

Q3 2024 Results

Paris,

October 24th, 2024

Atos

Today's presenters



**Jean Pierre
Mustier**

Group CEO



**Clay
Van Doren**

Chief Growth Officer



**Jacques-François
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Group CFO

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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, 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 Herzegovina, 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 (Abu Dhabi, 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.

Agenda

- 1. Key messages**
- 2. Q3 2024 Business Highlights**
- 3. Q3 2024 Financial Results**
- 4. Key takeaways**
- 5. Q&A**

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Key messages

Jean Pierre Mustier

Group CEO



Q3 2024 highlights



Industrial turnaround plan has started

- **Decision from the Court** on pre-arranged financial restructuring plan **expected today**
- **New governance in place** with Philippe Salle appointed Chairman and CEO from February 2025
- **Stronger commercial activity** expected in Q4



Q3 performance

- **Revenue evolution in line with updated business plan** communicated on Sept 2
- **Q3 book-to-bill** in line with Q3 2023 book-to-bill excluding large exceptional deals (1)
- **Clients** taking notes of our restructuring and **starting to resume normalized interactions**



Strategic updates

- **Sale of Worldgrid to Alten** on track
- **Ongoing discussions with the French state** regarding sensitive sovereign activities

(1) Q3 2023 book-to-bill of 65% excluding one large exceptional deal in Eviden and another one in Tech Foundations

Q3 2024 activity consistent with Sept 2nd business plan

Group Revenue

€2.3bn

-4.4% yoy. Organic

Eviden:

- Continued market softness in key markets and Impact of previously-established contract scope reductions
- Q4 organic revenue evolution expected slightly negative

Tech Foundations:

- Lower scope of work
- Impact of previously established contract completions & terminations in Americas and the UK
- Q4 revenue expected to decrease double digit on previously-established contract terminations and completions

Order Entry

€1.5bn

66% of revenue

In line with Q3 2023 excl. large deals (1)

- **BDS** order entry benefitting from several HPC contracts signed
- **Tech Foundations** Q3 book-to-bill consistent with past seasonality trends(2)
- **Stronger commercial activity expected in Q4**, which would lead to a significantly improved order entry and a Q4 2024 book-to-bill in line with previous year (3)

(1) Q3 2023 book-to-bill of 65% excluding one large exceptional deal in Eviden and another one in Tech Foundations

(2) 2021 (54%), 2022 (58%) and 2023 (84% including one large exceptional deal)

(3) Eviden Q4 book-to-bill expected close to Q4 2023 (100%) and Tech Foundations Q4 book-to-bill expected close to 2021-23 average (98%)

Cash position

of

€1.1bn

- **Net cash** position of €1.1 bn as planned, Including a €1.6bn reduction of working capital optimization compared with December 2023
- **Net debt** position of €4.6 bn
- **Q3 cash consumption** of €-3m excluding change of working capital optimization of €232m

02

Q3 2024

Business Highlights

Clay

Van Doren

Chief Growth Officer



Q3 order entry at €1.5 billion

Book-to-bill at 66% vs 84% in prior year, in line with Q3 2023 book-to-bill excluding large exceptional deals (1)

Eviden

- Q3 BtB at 73% (80% in Q3 23)
- Q4 BtB expected close to Q4 23 (2)

Tech Foundations

- Q3 BtB at 60%, consistent with prior years (3)
- Q4 BtB expected close to historical average (4)
- Anticipated return of multi-year contracts with existing customers

Q3 wins and renewals

Major European Energy utility

Control room services **New**

Leading player in Aerospace

HPC **New**

UK DEFRA Department

Mission critical systems, hybrid cloud & security systems **Renewal**

Leading player in the automotive industry

Application maintenance services **Renewal**

(1) Q3 2023 book-to-bill of 65% excluding one large exceptional deal in Eviden and another one in Tech Foundations

