First quarter of 2020

A resilient profile and a strong balance sheet to face an unprecedented situation

Revenue at € 2,834 million
-0.8% organic growth

Book to bill ratio at 103%
Renewals of major contracts in North America

Appropriate business mix to support customers in Covid-19 context

Necessary cost actions being implemented to protect operating margin

SPRING transformation program to an Industry approach well on track

Update of 2020 objectives post Covid-19

Paris, April 22, 2020 - Atos, a global leader in digital transformation, today announces the revenue of its first quarter of 2020.

Elie Girard, CEO, said: "In this unprecedented environment where uncertainty prevails, our first priority has been to protect our employees while offering full continuity of service to our clients. The Group is solidly positioned to navigate smoothly through the crisis thanks to deep client relationships across all industries, a resilient business mix and a robust balance sheet that provides a strong financial flexibility.

Our 110,000 colleagues across the world have provided an immediate and outstanding response to customers’ challenges and need for support through our "Always Ready" program designed already since the beginning of the year. Now our minds and efforts are turning to the post-Covid times, actively preparing for the "new normal" which will see an acceleration in specific customers’ needs, namely data platforms, cybersecurity, cloud migration, digital workplace and decarbonization.

We revise today our objectives for 2020 demonstrating the resilience of the Group and the willingness to share any impact fairly across stakeholders. I am convinced that Atos will emerge from this global crisis stronger than ever and ready to move forward to the next step."

Q1 2020 revenue was € 2,834 million, down -0.8% organically. In the context of Covid-19 crisis and restrictions and lockdowns in March in most of the countries where the Group operates, revenue decreased only slightly thanks to the resilient profile of its businesses based on multi-year contracts combined with its solid business in Big Data and Cybersecurity. Moreover, and in spite of the crisis, the Group accelerated its commercial dynamism with order entry at € 2,908 million leading to a book to bill ratio of 103%, significantly up compared to last year at 86%.

Q1 2020 revenue performance by Industry

<table>
<thead>
<tr>
<th>In € million</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
Manufacturing reached € 539 million of revenue, down -2.9% at constant scope and exchange rates. The Industry benefitted from a good performance in Automotive with the ramp-up of a German car company and Rheinmetall on data management contracts, compensating the impact in Daimler due to Covid-19 and the ramp down of PSA. Conversely, Manufacturing was impacted by lower volumes with Siemens, a slowdown in the Aerospace sector due to Covid-19, and several shifts of equipment sales towards the end of the quarter.

Financial Services & Insurance revenue was € 527 million in the first quarter 2020, down by -2.6% organically. Northern Europe and Southern Europe benefited respectively from the ramp-up with Aegon in the United Kingdom, as well as the development of activity with a payment company in France which have more than compensated for the reduction of volumes from banking institutions in Central Europe. Growing markets suffered from non-repeated sales performed last year in APAC and Middle East & Africa. In North America, project based activities decrease already observed in past quarters was accelerated in March due to decisions from several Financial Services firms to postpone or reduce discretionary expenses in the context of Covid-19.

Public Sector & Defense revenue was € 584 million, up +3.2% at constant scope and exchange rates. The growth was driven by the strong performance recorded in Northern Europe, thanks to the continuation of the contract with European Center for Medium range Weather forecast as well as with EU Lisa and smart data platform in Benelux. North America achieved stability despite lower volumes, thanks to additional sales on existing contracts. The situation was more challenging in Southern Europe, impacted by the ramp-down of High Performance Computing activity as well as non-repeated sales performed last year. Central Europe was negatively impacted by lower volumes, and finally Growing Markets was impacted by revenue recorded last year for the Tokyo Olympic Games preparation and not repeated this year.

Telecom, Media & Technology reached € 443 million, up +0.8% organically, with a contrasted performance by geography and by activity. High Tech & Technology posted a strong growth, driven by Unified Communication & Collaboration offerings in Central Europe, sustained by organic growth of newly acquired company Maven Wave in North America and contract ramp-up with a large partner, as well as additional sales in Southern Europe. Media increased as well, benefitting from new business development, coupled with higher volumes with existing customers in North America. Telecom activity was mainly impacted by some ramp-downs in Southern Europe.

Revenue in Resources & Services reached € 418 million and increased by +0.4% organically. Business in Energy & Utilities sector fueled the growth. In particular, the Industry delivered a High Performance Computer in South America. Digital workplace services ramped-up with a major Energy provider in North America and with National Grid in Northern Europe. The situation in Retail, Transportation & Hospitality sectors was more challenging in the context of Covid-19. Indeed, while the ramp-up of a new IoT contract signed in the area of predictive maintenance benefitted to North America, the Industry faced volume reductions in Europe.

