

2015 ANNUAL RESULTS PRESENTATION

Paris, 29 February 2016

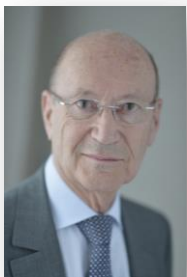
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INTRODUCTION



Pierre PASQUIER – Chairman



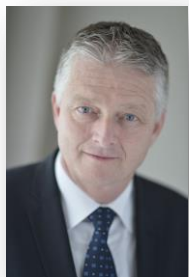
AGENDA

- 1 | Key events of financial year 2015
- 2 | Financial results for financial year 2015
- 3 | Market, strategy & targets
- 4 | Question & answer session
- 5 | Annexes





KEY EVENTS OF FINANCIAL YEAR 2015



Vincent PARIS – Chief Executive Officer



KEY FIGURES FOR 2015 (1/2)

TARGETS FOR 2015 EXCEEDED

Revenue

€3,584.4m

i.e. organic growth of 2.0%*
Initial annual target: "Growth of around 2%"

Operating profit on business activity

€245.5m

i.e. 6.8% of revenue
Annual target revised up: "Operating margin of around 6.5%"

2015 cost synergies related to the Sopra Steria merger

€45.0m

ahead of initial planning
Confirmation of a cumulative target amount of €62m

Net profit attributable to the Group

€84.4m

i.e. 2.4% of revenue
Initial annual target: "Net margin of around 2%"

* At constant scope and exchange rates



KEY FIGURES FOR 2015 (2/2)

TARGETS FOR 2015 EXCEEDED

Change in WCR

-€81.9m

Estimate in H1 2015 publication: “-€150m over the year”

Free cash flow

€49.3m

Initial annual target: “Free cash flow = 0”

Net financial debt

€530.8m

*i.e. 1.76x EBITDA
i.e. 43% of equity*

UK pension fund deficit net of tax

€124.5m

i.e. a €75.5m reduction compared to 31/12/2014



2015 OVERVIEW OF THE SOPRA STERIA MERGER

SUCCESSFUL INTEGRATION

Clients

- Wider eligibility
- Revenue generated with major strategic clients up 7%
- Consulting and Systems Integration in France
 - Organic growth of 3.5%
 - Of which +13% for Consulting business

Employees

- Headcount relatively stable
 - Low staff turnover*
 - Group: 16%
 - France: 13%
- Launch of a new enterprise project along with an associated training plan

Shareholders

- Dividend policy maintained throughout the integration period
- Good share performance in 2015

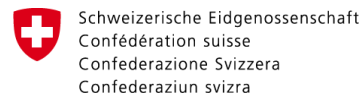
Operational synergies related to the merger

- €45m in savings generated in 2015
→ *Initial target for the 2015 financial year: €35m*
- €46m in implementation costs recorded in 2015
→ *Initial target for the 2015 financial year: €45m*
- Confirmation of the target of €62m in synergies for €65m in total costs

