

# FY 2022 Results

Bezons,  
March 1, 2023



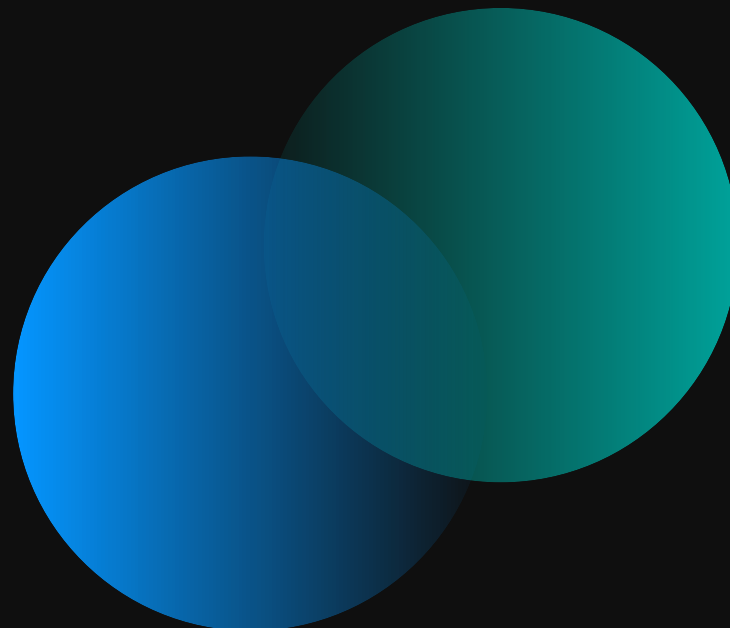
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Revenue organic growth is presented at constant scope and exchange rates.

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, 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, 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 Senior Executive VP*



**Philippe Oliva**

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



**Nathalie Sénéchault**

*Group CFO*

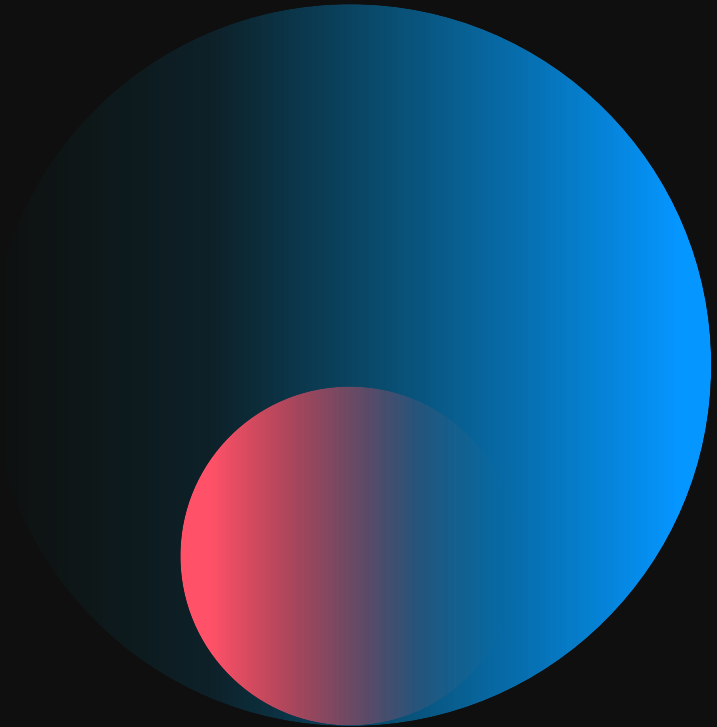
# Agenda

1. 2022 Highlights
2. Progress in Strategic Transformation Project
3. 2022 Financial Performance
4. Outlook
5. Q&A



# 01. 2022 Highlights

*Nourdine Bihmane  
& Philippe Oliva*



# 2022 highlights

## Atos delivering on strategic transformation plan



**Strong operational recovery in H2** delivers FY22 results in line with guidance



**Robust pick-up in commercial momentum in Q4** with book-to-bill at 112%



**Confidence for 2023**, progressing towards mid-term ambitions



**Significant progress achieved in separation project**

Clear path for contemplated completion in H2 2023

2022

## Key Financial Figures

### Revenue

€ 11.3 bn

+1.3% yoy, cst. curr.  
+0.1% yoy, organic

### Operating Margin

3.1%

of revenue

### OMDA

€1,020 m

### Free Cash Flow

€-187 m

€-58 m excluding costs related to  
transformation plan

### Net Debt

€ 1,450 m

2.4X pre IFRS 16 OMDA

### Headcount

110,797

# Headcount evolution



Sept. 2022: Atos listed for the first time as one of 'Europe's Best Workplaces' Certification achieved in 19 countries

**c. 85,000**  
Digital certifications in 2022



# Tech Foundations in 2022: fast and tangible first results on turnaround plan



## REFOCUS



- ✓ **Mobilized** teams around ambitious turnaround plan
- ✓ Near term **pricing actions** to mitigate inflation
- ✓ Actions to **reshape** business portfolio (BPO, VAR, disposal of UCC)



