

Q1 2022

Revenue growth at constant currency: -0.6%

Significant sequential improvement vs. Q4 2021

Full-year objectives confirmed

Atos capital markets day: June 14, 2022

Paris, April 27, 2022: Atos, a global leader in digital transformation, high-performance computing and information technology infrastructure, today announces its revenue of the first quarter of 2022.

Rodolphe Belmer, Chief Executive Officer of Atos, declared: *"Revenue in Q1 was in line with our expectations, and fully consistent with the quarterly sequence embedded in our 2022 guidance. Albeit negative, revenue growth at constant currency improved sequentially, driven by an improvement in our Tech Foundations business while Digital and Cybersecurity remained well into positive territory."*

Atos actively laid the foundations of its transformation, with the swift adaptation of its governance under the helm of a strengthened senior executive team, while continuing to capitalize on its core expertise. Gartner recently ranked Atos the new number one company in managed security services worldwide. We also unveiled our new exascale-class BullSequana supercomputer, bolstering our position as the undisputed European leader in supercomputing.

We continued to press ahead with large-scale recruitment in our growth activities and exceeded our Q1 target with 8,200 gross new hires, mainly in offshore and nearshore locations.

These are encouraging signs that the Group is starting to reap the benefits of the energetic turnaround plan engaged since the beginning of the year. I am confident that we are taking the right steps to position Atos on a long-term value creation path."

Q1 2022 revenue: -0.6% at constant currency, -2.4% organically

Atos' consolidated revenue was € 2,747 million in Q1 2022, up +2.1% on a reported basis, and down -0.6% at constant currency. On an organic basis, revenue decreased by -2.4%. Q1 2022 showed a significant sequential improvement compared to Q4 2021, where revenue contracted -5.4% at constant currency and -6.9% organically excluding the impact of the UK BPO contract reassessment.

The acquisition of Cloudreach was finalized on January 3rd, leading to full consolidation and reporting under the Americas as well as Northern Europe & APAC regions since that date. In total, acquisitions contributed +1.7% to the Group's revenue growth. Foreign exchange contributed +2.7%, mainly reflecting the appreciation of the American Dollar and the Pound Sterling against the Euro over the period.

Q1 2022 revenue by Regional Business Unit

Under Atos' new simplified governance, regional business units have been modified. The table below presents pro forma figures for Q1 2021 at constant currency. A reconciliation between former regional business units and the new ones is presented in the appendix of this press release.

<i>In € million</i>	Q1 2022	Q1 2021*	Change at constant currency
Americas	647	637	+1.5%
Northern Europe & APAC	821	841	-2.3%
Central Europe	617	629	-1.8%
Southern Europe	601	607	-1.0%
Rest of the World	60	51	+18.3%
Total	2,747	2,765	-0.6%

* At constant currency

Americas revenue grew by +1.5% at constant currency, driven by the contribution of recent acquisitions in multi-cloud services (Cloudreach) and in product lifecycle management (Processia). Growth in Digital activities, in particular with the ramp-up of a large contract in Healthcare & Life Sciences, was offset by a decrease in Unified Communication & Collaboration activities.

Northern Europe & APAC revenue decreased by -2.3% at constant currency. Strong business growth in Manufacturing and Healthcare & Life Sciences was offset by a decrease in other industries, especially Telecom, Media & Technology, which suffered from a volume reduction in its "lab as a service" activity, and in Financial Services & Insurance, following the reassessment of the large BPO contract in Q4 2021, which effect was mitigated by the ramp up of other contracts.

Central Europe revenue decreased by -1.8% at constant currency, driven by a significant decrease in Telecom, Media & Technology due to the ramp down of contracts with two large telecom customers. Most of the other industries delivered growth, in particular Resources & Services with the start of new contracts for a global foodservice retailer and a leading logistic company.

Southern Europe revenue decreased by -1.0% at constant currency. The situation was contrasted across industries, with strong growth in Healthcare & Life Sciences' digital activities, as well as in Manufacturing, driven by the ramp-up of a large automotive contract and the catch up on High-Performance Computing deals that slipped from 2021 to 2022. Conversely, revenue decreased in Public Sector & Defense due to lower High-Performance Computing sales, in Financial Services & Insurance due to the termination of a contract with a major Spanish bank, and in Telecom, Media & Technology, due to lower hardware and software resale.

Rest of the World revenue grew strongly, by +18.3% at constant currency, supported by business related to the Beijing Olympics and a strong growth across most industries.

Q1 2022 revenue by Industry

The situation was contrasted across Industries with Manufacturing, Resources & Services and Healthcare & Lifesciences recording growth, while revenue decreased in Financial Services & Insurance, Public Sector & Defense and Telecom, Media & Technology.

