

5th January 2016

TMT

## Capgemini

Price EUR82.85

Acquisition of Oinio. Adjusting our fair value to new model assumptions.

Fair Value EUR96 vs. EUR97 (+16%)

BUY

Bloomberg	CAP FP
Reuters	CAPP.PA
12-month High / Low (EUR)	90.2 / 57.0
Market Cap (EURm)	14,265
Avg. 6m daily volume (000)	660.3

	1 M	3 M	6 M	31/12/14
Absolute perf.	-4.1%	5.7%	2.6%	39.3%
Softw.& Comp.				
SVS	-2.4%	15.4%	9.8%	23.9%
DJ Stoxx 600	-3.8%	2.5%	-7.0%	4.1%

  

	2014	2015e	2016e	2017e
P/E	19.9x	18.1x	15.0x	13.6x
Div yield (%)	1.4%	1.7%	1.8%	1.9%

### ANALYSIS

- **Acquisition of Oinio, a specialist of Salesforce solutions.** Oinio is a Munich-based specialist in consulting and deployment of Salesforce cloud-based CRM and digital marketing solutions, which employs over 100 staff in Germany and China. As an elite Salesforce Platinum Cloud Alliance partner, Oinio has worked on more than 600 projects with international clients in life sciences, manufacturing, financial services, high tech and utilities. It has proven rapid growth in the last 5 years. This acquisition will increase Capgemini's presence in Salesforce-based projects in Europe and Asia. We expect Oinio's contribution to Capgemini's revenues will be in the low-teens.
- **Adjusting our fair value to new model assumptions.** We update our DCF-derived fair value to EUR96 from EUR97 on the roll-over of our model, updated fx assumptions, and a reduction of 1-2ppt of our revenue growth assumptions for 2017-18 due to the uncertainties beyond the end of the Aspire contract with the British HMRC. At this stage we estimate Capgemini generated EUR500-600m revenues with HMRC and that half of them will come to an end from 2017 onwards.

### VALUATION

- Capgemini's shares are trading at est. 10.4x 2016 and 8.9x 2017 EV/EBIT multiples.
- Net cash position on 30<sup>th</sup> June 2015 was EUR1,464m (net gearing: -24%).

### NEXT CATALYSTS

FY15 results on 18<sup>th</sup> February before markets open.

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Gregory Ramirez, [gramirez@bryangarnier.com](mailto:gramirez@bryangarnier.com)

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## Distribution of stock ratings

BUY ratings 56,9%

NEUTRAL ratings 34,6%

SELL ratings 8,5%

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Beaufort House	26 Avenue des Champs Elysées	750 Lexington Avenue	rue de Grenus 7	The Imperial Hotel
15 St. Botolph Street	75008 Paris	New York, NY 10022	CP 2113	Janpath
London EC3A 7BB	Tel: +33 (0) 1 56 68 75 00	Tel: +1 (0) 212 337 7000	Genève 1, CH 1211	New Delhi 110 001
Tel: +44 (0) 207 332 2500	Fax: +33 (0) 1 56 68 75 01	Fax: +1 (0) 212 337 7002	Tel +4122 731 3263	Tel +91 11 4132 6062
Fax: +44 (0) 207 332 2559	Regulated by the	FINRA and SIPC member	Fax+4122731 3243	+91 98 1111 5119
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