

The world is how we shape it

sopra  steria

2024 Annual Results Presentation

Paris, 27 February 2025

Disclaimer

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01.

Highlights of 2024

Cyril Malargé, Chief Executive Officer

Results significantly up despite a wait-and-see market

"Revenue relatively stable on an organic basis"



-0.5%

"Operating margin on business activity of at least 9.7%"



9.8%

"Free cash flow of around €350 million"



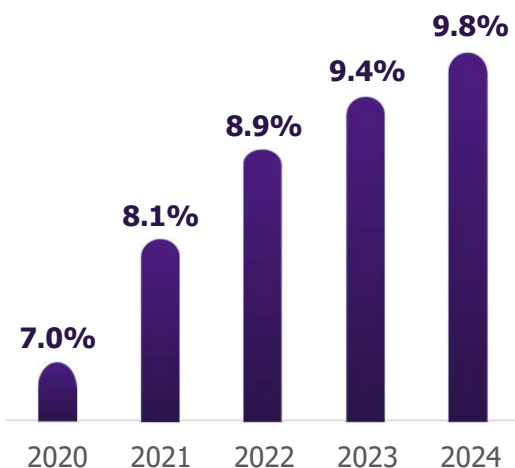
€432.1m

Operating profit on business activity: €564.7 million, up 3.0% vs 2023

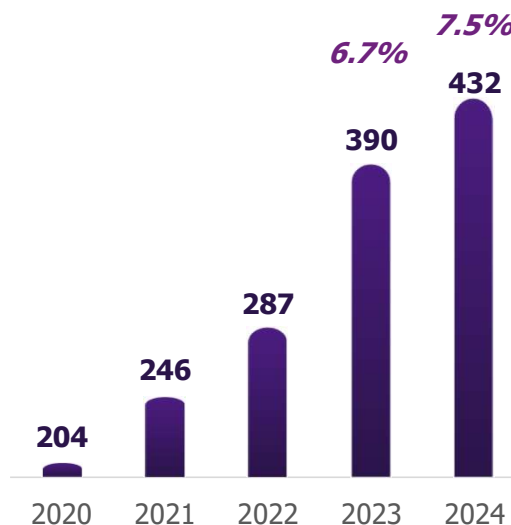
Net profit attributable to the Group from continuing operations: €309.3 million, up 68.4% vs 2023

A record operating performance

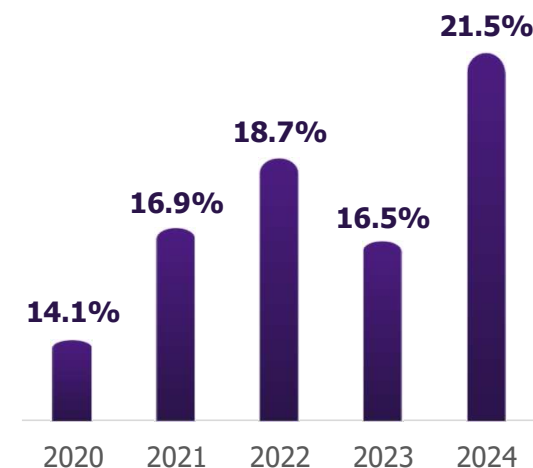
Operating profit on business activity (%)



FCF⁽¹⁾ (€m)
% of revenue



RoCE⁽²⁾ before tax (%)



(1) FCF: Free cash flow

(2) RoCE: Return on capital employed (Profit from recurring operations before tax + Profit from equity-accounted companies) / (Equity + Net financial debt)

Improved shareholder cash returns

FCF yield
at 31/12/2024⁽¹⁾

12.3%

Share buyback
€150m

858k

shares⁽²⁾
i.e. 4.3% of
share capital

Dividends in respect of
financial year 2024

€4.65

per share
i.e. 38.1% of net profit
attributable to the Group

(1) Market capitalisation at 31/12/2024: €3,511.3 million

(2) Shares purchased between 2 October 2024 and 28 January 2025 for retirement in 2025

Major deals in 2024



Acceleration in the transformation trajectory

- Clarification of our strategic positioning through the successful sale of Sopra Banking Software
- Appointment of a Group Chief Operating Officer to shape and lead the transformation of the operating model
- Shifting from a service-based to an offering-based approach with the launch of two cross-functional business lines
 - Digital Platform Services
 - Cybersecurity
- Successful IT integration of acquisitions in France and Belgium in 2023

Strengthened positioning



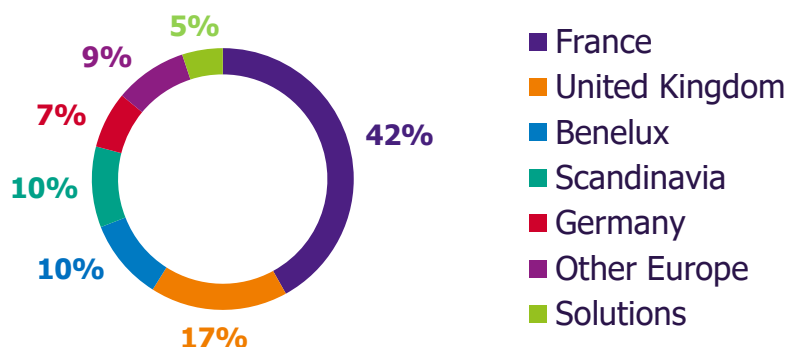
Focus on consulting and digital services in Europe



