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Capgemini delivers another record performance in 2022

- Revenues of €21,995 million, up +21.1%
- FY constant currency growth of +16.6% and organic growth* of +15.3%
- Q4 constant currency growth of +14.0% and organic growth* of +12.8%
- Operating margin* up 10 basis points to 13.0% of revenues
- +34% increase in net profit, Group share, with normalized earnings per share* up +25%
- Organic free cash flow* of €1,852 million
- Proposed dividend of €3.25 per share

Paris, February 21, 2023 – The Board of Directors of Capgemini SE, chaired by Paul Hermelin, convened on February 20 in Paris to review and adopt the accounts¹ of the Capgemini Group for the year-ended December 31, 2022.

Aiman Ezzat, Chief Executive Officer of the Capgemini Group, said: *"This is another record year for our Group, with 16.6% constant currency growth and 13.0% operating margin*. We ended 2022 with good momentum despite a less favorable economic environment. Therefore, we enter 2023 on a solid footing.*

This excellent performance is the result of our increased client intimacy and the remarkable commitment of our 360,000 team members.

In 2022, we accelerated our investments in innovation, in digital & cloud and in our sustainability services. We also reinforced our attractiveness to recruit the best talents.

As part of our ESG commitments, the average number of training hours per employee increased by 12% this year and the carbon footprint per employee was 46% lower than in 2019.

The Group's transformation over the past few years enables us to be recognized as a business and technology partner by our clients across their entire value chain. The Group is now positioned as a major strategic player in this dual transition towards a digital and sustainable world.

I am confident in our ability to further strengthen our position with clients and expand our market share."

* 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> | 2021 | 2022 | Change |
|------------------------------------|-------------------|--------------------|-------------------------|
| Revenues | 18,160 | 21,995 | +21.1% |
| Operating margin* | 2,340 | 2,867 | +22% |
| <i>as a % of revenues</i> | <i>12.9%</i> | <i>13.0%</i> | <i>+10 basis points</i> |
| Operating profit | 1,839 | 2,393 | +30% |
| <i>as a % of revenues</i> | <i>10.1%</i> | <i>10.9%</i> | |
| Net profit (Group share) | 1,157 | 1,547 | +34% |
| Basic earnings per share (€) | 6.87 | 9.09 | +32% |
| Normalized earnings per share (€)* | 9.19 ^a | 11.52 ^a | +25% |
| Organic free cash flow* | 1,873 | 1,852 | |
| Net cash / (Net debt) * | (3,224) | (2,566) | |

^a Excluding a transitional tax expense of €73 million in 2022, compared to €36 million in 2021.

Capgemini recorded another year of strong growth, with results exceeding or in line with 2022 financial targets.

In a macroeconomic environment affected by the war in Ukraine, inflationary pressures and rising interest rates, the Group is benefiting from the structural demand from large corporations and organizations for digital transformation projects covering an increasing scope of their value chain, particularly in the Intelligent Industry and Customer First areas.

Continued momentum in Cloud and Data reflects the priority given by Group clients to their investments in technology. These investments are increasingly made as part of high added-value strategic projects requiring strong industry expertise.

The Group reported **revenues** of €21,995 million in 2022, up +21.1% vs. 2021 published figures. Constant currency growth* was +16.6%, above the 2022 target range of +14% to +15%, which was revised upwards on the publication of the half-year results. As acquisitions contributed +1.3 points to growth, organic growth* (i.e. excluding the impact of currency fluctuations and changes in Group scope) reached +15.3%.

Despite a more demanding economic environment, momentum exceeded expectations in Q4, with constant currency growth of +14.0% and organic growth of +12.8%.

Bookings totaled €23,719 million in 2022, a year-on-year increase of +16.8% at constant exchange rates, representing a book-to-bill ratio for the year of 1.08. In Q4, bookings rose +11.4% at constant exchange rates to reach €6,685 million, corresponding to a book-to-bill ratio of 1.16.

