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First half performance reflects the Group's resilience

- Revenues of €7,581 million, up +8.2% with the acquisition of Altran
- H1 constant currency growth of +7.9% and organic growth* of -3.4%
- Q2 constant currency growth of +13.4% and organic growth* of -7.7%
- Operating margin* up +3% in value and down a limited -0.6 points to 10.8% of revenues
- Normalized earnings per share* down -4% and Net profit (Group share) down -20%
- Organic free cash flow* up €16 million to €106 million

Paris, September 3, 2020 – The Board of Directors of Capgemini SE, chaired by Paul Hermelin, convened on September 2, 2020 to review the accounts¹ of Capgemini Group for the first half of 2020.

Aiman Ezzat, Chief Executive Officer of Capgemini Group, said: *"We achieved a robust performance in the first half. The Group ensured the continuity of our clients' service while maintaining a strong momentum in bookings. I would like to thank all Capgemini employees for their outstanding commitment throughout this period. These results are not only a reflection of our strong responsiveness to the crisis but also the work carried out over the past decade to improve our operating model, diversify our activities and develop our digital and cloud services.*

Today, we set objectives for 2020 that illustrate the resilience of our revenues, profitability and organic free cash flow.

This first half was also marked by the completion of the acquisition of Altran, which brings a new dimension to our Group and a leadership position in the dynamic "Intelligent Industry" market. The integration is progressing rapidly in particular thanks to the quality of the collaboration between the teams.

Finally, I would like to highlight our commitment to tackling climate change, which I have placed at the heart of the Group's priorities, with our new target of "net zero emissions" by 2030."

* The terms and Alternative Performance Measures marked with an (*) are defined and/or reconciled in the appendix to this press release.

¹ Limited review procedures on the interim consolidated financial statements have been completed. The auditors are in the process of issuing their report.



1ST HALF KEY FIGURES

The estimated main financial indicators for H1 2020 communicated by the Group on July 28, 2020 are in line with the results presented today:

<i>(in millions of euros)</i>	H1 2019	H1 2020	Change
Revenues	7,007	7,581	+8.2% +7.9% at constant exchange rates
Operating margin*	797	818	+3%
<i>as a % of revenues</i>	11.4%	10.8%	-0.6 points
Operating profit	658	577	-12%
<i>as a % of revenues</i>	9.4%	7.6%	
Net profit (Group share)	388	311	-20%
Basic earnings per share (€)	2.34	1.86	-21%
Normalized earnings per share (€)*	3.08 ^a	2.95 ^a	-4%
Organic Free Cash Flow*	90	106	+€16 million
Net cash / (Net debt)*	(1,621)	(6,008)	

^a Excluding recognition of the income tax expense due to the transitional impact of the US tax reform of €30 million in H1 2019 and €26 million in H1 2020.

During H1 2020, Capgemini successfully completed the friendly tender offer for Altran Technologies ("Altran"), which is fully consolidated in the Group accounts from April 1, 2020. This major transaction positions the Group as the partner of choice for the digital transformation of industrial and technology companies. Over the same period, the Group also dealt with the impact of the Covid-19 crisis on its various markets, while ensuring the safety of its employees and the continuity of services to all its clients.

In this unprecedented context, the Group demonstrated remarkable agility as well as the resilience of its operations and financial model. H1 2020 results clearly highlight the quality of this resilience, which has been considerably reinforced since the 2009 crisis.

Capgemini generated **revenues** of €7,581 million in H1 2020. After a Q1 2020 that was broadly in line with Q4 2019 trends, the impact of the pandemic is clearly visible but, all things considered, contained in Q2 2020. The consolidation of Altran had a material impact on Q2 revenues. For the whole of H1, growth reached +8.2% on a reported basis and +7.9% at constant exchange rates. "Organic" growth (adjusted for scope and exchange rate impacts) for the combined Group saw a limited decline of -3.4%. The sector and geographic diversification of the client base combined with the high quality offer portfolio developed in recent years have clearly reinforced the resilience of Capgemini's revenues. In particular, momentum remains strong for **Digital** and **Cloud** services, which increased over 10%² in H1, illustrating the structural nature of demand for these services.

