

2017

H1 RESULTS

Paris • July 27th, 2017



People matter, results count.

Disclaimer

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Paul **HERMELIN**

First half 2017: momentum confirmed



Revenues

+3.0% CC
YoY

€6,412m



Digital & Cloud

+23% CC
YoY

35% of H1 revenues



Bookings

€6,389m



Operating Margin

+30bps

10.5% of revenues



Organic FCF

€64m



Normalized EPS

+12%

€2.81 per share

A strong set of growth drivers



Buoyant demand in **Digital & Cloud**, engine of our growth, supported by **Consulting services** (+10.7%)



Excellent performance in **Continental Europe**, thanks to our combined strengths in Application services and Consulting services



Strong development in **fast growing economies** (+20% in APAC)



Gaining market shares in **Manufacturing** (+9.7%) and **Financial services** (+7.7%), where we leverage our **sectorial expertise**

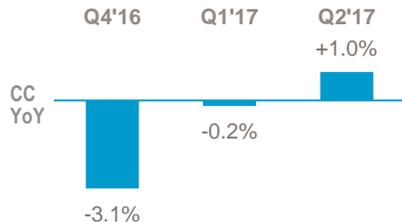


While improving **operating margin** and **free cash flow generation**

Good growth dynamic in our main markets



North America On track



- **Investing** for growth acceleration
- Gaining market share in a dynamic **Manufacturing** sector
- Massive adoption of **cloud**
- Pricing pressure on renewals



UK Solid performance

- Healthy private sector, with high growth in **EUC** and **FS**
- Completed HMRC insourcing
- Limited impact of **Brexit** on activities in H1



Continental Europe Reinforced leadership

- Very dynamic **Germany**, **Nordics** & **Italy** ; sustained momentum in **France** ; improving trend in **Benelux**
- Particularly strong traction on **Digital**
- Fast offshore transition (+4 points YoY)

A growth fueled by our portfolio transition toward Digital...

Strong sectorial expertise and solid technological know-how

- Digital bookings now stand for 62% of our **Consulting** business (+4 points YoY)
- Sectorial bets in **CPRD, Auto** and **Financial Services**
- Solid traction from **Digital Customer Experience** and **Digital Manufacturing**

Supported by a strong ecosystem of partners



Leveraging our acquisitions

- Building a **global network of creative studios**
- **Prestigious west coast logos**
- Strengthen our relevance to CxOs

Novelis



VATTENFALL



HOUSE OF FRASER
SINCE 1849



A leading aerospace company

A French international retail company

... and Cloud & Cybersecurity, the foundations of the Digital world

◆ Strong growth on cloud services

- ◆ Apps migration to public cloud
- ◆ Apps integration in the cloud
- ◆ Cloud native applications
- ◆ Hybrid Automation & hybrid managed services

◆ Automated apps migration factories, our Public cloud Managed services **cockpits**



◆ Solid momentum on **Cybersecurity services**

- ◆ **GDPR** (European General data Protection Regulation) services
- ◆ **Hybrid cloud protection**
- ◆ Security monitoring (**SOC**)
- ◆ Developing **onshore** and **offshore** capacities



A large building and industrial services company

A leading global oilfield services company

A multinational biopharmaceutical company

A multinational banking and financial services holding company



High growth in cloud and cybersecurity services

In a demanding environment, accelerating our competitiveness

Deploying our competitiveness efforts across all businesses

- Transforming our **Infrastructure services** toward a leaner and more competitive organization
- Platform-based **BPO** with high level of industrialization
- New **Smart ADM offer** leveraging our cost efficient AD and AM factories
- Strengthening **pyramid management**
- Fast **transition to offshore** in Europe

Progressing on automation to address market demand

- Automation drive: **270+ customer deployments;**
2,500+ robots deployed
- Solid **experts community**, built through our **Automation Academy**
 - **4,000** automation experts in Robotic Process Automation, cognitive technologies and AI
- Growing **RPA** engagements, leveraging our assets
 - ISG Paragon award
RPA with Zurich Insurance

