

# PRESENTATION OF 2017 ANNUAL RESULTS

Paris, 19 February 2018

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# AGENDA

1

**2017: successful completion of the first phase in the construction of our model**

2

**2017 operating position**

3

**2017 financial results**

4

**Outlook & targets**

5

**Question & answer session**

6

**Annexes**





## 2017: SUCCESSFUL COMPLETION OF THE FIRST PHASE IN THE CONSTRUCTION OF OUR MODEL



Vincent Paris – Chief Executive Officer







## KEY EVENTS



Achievement of 3-year targets set in 2015 following the merger



Well-established organic growth dynamic



Successful turnarounds for Germany and IT infrastructure management in France



Launch of repositioning plan for the United Kingdom



Efforts underway to drive up the value of offerings (Consulting & Software)



Transition to a software house model for Sopra Banking Software

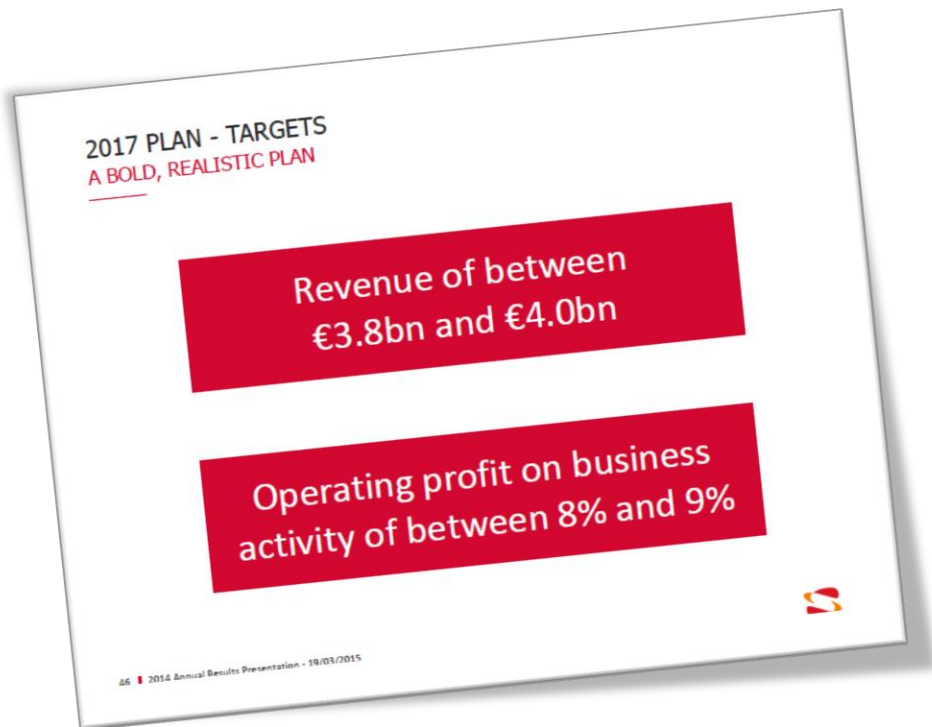


Group transformation in progress



# ACHIEVEMENT OF 3-YEAR TARGETS SET IN 2015

## TARGETS ANNOUNCED FOLLOWING THE MERGER IN MARCH 2015

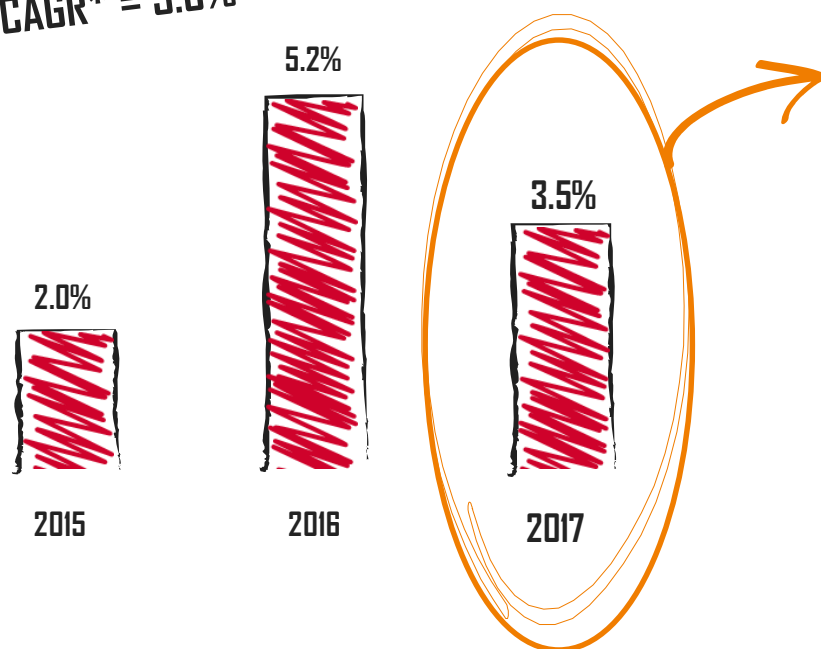


# WELL-ESTABLISHED ORGANIC GROWTH DYNAMIC

**CAGR\* BETWEEN THE END OF 2014 AND THE END OF 2017: +3.6%**

Organic growth over the period 2015–2017

**CAGR\* = 3.6%**



**3.5% organic growth in 2017**

**→ 4.2% organic growth excluding SSCL**

- 3.3% for Services business
- 8.8% for Software business

\* CAGR = compound annual growth rate

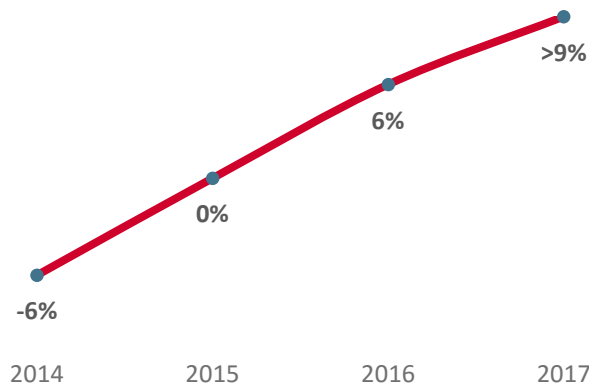


# SUCCESSFUL TURNAROUNDS FOR GERMANY AND I2S

## DISTINCT CONTRIBUTION TO GROUP PROFIT IN 2017

### Germany

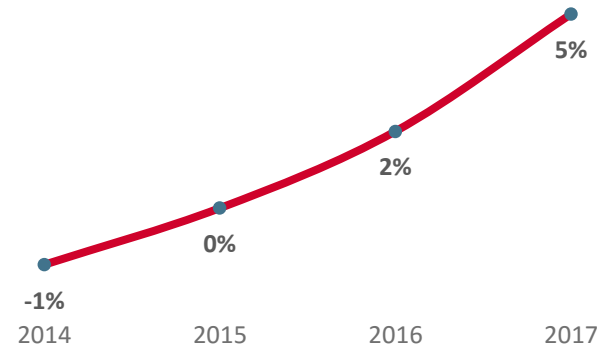
Operating profit on business activity / Revenue



- Contributed more than €25m to the Group's operating profit on business activity in 2017
- Steady revenue growth since 2016

### Infrastructure & Security Services (I2S)

Operating profit on business activity / Revenue



- Contributed more than €10m to the Group's operating profit on business activity in 2017
- Revenue stabilised in 2017





# A SPECIFIC PLAN FOR THE UNITED KINGDOM

## OBJECTIVES: RETURN TO GROWTH AND A HEALTHY MARGIN

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### Current status

- Solid position in the public sector (access to decision makers, well-established shared service platforms)
- High production quality
- Private sector to be strengthened

### Strategic priorities

- Strengthen customer engagement
- Transition the business model  
Outsourcing → Digital
- Drive up the value of Services

### Transformation components

- Implementation of a Key Strategic Clients approach
- Rollout of a vertical approach
- Development of a powerful Consulting practice
- HR: skills, culture, values, careers