<i>In € million</i>	Q1 2022	Q1 2021*	Change at constant currency
Manufacturing	521	494	+5.6%
Financial Services & Insurance	539	563	-4.3%
Public Sector & Defense	573	589	-2.7%
Telecom, Media & Technology	347	386	-10.1%
Resources & Services	412	406	+1.6%
Healthcare & Life Sciences	355	327	+8.4%
Total	2,747	2,765	-0.6%

* At constant currency

Manufacturing revenue grew by +5.6% at constant currency, rebounding from a low Q1 2021, supported by the acquisition of Processia in June 2021 and by increased volumes in the cloud computing sector.

Financial Services & Insurance revenue decreased by -4.3% at constant currency, following the reassessment of the large BPO contract conducted in Q4 2021, and the termination of a contract with a major Spanish Bank.

Public Sector & Defense revenue decreased by -2.7% at constant currency, due to lower High-Performance Computing sales and the ramp-down of digital workplace projects with a US State.

In **Telecom, Media & Technology**, revenue contracted by -10.1% at constant currency, driven by a volume reduction in the "lab as a service" activity, as well as contracts ramp-down in telecoms.

Resources & Services revenue grew by +1.6% at constant currency as solid growth in transport & logistics compensated a decrease in the energy sector.

Healthcare & Life Sciences posted a strong +8.4% growth at constant currency, with solid growth in most regions.

Commercial activity

Order entry was **€ 2.0 billion** in Q1 2022, representing a book to bill ratio of 72%, compared to 96% in Q1 2021. This low level is not representative of revenue trends expected for the balance of the year, as it is primarily the reflect of (i) the timing of contract renewals, as significant renewals took place in prior quarters, including in Q1 2021 and (ii) a decrease in the average duration of new contracts.

Full backlog was **€ 23.3 billion**, decreasing by € 0.7 billion at constant currency compared to the end of 2021 and representing 2.1 years of revenue. The **full qualified pipeline** reached **€ 6.9 billion**, broadly stable compared to the end of 2021 at constant currency.

Human resources

Total headcount stood at **111,355** at the end of March 2022, up +2.0% compared to 109,135 at the end of December 2021 (+1.4% organically).

In the first quarter of 2022, Atos **hired 8,234 new employees** (gross) mainly in Digital and BDS, and predominantly in offshore and nearshore countries, and welcomed Cloudreach's 742 employees.

2022 full-year objectives confirmed

Atos confirms its 2022 full-year objectives and reiterates that its performance will be back-end loaded towards the second half of the year.

While the first half of the year will be impacted by the continued decline in classic IT services, combined with personnel cost inflation and supply chain tensions, we target an improvement in the second half, with revenue growth at constant currency turning positive, and an uptick in operating margin. This improvement will be the reflect of performance optimization actions already implemented, an easier comparison basis and a more favorable revenue mix.

Free cash flow should improve compared to 2021, and will largely depend on operating margin delivery and further working capital fluctuations.

For the full-year, Atos expects:

- Revenue growth at constant currency of -0.5% to +1.5%;
- Operating margin of 3% to 5%;
- Free cash flow between €-150 million and € 200 million.

Atos confirmed managed exit of Russia-based operations

Atos condemns the war in Ukraine. On April 5, the Group confirmed the managed exit of its Russia-based operations, that generated c. 0.4% of Group revenue in 2021. Atos delivers critical digital services to some of its global clients out of Russia.

The feasibility of exiting Russia has required significant planning in terms of implications for business operations and for Atos employees based there. Atos is focused on managing the impact on its employees as part of an orderly exit. In support of its global clients, the Group is moving services currently delivered from Russia to other countries, including India and Turkey.

Save the date: Atos Capital Markets Day

Atos invites investors and analysts to participate in its capital markets day, which will be held in Paris on June 14, 2022, and where senior management will present the Group's new strategic plan.

Venue, time and detailed agenda will be communicated nearer the date.

Analyst and investor conference call

Atos Management invites analysts and investors to a conference call on the Group 2022 first quarter revenue, on **Wednesday, April 27, 2022 at 08:00 am** (CET – Paris) chaired by Rodolphe Belmer, CEO.

You can join the **webcast** of the conference:

- via the following link: <https://edge.media-server.com/mmc/p/pkkboz2k>
- by telephone, upon registration at least 10 minutes prior to the starting time, using the following link: <http://emea.directeventreg.com/registration/6566226>

Upon registration, you will be provided with Participant Dial In Numbers, a Direct Event Passcode and a unique Registrant ID. Call reminders will also be sent via email the day prior to the event.

