

Refocus Recover Rebound

Paris | June 7, 2023

Atos

Analyst Day | Agenda

CEST	Topic	Speaker
09:00	Welcome	Thomas Guillois
	Refocus, Recover, Rebound	Nourdine Bihmane
	Go-to-market and growth	Clay Van Doren
	Business line strategy	
	<ul style="list-style-type: none">• Hybrid Cloud & Infrastructure	Laurent Barbet
	<ul style="list-style-type: none">• Digital Workplace	Leon Gilbert
	<ul style="list-style-type: none">• Technology Advisory & Customized Services	Stéphane Richard
11:00	Coffee Break	
	Transformation plan	Nourdine Bihmane
	Financials and pathway forward	Darren Pilcher
	Closing & Q&A	Nourdine Bihmane
13:00	Cocktail Lunch	

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Nourdine Bihmane

Chief
Executive Officer

Refocus, Recover, Rebound



Group update



Separation on track



Reiterating FY23 guidance



Favorable TriZetto ruling

Key messages



Redefined portfolio addressing key customer priorities

>40% higher Total Addressable Market (TAM) with 3-5% market CAGR



Pivoting to industry leading offerings

driving 0-2% p.a. core growth in FY22-24, accelerating thereafter



Executing on a comprehensive transformation plan

€1.2bn gross run-rate benefits by FY26, 65-70% delivered by FY24



Execution ahead of last CMD plan

turning Operating Margin (OM) positive 3 years earlier than planned



Updating our 4-year plan reflecting faster transformation

- 6-8% OM in FY26
- CF positive in FY25
- €300m+ higher cumulative FCF¹ FY23-26 compared to previous plan

Redefined portfolio addressing key customer priorities

€705bn

Total Addressable Market (TAM),
>60% of IT services spend

3-5%

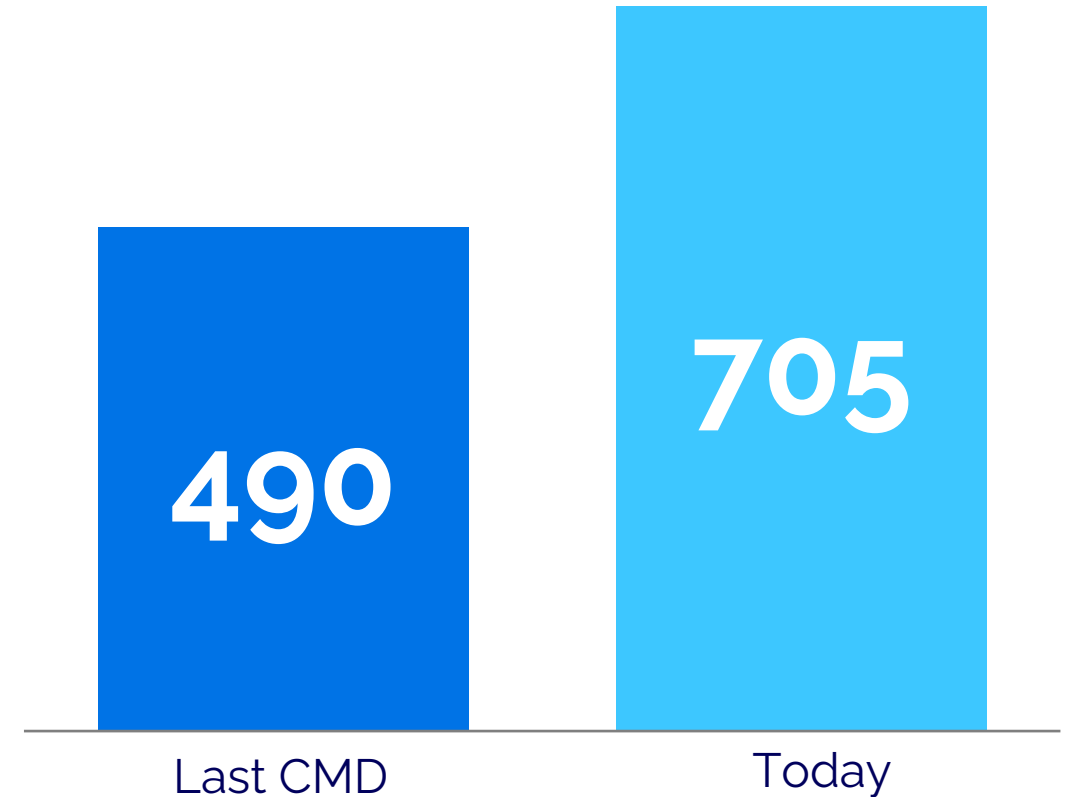
market CAGR FY22-26

>40%

higher TAM vs. CMD 2022

Tech Foundations TAM

FY22, €bn

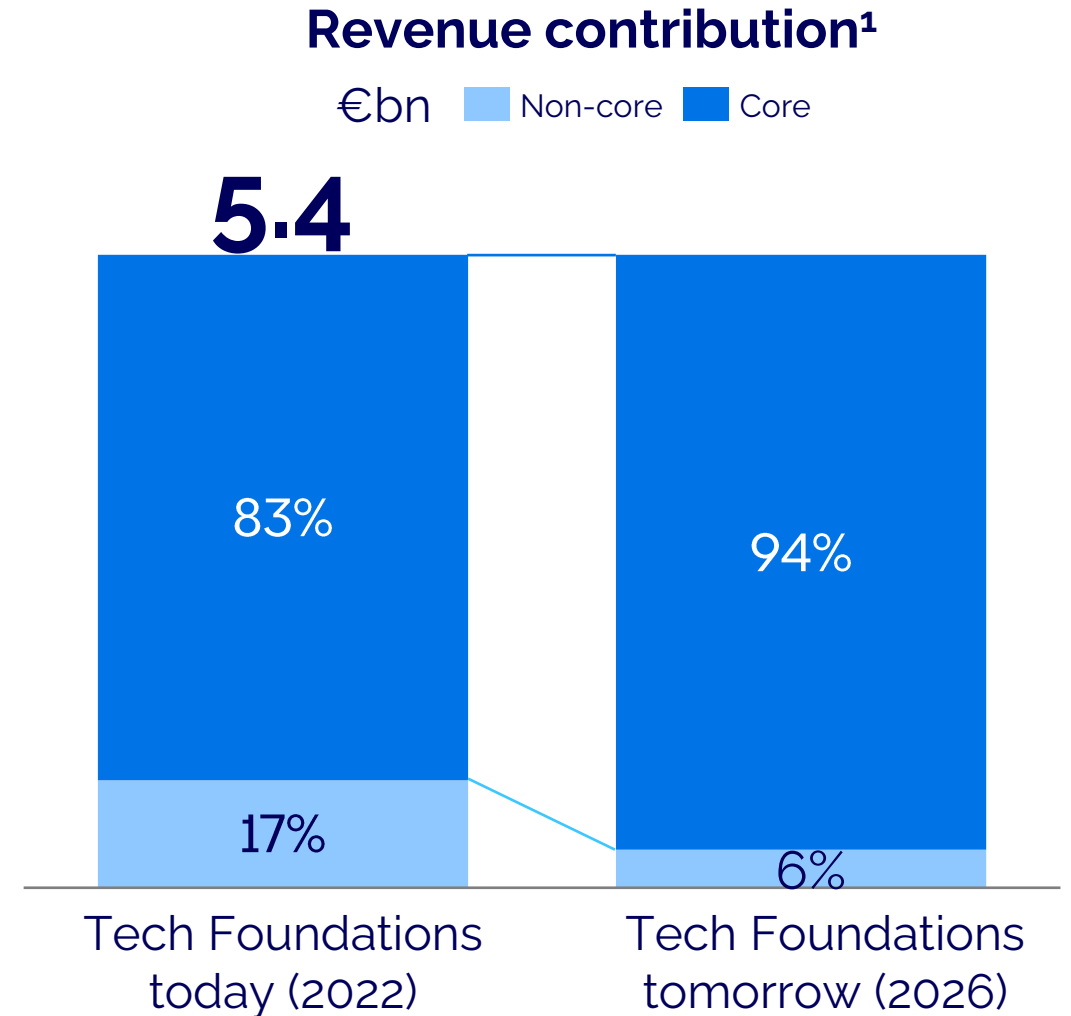


Pivoting to industry leading offerings driving core revenue growth

0-2%
core revenue growth until FY24

4-6 p.p.
higher TAM growth FY22-26 vs. last CMD

20%
lower capital intensity



Executing on a comprehensive margin expansion plan

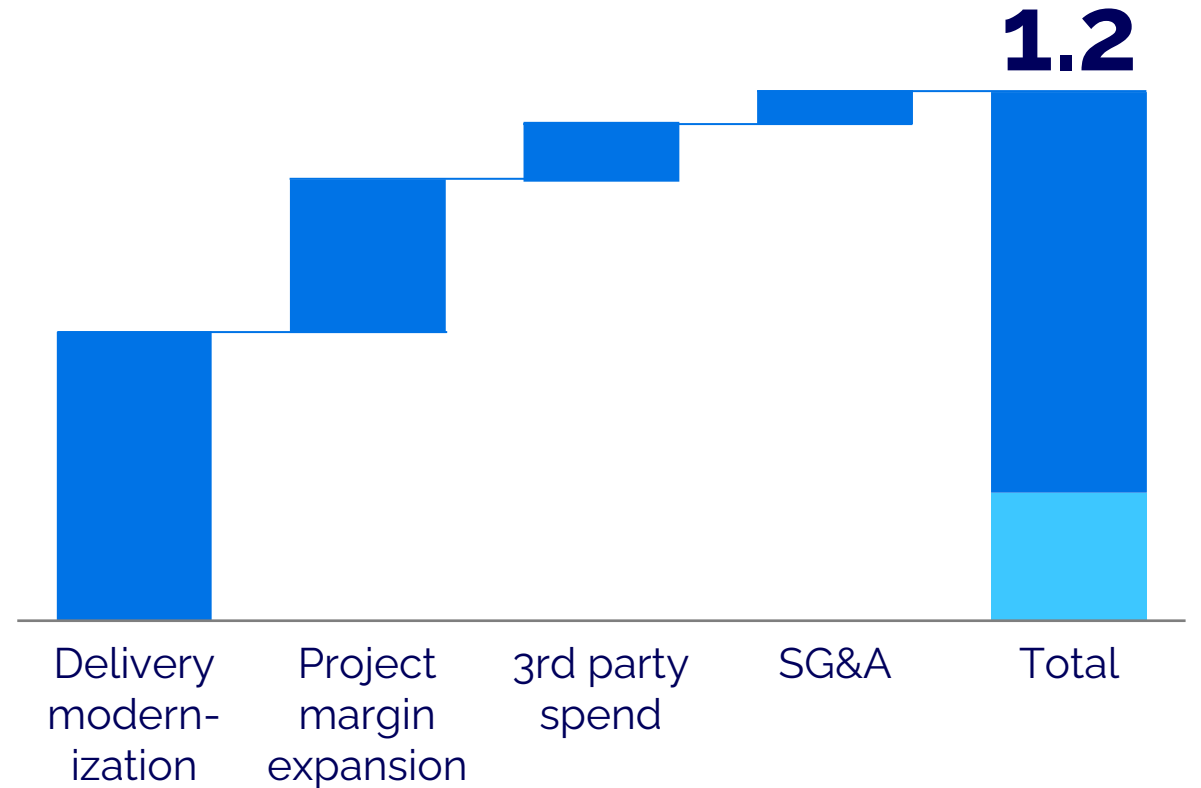
€1.2bn
gross run-rate benefits

300+
initiatives

200+
frontline leaders

Gross run-rate benefits

€bn ■ Implemented ■ Pipeline



Strong execution of plan translating in results

+1.2%

FY22 core revenue growth

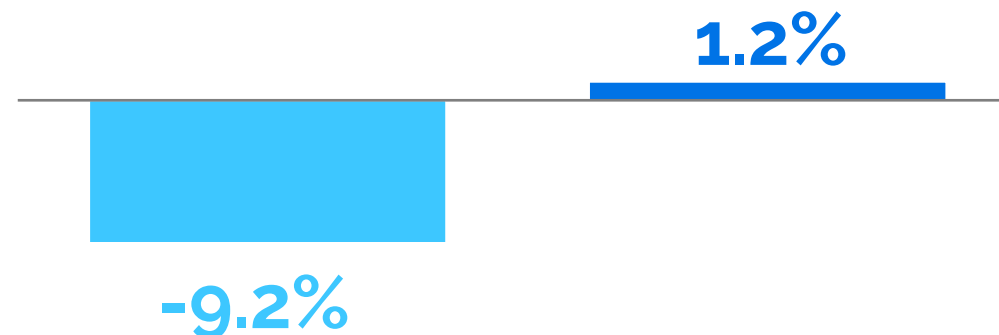
OM positive

3 years ahead of plan

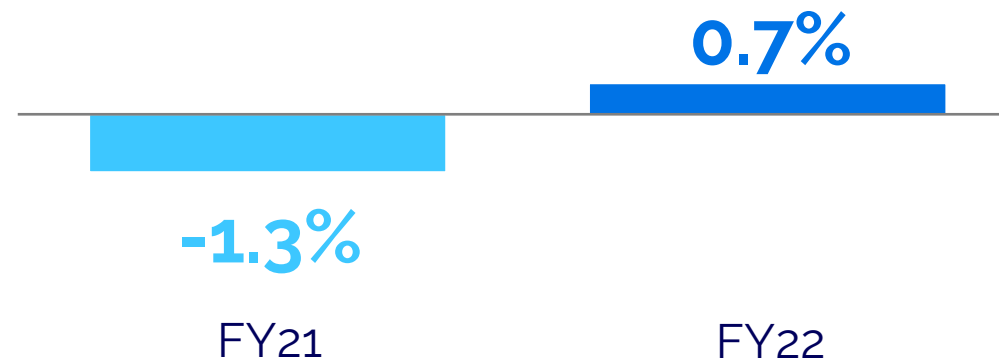
€270m

of gross run-rate benefits delivered by Q1 23

Core revenue growth¹, %



Operating Margin, %



Medium-term ambition updated to reflect faster transformation

Compared to previous plan

2 years ahead



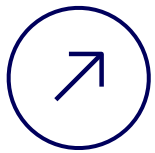
Core revenue stabilization

100-300 bps

Higher OM in FY26

€300m+

Higher cumulative FCF²

Medium-term ambition			Where we want to be in 2026
Revenue¹	Low point in FY24 at c. €5bn		Back to growth
Operating Margin % of rev.	OM already positive in FY22		6-8% in line with industry standards
FCF before interest and tax	Positive in FY25		€250m+


As previously indicated, Atos recalls that the Company and its Board of Directors examine all options and received expressions of interest regarding the Tech Foundations perimeter in light of the Company's corporate interest and in particular the creation of value for its stakeholders / its shareholders, employees, and customers. In this context, the Company may hold discussions with third parties

11 ¹Excluding UCC and Italian operations

² Higher cumulative operational FCF before interest and tax, FY23-26 compared to CMD 2022 plan

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**01.
Refocus
Recover
Rebound**

Introduction to Tech Foundations

Portfolio strategy and innovation

Leading the industry on talent and ESG

Tech Foundations is a global leader with strong foothold in Europe across IT Infrastructure, Cloud and Digital Workplace



52 000+

People across the globe



1 200+

Global & diversified customers across industries



69

Countries of operations



25+ years

Empowering CIOs for trusted mission-critical operations



3-5 years

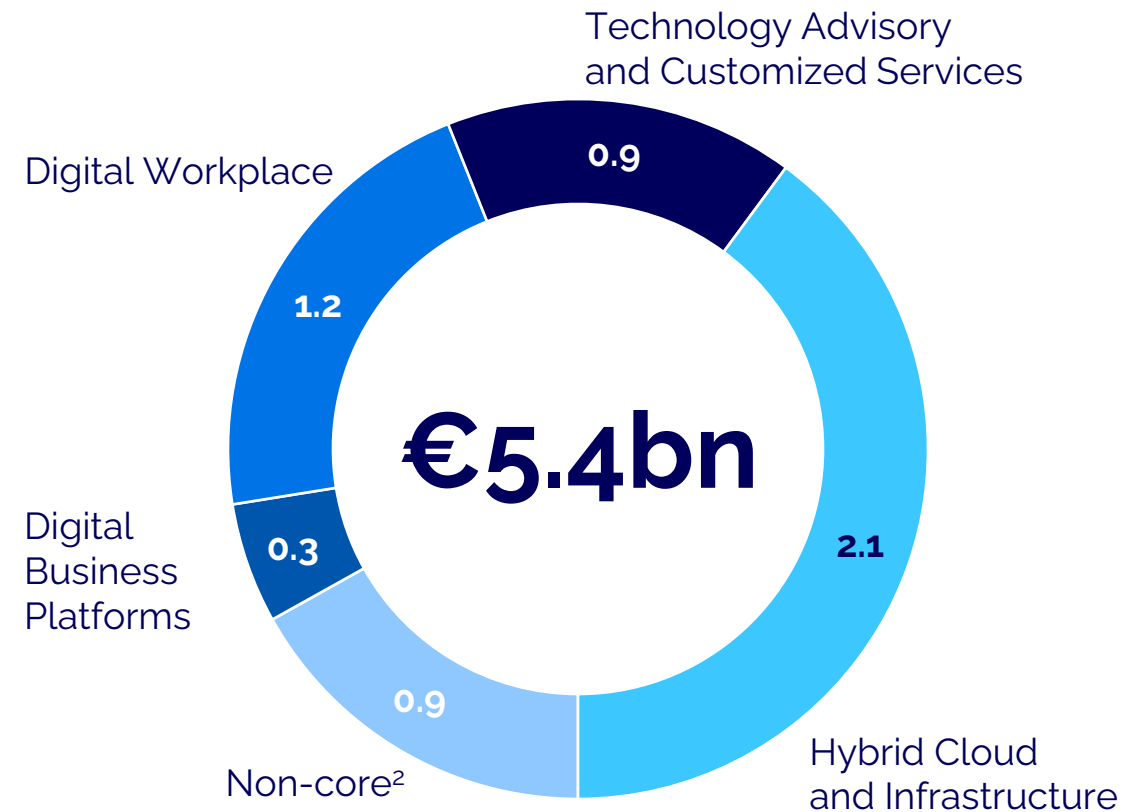
Average contract length



90+%

renewal rate in EU

Revenues by Business Line¹, FY22, €bn

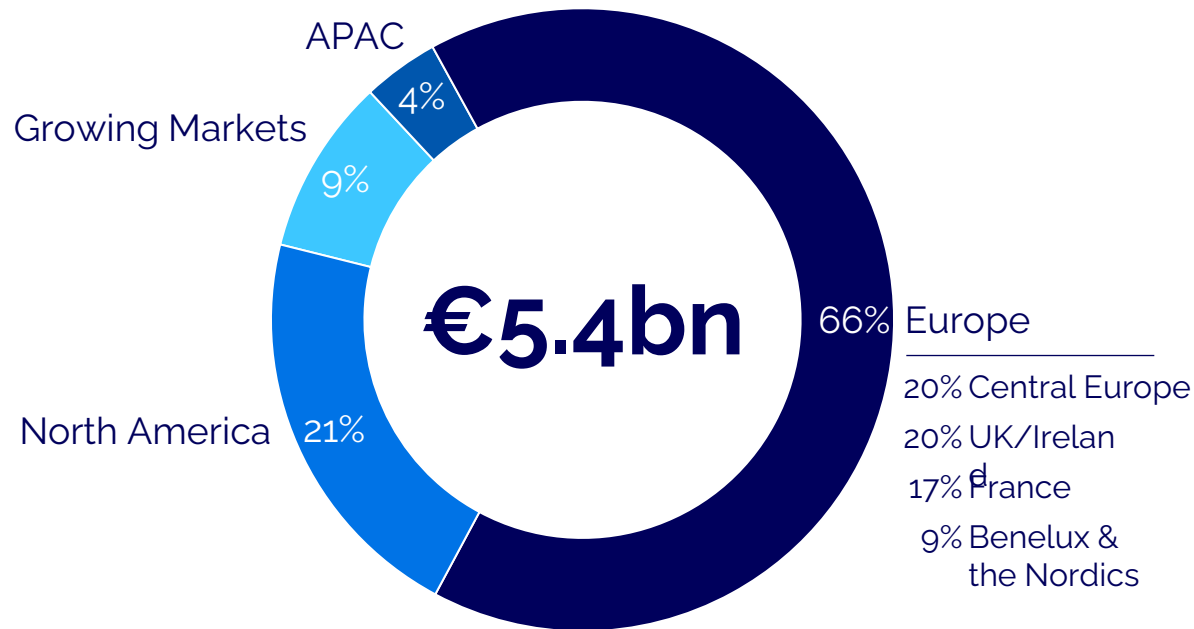


¹Excl. UCC and Italian operations

²Non-core revenues (BPO and VAR)

