

A woman with long dark hair, wearing a light-colored jacket, is seen from the side, looking up at a blurred city skyline at night. The lights of the buildings are out of focus, creating a bokeh effect. The overall color palette is dominated by blues and oranges from the city lights.

# 2023 Half-Year Results Presentation

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Paris, 27 July 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 2022 Universal Registration Document filed with the Autorité des Marchés Financiers (AMF) on 17 March 2023 (see pages 40 to 45 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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for the first half of 2023

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for the first half of 2023

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# 01

## Key events for the first half of 2023

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Cyril Malargé  
Chief Executive Officer

# A solid performance from the Group

First half 2023 (changes over one year)

Total  
revenue  
growth

**+11.6%**

**+8.1%**

Organic  
revenue  
growth

Operating  
margin on  
business  
activity

**8.8%**  
**+0.8 pt**

**€112.5m**  
**4.0% of  
revenue**

Net  
profit  
attributable  
to the  
Group

Free  
cash flow

**€122.9m**  
**Vs. €66.3m**



# Growth driven by very buoyant vertical markets

First half 2023 (changes over one year)

## Volumes & prices

Rising

## Aeronautics

> +10%

## Calendar

Q1: +1 day

Q2: -2 days

## Defence

> +20%

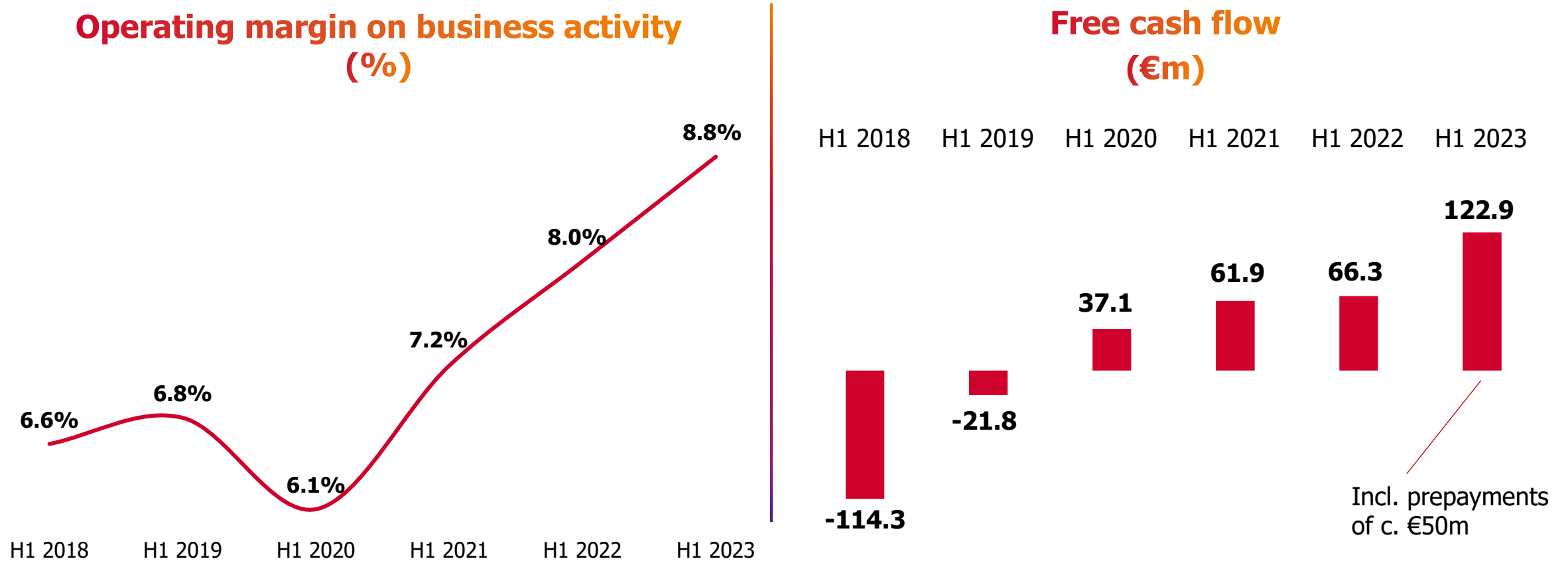
## Consulting

+11%

## Public sector

+8%

# Operating performance in line with medium-term targets



# Momentum buoyed by digital transformation at major clients...



**MINISTÈRE  
DE L'INTÉRIEUR**

*Liberté  
Égalité  
Fraternité*



**Statens vegvesen**

Norwegian Public Roads  
Administration



**AIRBUS**



FOD Beleid & Ondersteuning

SPF Stratégie & Appui

**NS  
&I**



**THALES**



Nuclear  
Decommissioning  
Authority



**l'Assurance  
Maladie**

**NEXTGEAR**  
CAPITAL





# ...and a growing presence in the tech ecosystem

## Cybersecurity

Leader in Cyber Resiliency Services  
(NelsonHall)

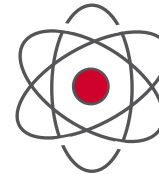


## Digital twinning

Industrial metaverse  
Partnerships with Nvidia and SkyReal

## Cloud

Public Cloud Leader across Europe (ISG)  
Leader in Cloud Native Application &  
Application Transformation Services (Quadrant)  
Partnerships with AWS, Google, OVH,  
Microsoft Azure, Numspot



## Quantum computing

Expertise in simulation, optimisation and  
cybersecurity based on business use cases  
Investment in Quantonation fund

## AI

Leader in Intelligence Process Automation  
(Quadrant)  
Major player in European Professional Services for  
Data-Driven Government (IDC)  
Major contender in AI services & Intelligent Process  
Automation services (Everest)



## IT for Green

Best in class in sustainability-related consulting and  
services (PAC Innovation Radar)  
Digital sustainability accreditation (Institut du  
Numérique Responsable)



# Strengthened positioning in AI

## Experts

Data/AI

⇒ 4,000 experts

Centre of excellence

⇒ c. 200 specialists

Business specialisation

⇒ c. 3,400 consultants

## Offerings

**rAise** programme covering all Group programmes and businesses:

- AI for software engineering
- AI for consulting
- AI for SBS and Sopra HR

Engine powered by AI

## Confiance.ai

Public/private collective

13 industrial and academic partners

Platform managed by Sopra Steria

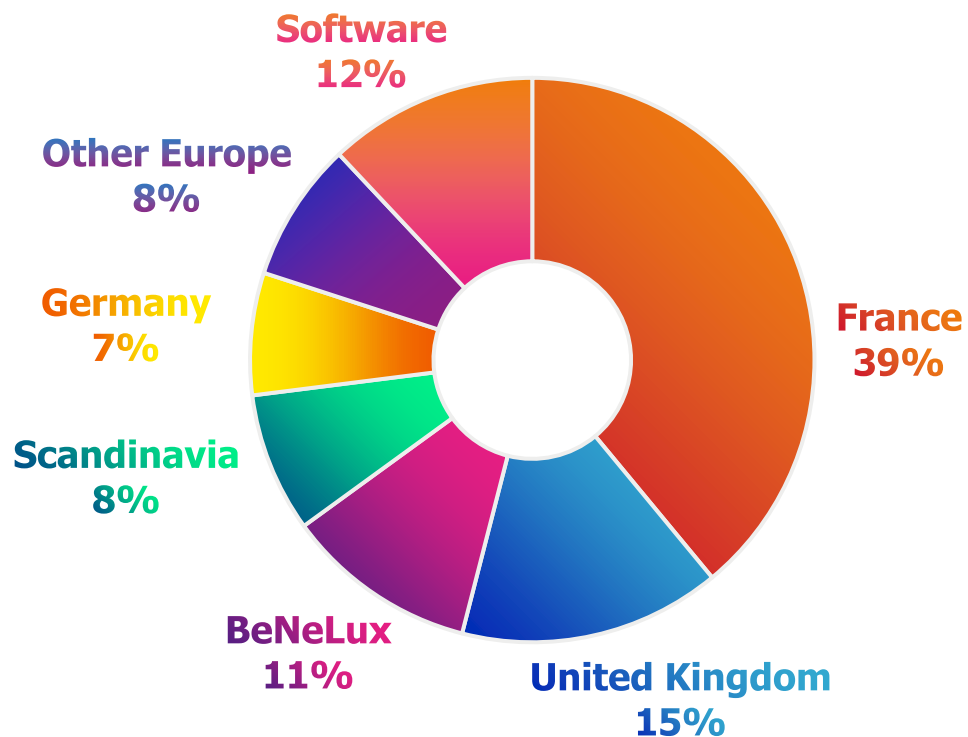
Reliability, responsibility, ethics

Critical systems

# Balanced European development

Acquisition of CS Group and Tobania – Proposed acquisition of Ordina

## 2022 pro forma revenue<sup>(1)</sup>



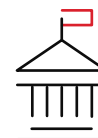
## Areas strengthened



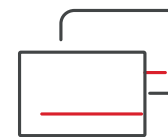
Defence



Aerospace



Public sector



Financial services



Energy



Cybersecurity

(1) Pro forma revenue including CS Group, Tobania and Ordina over 12 months

02

# Operating position by reporting unit

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Cyril Malargé  
Chief Executive Officer

