

H1 2017 results

Bezons
July 26, 2017

Trusted partner for your Digital Journey

The Atos logo is displayed in white on a blue background. It features the word "Atos" in a bold, sans-serif font. The letter "o" is stylized with a circular cutout in the center.

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 2016 Registration Document filed with the Autorité des Marchés Financiers (AMF) on March 30, 2017 under the registration number: D.17-0274. 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** (NAM: USA, Canada, and Mexico), **Germany, United-Kingdom & Ireland, France, Benelux & The Nordics** (BTN: Belgium, Denmark, Estonia, Finland, Lithuania, Luxembourg, The Netherlands, Poland, Russia, and Sweden), **Worldline**, and **Other Business Units** including Central & Eastern Europe (CEE: Austria, Bulgaria, Croatia, Czech Republic, Greece, Hungary, Italy, Romania, Serbia, Slovakia, and Switzerland), Iberia (Spain and Portugal), Asia-Pacific (APAC: Australia, China, Hong Kong, India, Indonesia, Japan, Malaysia, New Zealand, Philippines, Singapore, Taiwan, and Thailand), South America (SAM: Argentina, Brazil, Colombia, and Uruguay), Middle East & Africa (MEA: 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. H1 2017 highlights
2. Financial performance
3. Commercial activity
4. Operational achievements
5. Conclusion and Q&A



1

H1 2017 highlights

Thierry Breton
Chairman & CEO

Atos' technology leap...

**Atos'
Tech Days
in Brussels**

Security

at the heart

**Leadership
reinforcement in
Cybersecurity
& Big Data**



*Launch of the
world-first
prescriptive
SOC*

*Launch of the
most powerful
quantum
simulator in the
world*



**Blue chips
partners to sell
bullions**



...and a strong execution of our strategy...

Sustainable revenue

Organic growth confirmed between **+2%** and **+3%**

Implementation of **Business & Platform Solutions** industrialization plan

Full speed integration of
UNIFY
S&P

...supports the Atos profitable growth

Commercial momentum

Key commercial wins in H1 2017 and strong pipeline

Macro environment

Positive momentum in Europe
Still supportive economy in the US

M&A

Strong pipeline focused on all our strategic priorities

H1 2017 key figures (1/2)

Revenue

€6,311m

+12% at constant exchange rates

Organic growth

+2.2%

+2.4% in Q2

Order entry

€6.9bn

+9% year-on-year

Book to bill

109%

120% in Q2

Operating margin

€538m

+21% year-on-year

Operating margin rate

8.5%

+190bps at constant scope
and exchange rates

H1 2017 key figures (2/2)

Net income Group share

€211m

+25% year-on-year*

Basic Earnings Per Share

€2.01

+22% year-on-year*

Total number of employees

98,480

-1.5% over H1 2017

Free cash flow

€242m

+35% year-on-year

OM conversion to FCF

45%

vs. 40.5% in H1 2016

Net cash position

€342m

Strong capability to finance future developments

A world constantly more exposed to cybercrime

Digital world with massive interconnection & data flows

- **3.7 billion Internet users** today, multiplied by 92 vs. 2005
- **200 million connected** wearables in 2019
- Between **50 and 200 billion IoT devices** in 2020
- **90% of connected** cars by 2020
- **100 billion lines of new software code** per year

