

2016

Investor Day

Atos' Headquarters, Bezons
November 08, 2016

Disclaimer

- ▶ 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 2015 Registration Document filed with the Autorité des Marchés Financiers (AMF) on April 7, 2016 under the registration number: D.16-0300 and its update filed with the Autorité des Marchés Financiers (AMF) on August 4, 2016 under the registration number: D.16-0300. 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. Operating margin is presented as defined in the 2015 Registration Document.
- ▶ Business Units include **Germany, France, United-Kingdom & Ireland, Benelux & The Nordics** (BTN: The Netherlands, Belgium, Luxembourg, Denmark, Finland, Sweden, and Estonia), **Worldline, North America** (NAM: USA, Canada, and Mexico), and **Other Business Units** including Central & Eastern Europe (CEE: Austria, Bulgaria, Croatia, Czech Republic, Greece, Hungary, Italy, Lithuania, Poland, Romania, Russia, Serbia, Slovakia, Slovenia, Switzerland and Turkey), Iberia (Spain, Portugal, and Andorra), Asia-Pacific (APAC: Australia, China, Hong Kong, Indonesia, Japan, Korea, Malaysia, New Zealand, Philippines, Singapore, Taiwan and Thailand), South America (SAM: Brazil, Argentina, Colombia, Chile, Guatemala, Jamaica, Peru, and Uruguay), India, Middle East & Africa (IMEA: Algeria, Benin, Burkina Faso, Egypt, Gabon, Israel, India, Ivory Coast, Lebanon, Madagascar, Mali, Mauritius, Morocco, Qatar, Saudi Arabia, Senegal, South Africa and UAE), Major Events, and Cloud & Enterprise Software.
- ▶ Atos decided, as early as the acquisition date, to retain only part of the activity of Unify. As a result, the Software & Platforms (S&P) business, along with the customers and the countries that were planned to be managed through indirect channels, have been accounted for as discontinued operations and are in the process of being physically carved-out to facilitate the disposal of this activity. Therefore, the 2016 and 2015 pro forma consolidated external revenue and operating margin reflect the retained scope of Unify only.

2

Vision, strategy & 3-year plan targets

Thierry Breton, Chairman & CEO

2016 Ambition: strong value creation

A culture of commitment

2016 Ambition: execution above initial targets without generating debt

| | Revenue | Operating margin | Free cash flow |
|---|-----------|---------------------------|----------------|
| 2013 | c. €8.6bn | c. €0.6bn 7.5% | €365m |
| 2016 Ambition <i>as presented in November 2013</i> | c. €10bn | c. €0.9bn 8.5% to 9.5% | €450-500m |
| 2016e <i>Current view</i> | c. €12bn | c. €1.1bn 9.2% to 9.5% | >€550m |

Strong value creation

2016 Ambition: execution above initial targets

+40% revenue and x2 net income over 2013-2016

AND

Without indebting the company

Net cash position from €0.9bn end of 2013 to c. €0.5bn end of 2016e

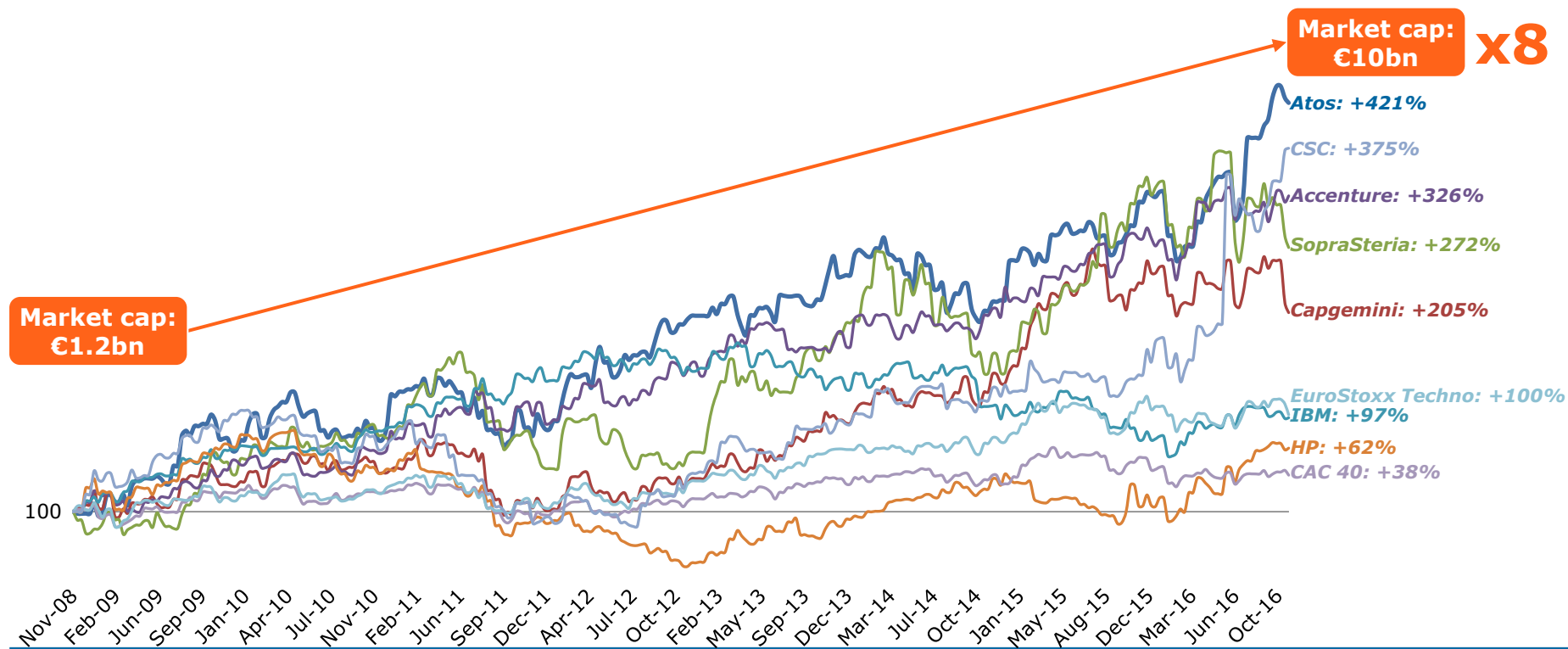
AND

With no capital increase to finance acquisitions

+90% EPS over 2013-2016

Atos share price performance

From €18 (November 17, 2008) to €94 (November 4, 2016)

