

FY 2019 results

February 19, 2020

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- ▶ 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. 2019 highlights and objectives for 2020
2. Financial performance
3. Conclusion and Q&A

1

2019 highlights and objectives for 2020

Elie Girard

CEO

FY 2019 Highlights

**Infrastructure & Data Management and North America returned to growth in H2
Successful development of Google Cloud partnership, acquisition of Maven Wave**

**Slight growth in Business & Platform Solutions, with softness in Financial Services in North America,
and a more difficult Automotive sector in Germany towards year end**

**Synergies with Syntel generated as planned for the first year through
cost efficiency and optimization as well as revenue**

**Very strong year in Big Data & Cybersecurity led by High Performance Computing and Cyber-services
Increasing attraction of high skills and accelerated investment in innovative offerings**

**Dynamic commercial momentum with a book to bill at 106% with large signatures
in North America, Germany and United Kingdom; book to bill at 121% in Q4**

**Strong improvement in all extra-financial KPIs
Atos confirmed leadership in sustainability as #1 worldwide in Digital industry on the DJSI Index**

**Deconsolidation of Worldline through a €2.3 bn distribution to shareholders in May
combined with sale of shares in November, as well as in February 2020**

FY 2019 key financial figures

Organic growth

+1.4%

vs. +0.4% in 2018

Operating margin rate

10.3%

vs. 9.8% in 2018

Free cash flow

€0.6bn

Book to bill

106%

121% in Q4

Normalized diluted EPS*

€7.74

Total headcount

108,317

Proposed dividend at €1.40 per share

FY 2019 key extra-financial figures

20.97

**tCO₂ emissions / m€
revenue**

*reduced by **-24%** since 2015*

31%

% of women within Atos

+3 points since 2015

Industry comparable: 29% to 32%

51,376

New Digital certifications

*vs **40,316** in 2018*

*leading to **177,100** end of 2019*

59%

Great Place To Work

+9 points since 2015

*in the first quartile of Digital
industry*

Main wins in Q4 2019

Large Audit & Consulting firm



Full stack Digital transformation



Dutch Ministry of Infrastructure and Water Management



Application & Platform services



Global Managed Security Services

A North American Railway Company