Bookings totaled €7,841 million in the first six months of 2020, a +10.3% increase at constant exchange rates year-on-year. At 103%, the book-to-bill ratio exceeds the 2019 ratio for the same period, demonstrating the strength of commercial activity in the context of the pandemic.

The **operating margin*** increased by +3% in value to €818 million, representing 10.8% of revenues. The year-on-year decrease in the operating margin rate is limited to 60 basis points, in line with the Group's plan to demonstrate in 2020 its enhanced resilience.

Other operating income and expenses represent a net expense of €241 million, up €102 million year-on-year. This significant increase is mainly due to the Altran acquisition and integration costs, the inclusion of restructuring expenses specific to Altran and greater seasonality of restructuring costs in the first half of 2020.

Capgemini operating profit is therefore down -12% to €577 million, or 7.6% of revenues.

The net financial expense is €64 million, compared with €39 million for the same period in 2019. This increase is due to the cost of financing the acquisition and the debt carried by Altran.

² Growth at constant exchange rates for the Group scope excluding Altran. Altran Digital and Cloud services will be included from January 1, 2021.



The **income tax** expense is €204 million and includes €26 million due to the transitional impact of the US tax reform, compared with €30 million last year. Adjusted for this transitional expense, the effective tax rate is 34.6%, compared with 32.6% in H1 2019 and FY 2019. This increase in the effective tax rate is mainly due to the temporary consequences of the consolidation of Altran in the Group scope.

Net profit (Group share) is down -20% year-on-year to €311 million for the first six months of the year. **Basic earnings per share** fell by -21% year-on-year to €1.86, while **normalized earnings per share*** withstood well with a moderate decline of -4% to €2.80. Normalized earnings per share adjusted for the transitional tax expense also fell -4% to €2.95.

The Group generated **organic free cash flow*** of €106 million, compared with €90 million in 2019, despite the increase in financial and other operating expenses related to the acquisition of Altran.

Return to shareholders totaled €426 million in H1 2020, with €200 million allocated to the multi-year Capgemini SE share buyback program and €226 million allocated to the payment of dividends (€1.35 per share, after a 29% reduction on the initial proposal decided by the Board of Directors as part of solidarity measures). In addition, the Group disbursed a net amount of €3,234 million for external growth transactions during the period, mainly comprising 2020 outflows for the acquisition of Altran (see specific section below).

OPERATIONS BY REGION

Change in revenues vs. 2019 at constant exchange rates

	Q1 2020	Q2 2020	H1 2020
North America	-0.6%	+9.0%	+4.2%
United Kingdom and Ireland	-2.6%	+3.7%	+0.6%
France	+3.3%	+11.8%	+7.6%
Rest of Europe	+5.1%	+24.9%	+15.1%
Asia-Pacific and Latin America	+11.2%	+11.7%	+11.4%
TOTAL	+2.3%	+13.4%	+7.9%

Given the relatively comparable geographic mix of the two companies, Altran's consolidation does not significantly alter the breakdown of Capgemini revenues by region. On a combined basis, North America remains the Group's leading region (31% of Group revenues) in Q2 2020, followed by the Rest of Europe (30%), France (21%), the United Kingdom and Ireland (11%) and Asia-Pacific and Latin America (7%).

- **Q2 2020:**

Q2 revenues totaled €4,034 million, up +13.4% at constant exchange rates. As mentioned above, the second quarter benefited from the consolidation of Altran in the Group scope from April 1, 2020, which more than offset the pandemic's impact on revenues.

Group organic growth in Q2, down -7.7%, reflects the impact of the pandemic on the activities of the new combined entity. This comprises a decrease of -6.9% for Capgemini's legacy scope and of -11.6% for Altran's scope. Organic growth therefore slowed in the second quarter compared with +2.0% in Q1 2020. Digital and Cloud activities showed good resilience, growing over 7%² in the quarter.

