

Third quarter of 2020

Spring transformation accelerating commercial momentum

**Order entry up +20% year-on-year at constant currency, Book to bill ratio at 124%
(excl. Siemens renewal)**

Renewed and expanded partnership with Siemens for € 3 billion over 5 years

Revenue at € 2,644 million, -2.5% at constant currency, -3.5% organically (Q2 at -4.8%)

All 2020 objectives confirmed

Paris, October 22, 2020. Atos, a global leader in digital transformation, today announces its revenue for the third quarter of 2020.

Elie Girard, CEO, said: *"Our ongoing Spring transformation is enabling the group to adapt rapidly to meet customer needs in each Industry. For Q3, this has resulted in a record high order book (even without Siemens renewal and expansion) as well as a record high pipeline of commercial offers. Thanks to our 105,000 colleagues embarked on this transformation, the Group is achieving success both qualitatively and quantitatively. Our business in Digital, Cloud, Security and Decarbonization is growing rapidly and changing the profile of the Group significantly. This quarter was obviously also marked by the renewal and expansion of our strategic partnership with Siemens. Overall, this very high level of commercial activity will support the revenue recovery started in Q3 and the return to growth in 2021.*

Group's teams have also strengthened the pioneering position of Atos in many dimensions over the quarter. In Corporate Social Responsibility, Atos has been once more recognized as the leader of its sector. Our offerings in Decarbonization find a resounding interest from our customers with several signatures already in Q3. Our technological advance in key areas such as computing or cloud has moved further in the context of large European plans on high performance computing and quantum computing as well as Gaïa-X initiative of which Atos is a founding member.

Finally, pursuing its M&A strategy in Cybersecurity and Digital bolt-ons, the Group today announces 3 new acquisitions. In 2020 so far, 9 Cybersecurity and Digital players will have joined Atos representing a total yearly revenue of almost € 300 million, supporting the reprofiling of Group offering.

Overall, based on the dynamism of our activity, as well as our strong cost and cash actions launched in the context of the crisis and which are well underway, we confirm today all our objectives for 2020, and are fully prepared to enter into 2021 on a solid footing towards our mid-term ambition and targets."

Revenue in the third quarter of 2020 reached **€ 2,644 million**, down **-3.5%** organically compared to Q3 2019 and **-2.5%** at constant currency.

Q3 2020 revenue by Industry

<i>In € million</i>	Q3 2020	Q3 2019*	Organic evolution	Constant currency evolution
Manufacturing	469	537	-12.8%	-12.0%
Financial Services & Insurance	506	520	-2.6%	-1.6%
Public Sector & Defense	618	546	+13.0%	+13.0%
Telecom, Media & Technology	359	377	-4.8%	-2.1%
Resources & Services	376	449	-16.3%	-15.5%
Healthcare & Life Sciences	317	310	+2.2%	+2.9%
Total	2,644	2,740	-3.5%	-2.5%

* At constant scope and exchange rates

Manufacturing reported a revenue of **€ 469 million**, representing a decrease by **-12.8%** organically compared to Q3 2019. The Industry was significantly impacted by the Covid-19 pandemic, with volume reductions from Aerospace clients, both in Southern Europe and Central Europe, and in the Automotive sector in Southern Europe, North America and Central Europe. The Industry also faced base effects on contracts ended in 2019 in Northern Europe.

Financial Services & Insurance revenue was **€ 506 million** in the third quarter 2020. The Industry was down by **-2.6%** organically compared to Q3 2019. The performance recorded in Southern Europe and to a lesser extent in Central Europe was positive and partly mitigated Covid challenges in North America, Northern Europe and Growing Markets.

Public Sector & Defense was the most dynamic Industry with **€ 618 million**, representing 23% of the Group revenue, and a growth of **+13.0%** compared to Q3 2019 at constant scope and exchange rates. The growth was mainly fueled by Northern Europe with European institutions, North America with the ramp-up of new contracts and increased sales with existing customers, and by the delivery of new Big Data projects in several geographies in Europe and in Growing Markets.

