

## H1 2020 estimated results: Performance reflects the Group's resilience

- **H1 2020 estimated revenues of €7,580 million**
- **Growth of +7.9% at constant exchange rates\* and organic growth\* of -3.4% year-on-year**
- **Operating margin\* of 10.8%, down 0.6 point year-on-year**
- **Positive organic free cash flow\* of circa €100 million**

**Paris, July 28, 2020** – The Board of Directors of Capgemini SE, chaired by Paul Hermelin, convened today in Paris. At the proposal of Aiman Ezzat, Group Chief Executive Officer, it authorized the publication of Capgemini Group estimated results for the first half of 2020. This estimated financial information is currently under review<sup>1</sup> by the auditors. The first half of 2020 results will be published as scheduled<sup>2</sup> on September 3, 2020. In the unprecedented context of the pandemic, the Group considered that it may be useful to publish estimated information covering its main financial indicators.

Aiman Ezzat, Chief Executive Officer of Capgemini Group, said: "In today's unique context, the Group has been able to build on two key strengths: its agility and its resilience. The entire Group mobilized quickly to meet the challenges of this disrupted environment. The estimated results for H1 2020 illustrate the strength of our operations, which have been considerably reinforced since the 2009 financial crisis. The Group therefore confirms the assessment of 2020 presented on the publication of 1<sup>st</sup> quarter revenues and expects a gradual recovery in the 3<sup>rd</sup> and 4<sup>th</sup> quarters."

### Summary H1 estimated financial data

(in millions of euros)	H1 2019	H1 2020	Change
<b>Revenues</b>	<b>7,007</b>	<b>7,580</b>	<b>+8.2%</b> reported growth <b>+7.9%</b> at constant exchange rates* <b>-3.4%</b> at constant scope and exchange rates*
<b>Operating margin*</b> as a % of revenues	<b>797</b> 11.4%	<b>817</b> 10.8%	<b>+2%</b> <b>-0.6 point</b>
<b>Organic Free Cash Flow*</b>	<b>90</b>	<b>c. 100</b>	

\* The terms and non-GAAP measures marked with an (\*) are defined in the appendix to this press release.

<sup>1</sup> For the publication of half year results, the report of the statutory auditors is based on a limited review of the financial statements.

<sup>2</sup> When announcing on March 13, 2020, that the takeover of Altran had taken effect, the Group advised that the publication of the 2020 first half results would be pushed back from July 28 to September 3, 2020 due to Altran's longer accounts publication cycle.



Following the successful acquisition of Altran, the results of Altran are fully consolidated in Group accounts as of April 1<sup>st</sup>, 2020.

## REVENUES

Group revenues for H1 2020 are estimated at €7,580 million, up +8.2% year-on-year on a reported basis and +7.9% at constant currency.

Indeed, Q2 revenues rose sharply to 4,033 million as a result of the consolidation of Altran revenues. This represents a year-on-year increase of +13.1% on a reported basis and +13.4% at constant exchange rates. The organic growth which, for Q2 2020, measures growth over to the sum of revenues published by Capgemini and Altran<sup>3</sup> for the same period in 2019, restated at 2020 exchange rates, was -7.7% and reflects the impact of the pandemic on the Group's overall activity (-6.9% on former Capgemini scope and -11.6% on former Altran scope).

Over the first six months of the year, organic growth\* was -3.4%.

Reconciliation of estimated growth rates	Q1 2020	Q2 2020	H1 2020
<b>Organic growth</b>	<b>+2.0%</b>	<b>-7.7%</b>	<b>-3.4%</b>
Changes in Group scope	+0.3pt	+21.1pt	+11.3pt
<b>Growth at constant exchange rates</b>	<b>+2.3%</b>	<b>+13.4%</b>	<b>+7.9%</b>
Exchange rate fluctuations	+0.8pt	-0.3pt	+0.3pt
<b>Reported growth</b>	<b>+3.1%</b>	<b>+13.1%</b>	<b>+8.2%</b>

## OPERATING MARGIN

The **operating margin**\* for H1 2020 is estimated at €817 million or 10.8% of revenues. The year-on-year decrease in the operating margin rate is limited to 60 basis points, in line with the Group's plan to demonstrate in 2020 its greater resilience.

## ORGANIC FREE CASH FLOW

The **organic free cash flow**\* is estimated at circa €100 million in the 1<sup>st</sup> half, versus €90 million in 2019, despite the increase in 2020 in finance costs and other operating expenses with the acquisition of Altran. This confirms the quality of the Group business model.

## CALENDAR

Group results for the first half of 2020 will be published as scheduled on September 3, 2020 at 7 a.m. (Paris time) after the completion of the review process by the statutory auditors. A conference call will be held by the Group on the same day to present and comment on these results in detail.

September 3, 2020	Publication of H1 2020 results
October 27, 2020	Publication of Q3 2020 revenues

## 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

<sup>3</sup> 2019 reference revenues also include other small acquisitions announced in the past year, but almost the entire current period impact concerns the Altran acquisition.



Capgemini's 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 consulting, digital transformation, technology, and engineering services. The Group is at the forefront of innovation to address the entire breadth of clients' opportunities in the evolving world of cloud, digital and platforms. Building on its strong 50-year heritage and deep industry-specific expertise, Capgemini enables organizations to realize their business ambitions through an array of services from strategy to operations. Capgemini is driven by the conviction that the business value of technology comes from and through people. It is a multicultural company of 270,000 team members in nearly 50 countries. With Altran, the Group reported 2019 combined global revenues of €17 billion. Visit us at [www.capgemini.com](http://www.capgemini.com). *People matter, results count.*

\* \* \*

\*

## APPENDIX

### 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**.

**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.

**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. Finance lease payments were included in repayments of borrowings until December 31, 2018. From January 1, 2019, with the adoption of IFRS 16, these payments are now included in the new definition of organic free cash flow as repayments of lease liabilities.

**Covid-19:** The impact of the health crisis on the consolidated financial statements at 30 June 2020 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.