

Q1 2023

Strategic transformation continues to drive stronger performance

Robust Group organic revenue growth: +2.8%

Eviden: strong growth at +9.5%

Tech Foundations: -2.6%

Stabilization of core revenue and portfolio reshaping

Full-year outlook confirmed

Paris, April 27, 2023 - Atos, a global leader in digital transformation, high-performance computing and information technology infrastructure, today announces its revenue for the first quarter of 2023.

Atos' leadership team, Nourdine Bihmane, Diane Galbe and Philippe Oliva, declared: "Atos recorded a robust +2.8% organic revenue growth in Q1 with both businesses delivering on their 2023 priorities. Under its new commercial brand, Eviden reported another solid quarter with high growth, well balanced between its synergetic Digital, Big Data and Cybersecurity activities. Tech Foundations continued to reshape its portfolio, confirming the earlier-than-anticipated stabilization of its core business while further reducing its exposure to non-strategic activities. The Group's performance keeps improving. We heartedly thank our 110,000 employees for their exceptional commitment."

<i>In € million</i>	Q1 2023	Q1 2022	Variation	Var. at cst. curr.	Var. organic
Eviden scope	1,334	1,223	+9.1%	+8.9%	+9.5%
Tech Foundations scope	1,473	1,524	-3.4%	-3.1%	-2.6%*
Group revenue	2,806	2,747	+2.2%	+2.3%	+2.8%

* core business revenue : +0.1%

Robust organic revenue growth in Q1: +2.8%

Group revenue was €2,806 million in Q1 2023, up +2.2% year-on-year. Organic growth was robust, at +2.8%, reflecting the continuous improvement in the Group's operational performance. Scope effects accounted for -0.5% (exit of Russia, divestment of EGSE and Sislog). Foreign exchange contributed -0.1%, mainly reflecting the depreciation of the pound sterling against the Euro over the period, mitigated by the appreciation of the US dollar.

Eviden reported a strong +9.5% organic revenue growth in Q1, well balanced between its synergetic activities in Digital, Big Data and Cybersecurity. Digital further accelerated its growth in Q1, driven by new business in application development and modernization, particularly in European markets. Growth was strong in Advanced Computing as the HPC activity continued to ramp up. Digital Security reported another quarter of double-digit growth, with an increasing emphasis on next-generation cybersecurity services and products focused on identity management, encryption and managed detection and response in hybrid cloud environments.

In Q1, **Tech Foundations** confirmed the earlier-than-anticipated stabilization of core activities in infrastructure, private cloud & platforms, digital workplace and professional services, at +0.1% organic. Portfolio reshaping actions lead to a further managed reduction in non-strategic activities (BPO, hardware & software resale, UCC), resulting in

a -2.6% organic contraction for the whole Tech Foundations perimeter. In March, Atos was positioned as a Leader in the Gartner® Magic Quadrant™ for Outsourced Digital Workplace, based on its completeness of vision and ability to execute, for the seventh year in a row.

Commercial activity

Order entry was € 2.1 billion in Q1 2023, representing a book-to-bill ratio of 73% (72% in Q1 2022).

Eviden's book-to-bill ratio was 79%, impacted by fluctuations in the HPC deal flow, following a high order intake in Q4 2022 and the slippage of a large HPC contract for an Indian customer into Q2. Digital's Q1 order entry was reflective of the continued focus on smaller, low-risk contracts and short-term bookings with faster revenue yields (59% of Q1 order entry was made of contracts with durations below 18 months).

Tech Foundations' book-to-bill was 68%, showing continued quarter-on-quarter progress, as sales capabilities are being gradually enhanced while strict contract selectivity is consistently applied. New logos and new services represented 36% of Q1 2023 order entry compared to 25% in Q1 2022.

At the end of March 2023, the Group's **full backlog** was € 19.5 billion, down €-0.9 billion compared to December 2022 excluding the divested Italian operations. It represented 1.8 years of revenue.

The **full qualified pipeline** amounted to € 6.6 billion at the end of March 2023, up € 0.2 billion compared to December 2022 excluding the divested Italian operations and represented 7.3 months of revenue.