CS Group => Aeronautics, Space, Defence & Security

Ordina & Aurexia (planned) => Financial Services

Ordina => Public Sector



Geographically more balanced portfolio

Key accounts strategy



c. 40% recurring revenue

Note: Breakdown excluding Ordina for business lines and verticals

Ramping up in NextGen technologies

Certifications

+32%

- ServiceNow
- SAP
- Cloud
- Data/AI

References



- Leader in "**Cyber** Resiliency Services"
- Leader in "End-to-End **Cloud** Infra Services"



- Best in Class for "**AI Services**" in Europe & France
- Best in Class for "**ServiceNow** Services in Europe"



- Leader in "**Cloud**-Native Applications" & "Application Transformation Services"
- Leader in "**AI Services**"

Innovation

Ecosystem of 500 startups

40 partnerships

Equity investments in 18 companies,
3 of them in 2024



ALICE & BOB

Target areas

- AI
- Quantum
- Augmented reality
- Virtual reality

AI at the heart of our priorities and business lines

AI at Sopra Steria

"AI for all, now" training

AI-boosted development platform

- ⇒ **Support tools**
for project managers (HeiDI)
- ⇒ **Virtual assistants**
for consultants (CEDRIC)
- ⇒ **Predictive analytics**
to anticipate project warnings (AnDI)

AI at our clients

Sopra Steria Next Studies

- "4 archetypes for driving performance"
- "From exploration to impact"

Confiance.ai

Mistral AI partnership

Agility at scale



AI in our offerings

Relevant AI

AI Factory

Trustworthy AI

Dynamic GenAI4IT

Copilot for MS 365

Contact Centres

Confirmation of sustainability trajectory

Net-Zero trajectory⁽¹⁾: Reductions in greenhouse gas emissions

- 52.7% reduction for Scopes 1 & 2 (baseline: 2019)
- 23.9% reduction for Scope 3 (baseline: 2019)

More women in the Group

- Proportion of women in the 3% most senior positions: 21.4% (up 1.3 points)
- Proportion of women in the 10% most senior positions: 22.3% (up 0.8 points)

Security and digital sovereignty

- Combating disinformation – Pégase think tank
- Security score card: A (A in 2023)
- CyberVadis score: 985 (795 in 2023)



Score of "A" for the 8th year running

In 2017
1st
to secure
certification



Dow Jones
Sustainability World
Index
S&P Global

Dow Jones Best-in-Class
Indices

- Added to the index

(1) SBTi-endorsed 2030 target: 54% reduction for Scopes 1 & 2 and 37.5% reduction for Scope 3

02.

Operating position by reporting unit

Cyril Malargé, Chief Executive Officer

Operating performance by reporting unit

	Revenue			Operating profit on business activity	
	2024 (€m)	2023 restated* (€m)	Organic growth (%)	2024 (% of Rev.)	2023 restated** (% of Rev.)
France	2,437.9	2,477.6	-1.6%	9.0%	9.7%
United Kingdom	962.1	966.5	-0.5%	12.1%	11.0%
Europe	2,049.0	2,039.4	+0.5%	9.1%	8.5%
Solutions	327.8	324.2	+1.1%	12.5%	10.9%
Total	5,776.8	5,807.7	-0.5%	9.8%	9.6%

* On a 2024 scope, exchange rate and accounting standards basis (IFRS 5 & IFRS 15)

** On a 2024 accounting standards basis (IFRS 5)

France

	2024		2023 restated*		2023 reported	
France	(€m)	(% of Rev.)	(€m)	(% of Rev.)	(€m)	(% of Rev.)
Revenue	2,437.9		2,426.3		2,384.3	
Organic growth (%)	-1.6%					
Op. profit on business activity	220.4	9.0%	235.6	9.7%	229.5	9.6%
Profit from recurring operations	201.6	8.3%	207.7	8.6%	196.8	8.3%
Operating profit	182.1	7.5%	198.9	8.2%	189.4	7.9%

* On a 2024 accounting standards basis (IFRS 5)

– Organic growth in Q4: -2.0%

- Excluding aeronautics, growth relatively stable (+0.5%)

– Sector trends

- Contraction in most sectors
- Growth in defence and public sector
- Volumes stabilised in Q4 in aeronautics

– Operating margin on business activity: 9.0%

- CS Group margin up by around 2 points
- Impact of decline in activity in aeronautics sector

United Kingdom

	2024		2023 restated*		2023 reported	
United Kingdom	(€m)	(% of Rev.)	(€m)	(% of Rev.)	(€m)	(% of Rev.)
Revenue	962.1		940.9		940.9	
Organic growth (%)	-0.5%					
Op. profit on business activity	116.9	12.1%	103.2	11.0%	103.2	11.0%
Profit from recurring operations	107.8	11.2%	89.4	9.5%	89.4	9.5%
Operating profit	100.7	10.5%	79.1	8.4%	79.1	8.4%

* On a 2024 accounting standards basis (IFRS 5)

