Pivoting Atos

Elie Girard
Chief Executive Officer

ATOS TODAY

110,000
Business Technologists worldwide

42%
offshore

Global Leader in Cloud and in Digital Workplace

€12bn
2019 Revenue

59%
Great Place To Work
First quartile of the Industry

20.97
tCO_2/m€ Revenue

Industry best in class

Divided by 2 since 2012

Global balanced profile
Across Industries, Geographies and Businesses

#3
in Cybersecurity Services worldwide

€1.2bn
2019 operating margin

52,000
new Digital certifications in 2019
+27% vs 2018

2/3
multi year contracts

Active in
73
countries

Debt free
BBB+ rating

€0.6bn
2019 free cash flow

R&D
c. €235m
per annum

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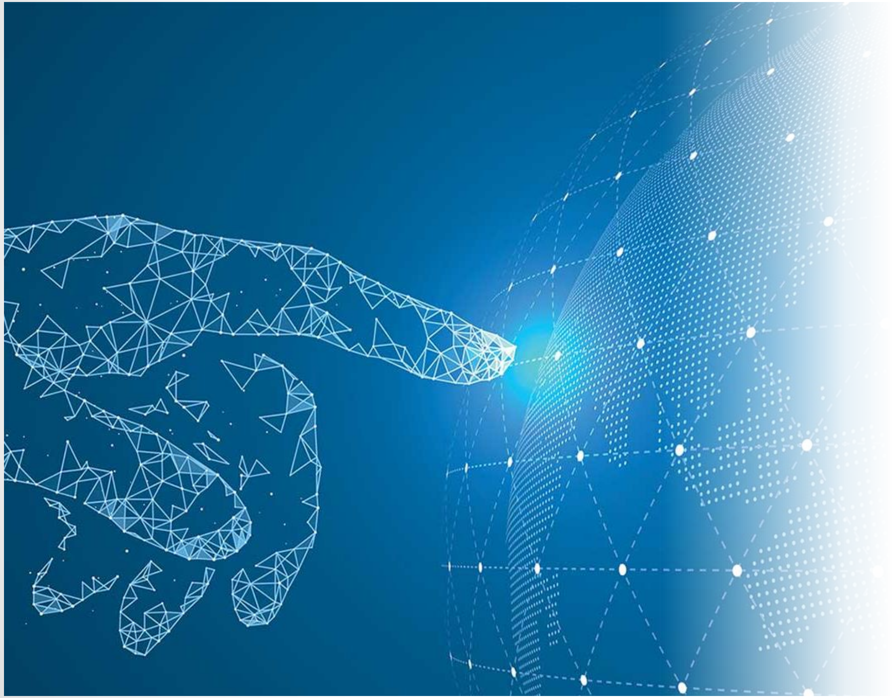
FROM DATA DELUGE … TO SERVICE PROFUSION



DIGITALIZATION HAS DELIVERED ONLY A FRACTION OF ITS POTENTIAL

3 CALLS from customers

VALUE
Customers want **outcome-based** services

EXPERIENCE
Customers want **innovative** and **flexible** services

SAFETY
Customers want **secure** and **decarbonized** services

CUSTOMER CALLS FOCUSING ON 7 KEY DIGITAL BREAKTHROUGHS
BUILDING UP THE NEW NORMAL

VALUE

1 Full Stack Cloud

2 Business Critical Applications

3 Digital Platforms

EXPERIENCE

4 Customer Experience

5 Employee Experience

SAFETY

6 Security

7 Decarbonization

FULL STACK CLOUD
DANCING WITH HYPERSCALERS

- Acceleration of Cloud migration
- Multi-Cloud
- Convergence of Cloud layers (data, platforms, applications)
- Increased need for orchestration

$750bn	estimated global Cloud market size in 2023
50%	of workloads run today on hybrid Cloud
84%	of enterprises have a multi-cloud strategy

SKILLS

- **5 500+ Cloud** experts
- 30 000+ Application and Testing experts (**Syntel**)
- Fueled with talent program and **targeted acquisitions**
- **S/4 HANA** and **Business Critical Applications** longstanding expertise

ASSETS

- Strong proximity with **Hyperscalers** (AWS, Microsoft, Google Cloud)
- Global Leader in **Private Cloud**
- **Security** for Cloud
- Founding member of **Gaia-X**

Building on Atos new profile and partnerships to seize Full Stack Cloud and Application Modernization acceleration

