

Atos

2015 Analyst Day

Strengthening Group financials

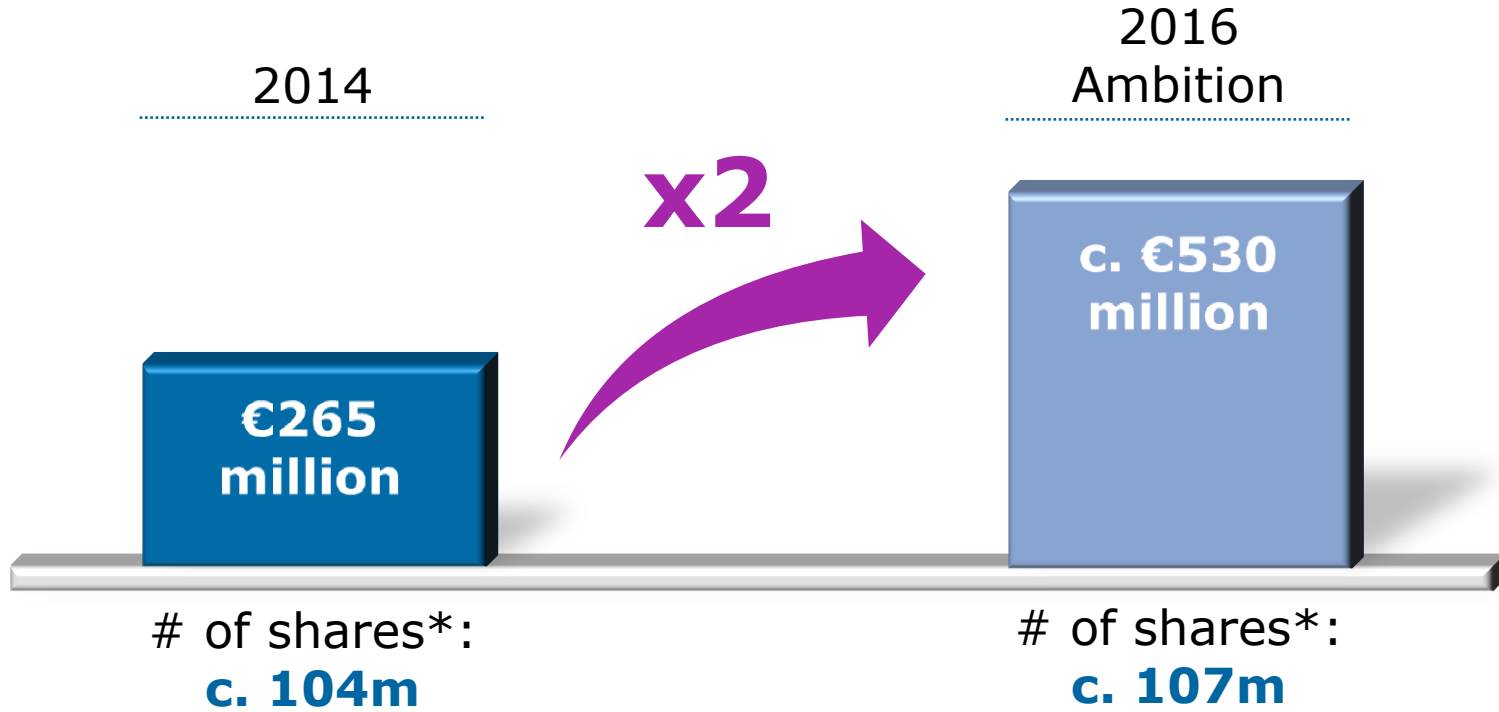
Elie Girard
Group CFO

2016 Ambition: Targets update

		Analyst Day November 2013	Analyst Day June 2015
Revenue	2013	€8,615m	€8,615m
	2016	c. €10bn	above €11bn
Operating margin	2013	€645m 7.5%	€645m 7.5%
	2016	c. €0.9bn	c. €1.0bn
Free cash flow	2013	€365m	€365m
	2016	€450m €500m	€500m €550m
Net cash	2013	€905m	€905m
	2016	c. €1,500m	c. €1,000m

