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# 2013 annual results

Wednesday February 19<sup>th</sup>, 2014

-

Bezons

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- ▶ This document contains further forward-looking statements that involve risks and uncertainties concerning the Group's expected growth and profitability in the future. 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 2012 Reference Document filed with the Autorité des Marchés Financiers (AMF) on April 3<sup>rd</sup>, 2013 under the registration number: D13-0271.
- ▶ Business Units include **Germany, France, United Kingdom & Ireland, Benelux & The Nordics** (The Netherlands, Belgium, Luxembourg, Denmark, Finland, and Sweden), **Atos Worldline** (French, German, Belgian, Asian, and Indian subsidiaries), **Central & Eastern Europe** (CEE: Austria, Bulgaria, Croatia, Serbia, Poland, Czech Republic, Russia, Romania, Slovakia, Switzerland, Italy, and Turkey), **North America** (USA and Canada), **Iberia** (Spain and Portugal), and **Other Business Units** including Major Events (including MSL), Latin America (Brazil, Argentina, Mexico, Colombia and Chile), Asia Pacific (Japan, China, Hong Kong, Singapore, Malaysia, Indonesia, Philippines, Taiwan, Thailand and Australia), India, Middle East, Morocco, South Africa, New Business Ventures (blueKiwi, Yunano and Canopy).
- ▶ Revenue organic growth is presented at constant scope and exchange rates.
- ▶ The Board of Directors of Atos S.E., chaired by Thierry Breton, convened in Bezons on February 18<sup>th</sup>, 2014 to review and authorize for issue the accounts of Atos Group for the year ended December 31<sup>st</sup>, 2013. Audit procedures on the consolidated financial statements have been performed. The relevant audit report certifying them will be issued after completion of the specific verifications required by French law.
- ▶ Worldline figures are best estimates made by the company and are unaudited.

1. 2013 highlights & 2014 objectives
2. Financial results
3. Commercial performance
4. Performance of **worldline**
5. TOP Tier one program
6. Conclusion
7. Q&A session

Thierry Breton, Chairman & CEO

## **2013 highlights & 2014 objectives**

**Delivery of the  
3-year plan  
2011-2013**

**major contract  
renewal with**

national savings  
& investments



**ns&i**

**worldline**  
e-payment services

**Completion of the  
carve-out  
in H1 2013**

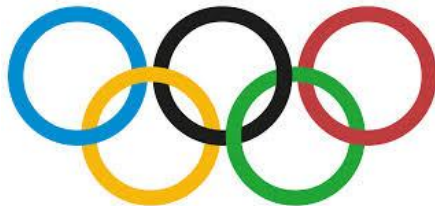
**Early conversion  
of the two  
convertible bonds  
and launch of  
shares buy-back  
programs**



**global strategic cooperation:** Atos to develop advanced BtoB offering leveraging on Samsung technology

**Recognition of Atos core competences significantly improved in the IT industry:**  
**13 major rankings in 2013**

(MS, AM, Canopy)



**Extension to 2024 of world's largest sports related IT contract with IOC**

**3-year plan presented during Analyst Day on November 15<sup>th</sup>, 2013**

**Ambition 2016**

**approved by 99.6% of shareholders at the AGM**

# Key figures

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**2013 Annual  
Results**

February 19<sup>th</sup>, 2014

|  | <b>2013</b>          | <b>2012</b>          |
|--|----------------------|----------------------|
| <b>Revenue</b><br>(€m)                   | <b>8,615</b>         | <b>8,695</b>         |
| <b>Operating margin</b><br>(in % and €m) | <b>7.5%</b><br>€645m | <b>6.5%</b><br>€567m |
| <b>Free cash flow</b><br>(€m)            | <b>365</b>           | <b>267</b>           |
| <b>Net cash</b><br>(€m)                  | <b>905</b>           | <b>232</b>           |

*Revenue and operating margin at constant scope and exchange rates*

# Key figures

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**2013 Annual  
Results**

February 19<sup>th</sup>, 2014

|  | <b>2013</b>                         | <b>2012</b>                         |
|--|-------------------------------------|-------------------------------------|
| <b>Net income<br/>Group share (€m)</b> | <b>262</b>                          | <b>224</b>                          |
| <b>Book to bill*</b>                   | <b>105%</b>                         | <b>118%</b>                         |
| <b>Backlog<br/>(€bn)</b>               | <b>15.2</b><br>1.8 years of revenue | <b>15.2</b><br>1.8 years of revenue |
| <b>Total number of<br/>employees</b>   | <b>76,320</b>                       | <b>76,417</b>                       |

*Backlog at constant scope and exchange rates \* Excluding Siemens*



# 2013 commitments reached

## 2013 Annual Results

February 19<sup>th</sup>, 2014

### 2013 objectives

### 2013 achievements

#### ► Revenue

The Group expects revenue to be **nearly stable compared to 2012**



**€8,615million (-0.9%)**

#### ► Operating margin

Improve its operating margin rate to **around 7.5%** of revenue compared to 6.6% in 2012



**7.5%**

#### ► Free Cash Flow

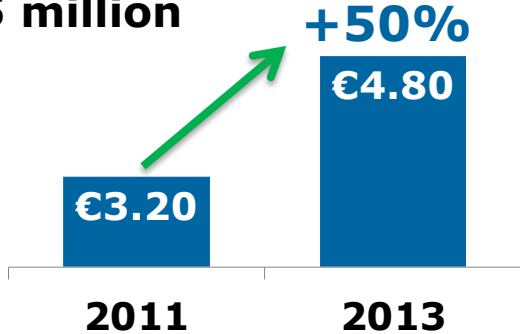
Achievement of a free cash flow above **€350 million**



**€365 million**

#### ► Earnings per share (EPS)

EPS\* representing an increase of **+50%** compared to 2011 statutory

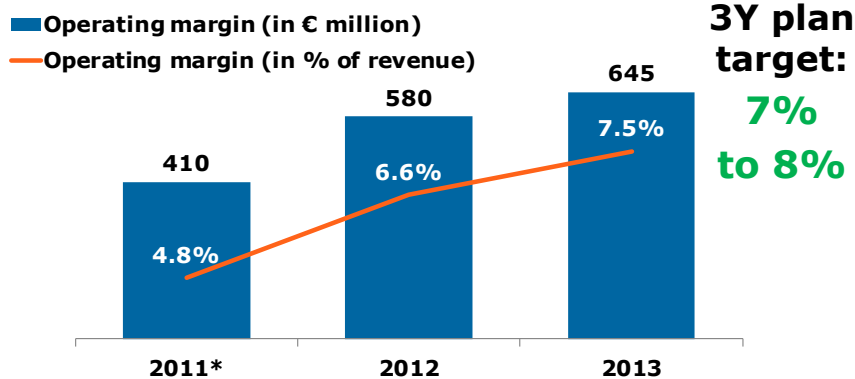


\* adjusted, non-diluted, based on December 31<sup>st</sup>, 2011 number of shares

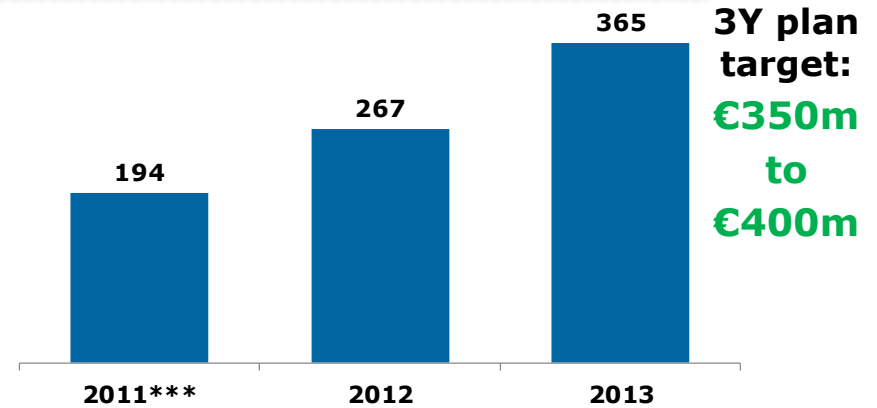
# 2011-2013 three year plan: From profitability improvement to strong cash generation

**2013 Annual Results**  
February 19<sup>th</sup>, 2014

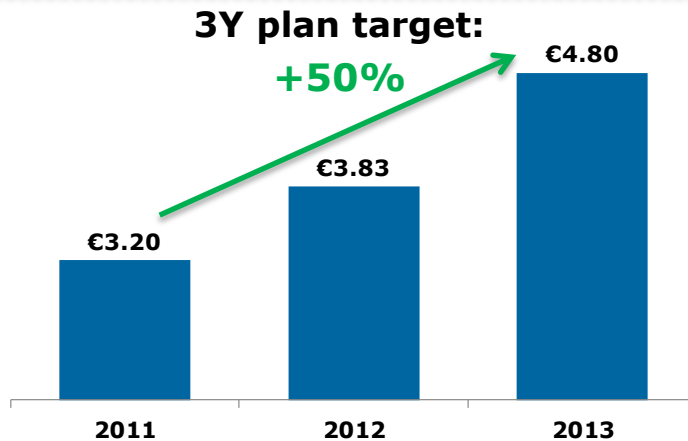
## ► Profitability improvement



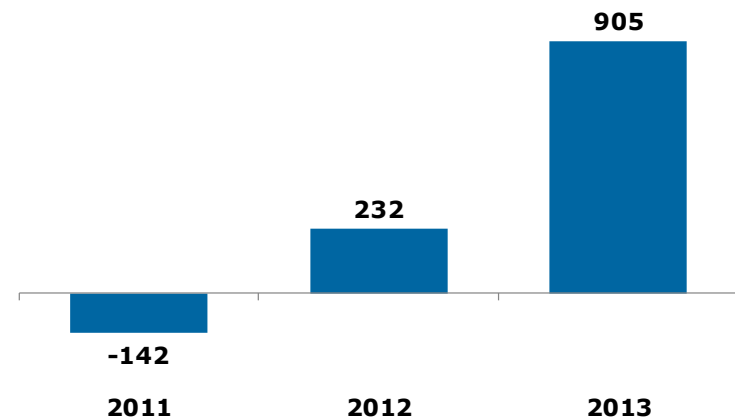
## ► Free cash flow (in € million)



## ► Earning per share\*\*



## ► Net cash position (in € million)



\* Pro forma 12 months \*\* adjusted, non-diluted, based on December 31<sup>st</sup>, 2011 number of shares \*\*\* Statutory figure

### ► Revenue

- The Group expects to **positively grow** compared to 2013.

### ► Operating margin

- The Group has the objective to continue improving its operating margin rate targeting **7.5% to 8.0%** of revenue.

### ► Free cash flow

- The Group expects to achieve a free cash flow **above 2013** level, in line with 2016 ambition.