Sources: International Data Corporation, Gartner, Flexera, Atos planning assumption

BUSINESS CRITICAL APPLICATIONS
DIGITALIZING THE CORE ENGINE

- Digitalization accelerates into Business Critical Applications territory:
  - Cloudification
  - Data analytics
  - IoT
  - Local data processing
  - 5G
- Business continuity criticality emphasized by Covid-19

28%	share of Business Critical Applications in the Cloud in 2024 vs 10% in 2020
80%	of data out of Cloud by 2025
x4	addressable IoT market vs 2019, estimated in 2025 at $1.72T

Sources: Tecknowlogy, Technology Development Group, TBR Commercial IoT Market Forecast 2019-2025

SKILLS

- Deep **Industry** knowledge
- End-to-end expertise (**cloud, analytics, security**)
- 2100+ **IoT** professionals and 200+ IoT use cases
- **5G** expertise
- **SAP** and **vertical Business Critical Application** longstanding knowledge

ASSETS

- Pioneer in **Edge** servers
- Best in class **computing power**
- **IP based Siemens partnership** (pre-integrated IoT)
- **Security** by design

Capturing a natural market opportunity for Atos, leveraging on its DNA and local data processing capabilities

DIGITAL PLATFORMS
INTO THE UNTAPPED ENTERPRISE DATA LAKE

DIGITALIZATION VS PLATFORM ECOSYSTEMS

LESS TRANSFORMATIVE	MORE TRANSFORMATIVE
PRODUCT AND SERVICE DIGITALISATION	ECOSYSTEM VALUE CREATION DATA SHARING
PIPELINE BUSINESS	PLATFORM BUSINESS

1st	Business transformation priority of CEOs
$120bn	estimated revenue in 2025 for IT market for Emerging Digital Ecosystems
70%	of new value created over the next decade based on digital platforms

SKILLS

- **End-to-end** digital technology capabilities
- **Industry** approach
- Know how on **shared risk** and **reward models**
- **Ethics** by design

ASSETS

- **Neutral** platform operator
- **Computing power** and **security assets**
- Strong technology **partner** and fintech network
- **Open Innovation as a Service**

Positioning Atos as the neutral and secure enterprise data platform operator

Source: Gartner, World Economic Forum, McKinsey

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CUSTOMER EXPERIENCE
EXPANDING THE REACH OF DIGITALIZATION

- From user interface to ‘NO UI’
- Immersive experience
- Real-time innovation
- Industry specifics (eg. seamless omni-channel)

$714bn	estimated CX spending in 2023, 9% CAGR
Top 3	CX one of the top 3 areas of marketing investment

Source: IDC, Gartner

SKILLS

- 6000+ experts enabled by **Customer Academy**
- **AI / ML** capabilities
- In depth **Industry** knowledge
- **Omni-channel** transformation frameworks

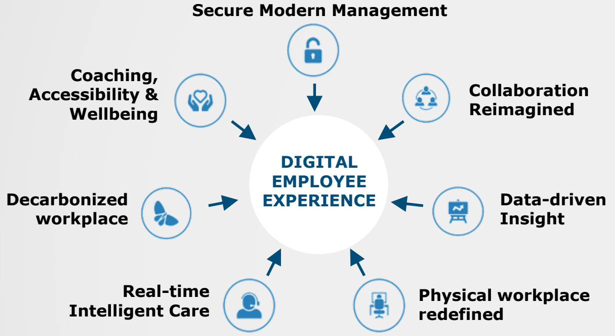
ASSETS

- **IoT / Edge / Computing** solutions
- **Real-time** Cloud & Application architectures
- **Atos Studios** for development
- **No User Interface** interaction for voice-based services
- Leader in **Accessibility** solutions

Bringing Atos technologies to CX territory, to unleash the power of Digitalization

EMPLOYEE EXPERIENCE
THE NEW NORMAL FOR DIGITAL WORKPLACE

>40% Work From Home in the new normal



$48bn	Digital Workplace services market in 2025, 5% CAGR
62%	of employees not engaged with their employer
30%	of overall employee experience perceived to be "IT"

Source: NelsonHall, Gallop

SKILLS

- Holistic understanding of **Employee Experience beyond IT/ Digital Workplace**
- Strong **partner ecosystem** to support reimagined collaboration, and flexible working
- Industry specific **Design Thinking, Personas, and Journey Mapping**

