

# SOPRA STERIA GOVERNANCE ROAD SHOW

March 2018

# DISCLAIMER

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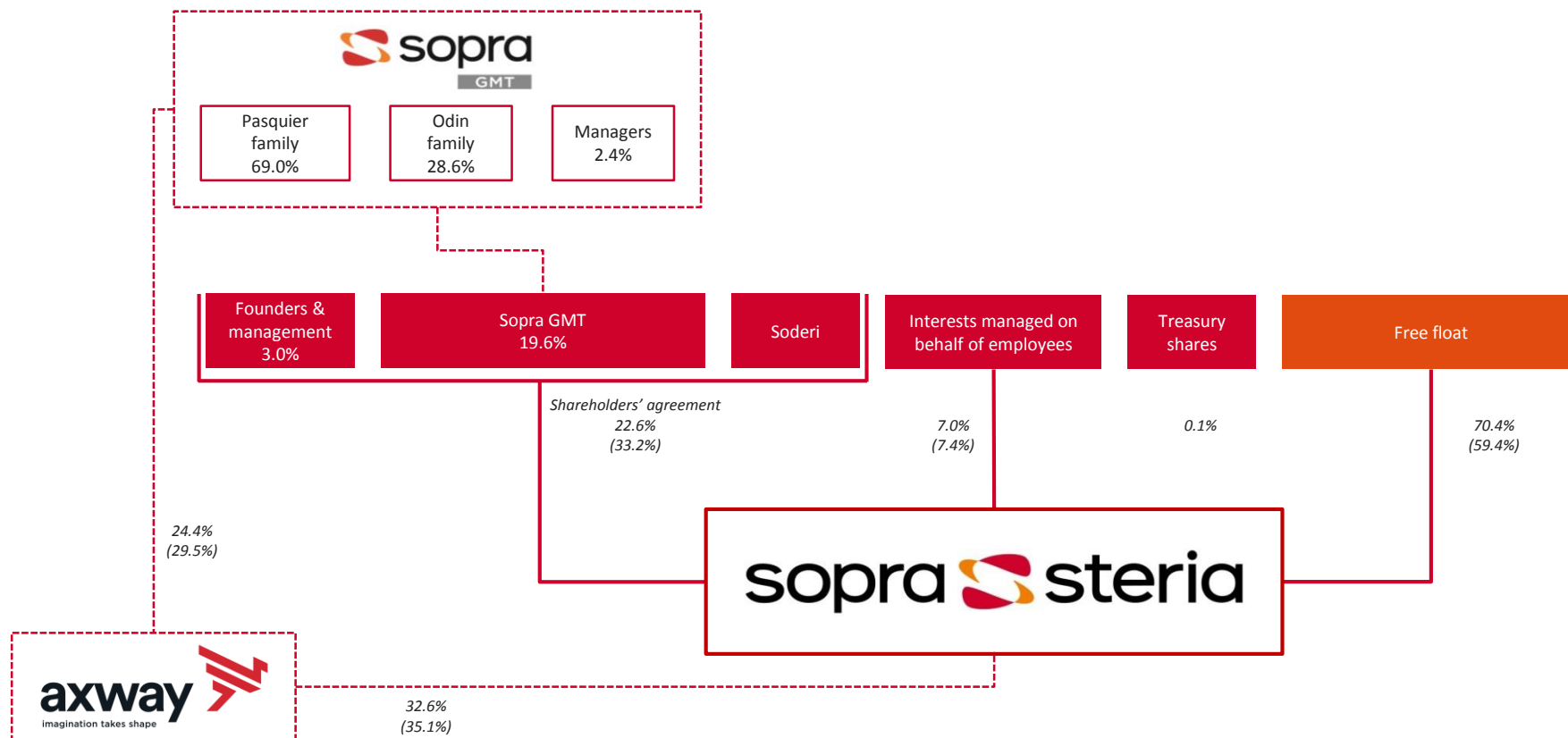