### Reorganisation carried out in 2017

- Service Lines → Vertical Business Units
- New leaders: Digital, HR, Consulting, 2 Business Units

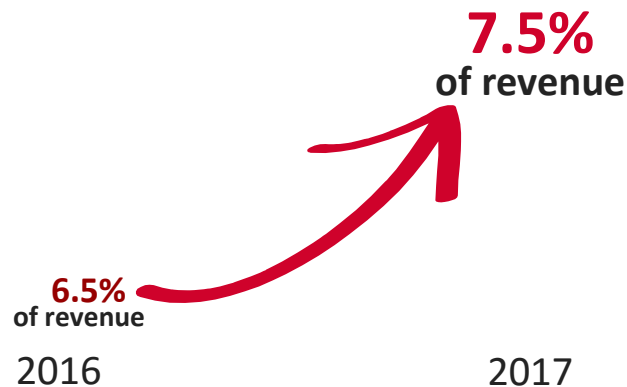


# EFFORTS UNDERWAY TO DRIVE UP THE VALUE OF OFFERINGS

## HIGHER CONTRIBUTIONS TO GROUP REVENUE BY CONSULTING AND SOFTWARE

### CONSULTING

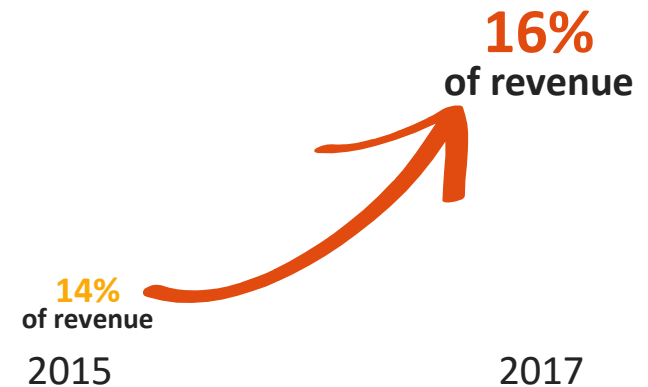
as % of Group revenue



- Reinforcement in France
- International rollout

### SOLUTIONS

as % of Group revenue



- 2017 R&D expenses stabilised
- R&D expenses not capitalised

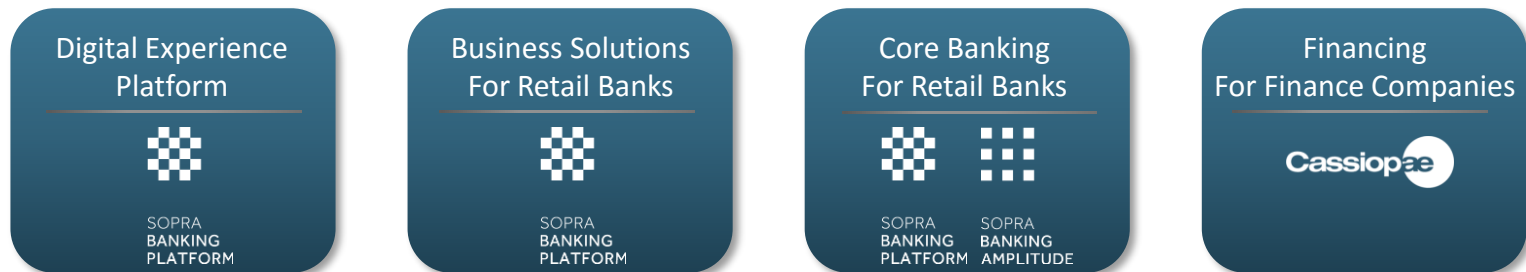


# SOPRA BANKING SOFTWARE

## TRANSITION TO A SOFTWARE HOUSE MODEL

### A redesigned range of solutions

2016



### A new organisation by business domains for software development

2017



# GROUP TRANSFORMATION IN PROGRESS

## CONSTRUCTION OF THE 2020 MODEL



### Standardisation of business models

- International rollout of the integrated Consulting model
- Rollout of end-to-end approach across all geographies
- Transition to SaaS



### Acceleration of digital, conceptualised as a continuum

- Playing a think-tank role for disruptive technologies (AI, RPA, blockchain, etc.)
- Collaborative working methods
- Agile production methods



### HR transformation

- Skills
- Career management
- Employability





## 2017 OPERATING POSITION



Vincent Paris – Chief Executive Officer



# 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*





# OPERATING PERFORMANCE BY REPORTING UNIT

## STRONG IMPROVEMENT FOR THE OTHER EUROPE REPORTING UNIT

	Revenue			Operating profit on business activity	
	2017 (€m)	2016 Restated* (€m)	Organic growth (%)	2017 (% of Rev.)	2016 (% of Rev.)
France	1,597.0	1,539.7	+ 3.7%	8.6%	8.1%
United Kingdom	801.7	868.2	- 7.7%	6.6%	8.0%
Other Europe	827.6	739.0	+ 12.0%	8.1%	5.7%
Sopra Banking Software	402.2	361.8	+ 11.2%	9.7%	9.1%
Other Solutions	216.9	207.2	+ 4.7%	15.2%	14.2%
<b>Total</b>	<b>3,845.4</b>	<b>3,715.9</b>	<b>+ 3.5%</b>	<b>8.6%</b>	<b>8.0%</b>

\* Revenue at 2017 scope and exchange rates



# FRANCE: CONSULTING & SYSTEMS INTEGRATION

## CONSOLIDATION OF LEADERSHIP POSITION IN THE FRENCH MARKET

France:

Consulting & Systems Integration (C&SI)

	2017		2016	
	(€m)	(% of Rev.)	(€m)	(% of Rev.)
Revenue	1,396.0		1,327.4	
Organic growth (%)	+ 4.2%			
Operating profit on business activity	128.0	9.2%	119.0	9.0%
Profit from recurring operations	114.7	8.2%	110.6	8.3%
Operating profit	108.6	7.8%	106.1	8.0%

- Robust organic growth of 4.2%
  - Consulting business, 11% organic growth
- Solid operating margin on business activity: 9.2%
- Investments in Human Resources and offerings



# FRANCE: INFRASTRUCTURE AND SECURITY SERVICES (I2S)

## SUCCESSFUL REPOSITIONING

France:

Infrastructure and Security Services (I2S)

	2017		2016	
	(€m)	(% of Rev.)	(€m)	(% of Rev.)
Revenue	200.9		200.6	
Organic growth (%)	+ 0.2%			
Operating profit on business activity	10.0	5.0%	4.4	2.2%
Profit from recurring operations	9.0	4.5%	3.8	1.9%
Operating profit	2.6	1.3%	- 3.4	-1.7%

- Successful repositioning on services with high added value
- Robust organic growth in cybersecurity business (up 29%)
- Operating performance still shows room for improvement



# UNITED KINGDOM

## LOWER PERFORMANCE IN 2017

United Kingdom	2017		2016	
	(€m)	(% of Rev.)	(€m)	(% of Rev.)
Revenue	801.7		927.9	
Organic growth (%)	- 7.7%			
Operating profit on business activity	52.8	6.6%	74.7	8.0%
Profit from recurring operations	40.7	5.1%	63.1	6.8%
Operating profit	36.9	4.6%	59.4	6.4%

- Weaker organic growth due to the SSCL joint venture and economic uncertainties affecting the business environment
- Profitability hit by the postponed migration of Metropolitan Police Service (MPS) and a difficult situation in the private sector
- Repositioning in progress in the private sector, which will continue in 2018



# UNITED KINGDOM – UPDATE ON SSCL

## A YEAR MARKED BY THE POSTPONED MIGRATION OF MPS

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- SSCL in 2017
  - Revenue: £172m
  - Service and production quality at high levels
  - Significant migration postponement for MPS
- Migration of MPS successfully completed on 5 February 2018
  - Operating performance expected to improve in the second half of 2018
- New strategy for shared services announced by the Cabinet Office in January 2018
  - Uncoupling of shared services production from IT production
  - Future ERP platform in the cloud
  - Positive commitment to SSCL and potential expansion of the current client base
  - Possible development of new back office services
- £200m revenue target maintained for 2020



