

# FY 2021 Results



Bezons  
March 1, 2022

**Atos**

# Disclaimer

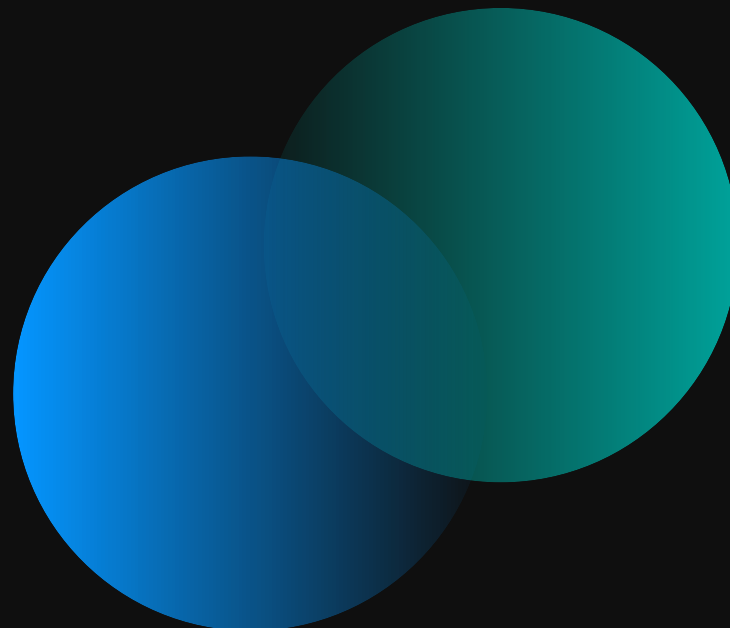
This document contains forward-looking statements that involve risks and uncertainties, including references, concerning the Group's expected growth and profitability in the future which may significantly impact the expected performance indicated in the forward-looking statements. These risks and uncertainties are linked to factors out of the control of the Company and not precisely estimated, such as market conditions or competitor's behaviors. Any forward-looking statements made in this document are statements about Atos' beliefs and expectations and should be evaluated as such. Forward-looking statements include statements that may relate to Atos' plans, objectives, strategies, goals, future events, future revenues or synergies, or performance, and other information that is not historical information. Actual events or results may differ from those described in this document due to a number of risks and uncertainties that are described within the 2020 Universal Registration Document filed with the Autorité des Marchés Financiers (AMF) on April 7, 2021 under the registration number D.21-0269 and the Amendment to the 2020 Universal Registration Documents filed with the AMF on July 30, 2021 under number D.21-0269-A01. Atos does not undertake, and specifically disclaims, any obligation or responsibility to update or amend any of the information above except as otherwise required by law. This document does not contain or constitute an offer of Atos' shares for sale or an invitation or inducement to invest in Atos' shares in France, the United States of America or any other jurisdiction.

Atos consolidated and statutory financial statements for the year ended December 31, 2021, were approved by the Board of Directors on February 28, 2022. Audit procedures have been completed and the audit reports are in the process of being issued.

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

Industries include Manufacturing (Aerospace, Automotive, Chemicals, Consumer Packaged Goods (Food & Beverage), Discrete Manufacturing, Process Industries, Services and Siemens), Financial Services & Insurance (Insurance, Banking & Financial Services, and Business Transformation Services), Public Sector & Defense (Defense, Education, Extraterritorial Organizations, Public Administration, Public Community Services and Major Events), Telecom, Media & Technology (High Tech & Engineering, Media, and Telecom), Resources & Services (Energy, Retail, Transportation & Hospitality, and Utilities) and Healthcare & Life Sciences (Healthcare and Pharmaceutical).

Regional Business Units include North America (USA, Canada, Guatemala and Mexico), Northern Europe (United Kingdom & Ireland, Belgium, Denmark, Estonia, Belarus, Finland, Lithuania, Luxembourg, The Netherlands, Poland, Russia and Sweden), Central Europe (Germany, Austria, Bulgaria, Bosnia, Croatia, Czech Republic, Greece, Hungary, Romania, Serbia, Slovenia, Slovakia, Israel, and Switzerland), Southern Europe (France, Andorra, Spain, Portugal and Italy) and Growing Markets including Asia-Pacific (Australia, China, Hong Kong, India, Japan, Malaysia, New Zealand, Philippines, Singapore, Taiwan, and Thailand), South America (Argentina, Brazil, Chile, Colombia, Uruguay, and Peru), 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.