## RECOVER



- ✓ **Cost** take-out actions
- ✓ **Restructuring** initiated, focus on US, UK in 2022
- ✓ Strong actions on underperforming contracts



## REBOUND



- ✓ Increased **add-on and** revenue
- ✓ Drove revenue **retention**
- ✓ Won **large deals** and **new logos**
- ✓ **Accelerate building partnerships**
- ✓ Revitalized product roadmap for Edge, Sovereign Cloud and Public Cloud offerings

### Repositioning Tech Foundations' portfolio

Global leader in managed infrastructure services and employee experience;

European leader in private, hybrid and sovereign cloud; Visionary managed services offerings enabled by AI

Pioneering tech in decarbonization

# Tech Foundations in 2022: delivering ahead of plan

€6,026 m

2022 revenue

-1.6%

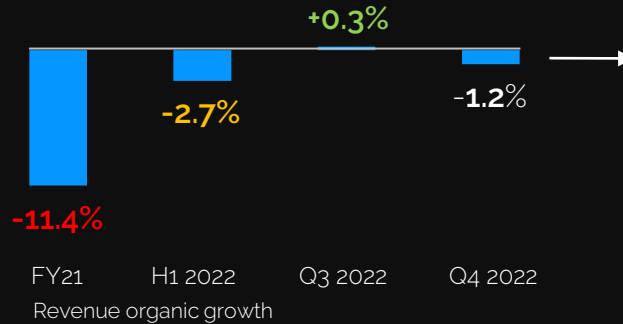
Organic revenue growth  
*-1.7% at constant currency*

1.3%

Operating Margin



Better-than-anticipated top line momentum

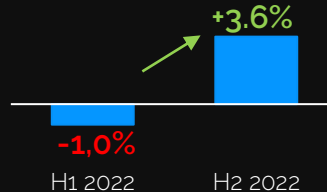


Q4: **deliberate reduction** in BPO and VAR as part of portfolio rationalization

**+1.0%** excl. non-strategic activities (BPO, VAR, UCC)

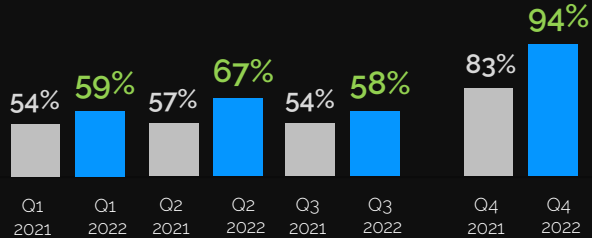


Operating margin turned positive **3 years ahead of plan**



- ✓ **Robust improvement** in H2
- ✓ **Performance actions** focused on costs structure and underperforming contracts

# Tech Foundations in 2022: accelerated commercial performance



- ✓ Continued **growth in new logos**
- ✓ Increased **selectivity** in order entry
- ✓ Early successes with **large deals**

## Q4 main wins



8 years partnership to provide a comprehensive and secure end-to-end IT solution

- ✓ Large contract
- ✓ New logo



World's largest healthcare company

Industry-leading Workplace extension      Digital engagement

- ✓ Large contract



Newly formed global consumer company

Digital Workplace service requirements over a 3-year term

- ✓ New logo



Global Strategic Partnership to transform the Infrastructure Outsourcing industry

- ~\$0.5Bn of joint pipeline to date
- Upskilling programme launched

# Evidian in 2022: strong value proposition around clear distinctive factors



World leader in **managed security services**



Emerging **end-to-end cloud** transformation player



Strong offering in **sovereign cloud** solutions



Trusted **sustainability** partner enabling clients' decarbonization



Sole European **HPC** manufacturer



Strong expertise in **application** modernization and migration



Key strategic player in Europe for **mission critical systems**

- Roadmap to **maximize synergies** between key areas of expertise
- Positioning Evidian as a **leading high value-added services & solutions provider** to clients increasingly mindful of **security** and **sovereignty** issues

# Evidian in 2022: uptick in revenue growth and operating margin in H2

€5,315 m

2022 revenue

+4.8%

Growth at constant  
currency

+2.0% organic

5.2%

2022 Operating  
Margin



+5.4% organic revenue growth in H2 (+11% in Q4)

- ✓ Ramp-up of **Advanced Computing** following strong order entry in Q2
- ✓ Steady strong growth in **Cybersecurity Services** where Evidian capitalizes on global leadership
- ✓ Acceleration in **Digital**



Operating margin: 6.7% in H2 vs. 3.5% in H1

- ✓ Actions on **cost base** and **pricing**
- ✓ Increased **utilization** of billable resources
- ✓ Higher volumes in Advanced Computing resulting in **better fixed costs absorption**

# Evidian: pick up in commercial momentum in Q4



130%

Q4 book-to-bill  
vs. 85% in Q3 2022

- ✓ Strong sequential increase at both **BDS** and **Digital**
- ✓ 51% short-term bookings with **faster revenue yield**
- ✓ Focus on smaller, **low-risk** contracts

## Q4 main wins



### Max Planck

Build and install new HPC based on Atos' latest BullSequana HX3000 platform



New logo



### Eurocontrol

Strategic deal to provide MDR services to an EU agency responsible for Aviation and Air Navigation across the European Union