ASSETS

- Atos already **Digital Workplace market leader**
- Strong **Unified Communications** and **Security** solutions
- Leader in **Accessibility** solutions

Becoming the distant leader in Employee Experience in the new normal

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DIGITAL SECURITY
UNLEASHING DIGITALIZATION

Digital Security

Cybersecurity

Mission Critical Systems

IoT/OT Security

Economic Security

$171bn	estimated revenue in 2023 for Cybersecurity market, 6% CAGR
44%	of Cyberattacks succeed in breaching targets' organizations
$5T	what Cybercrime will cost to the world by 2024
65%	of organizations report a shortage of security staff

SKILLS

- **20+ years** of expertise, **5000+** professionals
- **End-to-end** capabilities (protection, detection and response)
- NextGen Security capabilities: **Cloud & Analytics**
- **7 Centers of Excellence** in IAM, IoT, Blockchain, AI4Cyber, AI / ML, HPC

ASSETS

- **#1 in Cybersecurity services in Europe, #3 worldwide**
- **#1 European Identity & Access Management** solution
- Extending Cybersecurity with **Defense & Homeland Security**
- **14 Security Operation Centers**
- **6 Cybersecurity R&D Centers**
- Founding member of **Gaia-X**

Evidian Trustway IDnomic

Source: Gartner, Juniper research, ISC2

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DIGITAL SECURITY
A CLEAR STRATEGY LEADING TO A >€2BN BUSINESS MID-TERM

INTEGRATION & CONSULTING

Managed eXtended Detection & Response SOC
PALADION
HIGH SPEED CYBER DEFENSE

PRESCRIPTIVE SECURITY
PSOC

SECURITY OPERATION CENTER
SOC

core systems

IDENTITY & ACCESS
Evidian
Privilege Access Mgt

AUTHENTICATION
Horus IoT security
IDnomic
(PKI, Certificate Mgt)

ENCRYPTION
TrustWay HSM
Cloud encryption

users, devices

Atos R&D & Innovation
Latest acquisition
Acquisitions

Atos

DECARBONIZATION

FROM LEADING THE PACK TO PIONEERING DECARBONIZATION AS A SERVICE

- Decarbonization entering the Board room
- Beyond classic CSR
- Unprecedented public initiatives (EU Green Deal)
- Major economic driver post Covid-19

\$29bn	Green IT Market value by 2024 (\$9Bn in 2019)
4% | 20%	Digital Industries represent 4% of CO_2 emissions and can contribute to 20% global CO_2 emissions reduction
77%	of our customers have already set emissions reduction targets

Sources: *Weforum.org*

SKILLS / ASSETS

- **Unique Decarbonization expertise** on Carbon footprint management
- Deep knowledge in **Decarbonization enabling technologies**: IoT, Cloud, AI & Analytics and Digital Twins (all between 22% and 30% CAGR)
- Best in-class **Green High Performance Computing servers**
- Open ecosystem of **partners**

