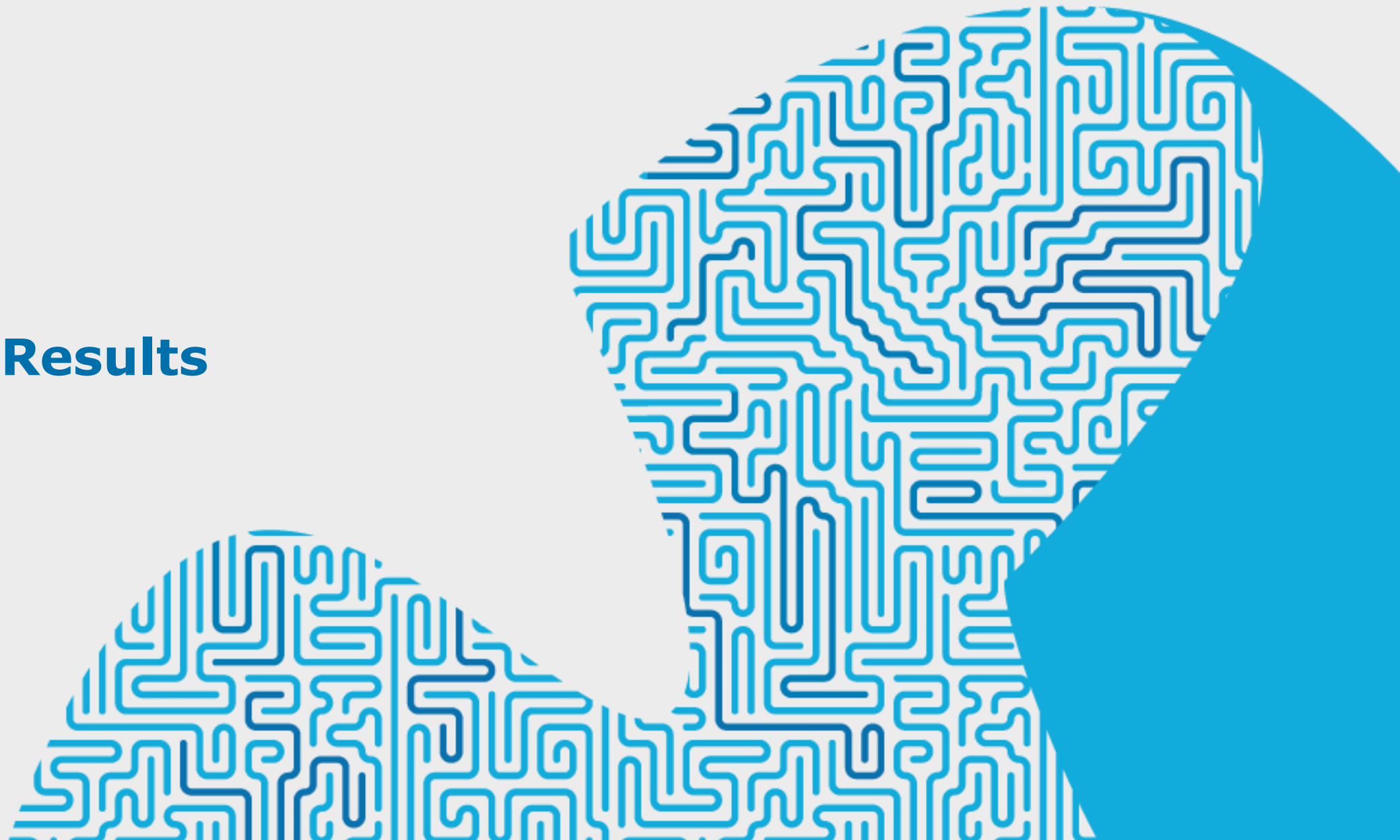




# 2019 Full Year Results

February 13<sup>th</sup>, 2020



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# Paul **HERMELIN**

Chairman and CEO





# A strong set of results in 2019, momentum continuing



**Revenues**

**+5.3%** CC YoY

€14,125m



**Digital & Cloud**

**>+20%** CC YoY



**Bookings**

**+11%** CC YoY

€15,138m



**Operating Margin**

**+20bps**

12.3% of revenues



**Organic FCF**

**€1,288m**

+16%

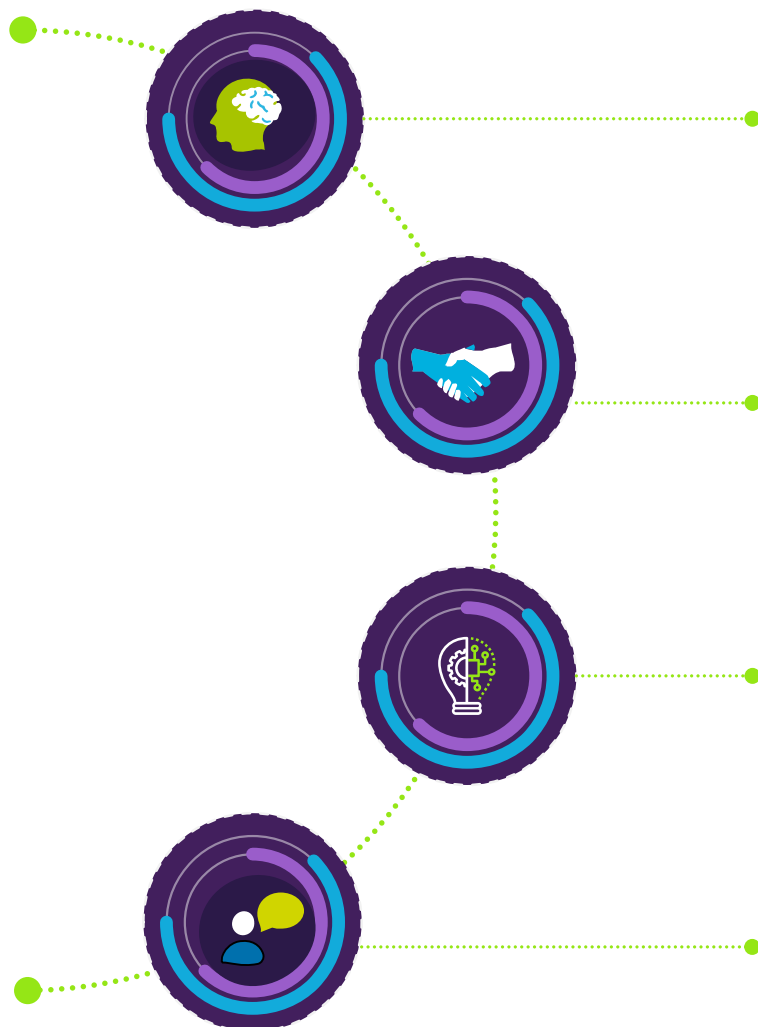


**Normalized EPS**

**+12%**

€6.76 per share

# Progress everywhere, bearing the fruits of our strategy



## An innovation-focused company

- Continuous shift to the New and portfolio agility
- Cloud and Digital over 50% of our business on a full year basis
- Solutions provided with best-in-class partners

## Progress on client intimacy

- Account centricity strategy
- Multi-tower deals shaped with our clients
- Top accounts on a faster track

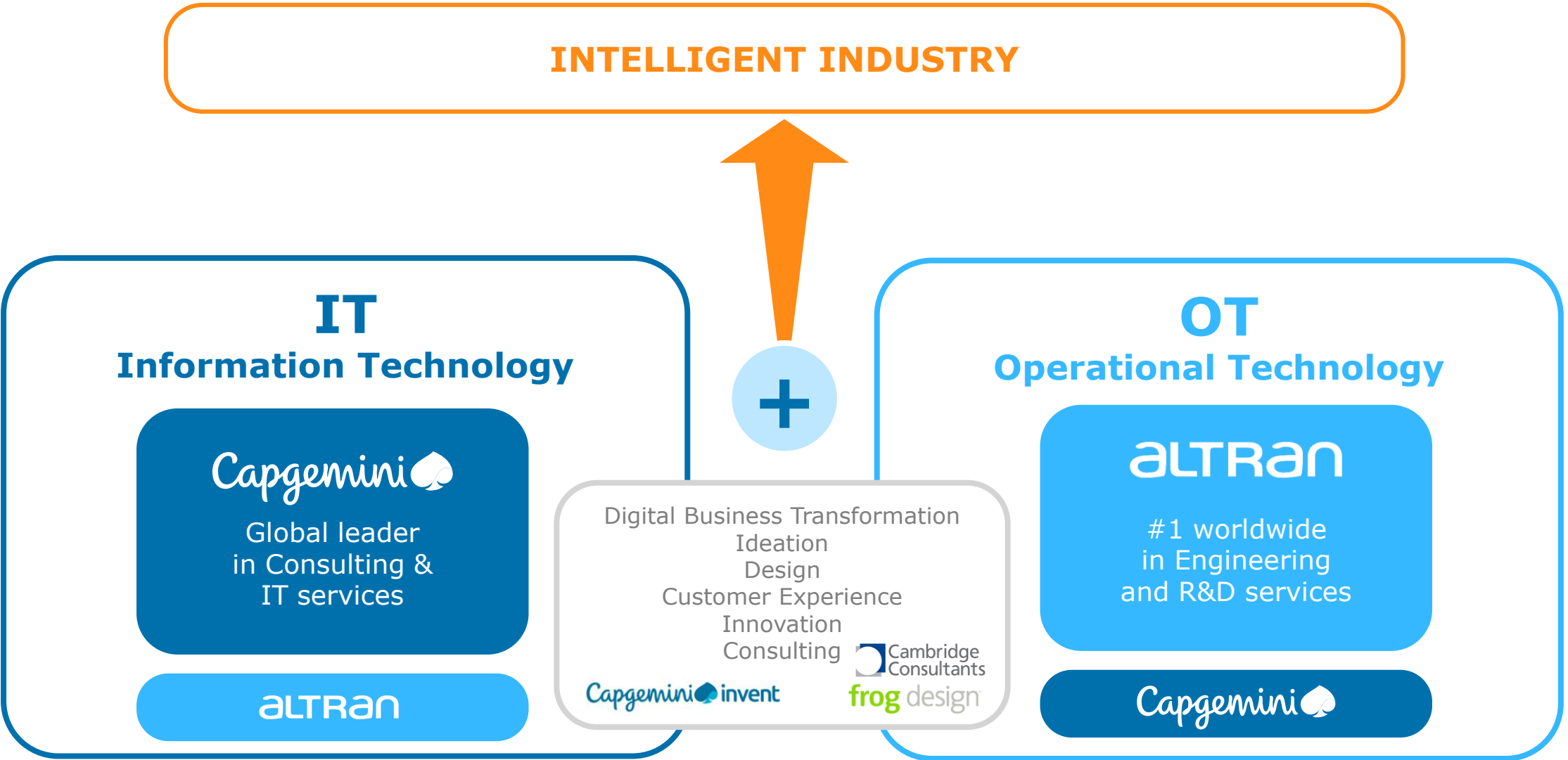
## Successful Capgemini Invent

- > 15% YoY growth
- Key platform to access CxO
- Recognized expertise on crucial topics such as data, 5G, AI...