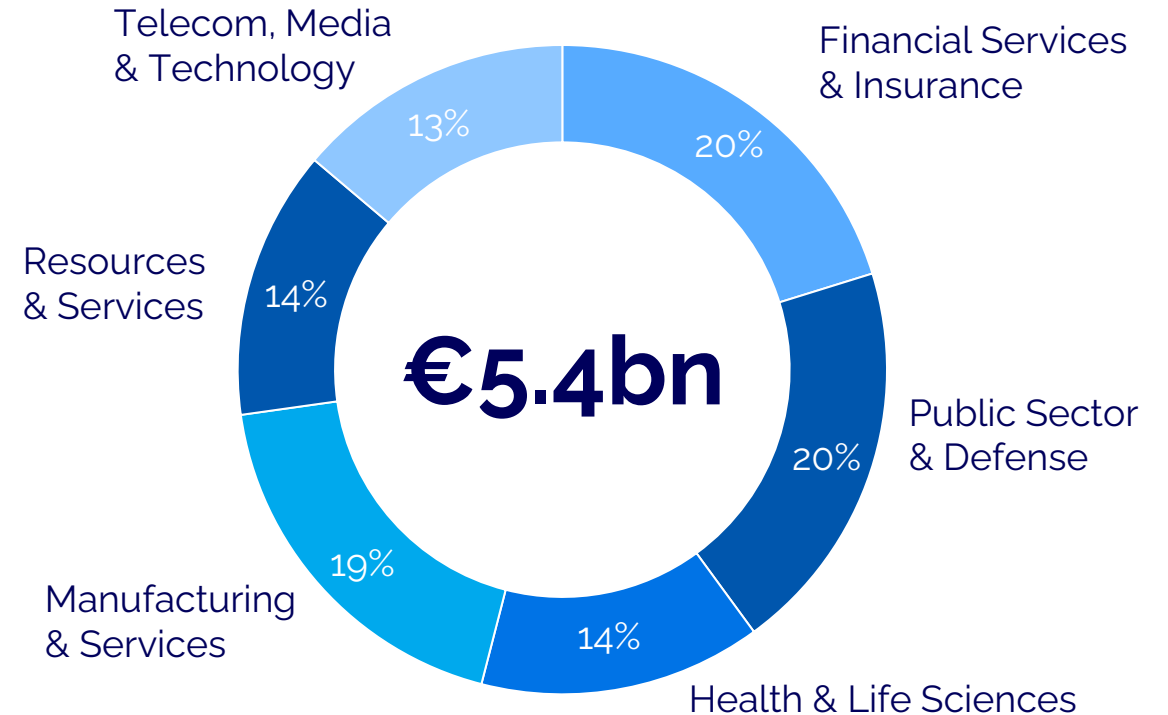
European leading player in diverse and regulated industries

Revenue by region, FY22




We have a strong European footprint & heritage...

Revenue by industry vertical, FY22



...with a balanced portfolio across data-sensitive industries



01.
Refocus
Recover
Rebound

Introduction to Tech Foundations

Portfolio strategy and innovation

Leading the industry on talent and ESG

Market trends are driving demand for Tech Foundations' services



Distributed workforce post Covid redefining the workplace needs and services

>75%

of employees prefer some sort of hybrid work

70%

increase for remote support software apps such as device access management, IT remote support



Fast move to multi-cloud & hybrid configuration

>80%

of enterprises have adopted hybrid cloud

47%

using 2 or 3 public cloud providers

>75%

of data will be produced and processed at the edge



Importance of sovereign cloud and cybersecurity

>80%

of organizations are repatriating data from public clouds to meet data sovereignty requirements

38%

increase in cyber-attacks globally in 2022 vs 2021



Coming age of artificial intelligence

55%

of business leaders mention AI as a top priority

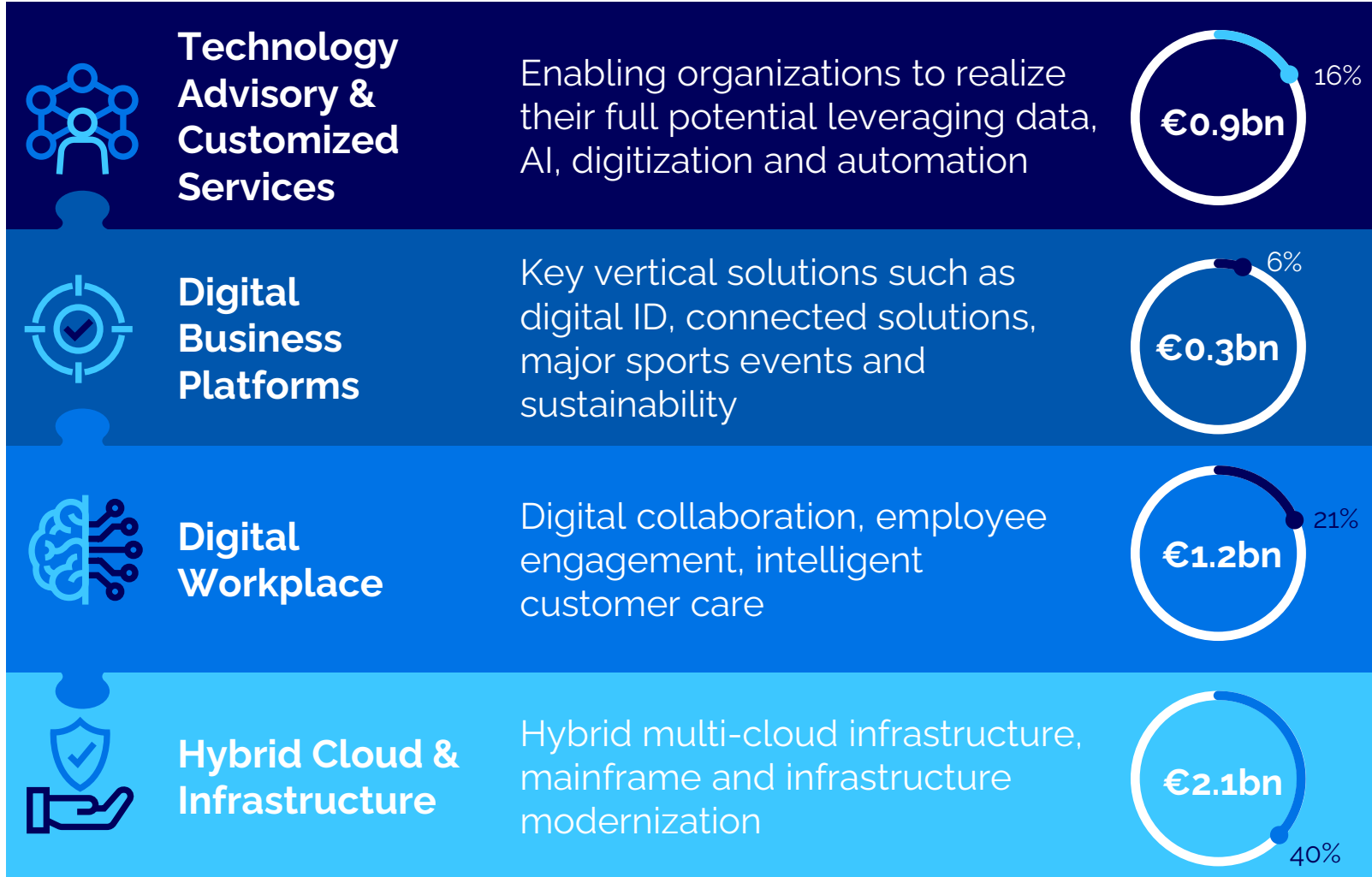
24%

of CIOs mention hyper automation as a top priority

75% of CXOs state that their organizations have increased their sustainability investment over the past year

Four core offering families serving our customers end-to-end

FY22
(% of total revenues¹)

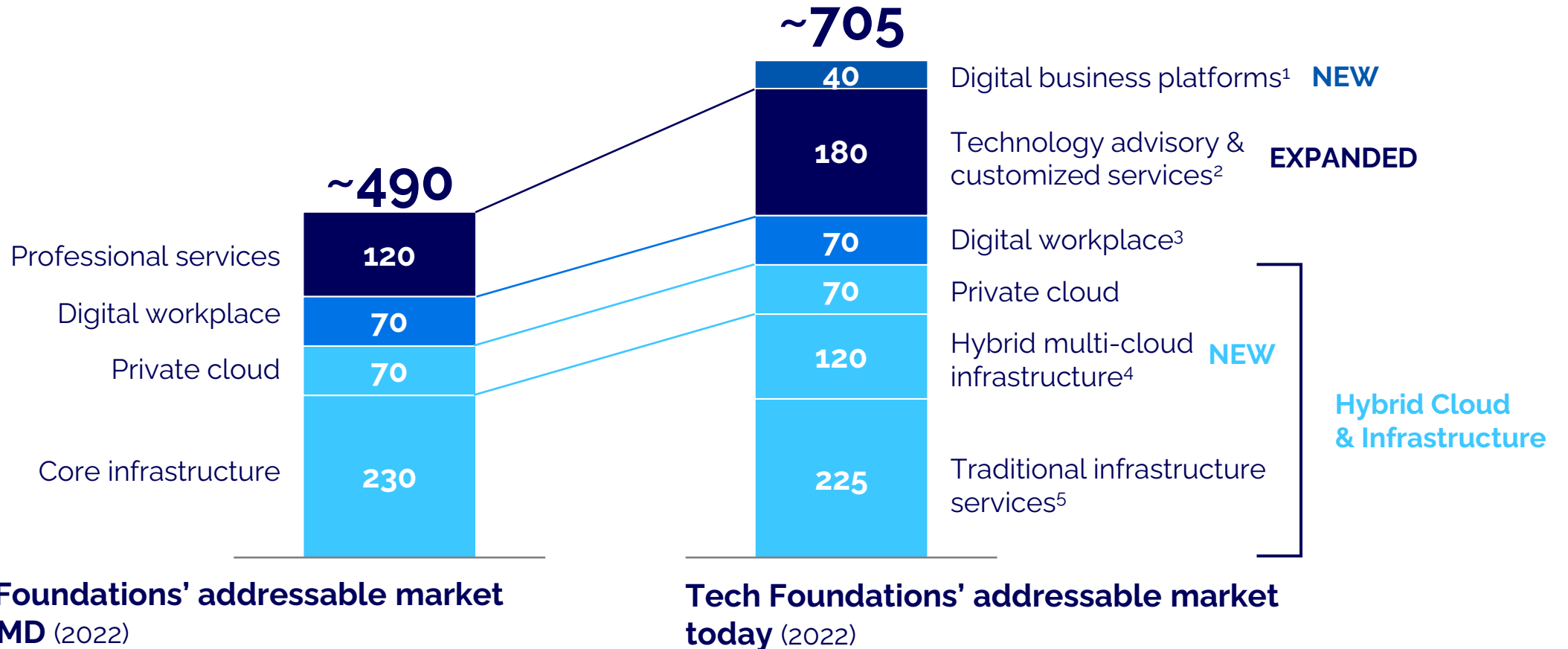


Tech Foundations' orchestration & management framework

Maximizing potential from automation data and AI across the cloud continuum

Pivoting towards a bigger, faster growing addressable market

Global market size, 2022 comparison
€bn, 2022

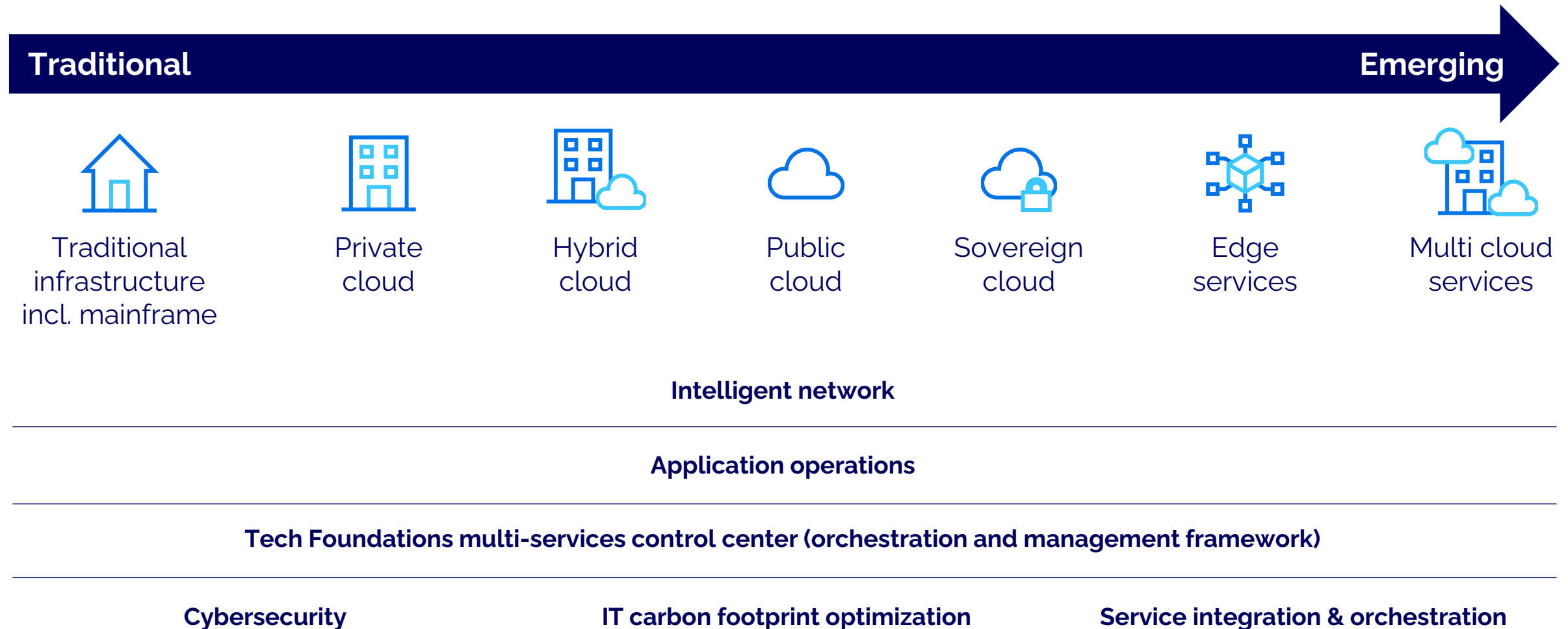


Market CAGR, FY22-26

-1%

+3-5%

Becoming the managed services provider of choice across the cloud continuum



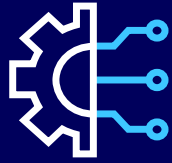
AWS – Partnership testimonial

Atos



Tanuja Randery
Managing Director EMEA, AWS

With our digital business platforms, we are expanding in near adjacencies with a €40+bn market



Key vertical solutions

Cutting-edge E-2-E digital identity solutions to enable seamless and secure identification of citizens

Full range of IT solutions for world class sporting events; only IT services company with a dedicated sports & major events division



Sustainability

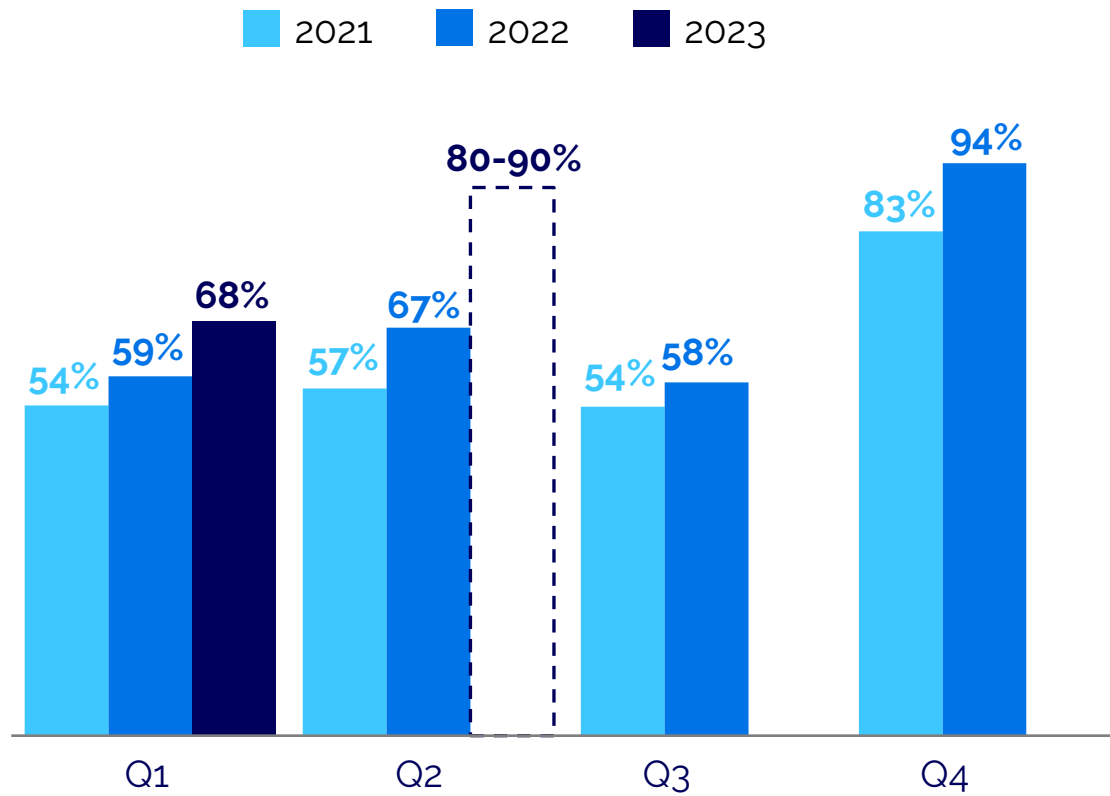
Establish ICT sustainability through advisory and assessment services

Leverage technology to measure emissions, gain insights and implement decarbonized solutions

Our commercial momentum has stabilized...



