Third quarter 2015 revenue

November 03, 2015

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Bezons

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 competitors behaviors. Any forward-looking statements made in this document are statements about Atos' beliefs and expectations and should be evaluated as such. Forward-looking statements include statements that may relate to Atos' 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 2014 Registration Document filed with the Autorité des Marchés Financiers (AMF) on April 1st , 2015 under the registration number: D15-0277 and its update filed with the Autorité des Marchés Financiers (AMF) on August 7, 2015 under the registration number: D. 15-0277-A01. 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' shares for sale or an invitation or inducement to invest in Atos' shares in France, the United States of America or any other jurisdiction.
- Revenue organic growth is presented at constant scope and exchange rates.
- Business Units include **Germany**, **France**, **United-Kingdom & Ireland**, **Benelux & The Nordics** (BTN: The Netherlands, Belgium, Luxembourg, Denmark, Finland, Sweden, and Estonia), **Worldline**, **North America** (USA and Canada), and **Other Business Units** including Central & Eastern Europe (CEE: Austria, Bulgaria, Croatia, Cyprus, Czech Republic, Greece, Hungary, Italy, Lithuania, Poland, Romania, Russia, Serbia, Slovakia, Slovenia, Switzerland and Turkey), Iberia (Spain, Portugal, and Andorra), Asia-Pacific (Australia, China, Hong Kong, Indonesia, Japan, Korea, Malaysia, New Zealand, Philippines, Singapore, Taiwan and Thailand), Latin America (Brazil, Argentina, Mexico, Colombia, Chile, Guatemala, Jamaica, Peru, and Uruguay), India, Middle East & Africa (IMEA: Algeria, Benin, Burkina Faso, Egypt, Gabon, Israel, India, Ivory Coast, Lebanon, Madagascar, Mali, Mauritius, Morocco, Qatar, Saudi Arabia, Senegal, South Africa and UAE), Major Events, and Cloud & Enterprise Software.

Agenda

1. Q3 2015 key figures
2. Key outcomes of the Atos-Siemens strategic review: Alliance strengthened
3. Worldline and Equens contemplated transaction
4. Operational performance
5. Commercial activity
6. Update on North America
7. Contemplated acquisition of Unify
8. Conclusion and Q&A session

Q3 2015 key figures

Thierry Breton

Chairman & CEO

Q3 2015: revenue trend improvement confirmed

Q3 2015 revenue	**€2,708m** *+22.6% year-on-year* *+0.5% organic growth* *Positive organic growth for the 4th quarter in a row*
Innovative digital offerings*	*Representing **10%** of Q3 2015 Group revenue* ***+18% organic growth***
Q3 2015 order entry	**€2,531m** *93% book to bill*
Supported by:	*Increasing focus on digital offerings*
	New sales organization launched mid-2014

** Cloud, Big Data & Analytics, Cyber-security, and Mobility. Company estimates, unaudited figures.*

2015 objectives confirmed

The Group confirms all its objectives for 2015 as raised in the H1 release in July, i.e.:

2015 objectives*

Revenue:
The Group targets a **positive revenue organic growth**

Operating margin:
The Group has the objective to improve its operating margin rate targeting **8.0% to 8.5% of revenue**

Free cash flow:
The Group expects to generate a free cash flow of **circa € 420 million**

** including Xerox ITO contribution as of July 1st, 2015*

Key outcomes of the Atos-Siemens strategic review: Alliance strengthened

Thierry Breton

Chairman & CEO

Siemens and Atos strategic review

Siemens and **Atos**
strategic review
July 16, 2015

Assessment of the past successes

Exploration of future opportunities

Siemens and **Atos**
strategic announcement
November 3, 2015

The success story of a unique partnership in the IT services market

Over the last 4 years, the success of the partnership relied on:

Global IT contract	Global Alliance	Strategic shareholding
Accompanying Siemens in the achievement of its operational targets by managing their IT backbone	***Joint development of innovative offerings*** ***Extensive business cooperation through early engagements and complementary offerings***	***One seat at Atos Board of Director*** ***Enterprise size x>2*** ***From net debt €-0.2bn to net cash €+0.4bn*** ***Stock price x>2*** ***Market capitalization x>3***

The realization of an ambitious industrial project: to become the European leader in digitization

December 14, 2010 announcement: ***"Atos and Siemens announce their intention to form a global strategic partnership to create a European IT champion"***