## We broaden our expertise through bolt-on acquisitions

- Reinforced skills in cybersecurity (Leidos)
- Reinforced sectorial position (Konexus)
- A new branch of our marketing & content activities (Purpose)

# Creating a leader of intelligent industry with Altran



# Bayer, a landmark €1b deal



**Capgemini is chosen as the core strategic partner to drive digital transformation and optimize IT costs**

## **A six-year agreement, delivering transformation services and driving value**

- Application development & maintenance
- DevOps & Cloud transformation
- Service Integration of Bayer's entire supplier ecosystem
- Business intelligence and analytics

## **Why we were chosen:**

- perform while transforming
- ability to enable large and complex transformations
- proven track record in agility and flexibility
- strong organizational change management
- robust and reliable delivery

## **Underpinned by scale and innovation**

## **Attractive Employee Proposition**

## **Global program: Europe, NA, China, India**



# Ready to go further



## Steady financial performance

Sustained growth trajectory

9<sup>th</sup> consecutive year of margin expansion

Strong cash generation



## A worldwide player

220 000 headcount

In more than 40 countries

A balanced geography mix



## The Indian platform

110 000+ headcount

Fully integrated model

Increased contribution to acceleration and innovation



## Business for Society

Architects of Positive Future

Invent for Society,  
Invent for Good

Employer of choice

One of the most ethical company for the 7<sup>th</sup> year in a row

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Rosemary  
**STARK**

Chief Sales Officer

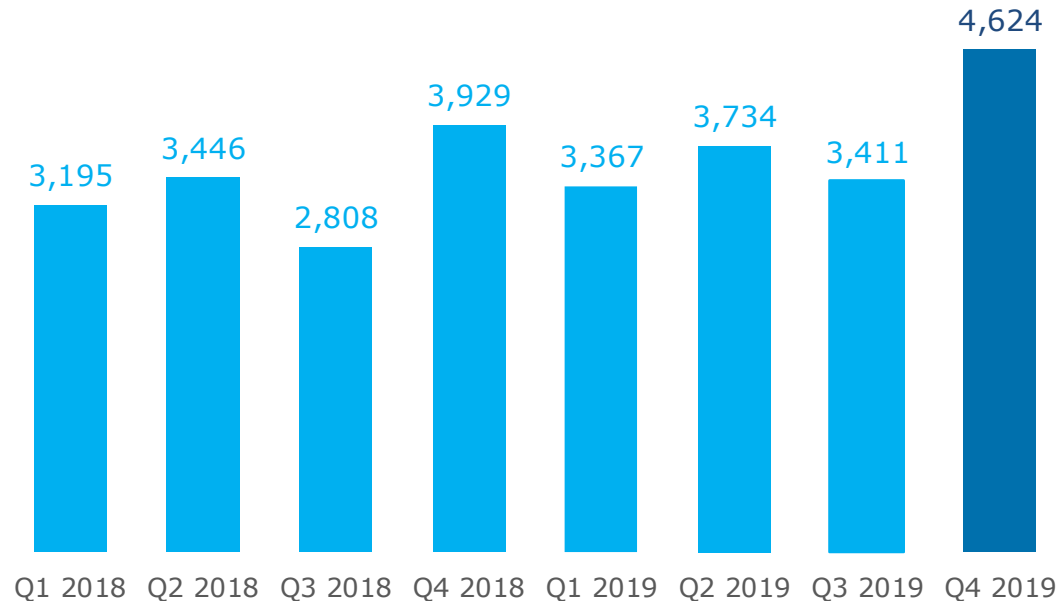


# Strong Sales Momentum



## Bookings evolution

■ in EUR million (at reported rates)



■ Constant currency growth YOY (in %)

**+15.3%** **+8.0%** **+6.7%** **+5.2%** **+2.7%** **+6.7%** **+19.6%** **+16.4%**

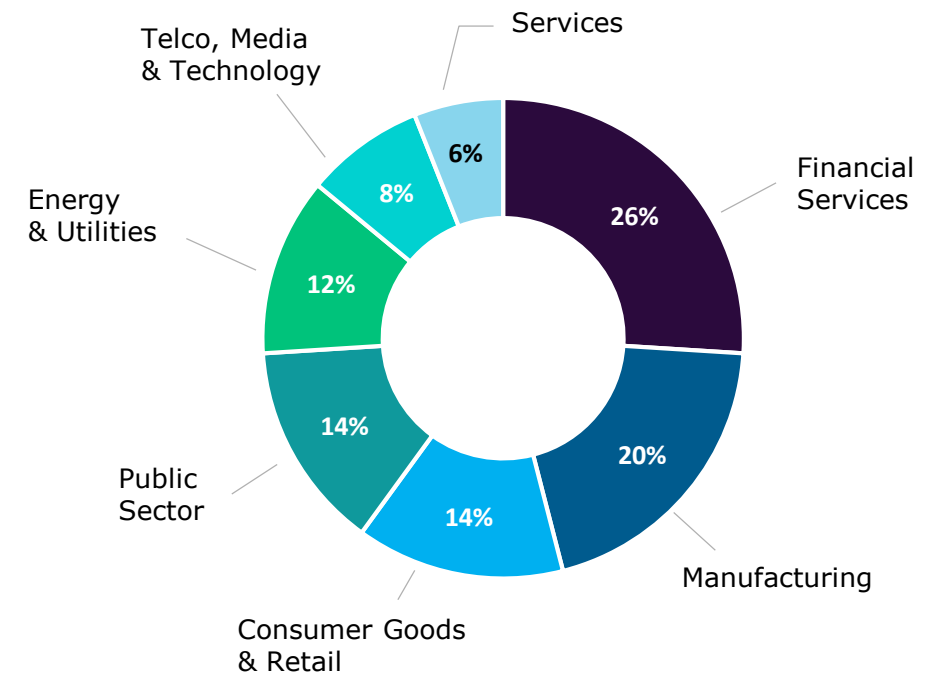
## Highlights

- FY bookings of €15.1Bn, +11.3% YOY at cc
- Q4 bookings of €4.6Bn, +16.4% YOY at cc
- Digital and Cloud accounted for 60% of our 2019 bookings
- Pipeline at year end is strong with double digit increase
- Increased demand for transformational outsourcing, driving digital business value and cost efficiency



# Q4 & FY 2019 Revenues by Sector

	Q4 2019	FY 2019
	Year-on-Year	Year-on-Year
	Constant Currency	Constant Currency
Financial Services	-1.7%	+2.9%
Energy & Utilities	+7.7%	+8.2%
Manufacturing	+7.8%	+8.5%
Consumer Goods & Retail	+3.6%	+4.7%
Public Sector	+3.6%	+3.1%
Telco, Media & Technology	-0.1%	+3.0%
Services	+2.0%	+9.1%
<b>TOTAL</b>	<b>+2.9%</b>	<b>+5.3%</b>



# Winning through Business Value in 2019



## Consumer Products



International discount store-chain



Royal Mail



## Services



Humana



## Energy and Utilities

US-based Integrated Energy Company



Global Agricultural Products



## Public Sector



HM Revenue & Customs



Agence de Services et de Paiement



## Financial Services



ABN-AMRO

Pensioenfond  
Detailhandel



Top Asset Manager



## Manufacturing



Schneider Electric



Premium Automotive Brand



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Carole  
**FERRAND**

Chief Financial Officer





# Financial Overview

in EUR millions	FY 2018	FY 2019 IFRS 16	Variation	Constant Currency Growth
<b>Revenues</b>	<b>13,197</b>	<b>14,125</b>	+7.0%	+5.3%
Operating expenses	-11,600	-12,384		
<b>Operating margin</b>	<b>1,597</b>	<b>1,741</b>	+9%	
(in % of revenues)	12.1%	12.3%	+0.2pt	
Other operating income and expenses	-346	-308		
<b>Operating profit</b>	<b>1,251</b>	<b>1,433</b>	+15%	
(in % of revenues)	9.5%	10.1%		
Net financial expense	-80	-79		
Income tax	-447	-502		
Non-controlling interests	6	4		
<b>Net profit (group share)</b>	<b>730</b>	<b>856</b>	+17%	
(in % of revenues)	5.5%	6.0%	+0.5pt	
Basic EPS in €	4.37	5.15	+18%	
Normalized EPS in €	6.06 <sup>(1)</sup>	6.76 <sup>(1)</sup>	+12%	
<b>Organic free cash flow</b>	<b>1,160</b>	<b>1,288</b>	<b>+16%</b> <sup>(2)</sup>	

