

# SOPRA STERIA GOVERNANCE ROAD SHOW

March 2018

# DISCLAIMER

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*This presentation contains forward-looking information subject to certain risks and uncertainties that may affect the Group's future growth and financial results. Readers are reminded that licence agreements, which often represent investments for clients, are signed in greater numbers in the second half of the year, with varying impacts on end-of-year performance. Actual outcomes and results may differ from those described in this document due to operational risks and uncertainties. More detailed information on the potential risks that may affect the Group's financial results are available in the 2016 Registration Document filed with the Autorité des Marchés Financiers (AMF) on 13 April 2017 (see pages 37 and following in particular). Sopra Steria does not undertake any obligation to update the forward-looking information contained in this document beyond what is required by current laws and regulations. The distribution of this document in certain countries may be subject to certain laws and regulations. Persons physically present in countries where this document is released, published or distributed should inquire as to any applicable restrictions and should comply with those restrictions.*



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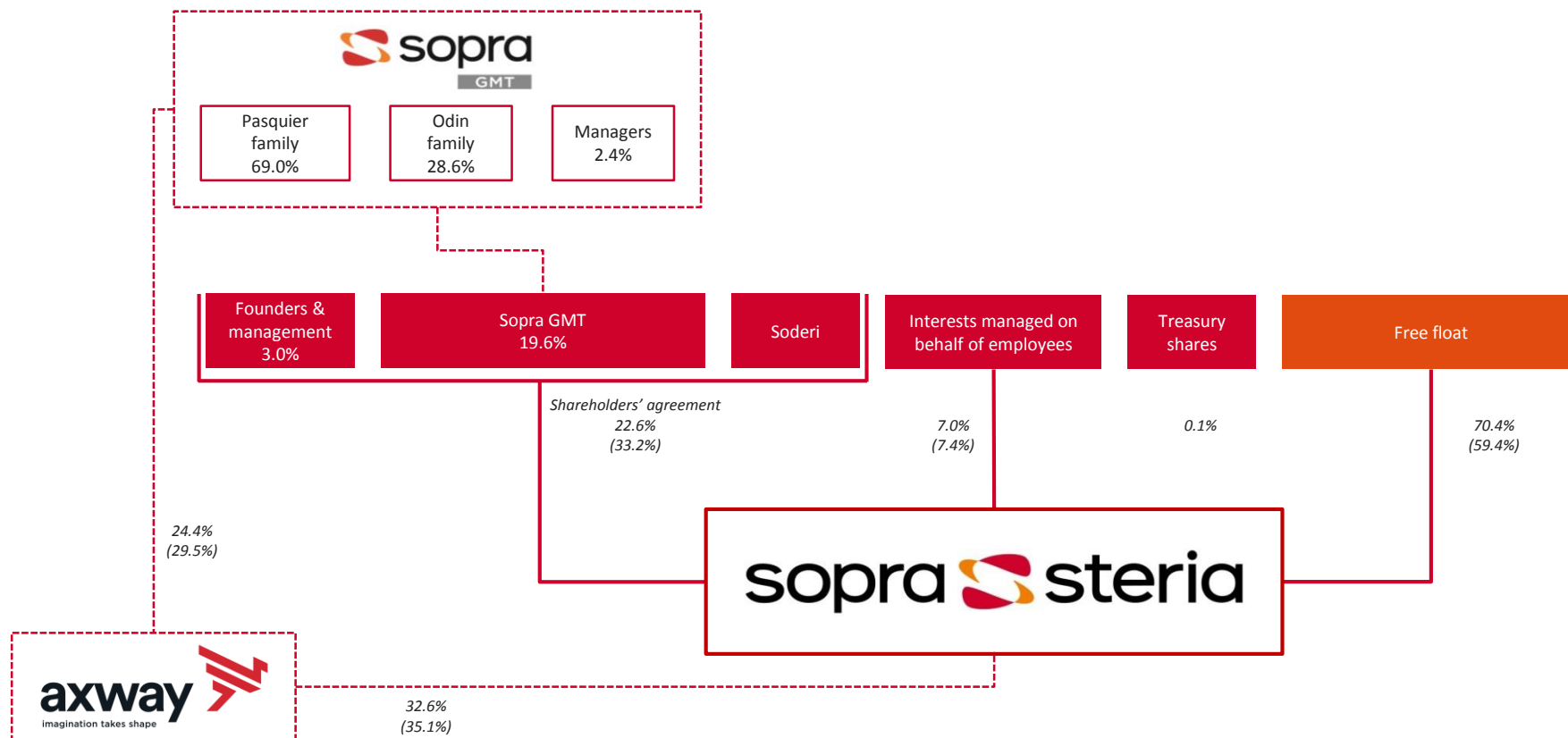


