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Capgemini Q3 2024 revenues

- **Q3 2024 revenues of €5,377 million, down -1.6% at constant exchange rates***
- **9M 2024 revenues of €16,515 million, down -2.3% at constant exchange rates**
- **FY 2024 constant currency revenue growth target revised to -2.0% to -2.4% and operating margin target narrowed to 13.3% to 13.4%**
- **FY 2024 organic free cash-flow target confirmed at around €1.9 billion**

Paris, October 30, 2024 – The [Capgemini](#) Group reported consolidated revenues of €5,377 million in Q3 2024, down -1.9% year-on-year on a reported basis, and down -1.6% at constant exchange rates*.

Aiman Ezzat, Chief Executive Officer of the Capgemini Group, said: *"Our growth improved marginally in Q3 compared to Q2, despite stronger headwinds than anticipated in some sectors, primarily in Manufacturing. However, we continue to see recovery in Financial Services and gradually lesser headwinds from Telco and Tech.*

In a market that remains soft overall, we expect to deliver a similar growth in Q4 while demonstrating the resilience of our operating margin and organic free cash-flow. Client demand continues to be driven by operational efficiencies and cost reduction and we seize their growing appetite for AI and Gen AI services.

Our positioning as a business and technology transformation partner, the relevance of our offerings and the quality of our talent are driving our solid book-to-bill ratio and growing pipeline of strategic deals. We are also launching a set of targeted actions to simplify our operations to make the Group more agile with a stronger emphasis on growth.

Based on Q4 perspectives, we now expect a full-year constant currency growth rate of -2.0% to -2.4% and narrow the operating margin target to 13.3% to 13.4%, while the organic free cash-flow target of around €1.9 billion is confirmed."

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



Revenues	(in millions of euros)		Change	
	2023	2024	At current exchange rates	At constant exchange rates*
Q3	5,480	5,377	-1.9%	-1.6%
9 months	16,906	16,515	-2.3%	-2.3%

After bottoming out in Q1 2024, Capgemini activity trends improved again in Q3, but only marginally. The Group generated **revenues** of €5,377 million in Q3 2024, down -1.9% year-on-year on a reported basis and -1.6% at constant exchange rates*. On an organic basis (i.e., restated for changes in Group scope and exchange rates), revenues contracted by -2.1%. For the first nine months of the year, growth stands at -2.3%, both on a reported basis and at constant exchange rates.

Clients remained focused on driving efficiencies through large digital transformation programs, at the expense of discretionary deals. This is fueling strong demand for Capgemini's Cloud and Data & AI/GenAI services, as well as for digital core modernization and intelligent supply chain services that are key focus themes in the current environment.

Bookings totaled €5,222 million in Q3 2024, down -0.8% at constant exchange rates, leading to a book-to-bill ratio of 0.97 for the period. Generative AI bookings amounted to around €600 million over the last 9 months which represent around 3.5% of Group bookings.

OPERATIONS BY REGION

In the Group's largest regions, Q3 growth rates remained similar to Q2. Overall, this reflects the continued recovery in Financial Services across all regions combined with, as anticipated, a slowdown in the Manufacturing sector.

At constant exchange rates, revenues in the **North America** region (28% of Group revenues in Q3 2024) decreased by -3.9% year-on-year. Financial Services further improved, yet still posting a year-on-year decline in Q3. Overall, the revenue contraction was driven by the Consumer Goods & Retail, Energy & Utilities, and Public sectors.

Revenues in the **United Kingdom and Ireland** region (13% of Group revenues) returned to positive growth at +0.4%. The continued dynamism of the Energy & Utilities sector and a resilient Manufacturing sector outweighed the contraction in the Consumer Goods & Retail sector.

Revenues in **France** (19% of Group revenues) decreased by -2.5%. Growth in the Public Sector, along with positive momentum in TMT (Telecoms, Media & Technology), were more than offset by the slowdown of the Manufacturing sector.

Revenues in the **Rest of Europe** region (31% of Group revenues) increased by +0.6%. Solid growth in Financial Services, as well as continued dynamism in Energy & Utilities and Public Sector, made up for the contraction in the Manufacturing and TMT sectors.

Lastly, revenues in the **Asia-Pacific and Latin America** region (9% of Group revenues) were down -2.2%. In the Asia-Pacific region, strong momentum in the Public Sector and improving Financial Services were more than offset by visible weakness in the Consumer Goods & Retail and Manufacturing sectors. Growth acceleration in Latin America was mostly driven by the Consumer Goods & Retail sector.