TRACK RECORD

Undisputed Industry leader

MEMBER OF Dow Jones Sustainability Indices In Collaboration with RobecoSAM

CDP DRIVING SUSTAINABLE ECONOMIES

ecovadis SUPPLIER SUSTAINABILITY RATINGS

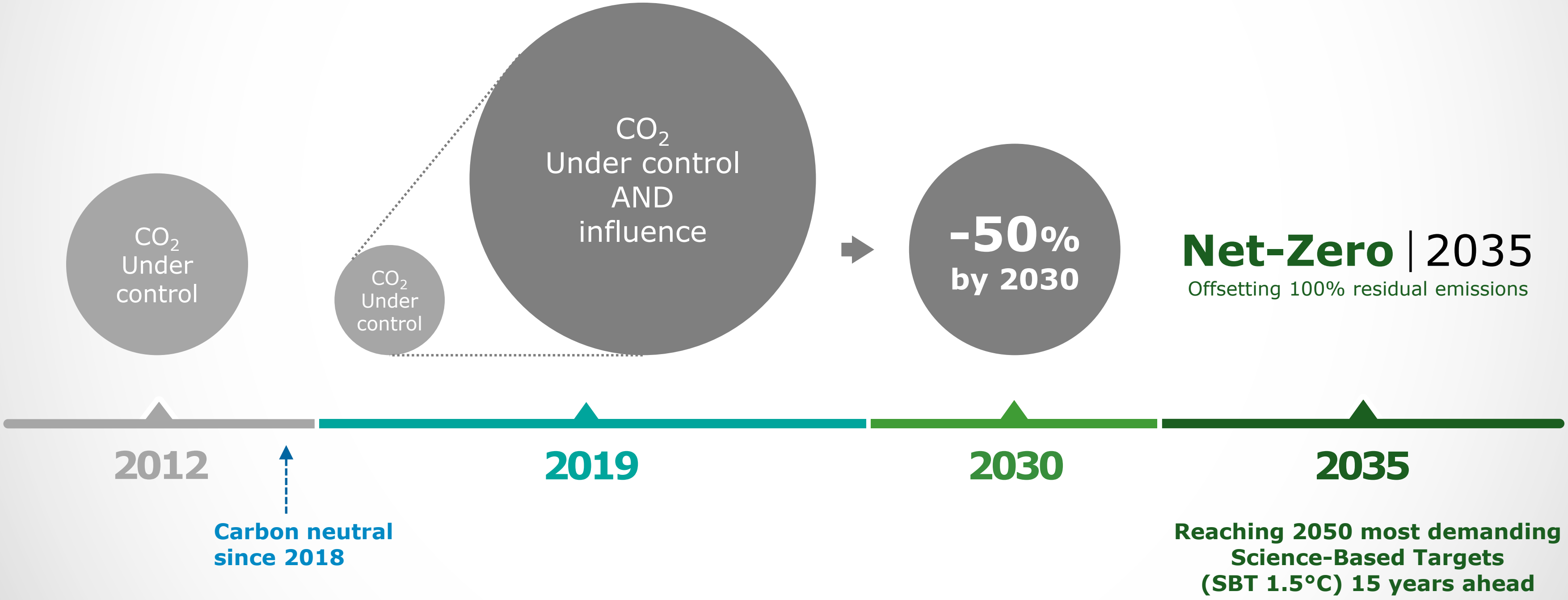
MSCI

ROBECOSAM Sustainability Award Gold Class 2016

FTSE4Good

DECARBONIZING ATOS
ANNOUNCING TODAY COMMITMENT TO NET-ZERO BY 2035

Atos carbon emissions



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DECARBONIZING OUR CUSTOMERS

A CLEAR STRATEGY LEADING TO A >€500M BUSINESS MID-TERM

DECARBONIZATION ASSESSMENT

Categories

- Data
- Services Staff
- Software
- Hardware
- Data Center / Infra / Network
- Company
- Supply Chain
- Usage

DECARBONIZE CORE IT

Reducing the IT carbon footprint

- Rolling out best in class Atos Green Technologies
- Introducing contractual DLA (Decarbonization Level Agreement):
  - Measurable
  - Binding
  - Auditable

DECARBONIZE BUSINESS PROCESSES

Reducing all business emissions per Industry

- Predictive maintenance
- IoT
- Digital Twin
- Edge Computing
- Smart Cities
- High Performance Computing

OUR AMBITION FOR ATOS

THE LEADER
IN SECURE & DECARBONIZED
DIGITAL

TO TRANSFORM ATOS
TOWARDS AN INDUSTRY APPROACH

EXPAND and INDUSTRIALIZE our portfolio of offerings

REDESIGN our go-to-market

SET-UP an Industry led organization

LAUNCHED EARLY 2020, ROLLING-OUT FAST

IMPLEMENTATION OF THE NEW INDUSTRY LED ORGANIZATION TO DRIVE CUSTOMER OBSESSION

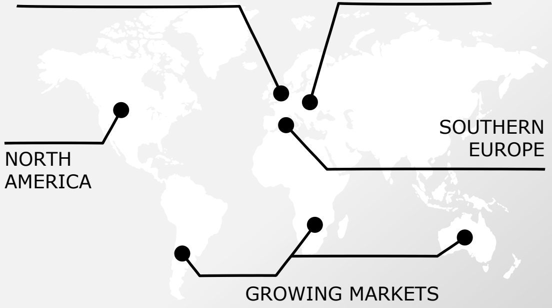
SPRING

6
GLOBAL INDUSTRIES

Designing offerings and driving go-to-market

- MANUFACTURING
- FINANCIAL SERVICES & INSURANCE
- PUBLIC SECTOR & DEFENSE
- TELECOM, MEDIA & TECHNOLOGY
- RESOURCES & SERVICES
- HEALTHCARE & LIFE SCIENCES

