

ROADSHOW USA
CM-CIC MARKET SOLUTIONS

May 2018

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COMPANY OVERVIEW



WESTERN EUROPE IT SERVICES MARKET STRUCTURE

A MARKET OF € 226 BN

Sopra Steria 2017 Market Share

€bn / %	Market 2017	Sopra Steria 2017	Market Share 2017
France	29.8	1.6	5.4%
UK	69.8	0.8	1.1%
Germany	37.9	0.3	0.8%
Other Western Europe	88.8	0.5	0.6%
Total	226.3	3.2	1.4%
Services booked in the software business	-	0.3	-
Total IT Services	226.3	3.5	1.5 %

€bn / %	Market 2017	Sopra Steria 2017	Market Share 2017
IT Services	195.3	3.1	1.6%
BPO	31.0	0.4	1.3%
Total	226.3	3.5	1.5%

Source : Gartner Report, Q4 2017 update, IT Services market excluding hardware and software and Gartner IT Services Market Share 2015-21, Feb 2018
Exchange rate: 1 USD = 0,89€

Main competitors in Western Europe

- Capgemini
- Accenture
- CGI
- AtoS
- IBM
- HP
- Capita & Fujitsu (UK)
- Indra (Spain)
- Tieto (Scandinavia)
- TCS, Cognizant, Wipro, Infosys (mainly in UK, but also in Continental Europe)
- Temenos, Edgeverve (Core banking software)

Top 5 Market share in Western Europe

1. IBM – 5.4 %
2. Accenture – 4.4 %
3. AtoS – 4.1 %
4. Capgemini – 3.8 %
5. HP – 2.5%



STOCK MARKET ID

SOPRA STERIA GROUP

WEIGHT IN INDEXES

(11/2017)

CAC ALL SHARES	0.14%
CAC ALL-TRADABLE	0.16%
CAC MID 60	1.50%
CAC MID&SMALL	1.25%
CAC SOFT. & C. S.	2.89%
CAC TECHNOLOGY	2.28%
ESI EXC EUROPE	0.08%
ESI EXC EUROPE VM	0.04%
EURONEXT FAS IAS	4.24%
NEXT 150	1.17%
SBF 120	0.16%
STOXX Europe 600	0,03%

SOP

LISTED

EURONEXT



STOXX

Reuters : SOPR.PA

Bloomberg : SOP:FP

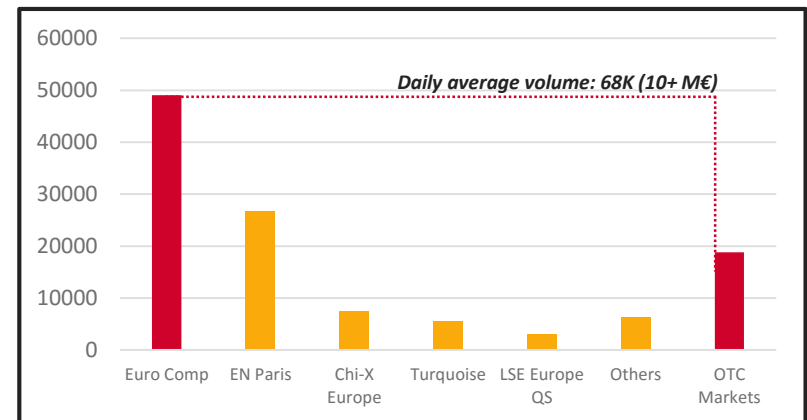
STOCK PERFORMANCE vs. SBF 120

(From 2004 to 03/2018)



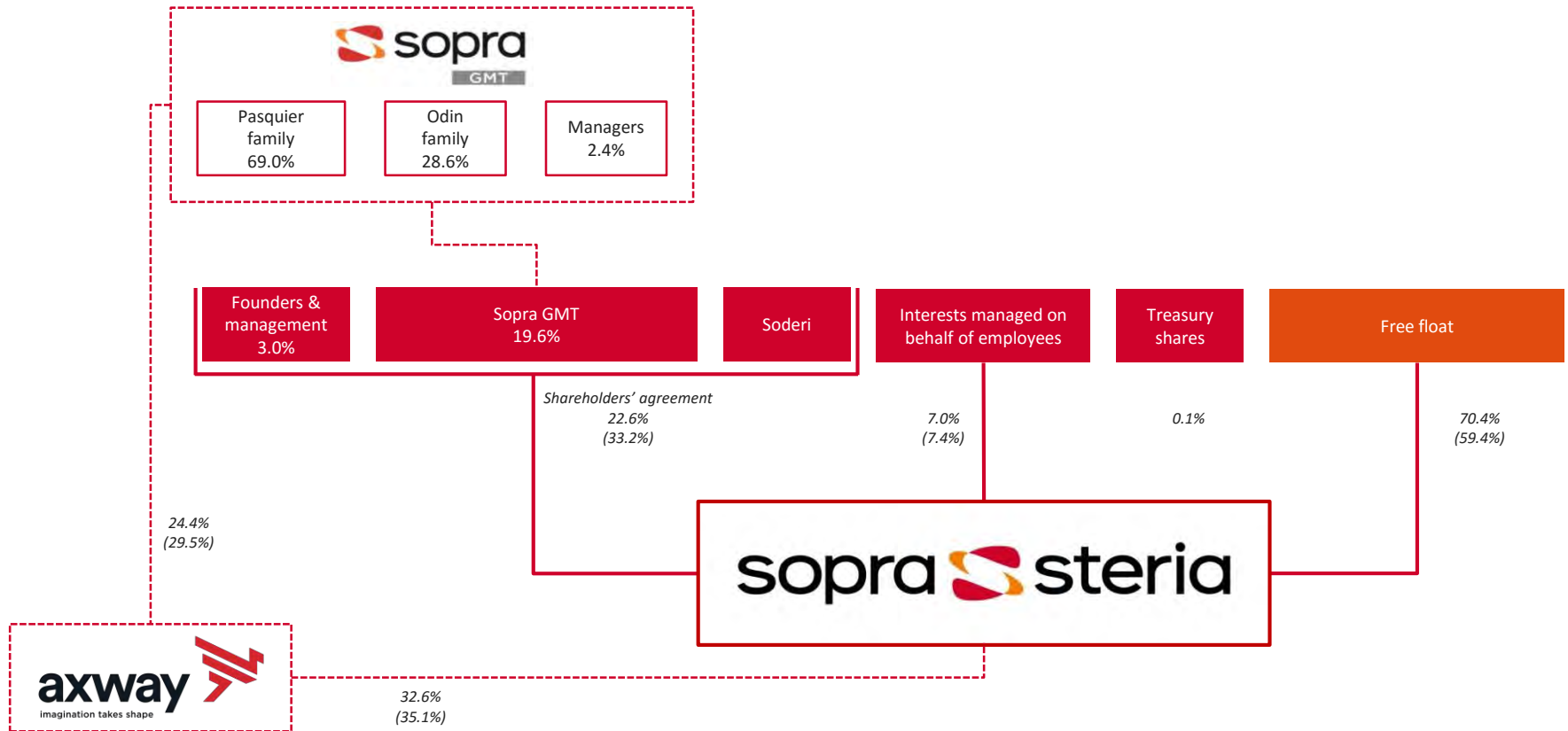
1Y STOCK LIQUIDITY

(01/2018)