Michel-Alain Proch,  
Executive Vice President and Group CFO

## **Financial performance**

# Constant Scope and exchange rate figures reconciliation

**2013 Annual Results**

February 19<sup>th</sup>, 2014

*In € million*

|  | <b>FY 2013</b> | <b>FY 2012</b> | <b>% growth</b> |
|--|----------------|----------------|-----------------|
| <b>Statutory revenue</b>                                     | <b>8,615</b>   | <b>8,844</b>   | <b>-2.6%</b>    |
| Scope effect   |                | 4              |                 |
| Exchange rates effect  |                | -153           |                 |
| <b>Revenue at constant scope and exchange rates</b>          | <b>8,615</b>   | <b>8,695</b>   | <b>-0.9%</b>    |
| <b>Operating margin</b>                                      | <b>645.2</b>   | <b>580.0</b>   | <b>+11.2%</b>   |
| Scope effect   |                | -0.2           |                 |
| Exchange rates effect  |                | -12.9          |                 |
| <b>Operating margin at constant scope and exchange rates</b> | <b>645.2</b>   | <b>566.9</b>   | <b>+13.8%</b>   |

- ▶ **Significant exchange rates effect** resulted from the euro strengthening versus the British pound (4.5%), the Argentine peso (19.0%), the Brazilian real (12.1%) and the US dollar (3.2%)
- ▶ **Scope effect** related to the acquisition of WindowLogic (Asia-Pacific, July 2013), Daesa (Spain, September 2012), MSL (Major Event, May 2012), Quality Equipment (Atos Worldline, June 2012) and the disposal of SYNSiS (Atos Worldline, June 2012), Hellas (Central & Eastern Europe, December 2012) and Atos formation (France, March 2013).

# 2013 performance by Services Line

**2013 Annual Results**

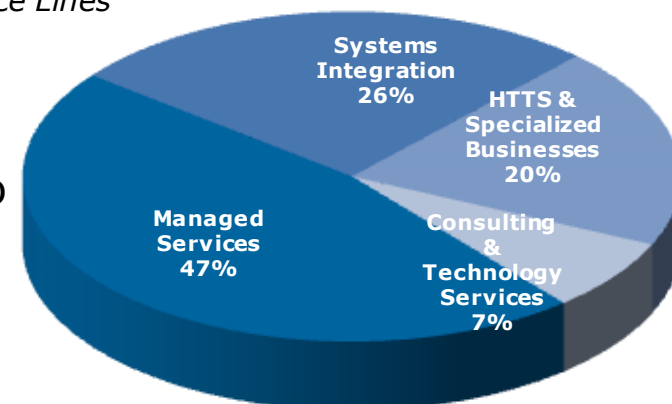
February 19<sup>th</sup>, 2014

| In € million                     | Revenue      |              |              | Operating Margin |              | Operating Margin % |             |
|----------------------------------|--------------|--------------|--------------|------------------|--------------|--------------------|-------------|
|                                  | FY 2013      | FY 2012*     | % growth     | FY 2013          | FY 2012*     | FY 2013            | FY 2012*    |
| Managed Services                 | 4,017        | 4,054        | -0.9%        | 360.0            | 317.7        | 9.0%               | 7.8%        |
| Systems Integration              | 2,278        | 2,293        | -0.7%        | 146.1            | 106.6        | 6.4%               | 4.6%        |
| HTTS & Specialized Businesses    | 1,706        | 1,698        | +0.5%        | 221.0            | 221.8        | 13.0%              | 13.1%       |
| <i>of which HTTS</i>             | 1,194        | 1,150        | +3.8%        | 193.4            | 185.7        | 16.2%              | 16.2%       |
| Consulting & Technology Services | 613          | 650          | -5.6%        | 34.9             | 26.4         | 5.7%               | 4.1%        |
| Corporate costs**                |              |              |              | -116.9           | -105.6       | -1.4%              | -1.2%       |
| <b>Total Group</b>               | <b>8,615</b> | <b>8,695</b> | <b>-0.9%</b> | <b>645.2</b>     | <b>566.9</b> | <b>7.5%</b>        | <b>6.5%</b> |

\* Constant scope and exchange rates

\*\* Corporate costs exclude Global Delivery Lines costs allocated to the Service Lines

- ▶ **Managed Services** almost stable, growing excluding Siemens base effect
- ▶ **Systems Integration** and **Consulting** returned to growth in Q4
- ▶ **HTTS & SB** impacted by Medical BPO in the UK
- ▶ Strong profitability improvement in **all Service Lines** (excluding Medical BPO)

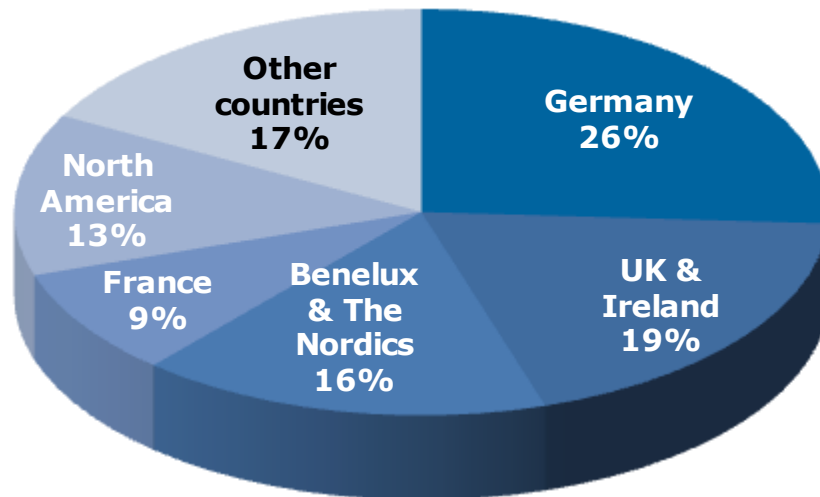


# Managed Services

**2013 Annual Results**  
February 19<sup>th</sup>, 2014

| <i>In € million</i>          | <b>FY 2013</b> | <b>FY 2012*</b> | <b>% growth</b> |
|------------------------------|----------------|-----------------|-----------------|
| Revenue                      | 4,017          | 4,054           | -0.9%           |
| Operating margin             | 360.0          | 317.7           |                 |
| <i>Operating margin rate</i> | 9.0%           | 7.8%            | +113bp          |

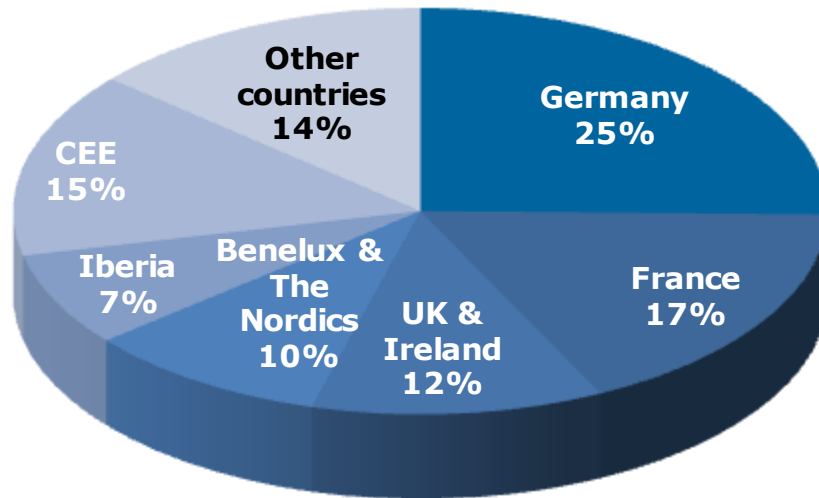
*\*constant scope and exchange rates*



- ▶ Successful ramp-up of the McGraw-Hill contract in the **US**
- ▶ +4.4% in the **UK** thanks to large contracts signed in 2012
- ▶ **Asia-Pacific** +17.5% led by Financial Services.
- ▶ **Germany** impacted by base effects
- ▶ **Strong profitability improvement**
- ▶ Reinforced **industrialization** through Global Delivery centers

| <i>In € million</i>          | <b>FY 2013</b> | <b>FY 2012*</b> | <b>% growth</b> |
|------------------------------|----------------|-----------------|-----------------|
| Revenue                      | 2,278          | 2,293           | -0.7%           |
| Operating margin             | 146.1          | 106.6           |                 |
| <i>Operating margin rate</i> | 6.4%           | 4.6%            | +176bp          |

\*constant scope and exchange rates



- ▶ Ramp-up of the NSN Application Management contract in **Germany**
- ▶ Demand did not yet pick-up in **Europe**
- ▶ Base effect of the AIG datacenter migration in the **US**
  
- ▶ **Utilization rate improved** at 80% in 2013 compared to 78% in 2012.
  
- ▶ **Profitability +180 bps**
- ▶ Strong improvement in **France**
- ▶ Increased volumes in **offshore** delivery



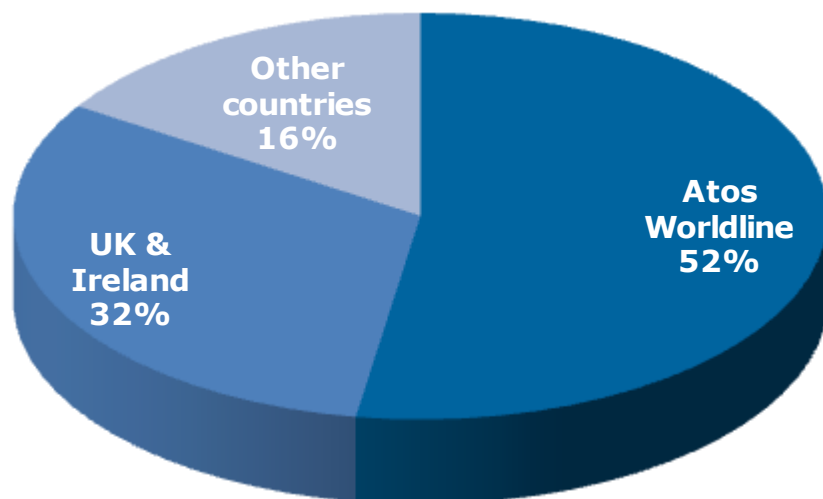
# HTTS & Specialized Businesses

**2013 Annual Results**

February 19<sup>th</sup>, 2014

| <i>In € million</i>   | <b>FY 2013</b> | <b>FY 2012*</b> | <b>% growth</b> |
|-----------------------|----------------|-----------------|-----------------|
| Revenue               | 1,706          | 1,698           | +0.5%           |
| <i>of which HTTS</i>  | 1,194          | 1,150           | +3.8%           |
| Operating margin      | 221.0          | 221.8           |                 |
| <i>of which HTTS</i>  | 193.4          | 185.7           |                 |
| Operating margin rate | 13.0%          | 13.1%           | -11bp           |
| <i>of which HTTS</i>  | 16.2%          | 16.2%           | +4bp            |

*\*constant scope and exchange rates*



- ▶ **Financial BPO** +6.9% thanks to NS&I
- ▶ **Medical BPO** -11.2% due to the strong increase of Medical Standard Time
- ▶ Lower volumes and hardware sales in the **Civil & National Security**
- ▶ Higher profitability in **HTTS** offset by Medical BPO
- ▶ Flat **Specialized Businesses** profitability