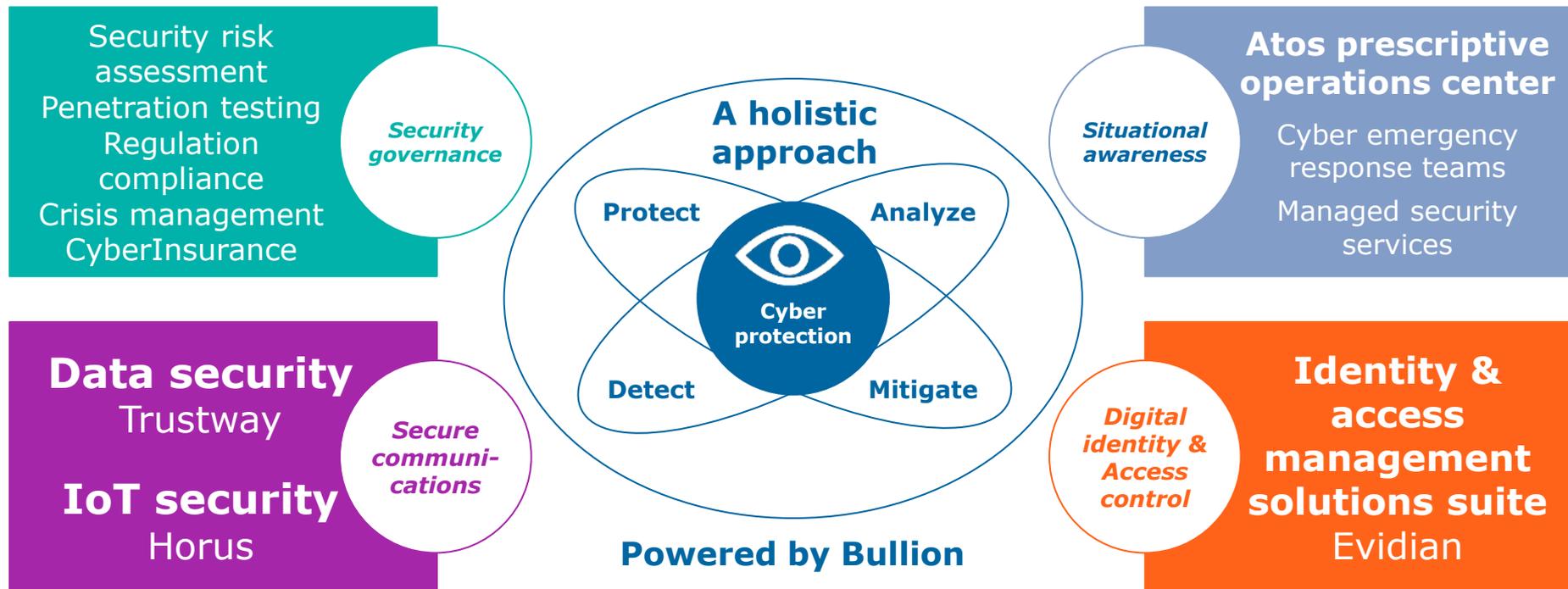


Explosion of Cybercrime

- **Ransomware:** \$1bn in 2016, +300% vs. 2015
- **4,000 ransomware** per day
- More than **3 million data records** are **compromised every day**
- **Cybercrime costs** projected to reach \$2 trillion by 2019
- **\$1 trillion cybersecurity spending** expected by 2021 further to the **implementation of GDPR** (General Data Protection Regulation)



Atos end-to-end cybersecurity offering



Atos global cybersecurity capabilities

Outstanding operational capabilities

- More than 4,500 experts
- 14 Security Operation Centers spread over 5 continents
- 3 million secure entry points
- 100 million security IT events managed per hour



Leveraging an advanced scientific and technologic community

- €300 million yearly R&D spending
- Access to multi-billion yearly R&D spending through an extensive network of partners
- 5,000+ patent



Clear leadership recognition by industry analysts:

- Leader #1 Europe #4 Worldwide Managed Security
- Strong performer Worldwide Security Consulting
- #1 European Player Worldwide IT Security Services



Entanglement of quantum & cybersecurity in Atos technologic roadmap

Cybersecurity



Predictive security

Foreseeing the unexpected

2016

Prescriptive security

Eradicating nascent risks

2017

Quantum Homomorphic Encryption

Creating future proof security

2018+

Big Data



Machine intelligence

Fostering deep learning

2018+

Quantum Learning Machine

Empowering the future

2017

Bull Sequana

Pioneering Exascale

2016

2

Financial performance

Elie Girard

Group CFO

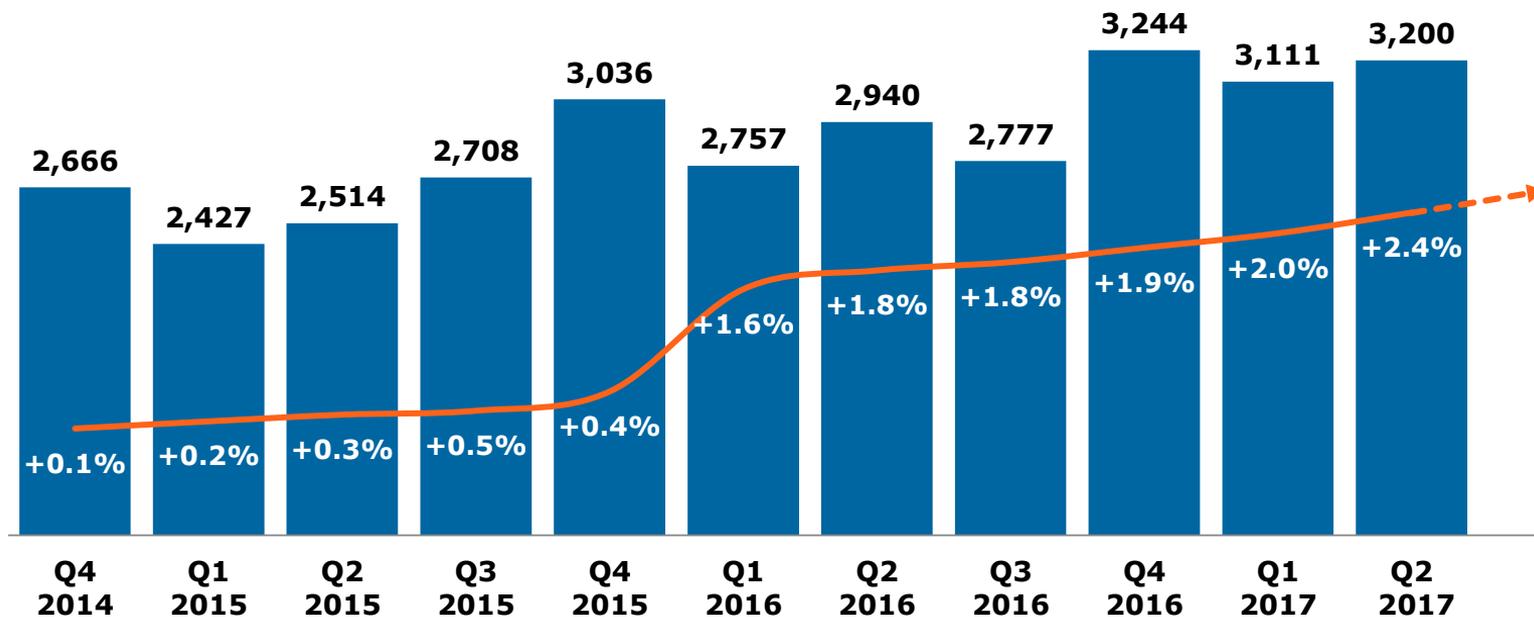
Constant scope and exchange rates figures reconciliation

