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Capgemini delivers a record performance in 2021

- Revenues of €18,160 million, up 14.6%
- FY constant currency growth of +15.1% and organic growth* of +10.2%
- Q4 constant currency growth of +12.5% and organic growth* of +13.2%
- Operating margin* up by 1.0 point to 12.9% of revenues
- +21% increase in net profit, Group share, with normalized earnings per share* up 27%
- Organic free cash flow* of €1,873 million, up €754 million
- Proposed dividend of €2.40 per share

Paris, February 14, 2022 – The Board of Directors of Capgemini SE, chaired by Paul Hermelin, convened today in Paris to review and adopt the accounts¹ of the Capgemini Group for the year-ended December 31, 2021.

Aiman Ezzat, Chief Executive Officer of the Capgemini Group, said: "Capgemini achieved a remarkable performance in 2021 in terms of growth, profitability and cash generation. This is a successful first step in achieving our 2025 ambition, driven by the acceleration of demand in cloud, data and AI.

We are positioned as the strategic partner for our clients to succeed in their digital transformation. Our ability to attract and develop talent is a major asset for our sustained growth. Our recently announced ESG policy enables us to leverage the potential of technology for an inclusive and sustainable future.

Building on a good year in 2021, Capgemini will confirm the enhancement of its growth profile in 2022. I have full confidence in the Group's ability to meet our targeted ambition."

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

¹ Audit procedures on the consolidated financial statements have been completed. The auditors are in the process of issuing their report.



KEY FIGURES

<i>(in millions of euros)</i>	2020	2021	Change
Revenues	15,848	18,160	+14.6%
Operating margin*	1,879	2,340	+25%
<i>as a % of revenues</i>	<i>11.9%</i>	<i>12.9%</i>	<i>+1.0 pt</i>
Operating profit	1,502	1,839	+22%
<i>as a % of revenues</i>	<i>9.5%</i>	<i>10.1%</i>	<i>+0.6 pt</i>
Net profit (Group share)	957	1,157	+21%
Basic earnings per share (€)	5.71	6.87	+20%
Normalized earnings per share (€)*	7.23 ^a	9.19 ^a	+27%
Organic Free Cash Flow*	1,119	1,873	+€754 million
Net cash / (Net debt)*	(4,904)	(3,224)	

^a Excluding a transitional tax expense of €36 million in 2021, compared to tax income of €8 million in 2020.

In 2021, Capgemini's results exceeded all its targets as further raised in October. In a context of strong global economic recovery, the past year highlighted the acceleration in the digital transformation of large corporations and organizations. The Group is reaping the benefits of its investment in innovate offerings and its positioning as a strategic partner for its clients. This performance is also supported by the successful integration of Altran, which has strengthened Capgemini's global leadership in the Intelligent Industry and generated the targeted revenue and cost synergies ahead of plan.

Capgemini reported **revenues** of €18,160 million in 2021, up +14.6% on 2020 published figures. Constant currency growth* was +15.1%, slightly above the raised target range of +14.5% to +15.0%. Acquisitions had a net impact on growth of 4.9 points, mainly due to the consolidation of Altran from April 1, 2020. Organic growth* (i.e. excluding the impacts of currency fluctuations and changes in Group scope) is therefore +10.2%.

The solid growth momentum observed earlier in the year continued in the last three months across all Group regions, both in terms of constant currency growth (+12.5%) and organic growth (+13.2%).

Digital and **Cloud** services – which account for around 65%² of Capgemini's activity – accelerated steadily throughout the year, reporting strong double digit growth at constant exchange rates, reflecting the priority given by Group clients to critical digital transformation projects. As expected, the Group also benefited from the synergies generated by the Altran acquisition, in particular in the Intelligent Industry market.

Bookings totaled €19,462 million in 2021, a year-on-year increase of +15.8% at constant exchange rates, representing a book-to-bill ratio for the year of 1.07. Bookings rose +10.3% at constant exchange rates in Q4 to €5,726 million, corresponding to a book-to-bill ratio of 1.17.

