



H1 2014 Results

Paris, July 25, 2014

This presentation may contain forward-looking statements concerning Groupe Steria. Such statements are based on management's current views and assumptions that could ultimately prove inaccurate and are subject to numerous risk factors and uncertainties. These risk factors and uncertainties are described within the 2013 Annual Report filed with the French Autorité des Marchés Financiers as a Document de Référence (available at www.steria.com).

Groupe Steria does not assume any liability to update or revise such forward-looking statements provided in this presentation.

This presentation has been released for information purposes only and does not constitute and must not be considered as an offer to purchase Groupe Steria or Sopra shares. The release of this announcement may be restricted by law in certain jurisdictions and, therefore, any person holding this document must enquire about applicable legal restrictions and comply with them. Therefore, Groupe Steria and Sopra decline all liability whatsoever with regards to the potential violation, by any person, of these restrictions.

Agenda

→ www.steria.com

Financial Analysts Meeting

HY 2014 Results
25/07/2014

- H1 2014 Highlights
- H1 2014 Financial Results
- Outlook
- Q&A Session
- Appendices

H1 2014 Highlights

A thick blue horizontal bar spans the width of the slide. On the right side, the bar folds back on itself, creating a 3D effect with a lighter blue shadow.

François Enaud – CEO & General Manager

First Half 2014 Highlights

→ www.steria.com

H1 2014 Results
25/07/2014

- Organic growth in line with full year guidance
- Recurring activities growing by +16%
- Strong sales momentum in the UK based on numerous opportunities in Business Process Services
- Strong operating margin increase in the UK but contraction in the other regions
- SSCL working capital consumption under control
- Net financial debt at €260m (€280m as of 30/06/2013)
- Reduction by €14m in net pension deficit after tax vs. 31/12/2013

