



# 2018 Full Year Results

February 14<sup>th</sup>, 2019

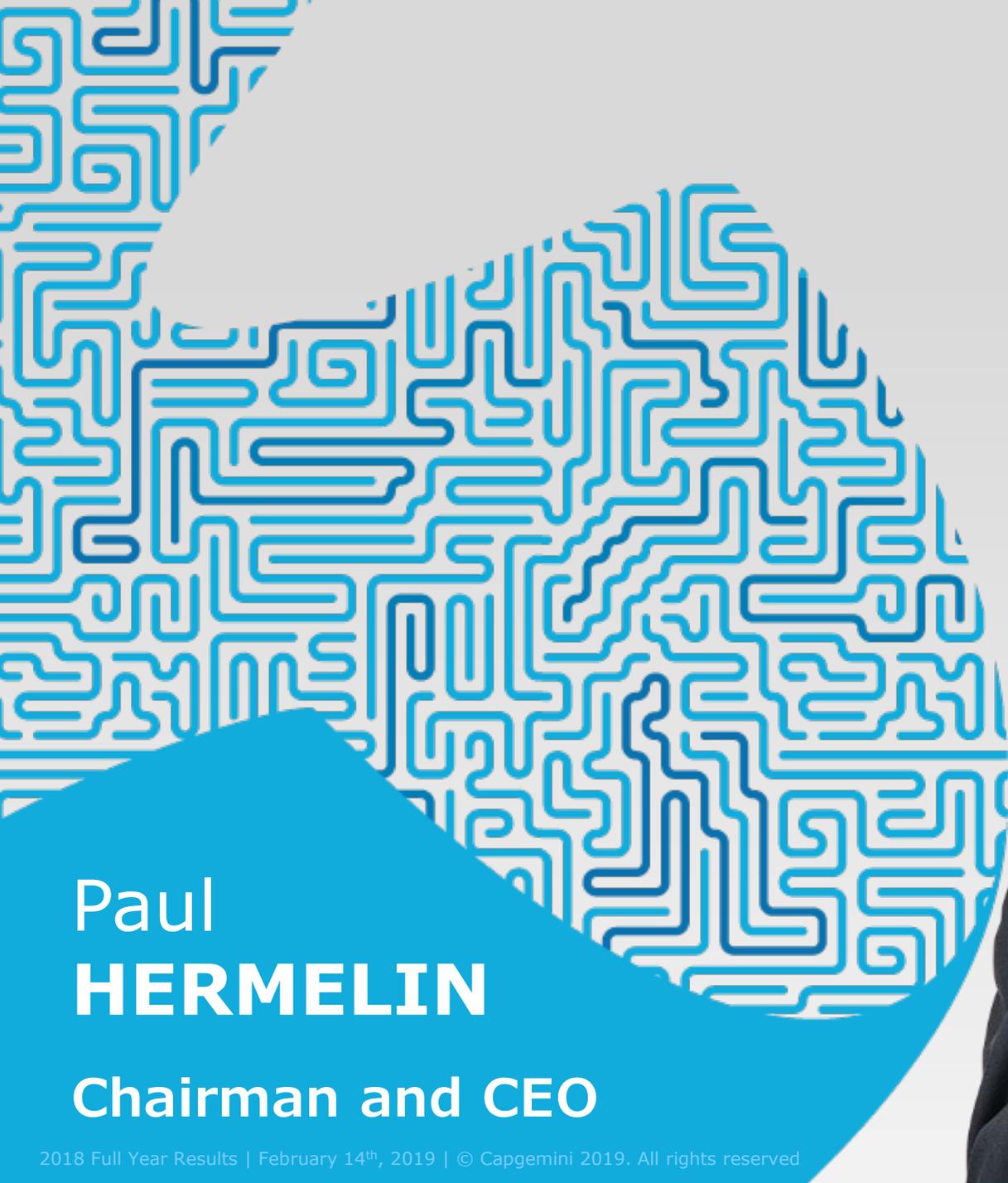


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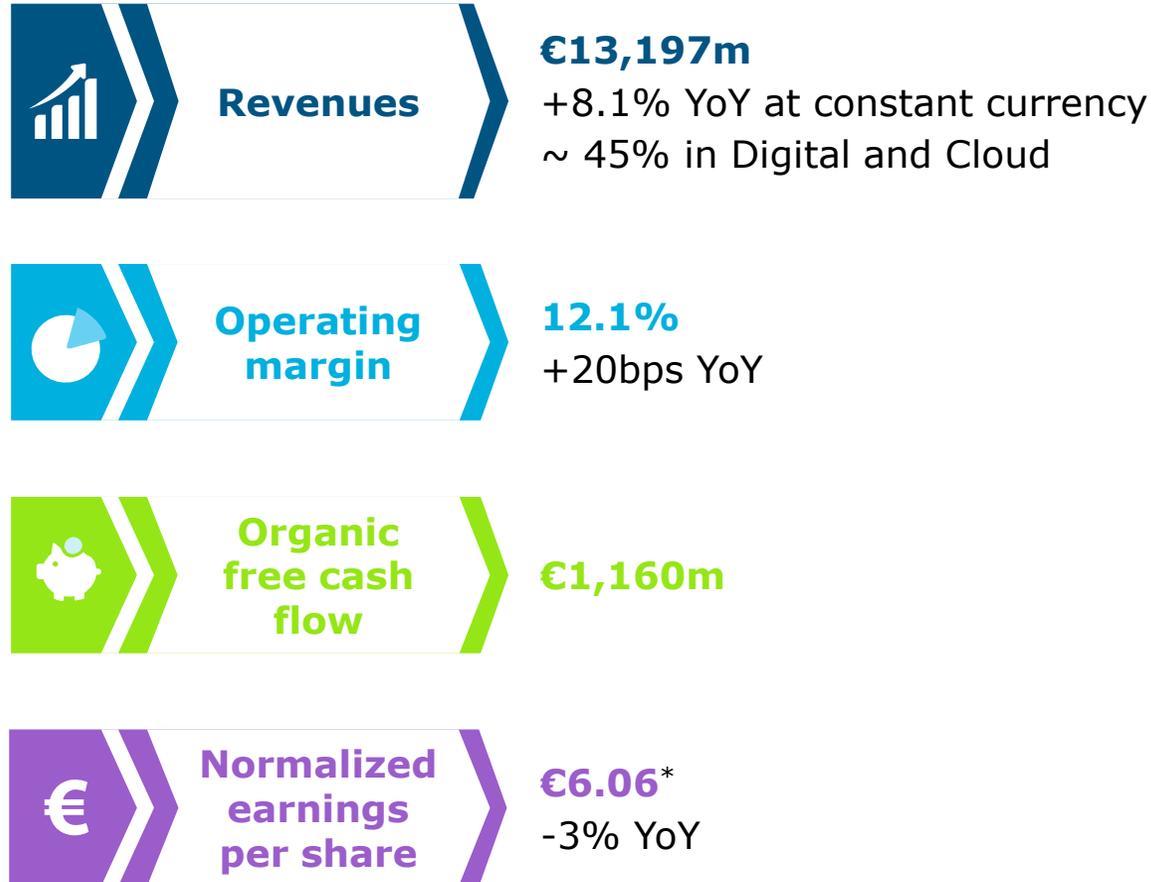


Paul  
**HERMELIN**

**Chairman and CEO**



# Strong set of results



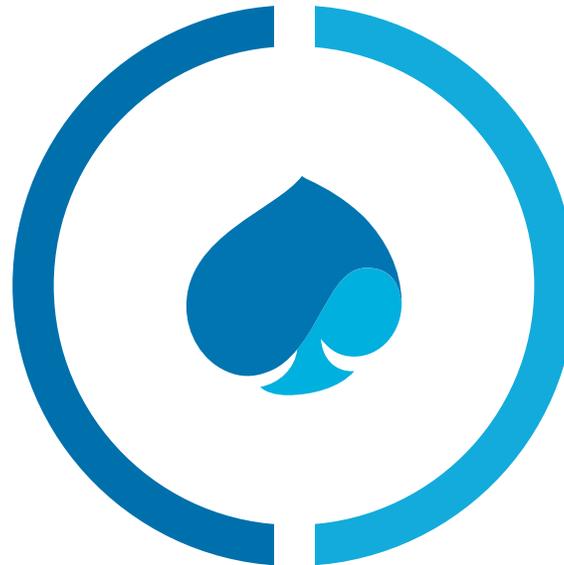
► **We delivered on all our targets**  
reaching our mid-term organic growth objective ahead of schedule



# Our strategic priorities to reinforce the Group

## A unified Go-to-Market

- Bringing each client the **end-to-end portfolio** of the Group
- Enhancing **client intimacy** and **sector** knowledge
- Developing **strategic relationship** with **CxOs**



## 100% agility for constant market relevance

- Strengthening proactive **portfolio management**
- Investing in our **offshore capabilities** for innovation, automation and productivity
- Outstanding progress with strategic **partners**
- Active **M&A agenda** to build leadership position in new markets



► We're building a responsible **leader for leaders**

# Market outlook



## Business transformation

Technology a key driver in manufacturing, operations and marketing



## Strong waves of innovation in IT services

Agile delivery at scale  
Automation  
Augmented intelligence



**Cloud** is the norm  
**Cyber** is a must have



Technology to maximize **cost competitiveness**

► We see a strong appetite for technology across the C-suite in a data-driven economy



# Our strengths to thrive in 2019



## Unified Go to Market

Reap the benefits of our reinforced go-to-market with skilled **sector-focus** people able to address **CxOs** with the **end-to-end portfolio** of the Group



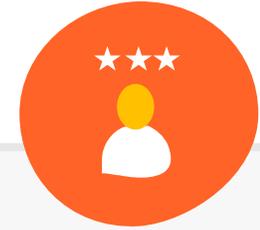
## Enhanced Offerings

- Carry out scalable **portfolio investments**
- Towards 50% of revenue in **Digital and Cloud**
- Further develop **Sector-specific** offerings
- **M&A** strategy to reinforce our capabilities in the New



## Competitiveness

- Best-in-class combination of **Agile Delivery** and **Industrialization**
- Stronger benefits from our Intelligent **Automation**



## Premium Talents

- Boosting our **attractiveness** with enhanced employee experience and agile leadership
- Reinforce **training and reskilling**
- Active in **talent war** on hot profiles

► With **technology expertise** and ability to anticipate **business challenges**, we are equipped to grow **faster than the market** and improve **profitability** in 2019