* Including voluntary and involuntary departures

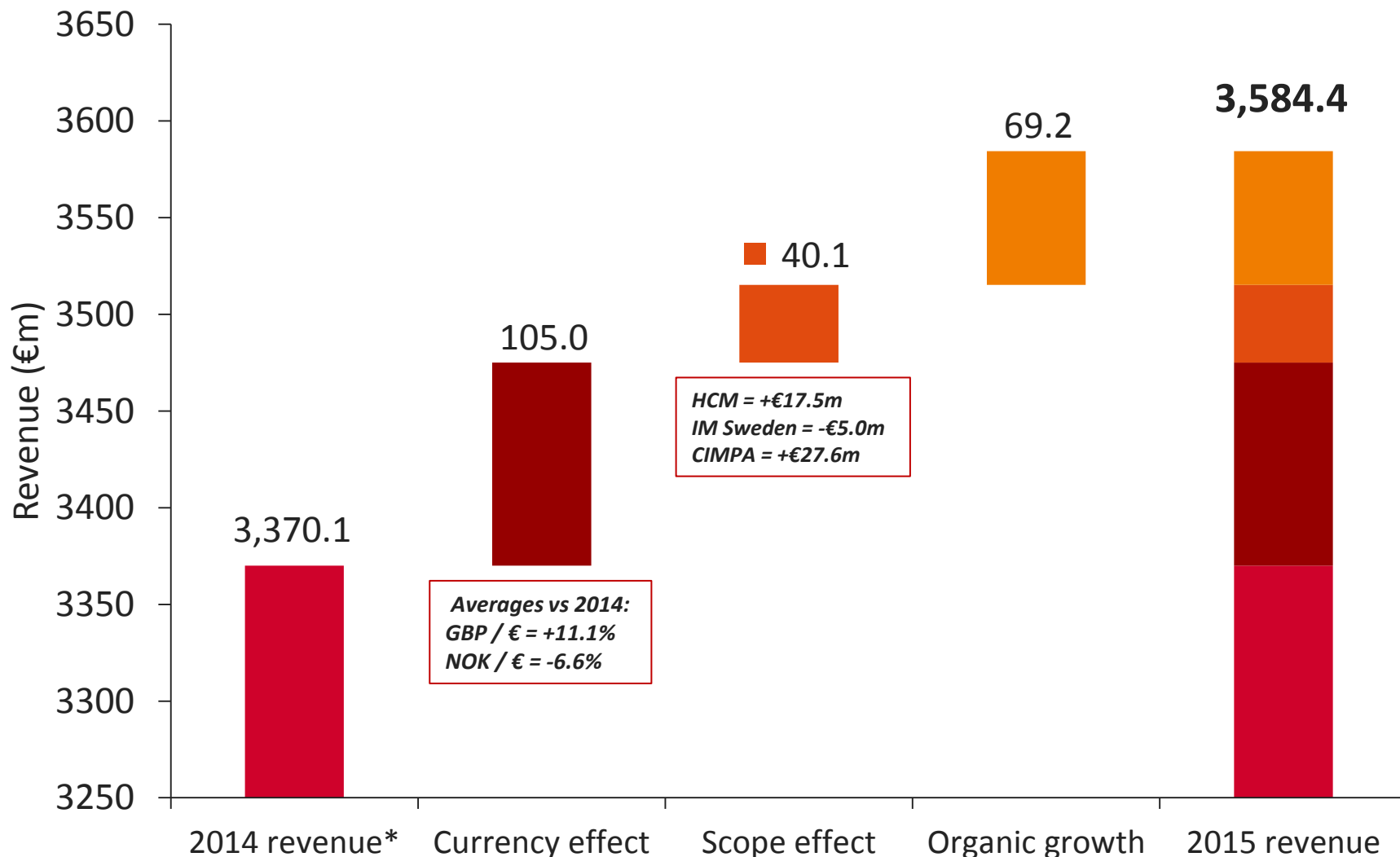


A FEW EXAMPLES OF THE MAJOR DEALS SIGNED IN 2015



CHANGE IN GROUP REVENUE IN 2015

ORGANIC GROWTH OF 2.0%



* Base of comparison adjusted pro forma for the Sopra Steria merger



OPERATING PERFORMANCE BY DIVISION

KEY FIGURES FOR 2015

	Revenue			Operating profit on business activity	
	2015 (€m)	2014 Restated** (€m)	Organic growth (%)	2015 (% of Rev.)	2014 Pro Forma* (% of Rev.)
France	1,364.3	1,342.0	+ 1.7%	7.5%	6.1%
United Kingdom	1,042.0	1,049.1	- 0.7%	7.3%	9.5%
Other Europe	697.4	656.3	+ 6.3%	2.7%	1.0%
Sopra Banking Software	282.4	275.5	+ 2.5%	9.1%	12.4%
Other Solutions	198.3	192.2	+ 3.2%	11.6%	12.6%
Total	3,584.4	3,515.1	+ 2.0%	6.8%	6.9%

* Base of comparison adjusted pro forma for the Sopra Steria merger

** Revenue at 2015 scope and exchange rates



FRANCE: CONSULTING & SYSTEMS INTEGRATION

GOOD PERFORMANCE IN 2015

France:

Consulting & Systems Integration (C&SI)

(Including CIMPA in 2015)

	2015		2014 Pro forma*	
	(€m)	(% of Rev.)	(€m)	(% of Rev.)
Revenue	1,161.1		1,093.3	
Organic growth (%)**	+ 3.5%			
Operating profit on business activity	101.3	8.7%	82.0	7.5%
Profit from recurring operations	100.1	8.6%	80.1	7.3%
Operating profit	60.7	5.2%	50.6	4.6%

* Base of comparison adjusted pro forma for the Sopra Steria merger

** At constant scope and exchange rates

- Strong organic growth (+3.5%)
- Improved operating margin on business activity



FRANCE: I2S

RECOVERY PLAN INITIATED

France :

Infrastructure and Security Services (I2S)

	2015		2014 Pro forma*	
	(€m)	(% of Rev.)	(€m)	(% of Rev.)
Revenue	203.2		220.4	
Organic growth (%)**	- 7.8%			
Operating profit on business activity	0.7	0.3%	- 2.5	-1.1%
Profit from recurring operations	0.7	0.3%	- 2.5	-1.1%
Operating profit	- 8.4	-4.1%	- 9.7	-4.4%

* Base of comparison adjusted pro forma for the Sopra Steria merger

** At constant scope and exchange rates

- First signs of improvement following optimisation and repositioning initiatives
- Gradual deployment of recovery plan
 - Increased selectivity in contracts
 - Higher-value offerings
 - Closer ties with the C&SI business
- Strong momentum in cybersecurity (+25%)



UNITED KINGDOM

SOLID POSITIONING IN THE PUBLIC SECTOR

United Kingdom	2015		2014 Pro forma*	
	(€m)	(% of Rev.)	(€m)	(% of Rev.)
Revenue	1,042.0		944.0	
Organic growth (%)**	- 0.7%			
Operating profit on business activity	76.2	7.3%	89.3	9.5%
Profit from recurring operations	63.3	6.1%	77.8	8.2%
Operating profit	57.1	5.5%	76.3	8.1%

* Base of comparison adjusted pro forma for the Sopra Steria merger

** At constant scope and exchange rates

- High base of comparison in 2014
- Good performance in the public sector
- Need to rebuild momentum in the private sector



OTHER EUROPE

GROWTH AND IMPROVING SITUATION IN GERMANY

	2015		2014 Pro forma*	
	(€m)	(% of Rev.)	(€m)	(% of Rev.)
Other Europe				
Revenue	697.4		667.0	
Organic growth (%)**	+ 6.3%			
Operating profit on business activity	18.5	2.7%	6.8	1.0%
Profit from recurring operations	17.4	2.5%	5.2	0.8%
Operating profit	5.3	0.8%	- 7.1	-1.1%

* Base of comparison adjusted pro forma for the Sopra Steria merger

** At constant scope and exchange rates

- Clear improvement in Germany
 - Revenue back to growth as of the second quarter of 2015
 - Operating profit on business activity close to break-even for the financial year
- Strong growth in Spain, Italy and Scandinavia



SOPRA BANKING SOFTWARE

SUCCESSFUL PRODUCT LINES, HIGHER INVESTMENTS

	2015		2014 Pro forma*	
	(€m)	(% of Rev.)	(€m)	(% of Rev.)
Sopra Banking Software				
Revenue	282.4		270.7	
Organic growth (%)**	+ 2.5%			
Operating profit on business activity	25.7	9.1%	33.7	12.4%
Profit from recurring operations	20.3	7.2%	28.2	10.4%
Operating profit	20.1	7.1%	27.1	10.0%

* Base of comparison adjusted pro forma for the Sopra Steria merger

** At constant scope and exchange rates

- “Platform” product
 - Strong demand in Europe, particularly in France
 - Key milestones successfully reached in 2015 (LBP, Crelan, BNPP, etc.)
- “Amplitude” product
 - 28 signings with new clients
 - 26 go-lives
- Guidance of around 10% for operating profit on business activity given the current level of investment in R&D



OTHER SOLUTIONS

POSITIVE TRENDS FOR REVENUE AND MARGINS

Other Solutions	2015		2014 Pro forma*	
	(€m)	(% of Rev.)	(€m)	(% of Rev.)
Revenue	198.3		174.7	
Organic growth (%)**	+ 3.2%			
Operating profit on business activity	23.1	11.6%	22.0	12.6%
Profit from recurring operations	23.1	11.6%	22.0	12.6%
Operating profit	17.7	8.9%	19.4	11.1%

