

# 2019 Investor Day

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**Atos**

# 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 2017 Registration Document filed with the Autorité des Marchés Financiers (AMF) on February 26, 2018 under the registration number: D.18-0074 and its update filed with the Autorité des Marchés Financiers (AMF) on July 27, 2018 under the registration number: D.18-0074-A01.
- ▶ The Group's financial information relating to the financial year ended December 31, 2018 included in this document has been prepared using a process similar to that adopted for the preparation of the Group's annual consolidated financial statements but is not yet audited. Accordingly, Atos has not yet obtained from its statutory auditors the assurance that they will be able to certify its financial statements without reserve. The Board of Directors of Atos SE has examined at its January 29, 2019 meeting the Group's financial information for the financial year ended December 31, 2018 included in this document and has approved its communication. The Group's financial statements which will be approved by the Board of Directors, to be held on February 20, 2019, shall include any material events previously unknown by the Group and of which it becomes aware or which may occur after January 30, 2019. Therefore the financial information presented in this document shall be, in accordance with the AMF position-recommendation n°2004-04, qualified as estimated results (résultats estimés).
- ▶ Revenue organic growth is presented at constant scope and exchange rates, and restated for the impact of IFRS 15. Operating margin is presented as defined in the 2017 Registration Document. Starting January 1<sup>st</sup>, 2018, dividends paid to non-controlling interests are not anymore a Free Cash Flow item but reported in line 'Dividends paid'.
- ▶ Business Units include Germany, North America (USA, Canada, and Mexico), France, United Kingdom & Ireland, Worldline, Benelux & The Nordics (Belgium, Denmark, Estonia, Finland, Lithuania, Luxembourg, The Netherlands, Poland, Russia, and Sweden), and Other Business Units including Central & Eastern Europe (Austria, Bulgaria, Croatia, Czech Republic, Greece, Hungary, Israel, Italy, Romania, Serbia, Slovakia and Switzerland), Iberia (Spain and Portugal), 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.
- ▶ 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 or Worldline's shares for sale or an invitation or inducement to invest in Atos or Worldline's shares in France, the United States of America or any other jurisdiction.
- ▶ Any information or project mentioned in this document may require to be executed the appropriate processes with the relevant works councils' representatives in accordance with applicable laws.

# Performance, vision & strategy

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**Thierry Breton**  
Chairman & CEO

# 2018 results and 2019 objectives

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# 2018 key figures

Revenue

**€12.3bn**

Organic growth

**+1.2%**

+1.2% in Q4

Book to bill

**112%**

Operating margin

**€1.3bn**

Operating margin rate

**10.3%**

Total number employees

**122,000**

Free cash flow\*

**€720m**

€540m in H2

OM conversion to FCF

**57%**

Net debt

**€2.9bn**

*Unaudited figures*

*\* Excluding €62m of acquisition and upfront financing costs for Syntel and Six Payment Services*

# 2019 objectives

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**Revenue organic growth**

➤ **+2% to +3%**

**Operating margin**

➤ **11.5% to 12% of revenue**

**Free cash flow**

➤ **€0.9bn to €1.0bn**

# Atos Journey

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# Over the past 10 years, we have delivered on our vision creating value becoming a true global player and the leader in our home market: Europe

|                              | 2008             |   | 2018                 |         |
|------------------------------|------------------|---|----------------------|---------|
| <b>Revenue</b>               | € 5.6 billion    | ➤ | € 12.3 billion       | >x2     |
| <b>Operating margin</b>      | € 0.3 billion    | ➤ | € 1.3 billion        | >x4     |
| <b>Profitability</b>         | 4.8%             | ➤ | 10.3%                | >x2     |
| <b>Free cash flow</b>        | € -0.1 billion   | ➤ | € 0.7 billion        | €+0.8bn |
| <b>Workforce</b>             | 51,000 employees | ➤ | c. 122,000 employees | >x2     |
| <b>Market capitalization</b> | € 1.2 billion    | ➤ | € 8.1 billion        | x7      |