# Operating performance by reporting unit

	Revenue			Operating profit on business activity	
	H1 2023 (€m)	H1 2022 Restated* (€m)	Organic growth (%)	H1 2023 (% of Rev.)	H1 2022 (% of Rev.)
France	1,198.9	1,121.3	+6.9%	9.1%	9.7%
United Kingdom	461.0	425.8	+8.3%	11.4%	10.5%
Other Europe	819.8	736.2	+11.4%	8.9%	5.0%
Sopra Banking Software	218.0	209.6	+4.0%	1.3%	4.1%
Other Solutions	142.4	135.3	+5.3%	10.0%	8.8%
<b>Total</b>	<b>2,840.1</b>	<b>2,628.2</b>	<b>+8.1%</b>	<b>8.8%</b>	<b>8.0%</b>

\* Revenue at 2023 scope and exchange rates



# France

	H1 2023		H1 2022	
	(€m)	(% of Rev.)	(€m)	(% of Rev.)
France				
Revenue	1,198.9		1,023.7	
<i>Organic growth (%)</i>	<i>+6.9%</i>			
Op. profit on business activity	108.8	9.1%	99.6	9.7%
Profit from recurring operation	90.1	7.5%	89.6	8.8%
Operating profit	84.2	7.0%	88.7	8.7%

Organic growth of 6.9%

Most buoyant verticals

Defence

Public sector

Aerospace

Transport

CS Group contribution over 4 months

€106.5m

8.7% organic growth

Operating margin on business activity of 9.1%  
vs 9.7% in H1 2022

Dilutive impact of CS Group integration

# United Kingdom

	H1 2023		H1 2022	
	(€m)	(% of Rev.)	(€m)	(% of Rev.)
United Kingdom				
Revenue	461.0		442.6	
<i>Organic growth (%)</i>	<i>+8.3%</i>			
Op. profit on business activity	52.4	11.4%	46.6	10.5%
Profit from recurring operation	45.5	9.9%	40.4	9.1%
Operating profit	38.2	8.3%	40.6	9.2%

Organic growth of 8.3%

Double-digit growth

Aerospace, defence and security  
NHS SBS and SSCL joint ventures

New and renewed major contracts:  
SSCL (DEFRA, HO, DWP, MOJ, CO), NHS SBS,  
NS&I, NDA

Private sector growth of 3%

Operating margin on business activity improved  
by 0.9 points

# Other Europe

	H1 2023		H1 2022	
	(€m)	(% of Rev.)	(€m)	(% of Rev.)
Other Europe				
Revenue	819.8		731.3	
<i>Organic growth (%)</i>	<i>+11.4%</i>			
Op. profit on business activity	72.8	8.9%	36.4	5.0%
Profit from recurring operation	66.0	8.1%	31.5	4.3%
Operating profit	56.2	6.9%	26.8	3.7%

Organic growth of 11.4%

Most buoyant entities

Scandinavia

Spain

Italy

BeNeLux

Germany: 8.2% growth and operating performance back at historical levels

Sharp recovery in operating margin on business activity to 8.9% (up 3.9 percentage points) thanks to:

Return to normal performance in Germany  
Improved profitability in several other entities

# Sopra Banking Software

A focus on sales that is yielding positive results

More sustained investment than expected to revive sales of digital offerings

Organic growth of 4.0%

Subscriptions up 9.7%

Accelerating sales of digital offerings: Digital Banking Suite & Open Banking, Regulatory Reporting, Wholesale Digital Audit, Instant Payment

Licences up 5.3%

Software revenue up 3.4%

Services revenue up 5.0%

	H1 2023		H1 2022	
	(€m)	(% of Rev.)	(€m)	(% of Rev.)
Sopra Banking Software				
Revenue	218.0		210.9	
<i>Organic growth (%)</i>	<i>+4.0%</i>			
Op. profit on business activity	2.8	1.3%	8.7	4.1%
Profit from recurring operation	-6.3	-2.9%	-0.1	-0.1%
Operating profit	-13.6	-6.2%	-4.5	-2.1%

# Other Solutions

	H1 2023		H1 2022	
	(€m)	(% of Rev.)	(€m)	(% of Rev.)
Other Solutions				
Revenue	142.4		135.2	
<i>Organic growth (%)</i>	<i>+5.3%</i>			
Op. profit on business activity	14.3	10.0%	11.9	8.8%
Profit from recurring operation	12.4	8.7%	10.6	7.9%
Operating profit	12.0	8.5%	10.4	7.7%

Human resources solutions grew by 4.2%

Property management solutions grew by 7.6%

Operating margin on business activity: 10.0%  
(up 1.2 percentage points vs. H1 2022)



03

# Financial results for the first half of 2023

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Étienne du Vignaux  
Chief Financial Officer

# Income statement

	H1 2023 (€m)	H1 2023 (% of Rev.)	H1 2022 (€m)	H1 2022 (% of Rev.)
Revenue	2,840.1		2,543.8	
<i>Organic growth</i>	8.1%			
Operating profit on business activity	251.1	8.8%	203.1	8.0%
Share-based payment expenses	-28.4		-14.5	
Amortisation of allocated intangible assets	-14.9		-16.6	
Profit from recurring operations	207.8	7.3%	172.0	6.8%
Other operating income and expenses	-30.7		-10.0	
Operating profit	177.1	6.2%	162.1	6.4%
Cost of net financial debt	-6.4		-4.8	
Other financial income and expenses	- 6.1		0.9	
Tax expense	-42.5		-43.2	
Net profit from associates	- 0.1		0.1	
Net profit	122.0		115.1	
<i>of which attributable to Group</i>	112.5	4.0%	112.3	4.4%
<i>of which non-controlling interests</i>	9.5		2.8	

# Other operating income and expenses

	H1 2023 (€m)	H1 2022 (€m)
Costs related to business combination	-3.6	-0.3
Restructuring and reorganisation costs	-17.3	-10.4
Other	- 9.8	0.8
<b>Other operating income and expenses</b>	<b>-30.7</b>	<b>-10.0</b>

