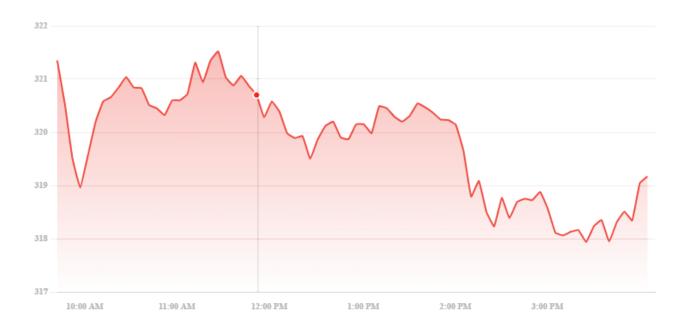
Financial snapshot of Accenture

REPORT:



398.35

Executive Summary – Q1 FY25 (Ended Nov 30, 2024)

Key Financial Metrics

- Revenue: \$17.7 billion, +9% YoY (USD),
 +8% in local currency
 gurufocus.com+3captide.co+3news.alp
 hastreet.com+3
- Net Income: \$2.28 billion, up from \$1.97 billion YoY <u>news.alphastreet.com</u>
- GAAP EPS: \$3.59, +16% YoY (from \$3.10)
 finance.yahoo.com+5news.alphastreet.
 com+5tradingview.com+5
- Operating Income: \$2.948 billion, +15%
 YoY
 investor.accenture.com+2captide.co+2
 gurufocus.com+2
- Operating Margin: 16.7%, +90 bps YoY tradingview.com

 New Bookings: \$18.7 billion, including \$1.2 billion in generative Al <u>investors.com+2gurufocus.com+2tradi</u> <u>nqview.com+2</u>

Profitability Ratios

- Net Margin: ~12.9% (2.28 / 17.7) reflecting strong cost control.
- Operating Margin: 16.7% efficient operations with improved mix.
- EPS Growth: +16%, outpacing revenue growth—signaling margin leverage.

Cash Balance: ~\$8.3 billion (Q1 FY25)
 vs. ~\$5.0 billion (prior year)—solid
 liquidity
 investor accenture com+4captide co+

investor.accenture.com+4captide.co+4f inance.yahoo.com+4tradingview.com+ 3gurufocus.com+3investor.accenture.c om+3

- Operating Cash Flow Outlook: Projected \$9.4–\$10.1 billion for FY25 <u>tradingview.com</u>
- Shareholder Returns: Q1 dividends \$1.48/share; \$898 million in buybacks;
 \$5.9 billion remaining buyback authorization <u>tradingview.com</u>

 Consulting Revenue: \$9.05 billion (+7%)
 <u>tradingview.com+1en.wikipedia.org+1</u>

- Managed Services Revenue:
 \$8.64 billion (+11%) <u>tradingview.com</u>
- Regional Growth:
 - Americas: \$8.73 billion (+9%)
 - EMEA: \$6.41 billion (+10%)
 - Asia-Pacific: \$2.54 billion (+6%)
 tradingview.com+1captide.co+1
- Sector Momentum: Products +12%, Health & Public Service +13%, Technology +7% <u>captide.co</u>

Trend Analysis & Strategic Insights

- Revenue Momentum: Broad-based, double-digit growth across geographies and segments.
- Margin Expansion: Operating margin rose 90 bps; EPS growth outpacing revenue.
- Al Leadership: \$1.2 billion generative Al bookings, bolstered by strategic partnerships (e.g., Nvidia) investors.com+1gurufocus.com+1.
- Balance Sheet Strength: Robust cash reserves enable strategic flexibility.
- Profitability Laterality: Net margin (~12.9%) very healthy; net income growth (~16%) > revenue growth.

Risks & Operational Considerations

- Contract Profitability: Slight pressure noted in profitability of specific contracts, offset by overall margin gains
 - <u>en.wikipedia.org+2tradingview.com+2n</u> <u>ews.alphastreet.com+2</u>.
- Increased DSO: Suggests slower client payments—a consumption risk (Days Services Outstanding rose from 46 to ~50 days) gurufocus.com.
- Guidance Caution: FY25 EPS guidance midpoint (\$12.61) is below street consensus (~\$12.74), balancing growth with margin discipline <u>investors.com</u>.

Strategic Outlook & Recommendations

- Stay Ahead in Al: Continue investment in generative Al capabilities ("agentic Al" systems) to deepen competitive edge.
- Optimize Contract Pricing: Address margin compression by enhancing pricing strategies and operational leverage.
- Enhance Working Capital Discipline: Focus on reducing DSO to improve cash conversion cycles.
- Steward Capital Efficiently: Leverage strong liquidity to support buybacks, dividends, and selective M&A.
- Align Communication: Manage stakeholder expectations amid

conservative EPS guidance while emphasizing margin strengths.

Stakeholder Takeaways

- Investors/Analysts: Healthy topline growth, margin durability, and shareholder-friendly capital management support positive longer-term investment thesis, albeit with tempered EPS midpoint.
- C-Suite/Business Leaders: Balanced consulting and managed services growth, augmented by Al-driven bookings, signals strength in core offerings and future differentiation.
- Board/Senior Management: Solid liquidity, strong profit trends, and

strategic Al momentum warrant continued resource allocation, while maintaining focus on execution risks such as contract profitability and accounts receivable management.

Narrative Summary

Accepture started FY25 with a standout Q1 performance—9% revenue growth and a 90 bps expansion in operating margin, delivering a 16% rise in EPS to \$3.59. Broad-based strength across services and regions, complemented by \$1.2 billion in generative AI contracts, underscores both diversified delivery and technological leadership. Robust liquidity, evidenced by an \$8.3 billion cash balance and aggressive capital return via buybacks and improved dividends, positions the

company to invest decisively in innovation and strategic opportunities. While moderate softness in contract-level profitability and rising DSO highlight management levers to address, the overall trajectory remains strong. The fiscal 2025 **EPS** guidance reflects disciplined margin stewardship against macro-uncertainty, with full-year targets anticipated within solid ranges. In sum, Accenture exhibits strong financial health, operational efficiency, and strategic agility—offering stakeholders conviction in sustained performance and value creation

CHAT LINK:

https://chatgpt.com/share/684a5a8c-f370-8 001-b2d7-d1e93994f258