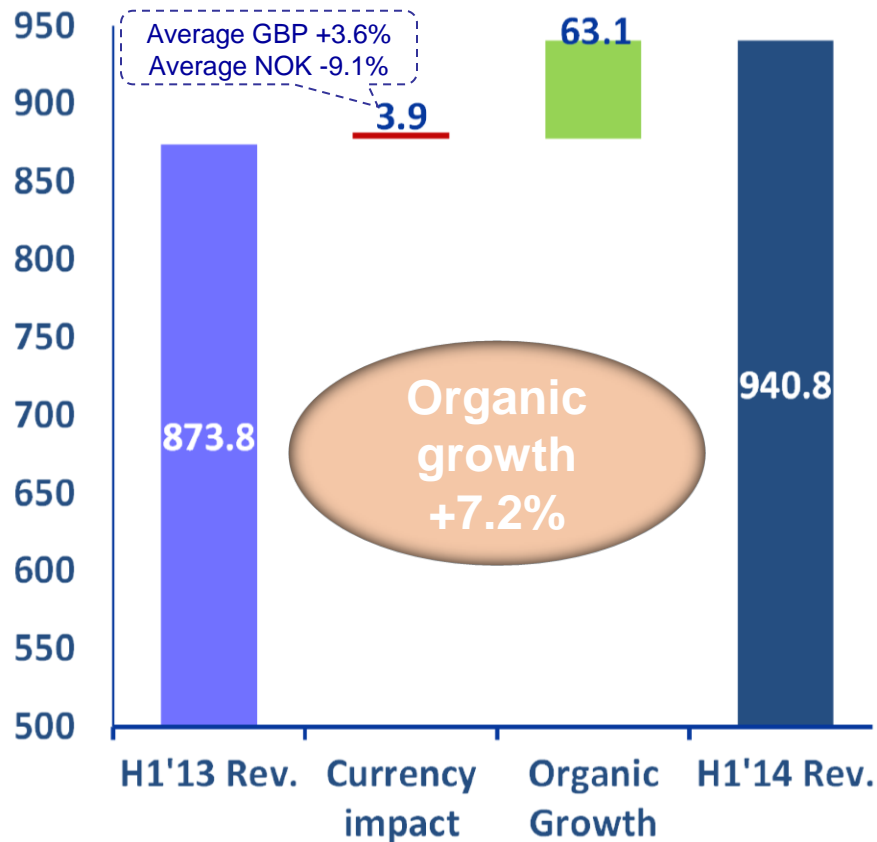
Group Revenue Evolution in H1 2014

7.2% organic growth

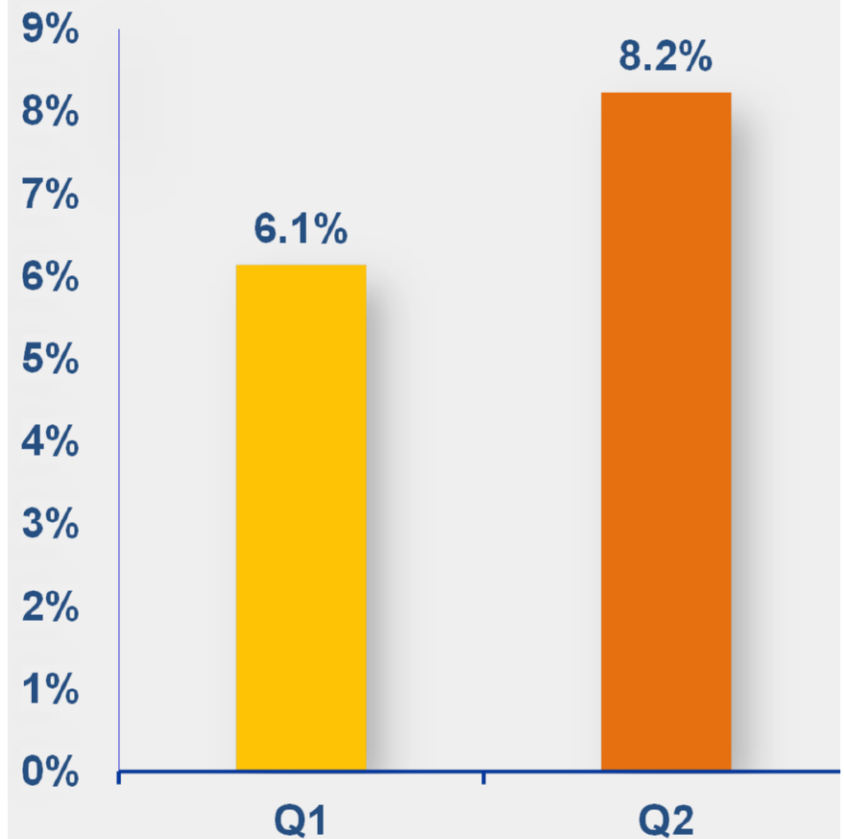
→ www.steria.com

H1 2014 Results
25/07/2014

H1 2014 Revenue (€m) vs. H1 2013



2014 Quarterly Organic Revenue Growth



Trends per Market Sector & Service Line

→ www.steria.com

H1'14 revenue at constant scope and exchange rates

Strong Growth in recurring activities

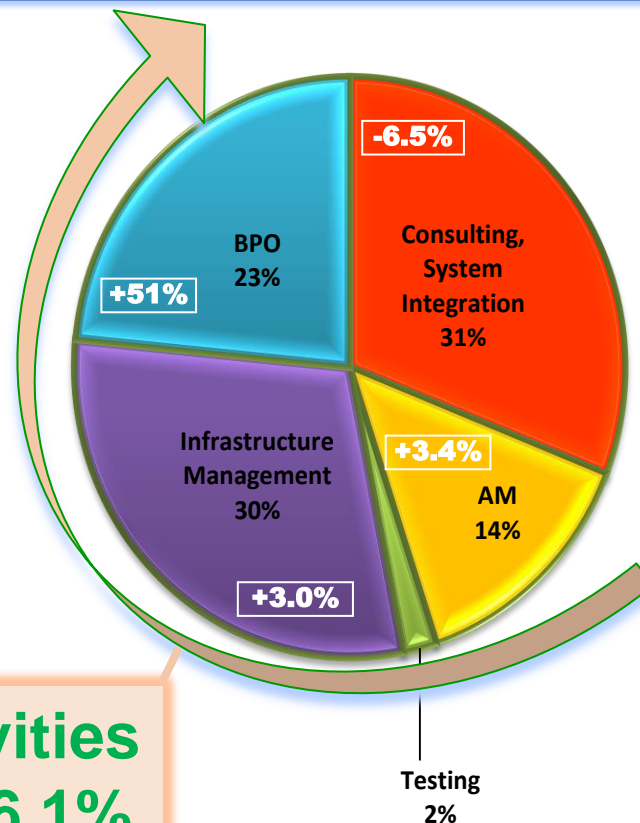
H1 2014 Results
25/07/2014

Group organic revenue: +7.2%

H1 2014 revenue variation by market sector

- Public Sector: +21%
- Energy / Utilities: +16%
- Telco & Media: -5.9%
- Banking: -2.9%
- Other: flat

