

---

# **Bond investor presentation**

June 2015

-

Strictly private and highly confidential

---

- ▶ This document does not contain or constitute an offer of securities for sale or an invitation or inducement to invest in securities in France, the United States or any other jurisdiction.
- ▶ This document has been prepared for the sole purpose of the use at meetings with prospective investors to be held in connection with the private placement of bonds by Atos. Participants to the meeting should read publicly available information regarding Atos and the Group, including the 2014 Reference Document filed with the Autorité des marchés financiers (AMF) on April 1, 2015 under the registration number: D15-0277 and the Prospectus that is expected to receive the AMF's visa prior to the issuance of the bonds.
- ▶ Investors' attention is drawn to the risk factors set out in the Reference Document and to be described in the section "Risk factors" of the Prospectus which has been submitted to the AMF. Investment decisions should be made solely on the basis of the full prospectus that will be the subject of a visa by the AMF.
- ▶ This document contains forward-looking statements that involve risks and uncertainties concerning the Group's expected growth and profitability in the future. Actual events or results may differ from those described in this document due to a number of risks and uncertainties that are described. No one should therefore unduly rely on these forward-looking statements as they reflect only the judgment of Atos' management at the date of this presentation and are not intended to give any assurances or comfort as to future results. Other than as required by applicable law, Atos does not undertake any obligation to update or revise any forward-looking information or statements.
- ▶ 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, Switzerland and Turkey), Iberia (Spain, Portugal, and Andorra), Asia-Pacific (Australia, China, Hong Kong, Indonesia, Japan, Malaysia, New Zealand, Philippines, Singapore, Taiwan and Thailand), Latin America (Brazil, Argentina, Mexico, Colombia, Chile and Uruguay), India, Middle East & Africa (IMEA: Algeria, Benin, Burkina Faso, Egypt, Gabon, India, Ivory Coast, Lebanon, Madagascar, Mali, Mauritius, Morocco, Qatar, Saudi Arabia, Senegal, South Africa and UAE), Major Events, and Cloud & Enterprise Software.

# Atos key strengths

**Bond investors  
presentation**

June 2015

- 1** Leading market position in Europe in digital services
- 2** Ability to serve clients worldwide
- 3** Strong visibility on future revenue
- 4** Enhanced offerings, further scaled with Bull and Xerox ITO
- 5** Track record of M&A value creation and integration
- 6** Conservative financial policy, backed by a sustained net cash position

# Agenda

---

## Bond investors presentation

June 2015

1. Atos ID card
2. Business strategy
3. Financial performance
4. Key Credit highlights
5. Q&A session

## **ATOS ID CARD**

# A strong and experienced Management team

## Bond investors presentation

June 2015

**Thierry Breton**  
Chairman and CEO



A former French Minister of Economy, Finance and Industry, Thierry Breton was Chairman and CEO of France Telecom, the second largest European telecom operator and Chairman and CEO of Thomson. He also served as Executive Managing Director and Vice Chairman of the IT group Bull. Thierry Breton was a Professor at Harvard Business School, teaching leadership and corporate governance. He is a holder of the prestigious award of Officier de la Légion d'Honneur and Commandeur de l'Ordre National du Mérite.

**Charles Dehelly**  
SEVP  
GMC\* Member



Charles Dehelly began his career at the Thomson Group where in 1981 he was CEO of Home Appliance divisions and later CEO of the Television division. Joining the Bull Group in 1992 as Group Chief Operating Officer, he returned to Thomson in 1998 as Chief Operating Officer then as Chief Executive Officer. In 2004 he became CEO of the Equant Group, then CEO of the Arjowiggins Group.

**Michel-Alain Proch**  
SEVP  
GMC\* Member



Michel-Alain Proch started his career at Deloitte Paris in 1991 and then in London. Moving to Hermès in 1998 as Director of Internal Audit, he was appointed in 2002 Chief Financial Officer for the Americas, based in NY. He joined Atos as Senior Vice President Internal Audit & Risk Management before being appointed Executive Vice President and Group CFO in 2007 and supervising IT & Processes, Real Estate, Pensions, Operational Risk Management, Bidding Control and Security. In 2015 he was promoted Senior Executive Vice President.

**Gilles Grapinet**  
SEVP  
Worldline CEO  
GMC\* Member



Gilles Grapinet's previous roles include in 1992 financial auditor, Head of Strategy & Information Systems of the French tax directorate, Director of the nationwide Copernicus program for IT transformation of the tax administrations and in 2007 Executive Committee member at Credit Agricole SA, in charge of Payment systems & Services. From 2003 to 2007, he served as advisor for Economic & Financial Affairs to the French Prime Minister and as Chief of Staff for two French Ministers of Economy and Finance.

**Elie Girard**  
EVP  
Group CFO






Elie Girard began his career in 2001 at Andersen, then joined in 2002 the Ministry of the Economy, Finance & Industry in the Treasury Department. Between 2004 and 2007, he worked for the Office of Thierry Breton, the Minister for the Economy, Finance & Industry in France. He joined Orange in 2007 and was appointed Chief of Staff to the Chairman and Chief Executive Officer. Since September 2010, he was EVP in charge of Strategy & Development of the Orange Group. He joined Atos in 2014 as Deputy CFO of Atos Group and was appointed Group CFO in 2015.

\* **GMC:** General Management Committee, led by Atos Chairman & CEO

# Atos' journey over the last 6 years

**Bond investors  
presentation**  
June 2015


	 <i>in 2008*</i>	 <i>in 2014*</i>	
<b>Revenue</b>	<b>€5.6bn</b>	<b>€9.1bn</b>	<b>+65%</b>
<b>Operating margin</b>	<b>4.7%</b>	<b>7.8%</b>	<b>+310bps</b>
<b>Headcount</b>	<b>51,000</b>	<b>86,000</b>	<b>+68%</b>
<b>Net cash / (debt)</b>	<b>(€304m)</b>	<b>€989m</b>	<b>+€1,294m</b>
<b>Free cash flow</b>	<b>(€52m)</b>	<b>€367m</b>	<b>+€419m</b>
<b>Market cap</b>	<b>€1.2bn</b>	<b>€6.7bn</b>	<b>x5.6</b>





\* statutory figures

# Atos addresses clients' needs and market trends within 2 sub-groups

**Bond investors presentation**

June 2015

<h2>IT Services</h2> <p>c. €8.8bn 88%</p>	<h3>Managed Services &amp; BPO</h3> <ul style="list-style-type: none"> <li>▶ Workplace Services</li> <li>▶ Application Operations</li> <li>▶ Project Services</li> <li>▶ Managed Infrastructure Solutions</li> <li>▶ Network and Communications</li> <li>▶ Business Process Outsourcing</li> </ul>	<h3>Consulting &amp; Systems Integration</h3> <ul style="list-style-type: none"> <li>▶ Consulting &amp; Technology Services</li> <li>▶ ERP Implementation &amp; Integration</li> <li>▶ Solutions design, development, testing &amp; deployment</li> <li>▶ Application Management</li> </ul>	<h3>Big Data &amp; Cyber-security</h3> <ul style="list-style-type: none"> <li>▶ Data analytics</li> <li>▶ High Performance Computing</li> <li>▶ Cyber-security</li> <li>▶ Securization of the command systems</li> </ul>
			

 <p>c. €1.1bn 12%</p>	 <h3>Merchant Services and Terminals</h3> <ul style="list-style-type: none"> <li>▶ Commercial Acquiring</li> <li>▶ Online Services</li> <li>▶ Private Label Cards &amp; Loyalty services</li> <li>▶ Terminals</li> </ul>	 <h3>Financial Processing and Software Licensing</h3> <ul style="list-style-type: none"> <li>▶ Issuing Processing</li> <li>▶ Acquiring Processing</li> <li>▶ Online Banking</li> <li>▶ Software Licensing</li> </ul>	 <h3>Mobility and e-Transactional Services</h3> <ul style="list-style-type: none"> <li>▶ e-Consumer &amp; Mobility</li> <li>▶ e-Ticketing</li> <li>▶ e-Government Collection</li> </ul>
---	--	---	---