OWNERSHIP AT 31/12/2017

A LEADING SHAREHOLDER AS THE PROJECT'S GUARANTOR

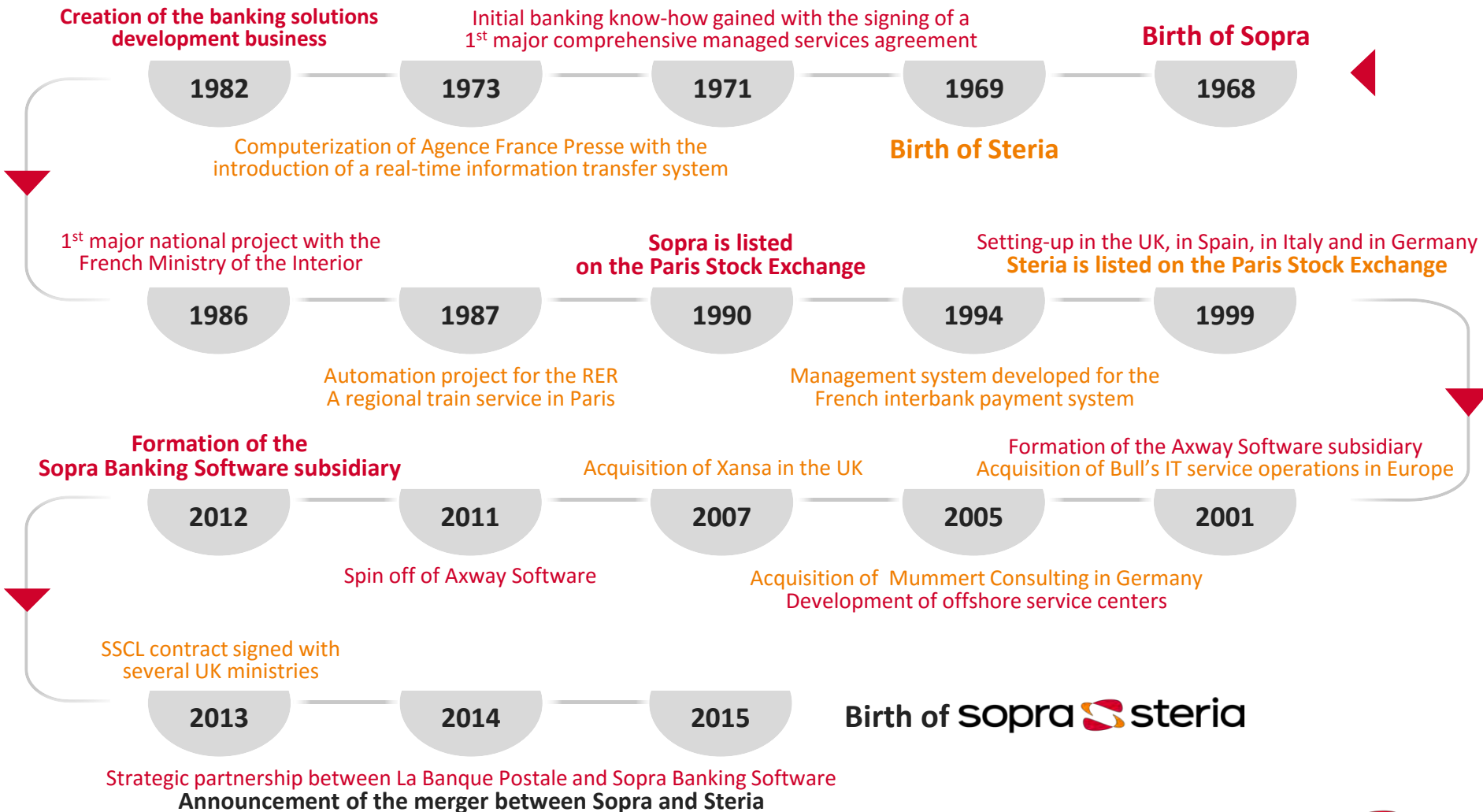


XX.X% = Percentage of share capital held
 (XX.X%) = Percentage of voting rights held

20,547,701 listed shares
 26,677,398 exercisable voting rights



A LOOK BACK OVER 50 YEARS OF HISTORY



Birth of Sopra  steria



SOPRA STERIA AT 31/12/2017

A EUROPEAN LEADER IN DIGITAL TRANSFORMATION



Top 5 European digital services companies

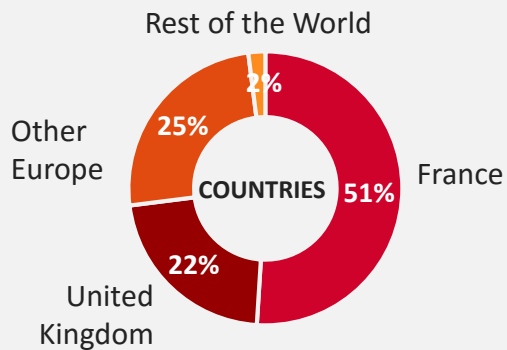
Top 10 operating in Europe

2017 revenue of €3.8bn

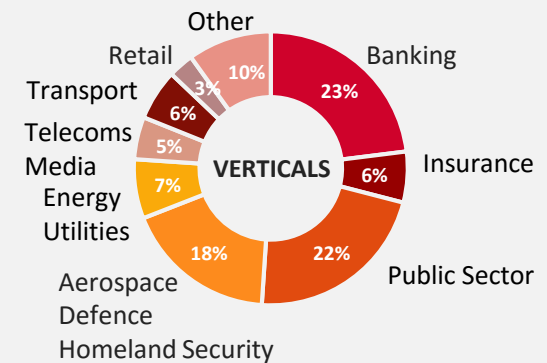
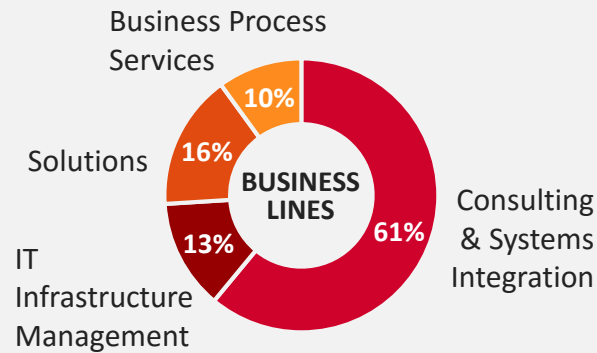
41,000+ employees

