

Q3 2020 results

Bezons
October 22, 2020



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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, and Mexico), **Northern Europe** (United Kingdom & Ireland, Belgium, Denmark, Estonia, Finland, Lithuania, Luxembourg, The Netherlands, Poland, Russia, and Sweden), **Central Europe** (Germany, Austria, Bulgaria, Croatia, Czech Republic, Greece, Hungary, Israel, Romania, Serbia, Slovakia and Switzerland), **Southern Europe** (France, Spain, Portugal, and Italy) and **Growing Markets** including Asia-Pacific (Australia, China, Hong Kong, India, Indonesia, Japan, Malaysia, New Zealand, Philippines, Singapore, Taiwan, and Thailand), South America (Argentina, Brazil, Colombia, and Uruguay), Middle East & Africa (Algeria, Benin, Burkina Faso, Egypt, Gabon, Ivory Coast, Kingdom of Saudi Arabia, Lebanon, Madagascar, Mali, Mauritius, Morocco, Qatar, Senegal, South Africa, Tunisia, Turkey and UAE), Major Events, Global Cloud hub, and Global Delivery Centers.

AGENDA

1. Q3 2020 highlights
2. Q3 2020 performance
3. Conclusion and Q&A

Q3 2020 highlights

Elie Girard
Chief Executive Officer



Q3 2020 HIGHLIGHTS



| Record high commercial activity

Increased digital content of Sales

+20% Order Entry yoy at cc

+25% Pipeline yoy at cc

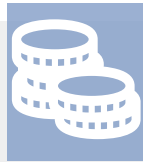
Topline recovery confirmed



| Spring implementation

Step 2 set up in July well on track

Step 3 (final) being prepared (practices implementation) for Jan 2021



| Cost and cash actions on track

Both on personnel and non personnel costs

Tight working capital management



| Pioneering in all dimensions

CSR

People skilling acceleration

Triple A by MSCI

Platinum by EcoVadis

Decarbonization offerings

Technology

HPC / Quantum

Multi-Cloud / Gaia-X



| 3 new acquisitions in Cybersecurity and Digital announced today



Q3 2020 FINANCIAL KEY FIGURES

Revenue at constant currency

-2.5%

Revenue at €2,644m

Revenue organic evolution

-3.5%

vs -4.8% in Q2 2020

Book to bill^{*}

124%

vs 100% in Q3 2019

Order entry^{*}

€3,277m

+20% yoy at constant currency

Backlog^{*}

€23.0bn

+9% yoy at constant currency
2.0 years of revenue

Weighted pipeline^{*}

€9.0bn

+25% yoy at constant currency

** excl. Siemens renewal and expansion signed in Sept for €3bn over 5 years*

FLAGSHIP DEALS SIGNED IN EVERY INDUSTRY IN Q3 2020

MANUFACTURING

FINANCIAL SERVICES & INSURANCE

PUBLIC SECTOR & DEFENSE

TELECOM, MEDIA & TECHNOLOGY

RESOURCES & SERVICES

HEALTHCARE & LIFE SCIENCES

A large US manufacturer of vertical transportation



Willis Towers Watson



A large Canadian Financial services company



li.u LINKÖPINGS UNIVERSITET



pwc



innocent



A large US hospital chain



noridian
Healthcare Solutions



Digital Workplace

Cloud and Digital Workplace, Application Modernization (Syntel synergy)

Application Management

Sweden's largest supercomputer for AI







Migration of business critical Applications to a secure Hybrid Cloud Digital Workplace (DLA contract)

Decarbonized digital solution to help achieving carbon-neutral factory

Application Development, Cloud, Digital Transformation

Security solutions

MAIN CUSTOMER DEMANDS IN THE PIPELINE

MANUFACTURING	FINANCIAL SERVICES & INSURANCE	PUBLIC SECTOR & DEFENSE	TELECOM, MEDIA & TECHNOLOGY	RESOURCES & SERVICES	HEALTHCARE & LIFE SCIENCES
					
