



2022 Annual Results Presentation

Paris, 23 February 2023

The world is how we shape it

sopra  steria

Disclaimer

This presentation 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 2021 Universal Registration Document filed with the Autorité des Marchés Financiers (AMF) on 17 March 2022 (see pages 38 to 44 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.

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Targets achieved in 2022



Cyril Malargé
Chief Executive Officer

Good performance in 2022

Sopra Steria is on track to reach its medium-term target of 10% for operating margin on business activity

**Organic
revenue
growth**

+7.6%

8.9%
+0.8 points

**Operating
margin
on business
activity**

**Free cash
flow**

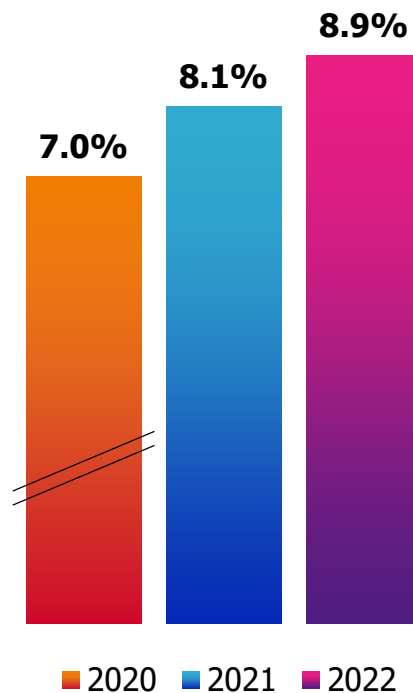
€287.2m
**5.6% of
revenue**

4.9%
+0.9 points

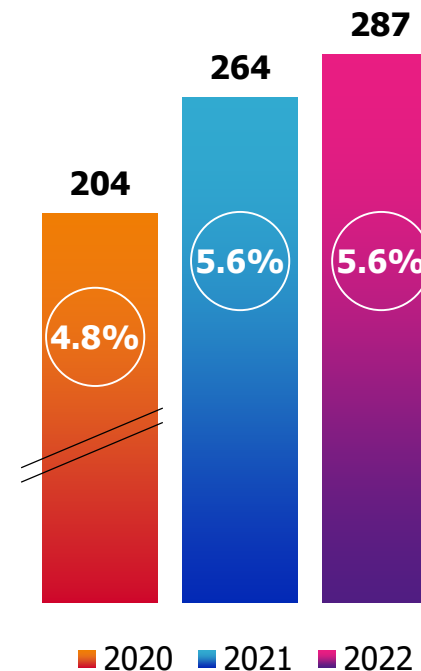
**Net
profit margin**

Structural improvement in return on capital employed and performance

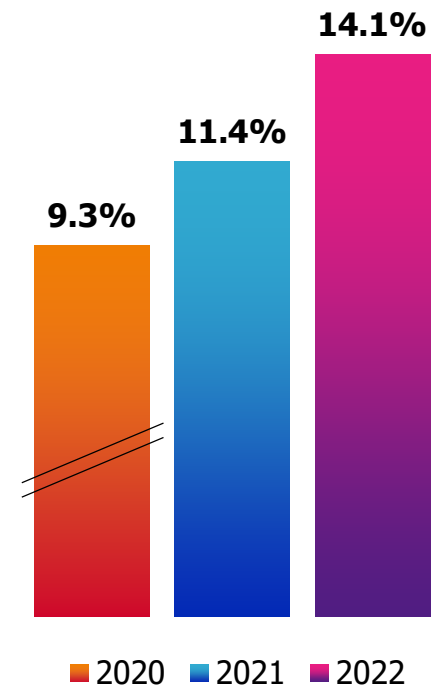
Operating margin on business activity (%)



Free cash flow (€m and % of revenue)



RoCE⁽¹⁾ after tax (%)



1) Return on capital employed: (Profit from recurring operations after tax + Profit from equity-accounted companies) / (Equity + Net financial debt)

Major new contract wins in strategic markets



Statens vegvesen
Norwegian Public Roads
Administration



Accelerated pace of strategy delivery



New momentum for consulting



Revenue

€435m

+18%



Consultants

+400 people



Average daily rate billed

+5%

Strengthened leadership

Reviewed operating model

Awards and distinctions



- Syntec Conseil Grand Prix

- **Gold award** in the "Innovation & Insights " category for France's digital ID programme
- **Gold award** in the "Transformation of Organisations" category, shared with our client Leroy Merlin



- *Décideurs Magazine* rankings

- **Key player** in "Digital Transformation Consulting"
- **Excellent** in "Innovation, Technologies & Telecoms", **Excellent** in "Consulting for Banks", **Excellent** in "HR Consulting"

Strengthened positions in strategic European markets

Tobania

2022(e): €100m revenue, 10% growth

Doubling of market share⁽¹⁾

TOP 10

CS Group

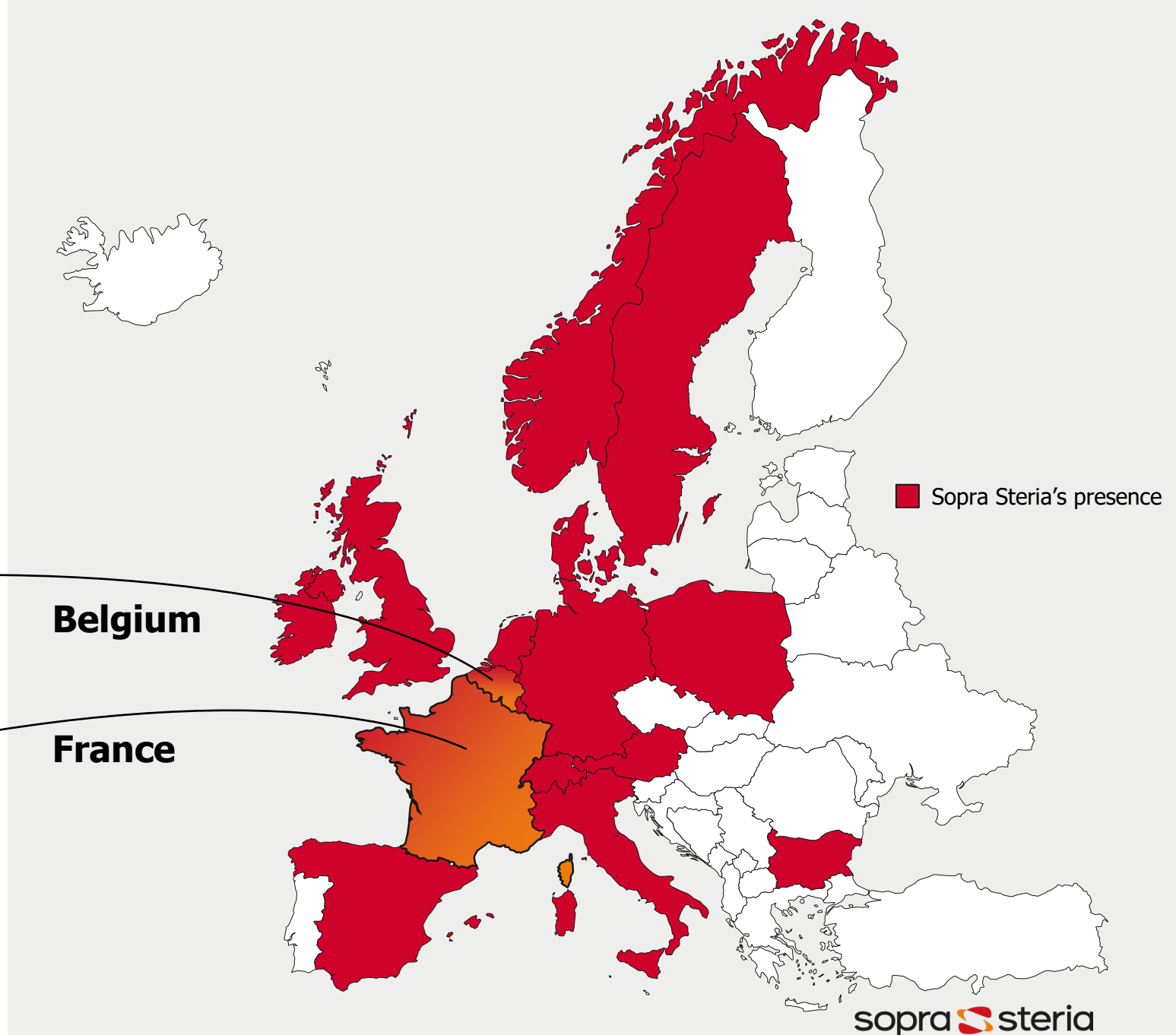
2022(e)⁽²⁾: €265m revenue, 11% growth

Strengthened market share⁽¹⁾

TOP 2

1) Source: Gartner, "Market Share: IT Services 2021"

