


**2018 LETTER TO
SHAREHOLDERS**



INNOVATING IN THE NEW

NEW APPLIED NOW

accenture

DELIVERING IN FISCAL 2018

Accenture delivered outstanding financial results in fiscal 2018, reflecting excellent demand for our differentiated services—as well as our continued success in putting innovation at the heart of how we serve clients across industries and around the world.

I am particularly pleased that we delivered double-digit revenue growth in local currency for the third time in four years, gaining significant market share. Our performance was broad-based once again, with strong revenue growth across all operating groups and geographic regions—double-digit or high single-digit growth in each case. We also delivered excellent earnings per share and record free cash flow—enabling us to return substantial cash to shareholders while continuing to make significant investments in the business.

Here are some highlights:

- We delivered record new bookings of \$42.8 billion, a 12 percent increase in local currency.
- We grew net revenues 10.5 percent in local currency to \$39.6 billion—another all-time high.
- We delivered diluted earnings per share of \$6.34, compared with \$5.44 in fiscal 2017. After excluding \$0.40 per share in charges related to tax law changes in fiscal 2018 and a \$0.47 per share pension settlement charge in fiscal 2017, adjusted EPS of \$6.74 in fiscal 2018 increased 14 percent.
- Operating margin was 14.8 percent, consistent with our adjusted fiscal 2017 operating margin of 14.8 percent, which excludes the 150 basis-point impact of the pension settlement charge.
- We generated very strong free cash flow of \$5.4 billion and returned \$4.3 billion in cash to shareholders through dividends and share repurchases.
- We announced a 10 percent increase in our semi-annual dividend, to \$1.46 per share, shortly after fiscal year-end.

These excellent results enabled us to deliver significant shareholder value in fiscal 2018. Accenture shares provided a 32 percent total return for the year ended August 31—12 percentage points above the S&P 500 Index.

Over the last five fiscal years, we have delivered compound annual revenue growth of 9 percent in local currency and 10 percent compound annual growth in adjusted earnings per share. Our compound annual total return to shareholders for this five-year period was 21 percent, compared with 15 percent for the S&P 500.

Driving Differentiation

Our strong and durable performance reflects the successful execution of our growth strategy. In 2013, we recognized that the technology revolution would significantly disrupt companies and entire industries globally. We began moving aggressively and strategically to further differentiate Accenture in the new digital world—to help clients disrupt rather than be disrupted, and to capture new growth opportunities in a very competitive environment.

Today, our business is focused on providing end-to-end capabilities at scale across the full spectrum of professional services—spanning strategy, consulting, digital, technology and operations. By combining our market-leading capabilities across these businesses with our deep industry expertise, Accenture is uniquely positioned to drive large-scale transformation for our clients. We are shaping strategy in the C-suite, delivering cutting-edge technology solutions and running operations for our clients—giving us an unmatched capability to integrate our services and commit to tangible client outcomes.

Accenture remains the partner of choice for many of the world's leading companies and largest government agencies on mission-critical transformation programs. For example, we are helping **DowDuPont** with its post-merger preparations to separate into three new companies.

We serve more than three-quarters of the FORTUNE Global 500 and 92 of the top 100. We also continue to build strong, long-term relationships with our clients, and 97 of our top 100 clients have been with us for 10 years or more.

Another key component of our growth strategy is the significant investments we have made in new, high-growth areas to drive our differentiation and competitiveness. In particular, our rapid rotation to “the New”—digital, cloud and security services—has clearly set us apart, and we further strengthened our leadership position in these areas in fiscal 2018. Net revenues from the New grew about 25 percent in local currency to \$23 billion—approximately 60 percent of total revenues—more than double the revenues just three years ago.

