Press release

2019 annual results

All 2019 objectives achieved in a robust year

Infrastructure & Data Management and North America returned to growth in H2

Dynamic commercial momentum leading to an order entry at € 12,245 million
Book-to-bill ratio at 106% with Q4 at 121%

Revenue at € 11,588 million
+1.4% organically with Q4 at +2.2% organically

Operating margin at € 1,190 million
10.3% of revenue (9.8% in 2018)

Free cash flow at € 605 million[1]

Normalized net income Group share[2] at € 834 million
Normalized diluted EPS[2] at 7.74 €

2020: a year of transformation with further improvement in financial objectives

Paris, February 19, 2020: Atos, a global leader in digital transformation, today announces its FY 2019 results.

Elie Girard, CEO, said: *"We completed 2019 on a strong note exceeding +2% organic growth in the fourth quarter, led by an acceleration of our performance in Cloud, and in Big Data and Cybersecurity. The dynamic commercial activity throughout the year reflects our ability to drive our clients' enterprise-wide and end-to-end digital transformation initiatives. We also improved our operational profitability in 2019 and delivered a solid free cash flow exceeding 600 million euros. I am proud of the dedication of the Atos teams in attaining such a performance.*

With the acquisition of Syntel and the disengagement from Worldline, completed earlier this month under very favorable conditions, the Group has achieved a first step in repositioning itself towards a pure digital player, while enhancing shareholder return and keeping full financial flexibility. Atos is now ready to move forward to the next step.

2020 will be a year of exciting transformation, with further improvement in business and financial objectives for the year. The Group is moving to an Industry approach, developing and attracting the highest level of expertise in each Industry, reshaping its portfolio of offerings and go-to-market, to serve our customers even better and drive our culture of customer obsession even further.

This transformation initiated in 2020 also aims at addressing the latest and most prominent of our customers' increasing digital needs, namely their cyber-protection and a step change towards decarbonization. With a renewed financial flexibility, the Group can now contemplate bolt-on acquisitions to support and accelerate this transformation, as demonstrated earlier this year with the acquisition of Maven Wave, a Cloud transformation leader based in North America. I will be delighted to present in further details our ambition and strategy for Atos, defined together with the Board of Directors, at our Analyst Day on April 22nd."

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[1] *Free cash flow at € 642 million including € 37 million of one-off items related to the Optional Exchangeable Bonds.*

[2] *From continuing operations.*

Revenue was **€ 11,588 million**, **+1.4% organically**, particularly led by the Cloud performance and Big Data & Cybersecurity.

Operating margin was **€ 1,190 million**, representing **10.3% of revenue**, compared to 9.8% in 2018 at constant scope and exchange rates. Each Division contributed to the operating margin increase, Infrastructure & Data Management benefitting from automation and the RACE program, Business & Platform Solutions from the cost synergies with Syntel, Big Data & Cybersecurity from the topline growth. Finally, corporate central costs were reduced thanks to continued efforts on expense optimization.

In a year with much less contracts coming for renewal, the commercial dynamism of the Group was particularly high in 2019 with **order entry** reaching **€ 12.2 billion**, representing a **book to bill** ratio of **106%** compared to 111% in 2018 at constant rate. During the fourth quarter, the book to bill reached **121%**.

Net income from continuing operations Group share was **€ 414 million**, and **Normalized net income from continuing operations Group share** reached **€ 834 million**. **Basic and diluted EPS** both reached **€ 3.84** and **Normalized basic and diluted EPS** both reached **€ 7.74**.

Free cash flow reached **€ 605 million** in 2019, excluding € 37 million of one-off items related to the Optional Exchangeable Bonds (OEB)[3].

Net debt was -**€ 1.7 billion** at the end of 2019 reflecting the free cash flow generated during the year, the sale of Worldline shares in November 2019, the acquisition of IDnomic during the year, the dividends paid in cash and the share buy-back to deliver performance shares.