# We have delivered on our vision – becoming the digital services and payments leader in Europe



European  
IT services

“I wanted to build a **leader in information technology** to **accompany European businesses** along their digital revolution”

Thierry Breton, Le Figaro 2015



in **IT Services** in Europe serving our customers worldwide



Cloud

“Our aim is to be a “**cloud enabler**”, supporting our clients to achieve their business objectives”

2009 Annual report



in **cloud / hybrid cloud** in Europe



Payments

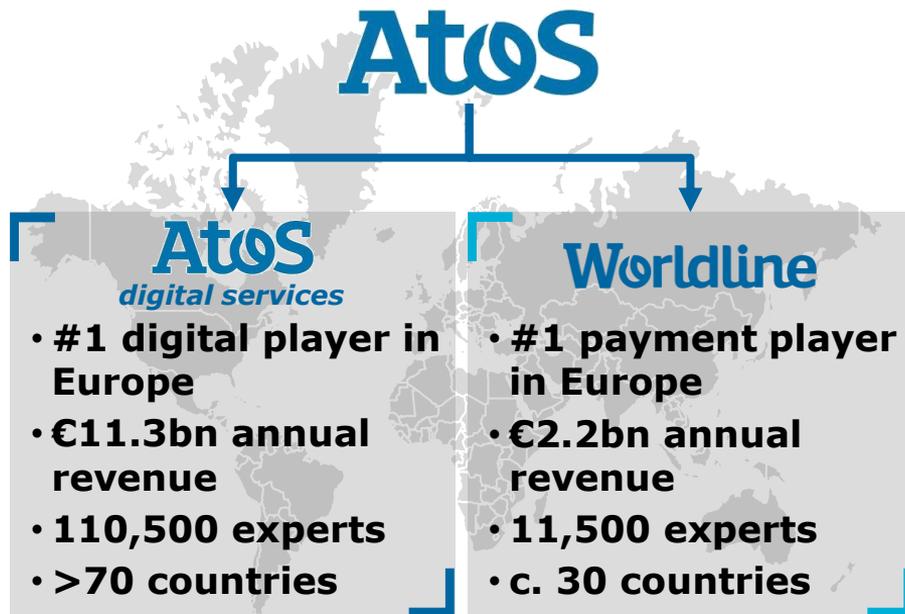
“We confirm our ambition to complete the IPO of **Worldline** in 2014, to accelerate its development and **to play a leading role** in the **consolidation of the European payments market.**”

2013 Annual results



in **payment** services in Europe

# From 2008 to 2018 we have progressively created 2 pure-play global leaders



Atos has now completed its **global profile, capabilities and geographical footprint** with the acquisition of **Syntel**

Worldline has now become **the undisputed leader in Europe** with the acquisition of **Six Payment Services**

Strong **ongoing partnership** between Atos and Worldline on an **arm's length** basis powered by a **common DNA**

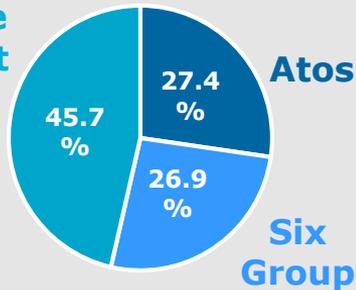
Two listed pure players with the same DNA leading in their respective markets

# Time to enhance both players' strategic and financial flexibility

Atos plans to submit to its next AGM on April 30, the resolution to distribute 23.4% of Worldline share capital to Atos shareholders holding 27.4% of Worldline share capital

## Worldline new shareholding structure

Free float



## Worldline governance

- ▶ Atos to reduce representation from 5 to 3 board members. 2 additional new independent board members
- ▶ No change in the board governance structure post Six Payment Services acquisition
- ▶ Chairman: Thierry Breton (non-executive)
- ▶ CEO: Gilles Grapinet (will no longer hold his former Atos' functions on February 1<sup>st</sup>)