Telecom, Media & Technology revenue was **€ 359 million**, decreasing by **-4.8%** organically compared to Q3 2019. The Industry recorded growth in High Tech & Engineering as well as Media due to ramping-up contracts in Northern Europe and North America which did not entirely compensate the challenging situation in Telecom across most of the geographies.

Resources & Services revenue in the third quarter 2020 reached **€ 376 million**, decreasing by **-16.3%** organically compared to Q3 2019. This Industry was mainly impacted by the ramp-down of projects in North America and by Covid across all geographies especially in Retail and Transportation.

Healthcare & Life Sciences revenue was **€ 317 million**, up by **+2.2%** compared to Q3 2019 at constant scope and exchange rates. In the current sanitary context, the Industry recorded a solid performance for the second consecutive quarter thanks to a strong performance in Pharma sector. Healthcare & Life Sciences achieved growth in most geographies.

Q3 2020 revenue by Regional Business Unit

<i>In € million</i>	Q3 2020	Q3 2019*	Organic evolution	Constant currency evolution
North America	629	678	-7.2%	-2.8%
Northern Europe	675	650	+3.8%	+4.3%
Central Europe	630	673	-6.3%	-6.4%
Southern Europe	517	548	-5.5%	-4.6%
Growing Markets	192	192	+0.2%	-4.9%
Total	2,644	2,740	-3.5%	-2.5%

* At constant scope and exchange rates

Looking at the trends by Regional Business Unit, Northern Europe grew compared to last year thanks to a strong performance in Public Sector & Defense and Telecom, Media & Technology. Situation was more challenging in North America with project and volume reductions in Resources & Services, in Financial Services & Insurance and in Manufacturing. Central Europe was down mainly due to Unified Communication & Collaboration indirect sales channels and ramp-downs in large Manufacturing customers which could not be compensated by the strong performance in other Industries. In Southern Europe, the good performance in Healthcare & Life Sciences and Financial Services & Insurance did not entirely compensate the decline in other Industries. Growing Markets was stable in Q3 due to a strong performance in Healthcare & Life Sciences and in Manufacturing offsetting the reduction recorded in Resources & Services.

Commercial activity

During the third quarter 2020, the Group **order entry** reached **€ 3,277 million**, representing a **book to bill ratio** of **124%** (excl. Siemens renewal and expansion signed in September for € 3 billion over 5 years) compared to 100% achieved over the same period last year and an average of 98% over the last 5 years.

Several significant new contracts were signed over the period: in North America in Financial Services & Insurance (Willis Towers Watson), in Manufacturing (a large manufacturer of vertical transportation systems and a multi-national corporation in manufacturing and distributing heating, ventilating systems), and in Healthcare & Life Sciences (a large US hospital chain), in Northern Europe in Public Sector & Defense (Linköpings Universitet), and in Central Europe with Resources & Services (RheinEnergie AG).

On top of the Siemens renewal and expansion, main renewals of the quarter were concluded in Southern Europe with Public Sector & Defense (Météo France) and in Telecom, Media & Technology (PwC).

The **full backlog** at the end of September 2020 amounted to **€ 23.0 billion** and increased by € 1.9 billion compared to end of September 2019 at constant exchange rates, representing **2.0 years of revenue**.

The **full qualified pipeline** was **€ 9.0 billion** at the end of September 2020, representing **9.3 months of revenue**, improving by € 1.8 billion compared to September 2019 at constant exchange rates.

Human resources

The total headcount was **105,015** at the end of September 2020, down by -3.4% excluding scope effect compared to **108,317** at the end of December 2019 and -1.8% excluding scope effect compared to **106,980** at the end of June 2020, considering residual Covid-19 effect on the Group's activity as well as accompanying and anticipating the impact of automation and robotization.

Attrition rate was **9.0%** at Group level, at the same level as in Q2 this year and significantly down compared to 15.8% in Q3 last year. Attrition in Q3 this year was 11.2% in offshore countries.

2020 objectives

The Group confirms all its objectives for 2020:

- **Revenue organic evolution:** between -2% and -4%;
- **Operating margin rate:** 9% to 9.5% of revenue;
- **Free cash flow:** € 0.5 billion to € 0.6 billion.

