

H1 2023 Results

Bezons,
July 28, 2023



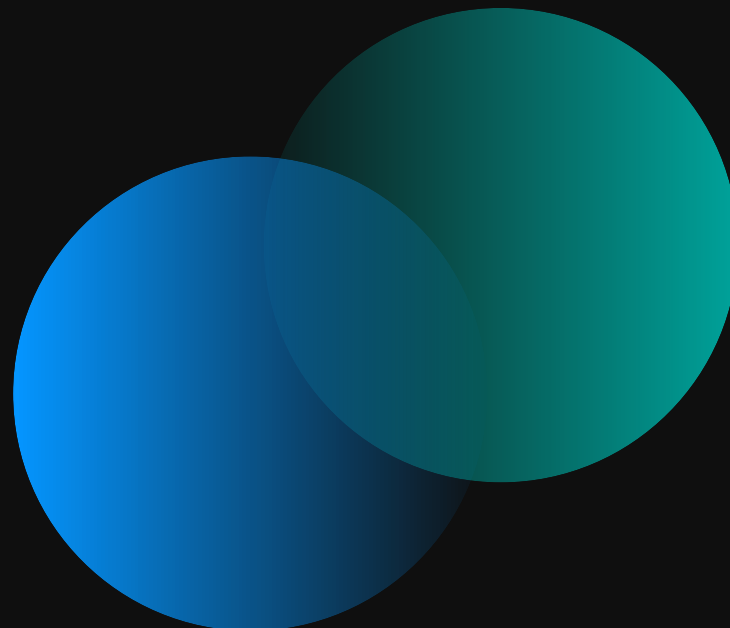
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Revenue organic growth is presented at constant scope and exchange rates.

Regional Business Units include Americas including North America (USA, Canada, Guatemala and Mexico) and South America (Argentina, Brazil, Chile, Colombia, Uruguay, and Peru), Northern Europe and APAC including Northern Europe (United Kingdom & Ireland, Belgium, Denmark, Estonia, Belarus, Finland, Luxembourg, The Netherlands and Sweden) and Asia-Pacific (Australia, China, Hong Kong, India, Japan, Malaysia, New Zealand, Philippines, Singapore, Taiwan, and Thailand), Central Europe (Germany, Austria, Bulgaria, Bosnia, Croatia, Czech Republic, Greece, Hungary, Israel, Poland, Romania, Serbia, Slovenia, Slovakia, and Switzerland), Southern Europe (France, Andorra, Spain, Portugal, and Italy) and Rest of the World including Middle East & Africa (Algeria, Benin, Burkina Faso, Egypt, Gabon, Ivory Coast, Kenya, Kingdom of Saudi Arabia, Madagascar, Mali, Mauritius, Morocco, Qatar, Senegal, South Africa, Tunisia, Turkey and UAE), Major Events and Global Delivery Centers.



Today's presenters



Nouridine Bihmane

*Group CEO
Co-CEO, in charge of
Tech Foundations*



Diane Galbe

*Group SEVP in charge of
strategic projects and
support functions*



Philippe Oliva

*Co-CEO, in charge of the
Eviden perimeter*



Nathalie Sénéchault

*Group
Chief Financial Officer*

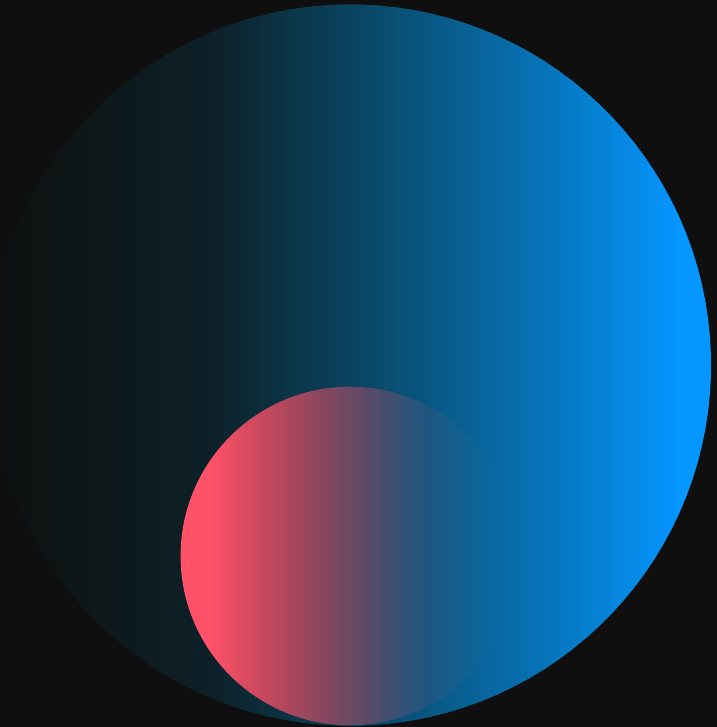
Agenda

1. H1 2023 Highlights
2. Progress in Strategic Transformation Project
3. H1 2023 Financial Results
4. Outlook
5. Q&A



01. H1 2023 Highlights

*Nourdine Bihmane
& Philippe Oliva*



H1 2023 highlights

Atos shows continued operational improvement with robust H1 results



Solid commercial traction in Q2 results in 112% book-to-bill



Robust organic revenue growth at +2.3% and **strong increase in operating margin** to 3.8%, tripling compared to H1 2022