Announced ambition was:

1 ***to operate "the IT backbone of Siemens" best-in-class***

- Successfully performed with **increasing volumes**
- **Digitization of Siemens operations** with innovative solutions

2 ***"to create a leading IT services company"***

- Atos : a **leader** in all major Industry analyst ranking (Forrester Wave, Gartner Magic Quadrant, Everest's assessment, HfS Blueprint, IDC MarketScapes…)

3 ***"to shape the future of IT"***

- Joint **development of innovative solutions** in connectivity, Industrial Data analytics,…
- Atos **#1 preferred European player*** for digital services in Cloud Services, Big Data, Social, and Mobility

4 ***"to create value for Atos shareholders, including Siemens"***

- **Enterprise size x>2**
- From net debt €-0.2bn to net cash €+0.4bn
- Stock price x>2
- **Market capitalization x>3**

A success story to be continued

** IT decision makers survey conducted by a Tier 1 equity research team in October 2015*

A special relationship with Siemens built over the last 4 years

Joe Kaeser
Chief Executive Officer
of Siemens AG

« I am pleased with the technological journey, the extensive business cooperation, and the shareholder value creation that Atos has performed since the start of our Global Partnership, which is a benchmark in the IT-Industry. Based on these achievements, I am pleased to announce that Atos will extend its support to Siemens in the IT services area and in the implementation of our digitalization agenda. Since with this, I see an even greater value creation potential, we have decided to remain shareholder of Atos for the next five years. »

Global Partnership extended for the next 5 years

The strategic review main outcomes are:

Global IT contract

*IT contract **extended** until **December 2021***

Committed minimum volumes increased from €5.5bn to €8.73bn

*Scope **extended** beyond Siemens IT infrastructure to **businesses digitization of its divisions***

Global Alliance

Joint collaborations expansion to new fields:
- ✓ *Industry 4.0*
- ✓ *Advanced data analytics*
- ✓ *Cyber-security*
- ✓ *Device connectivity*

Joint R&D investments increased from €100m to €150m

A new opportunity: acquisition of Unify

***#3 world leader of integrated communication solutions** enhancing social collaboration, digital transformation, and business performance*

€340m cash consideration

Strong value creation** from €130m cost savings through **fully funded restructuring

>+15% EPS accretion by 2017

Siemens shareholding lock-up agreement extended until September 30, 2020

Worldline and Equens contemplated transaction*

Thierry Breton

Chairman & CEO

** subject to work councils' information and consultation processes, banking regulatory authorities and antitrust authorities' approvals*

A major transaction* between Worldline and Equens, structured in two components

Merger of financial processing activities

"Equens Worldline Company"
63.6% owned by Worldline
c. €700m 2016e revenue
c. €120m 2016e OMDA