The **operating margin*** is up by +25% to €2,340 million. At 12.9% of revenues, the margin rate is significantly above the minimum targeted rate of 12.7% as raised last October. This is 1.0 point higher than in 2020 and 0.6 point above the pre-pandemic level (12.3% for fiscal year 2019). This significant increase in the operating margin rate is underpinned by an improvement in the gross margin, supplemented by lower operating expenses driven by the Altran cost synergies and certain cost avoidance in context of the pandemic.

Other operating income and expenses represent a net expense of €501 million, up €124 million year-on-year. This increase is mainly due to the €120 million capital gain realized in 2020 on the divestment of Odigo.

Capgemini's **operating profit** is therefore up +22% at €1,839 million, or 10.1% of revenues.

The **financial expense** is €159 million, compared with €147 million in 2020. This slight increase is primarily due to the full-year impact of debt charge associated with the acquisition of Altran.

The **income tax** expense is €526 million compared with €400 million last year. It includes a transitional tax expense of €36 million as opposed to a €8 million income in 2020. Adjusted for exceptional items, the effective tax rate is 29.2%, compared with 33.0% in 2020.

Net profit (Group share) rises by +21% year-on-year to €1,157 million, while **basic earnings per share** increase by +20% to €6.87. Excluding the capital gain realized in 2020 on the sale of Odigo, the increase reaches

² Now measured over the entire Group scope, including Altran, unlike in previous publications.



+38% for both financial measures. **Normalized earnings per share*** is €8.97. Normalized earnings per share adjusted for the transitional tax expense is €9.19, up +27% year-on-year.

Organic free cash flow* generation totaled €1,873 million, up €754 million on 2020, largely exceeding the €1,700 million target for 2021 as raised twice during the year. This performance primarily reflects the strong growth in Group revenues and the improvement in its operating margin during the year, combined with a marked reduction in working capital.

In 2021, Capgemini invested €369 million net in acquisitions. The Group also paid dividends of €329 million (€1.95 per share) and allocated €200 million to share buybacks under its multi-year program. Finally, the 8th employee share ownership plan, set-up in the second half of the year, led to a gross capital increase of €589 million.

The Board of Directors has decided to recommend the payment of a dividend of €2.40 per share at the Shareholders' Meeting of May 19, 2022. The corresponding payout ratio is 35% of net profit (Group share), in line with the Group's distribution policy.

OPERATIONS BY REGION

Change in revenues at constant exchange rates

	Q4 2021	FY 2021
North America	+11.1%	+12.0%
United Kingdom and Ireland	+18.0%	+18.3%
France	+4.3%	+10.3%
Rest of Europe	+12.7%	+17.6%
Asia-Pacific and Latin America	+35.8%	+27.3%
TOTAL	+12.5%	+15.1%

- **For the full year:**

All Group regions posted double-digit growth at constant exchange rates in 2021, reflecting the sharp acceleration in the Group's activities. This acceleration is also visible in most sectors, but particularly in Manufacturing and Consumer Goods which were heavily affected by the pandemic in 2020. Only the Energy & Utilities sector reported muted growth.

Revenues in **North America** (29% of Group revenues) grew by +12.0% at constant exchange rates, driven mainly by the TMT (Telecom, Media and Technology), Consumer Goods and Manufacturing sectors. The operating margin rate improved further to 15.9%, from 14.8% in 2020.

The **United Kingdom and Ireland** region (11% of Group revenues) had a particularly strong year, with revenue growth of +18.3% at constant exchange rates. This performance was led by the Public Sector, which remained very dynamic throughout the year, and the strong recovery in Financial Services at the end of the year. The operating margin reached a record 18.0%, compared with 15.5% a year earlier.

France (21% of Group revenues) reported revenue growth of +10.3% at constant exchange rates, largely driven by a strong recovery in the Manufacturing sector, and, to a lesser extent, the Services and Consumer Goods sectors. The operating margin improved by 150 basis points year-on-year to 10.2%.