Full-year revenue growth outlook upgraded, operating margin outlook confirmed



€-969m **free cash flow** in H1 and full-year amount expected broadly similar reflecting **high pace of major transformative actions** carried out throughout the year and **working capital normalization** as announced at June 2022 CMD



Major milestones in strategic transformation project achieved:
Successful completion of internal operational carve-out within 12-month timeframe;
€700m divestment program now fully secured and expanded by **an additional €400m**

Tech Foundations' Analyst Day takeaways

Clear path to value creation



Redefined portfolio

>40% higher Total Addressable Market with 3-5% 2022-2026 CAGR



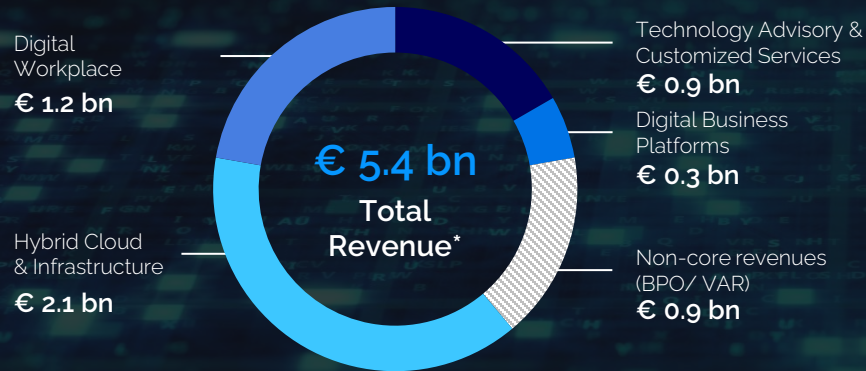
Pivoting to industry leading offerings

driving 0-2% p.a. core revenue growth in next 2 years, accelerating thereafter



Comprehensive transformation plan

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



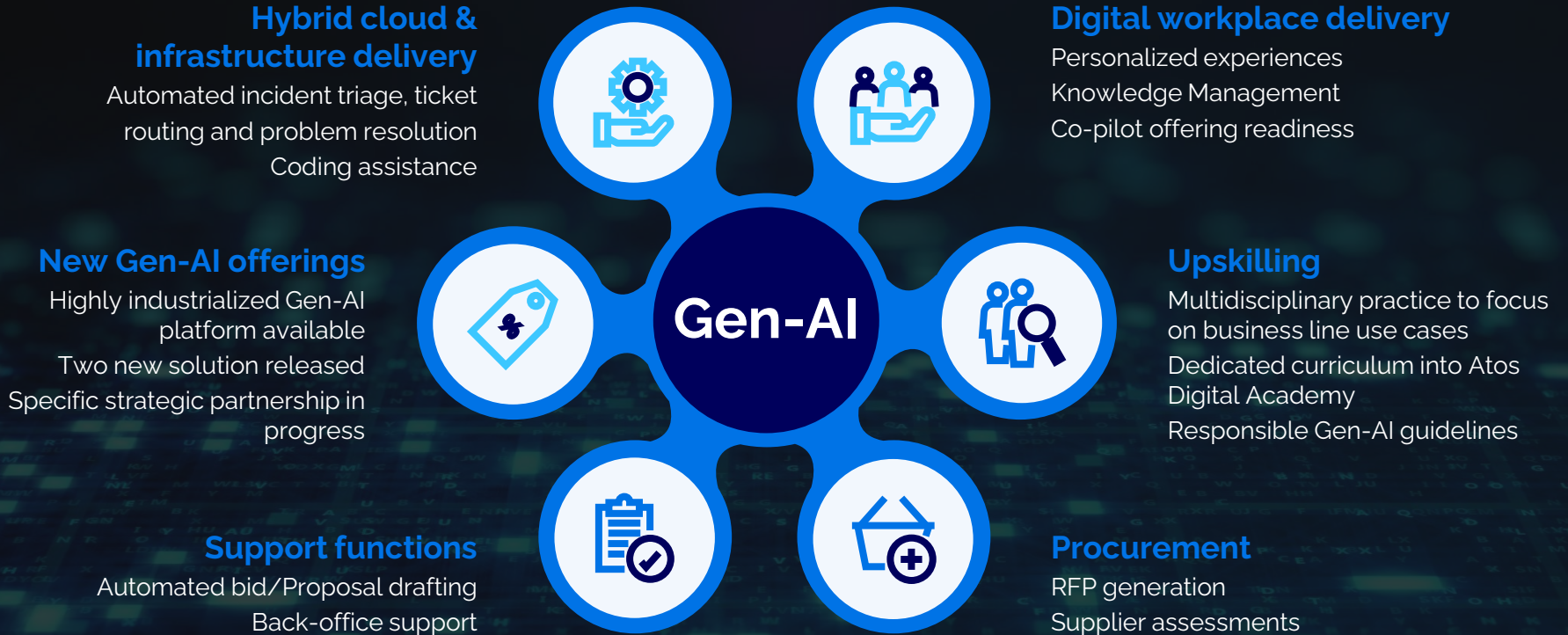
Upgraded mid-term ambitions

- ✓ 6-8% OM in 2026
- ✓ FCF¹ turning positive in 2025 and >€250m in 2026
- ✓ >€300m higher cumulative FCF¹ over 2022-2026 compared to previous plan

