

The power of

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Annual Report
2020

accenture 

Delivering Value in Fiscal 2020

Fiscal 2020 will be remembered as the year of COVID-19. For Accenture, it was a **tale of two halves** from a financial perspective, but a single story of our market leadership throughout the year. We closed the first half of our year with outstanding momentum—very strong demand for our services, leading the industry in digital, cloud and security, and we entered the second half with a new growth model put in place on March 1, 2020.

Days later, the global pandemic was declared, triggering a global health and financial crisis. Our **ability to rapidly pivot** in the second half of fiscal 2020 demonstrates the unique value we bring to our clients, our strong client and ecosystem partner relationships, the resilience of our diversified business across industries, geographies and services, our strength in digital, cloud and security, and the importance of scale.

We are proud that during fiscal 2020, Accenture's team of approximately 506,000 people **continued to deliver on our commitments** to our shareholders, with strong financial results, and to deliver on our commitments to create value for our clients, our people, our partners and our communities. And at one of the most challenging times in world history, **we have emerged stronger**. We enter fiscal 2021 with an even more durable foundation and an exciting future.

Delivering on Our Commitments

Starting with our **commitment to our shareholders**, Accenture shares provided a 23 percent total return for the year ended August 31—again outperforming the S&P 500 Index—and also provided a 23 percent compound annual total return to shareholders over the last five years, compared with 14 percent for the S&P 500 Index. We did so as a leader in responsible business, making a positive difference for all our stakeholders.

Among the financial highlights in fiscal 2020:

- We delivered record new bookings of \$50 billion for the year.
- With revenue growth of 4 percent in local currency, we continued to grow well ahead of the market.
- We delivered strong profitability, expanding operating margin 10 basis points while continuing to invest at scale in our business and our people.
- GAAP diluted earnings per share of \$7.89 increased 7 percent from fiscal 2019; excluding \$0.43 in gains on an investment, adjusted EPS of \$7.46 rose 1 percent.
- Free cash flow was a record \$7.6 billion and we returned \$5 billion in cash to shareholders, continuing to deliver on our disciplined capital allocation model.
- Shortly after year-end, the Board increased our quarterly dividend 10 percent to \$0.88 per share and approved \$5 billion in additional share repurchase authority.

Turning to our clients. Our clients are the world's leading companies, including more than three-quarters of the Fortune Global 500, and 97 of our top 100 clients have been with us for over 10 years. We ended fiscal 2020 with 216 Diamond Clients, our largest client relationships, representing a net increase of 15 from fiscal 2019.

Our clients rely on us for mission-critical work and the breadth, depth and scale of our capabilities to help build their digital core, transform operations and accelerate revenue growth. During the crisis, we deepened their trust by delivering seamlessly and enabling them to quickly adjust to the new demands. For example, we continued closing the books on time for more than 70 public companies and going live with around-the-clock new technology releases for our clients every 15 minutes, on average. Immediately after COVID-19 struck, we worked with **Microsoft** to implement Teams for numerous clients, including the U.K.'s **National Health Service**—where we enabled 1.2 million people to connect and better communicate with each other in just seven days. We also built an AI-driven virtual agent for India's **MyGov** platform that empowered 1.3 billion people with accurate, up-to-date information about COVID-19.

We drive outcomes at speed for our clients with our powerful ecosystem relationships, such as **Adobe, Alibaba, Amazon Web Services, Blue Yonder, Cisco, Dell, Google, HPE, IBM RedHat, Microsoft, Oracle, Pegasystems, Salesforce, SAP, ServiceNow, VMWare, Workday** and many others.

On March 1, we implemented our new growth model to simplify our organizational structure and increase our agility to better serve clients at scale. Our teams can now move even more seamlessly

between our global and local capabilities, leveraging our network of more than 100 innovation hubs and our Advanced Technology and Intelligent Operations Centers, while driving value for clients in locally relevant ways.

