

# Q3 2019 revenue

October 24, 2019

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**Atos**

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- ▶ Revenue organic growth is presented at constant scope and exchange rates.
- ▶ Business Units include **North America** (USA, Canada, and Mexico), **Germany, France, United Kingdom & Ireland, 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.

# Agenda

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1. Q3 2019 Highlights
2. Q3 2019 Performance
3. Conclusion and Q&A

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# **Q3 2019 Highlights**

Thierry Breton

Chairman & CEO

# Q3 2019 Highlights

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**Infrastructure & Data Management back to growth fueled by North America as anticipated**

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**Stable revenue in Business & Platform Solutions with soft activity in Healthcare and Financial Services in North America**

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**Order entry and cost synergies with Syntel continued to materialize as planned**

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**Very strong performance in Big Data & Cybersecurity led by Cybersecurity services and High Performance Computing**

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**Strong commercial dynamic with a book to bill at 100% with large signatures in North America and Germany**

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**Acceleration in Atos innovation capabilities:  
Opening of 3 Labs of which 2 new Atos-Google Labs, extended HPC performance**

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**Atos confirmed leadership in sustainability as #1 worldwide in Digital industry on the Dow Jones Sustainability Index**

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# Q3 2019 key figures

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**+1.8%**

**Organic growth**

**100%**

**Book to bill**

**€21.2bn**

**Backlog**

**€2,770m**

**Revenue**

**€2,775m**

**Order entry**

**107,543**

**Total headcount**

# 2019 objectives confirmed

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**Revenue  
organic growth**

