

First quarter of 2018

Revenue at € 2,945 million
+3.7% at constant exchange rates
+2.0% organic growth

Book to bill ratio at 100%

Global partnership with Google Cloud
in secure Hybrid Cloud and Artificial Intelligence

All 2018 objectives confirmed

Paris, April 25, 2018 - Atos, a global leader in digital transformation, today announces the revenue of its first quarter of 2018.

Q1 2018 revenue was **€ 2,945 million, +3.7% at constant exchange rates** and up **+2.0% organically**. The Group strategy focused on Digital Transformation Factory drove growth acceleration in Business & Platform Solutions with an organic growth at +4.8% and in Big Data & Cybersecurity at +14.4%, while Worldline pursued its healthy trend at +5.8%. The Group positioning in Infrastructure & Data Management enabled it to sustain the trend of the Division while this quarter an unexpected management execution issue impacted North America. The Division posted an organic revenue evolution at -1.6%. The Group pursued its strong commercial dynamism with **order entry at € 2,941 million** leading to a **book to bill** ratio of **100%**.

Thierry Breton, Chairman and CEO said: *"During the first quarter, the Group reached a strong revenue performance despite an unexpected management execution issue in the US where I am currently reinforcing and reshaping the top management team. The Group continues to experience a strong commercial momentum thanks to its large portfolio of innovative offerings, which are fully aligned with the demand of its clients for transformational and automated digital services. As such we confirm all our objectives for 2018.*

We continue to significantly invest in technology either on our own or through partnerships. In this context, I am extremely pleased to announce the first strategic collaboration with Google that I see as another validation and reinforcement of our worldwide leadership in Orchestrated Hybrid Cloud. By leveraging Atos and Google Cloud strengths, we will create global secure solutions including Google Cloud as a preferred public cloud platform in our Orchestrated Hybrid Cloud solution. In addition, running specific Google Machine Learning algorithms under our control in our Data Centers will enable faster and smoother adoption of AI in the most innovative and trusted environment for our customers in specific sectors such as healthcare, connected cars, retail, etc. As such, Atos becomes the "trusted last mile" of the digital information chain, fully addressing customer concerns like secure access to data, critical data localization, and compliance with regulation such as GDPR. I am confident that through the Atos-Google joint go-to-market to the benefit of our customers, this significant partnership will strengthen the growth and profitability of our infrastructure management activity."

Q1 2018 revenue performance by Division

<i>En millions d'euros</i>	T1 2018	T1 2017*	% organique
Infrastructure & Data Management	1,563	1,589	-1.6%
Business & Platform Solutions	799	762	+4.8%
Big Data & Cybersécurité	200	175	+14.4%
Worldline	384	363	+5.8%
TOTAL GROUPE	2,945	2,888	+2.0%

* A périmètre et taux de change constants après prise en compte des impacts d'IFRS 15

In **Infrastructure & Data Management (IDM)**, revenue was **€ 1,563 million, -1.6%** organically. In Q1, the Division was impacted by the US. Excluding this impact, the revenue trend of the Division (0% to 1%) was sustained, led by the strong performance in Orchestrated Hybrid Cloud with the ramp-up of large new contracts won last year, especially in France and in the UK, and additional volumes and businesses in Benelux & The Nordics and in Asia Pacific.

In **Business & Platform Solutions (B&PS)** revenue was **€ 799 million**, up **+4.8%** organically. Most geographies recorded a positive growth. Growth acceleration was supported by numerous projects in Digital Transformation Factory in particular in Codex in France and in Germany. In Public & Health, the growth was driven by North America in the Healthcare sector, and by new projects delivered in Germany. In Manufacturing, Retail & Transportation, the Division grew thanks to increasing activity in Germany in Industry 4.0, and in Financial Services with new projects in particular for large French and Dutch banks.

The business in **Big Data & Cybersecurity (BDS)** remained strong, up **+14.4%** organically at **€ 200 million** in the first quarter of 2018. The growth was primarily led by Big Data thanks to HPC activities with large customers in Manufacturing and Energy sectors in France and with the Jülich Research Center in Germany. Cybersecurity services also contributed to this growth, especially in France and in North America, as well as in Central & Eastern Europe with additional businesses in Mission Critical Systems.

