

# Market Update

## Presentation of the parameters of Atos refinancing framework

Paris | April 9, 2024



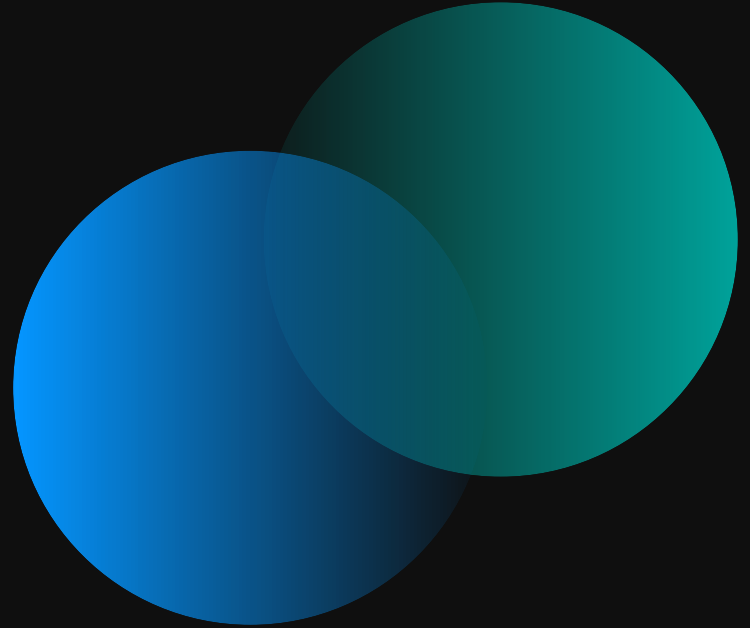
# Disclaimer

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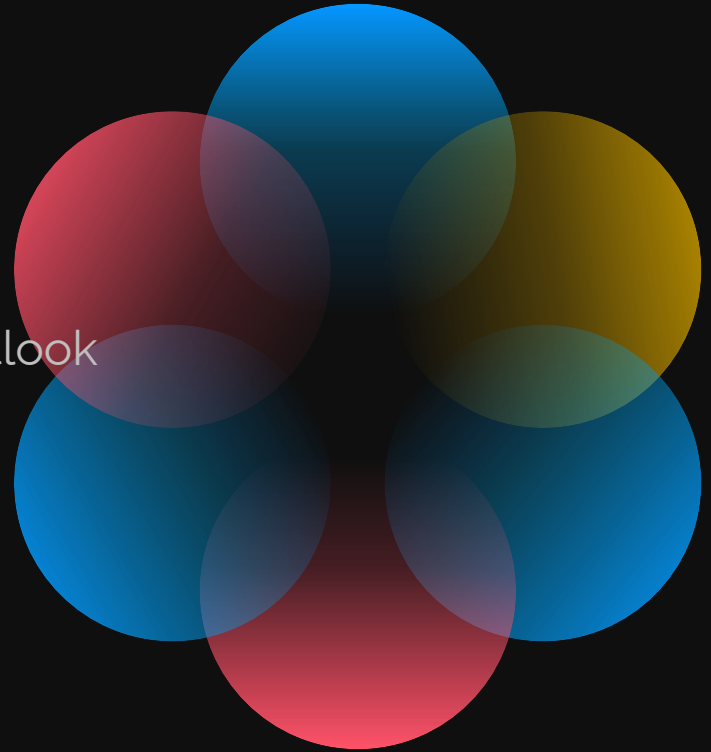
Revenue organic growth is presented at constant scope and exchange rates.

Regional Business Units include Americas including North America (USA, Canada, Guatemala and Mexico) and South America (Argentina, Brazil, Chile, Colombia, Uruguay, and Peru), Northern Europe and APAC including Northern Europe (United Kingdom & Ireland, Belgium, Denmark, Estonia, Belarus, Finland, Lithuania, Luxembourg, The Netherlands, Norway and Sweden) and Asia-Pacific (Australia, China, Hong Kong, India, Japan, Malaysia, New Zealand, Philippines, Singapore, Taiwan, Thailand and South Korea), Central Europe (Austria, Bosnia and Herzegovina, Bulgaria, Croatia, Czech Republic, Germany, Greece, Hungary, Israel, Poland, Romania, Serbia, Slovenia, Slovakia, and Switzerland), Southern Europe (Andorra, France, Italy, Portugal, and Spain) and Rest of the World including Middle East & Africa (Abu Dhabi, Algeria, Benin, Burkina Faso, Egypt, Gabon, Ivory Coast, Kenya, Lebanon, Madagascar, Mali, Mauritius, Morocco, Namibia, Qatar, Kingdom of Saudi Arabia, Senegal, South Africa, Tunisia, Turkey and UAE), Major Events and Global Delivery Centers.



# Agenda

1. **Situation update**
2. Atos strategic overview and business outlook
3. Refinancing framework
4. Timetable and next steps



# Atos is a strong business with compelling value but needs to address its high level of debt

## Unique and differentiated underlying assets

- ✓ Leading position in key IT segments of the market
- ✓ Blue-chip customers across 69 countries with longstanding relationship
- ✓ Successful operations with clear actionable value creation strategy
- ✓ Broad IP / patents portfolio with differentiated offerings and unique sovereign capabilities
- ✓ Great talent pool and efficient training program certifications

## Challenges

- Cash burn over the next two years
- Credit rating preventing access to capital markets
- Significant upcoming maturities
- Potential sale of strategic assets would take time to execute

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# Atos is a global IT Leader

**€10.7bn**

2023A Revenue

**€1.0bn**

2023A OMDA

**€467m**

2023A Operating Margin

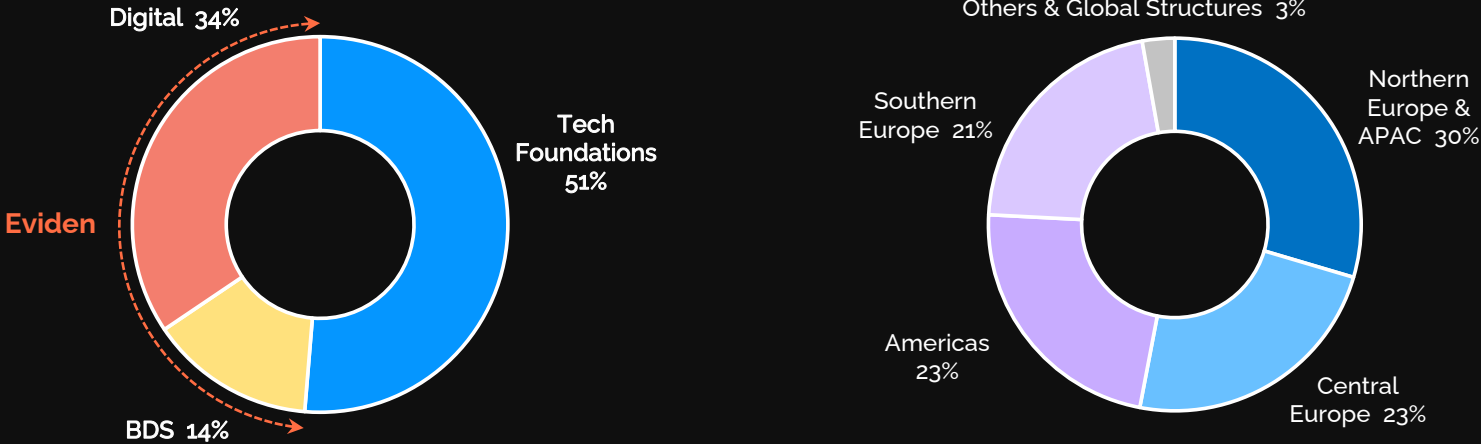
**~95k**

Employees

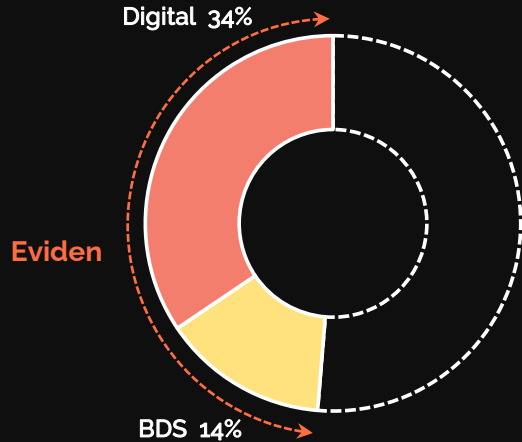
**69**

Countries of operations

## Revenue breakdown by Division and Geography<sup>1</sup>



# Introduction to Eviden



- Eviden plays in **high growth and mission critical** market segments
- Eviden has **unique IP, talent, assets, and capabilities**
- Strategic plan **delivers solid revenue growth, robust margin expansion and high cash conversion**

