# Annual General Meeting

13 June 2013

# Forward Looking Statements

- **This document contains forecasts in respect of which there are risks and uncertainties concerning Sopra Group's future growth and profitability.** The Group highlights the fact that the signature of licence contracts, which often represent investments for clients, are more significant in the second half of the year and may therefore have a more or less favourable impact on full-year performance.

- **The outcome of events or actual results may differ from those described in this document** as a result of various risks and uncertainties set out in the 2012 Reference Document submitted to the *Autorité des Marchés Financiers* on 23 April 2013 (in particular pages 47 and following).

- **The distribution of this document in certain countries may be subject to the laws and regulations in force.** Natural persons present in these countries and in which this document is disseminated, published or distributed, should obtain information about such restrictions and comply with them.

# Annual General Meeting Summary

- **Annual General Meeting Agenda**
- Board of Directors' Report
- Auditors' Reports
- Information about proposed resolutions
- Discussion
- Vote
- Closing

# Agenda (1/2)

- **Requiring the approval of the Ordinary General Meeting**
  - Approval of the Sopra Group SA individual company financial statements for the year ended 31 December 2012 – Granting of final discharge to the members of the Board of Directors – Approval of non-deductible expenses.
  - Approval of Sopra Group's consolidated financial statements for the financial year ended 31 December 2012.
  - Appropriation of earnings.
  - Approval of a change in the term of the framework agreement for assistance concluded with Sopra GMT.
  - Approval of commitments under Article L. 225-42-1 of the French Commercial Code entered into on behalf of Pascal Leroy.
  - Approval of agreements governed by Article L. 225-38 et seq. of the French Commercial Code.
  - Setting of directors' fees.
  - Authorisation given to the Board of Directors to allow Sopra Group to acquire its own shares under Article L. 225-209 of the French Commercial Code.

# Agenda (2/2)

- **Requiring the approval of the Extraordinary General Meeting**
  - Delegation of authority given to the Board of Directors to issue warrants to subscribe to and/or acquire redeemable shares (BSAARs) to employees or officers of the Company or any of its affiliated undertakings, with pre-emptive subscription rights – Conditions for this delegation of authority.
  - Delegation of authority given to the Board of Directors to decide to carry out capital increases reserved for employees of the Company or other companies within the Group who are members of an employee savings plan, without pre-emptive subscription rights – Conditions for this delegation of authority.
  - Powers required to carry out formalities.

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# Change in Group governance

- Significant **transition** for governance since August 2012
  - Pierre Pasquier is Chairman
  - Pascal Leroy is Chief Executive Officer
- Ongoing **coordination** between the Chairman and the CEO ensuring the successful transition of this strategy
- Operational **transmission** well initiated, intended to be progressive and part of a long term collaboration process

# Two distinct complementary roles

| Pierre Pasquier<br>*Chairman* | Pascal Leroy<br>*Chief Executive Officer* |
|---|---|
| · Oversees strategy, including mergers-acquisitions<br>· Leads corporate and financial communication operations<br>· Assists CEO via certain operational missions, including the set up of Sopra Banking Software | · Helps formulate strategy alongside the Chairman<br>· Supervises implementation of decisions adopted<br>· Ensures operational leadership of all of the Group's business activities |

