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Capgemini reports Q1 2023 growth above 10%

- **Revenues of €5,729 million, up +10.9% at current exchange rates and +10.7% at constant exchange rates***
- **Bookings of €5,867 million, up +6.5% at constant exchange rates**

Paris, May 4, 2023 – The Capgemini Group reported Q1 2023 revenues of €5,729 million, up +10.9% year-on-year at current exchange rates and +10.7% at constant exchange rates*.

Aiman Ezzat, Chief Executive Officer of the Capgemini Group, said: “Capgemini has delivered a very good start to the year, above expectations, in an economic environment that remains tense with some clients adopting a ‘wait-and-see’ attitude. The trends observed in our markets are in line with the scenario anticipated for 2023. Our performance demonstrates the agility and resilience of our model, and the relevance of our strategy. We continue to reinforce our role as a strategic partner for our clients’ business and technology transformations, with added-value solutions specific to each industry.

We also continue to invest in upskilling our people and enhancing our portfolio of offers. We are expanding our capabilities in technologies and industries to respond to our clients’ business needs in their transition to a digital and sustainable economy. We are thus accelerating on our Sustainability training on key topics such as net zero strategies, clean tech, circular economy, or biodiversity. We are also exploring the most relevant use cases in Artificial Intelligence, notably through our new Generative AI Lab.

This strong first quarter reinforces our confidence in our growth prospects for the year, which should now reach or exceed the mid-point of the targeted range.”

	Revenues (in millions of euros)		Change	
	2022	2023	Reported	At constant exchange rates*
Q1	5,167	5,729	+10.9%	+10.7%

Momentum remained robust in early 2023, with revenue growth of +10.7% at constant exchange rates* in Q1 2023. Organic growth (i.e. adjusted for Group scope and exchange rates) was +10.1%, a deceleration that was more limited than expected given the high comparison base.

* The terms and Alternative Performance Measures marked with an (*) are defined and/or reconciled in the appendix to this press release.



In an economic environment that remains challenging, this performance was mainly driven by the strength of the Group's high added value service offerings in the areas of Intelligent Industry and Customer First.

OPERATIONS BY REGION

Most of the Group's regions continued to grow double-digits at constant exchange rates in Q1 2023.

Revenues in the **United Kingdom and Ireland** region (12% of Group revenues in Q1 2023) increased +13.9% at constant exchange rates, driven by strong growth in the Manufacturing and Consumer Goods sectors and the solid performance of Financial Services and the Public Sector.

Momentum also remained strong in the **Rest of Europe** (31% of Group revenues), with growth of +13.8% at constant exchange rates, driven by double-digit growth in the sectors of Manufacturing, the Public Sector and Financial Services - as well as TMT (Telecoms, Media and Technology) and Energy & Utilities.

Activity in **France** (20% of Group revenues) was dynamic, with growth of +12.4% at constant exchange rates, boosted by strong momentum in the Manufacturing, Financial Services, Consumer Goods and Public sectors.

The **North America** region (29% of Group revenues) recorded comparatively moderate growth of +6.1% at constant exchange rates. While the Manufacturing and Services sectors were particularly dynamic, the Financial Services and Consumer Goods sectors trailed, with growth rates lagging behind other regions. The TMT sector experienced a slight contraction.

Finally, revenues in the **Asia-Pacific and Latin America** region (8% of Group revenues) increased by +8.4% at constant exchange rates. In Asia-Pacific, the robust momentum - now essentially organic - was primarily fueled by the Financial Services, Manufacturing and Consumer Goods sectors.

OPERATIONS BY BUSINESS

All Group business lines reported growth rates of close to or above 10% at constant exchange rates.

Strategy & Transformation services (9% of Group revenues in Q1 2023) and **Applications & Technology** services (62% of Group revenues and Capgemini's core business) posted growth in total revenues* at constant exchange rates of +15.6% and +10.7%, respectively. This strong momentum, albeit decelerating compared to 2022 as expected, reflects the priority given by Group clients to their strategic digital transformation projects.

Operations & Engineering total revenues* (29% of Group revenues) grew +9.2% at constant exchange rates, with sustained activity levels across all the businesses.

HEADCOUNT

At March 31, 2023, the Group's total headcount stood at 357,000, up +5% year-on-year. 207,300 employees work in offshore centers, or 58% of the total headcount, up +4%.

BOOKINGS

Bookings totaled €5,867 million in Q1 2023, up +6.5% year-on-year at constant exchange rates against a particularly high comparison base, with +26% growth in Q1 2022. The book-to-bill ratio of 1.02 is above the average since 2017.

OUTLOOK

The Group's financial targets for 2023 are:

- Revenue growth of +4% to +7% at constant currency;
- Operating margin of 13.0% to 13.2%;
- Organic free cash flow of around €1.8 billion.

The inorganic contribution to growth should be 0.5 points at the lower end of the target range and 1.0 point at the upper end.



CONFERENCE CALL

Aiman Ezzat, Chief Executive Officer, accompanied by Carole Ferrand, Chief Financial Officer, and Olivier Sevilla, Chief Operating Officer, will present this press release during a conference call in English to be held **today at 8.00 a.m. Paris time (CET)**. You can follow this conference call live via webcast at the following [link](#). A replay will also be available for a period of one year.

All documents relating to this publication will be posted on the Capgemini investor website at <https://investors.capgemini.com/en/>.

