

Press release

Sopra Steria announces plans to acquire Sodifrance

Creation of a French leader in digital services dedicated to the insurance and social security sector

Paris, 21 February 2020 – Sopra Steria (Euronext Paris: SOP), a European leader in digital transformation, signed an exclusive negotiation agreement with a view to acquiring a controlling interest in Sodifrance, corresponding to 94.03% of its share capital.

The planned acquisition of Sodifrance aims to create a leading French player in digital services for insurers and social security providers, a sector with strong growth potential for which the Group has high ambitions.

Sopra Steria and Sodifrance's majority shareholders signed an exclusive negotiation agreement with a view to acquiring a controlling interest in Sodifrance, corresponding to 94.03% of its share capital, for consideration of €17.10 per share¹.

The acquisition of this controlling interest, which would be paid entirely in cash, would lead to the filing of a delisting offer ("Offre Publique de Retrait") followed by a mandatory delisting procedure for the remaining shares not tendered to the offer, at the same price and in accordance with applicable regulations.

Founded in 1986, Sodifrance is a French digital services company with 2019 revenue of €106.5 million, half of which is generated in the Paris region and the remainder throughout the rest of the country, a third of which in western France. With 1,160 employees, the company has substantial expertise in the insurance and pensions/social security/health sector (50% of revenue) for key accounts. It also has a strong presence in the banking sector (21% of revenue).

The transaction with Sodifrance would allow Sopra Steria to attain leadership in the insurance and social security sector in France, with a business volume of about €200 million, while acquiring new clients and strengthening existing client relationships. It would expand the Group's offering in this sector (consulting, solutions, technological and digital expertise), which would enable it to accelerate the modernisation of legacy applications used by insurance and social security providers. The potential synergies between the two entities would make this combination an opportunity to help meet Sopra Steria's target of operating profit on business activity of more than 10% for the France reporting unit (€1.8 billion in revenue in 2019). Cost synergies are estimated at €4.6 million on an annual basis starting in the second year, for an implementation cost of €3.8 million.

Franck Mazin, Chairman of Sodifrance's Management Board and the company's main shareholder, commented: "The strategic tie-up of Sodifrance with Sopra Steria brings us into a new phase in our development, with an ambitious business plan that will let us offer even more value to our clients and bright

¹ On the basis of a fully diluted number of shares of 3,655,457, including a free shares plan which has not been attributed as of today's date.

prospects to our employees as part of a new group that shares our core human values. I am convinced that our solutions for modernising legacy applications and migrating data will be a resounding success with the clientele of this European leader."

Cyril Malargé, Executive Director of Sopra Steria's France reporting unit, added: "I'm excited about the plan we have mapped out with Sodifrance. Its staff and its expertise will boost growth for Sopra Steria's France reporting unit, reinforcing its leadership positions in its key markets, in particular the field of insurance and social security."

The proposed acquisition is subject to the customary consultations and closing conditions (employee representative bodies, anti-trust authorities) and could be finalised by the end of the second quarter or the beginning of the third quarter of 2020.

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 making the most of digital technology to build a positive future for its clients. With 46,000 employees in 25 countries, the Group generated revenue of €4.4 billion in 2019.

The world is how we shape it.

Sopra Steria (SOP) is listed on Euronext Paris (Compartment A) – ISIN: FR0000050809

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