Press release

Atos reports full year 2023 results

Revenue: €10,693m, up +0.4% organically
- Eviden up +2.9% organically
- Tech Foundations down -1.7% organically

Operating margin of 4.4% (€467m), up +170 bps organically
With year-on-year improvements in both Eviden and Tech Foundations

Free cash flow at €-1,078m
H2 Free Cash Flow at €-109m
Reflecting lower working capital actions and higher reorganization costs

Net loss group share at €-3,441m
Impacted by goodwill and other non-current assets impairment charge of €2,546m

Normalized net income at €73m vs €-28m in 2022

Full year book-to-bill ratio at 94%, up +4 pts vs last year
Q4 book-to-bill at 108%

Opening of an amicable conciliation procedure, in the continuity of the ad hoc mandate, aiming at reaching a refinancing plan with Atos' financial creditors

Favorable court decision for Atos
vacating entirely the compensatory award related to TriZetto

Paris, March 26 2024 - Atos, a global leader in digital transformation, high-performance computing and information technology infrastructure, today announces its FY 2023 results.

Atos' Chief Executive Officer, Paul Saleh declared: *"In 2023, we achieved our revenue and profitability guidance in a challenging environment and while we were executing the separation of the company into two businesses, Tech Foundations and Eviden.*

We reported organic growth at Eviden as the company continues to invest in its offering. The business expanded its leadership in generative AI and application management, securing its customer base with significant renewals and new business particularly in Manufacturing, Consumer Goods and Public Sector verticals in Europe. Eviden has also been awarded the first exascale supercomputer in Europe, a state-of-the-art machine that will allow the acceleration of European scientific research and innovation.

In Tech Foundations, the business is executing on its transformation plan with a strong renewal rate with existing clients and contracts signature with new logos in both Digital Workplace and Hybrid Infrastructure including mainframe management, highlighting the relevance of our offerings and the quality of our service delivery.

Our operating margin has improved year over year, reflecting the execution of our cost improvement plans, while our cash flow was impacted by workforce optimization, separation costs and lower working capital actions.

Discussions regarding the potential sale of Tech Foundations to EPEI have concluded with no deal reached. We will continue to run Tech Foundations and Eviden as separate businesses and leverage the strengths of their respective offerings with a coordinated go-to-market strategy. We have been informed as well by Airbus that discussions related to the sale of Eviden's BDS (Big Data & Security) division will not proceed and we are therefore actively evaluating strategic alternative options that are in the best interest of our customers, employees, creditors and shareholders, taking into consideration the sovereign imperatives of the French state.

We are also in discussions with our financial creditors with a view to reaching a refinancing plan by July within the framework of an amicable conciliation procedure that is part of the mandat ad hoc procedure initiated last February.

Our colleagues around the world work with dedication and passion to serve our clients with the highest quality. I thank them deeply for their daily commitment and energy in this evolving environment. To our loyal and trusting clients and partners who stand side-by-side with Atos during this period, on behalf of our 95,000 employees, I say thank you for your unwavering support."

Basis of preparation of the 2023 consolidated financial statement

The consolidated financial statements of the Company for the year ended December 31, 2023 have been prepared on a going concern basis.

Atos SE wishes to draw attention to the maturity of its borrowings and the risks associated with its refinancing and its liquidity. Please refer to section "Refinancing discussions and liquidity" of this press release for further details on liquidity.

2023 performance highlights

In € million	**2023**	**2022**	**Var.**	**2022***	**Organic Var.**
Revenue	**10,693**	11,270	-5.1%	10,648	0.4%
Operating Margin	**467**	356	111	289	178
In % of revenue	*4.4%*	*3.2%*	*+120 bps*	*2.7%*	*+170 bps*
OMDA	**1,026**	1,020	6		
In % of revenue	*9.6%*	*9.1%*	-		
Normalized Net income (loss)	73	-28	101		
Net loss	-3,441	-1,012	-2,429		
Free Cash Flow	**-1,078**	-187	-891		
Net (debt)	-2,230	-1,450	-780		

**: at constant scope and average exchange rates*

Revenue and operating margin by Businesses

In € million	2023 Revenue	2022 revenue	2022 revenue*	Organic variation*
Eviden	5 089	5 244	4 945	+2,9%
Tech Foundations	5 604	6 026	5 703	-1,7%
Total	**10 693**	**11 270**	**10 648**	**+0,4%**

In € million	2023 Operating margin	2022 Operating margin	2022 Operating margin*	2023 Operating margin %	2022 Operating margin%	2022 Operating margin%*	Organic variation
Eviden	294	276	233	5.8%	5.3%	4.7%	+110 bps
Tech Foundations	172	79	56	3.1%	1.3%	1.0%	+210 bps
Total	**467**	**356**	**289**	**4.4%**	**3.2%**	**2.7%**	**+170 bps**

**: at constant scope and average exchange rates*

Group revenue was €10,693 million in 2023, up +0.4% organically compared with 2022.

