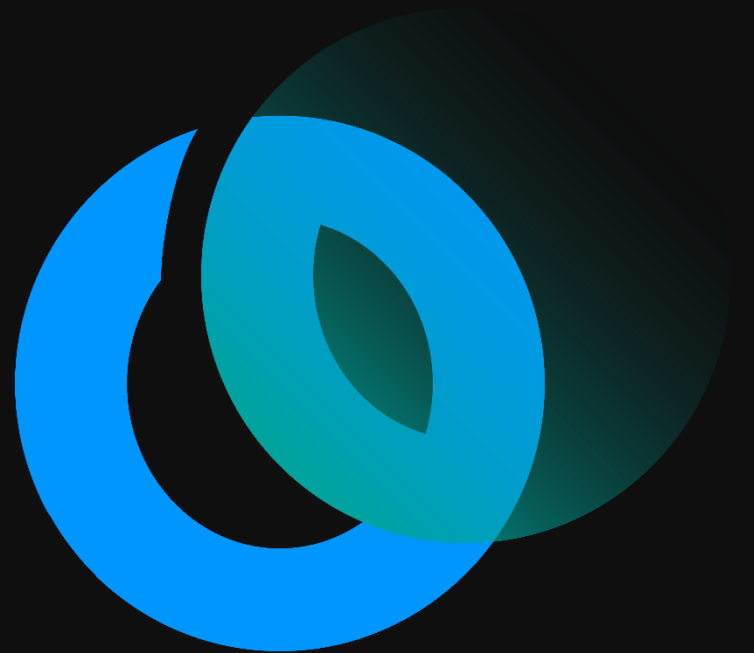


# H1 2022 Results

Bezons,  
July 27, 2022



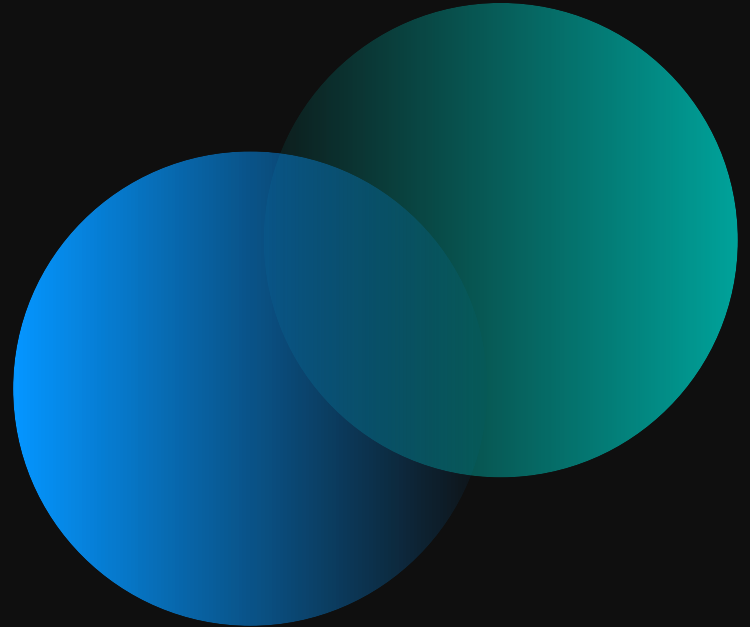
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Revenue organic growth is presented at constant scope and exchange rates.

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.



# Today's presenters



**Nouridine Bihmane**

*Co-CEO, in charge of  
Tech Foundations*



**Diane Galbe**

*Group SEVP in charge of  
strategic projects and  
support functions*



**Philippe Oliva**

*Co-CEO, in charge of the  
Evidian perimeter*



**Nathalie Sénéchault**

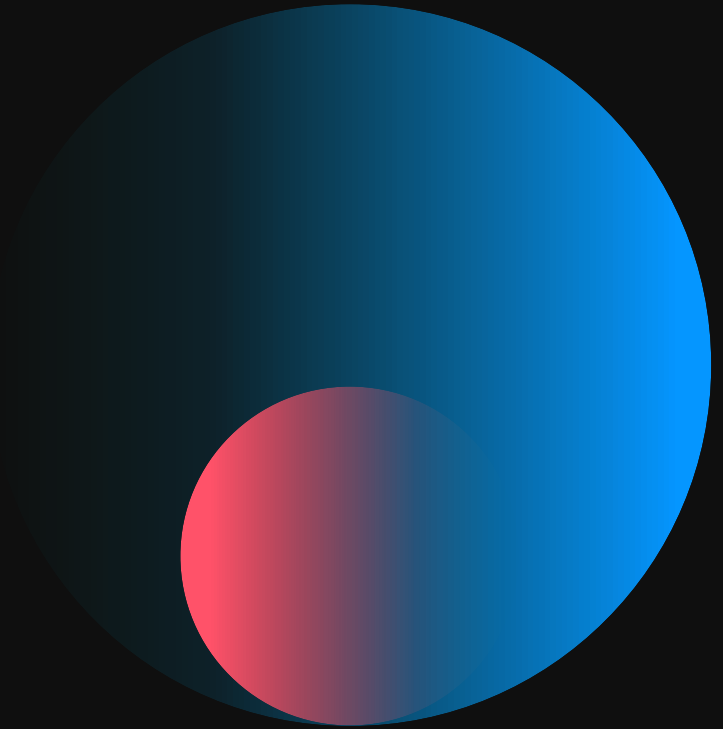
*Group CFO*

# Agenda

1. H1 2022 Highlights
2. H1 2022 Financial Performance
3. FY 2022 Objectives
4. Key take-aways
5. Q&A



# 01. H1 2022 Highlights



# H1 2022 Highlights



**Clear strategy** in place, announced at June 14 CMD  
Going forward: Group **fully focused on operations** under new leadership team