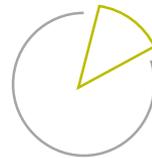


2017 outlook



Constant currency revenue growth

+3%



Operating margin

11.7% - 11.9%



Organic free cash flow

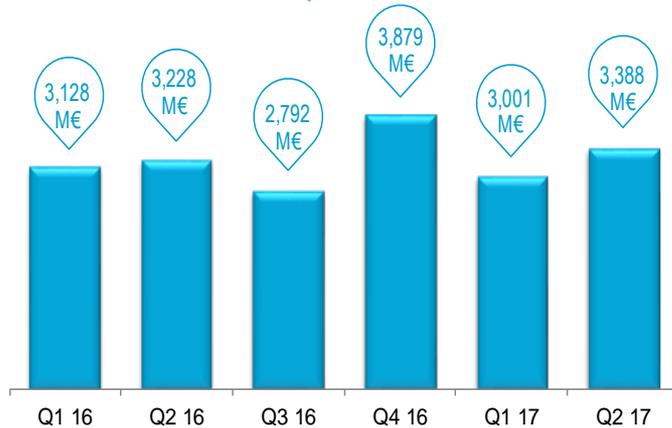
> €950m



Rosemary **STARK**

Good sales momentum entering H2

Bookings evolution



Constant currency growth

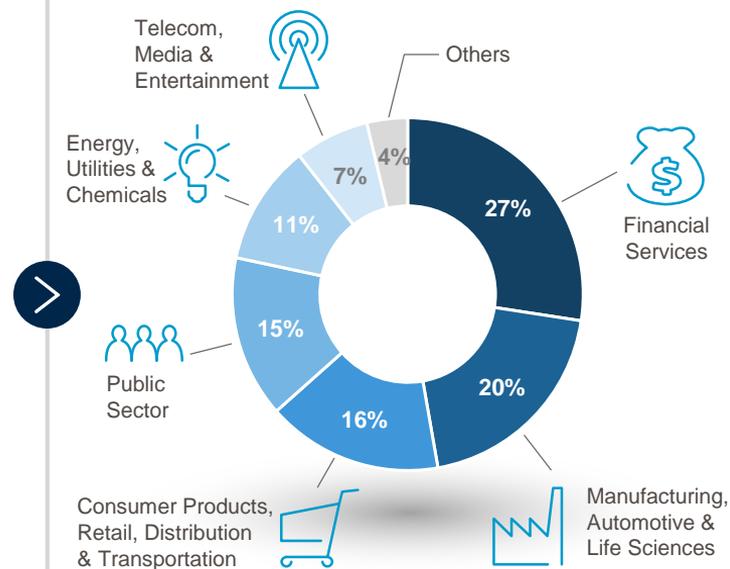
+17.6% +24.8% +14.1% +5.4% -3.2% +4.8%

Highlights

- Strong finish to H1 – achieved bookings of €6.4 billion
- Another quarter of >€3billion bookings
- 12% increase in the H2 pipeline YoY
- 12% increase in Digital and Cloud pipeline

Q2 & H1 2017 Revenues by Sector

	Year-on-Year	
	Constant Currency	
	H1 2017 / H1 2016	Q2 2017 / Q2 2016
Financial Services	+7.7%	+7.4%
Energy, Utilities & Chemicals	+0.2%	+1.0%
Manufacturing	+9.7%	+10.2%
Consumer Product, Retail, Dist. & Transportation	+4.8%	+6.0%
Public Sector	-7.5%	-9.5%
Telecom, Media & Entertainment	-1.9%	-2.1%
TOTAL	+3.0%	+3.3%



Driving growth through client focus

Attracting New Clients

CPRD



Mr.Dricolage

TME



MALS



OneWeb Satellites

FS



SUNLIGHT FINANCIAL



EUC



Expanding Existing Clients

- >97% of revenue from existing clients
- Top 100 clients are growing at 5%
- Expanding our global client base
- Cross-selling the Group portfolio into our targeted accounts





Aiman
EZZAT

Financial Overview

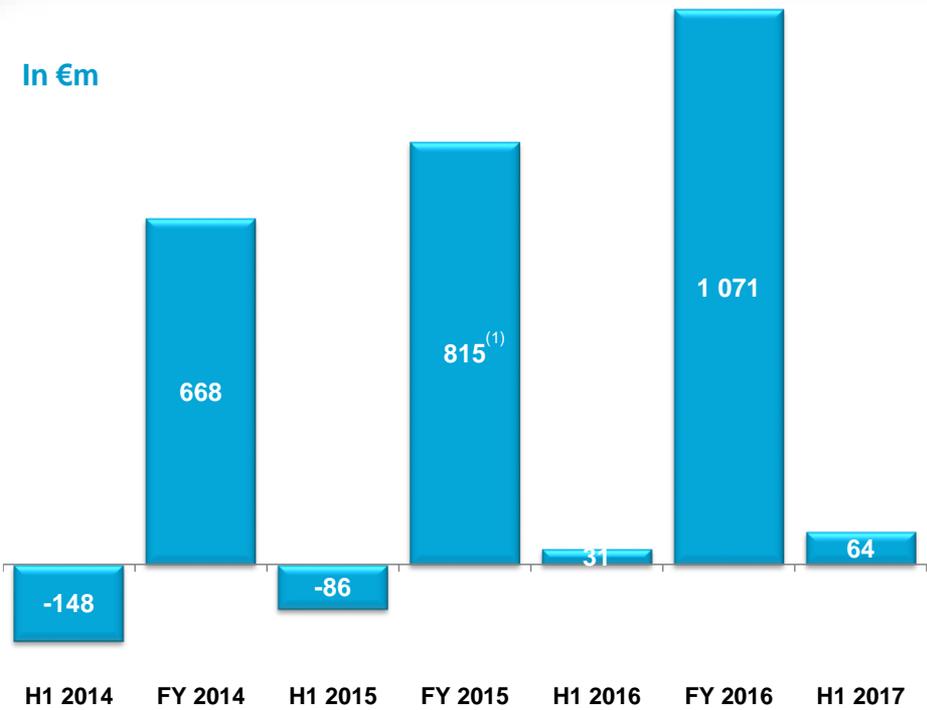
in €m	H1 2016	H1 2017	H1 2017 / H1 2016
Revenues	6 257	6 412	+2.5%
Operating expenses	-5 619	-5 740	
Operating margin	638	672	+5%
(% Revenues)	10.2%	10.5%	+0.3pt
Other operating income and expenses	-128	-134	
Operating profit	510	538	+6%
(% Revenues)	8.1%	8.4%	+0.3pt
Net financial expense	-62	-28	
Income tax	-87	-140	
Non-controlling interests	5	5	
Net Profit (Group Share)	366	375	+3%
(% Revenues)	5.8%	5.9%	+0.1pt
Basic EPS in €	2.15	2.23	+4%
Normalized EPS in € ⁽¹⁾	2.52 ⁽²⁾	2.81	+12%
Organic Free cash flow	31	64	+33



