

PRESENTATION OF FIRST-HALF 2017 RESULTS

Paris, 28 July 2017

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AGENDA

- 1 Stepping up our Digital and Cloud growth strategy
- 2 Operating position at 30 June 2017
- 3 Financial results for the 1st half of 2017
- 4 2017 targets
- 5 Question & answer session
- 6 Appendices





STEPPING UP OUR DIGITAL AND CLOUD GROWTH STRATEGY



Vincent Paris – Chief Executive Officer





HIGHLIGHTS OF THE FIRST HALF OF 2017



Performance in line with full-year targets



Strong recovery in lower-margin businesses



Dynamic sales momentum



Investing in our offerings



Proactive, targeted external growth policy



Amplification of interactions with the ecosystem



DYNAMIC SALES MOMENTUM

DRIVEN BY DIGITAL TRANSFORMATION



Volkswagen
Financial Services



Statens vegvesen

AIRBUS



Bankia



British
Bank



THALES



INVESTING IN OUR OFFERINGS

TO DRIVE OUR CLIENTS' DIGITAL TRANSFORMATION

Digital services platform dedicated to data management in property management

AMPLITUDE ^{up}

La Foncière Numérique

New version of the integrated Core Banking solution

Digital eXperience Platform

Digital platform enabling financial stakeholders to develop new customer services and fulfil open banking requirements (such as PSD2)

