2018 HALF-YEAR RESULTS PRESENTATION

Paris, 27 July 2018



Delivering Transformation. Together.

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-ofyear 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 2017 Registration Document filed with the Autorité des Marchés Financiers (AMF) on 13 April 2018 (see pages 35 and following 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 certain laws and regulations. Persons physically present in countries where this document is released, published or distributed should inquire as to any applicable restrictions and should comply with those restrictions.



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A half-year focused on priority areas

Operating position at 30 June 2018

2018 half-year financial results

Outlook and targets

Question and answer session

Annexes





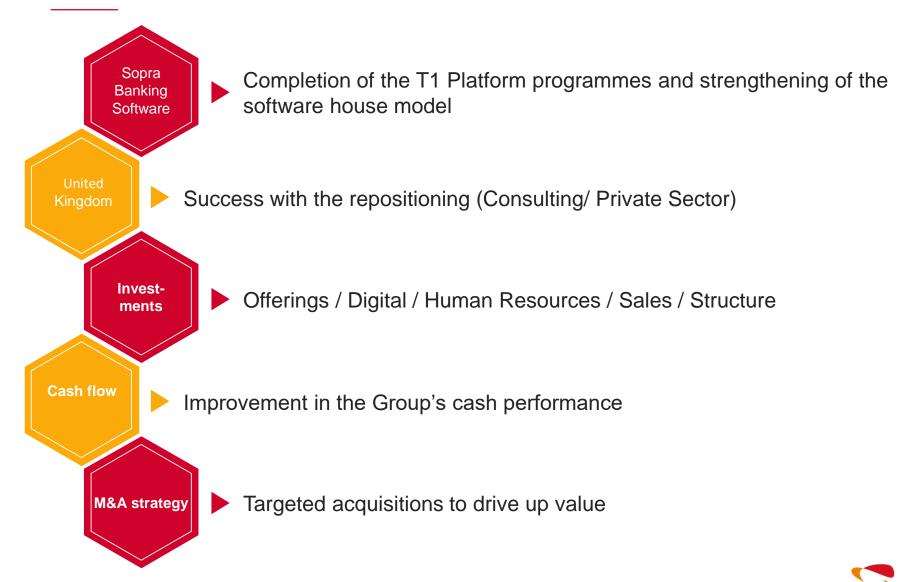
A HALF YEAR FOCUSED ON PRIORITY AREAS



Vincent Paris – Chief Executive Officer



RECAP OF PRIORITIES FOR 2018



PROGRESS MADE IN THE FIRST HALF OF 2018 SOPRA BANKING SOFTWARE: IMPORTANT GO LIVES

Sopra Banking Software

- Successful completion of the main Platform programmes according to plan
- Go live of the Sopra Banking Platform for Payments software solution for Transactis
- Go live of the Sopra Banking Platform for Argenta in Belgium
- La Banque Postale moves ahead on schedule
- Other important go lives during the first half
 - Attijariwafa Bank (Egypt) Amplitude Up
 - IDB (USA) Cassiopae
 - Volkswagen -pilot programme at selected dealerships in France- (Cassiopae)
 - Enterprise Management: implementation of monetary reform solution for 54 banks in Africa and of the IFRS 9 solution for 10 large French banks and their subsidiaries

Strengthening of the software house model

- Work on the scalability of the organisation
- Expansion of digital and cloud capabilities for offerings

PROGRESS MADE IN THE FIRST HALF OF 2018 UNITED KINGDOM: ON GOING TRANSFORMATION

Launch of two plans in 2018

- An investment plan to drive transformation
 - Recruitment of consultants and sales representatives
 - Training
 - Digital
- A plan to provide €20m in full-year operating cost savings from 2019

Status at 30 June 2018

- Consulting
 - Consultants: 93 staff (12/17) => 128 staff (6/18) => 250 expected staff (12/18e)
 - Revenue for Consulting: €10m (2017) => €28m (2018e)
- Reinforced account management team, notably in the banking sector
- Cost savings plan: targets met at over 50%

First qualitative results

- NSOIT (€8m extension)
- Growth in the banking sector business pipeline

United Kingdom

PROGRESS MADE IN THE FIRST HALF OF 2018 A FIRST HALF MARKED BY INVESTMENTS

Sopra Banking Software

- High level of R&D investments maintained
- Digital eXperience Platform
- Moves to acquire a greater market position in lending

United Kingdom

- Two transformation plans launched in 2018
 - Operating investment plan: cost of €8m
 - Cost savings plan: cost of implementation estimated at €13m in 2018