**+1% to +2%**

**Operating  
margin**

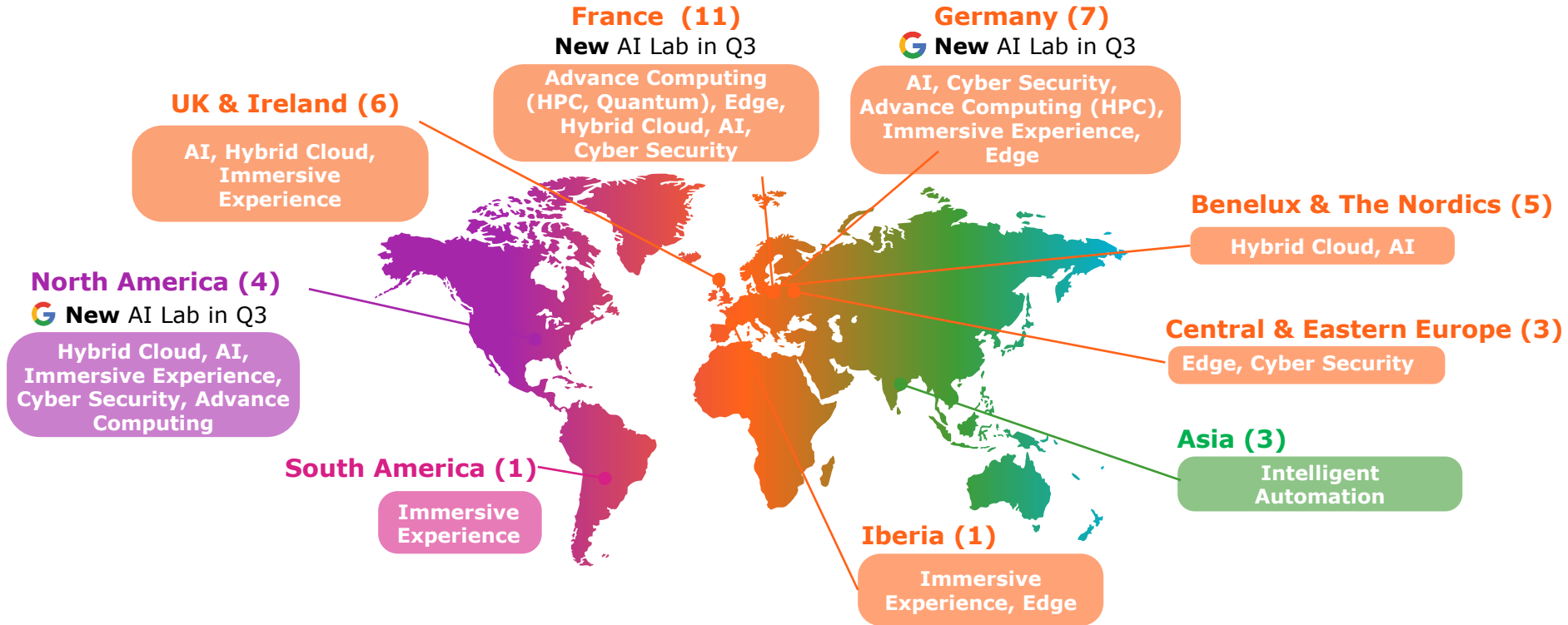
**c. 10.5%** of revenue

**Free cash flow**

**€0.6 to €0.7bn**

# Moving Atos Labs network towards Artificial Intelligence

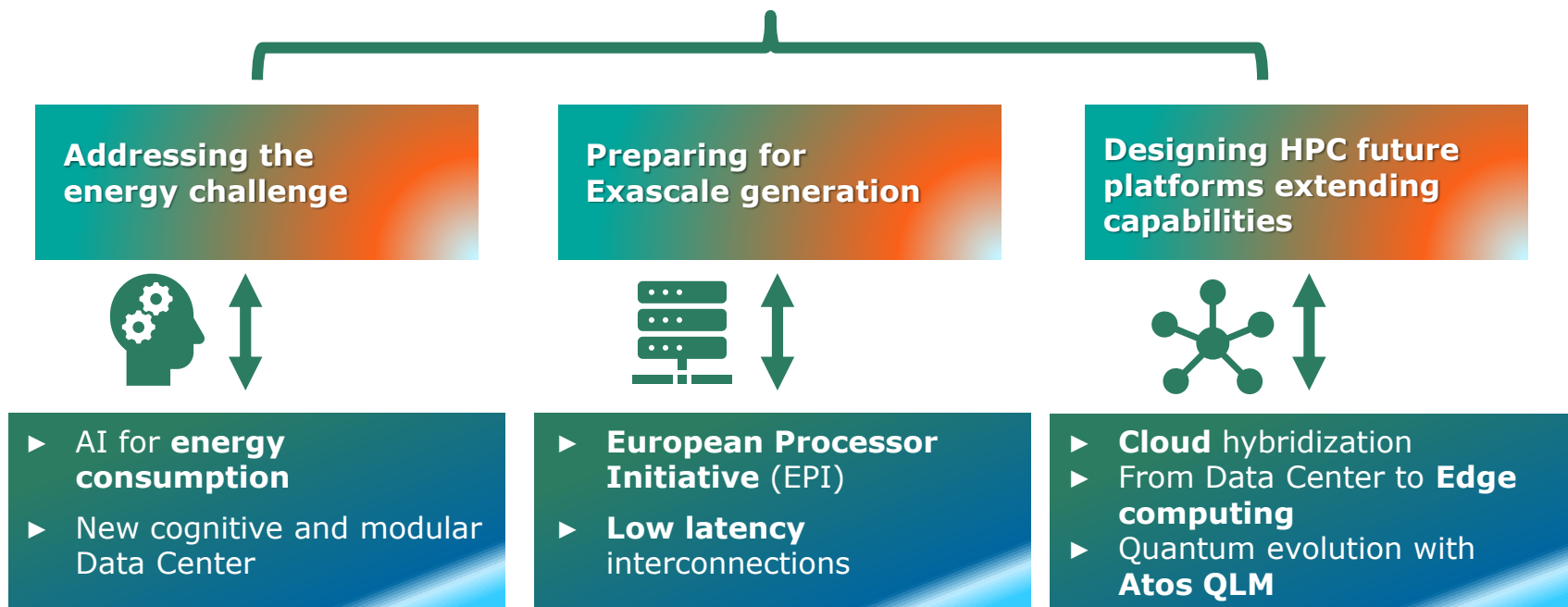
2 new Atos-Google labs opened in Q3 in Dallas and Munich, 1 new Lab in Grenoble





