2015 annual results

February 24, 2016

-

Bezons

Trusted partner for your **Digital Journey**

Atos

Disclaimer

- 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 2014 Registration Document filed with the Autorité des Marchés Financiers (AMF) on April 1st , 2015 under the registration number: D15-0277 and its update filed with the Autorité des Marchés Financiers (AMF) on August 7, 2015 under the registration number: D. 15-0277-A01. 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 **Germany**, **France**, **United-Kingdom & Ireland**, **Benelux & The Nordics** (BTN: The Netherlands, Belgium, Luxembourg, Denmark, Finland, Sweden, and Estonia), **Worldline**, **North America** (USA and Canada), and **Other Business Units** including Central & Eastern Europe (CEE: Austria, Bulgaria, Croatia, Cyprus, Czech Republic, Greece, Hungary, Italy, Lithuania, Poland, Romania, Russia, Serbia, Slovakia, Slovenia, Switzerland and Turkey), Iberia (Spain, Portugal, and Andorra), Asia-Pacific (Australia, China, Hong Kong, Indonesia, Japan, Korea, Malaysia, New Zealand, Philippines, Singapore, Taiwan and Thailand), Latin America (Brazil, Argentina, Mexico, Colombia, Chile, Guatemala, Jamaica, Peru, and Uruguay), India, Middle East & Africa (IMEA: Algeria, Benin, Burkina Faso, Egypt, Gabon, Israel, India, Ivory Coast, Lebanon, Madagascar, Mali, Mauritius, Morocco, Qatar, Saudi Arabia, Senegal, South Africa and UAE), Major Events, and Cloud & Enterprise Software.

Agenda

1. Highlights, objectives & strategy
2. Commercial activity
3. Operational & financial performance
4. Conclusion and Q&A session

Highlights, objectives & strategy

Thierry Breton
Chairman & CEO

2015 key figures

Revenue
€10,686m
+18% year-on-year
+0.4% organically

Order entry
€11.2bn
+23% year-on-year

Book to bill
105%
118% book to bill in Q4

Operating margin
€884m
+26% year-on-year

Operating margin rate
8.3%
+120bps at constant scope and exchange rates

Total number of employees
91,322
before c. 5,600 staff joining from Unify

Net income Group share
€406m
+53% year-on-year

Free cash flow
€450m
+23% year-on-year

Net cash position
€593m
before acquisition of Unify

2015 commitments reached

2015 objectives	2015 achievements
Revenue: The Group targets a **positive revenue organic growth**	**+0.4% revenue organic growth at € 10,686 million** √
Operating margin: The Group has the objective to improve its operating margin rate targeting **8.0% to 8.5% of revenue**	**8.3% of revenue** √
Free cash flow: The Group expects to generate a free cash flow of **circa € 420 million**	**€ 450 million** √

2016 objectives: Significant further improvements compared to 2015

2016 objectives:

- **Revenue:** to continue to improve organic growth compared to 2015. Objective of a revenue growth at constant exchange rates above +8%.
- **Operating margin:** between 9.0% and 9.5% of revenue*
- **Free cash flow:** circa € 550 million**

The figures above include Unify Managed Services from February 1st, 2016 and exclude Equens contribution.
** excluding the amortization of equity based compensation plans representing circa 30 basis points in 2015 and 2016e*
*** excluding proceeds from equity based compensation which represented € 57 million in 2015 and circa € 50 million in 2016e*

Driving growth and profitability

**A Tier One asset built year after year:
Managed Services, Infrastructure & Data**

Managed Services, Infrastructure & Data is the area concentrating most of the innovation acceleration in the IT Services industry

Atos is ahead of the technological waves seizing all the required skills to be the trusted partner for the digital transformation of its clients

A strategy already materializing in a 2015 strong performance and an even better one in 2016

