

Continued improvement in business activity in Q1 2021

- Revenue growth totalling 2.2%
- Clear improvement in organic revenue growth¹ (-0.5%) with respect to the past three quarters
- Buoyant market conditions confirming the outlook of a return to organic revenue growth starting in Q2 2021

Paris, 28 April 2021, 7:00 a.m. – Sopra Steria generated revenue of €1,165.2 million in the first quarter of 2021, representing growth of 2.2%.

Changes in scope had a positive impact of €32.9 million. The impact of currency fluctuations was virtually neutral (-€1.4 million). At constant scope and exchange rates, revenue contracted slightly (0.5%).

Sopra Steria: Consolidated revenue – Q1 2021

€m / %	Q1 2021	Q1 2020	Organic growth	Total growth
Revenue	1,165.2	1,140.1	-0.5%	2.2%

Comments on Q1 2021 business activity

Market conditions were buoyant in Q1 2021. Business activity was brisk and improved with respect to previous quarters. The public sector and defence remained highly active. As an illustration, several major contracts in these two sectors were announced during the quarter: Brasidas (a unique new information system for ensuring the operational readiness of aeronautics equipment) for the French Defence Ministry, cybersecurity for the EU agencies eu-LISA and Frontex, the development of a centralised border control system for the French Interior Ministry, and the development of a national road traffic information system for Highways England. All the other vertical markets, to varying extents, saw improved trends.

In this context, and with downtime lower than in Q1 2020, recruitment picked up again starting at the beginning of the year. Nearly 2,000 people joined the Group during the quarter. In addition, support provided by X-Shore platforms was reinforced and the use of subcontracting was relaunched.

However, the base of comparison with Q1 2020 (3.3% organic growth) was highly unfavourable, particularly in the aeronautics and transport sectors. As such, despite an improvement in the overall environment, organic revenue growth for Q1 2021 remained slightly negative (-0.5%). However, this performance reflects a very substantial improvement with respect to the past three quarters (-8.4%, -5.9% and -4.2%² in Q2, Q3 and Q4 2020, respectively). It confirmed the outlook of a recovery in organic revenue growth for the Group starting in Q2 2021.

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

² Change restated to exclude the impact of the October 2020 cyberattack

Breakdown of Q1 2021 business activity by reporting unit

In **France** (40% of the Group total), revenue came to €460.2 million, equating to an organic contraction of 6.3%. The aeronautics and transport sectors were down 19% and 16%, respectively. Nevertheless, Q1 2021 showed a significant improvement with respect to negative growth rate seen in the previous three quarters (-12.6%, -15.4% and -10.6% in Q2, Q3 and Q4³ 2020, respectively). The public sector remained very buoyant, and the other vertical markets all saw improved trends. In this context, hiring resumed (700 people hired in Q1) and the use of subcontracting increased once again. These elements confirm a return to organic growth starting in Q2 2021.

Revenue for the **United Kingdom** (18% of Group revenue) saw substantial organic growth (16.8%), totalling €208.9 million. This performance was mainly driven by the two joint ventures specialising in business process services for the public sector (NHS SBS and SSCL). They were boosted by strong business activity, in particular in connection with human resource management on behalf of a number of UK ministries. The rest of the public sector returned to positive growth. Negative growth persisted in the private sector but at an improved level, which is expected to continue to improve in the upcoming quarters.

The **Other Europe** reporting unit posted €331.2 million in revenue (28% of the Group total). Organic revenue growth averaged 4.6% in the reporting unit's countries, some of which – such as Belgium, Germany and Scandinavia – delivered very strong performances. In parallel, as part of the transformation programme underway, Sopra Financial Technology (the joint venture that operates the information system of the Sparda banks) recorded €44.2 million in revenue, contracting in line with the business plan.

Revenue for **Sopra Banking Software** (9% of Group revenue) came to €101.4 million (equating to negative organic growth of 8.8% with respect to Q1 2020), mainly due to a decline in services revenue. During the quarter, product synergies were pursued, as were efforts to digitise solutions. The integration of Fidor is underway and should be finalised in the second half of 2021. An initiative was launched, combining the assets of the Digital Banking Engagement Platform (DBEP) and Fidor, which confirms the synergies projected to meet digital banking user needs.