**Financing** of the envisaged transformation plan **successfully secured:**  
**an important progress** in **Atos transformation plan**



**Renewed commercial momentum:** strong sequential improvement in **book-to-bill**  
at 101% in Q2 vs. 72% in Q1



**H1 2022** results reflecting seasonal and market factors  
**Increased Operating Margin and Free Cash Flow expected in H2**  
2022 objectives **confirmed and refined**



**16,000+ hirings** in H1 (gross)  
Demonstrating Atos' **intact attractiveness** and ensuring conditions for **future growth**

# H1 2022

## Key Financial Figures

### Revenue

**€ 5.6 bn**

-0.6% yoy, cst. curr.  
-2.1% yoy, organic

### Operating Margin

**1.1%**

of revenue

### Normalized net income

**€-119 m**

### Free Cash Flow

**€-555 m**

### Net Debt

**€ 1,792 m**

### Headcount

**112,180**

+2.1% organic

# Strong sequential improvement in order entry and book-to-bill

## Order Entry

---

€2.0 bn  
Q1 2022

→

**€2.8 bn**  
**Q2 2022**

## Book to Bill

---

72%  
Q1 2022

→

**101%**  
**Q2 2022**

## Backlog

---

**€22.6 bn**  
Backlog at end June 2022  
= 2.0 years or revenue

Renewed commercial traction in Q2 thanks to new business lines focus



# Intact ability to attract talents

## Ensuring conditions for H2 revenue growth

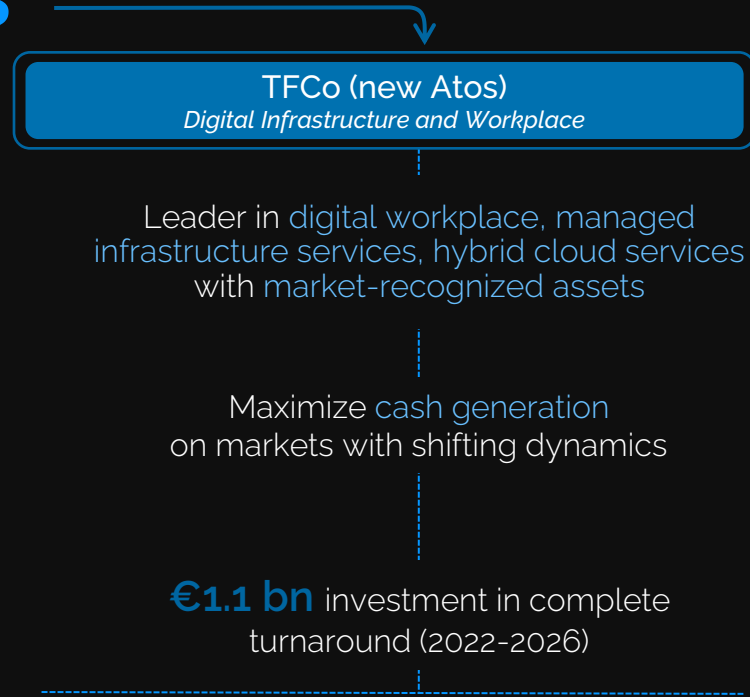
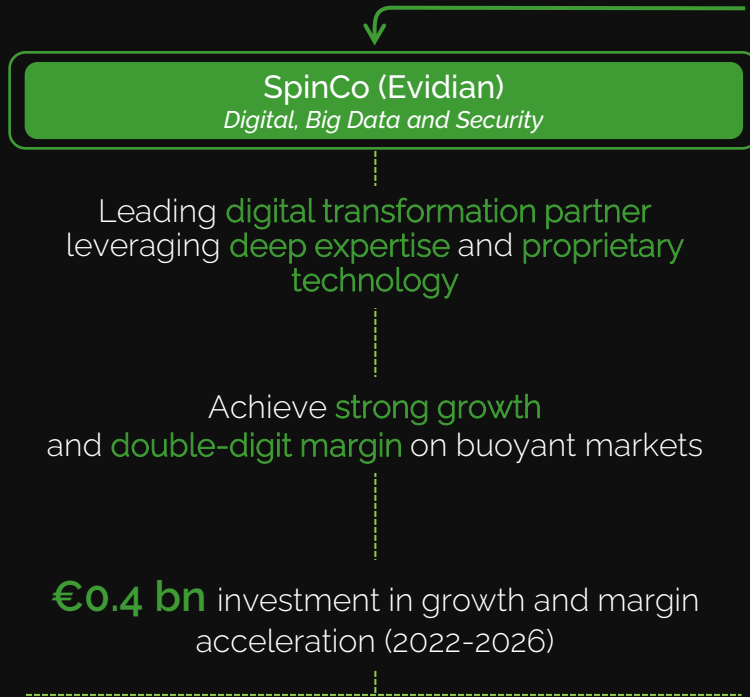


H1 hirings predominantly in offshore and nearshore locations  
Selective hirings planned in H2