2) Source: FactSet Estimates consensus at 31 January 2023



Investments in digital sovereignty and trust

Geopolitical tensions and energy crises
Climate transition

End-2021: Acquisition of Eva Group
2022: Proposed acquisition of CS Group

Cybersecurity

2022: €180m

CS Group: +€45m

Defence & Security

2022: Over €460m

CS Group: +€100m

Space

CS Group: +€90m

Energy & Utilities

2022: Over €300m

CS Group: +€20m ⇒ Technical and industrial IT – Modelling, digital simulation – Nuclear power sector



Shift in offerings toward higher added value

Engine

Rollout of a dynamic framework
Application services transformation
Methods / Assets / Industrialisation / Service centres
/ Reference frameworks
Native integration of new technologies

Tech

Cloud / AI / Data / Blockchain
Large-scale skills development
Horizontal integration via centres of excellence
Digital Expertise Centre (CED)
Cloud centres of excellence (CCoEs)

Service platforms in the UK

Development of business solutions powered by AI
and cloud technologies
Combination of IT and BPO
5 platforms:
NHS SBS – SSCL – UK VI – DRS – FORS

Operational efficiency

- Increase in average daily rate billed
- Rise in offshore staff, accounting for 19% of the workforce (up 0.6 pts)
14% growth in India
- Reduced real estate footprint
- SFT: Reduction in medium-term operating risks



Making digital work for people

Target for reducing GHG⁽¹⁾ emissions from direct activities approved by SBTi

2022: -68% vs 2015 (excl. impact of Covid-19)

2040 target: -85% vs 2015

Female representation

+0.7 pts in 2022 (33.1% of total workforce)

Executive Committee: 20% women in 2022

2025 target: 30% women

Digital sovereignty, sobriety and ethics

Campus Cyber cybersecurity

19,000 employees trained in eco-friendly digital behaviours

Nicom@que digital ethics journal



CDP

- Score of "A" for the 6th year running



Great Place To Work certification

- Response rate: 84%
- Overall perception⁽²⁾: 78% (up 6 pts)

Financial Times

Financial Times: Europe's Climate Leaders 2022

- #7 out of 400 companies and #1 among French companies for reduction of core emissions intensity YoY 2015-20



Le Point / Statista ranking

- #2 out of top 250 most responsible companies in France

(1) Greenhouse gas

(2) 78% of employees would recommend Sopra Steria as a great place to work

02

Operating position by reporting unit



Cyril Malargé
Chief Executive Officer

2022 operating performance

Breakdown by reporting unit

	Revenue			Operating profit on business activity	
	2022 (€m)	2021 Restated* (€m)	Organic growth (%)	2022 (% of Rev.)	2021 (% of Rev.)
France	2,039.0	1,858.4	+9.7%	10.0%	8.6%
United Kingdom	890.6	829.9	+7.3%	10.5%	9.1%
Other Europe	1,473.0	1,359.5	+8.3%	6.2%	7.8%
Sopra Banking Software	426.5	436.4	-2.3%	6.5%	4.0%
Other Solutions	272.1	257.6	+5.6%	13.0%	10.1%
Total	5,101.2	4,741.9	+7.6%	8.9%	8.1%

* Revenue at 2022 scope and exchange rates

France

Operating margin on business activity at 10%

	2022		2021	
	(€m)	(% Rev.)	(€m)	(% Rev.)
France				
Revenue	2,039.0		1,824.9	
<i>Organic growth (%)</i>	<i>+9.7%</i>			
Op. profit on business activity	204.4	10.0%	156.3	8.6%
Profit from recurring operations	187.0	9.2%	152.9	8.4%
Operating profit	167.9	8.2%	137.8	7.6%

Strong 4th quarter: Up 9.5%

Growth driven by:

- Product lifecycle management
- Cybersecurity
- Consulting (incl. 22% growth in Q4)

Robust momentum in aeronautics, defence and transport

Operating margin on business activity up 1.4 points to 10.0%

United Kingdom

Operating margin on business activity higher than 10%

	2022		2021	
	(€m)	(% Rev.)	(€m)	(% Rev.)
United Kingdom				
Revenue	890.6		823.1	
<i>Organic growth (%)</i>	<i>+7.3%</i>			
Op. profit on business activity	93.8	10.5%	75.1	9.1%
Profit from recurring operations	80.7	9.1%	63.1	7.7%
Operating profit	91.6	10.3%	67.2	8.2%

Organic growth of 7.3%, delivered despite already high growth of 13.9% in 2021

- NHS SBS and SSCL up 3.8%
- Defence and Security up 20.6%
- Public Sector up 7.5%
- Private Sector up 5.7%

Operating margin on business activity improved by 1.4 points to 10.5%

Other Europe

H2 profitability close to 10% for countries in the reporting unit

	2022		2021	
	(€m)	(% Rev.)	(€m)	(% Rev.)
Other Europe				
Revenue	1,473.0		1,343.2	
<i>Organic growth (%)</i>	<i>+8.3%</i>			
Op. profit on business activity	91.9	6.2%	104.1	7.8%
Profit from recurring operations	85.6	5.8%	95.5	7.1%
Operating profit	72.3	4.9%	76.4	5.7%

Growth driven by Scandinavia and to a lesser extent by Spain, Benelux and Italy

Operating situation back to normal in Germany since H2

The operating margin on business activity came to 6.2% (7.8% in 2021)

- Operating margin close to 8% (9.1% in 2021) for the countries in the reporting unit thanks to the return to a margin of nearly 10% in H2
- Sopra Financial Technology slightly more dilutive than in 2021

Sopra Banking Software

Operating margin up 2.5%

	2022		2021	
	(€m)	(% Rev.)	(€m)	(% Rev.)
Sopra Banking Software				
Revenue	426.5		434.1	
<i>Organic growth (%)</i>	-2.3%			
Op. profit on business activity	27.6	6.5%	17.5	4.0%
Profit from recurring operations	11.1	2.6%	2.8	0.7%
Operating profit	-1.1	-0.3%	-2.1	-0.5%

Contraction organic revenue growth mainly due to a downturn in services revenue

Software revenue up 1%

- Subscriptions up 6%
- Resilient licence sales relative to 2021

SBP Digital Banking Suite up 13%

Continuation of R&D optimisation plan, achieving €10m in cost cuts

Operating profit on business activity rose to €27.6m (€17m in 2021, €10m in 2020, €5m in 2019)

Other Solutions

Operating margin on business activity at 13%

	2022		2021	
	(€m)	(% Rev.)	(€m)	(% Rev.)
Other Solutions				
Revenue	272.1		257.5	
<i>Organic growth (%)</i>	<i>+5.6%</i>			
Op. profit on business activity	35.4	13.0%	26.1	10.1%
Profit from recurring operations	33.2	12.2%	24.9	9.7%
Operating profit	30.6	11.3%	24.1	9.4%

Human resources solutions grew by 7.2%

Property management solutions grew by 2.2%

Solid Q4 for both businesses, with organic growth of around 6%

Operating margin on business activity saw a clear recovery, rising by 2.9 pts to 13.0% (10.1% in 2021)

03

Financial results for 2022



Étienne du Vignaux
Chief Financial Officer

Income statement

Financial year 2022

	2022 (€m)	2022 (% of Rev.)	2021 (€m)	2021 (% of Rev.)
Revenue	5,101.2		4,682.8	
<i>Organic growth</i>	7.6%			
Operating profit on business activity	453.1	8.9%	379.2	8.1%
Share-based payment expenses	-23.2		-6.7	
Amortisation of allocated intangible assets	-32.3		-33.2	
Profit from recurring operations	397.6	7.8%	339.3	7.2%
Other operating income and expenses	-36.3		-35.8	
Operating profit	361.3	7.1%	303.4	6.5%
Cost of net financial debt	-8.7		-8.7	
Other financial income and expenses	-5.7		-9.5	
Tax expense	-83.2		-93.5	
Share of net profit from equity-accounted companies	-14.7		1.8	
Net profit	249.0		193.5	
<i>of which attributable to Group</i>	247.8	4.9%	187.7	4.0%
<i>of which minority interests</i>	1.2		5.9	

