



## The Atos UK 2019 Pension Scheme

*This communication has been prepared by Atos Pension Schemes Limited, the Trustee of the Atos UK 2019 Pension Scheme ("the Scheme"), to provide Scheme members with a further update on the proposed restructuring of the Atos business. It also summarises the steps being taken by the Trustee to determine the possible financial impact for the Scheme and to maintain the security of members' benefits.*

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### Background information

In September 2023 the Trustee issued a communication to Scheme members to share details of the plans announced by Atos to restructure its business, and to update members on the steps being taken by the Trustee to identify how the restructure could impact on the Scheme's financial position. As a reminder, the September 2023 communication covered the key points noted below:

- In June 2022 Atos announced its plan to divide the business into two separate operating divisions to be known as Eviden (focused on cyber security and big data technology) and Tech Foundations (focused on digital platforms and managed services). Alongside the restructure, Atos also confirmed its intention to raise additional funds from asset sales to help strengthen its financial position.
- Atos IT Services UK Limited ("Atos UK") is responsible for ensuring that the Scheme has sufficient money to pay the pensions earned by members. Following the restructure announced in June 2022, Atos UK became part of the Tech Foundations division.
- The Scheme also benefits from a Parent Company Guarantee provided by Atos SE which means that if Atos UK is unable to fully support the Scheme, then Atos SE would be responsible for providing the additional money required to enable members' pensions to be paid by an insurance company.
- On 1 August 2023 Atos announced that it had begun exclusive negotiations with EP Equity Investments ("EPEI") regarding the possible sale of the Tech Foundations business - including Atos UK.
- The Trustee had requested further information from Atos management so that, together with the Trustee's professional advisors, it could assess how the restructure and possible sale of the Tech Foundations business might affect the financial support provided to the Scheme. Alongside the discussions with Atos management, the Trustee had also updated the Pensions Regulator on developments.

### **Why is the restructure of the Atos business and the potential sale of Atos UK important for the Trustee and for Scheme members?**

The ultimate cost of paying a pension is influenced by a range of different factors that include how long a member will live for in retirement and the level of investment returns that can be achieved on the contributions paid by the member and their employer.

As the actual cost of the pension is not known in advance, it's important that trustees understand the financial position of the employer - in this instance Atos UK - and are able to assess how any changes to the employer could affect its ability to meet the future cost of providing the pensions earned by members.

The Scheme Actuary's latest estimates show that the Scheme would need additional funding of between £300m and £350m to enable members' pensions to be paid in full by an insurer. If Atos UK was unable to support the Scheme financially, then the Trustee would seek the additional funding from the parent company (Atos SE) via the guarantee it has provided.

This highlights why it is important for the Trustee to understand whether the business restructure or the sale of parts of the Atos business could make it less likely that the Scheme will be able to obtain financial support if and when it needs it.

### **Update on the current position**

- *Possible sale of the Tech Foundations business to EPEI:*  
The discussions between Atos and EPEI remain ongoing. Atos issued a public update on 3 January 2024 in which it explained that the negotiations with EPEI were taking longer than had been anticipated, whilst its most recent public update, issued by Atos on 5 February 2024, confirmed that there was no guarantee that an agreement would be reached with EPEI.
- *Possible sale of part of the Eviden business to Airbus:*  
The 3 January 2024 update also confirmed that Atos had begun separate discussions with Airbus regarding the sale of a material part of the Eviden business, known as BDS. The sale to Airbus would help Atos to generate the funds required to strengthen its financial position and to meet payments falling due to bondholders and banks in 2024 and 2025. The further public update provided by Atos on 5 February 2024, confirmed that the discussions with Airbus remain ongoing.
- *Appointment of a Mandataire ad Hoc – Discussions on possible restructure of financial debt:*  
In addition to commenting on the status of the discussions with EPEI and Airbus, Atos also confirmed in the 5 February 2024 update that it had requested the appointment of a Mandataire ad Hoc. This is a process under French law using an independent third party appointed by a French court, that will allow Atos to explore a possible renegotiation of its financial debt.

The Trustee has been monitoring these developments, as well as the recent further changes to the Atos senior management team, very closely. It has been actively seeking additional information from Atos – both in the UK and from the French headquarters – in order to assess the likely impact of these events on the Scheme.

Based on the public information available at this point, there remains uncertainty as to whether Atos will be able to reach agreements with EPEI and Airbus over the proposed sales. This also means the Trustee cannot predict how any potential outcomes would impact on both the business's restructuring plans and the ongoing financial support to be provided to the Scheme.

In addition to the engagement with Atos management, the Trustee, as is usual in situations of this nature, has also been in contact with the Pensions Regulator and continues to discuss developments with representatives from the Regulator. In its discussions with Atos management and the Regulator the Trustee's primary objective is to protect the security of the retirement benefits earned by Scheme members.

### **Further communication with Scheme members and contact for questions**

The Trustee appreciates that the restructuring plans and the proposed sales of Tech Foundations and BDS may have created some uncertainty for members and will provide a further update at the earliest opportunity.

If you have any questions regarding this communication, then you can raise them with the Secretary to the Trustee at XPS via email to [atos.secretarial@xpsplc.com](mailto:atos.secretarial@xpsplc.com) Please note that the Scheme Administrator, Hymans Robertson, is not able to answer any queries in relation to the restructure plans or the potential sale.