# Clear strategy announced at our June 14 CMD

Unlocking value by envisaged split into 2 leaders in their respective markets

Atos



# Financing of transformation plan successfully secured



**Banks commitments** received, covering **full amount of financing plan** presented at the June 14 CMD



**Important progress** in Atos envisaged transformation plan, demonstrating **strong support from banking partners**



**Financial covenant reset** at **3.75x** net debt / OMDA, tested annually



Group **liquidity significantly strengthened**, interim period ahead of envisaged split **fully financed**

# In motion to deliver on our strategic transformation

## Main achievements since CMD



### Clarified Governance

New leadership team to ensure delivery of our strategic roadmap both on performance and envisaged spin off



### Execution progressing according to plan

- ✓ All carve out workstreams launched with significant progress on structuring
- ✓ Employees' consultation process starting early September 2022



### Financing successfully secured

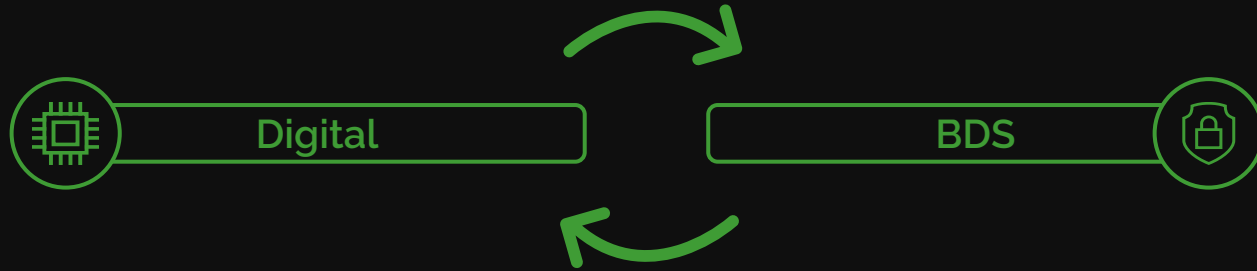
- ✓ New financing secured, ensuring strong liquidity throughout the transition period and launch of turnaround plan
- ✓ Detailed roadmap of assets earmarked for sale, with total value > €700m target. Program to be optimized based on offers received, timing, execution risk



### Strong commitments to our Customers and Talents

- ✓ Significant commercial wins since CMD
- ✓ Intact attractiveness for our employees
- ✓ Talent retention and change management program deployed

# Evidian's project: bring together Digital and BDS expertise to accelerate profitable growth and unleash value creation



Develop differentiating offerings and tap fertilization opportunities



## Secured cloud

Public cloud migration and operation combined with worldwide leading security expertise



## Cloud continuum

Combining cloud and edge expertise complemented by strong AI/ML competence



## Fertilization opportunities

Cloud offering to BDS customers in Public Sector and Defense; HPC-as-a service offering to Digital's customers

Dynamic organic revenue growth at **+7% CAGR** 2022-2026

**12%**  
OM in 2026

**c. €700 m**  
FCF before interest and tax in 2026

# Evidian in H1: strong book-to-bill underpinning growth acceleration in H2

€2,539 m

H1 revenue

+2.0%

H1 revenue growth at constant curr.

vs. +10.6% in FY21

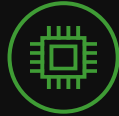
3.5%

H1 Operating Margin

145%

Q2 book-to-bill

vs. 86% in Q1



## Digital: robust trends in applications and cloud

Growth mitigated by volume reductions and decrease in VAR

Acceleration expected in H2 underpinned by strong order entry in Q2

**Gartner**

*Atos: Visionary in 2022 Magic Quadrant for Public Cloud IT Transformation Services Worldwide*



## BDS: contraction in H1 due to HPC cyclicalilty, recovery expected in H2

**Advanced Computing** revenue and margin impacted by HPC cyclicalilty and supply chain tensions; very high order entry underpinning recovery in H2

Continued trajectory of above-market growth in **Digital Security**

# Evidian: commercial traction evidenced by high-profile wins

## Main wins



### Major Pharmaceutical player

DataSentics Artificial Intelligence and Machine Learning



### German automotive manufacturer

Connected Vehicle Software Factory



### Asian government

Big data infrastructure for Edge & AI



### MareNostrum5

Supercomputer contract by EuroHPC JU for Barcelona Supercomputing Center



Signed after the CMD



Signed after the CMD



# Tech Foundations' project: capitalize on market-leading assets and skillset to deliver complete turnaround by 2026



## REFOCUS

Rationalize portfolio to pave the way for turnaround



- Reshape the portfolio
- Sales funnel, large deal build up
- Ramp up management team



## RECOVER

Reset cost structure



## REBOUND

Drive growth with next gen offerings

Stabilize revenue in 2025 and **pivot to growth** in 2026

**>600 bps**

OM turnaround by 2026

**c. €150 m FCF** before interest and tax in 2026 +€50 m each year post 2026



# Tech Foundations in H1: momentum building up quickly under new organization

€3,024 m

H1 revenue

-2.6%

H1 revenue growth at constant curr.  
vs. -11.4% in FY21

-1.0%

H1 Operating Margin

67%

Q2 book-to-bill  
vs. 59% in Q1

## Strong sequential improvement in revenue growth in H1

More contained decline in **infrastructure** services thanks to **renewed focus**

Robust growth in **Professional Services** and **Digital Workplace**

**BPO** stable; **UCC** impacted by supply chain tensions; continued deliberate wind down of VAR business

## Positive commercial traction

**Good customer response** to new organization and envisaged transformation plan

**Book-to-bill** expected to grow in Q3

**Gartner**

*Atos: global leader in 2022 Magic Quadrant for datacenter outsourcing and hybrid infrastructure managed services*