The **Rest of Europe** region (31% of Group revenues) grew +17.6% at constant exchange rates, again benefiting from the significant rebound in the Manufacturing sector. This momentum was also supported by a recovery in the TMT and Consumer Goods sectors. The operating margin increased to 12.3% from 11.4% a year earlier.

Finally, revenues in the **Asia-Pacific and Latin America** region (8% of Group revenues) increased sharply by +27.3% at constant exchange rates. Organic momentum increased steadily throughout the year and was supplemented by Group acquisitions in Asia-Pacific. All major sectors therefore reported double-digit growth at constant exchange rates. The operating margin rate is down to 11.5% from 13.0% in 2020.



- **Q4 2021:**

Q4 trends are in line with the previous quarter despite a more demanding comparison basis. At constant exchange rates, the solid underlying momentum in France is partially offset by the impact of the Odigo divestiture.

These regional evolutions are fueled by sector trends that are relatively consistent across regions. All sectors reported growth rates comparable to the previous two quarters, with the Manufacturing (25% of Group revenues), Consumer Goods (13% of Group revenues) and Services (5% of Group revenues) sectors still showing constant currency growth of around 20%. The Public Sector (14% of Group revenues) and TMT (Telecom, Media and Technology, 13% of Group revenues) sectors came next, with constant currency growth of around 10%. Momentum remained strong in Financial Services (22% of Group revenues), while the Energy & Utilities sector (8% of Group revenues) experienced a slight decline.

OPERATIONS BY BUSINESS

	Change in total revenues* at constant exchange rates	
	Q4 2021	FY 2021
Strategy & Transformation	+26.0%	+27.0%
Applications & Technology	+16.0%	+13.1%
Operations & Engineering	+6.8%	+18.5%

- **For the full year:**

All Group business lines also reported double-digit growth rates in 2021 at constant exchange rates.

Strategy & Transformation consulting services (7% of Group revenues) reported a +27.0% rise in total revenues, reflecting the strong recovery in Group client discretionary expenditure. **Applications & Technology** services (62% of Group revenues and Capgemini's core business) reported a +13.1% increase in total revenues.

Finally, **Operations & Engineering** total revenues (31% of Group revenues) grew +18.5% at constant exchange rates, taking into account the acquisition of Altran and the sale of Odigo. Organic growth was primarily driven by the strong recovery in Engineering services during the year. In addition, both Infrastructure and Cloud services and Business Services showed solid growth.

- **Q4 2021:**

All Group business lines maintained solid momentum in the final quarter of 2021. **Strategy & Transformation** services and **Applications & Technology** services continued to benefit from robust Digital and Cloud demand, reporting growth at constant exchange rates of +26.0% and +16.0%, respectively. **Operations & Engineering** services again reported double-digit growth after adjusting for the scope effect of the Odigo divestiture. This performance was again driven by strong double-digit growth in Engineering services, while Infrastructure and Cloud Services and Business Services continued to enjoy solid organic momentum.

HEADCOUNT

At December 31, 2021, the Group's total headcount stood at 324,700. This 20% increase year-on-year, in a tight skilled labor market, demonstrates Capgemini's ability to attract talent to fuel its growth.

In particular, 189,000 employees work in offshore centers, some 58% of the total headcount, up 4 points on the end of 2020 and above the level reached before the Altran integration.

ALTRAN INTEGRATION & SYNERGIES

Capgemini successfully completed the operational integration of Altran, which began when the Group took effective control in April 2020, with particularly great results notably in terms of talent retention, joint offerings development and commercial momentum.



As a testimony to the strong strategic and operational rationale of this acquisition and its successful integration, the Group has already achieved the expected revenue and cost synergies, ahead of the targeted three-year timeframe. Cost and operating model synergies reached a run rate of more than 80 million euros at the end of 2021, compared with a target of 70 to 100 million euros after three years. Similarly, revenue synergies already exceeded 350 million euros in 2021, compared with a target of 200 to 350 million euros after three years.