Eviden delivered a +2.9% organic growth.

- **Big Data & Security (BDS)** grew by mid-single digit, driven by stronger demand in Mission Critical Systems and High-Performance Computing ("HPC"), with a large system in Spain and the ramp-up of a new contract signed in India.
- **Digital** activities grew low-single digit reflecting strong revenue growth in Europe, driven by demand for specialized application development, application management and next-generation products and services, which was partially impacted by a general market slowdown in the US, as clients take longer to award new business.

Tech Foundations recorded a -1.7% organic decline in revenue.

- This reflects the deliberate reduction in **non-core activities**, including the sale of its Italian and UCC businesses and a -19% decrease of hardware and software resale. BPO activities were up year on year, due to a favorable comparison effect.
- The decline in **core revenue** was successfully contained to -2.0%. Growth in Digital Workplace and Technological Services helped to partially offset the structural decline of the Hybrid Cloud & Infrastructure market.

Group operating margin was €467 million representing 4.4% of revenue, up +170 basis points organically compared with 2022. Both businesses contributed to this improvement:

- **Eviden's** operating margin was €294 million or 5.8%, up +110 basis points organically. Eviden's operating margin improved as a result of cost take-out actions, better utilization of billable resources and higher absorption of fixed costs in advanced computing.
- **Tech Foundations** operating margin was €172 million or 3.1%, up +210 basis points organically. The business benefitted from the execution of the transformation program that started in 2022, including the shift of the business portfolio towards higher margin new offerings. There was also a positive impact from the accelerated reduction of under-performing contracts via renegotiation and improved delivery, better pricing of new businesses and continued reduction of low margin non-core activities such as resale.

Order entry and backlog

Full-year 2023 commercial activity

Order entry reached €10.1 billion during the year, representing a book-to-bill ratio of 94%, up +4 points compared with 2022.

Eviden reported a book-to-bill ratio of 94% for the full year. Order entry reflects ongoing digital activities from smaller, low-risk contracts and short-term bookings with faster revenue yields. In terms of new deals concluded during the year, Eviden signed generative AI contracts with large clients in the retail and technology sectors. In addition, Eviden signed a large HPC deal in India and the very first exascale supercomputer contract in Europe, a key milestone that will extend Europe's scientific excellence and industrial leadership.

Tech Foundations' reported a book-to-bill ratio of 94% led by the successful renewals of major Digital Workplace and Hybrid Infrastructure contracts in nearly all geographies with particular strength in North America and by the renewal of Technology Services contracts in France. The number of new signatures more than doubled compared with 2022 with eleven new large deals.

Q4 2023 commercial activity

Book-to-bill ratio for the Group was 108% in Q4.

At Eviden, Q4 book-to-bill reached 100%. Main contracts awarded consisted of the extension of the HPC contract in Germany, a new HPC contract for a French public entity and a new Public Sector contract in the United Kingdom. An application maintenance contract with a leading US financial rating agency was also successfully renewed.

At Tech Foundations, Q4 book-to-bill was 117%. Main order entry in Tech Foundations included the extension of infrastructure management services with a leading Asian bank, a new Digital Workplace contract with a major European Telecom company and an extension of a mainframe management contract for a large US insurer.

Backlog & commercial pipeline

At the end of December 2023, the **full backlog** reached €18.5 billion representing 1.7 years of revenue. The **full qualified pipeline** amounted to €6.2 billion at the end of December 2023.

Net income

Net loss group share was €-3,441 million, primarily impacted by a €-2,546 million impairment charge.

Normalized net income stood at €73 million compared with a loss of €-28 million in 2022.

Free cash flow

Free cash flow was €-1,078 million for the full year, reflecting €377 million higher restructuring and separation costs, and €502 million lower working capital actions compared with the prior year.

Opening of an amicable conciliation procedure aiming at renegotiating Atos S.E.' debt with its financial creditors

Atos SE announces today that the Company has entered into an amicable conciliation[1] procedure. According to French law, a conciliation procedure lasts four months, which may be extended by one month; Maître Hélène Bourbouloux of FHB SELARL was appointed as conciliator.

The purpose of this procedure is to facilitate a global refinancing agreement with the banks and bondholders of Atos SE's (the "financial creditors").

The conciliation procedure concerns only the financial indebtedness of Atos SE and will not impact suppliers, employees, the governance of the Company, or other creditors of the Company or its subsidiaries.

The Company intends to present the parameters of its refinancing framework to its financial creditors during the week of April 8th, 2024 and to provide an update to the market. The Company's objective is to reach a global agreement on the capital structure of the Company by July 2024.