<ul style="list-style-type: none"> Migration to the Cloud, Digital Workplace Cybersecurity SAP Hana Operations Efficiency, Automation, and Process Excellence	<ul style="list-style-type: none"> Fintechs Migration of Workloads and Applications to the Cloud, Application Modernization Automation and Machine Learning Digital Workplace Cybersecurity	<ul style="list-style-type: none"> Big Data Cybersecurity Digital operations and transformation Technology independence	<ul style="list-style-type: none"> BSS/OSS transformation in preparation for 5G Digital Twin solutions Applications moving to Cloud Datacenter consolidation , Hybrid Cloud, Bare Metal services for Applications requesting SLA	<ul style="list-style-type: none"> Decentralization of production both in Energy and Retail (Edge) Digitization through Automation and Multisided Platforms Decarbonization	<ul style="list-style-type: none"> Acceleration of outsourcing and end to end Infrastructure / Applications Remote care services

PIONEERING IN CORPORATE SOCIAL RESPONSIBILITY

ACTIONS

People digital
certification acceleration

+74% yoy

Internal First

83%

*filling demand through
internally certified engineers*

New Flexible Work concept for the new normal

Internal Carbon Pricing introduced

AGM called on October 27 to submit Atos ambition
and strategy to shareholders

AWARDS

MSCI  → AAA



PIONEERING IN DECARBONIZATION OFFERINGS

Q3 ACHIEVEMENTS



| Delivering a carbon-neutral digital factory



| Optimizing energy efficiency and leakage detection through AI



| Reducing carbon footprint on all services (Decarbonization Level Agreement)



| Developing a data exchange and energy redispatch platform



| Acquisition of EcoAct



| Creation of an open ecosystem of Decarbonization partners (Global Alliances and start-ups)

Q4 PERSPECTIVES

> 50 M€

Decarbonization pipeline for Q4 only

43

Decarbonization Assessments in pipeline for Q4

200

Client Innovation Workshops in Q4 incl. Decarbonization

127

Climate experts from EcoAct joining Atos Decarbonization Center of Excellence



PIONEERING IN TECHNOLOGY BUSINESS

Leading position in High Performance Computing - HPC

- | **Only** large scale European HPC player
- | Best in-class **Green** HPC servers
- | Continuous **market share gains** worldwide

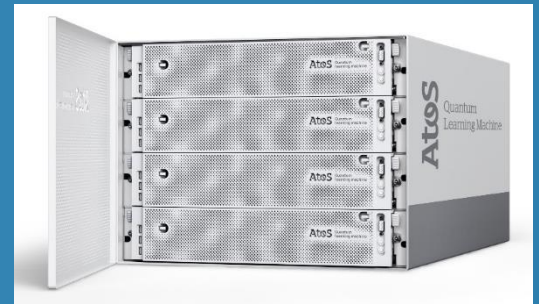
Leading position in Quantum Computing platforms

- | **Quantum Learning Machine** (quantum simulator) sold to:



- | **Most powerful Quantum Programming Platform** in the world with a simulation capability of 41 qubits
- | **First applications** by end of 2020
- | Building **Quantum Accelerator** by 2023

Atos ideally positioned to lead the effort on High Performance & Quantum Computing in the context of vast European plans



