

ROADSHOW USA & CANADA – KEPLER CHEUVREUX

December 2017

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COMPANY OVERVIEW



WESTERN EUROPE IT SERVICES MARKET STRUCTURE

A MARKET OF € 200BN

Sopra Steria 2016 Market Share

€bn / %	Market 2016	Sopra Steria 2016	Market Share 2016
France	24.6	1.5	6.1 %
UK	67.0	0.9	1.3 %
Germany	32.4	0.2	0.6 %
Other Western Europe	77.5	0.5	0.6 %
Total	201.4	3.1	1.5 %
Services booked in the software business	-	0.3	-
Total IT Services	201.4	3.4	1.7 %

€bn / %	Market 2016	Sopra Steria 2016	Market Share 2016
IT Services	171.6	2.9	1.7 %
BPO	29.8	0.5	1.7 %
Total	201.4	3.4	1.7 %

Source : Gartner Report, Q1 2017 update, IT Services market excluding hardware and software and Gartner IT Services Market Share 2014-15, April 2016
Exchange rate: 1 USD = 0,90€

Main competitors in Western Europe

- Capgemini
- Accenture
- CGI
- AtoS
- IBM
- HP
- Capita & Fujitsu (UK)
- Indra (Spain)
- Tieto (Scandinavia)
- TCS, Cognizant, Wipro, Infosys (mainly in UK, but growing in Continental Europe)
- Temenos, Finnacle (Core banking software)


Top 5 Market share in Western Europe

1. IBM – 5.4 %
2. Accenture – 4.4 %
3. AtoS – 4.1 %
4. Capgemini – 3.8 %
5. HP – 2.5 %



MARKET SHARE GAINS DYNAMIC IN EUROPE

2016 - 2017

	FY 2016		Q3 2017	
Revenue organic growth	Europe	o/w France	Europe	o/w France
Accenture*	+ 11.0%	NA	+ 10.0%	NA
IBM* (EMEA)	- 2.1%	NA	- 1.0%	NA
Atos (excl. Worldline)	+ 0.8%	+ 2.3%	+ 1.5%	+ 4.8%
CGI*	+ 1.8%	+ 7.6%	- 1.6%	+ 7.3%
CapGemini*	+ 4.9%	+ 5.0%	+ 1.8%	+ 4.7%
Tieto	+ 0.1%	NA	+ 3.7%	NA
Indra*	- 1.6%	NA	+ 13.9%	NA
sopra  steria	+ 5.2%	+ 6.7%	+ 3.3%	+ 3.4%

* Constant currency growth (acquisitions & disposals included)

NA = Not available / Source : Companies' reports



A LOOK BACK OVER 50 YEARS OF HISTORY

Creation of the banking solutions development business

1982

Computerization of Agence France Presse with the introduction of a real-time information transfer system

1973

Initial banking know-how gained with the signing of a 1st major comprehensive managed services agreement

1971

1969

Birth of Steria

Birth of Sopra

1968

1st major national project with the French Ministry of the Interior

1986

Automation project for the RER
A regional train service in Paris

1987

Sopra is listed on the Paris Stock Exchange

1990

Setting-up in the UK, in Spain, in Italy and in Germany
Steria is listed on the Paris Stock Exchange

1994

Management system developed for the French interbank payment system

1999

Formation of the Sopra Banking Software subsidiary

2012

Acquisition of Xansa in the UK

2011

Spin off of Axway Software

2007

Formation of the Axway Software subsidiary
Acquisition of Bull's IT service operations in Europe

2005

2001

Acquisition of Mummert Consulting in Germany
Development of offshore service centers

SSCL contract signed with several UK ministries

2013

2014

2015

Strategic partnership between La Banque Postale and Sopra Banking Software
Announcement of the merger between Sopra and Steria