## Atos' residual stake in Worldline

- ▶ Atos to keep a 27.4% stake in Worldline
- ▶ Deconsolidation of Worldline from Atos' accounts
- ▶ Stake in Worldline will be accounted for as a financial asset in Atos' Balance Sheet

Maintaining all existing partnerships on an arm's length basis through the **Atos-Worldline Alliance**

# Maintaining all existing partnerships on an arm's length basis

## Atos-Worldline Alliance

Joint **go-to-market** strategy

Continued **industrial** and **commercial partnership** through **management interactions** and **combination of expertise**



Common **talent** pools and networks



**Innovation** cooperation to leverage leading capabilities

Maintaining reciprocal **subcontracting agreements**

Data and security **expertise cooperation**



**Purchasing joint-synergies**

# Strict governance process of the project



- ▶ A **specific governance process** was organized by Atos Board of Directors with the highest standards of compliance
- ▶ An **ad-hoc committee** comprising all the independent directors and the Chairman of the Board was created end of 2018 to assess all the options:
  - Met several times with a strong involvement of each member
  - Was assisted by advisors (Goldman Sachs and d'Angelin Conseil)
  - Formulated, after careful evaluation, recommendations to the Board of Directors in favor of the proposed project
- ▶ **Strong support from Atos Board of Directors**

# Unanimous support from both Atos and Worldline's Board of Directors

## Atos

- ▶ Atos' Board of Directors unanimously plans to submit to its shareholders the **project to distribute in kind 23.4% of Worldline share capital**
- ▶ Atos to reinforce its focus as a **leading digital pure player**
- ▶ Atos' remaining position being booked as **a financial asset**
- ▶ Atos to benefit from an **increased strategic and financial flexibility**

## Worldline

- ▶ Worldline's Board of Directors unanimously welcomes **planned change in ownership structure**
- ▶ Worldline to increase its ability to act as a **key player in the consolidation of the European payment market**, using additional leverage and/or shares
- ▶ Worldline to benefit from an **improved equity profile** thanks to an increased free-float and stock market visibility

# Planned timetable

**February /  
March 2019**

- ▶ Launch of infoconsultation processes with the relevant works councils' representatives
- ▶ Publication of the first/second notice in the BALO convening the Annual Shareholder Meeting of Atos

**30 April 2019**

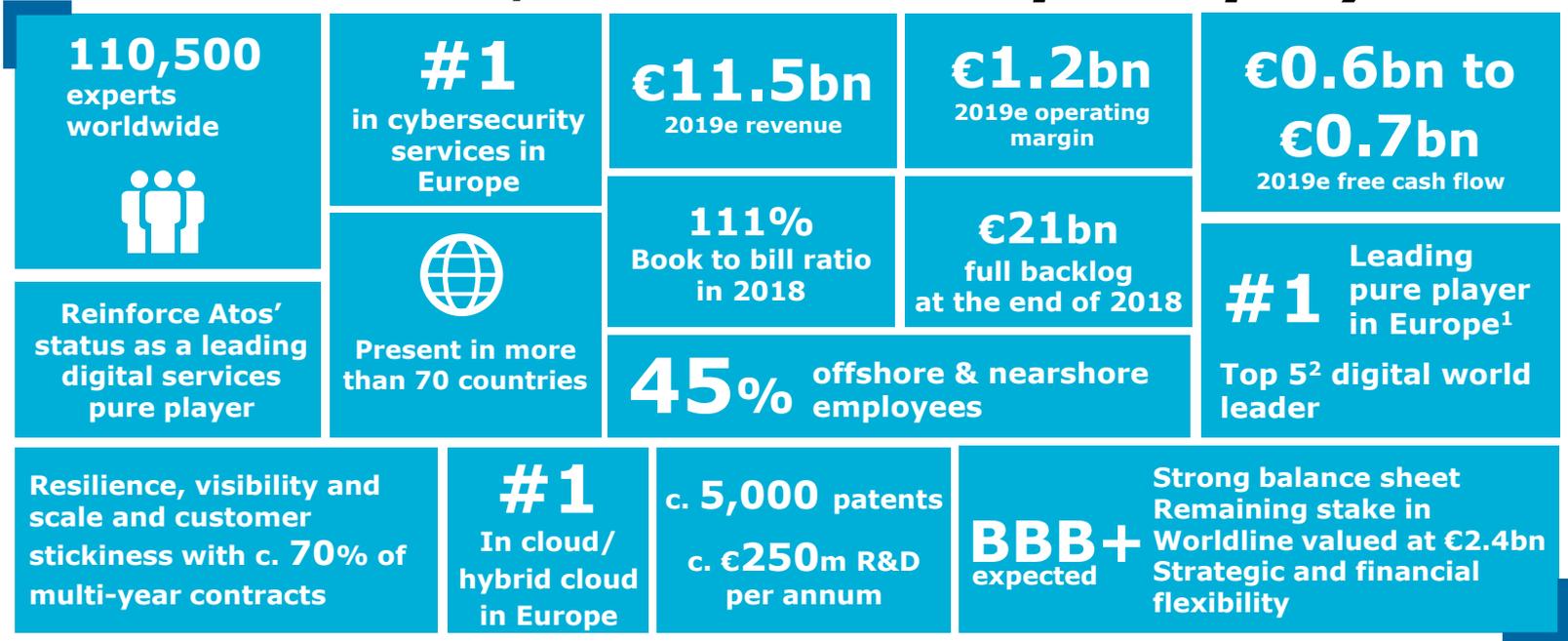
- ▶ Shareholder vote on proposed transaction combined with the Annual Shareholder Meeting

