

PRESENTATION OF FIRST-HALF 2016 RESULTS

Paris, 28 July 2016

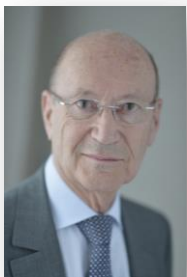
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INTRODUCTION



Pierre Pasquier – Chairman



AGENDA

- 1 | Operating position at 30 June 2016
- 2 | Financial results for the 1st half of 2016
- 3 | New developments in the 1st half of 2016
- 4 | Targets for 2016 and 2017
- 5 | Question & answer session
- 6 | Annexes





OPERATING POSITION AT 30 JUNE 2016



Vincent Paris – Chief Executive Officer



HIGHLIGHTS OF THE 1ST HALF OF 2016



Operating position in line
with objectives for 2017

Dynamic sales momentum

Sopra Banking Software's promising new
position in payments



An ongoing selective acquisitions policy

Numerous digital initiatives



DISCOVER OUR NEW APPS



2 new applications
sopra  steria Digital Transformation
sopra  steria DigiLab



Visit our innovation centres, get opinions from our experts...all of Sopra Steria at your fingertips!

...and visit us as usual at blog.soprasteria.com



KEY FIGURES FOR THE 1ST HALF OF 2016

1ST HALF-YEAR IN LINE WITH FULL-YEAR TARGETS

Revenue

€1,878.8m

= organic growth of 5.4%*

Operating profit on business activity

€134.2m

*= 7.1% of revenue
up 25% from 30/06/2015*

Net profit attributable to the Group

€54.0m

*= 2.9% of revenue
up 100% from 30/06/2015*

Net financial debt

€719.6m

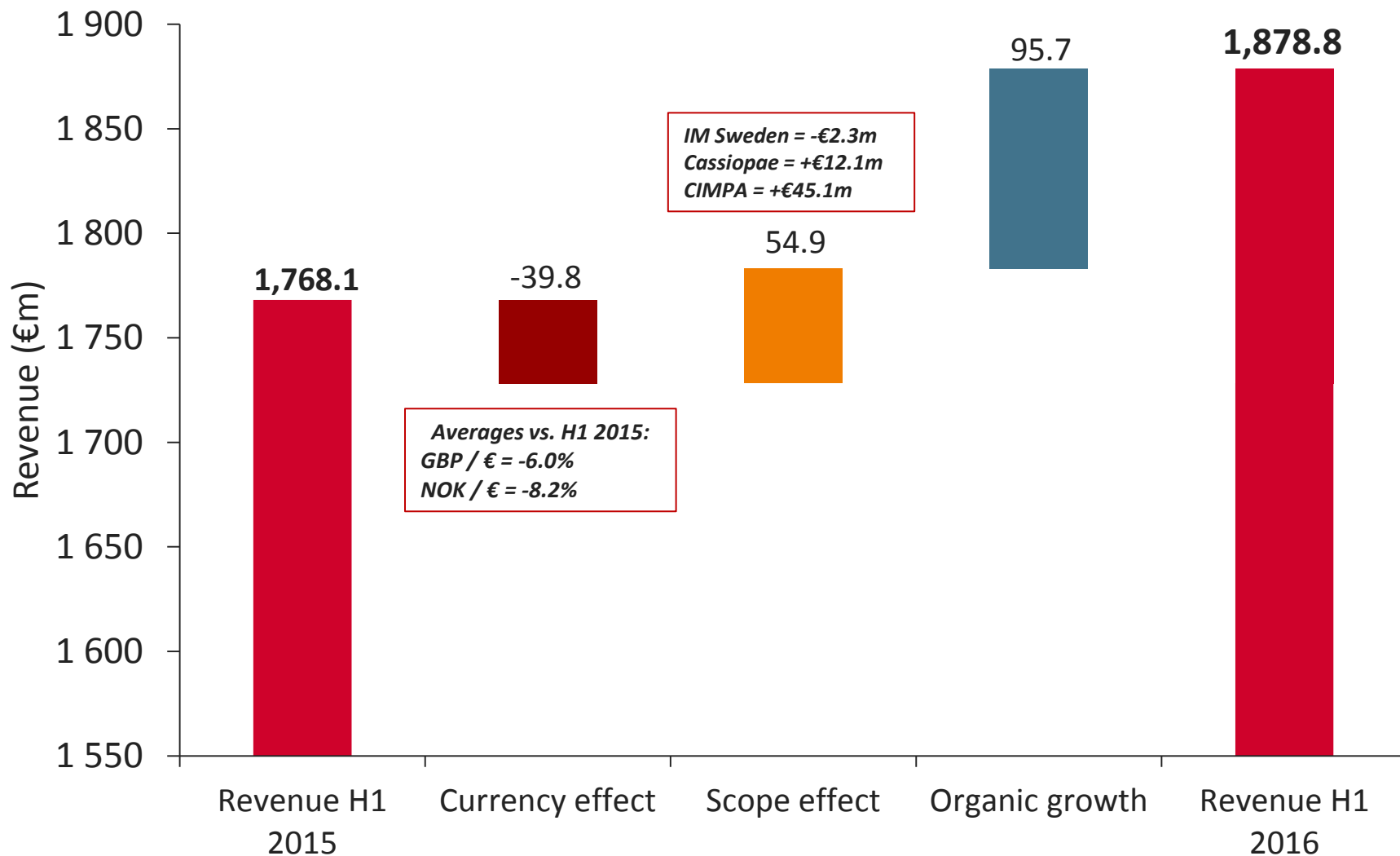
= 2.2x EBITDA

** Growth at constant scope and exchange rates*



CHANGE IN REVENUE FOR THE 1ST HALF OF 2016

ORGANIC GROWTH OF 5.4%



OPERATING PERFORMANCE BY DIVISION

FIRST-HALF 2016

	Revenue			Operating profit on business activity	
	H1 2016 (€m)	H1 2015 Restated* (€m)	Organic growth (%)	H1 2016 (% of Rev.)	H1 2015 (% of Rev.)
France	778.8	711.1	+ 9.5%	8.6%	8.0%
United Kingdom	483.4	487.6	- 0.9%	7.3%	6.4%
Other Europe	355.6	336.3	+ 5.7%	4.4%	0.6%
Sopra Banking Software	160.2	149.2	+ 7.4%	4.3%	7.2%
Other Solutions	100.7	99.0	+ 1.7%	9.2%	8.8%
Total	1,878.8	1,783.3	+ 5.4%	7.1%	6.1%

