

H1 2021 Results



Bezons, July 28, 2021

Atos

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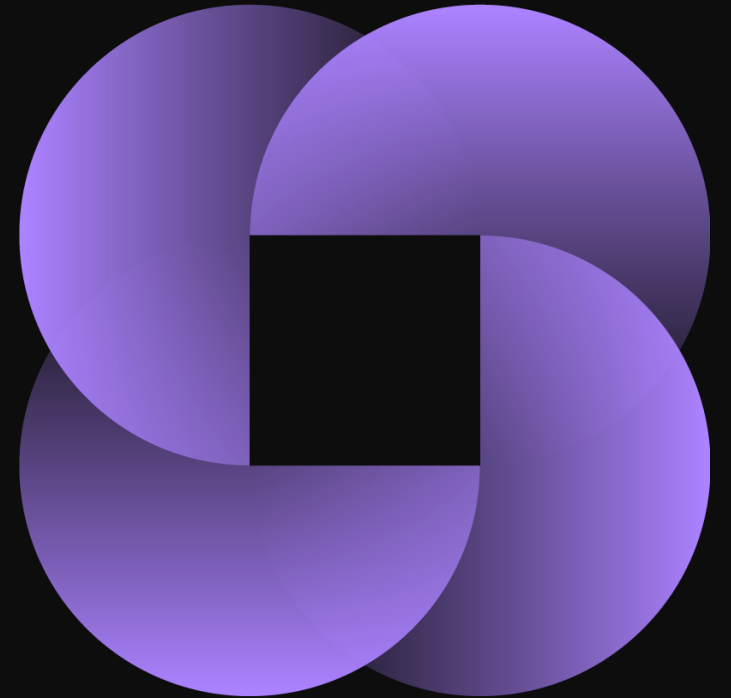
Revenue organic growth is presented at constant scope and exchange rates.

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 **North America** (USA, Canada, Guatemala and Mexico), **Northern Europe** (United Kingdom & Ireland, Belgium, Denmark, Estonia, Belarus, Finland, Lithuania, Luxembourg, The Netherlands, Poland, Russia, and Sweden), **Central Europe** (Germany, Austria, Bulgaria, Bosnia, Croatia, Czech Republic, Greece, Hungary, Romania, Serbia, Slovenia, Slovakia, Israel, and Switzerland), **Southern Europe** (France, Andorra, Spain, Portugal, and Italy) and **Growing Markets** including Asia-Pacific (Australia, China, Hong Kong, India, Japan, Malaysia, New Zealand, Philippines, Singapore, Taiwan, and Thailand), South America (Argentina, Brazil, Chile, Colombia, Uruguay, and Peru), 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.

Agenda

- 1** | North America accounting review
- 2** | H1 2021 highlights
- 3** | H1 2021 financial performance
- 4** | Group Transformation Update
- 5** | Conclusion
- 6** | Q&A



Group Transformation on the move

North America accounting review completed



Spring last step implemented



German turnaround plan agreed with social partners



Strategic portfolio review achieved



Bolt-on acquisition program pursued



LEAP cultural change program launched



SECTION 1

North America accounting review

Full Accounting Review in North America completed

- Supported by external advisors
- Reviewed by auditors as part of half year procedures
- No material misstatement for the Group consolidated financial statements
- Moreover, an unqualified auditors' report is in process to be issued further to the usual limited review of the half year Group condensed consolidated financial statements

Remediation and Prevention Plan

- Preventive controls
- Guidelines and documentation
- HR Review
- Skilling and organization
- Awareness and Training

Implementation of plans across the Group: remediation in North America, prevention in all Regions

