

Atos

2015 Analyst Day

Accelerating the Group digital strategy in North America

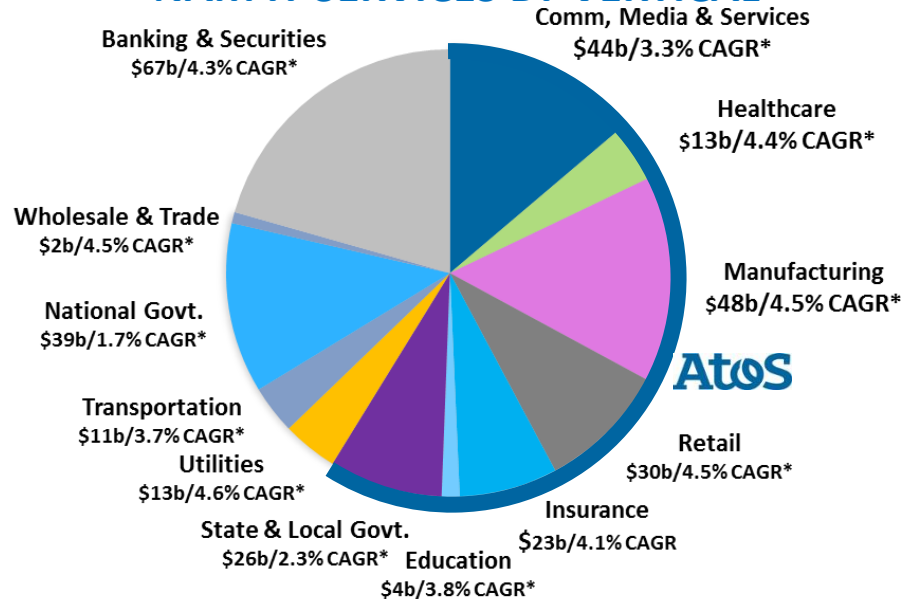
Atos digital positioning and strategy in the US market