**May 2019**

- ▶ Effective distribution of Worldline's shares to Atos shareholders

# Atos digital services ID card:

## Atos, a reinforced pure play

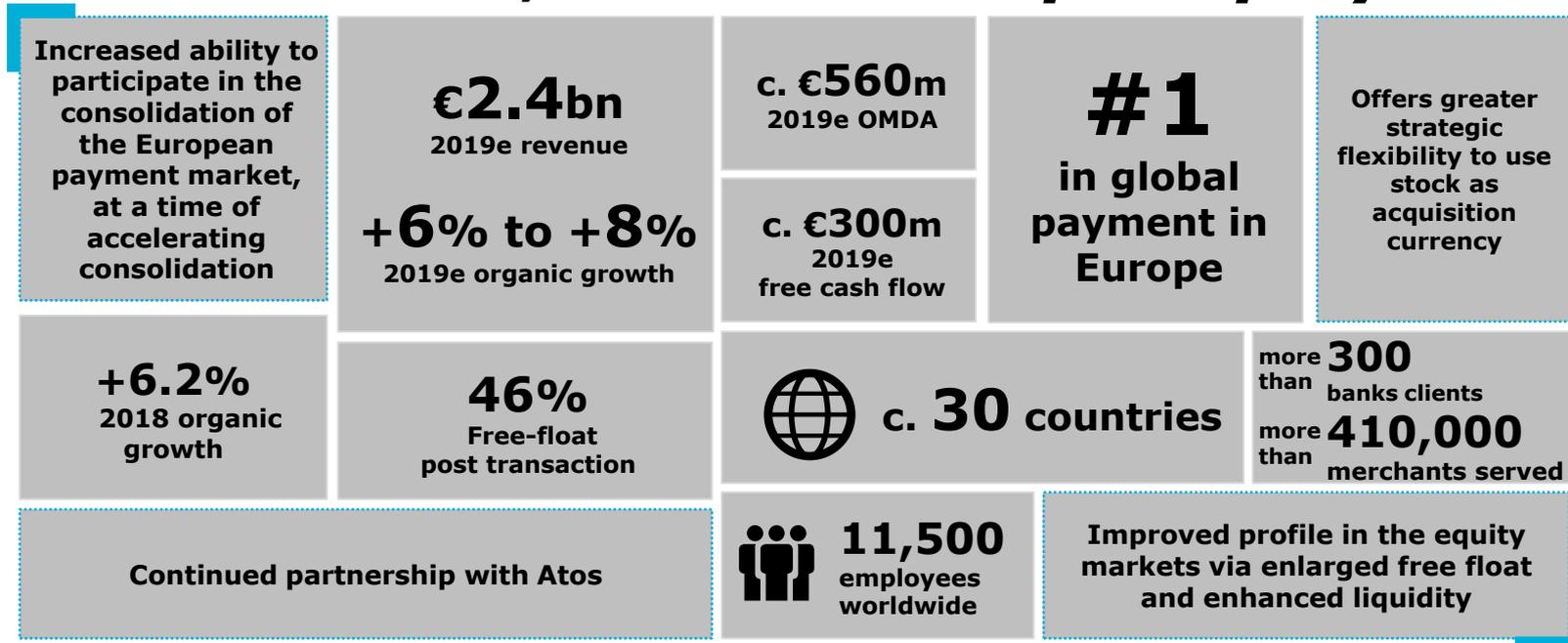


Note: Data as of December 31, 2018

<sup>1</sup> First European player / <sup>2</sup> Pro-forma Syntel acquisition

# Worldline ID card:

## Worldline, a reinforced pure play



Note: Data as of December 31, 2018

# Vision and ambition

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# A global context of growing uncertainties