BALANCE SHEET

Capgemini's balance sheet structure changed little in 2021.

Given its strong gross cash position, the Group completed the early redemption of two bond tranches in 2021. A €500 million tranche maturing in November 2021 was redeemed in August and a €500 million tranche maturing in April 2022 was redeemed in December.

At December 31, 2021, the Group had cash and cash equivalents and cash management assets of €3.5 billion. After accounting for borrowings of €6.7 billion and derivative instruments, Group net debt* is €3.2 billion at December 31, 2021, down significantly compared with €4.9 billion at December 31, 2020.

CORPORATE SOCIAL AND ENVIRONMENTAL RESPONSIBILITY

In a health context still marked by the pandemic, Capgemini continued its corporate, social and environmental efforts in 2021.

In December 2021, the Group presented its [ESG \(Environment, Social and Governance\) policy](#), in line with commitments made at the beginning of the year. Building on a long history of initiatives, Capgemini has set through this policy a framework of 8 priorities and 11 ambitious objectives, covering each of the ESG pillars and impacting the United Nations' Sustainable Development Goals relevant to its business.

Capgemini continued the rollout of its Net Zero strategy, with action plans executed across the entire organization. In 2021, Capgemini reduced its total CO2 emissions by 33% year-on-year. This decrease was primarily driven by a reduction in travel-related emissions, given the restrictions caused by the health context. Among carbon reduction initiatives, Capgemini has also significantly reduced its office and data center emissions combining in particular additional efficiency actions and the increased use of renewable electricity. Renewable energies accounted for 57% of the Group's power consumption in 2021 compared to 46% in 2020.

The Group has also stepped up its human capital development initiatives: nearly 13 million training hours were provided to Group employees in 2021, an annual average of 45.7 hours per employee. This represents an annual increase of more than 5%, in line with the Group's commitment.

Finally, Capgemini continued its diversity and inclusion efforts: in particular, the proportion of women in the total workforce reached 35.8% at the end of 2021 compared with 33.7% a year earlier, and 22.4% among the Group's executive leaders compared with 20.3% at the end of 2020, representing an improvement of over 2 points for both measures.

OUTLOOK

The Group's financial targets for 2022 are:

- Revenue growth of +8% to +10% at constant currency;
- Operating margin of 12.9% to 13.1%;
- Organic free cash flow above €1,700 million.

The inorganic contribution to growth should be of 1 point at the lower end of the target range and 2 points at the upper end.

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 6.00 p.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

April 28, 2022	Q1 2022 revenues
May 19, 2022	Shareholders' Meeting
July 28, 2022	H1 2022 results

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

June 1, 2022	Ex-dividend date on Euronext Paris
June 3, 2022	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 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 325,000 team members in more than 50 countries. With its strong 55-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 2021 global revenues of €18 billion.

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APPENDIX³

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	Q4 2021	FY 2021
Organic growth	+1.7%	+12.9%	+13.2%	+13.2%	+10.2%
Changes in Group scope	+22.5 pts	-0.5 pt	-0.3 pt	-0.7 pt	+4.9 pts
Growth at constant exchange rates	+24.2%	+12.4%	+12.9%	+12.5%	+15.1%
Exchange rate fluctuations	-3.8 pts	-2.3 pts	+0.7 pt	+2.5 pts	-0.5 pt
Reported growth	+20.4%	+10.1%	+13.6%	+15.0%	+14.6%

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.

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.

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



RESULTS BY REGION

	Revenues	Year-on-year growth		Operating margin rate	
	2021 (in millions of euros)	Reported	At constant exchange rates	2020	2021
North America	5,251	+8.5%	+12.0%	14.8%	15.9%
United Kingdom and Ireland	2,127	+22.2%	+18.3%	15.5%	18.0%
France	3,799	+10.3%	+10.3%	8.7%	10.2%
Rest of Europe	5,563	+18.4%	+17.6%	11.4%	12.3%
Asia-Pacific and Latin America	1,420	+26.2%	+27.3%	13.0%	11.5%
TOTAL	18,160	+14.6%	+15.1%	11.9%	12.9%

