

Preliminary results for H1 2024

Full-year organic growth target adjusted

Operating margin target confirmed

Paris, 18 July 2024, 5:45 p.m. – Sopra Steria, a major player in the European tech sector, has announced its preliminary, unaudited financial results for the first half of 2024. The operating margin on business activity is in line with expectations and the full-year target (“between 9.5% and 10.0%”). Organic revenue growth is lower than expected and a significant rebound in the second half of the year is not foreseeable. As planned, the final results for the first half of the year will be released on 24 July after market close.

- The results for first-half 2024 will be presented taking into account, from 1 January 2024, the classification as assets held for sale (IFRS 5) of the activities of Sopra Banking Software whose sale is expected to be finalised by the end of September 2024.
- Revenue for H1 2024 is estimated at €2,949.4m, equating to total growth of 3.8% and organic growth of 0.3%.
- Due to the emergence in June of a highly uncertain environment in France, the recent announcement of short-term difficulties in the aeronautics sector and the delayed ramp-up of a significant contract in the United Kingdom, it is not foreseeable that the level of growth will increase significantly in the second half of 2024.
- However, the operating margin on business activity for H1 2024 is estimated at 9.7%, up 0.9 points from H1 2023. The classification of the activities of Sopra Banking Software as assets held for sale is estimated to have a positive 0.5-point impact (positive 0.2-point impact on a full-year basis).
- The net margin for continuing operations in the first half of the year is estimated at more than 5.5% (compared with 4.3% in the first half of 2023), before taking into account net profit from discontinued operations and minority interests. The net margin for continuing operations after deducting minority interests is also estimated at more than 5.5% (vs 4.0% in the first half of 2023).
- For financial year 2024, in line with the first half of the year, Sopra Steria is targeting a relatively stable level of revenue on an organic basis, and an operating margin on business activity of at least 9.7%.

Cyril Malargé, Chief Executive Officer of Sopra Steria Group, commented:

“Several external events that took place in June need to be taken into account in our revenue growth outlook for the second half of 2024. The environment became far more uncertain in France, triggering a significant slowdown in our clients’ decision-making processes. The aeronautics sector, despite a very encouraging medium- and long-term outlook, is presenting some short-term difficulties in ramping up production, which are negatively affecting our order intake. Lastly, in the United Kingdom, we are facing a temporary delay in the ramp-up of a significant contract, which is now expected to make a positive contribution to growth in 2025. However, despite this context, the Group’s focus on shifting its range of offerings towards higher added value is beginning to deliver results. The increase in the operating margin on business activity in the first half of the year was in line with our roadmap, which allows us to confirm our initial full-year target and aim for a level close to 10% in 2024.”

Conference call

A bilingual (French and English) conference call will be held today (Thursday, 18 July) at 6:30 p.m. (Paris time).

- French-language phone number: +33 (0)1 70 37 71 66
- English-language phone number: +44 (0)33 0551 0200

Practical information about this presentation can be found in the 'Investors' section of the Group's website: <https://www.soprasteria.com/investors>

The quiet period will resume this evening at the end of the conference call. The final results for the first half of 2024 will be presented, as previously announced, to financial analysts and investors in a French/English webcast on Wednesday, 24 July 2024 at 6:30 p.m. (Paris time).

Upcoming financial releases

Wednesday, 24 July 2024 (after market close): Publication of H1 2024 results

Thursday, 31 October 2024 (before market open): Publication of Q3 2024 revenue



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 restated revenue for the same period in the prior financial year.
- **EBITDA**: This measure, as defined in the Universal Registration Document, is equal to consolidated operating profit on business activity after adding back depreciation, amortisation and provisions included in operating profit on business activity.
- **Operating profit on business activity**: This measure, as defined in the Universal Registration Document, is equal to profit from recurring operations adjusted to exclude the share-based payment expense for stock options and free shares and charges to 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 foreseeable, 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 other operating income and expenses net of tax.
- **Free cash flow**: Free cash flow is defined as the net cash from operations; less investments (net of disposals) in property, plant and equipment, and intangible assets; less lease payments; less net interest paid; and less additional contributions to address any deficits in defined-benefit pension plans.
- **Downtime**: Number of days between two contracts (excluding training, sick leave, other leave and pre-sales) divided by the total number of business days.

Disclaimer

This document 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 can be found in the 2023 Universal Registration Document filed with the Autorité des Marchés Financiers (AMF) on 15 March 2024 (see pages 40 to 46 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 the laws and regulations in force. Persons physically present in countries where this document is released, published or distributed should enquire as to any applicable restrictions and should comply with those restrictions.

About Sopra Steria

Sopra Steria, a major player in the European tech sector with 56,000 employees in nearly 30 countries, is recognised for its consulting, digital services and software development. It helps its clients drive their digital transformation and obtain tangible and sustainable benefits. The Group provides end-to-end solutions to make large companies and organisations more competitive by combining in-depth knowledge of a wide range of business sectors and innovative technologies with a fully collaborative approach. Sopra Steria places people at the heart of everything it does and is committed to putting digital to work for its clients in order to build a positive future for all. In 2023, the Group generated revenue of €5.8 billion.

The world is how we shape it.

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

For more information, visit us at www.soprasteria.com

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