

Talented Together



# RESULTS PRESENTATION FOR THE FIRST HALF YEAR 2014

Paris, 25 July 2014

# FORWARD LOOKING STATEMENTS

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- *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 2013 Reference Document submitted to the Autorité des Marchés Financiers on 29 April 2014 (in particular pages 55 and following).*
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# AGENDA

- 1) Highlights
- 2) Financial results
- 3) Market, strategy & objectives



## HIGHLIGHTS

Vincent Paris, Chief Executive Officer

# HIGHLIGHTS FOR THE 1<sup>ST</sup> HALF YEAR

## GROUP'S PERFORMANCE



Growth and profitability  
on target

## CONSULTING & IT SERVICES



Market share increase in  
Europe

## SOLUTIONS



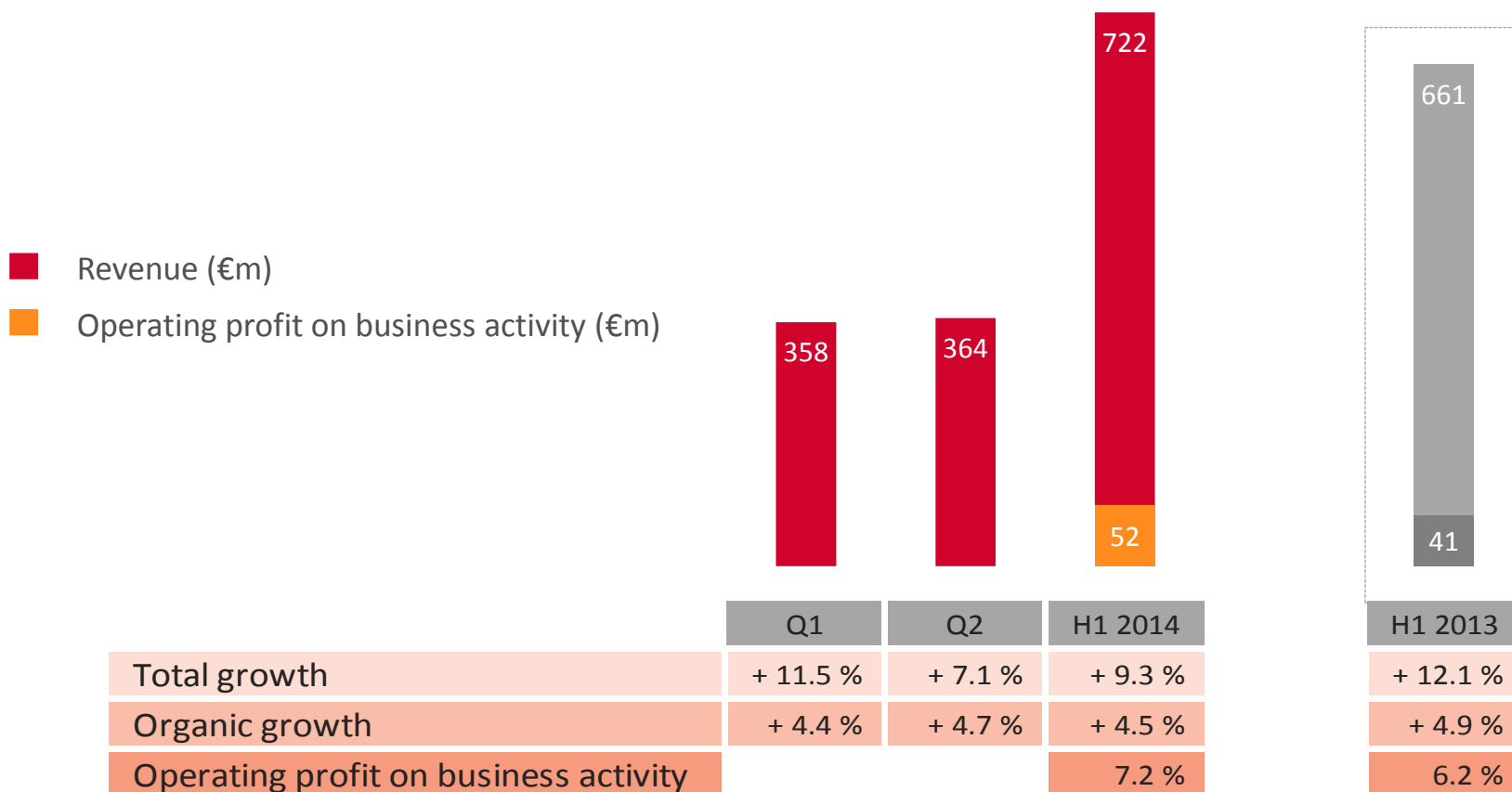
Ramp-up of our strategy  
dedicated to solutions  
-Sopra Banking Software  
-HR Solutions