# 2019 outlook



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Constant currency  
revenue growth

**+5.5% to 8%**



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Operating margin

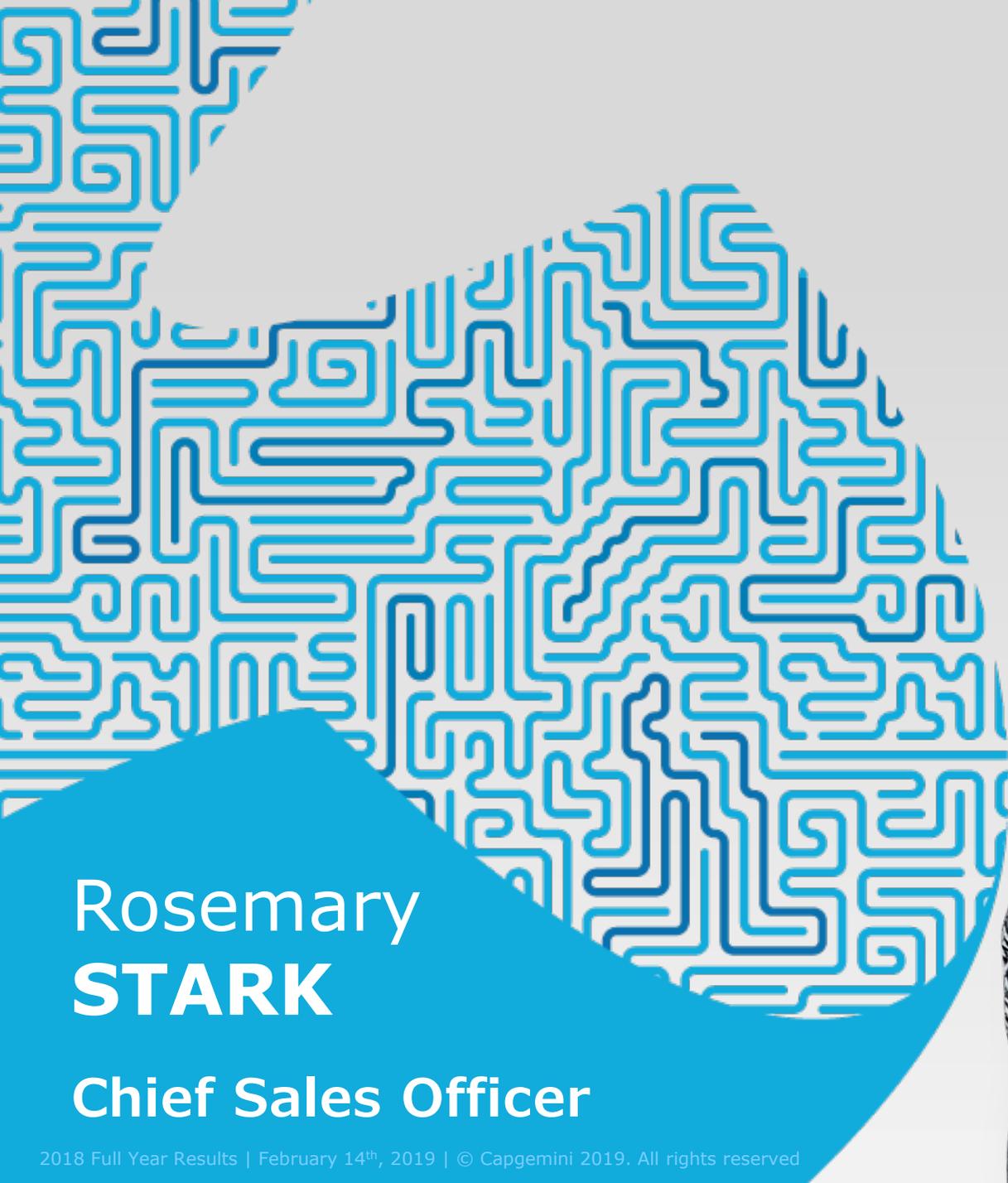
**12.3% to 12.6%**



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Organic  
free cash flow

**over €1.1bn**



Rosemary  
**STARK**

**Chief Sales Officer**

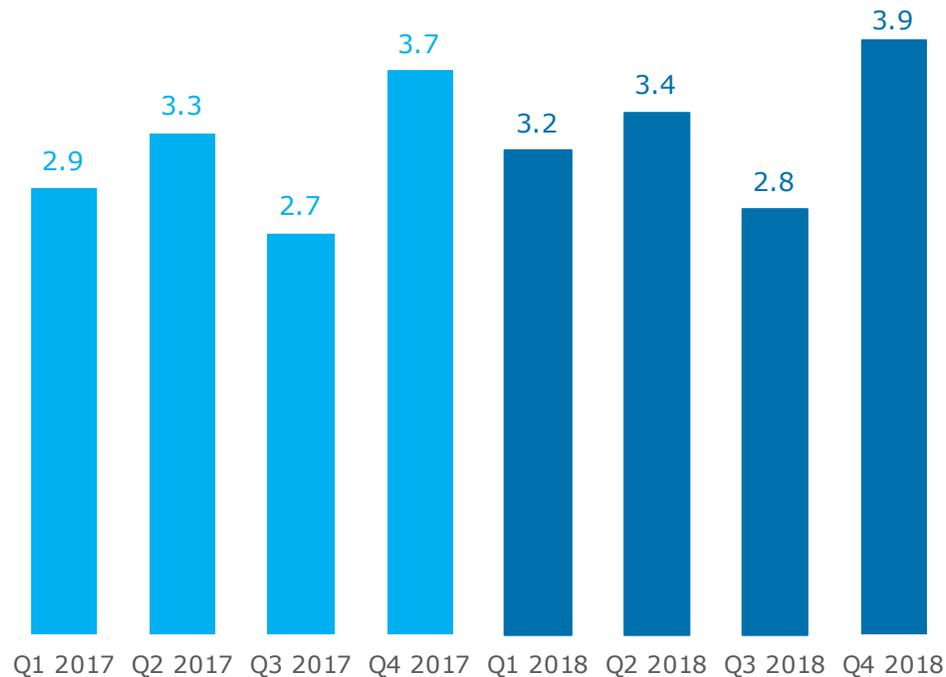




# Strong sales momentum

## Bookings evolution

in EUR billion (at reported rates)



Note: 2017 bookings are restated for IFRS 15

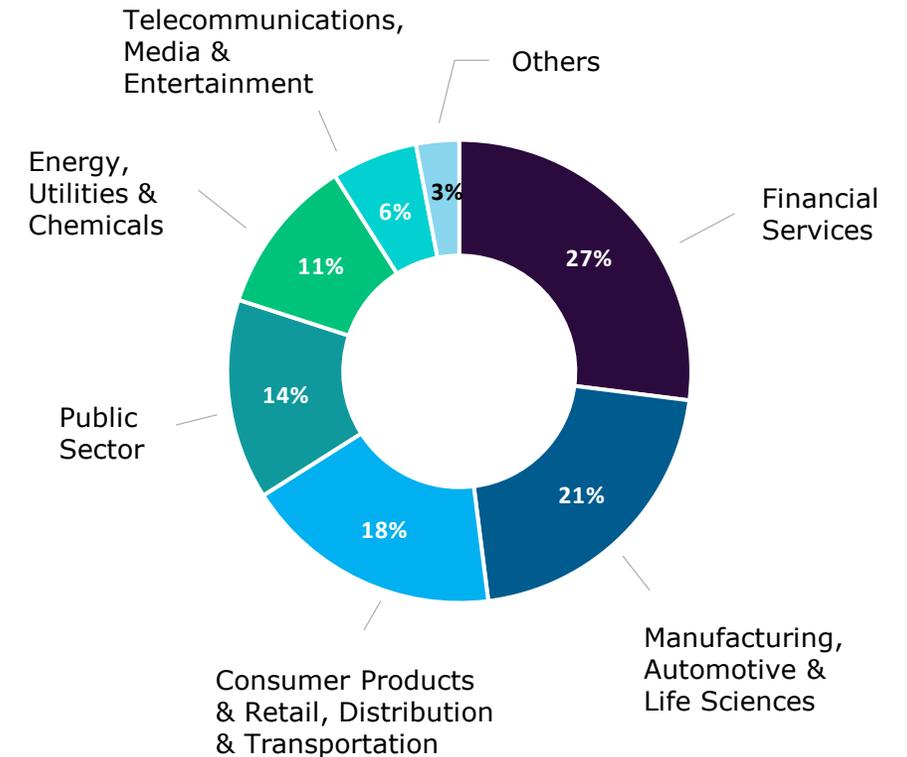
## Highlights

- 2018 bookings of €13.4Bn, a 9% increase YOY at constant currency
- Q4 bookings of €3.9Bn – largest quarter to date
- Rapid acceleration with 2 of our chosen partners for public cloud
- Many multi-tower opportunities emerging
- Strong pipeline for 2019 with >11% growth YOY



# Q4 & FY 2018 Revenues by Sector

	<b>Q4 2018</b> Year-on-Year Constant Currency	<b>FY 2018</b> Year-on-Year Constant Currency
<b>Financial Services</b>	+9.4%	+9.1%
<b>Energy, Utilities &amp; Chemicals</b>	+9.1%	+6.2%
<b>Manufacturing</b>	+5.4%	+7.3%
<b>Consumer Product, Retail, Dist. &amp; Transportation</b>	+8.9%	+16.0%
<b>Public Sector</b>	+11.2%	+6.7%
<b>Telecom, Media &amp; Entertainment</b>	+0.1%	-1.0%
<b>TOTAL</b>	<b>+7.8%</b>	<b>+8.1%</b>