Digital and higher value offerings

Invest-

ments

PROGRESS MADE IN THE FIRST HALF OF 2018 CLEAR IMPROVEMENT OF CASH PERFORMANCE

€32m improvement in free cash flow compared with H1 2017 thanks to DSO reduction

H1 2018 cash performance on track to meet full-year target (2018 target: +€60m of free cash flow compared with 2017)

Cash flow

PROGRESS MADE IN THE FIRST HALF OF 2018 ACTIVE AND TARGETED M&A STRATEGY

- Acquisitions announced in the first half of 2018
 - BLUECARAT (Germany) 2017 revenue: €33m
 - O.R. System (Sopra Banking Software) 2017 revenue: €2m
 - it-economics (Germany) 2017 revenue: €20m

Acquisition of a 10% stake in Sentryo, an innovative startup in the field of industrial cybersecurity





OPERATING POSITION AT 30 JUNE 2018



Vincent Paris – Chief Executive Officer

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GREATER SEASONAL IMPACT THAN IN 2017

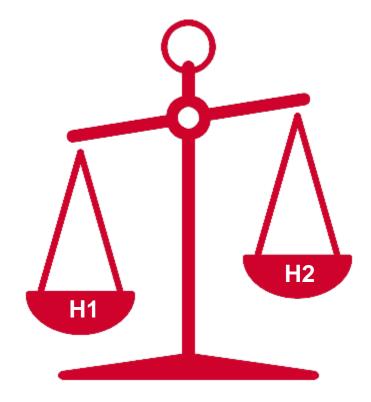


Licences

Investments

Share-based payments

Taxes





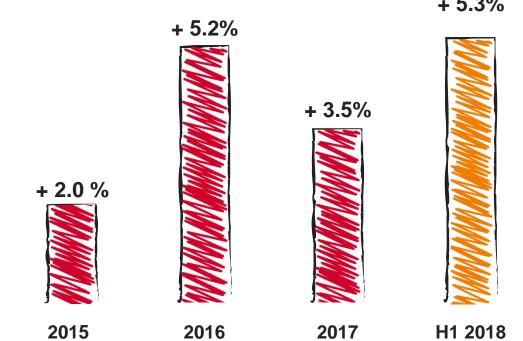
H1 2018 KEY FIGURES FIRST HALF IN LINE WITH FORECASTS

Revenue	Operating profit on business activity	Net profit attributable to the Group
€2,014.0m	€132.8m	€38.4m
i.e. organic growth* of 5.3%	i.e. 6.6% of revenue	i.e. 1.9% of revenue
Free cash flow	Net financial debt	UK pension fund deficit net of tax
Free cash flow -€114.3m	Net financial debt €662.4m	UK pension fund deficit net of tax $\in 88.5m$

* Alternative performance measures are defined on page 47 of this presentation



TRACK RECORD OF ORGANIC GROWTH ORGANIC GROWTH OF 5.3% IN THE FIRST HALF OF 2018



+ 5.3%

OPERATING PERFORMANCE BY DIVISION GREATER SEASONAL IMPACT THAN IN 2017

	Revenue			Operating profit o	n business activity
	H1 2018 IFRS 15 (€m)	H1 2017 Restated* (€m)	Organic growth (%)	H1 2018 IFRS 15 (% of Rev.)	H1 2017 IFRS 15 (% of Rev.)
France	849.1	817.4	+ 3.9%	9.0%	9.0%
United Kingdom	382.8	396.4	- 3.4%	4.5%	6.3%
Other Europe	475.5	412.6	+ 15.2%	6.9%	6.8%
Sopra Banking Software	187.4	172.3	+ 8.7%	-4.5%	2.3%
Other Solutions	119.2	114.6	+ 4.0%	12.7%	11.4%
Total	2,014.0	1,913.4	+ 5.3%	6.6%	7.5%

* Revenue at 2018 scope and exchange rates and after application of IFRS 15

FRANCE SOLID PERFORMANCE

	H1 2018 IFRS 15		H1 2 IFRS	
France	(€m)	(% of Rev.)	(€m)	(% of Rev.)
Revenue	849.1		801.8	
Organic growth (%)	+ 3.9%			
Operating profit on business activity	76.0	9.0%	72.2	9.0%
Profit from recurring operations	60.5	7.1%	60.8	7.6%
Operating profit	56.1	6.6%	56.6	7.1%