3 acquisitions announced today in the fields of Digital, Cloud, and Cybersecurity

Atos announced today that it has:

- signed an agreement to enter into exclusive negotiations to acquire **Edifixio**, a leading player in Cloud Consulting and Integration focused on **Salesforce, Amazon Web Services, Microsoft Azure** based in France with 380 employees;
- signed an agreement to acquire **Eagle Creek**, a **US** Digital Technology and Management Consulting company specialized in **Salesforce** with 250 employees;
- signed an agreement to acquire **SEC Consult**, a worldwide player in **Cybersecurity Consulting** and **Penetration Testing** operating in DACH region and in Asia with 200 employees.

The closing of each transaction is expected to take place before the end of the year subject to the final approval of employee representative bodies. These acquisitions are fully in line with the Group M&A strategy announced earlier this year.

For more details, please see the three separate press releases issued today.

Appendix

Revenue at constant scope and exchange rates reconciliation

<i>In € million</i>	Q3 2020	Q3 2019	% change
Statutory revenue	2,644	2,770	-4.5%
Exchange rates effect		-57	
Revenue at constant exchange rates	2,644	2,712	-2.5%
Scope effect		28	
Exchange rates effect on acquired/disposed perimeters		-1	
Revenue at constant scope and exchange rates	2,644	2,740	-3.5%

The scope effect mostly related to the acquisitions of Maven Wave, Miner & Kasch, IDnomic, X-PERION, and Alia Consulting, and the disposal of some specific Unified Communication & Collaboration activities.

The exchange rates effect negatively contributed to revenue for €-58 million mainly coming from the US Dollar and the Brazilian Real.

Q3 2020 revenue performance by Division

<i>In € million</i>	Q3 2020	Q3 2019*	Organic evolution	Constant currency evolution
Infrastructure & Data Management	1,479	1,523	-2.9%	-1.6%
Business & Platform Solutions	901	989	-8.9%	-8.8%
Big Data & Cybersecurity	265	228	+16.1%	+19.2%
Total	2,644	2,740	-3.5%	-2.5%

* At constant scope and exchange rates

9M YTD 2020 revenue performance by Industry and Regional Business Unit

<i>In € million</i>	9M 2020	9M 2019*	Organic evolution	Constant currency evolution
Manufacturing	1,491	1,659	-10.1%	-9.8%
Financial Services & Insurance	1,581	1,645	-3.9%	-3.0%
Public Sector & Defense	1,858	1,716	+8.3%	+8.3%
Telecom, Media & Technology	1,181	1,244	-5.1%	-2.9%
Resources & Services	1,205	1,311	-8.1%	-7.6%
Healthcare & Life Sciences	955	957	-0.2%	+0.4%
Total	8,272	8,532	-3.1%	-2.3%

* At constant scope and exchange rates

<i>In € million</i>	9M 2020	9M 2019*	Organic evolution	Constant currency evolution
North America	1,984	2,101	-5.6%	-1.9%
Northern Europe	2,035	2,018	+0.8%	+1.2%
Central Europe	2,001	2,045	-2.2%	-2.4%
Southern Europe	1,660	1,777	-6.6%	-5.7%
Growing Markets	591	591	+0.0%	-5.3%
Total	8,272	8,532	-3.1%	-2.3%

* At constant scope and exchange rates

Conference call

Today, Thursday October 22, 2020, the Group will hold a **conference call** in English at 08:00 am (CET - Paris), chaired by Elie Girard, CEO, in order to comment on Atos' third quarter 2020 results and answer questions from the financial community.

You can join the **webcast** of the conference:

- on atos.net, in the Investors section
- by smartphones or tablets through the scan of:
- by telephone with the dial-in, 5-10 minutes prior the starting time:
 - France +33 1 70 70 07 81 code 8269394
 - Germany +49 69 2222 2625 code 8269394
 - UK +44 844 481 9752 code 8269394
 - US +1 646 741 3167 code 8269394
 - Other countries +44 2071 928338 code 8269394



After the conference, a replay of the webcast will be available on atos.net, in the Investors section.