AtoS

2020 OBJECTIVES CONFIRMED

Revenue organic evolution

-2% to -4%

Operating margin rate
in % of revenue

9.0% to 9.5%

Free cash flow

€500m to €600m

Financial performance

Uwe Stelter
Chief Financial Officer



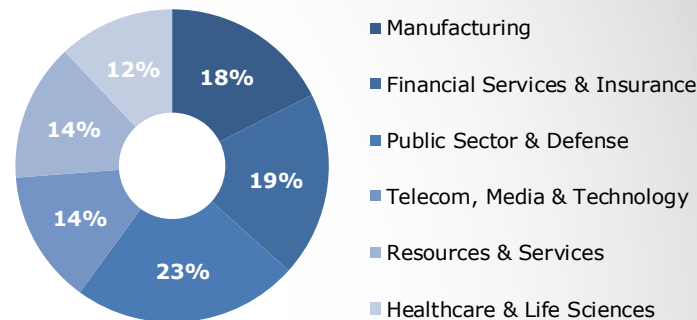
CONSTANT SCOPE AND EXCHANGE RATES FIGURES RECONCILIATION

<i>In € million</i>	Q3 2020	Q3 2019	% change
Statutory revenue	2,644	2,770	-4.5%
Exchange rates effect		-57	
Revenue at constant exchange rates	2,644	2,712	-2.5%
Scope effect		28	
Exchange rates effect on acquired/disposed perimeters		-1	
Revenue at constant scope and exchange rates	2,644	2,740	-3.5%

- ▶ **Exchange rate effects:** mainly negative impact of both the US Dollar and Brazilian Real
- ▶ **Scope effects:** acquisitions of Maven Wave, Miner & Kasch, IDnomic, X-PERION, and Alia Consulting, and the disposal of some specific Unified Communication & Collaboration activities

Q3 2020 PERFORMANCE BY INDUSTRY

- ▶ **Manufacturing impacted in Automotive and Aerospace**
- ▶ **Financial Services & Insurance supported by a good performance in Southern Europe and Central Europe**
- ▶ **Strong growth in Public Sector & Defense in most of the geographies**
- ▶ **Resources & Services impacted by Retail and Transportation in North America**

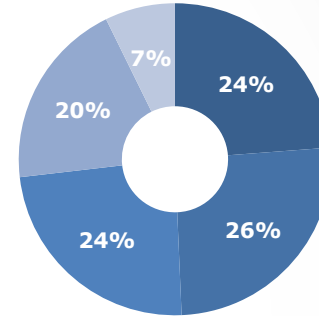


In € million	Revenue			Constant currency evolution
	Q3 2020	Q3 2019*	Organic evolution	
Manufacturing	469	537	-12.8%	-12.0%
Financial Services & Insurance	506	520	-2.6%	-1.6%
Public Sector & Defense	618	546	+13.0%	+13.0%
Telecom, Media & Technology	359	377	-4.8%	-2.1%
Resources & Services	376	449	-16.3%	-15.5%
Healthcare & Life Sciences	317	310	+2.2%	+2.9%
Total	2,644	2,740	-3.5%	-2.5%

* At constant scope and exchange rates

Q3 2020 PERFORMANCE BY REGIONAL BUSINESS UNIT

- ▶ **North America recorded strong growth in Cloud but impacted by Retail and Transportation reductions**
- ▶ **Northern Europe performance led by Telecom, Media & Technology and Public Sector & Defense**
- ▶ **Central Europe and Southern Europe faced project reductions in Manufacturing**
- ▶ **Growing Markets resilient**



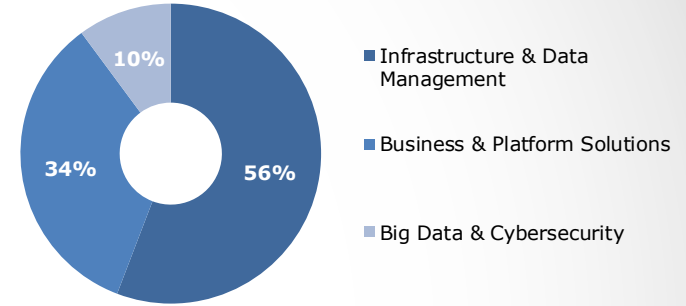
- North America
- Northern Europe
- Central Europe
- Southern Europe
- Growing Markets

