

# Capital Markets Day

**Atos**

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# Capital Markets Day

Rodolphe Belmer

Atos Chief Executive Officer

The Atos logo is located in the bottom right corner of the slide. It consists of the word "Atos" in a bold, blue, sans-serif font. The letter 'o' is stylized with a white dot in the center. The background of the slide features a large, abstract graphic of several overlapping, curved blue and grey bands that sweep across the right side of the image.

We are on a **transformation journey** which started early in 2022 with the **swift adaptation** of our **governance** and our **leadership group** with **promising early commercial results**

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The **Board of Directors** concluded a **strategic diagnosis** and today we present the **path to growth** driven by an **ambitious transformation plan**

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Through this transformation journey, we are committed to being **result-focused** and **transparent**

# TODAY'S PRESENTERS

An empowered leadership team driving an in-depth transformation

**Atos**



**Rodolphe Belmer**

*Atos CEO*



**Diane Galbe**

*Atos CSO*



**Stéphane Lhopiteau**

*Atos CFO*



**Bertrand Meunier**

*Atos Chairman*

**SpinCo**



**Philippe Oliva**

*SpinCo CEO*



**Rakesh Khanna**

*Digital CEO*



**Jean Philippe Poirault**

*BDS<sup>1</sup> CEO*

1 Big Data and Security

**TFCo**



**Nourdine Bihmane**

*TFCo<sup>2</sup> CEO*

2 Tech Foundations



# AGENDA

01. Vision and Strategy

02. Managing the transition

03. SpinCo

04. TFCo

05. Financials

06. Concluding remarks

# ATOS IS PLAYING IN TWO DISTINCT MARKETS

## Data & Application driven

Digital Transformation & Business Operations

Smart Digital Platforms

Public Cloud

Cybersecurity

High-performance computing

Sovereign Identities & Data Protection

Artificial intelligence / 5G edge market

## Infrastructure driven

Core Infrastructure

Digital Workplace

Professional Services

Private & Hybrid Cloud

Business Process Outsourcing

Unified Communications & Collaboration

# THESE MARKETS HAVE FUNDAMENTALLY DIFFERENT DYNAMICS...

## Data & Application driven

A large, strongly growing market

**€1,000 bn**

Global Digital, Big Data & Security Market (2021)

**+8-10% p.a.**

Expected 21/26 CAGR

### Driven by:

- Shift to public cloud
- Increasing need for cybersecurity
- Big data & analytics going mainstream
- Growing smart application market

## Infrastructure driven

A mature market, shifting from traditional to next gen infrastructure

**€490 bn**

Global Infrastructure & Private Cloud Market (2021)

**(1)% p.a.**

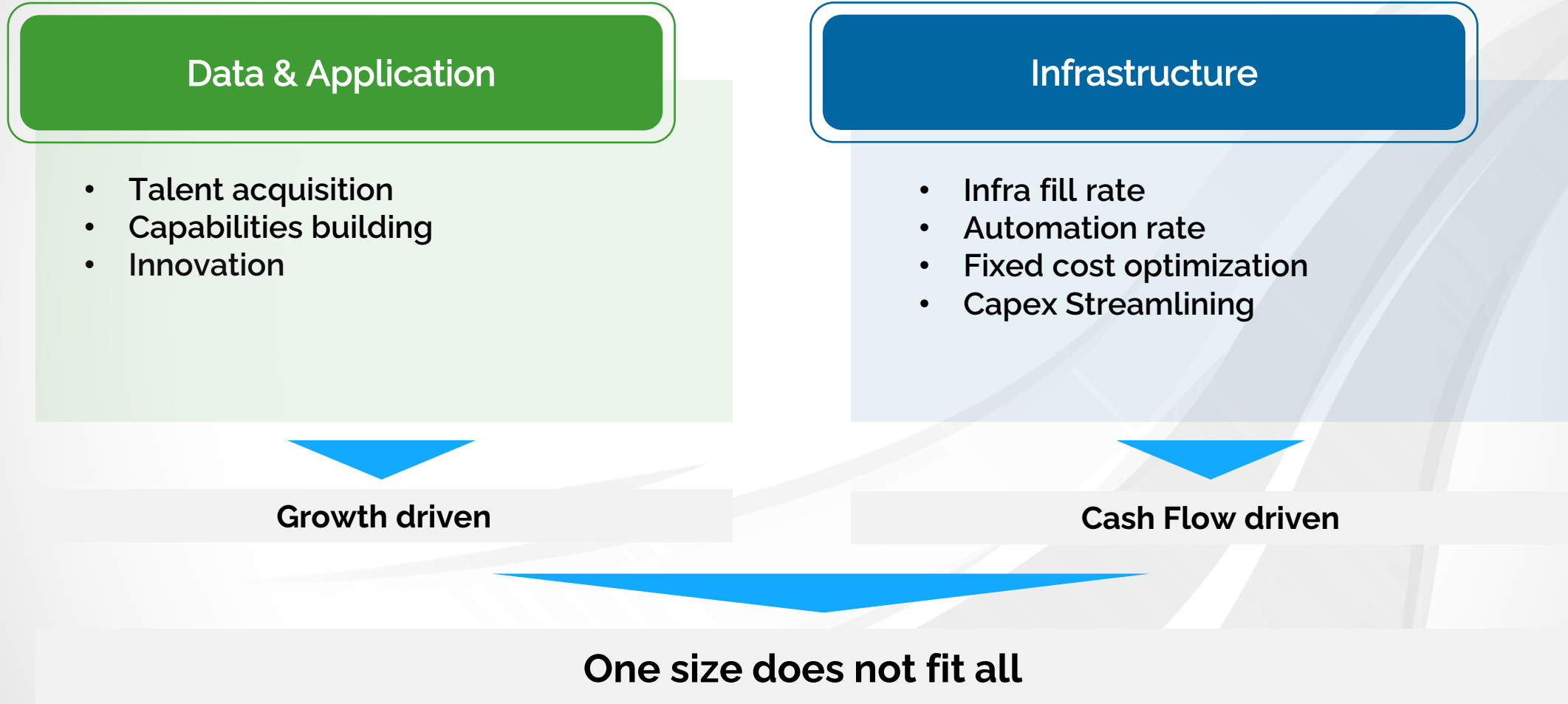
Expected 21/26 CAGR

### Driven by:

- Private and multi-cloud
- High-end infrastructure, modernization and automation
- Declining data center hosting demand

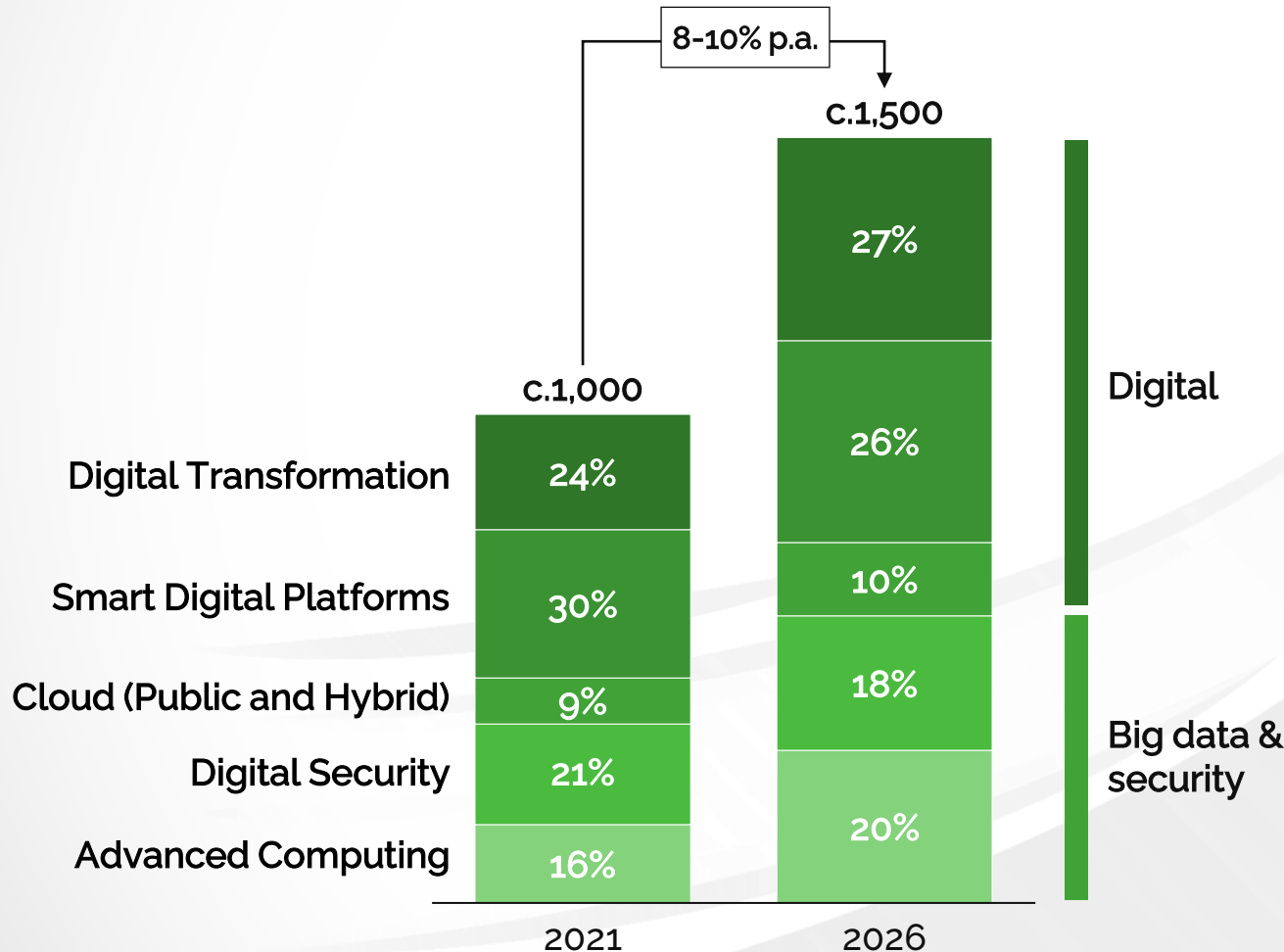


## ... AND DIFFERENT PERFORMANCE METRICS



# THE DIGITAL, BIG DATA & SECURITY MARKET IS MARKED BY STRONG OVERALL GROWTH AND CLOUD ADOPTION

## Global Market size, EUR bn



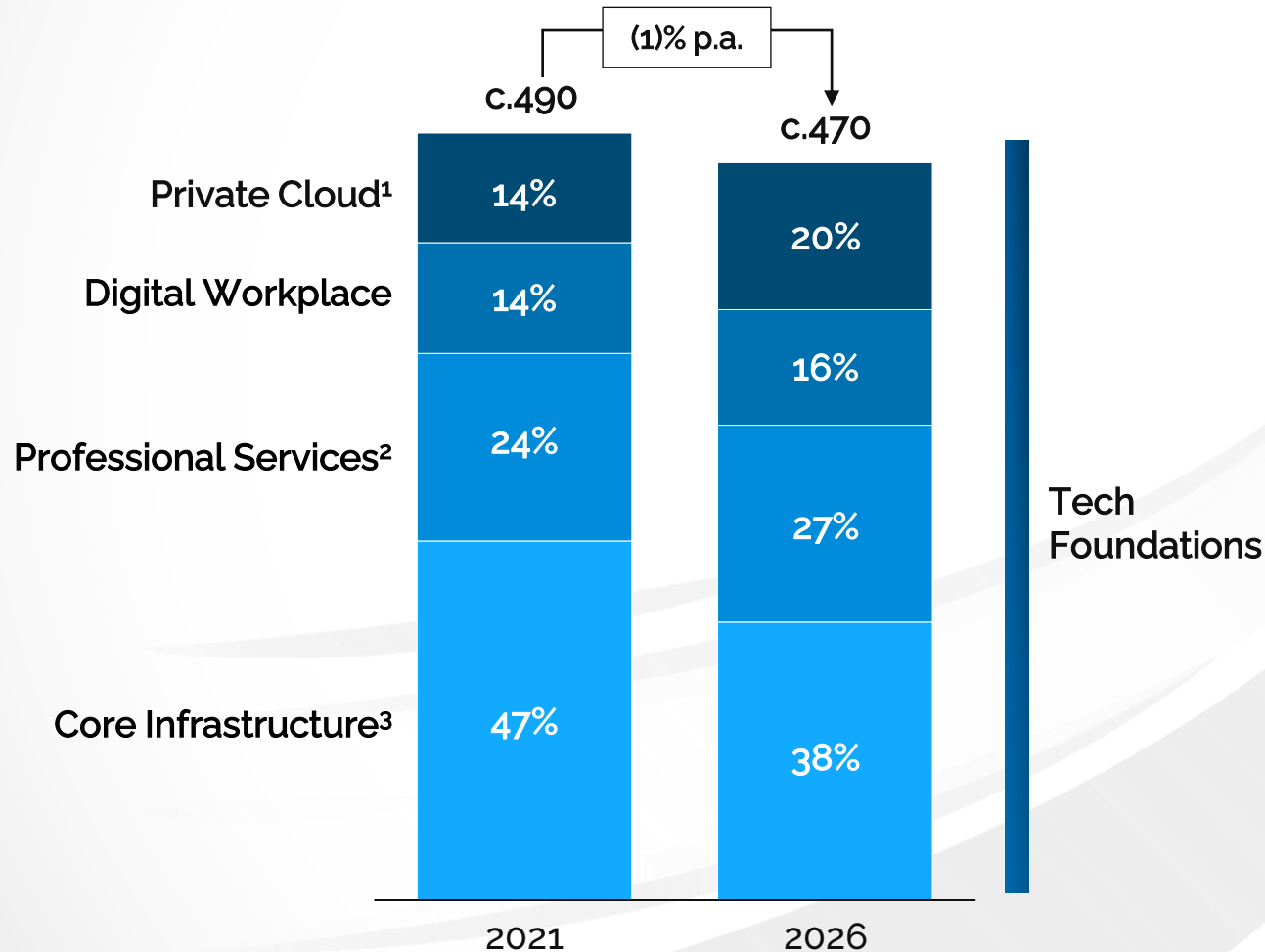
## Market trends

- Shift to public cloud continues
- >30-40% of revenue to be influenced by partners and ecosystems, driving big shifts in the deal lifecycle
- Accelerating adoption of next-gen delivery models and innovative commercial constructs
- Productized vertical offerings play increasing role to differentiate offerings
- Increasingly complex digital environments multiply potential security breaches and sophisticated cyber attacks outpace traditional cyber-defense strategies
- Big data and analytics applications going mainstream, with continued high investments
- Big data use cases drive demand for high performance compute

Source: Gartner, IDC, Hyperion

# THE INFRASTRUCTURE AND PRIVATE CLOUD MARKET IS EXPERIENCING A MIX SHIFT FROM TRADITIONAL TO NEXT GENERATION INFRASTRUCTURE

## Global Market size, EUR bn



## Market trends

- **Shift to cloud** putting pressure on data center hosting volumes and prices in the short-term, but **stabilization expected post migration**
- **Growing hybrid cloud market** driven by increased overall workloads offsetting decrease from migration to cloud
- **Cloud platform services growing rapidly** due to migrations of existing workloads and cloud-native development
- **Strong demand for higher margin activities** (consulting, implementation and managed services)
- **Metaverse and edge cloud** and other services to **drive demand for high-end infrastructure** in the mid-term

Source: Gartner, IDC, Hyperion

1. Excluding hybrid cloud.

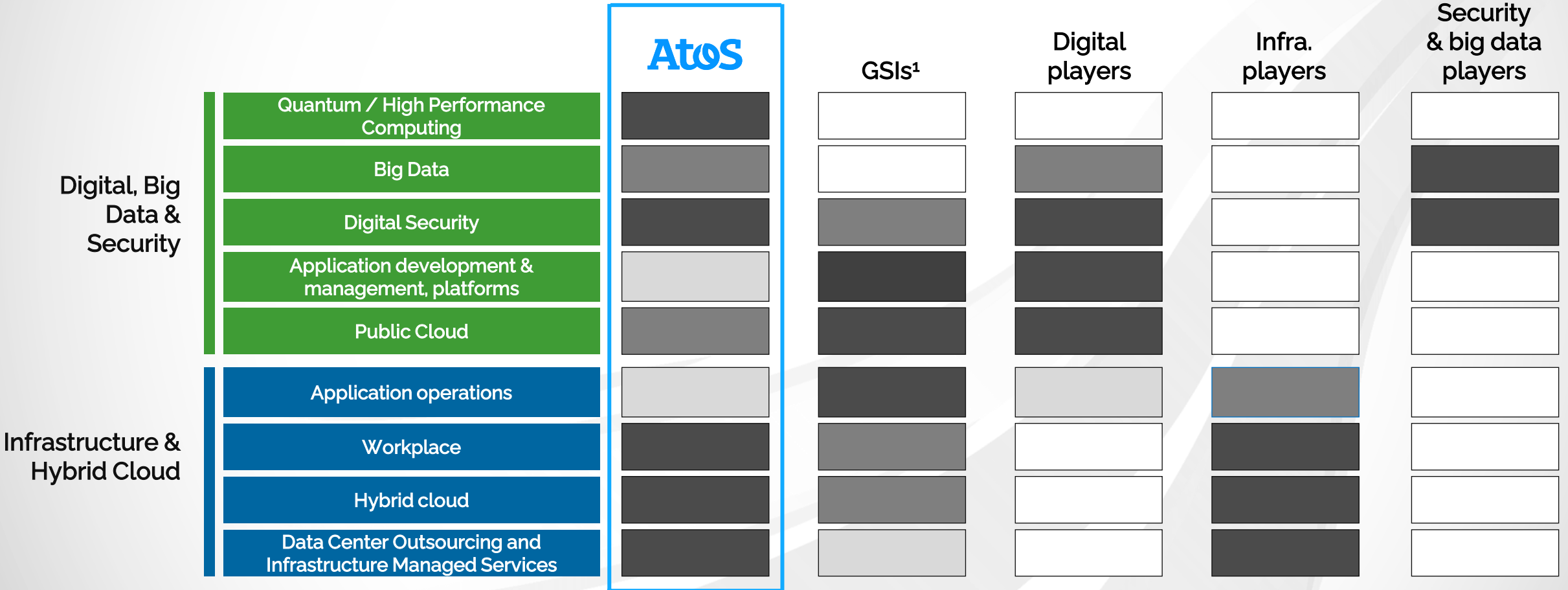
2. Technical Services & Sales of Hardware in IT reports.