2020 objectives

In 2020, the Group targets the following objectives for its 3 key financial criteria:

- **Revenue:** c. 2% organic growth
- **Operating margin rate:** +20bp to 40bp vs 2019
- **Free cash flow:** c. € 700 million

2019 performance by Division

	Revenue			Operating margin		Operating margin %	
In €million	**2019**	**2018***	**Organic evolution**	**2019**	**2018***	**2019**	**2018***
Infrastructure & Data Management	6,321	6,362	-0.6%	614	589	9.7%	9.3%
Business & Platform Solutions	4,216	4,180	0.9%	492	483	11.7%	11.6%
Big Data & Cybersecurity	1,050	888	18.3%	149	127	14.2%	14.3%
Corporate costs	-	-		- 65	- 74	-0.6%	-0.7%
Total	**11,588**	**11,430**	**1.4%**	**1,190**	**1,125**	**10.3%**	**9.8%**

** At constant scope and exchange rates*

<u>Infrastructure & Data Management:</u> Accelerated transition to hybrid cloud and digital workplace

Infrastructure & Data Management revenue was € 6,321 million, down -0.6% at constant scope and exchange rates. The Division managed to turn back to growth in the third quarter 2019 and continued the positive trend, achieving +0.3% organically during the fourth quarter. Thanks to a successful commercial dynamic further to all the actions implemented in the last 18 months, North America pursued its growth in the fourth quarter. The Division pursued its business model transformation by increasing the share of revenue in Hybrid Cloud Orchestration, in Digital Workplace and in Transformation Services projects and continued the digital transformation of its main clients through automation and artificial intelligence.

Regarding FY 2019, Financial Services posted a double-digit growth, mainly fueled by the ramp-up of significant contracts in North America, notably with CNA Financial Corporation, and in the United Kingdom with Aegon, National Savings & Investments and Aviva, which have more than compensated one large contract not renewed in 2018 in North America.

[3] *€500 million zero coupon bonds due 2024 exchangeable into Worldline shares issued by Atos on November 6, 2019.*

Telcos, Media & Utilities grew thanks to additional sales achieved with BBC in the United Kingdom, new logos notably with National Grid and Entergy Corporation in North America, as well as the ramp-up of the contracts with Scottish Water in the United Kingdom and with a Spanish mobile telco operator. In France, the activity was challenging with businesses not repeated in Utilities compared to Q4 last year. The Industry performed a strong activity in Unified Communication & Collaboration in Benelux & The Nordics and in the Other Business Units while the situation was more challenging in Germany.

Manufacturing, Retail & Transportation slightly stepped back, facing the effects of the non-renewal of a contract with Marriott International in North America in 2018, a strong reduction of activity in Unified Communication & Collaboration in several geographies such as North America and Benelux & The Nordics, as well as volumes reduction and contract ramp downs in Germany. The Industry benefitted from the ramp-up of several contracts signed in North America during the year which partially offset the above effects.

The situation in Public Sector remained challenging, mostly in the United Kingdom impacted by the Transition & Transformation phases completed last year as well as lower volume.

Operating margin in Infrastructure & Data Management was € 614 million, representing 9.7% of revenue. The increase of +40 basis points was mainly driven by strong cost saving actions including the RACE program across geographies as well as the adaptation of the Group workforce in several countries, in particular in Germany which benefited from the effects of the acceleration of the adaptation plan launched in H1. In the United Kingdom, the operating margin was affected in H2 by contractual price constraints in Business Process Outsourcing (BPO).

<u>Business & Platform Solutions:</u> Syntel synergies generated but softness in some industries

Business & Platform Solutions **revenue** reached € 4,216 million, +0.9% at constant scope and exchange rates in 2019. The activity was contrasted over the year, with a first semester at +2.3% organic growth while the Division was slightly down at -0.5% over the second semester. Indeed, Business & Platform Solutions faced tensions in Financial Services in North America both in Q3 and Q4. The reduction of the number of low margin contracts implemented in H1 2019 at the time of the transfer of contracts under Syntel management impacted the revenue organic growth both in Q3 and Q4. Finally, towards the end of the year, growth was impacted by a slowdown in the Automotive industry in Germany.

Regarding FY 2019, growth was strong in Manufacturing, Retail & Transportation, which benefitted from good performance in almost all geographies. In particular, a solid growth was recorded thanks to the application management services contract with Siemens in Germany, S4HANA engagements in Austria, ramp-up of contracts such as Philips in Benelux & The Nordics, as well as increased volumes in the United Kingdom.

Revenue in Financial Services slightly grew mainly thanks to a contract with a large insurance company in the United Kingdom as well as cloud business with an insurance company in Benelux & The Nordics and ramp-up of contracts in Germany, while the situation remained challenging in France and in North America which was impacted by volume reductions.