2016 revenue ambition at April 2015 exchange rates

Ambition to double net income Group share over 2 years



* Fully diluted number of shares at year end

Main drivers to double net income Group share from 2014 to 2016

PROFITABILITY IMPROVEMENT

- ▶ Industrialization programs and cost synergies
- ▶ Improved business mix

35-45%

ADDITIONAL OPERATING MARGIN

- ▶ Contribution from acquired companies

25-35%

RESTRUCTURING COSTS DECLINE

- ▶ Bull program completion by end of 2015
- ▶ Slowdown of restructuring in onshore countries

10-20%

CHANGE IN GROUP TAX PROFILE FURTHER TO ACQUISITIONS

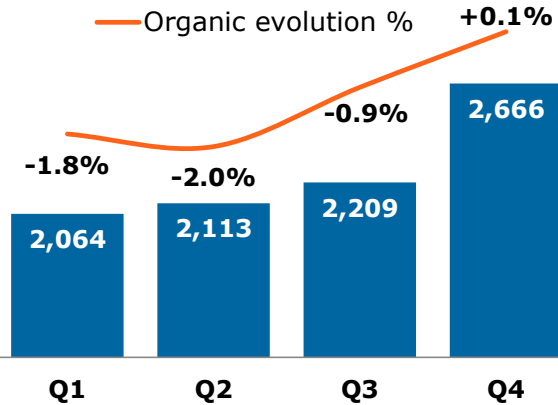
- ▶ Effective Tax Rate decrease by +500 basis points

10-20%

Net income Group share from **€265m** to c. **€530m**

2014

► Atos Group revenue (in € million):



► Progressive improvement over the year

2015

► Revenue guidance: The Group targets a **positive organic revenue growth**

► H1: Q2 expected as Q1

► Expected improvement in H2 vs. H1:

- Consulting & Systems Integration
- Germany
- Benelux
- North America

2016

► **Growth acceleration:**

- Managed Services stable
- All other Service Lines growing
- Revenue synergies with Xerox ITO starting to materialise

With an organic 2014-16 CAGR clearly positive

2014

▶ 2014 pro forma operating margin at **7.1%*** of revenue:

- Managed Services: 7.6%
- Consulting & Systems Integration: 6.1%
- Big-Data & Cyber-security: 13.5%
- Worldline: 15.5%

- Corporate costs: -1.4% of Group revenue (excl. Worldline)

2015

▶ 2015 guidance:

→ **8.0% to 8.5%** of revenue

▶ 2016 ambition **confirmed**:

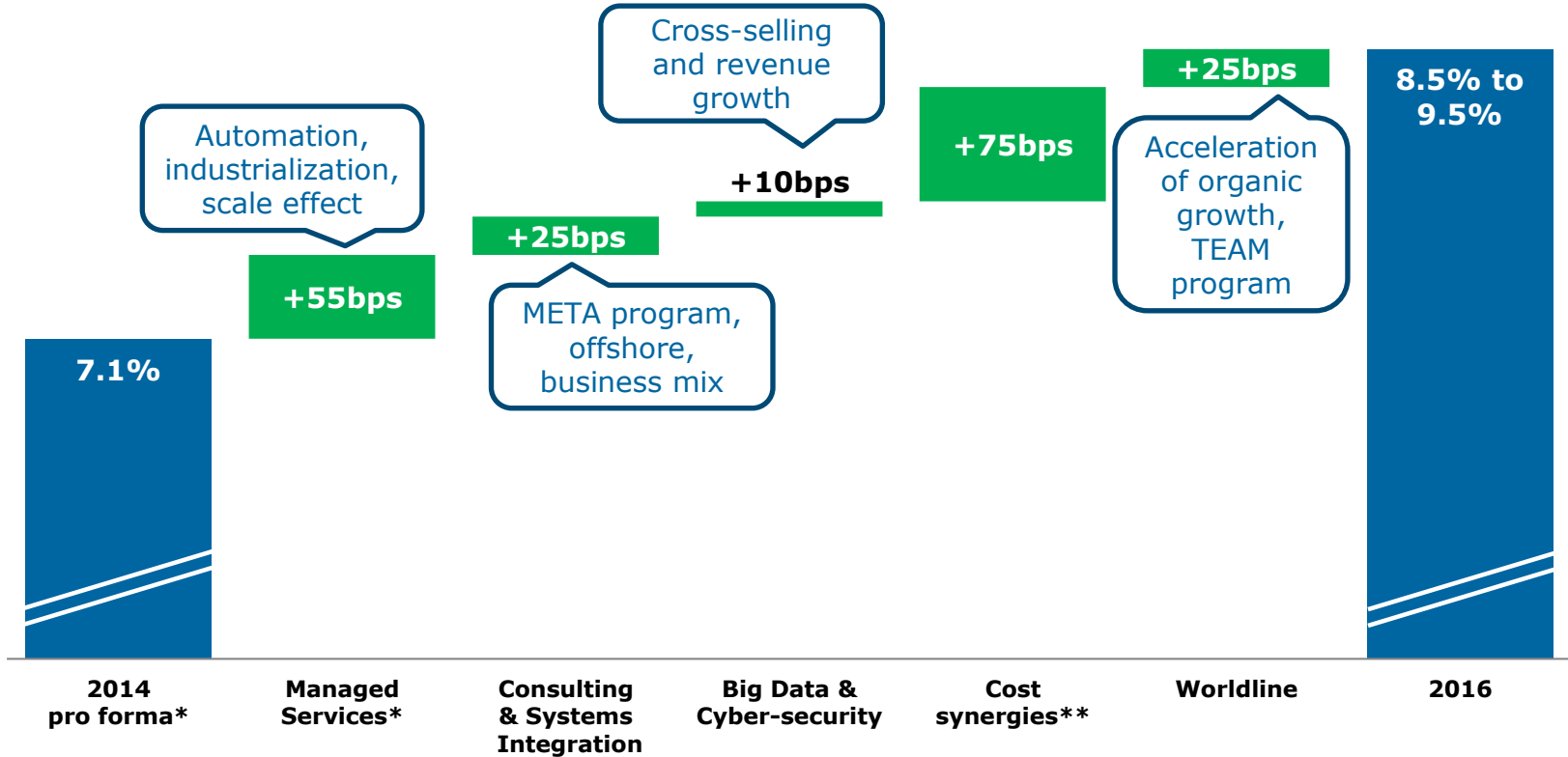
→ **8.5% to 9.5%** in 2016
compared to 7.5% in 2013 statutory