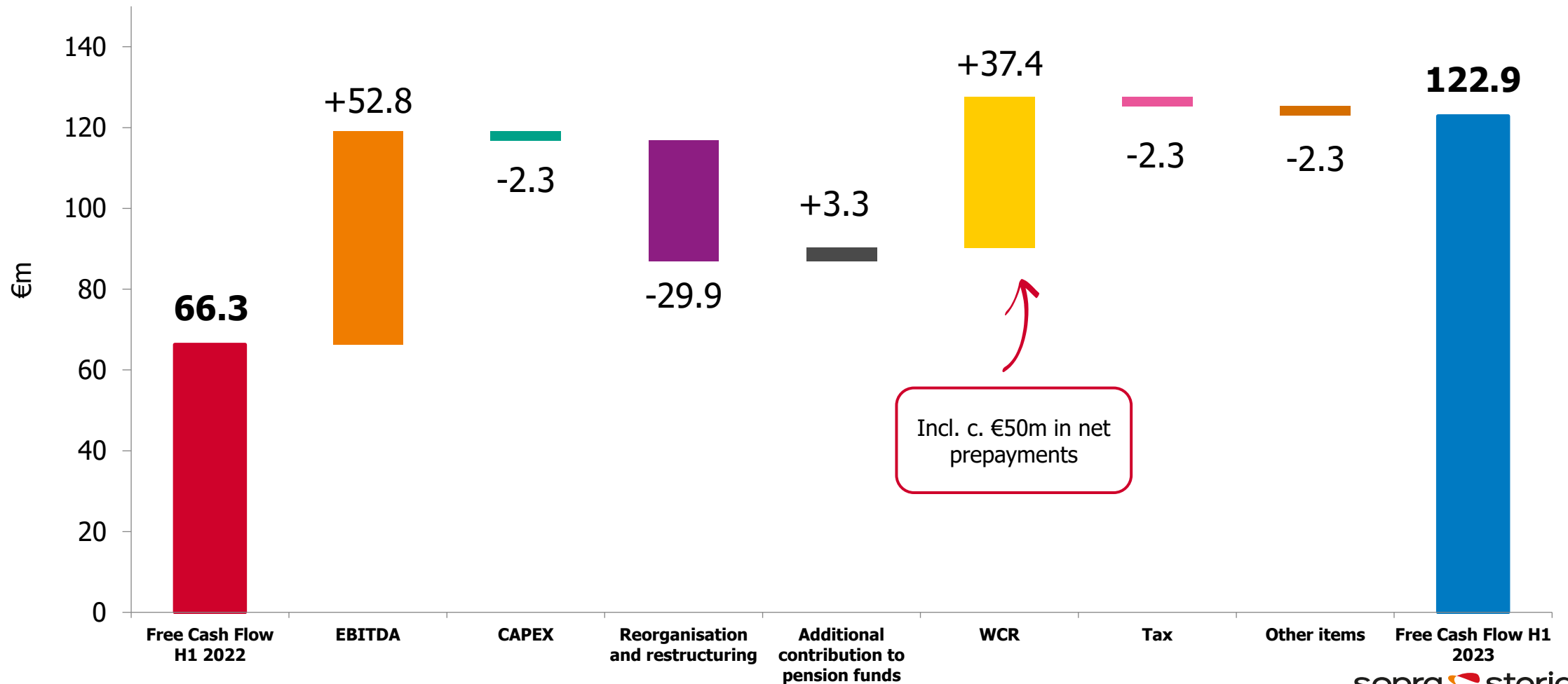
Of which half related to non-recurring costs linked to acquisitions and discontinuation of low-margin operations

# Tax

	H1 2023 (€m)	H1 2022 (€m)
Profit before tax and share from equity-accounted companies	164.6	158.2
Effective tax charge	-42.5	-43.2
Effective tax rate (%)	25.8%	27.3%

