and in Middle East & Africa. Cybersecurity activities were also strong with a double-digit growth, further to contracts won during the first semester in North America and Germany.

Q3 2019 revenue by Business Unit

<i>In € million</i>	Q3 2019	Q3 2018*	Organic evolution
North America	681	687	-0.9%
Germany	520	516	+0.7%
France	388	383	+1.2%
United Kingdom & Ireland	393	389	+1.2%
Benelux & The Nordics	256	242	+5.9%
Other Business Units	531	504	+5.3%
Total	2,770	2,722	+1.8%

* At constant scope and exchange rates

During the third quarter of 2019, revenue grew in most Business Units:

- In North America, Infrastructure & Data Management returned to positive growth as the Group indicated it at the beginning of the year. Indeed, the Division benefited from the base effects of the two contracts not renewed in H1 last year, as well as a successful commercial dynamic further to all the actions implemented in the last 12 months. The situation was more challenging in Business & Platform Solutions, impacted by Healthcare activities and Financial Services;
- Germany was up +0.7% thanks to a strong activity recorded in Big Data & Cybersecurity in particular in High Performance Computing, which has more than compensated lower volumes in Unified Communication & Collaboration. The rest of the business within Infrastructure & Data Management as well as Business & Platform Solutions posted a positive growth over the period;
- France grew by +1.2% fueled in particular by the strong performance in Big Data & Cybersecurity and to a lesser extent in Business & Platform Solutions, both in Public & Health;
- United Kingdom & Ireland posted +1.2% during the quarter. Infrastructure & Data Management grew led by Financial Services thanks to National Savings & Investments, Aegon and Aviva contracts, while the situation was tougher in Public & Health due to less volumes and Transition & Transformation phases completed last year;
- Benelux & The Nordics recorded a growth at +5.9% driven by a good performance in Big Data & Cybersecurity as well as in Business & Platform Solutions, while stabilizing Infrastructure & Data Management;

- “Other Business Units” performed a solid +5.3% organically thanks to a strong performance in the three Divisions and in all geographies more particularly in Central & Eastern Europe, South America, Asia-Pacific and Iberia.

Commercial activity

During the third quarter of 2019, the Group **order entry** reached **€ 2,775 million**, representing a **book to bill ratio** of **100%** compared to 87% achieved over the same period last year.

Several significant new contracts were signed over the period, mainly in Infrastructure & Data Management within Manufacturing, Retail & Transportation sector, notably with a leading healthcare Company in North America, a large chemical Company in Germany, a pharmaceutical Company in Switzerland and an aerospace manufacturer in France. The Division also signed the NG911 contract with the State of California. Business & Platform Solutions signed new contracts with Autobahn in Germany within Public sector. Big Data & Cybersecurity pursued its solid commercial dynamic notably by signing new contracts with Météo France and with a multinational software Corporation in Germany.

Main renewals of the quarter were sitting in North America and Germany in Infrastructure & Data Management mainly within Manufacturing, Retail & Transportation and Financial Services sectors. Business & Platform Solutions managed to renew two important contracts in Utilities and Public sectors.

The **full backlog** at the end of September 2019 amounted to **€ 21,2 billion**, roughly stable compared to end of December 2018 at constant exchange rates, representing **1.9 year of revenue**.

The **full qualified pipeline** was **€ 7.2 billion** at the end of September 2019, representing **7.6 months of revenue**, improving by € 0.3 billion compared to December 2018 at constant exchange rates.

Settlement agreement signed with a telecom operator in Germany

AtoS signed a settlement agreement early October 2019 with a telecom operator in Germany, with whom the Company was in a long-lasting dispute and had entered into an arbitration process. The settlement closes all claims in both directions and therefore the arbitration process. It also defines the way forward and both parties agreed to pursue a trusted relationship in the future to avoid any further disputes. As a consequence of this settlement, AtoS will be impacted by circa €-20 million recorded in other operating income and expenses this year, but with no cash impact and no more losses on the contract going forward (the contract is due to end in June 2021).

Human resources

The total headcount was **107,543** at the end of September 2019, slightly down compared to **108,851** at the end of June 2019.

In the third quarter of 2019, the Group hired 4,221 staff, mainly in low cost countries such as India, Poland, Romania, and Philippines, as well as in the United States, the United Kingdom and France to adapt to new offerings, to fulfill new contracts and to compensate attrition.

The Group continued to decrease the number of staff in order to accompany and anticipate the effect from automation and robotization both in Infrastructure & Data Management and in Business & Platform Solutions.

Attrition rate was 15.8% at Group level, of which 21.0% in offshore countries.

2019 objectives

The Group confirms all its objectives for 2019:

- **Revenue organic growth:** +1% to +2%.
- **Operating margin:** circa 10.5% of revenue.
- **Free cash flow:** between € 0.6 and € 0.7 billion.