# SOPRA STERIA'S OWNERSHIP & GOVERNANCE



# 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



# GROUP'S GOVERNANCE

## ROLES OF CHAIRMAN AND CEO ARE SEPARATED

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### CHAIRMAN

*Chairman of the Board of Directors*

- Drives Group strategy, including transactions related to mergers and acquisitions
- Oversees investor relations activities
- Assists management and contributes to certain operational missions

### CEO

*Chairs the Executive Committee*

- Works with the Chairman to design strategy
- Supervises the implementation of decisions adopted
- Ensures the operational management of all group entities
- Leads the transformation and industrialisation process





## POST MERGER 2015 OBJECTIVES ACHIEVED



# SUCCESS OF THE MERGER

## CHAIRMAN'S MAIN PRIORITIES OVER THE LAST 5 YEARS

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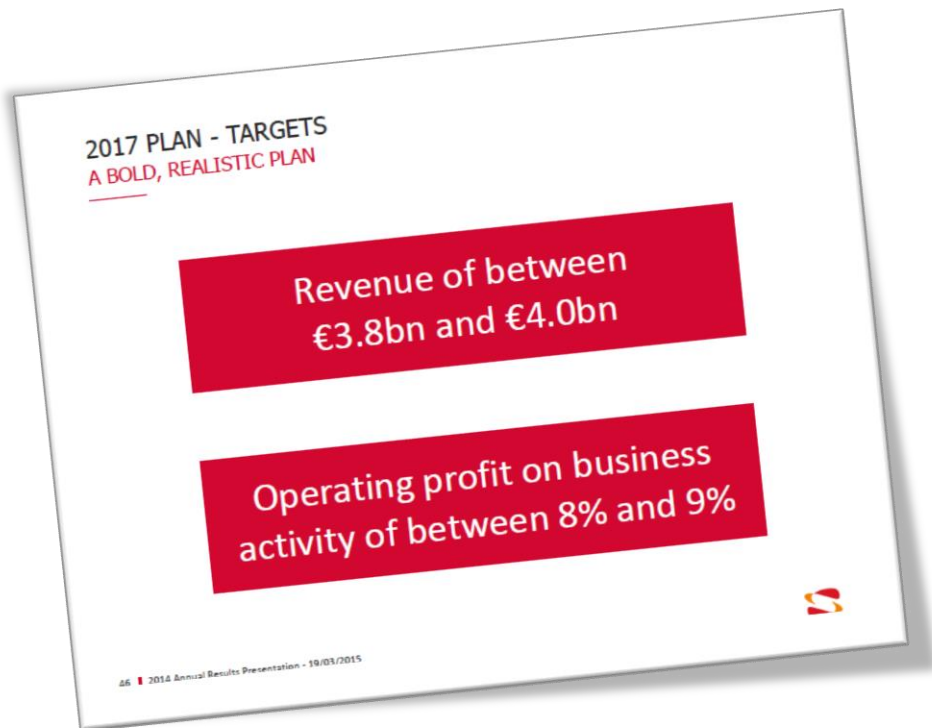
- Transaction with Steria
- Integration between Sopra & Steria
- Set up and support of a solid new executive team
- Renewal of the strategic thinking process
- Definition of strategic orientations and M&A policy
- Board renewal