End of exclusive negotiations with EPEI for the sale of Tech Foundations

Exclusive negotiations with EP Equity Investment ("EPEI") for the potential sale of Tech Foundations announced on August 1, 2023, did not lead to a mutually satisfactory agreement. The discussions and the put agreement were therefore terminated by mutual consent on February 27, 2024, with no indemnification on either side and the parties are released from any future reciprocal obligation subject to maintaining the confidentiality agreements. Atos will continue to run Tech Foundations and Eviden as separate businesses and leverage the strengths of their respective offerings with a coordinated go-to-market strategy.

End of the discussions with Airbus regarding BDS potential sale

On March 18, 2024, Atos was informed by Airbus that discussions related to the sale of its BDS (Big Data & Security) business will not proceed.

Atos is analysing the resulting situation and actively evaluating strategic alternatives that will take into consideration the sovereign imperatives of the French state and will be in the best interest of its customers, employees, creditors and shareholders.

[1] The conciliation is a procedure, so-called amicable or preventive, for dealing with financial difficulties. It is provided for in the Commercial Code. The negotiations, which take place under the aegis of a conciliator appointed by the President of the Commercial Court, are confidential. The conciliator's mission is to encourage the conclusion of an amicable agreement between the debtor and its creditors, who are called upon to do so, aimed at putting an end to the company's difficulties and ensuring its continuity.

Favorable court decision for Atos in appeal against TriZetto damages ruling

On March 13, 2024, the United States District Court for the Southern District of New York, as part of Syntel's ongoing litigation with Cognizant and its subsidiary TriZetto, vacated the remaining compensatory damages judgments entered in this case : (1) the $142 million New York trade secret misappropriation award and (2) the $59 million copyright infringement award. Therefore no compensatory damage will have to be paid by Atos. The District Court granted TriZetto's motion for attorney's fees in the amount of approximately $15 million.

The case began in 2015, before Syntel's acquisition by Atos. Throughout the trial and on appeal, Atos maintained that Cognizant and TriZetto had failed to meet their burden to show trade secret misappropriation and that their damages theories were improper as a matter of law.

In its decision, the District Circuit, acknowledged that "*the jury's award was based on what now turns out to be legal error*" and held that "*the Court is compelled to vacate the jury's remaining compensatory damages awards*".

Asset sales

The Group completed its €700 million program announced in 2022 and is executing on its additional asset disposal plan of €400 million mentioned in the press release of July 28, 2023. During 2023, the Group has generated net proceeds from asset disposal of €411 million, of which €190 million in H1 and €221 million in H2.

Net debt and debt covenant

At December 31, 2023, net debt was €2,230 million and consisted of:

- Cash, cash equivalents and short-term financial assets for €2,423 million, including benefits from working capital actions.
- Total borrowings for €4,654 million

The Group remained within its borrowing covenant applicable to its bank financing, with a leverage ratio (net debt divided by pre-IFRS 16 OMDA) of 3.34 times at the end of December 2023 compared with the bank covenant of 3.75x.

Refinancing discussions and liquidity

The consolidated financial statements of the Group for the year ended December 31, 2023 have been prepared on a going concern basis. The Group's cash forecasts for the twelve months following the approval of the 2023 consolidated financial statements by the Board of Directors, result in a cash situation that meets its liquidity needs over that period.

The cash forecasts, which take into account the latest business forecasts, have been prepared in particular based on the following assumptions:

- The implementation of specific actions to optimize its working capital requirements, including in particular the continued access to a factoring program,
- The continuation of the €400 million asset divestment program that was announced on July 28th, 2023,
- The implementation of a new disposal program announced on January 3, 2024. In this respect, the Group is actively evaluating strategic alternatives, having received several expressions of interest or indicative offers relating to various perimeters.

At December 31, 2023, cash, cash equivalents, and short term financial assets of the Group amounted to €2,423 million, including the benefits of working capital actions. Borrowings amounted to €4,654 million, of which €2,400 million of bonds and €2,080 million of bank financing. As a result, the total net debt for the Group amounted to €2,230 million at December 31, 2023. In addition, the Atos SE's leverage ratio applicable to the multi-currency revolving credit facility and the term loan A amounted to 3.34x at December 31, 2023.

Atos SE wishes to draw attention to the maturity of Atos SE's borrowings and the risks associated with its refinancing. The coming maturities of its borrowings are as follows:

- The €1.5 billion term loan A, maturing in July 2024, provides for another 6-month extension option until January 2025 available to Atos under standard conditions (notably no event of default and payment of an extension fee); it should be noted that there is no ongoing event of default, since under French law, events of default linked to the appointment of a *mandataire ad hoc* or the opening of a conciliation procedure are considered void;
- The €500 million bond (Optional Exchangeable Bond) maturing in November 2024,
- The €750 million bond maturing in May 2025,
- The €900 million revolving credit facility maturing in November 2025,
- The €350 million bond maturing in November 2028, and
- The €800 million bond (Sustainability-Linked Bond) maturing in November 2029.