Based on FY 2014 statutory revenue (4 months of Bull contribution)



# An integrated global leader in Digital Services ...

**Bond investors presentation**

June 2015

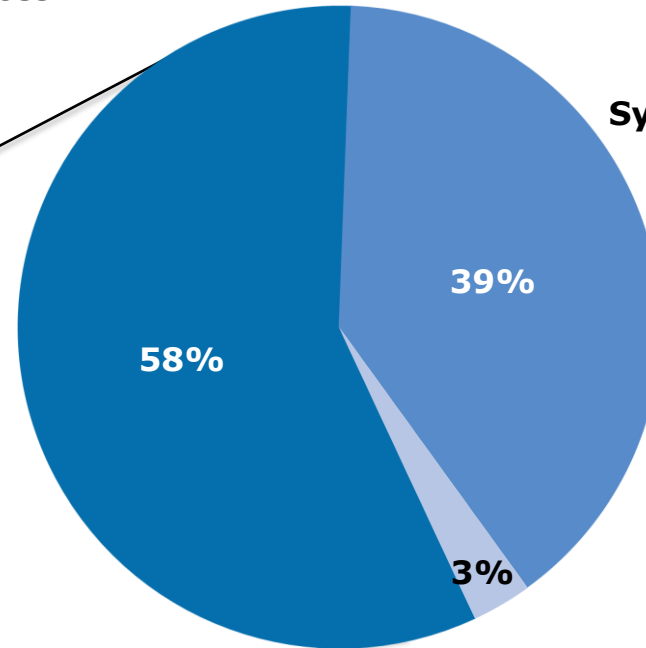
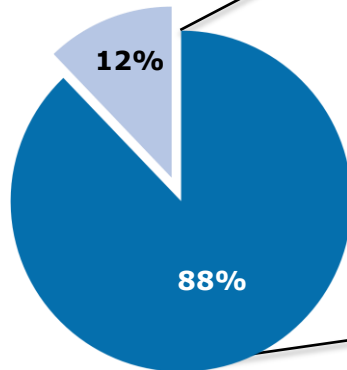
**€ 9.7 billion 2014 pro forma revenue\***

## Managed Services

€ 4.6 billion

#1 European  
in Europe

**worldline**  
e-payment services  
€ 1.1 billion  
One of Europe's leading  
providers of electronic payment  
and transactional service



## Consulting & Systems Integration

€ 3.1 billion

Leading service  
provider

**Big Data & security**  
€ 0.2 billion (4 months only)  
Trusted operator for enterprise data

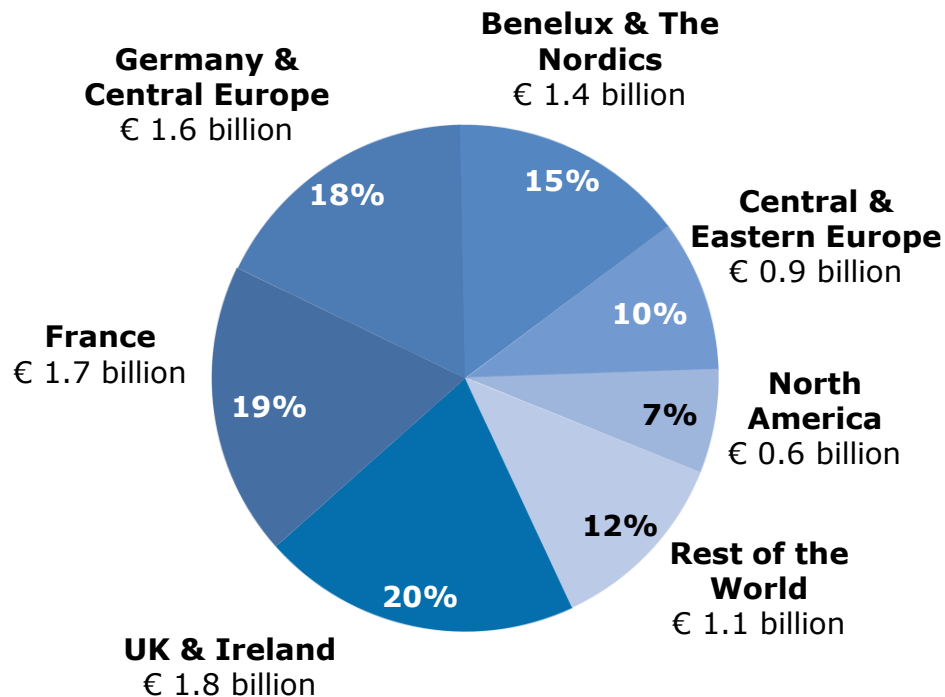
\* pro forma revenue including 12 months of Bull contribution. Pie charts based on FY 2014 statutory revenue (4 months of Bull contribution)

# ...with a diversified income base...

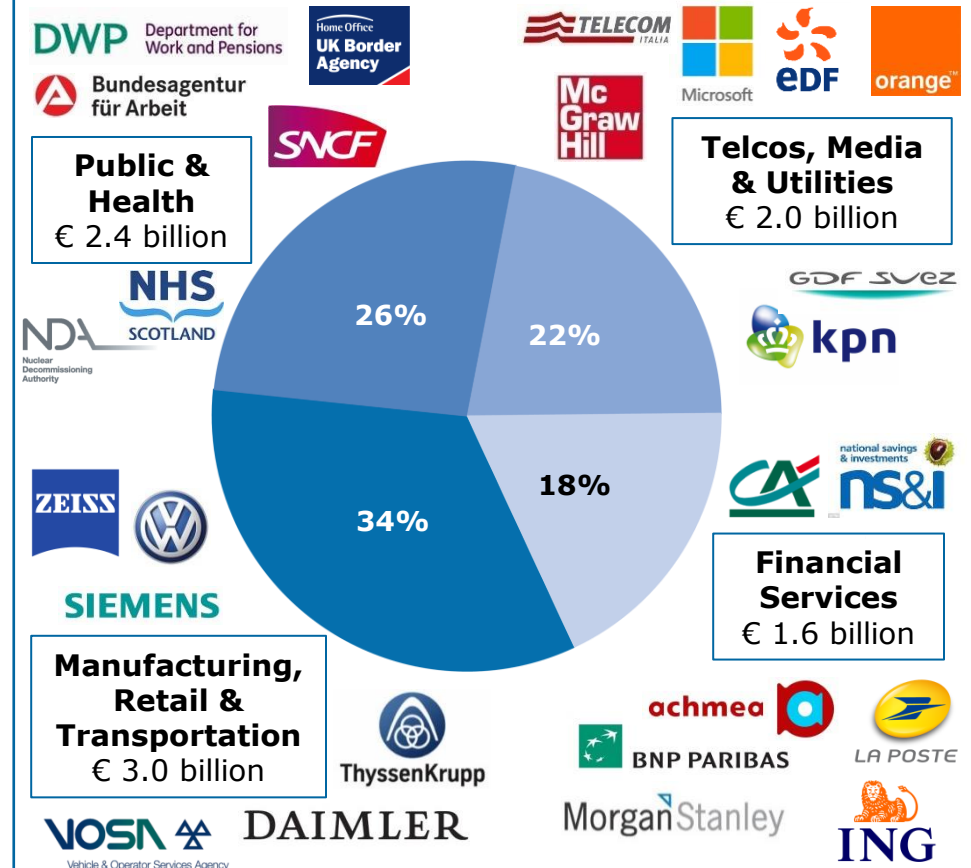
## Bond investors presentation

June 2015

### 2014 revenue by geography



### 2014 revenue by vertical



Based on FY 2014 statutory revenue (4 months of Bull contribution)