## SOPRA - STERIA



Sopra Steria tie-up on track

# GROWTH AND PROFITABILITY ON TARGET



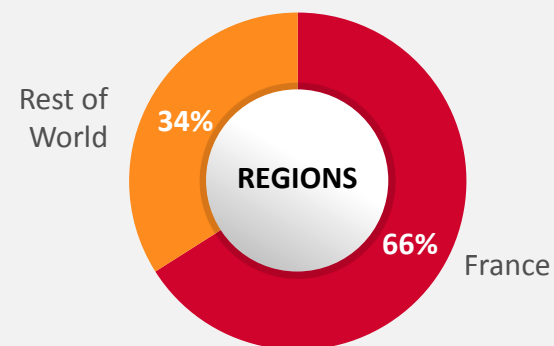
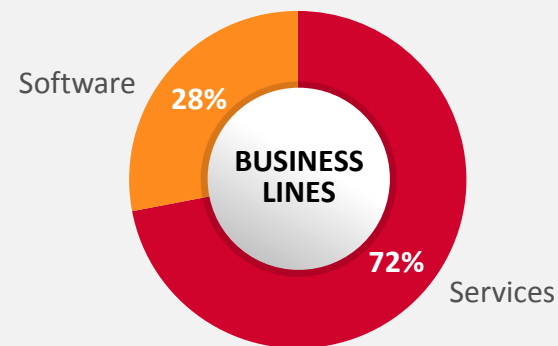
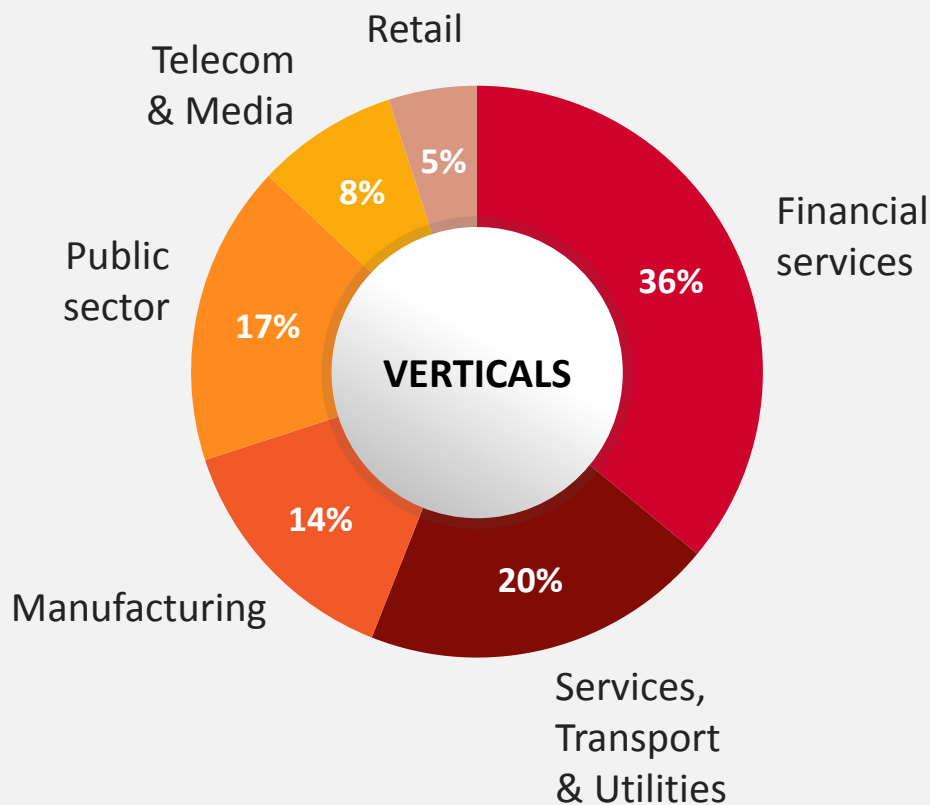
# PERFORMANCE BY DIVISION