As stated in the January 3rd, 2024 Market Update press release, the Group will need to take the following actions, either individually or in combination, in order to meet these financing maturities:

- Obtain new bank financing,
- Access capital markets (debt and/or equity),
- Implement a major asset disposal program in addition to the €400 million disposal program announced on July 28, 2023, and
- Continue specific actions to optimize its working capital requirement, including continued access to a factoring program.

In this context and as indicated above following its press release of February 5, 2024, Atos SE has entered into discussions with its banks and bondholders with a view to reaching a global agreement on the restructuring of its financial debt. Those discussions, that were held with the participation of the CIRI ("Comité Interministériel de Restructuration Industrielle") and the *mandataire ad hoc* appointed since the beginning of February 2024, will continue under an amicable conciliation procedure in order to frame these discussions and facilitate the emergence of a global agreement within a short and well-defined timetable of 4 months, which can be further extended by another month if needed. Those discussions were still ongoing at the time the consolidated financial statements for the year ended December 31, 2023 were approved by the Board of Directors.

The Group has sufficient liquidity to operate business until a refinancing plan is reached and is also in discussions with its financial creditors regarding an interim financing, which would provide an additional liquidity cushion to the Group until a global agreement on the refinancing plan is reached.

All these circumstances create a material uncertainty upon the ability of the Group to continue as a going concern in the event the Group is unable to negotiate a new refinancing plan or to execute an important asset disposal plan. In that case, Atos SE may not be able to realize its assets or settle its liabilities within the ordinary course of its operations, and the application of IFRS accounting standards in the ordinary context of going concern, in particular with regards to the measurement of assets and liabilities, may not be appropriate.

Atos will inform the market in due course of the progress of the refinancing discussions with its financial creditors, its contemplated disposals, as well as any potential changes in its capital structure arising from a final global refinancing agreement, including the issuance of new equity, which will likely result in a dilution of the existing shareholders.

2023 performance by Regional Business Unit

In € million	2023 Revenue	2022 revenue	2022 revenue*	Organic variation*
Americas	2 441	2 794	2 626	-7,1%
Northern Europe & APAC	3 163	3 199	3 123	+1,3%
Central Europe	2 506	2 588	2 452	+2,2%
Southern Europe	2 284	2 420	2 198	+3,9%
Others & Global Structures	300	269	248	+21,1%
Total	**10 693**	**11 270**	**10 648**	**+0,4%**

In € million	2023 Operating margin	2022 Operating margin	2022 Operating margin*	2023 Operating margin %	2022 Operating margin%	2022 Operating margin%*	Organic variation*
Americas	249	222	202	10.2%	7.9%	7.7%	+250 bps
Northern Europe & APAC	163	115	112	5.2%	3.6%	3.6%	+160 bps
Central Europe	31	-10	-23	1.3%	-0.4%	-0.9%	+220 bps
Southern Europe	99	106	81	4.3%	4.4%	3.7%	+60 bps
Others & Global Structures	- 77	-78	-84	NA	NA	NA	NA
Total	**467**	**356**	**289**	**4.4%**	**3.2%**	**2.7%**	**+170 bps**

**: At constant scope and average exchange rates*

Americas revenue was €2,441 million, down -7.1% organically, reflecting a general slowdown in market conditions, delays in contracts awards and tougher comparison with the prior year. Both Eviden and Tech Foundations businesses contributed to that organic revenue decline. In Advanced Computing, the delivery of an HPC in South America in 2022 could not be compensated by another HPC delivery in 2023, while softer market conditions led to volume reductions in Digital, particularly in Finance, Transportation and Healthcare. Tech Foundations was impacted by contracts scope reductions, notably in Pharmaceutical and Finance verticals.

Operating margin was €249 million or 10.2%, up +250 basis points organically. Eviden margin improved towards mid-teens and Tech Foundations reached mid-single digit reflecting stronger productivity and costs improvements.

Northern Europe & Asia-Pacific revenue was €3,163 million, up +1.3% organically, reflecting strong demand from the Public Sector across Europe and solid performance in the Financial vertical in Asia-Pacific. Digital activities were up high-single digit on solid demand from application modernization and cloud transformation, partially offset by reduction in low-margin *Lab-as-a-Service* business and lower HPC revenue compared with the prior year, which benefited from several supercomputer deliveries. In Tech Foundations, growth came mostly from stronger Public Sector business in the United Kingdom and in the Financial sector in Asia-Pacific.

Operating margin was €163 million, or 5.2%, up +160 basis points organically thanks to continued delivery optimization actions and tighter cost controls.

Central Europe revenue was €2,506 million, increasing by +2.2% organically. Solid double-digit growth in Digital and BDS, driven by strong demand in the Public and Automotive sectors was partially offset by revenue decline in Tech Foundations, which was impacted by lower activity in Manufacturing and Banking.