# SOPRA STERIA'S OWNERSHIP & GOVERNANCE



# OWNERSHIP AT 31/12/2017

## A LEADING SHAREHOLDER AS THE PROJECT'S GUARANTOR



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

20,547,701 listed shares  
26,677,398 exercisable voting rights



# GROUP'S GOVERNANCE

## ROLES OF CHAIRMAN AND CEO ARE SEPARATED

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### CHAIRMAN

*Chairman of the Board of Directors*

- Drives Group strategy, including transactions related to mergers and acquisitions
- Oversees investor relations activities
- Assists management and contributes to certain operational missions

### CEO

*Chairs the Executive Committee*

- Works with the Chairman to design strategy
- Supervises the implementation of decisions adopted
- Ensures the operational management of all group entities
- Leads the transformation and industrialisation process





## POST MERGER 2015 OBJECTIVES ACHIEVED



# SUCCESS OF THE MERGER

## CHAIRMAN'S MAIN PRIORITIES OVER THE LAST 5 YEARS

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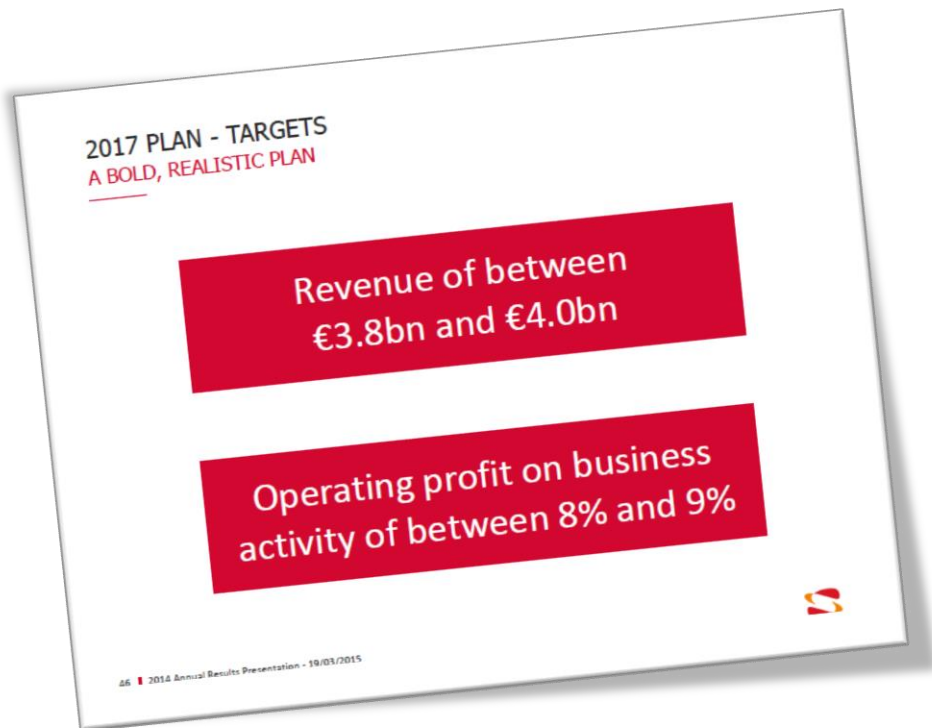
- Transaction with Steria
- Integration between Sopra & Steria
- Set up and support of a solid new executive team
- Renewal of the strategic thinking process
- Definition of strategic orientations and M&A policy
- Board renewal