# HPC: targeted investments to further lead the innovation race

## New Generation capabilities to maintain Leadership

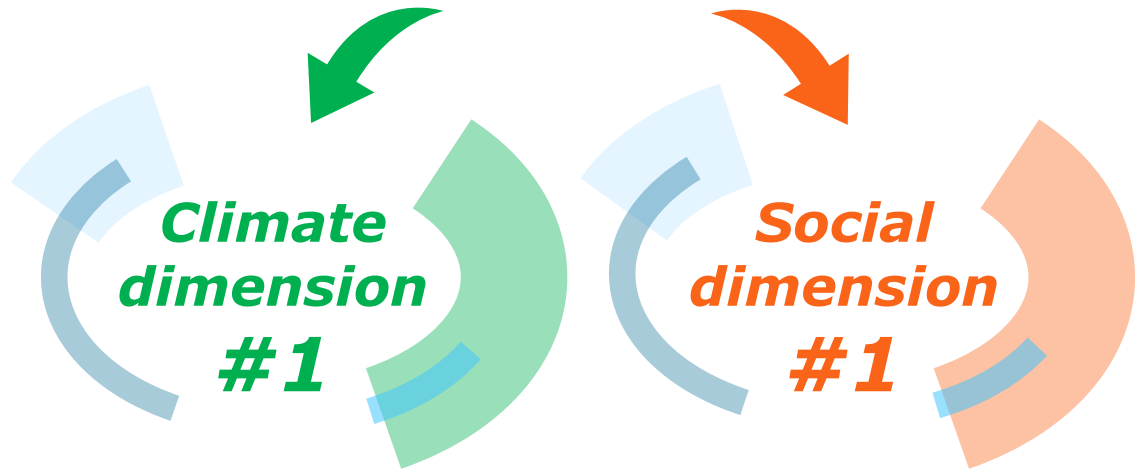


# Highest recognition levels for Atos' Corporate Responsibility & Sustainability

For the 5<sup>th</sup> year in a row, **Atos** recognized both in the **DJSI\*** World Index and the **DJSI Europe Index** enabling **GOLD** recognition worldwide

\* MEMBER OF  
**Dow Jones Sustainability Indices**  
In Collaboration with RobecoSAM

In 2019, Atos has reached the **#1 position worldwide in Digital industry**



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## **Q3 2019 Performance**

Elie Girard

Deputy CEO & Group CFO

# Main wins in Q3 2019



Digital  
Workplace



Next  
Generation  
9-1-1



Cybersecurity  
services

Leading  
Healthcare  
Company  
in North  
America



Hybrid Cloud  
Migration



Die  
Autobahn



S/4 HANA  
Implementation

Multinational  
Software  
Corporation



BullSequana  
Servers

European  
leading Oil  
& Gas  
Company



Cloud  
Workplace



New  
multi-format  
video player  
system



Meteo  
Simulation  
System

# Q3 2019 Commercial activity dashboard

**Order entry**  
**€2.8bn**

**Backlog**  
**€21.2bn**  
*1.9 year of revenue*

**Book to bill**  
**100%**  
*87% in Q3 2018*

**Qualified Pipeline**  
**€7.2bn**  
*7.6 months of revenue*

# Constant scope and exchange rates figures reconciliation

<i>In € million</i>	Q3 2019	Q3 2018	% change
Statutory revenue	2,770	2,884	-4.0%
Exchange rates effect		11	
Revenue at constant exchange rates	2,770	2,895	-4.3%
Scope effect		-181	
Exchange rates effect on acquired/disposed perimeters		8	
<b>Revenue at constant scope and exchange rates</b>	<b>2,770</b>	<b>2,722</b>	<b>+1.8%</b>

- ▶ **Exchange rates** effect positively contributed to revenue for €+19 million mainly coming from the American dollar.
- ▶ **Scope effect** mostly related to the restatement linked to the deconsolidation of Worldline, the acquisition of Syntel, and the disposal of some specific Unified Communication & Collaboration activities.

# Q3 2019 performance by Division

- ▶ **Infrastructure & Data Management** returned to growth in Q3 led by North America
- ▶ **Soft Business & Platform Solutions** activity in both Healthcare and Financial Services in North America
- ▶ **Strong growth in all business segments in Big Data & Cybersecurity**

<i>In € million</i>	<b>Q3 2019</b>	<b>Q3 2018*</b>	<b>Organic evolution</b>
Infrastructure & Data Management	1,533	1,521	+0.8%
Business & Platform Solutions	1,010	1,008	+0.2%
Big Data & Cybersecurity	227	193	+17.6%
<b>Total</b>	<b>2,770</b>	<b>2,722</b>	<b>+1.8%</b>