– **Strong growth in private sector, contraction in public sector**

– **Down 9.4% in Q4**

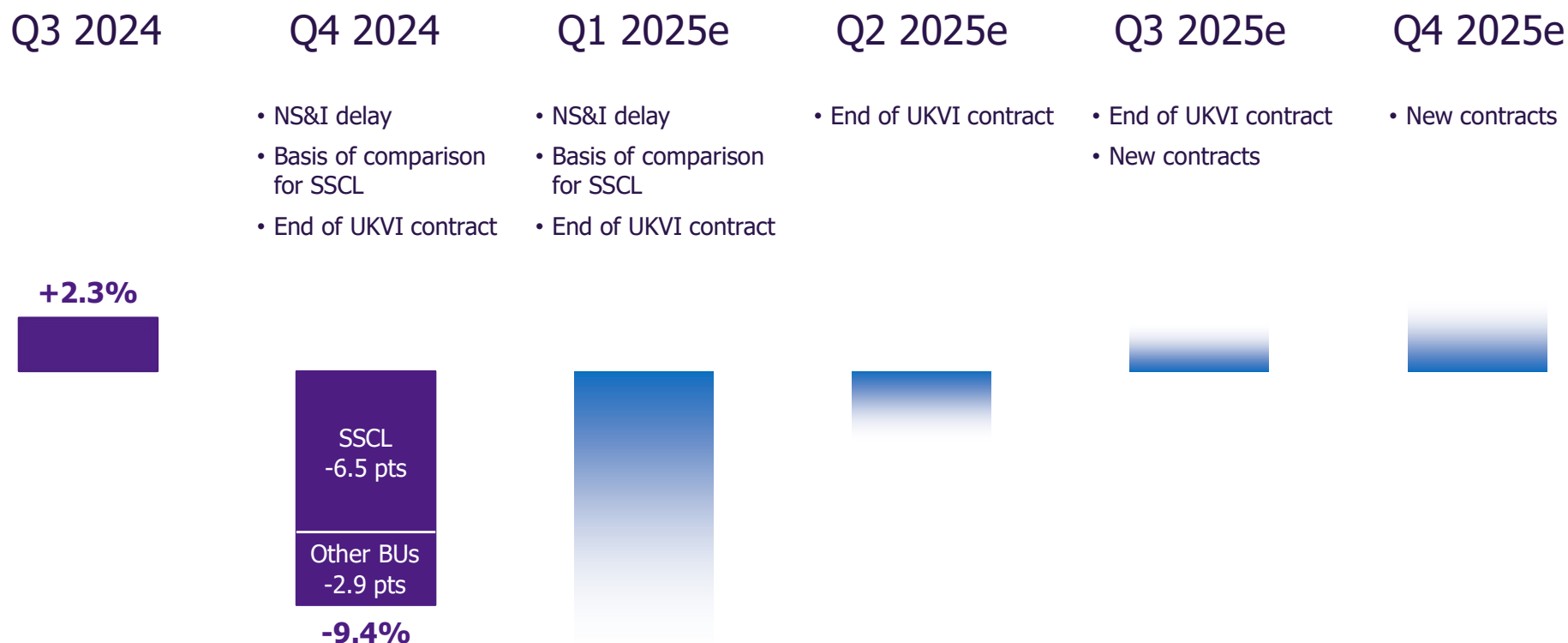
- High basis of comparison for SSCL: 25.2% growth in Q4 2023
- Expiration of a major contract
- Delay in launch of a key contract

– **Operating margin on business activity remained high at 12.1%**

- Up 1.1 points from 2023

Specific UK quarterly factors in 2024 and 2025

Sales breakdown by quarter



Europe

	2024		2023 restated*		2023 reported	
Europe	(€m)	(% of Rev.)	(€m)	(% of Rev.)	(€m)	(% of Rev.)
Revenue	2,049.0		1,777.5		1,746.9	
Organic growth (%)	+0.5%					
Op. profit on business activity	186.4	9.1%	151.7	8.5%	152.2	8.7%
Profit from recurring operations	165.7	8.1%	139.0	7.8%	140.0	8.0%
Operating profit	128.5	6.3%	105.0	5.9%	118.1	6.8%

* On a 2024 accounting standards basis (IFRS 5)

- **Scandinavia, Spain and Italy: between 8% and 10% growth**
- **Other countries: between -3% and -5%**

- **Operating margin on business activity up 0.4 points vs 2023**
 - Positive impact of Scandinavia, Spain, Benelux and Italy

Solutions

	2024		2023 restated*		2023 reported	
Solutions	(€m)	(% of Rev.)	(€m)	(% of Rev.)	(€m)	(% of Rev.)
Revenue	327.8		324.2		288.2	
Organic growth (%)	+1.1%					
Op. profit on business activity	41.0	12.5%	35.4	10.9%	39.4	13.7%
Profit from recurring operations	39.9	12.2%	26.7	8.2%	36.6	12.7%
Operating profit	38.0	11.6%	1.4	0.4%	36.2	12.6%

* On a 2024 accounting standards basis (IFRS 5)

- **Human Resources Solutions: +3.6%**
- **Property Management Solutions: -1.7%**

- **Operating margin on business activity: 12.5%**

- Excluding changes in scope (reallocation of business previously within the scope of SBS following its disposal), margin improved by 1.6 points

03.

