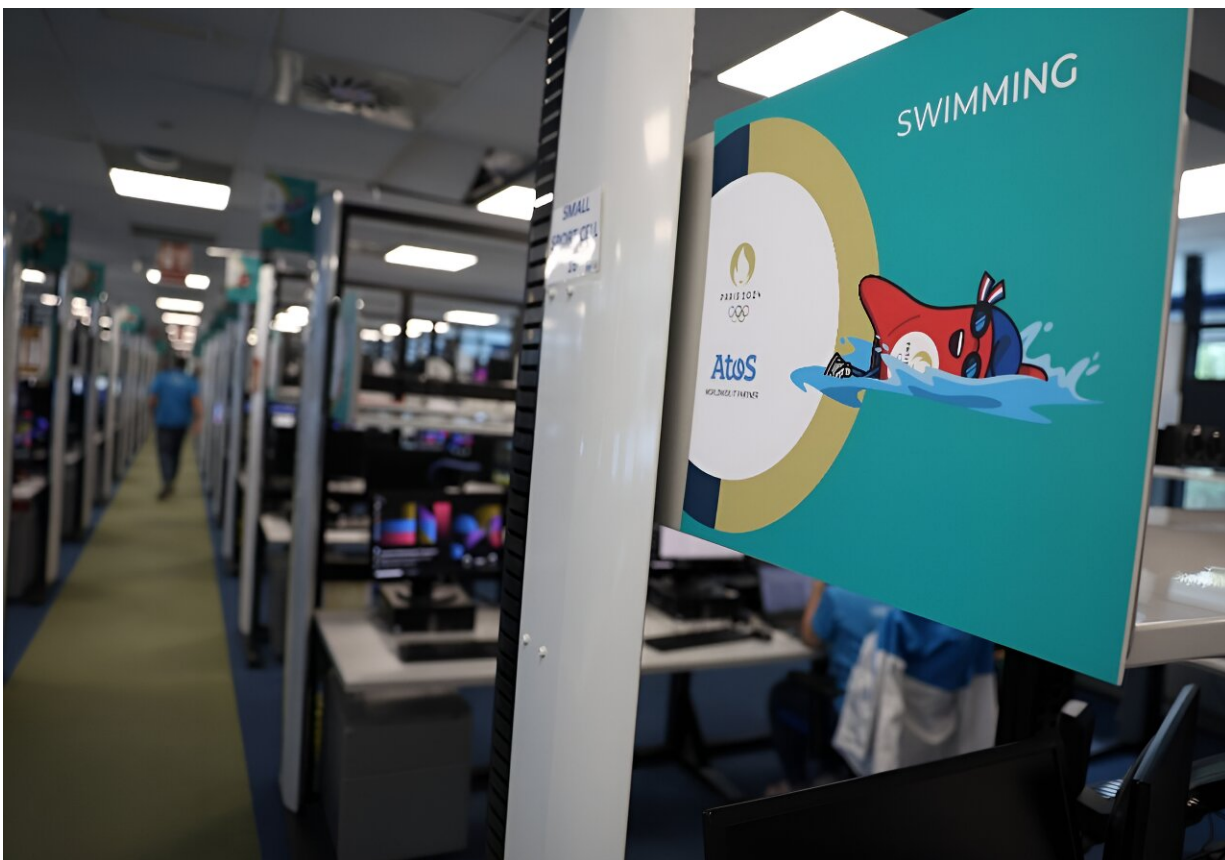


Olympics tech firm Atos posts huge loss but says Games safe

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Atos will transmit Olympic and Paralympic game results nearly instantaneously to broadcasters and media during the summer events.

Debt-ridden French IT group Atos, the cybersecurity and data provider for the Paris Olympics, posted a huge annual loss Tuesday but vowed

that its troubles would not disrupt the Games.

The firm, which will transmit Olympic and Paralympic game results nearly instantaneously to broadcasters and media during the summer events, said it was in talks with creditors to restructure its debt by July.

Atos, the International Olympic Committee's technology partner since the Salt Lake City winter games in 2002, is in charge of managing more than 300,000 accreditations.

After twice postponing the release of annual results, Atos reported on Tuesday a net loss of 3.4 billion euros (\$3.7 billion) for 2023 due to asset writedowns.

Atos, which also has contracts with the French government, has to repay or refinance 3.65 billion euros of loans and bonds maturing by the end of 2025.

"There are no concerns about the Olympic Games," Atos chief executive Paul Saleh said in a telephone conference.

"We have just completed a test phase on the operational level which was extraordinarily well received by everyone," Saleh said.

The company's share price sank by seven percent to 1.60 euros on the Paris stock exchange at around midday. Atos shares were worth 15 euros in late July 2023.

'Complete confidence'

The Olympics organizing committee said last week that it had "complete confidence in the Atos teams ... to honor the contract which binds them" to the IOC and the Paris Games.

Atos' cybersecurity arm, Eviden, will provide cybersecurity to the entire information system for the Games, the Olympic sites, personnel and volunteers.

Organizers expect the Olympics, which will take place from July 26 to August 11, to be the target of cyberattacks.

The company, which employs 95,000 people, will have 300 staff dedicated to the Games, providing round-the-clock services during the event.

To ease concerns, Atos has organized a media visit to its Technology Operations Center, which the company describes as "the control and command center for technology that supervises all 63 Olympic and Paralympic competition and non-competition venues."

Atos is also in charge of integrating other tech partners such as phone company Orange, digital services company Intel, telecoms equipment provider Cisco, timekeeper Omega and audio-video company Panasonic.

'Family jewels'

Concerns about the company's future grew last week when talks to sell its big data and security operations to European aerospace giant Airbus for 1.5 billion to 1.8 billion euros broke down.

In February, Atos failed to reach an agreement to sell some of its operations to Czech businessman Daniel Kretinsky.

David Layani, who heads Atos' biggest shareholder, Onepoint, told Le Figaro newspaper on Sunday that he was opposed to asset sales.

"It's not when you have to reinvent yourself and start again that you have

to sell your family jewels," Layani said.

Saleh said in Tuesday's results statement that Atos was "in discussions with our financial creditors with a view to reaching a refinancing plan by July within the framework of an amicable conciliation procedure".

"Our operating margin has improved year over year, reflecting the execution of our cost improvement plans, while our cash flow was impacted by workforce optimization, separation costs and lower working capital actions," he said.

The company said it has 2.4 billion euros in cash and financial assets to cover its liquidity needs until a deal is reached with creditors.

Atos said it had entered an "amicable conciliation procedure" with creditors, which under French law lasts four months and can be extended by one month.

The group plans to present the parameters of a refining framework to creditors during the week of April 8.

Analysts at financial services group Oddo BHF said, "This refinancing will require debt restructuring, including a significant debt write-off by creditors, implying massive dilution for shareholders."

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