# UNITED KINGDOM – 2018 ACTION PLAN

## INVESTMENTS AND A COST-CUTTING PLAN

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- Investment plan to bring transformation
  - Recruitment
    - Sales reps
    - Consultants
  - Training
  - Digital
- Cost-cutting plan
  - Cost in 2018: €13m
  - Expected operating cost savings on a full-year basis: €20m





# OTHER EUROPE

## SOLID IMPROVEMENT IN OPERATING PERFORMANCE

Other Europe	2017		2016	
	(€m)	(% of Rev.)	(€m)	(% of Rev.)
Revenue	827.6		728.1	
Organic growth (%)	+ 12.0%			
Operating profit on business activity	67.1	8.1%	41.8	5.7%
Profit from recurring operations	62.8	7.6%	39.1	5.4%
Operating profit	56.7	6.8%	31.1	4.3%

- Clear success of turnaround in Germany
  - €282m in revenue
  - Organic growth >10%
  - Operating margin on business activity >9%
- Strong business growth and profitability improvements in almost all countries



# SOPRA BANKING SOFTWARE

## CONFIRMED APPEAL OF PLATFORM'S COMPONENT APPROACH

Sopra Banking Software	2017		2016	
	(€m)	(% of Rev.)	(€m)	(% of Rev.)
Revenue	402.2		350.9	
Organic growth (%)	+ 11.2%			
Operating profit on business activity	38.9	9.7%	31.9	9.1%
Profit from recurring operations	28.3	7.0%	22.9	6.5%
Operating profit	24.3	6.0%	19.9	5.7%

- Robust growth in licences and services for the Platform, Amplitude and Cassiopae solutions and successful launch of Digital eXperience Platform
  - 33 new contracts signed and more than 50 go-live decisions
- Confirmed appeal of the Platform approach for Tier 1 banks
  - Go-live of the Loan component at La Banque Postale
  - Sale of the Lending Suite for Crédit Agricole's corporate banking division
  - Cross-selling of components, particularly those dealing with regulatory aspects, across different assets
- Completion in 2018 of the Tier 1 Platform programmes



# OTHER SOLUTIONS

## SOLID PERFORMANCE IN 2017

Other Solutions	2017		2016	
	(€m)	(% of Rev.)	(€m)	(% of Rev.)
Revenue	216.9		206.4	
Organic growth (%)	+ 4.7%			
Operating profit on business activity	33.0	15.2%	29.4	14.2%
Profit from recurring operations	31.3	14.4%	28.3	13.7%
Operating profit	28.9	13.3%	26.7	12.9%

- Robust results achieved in fourth quarter for both categories of Solutions
- Market share gains for Sopra HR Software, which now manages more than 700,000 payslips, having added 120,000 in 2017
- Digitisation of Property Management Solutions: multi-channel collaborative platform, mobile applications, digital technologies such as building information modelling (BIM), etc.





## 2017 FINANCIAL RESULTS



Etienne du Vignaux – Chief Financial Officer



# INCOME STATEMENT

## FINANCIAL YEAR 2017

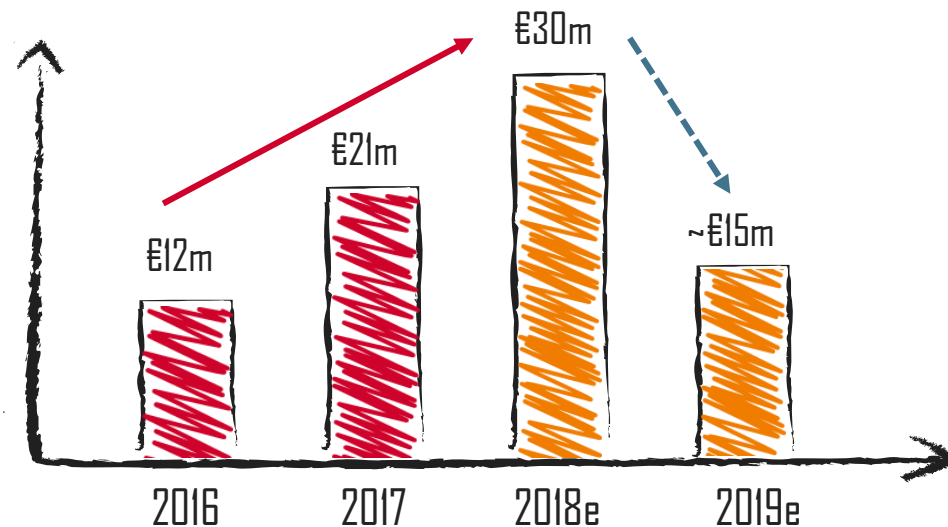
	2017 (€m)	2017 (% of Rev.)	2016 (€m)	2016 (% of Rev.)
Revenue	3,845.4		3,741.3	
Organic growth	3.5%			
Operating profit on business activity	329.8	8.6%	301.1	8.0%
Expenses related to stock options and related items	- 21.2		- 12.1	
Amortisation of allocated intangible assets	- 21.8		- 21.1	
Profit from recurring operations	286.8	7.5%	267.8	7.2%
Other operating income and expenses	- 25.1		- 27.6	
Operating profit	261.7	6.8%	240.2	6.4%
Cost of net financial debt	- 6.8		- 6.7	
Other financial income and expenses	- 9.8		- 7.6	
Tax expense	- 73.5		- 80.9	
Share of net profit from equity-accounted companies	1.7		10.8	
Net profit	173.3		155.8	
of which attributable to Group	171.4	4.5%	150.4	4.0%
of which minority interests	1.8		5.4	



# EXPENSES RELATED TO SHARE-BASED PAYMENTS

## A COMPONENT OF THE MERGER'S SUCCESS

- Change in the IFRS 2 expense due to share-based plans implementation and the rise in the underlying share price
  - Long-term incentive plan subject to the satisfaction of performance conditions measured annually over a 3-year period
  - Post-merger employee share ownership plan (We Share) in 2016, 2017 and 2018
- High point for the IFRS 2 expense in 2018





# OTHER OPERATING INCOME AND EXPENSES

FINANCIAL YEAR 2017

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	2017 (€m)	2016 (€m)
Costs related to business combination	- 1.3	- 1.3
Restructuring and reorganisation costs	- 23.0	- 22.9
Other	- 0.7	- 3.5
Other operating income and expenses	- 25.1	- 27.7



# TAX

## FINANCIAL YEAR 2017

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	2017 (€m)	2016 (€m)
Profit before tax and share from equity-accounted companies	245.1	225.9
Effective tax charge	73.5	80.9
Effective tax rate (%)	30.0%	35.8%