Financial results for 2024

Étienne du Vignaux – Chief Financial Officer

Income statement

	2024		2023 restated*		2023 reported	
	(€m)	(% of rev.)	(€m)	(% of rev.)	(€m)	(% of rev.)
Revenue	5,776.8		5,469.0		5,805.3	
<i>Organic growth</i>	-0.5%					
Operating profit on business activity	564.7	9.8%	526.0	9.6%	548.2	9.4%
Share-based payment expenses	-17.3		-34.3		-43.0	
Amortisation of allocated intangible assets	-32.5		-28.9		-38.0	
Profit from recurring operations	514.9	8.9%	462.8	8.5%	467.2	8.0%
Other operating income and expenses	-54.7		-78.5		-137.4	
Operating profit	460.3	8.0%	384.3	7.0%	329.9	5.7%
Cost of net financial debt	-35.4		-19.5		-19.5	
Other financial income and expenses	-3.2		6.1		-16.3	
Tax expense	-96.8		-114.2		-111.7	
Net profit from associates	-6.7		6.7		6.7	
Net profit from continuing operations	318.2	5.5%	263.5	4.8%	189.1	3.3%
Net profit from discontinued operations	-58.3		-74.4		0.0	
Consolidated net profit	259.9	4.5%	189.1	3.5%	189.1	3.3%
<i>of which: Attributable to Group</i>	<i>251.0</i>	<i>4.3%</i>	<i>183.7</i>	<i>3.4%</i>	<i>183.7</i>	<i>3.2%</i>
<i>of which: Non-controlling interests</i>	<i>9.0</i>		<i>5.4</i>		<i>5.4</i>	

* On a 2024 accounting standards basis (IFRS 5)

Other operating income and expenses

	2024 (€m)	2023 restated* (€m)	2023 reported (€m)
Costs related to business combination	-0.7	-6.8	-6.8
Restructuring and reorganisation costs	-50.6	-25.8	-32.3
Other	-3.3	-45.9	-98.3
Other operating income and expenses	-54.7	-78.5	-137.4

* On a 2024 accounting standards basis (IFRS 5)

Including +11.1 M€ from the sale of
74Software shares



Tax

	2024 (€m)	2023 restated* (€m)	2023 reported (€m)
Profit before tax and share from equity-accounted companies	421.7	370.9	294.0
Effective tax charge	-96.8	-114.2	-111.7
Effective tax rate (%)	22.9%	30.8%	38.0%

* On a 2024 accounting standards basis (IFRS 5)

Normative rate excluding non-recurring items: c. 26%

Tax rate expected to be c. 27% in 2025, including an impact of +1 point from an exceptional contribution in France

Change in free cash flow



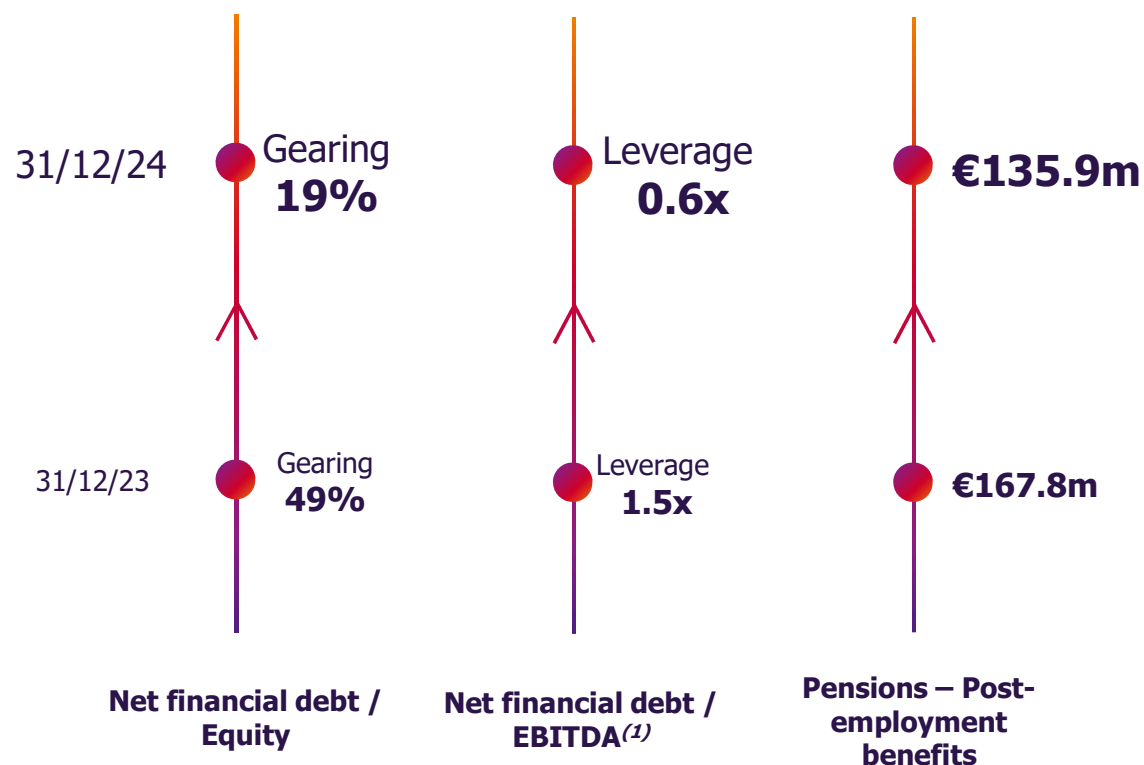
* On a 2024 accounting standards basis (IFRS 5)

Net financial debt



Solid balance sheet structure

Simplified balance sheet



(1) Pro forma EBITDA before impact of IFRS 16

Diversified, accessible financing

	31/12/2024 Amount used (€m)	31/12/2024 Amount authorised (€m)
Bond	250.0	250.0
Bank loans & borrowing facilities	411.0	436.0
Multi-currency revolving credit facility	-	1,100.0
Overdrafts and others	15.6	192.1
Total	676.6	1,978.1
NEU CP & MTN and other	129.0	
Gross debt	805.5	
Cash and cash equivalents	423.4	
Net financial debt	382.2	

**Available undrawn amount of €1.3bn
i.e. 66% of authorised amount⁽¹⁾**

Maturities

- **Bonds: maturing July 2026 and July 2027**
- **Amortising tranche: €224m repayable until 2028**
- **Tranches due at maturity: €187m maturing in 2027 and 2028**
- **Multi-currency revolving credit facility: 2029**

(1) Assuming a constant amount of NEU CP & MTN commercial paper (€129m at 31 December 2024) and overdrafts

04.

