

Q1 2016 revenue: €913.2m

Robust organic growth of 3.3%

Paris, 3 May 2016 – Sopra Steria Group generated revenue of €913.2 million in the first quarter of 2016, representing growth of 4.7%. Growth at constant scope and exchange rates was a solid 3.3%.

Sopra Steria: consolidated revenue - Q1 2016

€m / %	Q1 2016	Q1 2015 Restated*	Q1 2015 Reported	Organic growth	Total growth
Revenue	913.2	884.4	872.0	3.3%	4.7%

* Revenue at 2016 scope and exchange rates

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

Comments on Q1 2016 business activity

Sopra Steria's first quarter of 2016 was a dynamic one overall, attributable in part to an acceleration in growth in France.

Revenue for the first quarter in **France** was €387.7 million, representing strong organic growth of 7.7%, a faster rate of growth than was achieved in France in 2015.

- **Consulting & Systems Integration** generated revenue of €337.4 million, representing strong organic growth of 9.5%. This good performance compared to the French market (which improved somewhat), was driven in particular by vigorous growth in strategic key accounts (up around 10%) and Consulting (up almost 20%). The healthy performance was also due to a consultant downtime rate of about 3 points less than the average for the first quarter of 2015. Vertical market performance was especially good in Aeronautics & Defence, Transport and Banking. All verticals and regional locations posted growth.
- First quarter revenue for **I2S (Infrastructure & Security Services)** was €50.3 million, showing an easing of the negative growth witnessed in Infrastructure Management over the second half of 2015. Infrastructure Management, which generates 91% of I2S revenue, began to reap the benefits of its closer relationship with Consulting & Systems Integration divisions. Negative growth was contained to 4.5% for the quarter and sales prospects for the following quarters have improved. More generally, I2S is on track with its recovery plan. Cybersecurity posted growth of more than 10%.

Throughout France, recruiting and production industrialisation were high priorities, pursued in particular through a selective recruitment policy and the further development of nearshore and offshore service centres.

In the **United Kingdom**, revenue contracted by 2.3% at constant scope and exchange rates to €237.3 million. In the public sector, shared service platforms continue to offer significant opportunities for new business. However, as anticipated when these deals were initially signed, 2016 will be a transitional year for SSCL when

compared to the growth surge experienced since 2013 (attributable to the transformation phases of the first contracts won with several UK public sector organisations). In the private sector, the recovery that was already underway in the financial vertical is taking place progressively and is expected to yield gradual results.

In **Other Europe**, every country except Denmark and Switzerland recorded an increase in business volumes, posting aggregate revenue of €170.6 million and organic growth of 3.7%. The Belux region and Italy posted healthy organic growth figures of more than 10%. **Germany** showed slight organic growth for the quarter and the implementation of its recovery plan continued on target.

Sopra Banking Software, whose comparison basis in the first quarter of 2015 was particularly high due to La Banque Postale licences, posted revenue of €68.7 million in the first quarter of 2016 (stable year on year). The quarter was marked by a strong performance in both services and sales activities, with a healthy order pipeline for the *Platform* and *Amplitude* products, which should help drive growth for the rest of the year.

Other Solutions posted revenue of €48.9 million for the quarter, representing organic growth of 1.4% reflecting the deferral of some Sopra HR Software signings to the second quarter. Growth is expected to be better in the second half of the year for HR solutions. The start of the year went well for property management solutions, which posted organic growth of 9.2%.

Workforce

At 31 March 2016, the Group's total workforce consisted of 38,939 people (38,450 at 31 December 2015), with 16.9% working in X-Shore zones.

Changes in scope

On 28 April 2016, Sopra Banking Software completed its acquisition of 75% of the share capital of Cassiopae, a leading developer of specialised finance and property management software. Cassiopae will be consolidated in the Group's accounts as from the second quarter of 2016.

Sopra Steria is also announcing a plan to acquire LASCE Associates, a consulting firm specialising in operational excellence for industry and logistics. This acquisition would enhance the Group's ability to provide consulting services for its strategic clients' core business needs and to fulfil its strategy of offering greater added value. It would also unlock synergies with CIMPA, Sopra Steria's wholly-owned product lifecycle management subsidiary, reinforcing its end-to-end range of industrial-scale services offered to the Group's major clients.

LASCE Associates, founded in 2003 in Paris and today employing more than 60 consultants, is expected to post revenue of around €8 million for its 2015/2016 financial year (ending 31 May), representing year-on-year growth of more than 40% and an operating margin on business activity of around 17%.

Once the usual conditions precedent are satisfied, LASCE Associates could be included in Sopra Steria's scope of consolidation in the third quarter of 2016.

Outlook

Following the first quarter of 2016, the Group has set itself a full-year organic revenue growth target of between 3% and 5%, and confirms its targets for operating margin on business activity (more than 7.5%) and free cash flow (significant improvement).

Upcoming events

Wednesday, 22 June 2016: Annual General Meeting of Shareholders – 2:30 p.m. / Shangri-La Hotel, Paris.

Thursday, 28 July 2016: Publication of H1 results (before market) and presentation meeting.



Sopra Steria: impact on revenue of changes in scope and exchange rates - Q1 2016

€m / %	Q1 2016	Q1 2015	Growth
Consolidated revenue	913.2	872.0	4.7%
Change in scope		25.0	
Change in exchange rates		-12.6	
Restated revenue*	913.2	884.4	3.3%

* Revenue at 2016 scope and exchange rates

Sopra Steria: changes in exchange rates - Q1 2016

For €1 / %	Average rate Q1 2016	Average rate Q1 2015	Change
Pound sterling	0.770	0.743	-3.5%
Norwegian krone	9.527	8.732	-8.3%
Swedish krona	9.327	9.380	0.6%
Danish krone	7.461	7.450	-0.1%
Swiss franc	1.096	1.072	-2.1%

Sopra Steria: revenue by reporting unit - Q1 2016

€m / %	Q1 2016	Q1 2015 Restated*	Q1 2015 Reported	Organic growth	Total growth
France	387.7	360.1	333.3	7.7%	16.3%
United Kingdom	237.3	242.9	251.6	-2.3%	-5.7%
Other Europe	170.6	164.5	169.9	3.7%	0.4%
Sopra Banking Software	68.7	68.7	69.0	0.0%	-0.4%
Other Solutions	48.9	48.2	48.2	1.4%	1.5%
Total	913.2	884.4	872.0	3.3%	4.7%

* Revenue at 2016 scope and exchange rates

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.
- **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 contains 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.
- **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, adjusted for 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 2015 Registration Document filed with the Autorité des Marchés Financiers (AMF) on 22 April 2016. See pages 33 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 end-to-end service offerings on the market: consulting, systems integration, software development, infrastructure management and business process services. Sopra Steria is trusted by leading private and public-sector organisations to deliver successful transformation programmes that address their most complex and critical business challenges. Combining high quality and performance services, added value and innovation, Sopra Steria enables its clients to make the best use of digital technology. With over 38,000 employees in more than 20 countries, Sopra Steria had revenue of €3.6 billion in 2015. Sopra Steria (SOP) is listed on Euronext Paris (Compartment A) - ISIN: FR0000050809 For more information, please visit our website: www.soprasteria.com

Contacts

Investor Relations

Sopra Steria
Olivier Psaume
olivier.psaume@soprasteria.com
+33 (0)1 40 67 68 16

Press Relations

Image 7
Caroline Simon / Simon Zaks
szaks@image7.fr / +33 (0)1 53 70 74 63
caroline.simon@image7.fr / +33 (0)1 53 70 74 65