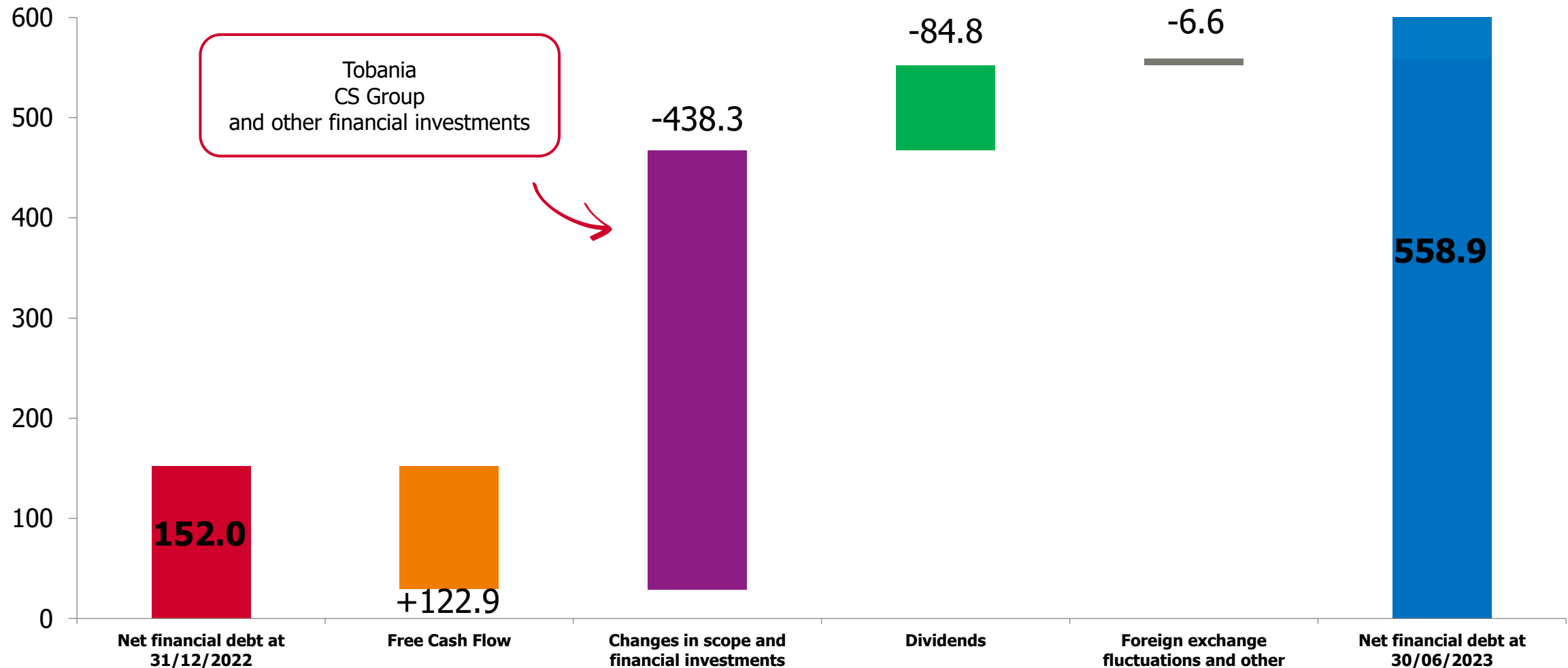
Estimated 2023 tax rate: 26%

# Breakdown of change in free cash flow

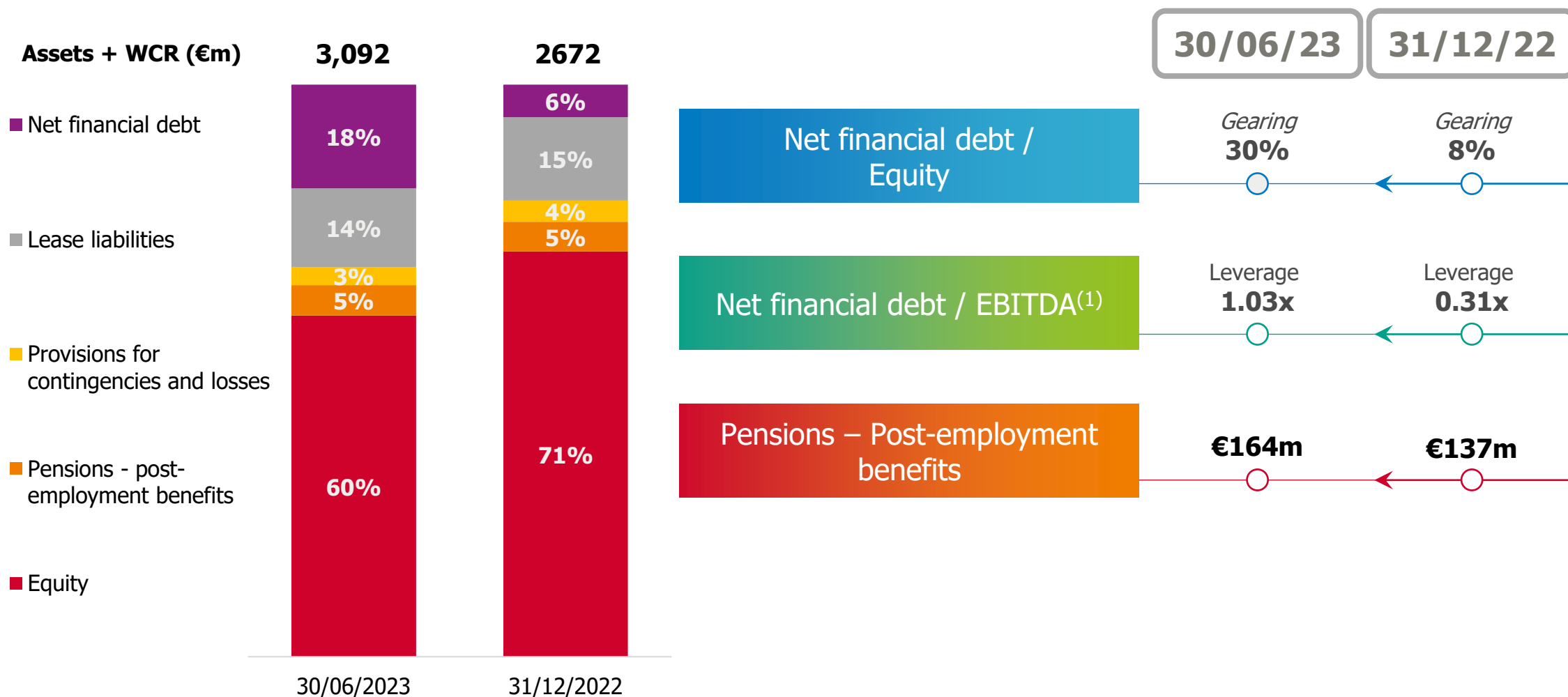




# Managed growth in net financial debt



# Strong balance sheet structure



(1) Pro forma EBITDA before impact of IFRS 16

# Diversified and accessible financing

**Available undrawn amount  
€1.3bn**  
*i.e. 79% of authorised amount<sup>(1)</sup>*

## Maturities

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

	30/06/2023 Amount used (€m)	30/06/2023 Amount authorised (€m)
Bond	250.0	250.0
Multi-currency revolving credit facility	-	1,100.0
Overdrafts and bilateral credit lines	98.6	310.7
<b>Total</b>	<b>348.6</b>	<b>1,660.7</b>
NEU CP & MTN and other	481.3	
<b>Gross debt</b>	<b>829.9</b>	
Cash and cash equivalents	271.0	
<b>Net financial debt</b>	<b>558.9</b>	

*(1) Assuming a constant amount of NEU CP & MTN commercial paper (€481.3m at 30 June 2023) and overdrafts*

# Reminder of the timeline for changes in scope

## CS Group

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2022 revenue: €273m

Consolidated 1 March 2023

Integration process underway

Expected synergies of €13m

- 20% FY2023
- 50% FY2024
- 100% FY2025

Tax loss carryforwards of €380m  
(base) as of 31/12/2022

## Tobania

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2022 revenue: €92m

Consolidated 1 March 2023

Integration process underway

Change of status in Belgium in  
relation to strategic clients

## Ordina

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2022 revenue: €429m

Public offering: 19/07 to 26/09

AGM: 6 September 2023

Transaction to complete by end  
2023

Operational synergies of €10m

New positioning in Benelux

# Discussions over the Cabinet Office's put option

- Tenth anniversary of creation of SSCL
  - Success from the inception: operation, execution, savings
  - Option to sell included in original JV agreement
  - Discussions in progress; decision before year-end 2023
- SSG 75%/CO 25%
  - 2022 performance
    - Revenue: €337m
    - Net profit: €36m
  - Contracts recently extended to end 2025
  - Potential to enhance the Group's EPS<sup>(1)</sup>



*(1) Earnings per share*



04

## 2023 outlook and targets

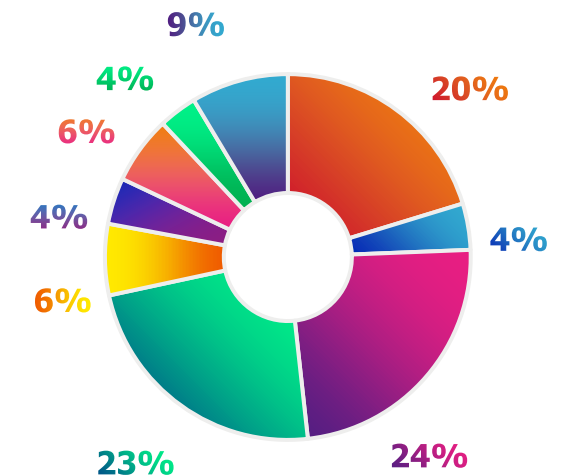
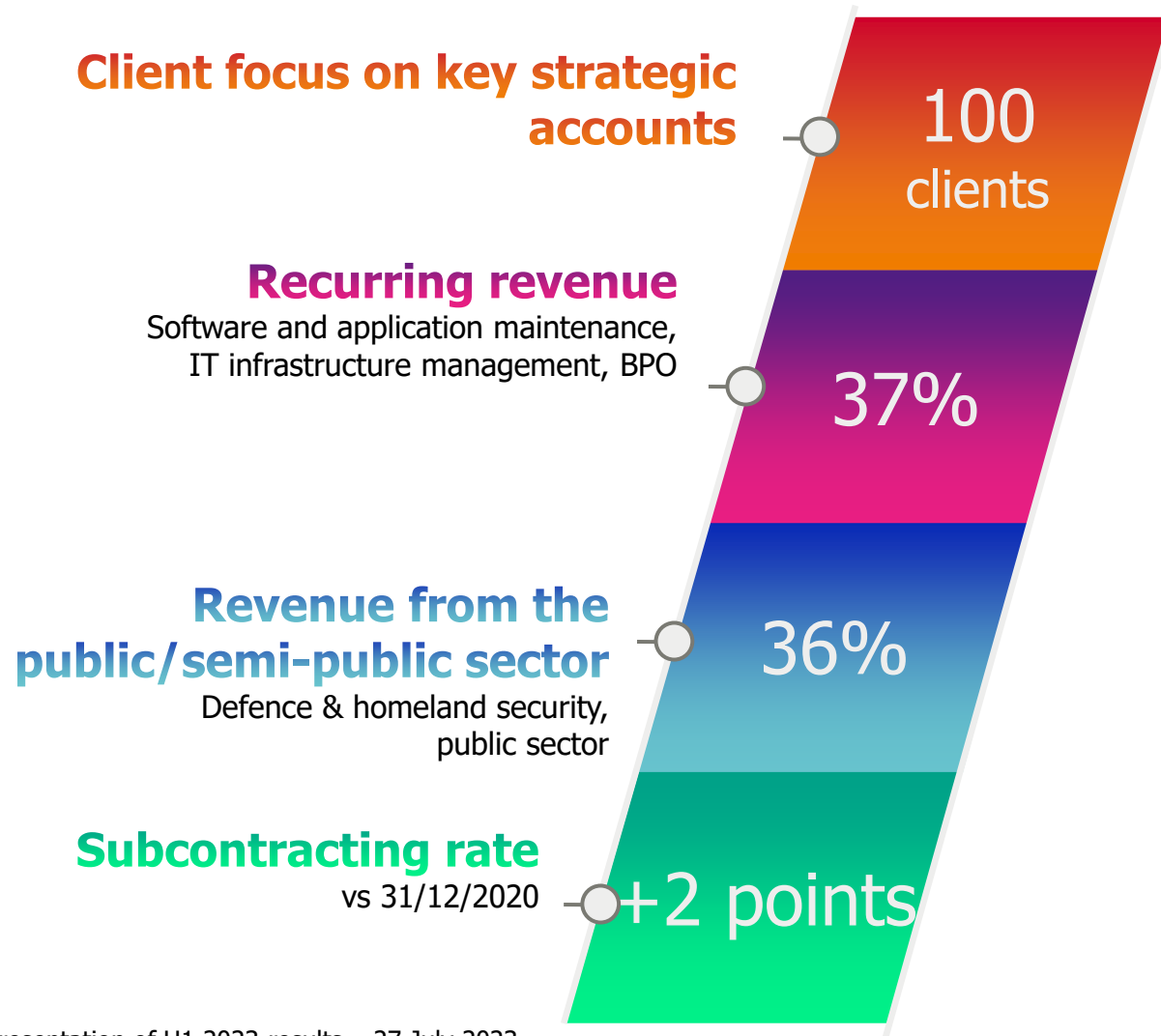
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Cyril Malargé  
Chief Executive Officer

# A resilient profile

Thanks to the nature of the Group's client portfolio and business lines



- Financial services
- Insurance
- Public Sector
- Aeronautis & Space, Defence, Security
- Energy, Utilities
- Telecommunication, Media, Entertainment
- Transport
- Distribution
- Other

# Priorities for 2023



## PERFORMANCE

Value focus  
Profitability steering  
Production cost control  
Acquisition integration