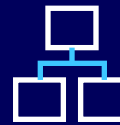
Increasing Book-to-Bill (BtB) overtime (BtB, %)



...however, this is not enough, and we have taken concrete measures to improve further



Instituted a new **Chief Growth Officer** overseeing all sales under a single umbrella



Restructured sales organization to **strengthen regional sales, streamline operations** and **consolidate resources**



Expanded **hyperscaler** and **alliance partnerships** to **improve pipeline origination**

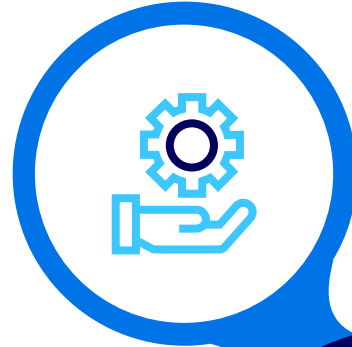


Instilled **large-deal focus team** and ramped-up of business development

Embedding GenAI to enhance all aspects of our business

Hybrid cloud & infrastructure delivery

Left shift error management
Coding assistance



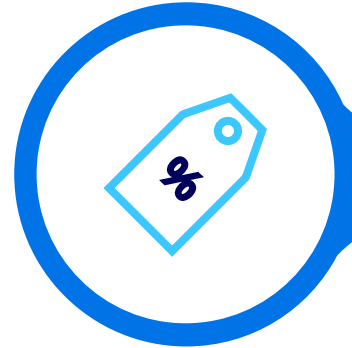
Digital workplace delivery

Personalized service desk
Knowledge management



Sales

Lead generation
Proposal drafting



New GenAI offerings

GenAI enablement services
Integrating GenAI's ecosystems



Support functions

Contract management
Marketing and comms



Procurement

RFP generation
Supplier assessments



GenAI

GenAI will generate tailwinds for our portfolio

Key GenAI trends...



Vertical clouds

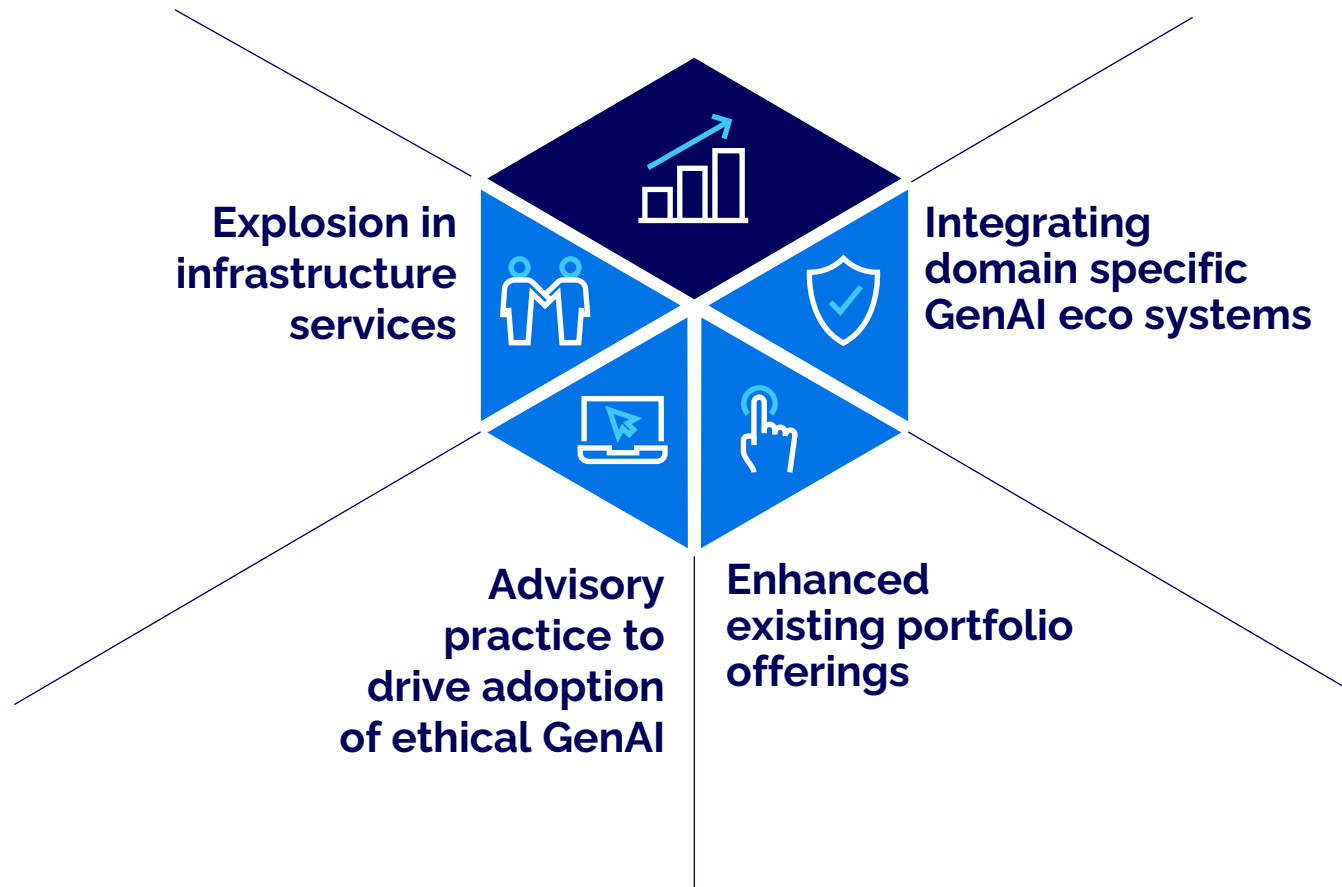


Domain specific
GenAI eco systems



Proprietary datasets
as differentiators

...which increase Tech Foundations' overall relevance...



...and enhance our delivery



AI-assisted incident and
problem management




Cross-language, low-cost
service desk



Rapidly scalable scripting
and automation



Accelerated deal
solutioning capabilities



01.
Refocus
Recover
Rebound

Introduction to Tech Foundations

Portfolio strategy and innovation

**Leading the industry on talent
and ESG**

Our leadership team reflects the diversity, experience and expertise required to guide Tech Foundations



Clay Van Doren
Deputy CEO and
Chief Growth Officer



Amy Brown
Chief Human
Resources Officer



Laurent Barbet
COO and Global Head of
Hybrid Cloud & Infrastructure



Darren Pilcher
Chief Financial
Officer



Alexa Van Den Bempt
Global Head of
Digital Business Platforms



Paul Peterson
Chief Administrative
Officer



Berenice Chassagne
Global Head of
Growing Markets



**International team with
complementary skillset**



**Extensive IT
Services expertise**



**Incentives aligned to
shareholder value**

We are revamping our talent strategy



Modernize operating model

Through hybrid / flexible work environments and automation everywhere

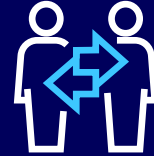
Double growth/shoring related hiring in low-cost locations by 2026



Hire new roles in GenAI

Including AI solution developers, prompt engineers

~3x increase in GenAI skills by 2026



Streamline functions transformed by GenAI

Including service desk, software development, data science

~6k roles that could be freed up thanks to GenAI



Develop new GenAI skills

Including analytical judgement, bias detection, AI delegation (prompt management)

~100% of employees with GenAI aptitude by 2026



Leverage alternative hiring channels

Including hackathons and opensource communities

30-40% share of hiring through new channels by 2026

We have ambitious plans to further solidify our leadership in ESG

Industry Recognitions



Our commitments



Environmental

Strong commitment to greenhouse gas emissions reduction

Increase share of **data centers using renewable energy** sources



Social

Opportunities for **100%** of our people to engage in Tech for Good programs & initiatives as part of our DE&I strategy

Expand Tech For Good partnerships with local and global non-profits to drive inclusion, accessibility, and diversity



Governance

Embrace new CSR reporting standards to support our commitment to governance

Reflect materiality assessment **to meet new CSRD reporting requirements**

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Clay Van Doren

Deputy CEO &
Chief Growth Officer

Go-to-market and growth



Atos

Measurable progress made against our growth plan from last year



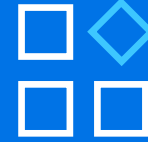
**Drive
revenue
retention**



**Increase
add-on
revenues**



**Boost large
deal and new
logo hunting**



**Scale
alliances**



**Drive growth in
new offerings/
capabilities**

**2026
goal**

per last
CMD

20%

improvement in
revenue retention

13%

revenue from add-
on, in line with
industry benchmark

4%

revenue from new
logos

15%

revenue with
hyperscalers and
partners

*Potential upside
through new
offerings e.g., edge,
cloud, digital
platforms*

**Progress
made** in
12 months

10 p.p.

improvement in
renewal rate

€600m+

add-on revenues

6% higher in 2022 vs
2021

2%

revenue from new
logos

2x increase in new
logo wins

€750m

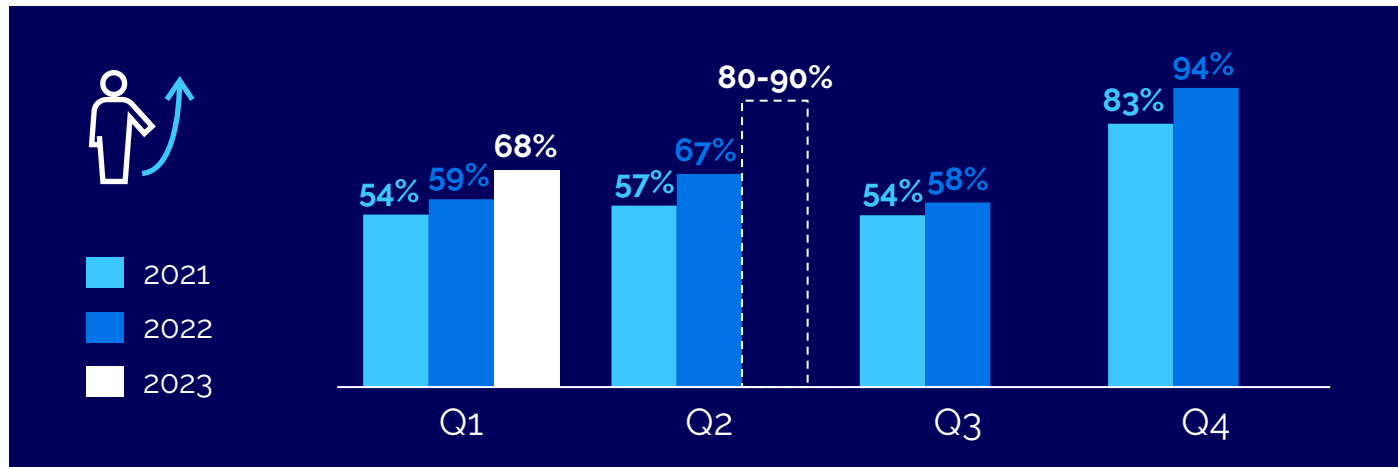
of alliance-derived
pipeline

11

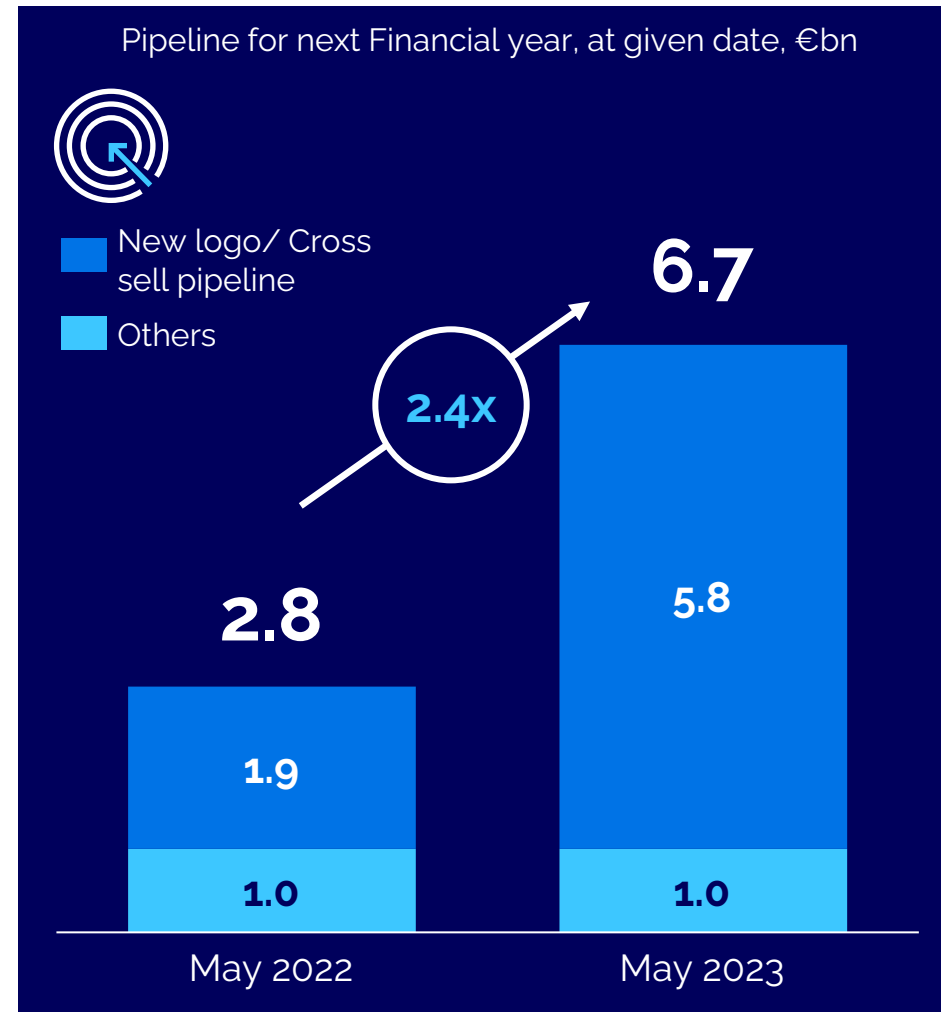
customer wins
500m+ in pipeline
from new offerings

Our commercial performance has stabilized

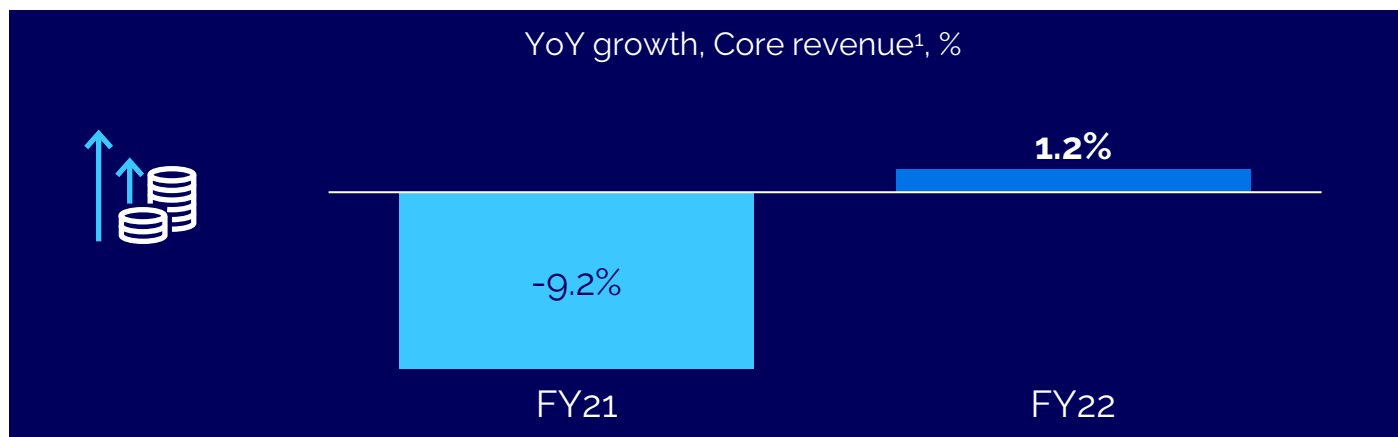
Improving Book to Bill



Larger, more focused pipeline



Stabilizing Revenue



We are taking 6 actions to accelerate our progress going forward



1

Dedicated sales org aligned by business outcome



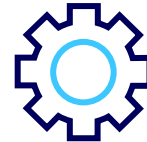
2

Investment in business development, advisors and large deal teams



3

Holistic approach to grow top 100 accounts – cross sell, new offerings



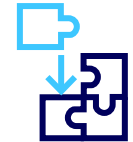
4

Proactive retention and customer experience



5

Scaling alliances with partners' ecosystem incl. hyperscalers

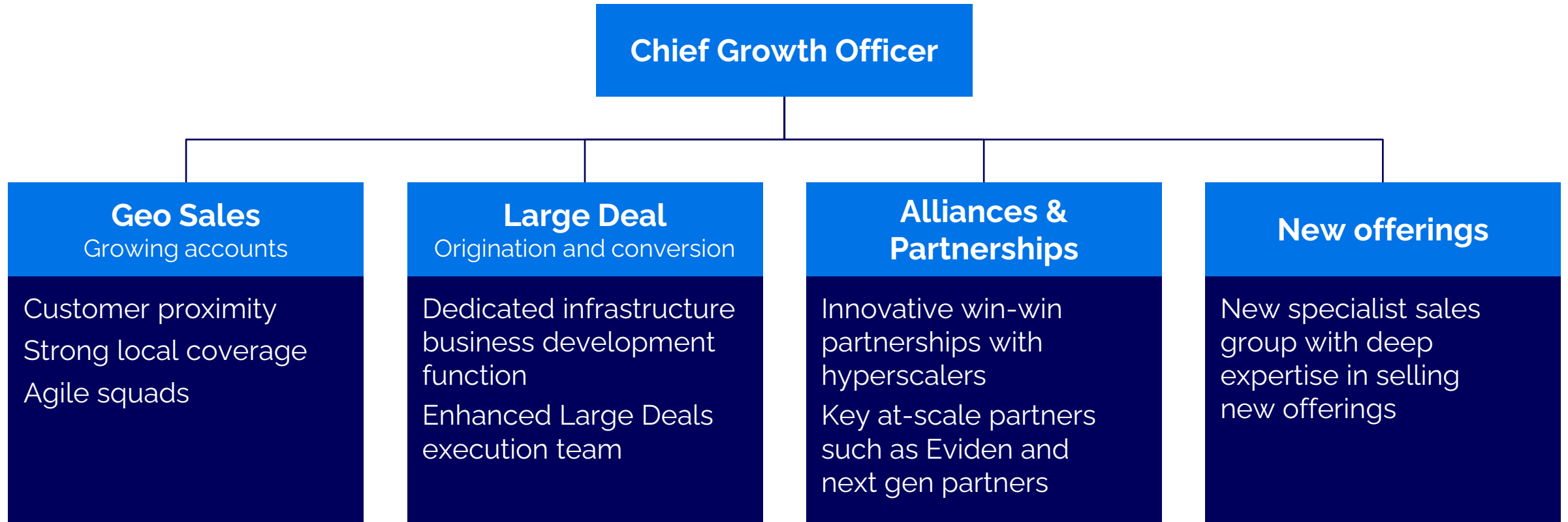


6

Tailored geo-wise growth strategy

1: Dedicated sales org aligned by business outcome

Streamlined, centralized sales org creates accountability by core outcome



Streamlined org with 4 key units of execution ensuring clear accountability and focus