Operations in more than 20 countries

End-to-end approach

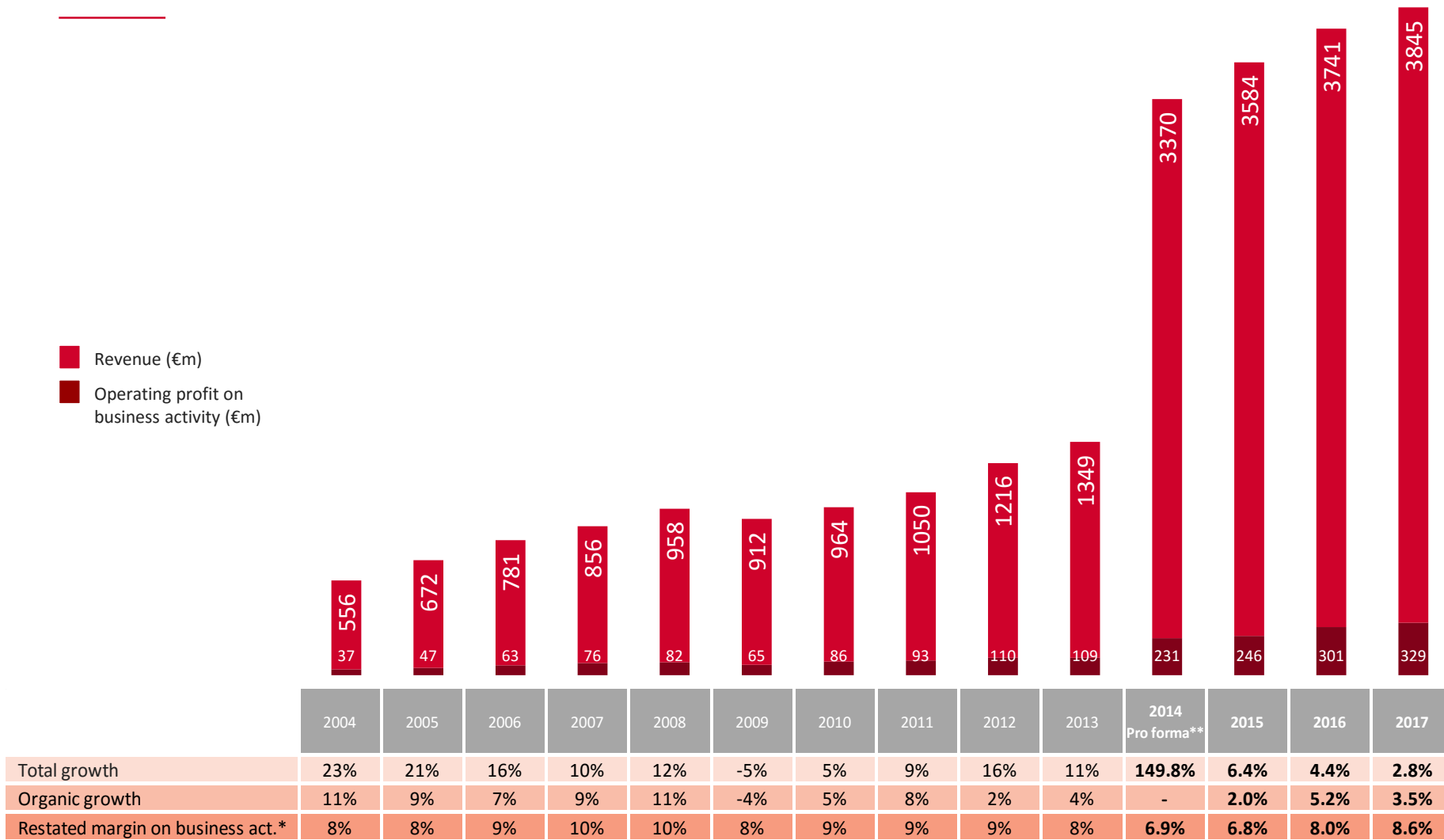


Revenue to 31/12/2017



SOPRA STERIA HISTORICAL PERFORMANCE

■ Revenue (€m)
■ Operating profit on business activity (€m)