# Sopra GMT, a committed reference shareholder

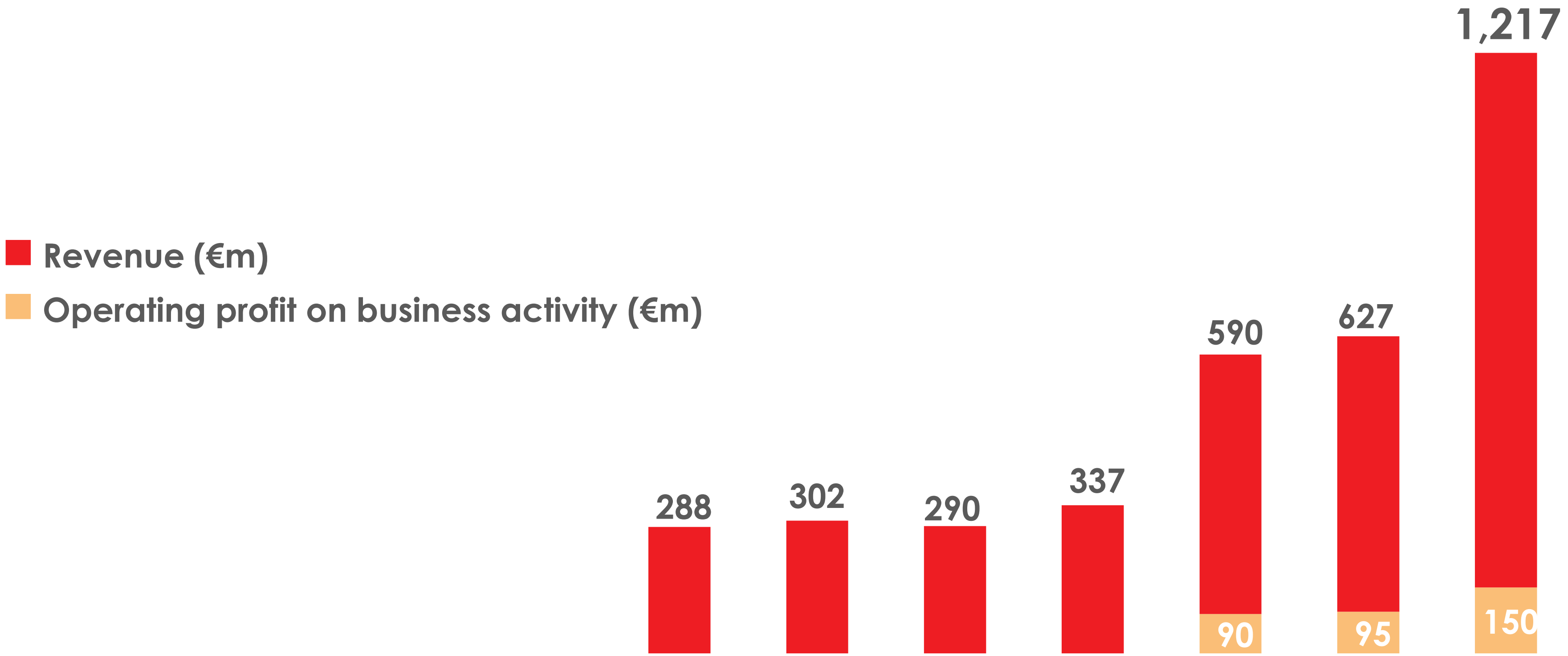
- **Support the management team** in its investment initiatives
  - Motivation and long-term commitment of key people
  - Commitment to the Sopra 2015 Project and beyond…

| Pasquier Family | Odin Family | Historical Managers |
|---|---|---|
| 67.31% | 27.95% | 4.74% |

| Founders & Managers | Sopra GMT | Geninfo | Caravelle | Public |
|---|---|---|---|---|
| 9.08% | 28.04% | 12.06% | 17.30% | 33.52% |

Shareholder pact controls 49.18 % of Sopra Group capital and voting rights

# 2012: solid performance in a tough context




| | Q1 | Q2 | Q3 | Q4 | H1 | H2 | 2012 |
|---|---|---|---|---|---|---|---|
| Total growth | +9.5% | +13.1% | +20.9% | +20.1% | +11.3% | +20.5% | +15.8% |
| Organic growth | +4.4% | -2.1% | +1.1% | +6.3% | +1.0% | +3.8% | +2.4% |
| Operating profit on business activity | | | | | 8.1% | 9.9% | 9.0% |