Operating Margin was €31 million or 1.3%, up +220 basis points organically. Both Business lines reported improvements in profitability reflecting the benefit of workforce optimization actions and tighter management of under-performing contracts.

Southern Europe revenue was €2,284 million, up+3.9% organically. High-single digit growth in Eviden was driven by strong performance in Big Data and Cybersecurity and HPC. Digital also grew, benefitting from new customers contracts as well as demand for application modernization and decarbonation solutions. Tech Foundations reported a low single digit decline, as solid performance with Public Sector clients were offset by volume reductions in the Aerospace and Transport & Logistics sectors.

Operating margin was €99 million or 4.3%, up +60 basis point organically, primarily from improvement in Tech Foundations profitability.

Others and global structures encompass Middle East, Africa, Major Events as well as the Group's global delivery centers and global structures. Revenue was €300 million, up +21% organically supported by double-digit growth in Major Events with the European Games in Poland and with the ramp-up of a contract in Sports & Major Events with UEFA. Overall profitability improved by €+7 million organically reflecting tighter cost management in the delivery centers and improved profitability in Growing Markets.

Operating Margin to Operating income

In € million	2023	2022
Operating margin	**467**	**356**
Reorganization	-696	-352
Rationalization and associated costs	-38	-69
Integration and acquisition costs	4	-30
Amortization of intangible assets (PPA from acquisitions)	-108	-140
Equity based compensation	-19	-25
Impairment of goodwill and other non-current assets	-2,546	-177
Other items	-169	-359
Operating (loss)	**-3,106**	**-795**

Non recurring items were a net expense of €3,573 million.

Reorganization costs amounted to €696 million, consisting in €343 million in workforce adaptation, of which €147 million for the extension of the German restructuring plan launched in 2022, and €353 million in separation and transformation costs.

Rationalization and associated costs was €38 million, consisting primarily in the datacenter consolidation plan in North America.

Integration and acquisition costs were a net income of €4 million as certain earn-out and retention schemes did not materialize and were thus released to the income statement.

Amortization of intangible assets recognized in the **purchase price allocation** exercises amounted to €108 million, compared with €140 million in 2022. The decrease originated from PPA assets being derecognized as the underlying entities were disposed of, as well as the end of the amortization period for certain assets.

Non-cash goodwill and other non-current assets impairment amounted to €2,546 million, including impairment of goodwill, allocated to Eviden of € 1,920 million, and Tech Foundations of €328 million, as well as €173 million impairment on PPA assets. The annual goodwill impairment test is performed at year end, in compliance with IAS 36. Fair values are determined based on a multicriteria approach, including Discounted Cash Flows ("DCF"), discount rates reflecting estimated execution risks, and adjusted trading multiples, consistent with the methodology applied in prior years.

In 2023, **Other items** were a net expense of €169 million compared with €359 million in 2022. In 2023, those exceptional items mainly included:

- Reassessment of onerous contracts that were accounted for in Other Items in 2021 for €36 million;
- Litigations costs and vendor contract renegotiations for €65 million;
- Net capital loss arising from disposals for €46 million, primarily due to the disposal of UCC.

As a result, operating loss was at €-3,106 million, compared with a loss of €-795 million in 2022.

Operating Income to Net income Group Share

In € million	2023	2022
Operating (loss)	**-3,106**	**-795**
Net financial expense	-227	-175
Tax charge	-112	-46
Non-Controlling interests	-1	0
Share of net profit of equity-accounted investments	5	4
Net (loss) Group Share	**-3,441**	**-1,012**
Normalized net income (loss) (Group share)	**73**	**-28**
Basic earning per share	-31.04	-9.14
Diluted earning per share	-31.04	-9.14

Net financial expense was €227 million and was composed of:
- a net cost of financial debt of €102 million, which increased by €+73 million due to higher interest rates, coupled with additional drawdowns on bank borrowings; and
- Other net financial expense of €125 million, which include in particular the interest component on pension and lease.

The **tax charge** for 2023 was €112 million.

Net loss group share was €3,441 million, mainly impacted by the goodwill and other non-current assets impairment charges of €2,546 million and reorganization expense for €696 million.

The normalized net profit group share excluding unusual, abnormal and infrequent items (net of tax) was €73 million, compared with a loss of €-28 million in 2022. Reconciliation between the net loss group share and the normalized net profit group share is presented in appendix.

Earnings per share

Basic and diluted earnings per share were €-31.04 per share in 2023, while normalized and diluted earnings per share were €0.66 per share.