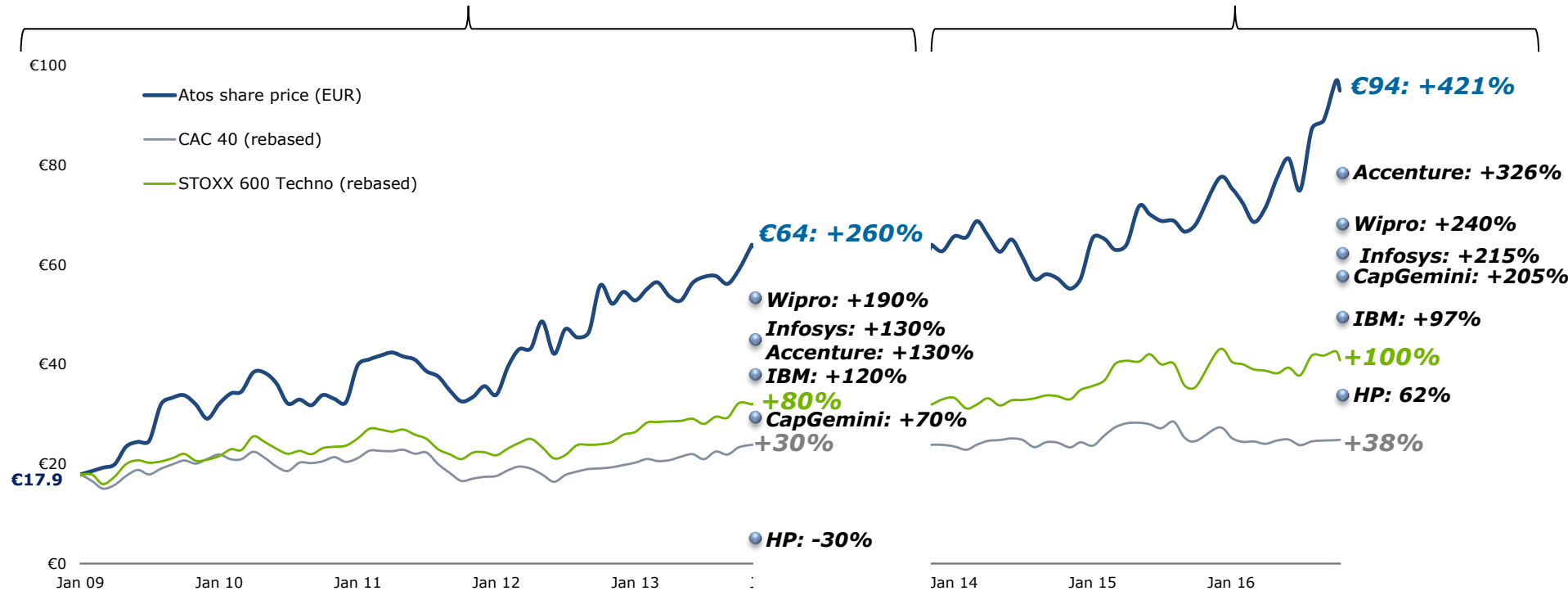


Atos share price performance

From €18 (November 17, 2008) to €94 (November 4, 2016)

As presented at 2013 Investor Day

2016 Ambition



Financial discipline

Less acquisition spending than peers from January 2014

| From January 2014 | Number of acquisitions | Total acquired EV |
|-------------------|------------------------|-------------------|
| Peer A | 7 | €10,050m |
| Peer B | 2 | €4,258m |
| Peer C | 7 | €3,882m |
| Peer D | 3 | €3,171m |
| Atos | 4 | €2,145m |
| Peer E | 3 | €1,753m |

