

# Financial Strategy

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**Uwe Stelter**  
Chief Financial Officer



# MID-TERM TARGETS

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## MID-TERM

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REVENUE GROWTH  
(at constant currency)

+**5%** to +**7%**

OPERATING MARGIN  
(% of revenue)

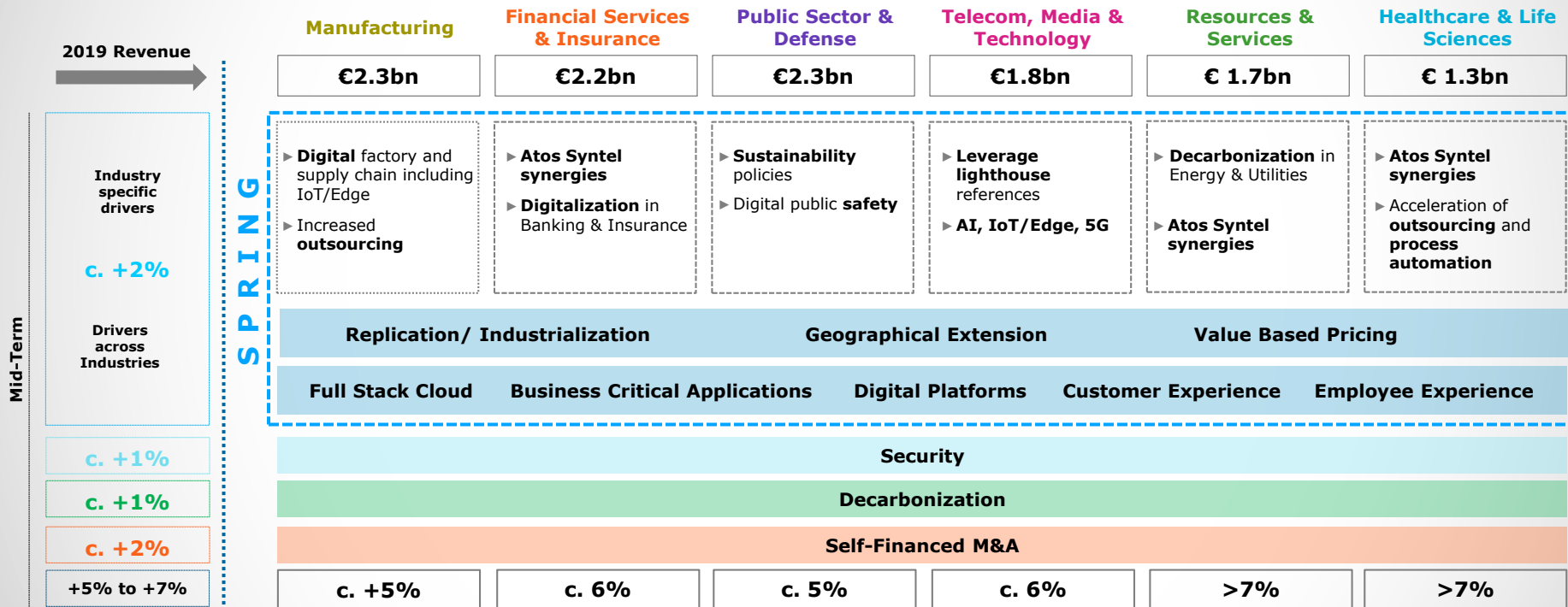
**11%** to **12%**

FREE CASH FLOW CONVERSION  
(% of operating margin)