2016

Continuous profitability improvement in line with 2016 Ambition

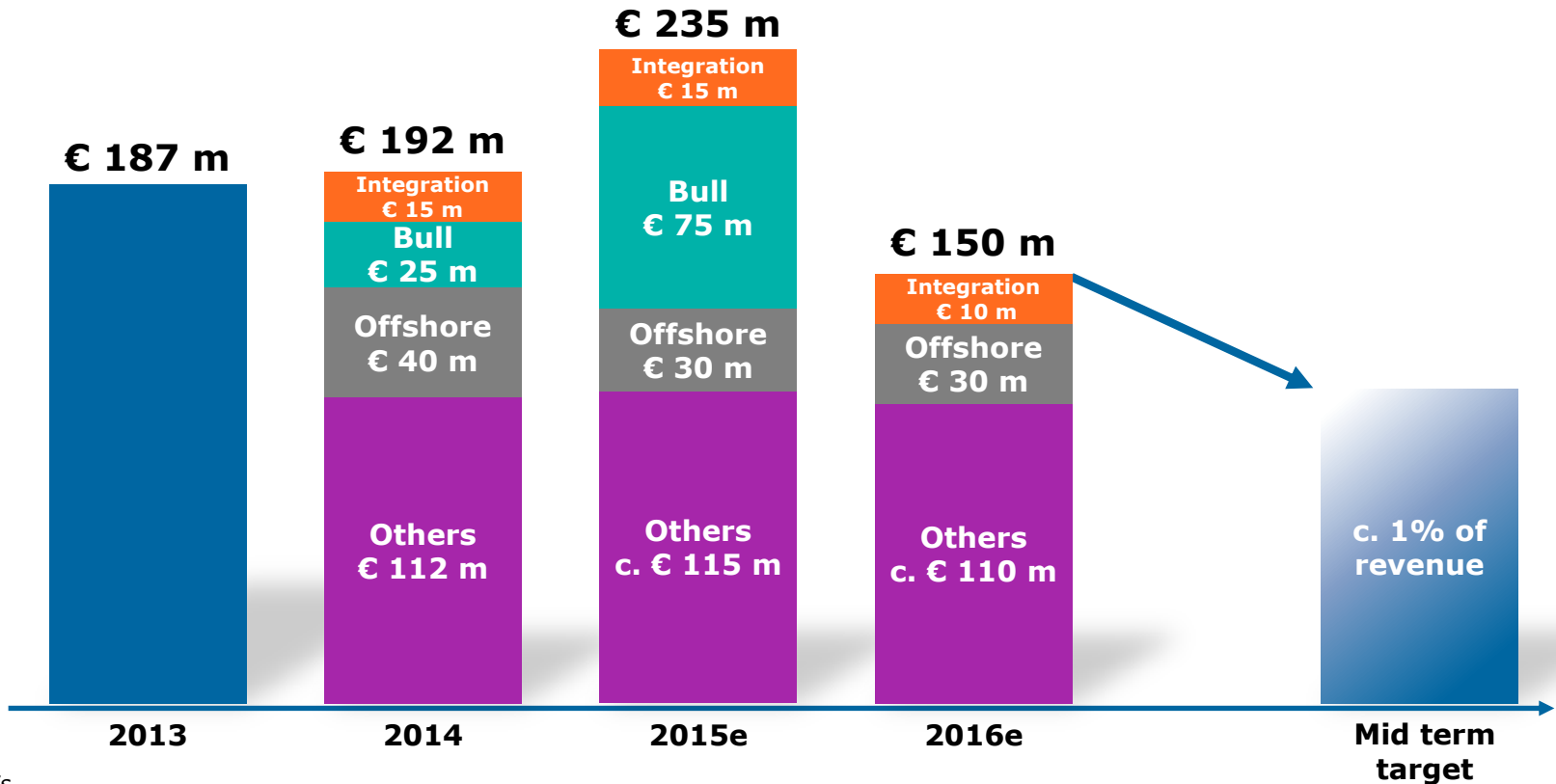
* At April 2015 FX, including 12 months of Xerox ITO contribution

Operating margin evolution perspectives (2/2)



* At April 2015 FX, including 12 months of Xerox ITO contribution ** Bull and Corporate costs

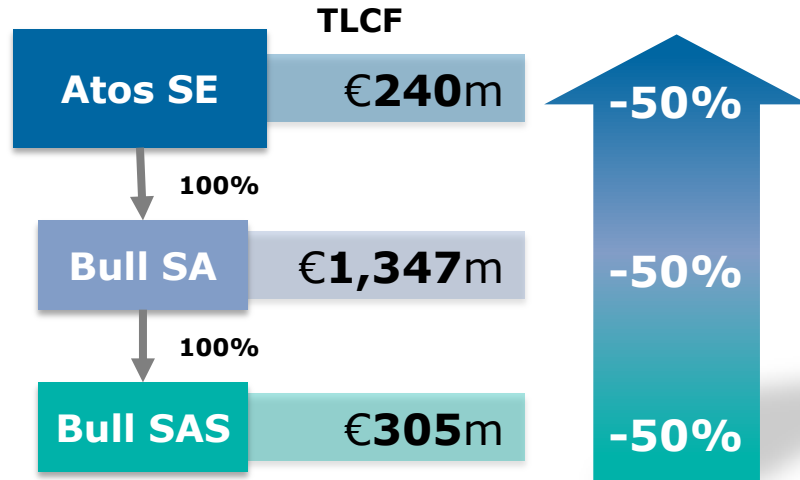
Restructuring costs decline



Cash basis

Change in Group Tax profile further to acquisitions (1/3)