Automation driving the IT Services business

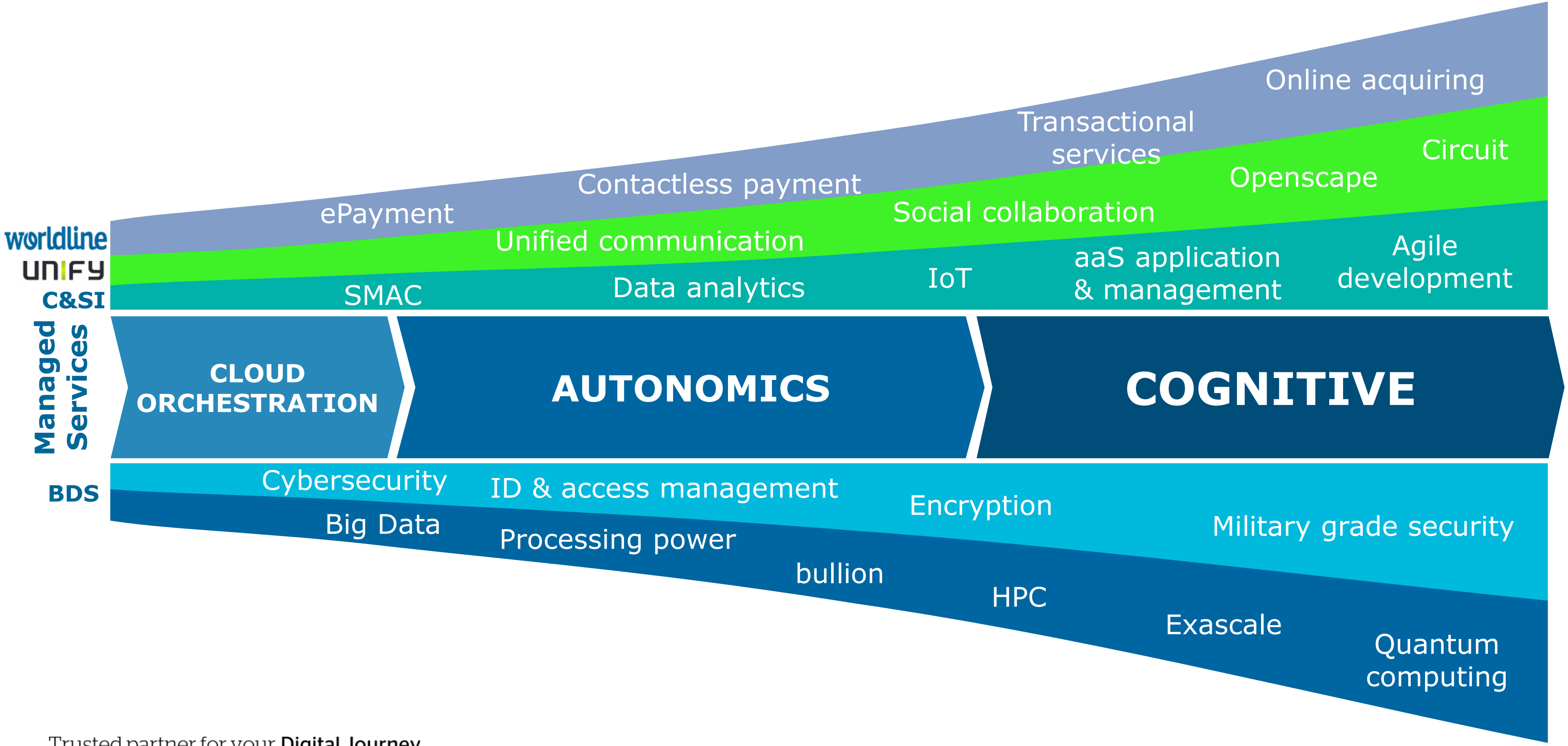




CLOUD ORCHESTRATION → **AUTONOMICS** → **COGNITIVE**

Orchestrated Automation → Robotic Process Automation → Intelligent Automation → Cognitive Automation → Artificial Intelligence

Atos fully geared to drive digital transformation



Enhancing group most valuable asset: people

Recruit Top graduates digital natives

12,000 fresh out and Top Universities graduate talents

3,200+ Interns/ apprentices joined Atos in 2015 (**+60%** vs. 2014), 50% recruited

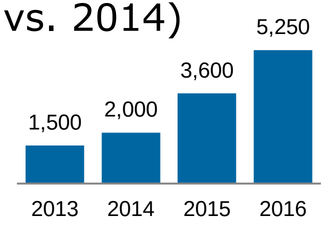
20%+ from 90 Tier One Universities worldwide

HARVARD BUSINESS SCHOOL · l'X ÉCOLE POLYTECHNIQUE · TUM TECHNISCHE UNIVERSITÄT MÜNCHEN · iiit Indian Institute Of Information Technology

Build the digital competences to support growth

8,000+ certifications on critical skills & competences

3,600 related to Digital (**+75%** vs. 2014)



7,300 business technologists used self e-learning courses

Enhance passion for Technology and Innovation

400 critical digital experts

100% Individual Development Plan for Talents

Worldwide IT challenge (**34** universities, **300** students)

120 digital experts in Atos Elite Talent Group programs

Commercial activity

Patrick Adiba

Executive Vice President & Chief Commercial Officer

Commercial activity dashboard

Order entry

€11.2bn

+23% year-on-year

Book to bill ratio

105%

118% in Q4

Backlog

€19.1bn

1.7 years of revenue

Qualified pipeline

€6.2bn

6.6 months of revenue

Top accounts: 200 Atos' largest clients

66%	**42%**	**20%**
Of Atos revenue	**Of the Global 500**	**of the US Fortune 500**
+20%	**+5%**	**46%**
Number of clients>€100m	**Top accounts revenue growth**	**Win rate** *+5 points year-on-year*

Cross-selling through end-to-end offerings focused on large clients

End-to-end infrastructure	End-to-end SAP Hana	End-to-end Data analytics	End-to-end SIAM
SIEMENS	SIEMENS	SIEMENS	SIEMENS
Rio2016	Leading insurance company	Rio2016	Rio2016
DCNS	EDF	John Deere	Metropolitan Police
enel	SANOFI		Nokia Siemens Networks
Largest European telco operator	Large aircraft manufacturer	vivo	Ministry of Justice

worldline
unify
C&SI
Managed Services
BDS

Online acquiring
Circuit
Agile development
Quantum computing

Clients testimonials

Anne Bulford, CFO of BBC: *"Atos have been a technology partner for the BBC for over ten years. Throughout that period Atos have demonstrated an ability to adapt and change with the BBC through evolution of our technology whilst maintaining critical operational services. With the BBC entering a new period of change and technology evolution, **Atos remain a key enabler and partner**"*

Chris Naylor, Director of Digital Policing at Metropolitan Police Services: *"This contract award signals a change in the way we deliver ICT for the MPS. […] **Atos brings a wealth experience in managing the SIAM Towers model and will be our partners in managing the ICT infrastructure.**"*

Joe Kaeser, Chief Executive Officer of Siemens: *"This partnership forms one of the largest strategic relationships ever between a global engineering company and a global IT provider. The value of our combined strength enables our customers **to take full advantage of the next wave of industrial IT** in order to maintain competitiveness and deliver outstanding services."*

Laurent IDRAC, CIO of AccorHotels: *"**Atos demonstrated a solid understanding of our business needs** and presented solutions that offer the flexibility, quality and security we require in a fast moving marketplace. We are confident that by working together we can further improve the experience for all our hotel guests."*

Operational & financial performance

Elie Girard

Group CFO

Constant scope and exchange rates figures reconciliation

In € million	**FY 2015**	**FY 2014**	***% change***
Statutory revenue	10,686	9,051	*+18.1%*
Scope effect		1,223	
Exchange rates effect		373	
Revenue at constant scope and exchange rates	**10,686**	**10,648**	***+0.4%***
Operating margin	883.7	701.9	*+25.9%*
Scope effect		9.0	
Exchange rates effect		45.1	
Operating margin at constant scope and exchange rates	**883.7**	**756.0**	***+16.9%***
as % of revenue	*8.3%*	*7.1%*	

- **Scope effect** mainly related to Bull and Xerox ITO.
- **Exchange rates effect** mainly coming from the British pound, the US dollar, and the Swiss Franc.