Other operating income and expenses

Financial year 2022

	2022 (€m)	2021 (€m)
Costs related to business combination	-3.7	-0.6
Restructuring and reorganisation costs	-22.4	-35.5
Other	-10.2	0.2
Other operating income and expenses	-36.3	-35.8

Tax

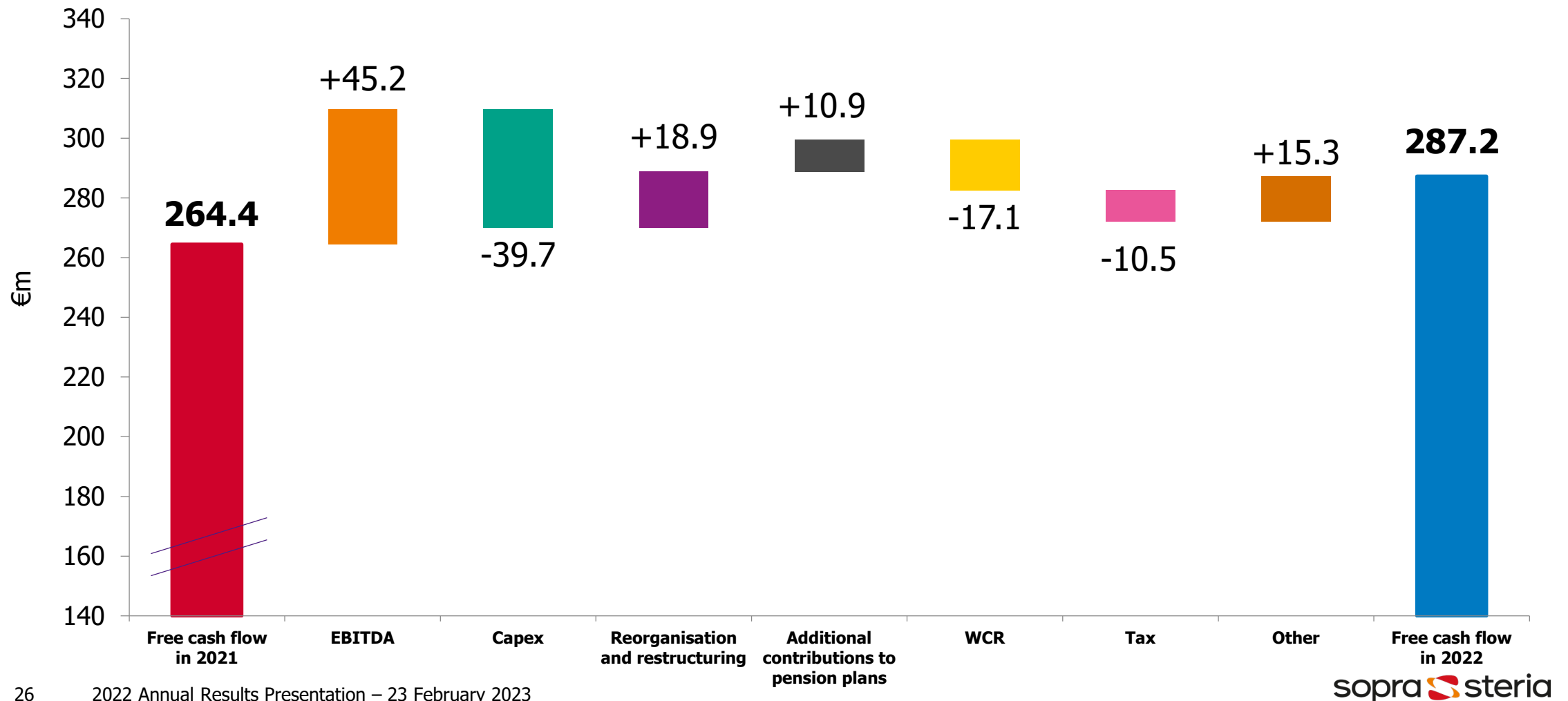
Financial year 2022

	2022 (€m)	2021 (€m)
Profit before tax and share from equity-accounted companies	347.0	285.2
Effective tax charge	-83.2	-93.5
Effective tax rate (%)	24.0%	32.8%