# Tech Foundations: commercial traction evidenced by high-profile wins

## Main wins



### Major US Insurer

Mainframe Licensing and Services



### Asian Navigation Company

End to end IT managed services



### Public Central Procurement Agency

Infrastructure maintenance and transformation for public administrations



### Global Fast Service Restaurant Chain

Digital Workplace services (renewal and extension)



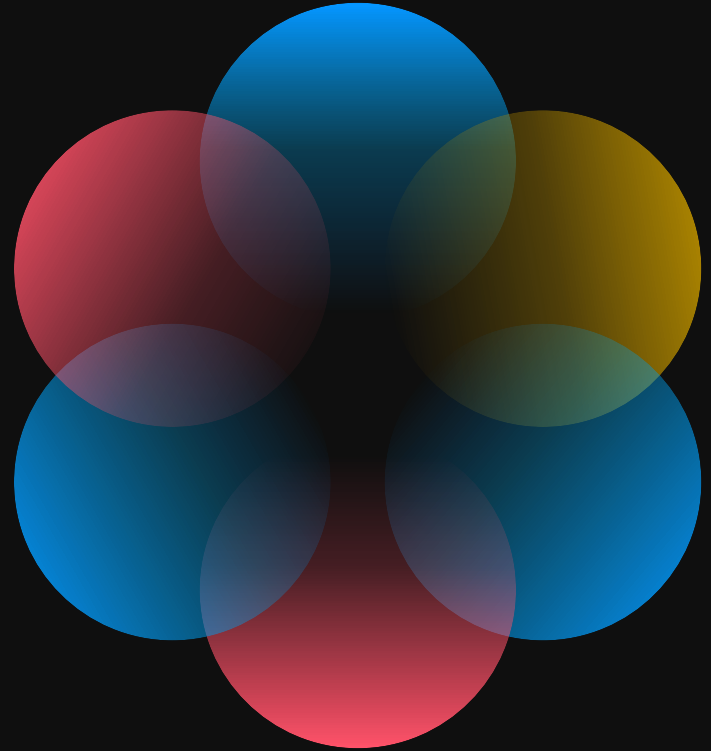
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## 02. H1 2022 Financial Performance