# Eviden: Leading global player providing mission critical IT services

**€5.1bn**

2023A Revenue

**c.47k**

Employees

**45**

Countries  
of operations

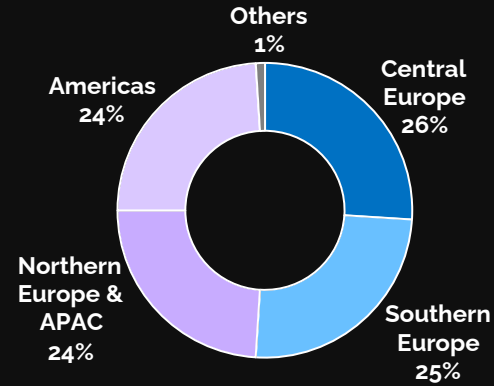
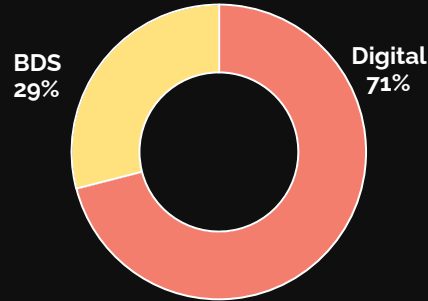
**+2,100**

Patents

**50,000+**

Certifications

## Revenue mix



## Earning clients' trust

**20+**

of Top 30 clients have  
been with us for 10+ years

**89%**

Contract  
Renewal rate

**> 97%**

Revenue generated  
from existing clients



# Eviden: Distinct capabilities and value proposition



European leader in  
*managed security services*



Emerging *end-to-end cloud*  
transformation player



Strong offering in  
*sovereign cloud solutions*



Portfolio of patented  
*cybersecurity solutions*



Combining unique  
*technology bricks* across  
business lines into  
integrated solutions

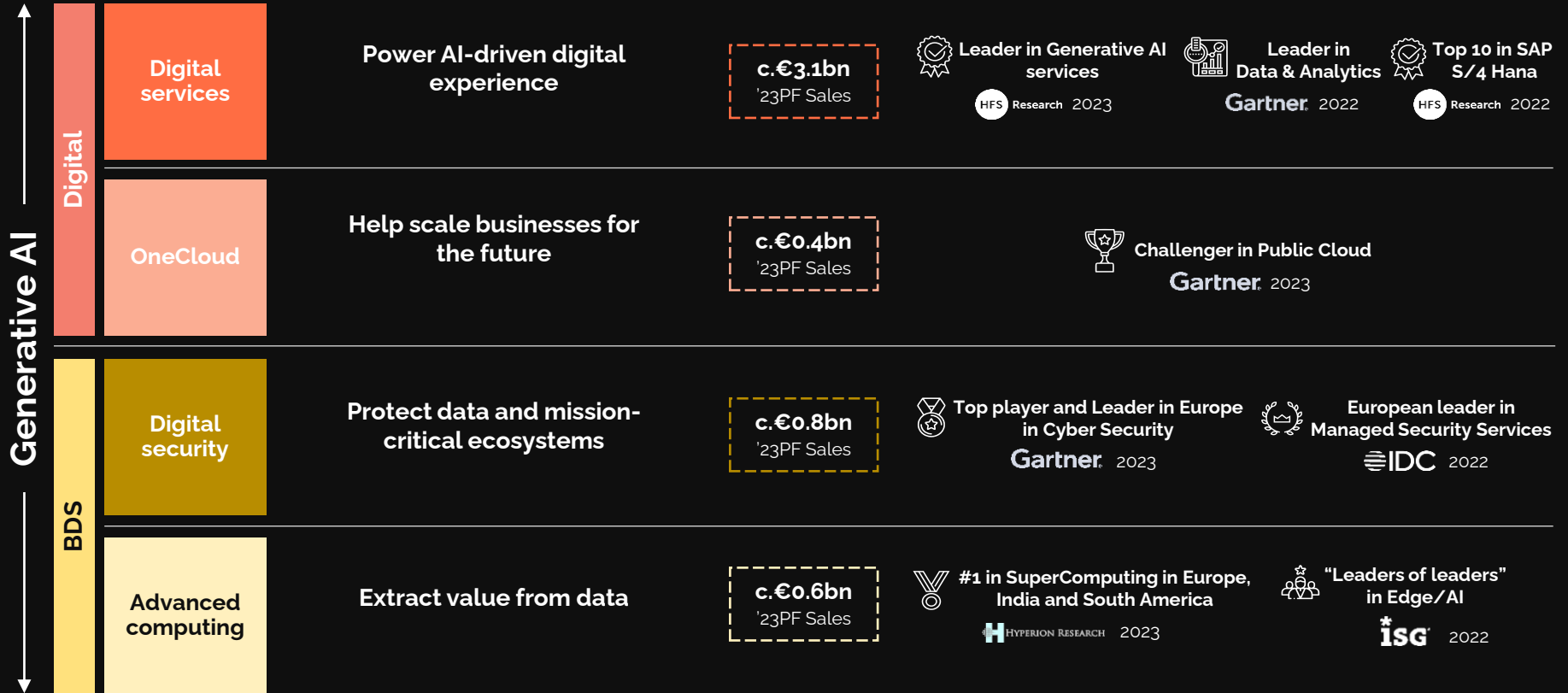


Sole European *HPC*  
manufacturer and leader  
in *Gen AI*



Key strategic player in  
Europe for *mission-critical*  
systems

# Eviden: Distinctive offerings and trusted capabilities (1/2)



Source: Company information

# Eviden: Distinctive offerings and trusted capabilities (2/2)

		Capabilities					
		Offerings	Advisory / Consulting	Design	Implementation	Maintenance & Management	Product Development (SW & HW)
Digital	Digital services	Transformation acceleration Smart platforms	✓	✓	✓	✓	
	OneCloud	Cloud advisory Cloud design & build Cloud operations	✓	✓	✓	✓	✓
BDS	Digital security	Cybersecurity Services Cybersecurity Products Mission Critical Systems	✓	✓	✓	✓	✓
	Advanced computing	AI-dedicated GPU clusters HPC & quantum computing Business computing & big data Vertical Gen AI solutions	✓	✓	✓	✓	✓

Source: Company information

# Eviden: Over 2,100 patents across offering portfolio

	Use case	#patent families	#patents	
Digital Services	Automation	49	112	
	Immersive Experience	7	16	
Cloud	Hybrid Cloud	9	20	
	Modern Applications	7	7	
BDS	Digital Security	Cybersecurity	113	293
	Edge Computing	Edge (incl. IoT)	116	315
		AI	105	235
	HPC	Advanced Computing (incl. Quantum)	343	1,095
	<i>Others</i>	13	7	
<b>Total</b>		<b>762</b>	<b>2,100</b>	

## Leading European patent holder on Quantum Computing

75 patents - with a leading position on hybrid architecture and compilation

## A pioneer in AI and Edge/IoT

550 patents on technologies to support customers in their AI and IoT/edge journey

## HPC patent leader

~1,100 patents

## Growing digital security portfolio

293 patents incl. a strong push on MDR and critical systems, including multiple patents in critical communications & networks

# Eviden: Strong partnerships with leading players in the ecosystem

## Digital



servicenow



## Cloud



Google Cloud



Microsoft Azure

## Security



CYBERARK



CROWDSTRIKE

## Data Insight & Automation



ORACLE

## Advanced computing



NVIDIA

DELL EMC



SIPEARL

## A dedicated organization

To support partnerships incl. dedicated sales teams, joint R&D, marketing and training academies