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	H1 2013 Op. profit on business act. (%)	H1 2014 Op. profit on business act. (%)	H1 2014 revenue (€m)	Organic growth (%)
France	7.5%	8.3%	393.3	+ 2.5 %
Europe (excl. France)	2.8%	2.1%	129.9	+ 4.4 %
Sopra Banking Software	9.7%	6.1%	120.7	+ 1.6 %
Other Solutions	- 2.2%	12.0%	78.4	+ 22.3 %
<b>Group</b>	<b>6.2%</b>	<b>7.2%</b>	<b>722.3</b>	<b>+ 4.5 %</b>

# BREAKDOWN OF REVENUE AT GROUP LEVEL

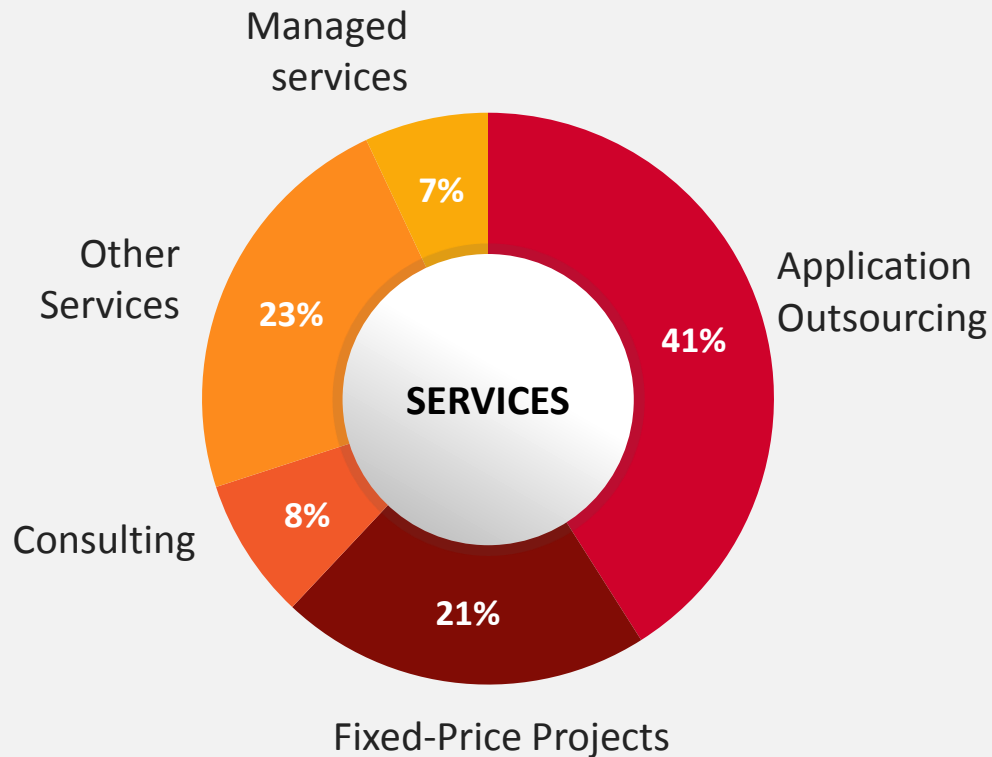
€722m IN H1 2014



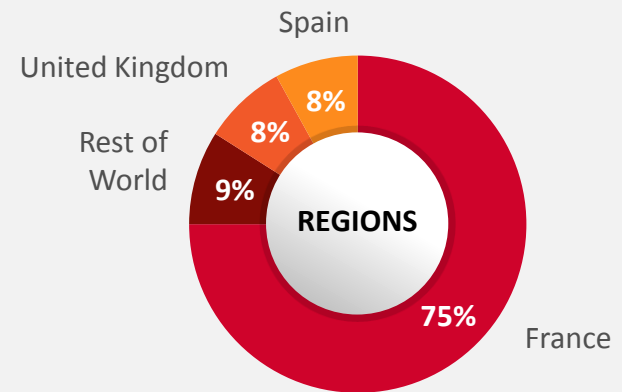


# BREAKDOWN OF REVENUE FOR SERVICE ACTIVITIES

€523m IN H1 2014 (72% OF SALES)