Birth of sopra  steria



SOPRA STERIA AT 30/06/2017

A EUROPEAN LEADER IN DIGITAL TRANSFORMATION



Top 5 European digital services companies

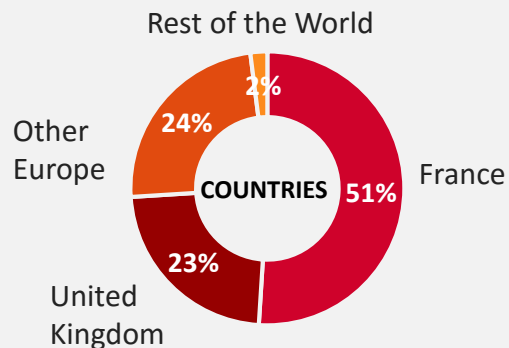
Top 10 operating in Europe

2016 revenue of €3.7bn

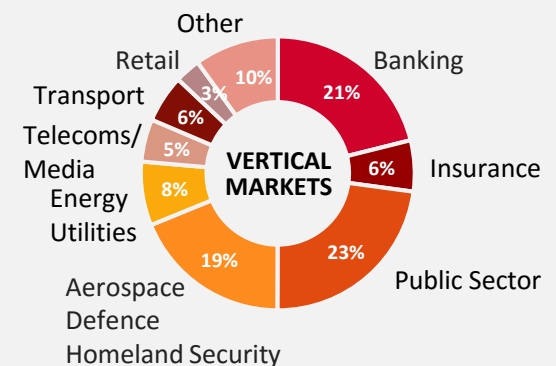
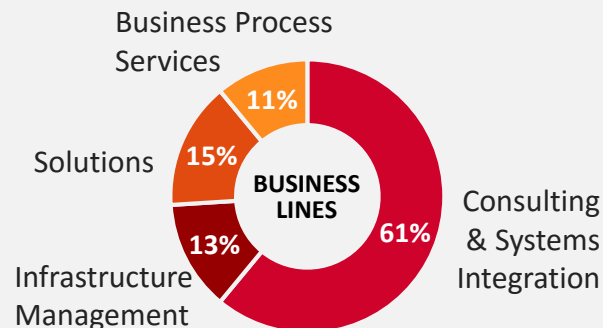
40,000+
employees

A presence in
over 20 countries

End-to-end
offering



Revenue to 30/06/2017



SOPRA STERIA GROUP

STRONGER FUNDAMENTALS THANKS TO THE MERGER

A recognised brand

Clients

- Organic growth of 5.2% in 2016
- Major contracts won

Candidates

- France's top recruiter of young graduates in the digital sector (source: Usine Nouvelle)
- Happy Trainees accreditation in France
- Sopra Steria Consulting 'best career opportunities' in Germany (source: Focus Money Magazine)
- Ranked no. 2 in Norway's 'Great Place to Work' ranking

Sustainable development

- CDP Climate Change score: A
- Ecovadis Gold level
- Gaia Index Score: 88/100
- Triple carbon neutral certification

Performance once again close to historical standards

	<u>2014</u> Pro forma	<u>2015</u>	<u>2016</u>
Operating margin	6.9%	6.8%	8.0%
Free cash flow/revenue	-1.3%	1.4%	4.0%
Group net profit	2.8%	2.4%	4.0%

