



# Towards higher margin and free cash flow

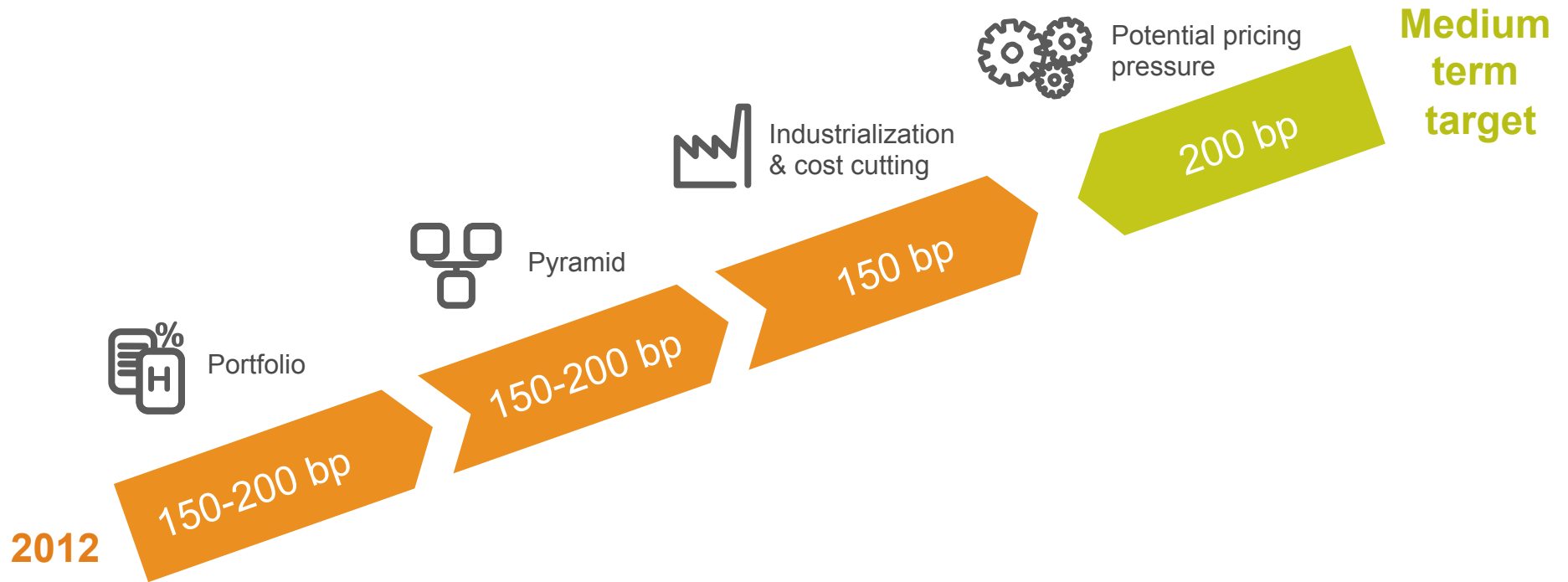
Aiman Ezzat

# Forward Looking Statements

This presentation contains forward-looking statements with respect to Capgemini's financial condition, results of operations, business, strategy and plans. Although Capgemini believes that such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance. Actual results may differ materially from the forward looking statements as a result of a number of risks and uncertainties, many of which are outside our control, including but not limited to the risks regarding antitrust and regulatory approval, as well as the risks described in the documents Capgemini has filed with the Autorité des Marchés Financiers (French securities regulator) and which are also available in English and French on our website ([www.capgemini.com](http://www.capgemini.com)). Investors and security holders may obtain a free copy of the documents filed by Capgemini with the Autorité des Marchés Financiers at [www.amf-france.org](http://www.amf-france.org), or directly from Capgemini.

The present forward-looking statements are made as of the date of this presentation, and Capgemini did not disclaim any intention or obligation to provide, update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

# 2012 Analyst Day



We have provision for potential price pressure given the current macro outlook for 2012-2015

# Portfolio Strategy

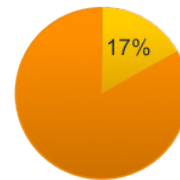
## Portfolio



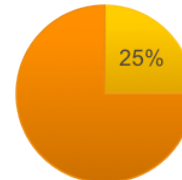
## A proactive strategy which is bearing fruits

- Tech day is a display of our portfolio strategy
- 25% of bookings from strategic offers in 2012
- +20% growth in bookings Q1 2013 YoY
- Higher margins
- Overall stable price onshore in spite of adverse macro condition

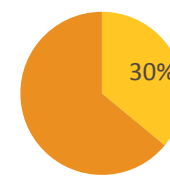
Strategic offers share of total bookings