Your business technologists. Powering progress

# ...and a strong visibility on future revenue

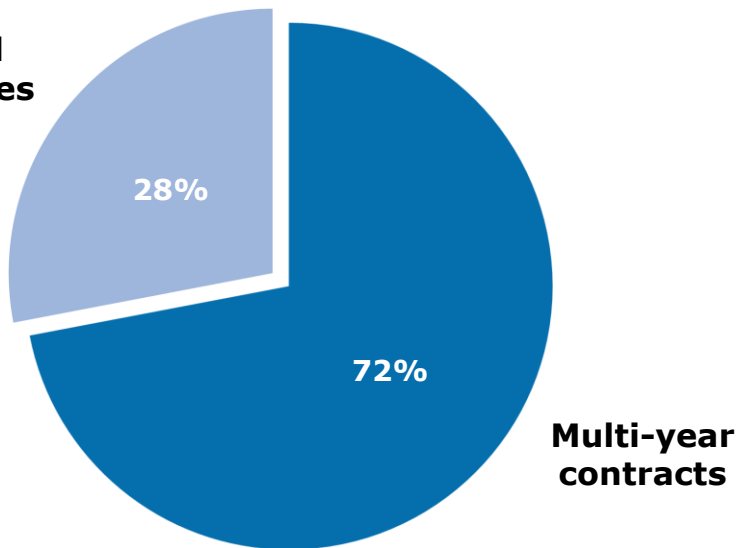
## Bond investors presentation

June 2015

### Large part of recurring revenue deriving from multi-year contracts

- ▶ Managed Services, Worldline, Application Management, and Atos Worldgrid multi-year contracts

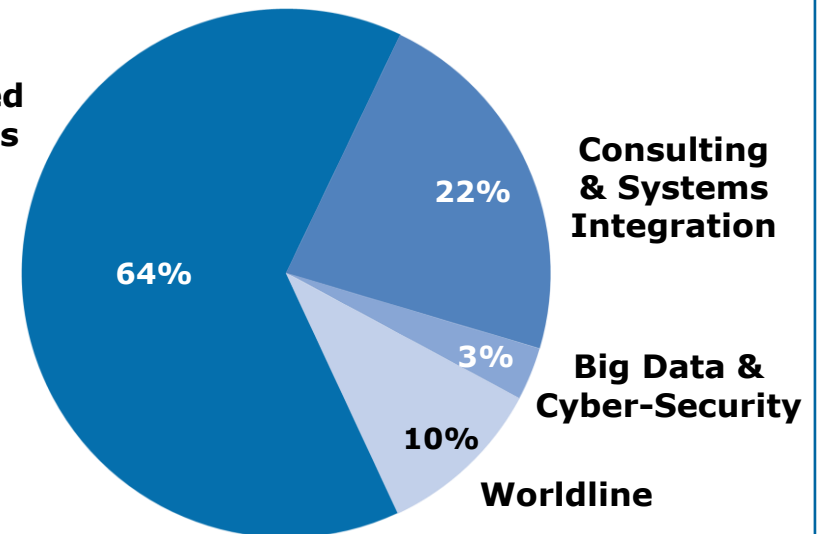
**Cyclical businesses**



### Backlog: Strong visibility

- ▶ Full backlog at € 16.2 billion at the end of 2014, representing 1.7 years of revenue\*

**Managed Services**



**Healthy qualified pipeline at € 5.5 billion representing 6.8 months of revenue\***

\* 2014 pro forma revenue including 12 months of Bull contribution. Pie charts based on FY 2014 statutory revenue (4 months of Bull contribution)

# Atos presence worldwide

## Complementary workforce with Xerox ITO expanding Atos footprint in the US

## Bond investors presentation

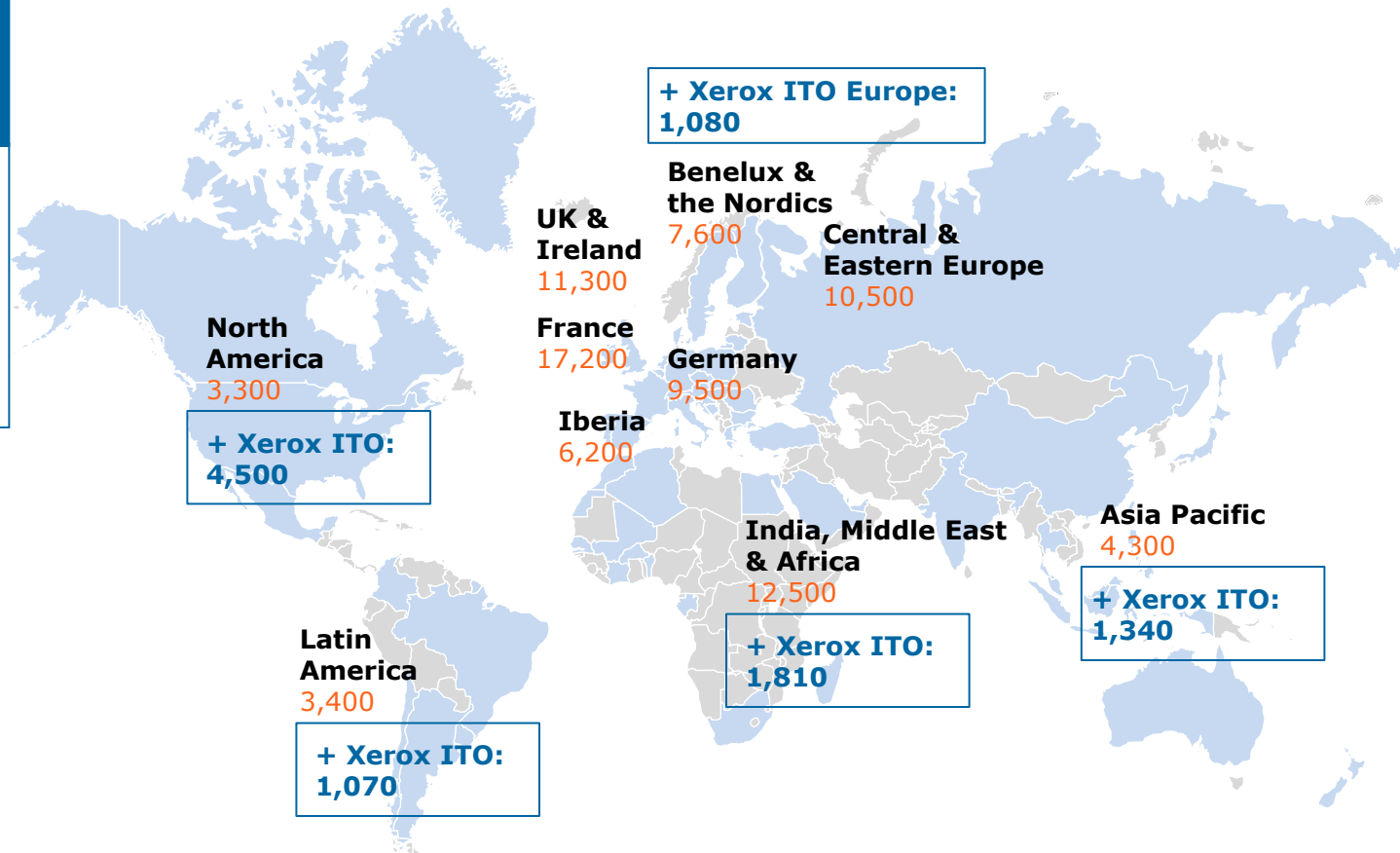
June 2015

### Xerox ITO's workforce distribution enhances Atos' offshore strategy

- ▶ Circa 50% of Xerox ITO's employees based in low cost countries
- ▶ Highly complementary footprint to Atos'

**Atos:**  
86,000 Business technologists in 66 countries

**+ Xerox ITO:**  
9,800 FTE out of which 5,600 from Americas and 4,200 from low cost countries



Headcounts as of end of December. Xerox ITO headcounts estimated during due diligence procedures as of end of June 2014