> **60%**

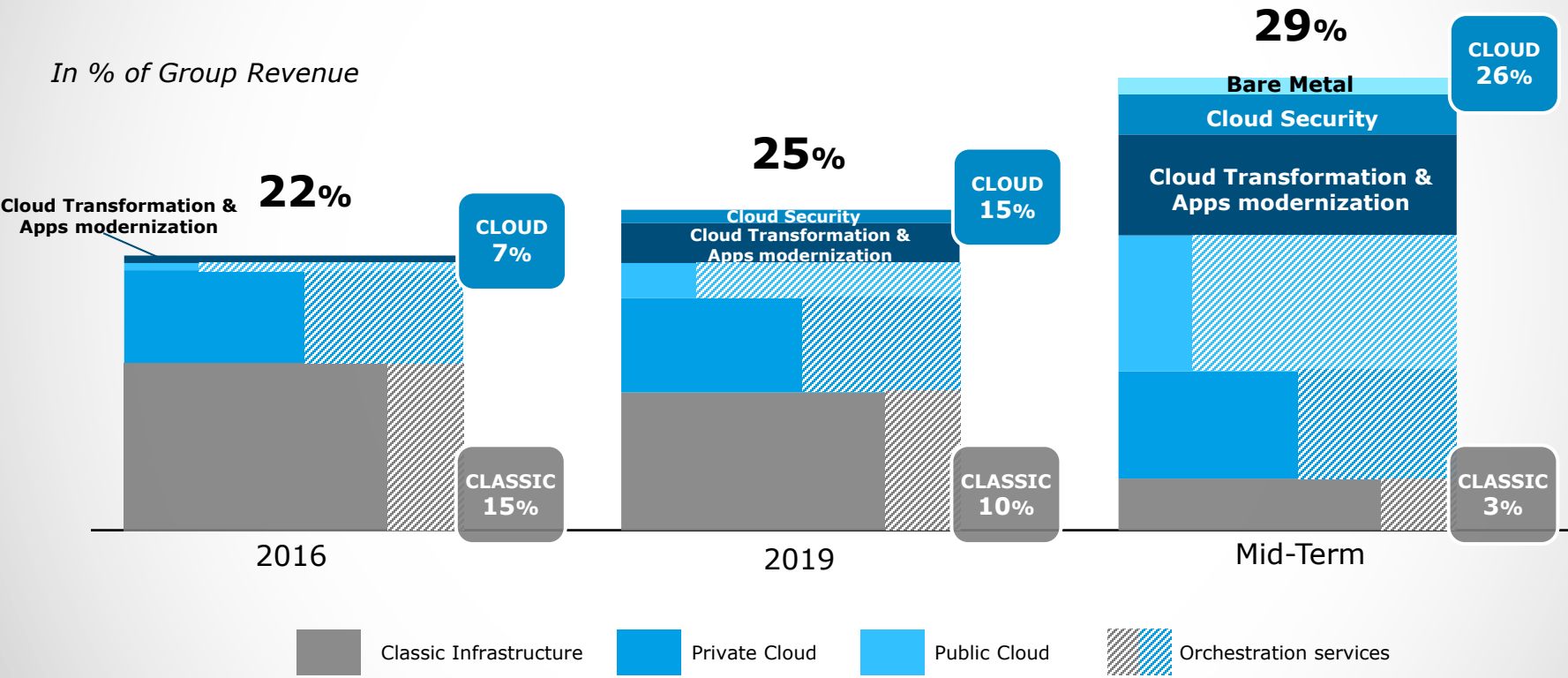
# MAIN REVENUE GROWTH DRIVERS BY INDUSTRY