+3.0%
constant currency
growth⁽³⁾

(1) Normalized EPS is basic EPS using normalized net profit defined as net profit (Group share) corrected for the impact of items recognized in 'other operating income and expense', net of tax calculated using ETR.
 (2) H1 2016 normalized EPS before recognition of €32m one-off non-cash income from DTA recognition
 (3) As announced on the publication of the outlook for 2017, growth at constant exchange rates and organic growth are presented after removing the Brazilian equipment resale activity that is being discontinued from 2016 and 2017 revenues

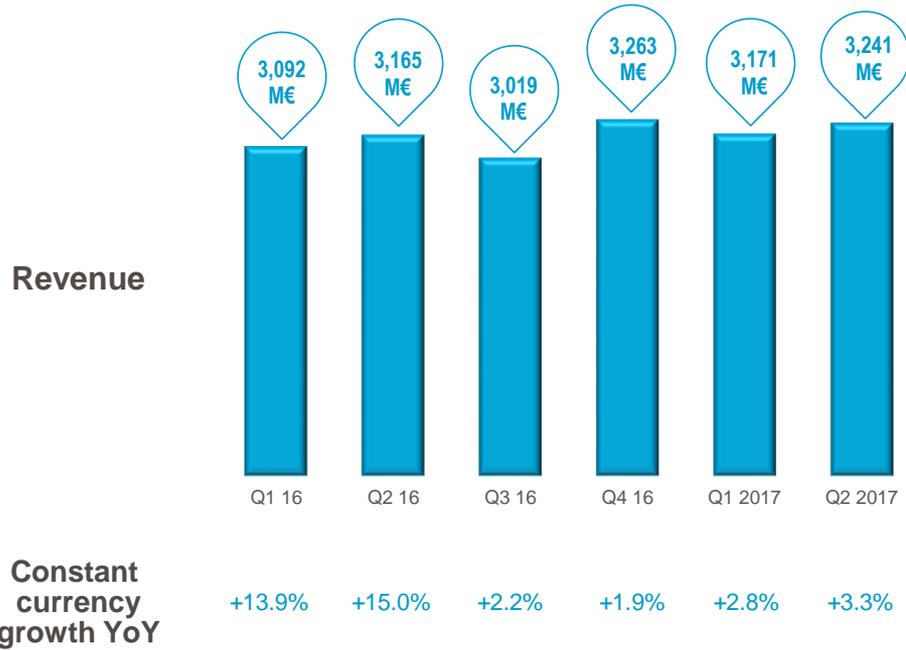
Organic Free Cash Flow



Net debt
June 30, 2017
€1,929M

(1) After the €76m outflow recognized in connection with the increase in the Group's majority stake in its Brazilian subsidiary CPM Braxis

Revenues Quarterly Evolution



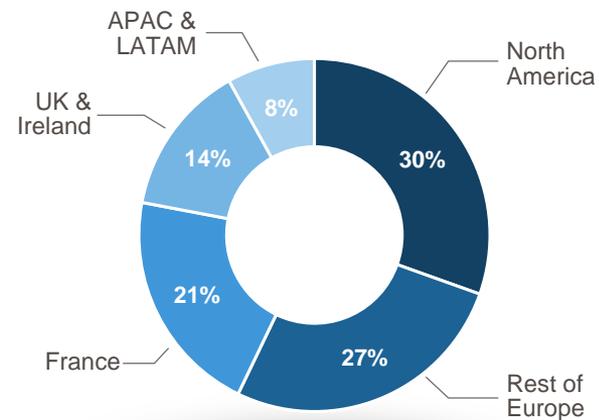

H1 constant currency growth ⁽¹⁾ +3.0% YoY

	Q2 YoY growth	H1 YoY growth
Organic	+ 2.9%	+ 2.7%
Group scope	+0.4pt	+0.3pt
Constant currency	+ 3.3%	+ 3.0%
currencies	-0.6pt	-0.2pt
Current	+ 2.7%	+ 2.8%
activities being discontinued	-0.3pt	-0.3pt
Reported	+ 2.4%	+ 2.5%

(1) As announced on the publication of the outlook for 2017, growth at constant exchange rates and organic growth are presented after removing the Brazilian equipment resale activity that is being discontinued from 2016 and 2017 revenues

