

**Media relations:**

Victoire Grux  
Tel.: +33 6 04 52 16 55  
E-mail: victoire.grux@capgemini.com

**Investor relations:**

Vincent Biraud  
Tel.: +33 1 47 54 50 87  
E-mail: vincent.biraud@capgemini.com

## **Capgemini raises all its 2021 financial targets after an excellent third quarter**

- **Revenues of €4,552 million, up +12.9% at constant currency\* and +13.2% organically\***
- **Bookings up 15% at constant currency**
- **2021 financial targets raised to:**
  - **constant currency growth between +14.5% and +15.0%**
  - **operating margin greater than 12.7%**
  - **organic free cash flow above €1,700 million**

**Paris, October 28, 2021** - Capgemini Group reported consolidated revenues of €4,552 million in Q3 2021, up 13.6% year-on-year at current exchange rates and 12.9% at constant exchange rates\*.

Aiman Ezzat, Chief Executive Officer of the Capgemini Group, said: *"The strong growth achieved in Q3 reflects the strengthening of the positive trends of the past few quarters in all sectors and regions.*

*This momentum confirms that we made the right moves to position the Group as a strategic partner for the digital transformation of large corporations and organizations, leveraging Cloud and Data/AI. Our digital offering portfolio covers the entire value chain from product and services design to customer experience. We continue to accelerate the introduction of new industry-specific offerings in the fast-growing markets of intelligent industry, customer experience and sustainability.*

*We are able to attract the right talents to fuel our growth, crossing the 300,000 employees mark this quarter and increasing our headcount by nearly 20,000 people.*

*I am extremely proud of the achievements of our teams across the world and considering these excellent results and the outlook for the coming months, we are raising all our 2021 financial targets."*

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



Revenues	(in millions of euros)		Change	
	2020	2021	At current exchange rates	At constant exchange rates*
Q3	4,008	4,552	+13.6%	+12.9%
9 months	11,589	13,263	+14.4%	+16.1%

Capgemini growth accelerated further in Q3 2021. With Q3 2021 revenues of €4,552 million, constant currency growth was +12.9% year-on-year, exceeding Q2 growth of +12.4%. Organic growth (i.e. adjusted for Group scope and exchange rates) was +13.2% year-on-year, compared with +12.9% in Q2. This performance is all the more remarkable as the comparison base was much higher in Q3.

Digital and Cloud services reported solid double-digit growth in Q3 2021, accounting for more than two-thirds of the Group's business<sup>1</sup>.

For the first nine months of the year, growth reached +14.4% on a reported basis and +16.1% at constant exchange rates, while organic growth stood at +9.1%. This momentum reflects the Group's excellent positioning and the strength of its portfolio of innovative offerings.

## OPERATIONS BY REGION

	Change in revenues vs. 2020		
	Q1 2021	Q2 2021	Q3 2021
<b>Growth at constant Group scope and exchange rates</b>	<b>+1.7%</b>	<b>+12.9%</b>	<b>+13.2%</b>
Impact of changes in Group scope <sup>2</sup>	+22.5 pts	-0.5 pt	-0.3 pt
<b>Growth at constant exchange rates</b>	<b>+24.2%</b>	<b>+12.4%</b>	<b>+12.9%</b>
o/w:			
North America	+16.1%	+9.0%	+12.3%
United Kingdom and Ireland	+24.1%	+13.6%	+18.1%
France	+23.2%	+9.9%	+6.2%
Rest of Europe	+35.3%	+14.2%	+12.1%
Asia-Pacific and Latin America	+17.3%	+25.0%	+29.5%

All Group regions reported double digit organic growth (i.e. at constant scope and exchange rates) in Q3 2021. At constant exchange rates, the strong momentum in France was partially offset by the impact of the Odigo divestiture<sup>2</sup>. Since the comparison basis is significantly more demanding in Q3 compared to Q2, the underlying growth momentum actually strengthened this quarter.

Sector trends are also very positive and remain consistent across all regions. Virtually all sectors show growth rates in line with those of Q2. Constant currency growth of around 20% was reported in Manufacturing (25% of Group revenues), Consumer Goods (13% of Group revenues) and Services (5% of Group revenues). The Public Sector (14% of Group revenues) and TMT (Telecoms, Media and Technology, 13% of Group revenues) came next with constant currency growth of over 10%, followed by Financial Services (22% of Group revenues) which sustained its robust momentum from previous quarters. Only the Energy and Utilities sector (8% of Group revenue) lagged behind, with a slight contraction in business during the quarter.

<sup>1</sup> Group scope excluding Altran.

<sup>2</sup> In Q1 2021, changes in Group scope had a huge impact (+22.5 points at Group level), due to the acquisition of Altran, consolidated from April 1, 2020. As of Q2 2021, changes in Group scope were far more limited impact and resulting primarily from the divestiture of Odigo on December 30, 2020.