Geographically, organic growth slowed significantly in **France** in Q2 compared with Q1. Despite strong momentum at the beginning of the year, France recorded the Group's greatest decline in organic growth in the second quarter. By contrast, the **North America, United Kingdom and Ireland, and Asia-Pacific and Latin America** regions weathered much better, with Q2 organic growth rates comparatively closer to those recorded in Q1. This disparity may be attributed to differences in the duration and severity of lockdown measures and the sector mix in different countries.

The sectors also reveal highly contrasted trends, although comparable across most regions. Growth in the Public sector (13% of the new Group's revenues) accelerated in the second quarter. Financial Services (the largest sector generating 24% of Group revenues) and TMT (Telecom, Media & Technology, significantly strengthened by the acquisition of Altran to 13% of Group revenues) showed good resilience, well above the Group average. Conversely, Manufacturing (22% of Group revenues, including Altran) and the Services sector (5% of Group revenues, which notably includes transportation services and hospitality) were the most affected.



Bookings increased significantly in Q2 2020 to €4,438 million, a surge of +18.8% at constant exchange rates year-on-year. The book-to-bill ratio is 110% in Q2, reflecting an encouraging level of client demand for the coming quarters.

- **H1 2020:**

Given the magnitude of the key movements and trends observed in Q2, these remain applicable to the analysis for H1 as a whole.

Revenues in **North America** grew by +4.2% at constant exchange rates. This increase was driven by Altran’s contribution to revenues, mainly in the TMT sector. Financial Services also continued to recover and even experienced slight organic growth. The operating margin rate improved further to 14.4%, compared with 12.9% in the first half of 2019.

The **United Kingdom and Ireland** region reported a slight increase in revenues, growing +0.6% at constant exchange rates, supported by Altran’s contribution (mainly in the Manufacturing and TMT sectors) and favorable Public sector momentum on an organic basis. Although declining, the operating margin remained high at 14.3%, compared with 15.9% a year earlier.

France reported revenue growth of +7.6% at constant exchange rates following the consolidation of Altran revenues (particularly in Manufacturing, TMT and the Energy & Utilities sectors). On a like-for-like basis, the Manufacturing sector was by far the most affected by the slowdown. By contrast, the Public sector continued its strong growth, while the Energy & Utilities sector showed great resilience. Within the Group, however, France was the hardest hit by the pandemic. Both revenues at constant scope and operating margin contracted sharply, with the latter falling 270 basis points year-on-year to 6.9%.

The **Rest of Europe** region grew +15.1% at constant exchange rates, including Altran revenues. Organically, regional dynamics demonstrated strong resilience consistent with that of the Group, driven by organic growth in the Public sector and Energy & Utilities. The region reported a slightly lower operating margin of 10.2%, compared with 11.3% a year earlier.

Finally, momentum remained strong in the **Asia-Pacific and Latin America** region, with revenues increasing +11.4% at constant exchange rates. This performance is particularly noteworthy as the Altran acquisition had a more limited impact in this region. Organic growth was sustained, boosted particularly by Financial services, as well as the Services sector and, to a lesser extent, Energy & Utilities. The region's operating margin reported a limited decline to 10.5%, from 11.4% in H1 2019.

OPERATIONS BY BUSINESS

**Change in total revenues* by business vs. 2019
at constant exchange rates**

	Q1 2020	Q2 2020	H1 2020
Strategy & Transformation	+9.6%	+7.6%	+8.6%
Applications & Technology	+2.1%	-4.5%	-1.3%
Operations & Engineering	+3.5%	+69.4%	+37.2%

The Group’s business mix changed noticeably in Q2 2020 with the integration of Altran which primarily delivers Engineering services. While **Strategy & Transformation** consulting services continued to generate 7% of Group’s total revenues in Q2, **Operations & Engineering** services now account for 33% of Group business with the addition of Altran’s engineering activities. **Applications & Technology** services remain the Group’s core business, but now only represent 60% of total business.