Free cash flow and net cash

In € million	**2023**	**2022**
Operating Margin before Depreciation and Amortization (OMDA)	**1,026**	**1,020**
Capital expenditures	-205	-251
Lease payments	-358	-405
Change in working capital requirement*	-391	126
Cash from operations (CFO)	**73**	**489**
Tax paid	-77	-59
Net cost of financial debt paid	-102	-29
Reorganization in other operating income	-605	-192
Rationalization & associated costs in other operating income	-47	-72
Integration and acquisition costs in other operating income	-8	-19
Other changes**	-312	-305
Free Cash Flow (FCF)	**-1,078**	**-187**
Net (acquisitions) disposals	411	-109
Capital increase	-	7
Share buy-back	-3	-2
Dividends paid	-35	-11
Change in net (debt)	**-705**	**-301**
Opening net cash (debt)	-1,450	-1,226
Change in net cash (debt)	-705	-301
Foreign exchange rate fluctuation on net cash (debt)	-75	77
Closing net (debt)	**-2,230**	**-1,450**

** Change in working capital requirement excluding the working capital requirement change related to items reported in other operating income and expense.*

*** "Other changes" include other operating income and expense with cash impact (excluding staff reorganization, rationalization and associated costs, integration and acquisition costs) and other financial items with cash impact, net long term financial investments excluding acquisitions and disposals, and profit sharing amounts payable transferred to debt*

Free cash flow was €-1,078 million for the full year, reflecting higher restructuring and separation costs for €377 million, and €502 million lower working capital actions compared with the prior year.

Capital expenditures and lease payments totaled €562 million, down €-94 million from the prior year reflecting the actions from the Group to further optimize lease and capital expenditure, as well as to move to less capital-intensive activities.

Change in working capital requirement was €-391 million, primarily from €502 million lower working capital actions compared with prior year. At year-end, total specific actions carried out by the Group to optimize its working capital amounted to € 1.8 billion, compared with €2.3 billion at the end of 2022. They comprised:

- Non-recourse transfer of trade receivables for €712 million (€862 million at December 31, 2022);
- Other specific actions on trade receivables for € 455 million (€647 million at December 31, 2022), consisting mainly in the reduction in the average payment period for trade receivables; as well as
- Specific actions on trade payables for €650 million (€810 million at December 31, 2022), resulting mainly from the extension of supplier payment execution. Those specific actions did not comprise any reverse factoring measure.

Cash out related to **taxes paid** increased by €+18 million and amounted to €77 million in 2023, including €11 million of taxes paid in connection with carve-out transactions and disposals completed during the year.

Net cost of financial debt was €102 million and increased by €+73 million due to higher interest rates, coupled with additional drawdowns on bank borrowings.

The total of reorganization, **rationalization & associated costs** and **integration & acquisition costs** reached €660 million compared with €283 million in 2022.

- Restructuring cost was €605 million, of which €382 million of one-off separation costs;
- Rationalization cost was €47 million and resulted from the closure and consolidation of data centers, mainly in North America;
- Integration cost was €8 million.

Cash out related to **Other changes** was €312 million and consisted primarily of costs incurred on onerous contracts for €126 million, payments related to past settlements with customers and vendors and legal costs for €115 million.

As a result of the above impacts mainly driven by reorganization costs and the change in the working capital requirement, the Group presented a negative **Free Cash Flow** of €-1,078 million in 2023, compared with €-187 million in 2022.

The net cash impact resulting from net disposals amounted to €+411 million and mainly originated from the disposal of:

- The Group Italian operations to Lutech,
- EcoAct and its subsidiaries to Schneider Electric,
- The share in the joint-arrangement with the State Street group,
- The UCC business

No **dividends** were paid to Atos SE shareholders in either 2023 and 2022. The €35 million cash out corresponded to taxes withheld on internal dividend distributions.

Foreign exchange rate fluctuation represented an increase in net debt of €75 million mainly coming from the evolution of exchange rates of the US Dollar and British Pound against the Euro.

As a result, the Group **net debt position** as of December 31, 2023 was €2,230 million, compared with €1,450 million as of December 31, 2022.

Outlook

Full year 2024

Full year 2024 objectives are not provided at this time given current market uncertainties and contemplated sale of assets.

2026 objectives

The Group withdraws previously communicated financial objectives given the contemplated sale of assets and the ongoing debt refinancing discussions.

Human resources

The **total headcount** was **95,140** at the end of December 2023, a decrease by -14.1% compared with 110,797 at the end of December 2022. This was due to the divestures of Atos Italy, UCC, State Street joint-venture, EcoAct and Elexo. Excluding the scope impact, the decrease would have been -5.7% over the period.

During the year 2023, the Group hired 14,839 staff (of which 92.0% were Direct employees). 70% of hirings were in offshore and nearshore countries.

Attrition rate declined from 21.6% in 2022 to 14.5% in 2023, reflecting the strong dedication of employees to the Group. In particular, attrition rate declined in offshore centers from 27.8% to 17.1% and retention of key personnel has improved compared with last year despite leadership changes at the top of the organization.