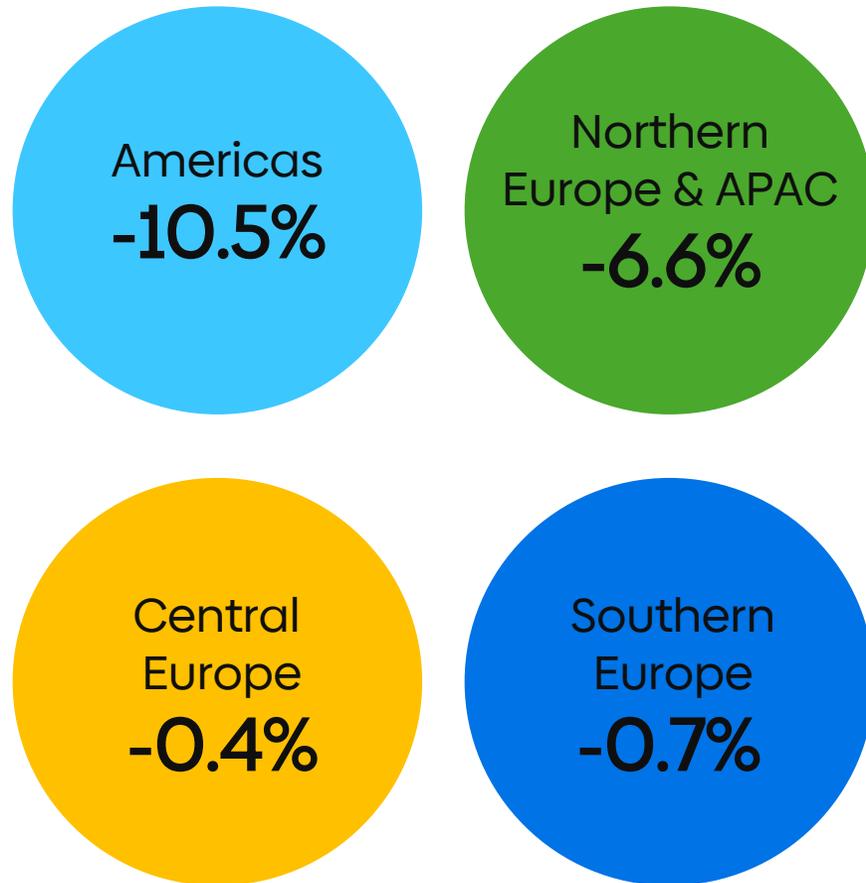
(2): Q4 23 Eviden BtB of 100%

(3): 2021 (54%), 2022 (58%) and 2023 (84% including one large exceptional deal) 108%

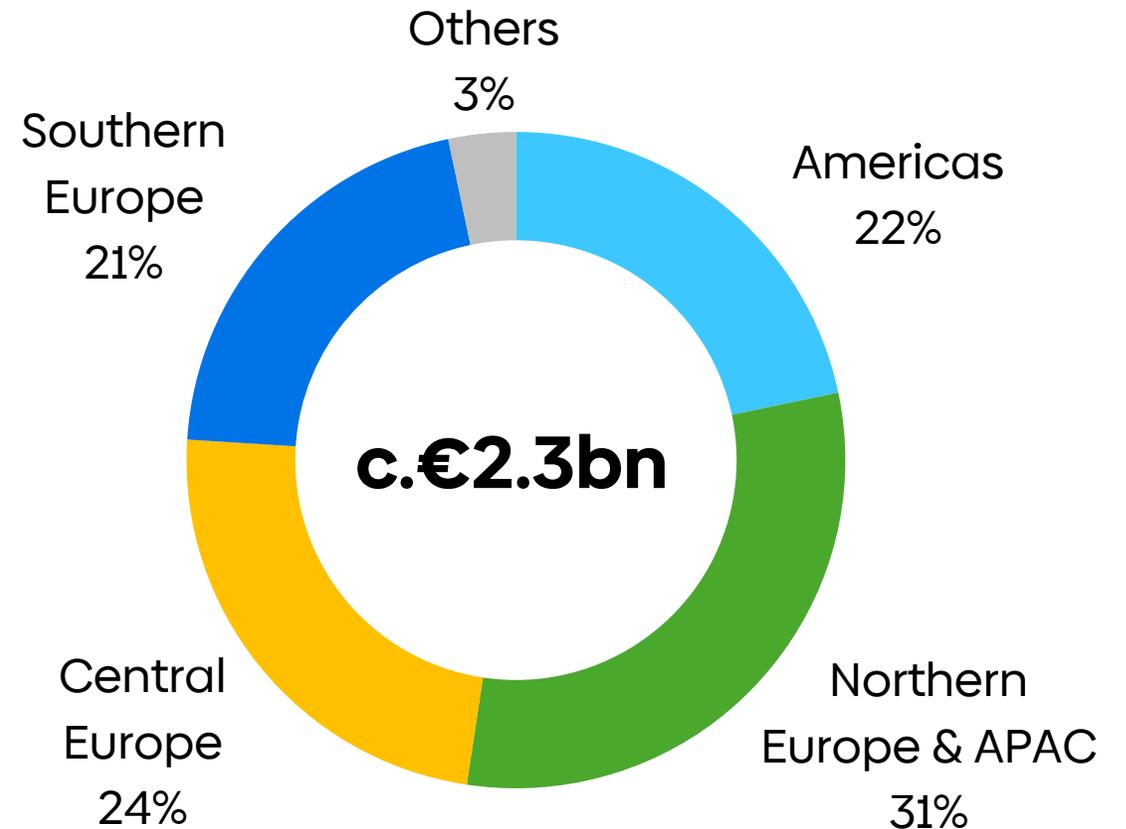
(4): Q4 Tech Foundations 2021-2023 book-to-bill average of 98%