# A world of global partnerships

Solid and long-term strategic partnerships with technology leaders

Bond investors presentation

June 2015

## Atos partnerships ecosystem



Enhanced Alliance  
1500+ certified experts



5,000+ implementations  
1 million end-users supported  
10,000 experts



1000+ certified experts



Microsoft  
GOLD CERTIFIED Partner  
5,700+ certified experts



Global partnership

Create business

Improve win-rate

Improve innovation

Improve profitability

# Atos and the International Olympic Committee

## Trusted IT provider for Olympic Games

Bond investors  
presentation

June 2015



already extended  
to **2024**

# **BUSINESS STRATEGY**

# Atos roadmap from 2014 to 2016

## Goals & levers

**Bond investors  
presentation**  
June 2015





# 4 optimized Service Lines...

Bond investors presentation

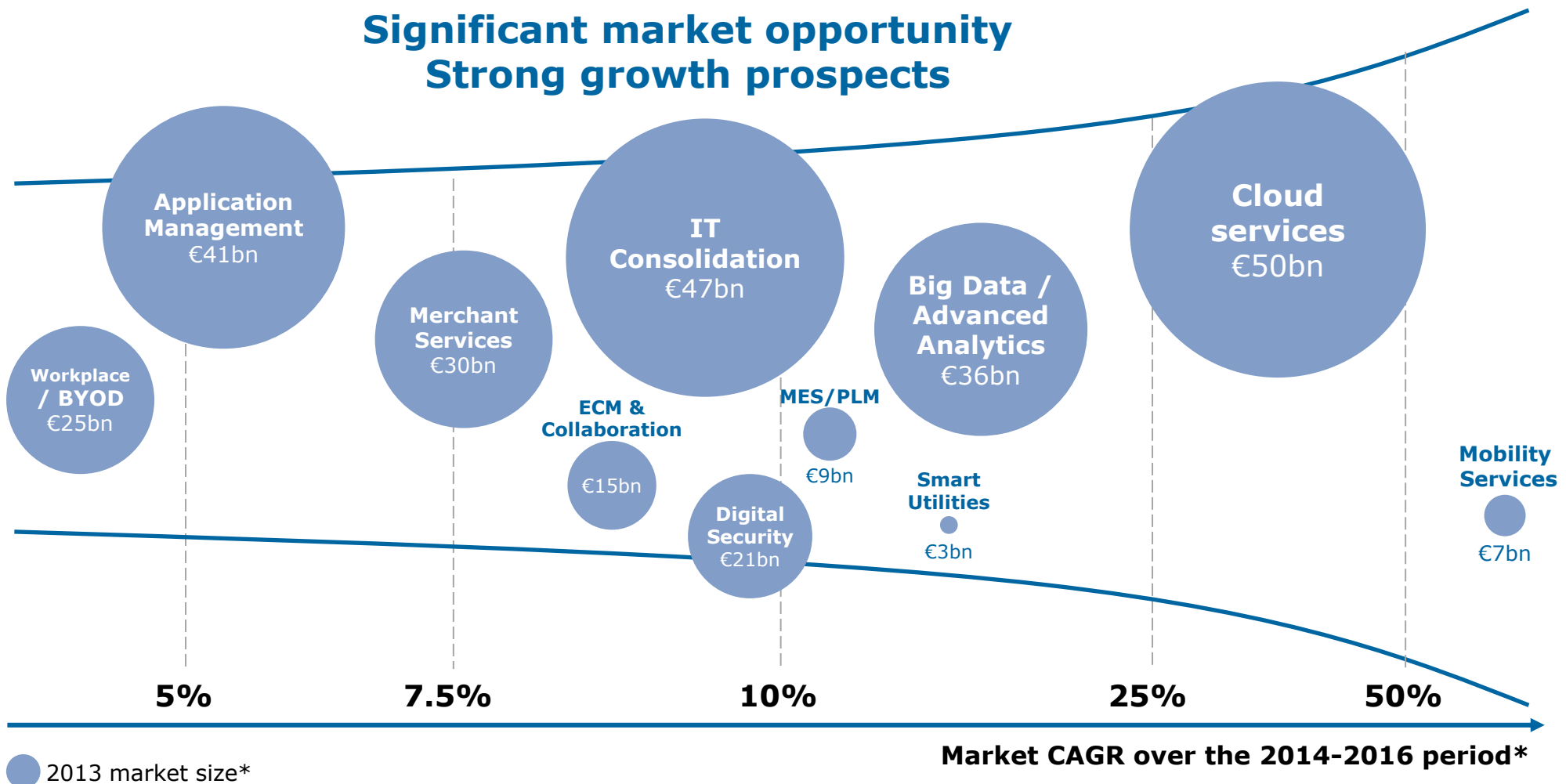
June 2015

Managed Services	Consulting & Systems Integration	Big Data & Cyber-Security	Worldline
<p><b>1</b> Enhance higher value services: e.g. Service Integrator, Vertical Offerings, Project Services</p>	<p><b>1</b> Offshore trajectory from 33% to &gt;50% of staff and continued industrialization of processes (end-to-end)</p>	<p><b>1</b> Vertical integration on Big Data: combination of Atos large customer base and Bull expertise</p>	<p><b>1</b> Take advantage of the massive change in the European payment industry</p>
<p><b>2</b> Leverage on Canopy unique level of standardization and Enterprise grade Cloud security vs competitors</p>	<p><b>2</b> Verticalization and further globalization of Practices powered by new account management structure</p>	<p><b>2</b> Roll-out opportunity outside of Europe of new offering provided by Bull</p>	<p><b>2</b> Maintain position as one of the leaders in Europe to further extend globally</p>
<p><b>3</b> Addressing price pressure though industrialization, Lean, automation, and customer satisfaction</p>	<p><b>3</b> Differentiating offerings to capture customer demand in high growth and higher value segments</p>	<p><b>3</b> Increase in scale and broadening of the Cyber-security offer to better position the business unit</p>	<p><b>3</b> Fully capture the digital payment market growth potential</p>

# ...to address highly attractive market segments

**Bond investors presentation**  
June 2015

**Significant market opportunity**  
**Strong growth prospects**



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

# Recent strategic achievements...

## Bond investors presentation

June 2015

May 2014

### Bull acquisition

- ▶ Successful cash public offer for a total consideration of € 694 million (of which €-91 million of Bull net debt consolidated)
- ▶ Increased leadership in Managed Services, France, and Big Data & Cyber-security
- ▶ € 80 million of annual cost synergies expected after 24 months:
  - Accelerate "1Bull plan"
  - Synergies on SG&A
  - Synergies on procurement and real estate

June 2014

### Worldline IPO

- ▶ IPO of Atos' payments and merchants transactional activities
- ▶ Introduction price of € 16.40 per share representing a market capitalization of € 2.2 billion
- ▶ Final size of the offering € 639 million
- ▶ Worldline raised € 255 million
- ▶ € 384 million of shares sold by Atos SE

December 2014

### Xerox ITO acquisition

- ▶ \$ 950 million plus an additional consideration of \$ 50 million
- ▶ Almost triple revenue in the US, which will represent the largest geography of Atos
- ▶ Atos and Xerox to jointly collaborate worldwide
- ▶ Accretive on Atos EPS by c. 10% as early as first year
- ▶ Significant revenue and cost synergies

# ...matching all the objectives of Ambition 2016 three-year plan

**Bond investors  
presentation**

June 2015

	<b>Bull</b>	<b>Worldline</b>	<b>Xerox ITO</b>
▶ <b>Expand Atos foothold in the US</b>			✓
▶ Anchor Atos global <b>leadership in Managed Services</b>	✓		✓
▶ <b>Increasing Cloud position</b>	✓		✓
▶ Reinforce <b>growth and profitability in Systems Integration</b>	✓		
▶ Grow through <b>customer focus, new offerings &amp; partnerships</b>	✓		✓
▶ Provide <b>strategic flexibility</b> to <b>Worldline</b> to anchor its <b>leadership in Payments</b>		✓	

# 2014 highlights and 2015 priorities

Bond investors  
presentation  
June 2015

## 2014: a year of accelerated transformation



Sales  
reorganization



Solid financial  
structure

## Top priorities for 2015:

1

Boost revenue  
with our clients through  
innovation, partnerships  
and state-of-the-art  
technologies