The Division posted a slight decrease in Telcos, Media & Utilities. Indeed, higher volumes with Italian and Spanish utilities strongly supported the performance in this Industry while the situation was more challenging in Germany impacted by the ramp-down with one large customer in application management.

The situation was more contrasted in Public & Health which performed an increased activity for digital projects in France as well as new contracts in Italy and in Iberia. Conversely, it faced volume reduction in healthcare in North America due to migrations delivered last year to hospitals which were not repeated as well as project completions in the United Kingdom.

Operating margin was € 492 million, representing 11.7% of revenue, an improvement of +10 basis points. Syntel synergies contributed positively to the Division margin improvement at the level expected. Operating margin improvement achieved in the first semester slowed down in the second half, due to the slow-down of the revenue organic growth of the Division, the ramp down in Germany of a high margin application management contract with one large customer, as well as some cost overruns in Atos legacy contracts.

Big Data & Cybersecurity: Very strong revenue growth in H2 led by a strong demand for High Performance Computing and Cybersecurity services

Revenue in **Big Data & Cybersecurity** was € 1,050 million, up +18.3% organically, maintaining a strong performance all over the year and pursuing the extension of the Division's markets both in terms of industries served and geographies.

Big Data activity performed a very high growth, mainly coming from the ramp-up of large contracts in France with notably Météo-France, a French research institute and a Ministry, in Germany with HRLN Supercomputing Service and Forschungszentrum Jülich, in the United Kingdom with the European Centre for Medium Range Weather Forecast, and in Benelux & The Nordics with notably CSC in Finland. It largely compensated for the non-repeated high level of product sales performed last year in North America. Cybersecurity activities were supported by new business opportunities in North America combined with good performance in Benelux & The Nordics which largely offset revenue from licenses not repeated this year in the United Kingdom. The overall performance of the Division was also driven by mission critical systems thanks to solid performance recorded in Central Europe.

Operating margin was € 149 million, representing 14.2% of revenue broadly stable compared to 2018. All in all, the Division generated a solid profitability from operations while continuing to invest in Research & Development and commercial investment on offerings in both Cybersecurity and Big Data solutions. Operating margin was high in growing geographies such as France, Benelux & The Nordics and Other Business Units, while North America benefited from a favorable revenue mix.

2019 performance by Business Unit

	Revenue			Operating margin		Operating margin %	
In €million	2019	2018*	Organic evolution	2019	2018*	2019	2018*
North America	2,725	2,789	-2.3%	343	300	12.6%	10.8%
Germany	2,167	2,153	0.7%	152	126	7.0%	5.9%
France	1,788	1,727	3.5%	164	151	9.2%	8.7%
United Kingdom & Ireland	1,669	1,668	0.0%	165	198	9.9%	11.9%
Benelux & The Nordics	1,047	1,016	3.0%	88	71	8.4%	7.0%
Other Business Units	2,192	2,077	5.6%	319	344	14.6%	16.5%
Global structures**	-	-		- 42	- 66	-0.4%	-0.6%
Total	**11,588**	**11,430**	**1.4%**	**1,190**	**1,125**	**10.3%**	**9.8%**

** At constant scope and exchange rates*
*** Global structures include the IT Services Divisions global costs not allocated to the Business Units and Corporate costs.*

During the fourth quarter, all Global Business Units except Germany recorded positive organic growth, in particular North America at +2.7%, the United Kingdom & Ireland at +3.2% and France at +3.5%. Benelux & The Nordics managed to remain positive at +1.0% and Other Business Units maintained its solid trend at +5%. Finally, Germany was down by -2.0% in Q4 particularly impacted by Unified Communication & Collaboration.

From a full year standpoint:

- North America was down -2.3% coming as expected from H1. Indeed, Infrastructure & Data Management returned to growth in H2 as anticipated. The successful commercial dynamic further to all the actions implemented in the last 18 months together with the ramp-up of CNA Financial Corporation contract compensated the ramp-down of two contracts terminated last year. It also offset the strong reduction recorded in Unified Communication & Collaboration. Business & Platform Solutions faced tensions in Financial Services during the second semester, and, for most of the year, lower volumes in Healthcare activities further to a large migration wave of software completed in Q3 last year;
- Germany was up +0.7% thanks to a strong activity in Big Data & Cybersecurity. Business & Platform Solutions also recorded a solid growth led by digital projects and the new application management contract with Siemens, which more than compensated the ramp-down with one large customer in application management. The situation was more challenging in Infrastructure & Data Management due to a decline recorded in Unified Communication & Collaboration as well as some volume reductions and contract ramp downs;
- France grew by +3.5% mainly fueled by the strong performance in Big Data & Cybersecurity and in particular in Public & Health;