Digital Workplace



Digital Transformation through SAP

ECMWF European Centre for Medium-Range Weather Forecast



BullSequana XH2000 supercomputer

A major UK telco company



Digital Workplace and Cloud contact center solutions



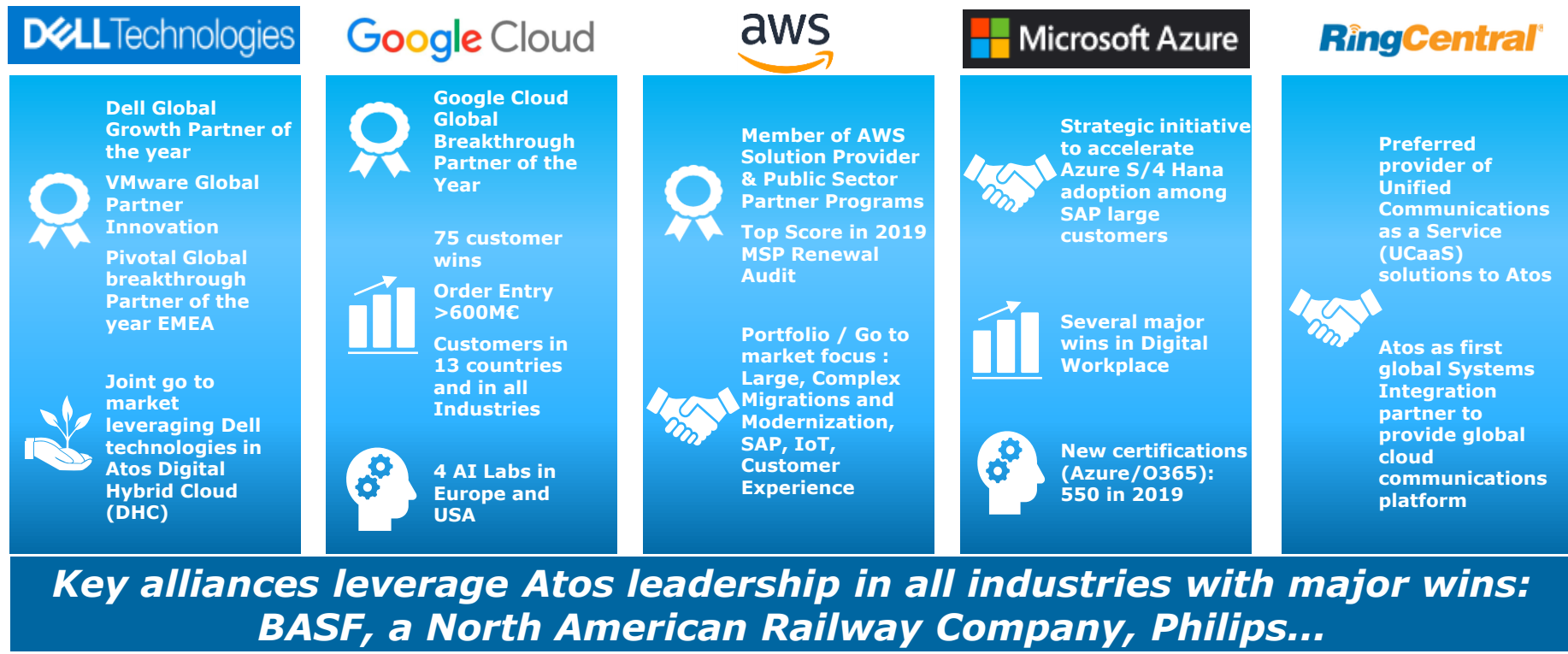
S/4 HANA Implementation

UNIVERSIDAD DE CORDOBA



High-performance computing

2019 achievements with key Alliances



Attraction, Skilling, and Mobility

New Certified Digital Experts Onboarded

+600 +500 +500



Google Cloud



Cybersecurity

Atos Career Webpage

+3.9m Visitors

LinkedIn Followers

+240k Followers

58%

External Hiring for **Entry Level Roles**

New Digital Certifications

+51k

x2

more
SAP

+1k



Google Cloud

+2k



Cybersecurity

Positions filled internally
Strong internal mobility

81%

CSR recognition and enhanced sustainability portfolio

2019 Industry CSR leadership



82/100

Industry average: 39/100



A

Industry average: B



AAA

Industry average: BBB



4.8/5

Industry average: 2.6/5



80/100

Industry average: 43/100

2019 Sustainability portfolio released



Digital carbon footprint measurement

Consulting methodology



Low carbon coding

Optimized coding to reduce software energy consumption



Data center energy efficiency

Power optimization, renewable energy



Hardware energy efficiency

Patented cooling system, stringent green hardware purchasing policy



Atos Green app to drive responsible

Digital behaviours

Monitoring employee carbon footprint

Further improvement in 2020

2020 objectives

Revenue

c. **+2%** organic growth

**Operating
margin rate**

+20 bps to +40 bps vs 2019

Free cash flow

c. **€700m**

My first priority has been to meet customers & people

Meet large customers and prospects

Across all Industries

Meet partners

Including partners with Industry specific capabilities

Roadshows across Atos sites

Review of Atos skills and offerings

Meet Experts, and Atos Scientific community

Assessment of mid-term Business, Digital, and Technology trends

Launch of an Industry approach prepared throughout 2019: **SPRING**

Reshape our portfolio of offerings

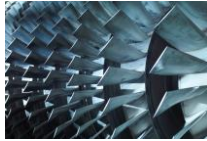
Redesign our go-to-market approach

Set-up an Industry led organization

SPRING to serve our customers even better and drive our culture of customer obsession even further