* Base of comparison adjusted pro forma for the Sopra Steria merger

** At constant scope and exchange rates

- Sopra HR Software
 - Non-recurring licence sales in 2014
 - Successful integration of the different businesses
 - Development of services and outsourcing
- Continuing good momentum in Real Estate Solutions





FINANCIAL RESULTS FOR FINANCIAL YEAR 2015



François LEFEBVRE – Chief Financial Officer (acting)



INCOME STATEMENT

FINANCIAL YEAR 2015

	2015 (€m)	2015 (% of Rev.)	2014 Pro forma* (€m)	2014 Pro forma* (% of Rev.)
Revenue	3,584.4		3,370.1	
<i>Organic growth**</i>	+2.0%			
Operating profit on business activity	245.5	6.8%	231.2	6.9%
Expenses related to stock options and related items	- 1.2		- 2.3	
Amortisation of allocated intangible assets	- 19.4		- 18.0	
Profit from recurring operations	225.0	6.3%	210.9	6.3%
Other operating income and expenses	- 72.4		- 54.1	
Operating profit	152.6	4.3%	156.8	4.7%
Cost of net financial debt	- 8.1		- 9.8	
Other financial income and expenses	- 14.9		- 20.1	
Tax expense	- 47.2		- 31.3	
Share of net profit from equity-accounted companies	7.2		6.0	
Net profit	89.6		101.6	
<i>of which attributable to Group</i>	84.4	2.4%	92.8	2.8%
<i>of which minority interests</i>	5.2		8.8	

* Base of comparison adjusted pro forma for the Sopra Steria merger

** At constant scope and exchange rates



OTHER OPERATING INCOME AND EXPENSES

FINANCIAL YEAR 2015

	2015 (€m)	2014 Pro forma (€m)
Costs related to business combination	- 2.0	- 18.7
Restructuring and reorganisation costs	- 67.2	- 44.1
Other	- 3.3	8.8
Other operating income and expenses	- 72.4	- 54.1



TAX EXPENSE

FINANCIAL YEAR 2015

	2015 (€m)	2014 Pro forma (€m)
Profit before tax and share from equity-accounted companies	129.6	126.9
Effective tax charge	47.2	31.3
Effective tax rate (%)	36.4%	24.7%

	2015 (M€)	2014 Adjusted* (M€)
Deferred tax net asset	127.1	146.6
Uncapitalised tax asset	42.0	54.5

* According to IFRS 3 Business Combinations



CHANGE IN NET FINANCIAL DEBT

FINANCIAL YEAR 2015

	2015 (€m)	2014 Pro forma (€m)
Net debt at beginning of period (A)	- 442.4	- 348.7
Cash flow from operations before cost of net financial debt and tax*	240.7	197.2
Tax paid	- 35.2	- 52.8
Change in operating working capital requirement	- 81.9	- 109.0
Net cash flow from operations	123.6	35.4
Change relating to investing activities	- 42.3	- 48.7
Net financial interest	- 8.7	- 12.2
Additional contributions related to defined-benefit pension plans	- 23.3	- 18.7
Free cash flow	49.3	- 44.2
Changes in scope	- 92.3	- 22.9
Financial investments	3.1	- 7.0
Dividends paid	- 37.5	- 25.9
Dividends received from equity-accounted companies	2.2	2.3
Capital increases in cash	2.4	1.4
Revaluation of the Euro PP Bond	-	- 13.0
Purchase and sale of treasury shares	- 22.5	-
Other changes	0.7	2.3
Total net change for the period (B)	- 94.5	- 107.0
Changes in exchange rates (C)	6.2	13.4
Net debt at period-end (A+B+C)	- 530.8	- 442.4

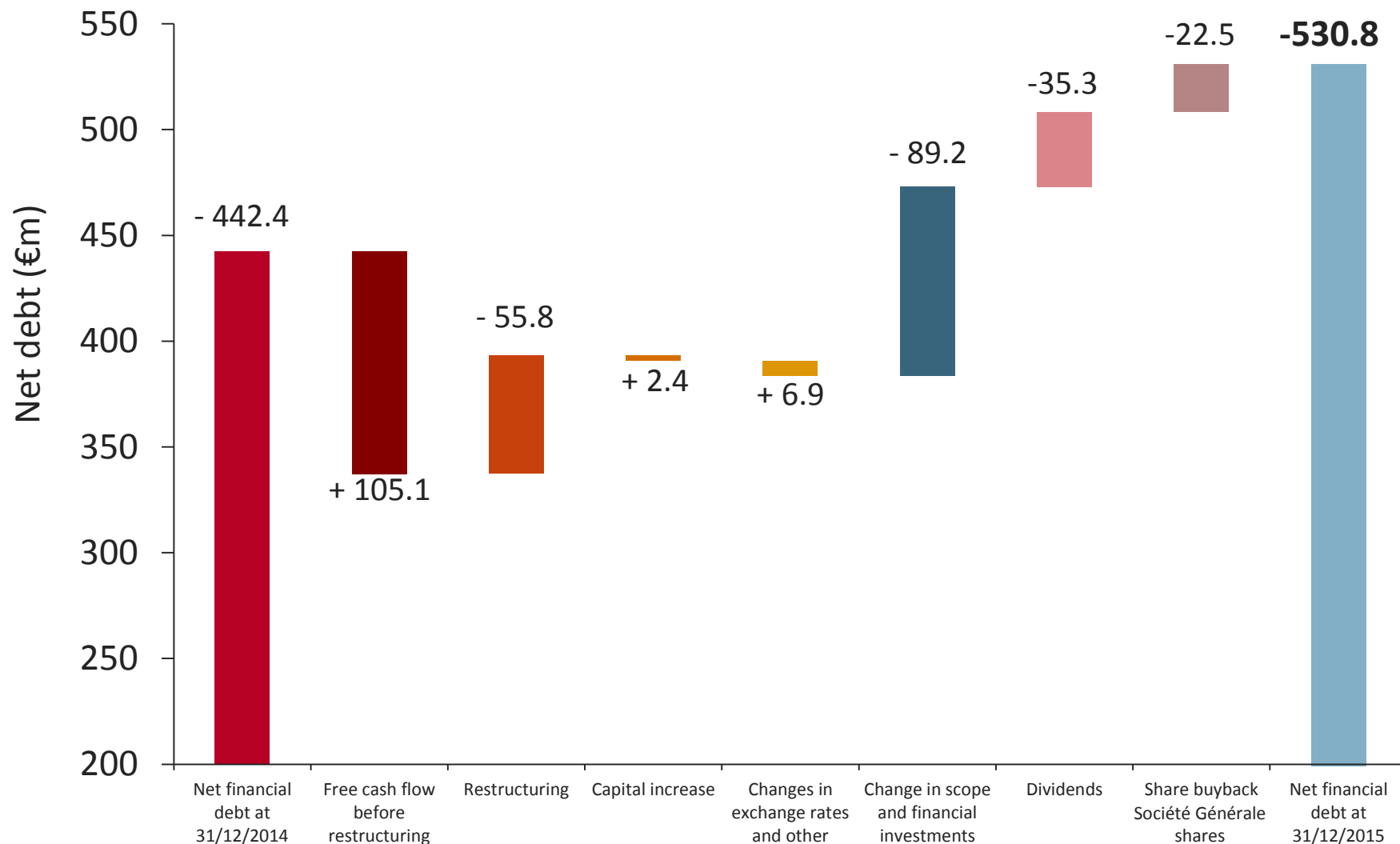
* Of which reorganisation and restructuring costs