- United Kingdom & Ireland faced the first half with lower volumes on contracts renewed last year in Infrastructure & Data Management and sales of licenses not repeated this year in Cybersecurity. The geography posted a positive growth in H2 allowing a stable full year, led by a strong performance in Big Data & Cybersecurity, in particular with the delivery of High-Performance Computing (HPC);
- Benelux & The Nordics recorded a growth at +3.0% driven by its good performance in Big Data & Cybersecurity with notably CSC in Finland in H1, and a strong recovery of Business & Platform Solutions in H2 thanks to the ramp-up of contracts such as Philips and cloud business with an insurance company;
- "Other Business Units" continued its solid trend above 5% in H2 to achieve +5.6% for the year, thanks to a strong performance in Infrastructure & Data Management and in Business & Platform Solutions, in particular in Central & Eastern Europe, South America and Asia Pacific.

The Group (excluding Worldline) reached for the first time a double-digit **Operating margin** at 10.3% compared to 9.8% in 2018. The improvement was led by North America, Germany and France which combined the acceleration in automation, cost synergies with Syntel and a better business mix in terms of operational profitability. Operating margin was impacted in the United Kingdom by contractual price constraints in Business Process Outsourcing (BPO).

Commercial activity

The commercial dynamism of the Group was particularly high in 2019 with **order entry** reaching **€ 12.2 billion**, representing a **book to bill** ratio of **106%** compared to 111% in 2018 at constant rate. During the fourth quarter, the book to bill reached **121%**.

Several large new contracts were signed over the period in Infrastructure & Data Management, which contributed to growth in Hybrid Cloud and Digital Workplace. In particular, large order entries were recorded in North America with a leading healthcare company, with National Grid, the NG911 contract with the State of California and with Entergy. In addition, Germany closed several major deals notably with BASF and Itergo, whereas Benelux & The Nordics concluded a large contract in the Public & Health sector. Business & Platform Solutions signed new contracts notably in Benelux & The Nordics such as Fortum within Manufacturing, Retail & Transportation and a Dutch insurance company within Financial Services. Big Data & Cybersecurity pursued its strong commercial dynamics, fueled by a large win in the United Kingdom with the European Centre for Medium-Range Weather Forecast and in France with Météo France as well as in Germany with Bayer.

Full backlog increased to **€ 21.9 billion** from € 21.4 billion at the end of 2018, representing almost **1.9 years of revenue**. The **full qualified pipeline** reached **€ 7.4 billion** compared to € 6.9 billion at the end of 2018.

Operating income and net income

Operating income reached **€ 660 million** in 2019, compared to € 630 million in 2018, resulting from the following items:

Staff reorganization amounted to **€-100 million** with the acceleration of the adaptation of the Group workforce in several countries. The increase in 2019 came mostly from the specific plan in Germany.

Rationalization costs were **€-34 million** resulting from the closure of office premises and data center consolidation, mainly in North America and France.

Integration and acquisition costs amounted to **€-41 million** and were mainly related to the integration costs of Syntel to generate synergies as well as migration and standardization of internal IT platforms from previous acquisitions.

€-157 million were recorded as **Purchase Price Allocation amortization**, compared to €-107 million in 2018. Syntel customer relationships and technologies amortization was €-67 million in 2019.

Equity based compensation plans amounted to **€-73 million** in 2019 compared to €-36 million in 2018, the small amount recorded in 2018 reflected the lower performance and the decrease in the number of shares granted in 2018.

In 2019, **other items** increased from € -40 million to € -125 million. Most of the increase came from:

- the sale of Worldline shares in November 2019. From an accounting standpoint, the book value of the Worldline shares was the valuation at the time of the distribution of the shares on May 7 (stock price at € 54.7) plus the portion of Worldline net income from May to October. As the sale of Worldline shares was fixed at € 53, the Group recorded a loss of €-53 million in its consolidated financial statements net of costs of disposal;
- the settlement signed with a large telco operator in Germany over H2 2019 led to the recognition of a one-time charge of € 23 million.