## 30+ partnerships

Partnerships established with the most innovative technology companies

## Multiple awards received

Eviden is repetitively awarded the Partner of the Year by its partners

## >16,500 certifications

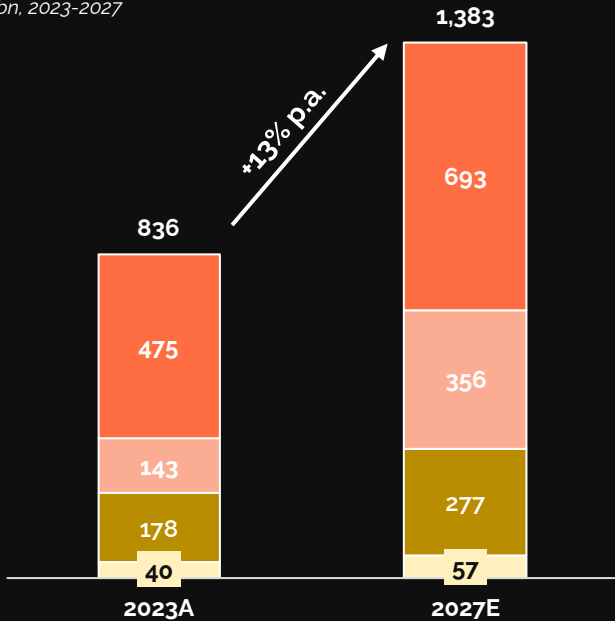
on AWS, Microsoft & Google Cloud

# Eviden: Operating in the fastest-growing and most critical segments of the IT market

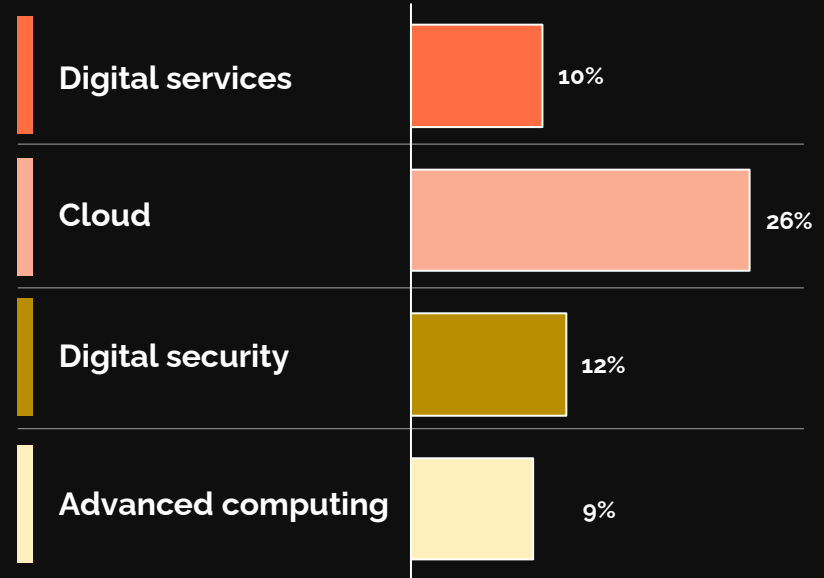
## IT Digital Services & Solutions market size

## CAGR, 2023-2027

\$bn, 2023-2027



### Eviden submarkets



# Eviden: Structural tailwinds aligned with business strengths



Digital capabilities, including AI, more critical than ever

**+44% p.a.**

Generative AI market growth, excluding computing power



Disruption of the market by cloud & hyperscalers

**~50%**

of future services revenue will be influenced by hyperscalers and as-a-service platforms



Talent shortage pushing towards outsourcing

**+14%**

Annual growth of labor shortage in tech globally



Shift to a 'no-perimeter' cybersecurity

**+15% p.a.**

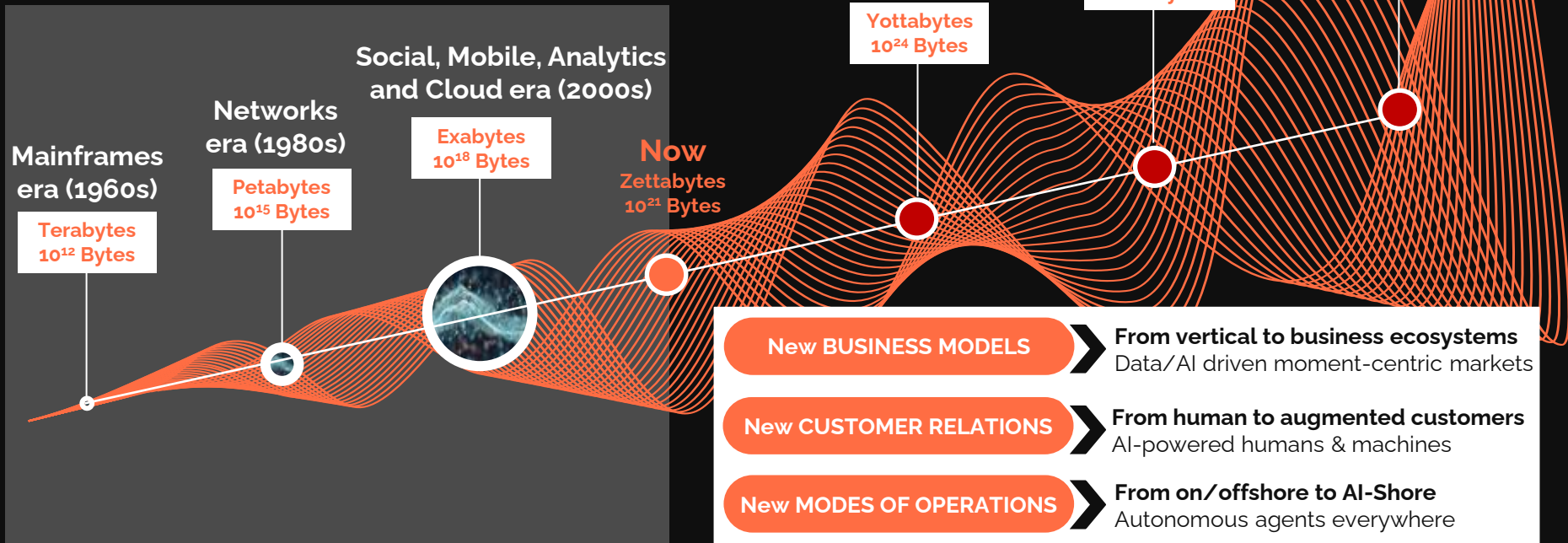
Growth in cost of cyberattacks, as digital surfaces expand and the value of data surges



New use cases with AI & Gen-AI

New use-cases and booming demand for dedicated architectures combining computing power, secure data management and vertical uses cases

# Eviden: Great opportunities generated by the Data / AI revolution



Source: Company information. Market research firms



# Eviden: Key pillars of growth strategy



## Comprehensive portfolio offerings

- **GenAI offerings** across business lines (digital solutions, computing, security)
- **Sovereign Cloud** with security and data protection bricks

## Cross-selling

- **Synergistic go-to-market** by industry platforms
- **Integrated offering** combining technology bricks from across business lines

## "Customer For Life"

- Clear roadmap to **commercial excellence**
- **Customer retention** driven by differentiated service approach (Eviden 15 promises)

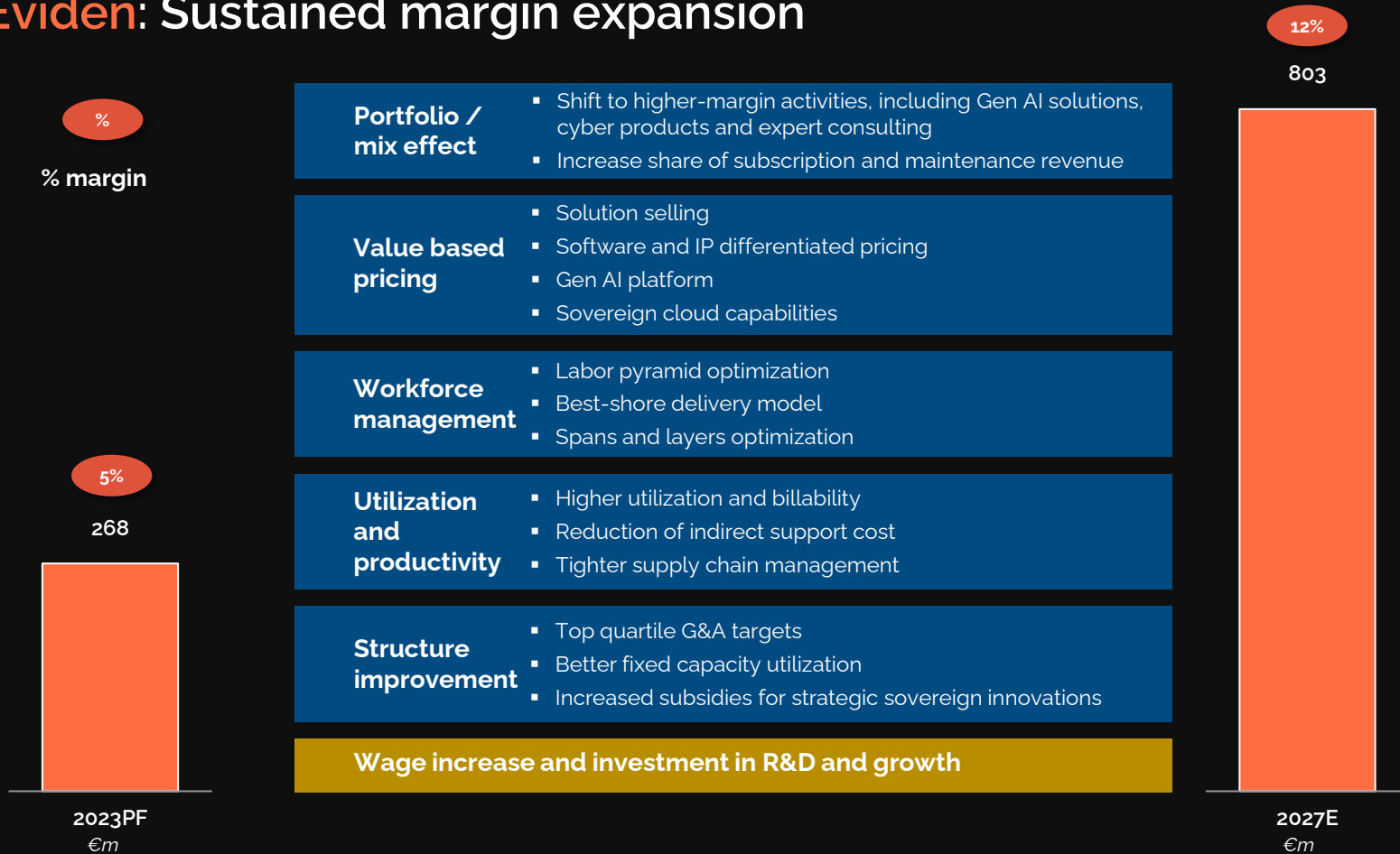
## Talent as a Differentiator

- Investment in our **people, capabilities and accreditations**
- Consistently a **top employer** everywhere we operate