The **Other Solutions** reporting unit (5% of Group revenue) posted revenue of €63.5 million, representing organic growth of 3.2%. After a relatively slow start to the year, business picked up again in both human resources and property management solutions. Investments will continue to step up the digitisation of solutions and fuel growth.

Workforce

At 31 March 2021, the Group's workforce totalled 45,959 people, with 17.5% working in X-Shore zones. It totalled 46,567 people at 31 March 2020 and 45,960 people at 31 December 2020.

Outlook

As things stand at the end of April 2021, the overall environment still offers little visibility and the situation in certain business sectors remains highly challenging.

Nevertheless, trends steadily improved in Q1 2021, allowing the Group to anticipate a return to organic revenue growth and a higher operating margin on business activity in 2021.

Recap of targets for 2021

- Organic revenue growth of between 3% and 5%
- Operating margin on business activity of between 7.5% and 8.0%
- Free cash flow of around €1.50 million

³ Change restated to exclude the impact of the October 2020 cyberattack



Q1 2021 revenue presentation meeting

Revenue for the first quarter of 2021 will be presented to financial analysts and investors via a bilingual (French and English) conference call to be held on 28 April 2021 at 8:00 a.m. CET:

- French-language phone number: +33 (0)1 70 71 01 59 – PIN: 32899556#
- English-language access number: +44 207 194 37 59 – PIN: 34586864#

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

Upcoming events

- Wednesday, 26 May 2021 at 2:30 p.m.: General Meeting of Shareholders, to be held in closed session on an exceptional basis.

The General Meeting will be live streamed in the 'Investors' section of the Group's website (<https://www.soprasteria.com/investors>) unless technical issues prevent or seriously disrupt the live stream. A recorded video will also be made available.

In addition to the application of the legal framework pertaining to written questions submitted in advance, shareholders will also have the opportunity to ask questions during the General Meeting. The procedure to be followed for these questions, which is to be implemented in connection with the live stream of the General Meeting, will be announced as soon as possible.

The procedures for taking part in the 2021 General Meeting may change based on public health and/or legal imperatives. Shareholders are requested to regularly consult the dedicated General Meeting section on the Company's website:

<https://www.soprasteria.com/investors/investors-relations-shareholders/shareholders-meetings>

- Thursday, 29 July 2021 (before market open): Publication of H1 2021 results
- Friday, 29 October 2021 (before market open): Publication of Q3 2021 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 in respect of retirement benefit obligations 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 2020 Universal Registration Document filed with the Autorité des Marchés Financiers (AMF) on 18 March 2021 (see pages 35 to 42 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 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 46,000 employees in 25 countries, the Group generated revenue of €4.3 billion in 2020.

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 – Q1 2021

€m	Q1 2021	Q1 2020	Growth
Revenue	1,165.2	1,140.1	+2.2%
Changes in exchange rates		-1.4	
Revenue at constant exchange rates	1,165.2	1,138.6	+2.3%
Changes in scope		32.9	
Revenue at constant scope and exchange rates	1,165.2	1,171.5	-0.5%

Sopra Steria: Changes in exchange rates – Q1 2021

For €1 / %	Average rate Q1 2021	Average rate Q1 2020	Change
Pound sterling	0.8739	0.8623	-1.3%
Norwegian krone	10.2584	10.4652	+2.0%
Swedish krona	10.1202	10.6689	+5.4%
Danish krone	7.4372	7.4715	+0.5%
Swiss franc	1.0913	1.0668	-2.2%

Sopra Steria: Revenue by reporting unit – Q1 2021

€m / %	Q1 2021	Q1 2020 Restated*	Q1 2020	Organic growth	Total growth
France	460.2	491.3	464.6	-6.3%	-0.9%
United Kingdom	208.9	178.8	181.3	+16.8%	+15.2%
Other Europe	331.2	328.7	326.9	+0.8%	+1.3%
Sopra Banking Software	101.4	111.2	105.7	-8.8%	-4.1%
Other Solutions	63.5	61.5	61.5	+3.2%	+3.2%
Sopra Steria Group	1,165.2	1,171.5	1,140.1	-0.5%	+2.2%

* Revenue at 2021 scope and exchange rates

Sopra Steria: Workforce breakdown – 31/03/2021

	31/03/2021	31/03/2020
France	19,861	19,809
United Kingdom	6,654	6,294
Other Europe	10,886	10,876
Rest of the World	508	508
X-Shore	8,050	9,080
Total	45,959	46,567