Q1 2020 revenue

April 22, 2020
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Revenue organic growth is presented at constant scope and exchange rates.


Regional Business Units include North America (USA, Canada, and Mexico), Northern Europe (United Kingdom & Ireland, Belgium, Denmark, Estonia, Finland, Lithuania, Luxembourg, The Netherlands, Poland, Russia, and Sweden), Southern Europe (France, Spain, Portugal, and Italy), Central Europe (Germany, Austria, Bulgaria, Croatia, Czech Republic, Greece, Hungary, Israel, Romania, Serbia, Slovakia and Switzerland) and Growing Markets including Asia-Pacific (Australia, China, Hong Kong, India, Indonesia, Japan, Malaysia, New Zealand, Philippines, Singapore, Taiwan, and Thailand), South America (Argentina, Brazil, Colombia, and Uruguay), Middle East & Africa (Algeria, Benin, Burkina Faso, Egypt, Gabon, Ivory Coast, Kingdom of Saudi Arabia, Lebanon, Madagascar, Mali, Mauritius, Morocco, Qatar, Senegal, South Africa, Tunisia, Turkey and UAE), Major Events, Global Cloud hub, and Global Delivery Centers.
1. Q1 2020 highlights and objectives for 2020

2. Financial performance

3. Conclusion and Q&A
Q1 2020 highlights
Elie Girard
CEO
Number one priority: take care of our employees...

Immediate adoption of all hygiene and safety guidelines

Crisis Management Task Forces to lead employee care

Full adoption of work from home across the Group

Travel stoppage

Very centralized model allowing to react very fast to the Covid-19 crisis with a strong mobilization of the Human Resources network
... while supporting our customers during the crisis

- Seamless business continuity plans implementation
- Support of our customers for generalized work-from-home
- Reinforced cybersecurity
- Support Public & Health authorities
- “Always Ready” Covid-19 tailored solutions program
- Accelerate medical research

Fully centralized operational processes allowing to ensure very fast seamless business continuity and support for our customers
A resilient business profile... (1/2)

A strong business mix
▶ 2/3 of multi-year contracts
▶ c. 75% of critical services

A robust customer base
▶ c. 90% of Atos’ business with companies having more than €1bn annual revenue or with Public Sector

### A strong business mix
- 2/3 of multi-year contracts
- c. 75% of critical services

### A robust customer base
- c. 90% of Atos’ business with companies having more than €1bn annual revenue or with Public Sector

#### Graphs:
- **Multi-year contracts**
  - Big Data & Cybersecurity: 23%
  - Projects: 10%
  - 67%
- **Projects**
  - 67%
- **Public Sector or similar**
  - 26%
- **Private sector customers >€1bn revenue**
  - 62%
- **Others**
  - 12%
A resilient business profile... (2/2)

A well balanced Industry mix

Atos Industry mix

- Healthcare & Life Sciences: 12%
- Resources & Services: 15%
- Telecom, Media & Technology: 15%
- Financial Services & Insurance: 19%
- Public Sector & Defense: 20%
- Manufacturing: 20%

Global IT Services spend by Industry*

- Healthcare & Life Sciences: 6%
- Resources & Services: 16%
- Telecom, Media & Technology: 17%
- Financial Services & Insurance: 26%
- Public Sector & Defense: 15%
- Manufacturing: 15%

*Source: Gartner Forecast: Enterprise IT Spending by Vertical Industry Market, Worldwide, 4Q2019
... allowing to contain 2020 revenue impact

\[
\begin{align*}
\text{c. m€} & -750 \quad \text{Reduced demand} \\
\text{c. m€} & +150 \quad \text{Extra work related to Covid-19}
\end{align*}
\]

=  
\[
\text{c. m€} - 600 \quad \text{Net impact on 2020 revenue}
\]
All stakeholders contributing to mitigate the crisis impact

Management
Shareholders
Public support measures
Atos
Employees
Suppliers
Customers
Non personnel costs
Concrete contributions and implications per stakeholder...

<table>
<thead>
<tr>
<th>Third parties</th>
<th>Employees &amp; Public support</th>
<th>Customers</th>
<th>Shareholders &amp; Group Management</th>
</tr>
</thead>
<tbody>
<tr>
<td>✓ Spend freeze for non customer related requirements</td>
<td>✓ Hiring freeze</td>
<td>✓ Reasonable flexibility granted to some customers, expanding services post crisis</td>
<td>✓ Cancellation of the dividend on last Fiscal Year</td>
</tr>
<tr>
<td>✓ Reduction of consumption, price renegotiations</td>
<td>✓ Salary freeze / variable compensation</td>
<td></td>
<td>✓ Reduction of Group Management compensation</td>
</tr>
<tr>
<td>✓ Reduction / replacement of subcontractors</td>
<td>✓ Increase vacation consumption</td>
<td></td>
<td></td>
</tr>
<tr>
<td>✓ Travel freeze</td>
<td>✓ Part-time work / furlough including public support</td>
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</tbody>
</table>
... mitigating 2020 operating margin impact

Net impact from revenue

\[ \text{c. m€ -600} \]

Net impact on 2020 Operating Margin

\[ \text{c. m€ -200} \]