# Eviden: Solid revenue growth profile



# Eviden: Sustained margin expansion

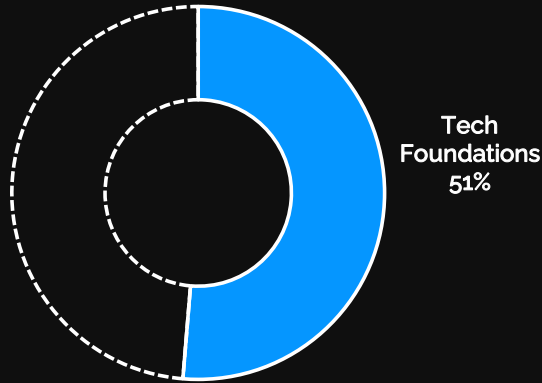


# Eviden: Overview of financial trajectory

## Eviden

€m	2023PF	2024E	2025E	2026E	2027E
External Revenue	4,914	5,022	5,546	6,084	6,631
<i>Growth (%)</i>		+2.2%	+10.4%	+9.7%	+9.0%
Operating Margin	268	303	531	668	803
<i>Margin (%)</i>	5.5%	6.0%	9.6%	11.0%	12.1%
Free Cash Flow before interest and taxes		99	402	700	609

# Introduction to Tech Foundations



- Tech Foundations operates in core segments of the IT market undergoing structural transformation
- Tech Foundations has unique talent, assets and capabilities with industry leading offerings
- Strategic plan delivers improvements in profit margin and turnaround in cash flow generation

# Tech Foundations: Strong client base with long-term relationships

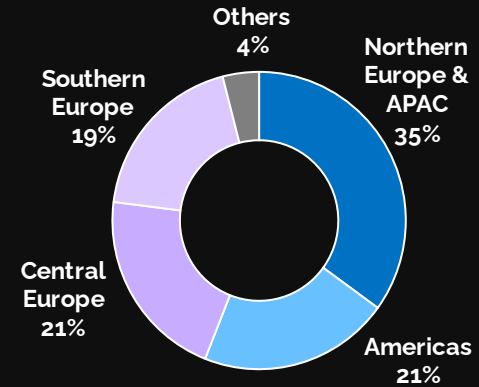
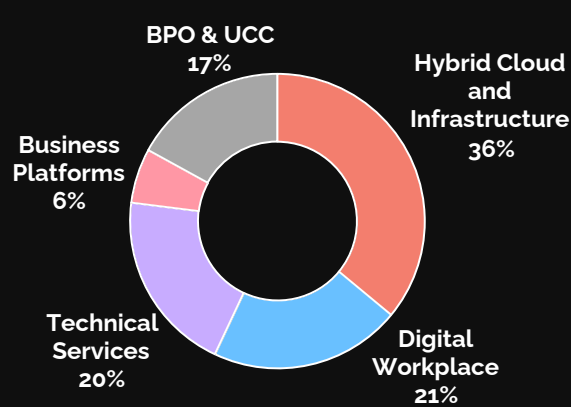
**€5.6 bn**  
2023A Revenue

**48k+**  
Employees

**69**  
Countries  
of operations

**25+ years**  
Empowering CIOs  
for mission-critical  
operations

## Revenue mix




















## Earning clients' trust

**10-year** Average relationship  
across Top 170 clients

**90%+** Renewal rate

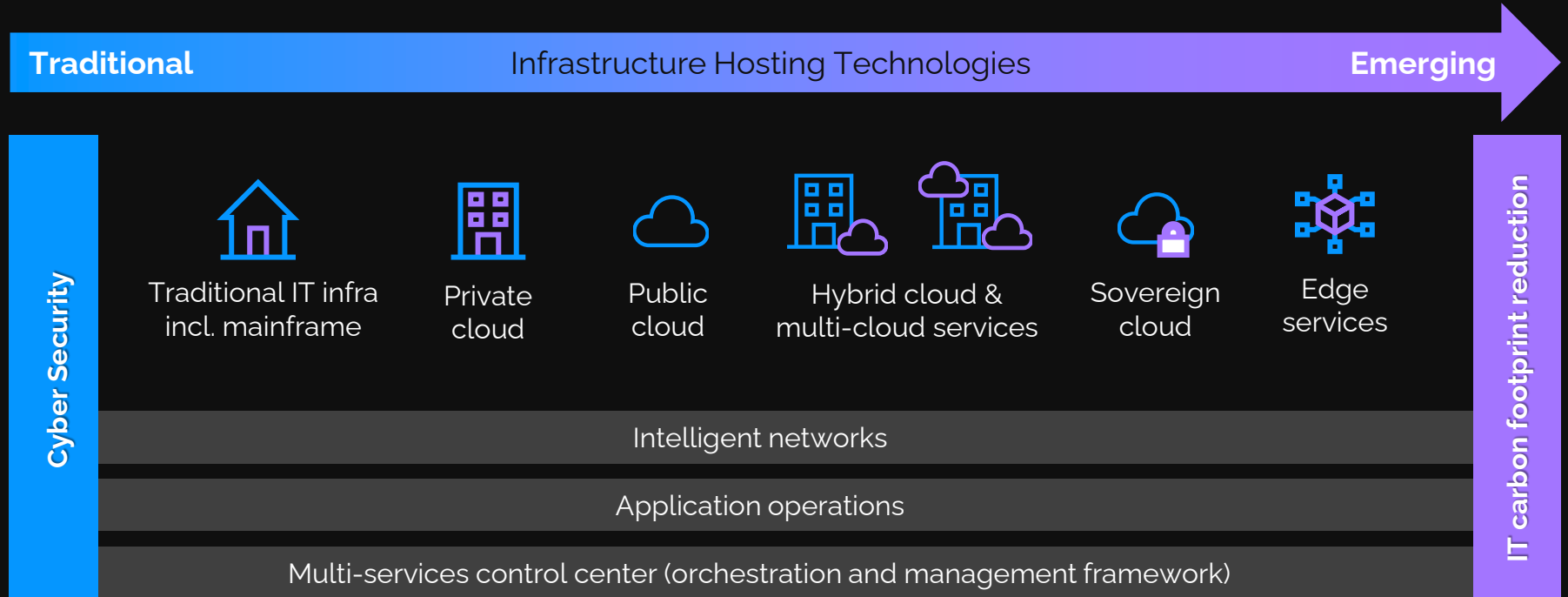
**20%+** Points above industry  
NPS in client satisfaction

# Tech Foundations: Core business segments

Segments	Offering	Credentials
Hybrid cloud & infrastructure	 Hybrid multi-cloud infrastructure  Mainframe and infra modernization  Associated networks management	 Winner of Juniper Networks Elevate Award <b>#1</b> "Data Center of the Future"  2023  Leader in Data Center Outsourcing and Hybrid Infrastructure Managed Services in North America <b>Gartner</b> 2021
Digital workplace	 Digital collaboration  Employee engagement  Intelligent customer care	 US Workplace Support Services <b>ISG</b> 2023  Leader in Outsourced Digital Workplace Services <b>Gartner</b> 2016-2024
Technology advisory & customized services	 End-to-end solutions leveraging AI, from design and operation to hybrid infra services	 Leader in ISG Provider Lens™ Quadrant Report for Data Analytics Services in the U.S. <b>ISG</b> 2021
Digital business platforms	 Key vertical solutions such as Digital ID, Connected Solutions, major sports events, etc.	 Technology Operations Center  Magic Quadrant for Industrial IoT Platforms <b>Gartner</b> 2019
Non-core	 BPO and VAR	