2: Investment in business development, advisors and large deal teams

Focus on advisory and business development to generate and convert large deals

Large deal origination

2X

increase in Advisor led pipeline

Gartner
eraneos
* ISG™

4X

scale up in 2023 of first ever dedicated infrastructure business development Group

Large deal conversion

40+

new roles hired in expanded and refreshed large deals team

50+

Business line solution leads as part of pre-qualification

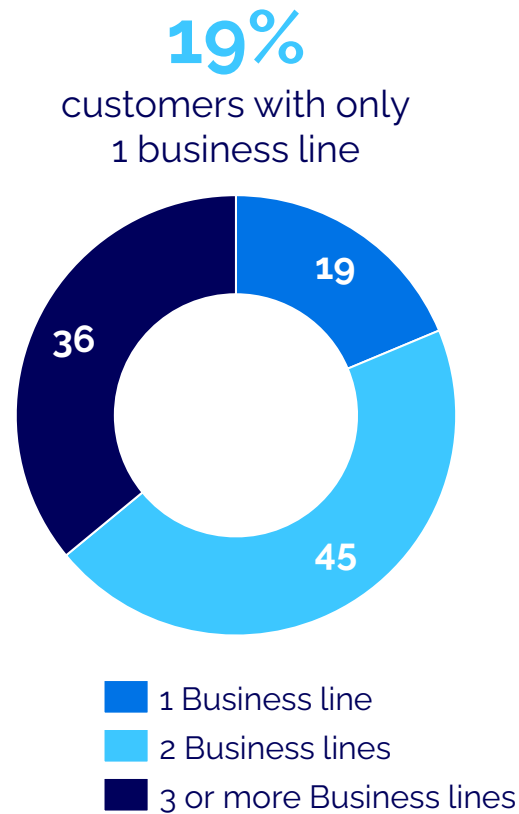
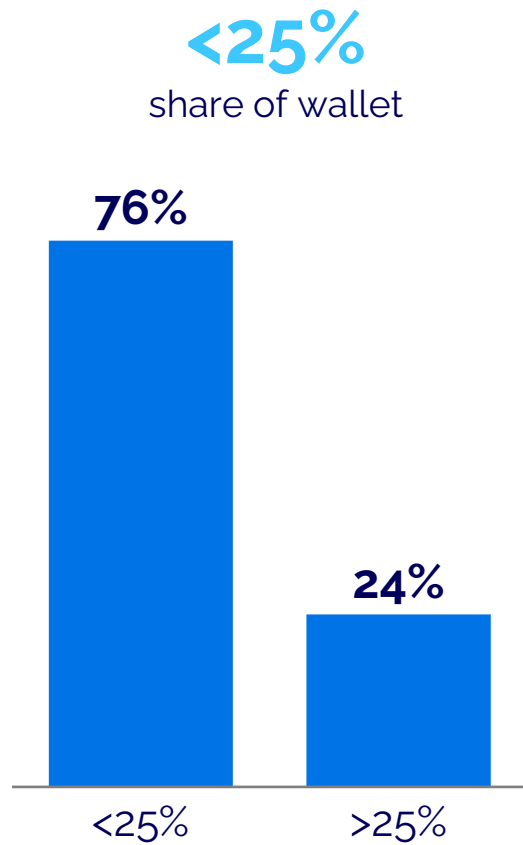
Incentives

aligned on win rates, early years revenue, profit and cash







3: Holistic approach to grow top 100 accounts – cross sell, new offerings

Material cross-sell / upsell opportunity at top 100 accounts for existing and new offerings

Significant upside exists in top 100 accounts



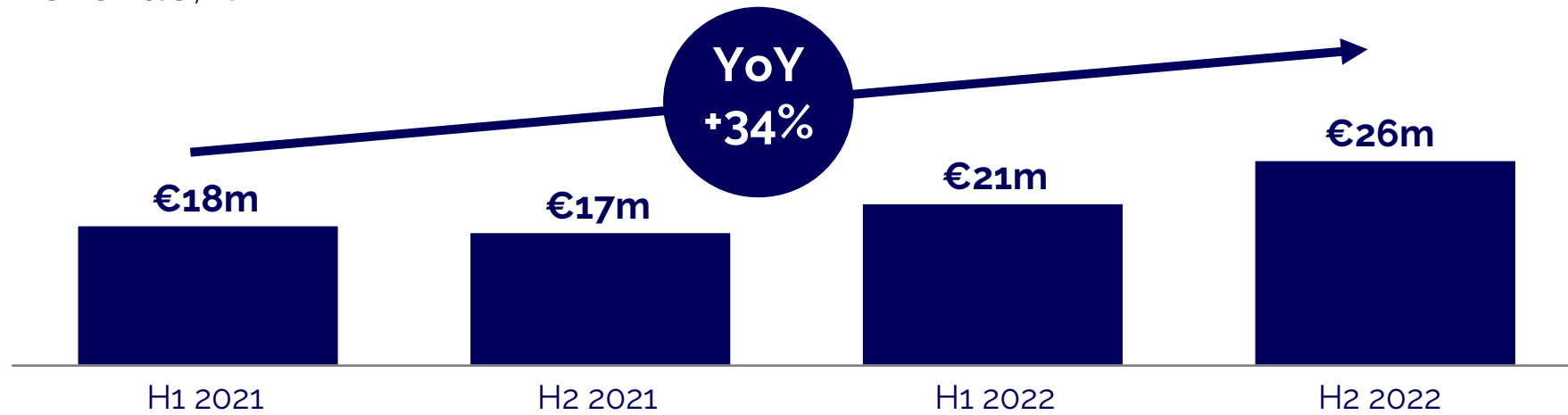
Enabling our sales teams to cross and up sell




-  Systemic ID of **Customer Challenges**
-  **Data-backed heatmap** for cross-sell
-  **New offerings** – Technology services as tip of the spear
-  **Business line SME** - backed sales
-  **Aligned incentives** for add-on revenue
-  **AI enablement** through opportunity identification, automated proposal creation

3: Holistic approach to grow top 100 accounts – cross sell, new offerings

Case example: growth journey with a utility customer for the past two years

Revenue, €m



2021	2022	2023
		
Closed 10+ deals; Improved CSAT of 95%; worked with client to meet budget constraint	Customer intimacy: 20+ innovation workshops to tackle business challenges	New offerings: new buying center opened in network consulting, new offering pipeline of €15m

Enablers

Great CSAT and strong relationships; Increased **stakeholder engagement** with participation in key Tech Foundations events

Customer 'need' focused marketing: 5+ POCs, 5+ white papers

€40m of deals through **3 relevant platform partnerships**

UEFA – Partnership testimonial



Hosni Ajala

Chief of Information Communications &
Technology, UEFA

4: Proactive retention and customer experience

Proactive revenue retention: early extension and transformation of regional logistics business



Client situation

Long-standing infrastructure customer
2 years to go on contract
Challenges on app stability and flexibility
(outside of Tech Foundations scope)



Key actions taken

- **Early extension of contract**
- **Scope expansion:** transformation of customer business and applications through Atos' new offerings:
 - App Refactoring, migrate and run in public cloud
 - Migrate data to SaaS services
 - Migrate and run next gen private cloud

5: Scaling leveraging ecosystem partners as channels

Scaling our partnerships – featured partner: AWS

Atos | **aws**

CloudCatalyst

Industry-first 5-year strategic program

Joint GTM to transform **800+** customers' business

60+ resources funded by AWS

Deal-specific capital investments from AWS

Co-investing in assets



Progress till date

€500m

TCV pipeline created

75+

Cross-sell opportunities

3 large deals

in motion with 1 POC already confirmed

Plan for next 12 months

€1 000m

of joint TCV pipeline

17+

customers won and migrating to AWS

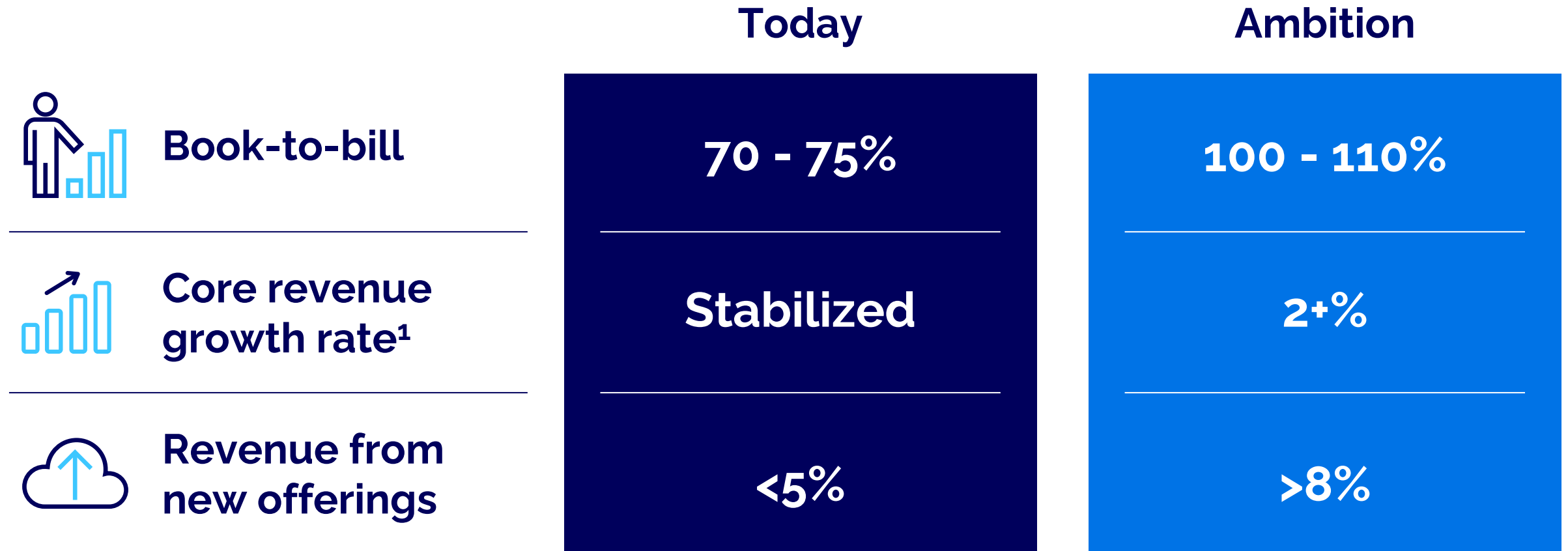
6: Tailored regional strategy

vs a one-size fits all global approach




Regions	Business line mix Top 100 Accounts	Client mix by size % of clients by client turnover	Business strategy
France			<ul style="list-style-type: none"> Continue to grow core hybrid cloud & infrastructure, digital workplace Continue scaling advisory and expertise cross-sell/upsell
United Kingdom & Ireland			<ul style="list-style-type: none"> Cross-sell advisory and expertise Convert new large deal pipeline in digital workplace and hybrid cloud & infrastructure
North America			<ul style="list-style-type: none"> Focus on winning major net new logos Cross sell advisory to existing hybrid cloud & infrastructure large accounts
Central Europe			<ul style="list-style-type: none"> Continue new midsized new logos on separate midsized E2E operation Cross-sell and upsell in existing Large Accounts.
Rest of World			<ul style="list-style-type: none"> Accelerate opportunistic new offerings growth in Middle East-Africa Leverage large foundational accounts to grow in mature markets (e.g. Hong Kong, Singapore, Western Australia).

With these actions we aim to accelerate our growth trajectory



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03. Business line strategy

Hybrid Cloud & Infrastructure

Digital Workplace

Technology Advisory & Customized Services

Laurent Barbet

COO and Global Head
of Hybrid Cloud
& Infrastructure

Business line strategy



Key messages



HCI focus on managing entire continuum of cloud infrastructure



Team of industry leading cloud experts assembled



Revenue stabilization through expansion into the fast-growing hybrid multi-cloud services market



Cloud catalyst partnership with AWS already creating commercial momentum



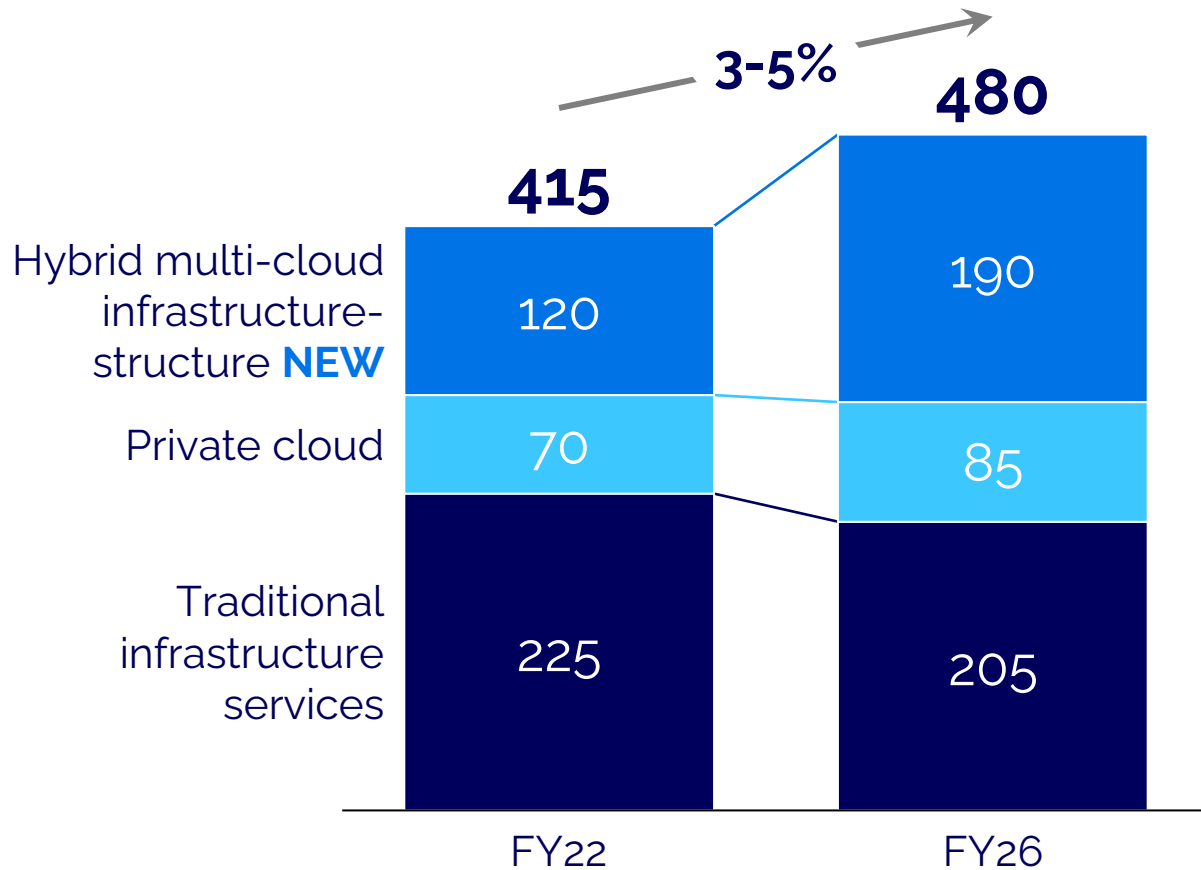
Existing capabilities in managing hybrid environments enables right to win



Margin improvement actions and shift to asset-light portfolio underway

We are expanding into Hybrid Multi-Cloud services market

Addressable market, €bn



Underlying trends



Private and hybrid cloud expected to stay fundamental part of infrastructure services market driven by customers that cannot fully migrate to public cloud

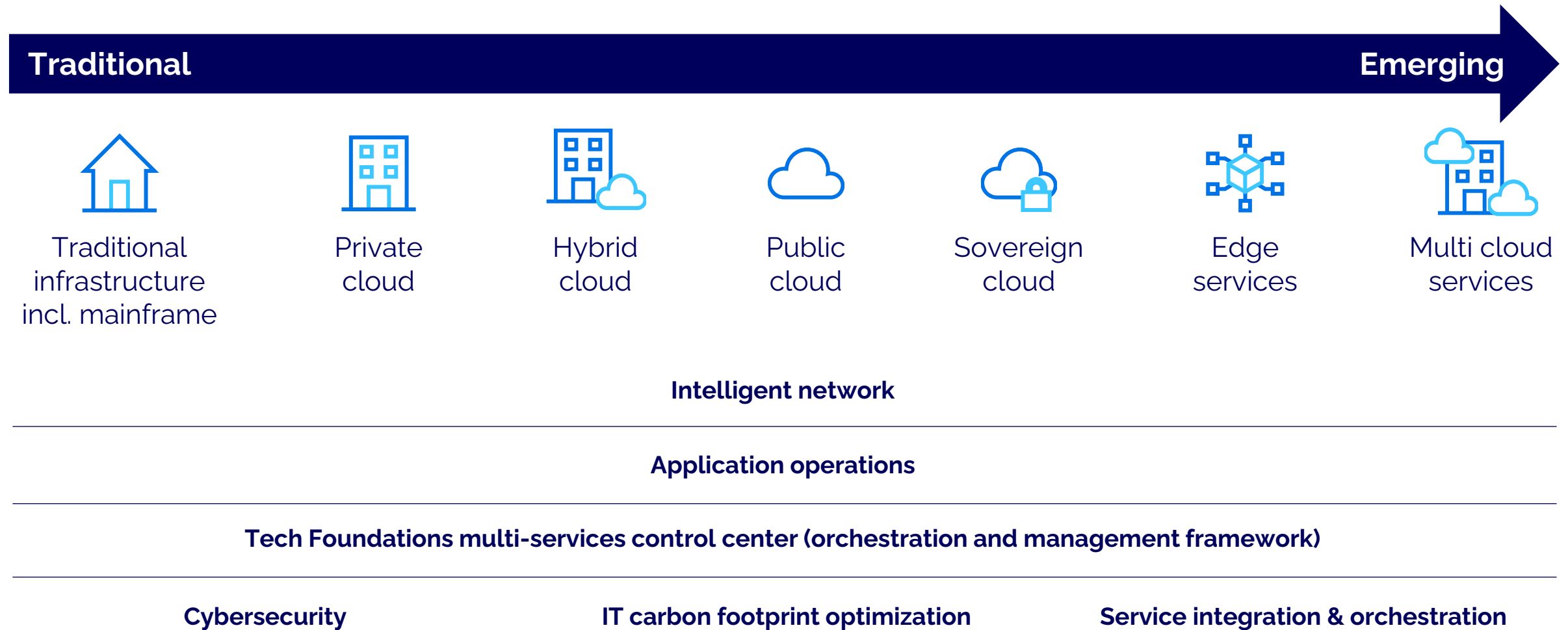


Increasing complexity, regulation, and data security requirements in customer IT landscape leading to hybrid multi-cloud environments being the norm for most enterprises