Net financial expense amounted to **€-208 million** for the period compared to €-67 million for 2018. The increase mainly came for circa €-50 million from additional interest expenses to finance Syntel acquisition, € -54 million related to the part of the Optional Exchangeable Bonds which is treated as a derivative from an accounting standpoint and €-27 million of lease liability interests further to the first time application of IFRS 16. Finally, foreign exchange was of €-4 million compared to a gain of €+4 million last year.

The **tax charge** was **€-82 million** corresponding to an annualized Effective Tax Rate (ETR) of 18.2%.

Due to the deconsolidation of Worldline, **non-controlling interests** are no longer significant for the Group.

Share of net profit of associates accounted for under equity method amounted to **€ 47 million** coming from the contribution of Worldline since May 1, 2019.

As a result, the Group reported a **net income from continuing operations Group share** of **€ 414 million** for 2019, representing 3.6% of Group revenue.

The **net income from discontinued operation Group share** amounted to **€ 2,986 million** and was made of the contribution from Worldline net result from January 1, 2019 to April 30, 2019 and of the net gain on distribution of Worldline shares net of costs to distribute (after tax). This net gain was € 2,931 million.

Both **basic EPS Group share from continuing operations** and **diluted EPS Group share from continuing operations** were at **€ 3.84**.

The **normalized net income from continuing operations Group share** excluding unusual, abnormal and infrequent items (net of tax) was **€ 834 million**, representing 7.2% of Group revenue for the period, compared to € 803 million, representing 7.5% of Group revenue in 2018.

Both **normalized basic EPS from continuing operations** and **normalized diluted EPS from continuing operations** were at **€ 7.74** compared to € 7.57 for both in 2018.

Free cash flow

Operating Margin before Depreciation and Amortization (OMDA) was **€ 1,802 million** representing 15.5% of revenue, compared to 11.4% in 2018 (before application of IFRS 16).

Reorganization, rationalization and associated costs, and integration and acquisition costs reached € -173 million compared to € -146 million in 2018, in line with the Group objective to maintain these costs at 1% of the revenue of the year plus the costs to implement the synergies with Syntel as well as the transformation plan in Germany.

Capital expenditures amounted to **€ -324 million**, representing **2.8% of revenue** compared to 3.5% in 2018, reflecting the evolution of the business mix of the Group with a significant increase of the Business & Platform Solutions as part of the result of the Syntel integration, and the increasing use of Cloud compared to classic infrastructures.

The **Change in working capital requirement** was **€ -130 million**. The DSO ratio reached 47 days compared to 46 days at the end of December 2018 excluding Worldline. The level of trade receivables sold with no recourse to banks with transfer of risks as defined by IFRS9 remained at the same level as at December 31, 2018.

Cash out related to **tax paid** reached **€ -99 million**, up from the prior year, mainly due to Syntel scope.

The **cost of net debt** increased to **€ -64 million** compared to € -30 million in 2018 mainly due to the new financing structure further to the acquisition of Syntel in October 2018.

Finally, **Other changes** amounted to **€ -25 million**, compared to € -37 million in 2018. The 2019 number included a positive one-off effect of € 37 million related to the issuance of OEB (derivative instrument net of fees). The remaining amount increased year on year due to pension and early retirement programs in France and in Germany, break-up fees related to supplier contract terminations already disclosed in H1, global transformation programs and foreign exchange impacts.

As a result, **free cash flow** reached **€ 605 million** (**€ 642 million** free cash flow reported under IFRS including **€ 37 million** of one-off items related to the OEB) compared to € 451 million in 2018 (without Worldline).

Net cash evolution

Net acquisitions / disposals in 2019 amounted to **€+625 million**, mainly coming from the Accelerated Bookbuilding Offering of Worldline shares on the market for €+780 million in November 2019, reduced by costs of disposal and tax, as well as the costs related to the May 2019 distribution in kind of Worldline shares to Atos shareholders. The main acquisitions are IDnomic and X-Perion.

Capital increases mostly related to proceeds from the employee share plan totaled **€+18 million** in 2019.

In 2019 the Group performed a share buy-back for **€-113 million** to deliver performance shares to beneficiaries.

The cash-out for the payment of **dividend** on 2018 results was **€-58 million**.