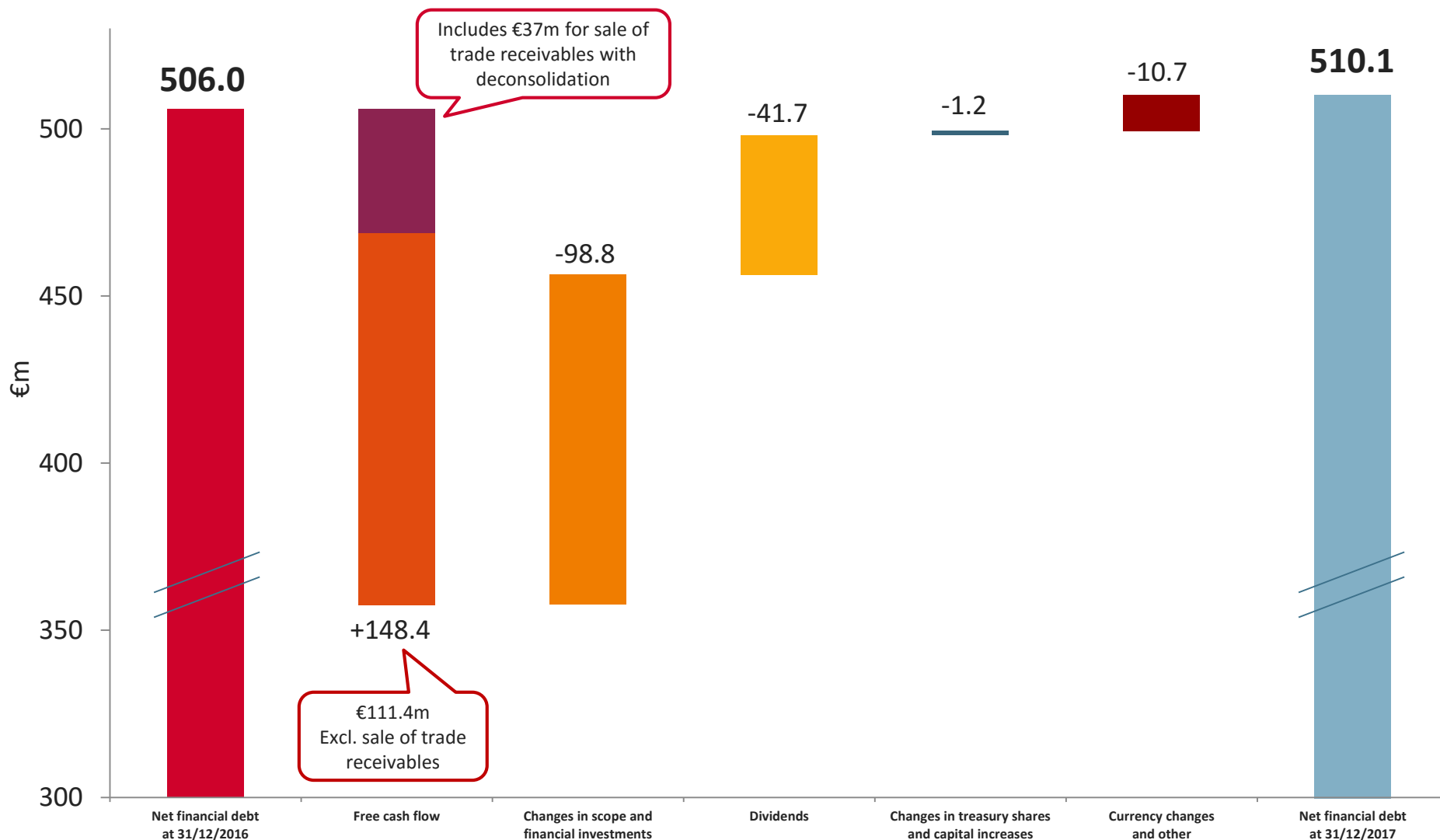
  

	2017 (€m)	2016 (€m)
Net deferred tax assets	98.7	128.9



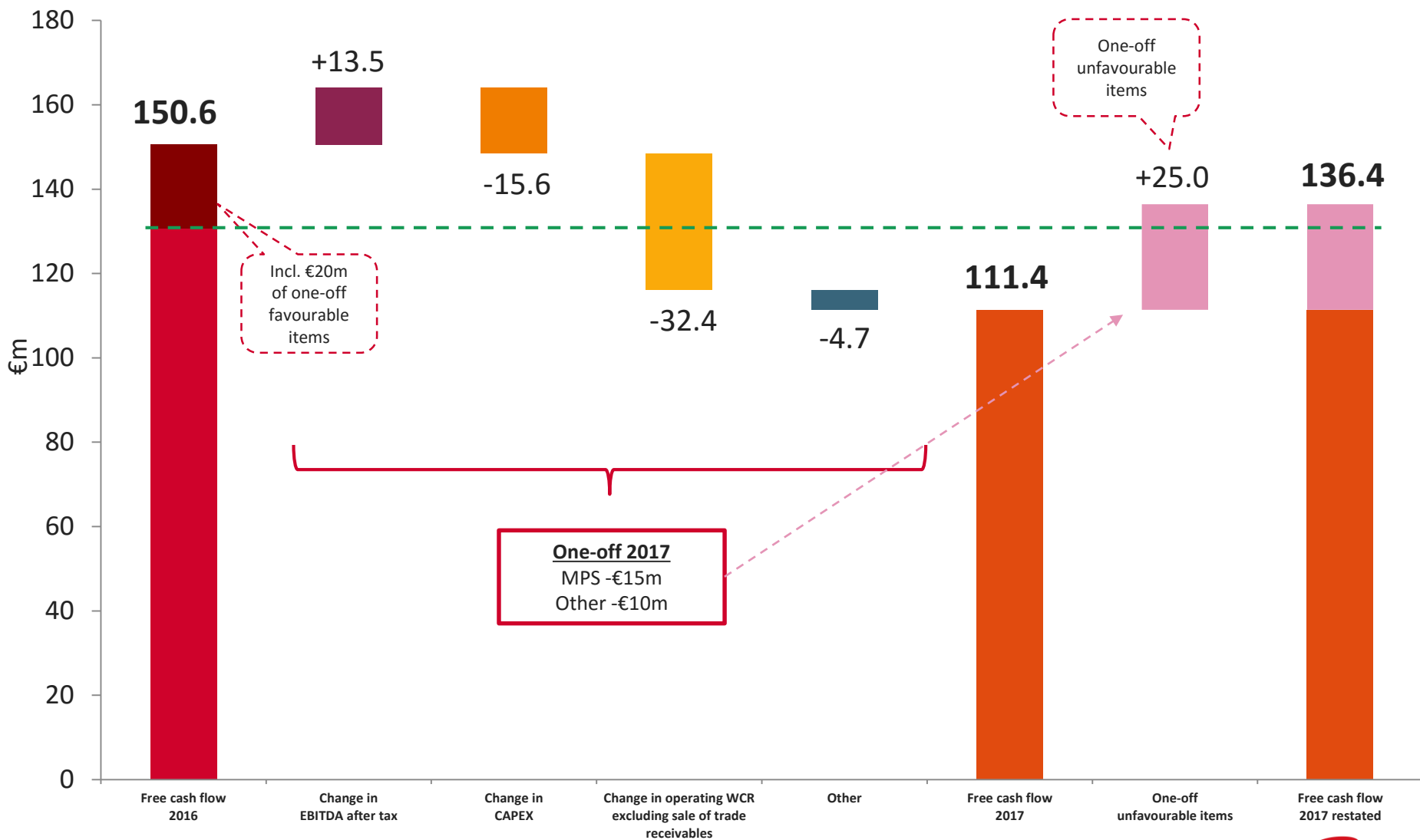
# CHANGE IN NET FINANCIAL DEBT IN 2017

STABLE RELATIVE TO 2016



# DETAIL OF CHANGES IN FREE CASH FLOW IN 2017 VS. 2016

## PERFORMANCE COMPARABLE TO 2016 BUT BELOW TARGET



# A SOUND FINANCIAL POSITION AT 31/12/2017

## DEBT COVENANTS AND LIQUIDITY

Net financial debt  
at 31/12/2017:  
**€510.1m**

EBITDA leverage ratio:  
**1.44x (max. 3.0x)**

Available undrawn amount:  
**€1.1bn**  
*i.e. 61% of authorised amount\**

- Long terms to maturity
- Bond: 2019
  - Bank borrowing facilities: 2022 (extension possible to 2023)

	31/12/2017 Amount used (€m)	31/12/2017 Amount authorised (€m)
Bond	180.0	180.0
Syndicated loan – Tranche A €	144.0	144.0
Syndicated loan – Tranche B £	64.9	64.9
Multi-currency revolving credit facility	-	900.0
Finance leases	13.2	13.2
Overdrafts and Other	55.6	213.6
<b>Total</b>	<b>457.6</b>	<b>1,515.6</b>
Commercial paper	210.6	
IFRS 3 impact – Bond	4.3	
<b>Gross debt</b>	<b>672.5</b>	
 <b>Cash and cash equivalents</b>	 <b>162.4</b>	
 <b>Net financial debt</b>	 <b>510.1</b>	

\* Assuming a constant amount of commercial paper (€210.6m at 31 December 2017) and overdrafts



# ACCOUNTING POLICIES

## NEW ACCOUNTING RULES & PRESENTATION CHANGES IN 2018

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- **IFRS 15**

- Application of the new standard by Sopra Steria as of 1 January 2018
- Non-material impact for the Group
- Decrease of around €30m in Group revenue, but without a material impact on operating profit on business activity