Outlook and targets

Cyril Malargé, Chief Executive Officer

2028 Plan

Positioning

A European leader in digital services

A credible European alternative to global operators

Decision to focus on offering high **value-added** offers

Ambition of influencing how digital technology is used

Industrial & sustainable approach to implementing technology

Europe

4 Strategic sectors

Public Sector

Financial Services

Defence & Security

Aeronautics

Business mix
Higher added-value

Consulting
≥ 12%
of Rev.

Technology mix
Higher added-value

Digital
≥ 60%
of Rev.

Targets for 2026-2028

Organic growth
annual post-2025

2% to 5%

Operating margin

10% to 11%

External growth

~€1 bn

Free cash flow
(% of revenue)

5% to 7%

RoCE before tax

c. 20%

Background in 2025

- Technology: a powerful driver of organisational transformation
- Uncertainty still high in a number of European countries, particularly France
- Unfavourable calendar effect in Q1 (one day shorter)
- High basis of comparison in UK and aeronautics in H1
- Continued strong growth in Scandinavia, Spain and Italy

Full-year targets for 2025

Organic revenue growth

Between
-2.5% and **+0.5%**

with a low point in Q1:
-5% to -6%

Operating margin on business activity (as % of revenue)

Between
9.3% and **9.8%**

including a dilutive effect
arising from higher social
security contributions in the
UK and France equating to
c. 30 bps

Free cash flow (as % of revenue)

Between
5% and **7%**

Q&A

05.

Annexes

Sopra Steria: A European leader in digital transformation

Breakdown of revenue – Financial year ended 31 December 2024

€5.8bn

2024 revenue

>50,000

Employees

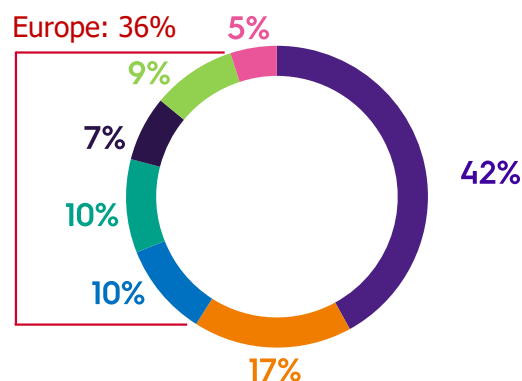
Operations in nearly

30 countries

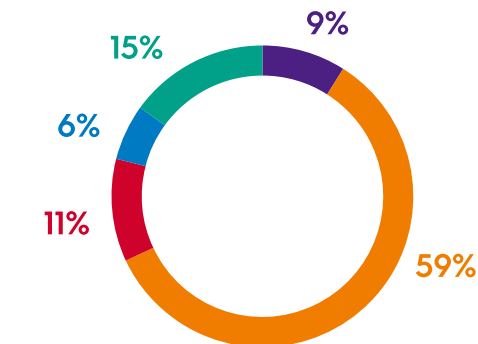
End-to-end

approach

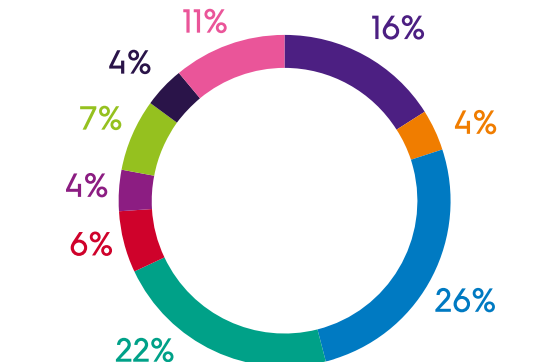
Top 10 operating in Europe⁽¹⁾



- France
- United Kingdom
- Benelux
- Scandinavia
- Germany
- Other Europe
- Solutions