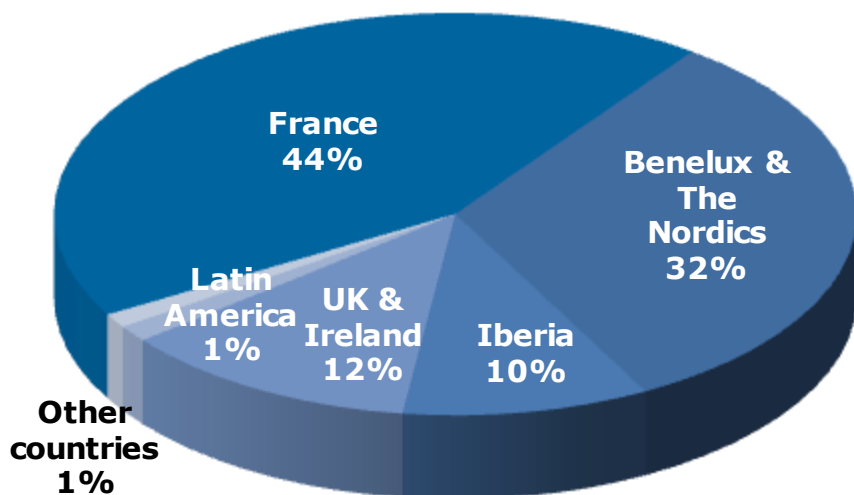
# Consulting & Technology Services

2013 Annual  
Results

February 19<sup>th</sup>, 2014

| In € million          | FY 2013 | FY 2012* | % growth |
|-----------------------|---------|----------|----------|
| Revenue               | 613     | 650      | -5.6%    |
| Operating margin      | 34.9    | 26.4     |          |
| Operating margin rate | 5.7%    | 4.1%     | +163bp   |

\*constant scope and exchange rates



- ▶ **Improved situation** in H2 (-2.5%) compared to H1(-8.5%)
- ▶ **Consulting** +1.1% with new contracts in the Public Sector in the UK
- ▶ Price pressure in **Technology Services** limited at around -1%
- ▶ Stable **utilization rate** at 71% in Consulting and 82% in Technology Services
- ▶ **Positive margin in all the GBUs**

# 2013 performance by Business Unit

**2013 Annual Results**

February 19<sup>th</sup>, 2014

- ▶ **5 GBUs grew:** UK, Atos Worldline, Central & Eastern Europe, North America, and Other BUs
- ▶ **Germany** almost flat excluding base effect from Siemens transformation
- ▶ **France** and **Iberia** improved operating margin and profitability despite economic environment

| In € million             | Revenue      |              |              | Operating Margin |              | Operating Margin % |             |
|--------------------------|--------------|--------------|--------------|------------------|--------------|--------------------|-------------|
|                          | FY 2013      | FY 2012*     | % growth     | FY 2013          | FY 2012*     | FY 2013            | FY 2012*    |
| Germany                  | 1,659        | 1,712        | -3.1%        | 120.0            | 144.0        | 7.2%               | 8.4%        |
| United-Kingdom & Ireland | 1,647        | 1,603        | +2.7%        | 135.2            | 111.4        | 8.2%               | 7.0%        |
| Benelux & The Nordics    | 1,083        | 1,122        | -3.4%        | 122.2            | 86.2         | 11.3%              | 7.7%        |
| France                   | 1,020        | 1,114        | -8.5%        | 33.1             | 13.0         | 3.3%               | 1.2%        |
| Atos Worldline           | 896          | 869          | +3.2%        | 162.4            | 158.0        | 18.1%              | 18.2%       |
| Central & Eastern Europe | 873          | 866          | +0.9%        | 64.3             | 88.5         | 7.4%               | 10.2%       |
| North America            | 607          | 569          | +6.7%        | 41.4             | 45.6         | 6.8%               | 8.0%        |
| Iberia                   | 325          | 346          | -6.2%        | 11.9             | 10.4         | 3.7%               | 3.0%        |
| Other BUs                | 504          | 494          | +1.9%        | 73.2             | 36.3         | 14.5%              | 7.3%        |
| Global structures**      |              |              |              | -118.5           | -126.6       | -1.4%              | -1.5%       |
| <b>Total Group</b>       | <b>8,615</b> | <b>8,695</b> | <b>-0.9%</b> | <b>645.2</b>     | <b>566.9</b> | <b>7.5%</b>        | <b>6.5%</b> |

\* Constant scope and exchange rates

\*\* Global structures include the Global Delivery Lines costs not allocated to the Group Business Unit and the Corporates

# 2013 headcount evolution

2013 Annual Results  
February 19<sup>th</sup>, 2014

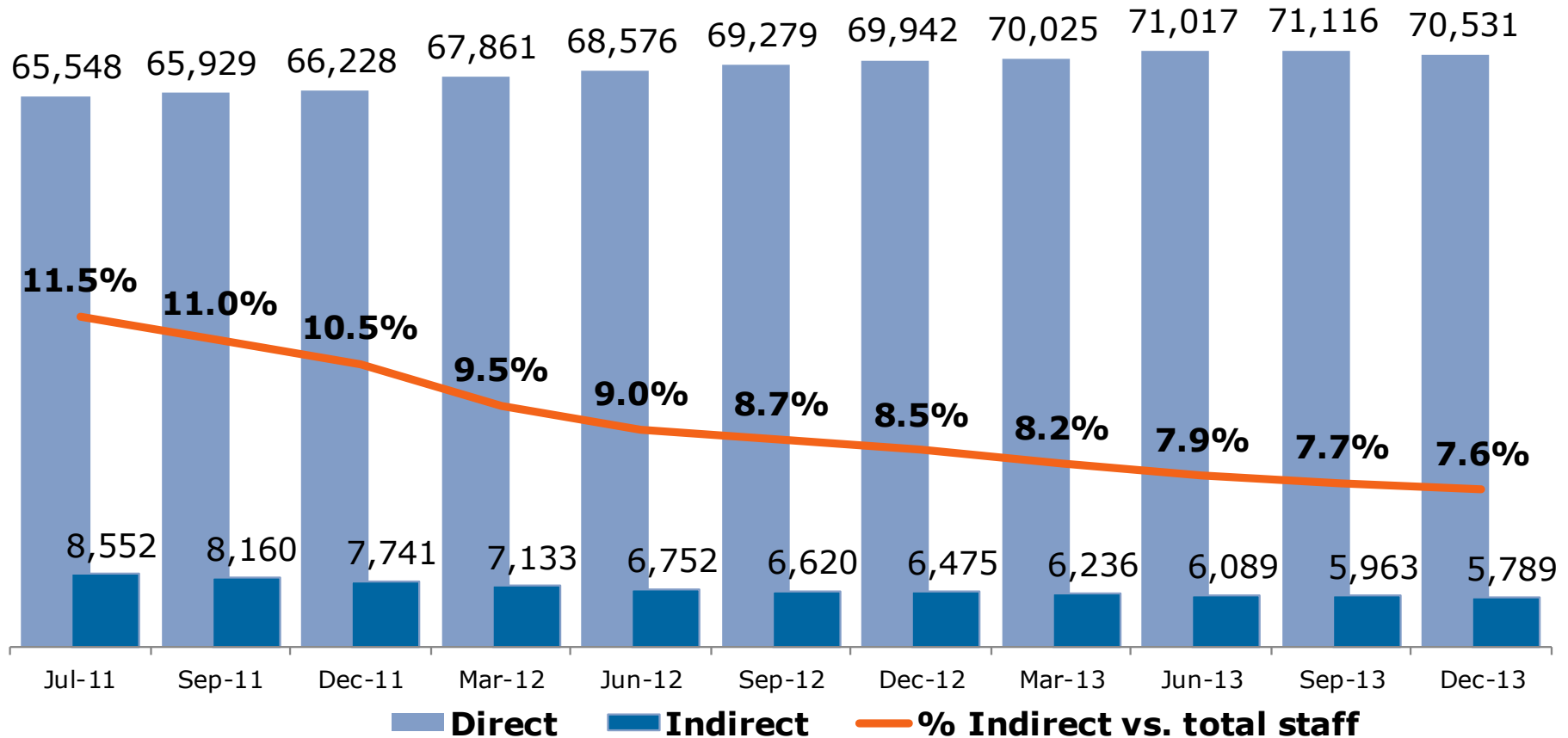
- ▶ 62% of recruitments in emerging countries in line with the **offshoring strategy**
- ▶ **Attrition declined** to 9.5% at Group level and to 17.2% in emerging countries



# Indirect staff evolution

**2013 Annual Results**  
February 19<sup>th</sup>, 2014

- ▶ Continuous decrease of indirect staff number
- ▶ Reinforcement of direct resources



# Income statement

**2013 Annual  
Results**

February 19<sup>th</sup>, 2014

| <i>In € million</i>                       | <b>2013</b>  | <b>2012*</b> |
|---|--------------|--------------|
| <b>Revenue</b>                            | <b>8,615</b> | <b>8,844</b> |
| <b>Operating Margin</b>                   | <b>645.2</b> | <b>580.0</b> |
| <i>% revenue</i>                          | 7.5%         | 6.6%         |
| Staff reorganization                      | -102.2       | -62.4        |
| Rationalization and associated costs      | -37.3        | -28.1        |
| Integration & acquisition costs           | -19.9        | -53.3        |
| Customer relationships amortization (PPA) | -44.3        | -43.2        |
| Others                                    | -24.8        | -11.6        |
| <b>Operating income</b>                   | <b>416.7</b> | <b>381.4</b> |
| Net financial expenses                    | -62.7        | -51.8        |
| Income tax expenses                       | -95.9        | -102.9       |
| Non controlling interests and associates  | 3.5          | -2.9         |
| <b>Net income Group Share</b>             | <b>261.6</b> | <b>223.8</b> |

\* *Statutory figures*

# EPS

## 2013 Annual Results

February 19<sup>th</sup>, 2014

| <i>In € million</i>                           | <b>2013</b>   | <b>2012</b>   |
|---|---------------|---------------|
| <b>Net income Group share</b>                 | <b>261.6</b>  | <b>223.8</b>  |
| Staff reorganization                          | -102.2        | -62.4         |
| Rationalization and associated costs          | -37.3         | -28.1         |
| Customer relationships amortization (PPA)     | -44.3         | -43.2         |
| Worldline carve-out costs                     | -7.6          | -             |
| Disposal of subsidiaries                      | -             | -5.9          |
| <b>Subtotal</b>                               | <b>-191.4</b> | <b>-139.6</b> |
| Tax effect with effective tax rate            | 51.9          | 43.6          |
| <b>Adjusted net income Group share</b>        | <b>401.1</b>  | <b>319.8</b>  |
| Average number of shares (in million)         | 87.8          | 84.1          |
| Diluted average number of shares (in million) | 99.3          | 96.7          |
| <b>Basic EPS</b>                              | <b>2.98</b>   | <b>2.66</b>   |
| Diluted EPS                                   | 2.77          | 2.48          |
| <b>Adjusted non diluted EPS</b>               | <b>4.80 *</b> | <b>3.83 *</b> |

