Financial Strategy

Uwe Stelter
Chief Financial Officer
MID-TERM TARGETS

<table>
<thead>
<tr>
<th>Metric</th>
<th>MID-TERM</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue Growth (at constant currency)</td>
<td>+5% to +7%</td>
</tr>
<tr>
<td>Operating Margin (% of revenue)</td>
<td>11% to 12%</td>
</tr>
<tr>
<td>Free Cash Flow Conversion (% of op. margin)</td>
<td>&gt; 60%</td>
</tr>
</tbody>
</table>
## Main Revenue Growth Drivers by Industry

### +5% to +7% Mid-Term Annual Growth at Constant Currency

<table>
<thead>
<tr>
<th>Industry</th>
<th>2019 Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manufacturing</td>
<td>€2.3bn</td>
</tr>
<tr>
<td>Financial Services &amp; Insurance</td>
<td>€2.2bn</td>
</tr>
<tr>
<td>Public Sector &amp; Defense</td>
<td>€2.3bn</td>
</tr>
<tr>
<td>Telecom, Media &amp; Technology</td>
<td>€1.8bn</td>
</tr>
<tr>
<td>Resources &amp; Services</td>
<td>€1.7bn</td>
</tr>
<tr>
<td>Healthcare &amp; Life Sciences</td>
<td>€1.3bn</td>
</tr>
</tbody>
</table>

### Industry Specific Drivers

- **Manufacturing**
  - Digital factory and supply chain including IoT/Edge
  - Increased outsourcing

- **Financial Services & Insurance**
  - Atos Syntel synergies
  - Digitalization in Banking & Insurance

- **Public Sector & Defense**
  - Sustainability policies
  - Digital public safety

- **Telecom, Media & Technology**
  - Leverage lighthouse references
  - AI, IoT/Edge, 5G

- **Resources & Services**
  - Decarbonization in Energy & Utilities
  - Atos Syntel synergies
  - Atos Syntel synergies

### Drivers Across Industries

- Replication/Industrialization
- Geographical Extension
- Value Based Pricing

### Drivers

- **Full Stack Cloud**
- **Business Critical Applications**
- **Digital Platforms**
- **Customer Experience**
- **Employee Experience**

### Mid-Term Growth Rates

- **+5% to +7%**
- **Self-Financed M&A**
  - c. +5%
  - c. 6%
  - c. 5%
  - c. 6%
  - >7%
  - >7%

### Specific Drivers

- **Security**
- **Decarbonization**
- **Self-Financed M&A**

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*Atos*
INCREASED WEIGHT OF CLOUD IN OVERALL GROUP REVENUE

In % of Group Revenue

Cloud Transformation & Apps modernization

Cloud Security

Bare Metal

Cloud Transformation & Apps modernization

22%

25%

29%

CLOUD

CLASSIC

In % of Group Revenue

2016

2019

Mid-Term

Classic Infrastructure

Private Cloud

Public Cloud

Orchestration services
CUSTOMER REQUIREMENTS LEAD TO A FUNDAMENTAL CHANGE IN GROUP PROFILE

CLOUD
- Full stack
- Orchestration
- Transformation and Apps Modernization
- Bare Metal aaS

DIGITAL
- Digital Industry Platforms
- Business Critical Applications
- Customer Experience
- Employee Experience

SECURITY
- Leveraging Digital & Security needs
- Industry-driven decentralized data security
- Extending go-to-market

DECARBONIZATION
- Decarbonization Level Agreement (DLA) offerings
- Digitalization of carbon intensive business processes
- Industry best-in-class high-performance computers

65% Mid-Term
40% 2019

% of Group revenue
OPERATING MARGIN MID-TERM TARGET:
+200 TO +250 BPS IMPROVEMENT

- Salary increase
- Workforce Management
- Price Erosion
- Business Mix
- Value based Pricing & Replication
- Agile Workforce Management
- Offshore
- Automation / Lean
- Procurement
- M&A synergies

SPRING

RACE

DECARBONIZATION

Mid-Term

2020

9.0% to 9.5%

11% to 12%

OPERATING MARGIN MID-TERM TARGET:
+200 TO +250 BPS IMPROVEMENT

- Salary increase
- Workforce Management
- Price Erosion
- Business Mix
- Value based Pricing & Replication
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- Offshore
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- M&A synergies