- Solid growth thanks to stronger performance in the second quarter than the first
 - Consulting up more than 14% in the first half
 - Cybersecurity up more than 30% in the first half
- Profitability improvement for IT Infrastructure Management
- Unfavourable calendar effect (1 day less)
- Continuing investments in digital and higher value offerings

UNITED KINGDOM FIRST-HALF PERFORMANCE ACCORDING TO PLAN

	H1 2018 IFRS 15		H1 2 IFRS	
United Kingdom	(€m)	(% of Rev.)	(€m)	(% of Rev.)
Revenue	382.8		405.3	
Organic growth (%)	- 3.4%			
Operating profit on business activity	17.1	4.5%	25.5	6.3%
Profit from recurring operations	10.5	2.7%	19.1	4.7%
Operating profit	2.2	0.6%	19.2	4.7%

- SSCL joint venture
 - Negative revenue growth in line with forecasts
 - Negotiations concerning the consequences of the delayed migration still underway
 - Normative level of operating margin as soon as H2 2018
- Improving results overall
 - Stable revenue excluding SSCL
 - More promising outlook for H2 2018
- H2 2018 margin expected to be comparable to that of H2 2017 (7.6%)



OTHER EUROPE STRONG GROWTH

	H1 2018 IFRS 15		H1 2 IFRS	
Other Europe	(€m)	(% of Rev.)	(€m)	(% of Rev.)
Revenue	475.5		396.6	
Organic growth (%)	+ 15.2%			
Operating profit on business activity	32.9	6.9%	26.9	6.8%
Profit from recurring operations	28.9	6.1%	24.2	6.1%
Operating profit	25.1	5.3%	19.8	5.0%

- Strong growth
 - Total growth: 19.9% (including change in scope, Kentor and BLUECARAT)
 - Strong organic growth in nearly all of the reporting units' countries and particularly in Germany
- Stable operating margin on business activity
 - Unfavourable calendar effect (1 day less in Germany)

SOPRA BANKING SOFTWARE CONTINUING INVESTMENTS

	H1 2018 IFRS 15		H1 2 IFRS	
Sopra Banking Software	(€m)	(% of Rev.)	(€m)	(% of Rev.)
Revenue	187.4		173.2	
Organic growth (%)	+ 8.7%			
Operating profit on business activity	- 8.4	-4.5%	4.0	2.3%
Profit from recurring operations	- 14.6	-7.8%	- 1.8	-1.0%
Operating profit	- 16.2	-8.6%	- 3.3	-1.9%

- High level of non-capitalised R&D expenses maintained
- Growth in H1 2018 driven by services
 - Greater seasonal impact on licence sales than in 2017
 - Moves to acquire a stronger market position in lending
 ⇒ Production costs temporarily higher (ramp-up of complex projects in new and more distant regions)
- Solid licence sales pipeline for H2 2018

OTHER SOLUTIONS STRONG PERFORMANCE

	H1 2018 IFRS 15			
Other Solutions	(€m)	(% of Rev.)	(€m)	(% of Rev.)
Revenue	119.2		114.6	
Organic growth (%)	+ 4.0%			
Operating profit on business activity	15.1	12.7%	13.1	11.4%
Profit from recurring operations	13.9	11.7%	11.4	9.9%
Operating profit	12.8	10.8%	10.0	8.7%

- Property Management Solutions: integration of the activities of Cassiopae Immobilier
- Human Resources Solutions: positive impact of preparations to implement income tax withholding in France



2018 HALF-YEAR FINANCIAL RESULTS



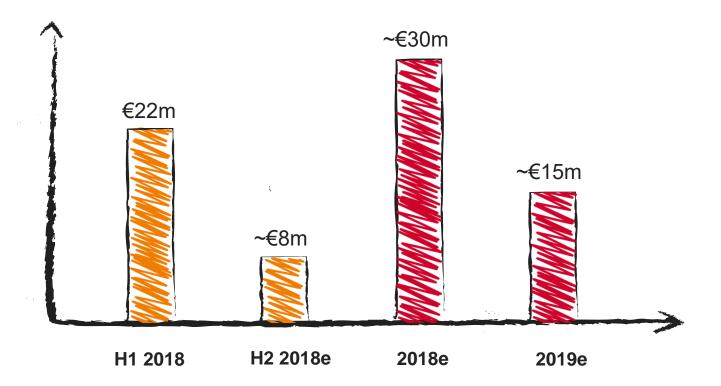
Etienne du Vignaux – Chief Financial Officer

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INCOME STATEMENT FIRST HALF 2018