SECTION 2

H1 2021 highlights

Atos

H1 2021

Key Figures

Revenue growth at
constant currency

-1.0%

Q2 at 0.0%

Book to Bill

103%

Q2 at 109%

Headcount

104,808

slightly up vs end 2020

Operating Margin

€ 302m

5.6% of revenue

Free Cash Flow

€-369m

vs €-172m in H1 2020

Normalized Net Income

€ 162m

Normalized EPS
at € 1.48

H1 2021

Non-Financial Key Figures

tCO2 Emissions* /
M€ revenue

10.6

vs 14.9 in 2020

% of total spend
with green** suppliers

40%

vs 33% in H2 2020

New Digital
Certifications

40,936

vs 34,474 in H1 2020

% of Women in
Executive Management
(top 450)

31%

vs 30% end of 2020

Net promoter score
from our clients

67%

vs 65% in 2020

Client innovation
workshops delivered

275









vs 168 in H1 2020

H1 2021 non-financial figures are unaudited

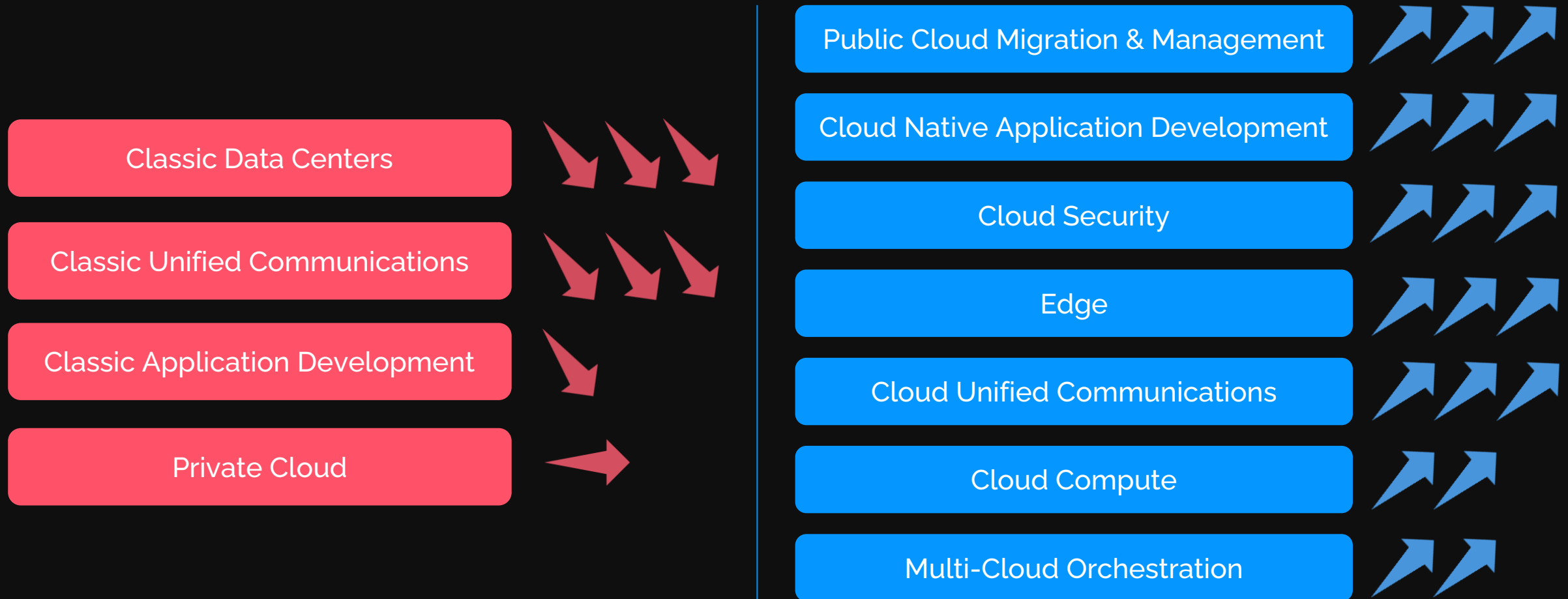
* Atos Operational Perimeter – Emissions under control or direct influence - including homeworking