# ACHIEVEMENT OF 3-YEAR TARGETS SET IN 2015

## TARGETS ANNOUNCED FOLLOWING THE MERGER IN MARCH 2015



2017 revenue  
**€3,845m**

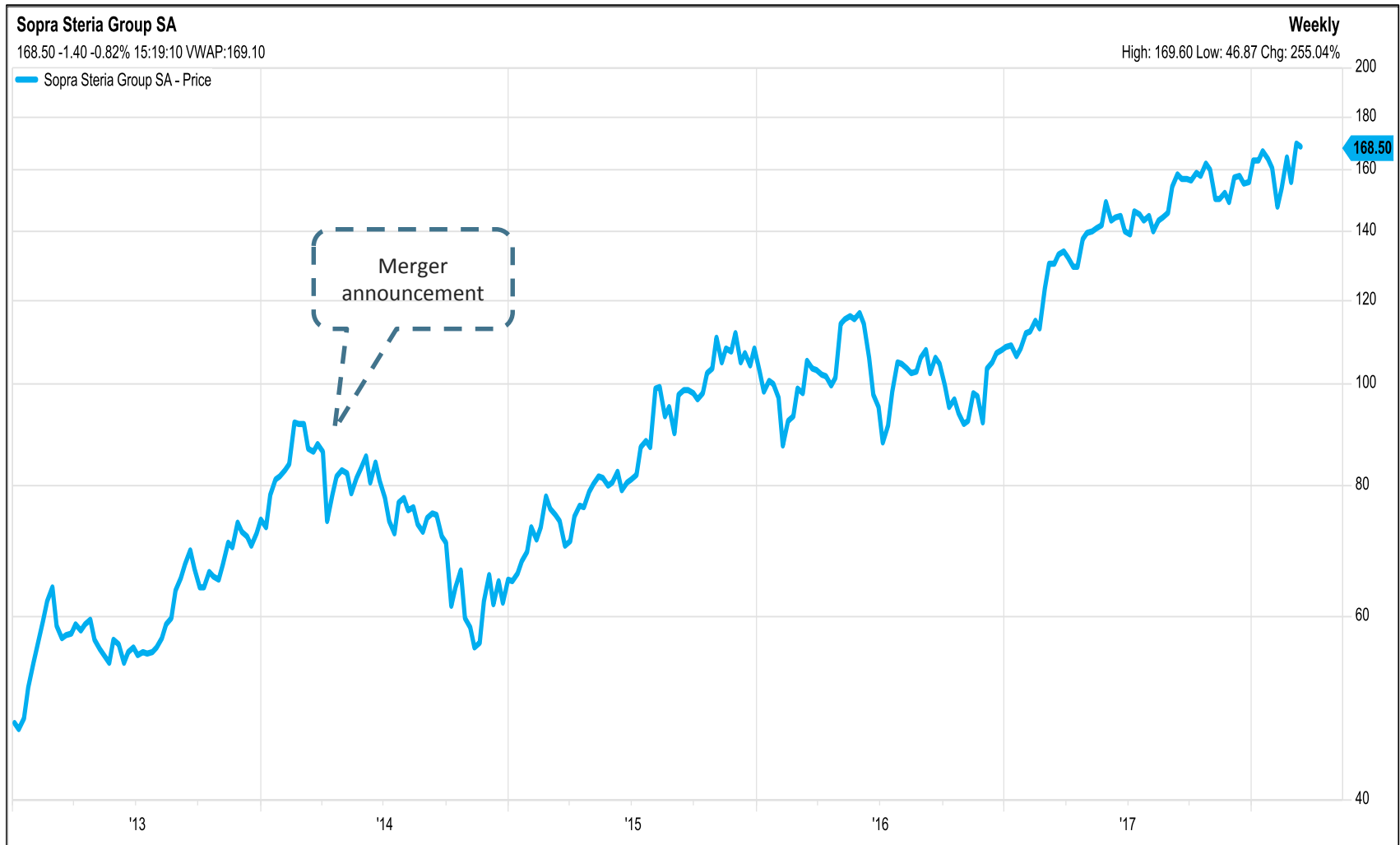


2017 operating margin on  
business activity of **8.6%**



# 5 YEAR SHARE PRICE PERFORMANCE

MULTIPLIED BY 2 SINCE THE MERGER ANNOUNCEMENT IN APRIL 2014



Share price as of 03/13/2018





## NEXT STEPS



# AMBITIONS FOR 2020

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# 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

- Develop Consulting
- Achieve SBS success





## BOARD TO BE RENEWED IN 2018

# BOARD MANDATES TO BE RENEWED IN 2018 (1/3)

## RENEWAL PRINCIPLES

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- Set up the Board that will drive the Group over the 10 next years
- Respect of Sopra Group & Groupe Steria merger agreement
  - Equal number of directors representing Sopra GMT and Groupe Steria
- Renewal objectives
  - Fewer directors (move from 19 to 13)
  - Focused, high level competencies (IT / Management / Finance / International)
  - Respect regulation regarding gender
  - Rolling renewal of mandates
- Renewal in 2 phases : 2018 & 2020



# BOARD MANDATES TO BE RENEWED IN 2018 (2/3)

## TARGETED 2018 BOARD STRUCTURE

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- **13** directors
- Independence: **54 %**
- Men / Women gender parity: **54 %/46 %**
- Non French: **46 %**
- IT competencies: **54 %**
- Finance competencies: **38 %**
- Reduce average age by **3 years**





# BOARD MANDATES TO BE RENEWED IN 2018 (3/3)

## CURRENT AGE LIMIT OF CHAIRMANSHIP

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### *The current age limit on the Chairmanship:*