3. Infrastructure & Managed Services in IT reports (including Network, Database, Server, Wintel, Service desk, Middleware, Storage)

# IN BOTH MARKETS, ATOS INCREASINGLY COMPETES AGAINST PURE-PLAY COMPETITORS

Indicative revenue distribution per core offering

Portfolio exposure

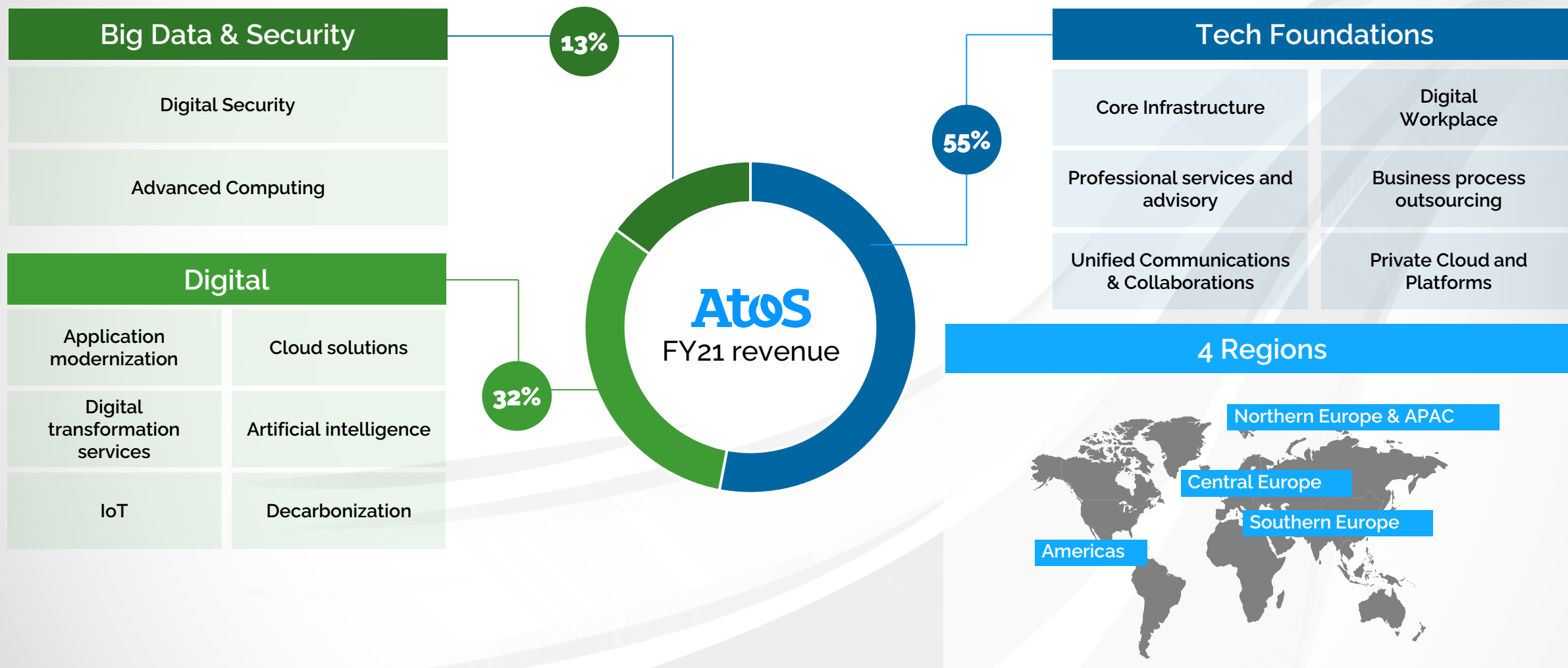


1. Global System Integrators.

# SIGNIFICANT CHANGES NEEDED TO IMPROVE ATOS PERFORMANCE

	Structural Issues	Cyclical/ Market-driven Issues	
Tech Foundations	<ul style="list-style-type: none"> <li>Fragmented portfolio</li> <li>Sales de-focus</li> <li>Delivery costs impacted by high exposure to high-cost countries and high use of subcontractors</li> <li>Low productivity and utilization rate</li> <li>Significant number of red contracts</li> </ul>	<ul style="list-style-type: none"> <li>Stranded costs in high-cost and complex countries</li> <li>Inflation</li> </ul>	<p>2022 financial performance to remain at a low point, as the transformation plan under study is yet to be launched</p>
Big Data & Security	<ul style="list-style-type: none"> <li>Advanced computing margin under pressure due to public cloud and shift to high-end HPC and edge computing</li> </ul>	<ul style="list-style-type: none"> <li>Impact of component shortage on HPC business</li> <li>Talent war</li> </ul>	
Digital	<ul style="list-style-type: none"> <li>Low productivity and inadequate skill-set of commercial resources</li> <li>Delivery costs impacted by high proportion of workforce in high-cost countries and pyramid structure</li> </ul>	<ul style="list-style-type: none"> <li>Inflation impacting staff cost</li> <li>Talent war</li> <li>Syntel Integration</li> </ul>	

# WE ADAPTED OUR ORGANIZATION TO BETTER TACKLE THE SITUATION



Early positive impact on improvement of commercial traction



# NEXT STEP NOW UNDER STUDY: UNLOCKING VALUE BY SPLITTING INTO TWO PUBLICLY-LISTED COMPANIES, LEADERS IN THEIR RESPECTIVE MARKETS

**Atos**



**SpinCo (Evidian)**  
*Digital, Big Data and Security*

**TFCo (Atos)**  
*Digital Infrastructure and Workplace*

Value proposition	Leading <b>digital transformation partner</b> with focus on established and emerging offerings centered around <b>deep expertise</b> and <b>proprietary technology</b>	Leader in Managed Infrastructure Services, Digital Workplace and Professional Services, with focus on <b>designing, building and managing complex and vital information systems worldwide</b>
Business lines	<b>Digital, BDS</b>	<b>Tech Foundations</b> (excl. UCC)
Management focus	Achieve <b>strong growth</b> and <b>double-digit margin</b>	<b>Maximize cash generation</b> and <b>optimize cost base</b>
2021 Revenue	<b>€4.9 bn</b>	<b>€5.4 bn</b>
2021 Operating Margin (%)	<b>7.8%</b>	<b>(1.1)%</b>
2021 est. organic revenue growth	<b>+5%</b>	<b>(12)%</b>

# RATIONALE OF SPIN-OFF UNDER STUDY

Creation of **two companies, each with a more focused strategy**, adapted to their own market, a **dedicated management team and performance management system** and agility to execute their own transformation plan

Ensure each company has an **adequate capital structure** adapted to its own growth and cash generation profile

**Unlock value** of SpinCo by creating a publicly-listed company exposed to high-growth and high-margin markets

Fully financed turnaround plan for TFCo to bring it back to **Free cash flow positive** by 2026, while keeping optionality to participate in market consolidation

**Maximize value for ALL Atos' stakeholders**

# TWO DISTINCT COMPANIES, TWO LONG-TERM STRATEGIC VISIONS

Atos

## SpinCo (Evidian)

- Create a **digital and tech leader and talent hot spot**
- Establish **new digital and tech brand** and reposition the portfolio
- **Capture market growth momentum and premium pricing** in focus areas through proprietary assets/IP and deep expertise
- **Develop strategic partnerships with hyperscalers and software vendors** to implement solutions at scale and lead/participate in 'big ticket' digital transformations projects

## TFCo (Atos)

- Create an established **leader in digital workplace, hybrid, multi and next-gen cloud services**
- **Drive full transformation of sales & delivery** to unlock full value potential
- Capitalize on **growing demand for high-end IT infrastructure**
- Drive **value creating transition to hyperscaler cloud** and capture associated **laas growth opportunities** in partnership with SpinCo
- **Grow footprint** in sensitive critical industries and applications

# TWO DISTINCT COMPANIES TO OPTIMIZE THE EXECUTION OF AN AMBITIOUS TRANSFORMATION PLAN

Atos

SpinCo (Evidian)

€0.4 bn

Investment in SpinCo's growth and margin acceleration (2022-2026)

- Boost commercial performance
- Grow and adapt talent pool
- Drive focused R&D
- Develop capabilities

TFCo (Atos)

€1.1 bn

Investment in TFCo turnaround (2022-2026)

- Rationalize portfolio
- Reset cost structure
- Stabilize revenue
- Pivot towards growth
- Upskill talents

A €1.5 bn total transformation investment over 5 years

# WORLD CLASS AND HIGHLY EXPERIENCED TEAMS WOULD LEAD THOSE TRANSFORMATIONS...

## SpinCo (Evidian)



Philippe Oliva  
SpinCo CEO



Anil Agrawal  
SpinCo CFO



Rakesh Khanna  
Digital CEO



Jean-Philippe Poirault  
BDS CEO

## TFCo (Atos)



Nourdine Bihmane  
TFCo CEO

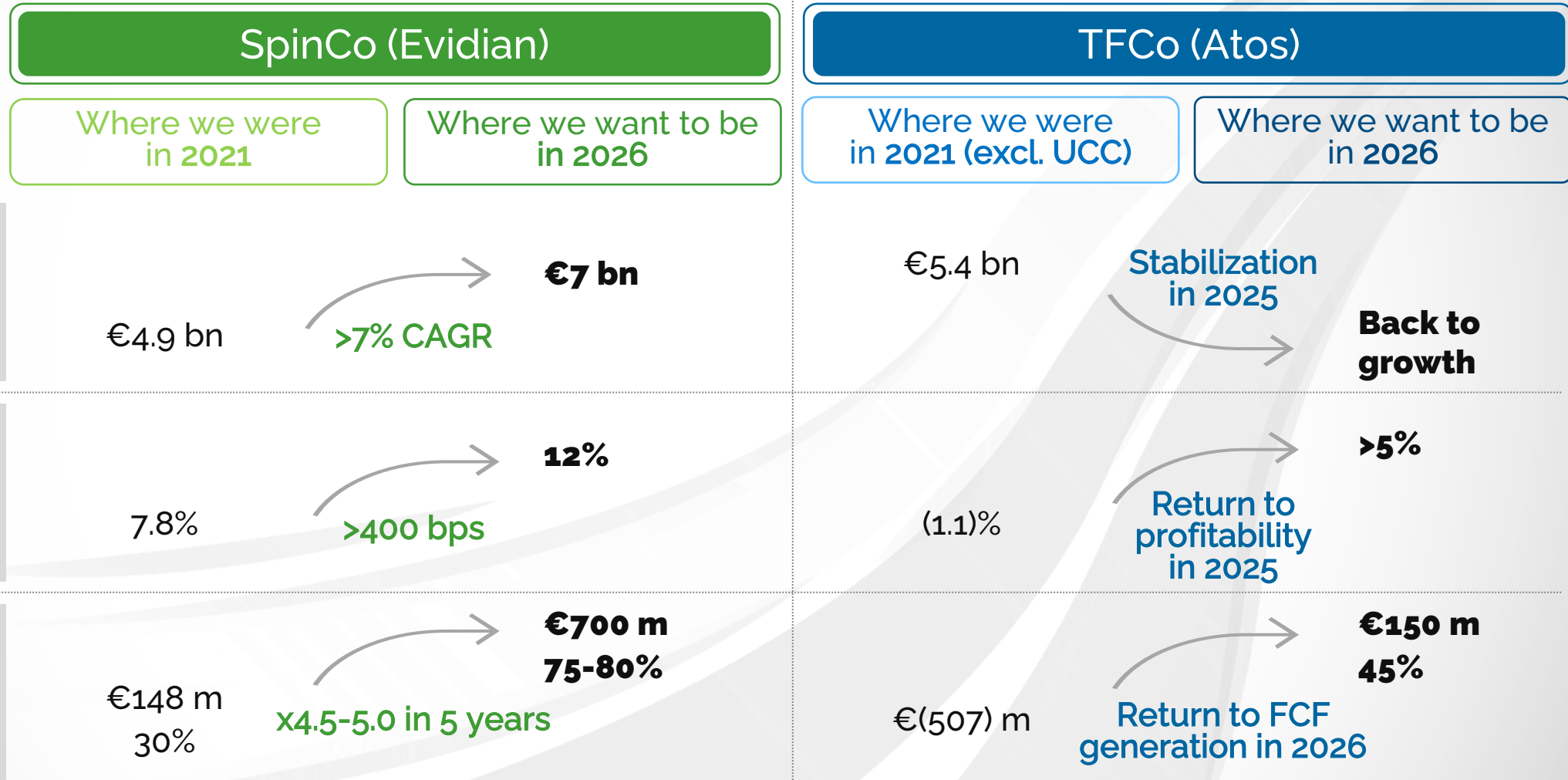


Laurent Barbet  
TFCo COO



Darren Pilcher  
TFCo CFO

# ...THAT WOULD DRIVE STRONG PERFORMANCE IMPROVEMENT



1. expressed in % of OMDA pre-IFRS 16



# ATOS GROUP 2022 CURRENT TRADING TRENDS

2022 Full-Year guidance		Current Trends
Revenue growth at constant currency	(0.5)% to +1.5%	Robust
Operating margin (% of rev.)	3% to 5%	Lower Half of the range
Free cash flow <sup>1</sup>	€(150) m to €200 m	Robust

1. Excluding additional costs related to the transformation plan

# AS PART OF THIS CONTEMPLATED TRANSFORMATION PLAN, WE WILL ALSO ACTIVELY MANAGE OUR PORTFOLIO

We intend to **sell**  
**c.€700 m of non-**  
**core assets** by 2023

Most of the  
identified assets are  
in the SpinCo  
perimeter and have  
already **attracted**  
**significant inbound**  
**investor interest**

# Capital Markets Day

Diane Galbe

Atos Chief Strategy & Sustainability  
Officer & General Secretary

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# AGENDA

01. Vision and Strategy

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# THE PROJECT WOULD TAKE EFFECT THROUGH DEDICATED GOVERNANCE AND OBJECTIVES