From a contributive perspective to Atos, **Worldline** revenue was **€ 384 million**, improving by **+5.8%** organically. Merchant Services grew by +6.3% led primarily by Commercial Acquiring in Continental Europe and the increase in the number of payment terminals operated in India. Growth in Financial Processing was up +5.6% driven by increasing volumes and projects in Acquiring Processing. Mobility & e-Transactional Services posted a +5.1% revenue growth thanks to Trusted Digitization services with French government agencies as well as healthcare transactional and tax collection services in Latin America.

A detailed presentation of Worldline's performance during the first quarter of 2018 revenue is available at worldline.com, in the Investors section.

Q1 2018 revenue performance by Business Unit

<i>En millions d'euros</i>	T1 2018	T1 2017*	% organique
Allemagne	507	507	+0.0%
Amérique du Nord	472	487	-2.9%
France	419	399	+5.1%
Royaume-Uni & Irlande	412	407	+1.0%
Benelux & Pays Nordiques	261	260	+0.5%
Autres Entités Opérationnelles	491	466	+5.4%
Worldline	384	363	+5.8%
TOTAL GROUPE	2,945	2,888	+2.0%

* A périmètre et taux de change constants après prise en compte des impacts d'IFRS 15

During the first quarter of 2018, revenue grew in most Business Units:

- United Kingdom & Ireland thanks to a very strong management execution continued to record a high performance in a complex environment, notably through the delivery of digital transformation projects in B&PS and a strong momentum in IDM offsetting the re-insourcing of parts of the BBC contract;
- France returned to a strong growth with BDS and IDM significantly contributing thanks to several contract ramp-ups;
- in Benelux & The Nordics, revenue slightly increased led by additional businesses in IDM in Public & Health;
- in Other Business Units, all Divisions contributed to the strong growth. B&PS grew with several sports event projects and new contracts in Central & Eastern Europe. BDS revenue increased with additional activities in cybersecurity and HPC. IDM recorded higher volumes in Financial Services in Asia Pacific and additional businesses especially in Italy, India, and Africa;
- in Germany, revenue was stable thanks to a higher level of projects in Digital Transformation Factory in B&PS and HPC activities in BDS compensating for the base effect of two large IDM Transition & Transformation phases completed last year;
- while North America was impacted as already mentioned, a high level of order entry is expected in Q2.
- Worldline recorded a strong performance in all its businesses.

Commercial activity

During the first quarter of 2018, the Group **order entry** reached **€ 2,941 million** representing a **book to bill ratio** of **100%**.

In Q1, new large IDM contracts were signed with new clients, such as in Digital Workplace with a large professional services firm in North America and Scottish Water in the United Kingdom. In addition, the Division renewed large contracts with Hallmark in North America, a large financial institution in Asia, a transportation company in the UK, as well as two groups in the energy and technology sectors in France. New B&PS contracts were signed in Germany in automotive and telecom sectors, and in France in transportation. Big Data & Cybersecurity signed a large contract in cybersecurity with Virginia Information Technologies Agency.

In line with the dynamic commercial activity, the **full backlog** increased by **+1.7%** year-on-year to **€ 22.1 billion** at the end of March 2018, representing **1.9 year of revenue**. The **full qualified pipeline** reached **€ 7.6 billion**, a strong increase by **+9.7%** year-on-year, representing **7.7 months of revenue**.

Human resources

The **total headcount** of the Group was **97,297** at the end of March 2018, stable compared to 97,267 at the end of December 2017. Excluding scope effects, the decrease was -0.8% over the quarter thanks to the continuous progress in automation and robotization programs.

Global partnership with Google Cloud to deliver secure Hybrid Cloud, Machine Learning and collaboration solutions to the enterprise

Atos has entered into a global agreement with Google Cloud to bring the full capability of Machine Learning and AI to the digital transformation needs of enterprise customers. With its secure Hybrid Cloud solution, Atos data management platform will support clients in meeting their individual requirements for data localization, as well as access and control requirements that European and global regulations demand.

This agreement will see the creation of global secure solutions in areas such as:

- **Secure Hybrid Cloud:** Atos will develop and expand its Orchestrated Hybrid Cloud solution with Google Cloud as a preferred platform for the public cloud component. The expanded Atos solution will drive hybrid cloud adoption in global enterprises, delivering enhanced security to customers with an advanced and comprehensive set of security features, fully compliant with European (including GDPR) and global regulations as well as customer demand on critical data localization.
- **Data Analytics & Machine Learning:** Atos will reinforce its Machine Learning (ML) global practice by notably including Google Cloud's ML algorithms and APIs to create industry specific solutions and to drive business transformation in global enterprises across multiple verticals such as healthcare, connected car, retail, etc...
- **Digital Workplace:** Atos will develop a G-Suite practice to further enrich its market leading Digital Workplace offering. With this practice, Atos will also leverage Google Cloud's ML and data intelligence to increase the digital workplace automation and enhance user experience and productivity.