The **operating margin*** increased by +22% to €2,867 million, representing 13.0% of revenues, compared with 12.9% in 2021. This 10-basis point improvement is consistent with the 2022 target of an increase of 0 to 20 basis points. A shift in the project mix, towards more innovative and value creating offers, more than offset the post-pandemic return of some operating costs - such as travel and facilities costs - and the higher cost of developing Group talent.

Other operating income and expense is a net expense of €474 million, down from €501 million in 2021.

Capgemini's **operating profit** is therefore up +30% at €2,393 million, or 10.9% of revenues.

The **financial expense** is €129 million, compared with €159 million in 2021.

The **income tax** expense is €710 million compared with €526 million last year. It includes €73 million due to the transitional impact of the 2017 US tax reform, compared with €36 million in 2021. Adjusted for exceptional items, the effective tax rate is down slightly at 28.1%, compared with 29.2% in 2021.

Net profit (Group share) is therefore up by +34% year-on-year to €1,547 million, while **basic earnings per share** increased by +32% to €9.09. **Normalized earnings per share*** is €11.09. Normalized earnings per share adjusted for the transitional tax expense is €11.52, up +25% year-on-year.

Organic free cash flow* is above €1,700 million, as targeted for 2022, and reaches €1,852 million.

In 2022, Capgemini invested €204 million in acquisitions. The Group also paid dividends of €409 million (€2.40 per share) and allocated €811 million (net) to share buyback programs. Finally, the 9th employee share



ownership plan - which proved highly successful and thus contributed to maintaining employee shareholding above 8% of the share capital - led to a gross capital increase of €508 million.

The Board of Directors has decided to recommend the payment of a dividend of €3.25 per share at the Shareholders' Meeting of May 16, 2023. 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 2022 | FY 2022 |
|--------------------------------|---------------|---------------|
| North America | +12.3% | +15.0% |
| United Kingdom and Ireland | +15.3% | +19.4% |
| France | +11.9% | +12.5% |
| Rest of Europe | +15.2% | +16.1% |
| Asia-Pacific and Latin America | +19.6% | +30.6% |
| TOTAL | +14.0% | +16.6% |

- **For the full year:**

All Group regions posted double-digit growth at constant exchange rates in 2022, driven by strong underlying momentum visible across almost all sectors.

Revenues in **North America** (31% of Group revenues) grew by +15.0%, driven by strong momentum in the Financial Services, TMT (Telecoms, Media and Technology) and Manufacturing sectors. The operating margin rate remained virtually stable at 15.6%, compared to 15.9% in 2021.

The **United Kingdom and Ireland** region (12% of Group revenues) recorded another year of strong growth, with revenues up +19.4%. The Public Sector was once again very dynamic, as were the Consumer Goods and Energy & Utilities sectors. The operating margin held at a record level of 18.0%, as achieved in 2021.

France (19% of Group revenues) revenues were up +12.5%, primarily fueled by the Manufacturing sector and, to a lesser extent, the Consumer Goods sector. The operating margin increased by 190 basis points year-on-year to 12.1%.

The **Rest of Europe** region (29% of Group revenues) grew +16.1%, with the Manufacturing and Consumer Goods sectors as the top contributors. The operating margin contracted slightly to 11.6% from 12.3% a year earlier.

Finally, revenues in the **Asia-Pacific and Latin America** region (9% of Group revenues) increased sharply by +30.6%, boosted by 2021 Group acquisitions in the region and solid underlying organic momentum in the Financial Services and Manufacturing sectors. The operating margin was 10.6% compared with 11.5% in 2021.

- **Q4 2022:**

Growth rates exceeded expectations in the final months of the year while, as expected, they slowed slightly on levels observed since the beginning of the year. This momentum was visible in all Group regions as well as the main Group sectors.



OPERATIONS BY BUSINESS

Change in total revenues* at constant exchange rates

| | Q4 2022 | FY 2022 |
|---------------------------|---------|---------|
| Strategy & Transformation | +25.4% | +28.2% |
| Applications & Technology | +14.4% | +18.0% |
| Operations & Engineering | +13.0% | +13.4% |

- **For the full year:**

All Group business lines also reported double-digit growth rates in 2022 at constant exchange rates.

