

## Q1 2024 in line with forecasts

- Revenue for Q1 2024 came to €1,587.4 million, equating to total growth of 13.8%
- Organic growth<sup>1</sup> came to 0.3%, in line with the guidance issued at the end of February: “Q1 relatively stable”
- Targets confirmed for organic growth, operating margin rate and free cash flow for financial year 2024

Paris, 26 April 2024, 7:00 a.m. – Sopra Steria generated revenue of €1,587.4 million in the first quarter of 2024, representing growth of 13.8%. At constant scope and exchange rates, revenue grew 0.3%.

### Sopra Steria: Consolidated revenue – Q1 2024

€m / %	Q1 2024	Q1 2023	Organic growth	Total growth
Revenue	1,587.4	1,395.4	0.3%	13.8%

### Cyril Malargé, Chief Executive Officer of Sopra Steria Group, commented:

“In the first quarter of 2024, in a market that remained buoyant for large-scale digital transformation projects but substantially less dynamic for discretionary investments, Sopra Steria showed solid resilience, achieving organic revenue growth in line with forecasts.

Our priorities for 2024 are confirmed: successfully integrate the companies we acquired in 2023; execute the plan to dispose of our banking software activities by the end of Q2, or during Q3 at the latest; make progress on our internal transformation initiatives; and, finally, boost the Group’s financial performance.

In Q1, we also stepped up our investments in the rAIs programme to embrace generative artificial intelligence. Sopra Steria Next, our consulting entity, forged two major strategic partnerships, launching a collaboration with Microsoft to assist businesses in their implementation of Microsoft 365 Copilot and joining the NVIDIA AI Consulting Partner Network. These initiatives reinforce Sopra Steria’s leadership position in artificial intelligence and give our customers access to the very best these cutting-edge technologies have to offer.”

### Comments on Q1 2024 business activity

Revenue came to €1,587.4 million, equating to total growth of 13.8% relative to Q1 2023. This growth included the positive impact of changes in scope of €184.1 million arising from the consolidation of CS Group and Tobania since 1 March 2023, and of Ordina since 1 October 2023. Currency fluctuations had a positive impact of €3.1 million.

In an environment marked by a slowdown in discretionary investments in technology, a high basis of comparison (9.1% growth in Q1 2023) and an unfavourable calendar effect (1 fewer day), organic growth held up well, equating to slight growth (0.3%). The most resilient sectors were the public sector, financial services and defence.

<sup>1</sup> Alternative performance measures are defined in the glossary at the end of this document.

The **France** reporting unit (39% of the Group total) generated revenue of €624.6 million, equating to negative organic growth of 2.6%. Most verticals saw a contraction in their revenue, including the aeronautics sector, which saw a business downturn of around 4.5% in the first quarter of 2024. On the other hand, the defence and transport verticals remained buoyant and growing.

The **United Kingdom** reporting unit (15% of the Group total) posted revenue of €240.0 million, representing organic growth of 7.4%. Growth was driven by a very robust public sector and a private sector that started to feel the positive effects of new contracts signed in the second half of 2023, which will gradually ramp up over the course of 2024.

The **Other Europe** reporting unit (35% of the Group total) posted €547.7 million in revenue, representing total growth of 33.5% following the consolidation of Ordina and Tobania. Organic growth came to 1.7%. Germany was hampered by a weaker economic backdrop than in the rest of Europe and a contraction in revenue. Scandinavia, Spain and Italy enjoyed brisk business activity, with growth of between 5% and 8%. Benelux, where the consolidation of three companies is underway, achieved a similar level of revenue as in Q1 2023 (€173.1 million on a pro forma basis).

Revenue for **Sopra Banking Software** (7% of the Group total) came to €103.8 million, equating to an organic contraction of 4.1%, as expected for the first quarter. This contraction mainly arose from the 7.9% negative growth in services revenue. Subscriptions remained well on track with 21.1% growth, driven in particular by momentum in the digital solutions offered by Sopra Banking Platform and Sopra Financing Platform.

The **Other Solutions** reporting unit (4% of the Group total) posted revenue of €71.2 million, representing organic growth of 0.8%. The Human Resources Solutions business (which generates 70% of the reporting unit's revenue) grew by 3.7%. Property Management Solutions contracted by 5.3%, in line with forecasts.

### Changes in scope

Sopra Steria recently clarified its strategy, stating its aim to refocus on digital services and solutions, with the ambition of becoming a compelling European alternative to global providers for major European clients in its strategic markets.