¹ Free Cash Flow before interest and tax

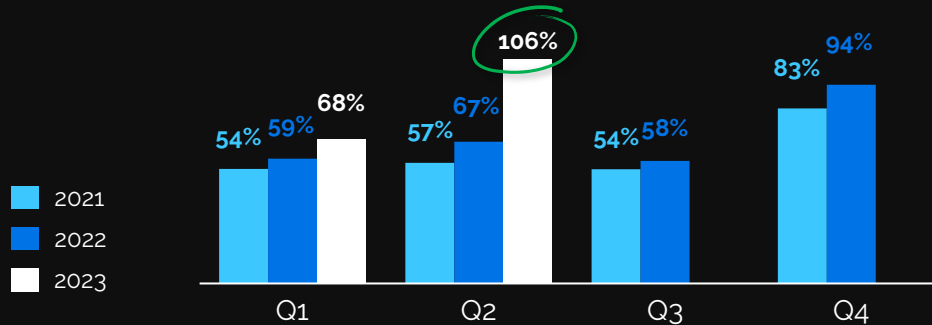
*In 2022, excluding UCC and Italian activities

Tech Foundations: embedding Gen-AI to enhance all aspects of our business



Tech Foundations: book-to-bill soars to 106% in Q2

Reaping the benefits of refocused go-to-market strategy



- ✓ Successful fertilization of top 100 accounts
- ✓ Strong revenue retention
- ✓ Improved traction in the US

Q2 main wins

US leading entertainment company

5-year extension of DWP contract with one of the largest entertainment companies worldwide for management of 80k laptops/ desktops



Atos Private Cloud and Mainframe-as-a-Service model selected to deliver adaptive, resilient, cost-effective, and secure services to over 35 state agencies



3-year contract renewal to continue modernization and delivery of Digital Workplace services to 3,500 associates and >25,000 dealers across the UK and Europe



Contract extension after 15 years of successful collaboration with the European Commission DIGIT to accelerate IT transformation projects

Tech Foundations: continued strong execution delivers robust H1 performance

€2,923 m

H1 2023 revenue

-1.6%

H1 organic revenue growth

-0.1% core revenue growth

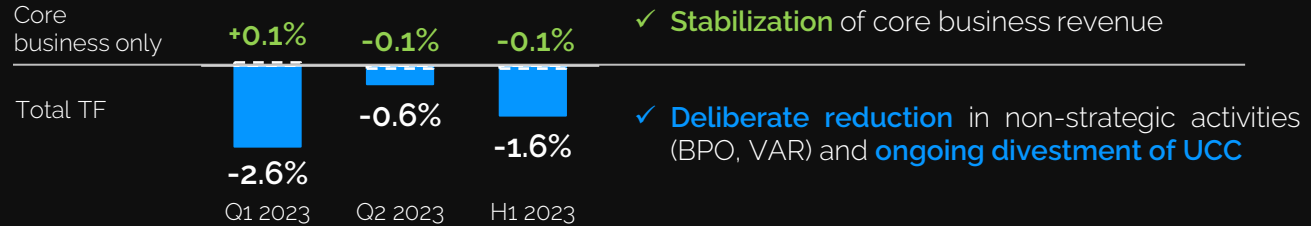
€73 m

H1 operating margin

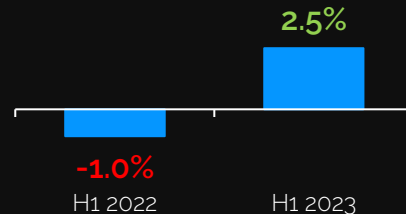
2.5% of revenue



Portfolio rationalization driving managed revenue decrease



Strong improvement in operating margin



✓ Delivering steadily on margin expansion plan: 32% of targeted €1.2bn gross benefits achieved

Eviden: expanding the possibilities of data and technology

EVIDEN

Unique sovereign capabilities and complementarities across service lines

Deep industry expertise enhanced by efficient delivery model and strong IP portfolio



Opening of 3 new Cloud Centers in India

Reinforcing end-to-end cloud offering (engineering, migration, operation) and offshore delivery capabilities



Launch of Alsaac Cyber Mesh

Cutting-edge cybersecurity detection and response solution powered by generative AI technologies, in partnership with AWS



New Campus and leading R&D center in Grenoble

New innovation center with 1,300 people capacity bringing expertise in artificial intelligence, decarbonization and high-performance computing



'Post-quantum ready' solutions for digital identity

Eviden's products (IDnomic PKI, Cryptovision Greenshield) to evolve and be adapted to quantum threats by year-end

Eviden: Building Gen-AI offerings from applications to orchestration, model factory and infrastructure

Helping our customers leverage the potential of Generative AI:

Gen-AI Business Value driven services and solutions

Local

Low latency, from supercomputers to dedicated edge



Public

Cloud services with Microsoft, Google, AWS...