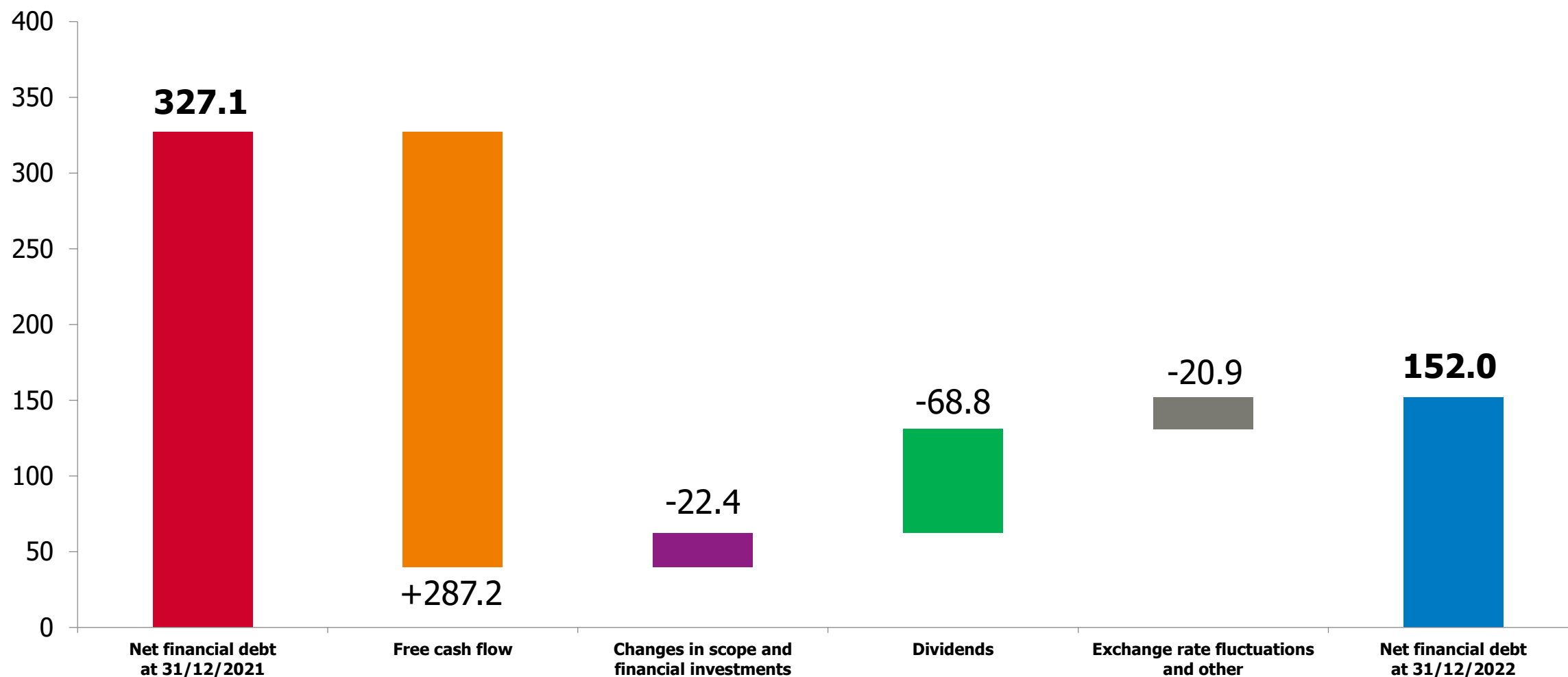
Deferred tax impact in the UK of €11.8m

Annual tax rate estimated at 26% in 2023, then 24% in 2024

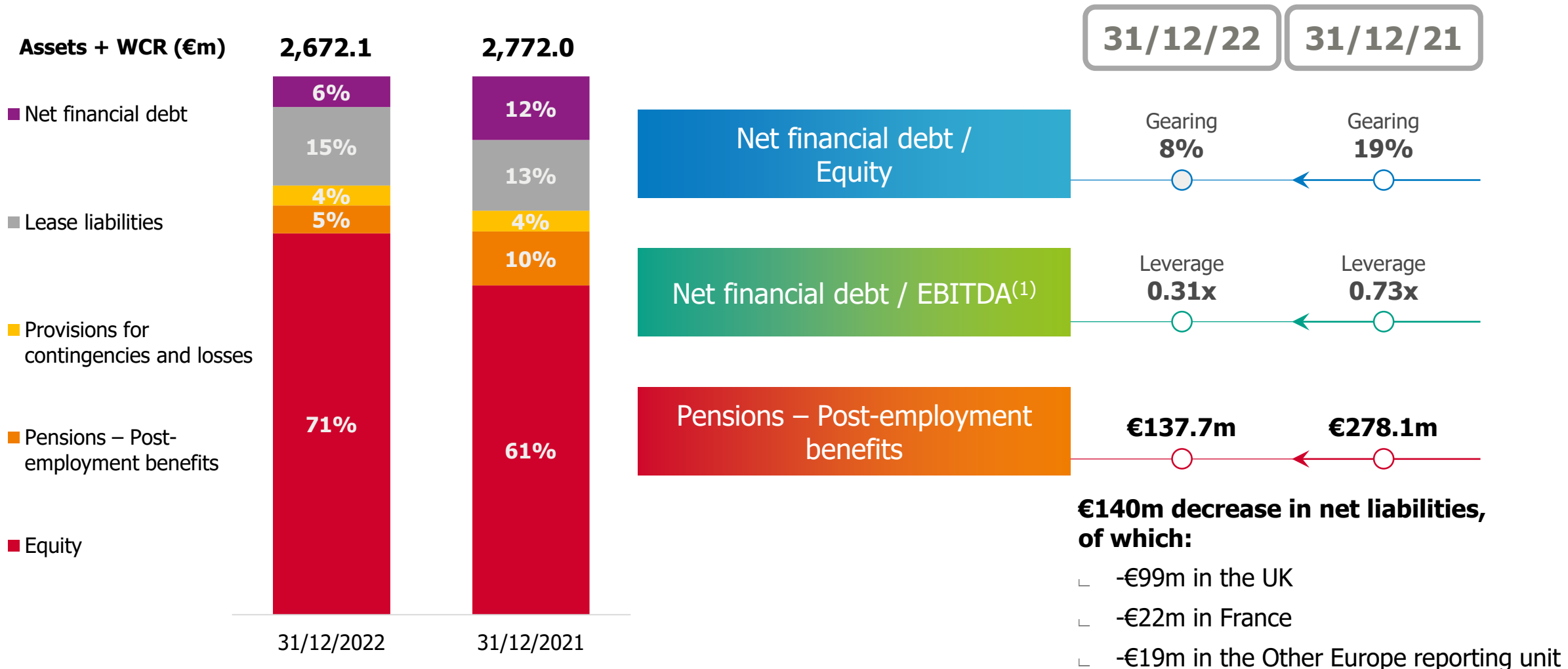
Breakdown of change in free cash flow



54% reduction in net financial debt



Strengthened balance sheet structure



(1) Pro forma EBITDA before impact of IFRS 16

Diversified and accessible financing

**Available undrawn amount
of €1.3bn**
i.e. 81% of authorised amount⁽¹⁾

Maturities

- **Multi-currency revolving credit facility: 2028**
- **Bond: 2026 and 2027**
- **Bilateral credit facilities: 2024**

	31/12/2022 Amount used (€m)	31/12/2022 Amount authorised (€m)
Bond	250.0	250.0
Multi-currency revolving credit facility	-	1,100.0
Overdrafts and bilateral credit lines	60.0	271.5
Total	310.0	1,621.5
NEU CP & MTN and other	197.8	
Gross debt	507.9	
Cash and cash equivalents	355.9	
Net financial debt	152.0	

(1) Assuming a constant amount of NEU CP & MTN commercial paper (€198m at 31 December 2022) and overdrafts

Changes in scope

CS Group

► Foreign investment screening/approval by competition authorities ⇨ In progress

Acquisition of controlling interest – Launch of public offer ⇨ Before 31 March 2023

Consolidation: March 2023

2022 consensus⁽¹⁾:

- €265m in revenue
- €15m in operating profit on business activity

Operating cost synergies of €13m over 3 years (20% in 2023, 50% in 2024 and 100% in 2025)

Tobania

► Approval by competition authorities ⇨ Achieved

Closing ⇨ Early March 2023

Consolidation: March 2023

2022 estimates:

- €100m revenue
- €7m operating profit on business activity

1) Source: FactSet Estimates at 31 January 2023
30 2022 Annual Results Presentation – 23 February 2023

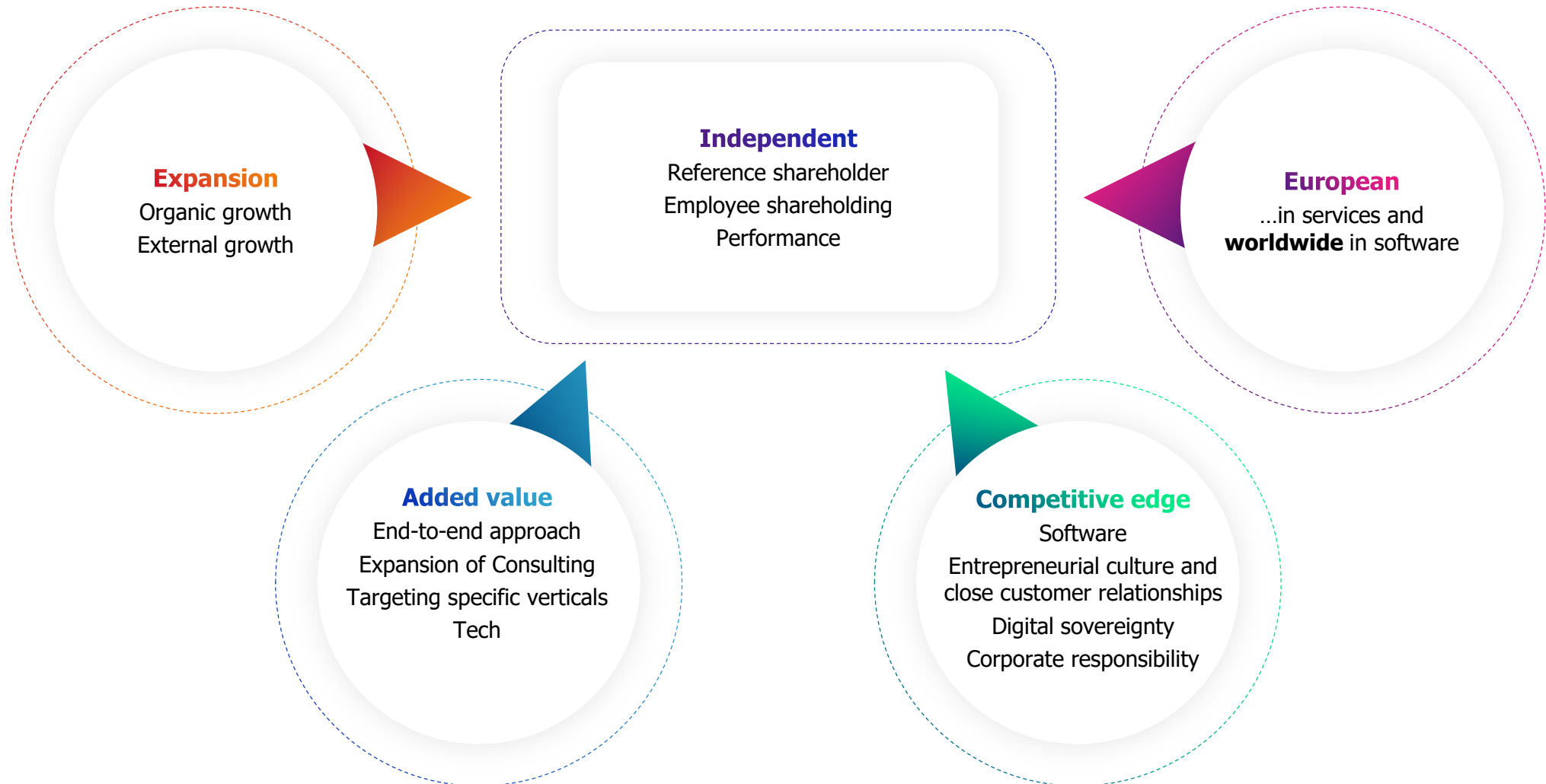
04

Strategy



Cyril Malargé
Chief Executive Officer

Ambitious corporate plan



Strategy built on clearly defined elements

Focus strategy

100 European key accounts
8 preferred verticals, 3 of which are strategic

- Financial Services
- Aerospace, Defence & Security
- Public Sector

Specific business areas

Offering strategy

End-to-end approach
Strengthening of consulting
Tech & Digital

- Cloud, Cyber, AI, Data, Blockchain

Software

- Sopra Banking & Sopra Financing Platform
- Human Resources
- Property Management