# ACHIEVEMENT OF 3-YEAR TARGETS SET IN 2015

## TARGETS ANNOUNCED FOLLOWING THE MERGER IN MARCH 2015



2017 revenue  
€3,845m

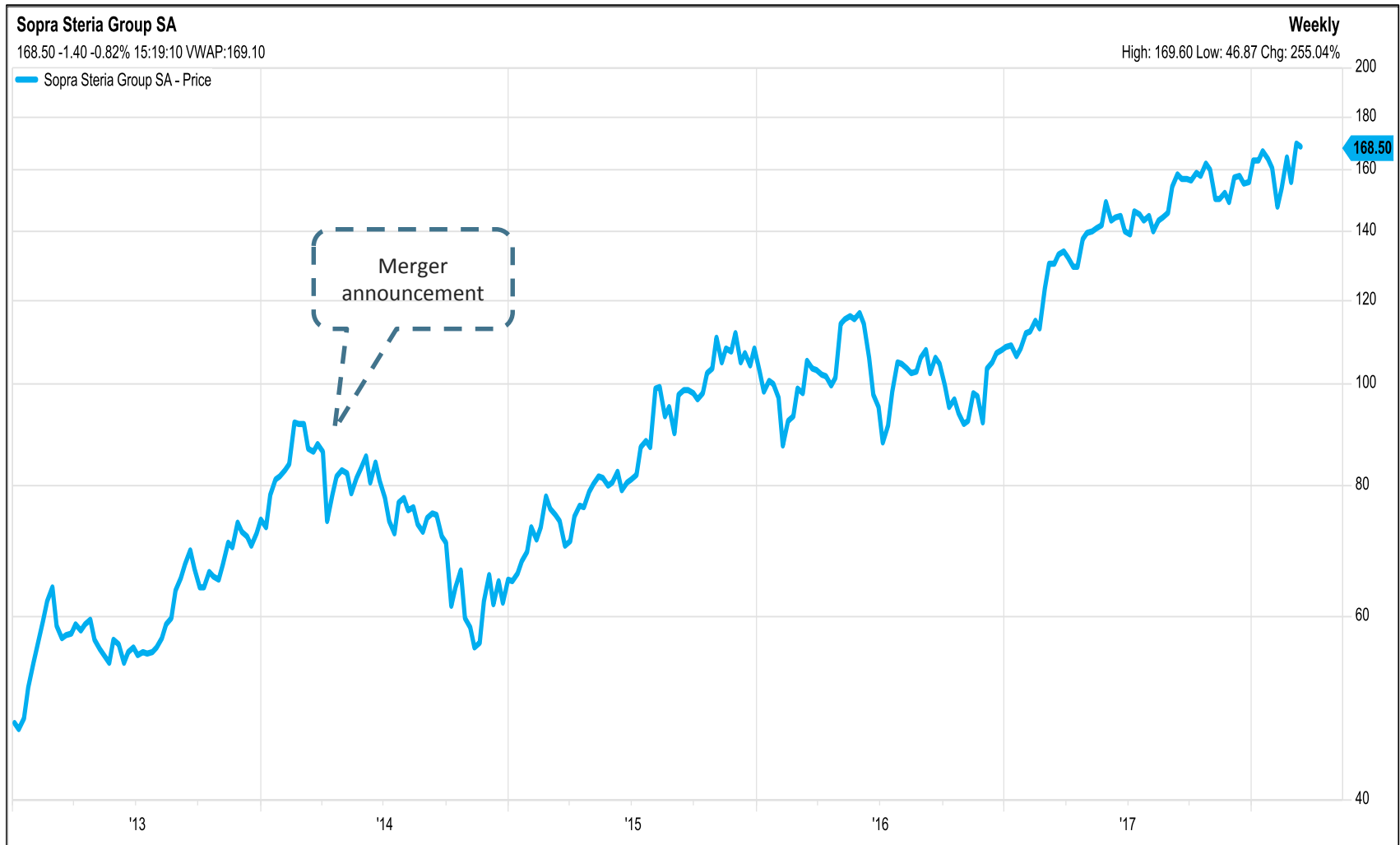


2017 operating margin on  
business activity of 8.6%



# 5 YEAR SHARE PRICE PERFORMANCE

MULTIPLIED BY 2 SINCE THE MERGER ANNOUNCEMENT IN APRIL 2014



Share price as of 03/13/2018





## NEXT STEPS



# AMBITIONS FOR 2020

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# 2020 PROJECT

## An independent project

- Leading shareholder as the project's guarantor over the long term
- Significant employee share ownership

## An ambitious project

- Organic growth
- Targeted external growth
- Focus on Europe for Services and worldwide ambitions for Software



## A project with added value

- Consulting representing 15% of revenue
- Software representing 20% of revenue
- End-to-end approach for key strategic clients