H1 2014 revenue variation by business line



**Recurring activities
growing by +16.1%**

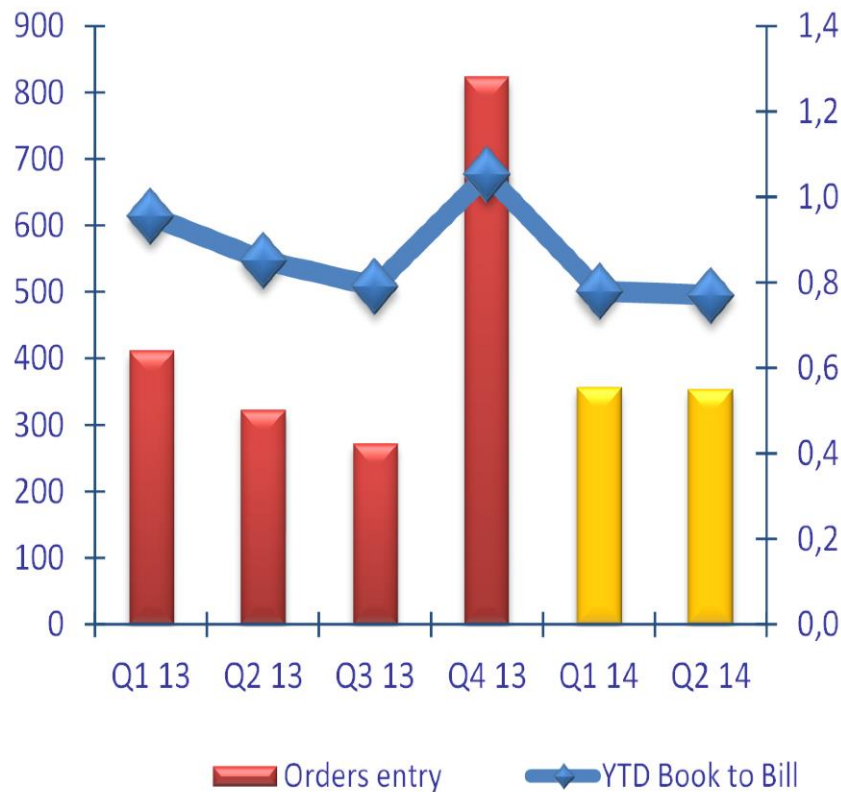
BPO: Business Process Outsourcing
AM: Application Management

H1 2014 Bookings and Pipeline

→ www.steria.com

H1 2014 Results
25/07/2014

Orders entry and Book to Bill ratio evolution¹



- Q2 2014 book to bill ratio similar to Q2 2013 (0.76 vs. 0.75)
- 4.0bn pipeline increasing by +12.4% vs. 30/06/2013 and representing 2.1x the expected 2014 revenue vs. 2.0x as of 30/06/2013
- FY book to bill ratio expected to be above 1.0

1: At budget rate

H1 2014 Revenue by Geography

→ www.steria.com

H1 2014 Results
25/07/2014

In €m	Revenue		
	2013 ¹ like for like	2014	Organic growth
United Kingdom	355.1	424.7	19.6%
France	278.7	268.4	-3.7%
Germany	118.9	108.9	-8.4%
Other Europe	125.0	138.9	11.1%
Group	877.7	940.8	7.2%

1: At constant exchange rate and perimeter (base 2014)

H1 2014 Operating Margin by Geography

→ www.steria.com

H1 2014 Results
25/07/2014

In %	Operating margin		
	2013	2014	Change
United Kingdom	7.8%	10.7%	2.9 pt
France	2.2%	0.6%	-1.6 pt
Germany	6.6%	4.1%	-2.5 pt
Other Europe	7.1%	5.9%	-1.2 pt
Group central costs	-0.5%	-0.6%	-0.1 pt
Group	5.2%	5.7%	0.5 pt