Implementation of the new Industry led organization

**6
Global
Industries**



**Manufacturing
(MAN)**



**Financial
Services
& Insurance (FSI)**



**Public Sector
& Defense
(PSD)**



**Telecom,
Media
& Technology
(TMT)**

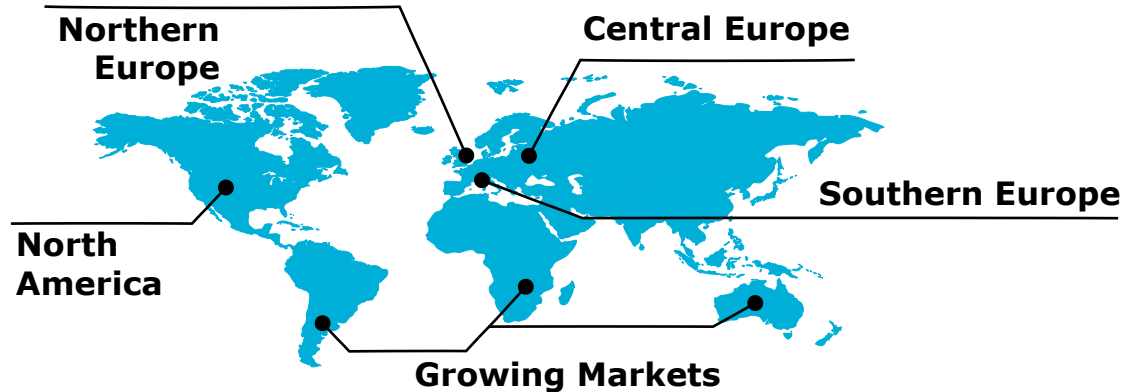


**Resources
& Services
(R&S)**



**Healthcare
& Life Sciences
(HLS)**

**5 Regional
Business
Units
(RBU)**



Appointment of an adapted Top management team

Accountabilities



Group Management Committee



Atos

2020 Analyst Day

April 22, 2020 in Paris

2

Financial performance

Uwe Stelter

Group CFO

FY 2019 Commercial activity dashboard

Order entry
€12.2bn

Backlog
€21.9bn
1.9 year of revenue

Book to bill
106%
121% in Q4 2019

Qualified Pipeline
€7.4bn
7.6 months of revenue

Constant scope and exchange rates figures reconciliation

<i>In € million</i>	2019	2018	% change
Statutory revenue	11,588	12,258	-5.5%
Exchange rates effect		117	
Revenue at constant exchange rates	11,588	12,375	-6.4%
Scope effect		-982	
Exchange rates effect on acquired/disposed perimeters		37	
Revenue at constant scope and exchange rates	11,588	11,430	+1.4%
Statutory operating margin	1,190	1,260	-5.6%
Scope effect		-154	
Exchange rates effect		19	
Operating margin at constant scope and exchange rates	1,190	1,125	+5.8%
<i>as % of revenue</i>	<i>10.3%</i>	<i>9.8%</i>	

- ▶ **Exchange rates** effect positively contributed to revenue for €+154 million and to operating margin for €+19 million mainly coming from the American dollar.
- ▶ **Scope effect** mostly related to the restatement linked to the deconsolidation of Worldline, the acquisition of Syntel, and the disposal of some specific Unified Communication & Collaboration activities.

2019 performance by Division

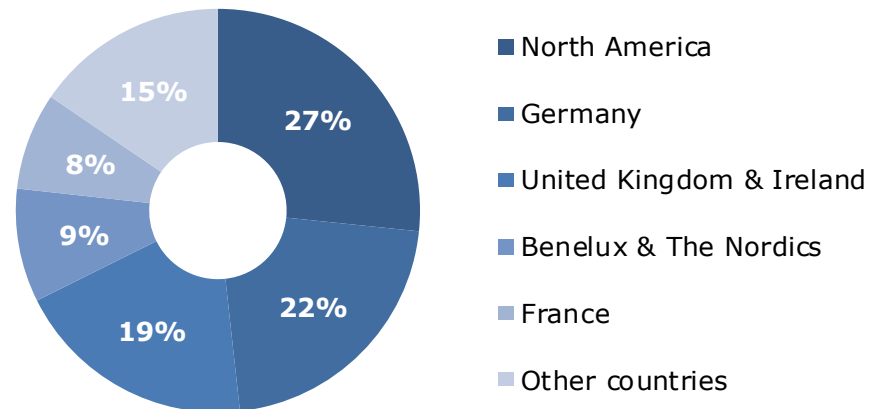
- ▶ Infrastructure & Data Management back to growth in H2 led by North America
- ▶ Slight growth in Business & Platform Solutions impacted by Healthcare and Financial Services in North America in H2, as well as by Automotive in Germany in Q4
- ▶ High growth in Big Data & Cybersecurity led by High Performance Computing and Cybersecurity Services
- ▶ Operating margin achieved 10.3% improving from 9.8% driven by cost synergies with Syntel and cost saving actions (RACE and Germany)