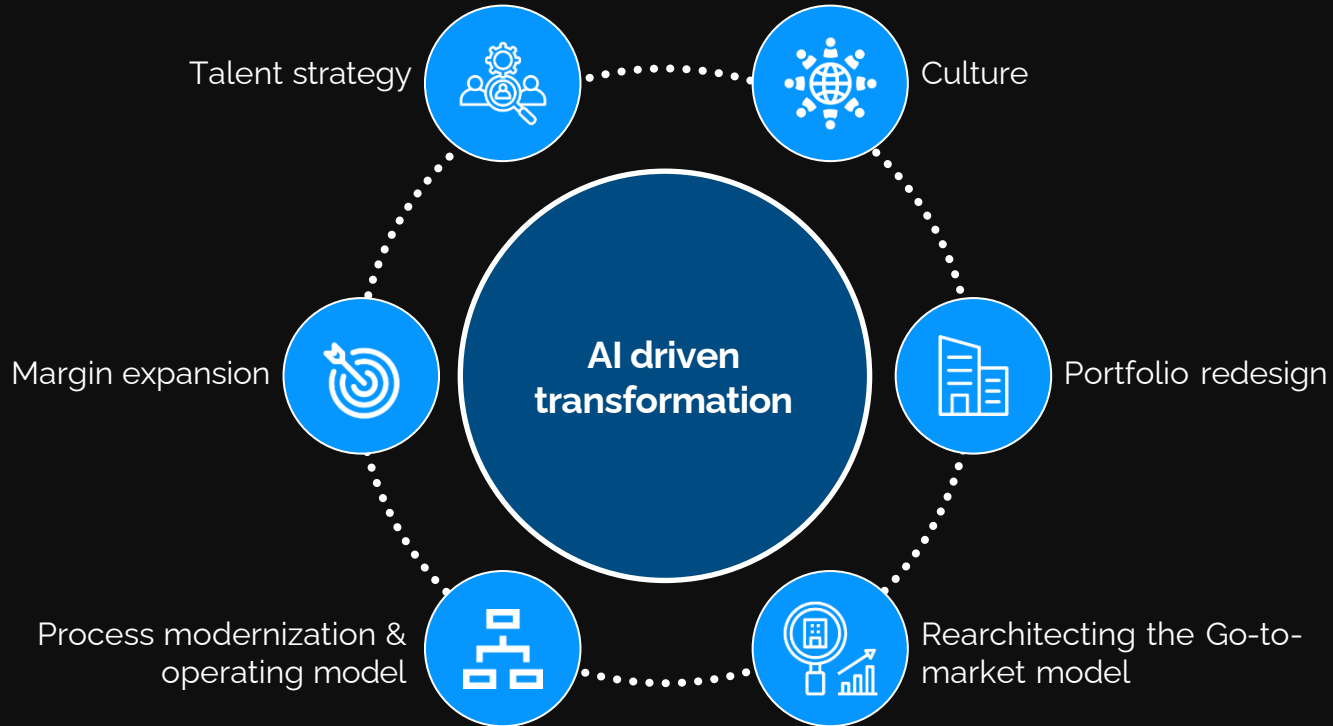
Generative AI

# Tech Foundations: Orchestrator and managed service provider of choice across the full cloud infrastructure continuum





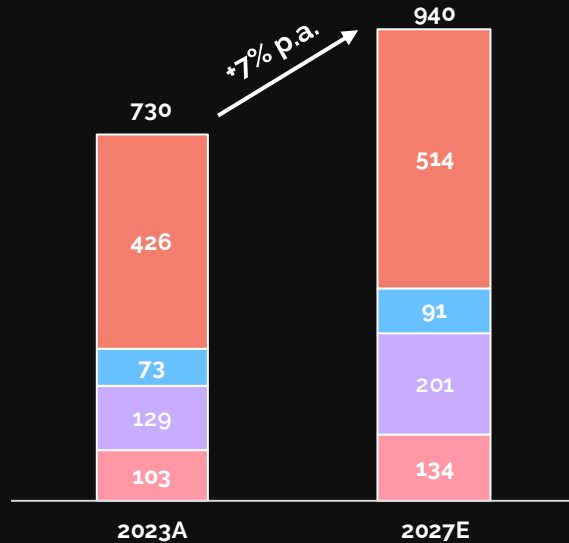
# Tech Foundations: Comprehensive business transformation



# Tech Foundations: IT infrastructure market undergoing transformation

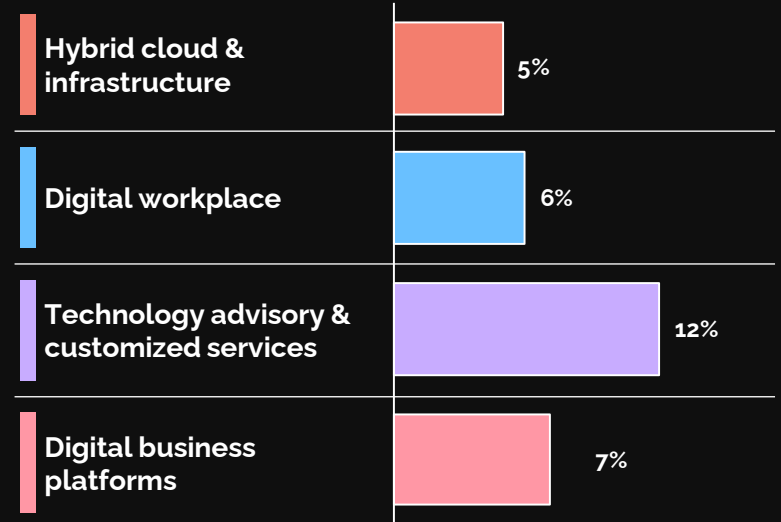
## IT Infrastructure market size

\$bn, 2023-2027



## CAGR, 2023-2027

### Tech Foundations submarkets



Source: Gartner

26 | 08-04-2024 | © Atos

Note: Non-core activities not considered as intended to be gradually exited

# Tech Foundations: Market trends driving demand for services



**Distributed workforce post Covid redefining the workplace needs and services**

**>75%**

of employees prefer some sort of hybrid work

**+70%**

increase for remote support software apps such as device access management, IT remote support



**Fast move to multi-cloud & hybrid configuration**

**>80%**

of enterprises have adopted hybrid cloud

**47%**

using 2 or 3 public cloud providers

**>75%**

of data will be produced and processed at the edge



**Importance of sovereign cloud and cybersecurity**

**>80%**

of organizations are repatriating data from public clouds to meet data sovereignty requirements

**+38%**

increase in cyber-attacks globally in 2022 vs 2021



**Coming age of artificial intelligence**

**70%**

of business leaders mention AI as a top priority

**24%**

of CIOs mention hyper automation as a top priority

# Tech Foundations: Portfolio tailwinds generated by GenAI

Key GenAI trends...



Vertical clouds



Domain specific  
GenAI eco systems



Proprietary datasets  
as differentiators

...increase overall offering relevance ...