Note: All alternate performance measures (organic growth, constant currency growth, operating margin, Free cash flow, normalized EPS and net debt) are defined in appendix

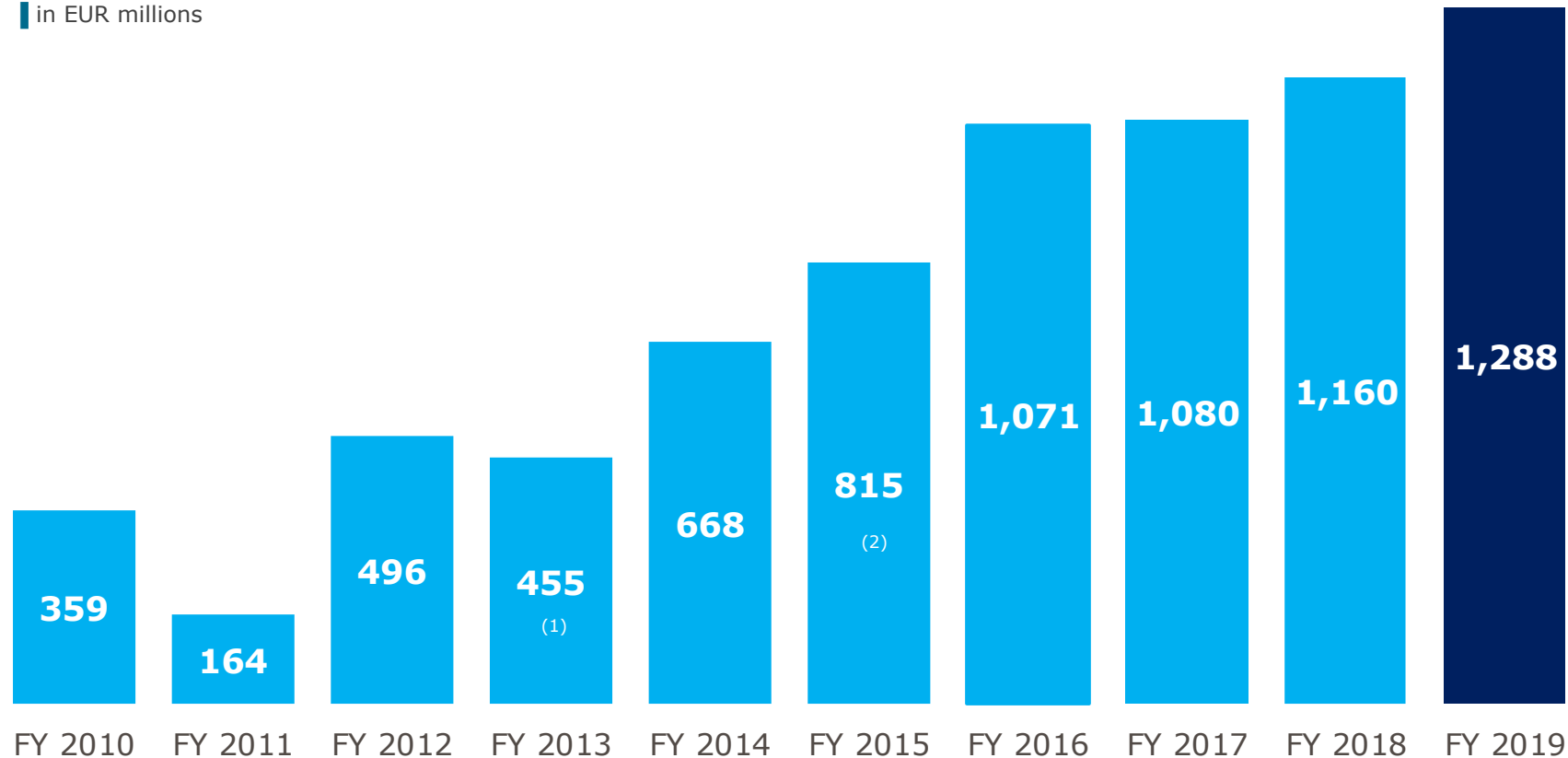
(1) Excluding expenses of €53 million in 2018 and €60 million in 2019 due to the transitional impact of the US tax reform

(2) On a comparable basis, i.e. after restating 2018 organic free cash flow for €52m of lease liabilities repayment, which are treated as operating items since Jan 1, 2019 (+11% on a reported basis)



# Organic Free Cash Flow Generation

in EUR millions



## Net debt

**€ 600m** as at Dec 31, 2019  
vs. **€1,104m** as at Jan 1, 2019<sup>(3)</sup>

(1) Before the €235m exceptional contribution to a UK pension fund

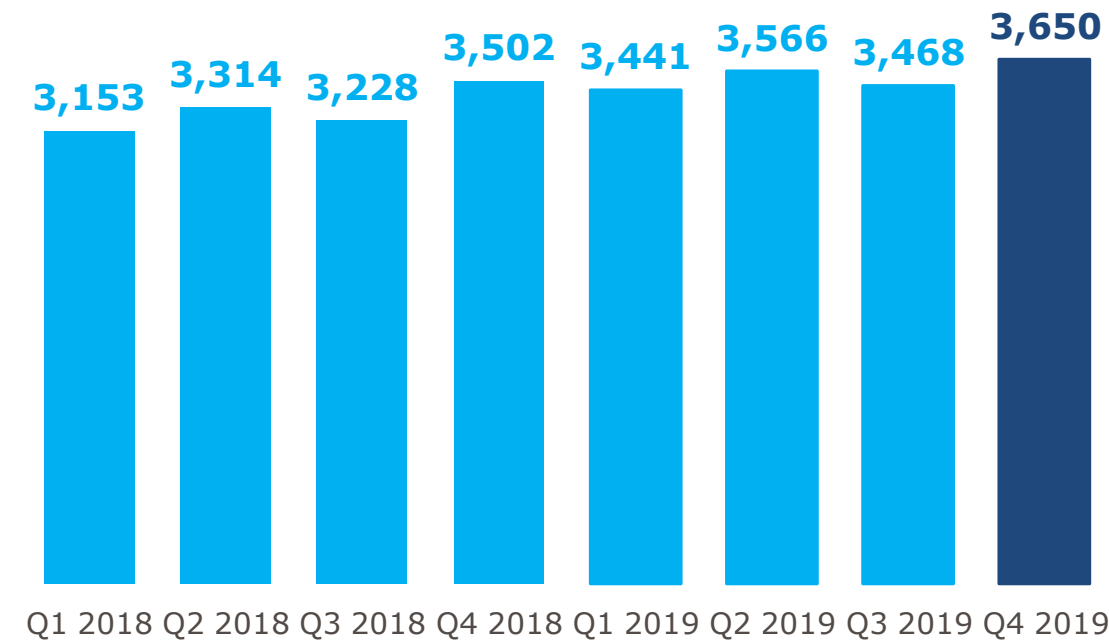
(2) After €76m outflow recognized in connection with the increase in the Group's majority stake in its Brazilian subsidiary Capgemini Brazil SA

(3) Restated for IFRS 16 – i.e. excluding €80m of lease liabilities now treated as operating items (non-financial debt)



# Quarterly Revenue Growth

Revenues in EUR millions



Constant currency growth YOY (in %)

+7.2% +8.7% +8.7% +7.8% +6.7% +5.7% +5.9% +2.9%

## Constant currency growth

Q4: +2.9% YoY

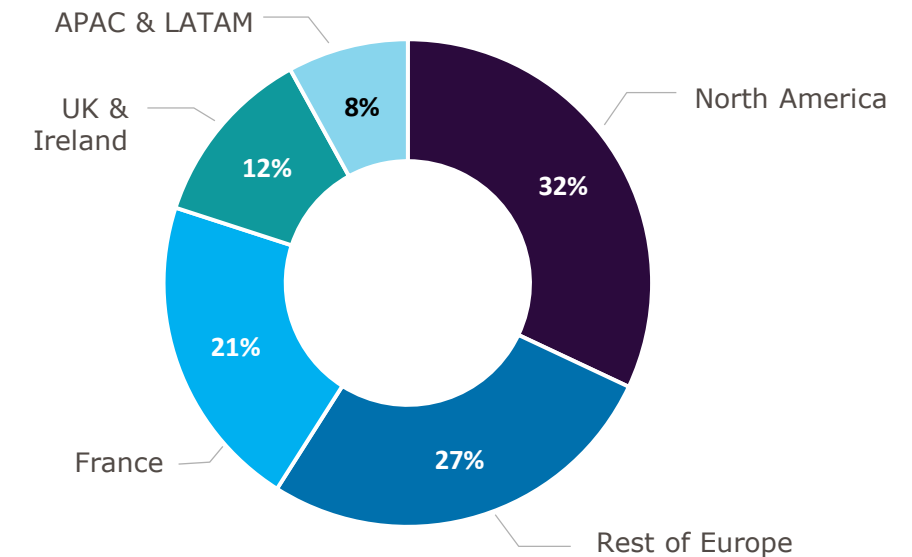
FY: +5.3% YoY

	Q4 2019	FY 2019
	Year-on-Year	
Organic	+ 2.2%	+ 4.2%
Group scope	+0.7pt	+1.1pt
Constant Currency	+ 2.9%	+ 5.3%
Currencies	+1.3pt	+1.7pt
Reported	+ 4.2%	+ 7.0%