In this context, Atos will establish three new ML/AI R&D centers and customers innovation labs in France, the UK, and the US.

For more information, please refer to the [joint press release with Google](#)

2018 objectives

The Group confirms all its objectives for 2018:

- **Revenue organic growth:** +2% to +3%.
- **Operating margin:** 10.5% to 11% of revenue.
- **Free cash flow:** circa 60% of operating margin.

Appendix

Revenue and operating margin at constant scope and exchange rates reconciliation

<i>In € million</i>	Q1 2018	Q1 2017 Restated for IFRS 15	% change	Q1 2017 Reported
Statutory revenue	2,945	2,955	-0.3%	3,111
Exchange rates effect		-116		-122
Revenue at constant exchange rates	2,945	2,839	+3.7%	2,989
Scope effect		52		52
Exchange rates effect on acquired/disposed perimeters		-3		-3
Revenue at constant scope and exchange rates	2,945	2,888	+2.0%	3,038

IFRS 15 adjustment represented a restatement of Q1 2017 accounts of €-156 million for revenue.

Scope effects amounted to €+52 million for revenue. This was mostly related to the acquisitions of CVC, Pursuit Healthcare Advisors, Conduent's Healthcare Provider Consulting, Conduent's Breakaway Group, First Data Baltics, Digital River, MRL Posnet, Imakumo, zData on one side, and to the disposal of Cheque Service on the other side.

Exchange rates effect mainly came from the American dollar and to a lesser extent from the British pound and South American currencies depreciating versus Euro.

Q1 2018 revenue performance by Market

<i>En millions d'euros</i>	T1 2018	T1 2017*	% organique
Industrie, Distribution & Transports	1,061	1,080	-1.8%
Public & Santé	838	790	+6.1%
Télécoms, Médias & Services aux collectivités	461	479	-3.7%
Services Financiers	585	539	+8.6%
TOTAL GROUPE	2,945	2,888	+2.0%

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Conference call

Today, Wednesday, April 25, 2018, Thierry Breton and his management team will Atos' first quarter of 2018 revenue and answer questions from the financial during a **conference call** in English starting at 08:00 am (CET - Paris).

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 76 77 22 74 code 1335931
 - UK +44 330 336 9105 code 1335931
 - US +1 929 477 0353 code 1335931



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


Forthcoming events

May 24, 2018	Annual General Meeting
July 25, 2018	First half 2018 results
October 23, 2018	Third quarter 2018 revenue

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About Atos

Atos is a global leader in digital transformation with approximately 100,000 employees in 73 countries and annual revenue of around € 12 billion. European number one in Big Data, Cybersecurity, High Performance Computing and Digital Workplace, the Group provides Cloud services, Infrastructure & Data Management, Business & Platform solutions, as well as transactional services through Worldline, the European leader in the payment industry. With its cutting-edge technologies, digital expertise and industry knowledge, Atos supports the digital transformation of its clients across various business sectors: Defense, Financial Services, Health, Manufacturing, Media, Energy & Utilities, Public sector, Retail, Telecommunications and Transportation. The Group is the Worldwide Information Technology Partner for the Olympic & Paralympic Games and operates under the brands Atos, Atos Consulting, Atos Worldgrid, Bull, Canopy, Unify and Worldline. Atos SE (Societas Europaea) is listed on the CAC40 Paris stock index. www.atos.net - Follow us on  @Atos

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Revenue organic growth is presented at constant scope and exchange rates and restated for the impact of IFRS 15.

Business Units include **Germany, North America** (USA, Canada, and Mexico), **France, United Kingdom & Ireland, Worldline, Benelux & The Nordics** (Belgium, Denmark, Estonia, Finland, Lithuania, Luxembourg, The Netherlands, Poland, Russia, and Sweden), and **Other Business Units** including Central & Eastern Europe (Austria, Bulgaria, Croatia, Czech Republic, Greece, Hungary, Israel, Italy, Romania, Serbia, Slovakia and Switzerland), Iberia (Spain and Portugal), 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.