

Media relations:

Florence Lièvre
 Tel.: 01 47 54 50 71
 florence.lievre@capgemini.com

Investor relations:

Vincent Biraud
 Tel.: 01 47 54 50 87
 vincent.biraud@capgemini.com

Growth momentum stronger than anticipated in Q1 2021

Paris, April 29, 2021 – Capgemini Group reported Q1 2021 revenues of €4,271 million, up 24.2% year-on-year at constant exchange rates*.

Aiman Ezzat, Chief Executive Officer of the Capgemini Group, commented: "We delivered an excellent performance in the first quarter of 2021, with a return to organic growth. Growth was stronger than anticipated and activity even surpassed pre-health crisis levels, reflecting not only a more dynamic market but also the accelerated deployment of our strategy. Performance improved across all our geographies and sectors. We are strongly positioned in cloud and data, the main drivers of technology and business transformation in the years to come, which fueled this performance. The first quarter was also marked by a return to large-scale recruitment to meet client demand. In this context, our growth for 2021 should exceed the mid-point of the targeted range."

We recently unveiled the Capgemini Engineering brand which brings together a unique set of cutting-edge capabilities in Engineering and R&D. This perfectly complements the Group's already well-established portfolio of business offerings and supports our leadership position in Intelligent Industry.

Finally, we were recently named one of the [world's most ethical companies](#) for the ninth year in a row. This is a very meaningful distinction for me because our Group is founded on values that enable us to forge long-lasting relationships with all stakeholders in our ecosystem and pave the way for a sustainable future.

I would also like to reaffirm that our priority remains the health and well-being of our teams. Currently we are closely monitoring the health situation in India and Brazil and continue to provide support to all our employees."

Revenues (in millions of euros)		Change	
2020	2021	Reported	At constant exchange rates*
Q1	3,547	4,271	+20.4% +24.2%

Group momentum continued to improve in Q1 2021, with annual growth rates higher than in Q4 2020. With a return to growth at constant scope and exchange rates in Q1, at +1.7%, Group revenues are already up on pre-crisis levels.

Group revenues rose by +20.4% at current exchange rates and +24.2% at constant exchange rates*, with the consolidation of Altran Technologies ("Altran") effective April 1st, 2020. This momentum also reflects the double-digit growth achieved in Digital and Cloud activities.

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

OPERATIONS BY REGION

In Q1 2021, annual growth rates at constant exchange rates improved across all Group regions compared to Q4 2020, reflecting stronger underlying organic growth momentum, i.e. at constant scope and exchange rates.

On an organic basis, the **North America** (28% of Group revenues) and **Rest of Europe** (31% of Group revenues) regions returned to growth. Growth accelerated in **Asia-Pacific and Latin America** (7% of Group revenues) and **United Kingdom and Ireland** (12% of Group revenues), climbing to double figures in the latter region. Finally, **France** (22% of Group revenues) continued its gradual recovery, although it was still down on Q1 2020.

Momentum improved in all sectors in Q1 2021. In particular, on an organic basis: the Manufacturing sector (25% of Group revenues, including the Life Sciences segment) reported the most significant improvement, with now only a limited year-on-year contraction. The Public sector (14% of Group revenues) maintained its strong performance, once again reporting double-digit growth. The Consumer Goods sector (12% of Group revenues) reported a strong Q1 with a return to solid growth. Finally, the Services sector (5% of Group revenues, including transportation, hotels and catering), which bore the brunt of the crisis, reported a further improvement, with a substantially lower decline than in Q4 2020.

OPERATIONS BY BUSINESS

All of the Group's businesses reported further sequential improvements in annual growth rates compared to the previous quarter, both at constant exchange rates and organically (that is at constant scope and exchange rates).

All businesses are now posting organic growth in total revenues*, except for Engineering which however clearly improved. On an organic basis, **Strategy & Transformation** consulting services (7% of Group revenues) and **Applications & Technology** services (62% of Group revenues and Capgemini's core business) returned to growth in Q1 2021. **Operations & Engineering** services (31% of Group revenues) continued their recovery with only a slight decline in activity, boosted by higher growth in cloud infrastructure services.

The +77,6% growth in **Operations & Engineering** total revenues at constant exchange rates reflects the consolidation of Altran, which mainly delivers Engineering services. The Altran consolidation had a much lesser impact on the other business lines.

HEADCOUNT

As of March 31, 2021, the Group's total headcount stood at 274,500, up 25.3% year-on-year, with a 21.7% increase in employees in offshore centers to 152,000 (55% of the total headcount and a 1-point increase compared to December 31, 2020).

BOOKINGS

Bookings totaled €4,201 million in Q1 2021, up 27.3% at constant exchange rates year-on-year. The book-to-bill ratio also improved to 98%, compared to 96% in Q1 2020.

OUTLOOK

For the full year 2021, the Group aims to achieve:

- A constant currency growth of +7.0% to +9.0%;
- An operating margin of 12.2% to 12.4%, i.e. at 2019 level;
- An organic free cash flow above €1,300 million.

The inorganic contribution to growth is anticipated at c. 4.5 points.

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/>.

CALENDAR

May 20, 2021	Shareholders' Meeting behind closed doors (more information is available on this page)
July 28, 2021	Publication of H1 2021 results

It is recalled that the payment schedule for the dividend – the amount of which (€1.95 per share) will be submitted for approval to the Shareholders' Meeting - is as follows:

June 2, 2021	Ex-dividend date on Euronext Paris
June 4, 2021	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.

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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 270,000 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 in 2020 global revenues of €16 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 2021
Organic growth	+1.7%
Changes in Group scope	+22.5 pts
Growth at constant exchange rates	+24.2%
Exchange rate fluctuations	-3.8 pts
Reported growth	+20.4%

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 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.

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

REVENUES BY REGION

	Revenues (in millions of euros)		Change	
	Q1 2020	Q1 2021	Reported	At constant exchange rates
North America	1,133	1,207	+6.5%	+16.1%
United Kingdom and Ireland	410	502	+22.2%	+24.1%
France	755	931	+23.2%	+23.2%
Rest of Europe	980	1,336	+36.4%	+35.3%
Asia-Pacific and Latin America	269	295	+9.8%	+17.3%
TOTAL	3,547	4,271	+20.4%	+24.2%

REVENUES BY BUSINESS

	Total revenues* (% of Group revenues)		Change at constant exchange rates in total revenues* of the business
	Q1 2020	Q1 2021	
Strategy & Transformation	7%	7%	+25.2%
Applications & Technology	71%	62%	+5.7%
Operations & Engineering	22%	31%	+77.6%