** Green suppliers are suppliers getting an environmental score > 70 from Ecovadis assessment (100 point scale)

Q2 2021 Main Wins

Manufacturing 	Financial Services & Insurance 	Public Sector & Defense 	Telecom, Media & Technology 	Resources & Services 	Healthcare & Life Sciences 	
Large European Manufacturer	A pioneer Digital Bank in the US		Public Tax Authority		Major International Logistics Company	A major Hospital chain in the US
<p>Modernization of supply chain management with SAP</p>	<p>Application development and quality assurance</p>	<p>Largest contract in Benelux in integration, security, data centers and cloud</p>	<p>Agile Development covering 5 Digital Delivery Centres</p>	<p>Next Generation Employee Experience for 300,000+ employees</p>	<p>Agile and cloud native application development leveraging AI/ML</p>	<p>Digital new tools enhancing patient experience</p>

Impacts from post-Covid Cloud acceleration



Growth Engines on top of Cloud

Digital



261,000
digital certifications

Security



c.+40% revenue
growth at cc

Decarbonization



Order entry at € 50
million

Innovations & Partnerships

In Q2



Digital



Cloud



Security



Decarbonization

Disruptive initiatives



Joint Venture Athea



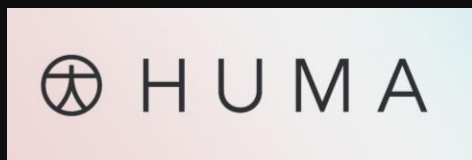
'A to Zero' offering and 9 hubs

New or extended partnerships

- UiPath, TibCo, Celonis, Qualtrics, Software AG, SAP
- OVH and HashiCorp
- IBM Edge ecosystem
- CyberArk, Cybereason
- Atos Azure native security, part of MISA



Reinforced academic & industrial collaboration



SECTION 3

H1 2021 financial performance



H1 2021

Financial Overview

€M	H1 2021	H1 2020	Variation	Variation at constant scope and currency
Revenue*	5,424	5,477	-1.0%	-2.7%
Operating Margin*	302	427		
<i>% operating margin rate*</i>	5.6%	7.8%		
Net income	- 129	329		
Normalized Net income	162	319		
Normalized diluted EPS	€ 1.48	€ 2.93		
Free Cash Flow	- 369	- 172		
Net debt	1,129	779		

* 2020 at constant currency

H1 2021

Performance by Industry

€M	REVENUE			OPERATING MARGIN		% OM RATE	
	H1 2021	H1 2020*	% YoY, CC	H1 2021	H1 2020*	H1 2021	H1 2020*
Manufacturing	980	1,006	-2.6%	47	13	4.7%	1.3%
Financial Services & Insurance	1,095	1,041	5.2%	94	121	8.6%	11.7%
Public Sector & Defense	1,190	1,233	-3.5%	30	115	2.5%	9.4%
Telecom, Media & Technology	748	761	-1.7%	34	70	4.6%	9.3%
Resources & Services	778	814	-4.5%	32	42	4.1%	5.2%
Healthcare & Life Sciences	633	622	1.9%	65	65	10.3%	10.4%
Total	5,424	5,477	-1.0%	302	427	5.6%	7.8%