Q3 2024 Group organic growth & revenue by regional business unit

Organic revenue evolution

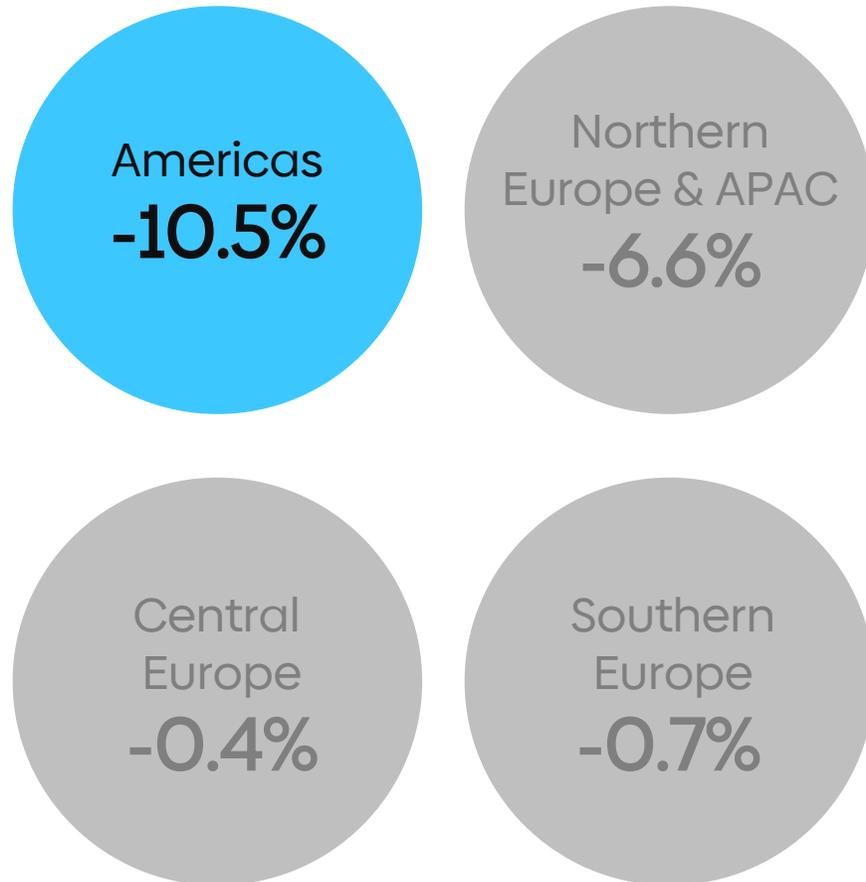


Revenue mix



Americas impacted by general slowdown in market conditions and contract terminations

Organic revenue evolution



Eviden:

Double-digit decline

- Contract terminations and volume decline in Healthcare, Finance, and Transport & Logistics
- High single-digit decline in BDS due to volume reductions