2

Consolidate  
and develop Atos  
platform in the US

3

Strategic  
development  
of Worldline

→ 3-year plan **2016 Ambition** well on track

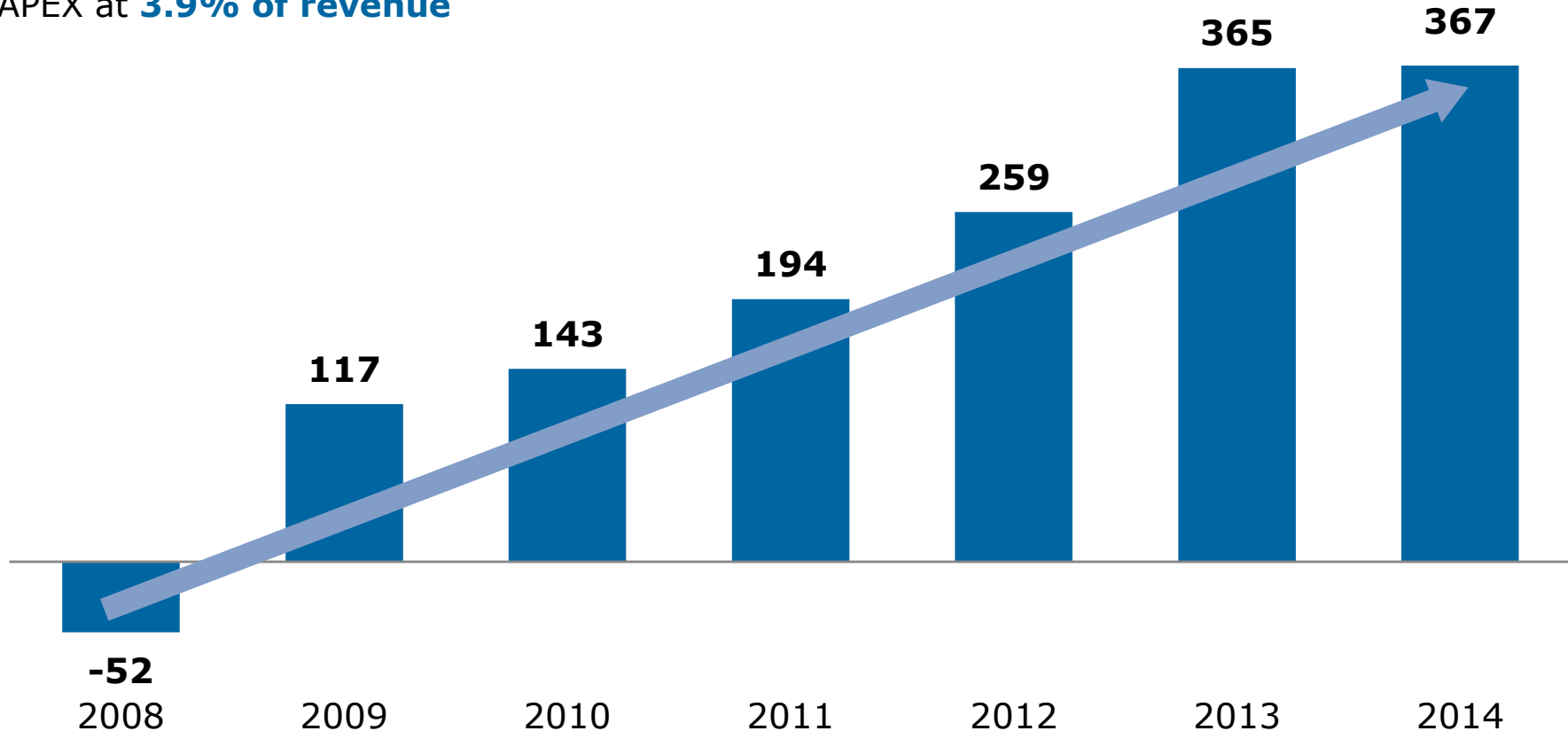
# FINANCIAL PERFORMANCE

# Strong and growing FCF generation

in € million

Bond investors  
presentation  
June 2015

- ▶ OMDA improvement: **€+442 million**
- ▶ WC optimization: **€-484 million**
- ▶ CAPEX at **3.9% of revenue**

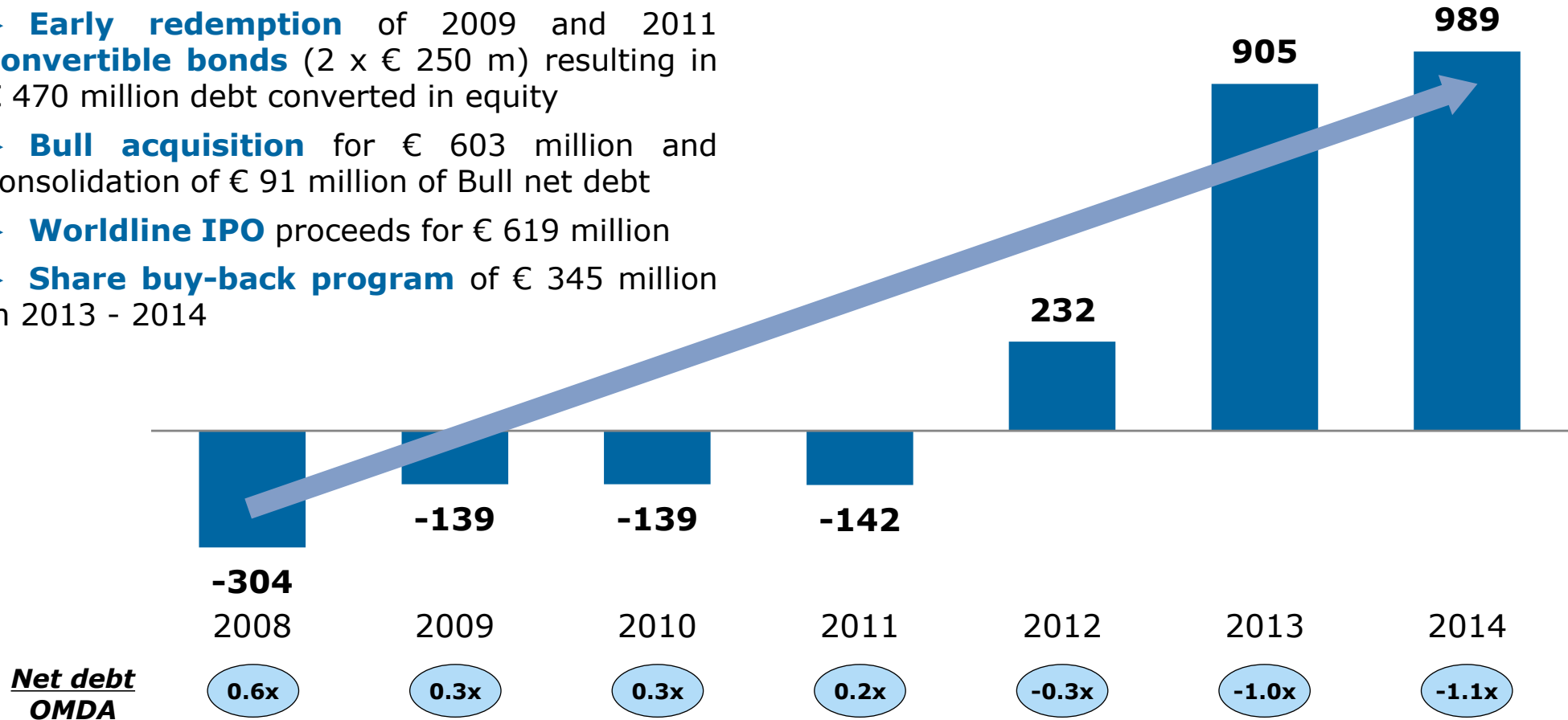


# From net debt to net cash in € million

## Bond investors presentation

June 2015

- ▶ **SIS acquisition** for € 850 million in cash, shares, and convertible bond
- ▶ **Early redemption** of 2009 and 2011 **convertible bonds** (2 x € 250 m) resulting in € 470 million debt converted in equity
- ▶ **Bull acquisition** for € 603 million and consolidation of € 91 million of Bull net debt
- ▶ **Worldline IPO** proceeds for € 619 million
- ▶ **Share buy-back program** of € 345 million in 2013 - 2014





# 2014 key figures

1/2

Bond investors  
presentation

June 2015

	2014	2013
<b>Revenue</b> (€m)	<b>9,051</b>	<b>8,615</b>
<b>Operating margin</b> (in % and €m)	<b>7.8%</b> € 702 m	<b>7.5%</b> € 645 m
<b>Free cash flow</b> (€m)	<b>367</b>	<b>365</b>
<b>Net cash</b> (€m)	<b>989</b>	<b>905</b>