Large contract



### Global retail leader

Design, build, roll out and support new IT solution based on mobile application, supported by Digital Enablement Platform built on Microsoft Azure



### Siemens

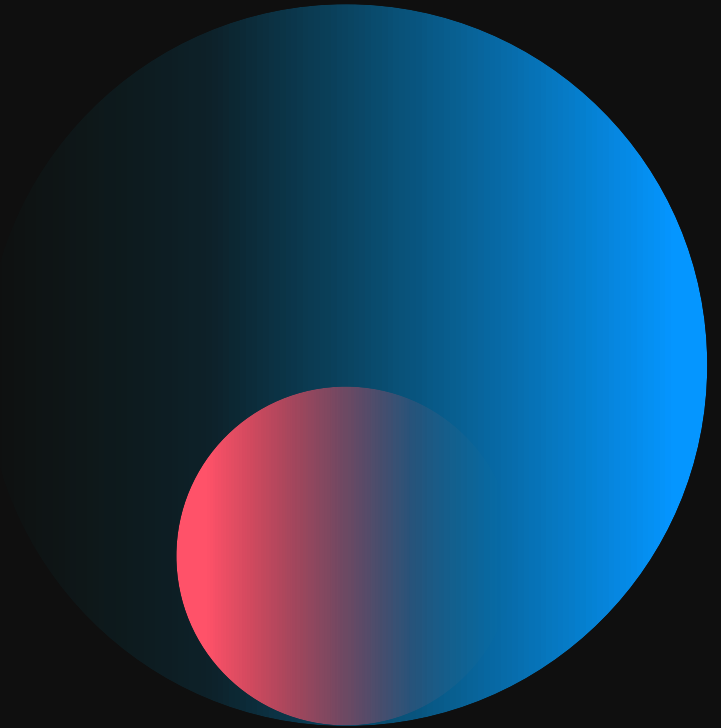
Deliver next generation Integration and Orchestration driven services through Atos SIO/SIAM Bridge solution



Large contract

## 02. Progress in Strategic Transformation Project

*Diane Galbe*



# Significant progress achieved in strategic transformation project



Works councils **Information and consultation process complete**

- ✓ Consultation process of Atos European works councils (SEC) **completed in 3 months**
- ✓ Local consultation processes **completed in all 31 countries** where it was necessary



**Separation workstreams** progressing as planned



c.80% of €700 million **divestment program** secured

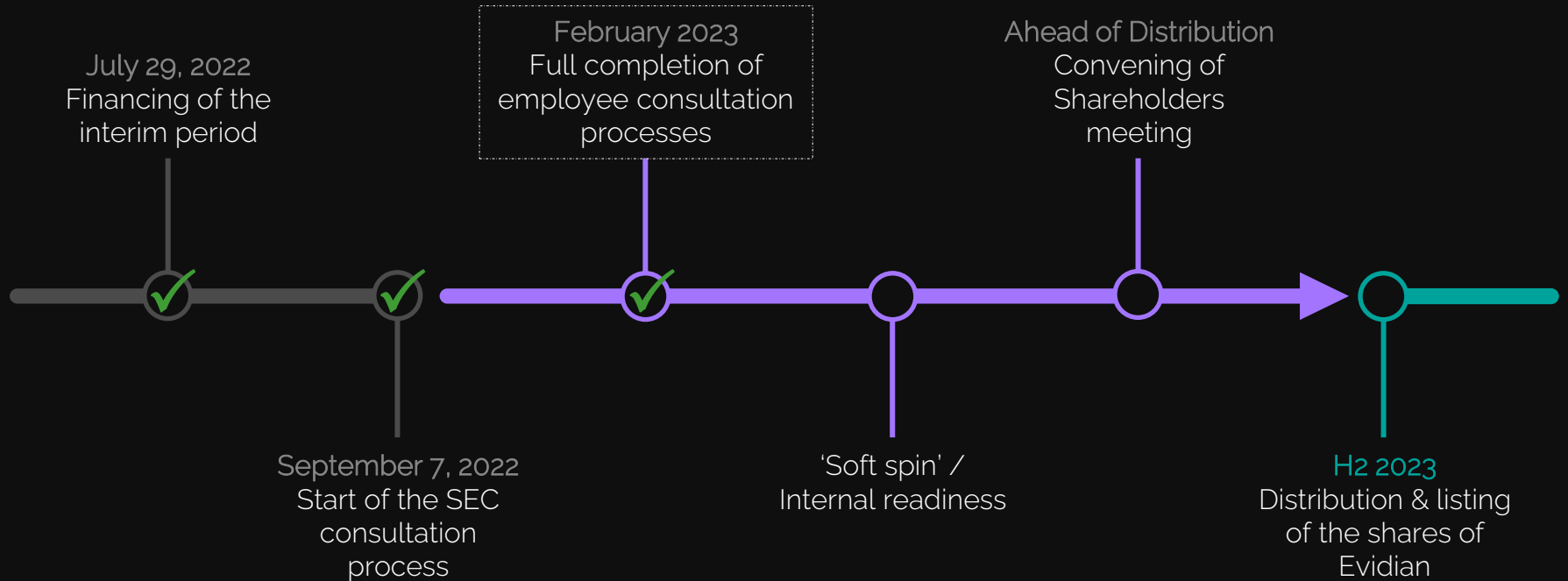


Discussions on a non-exclusive basis with Airbus to form **long-term partnership** and to **sell 29.9% stake in Evidian**, fully consistent with separation plan