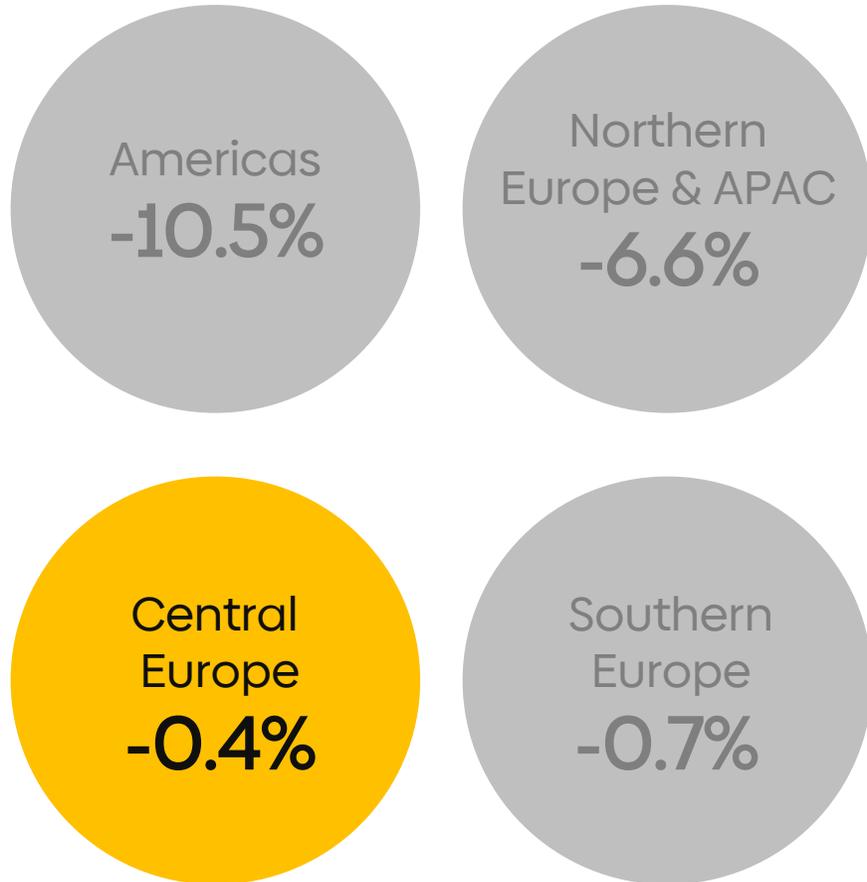
Tech Foundations

Mid-single-digit decline

- Contract completions and terminations as well as scope reductions with select customers.

Central Europe stable driven by Tech Foundations

Organic revenue evolution



Eviden:

Low single-digit decline:

- Volume reductions in Digital from Manufacturing and Public Sector customers

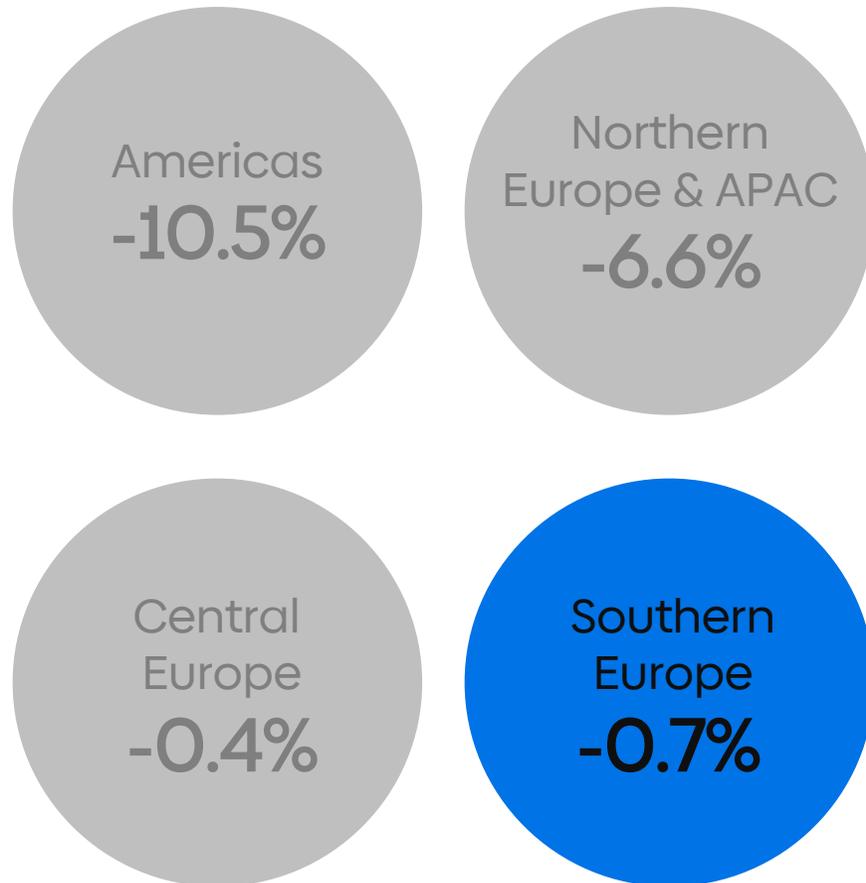
Tech Foundations

Mid-single-digit growth:

- Strong demand for hardware products

Southern Europe roughly stable driven by Digital growth

Organic revenue evolution



Eviden:

Roughly flat:

- Growth in Digital, benefitting from contract win with a major European utility company in France
- Lower revenue in BDS vs. 2023 (when supercomputer project was delivered in Spain)