## OFFERINGS

Consulting  
Financial Services  
AI & tech  
Software



## HUMAN RESOURCES

Recruitment  
Training  
Career development

# Financial targets for 2023 & 2024

2023

**Organic revenue  
growth**

**at least**

**6%**

**Revised upwards vs February**

**Operating  
margin on  
business activity**

**just over**

**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

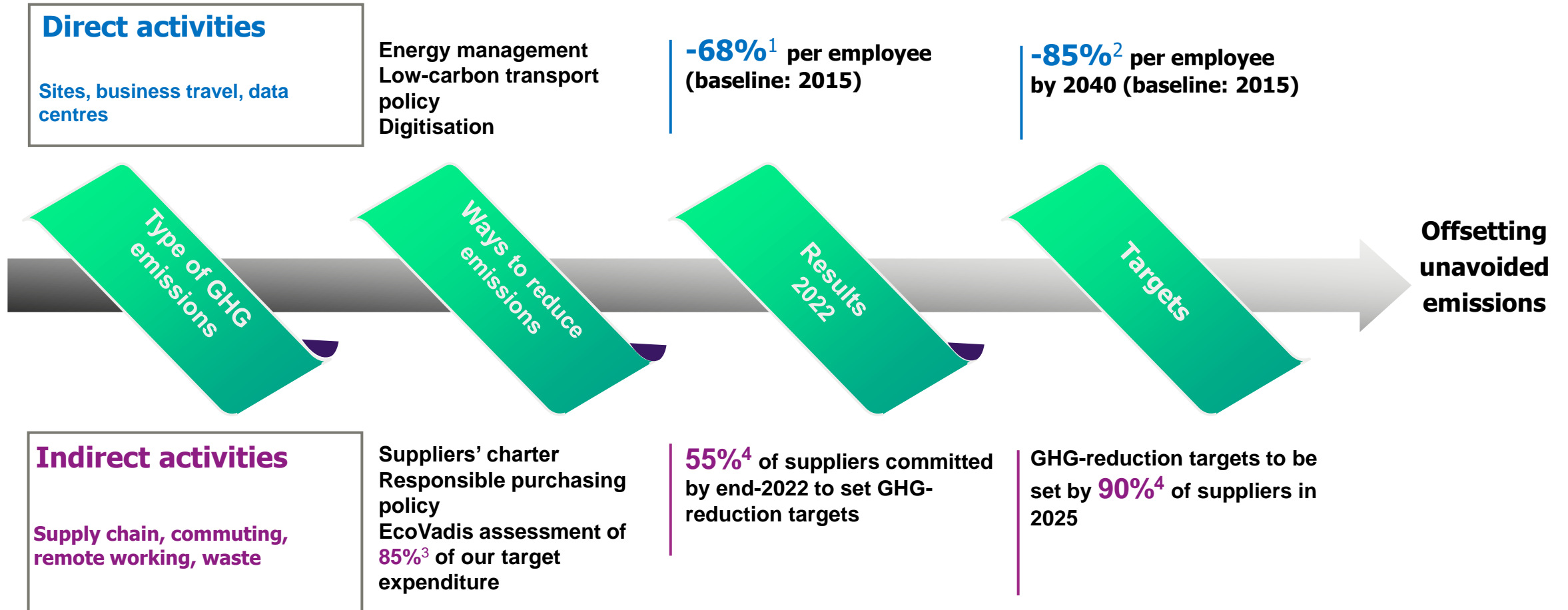
05

# Annexes

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# Helping combat climate change

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



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

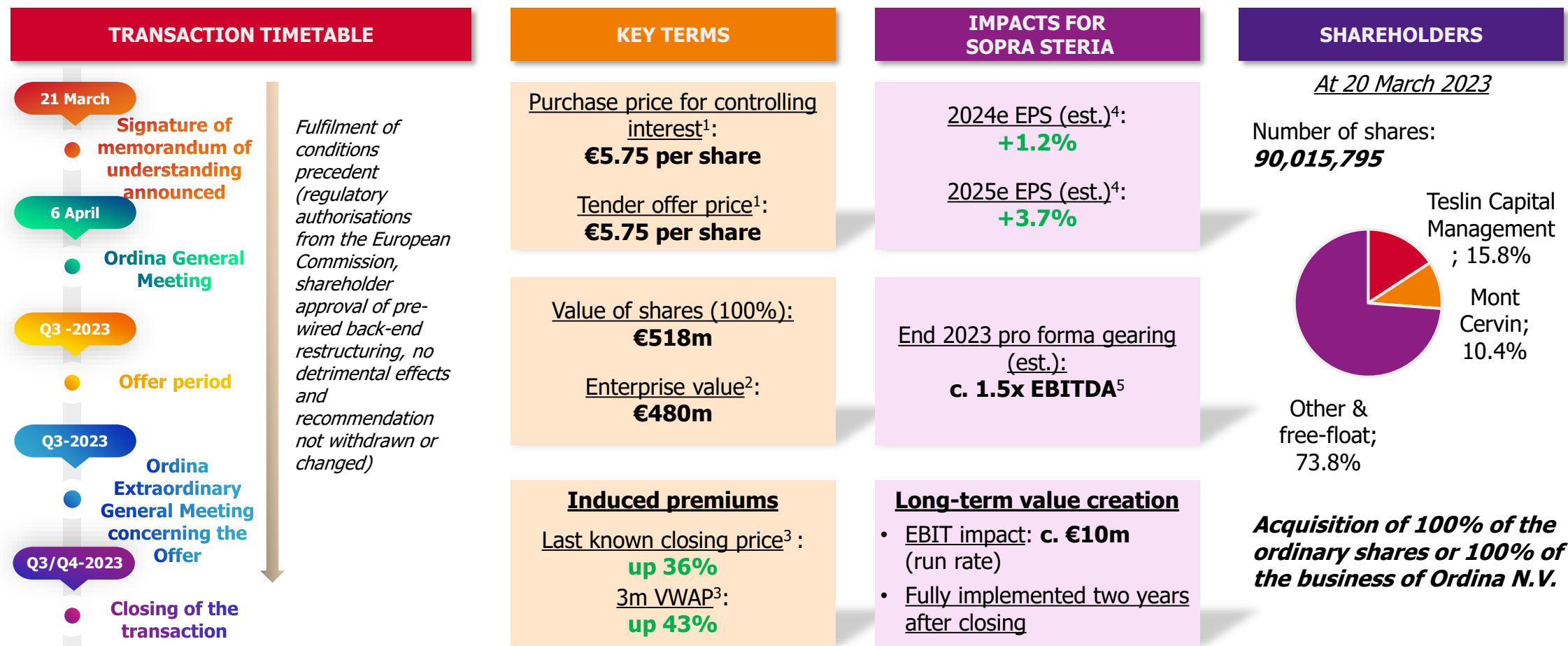
(2) Validated by the Science Based Targets initiative (SBTi)

(3) Spending of €868m with target suppliers (> 26 employees, annual spend > €150k)

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

# Key elements of planned tie-up with Ordina N.V.

“Recommended public cash offer followed by customary pre-wired back-end acquisition of 100% of Ordina N.V.'s business”



(1) Excluding dividends announced on 16 February 2023; (2) based on reported net debt/(cash) at 31 December 2022; (3) premiums calculated as at 14 March 2023; (4) consensus net earnings based on analyst estimates after 2022 annual results; (5) pro forma EBITDA before impact of IFRS 16