Michel-Alain Proch

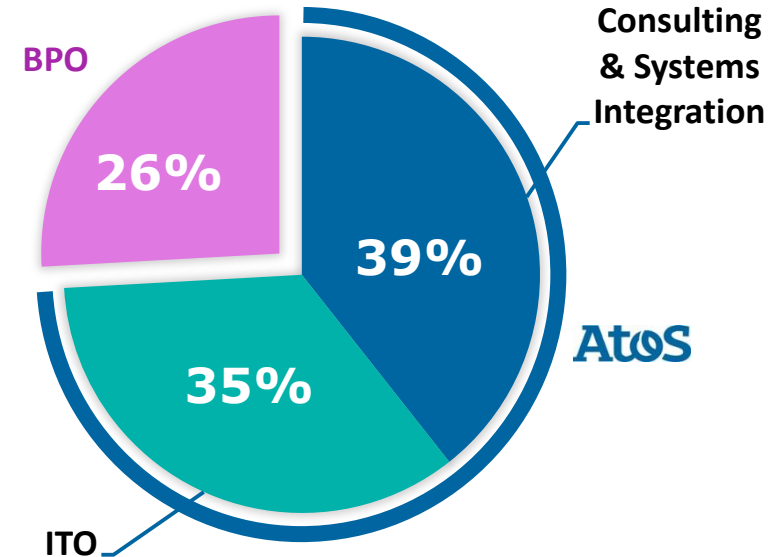
Group SEVP / CEO US Operations

Focusing on key segments in the \$320 billion US IT services market

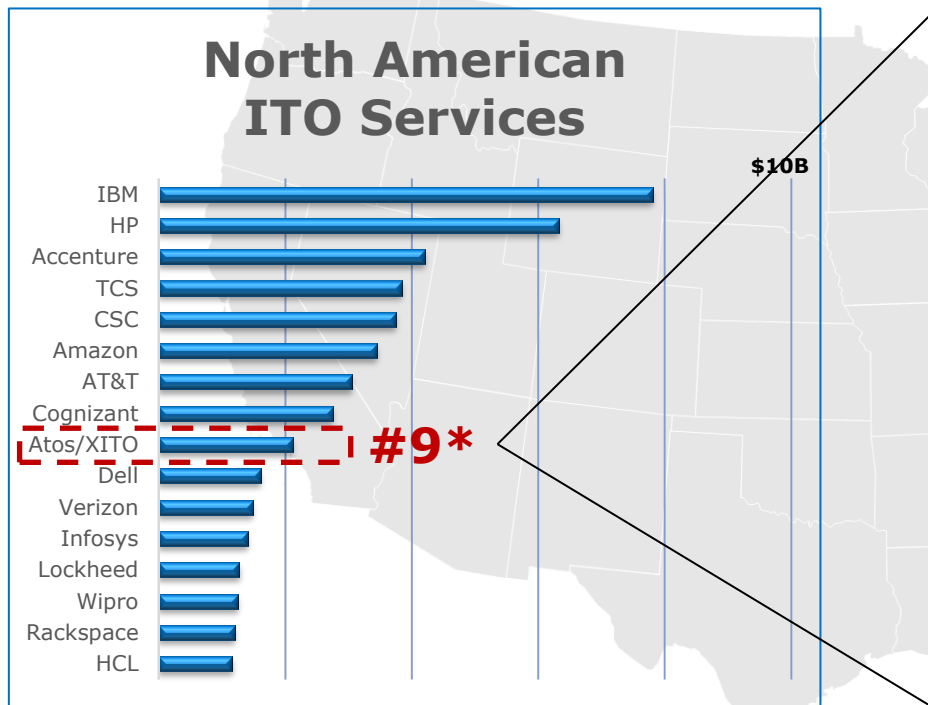
NAM IT SERVICES BY VERTICAL



NAM IT SERVICES BY SERVICE LINE



Source: Gartner 1Q 2015, Vertical Market Forecast, CAGR* calculated as 2014-2017



Leveraging client intimacy to take them into the digital world

- ▶ Cloud journey and Orchestration
- ▶ Automation
- ▶ Workplace Services 2.0

Cross selling Consulting & Systems Integration on our client base

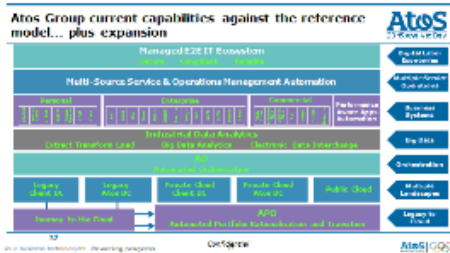
- ▶ SAP HANA migration
- ▶ Industrial Data Analytics
- ▶ Multi-supplier integrator