	Revenue			Operating margin		Operating margin %	
	2019	2018*	Organic evolution	2019	2018*	2019	2018*
<i>In € million</i>							
Infrastructure & Data Management	6,321	6,362	-0.6%	614	589	9.7%	9.3%
Business & Platform Solutions	4,216	4,180	+0.9%	492	483	11.7%	11.6%
Big Data & Cybersecurity	1,050	888	+18.3%	149	127	14.2%	14.3%
Corporate costs	-	-		-65	-74	-0.6%	-0.7%
Total	11,588	11,430	+1.4%	1,190	1,125	10.3%	9.8%

* At constant scope and exchange rates

Infrastructure & Data Management

- ▶ Revenue back to growth in H2
- ▶ Pursue transition to hybrid cloud and acceleration in Digital workplace
- ▶ Operating margin improvement from RACE and adaptation plan in Germany
- ▶ -2% staff reduction mainly from automation

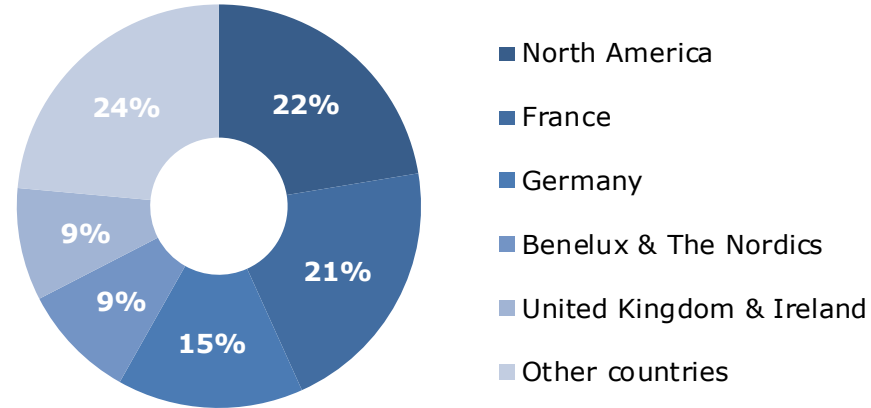


<i>In € million</i>	2019	2018*	Organic evolution
Revenue	6,321	6,362	-0.6%
Operating margin	614	589	
Operating margin rate	9.7%	9.3%	

* At constant scope and exchange rates

Business & Platform Solutions

- ▶ **Slight growth with some softness in Financial services in North America and Automotive in Germany in H2**
- ▶ **Growth led by Digital transformation and automation projects in Manufacturing & Retail**
- ▶ **Cost synergies with Syntel and RACE program contributing to reach 11.7% operating margin**
- ▶ **-4% staff reduction from Artificial Intelligence and robotization**



<i>In € million</i>	2019	2018*	<i>Organic evolution</i>
Revenue	4,216	4,180	+0.9%
Operating margin	492	483	
<i>Operating margin rate</i>	11.7%	11.6%	

* At constant scope and exchange rates

Syntel Revenue Synergies

Pipeline remains solid and synergies to accelerate in 2020

Synergy categories	2019 status
1 Leverage Syntel portfolio into Atos' Clients into North America and Europe	Smaller projects in almost all targeted Atos customers
2 New Global capabilities to capture large End-to-End Digital Transformation projects	Overperforming with large combined wins ie. Philips, US healthcare provider
3 Leverage Atos portfolio into Syntel base	Ramping up with first deals started in the United Kingdom



Revenue Synergies

- **28** deals closed in H2
- Total qualified opportunities at year end reached **\$0.6bn**

Global Advisory Firm
(Syntel customer)

Automation powered service desk management and end user operations

US based healthcare payment and revenue solutions company
(New customer)

Data & Insights - Data Management, Analytics, Business Processes and Infrastructure Support

Q4 Wins

Syntel delivery and Customer Satisfaction

Transformation is delivering cost synergies and better customer service



Syntel delivery and cost synergies

- ▶ Legacy Syntel scope kept high level of operating margin even slightly improving it
- ▶ **€35m cost synergies** run-rate end of 2019, of which €30m effect in 2019 through improved operational effectiveness and G&A cost improvements
- ▶ As part of the €30m, procurement and real estate synergies resulted in **€12m**