Industry-leading CSR recognition

In 2023, Atos remained as one of the best rated companies in the IT service sector for its Corporate Social Responsibility performance. In September 2023, for the fourth year in a row, Atos was awarded the **EcoVadis Platinum Award** for its Corporate Social Responsibility performance, maintaining the highest score ever received by the Group, at 84 points out of 100. As a result, Atos confirms its position in the top 1% of companies assessed by EcoVadis within its sector. Atos was upgraded in November 2023 to the highest ESG rating available (AAA) by **MSCI**, ranking it among the top 11% of companies in the "Software and Service" industry. Also, in November 2023, Atos was ranked in the top 4% of the IT Services industry in the **2023 S&P Global Corporate Sustainability Assessment** with a score of 82/100.

Dividend

Atos Board of Directors decided, in its meeting held on March 25, 2024, to not propose a dividend to the next Annual General Meeting.

Consolidated financial statements

Atos consolidated financial statements for the year ended December 31, 2023, were approved by the Board of Directors on March 25, 2024.

Audit procedures on the consolidated financial statements have been completed and the audit report is in the process of being issued with an unqualified opinion. It is expected that the audit report on the Group's consolidated financial statements will include a separate section about the material uncertainty related to the going concern.

Conference call

Atos' Management invites you to an international conference call on the Group 2023 results, on **Tuesday, March 26, 2024 at 08:00 am (CET – Paris)**.

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

- via the following link: https://edge.media-server.com/mmc/p/tppiw22z
- by telephone with the dial-in, 10 minutes prior the starting time. Please note that if you want to join the webcast by telephone, **you must register in advance of the conference** using the following link:

  https://register.vevent.com/register/BId8617ae02024472d98cf92ca14549339

  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

April 25, 2024 (Before Market Opening)	First quarter 2024 revenue

Contacts

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APPENDIX

Q4 2023 revenue

In € million	Q4 2023 Revenue	Q4 2022 Revenue	Q4 2022 Revenue*	Organic variation*
Eviden Perimeter	1,247	1,427	1,302	-4.2%
Tech Foundations Perimeter	1,308	1,462	1,253	+4.4%
Total	**2,555**	**2,889**	**2,554**	**+0.0%**

In € million	Q4 2023 Revenue	Q4 2022 Revenue	Q4 2022 Revenue*	Organic variation*
Americas	509	665	566	-10.1%
Northern Europe & APAC	810	772	748	+8.2%
Central Europe	582	693	587	-0.9%
Southern Europe	571	679	578	-1.1%
Others & Global Structures	83	80	75	+9.9%
Total	**2,555**	**2,889**	**2,554**	**+0.0%**

*: at constant scope and exchange rates

Net loss Group share to normalized net income Group share

In € million	2023	2022
Net (loss) attributable to owners of the parent	**-3,441**	**-1,012**
Other operating income and expense, net of tax	**-3,514**	-906
Net gain (loss) on financial instruments related to Worldline shares, net of tax	**-**	-78
Normalized net income (loss) - Attributable to owners of the parent	**73**	**-28**

FY 2022 Revenue and operating margin at constant scope and exchange rates reconciliation

For the analysis of the Group's performance, revenue and OM for 2023 is compared with 2022 revenue and OM at constant scope and foreign exchange rates. Reconciliation between the 2022 reported revenue and OM, and the 2022 revenue and OM at constant scope and foreign exchange rates is presented below, by Business Lines and Regional Business Units.

In 2023, the Group reviewed the accounting treatment of certain third-party standard software resale transactions following the decision published by ESMA in October 2023 that illustrated the IFRS IC decision and enacted a restrictive position on the assessment of Principal vs. agent under IFRS 15 for such transactions. The revenue was negatively impacted by € 62 million. The impact affected Eviden in the Americas RBU without impacting the operating margin. The revenue for 12-month period ended December 31, 2022 was restated by € 71 million to € 11,270 million.

FY 2022 revenue In € million	FY 2022 Published	Restatement	FY 2022 restated	Internal transfers	Scope effects	Exchange rates effects	FY 2022*
Eviden	5,315	-71	5,244	-4	-218	-78	4,945
Tech Foundations	6,026		6,026	4	-220	-106	5,703
Total	**11,341**	**-71**	**11,270**	**0**	**-438**	**-184**	**10,648**

FY 2022 Operating margin In € million	FY 2022 Published	Restatement	FY 2022 restated	Internal transfers	Scope effects	Exchange rates effects	FY 2022*
Eviden	276	0	276	-2	-31	-10	233
Tech Foundations	79		79	3	-22	-5	56
Others & Global Structures	0		0	-2	1	0	0
Total	**356**	**0**	**356**	**0**	**-52**	**-15**	**289**