RESULTS BY BUSINESS

	Total revenues*	Year-on-year growth
	2021 (% of Group revenues)	At constant exchange rates in Total revenues* of the business
Strategy & Transformation	7%	+27.0%
Applications & Technology	62%	+13.1%
Operations & Engineering	31%	+18.5%

SUMMARY INCOME STATEMENT AND OPERATING MARGIN

(in millions of euros)	2020	2021	Change
Revenues	15,848	18,160	+14.6%
Operating expenses	(13,969)	(15,820)	
Operating margin	1,879	2,340	+25%
as a % of revenues	11.9%	12.9%	
Other operating income and expense	(377)	(501)	
Operating profit	1,502	1,839	+22%
as a % of revenues	9.5%	10.1%	
Net financial expense	(147)	(159)	
Income tax income/(expense)	(400)	(526)	
Share of profit of associates	-	5	
(-) Non-controlling interests	2	(2)	
Profit for the period, Group share	957	1,157	+21%

NORMALIZED AND DILUTED EARNINGS PER SHARE

(in millions of euros)	2020	2021	Change
Average number of shares outstanding	167,620,101	168,574,058	
BASIC EARNINGS PER SHARE (in euros)	5.71	6.87	+20%
Diluted average number of shares outstanding	172,555,946	173,899,033	
DILUTED EARNINGS PER SHARE (in euros)	5.55	6.66	+20%

(in millions of euros)	2020	2021	Change
Profit for the period, Group share	957	1,157	+21%
Effective tax rate	30.1%	29.2%	
(-) Other operating income and expenses, net of tax	263	355	
Normalized profit for the period	1,220	1,512	+24%
Average number of shares outstanding	167,620,101	168,574,058	
NORMALIZED EARNINGS PER SHARE (in euros)	7.28	8.97	+23%



The Group recognized a tax expense of €36 million in 2021, compared with tax income of €8 million in 2020, in respect of the transitional impact of the 2017 US tax reform.

Adjusted for this exceptional tax expense, normalized earnings per share is €9.19 in 2021:

<i>(in millions of euros)</i>	2020	2021	Change
Normalized earnings per share <i>(in euros)</i>	7.28	8.97	+23%
+ Transitional tax (income) / expense	(8)	36	
Average number of shares outstanding	167,620,101	168,574,058	
Impact of the transitional tax (income) / expense <i>(in euros)</i>	(0.05)	0.22	
Normalized earnings per share – excluding transitional tax (income)/expense <i>(in euros)</i>	7.23	9.19	+27%

CHANGE IN CASH AND CASH EQUIVALENTS AND ORGANIC FREE CASH FLOW

<i>(in millions of euros)</i>	2020	2021
Net cash from operating activities	1,661	2,581
Acquisitions of property, plant and equipment and intangible assets, net of disposals	(204)	(262)
Net interest cost	(47)	(126)
Repayments of lease liabilities	(291)	(320)
ORGANIC FREE CASH FLOW	1,119	1,873
Other cash flows from (used in) investing and financing activities	(610)	(1,716)
Increase (decrease) in cash and cash equivalents	509	157
Effect of exchange rate fluctuations	(131)	134
Opening cash and cash equivalents, net of bank overdrafts	2,450	2,828
Closing cash and cash equivalents, net of bank overdrafts	2,828	3,119

NET DEBT

<i>(in millions of euros)</i>	December 31, 2020	December 31, 2021
Cash and cash equivalents	2,836	3,129
Bank overdrafts	(8)	(10)
Cash and cash equivalents	2,828	3,119
Cash management assets	338	385
Long-term borrowings	(7,127)	(6,654)
Short-term borrowings and bank overdrafts	(951)	(87)
(-) Bank overdrafts	8	10
Borrowings, excluding bank overdrafts	(8,070)	(6,731)
Derivative instruments	-	3
NET CASH AND CASH EQUIVALENTS / (NET DEBT)	(4,904)	(3,224)