- **Q2 2020:**

As expected in a crisis environment, organic growth rates for Cloud infrastructure services and Business Services (the **Operations** businesses) were relatively unaffected by the context, while the slowdown in **Engineering** and **Strategy & Transformation** consulting services tended to exceed the Group average. **Applications & Technology** services, the Group’s core business, proved slightly more resilient than the Group average.



- **H1 2020:**

Strategy & Transformation consulting services benefited from the integration of high value added consulting services developed by Altran in recent years, recording +8.6% growth in total revenues* at constant exchange rates.

Applications & Technology services, the Group's core business, reported a -1.3% decline in total revenues at constant exchange rates. The Altran acquisition had only a limited impact on this business.

Finally, **Operations & Engineering** total revenues grew +37.2% at constant exchange rates boosted by the consolidation of Altran, which primarily delivers Engineering services.

HEADCOUNT

At June 30, 2020, the Group's total headcount stood at 265,100, up +22% year-on-year, mainly following the integration of 50,000 Altran team members. Nearly 139,500 employees work in offshore centers, i.e. 53% of the total headcount.

BALANCE SHEET

Capgemini's balance sheet structure changed significantly in H1 2020 following the acquisition of Altran for an enterprise value of €5.2 billion (including €3.7 billion paid in cash for the equity³).

As the Altran securities were purchased in two separate stages (before and after the takeover became effective on March 13, 2020), this transaction generated a €2.6 billion increase in goodwill⁴ over the period (€10.3 billion at the closing date compared with €7.7 billion at the opening date), followed by a decrease in equity (€5.9 billion at the closing date compared with €8.4 billion at the opening date).

At June 30, 2020, the Group had cash and cash equivalents and cash management assets totaling €2.4 billion. After accounting for borrowings of €8.5 billion and derivative instruments, Group net debt* was €6.0 billion at June 30, 2020, compared with €1.6 billion at June 30, 2019 and €0.6 billion at December 31, 2019. This increase in net debt is mainly due to the acquisition of Altran.

The Altran acquisition was financed in line with the financing plan presented in June 2019 (€5.4 billion, encompassing €3.7 billion for the purchase of securities and €1.7 billion of gross debt carried by Altran). Capgemini therefore used available cash of approximately €1.0 billion (including €0.4 billion for the purchase of securities in 2019) and issued bonds for the balance.

In April 2020, the Group performed a €3.5 billion multi-tranche bond issue, €2.8 billion of which was used to finance the acquisition⁵. The Altran term loans were then refinanced in June 2020 through a second multi-tranche bond issue of €1.6 billion.

These refinancing transactions extended the average maturity of the Group's bond debt to 6.6 years, with a low average cost of 1.8%. Their strong success reflects investor confidence in Capgemini's financial profile and the relevance of its growth strategy.

ACQUISITION AND INTEGRATION OF ALTRAN TECHNOLOGIES

Following the effective takeover of Altran on March 13, 2020, Capgemini reopened the friendly tender offer. The success of this reopening enabled the implementation, in April 2020, of a squeeze-out on the remaining Altran shares not yet held. After this procedure, Capgemini held 100% of the share capital and voting rights of Altran Technologies, which is fully consolidated in the Capgemini scope from April 1, 2020, as previously stated.

The integration process was launched immediately and is progressing in line with Group expectations. Full-year cost and operating model synergies of between €70 million and €100 million, before tax, are expected as communicated on the announcement of the acquisition project. Capgemini now expects to reach a run-rate of two-thirds of these synergies in June 2021. Moreover, based on the many commercial opportunities already identified, and in certain cases already signed, the Group is confident it can achieve the commercial synergies

³ Including €0.4 billion disbursed in 2019.

⁴ The valuation of the assets and liabilities and the purchase price allocation are performed by an independent expert and will be finalized within 12 months of the acquisition date.

⁵ The €0.7 billion excess was allocated to the redemption of the bond issue maturing in July 2020.



announced, which represent additional annual revenues of between €200 million and €350 million within three years.

OUTLOOK

In an environment that remains uncertain, the Group anticipates a gradual recovery in the second half of 2020, compared with the second quarter.