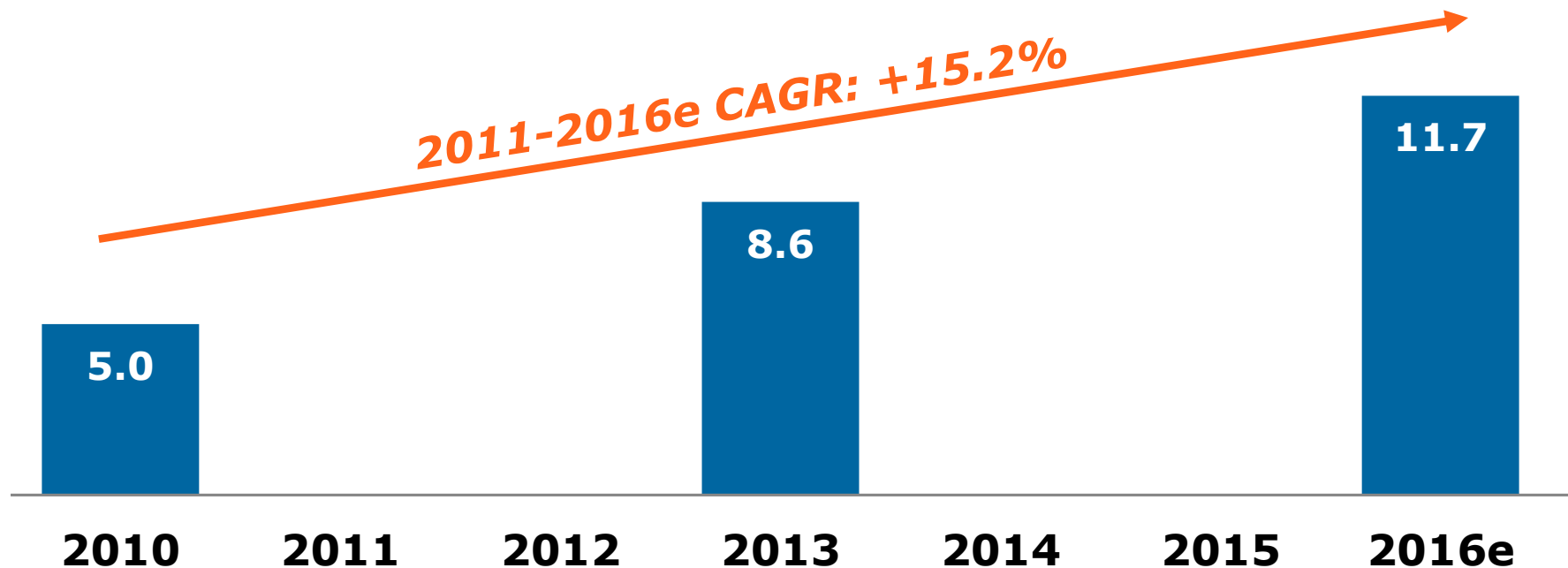
Financial discipline

Less acquisition spending than peers from January 2009

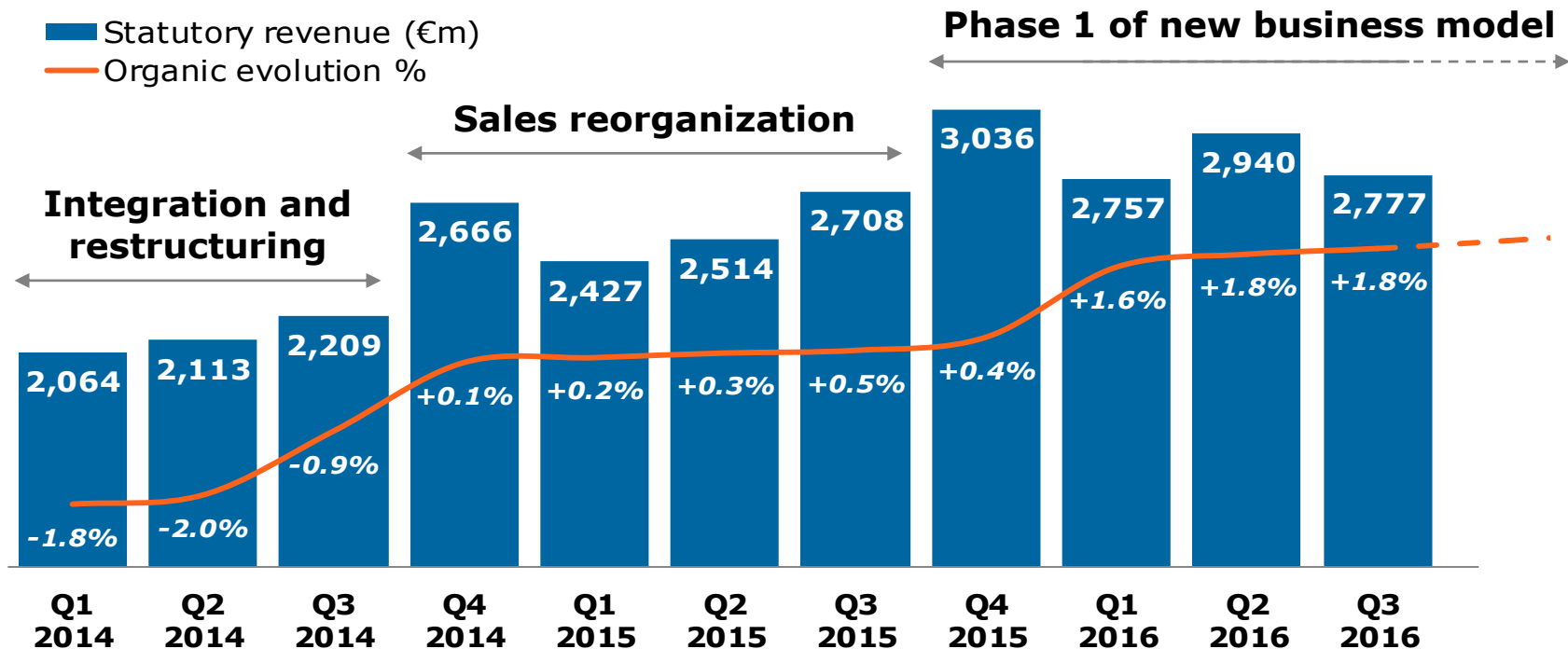
| From January 2009 | Number of acquisitions | Total acquired EV |
|-------------------|------------------------|-------------------|
| Peer A | 10 | €15,837m |
| Peer B | 22 | €11,655m |
| Peer C | 10 | €10,420m |
| Peer D | 8 | €4,915m |
| Atos | 6 | €3,082m |
| Peer E | 5 | €1,973m |

A size significantly increased

Statutory revenue evolution (€bn)



A sustained new trend of revenue organic growth



Tech medium term vision

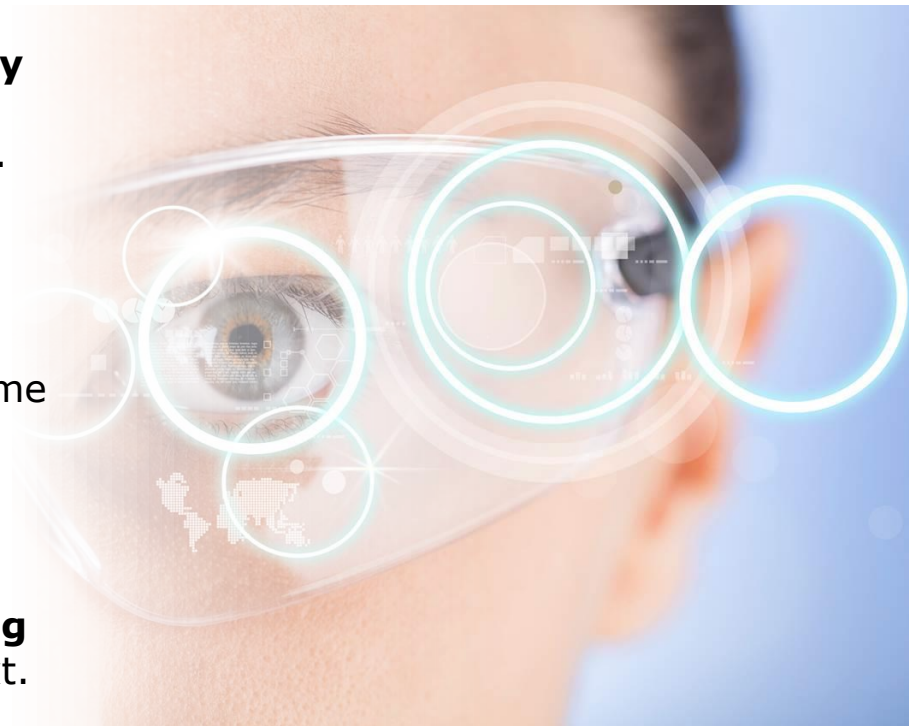
Our vision

» Digital Shockwaves in Business **will deeply affect** end to end production and service processes in **all sectors of the economy**.

The Digital Shockwaves **will interact and interfere:**

» Sometimes **reinforcing** their impact and sometimes **cancelling** each other out. Some will impact certain industries more than others. Some will bring **positive effects**, others will bring **potential threats**.

» It's essential **anticipating** and **responding** to their impact for a given business context.



The emergence of smart services

from data ...