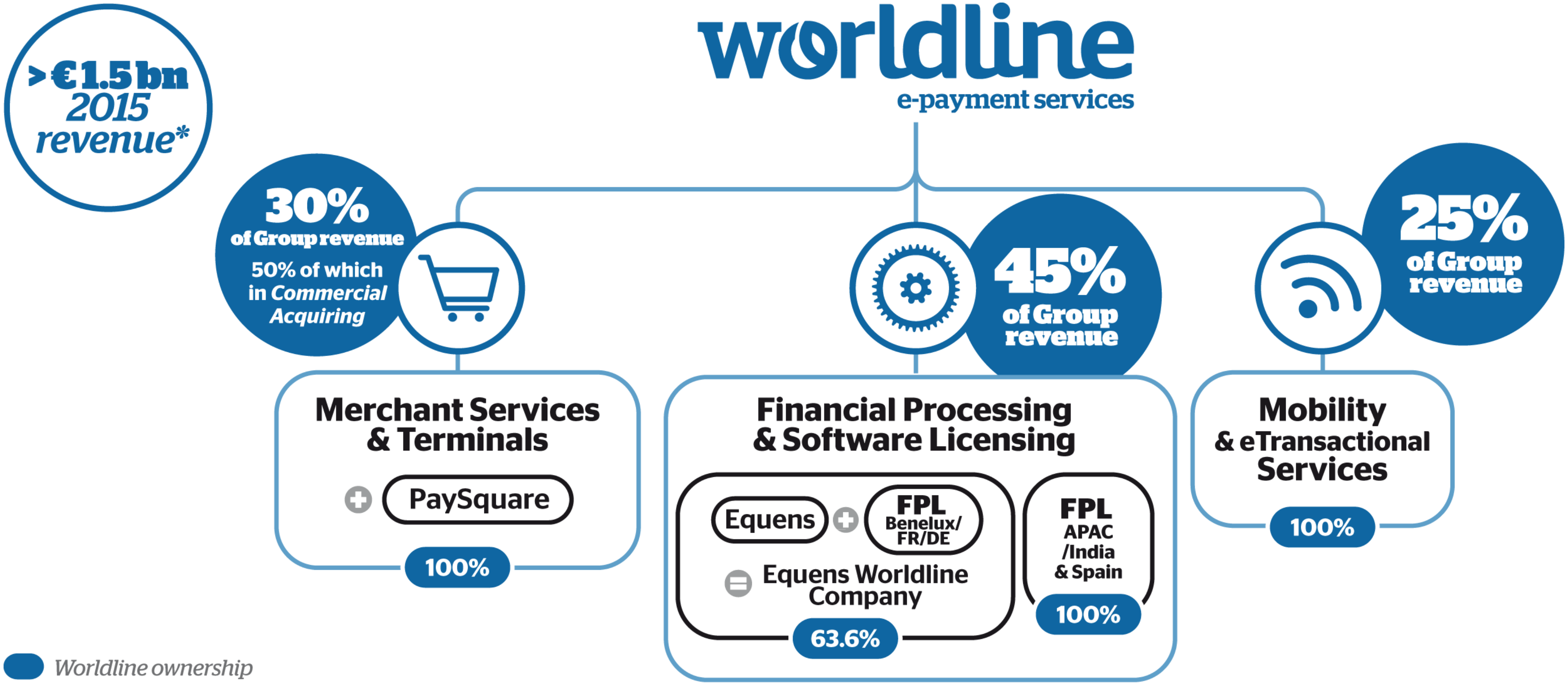
Acquisition of Equens' merchant acquiring activities

PaySquare for €72m in cash
12x 2015e OMDA

Worldline 2015 pro forma revenue increasing by circa €310m to exceed €1.5bn

** subject to work councils' information and consultation processes, banking regulatory authorities and antitrust authorities' approvals*

Worldline structure post transaction



* *estimated figure*

To summarize the transaction…

- Project to create the largest pan-European financial processor with a unique geographical reach and innovation capacities
- Significant step up for Worldline Commercial acquiring
- Industrial combination with massive synergies generation and strong acceleration of OMDA growth profile
- Worldline owns call options to acquire 100% of "Equens Worldline" in 2019
- Limited cash-out preserving the Worldline's financial flexibility to keep acting as a consolidator of the European payment landscape

Operational performance

Elie Girard

Group CFO

Constant scope and exchange rates reconciliation

In € million	**Q3 2015**	**Q3 2014**	***% change***
Statutory revenue	**2,708**	**2,209**	***+22.6%***
Scope effect		399	
Exchange rates effect		87	
Revenue at constant scope and exchange rates	**2,708**	**2,695**	***+0.5%***

- **Scope effect** was related to the acquisitions of Bull (France, August 11th, 2014) and Xerox ITO (North America, June 30th, 2015) combined with the outsourcing of on-site services activities in France (France, March 1st, 2015) and the early termination of the Work Capability Assessment BPO contract with the Department for Work and Pensions (United Kingdom, March 1st, 2015).
- **Exchange rates effect** mainly resulted from the British pound and the US dollar strengthening versus the euro.

Q3 2015 revenue by Service Line

In € million	**Q3 2015**	**Q3 2014***	***% organic***	***% yoy***
Managed Services	1,527	1,514	*+0.8%*	*+35.9%*
Consulting & Systems Integration	774	794	*-2.6%*	*+1.2%*
Big Data & Cyber-security	113	109	*+4.0%*	*+129.9%*
Total IT Services	**2,413**	**2,417**	***-0.2%***	***+24.6%***
Worldline**	**294**	**278**	***+6.0%***	***+8.4%***
TOTAL GROUP	**2,708**	**2,695**	***+0.5%***	***+22.6%***