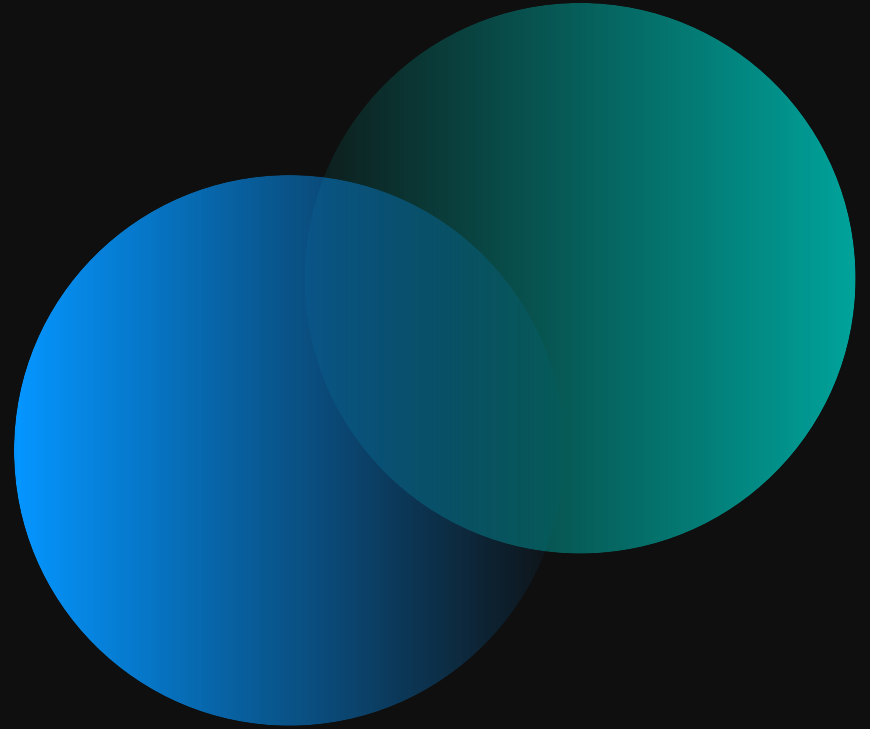
# Agenda

1. Introduction
2. 2021 Highlights
3. 2021 Financial Performance
4. 2022 Main Priorities & Objectives
5. Q&A



# 1. Introduction

*Rodolphe Belmer, CEO*



**2021:** a year of many challenges

**2022:** a pivotal year paving the way for recovery



Classic IT services driving revenue and Operating Margin decline

Unforeseen contract variance and adverse impacts at year-end

**-2.5%** Revenue at cst. curr.  
**3.5%** Operating Margin  
**€-419m** FCF

Assets and contracts review following change in strategy  
**€2.4 bn** Impairments