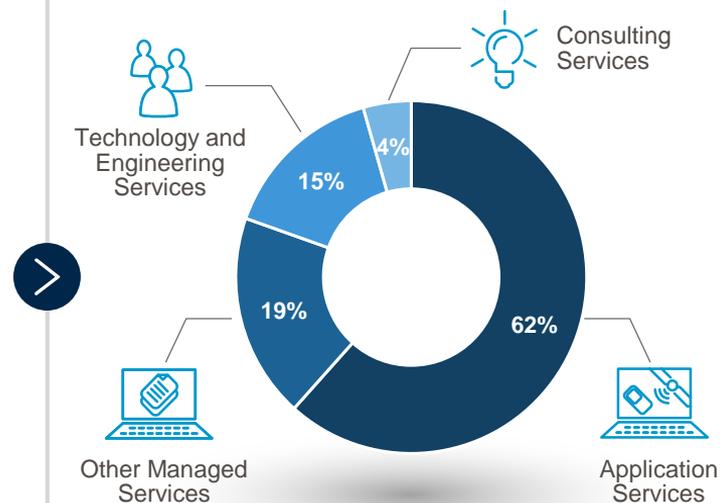
Q2 & H1 2017 Revenues by Main Geography

	Q2	H1			
	Constant Currency	Revenue in €m		Reported	Constant Currency
	Q2 2017 / Q2 2016 Year-on-Year	H1 2016	H1 2017	H1 2017 / H1 2016 Year-on-Year	H1 2017 / H1 2016 Year-on-Year
North America	+1.0%	1 891	1 956	+3.5%	+0.4%
UK & Ireland	-4.2%	1 048	894	-14.7%	-5.9%
France	+4.1%	1 273	1 332	+4.7%	+4.7%
Rest of Europe	+8.1%	1 590	1 712	+7.6%	+7.9%
APAC & LATAM	+9.0%	455	518	+13.9%	+11.1%
TOTAL	+3.3%	6 257	6 412	+2.5%	+3.0%



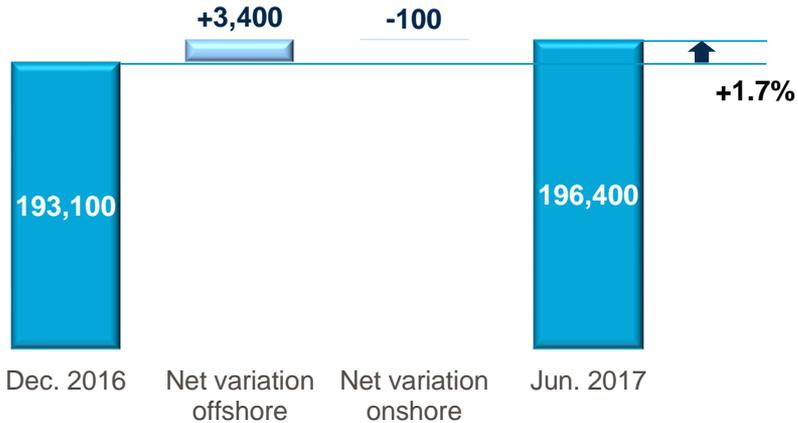
Q2 & H1 2017 Revenues by Business

	Year-on-Year	
	Constant Currency	
	Q2 2017 / Q2 2016	H1 2017 / H1 2016
Consulting Services	+11.0%	+10.7%
Technology and Engineering Services	+1.8%	+3.5%
Application Services	+6.0%	+5.6%
Other Managed Services	-5.5%	-6.6%
TOTAL	+3.3%	+3.0%



Headcount Evolution

HEADCOUNT DECEMBER 2016 TO JUNE 2017



ATTRITION H1 2017 / H1 2016

Attrition	H1 2016	H1 2017	Year-on-Year variation
Consulting Services	19.1%	19.2%	+0.1pt
Technology and Engineering Services	16.9%	19.1%	+2.2pt
Application Services	16.8%	17.3%	+0.5pt
Other Managed Services	21.1%	20.4%	-0.7pt
TOTAL	17.8%	18.0%	+0.2pt