* Revenue at 2016 scope and exchange rates



FRANCE: CONSULTING & SYSTEMS INTEGRATION

A PATTERN OF MARKET SHARE GAINS

France:

Consulting & Systems Integration (C&SI)

(Including CIMPA)

	H1 2016		H1 2015	
	(€m)	(% of Rev.)	(€m)	(% of Rev.)
Revenue	677.6		562.8	
Organic growth (%)*	+ 11.5%			
Operating profit on business activity	66.3	9.8%	53.8	9.6%
Profit from recurring operations	59.5	8.8%	53.5	9.5%
Operating profit	57.0	8.4%	38.4	6.8%

* Growth at constant scope and exchange rates

- Strong organic growth
 - Key accounts up 13%
 - Consulting up 22%
- Successful sales reflecting stronger market position
- Operating margin on business activity improved by 0.2 points
- Sharp decline in reorganisation and restructuring expenses



FRANCE: INFRASTRUCTURE AND SECURITY SERVICES (I2S)

IMPROVEMENT PROCEEDING ACCORDING TO PLAN

France:

Infrastructure and Security Services (I2S)

	H1 2016		H1 2015	
	(€m)	(% of Rev.)	(€m)	(% of Rev.)
Revenue	101.2		103.4	
Organic growth (%)*	- 2.1%			
Operating profit on business activity	0.5	0.5%	- 0.5	-0.5%
Profit from recurring operations	0.0	0.0%	- 0.5	-0.5%
Operating profit	- 2.4	-2.4%	- 6.1	-5.9%

* Growth at constant scope and exchange rates

- Infrastructure Management: renewed sales momentum in higher value-added segments
 - Trend improvement (Q1 REV -4.5%, Q2 -1.3%)
- Cybersecurity: solid sales pipeline
- Continuing gradual improvement in margins

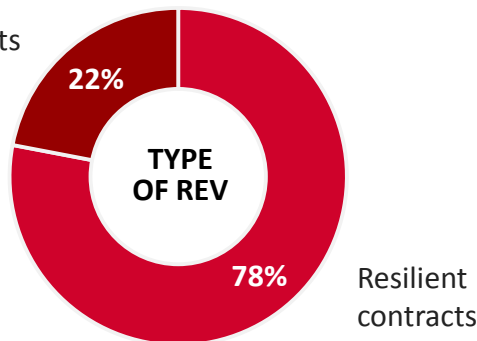


UNITED KINGDOM (1/2)

RESILIENT CONTRACT TYPES

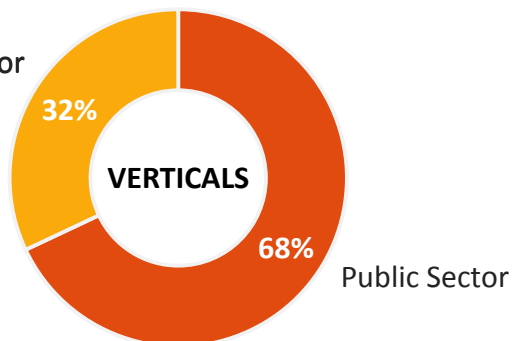
UK revenue = 26% of Group revenue*

Cyclical
contracts



- **78% of UK revenue is resilient**
 - Business Process Outsourcing, Infrastructure Management, Application Maintenance
 - Multi-year contracts (3-10 years)

Private Sector



- **68% of UK revenue is Public Sector**
 - 50% of public sector revenue is from joint ventures with the UK government for long-term transformation projects
 - Sopra Steria's JV partners: *Cabinet Office* and *National Health Service*

* Excluding Solutions revenue



UNITED KINGDOM (2/2)

BUSINESS STABLE OVERALL

United Kingdom	H1 2016		H1 2015	
	(€m)	(% of Rev.)	(€m)	(% of Rev.)
Revenue	483.4		518.3	
Organic growth (%)*	- 0.9%			
Operating profit on business activity	35.4	7.3%	33.3	6.4%
Profit from recurring operations	29.3	6.1%	26.9	5.2%
Operating profit	29.2	6.0%	25.2	4.9%

* Growth at constant scope and exchange rates

- Public Sector growth of 0.8%
- Need to rebuild momentum in the private sector
- Increase in operating margin on business activity thanks to cost optimisation efforts: 7.3% vs. 6.4% in the 1st half of 2015



OTHER EUROPE

SIGNIFICANT IMPROVEMENT IN OPERATING MARGIN ON BUSINESS ACTIVITY

Other Europe	H1 2016		H1 2015	
	(€m)	(% of Rev.)	(€m)	(% of Rev.)
Revenue	355.6		346.3	
Organic growth (%)*	+ 5.7%			
Operating profit on business activity	15.8	4.4%	2.2	0.6%
Profit from recurring operations	13.9	3.9%	1.7	0.5%
Operating profit	11.1	3.1%	- 4.9	-1.4%

* Growth at constant scope and exchange rates

- Business growth in almost all countries
- Strong growth in Spain, Italy and Benelux
- Increase in profitability in most countries, especially Germany, which recorded an operating margin on business activity of 3.4%, vs. -4.5% in the 1st half of 2015