- ▶ Total Tax Losses Carried Forward in France (evergreen):



At each stage, 50% of taxable profits can be offset by using TLCF*

* Current legislation

Change in Group Tax profile further to acquisitions (2/3)

1
Improved tax synergies through full integration of Cloud / Canopy business

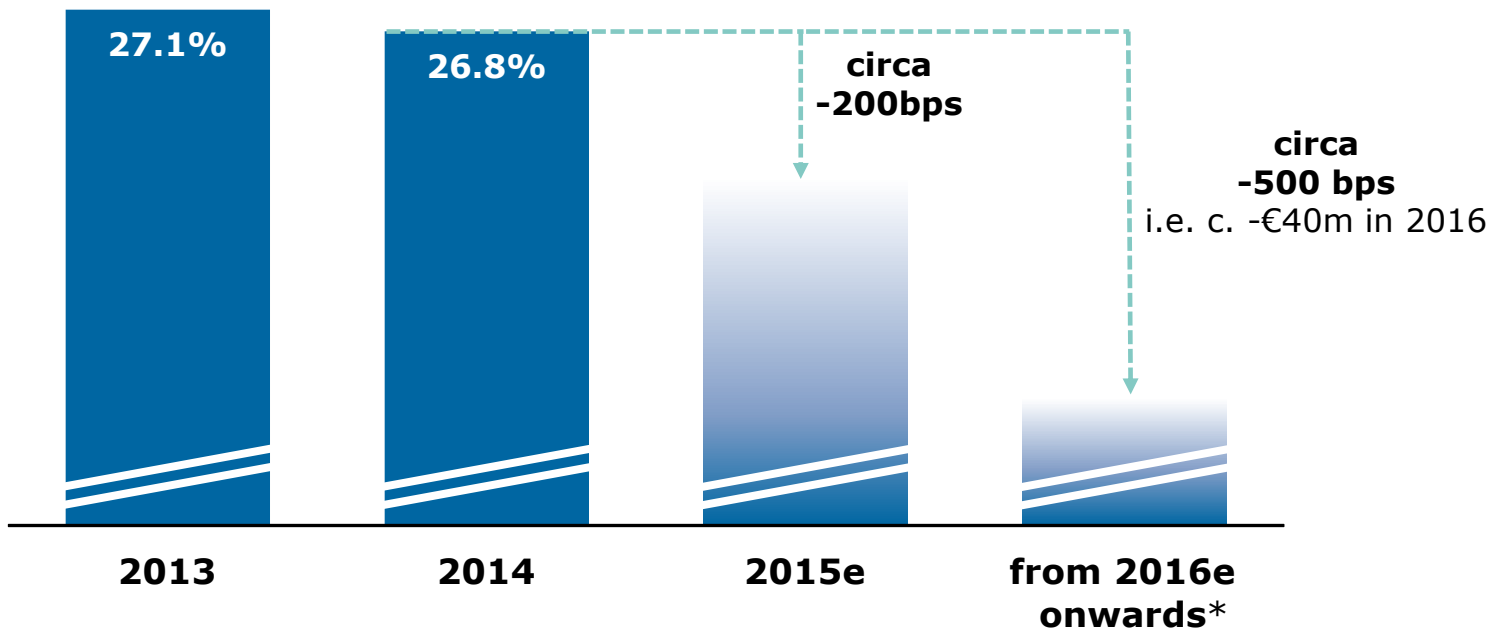