# Solid results for the financial year

| | 2011 (€m) | 2012 (€m) | 2012 (%) |
|---|---|---|---|
| Revenue | 1050.3 | 1216.7 | |
| Operating profit on business activity | 92.5 | 109.6 | 9.0% |
| Profit from recurring operations | 91.7 | 103.2 | 8.5% |
| Operating profit (EBIT) | 97.9 | 91.3 | 7.5% |
| Net profit - Group share | 62.9 | 55.6 | 4.6% |
| | | | |
| EPS (€) | €5.29 | €4.67 | |

# Operating profit on business activity

| | 2011 (€m) | 2012 (€m) | 2012/2011 (%) |
|---|---|---|---|
| Revenue | 1050.3 | 1216.7 | 15.8% |
| Staff costs - employees | -701.4 | -811.8 | 15.7% |
| Staff costs - contractors | -95.8 | -100.1 | 4.5% |
| *Staff costs - Total* | -797.2 | -911.9 | 14.4% |
| Operating expenses | -147.0 | -178.2 | 21.2% |
| Depreciation, amortization and provisions | -13.6 | -17.0 | 25.0% |
| Operating profit on business activitiy | 92.5 | 109.6 | |

# Operating profit

| | 2011 (€m) | 2012 (€m) | 2012 (%) |
|---|---|---|---|
| Operating profit on business activity | 92.5 | 109.6 | 9.0% |
| Expenses related to stock options and bonus share awards | -0.5 | -2.2 | |
| Amortisation of allocated intangible assets | -0.3 | -4.2 | |
| Profit from recurring operations | 91.7 | 103.2 | 8.5% |
| Other operating income and expenses | 6.2 | -11.9 | |
| Operating profit (EBIT) | 97.9 | 91.3 | 7.5% |

# Net profit

| | 2011 (€m) | 2012 (€m) | 2012 (%) |
|---|---|---|---|
| Operating profit | 97.9 | 91.3 | 7.5% |
| Cost of net financial debt | -4.1 | -7.2 | |
| Other operating income and expenses | 0.6 | -1.0 | |
| Tax expense | -36.1 | -33.6 | |
| Share of net profit from equity-accounted companies | 6.0 | 6.1 | |
| Net profit before profit from discontinued operations | 64.3 | 55.6 | 4.6% |
| Profit net of tax from discontinued operations | -1.4 | - | |
| Net profit | 62.9 | 55.6 | 4.6% |

# Balance sheet

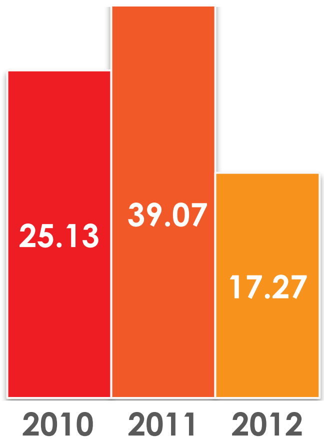
| | 2011 (€m) | 2012 (€m) |
|---|---|---|
| Goodwill | 190.9 | 314.6 |
| Allocated intangible assets | 1.3 | 56.5 |
| Other fixed assets | 44.1 | 45.8 |
| Equity-accounted investments | 109.4 | 113.8 |
| Fixed assets | 345.7 | 530.6 |
| | | |
| Trade accounts receivable (net) | 345.0 | 384.3 |
| Other assets and liabilities | -370.4 | -405.6 |
| Operating assets and liabilities | -25.4 | -21.3 |
| | | |
| ASSETS + WCR | 320.3 | 509.3 |
| | | |
| Equity | 273.9 | 305.3 |
| Net financial debt | 46.4 | 204.0 |
| Capital invested | 320.3 | 509.3 |