	H1 2018 IFRS 15 (€m)	H1 2018 IFRS 15 (% of Rev.)	H1 2017 IFRS 15 (€m)	H1 2017 IFRS 15 (% of Rev.)
Revenue	2,014.0		1,891.5	
Organic growth	5.3%			
Operating profit on business activity	132.8	6.6%	141.6	7.5%
Expenses related to stock options and related items	- 22.1		- 17.0	
Amortisation of allocated intangible assets	- 11.6		- 10.9	
Profit from recurring operations	99.2	4.9%	113.7	6.0%
Other operating income and expenses	- 19.1		- 11.4	
Operating profit	80.0	4.0%	102.3	5.4%
Cost of net financial debt	- 3.7		- 3.5	
Other financial income and expenses	- 3.2		- 1.8	
Tax expense	- 34.9		- 30.7	
Share of net profit from equity-accounted companies	1.3		1.0	
Net profit	39.5		67.2	
of which attributable to Group	38.4	1.9%	65.9	3.5%
of which minority interests	1.1		1.3	

EXPENSES RELATED TO SHARE-BASED PAYMENTS IFRS 2 EXPENSE REACHES A PEAK IN 2018



OTHER OPERATING INCOME AND EXPENSES FIRST HALF 2018

	H1 2018 IFRS 15 (€m)	H1 2017 IFRS 15 (€m)
Costs related to business combination	- 0.4	- 0.4
Restructuring and reorganisation costs	- 18.0	- 10.7
Other	- 0.7	- 0.3
Other operating income and expenses	- 19.1	- 11.4

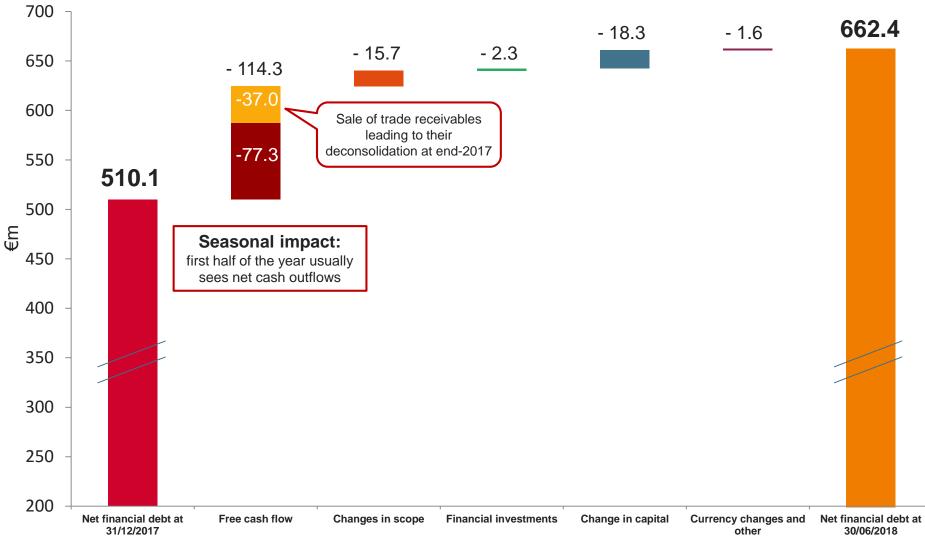
- Restructuring and reorganisation costs in H1 2018
 - Including €8.4m in the United Kingdom (vs. €0.3m as of 30/06/2017)
 - Representing more than two-thirds of the estimated full-year 2018 expense



	H1 2018 IFRS 15 (€m)	H1 2017 IFRS 15 (€m)
Profit before tax and share from equity-accounted companies	73.2	96.9
Effective tax charge	- 34.9	- 30.7
Effective tax rate (%)	47.8%	31.7%