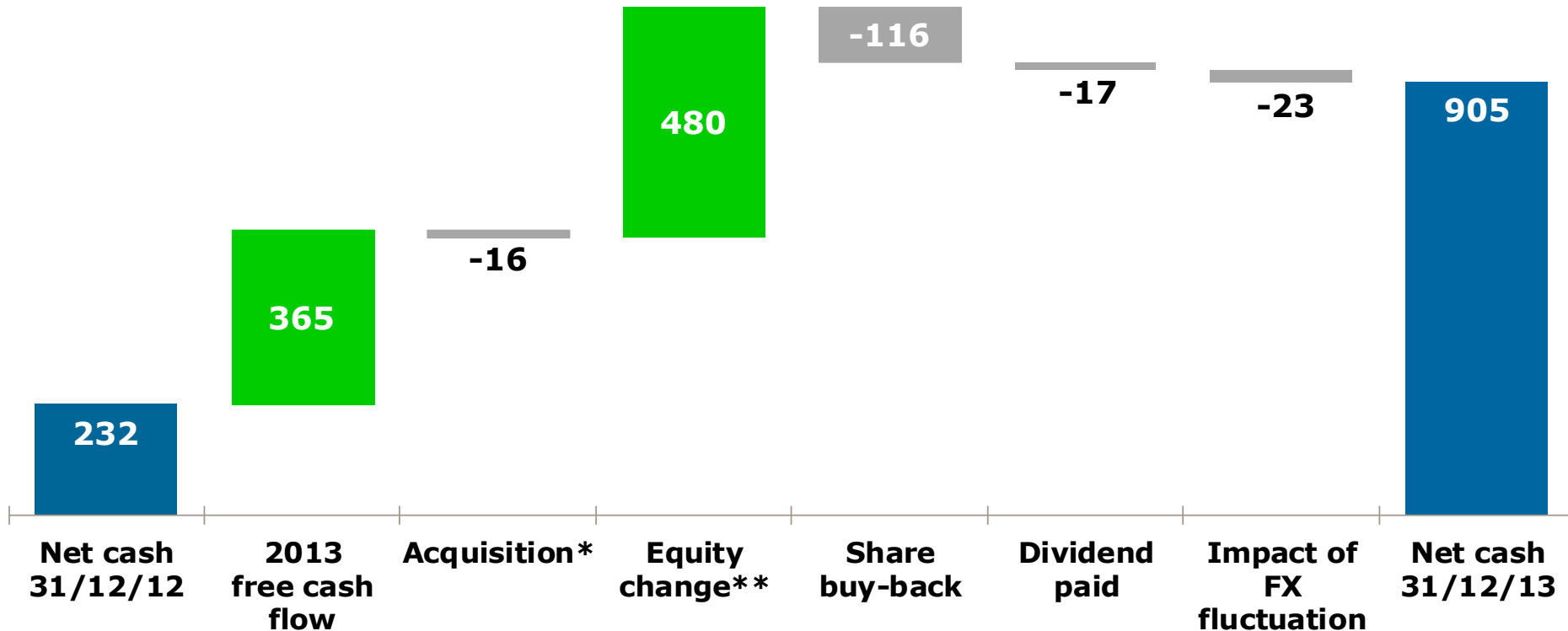
(\*) adjusted on staff reorganization, rationalization, disposals, worldline carve-out charges, and PPA amortization, net of tax - based on 83.6 million shares at December 31st, 2011

# Net cash evolution

(in € million)

**2013 Annual Results**  
February 19<sup>th</sup>, 2014

- ▶ **Conversion** of OCEANE 2009 and OCEANE 2011
- ▶ **Share buy-back I** completed
- ▶ Strong increase of **free cash flow**



\* Acquisition of WindowLogic in Australia and New-Zealand on July 1<sup>st</sup>, 2013.

\*\* Equity change relates to Convertible Bonds conversion and to the subscription by the Group partners in Canopy.



# Cash flow statement

**2013 Annual  
Results**

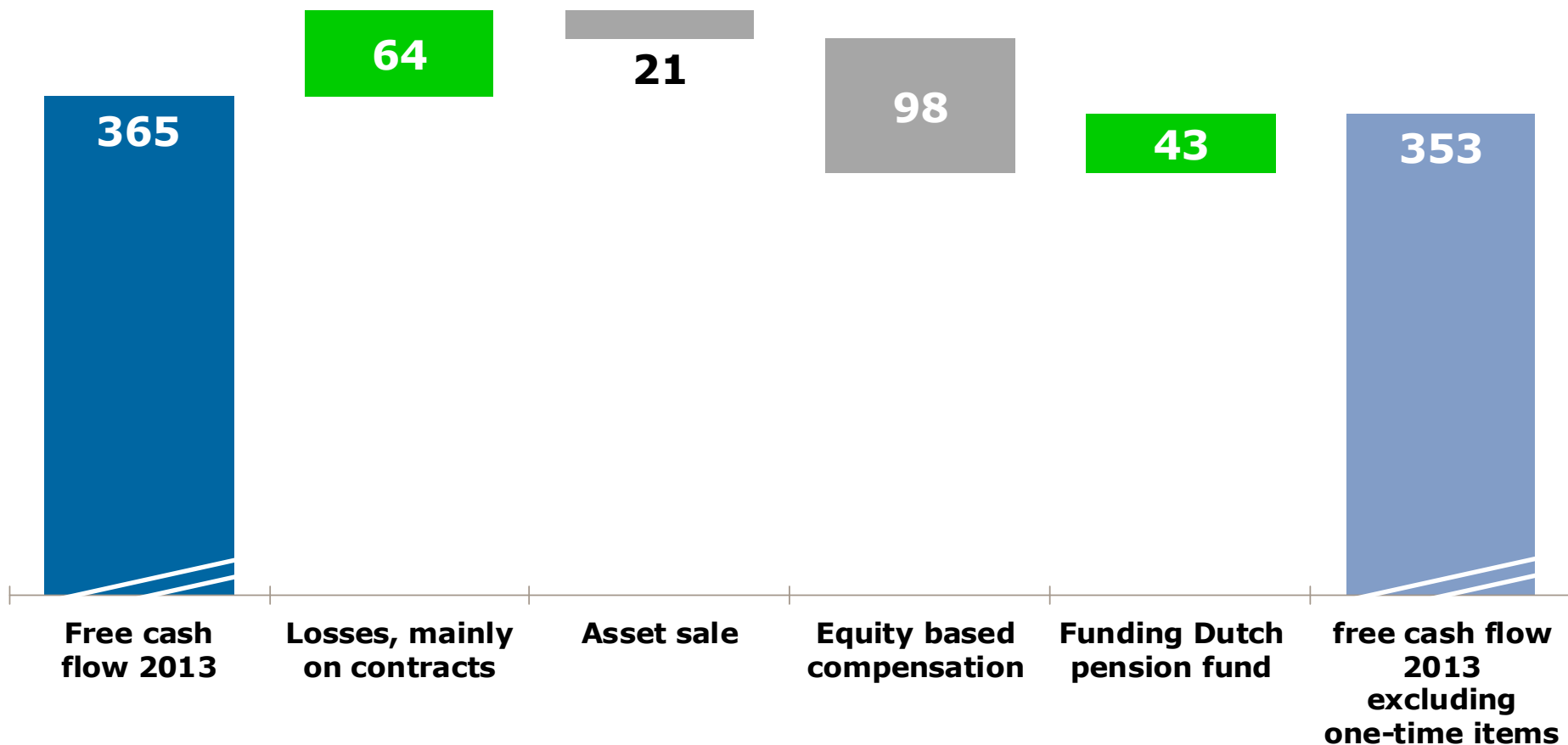
February 19<sup>th</sup>, 2014

| <i>In € million</i>                         | <b>2013</b>  | <b>2012</b>   |
|---|--------------|---------------|
| <b>OMDA*</b>                                | <b>865.4</b> | <b>793.4</b>  |
| Capital Expenditures                        | -340.0       | -325.1        |
| Change in working capital                   | 111.2        | 82.0          |
| <b>Cash flow from operations</b>            | <b>636.6</b> | <b>550.3</b>  |
| Taxes paid                                  | -96.7        | -74.2         |
| Net costs of financial debt paid            | -30.9        | -34.2         |
| Reorganisation                              | -114.0       | -71.9         |
| Rationalisation                             | -53.4        | -53.6         |
| Integration & acquisition costs             | -19.9        | -53.3         |
| Net financial investments                   | -2.8         | -7.7          |
| Dividends paid to non controlling interests | -3.2         | -3.3          |
| Other changes                               | 49.4         | 15.1          |
| <b>Free cash flow</b>                       | <b>365.1</b> | <b>267.2</b>  |
| Net material (acquisitions) / disposals     | -16.2        | 96.8          |
| Capital increase / (decrease)               | 480.1        | 33.4          |
| Share buy-back                              | -115.8       | -             |
| Dividends paid to shareholders              | -17.3        | -14.9         |
| <b>Change in net debt</b>                   | <b>695.9</b> | <b>382.5</b>  |
| Impact of foreign exchange rate fluctuation | -22.6        | -8.6          |
| <b>Opening net cash</b>                     | <b>232.1</b> | <b>-141.8</b> |
| <b>Closing net cash</b>                     | <b>905.4</b> | <b>232.1</b>  |

\*Operating Margin before Depreciation and Amortization

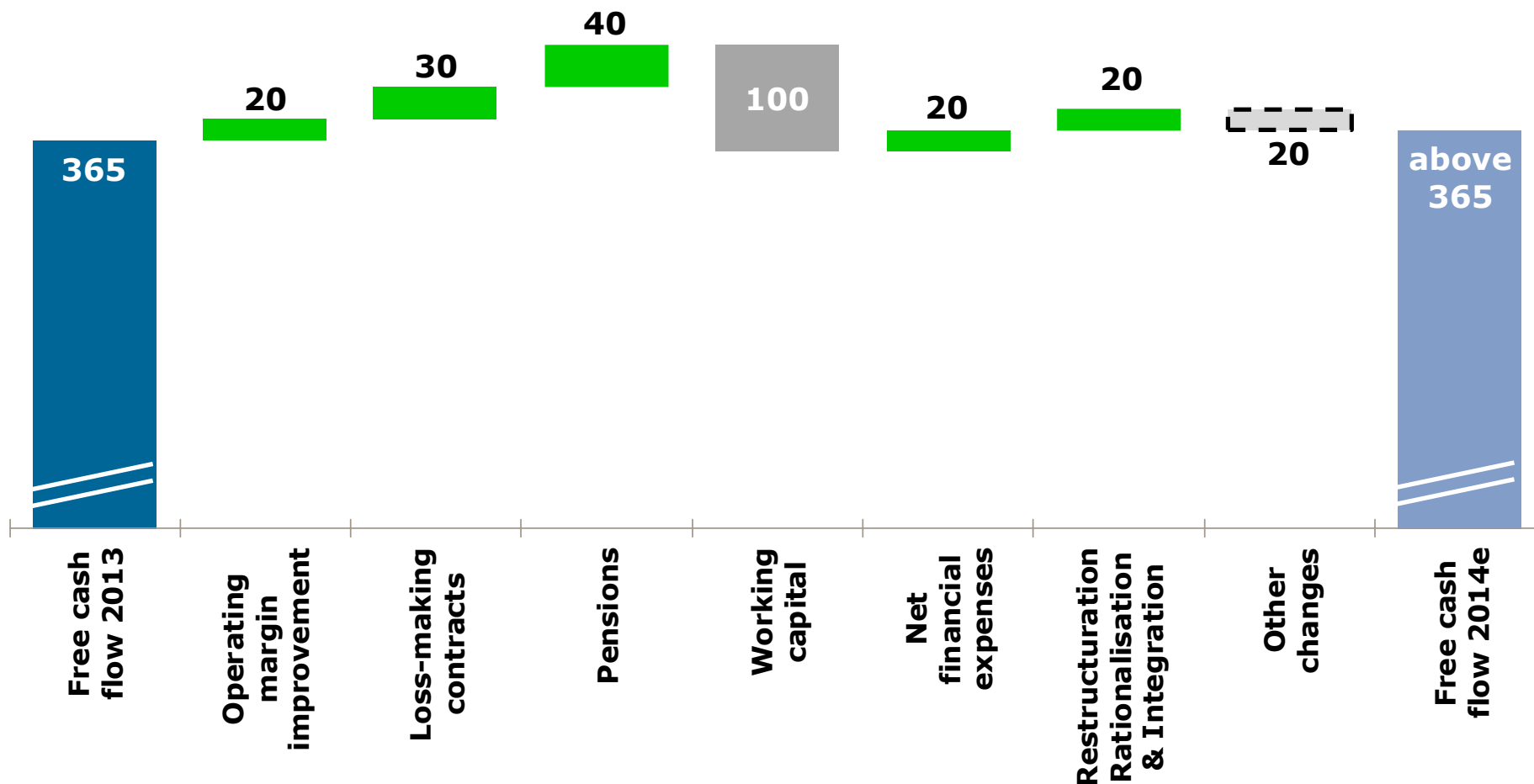
# Main one-time items in 2013 free cash flow (in € million)