€ 55,8 m



CHANGE IN NET FINANCIAL DEBT IN 2015

FREE CASH FLOW IMPACTED BY COST-OPTIMISATION INITIATIVES



SOUND FINANCIAL POSITION AT 31/12/2015

COVENANTS AND LIQUIDITY

**Net financial debt
at 31/12/2015:
€530.8m**

**EBITDA leverage:
1.76x (max. 3.0x)**

**Available undrawn amount:
€1.1bn
i.e. 59.2% of
authorised amount****

Long terms to maturity
• **Bond: 2019**
• **Bank borrowing facilities: 2020
(extension possible to 2021)**

	31/12/2015 Amount used (€m)	31/12/2015 Amount authorised (€m)
Bond*	180.0	180.0
Syndicated loan - Tranche A €	180.0	180.0
Syndicated loan - Tranche B £	98.1	98.1
Multi-currency revolving credit facility	-	900.0
Finance leases	13.2	13.2
Overdrafts and Other	4.0	198.9
Total	475.3	1,570.3
Commercial paper	268.6	
IFRS 3 impact - Bond	9.5	
Gross debt	753.5	
Cash and cash equivalents	222.7	
Net financial debt	530.8	

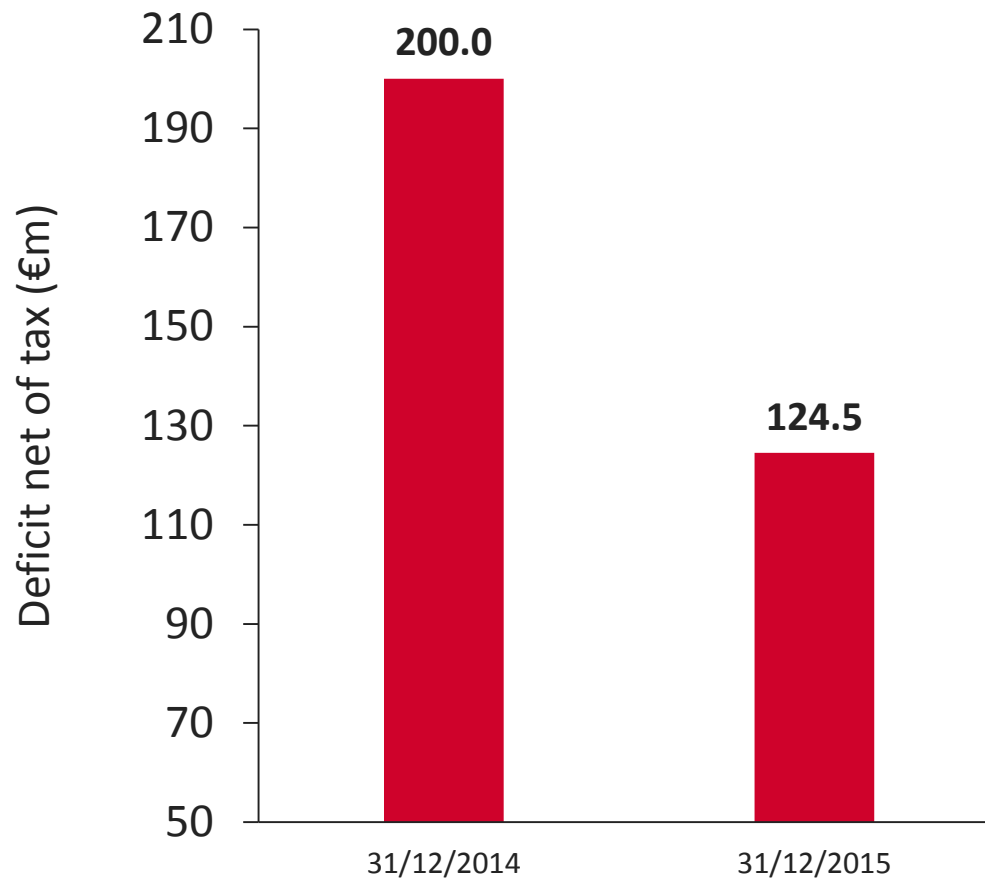
* Before the impact of fair value remeasurement under IFRS 3

** For a constant amount of commercial paper (€268.6m at 31 December 2015) and overdrafts



UK PENSION FUND DEFICIT NET OF TAX IN 2015

FAVOURABLE IMPACT OF INTEREST RATES AND INFLATION



- Commitments down €87.7m at constant exchange rates
- Positive currency effect of €12.3m
- Annual additional cash contribution of £17m unchanged through June 2017



SIMPLIFIED BALANCE SHEET

31/12/2015

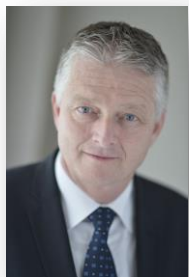
	31/12/2015 (€m)	31/12/2014 Adjusted* (€m)
Goodwill	1,586.9	1,475.2
Allocated intangible assets	179.0	174.6
Other fixed assets	231.2	230.0
Equity-accounted investments	154.4	146.8
Fixed assets	2,151.5	2,026.6
Net deferred tax	127.0	146.8
Trade accounts receivable (net)	1,099.8	931.6
Other assets and liabilities	- 1,178.1	- 1,047.7
Working capital requirement (WCR)	- 78.3	- 116.1
Assets + WCR	2,200.1	2,057.1
Equity	1,233.1	1,086.8
Provisions for post-employment benefits	309.4	428.6
Provisions for contingencies and losses	126.8	99.3
Net financial debt	530.8	442.4
Capital invested	2,200.1	2,057.1

