

Q1 2017 revenue: €953.7m Organic growth of 4.8%

Paris, 27 April 2017 – Sopra Steria generated revenue of €953.7 million in the first quarter of 2017, representing growth of 4.4%. Growth at constant scope and exchange rates was 4.8%.

Sopra Steria: Consolidated revenue – Q1 2017

€m / %	Q1 2017	Q1 2016 Reported	Organic growth*	Total growth
Revenue	953.7	913.2	4.8%	4.4%

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

Comments on Q1 2017 business activity

In the first quarter of 2017, Sopra Steria continued to benefit from its clients' growing investments in digital as well as its well-positioned offerings.

Sopra Steria posted revenue growth of 4.4% for the first quarter of 2017. Changes in scope had a positive impact of €19.4 million, while currency fluctuations had an adverse impact of €22.8 million essentially due to the 10.4% drop in the pound-to-euro exchange rate relative to the same period a year earlier. At constant scope and exchange rates, revenue growth was 4.8%. The calendar effect (number of working days) was positive in most European countries.

In **France**, first quarter 2017 revenue was €410.4 million, representing organic growth of 5.0%.

- **Consulting & Systems Integration** (€360.2 million in revenue), which was affected by a high comparison basis for part of its revenue but also by a positive calendar effect (2 additional days), maintained a good level of organic growth at 5.8%, which was once again buoyed by growth of more than 10% in Consulting. The quarter's best-performing vertical markets were transport, aeronautics, defence and the public sector.
- **I2S (Infrastructure & Security Services)** generated revenue of €50.2 million, representing slightly negative organic growth of 0.2%. Revenue saw negative growth of 1.4% in IT infrastructure management (90% of the entity's revenue), which continued to strategically refocus on higher-added-value services, and strong growth in cybersecurity activities.

In the **United Kingdom**, first-quarter revenue (€205.2 million) equated to negative organic growth of 3.6%. The currency effect was negative for €24 million. Overall, the entity posted negative revenue growth of 13.5%. As

previously announced, the transition phase that the SSCL joint venture will go through this year will lead to a decrease in revenue for financial year 2017 (see the press release on 2016 full-year results). Excluding SSCL and at constant scope and exchange rates, revenue should be stable with respect to 2016.

The **Other Europe** reporting unit posted robust positive organic revenue growth (15.9%), with revenue coming to €200.9 million. All the countries in this reporting unit recorded strong growth in their businesses, some of which were amplified by positive calendar effects. Particularly noteworthy was the clear upturn in growth in Germany, underpinned by renewed sales momentum and major deals won over the past several months.

Sopra Banking Software posted €85.9 million in revenue, representing total growth of 25%. At constant scope and exchange rates, first-quarter growth was 2.8%. Cassiopae's specialist loans offering saw strong growth. Key milestones were reached during the quarter: the development of the Sopra Banking Platform for La Banque Postale in line with the product roadmap, the successful go-live decision of Sopra Banking Platform for the Crelan bank in Belgium, and the launch of the new version of Sopra Banking Amplitude ("Amplitude Up").

Other Solutions generated revenue of €51.3 million, equating to organic growth of 4.1%. In Human Resources solutions and Property Management solutions alike, offerings show good development prospects and continued to be enhanced, particularly in the digital sphere.

Workforce

At 31 March 2017, the Group's total workforce consisted of 40,542 people (39,813 at 31 December 2016), with 17.8% working in X-Shore zones.

Outlook

As a reminder, the Group's targets for the 2017 financial year are as follows:

- Organic revenue growth of between 2% and 3%
- An operating margin on business activity of around 8.5%
- Free cash flow in excess of €150 million

The increase in operating margin should be more pronounced in the second half of the year than in the first half, due in particular to the distribution of licence sales throughout the year.

Upcoming events

Tuesday, 13 June 2017: Annual General Meeting of Shareholders – 2:30 p.m. / Pavillon Dauphine, Paris (France)

Friday, 28 July 2017: Publication of 2017 half-year results (before market) and presentation meeting



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 the restated revenue for the same period in the prior financial year.
- **EBITDA:** This measure, as defined in the Registration Document, is equal to the consolidated operating profit on business activity adding back depreciation and amortisation included in the operating profit on business activity.
- **Operating profit on business activity:** This measure, as defined in the Registration Document, is equal to profit from recurring operations adjusted to exclude the expense relating to the cost of services rendered by the grantees of stock options and free shares and additions to the 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 predictive, presented separately in order to give a clearer picture of performance based on ordinary activities.
- **Recurring net earnings per share:** This measure is equal to basic net earnings per share before taking into account other operating income and expenses net of tax.
- **Free cash flow:** Free cash flow is defined as the net cash from operating activities (as described in the consolidated cash flow statement in the Registration Document), less investments (net of disposals) in tangible and intangible fixed assets, less net interest and less additional contributions to address any deficits in defined-benefit pension plans.

Disclaimer

This presentation 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 are available in the 2016 Registration Document filed with the Autorité des Marchés Financiers (AMF) on 13 April 2017 (see pages 37 and following 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 certain laws and regulations. Persons physically present in countries where this document is released, published or distributed should inquire as to any applicable restrictions and should comply with those restrictions.

About Sopra Steria

Sopra Steria, a European leader in digital transformation, provides one of the most comprehensive portfolios of offerings on the market, spanning consulting, systems integration, industry-specific solutions, infrastructure management and business process services. It provides end-to-end solutions to address the core business needs of large companies and organisations, helping them remain competitive and grow. Combining added value with innovative high-performance services, Sopra Steria excels in guiding its clients through their transformation projects to help them make the most of digital technology. With over 40,000 employees in more than 20 countries, Sopra Steria generated revenue of €3.7 billion in 2016.

Sopra Steria (SOP) is listed on Euronext Paris (Compartment A) – ISIN: FR0000050809

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Annexes

Sopra Steria: Impact on revenue of changes in scope and exchange rates – Q1 2017

€m / %	Q1 2017	Q1 2016	Growth
Consolidated revenue	953.7	913.2	4.4%
Change in scope		19.4	
Change in exchange rates		-22.8	
Restated revenue*	953.7	909.9	4.8%

* Revenue at 2017 scope and exchange rates

Sopra Steria: Changes in exchange rates – Q1 2017

For €1 / %	Average rate Q1 2017	Average rate Q1 2016	Change
Pound sterling	0.860	0.770	-10.4%
Norwegian krone	8.989	9.527	6.0%
Swedish krona	9.506	9.327	-1.9%
Danish krone	7.435	7.461	0.3%
Swiss franc	1.069	1.096	2.4%

Sopra Steria: Revenue by reporting unit – Q1 2017

€m / %	Q1 2017	Q1 2016 Restated*	Q1 2016 Reported	Organic growth	Total growth
France	410.4	390.8	387.7	5.0%	5.8%
United Kingdom	205.2	212.9	237.3	-3.6%	-13.5%
Other Europe	200.9	173.3	170.6	15.9%	17.7%
Sopra Banking Software	85.9	83.6	68.7	2.8%	25.0%
Other Solutions	51.3	49.3	48.9	4.1%	4.9%
Total	953.7	909.9	913.2	4.8%	4.4%

* Revenue at 2017 scope and exchange rates