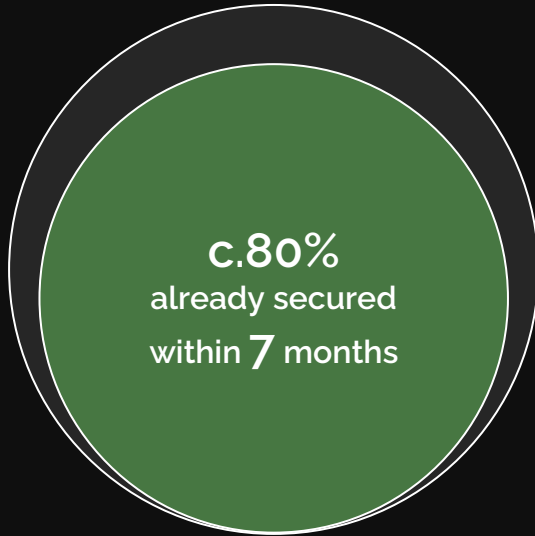
# Separation project key milestones

On track for completion in H2 2023



# Non core businesses divestment program well on track

€700m  
expected proceeds



Transaction	Signing	Status
<i>Worldline stake</i>	<i>June 2022</i>	✓ <i>Closed</i>
<i>EGSE</i>	<i>September 2022</i>	<i>Closing expected in Q1 23</i>
<i>Sislog</i>	<i>October 2022</i>	✓ <i>Closed</i>
<i>Atos Italia*</i>	<i>November 2022</i>	<i>Closing expected in H1 23</i>
<i>UCC*</i>	<i>January 2023</i>	<i>Closing expected in H2 23</i>

\* Transactions are subject to the consultation of relevant employee representative bodies and other customary regulatory approvals