Industry

Pre-Packaged industry-driven use cases



Code

Code accelerators to build, manage & optimize



Protection

Data protection of IP and business knowledge



Scalable, responsible, sovereign Gen-AI platforms & Cyber Security

Applying Generative AI to ourselves:

consulting and sales, marketing, development (Developer Assist), support (Knowledge Genie)...

Eviden: 119% book-to-bill in Q2, well-balanced between Digital and Big Data & Cybersecurity



119%
Q2 book-to-bill

- ✓ Continuous focus on smaller, **low-risk** contract
- ✓ 48% short-term bookings with **faster revenue yield**
- ✓ Main wins showcasing **differentiating factors** that set Eviden apart

✓ Highly synergistic portfolio

✓ Leading HPC manufacturer worldwide

✓ Sovereign cloud offering

✓ Deep expertise in selected industries

Coca-Cola Bottling Company: public cloud migration, data analytics, AI & machine learning, application development and cybersecurity

India Ministry of Earth Sciences: first major HPC contract outside Europe. Two new HPCs based on BullSequana XH2000 technology for weather modeling and climate research

European engineering & technology company: AI-as-a-Service offered through Eviden's Nimbix Portal. Key to Sovereign Cloud strategy and a blueprint for further AI offering developments.

Major US healthcare company: public cloud migration to MS Azure, combining application development and cybersecurity

Eviden: strong momentum in H1

€2,625 m

H1 2023 revenue

+7.0%

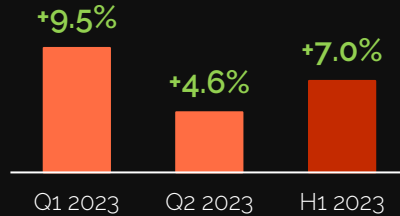
Organic revenue growth

5.3%

Operating margin



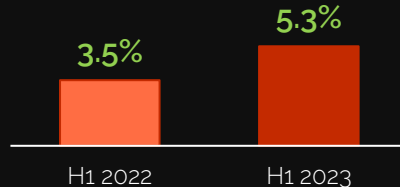
Continued strong organic revenue growth



- ✓ H1: strong growth in **Digital Security** and **Advanced Computing**
- ✓ **Digital's** growth significantly improved vs. H1 2022
- ✓ **Q2**: Fewer net working days and higher comparison basis (+270 bps vs. Q1)



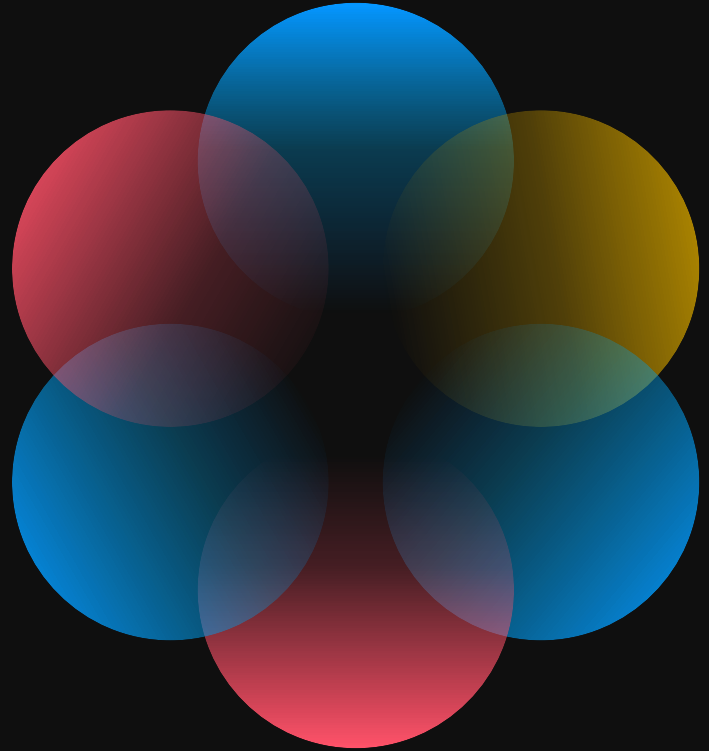
Improved operating margin



- ✓ Positive impacts from **transformation initiatives** despite continued cost inflation
- ✓ Higher volumes in Advanced Computing resulting in **better fixed costs absorption**

02. Progress in Strategic Transformation project

Diane Galbe



Internal operational carve-out completed within 12-month timeframe

July 2023: local carve-outs successfully executed in **all geographies** ...