In € million	Revenue			
	Q3 2020	Q3 2019*	Organic evolution	Constant currency evolution
North America	629	678	-7.2%	-2.8%
Northern Europe	675	650	+3.8%	+4.3%
Central Europe	630	673	-6.3%	-6.4%
Southern Europe	517	548	-5.5%	-4.6%
Growing Markets	192	192	+0.2%	-4.9%
Total	2,644	2,740	-3.5%	-2.5%

* At constant scope and exchange rates

Q3 2020 PERFORMANCE BY DIVISION

- ▶ **Infrastructure & Data Management recorded strong momentum in Digital Workplace and Cloud**
- ▶ **Gradual recovery of Business & Platform Solutions from Q2**
- ▶ **Strong growth maintained both in Big Data and Cybersecurity**



	Revenue			Constant currency evolution
	Q3 2020	Q3 2019*	Organic evolution	
<i>In € million</i>				
Infrastructure & Data Management	1,479	1,523	-2.9%	-1.6%
Business & Platform Solutions	901	989	-8.9%	-8.8%
Big Data & Cybersecurity	265	228	+16.1%	+19.2%
Total	2,644	2,740	-3.5%	-2.5%

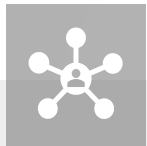
* At constant scope and exchange rates

REVENUE PROFILE IS CHANGING TOWARDS MID-TERM TARGET 45% IN CLOUD, DIGITAL, SECURITY & DECARBONIZATION



CLOUD

- | Full stack
- | Orchestration
- | Transformation and Apps Modernization
- | Bare Metal aaS



DIGITAL

- | Digital Industry Platforms
- | Business Critical Applications
- | Customer Experience
- | Employee Experience



SECURITY

- | Leveraging Digital & Security needs
- | Industry-driven decentralized data security
- | Extending go-to-market

DECARBONIZATION



- | Decarbonization Level Agreement (DLA) offerings
- | Digitalization of carbon intensive business processes
- | Industry best-in-class high-performance computers



in %
of Group
revenue

M&A: 9 TRANSACTIONS SINCE JAN 2020



Cloud



AI and Machine Learning



SAP for Energy & Utilities

digital.security

Cyber and IoT Security



Managed Detection & Response
Cybersecurity

ecoact

Decarbonization



Salesforce



Salesforce and Cloud



Cybersecurity Consulting



EXPERTS

c. 2,400



ANNUAL
REVENUE

c. €300m

FOLLOW UP OF SYNTEL SYNERGIES GENERATION

Q3 Revenue Synergies



- | 46 Deals > **€1M** closed in Q3.
- | Pipeline opportunities of **€1.4Bn**
- | **Leveraging both Atos and Syntel portfolios**
- | Combined solutions to capture **end to end digital transformation** projects

Q3 Operations Highlight



- | Positive **Customer Satisfaction trend**: Net Promoter Score at **69%**
- | Strong **Project and Operating Margin performance** across Wave and Legacy business