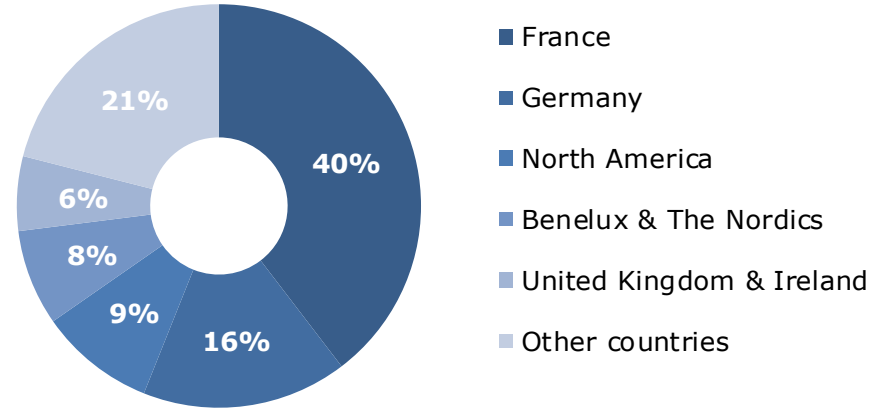
Processes and Quality

KINxT *"Customer for Life"*
TAKING DELIVERY EXCELLENCE TO THE NEXT LEVEL

- ▶ Improved CSAT outcomes over H1 2019 – Higher ratings on **'Meeting Customer Expectations'** and **'Innovation'**
- ▶ **76%** of our large customers now **Promoters**; **16 new large customers** are now Promoters from passive/detractors
- ▶ **Value-4-Client** joint initiative in Atos Syntel launched in Q4 to strengthen value for customers

Big Data & Cybersecurity

- ▶ **Acceleration of organic revenue growth led by High Performance Computing and Cybersecurity services**
- ▶ **Further investments to extend the business both in terms of industries and geographies**
- ▶ **+6% staff increase reflecting strong business demand**



<i>In € million</i>	2019	2018*	Organic evolution
Revenue	1,050	888	+18.3%
Operating margin	149	127	
Operating margin rate	14.2%	14.3%	

* At constant scope and exchange rates

2019 performance by Global Business Unit

- ▶ Positive growth in all Global Business Units except North America, which is back to growth in H2
- ▶ Operating margin improvement in most geographies

	Revenue			Operating margin		Operating margin %	
	2019	2018*	Organic evolution	2019	2018*	2019	2018*
<i>In € million</i>							
North America	2,725	2,789	-2.3%	343	300	12.6%	10.8%
Germany	2,167	2,153	+0.7%	152	126	7.0%	5.9%
France	1,788	1,727	+3.5%	164	151	9.2%	8.7%
United Kingdom & Ireland	1,669	1,668	+0.0%	165	198	9.9%	11.9%
Benelux & The Nordics	1,047	1,016	+3.0%	88	71	8.4%	7.0%
Other Business Units	2,192	2,077	+5.6%	319	344	14.6%	16.5%
Global structures**	-	-		-42	-66	-0.4%	-0.6%
Total	11,588	11,430	+1.4%	1,190	1,125	10.3%	9.8%

* At constant scope and exchange rates

** Global structures include the IT Services Divisions global costs not allocated to the Business Units and Corporate costs.

