

Revenue for Q3 2024 resilient at €1,356.9 million

- Total growth of 0.9% relative to Q3 2023
- Revenue remained stable at constant scope and exchange rates
- Full-year targets confirmed for organic growth, operating margin and free cash flow

Paris, 31 October 2024 (7:00 a.m.) – Sopra Steria Group generated consolidated revenue of €1,356.9 million in the third quarter of 2024, representing total growth of 0.9%.

Sopra Steria: Consolidated revenue – Q3 2024

	Q3 2024	Q3 2023 restated*	Q3 2023 reported	Organic growth	Total growth
Revenue	1,356.9	1,357.5	1,345.4	0.0%	+0.9%

* Revenue at 2024 scope, exchange rates and accounting policies (IFRS 5 & 15)

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

“The European market overall was held back by a wait-and-see attitude and weak momentum, with the exception of certain countries including Spain, Italy and Norway.

In this unfavourable context, we renewed several of our very substantial positions in transport, aeronautics, the public sector and defence.

The past three months' performance confirms our outlook of a relatively stable level of full-year revenue, as indicated in July.

During the quarter, we finalised the sale of Sopra Banking Software activities. This major decision clarifies Sopra Steria's positioning as a European consulting and digital services firm. It also reinforces our balance sheet and financial flexibility.

In addition, I am pleased to share that Sopra Steria has been recognised as a leader in cloud infrastructure services by NelsonHall and received a 'Best in Class' rating among AI and generative AI service providers ranked by PAC.

Lastly, on 16 October 2024 the Group's employees were especially proud to have received the AGEFI award for the year's most sustainable business in the 'Environment' category.”

Presentation of quarterly revenue

The sale of Sopra Banking Software, announced on 21 February 2024 as part of Sopra Steria's process of refocusing its activities on digital services and solutions, was finalised on 2 September 2024. Revenue for Q3 2024 was consolidated excluding the activities sold. As a reminder, these accounted for €336.3 million in revenue in 2023. They were already recognised as discontinued operations (under IFRS 5) in the H1 2024 accounts released on 24 July 2024.

In addition, as announced upon the release of the H1 results, since 1 January 2024 revenue generated by Ordina through the sale of external expertise has been standardised. It is now recognised as net earnings in the Netherlands and Belgium, under the agent principle.¹

Comments on Q3 2024 business activity

Sopra Steria posted revenue of €1,356.9 million, up 0.9% compared with Q3 2023. Changes in scope had a €10.9 million positive impact. This comprised the positive €86.9 million impact of the consolidation of Ordina (after the negative €20.0 million impact of restating "agent" revenue) and the negative €76.0 million impact of the disposal of Sopra Banking Software activities. Currency fluctuations had a positive impact of €1.1 million. At constant exchange rates, scope and accounting standards, revenue remained stable.

In France (42% of the Group total), revenue fell by 1.2% on an organic basis to €571.2 million. In a more uncertain environment, the French market was held back by a prevailing wait-and-see attitude. The Hybrid Cloud & Technology Services business was highly resilient, achieving 3.3% growth. Consulting & Systems Integration contracted by 0.3%. The Product Lifecycle Management business was down 12.8%. In terms of vertical markets, growth was positive in the public sector and defence, while it was negative in aeronautics, financial services, energy and telecommunications.

Revenue for the **United Kingdom** (18% of the Group total) was €240.2 million, representing organic growth of 2.3%. The best-performing vertical markets were financial services, government & transport and the NHS SBS platform. The SSCL platform's business continued to be affected by the snap election context and the arrival of a new government.

The **Europe** reporting unit (34% of the Group total) generated revenue of €467.7 million. At constant scope, exchange rates and accounting standards, revenue contracted very slightly (0.5%). The most buoyant growth was in Spain, Italy and Scandinavia. Revenue contracted slightly in Benelux and decreased in Germany.

The **Solutions** reporting unit (6% of the Group total) posted revenue of €77.8 million, representing organic growth of 3.9%. The Human Resources Solutions business grew by 7.5%. The Property Management Solutions business was down 2.7%.

Workforce

The Group's **net headcount** stood at 51,866 employees at 30 September 2024 (compared with 49,190 employees at 30 September 2023, restated for the Sopra Banking Software scope sold). The consolidation of Ordina added 2,676 people. A total of 7,901 staff were employed at international service centres (India, Poland, Spain, etc.).

The **workforce attrition** rate was 13.2% (vs 15.1% at 30 September 2023).

¹ For a negative €82.1 million impact on full-year revenue (baseline: 2023)



Change in scope

Since the end of H1 2024, Sopra Steria has received a total of €410.5 million arising from the finalised refocusing of the Group's activities on digital services and solutions. Following these transactions, Sopra Steria has retained an 11.1% stake in Axway's share capital.