SOPRA BANKING SOFTWARE

GROWTH AND CONTINUING INVESTMENTS

	H1 2016		H1 2015	
	(€m)	(% of Rev.)	(€m)	(% of Rev.)
Sopra Banking Software				
Revenue	160.2		138.3	
Organic growth (%)*	+ 7.4%			
Operating profit on business activity	6.9	4.3%	9.9	7.2%
Profit from recurring operations	2.6	1.6%	7.2	5.2%
Operating profit	1.1	0.7%	7.2	5.2%

* Growth at constant scope and exchange rates

- First-half growth driven mainly by services
- “Platform” product
 - Delivery of account maintenance module for La Banque Postale
 - Breakthrough in payments market through strategic partnership with Société Générale and La Banque Postale on the Transactis platform
- “Amplitude” product
 - 6 new signings and 11 go-lives
- Significant R&D effort during the half-year as part of the 2017 roadmap



OTHER SOLUTIONS

IMPROVED OPERATING PERFORMANCE

Other Solutions	H1 2016		H1 2015	
	(€m)	(% of Rev.)	(€m)	(% of Rev.)
Revenue	100.7		99.0	
Organic growth (%)*	+ 1.7%			
Operating profit on business activity	9.3	9.2%	8.7	8.8%
Profit from recurring operations	8.7	8.6%	8.7	8.8%
Operating profit	8.1	8.0%	6.4	6.5%

* Growth at constant scope and exchange rates

- Slight organic growth due to timing of some signatures; better figures expected in the 2nd half of the year
- Expansion of offerings in property management and human resources
- Operating margin on business activity up 0.4 points from 1st half of 2015





FINANCIAL RESULTS FOR THE 1ST HALF OF 2016



Etienne du Vignaux – Chief Financial Officer



INCOME STATEMENT

FIRST-HALF 2016

	H1 2016 (€m)	H1 2016 (% of Rev.)	H1 2015 (€m)	H1 2015 (% of Rev.)
Revenue	1,878.8		1,768.1	
Organic growth*	5.4%			
Operating profit on business activity	134.2	7.1%	107.4	6.1%
Expenses related to stock options and related items	- 10.2		- 0.4	
Amortisation of allocated intangible assets	- 10.1		- 9.5	
Profit from recurring operations	114.0	6.1%	97.5	5.5%
Other operating income and expenses	- 10.7		- 31.4	
Operating profit	103.2	5.5%	66.1	3.7%
Cost of net financial debt	- 3.8		- 4.1	
Other financial income and expenses	- 4.6		- 7.7	
Tax expense	- 44.4		- 25.2	
Share of net profit from equity-accounted companies	3.8		0.2	
Net profit	54.2		29.3	
of which attributable to Group	54.0	2.9%	26.9	1.5%
of which minority interests	0.2		2.4	

* Growth at constant scope and exchange rates



OTHER OPERATING INCOME AND EXPENSES

FIRST-HALF 2016

	H1 2016 (€m)	H1 2015 (€m)
Costs related to business combination	- 1.0	- 0.9
Restructuring and reorganisation costs	- 7.9	- 30.4
Other	- 1.8	- 0.1
Other operating income and expenses	- 10.7	- 31.4



TAX EXPENSE

FIRST-HALF 2016

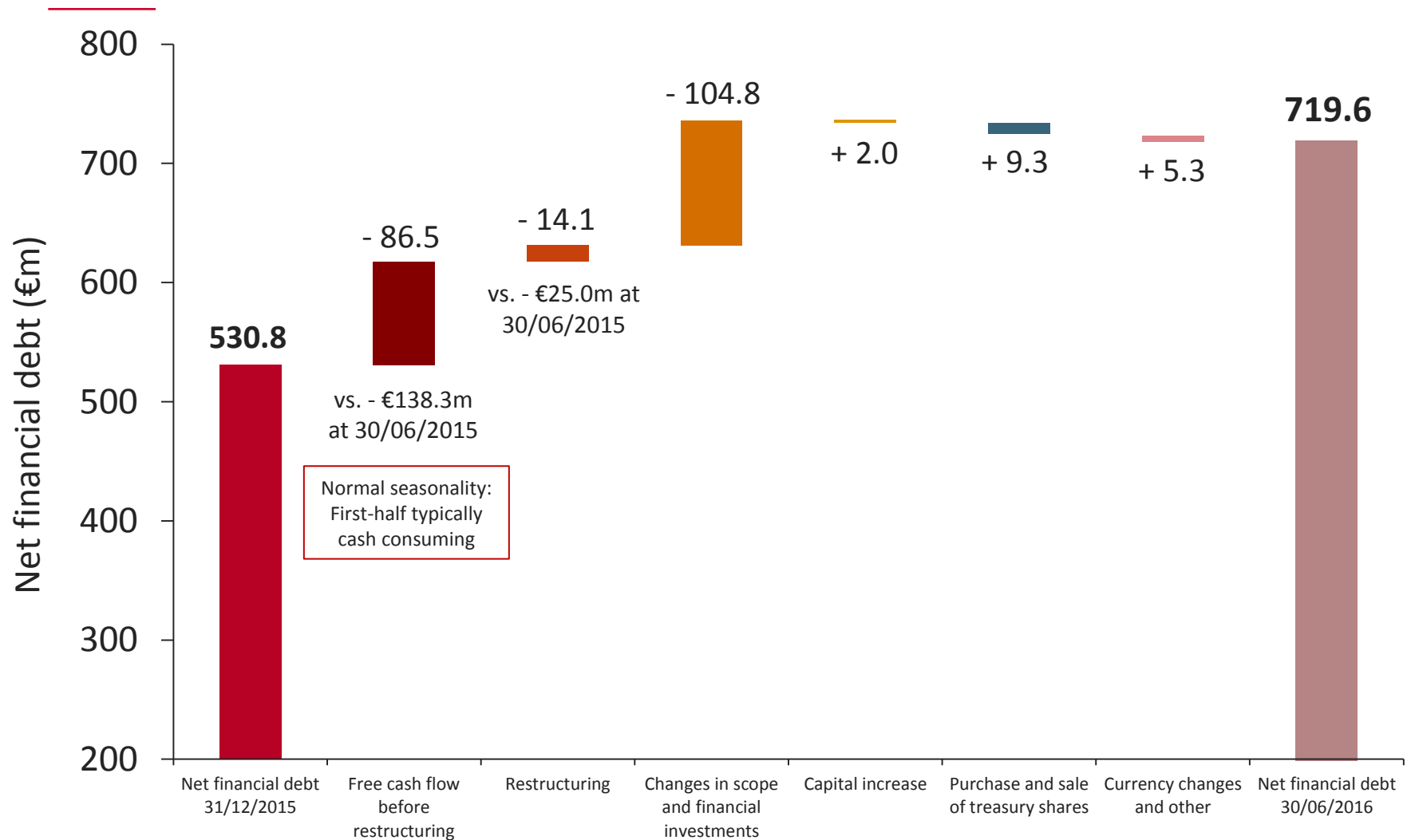
	H1 2016 (€m)	H1 2015 (€m)
Profit before tax and share from equity-accounted companies	94.8	54.3
Effective tax charge	44.4	25.2
Effective tax rate (%)	46.8%	46.4%