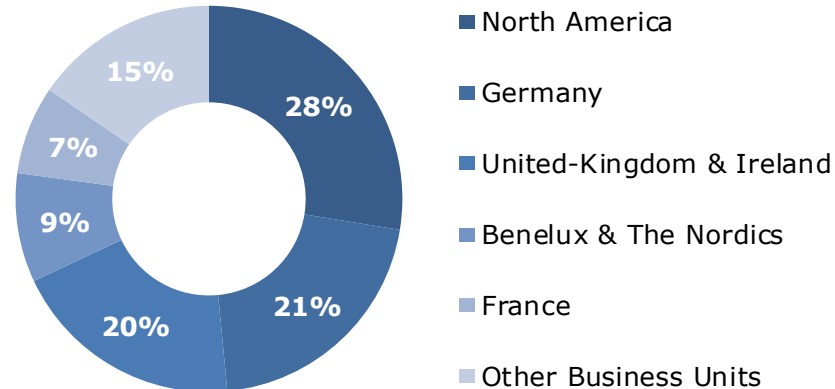
\* At constant scope and exchange rates

# Infrastructure & Data Management

- ▶ **Return to growth as expected and fueled by North America**
- ▶ **Strong order entry led by Germany and North America**
- ▶ **Continued development of Hybrid Cloud and Transformation Services in all geographies**

*In € million*

	<b>Q3 2019</b>
Revenue	1,533
<i>Organic growth</i>	+0.8%
Order Entry	1,550
<i>Book to Bill</i>	101%
Direct headcount	43,836
<i>Variation in Q3 at constant scope</i>	-2%





# Infrastructure & Data Management follow-up

Executing on “back to growth strategies” in line with 3 Year Plan



## Securing renewals and winning more “new”

4 new large deals each >180M TCV

10 new contracts between 30M and 100M TCV

10 out of 11 renewals >30M TCV



## Hybrid Cloud growth ahead of plan

+23% YTD Organic Growth

Modernizing & Migrating



## Leading in Digital Workplace

Significant Order Entry with large to very large contracts



## North America back to growth

Performed in Q3



## Accelerating growth in “Other Business Units”

+5% YTD Organic Growth in “Other Business Units” (CEE, APAC, MEA, ...)

# Infrastructure & Data Management in North America

## Building on Fundamentals



### Customer Satisfaction

Increase in **Net Promoter Score** enabling new opportunities & securing renewals



### Go-to-Market

All **go-to-market resources closer to Clients** and increase of Client Architects



### Hybrid Cloud Services

**Leveraging Google partnership** and Hybrid Cloud solutions also with Atos DPC, VMware, Azure and AWS



### Digitalization

**Growing proportion of projects in Digital** (IoT, Cloud, ServiceNow, HANA, workplace modernization)



### Unified Communication & Collaboration

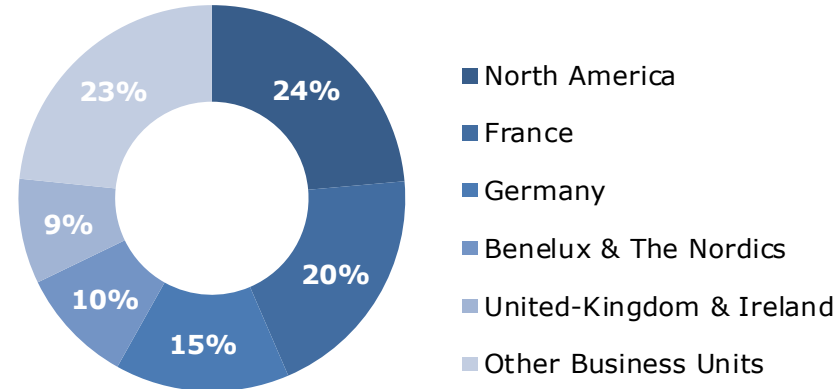
**Good momentum in UCC** for public safety services

# Business & Platform Solutions

- ▶ Continued strong growth in Digital Transformation projects in all geographies
- ▶ Order entry synergies with Syntel continuing to materialize as planned
- ▶ Impact from Healthcare activities and tensions in Financial Services in North America
- ▶ Cleaning of several low margin Atos legacy contracts in H1 2019