Throughout the year, we continued to deliver on our **commitments to our people**. We increased training hours by 6 percent while reducing training costs by 11 percent to \$866 million with our digital learning platforms. Since March 1, 2020, in our Technology services alone, we trained over 70,000 people in the hot skills needed by our clients, including cloud and remote collaboration tools. As part of our unwavering commitment to inclusion and diversity, Accenture is now 45 percent women, and we remain on track to meet our gender-balanced workforce goal by 2025.

Our **commitment to our communities** includes creating jobs and investing in innovation, as well as our robust corporate citizenship program. For example, together with **Lincoln Financial Group**, **ServiceNow** and **Verizon**, in just 14 business days we created **People + Work Connect**, which brings together companies laying off or furloughing people with companies in urgent need of workers. Today, more than 400,000 jobs are available on the platform. Through our **Skills to Succeed** initiative with our network of strategic partners, we have equipped nearly 3.6 million people to date with the skills to get a job or build a business, surpassing our goal of 3 million by 2020.

We also have a longstanding partnership with the **UN Global Compact**, championing the UN Sustainable Development Goals. This year, for the first time, we have incorporated in this annual

letter our latest reporting on a number of these goals because the actions we take to meet these goals are an important part of our commitment to being a responsible business and to our market leadership as a trusted partner. While today a common, core set of metrics to report against does not exist, we are part of the **World Economic Forum's International Business Council**, which is working to develop them.

It was a tale of two halves from a financial perspective, but a single story of our market leadership throughout the year.

On our current schedule, we update our reporting for the prior fiscal year in March of the next year. Accordingly, our **Corporate Citizenship Report** from March 2020 is our latest, and reflects our fiscal 2019 progress, which will be updated in March 2021 for fiscal 2020. We are particularly proud that in fiscal 2019, we became the largest professional services company to date to have a target for emissions reduction approved by the Science Based Targets Initiative, which aligns with the Paris Agreement to limit global warming to 1.5 degrees Celsius.

We view fiscal 2021 as turning a page – we are no longer navigating a crisis – we are facing a new reality, and we are ready.

Emerging Stronger from the Crisis

Our formula for market leadership is enduring: We continually transform our business and embrace change to create more value for our clients with incredibly talented people. We view fiscal 2021 as turning a page—we are no longer navigating a crisis—we are facing a new reality, and we are ready.

We emerged from the second half of fiscal 2020 stronger than when we entered, which was our strategy. We set five measures of what stronger means and have met each of them.

- We grew at approximately four times the market (our basket of publicly traded companies) compared to two times the market in the first half of the year, growing market share faster than pre-COVID.
- We had more clients with over \$100 million of bookings in our second half than in the first half of the year, reinforcing our role as a trusted transformation partner.

- We captured new growth opportunities in cloud, security, supply chain and digital manufacturing, as well as work in the health and public sector that includes contact tracing for 10 state, provincial and local governments.
- We continued to invest significantly in our people and in our business. In addition to the training described above, we created the capacity to promote and pay meaningful bonuses for fiscal 2020 performance. We are planning for a significant level of promotions in our upcoming December cycle and remain deeply committed to pay equity.

We also continued to increase our investments for the future, at scale, including \$1.5 billion in acquisitions, which fuel organic growth. Among the most strategically significant is **Symantec Cyber Security Services**—making us one of the largest global providers of managed security services, which are critical to digital transformation.

In addition, we invested \$871 million in R&D in our assets, platforms and solutions, to accelerate adoption of new technologies such as blockchain, robotics, 5G, quantum computing

and Edge computing. Today, we have a global portfolio of more than 7,900 patents and pending patent applications.

- We delivered on our shareholder commitments. We also reduced structural costs through our new growth model, and accelerated our usual level of annual performance management transitions to preserve our talented workforce for the future while positioning ourselves for modest margin expansion and continued investment in our business in fiscal 2021.