RPA and Artificial Intelligence

Application Management

sopra ^Ssteria
CONSULTING

Rollout in Europe

Internal social coding platform

Inner Source

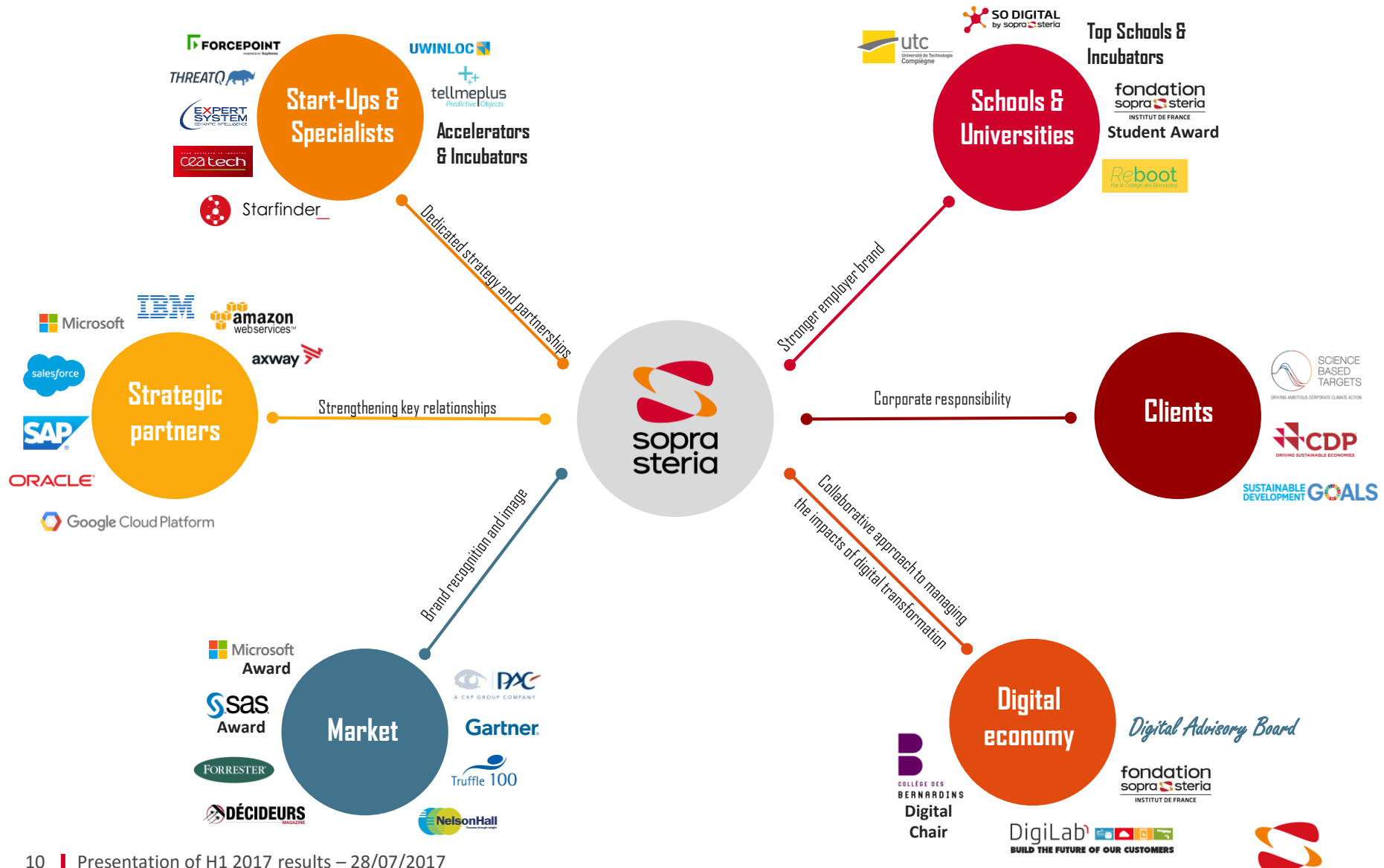


PROACTIVE, TARGETED EXTERNAL GROWTH POLICY

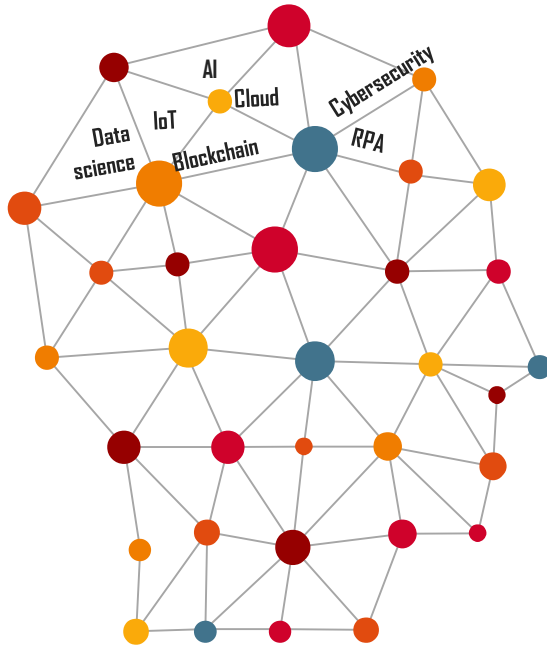
SOFTWARE – CONSULTING – FINANCE – DIGITAL



AMPLIFICATION OF INTERACTIONS WITH THE ECOSYSTEM ACROSS THE VARIOUS ASPECTS OF DIGITAL



OUR DIGITAL VISION REQUIRES A DIGITAL *CONTINUUM*



**User- & data-centric
systems**



Data science & artificial intelligence
form the core of transformation



Legacy & digital
are intertwined and work hand in hand



Simplifying transformation
by pooling best practices



Speed up time to market
by capitalising on our IP platforms



Help our clients grow
by taking a vertical approach





H1 2017 OPERATING PERFORMANCE



Vincent Paris – Chief Executive Officer



KEY FIGURES

PERFORMANCE IN LINE WITH FULL-YEAR TARGETS

Revenue

€1,903.2m

organic growth of 2.6%*

Operating profit on business activity

€142.1m

*7.5% of revenue,
up 5.9% from 30/06/2016*

Net profit attributable to the Group

€66.0m

*3.5% of revenue
up 22.3% from 30/06/2016*

Net financial debt

€643.3m

*1.9x EBITDA
vs 2.2x at 30/06/2016*

** Alternative performance measures are defined on slide 44 of this presentation*



OPERATING PERFORMANCE BY REPORTING UNIT

STRONG RECOVERY IN LOWER-MARGIN BUSINESSES

	Revenue			Operating profit on business activity	
	H1 2017 (€m)	H1 2016 Restated* (€m)	Organic growth (%)	H1 2017 (% of Rev.)	H1 2016 (% of Rev.)
France	801.4	784.9	+ 2.1%	9.0%	8.6%
United Kingdom	413.0	438.2	- 5.7%	6.0%	7.3%
Other Europe	397.8	358.1	+ 11.1%	6.8%	4.4%
Sopra Banking Software	185.8	172.0	+ 8.0%	3.4%	4.3%
Other Solutions	105.1	101.5	+ 3.5%	11.2%	9.2%
Total	1,903.2	1,854.8	+ 2.6%	7.5%	7.1%

* Revenue at 2017 scope and exchange rates



FRANCE: CONSULTING & SYSTEMS INTEGRATION

SOLID OPERATING PERFORMANCE

France:

Consulting & Systems Integration (C&SI)

	H1 2017		H1 2016	
	(€m)	(% of Rev.)	(€m)	(% of Rev.)
Revenue	701.4		677.6	
Organic growth (%)	+ 2.6%			
Operating profit on business activity	69.1	9.8%	66.3	9.8%
Profit from recurring operations	58.4	8.3%	59.5	8.8%
Operating profit	56.7	8.1%	57.0	8.4%

- Unfavourable calendar effect in the 2nd quarter (3 fewer days)
- Very good sales performance
 - Consulting up 7.6%
- Growth expected to pick up in the 2nd half of the year



FRANCE: INFRASTRUCTURE AND SECURITY SERVICES (I2S)

SUCCESSFUL REPOSITIONING

France:

Infrastructure and Security Services (I2S)

	H1 2017		H1 2016	
	(€m)	(% of Rev.)	(€m)	(% of Rev.)
Revenue	100.0		101.2	
<i>Organic growth (%)</i>	- 1.3%			
Operating profit on business activity	3.1	3.1%	0.5	0.5%
Profit from recurring operations	2.3	2.3%	0.0	0.0%
Operating profit	- 0.2	-0.2%	- 2.4	-2.4%

- Successful strategic repositioning toward higher added-value services
- Clear improvement in operating profit on business activity
Full-year target (5%) confirmed
- Robust organic growth in cybersecurity business (up 24.6%)



UNITED KINGDOM

TRANSFORMATION INITIATED

United Kingdom	H1 2017		H1 2016	
	(€m)	(% of Rev.)	(€m)	(% of Rev.)
Revenue	413.0		483.4	
Organic growth (%)	- 5.7%			
Operating profit on business activity	24.6	6.0%	35.4	7.3%
Profit from recurring operations	18.3	4.4%	29.3	6.1%
Operating profit	18.4	4.5%	29.2	6.0%

- Impact of the SSCL transition phase and the delay in the latest migration
- In-depth transformation
 - Consulting
 - Digital
 - Human Resources



OTHER EUROPE

RECOVERY IN LINE WITH TARGETS

Other Europe	H1 2017		H1 2016	
	(€m)	(% of Rev.)	(€m)	(% of Rev.)
Revenue	397.8		355.6	
Organic growth (%)	+ 11.1%			
Operating profit on business activity	27.2	6.8%	15.8	4.4%
Profit from recurring operations	24.5	6.1%	13.9	3.9%
Operating profit	20.1	5.1%	11.1	3.1%

- Successful recovery of business in Germany
(Organic growth 12.7%; operating profit on business activity > 8%)
- Strong growth momentum across all countries in the reporting unit, coupled with a clear improvement in profitability