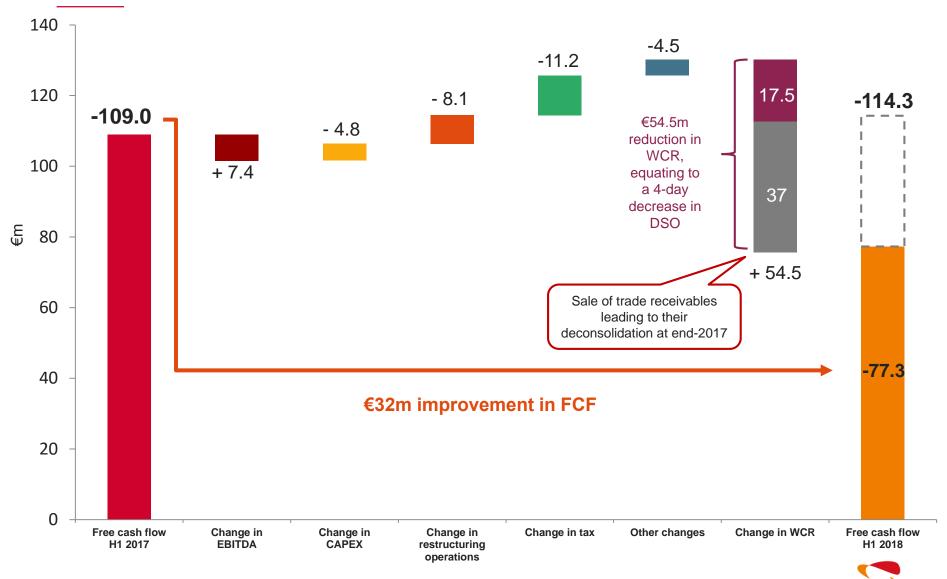
• 2018 effective annual tax rate estimated at around 30.5%

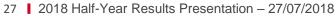
CHANGE IN NET FINANCIAL DEBT IN H1 2018 FREE CASH FLOW HAS LONG BEEN NEGATIVE IN THE FIRST HALF





DETAIL OF CHANGES IN FREE CASH FLOW €32M IMPROVEMENT COMPARED WITH FIRST HALF 2017





SOUND FINANCIAL POSITION AT 30/06/2018 DEBT COVENANTS AND LIQUIDITY

		30/06/2018	30/06/2018
Net financial debt at 30/06/2018:		Amount used (€m)	Amount authorised (€m)
€662.4m	Bond	180.0	180.0
	Syndicated loan – Tranche A €	144.0	144.0
	Syndicated loan – Tranche B £	65.0	65.0
EBITDA leverage ratio:	Multi-currency revolving credit facility	-	900.0
1.8x (max. 3.0x)	Bank loans due in more than 1 year	60.0	60.0
	NEU MTN due in more than 1 year	99.0	99.0
	Finance leases	12.8	12.8
	Overdrafts and Other	16.4	167.7
Available undrawn amount:	Total	577.2	1,628.5
€1.1bn	Commercial paper	212.0	
i.e. 57% of authorised amount*	IFRS 3 impact – Bond	2.9	
	Gross debt	792.1	
Maturities • Bond: 7/2019 • Bank borrowing facilities:	Cash and cash equivalents	129.7	
 Bank borrowing facilities: 2023 	Net financial debt	662.4	

* Assuming a constant amount of commercial paper (€212.0m at 30 June 2018) and overdrafts



OUTLOOK AND TARGETS



Vincent Paris – Chief Executive Officer





Organic revenue growth between 3% and 5%

Slight improvement in operating margin on business activity with strong seasonal impact (H1 < H2)

