

Third quarter of 2021

**Revenue stable at € 2,666 million
at constant currency**

**Order entry at € 2,399 million
Book to bill ratio at 90%**

Digital, Cloud, Security & Decarbonization at 52% of revenue

Net organic increase of talents by +1,500

Group Transformation programs moving at speed

2021 objectives confirmed

Paris, October 20, 2021 - Atos, a global leader in digital transformation, today announces the revenue of its third quarter of 2021.

In the third quarter, the Group continued to stabilize its revenue at constant currency, before progressing into positive territory. Market demand post crisis remained very dynamic in Cloud application migration and development and the Digital transformation of business processes through automation, robotisation and artificial intelligence. In all regions, customers now require digital solutions with the highest standards of security, sustainability and inclusiveness, three domains where Atos brings unique technological expertise.

The Group continued to pursue its deep and wide business transformation plan, hiring a record number of new skills in a very hot talent market, resulting for the first time in a net organic increase of +1,500 employees. This will help fuel our growth ambitions. In the same vein, we reinforced our partnerships with Public Cloud hyperscalers while striking new ones with high growth Digital platforms.

Our transformation programs announced in July are moving at speed on all fronts. The German restructuring is well under way. The plan to look for partners on c. 20% of the Group revenue is being executed with advanced discussions on our Unified Communications & Collaboration asset. The acquisition of a new digital bolt-on asset has been signed. Finally, our LEAP cultural change program is ramping up.

The Group Management wants to thank our 107,000 colleagues for their tremendous support for and dedication to this transformation journey, which is setting the right foundations for achieving our mid-term targets.

Q3 2021 revenue by Industry

<i>In € million</i>	Q3 2021	Q3 2020*	Evolution at constant currency
Manufacturing	518	469	+10.4%
Financial Services & Insurance	524	512	+2.3%
Public Sector & Defense	553	628	-11.9%
Telecom, Media & Technology	355	363	-2.0%
Resources & Services	383	378	+1.5%
Healthcare & Life Sciences	333	317	+5.1%
Total	2,666	2,666	0.0%

* At constant currency

Revenue in the third quarter of 2021 reached **€ 2,666 million, stable** compared to Q3 2020 at constant currency, and decreasing by **-2.3%** organically. The key segments to which the Group directs its transformation – Digital, Cloud, Security and Decarbonization – performed a strong growth while revenue was still impacted in Classic Infrastructure.

Manufacturing reported a revenue of **€ 518 million**, representing 19% of the Group revenue and increasing by **+10.4%** compared to Q3 2020 at constant currency. This was an acceleration of its recovery after a second quarter already growing by +1.8%. Every geography contributed to this strong growth, driven by a repositioning of the Industry on higher value digital projects and solutions to meet customer needs. More particularly, the Industry increased business in application projects ran in Automotive and Aerospace, as well as digitization of industrial processes including IoT based smart manufacturing offerings.

Financial Services & Insurance revenue was **€ 524 million** during the third quarter of 2021, representing 20% of the Group revenue. Increasing by **+2.3%** compared to Q3 2020 at constant currency, the Industry confirmed its performance of the first semester, especially in the Insurance sector while activity with Banking institutions was more contrasted. Business in this Industry continued to be led by digital transformation projects and a strong demand for cybersecurity expertise, both covered by the offerings of the Group and the synergies with the newly acquired companies such as Eagle Creek, Digital.Security, and Paladion.

Public Sector & Defense reached **€ 553 million** representing 21% of the Group revenue and decreasing year-on-year at constant currency by **-11.9%** after a +13.0% in Q3 2020. This decrease came from volume reduction in large High Performance Computing (HPC) projects delivered last year in most of the geographies and more particularly in Northern Europe, as well as the last quarter of year-on-year effect from the large reduction of scope of the Texas Department of Information Resources contract renewed last year.

Telecom, Media & Technology represented 13% of the Group revenue and reached **€ 355 million**, decreasing by **-2.0%** compared to Q3 2020 at constant currency. After a positive second quarter, the Industry had a more challenging third quarter as trends were mixed between its different sectors. While projects in the Media sector grew thanks to an increased volume in North America, the situation was more challenging in High Tech & Engineering as well as in Telecom.

Revenue generated by **Resources & Services** in the third quarter of 2021 reached **€ 383 million** representing 14% of the total revenue of the Group. The industry managed to recover and grew by **+1.5%** compared to Q3 2020 at constant currency after a decrease by -2.5% in the second quarter of 2021. The situation remained contrasted across its components, with dynamism in Transportation & Hospitality, especially in North America and Southern Europe, while the Retail and Energy & Utilities sectors declined due to HPC sales not repeated this year compared to 2020.