Source: Gartner, IT Vendor Market share 2014 * Pro forma

Combining the strengths of both entities

Atos

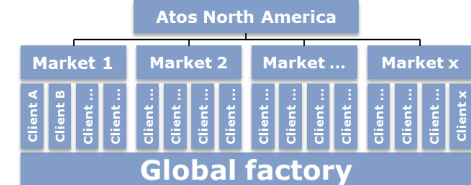
Digital and industrial capabilities



xerox
ITO

ITO customer centric approach

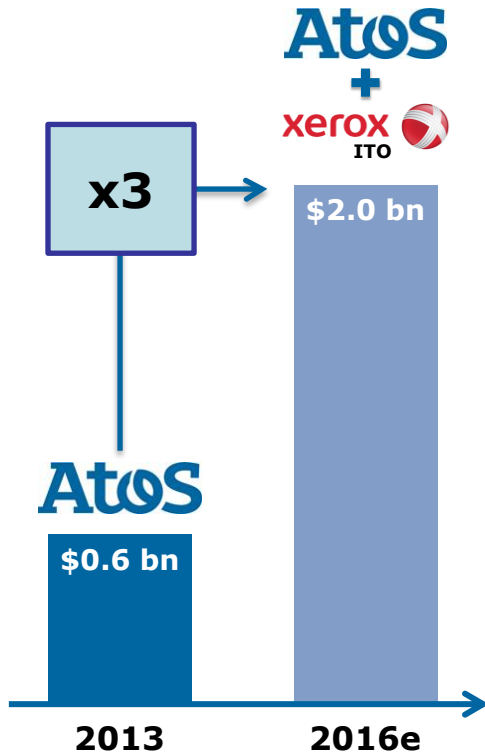
customer centric Go to market



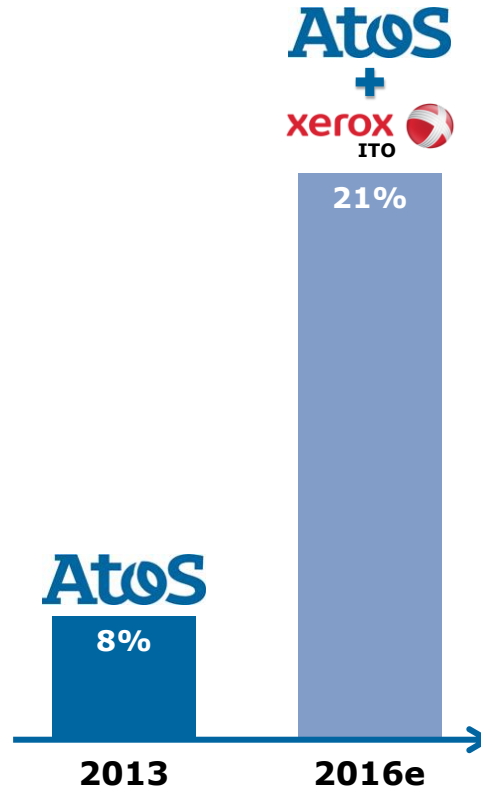
Unique position enabling synergies and new revenue growth

Securing a strong foothold in attractive US market

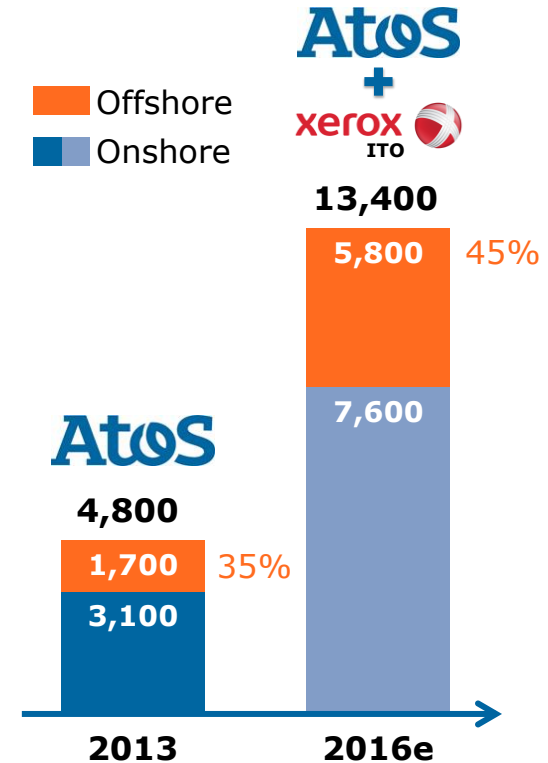
North America revenue in \$ billions



% of Atos Group revenue



North America staff



Our alliance ecosystem is geared toward **digital transformation** in the US

10110
01110

Strategic Alliances & Technology Partners

EMC²



Pivotal

vmware

serviceNow



Global Strategic Alliances



ORACLE PLATINUM PARTNER



Go-to-Market Partners



INSTITUTE FOR
ROBOTIC PROCESS
AUTOMATION



Strategic Domain Partners

Atos

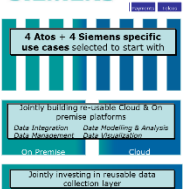


xerox

- 1 Atos to take over the operations of the IT infrastructure services delivered to Xerox
- 2 Atos to benefit from Right of First Offer / First Negotiation on opportunities with Xerox
- 3 Atos to deliver IT services to Xerox BPO customers
 - Exclusivity on existing contracts
 - Renewal of contract with Atos if BPO customer extends with Xerox ITO
- 4 Joint go to market on BPO opportunities in Europe and North America

- **Jointly approved significant investment:** over € 50 million, focus on demonstrating short term results
- **Investment to deliver world class Big Data capabilities**
 - foundation platform and technology framework, including M2M industrial data collection layer
 - business specific use cases. Atos focus towards Industry, Retail, Financial Services, and Telcos
- **Objective to enhance efficiency and time-to-market** by reusability and advanced technology choices
- **First PoCs / test version before end of year**, enhancing Atos go-to-market on Big Data as of now

SIEMENS



Atos target in the US: be the new agile player delivering **digital transformation**