OPERATIONS BY BUSINESS

In Q3 2024, at constant exchange rates, the growth in **Strategy & Transformation** services (9% of the Group's total revenues* in Q3 2024) further strengthened to +6.5% year-on-year. This reflects continued client demand for strategic consulting on their transition towards a more digital and sustainable model as well as their unwavering interest in the broad AI and GenAI opportunities.

In **Applications & Technology** services (63% of the Group's total revenues and Capgemini's core business), growth rates improved by 170 basis points compared to Q2, to -1.2% year-on-year in Q3.

Lastly, **Operations & Engineering** total revenues (28% of the Group's total revenues) decreased by -3.4% primarily driven by the contraction in Infrastructure Services and, to a lesser extent, Engineering services.

HEADCOUNT

The Group's total headcount stands at 338,900 as at September 30, 2024, down -1.1% year-on-year and up +0.6% since the end of June. The offshore workforce stands at 194,400 employees or 57% of the total headcount.

OUTLOOK

The Group's financial targets for 2024 are updated as follows:

- Revenue growth of -2.0% to -2.4% at constant currency (was -0.5% to -1.5%);
- Operating margin of 13.3% to 13.4% (was 13.3% to 13.6%);
- Organic free cash-flow of around €1.9 billion (unchanged).

The inorganic contribution to growth should be 40 basis points.

CONFERENCE CALL

Aiman Ezzat, Chief Executive Officer, accompanied by Nive Bhagat, 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

February 18, 2025	FY 2024 results
April 29, 2025	Q1 2025 revenues
May 7, 2025	Shareholders' Meeting
July 30, 2025	H1 2025 results

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



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This press release does not contain or constitute an offer of securities for sale or an invitation or inducement to invest in securities in France, the United States or any other jurisdiction.

ABOUT CAPGEMINI

Capgemini is a global business and technology transformation partner, helping organizations to accelerate their dual transition to a digital and sustainable world, while creating tangible impact for enterprises and society. It is a responsible and diverse group of 340,000 team members in more than 50 countries. With its strong over 55-year heritage, Capgemini is trusted by its clients to unlock the value of technology to address the entire breadth of their business needs. It delivers end-to-end services and solutions leveraging strengths from strategy and design to engineering, all fueled by its market leading capabilities in AI, cloud and data, combined with its deep industry expertise and partner ecosystem. The Group reported 2023 global revenues of €22.5 billion.

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APPENDIX¹

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 2024	Q2 2024	Q3 2024	9M 2024
Organic growth	-3.6%	-2.3%	-2.1%	-2.7%
Changes in Group scope	+0.3 pts	+0.4 pts	+0.5 pts	+0.4 pts
Growth at constant exchange rates	-3.3%	-1.9%	-1.6%	-2.3%
Exchange rate fluctuations	-0.2 pts	+0.4 pts	-0.3 pts	-0.0 pts
Reported growth	-3.5%	-1.5%	-1.9%	-2.3%

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.

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



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, expenses relative to share-based compensation (including social security contributions and employer contributions) and employee share ownership plan, 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** is 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) 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, and also including (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, intercompany loans, and own shares.

REVENUES BY REGION

	Revenues (in millions of euros)		Year-on-year growth	
	Q3 2023	Q3 2024	Reported	At constant exchange rates
North America	1,608	1,530	-4.9%	-3.9%
United Kingdom and Ireland	676	690	+2.1%	+0.4%
France	1,045	1,019	-2.5%	-2.5%
Rest of Europe	1,633	1,646	+0.8%	+0.6%
Asia-Pacific and Latin America	518	492	-5.0%	-2.2%
TOTAL	5,480	5,377	-1.9%	-1.6%

	Revenues (in millions of euros)		Year-on-year growth	
	9 months 2023	9 months 2024	Reported	At constant exchange rates
North America	4,896	4,638	-5.3%	-4.9%
United Kingdom and Ireland	2,062	2,070	+0.4%	-1.8%
France	3,353	3,264	-2.6%	-2.6%
Rest of Europe	5,105	5,116	+0.2%	+0.1%
Asia-Pacific and Latin America	1,490	1,427	-4.2%	-1.9%
TOTAL	16,906	16,515	-2.3%	-2.3%



REVENUES BY BUSINESS

	Total revenues* <i>(% of Group revenues)</i>	Year-on-year growth at constant exchange rates in total revenues of the business
	Q3 2024	
Strategy & Transformation	9%	+6.5%
Applications & Technology	63%	-1.2%
Operations & Engineering	28%	-3.4%

	Total revenues* <i>(% of Group revenues)</i>	Year-on-year growth at constant exchange rates in total revenues of the business
	9 months 2024	
Strategy & Transformation	9%	+3.9%
Applications & Technology	62%	-2.7%
Operations & Engineering	29%	-2.3%