SOPRA BANKING SOFTWARE

CONTINUED GROWTH AND INVESTMENT IN OFFERINGS

Sopra Banking Software	H1 2017		H1 2016	
	(€m)	(% of Rev.)	(€m)	(% of Rev.)
Revenue	185.8		160.2	
Organic growth (%)	+ 8.0%			
Operating profit on business activity	6.3	3.4%	6.9	4.3%
Profit from recurring operations	0.3	0.1%	2.6	1.6%
Operating profit	- 1.3	-0.7%	1.1	0.7%

- Dynamic market
- Strong organic growth driven by services and Cassiopae
- Investment in offerings:
 - Amplitude Up
 - Digital eXperience Platform
 - Sopra Banking Platform in line with the product roadmap



OTHER SOLUTIONS

GOOD SALES AND OPERATING PERFORMANCE

Other Solutions	H1 2017		H1 2016	
	(€m)	(% of Rev.)	(€m)	(% of Rev.)
Revenue	105.1		100.7	
<i>Organic growth (%)</i>	+ 3.5%			
Operating profit on business activity	11.7	11.2%	9.3	9.2%
Profit from recurring operations	10.4	9.9%	8.7	8.6%
Operating profit	9.0	8.6%	8.1	8.0%

- Good sales performance
- Profitability up
- Higher-value offerings:
 - Talent management
 - La FoncièreNumérique®





FINANCIAL RESULTS FOR THE 1ST HALF OF 2017



Etienne du Vignaux – Chief Financial Officer



INCOME STATEMENT

FIRST-HALF 2017

	H1 2017 (€m)	H1 2017 (% of Rev.)	H1 2016 (€m)	H1 2016 (% of Rev.)
Revenue	1,903.2		1,878.8	
Organic growth	2.6%			
Operating profit on business activity	142.1	7.5%	134.2	7.1%
Expenses related to stock options and related items	- 17.0		- 10.2	
Amortisation of allocated intangible assets	- 10.9		- 10.1	
Profit from recurring operations	114.2	6.0%	114.0	6.1%
Other operating income and expenses	- 11.4		- 10.7	
Operating profit	102.7	5.4%	103.2	5.5%
Cost of net financial debt	- 3.5		- 3.8	
Other financial income and expenses	- 2.5		- 4.6	
Tax expense	- 30.8		- 44.4	
Share of net profit from equity-accounted companies	1.0		3.8	
Net profit	66.9		54.2	
of which attributable to Group	66.0	3.5%	54.0	2.9%
of which minority interests	0.9		0.2	



OTHER OPERATING INCOME AND EXPENSES

FIRST-HALF 2017

	H1 2017 (€m)	H1 2016 (€m)
Costs related to business combination	- 0.4	- 1.0
Restructuring and reorganisation costs	- 10.1	- 7.9
Other	- 0.9	- 1.8
Other operating income and expenses	- 11.4	- 10.7



TAX

FIRST-HALF 2017

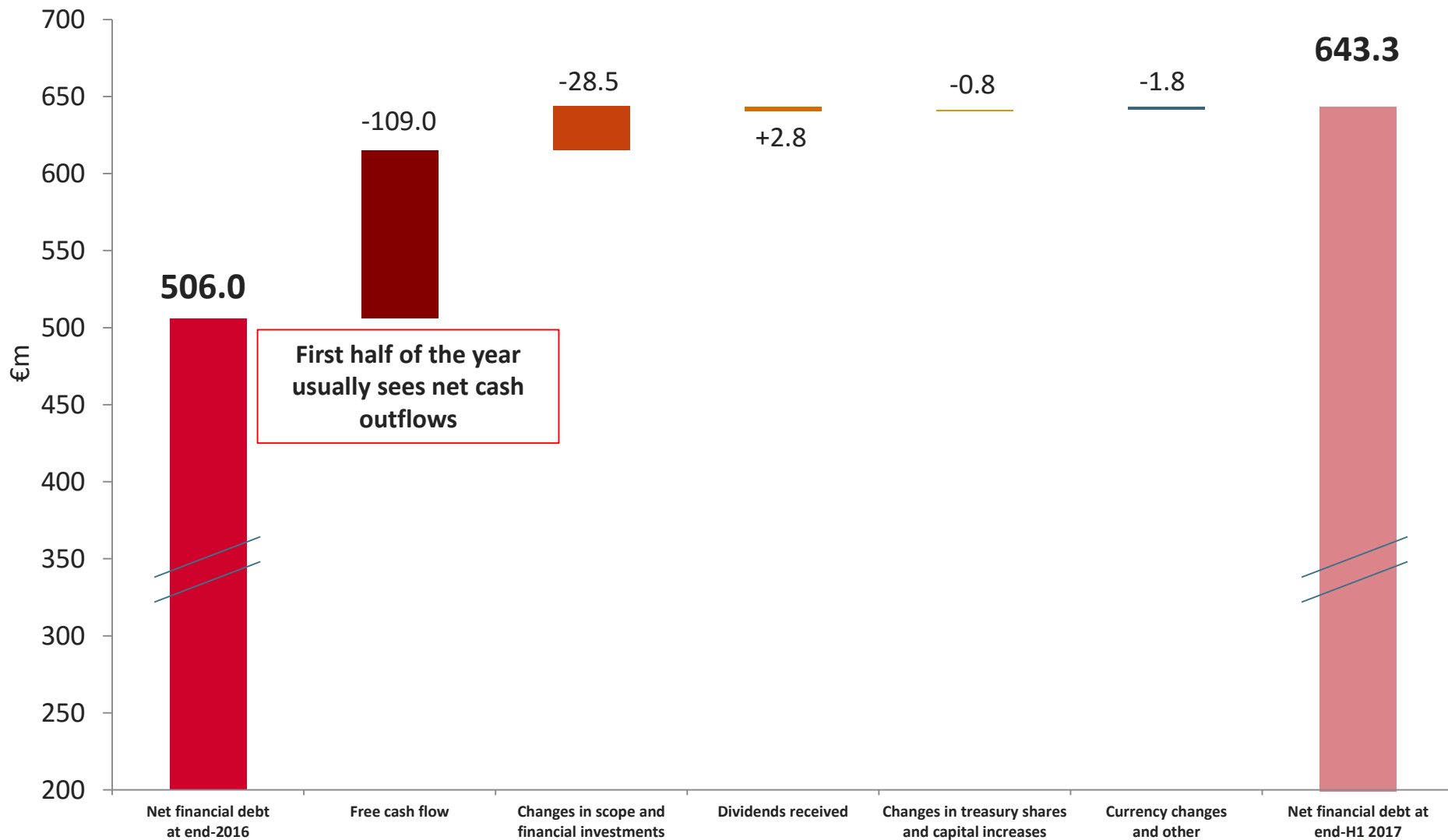
	H1 2017 (€m)	H1 2016 (€m)
Profit before tax and share from equity-accounted companies	96.7	94.8
Effective tax charge	30.8	44.4
Effective tax rate (%)	31.8%	46.8%