...and enhance delivery



AI-assisted incident and  
problem management



Cross-language, low-cost  
service desk

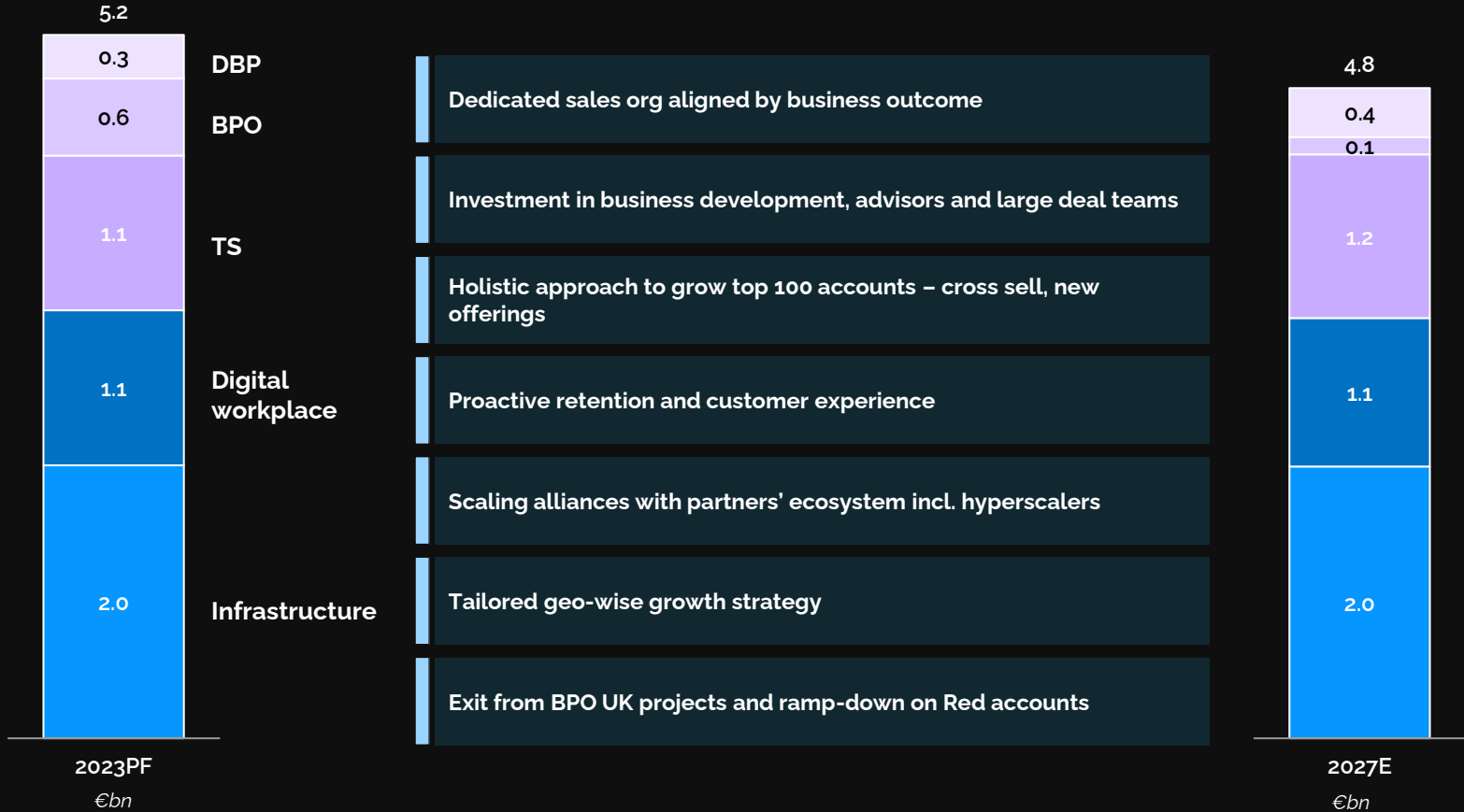


Rapidly scalable scripting  
and automation



Accelerated deal  
solutioning capabilities

# Tech Foundations: Resilient topline profile



# Tech Foundations: Improved profitability



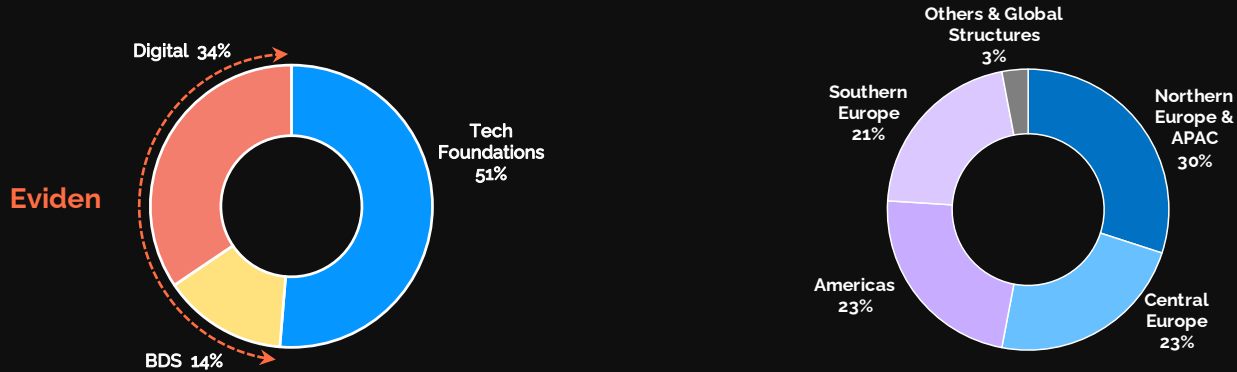
# Tech Foundations: Overview of financial trajectory

## Tech Foundations

€m	2023PF	2024E	2025E	2026E	2027E
External Revenue	5,179	4,878	4,635	4,732	4,789
<i>Growth (%)</i>		(5.8%)	(5.0%)	+2.1%	+1.2%
Operating Margin	148	123	108	263	373
<i>Margin (%)</i>	2.9%	2.5%	2.3%	5.5%	7.8%
Free Cash Flow before interest and taxes		(112)	(201)	87	274

# Group: Business Plan Summary

## Revenue mix<sup>1</sup>



## Overview of financial trajectory

€m	2023PF	2024E	2025E	2026E	2027E
External Revenue	10,093	9,900	10,182	10,817	11,420
Growth (%)		(1.9%)	+2.8%	+6.2%	+5.6%
Operating Margin	416	427	639	930	1,176
Margin (%)	4.1%	4.3%	6.3%	8.6%	10.3%
OMDA pre-IFRS 16	n.a	754	1,102	1,209	1,455
Margin (%)		7.6%	10.8%	11.2%	12.7%
Free Cash Flow before interest and taxes		(13)	202	788	883



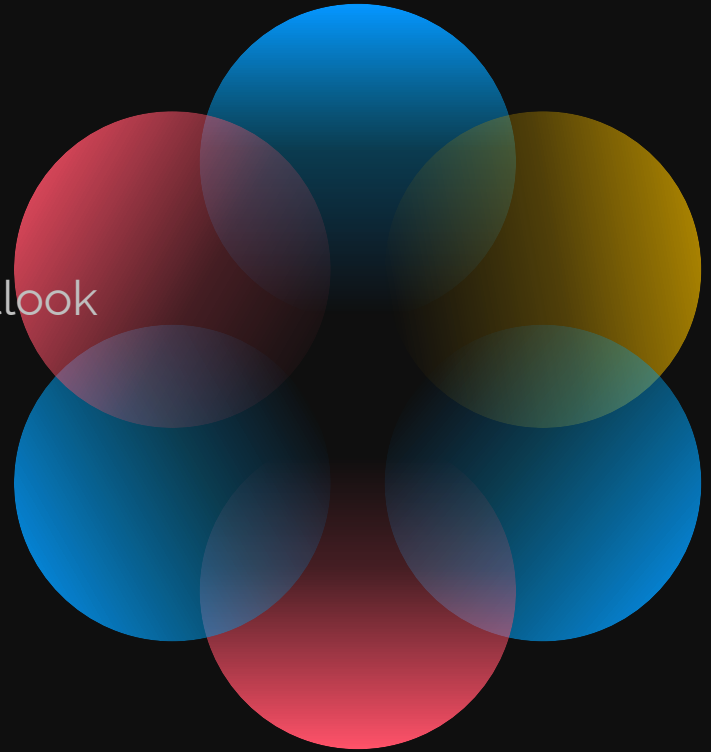
# Group: Overview of P&L and cash flow items

## P&L and Cash Flow items

€m	2024E	2025E	2026E	2027E
<b>External Revenue</b>	<b>9,900</b>	<b>10,182</b>	<b>10,817</b>	<b>11,420</b>
<i>Growth (%)</i>		+2.8%	+6.2%	+5.6%
<b>Operating Margin</b>	<b>427</b>	<b>639</b>	<b>930</b>	<b>1,176</b>
<i>% External Revenue</i>	<i>4.3%</i>	<i>6.3%</i>	<i>8.6%</i>	<i>10.3%</i>
D&A	634	769	626	626
Depreciation of fixed assets and RoU	607	609	626	626
Depreciation of fixed assets	287	290	289	289
Depreciation of Right-of-use	320	319	337	337
Amortization of Jupiter development	27	160	-	-
Others	22	22	-	-
<b>OMDA</b>	<b>1,083</b>	<b>1,430</b>	<b>1,556</b>	<b>1,802</b>
<i>% External Revenue</i>	<i>10.9%</i>	<i>14.0%</i>	<i>14.4%</i>	<i>15.8%</i>
Lease payments	(329)	(328)	(347)	(347)
<b>OMDA pre-IFRS 16</b>	<b>754</b>	<b>1,102</b>	<b>1,209</b>	<b>1,455</b>
<i>% External Revenue</i>	<i>7.6%</i>	<i>10.8%</i>	<i>11.2%</i>	<i>12.7%</i>
Capex	(483)	(240)	(196)	(221)
Capitalized expenditure	(295)	(240)	(196)	(221)
Jupiter development	(188)	-	-	-
Change in working capital <sup>1</sup>	59	(171)	99	(143)
<b>Cash flow from operations</b>	<b>330</b>	<b>692</b>	<b>1,112</b>	<b>1,091</b>
<i>% OMDA</i>	<i>30.5%</i>	<i>48.4%</i>	<i>71.5%</i>	<i>60.6%</i>
Restructuring, Rationalization, Integration	(136)	(309)	(187)	(116)
Other cash items (mainly PRC)	(207)	(181)	(137)	(93)
<b>Free Cash Flow before interest and taxes</b>	<b>(13)</b>	<b>202</b>	<b>788</b>	<b>883</b>
<i>% OMDA</i>	<i>(1.2%)</i>	<i>14.1%</i>	<i>50.6%</i>	<i>49.0%</i>
Interest and taxes <sup>2</sup>	(220)	(353)	(383)	(379)
Separation and acquisition related costs	(158)	(50)	-	-
<b>(Increase) / decrease in net debt</b>	<b>(391)</b>	<b>(202)</b>	<b>405</b>	<b>504</b>