## +5% TO +7% MID-TERM ANNUAL GROWTH AT CONSTANT CURRENCY



# INCREASED WEIGHT OF CLOUD IN OVERALL GROUP REVENUE

*In % of Group Revenue*



# 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



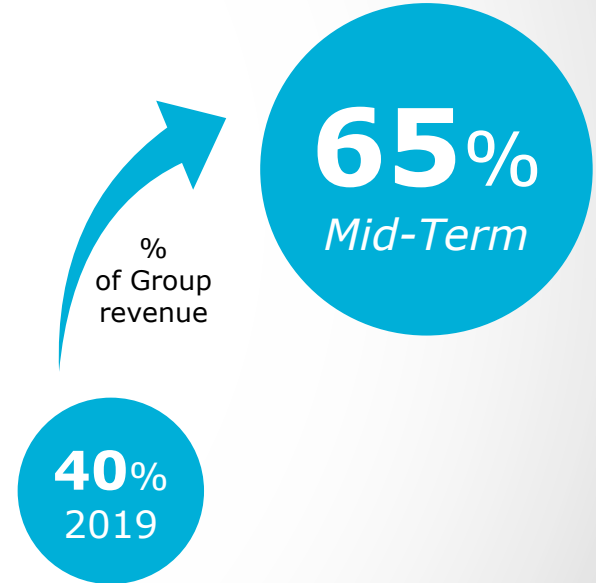
## SECURITY

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

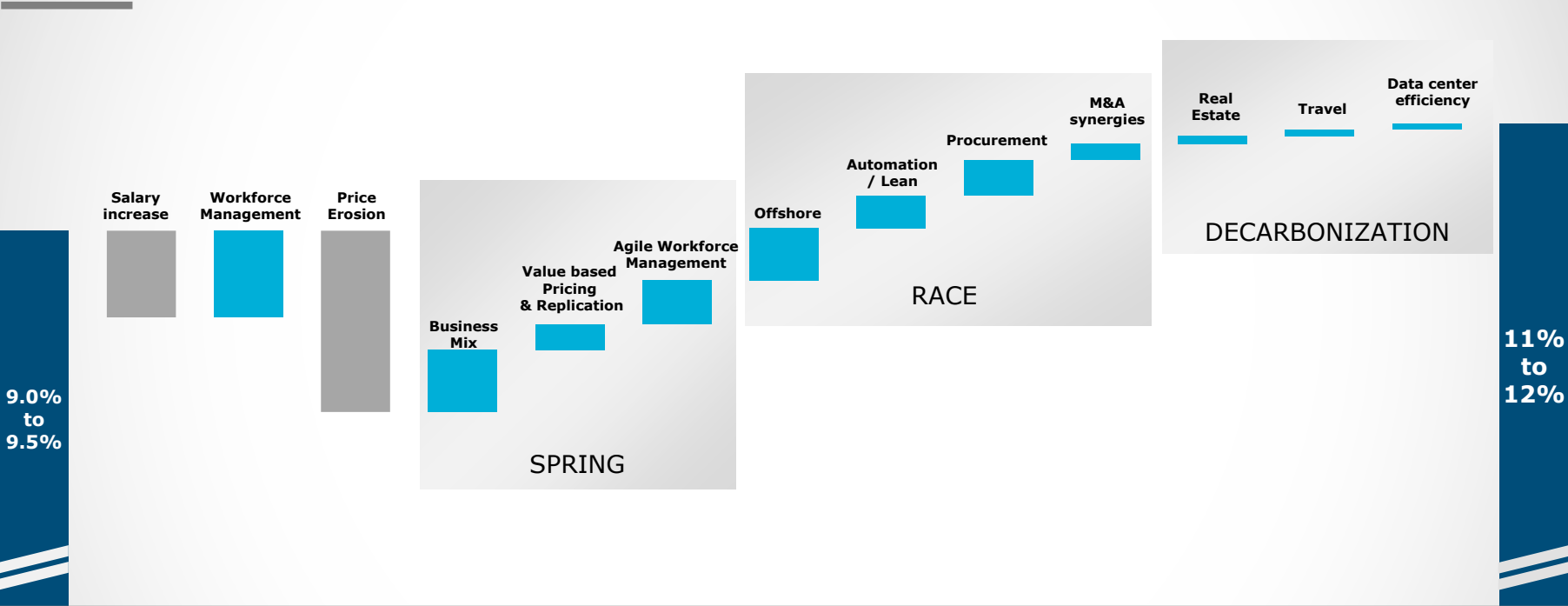
## DECARBONIZATION



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



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