Statutory figures

# 2014 key figures

2/2

**Bond investors  
presentation**

June 2015

	<b>2014</b>	<b>2013</b>
<b>Net income (€m)</b>	<b>283</b>	<b>260</b>
<b>Net income Group share (€m)</b>	<b>265</b>	<b>262</b>
<b>Order entry (€m)</b>	<b>9,113</b>	<b>8,790</b>
<b>Book-to-bill</b>	<b>101%</b>	<b>102%</b>
<b>Backlog (€bn)</b>	<b>16.2</b>	<b>15.2</b>
<b>Total number of employees</b>	<b>85,865</b>	<b>76,320</b>

Statutory figures

# Q1: reaching important milestones

## Well on track to achieve 2016 Ambition

Bond investors  
presentation

June 2015

Q1 2015  
revenue

**€2,427m**

+17.6% year-on-year (**+12.2%** at constant exchange rates)

+0.2% organic growth

Q1 2015  
order entry

**€2,198m**

**+26%** at constant exchange rates  
(**91%** book to bill)

Cloud, Big Data and  
Cyber-security

**Reaching 10% of total revenue in Q1**  
*Double digit organic growth*

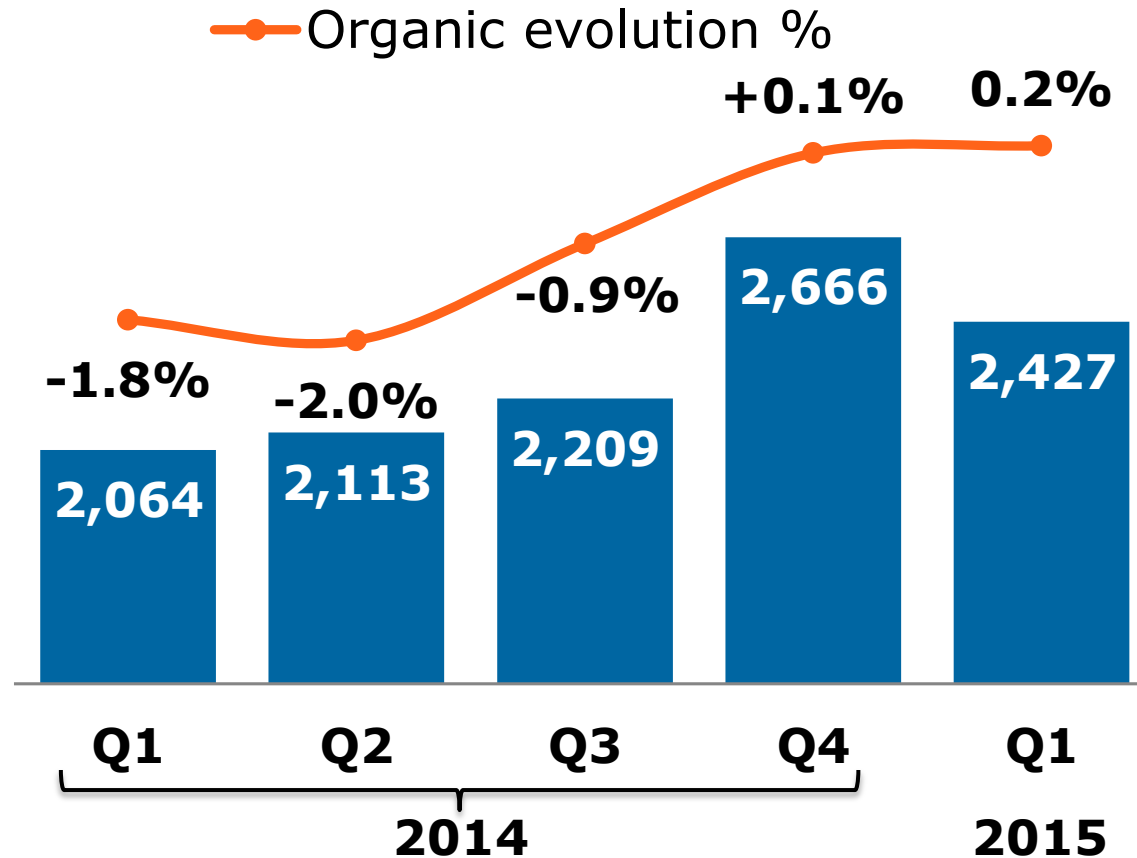
Offshore delivery

**Reaching 40% in Q1**  
**in Systems Integration**

# Revenue evolution trend by quarter

Bond investors  
presentation

June 2015



Progressive improvement quarter after quarter

# 2015 objectives

The Group confirms all its objectives for 2015 as stated in the February 18, 2015 release, i.e.:

▶ **Revenue**

The Group targets a **positive organic revenue 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**

Taking into account the cash-out to deliver Bull cost synergies, the Group expects to generate a free cash flow **above 2014 level**

*The figures above exclude Xerox ITO contribution*

# Atos 2016 Ambition

As presented at Atos 2015 Analyst Day – June 18, 2015

**Bond investors  
presentation**

June 2015

	2013	2016
<b>Revenue</b>	€8,615m	above €11bn
<b>Operating margin</b>	€645m 7.5%	c. €1.0bn
<b>Free cash flow</b>	€365m	€500m    €550m
<b>Net cash</b>	€905m	c. €1,000m

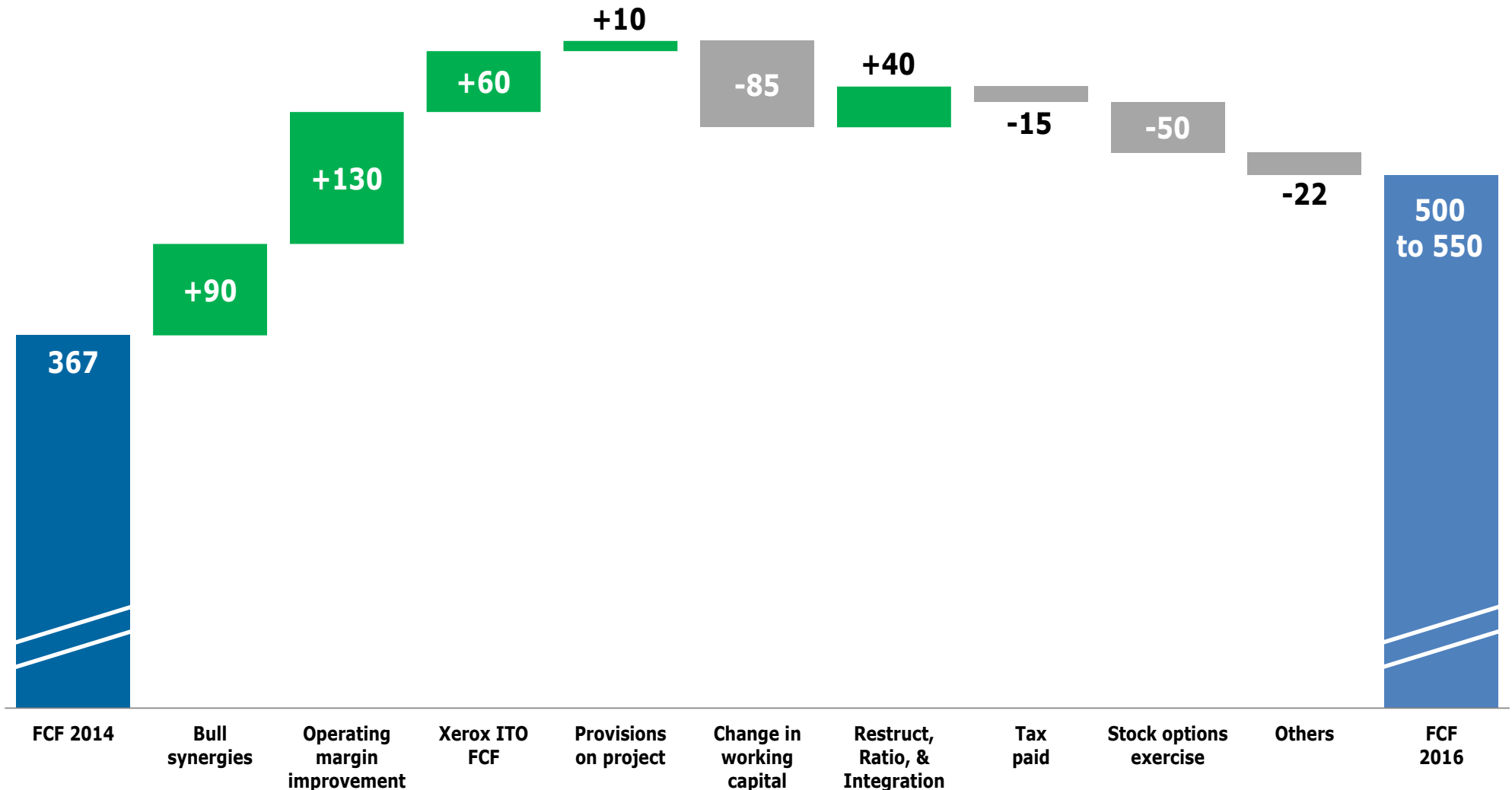
2016 revenue ambition at April 2015 exchange rates