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3. **Refinancing framework**
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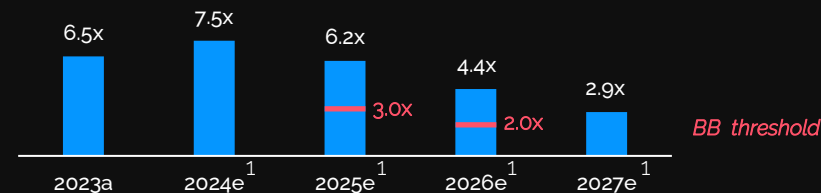
# Cash flows and liquidity overview

## P&L, Cash-Flow and Balance Sheet items (€m)

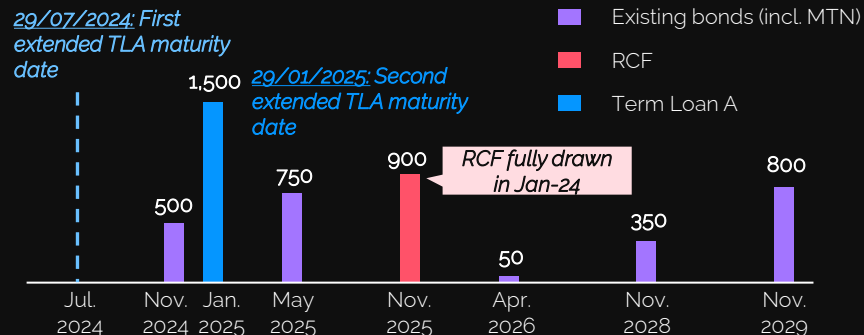
€m, FYE Dec.	2024e	2025e	2026e	2027e
<b>External Revenue</b>	<b>9,900</b>	<b>10,182</b>	<b>10,817</b>	<b>11,420</b>
<b>OMDA</b>	<b>1,083</b>	<b>1,430</b>	<b>1,556</b>	<b>1,802</b>
- Lease payments	(329)	(328)	(347)	(347)
<b>OMDA pre-IFRS 16</b>	<b>754</b>	<b>1,102</b>	<b>1,209</b>	<b>1,455</b>
- Capex	(295)	(240)	(196)	(221)
- Capex Jupiter development	(188)	-	-	-
- Change in working capital <sup>1</sup>	59	(171)	99	(143)
<b>Cash flow from operations</b>	<b>330</b>	<b>692</b>	<b>1,112</b>	<b>1,091</b>
- Restructuring Rationalization Integration	(136)	(309)	(187)	(116)
- Other cash items (mainly PRC)	(207)	(181)	(137)	(93)
<b>Unlevered free cash flow</b>	<b>(13)</b>	<b>202</b>	<b>788</b>	<b>883</b>
- Interests and taxes	(220)	(353)	(383)	(379)
- Interests <sup>2</sup> paid	-	(168)	(258)	(211)
- Separation and acquisition related costs	(158)	(50)	-	-
<b>(Increase) / decrease in net debt</b>	<b>(391)</b>	<b>(202)</b>	<b>405</b>	<b>504</b>
<b>Net debt<sup>1</sup></b>	<b>4,455</b>	<b>4,657</b>	<b>4,252</b>	<b>3,748</b>

## Net leverage evolution

Calculated as Net debt / EBITDA pre-IFRS16<sup>3</sup>



## Debt repayment profile<sup>4</sup> (€m)



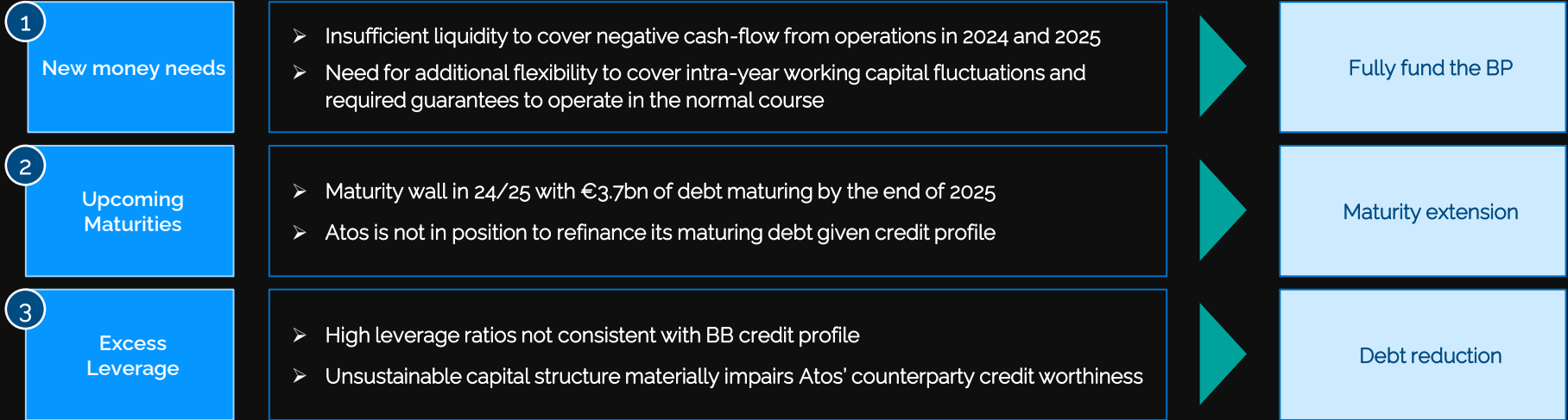
Notes: 1. Net debt figures include €1.8bn working capital actions taken in Dec. 2023, not reflected in change in working capital. Assuming no working capital actions from FY2024 onward  
2. Including 7% interest rate on negative liquidity position 3. Computed as OMDA pre-IFRS16 minus anticipated RRI costs and Other changes 4. Assuming TLA second extension option exercised

# Agreement in principle on interim short-term financing

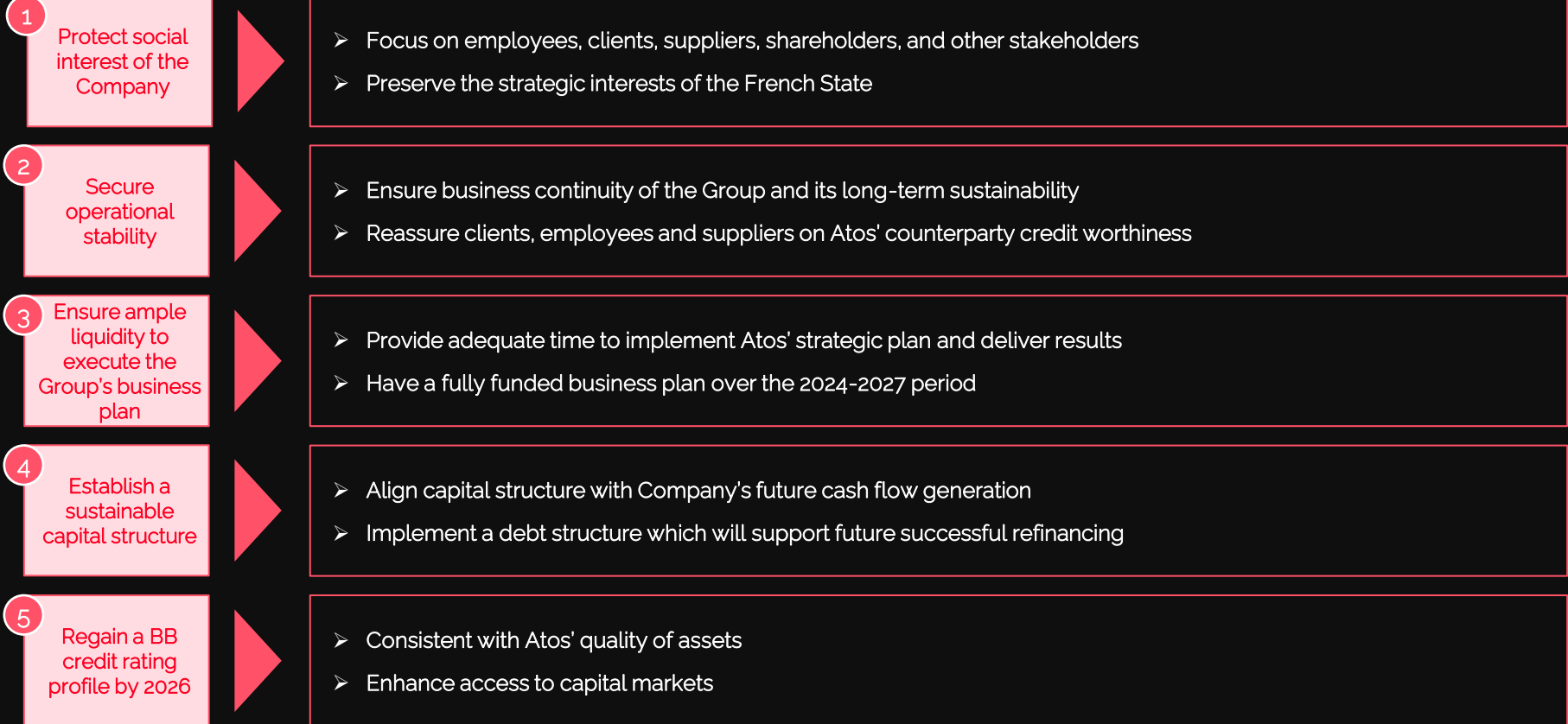
- €400 million facilities agreed in principle with a group of banks and a group of bondholders:
  - €300 million factoring facility provided by the group of banks
  - €100 million secured facility provided by the group of bondholders
  