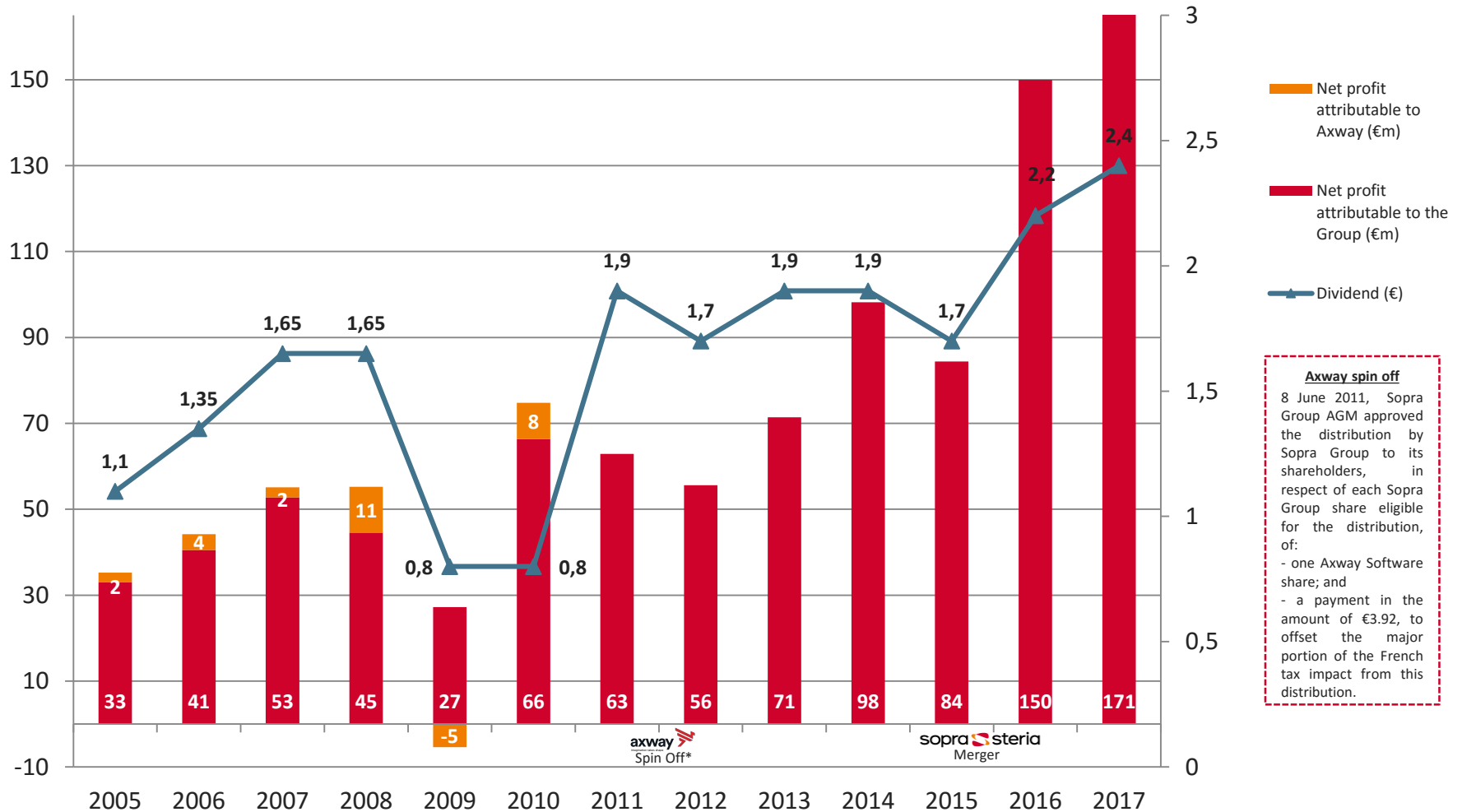


* Restated at equivalent tax laws for financial years up to and including 2009

** Base of comparison adjusted pro forma for the Sopra Steria merger



HISTORICAL NET PROFIT & DIVIDEND



Axway spin off
 8 June 2011, Sopra Group AGM approved the distribution by Sopra Group to its shareholders, in respect of each Sopra Group share eligible for the distribution, of:
 - one Axway Software share; and
 - a payment in the amount of €3.92, to offset the major portion of the French tax impact from this distribution.

Payout ratio:
(Div/EPS)

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
34%	35%	34%	33%	34%	13%	36%	36%	32%	28%	40%	29%	28%





2017 HIGHLIGHTS & PERFORMANCE



KEY FIGURES FOR 2017

Revenue

€3,845.4m

i.e. organic growth of 3.5%
4.6% growth on a constant exchange rate basis*

Operating profit on business activity

€329.8m

*i.e. 8.6% of revenue
up 9.5% relative to 31/12/2016*

Net profit – Group share

€171.4m

*i.e. 4.5% of revenue
up 14.0% relative to 31/12/2016*

Free cash flow

€111.4m

*Excluding a €37.0m sale of trade receivables
with deconsolidation*

vs €150.0m in 2016

Net financial debt

€510.1m

*stable relative to 2016
equating to 1.4x EBITDA*

UK pension fund deficit net of taxes

€167.4m

*vs €245.0m at 31/12/2016
down 31.7% relative to 31/12/2016*

** Alternative performance measures are defined on Slide 32 of this presentation*



2017 OPERATING PERFORMANCE BY REPORTING UNIT

STRONG IMPROVEMENT FOR THE OTHER EUROPE REPORTING UNIT

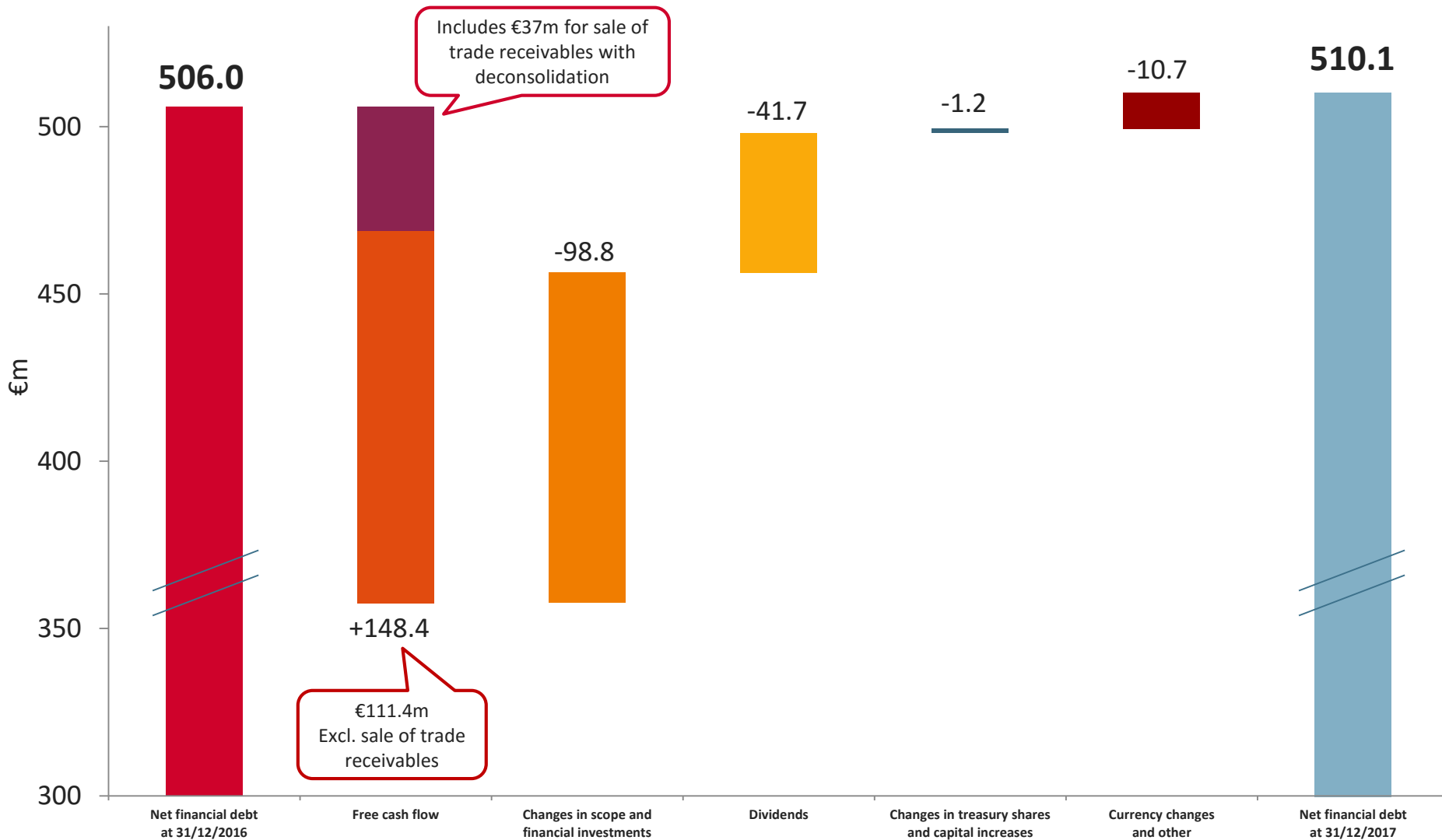
	Revenue			Operating profit on business activity	
	2017 (€m)	2016 Restated* (€m)	Organic growth (%)	2017 (% of Rev.)	2016 (% of Rev.)
France	1,597.0	1,539.7	+ 3.7%	8.6%	8.1%
United Kingdom	801.7	868.2	- 7.7%	6.6%	8.0%
Other Europe	827.6	739.0	+ 12.0%	8.1%	5.7%
Sopra Banking Software	402.2	361.8	+ 11.2%	9.7%	9.1%
Other Solutions	216.9	207.2	+ 4.7%	15.2%	14.2%
Total	3,845.4	3,715.9	+ 3.5%	8.6%	8.0%