Note: 2017 figures are restated for IFRS 15

# 2018 Brings New Wins and Cloud and Digital Expansion



**Consumer Product, Retail, Distribution & Transportation**



Luxury Goods Retailer

Global Logistics Firm

Top 5 LATAM retailer

European Transport provider

**Energy, Utilities & Chemicals**



Leading pump Manufacturer

**Public Sector**



European Health Authority

IT for French Military



Sweden Employment Agency

**Financial Services**



**Manufacturing**



Fortune 500 Chemical Manufacturer

Major European Automotive Manufacturer

Leading Automotive component provider

**Telecom, Media & Entertainment**



Global Media Provider

Gaming and Electronics giant

Leading Nordics Sports Team

**Services**



Global Security Services provider

# Our unified approach delivers benefits in the Luxury Goods Market



## Facial recognition

for seamless in-store and on-line insight



## Cloud migration

Delivering agility and speed to market



## Brand analytics

powered by AI



## Customer Loyalty

Rewards and gamification



## Global Rollout

5 brands in 80 countries



## eCommerce

omni-channel transformation



## Sales and service

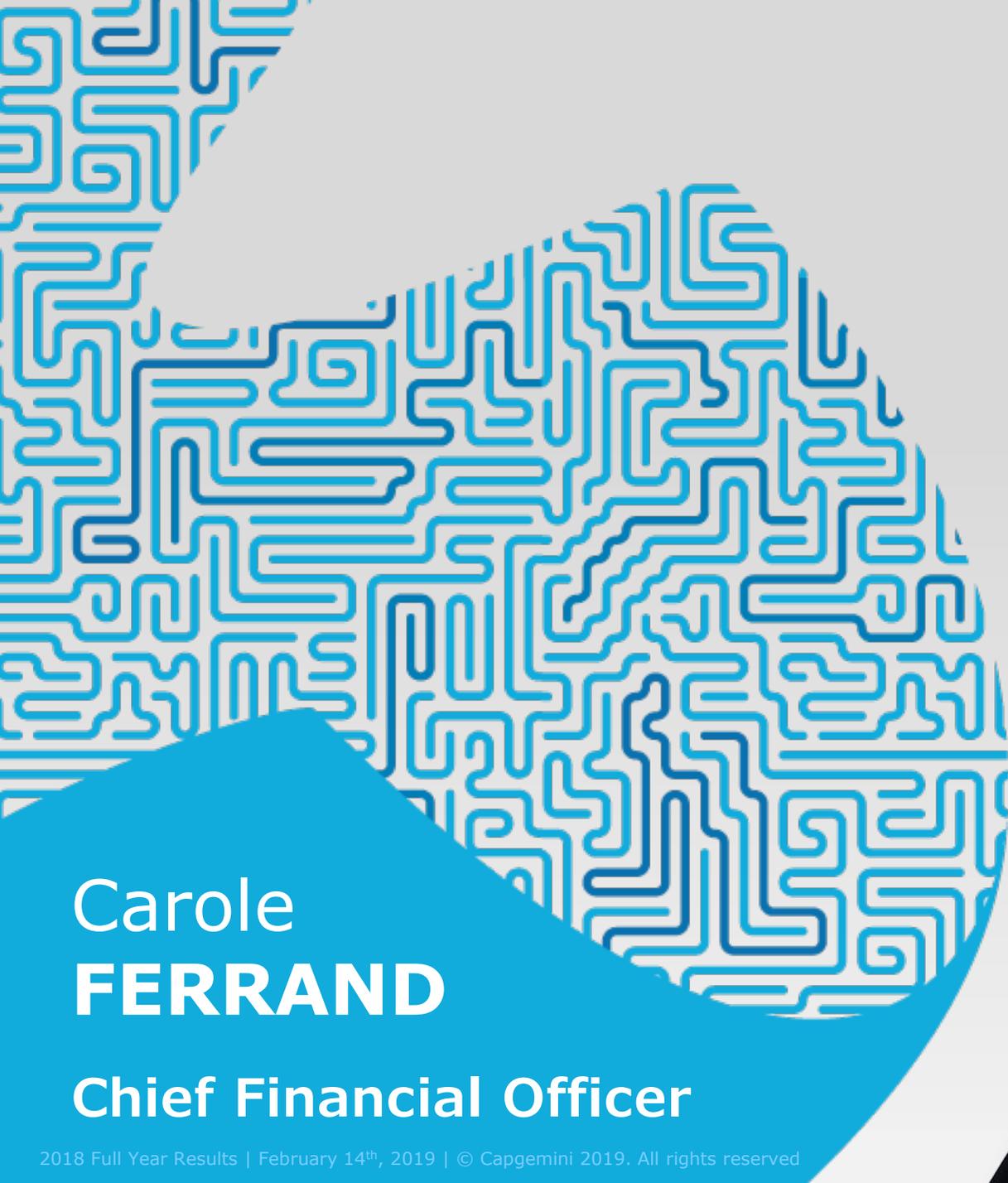
Impeccable customer experience



## Customer engagement

Pre and post sale

Capgemini works with 7 of the world's top 10 Luxury Goods Brands



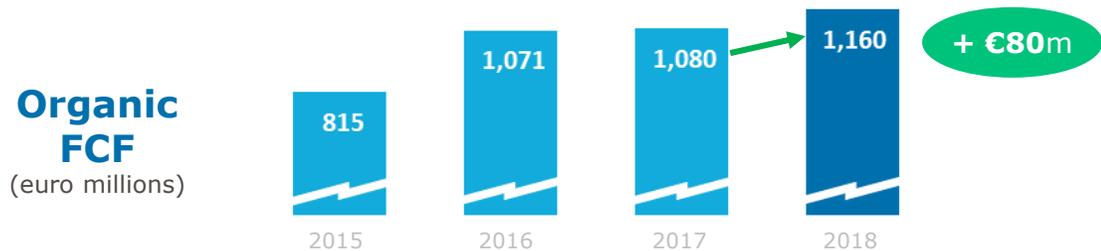
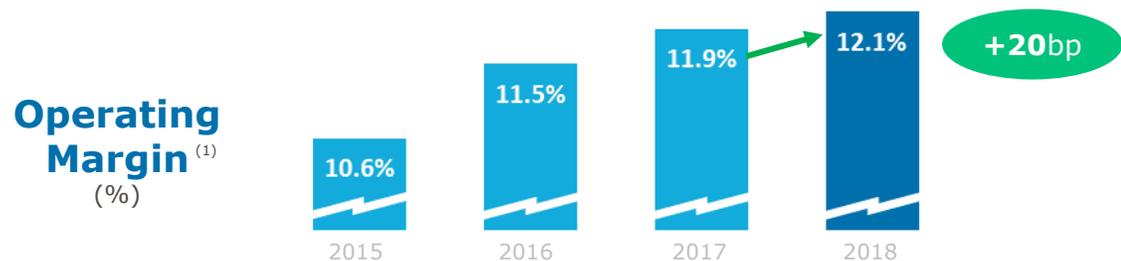
Carole  
**FERRAND**

**Chief Financial Officer**





# Financial Highlights



- Substantially raised our growth profile while expanding our operating margin
- Broad-based growth driven by the investments in Digital & Cloud
- Operating margin above 11% in all regions
- +40bp gross margin improvement in H2
- Transitional impact from U.S tax reform
- Strong underlying cash generation profile

<sup>(1)</sup> 2015-2017 growth and 2015-2016 operating margin are as published (pre IFRS 15), 2017 operating margin is restated for IFRS 15



# Financial Overview

In this presentation,  
unless otherwise stated,  
**2017 is restated  
for IFRS 15**

in EUR millions	FY 2017	FY 2018	Variation	Constant Currency Growth
<b>Revenues</b>	<b>12,525</b>	<b>13,197</b>	+5.4%	+8.1%
Operating expenses	-11,032	-11,600		
<b>Operating margin</b>	<b>1,493</b>	<b>1,597</b>	+7%	
(% Revenues)	11.9%	12.1%	+0.2pt	
Other operating income and expenses	-310	-346		
<b>Operating profit</b>	<b>1,183</b>	<b>1,251</b>	+6%	
(% Revenues)	9.4%	9.5%		
Net financial expense	-72	-80		
Income tax	-303	-447		
Non-controlling interests	12	6		
<b>Net Profit (Group Share)</b>	<b>820</b>	<b>730</b>	-11%	
(% Revenues)	6.6%	5.5%	-1.1pt	
Basic EPS in €	4.88	4.37	-10%	
Normalized EPS in € <sup>(1)</sup>	6.22	6.06 <sup>(2)</sup>	-3%	
<b>Organic Free cash flow</b>	<b>1,080</b>	<b>1,160</b>	<b>+80</b>	

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.

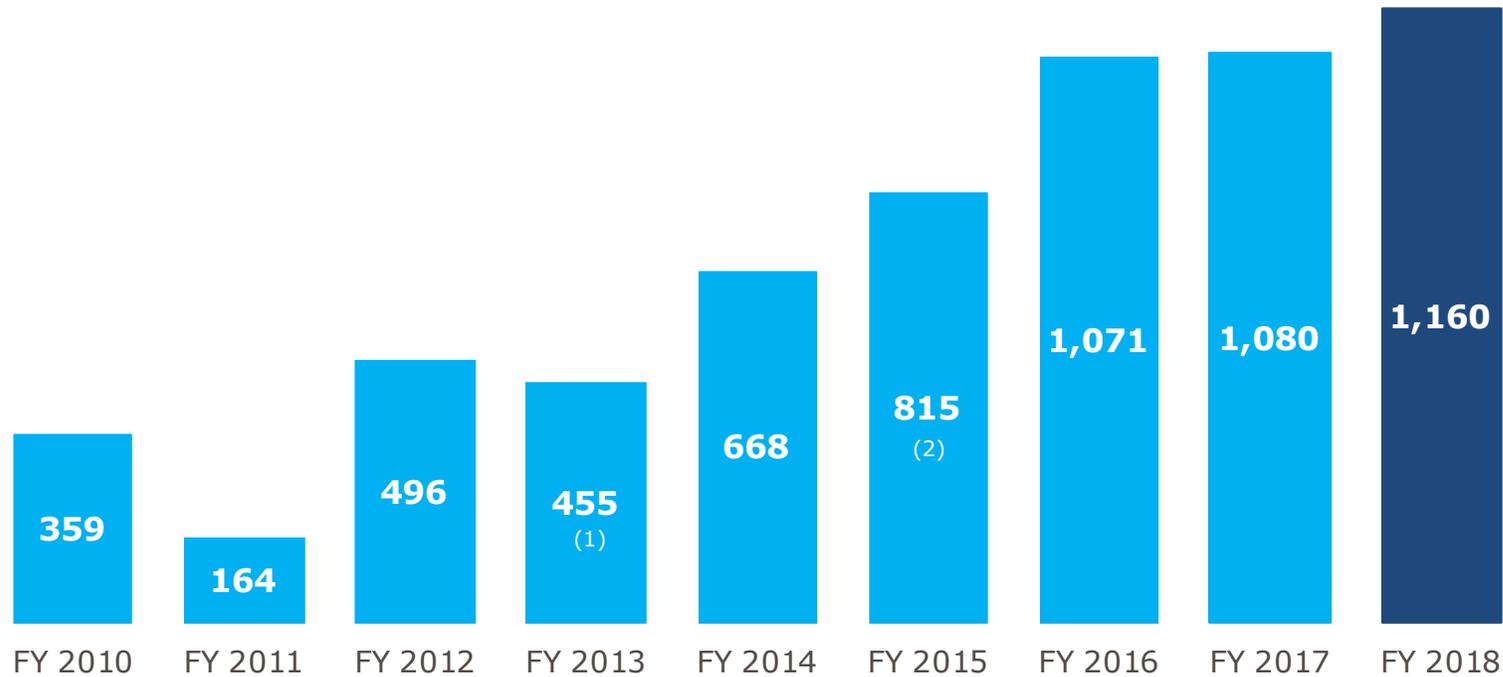
2) Excluding a €53 million expense recognized in 2018 due to the transitional impact of the US tax reform