US Global players

Value proposition:
scale & HW/SW synergies

Slow Cloud transformation

Offshore focused players

Value proposition:
Labor arbitrage

Offshore model saturation

Atos

Digital technology & customer intimacy

EMC²

CLICKFOX
The Leader in Customer Experience Analytics

IPSOFT

apprenda

vmware

Pivotal

RSA

fruition
PARTNERS

servicenow

Leveraging with Xerox the successful experience with Siemens partnership

Strategic Governance Board

Atos and Xerox CEOs

Steering committee

*Xerox Corp CIO – Xerox BS CEO
Atos global Service Lines CEO*

Operational committees

*Client executive
Xerox Corp – Xerox BS*

Joint innovation board

- ▶ Atos' clients to benefit of Xerox Print and BPO portfolio
 - North America
 - Europe
- ▶ Xerox' clients to benefit of Atos overall portfolio, especially Application Management and Systems Integration
- ▶ Atos and Xerox to bring to market innovative offerings in new areas such End to End Digital ECM, IT intensive BPO...

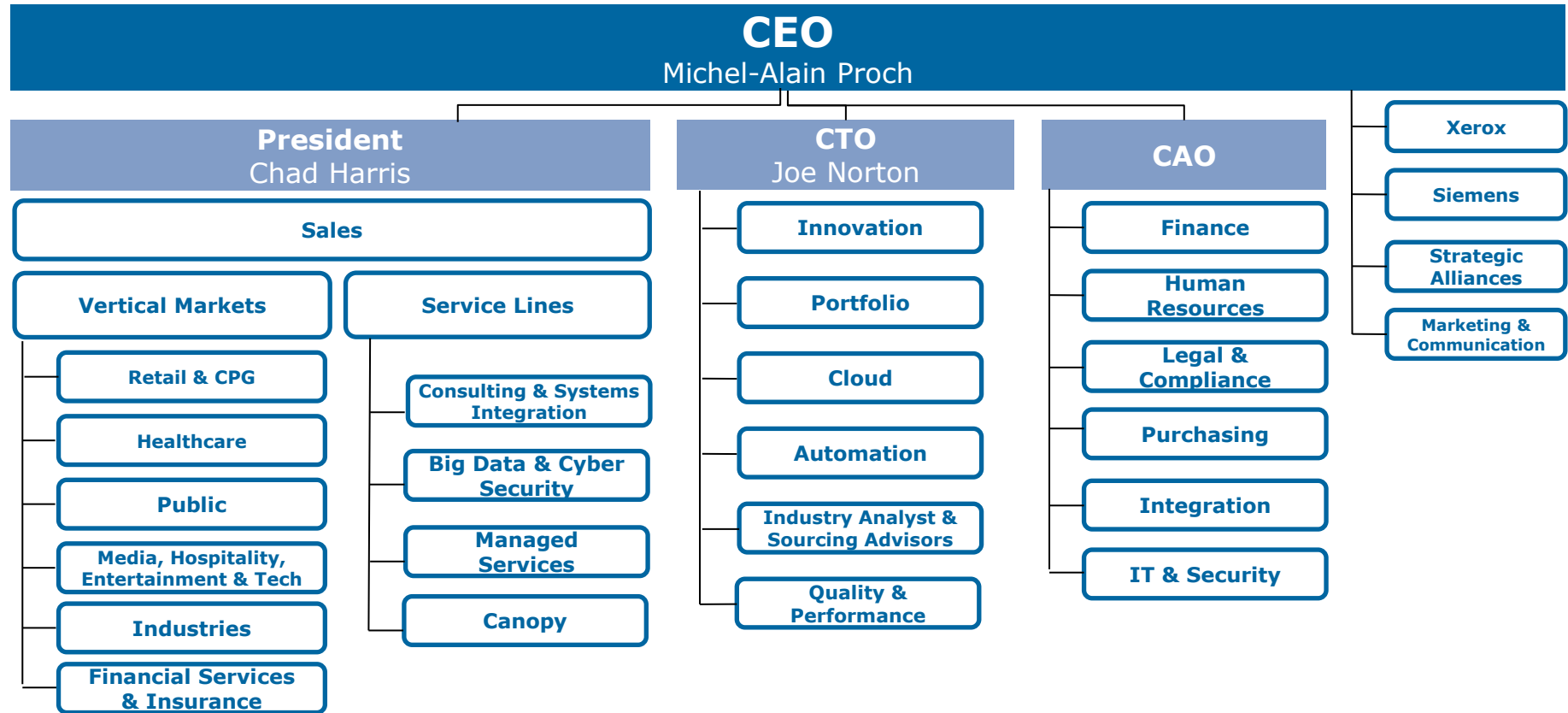
Preparing Day 1 readiness since transaction announcement