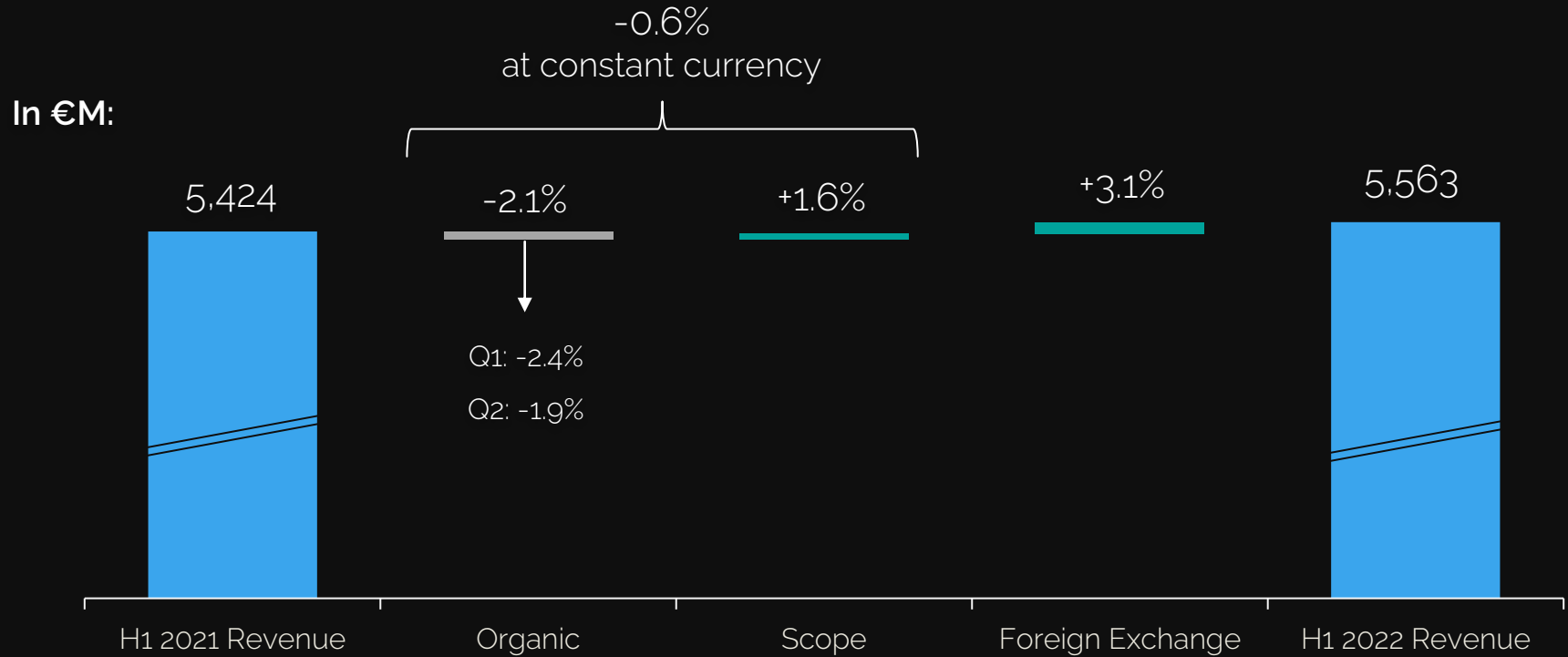
# H1 2022

## Financial overview

€M	H1 2022	H1 2021	Variation	Variation at constant currency
Revenue	<b>5,563</b>	5,424	+2.6%	-0.6%
Operating Margin	<b>59</b>	302		
<i>% operating margin rate</i>	<b>1.1%</b>	5.6%	-450 bps	-460 bps
OMDA	<b>369</b>	633		
<i>% OMDA rate</i>	<b>6.6%</b>	11.7%	-510 bps	
Normalized Net income	<b>-119</b>	162		
Net income	<b>-503</b>	-129		
Free Cash Flow	<b>-555</b>	-369		
Net debt	<b>1,792</b>	1,129		

# H1 2022

## Revenue Bridge



# H1 2022

## Performance by Regional Business Unit

In €M	Revenue			Operating Margin		OM %	
	H1	H1	% YoY	H1	H1	H1	H1
	2022	2021*	@constant currency	2022	2021*	2022	2021*
Americas	1,353	1,348	+0.4%	73	159	5.4%	11.8%
Northern Europe & APAC	1,625	1,625	+0.0%	28	113	1.7%	7.0%
Central Europe	1,258	1,280	-1.7%	-30	24	-2.4%	1.9%
Southern Europe	1,198	1,231	-2.7%	40	46	3.4%	3.7%
Others incl. global structures	129	111	+15.9%	-52	-24	NA	NA
<b>Total</b>	<b>5,563</b>	<b>5,594</b>	<b>-0.6%</b>	<b>59</b>	<b>317</b>	<b>1.1%</b>	<b>5.7%</b>

\* At constant currency

# H1 2022

## Income Statement

€M	H1 2022	H1 2021
Revenue	5,563	5,424
Operating margin	59	302
Reorganization, Rationalization, Integration costs	-124	-143
Amortization of intangible assets (PPA from acquisitions)	-67	-79
Equity based compensation	-11	-33
Impairment of goodwill and other non-current assets	-91	-
Others	-64	-164
<b>Operating income</b>	<b>-298</b>	<b>-118</b>
Net financial expenses	-129	-3
Tax charge	-77	-6
<i>Effective tax rate</i>	NA	NA
Non-controlling interests	-	-2
Share of net profit/(loss) of associates	-	-0
<b>Net income – Group share</b>	<b>-503</b>	<b>-129</b>
<b>Normalized net income – Group share</b>	<b>-119</b>	<b>162</b>

→ Related to assets held for sale

→ o/w €-32m related to Russian activities and €-25m related to Atos transformation plan