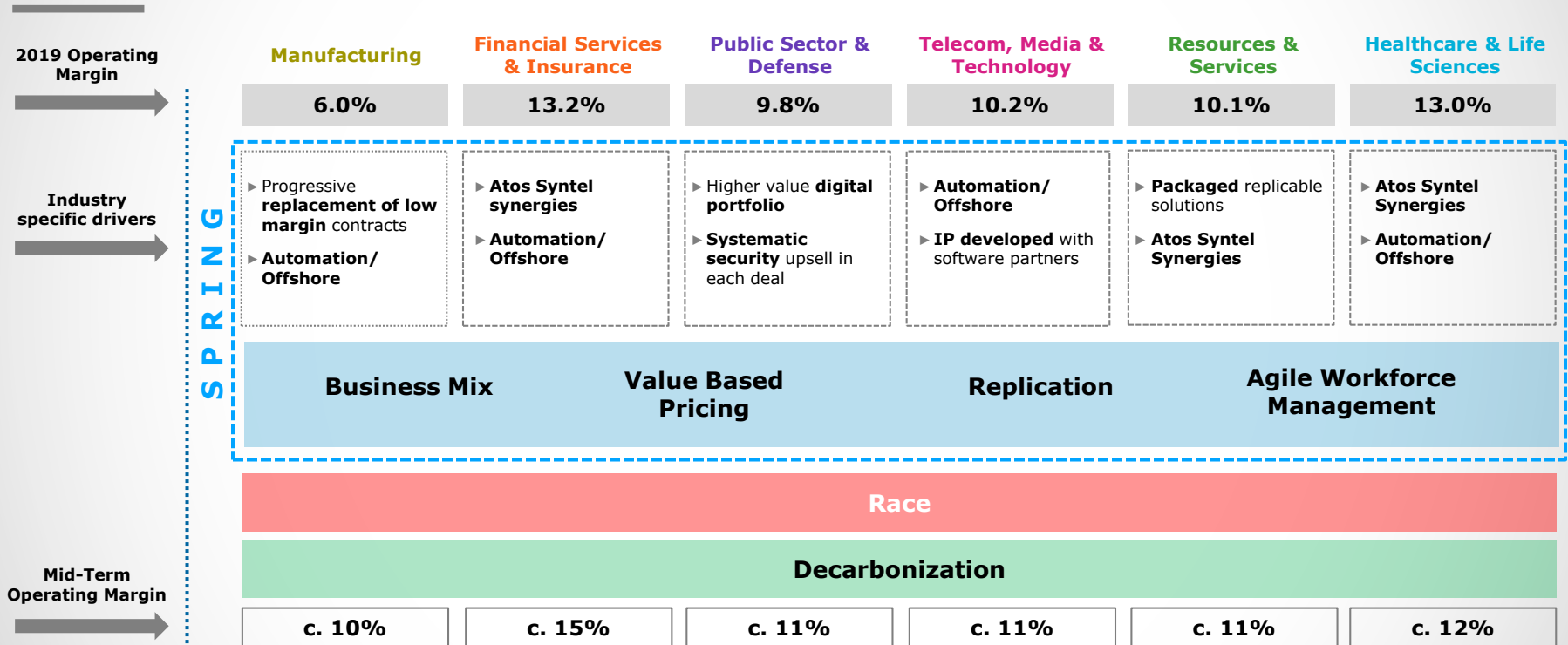


2020

Mid-Term

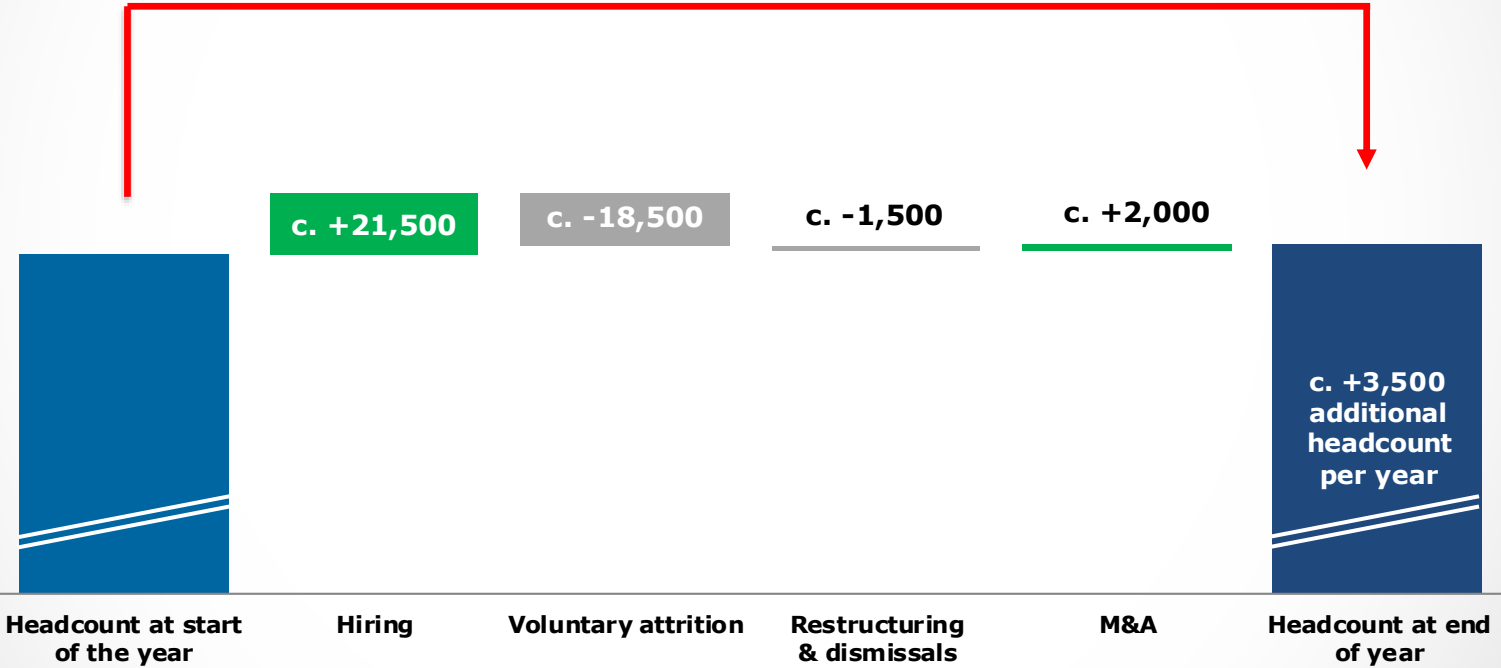
# MAIN OPERATING MARGIN GROWTH DRIVERS BY INDUSTRY

## 11% TO 12% OF MID-TERM REVENUE



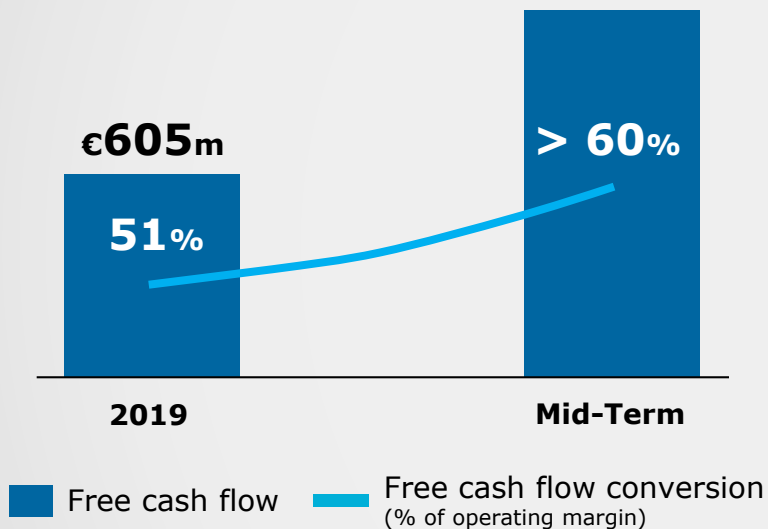
# MID-TERM HEADCOUNT INCREASING BY C. 3% PER YEAR

c. 3% annual headcount increase  
vs +5% to +7% topline growth including M&A





# FREE CASH FLOW IMPROVEMENT

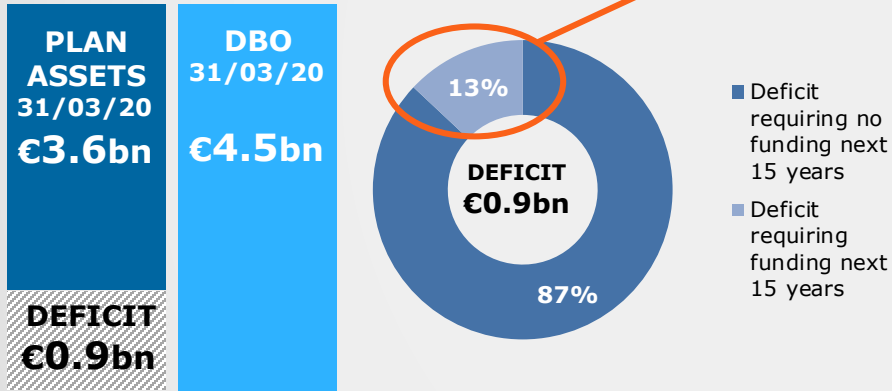


## MAIN DRIVERS

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