**2013 Annual Results**  
February 19<sup>th</sup>, 2014



# Estimated free cash flow bridge from 2013 to 2014 estimate (in € million)

**2013 Annual Results**  
February 19<sup>th</sup>, 2014



\* Including exercised stock options by employees

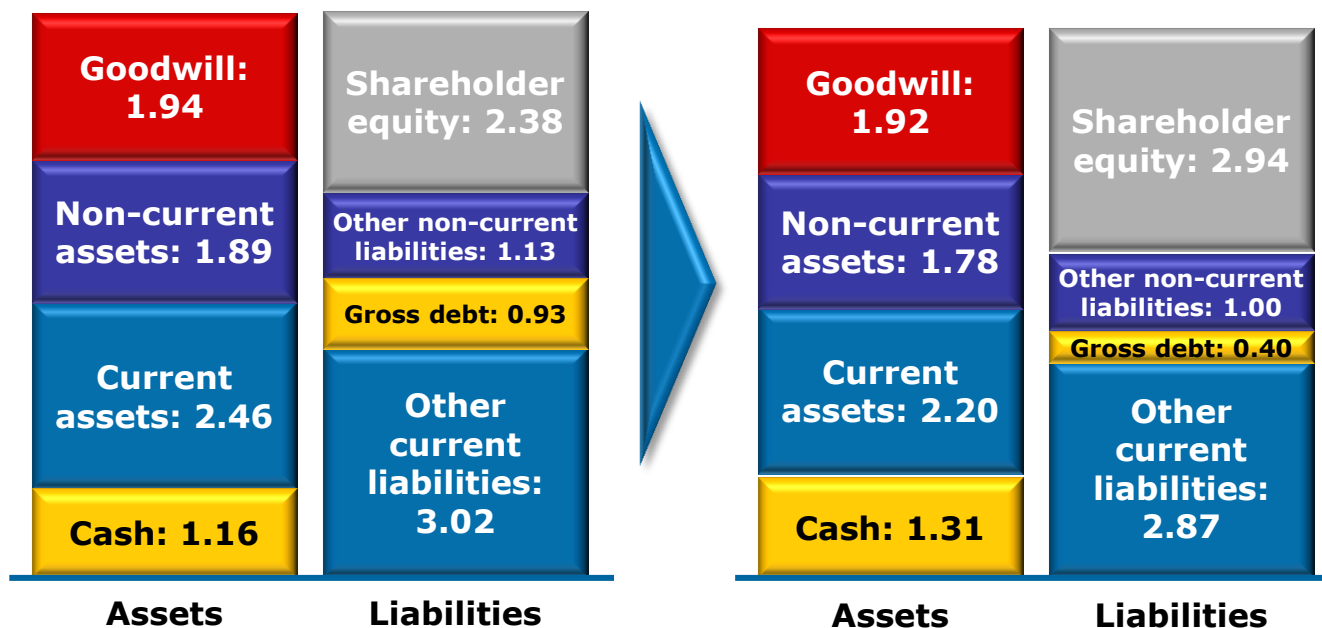
# Simplified balance sheet evolution

(in € billion)

**2013 Annual Results**  
February 19<sup>th</sup>, 2014

**31 December 2012**  
**€ 7.4 billion**

**31 December 2013**  
**€ 7.2 billion**



- ▶ Shareholder equity +24%
- ▶ Net pension provision: €398m
- ▶ Net cash position: €905m
- ▶ Gearing: -31%

→ **Solid financial structure**

→ **Capacity for development**

Gilles Grapinet,  
Senior Executive Vice President, Global Functions

## **Commercial performance**

# 2013 commercial activity

**2013 Annual Results**

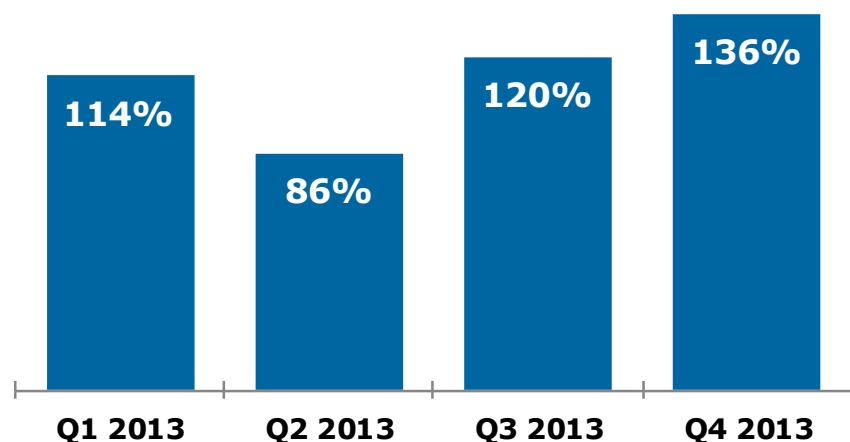
February 19<sup>th</sup>, 2014

## ▶ Total order entry at €8,790m

### ▶ Book to bill

| <i>Book to bill (in %)</i> | <b>2013</b> | <b>2012</b> |
|----------------------------|-------------|-------------|
| Cyclical activities        | 113%        | 109%        |
| Recurring businesses       | 96%         | 115%        |
| <b>Total Group</b>         | <b>102%</b> | <b>113%</b> |

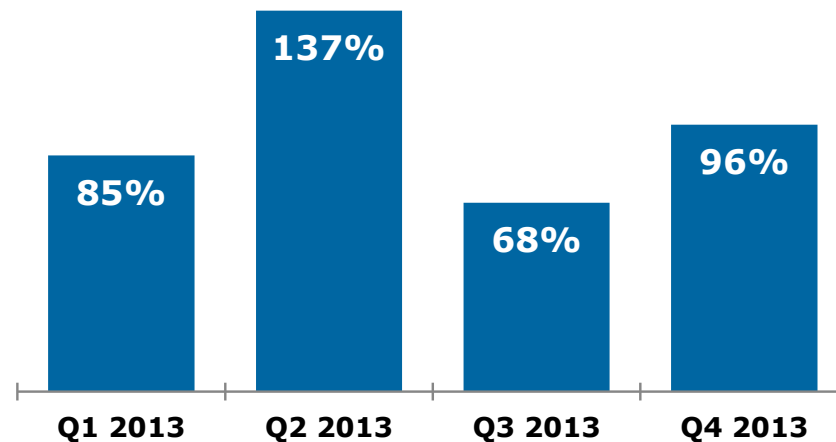
### ▶ Cyclical activities



## ▶ Stable weighted pipeline at €5.3bn

| <i>In months of revenue</i> | <b>2013</b> | <b>2012</b> |
|-----------------------------|-------------|-------------|
| Cyclical activities         | 7.6         | 8.3         |
| Recurring businesses        | 7.2         | 6.8         |
| <b>Total Group</b>          | <b>7.3</b>  | <b>7.3</b>  |

### ▶ Recurring businesses



■ Book to bill (in %)

# Q4 main wins by vertical

1/2

**2013 Annual  
Results**

February 19<sup>th</sup>, 2014

## Manufacturing, Retail & Services

- ▶ **Royal BAM Group** (Netherlands): **MS** – Workplaces management (new logo)
- ▶ **RAG** (Germany): **MS/SI** – Infrastructure management (renewal)
- ▶ **Benjamin Moore** (US): **MS** - ITO & MS (new logo)
- ▶ **Huntsman** (US): **MS** - ITO & MS (new logo)
- ▶ **Coca-Cola Hellenic** (CEE): **MS** – Data Center outsourcing

## Public sector, Healthcare & Transport

- ▶ **SNCF** (France): **SI** – Renewal
- ▶ **Network Rail** (UK): **MS** - TMS Mainframe (5 year extension)
- ▶ **Slovakian ministry**: **SI** - Digital Content for schools (new logo)
- ▶ **Department for International Development** (UK): **CO** - CSJ Implementation
- ▶ **Federal Employment Agency** (Germany): **SI** - Systems Integration
- ▶ **Swiss Federal Customs Administration**: **SI** - Systems Integration

# Q4 main wins by vertical

2/2

**2013 Annual  
Results**

February 19<sup>th</sup>, 2014

## Telco, Media & Utilities

- ▶ **Telecom Italia** (Italy): **MS** – Infrastructure management (new business)
- ▶ **EDF Energy** (UK): **MS** - Managed Service
- ▶ **Enel** (Italy): **SI** - Framework agreement SAP ISU (New business)
- ▶ **Orange** (France): **MS** - Datacenter Outsourcing