* At constant currency

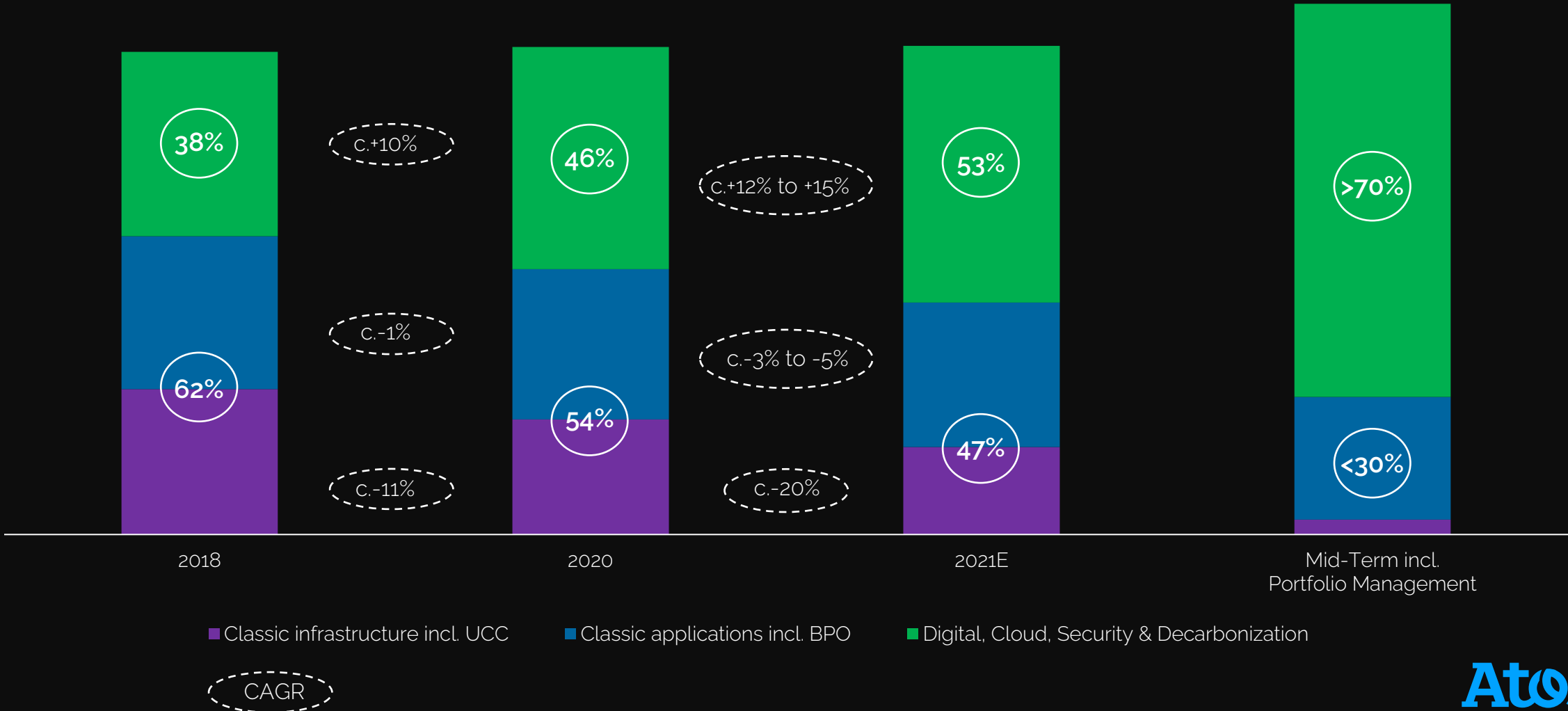
H1 2021

Performance by Regional Business Unit

€M	REVENUE			OPERATING MARGIN		% OM RATE	
	H1 2021	H1 2020*	% YoY, CC	H1 2021	H1 2020*	H1 2021	H1 2020*
North America	1,170	1,240	-5.6%	138	188	11.8%	15.2%
Northern Europe	1,402	1,359	3.1%	91	100	6.5%	7.4%
Central Europe	1,240	1,368	-9.4%	21	42	1.7%	3.1%
Southern Europe	1,231	1,147	7.3%	46	94	3.7%	8.2%
Growing Markets	382	363	5.3%	45	43	11.8%	11.9%
Global Structures	-	-	-	39	41	-0.7%	-0.7%
Total	5,424	5,477	-1.0%	302	427	5.6%	7.8%

* At constant currency

Business shift to growth areas accelerating



H1 2021

Headcount Evolution



H1 2021

Income Statement (statutory)

