

First quarter of 2021

Order entry at € 2,596 million
Book to bill ratio at 96%

Revenue at € 2,692 million
-1.9% at constant currency
-3.9% organic evolution

Digital, Cloud, Security & Decarbonization at 51% of revenue (46% in 2020)

Continued strong growth in Cybersecurity and Big Data

3 bolt-on acquisitions accelerating Group transformation

2021 objectives confirmed

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

Elie Girard, Atos CEO, said: "After a record year in 2020, commercial dynamism remained solid in the first quarter of the year with a book-to-bill ratio of 96%, and a pipeline of offerings +14% above a year ago. While the Group's revenue decreased for the last quarter due to the impact of Covid, down -1.9% at constant currency compared to the previous year, our business profile has made progress towards Digital, Cloud, Security, and Decarbonization with now 51% of Group revenue delivered in those strategic segments.

This business repositioning is the result of, first, our Spring transformation, and second, our program of bolt-on acquisitions. In that vein, I am delighted to announce today three new acquisitions in the fields of Digital Manufacturing and Product Lifecycle Management (PLM), Cryptography and Cybersecurity, and Edge and Computer Vision. In order to accelerate the change of our business mix, the Group will activate a third dimension and initiate a strategic portfolio review of non-core assets.

We confirm the objectives for the full year 2021 issued on February 18. Furthermore, the Group has decided to engage into important steps of internal transformation, aiming at enriching the company's digital competencies and human capital, reinforcing accountability, as well as implementing cultural changes in full consistency with our "raison d'être".

I am thankful to all my Atos colleagues for embarking on this transformation journey with so much energy and enthusiasm."

2021 Objectives

The Group confirms today its objectives for its 3 key financial criteria, as stated on February 18, 2021:

- **Revenue growth at constant currency:** +3.5% to +4.0%
- **Operating margin rate:** +40 to 80bps versus 2020
- **Free cash flow:** €550m to €600m

Q1 2021 revenue by Industry

<i>In € million</i>	Q1 2021	Q1 2020*	Evolution at constant currency
Manufacturing	488	522	-6.7%
Financial Services & Insurance	544	506	+7.4%
Public Sector & Defense	579	599	-3.2%
Telecom, Media & Technology	373	393	-5.0%
Resources & Services	395	421	-6.2%
Healthcare & Life Sciences	313	303	+3.4%
Total	2,692	2,744	-1.9%

* At constant currency

Revenue in the first quarter of 2021 reached **€ 2,692 million**, **-1.9%** compared to Q1 2020 at constant currency, **-3.9%** organically.

Covid-19 was still impacting Atos business over the quarter despite good resilience in Financial Services & Insurance and in Healthcare & Life Sciences, as well as in Northern Europe, in Growing Markets and in Southern Europe which is showing an encouraging recovery.

With 18% of the Group revenue, **Manufacturing** reported a revenue of **€ 488 million**, representing a decrease by **-6.7%** compared to Q1 2020 at constant currency. The largest and main challenging situation was the reduction of volumes in Germany, while the situation tended to stabilize compared to past quarters in other geographies.

Financial Services & Insurance revenue was **€ 544 million**, representing 20% of the Group revenue. The Industry grew by **+7.4%** at constant currency compared to Q1 2020. The activity increased in most of the geographies and was mainly driven by business transformation projects in Northern Europe and new digital banking projects in Growing Markets.

Public Sector & Defense revenue was **€ 579 million** representing 22% of the Group revenue, down **-3.2%** at constant currency. The decrease was primarily due to significant Big Data project delays to subsequent quarters as well as volume reduction in North America.

Telecom, Media & Technology represented 14% of the Group revenue and reached **€ 373 million**, a decline of **-5.0%** at constant currency compared to Q1 2020, with a contrasted performance by geography. While a large worldwide contract with a global technology company started to generate a positive contribution to the Industry, performance was impacted by the base effects of some large deals performed in 2020 and not repeated in 2021.