## A different project

- Close client relationships
- Vertical approach focused on key strategic clients
- Entrepreneurial culture

- Develop Consulting
- Achieve SBS success





## BOARD TO BE RENEWED IN 2018

# BOARD MANDATES TO BE RENEWED IN 2018 (1/3)

## RENEWAL PRINCIPLES

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- Set up the Board that will drive the Group over the 10 next years
- Respect of Sopra Group & Groupe Steria merger agreement
  - Equal number of directors representing Sopra GMT and Groupe Steria
- Renewal objectives
  - Fewer directors (move from 19 to 13)
  - Focused, high level competencies (IT / Management / Finance / International)
  - Respect regulation regarding gender
  - Rolling renewal of mandates
- Renewal in 2 phases : 2018 & 2020



# BOARD MANDATES TO BE RENEWED IN 2018 (2/3)

## TARGETED 2018 BOARD STRUCTURE

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- **13** directors
- Independence: **54 %**
- Men / Women gender parity: **54 %/46 %**
- Non French: **46 %**
- IT competencies: **54 %**
- Finance competencies: **38 %**
- Reduce average age by **3 years**





# BOARD MANDATES TO BE RENEWED IN 2018 (3/3)

## CURRENT AGE LIMIT OF CHAIRMANSHIP

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### *The current age limit on the Chairmanship:*

- Perturbs the 2-phase renewal of the current Board of Directors
  - Phase 1 in 2018
  - Phase 2 in 2020
- Weakens the ability to secure 3 key strategic objectives
  - Development of Consulting
  - Success of Sopra Banking Software
  - Next major stage of Group development

***Proposal that Chairman fulfills his renewed mandate in its entirety (to 2024)***





## PRINCIPLES RETAINED FOR OTHER 2018 RESOLUTIONS

# PRINCIPLES RETAINED FOR OTHER 2018 RESOLUTIONS

## 2018 AGM

- No new regulated agreements
- Share capital increase, not used during public offering
  - With pre-emptive subscription rights => 50% maximum of the share capital
  - Without pre-emptive subscription rights but with a priority subscription period => 20% maximum of the share capital
  - Without pre-emptive subscription rights => 10% maximum of the share capital
- Share subscription warrants issuance in the event of a takeover bid up to a nominal amount of the share capital (“bons Breton”)
- Share capital increase reserved for employees – Overall limit of 3% of the share capital
  - Issuance without pre-emptive rights => up to a maximum of 3 % of the share capital
  - Free share awards to employees and officers up to a maximum of 3 % of the share capital
    - Based on performance criteria
    - Previous plans in 2016, 2017 and 2018: 3 criteria (at least equivalent to guidance) monitored on a 3-year period: organic revenue growth, operating margin rate on business activity, free cash flow
- Say on pay ex ante
  - Fixed compensation: no change for the Chairman and the CEO
  - Variable compensation: Chairman none / CEO based on operating margin on business activity (2/3) & strategic criteria (1/3)





# ANNEXES



# BOARD MANDATES TO BE RENEWED IN 2018

## CURRENT BOARD STRUCTURE

Name	Age	1st appointment	Independent	Audit Committee	Compensation committee	Nomination, Ethics & Governance Committee
Pierre Pasquier	82	1968				x
Eric Pasquier	47	2014				
Sopra GMT (Kathleen Clark-Bracco)	50	2014			x	Chairman
Eric Hayat	77	2014			x	x
Astrid Anciaux	53	2014				
Solfrid Skilbrigt	59	2015				
Jean-François Sammarcelli	67	2010	x			
Jean-Luc Placet	66	2012	x		x	x
Marie-Hélène Rigal-Drogerys	48	2014	x	x		
Sylvie Rémond	54	2015				
Jessica Scale	55	2016	x			
François Odin	84	1968		x		
Hervé Saint-Sauveur	74	2003	x	Chairman		
Gérard Jean	70	2003	x		Chairman	x
Jean Mounet	73	2012				
Christian Bret (non voting director)	77	2012			x	x
Jean-Bernard Rampini	61	2014				
Emma Fernandez	54	2017	x			
<u>Employee representatives:</u>						
Gustavo Roldan de Belmira	60	2014			x	
Aurélie Peaud	36	2015				