Strategy & Transformation consulting services (8% of Group revenues) reported a +28.2% rise in total revenues, showcasing the Group's ability to support clients' strategic projects.

Applications & Technology services (63% of Group revenues and Capgemini's core business) reported an +18.0% increase in total revenues, driven by digital transformation demand from large corporations and organizations across a growing share of their value chain.

Finally, **Operations & Engineering** total revenues (29% of Group revenues) grew +13.4%, primarily driven by robust momentum in Engineering services and supported by solid growth in Infrastructure and Cloud services.

- **Q4 2022:**

All Group business lines reported stronger than expected growth in Q4, although slightly lower than in previous quarters. **Strategy & Transformation** services and **Applications & Technology** services reported growth at constant exchange rates of +25.4% and +14.4%, respectively. **Operations & Engineering** services revenues grew +13.0% at constant exchange rates.

HEADCOUNT

At December 31, 2022, the Group's total headcount stood at 359,600. This 11% increase year-on-year, in a skilled labor market that remained tight throughout 2022, demonstrates Capgemini's ability to attract talent to fuel its growth.

210,300 employees work in offshore centers, some 58.5% of the total headcount, up +0.5 points vs. December 2021.

BALANCE SHEET

Capgemini's balance sheet structure changed little in 2022.

At December 31, 2022, the Group had cash and cash equivalents and cash management assets of €4.2 billion. After accounting for borrowings of €6.8 billion and derivative instruments, Group net debt* is €2.6 billion at December 31, 2022, down compared with €3.2 billion at December 31, 2021.

CORPORATE SUSTAINABILITY

In line with the commitments of its [ESG \(Environment, Social and Governance\) Policy](#) presented in December 2021, Capgemini achieved significant progress during the year in terms of corporate sustainability.

Firstly, in 2022 the Group strengthened its position as a leader committed to fostering diversity and inclusion. Regarding gender diversity in particular, the proportion of women in the Group's global workforce rose by over 2 points for the second year running, making the Group one of the fastest improving companies in its sector: the proportion of women in the total workforce reached 37.8% at the end of 2022 compared with 35.8% a year earlier, and 24.4% among the Group's executive leaders compared with 22.4% at the end of 2021. Capgemini was also awarded global EDGEplus certification by the EDGE (Economic Dividends for Gender Equality) Certified Foundation, in recognition of the Group's commitment to intersectional equity in all its dimensions.

In human capital development, the Group provided 17.4 million training hours to employees in 2022, compared with 12.8 million in 2021. This represents a 12% increase in the average number of training hours per employee,



well above the Group's commitment to an annual 5% increase. In addition, since 2018, 1.9 million individuals have now benefited from Capgemini's many digital inclusion initiatives, of which over 1 million in 2022 alone.

Regarding environmental sustainability, Capgemini was one of the first companies globally to have its "net zero emissions" targets validated according to the new tighter SBTi (Science-Based Targets initiative) net-zero standard published at the end of 2021. The Group has set more ambitious near-term (2030) and long-term (2040) carbon footprint targets, with in particular a 90% reduction in all emissions (scopes 1, 2 and 3) by 2040. At the end of 2022, carbon emissions had already fallen by 29% for the Group as a whole and 46% per employee against the 2019 baseline set by the SBTi. Of the many initiatives undertaken, Capgemini's Energy Command Center (launched in March 2022) achieved a 29% reduction in energy consumption across the Group's Indian campuses compared to 2019 and helped increase the share of renewable energies in the Group's electricity consumption - which reached 87% in 2022 compared with 53% in 2021.

Thanks to progress achieved by Capgemini in 2022, the Group was admitted to the Dow Jones Sustainability Index (DJSI) Europe at the end of the year.

OUTLOOK

The Group's financial targets for 2023 are:

- Revenue growth of +4% to +7% at constant currency;
- Operating margin of 13.0% to 13.2%;
- Organic free cash flow around €1.8 billion.