Q3 2020 Win Highlights

Willis Towers Watson

Cloud and Digital Workplace,
Application Modernization

A major Healthcare Provider

Application Development & Modernization in North
America

A major Hospital Trust

Digital Workplace, Applications Management, Cloud
and Cybersecurity

A global logistics major

Large scale digital transformation for European
customer facing applications

FOLLOW UP COST AND CASH ACTIONS

COST CONTAINMENT ON TRACK

Further subcontractor reduction by -13% since beginning of H2

Own staff costs down -6% in Q3 yoy

Travel costs continue to be -75% below last year

Rent, Marketing and other non personnel costs down -5% Q3 yoy

Third party component purchases in line with Big Data sales

Operating margin rate between 9.0% to 9.5% of revenue confirmed

CASH ACTIONS ON TRACK

Invoicing since beginning of H2 above last year

Large Big Data project completions lined up for Q4 cash-in

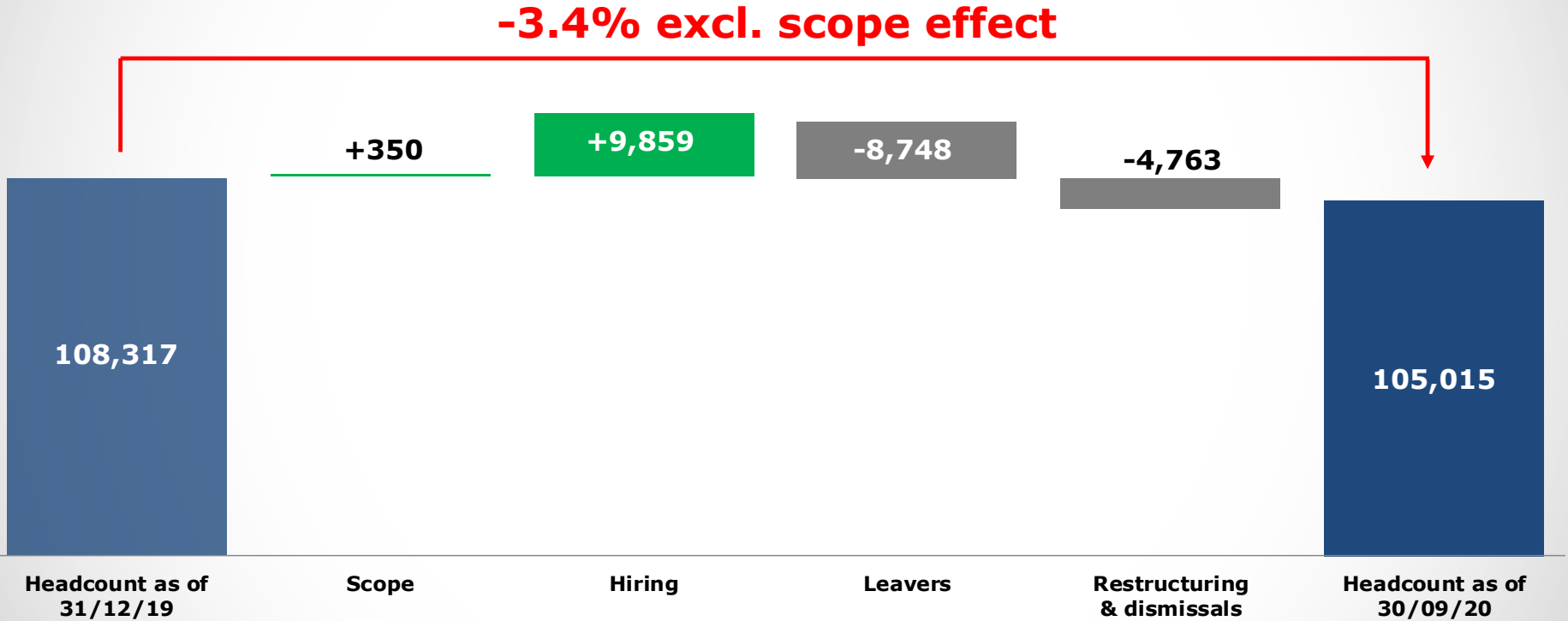
Overdues end of Q3 down -15% yoy

Supplier payment peak of H1 already partly recovered in Q3

Pension & cost of debt reduction completed

FCF between €500m and €600m confirmed

Q3 2020 HEADCOUNT EVOLUTION



Conclusion

Elie Girard
Chief Executive Officer



MAIN PRIORITIES IN Q4 2020

Industrialize high level of commercial activity

Focus on completing the €400m cost program and on Free Cash Flow generation

Complete Spring step 3 preparation

Pursue Bolt-on and Cybersecurity acquisitions

Delivering 2020 objectives and preparing the return to growth in 2021, on track towards our mid-term targets

Q&A



Thank **YOU**