<i>In € million</i>	H1 2017	H1 2016	change
Statutory revenue	6,311	5,697	+10.8%
Exchange rates effect		-44	
Revenue at constant exchange rates	6,311	5,653	+11.6%
Scope effect		518	
Exchange rates effect on acquired/disposed perimeters		5	
Revenue at constant scope and exchange rates	6,311	6,177	+2.2%
Statutory operating margin	538	444	+21.2%
Scope effect		-34	
Exchange rates effect		-3	
Operating margin at constant scope and exchange rates	538	408	+32.0%
<i>as % of revenue</i>	<i>8.5%</i>	<i>6.6%</i>	

- ▶ **Exchange rates** mainly coming from the British pound depreciating versus the Euro, partly compensated by the American dollar and the Brazilian real increasing versus the Euro.
- ▶ **Scope effect** related to the positive contribution of Unify Services and Unify S&P, Anthelio, Equens, Paysquare, Komerçni Banka Smartpay, Engage ESM, and zData.

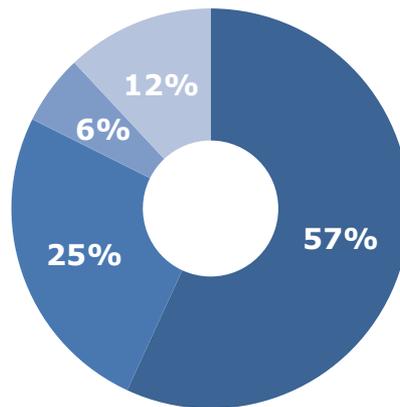
An accelerating trend of revenue organic growth driven by the Group commercial dynamism

■ Statutory revenue (€m)
— Organic evolution %



H1 2017 performance by Division

- ▶ Positive growth and operating margin **improvement in all Divisions**
- ▶ **Acceleration in Business & Platform Solutions**
- ▶ **Synergies with Unify and Equens** contributing to margin improvement
- ▶ All Divisions **on track for their 3 year-plan**



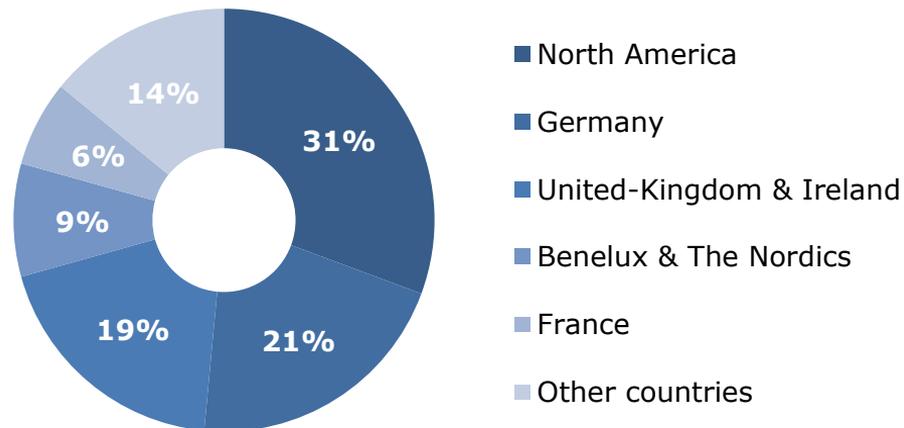
- Infrastructure & Data Management
- Business & Platform Solutions
- Big Data & Cybersecurity
- Worldline

	Revenue			Operating margin		Operating margin %	
	H1 2017	H1 2016*	Organic evolution	H1 2017	H1 2016*	H1 2017	H1 2016*
<i>In € million</i>							
Infrastructure & Data Management	3 589	3 556	+0,9%	329	243	9,2%	6,8%
Business & Platform Solutions	1 608	1 567	+2,6%	98	77	6,1%	4,9%
Big Data & Cybersecurity	357	313	+13,8%	43	43	12,2%	13,6%
Corporate costs				-46	-48	-0,8%	-0,9%
Worldline	757	740	+2,3%	114	93	15,0%	12,6%
Total	6 311	6 177	+2,2%	538	408	8,5%	6,6%