# OTHER 2018 RESOLUTIONS

## EX POST SAY ON PAY

- Chairman
  - No variable compensation
- CEO
  - Variable compensation = 190 k€ corresponding to 63% of the objectives
    - Quantitative objective = 50%
    - Qualitative objectives
      - 100% for 3 objectives
      - 60% for 1 objective



# KEY FIGURES FOR 2017

## Revenue

€3,845.4m

*i.e. organic growth\* of 3.5%  
4.6% growth on a constant exchange rate basis*

## Operating profit on business activity

€329.8m

*i.e. 8.6% of revenue  
up 9.5% relative to 31/12/2016*

## Net profit – Group share

€171.4m

*i.e. 4.5% of revenue  
up 14.0% relative to 31/12/2016*

## Free cash flow

€111.4m

*Excluding a €37.0m sale of trade receivables  
with deconsolidation*

*vs €150.0m in 2016*

## Net financial debt

€510.1m

*stable relative to 2016  
equating to 1.4x EBITDA*

## UK pension fund deficit net of taxes

€167.4m

*vs €245.0m at 31/12/2016  
down 31.7% relative to 31/12/2016*

*\* Alternative performance measures are defined on Slide 53 of this presentation*



# SOPRA STERIA AT 31/12/2017

## A EUROPEAN LEADER IN DIGITAL TRANSFORMATION



Top 5 European digital services companies

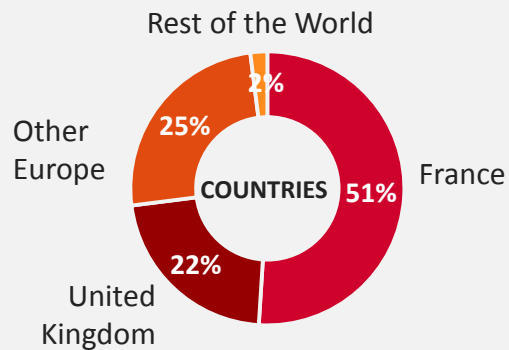
Top 10 operating in Europe

2017 revenue of €3.8bn

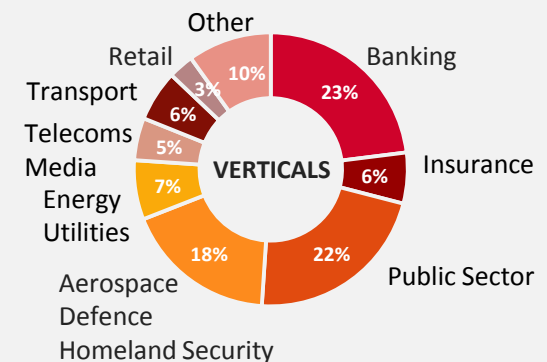
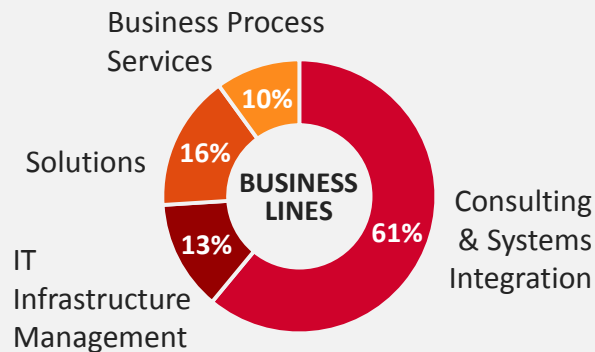
41,000+ employees