- **IFRS 9**

- Application of the new standard by Sopra Steria as of 1 January 2018
- Non-material impact for the Group

- **Segment information (IFRS 8)**

- Change in internal reporting from 2018: the activities of Cassiopae Real Estate (revenue of €19m in 2017), which had been presented as part of Sopra Banking Software, will be reclassified with the Group's other real estate solutions as part of the Other Solutions reporting unit in 2018
- Pro forma financial information presented in the annexes







## OUTLOOK AND TARGETS



Vincent Paris – Chief Executive Officer



# A BUOYANT MARKET

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- An environment favourable to investment
- Demand driven by the digital revolution and the need for optimisation
- Clients increasingly interested in greater agility and rapidity as well as higher added value
- A market favouring partners able to initiate and accompany transformation programmes



# 2020 PROJECT

## An independent project

- Leading shareholder as the project's guarantor over the long term
- Significant employee share ownership

## A project to win

- 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

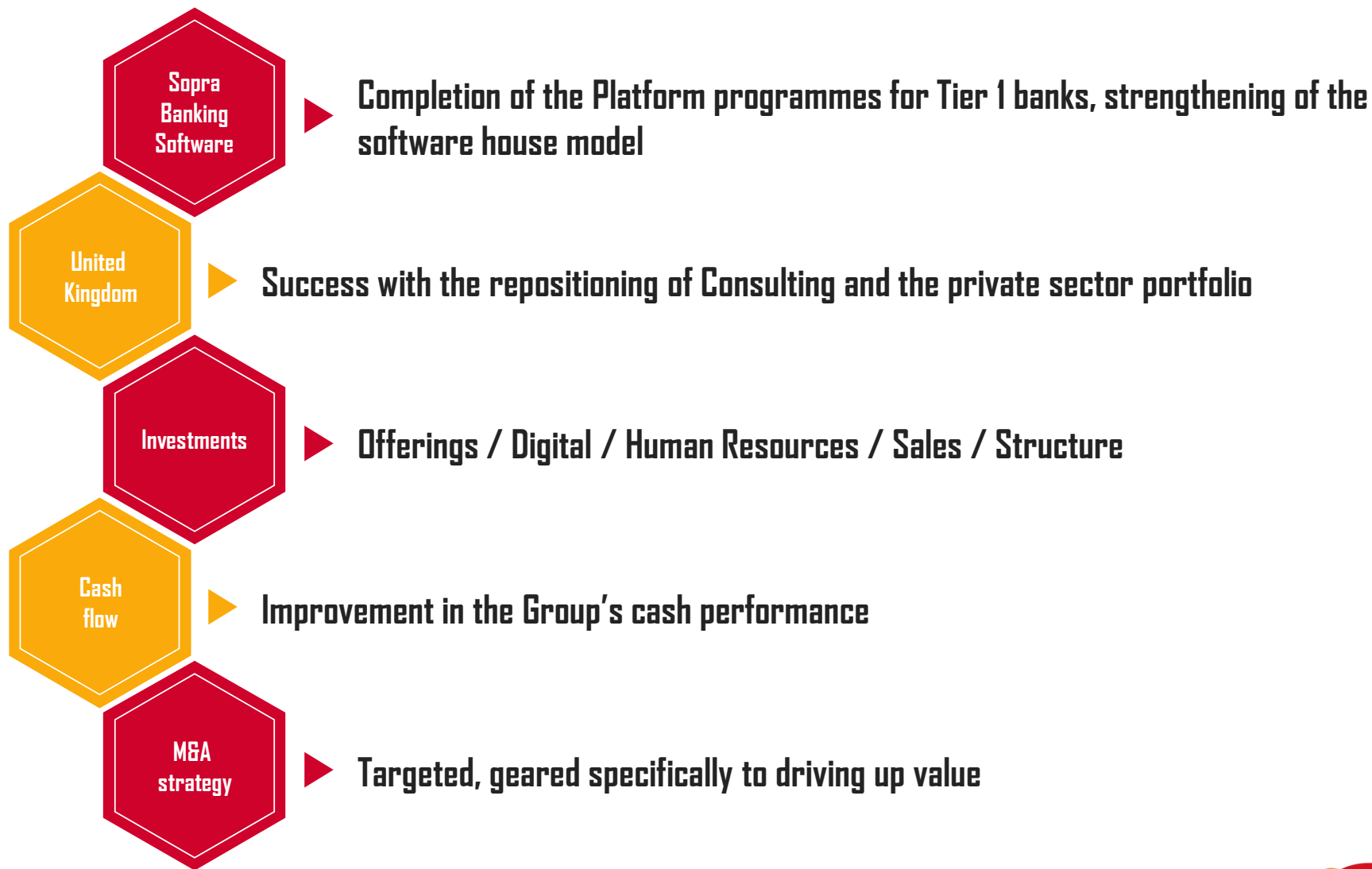


# AMBITIONS FOR 2020

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# PRIORITIES FOR 2018



## 2018 TARGETS

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**Organic revenue growth of between 3% and 5%**

**Slight improvement in operating margin on business activity  
(H1 < H2)**

**Free cash flow >€170m  
(>€133m including 2017 sale of trade receivables)**





## QUESTIONS & ANSWERS





# ANNEXES





# SOPRA STERIA AT 31/12/2017

## A EUROPEAN LEADER IN DIGITAL TRANSFORMATION



Top 5 European digital services companies

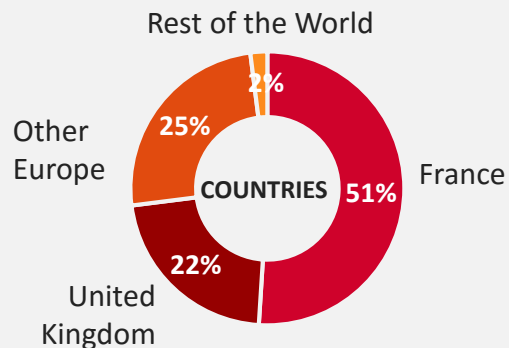
Top 10 operating in Europe

2017 revenue of €3.8bn

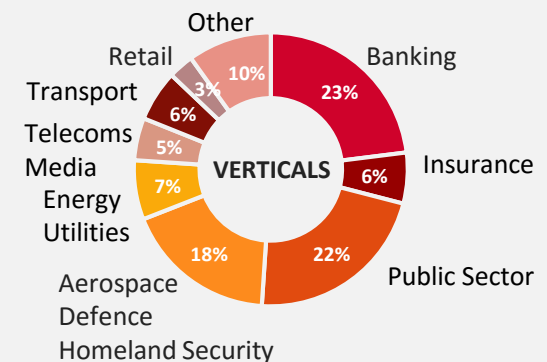
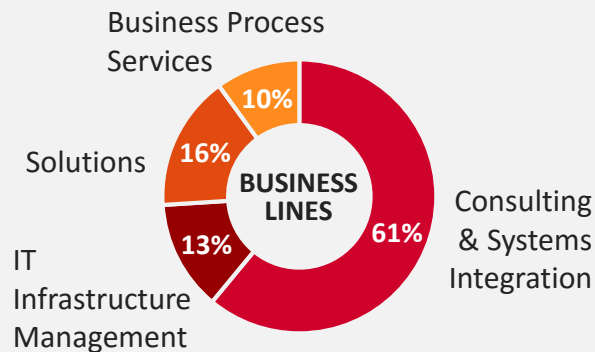
41,000+ employees