* At constant scope and exchange rates

Infrastructure & Data Management

- ▶ Continued strong growth in **Orchestrated Hybrid Cloud infrastructures**
- ▶ Leadership in **Digital Workplace** services further reinforced
- ▶ **Automation** and **Unify integration** strongly contributing to **operating margin improvement**

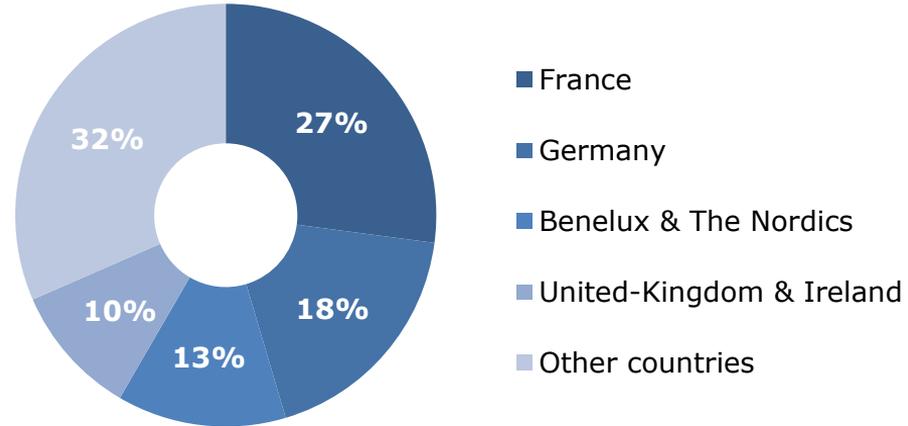


<i>In € million</i>	H1 2017	H1 2016*	Organic evolution
Revenue	3 589	3 556	+0,9%
Operating margin	329	243	
<i>Operating margin rate</i>	9,2%	6,8%	

* At constant scope and exchange rates

Business & Platform Solutions

- ▶ Shift to high value **digital transformation projects**
- ▶ **Industrialization** program of application services underway
- ▶ Improved **workforce management** materializing in the utilization rate increase

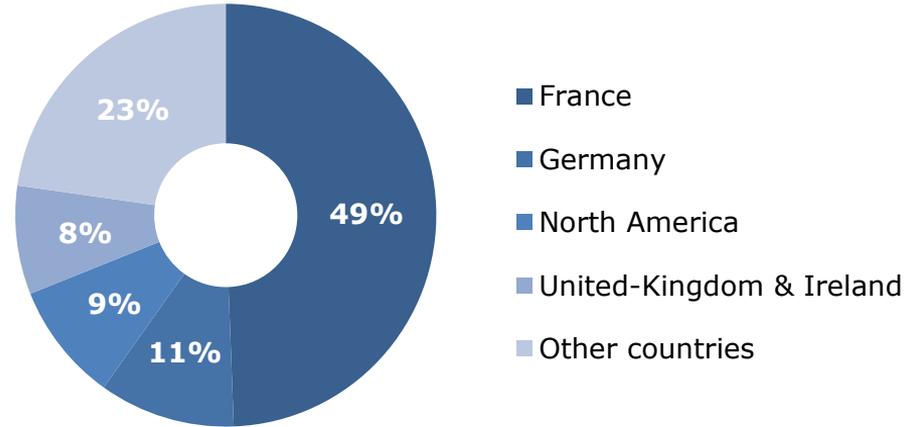


<i>In € million</i>	H1 2017	H1 2016*	<i>Organic evolution</i>
Revenue	1,608	1,567	+2.6%
Operating margin	98	77	
<i>Operating margin rate</i>	6.1%	4.9%	

* At constant scope and exchange rates

Big Data & Cybersecurity

- ▶ **Strong momentum for cybersecurity**
- ▶ Success of **Security Operating Center** offering
- ▶ Bullion sales boosted by **new partnerships agreements**

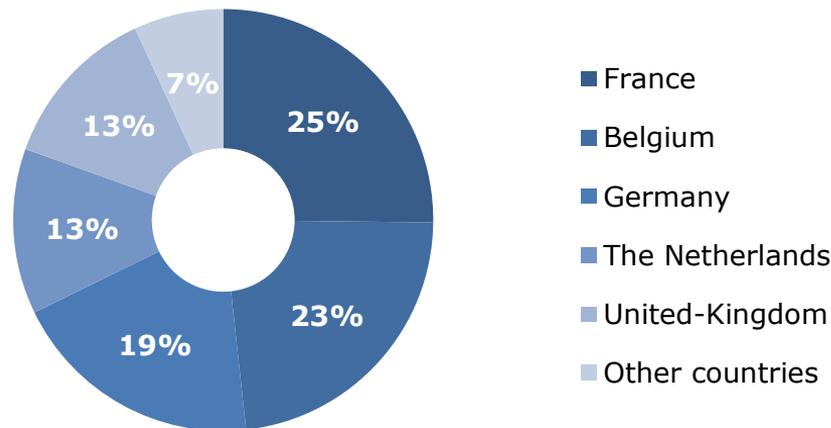


<i>In € million</i>	H1 2017	H1 2016*	<i>Organic evolution</i>
Revenue	357	313	+13.8%
Operating margin	43	43	
<i>Operating margin rate</i>	12.2%	13.6%	