# Q4 & FY 2019 Revenues by Regions

	Q4 2019	FY 2018	FY 2019	FY 2019	
	YoY	Revenues		Year-on-Year	
	Constant Currency	(in €m)	(in €m)	Reported	Constant Currency
North America	-0.4%	4,230	4,567	+8.0%	+2.6%
UK & Ireland	-3.1%	1,565	1,653	+5.6%	+4.7%
France	+4.5%	2,848	3,017	+5.9%	+5.9%
Rest of Europe	+6.3%	3,605	3,809	+5.7%	+6.2%
APAC & LATAM	+10.3%	949	1,079	+13.6%	+12.8%
<b>TOTAL</b>	<b>+2.9%</b>	<b>13,197</b>	<b>14,125</b>	<b>+7.0%</b>	<b>+5.3%</b>

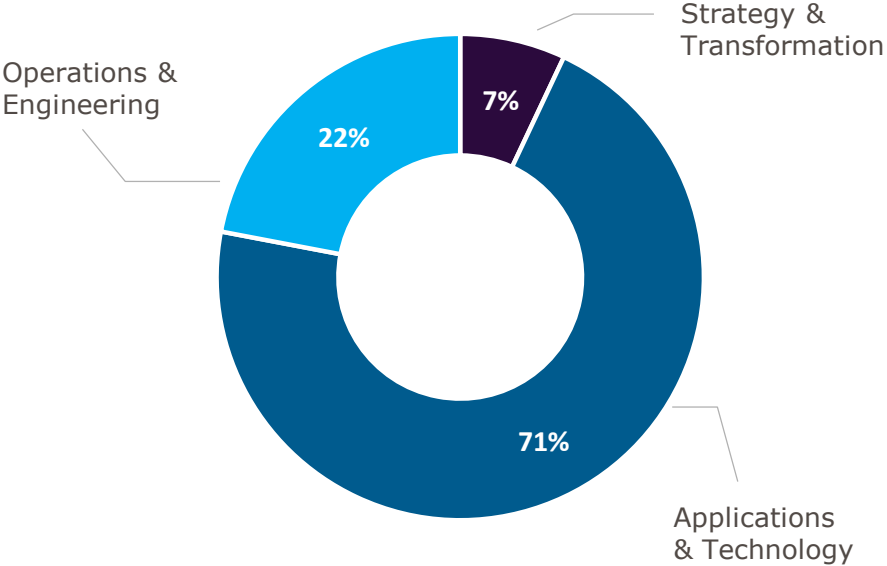




# Q4 & FY 2019 Revenues by Business

## Total Revenues

	Q4 2019	FY 2019
	Year-on-Year	Year-on-Year
	Constant Currency	Constant Currency
Strategy & Transformation	+8.0%	+15.1%
Applications & Technology	+1.7%	+4.8%
Operations & Engineering	+4.9%	+4.9%

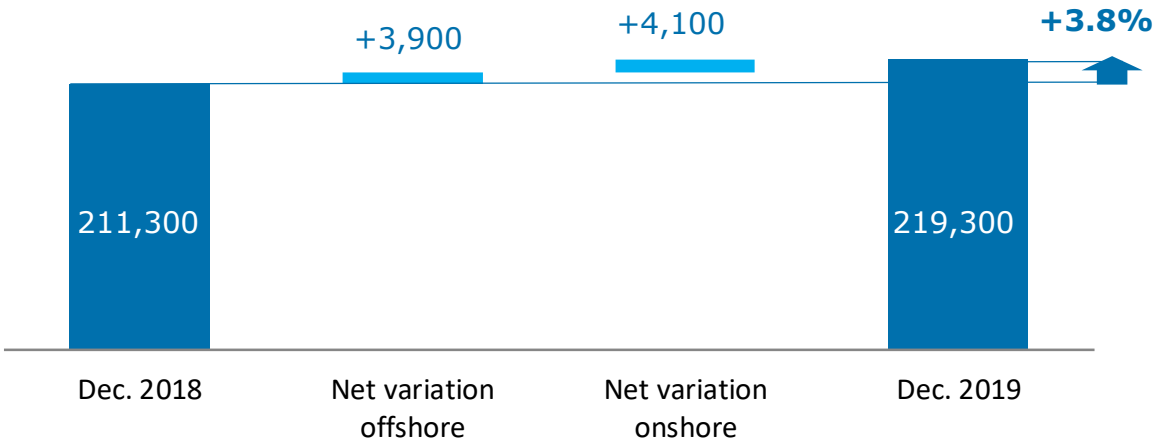


Note: from Jan 1<sup>st</sup>, 2019, as previously announced:  
(i) business line taxonomy has been streamlined and homogenized (see the Appendix section)  
(ii) activity trends by business is calculated based on Total revenues, i.e. before elimination of inter-business billing (see Appendix section)



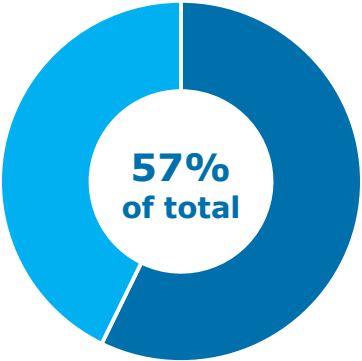
# Headcount Evolution

**Headcount Evolution**  
Dec. 2018 to Dec. 2019



**Workforce in global  
production centers:**

**+3.2%  
YoY**



**Attrition**  
FY 2019 vs. FY 2018

Attrition	FY 2018	FY 2019 *	Variation
Strategy & Transformation	19.4%	19.1%	-0.3pt
Applications & Technology	22.3%	19.9%	-2.4pt
Operations & Engineering	22.2%	20.3%	-1.9pt
TOTAL	22.2%	20.0%	-2.2pt

\* Updated methodology applied since Jan. 1, 2019



# Operating Margin by Regions

	FY 2018			FY 2019		
	Revenues	Operating Margin		Revenues	Operating Margin	
	(in €m)	(in €m)	(%)	(in €m)	(in €m)	(%)
North America	4,230	576	13.6%	4,567	637	13.9%
UK & Ireland	1,565	198	12.6%	1,653	251	15.2%
France	2,848	317	11.1%	3,017	366	12.1%
Rest of Europe	3,605	468	13.0%	3,809	451	11.8%
APAC & LATAM	949	122	12.8%	1,079	120	11.2%
Not allocated		-84			-84	
<b>TOTAL</b>	<b>13,197</b>	<b>1,597</b>	<b>12.1%</b>	<b>14,125</b>	<b>1,741</b>	<b>12.3%</b>



# Operating Margin Analysis

in EUR millions	FY 2018	FY 2019
<b>Revenues</b>	<b>13,197</b>	<b>14,125</b>
<b>Cost of services rendered</b>	-9,627	-10,274
in % of revenues	-72.9%	-72.7%
<b>Gross margin</b>	3,570	3,851
in % of revenues	27.1%	27.3%
<b>Selling expenses</b>	-1,043	-1,123
in % of revenues	-7.9%	-8.0%
<b>General &amp; Administrative expenses</b>	-930	-987
in % of revenues	-7.1%	-7.0%
<b>Operating Margin</b>	<b>1,597</b>	<b>1,741</b>
in % of revenues	12.1%	12.3%



# Net Financial Expense and Income Tax

in EUR millions	FY 2018	FY 2019
Interest on bonds	-57	-62
Other interest income and expense	45	59
<b>Net interest expense</b>	<b>-12</b>	<b>-3</b>
Other financial income & expenses	-68	-76
<b>Net financial expense</b>	<b>-80</b>	<b>-79</b>

in EUR millions	FY 2018	FY 2019
<b>Income tax</b>	<b>-447</b>	<b>-502</b>
<b>Effective tax rate</b>	<b>38.2%</b>	<b>37.1%</b>
<b>Effective tax rate, before transitional tax expense</b>	<b>33.7%<sup>(1)</sup></b>	<b>32.6%<sup>(1)</sup></b>

(1) Excluding expenses of €53 million in 2018 and €60 million in 2019 due to the transitional impact of the US tax reform



# Net Profit Analysis

in EUR millions

	FY 2018	FY 2019
<b>Operating margin</b>	<b>1,597</b>	<b>1,741</b>
<b>Other operating income and expenses</b>	<b>-346</b>	<b>-308</b>
<i>of which</i>		
<i>_Restructuring costs</i>	<i>-122</i>	<i>-82</i>
<i>_Amortization of intangible assets acquired through business combinations</i>	<i>-75</i>	<i>-73</i>
<i>_Acquisition and integration costs</i>	<i>-38</i>	<i>-50</i>
<i>_Expenses relating to share grants</i>	<i>-91</i>	<i>-105</i>
<i>Other costs</i>	<i>-20</i>	<i>2</i>
<b>Operating profit</b>	<b>1,251</b>	<b>1,433</b>
Net financial expense	-80	-79
Income tax expense	-447	-502
Non-controlling interests	6	4
<b>Net profit (Group share)</b>	<b>730</b>	<b>856</b>
Average number of shares	167,088,363	166,171,198
Basic EPS - in €	4.37	5.15
Normalized EPS (non diluted) - in €	6.06 <sup>(1)</sup>	6.76 <sup>(1)</sup>

(1) Excluding expenses of €53 million in 2018 and €60 million in 2019 due to the transitional impact of the US tax reform

# 2020 Priorities



**Confirm our capacity to increase our growth rate throughout the year**



**Maintain a strict discipline on operating costs and investments**



**Provide a superior cash conversion profile and confirm our financial robustness and reliability**

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Aiman  
**EZZAT**

Chief Operating Officer



# Areas of focus for 2020



## Growth & Profitability

- Put a specific focus on growth in **North America** and **Financial Services**
- Keep **shifting the portfolio towards the New**
- Proactively shape **transformational deals** leveraging sectorial expertise
- Pursue relentlessly **industrialization strategy**



## Leadership

- Accelerate the deployment of **Intelligent industry**
- Infuse **data** expertise and content in everything we do
- Further expand our relationships with **CxOs**
- Maintain focus on strategic alliances with **key technology partners**



## Talent

- Promote a **culture of great place to learn, develop and work**
- Continue to transform our Talent management via a **diverse, inclusive and responsible** workplace

Act on **climate change** while helping our clients move towards **sustainable business models**

# Growth acceleration in North America and Financial Services



## North America



- ▶ Focus on **geographic hubs** while increasing operational maturity
- ▶ Maintain growth pace in the “New” while increasing emphasis on **transformation of Core IT**
- ▶ Strengthen **key alliances** in Cloud and Digital

## Financial Services



- ▶ Proactively shape deals driven by **efficiency to address clients’ demand**
- ▶ Build the **next generation** banking/Insurer business models with *Inventive Banking/Insurer*
- ▶ Accelerate the leverage of the **new ecosystem** with Fintech / Insurtech / Regtech

# 2020 outlook



Constant currency  
revenue growth

**around 4%**



Operating margin

**12.4% to 12.6%**



Organic  
free cash flow

**around €1.2bn**

Note: This outlook does not factor in the impact of the Altran acquisition.