Looking Ahead

We serve our clients through our close proximity to their businesses and ability to anticipate their needs, and then invest with speed and scale to help them succeed. As COVID-19 and the related changes in business and society have accelerated the need for digital transformation, it became clear that companies would need to move to the cloud much faster. We announced the creation of [Accenture Cloud First](#) in September and a \$3 billion investment over three years, building on our approximately \$12 billion in cloud revenue for fiscal 2020. We are helping clients across all industries accelerate their transformation in what we believe is a once-in-a-digital-era, massive re-platforming of global business over the next five years.

Our culture is differentiated by **shared success**—our commitment to making a positive difference together with our clients, our people, our shareholders, our partners and our communities. To better reflect our role in today's world,

we announced in October Accenture's new purpose: **to deliver on the promise of technology and human ingenuity**. We do this by embracing change and leveraging collaboration to help clients accelerate their digital journeys and create lasting, **360-degree value** for all stakeholders across their enterprises—as well as our own.

We define 360-degree value as delivering the financial business case and unique value a client may be seeking, and striving where possible, to partner with our clients to achieve greater progress on inclusion and diversity with our diverse teams, reskill our clients' employees, help our clients achieve their sustainability goals, and bring meaningful experiences, both with Accenture and for the customers and employees of our clients.

To support our new purpose and approach, we recently launched our biggest brand campaign in a decade, "[Let there be change](#)." The campaign both reflects the depth and breadth of Accenture's expertise and is an inspiration to our people and our clients to embrace change for the benefit of all.

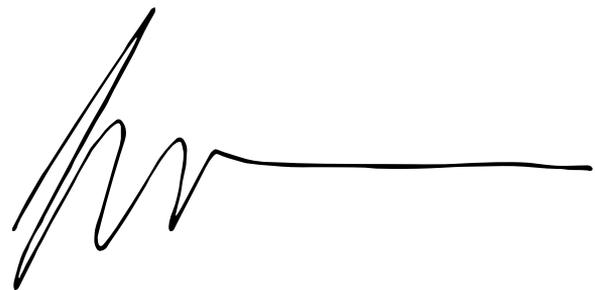
We believe today's rapid acceleration to digital presents us with a breakthrough opportunity to create a better future for all. Our strategy is to embed responsible business into our services for our clients as well as to operate Accenture as a responsible business. To help implement this strategy, we recently appointed a Chief Responsibility Officer and Global Sustainability Services Lead who will be part of Accenture's Global Management Committee.

With respect to caring for the environment through our own actions, we are building on our earlier goals for emissions reduction and recently announced three additional, [industry-leading goals](#): to achieve net-zero emissions, move to zero waste and plan for water risk by 2025. For our clients, we recently launched our [myNav Green Cloud Advisor](#) to enable sustainable migration to the cloud.

We have an unwavering commitment to inclusion and diversity and a culture of equality, which is core to our values as a company and critical to our success and continued innovation. We recently announced new goals for increased race and ethnicity representation in our workforce overall and among managing directors in [the U.S., the U.K. and South Africa](#).

I am incredibly proud of the swift response by our people to stand together against racism and inequality in the face of more tragic losses of African American and Black lives in the U.S. We launched new mandatory training in the U.S.—and will roll it out in other markets—to support our people in identifying and speaking up about racism and reinforcing what we expect of our people. We also pledged to increase community investments to support economic inclusion, such as our new [Black Founders Development Program](#).

Throughout our history, the people of Accenture have embraced constant change. Today is no different. I want to thank all our Accenture people for their incredible dedication, perseverance and commitment both in fiscal 2020 and as we face our new reality. I also want to thank all our shareholders for their continued trust and support. As a company, we have never been more committed to creating shared success for all.



Julie Sweet
Chief Executive Officer
October 22, 2020

We delivered **strong performance in fiscal 2020**, reflecting continued growth ahead of the market, strong profitability and record free cash flow, driving superior shareholder value.