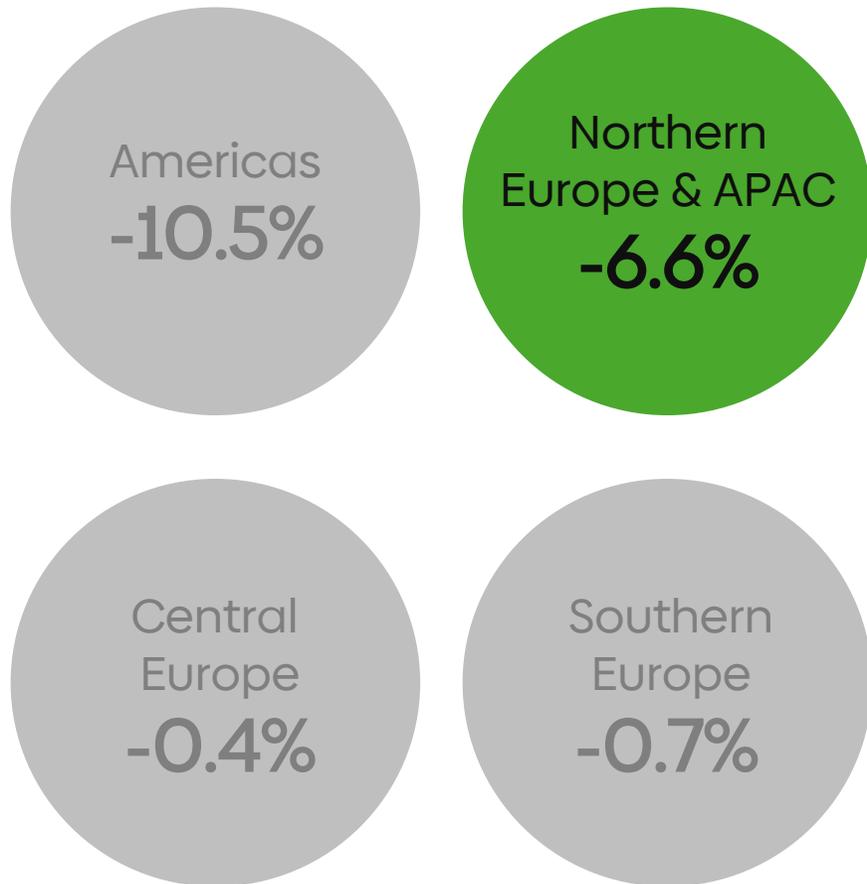
Tech Foundations

Low single-digit decline

- Volume reductions with select customers

Northern Europe & APAC revenue decrease reflects soft market conditions and contract terminations

Organic revenue evolution



Eviden:

Mid-single-digit decline:

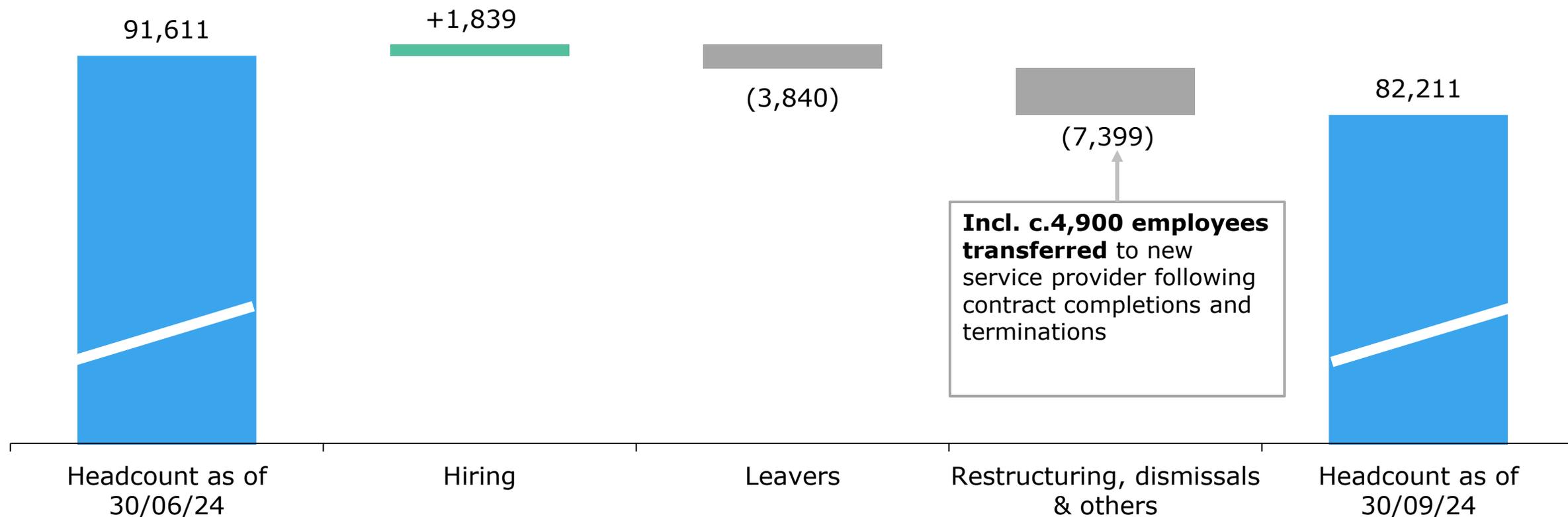
- Decline of Digital revenue, reflecting lower demand from UK Public Sector customers
- Positive impact from new business in Advanced Computing with an innovation center in Denmark