1: Before amortization of intangible assets arising from business combinations

H1 2014 Performance by Country

→ www.steria.com

H1 2014 Results
25/07/2014

→ UK

- Strong dynamic in **Public Sector** (+33%) and **Telecommunications / Utilities / Transport** (+21.4%)
- Strong growth in **BPS** (+51%) now accounting for more than 50% of revenue
- Selected “**preferred framework supplier**” by Ministry of Justice and Home Office for their shared services platform project
- Strong **pipeline** in Business Process Services

→ France

- H1 impacted by the suspension of the application of the **Ecotaxe** project
- Organic growth of -0.3% when restated for Ecotaxe items
- **Agreement** signed between Ecomouv’ and the State on 27th of June
- Suspension in 2014 of the “**Ere**” programme in light of the Sopra Steria tie-up

→ Germany

- **New management** team in place in order to support the evolution in the historic business model, which has generated some departures in the consultants team
- Cost reduction actions
- Confidence in the basics: strong **brand**, very solid **customer portfolio** and **value proposition** in terms of service offerings

→ Other Europe

- **Double digit** organic revenue growth driven by Scandinavia
- Good momentum in the **Public sector** (+12.8%), the **Banking sector** (+8.8%) and **Telecommunications / Utilities / Transport** sector (+10.5%)
- Headcount increase in Scandinavia generating **a high seasonality** in the expected annual profitability improvement

H1 2014 Financial Results

A thick blue horizontal bar spans the width of the slide. On the right side, the bar is folded over itself, creating a 3D effect with a lighter blue shadow on the underside of the top flap.

Laurent Lemaire - Group CFO

H1 2014 Consolidated Income Statement

→ www.steria.com

H1 2014 Results
25/07/2014

In €m	H1 2013	H1 2014
Revenue	873.8	940.8
Operating margin	45.7	53.8
Operating margin <u>After</u> amortization of intangible arising from business combination	42.6	50.6
Operating result	26.6	33.8
Net financial result	-12.1	-13.2
Tax	-5.3	-12.7
Consolidated by equity method	0.1	0.1
Minority interests	-1.9	-7.2
Attributable net result	7.4	0.9
Underlying attributable net profit	20.6	14.4

H1 2014 Operating Margin¹

→ www.steria.com

H1 2014 Results
25/07/2014

H1 2014 Operating Margin¹

First Half 2013	H1 2013	H1 2014
Revenue (€m)	873.8	940.8
Operating margin ¹ (€m)	45.7	53.8
<i>As a percentage of revenue</i>	5.2%	5.7%
Amortization of intangible arising from business combination	-3.1	-3.2
Operating margin ¹ (€m) <u>After</u> amortization of intangible arising from business combination	42.6	50.6

- Intangibles arisen from acquisitions:
- Xansa customer relationship value capitalized for £44.6m at 17/10/07 and amortised over 11 years => €2.5m
- NHS SBS consolidation €0.8m

1: Before amortization of intangible assets arising from business combinations. Operating margin is the Group's key indicator. It is defined as the difference between revenue and operating expenses, these being equal to the cost of services rendered (costs necessary for the implementation of projects), as well as Selling and General and Administrative costs.

H1 2014 Operating Result

→ www.steria.com

H1 2014 Results
25/07/2014

In €m	H1 2013	H1 2014
Operating margin After amortization of intangible arising from business combination	42.6	50.6
Other operating income and expenses	-16.0	-16.8
- Asset depreciation	0.0	0.0
- Share based payments	-0.1	-0.2
- Divestment of activities	0.0	0.0
- Net restructuring & integration costs	-14.3	-14.0
- Others	-1.7	-2.6
Operating result	26.6	33.8

H1 2014 Financial Result

→ www.steria.com

H1 2014 Results
25/07/2014

In €m	H1 2013	H1 2014
Net cost of financial debt	-2.2	-3.5
Other financial income and expenses	-9.9	-9.8
Net financial result	-12.1	-13.2

H1 2014 Tax charge

→ www.steria.com

H1 2014 Results
25/07/2014

In €m	H1 2013	H1 2014
Pre-tax profit	14.5	20.6
Effective tax charge	5.3	12.7
<i>Effective tax rate</i>	36.7%	61.4%