A proven methodology

**Effective
transaction
closing
agreed with
Xerox:
June 30, 2015**

Between signing and closing		From closing onward																
Carve-Out Work stream weekly steerco: Xerox leads <ul style="list-style-type: none">CO1 IS separationCO2 Network & SecurityCO3 Real EstateCO4 Soft/hardware, Xerox IP, and other vendor contractsCO5 TSACO6 People transferCO7 Legal restructuringCO8 Client consent	Joint transversal for Day 1 readiness Work stream weekly steerco: Atos leads <ul style="list-style-type: none">I1 Sales Atos/XBS/ XIT working process Training & account planI2 Purchasing datas preparations Managed Services master plan High level DC plan; Blue print GDC; Go forward Capex/Technology/ToolingI3I4 Big Data and Security offer/org.I5 Systems Integration offer/org and GDC optimization (process training)I6 Cloud / Canopy offer/orgI7 Financial & HR operationsI8 Communication & Talents (Social process pre closing)I9 Country specific items	TOP work streams Monthly review <table><tr><td rowspan="2">TOP Sales</td><td>T1 Quality/customer satisfaction</td></tr><tr><td>T2 Project margin improvement</td></tr><tr><td rowspan="4">TOP Efficiency</td><td>T3 SI industrialization</td></tr><tr><td>T4 MS industrialization</td></tr><tr><td>T5 IT process standardization</td></tr><tr><td>T6 Utilization rate optimization</td></tr><tr><td rowspan="5">TOP Indirect</td><td>T7 Finance optimization</td></tr><tr><td>T8 HR optimization/WFM</td></tr><tr><td>T9 SG&A optimization</td></tr><tr><td>T10 Real Estate optimization</td></tr><tr><td>T11 Standard of living</td></tr><tr><td>TOP Cash</td><td>T12 WIP/CAPEX</td></tr></table>	TOP Sales	T1 Quality/customer satisfaction	T2 Project margin improvement	TOP Efficiency	T3 SI industrialization	T4 MS industrialization	T5 IT process standardization	T6 Utilization rate optimization	TOP Indirect	T7 Finance optimization	T8 HR optimization/WFM	T9 SG&A optimization	T10 Real Estate optimization	T11 Standard of living	TOP Cash	T12 WIP/CAPEX
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TOP Cash	T12 WIP/CAPEX																	
Closing Work stream weekly steerco: Xerox leads <ul style="list-style-type: none">CL1 Antitrust & Conditions precedentCL2 Monthly performances review (OE/ER/OM) vs PlanCL3 Interim governanceCL4 Tax / Section 197CL5 MOSA / PCVCL6 Finance items / Equipment Leasing		Post Closing <ul style="list-style-type: none">PCL1 Debt, WC, Deferred assetsPCL2 Open contract itemsPCL3 Legal restructuringPCL4 MOSA																

On June 30, 2015, ready for business!



1. Atos digital positioning and strategy in the US market
2. The new Atos after Xerox ITO integration
3. Bringing the Atos digital transformation to the US
4. 2016 roadmap

Accelerating the Group digital strategy in North America

The new Atos after Xerox ITO integration

Chad Harris,
President, North America

Business view

2014 key figures*

- ▶ **Revenue: \$2.0 billion**

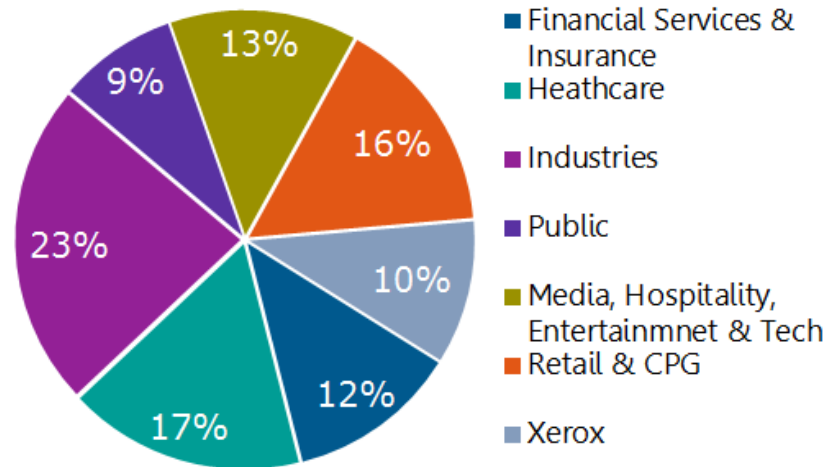
Employees

- ▶ **7,600 US employees of which c. 4,500 from Xerox**
- ▶ **5,800 employees in offshore GDC for US clients**