	H1 2017 (€m)	H1 2016 (€m)
Net deferred tax assets	121.0	152.3



CHANGE IN NET FINANCIAL DEBT

FREE CASH FLOW USUALLY NEGATIVE IN THE FIRST HALF OF THE YEAR



SOUND FINANCIAL POSITION AT 30/06/2017

DEBT COVENANTS AND LIQUIDITY

Net financial debt
at 30/06/2017:
€643.3m

EBITDA leverage:
1.92x (max. 3.0x)

Available undrawn amount:
€1.1bn
= 55% of authorised amount*

- Long terms to maturity
- Bond: 2019
 - Bank borrowing facilities: 2022 (extension possible to 2023)

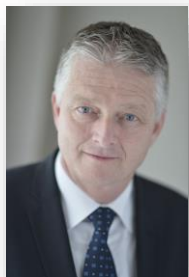
	30/06/2017 Amount used (€m)	30/06/2017 Amount authorised (€m)
Bond	180.0	180.0
Syndicated loan – Tranche A €	160.0	160.0
Syndicated loan – Tranche B £	72.8	72.8
Multi-currency revolving credit facility	-	900.0
Finance leases	14.1	14.1
Overdrafts and Other	33.7	196.7
Total	460.7	1,523.6
Commercial paper	399.2	
IFRS 3 impact – Bond	5.7	
Gross debt	865.5	
Cash and cash equivalents	222.2	
Net financial debt	643.3	

* Assuming a constant amount of commercial paper (€399.2m at 30 June 2017) and overdrafts





2017 OUTLOOK AND TARGETS



Vincent Paris – Chief Executive Officer



RECAP OF PRIORITIES FOR 2017



PERFORMANCE

Continue to improve performance



ACQUISITIONS

Proactive policy of targeted acquisitions



ADDED VALUE

Shift business mix with goal of Consulting and Solutions accounting for 15% and 20% respectively by 2020



TRANSFORMATION

Continue to adapt our model to respond to all the challenges posed by digital transformation:

- Agile and collaborative working methods
- Artificial intelligence and RPA (Robotics Process Automation)
- Human resources



RECAP OF BUDGETARY ASSUMPTIONS FOR 2017

- Adverse calendar effect of 2 to 3 days in a number of European countries
- Adverse GBP/EUR currency translation effect, essentially in the first half of the year (based on the current exchange rate)
- Transitional year for SSCL
- Organic revenue growth higher in H2 than in H1
- Investments made in transforming our offerings and in human resources



CONFIRMATION OF 2017 TARGETS

Organic revenue growth between 2% and 3%

Operating margin on business activity of around 8.5%

Free cash flow > €150m





QUESTIONS & ANSWERS





APPENDICES



SOPRA STERIA AT 30/06/2017

A EUROPEAN LEADER IN DIGITAL TRANSFORMATION



Top 5 European digital services companies

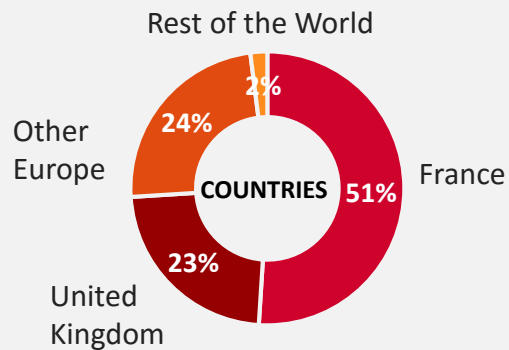
Top 10 operating in Europe

2016 revenue of €3.7bn

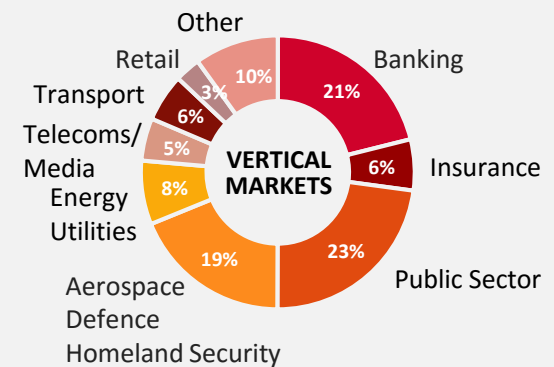
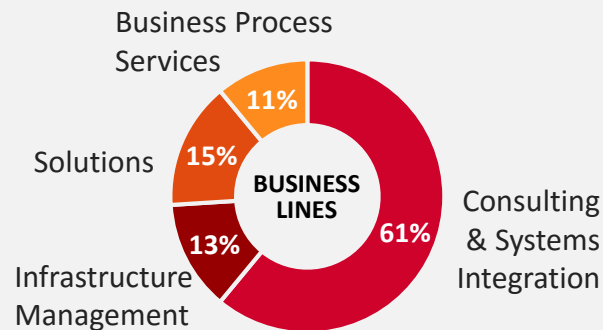
40,000+
employees