2

Bull cost and revenue synergies

3

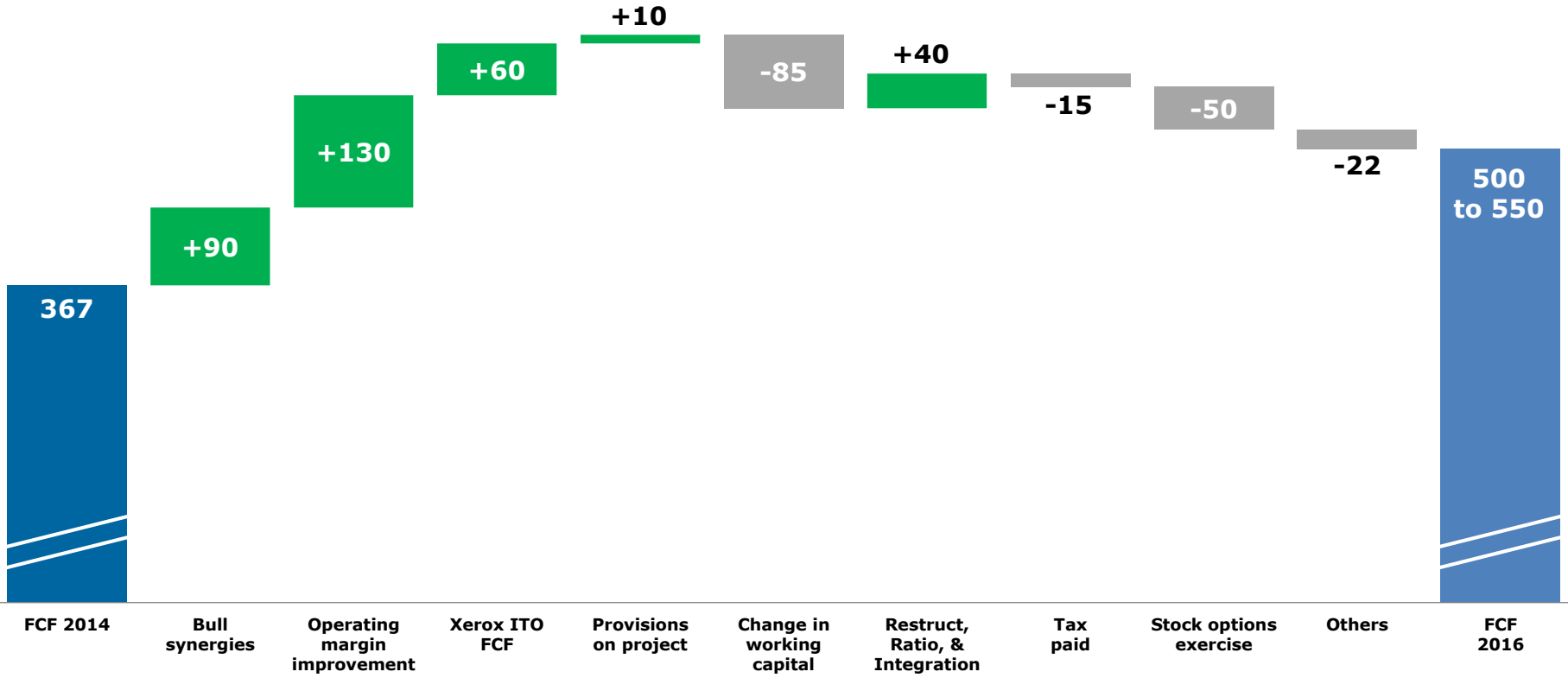
Bull expertise in Cloud, Big Data and Cyber-security leveraged on global clients

Planned Group Effective Tax Rate (in %):



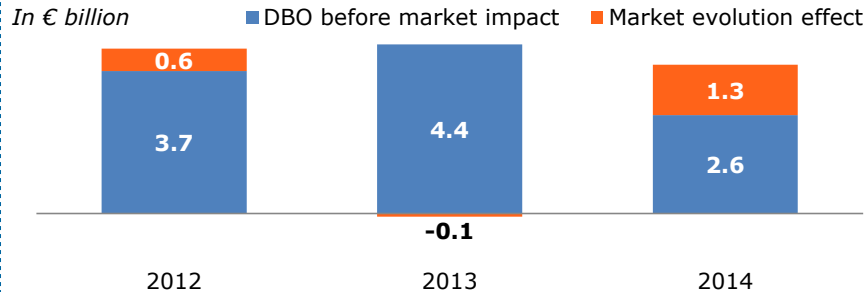
* For the next 10 years at least

Free cash flow evolution (in € million)