* At constant scope and exchange rates

Worldline

- ▶ Financial Processing strong growth led by **volume increase** and **fraud prevention**
- ▶ Merchant Services benefiting from **higher acquiring volumes** and a strong momentum in **India**
- ▶ Fast delivery of **equensWorldline costs synergies**



<i>In € million</i>	H1 2017	H1 2016*	Organic evolution
Revenue	757	740	+2.3%
Operating margin	114	93	
<i>Operating margin rate</i>	15.0%	12.6%	

* At constant scope and exchange rates

H1 2017 performance by Business Unit

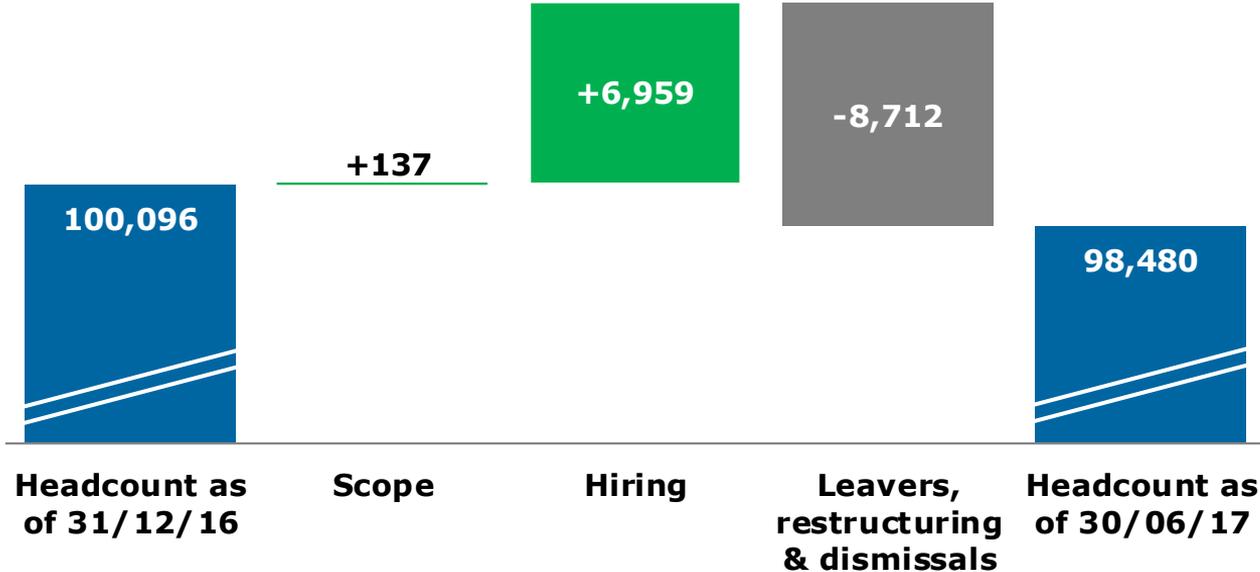
- ▶ **Revenue growth** and **operating margin improvement** in almost all Business Units
- ▶ United-Kingdom and North America showing the **strongest commercial dynamism**

	Revenue			Operating margin		Operating margin %	
	H1 2017	H1 2016*	Organic evolution	H1 2017	H1 2016*	H1 2017	H1 2016*
<i>In € million</i>							
North America	1,162	1,141	+1.8%	124	116	10.7%	10.2%
Germany	1,080	1,069	+1.0%	70	23	6.5%	2.1%
United-Kingdom & Ireland	880	852	+3.4%	83	84	9.4%	9.8%
France	847	847	+0.1%	59	43	6.9%	5.1%
Benelux & The Nordics	536	546	-1.8%	46	35	8.7%	6.4%
Other Business Units	1,049	983	+6.8%	89	70	8.5%	7.1%
Global structures**				-46	-56	-0.8%	-1.0%
Worldline	757	740	+2.3%	114	93	15.0%	12.6%
Total	6,311	6,177	+2.2%	538	408	8.5%	6.6%

* At constant scope and exchange rates

** Global structures include Global Divisions costs not allocated to the Group Business Units and Corporate costs

H1 2017 headcount evolution



- ▶ Adaptation of hiring to **automation**
- ▶ Focus of **hiring** on **Atos Digital Transformation Factory** skills
- ▶ **Stable attrition rate**
- ▶ **Continued increase in training and certification**