## Financial Services

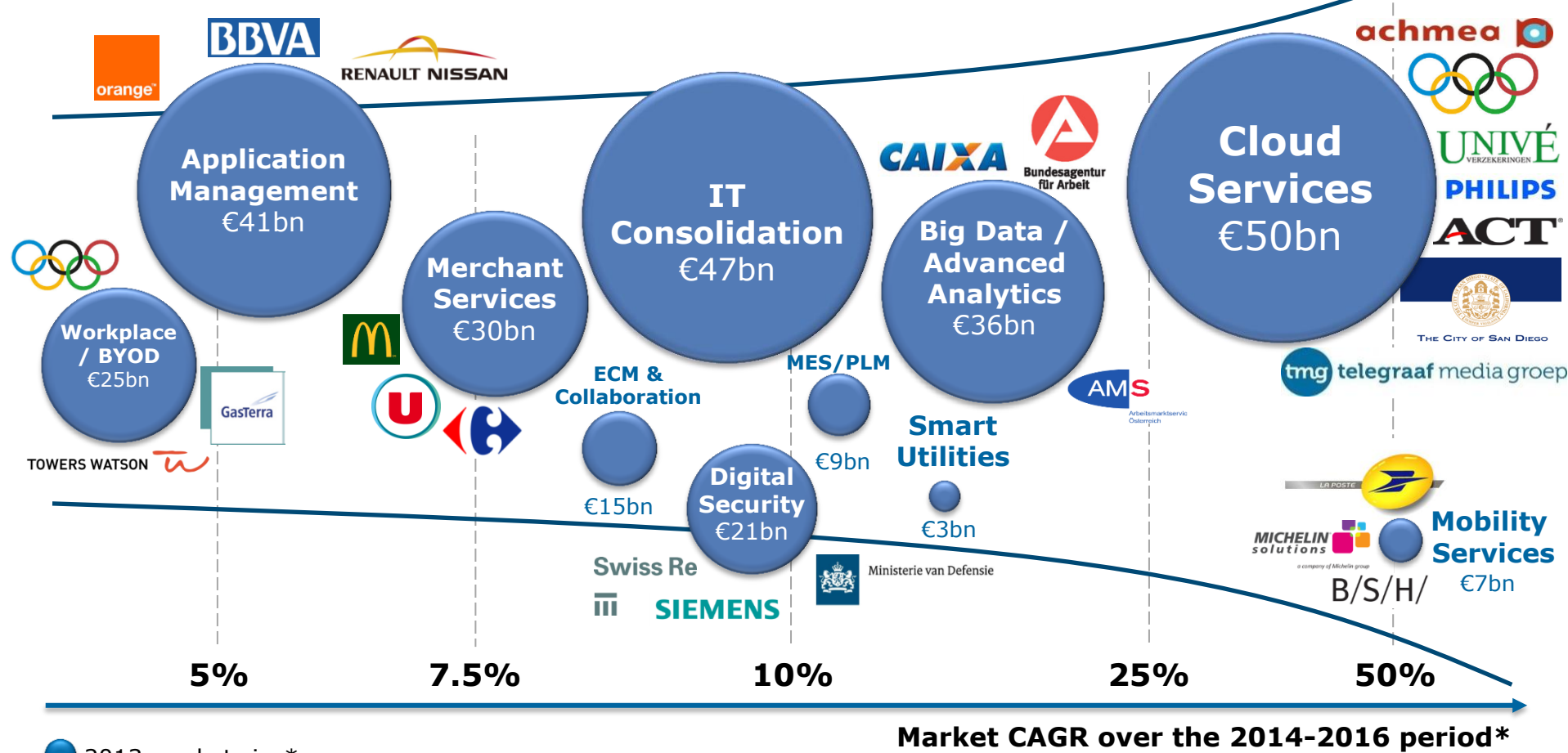
- ▶ **Leading International Banking Group** (France): **MS** – Managed Services contract (renewal)
- ▶ **LCH** (France): **SI** - Applications support contract (renewal)
- ▶ **Largest NL Insurer** (Netherlands): **MS** – Data Center, Infrastructure and Workplaces (extension)
- ▶ **Leading Banking Group in Spain**: **SI** - Application Management
- ▶ **International NL Banking Group**: **Worldline** - Issuing contract renewal



# Key wins in disruptive and innovative offerings

2013 Annual Results  
February 19th, 2014

already c. 40% of Atos revenue realized in disruptive and innovative solutions



● 2013 market size\*

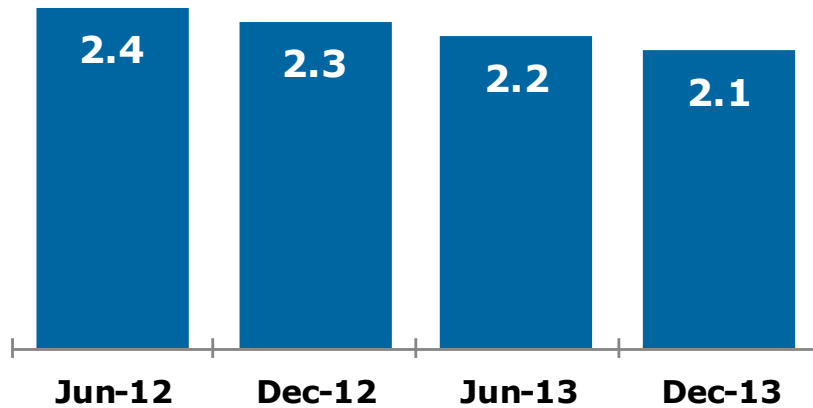
\* Source: Gartner, PAC, Forrester, CIMdata, IDC, OVUM,...

# Backlog evolution

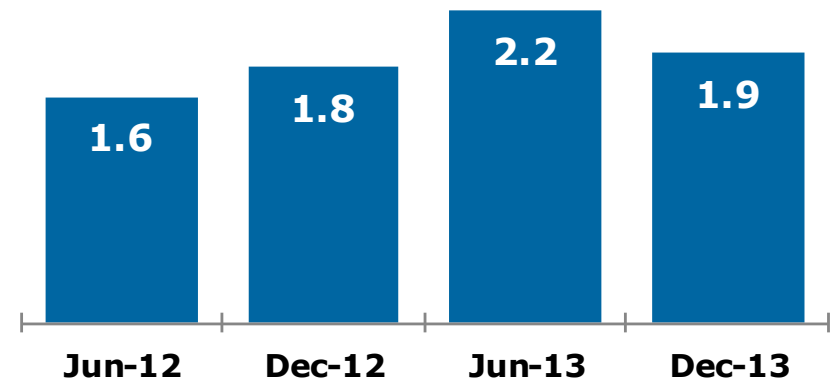
**2013 Annual Results**  
February 19<sup>th</sup>, 2014

## ▶ Total backlog at **€15.2 bn** at the end of 2013

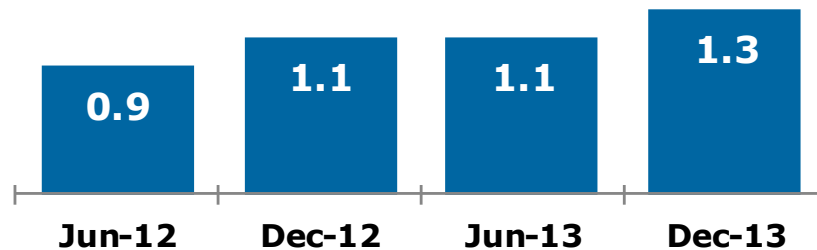
### ▶ Managed Services



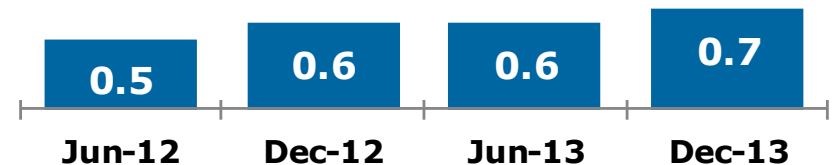
### ▶ HTTS & Specialized Businesses



### ▶ Systems Integration



### ▶ Consulting & Technology Services



■ Backlog to revenue (in number of year)

## 2013 achievements examples

- ▶ **Systems Integration win rate: +600 bps compared to 2012**
- ▶ **Canopy: Good sales dynamics in 2013 with sizeable deals and new logos**
- ▶ **Win rate on middle size deals: +400 bps compared to 2012**
- ▶ **Customer satisfaction: +13% overall in Managed Services**

## New initiatives launched in 2014 to support better sales performance

- ▶ **Systems Integration global markets aligned on sales go-to-market**
- ▶ **Reinforce account management organization to enhance fertilization**
- ▶ **Leveraging India Direct to accelerate growth in the US**
- ▶ **Strong focus on customer satisfaction perceived, quality beyond pure SLAs measurement and NPS improvement**

Gilles Grapinet,  
Senior Executive Vice President, Global Functions  
Chief Executive Officer of Worldline

**Performance of** **worldline**  
e-payment services  
an atos company

# 2013 Key figures

2013 Annual  
Results  
February 19<sup>th</sup>, 2014

**€1,115m**  
+4.8% organic

Revenue

15.0%  
**€167m**

Operating margin

18.4%  
**€205m**

OMDA\*

**€113m**

Free cash flow

**€1.6bn**

Backlog

**7,295**

Total headcount

\* Operating Margin before Depreciation & Amortization.

## Main activities & offerings

- ▶ **Commercial acquiring and acceptance services**
- ▶ **Online services**
- ▶ **Private label cards and loyalty services**
- ▶ **Payment terminals**



2013

**€360m**

Revenue

**+2.1%**

Organic growth

**€81.2m**

OMDA

**+22.6%**

OMDA rate

## Main activities & offerings

- ▶ e-Government services (tolling systems, fine processing centers,...)
- ▶ e-Ticketing solutions and services
- ▶ e-Consumer and mobility services



2013

€364m

Revenue

+7.4%

Organic growth

€48.2m

OMDA

+13.3%

OMDA rate

# Financial Processing & Software Licensing

**2013 Annual Results**  
February 19<sup>th</sup>, 2014

## Main activities & offerings

- ▶ Issuing processing services
- ▶ Acquiring processing services
- ▶ Online banking platforms
- ▶ Payment software licensing