Representing 12% of the Group revenue with **€ 333 million**, **Healthcare & Life Sciences** grew by **+5.1%** in the third quarter of 2021 year-on-year at constant currency led by Northern Europe, Southern Europe, and Growing Markets. In particular, the Healthcare sector recorded a very strong performance compared to the third quarter of 2020, which more than compensated the decline in Pharmaceutical.

Q3 2021 revenue by Regional Business Unit

	Q3 2021	Q3 2020*	Evolution at constant currency
<i>In € million</i>			
North America	617	625	-1.3%
Northern Europe	674	700	-3.8%
Central Europe	619	631	-1.8%
Southern Europe	556	520	+7.0%
Growing Markets	201	191	+4.9%
Total	2,666	2,666	0.0%

* At constant currency

The majority of the Regions benefited from the rebound of the demand for Digital transformation, Cloud, and Cybersecurity in the sectors that have been impacted the most last year such as Manufacturing and Hospitality & Transportation. They benefited also from a good momentum in Healthcare & Life Sciences and Financial Services & Insurance. Combined with synergies initiated from the new acquisitions, the Group managed to compensate the decline in Public Sector & Defense coming from volume reduction and some large HPCs delivered last year in several geographies.

Revenue growth at constant currency was strong in Southern Europe and in Growing Markets.

In **Southern Europe**, the activity was solid in most of the Industries including Public Sector & Defense.

Growing Markets continued on its trend at circa +5% growth led by the ramp-up of projects in Asia in Healthcare & Life Sciences as well as in Telecom, Media & Technology in Brazil and in Manufacturing through volume increase and new projects.

North America managed to generate growth at constant currency in all Industries except Public Sector & Defense impacted by the Texas Department of Information Resources contract and by Unified Communications & Collaboration activities.

Northern Europe recorded a strong activity in Manufacturing with Digital Transformation projects as well as in Healthcare & Life Sciences. But this geography faced unfavourable base effect on High Performance Computing in Public Sector & Defense.

Finally, **Central Europe** significantly improved its revenue trend compared to -10.3% in Q2 thanks to Manufacturing ramp-up of projects and new contracts.

Commercial activity

During the third quarter of 2021, the Group **order entry** reached **€ 2,399 million** representing a **Book-to-Bill ratio** of **90%**.

The main new contracts signed over the period included notably:

- in Manufacturing a contract with a large European Automotive supplier for the migration to S/4 Hana Cloud (Central Europe);
- in Financial Services & Insurance a contract with a US global Insurer for a migration to Public Cloud combining Atos, Syntel, and Maven Wave capabilities (North America);
- in Public Sector & Defense a large contract with a Public authority for a Digital Transformation project (Northern Europe);
- in Telecom, Media & Technology a Digital Transformation contract embarking Cloud, Security, and Decarbonization services with a European High Tech leader (Northern Europe);
- in Resources & Services a contract with a large European Utility for distribution network management and control combining SAP and Atos Energy solutions (Southern Europe); and
- in Healthcare & Life Sciences a contract with a large Healthcare leader for the development of digital tool to enhance patient experience (North America).

Contract renewals of the quarter included, in Manufacturing a large European car manufacturer with an extension to support customer in developing data-based Cloud services (Southern Europe), in Financial Services & Insurance a major bank to migrate complex data center and applications (Growing Markets), and a scope extension with a large retailer Resources & Services (North America).

Full backlog amounted to **€ 23.4 billion** at the end of September 2021, slightly down compared to June 2021. It represented **2.1 years of revenue**. **Full qualified pipeline** reached **€ 7.4 billion** stable compared to June 2021. It represented **7.9 months of revenue**.

Human resources

The **total headcount** was **106,665** at the end of September 2021, an increase of +1,857, of which for the first time +1,485 (**+1.4%**) organically in order to support the fast growing business segments (Digital, Cloud, Security and Decarbonization) while the Group continued to decrease the number of staff in Infrastructure activities through automation and robotization.

In the third quarter of 2021, the Group hired 8,019 staff, the majority of whom in offshore and nearshore countries. Attrition LTM (Last Twelve Months) reached 16% at the end of September 2021.

2021 objectives confirmed

The Group confirms all its objectives for 2021:

- **Revenue growth at constant currency:** stable;
- **Operating margin rate:** c. 6%;
- **Free cash flow:** positive.