* *at constant scope and exchange rates*

** *Worldline reported +5.0% organic growth on a stand alone basis*

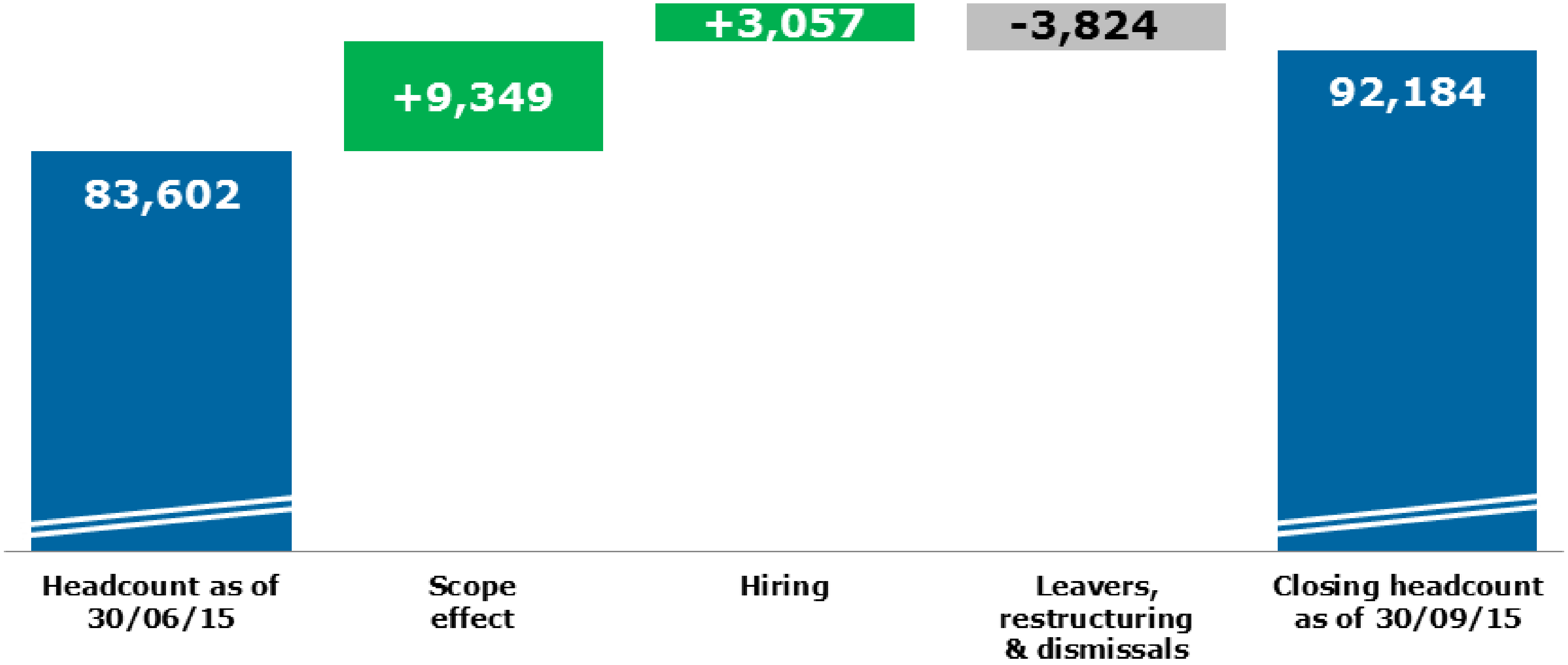
Q3 2015 revenue by Business Unit

In € million	**Q3 2015**	**Q3 2014***	***% organic***	***% yoy***
North America	489	495	*-1.1%*	*+232.3%*
United-Kingdom & Ireland	458	448	*+2.2%*	*+8.1%*
Germany	389	399	*-2.6%*	*-0.1%*
France	363	354	*+2.5%*	*+21.7%*
Benelux & The Nordics	253	263	*-3.8%*	*+0.3%*
Other Business Units	462	458	*+0.8%*	*+8.2%*
Total IT Services	**2,413**	**2,417**	***-0.2%***	***+24.6%***
Worldline**	**294**	**278**	***+6.0%***	***+8.4%***
TOTAL GROUP	**2,708**	**2,695**	***+0.5%***	***+22.6%***