	H1 2016 (€m)	H1 2015 (€m)
Net deferred tax assets	152.3	146.5



CHANGE IN NET FINANCIAL DEBT FOR THE 1ST HALF-YEAR

IMPROVED FREE CASH FLOW



SOUND FINANCIAL POSITION AT 30/06/2016

DEBT COVENANTS AND LIQUIDITY

Net financial debt
at 30/06/2016:
€719.6m

EBITDA leverage:
2.2 (max. 3.0x)

Available undrawn amount:
€1.0bn
*i.e. 47% of authorised amount**

- Long terms to maturity
- Bond: 2019
 - Bank borrowing facilities: 2021 (extendable to 2023)

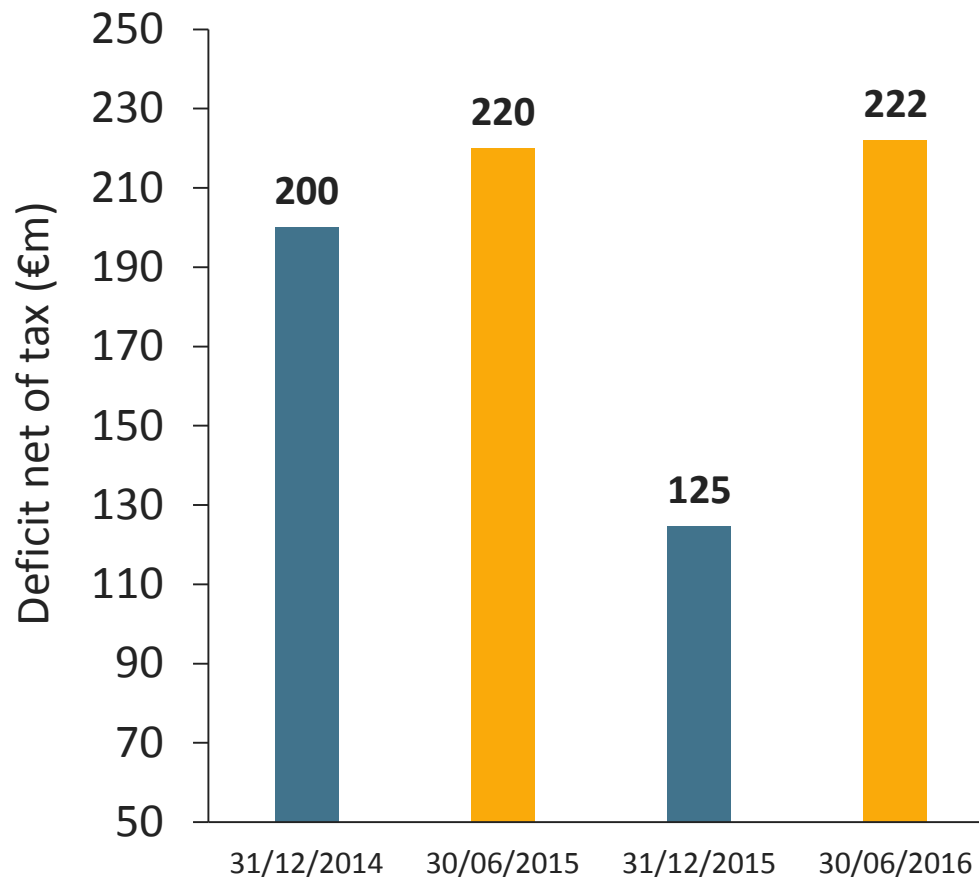
	30/06/2016 Amount used (€m)	30/06/2016 Amount authorised (€m)
Bond	180.0	180.0
Syndicated loan - Tranche A €	180.0	180.0
Syndicated loan - Tranche B £	87.1	87.1
Multi-currency revolving credit facility	-	900.0
Finance leases	13.9	13.9
Overdrafts and Other	103.1	200.1
Total	564.1	1,561.1
Commercial paper	323.7	
IFRS 3 impact - Bond	8.0	
Gross debt	895.8	
Cash and cash equivalents	176.3	
Net financial debt	719.6	

* Like-for-like with regard to commercial paper outstanding (€323.7m at 30 June 2016) and overdrafts



UK PENSION FUND DEFICIT NET OF TAX AT 30/06/2016

DEFICIT OF ABOUT €200M



- Deficit net of tax stable vs. 30/06/2015
- Increase in liabilities vs. 31/12/2015 due to reduced discount rate
- Annual additional cash contribution of £17m unchanged through June 2017





