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Capgemini records Q1 2024 revenues of €5.5 billion in line with expectations

- **Revenues of €5,527 million, -3.5% at current exchange rates and -3.3% at constant exchange rates**
- **Bookings of €5,655 million representing a solid book-to-bill ratio of 1.02**

Paris, April 30, 2024 – The Capgemini Group reported Q1 2024 revenues of €5,527 million, -3.5% year-on-year at current exchange rates and -3.3% at constant exchange rates*.

Aiman Ezzat, Chief Executive Officer of the Capgemini Group, said: *"As anticipated, the market continued to slow down in Q1, and we confirm the growth trough is now behind us. We expect the market to gradually pick up toward an attractive exit growth rate in Q4, setting up for a more tangible acceleration in 2025.*

The pipeline continues to grow and the demand for large-scale digital transformation projects remains strong. Client focus remains on operational and cost efficiency programs, however we also see good traction for our high-added value services in Intelligent industry as well as for our sustainability offerings.

In generative AI, we launched a new platform to enable clients to experiment with industry-specific use cases, and to industrialize them, at a controlled cost.

In that context, we reiterate all our objectives for the full year."

	Revenues <i>(in millions of euros)</i>		Change	
	2023	2024	Reported	At constant exchange rates*
Q1	5,729	5,527	-3.5%	-3.3%

In line with the Group's expectations, Capgemini's Q1 revenues were down year-on-year at -3.3% at constant exchange rates* and -3.6% organically (i.e., adjusted for Group scope and exchange rates).

In a macro environment which remains soft, large corporations and organizations are still prioritizing operational agility and cost efficiency programs with fast payback, at the expense of non-strategic and discretionary deals.

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



In that context, Capgemini's high value-added service offerings - most notably in Intelligent Industry, as well as in activities driven by Cloud, Data & Artificial Intelligence - enjoyed a solid traction in Q1.

OPERATIONS BY REGION

At constant exchange rates, revenues in the **North America** region (28% of Group revenues in Q1 2024) declined by -7.1% year-on-year, a rate similar to Q4 2023. The Financial Services and TMT (Telecoms, Media and Technology) sectors contributed the most to this decline, partly offset by growth in the Manufacturing sector.

Revenues in the **United Kingdom and Ireland** region (12% of Group revenues) were down -3.2%, mostly driven by the Financial Services and TMT sectors. Conversely, the Services and Energy & Utilities sectors enjoyed solid momentum, as did the Manufacturing sector to a lesser extent.

Activity in **France** (20% of Group revenues) declined by -2.8%, with some softness in the Manufacturing and Financial Services sectors and a dynamic Public sector.

Revenues in the **Rest of Europe** region (32% of Group revenues) were almost stable at -0.5%. The underlying performance by sector showed more contrast, with good momentum in the Energy & Utilities and Public sectors and a visible contraction of the TMT sector.

Finally, revenues in the **Asia-Pacific and Latin America** region (8% of Group revenues) were down -1.7% almost entirely driven by the Financial Services and TMT sectors, while the Consumer Goods & Retail sector proved quite dynamic.

OPERATIONS BY BUSINESS

At constant exchange rates, total revenues* of **Strategy & Transformation** services (9% of the Group's total revenues in Q1 2024) were up +1.6% year-on-year at constant exchange rates. This growth reflects client focus on strategic initiatives to transform, optimize and adapt their business and operations to a challenging economic environment, as well as investment in Gen AI.

Total revenues of **Applications & Technology** services (62% of the Group's total revenues and Capgemini's core business) declined by -4.0%.

Lastly, **Operations & Engineering** (29% of the Group's total revenues) total revenues contracted by -3.0%.

HEADCOUNT

The Group's total headcount stood at 337,200 as at March 31, 2024, down 6% year-on-year. The offshore workforce represents 57% of the total headcount, i.e. 192,000 employees.

BOOKINGS

Bookings totaled €5,655 million in Q1 2024, down -3.5% year-on-year at constant exchange rates. The book-to-bill ratio of 1.02 is above the Q1 historical average.

OUTLOOK

The Group's financial targets for 2024 are:

- Revenue growth of +0% to +3% at constant currency;
- Operating margin of 13.3% to 13.6%;
- Organic free cash flow of around €1.9 billion.

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



The inorganic contribution to growth should be marginal at the lower end of the target range, and up to 1 point at the upper end.

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

May 16, 2024 Shareholders' meeting
July 26, 2024 Half-Year 2024 results

The dividend payment schedule to be submitted to the Shareholders' Meeting for approval would be:

May 29, 2024 Ex-dividend date on Euronext Paris
May 31, 2024 Payment of the dividend

DISCLAIMER

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

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
Organic growth	-3.6%
Changes in Group scope	+0.3 pts
Growth at constant exchange rates	-3.3%
Exchange rate fluctuations	-0.2 pts
Reported growth	-3.5%

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

Operating margin is one of the Group’s key performance indicators. It is defined as the difference between revenues and operating costs. It is calculated before “Other operating income and expense” which include amortization of intangible assets recognized in business combinations, 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

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



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.

RESULTS BY REGION

	Revenues (in millions of euros)		Year-on-year growth	
	Q1 2023	Q1 2024	Reported	At constant exchange rates
North America	1,663	1,527	-8.2%	-7.1%
United Kingdom and Ireland	686	684	-0.4%	-3.2%
France	1,163	1,131	-2.8%	-2.8%
Rest of Europe	1,739	1,729	-0.6%	-0.5%
Asia-Pacific and Latin America	478	456	-4.5%	-1.7%
TOTAL	5,729	5,527	-3.5%	-3.3%

RESULTS BY BUSINESS

	Total revenues* (% of Group revenues)		Year-on-year growth at constant exchange rates in total revenues of the business
	Q1 2023	Q1 2024	
Strategy & Transformation	9%	9%	+1.6%
Applications & Technology	62%	62%	-4.0%
Operations & Engineering	29%	29%	-3.0%