# Free cash flow evolution

(in € million)

**Bond investors  
presentation**

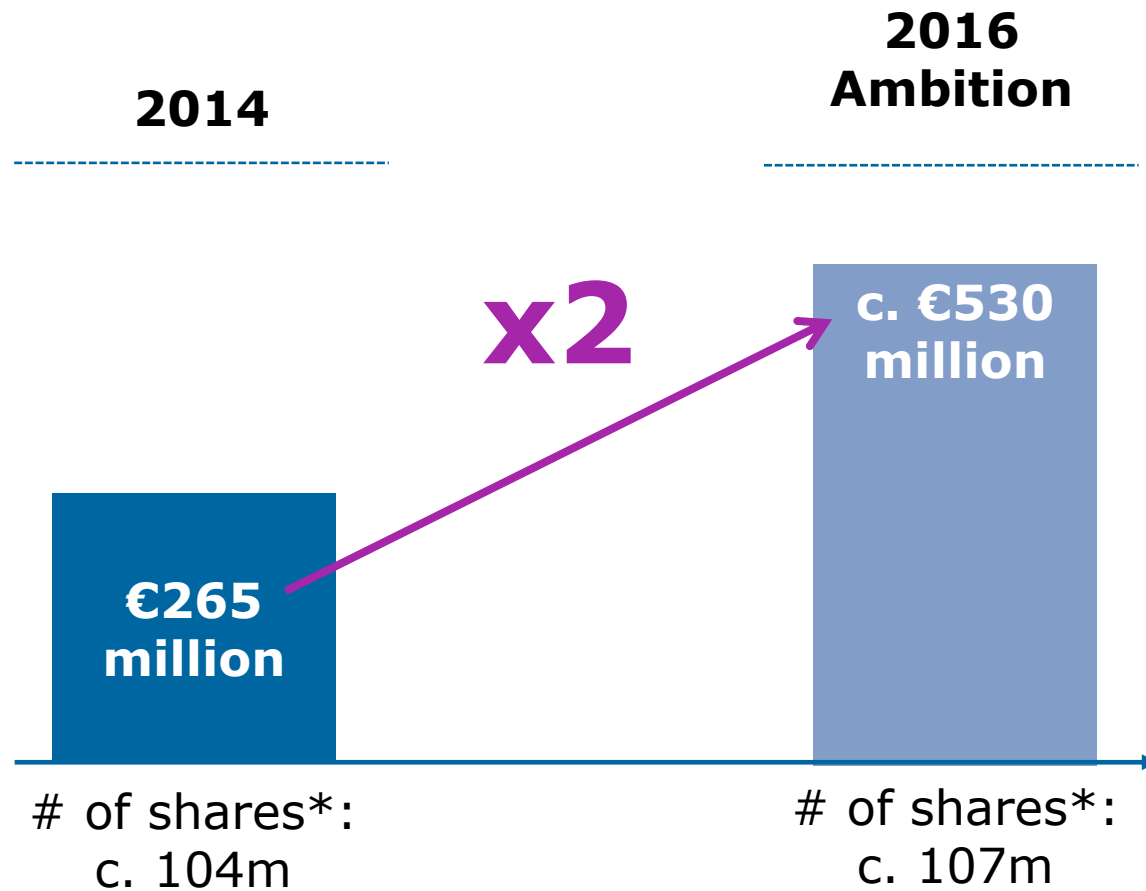
June 2015



# Ambition to double net income Group share over 2 years

Bond investors presentation

June 2015



\* Fully diluted number of shares at year end



# Main drivers to double net income Group share from 2014 to 2016e

**Bond investors  
presentation**  
June 2015

<b>Profitability improvement</b>	<ul style="list-style-type: none"> <li>▶ Industrialization programs and cost synergies</li> <li>▶ Improved business mix</li> </ul>	<p><b>35%</b> <b>45%</b></p>
<b>Additional operating margin</b>	<ul style="list-style-type: none"> <li>▶ Contribution from acquired companies</li> </ul>	<p><b>25%</b> <b>35%</b></p>
<b>Restructuring cost decline</b>	<ul style="list-style-type: none"> <li>▶ Bull program completion by end of 2015</li> <li>▶ Slowdown of restructuring in onshore countries</li> </ul>	<p><b>10%</b> <b>20%</b></p>
<b>Change in Group Tax profile further to acquisitions</b>	<ul style="list-style-type: none"> <li>▶ Effective Tax Rate decrease by +500 basis points</li> </ul>	<p><b>10%</b> <b>20%</b></p>