* Revenue at 2017 scope and exchange rates



CHANGE IN NET FINANCIAL DEBT IN 2017

STABLE RELATIVE TO 2016



Q1 2018 REVENUE EVOLUTION BY REPORTING UNIT

+3.8% ORGANIC GROWTH, IN LINE WITH TARGETS

	Revenue			
	Q1 2018 (€m)	Q1 2017 Restated* (€m)	Organic growth (%)	Total growth (%)
France	426.3	418.6	+ 1.8%	+ 3.8%
United Kingdom	188.4	197.9	- 4.8%	- 7.4%
Other Europe	231.6	204.3	+ 13.4%	+ 15.7%
Sopra Banking Software	88.2	78.9	+ 11.8%	+ 11.0%
Other Solutions	57.4	56.2	+ 2.2%	+ 2.2%
Total	991.8	955.9	+ 3.8%	+ 4.4%

* Revenue at 2018 scope and exchange rates and according to IFRS 15

● Q1 2018

- Consolidated revenue growth +4.4 %
- Growth at constant exchange rates +5.7%
- Organic growth +3.8%

➤ Scope impact: +€17.2m

➤ Currencies impact: -11€m





2018 PRIORITIES & 2020 AMBITION



2020 PROJECT

An independent project

- Leading shareholder as the project's guarantor over the long term
- Significant employee share ownership

An ambitious project

- Organic growth
- Targeted external growth
- Focus on Europe for Services and worldwide ambitions for Software



A project with added value

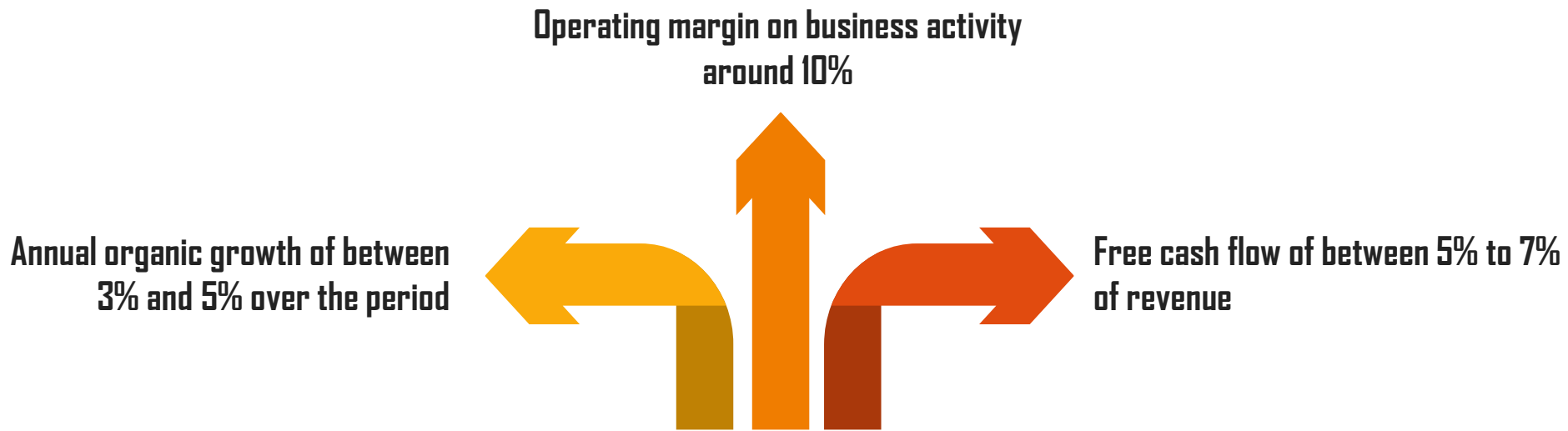
- Consulting representing 15% of revenue
- Software representing 20% of revenue
- End-to-end approach for key strategic clients

A different project

- Close client relationships
- Vertical approach focused on key strategic clients
- Entrepreneurial culture



