

Revenue for Q3 2021: €1,116.1m Total growth of 13.0%

- Robust organic growth¹ in Group revenue: 8.9%
- Substantial acceleration in France: Organic growth of 11.4% (vs 7.5% in Q2 2021)
- Major recruitment campaign: 3,710 new employees hired during the quarter
- Workforce grew by 1.5% relative to 30 June 2021, including 10.2% growth in India
- Acquisition of an IT design consultancy firm in Scandinavia

Paris, 29 October 2021 (7:00 a.m.) – Sopra Steria Group generated consolidated revenue of €1,116.1 million in the third quarter of 2021, representing total growth of 13.0%. At constant scope and exchange rates, revenue grew 8.9%.

Sopra Steria: Consolidated revenue – Q3 2021

€m / %	Q3 2021	Q3 2020	Organic growth	Total growth
Revenue	1,116.1	987.6	8.9%	13.0%

Vincent Paris, Chief Executive Officer of Sopra Steria Group, commented:

“Sopra Steria turned in a very good quarter, bringing us solidly back in line with the business levels prevailing before the Covid crisis in 2020. Given this context, we have confirmed our performance improvement targets for financial year 2021. We achieved robust revenue growth in Q3 2021 and we succeeded in substantially increasing the number of new hires. These trends reflect strong market dynamics, buoyed by the digital transformation of companies and public-sector organisations. They also show that the Group is well-positioned to benefit, across all its geographies and its vertical markets, from strong demand from its clients for solutions geared toward cloud migration, automation of digitalised processes and cybersecurity. More specifically, we recently announced our aim of significantly boosting our firepower in cybersecurity. Our planned acquisition of EVA Group should enable us to position Sopra Steria as one of France's top three players in this critical market for our clients, which holds major medium-term potential. Today we also announced our plans to acquire EGGS Design, an IT design consultancy firm based in Scandinavia, to expand our consulting activities.”

¹ Alternative performance measures are defined in the glossary at the end of this document.

Comments on Q3 2021 business activity

Revenue totalled €1,116.1 million, an increase of 13.0% relative to Q3 2020. Changes in scope had a positive impact of €24.6 million, and currency fluctuations had a positive impact of €13.0 million. At constant scope and exchange rates, revenue grew 8.9%.

Revenue for **France** (38% of the Group total) was €427.6 million. Organic growth came to 11.4%, compared with 7.5% for the previous quarter. This performance reflected more rapid revenue growth in consulting (11% vs 6% in Q2), systems integration (10% vs 8%), infrastructure management (5% vs stable revenue) and product life cycle management (44% vs 26%). The best-performing vertical markets were aeronautics, defence, transport and telecoms/media. With this surge in business activity, the pace of hiring picked up: 854 new employees were hired in Q3, compared with an average of 690 new hires per quarter in the first half of the year.

Revenue for the **United Kingdom** (19% of the Group total) was €213.2 million. Organic growth remained high at 15.4%. The two joint ventures specialising in business process management for the public sector (NHS SBS and SSCL) continued to see strong growth, thanks to significant ongoing investments by the UK government in the field of homeland security. Growth remained very brisk in the rest of the public sector, due in particular to strong, steady momentum in the visa renewal service provided for the government. The private sector, meanwhile, contracted at the same pace as in the first half of the year.

The **Other Europe** reporting unit (28% of the Group total) posted €311.3 million in revenue, representing organic growth of 6.0%. The countries in the reporting unit (excluding Sopra Financial Technology) recorded robust organic revenue growth (averaging 9.6%). The strongest growth was achieved in Belgium, Scandinavia and Italy. As part of the transformation programme for the Sparda banks in Germany, Sopra Financial Technology (SFT, the joint venture that operates the shared information system) recorded €43.3 million in revenue, contracting in line with the business plan.

Revenue for **Sopra Banking Software** (10% of the Group total) came to €104.8 million, an organic contraction of 2.0%. Services revenue (40% of the total) was stable. Software revenue (60% of the total) was down 4.5% due to a particularly unfavourable base effect for its licences activity (as licences in Q3 2020 had seen 48% growth). Product developments continued and the transformation of the reporting unit's R&D department entered the implementation phase.

Revenue for the **Other Solutions** reporting unit (5% of the Group total) came to €59.2 million, two-thirds of which was attributable to human resources solutions and the remaining third to property management solutions. The quarter saw a return to the business levels prevailing in 2019, with organic growth of 6.0%. Investments continued in parallel in order to step up the digitisation of solutions and fuel growth.

Workforce

In a very buoyant market, the pace of hiring picked up significantly starting in early 2021. In the first nine months of 2021, nearly 8,000 new employees joined the Group, with more than 3,700 of them joining during the third quarter alone.

At the end of Q3 2021, the Group's workforce totalled 46,799 people, with 18.5% working in X-Shore zones (compared with 46,129 people at 30 June 2021 and 45,960 at 31 December 2020).