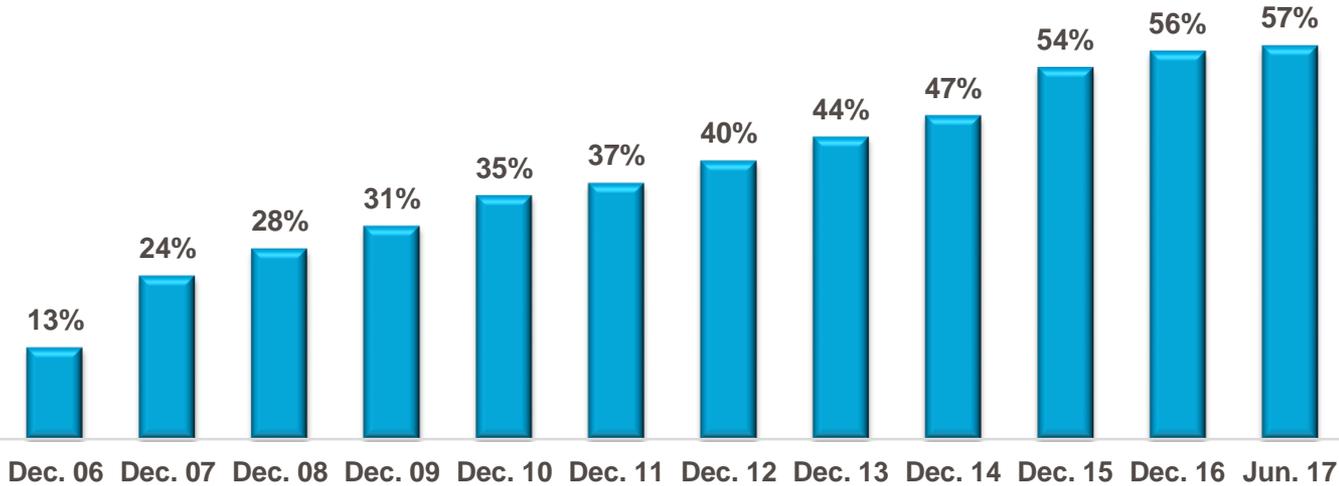


Workforce in global production centers:



Offshore Leverage from 2006 to 2017

(Total Headcount)



Operating Margin by Geography

In €m	H1 2016			H1 2017		
	Revenues	Operating margin	%	Revenues	Operating margin	%
North America	1 891	285	15.1%	1 956	259	13.2%
UK & Ireland	1 048	152	14.5%	894	135	15.1%
France	1 273	85	6.6%	1 332	95	7.1%
Rest of Europe	1 590	141	8.9%	1 712	190	11.1%
APAC & LATAM	455	17	3.8%	518	31	6.0%
Not allocated	-	-42	-	-	-38	-
TOTAL	6 257	638	10.2%	6 412	672	10.5%

Operating Margin by Business

	H1 2016	H1 2017
Consulting Services	10.4%	10.6%
Technology and Engineering Services	11.3%	12.2%
Application Services	11.4%	11.9%
Other Managed Services	9.2%	7.7%
TOTAL	10.2%	10.5%

Operating Margin by Destination

In €m	H1 2016	H1 2017
Revenues	6 257	6 412
Cost of services rendered	-4 606	-4 719
% of revenues	-73.6%	-73.6%
Gross margin	1 651	1 693
% of revenues	26.4%	26.4%
Selling Expenses	-524	-542
% of revenues	-8.4%	-8.5%
General & Administrative Expenses	-489	-479
% of revenues	-7.8%	-7.4%
Operating Margin	638	672
% of revenues	10.2%	10.5%

Net Financial Expense and Income Tax Expense

In €m	H1 2016	H1 2017
Interest on bonds	-45	-28
Other interest income and expense	2	24
Net interest expense	-43	-4
Other financial income & expenses	-19	-24
Net financial expense	-62	-28

In €m	H1 2016	H1 2017
Income tax	-87 ⁽¹⁾	-140
Effective tax rate	19.4%	27.4%
Effective tax rate, before one-off	26.5%	27.4%

(1) Include €32m one-off non-cash income from DTA recognition

Net Profit Analysis

in €m	H1 2016	H1 2017
Operating margin	638	672
Other operating income and expenses	-128	-134
<i>of which</i>		
<i>Restructuring costs</i>	-31	-50
<i>Amortization of intangible assets acquired through business combinations</i>	-35	-33
<i>Acquisition and integration costs</i>	-38	-17
Operating profit	510	538
Net financial expense	-62	-28
Income tax expense	-87	-140
Non-controlling interests	5	5
Net profit (Group share)	366	375
Average number of shares	170 241 240	168 548 476
Basic EPS - in €	2.15	2.23
Normalized EPS (non diluted) - in € ⁽¹⁾	2.52 ⁽²⁾	2.81

(1) Normalized EPS is basic EPS using normalized net profit defined as net profit (Group share) corrected for the impact of items recognized in other 'operating income and expense', net of tax calculated using ETR.

(2) H1 2016 normalized EPS before recognition of €32m one-off non-cash income from DTA recognition

2017 Priorities

2017 Priorities

Maintain discipline around acquisition and integration of targets

Focus on investments to support organic growth while maintaining mid term margin trajectory