* According to IFRS 3 Business Combinations





MARKET, STRATEGY & TARGETS



Vincent PARIS – Chief Executive Officer



PROJECT ORIENTATION

A PARTNER IN OUR CLIENTS' DIGITAL TRANSFORMATION



Integrated end-to-end European partner for digital transformation

A differentiated positioning

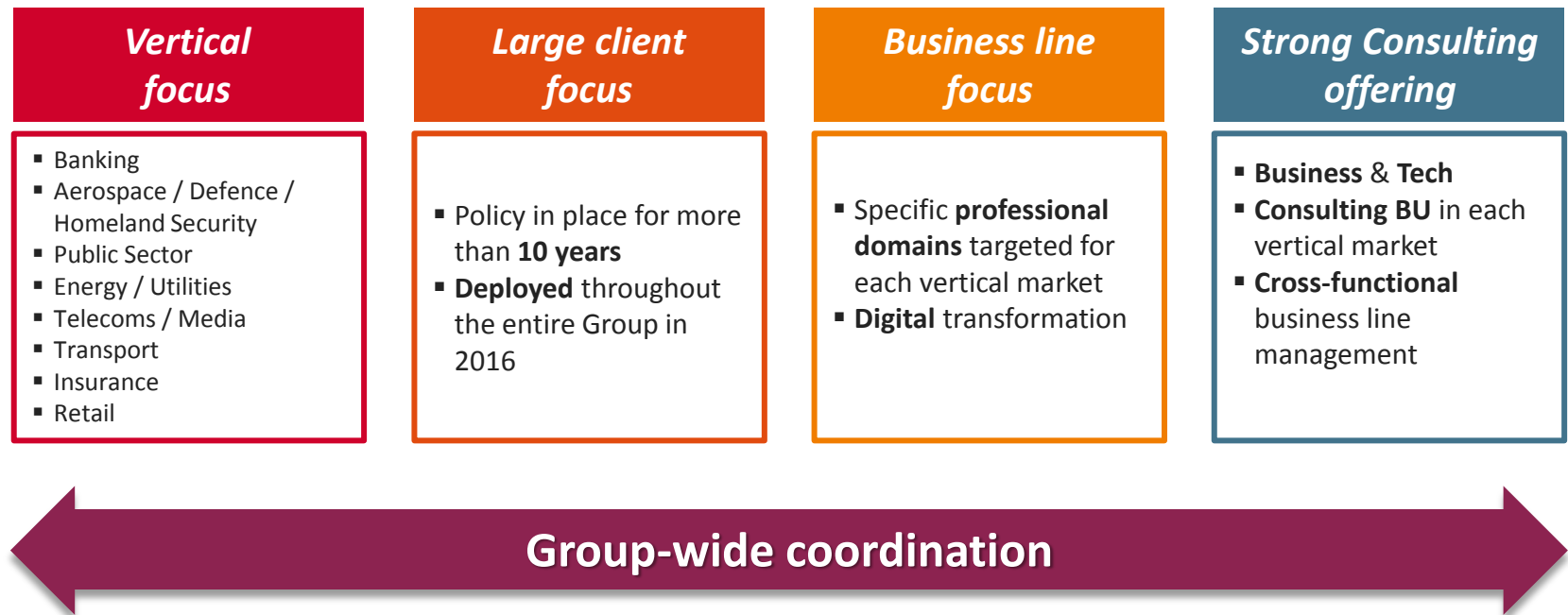
- European operator
- End-to-end provider
- Focus on large clients and priority vertical markets
- Capacity for innovation
- Partner in digital transformation

Two specific assets

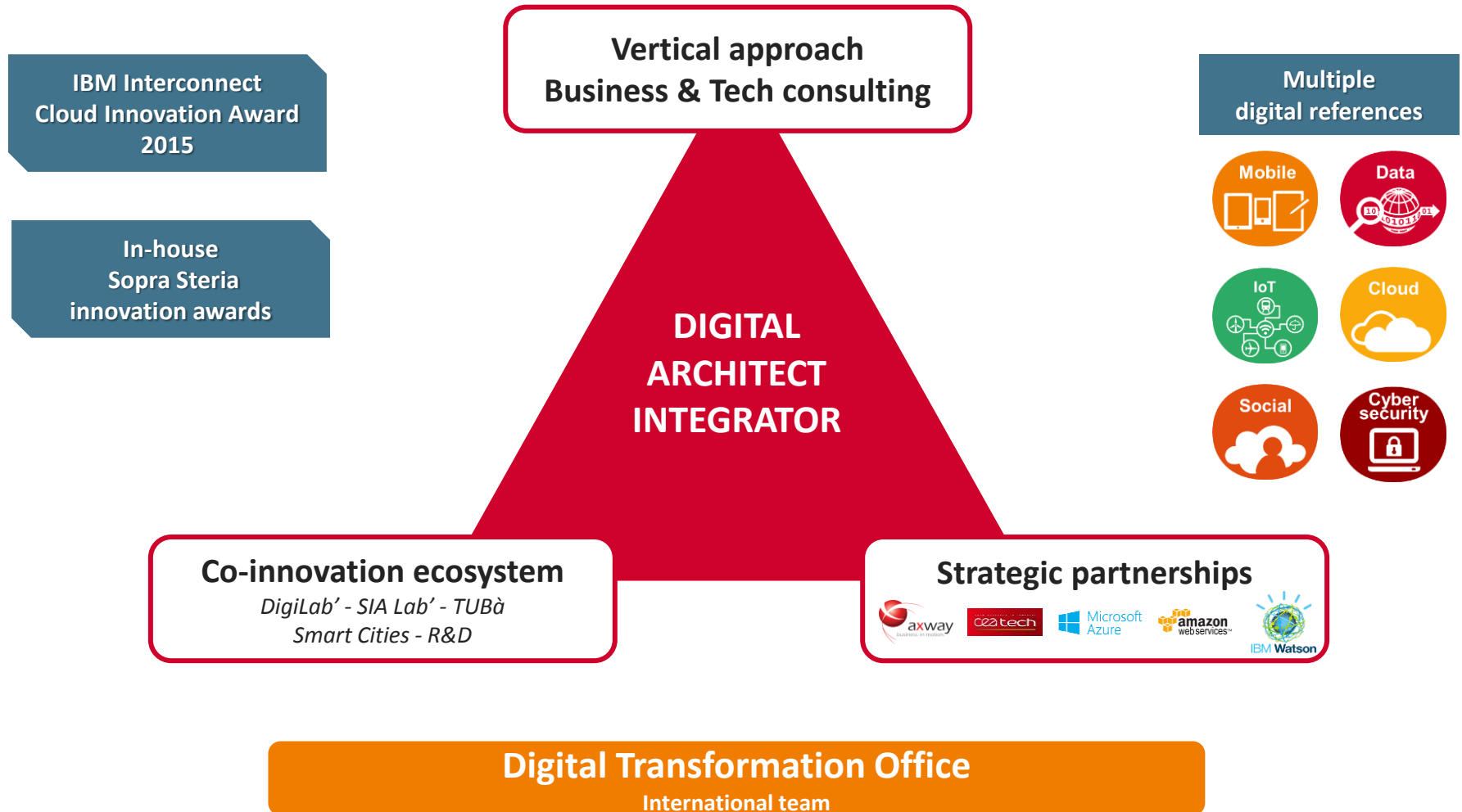
- Solutions developer for over 40 years
 - Business-specific software packages (Banking, Insurance, Property Management)
 - Cross-functional software packages (Human resources)
- Close relationships with clients