2015 performance by Service Line

- **Positive growth reached every quarter over the year**
- **Strong margin improvement, expansion of €+128 million like for like of which €+97 million in the second half**

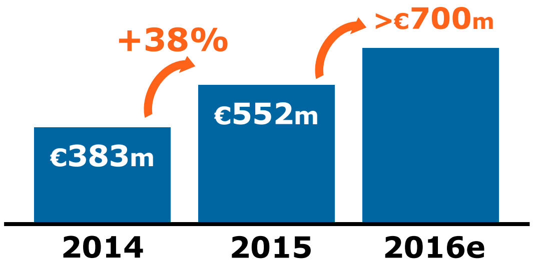
	Revenue				Operating margin		Operating margin %	
In € million	**FY 2015**	**FY 2014***	***% organic***	***% yoy***	**FY 2015**	**FY 2014***	***FY 2015***	***FY 2014****
Managed Services	5,658	5,634	*+0.4%*	*+23.6%*	501.8	425.5	*8.9%*	*7.6%*
Consulting & Systems Integration	3,255	3,328	*-2.2%*	*+3.8%*	207.2	200.7	*6.4%*	*6.0%*
Big Data & Cybersecurity	597	562	*+6.2%*	*+149.0%*	102.5	77.3	*17.2%*	*13.8%*
Corporate costs**					-102.7	-121.1	*-1.1%*	*-1.3%*
Worldline	1,176	1,124	*+4.7%*	*+7.1%*	174.9	173.7	*14.9%*	*15.5%*
TOTAL GROUP	**10,686**	**10,648**	***+0.4%***	***+18.1%***	**883.7**	**756.0**	***8.3%***	***7.1%***

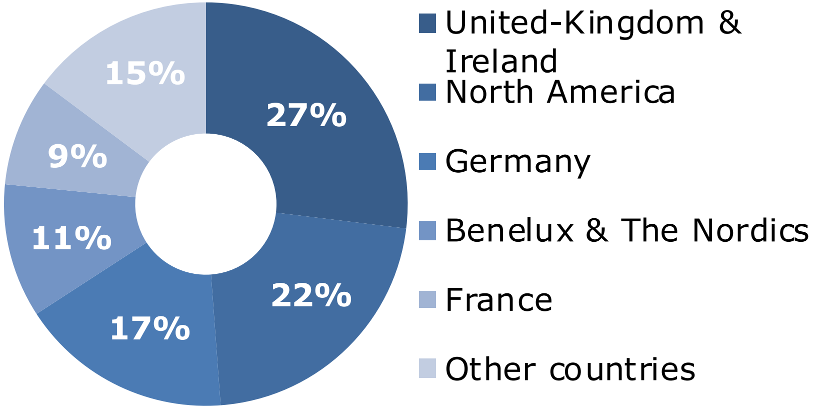
** At constant scope and exchange rates*

*** Corporate costs exclude Global Service Lines costs allocated to the Service Lines*

Managed Services

- **Successful transition to hybrid cloud infrastructure of large Managed Services clients**
- **41,361 direct staff at the end of 2015**
- **Steady growth in Cloud**





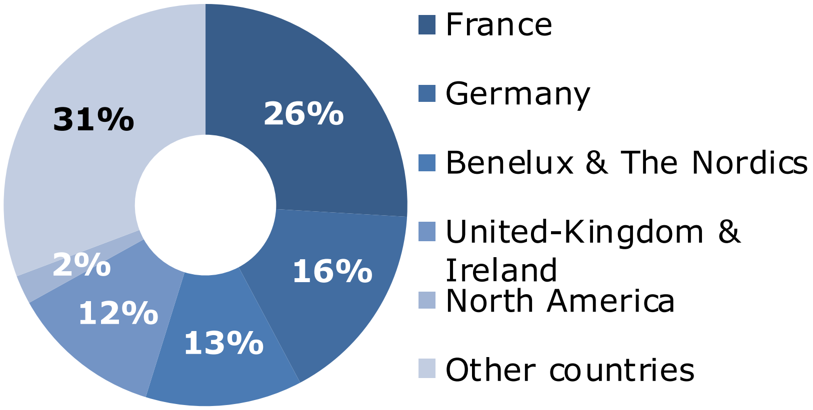
In € million	**FY 2015**	**FY 2014***	***% organic***
Revenue	5,658	5,634	*+0.4%*
Operating margin	501.8	425.5	
Operating margin rate	*8.9%*	*7.6%*	

** At constant scope and exchange rates*

Consulting & Systems Integration

- **New sales dynamics in Consulting & Systems Integration**
  - 133% book-to-bill in Q4: supporting the planned return to growth in 2016
  - resilient Operating Margin

- **33,710 direct staff at the end of 2015**

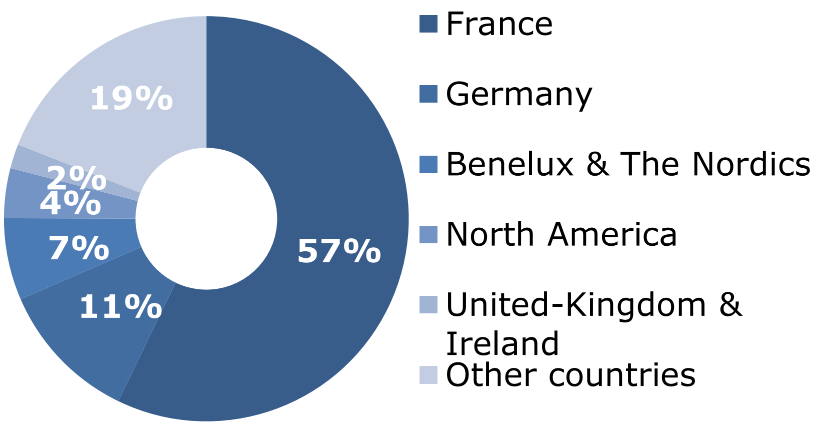


In € million	FY 2015	FY 2014*	*% organic*
Revenue	3,255	3,328	*-2.2%*
Operating margin	207.2	200.7	
Operating margin rate	*6.4%*	*6.0%*	

** At constant scope and exchange rates*

Big Data & Cybersecurity

- **Successful combination with Bull:**
  - Very strong demand for innovative solutions from Atos' customers
  - Solid operating margin increase from synergies
- **3,385 direct staff at the end of 2015**

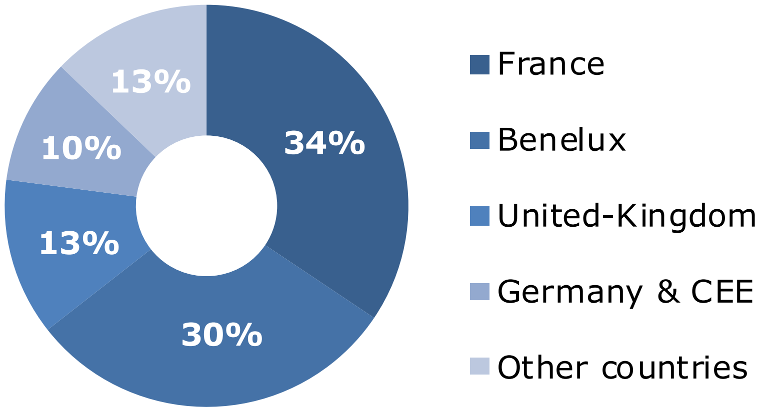


In € million	**FY 2015**	**FY 2014***	***% organic***
Revenue	597	562	*+6.2%*
Operating margin	102.5	77.3	
Operating margin rate	*17.2%*	*13.8%*	