A new Enterprise Project



We Share

Long-term
Incentive plan



KEY PILLARS OF THE STRATEGY

FOCUSED ON VALUE-ADDED



European leader in digital transformation

An independent
player
active in market
consolidation

Differentiated
positioning
based on value
and innovation

Capitalising on
solutions and
close client
relationships

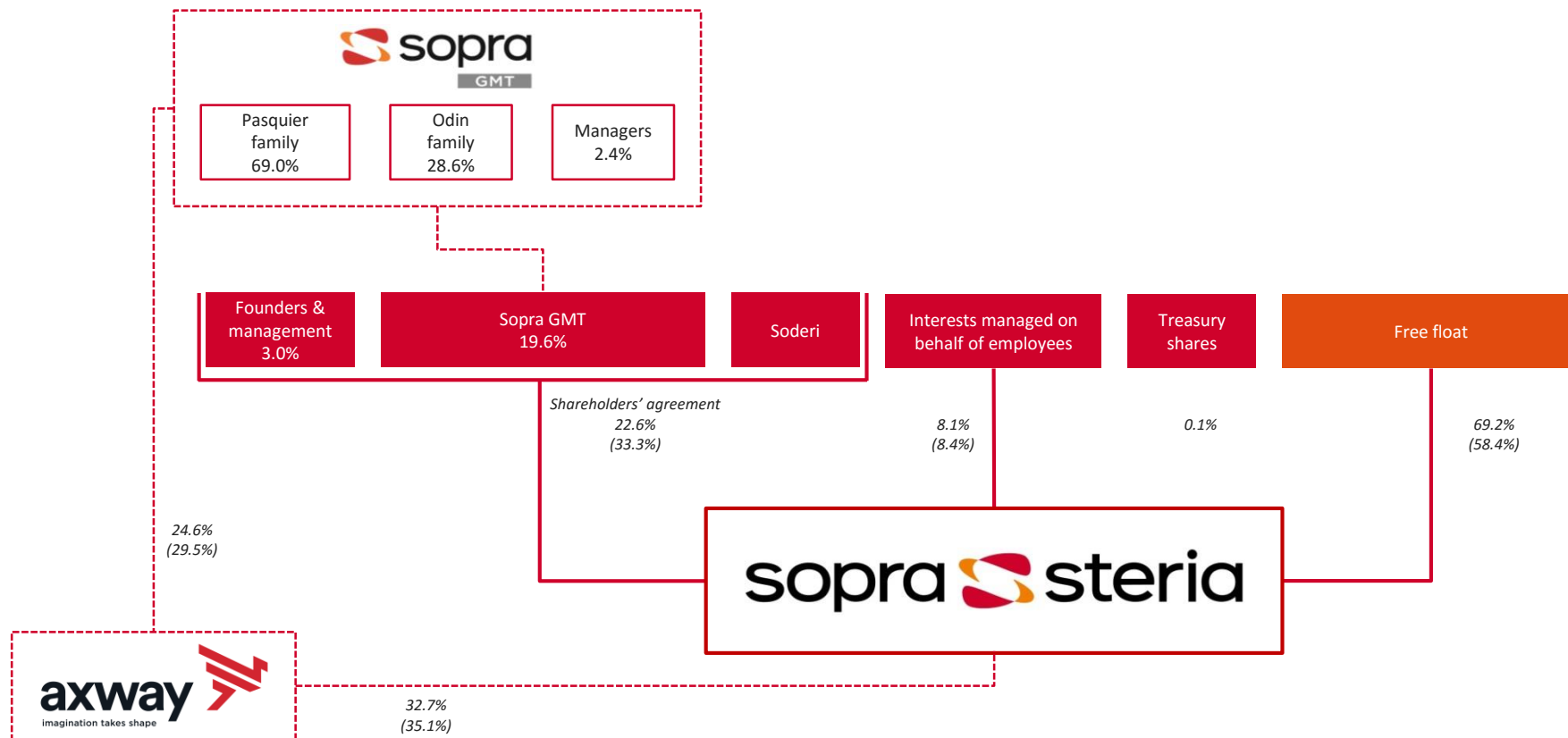
Priority given to
vertical
approach

Acceleration of
digital
initiatives



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



STOCK MARKET ID

SOPRA STERIA GROUP

WEIGHT IN INDEXES

(11/2017)

CAC ALL SHARES	0.13%
CAC ALL-TRADABLE	0.15%
CAC MID 60	1.47%
CAC MID&SMALL	1.22%
CAC SOFT. & C. S.	2.89%
CAC TECHNOLOGY	2.21%
ESI EXC EUROPE	0.07%
ESI EXC EUROPE VM	0.04%
EURONEXT FAS IAS	3.98%
NEXT 150	1.13%
SBF 120	0.15%
STOXX Europe 600	

SOP

LISTED
EURONEXT



STOXX

→ Reuters : SOPR.PA

→ Bloomberg : SOP:FP

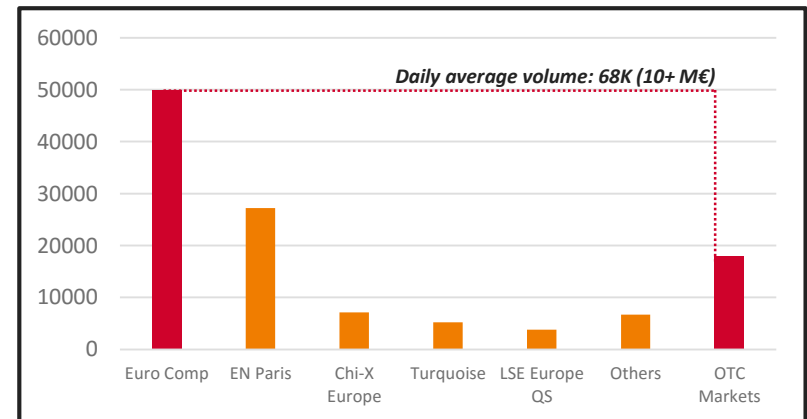
STOCK PERFORMANCE vs. SBF 120

(From 2004 to 11/2017)