PRIORITY GIVEN TO VERTICAL APPROACH



ACCELERATION OF DIGITAL INITIATIVES



A STRONG AMBITION IN THE BANKING VERTICAL

A strategic challenge

- Major market
- Key role of **Software**
- **Front** and **back** office needs
- Impact of **digital**
- **Evolving** sector

A unique asset

- **€760m** in revenue
- **Long-standing** client relationships
- Industry- and tech-specific **solutions**
- **End-to-end** offering



A comprehensive provider

Major offering



Priority markets



A strong ambition for 2020

- Revenue > **€1bn** in the vertical market
- **Doubled** revenue for Sopra Banking Software



PROPOSED ACQUISITION OF CASSIOPAE

BOLSTERING THE BANKING VERTICAL

Solutions

- Integrated front-to-back solution (V4.5) for managing specialised and real-estate financing
- Social housing management solution

Strategic interest

- Leading player
- Market for specialised finance companies
- New markets (Latin America, Asia, USA)

Potential synergies

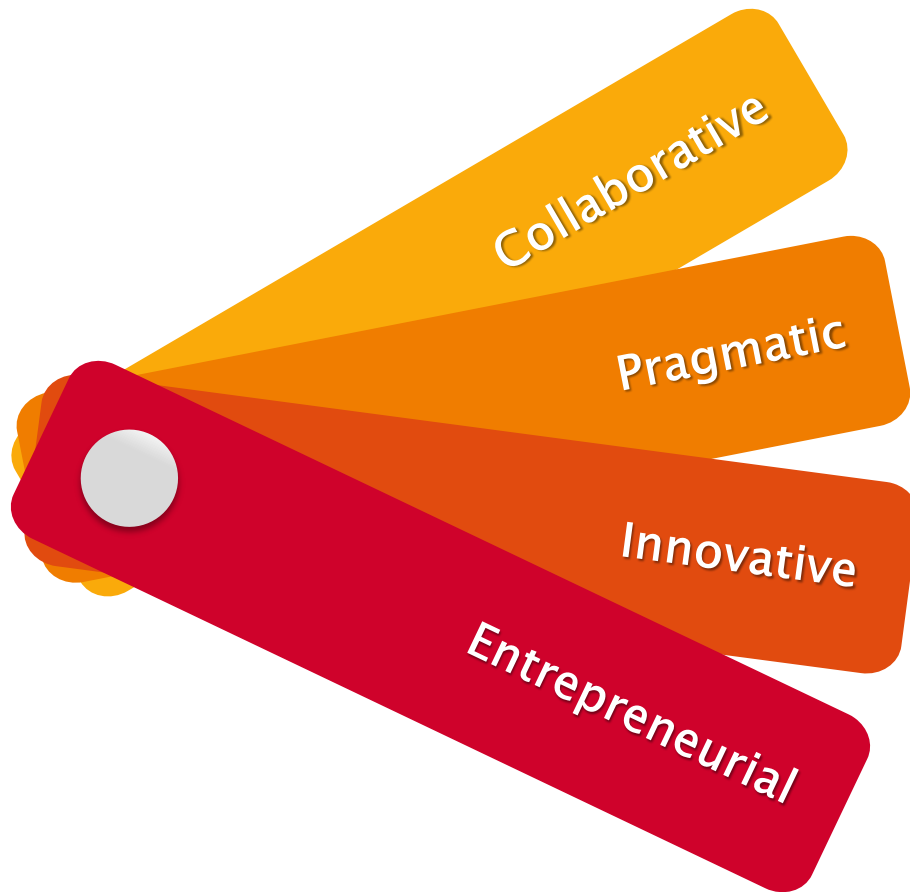
- Products
- Integration services
- Additional services (IM, SaaS)



- Founded in 1987
- Shareholders
 - Founding family: 20%
 - Managers: 29%
 - Investors: 51%
- France's 16th-largest software developer (Truffle 100, 2015)
- Market leader in specialised and real-estate financing
- 300 clients in 40 countries
- 2014 revenue of €50.2m
- Main clients: BPCE, BPI, Hyundai, SG, SFL, LBP, etc.



