

Q3 2023 revenue
Organic growth of 4.0%
Confirmation of full-year targets

- Revenue for Q3 2023: €1,345.4 million
- Total growth of 10.6% and organic growth of 4.0%
- Completion of Ordina acquisition following successful public offer; launch of integration
- Agreement for Sopra Steria to buy the UK Cabinet Office's stake in the SSCL JV for £82.3 million

Paris, 27 October 2023 (7:00 a.m.) – Sopra Steria Group generated consolidated revenue of €1,345.4 million in the third quarter of 2023, equating to total growth of 10.6%. At constant scope and exchange rates, revenue grew 4.0%.

Sopra Steria: Consolidated revenue – Q3 2023

€m / %	Q3 2023	Q3 2022	Organic growth	Total growth
Revenue	1,345.4	1,216.9	4.0%	10.6%

Cyril Malargé, Chief Executive Officer of Sopra Steria Group, commented:

"In an environment marked by a succession of geopolitical crises and a slowing European economy, Sopra Steria is showing good resilience. Despite an unfavourable calendar effect (with one fewer business day), the third quarter of 2023 saw organic growth of 4.0%, driven in particular by robust business in the defence, aerospace, public sector, and transport verticals. As in the previous two quarters, all five of the Group's reporting units made a positive contribution to growth.

Over the period, our teams remained highly focused on boosting operational performance and transforming the Group (in areas such as our strategy of moving up the value chain, consulting, services and solutions, skills centres, and technologies).

I'm also delighted with the promising partnership we've just formed with Thales and Google Cloud to build one of the first sovereign cloud-based artificial intelligence platforms. Aimed at financial services firms and the public sector, this platform will help organisations improve their operational efficiency and the user experience for their customers.

We began the integration of Ordina, following our successful public offer. Sopra Steria has become a benchmark player in digital services in the Benelux region, generating around €700 million in pro forma revenue and employing over 4,000 professionals.

Against this backdrop, and assuming at this stage that there is no major deterioration in the global economy, I am confident in the Group's ability to achieve its targets."

Comments on Q3 2023 business activity

Revenue totalled €1,345.4 million, equating to total growth of 10.6% relative to Q3 2022. Changes in scope had a positive impact of €91.7 million, and currency fluctuations had a negative impact of €14.5 million. At constant scope and exchange rates, revenue grew 4.0%.

The **France** reporting unit (42% of the Group total) generated revenue of €567.9 million, equating to organic growth of 3.9%. Revenue for the consulting business remained buoyant, boosted by rising selling prices. The Product Lifecycle Management business grew by over 9%. The best-performing vertical markets were transport, defence, aerospace and the public sector. Energy and telecommunications grew slightly. The banking, insurance and retail verticals contracted.

The **United Kingdom** reporting unit (17% of the Group total) generated revenue of €230.8 million, equating to organic growth of 1.5%, affected by a high basis of comparison for the visa and passport renewal platforms. The two joint ventures specialising in business process services for the public sector (SSCL and NHS SBS), on the other hand, posted solid growth, as did the aerospace, defence and security sector. Fourth-quarter growth is expected to be on a par with the second quarter.

The **Other Europe** reporting unit (28% of the Group total) posted €378.2 million in revenue, representing organic growth of 5.4%. This performance was driven by Scandinavia and Spain, which posted organic growth near or above 10%. Excluding SFT, the reporting unit's countries posted average organic growth of 6.9%. Revenue for SFT was in line with its level in Q1 and Q2.

Revenue for **Sopra Banking Software** (8% of Group revenue) came to €102.3 million, representing organic growth of 4.3%, notably driven by the Sopra Banking Platform and the Sopra Financing Platform's digital offers. This resulted in a 7.9% increase in subscription revenue. Software revenue (60% of the total) was up by about 1% while services revenue grew 10.0%.

The **Other Solutions** reporting unit (5% of the Group total) posted revenue of €66.2 million, representing organic growth of 5.0%. The Human Resources Solutions business (which generates 70% of the reporting unit's revenue) grew by 4.4%. The Property Management Solutions business grew 6.4%.

Acquisition and external growth transactions

Following the successful public offer launched on 26 July 2023, Sopra Steria now holds more than 98% of the share capital of Dutch company Ordina. It will be fully consolidated from October 2023 and delisted from Euronext Amsterdam on 15 November 2023. Governance is in place and the integration process was launched on 26 September.

On 24 October 2023, the UK Cabinet Office announced its decision to exercise the put option to sell its 25% stake in SSCL's share capital to Sopra Steria. This joint venture had already been fully consolidated in Sopra Steria's accounts since 2013. The Group will acquire the remaining 25% of its shares from the Cabinet Office on 6 November 2023 for a total of £82.3 million. This transaction, which is immediately accretive to Sopra Steria's net profit and earnings per share, will not affect SSCL's customers, employees or services.

Workforce

The **net headcount** came to **53,430** people at 30 September 2023, compared with 49,411 people at 30 September 2022. A total of 9,328 staff were employed at international service centres (India, Poland, Spain, etc.), around the same level as at 30 June 2023.

Downtime was stable with respect to 30 June 2023.

At 30 September 2023, the **subcontracting rate** was 1.4 percentage points higher than the low point reached in 2020, at the end of a period deeply affected by the Covid-19 pandemic.

The **workforce attrition** rate was 15.1% (vs 18.3% at 30 September 2022).



Targets confirmed

Assuming at this stage that there will be no major deterioration in the economy in a more uncertain geopolitical context, the full-year 2023 and medium-term financial targets are confirmed.