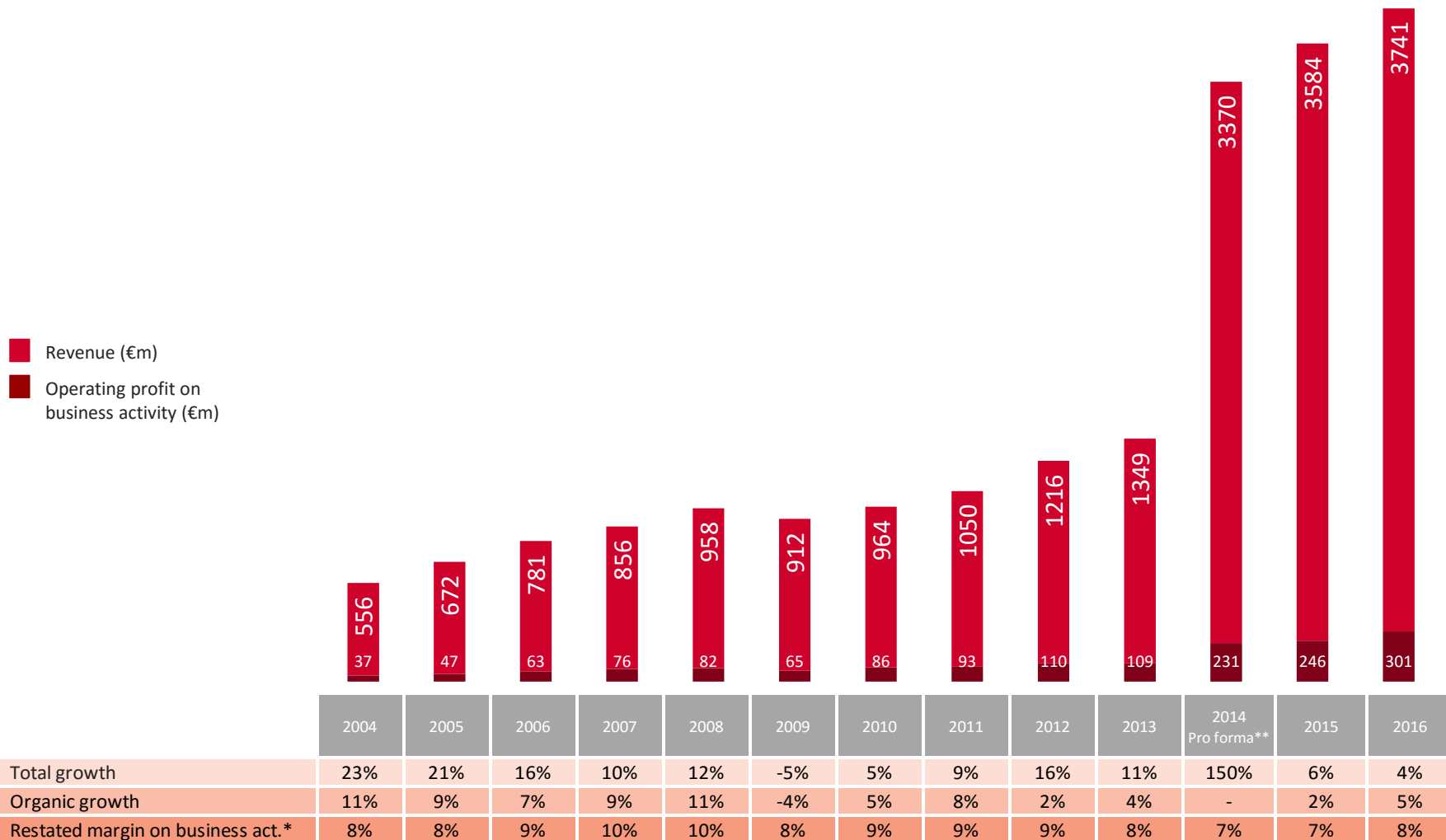


1Y STOCK LIQUIDITY

(11/2017)