Innovating in the New

While the New has now become core to our business, we continue to invest and innovate to capture the next waves of growth. During fiscal 2018, we evolved **Accenture Digital** to be even more relevant to our clients by focusing on three key market sectors:

- To further strengthen **Accenture Interactive**—which was again recognized by *Ad Age* as the world's leading provider of digital marketing services—we launched **Intelligent Marketing Operations**, combining platforms, analytics and artificial intelligence to run marketing campaigns as a seamless managed service.
- We also launched **Accenture Industry X.O**, which is focused on the digital reinvention of industries with smart, connected products and services using the Internet of Things, connected devices and digital platforms.
- In addition, we created **Accenture Applied Intelligence** by bringing together our capabilities in advanced analytics and artificial intelligence, which we are increasingly embedding at the heart of our clients' businesses.

Acquisitions are essential to building critical skills and capabilities in strategic, high-growth areas, which enhance our differentiation and drive organic growth. In fiscal 2018, we deployed more than 70 percent of our total acquisition investment of \$658 million to extend our leadership position in Accenture Digital. Key acquisitions in Accenture Interactive included **Mackevision** in Germany, **Meredith Xcelerated Marketing** in the United States, **HO Communication** in China and **Altima** in France. We also completed several acquisitions that enhanced our Industry X.O and Applied Intelligence capabilities, including US-based **Pillar Technology** and **Kogentix**.

Another priority for Accenture is continuing to leverage our unique position as the leading partner of the key players in the technology ecosystem—including **SAP**, **Microsoft**, **Oracle**, **Salesforce** and **Workday**—which are also rotating to the New with cloud-enabled platforms incorporating advanced analytics, artificial intelligence and machine learning capabilities.

Accenture is the clear global leader in implementing these platforms—through our **Intelligent Platform Services**—to meet the needs of our clients. For example, we are helping a wide range of clients around the world to transform their businesses with **SAP S/4HANA** solutions—from **The Hershey Company** in the United States, to Latin American utility **Celsia**, to **Lion**, Australia's largest brewer.

“Our strong and durable performance reflects the successful execution of our growth strategy.”

We continue to invest in our unique **Accenture Innovation Architecture**, where we collaborate with clients in new ways to develop, scale and deliver disruptive, leading-edge solutions. Our Innovation Architecture combines specialized capabilities across the company—from research, ventures and labs to studios, innovation centers and delivery centers.

We continue to grow our network of more than 100 world-class innovation facilities, which are strategically located in key innovation capitals around the globe. In fiscal 2018, we opened six Liquid Studios, where we accelerate software development, and nine innovation hubs—in Atlanta, Boston, Canberra, Columbus, Detroit,

San Francisco, Tokyo, Washington, D.C., and Zurich—which bring together multiple elements of our Innovation Architecture.

Through our open innovation program, we have engaged with more than 5,000 start-ups and made 28 strategic minority investments over the last five years. In areas like blockchain, extended reality and quantum computing, we already are investing in and developing solutions in the “next New” technologies. We worked with **Anheuser-Busch InBev** and several other organizations to successfully test a blockchain prototype that eliminates the need for printed shipping documents, providing significant efficiencies and speeding up ocean cargo transactions.

Another important indicator of our innovation capabilities is our intellectual property portfolio, which now includes more than 6,800 patents and pending patent applications in areas like artificial intelligence, blockchain, cybersecurity, extended reality and the Internet of Things. Our intellectual property is an important corporate asset that differentiates Accenture’s services and drives value for us in the marketplace.

Our People and Our Communities

As a talent- and innovation-led organization, Accenture’s top priorities include attracting the best people and investing to further develop their highly specialized skills. In fiscal 2018, we invested more than \$925 million in the development of our people, leveraging continuous learning opportunities that are customized for the individual in an on-demand, digital environment. We continue to make substantial investments in re-skilling, and have now trained more than 290,000 people in New IT, including automation, Agile development and intelligent platforms.

We are particularly focused on building the best possible leadership team in our industry. During fiscal 2018, we promoted about 700 new managing directors and hired nearly 300 from outside Accenture—adding very significant specialization and industry expertise.