Digital and industrial production model

Industrial approach
DevOps and asset-based platforms
X-Shore
Cloud centres of excellence –
Data – AI

05

Targets

Financial targets for 2023 & 2024

2023

**Organic revenue
growth**

3% to 5%

**Operating
margin on
business activity**

slightly >

9%

Free cash flow

at least

€300m

2024

For 2024, Sopra Steria confirms its target of reaching an operating margin on business activity of around 10%

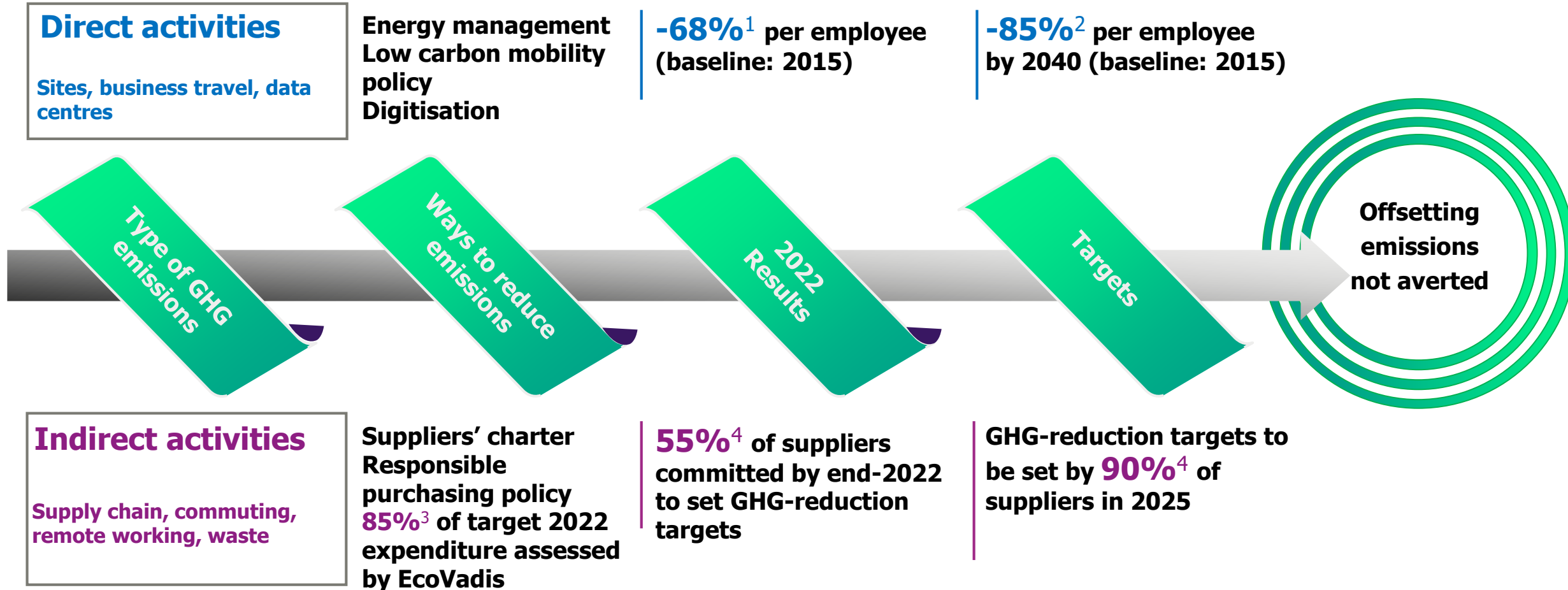
Q&A

06

Annexes

Helping combat climate change

Plan to reduce our greenhouse gas (GHG) emissions – 2022 results



(1) Excl. Covid impact; -75.7% incl. Covid impact

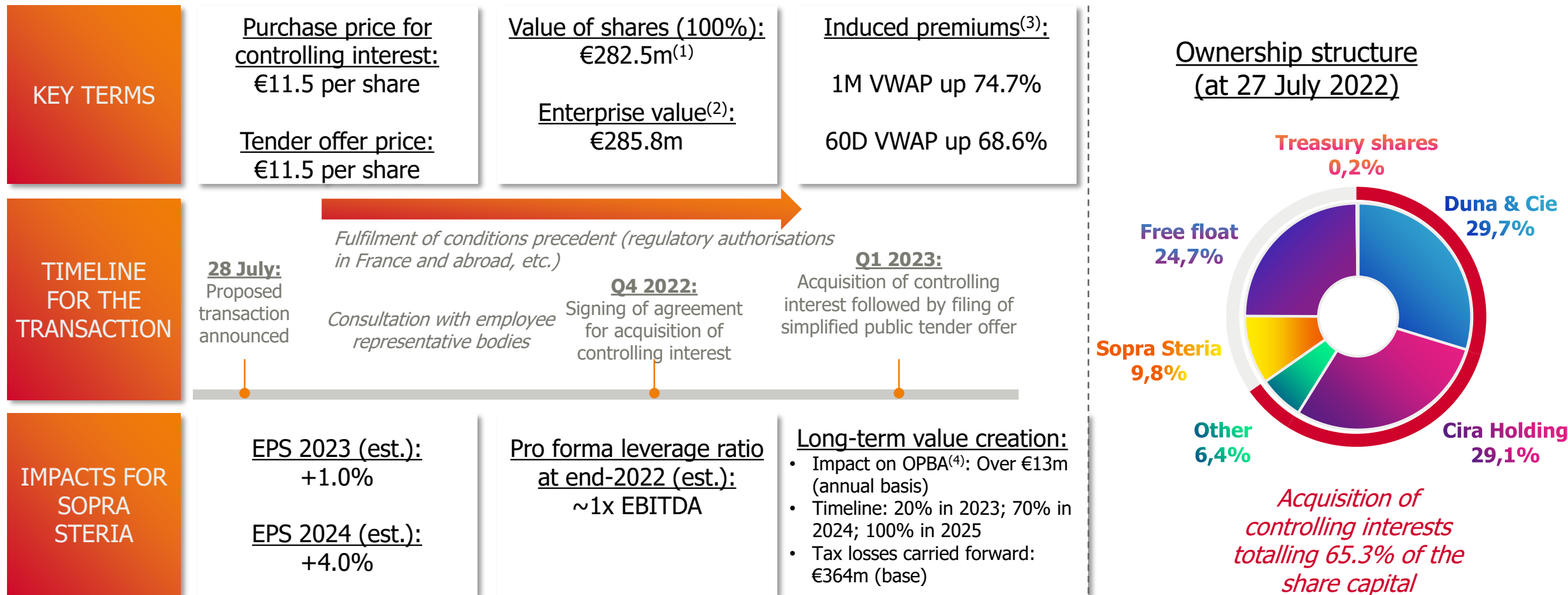
(2) Validated by the Science Based Targets initiative (SBTi)

(3) Targeted expenditure of €868m with targeted suppliers (>26 employees, annual expenditure > €150k)

(4) Among suppliers accounting for at least 70% of our supply chain emissions

Key features of announced tie-up with CS Group

Proposed acquisition of a controlling interest followed by a simplified public tender offer



(1) Including treasury shares

(2) The change from equity value to enterprise value includes debt (including the impact of IFRS 16), factoring, cash adjusted for treasury shares and CS Group's R&D tax credit as published in the 2021 URD