SOPRA STERIA HISTORICAL PERFORMANCE

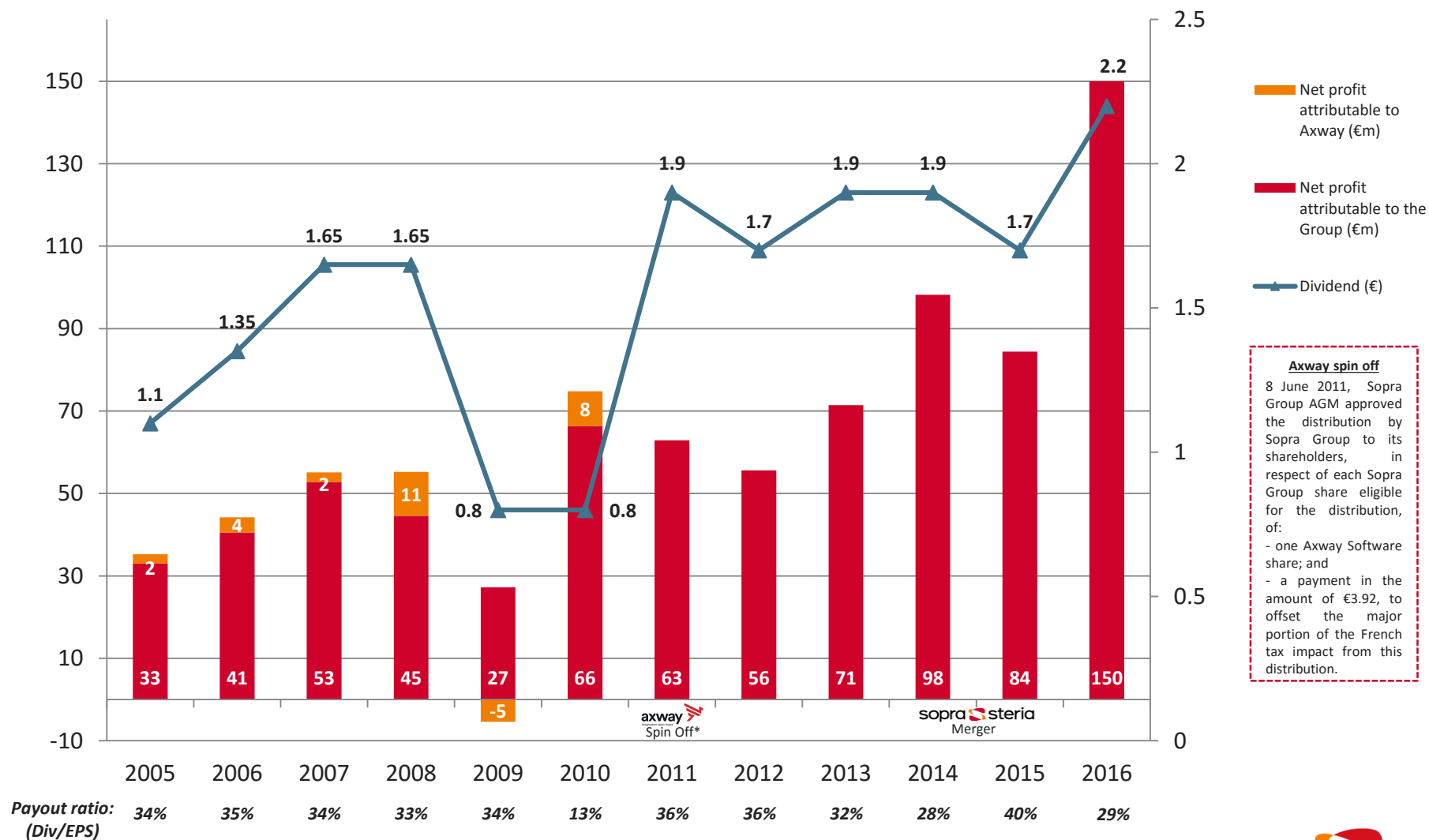


* Restated at equivalent tax laws for financial years up to and including 2009

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



HISTORICAL NET PROFIT & DIVIDEND





H1 2017 HIGHLIGHTS & Q3 2017 PERFORMANCE



H1 2017 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*



H1 2017 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



INCOME STATEMENT

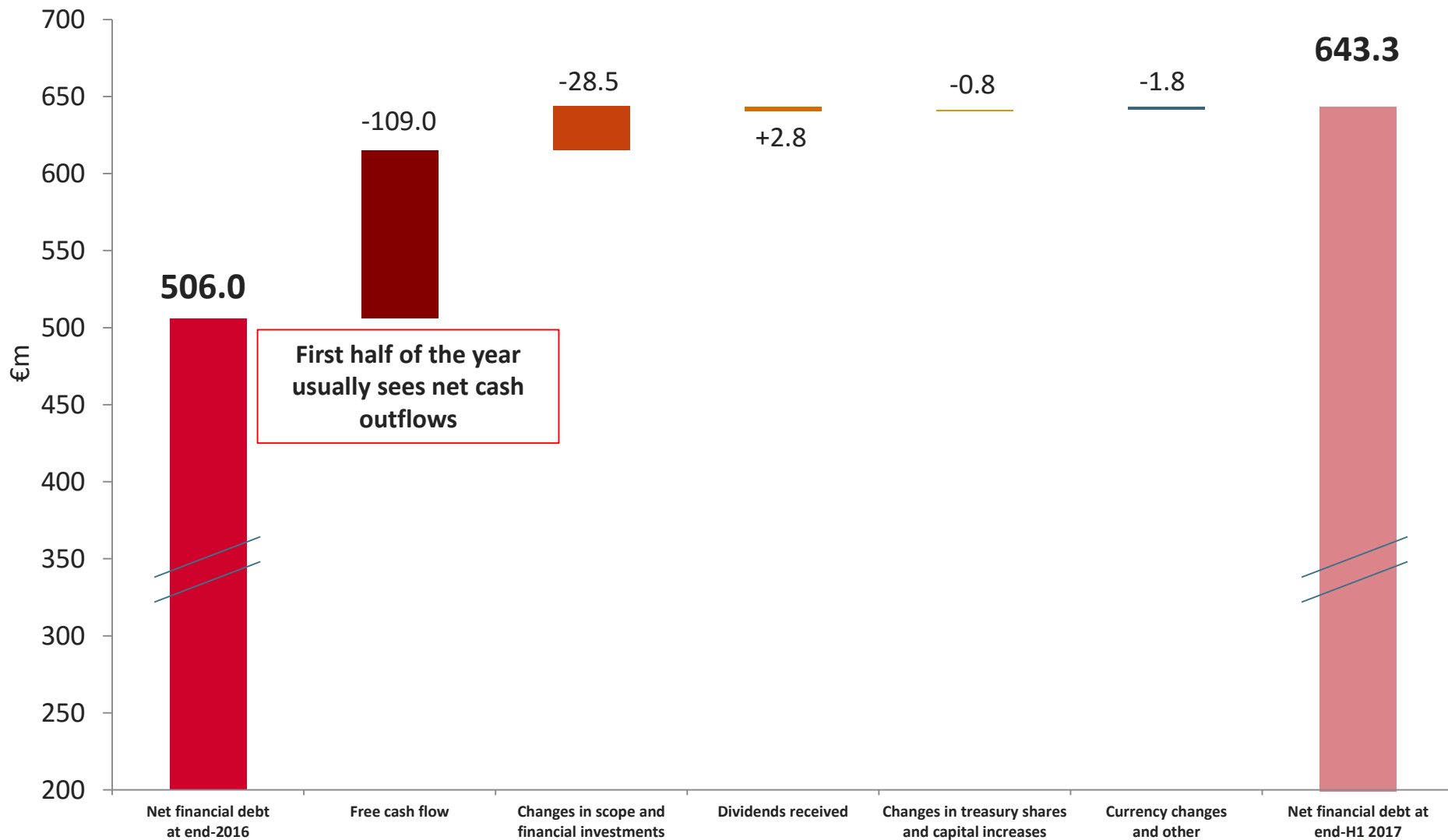
FIRST-HALF 2017

	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	



H1 2017 CHANGE IN NET FINANCIAL DEBT

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



Q3 2017 PERFORMANCE

REVENUE EVOLUTION BY DIVISION IN Q3 2017

	Revenue			
	Q3 2017 (€m)	Q3 2016 Restated* (€m)	Organic growth (%)	Total growth (%)
France	369.2	356.9	+ 3.4%	+ 3.5%
<i>of which C&SI</i>	320.9	309.5	+ 3.7%	+ 3.7%
<i>of which I2S</i>	48.4	47.5	+ 1.8%	+ 1.8%
United Kingdom	186.9	207.1	- 9.8%	- 14.0%
Other Europe	195.8	174.4	+ 12.3%	+ 13.9%
Sopra Banking Software	94.1	80.1	+ 17.4%	+ 16.6%
Other Solutions	49.1	48.0	+ 2.3%	+ 2.3%
Total	895.2	866.5	+ 3.3%	+ 2.3%