→ o/w €-109m related to the disposal of Worldline shares

# H1 2022

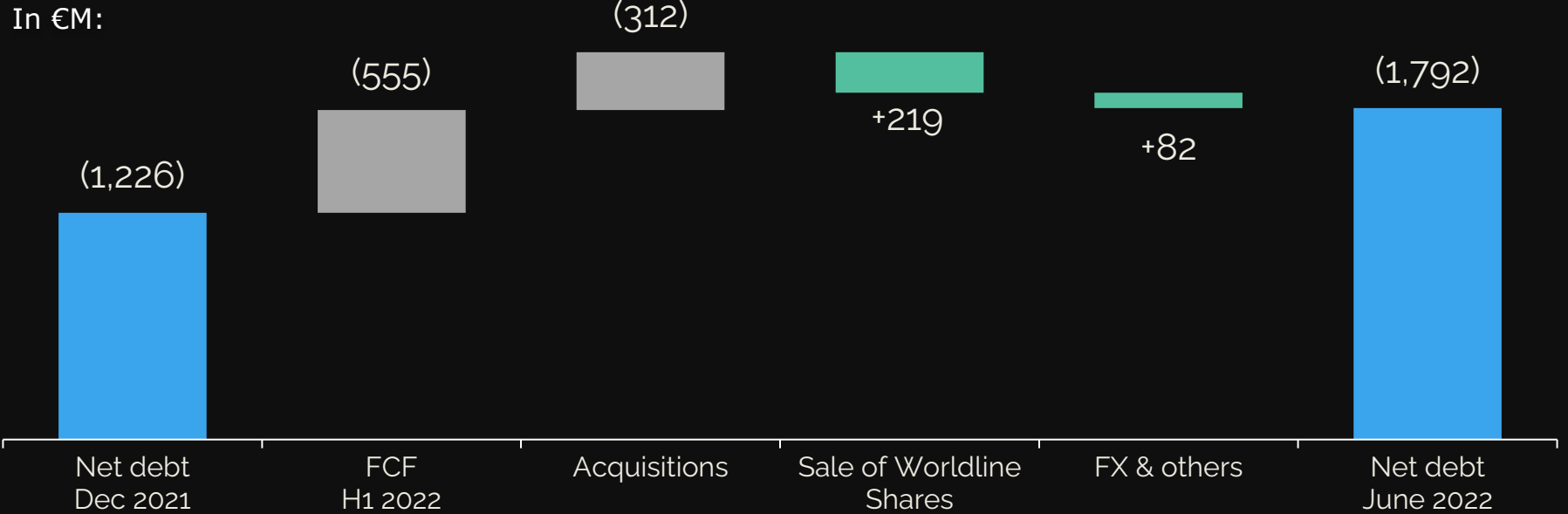
## Cash Flow Statement

€M	H1 2022	H1 2021
<b>Operating Margin</b>	<b>59</b>	<b>302</b>
+ Depreciation of fixed assets	135	167
+ Depreciation of right of use	192	176
+ Net book value of assets sold/written off	5	6
+/- Net charge/(release) of pension provisions	-19	-16
+/- Net charge/(release) of provisions	-2	-2
<b>Operating Margin before Depreciation &amp; Amortization</b>	<b>369</b>	<b>633</b>
Capital Expenditures	-123	-154
Lease payments	-207	-183
Change in working capital requirement	-383	-394
<b>Cash from operations</b>	<b>-344</b>	<b>-98</b>
Tax paid	-21	-46
Net cost of financial debt paid	-13	-13
Reorganization, Rationalization & Integration and acquisition costs	-113	-147
Other changes	-64	-66
<b>Free cash flow</b>	<b>-555</b>	<b>-369</b>

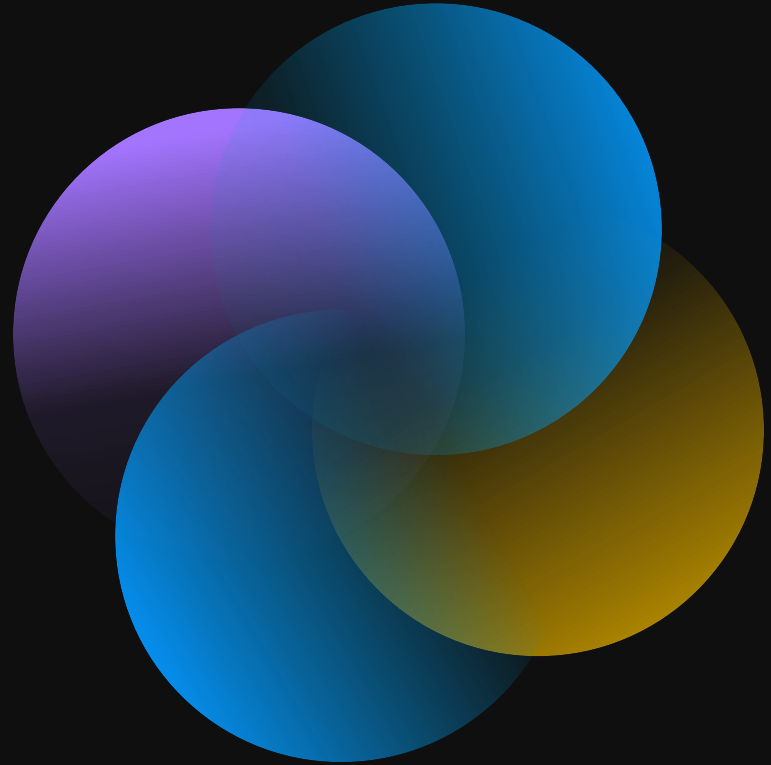


# H1 2022

## Change in net debt



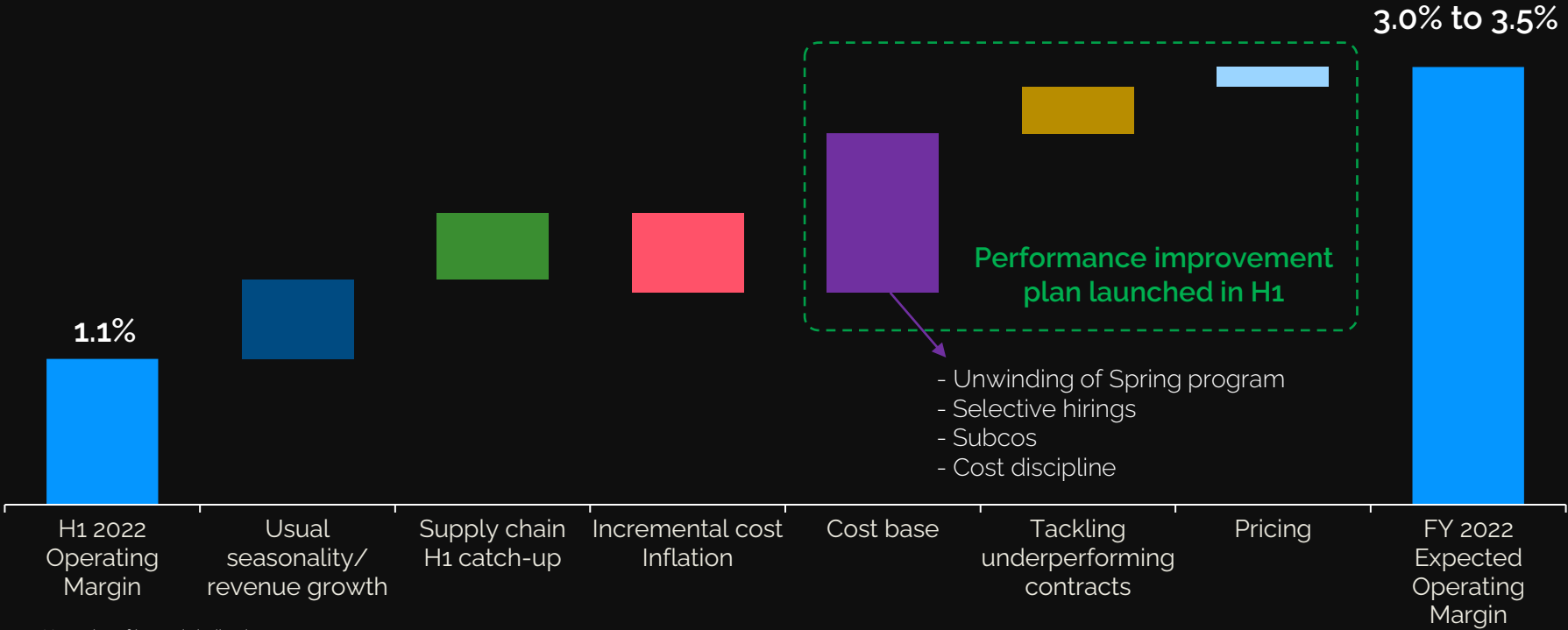
**03.** 2022 full-year  
objectives  
& conclusion