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



# Organic Free Cash Flow Generation

in EUR millions



**Net debt**  
**€ 1,184m** as at Dec 31, 2018  
vs. **€1,209m** as at Dec 31, 2017

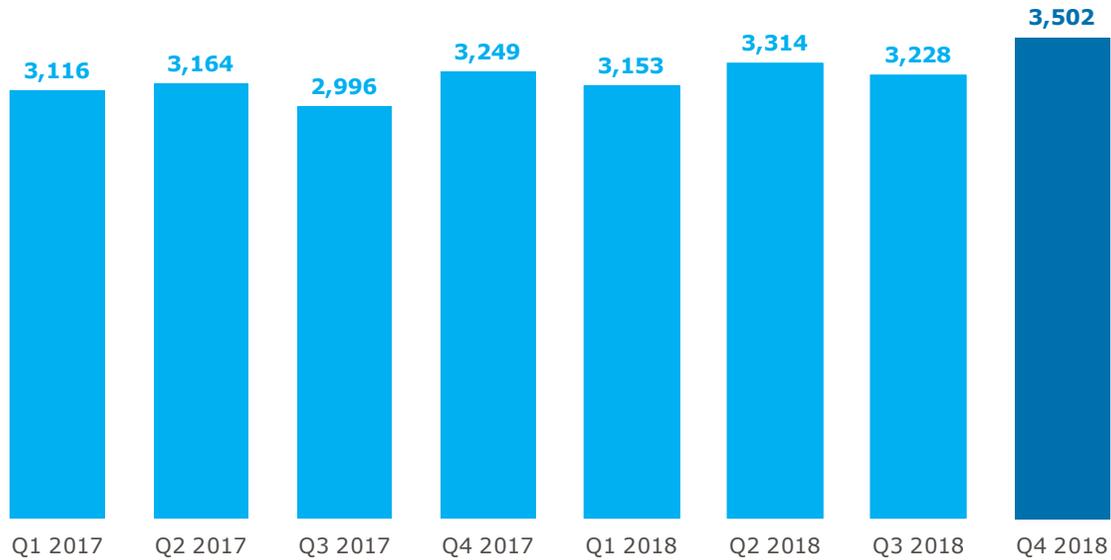
(1) Before the €235m exceptional contribution to a UK pension fund.

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



# Quarterly Revenue Growth

Revenues in EUR millions

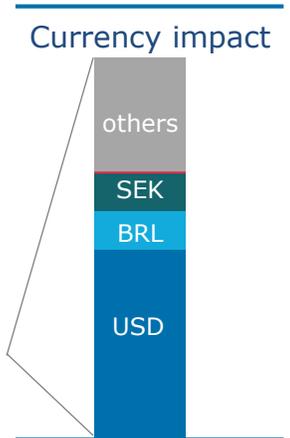


## Constant currency growth

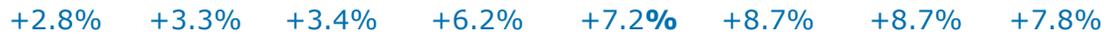
**Q4: +7.8%** YoY

**FY: +8.1%** YoY

	Q4 2018	FY 2018
Year-on-Year		
<b>Organic</b>	+ 5.7%	+ 6.2%
Group scope	+2.1pt	+1.9pt
<b>Constant Currency</b>	+ 7.8%	+ 8.1%
Currencies	-0.0pt	-2.7pt
<b>Reported</b>	+ 7.8%	+ 5.4%



Constant currency growth YOY (in %)

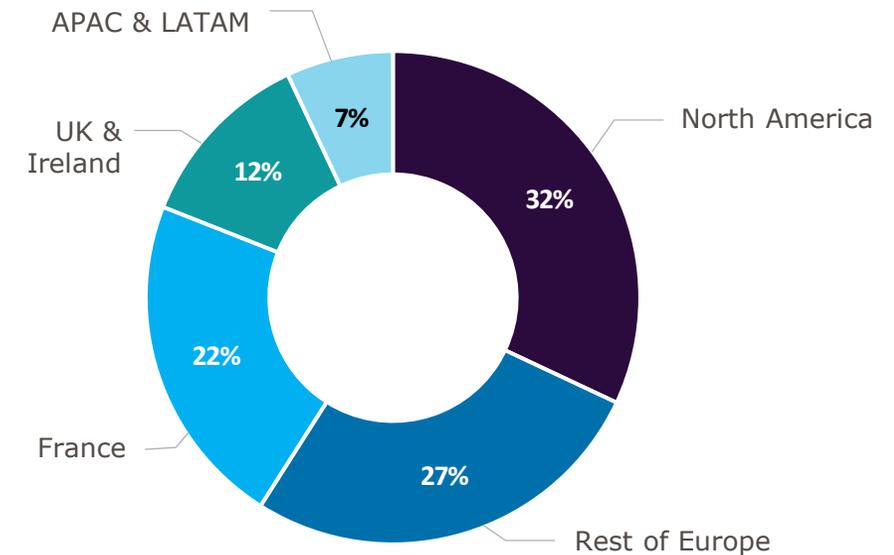


Note: 2017 revenues are restated for IFRS 15, 2017 constant currency growth rates are as published



# Q4 and FY 2018 Revenues by Regions

	Q4 2018	FY 2017	FY 2018	FY 2018	
	YoY Constant Currency	Revenues (in €m) (in €m)		Reported	Constant Currency
North America	+11.2%	3,872	4,230	+9.2%	+14.4%
UK & Ireland	+9.0%	1,580	1,565	-0.9%	+0.1%
France	+6.5%	2,676	2,848	+6.4%	+6.4%
Rest of Europe	+4.2%	3,415	3,605	+5.6%	+6.9%
APAC & LATAM	+9.6%	982	949	-3.3%	+6.0%
<b>TOTAL</b>	<b>+7.8%</b>	<b>12,525</b>	<b>13,197</b>	<b>+5.4%</b>	<b>+8.1%</b>

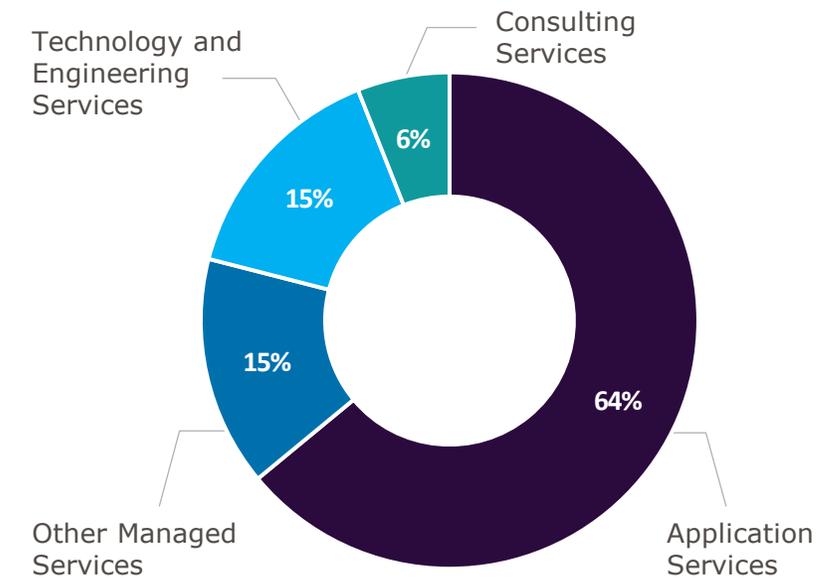


Note: 2017 figures are restated for IFRS 15



# Q4 and FY 2018 Revenues by Business

	Q4 2018	FY 2017	FY 2018	FY 2018	
	YoY Constant Currency	Revenues (in €m) (in €m)		Reported	Constant Currency
Consulting Services	+35.2%	583	785	+34.6%	+37.4%
Technology & Engineering Services	+3.8%	1,905	1,974	+3.6%	+5.0%
Application Services	+9.3%	7,828	8,393	+7.2%	+10.1%
Other Managed Services	-2.1%	2,209	2,045	-7.4%	-4.2%
<b>TOTAL</b>	<b>+7.8%</b>	<b>12,525</b>	<b>13,197</b>	<b>+5.4%</b>	<b>+8.1%</b>

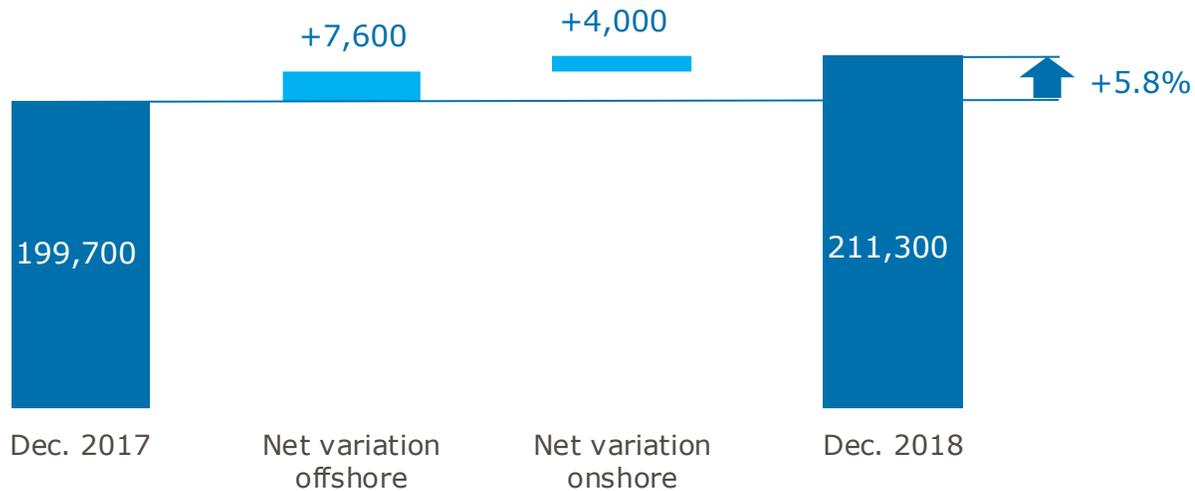


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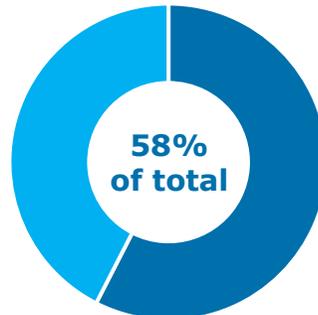
# Headcount Evolution