Operations in more than 20 countries

End-to-end approach



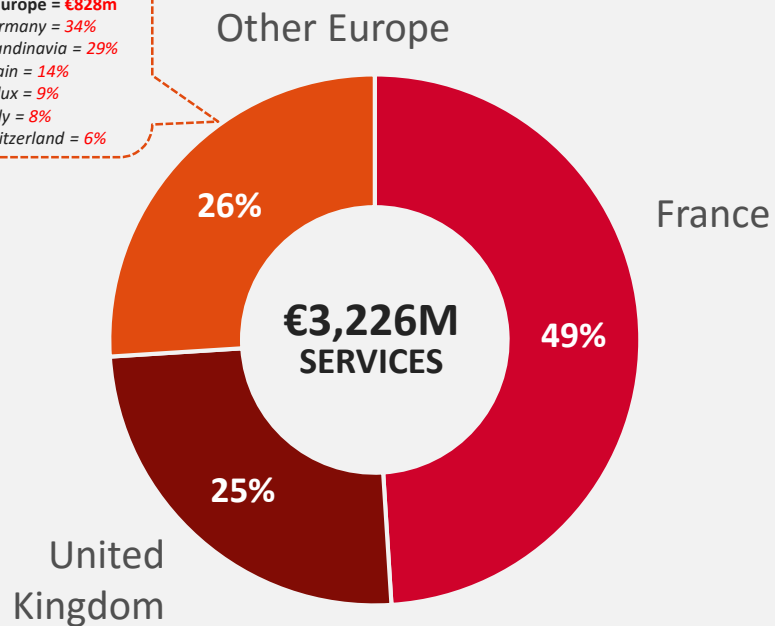
### Revenue to 31/12/2017



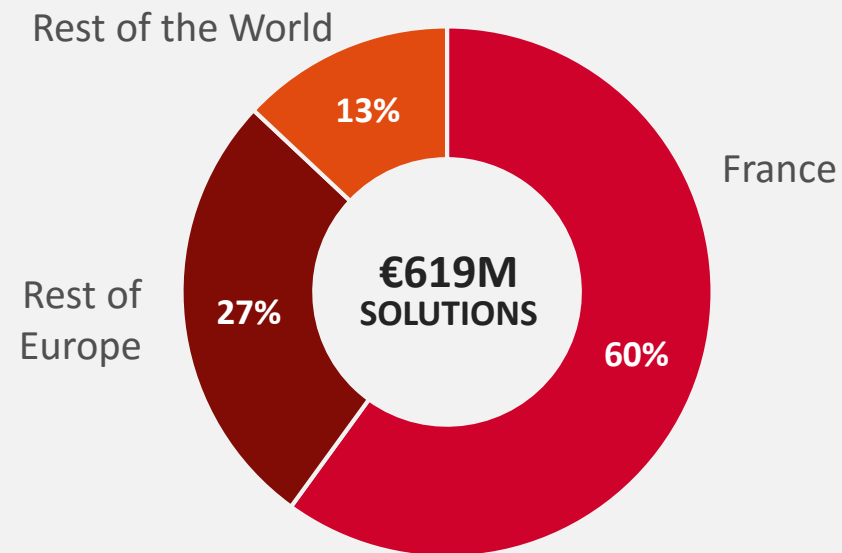
# REVENUE BY COUNTRY FOR THE PERIOD ENDED 31/12/2017

## SERVICES REVENUE TO 31/12/2017

2017 revenue  
Other Europe = €828m  
o/w Germany = 34%  
o/w Scandinavia = 29%  
o/w Spain = 14%  
o/w Belux = 9%  
o/w Italy = 8%  
o/w Switzerland = 6%



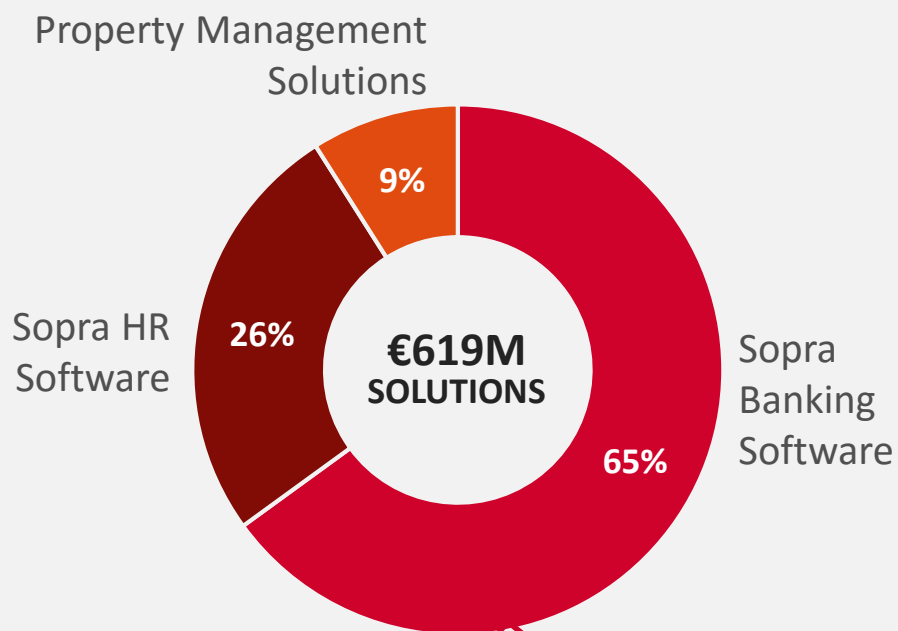
## SOLUTIONS REVENUE TO 31/12/2017



# SOLUTIONS REVENUE

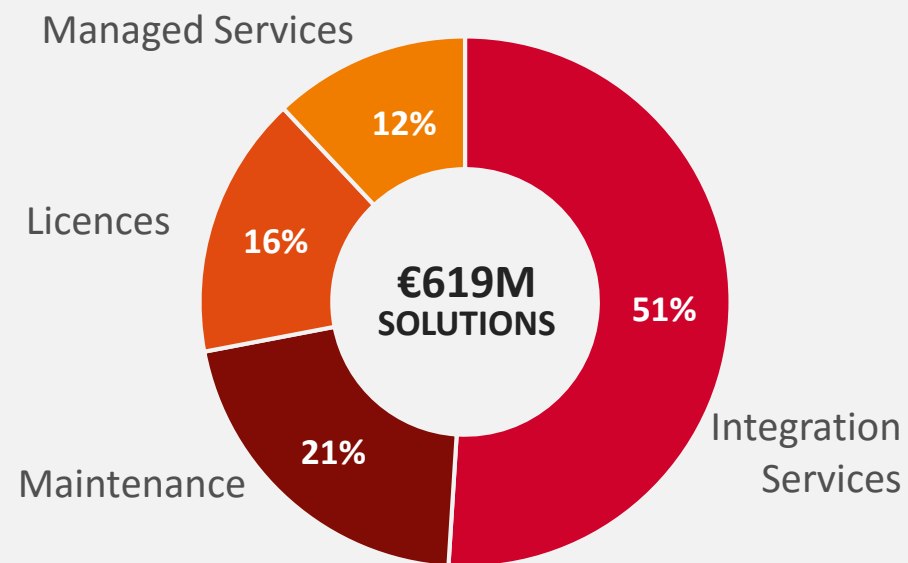
## FOR THE PERIOD ENDED 31/12/2017

### SOLUTIONS REVENUE BY PRODUCT



Sopra Banking Software 2017 revenue = **€402m**  
o/w France = **€186m**  
o/w outside France = **€216m**