# Q&A



Paul **HERMELIN**  
Chairman and CEO



Aiman **EZZAT**  
Chief Operating Officer



Rosemary **STARK**  
Chief Sales Officer



Carole **FERRAND**  
Chief Financial Officer

# Appendix





# Alternate performance measures

- **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 published period. Exchange rates for the published period are also used to calculate **growth at constant exchange rates**.
- 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 business evolves, an increasing number of contracts require the combination of different business lines' expertise, leading to an increase in inter-business flows (approximately 7% of total revenues today).
- **Operating margin** is one of the Group's key performance indicators. It is equal to revenues less operating expenses. It is calculated before "Other operating income and expenses" 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 earnings per share** are calculated by dividing normalized profit or loss attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the period, excluding treasury shares. Normalized net profit or loss is equal to profit for the period attributable to owners of the Company corrected for the impact of items recognized in other operating income and expense, net of tax calculated using the effective tax rate.
- **Organic free cash flow** is calculated based on items in the Statement of Cash Flows and is equal to cash flow from operations less acquisitions of property, plant, equipment and intangible assets (net of disposals), lease liability repayments and adjusted for flows relating to the net interest cost. Finance lease payments were included in repayments of borrowings until December 31, 2018. From January 1, 2019, with the adoption of IFRS 16, these payments are now included in the new definition of organic free cash flow as repayments of lease liabilities.
- **Net debt** 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 and own shares.

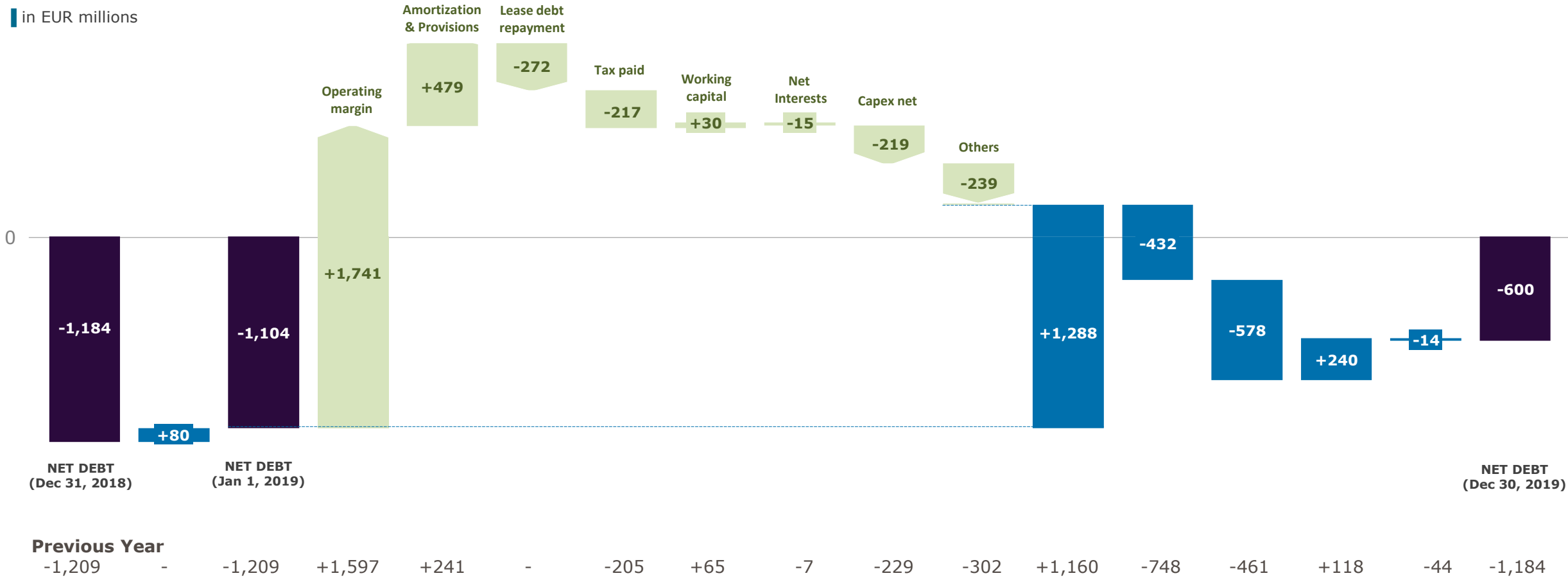


# Net Cash Evolution

Finance Lease  
reclass.

ORGANIC FCF   Returns to Shareholders (dividend+SBB)   M&A   Others \*   FX

in EUR millions



\* Including proceeds from Employee Shareholding Plan (ESOP) of €254 million in 2019

# Net Cash Evolution



in EUR millions		2018	2019
<b>Profit for the period</b>		<b>724</b>	<b>852</b>
Goodwill impairment			
Depreciation, amortization and impairment of fixed assets and right-of-use		303	545
Change in provisions		-39	-48
Losses on disposals of assets		16	19
Net finance costs		12	3
Income tax expense / (income)		447	502
Other non-cash items		73	108
<b>Cash flows from operations before net finance costs and income tax</b>		<b>1,536</b>	<b>1,981</b>
Income tax paid		-205	-217
Change in restructuring debt		17	5
Changes in operating working capital		48	25
<b>Operating cash flows (A)</b>		<b>1,396</b>	<b>1,794</b>
<b>Capital expenditure (net of proceeds) (B)</b>		<b>-229</b>	<b>-219</b>
Cash outflows on business combinations net of cash & cash equivalents acquired		-461	-578*
Increase in share capital		230	253
Dividends paid		-284	-282
Net payments relating to treasury shares transactions		-483	-134
Change in debt		-93	-29
<b>Interest paid &amp; received (C)</b>		<b>-7</b>	<b>-15</b>
Repayment of lease debt (D)			-272
Translation, perimeter changes & other		-44	-14
<b>Change in net cash and cash equivalents</b>		<b>25</b>	<b>504</b>
<b>Opening Net Cash / (Debt)</b>		<b>-1,209</b>	<b>-1,104</b>
<b>Closing Net Cash / (Debt)</b>		<b>-1,184</b>	<b>-600</b>
<b>Organic Free Cash Flow (A) + (B) + (C) + (D)</b>		<b>1,160</b>	<b>1,288</b>

\* Of which -€411m for the 11.43% stake in Altran's share capital (excluding taxes)



# Revenue Quarterly Evolution

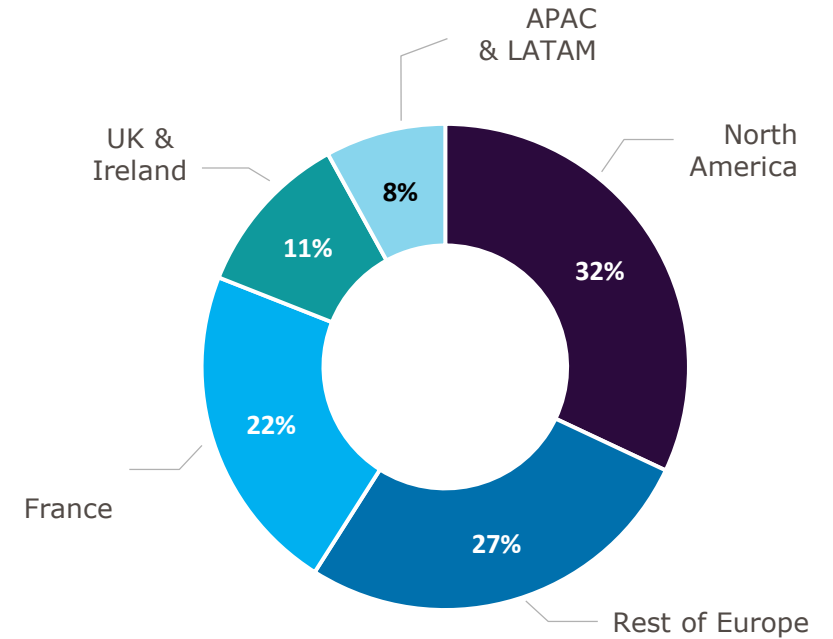
	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019
<b>Revenues (in €m)*</b>	<b>3,153</b>	<b>3,314</b>	<b>3,228</b>	<b>3,502</b>	<b>3,441</b>	<b>3,566</b>	<b>3,468</b>	<b>3,650</b>
<b>Year-on-Year reported growth</b>	+1.2%	+4.7%	+7.7%	+7.8%	+9.2%	+7.6%	+7.4%	+4.2%
<b>Year-on-Year organic growth</b>	+6.1%	+6.7%	+6.3%	+5.7%	+5.0%	+4.7%	+5.0%	+2.2%
<b>As published (in €m)</b>	<b>3,153</b>	<b>3,314</b>	<b>3,228</b>	<b>3,502</b>	<b>3,441</b>	<b>3,566</b>	<b>3,468</b>	<b>3,650</b>