Sustain effort on Free Cash Flow generation

Maintain balance between return to shareholders and M&A



H1 achievement

All integrations on track with strong people retention

Managed H1 balance between investment and margin improvement

Continued improvement in FCF generation

Returned €338M
M&A* €121M

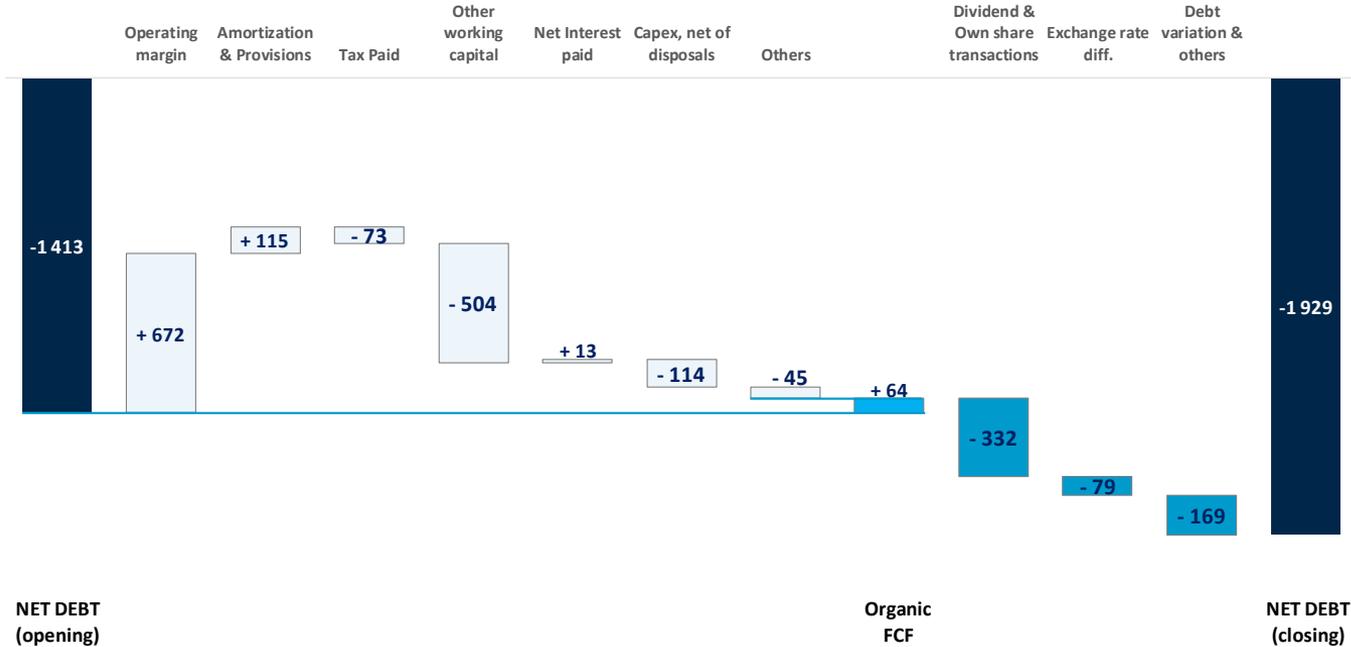
* Net of divestments and cash in acquired business



Appendix

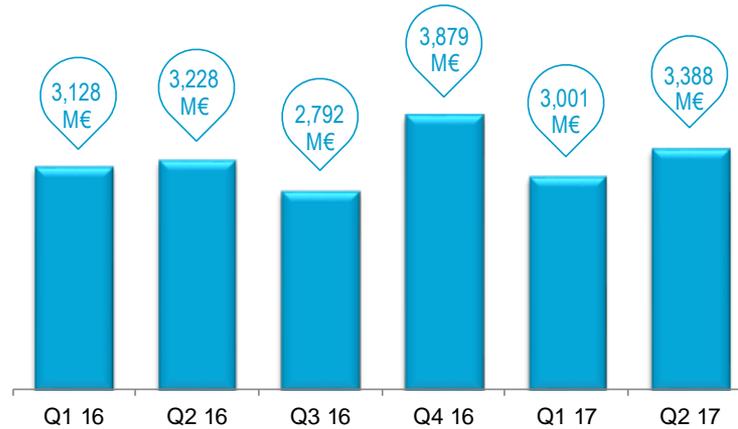
Net Cash Evolution

In €m



Previous Year	Operating margin	Amortization & Provisions	Tax Paid	Other working capital	Net Interest paid	Capex, net of disposals	Others	Organic FCF	Dividend & Own share transactions	Exchange rate diff.	Debt variation & others	NET DEBT (closing)
-1 767	+638	+131	-94	-502	-8	-74	-60	+31	-387	-63	-92	-2 278

Bookings Evolution



Constant currency
growth

+17.6%

+24.8%

+14.1%

+5.4%

-3.2%

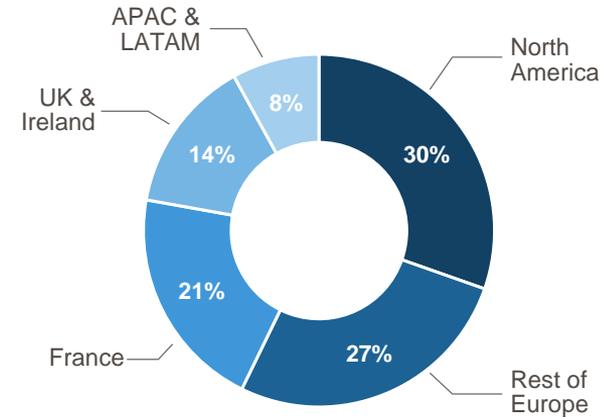
+4.8%

Revenue Quarterly Evolution

	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Q2 2017	H1 2017
in €m published	3 092	3 165	3 019	3 263	3 171	3 241	6 412
Sequential reported growth	-5.5%	+2.4%	-4.6%	+8.1%	-2.8%	+2.2%	+2.1%
Sequential organic growth	-4.3%	+3.0%	-3.9%	+7.2%	-3.6%	+3.2%	+1.3%
Year-on-Year reported growth	+11.8%	+11.3%	-0.6%	-0.2%	+2.6%	+2.4%	+2.5%
Year-on-Year organic growth	+2.9%	+3.8%	+2.1%	+1.6%	+2.6%	+2.9%	+2.7%