2011

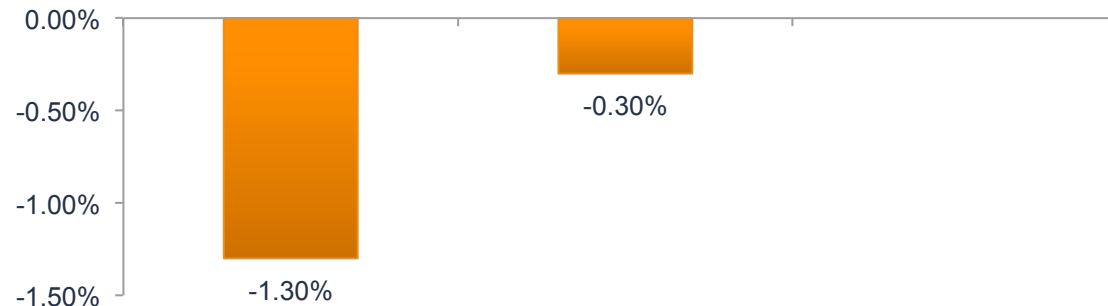


2012



2013

Price onshore (weighted average)



# Pyramid Optimization

## Pyramid

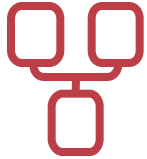


### Pyramid rejuvenation:

- > 40% of recruits are “college hires”
- Average age of workforce is 34 years
- Strong contribution again in 2012
  - Onshore: 2.3% of labor cost absorption
  - Offshore: 5.7% of labor cost absorption

# Offshore Penetration

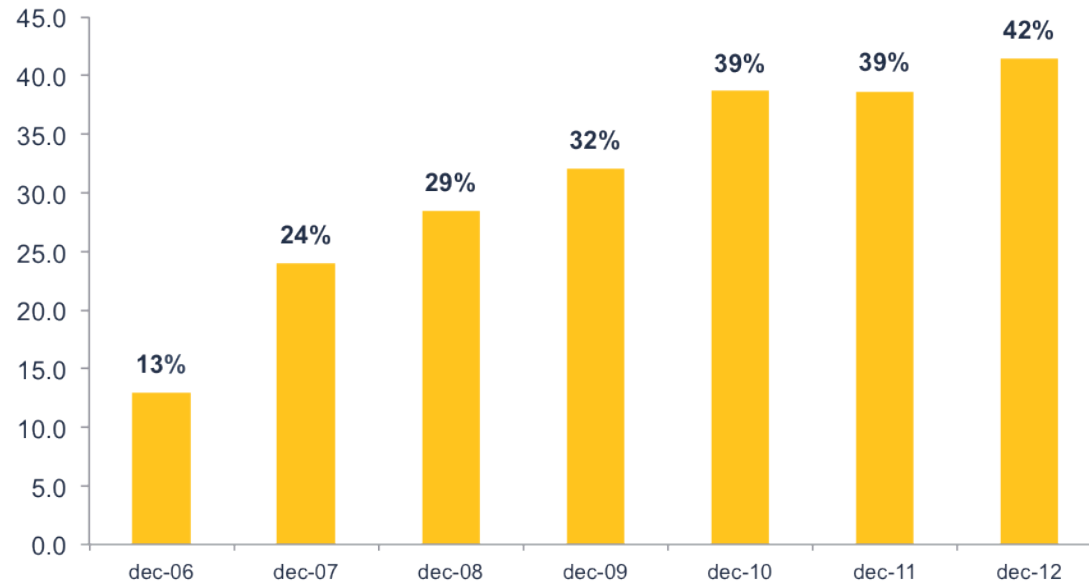
## Offshore



## Offshore growth continues:

- Headcount growth over 13% in 2012, 15% YoY in Q1 2013
- Continental Europe accelerate on Offshore
- North America profitability supports our case for improved profitability