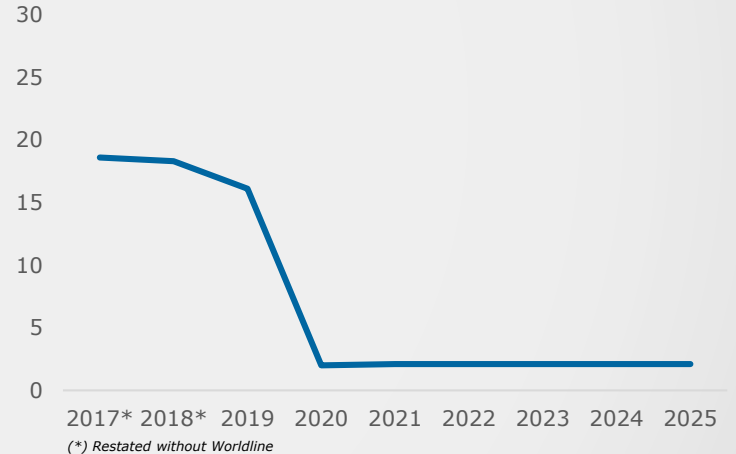
# FOCUS ON PENSION PLANS

## FUNDING REQUIREMENTS EVOLUTION



## CASH OUT REQUIRED FOR DEFICIT FUNDING MID-TERM

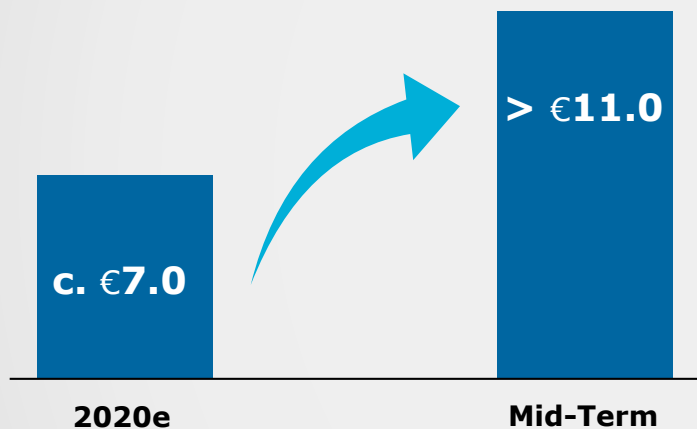
In € million



| 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

# NORMALIZED DILUTED EPS EVOLUTION



## MAIN DRIVERS

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

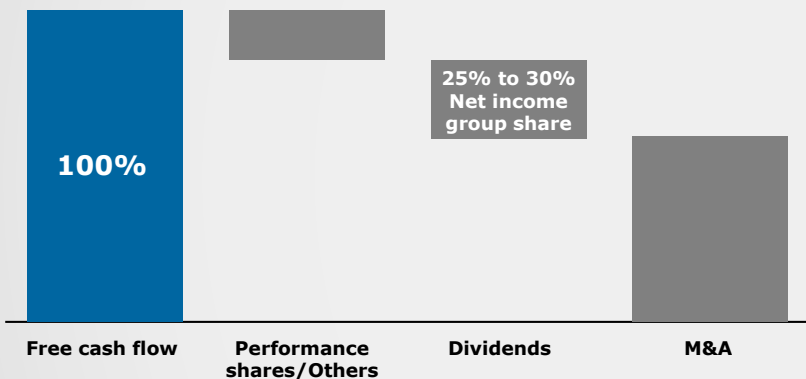