Tech Foundations

High single-digit decline

- Contract completions and volume decline in Public Sector BPO

Workforce evolution reflects transfer of 4,900 employees following contract completions and terminations



Q3 Attrition rate at 17.7% (16.0% year-to-date)

vs 15.9% in Q3 2023 (15.4% in Q3 YTD 2023)

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Q3 2024

Financial results

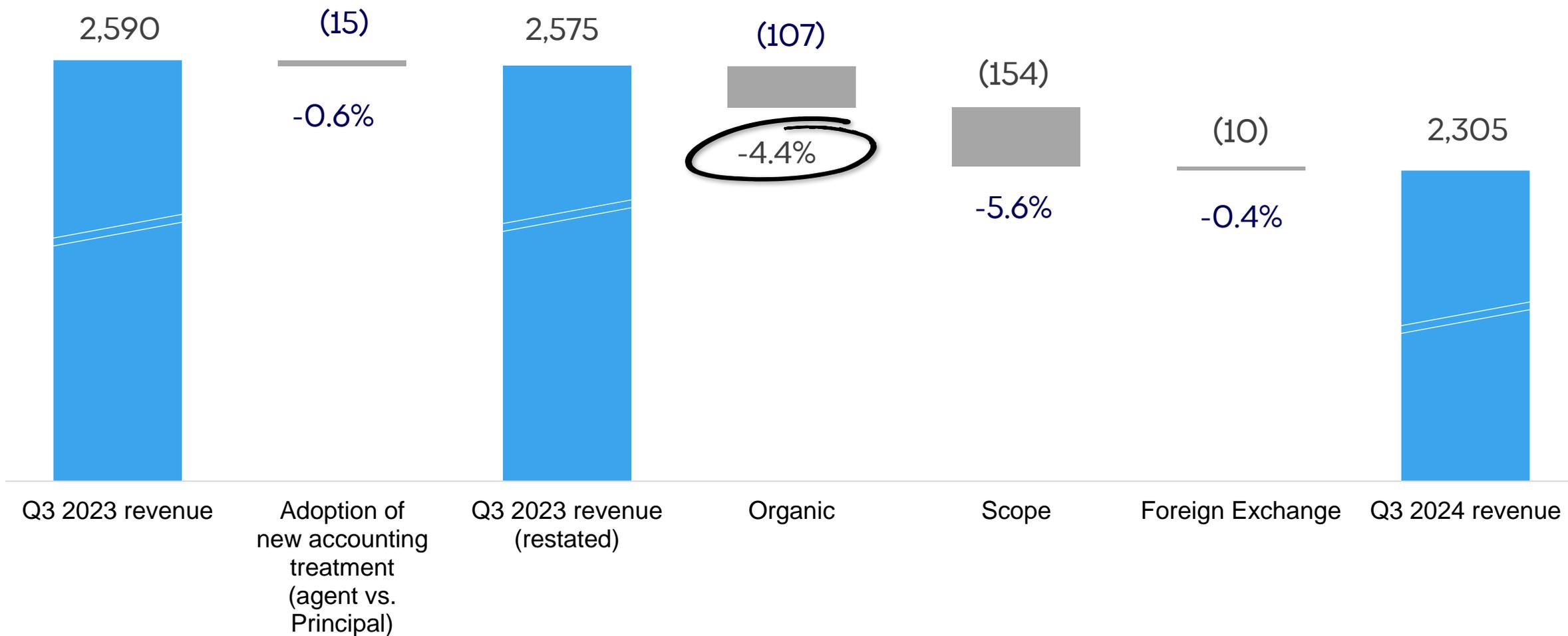
Jacques-François
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Group CFO