\* 2018 YoY growth rates are computed on a comparable basis (i.e. with 2017 revenues restated for IFRS 15)



# Q4 2019 Revenues by Regions

	Q4 2018	Q4 2019	Q4 2019	
	Revenues		Year-on-Year	
	(in €m)	(in €m)	Reported	Constant Currency
North America	1,125	1,155	+2.8%	-0.4%
UK & Ireland	397	397	-0.2%	-3.1%
France	783	817	+4.5%	+4.5%
Rest of Europe	944	998	+5.7%	+6.3%
APAC & LATAM	253	283	+11.2%	+10.3%
<b>TOTAL</b>	<b>3,502</b>	<b>3,650</b>	<b>+4.2%</b>	<b>+2.9%</b>

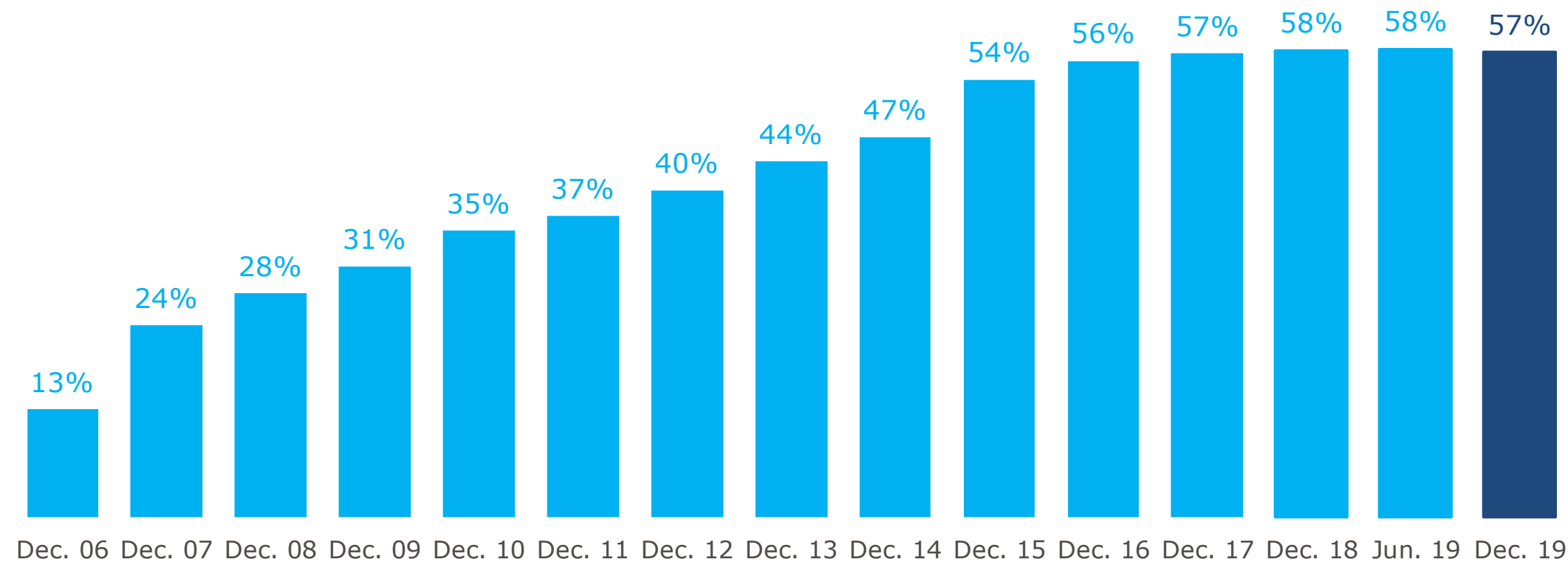




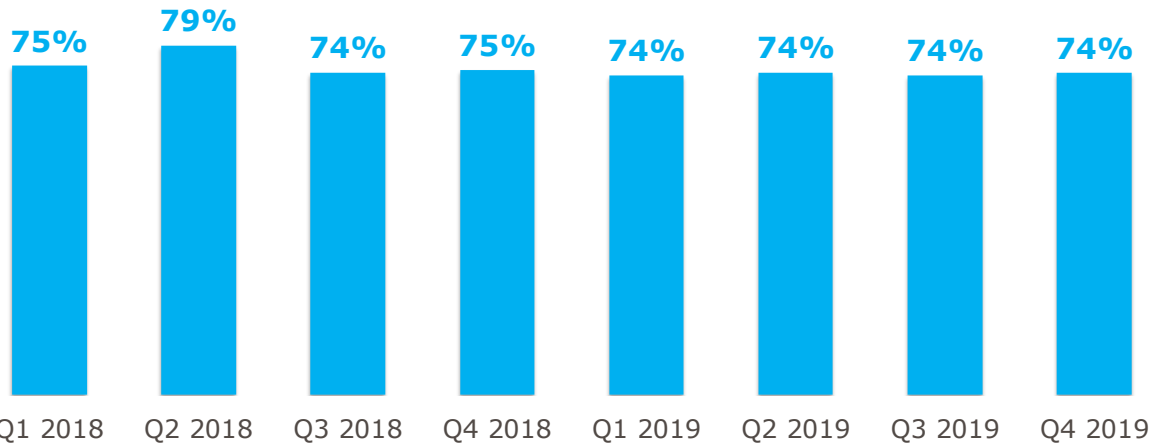
# Operating Margin – Analysis by Type of Costs

in EUR millions	FY 2018	FY 2019
<b>Revenues</b>	<b>13,197</b>	<b>14,125</b>
Personnel costs	-8,147	-8,833
in % of revenues	-61.7%	-62.5%
Purchases and subcontracting expenses	-2,237	-2,299
in % of revenues	-17.0%	-16.3%
Travel expenses	-535	-534
in % of revenues	-4.0%	-3.8%
Rent, facilities and local taxes	-366	-176
in % of revenues	-2.8%	-1.3%
Depreciation, amortization, provisions and proceeds from asset disposal	-315	-542
in % of revenues	-2.4%	-3.8%
<b>Total operating expenses</b>	<b>-11,600</b>	<b>-12,384</b>
in % of revenues	-87.9%	-87.7%
<b>Operating margin</b>	<b>1,597</b>	<b>1,741</b>
in % of revenues	12.1%	12.3%

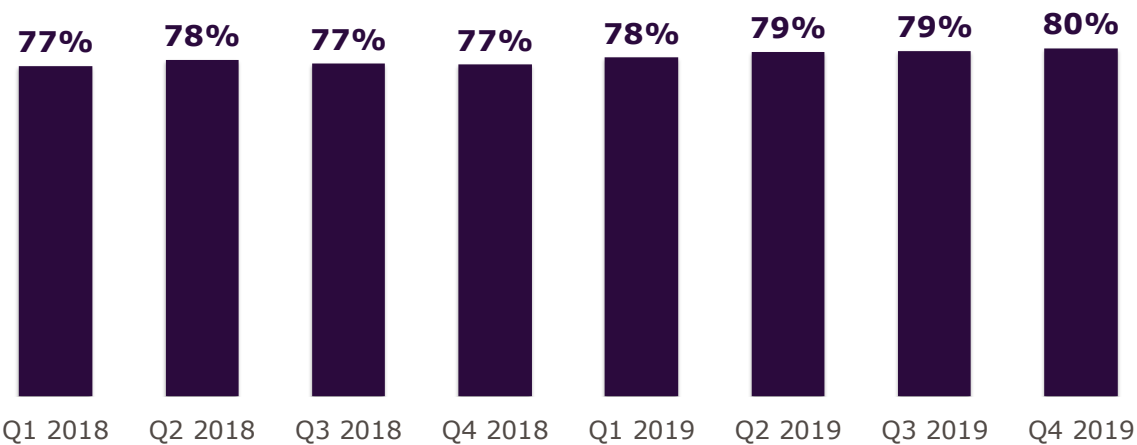
# Offshore Leverage Evolution



Strategy & Transformation



Applications & Technology



# Balance Sheet



ASSETS			
in EUR millions	Dec. 31, 2018	Jan. 1, 2019 *	Dec. 31, 2019
Goodwill	7,431	7,431	7,662
Intangible assets	697	690	645
Property, plant & equipment	785	715	738
Lease right-of-use assets	-	785	762
Deferred taxes	1,128	1,132	999
Other non-current assets	303	303	766
<b>Total non-current assets</b>	<b>10,344</b>	<b>11,056</b>	<b>11,572</b>
Contract costs	92	92	83
Contract assets	1,123	1,123	1,176
Trade receivables	2,064	2,064	2,121
Current tax receivables	94	94	45
Other current assets	592	581	464
Cash management assets	183	183	213
Cash and cash equivalents	2,006	2,006	2,461
<b>Total current assets</b>	<b>6,154</b>	<b>6,143</b>	<b>6,563</b>
<b>Total Assets</b>	<b>16,498</b>	<b>17,199</b>	<b>18,135</b>

EQUITY & LIABILITIES			
in EUR millions	Dec. 31, 2018	Jan. 1, 2019 *	Dec. 31, 2019
Equity <sup>(1)</sup>	7,480	7,464	8,424
Non-controlling interests	-1	-1	-5
<b>Total equity</b>	<b>7,479</b>	<b>7,463</b>	<b>8,419</b>
Long-term borrowings	3,274	3,233	2,564
Deferred taxes	180	180	185
Provisions for pensions <sup>(2)</sup>	1,011	1,011	1,046
Non-current provisions	19	19	17
Non-current lease liabilities	-	576	592
Other non-current liabilities	305	303	192
<b>Total non-current liabilities</b>	<b>4,789</b>	<b>5,322</b>	<b>4,596</b>
Short-term borrowings and bank overdrafts	83	44	717
Accounts and notes payable	2,944	2,916	3,011
Contract liabilities	864	864	836
Current provisions	91	91	99
Current tax liabilities	141	141	153
Current lease liabilities	-	252	221
Other current payables	107	106	83
<b>Total current liabilities</b>	<b>4,230</b>	<b>4,414</b>	<b>5,120</b>
<b>Total Equity &amp; Liabilities</b>	<b>16,498</b>	<b>17,199</b>	<b>18,135</b>