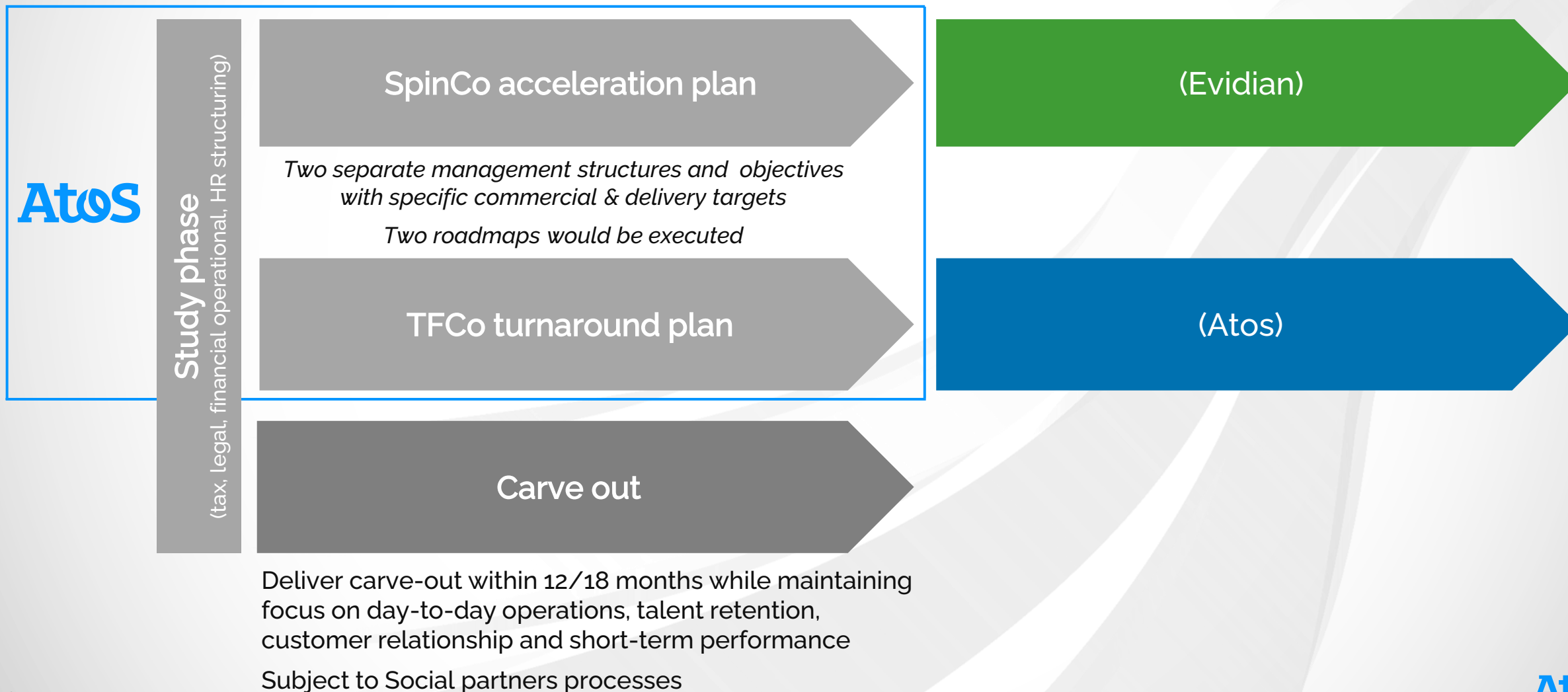
Today

**Transformation**

----- 2023 -----

**Two Listed Entities**

----- 2024 -----

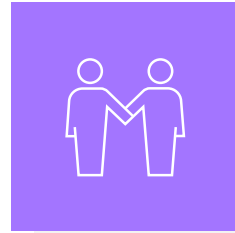


# ATOS HAS A CLEAR ROADMAP TO MAINTAIN UNABATED FOCUS ON OPERATING PERFORMANCE DURING THE STUDY AND POTENTIAL CARVE-OUT TRANSITION PHASE



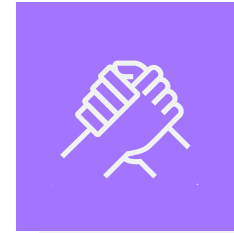
## Customer engagement

- New management governance in sales and delivery in place
- Dedicated sales incentives to capture value during transition period
- Transparent communication of activities and seamless transition



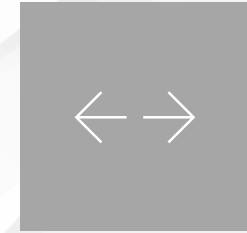
## Employee retention

- Visibility on future organization, job perspectives and benefits protection
- Allocation of teams based on capabilities and future needs
- Close alignment with social partners
- Change management



## Supplier & operations continuity

- Comprehensive strategic agreement between entities to be put in place
- Stand-by recruitment for Day-1
- Negotiation with third-parties to minimize dis-synergies
- Contractual services support during transition period



## Carve-out management

- Project Management Office established
- Master planning & rapid cadence
- Dedicated teams for implementation
- Mitigation of one-off standup costs

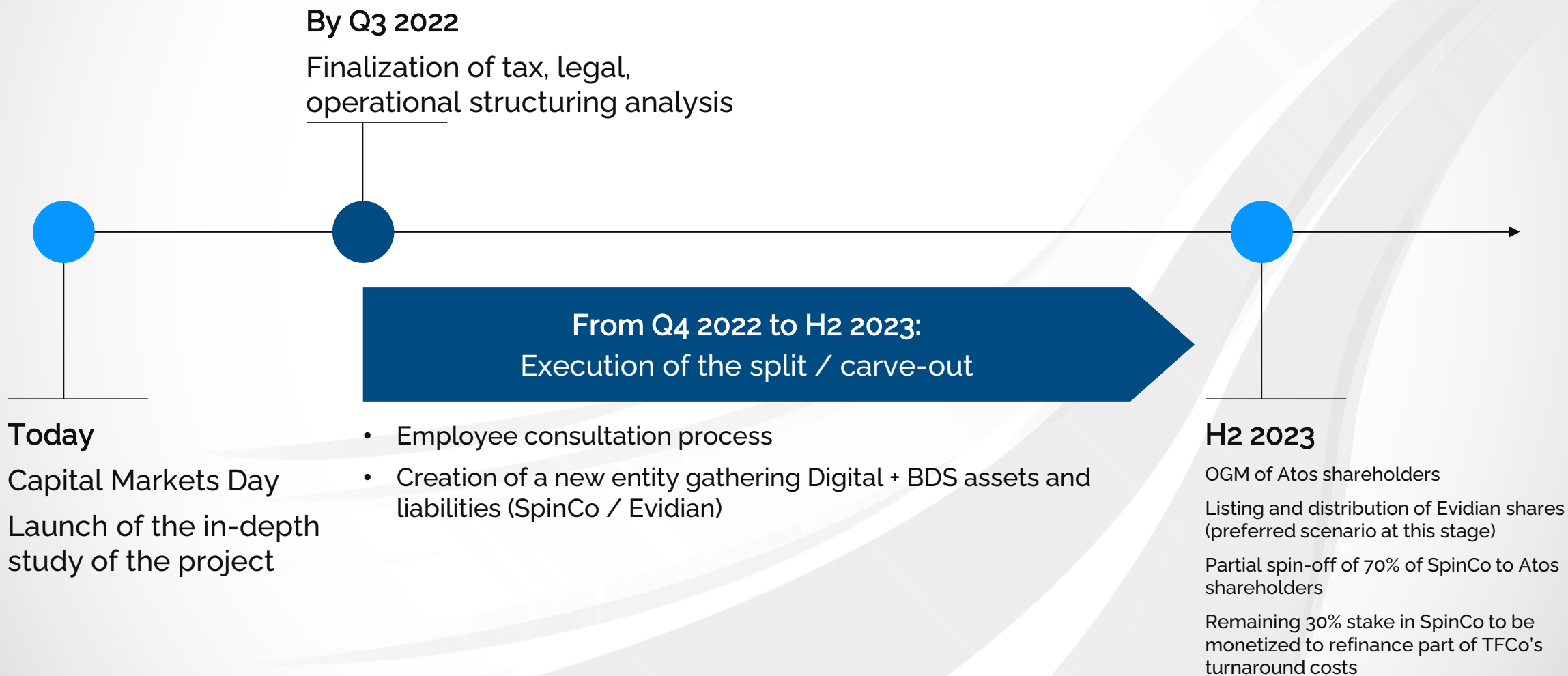
Operational focus

Carve-out focus



# THE OBJECTIVE WOULD BE TO COMPLETE THE PROJECT BY H2 2023

## Envisaged transaction timeline



# MANAGEMENT TEAM ORGANIZED TO DELIVER ON BOTH TOP PRIORITIES GOING FORWARD: EXECUTION OF PROJECT AND DAY-TO-DAY BUSINESS

Group management in charge of executing the potential separation process whilst maximizing value creation



**Rodolphe Belmer**

*Atos CEO*



**Diane Galbe**

*Atos CSO*



**Stéphane Lhopiteau**

*Atos CFO*



**Paul Peterson**

*Atos CHRO*

SpinCo and TFCo management focused on client development, performance and cash flow generation



**Philippe Oliva**

*SpinCo CEO*



**Nourdine Bihmane**

*TFCo CEO*

# Capital Markets Day

Philippe Oliva

SpinCo Chief Executive Officer

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# AGENDA

01. Vision and Strategy
02. Managing the transition
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# SPINCo (EVIDIAN): A LEADING PLAYER IN HIGH-GROWTH DIGITAL TRANSFORMATION, BIG DATA AND CYBERSECURITY MARKETS

**€4.9 bn**

FY 2021 revenue

**+5%**

FY 2021 est. organic revenue growth

**7.8%**

FY 2021 operating margin

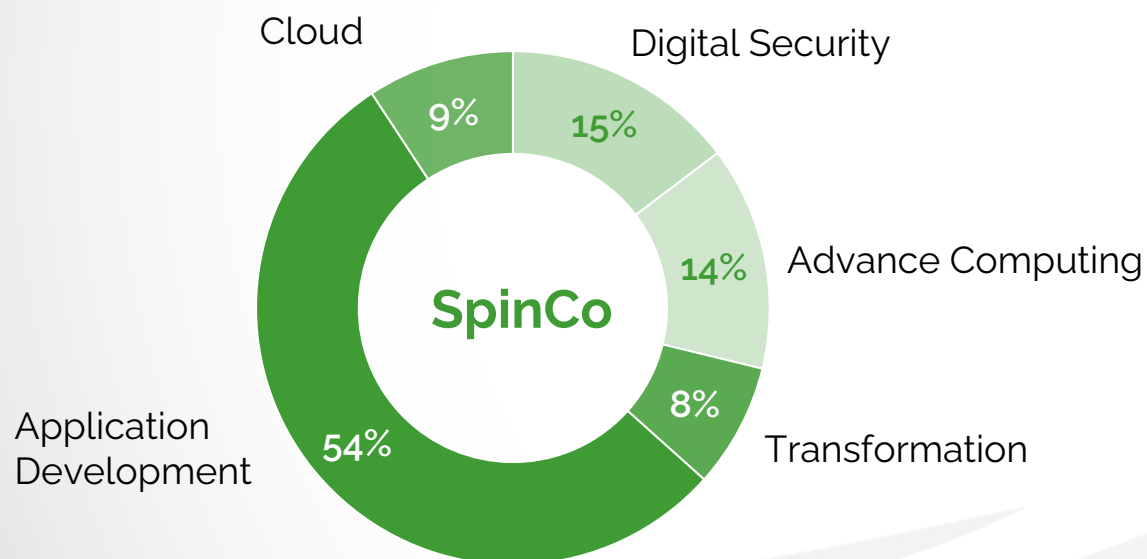
**59,000**

Employees<sup>1</sup>

**70+**

Countries of operations

## Revenue breakdown



**N°1 Worldwide in Managed Security Services**

Gartner

**Top 3 Worldwide in Supercomputers**

Hyperion

**Leader in Data & Analytics & Cloud Enterprise Solutions**

Gartner

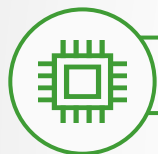
**Top 10 in SAP S/4 Hana**

HfS

# SPINCo (EVIDIAN) WOULD COMBINE TWO CORE COMPETENCIES OF ATOS: DIGITAL AND BIG DATA & SECURITY (BDS)

SpinCo (Evidian)

Bringing together deep expertise and proprietary technology to establish leadership in secure digital



Digital

Helping organizations to evolve towards Virtual Enterprises with Physical Presence

€3.5 bn

FY21 revenue

50,000

Employees<sup>1</sup>



BDS

Helping organizations with digital security and advanced data processing

€1.4 bn

FY21 revenue

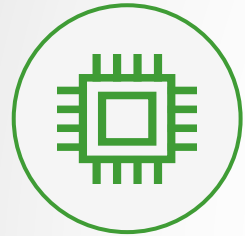
9,000

Employees<sup>1</sup>





# SPINCo (EVIDIAN) WOULD HOLD STRONG POSITION IN KEY TECH AREAS



**Visionary Public  
Cloud**  
(Gartner - 2022)



**Leader in Data  
& Analytics**  
(Gartner - 2022)



**#1 worldwide  
in Managed  
Security**  
(Gartner - 2022)



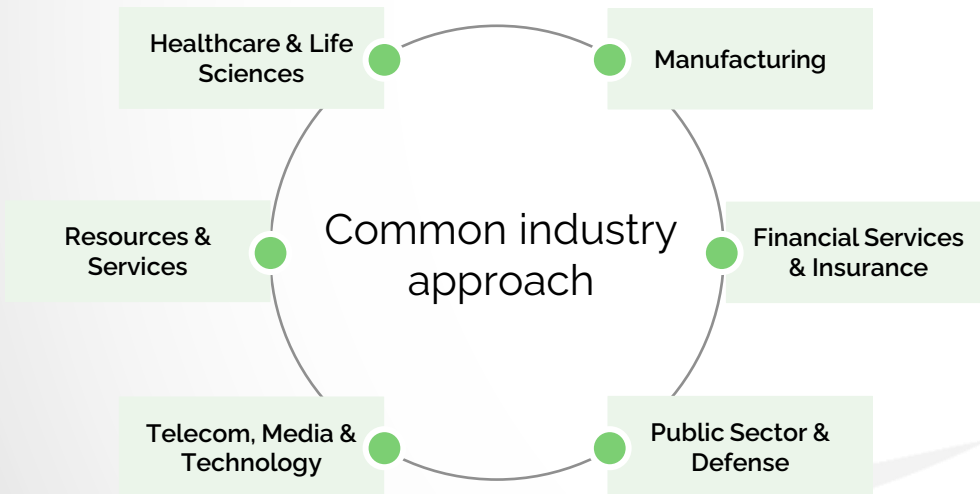
**#3 worldwide in  
SuperComputing**  
(Hyperion - 2022)



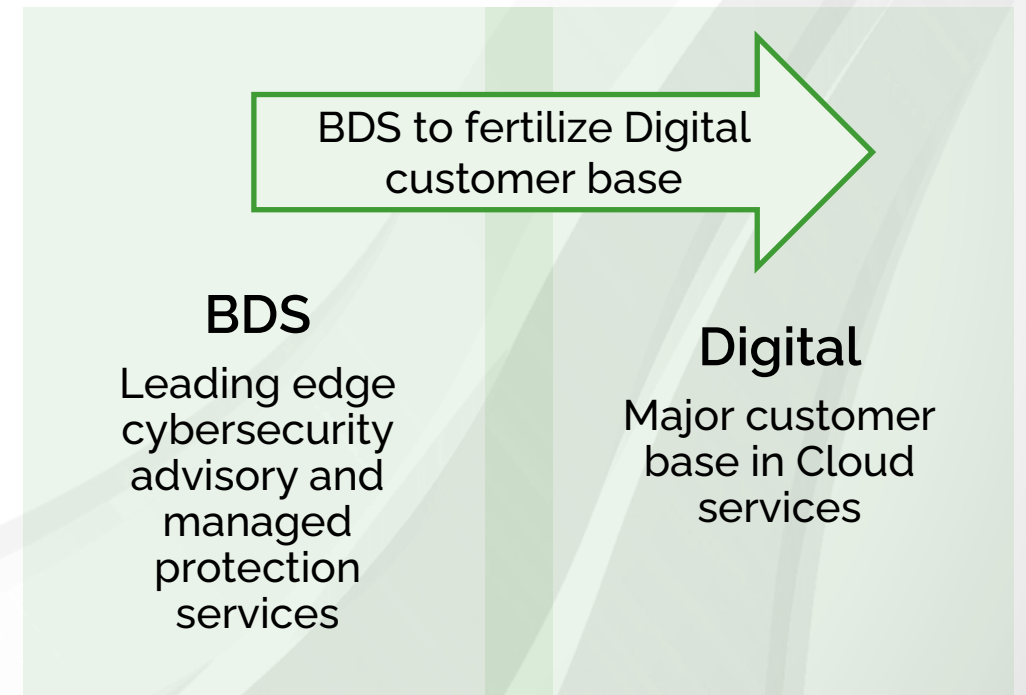
**"Leader of  
leaders"  
in Edge/AI**  
(ISG - 2022)

# SPINCo (EVIDIAN): STRONG COMMERCIAL AND MANAGERIAL SYNERGY OPPORTUNITIES

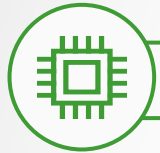
**A joint go-to-market for security and digital**  
*To ensure commercial efficiency and scale*



**Fertilization opportunities**  
*To drive growth*



# TWO CORE COMPETENCIES WELL POSITIONED TO CAPTURE ATTRACTIVE MARKET GROWTH



## Digital

Main activities

2021 - 2026  
Market growth<sup>1</sup>  
(CAGR)

Digital Transformation

**10%-11%**

Application

**5%-6%**

Cloud (Public and Hybrid)

**10%-12%**



## BDS

Main activities

2021 - 2026  
Market growth<sup>1</sup>  
(CAGR)

Advanced Computing

**12%-14%**

Digital Security

**7%-8%**

<sup>1</sup> Total market including not addressed portion

# SPINCo (EVIDIAN) WOULD PURSUE ATOS' ENVIRONMENTAL JOURNEY

SpinCo would define an ambitious decarbonization target...