- Perturbs the 2-phase renewal of the current Board of Directors
  - Phase 1 in 2018
  - Phase 2 in 2020
- Weakens the ability to secure 3 key strategic objectives
  - Development of Consulting
  - Success of Sopra Banking Software
  - Next major stage of Group development

***Proposal that Chairman fulfills his renewed mandate in its entirety (to 2024)***





## PRINCIPLES RETAINED FOR OTHER 2018 RESOLUTIONS

# PRINCIPLES RETAINED FOR OTHER 2018 RESOLUTIONS

## 2018 AGM

- No new regulated agreements
- Share capital increase, not used during public offering
  - With pre-emptive subscription rights => 50% maximum of the share capital
  - Without pre-emptive subscription rights but with a priority subscription period => 20% maximum of the share capital
  - Without pre-emptive subscription rights => 10% maximum of the share capital
- Share subscription warrants issuance in the event of a takeover bid up to a nominal amount of the share capital (“bons Breton”)
- Share capital increase reserved for employees – Overall limit of 3% of the share capital
  - Issuance without pre-emptive rights => up to a maximum of 3 % of the share capital
  - Free share awards to employees and officers up to a maximum of 3 % of the share capital
    - Based on performance criteria
    - Previous plans in 2016, 2017 and 2018: 3 criteria (at least equivalent to guidance) monitored on a 3-year period: organic revenue growth, operating margin rate on business activity, free cash flow
- Say on pay ex ante
  - Fixed compensation: no change for the Chairman and the CEO
  - Variable compensation: Chairman none / CEO based on operating margin on business activity (2/3) & strategic criteria (1/3)