\* The balance sheet as at January 1, 2019 has been restated for IFRS 16

(1) attributable to owners of the company

(2) and other post-employment benefits

# Cash Flow Statement



	FY 2018	FY 2019
in EUR millions		
<b>Profit for the period attributable to owners of the Company</b>	<b>730</b>	<b>856</b>
Non-controlling interests	-6	-4
Depreciation, amortization and impairment of fixed assets and Lease right-of-use assets	302	545
Change in provisions	-39	-48
Losses on disposals of assets	16	19
Expenses relating to share grants	84	88
Net finance costs	12	3
Income tax (income) expense	447	502
Unrealized (gains) losses on changes in fair value and other	-10	20
<b>Cash flows from operations before net finance costs and income tax (A)</b>	<b>1,536</b>	<b>1,981</b>
<b>Income tax paid (B)</b>	<b>-205</b>	<b>-217</b>
Change in trade receivables, contract assets net of liabilities and contract costs	32	-98
Change in accounts and notes payable	25	-26
Change in other receivables/payables	8	154
<b>Change in operating working capital (C)</b>	<b>65</b>	<b>30</b>
<b>NET CASH FROM (USED IN) OPERATING ACTIVITIES (D=A+B+C)</b>	<b>1,396</b>	<b>1,794</b>
Acquisitions of property, plant and equipment and intangible assets	-236	-222
Proceeds from disposals of property, plant and equipment and intangible assets	7	3
<b>Acquisitions of property, plant and equipment and intangible assets, net of disposals</b>	<b>-229</b>	<b>-219</b>
Cash (outflows) inflows on business combinations net of cash and cash equivalents acquired	-461	-165
Cash outflows in respect of cash management assets	-18	-30
Other cash outflows, net	-20	-454
<b>Cash outflows from investing activities</b>	<b>-499</b>	<b>-649</b>
<b>NET CASH USED IN INVESTING ACTIVITIES (E)</b>	<b>-728</b>	<b>-868</b>
Proceeds from issues of share capital	230	253
Dividends paid	-284	-282
Net payments relating to transactions in Capgemini SE shares	-483	-134
Proceeds from borrowings	525	430
Repayments of borrowings	-592	-448
Repayment of lease liabilities	-	-272
Interest paid	-56	-77
Interest received	49	62
<b>NET CASH FROM (USED IN) FINANCING ACTIVITIES (F)</b>	<b>-611</b>	<b>-468</b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (G=D+E+F)</b>	<b>57</b>	<b>458</b>
Effect of exchange rate movements on cash and cash equivalents (H)	-41	-12
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD (I)</b>	<b>1,988</b>	<b>2,004</b>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD (G+H+I)</b>	<b>2,004</b>	<b>2,450</b>



# Comprehensive Income & Change in Equity

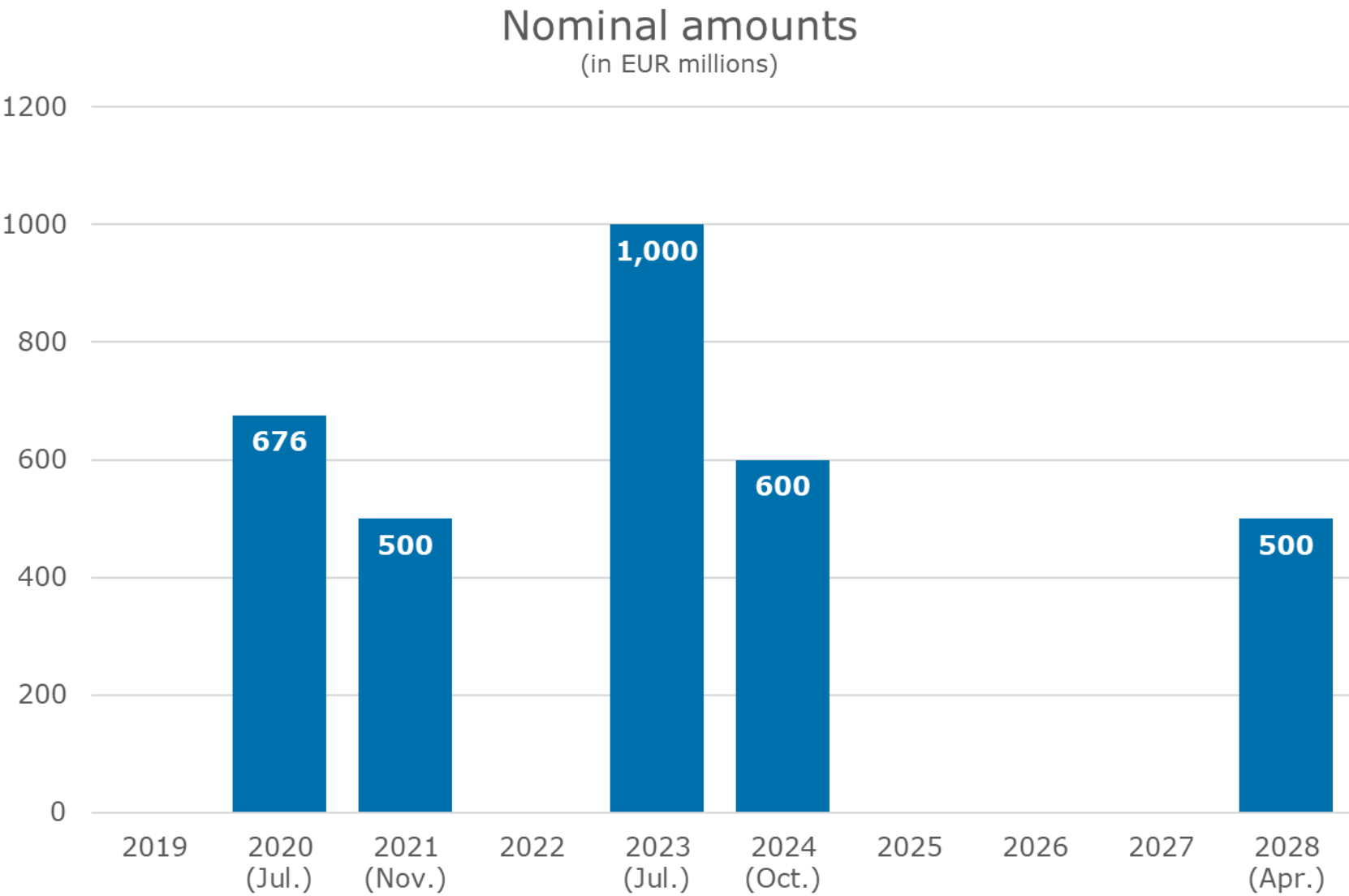
in EUR millions		FY 2018	FY 2019
Actuarial gains and losses on defined benefit pension plans, net of tax (1)		114	-35
Remeasurement of hedging derivatives, net of tax (2)		-53	1
Translation adjustments (2)		177	108
Other, net of tax (1)		0	1
<b>OTHER ITEMS OF COMPREHENSIVE INCOME</b>		<b>238</b>	<b>75</b>
Profit for the period (reminder)		724	852
Total comprehensive income for the period		962	927
Attributable to:			
Owners of the Company		967	931
Non-controlling interests		-5	-4

- (1) Other items from the comprehensive income that will not be included in the profit & loss account  
(2) Other items from the comprehensive income that could be included in the profit & loss account

in EUR millions		Number of shares	Share capital	Additional paid-in capital	Treasury shares	Consolidated retained earnings and other reserves	Total income and expense recognized in equity		Equity (attributable to owners of the Company)	Non-controlling interests	Total equity
							Translation adjustments	Other			
<b>At December 31, 2018</b>		<b>167,293,730</b>	<b>1,338</b>	<b>2,979</b>	<b>-50</b>	<b>4,237</b>	<b>-188</b>	<b>-836</b>	<b>7,480</b>	<b>-1</b>	<b>7,479</b>
Impact of application of IFRS 16						-16			-16		-16
<b>At January 1, 2019, including impact of IFRS 16 *</b>		<b>167,293,730</b>	<b>1,338</b>	<b>2,979</b>	<b>-50</b>	<b>4,221</b>	<b>-188</b>	<b>-836</b>	<b>7,464</b>	<b>-1</b>	<b>7,463</b>
Dividends paid out for 2018						-282			-282		-282
Incentive instruments and employee share ownership		2,750,000	22	231	91	11			355		355
Change in the fair value of put options granted to a minority shareholder						92			92		92
Elimination of treasury shares					-136				-136		-136
Share capital reduction by cancellation of treasury shares		-698,231	-5	-60	65				0		0
<b>Transactions with shareholders</b>		<b>2,051,769</b>	<b>17</b>	<b>171</b>	<b>20</b>	<b>-179</b>	<b>0</b>	<b>0</b>	<b>29</b>	<b>0</b>	<b>29</b>
<b>Income and expense recognized in equity</b>						<b>1</b>	<b>108</b>	<b>-34</b>	<b>75</b>		<b>75</b>
<b>Profit for the period</b>						<b>856</b>			<b>856</b>	<b>-4</b>	<b>852</b>
<b>At December 31, 2019</b>		<b>169,345,499</b>	<b>1,355</b>	<b>3,150</b>	<b>-30</b>	<b>4,899</b>	<b>-80</b>	<b>-870</b>	<b>8,424</b>	<b>-5</b>	<b>8,419</b>