(3) Premiums calculated at 27 July 2022

(4) Operating profit on business activity

(5) Including Yazid Sabeg and Éric Blanc-Garin

(6) Certain former shareholders of CS Novidy's

Sopra Steria, a European leader in digital transformation

Breakdown of revenue – Financial year ended 31 December 2022

Among the top 5 European digital services companies

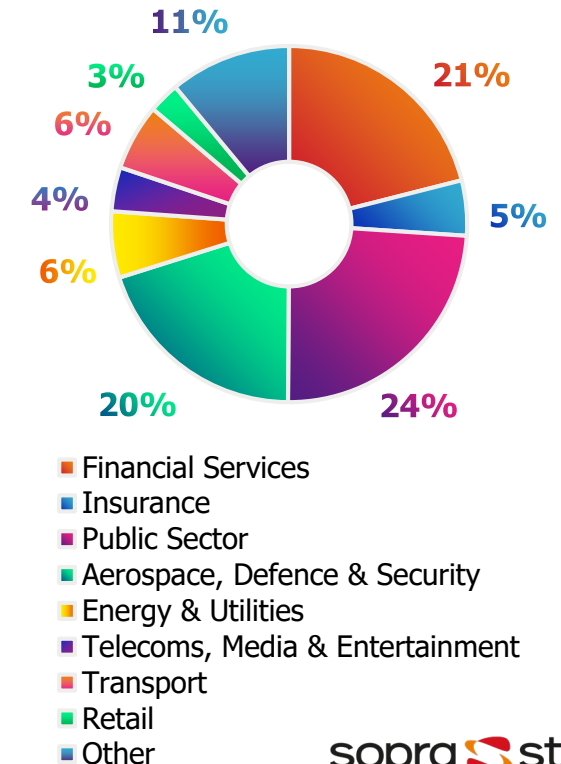
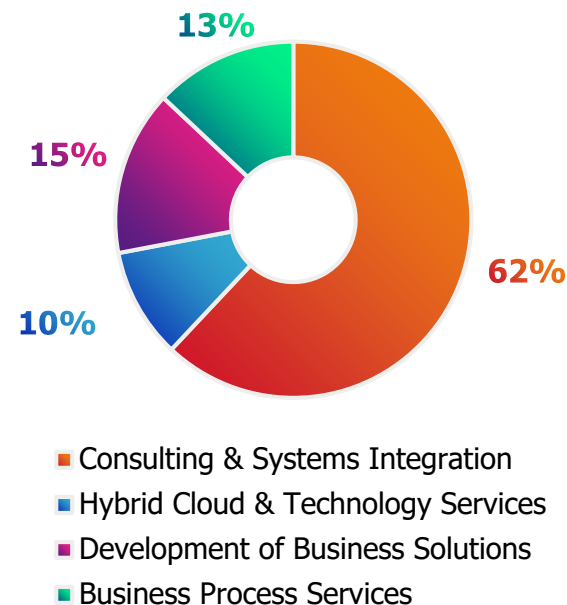
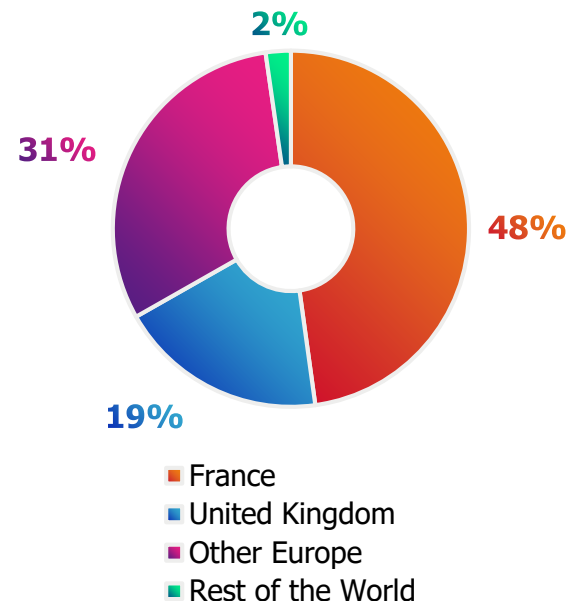
Among the top 12 operating in Europe

2022 revenue
€5.1bn

50,000
employees

Operations in
30 countries

End-to-end
approach

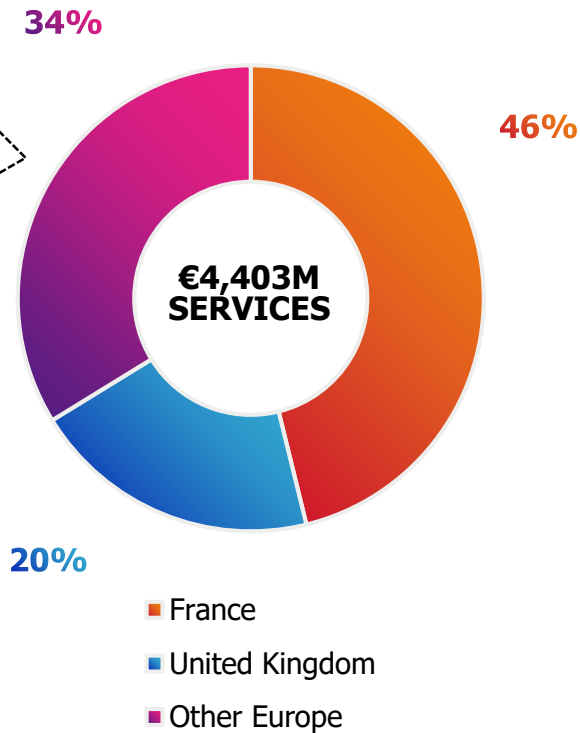


Detailed breakdown of revenue by country

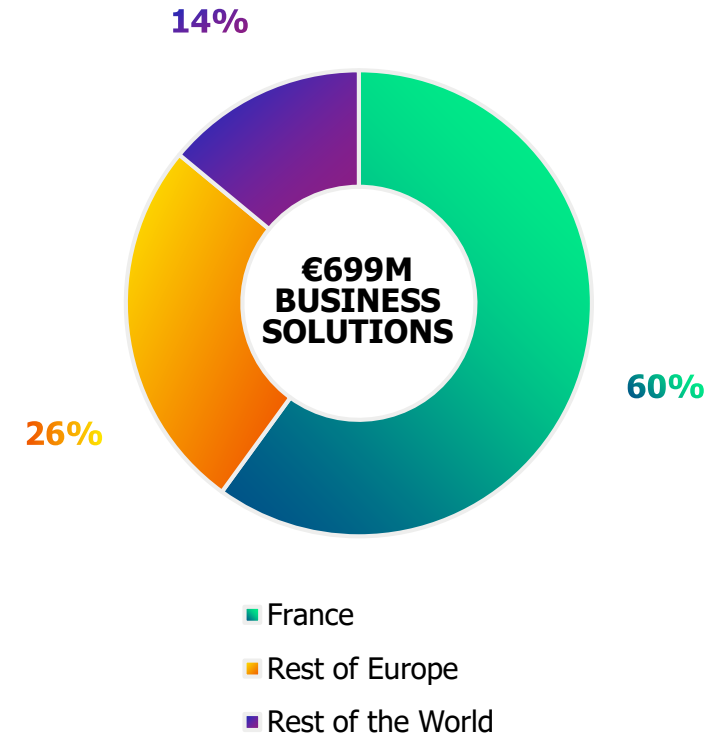
Financial year ended 31/12/2022

SERVICES – Revenue to 31/12/2022

Revenue
Other Europe = €1,473m
o/w Germany = 28%
o/w Scandinavia = 34%
o/w SFT = 11%
o/w Spain = 11%
o/w Benelux = 7%
o/w Italy = 6%
o/w Switzerland = 3%