# ANNEXES



# BOARD MANDATES TO BE RENEWED IN 2018

## CURRENT BOARD STRUCTURE

Name	Age	1st appointment	Independent	Audit Committee	Compensation committee	Nomination, Ethics & Governance Committee
Pierre Pasquier	82	1968				x
Eric Pasquier	47	2014				
Sopra GMT (Kathleen Clark-Bracco)	50	2014			x	Chairman
Eric Hayat	77	2014			x	x
Astrid Anciaux	53	2014				
Solfrid Skilbrigt	59	2015				
Jean-François Sammarcelli	67	2010	x			
Jean-Luc Placet	66	2012	x		x	x
Marie-Hélène Rigal-Drogerys	48	2014	x	x		
Sylvie Rémond	54	2015				
Jessica Scale	55	2016	x			
François Odin	84	1968		x		
Hervé Saint-Sauveur	74	2003	x	Chairman		
Gérard Jean	70	2003	x		Chairman	x
Jean Mounet	73	2012				
Christian Bret (non voting director)	77	2012			x	x
Jean-Bernard Rampini	61	2014				
Emma Fernandez	54	2017	x			
<u>Employee representatives:</u>						
Gustavo Roldan de Belmira	60	2014			x	
Aurélie Peaud	36	2015				



# OTHER 2018 RESOLUTIONS

## EX POST SAY ON PAY

- Chairman
  - No variable compensation
- CEO
  - Variable compensation = 190 k€ corresponding to 63% of the objectives
    - Quantitative objective = 50%
    - Qualitative objectives
      - 100% for 3 objectives
      - 60% for 1 objective



# 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 53 of this presentation*



# SOPRA STERIA AT 31/12/2017

## A EUROPEAN LEADER IN DIGITAL TRANSFORMATION



Top 5 European digital services companies

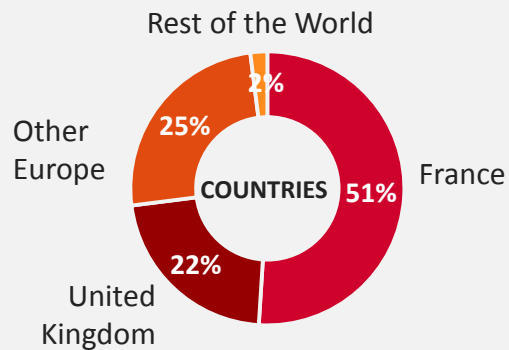
Top 10 operating in Europe

2017 revenue of €3.8bn

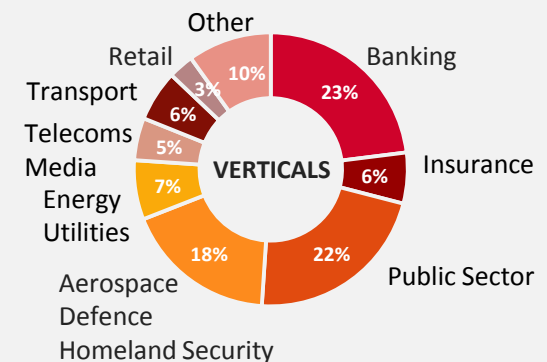
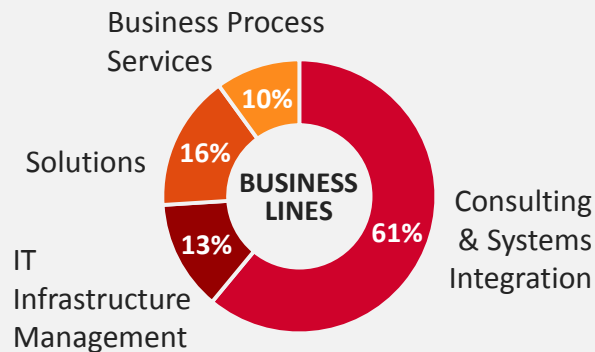
41,000+ employees