## Geopolitical

- ▶ Increasing polarization nationalism and protectionism
- ▶ Evolving global balance of power
- ▶ Eroding trust in governance



## Economic

- ▶ Changes in trade policies
- ▶ Indebtedness
- ▶ Monetary uncertainty

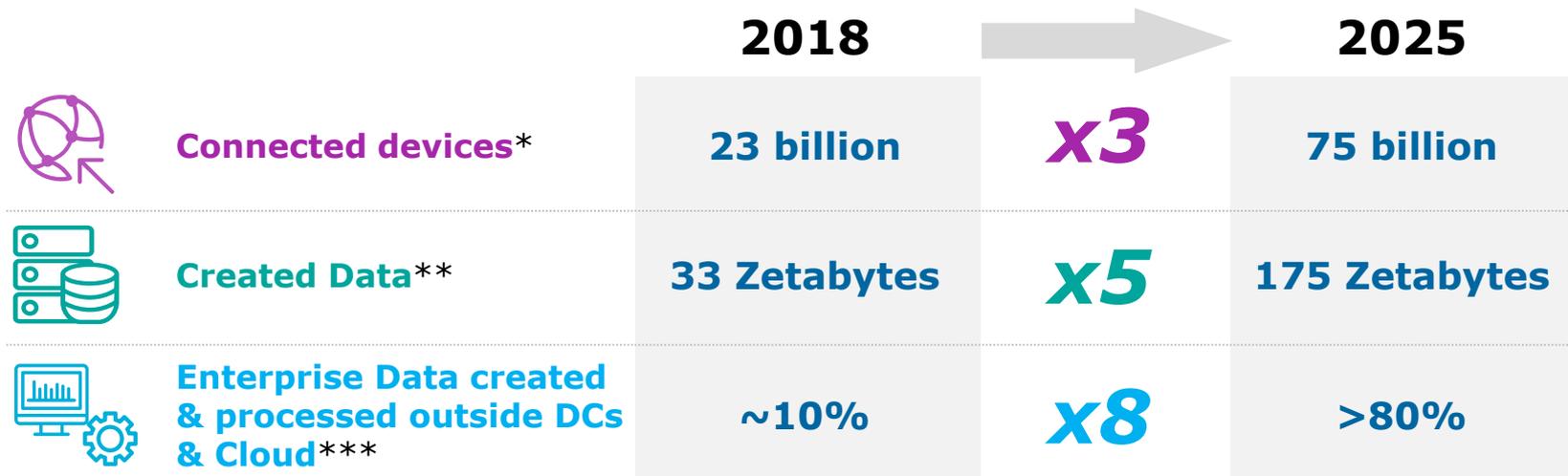


## Societal and environmental

- ▶ Environmental issues: scarce resources and natural hazard
- ▶ Financing of ecological transition challenge
- ▶ Rising wealth inequalities