Revenue generated by **Resources & Services** in the first quarter of 2021 reached **€ 395 million** representing 15% of the Group revenue. The Industry decreased by **-6.2%** at constant currency compared to Q1 2020 with very different trends across its components. While a strong performance was reported with Utilities customers, the Industry remained impacted by the challenging situation with customers operating in Transportation and Hospitality where the demand continues to be affected by Covid-19.

Healthcare & Life Sciences revenue was **€ 313 million**, up by **+3.4%** compared to Q1 2020 at constant currency and representing 12% of the Group revenue. The Industry grew in most geographies, notably in Northern Europe and in Central Europe, with only the exception of North America which did not reiterate in 2021 some large projects delivered in Q1 2020.

Q1 2021 revenue by Regional Business Unit

<i>In € million</i>	Q1 2021	Q1 2020*	Evolution at constant currency
North America	564	622	-9.4%
Northern Europe	730	688	+6.2%
Central Europe	609	666	-8.5%
Southern Europe	607	596	+1.9%
Growing Markets	181	172	+5.1%
Total	2,692	2,744	-1.9%

* At constant currency

Revenue in **North America** reached **€ 564 million**, decreasing by **-9.4%** at constant currency. The evolution was impacted by the timing of Covid last year hitting North America later than Europe, volume reduction in Public Sector and one time sales in Q1 2020, which could not be repeated. In addition some projects were postponed from Q1 2021 to subsequent quarters. This could not be compensated by the beginning of the ramp-up of new contracts in the Cloud and Digital transformation as well as Cybersecurity spaces.

Revenue in **Northern Europe** was **€ 730 million**, increasing by **+6.2%** at constant currency. Strong business growth was recorded in Telecom, Media & Technology as well as in Financial Services & Insurance and Healthcare & Life Sciences. At the same time challenges were faced by Public Sector & Defense as well as Resources & Services. Manufacturing remained stable compared to last year.

Central Europe reported **€ 609 million** of revenue, down **-8.5%** at constant currency. This mainly resulted from a still challenging situation in the Unified Communications & Collaboration and also in Manufacturing. Thanks to the ramp-up of several new contracts, Healthcare & Life Sciences, Resources & Services and Public Sector & Defense recorded growth, Financial Services & Insurance remained almost flat despite some new projects with large German banking institutions.

Revenue in **Southern Europe** reached **€ 607 million**, increasing by **+1.9%** compared to Q1 2020 at constant currency. The growth of the business was mainly led by the good performance of Public Sector & Defense. Growth was also recorded in Financial Services & Insurance, Resources & Services and Healthcare & Life Sciences. The situation remained challenging in Telecom, Media & Technology and to a lesser extent in Manufacturing.

Revenue reached **€ 181 million** in **Growing Markets**, up **+5.1%** at constant currency. In most of the Industries the activity was stronger with new projects delivered more particularly in Financial Services & Insurance.

Commercial activity

During the first quarter of 2021, the Group **order entry** reached **€ 2,596 million** representing a **Book-to-Bill ratio of 96%**, compared to 101% (at constant currency) achieved over the same period last year.

The main new contracts signed over the period were notably in Northern Europe with a large Chemical customer (Manufacturing) and a European telco leader (Telecom, Media & Technology), in Southern Europe with Pierre Fabre and a European leader in Pharmaceuticals (Healthcare & Life Sciences), a leading multi-national automotive manufacturer (Manufacturing) and several contracts with Transportation customers (Resources & Services), and in Central Europe with a large European bank (Financial Services & Insurance) and Bundesagentur für Arbeit (Public Sector & Defense).

Contract renewals of the quarter included notably a leading manufacturer in optical instruments and a large beverage company in Central Europe (Manufacturing), several Public Sector contracts in Southern Europe, and a Telecommunications company in Growing markets.

In line with this dynamic commercial activity, the **full backlog** amounted to **€ 23.2 billion** at the end of March 2021, **+8%** compared to March 2020 at constant currency. It represented **2.1 years of revenue**. The **full qualified pipeline** reached **€ 8.4 billion**, **+14%** compared to March 2020 at constant currency. It represented **9 months of revenue**.

Human resources

The **total headcount** was **104,485** at the end of March 2021, stable compared to 104,430 at the end of December 2020.