# Change in net debt

| | 2011 (€m) | 2012 (€m) |
|---|---|---|
| Net debt at beginning of period (A) | 57.2 | 46.4 |
| Gross cash flow from operations before net financial debt and tax | 100.5 | 112.2 |
| Tax paid | -38.7 | -41.8 |
| Changes in working capital requirements | -1.3 | -8.6 |
| Net cash flow from operations | 60.5 | 61.8 |
| Change relating to operating investments | -13.8 | -7.7 |
| Net financial interest paid | -3.5 | -6.8 |
| Free cash flow | 43.2 | 47.3 |
| Changes in scope | -29.8 | -182.4 |
| Financial investments | -16.2 | -0.1 |
| Dividends paid | -56.1 | -22.6 |
| Dividends received from equity-accounted companies | - | 1.3 |
| Capital increases in cash | 1.2 | - |
| Change in loans and advances granted (reimbursement of Axway current account) | 68.4 | - |
| Other changes | - 1,0 | 0.2 |
| Net cash flow relating to discontinued operations | 12.6 | - |
| Net cash flow (B) | 22.3 | -156.3 |
| Changes in exchange rates (C ) | -0.4 | -1.3 |
| Net debt relating to discontinued operations (D) | -11.1 | - |
| Net debt at period-end (A-B-C-D) | 46.4 | 204.0 |

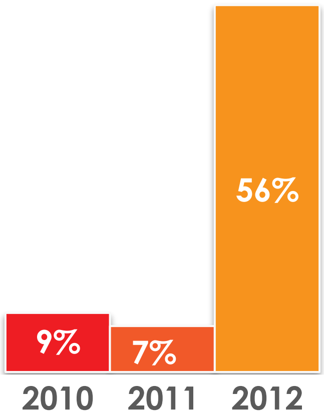
# Bank covenants

PRO / Cost of net debt



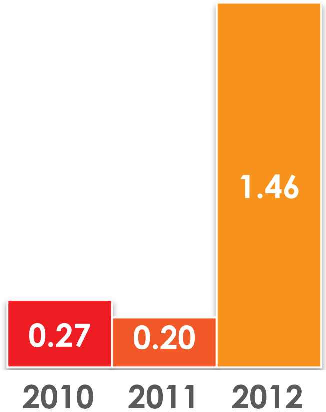

Must be
**> 5**

Net debt / Equity




Must be
**< 100%**

Net debt / EBITDA (€118M)