### SOLUTIONS REVENUE BY BUSINESS LINE



# CHANGES IN EXCHANGE RATES

## FINANCIAL YEAR 2017

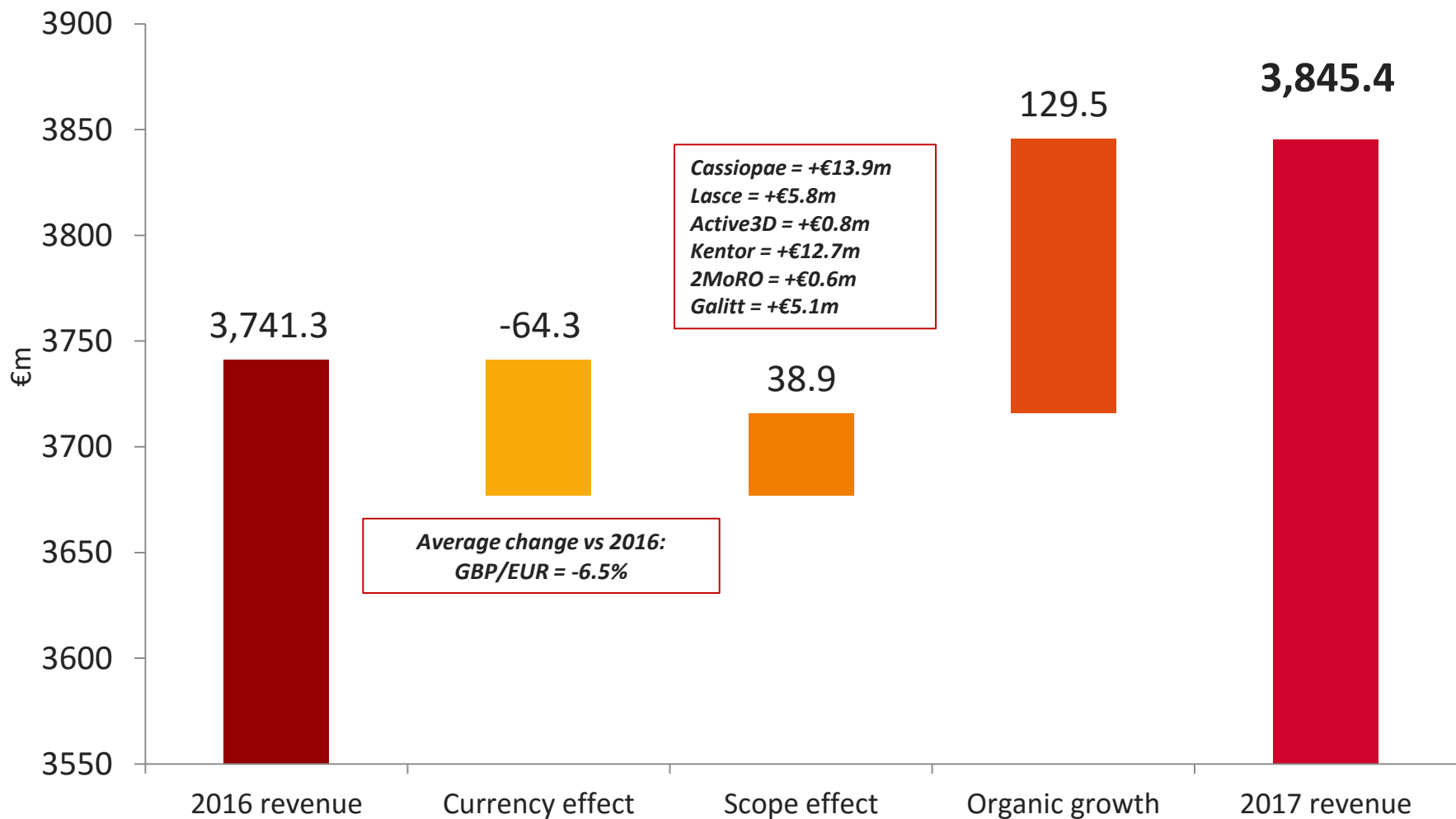
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	Changes in exchange rates		
	Average rate 2017	Average rate 2016	Change (%)
<i>For €1 / %</i>			
Pound sterling	0.8767	0.8195	- 6.5%
Norwegian krone	9.3270	9.2906	- 0.4%
Swedish krona	9.6351	9.4689	- 1.7%
Danish krone	7.4386	7.4452	+ 0.1%
Swiss franc	1.1117	1.0902	- 1.9%



# CHANGE IN REVENUE IN FINANCIAL YEAR 2017

GROWTH AT CONSTANT EXCHANGE RATES: 4.6%



# MOVEMENTS IN SEGMENT INFORMATION AT 1 JANUARY 2018

## RECLASSIFICATION OF CASSIOPAE REAL ESTATE WITHIN OTHER SOLUTIONS

→ Pro forma financial information for 2017

	Sopra Banking Software				Other Solutions			
	2017 Reported		2017 Restated		2017 Reported		2017 Restated	
	€m	% of Rev.	€m	% of Rev.	€m	% of Rev.	€m	% of Rev.
Revenue	402.2		383.5		216.9		235.6	
Organic growth (%)		+ 11.2%		+ 12.0%		+ 4.7%		+ 4.0%
Operating profit on business activity	38.9	9.7%	36.7	9.6%	33.0	15.2%	35.2	15.0%
Profit from recurring operations	28.3	7.0%	26.6	6.9%	31.3	14.4%	33.0	14.0%
Operating profit	24.3	6.0%	22.6	5.9%	28.9	13.3%	30.5	13.0%

→ Pro forma financial information for the first half of 2017

	Sopra Banking Software				Other Solutions			
	H1 2017 Reported		H1 2017 Restated		H1 2017 Reported		H1 2017 Restated	
	€m	% of Rev.	€m	% of Rev.	€m	% of Rev.	€m	% of Rev.
Revenue	185.8		176.2		105.1		114.7	
Organic growth (%)		+ 8.0%		+ 8.5%		+ 3.5%		+ 3.2%
Operating profit on business activity	6.3	3.4%	4.9	2.8%	11.7	11.2%	13.1	11.5%
Profit from recurring operations	0.3	0.1%	- 0.8	-0.5%	10.4	9.9%	11.5	10.0%
Operating profit	- 1.3	-0.7%	- 2.4	-1.3%	9.0	8.6%	10.1	8.8%



# EARNINGS PER SHARE

## FINANCIAL YEAR 2017

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	2017 (€m)	2016 (€m)
Net profit attributable to the Group (€m)	171.4	150.4
Weighted average number of shares in issue excluding treasury shares	20.21	20.04
Basic earnings per share (€)	8.48	7.50
Basic recurring earnings per share (€)	9.29	8.45
Theoretical weighted average number of shares	20.28	20.09
Diluted earnings per share (€)	8.45	7.49
Diluted recurring earnings per share (€)	9.26	8.43



# BREAKDOWN OF CHANGE IN NET FINANCIAL DEBT

## FINANCIAL YEAR 2017

	2017 (€m)	2016 (€m)
Operating profit on business activity	329.8	301.1
Depreciation, amortisation and provisions (excl. allocated intangible assets)	19.6	42.9
EBITDA	349.4	344.0
Non-cash items	- 1.6	- 0.9
Tax paid	- 63.9	- 72.0
Change in operating working capital requirement*	- 12.4	- 17.0
Reorganisation and restructuring costs	- 29.6	- 29.6
Net cash flow from operating activities	241.9	224.5
Change relating to investing activities	- 62.3	- 46.7
Net financial interest	- 10.3	- 6.2
Additional contributions related to defined-benefit pension plans	- 21.0	- 21.0
Free cash flow	148.4	150.6
Impact of changes in scope	- 96.0	- 120.6
Financial investments	- 2.8	1.4
Dividends paid	- 44.5	- 34.4
Dividends received from equity-accounted companies	2.8	3.1
Capital increases in cash	0.1	2.3
Purchase and sale of treasury shares	- 1.3	10.3
Impact of changes in foreign exchange rates	- 10.7	12.3
Other changes	0.0	- 0.2
Change in net financial debt	- 4.1	24.8
<i>* Including a sale of trade receivables with deconsolidation</i>	37.0	0.0
Net financial debt at beginning of period	506.0	530.8
Net financial debt at end of period	510.1	506.0