CLIENT



5
Regional Business Units (RBU)

Reflecting Industry set up and ensuring customer proximity

15 PRACTICES

Global Operations
in charge of innovation, quality excellence and cost competitiveness

Operations & Technology	Applications & Security

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SPRING

THE ONGOING TRANSFORMATION
TOWARDS GROWTH ACCELERATION

MANUFACTURING

€2.3bn

BEYOND PRODUCTS TO EXPERIENCES

- Digital factory
- IoT / Edge
- Next gen. R&D

FINANCIAL SERVICES & INSURANCE

€2.2bn

DIGITALIZING CUSTOMER EXPERIENCE AND OPERATIONS

- New operating models
- Legacy modernization
- Open platforms

PUBLIC SECTOR & DEFENSE

€2.3bn

REALIZING THE PROMISES OF E-STATES

- Process modernization
- Next Gen citizen services
- Trust & Compliance

TELECOM, MEDIA & TECHNOLOGY

€1.9bn

WHERE HYPER-CUSTOMIZATION MEETS SECURELY HYPERSCALE

- Virtualization (NFV)
- Next Gen platforms (BSS, OSS)
- 5G
- Advanced analytics

RESOURCES & SERVICES

€1.7bn

MOVING BUSINESS CRITICAL TO DIGITAL & DECARBONIZED

- Smart services
- Smart Grid
- Customer Experience

HEALTHCARE & LIFE SCIENCES

€1.3bn

PAVING THE WAY TO PRECISION MEDICINE

- Digital care chain
- Real-time care
- Rapid innovation cycle
- Genomics

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PEOPLE ENGAGEMENT
COMPANY CULTURE REFOCUSED ON GROWTH & INDUSTRIES

KEY DIGITAL & INDUSTRY SKILLS

Digital Certifications

↗ **500k**

vs. 170k today

TALENT ACQUISITION & RETENTION

>20 000

hirings / year

AGILE WORKFORCE MANAGEMENT

Atos|Syntel

model adoption

GROWTH FOCUSED REWARD

40%

of bonus for Executives on growth already in 2020

DIVERSE WORKFORCE & INCLUSIVE LEADERSHIP

Gender diverse hiring

50%

vs. 34% today

COMPANY CULTURE & EMPLOYEE ENGAGEMENT

Employee Share plan 2020

x3

vs. 2018

STRONG MID TERM AMBITION

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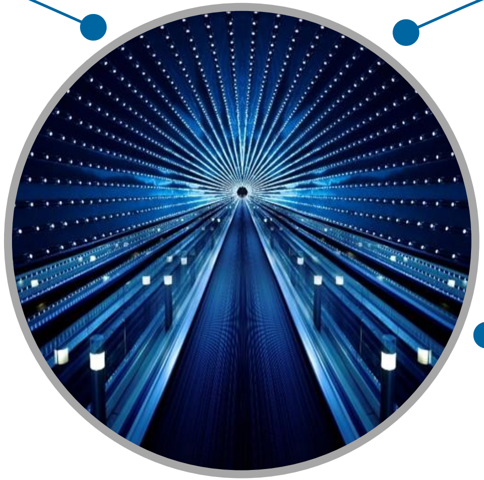
TECHNOLOGY & OPEN INNOVATION
ATOS CENTRAL DNA TO FUEL SPRING TRANSFORMATION

TECHNOLOGIES INVESTMENT

- R&D spend at c.€250m, high-end of Industry
- Centers of excellence
- Stringent Patent policy
- Targeted visionary investments (Quantum)
- Main technology focus:

Virtual agent & RPA
Exascale/Quantum
Quantum Saf/Homomorphic encryption
Prescriptive security
Hybrid Cloud IoT/Edge/Digital Twin
Smart Machines AR/VR/NeuroTech
IoT security/Blockchain

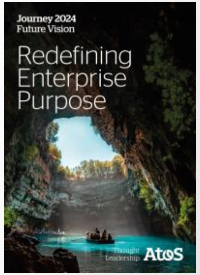


OPEN INNOVATION

- Agile Innovation with wide ecosystem of partners
- Open Innovation as a Service
- Creation of Scaler The Accelerator Atos

KNOWLEDGE SHARING

- Tech Days
- Innovation Week
- Scientific & Expert Communities
- Thought leadership