In the first quarter of 2021, the Group hired 4,215 staff, the majority of whom in offshore and nearshore countries.

Acquisitions

In line with its mid-term plan, the Group announces today the signature of 3 bolt-on acquisitions. All of them belong to the strategic areas defined by the Group to accelerate its business mix change:

- Digital, through the acquisition of Processia, a specialist of Product Lifecycle Management (PLM);
- Security, through the acquisition of cryptovision, specialized in Cryptography solutions and products;
- Big Data and Analytics, through the acquisition of Ipsotek, a leader in Edge and Computer Vision solutions.

North America Audit Follow-up

The Company made a statement on April 1, 2021 regarding several matters related to two US legal entities. As a reminder, the statutory auditors identified, as part of their 2020 audit, internal control weaknesses over the financial reporting process and revenue recognition in accordance with IFRS 15 leading to several accounting errors, as well as potential risk of override of controls in this respect.

The two US legal entities represent 11% of 2020 Group revenue, they are not related to Syntel.

Despite the additional audit procedures carried out by the statutory auditors in those circumstances, they were not able to perform within the timeframe the necessary work to obtain sufficient appropriate audit evidence in respect of revenue recognition or other related account balances of these two US entities and on the absence of material misstatements for the consolidated financial statements. As a result, the statutory auditors issued a qualified opinion due to a limitation of scope on the consolidated financial statements for the year 2020.

As of today the Group has not identified material misstatements for the 2020 consolidated financial statements. However, the conjunction of several accounting errors and internal control weaknesses deserves a serious focus and follow-up by the Group. Therefore, the Company has decided to conduct a full accounting review of the two US legal entities and will give a status update at the time of H1 results.

A strong remediation and prevention plan has been designed under the leadership of the Group General Secretary and is being implemented. It covers areas such as preventive controls, guidelines and documentation, Human Resources review, skilling and organization as well as awareness and training. Complementary analysis is ongoing to ensure that the plan is exhaustive.

Appendix

Revenue at constant scope and exchange rates reconciliation

<i>In € million</i>	Q1 2021	Q1 2020	% change
Statutory revenue	2,692	2,834	-5.0%
Exchange rates effect		-90	
Revenue at constant exchange rates	2,692	2,744	-1.9%
Scope effect		60	
Exchange rates effect on acquired/disposed perimeters		-3	
Revenue at constant scope and exchange rates	2,692	2,801	-3.9%

Scope effects amounted to €+57 million for revenue. They are mainly related to:

- the acquisitions closed in 2020 and Q1 2021 for €+67 million;
- the disposal of some specific Unified Communication & Collaboration activities and Wivertis GmbH in 2020, amounting to a total of €-10 million.

Currency exchange rates effects negatively contributed to revenue for €-90 million. They mostly came from the depreciation of the American dollar, the Pound sterling and the Brazilian real against the Euro over the period.

Conference call

Today, Tuesday, April 20, 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' Q1 2021 revenue and answer questions from the financial community.

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

- on atos.net, in the Investors section
- 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/8716748>
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

May 12, 2021	Annual General Meeting
July 28, 2021	First semester 2021 results
October 21, 2021	Third quarter 2021 revenue

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About Atos

Atos is a global leader in digital transformation with 105,000 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 operates under the brands Atos and Atos|Syntel. 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 2020 Universal Registration Document filed with the Autorité des Marchés Financiers (AMF) on April 7, 2021 under the registration number D.21-0269. 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.

Atos consolidated and statutory financial statements for the year ended December 31, 2020, were approved by the Board of Directors on February 17, 2021. Following their audit procedures on the consolidated financial statements for the year ended December 31, 2020, the statutory auditors issued on April 1, 2021 a qualified opinion due to a limitation on the scope of the audit as two US legal entities representing 11% of 2020 consolidated revenue that require additional diligences. For the sake of clarity, except for the qualification included in the statutory auditors' report on the consolidated financial statements for the year ended December 31, 2020, the Group consolidated financial statements are audited and the financial statements included in the Universal Registration Document are unchanged compared to the version published by the Company on February 18, 2021. As of today, the Group has not identified misstatements on the two US entities that are material for the consolidated financial statements.

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.