Accenture is deeply committed to inclusion and diversity, offering an inclusive environment regardless of age, disability, ethnicity, gender, religion or sexual orientation. We embrace diversity as a source of innovation, creativity and competitive advantage. Women now make up 42 percent of our global workforce, and we work proactively to ensure pay equity among our people.

I am especially proud that Accenture was named the top company—Number 1—on the Thomson Reuters Diversity & Inclusion Index, as well as Number 2 on *CR Magazine*’s list of “100 Best Corporate Citizens.” We also were recognized once again by Ethisphere as one of the “World’s Most Ethical Companies” and by FORTUNE as one of the “100 Best Companies to Work For.”

With our partners, our clients and our communities, we innovate to improve the lives of millions of people around the world—now and for generations to come. Through our **Tech4Good** initiative, we collaborated with Grameen Foundation India to apply artificial intelligence and augmented reality to help disadvantaged women access financial services.

Leveraging digital solutions, we made further progress toward our **Skills to Succeed** goal of equipping 3 million people by 2020 with the skills to get a job or build a business. We are supporting both Skills to Succeed and Tech4Good through our new commitment to invest more than \$200 million over three years in education, training and skills initiatives.

We are minimizing our environmental footprint and fostering sustainable growth for Accenture and our clients, and reached our goal of a 50 percent reduction in per-employee carbon emissions three years ahead of schedule. We remain committed to helping to accelerate the global shift to a low-carbon economy and reducing the impact of climate change.

In closing, I want to thank all Accenture people around the world for their unique passion and dedication to our clients and our business, which truly enabled us to deliver such strong financial results in fiscal 2018. As we move into the new year, we have excellent momentum in our business and are very well-positioned in the marketplace. With our highly differentiated capabilities, the significant investments we are making, and our disciplined management of the business, I am very confident in our ability to continue gaining market share and delivering value for all our stakeholders.

A stylized, handwritten signature in white ink, appearing to read 'Nanterme', is positioned to the left of the main portrait.

Pierre Nanterme
Chairman & CEO
October 24, 2018



We delivered outstanding, broad-based financial results in fiscal 2018, driving superior shareholder value.

Twelve months ended August 31, 2018

NET REVENUES

\$39.6B

An increase of 10.5 percent in local currency and 14 percent in US dollars from fiscal 2017. Includes \$23 billion from digital, cloud and security services—up about 25 percent in local currency

NEW BOOKINGS

\$42.8B

An increase of 12 percent in local currency and 15 percent in US dollars from fiscal 2017

DILUTED EARNINGS PER SHARE

\$6.34

 GAAP

After excluding \$0.40 in charges related to tax law changes in fiscal 2018 and a \$0.47 pension settlement charge in fiscal 2017, **adjusted EPS of \$6.74 increased 14 percent** from \$5.91 in fiscal 2017

OPERATING MARGIN

14.8%

Consistent with adjusted operating margin of 14.8 percent for fiscal 2017, which excludes a 150 basis-point impact from the pension settlement charge in fiscal 2017

FREE CASH FLOW

\$5.4B

Defined as operating cash flow of **\$6.0 billion** net of property and equipment additions of **\$619 million**

CASH RETURNED TO SHAREHOLDERS

\$4.3B

Defined as cash dividends of **\$1.7 billion** plus share repurchases of **\$2.6 billion**

