

Atos presents its new 3-year plan: 2019 Ambition

Revenue organic growth: +2% to +3% CAGR over the 2017-2019 period

Operating margin rate: 10.5% to 11.0% of revenue in 2019

Free cash flow: operating margin conversion rate at c. 65% in 2019

Bezons, November 8, 2016 – During the 2014-2016 period, Atos will have over-achieved the objectives of its 3-year strategic plan “2016 Ambition”:

- Revenue will have grown by +40% from € 8.6 billion to € 12 billion;
- Operating margin increased from € 0.6 billion to circa € 1.1 billion;
- Cash conversion ratio increased from 40% to circa 50% leading to a 2016e free cash flow above € 550 million;
- While net income will have doubled, without indebting the company nor diluting the shareholders.

Today, the Group presents its new 3-year plan “2019 Ambition” at the occasion of an Investor Day held in its Headquarters in Bezons (France).

Thierry Breton, Chairman and CEO said: “

During the past three years we have deeply transformed our company and over achieved our triennial strategic plan. Today we present our new ambition for the next three years.

*In order to accompany all our customers in their digital transformation and the massive “data-ization” of their businesses in a secured cyberspace, we have decided to capitalize on our technological strengths and people skills; and to focus on our **Digital Transformation Factory** based on four high growth pillars: **Cloud, Digital Workplace, SAP HANA, and cognitive solutions** with **Atos Codex** to transform data into business value, while continuing to enhance our state of the art **Cybersecurity** technologies across all our offerings.*

The holistic nature of our client’s digital transformation which requires the orchestration of most of Atos technologies to be efficiently implemented (High speed computer, managed services, systems integration and agile development, collaborative solution, data analytics, e- payment...) is making Atos very well placed to capture the growth from this new IT market wave.

Today, the Group has indeed a more technological profile than ever and our business model with more than 70% of revenue based on multiyear contracts is both predictable and very well positioned to capture the digital transformation growth wave. With no debt, it has the required financial strength to move forward.

With all these strengths, Atos is fully geared to reach its 2019 ambitious targets in the benefit of its customers, employees, and shareholders.”

2019 targets

The Group ambitions to deliver:

- Revenue organic growth: +2% to +3% CAGR over the 2017-2019 period;
- Operating margin rate: 10.5% to 11.0% of revenue in 2019;
- Free cash flow: an operating margin conversion rate to free cash flow at circa 65% in 2019 compared to circa 50% in 2016e.

The figures above are to be compared with 2016e pro forma at September exchanges rates and including 12 months effect of recent acquisitions and disposals (i.e. mainly the acquisitions of Unify Managed Services, Equens, Paysquare, Komerčni Banka Smartpay, and Anthelio). Additionally, the assumption is made that no pension one off effects will occur in the period 2017-2019.

To reach its 2019 Ambition the Group will focus on 7 levers:

- Consolidate the Managed Services leading position and leverage its leadership;
- Catch-up of Consulting & Systems Integration growth and profitability towards its peers;
- Roll-out an end-to-end sales process based on a holistic digital transformation offering and industrialize its successful global quality program to increase its wallet share;
- Develop Worldline as an undisputed European leader in payments;
- Leverage its unique European solutions in Big Data & Cybersecurity to sustain a solid double digit growth over the period;
- Maintain excellence in Human Resources and CSR;
- Continue to participate to the IT industry consolidation to expand its customer base and to strengthen its technological capabilities.

Consolidate the Managed Services leading position and leverage its leadership

The Group intends to anchor its leadership in Infrastructure & Data Management (Managed Services), its largest business, notably by continuing to successfully drive the transition of its customers to hybrid cloud infrastructures with increased volumes and market share gains through new contracts. The Group will keep bringing the innovation to enable the digital transformation of its customers, notably through strong partnerships with the most advanced technological world leaders.

In this context, **Managed Services is expected to improve its operating margin rate by +50 to +100 basis points over the 2017-2019 period while growing organically at a 0% to +1% CAGR.**

Catch-up of Consulting & Systems Integration growth and profitability towards its peers

In Consulting & Systems Integration, the Group has the ambition to catch-up towards its peers in terms of revenue organic growth and profitability. The focus will be, in particular, the migration to SAP HANA, the application transformation, and vertical cognitive solutions with the Atos Codex offerings as well as reaping the promising North America market.