## Headcount Evolution December 2017 to December 2018



Workforce in global production centers:

+6.7%  
YoY



## Attrition FY 2018 vs. FY 2017

Attrition	FY 2017	FY 2018	Variation
Consulting Services	20.9%	20.7%	-0.2pt
Technology and Engineering Services	20.2%	21.4%	+1.2pt
Application Services	18.0%	21.8%	+3.8pt
Other Managed Services	21.1%	24.0%	+2.9pt
<b>TOTAL</b>	<b>18.9%</b>	<b>22.0%</b>	<b>+3.1pt</b>



# Operating Margin by Regions

	FY 2017			FY 2018		
	Revenues	Operating Margin		Revenues	Operating Margin	
	(in €m)	(in €m)	(%)	(in €m)	(in €m)	(%)
<b>North America</b>	3,872	529	13.7%	4,230	576	13.6%
<b>UK &amp; Ireland</b>	1,580	254	16.1%	1,565	198	12.6%
<b>France</b>	2,676	267	10.0%	2,848	317	11.1%
<b>Rest of Europe</b>	3,415	418	12.2%	3,605	468	13.0%
<b>APAC &amp; LATAM</b>	982	99	10.1%	949	122	12.8%
<b>Not allocated</b>		-74			-84	
<b>TOTAL</b>	<b>12,525</b>	<b>1,493</b>	<b>11.9%</b>	<b>13,197</b>	<b>1,597</b>	<b>12.1%</b>

Note: 2017 figures are restated for IFRS 15



# Operating Margin by Business

	FY 2017			FY 2018		
	Revenues	Operating Margin		Revenues	Operating Margin	
		(in €m)	(in €m)		(%)	(in €m)
<b>Consulting Services</b>	583	66	11.3%	785	101	12.9%
<b>Technology and Engineering Services</b>	1,905	262	13.8%	1,974	261	13.2%
<b>Application Services</b>	7,828	1,024	13.1%	8,393	1,140	13.6%
<b>Other Managed Services</b>	2,209	215	9.7%	2,045	179	8.7%
<b>Not allocated</b>		-74			-84	
<b>TOTAL</b>	<b>12,525</b>	<b>1,493</b>	<b>11.9%</b>	<b>13,197</b>	<b>1,597</b>	<b>12.1%</b>

Note: 2017 figures are restated for IFRS 15



# Operating Margin Analysis

in EUR millions	FY 2017	FY 2018
<b>Revenues</b>	<b>12,525</b>	<b>13,197</b>
<b>Cost of services rendered</b>	-9,141	-9,627
% of revenues	-73.0%	-72.9%
<b>Gross margin</b>	3,384	3,570
% of revenues	27.0%	27.1%
<b>Selling Expenses</b>	-1,019	-1,043
% of revenues	-8.1%	-7.9%
<b>General &amp; Administrative Expenses</b>	-872	-930
% of revenues	-7.0%	-7.1%
<b>Operating Margin</b>	<b>1,493</b>	<b>1,597</b>
% of revenues	11.9%	12.1%

Note: 2017 figures are restated for IFRS 15



# Net Financial Expense and Income Tax

in EUR millions	FY 2017	FY 2018
<b>Interest on bonds</b>	-55	-57
<b>Other interest income and expense</b>	37	45
<b>Net interest expense</b>	-18	-12
<b>Other financial income &amp; expenses</b>	-54	-68
<b>Net financial expense</b>	<b>-72</b>	<b>-80</b>

in EUR millions	FY 2017	FY 2018
<b>Income tax</b>	-303	-447
<b>Effective tax rate</b>	27.3%	38.2%
<b>Effective tax rate, before transitional tax expense</b>	27.3%	33.7% <sup>(1)</sup>

(1) Excluding a €53 million expense recognized in due to the transitional impact of the tax reform in the U.S.



# Net Profit Analysis

	FY 2017	FY 2018
in EUR millions		
<b>Operating margin</b>	<b>1,493</b>	<b>1,597</b>
<b>Other operating income and expenses</b>	-310	-346
<i>of which</i>		
<i>Restructuring costs</i>	-131	-122
<i>Amortization of intangible assets acquired through business combinations</i>	-65	-75
<i>Acquisition and integration costs</i>	-38	-38
<i>Expenses relating to share grants</i>	-71	-91
<i>Other costs</i>	-5	-20
<b>Operating profit</b>	<b>1,183</b>	<b>1,251</b>
Net financial expense	-72	-80
Income tax expense	-303	-447
Non-controlling interests	12	6
<b>Net profit (Group share)</b>	<b>820</b>	<b>730</b>
Average number of shares	168,057,561	167,088,363
Basic EPS - in €	4.88	4.37
Normalized EPS (non diluted) - in €	6.22	6.06 <sup>(1)</sup>

(1) Excluding a €53 million expense recognized in 2018 due to the transitional impact of the US tax reform



# Review of 2018 priorities

**Broad based and strong growth performance**

All sectors (ex-Telecom) and all regions (ex UK) growing above 6%

**Rapid rotation of our business  
to Digital & Cloud**

Around 45% in Digital & Cloud, up 7 points YoY

**Confirm trajectory to mid term margin ambition  
&  
Continue to deliver > €1bn of Organic FCF**

Operating margin up 20 bp YoY

Organic FCF of €1.16bn

**Maintain balance between  
return to shareholders and M&A**

€518m returned to shareholders (net)

€461m in M&A (net)

# 2019 Priorities



**Confirm our solid growth profile**



**Confirm our ability to reach the medium-term operating margin ambition**



**Continue to deploy our strong cash flows**  
**- Superior cash conversion profile**  
**- Balanced capital allocation**



# Q&A



Paul **HERMELIN**  
Chairman and CEO



Carole **FERRAND**  
Chief Financial Officer



Aiman **EZZAT**  
Chief Operating Officer



Thierry **DELAPORTE**  
Chief Operating Officer



Rosemary **STARK**  
Chief Sales Officer

# Appendix



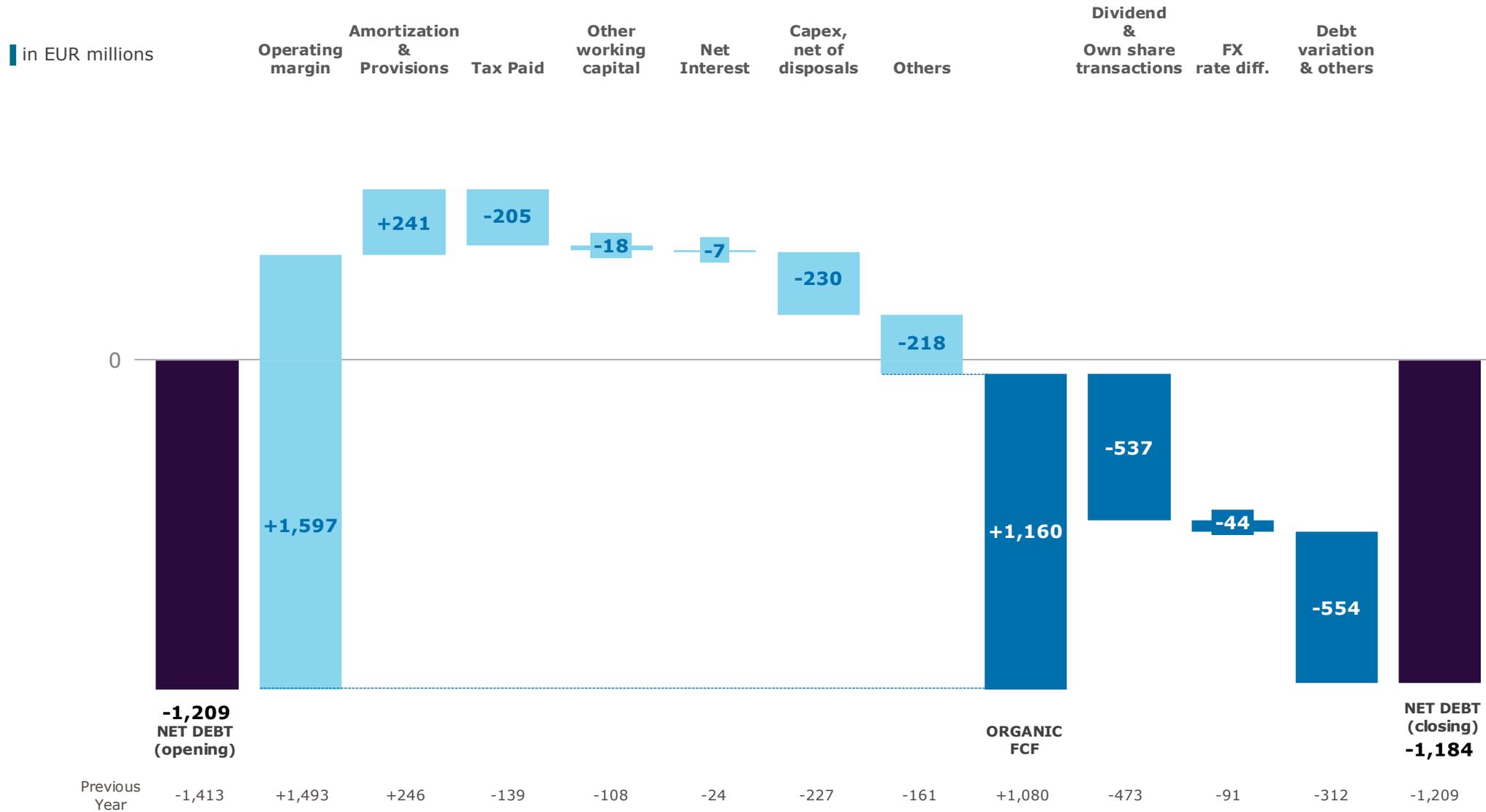


# Alternate performance measures

- **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**.
- **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) and adjusted for flows relating to the net interest cost.
- **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.