...building-up on sustainability offerings to help our customers reduce their carbon footprint

SpinCo would inherit Atos' deep commitment to sustainability and would define its own ambitious environmental program to reduce its carbon emissions



Green HPC

EXA1

Most powerful and energy efficient HPC in Europe based on General Purposes CPUs



A to Zero

Net Zero strategy & implementation advisory

Carbon footprint calculator  
Dashboard & Compliance Reporting (e.g. Carbon Disclosure Project)



Decarbonization level agreement

15 to 20% CO<sub>2</sub> footprint reduction commitment

Due diligence  
3<sup>rd</sup> party audit validation  
Carbon offset/ credits to customers

# SPINCO (EVIDIAN) MEDIUM TERM OBJECTIVES

	2021	2026
Revenue	€4.9 bn	€7 bn +7% organic 22-26 CAGR <i>(based on 2022 expected revenue of c.€5.3 bn)</i>
Operating Margin <i>(% of rev.)</i>	7.8%	12%
FCF before interest and tax <i>(% FCF conversion<sup>1</sup>)</i>	€0.15 bn 30% conversion	€700 m 75-80% conversion


Implementation of the Acceleration Plan

Leverage target below 3.0x as of 2024

1. expressed in % of OMDA pre-IFRS 16

# A SEASONED MANAGEMENT TEAM WITH SUCCESSFUL TRACK RECORDS

- **25+ years of experience**
- **Joined Atos as Chief Commercial Officer in 2022**
- Previously Chief Commercial Officer at Eutelsat (2018-2022)
- Held senior management positions at IBM (Vice President for Integrated Technologies, Vice President for Cloud Services and Hybrid Services in North America)
- **Graduated from ESIC Business School**



**Philippe Oliva**  
SpinCo CEO



**Anil Agrawal**  
SpinCo CFO

- **20+ years of experience**
- **Joined Atos as CFO of Atos Syntel in October 2018**
- Previously CFO of Syntel (2015-2018)
- India Chartered Accountant
- **Graduated from INSEAD, IIM Bangalore and Jai Hind College**

## Digital

## BDS



**Rakesh Khanna**  
Head of Digital

- **35+ years of experience**
- **Joined Atos as CEO of Atos Syntel in October 2018**
- Previously held positions at Syntel (COO from 2005 to 2016, CEO and President from 2016 and 2018)
- **Graduated from SVKM's NMIMS**



**Jean-Philippe Poirault**  
Head of BDS

- **30+ years of experience**
- **Joined Atos as CEO of Atos Southern Europe in 2019**
- International Executive of the Telecom and Cloud Industries:
  - Vice President of Worldwide Telecom Industry Business Unit at Amazon Web Services AWS (2018-2019)
  - SVP- Head of IT & Cloud Business Unit at Ericsson- member of the Executive leadership team (2011-2017)
  - President of the Multi-media - IT - Telecom Business Division at Alcatel Lucent (2004-2011)
- **Graduated from ESTP and CentraleSupélec**



**John Van Geel**  
COO

- **30+ years of experience**
- **COO of Digital since March 2022**
- Joined Atos in 2011 as Global Transition Director and held several positions within the IT Solutions and Services business unit
- **Graduated from INSEAD, TIAS and Tilburg University**



**Cyril Dujardin**  
COO

- **20+ years of experience**
- **Joined Atos as Head of Mission Critical Systems Business Line in 2015 and became Head of Digital Security in 2021**
- Experienced executive in the Security and Defense industry
- Previously held senior management position in Morpho (now Idemia) including CEO of Morpho Detection International and Managing Director of Morpho Australasia
- **Graduated from Ecole Polytechnique and Ecole Nationale des Ponts et Chaussées**



# Capital Markets Day

Rakesh Khanna  
Digital Chief Executive Officer

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# SPINCO

01. Deep Dive on Digital
02. Deep Dive on Big Data & Security

# DIGITAL : A LEADING DIGITAL TRANSFORMATION PARTNER

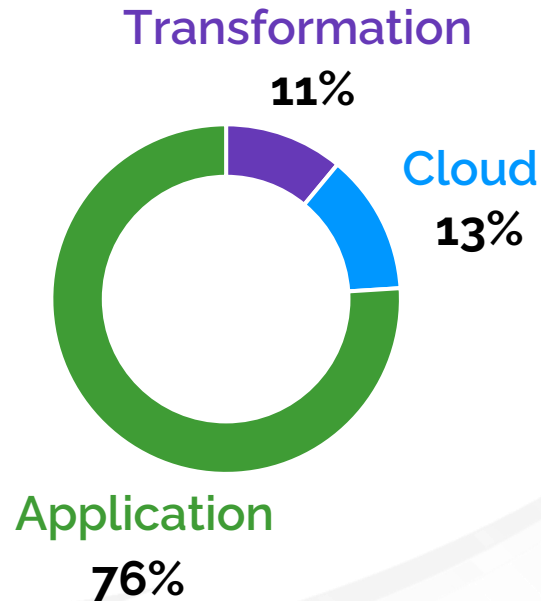
**€3.5 bn**  
FY21 revenue

**50,000**  
Engineers & Experts<sup>1</sup>  
Of which **9,000** SAP Experts

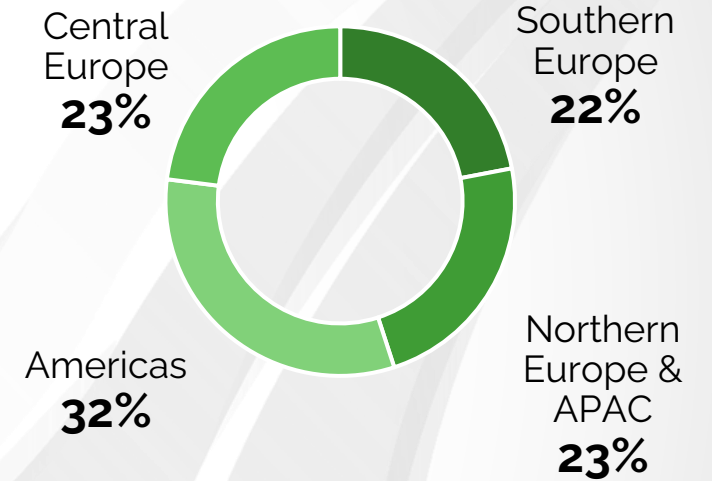
**3 global and 13 local**  
**delivery centers**  
with world-class  
campuses in India

**+6% FY 2021** est.  
organic revenue growth

**High single digit**  
FY21 OM%



## Balanced Global Footprint



**Gartner**

Visionary in Public Cloud  
Leader in Data & Analytics

**ISG**

Leader in Mainframe Services: Managed Services, Modernization, Transformation and Mainframe as a Service

Leader - Digital Business Solutions & Services

**Everest Group**

Leader: Sustainability Enablement Technology Services

Leader: Service Now Solutions

**Atos**

# WE POWER DIGITAL EXPERIENCES FOR CLIENTS

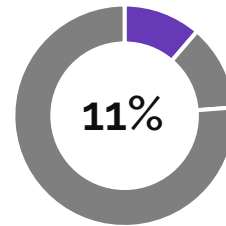
Enable clients to evolve to *“virtual enterprises with physical presence”*



## Transformation

**Imagine the possibilities**

Orchestrate data and technologies to enable new business models



Business Transformation



Data, AI & Analytics



Net. Zero Transformation



Internet of Things



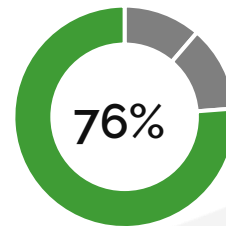
Customer Experience



## Smart Platforms

**Digitize your processes**

Deploy Next Gen Applications to deliver agility and reliability



Application Services



Digital Assurance



ServiceNow Solutions



Digital Integration



Business Outcome Bridge



SAP Solutions



Application Modernization



Salesforce Solutions



Microsoft Solutions



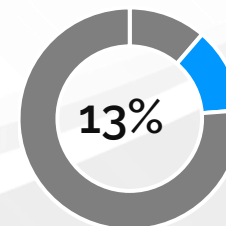
Digital Business Operations



## OneCloud

**Accelerate through the Cloud**

De-risk the journey to the future landscape



% share of revenue



Cloud Advisory Services



Cloud Design & Build Services



Cloud Operations & Managed Services

# WE POWER DIGITAL EXPERIENCES FOR OUR CLIENTS...

Integrate, scale and expand digital capabilities across our client base

## Major customers across industries and geographies ...

SIEMENS

FedEx

  
HM Revenue  
& Customs

 Baylor Scott & White  
HEALTH

 EDF

PHILIPS

  
STATE STREET

 RENAULT

STELLANTIS

  
SLC  
Student Loans Company

Humana

 experian™



EU  
Institutions

## ... partnering with Digital to transform their businesses

**Siemens:** 20+ ERPs to hyper-scaler cloud landscape

**Humana:** Health Insurance from Claims to Wellness: 200 repositories to Azure DevOps & Salesforce cloud

**Stellantis:** Software factory for connected car landscape

**EDF:** Develop, maintain and test the IT new nuclear & Nuclear Digital Twin

**Sanofi:** Smart Factory 4.0 across 80 global factories

**Siemens:** Global Energy Consumption & Carbon Emission tracking across 1800+ locations on Mendix based platform

# ... LEVERAGING STRONG PARTNERSHIPS AND STRATEGIC ACQUISITIONS

Integrate, scale and expand digital capabilities across our client base

## Partner Ecosystem

## Strategic Acquisitions

### Transformation



### Smart Platforms



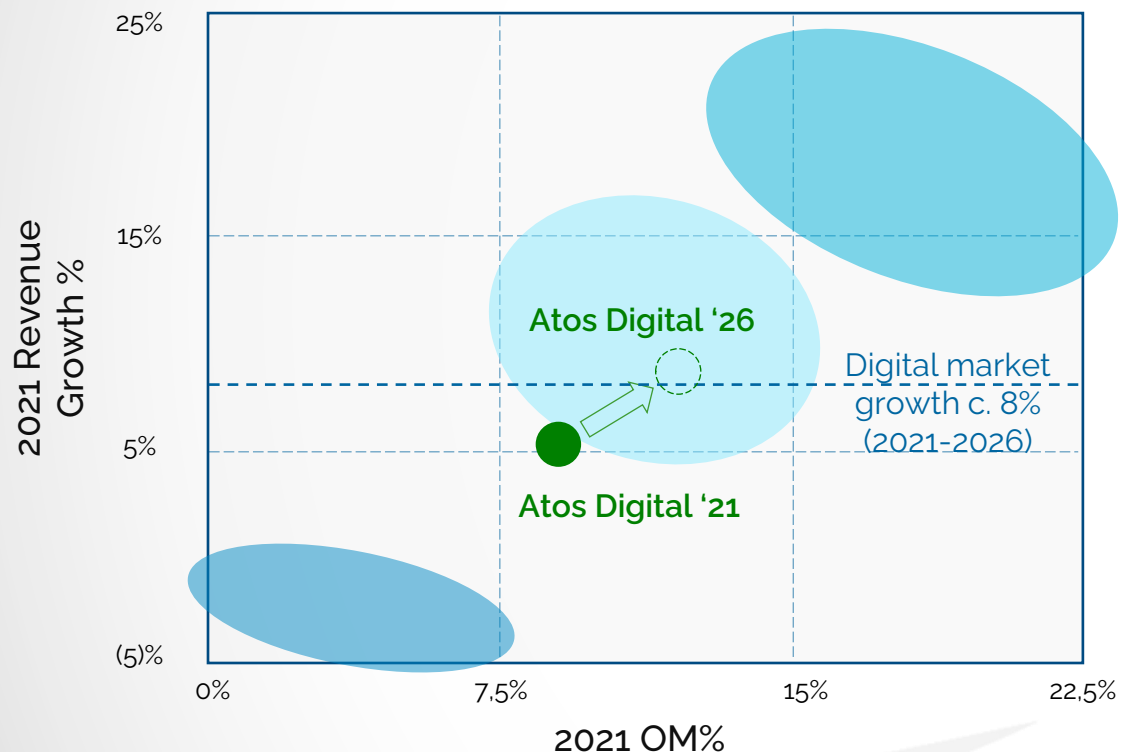
### OneCloud



# DIGITAL WILL BE A GROWTH SEGMENT IN IT SERVICES FOR THE FORESEEABLE FUTURE

## Driven by amplification of technology intensity across industries

### Headroom to grow revenue and margins



- **Players in transition with infra base**
- **Global with local presence, mixed digital**
- **Global A-tier, Indian Majors & Digital Pure Play**

### Clear path to overcome barriers

- 1 **Growth**
  - New identity
  - Simplified governance to address fragmented ownership
  - Increase customer focus
  - Simplify portfolio
  - Scale up: acquisitions, pockets of expertise
  - Leverage partner ecosystem
  
- 2 **Profitability**
  - Industrialization of delivery
  - Skill Mix
  - Productivity
  - Right Shoring

Source: Atos team analysis, analyst reports, public market data. Disclaimer: illustrative only



# WE WILL ACCELERATE GROWTH THROUGH INCREASED CUSTOMER AND SALES FOCUS

## Additional investments

**Recalibrate** accounts and **sales teams** to sell Digital services and leverage alliance ecosystem

Hire high caliber **Digital specialists** to **shape transformational deals**

Align **sales incentives**

Total additional OPEX of  
**€70 m** over 5 years

## Key Actions

- 1 Focus to increase digital penetration in **top 25** high potential **accounts** through **fertilization** & large deals. Embed Digital experts in account teams to drive growth.
- 2 **Simplified portfolio:** streamline **acquisitions** and **partner** capabilities with clear go-to-market approach around **client business outcomes**. Execute focused **cross sell** campaigns
- 3 Drive new logos:
  - Enhance **sales / account organization** & capabilities
  - **Leverage successes** and **scale pockets of expertise** like connected car, connected appliances, Worldgrid etc.

Supported by alliance ecosystem (hyperscalers, enterprise partners) and large deal team



# WE WILL INVEST TO IMPROVE OUR DELIVERY MODEL AND ENHANCE PROFITABILITY

## Additional investments

**Industrialize** and **modernize** delivery platform, using **Automation & AI 1<sup>st</sup>** delivery

Accelerate **reskilling** of delivery teams to Digital skillset (e.g. cloud, AI etc.)