Operations in more than 20 countries

End-to-end approach



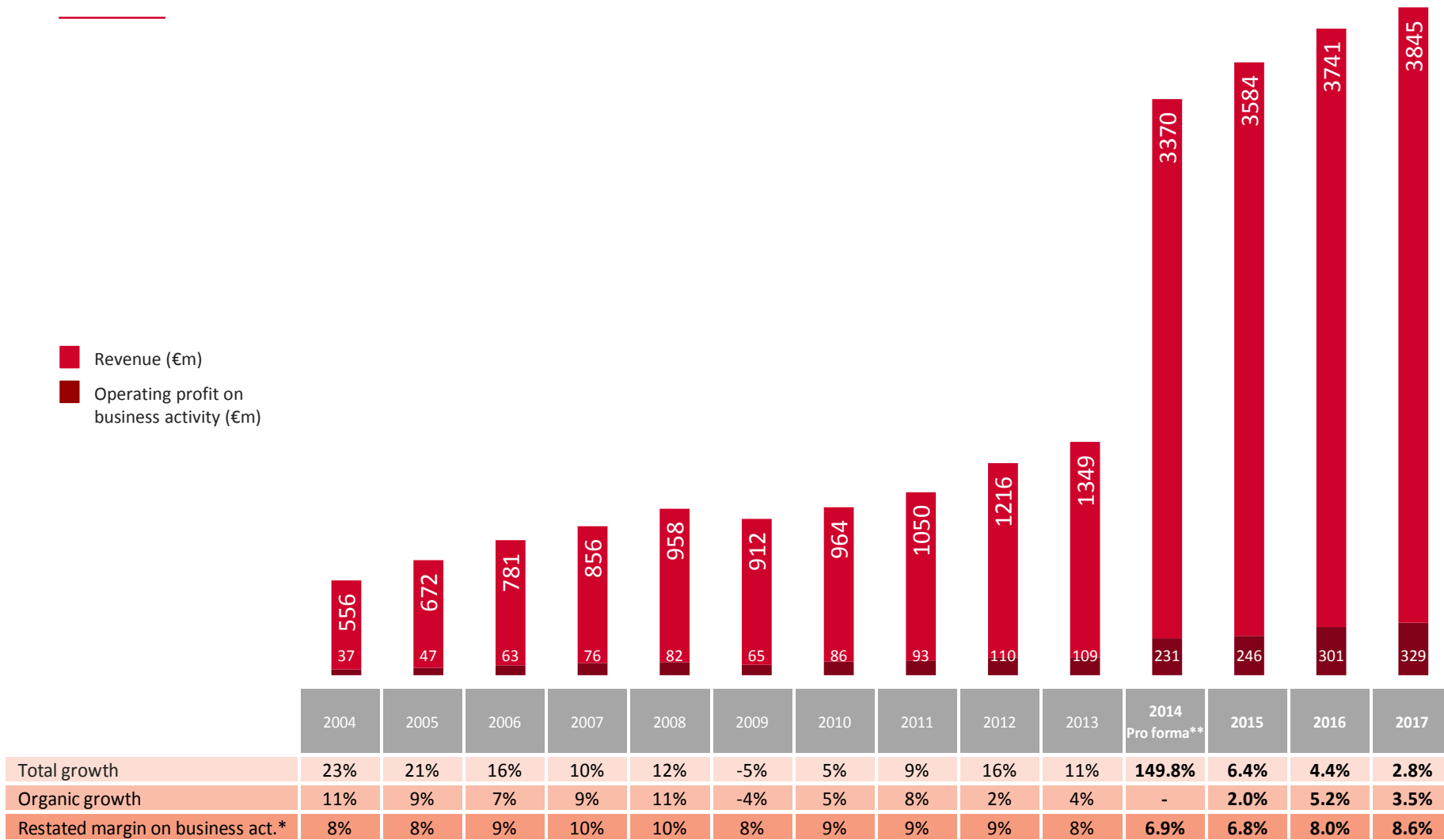
### Revenue to 31/12/2017





# SOPRA STERIA HISTORICAL PERFORMANCE

■ Revenue (€m)  
■ Operating profit on business activity (€m)



\* Restated at equivalent tax laws for financial years up to and including 2009

\*\* Base of comparison adjusted pro forma for the Sopra Steria merger



# HISTORICAL NET PROFIT & DIVIDEND