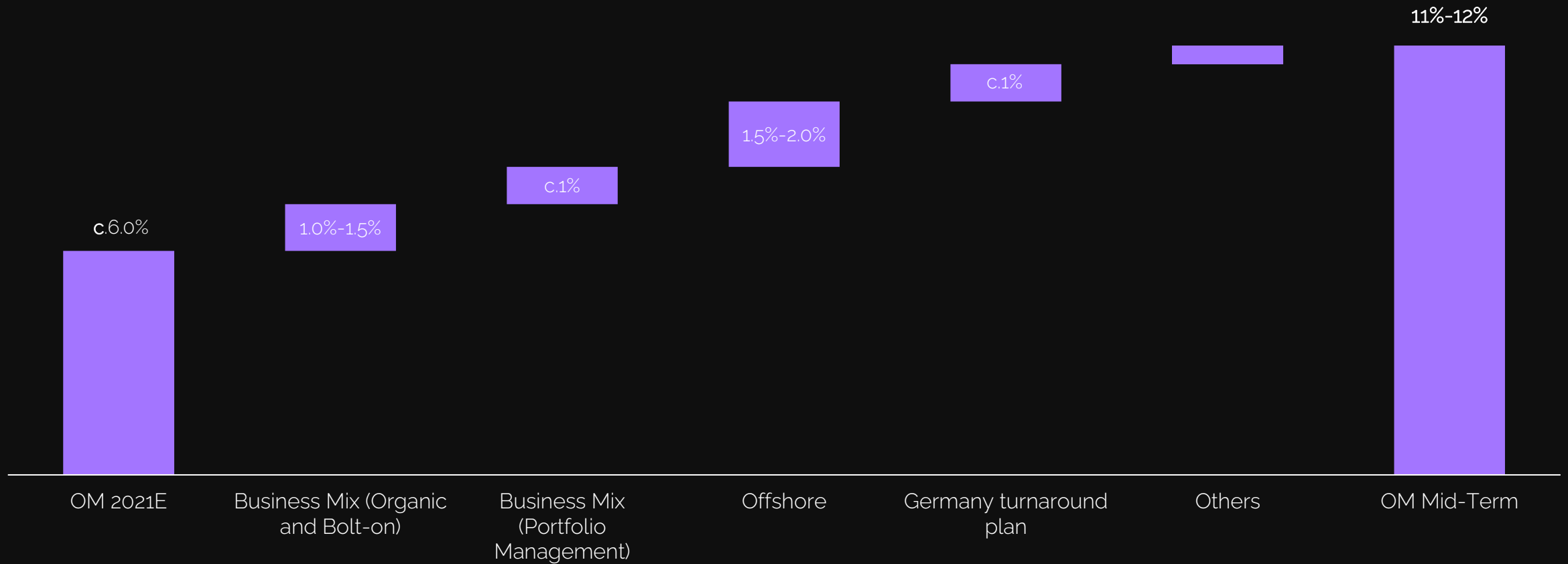
€M	H1 2021	H1 2020
Revenue	5,424	5,627
Operating margin	302	450
<i>% of revenue</i>	5.6%	8.0%
Other operating income/(expense)	- 419	- 87
Operating income	- 117	362
Net financial expenses	- 3	- 1
Profit before tax	- 121	361
Tax charge	- 6	- 34
<i>Effective tax rate</i>	-4.6%	9.4%
Non-controlling interests	- 2	- 1
Share of net profit/(loss) of associates	- 0	3
Net income from continuing operations – Attributable to owners of the parent	- 129	329
Normalized net income from continuing operations – Attributable to owners of the parent	162	319