... to smart services



**CONNECTION
AND CONTEXT**



INSIGHT



LEARNING



**SMART SERVICE
REALISATION**

IoT

Virtual Sensors

**Cyber Physical
Systems**

**Search Engines &
Social Media**

Web of Systems

Machine Learning

Service Platforms

with distributed architectures will
become the core components of

Smart Services

Analytics

Cognitive Learning

**Predictive becomes
Prescriptive**

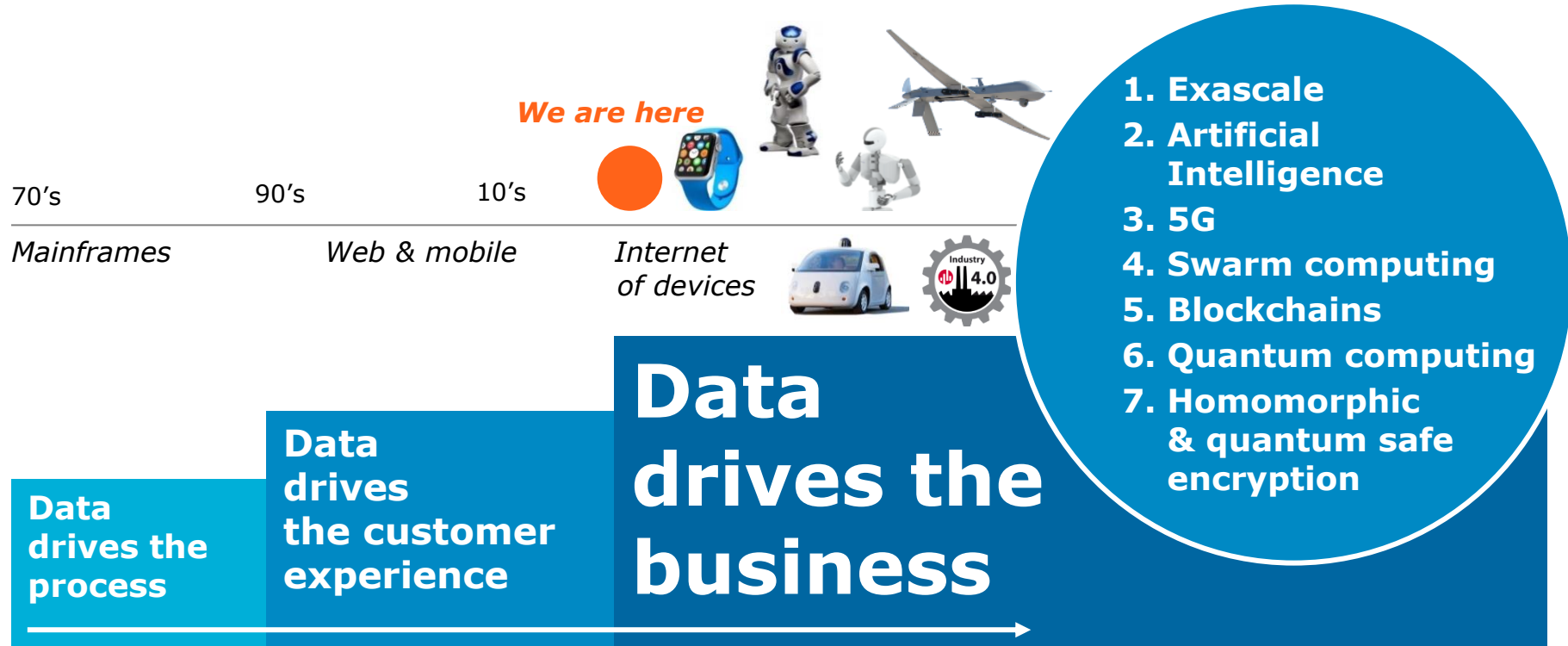
Automation

**Augmented
Interactive Reality**

Smart payment

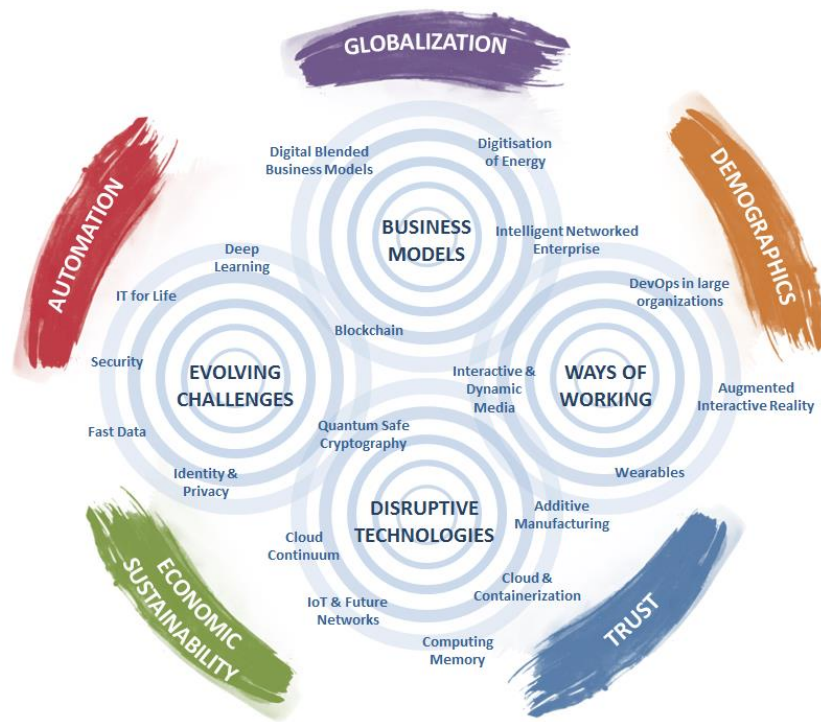
Platforms

7 data-driven technological breakthroughs will mark the 3rd digital wave



Our Vision

Digital disruption



Business models – through new sources of business value and partnership, driven by data and connectivity.

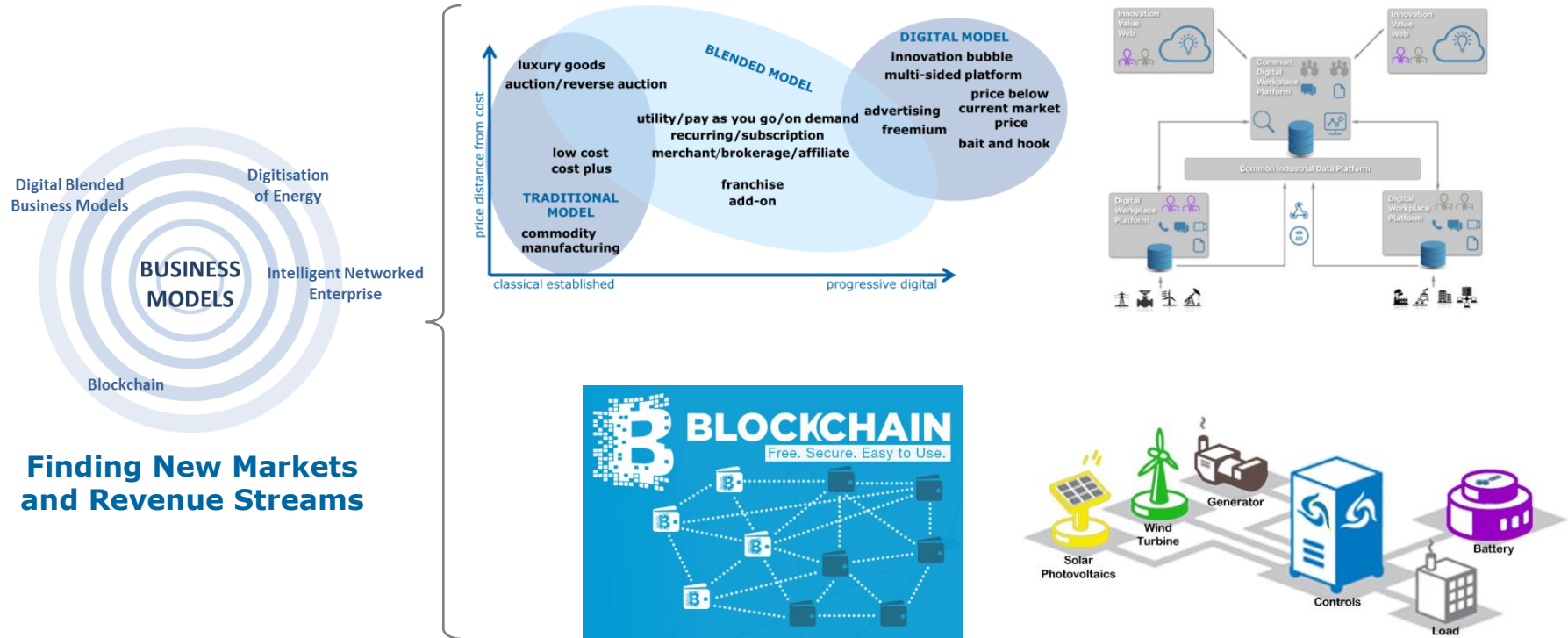
Ways of working – resulting from changes in Business processes and the very nature of work.

