

Strong growth in revenue in Q1 2022

- Total revenue growth of 8.8% and organic growth¹ of 6.5%
- Workforce grew by 4.3% relative to Q1 2021, including 12.2% growth in India

Paris, 29 April 2022, 7:00 a.m. – Sopra Steria generated revenue of €1,267.7 million in the first quarter of 2022, representing growth of 8.8%. At constant scope and exchange rates, revenue grew 6.5%.

Sopra Steria: Consolidated revenue – Q1 2022

€m / %	Q1 2022	Q1 2021	Organic growth	Total growth
Revenue	1,267.7	1,165.2	6.5%	8.8%

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

“We turned in a strong first quarter, slightly exceeding our initial expectations. Market conditions were buoyant, still driven by our clients' digital transformation projects. Growth was particularly strong in the defence and aeronautics vertical markets, which made up around 20% of our revenue. In the current context in which major investments are being made in digital, we expanded our resources and the added value delivered to our clients, reflected in particular in an increase in our sales prices. As such, we began the year in step with our short- and medium-term targets. The invasion of Ukraine has made the European economic environment more uncertain. I'd like to reiterate that the Group does not have any direct exposure to Russia or Ukraine, and our presence in the manufacturing sector is very limited. At this stage, we have not observed any changes in purchasing decisions among our major clients. Our core strengths in this context are the close relationships we have with our clients and our large share of revenue from recurring activities (more than 40%).”

Comments on Q1 2022 business activity

Revenue came to €1,267.7 million, a total increase of 8.8% relative to Q1 2021. Changes in scope had a positive impact of €11.8 million, and currency fluctuations had a positive impact of €13.4 million. At constant scope and exchange rates, revenue grew 6.5%.

In **France** (40% of the Group total), revenue came to €513.2 million, equating to organic growth of 9.6%. Consulting activities performed well, achieving growth of more than 10%. The defence and aeronautics sectors were particularly robust, both showing double-digit growth. The banking sector was also very active, with growth of around 10%, while the energy, telecoms, transport and social services vertical markets grew less quickly.

In the **United Kingdom** (17% of Group total), revenue was virtually stable (up 0.3%) at constant scope and exchange rates, amounting to €219.0 million. The basis for comparison in Q1 2021 was very high, with revenue having grown by 16.8% in that quarter. The joint ventures specialising in business process services for the public sector (NHS SBS and SSCL) saw slightly negative growth on average, while the rest of the public sector posted slightly positive growth. The defence & aeronautics vertical market posted growth of more than 10%. The private sector saw negative growth, but to a lesser extent than in 2021. This sector is expected to return to positive growth in the second half of the year, in particular thanks to the implementation of the new debt collection service.

¹ Alternative performance measures are defined in the glossary at the end of this document.

The **Other Europe** reporting unit posted €365.0 million in revenue (29% of the Group total). Organic revenue growth for the reporting unit was 8.1%. This performance was driven by Scandinavia and Bénélux, with these two geographic regions seeing double-digit growth.

Revenue for **Sopra Banking Software** (8% of Group revenue) came to €103.2 million, equating to slight growth with respect to Q1 2021 (up 0.8%). As in previous quarters, the reporting unit continued to invest in product development, focusing in particular on digital layers. The gradual transformation of R&D continued according to plan.

The **Other Solutions** reporting unit (5% of Group revenue) posted revenue of €67.3 million, representing organic growth of 5.9%. Human resources solutions posted growth of 9.1%. Revenue from property management solutions was relatively stable.

Workforce

3,585 new employees joined the Group in the first quarter of 2022, representing around a third of the annual recruitment target.

At end-March 2022, the Group's **net workforce** was up 4.3% compared with Q1 2021, with 12.2% of this increase in India. The Group had a total workforce of 48,114 people, compared with 47,437 people at 31 December 2021 and 45,959 people at 31 March 2021. Staff employed at international service centres (India, Poland, Spain, etc.) represented 18.3% of the total workforce (17.5% at 31 March 2021).

The number of **subcontractors** was up 738 people at end-March 2022 compared with end-December 2021.

The **workforce attrition rate** came to 20%, a level similar to Q1 2019.

Outlook

The macroeconomic environment has deteriorated since the invasion of Ukraine on 24 February 2022. However, the first quarter was dynamic and slightly exceeded the Group's initial expectations. Given this situation and based on the information currently available, the targets previously reported on 24 February 2022 remain valid.

Recap of targets for 2022 reported on 24 February 2022

- Organic revenue growth of between 5% and 6%
- Operating margin on business activity of between 8.5% and 9.0%
- Free cash flow of around €250 million

Q1 2022 revenue presentation meeting

Revenue for the first quarter of 2022 will be presented to financial analysts and investors via a bilingual (French and English) conference call to be held on 29 April 2022 at 8:00 a.m. CET:

- French-language phone number: +33 (0)1 70 71 01 59 – PIN: 66479034#
- English-language phone number: +44 (0)207 194 37 59 – PIN: 86559732#

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

Upcoming financial publications

Wednesday, 1 June 2022 (2:30 p.m.): General Meeting of Shareholders

Thursday, 28 July 2022 (before market open): Publication of H1 2022 results

Friday, 28 October 2022 (before market open): Publication of Q3 2022 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-sale) 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 2021 Universal Registration Document filed with the Autorité des Marchés Financiers (AMF) on 17 March 2022 (see pages 38 to 44 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

Sopra Steria, a European leader in the field of technology, renowned for its consulting, digital services and software development, helps its clients drive their digital transformation and obtain tangible and sustainable benefits. It 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. With 47,000 employees in nearly 30 countries, the Group generated revenue of €4.7 billion in 2021.

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 – Q1 2022

€m	Q1 2022	Q1 2021	Growth
Revenue	1,267.7	1,165.2	+8.8%
Changes in exchange rates		13.4	
Revenue at constant exchange rates	1,267.7	1,178.6	+7.6%
Changes in scope		11.8	
Revenue at constant scope and exchange rates	1,267.7	1,190.4	+6.5%

Sopra Steria: Changes in exchange rates – Q1 2022

For €1 / %	Average rate Q1 2022	Average rate Q1 2021	Change
Pound sterling	0.8364	0.8739	+4.5%
Norwegian krone	9.9247	10.2584	+3.4%
Swedish krona	10.4807	10.1202	-3.4%
Danish krone	7.4407	7.4372	-0.0%
Swiss franc	1.0364	1.0913	+5.3%

Sopra Steria: Revenue by reporting unit – Q1 2022

€m / %	Q1 2022	Q1 2021 Restated*	Q1 2021	Organic growth	Total growth
France	513.2	468.5	460.2	+9.6%	+11.5%
United Kingdom	219.0	218.3	208.9	+0.3%	+4.9%
Other Europe	365.0	337.6	331.2	+8.1%	+10.2%
Sopra Banking Software	103.2	102.4	101.4	+0.8%	+1.8%
Other Solutions	67.3	63.5	63.5	+5.9%	+6.0%
Sopra Steria Group	1,267.7	1,190.4	1,165.2	+6.5%	+8.8%

* Revenue at 2022 scope and exchange rates

Sopra Steria: Workforce breakdown – 31/03/2022

	31/03/2022	31/03/2021
France	20,067	19,861
United Kingdom	7,045	6,654
Other Europe	11,726	10,886
Rest of the World	470	508
X-Shore	8,806	8,050
Total	48,114	45,959