# Sopra Steria: a major tech player in Europe

Breakdown of revenue to 30 June 2023

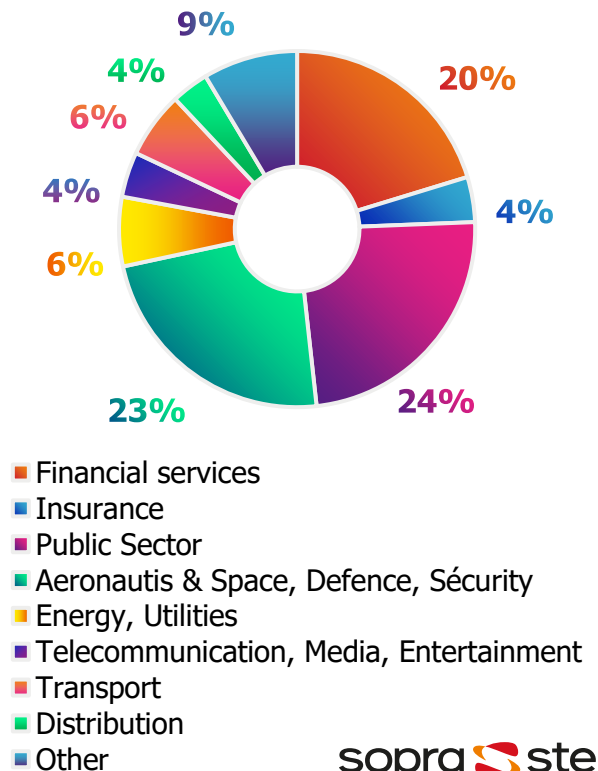
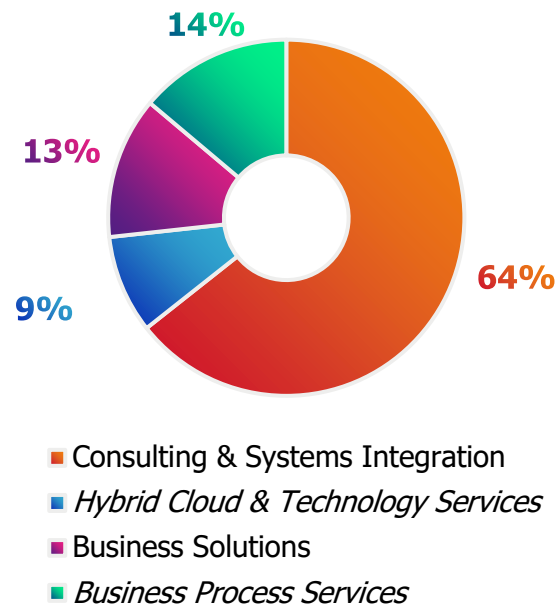
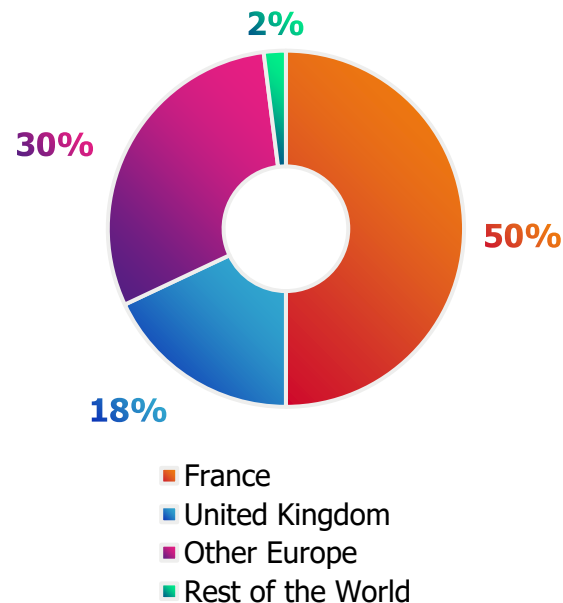
## EMEA-leading IT services provider (top 9)<sup>(1)</sup>

2022 revenue  
€5.1bn

54,000  
employees

Operations in  
30 countries

End-to-end  
approach



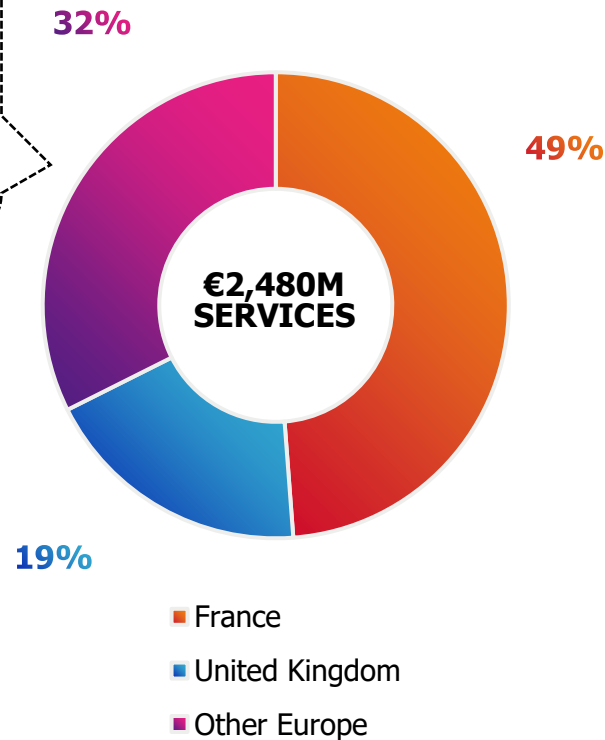
(1) PAC, June 2023, Leading IT Services Providers in 2022 EMEA

# Detailed breakdown of revenue by country

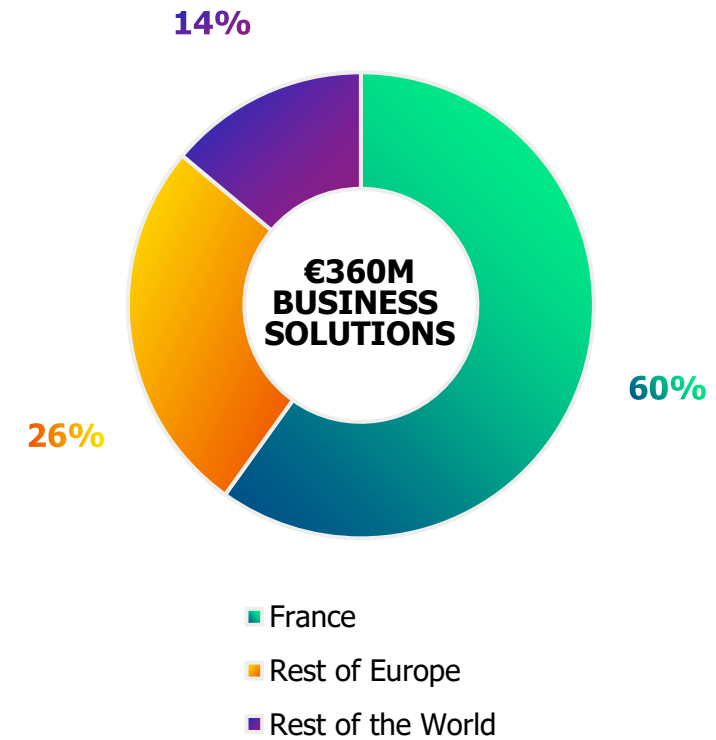
At 30/06/2023

## SERVICES – Revenue to 30/06/2023

Revenue  
Other Europe = €820m  
o/w Germany = 28%  
o/w Scandinavia = 33%  
o/w Spain = 12%  
o/w SFT = 10%  
o/w Benelux = 8%  
o/w Italy = 6%  
o/w Switzerland = 2%



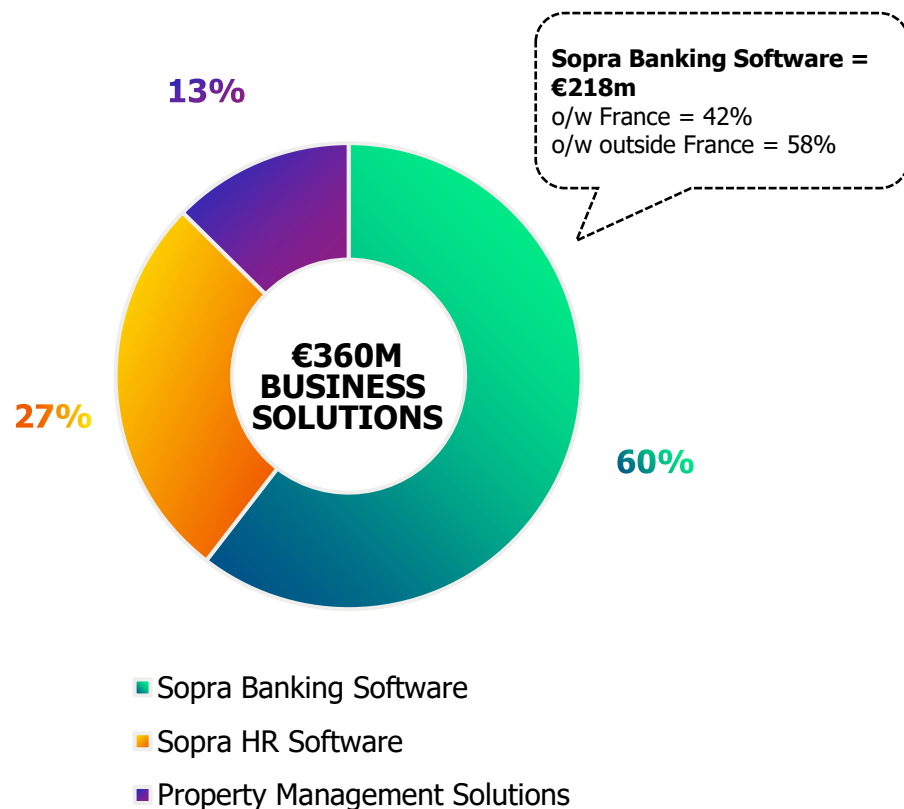
## BUSINESS SOLUTIONS revenue to 30/06/2023