For 2023:

- Organic revenue growth of at least 6.0%
- Operating margin on business activity slightly over 9%
- Free cash flow of at least €300 million

For the medium term:

The Group has set a target to achieve an operating margin on business activity of around 10% in 2024. In the medium term, it is targeting annual organic revenue growth of between 4% and 6%, and free cash flow of between 5% and 7% of revenue.

Presentation meeting

Revenue for the third quarter of 2023 will be presented to financial analysts and investors via a bilingual (French and English) conference call to be held on Friday, 27 October 2023 at 8:30 a.m. CET (Paris time).

- French-language phone number: +33 (0)1 70 37 71 66
- English-language phone number: +44 (0)33 0551 0200

Practical information about this presentation can be found in the 'Investors' section of the Group's website: <https://www.soprasteria.com/investors>

Upcoming financial releases

Thursday, 22 February 2024 (8:30 a.m.): Meeting to report 2023 annual results

Friday, 26 April 2024 (8:30 a.m.): Meeting to report Q1 2024 revenue

Tuesday, 21 May 2024 (2:30 p.m.): General Meeting of Shareholders

Wednesday, 24 July 2024 (6:30 p.m.): Meeting to report 2024 half-year results

Thursday, 31 October 2024 (8:30 a.m.): Meeting to report Q3 2024 revenue



Glossary

- **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 restated revenue for the same period in the prior financial year.
- **EBITDA:** This measure, as defined in the Universal 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 Universal 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 and equipment, and intangible assets; less lease payments; less net interest paid; and less additional contributions to address any deficits in defined-benefit pension plans.
- **Downtime:** Number of days between two contracts (excluding training, sick leave, other leave and pre-sales) divided by the total number of business days.

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 2022 Universal Registration Document filed with the Autorité des Marchés Financiers (AMF) on 17 March 2023 (see pages 40 to 45 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 enquire as to any applicable restrictions and should comply with those restrictions.

About Sopra Steria

Steria Sopra Steria, a major Tech player in Europe with around 55,000 employees in nearly 30 countries, is recognised for its consulting, digital services and software development. It helps its clients drive their digital transformation and obtain tangible and sustainable benefits. The Group provides end-to-end solutions to make large companies and organisations more competitive by combining in-depth knowledge of a wide range of business sectors and innovative technologies with a fully collaborative approach. Sopra Steria places people at the heart of everything it does and is committed to putting digital to work for its clients in order to build a positive future for all. In 2022, the Group generated revenues of €5.1 billion.

The world is how we shape it.

Sopra Steria (SOP) is listed on Euronext Paris (Compartment A) – ISIN: FR0000050809

For more information, visit us at www.soprasteria.com

Contacts

Investor Relations

Olivier Psaume

olivier.psaume@soprasteria.com

+33 (0)1 40 67 68 16

Press Relations

Caroline Simon (Image 7)

caroline.simon@image7.fr

+33 (0)1 53 70 74 65



Annexes

Sopra Steria: Impact on revenue of changes in scope and exchange rates – 9M 2023

€m / %	9M 2023	9M 2022	Growth
Revenue	4,185.5	3,760.7	+11.3%
Changes in exchange rates		-59.7	
Revenue at constant exchange rates	4,185.5	3,701.0	+13.1%
Changes in scope		221.4	
Revenue at constant scope and exchange rates	4,185.5	3,922.3	+6.7%

Sopra Steria: Changes in exchange rates – 9M 2023

For €1 / %	Avg. rate 9M 2023	Avg. rate 9M 2022	Change
Pound sterling	0.8707	0.8472	-2.7%
Norwegian krone	11.3483	10.0070	-11.8%
Swedish krona	11.4789	10.5274	-8.3%
Danish krone	7.4486	7.4399	-0.1%
Swiss franc	0.9774	1.0118	+3.5%

Sopra Steria: Revenue by reporting unit – 9M 2023

€m / %	9M 2023	9M 2022 Restated*	9M 2022	Organic growth	Total growth
France	1,766.8	1,668.1	1,501.6	+5.9%	+17.7%
United Kingdom	691.8	653.2	671.5	+5.9%	+3.0%
Other Europe	1,198.0	1,095.0	1,080.0	+9.4%	+10.9%
Sopra Banking Software	320.3	307.7	309.4	+4.1%	+3.5%
Other Solutions	208.6	198.3	198.3	+5.2%	+5.2%
Total	4,185.5	3,922.3	3,760.7	+6.7%	+11.3%

* Revenue at 2023 scope and exchange rates

Sopra Steria: Revenue by reporting unit – Q3 2023

€m / %	Q3 2023	Q3 2022 Restated*	Q3 2022	Organic growth	Total growth
France	567.9	546.8	477.9	+3.9%	+18.8%
United Kingdom	230.8	227.4	228.9	+1.5%	+0.9%
Other Europe	378.2	358.9	348.7	+5.4%	+8.5%
Sopra Banking Software	102.3	98.1	98.5	+4.3%	+3.9%
Other Solutions	66.2	63.0	63.0	+5.0%	+5.0%
Total	1,345.4	1,294.2	1,216.9	+4.0%	+10.6%

* Revenue at 2023 scope and exchange rates

Sopra Steria: Workforce breakdown – 30/09/2023

	30/09/2023	30/09/2022
France	21,681	19,775
United Kingdom	7,767	7,278
Other Europe	14,102	12,142
Rest of the World	552	455
X-Shore	9,328	9,761
Total	53,430	49,411

