

Nicolas Aidoud :

Thank you, James.

Maybe before we start the Q&A session, let me try to wrap up what we have presented you today.

First, the message that we wanted to convey is that financial services

are one of the key pillar in the Sopra Steria strategy.

Second, the positioning of the financial services business within Sopra Steria

is on the positioning, the click to cash issue,

where we want to help all the financial institutions to transform the digital connections into revenue.

Third, we have illustrated this kind of positioning within the UK market with the ethical debt management platform that we just built for the UK market.

Third, the click to cash promise doesn't mean anything if Sopra Banking software doesn't have a strategy to go forward SaaS, forward banking as a service, and forward platform as a service.

That's it for the conclusion.

That's it for the wrap-up. I'm super open to treat some questions, we just received some questions, and I think the first question is for you, James.

Regarding Sopra financing platform, do you think SaaS is applicable in a complex market like financial services?

James Powell :

Yes.

Yes, let me give some reasons behind that.

I think it's a question of maturity of our model, our software.

We're on a journey, I have to say. That maturity is going to lead ultimately to...

The challenge you face in a vertical like this where it's complex, The customer wants...

They have got sophisticated business, and they all have got different ways that they differentiate themselves.

They want to change the product, that's the default position.

The key to SaaS is you have to protect your product.

So, I think the example I gave earlier of BMW doing their small countries in Europe and Asia Pacific is they're able to say: 'Standard product, here you go, we're able to deliver fast.'

We're in conversations with them and others, now. But the bigger market, that becomes the challenge.

The challenge there is: Do we have the sophistication in our maturity, and do they have the mindset to drive that kind of change of process versus change of software?

For me, everyone is talking about adopt over the last few years,

this is the ultimate adopt, where you hold your product line.
The maturity, on our side, is that we would need to organize ourselves in such a way that we can still manage the complexity of those organizations, but still protecting your product.
So yes, but I think this is going to take time.
I think small guys now is real,
I think big guys later down the line.

Nicolas Aidoud :

I have a second question, this one is going to go for Eric.
How would you position yourself within the 'Buy now, Pay Later' ecosystem initiatives?

Eric Bierry :

The BNPL. That is the way the market is saying that difficult sentence.

This is perfectly fitting with what I was trying to explain.

When we are putting in place a service within an ecosystem where we are proposing the 'Buy Now, Pay Later', it means that it has to orchestrate the ability to access to the end client who would like to use the service.

But behind the scenes, there are requests for payment, and a payment initiative which has to be sent.

And in parallel, within that, there will be the ability to collect the money.

In fact, this is perfectly fitting with what kind of use case we are putting in place.

From the digital service, with the knowledge of the client, the capability to launch digital payments, up to the ability to collect the money.

We are already, I should say, in that space.

And this is a proof of the value proposition today.

Nicolas Aidoud :

Thank you, Eric.

I think I have another one. I can give this one to Craig, I suppose. Even if it's for the UK market. I will give it to Craig.

How does the UK platform work alongside the other developments we have heard about?

Craig, are you still with us, or you're completely dead by the COVID?

Craig Wilson :

I am, yes.

I think it's a great question.

The idea is the platform are being built, so they can operate independently.

However, they are part of components that come together as the

organization of Sopra Steria.

And therefore, if James as a client requirement, requires some... that management of end to end BPO involved in the platform or ecosystem is talking about, we have the modulations that can give a customer the outcome they're looking for.

Just as in Eric's world, it comes together whereby the end to end financial services in the debt management.

We give the customer the outgo.

We give the customer the choice and ability to do it.

This isn't just about the consumer choice.

It's about banks, building sites, retailers, all having choice.

In today's world and in a future world, the ability to drive that return, that ability to drive that ethical stance, and to give them the choice is going to be fundamental.

These aren't individual items that are being built on silos.

They're being built really clear as a strategy.

That allows us to drive the business and to bring the synergy of Sopra Steria as a group to the benefit.

Nicolas Aidoud :

Thank you, Craig. Maybe, James, you can build on this one. There is another question on sustainability, and give some examples of what you're doing in sustainability. Craig just explained that, it's pretty clear for the ethical debt management.

You have also some very interesting things to say on sustainability.

James Powell :

As you can imagine, sustainability in the automotive and generally asset finance business is a big topic, because carbon footprint is not too great in our industry.