# SIMPLIFIED BALANCE SHEET

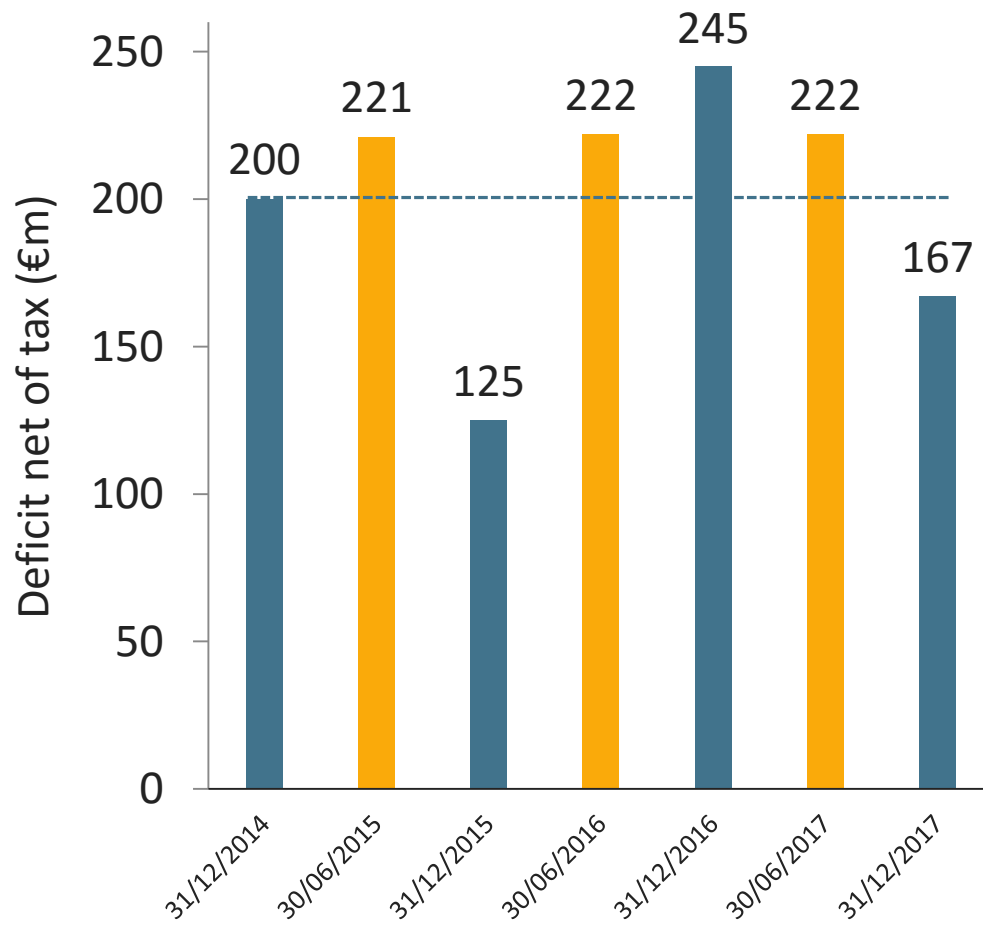
31/12/2017

	31/12/2017 (€m)	31/12/2016 (€m)
Goodwill	1,590.6	1,557.0
Allocated intangible assets	161.5	179.7
Other fixed assets	179.7	160.8
Equity-accounted investments	189.1	202.3
<b>Fixed assets</b>	<b>2,120.9</b>	<b>2,099.8</b>
Net deferred tax	98.7	128.9
Trade accounts receivable (net)	1,137.8	1,132.7
Other assets and liabilities	- 1,175.6	- 1,171.5
<b>Working capital requirement (WCR)</b>	<b>- 37.8</b>	<b>- 38.7</b>
<b>Assets + WCR</b>	<b>2,181.7</b>	<b>2,190.0</b>
Equity	1,240.0	1,103.1
Provisions for post-employment benefits	358.9	464.5
Provisions for contingencies and losses	72.8	116.4
Net financial debt	510.1	506.0
<b>Capital invested</b>	<b>2,181.7</b>	<b>2,190.0</b>



# UK PENSION FUND DEFICIT NET OF TAX AT 31/12/2017

## AVERAGE NET DEFICIT AROUND €200M SINCE END-2014



- Deficit net of tax down 31% vs 31/12/2016
- Decrease in commitments, increase in local currency-denominated assets vs 31/12/16
- Annual additional cash contribution of £20m unchanged until August 2020



# CHANGES IN THE WORKFORCE

## FINANCIAL YEAR 2017

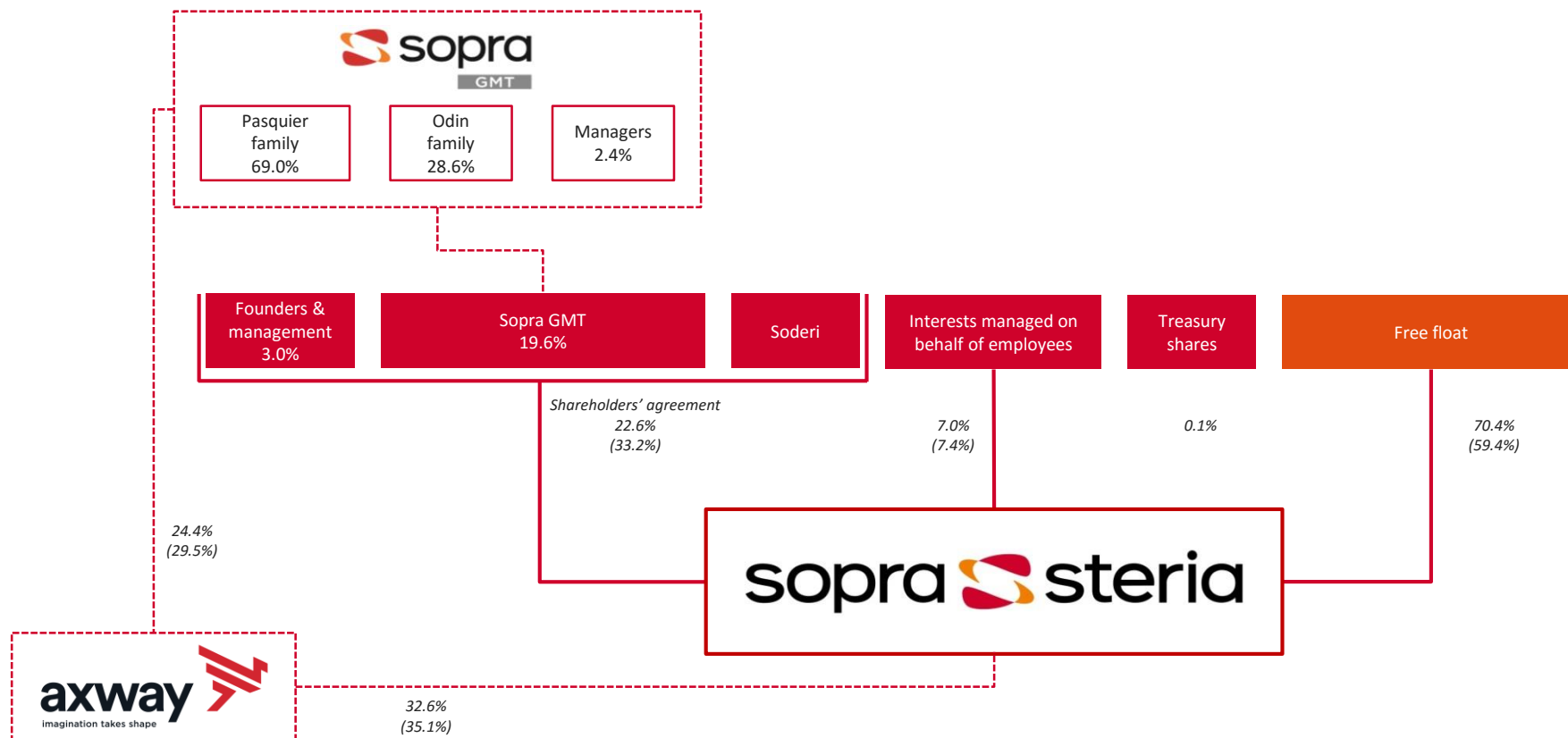
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	31/12/2017	31/12/2016
France	18,649	18,227
United Kingdom	6,181	6,508
Other Europe	8,777	7,844
Rest of the World	281	231
X-Shore	7,773	7,003
<b>Total</b>	<b>41,661</b>	<b>39,813</b>



# 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



# ALTERNATIVE PERFORMANCE MEASURES

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- **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 consolidated operating profit on business activity adding back depreciation, amortisation and provisions included in operating profit on business activity.
- **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 includes 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.
- **Basic recurring earnings per share**: This measure is equal to basic earnings per share before taking into account 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 tangible and intangible fixed assets, less net interest and less additional contributions to address any deficits in defined-benefit pension plans.