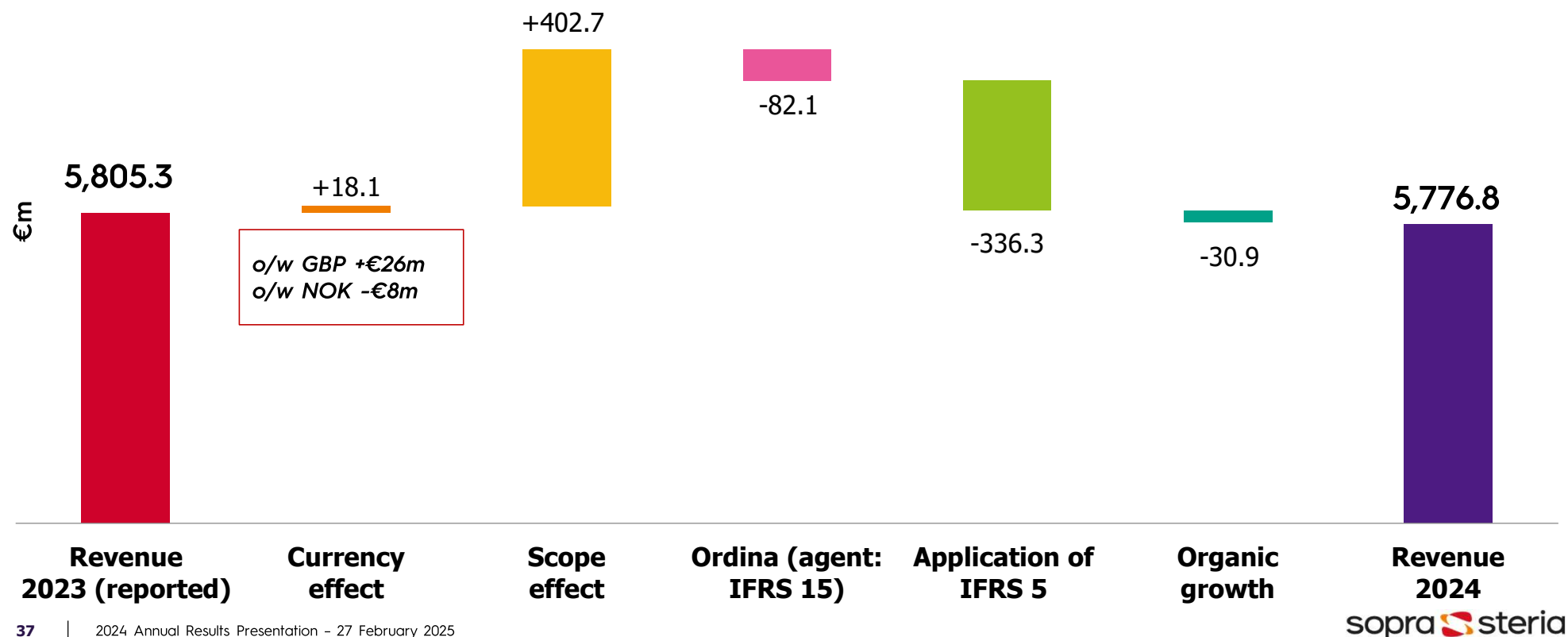
- Consulting
- Systems Integration
- Hybrid Cloud & Technology Services
- Solutions
- Business Process Services



- Financial Services
- Insurance
- Public Sector
- Aeronautics, Space, Defence & Security
- Energy & Utilities
- Telecoms, Media & Entertainment
- Transport
- Retail
- Other

(1) PAC – IT Services – Preliminary Vendor Rankings Calendar Year 2023 – EMEA
Note: Breakdown excluding Ordina for business lines and verticals

Breakdown of change in consolidated revenue



Adjustments arising from implementation of IFRS 5

	Impact of IFRS 5 (€m)		2023 restated* (€m)		2023 reported (€m)	
	H2 23	FY 23	H2 23	FY 23	H2 23	FY 23
France						
Revenue	20.4	42.0	1,205.8	2,426.3	1,185.4	2,384.3
Op. profit on business activity	1.7	6.1	122.4	235.6	120.7	229.5
Profit from recurring operations	3.6	10.9	110.3	207.7	106.7	196.8
Operating profit	4.0	9.5	109.2	198.9	105.2	189.4
Europe						
Revenue	15.6	30.6	942.7	1,777.5	927.1	1,746.9
Op. profit on business activity	-0.7	-0.4	78.6	151.7	79.3	152.2
Profit from recurring operations	-1.0	-1.0	73.0	139.0	73.9	140.0
Operating profit	-10.2	-13.1	51.7	105.0	61.9	118.1
Solutions						
Revenue	18.2	36.1	163.9	324.2	145.8	288.2
Op. profit on business activity	-0.8	-4.0	24.3	35.4	25.1	39.4
Profit from recurring operations	-5.3	-9.9	18.9	26.7	24.2	36.6
Operating profit	-30.1	-34.8	-6.0	1.4	24.1	36.2
Total: Group						
Revenue	-172.9	-336.3	2,792.3	5,469.0	2,965.2	5,805.3
Op. profit on business activity	-21.0	-22.2	276.1	526.0	297.1	548.2
Profit from recurring operations	-13.4	-4.4	246.1	462.8	259.5	467.2
Operating profit	43.0	54.5	195.8	384.3	152.8	329.9

* On a 2024 accounting standards basis (IFRS 5)

Earnings per share

	2024 (€m)	2023 reported (€m)
Net profit attributable to the Group (€m)	251.0	183.7
Weighted average number of shares in issue excluding treasury shares	20.14	20.22
Basic earnings per share (€)	12.46	9.08
Theoretical weighted average number of shares	20.33	20.55
Diluted earnings per share (€)	12.34	8.94