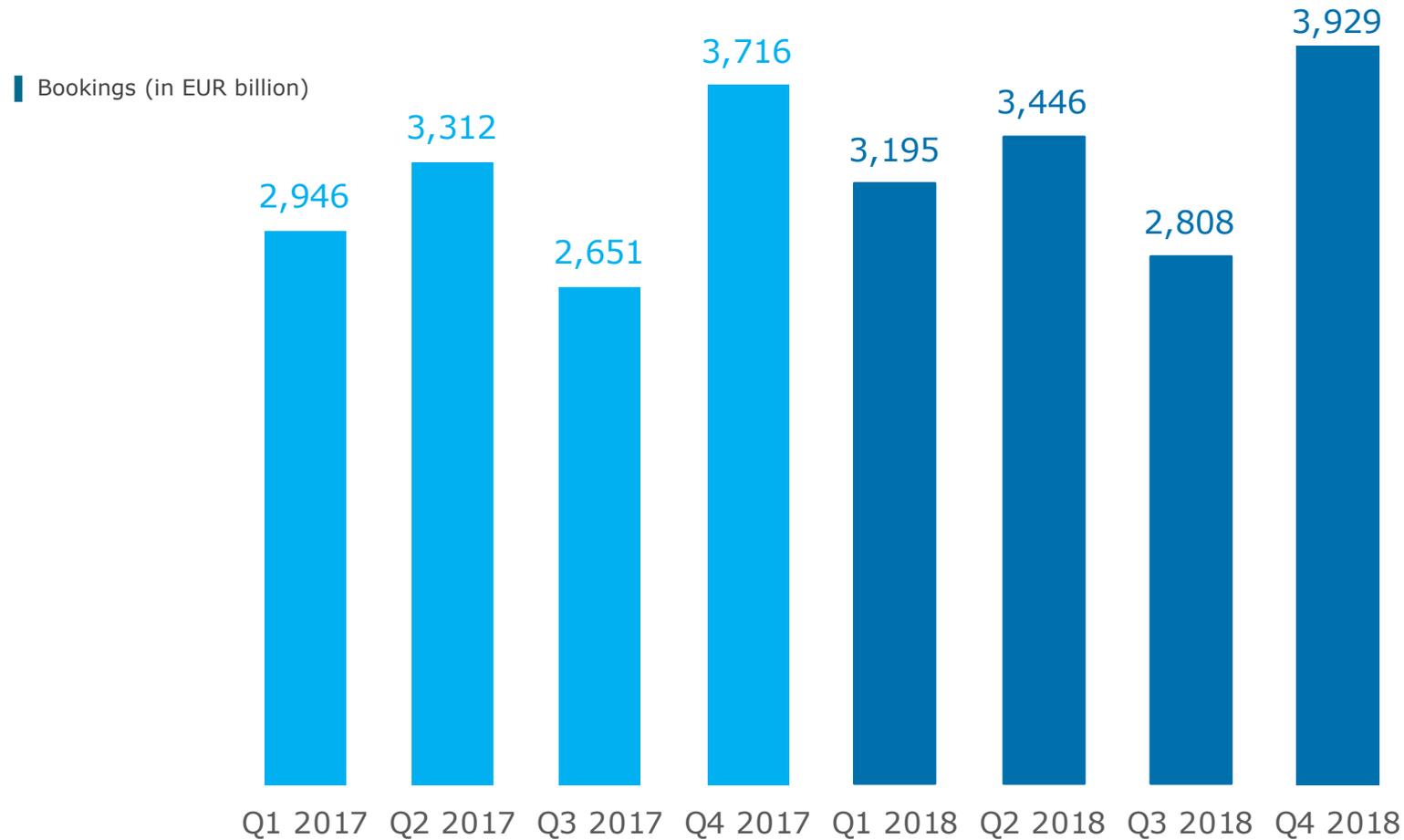


# Net Cash Evolution





# Bookings Evolution



**FY 2018**  
Published: +6%  
Constant currency: +9%



Note: 2017 bookings are restated for IFRS 15



# Revenue Quarterly Evolution

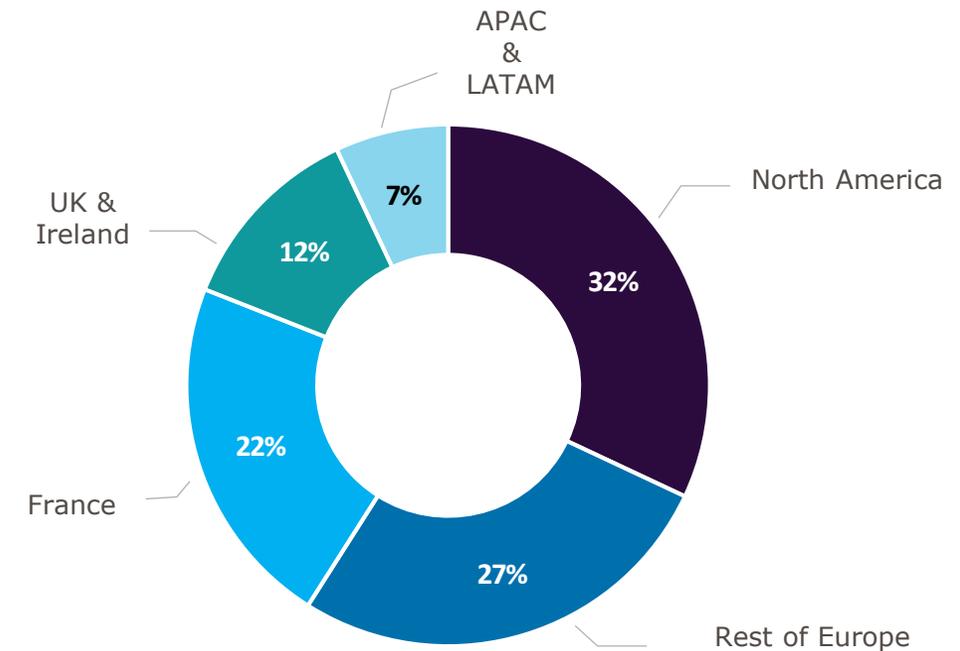
	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018
<b>Restated for IFRS 15 (in €m)</b>	<b>3,116</b>	<b>3,164</b>	<b>2,996</b>	<b>3,249</b>	<b>3,153</b>	<b>3,314</b>	<b>3,228</b>	<b>3,502</b>
<b>Year-on-Year reported growth</b>	+2.6%	+2.4%	+0.9%	+2.2%	+1.2%	+4.7%	+7.7%	+7.8%
<b>Year-on-Year organic growth</b>	+2.6%	+2.9%	+3.1%	+5.6%	+6.1%	+6.7%	+6.3%	+5.7%

Note: 2018 YoY growth rates are computed on a comparable basis (2017 revenues restated for IFRS 15) - 2017 YoY growth rates are as published



# Q4 2018 Revenues by Regions

	Q4 2017	Q4 2018	Q4 2018	
	Revenues		Year-on-Year	
	(in €m)	(in €m)	Reported	Constant Currency
North America	990	1,125	+13.6%	+11.2%
UK & Ireland	364	397	+9.1%	+9.0%
France	734	783	+6.5%	+6.5%
Rest of Europe	915	944	+3.3%	+4.2%
APAC & LATAM	246	253	+3.4%	+9.6%
<b>TOTAL</b>	<b>3,249</b>	<b>3,502</b>	<b>+7.8%</b>	<b>+7.8%</b>

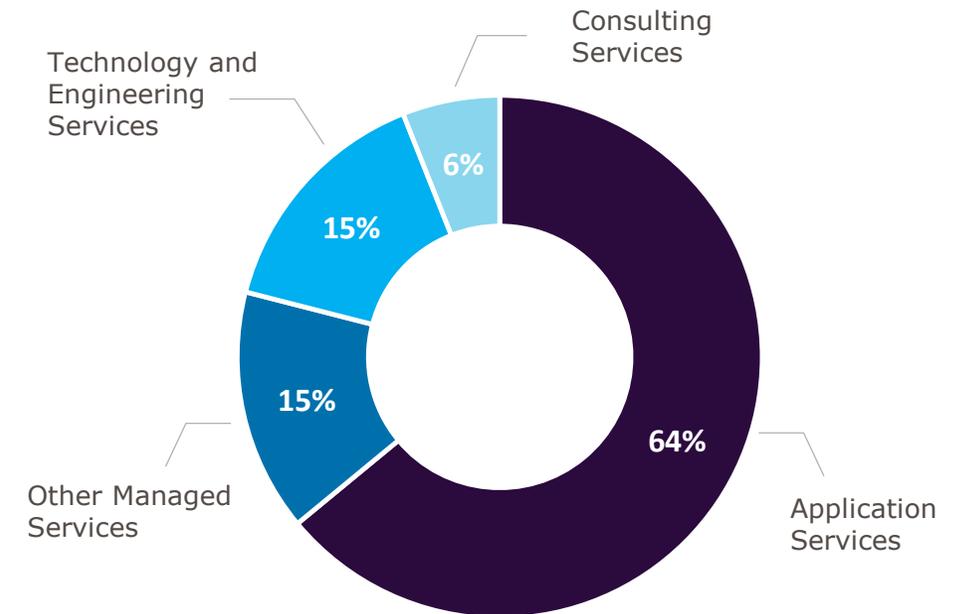


Note: 2017 figures are restated for IFRS 15



# Q4 2018 Revenues by Business

	Q4 2017	Q4 2018	Q4 2018	
	Revenues		Year-on-Year	
	(in €m)	(in €m)	Reported	Constant Currency
<b>Consulting Services</b>	155	213	+37.7%	+35.2%
<b>Technology &amp; Engineering Services</b>	499	520	+4.4%	+3.8%
<b>Application Services</b>	2,056	2,242	+9.1%	+9.3%
<b>Other Managed Services</b>	539	527	-2.3%	-2.1%
<b>TOTAL</b>	<b>3,249</b>	<b>3,502</b>	<b>+7.8%</b>	<b>+7.8%</b>