# Leveraging the data deluge

“Digital transformation is not about the evolution of devices, it is about the integration of intelligent data into everything that we do.” (IDC)



Source: \*IHS \*\*IDC \*\*\*Gartner - October 3, 2018 "What Edge Computing Means for Infrastructure and Operations" - 2025 extrapolated from ~75% in 2022

# The digital services revolution over the past 10 years

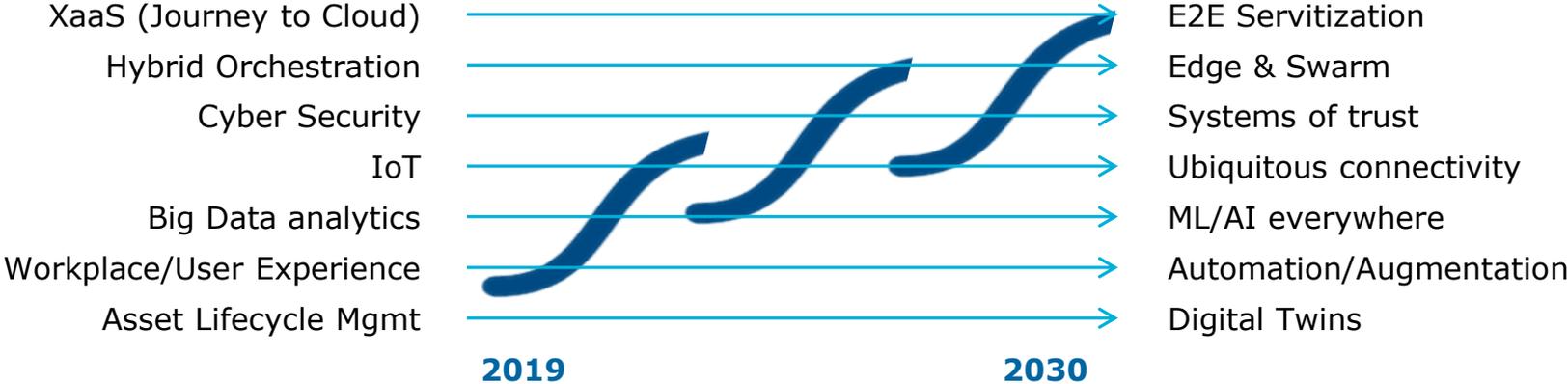
Through the last digital revolution we have already reinvented our offerings and services:



We are now entering the next wave of disruptive changes...

# Upcoming evolution for the next decade

## ... the era of Industry Platforms, Data Insights, and Servitization



# The foundation of the Atos digital value proposition

*Cybersecurity everywhere*



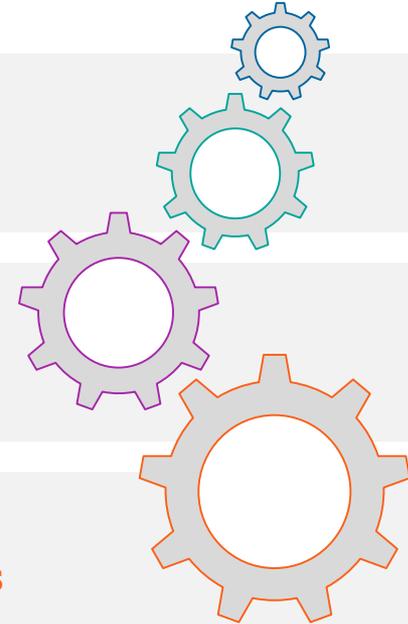
**Industry expertise and solutions**



**Smart data platforms and services**



**Ecosystems of multiple infrastructures**



# Leveraging IDM: a strategic asset and expertise at the heart of Atos next decade of digital services

2008



Store, monitor, operate and secure data

Perceived value of infrastructure



2018



Orchestrate ecosystems of multiple infrastructures enabling smart data value services