AMBITIONS FOR 2020

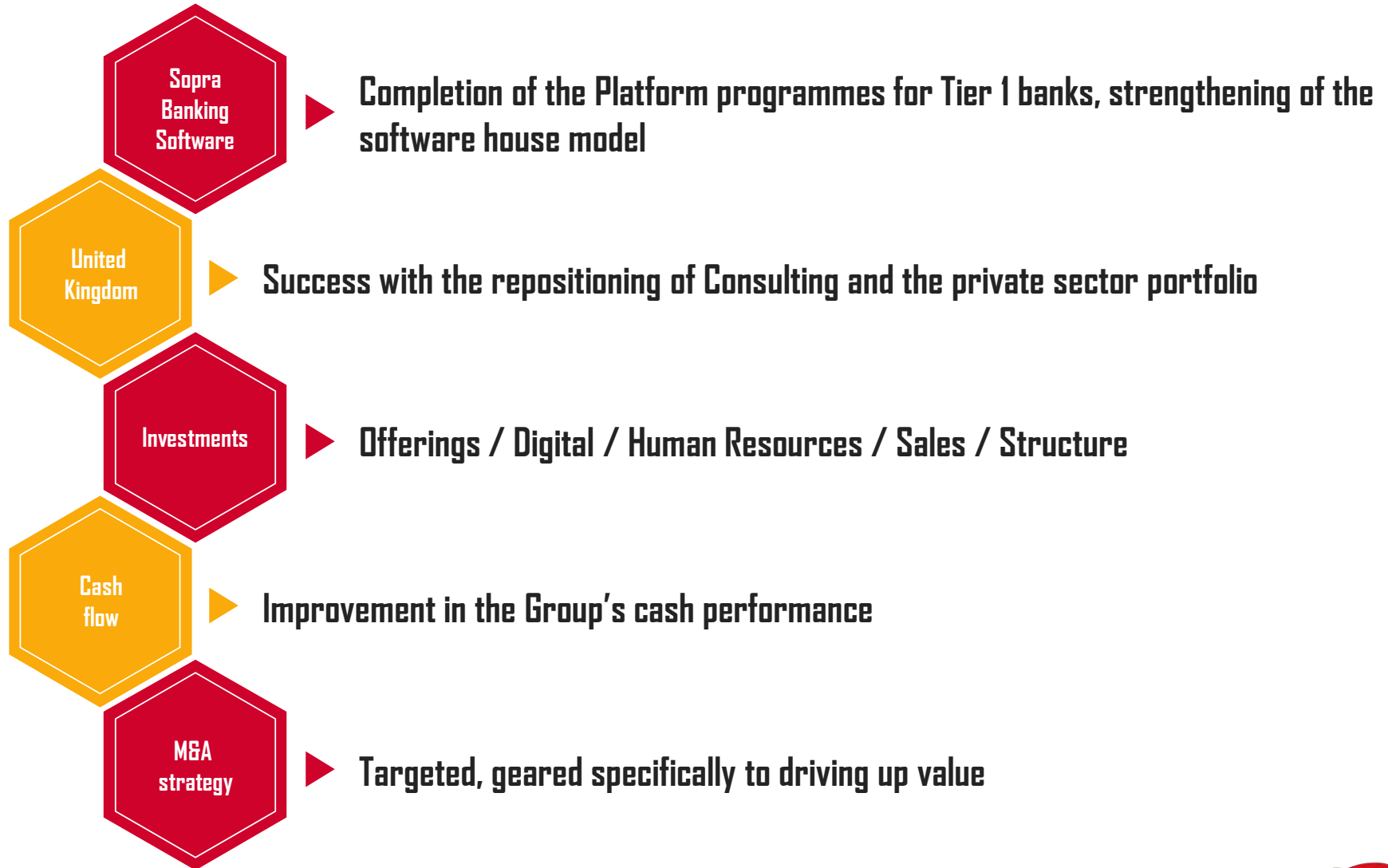


sopra  steria

2020



PRIORITIES FOR 2018



2018 TARGETS

Organic revenue growth of between 3% and 5%

**Slight improvement in operating margin rate on business activity
(gap between H1 & H2 more important than in 2018)**

**Free cash flow >€170m
(>€133m including 2017 sale of trade receivables)**





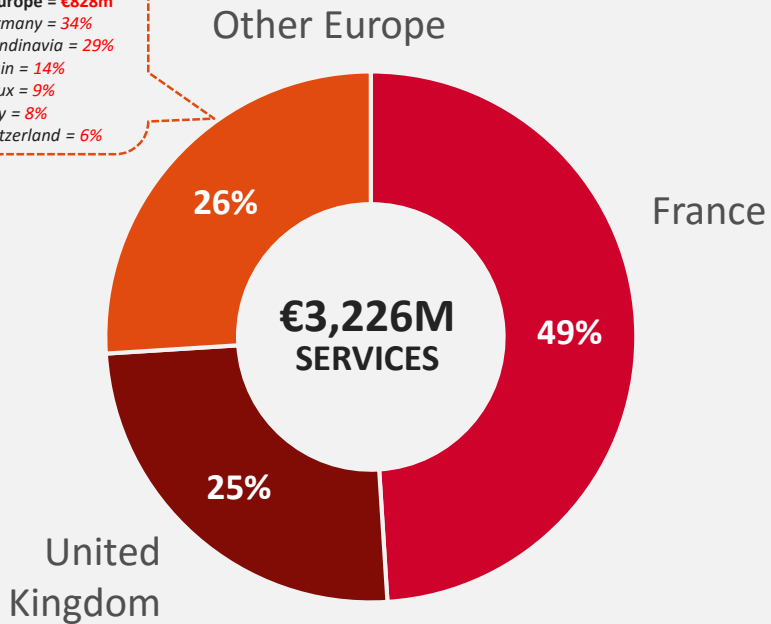
ANNEXES



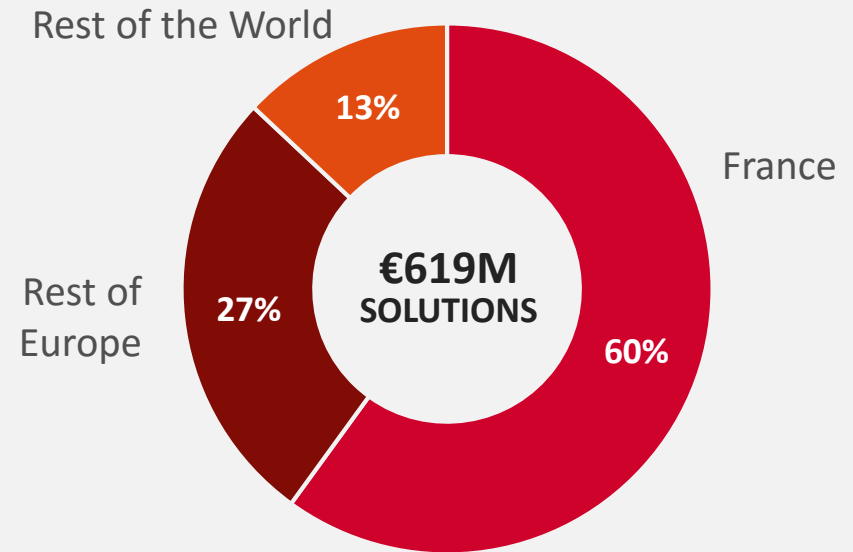
REVENUE BY COUNTRY FOR THE PERIOD ENDED 31/12/2017

SERVICES REVENUE TO 31/12/2017

2017 revenue
Other Europe = €828m
o/w Germany = 34%
o/w Scandinavia = 29%
o/w Spain = 14%
o/w Belux = 9%
o/w Italy = 8%
o/w Switzerland = 6%