LAUNCH OF A NEW ENTERPRISE PROJECT



sopra  steria

Reaffirming our values

- 50,000 training days by 2018, 20,000 in 2016

Employee shareholding project

- New programme in the first half of 2016



TARGETS FOR 2016

Organic revenue growth
of over **2%**

Operating margin on business activity
of over **7.5%**

Strong increase in
free cash flow



REMINDER 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 2015

EUROPEAN LEADER IN DIGITAL TRANSFORMATION



**€3.6bn
in revenue**

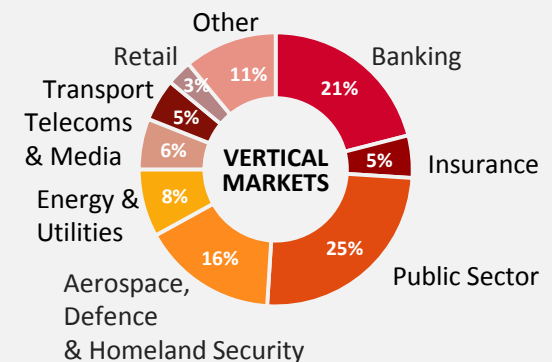
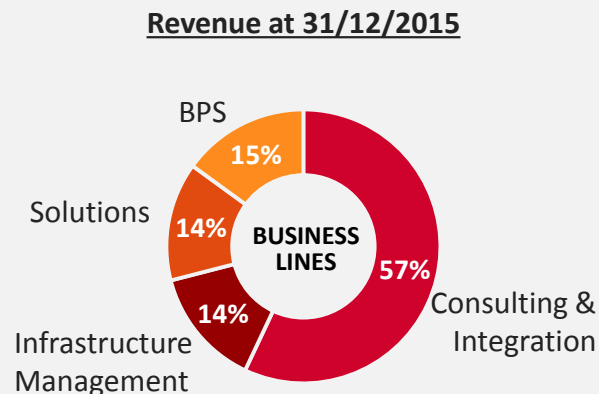
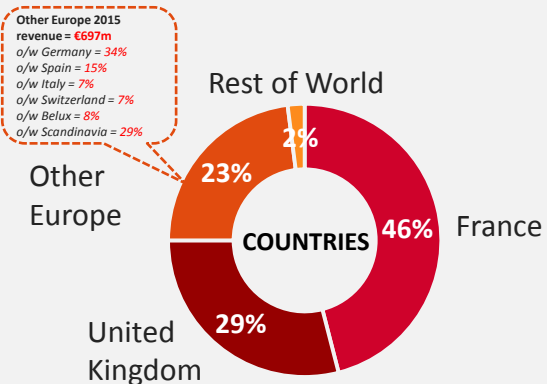
**More than 38,000
employees**