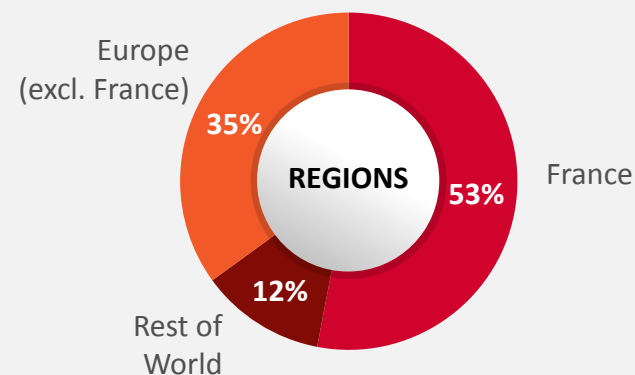
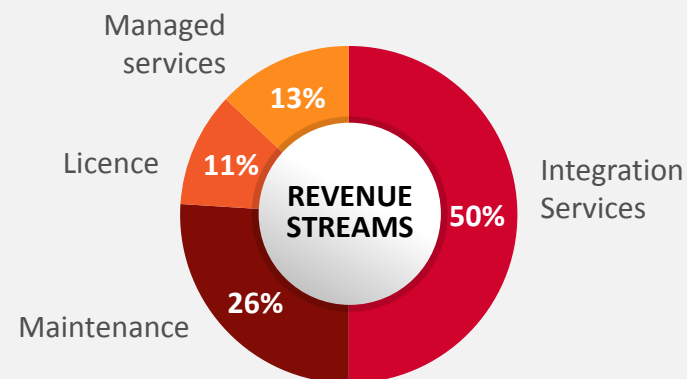
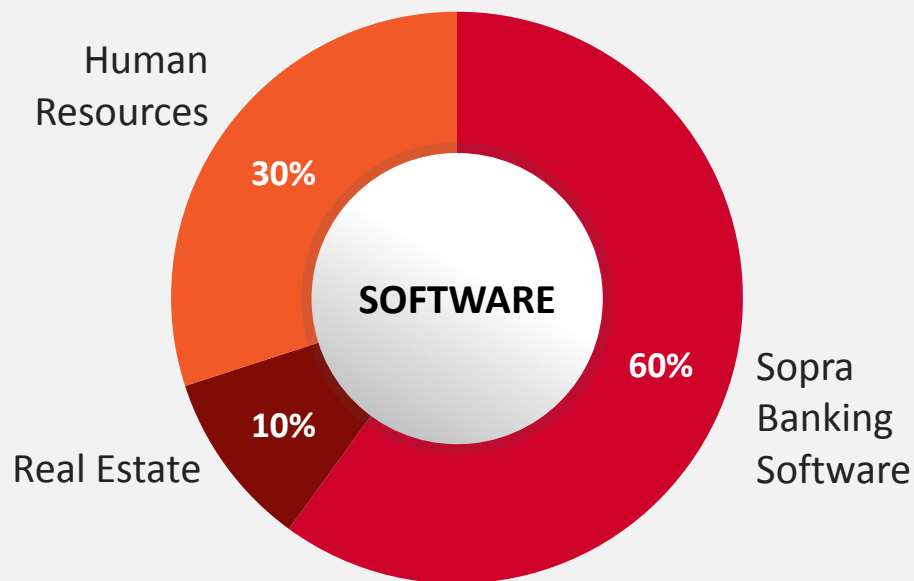


TOP 30 CLIENTS (51% OF SALES)