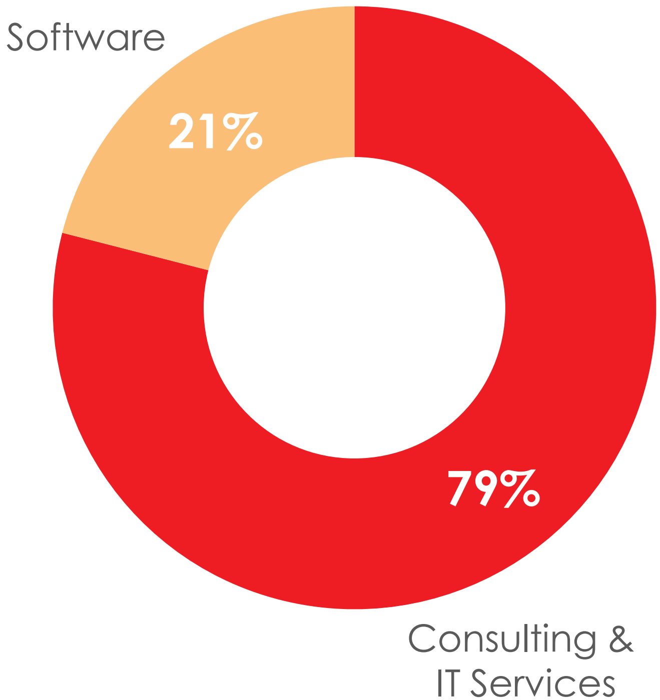



Must be
**< 3**

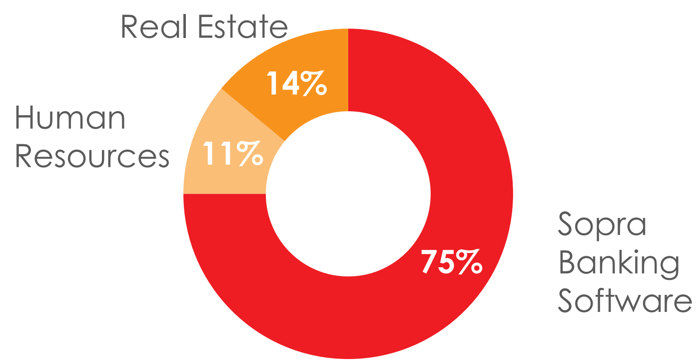
Net financial debt is adjusted for employee profit sharing (€32m) for the calculation of bank covenants