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



REAFFIRMED 2020 AMBITIONS





QUESTIONS AND ANSWERS

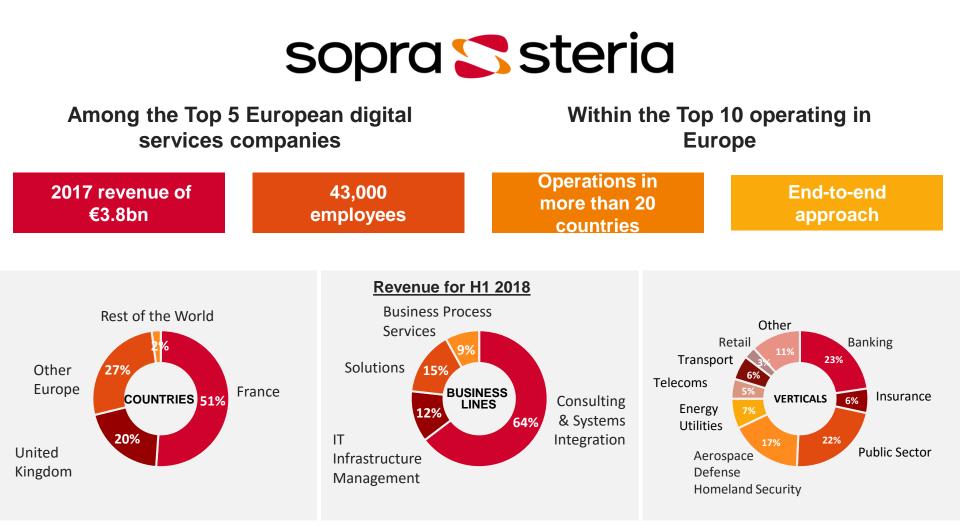


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ANNEXES

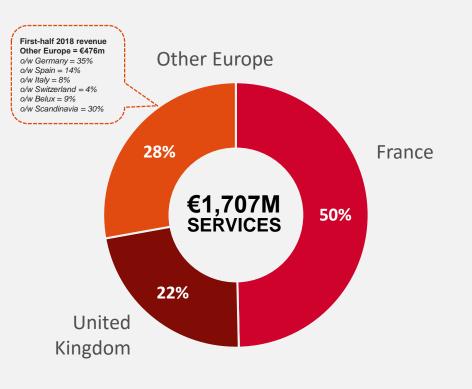
SOPRA STERIA AT 30/06/2018 EUROPEAN LEADER IN DIGITAL TRANSFORMATION



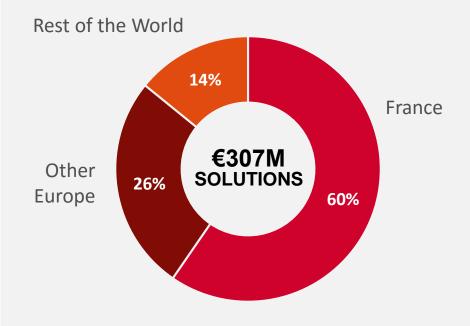


REVENUE BY GEOGRAPHIC ZONE FOR THE PERIOD ENDED 30/06/2018

SERVICES REVENUE FOR H1 2018

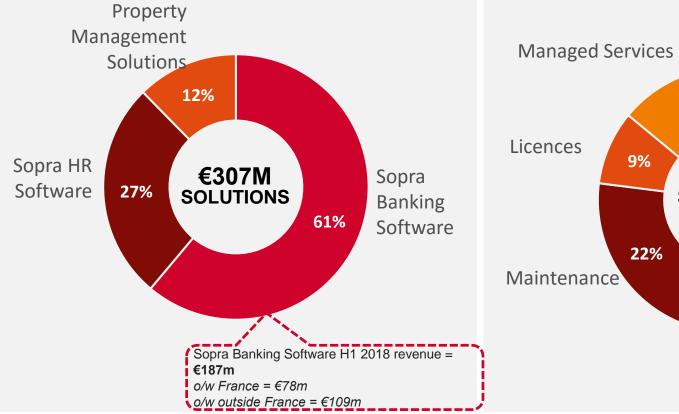


SOLUTIONS REVENUE FOR H1 2018

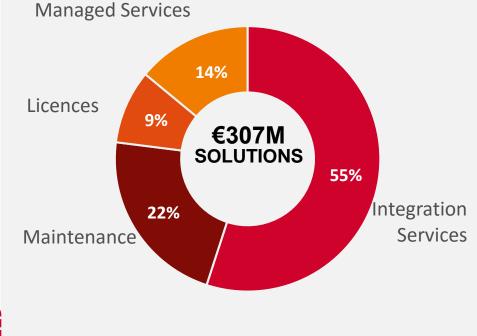


SOLUTIONS REVENUE FOR THE PERIOD ENDED 30/06/2018

SOLUTIONS REVENUE BY PRODUCT FOR H1 2018



SOLUTIONS REVENUE BY BUSINESS LINE FOR H1 2018

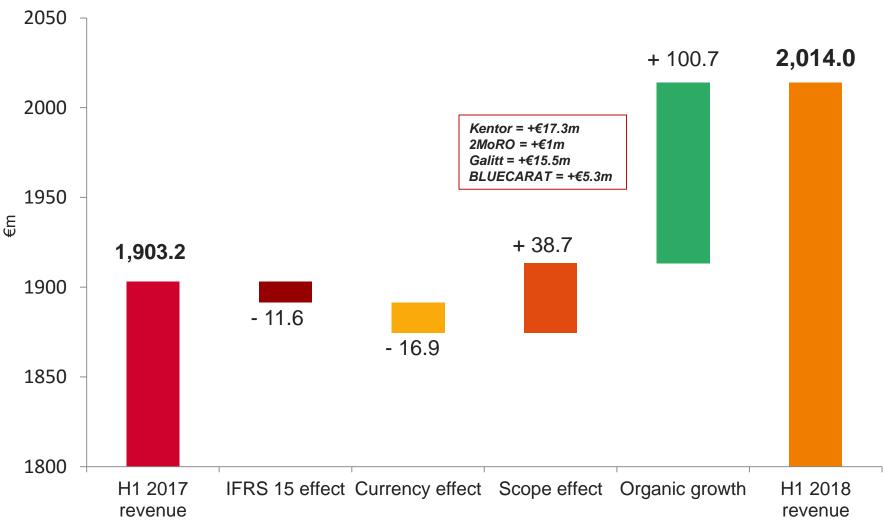


CHANGES IN EXCHANGE RATES FIRST HALF 2018

	Changes in exchange rates				
For €1/%	Average rate H1 2018	Average rate H1 2017	Change (%)		
Pound sterling	0.8798	0.8606	- 2.2%		
Norwegian krone	9.5929	9.1785	- 4.3%		
Swedish krona	10.1508	9.5968	- 5.5%		
Danish krone	7.4476	7.4368	- 0.1%		
Swiss franc	1.1697	1.0766	- 8.0%		

CHANGE IN REVENUE IN THE FIRST HALF OF 2018

GROWTH AT CONSTANT EXCHANGE RATES: 7.4%





EARNINGS PER SHARE FIRST HALF 2018

	H1 2018 IFRS 15 (€m)	H1 2017 IFRS 15 (€m)
Net profit attributable to the Group (€m)	38.4	65.9
Weighted average number of shares in issue excluding treasury shares	20.16	20.20
Basic earnings per share (€)	1.90	3.26
Basic recurring earnings per share (€)	2.60	3.65
Theoretical weighted average number of shares	20.23	20.25
Diluted earnings per share (€)	1.90	3.26
Diluted recurring earnings per share (€)	2.59	3.64

BREAKDOWN OF CHANGE IN NET FINANCIAL DEBT FIRST HALF 2018

	H1 2018 IFRS 15 (€m)	H1 2017 IFRS 15 (€m)
Operating profit on business activity	132.8	141.6