2023 full-year outlook confirmed

Based on its robust Q1 performance, Atos is confirming its 2023 full-year outlook.

In 2023, **Group revenue organic growth** is expected between -1.0% and +1.0%, as an acceleration of Eviden's organic growth will be offset by the managed reduction of Tech Foundations' revenue resulting from portfolio reshaping.

Group operating margin¹ is expected at 4% to 5%. Eviden's operating margin is expected to increase compared to 2022. Tech Foundations' operating margin is expected to remain in positive territories, well ahead of plan.

Annual General Meeting to be held on June 28, 2023

Atos' Annual General Meeting of shareholders will be convened shortly, to be held on June 28, 2023.

Strategic transformation update

Over the past ten months, the intense work undertaken by Atos teams, particularly with regard to the strategic refocusing and related internal reorganization of the Group, has allowed us to get our activity back on track, generate growth, and achieve gradual margin improvement, while preparing for the future of our two businesses, Eviden and Tech Foundations. Transformation is clearly starting to yield results. Atos teams remain committed to ongoing efforts to sustain this positive momentum and continue to drive value creation for all stakeholders.

¹ At current perimeter, including UCC (transaction expected to close in H2 2023)

Progress in divestment program

On March 31st, Atos completed the sale of its Italian operations ("Atos Italia")² to Lutech S.p.A., an Italian provider of IT services and solutions, with a 100% cash consideration. The completion of this transaction is a new milestone in the successful execution of Atos' divestment plan. Since June 2022, Atos has closed four transactions and signed another one thus securing c.80% of the plan's €700 million expected proceeds and demonstrating the Group's ability to execute efficiently.

Eviden brand launch

The progressive introduction of Eviden as a commercial brand within the Atos Group started on April 3rd. The Atos Group will therefore go to market under two brands: the managed infrastructure services, hybrid cloud, digital workplace, and professional services, commonly labelled "Tech Foundations" will retain the Atos brand, while its digital, cloud, cybersecurity and big data business lines will go to market under the Eviden brand.

Roll-out of new client-centric organization to foster innovation and performance

Atos is entering the final phase of the roll-out of its new organization, a key step of its strategic transformation of the Group. Atos is progressively implementing a new client-centric organization across the Group thus allowing Eviden and Tech Foundations to operate according to two distinct business models, tailored to their respective go-to-market specificities, while maintaining close collaboration with one another. All Atos teams are fully mobilized to ensure a smooth and successful transition, while implementing the Group's new operating model.

Objective to complete the separation project in H2 2023 confirmed

The Group is on track to decide on its separation project for a completion by the end of 2023. In addition to the Annual General Meeting of shareholders to be held on June 28, 2023, Atos intends to convene in H2 2023 a specific General Meeting, dedicated to the finalization of the contemplated spin-off project.

Human resources

Total headcount was 110,270 at the end of March 2023, down -0.5% compared to 110,797 at the end of December 2022.

In line with its objectives for the quarter, Atos hired 4,920 new employees (gross) in Q1 2023, compared to 8,234 in Q1 2022.

As of today, Atos has achieved Great Place to Work® certification in 44 countries out of the 69 countries where the Group operates. This achievement is a testament to the high level of employee engagement that the Group's strategic project has generated, and a recognition of Atos' ongoing commitment to fostering a positive and inclusive workplace culture. Last-twelve-months attrition rate at the end of March 2023 was 20%, compared to 22% as of December 2022.

Further changes in the composition of the Atos Board of Directors

Atos is committed to continuously improving its governance practices. This effort was recognized in September 2022 when Atos received the highest rating available (AAA) in the MSCI ESG rating.

² The transaction scope represented c. 2% of total Group revenue in 2022 and does not include the Italian EuroHPC business which will be kept within Atos, nor the Unified Communications & Collaboration's Italian operations, part of a separate ongoing divestment project.

In 2022, the company appointed five new directors, including four independent directors and one director representing the employee shareholders. The board also reorganized its committees, which now all have independent chairs. After the work performed by the Nomination and Governance Committee, the Atos Board of Directors intends to continue making changes to its membership in 2023 to strengthen its diversity of skills and experiences and is currently finalizing its selection process which will result in announcements in due time.