Twelve months ended August 31, 2020

REVENUES

\$44.3B

An increase of 4% in local currency and 3% in U.S. dollars from fiscal 2019

NEW BOOKINGS

\$49.6B

Record bookings, an increase of 10% in local currency and 9% in U.S. dollars

DILUTED EARNINGS PER SHARE

\$7.89

An increase of 7% from fiscal 2019, including \$0.43 of gains on an investment; excluding these gains, **adjusted EPS of \$7.46** increased 1% from fiscal 2019

OPERATING MARGIN

14.7%

An expansion of **10 basis points** from fiscal 2019

FREE CASH FLOW

\$7.6B

Defined as operating cash flow of **\$8.2 billion** net of property and equipment additions of **\$599 million**

CASH RETURNED TO SHAREHOLDERS

\$5.0B

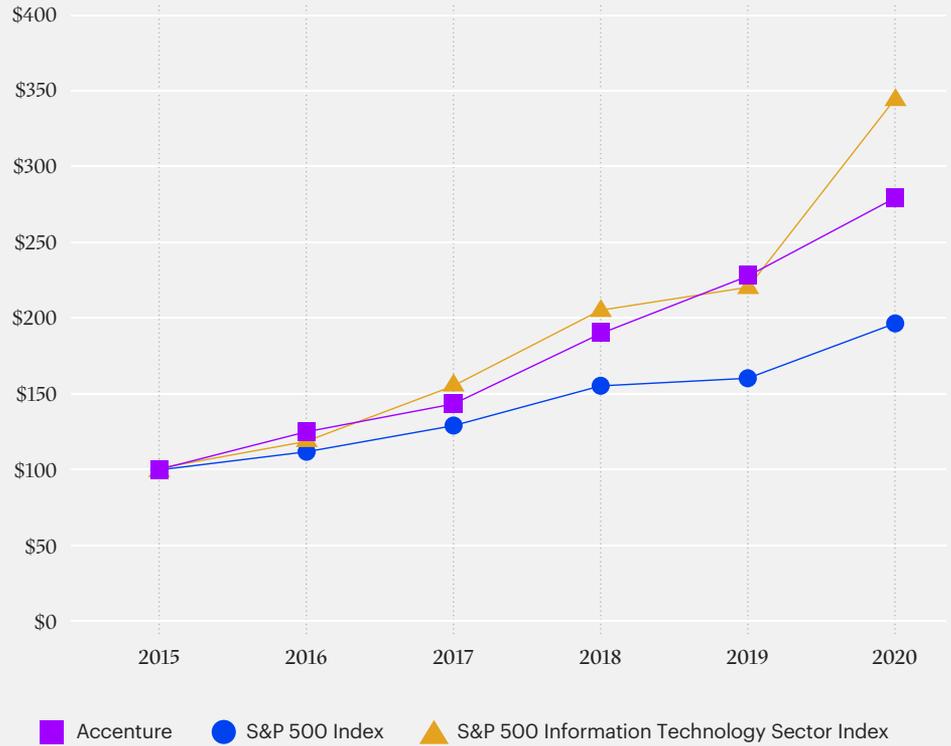
Defined as cash dividends of **\$2.04 billion** plus share repurchases of **\$2.92 billion**

Comparison of Cumulative Total Return

**August 31, 2015—
August 31, 2020**

Accenture vs. S&P 500 Stock Index and S&P 500 Information Technology Sector Index

The performance graph to the right shows the cumulative total shareholder return on our Class A shares for the period starting on August 31, 2015, and ending on August 31, 2020, which was the end of fiscal 2020. This is compared with the cumulative total returns over the same period of the S&P 500 Stock Index and the S&P 500 Information Technology Sector Index. The graph assumes that, on August 31, 2015, \$100 was invested in our Class A shares and \$100 was invested in each of the other two indices, with dividends reinvested on the ex-dividend date without payment of any commissions. The performance shown in the graph represents past performance and should not be considered an indication of future performance.