Disruptive technologies – the developments that bring revolutionary changes to the “art of the possible” not just evolution.

Evolving challenges – familiar challenges that need to be addressed with different perspectives as a result of the emergence of new influences.

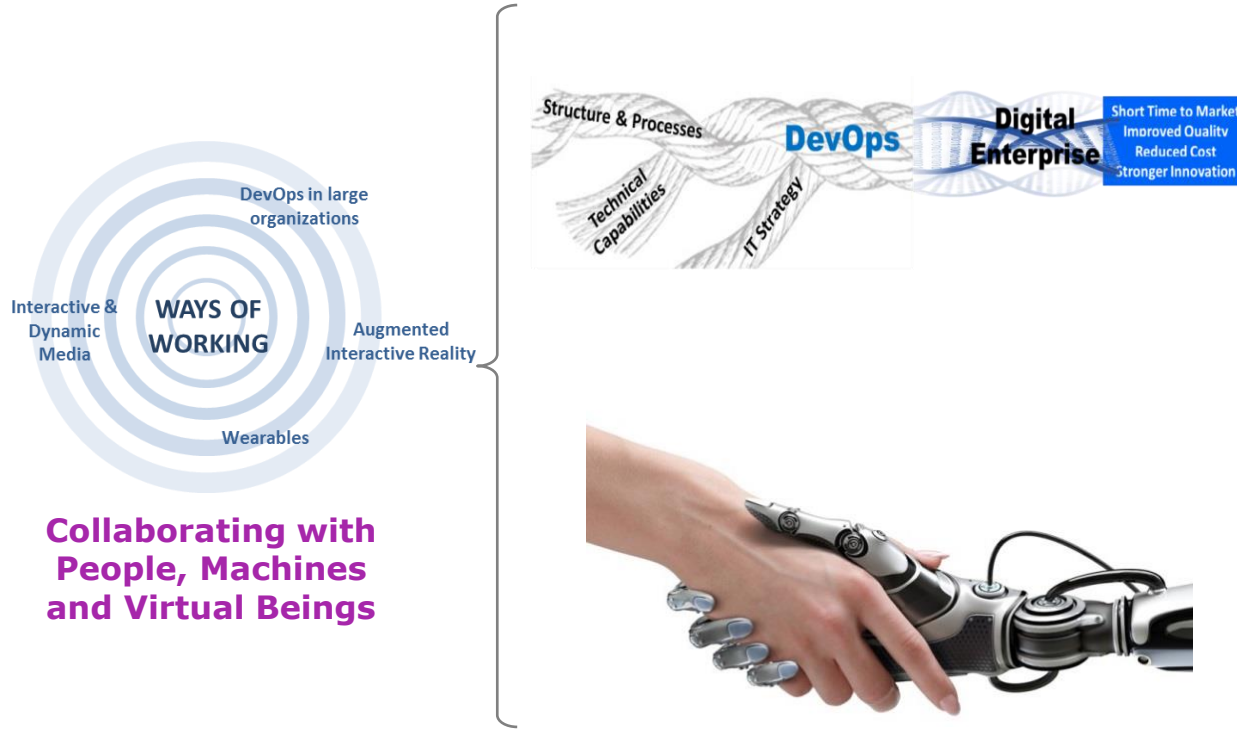
1/ Business models

Finding new markets and revenue streams



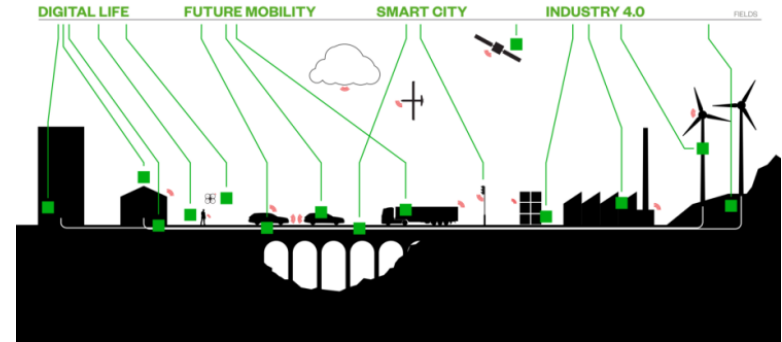
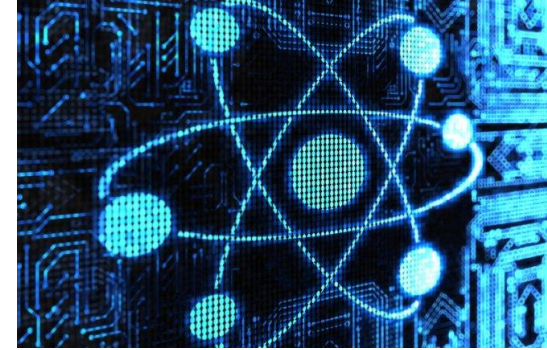
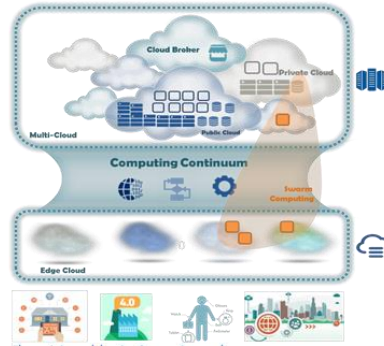
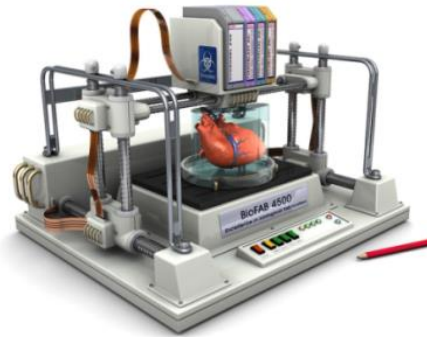
2/ Ways of working