PROVISIONAL CALENDAR

May 16, 2023	Shareholders' Meeting
July 28, 2023	H1 2023 results

It is recalled that the dividend payment schedule to be submitted to the Shareholders' Meeting for approval would be:

May 30, 2023	Ex-dividend date on Euronext Paris
June 1, 2023	Payment of the dividend

DISCLAIMER

This press release may contain forward-looking statements. Such statements may include projections, estimates, assumptions, statements regarding plans, objectives, intentions and/or expectations with respect to future financial results, events, operations and services and product development, as well as statements, regarding future performance or events. Forward-looking statements are generally identified by the words "expects", "anticipates", "believes", "intends", "estimates", "plans", "projects", "may", "would", "should" or the negatives of these terms and similar expressions. Although Capgemini's management currently believes that the expectations reflected in such forward-looking statements are reasonable, investors are cautioned that forward-looking statements are subject to various risks and uncertainties (including, without limitation, risks identified in Capgemini's Universal Registration Document available on Capgemini's website), because they relate to future events and depend on future circumstances that may or may not occur and may be different from those anticipated, many of which are difficult to predict and generally beyond the control of Capgemini. Actual results and developments may differ materially from those expressed in, implied by or projected by forward-looking statements. Forward-looking statements are not intended to and do not give any assurances or comfort as to future events or results. Other than as required by applicable law, Capgemini does not undertake any obligation to update or revise any forward-looking statement.

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ABOUT CAPGEMINI

Capgemini is a global leader in partnering with companies to transform and manage their business by harnessing the power of technology. The Group is guided everyday by its purpose of unleashing human energy through technology for an inclusive and sustainable future. It is a responsible and diverse organization of nearly 360,000 team members in more than 50 countries. With its strong 55-year heritage and deep industry expertise, Capgemini is trusted by its clients to address the entire breadth of their business needs, from strategy and design to operations, fueled by the fast evolving and innovative world of cloud, data, AI, connectivity, software, digital engineering and platforms. The Group reported 2022 global revenues of €22 billion.

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APPENDICES¹

BUSINESS CLASSIFICATION

- **Strategy & Transformation** includes all strategy, innovation and transformation consulting services.
- **Applications & Technology** brings together “Application Services” and related activities and notably local technology services.
- **Operations & Engineering** encompasses all other Group businesses. These comprise Business Services (including Business Process Outsourcing and transaction services), all Infrastructure and Cloud services, and R&D and Engineering services.

DEFINITIONS

Organic growth or like-for-like growth in revenues is the growth rate calculated **at constant Group scope and exchange rates**. The Group scope and exchange rates used are those for the reported period. Exchange rates for the reported period are also used to calculate **growth at constant exchange rates**.

Reconciliation of growth rates	Q1 2023
Organic growth	+10.1%
Changes in Group scope	+0.6 pt
Growth at constant exchange rates	+10.7%
Exchange rate fluctuations	+0.2 pt
Reported growth	+10.9%

When determining activity trends by business and in accordance with internal operating performance measures, growth at constant exchange rates is calculated based on **total revenues**, i.e., before elimination of inter-business billing. The Group considers this to be more representative of activity levels by business. As its businesses change, an increasing number of contracts require a range of business expertise for delivery, leading to a rise in inter-business flows.

Operating margin is one of the Group’s key performance indicators. It is defined as the difference between revenues and operating costs. It is calculated before “Other operating income and expense” which include amortization of intangible assets recognized in business combinations, the charge resulting from the deferred recognition of the fair value of shares granted to employees (including social security contributions and employer contributions), and non-recurring revenues and expenses, notably impairment of goodwill, negative goodwill, capital gains or losses on disposals of consolidated companies or businesses, restructuring costs incurred under a detailed formal plan approved by the Group’s Management, the cost of acquiring and integrating companies acquired by the Group, including earn-outs comprising conditions of presence, and the effects of curtailments, settlements and transfers of defined benefit pension plans;

Normalized net profit is equal to profit for the year (Group share) adjusted for the impact of items recognized in “Other operating income and expense”, net of tax calculated using the effective tax rate. **Normalized earnings per share** are computed like basic earnings per share, i.e. excluding dilution.

Organic free cash flow is equal to cash flow from operations less acquisitions of property, plant, equipment and intangible assets (net of disposals) and repayments of lease liabilities, adjusted for cash out relating to the net interest cost.

Net debt (or **net cash and cash equivalents**) comprises (i) cash and cash equivalents, as presented in the Consolidated Statement of Cash Flows (consisting of short-term investments and cash at bank) less bank overdrafts, (ii) cash management assets (assets presented separately in the Consolidated Statement of Financial Position due to their characteristics), less (iii) short- and long-term borrowings. Account is also taken of (iv) the impact of hedging instruments when these relate to borrowings, inter-company loans and own shares.

¹ Note that in the appendix, certain totals may not equal the sum of amounts due to rounding adjustments.



RESULTS BY REGION

	Revenues (in millions of euros)		Change	
	Q1 2022	Q1 2023	Reported	At constant exchange rates
North America	1,509	1,663	+10.2%	+6.1%
United Kingdom and Ireland	635	686	+8.0%	+13.9%
France	1,035	1,163	+12.4%	+12.4%
Rest of Europe	1,546	1,739	+12.5%	+13.8%
Asia-Pacific and Latin America	442	478	+8.1%	+8.4%
TOTAL	5,167	5,729	+10.9%	+10.7%

RESULTS BY BUSINESS

	Total revenues* (% of Group revenues)		Change at constant exchange rates in Total revenues* of the business
	Q1 2022	Q1 2023	
Strategy & Transformation	8%	9%	+15.6%
Applications & Technology	63%	62%	+10.7%
Operations & Engineering	29%	29%	+9.2%