

Revenue for Q3 2016: €875.0m

Robust organic growth of 4.7%

Paris, 3 November 2016 – Sopra Steria Group generated revenue of €875.0 million in the third quarter of 2016, representing growth of 3.5%. Growth at constant scope and exchange rates was robust, amounting to 4.7%.

Sopra Steria: Consolidated revenue - Q3 2016

| €m / % | Q3 2016 | Q3 2015 Reported | Organic growth* | Total growth |
|---------|---------|------------------|-----------------|--------------|
| Revenue | 875.0 | 845.8 | 4.7% | 3.5% |

*Alternative performance measures are defined in the glossary at the end of this document

Comments on Q3 2016 business activity

In line with the first half of 2016, Sopra Steria had a buoyant third quarter of 2016, with robust organic growth of 4.7%. Currency fluctuations had a negative €43.9 million impact, mainly due to the drop in the British pound. Changes in scope had a positive impact of €33.7 million. Overall, total revenue growth for the third quarter was 3.5%.

In **France**, third-quarter revenue came to €356.9 million, representing organic growth of 5.4%.

- **Consulting & Systems Integration** remained very buoyant, with revenue of €309.5 million, representing organic growth of 6.6%, despite an unfavourable calendar effect of one day over the quarter with respect to financial year 2015. As was the case since the beginning of the year, this momentum was driven by the growth in strategic key accounts (up 7%) and in Consulting (up 12%). Defence, aeronautics and transport were particularly dynamic sectors.
- **I2S (Infrastructure & Security Services)** recorded revenue of €47.5 million for the quarter. Continuing its recovery and its realignment toward higher-added-value offerings, the IT infrastructure management business recorded slightly negative organic growth of 2.1% (versus negative growth of 3.0% in the first half of 2016). Cybersecurity (10% of the entity's revenue) achieved strong sales performance and high organic growth of 13.2%.

In the **United Kingdom**, to date sales have not been affected by the 23 June vote in favour of Brexit. However, the British pound fell by an average of 15.8% against the euro with respect to Q3 2015, generating a translation loss of €41.8 million in quarterly revenue. As a result, total revenue for the quarter was down by 15.3% to €217.4 million. Nonetheless, at constant exchange rates and scope, the region posted revenue growth of 1.1%. Public-sector activities achieved organic growth of 0.5%. It should be noted that the SSCL business process outsourcing platform, launched in 2013, has entered a mature phase, which, as planned, could affect the volume of business after three years of exceptional growth recorded during the programme's initial phase. In the Private-sector the organic revenue growth was 2.4%.

In **Other Europe**, Q3 2016 revenue came to €172.0 million, representing strong organic growth of 6.4%. Revenue grew in almost all the countries in this region. Growth was particularly strong in Italy and the Benelux (Belgium/Netherlands/Luxembourg) region, with organic growth of over 20%. Germany continued to recover, posting organic growth of 2.2%.

In line with Q2 2016, **Sopra Banking Software** recorded healthy organic growth of 8.9%, bringing its revenue to €80.7 million. This increase was essentially driven by services, with solid performance in France, Benelux and the Africa and Middle East region. There were many sales opportunities, particularly compliance-related. Investments in research and development also continued for the "Platform" product, as part of the roadmap drawn up with La Banque Postale, and for the "Amplitude" product. Lastly, the integration of Cassiopae – in which Sopra Banking Software acquired a 75% stake in April 2016 – got off to a good start and augurs well for the future.

Other Solutions (HR and Property solutions) posted revenue of €48.0 million for Q3 2016, representing organic growth of 4.3%. For Sopra HR Software, the highlights of the quarter were the signing of a significant outsourcing contract enabling it to surpass the 500,000 mark for payslips managed, and the launch of a new generation of HR 3.0 solutions. In Property Management, the Group consolidated its leading position in France with the acquisition of Active 3D, a start-up that develops innovative technical and energy management solutions for buildings, featuring native integration of digital blueprints using Building Information Modelling (BIM) techniques.

Workforce

At 30 September 2016, Sopra Steria Group's total workforce comprised 39,397 people (38,450 people as of 31 December 2015), with 17.9% in X-Shore zones.

Changes in scope

The Group acquired 3 companies in the third quarter:

- Active 3D, a start-up which posted revenue of around €1 million in 2015, was consolidated in Q3 2016.
- Solid, a Norwegian company specialising in SAP integration which posted around €1 million in revenue in 2015, will be consolidated in Q4 2016.
- LASCE Associates (already announced on the 3rd of May), a consulting firm specialising in operational excellence for industry and logistics which posted revenue of €8 million in 2015, was consolidated for the first time in Q3 2016.