A presence in
over 20 countries

End-to-end
offering



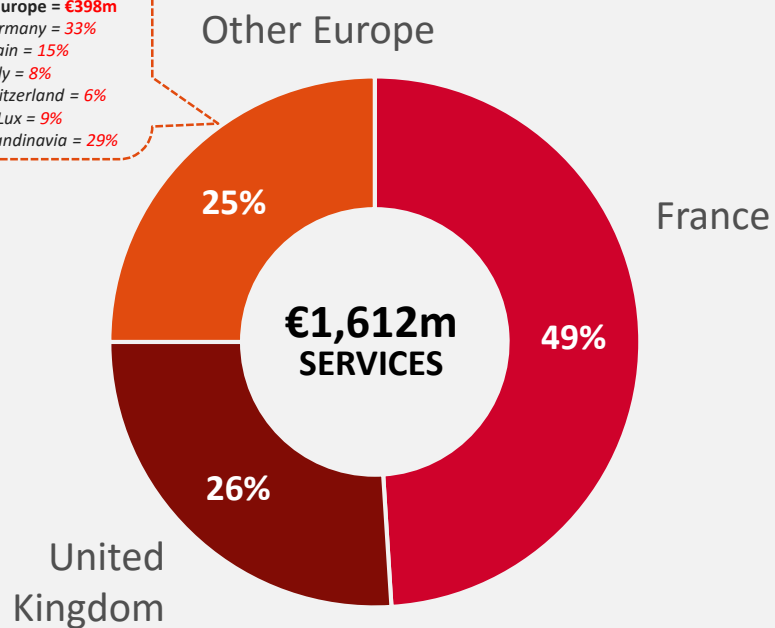
Revenue to 30/06/2017



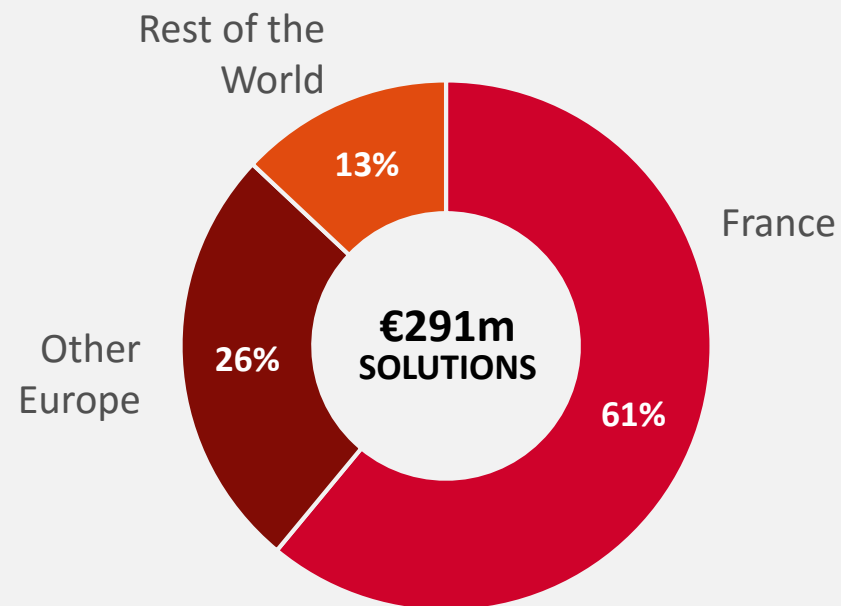
REVENUE BY COUNTRY FOR THE PERIOD ENDED 30/06/2017

SERVICES REVENUE TO 30/06/2017

H1 2017 revenue
Other Europe = €398m
o/w Germany = 33%
o/w Spain = 15%
o/w Italy = 8%
o/w Switzerland = 6%
o/w BeLux = 9%
o/w Scandinavia = 29%



