

Revenue for Q3 2018: €951.4m Organic growth¹ of 3.7%

Paris, 26 October 2018 – Sopra Steria Group generated revenue of €951.4 million in the third quarter of 2018, representing growth of 6.6%. Growth at constant scope and exchange rates was 3.7%.

Sopra Steria: Consolidated revenue – Q3 2018

| €m / % | Q3 2018 IFRS 15 | Q3 2017 IFRS 15 | Organic growth | Total growth |
|----------------|--------------------|--------------------|-------------------|-----------------|
| Revenue | 951.4 | 892.2 | 3.7% | 6.6% |

Comments on Q3 2018 business activity

In the third quarter 2018, Sopra Steria posted revenue growth of 6.6%. Changes in scope had a €25.8 million positive impact. The effect of exchange rate fluctuations was neutral. At constant scope and exchange rates, growth came to 3.7%.

In **France**, third-quarter revenue came to €392.3 million, representing organic growth of 4.3%, driven by consulting activities, up more than 10%. Infrastructure management activities grew by more than 3% and cybersecurity by more than 30%. The quarter's best-performing vertical markets were banking, insurance, energy, social (*Pôle Emploi, CNAM...*) and aeronautics.

In the **United Kingdom**, revenue came to €191.2 million, representing organic growth of 3.5%. This upturn compared to the decline recorded in the first half of the year (-3.4%) is mainly driven by growth at the NHS SBS joint venture and a seasonal rebound in revenue at the SSCL joint venture. The fourth quarter 2018 revenue is also expected to grow for the UK. The initiatives launched in late 2017 (to refocus the business model on higher-added-value services, reinforce the Group's presence in the private sector, invest in consulting and the Group's sales force and cut costs) made progress as planned. An uplift in the operating margin on business activity in the second half of 2018 relative to the first half is confirmed, though it is likely to come a little more slowly than anticipated due to lower-than-expected business volumes.

The **Other Europe** reporting unit posted robust organic revenue growth (13.6%), with revenue coming to €241.9 million. Almost all of the reporting unit's countries – and in particular Germany – posted growth rates of around 10% or higher.

¹ Alternative performance measures are defined in the glossary at the end of this document

Sopra Banking Software generated revenue of €72.5 million. As announced on 18 October, this equates to negative organic growth of 20.2%. It reflects, in particular, progress adjustments on some projects following delivery issues that are in the process of being resolved. Despite these temporary difficulties, Sopra Banking Software is pursuing its strategy and is confident in its ability to meet the challenges of transforming the financial world with the deployment of its digital platform.

After strong growth of 4.0% in the first half of 2018, the **Other Solutions** reporting unit posted revenues of €53.4m in the third quarter, up slightly by 0.2%. An upturn is expected in Q4 2018. This year the Human Resources activity has been substantially boosted by preparations to implement income tax withholding in France.

Workforce

At 30 September 2018, the Group's workforce totalled 43 047 people (41,661 people at 31 December 2017), with 18,9 % working in X-Shore zones.

External growth

On 23 October 2018, the Group announced the acquisition of Sword Apak (which generated 2017 revenue of €27.5 million and an EBITDA margin rate of 26%). This acquisition gives Sopra Banking Software an unrivalled position in the asset finance software market. Sword Apak will be consolidated in October 2018.

2018 targets

Organic revenue growth of at least 4.5%

Operating margin on business activity of around 7.5%

As announced, the Group will state its objectives beyond 2018 when publishing its annual results on 22 February 2019.

Upcoming events

Friday, 22 February 2019: Publication of 2018 annual results (before market) and presentation meeting



Glossary

- **Restated revenue:** Revenue for the prior year, adjusted for the consolidation scope and exchange rates of the current year.
- **Organic revenue growth:** Increase in revenue between the period under review and restated revenue for the same prior-year period.
- **EBITDA:** This measure, as defined in the Registration Document, is equal to consolidated operating profit on business activity after adding back depreciation, amortisation and provisions included in 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 share-based payment expense for stock options and free shares and charges to 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 foreseeable, presented separately in order to give a clearer picture of performance based on ordinary activities.
- **Basic recurring earnings per share:** This measure is equal to basic earnings per share before other operating income and expenses net of tax.
- **Free cash flow:** Free cash flow is defined as the net cash from operating activities, less investments (net of disposals) in property, plant & equipment, and intangible assets, less net interest paid and less additional contributions to address any deficits in defined-benefit pension plans.