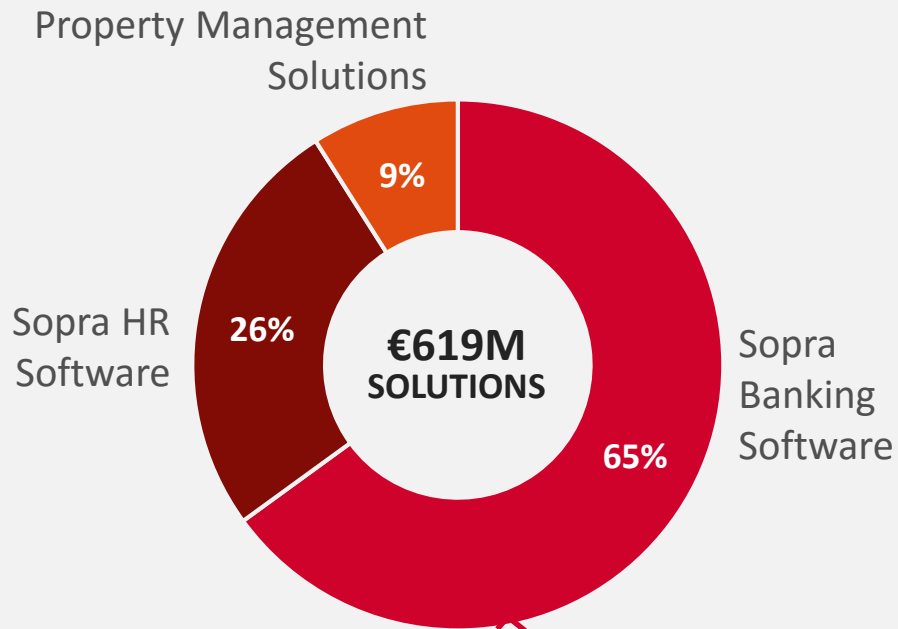


SOLUTIONS REVENUE TO 31/12/2017



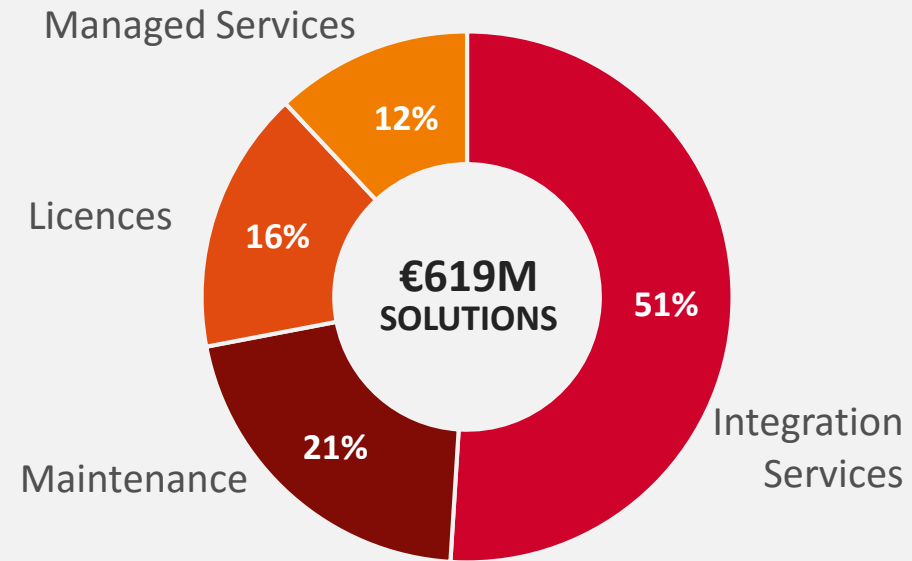
SOLUTIONS REVENUE FOR THE PERIOD ENDED 31/12/2017

SOLUTIONS REVENUE BY PRODUCT



Sopra Banking Software 2017 revenue = **€402m**
o/w France = **€186m**
o/w outside France = **€216m**

SOLUTIONS REVENUE BY BUSINESS LINE



INCOME STATEMENT

FINANCIAL YEAR 2017

	2017 (€m)	2017 (% of Rev.)	2016 (€m)	2016 (% of Rev.)
Revenue	3,845.4		3,741.3	
<i>Organic growth</i>	3.5%			
Operating profit on business activity	329.8	8.6%	301.1	8.0%
Expenses related to stock options and related items	- 21.2		- 12.1	
Amortisation of allocated intangible assets	- 21.8		- 21.1	
Profit from recurring operations	286.8	7.5%	267.8	7.2%
Other operating income and expenses	- 25.1		- 27.6	
Operating profit	261.7	6.8%	240.2	6.4%
Cost of net financial debt	- 6.8		- 6.7	
Other financial income and expenses	- 9.8		- 7.6	
Tax expense	- 73.5		- 80.9	
Share of net profit from equity-accounted companies	1.7		10.8	
Net profit	173.3		155.8	
<i>of which attributable to Group</i>	171.4	4.5%	150.4	4.0%
<i>of which minority interests</i>	1.8		5.4	