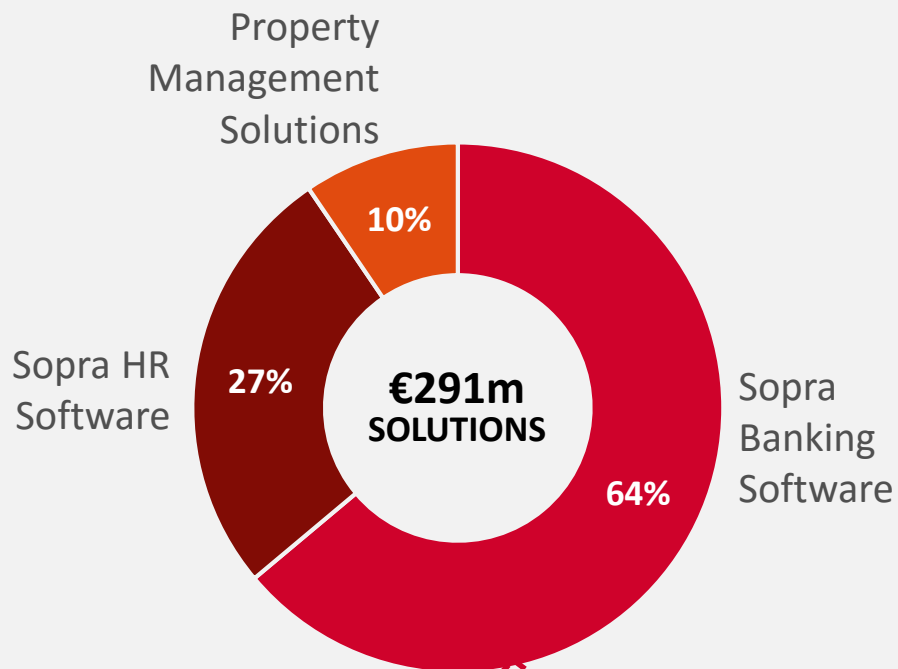
SOLUTIONS REVENUE TO 30/06/2017



SOLUTIONS REVENUE

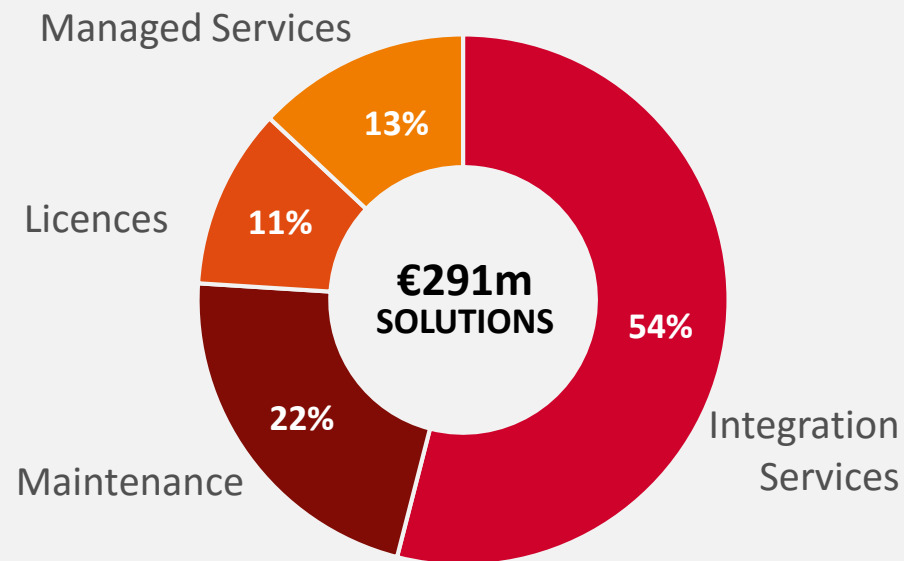
FOR THE PERIOD ENDED 30/06/2017

SOLUTIONS REVENUE BY PRODUCT



Sopra Banking Software H1 2017 revenue = **€186m**
o/w France = **€86m**
o/w outside France = **€100m**