# Key Non-Financial Indicators & Recognitions

## Sustainability in our DNA

Net promoter score  
from our clients

**66%**

stable vs 2021

CO<sub>2</sub> Emissions  
scopes 1,2 and 3

**2.5 Mtons**

reduced by -24% since 2019

% of total spend  
assessed by Ecovadis  
or alternative assessments

**70%**

vs. 68% in 2021



**S&P Global  
Sustainability**  
85/100  
**Top 1%\***

10<sup>th</sup> consecutive year in S&P's  
Global Sustainability  
Yearbook



**Ecovadis**  
84/100  
**Top 1%**

On environment, labour &  
human rights, responsible  
procurement and ethics



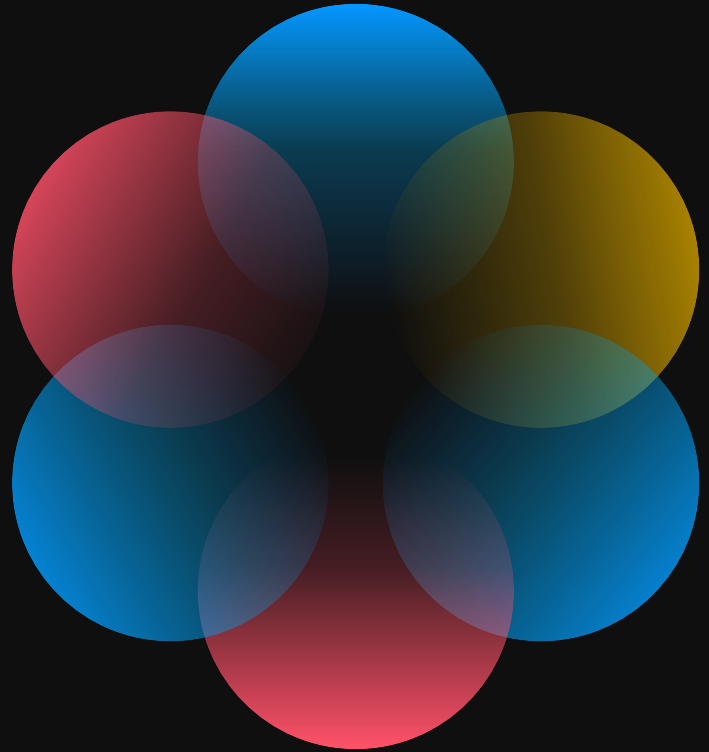
**CDP  
Leadership  
Band  
Top 2%**

10<sup>th</sup> consecutive year on  
CDP Leadership Band

\* Within the IT industry

# 03. 2022 Financial Performance

*Nathalie Sénéchault*



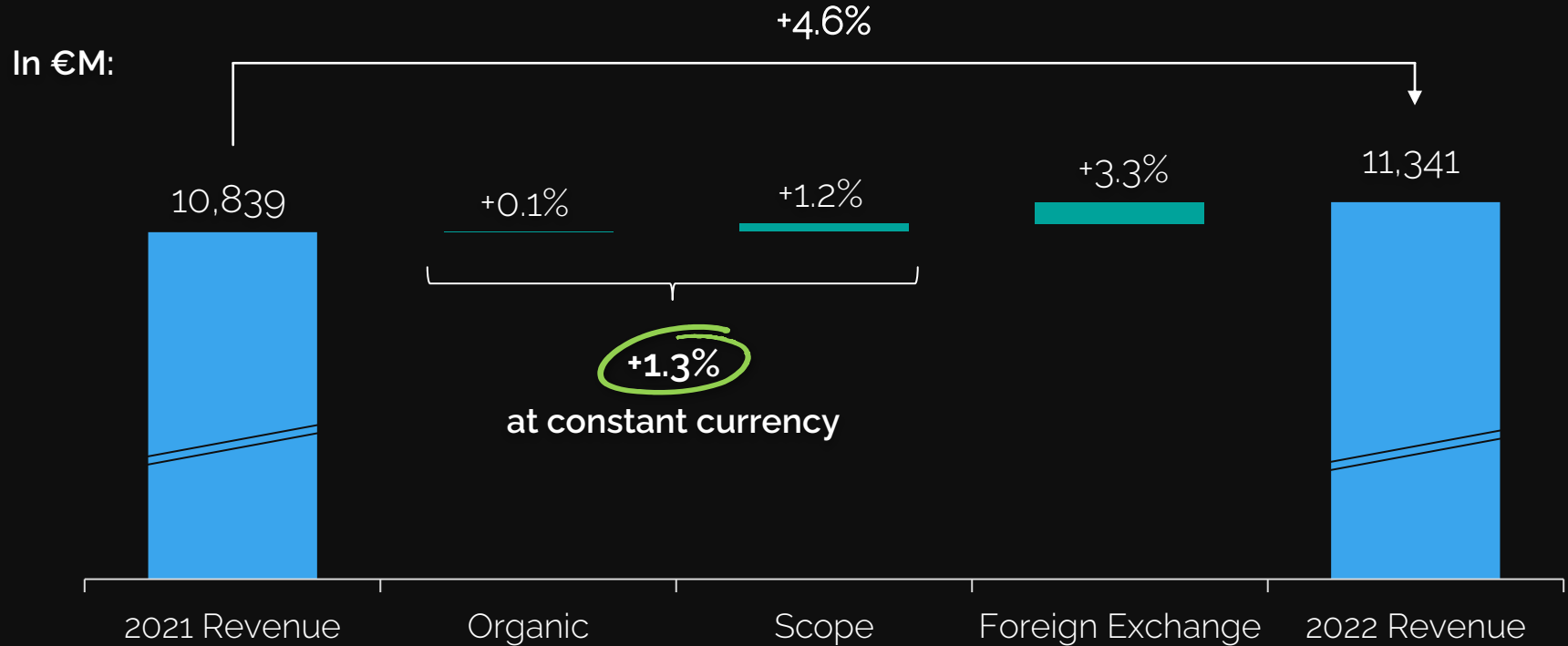
# 2022

## Financial overview

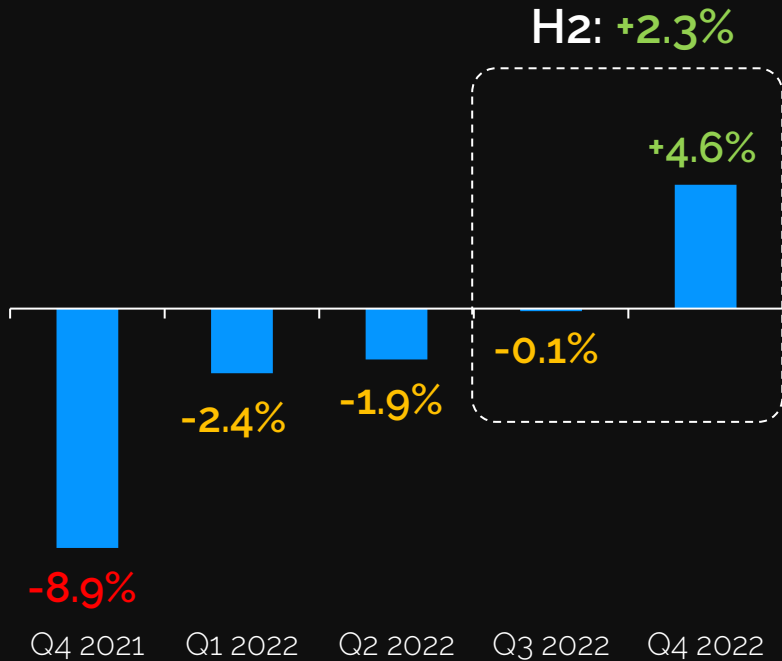
€M	FY 2022	FY 2021	Change	Change at cst. currency
Revenue	<b>11,341</b>	10,839	+4.6%	+1.3%
Operating Margin	<b>356</b>	383		
<i>In % of revenue</i>	<b>3.1%</b>	3.5%	-40 bps	-60 bps
OMDA	<b>1,020</b>	1,095		
<i>In % of revenue</i>	<b>9.0%</b>	10.1%	-110 bps	
Normalized Net income	<b>-28</b>	-215		
Net income	<b>-1,012</b>	-2,962		
Free Cash Flow excluding costs of transformation plan	<b>-58</b>	-419		
Free Cash Flow	<b>-187</b>	-419		
Net debt	<b>1,450</b>	1,226		