** At constant scope and exchange rates*

Worldline

- **Worldline continued revenue growth contributed by all Business Lines**
- **6,750 direct staff at the end of 2015**



In € million	**FY 2015**	**FY 2014***	***% organic***
Revenue	1,176	1,124	*+4.7%*
Operating margin	174.9	173.7	
Operating margin rate	*14.9%*	*15.5%*	

** At constant scope and exchange rates*

2015 performance by Business Unit

- **UK, France, Other Business Units, and Worldline growing over the year**
- **Germany, North America, Benelux & The Nordics back to growth or stability in Q4**
- **Strong operating margin improvement in most of the countries**

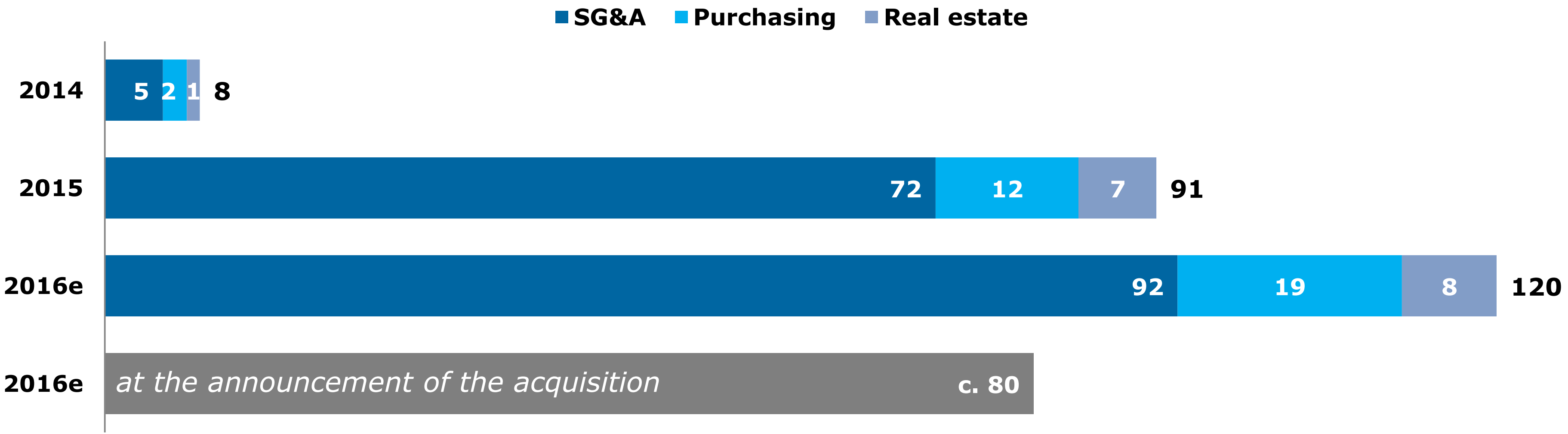
	Revenue				Operating margin		Operating margin %	
In € million	**FY 2015**	**FY 2014***	***% organic***	***% yoy***	**FY 2015**	**FY 2014***	***FY 2015***	***FY 2014****
United-Kingdom & Ireland	1,930	1,829	*+5.5%*	*+13.1%*	213.5	159.1	*11.1%*	*8.7%*
France	1,674	1,665	*+0.6%*	*+28.3%*	102.3	53.2	*6.1%*	*3.2%*
Germany	1,560	1,636	*-4.6%*	*-1.7%*	118.2	109.9	*7.6%*	*6.7%*
North America	1,338	1,365	*-2.0%*	*+124.1%*	140.5	100.4	*10.5%*	*7.4%*
Benelux & The Nordics	1,055	1,098	*-3.9%*	*+1.7%*	97.9	125.4	*9.3%*	*11.4%*
Other Business Units	1,951	1,931	*+1.0%*	*+13.5%*	142.0	153.3	*7.3%*	*7.9%*
Global structures**					-103.5	-118.8	*-1.1%*	*-1.2%*
Worldline	1,176	1,124	*+4.7%*	*+7.1%*	174.9	173.7	*14.9%*	*15.5%*
TOTAL GROUP	**10,686**	**10,648**	***+0.4%***	***+18.1%***	**885.7**	**756.0**	***8.3%***	***7.1%***

** At constant scope and exchange rates*

*** Global structures include the Global Services Lines costs not allocated to the Group Business Unit and Corporate costs*