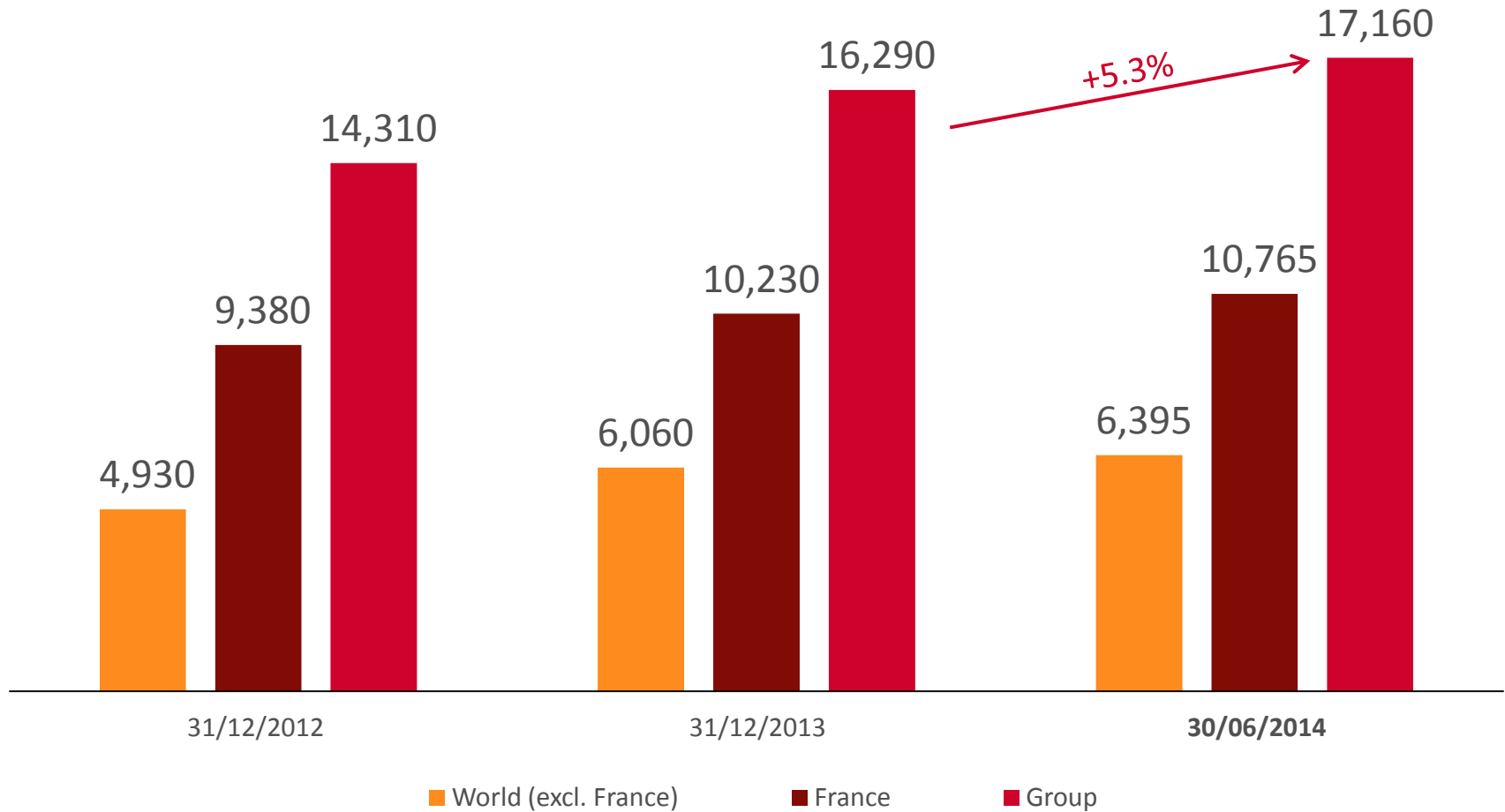


# BREAKDOWN OF REVENUE FOR SOFTWARE ACTIVITIES

€199m IN H1 2014 (28% OF SALES)