Acquisition

The Group today announces the acquisition of DataSentics, a European company founded in 2016 and located in Prague. DataSentics specializes in Machine Learning and Cloud Data engineering. The company works on unifying data science and engineering across Europe. It employs 90 data scientists. Its offerings will immediately complement Artificial Intelligence factory strategy of Atos to support 5G and Edge offerings and accelerate key business use cases in Manufacturing, Retail, and Telecommunications.

Program to look for partners to optimize Group assets

As part of its transformation and to accelerate its reprofiling towards Digital, Cloud, Security & Decarbonization, the Group announced on July 27, 2021 the launch of a large program to look for partners on a volume of business representing c. 20% of its current revenue.

On Unified Communications & Collaboration, advanced discussions are currently ongoing.

On Data Center hosting and associated activities, a formal process has been launched and multiple indications of interest have been received.

Appendix

Revenue at constant scope and exchange rates reconciliation

<i>In € million</i>	Q3 2021	Q3 2020	% change
Statutory revenue	2,666	2,644	+0.8%
Exchange rates effect		22	
Revenue at constant exchange rates	2,666	2,666	0.0%
Scope effect		63	
Exchange rates effect on acquired/disposed perimeters		1	
Revenue at constant scope and exchange rates	2,666	2,729	-2.3%

Scope effects amounted to €+63 million for revenue. They are mainly related to:

- the acquisitions closed in H2 2020 and in 2021 for €+68 million; and
- the disposal of some specific Unified Communications & Collaboration activities and Wivertis GmbH in 2020, amounting for a total of €-5 million.

Currency exchange rate effects positively contributed to revenue for €+22 million. They mostly came from the appreciation of the British Pound against the Euro over the period.

Conference call

Tomorrow, Thursday, October 21, 2021, 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' Q3 2021 revenue and answer questions from the financial community.

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

- via the following link: <https://edge.media-server.com/mmc/p/9dtvfypf>
- by telephone with the dial-in, 10 minutes prior the starting time. Please note that if you want to join the webcast by telephone, **you must register in advance of the conference** using the following link: <http://emea.directeventreg.com/registration/5061859>
Upon registration, you will be provided with Participant Dial In Numbers, a Direct Event Passcode and a unique Registrant ID. Call reminders will also be sent via email the day prior to the event. During the 10 minutes prior to the beginning of the call, you will need to use the conference access information provided in the email received upon registration.

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

Forthcoming events

February 28, 2022 (After Market Close)	Full Year 2021 results
April 27, 2022 (Before Market Opening)	First Quarter 2022 revenue
May 18, 2022	Annual General Meeting
July 27, 2022 (Before Market Opening)	First semester 2022 results

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About Atos

Atos is a global leader in digital transformation with 107,000 employees and annual revenue of over € 11 billion. European number one in cybersecurity, cloud and high performance computing, the Group provides tailored end-to-end solutions for all industries in 71 countries. A pioneer in decarbonization services and products, Atos is committed to a secure and decarbonized digital for its clients. Atos is an SE (Societas Europaea), listed on Euronext Paris and included in the CAC 40 ESG and Next 20 indexes.

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 competitor's 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 within the 2020 Universal Registration Document filed with the Autorité des Marchés Financiers (AMF) on April 7, 2021 under the registration number D.21-0269 and the Amendment to the 2020 Universal Registration Documents filed with the AMF on July 30, 2021 under number D.21-0269-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, Guatemala and Mexico), **Northern Europe** (United Kingdom & Ireland, Belgium, Denmark, Estonia, Belarus, Finland, Lithuania, Luxembourg, The Netherlands, Poland, Russia and Sweden), **Central Europe** (Germany, Austria, Bulgaria, Bosnia, Croatia, Czech Republic, Greece, Hungary, Romania, Serbia, Slovenia, Slovakia, Israel, and Switzerland), **Southern Europe** (France, Andorra, Spain, Portugal and Italy) and **Growing Markets** including Asia-Pacific (Australia, China, Hong Kong, India, Japan, Malaysia, New Zealand, Philippines, Singapore, Taiwan, and Thailand), South America (Argentina, Brazil, Chile, Colombia, Uruguay, and Peru), Middle East & Africa (Algeria, Benin, Burkina Faso, Egypt, Gabon, Ivory Coast, Kenya, Kingdom of Saudi Arabia, Madagascar, Mali, Mauritius, Morocco, Qatar, Senegal, South Africa, Tunisia, Turkey and UAE), Major Events and Global Delivery Centers.