Overachievement of synergies

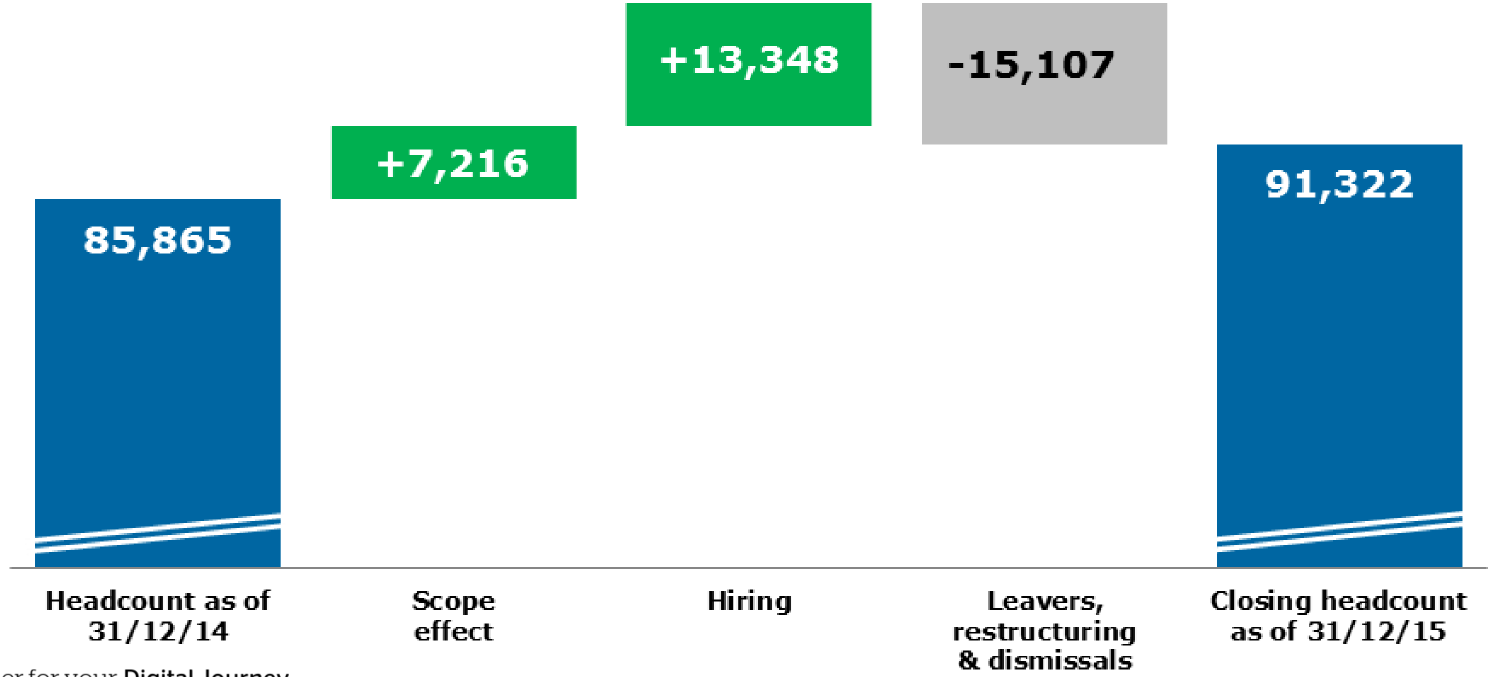
- Rigorous integration leading to Bull cost synergies generation above initial expectations



Same team, same methodologies, same processes and projects already implemented

2015 headcount evolution

- **At constant scope, staff decreased by 1,700 (1,300 indirect)**
- **As of February 1st this year, 5 600 staff joined the company from Unify**

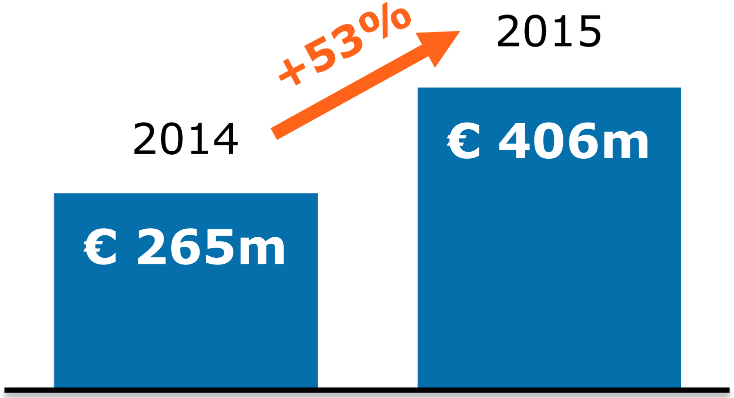


Income statement

In € million	**2015**	**2014**
Revenue	**10,686**	**9,051**
Operating margin	**883.7**	**701.9**
% revenue	*8.3%*	*7.8%*
Reorganization, Rationalisation, Integration & acquisition costs	-189.9	-171.2
Amortization of intangible assets (PPA from acquisitions)	-72.0	-50.7
Others	-32.5	-39.7
Operating income	**589.3**	**440.3**
Net financial expenses	-45.2	-51.6
Income tax expenses	-109.7	-104.1
Effective tax rate	*20.2%*	*26.8%*
Non-controlling interests & associates	-28.2	-19.4
Net income Group share	**406.2**	**265.2**
Basic EPS Group share	€ 4.01	€ 2.67
Diluted EPS Group share	€ 3.98	€ 2.64