Key services

- ▶ **ITO**
- ▶ **Workplace services**
- ▶ **Cloud services**

Revenue breakdown



Circa 260 clients with additional circa 800 indirect clients through BPO segment from Xerox ITO

* Pro forma figures



Atos priority Industries and account in North America

Industries



► Building on our Industrial heritage



Media, Hospitality, Entertain & Tech



► Digital customer experience



Healthcare



► Integrated portfolio across all Healthcare constituencies



Public (municipal & state)



► Strong reference base



Retail & CPG



► Managing the digital store



Financial Services & Insurance ITO Solutions

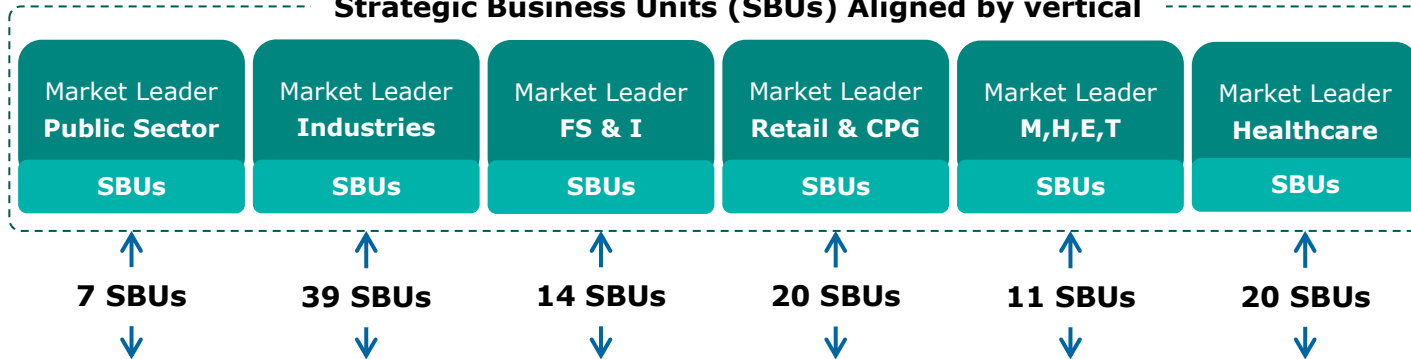


► Infrastructure for Financial Services



A new sales set up geared toward organic growth

Strategic Business Units (SBUs) Aligned by vertical



- Client Intimacy
- Client Governance
- Operational Oversight
- Revenue and Income
- CSAT