Operations in more than 20 countries

End-to-end approach



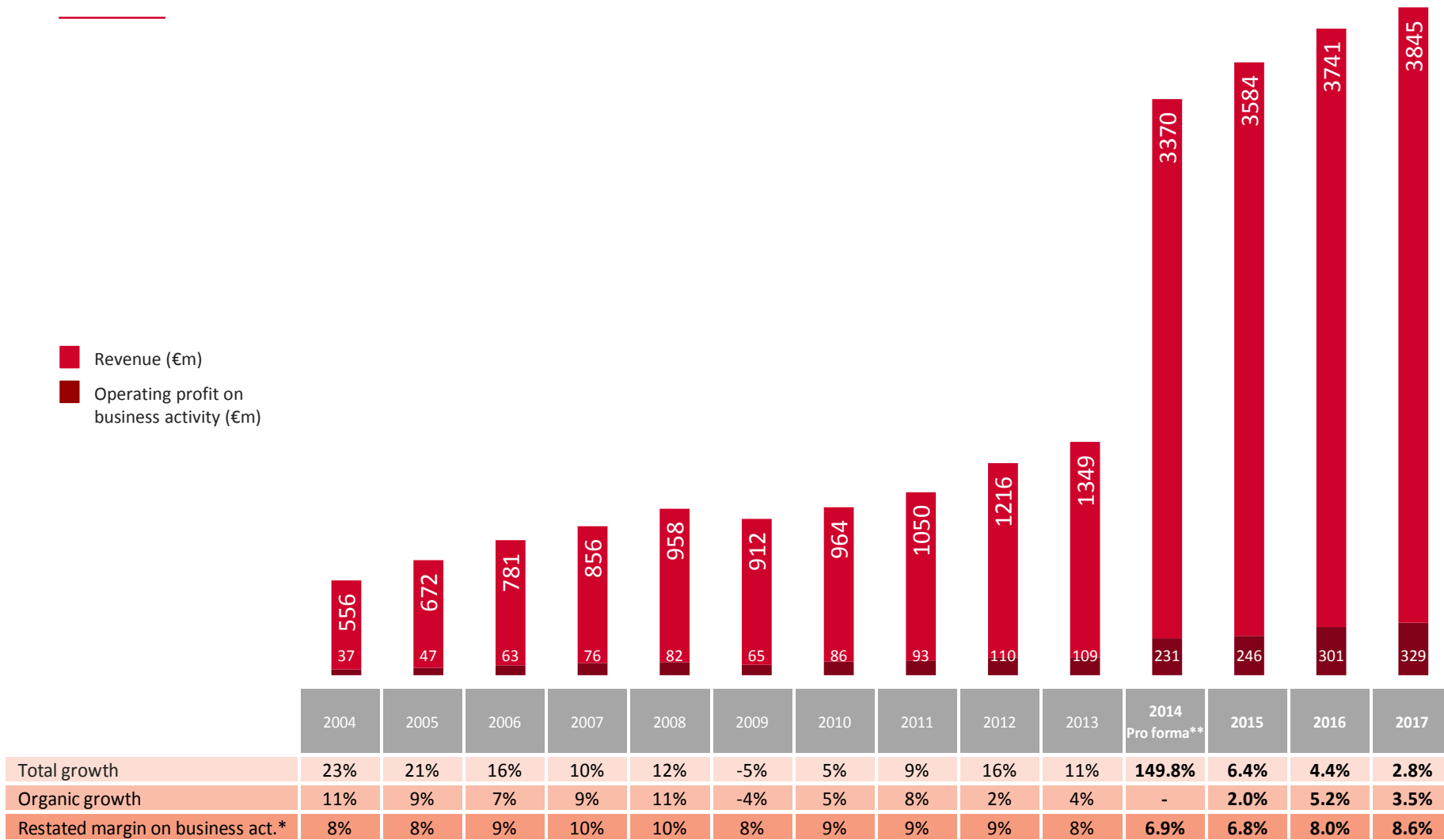
### Revenue to 31/12/2017





# 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