Healthcare & Life Sciences revenue was € 323 million, down by -4.9% compared to Q1 2019, impacted by volume reductions on very specific contracts in both North America and Northern Europe, while the industry benefitted from the ramp-up of a global contract with Bayer and a digital workplace contract signed last year in Central Europe, and the ramp-up of an Australian Public Agency contract in Growing Markets. Southern Europe benefitted from a strong activity in digital projects and High Performance Computing.

Q1 2020 revenue performance by Regional Business Unit

<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>
</tr>
</tbody>
</table>

* At constant scope and exchange rates
The first quarter of 2020 showed different revenue evolution by Regional Business Units which can be summarized as follows:

- **In North America**, revenue reached **€ 681 million**, decreasing by **-2.6%** organically mainly coming from Covid-19 caused project stops and volume reductions in several Industries. The Business Unit achieved growth in Telecom, Media & Technology and Resources & Services thanks to new logo, higher volumes and ramp up of existing contracts;

- **In Northern Europe**, revenue was roughly **stable at € 698 million**. Strong business was recorded in Public Sector & Defense mainly led by the continuation of the HPC contract with European Centre for Medium Range Weather Forecast, as well as by deliveries to European Union Institutions. Telecom, Media & Technology and Manufacturing faced some contracts ending and Healthcare & Life Sciences a reduction on Business Process Outsourcing contracts;

- **In Southern Europe**, revenue reached **€ 594 million**, decreasing by **-2.6%** organically. Healthcare & Life Sciences posted a double-digit growth thanks to digital projects delivered and High Performance Computing activities. The geography was impacted by non-repeated sales also on High Performance Computing activities performed last year in several Industries;

- **In Central Europe**, the geography increased organically by **+1.0%** leading to a **€ 667 million** revenue. Manufacturing benefitted from several ramp-up of infrastructure contracts and additional projects. Revenue in Telecom, Media & Technology also increased, driven by Unified Communication & Collaboration business. Healthcare & Life Sciences posted a double-digit growth mainly fueled by new contracts. Public Sector & Defense was impacted by non-repeated sales and projects achieved last year while new projects in SAP HANA and in Digital were performed in Germany and in Austria. Finally, Resources & Services was impacted by a lower demand in Unify Communication channels;

- **Growing Markets** reached **€ 194 million** revenue, **+1.0%** organically. Manufacturing posted a solid growth, pushed by a higher level of sales as well as stronger demand in digital projects mainly in Asia-Pacific and South America. Revenue in Resource & Services strongly increased fueled by High Performance Computing activity in South America while the situation was more challenging in Financial Services mainly in Asia Pacific.

### Q1 2020 revenue performance by Division

<table>
<thead>
<tr>
<th>Division</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><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*

In **Infrastructure & Data Management (IDM)**, revenue was **€ 1,558 million**, **-0.5%** organically. The Division continued to roll-out its transformation model by extending Hybrid Cloud Orchestration as well as increasing Digital Workplace implementation.

The specific situation due to Covid-19 pandemic required a solid business continuity for critical infrastructures for its customers. Indeed, the Division recorded a strong demand on Digital Workplace solutions (accessing applications from anywhere), enterprise communication offerings with Unified Collaboration & Communication, network connections, etc. These activities are linked to the remote working that has been put in place by a lot of companies to face the lockdown and maintain their activity.

Finally, in the current context, the Division recorded less revenue generated by equipment sales and fertilization in existing contracts in March.

In **Business & Platform Solutions (B&PS)** revenue was **€ 1,016 million**, **-4.9%** organically. As a reminder, the Division was down -1.2% in Q4 2019 due to the headwinds in Financial Services in North America as well as in Automotive industry in Germany, and therefore did not expect any improvement in the beginning of 2020 even before Covid-19.
In the new context of Covid-19, the Division had to face a slowdown in most of the Industries. Indeed, this business segment is much more dependent from the cycle and customers started in March to postpone discretionary projects. The Group considers that the most impacted activities will be Technology Professional Services requiring engineers working on customer sites, that cannot be performed on a remote mode (circa 30% of Business & Platform Solutions revenue). On the opposite, Application Development and Maintenance, based on long term contracts should be resilient (circa 40% of Business & Platform Solutions revenue). In between, a large part of critical Digital Projects (circa 30% of Business & Platform Solutions revenue) can be performed on a remote mode, but the volume of the business will depend in the next months from the customer demands on new projects.

The business in **Big Data & Cybersecurity (BDS)** remained strong with revenue up *+16.3%* organically at **€259 million** in the first quarter of 2020. In the current context, the remote working as well as the increase of cyberattacks led companies to reinforce the security of their infrastructure and data. As examples, customers asked for more solutions of identification in quick mode, and consulting on the solidity of their security infrastructure.