** at constant scope and exchange rates*

*** Worldline reported +5.0% organic growth on a stand alone basis*

Q3 2015 headcount evolution



Commercial activity

Patrick Adiba

Executive Vice President & Chief Commercial Officer

Commercial activity dashboard

Order entry

€2,531m

+14% year-on-year

Book to bill ratio

93%

Backlog

€18.7bn

1.7 years of revenue

Qualified pipeline

€5.9bn

6.3 months of revenue

Key wins in Q3 2015

German bank
Extension of scope

GUARDIA CIVIL
Extension of scope

Global Entertainment
Renewal

Scandinavian utility
New logo

ЕПС
New logo

German airport
New logo

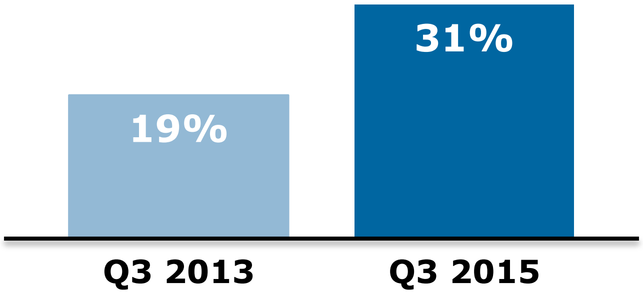
EEAS
Extension of scope

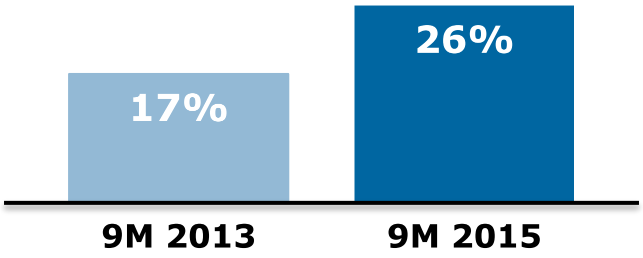
Global healthcare leader
Extension of scope

vivo
Renewal

Materialization of the fertilization strategy

Fertilization as % of Group order entry:





The fertilization strategy implemented in 2014 as part of the new sales organization is materializing in the Group order entry mix which reveals the capability of the Group to generate additional revenue on existing contract

Based on c. 90% of order entry

Siemens awarded significant new Cloud contracts to Atos to transform its legacy IT Infrastructure

Smart storage
Global enterprise file synchronization & share services for **5 years**

Enterprise storage
Modernization of enterprise storage environment for **5 years**

Virtual client
Cloud-based virtual client services for **6 years**

A major global IT services agreement in 2015

SAP HANA
Global HANA implementation for ERP and HR for **6 years and a half**

Cloud & Data centers
Managing Data centers workloads for **6 years**

€ 800 million of Total Contract Value in Cloud-based digital transformation already signed

Extension of the Global IT contract agreed in 2011

Minimum volume commitment:

€5.5bn

from July 2011 to June 2018

extension for an additional 3.5 years

€8.73bn

from July 2011 to December 2021

Siemens is a powerful reference for other Atos' clients

Update on North America

Michel-Alain Proch
Senior Executive Vice President
& CEO North American Operations

Update on North American operations

Integration plan well on track

- **NAO Excom is in place:** representing company DNA: 8 Atos – 8 ITO – 2 New
- **Atos' methodologies:** Lean, TOP, bid control **building on** ITO customer care
- **Large ex-ITO clients renewed:** 2 major clients renewed for the next 3 years generating $>300m order entry

Xerox partnership first results

- **Governance well in place:** weekly pipe reviews – monthly executive meetings
- **First outsourcing deal signed:** Midrange / 2016 transition / $80m TCV
- **First Systems Integration deal signed:** application testing

Focus on the Digital journey

- **Presented to > 50 MNCs CIO/CTO and TPA advisors:** in advance vs. competition
- **Orchestrated/Automated Hybrid Infra:** strong IP developed - patent pending
- **Integration of own & partners technologies:** SNOW – EMC/VM – IPSOFT

$>500m TCV pipe in Q4 / Q1

- **Fertilization Europe/US** providing its first results in pipe
- **Strong commercial activity:** 60 joint account plans – 250 client presentations
- **6 material deals to win in:** 3 NextGen Infra – 1 legacy – 1 Specialized – 1 Application Management

Contemplated acquisition of Unify*

* subject to work councils' information and consultation and the approvals of the regulatory and antitrust authorities

#3 world leader of integrated communication solution serving c. 75% of Fortune 500