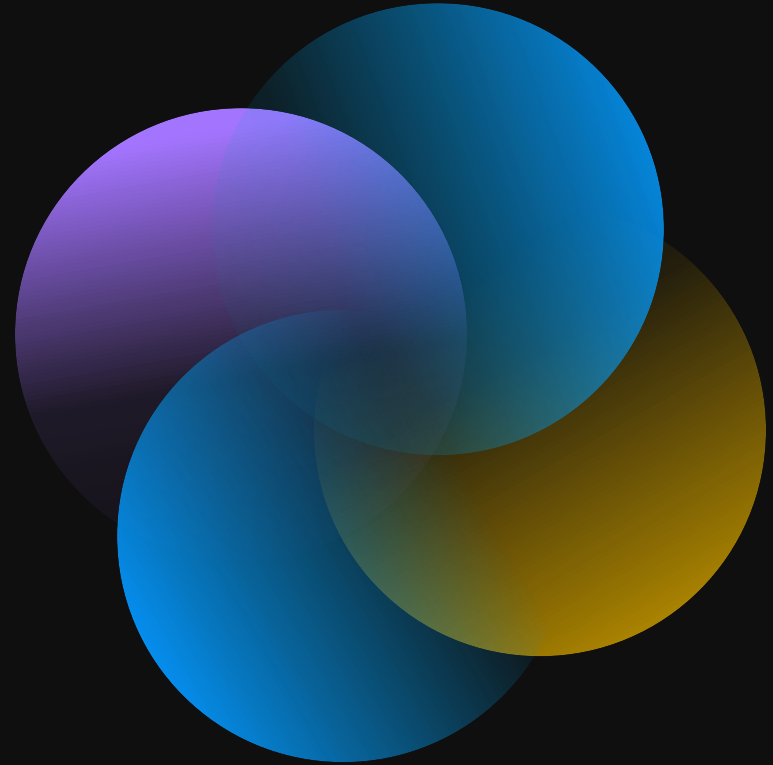
Group transformation **firmly engaged**

Adapted and simplified governance structured around 3 distinct business lines and 4 regions **to accelerate return to growth**

Turnaround plan and 2023-2025 objectives **to be presented in May**

## 2. 2021 Highlights

*Rodolphe Belmer, CEO*



# 2021

## Key Financial Figures

Revenue	Operating Margin	OMDA	Headcount
<b>€ 10.8bn</b> -2.5% yoy, cst. curr. -4.3% yoy, organic	<b>€ 383m</b> 3.5% of revenue	<b>€ 1,095m</b> 10.1% of revenue	<b>109,135</b> +2.9% organic
Net income	Normalized Net Income	Free Cash Flow	Net Debt
<b>€-2,962m</b>	<b>€-215m</b>	<b>€-419m</b>	<b>€ 1,226m</b> Net debt/OMDA at 1.1

Board decision to suspend dividend payment in 2022

# 2021 Commercial Activity

2021 Order Entry

€10.8bn

Book to Bill

99%

Year-end Backlog

€23.6bn

Or 2.1 years of revenue

## 2021 Main Wins



### Global Industrial Manufacturer

Global service integration and management



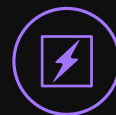
### European High Tech leader

Digital transformation embarking Cloud, Security and Decarbonization



### US Global Insurer

Migration to Public Cloud



### Major Logistics Company

Agile and cloud native application development leveraging AI/ML



### Public Authority

Dev Ops and integration to support Digital transformation



### European HealthCare player

OneCloud to support Digital Transformation, Security and Decarbonization



2021

## Targeted Bolt-on Acquisitions supporting business mix improvement

### Digital



Product Lifecycle Management



Edge, Big Data & Analytics



Product Lifecycle Management

### Cloud



Big Data & Analytics



Snowflake



Big Data, AI & ML



Cloud Application Salesforce services



Public Cloud Application & cloud migration

### Security



Cyber Products



 **> 1,500**  
Experts

 **c. €170m**  
Annual Revenue  
(2021)

In total, companies acquired since 2020 represent **c. €600m** full-year revenue (2021) in Digital, Cloud, Security and Decarbonization

2021

## Key Non-Financial Indicators

Net promoter score  
from our clients

66%

+1 point vs 2020

CO2 Emissions  
scopes 1,2 and 3

2.4 Mtons

reduced by -27%  
since 2019

% of total spend  
assessed by Ecovadis  
or alternative assessments

68%

vs. 63% in 2020

New Digital  
Certifications

100,026

vs 85,216 in 2020

Great Place To Work  
Atos Trust Index®

66%

+1 point vs 2020

% of Women in Executive  
Management (top 450)