The Group has therefore set the following objectives for 2020 as a whole:

- Revenue growth at constant exchange rates of between +12.5% and +14.0%, with an estimated contribution from acquisitions of 17,0%;
- An operating margin reduction of 0.6 to 0.9 points compared to the 2019 rate of 12.3%, illustrating a clear improvement in our resilience;
- Organic free cash flow above €900 million.

However, a sharp deterioration in health conditions and/or the economic environment in the coming months could undermine the attainment of these objectives.

NEW ENVIRONMENTAL AMBITIONS

Capgemini has decided to increase its environmental footprint ambitions, recognizing the need to act to address climate change. On July 23, 2020, the Group announced its commitment to achieve carbon neutrality for its operations no later than 2025 and its ambition to be net zero by 2030.

To this end, Capgemini will accelerate its carbon reduction program across its biggest operational impact areas which are business travel, commuting and office energy, in line with the requirements of the 1.5°C science-based target pathway.

Capgemini's previous target, set in 2015, was to reduce carbon emissions by 30% per employee by 2030. This target was reached in January 2020.

Finally, Capgemini is helping its customers drive down their own carbon emissions and has set a target to help clients save 10 million carbon metric tons by 2030.

CONFERENCE CALL

Aiman Ezzat, Chief Executive Officer, Carole Ferrand, Chief Financial Officer and Rosemary Stark, Global Sales 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 placed online on the Capgemini investor website at <https://investors.capgemini.com/en/>.

PROVISIONAL CALENDAR

October 27, 2020	Q3 2020 revenues
February 17, 2021	FY 2020 results
April 29, 2021	Q1 2021 revenues

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



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ABOUT CAPGEMINI

Capgemini is a global leader in consulting, digital transformation, technology, and engineering services. The Group is at the forefront of innovation to address the entire breadth of clients’ opportunities in the evolving world of cloud, digital and platforms. Building on its strong 50-year heritage and deep industry-specific expertise, Capgemini enables organizations to realize their business ambitions through an array of services from strategy to operations. Capgemini is driven by the conviction that the business value of technology comes from and through people. It is a multicultural company of 270,000 team members in nearly 50 countries. With Altran, it reported 2019 combined global revenues of €17 billion.

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APPENDIX⁶

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 2020	Q2 2020	H1 2020
Organic growth	+2.0%	-7.7%	-3.4%
Changes in Group scope	+0.3 pts	+21.1 pts	+11.3 pts
Growth at constant exchange rates	+2.3%	+13.4%	+7.9%
Exchange rate fluctuations	+0.8 pts	-0.3 pts	+0.3 pts
Reported growth	+3.1%	+13.1%	+8.2%

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 businesses change, an increasing number of contracts require a range of business expertise for delivery, leading to a rise in inter-business flows.

⁶ Note that in the appendix, certain totals may not equal the sum of amounts due to rounding adjustments.



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 expenses" 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.

Covid-19: The impact of the health crisis on the consolidated financial statements at June 30, 2020 is not isolated. The definition of the above alternative performance measures is therefore unchanged and, in accordance with past practice, these financial statements include in other operating income and expenses a non-material amount of incremental and non-recurring costs related to this crisis.

RESULTS BY REGION

	Revenues	Year-on-year growth		Operating margin rate	
	H1 2020 (in millions of euros)	Reported	At constant exchange rates	H1 2019	H1 2020
North America	2,400	+6.8%	+4.2%	12.9%	14.4%
United Kingdom and Ireland	853	+0.5%	+0.6%	15.9%	14.3%
France	1,612	+7.6%	+7.6%	9.6%	6.9%
Rest of Europe	2,172	+14.4%	+15.1%	11.3%	10.2%
Asia-Pacific and Latin America	544	+5.8%	+11.4%	11.4%	10.5%
TOTAL	7,581	+8.2%	+7.9%	11.4%	10.8%