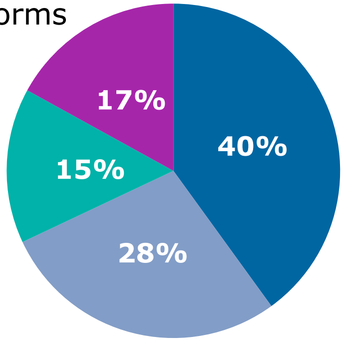
Key figures

UNIFY

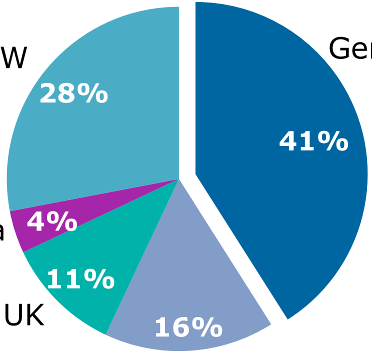
- **€ 1.24bn** FY 2015 revenue
- Headquartered in Munich and present in over **60 countries**
- **€100m R&D** spend in FY 2015
- Intellectual Property : over **3,000 patents**
- c. **5,600 FTEs** as of September 2015
- Joint Venture between **Gores Group** (51%) and **Siemens AG** (49%)

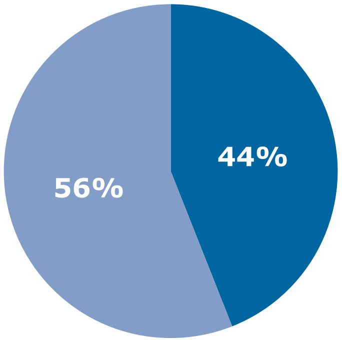
FY 2015 revenue

By activity



By geography



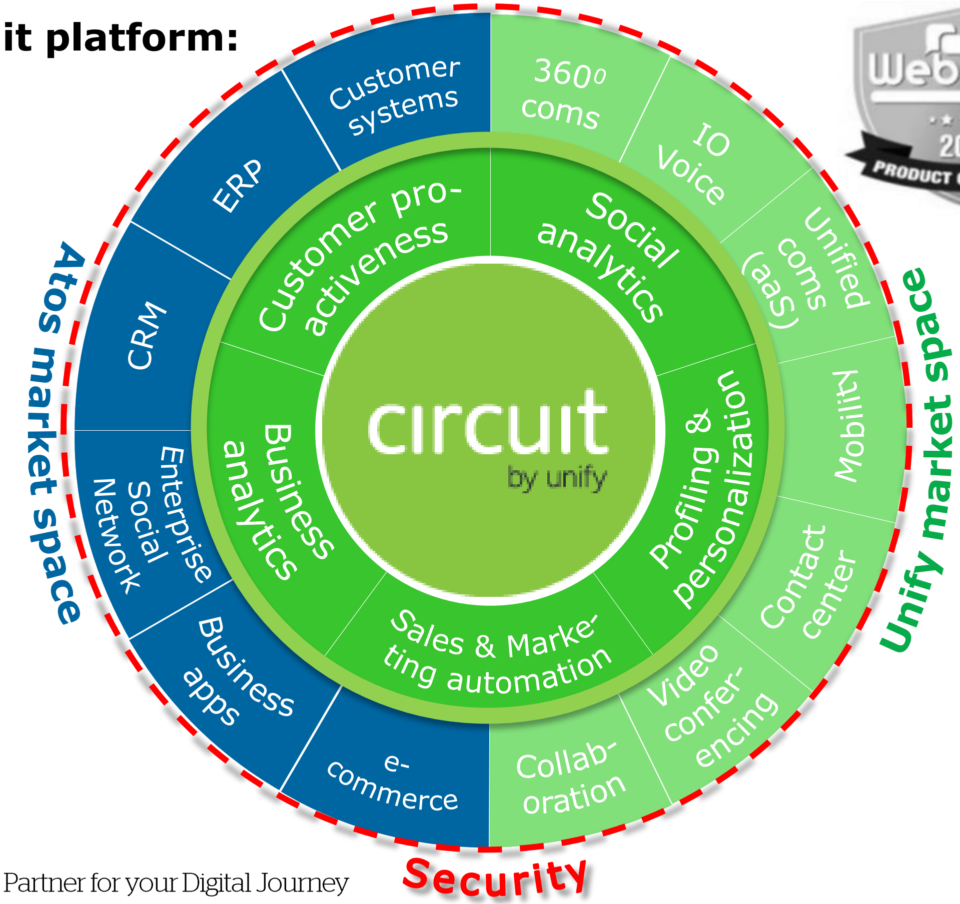


By sales channel for Software & Platforms

Unify fiscal years ending September 30th

Combination of Unify and Atos would create a key building block of the digital transformation of customers