# 2022 revenue bridge

Return to growth at constant currency, organic stabilization



# Continued sequential improvement in organic growth



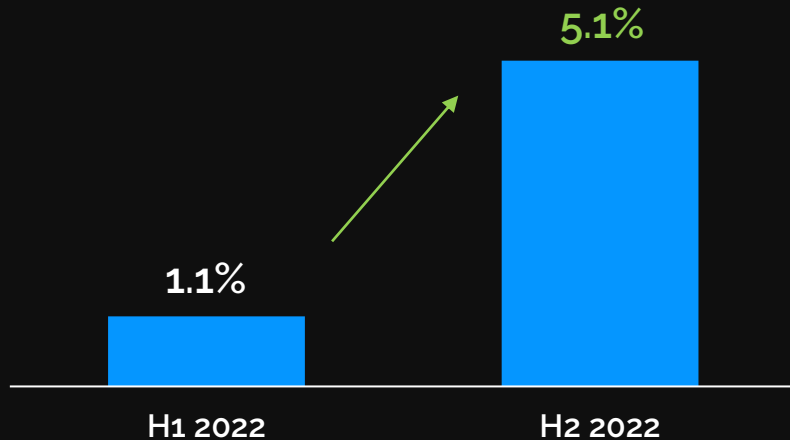
## Organic growth turned positive in Q4:

- Evidian strongly up
- Tech Foundations down due to portfolio rationalization
- Comparison basis

# 2022 operating margin

Strong recovery in H2 as expected

3.1% operating margin in FY22



H2 improvement mainly driven by:

- ✓ Decrease in structure costs
- ✓ Selective hirings
- ✓ Cost discipline
- ✓ Reduction in underperforming contracts and associated losses
- ✓ Pricing



# Operating margin to Net income

€M	2022	2021
Operating margin	356	383
Reorganization, Rationalization, Integration costs	-451	-437
Amortization of intangible assets	-140	-151
Equity based compensation	-25	-34
Impairment of goodwill and other non-current assets	-177	-1,490
Others	-359	-1,039
Operating income	-795	-2,768
Net financial expenses	-175	-151
Tax charge	-46	-39
Non-controlling interests	0	-3
Share of net profit/(loss) of associates	4	0
Net income – Group share	-1,012	-2,962

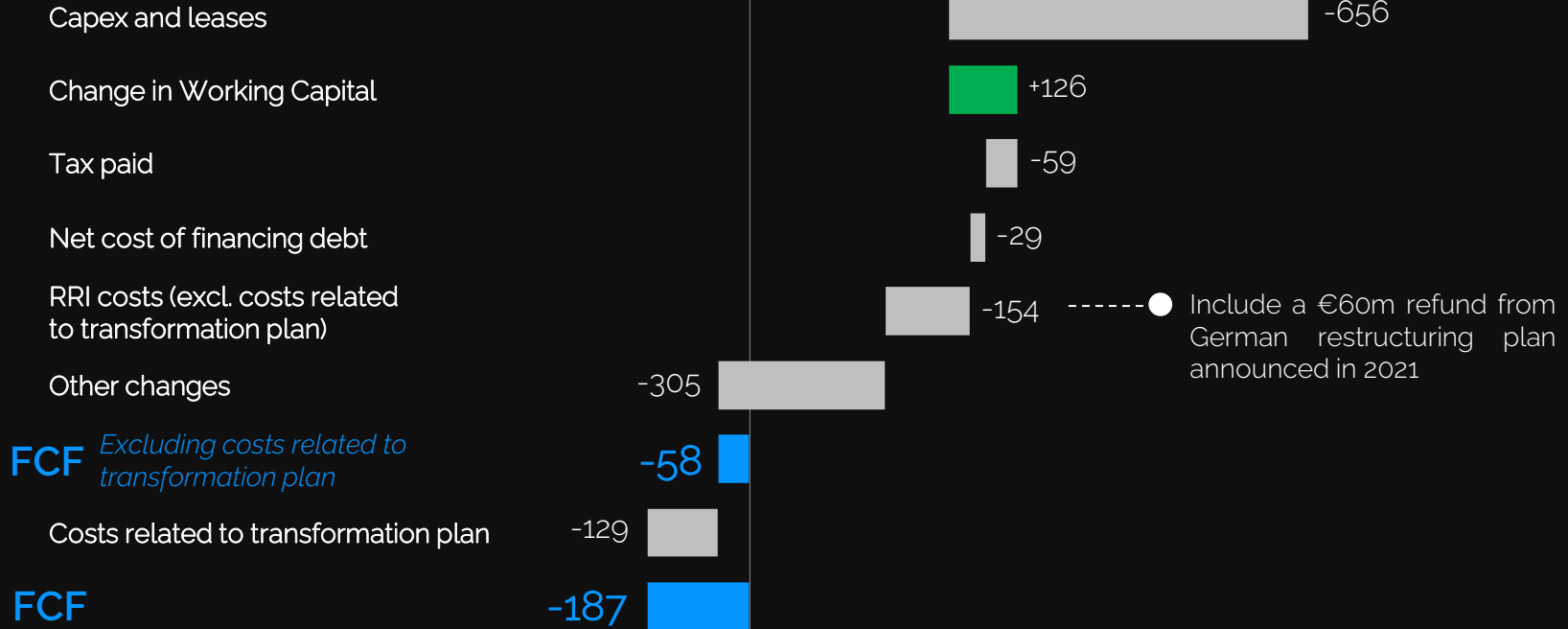
→ o/w €-266m related to Atos' envisioned transformation plan