Activated <u>net</u> deferred tax assets	102.5	92.1
Non-activated deferred tax assets	11.3	33.9

H1 2014 Number of Shares

→ www.steria.com

H1 2014 Results
25/07/2014

Nb of shares in million	H1 2013	H1 2014	Change
Nb of outstanding shares as of 1 st of January	31.88	33.16	
Nb of outstanding shares as of 30 th of June	31.88	33.17	
Average weighted number of shares in the first half	31.88	33.16	4.0%
Average weighted number of treasury shares ¹ during the first half	-1.44	-1.43	
Average weighted number of shares excluding treasury shares	30.44	31.73	4.2%
Average weighted hybrid subordinated convertible bonds during the first half	0.00	0.00	
Diluted impact of potential shares	0.02	0.03	
Average weighted number of shares including potential shares	30.46	31.76	4.3%

1: Shares held in UK trust excluded from EPS calculation

H1 2014 Earnings Per Share

→ www.steria.com

H1 2014 Results
25/07/2014

EPS in €	H1 2013	H1 2014
Basic EPS	0.24	0.03
Fully diluted EPS	0.24	0.03

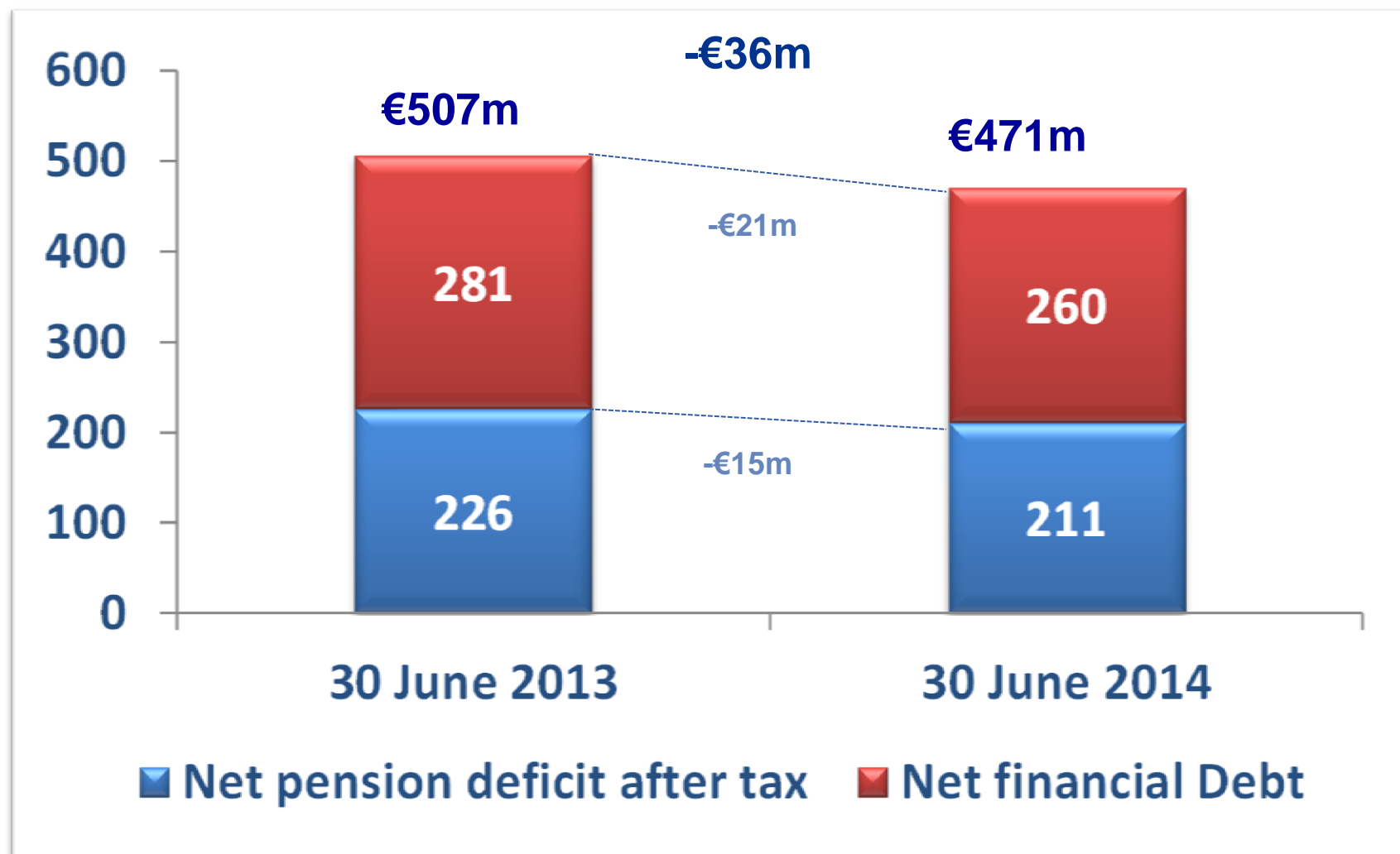
Current¹ fully diluted EPS	0.68	0.45
--	------	-------------