Collaborating with people, machines & virtual beings



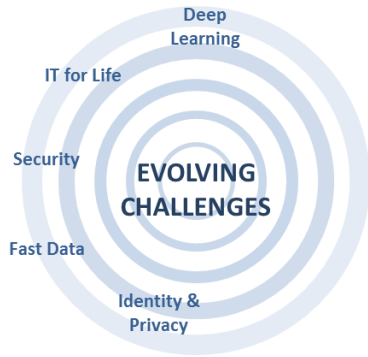
3/ Disruptive technologies

Mastering the technologies of disruption

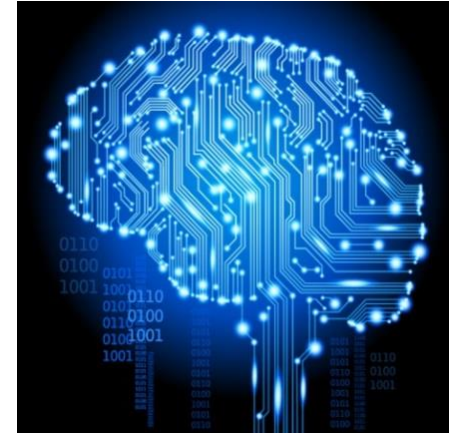
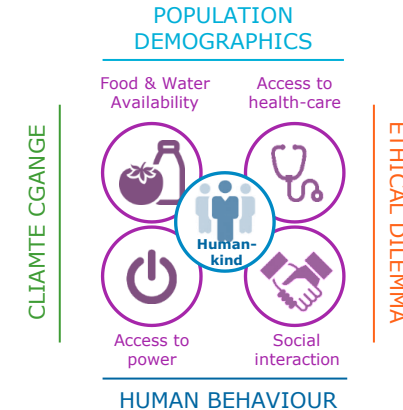


4/ Evolving challenges

Addressing ever-changing challenges



Addressing Ever Changing Challenges



Atos strategy implementation

From 2016 to 2019, managing the transition of the highest shockwave in the IT industry since decades

Digital transformation driving in depth disruption in our Managed Services business



Legacy

**Cloud
Orchestration**

Autonomics

Cognitive

Orchestrated
Automation

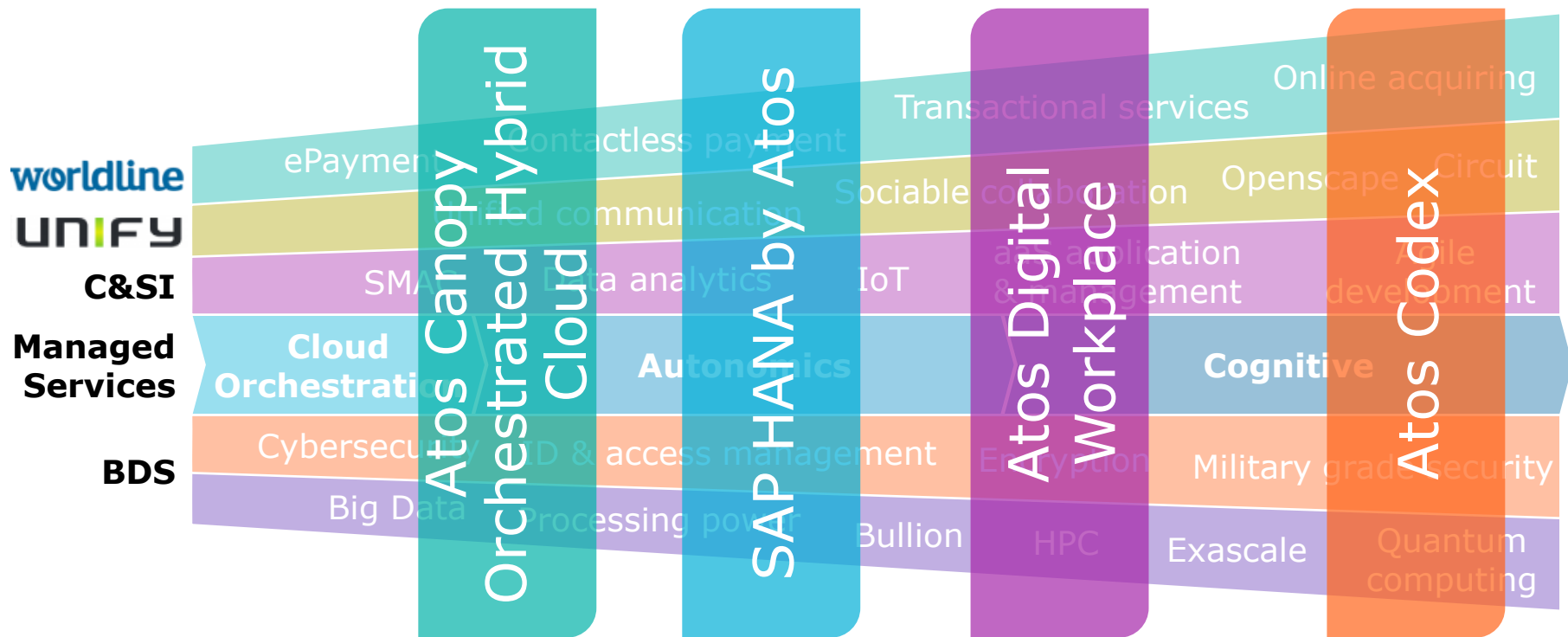
Robotic
Process
Automation

Intelligent
Automation

Cognitive
Automation

Artificial
Intelligence

A Digital Transformation Factory to implement Atos strategy over 2017-2019



Atos leadership already recognized by key analysts in the 4 Digital Transformation Factory offers

Hybrid Orchestration Cloud

▶ **LEADER & STAR PERFORMER**

Private Cloud Enablement
Services



▶ **LEADER**

Cloud Services EMEA



SAP HANA

▶ **MAJOR PLAYER** SAP HANA Utilities



▶ **MAJOR PLAYER** Next Generation SAP



▶ **MAJOR PLAYER** SAP implementation



Digital Workplace

▶ **LEADER** Magic Quadrant

Workplace Services
EMEA NAM



▶ **LEADER** Forrester Wave

Workplace Service Global



Codex/IOT

▶ **VISIONARY** Business Analytics



▶ **MAJOR PLAYER** Business Analytics



▶ **WINNER** IOT



▶ **MAJOR PLAYER** IOT



▶ **LEADER** in IOT



Fully mobilized teams around a threefold culture

Atos teams developed a strong business culture around three pillars

Commitment

We always deliver what we committed ourselves to

Acquisition

Strong culture developed for acquisition with financial discipline and successful and fast integration

Client satisfaction

A services delivery focused on client satisfaction

Technology & talents: A Group with technology and scientific talents at the very heart of its operations