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ALLIANCES & PARTNERSHIPS
MULTIPLYING INDUSTRY FOCUS PARTNERSHIPS

PURSUING GLOBAL TECHNOLOGICAL TRUSTED PARTNERSHIPS WITH BIG PLAYERS

DELL EMC
Google Cloud
aws
SIEMENS
servicenow
Red Hat
CISCO
HITACHI Inspire the Next
vmware
SAP
Microsoft
RingCentral
McAfee
INGRAM MICRO
ORACLE
CROWDSTRIKE

INCREASINGLY WITH INDUSTRY SPECIFIC PLAYERS,

MANUFACTURING

DASSAULT SYSTEMES
ptc
SIEMENS

FINANCIAL SERVICES & INSURANCE

SAPIENS
PEGA
GUIDEWIRE
Worldline

PUBLIC SECTOR & DEFENSE

AIRBUS
esri
THALES
Gigamon
COMMVAULT
Insight

TELECOM, MEDIA & TECHNOLOGY

metaswitch
Think Analytics
NOKIA

RESOURCES & SERVICES

Appian
BOE
ses imagotag
JACOBS
suez

HEALTHCARE & LIFE SCIENCES

Allscripts
Epic
Cerner
PHILIPS
SIEMENS Healthineers

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MID-TERM TARGETS

	MID-TERM
REVENUE GROWTH (at constant currency)	+**5**% to +**7**%
OPERATING MARGIN (% of revenue)	**11**% to **12**%
FREE CASH FLOW CONVERSION (% of operating margin)	> **60**%

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MAIN REVENUE GROWTH DRIVERS

SPRING

- Cloud and Digital
- Industry specific digital platforms
- Global replication of use cases
- Redesign of go-to-market approach

SECURITY

- Mix effect
- Artificial Intelligence & Machine Learning
- Protection of end-users and IoT
- Geographical expansion

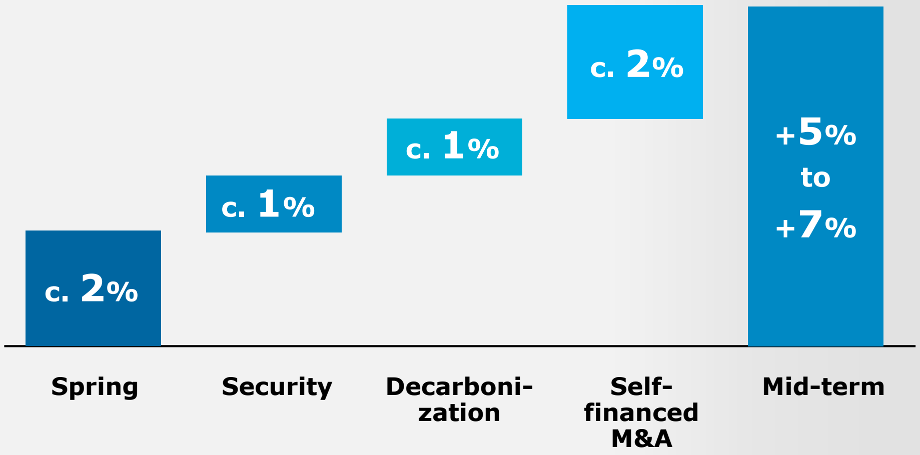
DECARBONIZATION

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

SELF FINANCED M&A

- Cybersecurity
- Bolt-on acquisitions:
  - Industry offerings
  - Cloud & Digital

MID-TERM REVENUE GROWTH TARGET AT CONSTANT CURRENCY



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USE OF CASH AND M&A POLICY
IN LINE WITH STRICT FINANCIAL DISCIPLINE

DIVIDEND POLICY	25-30% pay-out
SELF FINANCED M&A	Bolt-on acquisitions boosting key offerings Cybersecurity Services including IP

LEVERAGE REMAINING AVAILABLE FOR SIZEABLE AND TRANSFORMATIVE M&A

ATOS TOMORROW

REVENUE GROWTH
+5% to +7%

DIGITAL, CLOUD, SECURITY & DECARBONIZATION
65% of Group revenue
(40% in 2019)

FULL STACK CLOUD
25% of total revenue

OPERATING MARGIN
11% to 12%

SECURITY
15% of total revenue

FREE CASH FLOW CONVERSION >60%

NET-ZERO BY 2035
ahead of 1.5 °C most demanding targets

INCREASED TECHNOLOGY ADVANCE

PEOPLE DIVERSITY (50% women hirings)
MANAGEMENT DIVERSITY (in line with Group)

500K DIGITAL CERTIFICATIONS

Thank **YOU**