SPRING

RACE

DECARBONIZATION

Mid-Term

2020

9.0% to 9.5%

11% to 12%
MAIN OPERATING MARGIN GROWTH DRIVERS BY INDUSTRY
11% TO 12% OF MID-TERM REVENUE

<table>
<thead>
<tr>
<th>Industry</th>
<th>2019 Operating Margin</th>
<th>Mid-Term Operating Margin</th>
<th>Specific Drivers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manufacturing</td>
<td>6.0%</td>
<td>13.2%</td>
<td>Progressive replacement of low margin contracts, Automation/Offshore</td>
</tr>
<tr>
<td>Financial Services &amp; Insurance</td>
<td>13.2%</td>
<td>9.8%</td>
<td>Atos Syntel synergies, Automation/Offshore</td>
</tr>
<tr>
<td>Public Sector &amp; Defense</td>
<td>9.8%</td>
<td>10.2%</td>
<td>Higher value digital portfolio, Systematic security upsell in each deal</td>
</tr>
<tr>
<td>Telecom, Media &amp; Technology</td>
<td>10.2%</td>
<td>10.1%</td>
<td>Automation/Offshore, IP developed with software partners</td>
</tr>
<tr>
<td>Resources &amp; Services</td>
<td>10.1%</td>
<td>13.0%</td>
<td>Packaged replicable solutions, Atos Syntel Synergies, Automation/Offshore</td>
</tr>
<tr>
<td>Healthcare &amp; Life Sciences</td>
<td>13.0%</td>
<td></td>
<td>Atos Syntel Synergies, Automation/Offshore</td>
</tr>
</tbody>
</table>

Diagrams show various businesses and their specific drivers:

- **Business Mix**
  - Value Based Pricing
  - Replication
  - Agile Workforce Management

- **Race**
  - Decarbonization
    - c. 10%
    - c. 15%
    - c. 11%
    - c. 11%
    - c. 11%
    - c. 12%
MID-TERM HEADCOUNT INCREASING BY C. 3% PER YEAR

- Headcount at start of the year
- Hiring
- Voluntary attrition
- Restructuring & dismissals
- M&A
- Headcount at end of year

- c. +3,500 additional headcount per year
- c. +21,500
- c. -18,500
- c. -1,500
- c. +2,000

- c. 3% annual headcount increase vs +5% to +7% topline growth including M&A
FREE CASH FLOW IMPROVEMENT

MAIN DRIVERS

1. Additional operating margin from business mix change with less capex requirement
2. Restructuring reduction
3. Reduced pension payment obligations in the UK
4. Slight reduction in financial expenses
5. Effective Tax Rate remains at circa 20%
6. Same level of change in Working Capital Requirement, with stable sales of receivables
FOCUS ON PENSION PLANS

FUNDING REQUIREMENTS EVOLUTION

- PLAN ASSETS 31/03/20: €3.6bn
- DBO 31/03/20: €4.5bn
- Deficit €0.9bn

- Only 10% of plan assets invested in equity. 66% in Corporate and Sovereign Bonds
- On top of the required deficit funding, cash-out for direct payments remains at c. € 50m per year

CASH OUT REQUIRED FOR DEFICIT FUNDING MID-TERM

In € million

- Deficit requiring no funding next 15 years
- Deficit requiring funding next 15 years

(* Restated without Worldline)
NORMALIZED DILUTED EPS EVOLUTION

1. Revenue growth from SPRING, Security and Decarbonization
2. Operating margin improvement
3. Slight reduction in financial expenses
4. Effective Tax Rate remains at c. 20%
5. Self-Financed M&A

As of 2020, Atos will also publish a ‘Carbon-adjusted’ Normalized EPS which will grow even faster than Normalized EPS thanks to Atos decarbonization ambition.
STRONG FINANCIAL AGILITY TO SUPPORT OUR AMBITION

**ALLOCATION POLICY**

- **Free cash flow**
- **Performance shares/Others**
- **Dividends**
- **M&A**

- 25%-30% of Net income Group share for dividends
- Self-Financed Bolt-on and Cybersecurity acquisitions
- Performance shares purchase to offset dilution

**LEVERAGE HEADROOM**

- **Net debt 31/12/2019**
- **Worldline ABO after Tax & Fees**
- **Consolidation paid Maven Wave**
- **Worldline shares underlying the Optional Exchangeable Bond**
- **Proforma Net debt 31/12/2019**

- € -1.7bn
- € +1.4bn
- € -0.2bn
- € +0.4bn
- € -0.1bn

**HEADROOM FOR POTENTIAL SIZEABLE AND TRANSFORMATIVE M&A**

- Banking covenant < 2.5 x 2019 OMDA

1 as of March 31, 2020
2 excluding IFRS16 impact
Thank YOU