## CONSTANT INCREASE IN HEADCOUNT



## KEY FIGURES FOR THE 1<sup>ST</sup> HALF

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Revenue

**€722m**

+€61m vs H1 2013

Organic growth

**+ 4.5%**

Total growth + 9.3%

Operating profit on business activity

**€52m**

7.2% of revenue

Net profit

**€22m**

3.1% of revenue



## FINANCIAL RESULTS

François Lefebvre, Chief Financial Officer

# INCOME STATEMENT

	H1 2013 (€m)	H1 2014 (€m)	H1 2014 (%)	Variation (%)
Revenue	661.0	722.3		+ 9.3%
Staff costs - employees	- 455.4	- 498.8		+ 7.6%
Staff costs - contractors	- 53.1	- 48.3		
Operating expenses	- 101.2	- 112.7		
Depreciation, amortization and provisions	- 10.0	- 10.3		
Operating profit on business activity	41.3	52.2	7.2%	
Expenses related to stock options and free share awards	- 1.4	- 1.4		
Amortisation of allocated intangible assets	- 2.4	- 2.4		
Profit from recurring operations	37.5	48.4	6.7%	
Other operating income and expenses	26.1	- 7.8		
Operating profit	63.6	40.6	5.6%	
Cost of net financial debt	- 2.4	- 3.2		
Other operating income and expenses	-	- 1.4		
Tax expense	- 13.4	- 14.3		
Share of net profit from equity-accounted companies	2.4	0.5		
Net profit	50.2	22.2	3.1%	

# CHANGE IN NET DEBT

	H1 2013 (€m)	H1 2014 (€m)
Net debt at beginning of period (A)	- 204.1	- 154.6
Gross cash flow from operations before net financial debt and tax	39.9	52.9
Tax paid	- 15.4	- 13.5
Changes in working capital requirements	- 50.9	- 49.4
Net cash flow from operations	- 26.4	- 10.0
Change relating to operating investments	- 8.3	- 11.0
Net financial interest paid	- 2.4	- 3.2
Free cash flow	- 37.1	- 24.2
Changes in scope	44.2	- 20.3
Financial investments	- 0.9	-
Dividends paid	- 20.2	-
Dividends received from equity-accounted companies	1.9	2.1
Capital increases in cash	0.1	-
Other changes	0.5	- 1.1
Net cash flow (B)	- 11.6	- 43.5
Changes in exchange rates (C)	- 0.6	- 0.8
Net debt at period-end (A+B+C)	- 216.2	- 197.3

# CHANGE IN EQUITY

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	H1 2014 (€m)
Equity position at beginning of period	357.9
Net profit - Group share	22.2
Distribution in cash (ordinary)	- 22.6
Acquisition or disposal of treasury shares	- 0.6
Share-based payments	2.1
Actuarial differences	- 2.3
Change in financial instruments	0.3
Translation adjustments	4.5
Other movements	0.2
Equity position at end of period	361.7