NEW DEVELOPMENTS IN THE 1ST HALF OF 2016



Vincent Paris – Chief Executive Officer



MAJOR CONTRACTS WON



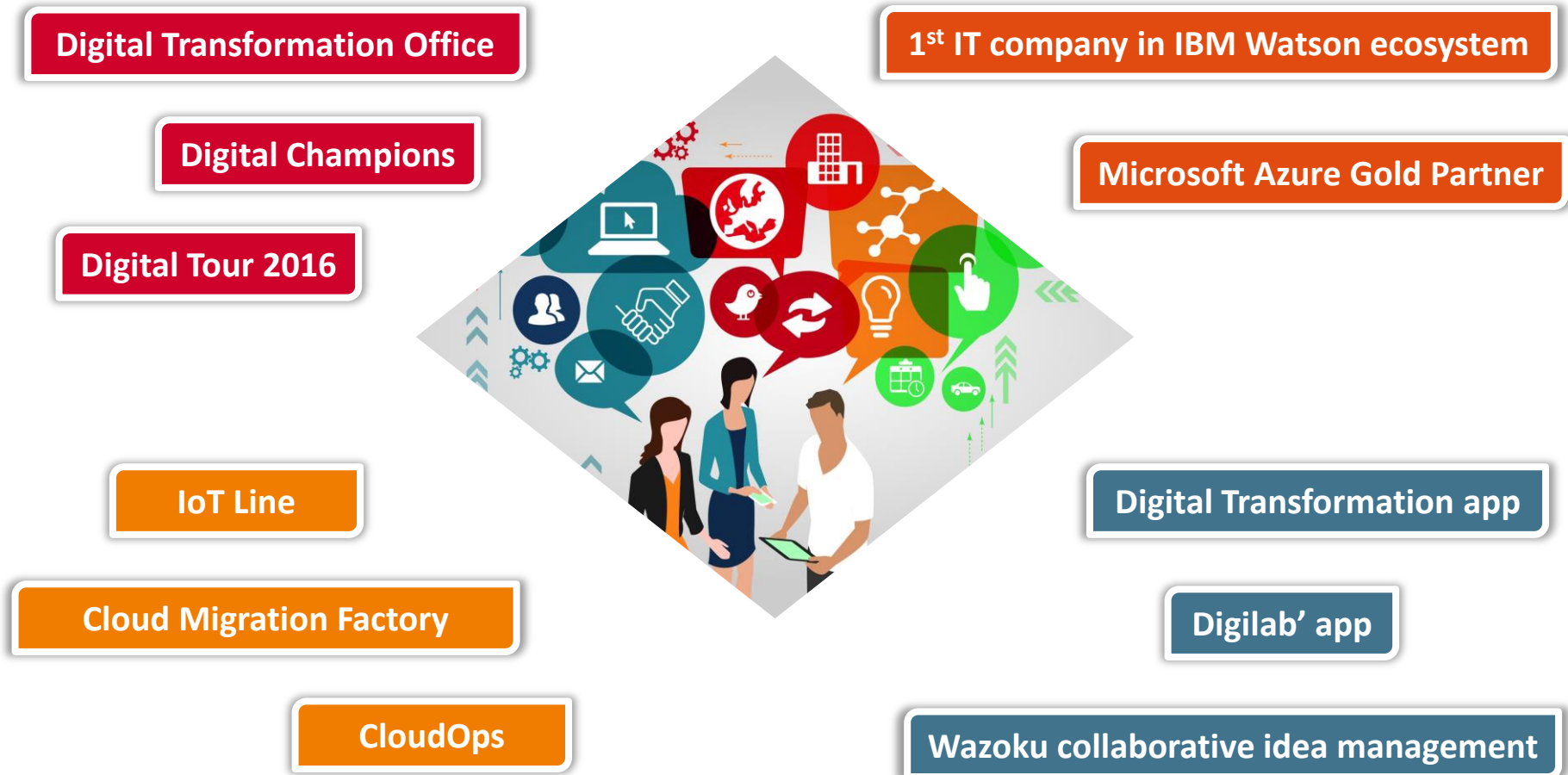
MINISTÈRE DE LA DÉFENSE



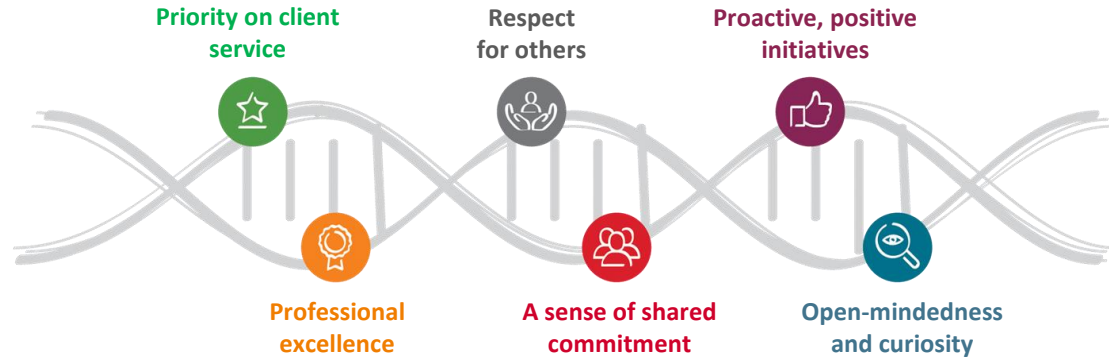
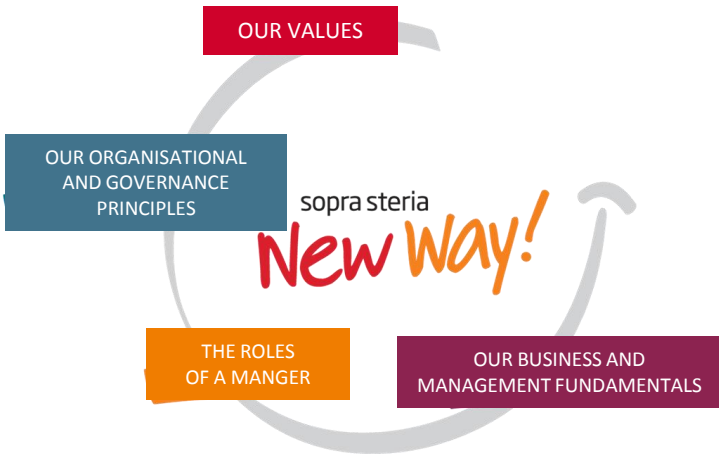
SOCIETE GENERALE