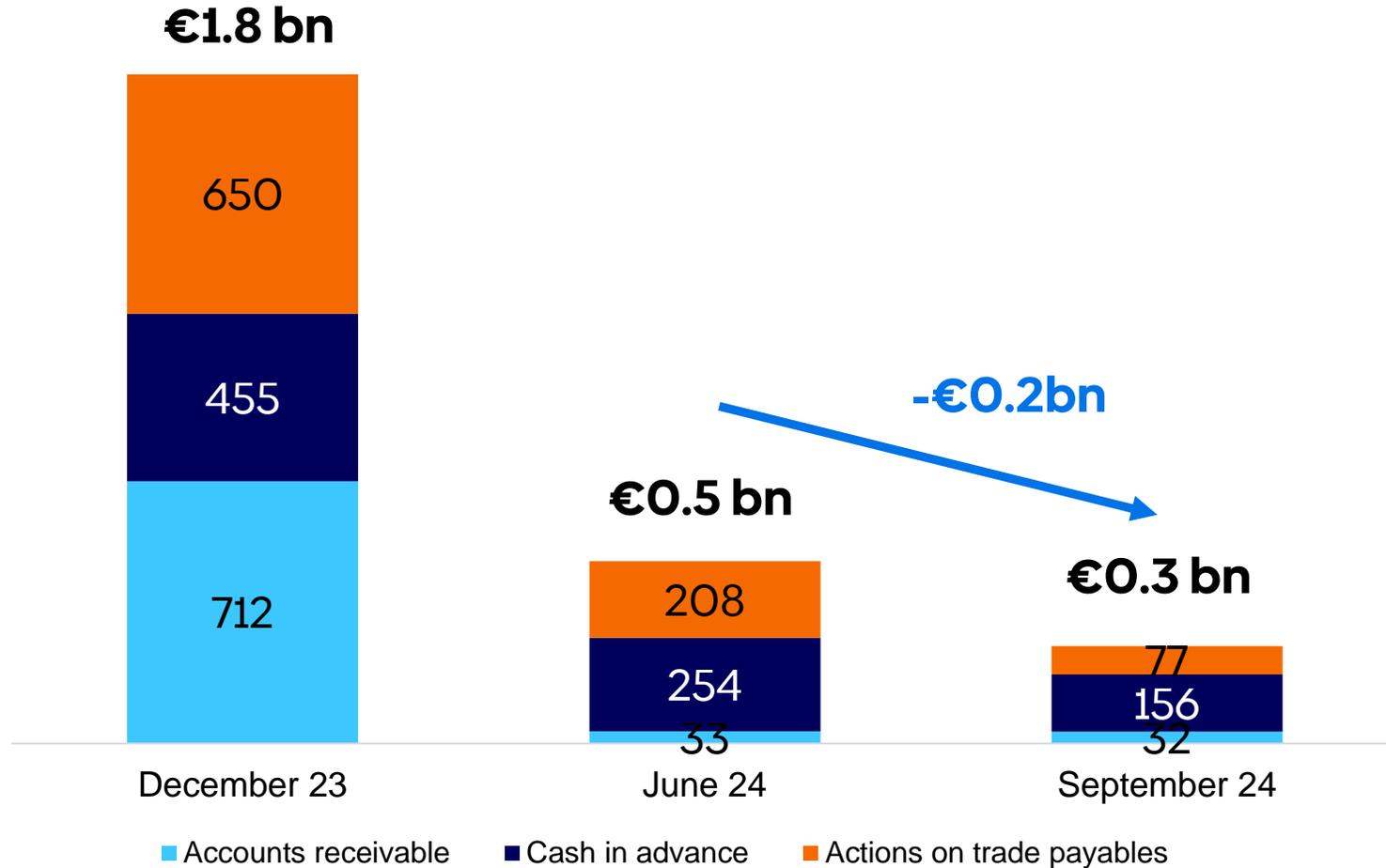
Q3 2024 revenue bridge

Organic evolution in €m:



€232m reduction in Q3 of one-off working capital optimization as planned

Working capital optimization



- Working capital optimized through:
 - Accounts receivable non-recourse factoring
 - Cash in advance received from customers
 - Specific optimization on trade payables
- Plan to continue to reduce the working capital optimization
- Q3 cash consumption of €-3m excluding change of working capital optimization of €232m