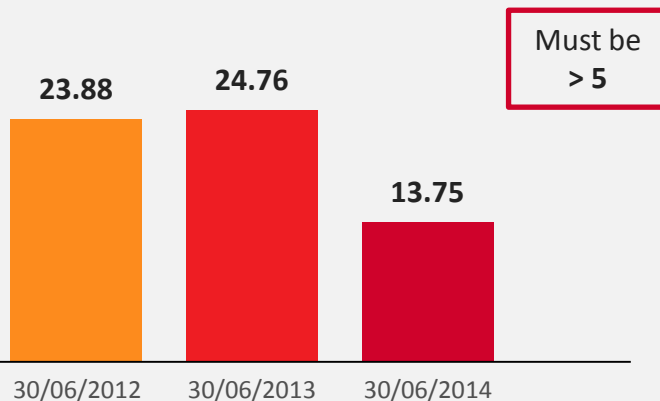


# BALANCE SHEET

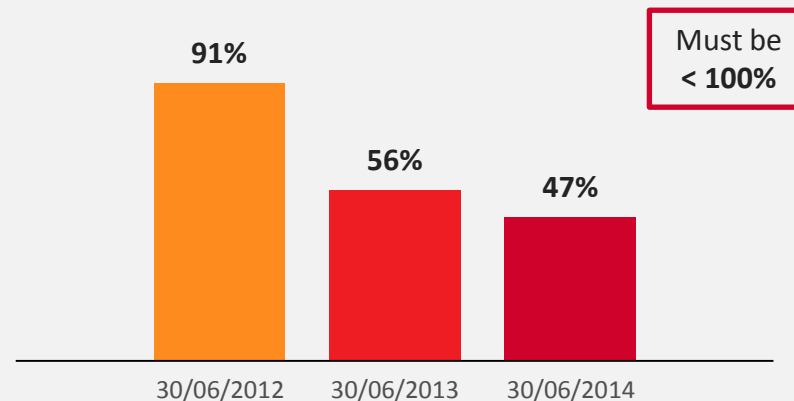
	31/12 2013 (€m)	30/06 2014 (€m)
Goodwill	317.5	344.0
Allocated intangible assets	51.4	49.1
Other fixed assets	56.7	61.5
Equity-accounted investments	118.8	117.5
<b>Fixed assets</b>	<b>544.4</b>	<b>572.1</b>
Trade accounts receivable (net)	442.4	461.2
Other assets and liabilities	- 474.3	- 474.3
<b>Operating assets and liabilities</b>	<b>- 31.9</b>	<b>- 13.1</b>
<b>ASSETS + WCR</b>	<b>512.5</b>	<b>559.0</b>
Equity	357.9	361.7
Net financial debt	154.6	197.3
<b>Capital invested</b>	<b>512.5</b>	<b>559.0</b>

# BANK COVENANTS AT 30 JUNE

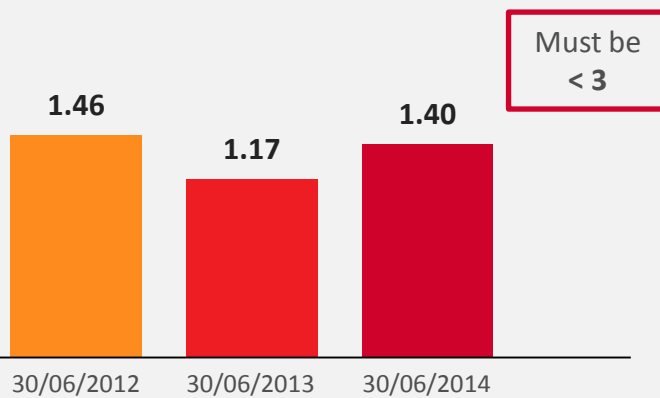
PRO/ Cost of net debt



Net debt / Equity



Net debt / EBITDA



Net financial debt is adjusted for employee profit sharing (€27.1m) for the calculation of bank covenants



# MARKET, STRATEGY & OBJECTIVES

Vincent Paris, Chief Executive Officer

# ADRESSING A FAST-MOVING MARKET

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- Digitalisation is transforming the economy
  - Client disintermediation
  - Personalisation of information
  - Transformation of clients' value chain (Mobility, Machine to Machine)
- Technology advances and new uses result in major challenges for clients
  - Service quality and cost control of existing systems a MUST
  - New developments + innovation necessary to optimise growth and competitive advantage
  - Increase reactivity and reduce Time to Market