Transform & restructure **delivery teams**

Total RRI cost of  
**€300 m** over 5 years

## Key Actions

- 1 Increase **billability** & **delivery productivity**
- 2 **Right shoring**
- 3 Reduce **subcontractor** usage
- 4 Balance **talent pyramid**
- 5 Incremental margin on **new business**

## Operating Margin impact

++

+

+

+

+++

+ 20-50bps

++ 50-150bps

+++ 150-200bps

# TOP 3 DELIVERY MODEL LEVERS – SIGNIFICANT IMPROVEMENT POTENTIAL

## Transformation levers

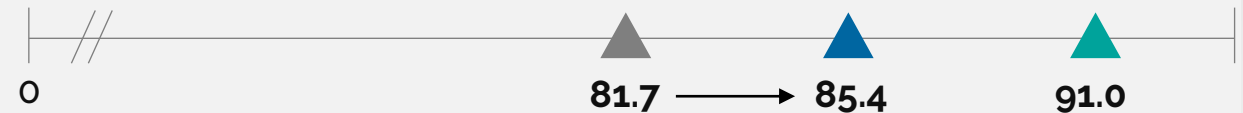
## Delivery KPIs

▲ Digital 2021    ▲ Digital 2026    ▲ Industry average

1

Increase **billability** and **delivery productivity**

Utilization in high-cost countries  
(% of available hours)



2

Right shoring

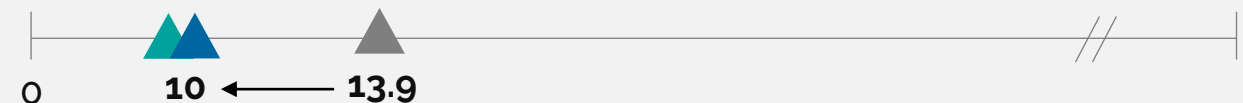
Labor mix - Share of workforce in low-cost countries  
(% of FTE)



3

Reduce **subcontractor usage**

Subcontractor spend  
(% of revenue)



# SUMMARY – DIGITAL 5-YEAR PLAN



Establish a leading digital transformation partner, capturing the revenue and margin potential of a growing market



Partner of choice to major customers across geographies and industries



Leverage strong partnerships across the ecosystem & past acquisitions



Clear, realistic acceleration plan to deliver profitable growth through:

- Increased customer and sales focus
- Improved delivery model transformation

# Capital

## Markets Day

Jean-Philippe Poirault  
Big Data & Security Chief Executive Officer

The Atos logo is located in the bottom right corner of the slide. It consists of the word "Atos" in a bold, blue, sans-serif font. The letter 'o' is stylized with a white dot in the center. The background of the slide features several thick, curved, overlapping bands in various shades of blue and grey, creating a sense of motion and depth.

# SPINCO

01. Deep Dive on Digital

02. Deep Dive on Big Data & Security

# BIG DATA & SECURITY (BDS) THE TRUSTED DATA INTELLIGENCE PARTNER

**€1.4 bn**  
FY21 revenue

**9,000**  
Engineers  
& Experts<sup>1</sup>

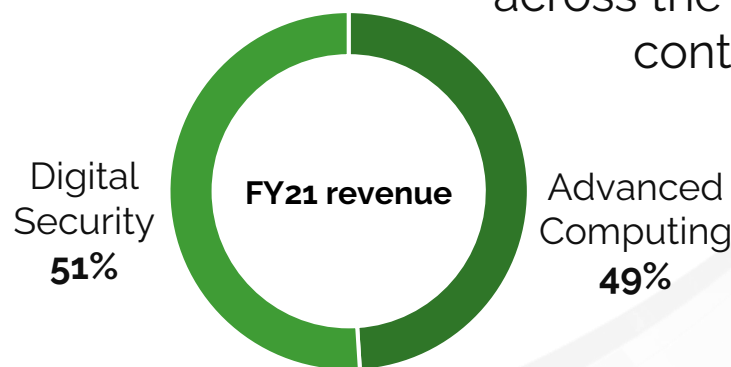
**Double-Digit**  
Revenue growth '16-'21

**Mid-Single Digit**  
FY21 OM%  
**High-Single Digit for**  
**Digital security**

**8% of revenue**  
invested in R&D (2021)

**Digital Security**  
delivering  
end-to-end trust,  
business continuity  
and resilience

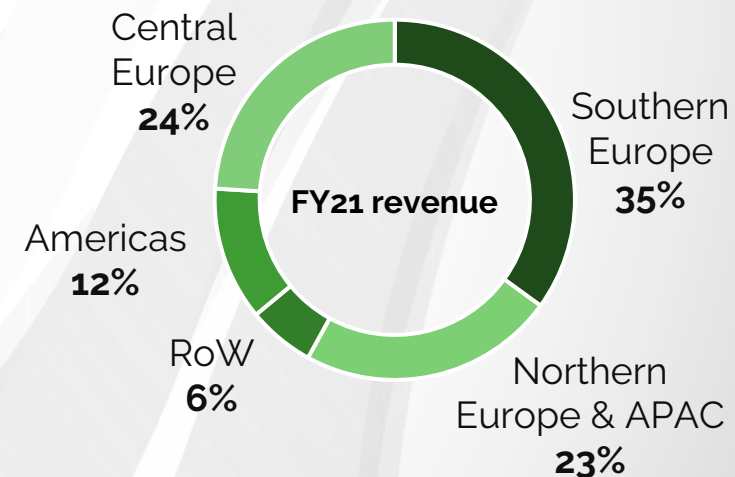
**Advanced Computing**  
bringing  
intelligence and  
creating business  
value using AI/ML  
across the digital  
continuum



## Global footprint

Doubled international  
presence in 4 years

Growing in all geographies





# AT THE HEART OF THE DIGITAL ECONOMY: SECURED PROCESSING AND ENRICHED DATA

**X4**  
Global data volume  
by 2025

**Shift**  
from datacenters  
to hybrid cloud & edge

Creating radically  
new security  
and computing  
challenges

**End-to-end cyber security** will become a matter of survival  
for exposed organization  
getting up to 800 cyber attacks per second in 2022  
**BDS addressing a market growing at +8.3% CAGR (2019-2024)<sup>1</sup>**



Dedicated  
Compute

Dedicated application requiring  
**supercomputers** processing billions  
of billions ops/sec to solve complex  
data challenges in simulation research,  
AI/ML...

**BDS addressing a market growing at  
+5.8% CAGR (2019-2024)<sup>2</sup>**



Public Cloud



Edge & 5G

**Edge/5G computing** will become  
the next digital frontier to handle critical  
AI algorithms and to face latency,  
bandwidth & security challenges

**BDS addressing a market growing at  
+10.8% CAGR (2019-2024)<sup>3</sup>**

1. Source Gartner: Managed Security Services & adjoining security segment.  
2. Source: Hyperion Large Supercomputers.  
3. Source Gartner: Combination of High-end x86 servers and Edge Compute.

# PREPARED FOR THE FUTURE: BDS HAS A MARKET LEADING POSITION COMBINING COMPUTE, SECURITY AND AI/ML

## Digital Security

### Cybersecurity Services, Products and Mission-critical Systems

- Consulting, integration, managed services
- Sovereign solutions (e.g. identity and data protection products) & IoT Security
- Missions-critical systems in Defense, Homeland Security, Energy...

### High Perf. Computing & Quantum

- Hybrid Supercomputing & Exascale
- AI supercomputing & Quantum computing

### #3 world leader in Supercomputing

(Hyperion - 2022)

### Unique manufacturer in Europe

Main competitors: HPE, Dell, Lenovo...

**BDS growing in line with market**

### #1 world leader in Managed Security

(Gartner - 2022)

Main competitors: NTT Data, IBM...

**BDS growing above market**

### Business Computing & Edge

- High End Servers
- Integrated AI/Edge solutions (servers, software, Services)

### "Leader of Leaders" in B2B Edge/AI & 5G

(ISG - 2022)

Main competitors: HPE, IBM...

**BDS growing above market**

Unique synergies between security and computing with AI/ML at their core answering Digital & sovereignty challenges

## Advanced Computing

# LEVERAGING STRONG PARTNERSHIPS AND STRATEGIC ACQUISITIONS TO EXPAND DIGITAL CAPABILITIES ACROSS OUR CLIENT BASE

## Digital Security

### Partner Ecosystem



### Strategic Acquisitions

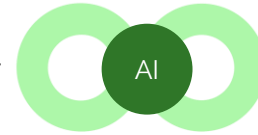


Security Services

Secure coms /5G

Digital ID

Creating Technology Breakthrough, enriching Portfolio & developing new Channels thanks to Strategic Partners & Acquisitions



AI software & Services

HPC/AI cloud orchestration

## Advanced Computing

# R&D INVESTMENT AND CO-INNOVATION WITH CLIENTS CREATING STRONG DIFFERENTIATORS

## Digital Security

8% of revenue  
invested in R&D

1,800 live  
patents

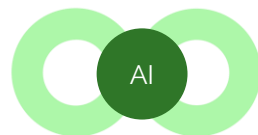
+50 new patents in  
2021

Round the clock  
R&D with 1,200  
PhDs &  
Engineers

Leading AI/ML security engine positioning **Atos #1 in Managed Security**

Bringing the **trusted cryptography layer** towards hyperscalers / cloud  
Application provider

Unique **sovereign Data Intelligence** alternative to Palantir for EU industries  
... and much more!



Best efficiency & lowest CO2  
footprint **The #1 in GREEN 100  
supercomputers**

Preparing the future **with 1st  
Quantum Programming Machine** in  
the world

**1st hot water Direct Liquid  
Cooling** technology in the world  
leading to **Highest compute  
density**

Patented solutions for **HPC as a  
service bridging from Advance  
Computing to public cloud**

... and much more!

## Advanced Computing

# BRINGING HIGHLY DISTINCTIVE HORIZONTAL & VERTICAL SOLUTIONS TO BUSINESS AND MISSION-CRITICAL LEADERS

## Digital Security

700+  
customers

72%  
of revenue  
coming from  
customers  
who have been  
with us for  
>5 years



Managing security for the largest event worldwide, with 3+ bn audience



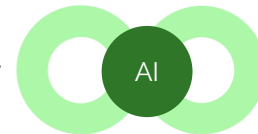
Building next generation Battlefield systems for French & European Defense



Protecting Commonwealth of Virginia with Next Generation Cybersecurity



Protecting sensitive patient data in the Cloud on Amazon Web Services



Enabling advanced modeling of the earth to master weather & climate change



Delivering Computer Vision powered airport security for millions of travelers



Accelerate research while keeping control of energy consumption



Offering high-performance BareMetal cloud for business-critical applications

## Advanced Computing



# DIGITAL SECURITY: SUSTAINABLE ABOVE-MARKET ORGANIC GROWTH OVER 2022-2026

## Digital Security: Where we stand today

---


### Market leader position

Broadened footprint, talents base and offering thanks to **recent acquisitions**

Sizeable **Automation & AI/ML capabilities** and **IP generated in Cybersecurity** creating entry barrier to competition

## 2022–2026 Growth drivers

---

- 
- 1 **Strengthening our Portfolio** with Partners and Assets (SaaS, Sovereign solution,...)
  - 2 **Reinforcing our R&D** especially in the domain of Cyber assets and Automation
  - 3 **Partnering with hyperscalers** and developing joint offerings and go-to-market strategies
  - 4 **Boosting consulting activities** in cyber securities (for Cloud or IoT for example) by capitalizing recent acquisitions, such as SEC Consult
  - 5 **Leveraging our Customer installed based** and grab additional market share in US, Europe, Middle East and Africa.



# ADVANCED COMPUTING TO RESUME GROWTH LED BY PORTFOLIO REPOSITIONING

## Advanced Computing: Where we stand today

---

Strong impact of **components shortage** on HPC business

### Repositioning of HPC portfolio underway

- Focus on high-end market HPC, supported by increased R&D spending
- ...however high-end HPC market at low-end of cycle in 2021-2022

**Well positioned in high-end servers and Edge AI business** embarking software

## 2022–2026 Growth drivers

---

- 1 High-end HPC** market to generate significant opportunities from 2023 onwards  
Growth from Exascale and Petascale HPC
- 2 Successful inroads into promising HPC-as-a-Service** market (double digit growth over the period)
- 3 New dynamic in Edge & AI supported** by vertical use case approach (Computer Vision, ...)
- 4 Improve Go to Market Mix**
  - Direct sales efficiency and ongoing **recruitment plan**
  - Channels (e.g. high-end servers OEM)
  - Synergies with Digital business line

# BDS OPERATING MARGIN TO STEP UP AND REACH LOW DOUBLE-DIGIT BY 2026

## Key levers to increase our margin

## Margin Impacts

### Revenue effects

- 1 **Volume effect**
  - HPC recovery (cycle and components availability) and continued strong growth in Cyberservices leading to better fixed cost absorption
- 2 **Portfolio evolution** towards higher-margin activities
  - Sovereign cloud services, Security Consulting, BigData software, as-a-service & dedicated vertical offerings

++

+++

### Costs base improvement

- 3 **Right shoring**
  - On-shore when needed (Security Consulting, etc..)
  - 70% of the net evolution in low-cost countries
- 4 **Automation & Scale**
  - Especially in Managed Security Services
  - Maximization and optimization of our GDC

+++

++

Total RRI cost of  
€40 m over 5 years

++ 50-150bps

+++ 150-200bps

# SUMMARY – BIG DATA & SECURITY 5-YEAR PLAN



Global leader in Digital Security and Advanced Computing, two high-growth activities in the new Digital Economy and answering to sovereignty challenges



Strong R&D, co-innovation with our customers and strategic partnerships to deliver superior value 700+ customers worldwide (1800 patents)



Combination of Digital Security and Advanced Computing towards dedicated Vertical Industries



Acceleration plan targeting:

- Step-up in revenue growth through HPC portfolio repositioning and recovery
- Keep on outperforming Digital Security market growth
- Step-up in operating margin driven by both volumes and cost base improvements

**Capital**  
Markets Day

Break

The AtoS logo is located in the bottom right corner of the image. It consists of the word "AtoS" in a bold, blue, sans-serif font. The letter "o" is lowercase, while "A", "t", and "S" are uppercase. The logo is positioned over a background of several thick, curved, overlapping blue and grey lines that sweep across the right side of the image from the bottom left towards the top right.

# Capital Markets Day

**Atos**



# Capital Markets Day

Nourdine Bihmane

Tech FoundationCo, Chief Executive Officer

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# AGENDA

01. Vision and Strategy
02. Managing the Transition
03. SpinCo
04. TFCo
05. Financials
06. Concluding remarks

# TFCO

01. Overview of the Tech Foundations Business
02. Our performance to date and underlying challenges
03. Our turnaround plan