# Revenue by business line

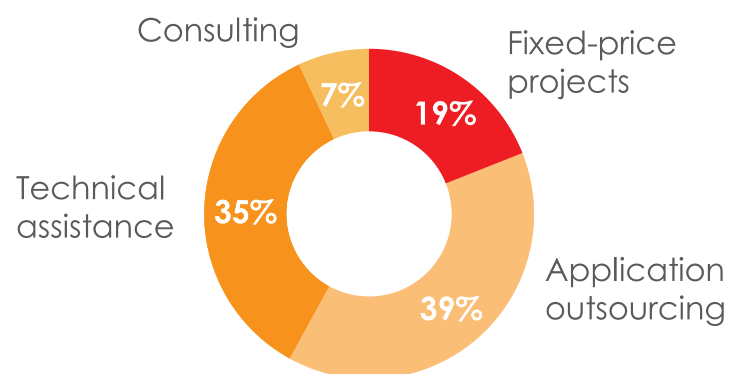
## Business line




## o/w Software

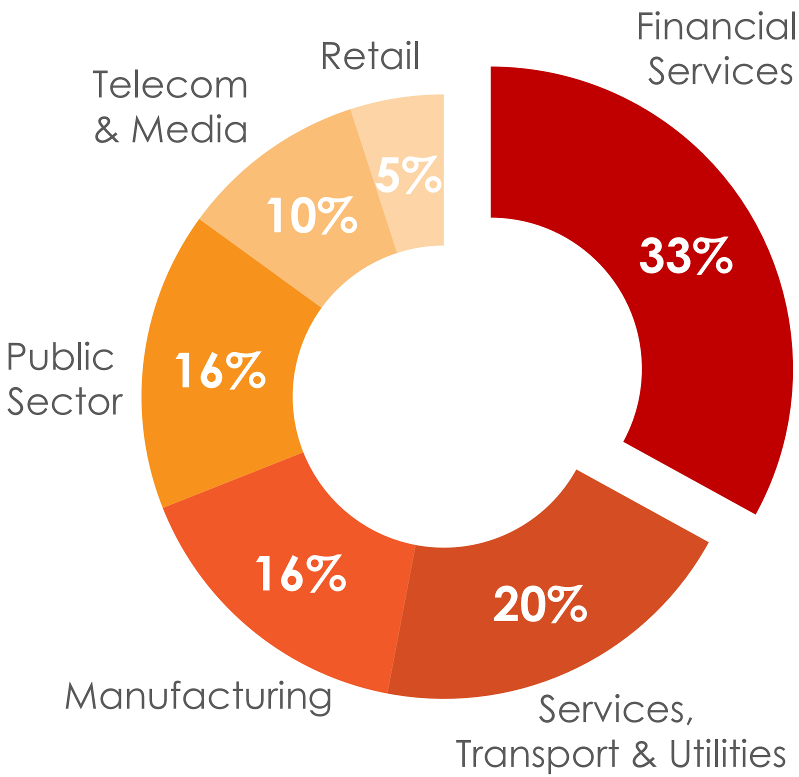



## o/w Consulting & Services

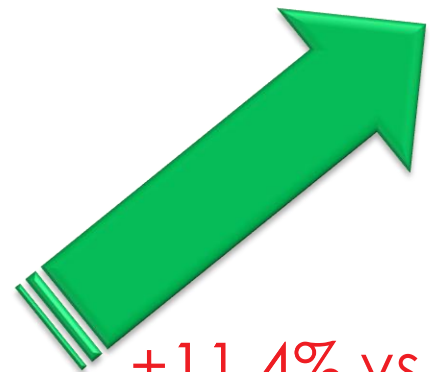


# Revenue by vertical market

## Verticals

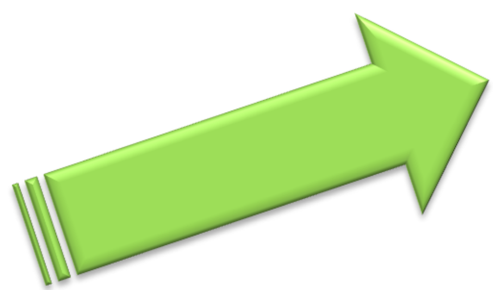



## Services, Transport & Utilities



+11.4% vs 2011

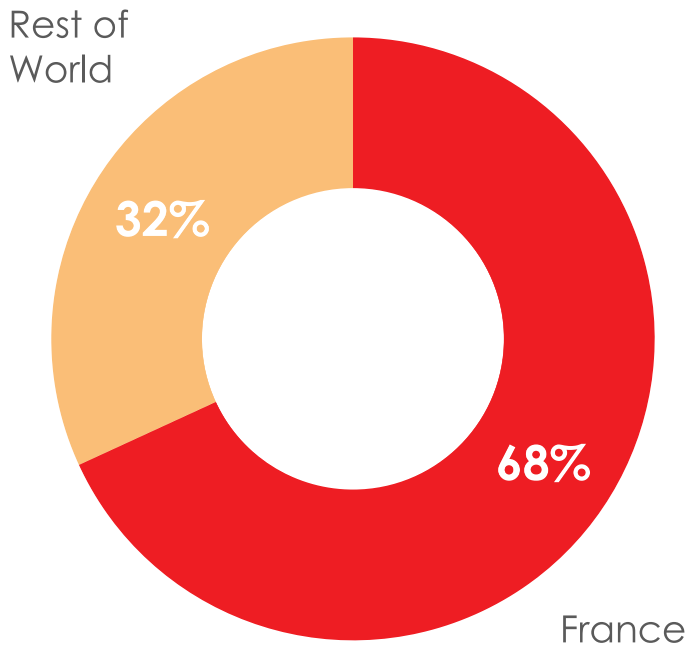
## Public Sector



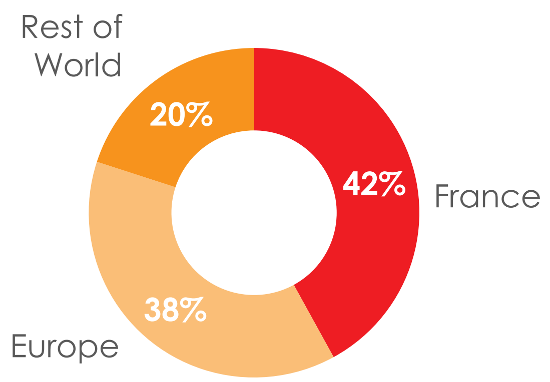
+3.7% vs 2011

# Revenue by region

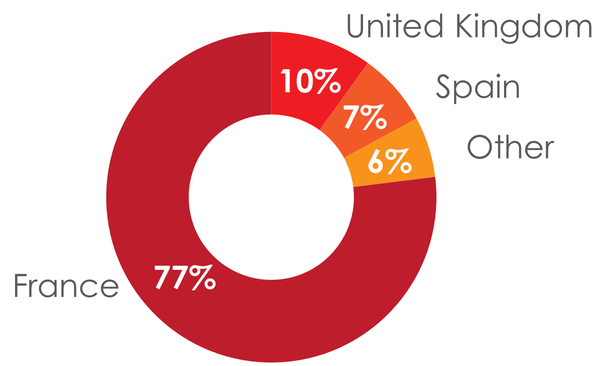
## Regions




## o/w Sopra Banking Software




## o/w Consulting & Services



# Trends in our markets for 2012

France

+ 3.7% vs 2011

Europe (excl. France)