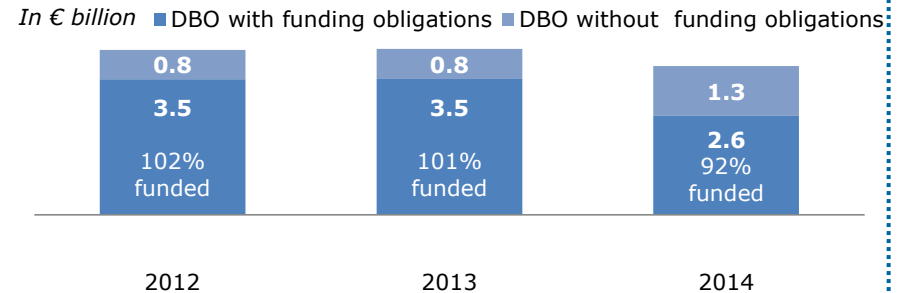
Strategic decision taken in 2012 to significantly reduce exposure to Defined Benefit Obligations schemes

Defined benefit obligation evolution



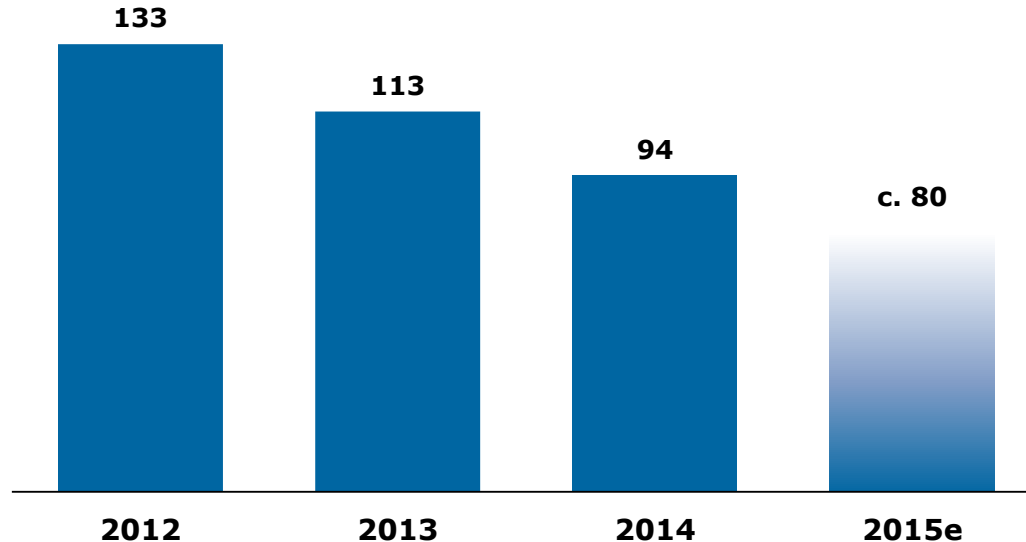
Market conditions include discount rate, inflation, and currency effects

Funding requirements evolution



In 2014 the Dutch pension fund was deconsolidated

Defined Benefit Pensions related cash-out* evolution (€m)



Ongoing consultations/efforts to limit pension exposure and/or reduce costs:

- ▶ In the UK by adjusting future pension indexation
- ▶ In the Eurozone by introducing more flexibility, mitigating actuarial risks and adjusting indexation

* Excluding Dutch Pension Fund exceptional contributions and Bull

Potential leverage: Financial agility to support strategy remains intact

Leverage ratio

Before Xerox ITO acquisition

After Xerox ITO acquisition

Net cash position
€ 1.0 bn

Estimated pro forma
net cash position
c. € 0.1 bn

Headroom:
c. € 3.3 bn

Headroom:
c. € 3.0 bn

Banking covenant
< 2.5 x
OMDA

Banking covenant
< 2.5 x
OMDA*

Straight Bond

Depending on market conditions:

- ▶ € 500 m
- ▶ Diversify sources of funding
- ▶ Increase duration
- ▶ Enhance the Group's agility to support its development
- ▶ Roadshows on Monday and Tuesday 22nd and 23rd

* 2014 pro forma OMDA taking into account 12 months of Xerox ITO estimated 2014 OMDA

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