Circuit platform:



- Enable customer driven convergence of IT and Coms
- Enable a new way to work through pro-active digital customer engagement and follow-up
- End-to-End security and reliability on-premises and in the Cloud

Strategic benefits of the combination

	Unify today	Benefits of integration in Atos
Direct sales	Driving growth and customer satisfaction in key markets	Significant scale and geographic expansion in key markets and top accounts
Channels	Increasing revenue and share in the SMB segment	Expand the reach of Atos in the SMB segment for its solutions
Services, service delivery	Looking for a strategic partner to address the changing in market place (cloud, Big Data, security,…)	Expanded breadth of world class services delivered by Atos, global Tier1 provider with leadership in cloud, Big Data, security,…
Product portfolio	Leading the communication industry transformation from HW to SW requires high level R&D investments and scale	Access to Atos global clients base and partners ecosystem brings scale which Atos intends to reinforce with industry leading strategic partners

Contemplated transaction features

Price paid	▶ €340m in cash
Scope	▶ 100% outstanding shares held by Siemens and Gores Group
Net debt	▶ €50m
Pensions	▶ €200m of pension deficit at closing
Taxes	▶ c. €250m of potential tax cash benefits
Restructuring	▶ €370m restructuring plans, fully provisioned at closing and cash funded
Reps & Warranties	▶ €80m Representations & Warranties securing plan
Next steps	▶ Closing expected within the next 3 months subject to employee representative bodies consultation and customary antitrust approvals ▶ Looking at a potential strategic partner to leverage the product activity

Fully provisioned and cash funded contemplated restructuring plans

2015e — **Efficiency optimization** — **2017e**

2015e		2017e
c. €1.2bn revenue		**c. €1.2bn** revenue
c. €5m EBITDA		**>15%** EBITDA
c. €-45m EBIT		**>12%** EBIT

2 restructuring plans fully provisioned at closing and cash funded by the sellers

€267m
alpha plan in progress

+

€103m
of further restructuring

€130m expected cost savings from further restructuring:

1. **Direct costs (€25m)**: Restructuring of current Unify overstaff
2. **Marketing & Sales (€40m)**: Move of the sales channels from direct to indirect
3. **G&A (€65m)**: Corporate function alignment to industry best-in-class standards

€370m restructuring fully funded by the sellers to support the 2015e-2017e evolution

Expected value creation for Atos

	2015e	2016e	2017e: Strategic partnership on software & platforms completed	OR	2017e: Unify: A new Atos division for software & platforms
Revenue	**c. €1.2bn**	**c. €0.4bn**	**c. €0.55bn***		**c. €1.2bn**
Operating margin	**c. €-45m**	**c. €40m**	**c. €95m**		**c. €150m**
Effect on Group operating margin	*N/A*	*neutral*	*c.+30bp*		*c.+30bp*
Discontinued operations EBITDA	*N/A*	*N/A*	*c. 100m***		*N/A*
Discontinued operations net income	*N/A*	*c. €10m*	*N/A*		*N/A*
EPS accretion	**N/A**	**positive**	**c. +15%**	**OR**	**c. +20%**
Cash proceeds from disposal			**YES**		**NO**

** Including revenue with scope previously accounted as "discontinued operations"*
*** Before synergies with strategic partner. Comparable peers trading at circa 10x EBITDA*

Conclusion

Thierry Breton

Chairman & CEO

Key takeaways

- Positive revenue trend is confirmed for the fourth quarter in a row
- Siemens strategic alliance strengthened:
  - IT contract extended until December 2021 with committed minimum volumes increased from €5.5bn to €8.73 billion
  - Shareholding lock-up agreement extended for the next 5 years
- Contemplated acquisition of Unify: a building block in Atos' clients digital journey generated at least +15% EPS accretion by 2017
- Transformational contemplated transaction with Equens anchoring Worldline's leadership in European e-payment services and preserving its financial flexibility
- Xerox ITO integration well on track

Questions & Answers

Thank you