* Revenue at 2017 scope and exchange rates

- 9M 2017 organic revenue growth = + 2.8 %





2017 PRIORITIES & GUIDANCE



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



2017 TARGETS

Organic revenue growth between 2% and 3%

Operating margin on business activity of around 8.5%

Free cash flow > €150m





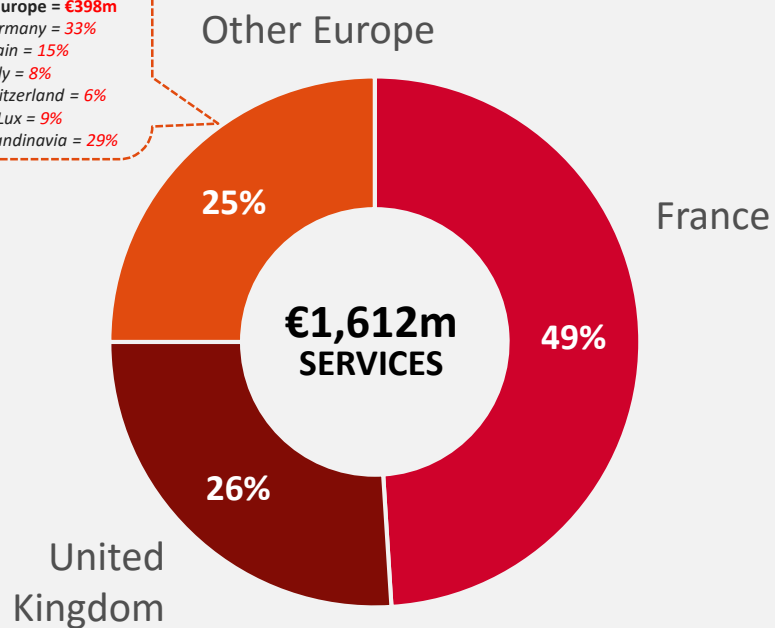
ANNEXES



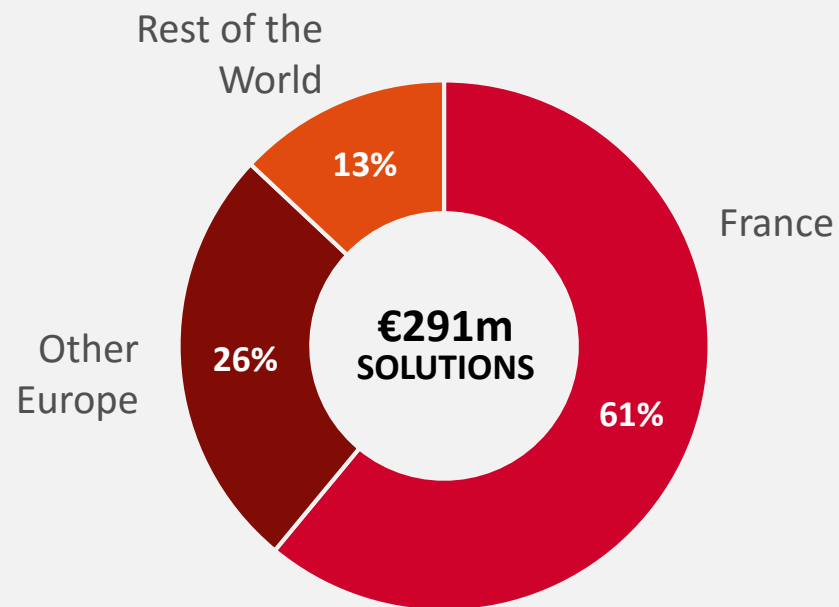
REVENUE BY COUNTRY FOR THE PERIOD ENDED 30/06/2017