Finally, mainly due to the British Pound decrease versus Euro, **foreign exchange rate fluctuation effect on debt or cash in foreign currencies** totaled **€-14 million**.

As a result, the **Group net debt position** as of end of 2019 was **€-1,736 million** compared to **€-2,837 million** at the end of 2018.

Human resources

The **total headcount** was **108,317** at the end of 2019 compared to 122,110 at the end of 2018. This evolution is strongly impacted by a -11,514 headcounts scope impact mainly related to the deconsolidation of Worldline.

Excluding this scope effect, the staff decreased by -1.9% accompanying and anticipating the effect of automation and robotization mainly in Infrastructure & Data Management and to a lesser extent in Business & Platform Solutions.

During the year, the Group hired 18,516 staff (of which 94% direct employees). Hiring was mainly achieved in "Other Business Units" (representing 66% of all direct hiring), notably in offshore/nearshore countries such as India and Poland.

Attrition rate was 15.1% at Group level, of which 20.6% in offshore/nearshore countries, stable compared to 2018.

Dividend

During its meeting held on February 18, 2020, the Board of Directors decided to propose to the next Annual General Meeting a **dividend** in 2020 on the 2019 results of **€ 1.40** per share with the option for each shareholder to receive the dividend in Atos shares. Like last year, this amount represents a 29% pay-out on net income from continuing operations Group share which has been positively adjusted for non-recurring accounting impacts related to the sale of Worldline shares and to the issuance of the Optional Exchangeable Bonds, as well as for the settlement with a German Telco operator. The adjustments represented 106 million euros net of tax. This ordinary dividend would be paid in June 2020.

Moving the Group to an Industry approach

As of 2020, the Group initiates a transformation, called "SPRING", aiming at reshaping its portfolio of offerings, reinforcing its go-to-market approach, and setting-up an Industry led organization.

In this context, six Industries are created:
- Manufacturing;
- Financial Services & Insurance;
- Public Sector & Defense;
- Telecom, Media & Technology;
- Resources & Services;
- Healthcare & Life Sciences.

At the same time, the Company gathers Global Business Units into 5 Regional Business Units (RBU), each of them under a single leadership:
- North America;
- Central Europe: former Germany, and Central & Eastern Europe excluding Italy;
- Northern Europe: former United Kingdom & Ireland, and Benelux & The Nordics;
- Southern Europe: former France, Iberia, and Italy;
- Growing Markets: former Asia-Pacific, South America, and Middle East & Africa.

Starting Q1 2020, revenue will be reported by Industry and by Regional Business Unit. Starting H1 2020, operating margin will be also reported by Industry and by Regional Business Unit. In order to facilitate the transition period, the Group will also report by Division the revenue in Q1 2020 and in Q2 2020.

Analyst Day

The Group will hold an Analyst Day on April 22, 2020, in Paris.

Appendix

Atos consolidated and statutory financial statements for the year ended December 31, 2019, were approved by the Board of Directors on February 18, 2020. Consolidated financial statements have been audited.

2019 Financial Report will be posted on Atos Investor Website.

Revenue and operating margin at constant scope and exchange rates reconciliation

In €million	2019	2018	% change
Statutory revenue	11,588	12,258	-5.5%
Exchange rates effect		117	
Revenue at constant exchange rates	**11,588**	**12,375**	**-6.4%**
Scope effect		-982	
Exchange rates effect on acquired/disposed perimeters		37	
Revenue at constant scope and exchange rates	**11,588**	**11,430**	**1.4%**
Statutory operating margin	1,190	1,260	-5.6%
Scope effect		-154	
Exchange rates effect		19	
Operating margin at constant scope and exchange rates	**1,190**	**1,125**	**5.8%**
as % of revenue	*10.3%*	*9.8%*	

Scope effects amounted to €-982 million for revenue, of which:

- €-1,674 million related to the restatement of the contribution of Worldline to the Group revenue in FY 2018 following the deconsolidation of Worldline from the Group consolidation as of January 1, 2019. As a reminder, after having distributed 23.5% of Worldline's share capital to its shareholders on May 7, 2019, out of the 50.8% owned by the Group, Atos has completed as of October 30, 2019, the sale of c. 14.7 million Worldline shares (c. 8% of Worldline's share capital), for c. 0.8 billion euro, through a placement to qualified investors only by way of accelerated bookbuilding offering. Concurrently, Atos issued Optional Exchangeable Bonds due 2024 for an aggregate nominal amount of approximately €500 million, which will be exchangeable into Worldline shares (c. 4% of Worldline's share capital in case of full conversion) at a premium of 35%. In addition, Atos has agreed to transfer to Atos UK 2019 Pension Scheme c. 4.3 million Worldline shares (c. 2% of Worldline's share capital) representing £198 million (c. €230 million). Following these transactions, and in case of exchange in full of the Optional Exchangeable Bonds, Atos would retain a direct stake of 13% of Worldline share capital and 22% of voting rights;
- €+65 million corresponding to the revenue realized by Atos' entities with Worldline in FY 2018. Indeed, this revenue is no more neutralized in the Group consolidation but recognized as Group revenue following the deconsolidation of Worldline as of January 1, 2019;
- The remaining net positive amount of €+627 million was mostly related to the acquisition of Syntel, consolidated as of November 1, 2018 (10 months restated for €+709 million), the acquisition of IDnomic, consolidated as of October 1, 2019 (3 months restated for €+5 million), the disposal of some specific Unified Communication & Collaboration activities as well as former ITO activities in the UK, and the disposal and decommissioning of non-strategic activities within CVC;
- As the closing of the recent acquisition of Maven Wave has taken place earlier in Q1 2020, no restatement is necessary for FY 2018 revenue.

Scope effects amounted to €-154 million for operating margin. Most of the impact came from the restatement of the contribution of Worldline to the Group operating margin in FY 2018 (€-293 million), the acquisition of Syntel (10 months for €+176 million) and the disposal of some specific Unified Communication & Collaboration activities, as well as former ITO activities in the UK and the disposal and decommissioning of non-strategic activities within CVC. As the operating margin realized by Atos' entities with Worldline in FY 2018 was not eliminated from a contributive standpoint, no restatement is necessary.

Currency exchange rates effects mostly came from the American dollar and positively contributed to revenue for €+154 million and to operating margin for €+19 million.

2019 revenue performance by Market

In €million	2019	2018*	Organic evolution
Manufacturing, Retail & Transportation	4,139	4,181	-1.0%
Public & Health	3,411	3,387	0.7%
Financial Services	2,169	2,032	6.8%
Telcos, Media & Utilities	1,869	1,831	2.1%
Total	**11,588**	**11,430**	**1.4%**

** At constant scope and exchange rates*

Q4 2019 revenue performance by Division, Business Unit, and Market

In €million	Q4 2019	Q4 2018*	Organic evolution
Infrastructure & Data Management	1,652	1,648	0.3%
Business & Platform Solutions	1,072	1,085	-1.2%
Big Data & Cybersecurity	351	274	27.8%
Total	**3,074**	**3,007**	**2.2%**

** At constant scope and exchange rates*

In €million	Q4 2019	Q4 2018*	Organic evolution
North America	699	681	2.7%
Germany	573	585	-2.0%
France	513	496	3.5%
United Kingdom & Ireland	433	420	3.2%
Benelux & The Nordics	267	264	1.0%
Other Business Units	588	561	4.9%
Total	**3,074**	**3,007**	**2.2%**

** At constant scope and exchange rates*

In €million	Q4 2019	Q4 2018*	Organic evolution
Manufacturing, Retail & Transportation	1,082	1,130	-4.2%
Public & Health	931	855	8.8%
Financial Services	555	533	4.1%
Telcos, Media & Utilities	506	489	3.5%
Total	**3,074**	**3,007**	**2.2%**

** At constant scope and exchange rates*

Conference call

Today, Wednesday, February 19, 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' FY 2019 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 76 70 07 94	code 6527718
Germany	+49 69 2443 7351	code 6527718
UK	+44 844 571 8892	code 6527718
US	+1 631 510 7495	code 6527718
Other countries	+44 2071 928000	code 6527718

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

Forthcoming events

April 22, 2020	Analyst Day and First quarter 2020 revenue
May 14, 2020	Annual General Meeting
July 22, 2020	First semester 2020 results

Contacts

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About Atos

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The purpose of Atos is to help design the future of the information technology space. Its expertise and services support the development of knowledge, education as well as multicultural and pluralistic approaches to research that contribute to scientific and technological excellence. Across the world, the group enables its customers, employees and collaborators, and members of societies at large to live, work and develop sustainably and confidently in the information technology space.

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