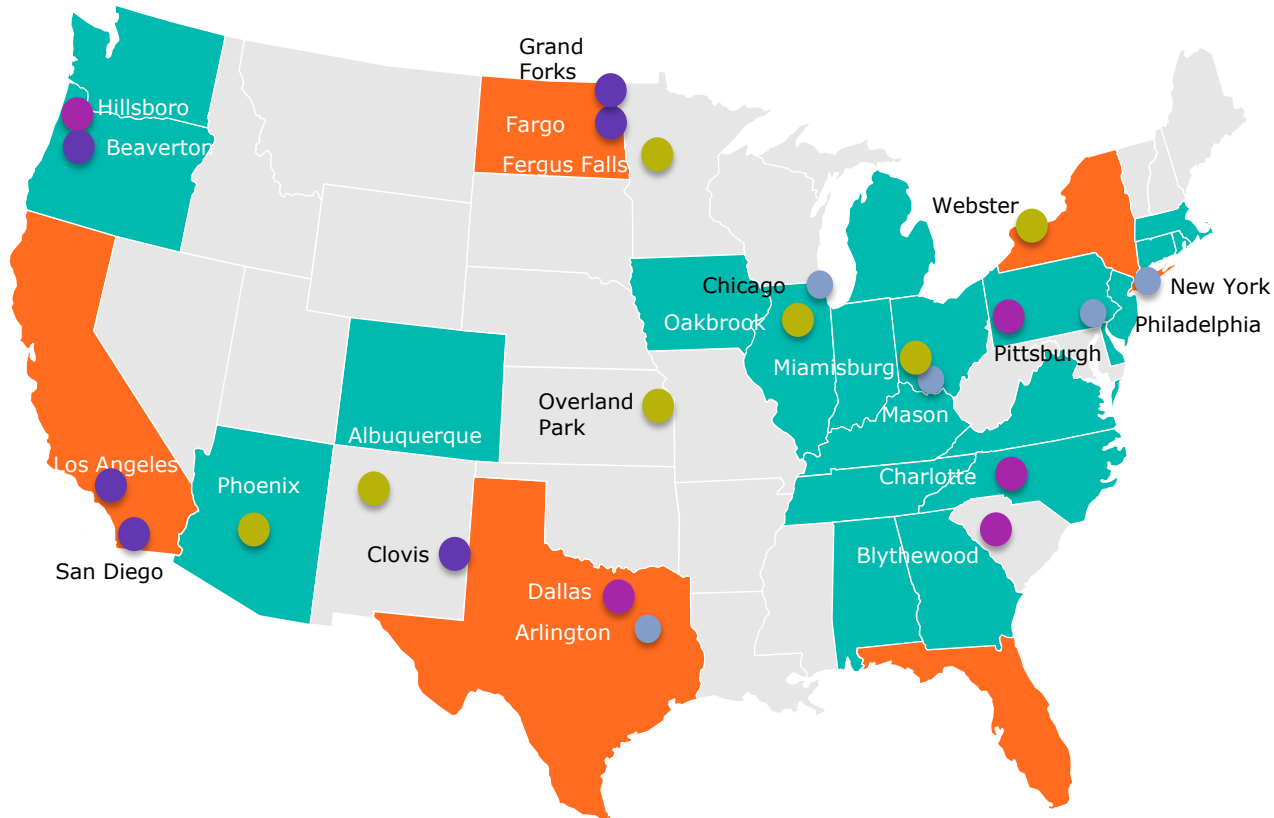
Vertical Go To Growth Engine (Sales)



- Vertical Sales Leaders
- Aligned to Market Heads
- **1-2 "Hunters"** per Market
- S/M New Logo RFPs
- Focus Account Prospecting
- **3-4 "Farmers"** per Market
- Top Account Portfolio Mgmt.
- Fertilization and Renewals
- Service Line Quotas
- Lead Gen Factory
- CSI SME Sales

Atos US new and expanded coast-to-coast footprint

Strong geographic expansion thanks to complementary footprints



Go-to-market approach

Vertically led, digital focused and Alliance aligned



Vertically led

Rich Domain Knowledge

**Advance Business Competitiveness
of our clients.**



Digital focused

**Cover Legacy AND Cloud
Bring all Service Line Offerings
to Clients base**



Alliance Aligned

**Use few, but strongly committed Partners
in Technology, Vertical Solutions and Go
to market alliances**

Cornerstone values

- ▶ For Xerox Clients, bring **new capabilities** and **global scale and scope**
- ▶ For Atos Clients, **Tier 1 Market Presence**
- ▶ For all clients, **Agility, Automation, Speed** and most important **Ready today**