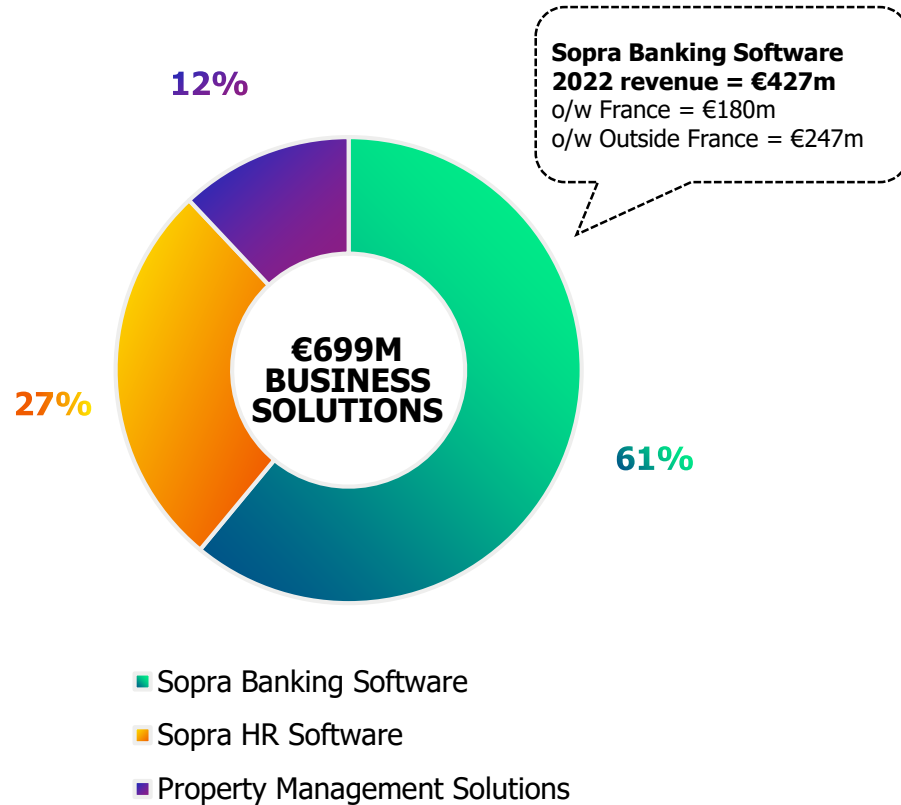
BUSINESS SOLUTIONS – Revenue to 31/12/2022



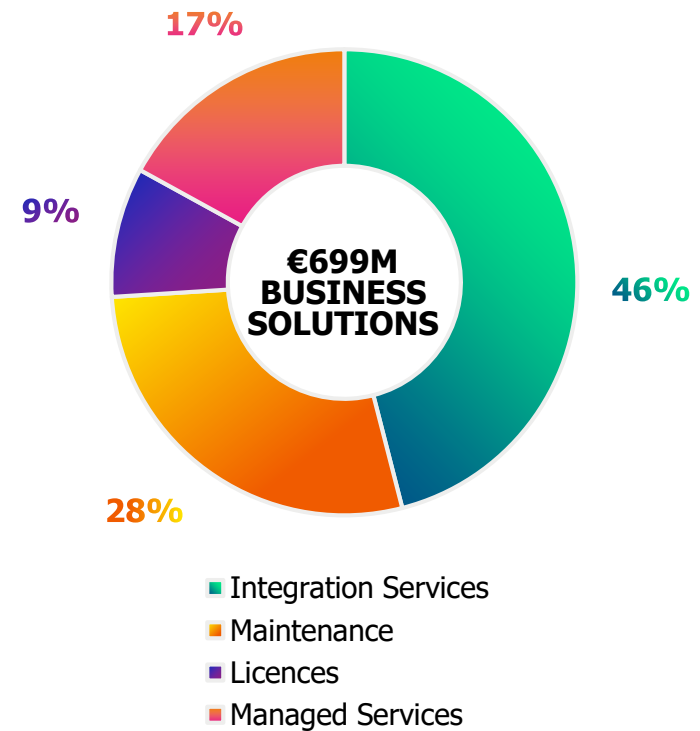
Breakdown of Solutions revenue

Financial year ended 31/12/2022

BUSINESS SOLUTIONS – Revenue by product



BUSINESS SOLUTIONS – Revenue by service line



Global workforce

Financial year 2022

	31/12/2022	31/12/2021
France	19,822	19,842
United Kingdom	7,440	6,926
Other Europe	12,583	11,494
Rest of the World	435	498
X-Shore	9,410	8,677
Total	49,690	47,437

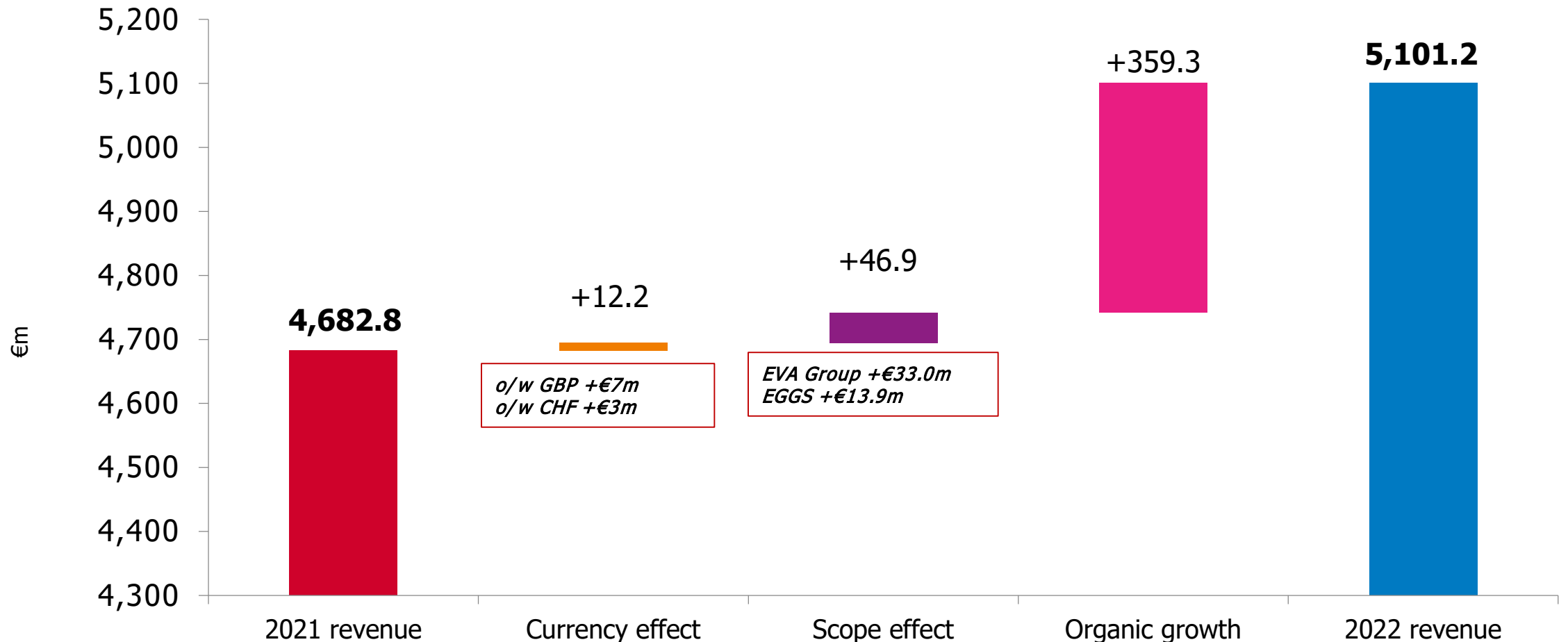
Changes in exchange rates

Financial year 2022

	Changes in exchange rates		
	Average rate 2022	Average rate 2021	Change (%)
<i>For €1 / %</i>			
Pound sterling	0.8528	0.8596	+0.8%
Norwegian krone	10.1026	10.1633	+0.6%
Swedish krona	10.6296	10.1465	-4.5%
Danish krone	7.4396	7.4370	-0.0%
Swiss franc	1.0047	1.0811	+7.6%

Breakdown of change in revenue

Growth at constant scope and exchange rates of 7.6% in 2022



Earnings per share

Financial year 2022

	2022 (€m)	2021 (€m)
Net profit attributable to the Group (€m)	247.8	187.7
Weighted average number of shares in issue excluding treasury shares	20.26	20.24
Basic earnings per share (€)	12.23	9.27
Basic recurring earnings per share (€)	13.66	10.45
Theoretical weighted average number of shares	20.43	20.30
Diluted earnings per share (€)	12.13	9.24
Diluted recurring earnings per share (€)	13.55	10.42