The Service Line profitability increase will mainly come from the implementation of a brand new fully integrated delivering process concept for international private companies (which represent one third of the C&SI business today), closing the profitability gap with peers as well as making Atos more aggressive commercially to grow on this market.

As a result, **Consulting & Systems Integration targets to accelerate its organic growth to a +3% to +4% CAGR, while improving its operating margin rate by +200 to +250 basis points over the 2017-2019 period.**

Roll-out an end-to-end sales process based on a holistic digital transformation offering and industrialize its successful global quality program to increase its wallet share

In order to answer the holistic need of large organizations in their digital transformation, the Group designed a Digital Transformation Factory based on four end-to-end offers relying on the joint skills and capabilities of all the Group divisions and the consistent sales organization focusing on its top clients.

With **Atos Canopy Orchestrated Hybrid Cloud**, Atos leverages all the Group strengths and the expertise of its unique and powerful ecosystem of partners. It proposes an industrial end-to-end approach to transform customer applications and infrastructures and to migrate them to a common framework managing and orchestrating the bi-modal landscape of legacy and multi-sources of cloud. Revenue in **Atos Canopy Orchestrated Hybrid Cloud is expected to grow from c. € 700 billion in 2016e to c. € 1.7 billion in 2019e.**

Leveraging 32 years of experience with SAP 12,000+ professionals in 40+ countries, the Group provides a unique end-to-end SAP HANA value proposition with a recognized set of tools and accelerators, flexible SAP HANA hosting and cloud Services, and the Leading SAP HANA appliance, the Bullion. With **SAP HANA by Atos** end-to-end approach from Consulting & Integration to Digital & Analytics, Atos accelerates innovation and transformation by simplifying and optimizing its clients IT costs with the combination of both classical SAP and new SAP HANA. **SAP HANA by Atos revenue is expected to grow from c. € 100 million in 2016e to c. € 700 million in 2019e.**

In a context of consumerization redefining the way we work and business requirements of the end user, the **Atos Digital Workplace** end-to-end offering is answering its clients' needs of productivity of employees, security, and costs. The Atos solution encompasses automated help & interaction centers, cloud & mobile solutions, unified communication and collaboration tools such as Circuit from Unify. Thanks to a proven global capability, large investments, continuous innovations, and the management of an ecosystem of service partners, the **Atos Digital Workplace revenue is expected to grow from c. € 0.2 billion in 2016e to c. € 1.1 billion in 2019e.**

Atos Codex is a suite of business-driven analytics and IOT solutions and services which accelerates client's Digital Transformation. It supports public and private sector organizations to transform data into actionable business insight using cognitive capabilities. In this field, the Atos difference relies on an open innovation model to collect the world's intelligence and make it work for its clients, made to measure platforms to perfectly fit to the unique business context of its clients, in a fully secured environment. **Atos Codex revenue is expected to grow from c. € 500 million in 2016e to c. € 1 billion in 2019e.**

This end-to-end approach will be a key enabler to offer the **Big Data & Cybersecurity** solutions on top of the traditional research and defense sectors and combined with the international development of the division beyond France and Germany. Thanks to this transversal and international expansion, the Service Line **Big Data & Cybersecurity is expected to grow at an organic CAGR of at least 12% over the 2017-2019 period while maintaining its current strong operating margin rate above 16%.**

Develop Worldline as an undisputed European leader in payments

Worldline today announces its ambition for 2019, reflecting the increase of its scope after the acquisitions of Equens, Paysquare, and KB Smartpay. Worldline's 2017-2019 objectives are:

- After a first semester 2017 at a slight positive growth, an revenue organic growth between 5% and 7%;
- OMDA percentage improvement between 350bp and 400bp in 2019, compared to 2016;
- +50% increase in Free Cash Flow in 2019 compared with 2016, at €210m to €230m in 2019.