1: Profit before amortisation of intangibles arising from business combinations and other operating income and expenses

Reduction in Net Financial Debt & Net Pension Deficit

→ www.steria.com

H1 2014 Results
25/07/2014



Change in Net Financial Debt

→ www.steria.com

H1 2014 Results
25/07/2014

In €m	30/06/2012	30/06/2013	30/06/2014
Ebitda	60.6	61.6	69.0
Non cash adjustments	0.4	-0.9	0.2
Change in WCR (cash elements)	-75.6	29.5	-54.7
Cash flow from operations	-14.6	90.2	14.4
Net industrial investment	-21.8	-16.2	-12.3
Tax	-13.9	-11.2	-10.0
Net finance costs paid	-2.6	-4.9	-6.8
Restructuring	-12.8	-19.5	-15.8
Additional contributions to pension funds	-8.8	-7.8	-9.6

o/w variation due to SSCL -€20m

Free cash flow (1)	-74.4	30.5	-40.1
---------------------------	--------------	-------------	--------------

-€21.7m excluding SSCL
WCR

Dividends	-8.7	-8.7	0.0
Net financial investment	0.2	-0.9	0.2
Capital increase	0.0	0.0	0.0
Change in perimeter	-0.4	0.0	-1.6
Forex & Other	-3.5	-6.2	5.3
Change in net cash (before hybrid repayment)	-86.8	14.7	-36.2

Repayment of convertible hybrid bond	0.0	-152.4	0.0
--------------------------------------	-----	--------	------------

Change in net cash	-86.8	-137.7	-36.2
---------------------------	--------------	---------------	--------------

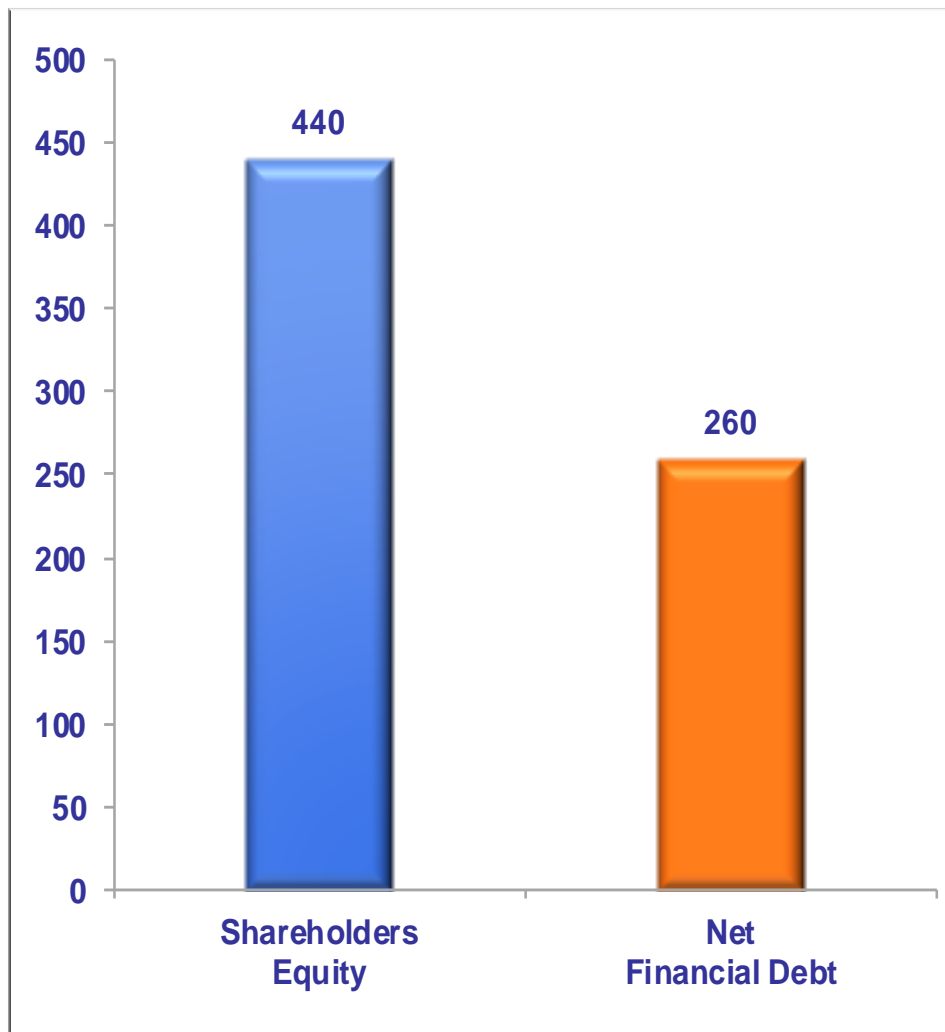
Net financial debt at the beginning of the period	125.9	143.0	224.0
Net financial debt at the end of the period	212.7	280.7	260.2