**Offshore penetration**



# Industrialization Strategy

## Industrialization & efficiency



### **Productivity:**

- Repeatable solutions, templates...
- Intellectual Property
- Lean delivery

### **Capacity utilization:**

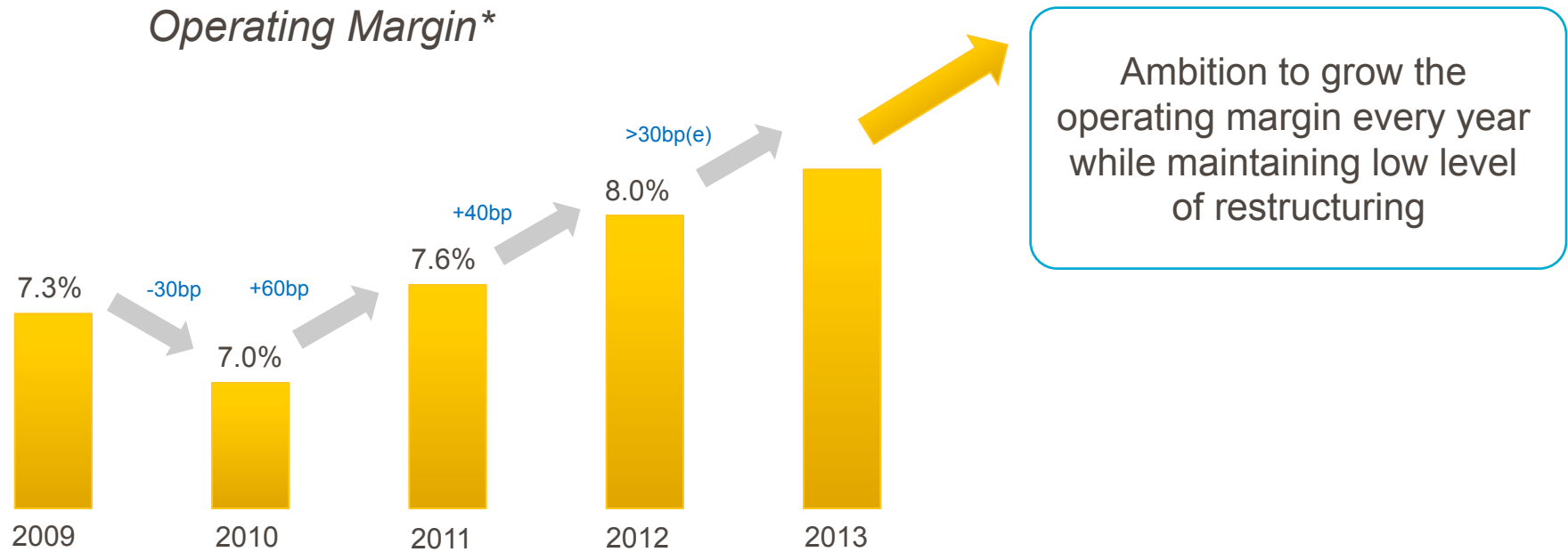
- Offshore centers
- Global capabilities

### **Quality:**

- Maturing offshore markets emphasis on quality of delivery

### **Shared Services**

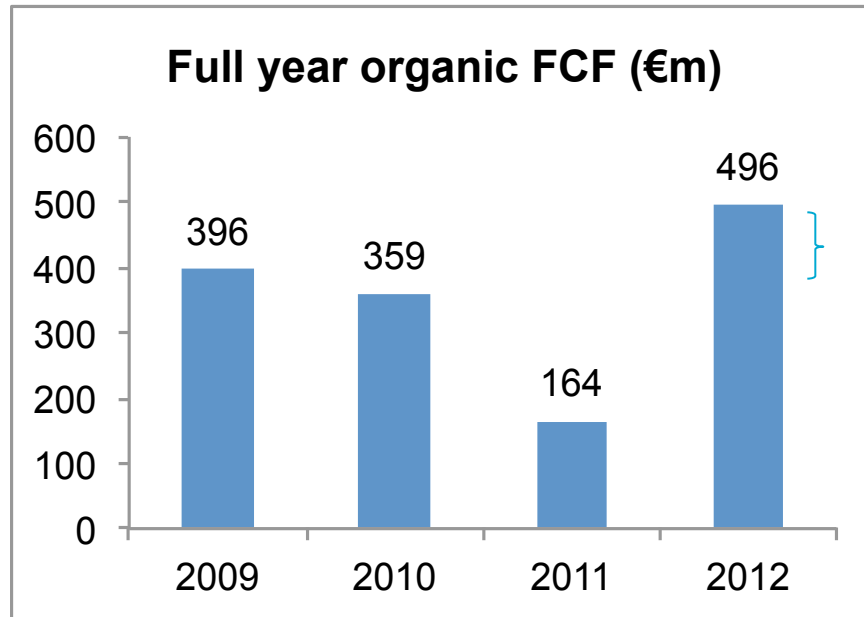
# Continuous Operating Margin Improvement



\* Before amortization of intangible assets acquired through business combinations



# Supporting Higher Free Cash Flow Targets after 2013



Of which €100M  
of advanced  
payments

- Key FCF drivers 2014 onward:
  - (+) Higher operating margin
  - (+) Lower interest expenses
  - (+) Lower restructuring costs
  - (+) Working capital improvement
  - (--) Higher taxes

People matter, results count.



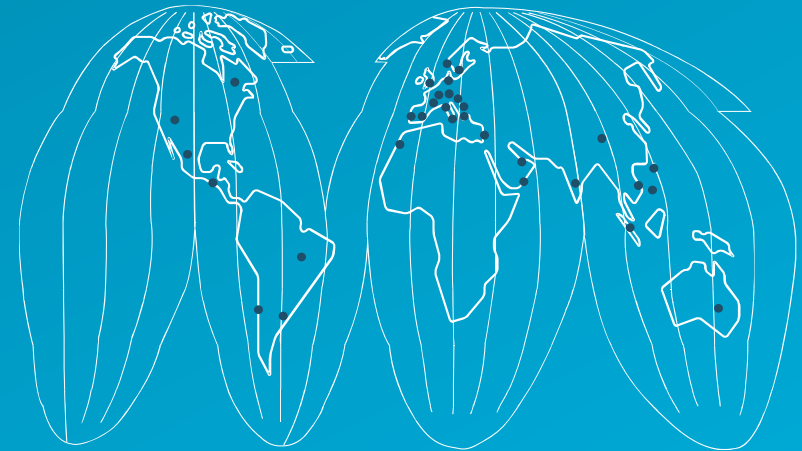
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