*In € million*

	<b>Q3 2019</b>
Revenue	1,010
Organic growth	+0.2%
Order Entry	970
Book to Bill	96%
Direct headcount	49,857
Variation in Q3 at constant scope	-1%



# Syntel integration and revenue synergies

## New signatures in Q3 and strong pipeline

**Syntel clients** – High customer retention rate and good traction on combined offerings on Cloud and Cybersecurity

Focused on driving **account expansion**; **21 deals** closed in Q3 by cross selling Syntel capabilities

**Land-and-Expand model** of Syntel implemented in **8 Atos clients**



## Revenue Synergies

- **21** deals closed in Q3
- c. **\$ 255M** order entry signed in Q3
- Total opportunities end of September up to **\$1.1bn** full pipeline

### Leading healthcare customer in North America

*(New customer)*

To provide end-to-end cloud transformation on both infrastructure and applications

### Large aircraft manufacturer *(Atos customer)*

Expand our contract by integrating Atos Syntel and our proprietary IP SyntBots

Q3

# Syntel delivery and cost synergies


## Account Transformation and Integrated Offerings



### Transformation synergies

Wave 3 of transition to Atos Syntel completed in Q3 leading to **€1.1bn** contracts transferred to Atos Syntel team

**€30M cost synergies** confirmed in 2019 through improved operational effectiveness and actions on G&A

Launched **Cloud-native Fast Data** platform and  **Atom** - an **intelligent digital platform** to power customers' smart applications

### Process, quality and tools integration



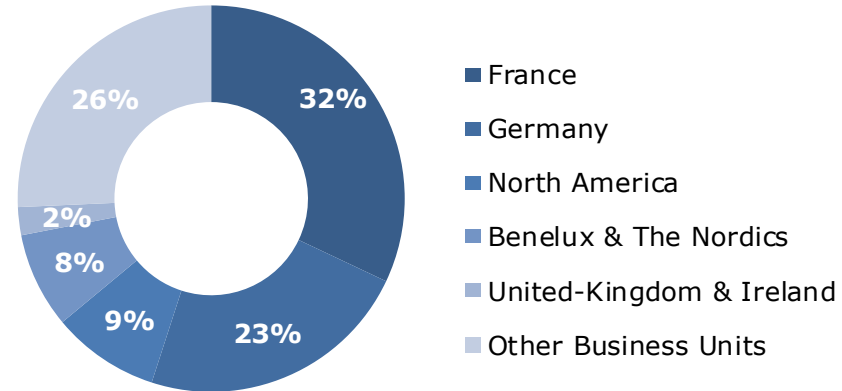
- ▶ Development and deployment of our new **integrated delivery platform** KI NxtT bringing together **best practices from Atos and Syntel**
- ▶ Piloted in 32 projects in Q3 and now rolling-out since October 1<sup>st</sup>

# Big Data & Cybersecurity

- ▶ Continued strong business trend with double-digit growth in both High Performance Computing and Cybersecurity services
- ▶ Reinforcement of portfolio offerings with IDnomic acquisition
- ▶ Strong level of hiring in highly skilled people

*In € million*

	<b>Q3 2019</b>
Revenue	227
Organic growth	+17.6%
Order Entry	255
Book to Bill	112%
Direct headcount	5,404
Variation in Q3 at constant scope	+2%



# Big Data & Cybersecurity pursuing growth in all segments



## Cybersecurity of any infrastructure

- Cloud security, multi cloud security
- International expansion

## High-Performance Computing, AI, Big Data, Edge computing



- High-end HPC worldwide
- Cloud Infrastructure and High-End servers

## Mission critical systems - Secured Communications - Smart processes



- New Generation Command & Control Systems
- Communication, surveillance and intelligence platforms



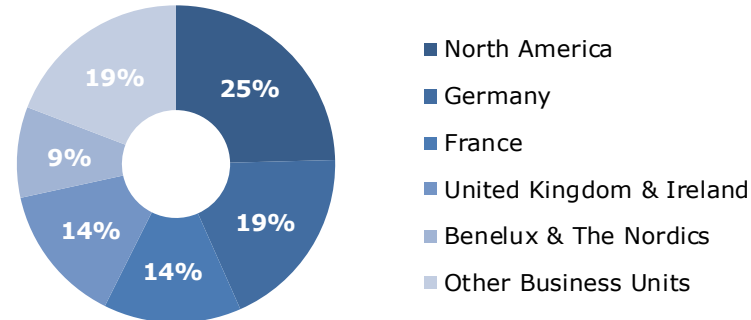
# Q3 2019 performance by Business Unit

- ▶ Revenue growth in most of the geographies
- ▶ Strong improvement in North America close to stabilization
- ▶ Solid performance in Benelux & The Nordics as well as in Other