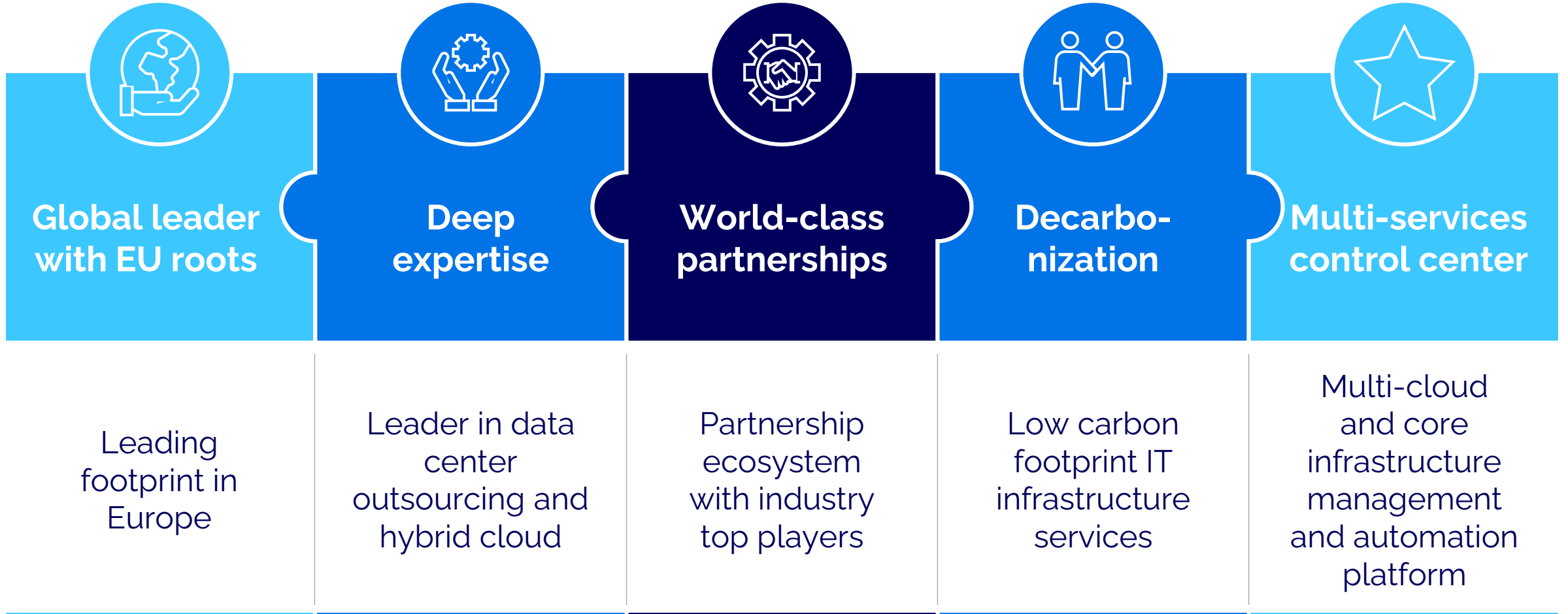


Customers are looking for partners to manage complexity and create value through differentiated services

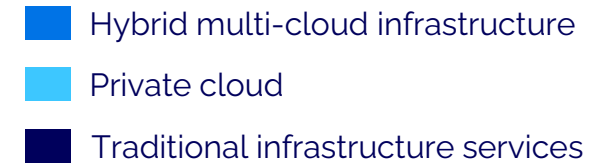
Tech Foundations is becoming the managed services provider of choice across the cloud continuum



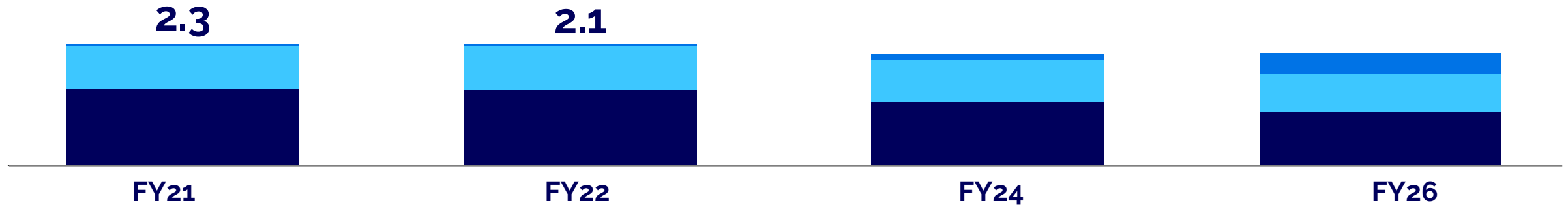
Leveraging our strengths and differentiating capabilities



Revenue to stabilize by 2024



Hybrid Cloud & Infrastructure Revenue, €bn



Rapid decline



- ~5% revenue loss¹
- **Key reasons:**
 - Reduced scope and attrition on existing customers
 - Weak sales engine and lack of pipeline
 - No strong cloud offerings

Slowing decline



- **Streamlining & enhancing offering portfolio**
- **Rebooting sales engine** and delivery-led fertilization
- **Dedicated squad** for high priority offerings

Stabilization & Business Shift

(Now – 2026 ambition)



Portfolio actions

- Increasing **hybrid and multi cloud-based revenue**
- Reshaping and reskilling **delivery organization**
- Launch and scale **new offerings**

Sales/Go-to-market actions

We are reshaping our core and cloud portfolio...



Hybrid multi-cloud infrastructure



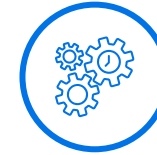
Core Infrastructure Services

Yesterday



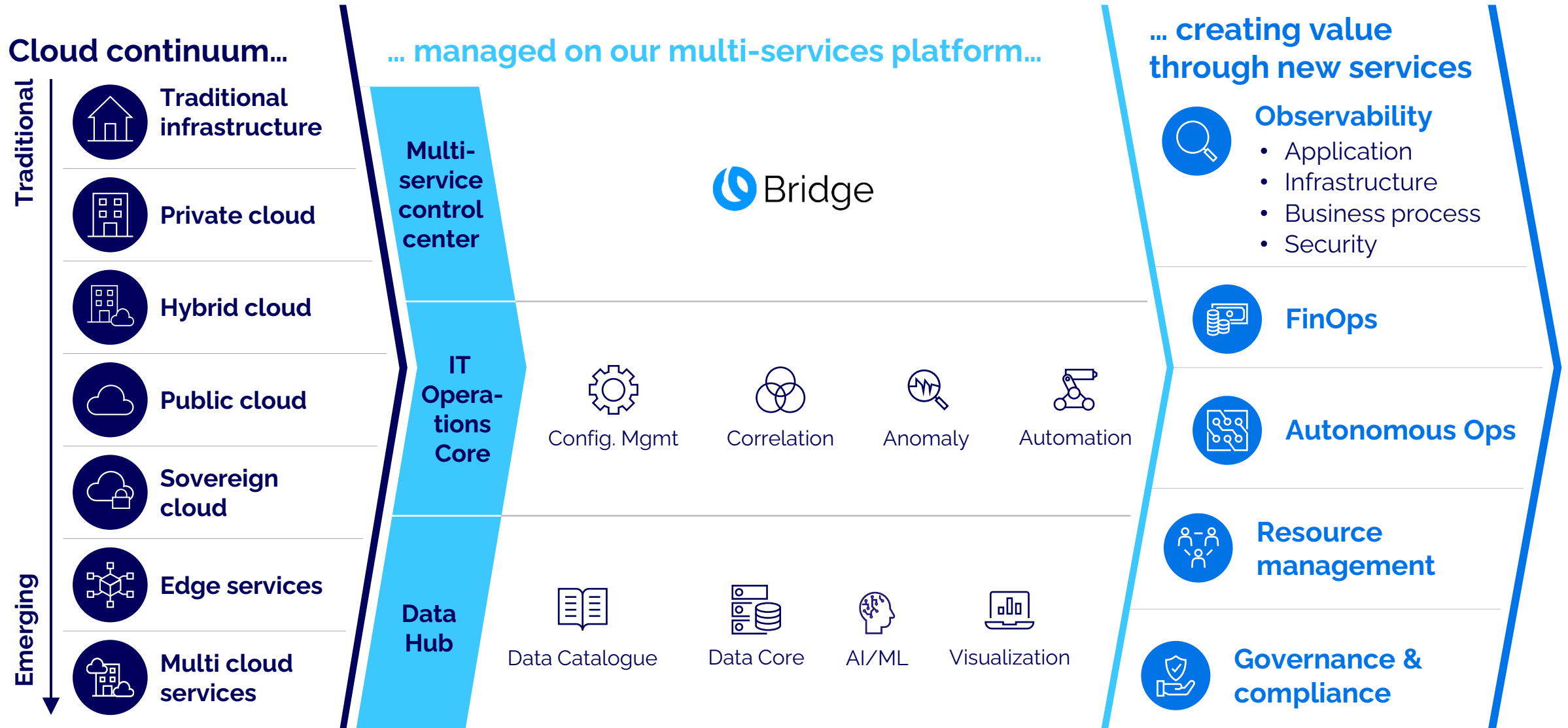
- Private cloud partnership with Dell and VMware
- Standalone Mainframe
- Legacy Data Center and Branch LAN
- Legacy Windows and Unix based infrastructure

Today and tomorrow



- New **hybrid cloud solutions** based on Dell / VMware, AWS and Azure
- **Industrialized migration** to cloud factory
- **Mainframe-as-a-Service** integrated in the cloud ecosystem
- **Standardized infrastructure** providing cloud like experience through **enhanced catalog of automated services**
- **Intelligent software** defined networks, DC LAN, Branch LAN, WIFI, WAN, 5G
- **Service integration and orchestration**

... and creating value through new cloud-based services



Hybrid multi-cloud IP proven and scaled across customer environments



Bridge

Orchestration solution of overall IT landscape
+65% overall performance¹ improvement



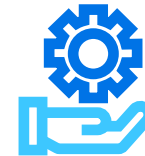
Digital hybrid cloud
Innovative solution for all cloud technologies

Leveraging 10 years of successful private cloud track record



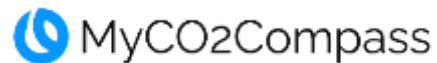
Itrion

Automated compliance and vulnerability remediation solution
100+ current customers, scaling up to 200+



Atos Modern Management Platform
Multi-cloud & core infrastructure management and automation platform

Ecosystem of partners embedded with data analytics and AI




MyCO2Compass

API-based IT carbon footprint management solution
~5-15% IT carbon footprint reduction



Generative AI
AI-driven incident resolution and code generation

Breakthrough in autonomous, zero touch operations



03. Business line strategy

Hybrid Cloud & Infrastructure

Digital Workplace

Technology Advisory & Customized Services

Leon Gilbert

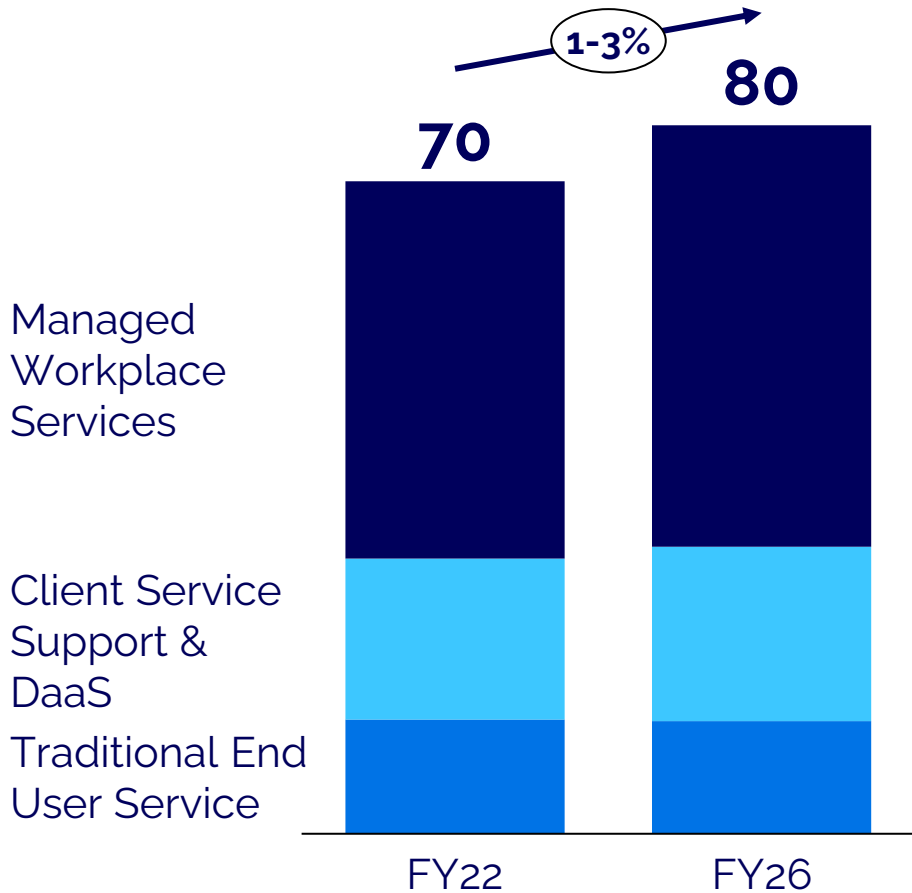
Global Head of
Digital Workplace

Business line strategy



Innovating to capture value from Digital Workplace market growth

Projected global¹ DWP market growth, €bn



Market trends



Managed workplace services

- Focus on **employee experience**
- **Mobility** and **comms** top client **priorities**
- **Remote working** and **BYOD** policies

Client Device Support & DaaS

- **Increased number of devices** (IoT)
- **Increasingly complexity** of ecosystems

Traditional end user services

- More costly and labor-intensive **operating models**
- **AI supporting tools** as top priority for >85% clients

Our updated portfolio to capture value



- **Employee wellness** and experience focus (XLAs)
- **Managed collaboration** suites
- **Zero trust** security