# 2022 full-year objectives confirmed and refined

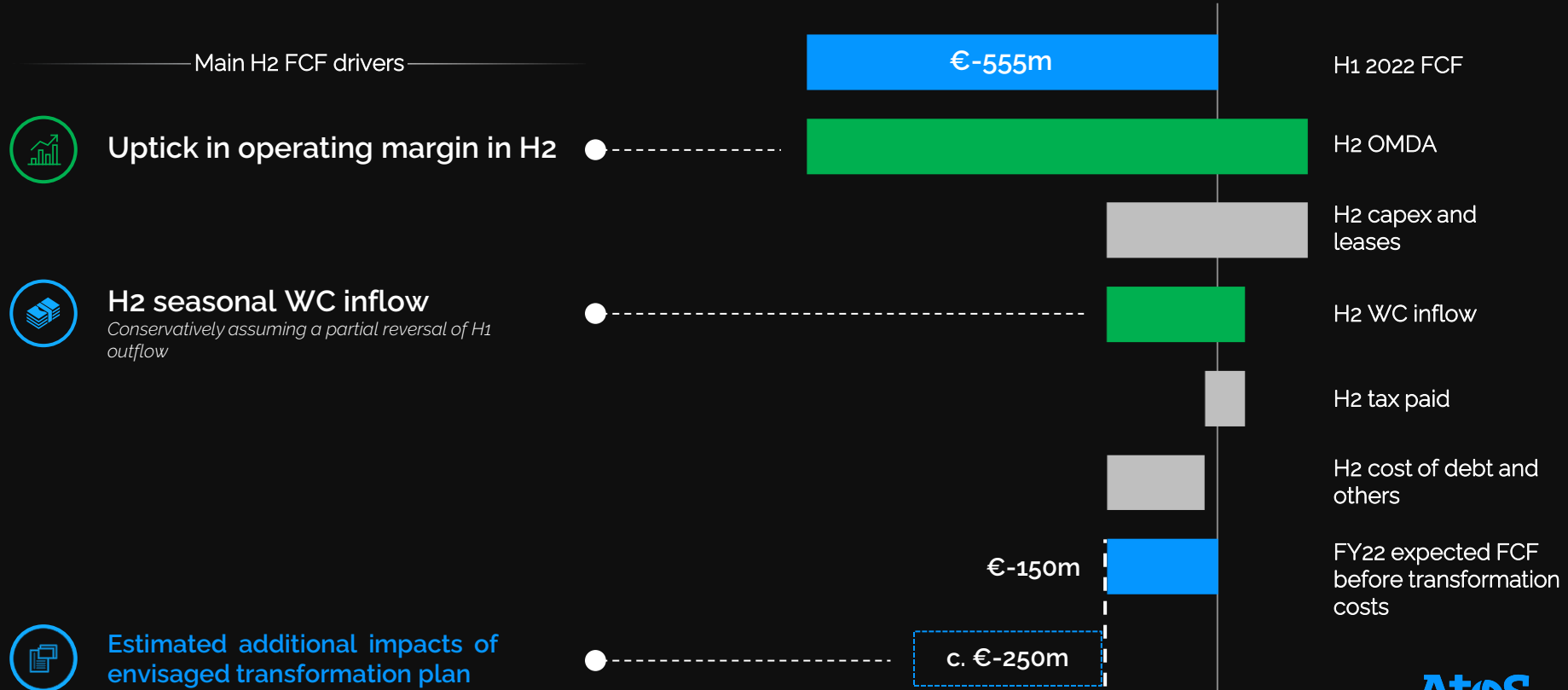
2022 Full-Year guidance	July 27 <sup>th</sup> precisions	
Revenue growth at constant currency	-0.5% to +1.5%	Unchanged
Operating margin (% of revenue)	3% to 5%	Lower end of the range
Free cash flow <i>excl. additional impacts from envisaged transformation plan</i>	€-150m to €200m	Lower end of the range