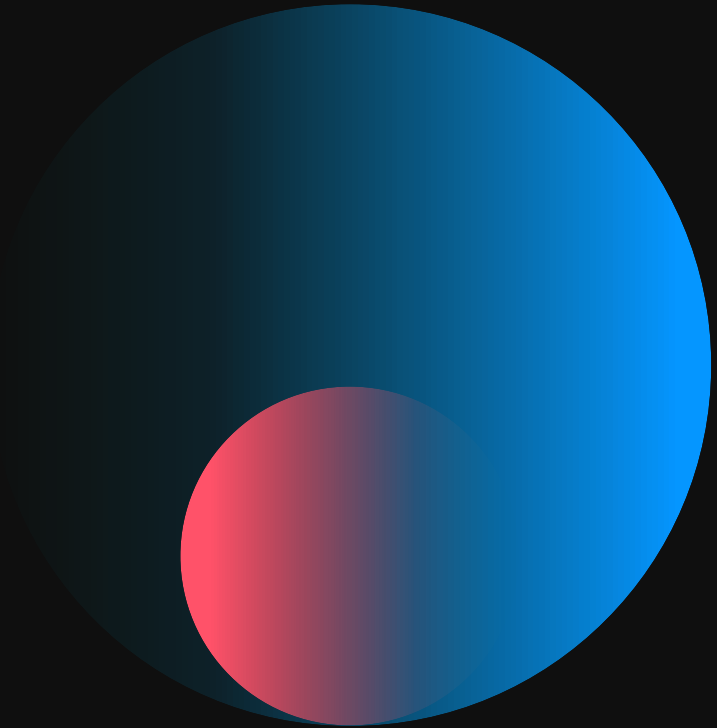
32%

from 13% in 2019

Sustainability to remain at the heart of Atos's strategy

### 3. 2021 Financial Performance

*Uwe Stelter, Group CFO*



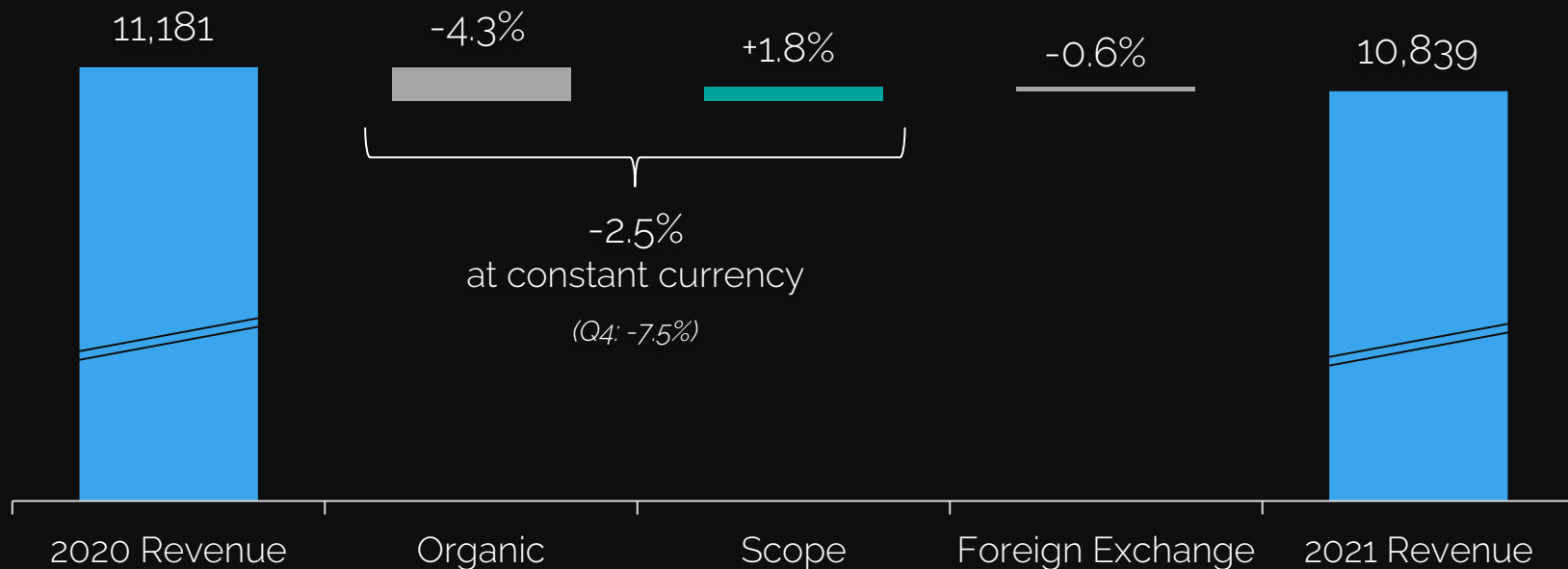
# 2021

## Financial Overview

€M	FY 2021	FY 2020	Variation	Variation at constant currency
Revenue	10,839	11,181	-3.1%	-2.5%
Operating Margin	383	1,002		
<i>% operating margin rate</i>	3.5%	9.0%	-550 bps	-540 bps
OMDA	1,095	1,661		
<i>% OMDA rate</i>	10.1%	14.9%	-480 bps	
Normalized Net income	-215	725		
Net income	-2,962	550		
Free Cash Flow	-419	513		
Net debt	1,226	467		

# 2021 Revenue Bridge

In €M:

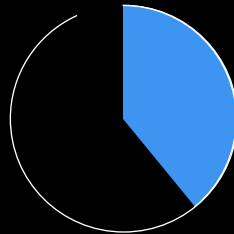


2021

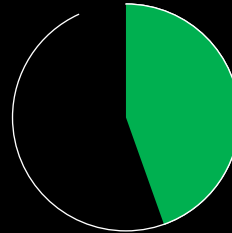
## Increased focus on Digital, Cloud, Security and Decarbonization

Digital, Cloud, Security, and  
Decarbonization in % of Group  
revenue

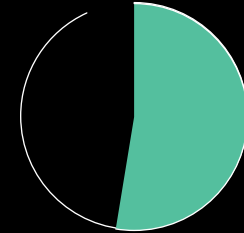
**40%**  
in 2019



**46%**  
in 2020



**51%**  
in 2021



# 2021

## Performance by Regional Business Unit

€M	Revenue			Operating Margin		% OM Rate	
	FY 2021	FY 2020*	% YoY @constant currency	FY 2021	FY 2020*	FY 2021	FY 2020*
North America	2,418	2,518	-4.0%	254	377	10.5%	15.0%
Northern Europe	2,686	2,769	-3.0%	50	230	1.8%	8.3%
Central Europe	2,515	2,699	-6.8%	28	123	1.1%	4.6%
Southern Europe	2,418	2,347	+3.0%	54	189	2.2%	8.1%
Growing Markets	802	781	+2.7%	73	110	9.1%	14.0%
Global Structures	-	-		-76	-43	-0.7%	-0.4%
<b>Total</b>	<b>10,839</b>	<b>11,114</b>	<b>-2.5%</b>	<b>383</b>	<b>987</b>	<b>3.5%</b>	<b>8.9%</b>

\* At constant currency

# 2021

## Performance by Industry

€M	Revenue			Operating Margin		% OM Rate	
	FY 2021	FY 2020*	% YoY @constant currency	FY 2021	FY 2020*	FY 2021	FY 2020*
Manufacturing	2,024	1,999	+1.3%	73	68	3.6%	3.4%
Financial Services & Insurance	2,081	2,104	-1.1%	37	257	1.8%	12.2%
Public Sector & Defense	2,354	2,580	-8.7%	63	261	2.7%	10.1%
Telecom, Media & Technology	1,506	1,526	-1.3%	55	123	3.6%	8.0%
Resources & Services	1,567	1,623	-3.4%	42	121	2.7%	7.5%
Healthcare & Life Sciences	1,306	1,284	+1.8%	113	157	8.7%	12.2%
Total	10,839	11,114	-2.5%	383	987	3.5%	8.9%

\* At constant currency



# 2021

## Income Statement

€M	FY 2021	FY 2020
Revenue	10,839	11,181
Operating margin	383	1,002
Reorganization, Rationalization, Integration costs	-437	-205
Amortization of intangible assets (PPA from acquisitions)	-151	-153
Equity based compensation	-34	-74
Impairments and others	-2,529	80
<b>Operating income</b>	<b>-2,768</b>	<b>650</b>
Net financial expenses	-151	-51
Profit before tax	-2,617	599
Tax charge	-39	-51
<i>Effective tax rate</i>	<i>-1.3%</i>	<i>8.6%</i>
Non-controlling interests	-3	-3
Share of net profit/(loss) of associates	0	5
<b>Net income – Group share</b>	<b>-2,962</b>	<b>550</b>
<b>Normalized net income – Group share</b>	<b>-215</b>	<b>725</b>

→ Includes German turnaround costs: €-180m

→ Assets and contracts review leading to impairments and provisions of €-2,355 m

→ Change in fair value of OEB derivative and underlying Worldline shares: €-81 m

2021

€2.4 bn impairments and provisions resulting from assets and contracts review

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Goodwill impairment

€-1,324 m

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Other non-current assets  
impairment and provisions  
for supplier commitments

€-532 m

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Contract assets impairment,  
bad debt and provisions