NUMEROUS DIGITAL INITIATIVES



A NEW AND IMPROVED CORPORATE PLAN



We Share
2016



- Establishment of an employee share ownership plan (employee investment + employer contribution)
 - Around 100,000 shares purchased + matching contribution of around 100,000 shares
 - Sopra Steria ranks 1st among French IT companies and in the top 5 of the SBF 120 in terms of equity sharing with employees
- Long-term incentives set up for top management

CONTINUING STRATEGIC DEVELOPMENT AS PREVIOUSLY LAID OUT



European leader in digital transformation



A POLICY OF TARGETED ACQUISITIONS



- **Leading developer** of specialised finance and property management software, ranked 16 among software developers in France (Truffle 100 – 2015)
- 300 clients in 40 countries
- 2015 revenue of about **€50m**
- Consolidated in Q2 2016



- An **innovative startup** developing **digital** solutions for property management and optimisation
- 45,000 active users
- 2015 revenue of about **€1m**
- Consolidated in Q2 2016



- **Consulting firm specialising** in industrial and logistics organisation
- **No. 2 among logistics consultants** in France
- 70 consultants
- 2015 revenue of about **€8m**
- Consolidated in Q3 2016





TARGETS FOR 2016 AND 2017



Vincent Paris – Chief Executive Officer



RECAP OF TARGETS FOR 2016

Organic revenue growth
of between **3% and 5%**

Operating margin on business activity
of more than **7.5%**

Strong increase
in free cash flow



RECAP OF TARGETS FOR 2017

Revenue of between
€3.8bn and €4.0bn

Operating margin on business activity
of between **8% and 9%**





QUESTIONS & ANSWERS





ANNEXES



SOPRA STERIA AT 30/06/2016

EUROPEAN LEADER IN DIGITAL TRANSFORMATION



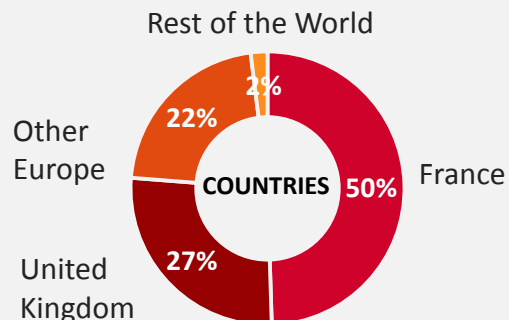
2015 revenue
of €3.6bn

More than 39,000
employees

Present in over 20
countries

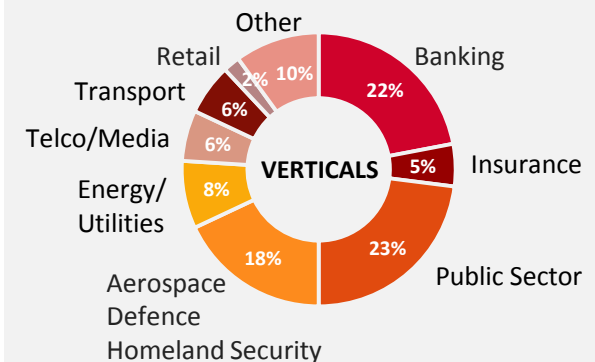
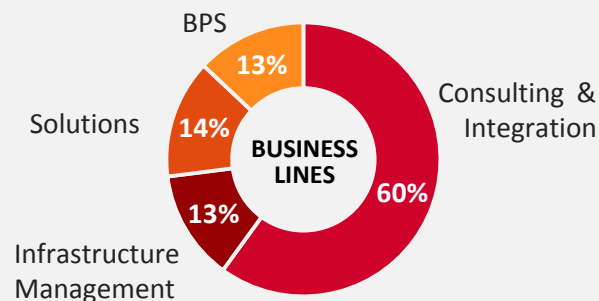
An end-to-end
offering