Covering
99.7%
of Group
revenue

... across **all key separation activities**

Customers & Suppliers

Employees

Tax & Legal Structuring

Operations & IT

Change & Communications

** Except 3 countries representing 0.3% of Group revenue*

Tech Foundations and **Eviden** are now fully operational as separate entities within the Atos Group

Atos

Tech Foundations

Eviden

Distinct operating models
Distinct portfolios
Distinct go-to-market strategies

Focused, client-centric organizations
fostering consistent value delivery

Non-core businesses divestment program fully secured

Streamlining portfolio and contributing to financing our transformation

€700m
proceeds secured
within 12 months

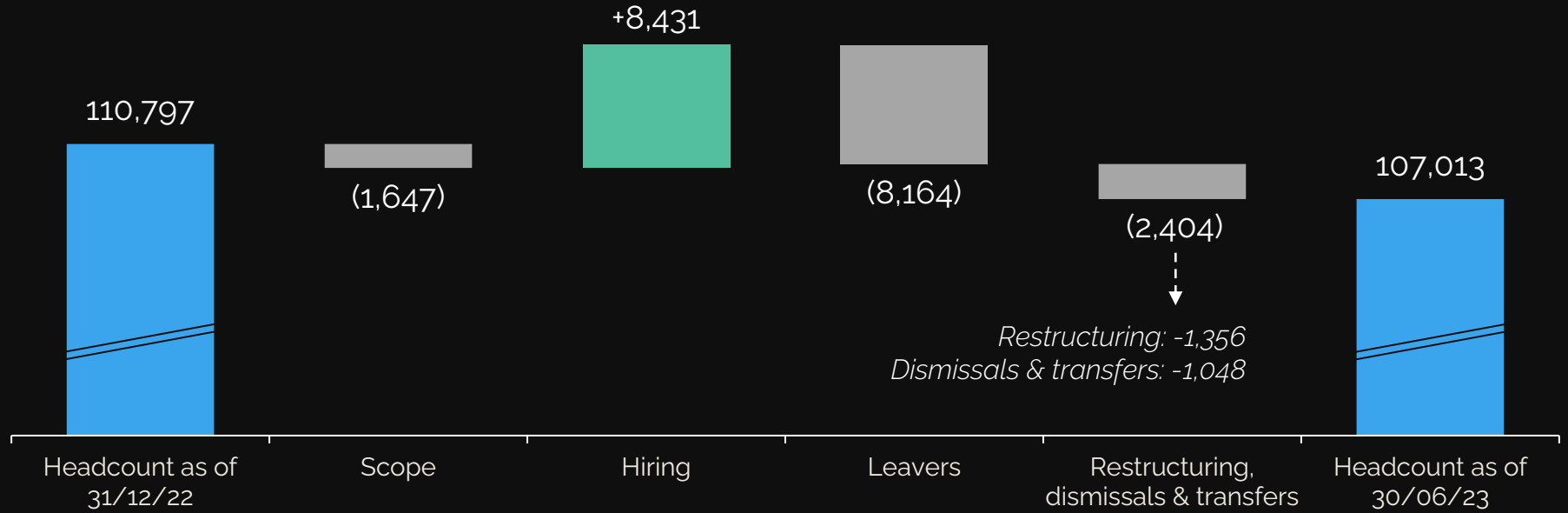
Expanded by an additional
€400m

Transaction	Signed	Status
Worldline stake	June 2022	Closed
EGSE	Sept. 2022	Closed
Sislog	Oct. 2022	Closed
Atos Italia	Nov. 2022	Closed
UCC*	Jan. 2023	Closing expected in H2 23
Ecoact*	July 2023	Closing expected in H2 23

** Transactions are subject to the consultation of relevant employee representative bodies and other customary regulatory approvals*

Divestment program representing 4% of Eviden 2022 revenue and 11% of Tech Foundations 2022 revenue

Headcount evolution

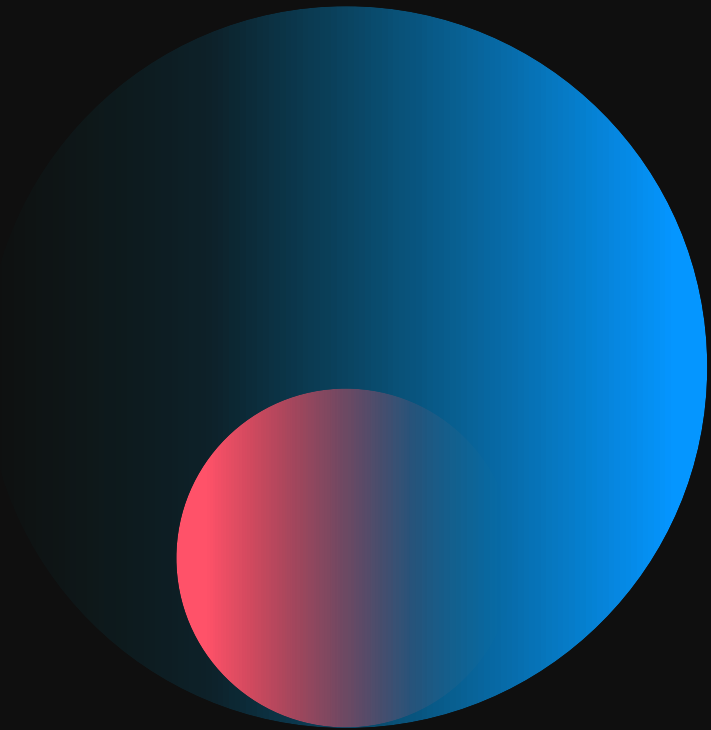


61 Great Place to Work certification achieved in 44 countries

15% attrition in Q2
(18% LTM)