During the 10 minutes prior to the beginning of the call, you will need to use the conference access information provided in the email received upon registration.

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

Forthcoming events

May 18, 2022

June 14, 2022

July 27, 2022 (Before Market Opening)

Annual General Meeting

Capital Markets Day

First semester 2022 results

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Appendix

Revenue at constant scope and exchange rates reconciliation

<i>In € million</i>	Q1 2022	Q1 2021	% change
Statutory revenue	2,747	2,692	+2.1%
Exchange rates effect		73	
Revenue at constant exchange rates	2,747	2,765	-0.6%
Scope effect		46	
Exchange rates effect on acquired/disposed perimeters		2	
Revenue at constant scope and exchange rates	2,747	2,813	-2.4%

Exchange rates movements contributed positively to revenue growth, for €+73 million. They mostly came from the appreciation of the American Dollar and the Pound Sterling against the Euro over the period.

Scope effect (including exchange rates effect on acquired/ disposed perimeters) amounted to €+48 million. It related to acquisitions made in 2021 and in Q1 2022 (SEC Consult, Ipsotek, Infidem, Motiv, Profit4SF, Processia, Nimbix, Ideal GRP, Visual BI, Cryptovision, AppCentrica, DataSentic, Cloudreach).

Q1 2021 published revenue: reconciliation between new Regional Business Units and former ones

<i>In € million</i>	Q1 2021 revenue*	Americas	Northern Europe and APAC	Central Europe	Southern Europe	Rest of the World
North America	564	564				
Northern Europe	730		714	17		
Central Europe	609			609		
Southern Europe	607				607	
Growing Markets	181	31	99			51
Total	2,692	595	813	626	607	51

* Published

About Atos

Atos is a global leader in digital transformation with 111,000 employees and annual revenue of c. € 11 billion. European number one in cybersecurity, cloud and high performance computing, the Group provides tailored end-to-end solutions for all industries in 71 countries. A pioneer in decarbonization services and products, Atos is committed to a secure and decarbonized digital for its clients. Atos is an SE (Societas Europaea), listed on Euronext Paris and included in the CAC 40 ESG and Next 20 indexes.

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 competitor's behaviors. Any forward-looking statements made in this document are statements about Atos's beliefs and expectations and should be evaluated as such. Forward-looking statements include statements that may relate to Atos's 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 2021 Universal Registration Document filed with the Autorité des Marchés Financiers (AMF) on April 6, 2022 under the registration number D.22-0247. 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's shares for sale or an invitation or inducement to invest in Atos's shares in France, the United States of America or any other jurisdiction.

Revenue organic growth is presented at constant scope and exchange rates.

Industries include **Manufacturing** (Aerospace, Automotive, Chemicals, Consumer Packaged Goods (Food & Beverage), Discrete Manufacturing, Process Industries, Services and Siemens), **Financial Services & Insurance** (Insurance, Banking & Financial Services, and Business Transformation Services), **Public Sector & Defense** (Defense, Education, Extraterritorial Organizations, Public Administration, Public Community Services and Major Events), **Telecom, Media & Technology** (High Tech & Engineering, Media, and Telecom), **Resources & Services** (Energy, Retail, Transportation & Hospitality, and Utilities) and **Healthcare & Life Sciences** (Healthcare and Pharmaceutical).

Regional Business Units include **Americas** including North America (USA, Canada, Guatemala and Mexico) and South America (Argentina, Brazil, Chile, Colombia, Uruguay, and Peru), **Northern Europe and APAC** including Northern Europe (United Kingdom & Ireland, Belgium, Denmark, Estonia, Belarus, Finland, Lithuania, Luxembourg, The Netherlands and Sweden) and Asia-Pacific (Australia, China, Hong Kong, India, Japan, Malaysia, New Zealand, Philippines, Singapore, Taiwan, and Thailand), **Central Europe** (Germany, Austria, Bulgaria, Bosnia, Croatia, Czech Republic, Greece, Hungary, Israel, Poland, Romania, Russia, Serbia, Slovenia, Slovakia, and Switzerland), **Southern Europe** (France, Andorra, Spain, Portugal, and Italy) and **Rest of the World** including Middle East & Africa (Algeria, Benin, Burkina Faso, Egypt, Gabon, Ivory Coast, Kenya, Kingdom of Saudi Arabia, Madagascar, Mali, Mauritius, Morocco, Qatar, Senegal, South Africa, Tunisia, Turkey and UAE), Major Events and Global Delivery Centers.