Net Income Group share evolution

Well on the way to double net income in 2016 vs. 2014



Diluted EPS Group share: **€ 2.64** → **€ 3.98**

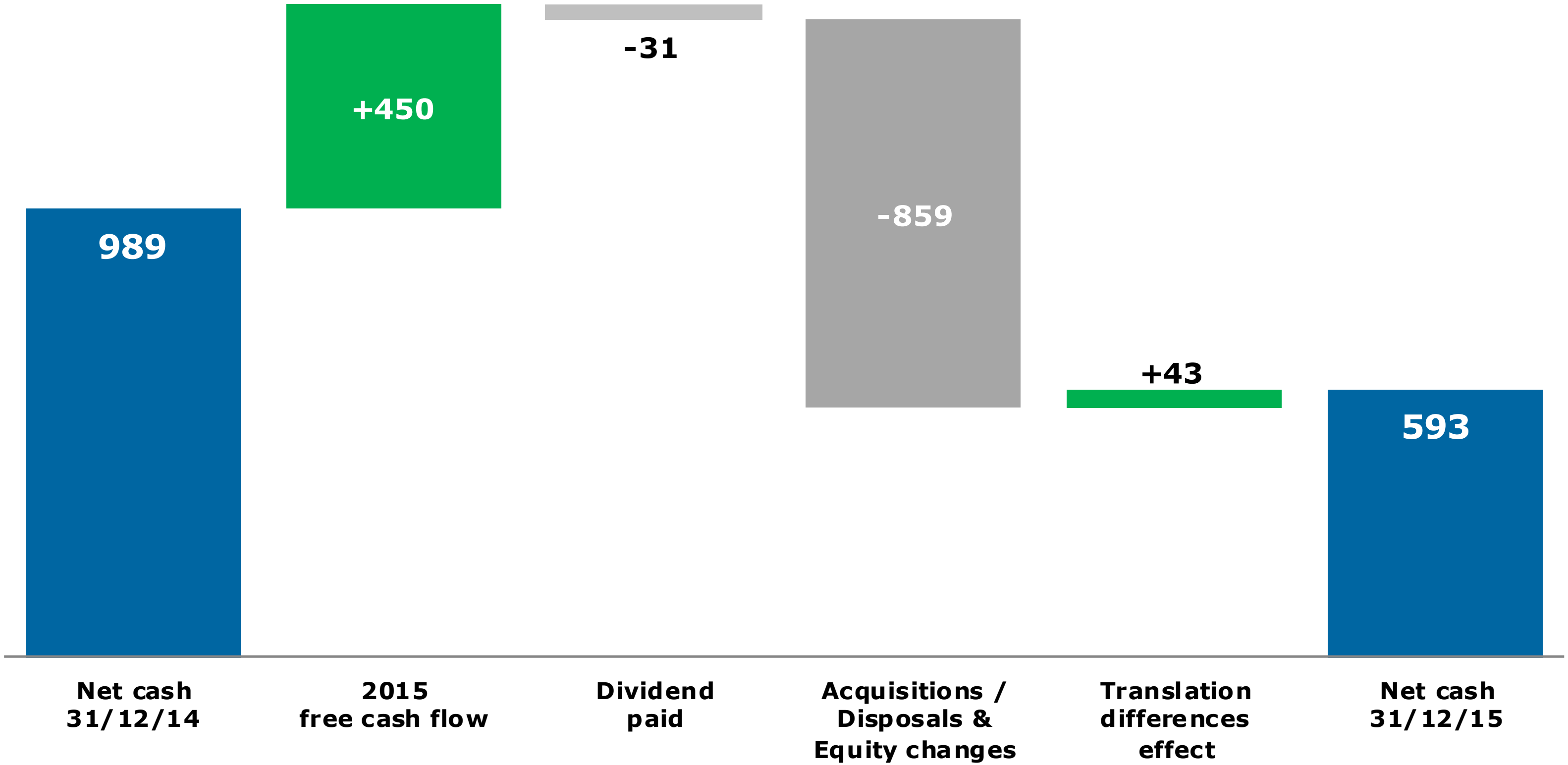
+51%

Cash flow statement

In € million	**2015**	**2014**
OMDA*	**1,200.4**	**919.4**
Capital Expenditures	-441.0	-354.1
Change in working capital requirement	48.8	104.6
Cash flow from operations	**808.2**	**669.9**
Reorganisation, Rationalisation & Integration	-238.3	-192.4
Taxes paid	-105.5	-119.7
Net costs of financial debt paid	-17.4	-15.3
Others	3.3	24.6
Free cash flow	**450.3**	**367.1**
Net material (acquistions) / disposals	-859.8	-341.5
Capital increase / (decrease)	1.2	288.4
Share buy-back	-	-234.5
Dividends paid to shareholders	-30.7	-38.3
Change in net debt	**-439.0**	**41.2**
Impact of foreign exchange rate fluctuation	43.0	42.5
Opening net cash	**989.1**	**905.4**
Closing net cash	**593.1**	**989.1**

** Operating Margin before Depreciation and Amortization*

Net cash evolution

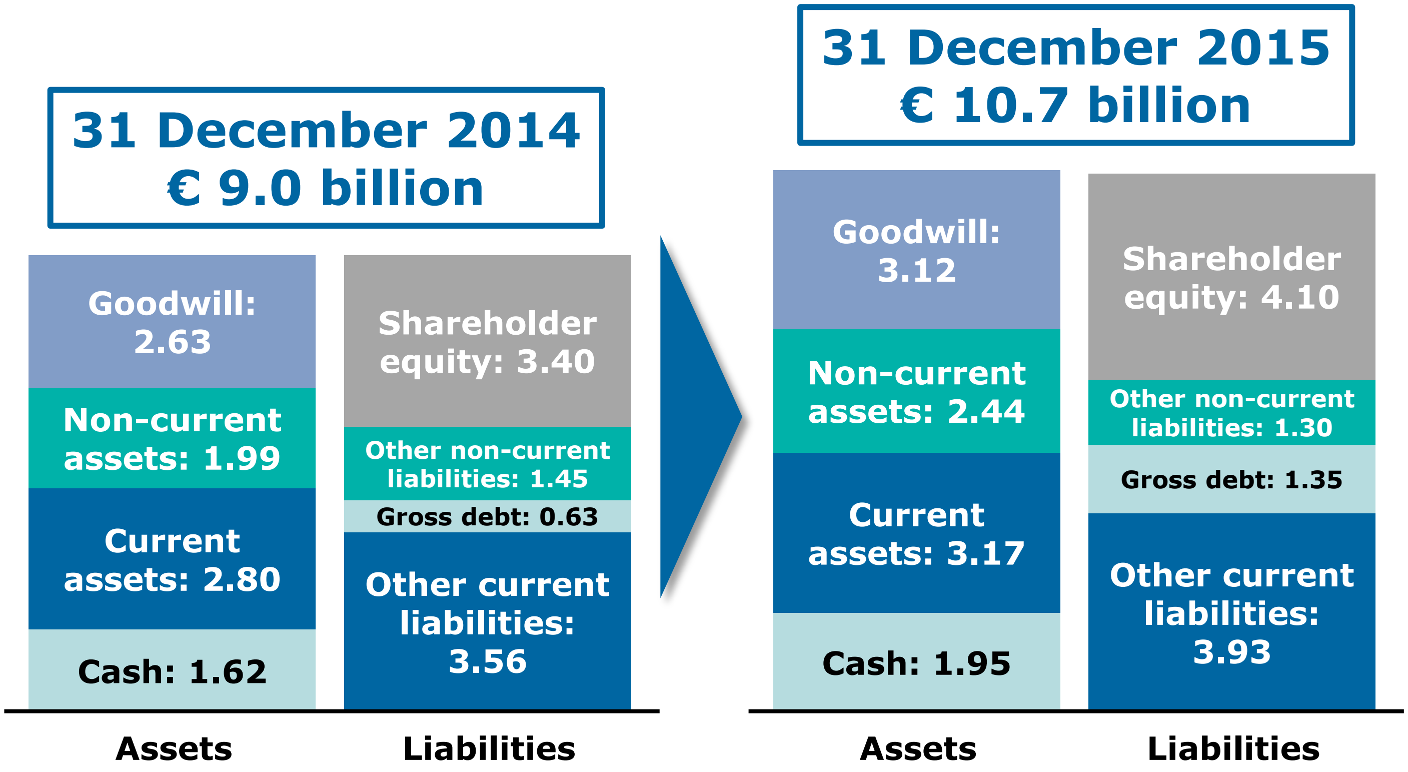


Continuous optimization of defined benefit pension schemes materializing in H2 2015