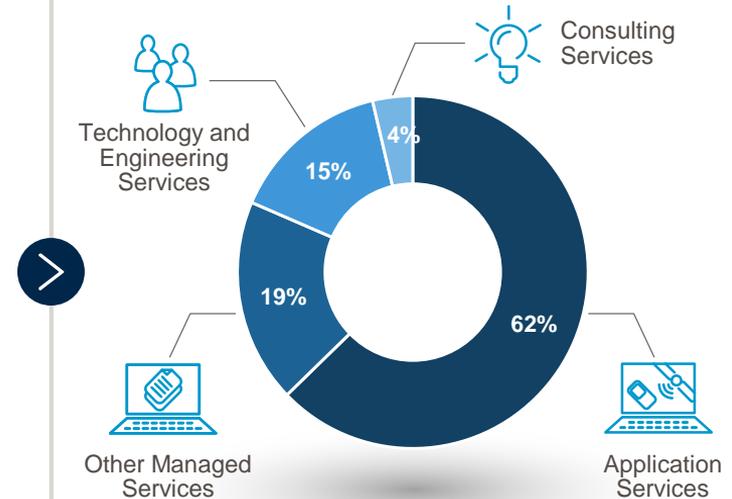
Q2 2017 Revenues by Main Geography

	in €m			Sequential		Year-on-Year	
	Q2 2016	Q1 2017	Q2 2017	Reported	Constant Currency	Reported	Constant Currency
				Q2 2017 / Q1 2017	Q2 2017 / Q1 2017	Q2 2017 / Q2 2016	Q2 2017 / Q2 2016
North America	953	972	984	+1.2%	+4.6%	+3.3%	+1.0%
UK & Ireland	523	435	459	+5.4%	+5.4%	-12.2%	-4.2%
France	640	666	666	+0.0%	+0.0%	+4.1%	+4.1%
Rest of Europe	811	841	871	+3.6%	+4.2%	+7.4%	+8.1%
APAC & LATAM	238	257	261	+1.5%	+3.5%	+9.3%	+9.0%
TOTAL	3 165	3 171	3 241	+2.2%	+3.5%	+2.4%	+3.3%



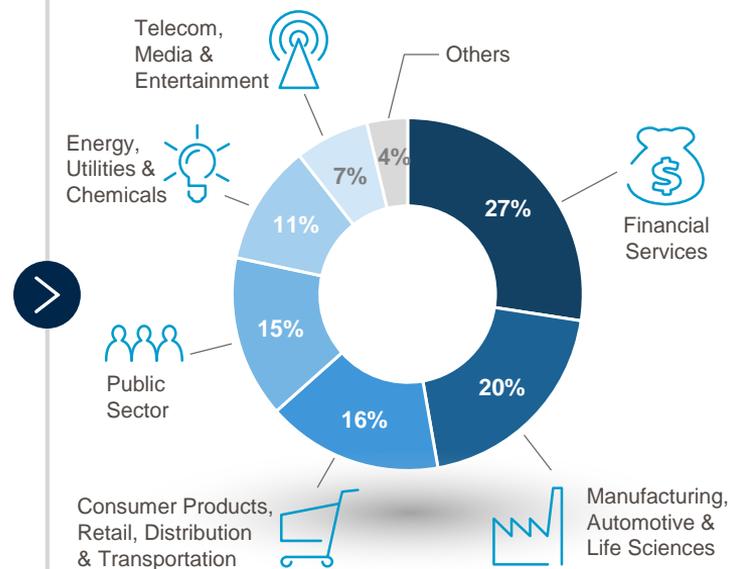
Q2 2017 Revenues by Business

	Sequential	Year-on-Year
	Constant Currency	
	Q2 2017 / Q1 2017	Q2 2017 / Q2 2016
Consulting Services	+4.6%	+11.0%
Technology and Engineering Services	-3.1%	+1.8%
Application Services	+5.2%	+6.0%
Other Managed Services	+3.4%	-5.5%
TOTAL	+3.5%	+3.3%



Q2 & H1 2017 Revenues by Sector

	Year-on-Year	
	Constant Currency	
	H1 2017 / H1 2016	Q2 2017 / Q2 2016
Financial Services	+7.7%	+7.4%
Energy, Utilities & Chemicals	+0.2%	+1.0%
Manufacturing	+9.7%	+10.2%
Consumer Product, Retail, Dist. & Transportation	+4.8%	+6.0%
Public Sector	-7.5%	-9.5%
Telecom, Media & Entertainment	-1.9%	-2.1%
TOTAL	+3.0%	+3.3%