+2.9% vs 2011

Sopra Banking Software

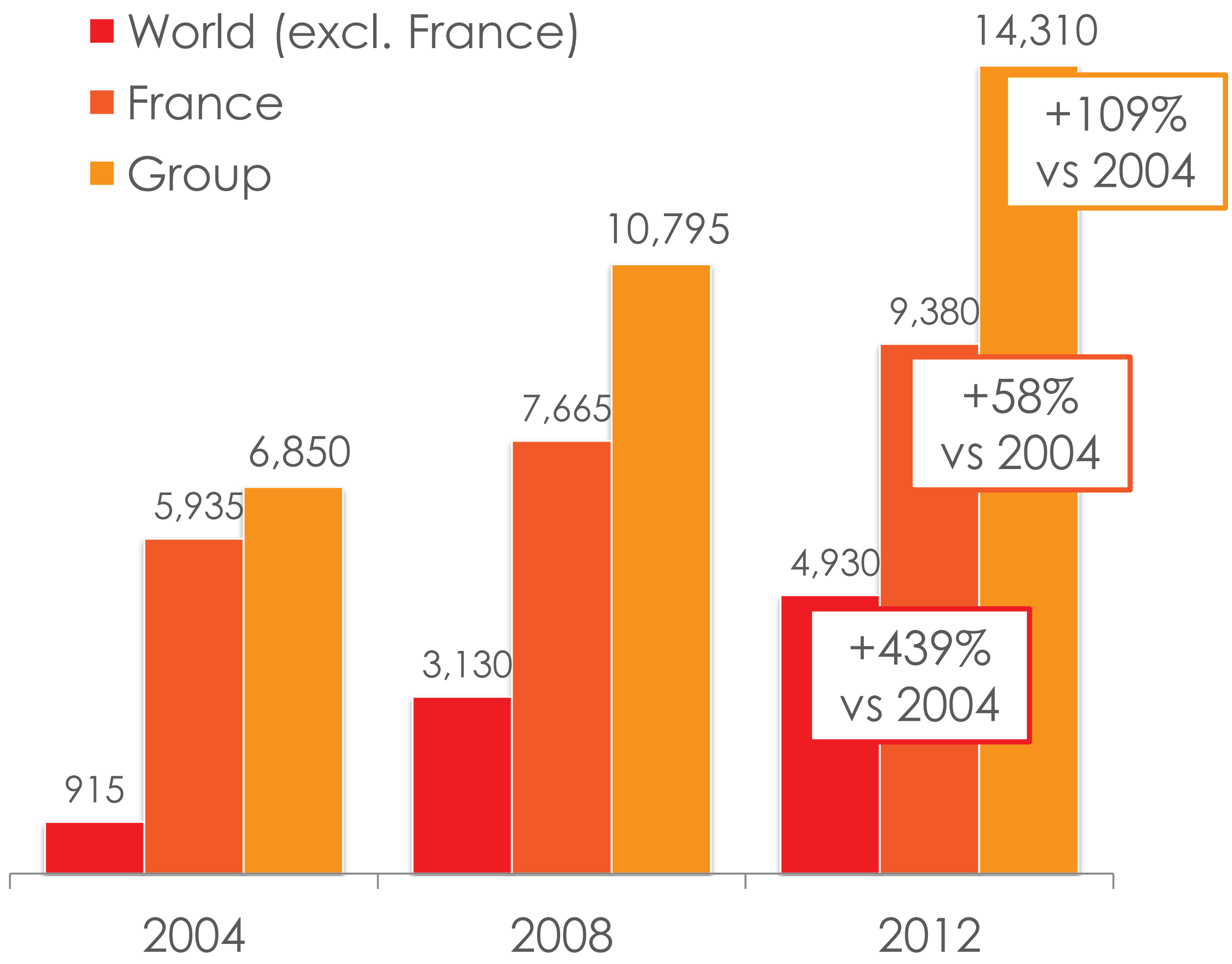
Q4: +6.9%

-3.9% vs 2011

Top 30 Clients (51% of sales)