Index Prices as of August 31

	2015	2016	2017	2018	2019	2020
Accenture	\$100	\$124	\$145	\$190	\$227	\$279
S&P 500 Index	\$100	\$113	\$131	\$157	\$161	\$196
S&P 500 IT Sector Index	\$100	\$119	\$156	\$207	\$220	\$348

FORTUNE's World's Most Admired Companies

No. 1 in our industry for 7 years, marking 18 consecutive years on list

Ethisphere's World's Most Ethical Companies

13 consecutive years

Fast Company's Most Innovative Companies

2 consecutive years

Interbrand's Best Global Brands

No. 31, marking 19 consecutive years

Forbes' Global 2000

No. 205, marking 17 consecutive years

FORTUNE's Global 500

No. 279, marking 19 consecutive years

Barron's Most Sustainable International Companies

Among Top 2 for 2 consecutive years

Dow Jones Sustainability Index North America and FTSE4Good Global Index

Since 2005

CDP's Climate Change "A List"

5 years

Awards & Recognition

Refinitiv Diversity & Inclusion Index

Among Top 3 for 3 consecutive years

Human Rights Campaign's Corporate Equality Index

In Chile, Mexico and U.S.

Business Today/People Strong's Best Companies to Work For in India

Among Top 5 for 7 consecutive years

Great Place to Work/ FORTUNE's 100 Best Companies to Work For

In Japan, Mexico, U.K. and U.S.

Stonewall Global Workplace Equality Index

6 consecutive years

Disability Equality Index

4 consecutive years

Apertura Mejores Empleadores in Argentina

7 consecutive years

Randstad's Most Attractive Employers in Greater China

3 consecutive years

South African Workplace Equality Index

Achieved Gold status

Stock listing

Accenture plc Class A ordinary shares are traded on the New York Stock Exchange under the symbol ACN.

Available information

Our website address is accenture.com. We use our website as a channel of distribution for company information. We make available free of charge on the Investor Relations section of our website (investor.accenture.com) our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and all amendments to those reports as soon as reasonably practicable after such material is electronically filed with or furnished to the Securities and Exchange Commission (the "SEC") pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (the "Exchange Act"). We also make available through our website other reports filed with or furnished to the SEC under the Exchange Act, including our proxy statements and reports filed by officers and directors under Section 16(a) of the Exchange Act, as well as our Code of Business Ethics. Financial and other material information regarding Accenture is routinely posted on and accessible at investor.accenture.com. We do not intend for information contained in this letter or on our website to be part of the Annual Report on Form 10-K. This letter and our Annual Report on Form 10-K for the fiscal year ended August 31, 2020, together constitute

Accenture's annual report to security holders for purposes of Rule 14a-3(b) of the Exchange Act.

Trademark references

Rights to trademarks referenced herein, other than Accenture trademarks, belong to their respective owners. We disclaim proprietary interest in the marks and names of others.

Forward-looking statements and certain factors that may affect our business

We have included in this letter "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Exchange Act relating to our operations, results of operations and other matters that are based on our current expectations, estimates, assumptions and projections. Words such as "will," "plan," "believe" and similar expressions are used to identify these forward-looking statements. These statements are not guarantees of future performance and involve risks, uncertainties and assumptions that are difficult to predict.

Forward-looking statements are based upon assumptions as to future events that may not prove to be accurate. Actual outcomes and results may differ materially from what is expressed or forecast in these forward-looking statements. Risks, uncertainties and other factors that

might cause such differences, some of which could be material, include, but are not limited to, the factors discussed in our Annual Report on Form 10-K and Quarterly Reports on Form 10-Q (available through the Investor Relations section of our website at investor.accenture.com) under the sections entitled "Risk Factors." Our forward-looking statements speak only as of the date of this letter or as of the date they are made, and we undertake no obligation to update them.

Reconciliation of non-GAAP measures

This letter contains certain non-GAAP (Generally Accepted Accounting Principles) measures that our management believes provide our shareholders with additional insights into Accenture's results of operations. The non-GAAP measures in this letter are supplemental in nature. They should not be considered in isolation or as alternatives to net income as indicators of company performance, to cash flows from operating activities as measures of liquidity, or to other financial information prepared in accordance with GAAP. Reconciliations of this non-GAAP financial information to Accenture's financial statements as prepared under GAAP are included in this report.

All amounts throughout this letter are stated in U.S. dollars, except where noted.