- €50 million facility from the French State to a subsidiary of Atos, Bull SAS, which controls sovereign sensitive activities
  - Agreement in principle with the French State, providing contractual protections and rights on sensitive activities
  - Subject to waiver from banking group

# Refinancing framework

## Implications

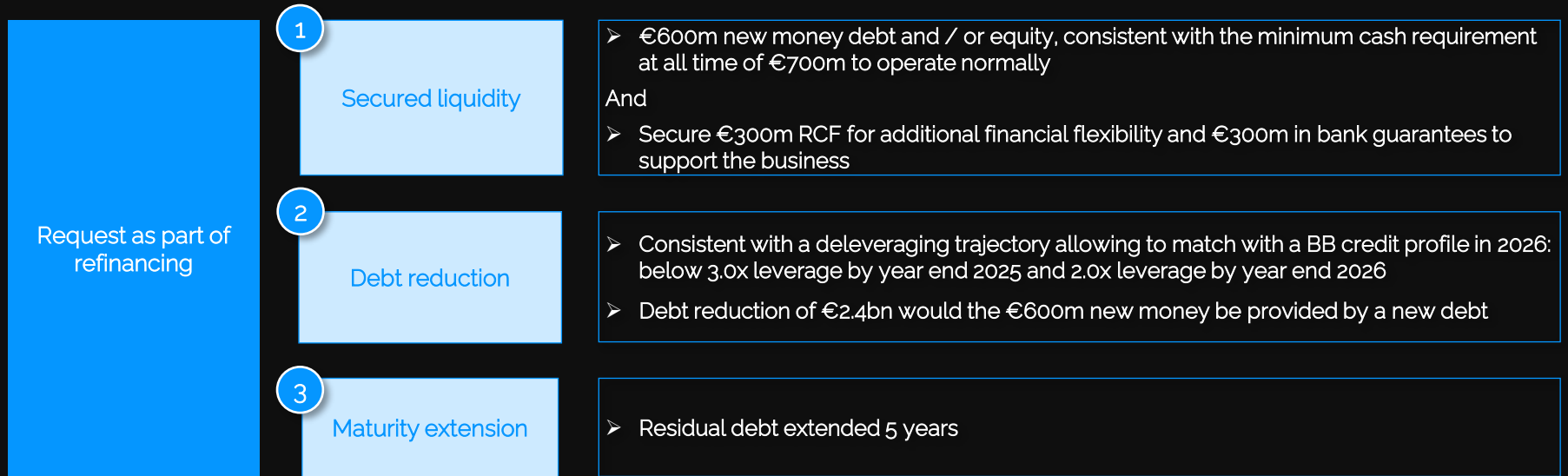


# Refinancing framework – objectives



# Refinancing framework – key parameters

Based on its current perimeter (no disposal)



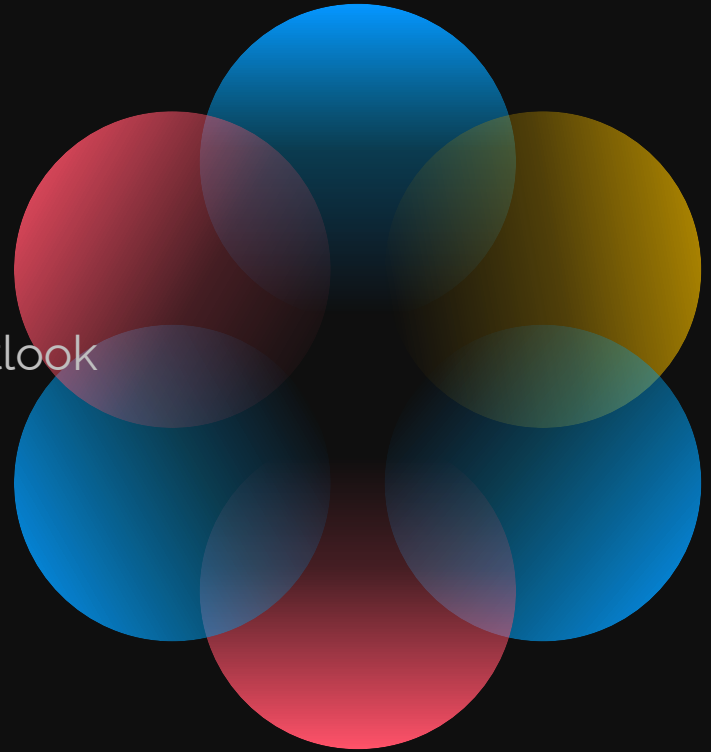
# Indicative Terms of the New Money

Purpose	<ul style="list-style-type: none"><li>➤ General Corporate purposes, notably to fund operational needs exteriorized by the BP</li></ul>
Amount	<ul style="list-style-type: none"><li>➤ €1.2bn</li></ul>
Structure	<ul style="list-style-type: none"><li>➤ €600m debt (possibly including receivable-backed financing), equity or a combination of both type of financing instruments</li><li>➤ €300m RCF or Receivable-backed WCF for additional financial flexibility</li><li>➤ €300m in bank guarantees to support the business</li></ul>
Providing Parties	<ul style="list-style-type: none"><li>➤ Opened to all existing stakeholders of Atos S.E and to third party investors<ul style="list-style-type: none"><li>- Priority given to Atos S.E stakeholders proposals provided their terms are at least equivalent or better than third party proposals</li></ul></li></ul>

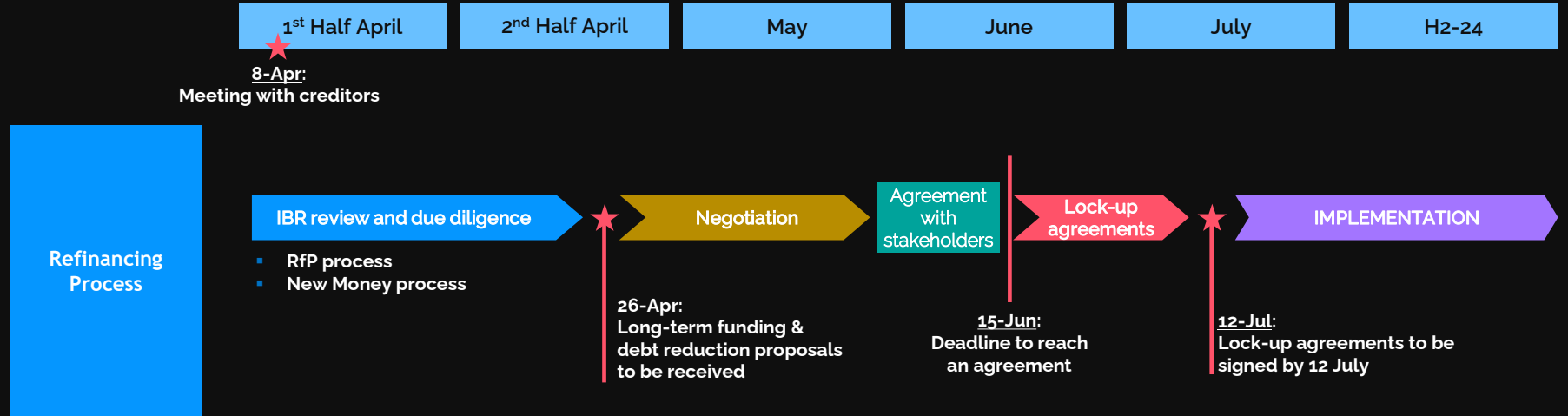


# Agenda

1. Situation update
2. Atos strategic overview and business outlook
3. Refinancing framework
4. **Timetable and next steps**



# Proposed Timetable



# Closing remarks

- Atos is a **recognized leader in the IT business**, with unique and differentiated assets
- Atos presented a **clear strategy for the Group and its two businesses** Eviden and Tech Foundations, which delivers c.€11.4 bn revenue, c.10% operating margin and c.€0.5 bn free cash flow in 2027
- Atos presented the **parameters of its refinancing framework** based on its full business perimeter of Tech Foundations and Eviden
- The Company will evaluate proposals submitted from existing stakeholders of Atos SE and third-party investors by the **April 26, 2024 deadline**. A global refinancing agreement will trigger significant dilution of existing shareholders.
- Atos is **targeting** to reach a refinancing agreement with its financial creditors by **July 2024**
- **An agreement in-principle** was reached with a group of banks and bondholders and with the French State on an interim financing of **€450 million that will provide additional** liquidity to fund operations and invest in the business until a global refinancing plan is reached

# Q&A

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# Thank you!

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