Breakdown of change in net financial debt

	2024 (€m)	2023 restated* (€m)	2023 reported (€m)
Operating profit on business activity	564.7	526.0	548.2
Depreciation, amortisation and provisions (excluding allocated intangible assets)	185.7	161.3	176.1
EBITDA	750.5	687.3	724.3
Non-cash items	-6.0	7.3	0.4
Tax paid	-85.7	-72.2	-82.6
Change in operating working capital requirement	54.2	7.6	44.9
Reorganisation and restructuring costs	-63.6	-57.1	-62.8
Net cash flow from operating activities	649.3	573.0	624.2
Change relating to investing activities	-58.3	-70.1	-93.7
Lease payments	-127.2	-96.7	-106.0
Net interest	-21.7	-1.8	-22.0
Additional contributions related to defined-benefit pension plans	-10.0	-12.3	-12.3
Free cash flow	432.1	392.1	390.2
Capital increase	-180.0	0.0	0.0
Impact of changes in scope	136.7	-1056.2	-1049.2
Financial investments	2.3	-12.0	-11.8
Dividends paid	-96.3	-98.4	-94.5
Dividends received from equity-accounted companies	0.3	2.7	2.7
Purchase and sale of treasury shares	-132.4	-26.1	-26.1
Impact of changes in foreign exchange rates	-2.2	-4.3	-5.2
Impact of recognising SBS net financial debt within discontinued operations	403.3	8.0	0.0
Other changes	0.0	0.3	0.0
Change in net financial debt	563.8	-794.0	-794.0
Net financial debt at beginning of period	946.0	152.0	152.0
Net financial debt at end of period	382.2	946.0	946.0

* On a 2024 accounting standards basis (IFRS 5)

Simplified balance sheet

	31/12/2024 (€m)	31/12/2023 restated* (€m)	31/12/2023 reported (€m)
Goodwill	2,348.2	2,586.2	2,668.9
Allocated intangible assets	174.3	232.1	124.8
Other fixed assets	345.2	307.9	304.3
Right-of-use assets	384.4	457.1	457.1
Equity-accounted investments	1.0	185.9	185.9
Total fixed assets	3,253.0	3,769.2	3,740.9
Net deferred tax	73.1	70.0	98.3
Trade accounts receivable (net)	1,291.4	1,372.4	1,372.4
Other assets and liabilities	-1,562.5	-1,556.4	-1,556.4
Working capital requirement (WCR)	-271.1	-184.0	-184.0
Assets + WCR	3,055.0	3,655.2	3,655.2
Equity	1,984.5	1,925.1	1,925.1
Pensions – Post-employment benefits	135.9	167.8	167.8
Provisions for contingencies and losses	125.2	113.3	113.3
Lease liabilities	427.3	503.0	503.0
Net financial debt	382.2	946.0	946.0
Capital invested	3,055.0	3,655.2	3,655.2

* On a 2024 accounting standards basis (IFRS 3)

Global workforce

	31/12/2024	31/12/2023
France	19,949	20,370
Europe	22,928	23,052
Outside Europe	224	367
International Service Centres	7,887	7,979
Total*	50,988	51,768
<i>Sopra Banking Software</i>		3,792
<i>Interns</i>	249	273
	51,237	55,833

* Workforce calculated excluding interns, in accordance with the requirements of the CSRD

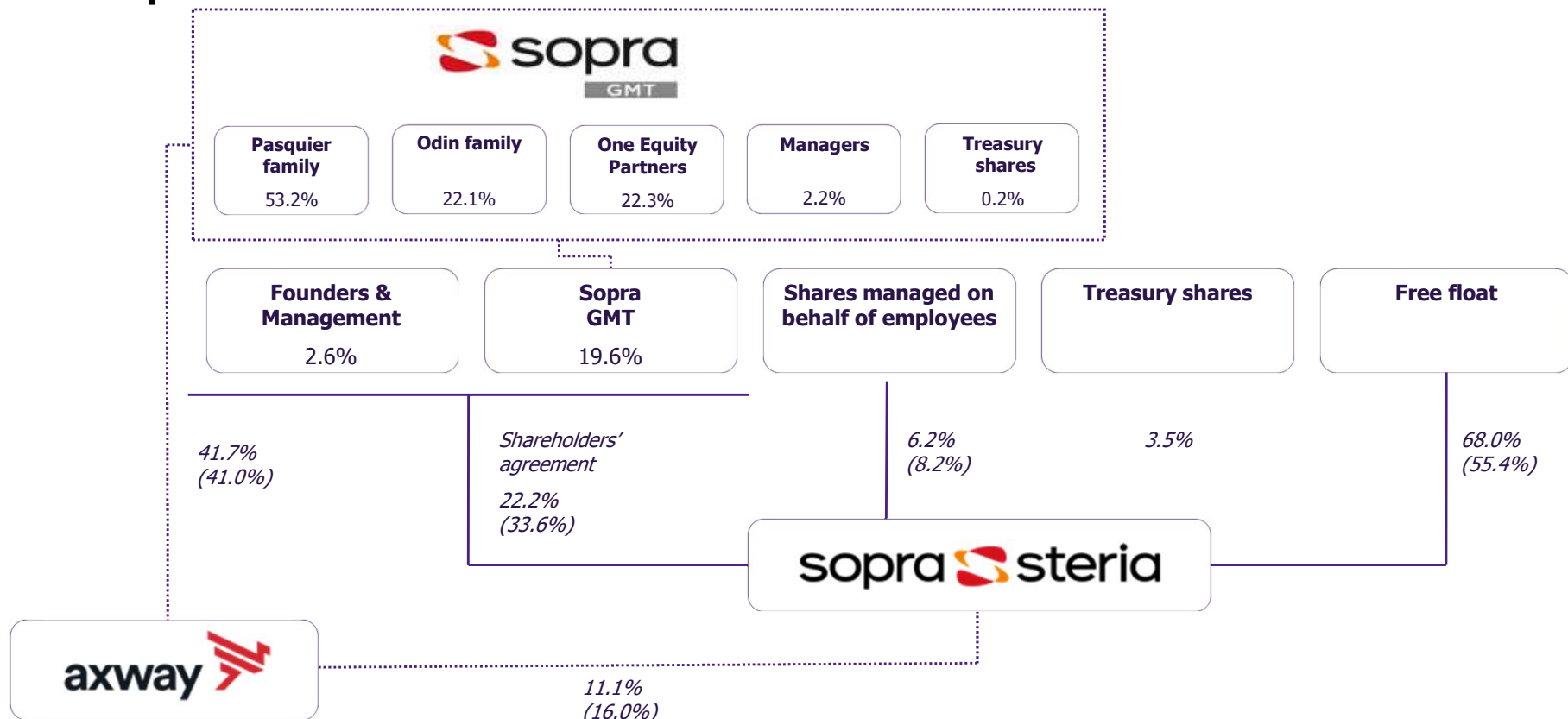
NB : Corporate Sustainability Reporting Directive (CSRD)