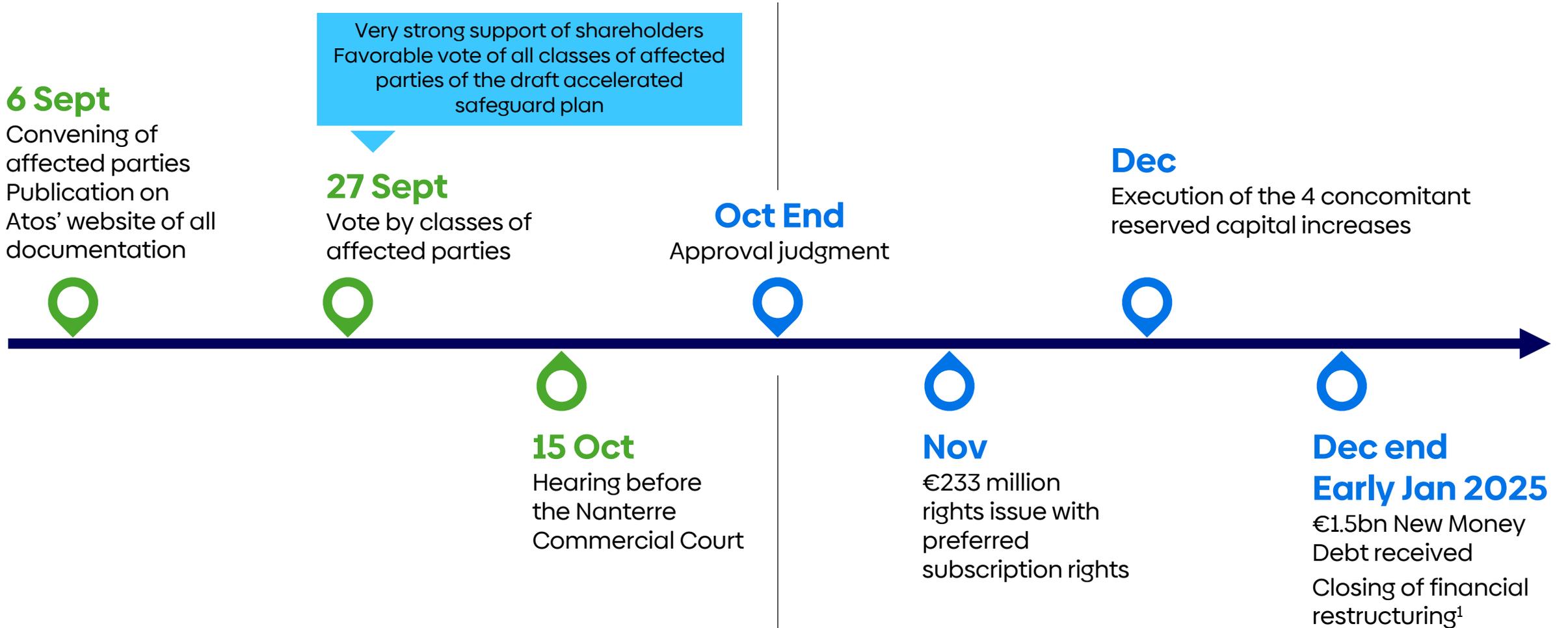
Financial restructuring plan designed to restore Atos long-term financial sustainability



Note: (1) Including accrued and unpaid interests from entry into *Sauvegarde Accélérée* up to date of launch of the first conversion capital increase

Financial restructuring plan

Indicative timeline and next steps



Note: (1) Subject to obtaining the required regulatory approvals

FY 2024 outlook

Revenue

Mid-single-digit organic revenue decrease, corresponding to revenue expected at circa **€9.7 billion**

Operating margin

Operating margin of circa **€238 million** excluding additional provisions to be booked for some underperforming contracts⁽¹⁾

Free cash flow

Change in cash before debt repayment of circa **€-783 million** excluding the full unwind of the working capital actions of circa €1.8 billion⁽²⁾

(1) Negotiations are in progress with customers, which could lead to a low double digit % reduction of the operating margin

(2) As of December 31, 2023

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Key takeaways

Jean Pierre Mustier

Group CEO



A new chapter for Atos



Financial restructuring plan secured

with closing expected by year-end or early January 2025



Clients starting to resume normal interactions

stronger commercial activity expected in Q4, with the anticipated return of multi-year contracts



New governance in place :

Philippe Salle appointed Chairman and to become CEO from February 2025

Entire focus on Atos turnaround plan and growth

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Q&A session



Thank you

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