In Big Data, there was no discontinuity in the supply chain thanks to pro-active inventory management. The demand remains strong in High Performance Computing. As an example, remote access to SAP HANA requires additional processing power and therefore larger needs of Sequana S in-memory servers. Finally, Mission Critical System business also recorded a high revenue growth.

**Commercial activity**

During the first quarter of 2020, the Group **order entry** reached **€2,908 million** representing a **Book to Bill ratio** of **103%**, compared to 86% achieved over the same period last year.

The main new contracts signed over the period were notably in North America with a large American company in Defense Sector (Telecom, Media & Technology), in Central Europe with Norddeutsche Landesbank (Financial Services & Insurance) and a global european pharmaceutical company (Health & Life Sciences) and in Southern Europe with a major utility in France and with Ile-de-France Mobilités (Resources & Services), as well as with a French banking institution (Financial Services & Insurance).

Contract renewals of the quarter included large signatures with notably the first part of the renewal of Texas Department of Information Resources contract (Public Sector & Defense), the renewal of Conduent contract (Telecom, Media & Technology) in North America, a contract with a Global European firm in capital goods for SAP HANA (Manufacturing) in Central Europe, as well as with the French UGAP (Public Sector & Defense) in Southern Europe.

In line with this dynamic commercial activity, the **full backlog** amounted to **€22.1 billion** at the end of March 2020, representing **1.9 year of revenue**. The **full qualified pipeline** reached **€7.6 billion**, representing **7.8 months of revenue**.

**Human resources**

The **total headcount** was **108,602** at the end of March 2020, broadly stable compared to 108,317 at the end of December 2019.

In the first quarter of 2020, the Group hired 5,043 staff, mainly in offshore countries.
How Atos handles Covid-19 impact

Since end of January, the Group management, supported by Group Human Resources, has been focusing on the health and safety of employees while ensuring a proper implementation of pre-defined business continuity plans in each Division.

The Group also activated the “Always Ready” program, pulling together all Group solutions specifically adapted to this distressed situation and being proactively offered to customers to help them go through the crisis: support to generalized homeworking including collaboration features, specific support to public & health institutions, reinforcement of cybersecurity protections, etc. Customers’ feedback and satisfaction with regards to Atos teams reactivity has been overwhelmingly positive. Atos is also involved into many governmental projects across the world to fight against the virus, and prepare the progressive relief of restrictions and lockdowns.

To protect its operating margin, the Group has taken strong actions on its cost base in the following areas:
- Strong centralized monitoring of personnel costs (hiring freeze, cancellation of salary increases, impact on variable compensation, vacations, etc.);
- Replacement of subcontractors by own freed up staff;
- Cancellation of non customer related discretionary expenses;
- Strong saving program on non personnel costs.

In total, the Group launched a program representing a total amount of c. 400 million euros of savings in 2020.

Updated 2020 objectives post Covid-19

As the 2020 objectives disclosed on February 19, 2020 were pre Covid-19 effect, the Group updates today its three objectives for the full year 2020, based on the current macroeconomic scenario of a progressive recovery over H2 2020 and 2021, as well as the management’s daily discussions with Group customers:

- Revenue organic evolution: between -2% and -4% (versus c. +2% pre Covid-19);
- Operating margin rate: 9% to 9.5% of revenue (versus +20 bps to + 40 bps above 2019 (10.3% reported) pre Covid-19);
- Free cash flow: € 0.5 billion to € 0.6 billion (versus c. € 0.7 billion pre Covid-19)*.

The Group suspends its targets for 2021, the last year of the three-year plan presented at the Investor Day held on January 30, 2019. The Group will present its vision as well as its mid-term targets at the 2020 Analyst Day (date to be rescheduled).

Postponement of Annual General Meeting and exceptional cancellation of dividend payment in 2020

Due to the exceptional circumstances linked to the Covid-19, the Board of Directors, which met on March 31, 2020, has decided to postpone the Annual General Meeting initially scheduled on May 14, 2020 to June 26, 2020.

In these unprecedented circumstances, during its session on April 21, 2020, the Board of Directors took the exceptional decision not to propose the 1.40 euro per share dividend which was initially considered to be submitted to the Annual General Meeting. In addition, the Chief Executive Officer as well as other members of the General Management Committee have decided to reduce by 30% their compensation during the current three-month period from March to May 2020. The Chairman of Atos’ Board of Directors has made the same decision.

The Group confirms that the cancellation of the dividend this year is an exception to its dividend policy with a payout ratio between 25% and 30% of Net income Group share.