Obviously, the shift to EV is helping that, and that's accelerating.

What we've been doing specifically, various things, I'll give you one example.

This is deeply internal to finance now.

When a lender is lending to fund a bunch of cars for a dealer, let's say that the US is an example. You can imagine that the geography of the US is such, that it's difficult to manage that risk.

The traditional and still now, the prevalent way of managing that is to send people all over the US counting cars, looking at the dealer in the eye, and making sure that everything's right in that dealership. We acquired last year a company called Luminosity, which is now being rebranded to be called SFP digital audit. This is the first time in the 28 years that I've been in it,

that a genuine solution to provide a digital remote based audit, where the dealers do a self audit, and the controls that are put in place allow the lender to manage the risks, without having to send

people all over the US in their cars, or on planes, to go and physically do that. It's not going to remove all of that immediately, but what it's going to do is reduce the amount of people that are going. I think it's a great example of sustainability.

Nicolas Aidoud :

Maybe the last question that I have...

This one should be for you, Eric, I guess.

Sopra Steria has two core banking solutions installed today.

What is your product strategy in that respect?

Eric Bierry :

In fact, we have even more processing platform in place.

Linked to our story, and also linked to the willingness of some of our clients.

With their specificities to maintain, and to run with them, these platforms. It has been a dilemma for years, I think, because looking at the market, there are some key players who were deciding just to converge everything to only one. The key question, the dilemma, was more : What is the benefit for the client, first? And when we're doing this, internally, can we cover all the challenges we were just talking about today? From that perspective, the decision we have made, it was already a few years ago, was more to open these cores, make them more open, more reliable, moving them to the cloud, on the CloudReady mode, which is, we think, the most important thing. And then, dealing with a single capacity to invest on the Sopra Banking cloud platform first, and on the digital engagement second. And based upon our ability, then, to interact with these different cores. With a single same new services coming on top, and then delivering the value has been our answer, and is our answer for the future. And again, the ability to suddenly move all of our clients from one into a second, will generate a lot more trouble to our clients first, into a second where they are struggling, in trying to deliver the value to the market, as we will explain. And we are with them, in bringing them that capability to compete within that market. That is the choice we made. The first results are showing first that our clients are following us.

It was maybe the first important thing. And second, that ability to invest into a single layer from a digital engagement perspective and from a Cloud perspective, is showing also that progressively, these clients will enable all the additional new services, rather than asking us to add new features within the core. That's, we think, the best way to look at the future, from a medium to long-term perspective.

Nicolas Aidoud :

Very clear.

Craig, I think you have generated a lot of questions, I think I feel obliged to give you one more:

The debt management default resolution appears very timely.

Craig mentioned it has been in the planning stage for 18 months and plus,

did Sopra Steria in part have the stiffening economic cycle in mind in preparing this offering?

Craig Wilson :

I think it's a great question.

I think we looked at what are USP are, what our capabilities are, and we developed the strategy to make sure we moved towards it. We made sure it's a scalable and adaptable model. We did look at the macroeconomic cycle. More importantly, we looked at what we can do really well.

We believe we have a real opportunity to bring together the capabilities of the organization that brings an effective and high growth model, whilst making a difference to society.

That's really important for us. We want to make sure in the UK that we deliver platforms that do make a difference to society. Make a difference to why people want to choose Sopra Steria.

And build on what we're known for. This utilizes the software and the operations. But we are also very aware of the economical cycle cost. You look at it through time, and you could see the economic cycle would be at downtime at some point. We are not doing it to take advantage of a downtime. We're doing it to do the right thing, and that's why the vulnerability and the ethical stance on it is critical for us to drive that business forward.

Nicolas Aidoud :

That's a very rational answer, but I will add something on this one, Craig, if I may.

There is also the fact that you spent a lot of time in the financial industry, that you were the CEO of HSBC, and I think you are part of the fact that we have anticipated also this offering and its timing to the market.

Thank you, Craig, for that. I think it's the end of the Q&A session. I don't know if the chat is broken, but I don't have any more questions on my iPad. Thank you everyone, for attending this session. One message, again: we are at your disposal for one-to-one conversations, going into details of this new strategy, the click-to-cash strategy.

Don't hesitate to reach to us for an individual session or a more detail session.

I'm 100% sure that we're going to see you in October 2022 for the

Sopra Banking Summit.
Thank you everyone.
Thank you, have a great day, bye!