03. H1 2023 Financial Results

Nathalie Sénéchault



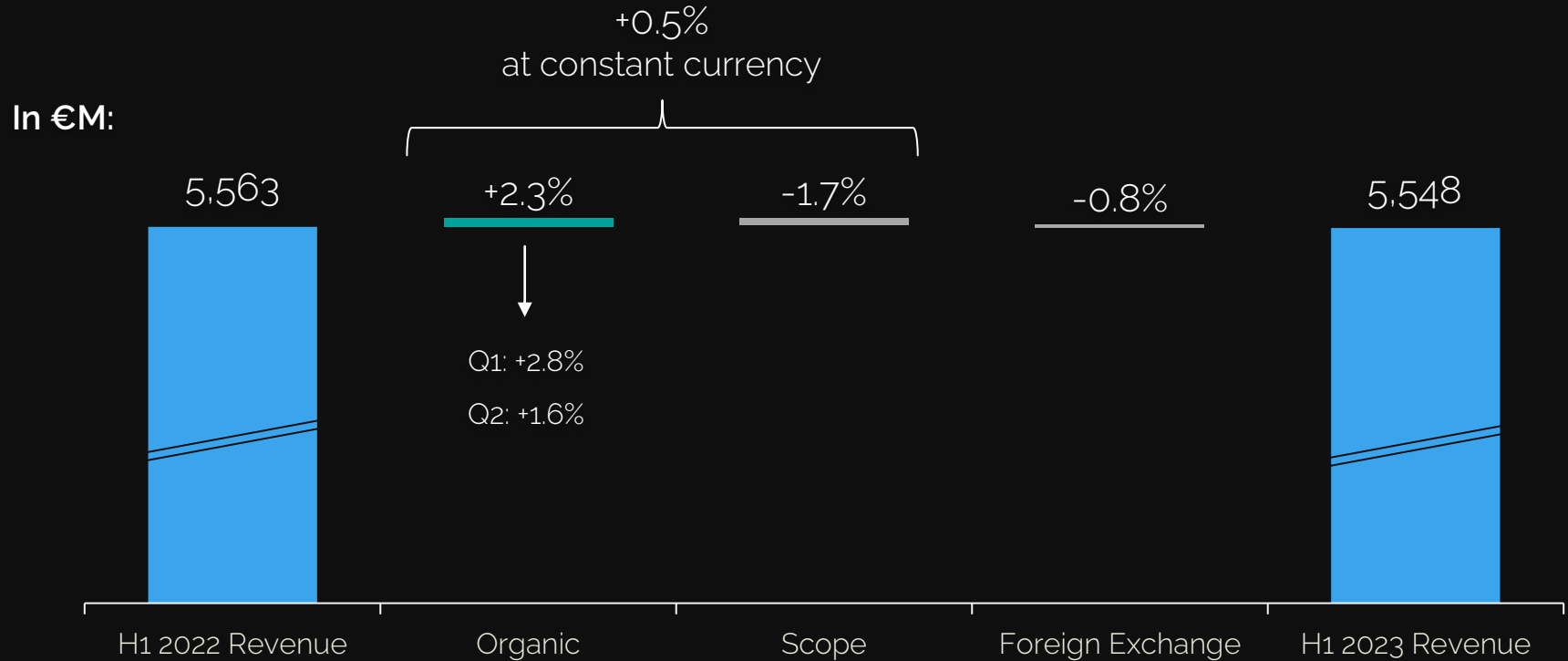
H1 2023

Financial overview

€M	H1 2023	H1 2022	Variation
Revenue	5,548	5,563	-0.3%
Operating Margin	212	59	+259%
<i>In % of revenue</i>	3.8%	1.1%	+270 bps
OMDA	487	369	+32.0%
<i>In % of revenue</i>	8.8%	6.6%	+220 bps
Normalized Net income	-113	-119	
Net income	-600	-503	
Free Cash Flow	-969	-555	
Net debt	2,321	1,792	

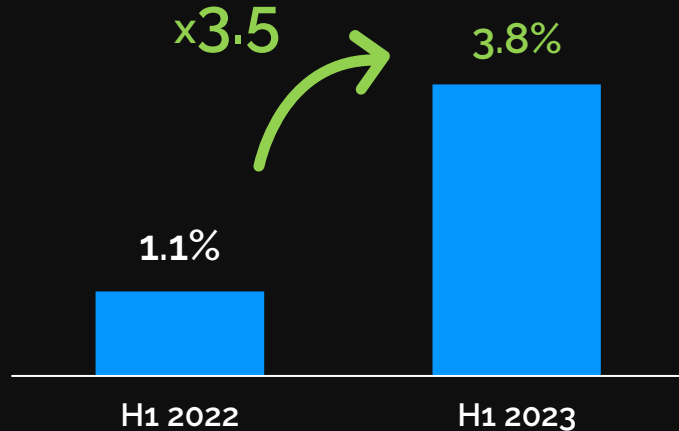
H1 2023 revenue bridge

Robust organic growth



H1 2023 operating margin

Tripling compared to H1 2022



Improvement driven by both perimeters:

Tech Foundations

- ✓ Steady delivery on margin expansion plan with 32% of targeted €1,2bn gross benefits achieved (€230m gross increment in TF's operating margin in H1)
- ✓ Partly offset by cost inflation, backfills and revenue decrease

Eviden

- ✓ Cost-take-out actions
- ✓ Portfolio rationalization
- ✓ Higher volumes in Advanced Computing resulting in better fixed costs absorption

Operating margin to Net income

€M	H1 2023	H1 2022
Operating margin	212	59
Reorganization, Rationalization, Integration costs	-464	-124
Amortization of intangible assets	-60	-67
Equity based compensation	-14	-11
Impairment of goodwill and other non-current assets	-55	-91
Others	-53	-64
Operating income	-434	-298
Net financial expenses	-103	-129
Tax charge	-65	-77
Share of net profit (loss) of equity-accounted investments	2	-
Net income – Group share	-600	-503

→ Transformation costs including:

- Accrual of new plan in Germany;
- Costs associated with internal carve out finalized in July 2023

→ Includes legal costs and impact of vendor contract renegotiation

→ Includes cost of net debt for €-40m vs. €-13m in H1 2022

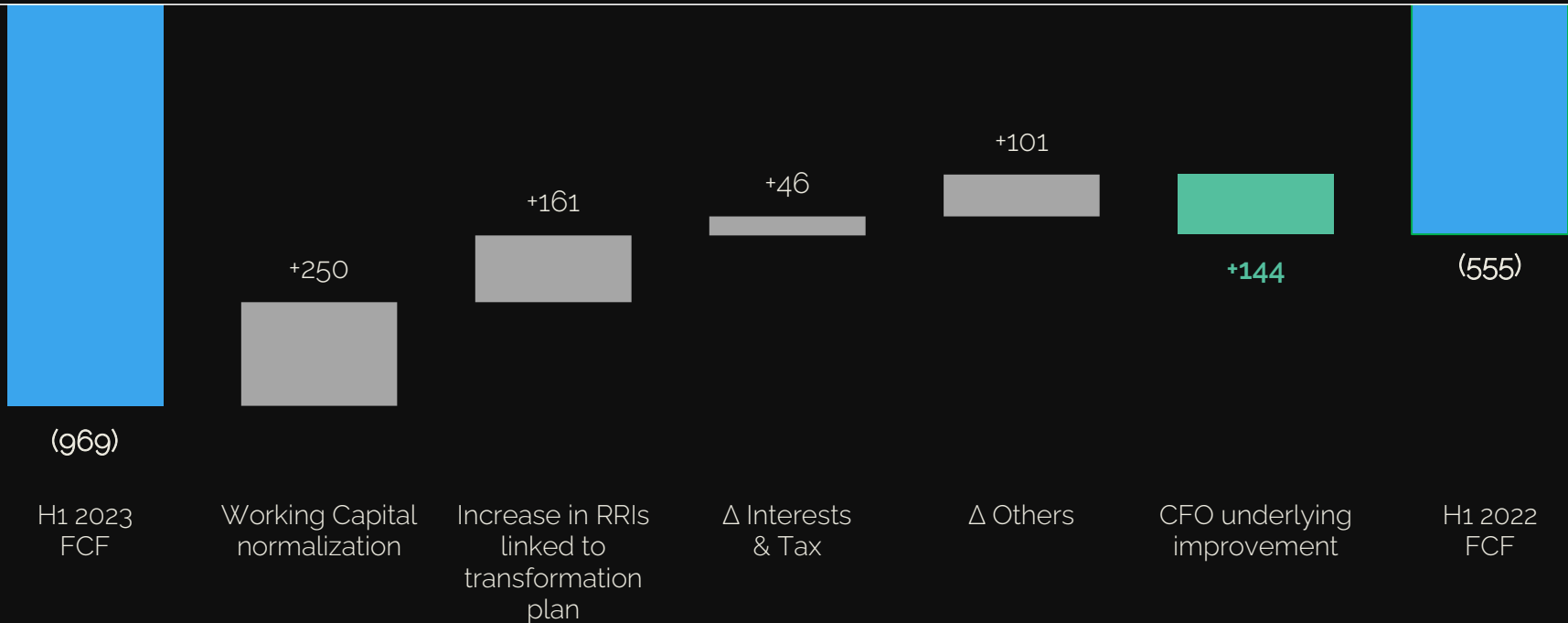
Cash Flow Statement

€M	H1 2023	H1 2022
Operating Margin	212	59
+ Depreciation of Right of Use and Fixed Assets	293	327
+ Net book value of assets sold/written off	2	5
+/- Net charge/(release) of provisions	-20	-21
Operating Margin before Depreciation & Amortization	487	369
Capital Expenditures	-110	-123
Lease payments	-181	-207
Change in working capital requirement	-645	-383
Cash flow from operations (CFO)	-450	-344
<i>Adjusted CFO - excluding working capital normalization</i>	<i>-200</i>	<i>-344</i>
Tax paid	-40	-21
Net cost of financial debt paid	-40	-13
Reorganization, Rationalization & Integration and acquisition costs	-274	-113
Other changes	-165	-64
Free cash flow	-969	-555