Outlook

At the end of Q3 2016, Sopra Steria Group confirmed its 2016 targets:

- Organic revenue growth towards the top end of the initial guidance range of between 3% and 5%
- An operating margin on business activity of more than 7.5%
- A strong increase in free cash flow

Upcoming event

Monday, 27 February 2017: Publication of 2016 annual results (before market) and presentation meeting.



Glossary

- **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 the consolidated operating profit on business activity adding back depreciation and amortisation and current provisions.
- **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 contains 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.
- **Free cash flow:** Free cash flow is defined as the net cash from operating activities (as described in the consolidated cash flow statement in the Registration Document), less investments (net of disposals) in tangible and intangible fixed assets, adjusted for net interest and less additional contributions to address any deficits in defined-benefit pension plans.

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About Sopra Steria

Sopra Steria, a European leader in digital transformation, provides one of the most comprehensive portfolios of end-to-end service offerings on the market: consulting, systems integration, software development, infrastructure management and business process services. Sopra Steria is trusted by leading private and public-sector organisations to deliver successful transformation programmes that address their most complex and critical business challenges. Combining high quality and performance services, added value and innovation, Sopra Steria enables its clients to make the best use of digital technology. With over 38,000 employees in more than 20 countries, Sopra Steria had revenue of €3.6 billion in 2015.

Sopra Steria (SOP) is listed on Euronext Paris (Compartment A) - ISIN: FR0000050809

For more information, please visit our website: www.soprasteria.com

Contacts

Investor Relations

Olivier Psaume

olivier.psaume@soprasteria.com

+33 (0)1 40 67 68 16

Press Relations

Simon Zaks (Image 7)

szaks@image7.fr

+33 (0)1 53 70 74 63



Sopra Steria: Impact on revenue of changes in scope and exchange rates - 9M 2016

| €m / % | 9M 2016 | 9M 2015 | Growth |
|--------------------------|----------------|----------------|-------------|
| Consolidated revenue | 2,753.8 | 2,613.9 | 5.4% |
| Change in scope | | 88.6 | |
| Change in exchange rates | | -83.7 | |
| Restated revenue* | 2,753.8 | 2,618.6 | 5.2% |

* Revenue at 2016 scope and exchange rates

Sopra Steria: Changes in exchange rates - 9M 2016

| For €1 / % | Average rate 9M 2016 | Average rate 9M 2015 | Change |
|-----------------|-------------------------|-------------------------|--------|
| Pound sterling | 0.803 | 0.727 | -9.4% |
| Norwegian krone | 9.375 | 8.817 | -5.9% |
| Swedish krona | 9.373 | 9.371 | 0.0% |
| Danish krone | 7.447 | 7.458 | 0.1% |
| Swiss franc | 1.094 | 1.062 | -2.9% |

Sopra Steria: Revenue by reporting unit - 9M 2016

| €m / % | 9M 2016 | 9M 2015 Restated* | 9M 2015 Reported | Organic growth | Total growth |
|------------------------|----------------|----------------------|---------------------|-------------------|-----------------|
| France | 1,135.7 | 1,049.7 | 983.7 | 8.2% | 15.5% |
| United Kingdom | 700.9 | 702.6 | 775.0 | -0.2% | -9.6% |
| Other Europe | 527.6 | 498.0 | 508.3 | 5.9% | 3.8% |
| Sopra Banking Software | 241.0 | 223.3 | 202.1 | 7.9% | 19.2% |
| Other Solutions | 148.7 | 145.0 | 144.7 | 2.6% | 2.8% |
| Total | 2,753.8 | 2,618.6 | 2,613.9 | 5.2% | 5.4% |

* Revenue at 2016 scope and exchange rates

Sopra Steria: Revenue by reporting unit - Q3 2016

| €m / % | Q3 2016 | Q3 2015 Restated* | Q3 2015 Reported | Organic growth | Total growth |
|------------------------|--------------|----------------------|---------------------|-------------------|-----------------|
| France | 356.9 | 338.6 | 317.6 | 5.4% | 12.4% |
| United Kingdom | 217.4 | 215.0 | 256.7 | 1.1% | -15.3% |
| Other Europe | 172.0 | 161.7 | 162.0 | 6.4% | 6.2% |
| Sopra Banking Software | 80.7 | 74.1 | 63.8 | 8.9% | 26.5% |
| Other Solutions | 48.0 | 46.0 | 45.7 | 4.3% | 5.0% |
| Total | 875.0 | 835.4 | 845.8 | 4.7% | 3.5% |

* Revenue at 2016 scope and exchange rates