Partnership between Sopra Steria and 7 German banks in the Sparda group to transform their information system and roll out the Sopra Banking Platform product

Paris, 9 May 2019 – Sopra Steria (Euronext Paris: SOP), a European leader in digital transformation, today announced that it has been selected by seven Sparda banks in Germany to carry out the transformation of their information system. In view of this, Sopra Steria plans to acquire a 51% stake in the captive entity tasked by Sparda’s cooperative banks with the development, maintenance and operation of their shared information system. This partnership will also strengthen Sopra Steria’s foothold in the German banking market.

The Sparda banking group is one of Germany’s large retail banking networks. For seven of these banks – based in Augsburg, Stuttgart, Frankfurt, Munich, Nuremberg, Regensburg and Düsseldorf – a captive company develops, maintains and operates a shared information system. These seven banks have more than 2.5 million customers and manage around 7.7 million accounts.

The partnership with Sopra Steria offers the Sparda banks a solution to overhaul their information system in order to reduce operating costs and upgrade to a state-of-the-art, agile, digital system. The transformation will be based on the implementation of the Sopra Banking Platform product and is expected to last about three years.

Under this partnership, the captive – which currently employs about 350 people – will be reorganised to act as the driving force of the transformation and subsequently operate the information system shared by the seven Sparda banks in an optimal manner. As the developer, Sopra Banking Software will provide licences to each bank as well as maintenance and implementation services, which will be invoiced to the captive.

Sopra Steria therefore intends to acquire a controlling stake of 51% in this captive, equivalent to an equity value of €22.6 million. The remaining 49% stake would continue to be held by the seven Sparda banks. This entity is expected to generate cumulative revenue of more than €1 billion over 13 years, with a targeted operating margin on business activity of about 8% following an initial phase corresponding to the transformation, which would have a slightly dilutive impact on the Group’s operating margin.

Looking beyond the information system transformation project, the partnership is expected to act as a catalyst for significant expansion in the German banking market. This partnership is poised to considerably strengthen Sopra Banking Software’s presence in Germany via its Platform product, with its components assembled and localised specifically for this market. The captive would also serve as a springboard to gain a stronger foothold in the German retail banking segment, which is still fragmented. Accordingly, the business development plan for the captive includes the objective of moving other German banks to its future platform.

The proposed transaction is subject to the usual closing conditions. If the deal is completed successfully, the closing could take place early in the second half of 2019.
Upcoming events

Wednesday, 12 June 2019: Annual General Meeting of Shareholders – 2:30 p.m. / Pavillon Dauphine, Paris

Friday, 26 July 2019: Publication of 2019 half-year results (before market) and presentation meeting

About Sopra Steria

Sopra Steria, a European leader in digital transformation, provides one of the most comprehensive portfolios of offerings on the market, spanning consulting, systems integration, industry-specific solutions, infrastructure management and business process services. It provides end-to-end solutions to address the core business needs of large companies and organisations, helping them remain competitive and grow. Combining added value with innovative, high-performance services, Sopra Steria excels in guiding its clients through their transformation projects to help them make the most of digital technology. With over 44,000 employees in more than 25 countries, Sopra Steria generated revenue of €4.1 billion in 2018.

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

For more information, visit us at www.sopraSteria.com

Contacts

Investor Relations
Olivier Psaume
olivier.psaume@sopraSteria.com
+33 (0)1 40 67 68 16

Press Relations
Simon Zaks (Image 7)
szaks@image7.fr
+33 (0)1 53 70 74 63