Note: 2017 figures are restated for IFRS 15



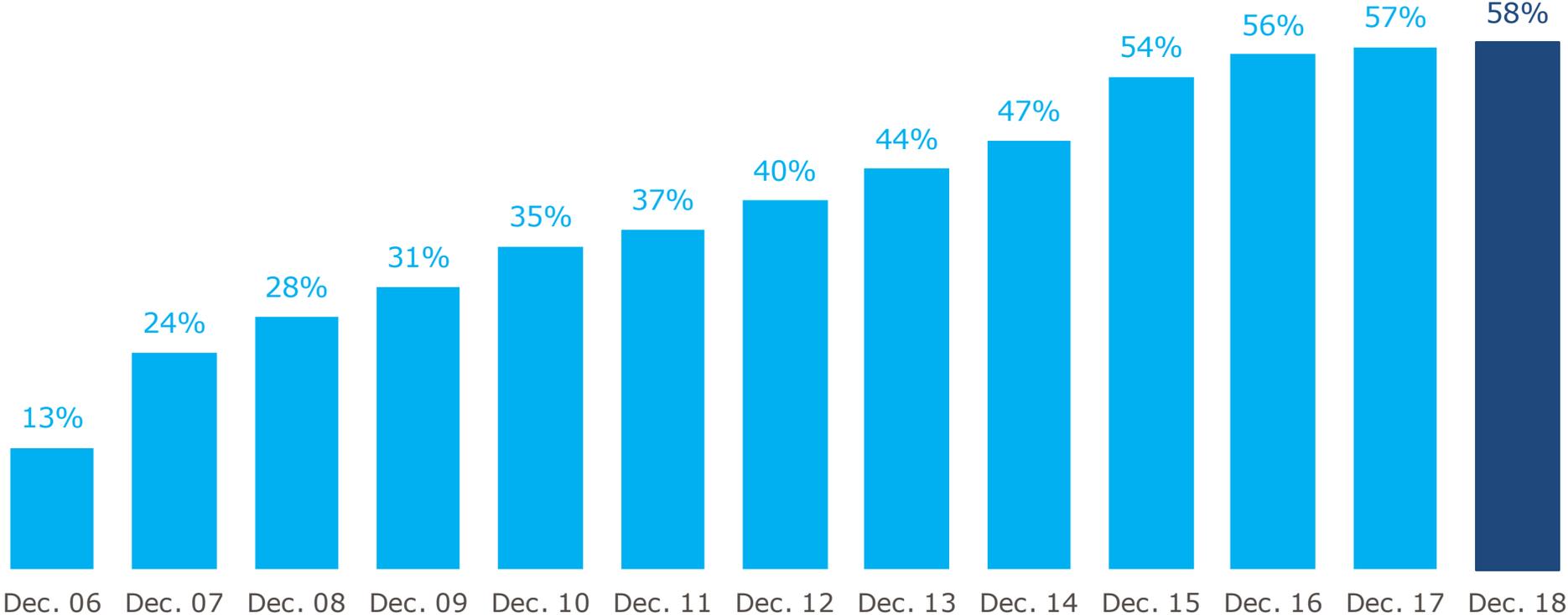
# Operating Margin – Analysis by type of costs

in EUR millions	<b>FY 2017</b>	<b>FY 2018</b>
<b>Revenues</b>	<b>12,525</b>	<b>13,197</b>
Personnel costs	-8,002	-8,147
% of Revenues	-63.9%	-61.7%
Purchases and subcontracting expenses	-1,838	-2,237
% of Revenues	-14.7%	-17.0%
Travel expenses	-516	-535
% of Revenues	-4.1%	-4.0%
Rent, facilities and local taxes	-357	-366
% of Revenues	-2.9%	-2.8%
Depreciation, amortization, provisions and proceeds from asset disposal	-319	-315
% of Revenues	-2.5%	-2.4%
<b>Total operating expenses</b>	<b>-11,032</b>	<b>-11,600</b>
% of Revenues	-88.1%	-87.9%
<b>Operating margin</b>	<b>1,493</b>	<b>1,597</b>
% of Revenues	11.9%	12.1%

Note: 2017 figures are restated for IFRS 15



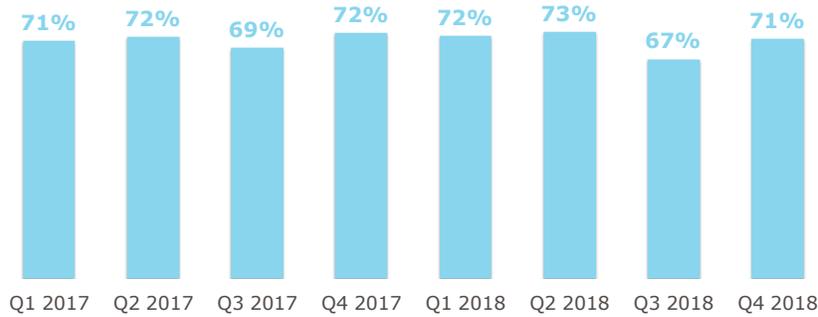
# Offshore Leverage from 2007 to 2018



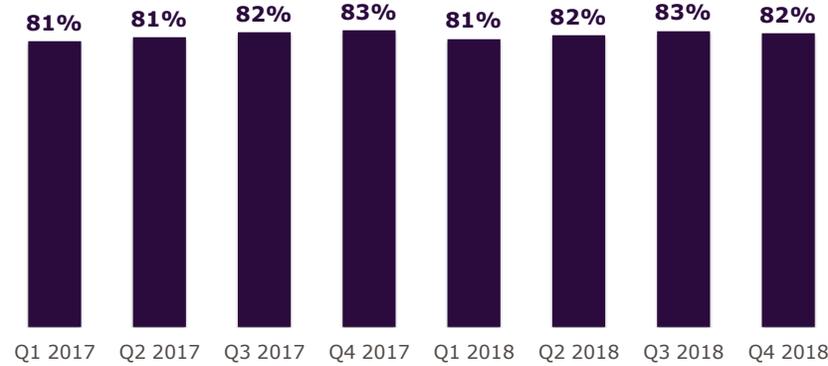


# Utilization Rates

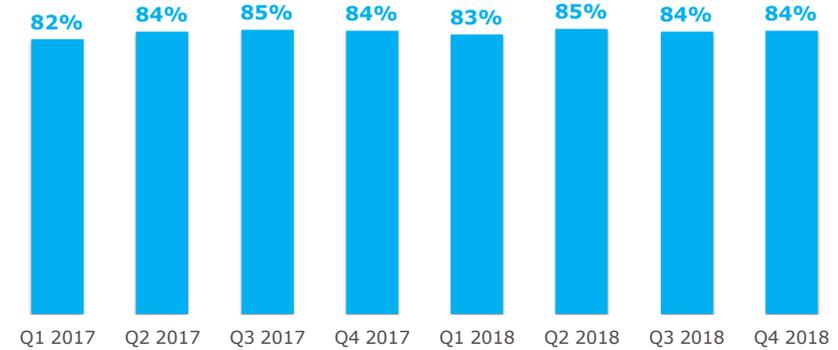
## Consulting Services



## Application Services



## Technology & Engineering Services





# Net Cash Evolution

in EUR millions

	2017	2018
<b>Profit for the period</b>	<b>808</b>	<b>724</b>
Depreciation, amortization and impairment of fixed assets	301	303
Change in provisions	-9	-39
Losses on disposals of assets	15	16
Net finance costs	18	12
Income tax expense / (income)	303	447
Other non-cash items	96	73
<b>Cash flows from operations before net finance costs and income tax</b>	<b>1,532</b>	<b>1,536</b>
Income tax paid	-139	-205
Change in restructuring debt	10	17
Changes in operating working capital	-73	48
<b>Operating cash flows (A)</b>	<b>1,330</b>	<b>1,396</b>
<b>Capital expenditure (net of proceeds) (B)</b>	<b>-226</b>	<b>-229</b>
Cash outflows on business combinations net of cash & cash equivalents acquired	-243	-461
Increase in share capital	320	230
Dividends paid	-262	-284
Net payments relating to treasury shares transactions	-531	-483
Change in debt	-75	-93
<b>Interest paid &amp; received (C)</b>	<b>-24</b>	<b>-7</b>
Translation, perimeter changes & other	-85	-44
<b>Change in net cash and cash equivalents</b>	<b>204</b>	<b>25</b>
<b>Opening Net Cash / (Debt)</b>	<b>-1,413</b>	<b>-1,209</b>
<b>Closing Net Cash / (Debt)</b>	<b>-1,209</b>	<b>-1,184</b>
<b>Organic Free Cash Flow (A) + (B) + (C)</b>	<b>1,080</b>	<b>1,160</b>