# Uptick in operating margin expected in H2 thanks to performance improvement plan launched in H1

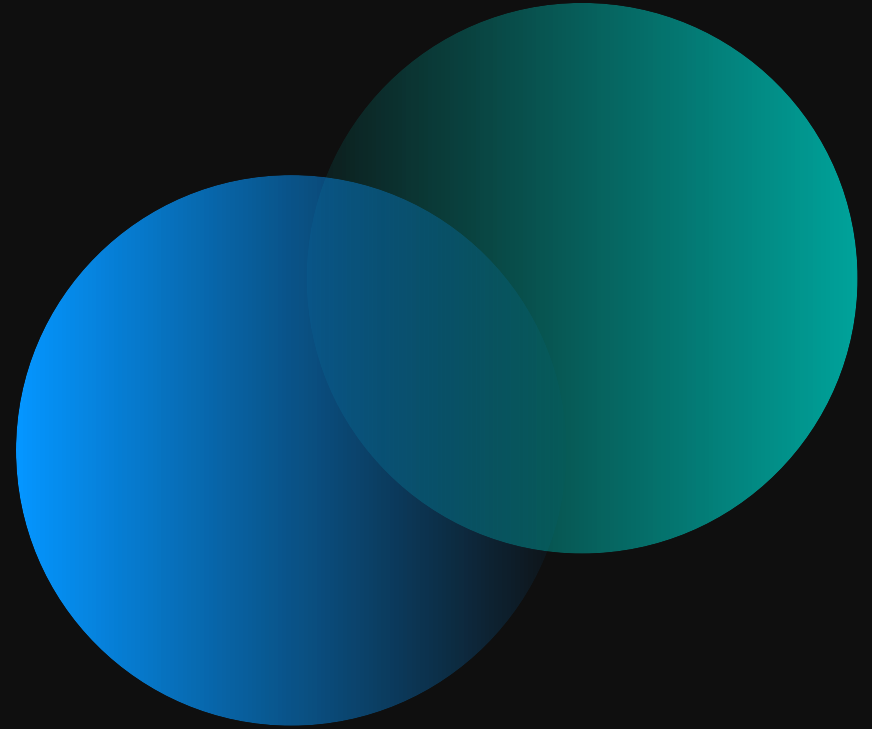


Note: size of boxes is indicative

# Free cash flow to improve markedly in H2, driven by increase in operating margin



## 03. Key take-aways



# H1 2022

## Key take-aways



**Clear strategy** in place with **new leadership team** fully focused on customers, employees and execution of Atos strategic project



Renewed **commercial momentum in Q2** underpinning **revenue growth expected in H2**

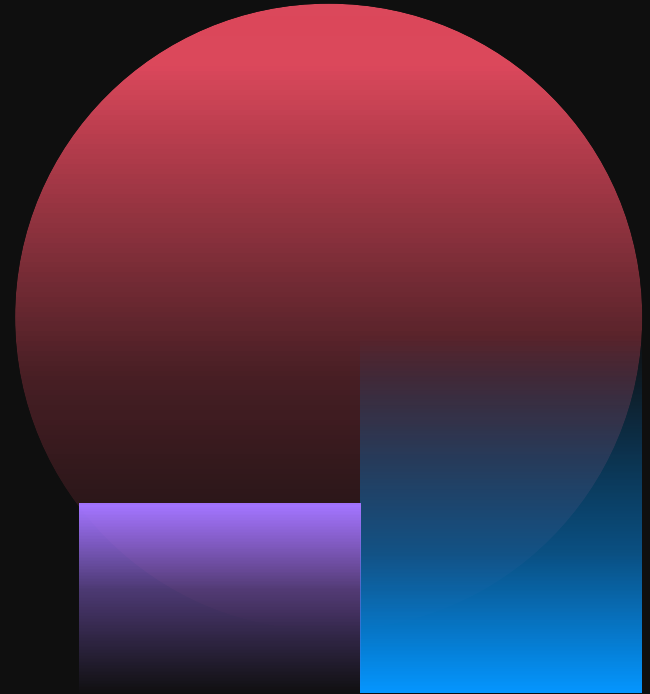


**Energic performance improvement** measures in place driving significant increase in Operating Margin and FCF in H2; **full confidence in full-year objectives**



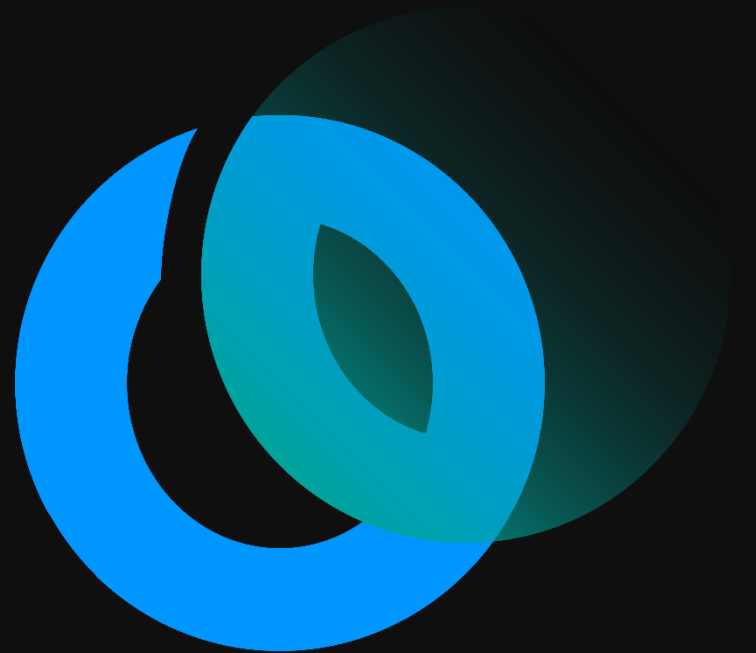
**Moving forward with our transformation plan, financing fully secured**

## 04. Q&A





# Thank you



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