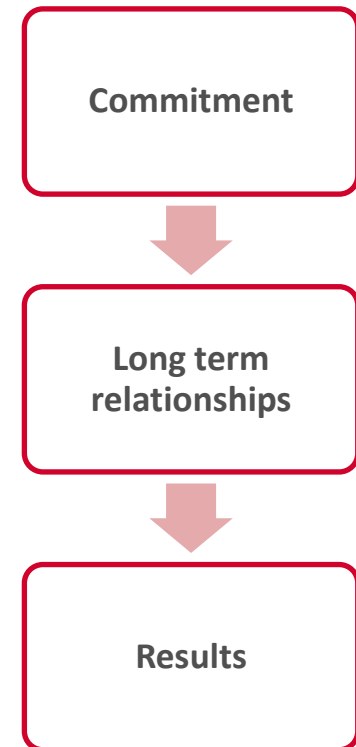
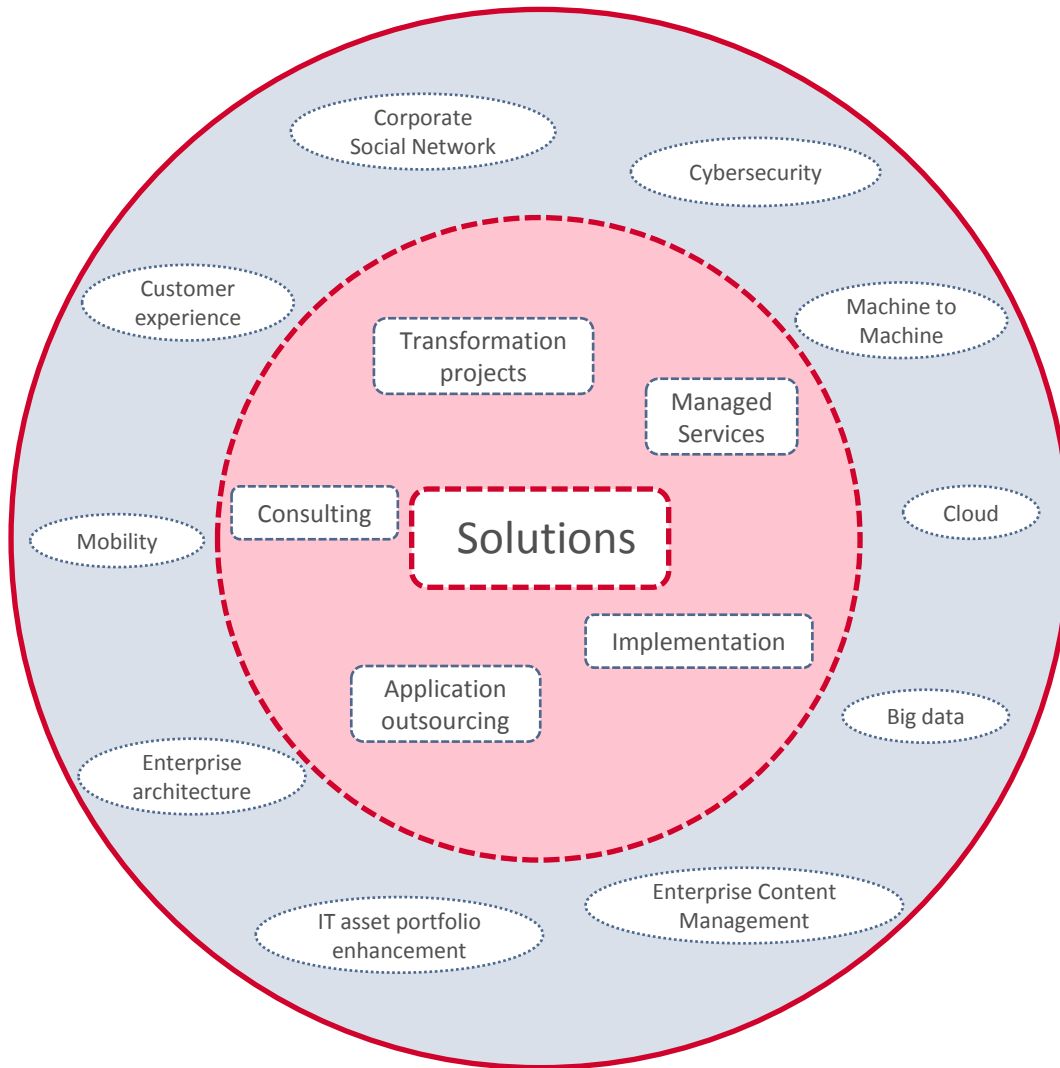


**Software & Solutions  
w/ value-added Services**



**Global  
Outsourcing**

# AN INCREASINGLY COMPREHENSIVE APPROACH



# ANNUAL TARGETS FOR 2014

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- Ambitions of the stand-alone project remain intact
- Objectives
  - Organic growth between 3% and 5%
  - Operating margin on business activity improvement
  - Year-end net debt between €130 and €160m
- Creation of Sopra Steria Group amplifies opportunities



## QUESTIONS & ANSWERS

# CONTACTS

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