- Transform **ways of working**
- **Cloud-based / anywhere** managed

- **GenAI** driven E2E automation

Tech Foundations' Digital Workplace is a globally recognized Industry leader

Gartner

2015-2023

Leader

Outsourced
Digital Workplace Services

***ISG**

2017 to 2022

Leader

US Workplace
Support Services

AVASANT

2020 to 2022

Leader

Digital Workplace
and Global Services



2020 to 2022

Leader

Advanced
Digital Workplace Services



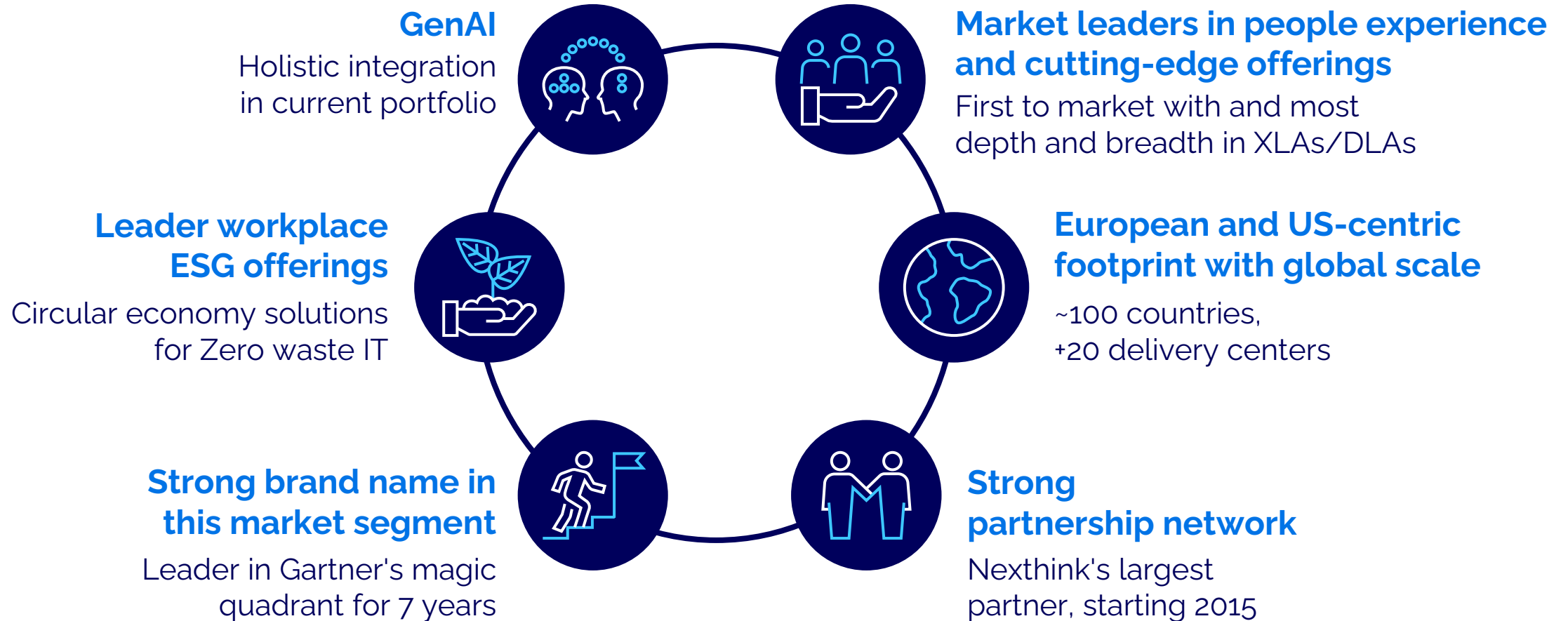
2017 to 2022

Leader

Europe Workplace
Services

Atos

Tech Foundations' unique, differentiating set of capabilities



We have a large base of global clients

SIEMENS

~250 000 users

Worldwide,
150 countries

Johnson+Johnson

~215 000 users

Worldwide,
25 languages

**Global
leisure leader**

~350 000 users

Worldwide



~130 000 users

Worldwide,
100 countries

NOKIA

~95 000 users

Worldwide



~100 000 users

8,000 locations,
7 countries

nationalgrid

~40 000 users

UK and
North America

BASF

We create chemistry

~105 000 users

Worldwide, 30 countries
in Americas and APAC

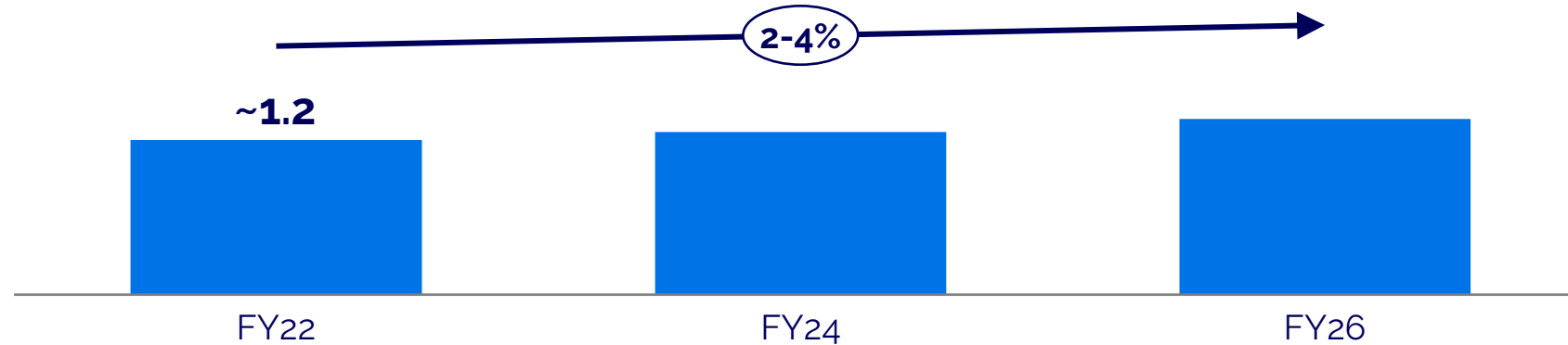
**Global clients
and use cases**

+5m devices
managed for our clients





~3.4m individual users
supported worldwide

Plan to retain market leadership and grow market share

Revenue evolution, €bn



Digital Workplace will continue outgrowing the market from a leading position

<p>Team </p> <ul style="list-style-type: none"> • New leadership brought back focus on People Experience growth • Re-insourcing of strategic functions 	<p>Portfolio & partnerships </p> <ul style="list-style-type: none"> • Grow partner-led business development engine • New offerings (e.g., ESG, advisory services, GenAI) 	<p>Customers & OE </p> <ul style="list-style-type: none"> • Maintain current renewal rates of >90% • Pursue incoming RFPs, defocused over last 2 years • Accelerate the Modernization of existing legacy customer • Cross-sell in non-DWP clients through tech evangelists 	<p>Geographic focus </p> <ul style="list-style-type: none"> • Retain global leadership, double down on France and US growth
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€200m+
bookings from new offerings in 2026

Transformation is already leading to new strategic contracts



Client's context

Leading
aerospace player

First tender for
100% workforce
(+180 000 users)

**Improve employee
experience** end goal



Winning value proposition

Impact based
partnership agreement

Nearshore,
multilingual provider

XLA pioneer

Expertise on existing
client software

ESG and
social impact¹



Impact

5-year
contract

~**€100m**
TCV

400+ engineers to get involved
at program launch²

62 ¹Through its strategic agreement with FMS to incorporate disabled individuals in this project


²To be reduced over the contract duration as automation is set in place

Scottish Water – Client testimonial



Rob Mustard

Chief Information Officer,
Scottish Water



03. Business line strategy

Hybrid Cloud & Infrastructure

Digital Workplace

**Technology Advisory &
Customized Services**

Stéphane Richard

Global Head of
Technology Advisory &
Customized Services

Business line strategy



End-to-end services across customer needs life-cycle



Advise



Design



Build



Implement



Operate



Maintain & Support



Data



Applications



Infrastructure



Devices



Technology consulting

We provide expert services in niche segments of high complexity incl. security and sustainability

Supporting other BLs on value adding offerings

Customized services

Local Professional Services, Specialized Service Centers and Co-Innovation Services, covering the whole scope of IT services from application design and development to operations and infrastructure while ensuring customer security

Integration services

Integration of hybrid infrastructure products and associated software, based on the best solutions from our partner ecosystem

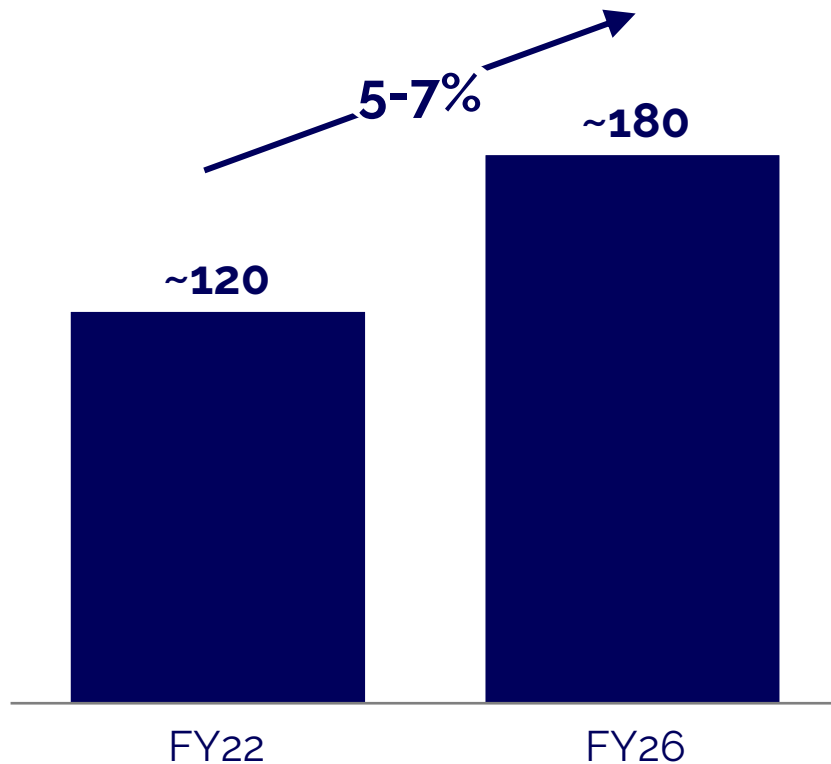
Maintenance & Support Services

Maintenance services for hybrid infrastructures and networks

Serve as entry point for other Tech Foundations' Business Lines, strengthening overall offering

Enhancing our value proposition in a fast-growing market

Technology advisory & customized services global market forecast, €bn



Market trends



End-to-end solution delivery

Industry vertical expertise

Decrease on execution time

Partnership oriented relations

Our winning strategies



Supporting customers by providing end-to-end services, from the **design, operation, and maintenance** systems, including their **build** and **roll out**.

Specializing service centers to better **match the needs** of the business in each customer industry.

Emphasizing agility, speed of execution and proximity to customers.

Decentralizing and expediting business process **decisions** to be made on projects.

Spearheading the **technology integration business**, fostering strong relationships with leading technology and cloud service providers, **federating a dense ecosystem** to cover all our customers' needs.

Inno'Labs as spearhead to win the high-value market

- Operating Inno'Labs
- Developing¹ Inno'Labs



Ideation sessions

Collaborative
brainstorming sessions between Atos, clients and partners to generate new ideas in break-through topics (e.g., AV/VR, Digital Twin, Neuro Tech)



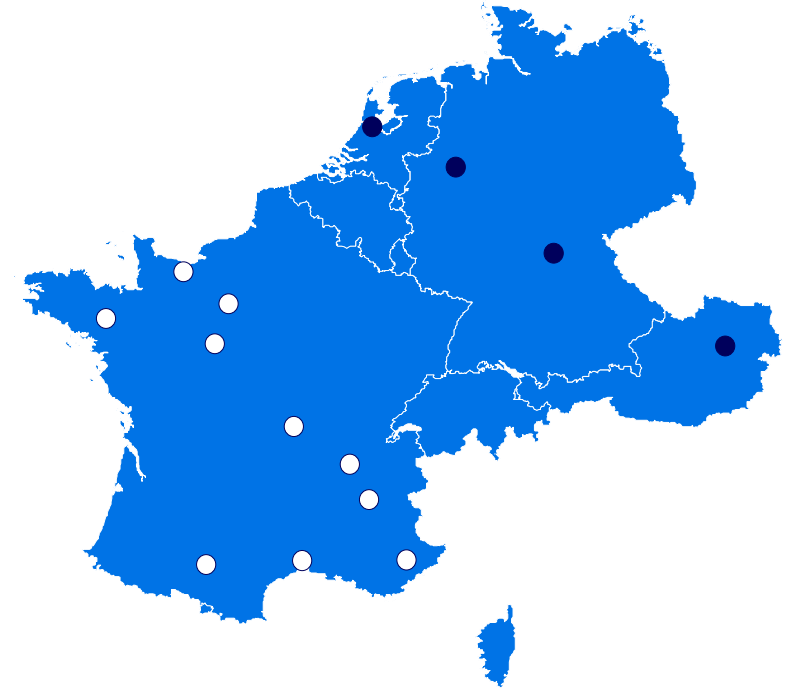
Inno'Lab concept

Cluster expertise around one of the labs that fit with relevant industry trends to **co-innovate** with its clients, partners & ecosystem



Proof of concept

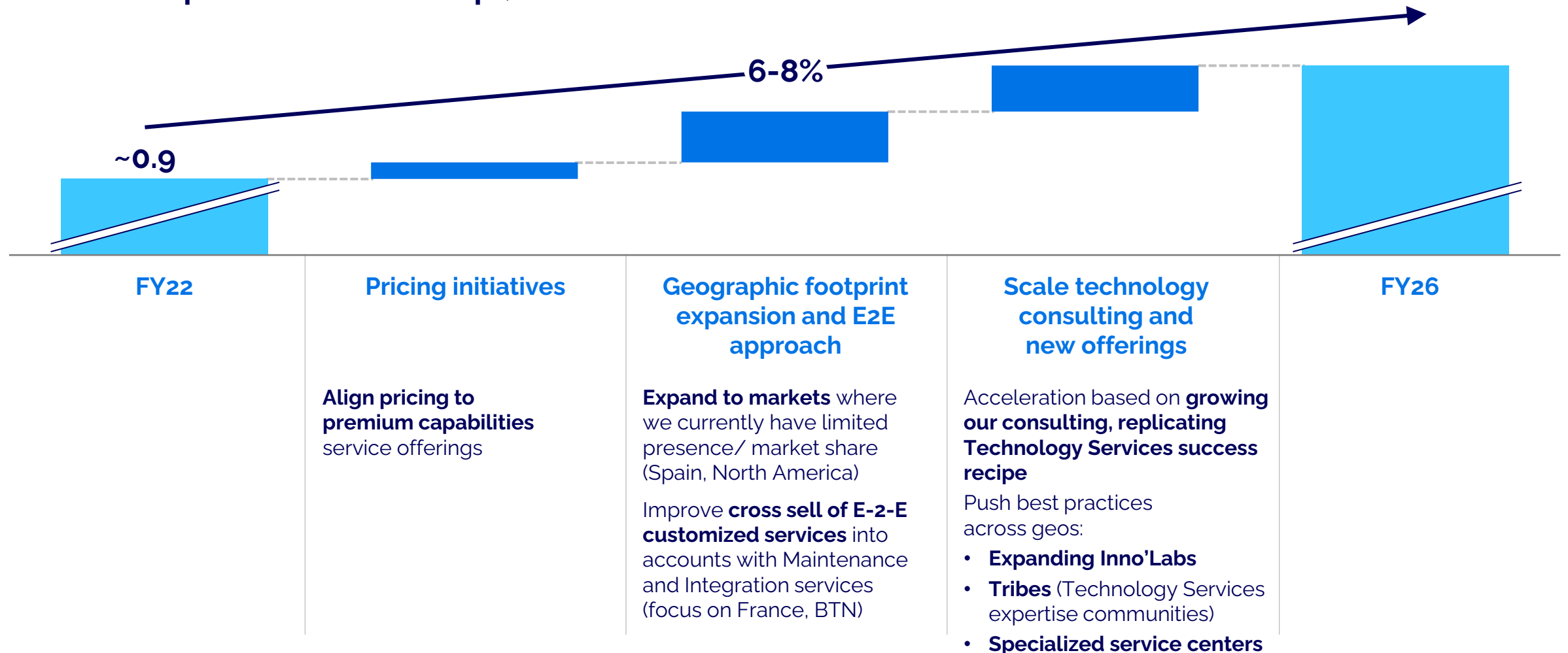
Move to proof of concept or actualization inside one of our Inno'Labs.
Inno'Lab concept helps customers realize their innovation goals



Our Inno'Lab concept is quickly becoming the core of Tech Foundations' DNA

Scaling-up our value proposition to deliver above market growth

Revenue improvement roadmap¹, €bn



Agenda

- 01. Refocus, Recover, Rebound**
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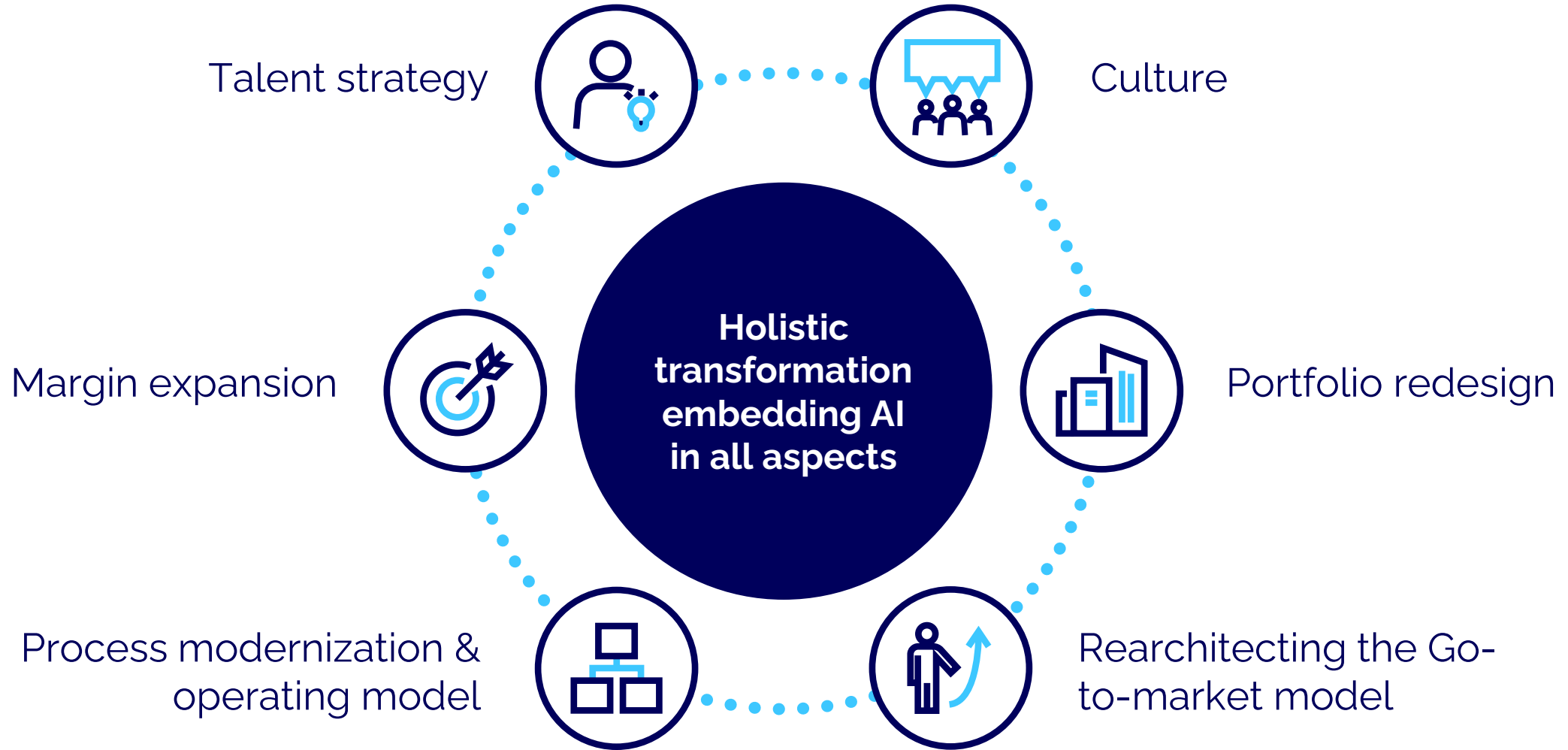
Nourdine Bihmane

Chief
Executive Officer

Transformation plan







Comprehensive transformation across all aspects of our business



Delivering transformation through classical and next-gen levers

€1.2bn gross run-rate benefits by FY26

	 <p>Delivery Modernization</p>	 <p>Project Margin Expansion</p>	 <p>3rd Party Spend</p>	 <p>Sales, General & Administration</p>
Classical levers	<p>High Cost Location restructuring</p>	<p>Turnaround of under-performing accounts</p> <p>Contractual levers (inc. pricing)</p>	<p>Supplier consolidation & renegotiation</p>	<p>Rationalization of Sales, General & Administration functions</p>
Next-gen levers	<p>Data-driven, autonomous operation</p>	<p>AI-based contract management and AI enhanced offerings</p>	<p>Spend analysis leveraging AI</p>	<p>Increasing self-serve and automated tasks</p>
Gross run-rate benefits	€680m	€360m	€140m	€80m
<p>RRI spend €780m, 10% lower than last year with a payback of <2 years</p>				

Executing fundamental shifts in delivery capabilities

Key actions



Productivity & Automation

- **Leverage GenAI** to reduce manual efforts – translating to free-ups
- Investing in **autonomous operation use cases**

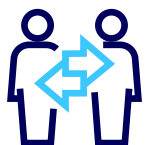
15+%
capacity free-up



Globalization

- **Offshore-first** location strategy
- Build **offshore capabilities for higher complexity tasks**, augmented by GenAI