For the next three years, Worldline intends to take advantage of its European leadership to expand its Pan-European platform for Omni-commerce Merchant Services, to grow in Financial Processing and to deliver the massive industrial synergies with equensWorldline.

Based on its payment industry intimacy and its attractive financial profile, Worldline ambitions to accelerate its involvement in the European payments industry consolidation.

Maintain excellence in Human Resources and CSR

In order to realize its three-year plan, the Group relies strong values and best practices in Corporate and Social Responsibility. These values are fully integrated in its operations.

To power its ambition, Atos is building the best employee digital experience in order to attract and retain the graduates, talents, experts.

Atos set medium term extra-financial objectives including:

- To power its ambition, Atos targets to be recognized as the best employer in the IT sector and to build the best employee digital experience. In this field, Atos ambitions to keep increase the Atos GreatPlaceToWork TrustIndex® reflecting employee satisfaction to the top 10% industry benchmark;
- A clear focus on customer satisfaction through sustainable and innovative solutions;
- Finally, as a sustainable player, Atos manages its operational efficiency in environmental footprint with the objective to reduce by 5% to 15% CO2 Emissions per revenue unit (tCO2 per € million) by 2020.

Continue to participate to the IT industry consolidation to expand its customer base and to strengthen its technological capabilities

Atos maintains a financing agility to support the Group development ambition. It will seize value creative opportunities to reinforce its business model and to acquire new clients and technological capabilities with the same financial discipline as in the prior years.

In order to materialize deeper the Digital Transformation Factory, the Group decides to change the names of two service lines

Atos is organized with four divisions:

- Managed Services becomes "Infrastructure & Data Management";
- Consulting & Systems Integration becomes "Business Applications & Platform Solutions";
- Big Data & Cybersecurity (not changed);
- Worldline (not changed).

Webcast

Several sections of the Investor Day will be live webcasted on Atos website, notably the "Vision, strategy & 3-year plan targets" section presented by Thierry Breton; Chairman and CEO, as well as the "Financial achievements & objectives" section presented by Elie Girard, Chief Financial Officer followed by a Q&A session. The "Worldline's 3-year plan" presentation by Gilles Grapinet, Atos SEVP and Worldline CEO will be webcasted on both Atos and Worldline websites.

You can join the **webcast** of the presentations on atos.net, in the Investors section.

Forthcoming event

February 22, 2017: 2016 annual results

Contacts

Media:	Terence Zakka	+33 1 73 26 40 76 terence.zakka@atos.net
Investor Relations:	Gilles Arditti	+33 1 73 26 00 66 gilles.arditti@atos.net
	Benoit d'Amécourt	+33 1 73 26 02 27 benoit.damecourt@atos.net

About Atos

Atos SE (Societas Europaea) is a leader in digital services with pro forma annual revenue of circa € 12 billion and circa 100,000 employees in 72 countries. Serving a global client base, the Group provides Consulting & Systems Integration services, Managed Services & BPO, Cloud operations, Big Data & Cybersecurity solutions, as well as transactional services through Worldline, the European leader in the payments and transactional services industry. With its deep technology expertise and industry knowledge, the Group works with clients across different business sectors: Defense, Financial Services, Health, Manufacturing, Media, Utilities, Public sector, Retail, Telecommunications, and Transportation.

Atos is focused on business technology that powers progress and helps organizations to create their firm of the future. The Group is the Worldwide Information Technology Partner for the Olympic & Paralympic Games and is listed on the Euronext Paris market. Atos operates under the brands Atos, Atos Consulting, Atos Worldgrid, Bull, Canopy, Unify and Worldline.

For more information, visit: atos.net.

Disclaimers

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Revenue organic growth is presented at constant scope and exchange rates. Operating margin is presented as defined in the 2015 Registration Document.

Atos decided, as early as the acquisition date, to retain only part of the activity of Unify. As a result, the Software & Platforms business, along with the customers and the countries that were planned to be managed through indirect channels, have been accounted for as discontinued operations and are in the process of being physically carved-out to facilitate the disposal of this activity. Therefore, the 2016 and 2015 pro forma consolidated external revenue and operating margin reflect the retained scope of Unify only.