Top 5 European digital services companies



Top 10 operating in Europe

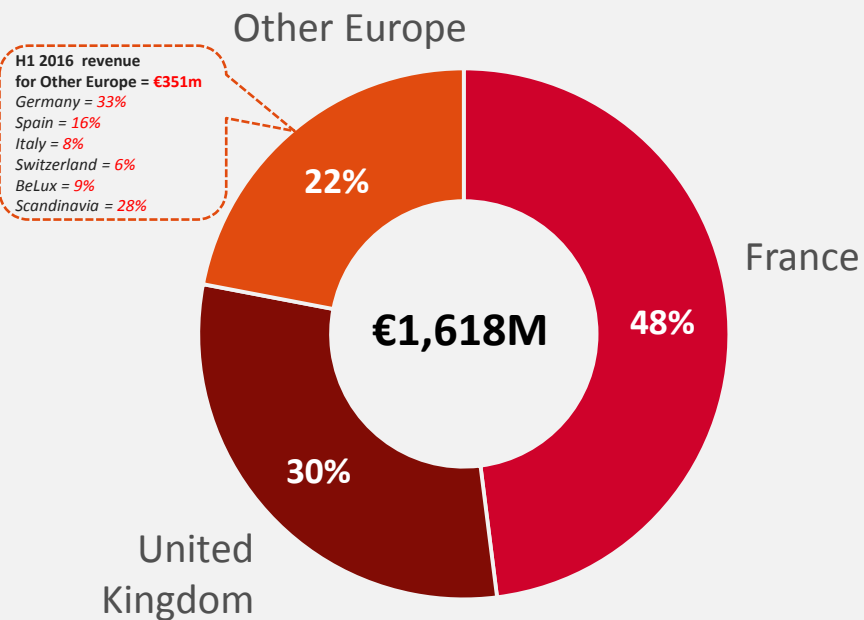
Revenue at 30/06/2016



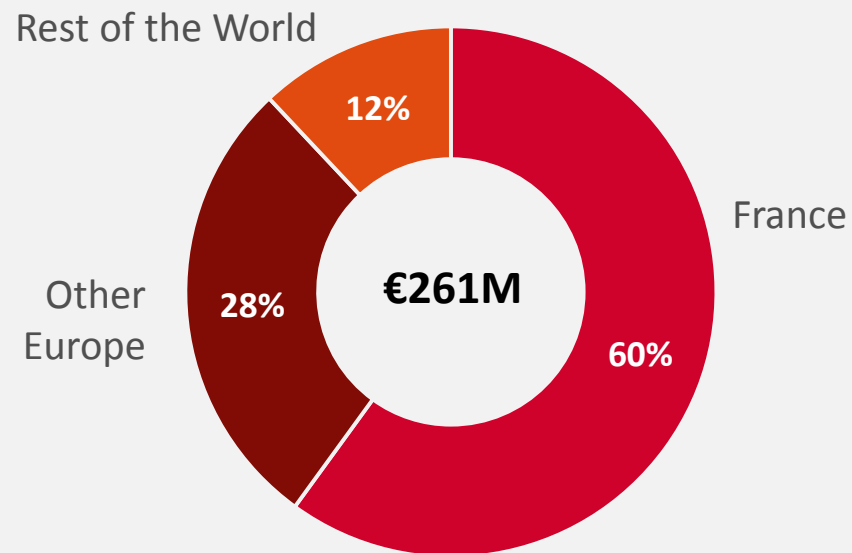
REVENUE BY COUNTRY

FOR THE PERIOD ENDED 30/06/2016

SERVICES REVENUE, PERIOD ENDED 30/06/2016



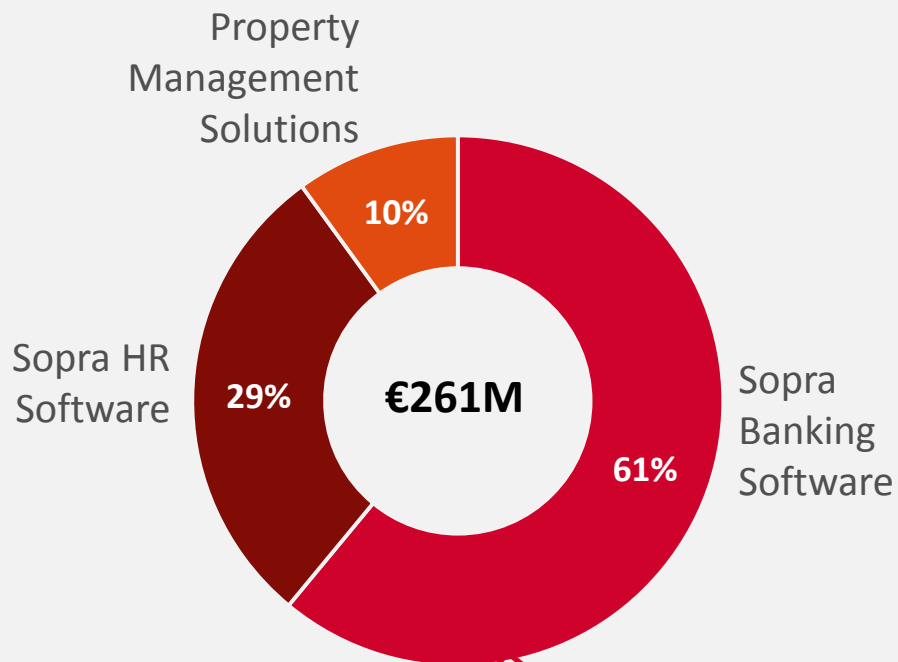
SOLUTIONS REVENUE, PERIOD ENDED 30/06/2016



SOLUTIONS REVENUE

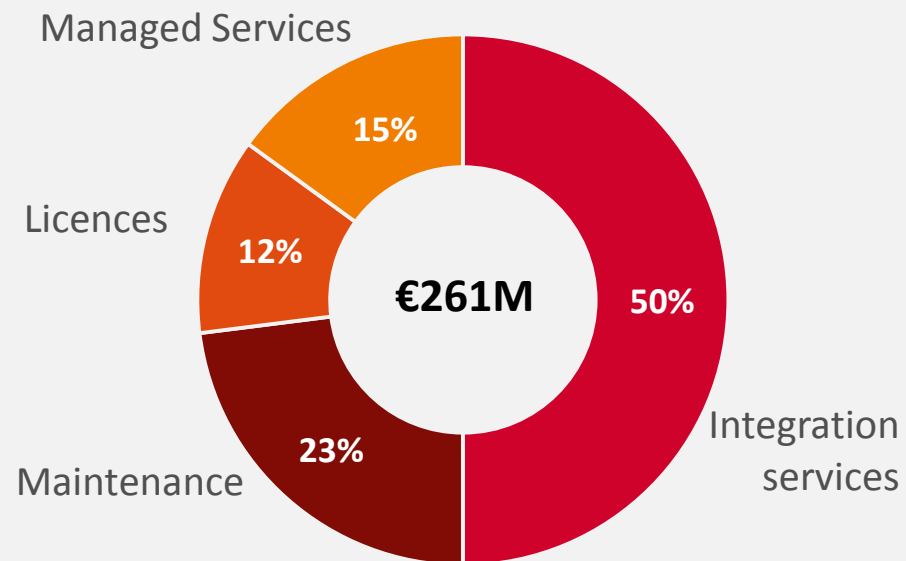
FOR THE PERIOD ENDED 30/06/2016

SOLUTIONS REVENUE BY PRODUCT



Sopra Banking Software H1 2016 rev = **€160m**
France = **€68m**
Outside France = **€92m**