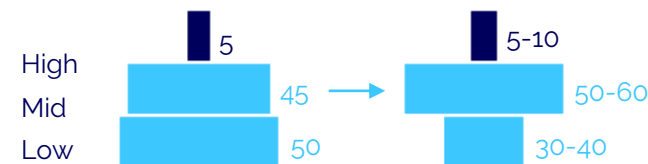
+10 p.p.
low-cost location mix improvement



Talent structure

- **Left shift** of issue resolution, driven by GenAI
- **Improved SOPs**
- Faster **debuts absorption**

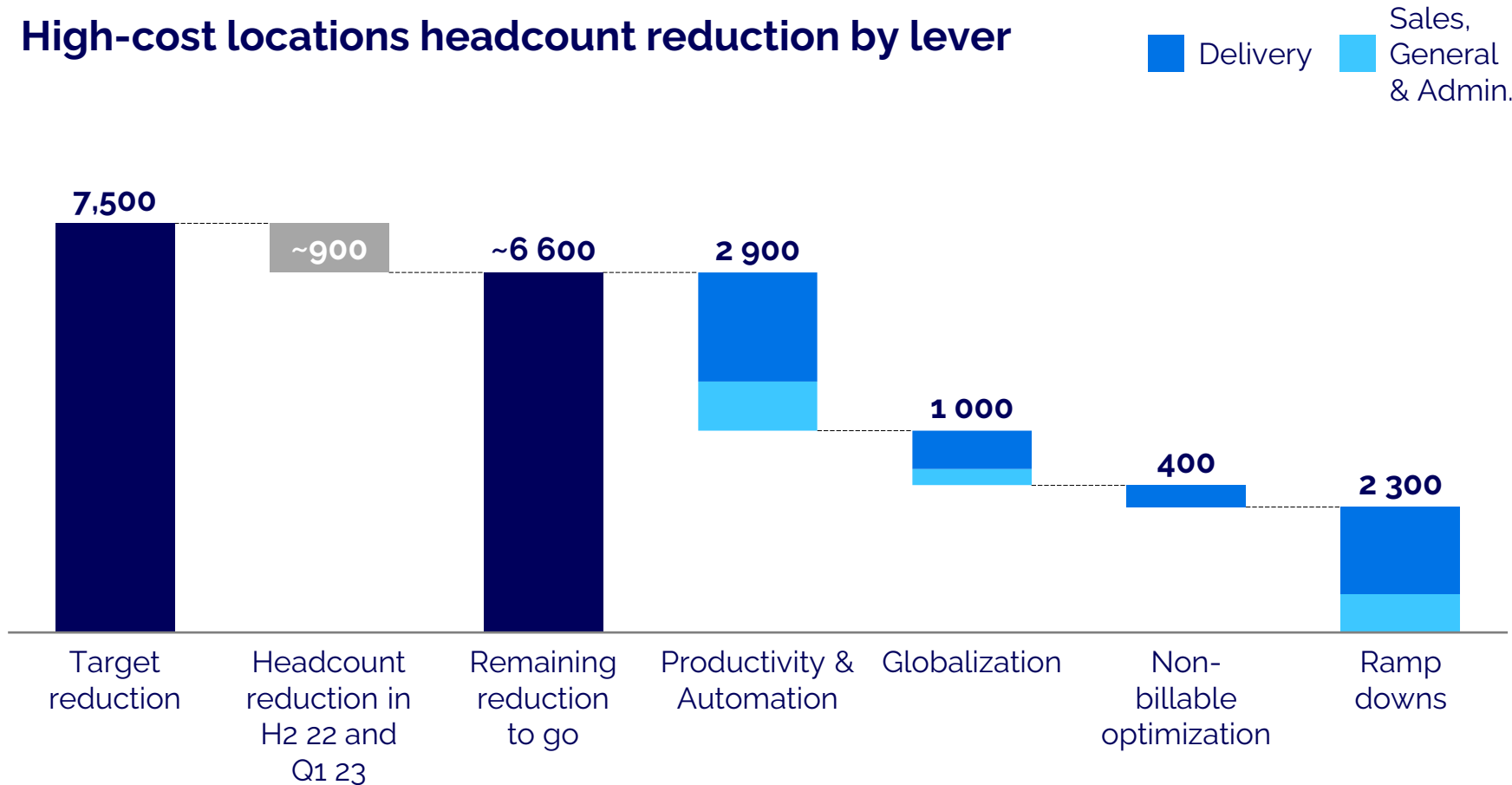
Talent structure, %



Leapfrogging by embedding GenAI into holistic delivery transformation

High-cost headcount reductions actions already delivering to our targets at pace

High-cost locations headcount reduction by lever



~7 500

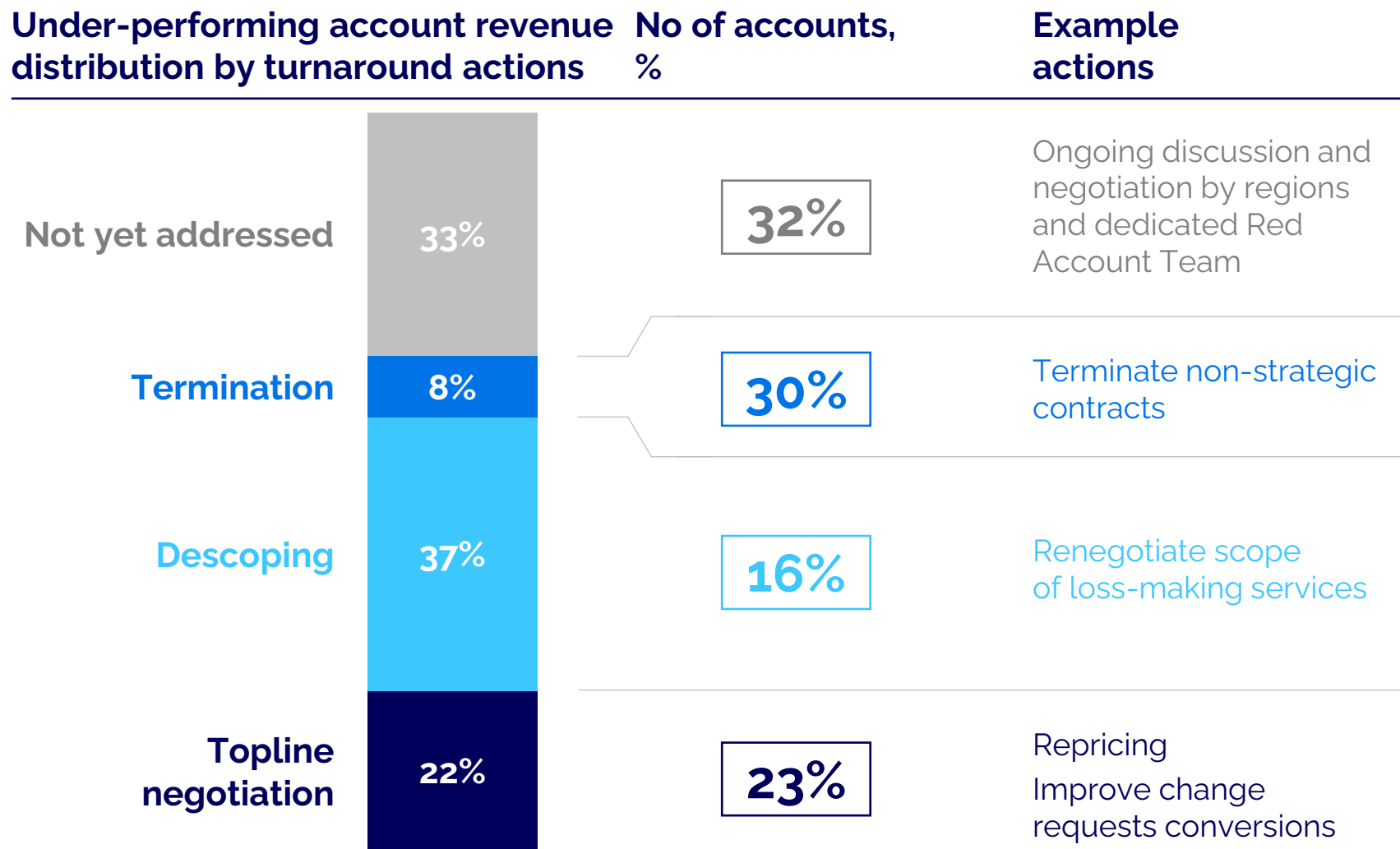
High-cost locations headcount reduction

~75%

Exits to be completed by end of 2024

Social process completed globally

~66% of under-performing account revenue addressed



€500m+
underperforming account revenue addressed

66%
underperforming accounts addressed in H2 22

Executing cultural transformation to limit losses from underperforming accounts

X% Project Margin of under-performing accounts

Cultural transformation to mitigate underperforming accounts

1. **Exiting non-core** business/ contracts
2. **Strengthened contract management** throughout deal lifecycle
3. **Disciplined transition and transformation** with controls on deviations from plan
4. **New target operating model** to allow focus on account-level interventions
5. **New incentive mechanism** related to account profitability for Geo leadership

Under-performing accounts Revenue contribution, %

-€190m

13%

FY21

-€130m

9%

FY22

5%

FY26

Successfully turning around ~66% of under-performing accounts in H2 2022

Pricing actions taken on 85+ accounts; scaling 2X additional accounts



Significant benefits delivered so far

€35m¹

Gross run-rate benefits delivered from multiple levers

Total gross run-rate benefits

35+

Cost of living adjustment

~20

Other Levers (e.g., energy price, rate increases)

~15

Actions taken

Focusing actions on 85+ accounts:

- Structured **bottom-up identification** of unenforced clauses
- **Key clauses** to achieve pricing uptick

Introducing structured governance:

- **Consolidate and track** pricing actions
- **Improve awareness & traction** on pricing levers

Key scaling actions initiated

Intelligent Contract Database:

- Scaling up to **2x additional accounts**
- **Detailed teardown** of ~20 priority clauses
- **New pricing levers** (e.g., interest on delayed payments, overtime)

Contract	Financial	Operational	Framework
Right to Select Business	Cost of living adjustment (COLA)	Present in 3/10 either OPI or agreement with Client	Present in 1/10
Limitation of liability	Credit Period	Implicates inability to permit increasing costs to client, eroding margin over time	Warranty period
Termination without cause	Interest on delayed payments	Present in 3/10 Implicates Exposure to claims for missing services/deliverables	Cap of Liquid Damages
Present in 2/10 Implicates Loss of margin increasing over through economies of scale / learning effects over Also preferred tech stack and staffing optimization	Taxes	Present in 3/10 Implicates Exposure to claims for missing services/deliverables	Rate Cards
Present in 3/10 Implicates Hindered ability to terminate unprofitable contracts to reallocate resources to profitable ones	Reimbursement of expenses	Present in 2/10 Implicates Lack of clarity in case of breaching agreement upon credit period	Energy cost inflation
	Present in 3/10 Implicates Forge additional revenue by perceiving operational expenses (e. travel)		Hardware cost inflation
			Present in 1/10 Implicates inability to permit increased Hardware cost to client, impacting margin
			Scope of services
			Definition of SLAs/KPIs
			Present in 3/10 Implicates inability to have a fact based discussion on client expectations and delivery

Pricing COE to maximize value capture

Execution has begun at pace and ahead of plan

Commercial



Commercial pipeline

+ €1bn

H1 23 vs.
H1 22



Book-to-bill

94%

Q4 22 vs.
84% Q4 21



New logos

+ 50%

New logos
22 vs. 21

Core revenues stabilized & growing at 1.2% in FY22

Operational



Cost actions

€270m

Gross run-rate
benefits delivered
by Q1 23



High cost
location labor
adjustment

900HC

Exited in High
cost locations
by Q1 23



Under-
performing
accounts

66%

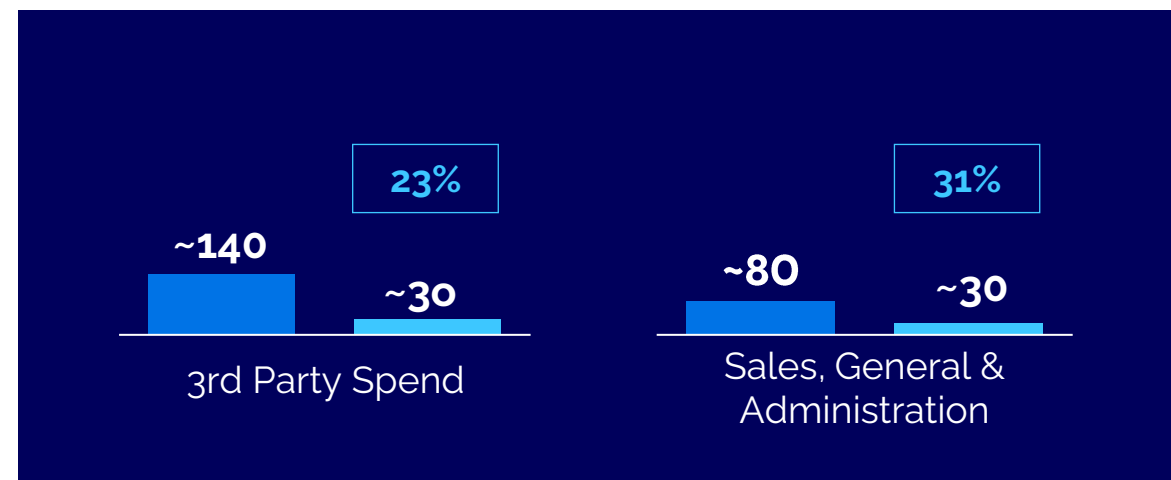
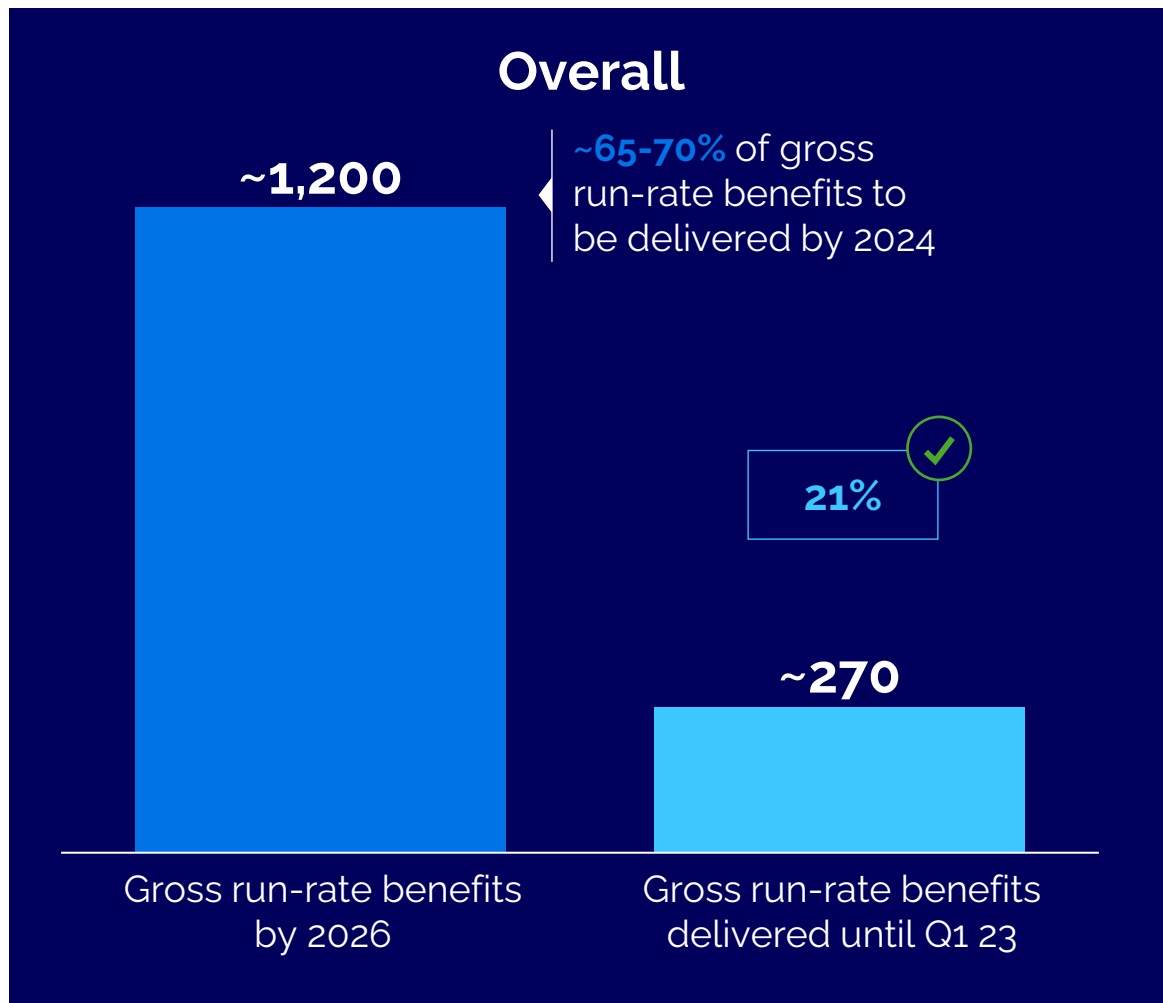
Addressed

OM positive in FY22 – 3 years ahead of plan

On track to deliver full gross run-rate benefits: ahead of plan with >21% of benefits delivered

Gross run-rate benefits by FY26, €m

- Transformation run-rate benefits by 2026
- Run-rate benefits delivered until Q1'23
- X% % delivered



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Darren Pilcher

Chief
Financial Officer

Financial plan and
pathway forward



Key messages



Overdelivered on revenue and operating margin commitments made at last year's CMD