→ o/w €-210m one-off impact from Tech Foundations addressing large underperforming contracts

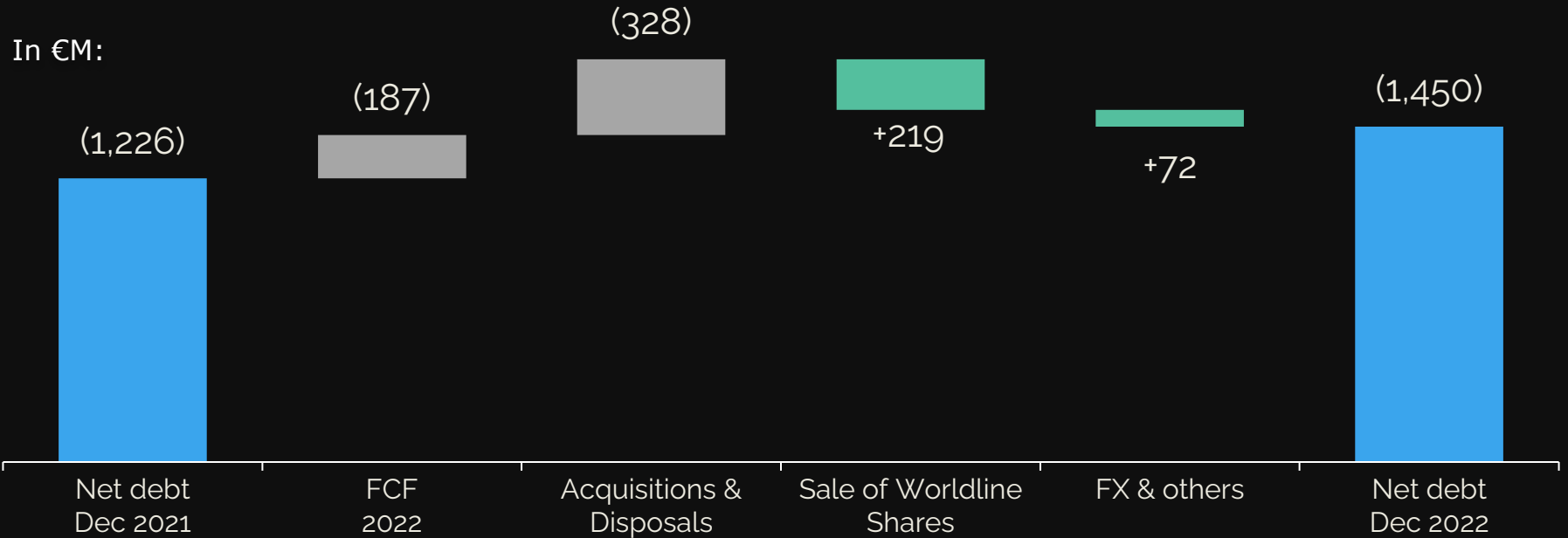
→ o/w €-29m cost of debt and €-109m related to the disposal of Worldline shares