\* Net equity as at January 1, 2019 has been restated for IFRS 16

# Bond Debt Maturity



# Reminder: Key IFRS 16 impacts on Financial Statements

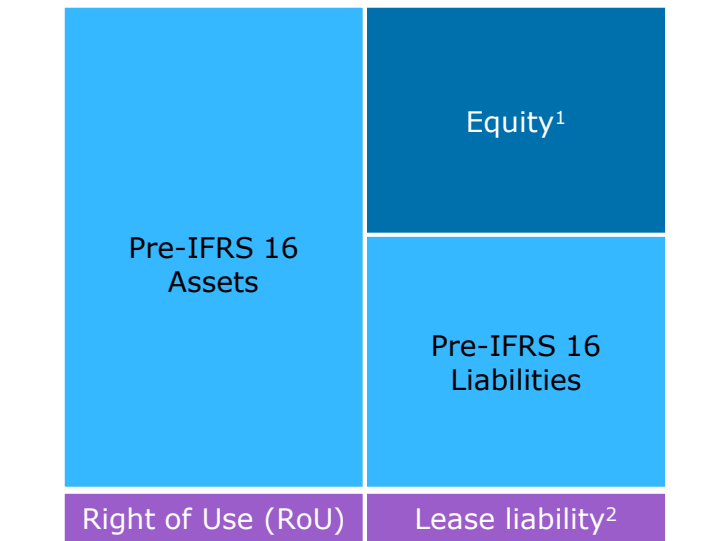


IFRS 16

## International Financial Reporting Standard on accounting for leases:

- All leases (formerly operating leases and finance leases) to be accounted the same way
- All lessee to recognize an asset for the Right of Use of the leased item and a liability for the present value of its future lease payments

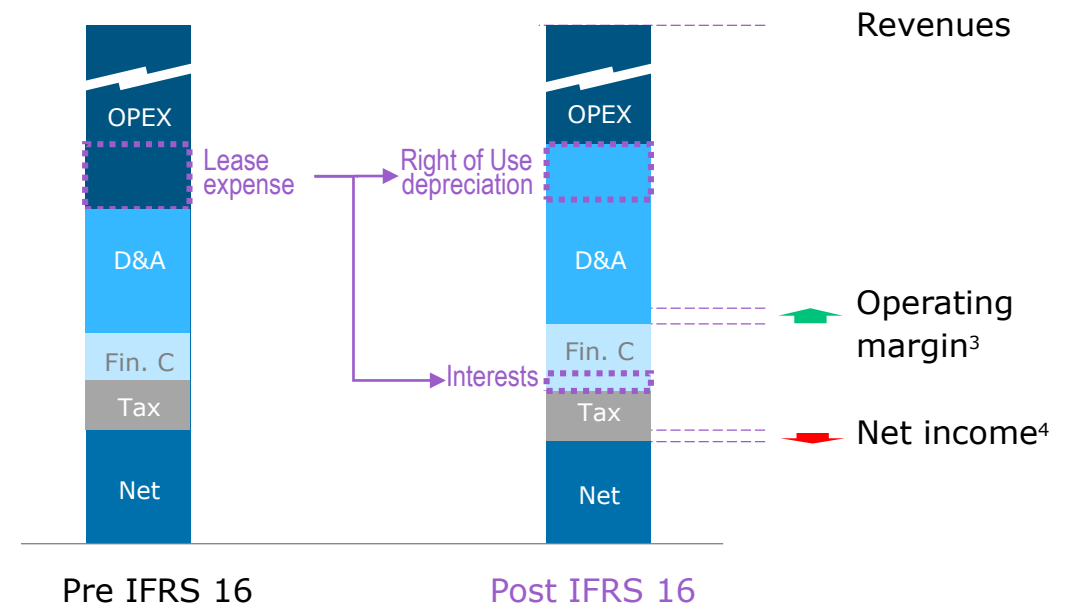
### Key impacts on Balance Sheet



<sup>1</sup> slightly negative impact on IFRS 16 adoption date

<sup>2</sup> estimated between €670m and €770m (lifting total lease liabilities to between €750 and €850 million when accounting for the €80 million already recognized in respect of finance leases)

### Key impacts on P&L



Pre IFRS 16

Post IFRS 16

<sup>3</sup> slightly positive impact as it excludes interest expenses (c. +5bp on a 2018 basis).

<sup>4</sup> slightly negative impact in the short-term (c. -€5m on a 2018 basis), as interest expenses are front loaded when cash rentals are constant, but neutral over lease duration



# Reminder: IFRS 16 Changes to Alternate Performance Measures

## Definition FY2018

Cash flows from operations before net finance costs and income tax
Other cash flows from operations
<b>Rental payment</b>
Income tax paid
Change in restructuring debt
Changes in operating working capital
<b>Operating cash flows</b>
<b>Capital expenditure (net of proceeds)</b>
<b>Interest paid &amp; received</b>
<b>ORGANIC FREE CASH FLOW</b>
Cash outflows on business combinations net of cash & cash equivalents acquired
Increase in share capital
Dividends paid
Net payments relating to treasury shares transactions
Borrowings proceeds & repayment
Financial debt
<b>Financial lease</b>
Translation, perimeter changes & other
<b>Change in cash and cash equivalents</b>

Cash & cash equivalents
Cash management assets
Borrowings
Financial debt
<b>Financial lease</b>
Derivative instruments
<b>NET CASH / (NET DEBT)</b>

## Definition starting FY2019

Cash flows from operations before net finance costs and income tax
Other cash flow from operations
Income tax paid
Change in restructuring debt
Changes in operating working capital
<b>Operating cash flows</b>
<b>Capital expenditure (net of proceeds)</b>
<b>Interest paid &amp; received</b>
<b>Lease liability repayment</b>
<b>ORGANIC FREE CASH FLOW</b>
Cash outflows on business combinations net of cash & cash equivalents acquired
Increase in share capital
Dividends paid
Net payments relating to treasury shares transactions
Borrowings proceeds & repayment
financial debt
Translation, perimeter changes & other
<b>Change in cash and cash equivalents</b>

Cash & cash equivalents
Cash management assets
Borrowings
financial debt
Derivative instruments
<b>Net cash / (Net debt)</b>
<b>Lease liability</b>

€52m

€80m

### Organic FCF

- €52m  
impact  
on FY 2018

Starting FY2019  
ALL LEASES  
are treated as  
OPERATIONAL

### Net cash

+ €80m  
impact  
on FY 2018

# Reminder: 2019 Format for the Reporting by Business



2018  
Capital  
Markets  
Day

“The Group will adopt for FY 2019 a **new reporting format for its businesses**”

**In order to match the Group’s unified go-to-market**, the new disclosure consists of **constant currency growth of each business Total revenues**. Operating margin is no longer reported as it is no longer available in this perspective.

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 business evolves, an increasing number of contracts require the combination of different business lines' expertise, leading to an increase in inter-business flows (approximately 7% of total revenues today).

**In addition, the taxonomy of the business lines has been streamlined and homogenized as follows**

**Strategy & Transformation** includes all strategy and transformation consulting services and corresponds to the Capgemini Invent scope;

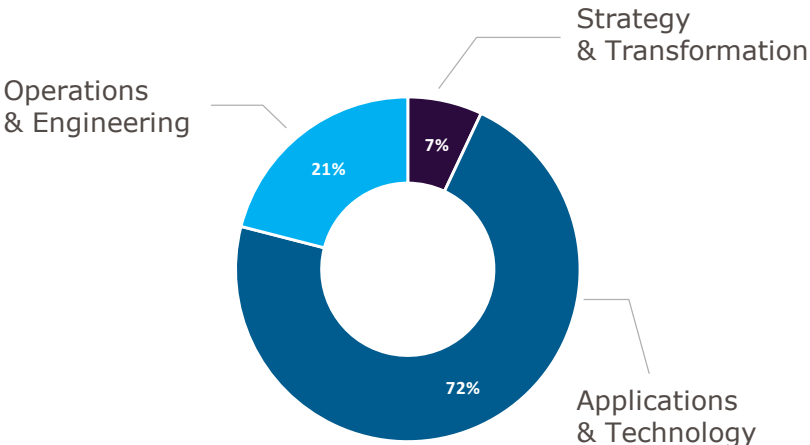
**Applications & Technology** brings together “Application Services” and related activities and notably local technology services previously included in “Technology & Engineering Services”;

**Operations & Engineering** encompasses all other Group businesses. These currently comprise: Business Services (including Business Process Outsourcing), all Infrastructure Services (including those previously in “Technology & Engineering Services”) and Digital Engineering and Digital Manufacturing services (previously in “Technology & Engineering Services”).

## NEW REPORTING FORMAT

(numbers are unaudited and are given as an indication)

	FY 2018 total revenues
	Year-on-Year Constant Currency
Strategy & Transformation	+40.9%
Applications & Technology	+9.0%
Operations & Engineering	+1.0%
TOTAL	+8.1%



## About Capgemini

A global leader in consulting, technology services and digital transformation, Capgemini is at the forefront of innovation to address the entire breadth of clients' opportunities in the evolving world of cloud, digital and platforms. Building on its strong 50-year heritage and deep industry-specific expertise, Capgemini enables organizations to realize their business ambitions through an array of services from strategy to operations. Capgemini is driven by the conviction that the business value of technology comes from and through people. It is a multicultural company of almost 220,000 team members in over 40 countries. The Group reported 2019 global revenues of EUR 14.1 billion.

Learn more about us at

[www.capgemini.com](http://www.capgemini.com)



**People matter, results count.**

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