RESULTS BY BUSINESS

	Total revenues*	Year-on-year growth
	H1 2020 (% of Group revenues)	At constant exchange rates in Total revenues* of the business
Strategy & Transformation	7%	+8.6%
Applications & Technology	65%	-1.3%
Operations & Engineering	28%	+37.2%



SUMMARY INCOME STATEMENT AND OPERATING MARGIN

<i>(in millions of euros)</i>	H1 2019	H1 2020	Change
Revenues	7,007	7,581	+8.2%
Operating expenses	(6,210)	(6,763)	
Operating margin	797	818	+3%
<i>as a % of revenues</i>	11.4%	10.8%	-60 bp
Other operating income and expense	(139)	(241)	
Operating profit	658	577	-12%
<i>as a % of revenues</i>	9.4%	7.6%	-180 bp
Net financial expense	(39)	(64)	
Income tax income/(expense)	(232)	(204)	
(-) Non-controlling interests	1	2	
Profit for the period, Group share	388	311	-20%

NORMALIZED AND DILUTED EARNINGS PER SHARE

<i>(in millions of euros)</i>	H1 2019	H1 2020	Change
Average number of shares outstanding	165,843,357	167,646,025	
BASIC EARNINGS PER SHARE (in euros)	2.34	1.86	-21%
Diluted average number of shares outstanding	170,864,789	172,704,349	
DILUTED EARNINGS PER SHARE (in euros)	2.27	1.80	-21%

<i>(in millions of euros)</i>	H1 2019	H1 2020	Change
Profit for the period, Group share	388	311	-20%
Effective tax rate, excluding the transitional tax expense	32.6%	34.6%	+200 bp
(-) Other operating income and expenses, net of tax	93	158	
Normalized profit for the period	481	469	-3%
Average number of shares outstanding	165,843,357	167,646,025	
NORMALIZED EARNINGS PER SHARE (in euros)	2.90	2.80	-4%

The Group recognized an income tax expense in respect of the transitional impact of the US tax reform of €30 million in H1 2019 and €26 million in H1 2020. This reduced basic and diluted earnings per share and normalized earnings per share by €0.15 in H1 2020.

Adjusted for this income tax expense, normalized earnings per share is €2.95 in H1 2020.

<i>(in millions of euros)</i>	H1 2019	H1 2020	Change
Normalized earnings per share (in euros)	2.90	2.80	-4%
Transitional tax expense	30	26	
Average number of shares outstanding	165,843,357	167,646,025	
Impact of the transitional tax expense (in euros)	0.18	0.15	
Normalized earnings per share – excluding the transitional tax expense (in euros)	3.08	2.95	-4%

CHANGE IN CASH AND CASH EQUIVALENTS AND ORGANIC FREE CASH FLOW

<i>(in millions of euros)</i>	H1 2019	H1 2020
Net cash from operating activities	337	362
Acquisitions of property, plant and equipment and intangible assets, net of disposals	(118)	(98)
Net interest cost	13	(19)
Repayments of lease liabilities	(142)	(139)
ORGANIC FREE CASH FLOW	90	106
Other cash flows from (used in) investing and financing activities	(416)	(374)
Increase (decrease) in cash and cash equivalents	(326)	(268)
Effect of exchange rate fluctuations	(15)	(66)
Opening cash and cash equivalents, net of bank overdraft	2,004	2,450
Closing cash and cash equivalents, net of bank overdraft	1,663	2,116



NET DEBT

<i>(in millions of euros)</i>	06/30/2019	12/31/2019	06/30/2020
Cash and cash equivalents	1,669	2,461	2,149
Bank overdrafts	(6)	(11)	(33)
Cash and cash equivalents	1,663	2,450	2,116
Cash management assets	204	213	332
Long-term borrowings	(3,237)	(2,564)	(7,619)
Short-term borrowings and bank overdrafts	(260)	(717)	(866)
(-) Bank overdrafts	6	11	33
Borrowings, excluding bank overdrafts	(3,491)	(3,270)	(8,452)
Derivative instruments	3	7	(4)
NET CASH AND CASH EQUIVALENTS / (NET DEBT)	(1,621)	(600)	(6,008)