# 2022 Free cash flow

## OMDA



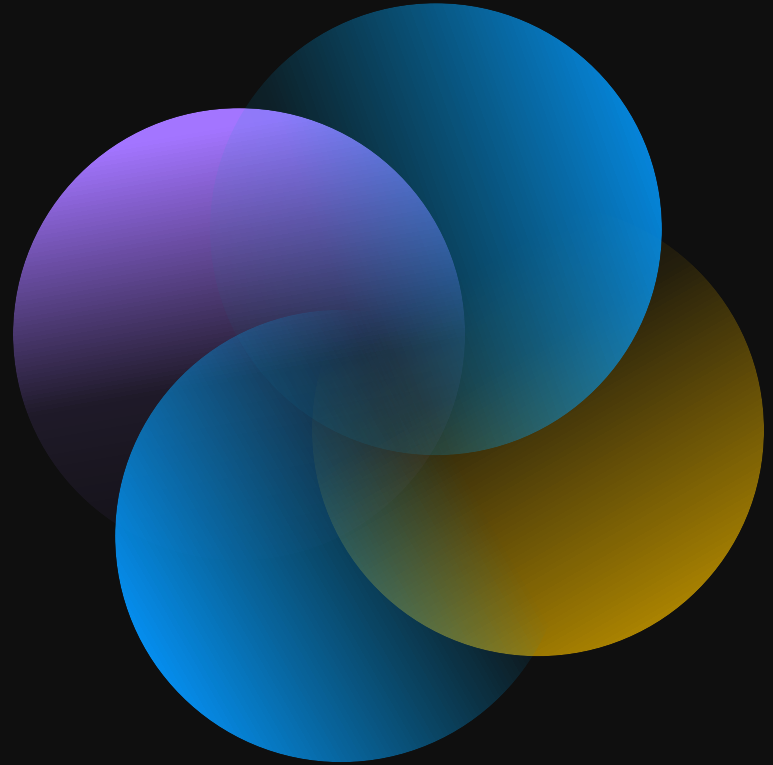
# 2022 change in net debt



Leverage ratio at 2.4x OMDA pre IFRS 16

# 04. Outlook

*Nourdine Bihmane  
& Philippe Oliva*



# Evidian 2023 priorities



## Drive revenue growth acceleration

- Deploy new customer value proposition and portfolio of offerings
- Maximize synergies and leverage joint go-to-market
- Build sales capabilities, increase large deals win rate



## Delivery excellence and profitability

- Targeted margin improvement actions at key accounts level
- Talent management in an inflationary context: increase utilization, targeted hirings, reskilling
- Delivery-led growth approach



## Successful transformation

- Shift to new operating model
- Drive innovation to the next level



In 2023,  
we expect

- ✓ Revenue organic growth to accelerate
- ✓ Operating margin to increase

# Tech Foundations 2023 priorities



## REFOCUS: accelerate the reshaping of our portfolio

- Tackle underperforming contracts, wind down non-core activities
- Continue to rationalize VAR and non strategic offerings



## RECOVER: step up cost structure adaptation

- Social consultation completed; targeting 7,500+ headcount reduction over the next 3 years with significant actions planned in 2023
- Structural changes in delivery model – MTO, AI/Automation



## REBOUND pave the way for future growth

- Continue commercial momentum through focus on large deals, growth squads and integrating Advisory in GTM motion
- Scale new offerings – Edge, Public cloud and sovereign cloud



In 2023,  
we expect:

- ✓ Continued stabilization of core revenue
- ✓ Managed decrease in revenue resulting from portfolio rationalization
- ✓ Ramp up in margin expansion actions; mitigated by inflation and portfolio rationalization
- ✓ Operating margin in positive territory, well ahead of plan

# 2023 full-year outlook

	Group	Evidian	Tech Foundations
Organic revenue growth	<b>-1.0% to +1.0%</b> +0.1% in 2022	<b>Acceleration</b> vs. 2022 +2.0% in 2022	<b>Managed decrease</b> Core stabilization Portfolio rationalization -1.6% in 2022
Operating margin* (% of revenue)	<b>4% to 5%</b> 3.1% in 2022	<b>Improvement</b> vs. 2022 5.2% in 2022	<b>Positive territory</b> 1.3% in 2022

\* At current perimeter, including Italian activities & UCC (disposals expected to close in H1 2023 and H2 2023 respectively)

# Conclusion



Atos delivering on strategic plan

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Strong operational recovery achieved in H2 2022

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Confidence for 2023, separation project well on track

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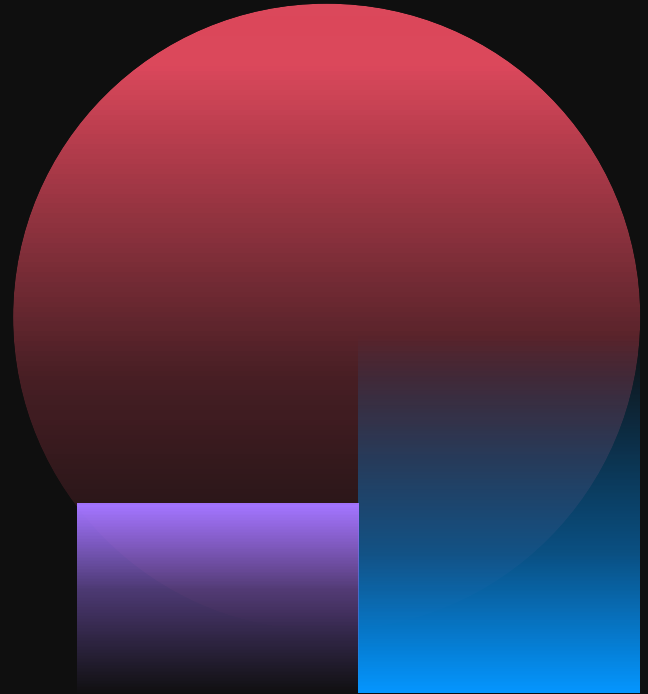
On track to achieve 2026 objectives

A large, hand-drawn oval callout box with a blue-to-pink gradient border. It contains text about investor days.

**Evidian and Tech Foundations will hold Investor Days prior to the envisaged separation**



## 05. Q&A



# Thank you



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