Value of future ecosystems of infrastructures

2030

Data-driven services enabled by infrastructures become smarter and more valuable

# Atos

Trusted Partner for your Digital Journey

Enabling our customers' digital business  
with secure data-driven ecosystems and  
end-to-end industry specific services and technologies

# Implementing the strategy: 2019-2021

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# ADVANCE 2021

Atos Digital Value  
Advancing Customer Excellence

**Atos**

# 4 main levers of execution

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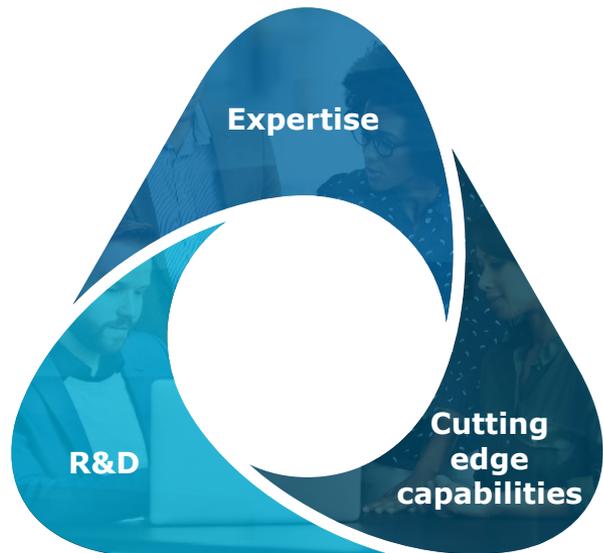
**T**echnology expertise and partnerships

**I**ndustry focus and vertical go-to-market

**M**obilize and develop people skills and key talents

**E**nhance and automate delivery model

# Technology expertise and partnerships



- ▶ Scientific community of 150 distinguished experts
- ▶ Large pool of 2,000+ international experts

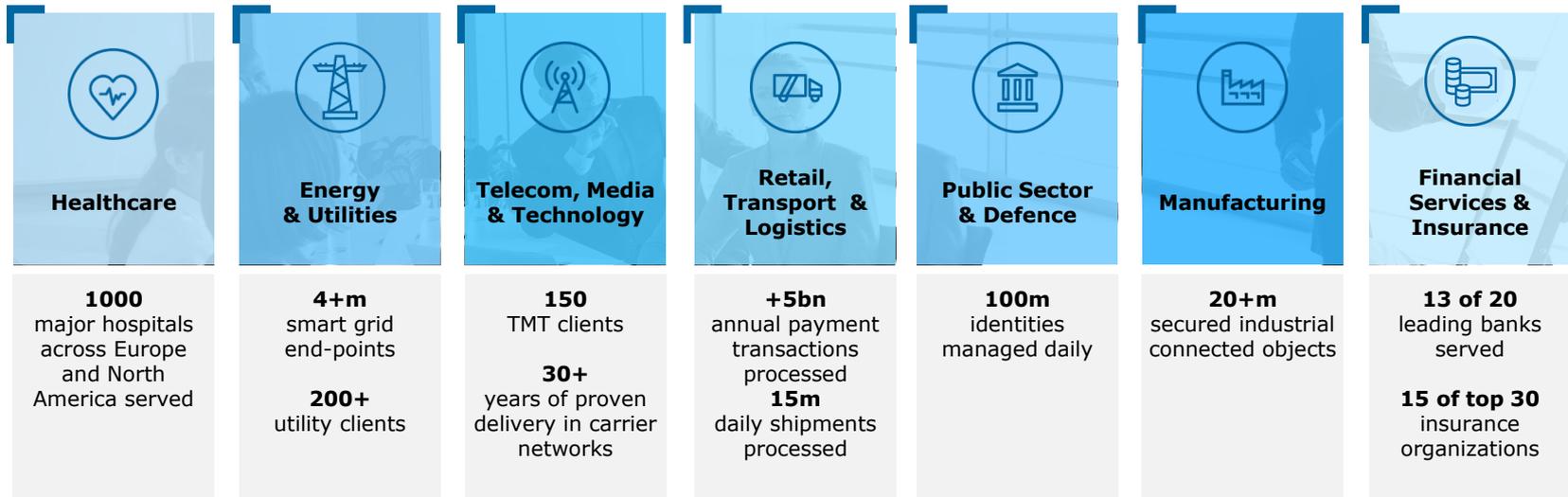


- ▶ Strong Patent policy
- ▶ 5,000+ active international patents at the Atos group level
- ▶ 200 new patents per year (2019-2022)