Free cash flow

Underlying improvement in cash from operations; planned ramp-up of transformation costs; WC normalization

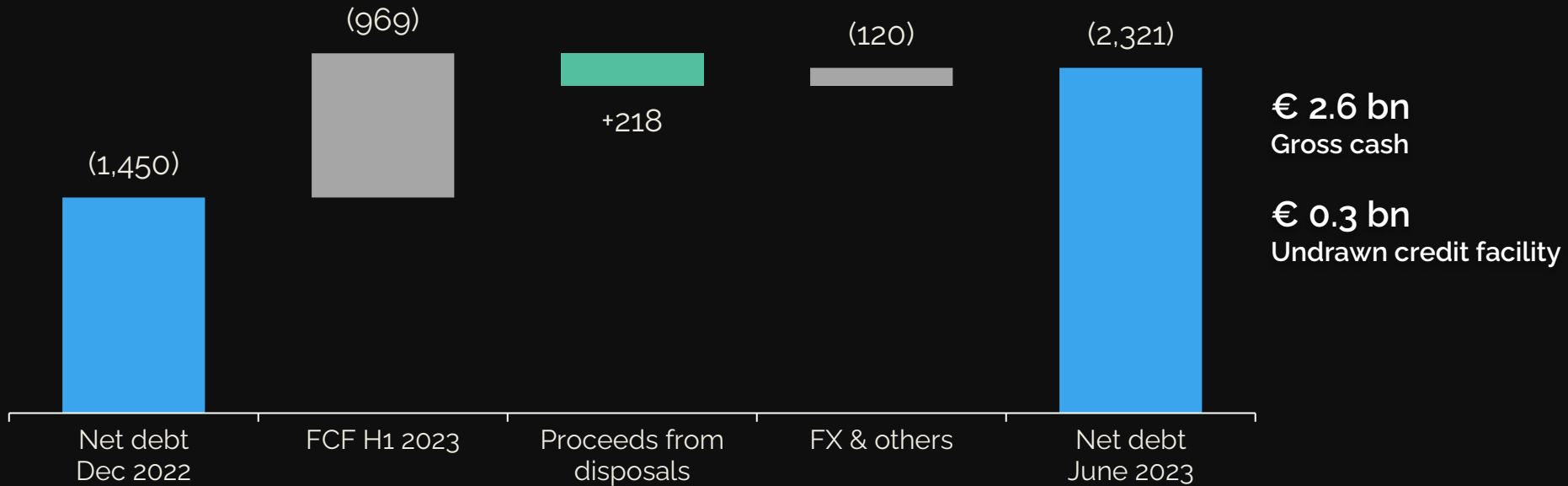
In €M:



H1 2023

Change in net debt

In €M:



04. Full year outlook

Nourdine Bihmane



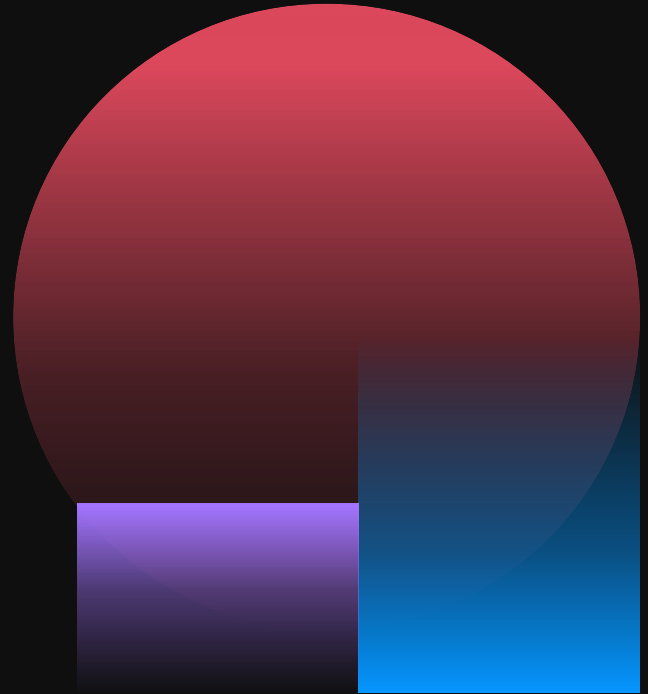
2023 full-year outlook

	Group	Eviden	Tech Foundations
Organic revenue growth	0.0% to +2.0% Previously -1.0% to +1.0%	Acceleration vs. 2022	Managed decrease Core stabilization Portfolio rationalization
	<i>+0.1% in 2022</i>	<i>+2.0% in 2022</i>	<i>-1.6% in 2022</i>
Operating margin* (% of revenue)	4% to 5%	Improvement vs. 2022	Positive territory
	<i>3.1% in 2022</i>	<i>5.2% in 2022</i>	<i>1.3% in 2022</i>
Free Cash Flow	FY broadly similar to H1		
	<i>€-969m in H1 2023</i>		

* Including Ecoact and UCC activities (divestment expected to close in H2 2023)



05. Q&A



Thank you!

For more information please contact:
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