* This assumes no change in sales of receivables compared to December 31, 2019, as per previous objective pre Covid-19.
Appendix

Revenue at constant scope and exchange rates reconciliation

<table>
<thead>
<tr>
<th>In € million</th>
<th>Q1 2020</th>
<th>Q1 2019</th>
<th>% change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Statutory revenue</td>
<td>2,834</td>
<td>2,818</td>
<td>+0.6%</td>
</tr>
<tr>
<td>Exchange rates effect</td>
<td></td>
<td>26</td>
<td></td>
</tr>
<tr>
<td>Revenue at constant exchange rates</td>
<td>2,834</td>
<td>2,843</td>
<td>-0.3%</td>
</tr>
<tr>
<td>Scope effect</td>
<td></td>
<td>14</td>
<td></td>
</tr>
<tr>
<td>Exchange rates effect on acquired/disposed perimeters</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue at constant scope and exchange rates</td>
<td>2,834</td>
<td>2,858</td>
<td>-0.8%</td>
</tr>
</tbody>
</table>

Scope effects amounted to €+14 million for revenue and are mainly related to the acquisition of Maven Wave, consolidated as of February 1, 2020 (2 months for €+18 million), the acquisition of IDnomic, consolidated as of October 1, 2019 (3 months for €+4 million), the acquisition of X-PERION, consolidated as of December 1, 2019 (3 months for €+2 million), the disposal of some specific Unified Communication & Collaboration activities mostly in Q1 2020 (total restatement of €-4 million) as well as former ITO activities in the UK beginning of H2 2019 (3 months for €-4 million), and finally the disposal and decommissioning of non-strategic activities within CVC.

Currency exchange rates effects mostly came from the American dollar as well as the British pound and positively contributed to revenue for €+26 million.

Conference call

Today, Wednesday, April 22, 2020, the Group will hold a conference call in English at 08:00 am (CET - Paris), chaired by Elie Girard, CEO, in order to comment on Atos’ Q1 2020 revenue and answer questions from the financial community.

You can join the webcast of the conference:

- on atos.net, in the Investors section
- by smartphones or tablets through the scan of:
- by telephone with the dial-in, 5-10 minutes prior the starting time:
  - France +33 1 70 70 07 81 code 12652364
  - Germany +49 69 2222 2625 code 12652364
  - UK +44 844 481 9752 code 12652364
  - US +1 646 741 3167 code 12652364
  - Other countries +44 2071 928338 code 12652364

After the conference, a replay of the webcast will be available on atos.net, in the Investors section.

Forthcoming events

June 26, 2020  Annual General Meeting
July 27, 2020  First half 2020 results
October 22, 2020  Third quarter 2020 revenue
To be scheduled  2020 Analyst Day

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About Atos

Atos is a global leader in digital transformation with 110,000 employees in 73 countries and annual revenue of €12 billion. European number one in Cloud, Cybersecurity and High-Performance Computing, the Group provides end-to-end Orchestration Hybrid Cloud, Big Data, Business Applications and Digital Workplace solutions. The Group is the Worldwide Information Technology Partner for the Olympic & Paralympic Games and operates under the brands Atos, Atos|Syntel, and Unify. Atos is a SE (Societas Europaea), listed on the CAC40 Paris stock index.

The purpose of Atos is to help design the future of the information space. Its expertise and services support the development of knowledge, education and research in a multicultural approach and contribute to the development of scientific and technological excellence. Across the world, the Group enables its customers and employees, and members of societies at large to live, work and develop sustainably, in a safe and secure information space.

Disclaimers

This document contains forward-looking statements that involve risks and uncertainties, including references, concerning the Group’s expected growth and profitability in the future which may significantly impact the expected performance indicated in the forward-looking statements. These risks and uncertainties are linked to factors out of the control of the Company and not precisely estimated, such as market conditions or competitors behaviors. Any forward-looking statements made in this document are statements about Atos’ beliefs and expectations and should be evaluated as such. Forward-looking statements include statements that may relate to Atos’ plans, objectives, strategies, goals, future events, future revenues or synergies, or performance, and other information that is not historical information. Actual events or results may differ from those described in this document due to a number of risks and uncertainties that are described within the the 2019 Universal Registration Document filed with the Autorité des Marchés Financiers (AMF) on March 3, 2020 under the registration number D.20-0096. Atos does not undertake, and specifically disclaims, any obligation or responsibility to update or amend any of the information above except as otherwise required by law. This document does not contain or constitute an offer of Atos’ shares for sale or an invitation or inducement to invest in Atos’ shares in France, the United States of America or any other jurisdiction.

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.