

Revenue for Q3 2017: €895.2m Organic growth of 3.3%

Paris, 26 October 2017 – Sopra Steria Group generated revenue of €895.2 million in the third quarter of 2017, representing total growth of 2.3%. Growth at constant exchange rates was 3.7%. Growth at constant exchange rates and scope was 3.3%.

Sopra Steria: Consolidated revenue – Q3 2017

€m / %	Q3 2017	Q3 2016 Reported	Organic growth*	Total growth
Revenue	895.2	875.0	3.3%	2.3%

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

Comments on Q3 2017 business activity

In the third quarter of 2017, Sopra Steria achieved organic revenue growth of 3.3%. Currency fluctuations had a negative impact of €11.7 million in the quarter, while changes in scope had a positive impact of €3.3 million.

Organic growth in the first nine months of the year came to 2.8%.

In **France**, third-quarter 2017 revenue was €369.2 million, representing organic growth of 3.4%.

- **Consulting & Systems Integration**, with revenue of €320.9 million, achieved solid organic growth of 3.7% (despite one less billing day than in the third quarter of 2016). Consulting (accounting for 11% of the total) maintained strong momentum, with organic growth of 13.5%. With the exception of the energy sector, all other sectors saw an upward trend.
- **I2S (Infrastructure & Security Services)** generated revenue of €48.4 million, representing organic growth of 1.8%. The IT infrastructure management business, now realigned towards services offering higher added value (including consulting, architecture, cloud services and robotic process automation), recorded a slight contraction of 0.6%, confirming its clear recovery in operating performance. Cybersecurity (accounting for 11% of revenue) achieved organic growth of 26.1% and has a strong project pipeline.

In the **United Kingdom**, revenue (€186.9 million in Q3 2017) contracted by 9.8% at constant exchange rates and scope. Continuing in line with the established plan, growth decelerated during the quarter for the SSCL joint venture. In addition, client decision-making cycles saw a lengthening trend overall, in an environment marked by a more wait-and-see attitude. Lastly, the implementation of the repositioning strategy for the private sector – which will be carried out over several six-month periods – continued during the quarter, particularly with respect to consulting.

The **Other Europe** reporting unit confirmed its clear recovery in performance noted over the last two years. The unit generated revenue of €195.8 million, achieving strong organic growth of 12.3%, continuing the trend observed in the first half (organic growth of 11.1%). Performance was robust in all of the region's countries, especially in Germany, which saw double-digit growth.

In a dynamic market environment, **Sopra Banking Software** posted revenue of €94.1 million, representing organic growth of 17.4%. There were several highlights in the quarter from the product perspective. A crucial stage was reached for *Platform* at La Banque Postale, with the go-live of the Loan module. Contracts were signed with major clients for Cassiopae's specialised lending solutions in banking and financial captives of industrial groups. The new *Digital eXperience Platform* offering (client experience and open banking) has attracted considerable interest in France and abroad. The first migrations to *Amplitude Up* were successfully completed at several banks in Africa.

In the third quarter, **Other Solutions** (HR and Real estate solutions) saw an upward trend similar to that observed in the first half. Revenue came to €49.1 million, representing organic growth of 2.3%. Highlights of the quarter include the signature by Sopra HR Software of the largest outsourcing contract in the French market for the year so far, in terms of the number of payslips to be managed.

Workforce

At 30 September 2017, the Group's workforce totalled 40,766 people (40,431 at 30 June 2017), with 18.7% working in X-Shore zones.

Targets

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.

Change in scope

- Kentor, a Swedish company specialising in consulting and systems integration, has been consolidated since 30 August 2017 (2016 revenue: €34 million);
- Regarding the proposed acquisition of Galitt, specialising in consulting and the development of software solutions in the payment systems and transactions market (2016 revenue: €30.8 million), the company is expected to be consolidated from 1 November 2017.

Upcoming events

Monday, 19 February 2018: Publication of 2017 annual results (before market) and management presentation.



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, amortisation and provisions 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

For more information, please visit our website: www.soprasteria.com

Contacts

Investor Relations

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

Press Relations

Simon Zaks (Image 7)
szaks@image7.fr
+33 (0)1 53 70 74 63



Annexes

Sopra Steria: Impact on revenue of exchange rates and changes in scope – Q3 2017 YTD

€m	9M 2017	9M 2016	Growth
Revenue	2 798.3	2 753.8	1.6%
Changes in exchange rates		-56.3	
Revenue at constant exchange rates	2 798.3	2 697.5	3.7%
Changes in scope		23.8	
Revenue at constant scope and exchange rates	2 798.3	2 721.4	2.8%

Sopra Steria: Changes in exchange rates – 9M 2017

For €1 / %	Average rate 9M 2017	Average rate 9M 2016	Change
Pound sterling	0.873	0.803	-8.0%
Norwegian krone	9.236	9.375	1.5%
Swedish krona	9.583	9.373	-2.2%
Danish krone	7.437	7.447	0.1%
Swiss franc	1.095	1.094	-0.1%

Sopra Steria: Revenue by reporting unit – Q3 2017

€m / %	Q3 2017	Q3 2016 Restated	Q3 2016 Reported	Organic growth	Total growth
France	369.2	356.9	356.9	3.4%	3.5%
United Kingdom	186.9	207.1	217.4	-9.8%	-14.0%
Other Europe	195.8	174.4	172.0	12.3%	13.9%
Sopra Banking Software	94.1	80.1	80.7	17.4%	16.6%
Other Solutions	49.1	48.0	48.0	2.3%	2.3%
Total	895.2	866.5	875.0	3.3%	2.3%

Sopra Steria: Revenue by reporting unit – 9M 2017

€m / %	9M 2017	9M 2016 Restated	9M 2016 Reported	Organic growth	Total growth
France	1 170.6	1 141.9	1 135.7	2.5%	3.1%
United Kingdom	599.9	645.4	700.9	-7.0%	-14.4%
Other Europe	593.7	532.5	527.6	11.5%	12.5%
Sopra Banking Software	279.9	252.2	241.0	11.0%	16.2%
Other Solutions	154.2	149.5	148.7	3.1%	3.7%
Total	2 798.3	2 721.4	2 753.8	2.8%	1.6%