RACE set to accelerate in 2020: cost savings to further increase competitiveness

2019

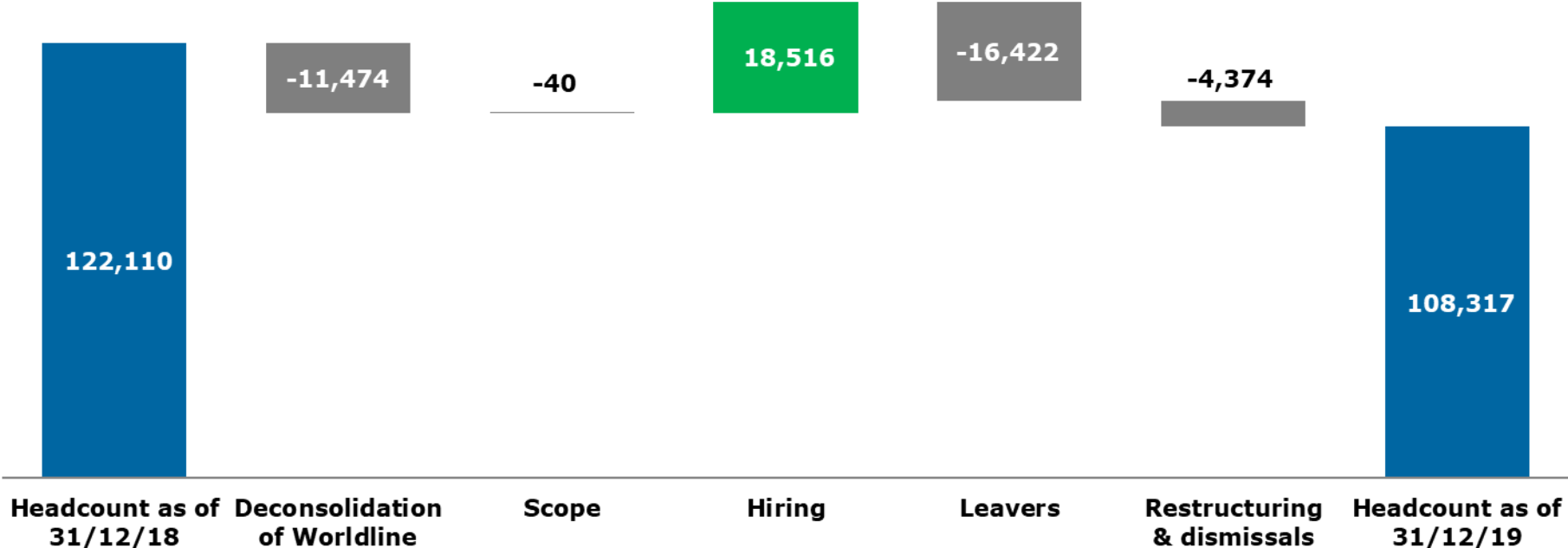
- New methodology of billing process optimization generated 28m€
- Real Estate, including Syntel consolidation, brought 26m€ of savings
- Span of Control leading to redeployment of 350+ people, within the business
- Automation delivered 20m€ additional margin

2020: from 12 to 15 Programs

1. Lean
2. Automation
3. Cash & Billing
4. Contract Prospect Improvement
5. Contract Negotiation
6. Supplier Management
7. Enterprise License Agreement
8. HR
9. Salesforce
10. Real Estate
11. Function As A Service Transformation
12. Process Simplification
13. Digital Transformation
14. Data Center
15. Contract Management

- *Drive of cross-selling via a tighter sales discipline, based on Salesforce tool*
- *Optimize General & Administrative function cost*
- *Consolidate Supplier Management to generate additional savings*
- *New sustainability targets for our Data Center utilization*
- *Simplification & digitalization of Group processes*
- *Usage of new contract / Analytics / AI tool for customer contracts*

2019 headcount evolution



Income statement

<i>In € million</i>	2019	2018
Revenue	11,588	10,648
Operating margin <i>% of revenue</i>	1,190 10.3%	967 9.1%
Reorganization, Rationalisation, Integration & acquisition costs	-175	-154
Amortization of intangible assets (PPA from acquisitions)	-157	-107
Equity based compensation	-73	-36
Others	-125	-40
Operating income	660	630
Net financial expenses	-208	-67
Profit before tax	452	564
Tax charge	-82	-1
Effective tax rate	18.2%	0.3%
Non-controlling interests	-3	-4
Share of net profit of associates	47	2
Net income from continuing operations - Group share	414	560
Net income from discontinued operation - Group share	2,986	70

*From operating margin
to net income*:
2019 includes*

- ▶ **Worldline**
 - Sale of shares: -€53m
 - OEB: -€54m
 - Profit of associates: +€47m
- ▶ **Syntel**
 - Synergies implementation: -€30m
 - Interests: -€60m
 - Amortization PPA: -€67m
- ▶ **Adaptation plan Germany: -€25m**
- ▶ **Settlement Telco Germany: -€23m**