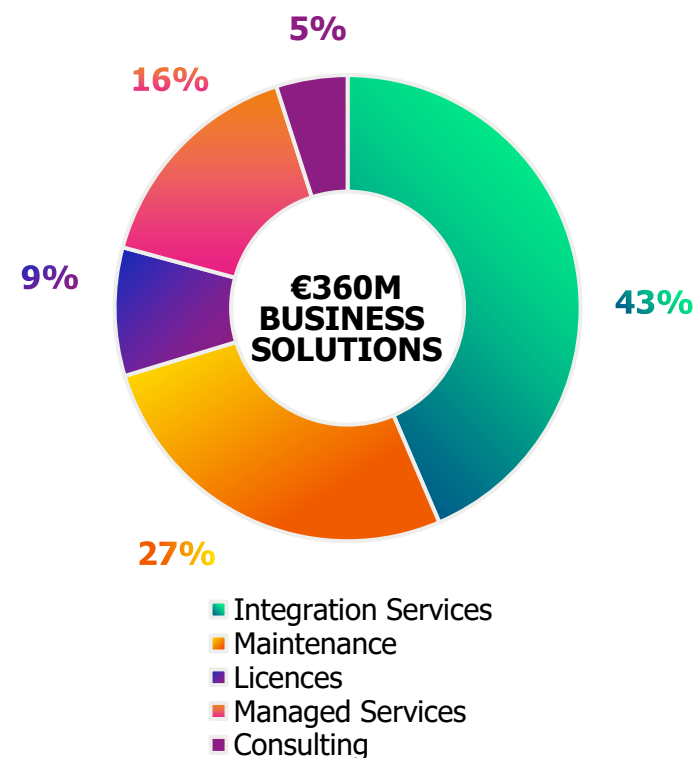
# Breakdown of Solutions revenue

At 30/06/2023

**BUSINESS SOLUTIONS revenue by product**



**BUSINESS SOLUTIONS revenue by service line**



# Changes in workforce

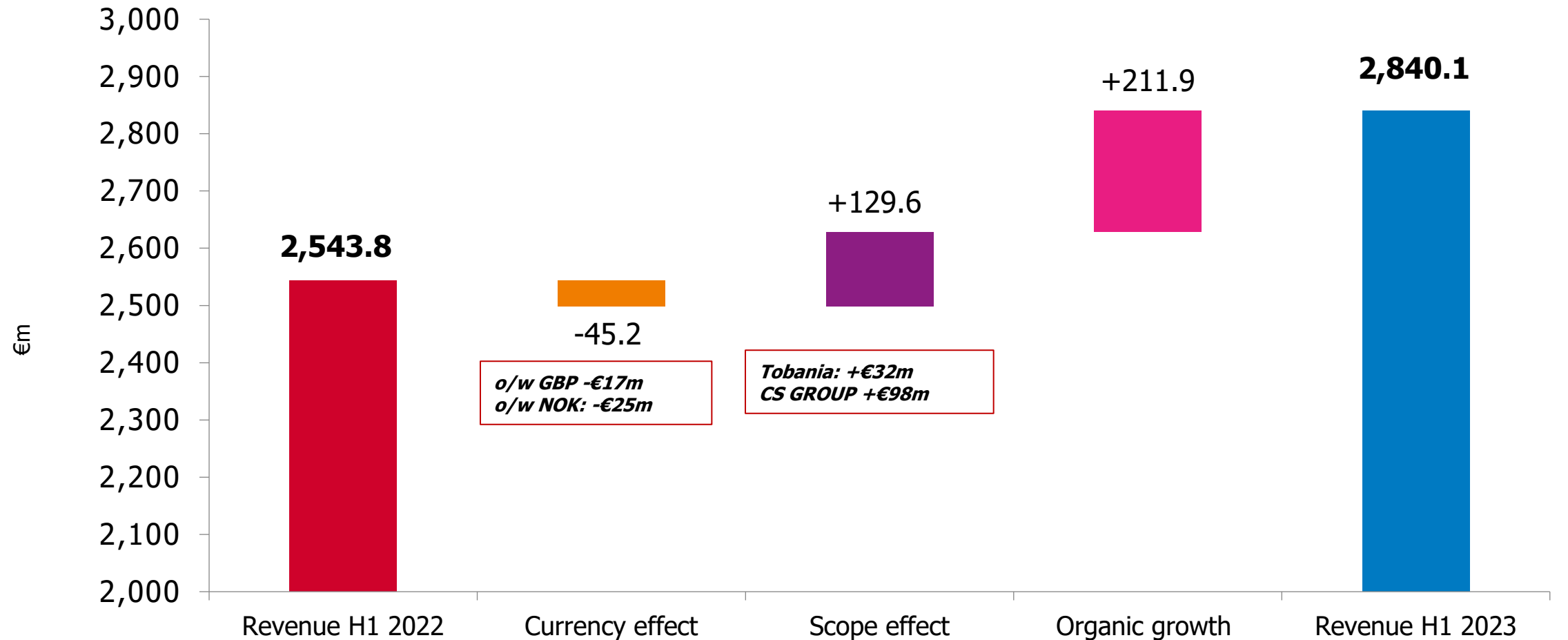
	30/06/2023	30/06/2022
France	22,363	20,106
United Kingdom	7,693	7,208
Other Europe	13,943	11,944
Rest of the World	555	467
X-Shore	9,400	8,982
<b>Total</b>	<b>53,954</b>	<b>48,707</b>

# Changes in exchange rates

	Changes in exchange rates		
	Average rate H1 2023	Average rate H1 2022	Change (%)
<i>For €1 / %</i>			
Pound sterling	0.8764	0.8424	-3.9%
Norwegian krone	11.3195	9.9817	-11.8%
Swedish krona	11.3329	10.4796	-7.5%
Danish krone	7.4462	7.4402	-0.1%
Swiss franc	0.9856	1.0319	+4.7%

# Breakdown of change in consolidated revenue

Growth at constant scope and exchange rates of 8.1%



# Earnings per share

	H1 2023 (€m)	H1 2022 (€m)
Net profit attributable to the Group (€m)	112.5	112.3
Weighted average number of shares in issue excluding treasury shares	20.20	20.22
Basic earnings per share (€)	5.57	5.55
Basic recurring earnings per share (€)	6.80	5.92
Theoretical weighted average number of shares	20.40	20.28
Diluted earnings per share (€)	5.51	5.54
Diluted recurring earnings per share (€)	6.73	5.90