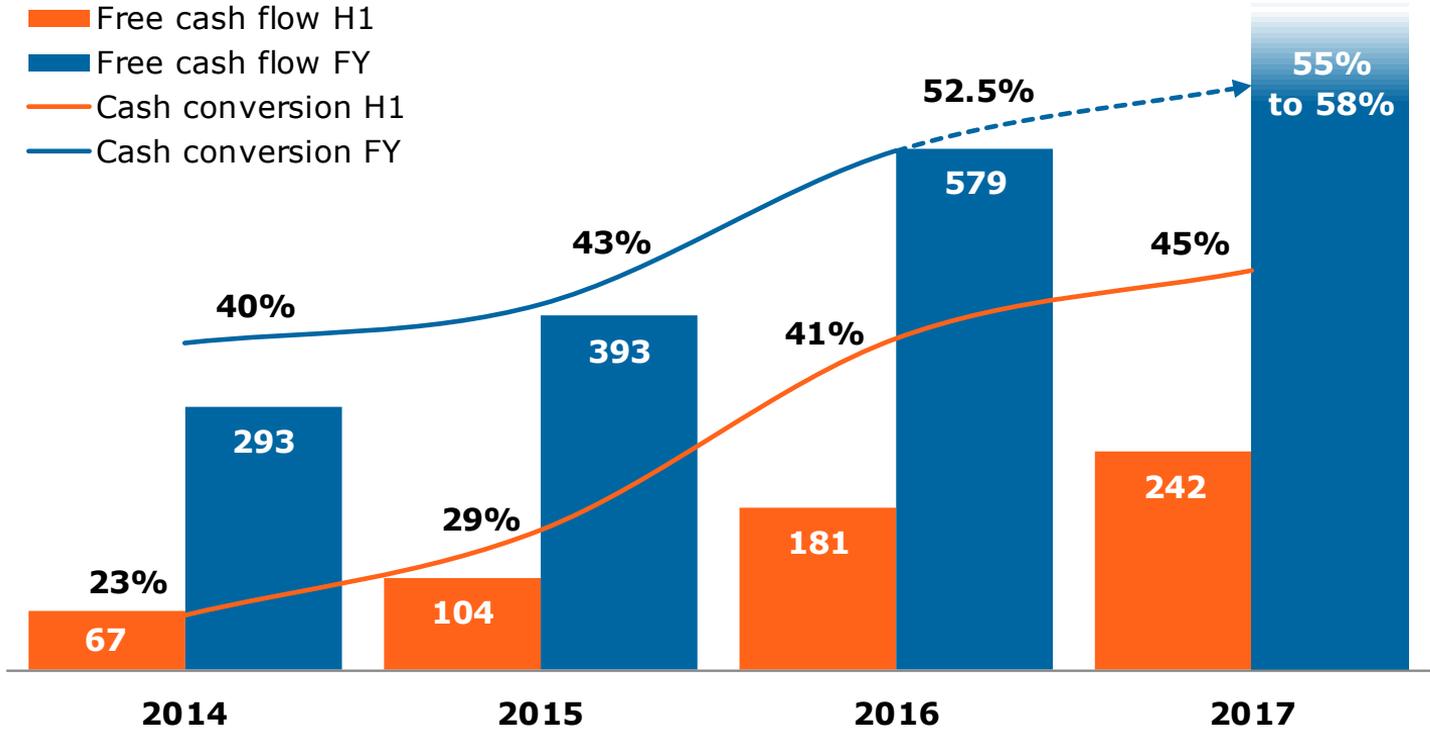
Income statement

<i>In € million</i>	H1 2017	H1 2016	% yoy
Revenue	6,311	5,697	+10.8%
Operating margin	538	444	+21.2%
Staff reorganization, rationalization, and integration	-82	-97	
Equity based compensation	-45	-22	
Purchase Price Allocation amortization	-62	-45	
Others (including €51m Visa share in H1 2016)	-22	43	
Operating income	327	324	
Net financial expenses	-32	-32	
Profit before tax	295	292	
Tax charge	-56	-58	
<i>Effective tax rate</i>	<i>18.9%</i>	<i>19.8%</i>	
Net income	239	234	
Non-controlling interests	-28	-29	
Net income Group share	211	205	
Visa share (Group share)	-	36	
Net income Group share excluding Visa share	211	169	+24.7%