Share buyback programme

Confident in its outlook and its ability to create value over the long term, on 2 October 2024 Sopra Steria announced the launch of a €150 million share buyback programme, with the shares bought back under this programme to be retired. An investment services provider has been entrusted with carrying out the buyback during the period from 2 October 2024 to 20 May 2025.

Recap of targets for 2024

- Revenue relatively stable on an organic basis
- Operating margin on business activity of at least 9.7%
- Free cash flow of around €350 million

Presentation meeting

Revenue for the third quarter of 2024 will be presented to financial analysts and investors via a bilingual (French and English) conference call to be held on Thursday, 31 October 2024 at 8:30 a.m. CET (Paris time).

- French-language phone number: +33 (0)1 70 37 71 66
- English-language phone number: +44 (0)33 0551 0200

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

Upcoming financial releases

Thursday, 12 December 2024 (9:00 a.m.): Capital Market Day

Thursday, 27 February 2025 (8:30 a.m.): Meeting to report 2024 annual results

Wednesday, 30 April 2025 (8:30 a.m.): Meeting to report Q1 2025 revenue

Wednesday, 21 May 2025 (2:30 p.m.): General Meeting of Shareholders

Friday, 25 July 2025 (8:30 a.m.): Meeting to report 2025 half-year results

Wednesday, 29 October 2025 (8:30 a.m.): Meeting to report Q3 2025 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 operations; 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-sales) 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 2023 Universal Registration Document filed with the Autorité des Marchés Financiers (AMF) on 15 March 2024 (see pages 40 to 46 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 major tech player in Europe with 52,000* employees in nearly 30 countries, is recognised for its consulting, digital services and solutions. It helps its clients drive their digital transformation and obtain tangible and sustainable benefits. The Group 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 technologies with a 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. In 2023, the Group generated revenue of €5.8 billion.

* Headcount reassessed following the sale of Sopra Banking Software activities in September 2024.

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

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Annexes

Sopra Steria: Impact on revenue of changes in scope and exchange rates – 9M 2024

€m	9M 2024	9M 2023	Growth
Revenue	4,306.3	4,185.5	+2.9%
Changes in exchange rates		9.3	
Revenue at constant exchange rates	4,306.3	4,194.9	+2.7%
Changes in scope		102.3	
Revenue at constant exchange rates, scope and accounting standards	4,306.3	4,297.2	+0.2%

Sopra Steria: Changes in exchange rates – 9M 2024

For €1 / %	Average rate 9M 2024	Average rate 9M 2023	Change
Pound sterling	0.8514	0.8707	+2.3%
Norwegian krone	11.5854	11.3483	-2.0%
Swedish krona	11.4120	11.4789	+0.6%
Danish krone	7.4589	7.4486	-0.1%
Swiss franc	0.9581	0.9774	+2.0%

Sopra Steria: Revenue by reporting unit – 9M 2024

	9M 2024	9M 2023 restated*	9M 2023 reported	Organic growth	Total growth
France	1,822.5	1,849.9	1,766.8	-1.5%	+3.2%
United Kingdom	727.5	707.4	691.8	+2.8%	+5.2%
Europe	1,518.2	1,504.7	1,198.0	+0.9%	+26.7%
Solutions	238.1	235.2	208.6	+1.2%	+14.2%
Sopra Banking Software	-	-	320.3	-	-
Sopra Steria Group	4,306.3	4,297.2	4,185.5	+0.2%	+2.9%

* Revenue at 2024 scope, exchange rates and accounting policies (IFRS 5 & 15)

Sopra Steria: Revenue by reporting unit – Q3 2024

	Q3 2024	Q3 2023 restated*	Q3 2023 reported	Organic growth	Total growth
France	571.2	577.8	567.9	-1.2%	+0.6%
United Kingdom	240.2	234.9	230.8	+2.3%	+4.1%
Europe	467.7	469.9	378.2	-0.5%	+23.7%
Solutions	77.8	74.9	66.2	+3.9%	+17.5%
Sopra Banking Software	-	-	102.3	-	-
Sopra Steria Group	1,356.9	1,357.5	1,345.4	0.0%	+0.9%

* Revenue at 2024 scope, exchange rates and accounting policies (IFRS 5 & 15)

Sopra Steria: Workforce breakdown – 30/09/2024

	30/09/2024	30/09/2023
France	20,282	21,681
United Kingdom	7,199	7,767
Europe	16,244	14,102
Rest of the World	240	552
X-Shore	7,901	9,328
Total (continuing operations)	51,866	53,430
of which Sopra Banking Software divested activities		~ 4,000