SOLUTIONS REVENUE BY BUSINESS LINE



EARNINGS PER SHARE

FIRST-HALF 2016

	H1 2016 (€m)	H1 2015 (€m)
Net profit - attributable to Group (€m)	54.0	26.9
Weighted average number of shares in issue excluding treasury shares	20.01	19.73
Basic earnings per share (€)	2.70	1.36
Theoretical weighted average number of shares	20.06	19.80
Fully diluted earnings per share (€)	2.69	1.36



CHANGE IN NET FINANCIAL DEBT

FIRST-HALF 2016

	H1 2016 (€m)	H1 2015 (€m)
Net debt at beginning of period (A)	530.8	442.4
Cash flow from operations before cost of net financial debt and tax*	140.2	102.2
Tax paid	- 33.0	- 6.1
Change in operating working capital requirement	- 172.9	- 226.0
Net cash flow from operations	- 65.7	- 129.9
Change relating to investing activities	- 20.1	- 17.7
Net financial interest	- 4.0	- 5.3
Additional contributions related to defined-benefit pension plans	- 10.8	- 10.4
Free cash flow	- 100.6	- 163.3
Changes in scope	- 104.7	-
Financial investments	- 0.1	3.4
Dividends received from equity-accounted companies	0.2	-
Capital increases in cash	2.0	-
Purchase and sale of treasury shares	9.3	- 22.6
Other changes	- 0.1	0.3
Total net change for the period (B)	- 194.0	- 182.2
Changes in exchange rates (C)	5.2	6.5
Net debt at period-end (A-B-C)	719.6	618.1

* Including reorganisation and restructuring costs

€14.1m

€25.0m



SIMPLIFIED BALANCE SHEET

30/06/2016

	30/06/2016 (€m)	31/12/2015 (€m)
Goodwill	1,571.9	1,586.9
Allocated intangible assets	172.1	186.5
Other fixed assets	160.9	162.8
Equity-accounted investments	192.6	154.4
Fixed assets	2,097.5	2,090.7
Net deferred tax	152.3	127.0
Trade accounts receivable (net)	1,118.1	1,099.8
Other assets and liabilities	- 1,036.6	- 1,117.2
Working capital requirement (WCR)*	81.5	- 17.4
Assets + WCR	2,331.3	2,200.1
Equity	1,040.7	1,233.1
Provisions for post-employment benefits	447.6	309.4
Provisions for contingencies and losses	123.4	126.8
Net financial debt	719.6	530.8
Capital invested	2,331.3	2,200.1

* After reclassification of certain items in WCR as of 31/12/2015



CHANGE IN EXCHANGE RATES

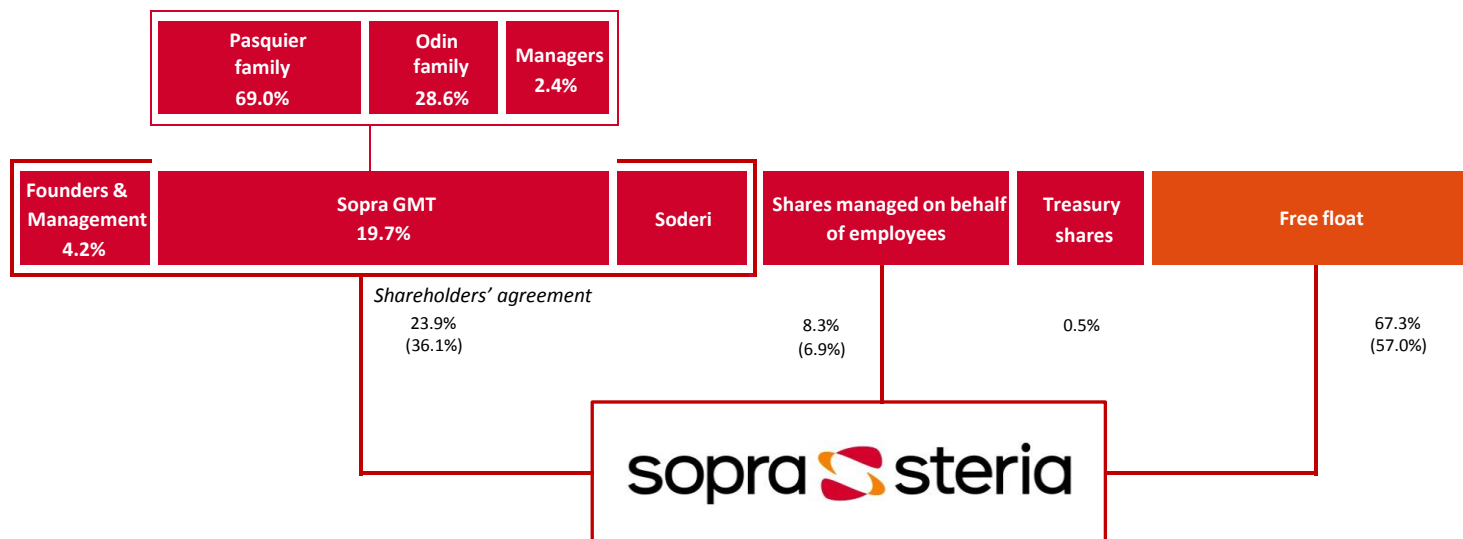
FIRST-HALF 2016

<i>For €1 / %</i>	Changes in exchange rates		
	Average rate H1 2016 (€m)	Average rate H1 2015 (€m)	Change (%)
Pound sterling	0.7788	0.7323	- 6.0%
Norwegian krone	9.4197	8.6483	- 8.2%
Swedish krona	9.3019	9.3401	+ 0.4%
Danish krone	7.4497	7.4562	+ 0.1%
Swiss franc	1.0960	1.0567	- 3.6%



SHARE OWNERSHIP STRUCTURE AT 30/06/2016

A STABLE SHAREHOLDER BASE FOR A SUCCESSFUL PROJECT



20,476,543 listed shares – 24,914,355 exercisable voting rights

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