- ▶ c. €300m invested per year in R&D
- ▶ Chief Technology Office & R&D labs
- ▶ Strong partnership with key technology front-runners

# Industry focus and vertical go-to-market



Focus on **Global Integrated Accounts**

Adopt a **vertical Go-To-Market** approach

Build on **existing offers** and **proven cases**

# Mobilize and develop people skills and key talents



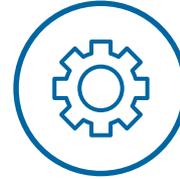
## Focus on digital skills

- ▶ Attracting best talents from world leading universities
- ▶ Continued increase in training and certification



## Dynamic pyramid management

- ▶ Promoting internally first
- ▶ Graduate recruitment
- ▶ Talent development



## Anticipation of the full deployment of automation

- ▶ Adaptation of hiring
- ▶ Upskilling programs
- ▶ Anticipating future of work people related stakes

**Atos HR  
roadmap  
to support  
Atos strategy  
towards 2021**

# Enhance and automate delivery model



## Smart methodology

Agile ways of working  
Lean organization

## Technology for tier-1 delivery:

Automated processes  
Unified collaboration solutions

## Organization capabilities:

Global presence  
Offshored centers of excellence  
BTICs network

# RACE

Road to  
Agile  
Competitiveness &  
Excellence

*A detailed program  
to achieve our  
operating margin  
trajectory*

Improve **customer satisfaction**

Minimize **lead time**

Maximize **productivity**

# Non-financial performance 2021 targets

## Consolidating our #1 CSR position in the industry



### A global employer

Talented **people** to support the digital transformation

- ▶ Increase the Atos GPTW Trust Index© reflecting employee satisfaction to Top10% Industry Benchmark based on the number of rewarded countries as Great Places To Work®



### A trusted partner

Generating **value** with co-innovation and sustainable business solutions

- ▶ Net Promoter Score above 50% for all our clients (larger scope)



### A fair player

**Ethics** and **exemplar governance** in the digital era

- ▶ 100% of employees trained in Code of Ethics
- ▶ 25% of women in Top management positions (x2)
- ▶ 70% of total spend assessed by EcoVadis



### A sustainable leader

Supporting the transition to a **low-carbon** economy

- ▶ Reduce by -7% to -20% CO2 Emissions by revenue (tCO2/€m)

**Enhanced governance with creation of a Board of Directors CSR committee**

# 2021 targets

|  | <b>Atos</b>                | <b>Atos</b><br><i>digital services</i> | <b>Worldline</b>         |
|--|----------------------------|--|--------------------------|
| <b>Revenue organic growth</b><br><i>(2019-2021 CAGR)</i> | +3% to +4%                 | +2% to +3%                             | +7% to +8%               |
| <b>Operating profitability</b><br><i>(% of revenue)</i>  | Operating margin at c. 13% | Operating margin between 11% and 11.5% | OMDA between 25% and 26% |
| <b>Free cash flow</b>                                    | €1.2bn to €1.3bn           | €0.8bn to €0.9bn                       | c. €0.4bn                |

# 2019 Investor Day

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**Atos**

The image features the word "AtoS" in a bold, white, sans-serif font, centered horizontally. The background is a dark blue gradient with a complex network of glowing light blue lines and nodes, resembling a digital or data network. The nodes are small circles of varying sizes, some of which are larger and more prominent, creating a sense of depth and connectivity. The overall aesthetic is modern and technological.

**AtoS**