Depreciation, amortisation and provisions (excluding allocated intangible assets)	22.9	6.7
EBITDA	155.7	148.3
Non-cash items	- 3.5	- 1.4
Fax paid	- 34.9	- 23.7
Change in operating working capital requirement	- 169.4	- 186.9
Reorganisation and restructuring costs	- 20.7	- 12.6
Net cash flow from operating activities	- 72.8	- 76.4
Change relating to investing activities	- 25.7	- 20.8
Net financial interest	- 4.6	- 3.1
Additional contributions related to defined-benefit pension plans	- 11.2	- 8.8
ree cash flow	- 114.3	- 109.1
mpact of changes in scope	- 15.7	- 26.6
inancial investments	- 2.3	- 1.9
Dividends paid	0.0	- 0.0
Dividends received from equity-accounted companies	0.0	2.8
Capital increases in cash	0.0	0.2
Purchase and sale of treasury shares	- 18.3	- 1.0
mpact of changes in foreign exchange rates	- 1.6	- 1.8
Other changes	0.0	0.1
Change in net financial debt	- 152.3	- 137.3

Net financial debt at beginning of period	- 510.1	- 506.0
Net financial debt at end of period	- 662.4	- 643.3

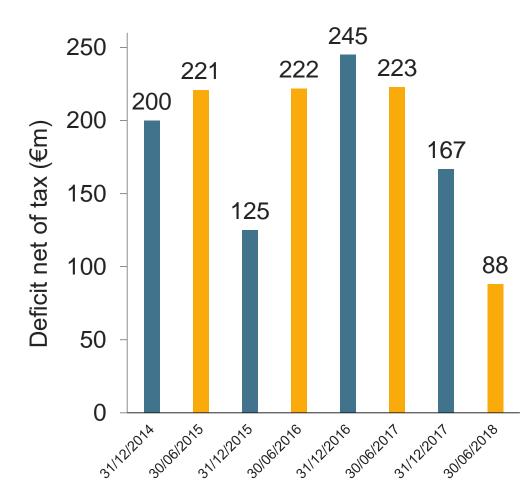


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SIMPLIFIED BALANCE SHEET 30/06/2018

	30/06/2018 IFRS 15 (€m)	31/12/2017 IFRS 15 (€m)
Goodwill	1,598.4	1,590.6
Allocated intangible assets	161.6	161.5
Other fixed assets	189.0	179.7
Equity-accounted investments	192.2	189.1
Fixed assets	2,141.2	2,120.9
Net deferred tax	83.2	99.1
Trade accounts receivable (net)	1,155.6	1,147.1
Other assets and liabilities	- 1,089.7	- 1,188.1
Working capital requirement (WCR)	65.9	- 41.0
Assets + WCR	2,290.4	2,179.0
Equity	1,295.4	1,237.2
Provisions for post-employment benefits	266.4	358.9
Provisions for contingencies and losses	66.1	72.8
Net financial debt	662.4	510.1
Capital invested	2,290.4	2,179.0