€-499 m

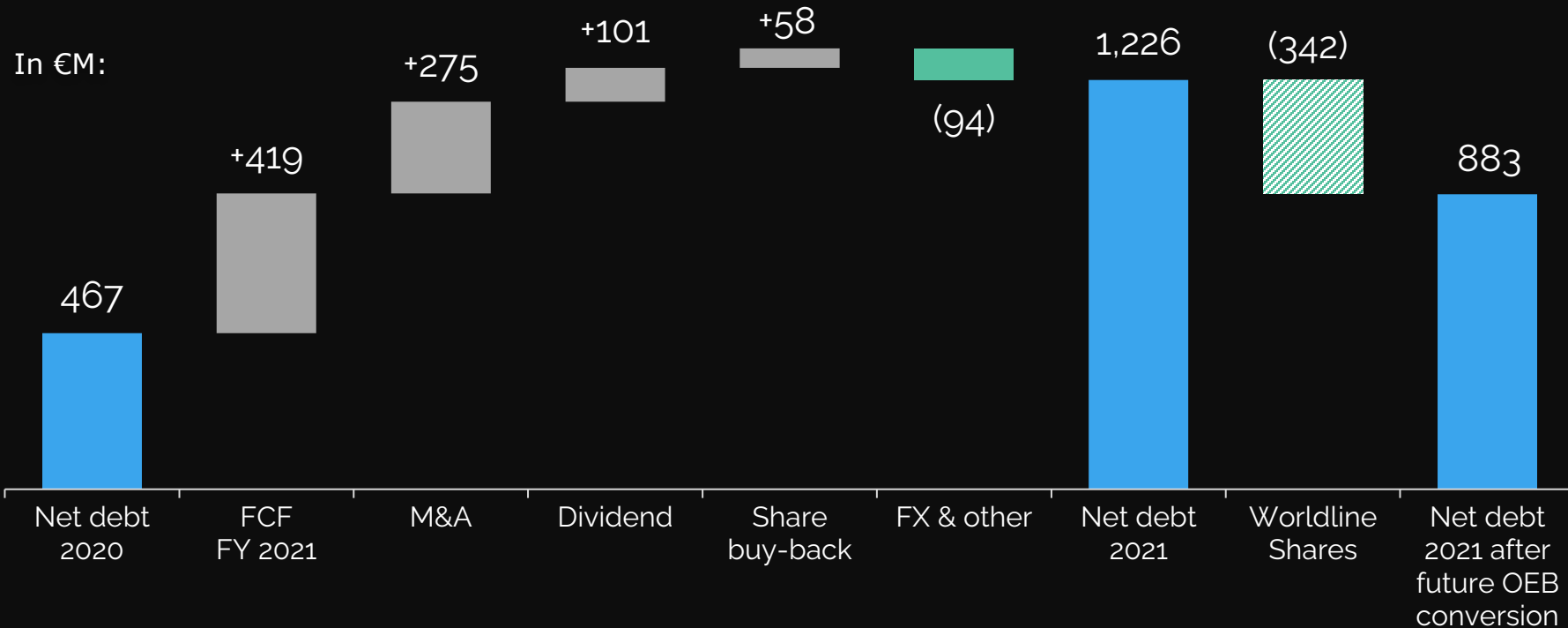
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# 2021

## Cash Flow Statement

€M	FY 2021	FY 2020
<b>Operating Margin</b>	<b>383</b>	<b>1,002</b>
+ Depreciation of fixed assets	325	332
+ Depreciation of right of use	376	352
+ Net book value of assets sold/written off	10	15
+/- Net charge/(release) of pension provisions	-1	-41
+/- Net charge/(release) of provisions	2	1
<b>Operating Margin before Depreciation &amp; Amortization</b>	<b>1,095</b>	<b>1,661</b>
Capital Expenditures	-272	-320
Lease payments	-391	-361
Change in working capital requirement	-156	-63
<b>Cash from operations</b>	<b>275</b>	<b>916</b>
Tax paid	-81	-113
Net cost of financial debt paid	-25	-33
Reorganization, Rationalization & Integration and acquisition costs	-438	-191
Other changes	-151	-66
<b>Free cash flow</b>	<b>-419</b>	<b>513</b>

# 2021 Net Debt Evolution



## 2021 Headcount Evolution



3,060 net organic increase skewed towards offshore locations

# 4. 2022 Main Priorities & Objectives

*Rodolphe Belmer, CEO*



# Group transformation firmly engaged

## Main priorities

- Adapt and simplify governance
- Energize sales and commercial momentum
- Rationalize cost structure
- Reposition activity portfolio through disposals and acquisitions