FY 2022 revenue In € million	FY 2022 published	Restatement	FY 2022 restated	Internal transfers	Scope effects	Exchange rates effects	FY 2022*
Americas	2,866	-71	2,794	-9	-51	-108	2,626
Norther Europe & APAC	3,199		3,199	6	-19	-62	3,123
Central Europe	2,588		2,588	0	-144	8	2,452
Southern Europe	2,420		2,420	2	-224	0	2,198
Others & Global structures	269		269	0	0	-21	248
Total	**11,341**	**-71**	**11,270**	**0**	**-438**	**-184**	**10,648**

FY 2022 Operating margin In € million	FY 2022 published	Restatement	FY 2022 restated	Internal transfers	Scope effects	Exchange rates effects	FY 2022*
Americas	222	0	222	0	-10	-10	202
Northern Europe & APAC	115		115	3	-2	-4	112
Central Europe	-10		-10	0	-13	0	-23
Southern Europe	106		106	0	-25	0	81
Others & Global structures	-78		-78	-2	-2	-2	-84
Total	**356**	**0**	**356**	**0**	**-52**	**-15**	**289**

* : At constant scope and foreign exchange rates

Scope effects on revenue amounted to €-438 million. They mainly related to the divesture of Atos satellite ground testing business and Russia in 2022, and in 2023 to the divestures of Italy in Southern Europe, of UCC across all regions, of EcoAct in Americas, Southern Europe and Northern Europe & Asia-Pacific, of State Street JV in Americas, and of Elexo in Southern Europe.

Currency effects negatively contributed to revenue for €- 184 million. They mostly came from the depreciation of the American dollar, the British pound, the Argentinian peso, and the Turkish lira.

Internal transfers adjustments reflected split of Processia perimeter from Americas to Northern Europe & Asia-Pacific and to Southern Europe.

Q4 2022 Revenue at constant scope and exchange rates reconciliation

For the analysis of the Group's performance, revenue for Q4 2023 is compared with 2022 revenue at constant scope and foreign exchange rates.

Reconciliation between the 2022 reported fourth quarter revenue and the 2022 fourth quarter revenue at constant scope and foreign exchange rates is presented below, by Business Lines and Regional Business Units :

Q4 2022 revenue In € million	Q4 2022 published	Restatement	Q4 2022 restated	Internal transfers	Scope effects	Exchange rates effects	Q4 2022*
Eviden	1,498	-71	1,427	7	-103	-29	1,302
Tech Foundations	1,462		1,462	-7	-176	-27	1,253
Total	**2,960**	**-71**	**2,889**	**0**	**-279**	**-56**	**2,554**

Q4 2022 revenue In € million	Q4 2022 published	Restatement	Q4 2022 restated	Internal transfers	Scope effects	Exchange rates effects	Q4 2022*
Americas	737	-71	665	0	-51	-48	566
Northern Europe & APAC	772		772	0	-19	-5	748
Central Europe	693		693	0	-108	2	587
Southern Europe	679		679	0	-101	0	578
Others & Global structures	80		80	0	0	-5	75
Total	**2,960**	**-71**	**2,889**	**0**	**-279**	**-56**	**2,554**

* : At constant scope and foreign exchange rates

About Atos

Atos is a global leader in digital transformation with 95,000 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 69 countries. A pioneer in decarbonization services and products, Atos is committed to a secure and decarbonized digital for its clients Atos is a SE (Societas Europaea), listed on Euronext Paris.

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.

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 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 2022 Universal Registration Document filed with the Autorité des Marchés Financiers (AMF) on April 21st, 2023 under the registration number D.23-0321. 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.

This document includes information on specific transactions that shall be considered as projects only. In particular, any decision relating to the information or projects mentioned in this document and their terms and conditions will only be made after the ongoing in-depth analysis considering tax, legal, operational, finance, HR and all other relevant aspects have been completed and will be subject to general market conditions and other customary conditions, including governance bodies and shareholders' approval as well as appropriate processes with the relevant employee representative bodies in accordance with applicable laws.

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 Asia-Pacific** including Northern Europe (United Kingdom & Ireland, Belgium, Denmark, Estonia, Belarus, Finland, Lithuania, Luxembourg, The Netherlands, Norway and Sweden) and Asia-Pacific (Australia, China, Hong Kong, India, Japan, Malaysia, New Zealand, Philippines, Singapore, Taiwan, Thailand and South Korea), **Central Europe** (Austria, Bosnia and Herzegoniva, Bulgaria, Croatia, Czech Republic, Germany, Greece, Hungary, Israel, Poland, Romania, Serbia, Slovenia, Slovakia, and Switzerland), **Southern Europe** (Andorra, France, Italy, Portugal, and Spain) and **Rest of the World** including Middle East & Africa (AbuDhabi , Algeria, Benin, Burkina Faso, Egypt, Gabon, Ivory Coast, Kenya, Lebanon, Madagascar, Mali, Mauritius, Morocco, Namibia, Qatar, , Kingdom of Saudi Arabia, Senegal, South Africa, Tunisia, Turkey and UAE), Major Events and Global Delivery Centers.