1. **Completion of UK pension plan amendments. Circa € 36 million net positive effect in operating margin of H2 pension actions**
2. **Annual cash-out reduced by c. 20% compared to the average 2011-2014**
3. **Pension deficit reduced by c. €-130 million in 2015, half from pension action, and half from interest rates increase**

Significant reduction of operating margin one-off in 2016e
No expected additional funding from Unify

Simplified balance sheet



- ▶ Shareholder equity +20%
- ▶ Gross debt now including €600m straight bond
- ▶ Net pension provision: €1.0bn

→ **Solid financial structure**

→ **Capacity for further development**

Free cash flow and operating margin new definitions

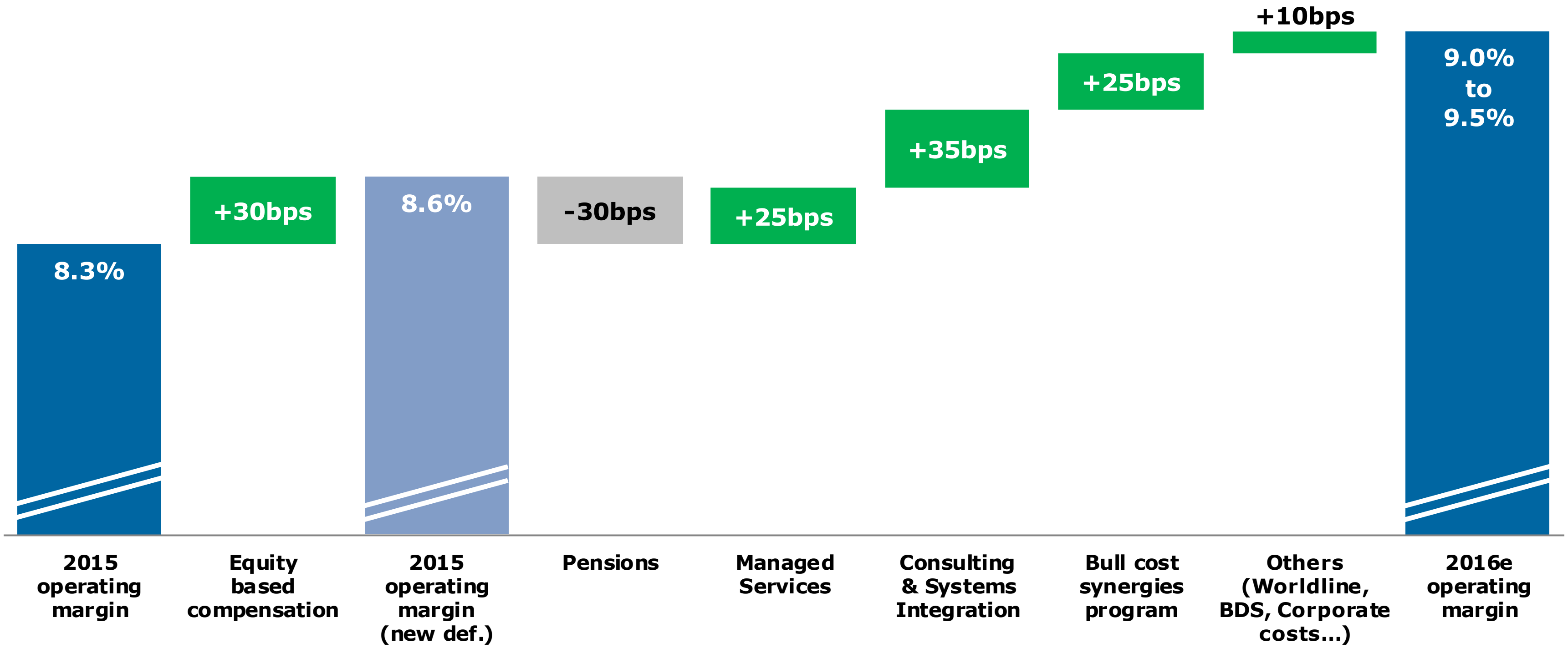
Objective: to exclude equity based compensation effects on the performance

	2013	2014	2015
Free cash flow (former definition)	365	367	450
Proceeds from equity based compensation	98	74	57
Free cash flow (new definition)	**267**	**293**	**393**

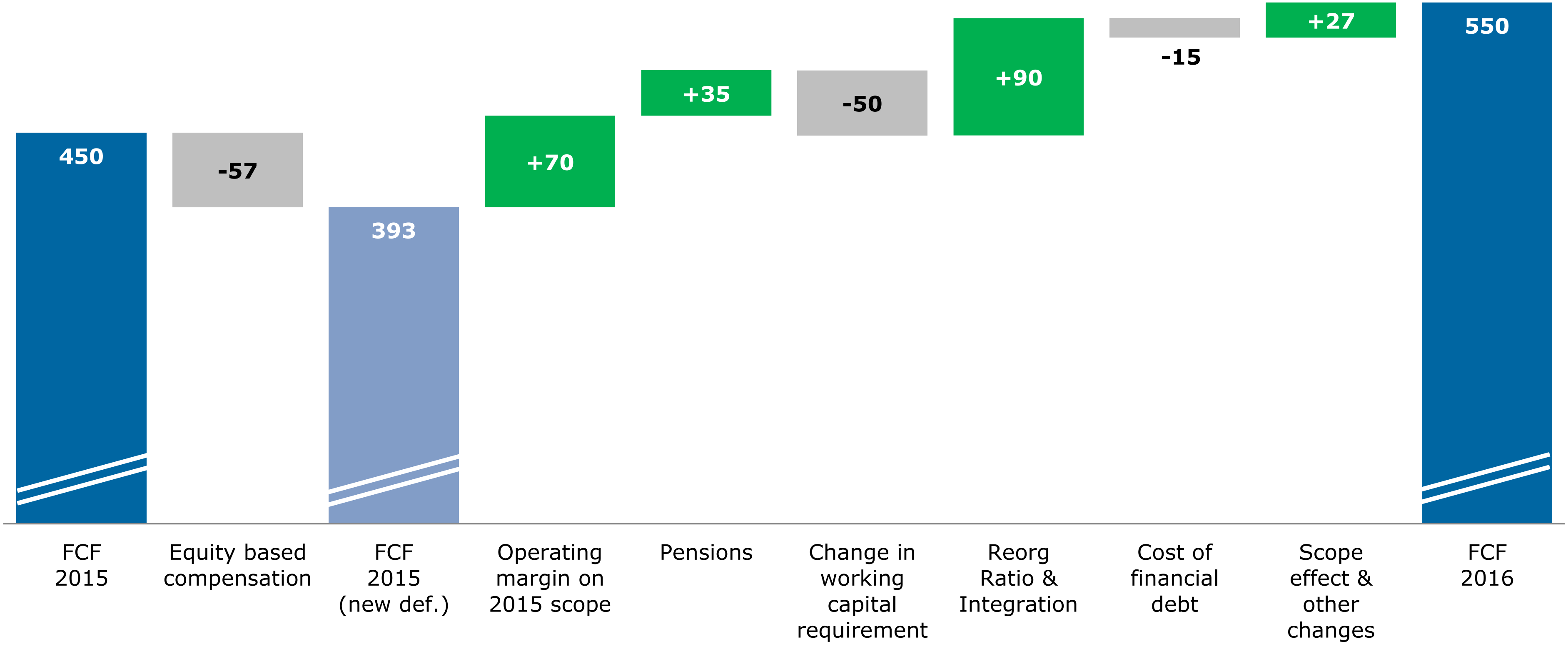
	2013	2014	2015
Revenue	8,615	9,051	10,686
Operating margin (former definition)	645.2	701.9	883.7
as a % of revenue	*7.5%*	*7.8%*	*8.3%*
Amortization of equity based compensation plans	16.7	22.7	33.3
Operating margin (new definition)	**661.9**	**724.6**	**917.0**
as a % of revenue	*7.7%*	*8.0%*	*8.6%*