+6.8% vs 2011

# A constant increase in our headcount



# Key figures for 2012

| Revenue | Organic growth |
| --- | --- |
| €1217m | +2.4% |
| +€166m vs 2011 | Total growth +15.8% |
| **Op. profit on business act.** | **Net profit** |
| €110m | €56m |
| 9.0% of revenue | 4.6% of revenue |

# Annual objectives achieved

| | |
|---|---|
| **Revenue** | Slight increase |
| **Operating profit on business activity** | Slight improvement |
| **Market** | Participate in market consolidation in Europe |
| **Products** | Enrich our portfolio of solutions |

# Dynamic M&A strategy

Sopra group

**Callataÿ & Wouters**

- Financial solutions
- 2012 pro forma revenue: €79m
- 600 employees

**Tieto Solutions**

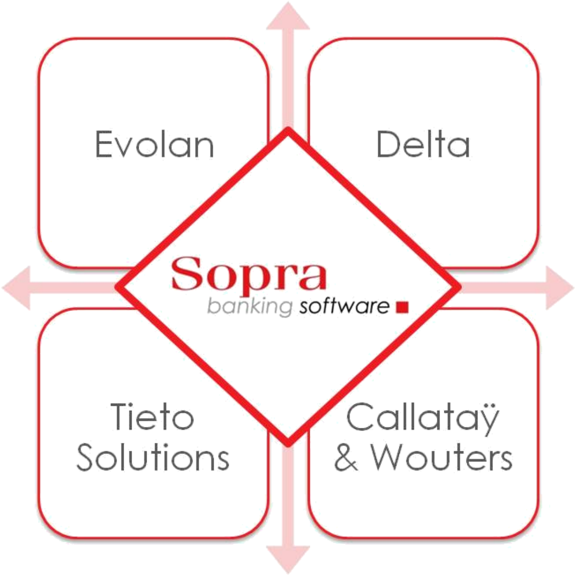
- Financial solutions
- 2012 pro forma revenue: €27m
- 250 employees

**Business & Decision**

- Financial services
- 2012 pro forma revenue: €35m
- 250 employees

# A new banking subsidiary

- **Creation of a subsidiary** dedicated to banking solutions
  - European positioning in a high growth-potential market
  - Capitalising on integrator expertise and 40 years' experience in software development




- **Recognised** by market analysts
  - Gartner Magic Quadrant for International Retail Core Banking 2012
    → Evaluated for its "ability to execute" and "completeness of vision"
  - Forrester Wave: Global Banking Platforms, Q4 2012
    → Evaluated with "a strong current offering and a strong strategy"

# Additional information: HR Access

- **2013 revenue (12 months) approximately €70m**
  - Consolidated as of 1 April (9 months)
- **Integration proceeding smoothly**
  - Restructuring plan underway
  - Significant savings targeted (+/- €25m)
  - Budgetary breakeven possible in 2014
- **Positive client response**
- **Services and Outsouring offerings to be developed**

HR Access
a Sopra Group company

# 2013 annual targets updated

- **At constant consolidation scope vs. 2012**
  - Organic growth between 2 and 5%
  - Operating margin on business activity above 8%
    - Impacted on a one-off basis by:
      - Initialisation investments for large-scale projects signed at the end of 2012
      - Pre-sales in progress
      - Persistently high pricing pressure

- **Including HR Access**
  - Net debt between €150m and €170m
  - Slightly lower operating margin on business activity (30 to 70 basis points)
  - **Net profit margin at least equal to the prior year** (4.6% in 2012)

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# End of the Annual General meeting

13 June 2013