2013



**€391m**

Revenue

**+4.9%**

Organic growth

**€90.1m**

OMDA

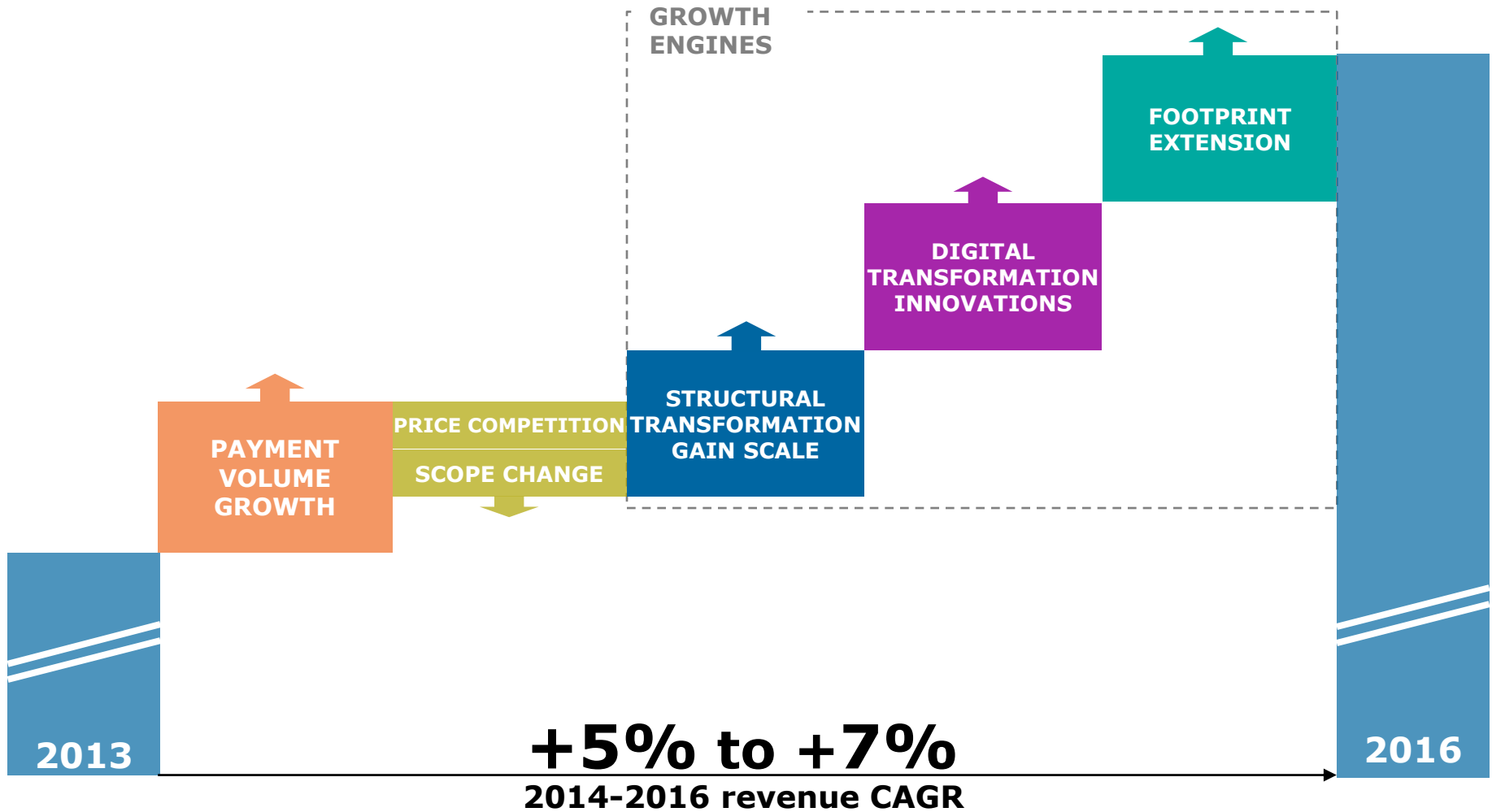
**+23.0%**

OMDA rate



# Revenue ambition: on top of the market evolution, 3 growth engines

**2013 Annual Results**  
February 19<sup>th</sup>, 2014



# Three growth trends of the payment markets

2013 Annual Results  
February 19<sup>th</sup>, 2014



**Continuous increase of the number of electronic payment transactions**  
**Growing 3x faster than total consumer spending**



- Digital innovations for banks and merchants
- New payment methods and means
- New payment services customers i.e : digital businesses



**Regulations & New Economics**

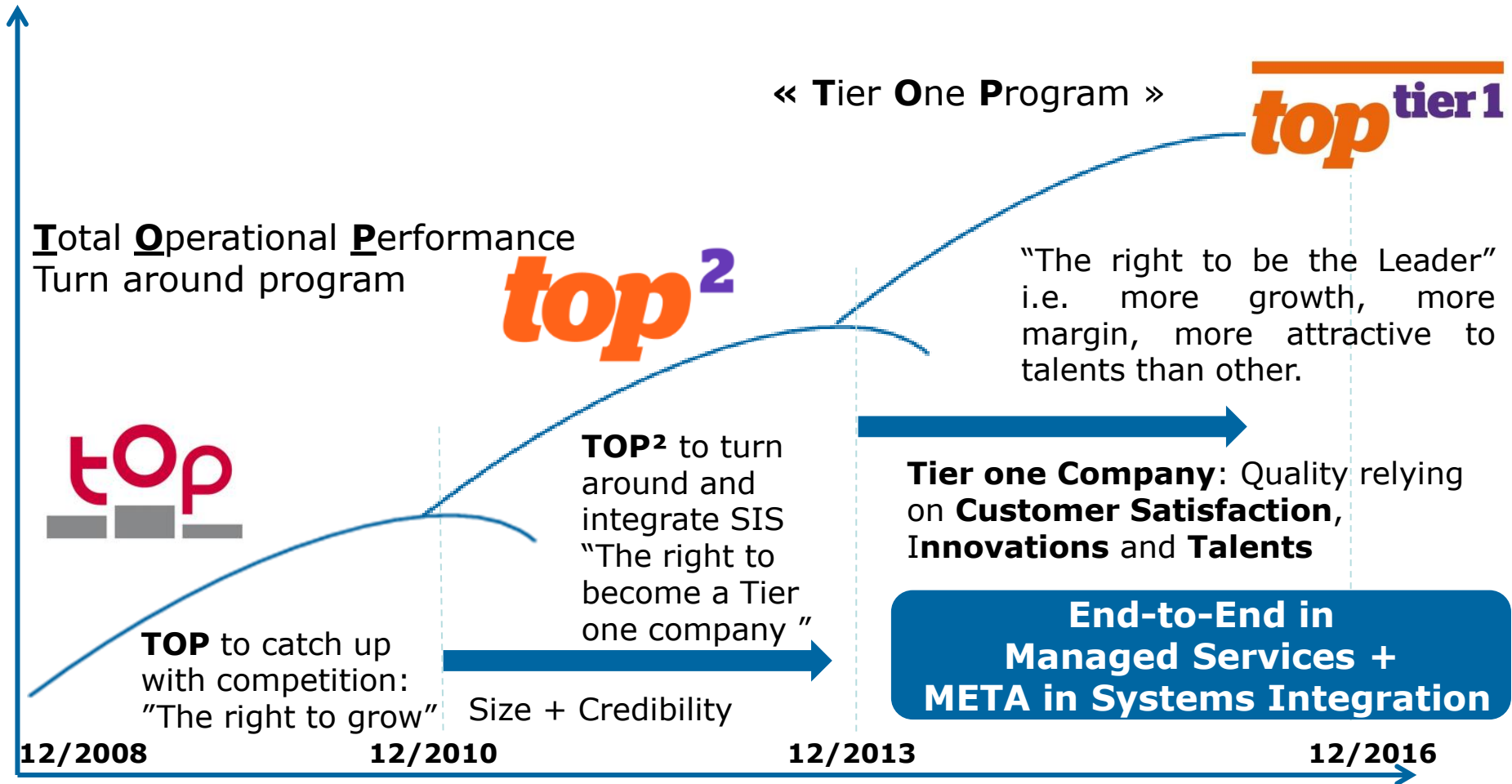
- Outsourcing opportunities
- Strategic partnerships

Charles Dehelly,  
Senior Executive Vice President of Global Operations

## **TOP Tier one program**

# Tier One Program : a program focus on continuous improvement

2013 Annual Results  
February 19<sup>th</sup>, 2014



# Atos delivered according to ambition in difficult market conditions

**2013 Annual Results**  
February 19<sup>th</sup>, 2014

**Atos Investor Day**  
6 October 2011

| From             | AO 2010 | AtoS H1 2011 Pro forma | Atos 2013 ambition |
|------------------|---------|------------------------|--------------------|
| Revenue          | 100     | 100                    | 100                |
| Gross margin     | 18%     | 16.7%                  | 18-18.5%           |
| SG&A             | 11.3%   | 13%                    | 10-11%             |
| Operating margin | 6.7%    | 3.7%                   | 7-8%               |

**Top<sup>2</sup> ambition to secure Atos 2013**

## Achievement

|                  | Atos 2013 |
|------------------|-----------|
| Revenue          | 100       |
| Gross margin     | 17.5%     |
| SG&A             | 10%       |
| Operating margin | 7.5%      |