Disclaimer

This document contains forward-looking information subject to certain risks and uncertainties that may affect the Group's future growth and financial results. Readers are reminded that licence agreements, which often represent investments for clients, are signed in greater numbers in the second half of the year, with varying impacts on end-of-year performance. Actual outcomes and results may differ from those described in this document due to operational risks and uncertainties. More detailed information on the potential risks that may affect the Group's financial results can be found in the 2017 Registration Document filed with the Autorité des Marchés Financiers (AMF) on 13 April 2018 (see pages 35 and following in particular). Sopra Steria does not undertake any obligation to update the forward-looking information contained in this document beyond what is required by current laws and regulations. The distribution of this document in certain countries may be subject to the laws and regulations in force. Persons physically present in countries where this document is released, published or distributed should inquire as to any applicable restrictions and should comply with those restrictions.

About Sopra Steria

Sopra Steria, a European leader in digital transformation, provides one of the most comprehensive portfolios of end-to-end service offerings on the market: consulting, systems integration, software development, infrastructure management and business process services.

Sopra Steria is trusted by leading private and public-sector organisations to deliver successful transformation programmes that address their most complex and critical business challenges. Combining high quality and performance services, added value and innovation, Sopra Steria enables its clients to make the best use of digital technology. With nearly 42,000 employees in more than 20 countries, Sopra Steria generated revenue of €3.8 billion in 2017. Sopra Steria (SOP) is listed on Euronext Paris (Compartment A) – ISIN: FR0000050809

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Annexes

Sopra Steria: Impact on revenue of changes in scope and exchange rates – 9M 2018

| €m | 9M 2018 IFRS 15 | 9M 2017 | Growth |
|---|--------------------|----------------|--------------|
| Revenue | | 2,798.3 | |
| Impact of IFRS 15 | | -14.6 | |
| Revenue under IFRS 15 | 2,965.4 | 2,783.7 | +6.5% |
| Changes in exchange rates | | -17.0 | |
| Revenue at constant exchange rates | 2,965.4 | 2,766.7 | +7.2% |
| Changes in scope | | 64.5 | |
| Revenue at constant scope and exchange rates | 2,965.4 | 2,831.2 | +4.7% |

Sopra Steria: Changes in exchange rates – 9M 2018

| For €1 / % | Average rate 9M 2018 | Average rate 9M 2017 | Change |
|-----------------|-------------------------|-------------------------|--------|
| Pound sterling | 0.884 | 0.873 | -1.2% |
| Norwegian krone | 9.588 | 9.236 | -3.7% |
| Swedish krona | 10.237 | 9.583 | -6.4% |
| Danish krone | 7.450 | 7.437 | -0.2% |
| Swiss franc | 1.161 | 1.095 | -5.7% |

Sopra Steria: Revenue by reporting unit – 9M 2018

| €m / % | 9M 2018 IFRS 15 | 9M 2017 Restated* | 9M 2017 IFRS 15 | Organic growth | Total growth |
|------------------------|--------------------|----------------------|--------------------|-------------------|-----------------|
| France | 1,241.4 | 1,193.5 | 1,171.2 | 4.0% | 6.0% |
| United Kingdom | 574.1 | 581.2 | 588.6 | -1.2% | -2.5% |
| Other Europe | 717.4 | 625.5 | 592.4 | 14.7% | 21.1% |
| Sopra Banking Software | 259.9 | 263.1 | 263.7 | -1.2% | -1.4% |
| Other Solutions | 172.7 | 167.9 | 168.0 | 2.8% | 2.8% |
| Total | 2,965.4 | 2,831.2 | 2,783.7 | 4.7% | 6.5% |

* Revenue at 2018 scope and exchange rates, and after application of IFRS 15

Sopra Steria: Revenue by reporting unit – Q3 2018

| €m / % | Q3 2018 IFRS 15 | Q3 2017 Restated* | Q3 2017 IFRS 15 | Organic growth | Total growth |
|------------------------|--------------------|----------------------|--------------------|-------------------|-----------------|
| France | 392.3 | 376.1 | 369.5 | 4.3% | 6.2% |
| United Kingdom | 191.2 | 184.8 | 183.2 | 3.5% | 4.4% |
| Other Europe | 241.9 | 212.9 | 195.8 | 13.6% | 23.5% |
| Sopra Banking Software | 72.5 | 90.8 | 90.4 | -20.2% | -19.9% |
| Other Solutions | 53.4 | 53.3 | 53.3 | 0.2% | 0.2% |
| Total | 951.4 | 917.9 | 892.2 | 3.7% | 6.6% |

* Revenue at 2018 scope and exchange rates, and after application of IFRS 15