SOLUTIONS REVENUE BY BUSINESS LINE



CHANGES IN EXCHANGE RATES

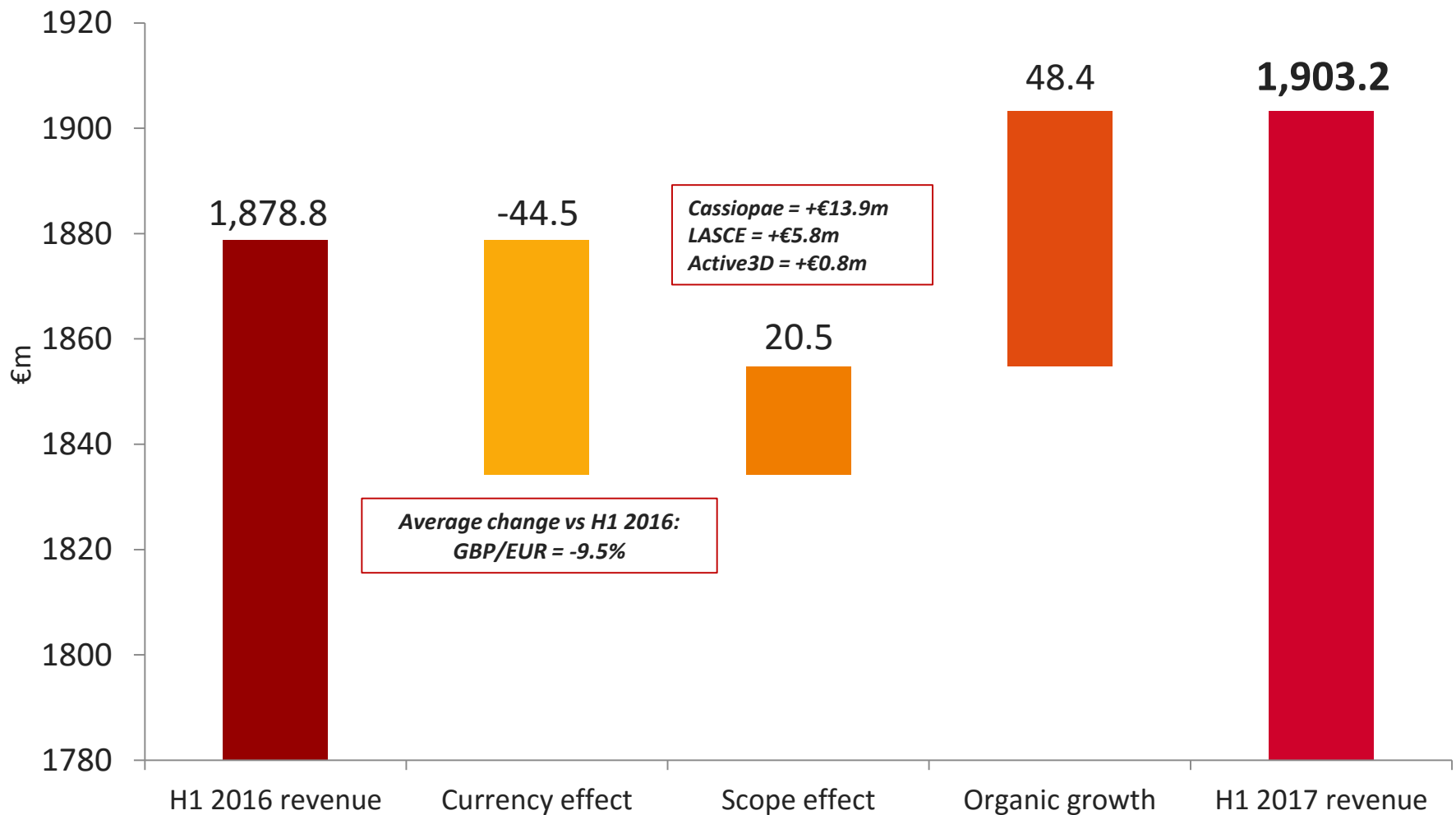
FIRST-HALF 2017

<i>For €1 / %</i>	Changes in exchange rates		
	Average rate H1 2017	Average rate H1 2016	Change (%)
Pound sterling	0.8606	0.7788	- 9.5%
Norwegian krone	9.1785	9.4197	+ 2.6%
Swedish krona	9.5968	9.3019	- 3.1%
Danish krone	7.4368	7.4497	+ 0.2%
Swiss franc	1.0766	1.0960	+ 1.8%



CHANGE IN REVENUE IN THE 1ST HALF OF 2017

GROWTH AT CONSTANT EXCHANGE RATES: 3.8%



EARNINGS PER SHARE

FIRST-HALF 2017

	H1 2017 (€m)	H1 2016 (€m)
Net profit attributable to the Group (€m)	66.0	54.0
Weighted average number of shares in issue excluding treasury shares	20.20	20.01
Basic earnings per share (€)	3.27	2.70
Basic recurring earnings per share (€)	3.65	3.07
Theoretical weighted average number of shares	20.25	20.05
Diluted earnings per share (€)	3.26	2.69
Diluted recurring earnings per share (€)	3.64	3.06



BREAKDOWN OF CHANGE IN NET FINANCIAL DEBT

FIRST-HALF 2017

	H1 2017 (€m)	H1 2016 (€m)
Operating profit on business activity	142.1	134.2
Depreciation, amortisation and provisions (excluding allocated intangible assets)	4.0	20.2
EBITDA	146.1	154.4
Non-cash items	- 1.4	- 0.2
Tax paid	- 23.7	- 33.0
Change in operating working capital requirement	- 184.0	- 172.9
Reorganisation and restructuring costs	- 12.6	- 14.1
Net cash flow from operating activities	- 75.7	- 65.7
Change relating to investing activities	- 20.8	- 20.1
Net financial interest	- 3.7	- 4.0
Additional contributions related to defined-benefit pension plans	- 8.8	- 10.8
Free cash flow	- 109.0	- 100.6
Impact of changes in scope	- 26.6	- 104.7
Financial investments	- 1.9	- 0.1
Dividends paid	0.0	0.0
Dividends received from equity-accounted companies	2.8	0.2
Capital increases in cash	0.2	2.0
Purchase and sale of treasury shares	- 1.0	9.3
Impact of changes in foreign exchange rates	- 1.8	5.2
Other changes	- 0.0	0.0
Change in net financial debt	- 137.3	- 188.8
Net financial debt at beginning of period	506.0	530.8
Net financial debt at end of period	643.3	719.6