1: Before investment and other activities

Sound Financial Ratios as of 30/06/2014

→ www.steria.com

H1 2014 Results
25/07/2014



Gearing

59%

(no covenant)

Net Financial Debt / Ebitda¹

1.9

(Max. 2.5)

Op. Margin¹ / Net cost of fin. Debt

15.6

(Min. 5.0)

1: 12 months rolling calculation

Financing Facilities as of 30/06/2014

→ www.steria.com

H1 2014 Results
25/07/2014

Gross Debt in €m	30/06/14 Financial Debt	Amount Drawn	Total Facility
Term Loan €	124	124	124
Term Loan £	50	50	50
Revolving facility	80	80	325
Euro PP	180	180	180
Securitization	19	69	80
Other	19	19	78
Total	474	523	837

Issuance December 2013: Maturity Dec. 2018
Recurring non recourse programme deconsolidated from the balance sheet under IAS 39

Cash and cash equivalents **214**

Net financial debt **260**

Summarised Consolidated Balance Sheet as of 30/06/2014

→ www.steria.com

H1 2014 Results
25/07/2014

In €m	30/06/2013	31/12/2013	30/06/2014
Goodwill	746.9	762.6	789.4
Net tangible and intangible fixed assets	159.3	155.4	151.2
Financial assets	16.8	14.7	13.9
Net deferred tax assets	102.5	93.3	92.1
Working Capital Requirement (WCR)	-33.2	-89.4	-48.8
Total capital employed	992.3	936.5	997.8
Shareholders' equity	377.0	392.7	440.4
Provisions	334.5	319.9	297.2
Liabilities & Charges	32.2	36.8	30.3
Net pension liability	302.3	283.1	266.9
Net financial debt	280.7	224.0	260.2
Total invested capital	992.3	936.5	997.8
<i>WCR/Revenue¹</i>	<i>-1.9%</i>	<i>-5.1%</i>	<i>-2.6%</i>
<i>Gearing ratio²</i>	<i>74.5%</i>	<i>57.0%</i>	<i>59.1%</i>

1 : WCR/ Annualised Revenue

2: Net financial debt/total shareholders' equity

Outlook

A thick blue horizontal bar spans the width of the slide. On the right side, the bar is folded over itself, creating a 3D effect with a lighter blue shadow on the underside of the top flap.