The inorganic contribution to growth should be 0.5 points at the lower end of the target range and 1.0 point at the upper end.

CONFERENCE CALL

Aiman Ezzat, Chief Executive Officer, accompanied by Carole Ferrand, Chief Financial Officer, and Olivier Sevilla, Chief Operating 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 posted on the Capgemini investor website at <https://investors.capgemini.com/en/>.

PROVISIONAL CALENDAR

| | |
|---------------|-----------------------|
| May 4, 2023 | Q1 2023 revenues |
| May 16, 2023 | Shareholders' Meeting |
| July 28, 2023 | H1 2023 results |

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

| | |
|--------------|------------------------------------|
| May 30, 2023 | Ex-dividend date on Euronext Paris |
| June 1, 2023 | 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 360,000 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 2022 global revenues of €22 billion.

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APPENDIX²

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 2022 | Q2 2022 | Q3 2022 | Q4 2022 | FY 2022 |
|------------------------------------------|---------------|---------------|---------------|---------------|---------------|
| Organic growth | +16.3% | +18.1% | +14.3% | +12.8% | +15.3% |
| Changes in Group scope | +1.4 pts | +1.2 pts | +1.4 pts | +1.2 pts | +1.3 pts |
| Growth at constant exchange rates | +17.7% | +19.3% | +15.7% | +14.0% | +16.6% |
| Exchange rate fluctuations | +3.3 pts | +5.1 pts | +6.3 pts | +3.5 pts | +4.5 pts |
| Reported growth | +21.0% | +24.4% | +22.0% | +17.5% | +21.1% |

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

² Note that in the appendix, certain totals may not equal the sum of amounts due to rounding adjustments.



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 expense" 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.

Net debt (or net cash) comprises (i) cash and cash equivalents, as presented in the Consolidated Statement of Cash Flows (consisting of short-term investments and cash at bank) less bank overdrafts, and also including (ii) cash management assets (assets presented separately in the Consolidated Statement of Financial Position due to their characteristics), less (iii) short- and long-term borrowings. Account is also taken of (iv) the impact of hedging instruments when these relate to borrowings, intercompany loans and own shares.

RESULTS BY REGION

| | Revenues | Year-on-year growth | | Operating margin rate | |
|--------------------------------|--------------------------------|---------------------|----------------------------|-----------------------|--------------|
| | 2022 (in millions of euros) | reported | at constant exchange rates | 2021 | 2022 |
| North America | 6,737 | +28.3% | +15.0% | 15.9% | 15.6% |
| United Kingdom and Ireland | 2,561 | +20.4% | +19.4% | 18.0% | 18.0% |
| France | 4,276 | +12.6% | +12.5% | 10.2% | 12.1% |
| Rest of Europe | 6,437 | +15.7% | +16.1% | 12.3% | 11.6% |
| Asia-Pacific and Latin America | 1,984 | +39.7% | +30.6% | 11.5% | 10.6% |
| TOTAL | 21,995 | +21.1% | +16.6% | 12.9% | 13.0% |

RESULTS BY BUSINESS

| | Total revenues* | Year-on-year growth |
|---------------------------|-------------------------------|---------------------------------------------------------------|
| | 2022 (% of Group revenues) | At constant exchange rates in Total revenues* of the business |
| Strategy & Transformation | 8% | +28.2% |
| Applications & Technology | 63% | +18.0% |
| Operations & Engineering | 29% | +13.4% |



SUMMARY INCOME STATEMENT AND OPERATING MARGIN

| <i>(in millions of euros)</i> | 2021 | 2022 | Change |
|-------------------------------------------|---------------|---------------|---------------|
| Revenues | 18,160 | 21,995 | +21.1% |
| Operating expenses | (15,820) | (19,128) | |
| Operating margin | 2,340 | 2,867 | +22% |
| <i>as a % of revenues</i> | 12.9% | 13.0% | |
| Other operating income and expense | (501) | (474) | |
| Operating profit | 1,839 | 2,393 | +30% |
| <i>as a % of revenues</i> | 10.1% | 10.9% | |
| Net financial expense | (159) | (129) | |
| Income tax income/(expense) | (526) | (710) | |
| Share of profit of associates | 5 | (4) | |
| (-) Non-controlling interests | (2) | (3) | |
| Profit for the period, Group share | 1,157 | 1,547 | +34% |