EARNINGS PER SHARE

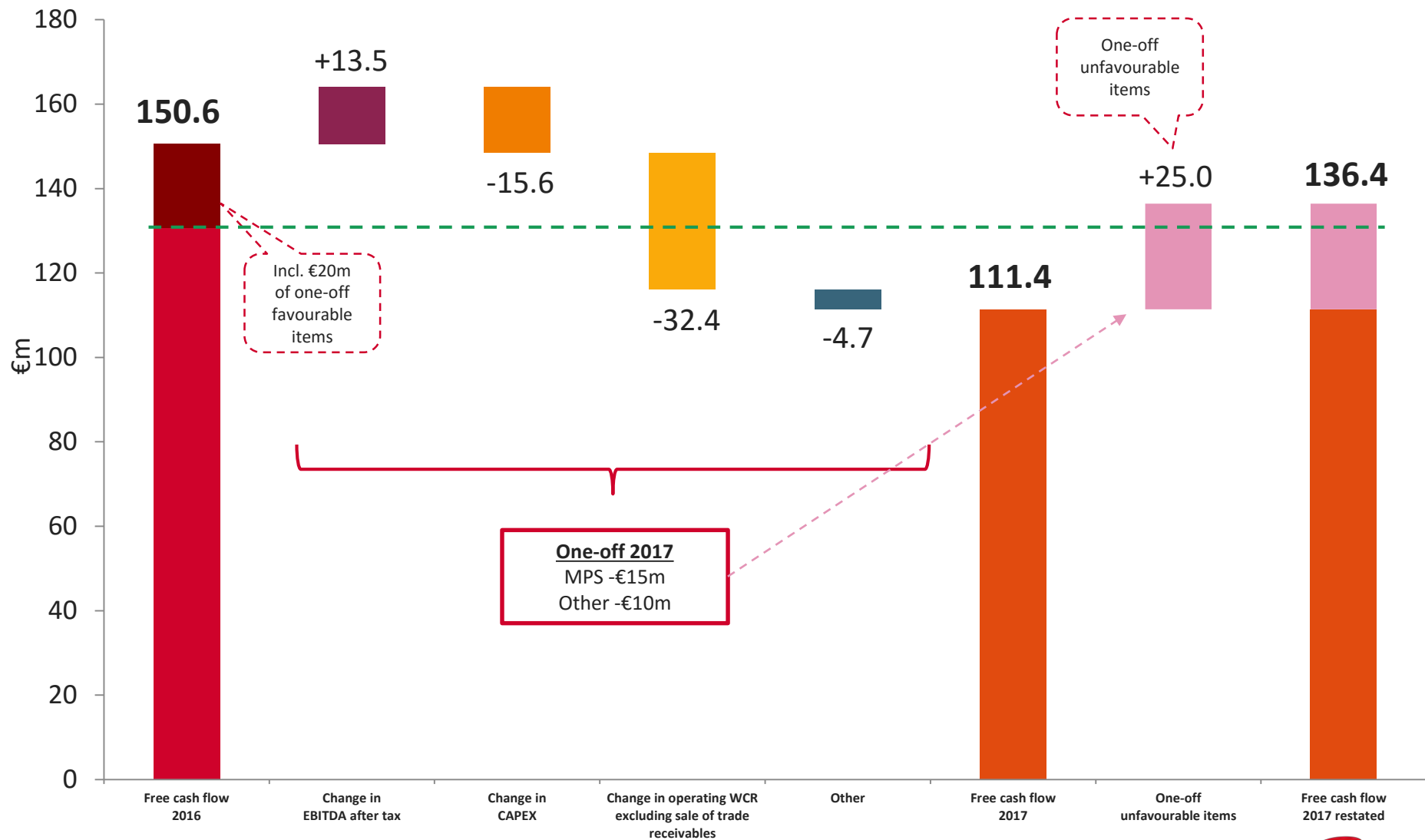
FINANCIAL YEAR 2017

	2017 (€m)	2016 (€m)
Net profit attributable to the Group (€m)	171.4	150.4
Weighted average number of shares in issue excluding treasury shares	20.21	20.04
Basic earnings per share (€)	8.48	7.50
Basic recurring earnings per share (€)	9.29	8.45
Theoretical weighted average number of shares	20.28	20.09
Diluted earnings per share (€)	8.45	7.49
Diluted recurring earnings per share (€)	9.26	8.43



DETAIL OF CHANGES IN FREE CASH FLOW IN 2017 VS. 2016

PERFORMANCE COMPARABLE TO 2016 BUT BELOW TARGET



BREAKDOWN OF CHANGE IN NET FINANCIAL DEBT

FINANCIAL YEAR 2017

	2017 (€m)	2016 (€m)
Operating profit on business activity	329.8	301.1
Depreciation, amortisation and provisions (excl. allocated intangible assets)	19.6	42.9
EBITDA	349.4	344.0
Non-cash items	- 1.6	- 0.9
Tax paid	- 63.9	- 72.0
Change in operating working capital requirement*	- 12.4	- 17.0
Reorganisation and restructuring costs	- 29.6	- 29.6
Net cash flow from operating activities	241.9	224.5
Change relating to investing activities	- 62.3	- 46.7
Net financial interest	- 10.3	- 6.2
Additional contributions related to defined-benefit pension plans	- 21.0	- 21.0
Free cash flow	148.4	150.6
Impact of changes in scope	- 96.0	- 120.6
Financial investments	- 2.8	1.4
Dividends paid	- 44.5	- 34.4
Dividends received from equity-accounted companies	2.8	3.1
Capital increases in cash	0.1	2.3
Purchase and sale of treasury shares	- 1.3	10.3
Impact of changes in foreign exchange rates	- 10.7	12.3
Other changes	0.0	- 0.2
Change in net financial debt	- 4.1	24.8
<i>* Including a sale of trade receivables with deconsolidation</i>	<i>37.0</i>	<i>0.0</i>
Net financial debt at beginning of period	506.0	530.8
Net financial debt at end of period	510.1	506.0



A SOUND FINANCIAL POSITION AT 31/12/2017

DEBT COVENANTS AND LIQUIDITY

**Net financial debt
at 31/12/2017:
€510.1m**

**EBITDA leverage ratio:
1.44x (max. 3.0x)**

**Available undrawn amount:
€1.1bn
*i.e. 61% of authorised amount****

- Long terms to maturity**
- Bond: 2019
 - Bank borrowing facilities: 2022 (extension possible to 2023)

	31/12/2017 Amount used (€m)	31/12/2017 Amount authorised (€m)
Bond	180.0	180.0
Syndicated loan – Tranche A €	144.0	144.0
Syndicated loan – Tranche B £	64.9	64.9
Multi-currency revolving credit facility	-	900.0
Finance leases	13.2	13.2
Overdrafts and Other	55.6	213.6
Total	457.6	1,515.6
Commercial paper	210.6	
IFRS 3 impact – Bond	4.3	
Gross debt	672.5	
Cash and cash equivalents	162.4	
Net financial debt	510.1	

* Assuming a constant amount of commercial paper (€210.6m at 31 December 2017) and overdrafts



SIMPLIFIED BALANCE SHEET

31/12/2017

	31/12/2017 (€m)	31/12/2016 (€m)
Goodwill	1,590.6	1,557.0
Allocated intangible assets	161.5	179.7
Other fixed assets	179.7	160.8
Equity-accounted investments	189.1	202.3
Fixed assets	2,120.9	2,099.8
Net deferred tax	98.7	128.9
Trade accounts receivable (net)	1,137.8	1,132.7
Other assets and liabilities	- 1,175.6	- 1,171.5
Working capital requirement (WCR)	- 37.8	- 38.7
Assets + WCR	2,181.7	2,190.0
Equity	1,240.0	1,103.1
Provisions for post-employment benefits	358.9	464.5
Provisions for contingencies and losses	72.8	116.4
Net financial debt	510.1	506.0
Capital invested	2,181.7	2,190.0



CHANGES IN THE WORKFORCE

FINANCIAL YEAR 2017

	31/12/2017	31/12/2016
France	18,649	18,227
United Kingdom	6,181	6,508
Other Europe	8,777	7,844
Rest of the World	281	231
X-Shore	7,773	7,003
Total	41,661	39,813



ALTERNATIVE PERFORMANCE MEASURES

- **Restated revenue**: Revenue for the prior year, expressed on the basis of the scope and exchange rates for the current year.
- **Organic revenue growth**: Increase in revenue between the period under review and the restated revenue for the same period in the prior financial year.
- **EBITDA**: This measure, as defined in the Registration Document, is equal to consolidated operating profit on business activity adding back depreciation, amortisation and provisions included in operating profit on business activity.
- **Operating profit on business activity**: This measure, as defined in the Registration Document, is equal to profit from recurring operations adjusted to exclude the expense relating to the cost of services rendered by the grantees of stock options and free shares and additions to the amortisation of allocated intangible assets.
- **Profit from recurring operations**: This measure is equal to operating profit before other operating income and expenses, which includes any particularly significant items of operating income and expense that are unusual, abnormal, infrequent or not predictive, presented separately in order to give a clearer picture of performance based on ordinary activities.
- **Basic recurring earnings per share**: This measure is equal to basic earnings per share before taking into account other operating income and expenses net of tax.
- **Free cash flow**: Free cash flow is defined as the net cash from operating activities, less investments (net of disposals) in tangible and intangible fixed assets, less net interest and less additional contributions to address any deficits in defined-benefit pension plans.