François Enaud – CEO & General Manager

Organic revenue growth

- +6% to +8%

Operating Margin

- Increase by around 10% in €

Appendices



Headcount Data as of 30/06/2014

→ www.steria.com

H1 2014 Results
25/07/2014

Number of employees

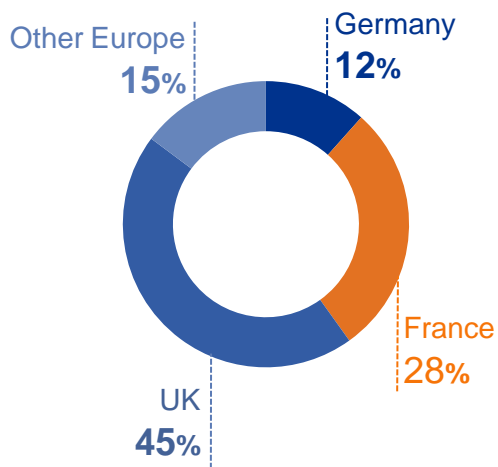
	30/06/2013	31/12/2013	30/06/2014
France	6,272	6,299	6,271
United Kingdom	4,283	5,365	5,192
Germany	1,757	1,679	1,672
Other Europe	1,953	2,104	2,303
India	5,055	4,752	4,503
Headquarter	100	94	96
Group total	19,420	20,293	20,037

Business Split as of 30/06/2014

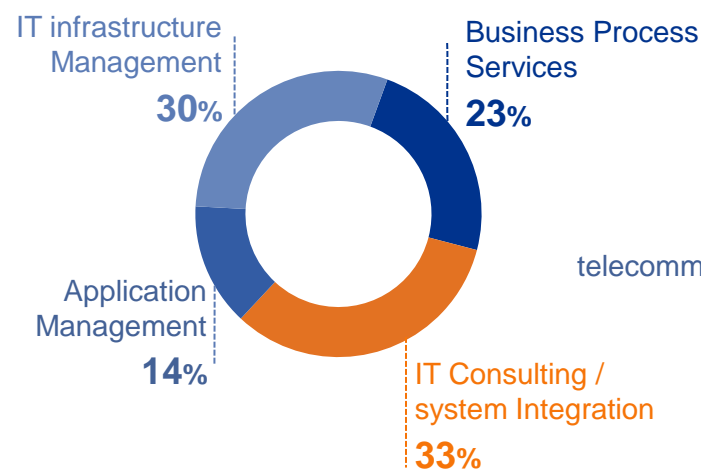
→ www.steria.com

H1 2014 Results
25/07/2014

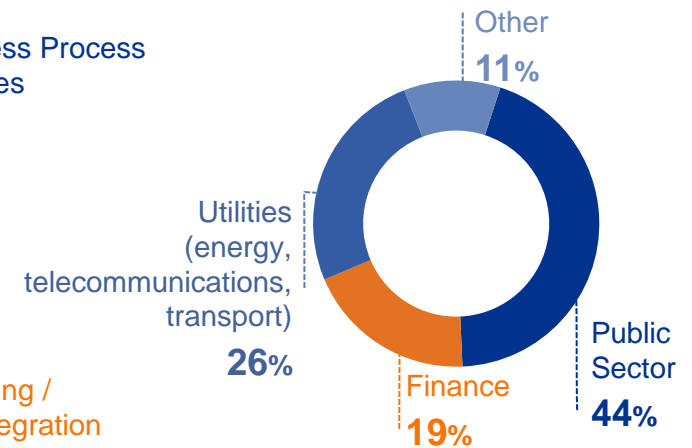
By geography



By service line



By market sector



- ➔ The friendly tie-up between Sopra and Groupe Steria is progressing well: on July 17, 2014, following the European Commission decision to approve the merger, the AMF confirmed the closing date for the Public Exchange Offer (July 30, 2014).
- ➔ Since June 26, 2014 (the opening date of the Public Exchange Offer), Steria shareholders have had the opportunity to tender their shares to the Offer and contribute to the creation of a European leader in digital transformation.

You are advised to read the documents relating to the Offer which have received the AMF's visa and which are available on the website of the AMF (www.amf-france.org), of Sopra (www.sopra.com/soprasteria) and of Steria (<http://investisseurs.steria.com>). The Offer document filed by Sopra received the AMF's visa n° 14-322 dated 24 June 2014 and the reply document filed by Steria received the AMF's visa n° 14-323 dated 24 June 2014.

Groupe Steria SCA

43-45 Quai du Président Roosevelt
92130 Issy-les-Moulineaux Cedex
France
Tel: +33 1 34 88 60 00
Web: www.steria.com



Investor relations:

Olivier Psaume

Tel: +33 1 34 88 55 60 / +33 6 17 64 29 39

e-mail: olivier.psaume@steria.com