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%



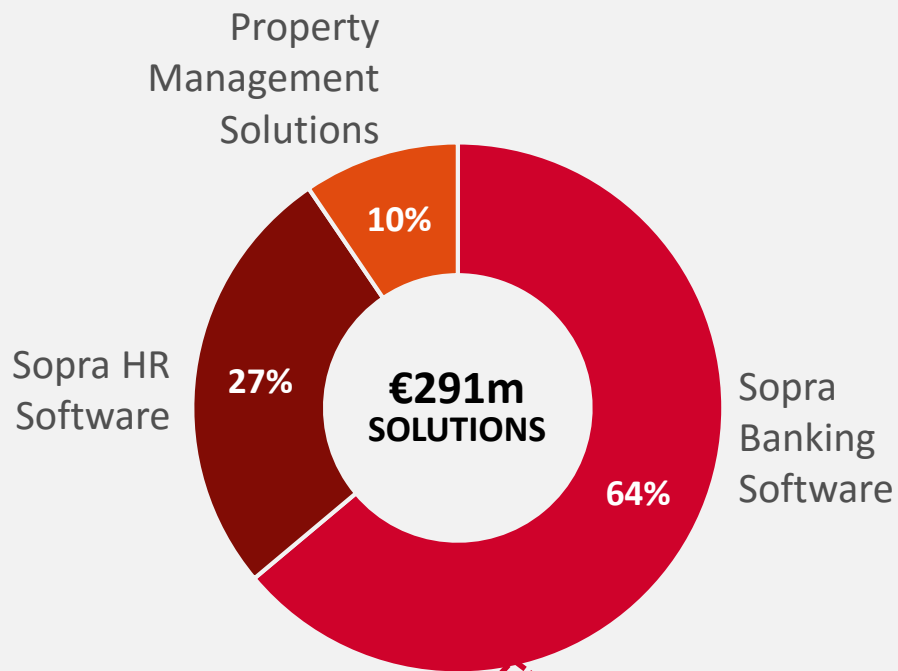
SOLUTIONS REVENUE TO 30/06/2017



SOLUTIONS REVENUE

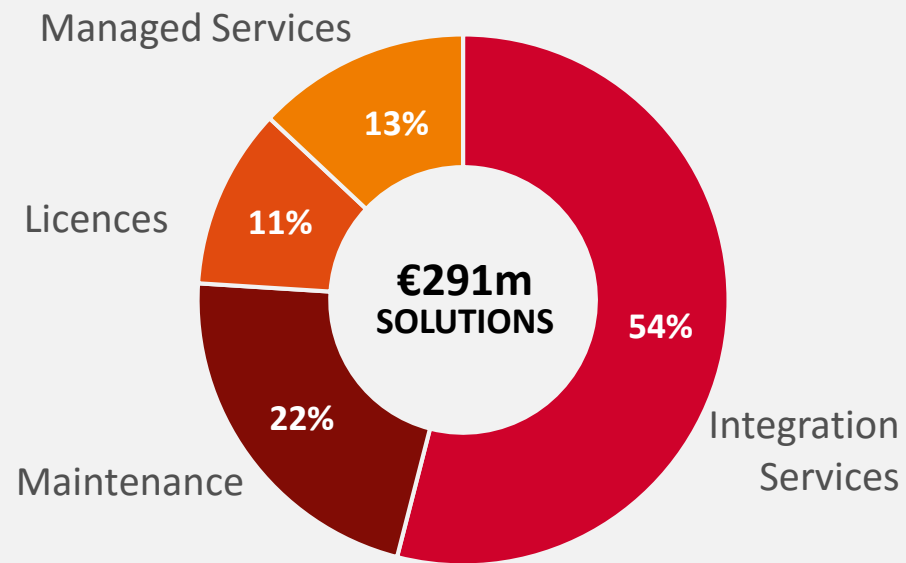
FOR THE PERIOD ENDED 30/06/2017

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



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



FY 2016 OPERATING PERFORMANCE BY REPORTING UNITS

STRONG PERFORMANCE ACROSS ALL REPORTING UNITS IN 2016

	Revenue			Operating profit on business activity	
	2016 (€m)	2015 Restated* (€m)	Organic growth (%)	2016 (% of Rev.)	2015 (% of Rev.)
France	1 528.1	1 432.4	+ 6.7%	8.1%	7.5%
United Kingdom	927.9	924.4	+ 0.4%	8.0%	7.3%
Other Europe	728.1	687.9	+ 5.8%	5.7%	2.7%
Sopra Banking Software	350.9	314.1	+ 11.7%	9.1%	9.1%
Other Solutions	206.4	199.1	+ 3.7%	14.2%	11.6%
Total	3 741.3	3 557.9	+ 5.2%	8.0%	6.8%

* Revenue at 2016 scope and exchange rates



INCOME STATEMENT

FINANCIAL YEAR 2016

	2016 (€m)	2016 (% of Rev.)	2015 (€m)	2015 (% of Rev.)
Revenue	3 741.3		3 584.4	
<i>Organic growth</i>	5.2%			
Operating profit on business activity	301.1	8.0%	245.5	6.8%
Expenses related to stock options and related items	- 12.1		- 1.2	
Amortisation of allocated intangible assets	- 21.1		- 19.4	
Profit from recurring operations	267.8	7.2%	225.0	6.3%
Other operating income and expenses	- 27.6		- 72.4	
Operating profit	240.2	6.4%	152.6	4.3%
Cost of net financial debt	- 6.7		- 8.1	
Other financial income and expenses	- 7.6		- 14.9	
Tax expense	- 80.9		- 47.2	
Share of net profit from equity-accounted companies	10.8		7.2	
Net profit	155.8		89.6	
<i>of which attributable to Group</i>	150.4	4.0%	84.4	2.4%
<i>of which minority interests</i>	5.4		5.2	



SIMPLIFIED BALANCE SHEET

31/12/2016

	31/12/2016 (€m)	31/12/2015 (€m)
Goodwill	1 557.0	1 586.9
Allocated intangible assets	179.7	186.5
Other fixed assets	160.8	162.8
Equity-accounted investments	202.3	154.4
Fixed assets	2 099.8	2 090.7
Net deferred tax	128.9	126.9
Trade accounts receivable (net)	1 132.7	1 099.8
Other assets and liabilities	- 1 171.5	- 1 117.2
Working capital requirement (WCR)*	- 38.7	- 17.4
Assets + WCR	2 190.0	2 200.1
Equity	1 103.1	1 233.1
Provisions for post-employment benefits	464.5	309.4
Provisions for contingencies and losses	116.4	126.8
Net financial debt	506.0	530.8
Capital invested	2 190.0	2 200.1

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



A HEALTHY FINANCIAL POSITION AT 31/12/2016

DEBT COVENANTS AND LIQUIDITY

Net financial debt
at 31/12/2016:
€506.0m

EBITDA leverage:
1.47x (max. 3.0x)

Available undrawn amount:
€1.1bn
*i.e. 58% of authorised amount**

Long terms maturity
• Bond: 2019
• Bank borrowing facilities:
2021
(extension possible to 2023)

	31/12/2016 Amount used (€m)	31/12/2016 Amount authorised (€m)
Bond	180.0	180.0
Syndicated loan - Tranche A €	160.0	160.0
Syndicated loan - Tranche B £	74.8	74.8
Multi-currency revolving credit facility	-	900.0
Finance leases	14.7	14.7
Overdrafts and Other	32.3	192.6
Total	461.8	1 522.1
Commercial paper	302.7	
IFRS 3 impact - Bond	7.0	
Gross debt	771.4	
Cash and cash equivalents	265.4	
Net financial debt	506.0	

* Assuming a constant amount of commercial paper (€302.7m at 31 December 2016) and overdrafts



EARNINGS PER SHARE

FINANCIAL YEAR 2016

	2016 (€m)	2015 (€m)
Net profit - attributable to Group (€m)	150.4	84.4
Weighted average number of shares in issue excluding treasury shares	20.04	19.76
Basic earnings per share (€)	7.50	4.27
Basic recurring net earnings per share (€)	8.45	6.75
Theoretical weighted average number of shares	20.09	19.81
Fully diluted earnings per share (€)	7.49	4.26
Diluted recurring net earnings per share (€)	8.43	6.73



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.