→ **We will keep reinforcing ourselves in those fields**

A culture of Technology

Innovation at the heart

5,000

active patents
at the Atos group level



c. €300m

Research &
Development



120+

new patents filed each year



15

R&D centers
in 9 countries



**A Culture
of Innovation**

c. 300 innovation
workshops in 2016

Launch of the Quantum Computing program



Top European scientists to review Atos program

From Quantum computing solutions to Quantum-safe
cyber security products

From left to right: Cyril Allouche, Head of Atos Quantum Lab; **Artur Ekert**, Professor of Quantum Physics at Oxford and Singapore Universities; Sophie Houssiaux, Head of Atos R&D Big Data & Security; Philippe Vannier, Atos EVP Big Data & Security Atos Technology; **Alain Aspect**, professor at the Institut d'Optique Graduate School and Ecole Polytechnique; **Serge Haroche**, Professor emeritus at the Collège de France, Nobel laureate in Physics; Thierry Breton, Atos Chairman & CEO; **Cédric Villani**, Professor at University of Lyon, Head of the Henri Poincaré Institute, Fields Medal laureate; **Daniel Estève**, Research Director, CEA Saclay, head of Qnantronics; Hubert Tardieu, Advisor to the Atos Chairman & CEO; **David DiVincenzo**, von Humboldt Institute Professor, Director of the Institute for Theoretical Nanoelectronics at the Juelich Research Center; Philippe Duluc, Technical Director Atos Big Data & Security

Culture of Partnerships with Global Strategic Technology leader

Enhanced alliance with the
DELL/EMC Federation



Global Strategic Partnership with Siemens

Atos + SIEMENS

A global alliance **AND** a €230M joint investment program into innovation



Michael Dell
Chairman & CEO
Dell

Innovation & critical mass

Strong alliance until at least 2021 with

- ▶ One of the largest industrial company in the World
- ▶ One of the largest technology leader in the World

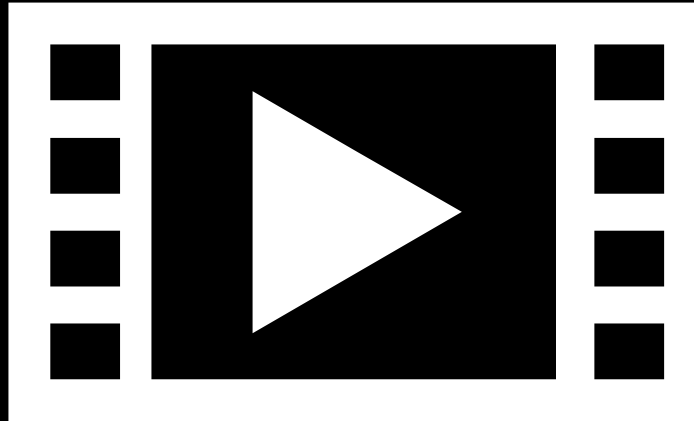


Joe Kaeser
CEO
Siemens AG

Michael Dell

Chairman & CEO - Dell

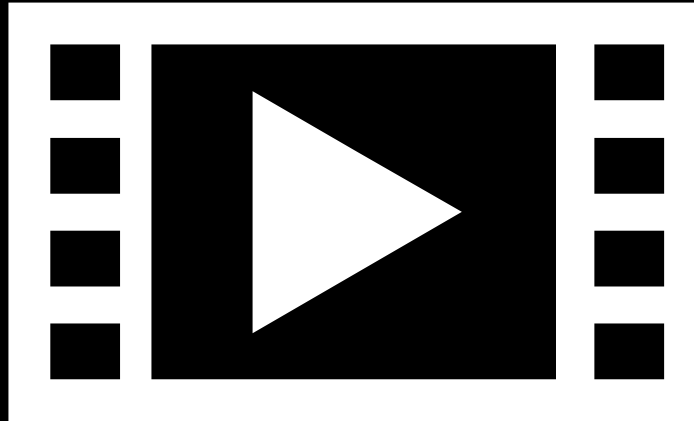
Testimonial



Joe Kaeser

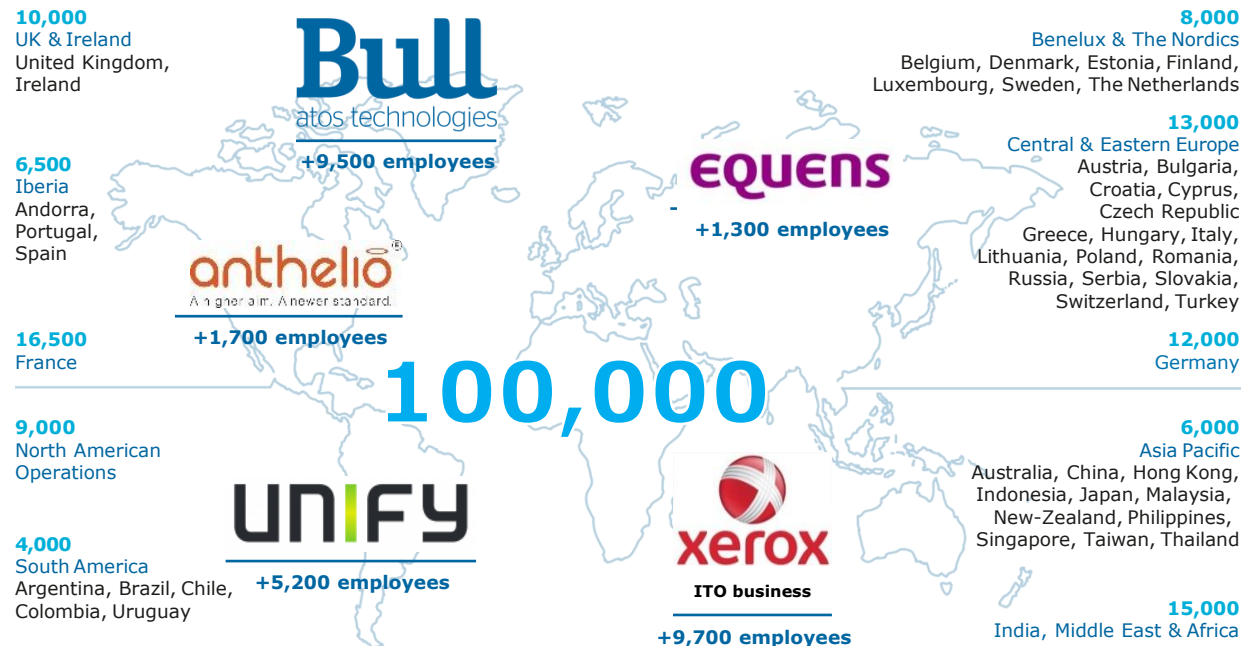
CEO - Siemens AG

Testimonial



Atos 2020 talent requirements...