OM turned positive in FY22; margin at 6% to 8% in FY26



We have built a granular plan to rigorously steer our financial performance



Cash flow² to turn positive by FY25; expected at €250m+ in FY26



Core revenue¹ to grow 0-2% until FY24, accelerating thereafter



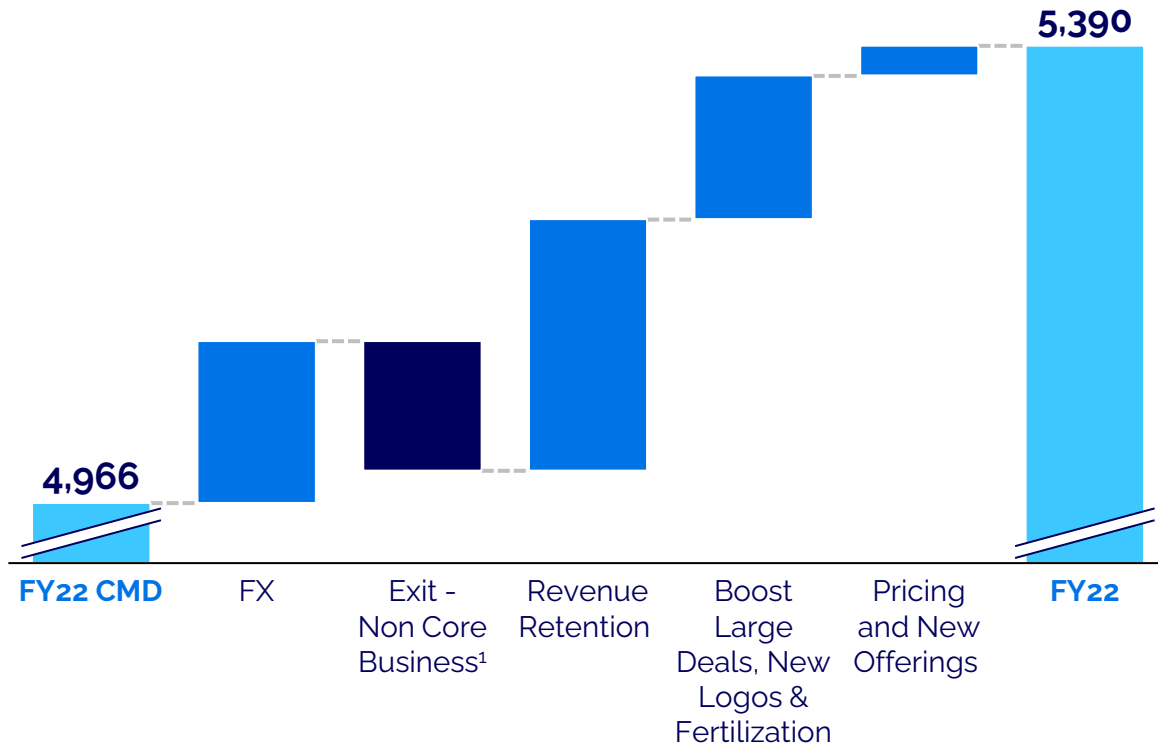
Cumulative cash flow² for next 4 years **€300m+ higher than last year's CMD**

We have far exceeded our FY22 plans for both top and bottom-line

...% OM-Margin

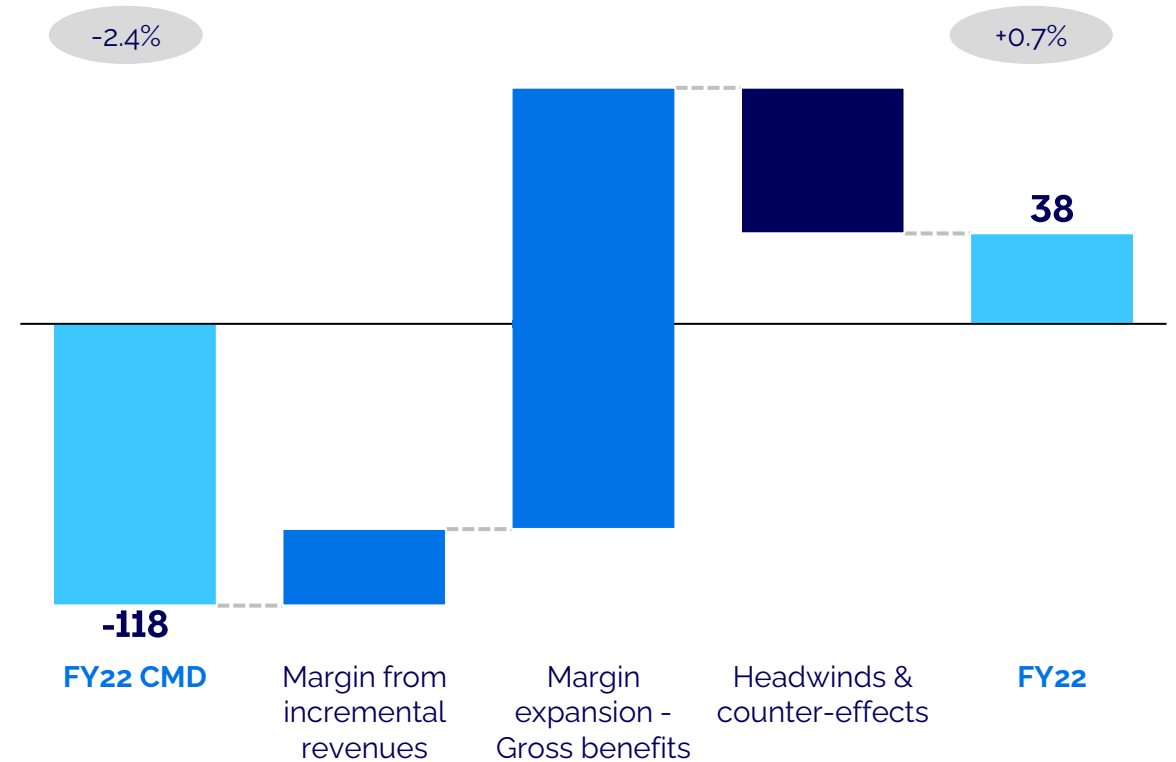
Revenue stabilization

(in €m)

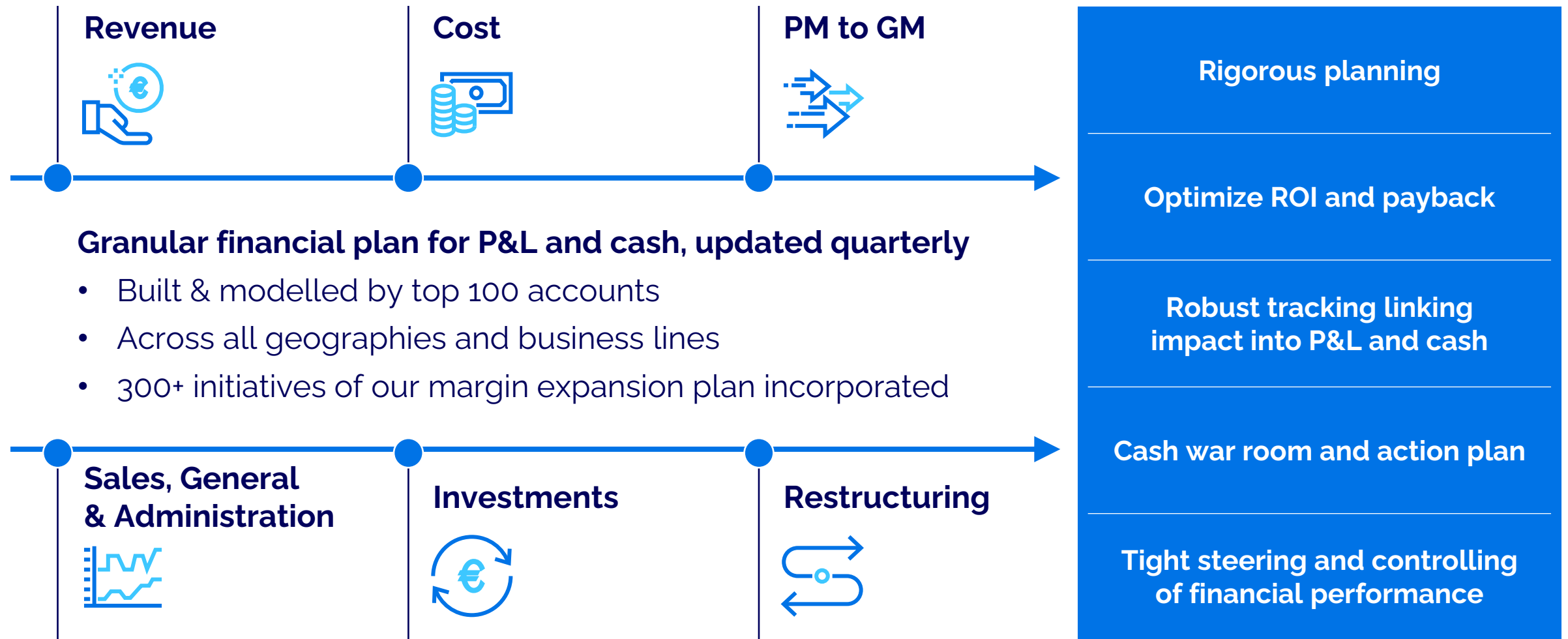


Operating margin uplift

(in €m)





Our granular plan to rigorously steer financial performance



Updating our medium-term plans reflecting recent outperformance and longer-term strategic vision

2022 CMD

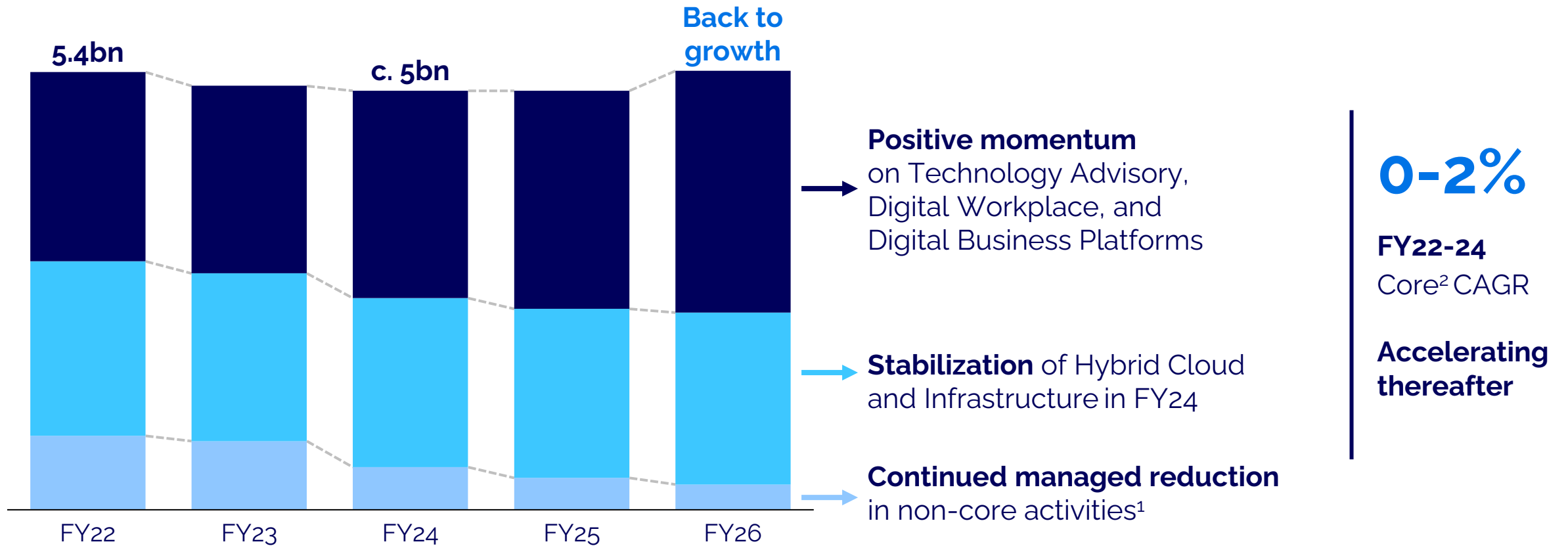
	Previous medium-term ambition			Updated medium-term ambition	
Revenue	Low point in 2024 at €4.1bn	FY26 Back to growth		Low point in 2024 c. €5bn	FY26 Back to growth
Operating Margin % of rev.	Turn positive in FY25	>5%		Already positive in FY22	6 - 8%, in line with industry standard
FCF before interest and tax		€150m		Turning positive in FY25	€250m+

Portfolio strategy to result in core business growth

excl. UCC and Italian operations, €bn

- Positive momentum
- Hybrid cloud and infra
- Non-core

Revenue ambition: FY22 Pro Forma - FY26



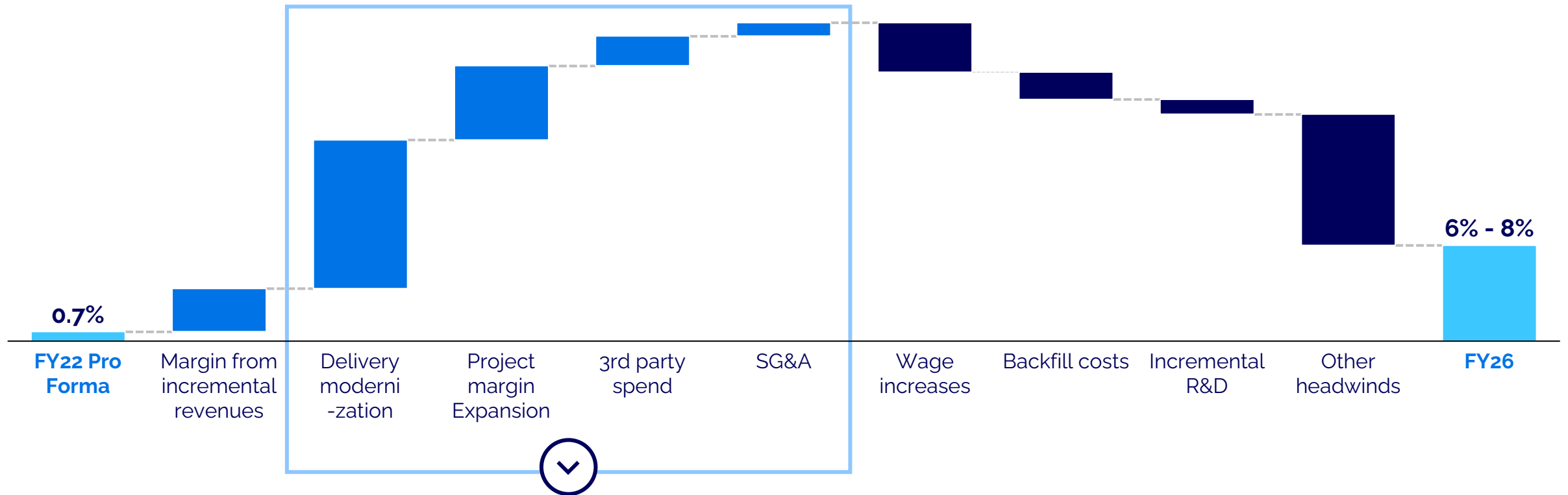
¹ Includes BPO, VAR

² Excludes Tech Foundations' non-core revenues

Topline management and transformation plan to uplift operating margin to industry standards (6-8% FY26)

excl. UCC and Italian operations

Operating Margin Ambition – FY22 Pro Forma to FY26, %

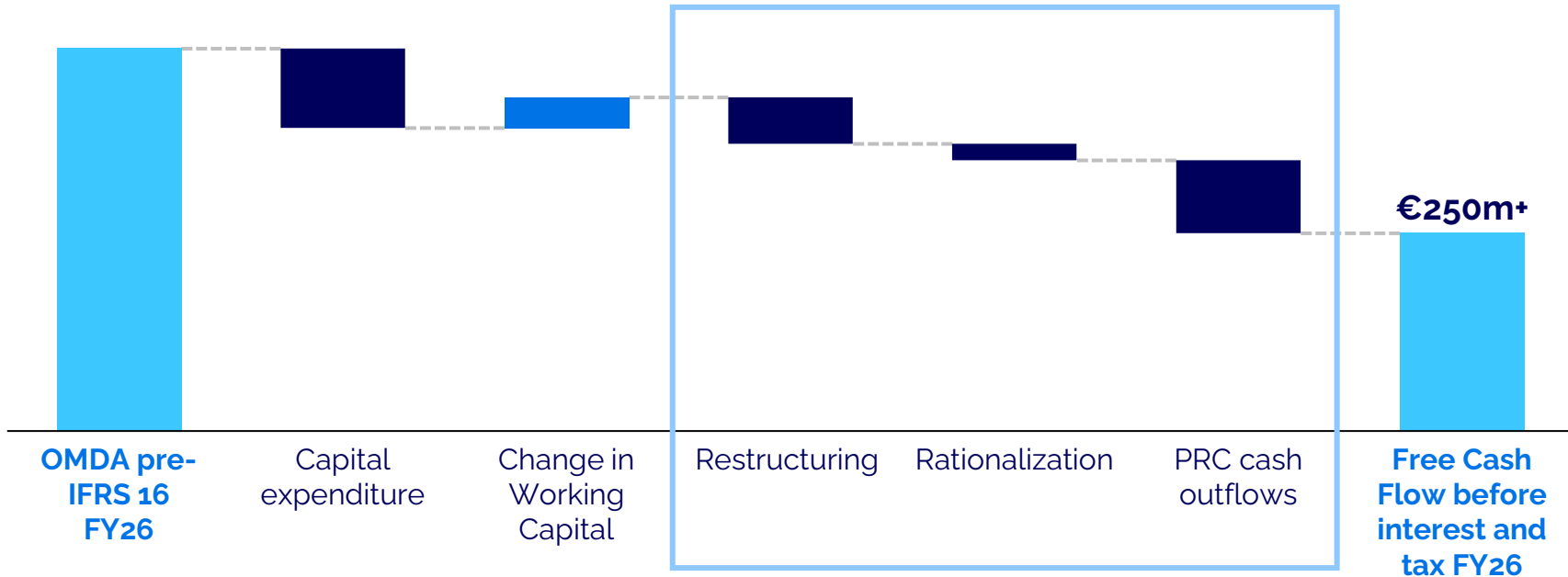


+€1bn gross run-rate benefits from transformation plan to be delivered in FY23-FY26

Free cash flow¹ to reach €250m+ in FY26

excl. UCC and Italian operations, €m

Free cash flow pre-interest and tax, FY26



€300m+ higher cumulative FY23-FY26 FCF¹ than previous plan (2022 CMD)

Cash optimization levers

Working capital

- Account DSO optimization
- War Rooms by GEO

Capex and leases

- Optimizing cash out profile
- Controlling asset utilization

Margin recovery

- Cash focus in deal solutioning
- Account-wise cash control

Our 2026 ambition



Revenue



OM



Free Cash Flow¹

FY26

Back to growth

6–8%

€250m+

Outlook

0-2% core revenue
growth FY22-FY24, bold
acceleration thereafter

OM in line with
industry standard

Expected **to increase**
c. €50m each
year post FY26

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Nourdine Bihmane

Chief
Executive Officer

Closing and Q&A



Where are we heading?



End to end digital orchestrator across the cloud continuum with integrated security



Autonomous operations powered by AI



Transformed GTM model optimized for next gen offerings



Talent aligned to post GenAI business model



Leader in sustainability and DE&I



Resilient business model with attractive stable financial results



Management team and next level leadership in place to drive sustainable attractive returns

Our vision post 2026

2023-2026

2026 - onwards

Recover Rebound Refocus

- Redefined portfolio
- Margin expansion
- Rearchitected Go-to-market
- Cash flow generation
- Talent upskilling

Platformization of portfolio

- From digital orchestrator to digital platform as a service
- Vertical and horizontal IP driving software revenues
- Subscription-based services
- Next gen offerings power GenAI scaling

+

Opportunistic approach to consolidation

- Integrating domain specific GenAI ecosystems
- Purpose-built cloud stack powering GenAI
- Consolidating European IT services players to drive growth and margin expansion



Thank you!

For more information, please contact:
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thomas.guillois@atos.net

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