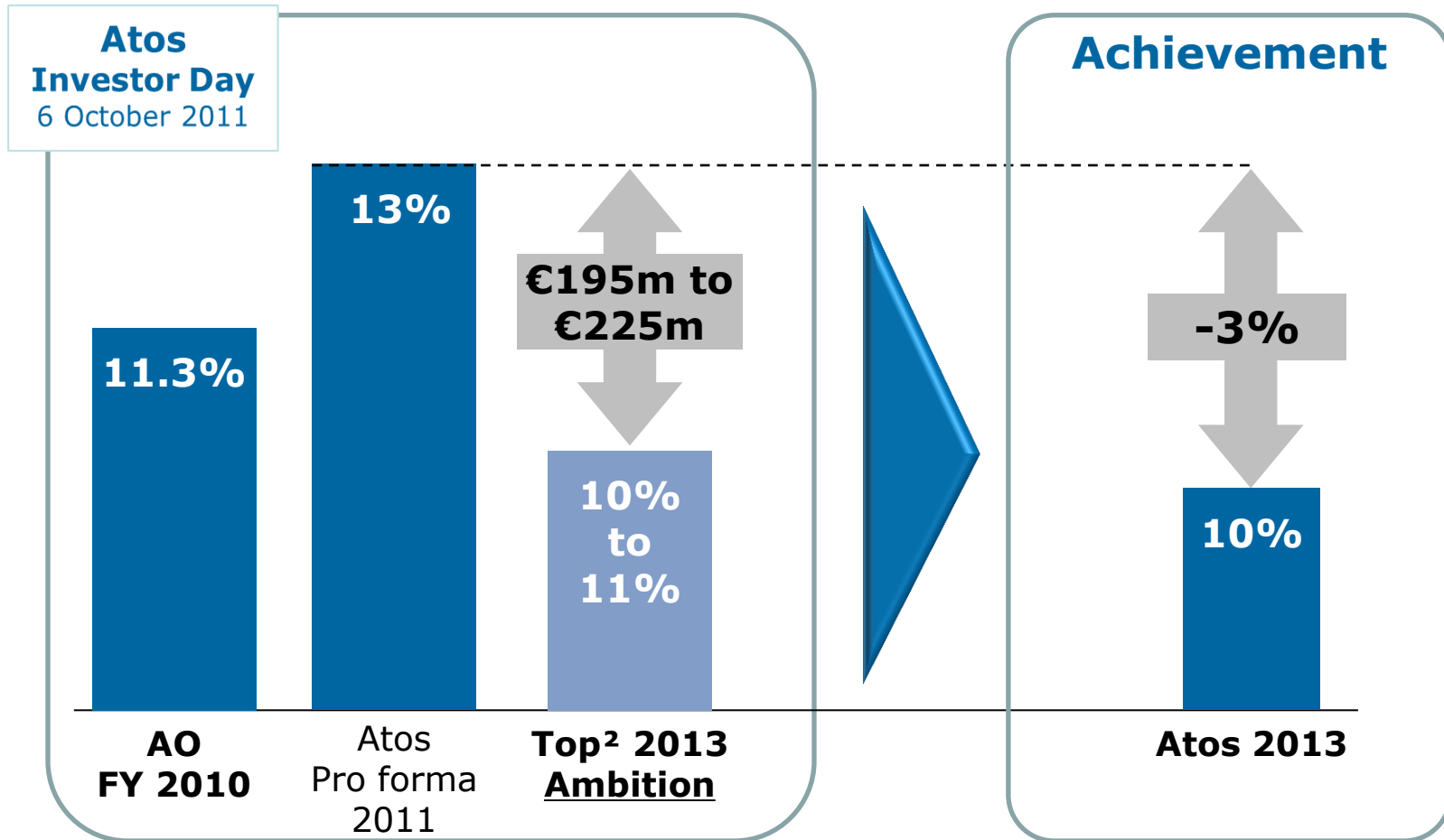


# TOP<sup>2</sup> overachieved

## ► SG&A as a % of revenue

2013 Annual Results

February 19<sup>th</sup>, 2014

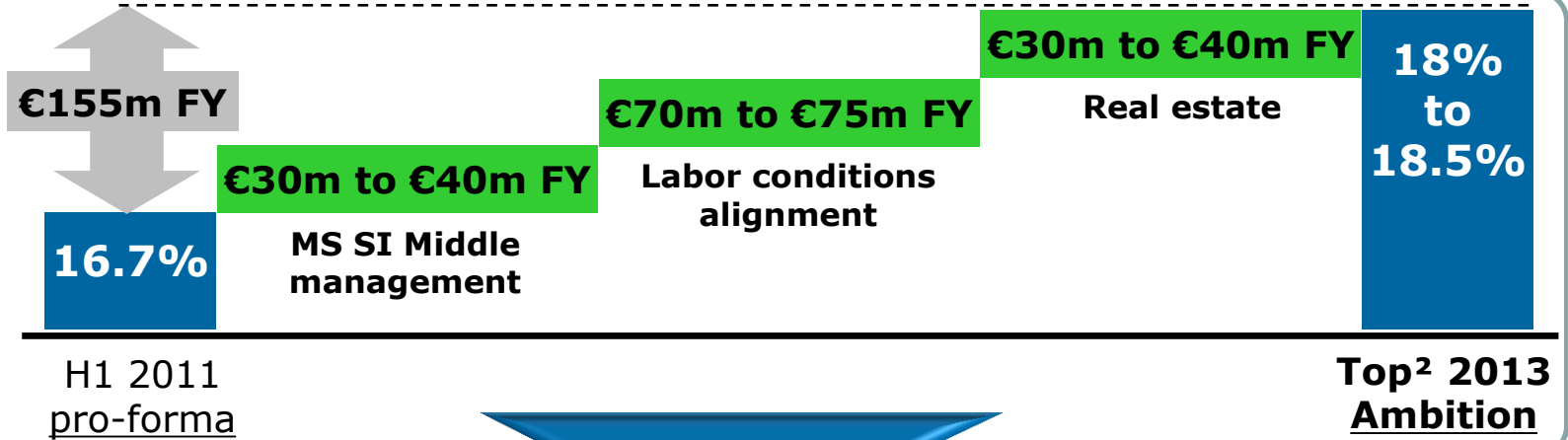


# TOP<sup>2</sup> overachieved

**2013 Annual Results**  
February 19<sup>th</sup>, 2014

## ► Gross Margin as a % of revenue

Atos Investor Day  
6 October 2011



## Achievement



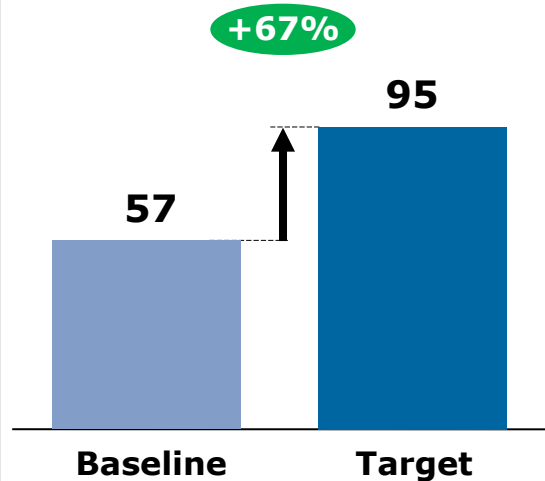
# First achievements of End-to-End projects in Managed Services

2013 Annual Results  
February 19<sup>th</sup>, 2014



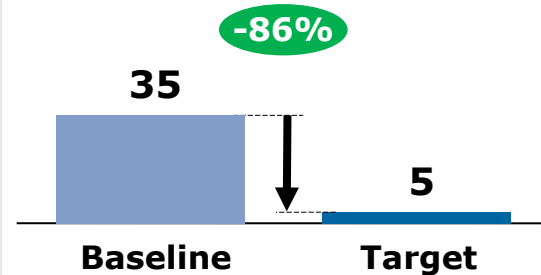
## Quality

Compliance rate for Wintel Patch Servers %



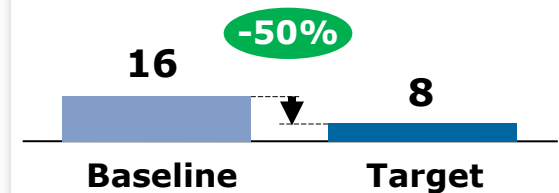
## Delay

Number of days required for physical server installation



## Costs

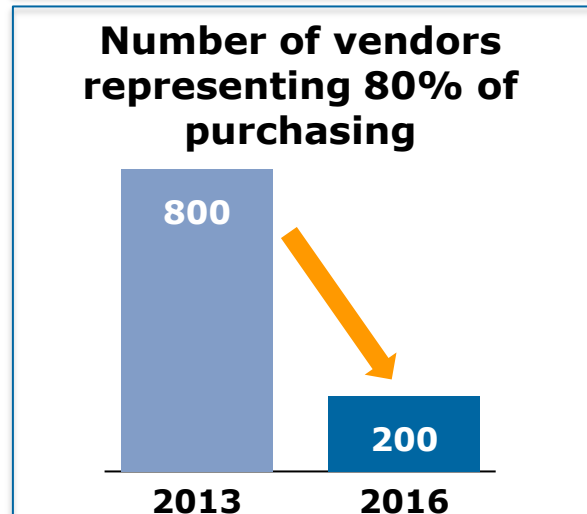
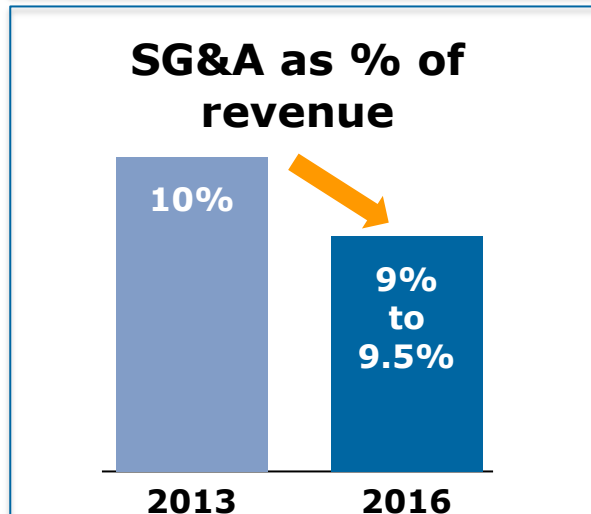
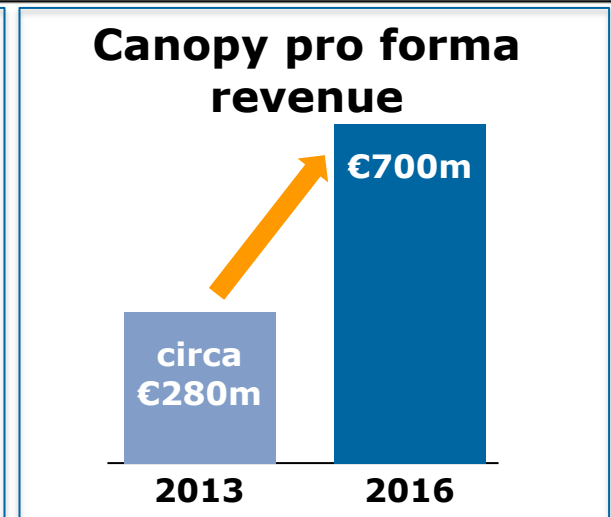
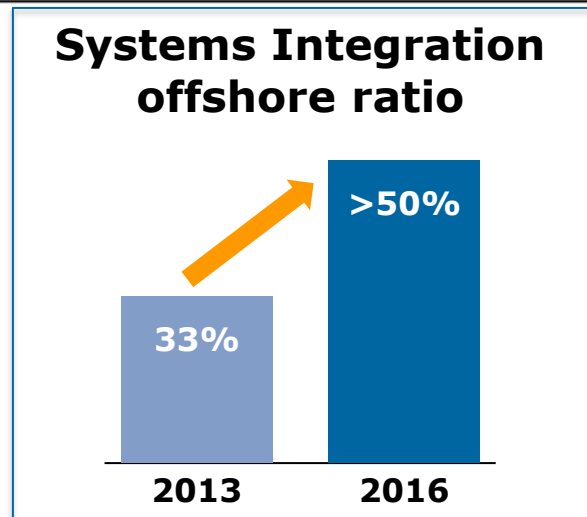
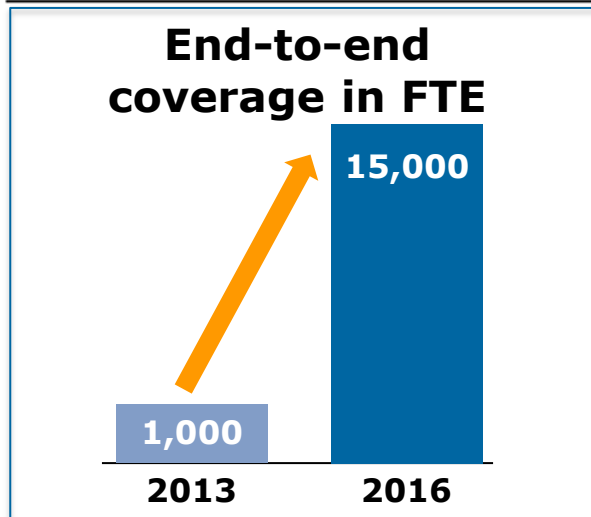
Additional costs related to application provisioning





# Clean KPIs sustaining Atos new 3-year plan

**2013 Annual Results**  
February 19<sup>th</sup>, 2014



**High revenue growth focus**

**>10% CAGR in Asia-Pacific**

**15% to 20% CAGR in IMEA**

Thierry Breton, Chairman & CEO

## **Conclusion**

# Become a Tier 1 and THE preferred European global IT brand

Ambition for 2016

**2013 Annual Results**

February 19<sup>th</sup>, 2014

## 2016 Ambition



- ▶ Organic revenue growth: 2% to 3% CAGR over the 2014-2016 period
- ▶ Operating margin improvement between 100bps and 200bps compared to 2013
- ▶ Free cash flow of €450 million to €500 million in 2016



**IT Services**

- ▶ c. 5% revenue CAGR over the 2014-2016 period of which more than half stemming from external growth
- ▶ 100bps to 200bps operating margin improvement compared to 2013



- ▶ Organic revenue growth: 5% to 7% CAGR over the 2014-2016 period
- ▶ Above 200bps increase in OMDA compared to 2013
- ▶ Strategic acquisitions
- ▶ Ambition to complete the IPO\* in 2014

\* After consultation of European Works Council

- ▶ **Completion of the 3-year plan 2011-2013**
- ▶ **In 2013, record profit and net cash position**

**2011-2013**

**2014-2016**

- ▶ **New 3-year plan approved by 99% of shareholders**
- ▶ **Leveraging on both our IT services and the carved-out payment businesses, Worldline**
- ▶ **Ambition to complete IPO\* of Worldline in 2014 to accelerate its development**
- ▶ **All 2014 objectives in line with 2016 Ambition**

*\*Depending on market conditions and after consultation of the appropriate employee representative organizations*

Management team

## **Q&A session**

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# From Questions to Answers

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## Thank you

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