Cost saving plan

\[ \text{c. m€ +400} \]
Other Q1 2020 highlights

- Implementation of SPRING well on track
- Disposal of 13% Worldline shares for €1.5bn beg. of Feb
- Major renewals signed in North America
- Acquisition of Maven Wave strengthening Cloud firepower
### Q1 2020 key figures

<table>
<thead>
<tr>
<th>Revenue Organic evolution</th>
<th>Book to bill ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>-0.8%</td>
<td>103%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Backlog</th>
<th>Weighted pipeline</th>
</tr>
</thead>
<tbody>
<tr>
<td>€22.1bn</td>
<td>€7.6bn</td>
</tr>
</tbody>
</table>

- 1.9 year of revenue
- 86% in Q1 2019
- € +0.2bn vs December 2019
Main wins in Q1 2020

- A major US Engineering Company
- NORD/LB
- golí nutrition
- A global European firm in Capital Goods
- A global European Pharmaceutical Company

Public Sector & Defense
Telecom, Media & Technology
Telecom, Media & Technology
Financial Services & Insurance
Resources & Services
Manufacturing
Health & Life Sciences

Private Cloud, Artificial Intelligence & Machine Learning
Hybrid Cloud, and Security Services
Digital Workplace
Digital Workplace & Infrastructure
Codex Solutions Automation
SAP HANA
Digital project on Syntel offering
### 2020 objectives updated post Covid-19

<table>
<thead>
<tr>
<th>Category</th>
<th>Pre Covid-19</th>
<th>Post Covid-19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue organic evolution</td>
<td>c. +2%</td>
<td>-2% to -4%</td>
</tr>
<tr>
<td>Operating margin rate</td>
<td>+20 bps to +40 bps vs 2019 (10.3% reported)</td>
<td>9.0% to 9.5% of revenue</td>
</tr>
<tr>
<td>Free cash flow</td>
<td>c. €700m</td>
<td>€500m to €600m</td>
</tr>
</tbody>
</table>

Suspension of 2021 targets, the last year of the three-year plan presented at the Investor Day held on January 30, 2019
Financial performance
Uwe Stelter
Group CFO
Exchange rates effect mainly came from the USD as well as the GBP and positively contributed to revenue for €+27 million.

Scope effect mostly related to the acquisitions of Maven Wave, IDnomic and X-PERION and the disposal of Unified Communication & Collaboration, ITO UK and CVC activities.
Q1 2020 performance by Industry

- Public Sector & Defense growth with contract ramp-ups in Northern Europe
- Manufacturing mainly impacted by Aerospace and Chemical Industry
- Reduction of discretionary expenses in Financial Services & Insurance
- Healthcare & Life Sciences impacted by volume reductions in both North America and Northern Europe

<table>
<thead>
<tr>
<th>Industry</th>
<th>Q1 2020</th>
<th>Q1 2019*</th>
<th>Organic evolution</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manufacturing</td>
<td>539</td>
<td>555</td>
<td>-2.9%</td>
</tr>
<tr>
<td>Financial Services &amp; Insurance</td>
<td>527</td>
<td>542</td>
<td>-2.6%</td>
</tr>
<tr>
<td>Public Sector &amp; Defense</td>
<td>584</td>
<td>566</td>
<td>+3.2%</td>
</tr>
<tr>
<td>Telecom, Media &amp; Technology</td>
<td>443</td>
<td>439</td>
<td>+0.8%</td>
</tr>
<tr>
<td>Resources &amp; Services</td>
<td>418</td>
<td>416</td>
<td>+0.4%</td>
</tr>
<tr>
<td>Healthcare &amp; Life Sciences</td>
<td>323</td>
<td>340</td>
<td>-4.9%</td>
</tr>
<tr>
<td><strong>Total Group</strong></td>
<td><strong>2,834</strong></td>
<td><strong>2,858</strong></td>
<td><strong>-0.8%</strong></td>
</tr>
</tbody>
</table>

* At constant scope and exchange rates
Q1 2020 performance by Regional Business Unit

- North America impacted by reduced project volumes
- Northern Europe supported by Public Sector & Defense
- Southern Europe faced base effects on High Performance Computing as well as project delays
- Central Europe overcompensated the reduction of project work with increased ramp up of Cloud and Unified Communication contracts

<table>
<thead>
<tr>
<th>In € million</th>
<th>Q1 2020</th>
<th>Q1 2019*</th>
<th>Organic evolution</th>
</tr>
</thead>
<tbody>
<tr>
<td>North America</td>
<td>681</td>
<td>699</td>
<td>-2.6%</td>
</tr>
<tr>
<td>Northern Europe</td>
<td>698</td>
<td>696</td>
<td>+0.3%</td>
</tr>
<tr>
<td>Southern Europe</td>
<td>594</td>
<td>609</td>
<td>-2.6%</td>
</tr>
<tr>
<td>Central Europe</td>
<td>667</td>
<td>660</td>
<td>+1.0%</td>
</tr>
<tr>
<td>Growing Markets</td>
<td>194</td>
<td>192</td>
<td>+1.0%</td>
</tr>
<tr>
<td><strong>Total Group</strong></td>
<td><strong>2,834</strong></td>
<td><strong>2,858</strong></td>
<td><strong>-0.8%</strong></td>
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* At constant scope and exchange rates
Q1 2020 performance by Division