Accelerating the Group digital strategy in North America

Bringing the Atos digital transformation to the US

Joe Norton,

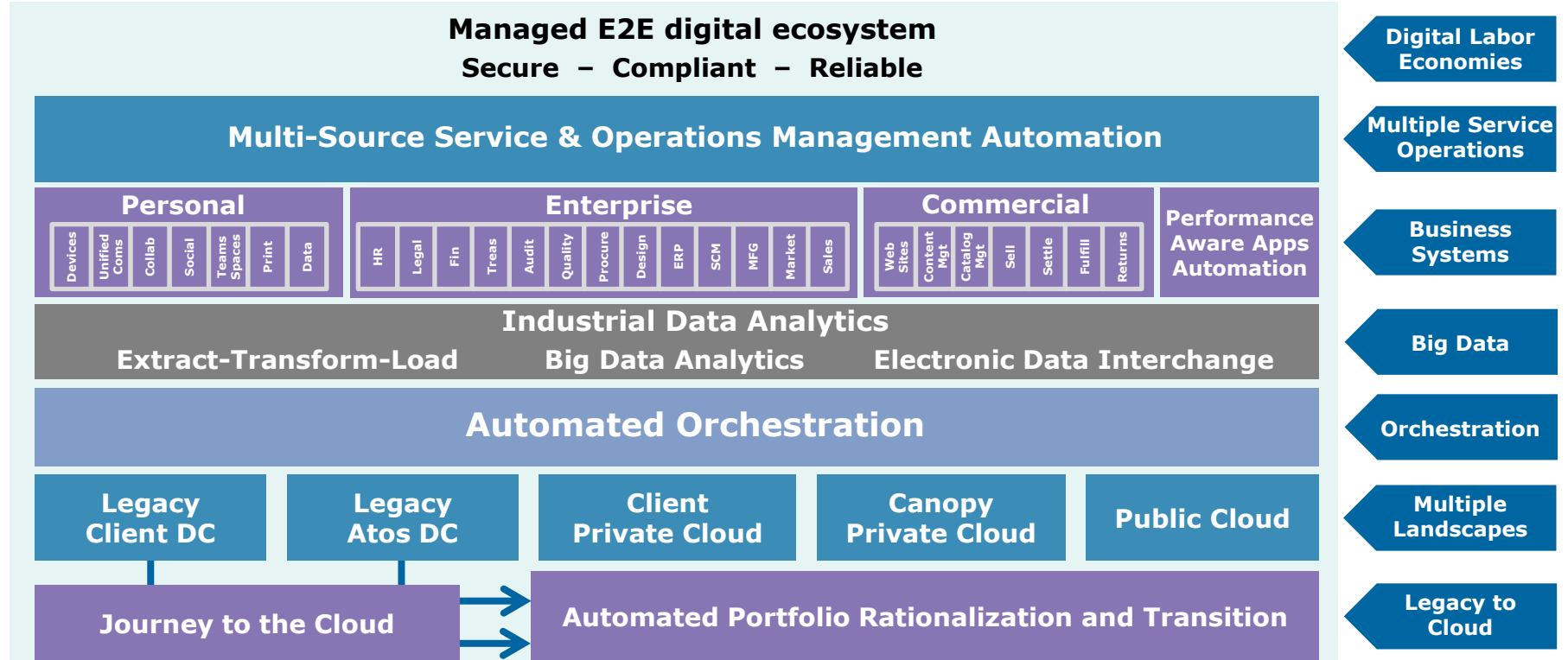
Chief Technology Officer, North America

Journey to Digital: taking the Group capabilities to the US market

- ▶ Information Technology is the engine which powers every business enterprise.
- ▶ Cloud Computing foundations have been built and are growing.
- ▶ Journey to the Cloud is just the beginning.
- ▶ 3rd Platform is driving the fragmentation of traditional Corporate IT Organizations.
- ▶ Increasing Infrastructure & Operations Complexity.
- ▶ Dawn of the 3rd Era of Automation.
- ▶ Single-Source to Multi-Source Multi-Service Operations.
- ▶ Automation, Autonomics, Digital Labor will transform Managed Services.

Journey to Digital: Reference Model

... accelerating the Atos digital strategy through automation in the US



Accelerating the Group digital strategy in North America

2016 Roadmap

Michel-Alain Proch

Group SEVP / CEO US Operations

2016 roadmap : the window of success

Day 1 Readiness

- ▶ Organization announcement & alignment
- ▶ **Account** assignments
- ▶ **Customer** positioning statements
- ▶ **Sales** process alignment
- ▶ **Market** messaging
- ▶ Financial & HR support processes implemented

Thru to end of 2015

- ▶ **Delivery platform** integration
- ▶ **Process and tooling** harmonization
- ▶ Account evolution plans created
- ▶ **Technology roadmap** aligned
- ▶ The go-to-market Xerox partnership operational

First half of 2016

- ▶ Businesses fully integrated
- ▶ **Increased focus on domain and vertical solutions**
- ▶ Strengthen Consulting & Systems Integration business

Build an organization that enables fast integration, with minimum commercial and social disruptions, while delivering expected financial performances

Our formula for North America

$$\left(\text{Legacy 1}^{\text{st}} \text{ and 2}^{\text{nd}} \text{ Platform} + \text{Third Platform} + \text{Automation} \right) \times \text{Digital} = \text{Profitable Growth}$$

\$100
million
revenue
synergies

\$35
million
cost
synergies

3-5%
2017
revenue
growth

9-10%
2017
operating
margin rate

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2015 Analyst Day