# Balance Sheet

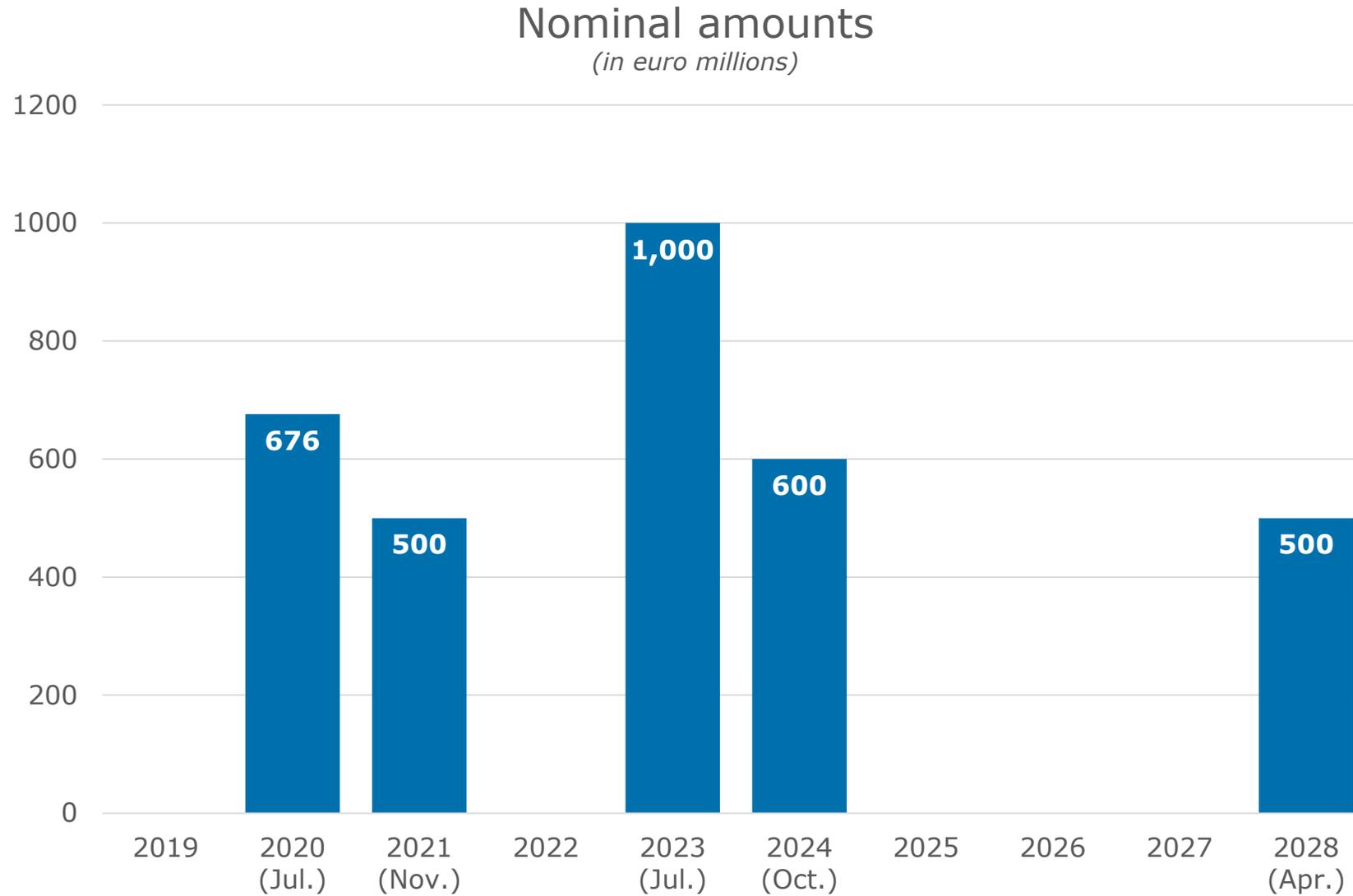
ASSETS			EQUITY & LIABILITIES		
in EUR millions	Dec 31, 2017	Dec 31, 2018	in EUR millions	Dec 31, 2017	Dec 31, 2018
			Equity <sup>(1)</sup>	6,956	7,480
			Non-controlling interests	4	-1
			<b>Total equity</b>	<b>6,960</b>	<b>7,479</b>
Goodwill	6,830	7,431	Long-term borrowings	2,783	3,274
Intangible assets	681	697	Deferred taxes	172	180
Property, plant & equipment	749	785	Provisions for pensions <sup>(2)</sup>	1,196	1,011
Deferred taxes	1,283	1,128	Non-current provisions	25	19
Other non-current assets	311	303	Other non-current liabilities	311	305
<b>Total non-current assets</b>	<b>9,854</b>	<b>10,344</b>	<b>Total non-current liabilities</b>	<b>4,487</b>	<b>4,789</b>
			Short-term borrowings and bank overdrafts	589	83
Trade receivables and contract assets	3,170	3,279	Accounts and notes payable	2,837	2,944
Current tax receivables	107	94	Contract liabilities <sup>(3)</sup>	795	864
Other current assets	657	592	Current provisions	88	91
Cash management assets	168	183	Current tax liabilities	107	141
Cash and cash equivalents	1,988	2,006	Other current payables	81	107
<b>Total current assets</b>	<b>6,090</b>	<b>6,154</b>	<b>Total current liabilities</b>	<b>4,497</b>	<b>4,230</b>
<b>Total Assets</b>	<b>15,944</b>	<b>16,498</b>	<b>Total Equity &amp; Liabilities</b>	<b>15,944</b>	<b>16,498</b>

(1) attributable to owners of the company

(2) and other post-employment benefits

(3) previously named 'Advances from customers and billed in advance'

# Bond Debt Maturity





# IFRS 16 – Key impacts on Financial Statements

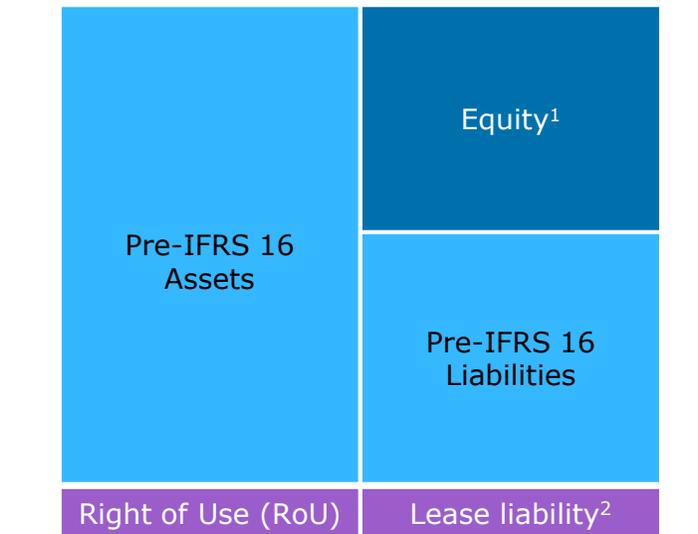


IFRS 16

## 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

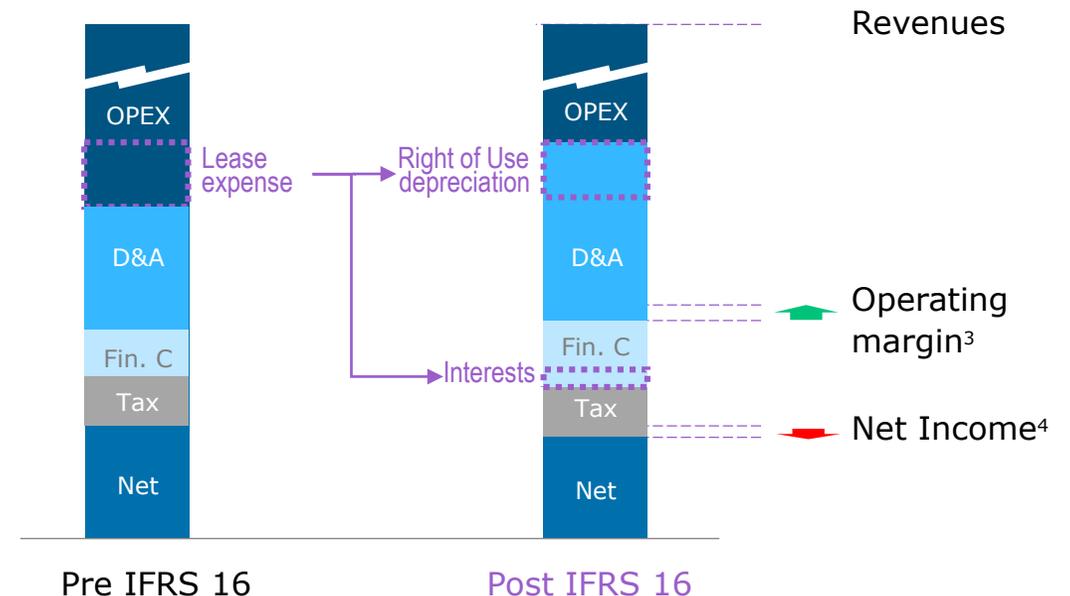
### Key impacts on Balance Sheet



<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



# IFRS 16 – Changes to Alternate Performance Measures

## Definition FY2018

## Definition starting FY2019

### Organic FCF

estimated impact  
c. - €50m  
on FY 2018

Starting FY2019  
ALL LEASES  
are treated as  
OPERATIONAL

### Net cash

estimated impact  
c. + €80m  
on FY 2018

Cash flows from operations before net finance costs and income tax
<i>Other cash flows from operations</i>
<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
<i>Financial debt</i>
<b>Financial lease</b>
Translation, perimeter changes & other
<b>Change in cash and cash equivalents</b>

Cash flows from operations before net finance costs and income tax
<i>Other cash flow from operations</i>
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
<i>financial debt</i>
Translation, perimeter changes & other
<b>Change in cash and cash equivalents</b>

c. €50m

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

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

c. €80m

**Lease liability**



# 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 will consist of **constant currency growth of each business Total revenues**. Operating margin will no longer be reported as it is no longer available in this perspective.

*Total revenues is equal to external revenues (i.e. billed to customers) plus revenues billed to other business lines. Total revenues are more representative of the actual activity level than external revenues (previously reported) as the Group increasingly sell 'multi tower' deals especially in Digital & Cloud.*

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

**Strategy & Transformation** comprises all activities formerly reported under Consulting services and today corresponds to the scope of Capgemini Invent

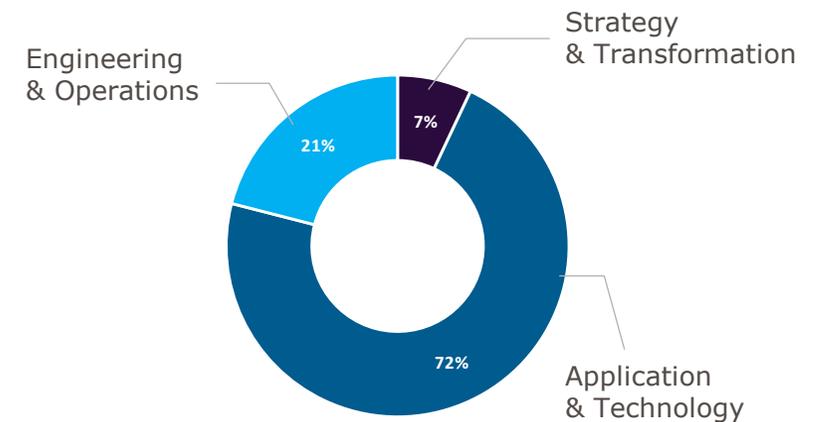
**Application & Technology** comprise all activities formerly reported under Application Services and the majority of the ones formerly reported under Technology & Engineering Services

**Engineering & Operations** covers all the other Group businesses, today made of: Business Services (including Business Process Outsourcing), all Infrastructure Services (including the infrastructure services formerly reported under Technology & Engineering Services) and Digital Engineering and Manufacturing Services (formerly reported under 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%
Application & Technology	+9.0%
Engineering & Operations	+1.0%
<b>TOTAL</b>	<b>+8.1%</b>



## 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 over 200,000 team members in over 40 countries. The Group reported 2018 global revenues of EUR 13.2 billion.

Learn more about us at

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



**People matter, results count.**

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