Consequently, Sopra Steria announced (see press release of 21 February 2024) its plan to dispose of its banking software activities. Preparatory work is underway. The objective is to finalise this transaction by the end of Q2 2024, or during Q3 2024 at the latest.

### Workforce

At end-March 2024, the Group's **net headcount** stood at 56,273 people, compared with 53,724 people at 31 March 2023. The consolidation of Ordina added 2,630 people. A total of 9,313 staff were employed at international service centres.

The **workforce attrition rate** was 14.0% (compared with 16.0% in Q1 2023).

### Recap of targets for 2024

- Organic revenue growth of between 2% and 4%
- Operating margin on business activity of between 9.5% and 10%
- Free cash flow of at least €350 million



### **Q1 2024 revenue presentation meeting**

Revenue for the first quarter of 2024 will be presented to financial analysts and investors via a bilingual (French and English) conference call to be held on 26 April 2024 at 8:30 a.m. CET:

- French-language phone number: +33 (0)1 70 37 71 66
- English-language phone number: +44 (0)33 0551 0200

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

### **Upcoming financial releases**

Tuesday, 21 May 2024 (2:30 p.m.): General Meeting of Shareholders

Wednesday, 24 July 2024 (after market close): Publication of H1 2024 results

Thursday, 31 October 2024 (before market open): Publication of Q3 2024 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.
- **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.
- **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:** 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):** (Profit from recurring operations after tax + Profit from equity-accounted companies) / (Equity + Net financial debt).
- **Downtime:** Number of days between two contracts (excluding training, sick leave, other leave and pre-sales) divided by the total number of business days.

## Disclaimer

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## About Sopra Steria

Sopra Steria, a major player in the European tech sector with 56,000 employees in nearly 30 countries, is recognised for its consulting, digital services and software development. It helps its clients drive their digital transformation and obtain tangible and sustainable benefits. The Group 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. In 2023, the Group generated revenue of €5.8 billion.

### 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](http://www.soprasteria.com)

## Contacts

### Investor Relations

Olivier Psaume

[olivier.psaume@soprasteria.com](mailto:olivier.psaume@soprasteria.com)

+33 (0)1 40 67 68 16

### Press Relations

Caroline Simon (Image 7)

[caroline.simon@image7.fr](mailto:caroline.simon@image7.fr)

+33 (0)1 53 70 74 65



## Annexes

### Sopra Steria: Impact on revenue of changes in scope and exchange rates – Q1 2024

€m	Q1 2024	Q1 2023	Growth
<b>Revenue</b>	<b>1,587.4</b>	<b>1,395.4</b>	<b>+13.8%</b>
Changes in exchange rates		3.1	
<b>Revenue at constant exchange rates</b>	<b>1,587.4</b>	<b>1,398.5</b>	<b>+13.5%</b>
Changes in scope		184.1	
<b>Revenue at constant scope and exchange rates</b>	<b>1,587.4</b>	<b>1,582.6</b>	<b>+0.3%</b>

### Sopra Steria: Changes in exchange rates – Q1 2024

For €1 / %	Average rate Q1 2024	Average rate Q1 2023	Change
Pound sterling	0.8563	0.8831	+3.1%
Norwegian krone	11.4159	10.9901	-3.7%
Swedish krona	11.2792	11.2030	-0.7%
Danish krone	7.4563	7.4429	-0.2%
Swiss franc	0.9491	0.9925	+4.6%

### Sopra Steria: Revenue by reporting unit – Q1 2024

€m / %	Q1 2024	Q1 2023 Restated*	Q1 2023	Organic growth	Total growth
France	624.6	641.4	589.9	-2.6%	+5.9%
United Kingdom	240.0	223.5	216.7	+7.4%	+10.7%
Other Europe	547.7	538.8	410.4	+1.7%	+33.5%
Sopra Banking Software Solutions	103.8 71.2	108.3 70.7	107.7 70.6	-4.1% +0.8%	-3.6% +0.9%
<b>Sopra Steria Group</b>	<b>1,587.4</b>	<b>1,582.6</b>	<b>1,395.4</b>	<b>+0.3%</b>	<b>+13.8%</b>

\* Revenue at 2024 scope and exchange rates

### Sopra Steria: Workforce breakdown – 31/03/2024

	31/03/2024	31/03/2023
France	22,020	22,102
United Kingdom	7,807	7,684
Other Europe	16,593	13,880
Rest of the World	540	580
X-Shore	9,313	9,478
<b>Total</b>	<b>56,273</b>	<b>53,724</b>