## OPERATIONS BY BUSINESS

	Change in total revenues* compared to 2020 at constant exchange rates		
	Q1 2021	Q2 2021	Q3 2021
Strategy & Transformation	+25.2%	+29.3%	+27.4%
Applications & Technology	+5.7%	+14.6%	+16.3%
Operations & Engineering	+77.6%	+7.7%	+7.3%

All business lines continued to report strong growth, in line with Q2 trends. **Strategy & Transformation** services (7% of Group revenues) and **Applications & Technology** services (62% of Group revenues and Capgemini's core business) benefited fully from Digital and Cloud demand, reporting growth at constant exchange rates of +27.4% and +16.3%, respectively. **Operations & Engineering** services (31% of Group revenues) also maintained a solid momentum, reaching double digit after adjusting for the scope effect of the Odigo divestiture. This performance was once again driven by growth in Engineering services of well above 10%.

## HEADCOUNT

At September 30, 2021, the Group's total headcount stood at 309,300, up 16.9% year-on-year, with over 177,000 employees in offshore centers (57% of the total headcount, up 4 points year-on-year).

## BOOKINGS

Bookings totaled €4,608 million in Q3 2021, a 15.0% increase at constant exchange rates year-on-year.

## OUTLOOK

Considering the performance delivered in the first nine months of the year and the business outlook for Q4, Capgemini is once again raising all its 2021 financial targets:

- Constant currency growth between +14.5% and +15.0%, instead of +12.0% and +13.0% previously;
- Operating margin greater than 12.7%, instead of 12.5% to 12.7%;
- Organic free cash flow above €1,700 million, instead of €1,500 million.

The inorganic contribution to growth is anticipated at c. 5 points (unchanged).

## CONFERENCE CALL

Aiman Ezzat, Chief Executive Officer and Carole Ferrand, Chief Financial 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 placed online on the Capgemini investor website at <https://investors.capgemini.com/en>.

## PROVISIONAL CALENDAR

February 14, 2022	FY 2021 results
April 28, 2022	Q1 2022 revenues
May 19, 2022	Combined Shareholders' Meeting

## 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.

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## **About Capgemini**

Capgemini is a global leader in partnering with companies to transform and manage their business by harnessing the power of technology. The Group is guided everyday by its purpose of unleashing human energy through technology for an inclusive and sustainable future. It is a responsible and diverse organization of over 300,000 team members in nearly 50 countries. With its strong 50-year heritage and deep industry expertise, Capgemini is trusted by its clients to address the entire breadth of their business needs, from strategy and design to operations, fueled by the fast evolving and innovative world of cloud, data, AI, connectivity, software, digital engineering and platforms. The Group reported 2020 global revenues of €16 billion.

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## APPENDIX<sup>3</sup>

### 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 2021	Q2 2021	Q3 2021	9 months 2021
<b>Organic growth</b>	<b>+1.7%</b>	<b>+12.9%</b>	<b>+13.2%</b>	<b>+9.1%</b>
Impact of changes in Group scope	+22.5 pts	-0.5 pt	-0.3 pt	+7.0 pts
<b>Growth at constant exchange rates</b>	<b>+24.2%</b>	<b>+12.4%</b>	<b>+12.9%</b>	<b>+16.1%</b>
Exchange rate fluctuations	-3.8 pts	-2.3 pts	+0.7 pt	-1.7 pt
<b>Reported growth</b>	<b>+20.4%</b>	<b>+10.1%</b>	<b>+13.6%</b>	<b>+14.4%</b>

When determining activity trends by business and in accordance with internal operating performance measures, growth at constant exchange rates is calculated based on **total revenue**, 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 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 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.

**Covid-19:** The impact of the health crisis on the consolidated financial statements is not isolated. The definition of the above alternative performance measures is therefore unchanged and, in accordance with past practice, these financial statements include in other operating income and expenses a non-material amount of incremental and non-recurring costs related to this crisis.

<sup>3</sup> Note that in the appendix, certain totals may not equal the sum of amounts due to rounding adjustments.



## RESULTS BY REGION

	Revenues (in € millions)		Change	
	Q3 2020	Q3 2021	Reported	At constant exchange rates
North America	1,218	1,360	+11.6%	+12.3%
United Kingdom and Ireland	443	552	+24.5%	+18.1%
France	842	894	+6.2%	+6.2%
Rest of Europe	1,212	1,362	+12.4%	+12.1%
Asia Pacific and Latin America	293	384	+31.2%	+29.5%
<b>TOTAL</b>	<b>4,008</b>	<b>4,552</b>	<b>13.6%</b>	<b>+12.9%</b>

	Revenues (in € millions)		Change	
	9 months 2020	9 months 2021	Reported	At constant exchange rates
North America	3,618	3,838	+6.1%	+12.3%
United Kingdom and Ireland	1,296	1,570	+21.1%	+18.4%
France	2,454	2,766	+12.7%	+12.7%
Rest of Europe	3,384	4,072	+20.3%	+19.6%
Asia Pacific and Latin America	837	1,017	+21.6%	+24.3%
<b>TOTAL</b>	<b>11,589</b>	<b>13,263</b>	<b>+14.4%</b>	<b>+16.1%</b>

## RESULTS BY BUSINESS

	Total revenues* (% of Group revenues)	Change at constant exchange rates in Total revenues* of the business
	Q3 2021	
Strategy & Transformation	7%	+27.4%
Applications & Technology	62%	+16.3%
Operations & Engineering	31%	+7.3%

	Total revenues* (% of Group revenues)	Change at constant exchange rates in Total revenues* of the business
	9 months 2021	
Strategy & Transformation	7%	+27.3%
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