H1 2021

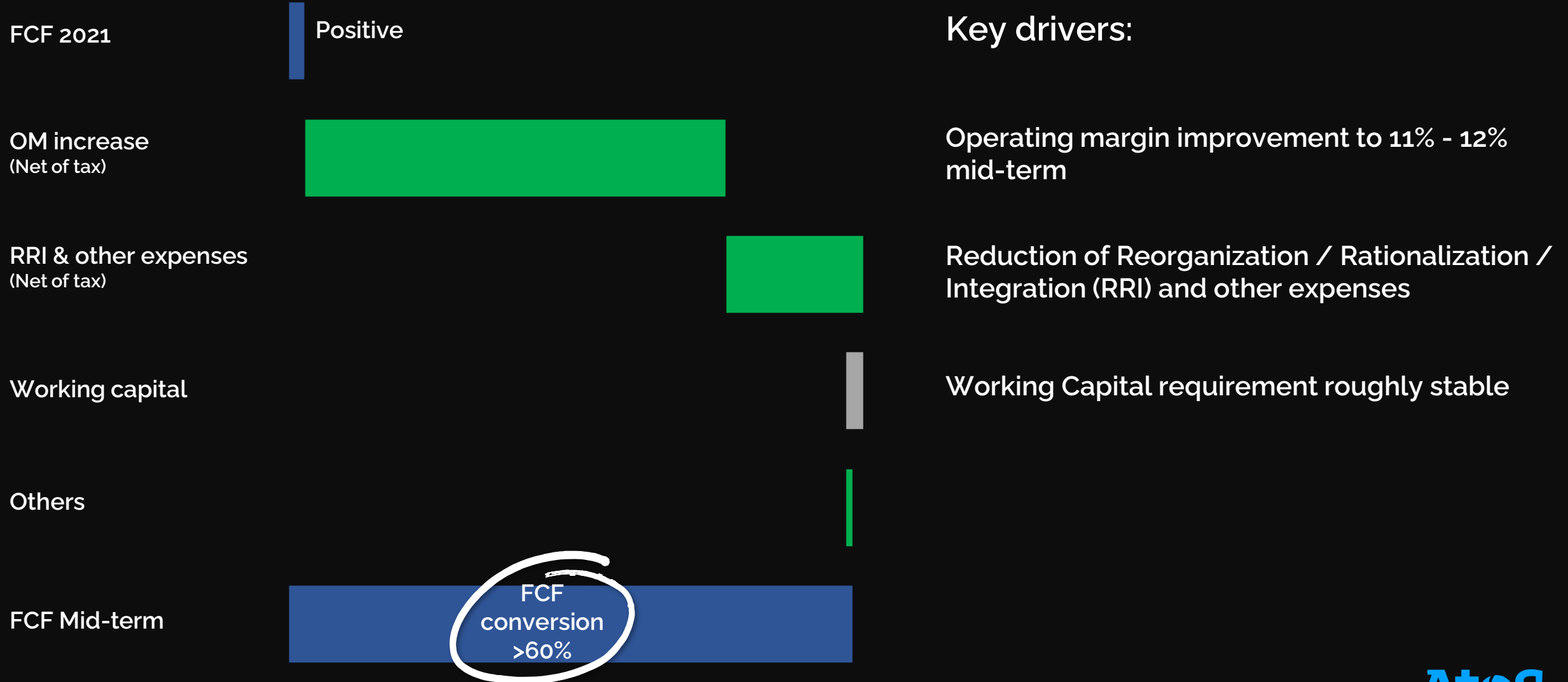
Cash Flow Statement

€M	H1 2021	H1 2020
Operating Margin	302	450
<i>as a % of revenue</i>	<i>5.6%</i>	<i>8.0%</i>
+ Depreciation of fixed assets	167	165
+ Depreciation of right of use	176	168
+ Net book value of assets sold/written off	6	4
+/- Net charge/(release) of pension provisions	-16	-39
+/- Net charge/(release) of provisions	-2	26
Operating Margin before Depreciation & Amortization	633	774
<i>as a % of revenue</i>	<i>11.7%</i>	<i>13.8%</i>
Capital Expenditures	-154	-186
Lease payments	-183	-172
Change in working capital requirement	-394	-407
Cash from operations	- 98	9
Tax paid	-46	-55
Net cost of financial debt paid	-13	-21
Reorganization, Rationalization & Integration and acquisition costs	-147	-97
Other changes	-66	-7
Free cash flow	- 369	- 172