Investor & Analyst Day focused on Tech Foundations: June 7, 2023

Atos is pleased to invite analysts and investors to its next investor day, focused on Tech Foundations. The event will be held on June 7, 2023 in Paris and remotely and will be an opportunity for management to share an update on Tech Foundations' business, progress on turnaround plan, as well as its new vision and opportunities ahead, in light of its recent better-than-anticipated performance.

Another event focused on Eviden will be held at a later stage closer to the completion of the separation project.

Analyst and investor conference call

Atos Management invites analysts and investors to a conference call on the Group 2023 first quarter revenue, on **Thursday, April 27, 2023, 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/jzknchkf>
- 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/BIE302f1b0888746c2a3cb03f25c47a0f0>

Upon registration, you will be provided with Participant Dial-In Numbers, a Direct Event Passcode and a unique Registrant ID.

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

June 7, 2023		Investor Day: focus on Tech Foundations
June 28, 2023		Annual General Meeting
July 28, 2023	(Before Market Opening)	First half 2023 results
October 26, 2023	(Before Market Opening)	Third quarter 2023 revenue

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Appendix

Q1 2023 revenue by Regional Business Unit

<i>In € million</i>	Q1 2023	Q1 2022	Variation	Var. at cst. curr.	Var. organic
Americas	659	647	+1.8%	-1.1%	-1.1%
Northern Europe & APAC	788	821	-4.1%	-1.3%	-1.3%
Central Europe	633	617	+2.6%	+2.0%	+4.4%
Southern Europe	661	601	+9.8%	+9.6%	+9.7%
Others & Global structures	66	60	+8.6%	+14.1%	+14.1%
Group revenue	2,806	2,747	+2.2%	+2.3%	+2.8%

Americas revenue decreased by -1.1% organically in Q1. Tech Foundations activities declined, although less than anticipated as the current macroeconomic environment tends to be less detrimental to the infrastructure business. Growth in Digital was robust, driven by smart platforms and growing commercial synergies between cloud and application services.

Northern Europe & APAC revenue decreased by -1.3% organically. Digital revenue grew strongly on the back of new business particularly in the public sector. Tech Foundations activities were broadly flat despite the exit of a large BPO contract at the end of 2022 and the continued wind down of value-added resale, evidencing resilience in the core business. Advanced Computing revenue decreased sharply due to fluctuations in HPC and Lab-as-a-service revenue.

Central Europe recorded a robust organic growth, at +4.4%, driven by Digital and Big Data and Cybersecurity activities, in particular in the public sector. Tech Foundations activities declined, driven notably by the continued wind down of value-added resale as well as the reduction of underperforming contracts. Including the impact of the exit of Russian operations in 2022 and EGSE in 2023, revenue increased +2.0% at constant currency.

Southern Europe recorded a strong +9.7% organic growth, driven by a high HPC revenue, a strong activity in Cybersecurity and good trends in Digital, notably in energy & utilities. Tech Foundations activities were flat as growth in the core business compensated for the deliberate reduction in value-added resale.

Others and global structures encompass Middle East, Africa, Major Events as well as two cost centers: the Group's global delivery centers and global structures.

Revenue at constant scope and exchange rates reconciliation

<i>In € million</i>	Q1 2023	Q1 2022	% change
Statutory revenue	2,806	2,747	+2.2%
Exchange rates effect		-2	
Revenue at constant exchange rates	2,806	2,744	+2.3%
Scope effect		-13	
Exchange rates effect on acquired/disposed perimeters		-1	
Revenue at constant scope and exchange rates	2,806	2,730	+2.8%

Scope effects (including exchange rates effect on acquired/disposed perimeters) amounted to €-14 million. They mainly related to the exit of Russia operations in 2022 and to the divestiture of EGSE in Central Europe, and of Sislog in Southern Europe in 2023.

About Atos

Atos is a global leader in digital transformation with 110,000 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) and 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.

Disclaimers

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 21, 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.

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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.