# TECH FOUNDATIONS: POWERING TECHNOLOGY INFRASTRUCTURE TRANSFORMATIONS TOWARDS A MODERN, HYBRID FUTURE

**€5.4 bn**

FY 2021 revenue

Excluding UCC

**48,000**

Experts<sup>1</sup>

**70+**

Countries of operations

**(12)%**

FY 2021 revenue growth<sup>1</sup>

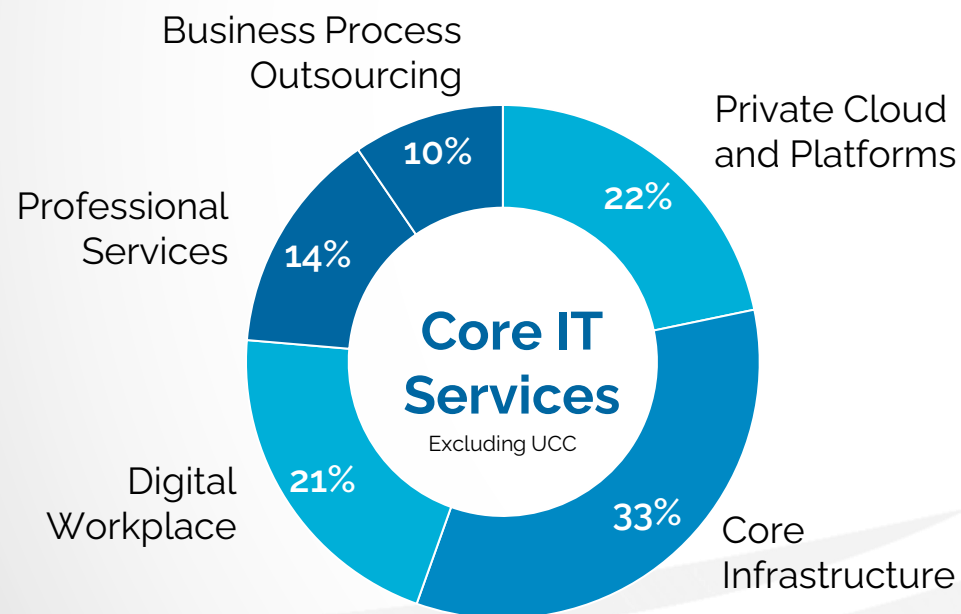
Excluding UCC

**c.(1)% OM**

FY 2021

Excluding UCC

## Distribution of Tech Foundations revenues by Service Line



**25+ years**

Empowering CIOs for trusted mission-critical operations

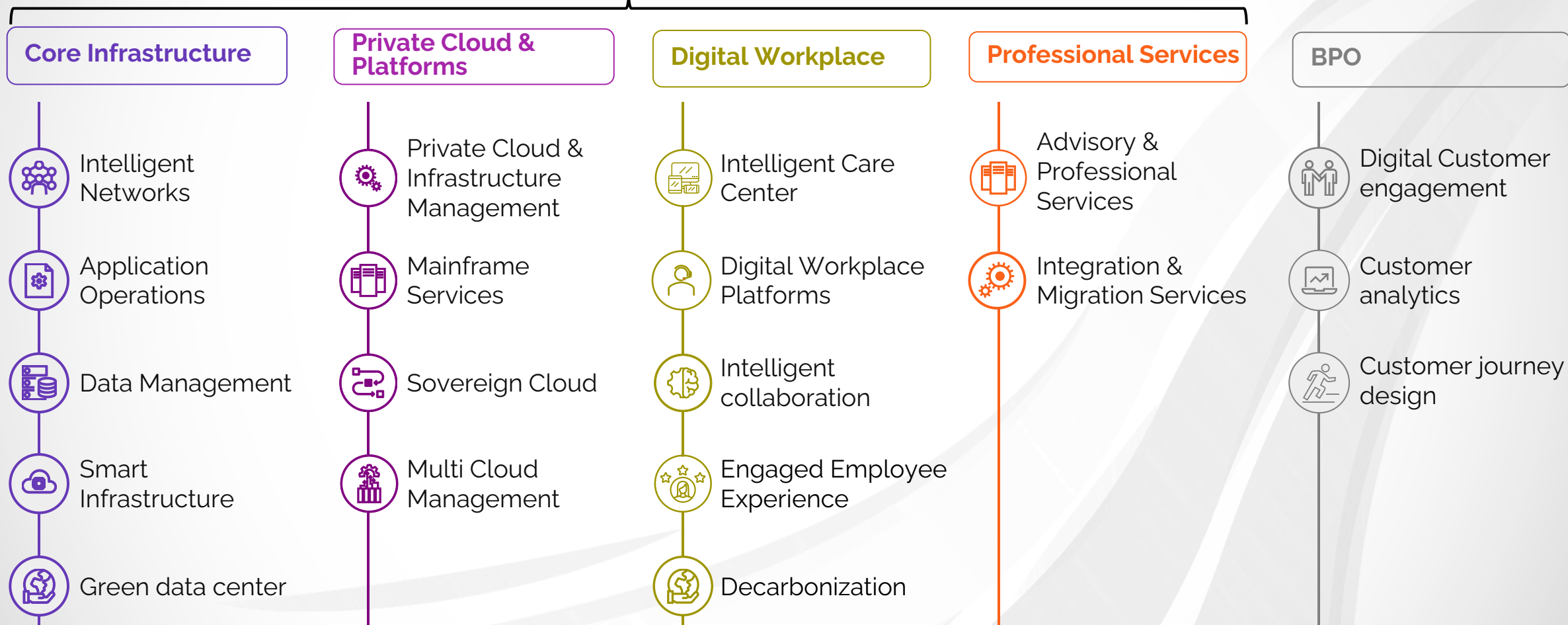
**A Global Leader with strong foothold in Europe**  
for Infra. & Digital Workplace

**+1,200**

Global & diversified Customers across industries

# 75% OF CIO SPEND COVERED BY TECH FOUNDATIONS PORTFOLIO, DESIGNED TO MEET ONGOING AND FUTURE CIO PRIORITIES

Serviceable market of €490+ bn globally



# GLOBAL LEADER RECOGNIZED FOR INNOVATION AND TRUSTED PARTNER OF CHOICE

## Digital Workplace



**Leader** in Outsourced Digital Workplace Services for **6 consecutive years** (Gartner 2022)

## Hybrid Infrastructure



**Leader** in Data Center Outsourcing and Hybrid Infrastructure Managed Services for **9 years in Europe and 4 years in North America** (Gartner 2021)

## Preferred partner recognition by top tech vendors



# GLOBAL, DIVERSIFIED CUSTOMER BASE WITH ABOVE-MARKET SATISFACTION RATE

+1,200 customers supported globally

## Core Infrastructure



## Private cloud and Platforms



## Digital Workplace



## Professional Services



## BPO



## Earning trust of our clients

Leading satisfaction rate vs peer's average

**+20 p.p. above industry  
NPS**

Long lasting relationships with top clients

**+10-year**  
Average relationship<sup>1</sup>

**>94%**  
Renewal win rate in  
Europe



# VOICE OF THE CUSTOMER – OLYMPIC & PARALYMPIC GAMES

Supporting the digital backbone as the end-to-end digital transformation and cloud orchestrator



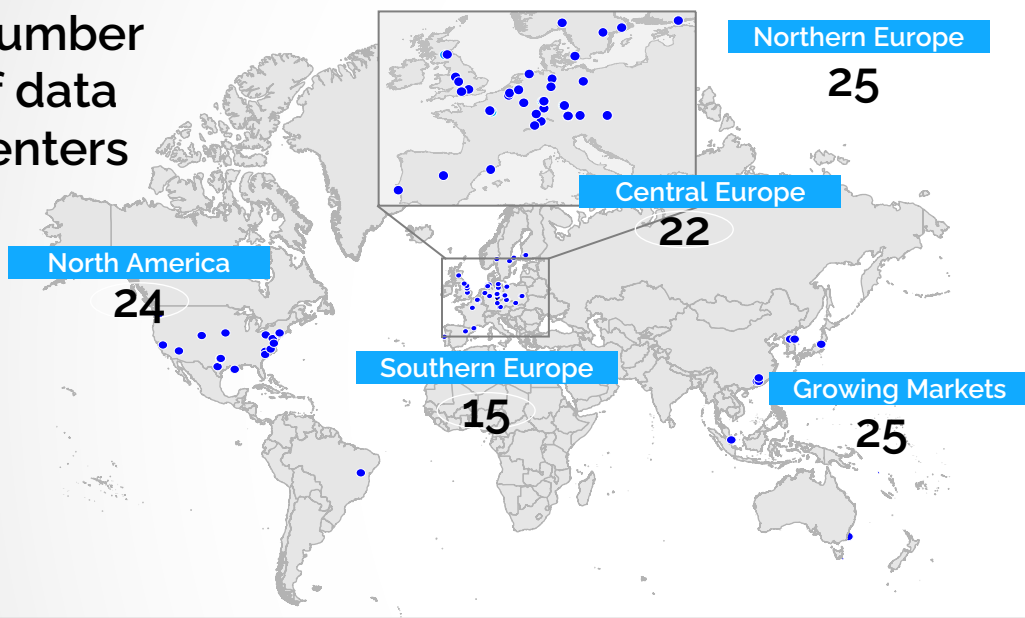
**Thomas Bach**  
President of the  
International Olympic Committee

*“As a Worldwide IT Partner, as well as the **lead integrator**,  
**Atos plays a key role** in our approach and in the  
**IT orchestration**, and helps deliver safe and secure Games.”*

# STRONG DATA CENTER FOOTPRINT SUPPORTING MISSION CRITICAL WORKLOADS

111 data centers across 48 countries

Number of data centers



**Sovereign cloud** > 60% in data sensitive regions

**Edge cloud** > 50%+ in metropolitan areas

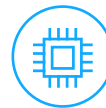
**High performance** > 85% Tier 3

Mission critical infrastructure



**550k+**

On-prem and virtual servers



**570k+**

MIPS



**4.3+ m**

managed devices



**12k+**

Network and cloud specialists



**Proprietary AI/ML assets**

to enable digital labor at scale

# INDUSTRY LEADING SUSTAINABILITY AGENDA

TFCo would define an ambitious decarbonization target...

...and our sustainability offerings are helping our clients reduce their carbon footprint

TFCo would inherit Atos' deep commitment to sustainability and would define its own ambitious environmental program to reduce its carbon emissions



**Green and Hydrogen data centres**

**70%+ data centers** on renewable electricity

World's first hydrogen datacenter



**Digital Workplace green offering**

Large-scale device **refurbishment**

Solutions for Circular IT economy

Zero waste technology



**Decarbonization level agreement**

**15 to 20%** CO<sub>2</sub> footprint reduction commitment

Validated by 3<sup>rd</sup> party audit

Carbon offset/ credits to customers

# SUMMARY: OUR SOURCES OF DIFFERENTIATION



Innovative Digital Workplace and hybrid cloud offerings



Leading data center footprint in Europe



Deep expertise in highly regulated data intensive industries



Highly skilled workforce driving strong customer satisfaction and retention



AI/ML powered automation assets



Leader in sustainability and digital sovereignty

# TFCO

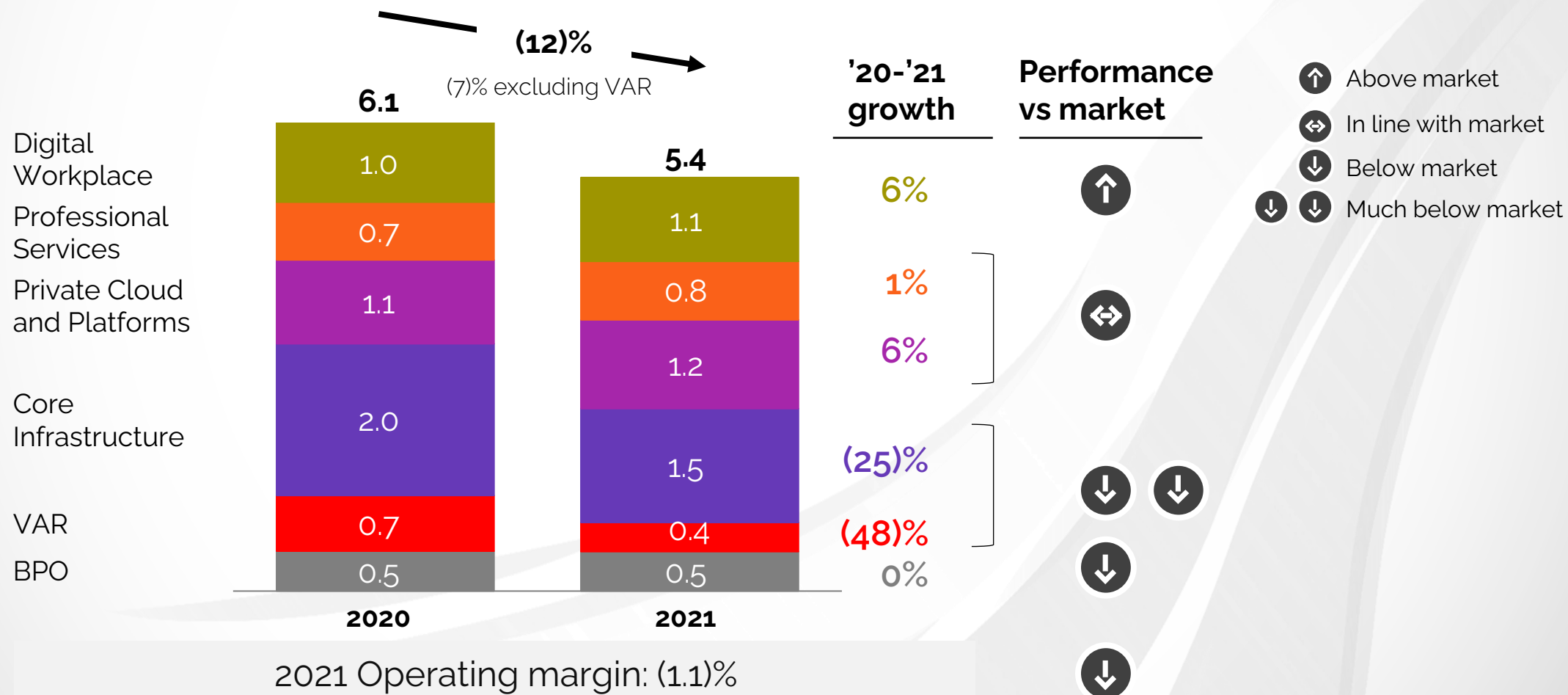
01. Overview of Tech Foundations Business

02. Our performance to date and underlying challenges

03. Our turnaround plan

# TECH FOUNDATIONS REVENUE DECLINED IN 2021 DRIVEN BY CORE INFRASTRUCTURE BUSINESS

Tech Foundations EUR bn





# UNDERLYING CHALLENGES DRIVING SUBOPTIMAL PERFORMANCE TO DATE

## Top line

### Move to verticalization led to de-emphasized Infra business

- Loss of critical sales talent
- Delivery challenges due to fragmented accountability
- Inability to pursue infrastructure centric large deals

### Business portfolio

- Fragmented portfolio across 7-8 service lines
- Delay in modernization (sub-scale consulting, hyperscaler partnership)

## Bottom line

### Unfavorable labor footprint

- Lower offshoring, top-heavy pyramid
- High reliance on third party subcontractors
- Stranded cost in high social costs countries

### Contracting discipline

- Unfavorable terms impacting margins

### Low asset utilization

- Underperforming data center investments

Our turnaround plan addresses each of these challenges

# TFCO

01. Overview of Tech Foundations Business
02. Our performance to date and underlying challenges
03. Our turnaround plan

# CLEAR TURNAROUND PLAN IN PLACE



## REFOCUS

Rationalize portfolio to pave the way for turnaround



- Reshape the portfolio
- Sales funnel, large deal build up
- Ramp up the Management team



## RECOVER

Reset cost structure



## REBOUND

Drive growth with next gen offerings

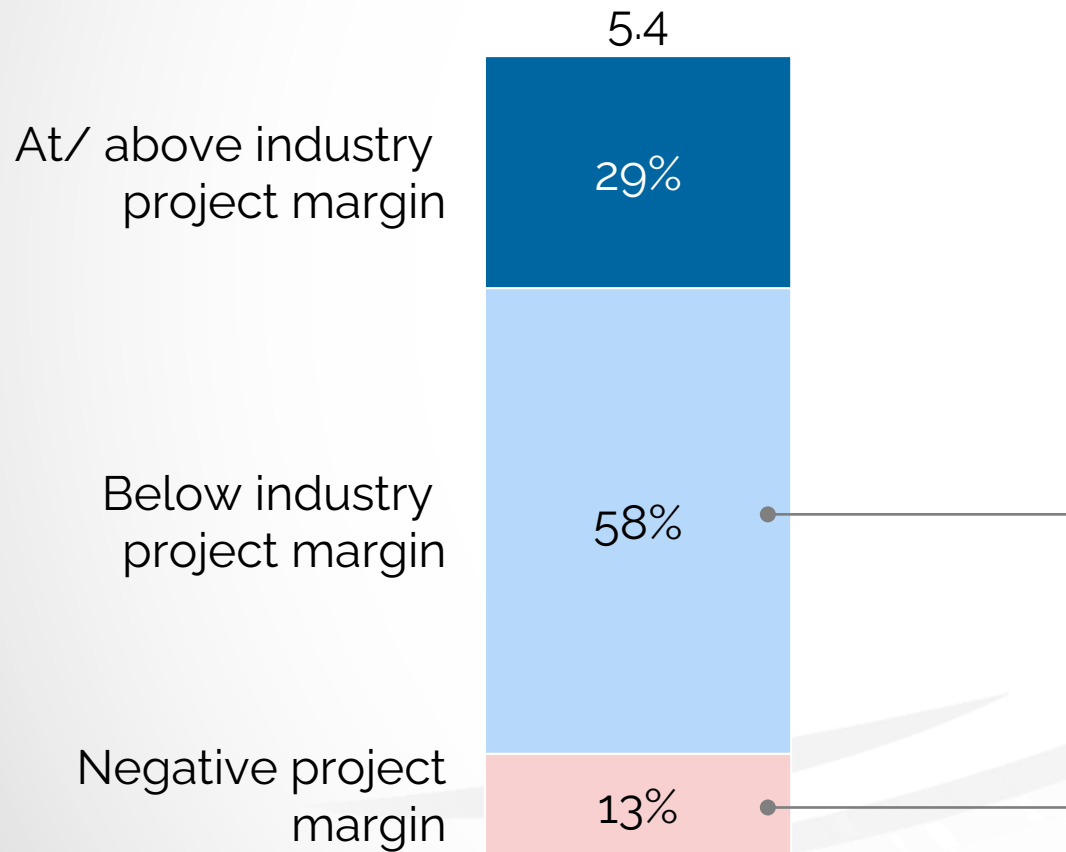
Stabilize revenue in 2025 and **pivot to growth** in 2026