SIMPLIFIED BALANCE SHEET

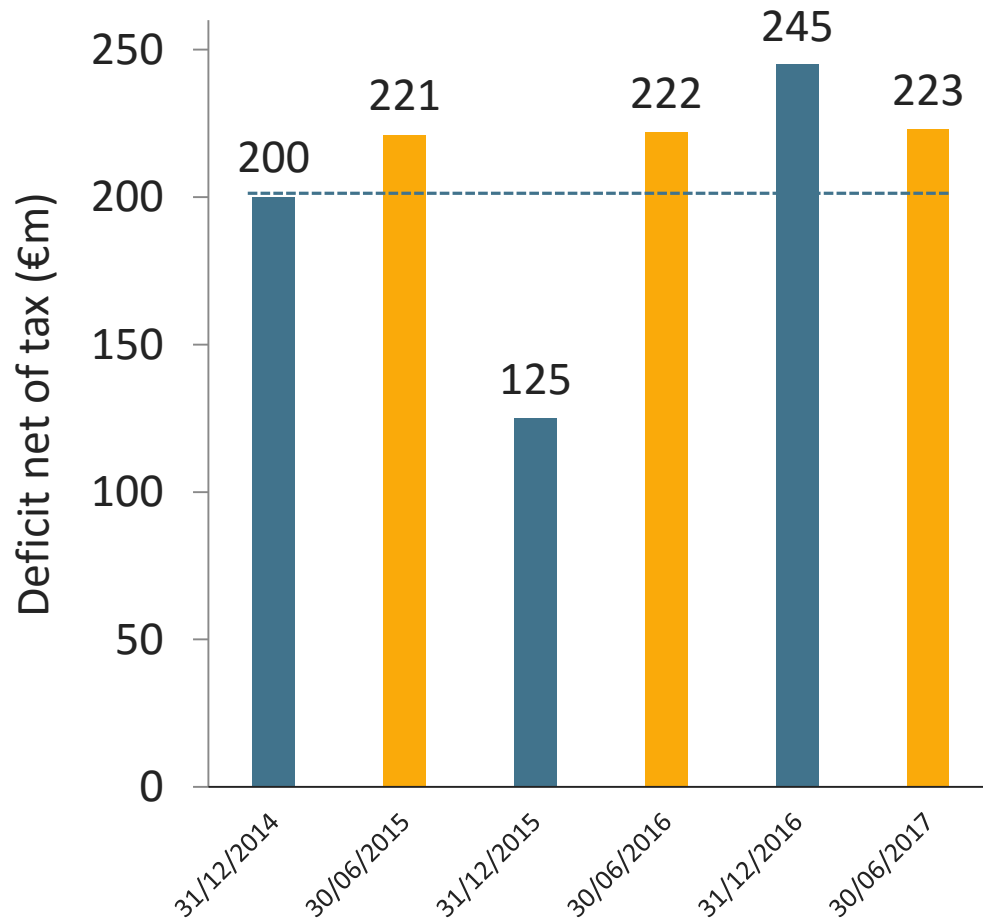
30/06/2017

	30/06/2017 (€m)	31/12/2016 (€m)
Goodwill	1,536.7	1,557.0
Allocated intangible assets	166.1	179.7
Other fixed assets	167.2	160.8
Equity-accounted investments	194.2	202.3
Fixed assets	2,064.3	2,099.8
Net deferred tax	121.0	128.9
Trade accounts receivable (net)	1,191.1	1,132.7
Other assets and liabilities	- 1,090.5	- 1,171.5
Working capital requirement (WCR)	100.6	- 38.7
Assets + WCR	2,285.8	2,190.0
Equity	1,117.0	1,103.1
Provisions for post-employment benefits	433.2	464.5
Provisions for contingencies and losses	92.3	116.4
Net financial debt	643.3	506.0
Capital invested	2,285.8	2,190.0



UK PENSION FUND DEFICIT NET OF TAX AT 30/06/2017

AVERAGE NET DEFICIT AROUND €200M SINCE END-2014



- Deficit net of tax down 9% vs 31/12/2016
- Commitments stable since 31/12/16; increase in local currency-denominated assets
- Annual additional cash contribution of £20m unchanged until August 2020



GLOBAL WORKFORCE

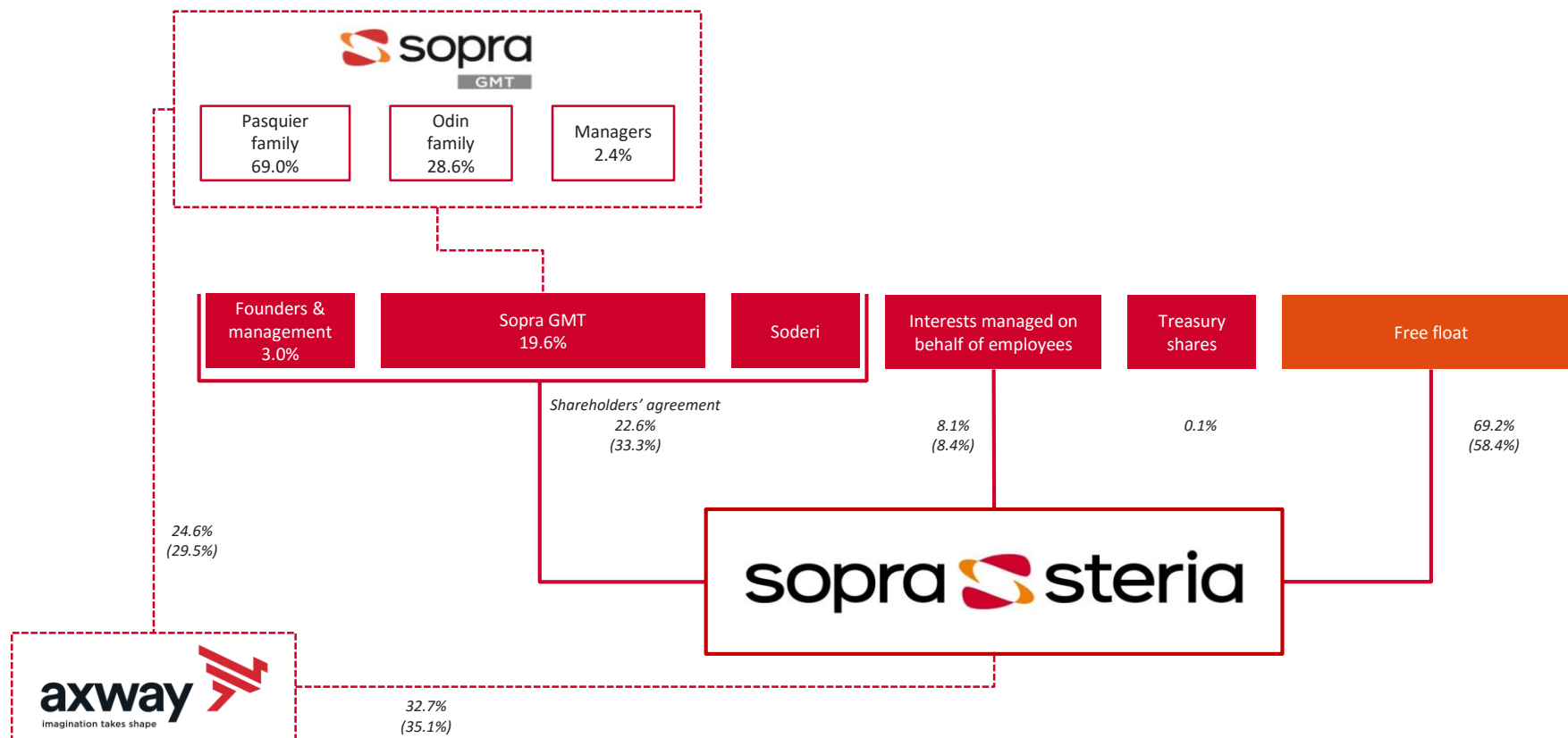
FIRST-HALF 2017

	30/06/2017	31/12/2016
France	18,629	18,227
United Kingdom	6,320	6,508
Other Europe	7,961	7,844
Rest of the World	253	231
X-Shore	7,268	7,003
Total	40,431	39,813



OWNERSHIP AT 30/06/2017

KEY SHAREHOLDERS BACKING THE CORPORATE PROJECT



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

20,536,795 listed shares
26,699,593 exercisable 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 the restated revenue for the same period in the prior financial year.
- **EBITDA**: 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.
- **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.
- **Free cash flow**: 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.