Major people challenges towards 2020



Competition for digital talents everywhere

Thousands of Millennials to attract/year

50,000+ digital competences to build (x2)

10% top talents/experts to grow

Diversity (Women +50%)

Offshore (+25%) and customer digital intimacy

New territories (Africa)

Extra-financial performance objectives 2020

Part of Atos' DNA: fully integrated in company operations



Talented **people** to support the digital transformation – **A global employer**

Increase the Atos GreatPlaceToWork Trust Index® reflecting employees satisfaction to Top 10% Industry benchmark



Value for clients through sustainable and **innovative** solutions – **A trusted partner**

Net Promoter Score above 50% for our TOP Clients



Business **ethics** and data protection in the digital era
A security leader

70% of total spend assessed by EcoVadis



Operational efficiency in **environmental footprint**
A sustainable player

Reduce by 5% to 15% CO2 Emissions by revenue (tCO2 per Million EUR) by 2020

2019 targets

At constant scope

Revenue organic growth

2% to 3% 2017-2019 CAGR

Operating margin

10.5% to 11.0% of revenue

Free cash flow:
Operating margin
conversion into free
cash flow

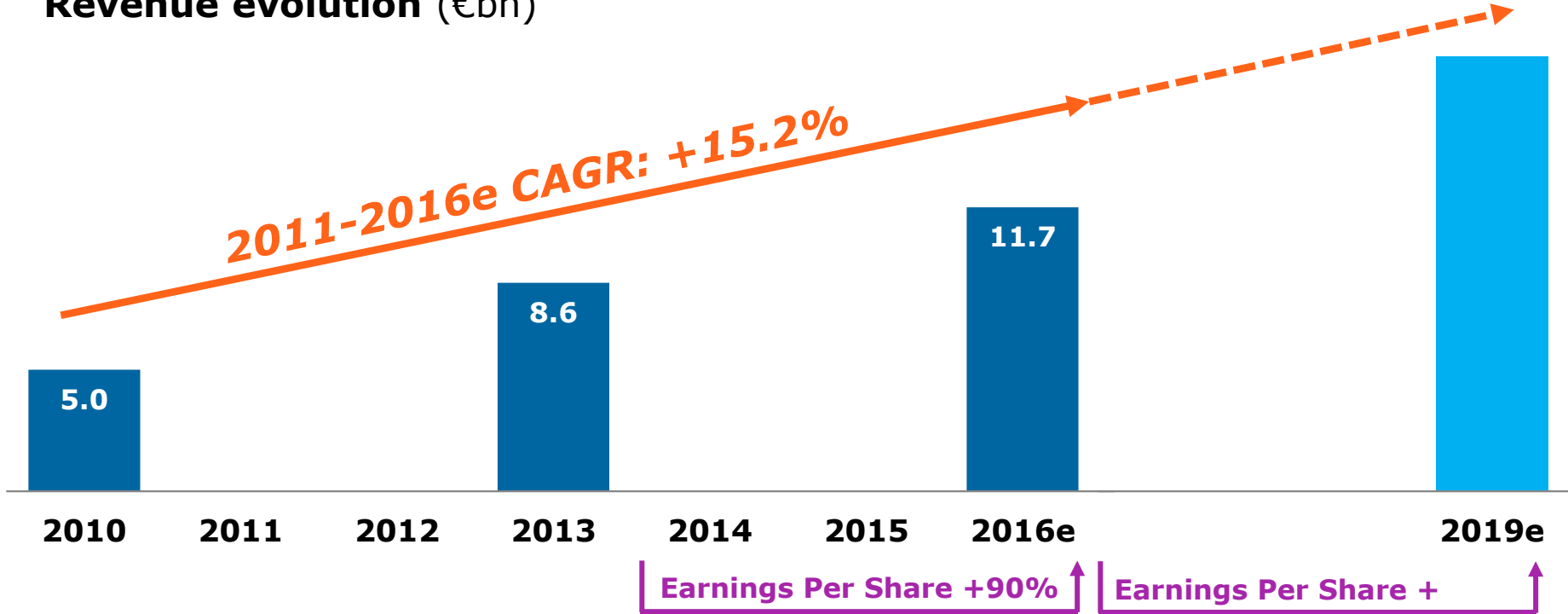
c. 65%

Use of cash

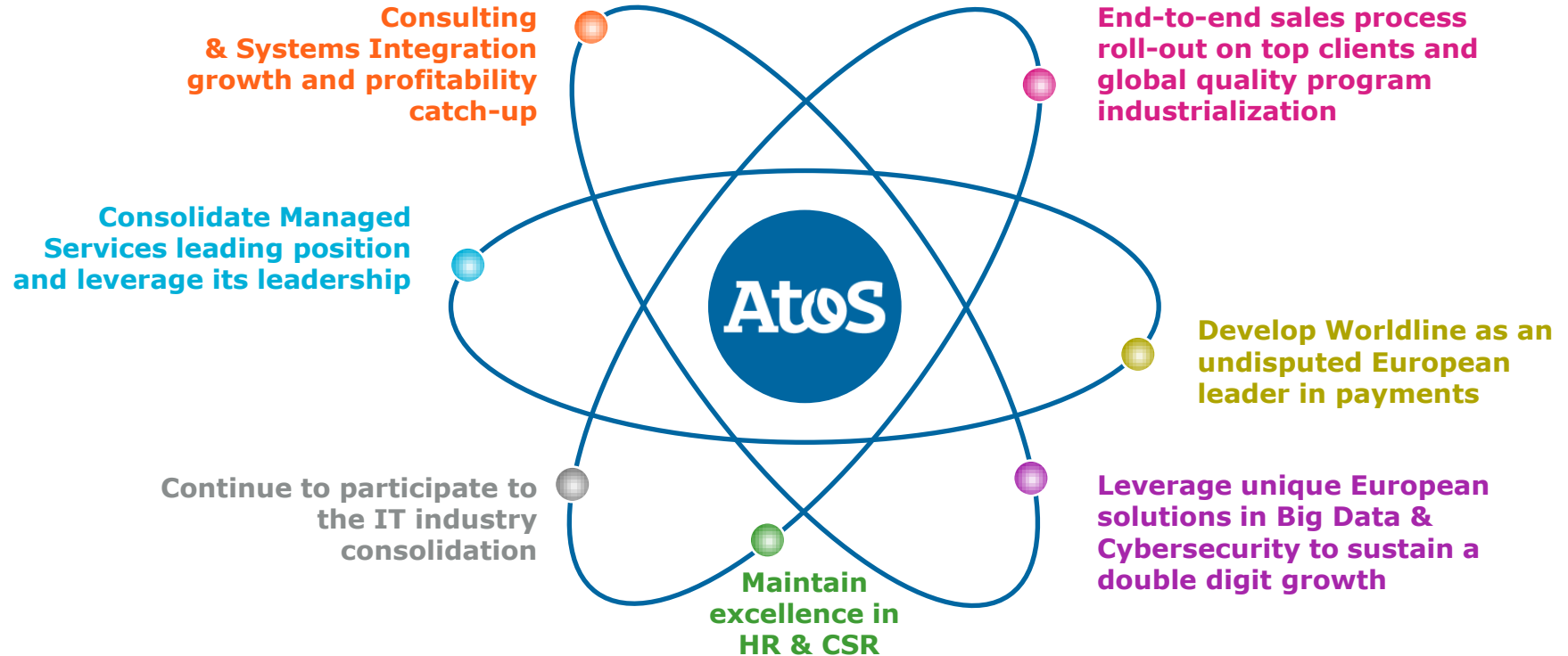
| | |
|--|--|
| Acquisitions | We pursue acquisitions with the same discipline in financials and technologies as in the past years |
| Dividends | 25% to 30% pay-out ratio |
| Option of dividend paid in shares | No dogma |
| Shares buy-back | |

Atos will continued to significantly grow

Revenue evolution (€bn)



Atos 2019 Ambition



Thanks

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