**Detailed turnaround  
plan to be presented  
in May 2022**

# Atos adapted governance

## To accelerate return to growth



### 3 Business Lines

#### Technology Foundations

Datacenter & Hosting  
Digital Workplace  
UCC  
Traditional BPOs

#### Digital

Digital applications  
Application maintenance  
Cloud  
Decarbonization

#### Big Data & Security

Big Data  
Cybersecurity  
HPC & Edge Computing  
Mission Critical Systems



### 4 Regions

Northern Europe & APAC  
Southern Europe  
Central Europe  
Americas



### Executive Board

Streamlined  
Executive Board  
of **12 members**  
( 24 positions previously)



# 2022: a pivotal year

Growth bottoming out, back-end loaded performance

H1

- Continued decline of classic IT business
- Personnel cost inflation
- Supply chain tensions

Further pressure on revenue  
and operating margin



H2

- More favorable revenue mix
- Lower comparison basis
- Benefits from performance optimization actions already implemented

Back to revenue growth at cc  
Uptick in operating margin

# 2022: a pivotal year

## Full-year objectives

Revenue growth  
at constant currency

-0.5% to +1.5%

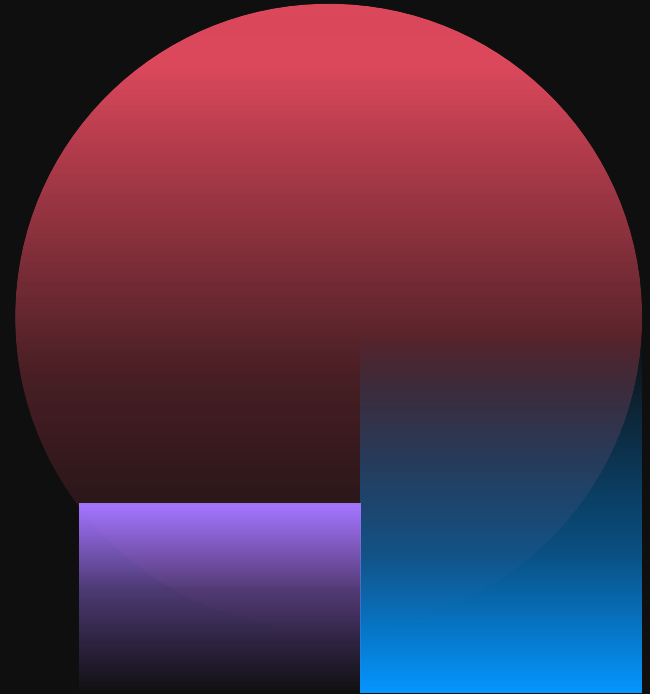
Operating margin  
(% of revenue)

3% to 5%

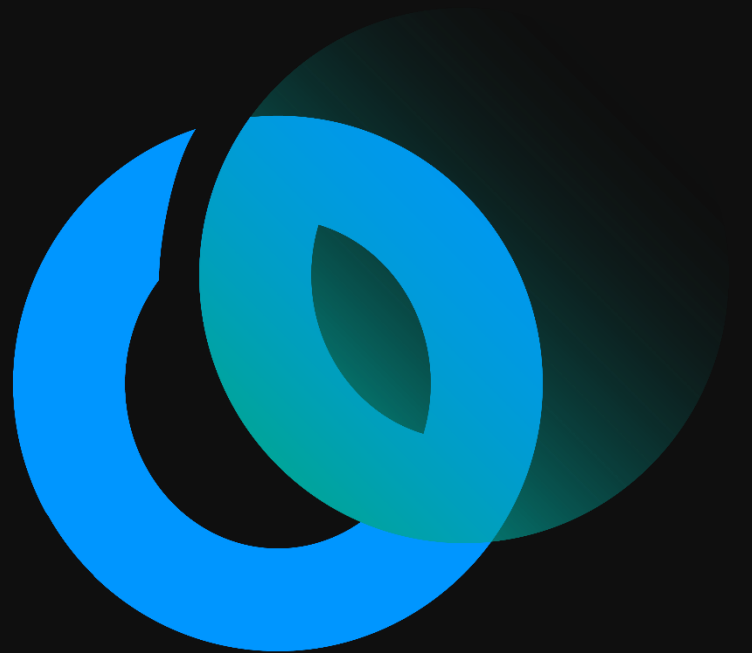
Free cash flow

€-150m to €200m

## 5. Q&A



# Thank you



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