Operating Margin to reach 11% to 12%



Free Cash Flow reaching >60% mid-term



SECTION 4

Group Transformation Update



North America at the forefront of Group transformation



+20% sales investment in Consulting, Systems Integration & Applications in H2 vs H1



+120% hiring in Consulting, Systems Integration & Applications in H2 vs H1



+63% new Cloud certifications in H2 vs H1



Priority area
for acquisitions and
portfolio management

PROCESSIA

INFIDEM
PROTEGER POUR PERFORMER

Maven Wave

eagle creek
software services

MINER
& KASCH

NIMBIX
supercomputing. think right. forever™

visualbi
LOOK FORWARD. THINK AHEAD.

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Germany Turnaround Plan agreed with social partners

Program started on **July 15, 2021**
with immediate operational
improvements

Restructuring plan
concerning **c. 1,300** people
(25% of total classic Infra staff)
Cost **€180 million**
Program to be completed
in 2023

Objective
to clear loss making
and cash negative
areas in Germany
on Classic
Infrastructure
business

No collective salary increase
until end of 2023

To result in a
+100bps Operating Margin
improvement at
Group level Mid-Term

Portfolio Strategic Review: look for partners to optimize Group assets

Datacenter hosting
and associated
activities

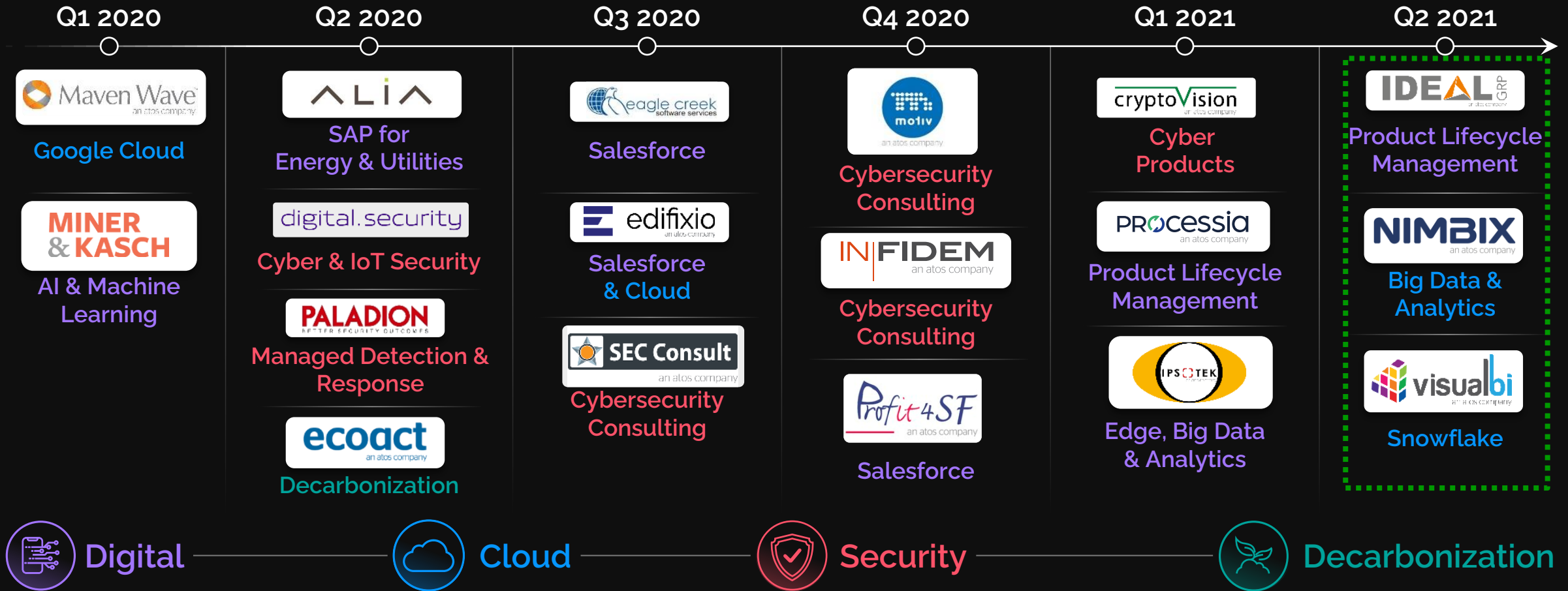
Unified
Communications
& Collaboration

Sub-critical
activities

c.20% of Group revenue

Continued bolt-on acquisitions strategy

18 Acquisitions since January 1st, 2020



> € 400 million based on yearly 2020 revenue

M&A Policy



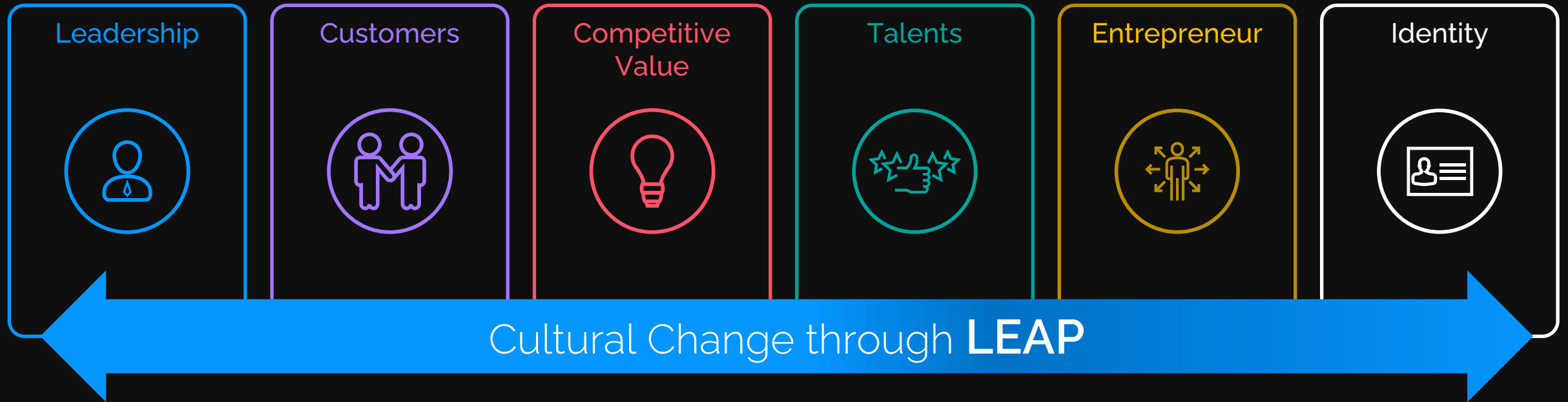
Bolt-on acquisitions for
c. 2% of Group revenue
per year



Mid-size acquisitions
to accelerate Group
transformation

Acquisitions to be made in
Digital, Cloud, Security & Decarbonization
to support growth agenda and mid-term
targets

Cultural Change Plan: LEAP launched in May



Across all geographies and organisation levels

Insights Gathered | Priority foundations identified | Workshops launched

SECTION 5

Conclusion

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2021 Objectives and Mid-Term targets

	FY 2021 objectives (July 12, 2021)	Mid-term targets
Revenue growth (at constant currency)	Stable	+5% to 7%
Operating margin (% of revenue)	c.6.0%	11% to 12%
Free cash flow / Cash conversion	Positive	>60%

SECTION 6

Q&A

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Thank you!