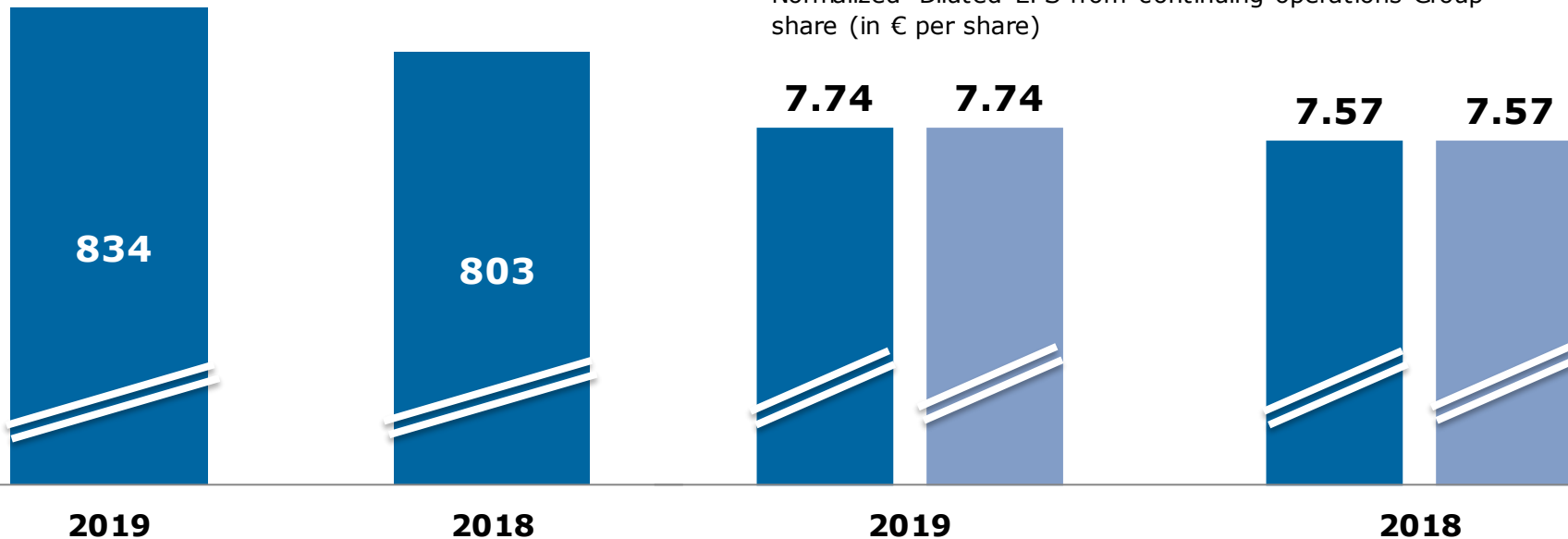
Normalized net income and normalized EPS

Group share evolution

Net income from continuing operations
Group share

■ Normalized Basic EPS from continuing operations Group share (in € per share)

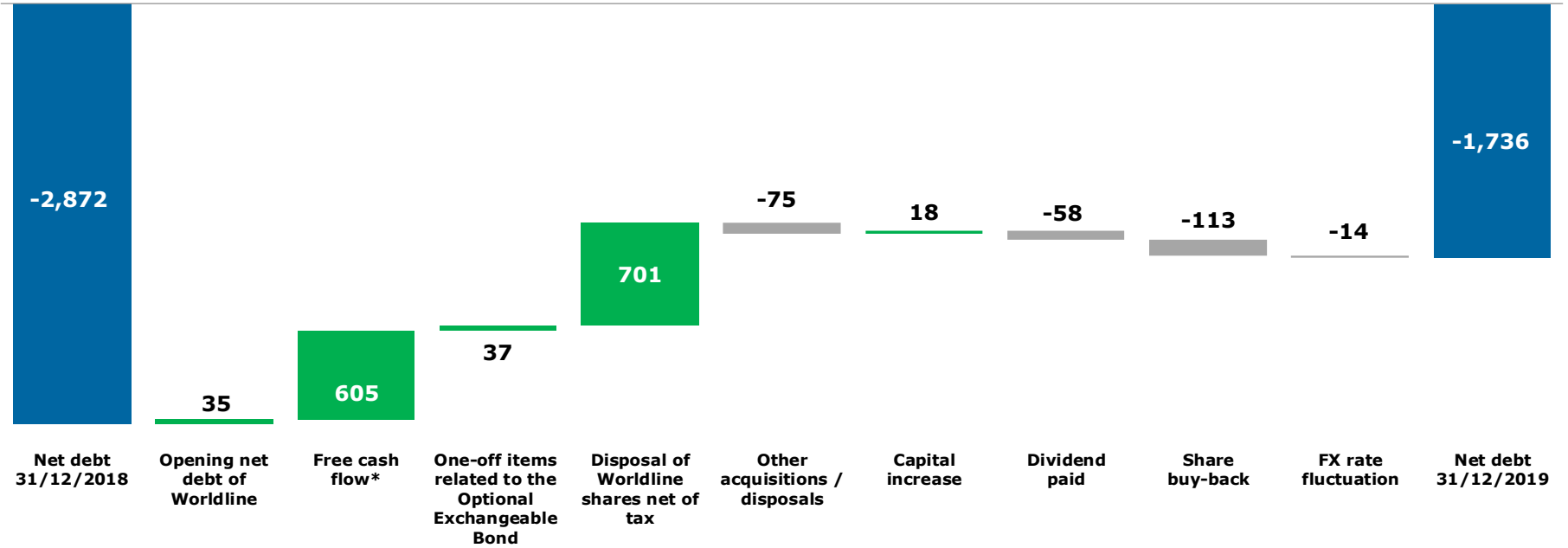
■ Normalized Diluted EPS from continuing operations Group share (in € per share)