**>600 bps**  
OM turnaround  
by 2026

**c. €150 m FCF**  
before interest and  
tax in 2026

# REFOCUS: TARGETED ACTIONS UNDERWAY TO TURNAROUND UNDERPERFORMING CONTRACTS

Tech Foundations Revenue breakdown by project margin (%), 2021



Example of key actions for the Refocus phase

## Commercial

- **Price reset**
- **Add-ons and cross sell** of higher margin offerings
- **Proactive renegotiation** with customers
- **Contract discipline**

## Operational

- **Reduce overhead**
- **Optimize delivery**

## Financial

- **Reduce billing leakage**

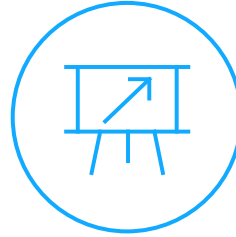
# RECOVER: MULTIPLE LEVERS TO RESET COST STRUCTURE



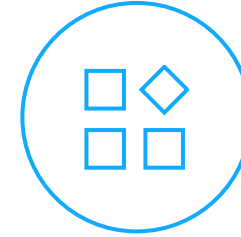
Adjust labor location & pyramid



Transform the people supply chain



Increase delivery productivity



Reset stranded cost



Optimize 3<sup>rd</sup> party spend and data centers footprint

**€480m of annual cost reduction by 2026**

**c.€850m for restructuring and c.€80m for delivery reskilling over 5 years**

# RECOVER: TURNAROUND PLAN ASSUMES 10-30% IMPROVEMENT ACROSS KEY METRICS ... BUT THE AMBITION IS HIGHER

## Turnaround levers

## Delivery KPIs

## % improvement vs current

Adjust labor location & pyramid

**Labor mix<sup>1</sup>**

(% of FTE)

25-30%

**Pyramid junior %**

30-35%

Optimize 3<sup>rd</sup> party spend and data centers footprint

**DC Utilization**

(% capacity usage)

10-15%

**Sub-contractor cost**

(spend % of revenue)

25-30%

Transform the people supply chain

**Billable resource utilization in high-cost countries**

(% of available hours)

10-15%

1. Excluding BPO



# REBOUND: KEY ELEMENTS OF OUR GROWTH PLAN



Drive revenue retention

**20%**

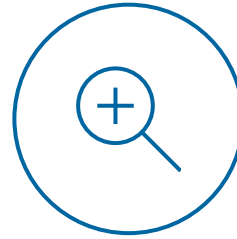
improvement in revenue retention



Increase add-on revenues

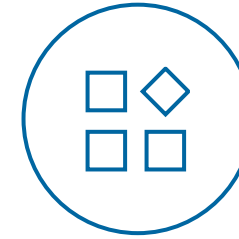
**13%** revenue

from add-on, in line with industry benchmark



Boost large deal and new logo hunting

**4%** revenue from new logos



Scale hyperscaler alliances

**15%** revenue with hyperscalers

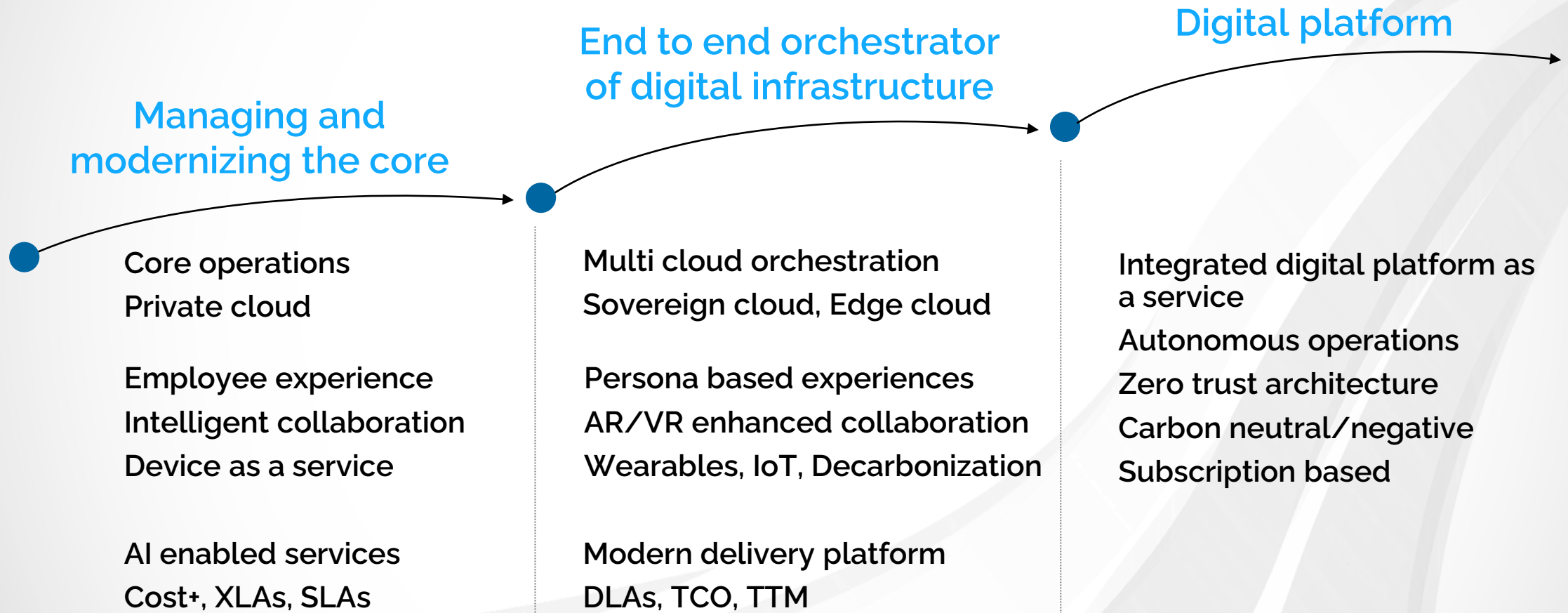


Drive growth in new offerings/capabilities

*Potential upside; through new offerings e.g. Edge, Cloud, Sovereign Cloud (not included in management plan)*

**c.€120m sales investment (opex)**

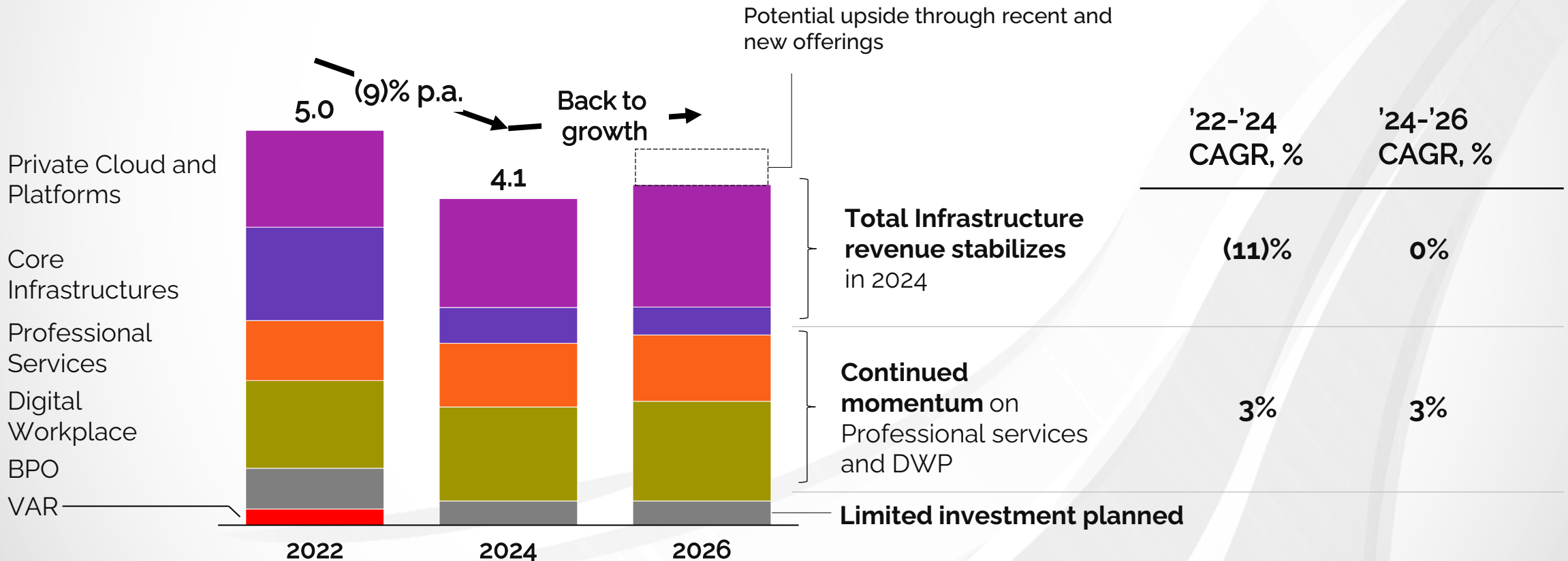
# REBOUND: LEVERAGE A STRONG POSITION IN THE CORE TO HELP CUSTOMERS ON THEIR END-TO-END DIGITAL JOURNEY



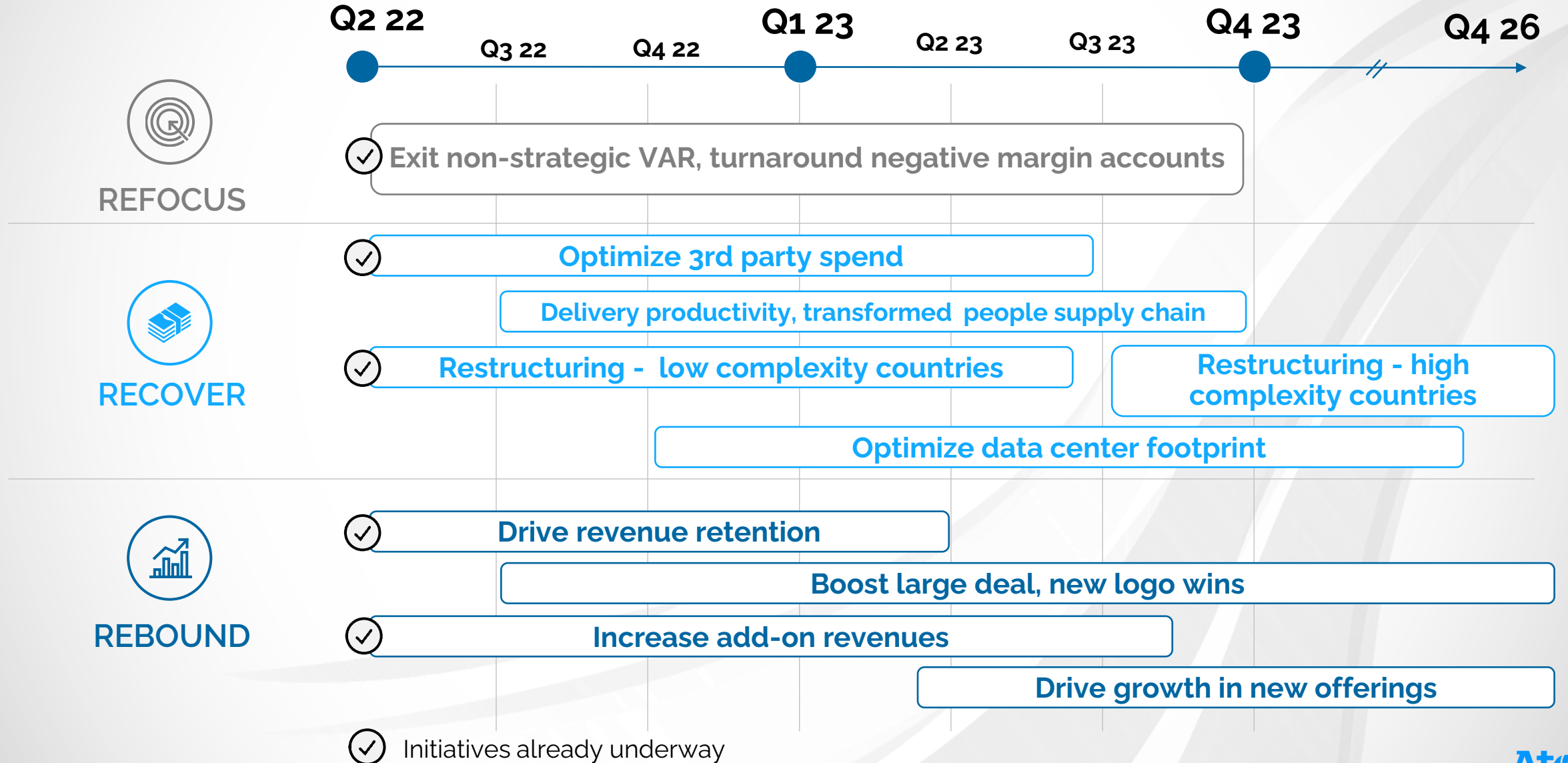
From focusing on core infrastructure operations to engineering digital backbone

# REBOUND: OUR PLAN STABILIZES INFRASTRUCTURE REVENUE POST 2024, WHILE MAINTAINING MOMENTUM ON OTHER OFFERINGS

Projected growth 2022-26  
EUR bn



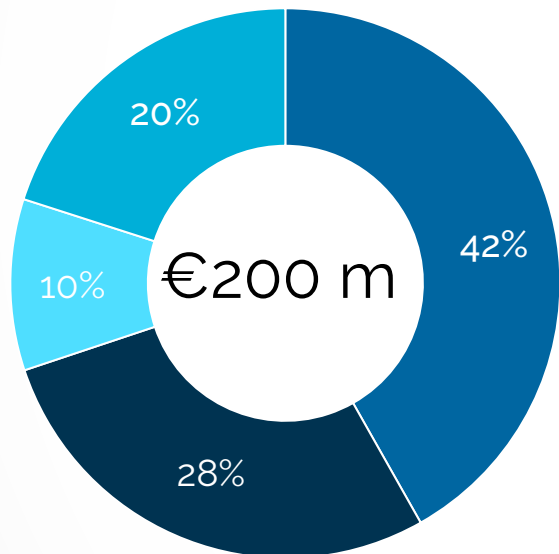
# PHASED EXECUTION OF TURNAROUND SCHEDULE



# TURNAROUND COSTS: €200 M IN CAPABILITY BUILDING, AND €850 M ACROSS RESTRUCTURING AND BUILDING TOOLS AND PLATFORMS

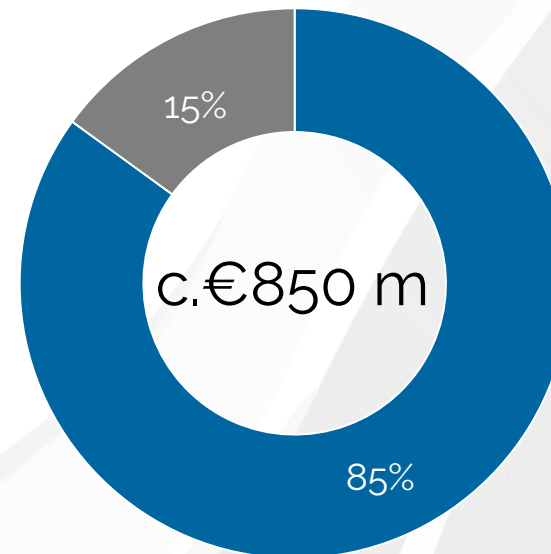
## Opex, M€

- Delivery - Reskilling
- Sales capability building
- Large deal and hunting sales
- Incremental sales incentives



## RRI, M€

- Labor restructuring
- Investment in Tools and Platforms



Impact



Stabilize revenue and **pivot to growth** from 2025



**>600 bps**  
OM turnaround by 2026

# TECH FOUNDATIONS MEDIUM TERM OBJECTIVES

	2021 <sup>1</sup>	2026	Comments
Revenue <i>organic</i>	€5.4 bn	Back to growth	<ul style="list-style-type: none"> <li>• 2022 expected revenue: c.€5.0 bn</li> <li>• Low point expected in 2024 at c.€4.1 bn</li> <li>• Stabilization expected in 2025</li> </ul>
Operating Margin (% of rev.)	(1.1)%	>5%	<ul style="list-style-type: none"> <li>• Operating margin expected to turn positive in 2025</li> </ul>
FCF before interest & tax	€(0.5) bn	€150 m	<ul style="list-style-type: none"> <li>• Expected to increase by c.€50 m each year post 2026</li> </ul>

Implementation of the Turnaround Plan

<sup>1</sup> Adjusted for UCC



# A RENEWED MANAGEMENT TEAM AT THE HEART OF THE TECH FOUNDATIONS TURNAROUND

## Zoom on 4 key executives

## Relevant past experience

## Nationality



**Laurent Barbet**  
*Chief Delivery Officer*

- 23 years of experience as leader for global IT operations across Tech Foundations practices
- Global operations leader in Infrastructure & data management division
- Has led delivery transformation across different sectors



France



**Amy Brown**  
*Head of Human Resources*

- 22 years of experience in the IT industry
- Led HR function in North America, working closely with CEO and executive leadership team
- Has held regional and global roles across multiple HR disciplines



U.S.A



**Darren Pilcher**  
*Chief Financial Officer*

- 24 years of experience in leading Infrastructure management and IT services companies
- Global CFO roles since the last 6 years
- Joined Atos in 2018 as SVP & CFO Business & Platform Solutions



U.K.