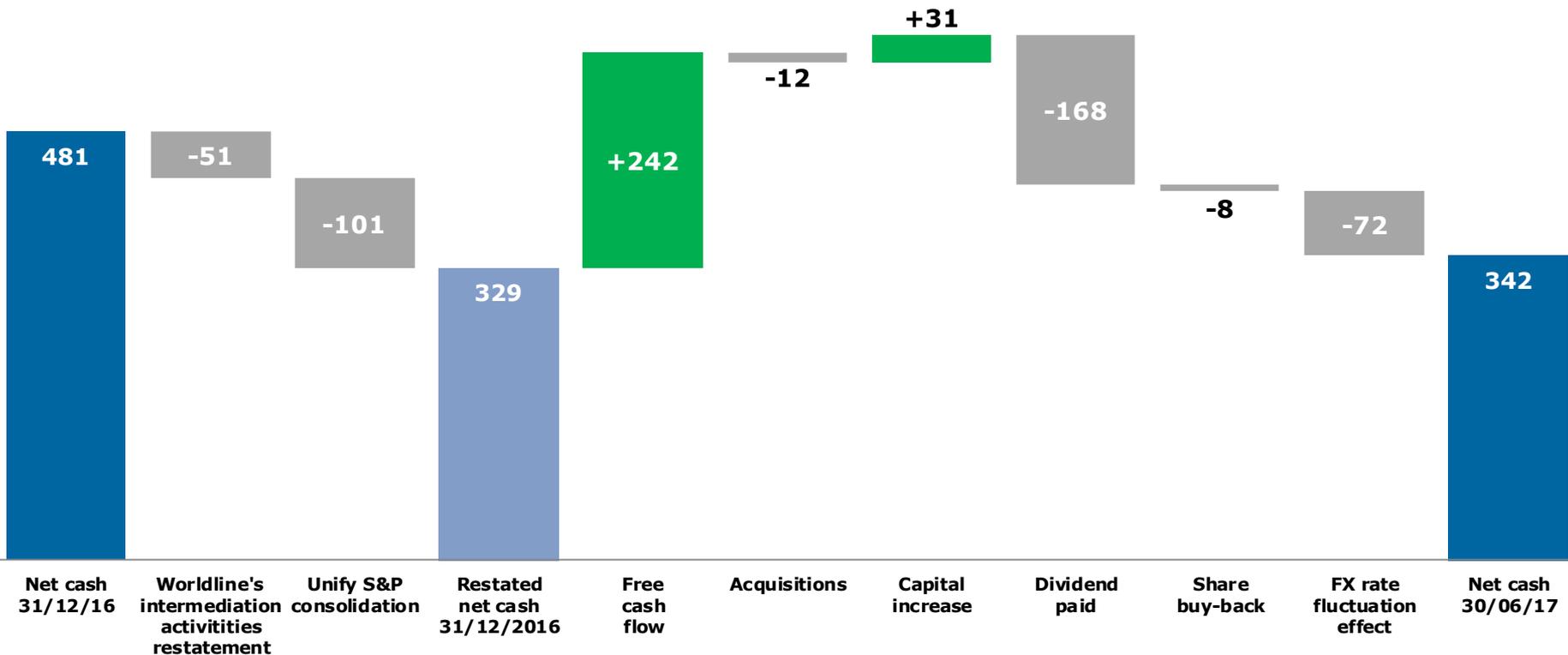
Cash flow statement

<i>In € million</i>	H1 2017	H1 2016
Operating Margin before Depreciation and Amortization	712	586
Capital Expenditures	-235	-202
Change in working capital requirement	-37	-24
Cash from operations	439	361
Reorganization, rationalization & integration costs	-101	-96
Taxes paid	-64	-74
Net cost of financial debt paid	-13	-8
Profit sharing	-1	-1
Other changes	-19	-2
Free cash flow	242	180
Net material acquisitions/disposals	-12	-322
Capital increase	31	21
Visa share	-	36
Dividend paid to owners of the parent	-168	-47
Share buy-back	-8	-
Change in net cash	86	-133
Unify S&P opening net debt	-101	-
Impact of foreign exchange rate fluctuation	-72	-49
Opening net cash	430	546
Closing net cash	342	364

Cash conversion



Net cash evolution



Balance sheet – main items

	30 June 2017	31 December 2016 <i>restated</i>
Shareholders' equity	€ 4,861 m	€ 4,835 m
Net cash	€ 342 m	€ 329 m
Goodwill	€ 4,193 m	€ 4,185 m
Net pensions deficit	€ 1,335 m	€ 1,388 m
Total Assets at the end of June 2017 reached € 13.1 billion		

3

**Commercial
activity**

Patrick Adiba

Chief Commercial Officer

H1 2017 commercial activity dashboard

Order entry

€6,869m

+9% year-on-year

Book to bill ratio

109%

120% in Q2 2017

Backlog

€22.2bn

1.8 years of revenue

Qualified pipeline

€7.0bn

6.7 months of revenue

Atos Digital Transformation Factory: Recognized Strong Leadership



Digital Services Transformation

Leader Application Transformation
 Leader Digital Transformation Services
 Major Player Digital Services

Atos Canopy Orchestrated Hybrid Cloud

- Global Leader
- European Leader Cloud Migration
- Global Leader Private Cloud
- #2 European Leader

Atos Business Accelerators (SAP HANA, Oracle)

- European Leader SAP
- Major Player HANA Utilities
- Major Player Next Gen SAP
- Major Player Analyze the Future

Atos Codex

- VISIONARY BI
- IOT WINNER
- IOT LEADER
- IOT LEADER
- Contender Business Insight