Cash flow statement

<i>In € million</i>	2019	2018
Operating margin	1,190	967
<i>as a % of revenue</i>	10.3%	9.1%
OMDA	1,802	1,210
<i>as a % of revenue</i>	15.5%	11.4%
Capital Expenditures	-324	-371
Lease payments	-345	0
Change in working capital requirement	-130	-95
Cash from operations	1,004	744
Reorganisation, Rationalisation & Integration	-173	-146
Taxes paid	-99	-80
Net cost of financial debt paid	-64	-30
Other changes	-25	-37
Free cash flow IFRS	642	451
<i>Free Cash Flow / Operating Margin</i>	53.9%	46.6%
Free cash flow restated*	605	451
<i>Free Cash Flow / Operating Margin</i>	50.8%	46.6%

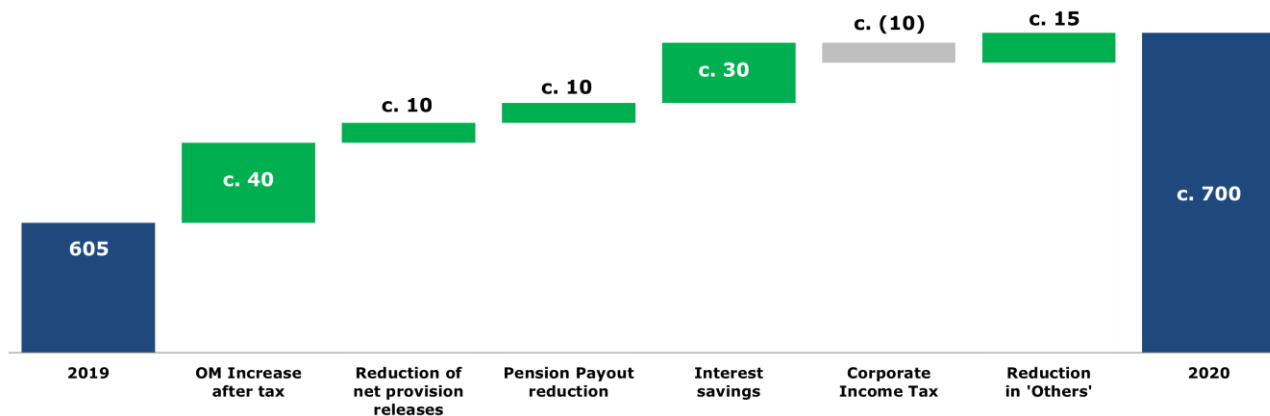
Net debt evolution



From 2019 to 2020 free cash flow: forecasted evolution

Main drivers on Operating Margin

- 1 Syntel cost synergies
- 2 Automation and AI in Infrastructure & Data Management and Business & Platform Solutions
- 3 Topline growth in BDS
- 4 New RACE actions
- 5 Adaptation plan in Germany



3

Conclusion

Elie Girard

CEO

2020 main priorities

Organic growth

Pursue current positive momentum

Integration

Complete Syntel synergies

Acquisitions

*Bolt-on focused on key offerings
Cyber and Big Data*

Transformation

*Portfolio of offerings,
go-to-market, Industry set up*

**2020: a year of transformation
with further improvement in business and financial objectives**

Q&A



Thank you

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