Forthcoming events

February 18, 2021	Full Year 2020 results
April 20, 2021	First quarter 2021 revenue
May 12, 2021	Annual General Meeting
July 28, 2021	First semester 2021 results

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About Atos

Atos is a global leader in digital transformation with 110,000 employees in 73 countries and annual revenue of € 12 billion. European number one in Cloud, Cybersecurity and High-Performance Computing, the Group provides end-to-end Orchestrated Hybrid Cloud, Big Data, Business Applications and Digital Workplace solutions. The Group is the Worldwide Information Technology Partner for the Olympic & Paralympic Games and operates under the brands Atos, Atos|Syntel, and Unify. Atos is a SE (Societas Europaea), listed on the CAC40 Paris stock index.

The purpose of Atos is to help design the future of the information space. Its expertise and services support the development of knowledge, education and research in a multicultural approach and contribute to the development of scientific and technological excellence. Across the world, the Group enables its customers and employees, and members of societies at large to live, work and develop sustainably, in a safe and secure information space.

Disclaimers

This document contains forward-looking statements that involve risks and uncertainties, including references, concerning the Group's expected growth and profitability in the future which may significantly impact the expected performance indicated in the forward-looking statements. These risks and uncertainties are linked to factors out of the control of the Company and not precisely estimated, such as market conditions or competitors behaviors. Any forward-looking statements made in this document are statements about Atos' beliefs and expectations and should be evaluated as such. Forward-looking statements include statements that may relate to Atos' plans, objectives, strategies, goals, future events, future revenues or synergies, or performance, and other information that is not historical information. Actual events or results may differ from those described in this document due to a number of risks and uncertainties that are described in the 2019 Universal Registration Document filed with the Autorité des Marchés Financiers (AMF) on March 3, 2020 under the registration number D.20-0096 and the Amendment to the 2019 Universal Registration Document filed with the AMF on July 30, 2020 under number D.20-0096-A01. Atos does not undertake, and specifically disclaims, any obligation or responsibility to update or amend any of the information above except as otherwise required by law. This document does not contain or constitute an offer of Atos' shares for sale or an invitation or inducement to invest in Atos' shares in France, the United States of America or any other jurisdiction.

Revenue organic growth is presented at constant scope and exchange rates.

Industries include **Manufacturing** (Aerospace, Automotive, Chemicals, Consumer Packaged Goods (Food & Beverage), Discrete Manufacturing, Process Industries, Services and Siemens), **Financial Services & Insurance** (Insurance, Banking & Financial Services, and Business Transformation Services), **Public Sector & Defense** (Defense, Education, Extraterritorial Organizations, Public Administration, Public Community Services and Major Events), **Telecom, Media & Technology** (High Tech & Engineering, Media, and Telecom), **Resources & Services** (Energy, Retail, Transportation & Hospitality, and Utilities) and **Healthcare & Life Sciences** (Healthcare and Pharmaceutical).

Regional Business Units include **North America** (USA, Canada, and Mexico), **Northern Europe** (United Kingdom & Ireland, Belgium, Denmark, Estonia, Finland, Lithuania, Luxembourg, The Netherlands, Poland, Russia, and Sweden), **Central Europe** (Germany, Austria, Bulgaria, Croatia, Czech Republic, Greece, Hungary, Israel, Romania, Serbia, Slovakia and Switzerland), **Southern Europe** (France, Spain, Portugal, and Italy) and **Growing Markets** including Asia-Pacific (Australia, China, Hong Kong, India, Indonesia, Japan, Malaysia, New Zealand, Philippines, Singapore, Taiwan, and Thailand), South America (Argentina, Brazil, Colombia, and Uruguay), Middle East & Africa (Algeria, Benin, Burkina Faso, Egypt, Gabon, Ivory Coast, Kingdom of Saudi Arabia, Lebanon, Madagascar, Mali, Mauritius, Morocco, Qatar, Senegal, South Africa, Tunisia, Turkey and UAE), Major Events, Global Cloud Hub, and Global Delivery Centers.