2016 estimates: € 50 million in FCF and c. 30 basis points in operating margin

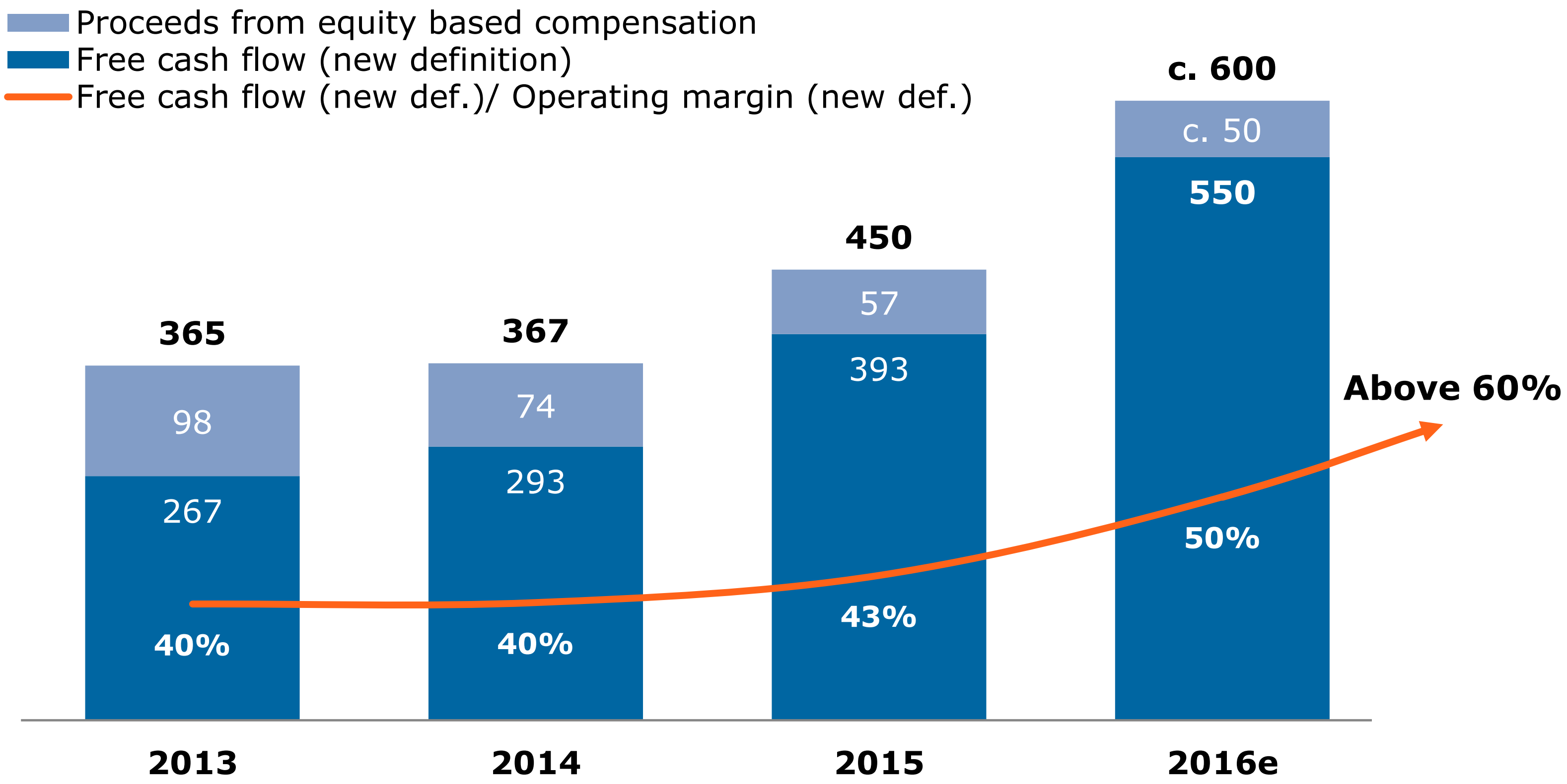
2015 to 2016 operating margin bridge



2015 to 2016 free cash flow bridge



Cash conversion



Conclusion

Thierry Breton
Chairman & CEO

A solid business model built year after year

A recurring revenue base…

c. **75**% of revenue generated through multi-year contracts

…and a low exposure to macro volatility…

c. **3**% of revenue exposed to the Oil & Gas sector
c. **17**% of revenue exposed to the banking sector
c. **6**% of revenue exposed to emerging countries

…enabling a resilient business model, revenue growth, increasing profitability and cash

Based on 2015 pro forma revenue including full year estimated contributions of all announced acquisitions

2016 priorities

1 To leverage our Managed Services backbone to enhance all our activities

2 To reinforce the trusted relationship with our top accounts by cross-selling in all our Service Lines

3 To pursue expansion on selected businesses and geographies

Future profitable growth

Analyst Day to be held in Q4 2016 to present:

Atos 2020 strategic plan

Questions & Answers

Thank you