**Julien Vidal**  
*Head of Sales Specialists*

- 15 years of experience in IT services industry
- Leader for Tech Foundations Large Deals and Group level strategic engagements
- Has led successful sales transformation in multiple sectors



France

# SUMMARY – TECH FOUNDATIONS 5-YEAR PLAN



Established leader in Digital Workplace, hybrid, multi and next-gen cloud services with market-recognized assets



Clear and fully funded turnaround plan

- Pivot to growth in 2025
- Operating Margin and cash conversion back in line with industry standards in 2026



Industry leader in delivering sustainable technology solutions



Revamped org structure, significantly transformed and upskilled employee base

# Capital Markets Day

Stéphane Lhopiteau

Atos Chief Financial Officer

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# AGENDA

01. Vision and Strategy
02. Managing the transition
03. SpinCo
04. TFCo
05. Financials
06. Concluding remarks

We have two **clear and ambitious plans** under study for each of SpinCo and TFCo

---

We have a **financing plan to address our immediate funding needs**  
– including €0.9 bn transformation costs over 2022-23

---

SpinCo and TFCo target capital structures at spin-off would be **adapted to their respective financial profile** and would allow them to strive in their respective environment

# 2021 FINANCIALS UNDER CONTEMPLATED NEW STRUCTURE

Estimated figures

In € million	2021 Reported	2021 excl. UCC	2021 excl. UCC	
			TFCo	SpinCo
Revenue	10,839	10,213	5,352	4,861
Operating Margin	3.5%	3.1%	(1.1)%	7.8%
FCF before interest and taxes	(313)	(359)	(507)	148
FCF	(419)	(464)		

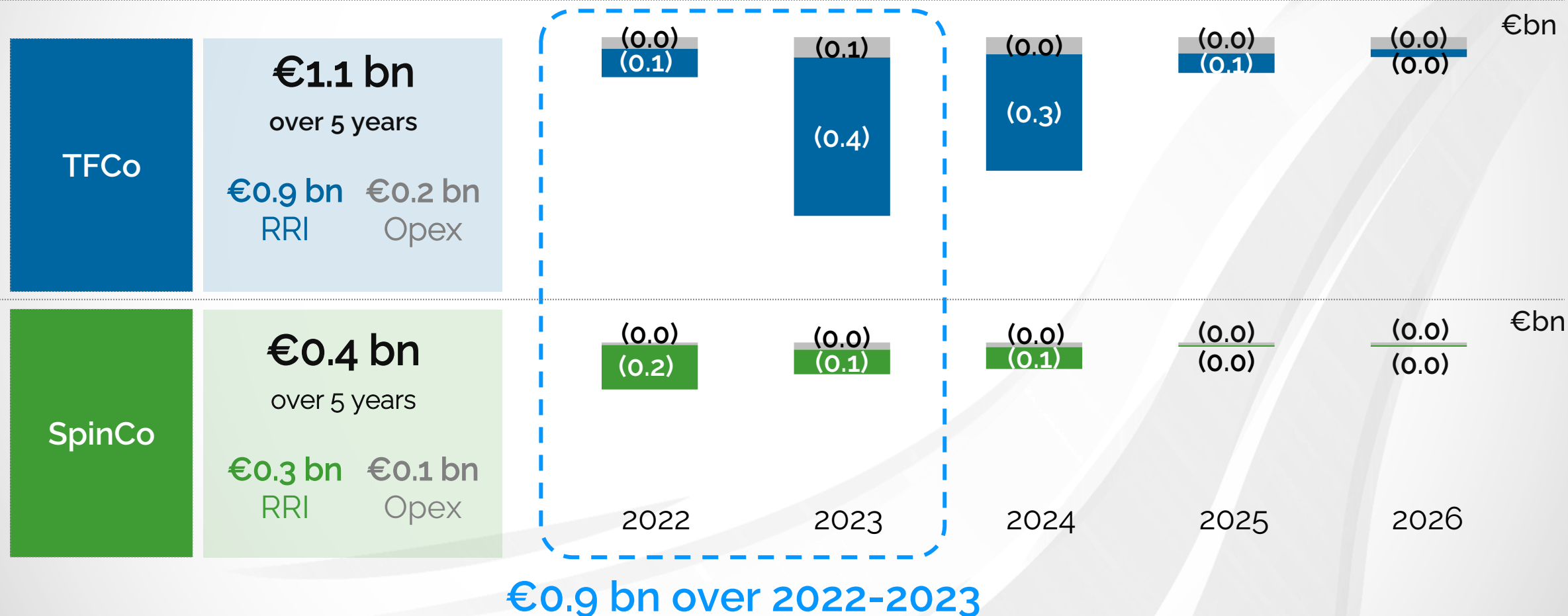
Basis of preparation for both the 2021 baseline and the business plans as previously introduced :

- Revenue and Operating margin allocated to BL based on customer projects and by profit/costs centers
- Flow-down of B/S items into FCF allocated to BL based allocation keys
- Small variances may arise as long as the spin-off is recorded into management tools



# THE OVERALL TRANSFORMATION PLAN UNDER STUDY REQUIRES €1.5 BN IN FUNDING, OF WHICH €0.9 BN OVER 2022-2023

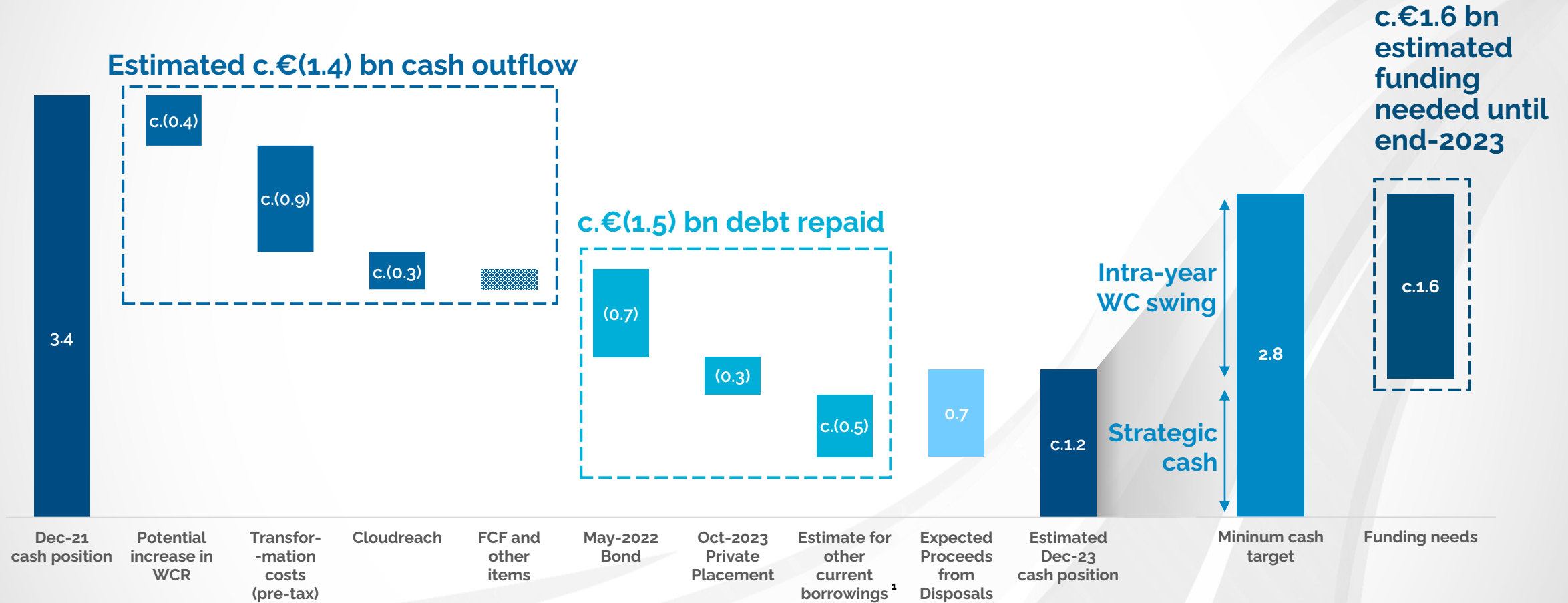
## Transformation costs including recurrent RRI<sup>1</sup> costs (RRI<sup>1</sup> & opex)



<sup>1</sup>Reorganization, rationalization & integration costs – below operating margin

# FOCUS ON INTERIM FUNDING NEEDS UNTIL POTENTIAL SPIN-OFF

Cash evolution over 2022 and 2023 (in EUR bn) and implied funding need



<sup>1</sup> Conservatively assuming €500m Commercial Paper balance end-2023 (compared to €1 bn end-2021)

# THIS FUNDING REQUIREMENT IS COVERED BY LIQUIDITY AT HAND, AND WE HAVE ACTIVE DIALOGUE WITH FINANCING PARTNERS

**c. €1.6 bn**  
funding needs  
until Dec-23

**€2.4 bn<sup>1</sup>**  
RCF  
maturing Nov-25



**Over €1 bn**  
Strategic cash

Envisaged financing option to manage transition period from today until potential spin-off would consist into 3 parts

1

**c.€1.5 bn Term Loan**

2

**c. €0.9 bn RCF**  
*Existing RCF reduced by amount raised via Term Loan*

3

**Up to c.€0.7 bn bridge to disposals**  
*Atos to make up to c. €0.7 bn of disposals by 2023 (Out of a broader pool of non-core assets, that have already attracted significant investor interest)*

<sup>1</sup> Of which €2.3bn undrawn as of Dec-21

# SPINCo AND TFCo TARGET CAPITAL STRUCTURES AT POTENTIAL SPIN-OFF WOULD BE ADAPTED TO THEIR RESPECTIVE FINANCIAL PROFILE

## SpinCo (Evidian)

Would bear most of the debt at inception

Strong cash generation enabling quick deleveraging

Ability to pursue bolt-on M&A opportunities

Limited costs related to acceleration plan over 2024-2026 (€0.1 bn)

## TFCo (Atos)

Limited net leverage at spinoff

Negative free cash flow until 2025, before turning positive in 2026

€0.5 bn turnaround costs over 2024-2026 ...

... to be funded with the disposal of part of its stake in SpinCo, in the preferred scenario at this stage

The target capital structures for SpinCo and TFCo would be designed in the coming months if a decision is made

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Rodolphe Belmer

Atos Chief Executive Officer

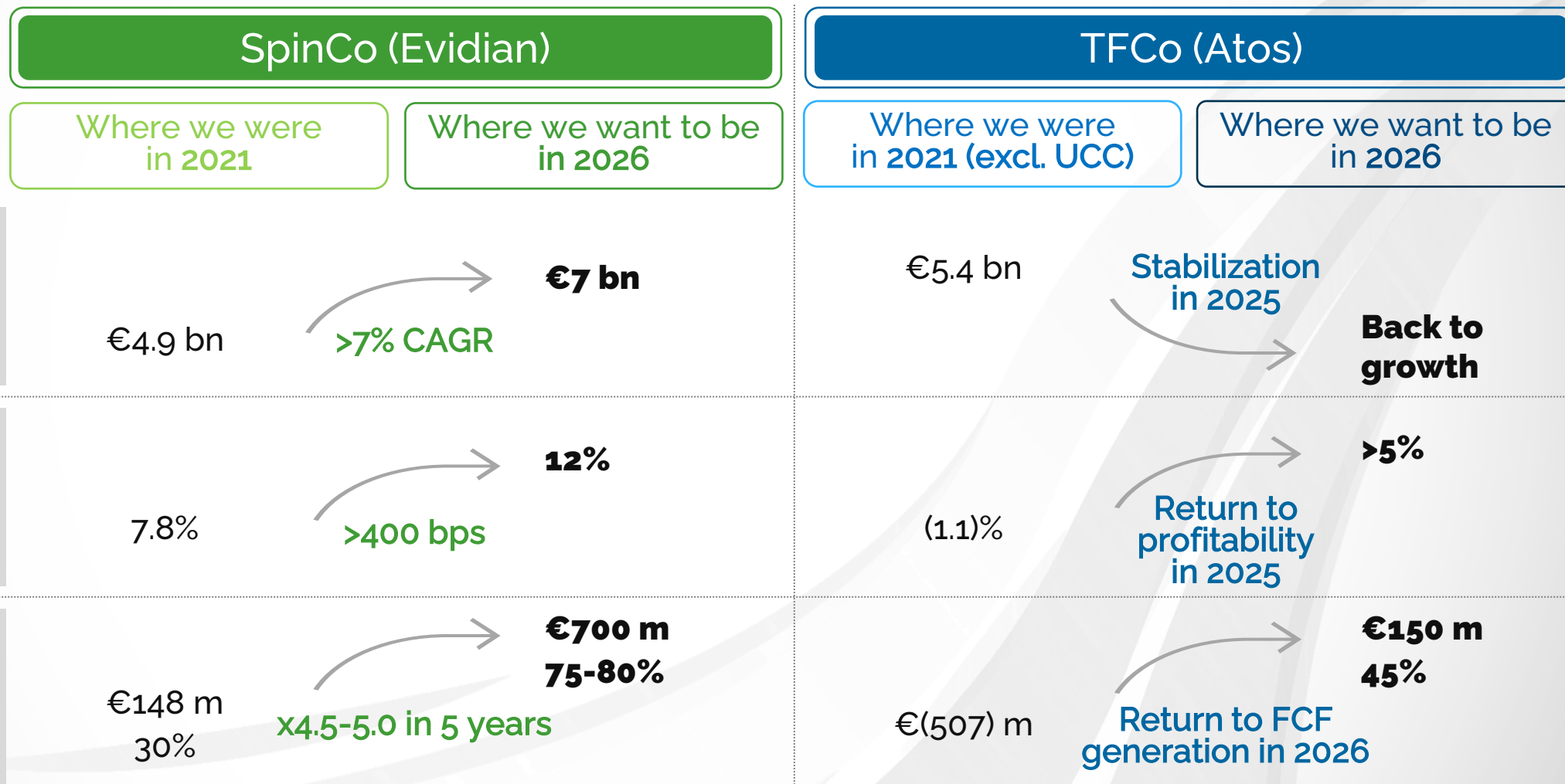
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# SPINCo (EVIDIAN) AND TFCo (Atos) MEDIUM-TERM AMBITIONS



1. expressed in % of OMDA pre-IFRS 16

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Bertrand Meunier

Atos Chairman

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# CONCLUDING REMARKS

We are envisioning a **leap forward in our transformation journey** to create the conditions to **unleash the full potential of our businesses**

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The contemplated split would create **two focused and agile listed companies**, **Evidian** and **Atos**, with the right capital structure and management setup, and clear value creation roadmaps

## Evidian

- 1** Leading player focused on the **most promising digital and tech markets**: Digital Transformation, Applications, Cloud, Advanced Computing and Digital Security
- 2** **Unique value proposition** and strong cross-fertilization opportunities across areas of expertise
- 3** **High-single digit organic growth** and **operating margin CAGR above 15%**, supported by an **ambitious acceleration plan**

## Atos

- 1** **Established leader** in Digital Workplace, hybrid, multi and next-gen cloud services with **recognized assets**
- 2** Fully financed **turnaround plan to revive growth**, reset cost structure, and unlock cash generation potential
- 3** Optionality to **participate in market consolidation**

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Starting today, we will move forward with **two fully empowered management teams** focused on **delivering the strategic visions and shareholder value** embedded in our company

# Capital Markets Day

Q&A



**Atos**

**Capital**  
Markets Day

Thank **YOU**

**Atos**



# Capital Markets Day

**Atos**