## Business Units

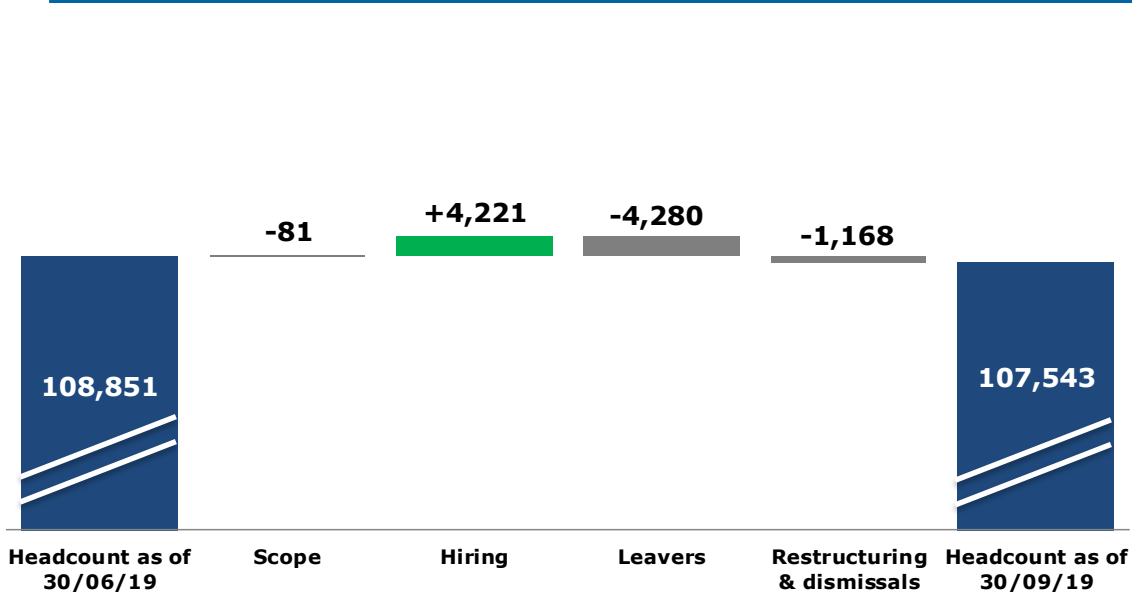
<i>In € million</i>	Q3 2019	Q3 2018*	Organic evolution
North America	681	687	-0.9%
Germany	520	516	+0.7%
France	388	383	+1.2%
United Kingdom & Ireland	393	389	+1.2%
Benelux & The Nordics	256	242	+5.9%
Other Business Units	531	504	+5.3%
<b>Total</b>	<b>2,770</b>	<b>2,722</b>	<b>+1.8%</b>

\* At constant scope and exchange rates





# Q3 2019 headcount evolution



## Highlights (YTD)

**37,000** new digital certifications

**1,200** new Cyber Security experts (o/w 40% internal upskilling)  
**+IDnomic 110** Security experts

**590** Google certified (+ 30% vs. H1)

**4,430** Employees trained in Atos Codex

**7,000+** Project Manager trained on Agile methodology

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**Conclusion**  
Thierry Breton  
Chairman & CEO

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# Reminder of 2019 main priorities

Return to growth in H2 for  
**North America** and for  
**Infrastructure & Data  
Management**

**Successfully integrate Syntel**  
and generate **synergy plans** to  
improve Business & Platform  
Solutions profitability

Roll out **RACE program** to  
increase operational profitability

Position **Big Data &  
Cybersecurity** as a **leading  
player** for the upcoming  
consolidation of this segment

**Deliver financial objectives in 2019 and confirm 2021 ADVANCE targets**

Q&A



# Thank you

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The Atos logo is displayed in white, bold, sans-serif capital letters. The letter 'o' is stylized with a white circle inside it. The background of the slide features large, overlapping blue circular shapes of varying shades.