# Breakdown of change in net financial debt

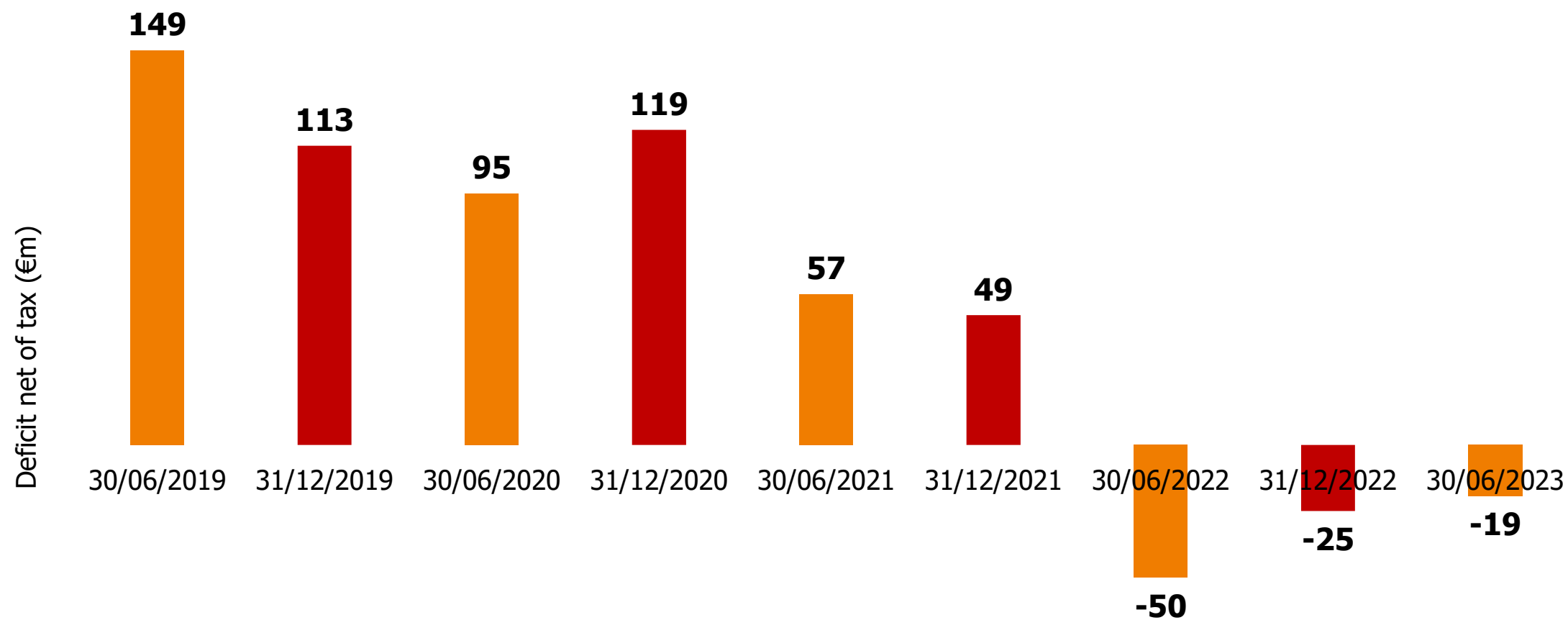
	H1 2023 (€m)	H1 2022 (€m)
Operating profit on business activity	251.1	203.1
Depreciation, amortisation and provisions (excluding allocated intangible assets)	67.0	62.1
EBITDA	318.1	265.3
Non-cash items	1.6	- 1.8
Tax paid	-46.8	-44.5
Change in operating working capital requirement	-14.0	-51.4
Reorganisation and restructuring costs	-29.9	0.1
Net cash flow from operating activities	229.0	167.7
Change relating to investing activities	-47.2	-45.0
Lease payments	-46.2	-45.8
Net interest	-5.8	-0.6
Additional contributions related to defined-benefit pension plans	-6.9	-10.2
Free cash flow	122.9	66.3
Impact of changes in scope	-428.6	-4.2
Financial investments	-6.7	-4.2
Dividends paid	-87.5	-71.6
Dividends received from equity-accounted companies	2.7	2.7
Purchase and sale of treasury shares	-3.1	-5.4
Impact of changes in foreign exchange rates	-6.6	-1.4
Change in net financial debt	-406.9	- 17.8
	⚡	
Net financial debt at beginning of period	-152.0	-327.1
Net financial debt at end of period	-558.9	-344.9



# Simplified balance sheet

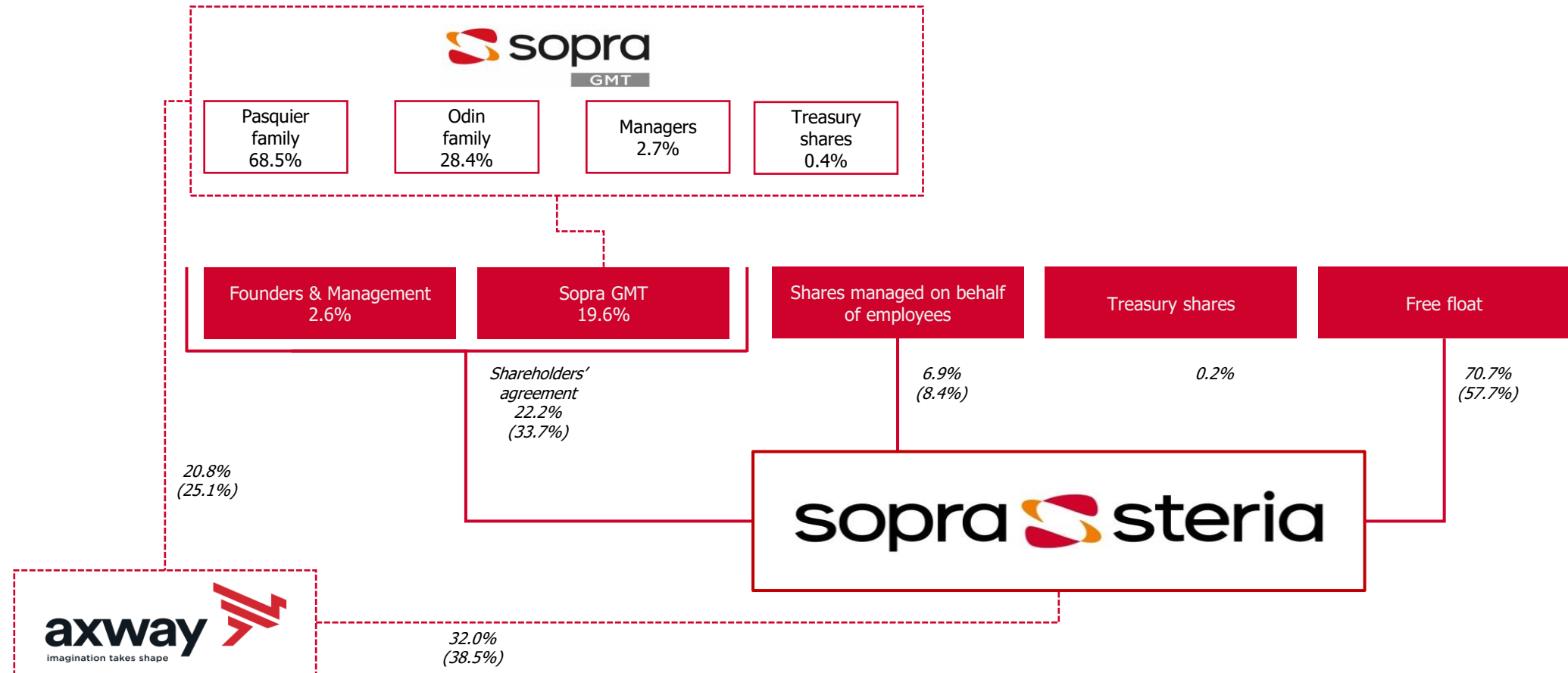
	30/06/2023 (€m)	31/12/2022 (€m)
Goodwill	2,316.0	1,943.9
Allocated intangible assets	93.9	108.3
Other fixed assets	274.1	261.3
Right-of-use assets	387.6	359.9
Equity-accounted investments	179.2	183.5
<b>Total fixed assets</b>	<b>3,250.8</b>	<b>2,857.0</b>
Net deferred tax	71.0	58.5
Trade accounts receivable (net)	1,383.5	1,104.2
Other assets and liabilities	-1,612.6	-1,347.6
<b>Working capital requirement (WCR)</b>	<b>-229.0</b>	<b>-243.4</b>
<b>Assets + WCR</b>	<b>3,092.8</b>	<b>2,672.1</b>
Equity	1,844.8	1,893.4
Pensions – Post-employment benefits	164.5	137.7
Provisions for contingencies and losses	97.2	98.5
Lease liabilities	427.4	390.5
Net financial debt	558.9	152.0
<b>Capital invested</b>	<b>3,092.8</b>	<b>2,672.1</b>

# UK pension fund deficit net of tax at 30/06/2023



# A core shareholder backing the corporate plan

Ownership structure at 30 June 2023



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

**20,547,701 listed shares**  
**26,544,319 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.