## RESTRUCTURING, RATIONALIZATION & INTEGRATION:

- ✓ **2%** of Group revenue in 2020 and 2021
- ✓ **below 1%** starting in 2022

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**

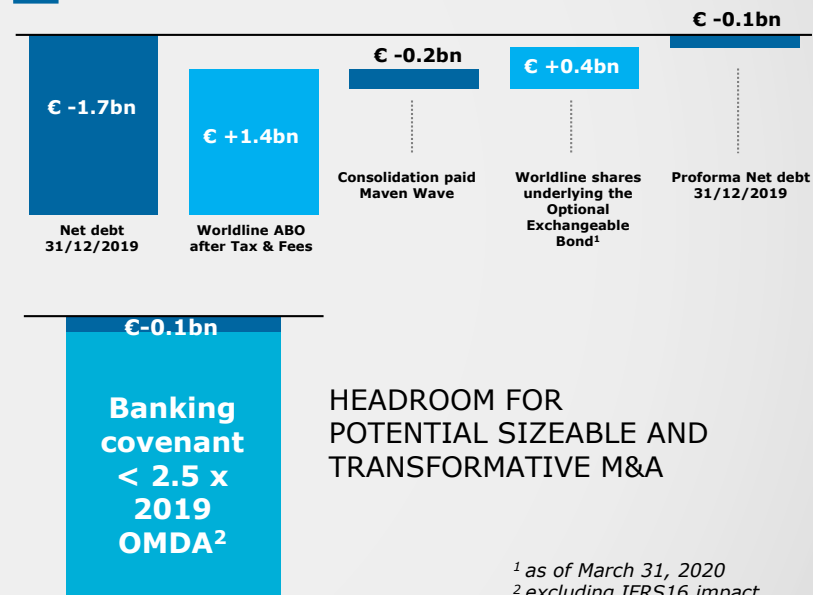
# STRONG FINANCIAL AGILITY TO SUPPORT OUR AMBITION

## ALLOCATION POLICY



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

## LEVERAGE HEADROOM



<sup>1</sup> as of March 31, 2020

<sup>2</sup> excluding IFRS16 impact

# Thank **YOU**

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