Atos Digital Workplace

- European leader
- Global Leader
- Major Contender
- Leader Mobile Collaborator

Cybersecurity

- Leader #1 Europe #4 Worldwide Managed Security
- Strong performer Worldwide Security Consulting
- #1 European Player Worldwide IT Security Services

Digital Payment worldline

e-payment services

- Strong Performer Global Commerce
- Leader Mobile Wallet
- Global Leader Retail Banking Payments
- Global Leader Fintech

Main wins in Q2 2017 leveraging the **Atos Digital Transformation Factory**



Cloud

SAP HANA

Workplace

Codex

Cybersecurity

Digital payments

B B C



European industrial equipment manufacturer



Testing and certification company



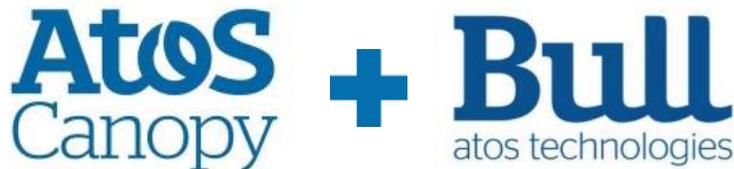
شركة ناقلات النفط الكويتية
KUWAIT OIL TANKER COMPANY S.A.K.



Two emblematic wins in Q2 2017

European industrial equipment manufacturer

- ▶ Large Cloud-based Infrastructure & Data Management contract won thanks to a key competitive advantage: Atos leadership in cybersecurity



Testing and certification company

- ▶ Global Private Cloud Datalake with Regional Hubs
- ▶ Data acquisition through connectivity to 100s of data sources
- ▶ Data Science & Machine Learning for Data rationalization automation and data profiling
- ▶ Automated business dynamic reporting



Unify – Sales actions update

Growth Levers	Actions
“Whitespace”	<ul style="list-style-type: none">• Unify offering integrated in the Account Plans• First wins and active pipeline
Circuit	<ul style="list-style-type: none">• 517 k users in many accounts from Large enterprises to SMB• Continue to leverage the successful Siemens migration to Circuit
France market entry	<ul style="list-style-type: none">• First wins and pipeline development• Proposals submitted for a value of €100m in H1
Next Gen 9-1-1 opportunity in the US	<ul style="list-style-type: none">• First orders secured (<i>State of California and St Francois County - Missouri</i>) and many active opportunities
Atos/Unify channels synergies	<ul style="list-style-type: none">• Number of partners increased to 2,812

4

Operational achievements

Eric Grall

Head of Global Operations

Atos Canopy Orchestrated Hybrid Cloud

H1 2017 update

**Atos Hybrid Cloud Growth
H1 2017**

>30%

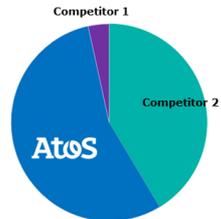
New Portfolio Development

**Private Azure Cloud
SAP+HANA on Cloud by Atos
(on Bullions)**

Customer case study

Increased performance for more than 7,500 workloads & 3,000 databases

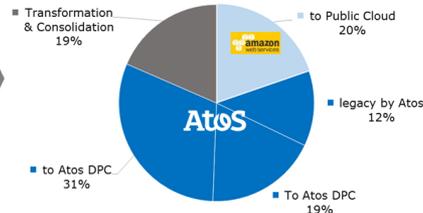
From ...



Traditional Datacenter



To ...



New Hybrid Cloud

Atos added value

**Cloudification Factory &
Transformation Services**

**Optimized
public cloud via Atos**

**Service Orchestration &
Management**

Atos Infrastructure & Data Management :

Automation deployment on-track

**H1 Automation
account coverage
vs H1 2017 plan**

121 vs 65 target

Major Automation programs

IPSoft
Arago
Atos Cloud Automation Portal

**For customers under
Automation program, current
average rate achieved**

47%

**Account with highest
Automation achieved to date**

68%

Atos Business & Platform Solutions

RISE Program on track versus 2017 objectives

**Operating margin
Improvement**

**120 bps
in H1 2017**

**Staff to be redeployed
in FY 2017**

1,000+

**Global Resource
Management
shifted to India**

**Atos Intelligent
Automation Platform
(AIAP)**

**Version 1 ready for
deployment early H2
2017**

**Automation factory
set-up in India**

250+

RPA use cases created

**Strategic Acceleration
on Digital
Transformation
Factory
(Codex, SAP HANA)**

5

**Conclusion
and Q&A**

Thierry Breton
Chairman & CEO

2017 objectives confirmed

The Group confirms all its objectives for 2017 stated in the April 24, 2017 release:

- ▶ **Revenue growth:** circa +9.5% at constant exchange rates, above +2% organically
- ▶ **Operating margin:** circa 10% of revenue
- ▶ **Free cash flow:** operating margin conversion rate to free cash flow at between 55% and 58%

In line with 2019 Ambition

Q&A



Thanks

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