- Resilience in Infrastructure & Data Management
- Business & Platform Solutions additionally impacted by a lower demand and project delays
- Continuous double digit growth in Big Data & Cybersecurity

<table>
<thead>
<tr>
<th></th>
<th>Q1 2020</th>
<th>Q1 2019*</th>
<th>Organic evolution</th>
</tr>
</thead>
<tbody>
<tr>
<td>Infrastructure &amp; Data Management</td>
<td>1,558</td>
<td>1,566</td>
<td>-0.5%</td>
</tr>
<tr>
<td>Business &amp; Platform Solutions</td>
<td>1,016</td>
<td>1,069</td>
<td>-4.9%</td>
</tr>
<tr>
<td>Big Data &amp; Cybersecurity</td>
<td>259</td>
<td>223</td>
<td>+16.3%</td>
</tr>
<tr>
<td><strong>Total Group</strong></td>
<td>2,834</td>
<td>2,858</td>
<td>-0.8%</td>
</tr>
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*At constant scope and exchange rates

In € million
## Syntel Synergies

Sales and delivery synergies on track despite Covid-19

### Revenue synergy categories

1. Leveraging both Atos and Syntel portfolios across entire customer base
2. New Global capabilities to capture large End-to-End Digital Transformation projects

### Q1 2020 status

- **66** deals closed in Q1
- Total synergy pipeline of **€0.9bn** for decision in 2020

#### A global EU Pharma Company
Building a Centre of Excellence for Data Analytics to digitise R&D processes

#### A global Financial Services Company
Application Development and Maintenance globally
Q1 2020 headcount evolution

Headcount as of 31/12/19: 108,317

Scope: 330

Hiring: +5,043

Leavers, restructuring & dismissals: -5,089

Headcount as of 31/03/20: 108,602
Focus on financing and liquidity in the context of Covid-19

**Gross cash**
- Strong funds to face an economic downturn and to cover short term reimbursement of borrowings and lease liabilities
- €2.4bn Revolving Credit Facility not due until November 2024 (with 1 year extension option)

**Gross debt: next redemptions**
- 2022: €0.7bn bond
- 2023: €0.3bn bond
- 2024: €0.5bn Optional Exchangeable Bond into Worldline shares
- Beyond 2024: €1.1bn bond
Focus on pension plans in the context of Covid-19

Plan assets: €3.6bn end of Q1 2020
- €3.9bn as of December 31, 2019
- small exposure to Equities: 10% of equity well diversified geographically

Defined benefit obligation: €4.5bn end of Q1 2020
- €4.9bn as of December 31, 2019
- 87% of deficit does not require funding in the next 15 years

Deficit reduced from €-1.0bn end of 2019 to €-0.9bn end of Q1 2020
Bridge 2020 Revenue objective

2020 Objective pre Covid-19: c. +2% organically

2020 Objective post Covid-19: -2% to -4% organically

c. € -450m

c. € -200m

c. € -100m

c. € +100m

c. € +50m

2020 Revenue (objective post Covid-19)

Discretionary projects

Fertilization & Volumes

Product sales

Working from Home, Digital Workplace & Security

Public Sector support

2020 Revenue (objective pre Covid-19)
Bridge 2020 Operating Margin objective

2020 Operating Margin (objective pre Covid-19)

<table>
<thead>
<tr>
<th>Revenue impact</th>
<th>Third Party Spend</th>
<th>Hiring freeze/Part-time /Furlough</th>
<th>Travel freeze</th>
<th>Salary freeze &amp; Variable compensation</th>
<th>Others</th>
<th>2020 Operating Margin (objective post Covid-19)</th>
</tr>
</thead>
<tbody>
<tr>
<td>c. € -600m</td>
<td></td>
<td></td>
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<td></td>
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<tr>
<td>c. € +170m</td>
<td>c. € +80m</td>
<td></td>
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<tr>
<td>c. € +40m</td>
<td>c. € +90m</td>
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<tr>
<td>c. € +20m</td>
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2020 Objective pre Covid-19: +20 bps to +40 bps versus 2019

2020 Objective post Covid-19: 9.0% to 9.5% of revenue
Bridge 2020 Free Cash Flow Flow objective

2020 Objective pre Covid-19: c. € 700m

2020 Objective post Covid-19: € 500m to € 600m

c. -150
c. -50
c. +25
c. +25

2020 FCF (objective pre Covid-19)

OM after tax impact
Customer payments*
Capex reduction
Others

2020 FCF (objective post Covid-19)

*no change in sales of receivables compared to December 31, 2019, as per objective pre Covid-19
3 Conclusion
Elie Girard
CEO
2020 main priorities

- **Focus on customer demand post Covid-19**
- **Cost control and Cash management**
- **Roll-out of SPRING as planned**
- **Pursue bolt-on acquisitions**

A Group well prepared to go through an unprecedented business situation and fully ready for post Covid-19.
Q&A
Thank you