**Net income Group share from €265m to c. €530m  
with expected increase in net cash position**

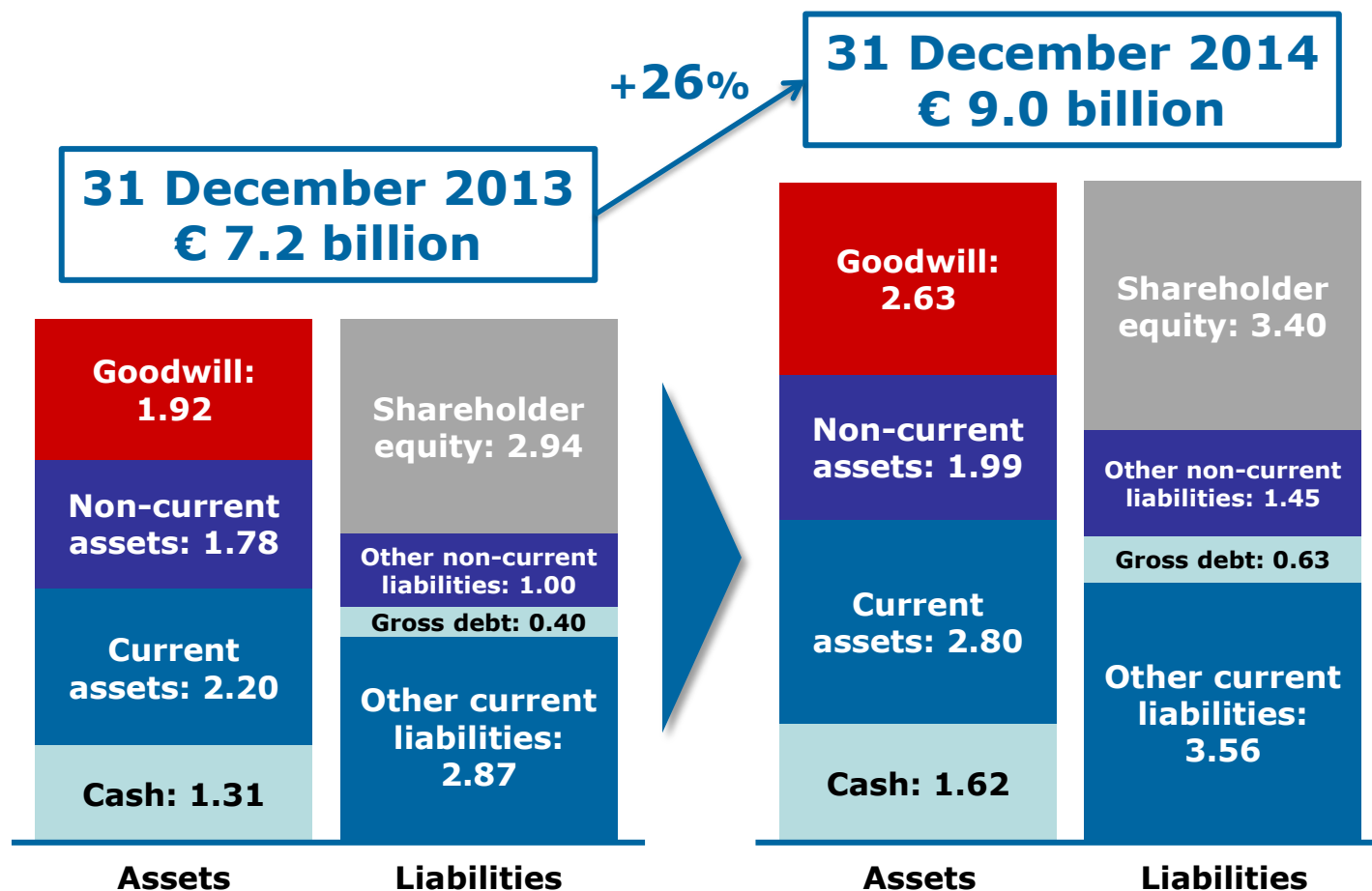
## **KEY CREDIT HIGHLIGHTS**

# Simplified balance sheet evolution

in € million

**Bond investors presentation**

June 2015



- ▶ Shareholder equity +16%
- ▶ Goodwill +37%
- ▶ Net pension provision: €1.1bn

→ **Solid financial structure**

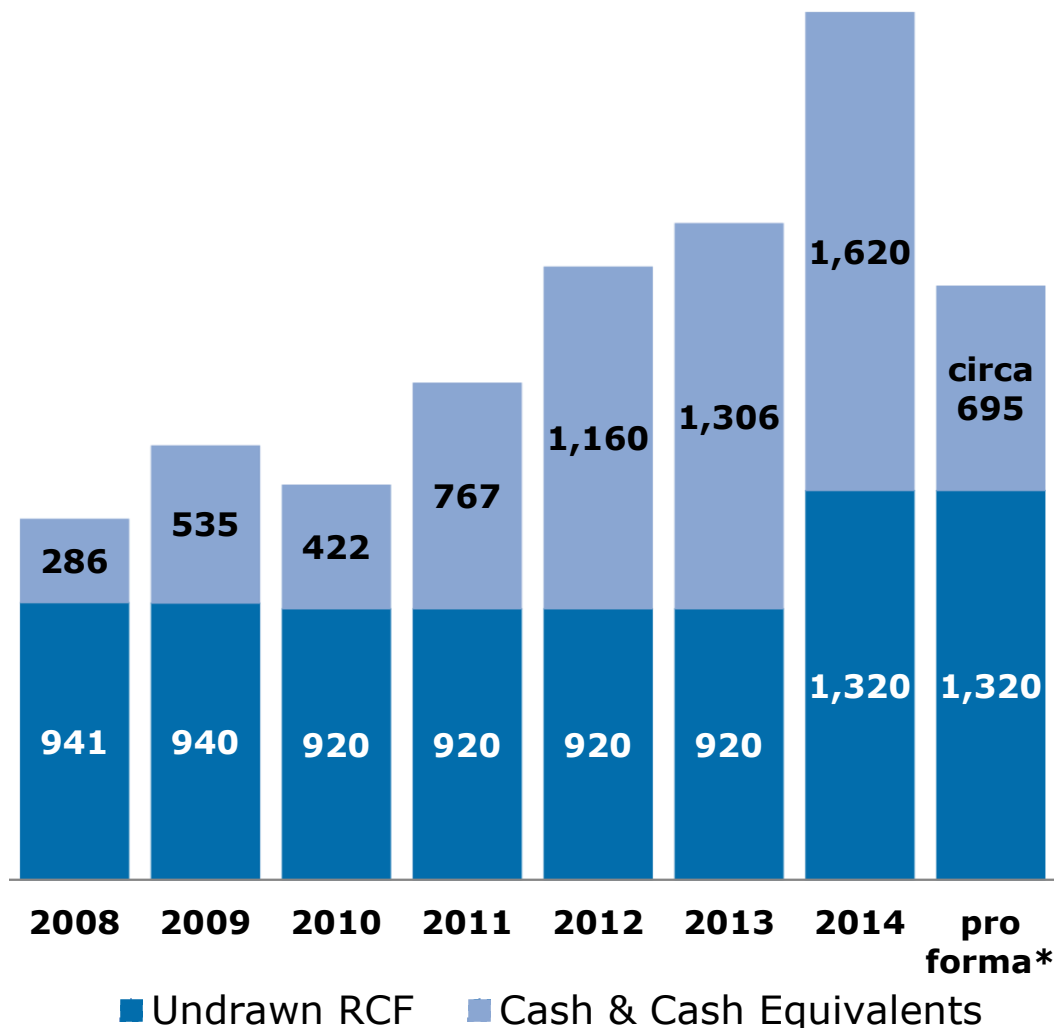
→ **Capacity for further development**

# Solid liquidity profile

in € million

Bond investors  
presentation

June 2015



## New Revolving Credit Facility (RCF) November 2014

- ▶ Atos substituted its €1,200m RCF by a syndicated RCF of €1,800m maturing in November 2019 (extension option until November 2021)

## Ample liquidity given RCF and cash position

- ▶ Atos' liquidity going forward would remain comfortable based on sound cash flow generation

## Dividend policy

- ▶ 25% pay-out ratio with the option for the payment in shares

\* estimated pro forma after Xerox ITO acquisition

# Financing discipline

Financial agility to support 2016 Ambition while keeping outstanding credit ratios

Bond investors presentation

June 2015

## Leverage ratio

Before Xerox ITO acquisition

Net cash position  
€ 1.0 bn

Banking covenant  
< 2.5 x  
OMDA

Headroom:  
c. € 3.3 bn

After Xerox ITO acquisition

Estimated pro forma  
net cash  
position\*  
c. € 0.1 bn

Banking covenant  
< 2.5 x  
OMDA\*

Headroom:  
c. € 3.0 bn

## M&A financial criteria

- ▶ Stringent assessment of asset value
- ▶ Existence of potential synergies with the Group, first and foremost in cost savings
- ▶ Alignment with the Group's financial capacities

\* after Xerox ITO acquisition \*\* 2014 pro forma OMDA taking into account 12 months of Xerox ITO estimated 2014 OMDA

# Atos key credit strengths

**Bond investors  
presentation**

June 2015

- 1 Leading market position in Europe in digital services**
- 2 Strong visibility on future revenue and high degree of topline recurrence**
- 3 Solid and growing cash flow generation, underpinned by a track-record of value creation through M&A**
- 4 Strong Balance Sheet metrics**
- 5 Conservative financial policy**

# Rationale for a bond issue

A bond issue would perfectly meet all of Atos' financial policy guidelines

**Bond investors presentation**

June 2015

✓ Diversify Atos' sources of funding, accessing a new large pool of liquidity

✓ Increase duration of financing resources

✓ Further enhance the group's strong liquidity profile

✓ Maintain the group's agility to support its development

✓ Crystallize attractive market conditions

**From**  
**Questions**  
**to**  
**Answers**



---

## Thank you

Atos, the Atos logo, Atos Consulting, Atos Worldgrid, Worldline, BlueKiwi, Bull, Canopy the Open Cloud Company, Yunano, Zero Email, Zero Email Certified and The Zero Email Company are registered trademarks of the Atos group. February 2015.

© 2015 Atos. Confidential information owned by Atos, to be used by the recipient only. This document, or any part of it, may not be reproduced, copied, circulated and/or distributed nor quoted without prior written approval from Atos.

---