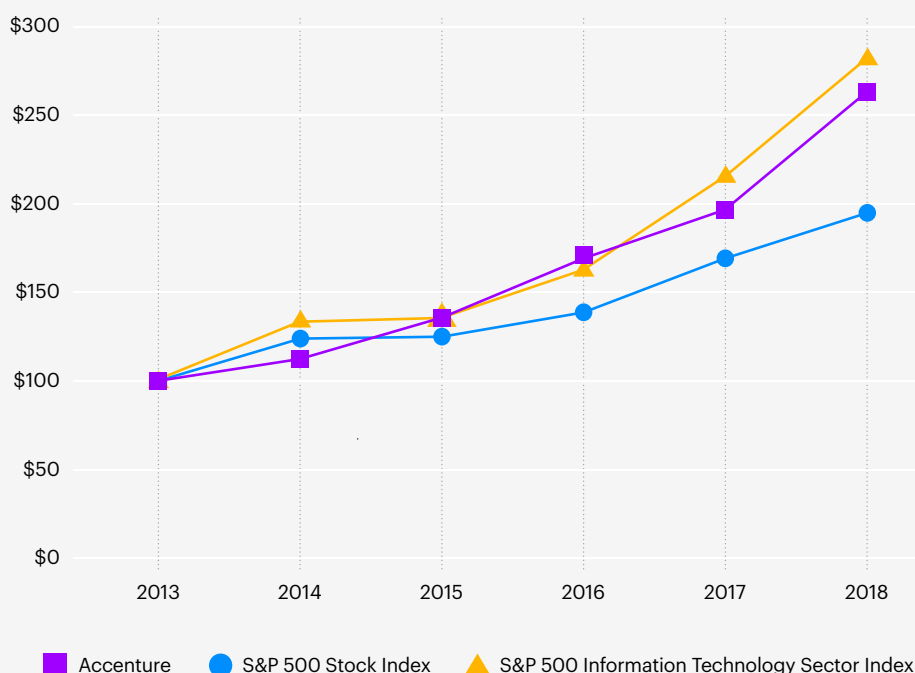
Comparison of Cumulative Total Return

August 31, 2013—

August 31, 2018

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, 2013, and ending on August 31, 2018, which was the end of fiscal 2018. 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, 2013, \$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

	2013	2014	2015	2016	2017	2018
Accenture	\$100	\$115	\$137	\$171	\$198	\$261
S&P 500 Stock Index	\$100	\$125	\$126	\$142	\$165	\$197
S&P 500 Information Technology Sector Index	\$100	\$134	\$137	\$163	\$214	\$284

AWARDS AND RECOGNITION

RECOGNIZED AMONG

FORTUNE's World's Most Admired Companies

for 16 consecutive years;
ranked No. 1 in IT Services
category for five years

RECOGNIZED AMONG

Ethisphere's World's Most Ethical Companies

for 11 consecutive years

RANKED NO. 1 ON THE

Thomson Reuters Diversity & Inclusion Index

marking three consecutive years

RANKED NO. 34 ON

Interbrand's Best Global Brands

marking 17 consecutive years

RANKED NO. 288 ON

Forbes' Global 2000

marking 15 consecutive years

RANKED NO. 316 ON

FORTUNE's Global 500

marking 17 consecutive years

RANKED NO. 2 ON

CR Magazine's 100 Best Corporate Citizens

marking 10 consecutive years

INCLUDED ON

Dow Jones Sustainability Index North America and FTSE4GOOD Global Index

for 14 consecutive years

RECOGNIZED IN

CDP's Climate Change Report

as a leading company for
reducing emissions and
mitigating climate change

RANKED NO. 6 ON

JUST Capital's America's Most JUST Companies

marking two consecutive years;
ranked No. 1 in our industry for
two consecutive years

INCLUDED ON NEW

Bloomberg Gender Equality Index

RECOGNIZED AMONG

FORTUNE's 100 Best Companies to Work For

marking 10 consecutive years

RANKED NO. 9 ON

DiversityInc's Top 50 Companies for Diversity

marking 12 consecutive years

RECOGNIZED AMONG

Working Mother's 100 Best Companies

marking 16 consecutive years
in the US and three consecutive
years in India

RECEIVED A PERFECT SCORE ON

Human Rights Campaign's Corporate Equality Index

each year since 2008

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, 2018, together constitute Accenture’s annual report to security holders for purposes of Rule 14a-3(b) of the Exchange Act.

Accenture discloses information about “the New”—digital, cloud and security services—to provide additional insights into the company’s business. Net revenues for the New are approximate, require judgment to allocate revenues for arrangements with multiple offerings and may be modified to reflect periodic changes to the definition of the New.

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,” “expect,” “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 letter.

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