Appendix

Revenue at constant scope and exchange rates reconciliation

<i>In € million</i>	Q3 2019	Q3 2018	% change
Statutory revenue	2,770	2,884	-4.0%
Exchange rates effect		11	
Revenue at constant exchange rates	2,770	2,895	-4.3%
Scope effect		-181	
Exchange rates effect on acquired/disposed perimeters		8	
Revenue at constant scope and exchange rates	2,770	2,722	+1.8%

The scope effect mostly related to the restatement linked to the deconsolidation of Worldline, the acquisition of Syntel, the disposal of some specific Unified Communication & Collaboration activities as well as former ITO activities in the United Kingdom, and the disposal and decommissioning of non-strategic activities within CVC.

The exchange rates effect positively contributed to revenue for €+19 million mainly coming from the US dollar which has more than compensated the depreciation of the British pound.

Q3 2019 revenue performance by Market

<i>In € million</i>	Q3 2019	Q3 2018*	Organic evolution
Manufacturing, Retail & Transportation	994	993	+0.1%
Public & Health	793	819	-3.2%
Financial Services	519	471	+10.2%
Telcos, Media & Utilities	464	438	+5.8%
Total	2,770	2,722	+1.8%

* At constant scope and exchange rates

9M YTD 2019 revenue performance by Division, Business Unit, and Market

<i>In € million</i>	9M 2019	9M 2018*	Organic evolution
Infrastructure & Data Management	4,670	4,714	-0.9%
Business & Platform Solutions	3,145	3,095	+1.6%
Big Data & Cybersecurity	700	614	+14.0%
Total	8,514	8,423	+1.1%

* At constant scope and exchange rates

<i>In € million</i>	9M 2019	9M 2018*	Organic evolution
North America	2,026	2,108	-3.9%
Germany	1,594	1,568	+1.7%
France	1,274	1,231	+3.6%
United Kingdom & Ireland	1,236	1,249	-1.0%
Benelux & The Nordics	780	752	+3.7%
Other Business Units	1,604	1,516	+5.8%
Total	8,514	8,423	+1.1%

* At constant scope and exchange rates

<i>In € million</i>	9M 2019	9M 2018*	Organic evolution
Manufacturing, Retail & Transportation	3,057	3,051	+0.2%
Public & Health	2,480	2,532	-2.0%
Financial Services	1,614	1,498	+7.7%
Telcos, Media & Utilities	1,363	1,342	+1.5%
Total	8,514	8,423	+1.1%

* At constant scope and exchange rates

Conference call

Today, Thursday October 24, 2019, the Group will hold a **conference call** in English at 08:00 am (CET - Paris), chaired by Thierry Breton, Chairman and CEO, in order to comment on Atos' third quarter 2019 revenue and answer questions from the financial community.

You can join the **webcast** of the conference:

- on atos.net, in the Investors section
- by smartphones or tablets through the scan of:
- by telephone with the dial-in, 5-10 minutes prior the starting time:

○ France	+33 1 76 70 07 94	code 3195846
○ Germany	+49 69 2443 7351	code 3195846
○ UK	+44 844 571 8892	code 3195846
○ US	+1 631 510 7495	code 3195846
○ Other countries	+44 2071 928000	code 3195846



After the conference, a replay of the webcast will be available on atos.net, in the Investors section.

Forthcoming events

February 19, 2020	Full Year 2019 results
April 22, 2020	First quarter 2020 revenue
May 14, 2020	Annual General Meeting
July 22, 2020	First semester 2020 results

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About Atos

Atos is a global leader in digital transformation with c. 110,000 employees in 73 countries and annual revenue of over € 11 billion. European number one in Cloud, Cybersecurity and High-Performance Computing, the Group provides end-to-end Orchestrated Hybrid Cloud, Big Data, Business Applications and Digital Workplace solutions. The group is the Worldwide Information Technology Partner for the Olympic & Paralympic Games and operates under the brands Atos, Atos Syntel, and Unify. Atos is a SE (Societas Europaea), listed on the CAC40 Paris stock index.

The purpose of Atos is to help design the future of the information technology space. Its expertise and services support the development of knowledge, education as well as multicultural and pluralistic approaches to research that contribute to scientific and technological excellence. Across the world, the group enables its customers, employees and collaborators, and members of societies at large to live, work and develop sustainably and confidently in the information technology space.

Disclaimers

This document contains forward-looking statements that involve risks and uncertainties, including references, concerning the Group's expected growth and profitability in the future which may significantly impact the expected performance indicated in the forward-looking statements. These risks and uncertainties are linked to factors out of the control of the Company and not precisely estimated, such as market conditions or competitors behaviors. Any forward-looking statements made in this document are statements about Atos' beliefs and expectations and should be evaluated as such. Forward-looking statements include statements that may relate to Atos' plans, objectives, strategies, goals, future events, future revenues or synergies, or performance, and other information that is not historical information. Actual events or results may differ from those described in this document due to a number of risks and uncertainties that are described within the 2018 Registration Document filed with the Autorité des Marchés Financiers (AMF) on February 22, 2019 under the registration number: D.19-0072 and the 2018 Universal Registration Document filed with the AMF on July 30, 2019 under number D.19-0728. Atos does not undertake, and specifically disclaims, any obligation or responsibility to update or amend any of the information above except as otherwise required by law. This document does not contain or constitute an offer of Atos' shares for sale or an invitation or inducement to invest in Atos' shares in France, the United States of America or any other jurisdiction.

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.