Changes in exchange rates

Changes in exchange rates			
	Average rate 2024	Average rate 2023	Change (%)
<i>For €1 / %</i>			
Pound sterling	0.8466	0.8698	+2.7%
Norwegian krone	11.6290	11.4248	-1.8%
Swedish krona	11.4325	11.4788	+0.4%
Danish krone	7.4589	7.4509	-0.1%
Swiss franc	0.9526	0.9718	+2.0%

A core shareholder backing the corporate plan

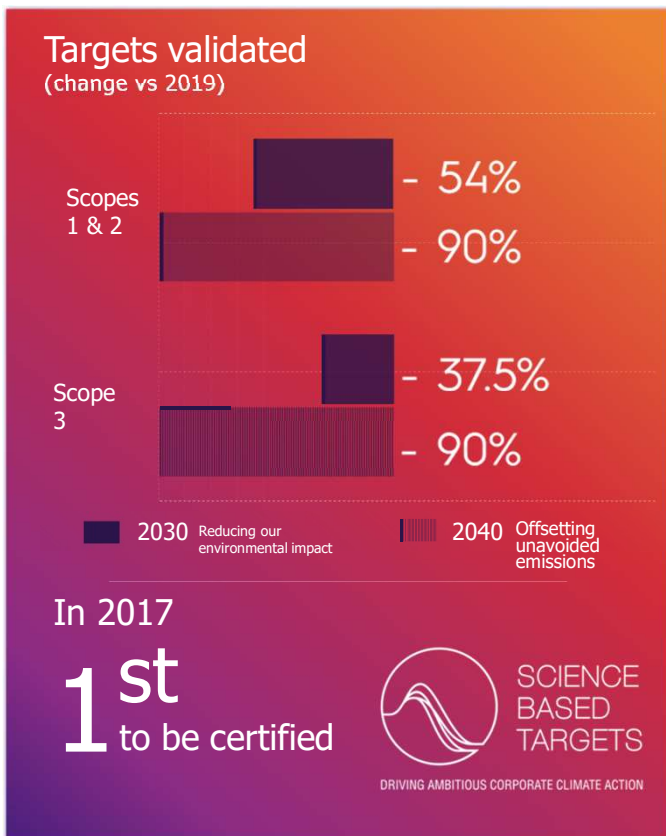
Ownership structure at 31 December 2024



XX.X% = Percentage of share capital held
(XX.X%) = Percentage of voting rights held

20,547,701 listed shares
26,552,645 theoretical voting rights
sopra steria

Achieving our climate goals

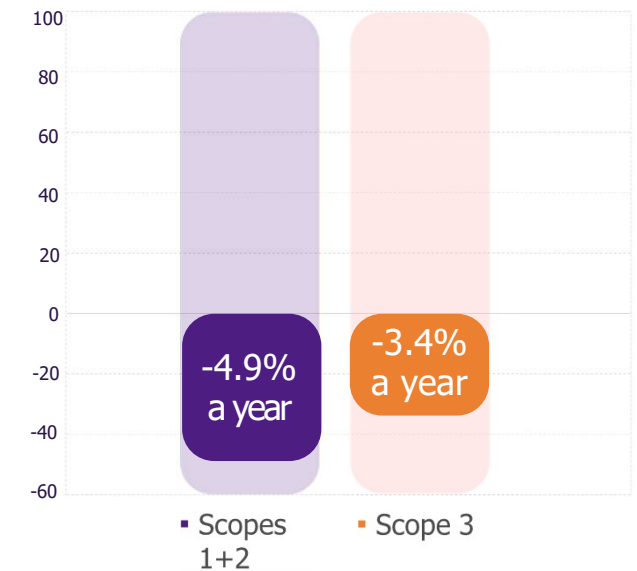


Results for 2024

Scopes 1 & 2
-52.7%
vs 2019

Scope 3
-23.9%
vs 2019

CO₂ emissions reduction trajectory (out to 2030)



Alternative performance measures

- 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.
- Return on capital employed (RoCE): $(\text{Profit from recurring operations before tax} + \text{Profit from equity-accounted companies}) / (\text{Equity} + \text{Net financial debt})$
- Free cash flow: 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 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.