Breakdown of change in net financial debt

Financial year 2022

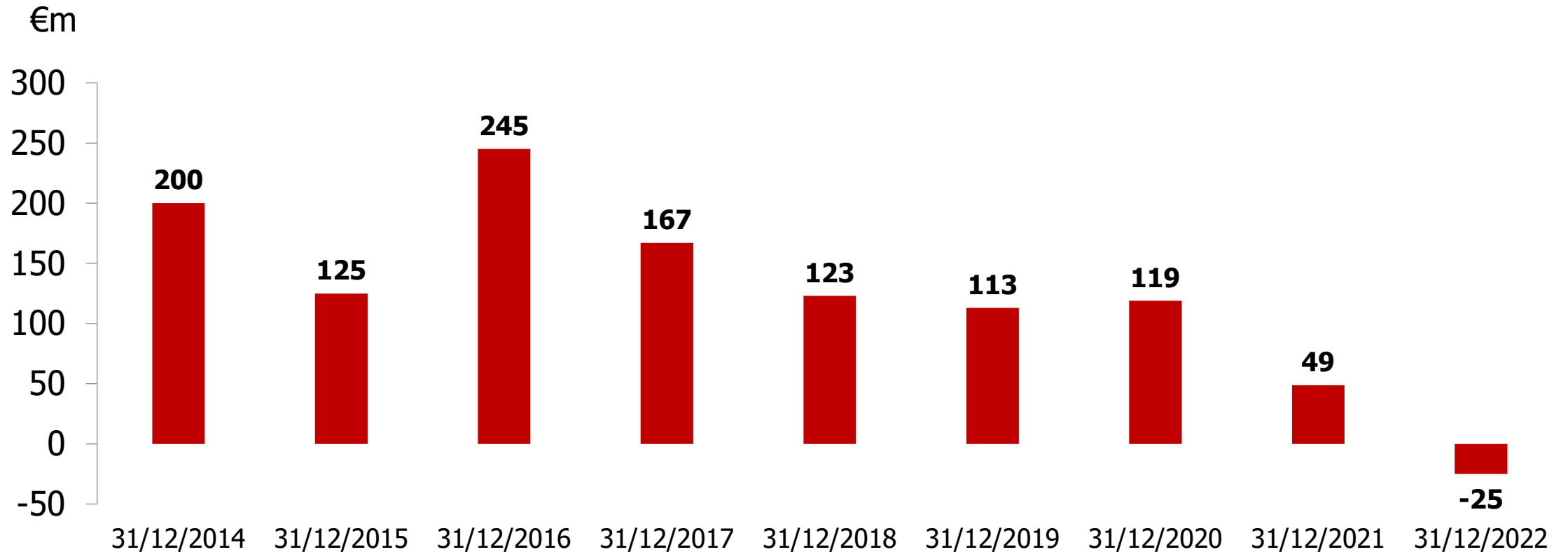
	2022 (€m)	2021 (€m)
Operating profit on business activity	453.1	379.2
Depreciation, amortisation and provisions (excluding allocated intangible assets)	144.4	173.2
EBITDA	597.5	552.3
Non-cash items	5.4	- 0.9
Tax paid	-87.8	-77.3
Change in current operating working capital requirement	6.1	23.2
Reorganisation and restructuring costs	-17.8	-36.6
Net cash flow from operating activities	503.4	460.7
Change relating to investing activities	-94.1	-54.4
Lease payments	-94.5	-105.8
Net interest	-8.6	-6.3
Additional contributions related to defined-benefit pension plans	-18.9	-29.8
Free cash flow	287.2	264.4
Capital increases	0.0	0.0
Impact of changes in scope	-13.8	-102.3
Financial investments	-8.7	-1.5
Dividends paid	-71.6	-46.3
Dividends received from equity-accounted companies	2.8	2.8
Purchase and sale of treasury shares	-17.5	-16.2
Impact of changes in foreign exchange rates	-3.4	-2.3
Other changes	0.0	0.0
Change in net financial debt	175.1	98.5
Net financial debt at beginning of period	327.1	425.6
Net financial debt at end of period	152.0	327.1

Simplified balance sheet

Financial year 2022

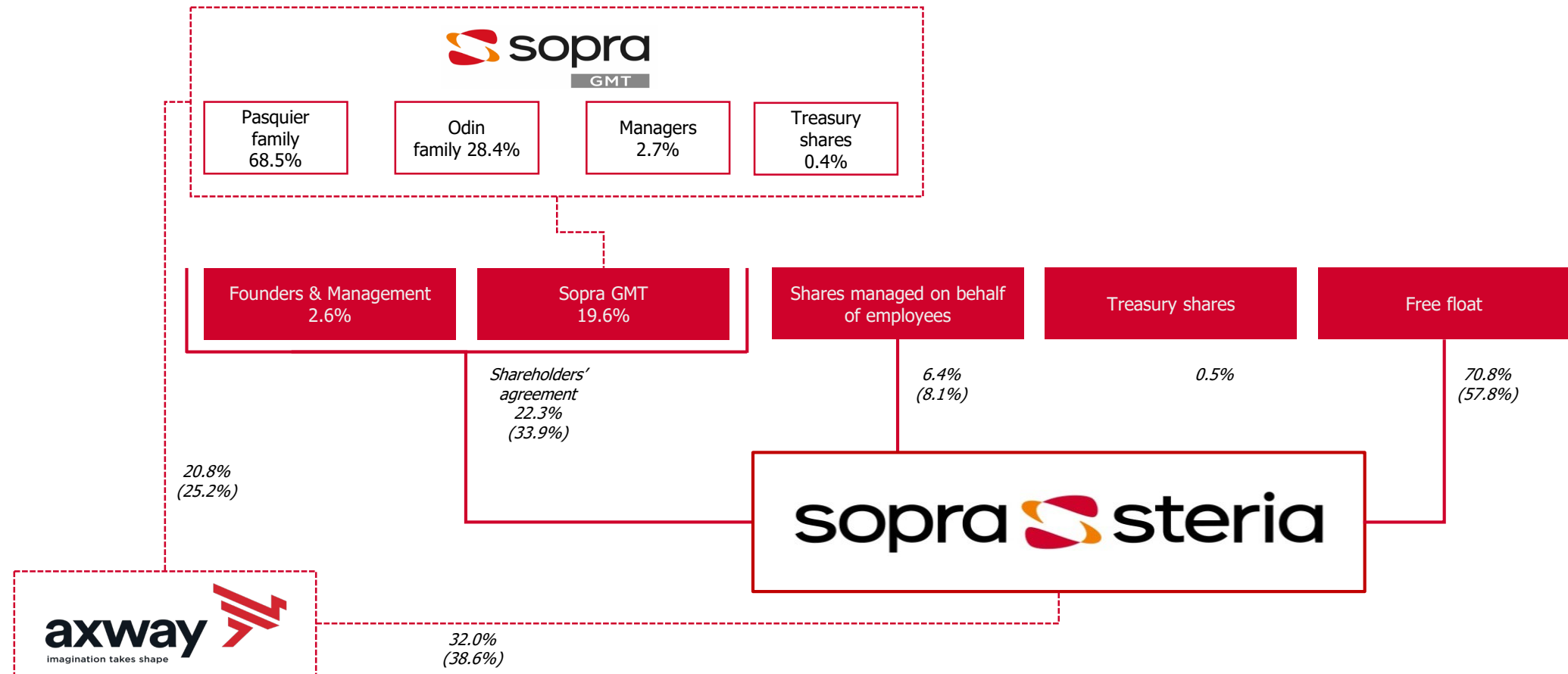
	31/12/2022 (€m)	31/12/2021 (€m)
Goodwill	1,943.9	1,984.3
Allocated intangible assets	108.3	131.8
Other fixed assets	261.3	216.4
Right-of-use assets	359.9	343.1
Equity-accounted investments	183.5	198.1
Fixed assets	2,857.0	2,873.8
Net deferred tax	58.5	99.7
Trade accounts receivable (net)	1,104.2	1,020.1
Other assets and liabilities	-1,347.6	-1,221.5
Working capital requirement (WCR)	-243.4	-201.5
Assets + WCR	2,672.1	2,772.0
Equity	1,893.4	1,695.5
Pensions – Post-employment benefits	137.7	278.1
Provisions for contingencies and losses	98.5	106.5
Lease liabilities	390.5	364.8
Net financial debt	152.0	327.1
Capital invested	2,672.1	2,772.0

UK pension fund deficit net of tax



A core shareholder backing the corporate plan

Ownership structure at 31 December 2022



*XX.X% = Percentage of share capital held
(XX.X%) = Percentage of voting rights held*

20,547,701 listed shares
26,559,500 theoretical voting rights

Alternative performance measures

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.

Return on capital employed (RoCE): $(\text{Profit from recurring operations after tax} + \text{Profit from equity-accounted companies}) / (\text{Equity} + \text{Net financial debt})$

Free cash flow: 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-sales) divided by the total number of business days.