**Present in
over 20 countries**

**An end-to-end
offering**

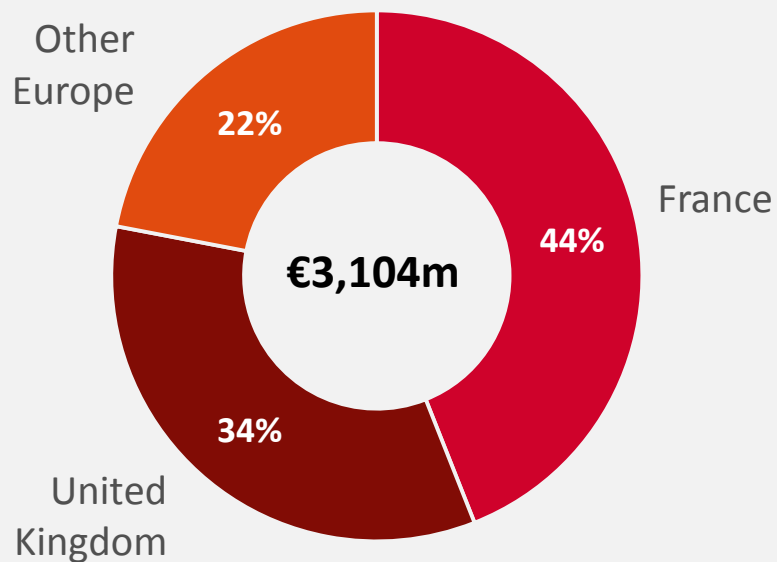
Top 5 European IT services companies

Top 10 operating in Europe

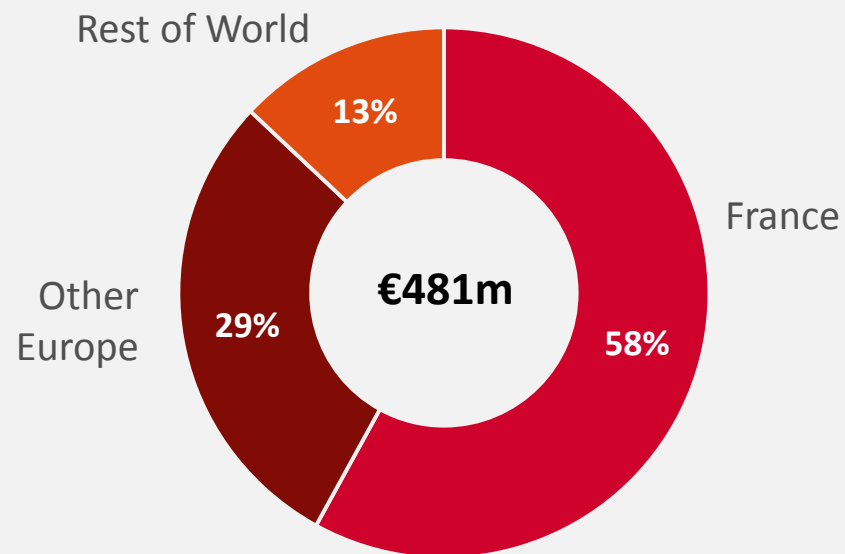


BREAKDOWN OF SOPRA STERIA'S 2015 REVENUE BY COUNTRY

SERVICES REVENUE AT 31/12/2015



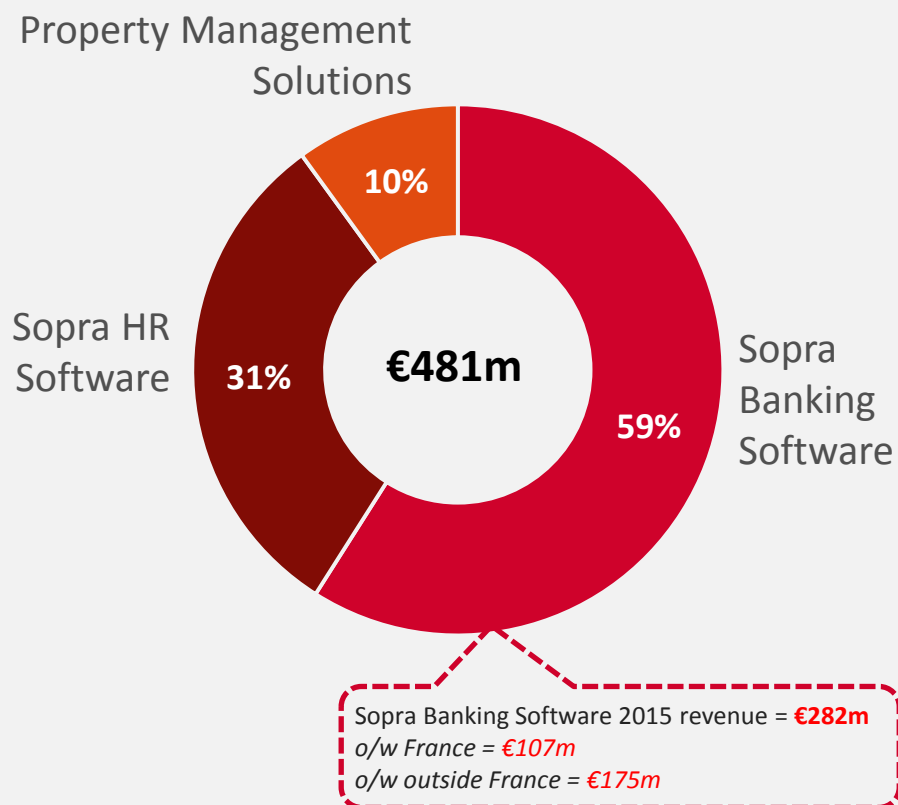
SOLUTIONS REVENUE AT 31/12/2015



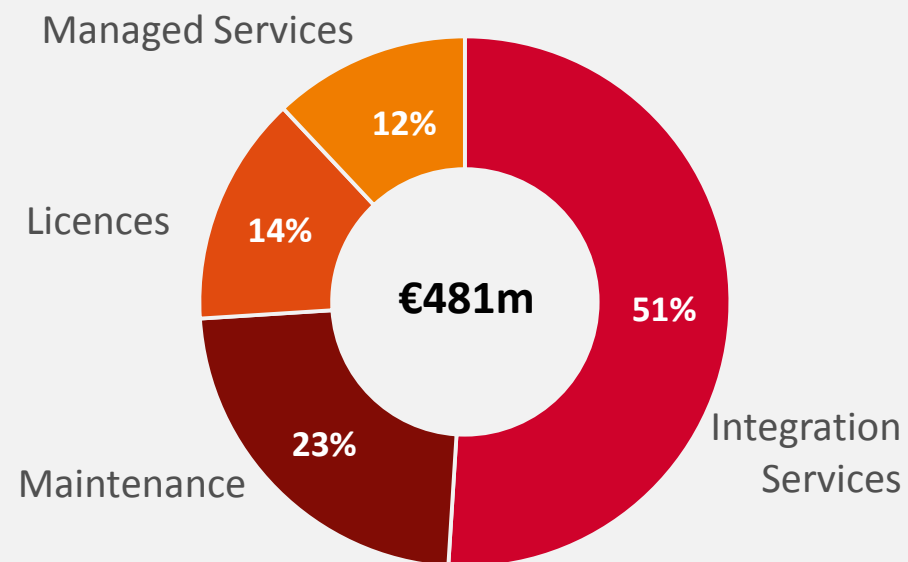
BREAKDOWN OF SOLUTIONS REVENUE

FINANCIAL YEAR 2015

SOLUTIONS REVENUE BY PRODUCT

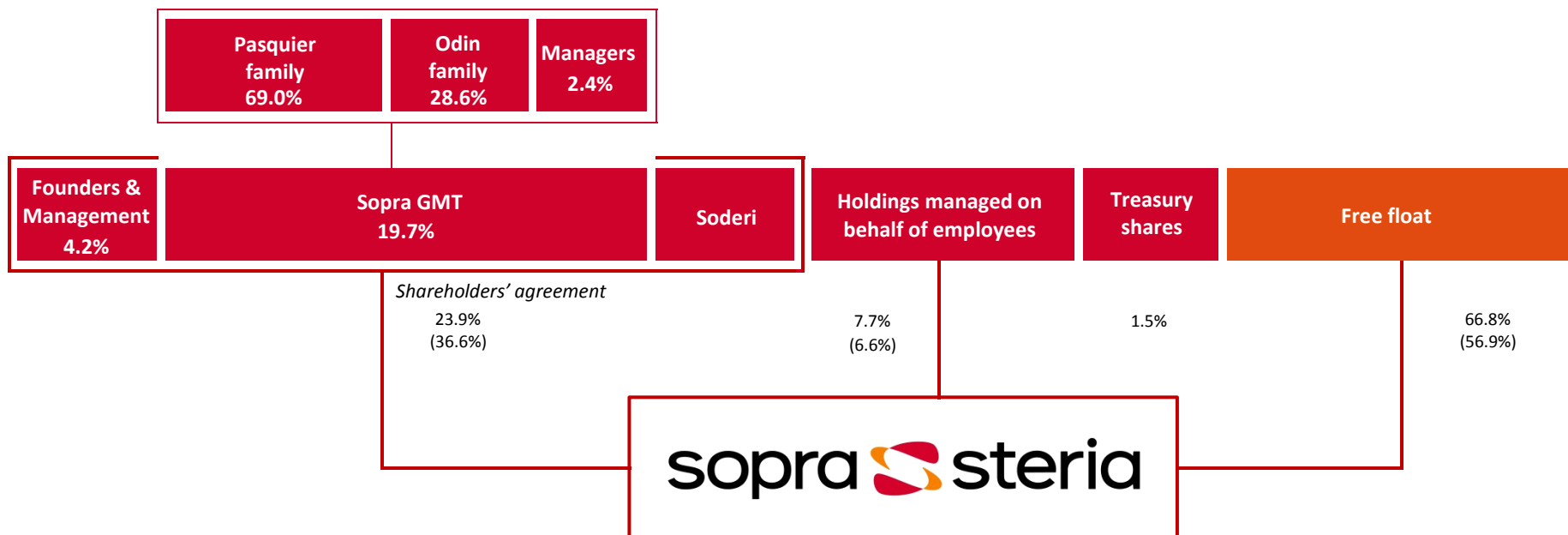


SOLUTIONS REVENUE BY BUSINESS LINE



SHARE OWNERSHIP STRUCTURE AT 31/12/2015

A STABLE SHAREHOLDER BASE FOR A SUCCESSFUL PROJECT



20,446,723 listed shares – 24,711,313 exercisable voting rights

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