External growth transactions

On 12 October 2021, Sopra Steria announced that it had signed an exclusive negotiation agreement with EVA Group, a French cybersecurity firm with forecast revenue of around €33 million in 2021. This transaction is a key step toward positioning Sopra Steria as one of the top three players in the French cybersecurity market. The acquisition could be completed in Q4 2021.

Today Sopra Steria also announced its plans to acquire EGG Design, a rapidly growing, multi-disciplinary design and innovation consultancy with forecast revenue of around €14 million in 2021. The company currently employs around 120 creative people who assist their clients craft new products, services and drive business transformation – in particular related to digital and sustainable transformation. EGG works holistically



with design ensuring that human insights play well together with technology, brand and business. EGGS Design has locations in Norway's four biggest cities (Oslo, Bergen, Trondheim and Stavanger) as well as in Denmark (Copenhagen). The acquisition is expected to be completed in Q1 2022.

Reminder of targets for 2021 announced on 29 July 2021

- Organic revenue growth greater than or equal to 6%
- Operating margin on business activity of between 7.7% and 8.0%
- Free cash flow of between €150m and €200m

Presentation meeting

Revenue for the third quarter of 2021 will be presented to financial analysts and investors via a bilingual (French and English) conference call to be held on Friday, 29 October 2021 at 8:00 a.m. CET (Paris time).

- French-language phone number: +33 (0)1 70 71 01 59 – PIN: 52023884#
- English-language phone number: +44 (0)207 194 37 59 – PIN: 43742680#

Practical information about this presentation can be found in the 'Investors' section of the Group's website:

<https://www.soprasteria.com/investors>

Financial calendar

Thursday, 24 February 2022 (9 a.m.): Meeting to report 2021 annual results

Friday, 29 April 2022 (8 a.m.): Meeting to report Q1 2022 revenue

Wednesday, 1 June 2022 (2:30 p.m.): General Meeting of Shareholders

Thursday, 28 July 2022 (9 a.m.): Meeting to report 2022 half-year results

Friday, 28 October 2022 (8 a.m.): Meeting to report Q3 2022 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 operating activities; 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-sale) 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 2020 Universal Registration Document filed with the Autorité des Marchés Financiers (AMF) on 18 March 2021 (see pages 35 to 42 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 European leader in consulting, digital services and software development, helps its clients drive their digital transformation and obtain tangible and sustainable benefits. It 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. With 46,000 employees in nearly 30 countries, the Group generated revenue of €4.3 billion in 2020.

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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Annexes

Sopra Steria: Impact on revenue of changes in scope and exchange rates – 9M 2021

€m / %	9M 2021	9M 2020	Growth
Revenue	3,444.4	3,154.4	+9.2%
Changes in exchange rates		23.0	
Revenue at constant exchange rates	3,444.4	3,177.4	+8.4%
Changes in scope		86.7	
Revenue at constant scope and exchange rates	3,444.4	3,264.1	+5.5%

Sopra Steria: Changes in exchange rates – 9M 2021

For €1 / %	Avg. rate 9M 2021	Avg. rate 9M 2020	Change
Pound sterling	0.864	0.885	+2.5%
Norwegian krone	10.228	10.711	+4.7%
Swedish krona	10.153	10.558	+4.0%
Danish krone	7.437	7.458	+0.3%
Swiss franc	1.090	1.068	-2.1%

Sopra Steria: Revenue by reporting unit – 9M 2021

€m / %	9M 2021	9M 2020 Restated*	9M 2020	Organic growth	Total growth
France	1,342.4	1,298.2	1,230.0	+3.4%	+9.1%
United Kingdom	622.1	525.6	513.2	+18.4%	+21.2%
Other Europe	976.5	940.8	930.8	+3.8%	+4.9%
Sopra Banking Software	315.3	324.2	305.1	-2.7%	+3.4%
Other Solutions	188.1	175.2	175.2	+7.3%	+7.3%
Total	3,444.4	3,264.1	3,154.4	+5.5%	+9.2%

* Revenue at 2021 scope and exchange rates

Sopra Steria: Revenue by reporting unit – Q3 2021

€m / %	Q3 2021	Q3 2020 Restated*	Q3 2020	Organic growth	Total growth
France	427.6	383.9	365.5	+11.4%	+17.0%
United Kingdom	213.2	184.7	174.7	+15.4%	+22.0%
Other Europe	311.3	293.8	292.0	+6.0%	+6.6%
Sopra Banking Software	104.8	106.9	99.6	-2.0%	+5.2%
Other Solutions	59.2	55.9	55.9	+6.0%	+6.0%
Total	1,116.1	1,025.2	987.6	+8.9%	+13.0%

* Revenue at 2021 scope and exchange rates

Sopra Steria: Workforce breakdown – 30/09/2021

	30/09/2021	30/09/2020
France	19,662	20,066
United Kingdom	6,750	6,863
Other Europe	11,257	10,788
Rest of the World	463	506
X-Shore	8,667	8,278
Total	46,799	46,501