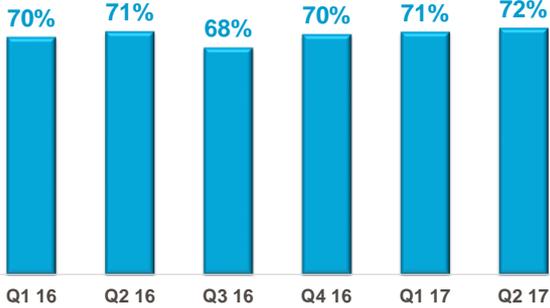
Operating Margin by Nature

In €m	H1 2016	H1 2017
Revenues	6 257	6 412
Personnel costs	-3 889	-4 132
% of Revenues	-62.2%	-64.4%
Purchases and subcontracting expenses	-1 115	-1 027
% of Revenues	-17.8%	-16.0%
Travel expenses	-258	-260
% of Revenues	-4.1%	-4.0%
Rent, facilities and local taxes	-197	-175
% of Revenues	-3.1%	-2.7%
Depreciation, amortization, provisions and proceeds from asset disposal	-160	-146
% of Revenues	-2.6%	-2.4%
Total operating expenses	-5 619	-5 740
% of Revenues	-89.8%	-89.5%
Operating margin	638	672
% of Revenues	10.2%	10.5%

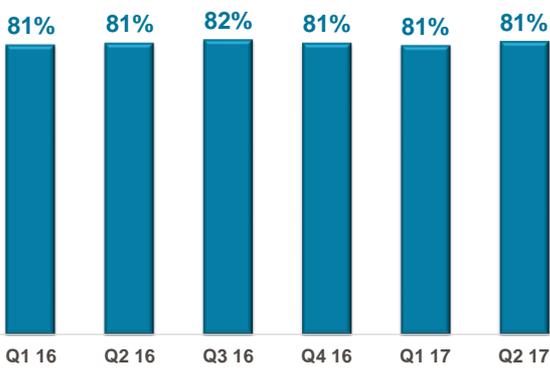
Utilization Rates



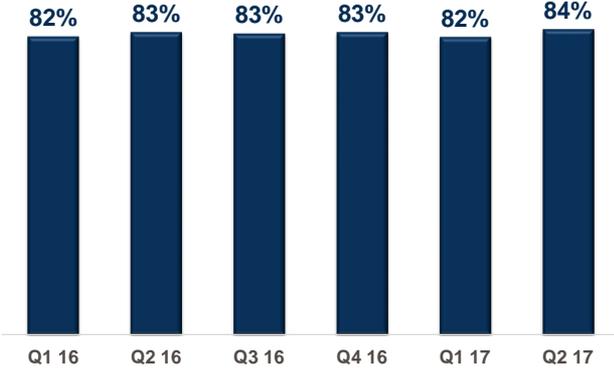
Consulting Services



Application Services



Technology and Engineering Services



Net Cash Evolution

In €m	H1 2016	H1 2017
Profit for the period	361	370
Goodwill impairment		
Depreciation, amortization and impairment of fixed assets	147	153
Change in provisions	8	-3
Losses on disposals of assets	4	8
Net finance costs	43	4
Income tax expense / (income)	87	140
Other non-cash items	18	63
Cash flows from operations before net finance costs and income tax	668	735
Income tax paid	-94	-73
Change in restructuring debt	-2	8
Changes in operating working capital	-459	-506
Operating cash flows (A)	113	164
Capital expenditure (net of proceeds) (B)	-74	-113
Cash outflows on business combinations net of cash & cash equivalents acquired	-22	-121
Increase in share capital	0	0
Increase in share capital subscribed by non-controlling interests	0	0
Dividends paid	-229	-262
Net payments relating to treasury shares transactions	-158	-70
Change in debt	-68	-59
Interest paid & received (C)	-8	13
Translation, perimeter changes & other	-65	-68
Change in net cash and cash equivalents	-511	-516
Opening net cash and cash equivalents	-1 767	-1 413
Closing net cash and cash equivalents	-2 278	-1 929
Organic Free Cash Flow (A) + (B) + (C)	31	64

Balance Sheet

ASSETS			EQUITY & LIABILITIES		
In €m	Dec 31, 2016	Jun 30, 2017	In €m	Dec 31, 2016	Jun 30, 2017
			Equity ⁽¹⁾	7 272	6 845
			Non-controlling interests	13	10
			Total equity	7 285	6 855
Goodwill	7 176	6 939	Long-term borrowings	3 287	3 284
Intangible assets	813	720	Deferred taxes	227	212
Property, plant & equipment	754	757	Provisions for pensions ⁽²⁾	1 374	1 364
Deferred taxes	1 473	1 407	Non-current provisions	26	28
Other non-current assets	374	377	Other non-current liabilities	292	287
Total non-current assets	10 590	10 200	Total non-current liabilities	5 206	5 175
			Short-term borrowings and bank overdrafts	125	192
Accounts & notes receivable	3 074	3 162	Accounts and notes payable	2 818	2 480
Current tax receivables	132	116	Advances from cust. and billed in advance	737	728
Other current assets	627	659	Current provisions	104	81
Cash management assets	157	207	Current tax liabilities	109	94
Cash and cash equivalents	1 879	1 319	Other current payables	75	58
Total current assets	5 869	5 463	Total current liabilities	3 968	3 633
Total Assets	16 459	15 663	Total Equity & Liabilities	16 459	15 663

(1) attributable to owners of the company

(2) and other post-employment benefits



CONSULTING.TECHNOLOGY.OUTSOURCING