UK PENSION FUND DEFICIT NET OF TAX AT 30/06/2018 SHARP REDUCTION IN THE FIRST HALF OF 2018



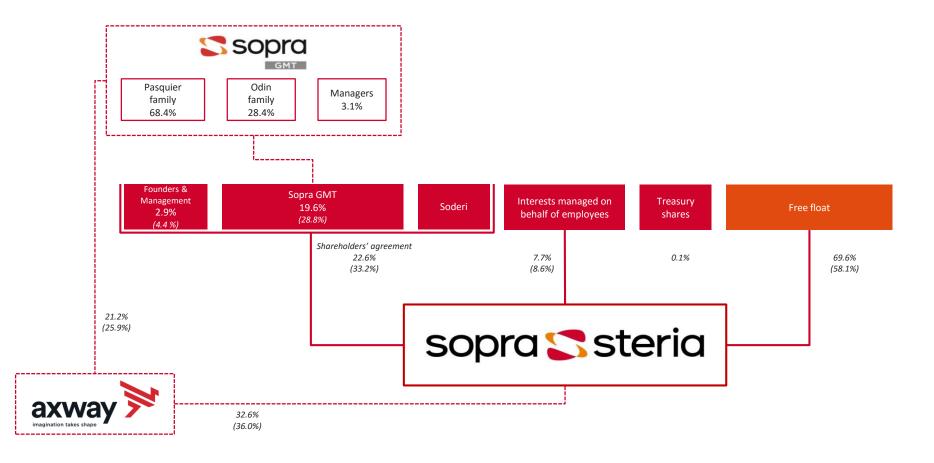
- Deficit net of tax down 47% vs 31/12/2017
- Decrease in commitments due to increase in the discount rate (up 30 bp vs 31/12/2017) and decrease in the inflation rate (down 10 bp vs 31/12/2017)
- Annual additional cash contribution of £20m unchanged until August 2020



CHANGES IN THE WORKFORCE FIRST HALF 2018

	30/06/2018	31/12/2017
France	19,056	18,649
United Kingdom	5,895	6,181
Other Europe	9,513	8,777
Rest of the World	305	281
X-Shore	8,010	7,773
Total	42,779	41,661

OWNERSHIP AT 30/06/2018 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 26,108,342 exercisable voting rights



IMPACT OF IFRS 15 INCOME STATEMENT

	H1 2017 before IFRS 15 (€m)	H1 2017 after IFRS 15 (€m)
Revenue	1,903.2	1,891.5
Staff costs	- 1761.1	- 1749.9
Operating profit on business activity	142.1	141.6
Profit from recurring operations	114.2	113.7
Operating profit	102.7	102.3
Other financial income and expenses	- 2.5	- 1.8
Tax expense	- 30.8	- 30.7
Net profit from continuing operations	66.9	67.2
Consolidated net profit	66.9	67.2
of which attributable to Group	66.0	65.9
of which minority interests	0.9	1.3



IMPACT OF IFRS 15 BALANCE SHEET

	31/12/2017 before IFRS 15 (€m)	31/12/2017 after IFRS 15 (€m)
Deferred tax assets	115.4	115.1
Non-current assets	2247.1	2246.8
Trade accounts receivable	1137.8	1147.1
Other current assets	256.4	246.3
Current assets	1556.6	1555.8
Total assets	3803.8	3802.6
Consolidated reserves and other reserves	484.7	481.9
Profit for the year	171.4	172.5
Equity attribuable to the Group	1208.2	1206.5
Non-controlling interests	31.8	30.7
Total equity	1240.0	1237.2
Deferred tax liabilities	16.8	16.0
Non-current liabilities	915.3	914.5
Other current liabilities	1089.6	1092.0
Current liabilities	1648.5	1650.9
Total liabilities	2563.8	2565.4
Total liabilities and equity	3803.8	3802.6

ALTERNATIVE PERFORMANCE MEASURES

- **<u>Restated revenue</u>**: 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.
- **<u>EBITDA</u>**: This measure, as defined in the Registration Document, is equal to the consolidated operating profit on business activity adding back depreciation, amortisation and provisions included in the 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.
- <u>Free cash flow</u>: Free cash flow is defined as the net cash from operating activities (as described in the consolidated cash flow statement in the Registration Document), 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.