NORMALIZED AND DILUTED EARNINGS PER SHARE

| <i>(in millions of euros)</i> | 2021 | 2022 | Change |
|----------------------------------------------|-------------|-------------|---------------|
| Average number of shares outstanding | 168,574,058 | 170,251,066 | |
| BASIC EARNINGS PER SHARE (in euros) | 6.87 | 9.09 | +32% |
| Diluted average number of shares outstanding | 173,899,033 | 176,019,736 | |
| DILUTED EARNINGS PER SHARE (in euros) | 6.66 | 8.79 | +32% |

| <i>(in millions of euros)</i> | 2021 | 2022 | Change |
|----------------------------------------------------|--------------|--------------|---------------|
| Profit for the period, Group share | 1,157 | 1,547 | +34% |
| Effective tax rate | 29.2% | 28.1% | |
| (-) Other operating income and expense, net of tax | 355 | 340 | |
| Normalized profit for the period | 1,512 | 1,887 | +25% |
| Average number of shares outstanding | 168,574,058 | 170,251,066 | |
| NORMALIZED EARNINGS PER SHARE (in euros) | 8.97 | 11.09 | +24% |

The Group recognized a tax expense of €73 million in 2022, compared with €36 million in 2021, in respect of the transitional impact of the 2017 US tax reform.

Adjusted for this transitional tax expense, normalized earnings per share is €11.52 in 2022:

| <i>(in millions of euros)</i> | 2021 | 2022 | Change |
|-----------------------------------------------------------------------------------------------------|-------------|--------------|---------------|
| Normalized earnings per share (in euros) | 8.97 | 11.09 | +24% |
| Transitional tax (income) / expense | 36 | 73 | |
| Average number of shares outstanding | 168,574,058 | 170,251,066 | |
| Impact of the transitional tax (income) / expense (in euros) | 0.22 | 0.43 | |
| Normalized earnings per share – excluding the transitional tax (income) / expense (in euros) | 9.19 | 11.52 | +25% |



CHANGE IN CASH AND CASH EQUIVALENTS AND ORGANIC FREE CASH FLOW

| <i>(in millions of euros)</i> | 2021 | 2022 |
|---------------------------------------------------------------------------------------|--------------|--------------|
| Net cash from operating activities | 2,581 | 2,517 |
| Acquisitions of property, plant and equipment and intangible assets, net of disposals | (262) | (283) |
| Net interest cost | (126) | (71) |
| Repayments of lease liabilities | (320) | (311) |
| ORGANIC FREE CASH FLOW | 1,873 | 1,852 |
| Other cash flows from (used in) investing and financing activities | (1,716) | (1,118) |
| Increase (decrease) in cash and cash equivalents | 157 | 734 |
| Effect of exchange rate fluctuations | 134 | (58) |
| Opening cash and cash equivalents | 2,828 | 3,119 |
| Closing cash and cash equivalents | 3,119 | 3,795 |

NET DEBT

| <i>(in millions of euros)</i> | December 31, 2021 | December 31, 2022 |
|----------------------------------------------|-------------------|-------------------|
| Cash and cash equivalents | 3,129 | 3,802 |
| Bank overdrafts | (10) | (7) |
| Cash and cash equivalents | 3,119 | 3,795 |
| Cash management assets | 385 | 386 |
| Long-term borrowings | (6,654) | (5,655) |
| Short-term borrowings and bank overdrafts | (87) | (1,102) |
| (-) Bank overdrafts | 10 | 7 |
| Borrowings, excluding bank overdrafts | (6,731) | (6,750) |
| Derivative instruments | 3 | 3 |
| NET CASH / (NET DEBT) | (3,224) | (2,566) |